



LAURUS LABS LIMITED

CORPORATE PRESENTATION

04 July - 2017

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.

OUR GENESIS AND OUR INSPIRATION



Our genesis starts with our name Laurus Labs. We derived inspiration from Laurus Tree.

Laurus family of trees not only has medicinal qualities but also survives in the toughest climatic conditions.

Laurus leaves were adorned as crowns to the exceptional achievers and winners during Roman times. In Greek mythology, Apollo is represented wearing a laurel wreath on his head. In ancient Greece wreaths were awarded to victors, both in athletic competitions, including the ancient Olympics and in poetic meets and crowned to a successful commander during his triumph.

In common modern idiomatic usage it refers to a teamwork, success and victory. The expression "**resting on one's laurels**" and "**look to one's laurels**" came into use due to the Laurus crowns.

FOUNDING PRINCIPLES



VISION

To become a leading player in offering integrated solutions to global pharmaceutical needs in creating a healthier world.



MISSION

We constantly strive for innovation to enhance quality and to provide affordable integrated pharmaceutical solutions to facilitate wellness and wellbeing across the globe.

OUR VALUES



KNOWLEDGE



INNOVATION



EXCELLENCE

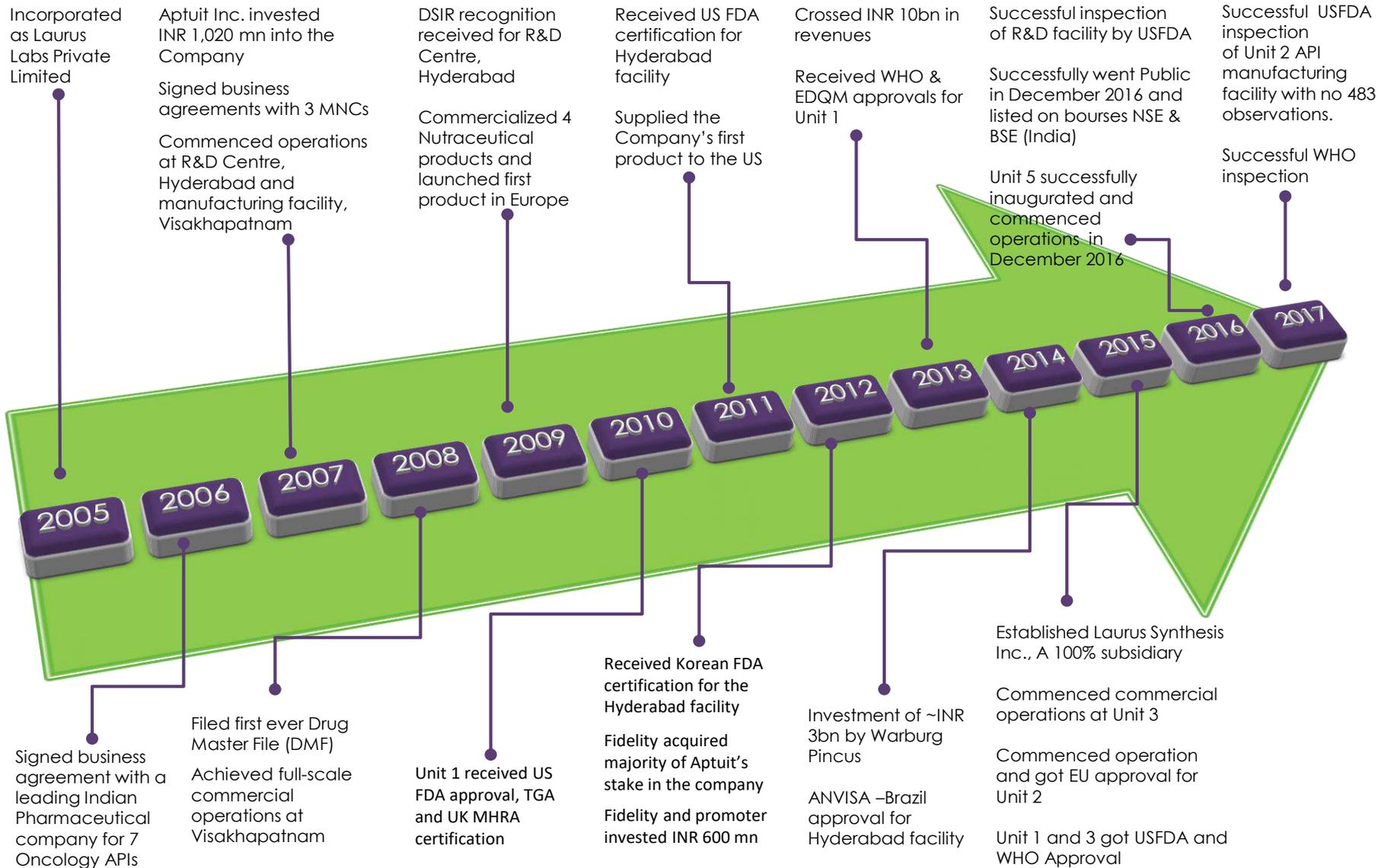


CARE



INTEGRITY

OUR JOURNEY



BUSINESS SNAPSHOT

	 Active Pharmaceutical Ingredients & Intermediates	 Finished Dosage Forms	 Contract Development & Manufacturing Services	 Specialty Ingredients for Nutraceutical & Allied Industry
Overview	<ul style="list-style-type: none"> Development, manufacture and sale of active pharmaceutical ingredients (APIs) and advanced intermediates 	<ul style="list-style-type: none"> Development and manufacture of oral solid formulations 	<ul style="list-style-type: none"> Contract development and manufacturing services for global pharmaceutical companies 	<ul style="list-style-type: none"> Sale and manufacture of specialty ingredients for use in nutraceuticals, dietary supplements and cosmeceutical products
Product and Service Offerings	<ul style="list-style-type: none"> Anti-retroviral (ARV) Hepatitis C Oncology Large volume APIs for cardio-vascular, anti-diabetic, anti-asthmatic, gastroenterology therapeutic areas Small volume APIs for the ophthalmic therapeutic area 	<ul style="list-style-type: none"> ARVs Anti-diabetic Cardio Vascular Proton Pump Inhibitors. 	<ul style="list-style-type: none"> Commercial scale contract manufacturing Clinical phase supplies Analytical and research services 24 projects executed⁽²⁾ 	<ul style="list-style-type: none"> Nutraceuticals, dietary supplements and cosmeceutical products
