‘Itolizumab to be a great opportunity for Biocon’

Biopharmaceutical company Biocon, which saw a 23 per cent decline in profit before tax (PBT) at Rs 523.3 crore in the Q1 of FY21, despite a double-digit growth in top line, has set big expectations on two recent developments. First is the company’s voluntary licensing agreement with Gilead to manufacture Remdesivir and the second is its novel biologic drug Itolizumab, which received emergency approval to treat Covid-19 patients in India. In an interview, Biocon’s executive chairperson Kiran Mazumdar-Shaw tells Sarmeev Ahamed that the demand for both the drugs is going to be quite huge and the company is capable of meeting them. Edited excerpts:

Your biologics business has bounced back in the June quarter. How did the company manage to do that?

The previous quarter was an abnormal one when we suddenly had the first lockdown in March. It caught us unaware because we were not prepared for the lockdowns. But by April, we had started planning and preparing for how to function in such a situation which helped us bounce back. We had said even then that we would recover in this quarter.

What is your perspective on the Q2 performance?

The company’s net profit (which declined 26 per cent to Rs 167.6 crore on YoY basis) has been pulled down by higher R&D spend during this quarter. What is the R&D spend outlook for the coming quarters? We always expect R&D to be about 10-11 per cent of net revenues of Biocon, excluding Syngene. That’s the kind of level at which we will be investing in R&D, and rightly so because R&D is a barometer of growth.

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What is the status of the proposed clinical trial for Itolizumab?

The status of the proposed clinical trial for Itolizumab has been delayed due to the ongoing Covid-19 pandemic. Biocon plans to conduct the clinical trials in the near future. Apart from Itolizumab, any other molecules the company is repurposing to treat Covid-19 patients?

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Itolizumab is the product that we thought should be repurposed because the mechanism of action is quite unique. We felt that this is the drug that would actually have a role to play in dealing with the cytokine storm that is being seen in Covid-19 patients.

What kind of response has the drug received?

The response to Itolizumab has been positive. It has been well-received by clinicians and patients alike.

How is the company ramping up production?

Biocon is in the process of ramping up production of Itolizumab. The company is working on increasing production capacity to meet the growing demand for the drug.

Biocon’s US partner Equillium is also planning a clinical trial for Itolizumab. What kind of opportunity will it create?

Equillium is planning a clinical trial for Itolizumab in collaboration with Biocon. This is a significant development and will create new opportunities for both companies.

There is going to be a huge demand for the drug, not only because of Covid-19, but in the manner it acts on cytokine syndrome which is found in several other conditions. It is going to be a blockbuster opportunity for Biocon and we will cater to global demand, based on the success of the trials.

Any other ideas the firm is working on to aid the fight against Covid?

Biocon is working on developing a digital therapeutic for diabetic patients.