

Press Release

Syngene reports revenue from operations up 8% in the first quarter

Company raises the annual revenue guidance from mid-teens to high teens

Bangalore, July 20, 2022: Syngene International Limited today announced its first quarter results for FY23. The Company reported quarterly revenue from operations up 8% year-on-year to Rs. 644 Cr; profit after tax for the quarter declined by 4% year-on-year to Rs 74 Cr.

The first quarter results were against a strong quarter last year due to sales of COVID treatment, Remdesivir. Excluding the impact of Remdesivir, the underlying revenue from operations growth in the quarter was around 30% year-on-year.

Commenting on the results, **Jonathan Hunt, Managing Director and Chief Executive Officer, Syngene International Limited**, said, *"A recent highlight was the signing of a 10-year agreement with Zoetis. The new agreement initially focuses on the commercial manufacturing of Librela®, a first-of-its-kind injectable monoclonal antibody used for the alleviation of pain associated with osteoarthritis in dogs. This is a major strategic step for our biologics business and gives us a pathway towards FDA and EMA regulatory approvals anticipated later this year.*

These first quarter results were in line with our expectations and reflect strong underlying performance across all our business divisions. The contribution from the Development and Manufacturing Services divisions drove the growth momentum against a low base in the previous year. The Dedicated Centers and Discovery Services divisions delivered continued growth.

The decline in profit in the quarter compared to the same period last year was as expected given the strong sales of Remdesivir last year when India was in the midst of the second wave of the pandemic. No sales of Remdesivir were recorded in the first quarter this year."

“Revenue guidance for the year has been raised from mid-teens to high teens to account for two factors: a significant change in the Rupee/US dollar exchange rate which helps the top line as most of our client contracts are dollar denominated and the recent agreement with Zoetis, which will start to benefit revenue in the second half of the year and build gradually in future years.” added, **Sibaji Biswas, Chief Financial Officer, Syngene International Limited.**

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

	Q1 FY23	Q1 FY22	YoY Change (%)
Revenue from Operations	644	595	8%
Revenue	660	607	9%
EBITDA	188	177	6%
EBITDA margin (%)	28.5%	29.2%	
PAT	74	77	(4%)
PAT Margin (%)	11%	13%	

Business updates

Syngene’s first quarter revenue reflects strong underlying performance across all its business divisions. The Dedicated Centres and Discovery Services divisions continued to grow supported by a healthy demand environment. The Development and Manufacturing Services divisions delivered strong growth in the quarter.

The Company signed a long-term agreement with Zoetis for the commercial manufacturing of the drug substance for Librela®, a first-of-its-kind injectable monoclonal antibody to alleviate pain associated with osteoarthritis in dogs. The agreement, initially centred on Librela®, paves the way for the development and manufacturing of other molecules in the coming years and is expected to be worth up to US\$ 500 Mn over 10 years, subject to regulatory approvals and market demand. The multi-year agreement marks an inflection point for the Development and Manufacturing Services divisions.

The Company continued to invest in infrastructure: a kilo lab was established for polymer and speciality materials in the Development Services division. The facility will shorten the development timelines for clients who look for customizable and flexible systems to expedite formulation and process development services. Additionally, as part of the phase

three expansion in Hyderabad, a lab was commissioned in the newly constructed Innopolis building with over 150 scientists and analysts dedicated to PROTACs, a targeted protein degradation technology that offers therapeutic interventions not achievable with existing drug discovery approaches. PROTAC is part of Syngene's novel drug discovery strategy for clients involved in treatment for cancer.

Earnings call

Syngene will host an investor call at 3.00 pm IST on July 21, 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. The operator will provide instructions on asking questions before the start of the call. A replay of this call will also be available until July 28, 2021, on +91 22 71945757/ +91 22 66635757, Playback ID: 53984. 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 5200 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, Zoetis and Merck KGaA. For more details, visit www.syngeneintl.com

Contact details

Investor Contact	Media Contact
Krishnan G	Shotorupa Ghosh

P: +91 80 6891 9807

M: +919819992927

Fax: +91 80 2852 3423

E: krishnan.g@syngeneintl.com

M: +91 8450977080

Fax: +91 80 2852 3423

E: Shotorupa.ghosh@syngeneintl.com

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