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BIO/SECL/TG/2025-26/122

November 18, 2025

To, The Secretary **BSE Limited** Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	To, The Secretary **National Stock Exchange of India Limited** Corporate Communication Department Exchange Plaza, Bandra Kurla Complex Mumbai – 400 050
Scrip Code- 532523	**Scrip Symbol- BIOCON**

Dear Sir/Madam,

Subject: Transcript of Earnings Call Q2 FY26

This is further to our earlier letter dated November 12, 2025, regarding the presentation of Q2 FY26 Earnings Call held on November 12, 2025, please find enclosed herewith the Transcript of the Earnings Call.

The same is also available on the website of the Company at https://www.biocon.com/investor-relations/financial-information/quarterly-reports/fy-2025-26/.

Kindly take the above information on record.

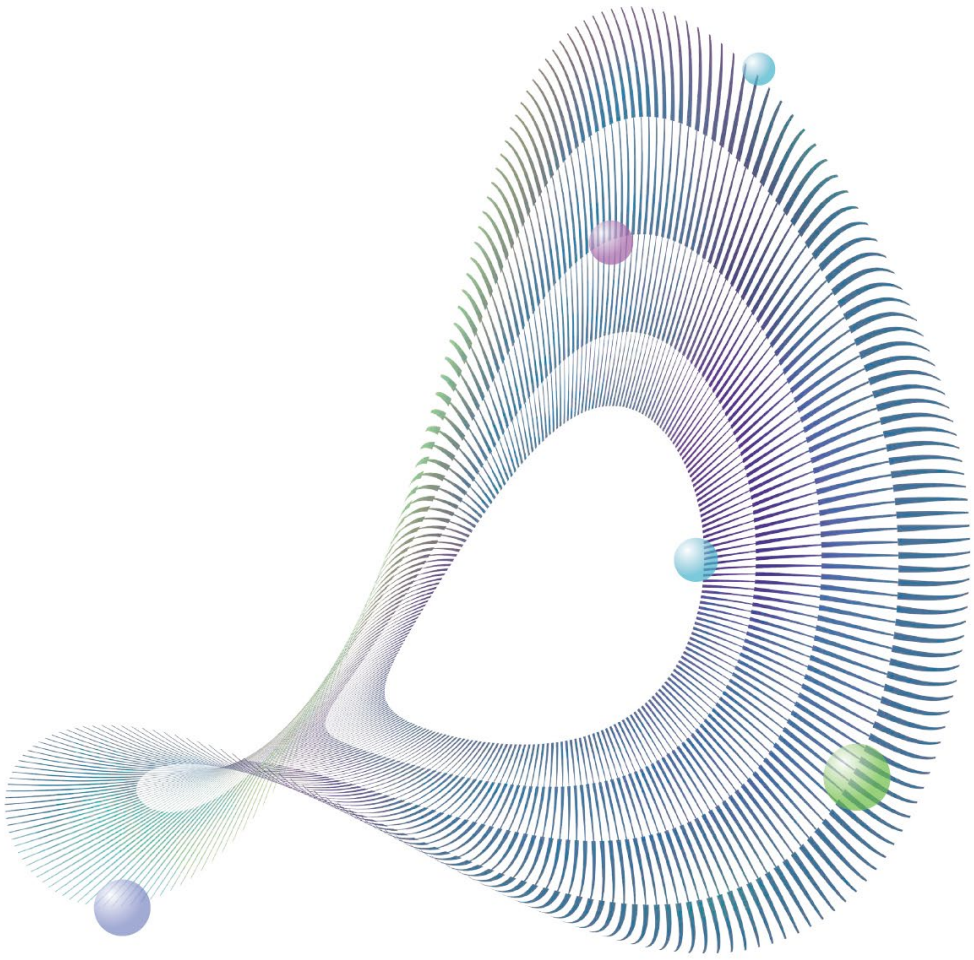
Thanking You,

Yours faithfully,

For **Biocon Limited**

RAJESH UMAKANT SHANOY
Digitally signed by RAJESH UMAKANT SHANOY
Date: 2025.11.18 16:54:09 +05'30'

Rajesh U. Shanoy
Company Secretary and Compliance officer
ICSI Membership Number: A16328



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Biocon Limited Q2 FY26 Earnings Conference Call Transcript

November 12th, 2025

Speakers and Participants from Biocon Limited, Biocon Biologics Limited

- **Dr. Kiran Mazumdar Shaw** – *Executive Chairperson, Biocon Group*
- **Mr. Siddharth Mittal** – *Chief Executive Officer & Managing Director, Biocon Limited*
- **Mr. Shreehas Tambe** – *Chief Executive Officer & Managing Director, Biocon Biologics Limited*
- **Mr. Matthew Erick** – *Chief Commercial Officer – Advanced Markets, Biocon Biologics Limited*
- **Mr. Kedar Upadhye** – *Chief Financial Officer, Biocon Biologics Limited*
- **Mr. Saurabh Paliwal** – *Head - Investor Relations, Biocon Limited*

External Participants during Q&A session

- **Tushar Manudhane** – *Motilal Oswal Financial Services Ltd*
- **Harith Ahamed** – *Spark Institutional Equities Pvt. Ltd*
- **Sidharth Negandhi** – *CWC Advisors*
- **Love Sharma** – *JP Morgan Securities (Asia Pacific) Limited*
- **Surya Patra** – *Phillip Capital (India) Private Limited*
- **Abdulkader Puranwala** – *ICICI Securities Limited*
- **Imtiaz Shefuddin** – *Barclays Bank*
- **Nitin Agarwal** – *DAM Capital Advisors Limited*

Prepared Remarks Session

Moderator:

Ladies and gentlemen, good day, and welcome to Biocon Limited's Q2 FY26 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 ask a question tab. Please note that this conference is being recorded. I now hand the conference over to Mr. Saurabh Paliwal from Biocon Investor Relations. Thank you, and over to you Mr. Paliwal.

