

Biocon Limited

BSE: 532523 | NSE: BIOCON | REUTERS: BION.NS | BLOOMBERG: BIOS IN | WWW.BIOCON.COM

INVESTOR PRESENTATION

June 2020

Safe Harbor

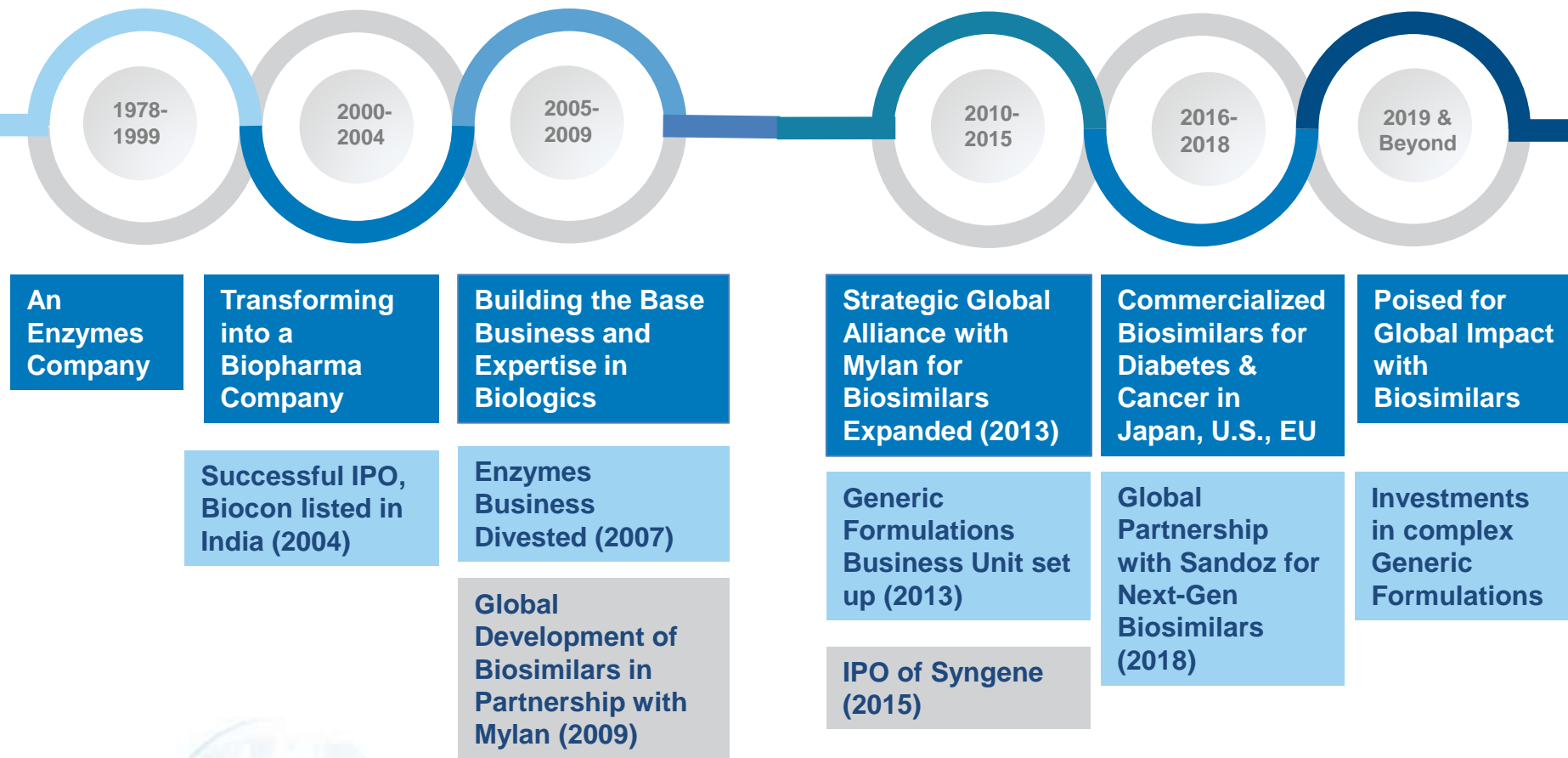
Certain statements in this release concerning our future growth prospects are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in such forward-looking statements. Important factors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

A large group of diverse people, including men and women of various ages and ethnicities, are standing in a large circle. They are dressed in a variety of colorful clothing, such as jackets, sweaters, and shirts. The background is a light blue gradient. The people are arranged in a way that they form a complete circle around the central text.

