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



April 30, 2020

To

The Corporate Relations Department

BSE Limited

Phiroz Jeejeebhoy Towers, 25th Floor,

Dalal Street

Mumbai - 400001

Code: 540222

То

The Listing Department

National Stock Exchange of India Limited

Exchange Plaza,

Bandra Kurla Complex, Bandra (East)

Mumbai – 400 051

Code: LAURUSLABS

Dear Sirs,

Sub: Investors/Analysts Presentation

We enclose herewith the presentation to the Investors/Analysts on the Standalone and Consolidated Financial Results of the Company for the Quarter and year ended March 31, 2020, for the Investors/Analysts call scheduled on April 30, 2020, which was already intimated on April 27, 2020.

The presentation is also being uploaded on the website of the Company www.lauruslabs.com.

Please take the information on record.

Thanking you,

Yours sincerely,

For Laurus Labs Limited

Company Secretary

Encl: As above







LAURUS LABS LIMITED

Q4 & FY20
INVESTOR PRESENTATION
April 30, 2020

BSE: 540222 NSE: LAURUSLABS

Disclaimer



This presentation contains statements that constitute "forward looking statements" including and without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to our future business developments and economic performance. While these forward looking statements represent our judgment and future expectations concerning the development of our business, such statements reflect various assumptions concerning future developments and a number of risks, uncertainties and other important factors that could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, regulatory and legislative developments which could adversely affect our business and financial performance.

Laurus Labs undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.

No part of this presentation may be reproduced, quoted or circulated without prior written approval from Laurus Labs Limited.

Business Snapshot



	LAURUS Generics - API Active Pharmaceutical Ingredients & Intermediates	LAURUS Generics -FDF Finished Dosage Forms	LAURUS Synthesis Contract Development & Manufacturing Services
Overview	 Development, manufacture and sale of APIs and Advanced Intermediates Leadership in various High Value and Volume APIs with sizeable Global Market share. High potent manufacturing capability in two manufacturing units. 	 Developing and manufacturing oral solid formulations for LMIC, North America & EU Markets. Backed by in house API strengths 	 Contract development and manufacturing services for global pharmaceutical companies and several late stage projects executed Steroids and Hormone manufacturing capability Sale and manufacture of specialty ingredients for use in nutraceuticals, dietary supplements and cosmeceutical products with natural extraction capability
Product and Service Offerings	 Anti-retroviral (ARV) Anti-diabetic CVS PPIs Oncology Hepatitis C 	ARVsAnti-diabeticCVSPPIsCNS	 Commercial scale contract manufacturing Clinical phase supplies Analytical and research services Nutraceuticals, dietary supplements and cosmoceutical products
Filings	 Commercialized 60+ products 60 DMFs filed 	 Filed 26 ANDAs with USFDA and 6 Final approvals and 5 tentative approvals In addition completed 2 products validation 10 in Canada, 6 in Europe, 8 with WHO, 2 in South Africa, 2 in India & 11 products filed in various ROW markets. 	 Commenced commercial supplies from Unit 5 Digoxin API validation completed
Infrastructure	4 Manufacturing facilities, (3,403 KL) (1) (2)	5 bn Units / year capacity.	 Dedicated manufacturing (Unit – 5) Capacity (125 KL) for Aspen. Set up a dedicated block in Unit 4 for global partner, C2 Pharma Manufacturing facilities⁽²⁾



Growth Verticals – Diversified Pharma Company



Formulations

Custom Manufacturing Services

Generic APIs

- Leveraging API Synergies for Forward Integration
- Targeting various high growth markets like LMIC, US, Canada, & Europe
- Therapeutic Focus Areas remains on key segments of ARV, CVS, CNS, PPI & Anti Diabetic
- In FY20 generated revenue of INR 8,253 mn.
- Capacity expansion initiated in the existing building and will be operational by September 2020.
- We are in the process of Incorporating Wholly Owned subsidiary to give increased focus and eventually dedicated R&D and Manufacturing
- Focus on supplies of Key Starting Materials, Intermediates and APIs for NCEs
- Completed several projects in various stages from pre clinical to commercial scale
- Working with Large Global Innovator Pharmaceutical Companies, mid and small Biotech Companies
- Ingredients Leverage process chemistry skills to strengthen presence in nutraceutical and cosmeceutical sectors as they adopt quality standards at par with pharma industry
- Working with 9 of the top 10 Large Global Generic Pharma Companies
- **ARV** Incremental HIV patients added to patient pool will support future revenue growth. Expanding in second line treatment will also add to growth.
- Oncology Leadership in select Onco APIs, new products added to support commercial launches on patent expiry. Backward integration completed for a key API.
- Other APIs- Strong opportunity in Other API space on account of diversified products in Anti Diabetic, CVS, CNS & PPIs.

