Q4 & Full Year FY24 Earnings Call

May 16th, 2024

Safe Harbor Statement

Certain statements in this release concerning our future growth prospects are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in such forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others general economic and business conditions in India, our ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currencies, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global biotechnology and pharmaceuticals industries, increasing competition in and the conditions of the Indian biotechnology and pharmaceuticals industries, changes in political conditions in India and changes in the foreign exchange control regulations in India. Neither the company, nor its directors and any of the affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after this date or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

Group CEO
Opening Remarks

Biocon

Opening Remarks: Q4 & full year FY24

- FY24 has been a year of balanced progress
- Biocon Generics, Biocon Biologics and Syngene have delivered significant operational successes, also faced and addressed a range of operational challenges

Generics:

- Strong growth in our formulations business driven by new product launches; strengthened U.S. business footprint; expanded geographic reach through direct to market and strategic partnership models
- First generic company to receive approval for gLiraglutide in a major regulated market

Biosimilars:

- Transformational year; completed the full transition of the acquired biosimilar business; maintained strong revenue growth momentum; improved market shares of our products, especially in the United States
- Crossed USD 1 billion revenue threshold
- Prepaid USD 250 million acquisition related balance sheet debt

Research Services (Syngene):

- Syngene's evolving CRDMO platform provided diversification to absorb slowdown from a challenging biotech funding environment that impacted its discovery services business
- Development and manufacturing services business, especially biomanufacturing, delivered a strong performance

Financial Highlights
Q4 and full year FY24

Biocon

Opening Remarks: Financial Highlights – Q4 FY24

In INR Cr	Q4 FY24	Q4 FY23	Q3 FY24	YoY (%)	QoQ(%)
Generics	719	744	703	(3)	2
Biosimilars	2,358	2,102	2,483[1]	12	(5)
Novels	-	19	-	-	-
Research Services	917	994	854	(8)	7
Revenue from Operations	**3,917**	**3,774**	**3,954[1]**	**4**	**(1)**
Total Revenue	**3,966**	**3,929**	**4,519[2]**	**1**	**(12)**
R&D	246	342	329		
% of Revenue (Ex. Syngene)	*8%*	*12%*	*11%*		
Core EBITDA[3]	**1,176**	**1,260**	**983**	**(7)**	**20**
% Margin	*30%*	*35%*	*27%*		
EBITDA	**964**	**1,152**	**1,492**	**(16)**	**(35)**
% Margin	*24%*	*29%*	*29%*		
Profit Before Tax (Before exceptional items)	**328**	**500**	**787**	**(34)**	**(58)**
% Margin	*8%*	*13%*	*17%*		
Net Profit (Before exceptional items)	**144**	**335**	**644**	(57)	(78)
Exceptional item, net of taxes & minority interest	(8)	(22)	16	(66)	(147)
Net Profit (Reported)	**136**	**313**	**660**	(57)	(79)

[1] Q3 FY24 Includes income from divesture of two non-core Branded Formulations India business units in Biocon Biologics of 350 crores; [2] includes gain from Biocon's stake dilution/ fair valuation in Bicara Therapeutics of 456 crores
[3]Core EBITDA defined as EBITDA before forex, dilution/ fair valuation gain in Bicara, R&D, licensing income, sale of non-core BFI assets and mark to market movement on investments.

Opening Remarks: Financial Highlights – FY24

In INR Cr	FY24	FY23	YoY (%)
Generics	2,799	2,765	1
Biosimilars	8,824[1]	5,584	58
Novels	-	19	-
Research Services	3,489	3,193	9
Revenue from Operations	**14,756[1]**	**11,174**	**32**
Total Revenue	**15,621[2]**	**11,550**	**35**
R&D	1,154	1,119	3
% of Revenue (Ex. Syngene)	*10%*	*14%*	
Core EBITDA[3]	**4,195**	**3,807**	10
% Margin	*29%*	*34%*	
EBITDA	**4,164**	**2,888**	44
% Margin	*27%*	*25%*	
Profit Before Tax (Before exceptional items)	**1,537**	**1,189**	29
% Margin	*10%*	*10%*	
Net Profit (Before exceptional items)	**1,030**	**787**	31
Exceptional item, net of taxes & minority interest	(8)	(324)	
Net Profit *(Reported)*	**1,022**	**463**	121

[1] FY24 Includes income from divesture of two non-core Branded Formulations India business units in Biocon Biologics of 350 crores; [2] includes gain from Biocon's stake dilution/ fair valuation in Bicara Therapeutics of 530 crores
[3] Core EBITDA defined as EBITDA before forex, dilution/ fair valuation gain in Bicara, R&D, licensing income, sale of non-core BFI assets and mark to market movement on investments.

