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August 11, 2026

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 – 400 051
Scrip Code- 532523	**Scrip Symbol- BIOCON**

Dear Sir/Madam,

Subject: Transcript of Earnings Call Q1 FY27

This is further to our earlier letter dated August 06, 2026, regarding the presentation of Q1 FY27 Earnings Call held on August 06, 2026, 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/earning-call-transcripts/.

Kindly take the above information on record.

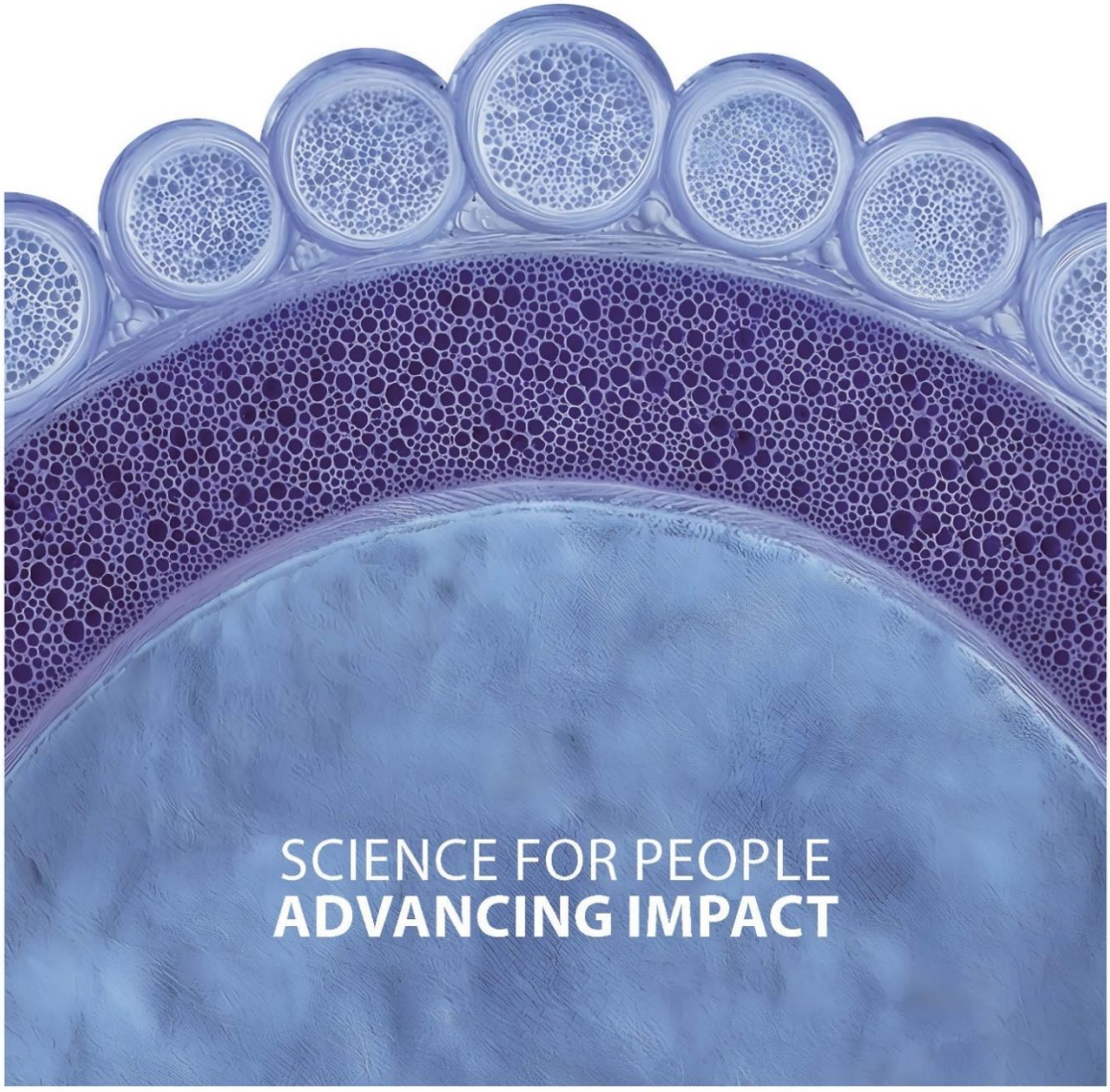
Thanking You,

Yours faithfully,

For **Biocon Limited**

RAJESH UMAKANT SHANOY
Digitally signed by RAJESH UMAKANT SHANOY
Date: 2026.08.11 19:38:06 +05'30'

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



Biocon Limited Q1 FY27 Earnings Conference Call Transcript

August 06th, 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. Siddharth Mittal** – *Chief Executive Officer & Managing Director, Syngene International*
- **Mr. Deepak Jain** – *Chief Finance Officer, Syngene International*
- **Mr. Prashant Nair** – *Head Investor Relations, Biocon Limited*

External Participants during Q&A session

- **Sidharth Negandhi** – *CWC Advisors*
- **Neha Manpuria** – *Bank of America Securities India Limited*
- **Surya Patra** – *Phillip Capital (India) Private Limited*
- **Shyam Srinivasan** – *Goldman Sachs India Securities Private Limited*
- **Damyanti Kerai** – *HSBC Securities and Capital Markets (India) Private Limited*
- **Ankit Shah** – *Canara Robeco AMC*
- **Chinni S** – *Individual Investor*
- **Vipulkumar Shah** – *Sumangal Investments*

Prepared Remarks Session

Moderator:

Ladies and gentlemen, good day, and welcome to Biocon Limited Q1 FY27 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. Please note that this meeting is being recorded. I now hand the conference over to Mr. Prashant Nair, Head Investor Relations, Biocon Limited. Thank you, and over to you, sir.

