WAY2WEALTH Research Desk

Sector – Pharmaceutical

Light House Update

Laurus Labs Ltd

29th July 2026 | Close* – ₹1,759/- | View – **Accumulate**

Q1FY27 Performance

During Q1FY27, the company reported revenue growth of 29% YoY and 12% QoQ to ₹2,026crs, driven by robust growth in the CDMO business and sustained momentum in the Affordable Medicines segment, particularly FDF. EBITDA increased by 67% YoY and 25% QoQ to ₹638crs, while the EBITDA margin expanded by 715 bps YoY and 323 bps QoQ to 31.8%, supported by a favourable product mix and improved operating leverage. Consequently, PAT increased by 124% YoY and 28% QoQ to ₹362crs, PAT margin improving to 18.2% from 10.4% in Q1FY26 and 16% in Q4FY26, reflecting strong operational execution and enhanced profitability.

CDMO revenue increased by 69% YoY and 59% QoQ to ₹835crs, driven by the steady progression of late-stage clinical projects and higher commercial API supplies. The business maintained strong momentum across technologies and manufacturing sites, supported by continued focus on new modalities through strategic partnerships and fully integrated development programs. The company further strengthened its pipeline, which now comprises more than 125 active projects.

The company is expanding its large-scale small molecule API manufacturing capacity at Vizag and is also progressing with the commercial-scale peptide manufacturing block to meet increasing customer demand.

Bio segment revenue increased by 21% YoY, driven by continued revenue diversification and healthy progress across large global customer accounts in both the Animal-Origin-Free (AOF) and CDMO businesses. The company continues to witness strong traction for its enzymatic technology platform across small-molecule clinical and commercial API projects. Further, the >400 kL fermentation facility at Vizag remains on track, with commissioning expected by Q3FY27, while discussions with customers for capacity reservation are underway.

The **Affordable Medicines (Generics) business reported revenue of ₹1,156crs, up 10% YoY** (down 5% QoQ), supported by a healthy order book, steady ARV demand, growth in established products, and new product launches in the US. The company maintained a strong delivery track record despite ongoing global supply chain challenges, while capacity expansion and allocation remained on schedule with continued focus on integrated CMO supplies.

Laurus is accelerating product registrations across emerging markets and has strengthened its commercial presence by opening a new office in South Africa.

The KRKA JV formulation facility is progressing as planned, with Phase I production blocks expected to be operational by mid-2027, focusing on high-potent and general oral solid dosage (OSD) products.

On the regulatory front, the company has cumulatively filed 92 DMFs and 96 FDF dossiers across developed markets, with 37 US approvals (including 15 tentative approvals), reflecting continued progress in expanding its global product portfolio.

The **Advanced Biologics** business continued to make strategic progress across **Gene Therapy, Antibody Drug Conjugates (ADC)** and **Cell Therapy**.

During Q1FY27, Laurus **in-licensed two pre-clinical ADC assets from Aarvik Therapeutics** for development and commercialization in India, while significantly expanding its process development (PD) team and advancing its integrated ADC manufacturing facility, which will provide process development, bioconjugation and finished ADC capabilities.

The facility remains under construction and is expected to be qualified by end-2027, with manufacturing capabilities ranging from gram to multi-kilogram scale to support both clinical and commercial supplies.

Important Statistics

Nifty	23,985.35
Sensex	76,765.92
Close (₹)*	1,759
MCAP (₹ crs)	94,759.78
52-week H/L (₹)	1,762.00 / 810.05
BSE Code	540222
NSE Code	LAURUSLABS
Bloomberg Code	LAURUS:IN

Close as on 28th July 2026*

Shareholding Pattern

	Dec-25	Mar-26	Jun-26
Promoter	27.50%	27.50%	27.50%
FII	26.50%	25.80%	28%
DII	12.40%	14.00%	13.70%
Public	33.60%	32.70%	30.80%

Financials

(₹ crs)

Particulars	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue	6041	5041	5554	6813	7860	9123
Growth %		-17%	10%	23%	15%	16%
EBITDA	1592	778	1055	1778	2044	2372
EBITDA margins %	26%	15%	19%	26%	26%	26%
PAT	793	162	358	890	1023	1172
PAT margins %	13%	3%	6%	13%	13%	13%
EPS	15	3	7	16	19	22
ROE %	20%	4%	8%	17%	16%	16%
P/E Ratio	116.7	570.5	258.4	104.0	76.8	67.0
EV/EBITDA (x)	59.4	122.2	90.3	53.5	39.8	34.4
Debt/ Equity	0.5	0.6	0.6	0.4	0.4	0.4

Source: Company, Way2Wealth Research

Relative Performance

Return (%)	1 Yr	3 Yr	5 Yr
Laurus Labs	**95.87**	**4.28**	**177.8**
Nifty 50	-2.31	0.23	53.87
Sensex	-4.56	-0.05	47.69

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W2W Lighthouse - A Quick Perspective

In the Cell Therapy business, more than 660 CAR-T infusions have been completed as of June 2026, while the second GMP manufacturing facility in Navi Mumbai, with capacity for over 2,500 treatments, became operational in March 2026.