Generics
Q4 and full year FY24

Biocon

Biocon Generics: Q4 & full year FY24 Business Performance update

- Strong traction in the formulations business (up 36% YoY), led by growth of statins and immunosuppressants across all major geographies during FY24
- Despite the challenges faced in our API business, maintained Core EBITDA margins by cost control and saving initiatives
- Received approval for gLiraglutide in the U.K. First company globally to receive a generic approval in a major regulated market
- Made 38 drug products and 37 APIs filings and received 24 drug products and 20 API approvals across global markets during FY24
- Multiple manufacturing facility inspections with international regulatory agencies across various sites, all with positive outcomes in FY24
- Vishal Nayyar appointed as Head – Supply Chain Management
- Amit Kaptain appointed as Head - Commercial API
- Formulations expected to be the key growth driver for FY25; expect performance to build throughout the year with a stronger H2

In ₹ Cr	Q4 FY24	Q4 FY23	Q3 FY24	YoY %	QoQ %
Revenue from Operations	719	744	703	(3)	2
Core EBITDA	155	166	155	(7)	-
% of revenue	21%	21%	21%		
PBT	50	75	50	(33)	-
% of revenue	7%	10%	7%		

In ₹ Cr	FY24	FY23	YoY %
Revenue from Operations	2,799	2,765	1
Core EBITDA	627	629	(0)
% of revenue	22%	22%	
PBT	230	264	(13)
% of revenue	8%	10%	

Biosimilars
Q4 and full year FY24

Biocon Biologics

Biocon Biologics: Biosimilars – Q4 FY24 Business Update

- 1st quarter where Biocon Biologics directly managed the acquired business across geographies
- Continued increase in market share across products in the US
- Market shares in Europe remain stable with double-digit shares in France, Germany and Belgium for bAdalimumab
- 7 new launches in Emerging Markets and a robust increase in demand across regions
- Entered a long-term commercial collaboration with Eris Lifesciences to expand patient access to our portfolio in India

Key Products' Market Share[1]

United States

	Mar-24	Jan-24	Mar-23
Fulphila (bPegfilgrastim)	21%	19%	14%
Ogivri (bTrastuzumab)	18%	14%	10%
Semglee (bGlargine)[2]	15%	12%	12%

Europe

	Q4 CY'23	Q3 CY'23	Q4 CY'22
Fulphila (bPegfilgrastim)	8%	8%	6%
Ogivri (bTrastuzumab)	10%	10%	12%
Abvemy (bBevacizumab)	6%	6%	1%
Semglee (bGlargine)	4%	4%	3%
Hulio (bAdalimumab)	6%	6%	6%
Nepexto (bEtanercept)	2%	2%	1%

1. Market shares based on IQVIA volumes, Eq.SU I 2. Includes both Semglee and unbranded Glargine

Biocon Biologics: Biosimilars – Q4 & full year FY24 Financial Update

- Q4 revenue grew 12% vs. LY and 10% on a sequential quarter basis after adjusting for income from the non-core BFI divesture in Q3 FY24
- Full year FY24 revenues crossed the USD 1 billion (8,824 Cr.) threshold driven by the acquisition and growth in core business
- Full year FY24 EBITDA Margins remain healthy at 25%
- Full year FY24 R&D Investments at 10% of revenues which will be a key driver of growth

In INR CR	Q4 FY24	Q4 FY23	Q3 FY24	YoY %	QoQ %
Revenue from Operations	2,358	2,102	2,483[2]	12	10[3]
Core EBITDA[1]	698	742	587	(6)	19
% of revenue	*30%*	*39%*	*28%*		
EBITDA	564	573	714[2]	(2)	(21)
% of Revenue	*24%*	*27%*	*29%*		

