



# ACCELERATING REACH

Expanding Access.  
Propelling Growth.

## Biocon Limited Q4 FY26 Earnings Conference Call Transcript

*May 08<sup>th</sup>, 2026*

## Speakers and Participants from Biocon Limited

---

- # **Dr. Kiran Mazumdar Shaw** – Executive Chairperson, Biocon Group
- # **Mr. Shreehas Tambe** – Chief Executive Officer & Managing Director, Biocon Limited
- # **Mr. Kedar Upadhye** – Chief Financial Officer, Biocon Limited
- # **Mr. Anuj Goel** – Chief Development Officer, Biocon Limited
- # **Mr. Matthew Erick** – Chief Commercial Officer – Advanced Markets, Biocon Limited
- # **Ms. Rhonda Duffy** - Chief Operating Officer, Biocon Limited
- # **Mr. Susheel Umesh** - Chief Commercial Officer – Emerging Markets, Biocon Limited
- # **Mr. Amit Kaptain** – Head - Global API Commercials & FDF – EM, Biocon Limited
- # **Mr. Deepak Jain** – Chief Finance Officer, Syngene International
- # **Mr. Prashant Nair** – Head Investor Relations, Biocon Limited

## External Participants during Q&A session

---

- # **Neha Manpuria** – Bank of America Securities India Limited
- # **Damayanti Kerai** – HSBC Securities and Capital Markets (India) Private Limited
- # **Sanjay Kohli** – Goldstone Capital
- # **Avnish Burman** – Vaikarya Change LLP
- # **Sidharth Negandhi** – CWC Advisors
- # **Tushar Manudhane** – Motilal Oswal Financial Services Ltd
- # **Imtiaaz Shefuddin** – Barclays
- # **Surya Patra** – Phillip Capital (India) Private Limited
- # **Vishal Manchanda** – Systematix Institutional Equities
- # **Nitin Agarwal** – DAM Capital Advisors Limited



## Prepared Remarks Session

---

**Moderator:**

Ladies and gentlemen, good day, and welcome to Biocon Limited's Q4 FY '26 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. If you would like to ask a question, please click on the raise hand option. Please note that this conference is being recorded. I now hand the conference over to Mr. Prashant Nair from Biocon Investor Relations. Thank you, and over to you, Mr. Nair.

**Prashant Nair:**

Thank you, Michelle, and good morning, everyone. Thank you for joining us today to discuss Biocon's Fourth quarter and full year results for financial year 2026. A press release and the investor presentation relating to today's results have been filed with the exchanges and are also available on our website for your reference.

As a reminder, in fiscal '25, we had certain one-time benefits, including contributions from generic lenalidomide in the U.S. and divestment of our India branded formulations business. To enable a like-for-like comparison, we have provided adjusted financials, excluding these items in our fact sheet and presentation.

Let me now introduce the management team on today's call. We are joined by Biocon Chairperson, Dr. Kiran Mazumdar-Shaw; Mr. Shreehas Tambe, CEO and Managing Director of Biocon Limited; Mr. Kedar Upadhye, CFO of Biocon Limited, along with other senior members of our management team.

We will begin with opening remarks from Kiran, following which we will open the call for an interactive Q&A session. Please note that this call is being recorded. The recording will be made available on our website within a day, and the transcript will be shared shortly thereafter.

Before we begin, I would also want to remind everyone about the safe harbour related to today's call. Comments made during the call may be forward-looking in nature and must be viewed in relation to the risks that our business faces that could cause our future results, performance or achievements to differ significantly from what is expressed or implied by such forward-looking statements.

And now I would like to hand over the call to Kiran for opening remarks. Over to you, Kiran.

**Kiran Mazumdar Shaw:**

Thank you, Prashant, and good morning, everyone. I would like to start by saying that **Q4 marked a strong close to an important year for Biocon**. We delivered a resilient operating performance despite a very volatile macro environment while also completing one of the most significant strategic transitions in our journey.

The external environment remained challenging throughout the quarter with geopolitical uncertainty continuing to impact supply chains, logistics and energy costs. What stands out for me is the way our team stayed focused on execution and delivered a good performance, reinforcing the underlying resilience of our business.



I want to particularly acknowledge our team for the way the integration of our biosimilars and generics business was concluded seamlessly in under 100 days with no disruption to business operations, customers or patients. It reflects the strength of our execution engine and the discipline with which we run this organization. This was a very complex organizational and financial undertaking, and it has been delivered with speed, discipline and clarity of intent.

With this, we are now operating as one unified biopharma entity with a stronger balance sheet, improved leverage metrics and a more integrated global commercial footprint. As I've said before, this is a value-accretive step that creates a simpler, stronger and more efficient operating model, unlocking synergies across our supply chain, commercial engine and capital allocation.

**We are now moving from a phase of integration and investment to one focused on execution, operating leverage and value creation.**

**From a capital and investment perspective, the heavy lifting is largely done and behind us.** Over the past few years, we have invested materially to build global scale capabilities and capacity, particularly in biosimilars, insulins, peptides and complex generics. As we stand today, this major investment phase is substantially complete. The emphasis now is on improving utilization, expanding margins and driving steady improvement in return on capital employed.

**A key pillar of this transition has been the continued strengthening of our balance sheet.** During the year, we made further progress on deleveraging and improving financial flexibility. With the buyout of minority shareholders in Biocon Biologics and the repayment and refinancing actions already taken, we now have full economic ownership of our largest growth engine. Importantly, interest cost savings have begun to accrue, and the full annualized benefit will be visible from FY '27, further supporting profitability and cash generation.