Prashant Nair:

Thank you, Neerav. And good morning, everyone. Thank you for joining us today to discuss Biocon's first quarter results for Financial Year 2027. A press release and presentation related to the same have been sent to the exchanges and are uploaded on our website for your reference.

Let me introduce the management team on this call. We are joined by Biocon Chairperson, Dr. Kiran Mazumdar-Shaw; Mr. Shreehas Tambe, CEO and Managing Director; Mr. Kedar Upadhye, CFO; 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 questions. Please note that this call is being recorded. The recording will be made available on our website within a day, and the call transcript will be shared shortly thereafter.

Before we begin, I want to remind everyone about the Safe Harbor 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 hand over the call to Kiran for her opening remarks. Over to you, Kiran.

Kiran Mazumdar Shaw:

Thank you, Prashant, and a very good morning to everyone. I want to start on a confident note by saying that Biocon is now operating from a position of significant strategic and financial strength. The successful integration of our biosimilars and generics businesses has strengthened our operating model, expanded our global reach, and enhanced our ability to serve patients, customers, and partners across markets. With the major integration and investment phase largely behind us, we are increasingly focused on translating our capabilities into accelerated growth. In addition to which, we are focusing on improved profitability, stronger cash generation, and of course, better returns on capital.

Against this backdrop, let me begin with a perspective on the key geographies in which we operate and the opportunities we see across our businesses.

North America

North America is our largest and most strategically important market and continues to offer significant long-term opportunities across both biosimilars and generics. The policy dialogue is increasingly centred around affordability, patient access, and healthcare sustainability, creating a favourable backdrop for high-quality, cost-effective therapies. We are particularly encouraged by recent legislative and regulatory initiatives aimed at simplifying biosimilar development and removing unnecessary barriers to adoption. As an active participant in these discussions through industry forums and advocacy efforts, we believe that these developments have the potential to further strengthen the long-term outlook for biosimilars in the US.

We continue to strengthen our position in the region through the successful commercialization of Bosaya™ and Aukelso™, which is our biosimilar denosumab, Yesafili™, which is our biosimilar aflibercept, and gliraglutide in the US. These launches expand our presence across important and growing therapeutic segments while further enhancing the breadth of our portfolio. At the same time, we continue to strengthen our regional supply network through a combination of our global manufacturing footprint, local manufacturing capabilities, and strategic partnerships, enabling greater proximity to customers and enhancing supply resilience. Together with a favourable policy environment for biosimilars, these developments reinforce our confidence in the long-term opportunities across the North American market.

Europe

When it comes to Europe, this represents one of the world's most established markets for biosimilars and generic medicines, where healthcare systems increasingly rely on affordable therapies to improve patient access and support long-term sustainability. Following the integration of our product businesses, we now offer a combined portfolio of 11 biosimilars and 8 generic medicines. These span key therapeutic areas supported by tailored commercial strategies across both retail and tender channels.

During the quarter, we launched our denosumab biosimilar for bone health across multiple European markets and Abevmy™, our bevacizumab biosimilar, in the Czech Republic and Switzerland. We also expanded our commercial footprint through strategic partnerships in markets such as France, Portugal, Slovenia and Spain, further strengthening market access and positioning the business for future growth.

Emerging Markets

Emerging markets continue to represent an important growth opportunity for Biocon, driven by increasing healthcare access, rising adoption of biologics and the growing need for affordable therapies. Following the integration of our businesses, we now offer a broader portfolio supported by expanded commercial capabilities and regional partnerships. We are also strengthening regional supply networks through a combination of local partnerships, contract manufacturing arrangements and technology transfer initiatives, helping bring products closer to the end market while expanding patient access to high-quality medicines.

During the quarter, we continued to build momentum through new product launches, regulatory approvals and key tender wins across Asia-Pacific as well as Africa and Latin America. Highlights included the launch of Yesafili™, the first approved biosimilar aflibercept in Malaysia, continued leadership of our bevacizumab franchise in Brazil and further expansion of market access through multiple product approvals and commercial partnerships across the region.

Financial Highlights

So, against what I've just spoken about, let me now discuss the group's financial performance for the quarter.

In **Q1 FY '27**, the group delivered **10%** year-on-year growth in operating revenue.

- Within this, biopharmaceuticals grew **17%** year-on-year with strong traction across biosimilars and generics
- Services revenue declined **16%** year-on-year due to continued impact of challenges faced the previous year.

EBITDA was at **INR902** crores with a margin of **21%**. Generics profitability improved meaningfully and helped to offset the impact of challenges faced by the services business.

Interest cost declined **23%** year-on-year and **8%** quarter-on-quarter to **INR213 crores** following the actions taken to strengthen our balance sheet.

Reported net profit for the quarter before exceptionals was **INR145 crores**, representing a **245%** year-on-year increase.

