Laurus Labs Limited
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LAURUS Labs
Knowledge . Innovation . Excellence

October 31, 2019

To	To
The Corporate Relations Department BSE Limited Phiroz Jeejeebhoy Towers, 25th Floor, Dalal Street Mumbai – 400001 **Code: 540222**	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 Unaudited Financial Results of the Company for the Quarter and Half-year ended September 30, 2019, for the Investors/Analysts call scheduled on November 01, 2019, which was already intimated on October 29, 2019.

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

LAURUS LABS LIMITED Hyderabad

G. Venkateswar Reddy
Company Secretary

Encl: As above

LAURUS LABS LIMITED

Q2 & H1 FY20

INVESTOR PRESENTATION

October 31, 2019

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.

Business Snapshot

	LAURUS Generics- API Active Pharmaceutical Ingredients & Intermediates	LAURUS Generics-FDF Finished Dosage Forms	LAURUS Synthesis Contract Development & Manufacturing Services	LAURUS Ingredients Specialty Ingredients for Nutraceutical & Allied Industry
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 • Natural extraction capability
Product and Service Offerings	• Anti-retroviral (ARV) • Anti-diabetic • CVS • PPIs • Oncology • Hepatitis C	• ARVs • Anti-diabetic • CVS • PPIs • CNS	• Commercial scale contract manufacturing • Clinical phase supplies • Analytical and research services	• Nutraceuticals, dietary supplements and cosmoceutical products
Filings	• Commercialized 50+ products • 58 DMFs filed	• Filed 21 ANDAs with USFDA and 5 Final approvals and 3 Tentative Approvals out of 21. In addition completed 3 products validation • 7 in Canada, 6 in Europe, 8 with WHO, 2 in South Africa, 2 in India & 9 products filed in various ROW markets.	• Commenced commercial supplies from Unit 5	• Digoxin API validation completed
Infrastructure	• 4 Manufacturing facilities, (3,362 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)

(1) Includes ingredients products excluding Unit 2 API & Kilo lab capacity

(2) APIs , Ingredients and Synthesis (other than Aspen supplies) are manufacturing at Unit 1,3 ,4 & 6

Growth Verticals – Diversified Pharma Company

Formulations

- 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

Synthesis

- Focus on supplies of key starting materials, intermediates and NCE
- Completed several projects in various stages from pre clinical to commercial scale
- Working with Large Global Innovator Pharmaceutical Companies, mid and small Biotech Companies

Generic APIs

- 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.
    - Most of the key First Line APIs are fully Backward Integrated
    - Commenced commercial supplies for Lamivudine & Dolutegravir.
- **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.
- **Ingredients** - Leverage process chemistry skills to strengthen presence in nutraceutical and cosmeceutical sectors as they adopt quality standards at par with pharma industry

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 backword 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 9 products in various RoW markets**

CURRENT PRODUCT PORTFOLIO & APPROVALS

- **Filed 4 Triple Combination products – DLT, TLE_{600}, TLE_{400} & TEE**
- **Approvals**
  - DLT Approved in Feb 2019
  - DTG & TDF Singles Approved
  - TLE_{400} approved under ERP (Awaiting Final Approval)
- **Key Pending Approvals** – TLE_{600}, TLE_{400} & TEE.
  - Expecting all the approvals in FY 20

Formulations Strategy – Developed Markets

Current Filings Status

Therapy	US ANDA	Europe	Canada
ARV	11	4	4
Anti- Diabetic	3	1	1
CVS	2	-	-
CNS	1	1	1
Others	4	-	1
Total	**21**	**6**	**7**

Current Approval Status

Therapy	US ANDA	Europe	Canada
Final Approval	**5**	**4**	**4**
Tentative Approval	**3**	**-**	**-**
Total	**8**	**4**	**4**

