Laurus Labs Limited
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LAURUS Labs
Knowledge . Innovation . Excellence

August 2, 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 ended June 30, 2019, for the Investors/Analysts call scheduled on August 05, 2019, which was already intimated on July 30, 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

Q1 FY20

INVESTOR PRESENTATION

August 2, 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 Active Pharmaceutical Ingredients & Intermediates	LAURUS Generics 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 • 57 DMFs filed	• Filed 20 ANDAs with USFDA and 5 approved out of 20. In addition completed 4 products validation • 6 in Canada, 6 in Europe, 8 with WHO, 2 in South Africa, 2 in India & 112 in ROW.	• Commenced commercial supplies from Unit 5	• Digoxin API validation completed
Infrastructure	• 4 Manufacturing facilities, (3,250 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 Cost Advantage 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 supply of key starting materials and intermediates for new chemical entities
- Completed several projects in various stages from pre clinical to commercial with development & Manufacturing.
- Working with Large Global Innovator Pharmaceutical 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.
- **Oncology** - Leadership in select Onco APIs, new products added to support commercial launches on patent expiry. Backward integration is progress 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 Integrated giving further cost advantage compared to peers
LMIC Markets	Participation via – Global Fund tenders, PEPFAR Tender, WHO Tender, 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 Partnership with Global Fund providing access to major tenders
  - Actively Participating in In-Country Tenders
- **In Q1 FY20 executed a milestone order worth INR 798 mn for LMIC**
  - Focused on executing such large sized opportunities in coming quarters
- **Cumulatively filings are 100+ in various RoW markets**

CURRENT PRODUCT PORTFOLIO & APPROVALS

- **Filed 4 Triple Combination products – DTL, TLE_{600}, TLE_{400} & TEE**
- **Approvals**
  - DLT Approved in Feb 2019
  - DTG & TDF Singles Approved
- **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	12	4	3
Anti- Diabetic	3	1	1
CVS	1	-	-
CNS	1	1	1
Others	3	-	1
Total	**20**	**6**	**6**

Current Approval Status

Therapy	US ANDA	Europe	Canada
Final Approval	**5**	**4**	**2**
Tentative Approval	**3**	**-**	**-**
Total	**8**	**4**	**2**

US MARKET

- **Cumulatively filed 20 ANDAs**
- **Launched Pregabalin in July 2019**
- The filings include 2 Para IV and 7 FTFs opportunities worth over Billions of Dollars in Annual sales
- Almost all the products filed and under development will be marketed by Laurus
- Few products filed and under development will be marketed via DRL & Rising Pharma under partnership route
- **Continue to file around 8-10 ANDAs annually**

EUROPE MARKET

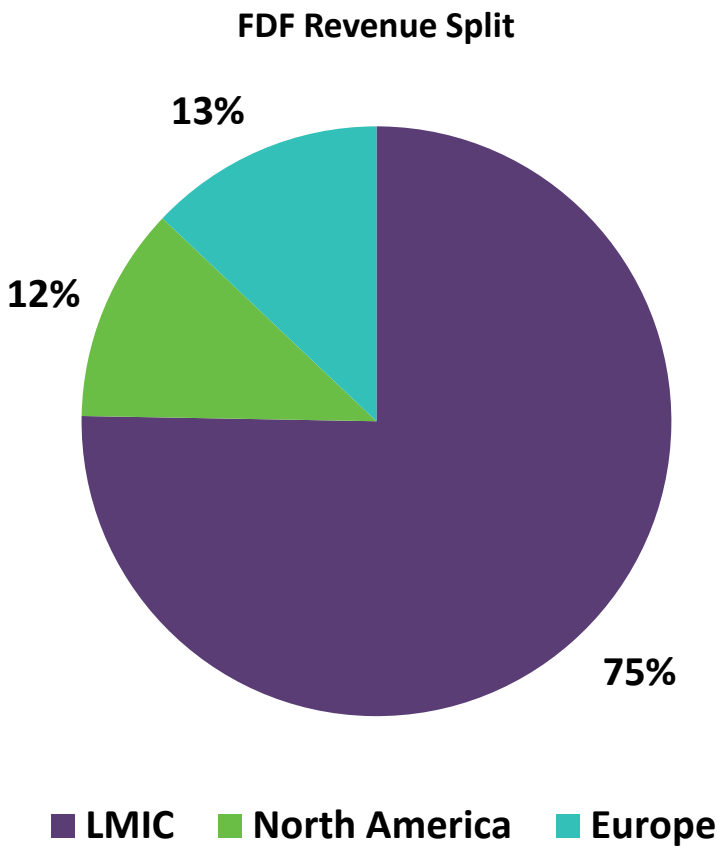
- **Cumulatively Filed 6 products in EU Markets.**
- Entered into a long term partnership with a leading generic player in EU region for Contract Manufacturing Opportunities.
  - Few products marketed using own front end
- **Have a strong order book for FY20**

