

**Press Release**

**Syngene reports second quarter results**  
**Revenue from operations up 26% to Rs. 768 crores,**  
**PAT increased 11% to Rs. 102 crores**

**Bangalore, October 19, 2022:** Syngene International Limited announced its second quarter and first half results, today. The Company reported quarterly revenue from operations growth of 26% year-on-year to Rs. 768 crores; profit after tax for the quarter, before an exceptional item, increased by 11% year-on-year to Rs. 102 crores.

Commenting on the results, **Jonathan Hunt, Managing Director and Chief Executive Officer, Syngene International Limited**, said, *"The quarter saw positive performances across all divisions. Our research divisions: Discovery Services, including Synvent, our integrated drug discovery platform, and the Dedicated Centres showed sustained growth. Discovery Chemistry in particular saw buoyant customer demand.*

*Growth in Development Services was led by existing clients renewing contracts and setting up collaborations on additional projects. The highlight in Manufacturing Services was the successful completion of the process performance qualification batches at a commercial scale for Zoetis. We are on track for the next important regulatory audits which will pave the way for the commercial manufacturing of the drug substance for Librela<sup>®</sup>\*, a Zoetis product, from the fourth quarter of FY23.*

*With a strong first half of the year behind us we are on track to achieve our guidance, including the upgraded revenue growth target announced in July."*

**Sibaji Biswas, Chief Financial Officer, Syngene International Limited** added, *"Forward planning with suppliers prevented supply chain disruption and, despite the rising global inflation, cost discipline helped us maintain EBITDA margins at similar levels as last year.*

Overall, we are seeing healthy signs of growth in the market for contract research, development and manufacturing services and we continue to invest in infrastructure and capability development to meet these opportunities.”

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

	Q2 FY23	Q2 FY22	YoY Change (%)
Revenue from Operations	768	610	26
Revenue	784	623	26
<b>Reported EBITDA</b>	232	190	22
EBITDA margin (%)	29.6%	30.5%	
PAT before exceptional item	102	92	11
PAT Margin (%)	13.0%	14.8%	
PAT after exceptional item (Note1)	102	67	53

**H1 FY22 Financial Highlights** (All numbers are in Indian rupees in Crores except margins)

	H1 FY23	H1 FY22	YoY Change (%)
Revenue from operations	1,413	1,205	17
Revenue	1,444	1,230	17
Reported EBITDA	420	368	14
EBITDA Margin (%)	29.1%	29.9%	
PAT before exceptional item	176	169	4
PAT Margin (%)	12.2%	13.8%	
PAT after exceptional item (Note 1)	176	144	22

Note 1: Exceptional item relating to Q2FY22 pertains to an exceptional downward adjustment of Rs. 25 crores (net of tax) on account of the Government’s decision during that quarter to cap the Services Export Incentive Scheme (SEIS) for research and development services at Rs. 5 crores for the Financial Year 2020.

## **Business updates**

The second quarter results reflect positive performances across all divisions. Discovery Services experienced sustained demand and Development Services benefitted from repeat orders by existing clients, especially in areas of drug substance development and clinical supplies.

In Manufacturing Services, as part of the long-term biologics manufacturing agreement signed with Zoetis in the first quarter, the Company completed the process performance qualification batches at a commercial scale. The commercial manufacturing of the drug substance for Librela®\* is likely to begin in the fourth quarter of FY23, subject to successful completion of the required audits.

Underlying performance for the first half, excluding the impact of remdesivir in the previous year, was strong and reflects a return to normal operations in global markets. After a decade of partnering with Zoetis, the Company signed a long-term biologics manufacturing agreement in July 2022 which adds to Syngene's well-established research partnerships with BMS and Amgen. The agreement will leverage recent investments in biologics infrastructure and is expected to be transformational for the Manufacturing Services division in the years to come. The agreement has the potential to be worth up to \$500 million over the next 10 years.

*\*Librela® is a first-of-its-kind injectable monoclonal antibody used for the alleviation of pain associated with osteoarthritis in dogs.*

## **Earnings call**

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Syngene will host an investor call at 12 noon IST on October 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 October 27, 2022 on +91 22 71945757/ +91 22 66635757,

Playback ID: **93954**. 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 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](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.*