Filings	<ul style="list-style-type: none"> Commercialized 59 products⁽¹⁾ 39 DMFs filed 	<ul style="list-style-type: none"> In FY 17 filed 3 ANDAs for USFDA and one WHO dossier in addition completed 6 validations. 		<ul style="list-style-type: none"> NA
Infrastructure	<ul style="list-style-type: none"> 4 Manufacturing facilities, Unit 4 under construction, (1,834KL⁽³⁾) 	<ul style="list-style-type: none"> 1bn Units / year capacity facility and capacity expansion to 5 billion units is in progress. ⁽⁴⁾ 	<ul style="list-style-type: none"> Dedicated manufacturing (Unit – 5) Capacity for a major customer 	<ul style="list-style-type: none"> Manufacturing facilities⁽⁵⁾

(1) Includes ingredients products

(2) As of 31 March, 2017

(3) As of 31 March, 2017

(4) After incurring additional investment;

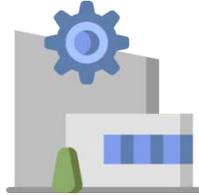
(5) APIs and Ingredients are manufactured at Unit 1 and Unit 3

KEY INDICIES



55+

R&D Labs
(India, USA)



8

Manufacturing Facilities
(8 API (incl. Pilot); 1 FDF)



90+

APIs manufactured



290+

Million USD in revenue
in FY17



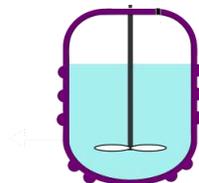
66

Million USD EBITDA in
FY17



750+

Scientific personnel (of
2600+ total)



2+

Million litres of
reactor capacity



205

Patents filed

42

granted
till FY17



200+

Customers



56

Countries served

STRONG R&D CAPABILITIES

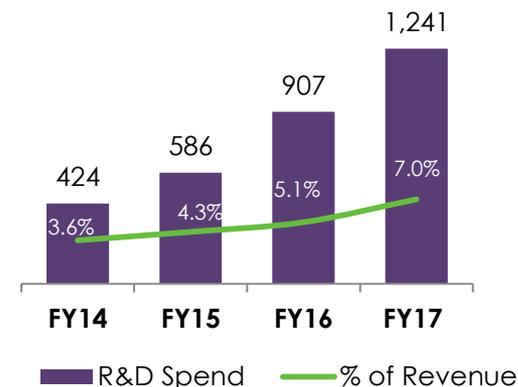


Key Accreditations



- **“Research-first”** approach – Set up dedicated R&D center in Hyderabad in 2006 prior to commissioning API manufacturing facility in 2007
- R&D team comprising 750 plus scientists (25.0% of total employee strength) including 45 PhDs
- 200,000 sft in area in a 10-acre campus in IKP Knowledge Park, Hyderabad. And a R&D center at Boston, USA.
- 100% & DSIR recognized R&D facility which is one of the largest in India
- 55+ Labs (Chemistry, Analytical and Formulation development); with separate labs for high-potent oncology experimentation
- Process safety & process engineering group to enable safety at all scales
- Kilo lab: cGMP facility for normal and high potent molecules (separate area); FDA approved
- USFDA, TGA, KFDA audited, approved. PMDA accredited. The last USFDA audit was in June 2016 (**Zero 483s**).