CANADA MARKET

- **Cumulatively Filed 4 products, i**n partnership with Local Canadian Companies for distribution of products

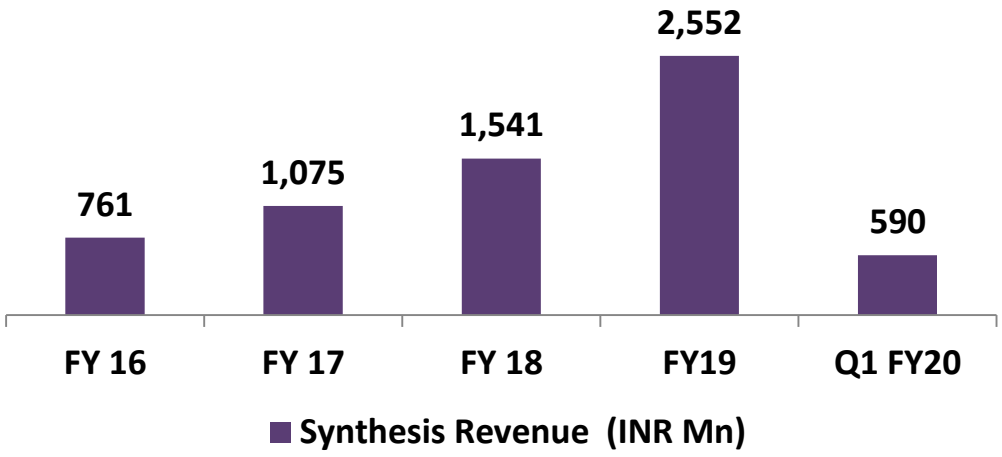
Formulations Business – Geared up for Higher Growth

- Extensive Manufacturing capabilities across markets with commitment to maintain highest quality standards – "**One Quality Standard for All Markets**"
- Current FDF Manufacturing Capacity - **5 bn tab/caps with total Capex investment of ~INR 4,325 mn**
- FDF Opex of INR 429 mn which includes INR 163 mn related to the R&D
- Executed a significant order in LMIC in Q1 FY20 worth INR 798 mn showcasing our manufacturing strength and execution ability
  - Expecting similar sized business opportunity in coming quarters of FY20
- **4 product validation completed for formulation apart from filling of 20 ANDAs /NDAs**



Synthesis Business

Synthesis (CDMO) Business Strategy



OVERVIEW

- State-of-the-art cGMP facilities to manufacture NCEs
- Integrate projects across platforms as the molecule develops from Pre Clinical to Clinical stages
- Working with Global Innovator Companies
    - **Current Clientele includes partner Companies from Large Global Innovator Pharma Companies**

GROWTH POTENTIAL

- Commencement of commercial supplies from Unit 5 to ASPEN – Sizeable revenue expected in FY 20 from 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, targeting 1-2 new launches/ year
  - 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
  - Entry into high value developed markets

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.
- 317 reactors with 1,177 Kilo Liters capacity.
- Received approvals from US FDA, WHO-Geneva, NIP – Hungary, KFDA, COFEPRIS & PMDA.

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 1,727 Kilo Litres capacity.
- Received approvals from USFDA, WHO – Geneva, & NIP – Hungary .