Saurabh Paliwal:

Good morning, everyone. Thank you for joining us today to discuss Biocon's second quarter results for FY26. Before we get started, let me introduce the management team on this call. We have Biocon Chairperson, Dr. Kiran Mazumdar Shaw; Mr. Siddharth Mittal, CEO and MD, Biocon Limited; Mr. Shreehas Tambe, CEO and MD, Biocon Biologics Limited, along with other senior management colleagues across our business segments.

A few housekeeping points - We will start the call with the opening remarks from Kiran, which will be followed by an interactive Q&A session. All participants lines are muted and are on listen only mode. There will be an opportunity to ask questions after the remarks conclude and if you need to ask a question, please select the ask a question tab on your webcast screen. The operator will call out your name and unmute your line to enable to ask a question.

Please note that this webinar is being recorded. The recording will be made available on our website within the day, and the call transcript will be made available subsequently.

Before we begin, I want to remind everyone about 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.

Now I would like to turn the call over to Kiran for her opening remarks. Over to you, Kiran.

Kiran Mazumdar Shaw:

Thank you, Saurabh, and good morning, everyone. I'm pleased to present an overview of the Biocon Group's performance for the second quarter of FY '26. I'm pleased to inform you that we have had a strong quarter led by good performance in biosimilars. Both biosimilars and generics delivered double-digit Y-on-Y growth, while the CRDMO business reported performance in line with plan.

Now before we get into segmental and financial details, let me share the key highlights for this quarter.

- We have strengthened our balance sheet by settling structured debt obligations with Goldman Sachs and Kotak from the QIP proceeds and by executing an agreement with Edelweiss.

- We have already started to see margin improvement in Q2 following the Goldman Sachs exit, and we expect this trend to continue through quarters 3 and 4 as we see the impact of both Kotak and Edelweiss exits. The full benefit, however, of this debt reduction will be visible from FY '27 with annual savings of around INR300 crores in interest costs.

- In Q4 FY '25, we had guided to launch five biosimilar products over the next 12 to 18 months, and I'm pleased to report that we have delivered on this commitment with successful launches of b Ustekinumab, bAspart, bBevacizumab and bAflibercept across geographies, and we expect an imminent launch of bDenosumab.

- We achieved a key milestone with U.S. FDA approval of bDenosumab and entered into a license agreement with Amgen, enabling commercialization of the product in the U.S.

- We have entered into a pioneering partnership with the government of California through Civica Inc., a not-for-profit organization, to initiate the supply of affordable insulin glargine under the CalRx initiative. This strategic partnership enables us to reach underserved populations through new channels. And while we started with California, we will and we do hope to enter other similar agreements with other state governments as well.

The group recorded notable improvements in its ESG scores, reaffirming our commitment to responsible and sustainable growth. **Biocon** scored **71** in the **2025 S&P Global Corporate Sustainability Assessment**, reflecting an **improvement of 3 points** over last year. The CSA score is as of 31st October 2025. **Syngene** saw its **EcoVadis 2025** score rising to 74, up from 66 last year. This places the company in the 91st percentile, ranking it among the top companies worldwide for sustainability practices. **Biocon Biologics** won the prestigious **Golden Peacock Award** for Excellence in Corporate Governance for the year 2025, conferred by the Institute of Directors in London recently.

Financial Highlights

We built upon the strong performance in Q1.

In Q2, the group delivered 20% year-on-year growth in operating revenue led by a **continued strong performance in biosimilars, revenue growth in generics and a steady performance in the CRDMO segment**.

- **Operating revenue stood at INR 4,296 crores, up 20% year-on-year**. Biosimilars saw a 25% year-on-year growth, Generics a 24% year-on-year growth and the CRDMO business, a modest 2% year-on-year growth.

- **Core EBITDA was INR 1,218 crores**, which is **up 23% year-on-year**, with a margin of **28%**.

- **R&D investment was INR 251** crores or **7% of revenues**, excluding Syngene. And this reflects continued pipeline investments across both biosimilars and generics.

- **EBITDA grew 29% year-on-year to INR 928 crores** with a margin of **21%**.

- **Profit before tax, excluding exceptionals, rose 153% year-on-year to INR 183 crores**. Net of tax and minority interest reported **net profit stood at INR 85 crores**.

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

Biosimilars Q2FY26 Update

Let me start with our strongest performing segment, which is Biosimilars. Q2 FY '26 marks our seventh quarter as a fully integrated global biosimilars organization. And we are now well into what we describe as the 'Accelerate' phase of our journey with multiple product approvals and launches over the last several months, an adaptive commercial engine across geographies and strong product pipelines will drive sustainable and profitable growth.