**Now let me come to key business developments.**

Now before moving to the financial performance, let me highlight a few business developments that reinforce the strategic progress we are making across our portfolio.

- We achieved important product approvals in biosimilars and generics, further strengthening our presence in regulated markets.
- We received Health Canada approvals for Bosaya™ and Vevzuo™, our denosumab biosimilars to Prolia® and Xgeva®, expanding our footprint in bone health and oncology and adding momentum to this important franchise.
- After the close of the quarter, we announced the U.S. commercial launch of Bosaya™ and Aukelso™, our denosumab biosimilars in the U.S.
- We also received U.S. FDA approvals for liraglutide during the quarter, covering both diabetes and weight management indications.

Taken together, these developments reflect continued progress in advancing our portfolio across oncology, immunology and metabolic diseases, while steadily translating approvals into commercial scale up.

**Let me now walk you through the financial highlights.** In Q4 FY '26, the group delivered a biosimilars-led **10%** year-on-year growth in operating revenue, excluding the onetime bonus of generic lenalidomide in Q4 FY '25.



- Biosimilars grew 12% year-on-year.
- Generics, excluding lenalidomide, grew 13% year-on-year
- CRDMO business grew 2% year-on-year.

EBITDA was at INR1,073 crores with a margin of 23%. Adjusted for generic lenalidomide in the base, this was up 29% year-on-year. The improvement was primarily driven by favourable revenue mix and operating leverage benefits in biosimilars.

The reported net profit for the quarter before exceptionals was INR179 crores.

For FY'26, adjusted for generic lenalidomide, operating revenues and EBITDA grew at 13% and 25%, respectively. EBITDA margin stood at 22%, which is up around 200 basis points year-on-year on a like-to-like basis.

Reported net profit for FY '26 before exceptionals stood at INR436 crores.

I would now like to discuss our business performance in a segmental manner.

#### **Let me start with biosimilars.**

The biosimilars business enters FY '27 on a strong footing with a broader portfolio, expanding global footprint and improving profitability, positioning it well for the next phase of growth.

#### **In North America,**

- Yesintek continued to gain traction in the U.S. market. This is our biosimilar ustekinumab with growth supported by expanding formulary coverage and increasing physician confidence. The brand continues to build momentum in line with expectations, reinforcing our confidence in its longer-term potential.
- We also made progress with the launches of Bosaya™ and Aukelso™, which are our biosimilars of denosumab in the U.S.

#### **Now moving to Europe,**

- During the quarter, we broadened our immunology footprint with the launch of Yesintek® across multiple markets, expanded our ophthalmology presence with Yesafili®, which is our biosimilar aflibercept in the U.K. and other key countries, and continue to expand our oncology franchise with Abevmy®, which is our biosimilar bevacizumab and Ogivri® biosimilar trastuzumab. We also launched Evfraxy®, which is our biosimilar denosumab for bone health in Germany.
- On the regulatory front, Swissmedic approved our ustekinumab biosimilar Yesintek® and in the U.K. and the MHRA granted approval for the Yesintek® auto-injector, enhancing patient convenience and supporting broader uptake.

#### **Coming to emerging markets,**

- Execution during the period was driven by tender wins, new product filings and selective launches across priority markets.
- We continue to scale the business through a mix of self-led operations in key countries and partnerships in others.



### Coming to segment financials,

- Biosimilars revenue for Q4 FY '26 stood at **₹2,756** crores, representing a **12%** year-on-year increase, driven primarily by advanced markets.
- EBITDA for the quarter stood at **₹720** crores, representing growth of **33%** on a year-on-year basis. This translates into an EBITDA margin of **26%**. Margins in this segment continue to reflect the benefits of improved revenue mix as well as operating leverage.
- R&D investments for the quarter stood at **7%** of revenues, reaffirming our ongoing commitment to innovation and pipeline advancement.

For FY '26, Biosimilars revenues and EBITDA grew at **16%** and **40%**, respectively, on a like-to-like basis.

### Now coming to generics

We secured multiple approvals across key markets led by products in diabetes, oncology and immunology. This included liraglutide across the U.S., which is gVictoza® and gSaxenda®, Europe (gVictoza®) and Australia (gSaxenda®).

In addition, we received approval for everolimus tablets in the U.S. and for tacrolimus across Latin American markets.

### When it comes to segment financials for generics,

- **Revenue** stood at **₹847** crores and adjusted for the one-time generic lenalidomide supplies in Q4 of FY '25, revenues grew **13%** year-on-year, driven by generic liraglutide sales in Europe.
- **EBITDA** stood at **₹75** crores. **EBITDA margins were at 8%**, improved nearly **300** basis points over Q3 of this fiscal, driven by higher volumes and operating leverage.
- **For FY '26**, adjusted for generic lenalidomide, generic revenues and EBITDA grew **17%** and **73%** year-on-year, respectively.

And now coming to the final part of my presentation, which is our **CRDMO business**.

- In Q4 FY '26, **revenues from operations** were at **₹1,037** crores, up **2%** year-on-year and up **13%** quarter-on-quarter.
- FY '26 **revenue from operations** were at **₹3,739** crores, up **3%** year-on-year.
- Operating EBITDA margin at **25%** for the year was in line with Syngene's revised full year guidance.
- Overall numbers reflected the specific impact from a single large molecule biologics client with the underlying business showing steady momentum.
- Syngene completed 14 client and regulatory audits during the quarter, bringing the full year total to 85. It also obtained the GCP NABL accreditation during the quarter, reinforcing adherence to globally recognized standards for clinical research and data quality.

