

Syngene

Putting Science to Work

Investor Presentation

July 21, 2020

Quality
Confidentiality
Innovation
Science



Certain statements in this release concerning our future growth prospects are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in such forward-looking statements.

Important factors that could cause actual results to differ materially from our expectations include, amongst others general economic and business conditions in India, business outlook of our clientele and their research and development efforts our ability to successfully implement our strategy, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currencies, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global biotechnology and pharmaceuticals industries, increasing competition, changes in political conditions in India and changes in the foreign exchange control regulations in India.

Neither the company, nor its directors and any of the affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after this date or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

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Operating Highlights

- **CRISIL long term rating upgraded from Crisil AA to Crisil AA+** with a stable outlook - an indication of Syngene's strong fundamentals, sound business model and robust liquidity position
- Implementation of protective measures post COVID-19 has allowed to operate at close to normal levels for the last six weeks of the quarter and enabled to get client projects back on schedule
- First quarter performance was driven by solid performances in Discovery Services and the Dedicated Centres

Financial Highlights

- Quarterly revenue from operations of Rs. 4,216 Mn, marginally up on the corresponding quarter last year, impacted due to the temporary suspension of operations during the nationwide lockdown

Total Revenue

Rs. 4,369 Mn

EBITDA

Rs 1,398 Mn

Profit After Tax

Rs. 580 Mn

EBITDA Margin at 32%

PAT Margin at 13%

P&L Summary	Q1 FY21	Q1 FY20	YoY Change
Revenue from operations	4,216	4,209	0.2%
Other Income	153	205	(25%)
Total Revenue	4,369	4,414	(1%)
EBITDA	1,398	1,416	(1%)
EBITDA Margin	32%	32%	
PAT	580	720	(19%)
PAT Margin	13%	16%	

- Revenues from operations increased by 0.2% led by growth in Discovery Services, supported by steady traction in the Dedicated R&D Centre business
- Other income declined on account of the reduction in cash balances with the repayment of USD 37.5 Mn ECB loan in March 2020 and a reduction in yield rates on deposits
- EBITDA Margin maintained at 32% driven by savings in raw material costs and certain operational efficiencies, partially offset by increase in staff costs
- Depreciation increased by 39% to Rs. 661 Mn from Rs.474 Mn in the same period last year due to investments in new facilities
- Very strong liquidity and cash position to fund capex plans – Net cash as on 30st June, 2020 at Rs 3,950 Mn

Introduction of shift operations, work from home where possible and other protection measures for employees allowed operations to return to near normal levels

- National lockdown resulted in a temporary suspension of operations; invoked BCP to resume operations
- Currently operating at 90+% capacity
- Leveraged IT solutions and technology to facilitate seamless onsite and remote operations
- Implemented various initiatives to keep the workplace safe - zoning on site to restrict movements; compulsory twice-daily temperature checks; social distancing in canteens and in company transport; shift system to reduce density on site

Priorities in these uncertain times



Safety and wellbeing of our people



Client projects back on schedule



Resilient supply chain in place



Focus on operating efficiencies

COVID research projects

- RT-PCR testing lab has **tested more than 30,000 samples** free of charge so far
- Indigenously developed an **ELISA testing kit**; tie-up with HiMedia for mass manufacturing and distribution
- Collaboration with Centre for Cellular and Molecular Biology (CCMB) for **NGS based testing**

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Putting Science to Work



Who we are and what we do

- Offering integrated research, development and manufacturing services to take projects from early discovery to commercial supply
- Working with clients from around the world to find solutions to their scientific challenges for small and large molecules while improving productivity, speeding up time to market and lowering cost of innovation
- Innovative culture driven by the expertise of a highly qualified team of 5,000 employees and supported by state-of-the-art infrastructure and market-leading technology



360+ active clients



8 collaborations

with top 10 pharmaceutical companies



400+ Patents

held with clients



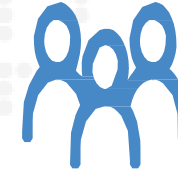
1.9 Mn sq. ft.