Increasing R&D Spend (Rs. mn)



42

Filed DMFs

3&1

ANDAs & Dossiers filed

59

Products commercialized since inception

20%

of total employee strength in Laurus Labs are deployed in Quality

FACILITIES OVERVIEW

Unit-I



- Located at Jawaharlal Nehru Pharma City, Vishakapatnam, India.
- API manufacturing facility includes capacity for ingredients, synthesis and contract manufacturing. Spread across 34 acres, and 1000+ employees,
- Isolated facility for Oncology.
- 300 reactors, with 1140 Kilo Litres capacity.
- Received approvals from US FDA, WHO-Geneva, NIP Hungary, KFDA and PMDA.

Unit-II



- Located at APSEZ, Achutapuram, Visakhapatnam, India.
- FDF and API manufacturing facility
- FDF - capacity of 1 billion tablets per year.
- API block with 12 reactors and total capacity of 84 Kilo Litres.
- Received approvals from BfArM, Germany.
- US FDA inspection completed in Dec' 16

Unit-III



- Located at Jawaharlal Nehru Pharma City, Parawada, Vishakapatnam, India.
- Commenced operation in 2015.
- API manufacturing facility and includes capacity for ingredients, synthesis and contract manufacturing.
- 80 reactors installed with a total capacity of 605 Kilo Litres which is being expanded to 110 reactors with a total capacity of 729 Kilo Litres.
- Received approvals from FDA and WHO – Geneva



- Construction is in progress at APSEZ, Achutapuram, Visakhapatnam, India.

Unit-V



- Located at APSEZ, Parawada, Visakhapatnam, India.
- Inaugurated and commenced operations in December 2016.
- A dedicated Hormone and Steroid facility for Aspen with 46 reactors of 230 Kilo Litres capacity in two manufacturing buildings.
- 100 Plus workforce

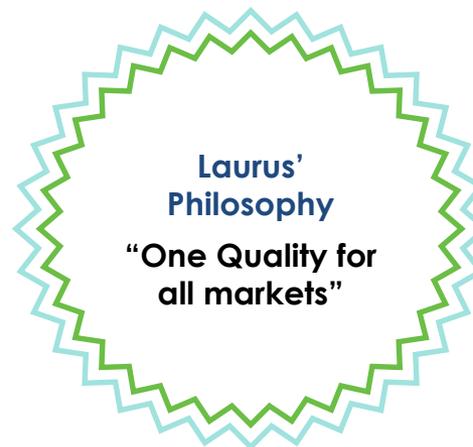
QUALITY FOCUS & REGULATORY AUDITS



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

2017	WHO / USFDA
2016	USFDA
2015	WHO, USFDA, EU (German)
2014	WHO, USFDA, CDSCO
2013	WHO
2012	USFDA
2011	KFDA, USFDA, WHO
2010	MHRA
2009	TGA, USFDA

LAURUS LABS STRENGTHS



9 out of 10 top ten generic pharmaceutical companies by revenue in calendar year 2015 are our customers

LEADERSHIP IN APIs IN SELECT, HIGH GROWTH THERAPEUTIC AREAS

Focus on ARV, Hepatitis C and Oncology Therapeutic Areas

SIGNIFICANT INVESTMENTS IN GENERIC FDF BUSINESS

Infrastructure ready, partnerships in place and filed 2 ANDAs

STRONG R&D CAPABILITIES AND PROCESS CHEMISTRY SKILLS

"Research first" approach and a pool of 600 plus scientists

INDUSTRY LEADING, MODERN AND REGULATORY COMPLIANT MANUFACTURING CAPACITIES

3 manufacturing facilities and a kilo lab facility with approvals from US FDA, WHO (among others)

LONG-STANDING RELATIONSHIPS WITH MULTI-NATIONAL PHARMACEUTICAL COMPANIES

Supply APIs to 9 out of the 10 largest global generic pharma companies

EXPERIENCED PROMOTERS AND QUALIFIED OPERATIONAL PERSONNEL

Experienced management with extensive global generic pharmaceutical knowledge

ESTABLISHED TRACK RECORD OF DELIVERING GROWTH

Achieved 33.1% Revenue CAGR and 56.5% Net Income CAGR over last 6 financial years

STRATEGY IN MOTION

- Significant increase in HIV patient population with revised WHO guidelines
- ARV drugs patent expiry in US & European markets
- Strong opportunity in Hepatitis C in emerging markets and Oncology therapeutic areas in regulated markets

Capitalize on our Leadership Position in APIs in Select, High-Growth Therapeutic Areas

- Leverage process chemistry skills to expand API product portfolio
- Contract manufacturing of generic APIs

Expand our API Portfolio

- Leverage API capabilities; capture operating efficiencies
- Two Partnerships in place for commercialization of FDFs

Leverage API Cost Advantage for Forward Integration into Generic FDF

- Focus on supply of key starting materials and intermediates for new chemical entities
- Contract with Aspen for supply of hormonal intermediates

