LAURUS Labs
Chemistry for Better Living

July 30, 2026

To	To
The Corporate Relations Department **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 **Code: 540222**	**The Listing Department** **National Stock Exchange of India Ltd.,** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 **Code: LAURUSLABS**

Dear Sir / Madam,

Sub: Transcript of the Q1 FY '27 Results Conference Call hosted on July 24, 2026

Pursuant to Regulation 30 & 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to our results conference call intimation dated July 09, 2026, please be informed that the results conference call for Q1 FY27 was hosted on July 24, 2026 and the transcript of the conference call is enclosed herewith.

This is for your information and records.

Thanking You

Yours faithfully,
For **Laurus Labs Limited**
VENKATESWAR REDDY GOGIREDDY Digitally signed by VENKATESWAR REDDY GOGIREDDY Date: 2026.07.30 10:57:08 +05'30'
G. Venkateswar Reddy
Company Secretary & Compliance Officer

Encl: A/a

“Laurus Labs Limited

Q1 FY27 Earnings Conference Call”

July 24, 2026

MANAGEMENT:	**DR. SATYANARAYANA CHAVA – FOUNDER AND CHIEF EXECUTIVE OFFICER – LAURUS LABS LIMITED** **MR. V. V. RAVI KUMAR – EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER – LAURUS LABS LIMITED** **MR. KRISHNA CHAITANYA CHAVA – EXECUTIVE DIRECTOR, HEAD CDMO – LAURUS LABS LIMITED** **MS. SOUMYA CHAVA – EXECUTIVE DIRECTOR GENERICS AND COMMERICAL – LAURUS LABS LIMITED** **MR. VIVEK KUMAR –AVP – INVESTOR RELATIONS – LAURUS LABS LIMITED**
MODERATOR:	**MR. NITIN AGARWAL – DAM CAPITAL ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Laurus Labs Q1 FY '27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Nitin Agarwal. Thank you, and over to you, sir.

Nitin Agarwal: Thank you, Bharat. Good evening, everyone, and a very warm welcome to Laurus Labs Q1 F '27 Earnings Call hosted by DAM Capital Advisors Limited. On the call today, we have representing Laurus Labs management: Dr. Satyanarayana Chava, Founder and CEO; Mr. V. V. Ravi Kumar, Executive Director and CFO; Mr. Krishna Chaitanya Chava, ED, Head CDMO; Ms. Soumya Chava, ED, Generics and Commercial; and Mr. Vivek Kumar, AVP, Investor Relations.

Before we proceed, I would like you to remind you that some of the statements made during the call today could be forward-looking in nature, and a safe harbor statement to this effect has been included in the press release that has been shared on the company's website. I hand over the call to Dr. Chava to make the opening comments, and then we'll open the floor for questions. Please go ahead, sir.

Satyanarayana Chava: Thanks for the introduction. Good afternoon to all our stakeholders. We continue to make steady progress and a strong demand environment for multiple complex technology platforms and integrated manufacturing capabilities. We reported significant acceleration in our CDMO business, maintained sustained momentum in affordable medicine portfolio, and continue to show tangible advancement in our mid- and late-stage commercial projects with global innovators.

We are executing well on our transformation strategy with a clear focus and determination to realize the near- to medium-term opportunities. At the same time, we continue investing in capacity readiness to better meet our client needs, new technologies, emerging and complex modalities like peptides, ADCs, gene therapy, etcetera, to seize the next wave of business opportunities that will positively drive future value creation for all stakeholders.

Moving on to financial results. Laurus maintained its strong growth momentum, delivering highest quarterly revenue, EBITDA and profits during the first quarter. The company's revenues were INR2,026 crores, showing a 29% growth. This was mainly driven by growing contribution of commercial supplies in CDMO segment and continued strength in affordable medicine portfolio.

Gross margins were also very healthy and maintained around 62.7% and EBITDA margins further expanded over previous quarter by 7 percentage points to 31.8%. Our product mix within the business divisions operating leverage continued to do well, supporting healthy margins overall. We also achieved several milestones in our operations.

The first one is we signed a development and commercial agreement with Aarvik Therapeutics for 2 ADC molecules for India markets. Those are in the clinical stage. We have onboarded a big pharma client with significant opportunities ahead of us.

The third one, the final handover of 500-plus acres of land parcel from AP government is in the final stages now. I would like to thank our dedicated team for their relentless effort and strong progress we are achieving now.

I would request Ms. Krishna Chava to share key updates on our CDMO segment.