Committed to
Affordable Access

**Aiming to develop products that can
potentially benefit a billion patients**

The Biocon Journey: A Continuous Evolution



Unwavering focus through the years on innovation & difficult to make, niche products to create tangible differentiators for sustainable growth



FINANCIAL HIGHLIGHTS

Biocon's response to COVID-19

- ⌘ Invoked business continuity plans and implemented full employee protection measures
- ⌘ Various initiatives undertaken to ensure running of essential and critical manufacturing and quality operations enabling us to serve our patients and partners
- ⌘ Leveraged IT solutions and technology to enable Work From Home
- ⌘ Taking protective measures across all our locations with zoning on site; compulsory temperature checks; social distancing in canteens and in company transport; shift system to reduce density on site
- ⌘ Supply chain disruptions, impaired mobility and industry-wide dislocation as a fallout of the pandemic affected parts of our business in Q4 FY20, especially Biosimilars
- ⌘ Since lockdown restrictions are being relaxed, we are gradually ramping up our operations
- ⌘ At the same time, we are prioritizing the health and safety of our employees and implementing additional safety measures
- ⌘ Our listed subsidiary Syngene is supporting Bengaluru hospitals by opening a COVID-19 RT-PCR testing centre
- ⌘ Syngene has indigenously developed an anti-COV-2 IgG ELISA (Enzyme-Linked Immunosorbent Assay) at its research facility in Bengaluru; tied up with HiMedia Laboratories for manufacturing

Financial Summary

All Figures in ₹ Million except %

Particulars	Q4 FY20	Q4 FY19	Growth	FY20	FY19	Growth (%)
Revenue	16,441	15,570	6%	65,286	56,588	15%
EBITDA	3,817	4,312	-11%	17,645	15,381	15%
Net Profit [#]	1,234	2,137	-42%	7,600	7,291	4%
R&D Expenses in P&L	1,250	921	36%	4,394	2,899	52%
Gross R&D Spends	1,388	1,659	-16%	5,271	4,796	10%
EBITDA Margin	23%	28%		27%	27%	
EPS[#] (Rs.)	1.0	1.8		6.3	6.1	

[#] Adjusted for any exceptional items, EPS adjusted for bonus

Revenue Highlights

All Figures in ₹ Million except %

Particulars by segment	Q4 FY20	Q4 FY19	Growth	FY20	FY19	Growth
- Small Molecules	5,407	4,719	15%	20,937	17,728	18%
- Biologics	3,574	4,511	-21%	19,513	15,169	29%
- Branded Formulations	1,172	1,330	-12%	5,362	6,564	-18%
- Syngene (Research Services)	6,073	5,339	14%	20,119	18,256	10%
- Inter-segment	(416)	(611)	-32%	(2,259)	(2,573)	-12%
Revenue from Operations	15,810	15,288	3%	63,672	55,144	15%
- Other Income	631	282	124%	1,614	1,444	12%
Total Revenue	16,441	15,570	6%	65,286	56,588	15%

Key Financial Metrics

All Figures in ₹ Million except %

Particulars	FY19		FY 20				
	Q4	FY19	Q1	Q2	Q3	Q4	FY20
SEGMENT REVENUE							
a. Small Molecules	4,719	17,728	4,796	5,296	5,438	5,407	20,937
b. Biologics	4,511	15,169	4,896	5,161	5,882	3,574	19,513
c. Branded Formulations	1,330	6,564	1,334	1,283	1,573	1,172	5,362
d. Research Services	5,339	18,256	4,209	4,646	5,191	6,073	20,119
Total	15,899	57,717	15,235	16,386	18,084	16,226	65,931
Less: Inter-segment revenue	(611)	(2,573)	(576)	(664)	(603)	(416)	(2,259)
Net sales / Income from continuing operations	15,288	55,144	14,659	15,722	17,481	15,810	63,672
SEGMENT MARGINS* (PBIT/Segment Revenue)							
a. Small Molecules	14%	18%	22%	22%	19%	16%	20%
b. Biologics	33%	26%	38%	25%	25%	7%	25%
c. Branded Formulations	4%	9%	-2%	2%	11%	1%	4%
d. Research Services	24%	23%	21%	21%	21%	25%	22%
Consolidated Margins	19%	19%	21%	18%	18%	13%	18%
ROCE* (PBIT/Capital Employed)							
a. Small Molecules	22%	22%	27%	27%	24%	23%	23%
b. Biologics	11%	11%	20%	16%	14%	11%	11%
c. Branded Formulations	82%	82%	-11%	0%	20%	28%	28%
d. Research Services	21%	21%	17%	18%	18%	20%	20%
Consolidated ROCE (Annualized)	15%	15%	18%	17%	17%	15%	15%