As we have indicated in the past, our objective is not simply to grow revenues but to translate growth into stronger earnings and shareholder value. We remain committed to improving free cash flow generation, further reducing leverage and driving sustained improvement in return ratios.

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

Biosimilars Q1FY27 Update

Let me start with our biosimilars business, which remains our core growth engine and is well-positioned and highly differentiated for the next phase of growth supported by recent launches and expanded manufacturing capability.

- Biosimilars revenue for quarter one stood at **INR2,855 crores**, representing a **16%** year-on-year increase driven by the North America market.
- EBITDA for the quarter stood at **INR728 crores**, representing a growth of **10%** year-on-year and this translates into an EBITDA margin of **25%**
- R&D investments for the quarter stood at **7%** of revenues.

Q1 performance was broadly in line with our expectations, and we expect momentum to build progressively through the year with meaningful acceleration in the second half of FY'27.

We achieved a significant manufacturing milestone with EMA approval for the second drug product line at our Malaysia insulin facility. Supplies from this line have started and should pick up further from Q2 FY'27. This will support the next phase of growth in our global insulin franchise, where we find rising demand across the world.

Generics Q1FY27 Update

The generics business delivered a strong quarter, combining healthy revenue growth with a marked improvement in profitability, reflecting the benefits of recent product launches, operating leverage and disciplined execution.

- Revenues stood at **INR760 crores**, representing a **21%** year-on-year growth.
- EBITDA for the quarter stood at **INR56 crores**. EBITDA margin at **7%** improved more than **250** basis points over Q4FY'26, driven by higher volumes and operating leverage.

The GLP-1 portfolio continues to be an important growth driver for the business, with generic liraglutide contributing to growth across multiple markets, including the US.

The significant investments made over the last several years in peptides, fermentation and manufacturing capabilities have created a strong platform for future growth. As utilization levels improve and newer products continue to scale up, we remain focused on further strengthening profitability, generating stronger cash flows and enhancing returns on capital.

Services Q1FY27 Update

Syngene's Q1 FY'27 performance was impacted by lower offtake from a key biologics client and a forex hedge loss partly offset by cost optimization initiatives.

- Revenues were down **16%** year-on-year to **INR736 crores**
- Operating EBITDA margin was at **12%** for the quarter.

During the quarter, Syngene entered into a strategic collaboration with BRIC-THSTI, a premier institute under the Department of Biotechnology, Government of India to strengthen capabilities across translational research, clinical development and bioanalytical sciences. We believe that this partnership further enhances its ability to support first-in-human, Phase 1 and patient-based clinical research programs.

Syngene also continued to strengthen SynAI, its AI-enabled drug discovery platform, expanding virtual screening capabilities and advancing AI-driven molecule design to accelerate drug discovery and development. Its strong balance sheet continues to support targeted investments in infrastructure, AI, digital technologies and emerging modalities.

FY'27, we have clearly indicated, is a transition year for Syngene as it navigates the impact of reduced demand from the large biologics client. While revenues are expected to decline in the first half, performance should improve in the second half, resulting in a single-digit revenue degrowth in rupee terms for the full year and EBITDA margins back to mid-20s.

With the new management team now in place, the focus is on restoring commercial momentum, strengthening execution, driving operational excellence and improving profitability. These actions are expected to position Syngene for a return to profitable and sustainable growth from FY'28.

So, to conclude, I would like to say that we have started FY'27 on a steady footing and remain confident in the outlook for the year. With a stronger foundation, multiple recent launches, expanded manufacturing capacity and

a continued focus on profitability, cash generation and returns, we believe we are well-positioned to deliver stronger performance as the year progresses.

With that, I now open it up for your questions. Thank you.

Q&A Session

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from Sidharth Negandhi. Kindly announce your company name and proceed with your question.

Sidharth Negandhi: **This is Sidharth from CWC. Thank you for the opportunity to ask questions. I had a few questions. First on the generics business and then on the biosimilars. The generics business has seen some strong growth, as you've mentioned, with the liraglutide launch. But could you give us some colour on what the growth in the base business ex of liraglutide is?**

And within that, if one looks at the generics profitability ex of R&D, it is lower on a quarter-on-quarter basis. There is a 600 points lower R&D spend, but a 200-bps sort of improvement in profitability. So, is that some competitive intensity playing out in your base business? How should one look at that? These were on the generics business.

And on the biosimilars business, if you could share any updates on your formulary listings for the insulin in the US? And given that that wasn't the case, what are the products that are driving your North America growth, as you've mentioned? And if you could give us some colour on the market share across products and what's the change in the market share?

Kiran Mazumdar-Shaw: I will ask my colleagues Shreehas and Kedar to respond to your query.

Shreehas Tambe: Thanks, Sidharth, for the question. And I think the important part is to respond to your question and if I miss something then please do remind me about those.

The generics business has been exceptionally important for us to get back to profitability. So, what's really underpinned that turn around right now is really a product mix that we've focused on. We focused on getting cost out of the system that's helped as well and operating leverage has started to play.

We've talked about in previous earnings calls that you will see once we integrate the businesses that the operating synergies will start reflecting in the business and that's what you're starting to see. We had said we won't quantify it until we have better visibility

to it. As we get to the second half, we'll start quantifying it and letting you know but you're starting to see that in the numbers already.