### Now, I would like to wrap up with my concluding remarks.

FY '26 marked a pivotal year for Biocon. With the integration complete, the major investment phase behind us and the balance sheet significantly strengthened, we have entered the next phase of our journey. Our focus now is



firmly on disciplined execution, driving growth, expanding margins and delivering sustained improvement in return on capital.

As we look ahead to FY '27, we expect to increasingly benefit from the foundations that have been laid with performance improving progressively as the year unfolds, especially as our new products scale up meaningfully in the second half.

- In Biosimilars, recent launches across markets are beginning to scale, which should support continued growth and operating leverage.
- In Generics, the emphasis will be on improving profitability as newer assets stabilize and utilization improves.
- And at Syngene, following the challenges seen in FY '26, the focus remains on execution and translating recent investments in CRDMO capabilities into more stable performance.

With a stronger foundation in place, we believe Biocon is well positioned to deliver consistent performance and long-term value creation.

And with that, I now invite questions.

## Q&A Session

---

**Moderator:** Thank you very much ma'am. Ladies and gentlemen, we will now begin the question and answer session. The first question is from Neha Manpuria. Please introduce yourself and proceed with your question, ma'am.

**Neha Manpuria:** **This is Neha from Bank of America. Two questions from me. First, on the biosimilars revenue, given that we spoke about execution in the opening remarks, how should we think about FY '27, FY '28 given we have had some launches in the back end of '26. Also, there was an impact of the planned shutdown that we took in third quarter and a bunch of launches, but we haven't really seen material improvement in biosimilars revenue fourth quarter versus second quarter, if that is a comparable number, given we have also seen market share increases. So, is it fair to assume that full stabilization of that disruption that we saw in the third quarter is not yet done?**

**Shreehas Tambe:** Let me answer that Kiran. can I go ahead? Let me respond to that, Neha. I think thank you for your question. I think this is important to look at when we did the Q3 last quarter, we had indicated like you rightly said that we are slowing down some of these things to get ready for a greater supply capability in the coming fiscal.

And I think if you look at the numbers between Q3 and Q4, you have seen a sequential change, where we moved from a quarter which was \$279 million, \$280 million to about \$300-plus million this quarter. So, there's a sequential growth of 12% that you are seeing on a rupee basis in the revenues. So that's the first indication. We're also seeing



the margins stable for the full year basis, which has been consistent. So that's I think the first indication that the business has ramped up in the right direction.

The second question that you asked is that how is it from an outlook perspective for '27, '28. And while we've not guided specifically on any numbers, I think the fact that we've got several products launching in the coming fiscal, which is '27, '28, the ramp-up starts moving from the coming financial year in '27, '28 towards the later part of the year. And that's why you set yourself up building capacity, increasing scale and that is what you will see going through the year.

Last quarter, we also said that Aspart will start seeing a ramp-up which will come in towards the second half of the current fiscal year, and you'll see that happen. We've publicly stated we have a negotiated settlement date with the originator for our aflibercept launch in the United States. And you will see that play out in the coming fiscal year.

We've seen tremendous success with our biosimilar ustekinumab, which continues to gain market share. And in fact, if you've seen the IQVIA numbers as of February and the overall market is close to a fifth already, which is a very strong showing for a product which has several competitors there.

Recent news of payers have also shown that we've been able to secure a good formulary placement. So, we are quite bullish about how our products are shaping up. And we've said that fiscal '27, '28 as we get towards the later part of the year, we'll start seeing the ramp-up that we prepared ourselves for in Q3.

**Neha Manpuria:**

**Shreehas, I understand you don't want to give specific guidance, but if I were to think about fourth quarter FY '27 exit run rate, given the launches that we have, what in your mind would be a comfortable number based on the launch pipeline?**

**Shreehas Tambe:**

I know that you've asked that question in different ways. But I think the important thing, and again, if you go back to what I've said in previous conversations as well, this is not a quarter-on-quarter conversation. Look at it on a broader window, if you look at the business that we've built over the last 8 quarters or even 4 quarters, you will see a substantial shift.

If you see just this year's numbers that we posted on a rupee basis, there has been a 16% growth over last year. And you've just seen Yesintek, which is our biosimilar Stelara starting to show numbers in the P&L. You will start seeing that flow through in the second half of fiscal '27 as more products come in.

So, I can only point you towards how we've done in the past, which is a strong showing already and then tell you that look at the 4 quarters going forward, which will be a good way to see how the business ramps up.



**Neha Manpuria:** **Understood. And Kedar, how should we think about deleveraging in fiscal '27 now that Biocon -- the merger Biocon Biologics is done? And is it fair to assume that all of the free cash flow generation that we have would be largely used for deleveraging? Any colour there?**

**Kedar Upadhye:** Yes, that's true, Neha. I think every dollar that we generate out of free cash, the first claim is going to be to reduce debt, and we are pretty serious about it. If you remember in March '25, including structured instruments, we had, in fact, more than \$1.5 billion of net debt. That's down to \$1.1 billion now.

