Twitter Thread by JST Investments



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Laurus Labs FY21 Annual Report Takeaways ■

'Capex plans are already under way to increase capacity by 1.8x by 2022'

Hit the 'retweet' & help us educate more investors.

A Thread ■■

1/ About the company:

Leadership position in generic APIs with a major focus on Antiretroviral drugs, Hepatitis C & Oncology drugs

FDF: Moved up the value chain in formulations

Synthesis (CDMO): KSMs, Intermediates & APIs to pharma innovators.

Bio: Recombinant products

2/ Strengths of the business:

Robust R&D & Process chemistry skills
Compliance that meets the most stringent regulatory expectations (USFDA, etc)
Long-standing relationships | Top 10 global pharma cos. catered

750+ scientists (R&D) | 61 DMFs | 27 ANDAs | 150 patents (292 filed)

3/ APIs: 54% of rev

- Leaders in various high-value & high-volume APIs.
- 4 high potent manufacturing facilities: 4186 KL, increasing capacity by 24% (Strong demand)
- ARV APIs were up 70% | Onco APIs up 25% | Other APIs up 56% (higher contract manufacturing orders from ■■)

4/ Formulations: 35% of rev

- Backwardly integrated: in house APIs
- Sales to LMIC, ■■ & ■■
- 27 ANDA filled: 9 approved+ 8 tentative.
- Capacity of 5 Billion units/yr, Increasing capacity by 100%
- Sales up 102% (growth across markets)
- Launched TLE 400 in the LMIC market

5/ Synthesis: 11% of rev

- CDMO services for global pharma with 50 active projects
- Commercial supplies ongoing for 4 products
- Sales up 35% due to client additions & increased commercialisations

During the year, acquired 73% of Richcore Lifesciences & renames it Laurus Bio.

6/ Manufacturing:

7 manufacturing plants in Andhra Pradesh & 1 plant in Hyderabad+ a kilo lab at the Hyderabad R&D center.

Future capacities: Debottlenecking to increase by 15% by Q1FY22 & further increases over the next 3 years.

Increasing capacity by 80% in 2022 ■

7/ Laurus' journey of 15 years:

From ARV API company to API to Pharmaceutical company

Increased reactor volumes by 20 in 10 years
USFDA manufacturing sites from 1 to 5
Team strength 6 times
DMFs 5 times.

8/ Numbers that matter:

Sales up 70% YoY
33% EBITDA margin
Pat up 286% & Strong Cashflows
Strong Return ratios
4% of turnover invested in R&D

Growth Engines ->

9/ From the desk of the CEO (Dr. Chava)

- Formulation segment grew from 5cr to 825crs in 2 years ■: tender businesses

- Acquisition of Richcore: In 5yrs want to use its capabilities to do biologics at a scale
- Setting up a dedicated R&D center & manufacturing for synthesis

10/ Trends in which the co. is betting on

- Demographics: An increasingly ageing population
- Changing supply chains: ■■+1, etc
- Digital adoption across business operations
- Pressure on govt. budgets: decreasing medicine prices (generics market share to ■)
- CDMO adoption.

11/ ARV opportunity & how the company is playing it: 12 APIs covering both 1st line & 2nd line treatment regimens.

Same for the Nutraceutical/dietary supplements
& cosmeceutical segments

12/ Strategies (Short & Long term)

The company running in the right direction, let's see if the management has more surprises under their sleeves.

End of Thread.

Laurus Labs Q4FY21 Concall Takeaways: https://t.co/1qU2RSChqw

Laurus Labs Q4FY21 results:
https://t.co/xGojyaTaeU

> Laurus Labs concall takeaways \U0001f9ec
>
> Targetting $1B revenues & much more afterward (Increased capex guidance for FY22-23 from 1000crs to 1700crs)#Q4withJST #Pharma pic.twitter.com/lFcjPCOhWl
>
> — JST Investments (@JstInvestments) April 30, 2021