Formulations Business

Formulations Strategy – Emerging Markets



	Growth Levers
Overview	 ARV Tender business from LMIC remains the forefront of our Formulations Strategy. Formulation Filings are deeply backward Integrated giving further cost advantage compared to peers
LMIC Markets	Participation via – Global Fund tenders, PEPFAR, WHO, Various African In-Country Tenders
Addressable Market Size	 ~\$ 2 Billion in Generic Accessible Markets ~\$1.5 Billion First Line Market

LONG TERM SUSTAINABLE GROWTH OPPORTUNITY

- Strategic Partnerships with multilateral agencies providing access to major tenders
 - Actively Participating in In-Country Tenders
 - Focused on executing large sized opportunities from tenders in coming quarters
- Cumulatively filed 11 products in various LMIC markets

CURRENT PRODUCT PORTFOLIO & APPROVALS

- Filed 4 Triple Combination products DLT, TLE600, TLE400 & TEE
- Approvals
 - DLT Approved in Feb 2019
 - DTG & TDF Singles Approved
 - ET Approved
 - TLE400 approved under ERP (Awaiting Final Approval)
- Key Pending Approvals TLE600, TLE400 & TEE.



Formulations Strategy – Developed Markets



Current Filings Status

Therapy	US ANDA	Europe	Canada					
ARV	15	4	5					
Anti- Diabetic	3	1	2					
CVS	3	+	-					
CNS	1	1	1					
Others	4	+	2					
Total	26	6	10					

Current Approval Status

Therapy	US ANDA	Europe	Canada
Final Approval	6	5	5
Tentative Approval	5	-	-
Total	11	5	5

North America

- Cumulatively filed 26 ANDAs
- Hydroxychloroquine launched in March 2020 in US by our partner
- Pregabalin is sold in US by our partner with good market share
- The ANDA filings include 2 Para IV and 7 FTFs opportunities worth over Billions of Dollars in Annual sales
- Continue to file around 8-10 ANDAs annually
- Cumulatively filed 10 dossiers in Canada

EUROPE

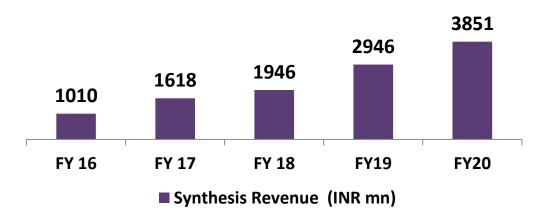
- Cumulatively Filed 6 dossiers in EU Markets.
- Entered into a long term partnership with a leading generic player in EU region for Contract Manufacturing Opportunities.
 - Two products marketed using own front end
- Have a strong order book for FY21



Synthesis Business

Synthesis (CDMO) Business Strategy





OVERVIEW

- State-of-the-art cGMP facilities to manufacture NCEs and Intermediates
- Integrated projects from Pre Clinical to Commercial stages
- Working with Large Global Innovator Pharmaceutical Companies, mid and small Biotech Companies
- We are in the process of Incorporating Wholly Owned Subsidiary to give increased focus and eventually dedicated R&D and Manufacturing
- Merged Ingredients business division with Custom Synthesis business in order to have clear demarcation on Products and Strategy

GROWTH POTENTIAL

- Sizeable revenue generating from Unit 5 for Aspen
- Commercial supplies started for 2 products

