‘Biocon optimistic about hitting $1 billion in revenue by FY22 on back of new launches’

Latha Venkatesh, chairperson and managing director of Biocon.

W e have set up a very exciting biological facility in private equity funding will come in very handy, says Latha Venkatesh, chairperson and managing director of Biocon. Edited excerpts of an interview.

In True North testing the waters, Biocon’s taking the plunge. What is the plan for True North?

As you know, we would like to build a substantial valuation through some private equity investment before we take it to the market for an initial public offering (IPO) and I think this is the time where True North has the most flexibility and it sets a base level benchmark valuation.

The plan is yes, we might raise little more private equity prior to the IPO. This gives us an added value where we believe we can add the value term of these strategies in the next few years.

We have been in discussion with several private equity firms and of course True North has been first of the kind. As we share the benefit and maximizing other investment opportunities from other private equity firms.

We hope that in 2020 we will see more private equity funding coming in for IPO, I think the plans depend on the status of private equity fund and we also see a lot of current funding needs. As a result, we see our private equity funding will actually come in very handy.

What is the total funding needs that you have at the moment?

We have also been discussing the idea of raising fresh capital in the market through an IPO and we also have a strong focus on building the business through strategic partnerships and acquisitions.

We are on a journey to an IPO, so I think that is the very way you have to view it. The company had plans to acquire $1 billion worth of revenue in biosimilar in FY22. We would like to hit the million dollar mark.

We think that the company is performing very well and we will be able to hit that target.

Your talk about EPS setting just $1 billion more on the bio similar business IPO, any kind of timeline of that you are working with and what kind of new product pipeline valuation are you looking at?

I think that is for Nandan to comment on, but you will see that we are very optimistic of how we will end the year with kind of product performance and then we have also added GlaxosmithKline in addition to the additional value along with others.

To the extent, what matters more is we are on a journey to an IPO, so I think that is the very way you have to view it. Biocon also performing extremely strongly. As in the past, Biocon has to be viewed as an integrated portfolio with small molecules, biologies and oncology business.

Biocon also has a strong presence in biologicals so we are very excited about the future opportunity in the biologicals or research services space (for other fungen or Biocon). I think we have made it into an interesting opportunity by using targeted therapies.

With Biocon shareholders get some of the shares? That would be one way of thinking.

Well, we have locked things i.e. we have to treat Biocon shareholders, but at this point in time, the fund doesn’t want to make any commitment on comments.

But suffice to say that Biocon will continue to see strong growth. We continue to invest in high growth areas and the share price has been on the run-up. For us, the focus is on creating value and if the opportunity is there, then we have mapped out the metrics and therefore see ourselves revenue every confidence.

A disappoint ment that you are not making life on the bio similars and EPS, is this on the back of that?

Well, it is not because Biocon itself has better EPS and now gains business and will we Biocon also performing extremely strongly. As in the past, Biocon has to be viewed as an integrated portfolio with small molecules, biologies and oncology business.

We have a very robust pipeline, with 28 molecules either under development or in the market. Insulin remains a strong focus for us.

We have set the pipeline for a robust future. We have a couple of products in the pipeline, and we also have a strong product pipeline. We have 28 molecules either in the market or under development. We have just commissioned our first phase of all large biologics facility in Biocon.

We have also locked the base level benchmark valuation to it, but you see, we have expectations in the future. We have seen a lot of interest in the markets and we are very optimistic of the future.