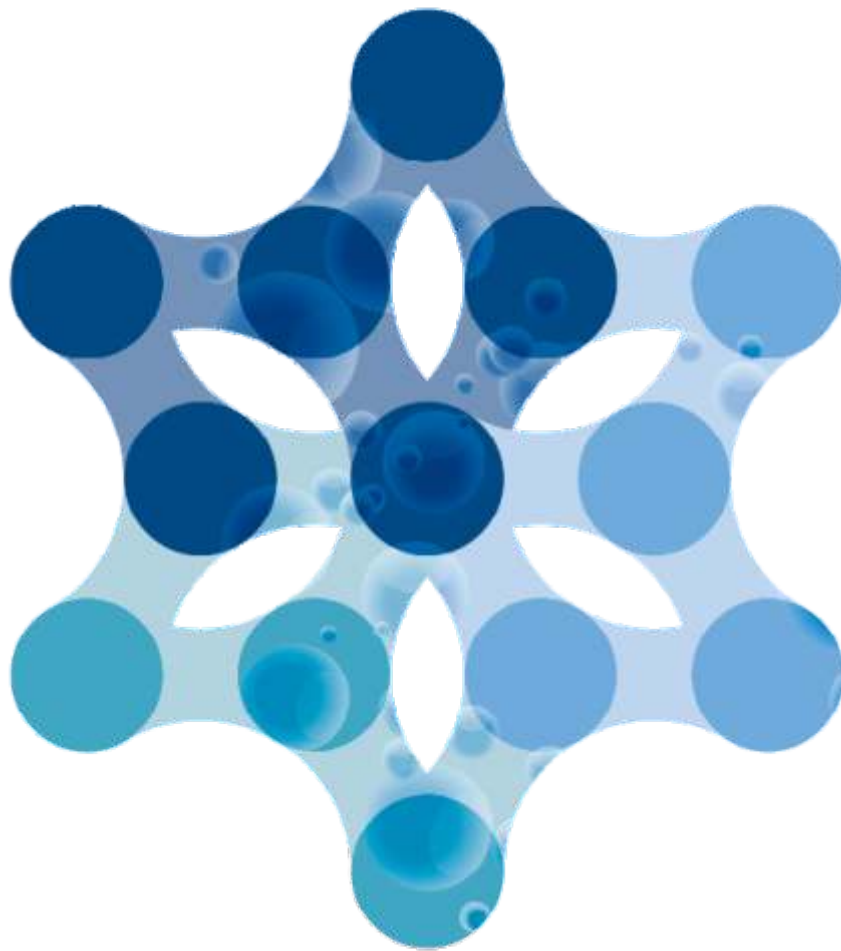


The **Multiplier** Effect

MAXIMIZING VALUE



Chairperson's Speech

46th Annual General Meeting
Bengaluru, India

Friday, August 09, 2024





 **The Multiplier Effect:**
Maximizing Value

Kiran Mazumdar-Shaw
Executive Chairperson

Dear Shareholders,

Over the past 45 years, Biocon has strategically invested in multiple businesses, evolving into a diversified global biopharmaceutical enterprise that provides generic and biosimilar products, as well as research services, to drive health equity worldwide. This risk-balanced strategy has resulted in a 'multiplier effect' driving business expansion and unlocking value across segments.

Biocon's long-term investments in world-class research and manufacturing, coupled with a robust quality culture, have created an innovative and reliable global brand, committed to delivering effective, safe, and patient-centric healthcare that is timely, equitable, and efficient.

The 'Multiplier Effect' in Action

We have historically capitalized on the interconnectedness of our businesses to draw on complementary capabilities, expand our reach, and deliver value to our shareholders. Building on the shared legacy of Biocon's scientific excellence, our Generics, Biosimilars and Research Services businesses have emerged as uniquely differentiated world-class players in their respective domains.

Generics

Biocon's Generics business, which draws on our foundational expertise in fermentation-based manufacturing technologies, have been fueling our global ambitions for over two decades.

We have, over the years, created a robust, vertically integrated value chain that spans APIs and finished dosages that drive value added growth in Generics.

We multiplied the growth drivers for the Generics business with the recent approval of Liraglutide, a glucagon-like peptide 1 (GLP-1), by the MHRA, UK. Biocon was the first company globally to receive approval for a generic version of this diabetes and weight management treatment in a major regulated market.

Though initially developed to treat diabetes, GLP medicines like Liraglutide are being used effectively to treat obesity and helping reduce obesity-related comorbidities in recent years. This new class of GLP-1 blockbuster drugs are expected to reach ~USD 100 billion in originator sales by 2028.

With innovator GLP medicines nearing the end of their IP exclusivity, Biocon will leverage the momentum we have gained from our regulatory success in these products to accelerate new product filings and approvals in strategic markets, which will deliver long-term growth and unlock value for our shareholders.



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Biosimilars

Biocon Biologics, which had embarked on a transformational journey with the acquisition of its long-term partner's global biosimilars business in FY23, successfully completed the full operational transition and integration of the acquired business in FY24.

This was a demanding exercise that was completed one year ahead of schedule. The complex transition process, which was done in phases, by geography, was completed in December 2023.

At the same time, the business was able to maintain strong momentum for its commercialized products, crossing the USD 1 billion annual sales threshold and delivering commendable market share growth across its portfolio in the U.S., Europe, and the Emerging Markets.

Fuelled by several formulary and customer wins, our key commercial products in the U.S., Pegfilgrastim, Trastuzumab and Glargine, garnered about 20% market share. In Europe, we continued to see strong uptake for our products, with Adalimumab and Trastuzumab capturing double-digit shares in several key countries. On the Emerging Markets front, we held dominant shares in several geographies and significantly expanded our reach. We also had 25 new launches and benefited over 10 million patients through our biosimilars.