of World class infrastructure, qualified to meet international standards



4200+ talented team of scientists

Including ~460 PhDs



90% employees

in 25-40 year age bracket



Rs. 20,935 Mn

Revenue for FY20



Rs. 3,662 Mn

PAT for FY20



Rs. 31,541 Mn

Capex Investment as on March 2020



Integrated service provider offering **end-to-end** drug discovery, development and manufacturing services on a single platform

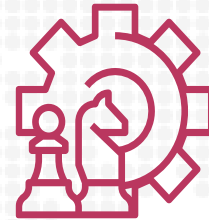


Flexible and varied business models
To cater to client requirement



International accreditations

OHSAS 18001 Certified Facilities, GLP, cGMP, AAALAC & CPCSEA Certified Facility



Experienced in successfully managing large relationships



25+ years of unparalleled experience



Talented & experienced scientific and techno-commercial teams with significant management bandwidth

Our experience spans multiple industry segments and partnerships with global leaders across the world

Bristol Myers Squibb



Johnson & Johnson

AMGEN

Baxter



Large & Mid-Sized BioPharma

zoetis



Animal Health

FMC

- Leading China based crop protection company
- Large Japanese chemical company
- Large MNC focussed on Agriculture & Nutrition segments



AgroChem



- Global food and beverage company



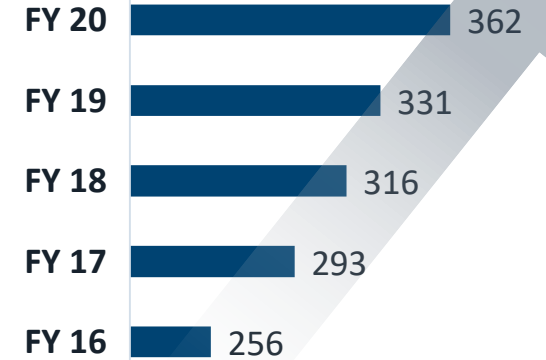
CPG

- Four leading US, Asian, European chemicals and polymer manufacturing companies
- Germany headquartered company, one of the largest chemical producers in the world
- US based company, one of the largest chemical producers in the world
- Large Asian chemical corporation

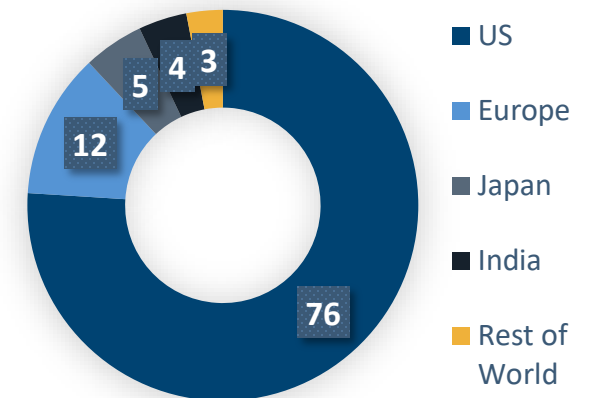


Chemicals/
Polymers

Client Base



Client footprint* (%)



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Putting Science to Work

- **Biocon Limited**, founded in 1978, is an innovation-led global biopharmaceuticals company
- **Syngene**, a subsidiary of Biocon Limited, was established in 1993 as India's first Contract Research Organization - Company has 25 years plus of unparalleled experience in novel molecule discovery, development and manufacturing services
- **Biocon Biologics**, another subsidiary of Biocon Limited, consolidates the development, manufacturing and commercialization operations of Biocon's biosimilars business

Integrated services:

- Discovery
- Development
- Manufacturing sml/lg mol.s

Syngene

Biocon

**Biocon
Biologics**

- Product Based
- Biosimilars
- Formulations and Compounds
- Alternative Therapeutic Drugs



A Global CRO

- Integrated Drug Discovery, Development and Manufacturing service provider
- Small and Large Molecules, ADCs, Oligonucleotides
- Listed on Indian Stock Exchanges (NSE and BSE)