The business consistently delivered healthy sequential growth backed by increased market shares across regions and of course, new launches.

Now coming to key highlights.

North America:

- Yesintek, our bUstekinumab, gained strong commercial traction with a market-leading position in the U.S., securing broad coverage across major channels, supported by ongoing contract wins and exclusive formulary placements.

- Our Oncology franchise continued to deliver strong performance with Ogivri®, (bTrastuzumab) and Fulphila® (bPegfilgrastim), holding over one-fourth of their respective market shares. We further strengthened our oncology portfolio with the launch of bBevacizumab.

- Our multiyear arrangement with the government of California to supply affordable insulin glargine under the CalRx initiative is the first of its kind in the U.S. And we anticipate this model to scale to other states.

- We also broadened our insulin portfolio with the successful launch of the first and only interchangeable biosimilar Aspart with the large integrated delivery network, further strengthening our position in providing affordable high-quality insulins to patients in the U.S. In Canada, our Yesafili, or bAflibercept, secured public funding on the drug benefit formulary for Ontario, the country's most populous province. Now since launching in Canada, Yesafili has had strong market adoption and has been designated in a preferred position in 3 provinces.

Europe:

- Our portfolio maintained stable market shares across products with upticks in Ogivri and Abevmy market shares, strengthening our leadership in Oncology biosimilars on the back of successful tender wins, including the Spanish national tender and in other key European countries.

- We continue to advance our Immunology franchise, launching biosimilars Ustekinumab across 7 markets in Q2, marking a strong start to commercialization and setting the stage for accelerated growth with additional launches planned in the second half.

Emerging Markets:

- Our Emerging Market business delivered strong performance. We continue to deepen our presence and expand patient reach, achieving 9 new approvals and 8 product launches across key markets in AFMET, LATAM and APAC.

Segmental Financial Highlights (Biosimilars)

Biosimilar **revenues for Q2 FY '26 stood at INR 2,721 crores**, representing a 25% year-on-year increase. This growth in revenue translated into an EBITDA at INR669 crores, representing growth of over 40%.

Business sustained EBITDA margin expansion for the second consecutive quarter, with **Q2 FY '26 margins at 25%, up approximately 400 basis points**, representing improvement in operating leverage as we continue to realize the benefits of economies of scale.

R&D investments for the quarter stood at 7% of revenues, reaffirming our ongoing commitment to innovation and pipeline advancement. And for the second consecutive quarter, profit before tax exceeded INR100 crores.

Generics Q2FY26 Update

The generics business delivered strong revenue performance during the quarter growing both year-on-year as well as sequentially. The performance in Q2 was supported by recent product launches in generic formulations both in the U.S. and EU as well as growth in the base business across both generic formulations and APIs.

As part of our growth strategy, Biocon commenced with global filings of Semaglutide or gOzempic across markets, including in Canada and Brazil.

On the operations front, a key highlight of this quarter was the inauguration of Biocon's oral solid dosage manufacturing facility in Cranbury, New Jersey, which significantly expanded capacity to support our vertically integrated portfolio for patients in the U.S. The facility underwent the U.S. FDA GMP inspection during the quarter and the inspection concluded with one minor observation, response to which has already been submitted to the agency.

Segment Financials (Generics)

- **Revenues** registered **INR 774 crores**, a 24% year-on-year increase and 11% sequential revenue growth.
- **R&D investments** stood at **INR 71 crores** or 9% of segment revenues with continued progress across our GLP-1 and injectables portfolio.
- **EBITDA** stood at **INR 43 crores**, an improvement over last year and the previous quarter, driven by higher revenues.

CRDMO Q2FY26 Update

Syngene's performance in Q2 was in line with plan.

- **Revenue of INR 911** crores, up **2% YOY**,
- **Reported EBITDA at INR 215** crores with a **23%** margin.

Performance in the quarter is reflective of the underlying revenue growth driven by research services, which has compensated for the impact of anticipated inventory correction in biologics manufacturing. The performance in the first half has been in line with expectations, and Syngene is maintaining its annual guidance for FY '26.

Strategically, Syngene continues to strengthen capabilities and expand its global footprint.

- Syngene secured its first global Phase III clinical trial from a U.S.-based biotech company. The trial will recruit patients across clinical sites, both in India and the U.S., reflecting Syngene's growing capabilities in the global clinical trials market.

- It also expanded its clinical trials footprint to Australia, New Zealand, U.K., Sri Lanka and Eastern Europe, strengthening global trial execution capabilities through strategic partnerships as well as established CROs in these regions.

- Syngene is set to expand its biologic facility in Bengaluru by adding a GMP bioconjugation suite, enabling seamless end-to-end manufacturing of Antibody drug conjugates, or ADCs. This integrated setup will accelerate development timelines by housing both monoclonal Antibody production and GMP-grade bioconjugation at a single location while also enhancing Syngene's existing capabilities in payload and linker manufacturing.

So, to wrap up, I would like to emphasize the strong and sustained momentum across our biologics business.

- With a structured debt settlement through QIP proceeds, our balance sheet is stronger, and we expect a continued improvement in profitability in the quarters ahead.