In INR Cr	FY24	FY23	YoY %
Revenue from Operations	8,824[2]	5,584	58%
Core EBITDA	2,458	2,216	11%
% of revenue	30%	41%	
EBITDA	2,190	1,338	64%
% of Revenue	25%	24%	

[1]EBITDA before forex, R&D, licensing income, sale of non-core BFI assets and mark to market movement on investments;

[2]Q3 includes 350 Cr towards income from non-core BFI divesture; [3] Excluding 350 Cr income from non-core BFI divesture

Biocon Biologics: Biosimilars – Q4 FY24 Other Business Updates

- FDA accepted bUstekinumab filing and settled with J&J for a launch in the US no later than Feb'25 – will be among the first wave of entrants
- Settled with Bayer and Regeneron for a launch of bAflibercept in Canada no later than July'25
- Dwight D. Hanshew Jr. appointed as Chief Quality Officer (CQO) – brings over 30 years of experience

Key Catalysts

- Accelerate growth for existing products & expand geographical footprint
- Focus on securing Regulatory Approvals in the near and medium term to drive sustainable growth and margins

Novels
Q4 and full year FY24

Novel Molecules: FY24 update

- During the fiscal, Equillium presented positive data from Phase 1b EQUALISE Study of itolizumab in patients with lupus nephritis at the annual meetings of America Society of Nephrology and the American College of Rheumatology
- In April 2024, Equillium announced positive topline data from the type B portion of the Phase 1b EQUALISE Study of Itolizumab in patients with lupus nephritis. Study demonstrated clinically meaningful response in highly proteinuric subjects.
- During FY24, Bicara* presented positive interim data from its ongoing, open-label Phase 1/1b dose expansion study of BCA101, at the European Society for Medical Oncology (ESMO) Congress evoking strong investigator interest
- Bicara* closed a Series C fund raise in December'23, raising USD 165 million. Post the fund raise, Biocon shareholding diluted to 14% and Bicara is no longer considered associate company of the Biocon group

a US based clinical-stage biotechnology company. During Q3 FY24, pursuant to Series C financing, Bicara ceases to be 'Associate Company' of Biocon Group.

Research Services
Q4 and full year FY24

Syngene

Syngene: Q4 and full year FY24 Update

- Q4 and FY24 impacted by lower demand for research services stemming from a slowdown in US biotech funding environment
- Full year performance supported by strong growth in development and manufacturing services, esp. biomanufacturing
- Concluded the acquisition of the biologics manufacturing facility from Stelis Biopharma which trebles Syngene's biologics manufacturing capacity. Facility modifications and qualification remain on track, expected in H2 FY25
- Recent step up in new funding into US biotech expected to drive a recovery in demand for research and development services
- FY25 guidance: Revenue growth in high single digits to low double digits; operating EBITDA margins comparable to FY24; single digit PAT growth

In INR Cr	Q4 FY24	Q4 FY23	Q3 FY24	YoY %	QoQ %
Revenue from Operations	917	994	854	(8)	7
EBITDA	333	337	261	(1)	28
% of revenue	36%	33%	30%		
PBT	209	231	142	(9)	47

In INR Cr	FY24	FY23	YoY %
Revenue from Operations	3,489	3,193	9
EBITDA	1,105	1,005	10
% of revenue	31%	31%	
PBT	632	594	6

Concluding Remarks

Concluding Remarks: Q4 & full year FY24

- **FY24 has been a year of significant operational success and clear progress across business segments**
- **FY25 to be a year of both consolidation and of transitional and accelerating growth**
- **Revenue growth to pick up in H2 of the fiscal year**
- **Generics**
  - Growth to be driven by formulations, especially new launches in the second half of the fiscal
  - Expect continued pressure in the API business
  - Major growth to be driven by GLP opportunities, impact to be more visible in FY26
- **Biosimilars**
  - Base business expected to deliver robust volume growth
  - FDA inspections at Malaysia and Bengaluru would be key events; any favorable outcome expected to have limited impact in FY25
- **Syngene**
  - Long term growth drivers are positive, Syngene well positioned to capitalize
  - Tailwind in biomanufacturing

Biocon Group companies are well positioned to take advantage of significant existing and emerging opportunities

Q&A