North America

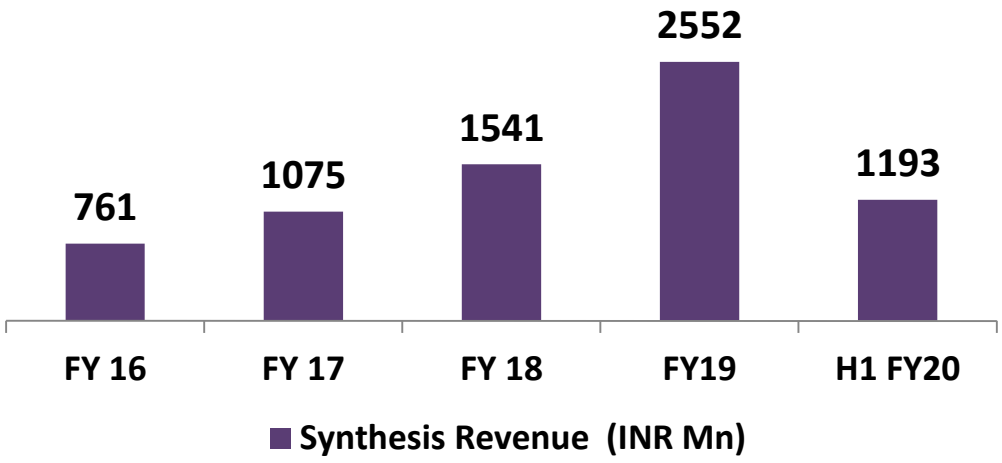
- **Cumulatively filed 21 ANDAs**
- Pregabalin launched in US by our partner with good market share
- The ANDA filings include 2 Para IV and 7 FTFs opportunities worth over Billions of Dollars in Annual sales
- **Continue to file around 8-10 ANDAs annually**
- **Cumulatively filed 7 products in Canada**

EUROPE

- **Cumulatively Filed 6 products in EU Markets.**
- Entered into a long term partnership with a leading generic player in EU region for Contract Manufacturing Opportunities.
  - Few products marketed using own front end
- **Have a strong order book for FY20**

Synthesis Business

Synthesis (CDMO) Business Strategy



OVERVIEW

- State-of-the-art cGMP facilities to manufacture NCEs
- Integrated projects from Pre Clinical to Commercial stages
- **Working with Large Global Innovator Pharmaceutical Companies, mid and small Biotech Companies**

GROWTH POTENTIAL

- Sizeable revenue generating from Unit 5 for ASPEN
- 2 Projects from CDMO business are commercialized

Generic API Business

Generic APIs Strategy

- **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

- **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
  - Launched new First Line Products – Lamivudine & Dolutegravir
  - Supply of APIs to EU and North America

Infrastructure & R&D

Manufacturing Facilities at Parawada, Vizag

Unit-I

- Located at Jawaharlal Nehru Pharma City, Vishakhapatnam, India.
- API manufacturing facility and includes capacity for ingredients, synthesis and contract manufacturing.
- Commenced operations in 2007.
- 324 reactors with 1,199 Kilo Liters capacity.
- Received approvals from US FDA, WHO-Geneva, NIP – Hungary, KFDA, COFEPRIS, PMDA, ANVISA & JAZMP – Slovenia.

Unit-III

- 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 1,697 Kilo Litres capacity.
- Received approvals from USFDA, WHO – Geneva, NIP – Hungary, COFEPRIS, KFDA, ANVISA & JAZMP – Slovenia.

Unit-V

- 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

Unit-II

- 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.
- 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

