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Biocon Biologics divests two non-core branded formulations to Eris for Rs 366 Cr

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Biocon Biologics has entered into a definitive agreement with Eris Lifesciences for the divesture of its Dermatology and Nephrology branded formulations business units in India that mostly comprised of its legacy small molecules' brands. The transaction is a Slump Sale that will enable a seamless transfer of the product brands and employees associated with these businesses.

Total transaction value of the divestment is Rs 366 crore, inclusive of working capital conveyed as part of the deal, and represents an accretive multiple of 4x on Revenues and 22x on EBITDA. Post deal close, over 120 employees of the two business units are expected to transition to Eris, ensuring continuity for both employees and patients.

The divestiture is expected to close by the end of Nov 2023, subject to customary closing conditions. The divestment of the non-core branded formulations business units in India is in line with Biocon Biologics' strategy to sharpen focus on core therapy areas as a fully integrated biosimilars company.

Shreehas Tambe, CEO & Managing Director, Biocon Biologics, said "This divesture of non-core assets allows Biocon Biologics to unlock value within our Branded Formulations portfolio in India and sharpen focus on our core therapy areas like Diabetes, Oncology and Immunology. We believe that Eris Lifesciences is well positioned to build further on the Dermatology and Nephrology franchise in India."

Commenting on the acquisition, Amit Bakshi, Chairman & Managing Director of Eris Lifesciences said: "We have successfully demonstrated our ability to turn around and create value in acquired businesses. The acquisition of Biocon Biologics' Nephrology and Dermatology Branded Formulations businesses in India is in-line with our strategic goals as well as our capital allocation framework."