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# China Biologic clocks sales of $53.6 mn

August 7, 2013 | Company results | By BioSpectrum Bureau



**Singapore:** China Biologic Products reported its unaudited financial results for the second quarter of 2013. Total sales in the second quarter of 2013 increased by 6.2 percent to $53.6 million from $50.5 million in the same quarter of 2012. Gross profit increased by 9.1 percent to $37.5 million from $34.3 million in the same quarter of 2012. Gross margin increased to 69.9 percent in the second quarter of 2013 from 68.0% in the second quarter of 2012. Income from operations increased by 18.8 percent to $25.3 million from $21.3 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.

Net income attributable to the company increased by 25.9 percent to $16.2 million from $12.8 million in the same quarter of 2012. Fully diluted net income per share was $0.57 in the second quarter of 2013 as compared to $0.46 in the same quarter of 2012. Non-GAAP adjusted net income attributable to the Company was $17.4 million, representing a 30.8 percent increase from $13.3 million in the same quarter of 2012. Non-GAAP adjusted net income per share was $0.62, compared to $0.50 in the same quarter of 2012.

Mr David (Xiaoying) Gao, chairman and CEO, China Biologic, said that, "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."

Mr Gao also said, "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 (CFDA) at the end of June, ahead of schedule. Additionally, in Guizhou, we halted production at this facility on June 1st 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 further said, "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 percent of the total common stock outstanding on August 2, 2013. The

redemption price is $20 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. "