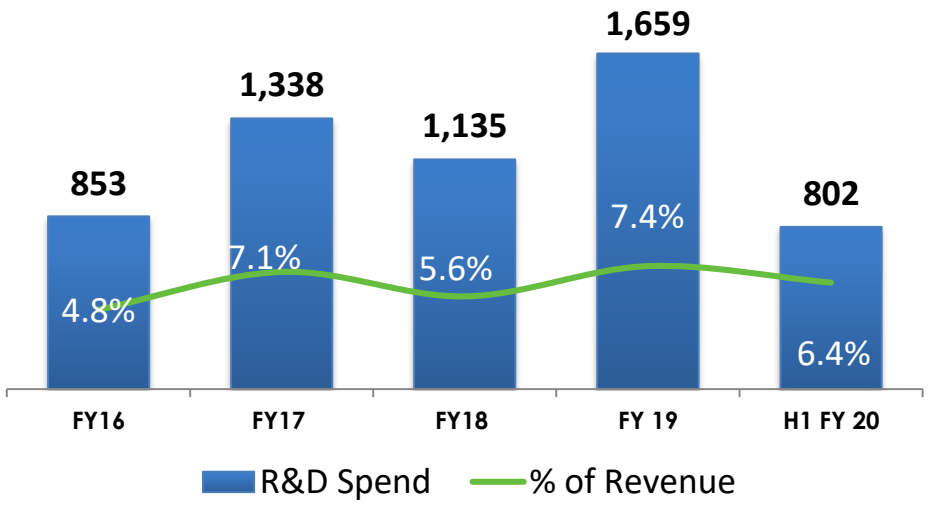
Unit-IV

- 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

Unit-VI

- Located at APIIC, Achutapuram, Visakhapatnam, India.
- API manufacturing facility.
- Commercial operations in 2018
- 45 reactors with 261 Kilo Liters capacity.
- Received approval from USFDA

Strong R&D Capabilities



50+
Products commercialized since inception

58
Filed DMFs

247
Patents filed

98
Patents granted

21
ANDAs/ NDAs

5 & 3
Final & Tentative

750+
Scientists

54
PhDs

- 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.

Laurus' Philosophy

"One Quality Standard for all markets"

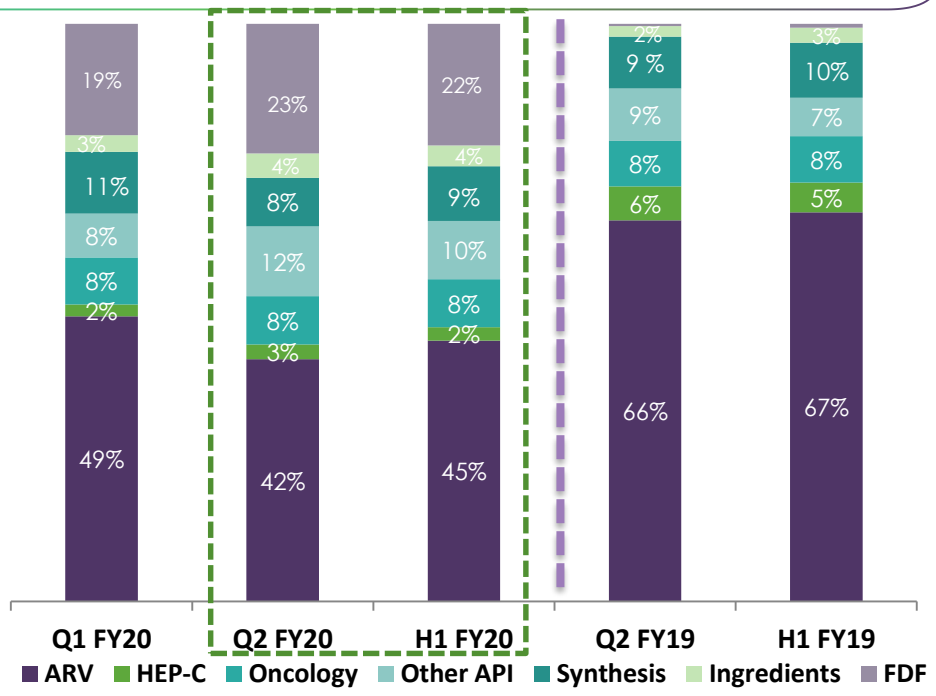
Regular Inspection at different manufacturing units