Develop our Synthesis Business

- Leverage process chemistry skills to strengthen presence in nutraceutical and cosmeceutical sectors as they adopt quality standards at par with pharma industry

Strengthen our Ingredients Business

LEADERSHIP IN APIS IN HIGH-GROWTH THERAPEUTIC AREAS – ARV

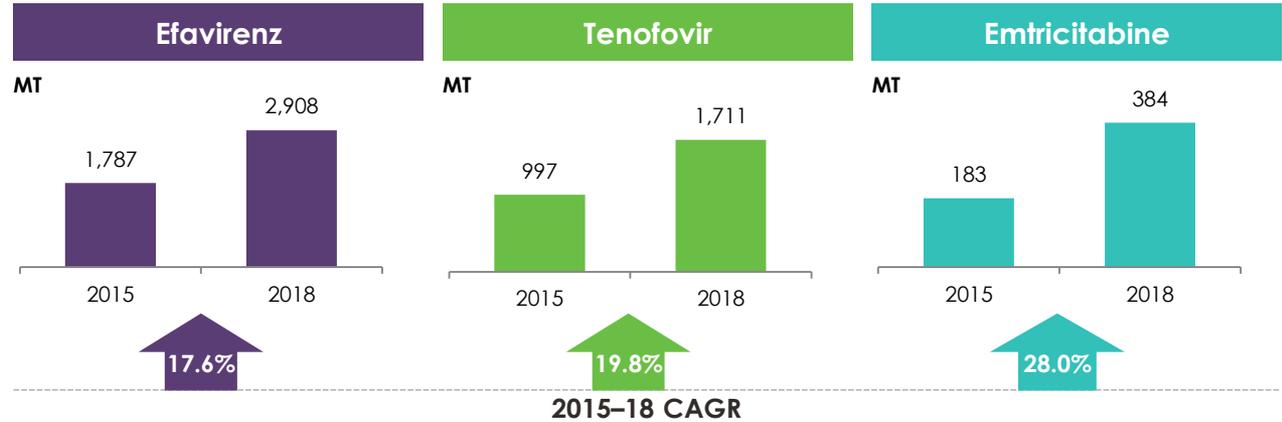
Preferred First-Line ART Regimen⁽¹⁾

API	Class
Efavirenz (EFV) + Tenofovir (TDF)	NNRTI ⁽²⁾ NRTI ⁽³⁾
+ Emtricitabine (FTC) OR Lamivudine (3TC)	NRTI

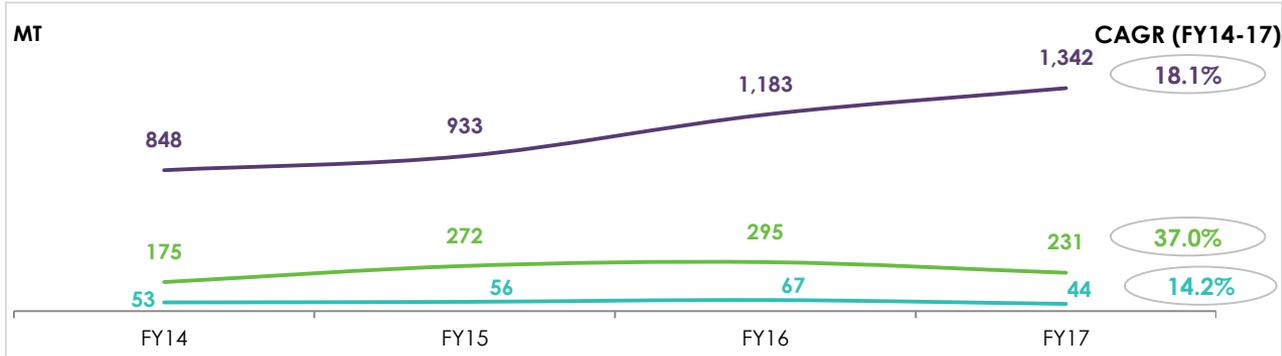
Represent flagship products of Laurus

✓ TDF + 3TC (or FTC) + EFV is the WHO recommended preferred first line treatment option for HIV patients⁽¹⁾

Market Growth⁽⁵⁾



Laurus' API Volume



- GA LMICs today
- Regulated market opportunity post patent expiry

Focus Markets

14

No. of DMFs Filed⁽⁶⁾

70.6%

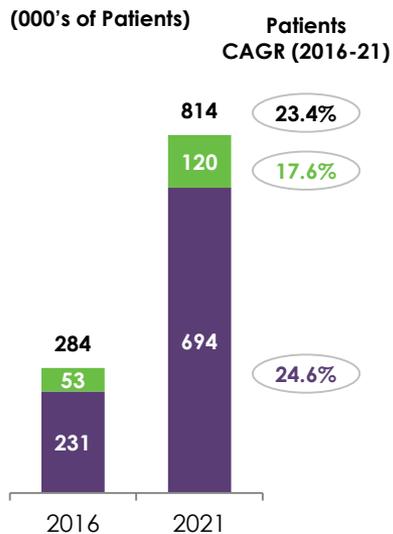
FY17 Revenue Contribution

(1) For Adults, Pregnant/Breastfeeding women and Adolescents
 (2) NNRTI: Non-nucleoside reverse transcriptase inhibitor
 (3) NRTI: Nucleoside reverse transcriptase inhibitor
 (4) Generic Accessible Low and Middle Income Countries

(5) API demand forecast for Generic Accessible markets and generics.
 Source: ARV Report
 (6) As of 31 March, 2017.

