

Press Release

**Syngene reports strong second quarter results:
Revenue from operations up 18.5% to Rs 910 crores,
PAT (before exceptional items) up 20% to Rs 122 crores**

First half FY24 revenue from operations was up 22% to Rs 1,718 crores;

Profit after tax (before exceptional items) up 23% to Rs 215 crores

Bangalore, October 17, 2023: Syngene International Limited today announced its second quarter and half year financial results. Reported revenue from operations for the quarter was up 18.5% year-on-year to Rs. 910 crores, around 15% at constant currency. Profit after tax (before exceptional items) for the quarter increased 20% year-on-year to Rs 122 crores.

For the half year ended 30th September 2023, reported revenue from operations was up 22%, around 17% at constant currency, and profit after tax (before exceptional items) increased by 23% to Rs 215 crores compared to the same period last year.

Commenting on the quarter, **Jonathan Hunt, Managing Director and Chief Executive Officer, Syngene International Limited**, said, *“I am pleased to report a strong set of results for the second quarter and first half of the financial year, particularly in our Development and Manufacturing Services. In Development Services, we also added a new non-GMP capability center to meet market demand for agile, cost-efficient, early phase development and scale-up services. In Manufacturing, we made good progress on our long-term biologics partnership with Zoetis, as well as commissioning a state of the art, digitally-enabled Quality Control laboratory to support our growing biologics operations. The acquisition of a multi-modal facility from Stelis Biopharma Ltd, announced last quarter, is progressing.*

Within research services, our Dedicated Centers made a steady contribution to growth and in Discovery Services, while global demand remained generally healthy, we saw the US-based biotech segment showing signs of slowed growth year-on-year as companies adjust to a new funding environment.

Long term sector fundamentals remain strong and we expect continued growth but at a lower level in the second half of the year, this short-term slowing in the US biotech segment is reflected in our latest outlook.

Overall, we reported a strong first half to the year and I am pleased with the good progress made on our strategic priorities in both our research services and our development and manufacturing divisions.”

Sibaji Biswas, Chief Financial Officer, Syngene International Limited added, *“We have reported strong second quarter and half year results with operating EBIT growth, tracking revenue growth.*

During the second half of the year, we will continue to invest in new science, technology and digitization, as well as building capacity to support future growth, while balancing discretionary expenditure in order to maintain margins.”

Q2 FY24 Financial Highlights (All numbers are in Indian rupees in Crores except margins)

	Q2 FY23	Q2 FY24	YoY Change (%)
Revenue from operations	768	910	18.5%
Reported Revenue	784	932	19%
Reported EBITDA	232	276	19%
<i>Reported EBITDA margin (%)</i>	<i>29.6%</i>	<i>29.6%</i>	
PAT before exceptional item	102	122	20%
<i>PAT Margin (%) (before exceptional items)</i>	<i>13.0%</i>	<i>13.1%</i>	
PAT after exceptional item*	102	117	14%

**Note: Exceptional item (net of tax) in FY24 pertains to transaction costs relating to the acquisition of the multi-modal facility of Stelis Biopharma Limited.*

H1 FY24 Financial Highlights (All numbers are in Indian rupees in Crores except margins)

	H1 FY23	H1 FY24	YoY Change (%)
Revenue from operations	1,413	1,718	22%
Reported Revenue	1,443	1,763	22%
Reported EBITDA	420	511	22%

Reported EBITDA margin (%)	29.1%	29.0%	
PAT before exceptional item	176	215	23%
PAT Margin (%)	12.2%	12.2%	
PAT after exceptional item*	176	210	19%

**Note: Exceptional item (net of tax) in FY24 pertains to transaction costs relating to the acquisition of the multi-modal facility of Stelis Biopharma Limited.*

Business updates

The second quarter was underpinned by strong performances in Development and Manufacturing Services supported by sustained momentum in the Dedicated Centers.

In Manufacturing Services, the Company continued to make good progress on the long-term biologics manufacturing partnership with Zoetis. During the quarter, the Company commissioned a Quality Control laboratory for biologics testing equipped with the latest technology to drive higher throughput and seamless data transfer.

In the first quarter, Syngene announced the intention to acquire a multi-modal facility from Stelis Biopharma Ltd and the transaction is progressing.

During the quarter, the Company operationalized a non-GMP facility, which added the capability to conduct API synthesis in a non-GMP environment resulting in agile, cost-effective solutions for early phase development projects.

First half performance was characterised by positive contributions from all divisions, as well as the achievement of several significant strategic goals: the agreement to acquire the multi-modal biologics facility from Stelis Biopharma Ltd; the purchase of a 17-acre land parcel in Genome Valley, Hyderabad, as an extension to the existing research campus; and the regulatory approval from the US Food and Drug Administration (US FDA) for the commercial manufacturing facility in Mangalore.

Guidance

While the Company delivered strong performance in the first half, with the temporary slowdown in US biotech funding, we expect continued growth at a lower level in the second half of the year. Adjusting for this, against our previous guidance of high teens constant

currency growth, we now expect the revenue to grow at mid-teens on constant currency basis.

Earnings call

Syngene will host an investor call at 3.00 pm IST on October 18, 2023, 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 on the website and until 25th October 2023, on +91 22 71945757, Playback ID: 61353. 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 6000 scientists offer both skills and the capacity to deliver great science, robust data 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. For the Company's latest Environmental, Social, and Governance (ESG) report, visit <https://esgreport.syngeneintl.com/>.

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