* Segment margins are before interest & other un-allocable expenditure / (income) and segment ROCE is before un-allocable assets/ liabilities.; Quarterly ROCE values are annualized numbers



BUSINESS SEGMENTS

Our Growth Verticals

Small Molecules

Differentiated APIs
& Generic
Formulations

Novel Biologics



Biosimilars



Branded Formulations

Finished Dosage
Business in India &
Overseas

**GROWTH
VERTICALS**

Research Services

Syngene

Small Molecules APIs & Generic Formulations

Differentiated API Portfolio

- Product Portfolio leverages core fermentation technology strengths
- Among world's largest manufacturers of statins & immunosuppressant APIs
- Early mover in niche products at commercial scale
- Forward Integration to Formulations augurs well for the Business

Current Portfolio	Constituents
Statins	Simvastatin, Pravastatin, Atorvastatin, Rosuvastatin, & Fluvastatin.
Immuno suppressants	Tacrolimus, Sirolimus, Everolimus, Mycophenolate Mofetil & Mycophenolate Sodium
Other Biopharma	Orlistat, Fidaxomicin, Glatiramer Acetate, other molecules

Generic Formulations

- Solid oral & parenteral products in both potent & non-potent categories for emerging and developed markets.
- Focus therapeutic segments – Metabolics, Oncology, Immunology & Auto-immune indications
- Generic Formulations strategy includes First-to-Files and Para IVs, Formulations Under its own Label
- Generic Rosuvastatin, Simvastatin & Atorvastatin launched in United States

China Opportunity

- Licensed out 3 Generic Formulations products to China Medical System Holdings (CMS).
- Biocon will develop & manufacture while CMS will Commercialize
- Aim to address a Market Opportunity of US\$ 0.8 Bn

Biologics

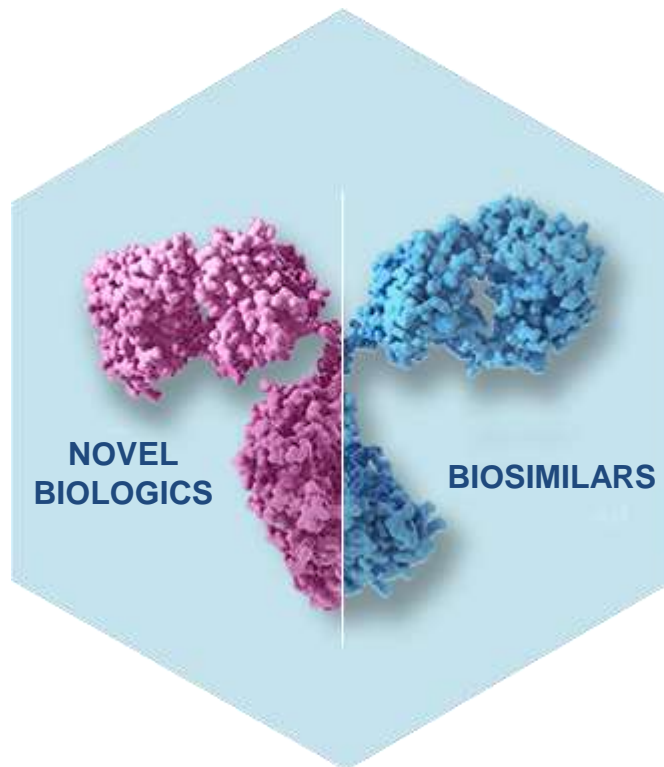
Biosimilars & Novel Biologics

Novel Biologics

Creating market leadership in Innovation e.g., Insulin Tregopil, Itolizumab

Pipeline includes oral insulin; mAbs against targets like CD6, CD20 & EGFR; bispecific fusion mAbs

Potential to change the treatment paradigm in diabetes, immunology.



Biosimilars

Positioned among early wave of entrants with multiple biosimilars commercialized globally. 15+ years of experience is developing biologics.

Portfolio straddles rh-insulin, insulin analogs, mAbs and other recombinant proteins, 28 products in pipeline.

Strong scientific and technical capabilities. Over 4000+ people dedicated to support this business across various functions

Biocon is a pioneer in bringing high quality, yet affordable, novel biologics & biosimilars to patients globally

Biocon Biologics

Transforming Healthcare, Transforming Lives

Vision: “Most Inspiring Global Leader in Biologics” delivering affordable access to innovative and inclusive healthcare solutions, transforming patient lives.