Values

- **Integrity:** To be ethical, honest and transparent in all we do
- **Excellence:** To commit ourselves to the highest levels of scientific and operational excellence
- **Professionalism:** To practise the highest degree of professionalism by fostering individual accountability, reliability, continuous improvement and customer focus



Our Vision

To be a world class partner delivering innovative scientific solutions

Quality Focus

- Quality driven organization
- Excellent track record of compliance with global regulators
- US FDA, EMA and PMDA approved, GLP Certified, AAALAC Accredited facility
- Over 15 regulatory and 244 client audits in the last 3 years

Track Record

- Collaborations and partnerships to deliver numerous clinical candidates
- Delivery history for integrated CMC programs towards FIH and beyond

IP Position

- IP assigned to clients
- Strong track record of Data Integrity and Security

Foundation

- Operations started
- Expansion of R&D Lab
- Granted 100% Export Oriented Unit (EOU) status by the Government of India

1993 -
2000

Globalization and strategic acquisition

- Expanded into formulations development
- Contract with Endo Pharmaceuticals to develop novel anti cancer biological therapeutic molecules
- Collaboration with Baxter and Abbott to set up dedicated R&D centres
- Extension of collaboration with BMS for BBRC; Merger of Clinigene
- Crossed annual turnover of Rs. 5,000 Mn

2010 -
2014

2001 -
2009

Expansion

- Expanded service offerings to include Chemical Development, Safety Assessment, Biologics Development
- Collaboration with BMS for setting up BBRC, Syngene's first dedicated R&D Centre
- Crossed annual turnover of Rs. 1,000 Mn

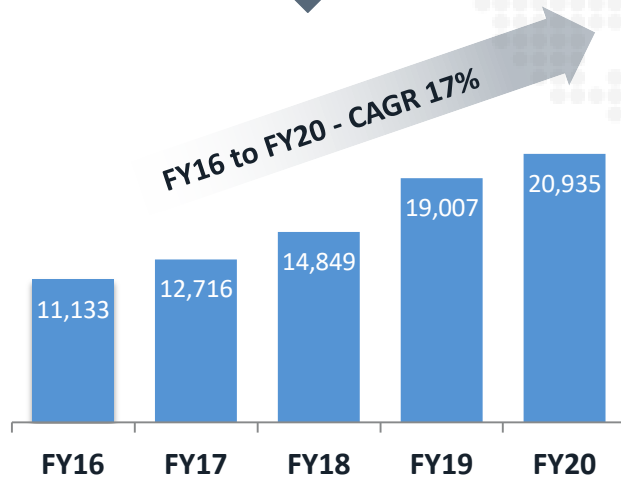
2015 -
2020

Next stage of growth

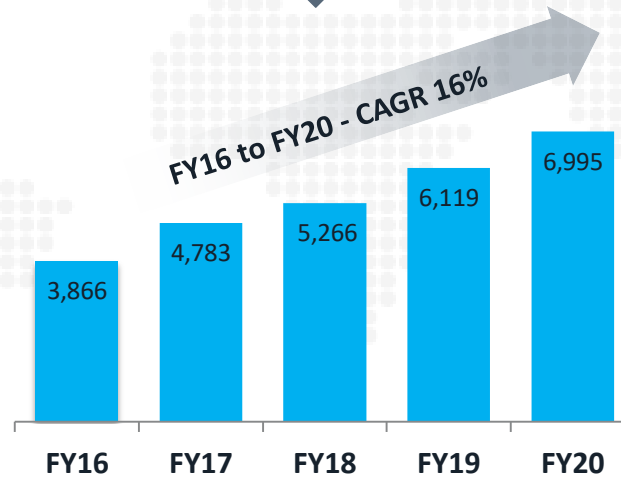
- IPO and listing
- Collaboration with Amgen and Herbalife for setting up dedicated R&D centres
- Acquisition of bioinformatics assets of Strand Life Sciences
- Crossed annual turnover of Rs. 20,000 Mn in 2020
- Expands collaboration with Baxter till 2024; BMS till 2026