The BCMA Phase I trial for relapsed/refractory multiple myeloma is progressing, and the partnership with Cipla for the South African market continues to advance.

Management's strategic priorities remain focused on accelerating NexCAR19 clinical adoption, expanding the product portfolio, and pursuing global partnerships and licensing opportunities.

Concall highlights

- **Capex Outlook:** Management increased its FY27 capex guidance to around ₹2,000crs, nearly doubling it from the initial guidance of ₹1,000crs, primarily due to higher demand from existing customers rather than speculative investments. The additional capex will be used to create capacity for higher volumes in ongoing projects, expand manufacturing from intermediates to APIs, and strengthen capabilities across CDMO. Management reiterated that the current investment cycle is backed by customer demand and is intended to support future growth. It also maintained the cumulative FY27–FY28 capex guidance of around ₹3,000crs, while indicating that investments could increase further if customer demand remains strong.
- **CDMO Growth Outlook:** Management said the CDMO business growth is expected to continue. In Q1FY27, 55% of CDMO revenue came from commercial products, while the remaining 45% came mainly from Phase III clinical projects. As these Phase III projects receive approvals, they are expected to move into commercial production, supporting future growth and improving revenue visibility.

  Management expects a large part of the clinical portfolio to transition into commercial manufacturing over the next few years, improving revenue visibility.

  Management reiterated its confidence that the CDMO business will contribute at least 50% of total revenue by FY30, supported by a growing commercial portfolio, increasing customer engagements and continued capacity expansion.
- **CDMO Diversification:** Management said the CDMO business is well diversified, with no major dependence on any single customer, product or therapeutic area. This reduces concentration risk and provides a stable base for future growth.
- **Advanced Biologics:** Management said the company continues to invest in Gene Therapy, Antibody Drug Conjugates (ADCs) and Cell Therapy to build future growth platforms. These businesses are expected to take 4–5 years to generate meaningful revenue, and the company believes early investments will help capture future opportunities in these emerging technologies.
- **Margin Outlook:** Management said the improvement in margins was driven by a **higher contribution from the CDMO business, a better product mix, improved manufacturing efficiency and operating leverage**. Despite some increase in raw material costs due to global geopolitical issues, the company expects margins to remain healthy at current levels.
- **ROCE Outlook:** ROCE improved to 19.3% in Q1FY27 from 17.7% in FY26. Management reiterated its long-term target of 25% ROCE, though it replied that achieving this may take longer due to the ongoing heavy capex.
- **Asset Turnover:** Management expects the business to achieve an asset turnover ratio of above 1.0x as newly commissioned capacities ramp up and utilisation improves over the medium term.

- **KRKA Joint Venture:** The KRKA JV project is progressing as planned. The oncology formulation facility is expected to become operational in early 2027, while the general oral solid dosage (OSD) facility is expected in 2H CY2027. Total project investment is estimated at around ₹800crs, with part of the future investment expected to be funded through partner debt.
- **Laurus Bio:** Management said Laurus Bio is still at an early stage of growth. The next 18–24 months will be important to assess the commercial potential of its precision fermentation business and decide the scale of future investments.
- **Peptide Opportunity:** Management said the company is working on multiple peptide programmes and is expanding its commercial peptide manufacturing capacity to meet customer demand. It also indicated that the opportunity is not limited to GLP-1 obesity therapies and includes peptide products across several other therapeutic areas.

Valuation & Outlook

Management remains confident on the company's medium-term growth outlook, supported by strong demand from existing customers, a healthy late-stage CDMO pipeline, increasing commercial projects and ongoing capacity expansion. The company continues to invest in new technology platforms such as peptides, gene therapy, ADCs and cell therapy to strengthen its long-term growth opportunities. Management reiterated its vision of transforming Laurus into a fully integrated pharmaceutical company, offering end-to-end solutions across APIs, formulations, CDMO and advanced biologics, while reaffirming its target of CDMO contributing at least 50% of total revenue by FY30.