Krishna Chava: Yes. Thank you, sir. Within the CDMO side, the division has continued to deliver strong operational execution in Q1, reporting a growth of 69% with the sales of INR835 crores on the small molecule side. This is mainly driven by acceleration in the late-stage clinical and commercial deliveries of the programs for multiple global partners. We continue to see good and encouraging progress across both Human Health and Animal Health businesses, both on volume ramp-ups with existing portfolios and also new potential customer engagements. As we continue to strengthen capabilities of our CDMO platform, we are constantly enhancing the service efficiency and also conversion of the opportunities at various different clinical stages, reflecting client trust in our technical and commercial capabilities.

Continued investment into capacity creation at our Vizag site and also advancing quite well on the commercial scale peptide capacities based on customer demand. I would say with customers' ongoing demand for enabling services, our strong CDMO business model and the management execution in line with which the company is confident to sustain a very healthy business growth.

Now moving on to the Laurus Bio side of things. Bio division reported a Q1 sales of about INR35 crores, which is about 21% growth year-on-year, which is broadly in line with our expectation. The growth is supported by customer revenue diversification and also continued pipeline progress on some of the larger global accounts, both in the animal origin-free space and also in the CDMO side.

We have continued to demonstrate significant value add through the expanded application and capabilities, especially in the enzymatic and biocatalysis platform across various different clinical phases, further deepening long-term customer partnerships. Construction work for the commercial scale fermentation facility and strengthening of our downstream processing infrastructure is progressing in line with the plan, and we expect Phase 1 of this capacity, which is a little over 400 kiloliters is expected to be operational towards the end of this year. Thank you.

Satyanarayana Chava: Now, I would like to request Ms. Soumya Chava to share the key updates on our Affordable Medicines division.

Soumya Chava: Thank you. Our Affordable Medicine division delivered a strong quarter 1 performance with revenue reaching to INR1,156 crores, which is an increase of 10% year-on-year. Our growth was driven by higher volumes across our established portfolio, including ARVs and onco where we continue to maintain our market leadership.

Our recently launched products in the developed markets also sustained their strong momentum. Operational execution remains robust, supported by consistent supply reliability, improving efficiencies and greater resilience across manufacturing and the supply chain. Despite a dynamic external environment, our teams continue to proactively manage production, shipping and inventory to ensure uninterrupted customer deliveries and execution excellence.

We are also accelerating product registrations across 3 emerging markets, building a stronger and more diversified growth pipeline. The establishment of a new office in South Africa further strengthens our commercial presence and positions us to capture the growing opportunities in this region. We continue to make a steady progress on regulatory filings. Our cumulative BMS filings now stand at 92. In developed market formulation dossiers, we filed 2 dossiers during Q1, taking our cumulative product filings to 96. Thank you.

Satyanarayana Chava: Thank you, Soumya, for the overview of affordable medicines and CDMO business segments. On R&D front, we spent 5.8% of our revenue on R&D, which is significantly higher, 70% more than the previous year. This was on account of capability development and efforts for our gene therapy ADC technology infrastructure. And there are some complex pipeline building activity on affordable medicine side as well. Having said that, the recurring spends are in line with full year target. We maintain our commitment to invest in portfolio focusing on product complexity, scale and sustainable technology platforms.

Let me share brief on quality and ESG side as well. In quarter 1, the company underwent 24 quality audits by multiple regulatory and customers. Company has successfully passed these audit inspections without any critical findings. On ESG side, we continue to take steps towards meeting our ESG commitments with a focus on clean energy. In Q1, the science-based target initiative has validated our targets to reduce our near-term emissions. You can refer our IR slides for more details on this.

As we look forward, we continue to see robust demand for our specialized technology offerings and the integrated manufacturing capabilities. This is significantly accelerating our global position and expanding various market opportunities. We, therefore, remain confident in our ongoing transformation strategy. and in our ability to deliver sustained growth and value creation for all our stakeholders. Now I request Mr. Ravi Kumar to share overall financial highlights.

V. V. Ravi Kumar: Thank you, Dr. Satya, and very warm welcome to everyone on our quarter 1 FY '27 earnings call. Total income from operations is around INR2,026 crores, registering a growth of 29% over last year. The main driver is CDMO and of course, affordable medicines also has been contributed.

Gross margin maintained at 62.7%, about 3.3% higher than before. This is due to the division mix and the process improvement efforts. And EBITDA for the quarter 1 stands at INR644 crores with EBITDA margin of 31.8%, which is about 7% higher than before, which is consistently improving since last several quarters. This is largely on account of improvement in capacity efficiency driven by the growth of late-stage clinical and commercial projects.

Our profit after tax is around INR368 crores and ROCE is around 19% against 17.7% of the previous year. On the capex front, we invested about INR394 crores for the quarter. Our net debt stood at INR2,656 crores and debt-to-EBITDA is around 1.28 against 1.25 the last quarter on the back of strong internal cash flows. A slight increase in the debt is due to the capex plans.