Implement strategic initiatives going beyond the product in our aspiration to reach dominant market share in key markets, unlock underserved markets, and differentiate us from competition

THE FOUR PILLARS

PATIENTS

Patient-Centricity & Therapeutic Area Leadership

- Leader with a vision that resonates strongly with global scientific communities

PEOPLE

Unique Culture with Talent Diversity

- Unique culture of constant innovation
- Inherent strengths in co-creation and leveraging diversity

PARTNERS

Disruptive & Differentiated Portfolio

- Leader in a disruptive, differentiated portfolio offering
- Achieve scientific excellence by leveraging cutting-edge technology

Agile Delivery Capability

- Global scale manufacturing with AI/ML equipped systems
- Innovative delivery models that optimize number of intermediaries

Innovative, Technology-Driven Operating Models

- Archetype-based technology-driven operating model leveraging partnerships
- Ability to serve patients at the centre of the income pyramid

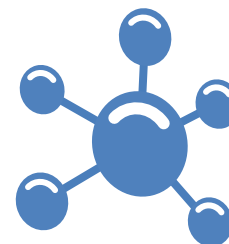
BUSINESS

Excellence in Market Shaping

- Leader in creating sustainable market advantages and policy shaping

Biocon Biologics Global Product Portfolio

PIPELINE OF **28** MOLECULES



BIOCON BIOLOGICS is independently developing many biosimilar assets



With **MYLAN**, 11 biosimilars being co-developed for global markets



With **SANDOZ**, set of next-gen immunology, oncology biosimilars being co-developed for global markets

Biocon – Mylan Partnered Product Pipeline

Early mover in first wave of biosimilar launches in the next 3–5 years



Biocon's strong development & manufacturing capabilities



Mylan's regulatory & commercial excellence



Cost and profit share model

THERAPEUTIC AREA	MOLECULE	STATUS		
		US	EU	MoW
 Oncology	Trastuzumab	Marketed	Marketed	Launched in Australia, Canada & Emerging Markets.
	Pegfilgrastim	Marketed	Approved	Launched in Canada and Australia
	Bevacizumab	Under Review	Under Review	Launched in India
	Filgrastim	Early Development/ Preclinical	Early Development/ Preclinical	-
	Pertuzumab	Early Development/ Preclinical	Early Development/ Preclinical	-
 Diabetes	Glargine 100 IU/ml	Under Review	Marketed	Launched in Australia, Japan* & Emerging Markets. Approved in New Zealand.
	Glargine 300 IU/ml	Early Development/ Preclinical	Early Development/ Preclinical	-
	Aspart	Mid CY 20	Under Review	-
	Lispro	Early Development/ Preclinical	Early Development/ Preclinical	-
 Autoimmune	Adalimumab**	Early Development/ Preclinical	Marketed	-
	Etanercept**	Early Development/ Preclinical	Approved	-

Early Development/ Preclinical

Planned Submission/ Filed

Approved

Marketed

*Japan is outside of Mylan partnership; **Partner Mylan has in-licensed product (Biocon benefits from economic interest)

Biocon - Sandoz exclusive partnership: Co-development of next-generation biosimilars



Shared responsibility for...

- Development
- Manufacturing
- Global regulatory approvals



Costs & Profits are shared equally



Broader Biocon Biologics' participation in end-to-end development and commercialization



Various assets are in early stage development stage for global markets

Biocon Biologics: Manufacturing

Global scale, cost competitive, complex manufacturing

Global Scale Manufacturing Capabilities in India

- ⌘ State-of-the-art manufacturing facilities – mammalian & microbial
- ⌘ Facilities conform to most stringent cGMP guidelines
- ⌘ Regulatory Approvals - EMA, US FDA, Health Canada, ANVISA, COFEPRIS, PMDA, TGA, MCC etc.
- ⌘ Second fill-finish sterile injectable line in Bangalore has been cleared by the US FDA, EMA. It will support growth of biologics formulations.
- ⌘ Construction of second antibody manufacturing facility in Bangalore ongoing, First phase commissioned in FY20, qualification underway.



Biocon Malaysia: Asia's largest integrated insulins Manufacturing facility

- ⌘ Biocon's First Manufacturing expansion overseas in Iskandar, Johor.
- ⌘ Investment of ~US\$300 mn in the first phase.
- ⌘ Plant has received GMP certificate from EMA, TGA, NPRA, Malaysia and other Emerging Market regulators. Cleared US FDA pre-approval inspection.
- ⌘ Sales commenced in E.U. & Emerging Markets; include OTA award by Ministry of Health – Malaysia.