Going forward, the company is expected to maintain its growth momentum, with revenue projected to increase to ₹7,860crs in FY27E and ₹9,123crs in FY28E, implying growth of 15% and 16%, respectively. Gross margins are expected to remain ~ 60%, while EBITDA is estimated to grow to ₹2,044crs in FY27E and ₹2,372crs in FY28E, while EBITDA margins are expected to sustain at around 26% despite ongoing investments and capacity additions. Net profit is expected to increase to ₹1,023crs in FY27E and ₹1,172crs in FY28E, supported by continued CDMO growth, commercialization of new capacities, expansion into peptides and biotechnology, and improving operating leverage. As large capex projects become operational over the next two years, Laurus is well-positioned to deliver stronger earnings growth, improved return ratios, and enhanced cash generation.

At the current market price, Laurus Labs is trading at 67x FY28E EPS and 34x FY28E EV/EBITDA, compared with its 5-year average P/E of 61x and EV/EBITDA of 31x. While the stock is trading at a premium to its historical valuation, we believe the premium is justified given the company's transformation into a technology-led CDMO platform. Strong growth in commercial CDMO molecules, expansion into peptides, biotechnology and fermentation, along with significant capacity additions over the next two years, are expected to support sustainable earnings growth. We maintain our ***ACCUMULATE*** rating on the stock from a medium- to long-term perspective and recommend accumulating the stock on corrections ~ ₹1,500 level.

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Quarterly Performance

(₹ crs)

Particulars	Q1FY27	Q1FY26	YoY %	Q4FY26	QoQ %
Revenue (net)	2,026	1570	29%	1,812	12%
Growth %	29%	31%		5%	
TOTAL INCOME	2,026	1,570	29%	1,812	12%
Costs of Materials Consumed	786	599	31%	793	-1%
Purchase of Base Depot / Spares	35	39	-9%	48	-27%
Stock Adj. (Inc) / Dec.	(65)	(1)	11486%	(141)	-54%
Total Material Cost	756	637	19%	700	8%
% of Revenue	37%	41%		39%	
Gross Profit	1,270	932	36%	1,111	14%
% Margin	63%	59%		61%	
Employees exp	259	215	20%	236	10%
% of Revenue	13%	14%		13%	
Other expenses	373	335	11%	364	3%
TOTAL OPER EXPENDITURE	1,388	1,187	17%	1,299	7%
% of Revenue	69%	76%		72%	
EBITDA	638	382	67%	512	25%
% Margin	31%	24%		28%	
Depreciation	124	117	6%	122	1%
Operating Profit	514	265	94%	390	32%
% Margin	25%	17%		22%	
Other Income	9	10	-12%	12	-22%
EBIT	524	276	90%	402	30%
Finance Cost	42	52	-18%	40	4%
EBT	481	224	115%	361	33%
Total Tax Expense / (Credit)	119	63	89%	79	50%
Add: Profit / (Loss) from JV/ Assoc.	0	1	-87%	0	-56%
PAT (Reported)	362	162	124%	282	28%
% Margin	18%	10%		16%	
PAT (Adjusted)	362	162	124%	282	28%
% Margin	18%	10%		16%	
EPS - Reported	6.7	3.0	124%	5.2	28%
EPS - Adjusted	6.7	3.0	124%	5.2	28%

(₹ crs)

Segment performance (₹ cr)	Q1FY27	Q1FY26	YoY %	Q4FY26	QoQ %
CDMO	870	522	67%	589	48%
Small molecules	835	493	69%	524	59%
Bio	35	29	21%	65	-46%
Generics	1156	1,048	10%	1223	-5%
API	654	637	3%	772	-15%
FDF	502	411	22%	451	11%
Total Revenues	2,026	1,570	29%	1,812	12%
ARV Revenues*	669	647	3%	683	-2%

Source: Company, Way2Wealth Research

Financials

(₹ crs)