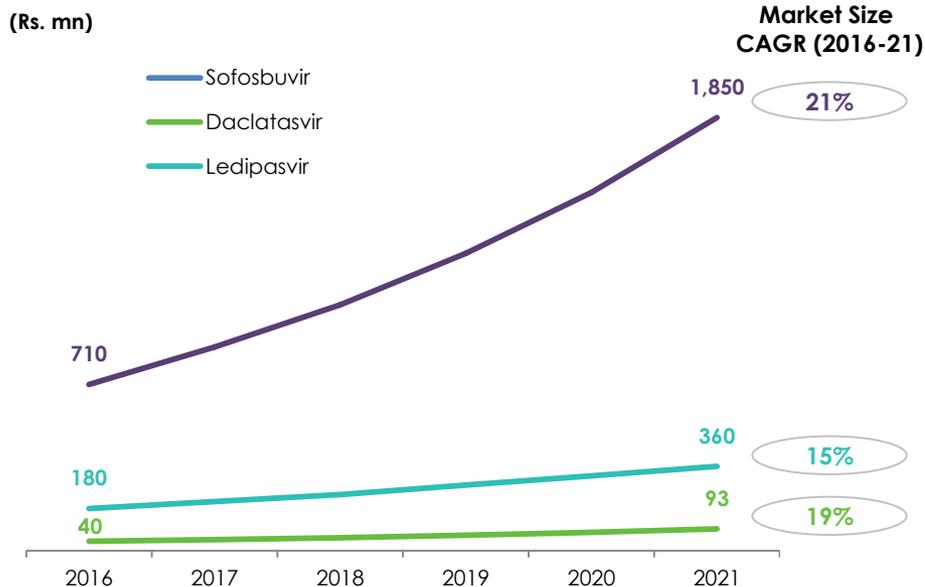
LEADERSHIP IN APIS IN HIGH-GROWTH THERAPEUTIC AREAS – HEPATITIS C

Number of Hepatitis C patients treated in India ⁽¹⁾



- Sofosbuvir+Ledipasvir
- Sofosbuvir & Sofosbuvir+Daclatasvir

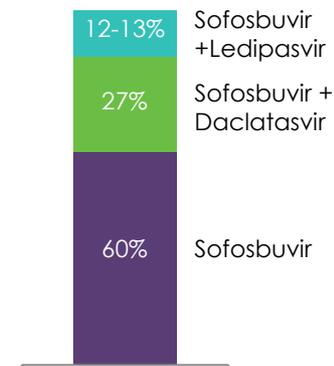
API Market Growth⁽¹⁾



NATCO Contract

- 10 year contract on 50:50 profit and loss sharing arrangement on products sold to third parties by NATCO or by Laurus
- All brands jointly owned by NATCO and Laurus
- Products covered: Sofosbuvir, Ledipasvir, Daclatasvir and Velpatasvir
- Laurus Labs is the exclusive supplier to NATCO for HCV APIs

Patients in India receiving DAAs⁽¹⁾



Laurus present across all 3 treatment regimens

- India
- Other high-incidence emerging markets

Focus Markets

3

No. of DMFs Filed⁽²⁾

2,509 mn

Hepatitis C Revenue for FY17

14.5%

FY17 Revenue Contribution

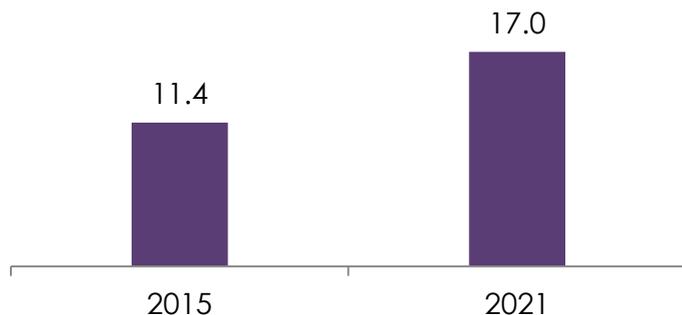
(1) DAA – Direct Acting Anti-viral drugs. Source: Hepatitis C Report

(2) As of 31 March 2017.

