

Published Date:	Monday 27th January, 2020	Publication:	The Economic Times [Chennai]
Journalist:	Ayan Pramanik	Page No:	6
MAV/CCM:	139,404/46.78	Circulation:	25,839

Biocon Biologics Eyes \$200m, Plans IPO in 2 Yrs: Mazumdar-Shaw

Funds to be used to expand biosimilars unit

Ayan.Pramanik
@timesgroup.com

Bengaluru: Biocon is expected to raise \$200 million for its biologics subsidiary in the next few months and list in on the capital markets in about two years, chairman and managing director Kiran Mazumdar-Shaw told ET.

Earlier this month, Biocon said venture capital firm True North would invest ₹536.25 crore (roughly \$75 million) to pick up 2.44% stake in the biosimilar subsidiary, taking the valuation of Biocon Biologics to ₹21,450 crore (\$3 billion)

UNLOCKING VALUE

To get Biocon's stock appreciated... I think taking Biologics to the market is going to be very important

KIRAN MAZUMDAR-SHAW
CMD,
Biocon



on a pre-money equity basis. "We managed to set a baseline valuation for Biologics at \$3 billion and then if you look at embedded value of Syngene, you can clearly see Biocon's stock is undervalued," said Mazumdar-Shaw. "To get Biocon's stock appreciated in terms of the businesses it controls, I think taking Biologics to the market is going to be very important."

Mazumdar-Shaw added that a stock dilution of Biocon Biologics to raise \$200 million would "unlock huge value for Biocon".

ET reported earlier this month that Biocon had started talks with global investors such as the Singapore government-owned Temasek Holdings and the UK government's investment arm CDC for future rounds of fundraising. True North is also likely to take part in those rounds. Biocon has diluted stake in Biocon Biologics for the first time since inception nearly two years ago. Biocon Biologics, which clocked revenue of nearly \$200 million last fiscal year, is chasing a revenue target of \$1 billion in financial year 2021-22. It looks to build a pipeline of 28 biosimilars across global markets in three phases.

With the funding, Biocon is looking to fund its research and development, and infuse capital to expand its biosimilars business, said Mazumdar-Shaw.

Biocon Biologics' IPO will be on the lines of Biocon's contract research arm Syngene's listing in 2015. She said the "...value of Biologics is not being captured in Biocon's present valuation and we have experienced a similar situation when it came to Syngene, because when it went to market its value was not captured, so we unlocked Syngene's valuation and, of course, Biocon's value went up."