The part related to R&D is also another significant piece, which has contributed to R&D to the EBITDA that you see. That's another clear incentive to see that the R&D outlays in line with what the business is right now slated to grow, so that it's not in line with its more than what we want to right now outlay in that business. So that's on the generics side.

On the biosimilars side, there's been a couple of growth drivers that Kiran listed in her opening speech, which was about our denosumab biosimilars, which we talked about and most importantly, earlier this month, we announced that aflibercept is a product we are launching in the ophthalmology space. It's launched now and available to patients in the United States. That gives us a very unique play before a large part of the other competition comes in. It's a big asset and we're very bullish about how that is going to grow.

You also did ask about the insulin play, and I would point you out to the fact that our insulin glargine market shares have been steadily growing over the last couple of quarters. We've always signalled that we've been very responsible in how we've brought in other insulin products into the US.

Our market shares have grown for glargine over last quarter as well. And we've got active conversations going, which we will make public about our insulin aspart, which is branded Kirsty, as we move from the closed-door network that we currently supply to in the US to the more commercial players. I think I've probably tried to cover all the questions you had asked but in case I missed, do let me know.

Sidharth Negandhi: **Shreehas, thank you. And maybe Kedar can help understand the growth in the base business on generics versus the growth that's coming from the new product launches that you've done, liraglutide and a couple of others. But just also to understand that R&D is obviously a need-based spends and that's clear.**

But just to get some colour, because if I look at quarter-on-quarter, the revenue is more or less similar, but you've seen a change in the margin, right? You've spent lesser on R&D by roughly about 6% in that business, but you've seen only a 2% improvement in EBITDA. And therefore, is that more due to competitive intensity or is the EBITDA margin lower due to any other factor?

Kedar Upadhye: Yes, maybe I can add here Sidharth. Actually, there is nothing particularly different to call out from a competitive intensity standpoint in generics. As you know, the growth will always be dependent upon new launches. This quarter, actually, the contribution from liraglutide is in single digits, so it's picking up and not fully reflected in this quarter.

And I think you should note the work that we have done on opex across all three companies from quarter four to quarter one and even year-on-year, you will see a

significant drop in the operating expenses. So as part of integration, we have taken a hard look on all costs and there is an effort to be more productive, more efficient, which will allow us to retain the EBITDA.

So, I think it's difficult to give you precise movement about new launches or existing business or R&D, because there will be quarter-to-quarter fluctuation. But if you take two messages, the new launches are expected to scale up even in generics in the subsequent quarters and the work on opex and the thinking on productivity remain very strong.

Sidharth Negandhi: **Sure. So single-digit growth in the base business plus new launches is how I'm reading it and then no increase in competitive intensity. Very clear. Thank you, Kedar. Thank you, Shreehas.**

Kedar Upadhye: Thank you, Sidharth.

Moderator: Thank you very much. Next question is from line of Neha Manpuria. Kindly announce your company name and proceed with your question.

Neha Manpuria: **Yes, thanks for taking my question. This is Neha from Bank of America. My first question, Kiran Ma'am, in your opening remarks you'd mentioned & I think you've mentioned this last quarter as well that with the improving momentum in the biosimilar business, our focus is on profitable growth.**

So, if I were to read that a little more specifically, should I assume margins for the biosimilar business to improve versus last year? Would that reflect with this focus on growth? And how should we think about exit revenue or when you say meaningful improvement in the second half, could you give us some color on what that meaningful improvement would be?

Kiran Mazumdar-Shaw: Yes. So, I'll start with my comments and then ask Shreehas to add to it. But basically, when we talk about focusing on profitable growth, I think we would like to basically veer away from just focusing on market share. Because I think a lot of the focus from the investor community is on market share, and if you're going to only double down on market share, there is a danger that it might lead to an erosion of margins and profitability.

And we would therefore like to really, really calibrate our business in a way that we maximize the profitable growth and profitable businesses that we are seeing across our biosimilars. And maybe, Shreehas, you'd like to add to it.

Shreehas Tambe: Yes, thanks, Kiran. I think that's rightly said in terms of how we are aiming, Neha, going forward and I think the expectation as new products come in, there will be those products will obviously be at a higher profitability margin. So clearly, that expectation is accurate and we should expect.

It'll also help us offset the market dynamics, because price erosion is also another thing which is real in a situation in the market which will also happen. Competitive forces will also happen. And I think the competitiveness of Biocon is that we are able to bring in several products in a fully integrated manner, which is why the EBITDA margins are robust, and they continue to grow strong as you bring in more products. So that expectation is not unjustified.

Neha Manpuria: **So, just to be clear. So, the 27% margin that we had done for the biosimilar business last year, that should be higher this year as we focus on profitable growth. Would that be a fair assumption?**

Shreehas Tambe: We have always directed this to say we will be in the mid-20s, and it will ramp up. Kedar, do you want to comment on that? I do not think we have guided anything beyond that, Neha, at this point, but Kedar, you can come in.

Kedar Upadhye: Yes. I would just, Neha, I would urge you to normalize the 27% of last year. If you remember in quarter three, we had allocated more products for North American region, and for that quarter and for the full year, that pulled up the profitability. So, if you normalize last year's margins to maybe 24%, 25%. Yes, then we are all driving towards margin expansion.