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

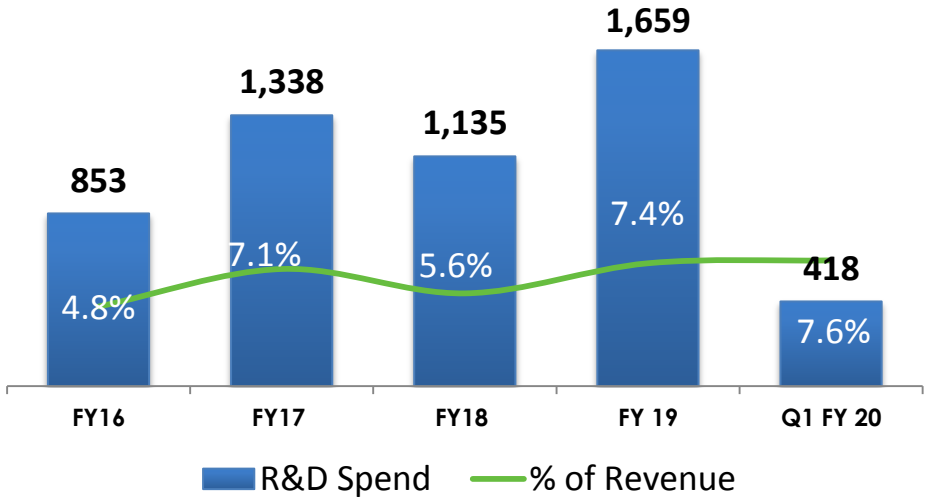
Unit-IV

- Located at APIIC, Achutapuram, Visakhapatnam, India. (SEZ)
- API manufacturing facility and includes capacity for ingredients, synthesis and contract manufacturing.
- Commercial operations in 2018
- 32 reactors with 85 Kilo Liters capacity
- Received approval from COFEPRIS – Mexico, USFDA audit completed with zero observations.

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+	57	244	86	20	750+	54
Products commercialized since inception	Filed DMFs	Patents filed	Patents granted	ANDAs/ NDAs	Scientists	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"

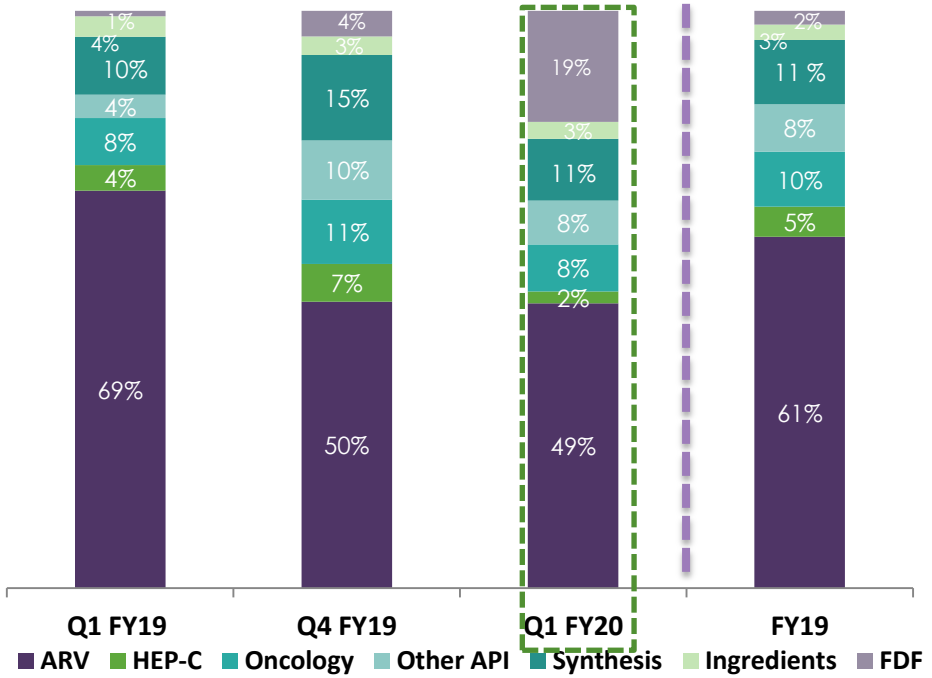
Regular Inspection at different manufacturing units

2019	USFDA
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** grown by 2% for the quarter (Y-o-Y)
- **Generic API**
  - **ARV** Segment revenue stood at INR 2,718 mn due to lower off take of Efavirenz, post adoption of TLD based combination and also because of slower pick up in Lamivudine due to approval delays.
  - **HEP-C** business registered sales of INR 112 mn in quarter.
  - **Oncology** business revenue stood at INR 450 mn.
  - **Other API** sales stood at INR 417 mn. The growth has been led by improved volumes & new product introduction.
- **Synthesis** Business continues to report robust revenue at INR 590 mn. Sales from Unit 5 have increased along with improved contribution from CMO business.
- **Ingredients** revenue stood at INR 159 mn
- **Generic FDF** business recorded significant sales of INR 1,060mn.
  - The growth had been led by INR 798 mn sales coming from LMIC business, Expecting similar business opportunity in coming quarters
  - Sales from North America region also showed better pick up
  - Contract Manufacturing revenues from EU region also contributed in Q1 FY20