Generic API Business

Generic APIs Strategy



- ARV API Growth in ARV APIs will be driven by
 - New patients addition
 - Introduction of new Second Line products
 - Maintaining Leadership in the existing product portfolio
 - Large capacity for 2 first line products Lamivudine & Dolutegravir
 - Developed Second Line Products Lopinavir, Ritonavir & Darunavir
 - Supply of APIs to developed markets of EU and North America
- Oncology Growth in the segment will be led by new launches and increase in market share of existing products
 - Strengthening Global Leadership in current products
- Other API Huge growth opportunity on offer with global supply disruptions in the market
 - Focusing on key therapeutic segments like Anti Diabetic, PPIs, & CNS
 - Products commercialized for Contract Manufacturing opportunities with an EU Customer
 - Contract Manufacturing is a growing business with global generic partners
 - Additional revenue from commodity ingredients are merged into Generic API business

Infrastructure & R&D

Manufacturing Facilities at Parawada, Vizag





- Located at Jawaharlal Nehru Pharma City, Vishakhapatnam, India.
- API manufacturing facility and includes capacity for ingredients, synthesis and contract manufacturing.
- Commenced operations in 2007.
- 323 reactors with 1,196 Kilo Liters capacity.
- Received approvals from US FDA, WHO-Geneva, NIP Hungary, KFDA, COFEPRIS, PMDA, ANVISA & JAZMP – Slovenia.



- Located at Jawaharlal Nehru Pharma City, Vishakhapatnam, India.
- API manufacturing facility and includes capacity for ingredients, synthesis and contract manufacturing.
- Commenced operations in 2015.
- 230 reactors with 1,737 Kilo Litres capacity.
- Received approvals from USFDA, WHO Geneva, NIP Hungary, COFEPRIS, KFDA, ANVISA & JAZMP – Slovenia.



- Located at Jawaharlal Nehru Pharma City, Vishakhapatnam, India. (SEZ)
- A dedicated Hormone and Steroid facility for Aspen
- Commenced operations in 2017.
- 46 reactors with 125 Kilo Litres capacity.

Manufacturing Facilities at Achutapuram, Vizag





- Located at APIIC, Achutapuram, Visakhapatnam, India. (SEZ)
- FDF and API manufacturing facility
- Commenced operations in 2017.
- FDF capacity of 5 bn tablets/capsules per year. Capacity expansion initiated and will be operational by September 2020
- API block with 12 reactors with 83 Kilo Liters capacity.
- Received approvals from BVG Hamburg Germany, USFDA, WHO Geneva, JAZMP Slovenia and various African Countries



- Located at APIIC, Achutapuram, Visakhapatnam, India. (SEZ)
- API manufacturing facility and includes capacity for ingredients, synthesis and contract manufacturing.
- Commercial operations in 2018
- 52 reactors with 205 Kilo Liters capacity
- Received approval from COFEPRIS Mexico and USFDA

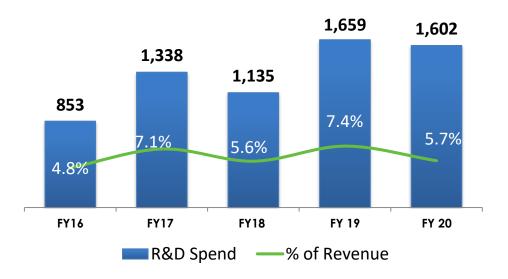


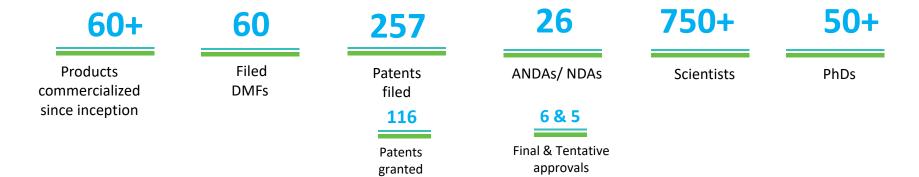
- Located at APIIC, Achutapuram, Visakhapatnam, India.
- API manufacturing facility.
- · Commercial operations in 2018
- 46 reactors with 265 Kilo Liters capacity.
- · Received approval from USFDA

Strong R&D Capabilities









- R & D spent includes OPEX, CAPEX (Excluding depreciation) and RMC of FDF validation batches.
- FY 17 & FY19 numbers are high due to additional CAPEX of INR 248 mn in FY19 and initial FDF validation batches.

Quality Focus & Regulatory Audits





We maintain consistent quality, efficiency and product safety.