LEADERSHIP IN APIS IN HIGH-GROWTH THERAPEUTIC AREAS - ONCOLOGY

Global Oncology Chemotherapy Market ⁽¹⁾ (\$)

CAGR: 8.4%



US and EU

Focus Regulated Markets

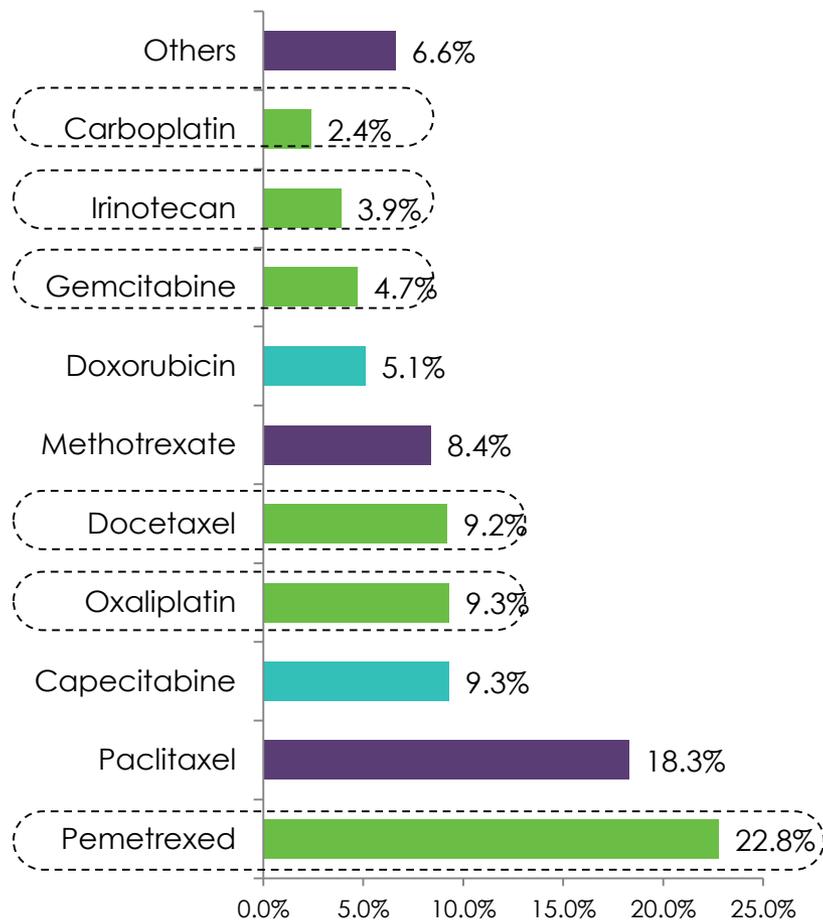
16

No. of DMFs Filed⁽²⁾

6.2%

FY17 Revenue Contribution

2015 Global Oncology Chemotherapy Market ⁽¹⁾



 Laurus' product

(1) Source: Oncology Report

(2) As of 31 March, 2017.

GROWING SYNTHESIS AND INGREDIENTS BUSINESSES

Synthesis Business

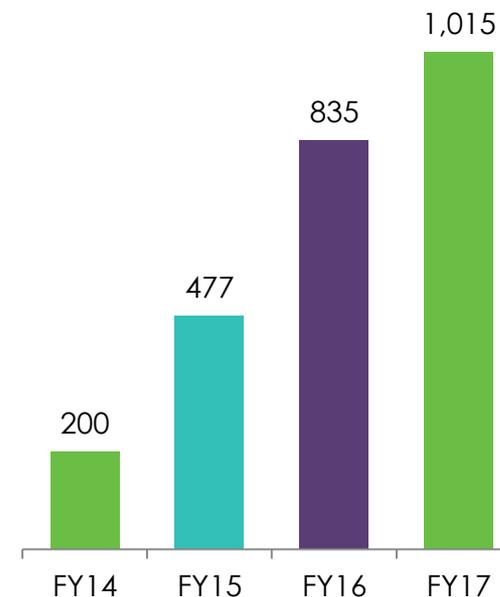
- Provide commercial scale contract manufacturing services, analytical and research services and clinical research supplies to global pharmaceutical companies
- 24 projects executed(1)
- Wholly owned subsidiary in the United States, Laurus Synthesis Inc. directly offers process chemistry services to US clients
- R&D center in Greater Boston, Massachusetts with a team of 12 scientists and 4 sales personnel(2)

Agreement with entity in the Aspen Group

- Laurus manufactures and supplies certain hormonal intermediates to an entity in the Aspen Group
- 10 year agreement, which can be mutually renewed
- Dedicated manufacturing block – Unit - 5

Revenue (Rs. Mn)