Segments (INR mn)	Q1 FY19	Q4 FY19	Q1 FY20	FY 19	Growth Q1 (Y-o-Y)
ARV	3,710	3,153	2,718	13,947	-27%
HEP-C	241	415	112	1,197	-54%
Oncology	440	708	450	2,182	2%
Other API	217	651	417	1,890	92%
Synthesis	541	940	590	2,552	9%
Ingredients	190	203	159	606	-16%
Generics FDF	51	282	1,060	545	1978%
Total Revenue	**5,390**	**6,352**	**5,506**	**22,919**	2%

Note: Consolidated financials as per Ind-AS

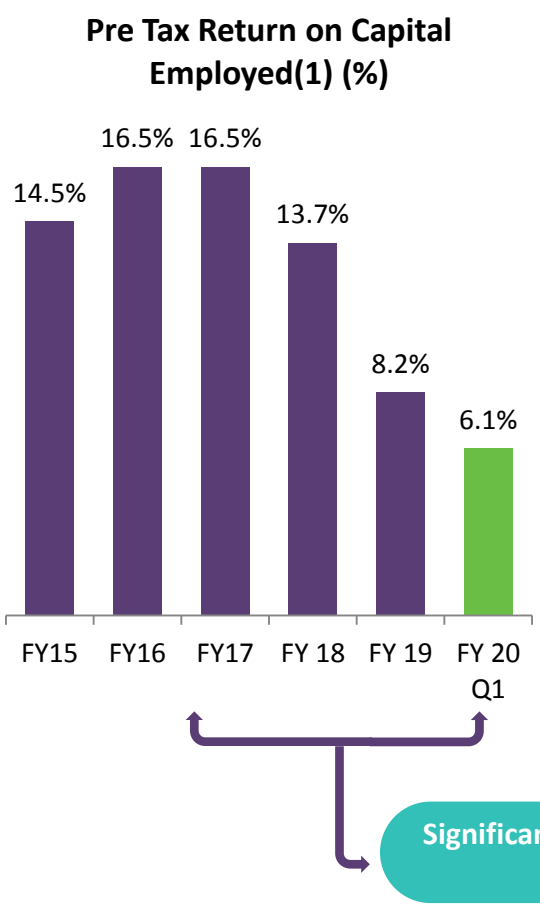
Performance Highlights - Abridged Profit & Loss statement

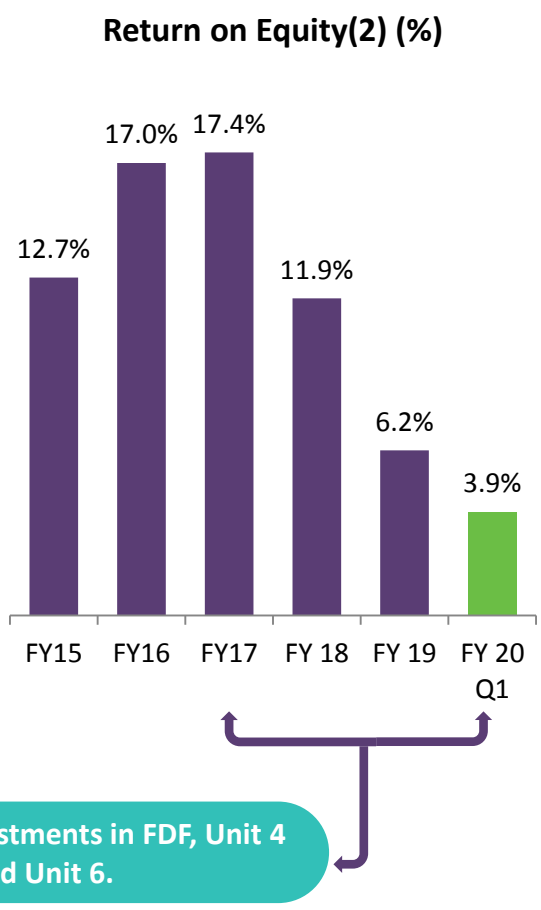
Particulars (Rs. mn)	Q1 FY20	Q1 FY19	Growth % (Q1 FY20 Vs. Q1 FY 19)	Q4 FY19	Growth % (Q1 FY20 Vs. Q4 FY19)
Total Revenues from Operations (Net)	**5,506**	**5,390**	**2.2%**	**6,352**	**-13.3%**
Total Expenditure	5,357	5,190		5,842	
EBITDA	**870**	**825**	**5.5%**	**1,134**	**-23.3%**
Margins	15.8%	15.3%		17.9%	
PBT	**194**	**226**	**-14.2%**	**526**	**-63.1%**
Margins	3.5%	4.2%		8.3%	
PAT	**151**	**166**	**-9.0%**	**432**	**-65.0%**
Margins	2.7%	3.1%		6.8%	
EPS (Diluted)	**1.4** (Not annualised)	**1.6** (Not annualised)	**-12.5%**	**4.1** (Not annualised)	**-65.9%**