- Our expanding biosimilar portfolio is differentiated, focused on high-value, high-growth therapy areas of diabetes, oncology and immunology.

- Our integrated go-to-market engine enables expanded patient access and affordability through varied channels, reaching over 120 countries worldwide.

- In addition, we have delivered 5 consecutive quarters of revenue growth, underscoring the resilience and scalability of our business.

For the Generics business, we expect performance in the second half of the fiscal to strengthen further on the back of new product launches and continued focus on expanding the reach of key products across global markets.

Our CRDMO business, Syngene, which has diversified service offerings and integrated presence across the value chain is well positioned to capitalize on emerging opportunities and drive medium- to long-term growth.

With a solid foundation and a clear strategic road map, all our businesses are well poised to build on their momentum to deliver sustainable long-term value for all stakeholders.

And with this, I now open it up for questions. Thank you!

Q&A Session

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from Tushar Manudhane.

Tushar Manudhane: **Good morning. Myself Tushar Manudhane from Motilal Oswal. So, firstly, on the Insulin Aspart now that we have launched the product. So, if you could just sort of help us understand the kind of traction that can be expected from this product, given that we are the only interchangeable player in this space. That's my first question?**

Kiran Mazumdar Shaw: Over to you, Shreehas and Matt.

Shreehas Tambe: Yes. Thanks Tushar, for the question. And you're absolutely right. We are the first interchangeable bAspart that the FDA has approved. It is indeed a very proud moment for us. We are seeing a very strong traction for our insulin products, not just in the U.S. but globally. We will and we have already launched Aspart in a very responsible manner, first with an integrated player in the U.S., where we can responsibly supply that. We will continue to see a full year '26 demand that comes in. As you know that we will be working with these commercial payers through '25. And then as we get into '26, you will see the traction grow. But I do want to point out to you that we are seeing also an increasing demand for insulin Glargine, which continues to gain market share in several parts of the world. But Matt, if you want to add anything to that, please go ahead.

Matthew Erick: No, Shreehas. Thank you very much.

Tushar Manudhane: **So effectively, let's say, second half FY '26, still to sort of do the procedural aspect and then to look at the commercial traction. Is that the way to think about it?**

Shreehas Tambe: So, as I've said, Tushar, before as well, for the subsequent calendar year, you need to work between July and September or August and October in that time frame to gain commercial payer formulary status. We are the only biosimilar Insulin approved in the U.S. So clearly, there's a massive opportunity for us. And you will then get a full calendar '26 opportunity, which as you transition out

the existing product, you will start gaining market share. When I said responsible, these are chronic therapies, and you want to make sure that you bring on patients and then you hold on to them for a very, very long period of time.

Tushar Manudhane: **Understood, sir. That's helpful. Secondly, just on the R&D spend for the biosimilars business, we've seen scale up in terms of sort of as a percentage of biosimilars revenue, if you want to sort of guide for, let's say, full year '26, '27 in terms of the R&D spend on the biosimilar side, either on an absolute basis or as a percentage of revenue?**

Shreehas Tambe: We've said, Tushar, that we would be in that 7% to 9% of revenues for R&D, and we continue to be in that range even now and on a full year basis, you will see us in that 7% to 9% range.

Tushar Manudhane: **Got it. And just lastly, if I may, on the gross margins on the Generics business, what kind of gross margin we are tracking. And similarly, what kind of R&D spend one should sort of build for the generics business?**

Siddharth Mittal: So, the R&D spend again, last quarter was at 9% of Generics revenue. And I expect it to be in a similar trajectory of 8% to 10% of revenues. And as far as the gross margins are concerned, we are looking at mid-40s. Of course, this fluctuates depending on what kind of product launches come up and what kind of pricing we get. We are, of course, expecting improvement in gross margin in the coming quarters. But at least in H1, we have seen mid-40s margin.

Tushar Manudhane: **Got it, sir. I have few more I will join back in the queue. Thank you.**

Moderator: Thank you. The next question is from Harith Ahamed. Kindly introduce yourself and proceed with your question sir.

Harith Ahamed: **Hi, this is Harith from Spark Avendus. So, my first question is on the recent revised or updated guidance document from the FDA on the lowering requirements around comparative efficacy trials. And do we expect this to be a positive for us in terms of the R&D spends that we do on developing each biosimilar product?**

Kiran Mazumdar Shaw: So, to answer your question, it is certainly a positive for us, but I will ask Shreehas to further expand on this.

Shreehas Tambe: Thanks, Kiran. Harith, thanks for that question. If you refer to the previous conversations we've had on this topic, we clearly have said this is a very progressive move by the FDA. We appreciate these progressive steps that the agency has taken. We also see this as an opportunity for established players like Biocon, who've got an excellent track record of bringing products to market.

Having the Phase III or the CES trial, as they say, taken off, that doesn't necessarily lower the barriers to entry, which is the common perception, it certainly lowers the cost to development, and it certainly shortens the time to bring products to market, both beneficial for patients. So that's why it's an exceptional move. But it increases the focus and the burden on CMC development and facility GMP clearance for biologics. And on both these counts, companies which have been doing this for a very long period will essentially see more products getting to market sooner than in the past.