So, it will hover between \$1.1 billion to \$1.2 billion subject to working capital. And free cash that we generate hereafter will go towards reduction of net debt, Neha. That's right. We also Kiran refer to interest cost reduction. If you remember, first quarter of FY'26, we had booked INR280 crores in that quarter. It was trending upwards to INR300 crores. And from those levels, now we are down to about INR210 crores, INR220 crores. It will have some currency impact because a large part of our debt is in dollar. But in that sense, about INR70 crores, INR75 crores per quarter of interest cost reduction is being reflected in the P&L.

**Moderator:** The next question is from Surya Patra. As there is no response, we will move on to the next question, which is from Damayanti Kerai.

**Damayanti Kerai:** **My first question is again on biosimilars. So first, if you can give a split for FY '26 sales between developed market and rest of the world. And then if you can comment on 2 specific products, aflibercept, where you will be coming soon in the market as per your settlement date. So there, we have seen one of the earlier entrant going very aggressive in terms of taking market share, etc. So how do you see that opportunity?**

**And second question is on Aspart, which you indicated is a key product for FY '27. So, what kind of visibility we have in terms of higher demand or like your capability to supply this product to gain meaningful market share from here on?**

**Shreehas Tambe:** I think let me respond to the first one and Kedar can come in. In the past, we've said our distribution is pretty diversified between advanced markets and emerging markets. If I give you a split, it's been roughly North America at 40%, 35% in Europe and 25% emerging markets. You see sometimes a little bit of a shift between North America and Europe.

You see sometimes North America slightly higher, but roughly 75%-25% if you're asking advanced markets and emerging markets, could be between 78%, 22% in a particular quarter, but that's the broad split. Kedar can give any specifics if there's anything.

The other question that you asked in terms of our product launches, as I said, we are looking to bring our biosimilar aflibercept branded the Yesafili to the United States in the second half of this year. I think what you rightly cited is that there is a biosimilar



today, and it's been quite successful is a very encouraging sign because this is a niche product, a specialty one, which is injected in the eyeball.

So, one of the questions around it was will ophthalmologists be comfortable using a biosimilar. I think that has been busted that there is comfort in using that and there is a willingness to use biosimilars. So, it's paved that path for us given our track record of high-quality products, we believe that there will be a significant interest as we move forward. So, we feel good about our Yesafili launch and as the product ramps up in fiscal '27, we'll be in a position to talk to you more about that.

Other question was related to biosimilar Aspart, insulin Aspart that we talked about. Our brand name there is Kirsty. Again, it's a product we've discussed several times with you. We see a tremendous opportunity. We've been very careful as it's a chronic product. We've said multiple times both for peptides and for insulin that we are very uniquely placed as the only company with a biosimilar insulin and a peptide portfolio.

So, we never look at it as a sprint. It's a marathon for us. We have 100% share in certain closed door networks that are there in the U.S. already, and we've built our credibility there. And we're looking to expand that to the commercial play in the second half of this fiscal year '27. So, watch this space, we will keep you posted on how Aspart ramps up in the current fiscal year.

**Damayanti Kerai:**

**And the second question I wanted to ask is on your capital allocation going ahead. So, as you mentioned, you are done with majority of investment in capex, etc., and focus ahead will be on cash generation. But just wanted to have some more color on your focus in R&D. What kind of products you can add on to your portfolio, say, 2 to 3 years down the line? And apart from the Malaysia plant, do you have any other capex remaining from your end?**

**Shreehas Tambe:**

See at the beginning of the conversation, Kiran called out very clearly that we are in a space, where capital allocation is largely behind us or capital investments are largely behind us. And given that we've now merged the biosimilars business and the generics business, it strengthened our balance sheet right away, immediately straight out the gate that's happened.

Operating leverage is starting to kick in, which you'll see flow through in the first quarter that will come out, you will start seeing it. You heard Kedar talk about the fact that the use of proceeds has allowed us to bring in INR300 crores of interest savings over the year, which will mean INR75-odd crores per quarter. So, you are seeing a strengthening on the P&L.

Now coming to the portfolio side, that allows you to do a lot of other things outside of this because you're no longer making investments in capex. You're trying to now see how you can get those assets to deliver maximum profitability for you. And that's what we've done with the biosimilars business. if you track us, which I know you have for the last 3 years, where we're starting to see that play out as operating leverage. And you



will see that in our generics business as well because we have a very strong portfolio that we've built in the generics business as well, which is very complementary to our biosimilars business. And that will kind of feed off the biosimilars capability we've built across several countries. So that is what we expect to do. We consolidate the business in the next 4 quarters and set it up for acceleration in the coming fiscal.

**Moderator:** The next question is from Sanjay Kohli.

**Sanjay Kohli:** **Yes. This is Sanjay from Goldstone Capital. We are a private investment group based out of the NCR region. I have a specific question on the reported numbers in the income statement, not being able to figure out under the head the items that will be reclassified to P&L later. There's a large number of INR760 crores for the quarter and then which will be re-classified, and which will not be reclassified about INR210 crores. So, what exactly is this?**

**Kedar Upadhye:** Yes, Sanjay, if you're referring to what is captured in the other comprehensive income, there are some adjustments that you do there, which don't appear in the normal P&L. I'll take it offline. Why don't we take it offline Sanjay?