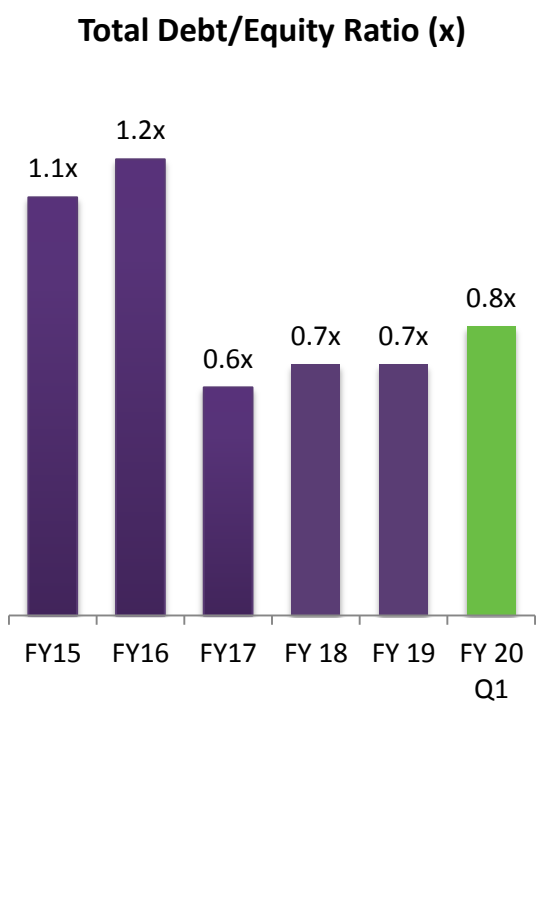
- Operating expenses increased due to increase in production volume to take care of ramp up in sale from Q2 onwards.
- Increase in Insurance expenses due to exorbitant increase by 10 times due to reinsurance premium.

Note: Consolidated financials as per Ind-AS

Snapshot of Return Ratios







Significant investments in FDF, Unit 4 and Unit 6.

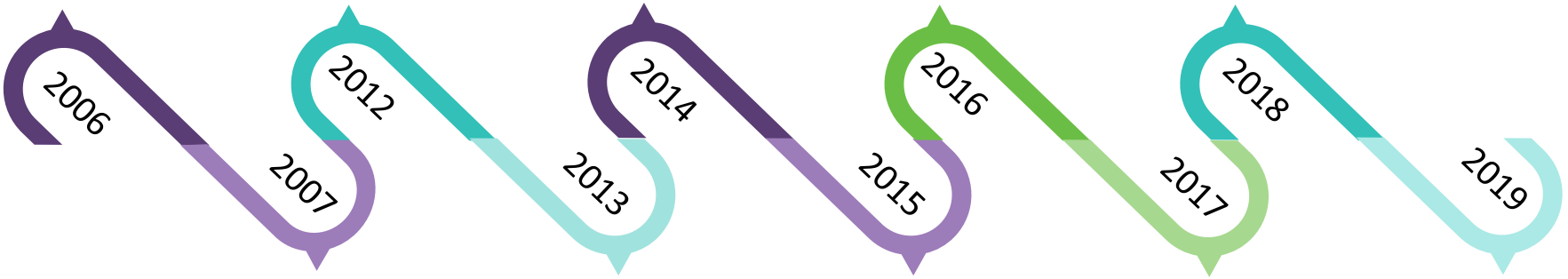
Note: Based on consolidated financials as per Ind AS

(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 Q1 ratios are calculated based on Q1 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 a major tender order and delivered ahead of schedule