Harith Ahamed: **And would you expect some of the newer players to accelerate their development and hence, more competitive intensity in the space?**

Kiran Mazumdar Shaw: I think as Shreehas mentioned, Harith, whilst people will obviously try to invest in biosimilars much more exuberantly than they have done in the past because of cost of development, established players like Biocon Biologics will have a clear advantage of bringing more products to the market. So, we expect our pipeline development to be more expanded and extended and faster to the market. So, we don't necessarily see this as a competitive threat, but we see this as a great opportunity of expanding our portfolio.

Harith Ahamed: **Got it. My second question is on the generics business. I see a fairly decent loss reduction versus the last quarter at the EBITDA level. So, trying to understand what exactly drove this group performance? Is it the newer launches like liraglutide and Dasatinib or is it the ramp-up that we've seen at some of these newer capacities at Vizag, Cranbury, the new peptide facility. So, if you can give some color, that will be helpful?**

Siddharth Mittal: I think as we had indicated that we had 3 new facilities, which were capitalized in FY '25 and the fixed cost of those facilities are in the P&L starting quarter 1, and that's what led to the loss and we also said that as these capacities and the new launches come up and the profitability improves, the loss, of course, or the profits would start looking better. I think we are delivering in line with that guidance. And, of course, the facilities getting capitalized is one thing. We also must lock in customers, especially for our APIs from these facilities, which would take some time, but the main uptick in the margin is because of the GLP-1 Liraglutide launch in the European market. And we, of course, have other products as well, which contributed to the revenue growth and the profit growth.

Dasatinib was launched in quarter 4 of last fiscal FY '25. So, it continues to do well for us. We had an important launch in quarter 2, which was Sacubitril/Valsartan as well, which led to the growth in quarter 2 and the margin. And we would continue to see margin improvement and revenue growth traction in the second half of this fiscal.

Harith Ahamed: **Got it. And last one, with your permission, on the interest costs. It's just broad in the consolidated P&L, it's broadly in line with what we saw in 1Q. And you had commented that there would be a reduction in line with the repayment of the Goldman Sachs debt. So, when can we see a reduction in this line item? Should we look at some kind of a quarter-on-quarter lower number in Q3?**

Kiran Mazumdar Shaw: Yes. I think I mentioned in my comments, if you heard, that we've already started reflecting the Goldman Sachs impact on our margins. And I think Q3 will reflect the Kotak and then Q4 should reflect the Edelweiss.

Harith Ahamed: **Thanks, Kiran. I will get back in the queue.**

Moderator: Thank you. We will take the next question from Sidharth Negandhi. Please introduce yourself and proceed with your question, sir.

Sidharth Negandhi: **Hi, this is Sidharth Negandhi from CWC. Firstly, congratulations on a very strong set of numbers and an improved balance sheet. I had two questions. First, there have been certain formularies that have excluded Aspart as a class. And in certain cases where NovoLog is at a superior tier to Kirsty. How do we look at sales for Kirsty and for Aspart in that case going forward? That was question number one.**

Question number two was given the upcoming patent cliffs and specifically on Keytruda, which is really the largest one. There is no record of any clinical trials ongoing for Biocon. So, is that going on through a partnership? How should we think of your participation in biosimilar Keytruda? That was question number two

Kiran Mazumdar Shaw: Shreehas, over to you.

Shreehas Tambe: Let me answer the second question, and then maybe, Matt, you can comment on the bAspart question on the formulary status. So Sidharth, the question that you had was on the record on clinicaltrials.gov. I think it's very timely that the conversation that we've been having with the agency has resulted in the agency coming back and saying that the CES trial is no longer a mandatory requirement. In fact, it's not required for products to be approved. There are a couple of companies or more who've committed to this trial, and they have publicly stated that they are stepping back from those trials as well. Have we moved along that path, we would have probably incurred cost and exposed patients to that.

So, I think we've been forward-looking on this. We've taken the lead, as always, on the scientific conversations that we've had with the agency on saying that we have enough CMC data, enough characterization analytical data to demonstrate that our product should be approved without clinical study Phase

III. And what you've seen now, and we just talked about it, that the agency has taken a very progressive step. So clearly, it validates our views, and I do not think we are at a disadvantage. In fact, we believe we are in a position of strength at this point in time on these products, but over to you, Matt, for the first question.

Matthew Erick: Thank you, Shreehas. Thanks for the question. Look, as it relates to Aspart, as Kiran started in the opening comments, it's interchangeable. And as you realize, this is an extension of our diabetes franchise with the insulin glargine also being interchangeable. In the U.S., as it relates to formulary or opportunities, customers are continuing to be very bullish on Aspart from Biocon and we're working through those. But we don't see any limitations because of the channels. There's still a lot of opportunity for Kirsty, our Insulin Aspart. And we know those channels very well. And as Shreehas said, as we continue to be that responsible player and ramp up as formularies come, we'll be very aggressively pursuing those, and customers are anxiously awaiting and as we continue to roll out our Insulin Aspart. So, I don't see this as a concern as we look to move forward with our franchise.