Particulars	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue (net)	6041	5041	5554	6813	7,860	9,123
Growth %		-17%	10%	23%	15%	16%
TOTAL INCOME	6041	5041	5554	6813	7,860	9,123
Total Costs of Goods Consumed	2774	2432	2478	2695	3,144	3,649
% of Revenue	46%	48%	45%	40%	40%	40%
Gross Profit	3266	2608	3076	4117	4,716	5,474
% Margin	54%	52%	55%	60%	60%	60%
Employees exp	581	640	720	895	1,022	1,186
% of Revenue	10%	13%	13%	13%	13%	13%
Other expenses	1093	1191	1301	1444	1,651	1,916
TOTAL OPER EXPENDITURE	4448	4263	4499	5035	5,816	6,751
% of Revenue	74%	85%	81%	74%	74%	74%
EBITDA	1592	778	1055	1778	2,044	2,372
% Margin	26%	15%	19%	26%	26%	26%
Depreciation	324	385	430	480	506	597
Operating Profit	1268	393	625	1298	1,538	1,775
% Margin	21%	8%	11%	19%	20%	19%
Other Income	6	26	75	55	40	40
EBIT	1274	419	700	1353	1,578	1,815
Finance Cost	165	183	216	171	196	231
EBT	1109	236	484	1182	1,382	1,584
Total Tax Expense / (Credit)	312	68	130	292	359	412
PAT (Reported)	793	162	358	890	1,023	1,172
% Margin	13%	3%	6%	13%	13%	13%
PAT (Adjusted)	793	162	358	890	1,023	1,172
% Margin	13%	3%	6%	13%	13%	13%
EPS - Reported	15	3	7	16	19	22
EPS - Adjusted	15	3	7	16	19	22

Source: Company, Way2Wealth Research

Balance sheet	FY23	FY24	FY25	FY26	FY27E	FY28E
Goodwill	247	246	246	246	246	246
Property, plant and equipment	3016	3446	3668	3873	4141	4844
Tangible assets & Right to use	133	178	189	233	233	233
Intangible Assets	13	19	19	18	18	18
Financial Assets	120	174	422	356	393	456
Other non - current assets	120	65	0	182	236	274
Capital WIP	551	423	458	773	1500	1500
Total Fixed Assets	**4199**	**4552**	**5003**	**5682**	**6767**	**7572**
Net Deferred Tax	-82	-57	-32	-29	-29	-29
Net working capital						
Current Assets						
Cash / Bank Balance	48	142	144	114	141	230
Inventories	1685	1845	1937	2342	2498	2749
Receivables	1580	1663	2007	2155	2584	2999
Other Current Assets	148	185	244	218	79	182
Total CA	3462	3835	4332	4829	5302	6161
Current Liabilities						
Payables	711	1051	958	1252	1292	1500
other financial liab	192	147	346	343	236	274
Other Current Liabilities	293	205	188	216	157	91
Provisions	20	0	0	38	79	91
Short term borrowings	1216	1709	2048	1786	2200	2700
Total CL	2432	3112	3540	3635	3964	4656
Net working capital	1029	723	793	1194	1338	1505
Total Assets	5146	5217	5764	6846	8076	9047
Equity & Liabilities						
Equity Capital	108	108	108	108	108	108
Reserves & Surplus	3930	4003	4365	5192	6215	7387
Shareholders' Funds	4038	4111	4473	5300	6323	7495
Minority Interest	11	5	130	131	131	131
Long Term Borrowings	761	841	646	611	600	600
Lease liabilities	37	62	62	111	157	182
Provision	81	93	106	132	157	182
Other non-current liabilities	217	106	348	560	707	456
Total Liabilities	5146	5218	5764	6846	8076	9048

Key Ratio	FY23	FY24	FY25	FY26	FY27E	FY28E
P/E Ratio	99.0	484.0	219.3	88.3	76.8	67.0
EV/Net sales (x)	13.3	16.0	14.6	11.9	10.3	9.0
EV/EBITDA (x)	50.5	104.1	76.9	45.5	39.8	34.4
Return on equity (%)	20%	4%	8%	17%	16%	16%
Return on capital employed (%)	25%	8%	12%	20%	20%	20%
Interest coverage (x)	7.7	2.3	3.2	7.9	8.1	7.9
Total debt/Equity	0.5	0.6	0.6	0.5	0.4	0.4
Net debt/Equity	0.5	0.6	0.6	0.4	0.4	0.4
Netdebt/ EBITDA	1.2	3.1	2.4	1.3	1.3	1.3

Source: Company, Way2Wealth Research

Cashflow statement	FY23	FY24	FY25	FY26	FY27E	FY28E
CFO	994	666	602	1,626	1,194	1,422
CFI	-996	-822	-682	-1,089	-1,085	-804
CFF	-27	250	39	-525	144	186

Source: Company, Way2Wealth Research

W2W Lighthouse - A Quick Perspective

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Disclosure of Interest Statement Laurus Labs Ltd as on 29th July 2026

Name of the Security	Laurus Labs Ltd
Name of the analyst	Rupali Singh
Analysts' ownership of any stock related to the information contained Financial Interest Analyst : Analyst's Relative : Yes / No Analyst's Associate/Firm : Yes/No	NIL No No No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

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