

Samsung's bio-drug unit to raise \$2 bn in upcoming IPO

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Samsung's drug-manufacturing unit plans to raise as much as \$2.0 billion in November with what looks set to be South Korea's third-largest initial public offering (IPO).

Samsung Biologics, a contract manufacturer of [biotech drugs](#) for global pharmaceutical firms, had announced the IPO plan back in April—with parent Samsung Group seeking new growth engines as its key mobile phone business showed signs of topping out.

According to the latest regulatory filing made by Samsung Biologics on Tuesday, the firm plans to offer 16.5 million shares at 113,000 to 136,000 won apiece, which could eventually raise up to 2.2 trillion won (\$2 billion).

"Samsung Biologics will use the proceeds to expand our manufacturing capacity and to further invest in research and development to aid in developing biomedicines," the firm said in the filing.

"The proceeds will also be partly used to debt repayment to improve our financial structure," it said.

Samsung aims to wrap up the public offering —managed by a number of brokerages including J.P. Morgan and Credit Suisse—by the end of this year.

The firm was created in 2011 after Samsung Group announced a plan to

invest 23 trillion won in healthcare and green energy over the next decade.

It is currently owned by other sister firms Samsung C&T and Samsung Electronics.

Samsung Biologics makes biopharmaceutical drugs for major firms including Bristol-Myers Squibb and Roche at plants west of Seoul.

The firm has remained in the red for years as it invested heavily in its two existing plants and a new facility slated to open in 2018.

The firm racked up a net loss of 75.7 billion won last year.

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