Sidharth Negandhi: **Sure. Matt, just wanted to understand given that it is the top 2 formularies, Optum Rx, premium formulary and the Express Scripts, which have, in one case, excluded Aspart as a class itself, does that, in any way, inhibit or limit the TAM for Aspart?**

Matthew Erick: I would say no because certainly, we would love to have 100% market share in biosimilars. But as you look across the U.S., there remains a significant amount of payors and a significant amount of opportunity within the GPOs or integrated delivery networks to be able to grow our business and achieve very similar aspects into the current market share that we see with insulin glargine and continue to grow that franchise.

And as Kiran said, we have a unique relationship with Civica on Insulin Glargine. So, this is adding to our opportunities within our franchise as we go forward and looking to expand other programs either nationally or even state by state. So, I see this as a tremendous opportunity and are not concerned with some of these initial formulary decisions. It doesn't mean they're permanent.

Shreehas Tambe: I do want to add one point, though, Sidharth, to what Matt was saying. Important to note is that when the FDA talked about our Aspart approval, it said that it was the first interchangeable biosimilar rapid-acting analog. They did not approve it just as interchangeable to Aspart. So, there's a broader fungible market is what we believe. So, it's a bigger piece of the pie.

Sidharth Negandhi: **That's useful. Thank you, Shreehas.**

Moderator: Thank you. The next question is from Love Sharma. Please accept the prompt and introduce yourself and proceed with your question.

Love Sharma: **I just wanted to just reconfirm what would be the current outstanding structured debt on the books as of September quarter?**

Kedar Upadhye: Love, so the only instrument, which is outstanding as on 30th September is the Edelweiss instrument. Goldman Sachs exit happened on 30th June, and the Kotak exit happened on 1st of October. And we have agreed with Edelweiss to exit on or before 31st January.

Love Sharma: **Okay. Great. And in terms of the CP issuances, could you highlight how much has been the amount been issued so far?**

Kedar Upadhye: Yes. So, the CP issue was for about INR 6 billion. That also has been repaid.

Love Sharma: **Understand. Okay. Very good. Thank you so much. That's all from me.**

Moderator: Thank you. The next question is from Surya Patra. Please introduce yourself and proceed with your question.

Surya Patra: **Thank you for the opportunity and congratulations for the great set of numbers. My first question is about the generic business. So obviously, we have seen a strong ramp up there. But now is it possible to share, sir, what is the split between the formulation and API business right now? And, if you can talk a bit more about the margin profile, which has been relatively low currently given the kind of historical margin profile trend what we have been having, even though we have been having that on the API business at the time?**

Siddharth Mittal: Yes. Surya, so I think we have indicated that the margins are impacted because of the new facilities. And of course, formulation business margins are slightly lower compared to the API business. But we are, of course, working on all the other cost improvement programs on the API also to further improve the margins. I mean there is a class of products such as Statins, which is challenging scenario. And we do continue to face a lot of pricing pressure there unlike Immunosuppressants, which continues to be high-margin business, and of course, Peptide continues to drive growth for us, which is primarily on the formulation side.

To answer your question in terms of the split, if you look at today, almost 60% of the business continues to come from API and 40% is coming from formulation. And then over the last couple of quarters, formulations are what's driving the growth and will continue to drive the growth as we move forward in the second half of this fiscal and also in the next fiscal.

Surya Patra: **Got you. Extended point on the GLP capability and all that. We know that Biocon is one of the very limited players having the end-to-end manufacturing capability, starting from the drug substance to device to fill finish and all that. So since now this Semaglutide filing, the Liraglutide opportunity fill finish, all those are kind of in the visible range. So, could you share some idea that, okay, what is the device capacity that we would be having, what is the fill finish capacity that we would be having or in a different term, like what device capacity or what vial capacity that we are working with right now?**

Siddharth Mittal: See, let me add that capacity will not be a constraint on the formulation side or the device side. We have multiple facilities, we have shared infrastructure, shared facilities with Biocon and Biocon Biologics. We have just commissioned our new injectable facility, which is, again, dedicated or focused on GLP-1s. We have external manufacturing network, CMOs and whatever is the demand which we anticipate over the next couple of years, we are very confident that we will not have capacity constraints, whether it's coming from API, whether it's coming from formulations or device assembly. And I think we are very well placed on all these fronts to capture the opportunity over the next couple of years. And, as you know, Ozempic opportunity is near term in the emerging markets, and the opportunity in the U.S. and Europe in various other markets start in '31. And I think the investments that we have made over the last couple of years puts us in a very comfortable position to capture the opportunity for next decade plus period, Surya.

Surya Patra: **Okay. Your commentary about Yesintek progress and Aspart potential, really, it looks positive and strong. So, sir, is it possible to share that, okay, what is the kind of market share now we would have achieved on the Yesintek side? And on the Aspart side, although your commentary is fairly positive, but I'm just trying to understand, given the kind of past penetration potential scope, given interchangeability and all that, is it fair to believe that we'll start with the kind of market share, what we are having for Semglee?**

