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Biocon exhibits 6.5% dip in net profit in Q3FY20

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Impacted due to higher R&D expenses and tax impact of an exceptional item



Biocon Ltd, an innovation-led global biopharmaceuticals company, has announced its consolidated financial results for the fiscal third quarter ended December 31, 2019.

FINANCIAL HIGHLIGHTS

Q3FY20

- Consolidated Revenue grew 14% to Rs 1,784 Crore from Rs 1,566 Crore in Q3FY19
- Earnings before Interest, Depreciation and Amortization (EBITDA) increased 18% to Rs 480 Crore (Rs 406 Crore in Q3FY19)
- Profit Before Tax (before exceptional item) was up 11% at Rs 315 Crore (Rs 283 Crore in Q3FY19)
- Net Profit (before exceptional item) was up 6% at Rs 225 Crore (Rs 211 Crore in Q3FY19). Net Margin (before exceptional item) 13%.
- Net Proï¬•t at Rs 203 Crore (Rs 217 Crore in Q3FY19) was impacted due to higher R&D expenses and tax impact of an exceptional item.
- Q3FY20 Core margin (e., EBITDA margin net of licensing, impact of forex and R&D) stood at 33%; EBITDA margin at 27%; Net Profit margin at 11%.
- Net R&D expenses for the quarter at Rs 131 Crore was up by 71% (Rs 77 Crore in Q3FY19) corresponding to 11% of our revenue ex-Syngene.
- Gross R&D expenses were Rs 155 Crore, up 46% (vs. Rs 106 Crore in Q3FY19) corresponding to 13% of our revenue ex-Syngene.

Commenting on the highlights, Chairperson & Managing Director, Kiran Mazumdar-Shaw stated: "We witnessed a strong revenue growth of 14% to Rs 1,784 Crore in Q3FY20, led by Biologics, Small Molecules and Research Services businesses. We continued our journey of increasing access to high quality biosimilars and commercialized our biosimilar Trastuzumab in U.S., Canada and many EU markets this quarter. Net Profit before exceptional item at Rs 225 Crore reported a 6% growth. EBITDA at Rs 480 Crore reported a growth of 18%. Core margins were strong at 33% with EBITDA margin of 27% and Net Profit margin of 11%.

“Importantly, we have initiated value unlocking of our biosimilars business with the dilution of a minority stake to True North for a primary equity investment of ~USD 75 million, which gives a pre-money equity valuation of ~USD 3 billion for Biocon Biologics. We plan to raise further capital at an opportune time in the near future.”