Insulins Facility In Bangalore

Biocon Biologics over the years have built global scale and cost competitive, complex manufacturing capabilities to address global market opportunities

Branded Formulations

Folded under Biocon Biologics and aligned to new growth strategy

- ⌘ Specialty business with regional ambitions; strong value builder for Biocon
- ⌘ Biologics-led specialty products focused on chronic therapy areas.
- ⌘ Comprehensive offering of products, patient and physician support programs

INDIA

- ⌘ Business transferred from Biocon Limited to Biocon Biologics India Limited in FY20
- ⌘ India's largest Insulins & leading Oncology Company
- ⌘ Presence across therapies: Metabolics, Oncotherapeutics, Immunotherapy, Nephrology and Comprehensive Care Division.
- ⌘ Several brands ranked amongst 'Top 3' brands in respective segments.
- ⌘ **Insugen®** ranks among Top 3 human insulin brands in India
- ⌘ **CANMAb™** is No. 1 brand of Trastuzumab in India
- ⌘ **Basalog®**, is No 2 brand of Insulin Glargine in India

UAE

- ⌘ Decided to wind up the business given underperformance
- ⌘ Branded Generics to be discontinued
- ⌘ Biosimilars on the market will continue to be marketed through Biocon Biologics

Key Brands

Insugen®
 Basalog®
 BIOMAb EGFR®
 CANMAb™
 ALZUMAb™
 KRABEVA®
 TACROGRAF™



Novel Molecules

Focused on Diabetes, Inflammation & Immuno-oncology

DIABETES	<p>Insulin Tregopil (<i>In-house program</i>) First-in-Class Oral, Prandial Insulin</p> <ul style="list-style-type: none"> • Liver specific- portal delivery, Weight neutral • Pivotal Phase II/III clinical study in T2DM patients in India ongoing • JDRF supported Phase I Multiple Ascending Dose study planned in T1DM patients 	<p>India Phase II in T2D completed.</p> <p>Phase Ib multiple ascending dose study in T1D patients initiated in Germany</p>
INFLAMMATION	<p>Itolizumab (<i>Licensed to Equillum for US, Canada, Australia & New Zealand</i>) Novel, humanized CD6 Antibody</p> <ul style="list-style-type: none"> • Novel CD-6 Biology presenting durable immune-modulatory benefits and superior clinical safety • Marketed in India for plaque Psoriasis • Three investigations underway – aGVHD, uncontrolled asthma and lupus nephritis • FDA Fast Track & Orphan Designation for aGVHD • FDA Fast Track Designation for lupus nephritis 	<p>Phase 1b/2 aGVHD trial initiated March 2019</p> <p>EQUIP Phase 1b uncontrolled moderate to severe asthma trial initiated June 2019</p> <p>EQUALISE Phase 1b trial initiated September 2019</p>
	<p>BVX-20 (<i>Partnered with Vaccinex</i>) Novel, 2nd Generation humanized CD20 Antibody</p> <ul style="list-style-type: none"> • Path to IND mapped out, to advance program in neuro-inflammatory disorder 	<p>Path to IND mapped</p>



Incorporated in Boston, United States as a wholly owned subsidiary of Biocon, Bicara will focus on developing Immuno-oncology assets

IMMUNO-ONCOLOGY	<p>EGFR mAb + TGFβrII (<i>Tumor-Targeted Fusion mAb</i>)</p> <ul style="list-style-type: none"> • Higher local tumor concentration of immuno-modulatory arm resulting in a better therapeutic window • Opportunity to target multiple tumor types 	<p>IND filed.</p> <p>Received “study may proceed” advice from FDA</p>
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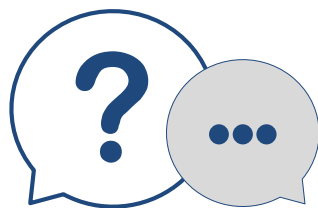
Research Services (Syngene)

A global CRO company delivering innovative scientific solutions.

- ✦ Offering integrated research, development and manufacturing services for both small and large molecules, antibody-drug conjugates and oligonucleotides backed by best-in-class bioinformatics services
- ✦ Combining world class research expertise, technology and infrastructure to reduce costs and time to market
- ✦ Talented scientific and techno-commercial teams, led by experienced management, moving beyond cost arbitrage to innovation
- ✦ World class infrastructure audited successfully by US FDA, EMA, AAALAC and major life sciences partners
- ✦ 362* active marquee clients across multiple sectors
- ✦ World-class R&D and manufacturing infrastructure spread over 1.5 million sq. ft
- ✦ 5000* strong pool of employees, 4,240* scientists
- ✦ Strong track record of top-line growth with best in class EBITDA margins (30+%) and Net Profit margin (high teens to low 20's)
- ✦ Listed in India on BSE and NSE in 2015



* For fiscal ended March 31, 2020



Questions

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