On the capital allocation part, our strategy remains unchanged, and we will continue to prioritize investment into high-value business segments to drive near and long-term growth and returns for our shareholders. You can refer our IR presentation for more details.

With this, I would request the moderator to open the lines for Q&A.

Moderator: Thank you. The first question is from the line of Vandit Dharamshi from Anantara Growth Capital. Please go ahead.

Vandit Dharamshi: Congratulations. It's very heartening to see these kind of numbers. Just 2 questions. First question is regarding the capex that you have guided. We started with INR1,000 crores and up the guidance to INR1,500 crores. And in our AGM, we spoke about INR2,000 crores capex for FY '27. I mean could you please explain what has changed in the last 6, 8 months that you've close to double your guidance on capex?

Satyanarayana Chava: The increase in numbers for the capex spend broadly based on our requirement for capacity to meet our customer demands. The current year investments into capacity expansion is based on what our customer demands are and creating capacity to meet that demand.

Vandit Dharamshi: Got it, sir. And for the second year, which is FY '28, would you continue to maintain the older guidance or any revision there?

Satyanarayana Chava: See, we changed our guidance. Last quarter, we said INR3,000 crores for FY '27 and '28. We may do more than that, but we don't have a correct number to give you in this call.

Vandit Dharamshi: Got it, sir. And last question from my end. Just a book keeping question. What would be our operating cash flow for this quarter?

V. V. Ravi Kumar: Operating cash flow, we have not disclosed. We'll get back to you.

Moderator: The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services.

Tushar Manudhane: Congratulations on good set of numbers. If you could firstly highlight what was the constant currency growth for the quarter?

V. V. Ravi Kumar: Constant currency growth revenue is around INR36 crores. Sorry, you're asking this only, right?

Tushar Manudhane: I meant constant currency growth.

V. V. Ravi Kumar: INR36 crores -- percentage you're asking?

Tushar Manudhane: Yes, sir.

V. V. Ravi Kumar: Percentage is about 2%...

Tushar Manudhane: Year-over-year?

V. V. Ravi Kumar: Yes. Correct.

Tushar Manudhane: Okay. Sir, secondly, with respect to the delivery of late-stage molecules, so this is with respect to supplying to the customer in terms of anticipation of product approval or these are with respect to products which are approved and we have initiated the supplies for these projects?

Satyanarayana Chava: It's a mix of both -- towards preparation of launch and also for products that have already garnered the approval.

Tushar Manudhane: Can you share the sort of mix so that which can be a sustainable number and which could sort of have a temporary pause once the inventory building completes?

Satyanarayana Chava: So in the small molecule CDMO business, about 55% of revenue came from commercial supplies.

Tushar Manudhane: Understood. And sir, if you could just lastly let know what was the, let's say, customer advance in this quarter or, let's say, compared to what it was in FY '26?

Satyanarayana Chava: No, we didn't have any customer advances during this quarter.

Moderator: The next question is from the line of Krish Mehta from Enam Holdings.

Krish Mehta: Congratulations on these numbers. Sir, I just wanted to get the split between your FDF and API within the ARV revenue, if you could just disclose that? And the second question I had is that now this quarter, we're seeing that mix of ARV versus non-ARV coming back down to like the 1/3, 2/3 split, which we have spoken about for a while. So how do you think about this going forward for the next 3, 4 years? Are we going to be at this mix now? Have we reached that stable level of 1/3rd , 2/3rd ?

Satyanarayana Chava: I will answer the last question. See, currently, 2/3rd is non-ARV and 1/3rd is ARV. We expect this will be the highest and I expect it will go down further, but I don't think it will go up beyond this number.

Soumya Chava: To answer your first question, for ARV APIs, we did about INR415 crores and ARV FDF is INR254 crores. Together, total ARV revenue is INR669 crores.

Moderator: The next question is from the line of Sajal Kapoor from Antifragile Thinking.

Sajal Kapoor: Congratulations on a strong quarter. I have two questions. First is Dr. Satya, take us back to 2023, please. The numbers were weak. The stock was under pressure, yet you kept investing. What was going through your minds during that period? And what gave you the conviction to stay the course? And I would also like to hear Ravi's comments on this question, please.

Satyanarayana Chava: See, in the CDMO business, what we have realized, customers would like to see the capacity before giving products. And second, the trend what we have also seen when they put a very important program updates, they don't want to see that batch size increases. They don't want to see change of manufacturing lines, change of manufacturing sites to minimize the regulatory complexity.

Since we realized this very early in the CDMO growth, we did invest aggressively. We realized we are taking risk, but we are not taking the risk of putting the company at a bankruptcy. So we decided to invest aggressively created capacity and that attracted customers that attracted complex projects and also attracted projects at scale.