We have adopted uniform manufacturing standards across all facilities to achieve standardized quality for all markets. Good manufacturing practices across all the manufacturing facilities, encompassing all areas of business processes right from supply chain to product delivery.



Regular Inspection at different manufacturing units

2019	USFDA, ANVISA, KFDA, JAZMP – Slovenia
2018	USFDA, JAZMP - Slovenia
2017	WHO, USFDA, EU (Germany)
2016	USFDA
2015	WHO, USFDA, EU (Germany)
2014	WHO, USFDA, CDSCO
2013	WHO
2012	USFDA
2011	KFDA, USFDA, WHO
2010	MHRA
2009	TGA, USFDA

Financial Performance

Drivers of Revenue – Division-wise revenue breakup

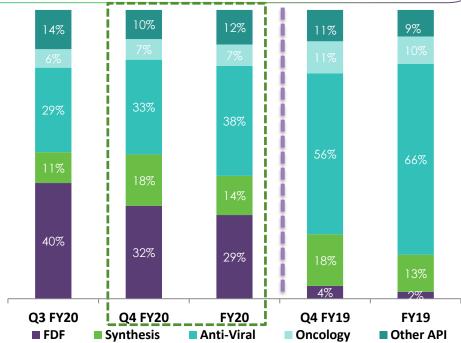


Total Revenue showed a robust growth of 32% for the quarter (Y-o-Y) & 24% for FY20 (Y-o-Y)

- Generic FDF business recorded significant growth for the quarter and FY20.
 - The robust growth was led by higher sales from tender business in LMIC; having strong order book for coming quarters
 - Sales from North America and EU contributed significantly
- Synthesis Business recorded strong growth. The business showed a healthy growth of 34% for the quarter (Y-o-Y) and 31% for FY20 (Y-o-Y). Growth was led by higher contribution from CDMO business.
 - Merged major portion of Ingredients business with Synthesis segment

Generic API

- Anti Viral Segment consisting of revenues from ARV & HEP-C APIs recorded growth on Sequential basis.
 However, the revenue on Y-o-Y basis were lower mainly due to lower off-take of Efavirenz and FTC API's due to delay in awarding Supplementary tender in South Africa.
- **Oncology** business reported (17%) for the quarter (Y-o-Y) and (3%) on FY20(Y-o-Y) basis.
- Other API segment showed a robust healthy growth of 33% & 54% for the quarter (Y-o-Y) and FY20 (Y-o-Y) respectively. Growth was led by new product introductions and higher volumes of existing products.
- Added 2 products to Other API Segment from Ingredients segment



Segments (INR mn)	Q3 FY20	Q4FY20	FY20	Q4 FY19	FY19	Growth Q4 (Y-o-Y)	Growth FY20 (Y-o-Y)
Generics FDF	2,921	2,673	8,253	282	546	848%	1,412%
Synthesis	782	1,479	3,851	1,101	2,946	34%	31%
Anti - Viral	2,136	2,728	10,863	3,568	15,144	-24%	-28%
Oncology	468	591	2,106	708	2,182	-17%	-3%
Other API	989	920	3,244	693	2,101	33%	54%
Total Revenue	7,296	8,391	28,317	6,352	22,919	32%	24%



Segmental Breakup of Merged Divisions



Segmental Breakup (INR mn)	FY20	Q4 FY20	Q3 FY20	Q2 FY20	Q1 FY20	Q4 FY19	FY 19
ARV API	10,330	2,645	1,981	2,986	2,718	3,153	13,947
HEP – C	533	83	155	183	112	415	1,197
Anti – Viral	10,863	2,728	2,136	3,169	2,830	3,568	15,144
Other API – Ingredients	119	43	14	41	20	43	211
Synthesis - Ingredients	737	177	165	257	139	160	395
Total Ingredients	856	220	179	298	159	203	606

Merged business segments in order to have clear demarcation of products and simplified business structure

