



## Biocon announces Q1 FY15 results

Revenues: ₹ 742 Crs; EBITDA: ₹ 191 Crs; PAT: ₹ 103 Crs

Bengaluru, India: July 24, 2014

*Commenting on the quarterly performance and highlights, Chairman and Managing Director, Kiran Mazumdar-Shaw stated, "Our revenue growth this quarter has been muted. Our business performance reflects the challenges that we are temporarily facing in some of our key markets especially in the Middle East. We are working towards diversifying our regional dependencies to diminish the impact of such externalities. However, we have sustained our operating margins and profits despite increase in costs. Our business profitability has remained intact indicating the benefits of portfolio optimization. Our development pipeline across biosimilars and novel candidates continues to progress well. We remain committed towards improving our performance in the coming quarters".*

### **Highlights:**

- Biocon files its first set of ANDAs, targets the US generics market
- Extension of the research collaboration between Bristol Myers Squibb and Syngene
- Appointment of Mr. Siddharth Mittal as Chief Financial Officer, Biocon

### **Business Performance**

#### **Financial Highlights: Q1 FY15 (In ₹ Crores)**

<b>Revenue : 742</b>	<b>Revenue Breakup:</b>
<b>R&amp;D Expenses: 31</b> (6% of Biopharmaceutical sales)	• <b>Biopharmaceuticals: 547</b>
<b>EBITDA: 191</b> (EBITDA Margin: 26%)	• <b>Research Services: 172</b>
<b>PAT: 103</b> (PAT Margin: 14%)	• <b>Other Income: 23</b>

### **Biopharmaceuticals**

#### **Biopharma**

The biopharma segment recorded revenues of 436 Crs in Q1FY15.

The biopharma business was impacted this quarter by various external factors including the ongoing geo-political conflicts in the MENA region, affecting the growth of this business. We believe this is a temporary phasing issue as the underlying demand remains robust. We hope that stability in the region will restore



business momentum. We are working towards mitigating the impact of these regional instabilities on our business performance.

This quarter we filed our first ANDAs, targeting the US generics market. This effort is part of our communicated strategy to move up the pharma value chain to enter finished dosages with generic formulations. We continue working towards further optimization of our product portfolio in the small molecules vertical, with a clear focus on profitable growth.

We remain on track to initiate global phase III trials for our biosimilar glargine. Our upcoming insulin facility in Malaysia continues to progress well and we expect the plant to be commissioned, as per plan in the second half of this fiscal.

### **Branded Formulations**

The branded formulations recorded revenues of 111 Crs in Q1 FY15. The vertical grew at 10% YoY, in line with the industry. This quarter, we have reorganized certain divisions within this vertical. The reorganization largely focuses around the cardiology and diabetes divisions to drive synergies around key anchor brands and optimization of product portfolios with a focus on profitability.

### **Novel Molecules**

The initial set of trials for our oral insulin molecule, IN-105, are on track. We continue to engage with potential partners to out-licensing discussions for our novel anti-CD6 molecule, Itolizumab.

### **Research Services**

The research services segment grew by 12% YoY in Q1 FY15, recording revenues of 172 Crs. This quarter witnessed the extension of our research collaboration with Bristol Myers Squibb, for 5 years. This extension of our longest standing collaboration, validates our integrated drug discovery model and reiterates our commitment towards quality, world class research.

**Commenting on this performance, Peter Bains, Director Syngene International, said, “We have made a steady start to the new fiscal, and will build upon this performance during the course of the year. We have been investing in capacity expansions, some of which will come into play in the latter half of FY15. The new capacities will help us expand our order book and build growth momentum. A key milestone this quarter was the extension of our partnership with Bristol Myers Squibb until the year 2020.”**

### **Appointments:**

Mr. Siddharth Mittal, President – Finance has been appointed as Chief Financial Officer of Biocon Limited effective August 01, 2014. He joined Biocon in May 2013 and takes over from Mr. Murali Krishnan, who retires after more than 30 years of distinguished service with the organization.



Siddharth is a Chartered Accountant (India) and a CPA (US) and has more than 15 years of global and diversified experience. Prior to joining Biocon, he was Vice President-Finance and Corporate Controller with a leading US based multinational Information Technology Company based in Bangalore.

### Outlook

The inherent growth drivers for our business remain intact and will play out over the course of this year. The progress in our development pipeline (across biosimilars and novel molecules) will help some of our molecules to enter the clinic. However, these milestones are subject to various external dynamics including the business and clinical trial environment in the country. We continue to make investments across infrastructure and people, to support our growth and work steadfastly to deliver strong, sustained value growth to our stakeholders.