Consolidation of the newly acquired business has multiplied our commercial reach to more than 120 countries. We now have a direct, on-ground commercial presence in the U.S., Canada, 19 European countries, including the Top 5 European markets (Germany, France, UK, Spain, Italy), and 8 other Emerging Market countries.

We look forward to capturing the opportunity offered by the global biosimilars market, which is projected to increase by 2.5x to reach USD 56 billion by 2030 from USD 21 billion in 2023.

Research Services

Several years ago, Syngene embarked on a strategic journey to transform itself into a full-service partner for its clients, covering all aspects from discovery to development and manufacturing.

To add to its proven track record in small and large molecule research and development, Syngene strategically invested in expanding its capabilities into commercial-scale manufacturing, across both small molecule chemical synthesis and large molecule biomanufacturing.

This move was timely, considering the growth in the global Contract Development and Manufacturing Organization (CDMO) market. In 2023, it was valued at around USD 82 billion and is expected to grow at a rate of 15% per year. By 2028, it's projected to touch USD 165 billion.



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Financial Performance

FY24 saw a robust financial performance at the Group level with consolidated revenues growing by 35% to Rs 156,212 million.

Revenue from operations increased by 32% to Rs 147,557 million, with Biosimilars revenue growing 58%, Research Services growing by 9% and Generics growing by 1%

Core EBITDA, which is defined as EBITDA before forex, dilution/fair value gain in Bicara, R&D, licensing income, sale of non-core Branded Formulations India assets and mark-to-market movement on investments, stood at Rs 41,947 million, reflecting a Group core operating margin of 29%.

Our Net R&D investments stood at Rs 11,540 million corresponding to 10% of revenues, excluding Syngene.

EBITDA rose to Rs 41,642 million with an EBITDA margin of 27%.

Profit before tax and exceptional items stood at Rs 15,368 million, up 29% from last year.

Net Profit after exceptional items stood at Rs 12,978 million as compared to Rs 6,430 million in the previous year.

Our resilient performance and strategic progress have led Biocon's Board to recommend a final dividend of INR 0.50 per share, at the rate of 10% of the face value of the stock in FY24.



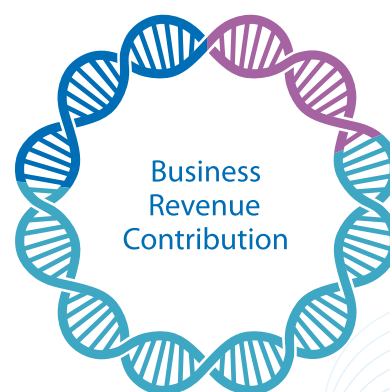
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Financial Highlights

(₹ million, except EPS)

Particulars	FY24	Growth
Consolidated Revenue*	156,212	35% ↑
Generics	27,985	1% ↑
Biosimilars	88,242	58% ↑
Research Services	34,886	9% ↑
EBITDA	41,642	44% ↑
EBITDA Margin	27%	
Gross R&D Investment	11,614	3% ↓
Profit for the Year**	10,300	31% ↑
EPS	8.6	

*Includes Other Income
** Before exceptional items



■ Generics 19%
■ Biosimilars 58%
■ Research Services 23%





Delivering Business Excellence

At Biocon Group, we are continually striving to refine and enhance our activities and processes with the aim of assuring the highest quality of products and services. We instituted the John Shaw Excellence Awards this year to evaluate, assess, calibrate, recognize, and reward strategic business units across the Group for achieving a level of excellence at par with internationally acclaimed awards such as the Deming Prize.

Championing Sustainability

By integrating Environmental, Social and Governance (ESG) principles into our strategy and daily decision-making processes, we are seeking to ensure the holistic well-being of all our stakeholders and the wider ecosystem.

As a responsible corporate citizen, we are contributing significantly to the overarching aim of sustainable development. In the 2023 S&P Corporate Sustainability Assessment, we improved our Global ESG Score to 63 from 52 the previous year, thus featuring on the Dow Jones Sustainability Emerging Markets Index for the third consecutive year. We also featured in the S&P Global Sustainability Yearbook 2024 for the second year in a row.

As a company, we have chosen to use resources responsibly and cut greenhouse gas emissions and waste to reduce our environmental impact. Biocon Limited has set itself ambitious targets for reducing our Scope 1 and Scope 2 emissions, lowering freshwater consumption, and ensuring 100% recycling of waste. I am happy to report that we made good progress towards these goals this year.



By integrating ESG principles into our strategy and daily decision-making processes, we are seeking to ensure the holistic wellbeing of all our stakeholders and the wider ecosystem.



Outlook

Debt reduction and strengthening of the balance sheet are high on Biocon's agenda. In FY24, Biocon Biologics prepaid USD 250 million of the long-term debt obtained by the Company to fund the acquisition in the Biosimilars business.

As a Group, Biocon has created an innovative and reliable global brand through our long-term investments in world-class research and manufacturing, coupled with a robust quality culture. We are now pursuing new opportunities whilst building on our differentiated core capabilities.

I believe the Group is very well positioned for sustained future growth thanks to the vertically integrated and globally scaled business models and strong market growth fundamentals for each of its businesses.

I would like to conclude by expressing my deep gratitude to all our shareholders for your continued trust and look forward to your support as we work together towards addressing patients' needs and enabling health equity while driving business expansion and maximizing shareholder value.

Thank You.

Kiran Mazumdar-Shaw
Executive Chairperson,
Biocon Limited
August 09, 2024



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