Sajal Kapoor: That's helpful. And Ravi ji, being the CFO, it's your job to not approve any project, right? So I'm sure you must be having a very close scrutiny on at that point in time because the environment was foggy. And at least to us, as investors, it was very less visible. Looking at the numbers, the ROCE was collapsing the margins, the sales. I mean the CDMO segment itself saw a big collapse because of disappearing of that purchase order. So what gave you the conviction to sign on the capital allocation decisions that the team was making?

V. V. Ravi Kumar: Sajal, actually, your question has an answer. FY '23 is the best year because of that execution of large purchase order. But maybe the execution itself is a classic example or like a precedent to approve a capex. So had we not had capacity before accepting that order, actually, we should have been missing the entire CDMO opportunity maybe in the next future years. So that created a milestone.

And fortunately, I've been there in this business and with Dr. Satya for a long time. So we know we may defer sometimes, but we go together. So that's how we have done. And then you know only 7 quarters, we had not so great results. Those 7 quarters, we use to read Bhagwat Gita well, so we were having balance of mind and then we were using our judgment to invest continuously. That is really paying well for the last 5 quarters, and then it will repeat in the next years. I hope I answered your question, Sajal ji.

Sajal Kapoor: Yes, definitely. Definitely, Ravi ji. You read the most important book at the point in time which you created the maximum return on that investment of your time, on that one. So thank you for answering that.

Second question is Laurus now seems to be at a stage where some investments are being harvested, others are scaling, while a third set is still being seeded. How do you talk about balancing these 3 horizons when allocating capital because a lot of what you are seeding today will not be visible to us as outsiders or investors maybe next 5 years, maybe 4 years, who knows?

Satyanarayana Chava: See, one segment, our investments are not going to give returns is our advanced biologics, our investments into gene therapy, ADCs and all. That investment we're doing consciously because those modalities are the one which are growing faster than others. Except that our investment into small molecule API, small molecule drug product, I think we know, as we always say, the CDMO, CMO business is lumpy, but predictable. So now our capex investment is very heavy because we were able to predict better than earlier.

V. V. Ravi Kumar: I just want to add one more point, Sajal ji.

Sajal Kapoor: Yes, sure, Ravi ji, please.

V. V. Ravi Kumar: You see, a few years back, we have taken a call when we started generating more cash. So we took a call that like up to 10% of our investments or our profits into a disruptive technology, either in-house or external. That also is paying well. And then, for example, some of the initiatives, what we have taken, they are not even generating any revenue or maybe not major revenue. So I think the combination of all these strategies, what you have said which can create a sustainable organization.

Satyanarayana Chava: The other point I want to add here is, see, any major investment in new areas, it will take 4, 5 years. So unless we invest right now for our growth in FY '30 onwards. So we see real growth coming after 4, 5 years.

Sajal Kapoor: Yes, absolutely. And unlike generics, as you said, Dr. Satya, ours is a lumpy business, but it also is predictable. How predictable do you think is the a 400-plus KL scale that will go commercial starting early next year. How predictable is that side of the business?

Satyanarayana Chava: See, that business currently giving give or take INR200 crores right now. That INR200 crores, we are very confident that we'll generate. Next ramp-up, we are banking on multiple products. I hope all will not succeed at the sense all will not fail also. So we are hopeful some products will succeed and that will give a massive upside. Our next 12 to 18 months will be very crucial which molecule, which program in our precision fermentation will take off, which will not take off. So that is the reason this gestation period, we expect the 18 months for our bio business to see significant ramp-up.

Sajal Kapoor: Yes. And the capacity there is fungible, right? So even if some molecules fail, the lesson and the learning will be deployed to the next set of opportunity, and we could use the same infrastructure to manufacture something completely different there?

Satyanarayana Chava: So capacity, what we have created upstream, downstream are fungible. So we can use the same capacity for multiple programs.

Moderator: The next question is from the line of Bharath from Quest for Value Capital.

Bharath: So congrats for a good set of numbers. Regarding this FY '27 capex guidance, as one of the participants already said, so you have effectively doubled capex from INR1,000 crores to

INR2,000 crores in just 6 months. So could you help us understand what has changed during the 6-month period? What new opportunities have emerged that made you to do too successive upward revision of capex? Is it due to increased inquiries from big pharma due to supply diversification?

Satyanarayana Chava: It is from the capacity needed for our existing customers, some programs we are doing advanced intermedates, maybe we have to do API. We are expanding our offerings in the programs. We are investing in new modalities within the small molecules also. So this capex, unlike earlier capex, what we have done, this we are doing for a purpose, for a product and capacity, what is needed in the near term for our partners' needs.

Moderator: The next question is from the line of Dhanshyam Meena from Moonshot Capital.