2019	USFDA, ANVISA, KFDA
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 Revenues** showed a robust growth of 21% for the quarter (Y-o-Y) & 12% for H1 (Y-o-Y)
- **Generic API**
  - **ARV** Segment revenue grew sequentially by 10%. Improved growth was led by better off-take of Efavirenz API.
  - **Oncology** business showed a healthy growth of 28% for the quarter (Y-o-Y) and 16% for H1FY20 (Y-o-Y). Growth was led by higher sales of Gemcitabine and new products.
  - **Other API** segment showed a robust revenue growth of 61% & 70% for the quarter (Y-o-Y) and H1 (Y-o-Y) respectively. Growth was led by new product introductions and higher volumes of existing products.
- **Synthesis** Business continues to report healthy growth. The business grew by 14% for the quarter (Y-o-Y) and 11% for H1(Y-o-Y). Growth was led by higher commercial sales from Unit 5 along with better contribution from CDMO business.
- **Ingredients** business recorded a healthy growth, growing at over 175% for the quarter (Y-o-Y) and over 50% for H1 (Y-o-Y).
- **Generic FDF** business recorded significant growth for the quarter and H1 FY20.
  - The growth in the quarter 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
  - Contract Manufacturing revenues from EU region improved in Q2 FY20.



Segments (INR mn)	Q1 FY20	Q2FY20	H1FY20	Q2 FY19	H1 FY19	Growth Q2 (Y-o-Y)	Growth H1 (Y-o-Y)
ARV	2,718	2,986	5,704	3,882	7,592	-23%	-25%
HEP-C	112	183	295	344	585	-47%	-50%
Oncology	450	597	1,047	465	905	28%	16%
Other API	417	858	1,275	533	750	61%	70%
Synthesis	590	603	1,193	530	1,071	14%	11%
Ingredients	159	298	457	107	297	179%	54%
Generics FDF	1,060	1,599	2,659	22	73	7168%	3542%
Total Revenue	**5,506**	**7,124**	**12,630**	**5,883**	**11,273**	**21%**	**12%**

Note: Consolidated financials as per Ind-AS

Performance Highlights - Abridged Profit & Loss statement

Particulars (Rs. mn)	Q2 FY20	Q2 FY 19	Growth % (Q2 FY20 Vs. Q2 FY 19)	Q1 FY 20	Growth % (Q2 FY20 Vs. Q1 FY 20)	H1 FY20	H1 FY19	Growth % (H1 FY20 Vs. H1 FY19)
Total Revenues from Operations (Net)	**7,124**	**5,883**	**21.1%**	**5,506**	**29.4%**	**12,630**	**11,273**	**12.0%**
Total Expenditure	6,480	5,770		5,357		11,837	10,960	
EBITDA	**1,391**	**862**	**61.4%**	**870**	**59.9%**	**2,261**	**1,687**	**34.0%**
Margins	19.5%	14.7%		15.8%		17.9%	15.0%	
PBT	**658**	**218**	**201.8%**	**194**	**239.2%**	**852**	**444**	**91.9%**
Margins	9.2%	3.7%		3.5%		6.7%	3.9%	
PAT	**566**	**162**	**249.4%**	**151**	**274.8%**	**716**	**328**	**118.3%**
Margins	7.9%	2.8%		2.7%		5.7%	2.9%	
EPS (Diluted)	**5.3** (Not annualised)	**1.5** (Not annualised)	**253.3%**	**1.4** (Not annualised)	**278.6%**	**6.7** (Not annualised)	**3.1** (Not annualised)	**116.1%**