CAGR: 71.9%

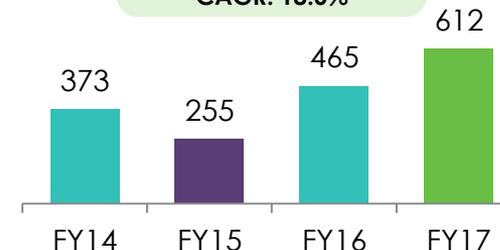


Ingredients Business

- Manufacture and sale of specialty ingredients for use in nutraceutical, dietary supplements and cosmeceutical products
- Products are used to make anti-oxidants, skin brighteners and UV protection agents
- Developing capabilities for botanical extraction and purification

Revenue (Rs. Mn)

CAGR: 18.0%



(1) As of 31 March, 2017

(2) As of 31 March, 2017

SIGNIFICANT INVESTMENTS IN GENERIC FDF BUSINESS

Filings

- Filed first ANDA and WHO dossier in 2016.
- As on date filed 3 ANDAs and in addition completed 6 validations for formulations.
- Collaborate with generic companies with front end presence

Partnerships

Citron Pharma LLC

- 50-50 profit and loss sharing arrangement
- Laurus develops and manufactures 9 FDF products and Citron is sole distributor in US.

Dr. Reddy's Laboratories Limited

- Development of ARV FDFs on a profit and cost sharing basis

Investment & Infrastructure

- Spent **Rs. 982mn** towards FDF product development expenses and **Rs. 3,155 mn** to set up FDF manufacturing facility⁽¹⁾
- **Infrastructure in place** to support manufacturing with a **Current capacity of 1bn tablets / year** and the capacity expansion to 5 bn is expected to complete by the end of Mar 17

Strategy

- **Leverage API** production and **R&D capabilities** to forward integrate into FDF
- Capture significant operating efficiencies by housing both **API and FDF facilities in the same location**

(1) As of 31 March 2017

MANAGEMENT TEAM



Chandrakanth Chereddi

ED & Head, Generics FDF and Synthesis



Dr. Prafulla Kumar Nandi

SVP, Global Regulatory Affairs (Formulations)



Ravikumar V V

ED & CFO



G Venkateshwar Reddy

CS and Sr. GM – Legal & Secretarial



Dr. Lakshmana Rao C V

Exec .VP – Quality



Dr. Satyanarayana Chava

Founder & CEO



Dr. GSR Anjaneyulu

Exec. VP & Head SCM



M. Bhaskaraiah

SVP – SCM



Dr. V Uma Maheswer Rao

Exec. VP – Chemical R&D



Dr. Raju Srihari Kalidindi

ED & Head Generics API & Ingredients



Martyn Peck

SVP – Business Development



Srinivasa Rao S

Exec. VP – Operations & Manufacturing

CORPORATE GOVERNANCE

Executive Directors	
Name	Background
Dr. Satyanarayana Chava	<ul style="list-style-type: none"> Whole-time Director, Founder and Chief Executive Officer
Dr. Raju Srihari Kalidindi	<ul style="list-style-type: none"> Whole-time Director and Head of Generics – API & Ingredients
Ravi Kumar V V	<ul style="list-style-type: none"> Whole-time Director and CFO
Chandrankanth Chereddi	<ul style="list-style-type: none"> Whole-time Director and Head of Generic FDF and Synthesis

Non-Executive Directors	
Name	Background
Dr. M. Venu Gopala Rao (*)	<ul style="list-style-type: none"> Non Executive Chairman and Independent Director
Rajesh Kumar Dugar	<ul style="list-style-type: none"> Senior Partner, Head of India at Eight Roads Investment Advisors Private Limited
Narendra Ostawal	<ul style="list-style-type: none"> Managing Director of Warburg Pincus India Private Limited
Aruna Rajendra Bhinge	<ul style="list-style-type: none"> Independent Director; Former Head of Food Security Agenda, APAC at Syngenta India Limited
Dr. Rajesh Koshy Chandy	<ul style="list-style-type: none"> Independent Director; Professor of Marketing at the London Business School
Ramesh Subrahmanian	<ul style="list-style-type: none"> Independent Director; Founder and Director of Alchemy Advisors
Dr. Ravindranath Kancherla (*)	<ul style="list-style-type: none"> Independent Director and Founder-Member and Treasurer of ELSA of Asia in Singapore and Chairman of Global Hospitals