**Sanjay Kohli:** **How do I do that?**

**Kedar Upadhye:** Let's get in touch after the call, let's speak and we'll explain. We have full backup.

**Moderator:** We'll take the next question from Avnish Burman.

**Avnish Burman:** **This is Avnish Burman from Vaikarya. Shreehas, sir, just one question for you. In March, I think we saw some draft guidelines coming from the FDA, which talked about significantly reducing the R&D cost to get like new biosimilars in the market. So, I just wanted your opinion on how that impacts, one, Biocon's existing products, commercialized products; and second, the pipeline?**

**Shreehas Tambe:** Well, thanks, Avnish, for your question. I think you've been tracking this well. We've been talking about this for a while where we believe that the FDA, which has led the way and it's saying that do not need a Phase III clinical trial to approve these high-quality biosimilars. And that has significantly allowed us to do 2 things. One is it has reduced the development cost by 50%. It's half the development cost. And it's accelerated products from a development standpoint by at least 3 to 4 years, which is again cutting down time for products, which can get into market.

The common belief there is that it's lowered the bar to the market, which is incidentally not accurate because what has happened is while the clinical Phase III trial requirement has been taken away, there has been an expectation of higher comparability standards, analytical comparability standards that have been set up, so that you prove before you get to the clinical stage that your product is highly similar to the originator drug.



So, the companies who've been developing this are clearly at an advantage. While it does look attractive to get into this market, and which is why you see also lots of interest in this, which is again another thing we've said for a while that biosimilars is the next growth area, and you've seen investments happen again with a lot of interest. It does give companies like Biocon an advantage given our proven track record in CMC comparability and analytical characterization, which will be brought to bear as we go forward.

**Avnish Burman:** **So, I understand it being beneficial for Biocon in terms of the products that you are still yet to bring in the market. But what about the products where Biocon has a good position in the market? I mean, where you are the incumbent and you might be facing some incremental challenges in those products?**

**Shreehas Tambe:** We do not see an incremental challenge because the products that we already have brought to market. And if you were to look at the products that have been in the market, have got a very strong leadership position. If you look at the ones in the U.S., which we usually all collectively track on this call, our oncology portfolio, which is in the medical benefit space, have fourth of the U.S. market today. And one is to get an approval. The other is to be able to reliably supply it. Third is to do it consistently. And fourth is to be able to be a reliable partner to the physicians, to the health caregivers and be a reliable supplier to the patient who is looking forward to these products. And that takes time. Credibility is built over a period of time.

I think we've been fortunate because it is something that we work hard towards being a fully integrated player, Avnish, has given a lot of levers to Biocon to operate and be successful in this space. So, we do not see a challenge because of this revised guideline. In fact, it's advantage Biocon the way I see.

**Moderator:** The next question is from Sidharth Negandhi.

**Sidharth Negandhi:** **This is Sidharth Negandhi from CWC. A couple of questions. One, could you give us an understanding of the constant currency sales in each of the divisions? The second one was if you could give us some colour in terms of market shares and the \$200 million benchmark that you had shared last year. If you could give us an update on both of those, the market shares as well as the number of products that are above \$200 million in biosimilars.**

**Kedar Upadhye:** Yes. Maybe I can take that. So Sidharth, the growth numbers in rupees that we have reported, if you could roughly take about 3%, 4% out you'll get a dollar number. For example, biosimilars, we are saying it's 12% growth year-on-year in this quarter. The dollar growth will be about 7% or so. So that's the constant currency number.

In terms of the products that were beyond \$200 million, we have done good progress. Insulin now has crossed \$300 million this year. So that's the bracket that it has crossed and that includes Glargine, Aspart, human insulin, DS and DP. So total insulin franchise is now beyond \$300 million.



Adalimumab is now beyond \$250 million and Pegfilgrastim, Trastuzumab are hovering around \$200 million or slightly lower than that. Bevacizumab has crossed \$100 million now. This is without contribution from U.S. because the launch has just been made. And then there are products like etanercept, Yesintek is inching up now. So that's how Siddharth the progress on these 4 products that we had spoken last year.

**Sidharth Negandhi:** **Great. And Kedar, if you could also help with any update on the market shares that you had shared last year. And the margin improvement that we are seeing in the generics business adjusted for Revlimid, I just wanted to understand, is that a function of the change in the API and formulation mix or is there something else?**

**Kedar Upadhye:** Yes. So your first question, Sidharth, was about the biosimilars margin. Sorry, I missed that.

**Kiran Mazumdar-Shaw:** I think he wanted market share.

**Sidharth Negandhi:** **Market share.**

**Kedar Upadhye:** Yes, sorry. So, market shares are steady. I think the oncology market shares are steady around 23% to 25%. Glargine market share is also what's reported is about 11% so that's fine. And the next question was in terms of generics margins. We had guided for the fact that from the first quarter till fourth quarter sequentially, as the sales do inch up, there will be a margin improvement.

So, I think quarter 4, you are seeing roughly under 10% EBITDA margin, and that's because of both. The overall sales have gone up. So, we have operating leverage benefit as the facilities get utilized. And there is a positive product mix as well.

**Moderator:** The next question is from Tushar Manudhane.

**Tushar Manudhane:** **This is Tushar from Motilal Oswal. Just on the biosimilars, what could be the capacity utilization currently?**

**Shreehas Tambe:** Kedar, do you want to take that?

**Kedar Upadhye:** Yes. I think Tushar, it will obviously vary plant by plant. So, there is no one number that we could give it to you now. But I think capacities do remain healthy. And like what we mentioned last quarter in terms of upgrades, we are getting ready for the growth now.

But there's no one number that we can give. In Malaysia, we now have 2 lines. In Bangalore, there are multiple suits as we have been speaking. So, there's no one number, but I think utilizations are healthy.