Dhanshyam Meena: Sir, I have one question regarding where we can witness the impact of CDMO ramp-up in our margins or in our profits, whether we can see them in gross profit or operating profit as we compare with respect to the last quarter, our CDMO business has improved a lot.

However, our gross margins have not improved and operating profits have improved. Further, raw material cost, if we consider that there may be some higher cost due to the Middle East or West Asia crisis. But in case of API, I think the prices reflect around 1 quarter after the raw material will be procured. So can you please explain or to understand the business in this regard?

Satyanarayana Chava: See, as you mentioned, our CDMO business increased significantly. And so our gross margin also improved from 61% to 63%. That's from quarter-on-quarter. But when compared to year-on-year, it is almost a little over 3% increase was there. We have seen some pressure on margins because of the global conflicts, but that margin pressure is not that significant to take a shelter that because of that margins have gone down. So we expect the similar margins we maintain for the coming quarters as well.

Dhanshyam Meena: Okay. The second question is regarding the asset turns. Would we expect the asset turns around 1.5 as we ramp up our CDMO business?

Satyanarayana Chava: We have clearly mentioned in our investor presentation, our first target is to reach asset turnover ratio a little over 1.0. That's the target. We are almost there right now, but we wanted to take a little more than 1.0.

Dhanshyam Meena: And sir, last question from my side. In this quarter, the the CDMO business is significantly contributing around, I think, 44% something. And so I want to know this contribution from the 2, 3 products or there are multiple products in this regard?

Satyanarayana Chava: Thanks for asking question. Our CDMO business is well diversified. No product or no customer are contributing significantly in our business. So well-diversified CDMO segment.

Moderator: The next question is from the line of Ramesh Jain from CA.

Ramesh Jain: And first of all, congratulations to the management for a great set of numbers. So my question to Dr. Chava is, sir, if I remember correctly, you have promised by 2030, our CDMO turnover will be more than 50% of the total turnover. So are we still sticking to that? Or are we going to prepone that target to 2028 or '29?

Satyanarayana Chava: At this point, we are very comfortable to say that by FY '30, we will definitely reach our target of at least 50% of revenue come from CDMO segment.

Ramesh Jain: And secondly, sir, just I wanted to know what is the amount of exchange gain we have made during this quarter?

V. V. Ravi Kumar: Forex gain on the balance sheet is about INR5 crores.

Ramesh Jain: It's INR5 crores.

V. V. Ravi Kumar: Yes. forex gain as a separate head is INR5 crores.

Ramesh Jain: And thirdly, sir, if I see your presentation, you are mentioning some in-licensing of ADC. So can you throw some light on this, sir, exactly when we will be able to generate revenue out of it?

Satyanarayana Chava: These programs are at the preclinical stage. We have to continue process optimize in Hyderabad, do GLP toxicity, file IND and if the data is good, then we have to do Phase I, II trials in India. So it will take 3 to 4 years in India.

Moderator: The next question is from the line of Rehan from Trinetra AMC.

Rehan: I have just one question on the capex side. Like you have guided, you have guided long-term target of 1.1x asset turnover and 25% ROCE. So sir, given the cumulative capex has now crossed INR4,700 crores, so what is the expected trajectory for these ratios over the next 4 quarters

Satyanarayana Chava: I think asset turnover ratios will be more than 1.0 for sure. And the ROCE because of heavy capex this year, maybe going to 23% will take some time. But we expect ROCE will continue to grow from last year, it is 17.7%, this year it is 19% something. Then we continue to grow our ROCE returns as well.

Rehan: Okay. Okay. And just last one more question, if I can ask. So we have previously observed pilot scale shipments for GLP-1 peptides like semaglutide. So sir, has the company now qualified commercial scale synthesizers? And when do we expect meaningful revenue contribution from this category?

Krishna Chava: Within GLP-1 space, while there are a few different opportunities that we are working on. Unfortunately, we are not able to discuss any project-specific details, but we expect peptides to be a meaningful area for Laurus as a company.

Moderator: The next question is from the line of Manoj Bahety from Carnelian.

Manoj Bahety: So first of all, congratulations, Dr. Chava and entire Laurus team for a very, very strong quarter. So I have 3 questions. First question is, as you mentioned that in CDMO, 55% of the revenue is on the commercial side and 45% is on the start-up where the filling of inventory may be there. So just wanted to understand whether this 45% portion of the revenue is going to sustain? How do you see the sustainability of this portion? That is my first question.

Satyanarayana Chava: The majority of the revenue, which is not commercial is for the Phase III supplies. So we expect they will become commercial soon for one of the programs where we supply Phase III supplies, the approval also obtained. So we expect it will become commercial soon.