Neha Manpuria: **Understood. And my second question is on Aflibercept. Given that the existing biosimilar has very high market share. What's the thought process there? Would that be a very slow ramp-up in market share? How do we think we can get a fair market share in Aflibercept?**

Shreehas Tambe: Well, I think if I can respond to that question, the first thing is that there was a large concern in the past that in the ophthalmology space whether biosimilars would be an accepted space. I think that myth's been busted already and there is clarity that biosimilars are high-quality products and will be accepted and will thrive in the ophthalmology space.

So, I think that path has been paved, which is a very good sign. Where it places us is in a very strong position as we come in this month with a with a clear path for the next few months. We've got some active contracts that Matt Erick, who's our Chief Commercial Officer, and his team in North America have been tying up.

So, we believe, Neha, this would well, almost every ramp has a start and then it takes some time before it reaches peak. We should have a good straight-out-the-gates a good start to this, which will build up towards the second half of the year.

Neha Manpuria: **Thank you, Shreehas.**

Moderator: Thank you. Next question is from Surya Patra. Kindly announce your company name and proceed with your question.

Surya Patra: **Yes. Thanks for the opportunity. This is Surya Patra from Phillip Capital. My first question is let's say the profitable growth again. So, while we have been seeing a kind of steady and consistent improvement in the profitability of the biosimilar business, which is earlier was facing challenges. But now we are facing challenges from other two businesses, Syngene as well as the Generics business. So, the way Syngene guided for this year, there is low growth and challenges visible.**

So, given that, whether despite the ramp-up in the biosimilars, should we see a kind of a moderated kind of a profitable performance for Biocon as a whole for FY27 or how should one see the challenges of Syngene for the current year?

Kiran Mazumdar Shaw: So, Surya, let me first direct you to a very important pie chart that we have shown in our press release, and I think you should actually pay attention to that. As, you know 83% of our business comes from Biopharmaceuticals. The Research Services business accounts for about 17%.

So, I think you should understand that the main growth drivers of our business is coming from Biopharma, largely from the biosimilars business as we have shared in my opening comments. So, we do not believe that a temporary decline in profitable growth for Syngene is going to impact the performance of Biocon as a whole.

I believe that Biocon is positioned very well for good profitable growth because the main growth engine for Biocon is biosimilars, and even the generics business is now beginning to deliver better performance and better profitable growth.

So, I think you should read this in a very different way than assuming that every business is equally apportioned. So that's really the way I would guide you to look at the Biocon business and not just jump to conclusions that because one part of a small business is not delivering as it used to will impact the rest of the business. So, I hope I have answered your question.

Surya Patra: **Yes. That's clear, ma'am. So, in fact, given the kind of biosimilar progress what we have been anticipating, it was expected that possibly this year onwards, we will see a kind of meaningful progress.**

Kiran Mazumdar-Shaw: So, I must also remind you, Surya, that our performance in the past has been severely impacted by a lot of the structured debt that we had included in our financials because of the structured equity element, which is now retired and behind us. And I think that's why you're seeing now a return to good, strong, sustained profitable growth.

Surya Patra: **Sure. My second question is about the biosimilar progression itself. So, we have been guiding about second-half pickup from all the products.**

So, is it possible to give some sense or colour about what is the kind of uptake that we are witnessing, either in terms of penetration or enrolment or the kind of

marketing engagement that we would be having or even in terms of the kind of contracting cycle visibility that we would be having for products like Adali, Ustekinumab, Aspart as well as Deno along with Aflibercept?

Kiran Mazumdar-Shaw: So maybe Shreehas, you would like to take this but let me start by saying that we have guided for new launches, and you just heard that Aflibercept just entered the market this month. And I think that is going to be a big contributor to growth this fiscal.

Apart from that, insulins are tracking very well and very robustly, and with the commissioning and approval of the second drug product line in Malaysia, that's of course now unlocking a lot of the capacity challenges that we used to face for in terms of addressing the demand.

So, I think when you look at all our other products, they are tracking well, and maybe Shreehas, you would like to add to what I am saying.

Shreehas Tambe: Yes, no, I think that's said very well. It sets the base, Surya, in terms of where we are. Just to add a little more colour to what Kiran said, the five products that we have always said we are going to be focusing growth on, two we just talked about Aflibercept, Denosumab. But there is beyond that Aspart, Ustekinumab, where you've seen a tremendous offtake in the past year. And then you've got bevacizumab, which is in in some sense understated at this point in time.

These five products will drive growth. We have been contracting for some of these products in recent days. You know that July to September is the window when most of these payor negotiations finalize for full year for the following calendar year, and I think what I can tell you at this point in time is we are in a good place to have those conversations.

It would be premature to disclose exactly what those are, but we are now in that place where we would be looking to bring these products to market. Some of the other things like I was responding to Neha before, may not be really a commercial play. They are also fee-for-service models, which exist for Part B products, which is in the medical benefit space, and those are something that will come straight out of the gate as we launch these products, and Aflibercept will see the benefit of it, which is why we have been saying that the second half of the fiscal year will be stronger than what you are expecting to see in the first half. Just to give you some broad colour on that.

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

Moderator: Thank you. Next question is from Shyam Srinivasan. Kindly announce your company name and proceed with your question.