**Tushar Manudhane:** **The direction which I'm trying to get through is that while we have a very robust portfolio and subsequent new approvals that might come through. But from a**

**capacity standpoint, do we really need further capacity expansion, or the current capacity would be good enough to drive growth for FY '27, '28 in particular?**

**Kedar Upadhye:** Yes. So as the Malaysia capacity doubles both for drug substance and drug product, I think we are fine there. Plus, we have some external CMOs as well, as you know. And in Bangalore, I think there could be minor debottlenecking here and there. But as of now, we don't see any need for a large greenfield capex, Tushar.

**Tushar Manudhane:** **And this Malaysia doubling, the timeline for this?**

**Kedar Upadhye:** The DP has happened. The Line 2 has is getting qualified as we are speaking and will get operational soon. DS, the drug substance doubling will happen towards the end of this financial year.

**Tushar Manudhane:** **So effectively, so for full year '27 compared to what we have in '26, this DP Malaysia in particular, is what will drive and some amount of debottlenecking at Bangalore from a capacity standpoint is what will drive growth for FY '27. Is that the safe assumption?**

**Kedar Upadhye:** Yes, and after that as well, correct.

**Tushar Manudhane:** **And just to complete this point, like considering the earlier commentary in terms of product launches largely second half FY '27. So, is it that the first half is going to be largely stable, maybe currency benefit is what will drive growth for biosimilars business?**

**Kedar Upadhye:** I mean, we don't guide specifically Tushar, but like what Shreehas said, you should budget for incremental growth from new launches more towards second half. And yes, there will be a currency advantage in the first half.

**Shreehas Tambe:** Just to add to what Kedar said, Tushar, just now you asked about the capacity and then the linkage to Aspart, to the Malaysia drug product line that comes on stream this quarter. And as you bring products, as I said to the market, this line starts supplying product to the market, which is why the ramp-up you will see happen through the year.

And as product moves up, you will see it ramp up towards the later half. That's the conversation we are having. The capacities are already invested in, and you will see the ramp-up as it grows. It's not like there is no demand or capacity in the beginning. It just ramps up because the demand is set up and capacity comes on stream starting Q1.

**Tushar Manudhane:** **Great, sir. And just lastly to connect on this particular aspect. So, will this require reinspection or we are good to go in terms of commercials?**

**Shreehas Tambe:** No, no, we are good to go in commercials.



**Tushar Manudhane:** So that's on biosimilars. On the generics side, just to understand a good amount of investments largely behind both in terms of capex as well as product development. And now we are scaling up in terms of business without any, let's say, a niche product, so to say, how to think about the scale-up of this business and subsequently the margin improvement? Maybe if you can just help us understand what's the gross margin currently and how the operating leverage will play out, let's say, in the coming time?

**Shreehas Tambe:** I lost the question Kedar. Can you step in. I can step in after that.

**Kedar Upadhye:** Yes, yes. I think, Tushar, the gross margins are in early 40s, and that's two-third API, one-third generics, that's kind of a split today. And as you know, the GLP-1 revenues, which was about less than 10% of the overall business last year in FY '26, that will scale up and multiple launches that we alluded that will scale up. I think Shreehas, the question was what's the direction on generics growth and margins?

**Shreehas Tambe:** Yes. So Tushar, I think if you heard the opening remarks that Kiran started with, if you want to look at the base business itself, I think that is where you are starting to see growth on a sequential basis, which is the first good indicator that you are seeing leaving out the exceptional that we saw on lenalidomide.

The focus for us going forward is very clearly going to be on margin improvement because we built state-of-the-art facilities. These facilities have now come on stream. And as demand ramps up and capacity utilization is there, you will start seeing the margin improvements flow through. But the focus is clearly going to be on, on making sure that, that operating leverage kicks in the coming quarters.

**Tushar Manudhane:** Sir that would be supported by a scale-up of existing product or will require new approvals to come through?

**Shreehas Tambe:** So, it is a mix of both. Many of these products, the approvals come in ahead of time, unlike the biosimilar business, where product approval and launch are fairly close depending on the patent negotiations or the patent dance.

The generics portfolio benefits from earlier visibility and hence, we are looking forward to launches in the coming years, which is why the capacity investment was done ahead of time, allowing us to do a lot more things, which you just referred to the peptide portfolio. Biocon would be set up in a very different way, where you have fungibility for drug substance for the peptide portfolio as it gets into the fermentation space, which is, again, there is hardly any competition there.

And then you have fungibility for the drug product facilities, which have also been set up. So as that demand ramps up in the coming quarters and coming years, you will start seeing better utilization and a better return on that investment that we made.

**Tushar Manudhane:** Got it, sir. And just lastly, Bevacizumab I missed the sales for FY '26, if you could just repeat?

**Kedar Upadhye:** It's 100 million, Tushar. It's entered in that bracket now. This will be without the contribution from U.S. geography.

**Moderator:** The next question is from Imtiaaz Shefuddin.

**Imtiaaz Shefuddin:** Can you hear me? Yes. This is Imtiaaz Shefuddin from Barclays. A couple of questions from me with regards to your U.S. dollar bonds. Would you be able to provide some colour on your hedging policy? I know you have currency benefits, but any specific hedging policy you have on the U.S. dollar bonds? That's my first question.

**Kedar Upadhye:** Yes. Imtiaaz on the bonds, we don't have to hedge because we have a natural hedge. We are largely a dollarized company. So, we have significant dollar cash flows. So, we don't hedge our loan book actually.