Manoj Bahety: Okay. And second part is, if you can give us some update on Krka JV, how much more capex will be required in that? And when do we expect the revenues? And what will be our guidance, if any, on this part?

Satyanarayana Chava: See, Krka JV, we are doing two things. One is oncology, small volume oncology formulations and large volume normal solid orals. The oncology facility will be ready early next year and then solid oral facility will be second half of 2027 calendar year. Currently, we have invested so far INR400 crores. And then that facility needs another INR400 crores. And part of that investment will come from loan from our partner.

Manoj Bahety: And sir, my last question is on our animal part of CDMO. I think if I remember out of 16, 18 molecules, around 2 or 4 tech transfer did happen. So if you can give us an update there also, the kind of jump we are seeing? Have we received more tech transfer? Has number of molecules gone up there?

Krishna Chava: Well, not in a position to share the specific number of molecules that we are working on, but there are a few programs or molecules in that space that are being commercially supplied as we speak.

Moderator: The next question is from the line of Sachin from Prahas Capital.

Sachin: Yes. So many congratulations to entire Laurus team for wonderful results. And, Dr. Chava, I'm very impressed the way each success of Laurus seeding another success, like, for example, API seeded formulation, formulation seeded CDMO. Now what I want to understand, if you see Laurus 3 to 4 years from here on, what's your big picture

Satyanarayana Chava: It will be a fully integrated pharmaceutical company, offering end-to-end solution in pharmaceutical value chain from API to drug product, both in our generic CMO as well as our NCE also our desire is to offer fully integrated product, not just starting materials intermediates API, but to offer including formulations for our big pharma CDMO customers. That's our goal, and we are going in the direction right now.

Sachin Shah: Understood. And more particularly, how you see Laurus Bio evolving, say, next 3 to 4 years? Because as of now, it's comparatively, it's pretty small. But in your scheme of things, how do you see next 3, 4 years, Laurus Bio can shape up?

Satyanarayana Chava: There are 2 segments where we have invested a lot of money. One is bio and second one is Crop Sciences. We need maybe another 18, 24 months to assess how big the opportunity, what else we need to do? Do we add more customers, more projects, more infrastructure, more resources in R&D or more resource BD. I think that's the evolution right now.

If you look at in the broad scheme of things, both divisions put together creating INR250 crores revenue. That's not significant, but we are investing significantly in both these, and we need 18 to 24 months to assess where those divisions will take us from the current stage.

Moderator: The next question is from the line of Mitul Mehta from Lucky Investment Managers.

Mitul Mehta: Congratulations on a great set of numbers. It is very heartening to know that how you have navigated your company in last 10 years from an ARV to a full-fledged integrated CDMO. So hearty congratulations to your entire team, sir.

Sir, my question to you is, so if you see our quarter 1 exit rate for CDMO is roughly about INR800-plus crores. Now the overall share in the basket is now approximately 42%. And do you firmly believe that we can keep growing our CDMO business at about 30% to 40% for the next 3, 4 years based on the capex that we are doing for this and this entire capex is for the CDMO or we are also investing in other segment of the businesses? If you could just throw on this particular question.

Satyanarayana Chava: The majority of capex is for small molecule, whether it is API or CDMO. And we do expect to grow significantly. I may not be able to give you a number what we will grow, but we have good visibility and a lot of confidence and conviction that CDMO will definitely give a lot of growth for us.

Mitul Mehta: And sir, is it possible for you to give us a total TAM of this CDMO pipeline that we have built in the last so many years so that we get some confidence as to the company is on a very serious growth trajectory for the next 3 to 5 years. Is it possible for you to share the number? I mean I'm certain that there are a lot of confidential agreements. But just sort of broadly, if you can give us what could be the addressable opportunity in this whole piece?

Satyanarayana Chava: I think we don't want to confuse all our investors by giving a certain number of projects we're handling or certain percentage of and all. So it all depends on the value of each program is more important than the number of programs. So that's more important. And the addressable market is the CDMO market is growing and a lot of opportunities are there. It is our ability to create capacity, create technology platforms and absorb the customer projects and all. Krishna, do you want to add anything here?

Krishna Chava: No, no, I echo your thoughts because from a number perspective, in the CDMO space, we have commercial programs, be it intermediate or APIs that are maybe less than 1 million. And there are programs that are in the double digit or even beyond, right? So just giving a number might not give a complete picture and thereby, that was one of the reasons why we've categorically tried to refrain from giving a breakup because that might not be an accurate representation of how the business is doing.

Mitul Mehta: Or is it possible for you to share like how much each product or each program would be contributing to the overall? I mean, is it a very concentrated I mean, is there like a top 3 or a top 5 or it's a basket of products that is sort of contributing to the growth in the overall CDMO business?