Shyam Srinivasan: **Hi. This is Shyam Srinivasan from Goldman Sachs. Thank you for the opportunity. Just going back to the biosimilar, both approved as well as the**

launches that have just recently happened, if you could just characterize how some of the franchises are working.

Let say for example the oncology franchise Ogivri, how are they doing in terms of either market shares, because I think Kiran Ma'am had also mentioned a de-emphasis on market share as a metric to measure success, let's assume.

So how should we look at our core portfolio maybe U.S., Europe, if you could also comment, oncology as well as diabetes portfolio, the insulins, and Aspart, for example, and I know the launches have happened in immunology, so just want to understand how the base business even in biosimilars are tracking?

Kedar Upadhye: Shreehas, you might want to take this.

Shreehas Tambe: Yes. That's a very comprehensive question, Shyam, probably a longish response. I will try to be brief, and I will lean on my colleague Matt to jump in if and when needed. Matt, please feel free to jump in. I think your first question was in terms of how the legacy products, established products have been performing.

I do want to point out to you and others on the call is, and this is something that I've been saying for a very long time, that the biosimilars business is very enduring, both in terms of its margins and its revenues. The products continue to be strong. We launched Fulphila in 2018. It's now eight years that that the product is been in the market, continues to drive margins and continues to have market share, in case that is one of the ways to look at how it's been performing, continues to be a fifth of the market, a fourth of the market, whichever way you look at it, continues to deliver strong performance and contributions to the bottom line.

Same with Ogivri, which is in the HER2 breast cancer space. We are looking to add some more products in that. Bevacizumab I just talked about. But the legacy products are these two. Insulin, you talked about, was another legacy product which we launched in in late 2020, early 2021.

It's been there for a very long time, continues to hold market, continues to deliver margins. We have been very cautious, if the market shares for the taking, we have not gone all out and wanted to take everything at a go. But this is a very sustainable business in that sense, and very responsibly we have taken market. This was the U.S.

In Europe, it's a play where we have focused on the immunology space, the inflammation space, and you have seen adalimumab do extremely well for us for the last 7, 8 years. We have had a very strong position, despite the fact that there is competition which played around with concentration and strength, because of the kind of quality that we brought to the market and the reliability of supply that we've been able to provide.

So, I believe that legacy products in biosimilars is a very strong indication that they provide enduring margins for a very, very long time. So, this was one myth which was again challenged and busted, that they will fall off in a few months. So that's not the case.

On the new product launches, I think I responded in a fairly detailed manner to Surya, but I'll pause and check with Matt, because Matt's the one who is really driving a lot of this growth that you are seeing in our advanced markets along with Susheel in the emerging markets. But over to you, Matt.

Matt Erick: Yes. Thanks, Shreehas. Just a little more colour, particularly around the oncology products in the U.S. So, those established products remain very strong from a market access standpoint. And as Shreehas said, with that strong stability comes strong margins. And that's what we're looking at. Our focus is continued on select channels to drive the sustainability. So, you see this market share maintained as profitability continues to be strong. Also, on our other products, market access, as Shreehas said, going through into the July calendar year remains very robust in our ability to add additional market access in contracts in the U.S.

This is why both Kiran and Shreehas have commented on you will see these growths start in the second half. So, lots of good momentum there. As Shreehas said, not a lot more to add in Europe.

Exactly what's going on there with the adalimumab and continue momentum in some of our key oncology products, and absolutely we're excited about all the new launches, especially Aflibercept, which we see strong demand and strong opportunities within the U.S., particularly around the market access piece. Thank you, Shreehas.

Shyam Srinivasan: **Thank you. Thank you for the detailed response. Just a second question, and I will be brief, is on the generics part. And maybe Kedar, just on the profitability, so we are showing 7% EBITDA. I know it's been a little volatile on that line item, but do you foresee now, with the kind of growth that we have seen, that there's a path to higher profitability, and the split of API to formulations, how is that trending? Thank you, all the best.**

Kedar Upadhye: Yes. So, I think the split of API to formulations is about 60:40 this quarter. Historically it's been two thirds and one thirds. So maybe eventually it will go there. The profitability improvement is an agenda across all three businesses, Shyam. So, we are not guiding specifically, but as the new launches kick in, as our work on the cost continues, margin expansion will remain a priority.

And that will also include a hard look on operating expenses, hard look on what is relevant for us to pursue in R&D, and we do have active cost improvement program in the materials and factory overheads as well. So, all of this is expected to improve, and not only the portfolio improvement because of launches. So, we'll continue to do work on all these levers, Shyam.

Shyam Srinivasan: **Thank you, and all the best.**

Moderator: Thank you. Next question is from the line of Damayanti Kerai. Kindly announce your company name and proceed with your question.

Damayanti Kerai: **Hi. Good morning. This is Damayanti from HSBC Securities and Capital Markets Limited. So, my first question is again continuing on your efforts for optimizing cost. So Kedar, you mentioned you have been working on a lot of initiative to really assess the cost and make improvement wherever it's feasible. So just want to understand on two things. First, if you can update on utilization of some of the new units, including unit in the US and what kind of cost drag you are incurring as these new plants are scaling up? So that's my first question.**

Kedar Upadhye: Yes. So, I think, Damayanti, we will not call out any specific number at this stage in terms of the cost drag, but what has happened is the improvement that you're seeing in the Generics profitability is because of three things. One is some of the premium on API products, pricing premium; secondly, optimization of the R&D portfolio; and thirdly, opex.

