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## Biologics to boost Biocon business, say analysts

**GIREESH BABU & T E NARASIMHAN**  
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Analysts expect biologics business to help biopharma major Biocon post double-digit growth in both revenue and net profit over the next three financial years.

Biocon's current biosimilars pipeline through its own and partner launches has potential to generate \$377 million in revenue from the US and Europe in 2020-21, they say. During the 12 months ended March 31, 2019, biologics revenue doubled to ₹1,517 crore from a year before.

Kiran Mazumdar-Shaw, chairperson and managing director, had said in a recent earnings call: "Our biosimilars strategy has begun to deliver, with the start of monetisation of the pipeline in the developed markets of the US and the European Union. Launch of biosimilar Pegfilgrastim in the US and the ramp-up of sales of Trastuzumab in emerging markets were main contributors to this growth." The company has both novel biologics and biosimilar molecules.

These are expected to continue bringing growth in the segment.

In 2019-20, the company expects growth across business segments to continue, led by higher biosimilars revenues. While it expects the core margins percentage to sustain, research and development (R&D) expenses across business segments, and depreciation, would significantly increase.

"Further, in FY'20, our investment in human capital will also significantly increase, on account of setting up an organisational structure to support independent functioning of our biosimilars business under Biocon Biologics. We have also set up a Boston-based subsidiary, Bicara Therapeutics, to support our immune-oncology programmes.