

Date	:	26/July/2016
Publication	:	Mint
Edition	:	Bengaluru
Media Type	:	News paper

# Biocon: hope in the pipeline

**B**iocon Ltd's shares have gained 65% since the start of this fiscal year. The stock declined a bit in early July but improved after its results last week, and is up by 17% since 21 July. While it posted a good set of numbers, that alone did not cause the recent bump.

The results were accompanied by an announcement that Mylan NV's marketing authorization application for biosimilar pegfilgrastim has been accepted for review by the European Medicines Agency. Biocon and Mylan are partners in this project. This medicine is used to treat neutropenia (low white blood cells), which occurs due to chemotherapy. A biosimilar is a drug similar to the original biologic product.

Being accepted for review is a significant step in the process of reaching the market. The developed market for biosimilars is difficult to crack and entering a large market such as Europe raises confidence levels. Of course, this opportunity hinges on the application getting approved finally. Biocon's management appears confident it will and also expects more applications for biosimilars to be accepted in the current fiscal year.

The pegfilgrastim news and its results were what perked up its share price. Earlier, at end-March, it had announced receiving approval to launch biosimilar insulin glargine in Japan, through a marketing partner. Japan is another highly regulated market and this approval is what set off the rise in its valuations. This product was finally launched on 15 July. Apart from these, Biocon has also indicated it expects rising contribution from sales in emerging markets.

In the June quarter, Biocon's sales rose by 21% to ₹981 crore from a year ago, while its net profit rose by 34% to ₹167 crore. This was as per the IND-AS accounting standards. Under the earlier accounting system, the respective figures were sales growth of 10% and 17%. The company said margins improved due to a better product mix, higher growth of biologics and contribution from its research servi-

## MARK TO MARKET

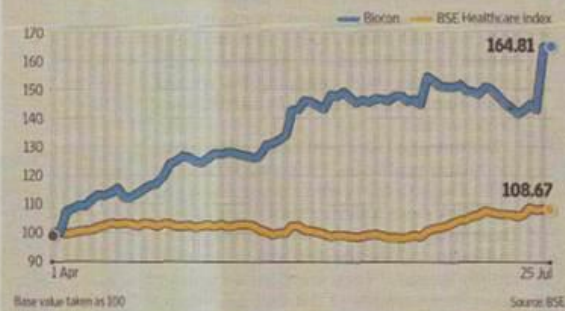
RAVI ANANTHANARAYANAN



We welcome your comments at [marktomarket@livemint.com](mailto:marktomarket@livemint.com)

### RACING AHEAD

Biocon has left its peers far behind in the current fiscal year.



GRAPHICS BY NAVEEN KUMAR SAINI/MINT

ces subsidiary Syngene International Ltd.

The appreciation in its share indicates the build-up of expectations. Some of those expectations are pegged to growth in its existing revenue, and from new launches such as insulin glargine in Japan. The rest depends on news flows pertaining to its biosimilar programme for developed markets. A drying up of news flows on that front or setbacks there could see investors getting jittery.