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ASIA EDITION

China Biologic reports 6.2% sales growth in Q2 2013

April 24, 2013 | Company results | By BioSpectrum Bureau



Singapore: China Biologic Products, a plasma-based biopharmaceutical company in China, has marked sales growth of 6.2 percent to USD53.6 million in second quarter of 2013, an increase from USD50.5 million in the same quarter of 2012.

Gross profit increased by 9.1 percent to USD37.5 million from USD34.3 million in the same quarter of 2012. Gross margin increased to 69.9 percent in the second quarter of 2013 from 68 percent in the second quarter of 2012.

Income from operations increased by 18.8 percent to USD25.3 million from USD21.3 million in the same quarter of 2012. Operating margin increased to 47.2 percent in the second quarter of 2013 from 42.2 percent in the same quarter of 2012.

Mr. David (Xiaoying) Gao, Chairman and Chief Executive Officer of China Biologic, commented, "We were pleased with our second quarter improvement in the quality of our business highlighted by steady sales growth, improved margins and several operational accomplishments. In the past quarter, market demand for our plasma-based products remained strong, which led to increased human albumin product revenue. In the first half of 2013, despite increased import levels in China of foreign human albumin, domestic pricing across our plasma portfolio remained largely stable as the overall market continues to show steady signs of growth, however we will continue to closely monitor market trends related to albumin import volume, and will adjust our pricing and product shipments accordingly. In the coming quarters, we aim to preserve our margins through transitioning to a more profitable product mix and implementing efficient cost control measures. We were glad to achieve improved plasma utilization efficiency following the launch of Factor VIII products. For the second quarter, sales of Factor VIII contributed approximately 2 percent of total sales and we expect its sales contribution to gradually increase in the long run."

"During the second quarter, our new plasma station in Cao County, Shandong Province commenced plasma collection operations. Additionally, our Shandong Taibang production facility obtained renewed GMP certification from the China Food and Drug Administration at the end of June, ahead of schedule. Additionally, in Guizhou, we halted production at this facility on June 1 st as planned and remain on track with the facility upgrade plan. We currently expect to resume production at Guizhou Taibang in the first quarter of 2014."

Mr. Gao concluded, "The Company announced that it is has entered into a redemption agreement with Ms. Lin Ling Li, an individual shareholder of the Company and her spouse, pursuant to which the Company agreed to redeem 1,479,704 shares of its common stock, representing approximately 5.49% of the total common stock outstanding on August 2, 2013. The redemption price is $20.00 per share, and the redemption shares will become treasure stock of the Company upon closing of the redemption. We believe this share redemption will improve China Biologic's shareholder structure, enhance shareholder value and benefit other existing shareholders of the company. "