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

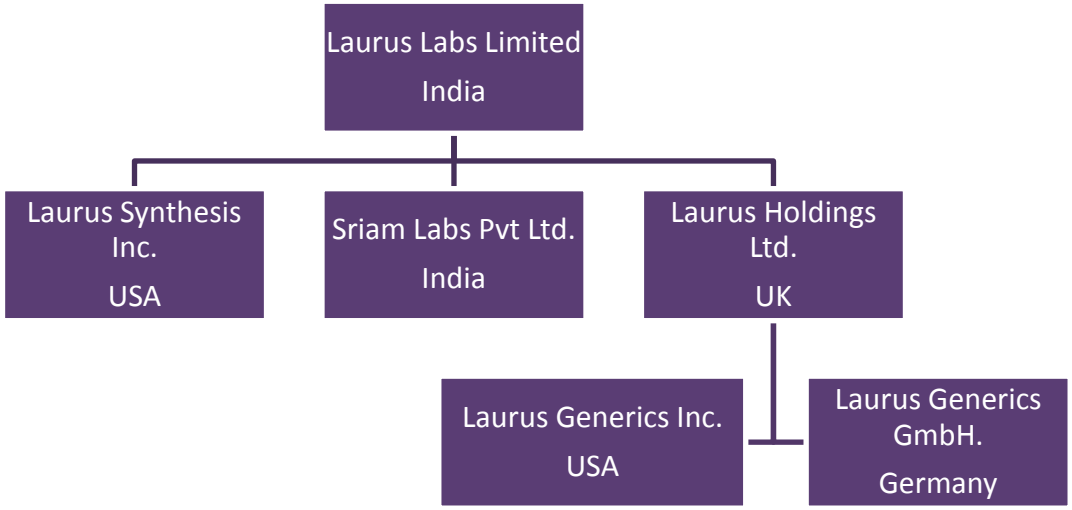
Corporate Governance

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

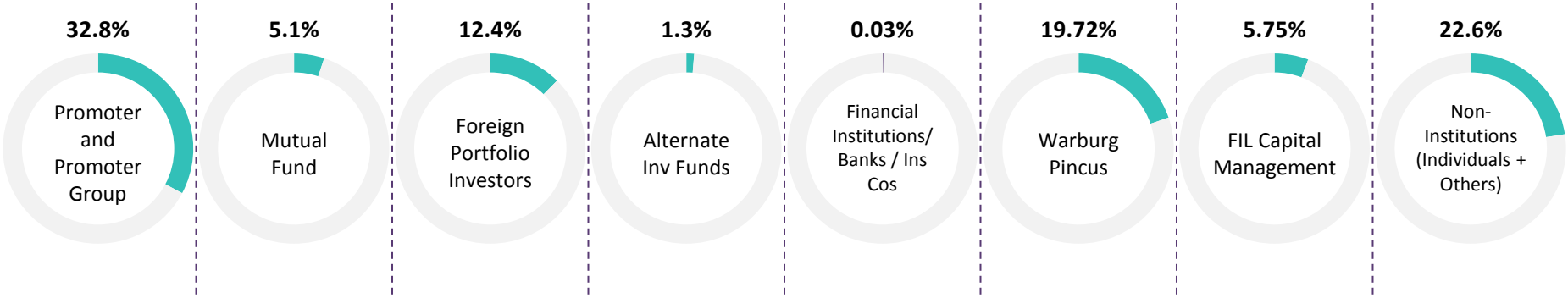
Ownership Structure

Corporate Structure



All are 100% Subsidiaries

Shareholding pattern *



* As of 30st June2019

Results Conference Call

Results conference call on Monday August 05, 2019 at 11:00 AM IST

Details of the conference call are as follows:

Timing	11:00 AM IST on Monday, August 05, 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 & development driven and fully integrated pharmaceutical company in India. The Company has grown consistently to become one of the leading manufacturers of Active Pharmaceutical Ingredients (APIs) for anti-retroviral (ARV) and Hepatitis C. Laurus also manufactures APIs in Oncology and other therapeutic areas. Its strategic and early investments in R&D and manufacturing infrastructure have enabled it to become one of the leading suppliers of APIs in the ARV therapeutic area. The company has also ventured into develop a Finished Dosages Forms on the back of existing strengths in APIs with a current capacity of 5 billion units per year, expandable up to 8 billion units per year. The Company is also driving growth opportunities in the Synthesis and Ingredients businesses.

Corporate Identification No: L24239AP2005PLC047518.

*For more information about us, please visit **www.lauruslabs.com** or contact:*

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Email: mediarelations@lauruslabs.com

Thank You