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‘Our aim is to be a global leader in biosimilars biz’

As Biocon Biologics is being carved out as a subsidiary of Biocon, the new chief executive officer, **CHRISTIANE HAMACHER**, is optimistic about being a global leader in biosimilars. With launches planned in insulin and oncology during the second half of this financial year, Hamacher told **Bibhu Ranjan Mishra** and **Debasis Mohapatra** that biosimilars' contribution to Biocon's revenue and profit is likely to increase in coming quarters. Edited excerpts:



Biocon reported good Q1 numbers with nearly double the revenue in the biologics segment, which accounts for 32 per cent of your earnings. How do you see the road ahead?

When it comes to revenue and margins, we are looking for a bigger contribution of biologics to the Biocon group. The margins of biologics stood at 38 per cent in Q1 as compared to 33 per cent in the preceding quarter.

What are the launches planned this year in biosimilars?

We expect to launch Trastuzumab, a biosimilar, in the US. This is an opportunity to grow because we (with our partner Mylan) were the first to get the approval to launch this biosimilar. We will be the first to launch this without a legal risk owing to the settlement between Mylan and Roche. Besides, we have good market positioning. We will launch two presentations — 420 mg for multiuse and 150 mg for single use. This will provide flexibility to prescribers. Our footprint is expanding and we are expecting greater traction for our molecules in the European market. Mylan has extended its commercialisation of Adalimumab (Hulio) to global markets, including Europe. We retain our interests in this



expanded in-licensing arrangement and will make profits from the global markets. With this, we have the potential to be the global leader in biosimilars.

How much will you invest in carving out Biocon Biologics?

Early this year, we established Biocon Biologics as an independent entity. Restructuring is still on. Forming this entity with a dedicated management team has been exciting, and this set-up allows us to maximise value from our portfolio. Most of our strategy will be to invest in R&D, as well as portfolio expansion.

When you say global leader, what kind of market share do you have in mind?

Biosimilars is an open field. This market is being shaped. We will see (gain) in market share in insulin and oncology. We are an early mover in biosimilars, and this gives us an advantage.

Will this subsidiary be listed, as was done in the case of Syngene?

The biosimilars business has potential and we will see its trajectory, particularly in the second half of the year. We will come to a conclusion on the best way to unlock value for Biocon Biologics. There are no immediate plans on public listing.

There are reports of pricing challenges in biosimilars.

Various dynamics play out in biosimilars as compared to generics. In generics, price spirals hit the market in a short time. We don't expect to see such a spiral in biosimilars. A reason for that is companies are investing to reach out to the biosimilars market.

A US drug regulator made observations on Biocon's Malaysian facilities. Can you provide some updates on this?

The US Food and Drug Administration inspected Glargine, an insulin drug; other drugs; and device-assembly facilities in Malaysia. We have received 12 observations on three units and are engaging with the agency. We are confident of addressing its concerns and this will not affect Mylan's plans to commercialise Glargine in the US.