Note: Consolidated financials as per Ind-AS

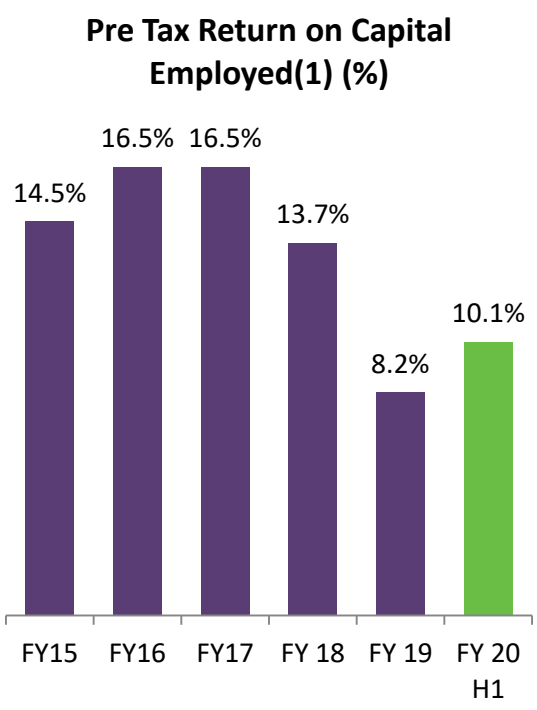
Abridged Balance Sheet

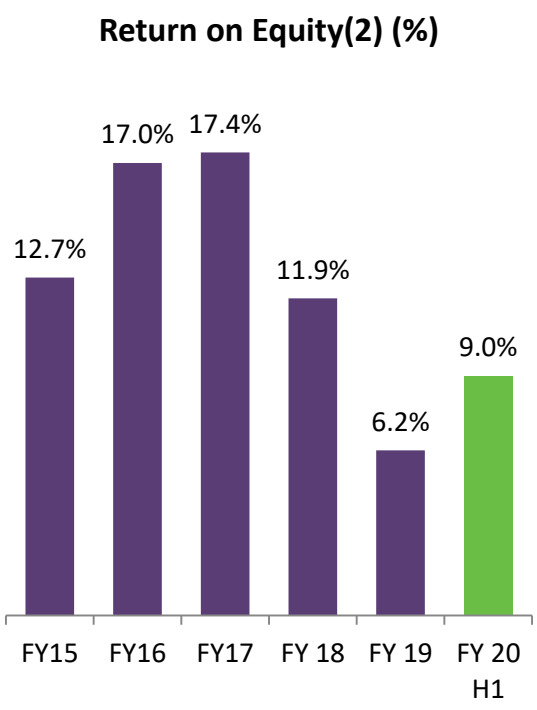
Particulars (Rs. mn)	As on 30.09.2019	As on 31.03.2019
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	1,069	1,064
Reserves and surplus	15,088	14,520
Non-current liabilities	3,294	3,489
Current liabilities	16,710	14,239
Total	**36,161**	**33,312**
ASSETS		
Non-current assets	1,219	1,295
Fixed assets	17,745	17,387
Current assets	17,197	14,630
Total	**36,161**	**33,312**

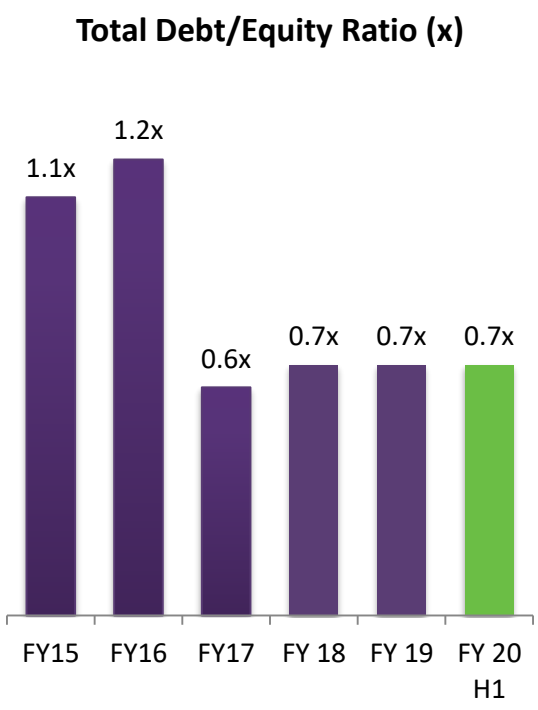
Particulars (Rs. mn)	As on 30.09.2019	As on 31.03.2019
BORROWINGS		
Long term borrowings	2,102	2,587
Current maturities of LTB	1,044	930
Short term borrowings	7,504	6,842
TOTAL	**10,650**	**10,359**

Note: Consolidated financials as per Ind-AS

Snapshot of Return Ratios







Significant investments in FDF, Unit 4 and Unit 6.

