

## Press Release

# Syngene reports full year revenue from operations up 19% to Rs. 2604 Cr

Revenue from operations up 15% to Rs. 758 Cr in fourth quarter

Bangalore, April 27, 2022, Syngene International Limited today announced its fourth-quarter and full year results. The Company reported revenue from operations up 15% to Rs. 758 Cr for the fourth quarter and up 19% to Rs. 2604 Cr for the full year ending 31 March 2022. Profit After Tax for the quarter, before accounting for exceptional items, was up 7% year-on-year to Rs. 148 Cr. Profit After Tax for the full year was up 10% to Rs. 421 Cr.

Commenting on the results, **Jonathan Hunt, Managing Director and Chief Executive Officer, Syngene International Limited**, said, *“I am pleased with the strong finish we had to the year and that we delivered results at the high end of our upgraded guidance range.*

*Reflecting on the pandemic period, we created more than 1000 new jobs in the last two years and gained more than 100 new clients in the last year. We also extended and expanded our long-term partnership with Amgen Inc. and continued to invest in new capacity and technology to underpin future growth.*

*Looking ahead, we see growing demand for research, development and manufacturing services around the world and we are well-positioned to take advantage of these new opportunities.”*

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

	Q4 FY22	Q4 FY21	YoY Change (%)
Revenue from Operations	758	659	15%
Revenue	773	677	14%
EBITDA	265	234	13%
EBITDA margin (%)	34%	35%	
<b>PAT</b>	148	138	7%
PAT Margin (%)	19%	20%	

*PAT and PAT margins are without accounting for exceptional items*

### FY22 Financial Highlights (All numbers are in Indian rupees in Crores except margins)

	FY22	FY21	YoY Change (%)
Revenue from Operations	2,604	2,184	19%
Revenue	2,657	2,249	18%
EBITDA	849	736	15%
EBITDA margin (%)	32%	33%	
<b>PAT</b>	421	382	10%
PAT Margin (%)	16%	17%	

*PAT and PAT margins are without accounting for exceptional items*

### Fourth quarter business update

The fourth quarter growth was driven by solid delivery across all divisions: Development Services had a particularly strong quarter as it caught up on projects postponed due to supply chain delays and other Covid-related disruption, in addition to planned work.

Phase three of the expansion plan at the Hyderabad research facility was completed during the quarter. The Company commissioned the first phase of the facility in February 2020 and phase two was completed in November 2021. With the completion of phase three, the facility now accommodates approximately 600 scientists and further expansion is planned in the year ahead.

In the fourth quarter, the Company won two prestigious industry awards. At the CMO Leadership Awards 2022 for contract manufacturing, based on customer feedback from the last 18 months, Syngene ranked top in all the six core award categories - quality, expertise, compatibility, capabilities, reliability, and service. The Company was also the recipient of the 'Golden Peacock Award for Excellence in Corporate Governance' for the year 2021, awarded by the Indian Institute of Directors. The award recognises the Company's ethical corporate behaviour and governance practices derived from transparency, timely reporting and a strong, independent Board.

**Full year business update**

The research-based divisions, Discovery Services and the Dedicated Centres have delivered sustained growth throughout the year. SynVent, Syngene's Integrated Drug Discovery (IDD) platform, continued to expand business from existing clients and attract new clients, particularly from the emerging biopharma segment. It made a positive contribution to Discovery Services during the year as the number of IDD projects increased by ~40% compared to the previous year.

The Company signed an extension of the long-standing, multi-discipline research collaboration with Amgen Inc. to the end of 2026. In addition to operating the existing Syngene Amgen R&D Center, under the new contract the Company will also build and operate a dedicated laboratory to accelerate the scale-up of small molecule projects.

The focus in the Development and Manufacturing businesses included expanding the biopharma manufacturing capacity by commissioning a cGMP microbial facility and expanding the mammalian cell manufacturing facility. In small molecule development services, the oligonucleotide and highly potent API capabilities were both extended and plans are on track for the Mangalore manufacturing plant to achieve a major regulatory approval thus opening it up to a broader scope of projects.

Throughout the year, Syngene worked with clients on diagnostics, treatments and vaccines related to the coronavirus. The Company manufactured remdesivir under a voluntary licence from Gilead. This manufacturing will continue for as long as the pandemic persists.

## **FY23 guidance**

Overall revenue from operations for FY23 is expected to grow in the mid-teens. In light of the positive demand environment for CRO and CDMO services, the Company expects to step up investments in new scientific capabilities, IT/ digitisation and commercial activities. This step up in investment, along with resumption of travel and other business activities post-pandemic in an inflationary environment, is likely to put pressure on margins during the course of the year. In aggregate, the Company expects to deliver an EBITDA margin around 30%.

With the SEZ tax benefit for key operating units reducing this year and in the coming years, the Company expects the effective tax rate to increase by 200 to 300 basis points in FY23, creating some dilution in the PAT margin, resulting in a single digit PAT growth rate for the full year.

With this step up in operating investment, the Company expects to be well positioned and anticipates seeing improved growth and operating leverage from FY24.

## **Dividend**

As we come out of the pandemic period with a strong financial performance, the Board of Directors has recommended a dividend of 50 paisa per share for the year.

The Company and its Board of Directors acknowledge with deep appreciation, the support received from the shareholders during the challenging pandemic period over the last two years. Accordingly, the Board of Directors has recommended a special additional dividend of 50 paisa per share for the year.

The decision to return to dividend distribution demonstrates the Board of Directors' confidence in the resilience of the Company's business performance. The dividend of 50 paisa per share and special additional dividend of 50 paisa per share will be subject to shareholders approval at the Annual General Meeting of the Company.

## **Earnings Call**

Syngene will host an investor call at 3.00 pm IST on April 28, 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 till May 5, 2022 on 91 22 71945757/ +91 22 66635757, Playback ID: 87294. 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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