

# Q1 FY24 Earnings Call

August 11, 2023



**Relentless Pursuit.  
Differentiated Growth.**

Integrated Annual Report FY 2023



## 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.*





# Opening Remarks



# Biocon Generics: Strategic Growth Pillar

## Execution Excellence



Development  
Excellence



Operational  
Excellence



Quality  
Excellence



Commercial  
Excellence



Cost  
Leadership



Innovation  
Focus



Talent  
Development









Digital  
Initiatives



# Biocon Biologics: Biosimilars – Strategic Growth Pillar



Acquisition of Viatrix' biosimilars business

	Portfolio Depth & Breadth
	Excellence in R&D
	Cost-Effective Manufacturing
	Global Quality Standards
	Flexible Supply Chains
	Commercial Muscle

Operational and organizational integration of acquired business in FY24

Tracking ahead of Plan vs. a 2-year Transition Services Agreement

70+ countries in Emerging Markets successfully integrated

Accelerating North America and Europe transition



# Syngene: Strategic Growth Pillar

Discovery Services



Dedicated R&D Centers



Development Services



Manufacturing Services



# Progressed to Integrated Reporting

Continuously improving disclosures towards better transparency

**1<sup>st</sup> GRI aligned Integrated Report for FY23 with many maiden disclosures**

Outcome of Gender Pay Gap Analysis

Alignment with TCFD

Outcome of Water Risk Assessment

Outcome of Biodiversity Impact Assessment

Third Party Assurance of EHS data

Alignment with UNGC Principles

BRSR (voluntarily adopted in FY22)



**Relentless Pursuit.  
Differentiated Growth.**  
Integrated Annual Report 2023



Integrated Annual Report 2023 | 1





# Board Update





## Board Appointments



**Rekha Mehrotra Menon**

**Appointed as Additional Independent Director**



**Nicolas Robert Haggar**

**Appointed as Additional Independent Director**





# Financial Highlights Q1 FY24



## Financial Highlights: Q1 FY24

Consolidated (in ₹ Cr.)	Q1 FY24	Q1 FY23	YoY %	
<b>Total Revenue</b>	<b>3,516</b>	2,217	59	<b>Biosimilars +106%   Research +25%   Generics 15%</b>
<b>Core EBITDA<sup>1</sup></b>	<b>936</b>	661	42	Growth across Generics, Biosimilars & Research Services
<i>% Margin</i>	28%	31%		
<b>EBITDA</b>	<b>808</b>	478	69	<b>Net R&amp;D spend</b> at ₹315 Cr, up ₹117 Cr vs Q1 FY23, representing 12% of revenues ex-Syngene <b>Forex Loss</b> of ₹9 Cr vs. loss of ₹38 Cr last year.
<i>% Margin</i>	23%	22%		
<b>Profit Before Tax</b>	<b>184</b>	197	(7)	<b>Increase in depreciation, amortization and interest expense by ₹353 Cr</b> , primarily related to acquisition of Viatris' biosimilar business
<i>% Margin</i>	5%	9%		
<b>Net Profit</b>	<b>101</b>	144	(30)	<b>Increase in minority interest</b> due to dilution of shareholding in Syngene and Biocon Biologics on account of the Viatris deal
<b>Net Profit Margin %</b>	<b>3%</b>	7%		



<sup>1</sup> Core EBITDA defined as EBITDA before forex, dilution gain in Bicara, R&D, licensing income and mark to market movement on investments.