Shreehas Tambe: Surya, first, thanks for that question. And let me start first with Yesintek. I think let me get two, three points clear, just so that we can move on how this is. The first piece is that as a community, there was a concern that whether Stelara would move in the similar direction as an Humira and it's encouraging to see that, that's not happened. You are seeing far more formularies listing biosimilars. Particularly, we've had tremendous success with Yesintek with over 70% of the commercial formularies listing the product. And that is very encouraging. So, it behaves very differently than what we had seen in the past, a couple of years ago. So that is one encouraging sign. The second piece is given that there are private label players and both do not report exact market share, it's hard to talk about what market shares would look like. But the

formulary coverage and the fact that we see uptick of the product indicates that Yesintek has an early lead on the biosimilar players. And it's taken a large portion of the biosimilar market, the market share, and you are seeing the brand starting to recede from formulary coverage. So, both these points, I would say, are very encouraging. We will also note that it takes a while for biosimilars to start showing in the market share projections. And the third and the last comment I will make is that and again, I'll take you back in time on what I've said about this is that market shares and ASPs are inversely proportional. And as a strategy, we've always looked at how do you value, maximize an opportunity, particularly in the chronic therapy area.

We know we are in for the long, we have a massive opportunity. We are a fully integrated player. For Yesintek, we are fully integrated as we are for Aspart. So, we are not in a rush. We will do this in a responsible manner. And there is no reason for us to think that we should get any different market shares than the success that we've had with Insulin Glargine for Insulin Aspart as well.

Surya Patra: **Okay. One more point, sir, with your permission. About Denosumab and Bevacizumab, what is restricting us from commercializing the product? And in fact, we have been talking about the commercialization of the Bevacizumab by this time. So, any update on that? And how do you see the Denosumab since that is also kind of pharmacy benefit product. What competitive scenarios that you were anticipating there?**

Shreehas Tambe: Yes. It's good that, Surya, you brought us to this product. This product is a little special. There are two brands that Denosumab is commercialized. One, like you rightly said, is in the pharmacy benefit space. And there's another brand which is in the medical benefit space. Both compete for a different share of the market, and there are different archetypes in how those are commercialized. One of them will follow the route that we just talked about where pricing will play a big role. And the other, which is in the medical benefit place, will follow a route similar to our oncology franchise, where pricing alone is not important. You will have to gain traction with the IDNs or the buyers so that you can value maximize it. They are linked commercially from a source of what WAC prices you come up with and how do you chase market share. There are 5 players in the market today and five more in the pipeline. So, there are going to be people chasing this. If we pursue just market share, there is going to be a risk of losing value very quickly. We understand this market very well, Surya.

You have seen us do this with other products. And we will do this in a very measured manner. Matt and Josh who leads North America for us are familiar with this. And as I said before, we are in this for the long, so we will look to do this over a period of time, and we believe we will be very successful at.

Surya Patra: **Sure, sir. Thank you. Wish you all the best.**

Moderator: Thank you. The next question is from Abdulkader Puranwala. Please accept the prompt, introduce yourself and proceed with your question.

Abdulkader Puranwala: **Yes, hi. Thank you for the opportunity. This is Abdul Puranwala from ICICI Securities. So just a couple of questions as a follow-up on the draft guidance. So, sir, what is your reading in terms of the market share improvement to what biosimilars can see post these norms on the interchangeable status kind of fading away or the study is no longer required. And a second one on that front, when we talk about rise in market share being inversely proportionate with the selling price, going ahead, what is the kind of erosion now you see in this particular arena as the competition intensity kind of picks up?**

Shreehas Tambe: Yes. Abdul, thanks for your questions. Let me respond to your first question, which is we are just saying that how do you see the guideline impacting market share. I think the two biggest things that the guideline that the FDA has put out intends to achieve, one, is it intends to reduce the cost of development which it will do immediately, which is a positive sign. And two is, it will bring the time down for development which will bring these products to patients sooner. So, it will cut down that development time significantly. So biosimilars getting to patients faster and the cost of these products for development being lower are the two primary benefits of this, both from a developer standpoint, a manufacturer standpoint, and actually a bigger benefit to the patients.

Now how each of the products will gain market share is a capability of your commercial platform. But it certainly will benefit patients because of these two elements. Now coming to the other aspect where you talked about the inverse proportional relationship of market share and ASP, which I have been pointing out. The erosion in price is usually always an artifact of competition. And we have seen it everywhere. We welcomed it. We have been very successful at it. You need to be a fully integrated player to be able to leverage all aspects of that value chain. And we develop our products. We manufacture them. We have commercial capability, so we can be competitive in this space. We have not seen erosion, which is outside of that expectation that we had, had. So, it has been a gradual curve, and we continue to see when it stays competitive. It is not a cliff that we would have seen in some of the other parts of the business, not in biosimilars.

Abdulkader Puranwala: **Got it. And just one final one, if I may. So, with this net debt reduction now, are we kind of laying out a road map for where we see the overall debt levels or net debt levels in the next couple of years?**

Shreehas Tambe: So, we had always indicated, Abdul, that we have been committed to reducing debt at an overall level. And what you saw us do during the course of the last few quarters is we have retired all the structured debt. We have been able to

retire Goldman Sachs. We have been able to do that with Kotak. And more recently, we are talking about Edelweiss as well. So, you will see the structured debt go off, and that will have a positive impact on the numbers starting in the coming quarter, and you'll see it improve as we get towards the end of the year. So, you heard Kiran talk about the benefit that will accrue to the P&L as we move. We are also looking at seeing how we can work through a low interest piece. So, the interest costs overall, I see coming down in the coming quarters.