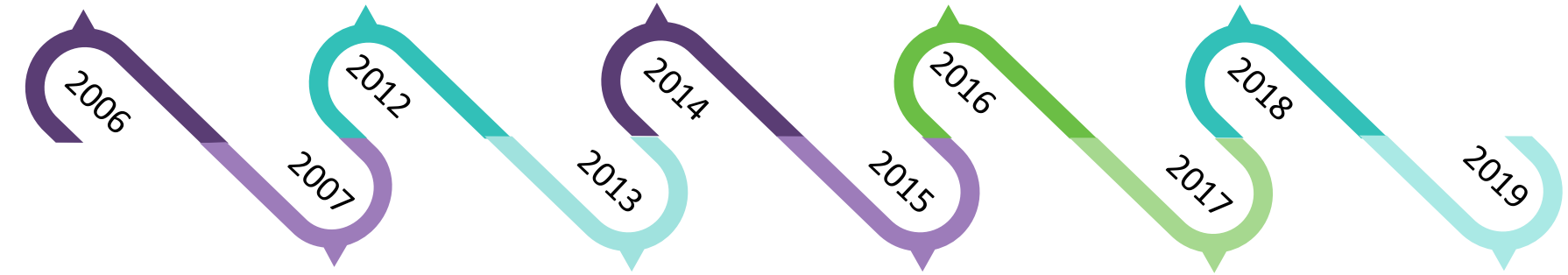
Note: Based on consolidated financials as per Ind AS

(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

FY 20 H1 ratios are calculated based on H1 annualised numbers.

Key Milestones



2006
- Set up the R&D Centre at IKP, Knowledge Park, Hyderabad

2007
- Commenced commercial operations at Unit 1

2012
- Investment of INR 600 mn by FIL Capital Management and Promoters.

2013
- Crossed INR 10 billion of revenues

2014
- Investment of INR 3000 mn by Warburg Pincus
- Incorporated First Subsidiary in USA.
- Forged partnership with ASPEN for CRAMS

2015
- Commenced commercial operations at Unit 3,
- Forged partnership with NATCO

2016
- Successfully listed on BSE &NSE
- Filed first ANDA for US market
- Acquired 100% stake in Sriam Labs Pvt Ltd.

2017
- Commenced commercial operations at Unit 2
- Commenced commercial supplies from Unit 5 for Aspen
- Incorporated subsidiaries in UK & USA

2018
- Crossed INR 20 billion of revenue
- Commenced commercial operations from Unit 4
- Incorporated a subsidiary in Germany
- Commenced FDF supplies.

2019
- 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

Mr. Chandrakanth Chereddi

ED & Head, Generics FDF & Strategy

Mr. Ravi kumar V V

ED &CFO

Mr. G Venkateshwar Reddy

CS and Sr. GM – Legal & Secretarial

Mr. Tom Versosky

President FDF North America

Dr. Prafulla Kumar Nandi

SVP, Global Regulatory Affairs (Formulations)