# Generics Q1 FY24



## Biocon Generics: Q1 FY24 Highlights

➤ Revenue growth driven primarily by U.S. generic formulations business; new product launches in key ex-US markets

➤ Continued traction in immunosuppressant API portfolio

➤ Received 'Tentative Approval' in U.S. for Lenalidomide capsules

➤ Successfully closed two U.S. FDA inspections, EIRs with 'NAI status' received for both

➤ Work on new injectable facility and expansion of peptide and fermentation capacities commenced in Bengaluru

In INR Cr	Q1 FY24	Q1 FY23	YoY %
<b>Segment Revenue</b>	700	607	15
<b>PBT</b>	64	63	1
<b>% of revenue</b>	9%	10%	





# Biosimilars Q1 FY24



**Biocon Biologics**



# Biocon Biologics: Biosimilars – Q1 FY24 Business Update

- Significant growth in market shares of key commercial products
- Increase in NRx to 15% for Insulin Glargine in the U.S., demonstrates strong ongoing adoption
- New Insulin Glargine customers added in the U.S. with exclusive status
- Fulphila is the biosimilar market leader in the U.S., demonstrating physician and payor confidence
- Hulio launched in the U.S. – biosimilar uptake across the industry for Adalimumab has been more gradual than expected

## Key Products' Market Share<sup>1</sup>

United States		
	Jun-23	Jun-22
<b>Fulphila (bPegfilgrastim)</b>	16%	8%
<b>Ogivri (bTrastuzumab)</b>	11%	9%
<b>Semglee (bGlargine)<sup>2</sup></b>	12%	8%

Europe		
	May-23	May-22
<b>Fulphila (bPegfilgrastim)</b>	7%	4%
<b>Ogivri (bTrastuzumab)</b>	5%	5%
<b>Abvemy (bBevacizumab)</b>	5%	1%
<b>Semglee (bGlargine)</b>	2%	1%
<b>Hulio (bAdalimumab)</b>	6%	6%
<b>Nepexto (bEtanercept)</b>	1%	1%

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



# Biocon Biologics: Biosimilars – Q1 FY24 Financial Update

- Revenues doubled Y-o-Y with driven by increased market share and consolidation of Viatrix' biosimilar business
- Sequentially, revenues largely flat due to phasing of the tender business in EMs and a one-off impact of rebates in the US for Fulphila
- Higher rebates in Fulphila for select customers on legacy contracts which will normalize in the coming quarters
- Core EBITDA<sup>1</sup> margin expected to return to mid-30s by the end of FY24

In INR Cr	Q1 FY24	Q1 FY23	YoY %
<b>Revenue</b>	2,015	977	106
<b>Core EBITDA<sup>1</sup></b>	513	361	42
<b>% of revenue</b>	28%	37%	
<b>EBITDA</b>	457	190	141
<b>% of Revenue</b>	23%	19%	
<b>PBT</b>	24	71	(66)
<b>% of Revenue</b>	1%	7%	

1. EBITDA before R&D, licensing income, forex and mark-to-market movement on investments





# Biocon Biologics: Biosimilars – Q1 FY24 Other Updates

➤ Yesafili (bAflibercept) received positive opinion from European Medicines Agency’s Committee for Medicinal Products for Human Use

➤ Clinical trials for bUstekinumab and bDenosumab on track

➤ Submitted a comprehensive CAPA plan to the U.S. FDA post the cGMP inspection in Malaysia in July 2023



**Chief Operating Officer**  
Rhonda Duffy



**Global Head - Business Development**  
David Gibson

## Growth Catalysts



**Growth in existing business**



**Expanded geographic reach**



**New product launches**





**Research Services**  
**Q1 FY24**

*Syngene*



# Syngene: Q1 FY24 Update

- Strong performance led by Development and Manufacturing Services; supported by sustained growth in Discovery Services and the Dedicated Centers
- Announced deal to acquire multimodal biologics plant from Stelis along with high speed fill-finish facility; strengthens Syngene’s position as a leading biologics contract development and manufacturing service provider
- Completed acquisition of additional land in Hyderabad, to support long term growth in Research Services division

In INR Cr	Q1 FY24	Q1 FY23	YoY %
<b>Revenue</b>	808	645	25
<b>PBT</b>	123	93	33
<b>% of revenue</b>	15%	14%	





# Concluding Remarks



**Q&A**