### About Biocon

Biocon Limited (BSE code: 532523, NSE Id: BIOCON, ISIN Id: INE376G01013) is a fully-integrated, innovation-led, emerging global biopharmaceutical enterprise serving customers in over 85 countries. It is committed to reduce therapy costs of chronic diseases, like autoimmune, diabetes, and cancer to enable access to affordable healthcare solutions for patients, partners and healthcare systems across the globe. Biocon's key innovations include two novel biologics, BioMAb EGFR<sup>®</sup> for cancer and ALZUMAb<sup>™</sup> for psoriasis. The company has also introduced CANMAb<sup>™</sup>, the world's most affordable trastuzumab, for HER2- positive breast cancer and has pioneered the development of the world's first pichia-based recombinant human Insulin, INSUGEN<sup>®</sup> and insulin analog Glargine, BASALOG<sup>®</sup>. [www.biocon.com](http://www.biocon.com)

### Disclaimer

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 currency changes, 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 our company, our directors, nor any of our 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.

### Earnings Call

The company will conduct an hour long call at **12:30 PM IST on July 25, 2014** where the senior management will discuss the company's performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below five to ten minutes ahead of the scheduled start time. The **dial-in number for this call is +91-22-3938 1081/ 6746 5891**. Other toll numbers are listed in the conference call invite which is posted on the company website [www.biocon.com](http://www.biocon.com). The operator will provide instructions on asking questions before the start of the call. To receive reminders for the earnings call, you can



register [here](#). A replay of this call will also be available from **July 25, 2014 – August 02, 2014** on **+91 22 6181 3322, Playback ID: 311121**. The transcript of the conference call will be posted on the company website within 7 working days of the investor conference call.

[Encl.: Fact Sheet - Consolidated Income Statement and Balance Sheet \(Indian GAAP\)](#)

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**BIOCON GROUP**

**FACT SHEET**

**June - 2014**

<b>BIOCON LIMITED (CONSOLIDATED)</b>			
<b>BALANCE SHEET</b>		<b>(Rs. Crores)</b>	
	<b>June 30, 2014</b>	<b>March 31, 2014</b>	
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
(a) Share capital	100	100	
(b) Reserves and surplus	3,034	2,927	
	<b>3,134</b>	<b>3,027</b>	
<b>Minority interest</b>			
	87	82	
<b>Non-current liabilities</b>			
(a) Long-term borrowings	704	606	
(b) Deferred tax liability (net)	45	45	
(c) Other long-term liabilities	628	603	
(d) Long-term provisions	8	8	
	<b>1,385</b>	<b>1,262</b>	
<b>Current liabilities</b>			
(a) Short-term borrowings	227	244	
(b) Trade payables	446	347	
(c) Other current liabilities	464	612	
(d) Short-term provisions	189	177	
	<b>1,326</b>	<b>1,380</b>	
<b>TOTAL</b>	<b>5,932</b>	<b>5,751</b>	
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	2,818	2,719	
(b) Goodwill	12	12	
(c) Non-current investments	65	65	
(d) Long term loans and advances	268	269	
(e) Other non-current assets	168	47	
	<b>3,331</b>	<b>3,112</b>	
<b>Current assets</b>			
(a) Current Investments	489	700	
(b) Inventories	379	377	
(c) Trade receivables	664	600	
(d) Cash and cash equivalents	855	804	
(e) Short term loans and advances	133	82	
(f) Other current assets	81	76	
	<b>2,601</b>	<b>2,639</b>	
<b>TOTAL</b>	<b>5,932</b>	<b>5,751</b>	

<b>BIOCON LIMITED (CONSOLIDATED)</b>			
<b>PROFIT &amp; LOSS STATEMENT</b>			(Rs. Crores)
Particulars	Q1 FY 15	Q1 FY 14	Variance
<b><u>INCOME</u></b>			
<b>Biopharmaceuticals</b>	<b>547</b>	<b>540</b>	<b>1%</b>
Biopharma *	436	439	-1%
Branded formulations - India	111	101	10%
<b>Contract research</b>	<b>172</b>	<b>154</b>	<b>12%</b>
<b>Total Sales</b>	<b>719</b>	<b>694</b>	<b>3%</b>
Other income	23	29	-19%
<b>Total Revenue</b>	<b>742</b>	<b>723</b>	<b>3%</b>
<b><u>EXPENDITURE</u></b>			
Material & Power costs	334	338	-1%
Staff costs	116	107	8%
Research & Development **	31	43	-28%
Other expenses	70	60	17%
<b>Manufacturing, staff &amp; other expenses</b>	<b>551</b>	<b>548</b>	
<b>EBITDA</b>	<b>191</b>	<b>175</b>	<b>9%</b>
Interest & Finance charges	1	-	
Depreciation & Amortisation	52	49	5%
<b>PBT</b>	<b>138</b>	<b>126</b>	<b>10%</b>
Taxes	31	29	8%
<b>NET PROFIT BEFORE MINORITY INTEREST</b>	<b>107</b>	<b>97</b>	<b>11%</b>
Minority interest	4	3	
<b>NET PROFIT FOR THE PERIOD</b>	<b>103</b>	<b>94</b>	<b>9%</b>
<b>EPS Rs.</b>	<b>5.2</b>	<b>4.7</b>	
<i>Note: The figures are rounded off to the nearest crores, percentages are based on absolute numbers</i>			
* Biopharma Income includes:			
Licensing Income	19	8	
** Gross Research & Development expenses	38	47	