Krishna Chava: Fortunately, within the CDMO space, the revenues are well diversified. And we don't have any particular high concentration of any particular program or customer for that matter. It's a well-diversified set of products that currently we have.

Mitul Mehta: And also within CDMO, what percentage would be for the patented molecule and non-patented molecule?

Krishna Chava: Within the way Laurus Labs as a company represents CDMO, all of these are innovator programs, which are on-patent molecules. All the off-patent molecules that we support for various different companies from a contract manufacturing point of view are internally referred to as CMO and the value from this is captured in the affordable medicines revenue.

Mitul Mehta: So which means a very significant -- I mean, 70% to 80% or 90% of the business would be from the patented molecules?

Krishna Chava: In the CDMO space, predominantly, yes, maybe even more than that. Yes.

Mitul Mehta: Maybe even more than that. Okay. And the therapeutic concentration also is very well diversified? Or I mean, 1 or 2 therapies contribute significant to the overall CDMO pipeline, I mean, business?

Krishna Chava: Therapeutic area also is well diversified. There's no specific therapy area that has any high concentration risk.

Mitul Mehta: Right. Sir, you have been primarily into an investment curve, and this investment curve also seems to be continuing. And obviously, we can see that your CDMO business is growing at upward of 35%, 40%. But just to sort of map, Laurus, on return metrics, I mean, on return on capital employed, if I were to sort of dissect your CDMO and sort of build up P&L for your CDMO business, would your return on capital employed at maturity or maybe at good scale up would be significantly higher than the total ROCE of the company?

V. V. Ravi Kumar: We can't separate the CDMO and the generics part of it. So we can't calculate the separate ROCE for CDMO.

Moderator: The next question is from the line of Dhawal Khut from Jefferies.

Dhawal Khut: So just wanted to get some more comments on your custom synthesis sales run rate, given that we do have high visibility typically at least for next 2 quarters. So is it fair to say ballpark, maybe plus/minus INR100 crores here and there, but we can maintain the current run rate? Is that a fair understanding?

Krishna Chava: That's a fair statement to make, sir. Yes.

Dhawal Khut: Okay. And also, can you give what was the commercial sales contribution within the custom synthesis for FY '26? You said it's 55% for 1Q FY '27.

Satyanarayana Chava: It's the same number. But we expect in the coming quarters and years that will grow. It's 50% came from commercial supplies last financial year.

Dhawal Khut: Okay. And one for Ravi, sir. Sir, if I got it correct, you said it's 2% constant currency growth for the quarter. So can you explain because against most currencies, especially the dollar and euro, I think INR depreciation is like 10%, right? So how is our constant currency growth so low given that INR growth is 30%?

V. V. Ravi Kumar: So we have even a rupee sales also, right? The entire sale is not in the dollar terms. And what I said is like for the FY '26 and the first quarter comparison.

Dhawal Khut: Okay. So what would be the total export percentage in terms of total consol revenue?

V. V. Ravi Kumar: Direct export is, I think, about 55%, 60%. We just check.

Dhawal Khut: Okay. And lastly, one more, if I can. Can you throw some more color on the Laurus Bio division in terms of what category of products are currently largest within that division? Is it insulin, food protein, industrial enzymes currently? And in terms of new product, what are going to be the largest category of product?

Satyanarayana Chava: Currently, about 20% revenue comes from animal origin-free cell culture ingredients and enzymes, and the remaining 60% coming from various CDMO molecules at the early stages. It's spread over some alternate food proteins, some colors, some super absorbent polymers. It's spread. It's not one segment which is concentrating more.

Moderator: The next question is from the line of Abhijith, an Individual Investor.

Abhijith: Congratulations on the fantastic set of numbers. I have a question with regards to the Aarvik Therapeutics, 2 ADC contracts that you signed, I just did a quick Google search, and I noticed that they have a different type of ADC. Can you give more disclosure on the product that you're developing? Are you partnering with them and to develop it from scratch? Or there is already a certain product that is already there and they're asking you to help them scale it up?

Satyanarayana Chava: We also made a small investment into Aarvik Therapeutics long back. We have in licensed 2 preclinical assets, which completed in vitro proof-of-concept. And we need to do GLP tox here in India. That will be mid of next year, we expect to start preclinical talks. And based on that, we will plan our future course of action. These are part of their MUTTA program. And this are for 2 therapeutic categories, we will give you more details later, which are both are solid tumor.

Abhijith: And another question is with regards to the organization itself. I think you clearly demonstrated that you're capable of executing small molecule CDMO contracts and you're positioning yourself as a large molecule player with all as cell and gene therapy, peptide ADC. Would you like to give a more visionary disclosure to the investors with regards to the next 5 years?