So, I think all these three levers are helping, and you know there'll be some time lag before the new units start contributing meaningfully in terms of utilization. But our numbers for the subsequent quarters do show that. So as the things improve, the numbers will reflect at higher utilization and the associated benefit on revenues and margins.

Shreehas Tambe: And just to add to what Kedar is saying, I think the focus there has clearly been on fiscal discipline. And that is why you're seeing that what Kedar just mentioned is whether it is in the R&D alignment to business in terms of whatever we've outlaid there, or the cost synergies that have come in because of the operating leverage because we were able to merge the two businesses that it has offered.

That is the first level of benefit that you are seeing come through in the cost benefit, and we expect this to remain. So, it's not a one-off that happened. We expect this to carry through over the course of the coming quarters as well.

Kiran Mazumdar-Shaw: Yes, I think Damayanti, I would like you to remember that one of the key objectives of the integration of Biocon and Biologics was to basically unlock a lot of synergies and avoid a lot of the duplication in our businesses which has actually been delivered and will continue to deliver.

Damayanti Kerai: **Sure, Ma'am. So, when we look at the current operating cost structure, a lot of improvements were already achieved, and you think we can continue to improve on current structure as well. And then obviously the growing top line will contribute towards the leverage benefit. That's the way we should assume?**

Kiran Mazumdar-Shaw: Yes.

Damayanti Kerai: **Okay. Also, my second question is again on cost. Kedar, can should we look at the current quarter depreciation number as the numbers to sustain in coming quarters as well? So, if also you can also explain, what has led to increase versus last quarter's depreciation number?**

Kedar Upadhye: Yes, yes. So that line includes as the new launches happen in the market, the corresponding amortization gets charged to P&L. So that's the reason the number will keep moving as the new launches do come in. So that's primarily the reason, and whenever the facilities get fully capitalized and start operating, that will come in as well.

Damayanti Kerai: **And my last question is, you have launched, I think, all the targeted products, five products, which we discussed. So, when I look between now and say FY28, FY29, what I understand, we don't have more, like much more products to be added to the portfolio, and focus will be on ramping up the recent launches, or is any other product apart from Etanercept which could come in '29, should we assume between now and next two years' time frame?**

Shreehas Tambe: We would be happy to surprise you, Damayanti, in a nice way. Would that be okay?

Damayanti Kerai: **Yes, definitely. Thanks.**

Shreehas Tambe: We have been working on the pipeline. We've not necessarily talked about everything, but the focus has always been to see that we have a new product launch either in the US or in Europe every year from here on till the end of the decade. That's what we've shared visibility to, and we will continue to strive towards that. So, you should continue to expect us to or at least see that we try to work towards that.

Damayanti Kerai: **Okay. Thank you. That's helpful. Wishing team all the best.**

Shreehas Tambe: Thank you.

Moderator: Thank you very much. Next follow-up question is from line of Sidharth Negandhi. Please go ahead.

Sidharth Negandhi: **Hi. Thanks for the opportunity for the follow-up. Just continuing on the previous discussions on profitability and cost improvement, thanks for a really detailed colour, Shreehas and Kedar. Just to understand this further, given that there have been a few new launches on the Generics side, is there any launch expenditure that could see some operating leverage later as those scale and therefore could we see profitability improvement?**

And in context of what you mentioned on looking at both operating costs and R&D projects, how should one think of the growth trajectory on the Generics business if R&D projects are going to be prioritized to really only the focused ones?

And on the Biosimilars business similarly, right, in the current profitability, given the spate of new launches that has happened recently, are there meaningful launch expenditures that could see operating leverage going forward?

Shreehas Tambe: Kedar, you want to take that?

Kedar Upadhye: Yes, yes. I think, Siddharth, you've asked two, three interesting questions, and maybe we'll take it offline, some of those queries, specifically in a detailed manner, but the operating expenses we're not cutting what is required to be spent. So, I want all of you to remember that, and keep in mind that we are not cutting the muscle, we are cutting the fat wherever required. And the integration offers us synergies in operations, commercials, enabling functions.

So those are the areas which we are taking a very hard look at, and the numbers do reflect that. The relations between new launches and the support required in terms of marketing and commercial expenditure, that will get done, and that will get more than offset by revenue increase. So, we'll be very calibrated, and we'll be very mindful on what needs to be spent and what can be optimized.

Kiran Mazumdar-Shaw: I think in my opening comments, I clearly talked about I used two words. I said strategic and synergy. And I think that's what we're doing. I think we are basically calibrating all our expenses in whether it is R&D, whether it is other opex, we are really looking at the synergy that we can derive through a very, very well thought out strategy. We are not going to compromise the future of any growth opportunity by cutting back on anything.

So, when we talk about R&D, we have a very strategic view of where we should be playing in and investing in R&D. And I think that's what you will see, delivering better robust growth. I don't think we want to become just opportunistic in R&D investment, but we would rather be strategic in the way we are investing in high-growth opportunities.

Sidharth Negandhi: **Very clear. Thank you. And Kedar, I'll take that offline. Thank you.**

Kedar Upadhye: Thank you, Sidharth.

Moderator: Next question is from the line of Ankit Shah. Kindly announce your company name and proceed with your question.