Performance Highlights - Abridged Profit & Loss statement



Particulars (INR mn)	Q4 FY20	Q4 FY 19	Growth % (Q4 FY20 Vs. Q4 FY 19)	Q3 FY 20	Growth % (Q4 FY20 Vs. Q3 FY 20)	FY20	FY19	Growth % (FY20 Vs. FY19)
REVENUE	8,391	6,352	32.1%	7,296	15.0%	28,317	22,919	23.6%
EBITDA Margins	1,934 23.0%	1,134 17.9%		1,500 20.6%		5,695 20.1%	3,712 16.2%	
PBT Margins	1,267 15.1%	526 8.3%	-	817 11.2%	55.1%	2,936 10.4%	1,198 5.2%	
PAT Margins	1,102 13.1%	432 6.8%		735 10.1%	49.9%	2,553 9.0%	938 4.1%	
EPS (Diluted) *	10.3	4.1	151.2%	6.9	49.3%	23.9	8.8	171.6%

^{*} Not annualized for quarter ended

Abridged Balance Sheet

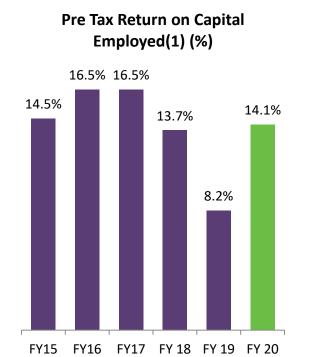


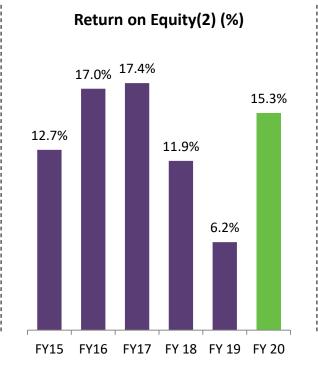
Particulars (INR mn)	As on 31.03.2020	As on 31.03.2019
EQUITY AND LIABILITIES		
Share capital	1,069	1,064
Reserves and surplus	16,629	14,520
Non-current liabilities	2,882	3,489
Current liabilities	16,923	14,239
Total	37,503	33,312
ASSETS		
Fixed assets	17,936	17,387
Non-current assets	1,447	1,295
Current assets	18,120	14,630
<u>Total</u>	37,503	33,312

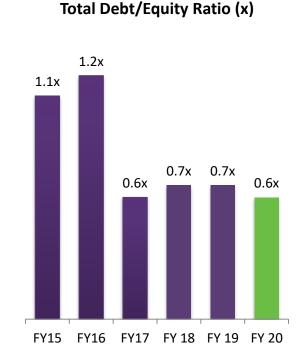
	As on	As on
Particulars (INR mn)	31.03.2020	31.03.2019
BORROWINGS		
Long term borrowings	1,650	2,587
Current maturities of LTB	1,013	930
Short term borrowings	7,905	6,842
TOTAL	10,568	10,359

Snapshot of Return Ratios









Note: Based on consolidated financials as per Ind AS

⁽¹⁾ Pre-tax RoCE is calculated as EBIT/Average Capital Employed. Capital employed is defined as Net Worth + Long Term and Short Term Borrowings + Current Portion of Long Term Borrowing - Cash

²⁾ RoE is calculated as PAT/Average Net Worth

Outlook for FY21 & Beyond



Healthy Revenue visibility on the back of robust Order Book

- Partnership with Global Fund offers higher volume contracts with reasonable predictability in FDF Tender business.
 Having higher revenue visibility
- Have a healthy order book for FY 21 & Beyond in FDF Contract business with a strategic partner in EU
- Robust growth in Other API segment to continue on the back of higher order book visibility from key therapeutic segments like CVS, Anti Diabetic and PPIs
- Several new customers added with programs n various clinical phases
- We are in the process of Incorporating Wholly Owned subsidiary to give increased focus and eventually dedicated R&D and Manufacturing
- Other therapeutic areas including Oncology to offer consistent opportunities to broaden scope, with ongoing new product introduction

Changing business mix to drive growth

- Generic FDF segment contributed ~30% to Total Revenue as against just 2% in FY19
- Non ARV API business pie to contribute more than 50% of our Total Revenue, mainly driven by FDF
- The change in Revenue & Product mix to generate better Profitability & Margins
- Synthesis business to show gains in line with new customer additions in CDMO
- Business scale up in engagement with Aspen and Incremental contribution from Ingredients business.