Abdulkader Puranwala: **Thank you**.

Moderator: Thank you. The next question is from Imtiaz Shefuddin. Please accept the prompt, introduce yourself and proceed with your question.

Imtiaz Shefuddin: **Thank you. Great. I just have one question, and it's with regards to your debt. Would you be able to give us a breakdown of your gross debt? How much is at a parent level? How much is at a BBL level? And the second one is on the short-term debt maturities. You have reported as of September close to INR 69 billion. If you could just highlight what are some of your major short-term debt maturities and how do you plan to fund them?**

Kedar Upadhye: Imtiaz, some of these questions, maybe we can take it off-line, and we'll give you all the details with respect to the debt in the subsidiary and debt at the parent level. But like what we have been saying all throughout, most of the net debt payable to bondholders and the banks is in the Biosimilars subsidiary. That is about USD 1.1 billion as of September. The short-term maturities are really revolving credit. So those are not like payable. But the full details, why do not we take it offline.

Imtiaz Shefuddin: **Great. Thank you.**

Moderator: Thank you. The next question is from Nitin Agarwal. Please accept the prompt on your screen, introduce yourself and proceed with your question.

Nitin Agarwal: **This is Nitin from DAM Capital. Shreehas, two questions. One is on biosimilars, can you give us a color on how does the revenues for the half year split across various geographies, U.S., Europe, and emerging markets?**

Kedar Upadhye: Yes, Nitin, that ratio is roughly the same that we have been indicating, 40% in North America, 35% in Europe and 25% for Emerging Markets. That is the rough split.

Nitin Agarwal: **Okay. And secondly on -- we've had a lot of discussion around the biosimilars in the U.S. But just if you can spend some time on giving us how you're seeing the progress on EU and emerging markets as far as**

the portfolio is concerned? What kind of post the integration and where do you see these 2 things -- these two sort of geographies headed from a portfolio perspective?

Shreehas Tambe: Nitin, thank you for that question. I appreciate it because we usually talk about the U.S. Europe has been a focused area for us. It is a big opportunity that we've talked about even in the past. In the initial phases, we have talked about moving this business into select markets in the European region, and you are starting to see that happen. You are starting to see the market shares grow in our oncology product.

It is significant progress over the recent quarters. And that is a part of it is because of our focus in that region. We've also believed that in Emerging Markets, while we have a very strong network of partners and we'll continue to build on it, there is a certain challenge when it comes to the tendering process, which brings in some predictability and concerns around how that business operates.

So, we are focused on two things in the Emerging Markets where we are looking to be self-led in more countries than we have been in the past. And two is we are looking to bring in more balance of retail business in addition to our tender business, which brings in more predictability than we had in the past. So, I believe both these regions, the European region as well as the Emerging Markets, have a tremendous opportunity for us as we continue to bring more products to patients in these regions.

Nitin Agarwal: **And Shreehas, do you see this mix changing, the mix that Kedar alluded to currently as we go forward, with the launches in U.S. sort of set to scale up next year, do you see the mix changing meaningfully or you largely see both businesses growing as well as the U.S. does.**

Shreehas Tambe: First up, we have a very balanced mix, if you see what you just said, it is about 40% or thereabouts in the U.S., 35% in Europe, and 25% in the rest of the world. And that is a very healthy distribution. There is no exposure in any one particular market. We expect all regions to grow. You may see a differential growth across, but we expect the balance to be in a similar range that we are seeing at this point in time.

Nitin Agarwal: **And lastly, on insulins, the broader conversation around Insulins with some of the innovators looking to deprioritize insulins a little bit. I mean, if you want to just probably just put in perspective the global opportunity that is there for players like us to step in?**

Shreehas Tambe: Yes. You point out to a very, very important point. Biocon is very, very strategically placed in this particular opportunity. If you look back and see who the GLP-1 players are today, they are the insulin companies. Insulin companies

have brought in the Semaglutide. It is the insulin companies who brought the Tirzepatides to the market. The only other player outside of that which is a biosimilar insulin player and is in a position to bring in GLP-1s is Biocon. So, it does places us in a very unique position. There are several companies developing the peptide portfolios, but it requires a significant understanding of how the insulin space will evolve. We do see a growing opportunity in the insulin space. We have not seen any other biosimilar insulin really in the U.S. at this point in time or in Europe. So, the opportunity is tremendous. During the call earlier today, we have heard questions on Aspart. We see that there is really no biosimilar player other than us at this point. And it is really up to us to take this market share in a very responsible manner so that we can provide options to patients for a very, very long time.

So the color I would provide on this is that not only is the insulin opportunity limitless, but there's the opportunity of having the peptide portfolio which requires a tremendous amount of education and working with patients to understand each of the device that they will get, which will be different than the originator device is an experience that is invaluable because of our insulin commercialization capability and we see a huge success on that background.

Nitin Agarwal: **Thank you so much. Best of luck.**

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to Mr. Paliwal for closing comments. Thank you, and over to you, sir.

Saurabh Paliwal: Thank you, everyone for joining us today. If you have any further questions, please feel free to reach out to us. Have a good day.

Moderator: Thank you, members of the management. On behalf of Biocon Limited, that concludes this conference. We 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