

Press Release

Syngene reports revenue from operations growth of 13% in the fourth quarter; 12% for the full year

Bangalore, April 27, 2021, Syngene International Limited today announced its fourth-quarter and full year results. The Company reported quarterly revenue from operations of Rs. 659 Cr and Rs. 2,184 Cr for the full year. Underlying revenue from operations (excluding export incentives) for the quarter grew 13% compared with the same period last year and by 12% for the full year. Profit after tax (before exceptional gain) for the quarter increased by 15% year-on-year to Rs. 138 Cr, and by 4% to Rs. 382 Cr for the full year.

Commenting on the results, **Jonathan Hunt, Managing Director and Chief Executive Officer, Syngene International Limited**, said, *"Syngene's fourth quarter revenue reflects steady growth from Discovery Services, Manufacturing Services and the Dedicated Centres through the year.*

The highlight of the quarter was the extension of our long-standing partnership with Bristol Myers Squibb (BMS) until 2030. This renewal underlines the value we deliver as BMS's largest R&D hub outside the US. Under the new agreement, we will increase the number of scientists working on BMS projects and expand our scope of work to cover new areas of science.

Despite the challenge posed by the pandemic, our commitment to prudent management and the resilience of our workforce, has enabled us to navigate through a challenging year to deliver a solid performance. The pandemic will continue to be a factor in the coming year and we have taken this into account as we plan for continued growth in the next 12 months."

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

	Q4 FY21	Q4 FY20	YoY Change (%)
Revenue from Operations (excluding export incentives)	659	584	13
Revenue	677	628	8
EBITDA	234	225	4
EBITDA margin (%)	34.5	35.8	
PAT (before exceptional gain)	138	120	15
PAT Margin (%)	20.4	19.1	
PAT (after exceptional gain, net of taxes)	161	120	34

FY21 Financial Highlights (All numbers are in Indian rupees in Crores except margins)

	FY21	FY20	YoY Change (%)
Revenue from Operations (excluding export incentives)	2,180	1,947	12
Revenue	2,249	2,094	7
EBITDA	736	700	5
EBITDA margin (%)	32.7	33.4	
PAT (before exceptional gain)	382	366	4
PAT Margin (%)	17.0	17.5	
PAT (after exceptional gain, net of taxes)	405	412	-2

Fourth quarter business update

Syngene's fourth-quarter growth was driven by steady performance across Discovery Services, Manufacturing Services and the Dedicated Centres.

During the quarter, the Company crossed a significant milestone with the extension of the collaboration with BMS until 2030. The BMS partnership dates from 1998 and a fully dedicated research center was set up in Bangalore in 2007. The new agreement includes an expansion in the breadth of drug discovery research, including chemistry, biology, drug metabolism, pharmacokinetics, and research focusing on translational medicine and pharmaceutical development. The agreement requires a 40% increase in the number of

scientists and an additional 50,000 sq. ft. of dedicated laboratory space. As part of this expansion, a number of additional scientists joined the company in the fourth quarter, the remainder will join in the next 18 months.

The Company's Mangalore API manufacturing facility completed the qualification process and is now a GMP¹-certified facility. The Company also commissioned a new HPAPI² laboratory that will support scale-up for manufacturing.

Full year business update

Syngene continued to build on its integrated drug discovery and development portfolio during the year, including a five-year collaboration with 3DC, the drug discovery and development subsidiary of Deerfield Management Company. Under the agreement, the two companies will collaborate to advance therapeutic discovery projects, from target validation to pharmacological proof of concept and pre-clinical evaluation.

Syngene is proud of its partnership with Albireo Pharma as the work completed in our laboratories of advancing odevixibat from pre-clinical supplies to regulatory filings in Europe and the US has put the compound on track to become the first approved drug for PFIC³ patients. Other research projects which progressed during the year focused on leukemia, Parkinson's disease, inflammatory disorders, fibrotic disorders and orphan diseases.

In addition to serving the pharmaceuticals and biotechnology sectors, Syngene also strengthened its position in animal health and executed its first integrated project in this sector.

During the year, the Company expanded its research facility in Hyderabad by adding capacity for an additional 90 scientists. It also commissioned a new microbial manufacturing facility during the year to reduce its dependency on external service providers.

Continuing its track record of complying with global regulatory standards, the Company received the ISO/IEC 27001:2013 accreditation for the majority of operating units. ISO/IEC 27001:2013 specifies the requirements for establishing, implementing, maintaining, and continually improving an information security management system within the

¹ Good Manufacturing Practices

² Highly potent active pharmaceutical ingredients

³ Progressive Familial Intrahepatic Cholestasis

organization's context. The accreditation includes provisions for assessing and treating information security risks tailored to the organization's needs. The Company has also successfully renewed its accreditation with the College of American Pathologists that certifies compliance to global quality standards, making it a strong candidate to participate in global clinical trial studies.

Based on the Company's strong fundamentals, sound business model, robust liquidity position, client base, and healthy financial risk profile, CRISIL and ICRA upgraded Syngene's credit rating during the year to AA+ from AA.

As the world continued to fight the COVID-19 pandemic, Syngene used its research facilities and know-how to develop effective reagents for use in diagnostic kits to fight the coronavirus. These included the development of high-quality, mammalian-derived, viral proteins such as S1, RBD, and N protein for diagnostic testing and assays and proprietary antibodies (monoclonal and polyclonal) with high affinity and specificity for use in viral antigen detection and other such tests. It also supported clients with COVID-19 vaccine related projects.

The Company's ICMR-approved RT-PCR testing facility conducted close to 185,000 tests during the year, of which 90% were conducted free of cost to support its employees and the community. Syngene continues to manufacture remdesivir, a potential treatment for COVID-19 patients, for distribution in India and other countries under a voluntary license agreement with Gilead Inc.

Consistent with Government regulations, the Company recently started offering COVID-19 vaccination to employees and their families free of charge.

Guidance

Despite the continuing uncertainty due to the pandemic, the focus of FY 22 is to deliver a higher level of business growth: we expect growth in revenue from operations to be in the mid-teens range in the coming year. The year will focus on investment-led growth with expansion in infrastructure, staff headcount and capability additions across our core businesses and the ramp-up of our sales presence in key markets. Reported EBITDA margins are expected to stay at, or around, 30%. We continue to invest in the growth of our business with additional capex investments which are likely to lead to single digit profit growth.

Our capex plan is expected to be in the range of Rs. 750– 900 Cr (USD 100 – 120 mn) for the financial year. This guidance includes the COVID pandemic as a continuing factor but assumes that there is no material deterioration in our operating environment. Should there be a material change in the operating environment, the Company will revisit and update its guidance as needed through the year.

Dividend

Owing to the uncertainty created by an unprecedented second wave of the COVID-19 pandemic in India, the Board of Directors has deemed it prudent not to declare a dividend for the financial year 2020-21 in order to prioritise cash and maintain liquidity. As the business environment evolves over the coming months, the Board will review the dividend payable for FY 2021-22.

Earnings Call

Syngene will host an investor call at 3.00 pm IST on April 28, 2021 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 till May 5, 2021 on 91 22 71945757/ +91 22 66635757, Playback ID: 60830. 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, Bristol-Myers Squibb and

Herbalife, 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.

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