Ankit Shah: **Yes. Hi. Thank you for the opportunity. This is Ankit from Canara Robeco AMC. My question pertains to debt and working capital. So, I noticed that net debt has increased sequentially by around INR1,100 crores, and also the working capital has risen because of higher inventory and receivables. So, can you please explain the reasons for this, and how do you expect it to trend for the rest of the year?**

Kedar Upadhye: Yes, see, the increase in inventory, working capital is largely in inventory, and that's basically we are getting ready for the second-half scale-up in both biosimilars and generics. So that's a good increase in the working capital, and that shows our confidence in expected scale-up in the second half. Net debt increase is linked to the working capital. It's not any other term loans.

So, we are in line with the plan that we have, and the idea is to look at productivity and efficiency even in working capital. So as things progress, you should expect us to maintain robust days of receivables, and DIO, days of inventory outstanding, which used to be more than 400 for biosimilars in the past, it's been normalized to about 280, 290.

And there are opportunities to improve on that further. But the investment that we have made in this quarter in inventory and working capital is to funnel the growth of the expected scale-up in second half.

Ankit Shah: **Got it. And do you expect the net debt to reduce by the end of the year, or would it remain flattish? And also, the quarterly interest cost, I mean, we had talked about INR210 crores, INR220 crores range. Would that also stay, or that can increase in the coming quarters?**

Kedar Upadhye: Yes. So, year-on-year now, there is a significant decrease. So, there is a 23% decline in finance cost from last year. Last year, we booked around INR280 crores, this quarter, we've booked around INR213 crores, and this is despite the rupee depreciation impact on the dollar interest that we pay. So, the constant currency reduction is actually far higher.

And we have said that we are working on this actively, every single dollar that we get from free cash, the first use of that is in reduction of the debt. So as things progress, you will notice the debt reduction as well.

Ankit Shah: **Got it. Thanks a lot, and best of luck.**

Kedar Upadhye: Thank you.

Moderator: Next question is from the line of Chinni. Kindly announce your company name and proceed with your question.

Chinni S: **Yes. Myself Chinni, I'm an Individual Investor. I just would like to know what would be the impact of tariffs announced by Trump, which would be applicable after two years? However, are we well-positioned about improving the manufacturing capacity in USA?**

Shreehas Tambe: Matt, do you want to respond to that?

Matt Erick: Yes, sure, Shreehas. So, the recent announcement by the US President, Donald Trump, in regards to additional tariffs was just a tweet. Right now, the law states within the United States, generics and biosimilars are exempt. So, legislation would have to be passed and redone. And I can tell you from spending numerous days on the Hill in Washington that it is a bipartisan review that access and affordability of generics and biosimilars must continue to exist. And by putting tariffs on this and adding additional cost would absolutely conflict with this.

The other interesting thing about this is that in the next two years, the current President, Donald Trump, will be very close to his last month in office. So, there's a lot that has to happen. What we're doing as we look at it today, because it is law in the United States, we're continuing to push with our congressmen and women as Biocon and with our associations and affiliations in policy, that biosimilars and generics are great.

They bring cost savings to the United States, and it should continue to be bipartisan between the Democrats and the Republicans to save costs to the American citizen. So right now, it's just a tweet. Certainly, with our President, you have to take anything he says seriously and continue to watch it. But current law states it does not apply, and it'd have to be a change in legislation. Thank you for the question.

Kiran Mazumdar-Shaw: And I would also say that the Biocon Group is certainly looking at having the required footprint in terms of local manufacturing wherever needed. So, I think that's something else we are also looking into, and we do have a number of partnerships in this respect, so we will watch the space.

Chinni S: **Yes, Ma'am. Does it mean that are we increasing our capital expenditure within USA in manufacturing?**

Kiran Mazumdar-Shaw: No, I don't believe that we will be increasing our capex in establishing new facilities or capacities in the US. We will look at it through partnerships, if required, and we already have some of our own manufacturing facilities, which we will obviously utilize.

Chinni S: **Thank you.**

Moderator: Thank you. Next question is from the line of Vipul Shah. Kindly announce your company name and proceed with your question.

Vipul Shah: **What is our current stake in Bicara, and any plan to monetize it?**

Kiran Mazumdar-Shaw: I would like to answer that by saying that Bicara is no longer a significant investment for Biocon, and we will look at monetizing it at the right time. Bicara is doing exceedingly well, and we are very pleased that we have been able to create this value for Bicara by establishing it in the first place, and we will decide when is the right time to monetize.

Vipul Shah: **What is our current stake, Ma'am?**

Kiran Mazumdar-Shaw: The current stake is, we have a small holding in Bicara, and we are in at this moment not contemplating to monetize.

Vipul Shah: **Okay, thank you.**

Moderator: As there are no further questions, I would now like to hand the conference over to Mr. Prashant Nair for closing comments.

Prashant Nair: Yes. Thanks, Neerav. And thank you, everyone, for joining this call. If you have any questions that are unanswered or any other questions, please reach out to the IR team, and we'll be happy to address those. Thank you once again.

Shreehas Tambe: Thank you.

Kiran Mazumdar-Shaw: Thank you.

Moderator: Thank you very much. On behalf of Biocon Limited, that concludes this conference. Thank you all for joining us, and you may now leave the meeting and disconnect. Thank you.

-Ends-

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