

Laurus Labs Limited
Corporate Office
2nd Floor, Serene Chambers, Road No. 7
Banjara Hills, Hyderabad - 500034, Telangana, India
T +91 40 39804333 / 2342 0500 / 501
F +91 40 3980 4320



January 30, 2020

To The Corporate Relations Department BSE Limited Phiroz Jeejeebhoy Towers, 25 th Floor, Dalal Street Mumbai – 400001 Code: 540222	To The Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Code: LAURUSLABS
--	---

Dear Sirs,

Sub: Press Release

Please find enclosed herewith the Press Release on the Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2019.

Please take the information on record.

Thanking you,

Yours sincerely,
For Laurus Labs Limited


G. Venkateswar Reddy
Company Secretary



Encl: As above

PROFIT AFTER TAX AT INR 73.5 crs in Q3 FY20 with a growth of 313 %

Q3 FY20 Revenues up 38%

Q3 FY20 EBITDA at INR 150 crs up 68%

Q3 FY20 EBITDA margins at 21%

Hyderabad, January 30, 2020: Laurus Labs Ltd. (**Laurus BSE: 540222, NSE: LAURUSLABS, ISIN: INE947Q01010**), a leading research and development-driven pharmaceutical company in India announces its Q3 & 9M FY20 results.

Consolidated Q3 FY20 Laurus reported:

- Revenue at INR. 7,296 mn, up 38% (Y-o-Y)
- EBITDA INR 1,500 mn, up 68% (Y-o-Y)
- EBITDA margins at 21 %
- PAT at INR. 735 mn, up 313% (Y-o-Y)
- EPS (Diluted) for the period at INR. 6.9 per share (not annualised), up 306% (Y-o-Y)

Consolidated 9M FY20 Laurus reported:

- Revenue at INR. 19,926 mn, up 20% (Y-o-Y)
- EBITDA INR 3,761 mn, up 46% (Y-o-Y)
- EBITDA margins at 19 %
- PAT at INR. 1,451 mn, up 187% (Y-o-Y)
- EPS (Diluted) for the period at INR. 13.6 per share (not annualised), up 183% (Y-o-Y)

Commenting on the results announcement, Dr. Satyanarayana Chava - CEO said;

"Our Formulations business led by Low Middle Income Countries (LMIC) tenders has delivered significant growth in a very short time, resulting in a ~30% contribution to revenues on a 9M FY20 basis. With an enhanced focus on growth opportunities arising from LMIC markets, the contribution from the FDF business is expected to improve further. The growth in the developed markets will be driven by our product-specific approach.

Other API division has maintained its strong growth trajectory from previous quarters. The introduction of new high-value products continues to drive growth. However, our ARV API revenues were lower mainly because of lower offtake in the South Africa market due to delays in Supplementary tenders. Despite that, we have reported a Revenue growth of 38% for the quarter and 20% for 9M FY20 (Y-o-Y).

We have received Establishment Inspection Report (EIR) for our Unit 2 and Units 1 & 3 successfully completed their USFDA audit with three minor observations. We remain committed to the highest level of Compliance & Quality. With our margins improving consistently in FY20 I am very pleased to see that we are on a high growth track."

Commenting on the results announcement, V V Ravi Kumar, ED & Chief Financial Officer said;

"Our Total Revenues from Operations came in at INR 7,296 mn. Gross Margins continue to improve with Formulations business along with a change in product mix and softening of some raw material prices. Also, with the improved Operating Leverage, our EBITDA margins have shown improvement at 21% for Q3 FY20 & 19% for 9M FY20. Our Asset utilization rates have improved with Unit 2 running at near full capacity. With attractive business opportunities and healthy order book for FY21, we continue to invest in our FDF Infrastructure. At the same time, we remain confident of achieving positive Free Cashflows (FCF) status from FY21 onwards."

Business Highlights:

Overall

- Total Income at INR 7,296 mn in Q3 FY20 growing by 38 % (Y-o-Y)
- Total Income at INR 19,926 mn in 9M FY20 growing by 20 % (Y-o-Y)
- R & D spent of INR 1,204 mn and 6 % of sales in 9M FY20.

Generic FDF

- Generic FDF business maintains robust growth momentum for the quarter and 9M FY20.
 - The growth in the quarter was led by higher sales from tender business in LMIC; having a strong order book for coming quarters
 - Contract manufacturing revenues from EU region has a strong order book for FY20 & FY21
- Pregabalin launched in July 2019 by our partner, continues to enjoy double digit market share
- 2 product validation completed for formulation apart from filling of 24 ANDAs & NDAs
- 5 products have received Final Approval and 3 products have received Tentative Approval
- FDF Opex for 9M FY20 stood at INR 1,392 mn which includes INR 528 mn related to the FDF R&D
- Unit 2 underwent successful USFDA Inspection – Received EIR

Synthesis & Ingredients

- State-of-the-art cGMP facilities to manufacture NCEs and Intermediates
- Integrated projects across platforms as the molecule develops from Pre-Clinical to Commercial supplies
- Working with Global clientele – Large, mid and small biotech companies

Generic API

- Filed 256 patent applications and 107 patent granted as on Dec 31, 2019
- Units 1 & 3 underwent USFDA inspection – Received 3 minor observations, EIR Awaited

-ENDS-

About Laurus Labs Limited

Laurus Labs is a leading research driven Pharmaceutical Manufacturing Company in India. We have grown to become one of the leading manufacturers of API for Anti-Retroviral (ARV), Oncology, Cardiovascular, Anti-Diabetics, Anti-Asthma, and Gastroenterology. We are thriving on growth opportunities in formulation manufacturing to service all leading markets of North America, Europe and Low Middle-Income Countries (LMIC). We are driving growth opportunities in Contract Development and Manufacturing through our Synthesis business. Most of our manufacturing facilities are approved by major regulatory authorities USFDA, WHO-Geneva, UK-MHRA, etc. Our approach remains to identify and invest ahead of time with strategic investments in State-of-the-Art R&D and Manufacturing Infrastructure enabling us to become a quality supplier of high volume products.

Corporate Identification No: L24239AP2005PLC047518

For more information about us, please visit <http://www.lauruslabs.com> or Contact particulars:

Pavan Kumar N
Laurus Labs Ltd.
Tel: +91 40 3980 4380
Email: mediarelations@lauruslabs.com



DISCLAIMER: Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Laurus Labs Limited (Laurus) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.