

## **Press Release**

### **Syngene reports 10% growth in revenue from operations to Rs. 6,414 Mn and raises full-year guidance**

Bangalore, January 19, 2022, Syngene International Limited today announced its third quarter results. The Company reported revenue from operations growth of 10% year-on-year to Rs. 6,414 Mn, delivering 10% growth in profit before tax to Rs. 1,284 Mn. Profit after tax for the quarter was Rs.1,040 Mn, representing year-on-year growth of 2%. Growth in profit after tax was impacted by a lower effective tax rate in the third quarter last year due to a tax reversal and other factors.

For the nine months to December 31 2021, the Company delivered growth of 21% in revenue from operations to Rs.18,461 Mn and profit after tax, before exceptional items, was Rs 2,733 Mn, an increase of 12% compared the same period in the previous year. Based on the Company's performance to date and the anticipated project deliveries in the fourth quarter, the Company updated the full year revenue growth guidance to high teens, from the mid-teen guidance shared at the beginning of the financial year.

Commenting on the results, **Jonathan Hunt, Managing Director and Chief Executive Officer, Syngene International Limited**, said, *"Syngene's performance across all divisions has been positive through the year, and we expect a busy fourth quarter. As a result, we have raised our revenue growth guidance for the full year to high teens.*

*A highlight for the quarter was the extension of our long-standing collaboration with Amgen Inc until 2026. Since 2012, Syngene has been partnering with Amgen on research and development to address some of the most serious diseases in the world. We are delighted with our joint commitment to not only extend the term of this partnership but also add a new state-of-the-art dedicated laboratory to accelerate the advancement of Amgen's R&D projects.*

*The 5-year renewal of the long-standing contract with Amgen, coming on the heels of the 10-year contract extension signed with BMS last year, confirms the stability of both relationships and provides a clear perspective on the future of our Dedicated Centers.*

*I believe that Syngene is well-positioned to meet our clients' evolving requirements and capture market opportunities as they arise."*

### Quarterly Financial Highlights (All numbers are in Indian rupees in Million except margins)

	Q3 FY22	Q3 FY21	YoY Change (%)
Revenue from Operations	6,414	5,845	10%
Total Revenue	6,543	6,016	9%
EBITDA	2,163	1,933	12%
EBITDA Margin (%)	33%	32%	
Profit Before Tax	1,284	1,165	10%
Profit After Tax	1,040	1,022 <sup>(note 1)</sup>	2%
Pat Margin	16%	17%	

### 9M FY22 Financial Highlights (All numbers are in Indian rupees in Million except margins)

	9M FY22	9M FY21	YoY Change (%)
Revenue from Operations	18,461	15,257	21%
Total Revenue	18,842	15,719	20%
EBITDA	5,839	5,026	16%
EBITDA Margin (%)	31%	32%	
Profit Before Tax	3,360	2,770	21%
PAT before exceptional items	2,733	2,443 <sup>(note 1)</sup>	12%
PAT Margin (%)	15%	16%	
PAT After exceptional items	2,480 <sup>(note 2)</sup>	2,443	2%

### Business update

Syngene's growth drivers for the third quarter were Discovery Services and the Dedicated Centers, while Development Services and Manufacturing Services delivered sustained performances.

The Company signed the extension of the long-standing, multi-discipline research collaboration with Amgen Inc. The contract has been extended until the end of 2026 and its scope includes integrated drug discovery and development solutions. In addition to operating the existing Syngene Amgen R&D Center (SARC), under the new contract the

<sup>1</sup>Includes credit for reversal of tax provision for earlier years amounting to Rs 32 million and Rs. 105 million for the quarter ended 31 December 2020 and nine months ended 31 December 2020 respectively.

<sup>2</sup>For 9M FY22, exceptional item includes reversal of Rs 253 Mn of service export incentives (net of tax) in relation to FY20 due to Government notification in the quarter ending 30 September 2021 capping the incentives for the research and development services at Rs. 50 Mn per exporter.

Company will also build and operate a dedicated laboratory to accelerate the scale-up of small molecule projects.

SynVent, Syngene's Integrated Drug Discovery platform, continued to attract new clients as well as expand business from existing clients. Overall, it made a positive contribution to Discovery Services during the quarter.

Considering the sustained momentum in Discovery Services, in October 2019 the Company commissioned the first phase of its R&D facility in Hyderabad and phase two was completed in November 2021. Phase three of the expansion is expected to be completed in this financial year. The additional infrastructure will accommodate ~250 scientists, who will deliver synthetic and organic chemistry, and integrated drug discovery projects.

## **Earnings call**

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Syngene will host an investor call at 4.00pm IST on January 20, 2022, where the senior management will discuss the Company's performance and answer questions from participants. Please dial the numbers provided below ten minutes ahead of the scheduled start time to participate in this conference call. The dial-in number for this call is +91 22 6280 1279/ +91 22 7115 8180. Other toll numbers are listed in the conference call invitation which is posted on the Company website [www.syngeneintl.com](http://www.syngeneintl.com). The operator will provide instructions on asking questions before the start of the call. A replay of this call will also be available until January 27, 2022 on +91 22 71945757, Playback ID: **69442**. We will aim to post the transcript of the conference call on the Company website within seven working days of the investor conference call.

## **About Syngene**

Syngene International Ltd. (BSE: 539268, NSE: SYNGENE, ISIN: INE398R01022) is an integrated research, development and manufacturing services company serving the global pharmaceutical, biotechnology, nutrition, animal health, consumer goods and specialty chemical sectors. 'Syngene's more than 4700 scientists offer both skills and the capacity to deliver great science; robust data management and IP security; and quality manufacturing at speed to improve time-to-market and lower the cost of innovation. With a combination of dedicated research facilities for Amgen, Baxter and Bristol-Myers Squibb,

as well as 2 Mn sq. ft of specialist discovery, development and manufacturing facilities, Syngene works with biotech companies pursuing leading-edge science as well as multinationals, including GSK and Merck KGaA. For more details, visit [www.syngeneintl.com](http://www.syngeneintl.com)

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**Disclaimer:** Certain of the statements that may be made or discussed at the conference call may be forward-looking statements and/or based on management's current expectations and beliefs concerning future developments and their potential effects upon Syngene International Limited (Syngene) and its associates. There can be no assurance that future developments affecting Syngene and its associates will be those anticipated by management. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties and there are important factors that could cause actual results to differ, possibly materially, from expectations reflected in such forward-looking statements. Syngene does not intend and is under no obligation to update any forward-looking statement made at the conference call.