**Imtiaaz Shefuddin:** Good, sir. Secondly, also on your U.S. dollar bonds, I mean, your bonds become callable from October this year, although at a premium price. But how are you thinking on the bonds given that your U.S. dollar bonds are at 6.67% coupon and you have talked about a focus on reducing your average cost of debt?

**Kedar Upadhye:** Yes. Imtiaaz, we are tracking the situation. We are happy that bonds are trading at a premium. And you must have noted in the last few months, both the rating agencies have upgraded the rating. So, we are watching the situation.

I think we have to evaluate whether it makes sense to pay the call premium in the first year. There is, as you know, this 50% call premium in the first year, 25% in the next year. So that's the 5NC2 structure that we had. So, at this point of time, Imtiaaz, we are watching the situation. We are happy with the way things have progressed, and we are happy with the upgrades, and the idea will be to continue on this journey.

**Moderator:** The next question is from Surya Patra.

**Surya Patra:** This is Surya from Phillip Capital. A couple of questions. First, with the ramp-up that we are likely to see in the biosimilar portfolio, although we have started seeing strong growth in the U.S. business front given the kind of products that has been launched during FY '26 and the products like the Eylea that is there along with denosumab contribution in the current financial year. So, what is the kind of momentum that we would see for the U.S. business?

And what is the likely share of U.S. business in FY '27 versus FY '26? Because basically, what we are seeing that, okay, so far, it is the non-U.S. would have supported the growth meaningfully. But now there is a strong lever for the U.S.



**to perform and really contribute meaningfully to the margins also. So how the mix likely to see the shift.**

**Shreehas Tambe:**

Surya, for your question. And I think this is very important, 2 things that I will say. One is in the past, you heard me say that market share is not necessarily the only proxy for success. And the other thing that I've said is that market share and ASP has always been inversely proportional in a medical benefit product. And we've been very clear about making sure that we will grow business profitably. Growth is only when it's profitable.

So, we've been very careful as we picked up market shares. The medical benefit products that you see today, where we've had fourth of the market, we've focused on making sure that that we retained that profitably.

We would be fine if that market share is not the proxy for where we are, but we will grow that slowly. The market has examples, where you have tried to gain market share very quickly, but then you crash out also very fast because that's how the medical benefit space operates because you have a declining average selling price, which is very contrary to how the pharmacy benefit space operates.

We can have an offline discussion to walk you through the model. But last quarter when we had a conversation on how we are approaching denosumab, which is another important asset that we've launched in the U.S. It's branded. Kiran just talked about it in our opening remarks, it's branded Bosaya and Aukelso, we will be very careful in doing it because one of the brands is in the pharmacy benefit space and the other one is in medical benefit. And last quarter, as I was saying, our Chief Commercial Officer, Matt Erick, walked the team on the call about our strategy to commercialize them.

So, our focus is always profitable growth and not necessarily market shares. So, we'll be very careful in doing that. So, I wouldn't necessarily look at market shares as the only proxy for success. Numbers will play out over the year, and you will see them being more enduring over a period of time.

So yes, I would advise you to look at that. My guidance would be look at a broader time frame rather than trying to look at this as a quarter-on-quarter immediate launch and an impact on market share kind of a business.

**Surya Patra:**

**Sir, any clarity on the exclusivity that it could have for Eylea now?**

**Shreehas Tambe:**

So, for Eylea, our biosimilar position that we've got, as I said at the beginning, there is a biosimilar that is there in the market already. And we've seen encouraging numbers from there, which tells us that we can actually commercialize that market very well, which is good news.

The second part is we have our terms for negotiation and settlement are confidential. And likewise, we wouldn't want to comment on others, but we believe we will be in a



good position when we get out of the gates for the launch in the U.S. As that plays out, Surya, you can see it come through, but it wouldn't be fair on my part to comment on the terms of the settlement.

**Surya Patra:**

**Okay. This insulin opportunity has been a kind of market situation in the global market given the GLP play and all that. So, this is making us or position us very strongly in the insulin side. And the doubling capacity what we are talking of, so that is also complementing that story. So hence, now this expanded capacity, what we are talking, sir, what is the kind of lever that it is adding to the current insulin revenue of around \$350-odd million what Kedar just mentioned?**

**Shreehas Tambe:**

So again, we've been very clear right from the beginning that we are, in that sense, the only insulin company which has a peptides portfolio. And that's something that we've heavily indexed on. We've built a very strong insulin franchise globally.

There are several markets. I know we discussed the U.S. and certain European countries in this call, but there are several countries in emerging markets, where our market shares are in excess of 50%. And we are a very responsible supplier. We've continued to grow that franchise.

So, in dollar terms, we've refrained from giving numbers, but we see a very encouraging response in terms of how the product has grown, both for the long-acting and the short-acting insulin or even the recombinant human insulin, which we have constantly reminded is a very large requirement in several countries. So, we remain committed, Surya. And we made these investments ahead of time. So, you will see us get those products to market. It will start playing out in the numbers starting second half of this year is our view.

**Surya Patra:**

**Last question from my side, sir. So having seen the integration well and also having done investment into the generics in advance. So, what should be the investment priorities for FY '27 now for you?**

**Shreehas Tambe:**

See I think if you heard Kiran in the beginning, most of our investments are behind us, Surya. And our focus is always going to be now that you have a strong balance sheet and you're looking to have operating leverage that's come in.