Capacity augmentation to result in better return ratios

- Among top 5 in India in terms of Reactor capacities
- All the green field expansion have turned Cash positive in FY20 with near maximum utilization
- Continue to undertake Brown Field Capex programme for Capacity addition in line with strong Order Book visibility and business outlook
- Doubling our FDF capacity by FY22
- With higher utilizations ROCE improved from 8.2% to 14.1% in FY20
- Brown Field capex to have shorter payback period and ROCE accretive



Key Milestones



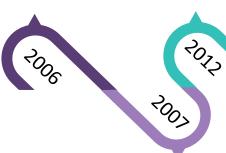
Set up the R&D Centre at IKP, Knowledge Park, Hyderabad

Investment of INR 600 mn by FIL Capital Management and Promoters.

- Investment of INR 3000 mn by **Warburg Pincus**
- **Incorporated First** Subsidiary in USA.
- Forged partnership with ASPEN for **CRAMS**
- Successfully listed on BSE &NSE
- Filed first ANDA for US market
- Acquired 100% stake in Sriam Labs Pvt Ltd.

2016

- Crossed INR 20 billion of revenue
- Commenced commercial operations from Unit 4
- Incorporated a subsidiary in Germany
- Commenced FDF supplies.



Commenced commercial operations at Unit 1

Crossed INR 10 billion of revenues

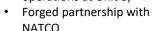
- operations at Unit 3,
- **NATCO**



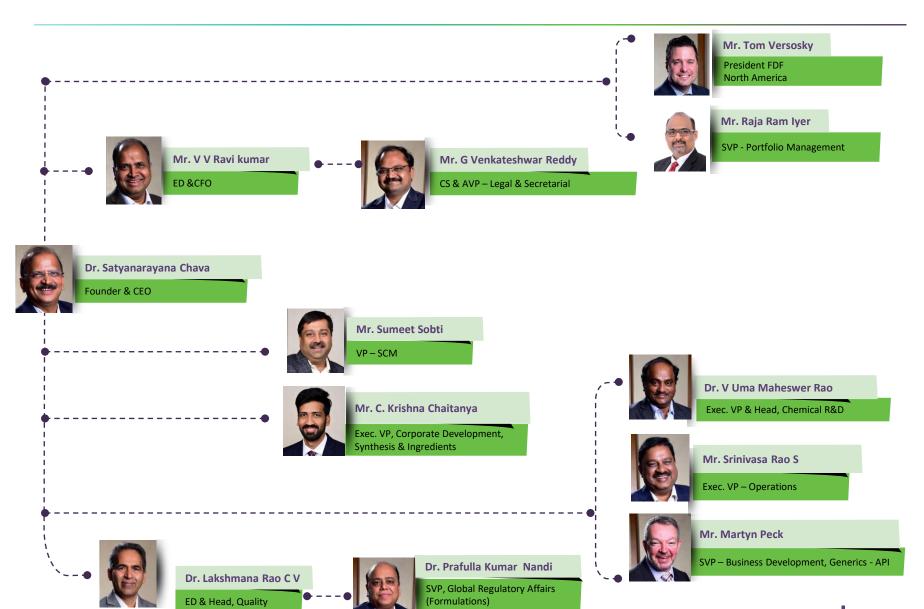
- Commenced commercial supplies from Unit 5 for Aspen •
- Incorporated subsidiaries in UK & USA
- **Entered into Strategic** partnership with Global Fund for 3.5 years.
- Executed on time delivery of several FDF shipments
- · Maiden EIR received for Unit 4







Management Team



Corporate Governance



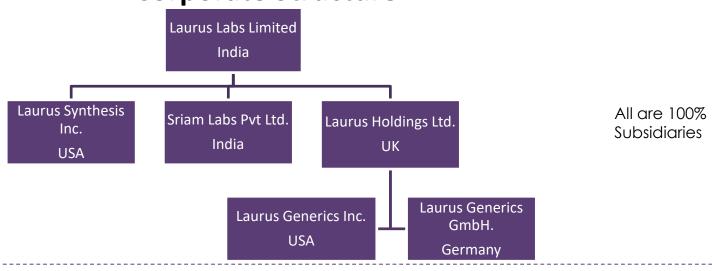
Executive Directors				
Name Background				
Dr Satyanarayana Chava	Whole-time Director, Founder and Chief Executive Officer			
Ravi Kumar V V	 Whole-time Director and CFO 			
Dr Lakshmana Rao C V	 Whole-time Director and Head, Quality 			