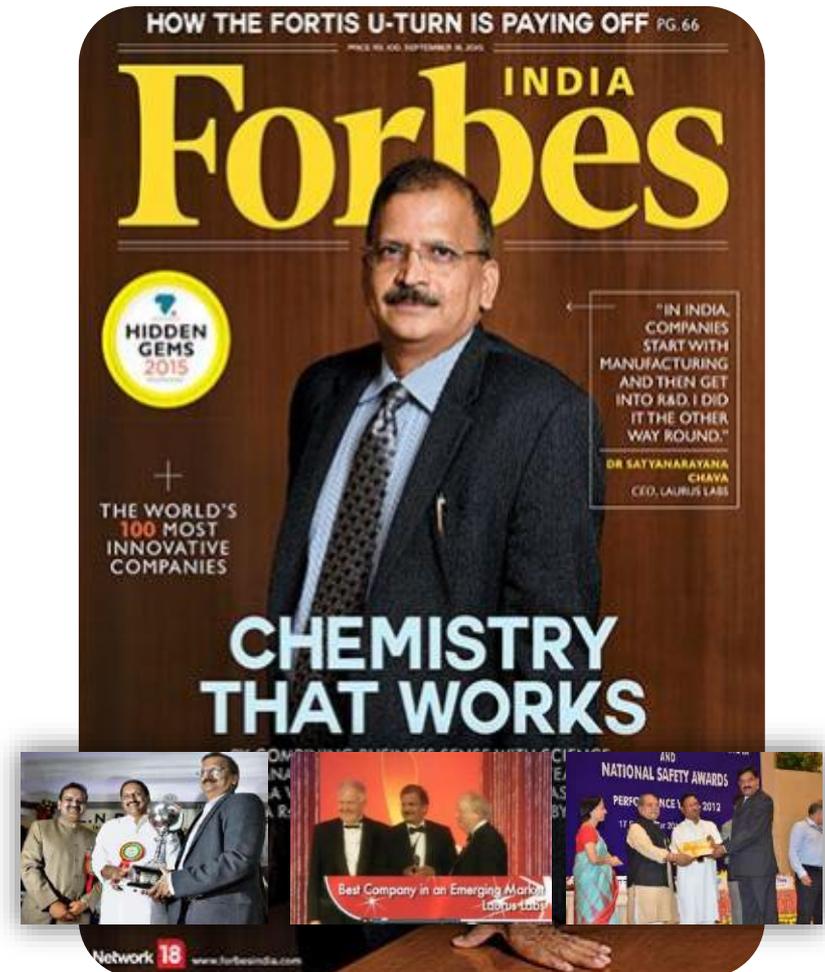
Mr. Amal Ganguly Non executive chairman who was demised because of prolonged illness in May 2017
 (*) Appointed on 18th May 2017 board meeting

AWARDS AND ACCOLADES - Cont

Select Awards Received

<p>One of the 13 Hidden Gems in India Forbes India (September 2015)</p>	<p>VC Circle Awards 2015 Health Care Company Of the year</p>	<p>Ministry of Labour & Employment, Gov - National Safety Award (runner-up) for Unit 1 for performance year 2014</p>
<p>India Manufacturing Excellence Awards, 2015 – Silver Certificate of Merit</p>	<p>Silver Certificate of Merit at ET India Manufacturing Excellence Awards for 2013, 2014</p>	<p>Certificate of achievement in the Business Leader 2015 Award for excellence in the pharmaceuticals sector</p>
<p>Best Visualised App Delivery Implementation – Citrix - 2015</p>	<p>PHARMEXCIL – Outstanding Exports Performance Award- Bulk Drugs (Mid Range) for 2012, 2013, 2014</p>	<p>Business Today –Yes Bank Emerging Companies - Excellence in Performance & Business Scalability (Large Companies) 2014</p>

Industry Recognition



AWARDS AND ACCOLADES IN 2016 - 2017



“BEST MANAGEMENT AWARD 2016” BY GOVERNMENT OF ANDHRA PRADESH.

Laurus Labs Limited has been awarded the “Best Management Award 2016” by Government of Andhra Pradesh.

The award was given to the company in recognition of its excellence in management practices, harmonious industrial relations, industrial productivity, and the commendable contribution for the welfare of workforce.

Dr. Satyanarayana Chava, CEO, Laurus Labs received the award from Mr. Chandra Babu Naidu, Honorable Chief Minister of Andhra Pradesh on 1st May 2017, on the event of May – Day celebrations, at A1 Convention Hall, Vijayawada, Andhra Pradesh.



BUSINESS EXCELLENCE AWARD 2017

Laurus Labs Limited receives "HMTV Business Excellence Award 2017"

Mr. V V Ravi Kumar, Executive Director & CFO Laurus Labs received the award from Mr.Venkaiah Naidu, Honourable Minister for Housing and Urban Poverty Alleviation and Information and Broadcasting, Govt of India and Mr.Bandaru Dattatreya, Honourable Minister for Labour, Govt of India, today in a glittering ceremony at Hotel Avasa, Hyderabad.



NATIONAL SAFETY AWARD 2016

Laurus Labs Limited has bagged the National Safety Award 2016. This award being conferred to us (for the 4th consecutive time in a row) is a testimony for developing & implementing effective safety management systems and procedures in the company.

The Award was received by Mr.S.S.Rao, Executive Vice – President, Manufacturing and by Mr.M.Srinivasa Rao, DGM, EHS from Shri. Bandaru Dattatreya, Minister for Labour and Employment, at a ceremony held in New Delhi on 20th April 2017.

THANK YOU