

True North to invest Rs 536.25 Cr in Biocon Biologics

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That will eventually translate to a 2.44% minority stake in the biosimilars business



Biocon Ltd, an innovation-led global biopharmaceuticals company, has announced that the Board of its subsidiary Biocon Biologics India Ltd (Biocon Biologics) has approved a primary equity investment by True North. As per the terms of the proposed agreement, True North will invest Rs 536.25 Crore that will eventually translate to a 2.44% minority stake in the biosimilars business post all restructuring, including the filed merger of Biocon Research Ltd with Biocon Biologics, valuing Biocon Biologics at Rs 21,450 Crore or ~USD 3 billion on a pre-money equity basis.

The transaction is subject to standard condition precedents including regulatory approvals. Post the completion of this transaction, Biocon will hold 96.07% stake in Biocon Biologics.

Kiran Mazumdar-Shaw, Chairperson & Managing Director, Biocon said, "We are extremely pleased to welcome back True North as a shareholder in our group. True North has been a committed investor in both Biocon and Syngene prior to listing. This investment is an endorsement of the value that Biocon Biologics has demonstrated as a global biosimilars player, having commercialized three of its molecules in developed markets like EU, U.S., Japan and Australia. This is at an important inflection point as we gain commercial success with our first wave of Biosimilar products and invest in the long term through broadening our pipeline, expanding our manufacturing capacity and increasing our commercial footprint. We have thus started the value unlocking process with the aim of investing, competing and winning in the large and growing opportunity for biosimilars."

Dr. Christiane Hamacher, CEO, Biocon Biologics, said, "The investment by True North in Biocon Biologics is an exciting development, which validates our science, scale, scope and strategy. It also reflects a high level of conviction in Biocon Biologics' status as a global frontrunner in biosimilars that is leveraging its large scale manufacturing capabilities to shift the access paradigm for these life-saving therapies. Through prudent investments in R&D, high quality manufacturing infrastructure as well as commercial and market access infrastructure, we are confident of achieving our aspirational goal of serving 5 million patients through our biosimilars portfolio and reaching our aspirational revenue target of USD 1 billion in FY22."

Chinappa M.B., CFO, Biocon Biologics, said, "The equity infusion by True North will enable expansion of our R&D and manufacturing capabilities to meet the growing demands of patients worldwide. It will fuel the future growth of the business as we pursue our mission to establish Biocon Biologics as a leading global player in biosimilars. The pre-money equity valuation reflects the confidence in Biocon Biologics' current business and future prospects."

Satish Chander, Partner, True North, said, "Healthcare and Life Sciences has been a focus sector for True North with investment of USD 600 million across 10 companies till date. True North has had a long successful association with Kiran Mazumdar-Shaw and the entire Biocon team and see them as pioneers and leaders in specialized niches. We truly admire their ability in incubating and scaling up new focused businesses and we have had the opportunity to invest earlier in two such businesses - Biocon and Syngene. We are happy to associate with them for the third time through this investment in Biocon Biologics. Biosimilars is a fast growing industry that addresses a fundamental need of bringing affordability to specialized effective biologic products. Biocon Biologics has been one of the global leaders with their early success in developing and commercializing multiple products across geographies. We are very excited at this opportunity to partner with Biocon Biologics which is poised for explosive growth."