Dr. Satyanarayana Chava

Founder & CEO

Mr. Sumeet Sobti

VP – SCM

Mr. C. Krishna Chaitanya

Head, Synthesis & Ingredients

Dr. V Uma Maheswer Rao

Exec. VP & Head, Chemical R&D

Mr. Srinivasa Rao S

Exec. VP – Operations

Mr. Martyn Peck

SVP – Business Development, Generics - API

Dr. Lakshmana Rao C V

ED & Head, Quality

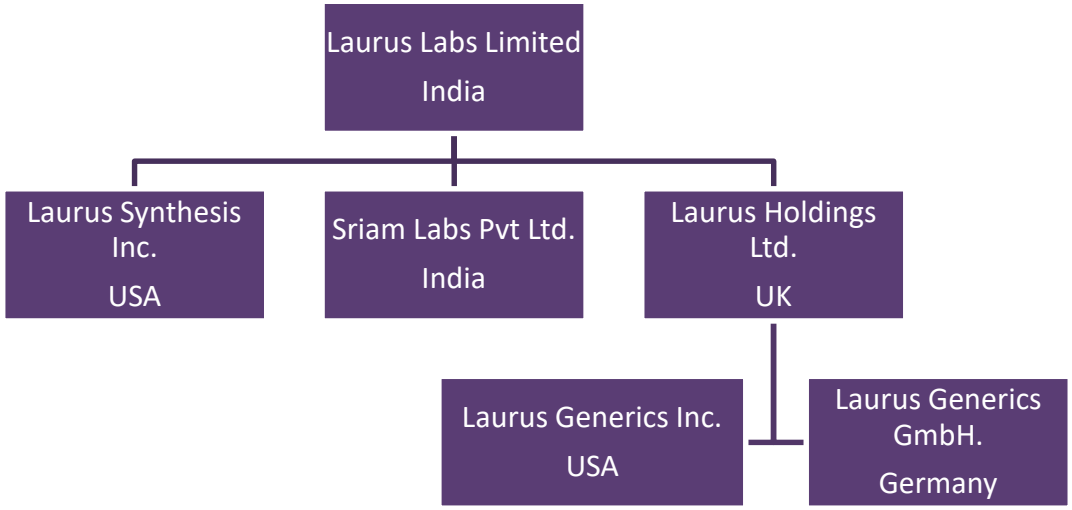
Corporate Governance

Executive Directors	
Name	**Background**
Dr Satyanarayana Chava	▪ Whole-time Director, Founder and Chief Executive Officer
Ravi Kumar V V	▪ Whole-time Director and CFO
Chandrakanth Chereddi	▪ Whole-time Director and Head of Generic FDF and Strategy
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
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
Ramesh Subrahmanian	▪ Independent Director; Founder and Director of Alchemy Advisors
Dr. Ravindranath Kancherla	▪ Independent Director and Founder-Member and Treasurer of ELSA of Asia in Singapore and Chairman of Global Hospitals

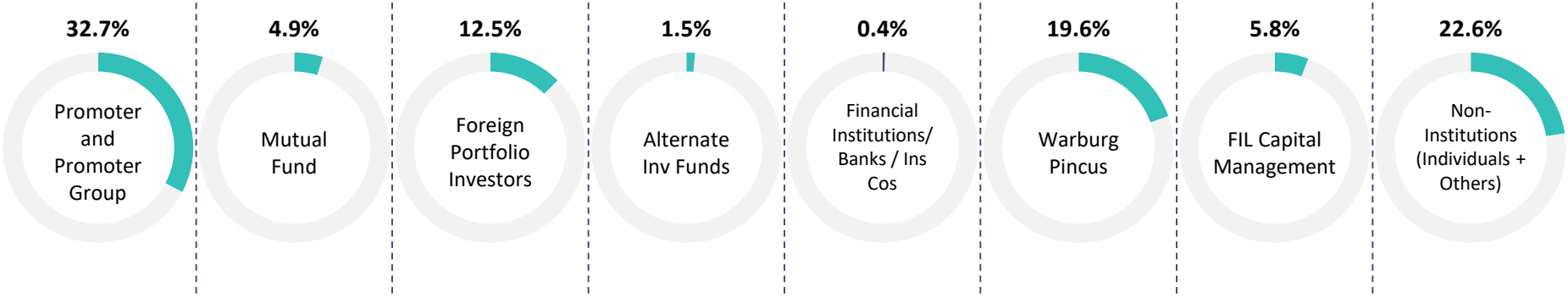
Ownership Structure

Corporate Structure



All are 100% Subsidiaries

Shareholding pattern *



* As of 30th September 2019

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.

Results Conference Call

Results conference call on Friday November 01, 2019 at 11:00 AM IST

Details of the conference call are as follows:

Timing	11:00 AM IST on Friday, November 01, 2019
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
UK	+ 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:*

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Email: investorrelations@lauruslabs.com

Pavan Kumar N
Tel: +91 040 3980 4380
Email: mediarelations@lauruslabs.com

Thank You