Non-Executive Directors					
Name	Background				
Dr. M. Venu Gopala Rao	Non Executive Chairman and Independent Director				
Narendra Ostawal	Managing Director of Warburg Pincus India Private Limited				
Chandrakanth Chereddi	 Non-Executive Director, Former Head of Generic FDF and Strategy at Laurus Labs Limited 				
Aruna Rajendra Bhinge	 Independent Director; Former Head of Food Security Agenda, APAC at Syngenta India Limited 				
Dr. Rajesh Koshy Chandy	 Independent Director; Professor of Marketing at the London Business School 				
Dr. Ravindranath Kancherla	 Independent Director and Founder-Member and Treasurer of ELSA of Asia in Singapore and Chairman of Global Hospitals 				

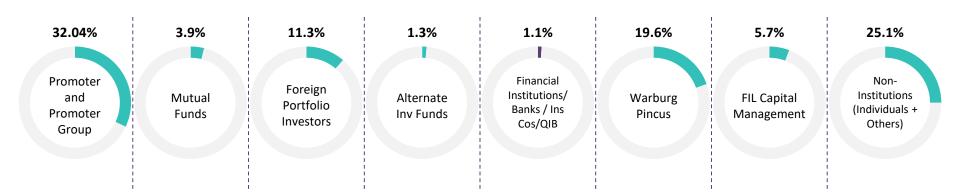
Ownership Structure







Shareholding pattern *



Awards 2019









PORTER PRIZE 2019

Laurus Labs won the prestigious Porter Prize 2019. The eponymous award was presented to Dr. Satyanarayana Chava, Founder & CEO, Laurus Labs, by Dr. Bibek Debroy, Chairman of the Economic Advisory Council to the Prime Minister (EAC-PM), while Prof. Michael E. Porter, a stalwart on competitive business strategies, Harvard Business School connected through VC, accompanied by Dr. Amit Kapoor, Chairman, IFC, on October 17, 2019 in New Delhi.

The award was presented to Laurus Labs for outstanding performance in the industry and to recognize the strategies that made Laurus Labs strategy sustainable as they were not easy to match or neutralize due to which the company was able to create the barriers pertaining to emulation in the sector.

NATIONAL SAFETY AWARD

Laurus Labs, Unit 1 & Unit 3 won the prestigious NATIONAL SAFETY AWARD for the best safety performance for the year 2017 from DGFASLI, Ministry of Labour and Employment, Govt. of India.

Mr. SS Rao, Executive Vice President, Operations and Mr. S Srinivasa Rao, Vice President, Operations received the awards from Mr. Santosh Kumar Gangwar, Union Minister for Labour and Employment on the occasion of VISHWAKARMA DAY in New Delhi on 17 September 2019.

PHARMAEXCIL AWARD

Laurus Labs won the Pharmexcil Out Standing Export Performance Award 2018 – 2019 Award on 19 September 2019.

Laurus Labs is a Fortune 500 Company, Great Place To Work and one of the India's Best Workplace in 2019

Laurus Labs continues to be in the Fortune 500 Companies List in India since 2017.



Laurus Labs is certified as "Great Place to Work" for the second consecutive year 2019.



Laurus Labs is recognized as one of the Best Work Places in Biotechnology,
Pharmaceuticals & Health
Care sector for the year 2018



Results Conference Call



Results conference call on Thursday April 30, 2020 at 4:30 PM IST

Details of the conference call are as follows:

Timing	4:30 PM IST on Thursday, April 30, 2020
Conference dial-in Universal Dial-In	+91 22 6280 1214
India Local access Number	+91 7045671221 Available all over India
Singapore	+ 6531575746
Hong Kong	+ 85230186877
USA	+ 13233868721
ИК	+ 442034785524

Contact us



About Laurus Labs Ltd.

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 **www.lauruslabs.com** or contact:

Monish Shah

Tel: +91 040 6659 4366

Email: investorrelations@lauruslabs.com

Thank You