Satyanarayana Chava: See, we already make a few payload linker programs for big pharma. And see, for us to wet our hands, we need to get technology absorption. Instead of developing We cant invest in a small biotech company and get access to their technology. So now with these 2 ADC programs, we have access to their conjugation, purification and fill finish opportunities there. That is one area where we are investing.

And we also licensed some patents from IIT Kanpur, those are helping in our gene therapy programs, our investment into ImmunoACT helping us to understand the lentiviral and then cell therapy. And based on the programs what we have from partners, we also invested, as Krishna mentioned earlier, into large peptide manufacturing capacity as well. So eventually, we are investing in the future modalities where the market is moving.

Abhijith: Okay. One last question with regards to the peptides. Everybody in the market is trying to focus on the peptides or the weight loss, the GLPs. But I think there is a lot of speculation that's happening in the peptide treatments for other sectors, right? Like gastro, I think I was reading is something -- there's a lot of work going on in it. Would you like to disclose more that saying that are you looking at the overall sector? Or are you looking at specific sectors where the growth is? Because I think the market itself is growing around 30% plus, so if you can give some more details on it?

Satyanarayana Chava: Krishna, do you want to answer?

Krishna Chava: Yes, there's a few different class of programs that we expect to support in this space, which we will give additional color in due course. But yes, it's multiple classes that we expect to support.

Satyanarayana Chava: Not just GLPs, we also have programs other than GLPs.

Moderator: The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services.

Tushar Manudhane: Sir, just a clarification. The constant currency growth in Q1 FY '27 over Q1 FY '26, if you could clarify.

V. V. Ravi Kumar: Vivek will come back to you on that. Actually, what I said is on the full year of FY '26 and quarter 1 of FY '27.

Tushar Manudhane: No, I meant to ask Q1 FY '27 over Q1 FY '26.

V. V. Ravi Kumar: That's what. Vivek will offline tell you.

Tushar Manudhane: Sure, sir. And with respect to this increment in capex, while it is for a specific customer, but is it for a specific product?

Satyanarayana Chava: These are not meant for one customer, multiple customers and multiple products.

Tushar Manudhane: The capex guidance which you raised from INR1,500 crores to INR2,000 crores. So incremental INR500 crores is for multiple products. Is that the way to understand?

Satyanarayana Chava: Yes, you're right.

Tushar Manudhane: And if you could just clarify like again, for Animal Health, Crop Science or human health and for API or intermediates?

Krishna Chava: It's a mix of both Human Health and Animal Health portfolio.

Tushar Manudhane: Okay. And for API and intermediate?

Krishna Chava: Both.

Satyanarayana Chava: As you've seen, Laurus is investing more in serving our partners' API needs. We do have some business in advanced intermediates in CDMO segment, but mostly it is API for us.

Tushar Manudhane: Got it, sir. And just last one, if I may. This regulatory approval for your customer where the product offtake is sort of expected to scale up. This is for like the global market, regulated markets, emerging markets, if you could give some color to that?

Krishna Chava: We expect it is global, regulated and LMIC as well, but it's global portfolio.

Moderator: The next question is from the line of Dhanshyam Meena from Moonshot Capital.

Dhanshyam Meena: This is just a follow-up question regarding the CDMO business. As Dr. Chava mentioned that we have a very well-diversified CDMO business. Can we know in terms of the percentage if our any molecule in the end product becomes blockbuster, how much we can earn in our business? That is my question, sir.

Satyanarayana Chava: I think we can't give you the granular details, product-wise and customer-wise revenue because of our confidential issues, we can't give you beyond what we are disclosing.

Dhanshyam Meena: The idea in this regard that if one molecule becomes blockbuster in what we make in our CDMO business, how much percentage we can earn in our business in that molecule? Just an example.

Krishna Chava: So again, that's an interesting question. The answer to that, sir, is it is not very easy to come up with a percentage potential contribution to our top line based on the blockbuster status of the customer. The reason why I say that is because there might be programs that use, let's say, 500-milligram dosage per day or there might be programs that use, let's say, 1 or 2 milligrams a day or even less. And also comes down to what value of that each milligram is so while programme might mean block buster for customer but what it means or what it entails to us as an API supplier could mean completely different based on that particular nature of the product.

Dhanshyam Meena: Okay. Just one more follow-up. Do we have molecules in our CDMO business, which are generating around INR200 crores or more?

Krishna Chava: Yes. The answer is yes. Yes, we do have.

Moderator: Ladies and gentlemen, that was the last question of the day. And I now hand the conference over to the management for closing comments.

Satyanarayana Chava: Thank you, everyone, for your very insightful questions and your continued support to the organization. Thank you.

Moderator: Thank you. On behalf of Laurus Labs, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.