The focus is going to be capital allocation at this stage will only focus on how you profitably sustainably grow the business. We're not looking at very big-ticket greenfield kind of expansion because we don't need it to support the business plan that's going forward.

So, focus is now on execution, consolidating the business and walking it through the quarters as we bring the business up in a sustainable manner. You will see the EBITDA growth that you've seen already in the margin profile improvement. The focus will be to sustainably do that on a consistent basis.



- Surya Patra:** Sure. That means capex is likely to subside.
- Shreehas Tambe:** Yes. We've already said that.
- Moderator:** The next question is from Vishal Manchanda.
- Vishal Manchanda:** **This is Vishal from Systematix. Can you break up your biosimilar sales between U.S., emerging U.S., Europe and the rest of world?**
- Kedar Upadhye:** Yes, Vishal. For the last 2 quarters, the mix of North America is slightly higher. In the past, we have said North America is about 40%, Europe and a little bit of Japan, ANZ 35% and emerging market 25%. Our hunch is over the long term, that's how it will stay. Last 2 quarters, because of prioritization and higher growth, North America is higher, and that helps us obviously in the margins. So, let's watch how this pans out. We obviously want all 3 geographies to grow equally.
- Vishal Manchanda:** **And which would be our largest product as of now within the biosimilar portfolio?**
- Kedar Upadhye:** Yes. Within the biosimilars, NorAm led by U.S. is about 46% this quarter. Last quarter, it was slightly higher.
- Shreehas Tambe:** Kedar, I think his question was on products. I think you've given the product piece, I guess. Which products?
- Kedar Upadhye:** Yes, yes. So, product-wise, globally, Vishal, we have already spoken the insulin franchise, adalimumab. Now we don't break products into geography. That will be too much of a granularity, but happy to talk.
- Vishal Manchanda:** **I mean globally, globally, which is your largest biosimilar product?**
- Kedar Upadhye:** Yes, we just spoke about Vishal. Total insulin franchise globally is crossed \$300 million. Adalimumab globally, again, is beyond \$250 million. And then the other 2 key oncology assets are a little less than \$200 million. Bevacizumab is now \$100 million plus. And then there is Yesintek, there is etanercept. That's the mix.
- Vishal Manchanda:** **And are we seeing annual price decline in the base portfolio or that is more or less flat and if you could share some color on the base business erosion or that remains flat?**
- Kedar Upadhye:** Yes. So I think each geography has its own pattern. Europe is usually very steady. And North America, because of the strategy that we deployed on the ASP for the last 3 years, we have not seen much erosion. But yes, I think we should budget for some erosion, Vishal. But tough to tell you one specific number because it will vary depending upon the product life cycle.
- Vishal Manchanda:** **Understood. And just one final one. What percentage of our biosimilar sales is manufactured in-house?**



**Kedar Upadhye:** Yes. I mean the whole portfolio is in-house, except adalimumab and etanercept, yes. And we do take some help from CMOs in the human insulin, but we can come back to you with a specific number, Vishal.

**Moderator:** The next question is from Nitin Agarwal.

**Nitin Agarwal:** **So, my question is on the insulin business. Can you just give us a sense, you talked about you have now the short-acting, long-acting as well as recombinant insulin. What is the addressable market globally across these 3 insulin put together from a size perspective?**

**Shreehas Tambe:** From a dollar number perspective, I think we can get you the numbers, but it will be around at \$7 billion, \$8 billion overall insulin. RHI is about \$1.5 billion globally, and you'll see the other 2 be in the region of about \$3 billion.

But the fact is that these numbers are not as reported by IQVIA. It changes significantly as you get towards the emerging markets and tender businesses. But needless to say, it is a significant business with just the originators and a limited number of players.

In the U.S., you have just us, which is a biosimilar insulin. So that's a tremendous franchise to be focused on. There are other attractive assets that certain innovators are focused on, which interest them. That leaves a very large playing field for Biocon.

**Nitin Agarwal:** **And Shreehas, on that account, there have been off late some recent approvals with Chinese companies which have come through. How should one think about that? In the past, Chinese have had a tendency to disrupt markets. So, do you foresee some of those challenges for us in the broader insulin space?**

**Shreehas Tambe:** The first indication of this is that it signals the fact that what we've been saying, and it validates that it's an extremely attractive market for people to come in. And we've seen certain European companies wanting to enter as well, partnering with other companies from China.

And this is clearly what we've been saying. It's a tremendous opportunity. The product remains in business in requirement several decades after it's commercialized. There are limited players and the product is going to be there forever. So, it kind of validates our thesis on insulin.

And again, it also tells you that it takes a long time to develop it unless you're fully integrated and have the scale that we've built over decades. Being successful is not just having a product or an approval, you need to be consistent, you need to be in a position to have fermentation capability, the drug product capability, device capability to navigate the IP space. So, it's a long-term commitment, which Biocon has done over the decades, and we have accommodated this business.



**Moderator:** Ladies and gentlemen, that was the last question for today. I would now like to hand the conference back to Mr. Prashant Nair for closing comments. Thank you, and over to you, sir.

**Prashant Nair:** Yes. Thanks, Michelle. Thank you, everyone, for joining the call. If you have any additional questions, please get in touch with the IR team, and we'll be happy to address them. Thank you.

**Moderator:** Thank you, members of the management. On behalf of Biocon Limited, that concludes this conference. Thank you for joining us, and you may exit the meeting now. Thank you.

-Ends-

***Note: The contents of this transcript have been edited to improve accuracy and readability***