- Growth driven by increase in sales from existing clients and acquisition of new clients
- “Engage, expand and extend” strategy to extend client relationship over a longer period of time
 - Growth in total number of clients
 - Increase in average revenue from largest clients
 - Increase in number of services offered to clients

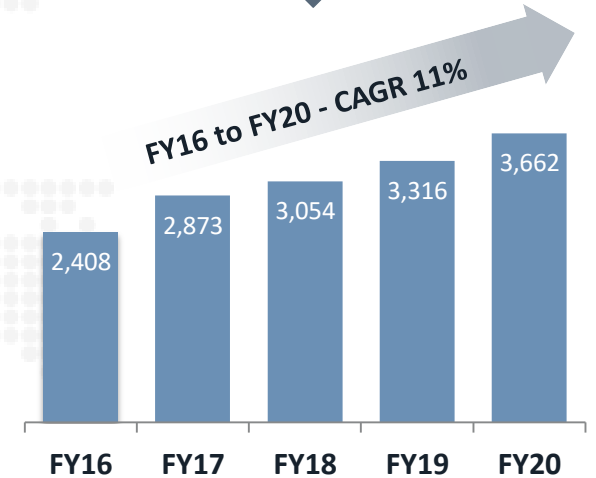
Total Revenue (Rs. Mn)



EBITDA (Rs. Mn)



Profit After Tax (Rs. Mn)



Expand/Extend Existing Clients

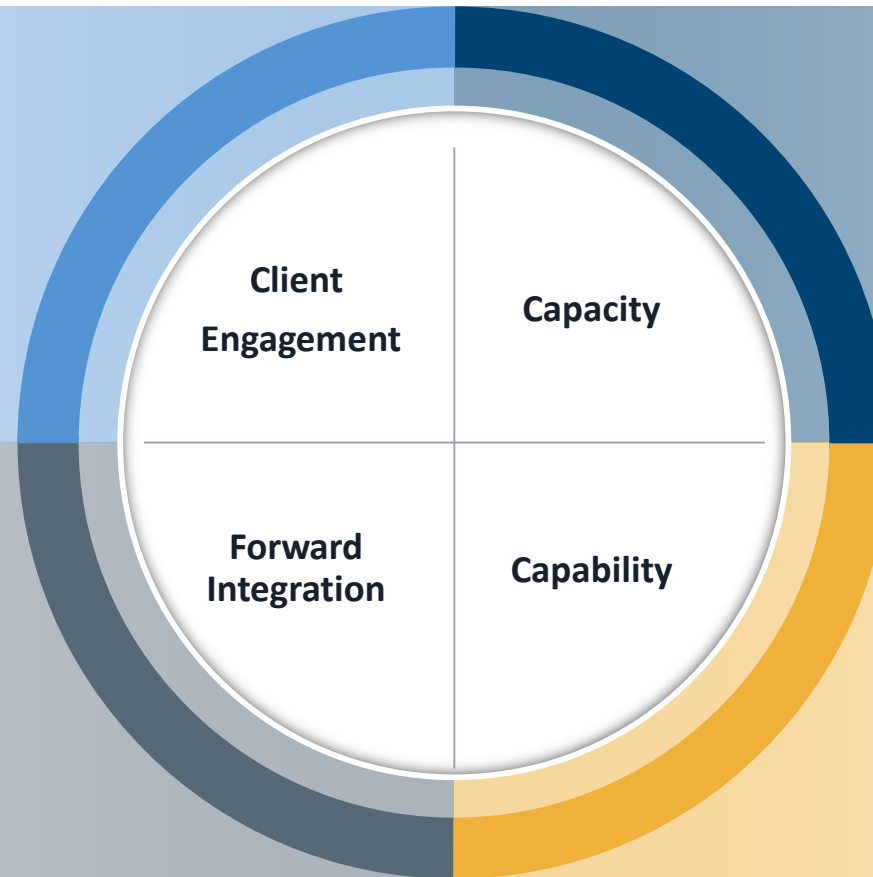
- High service integration
- Dedicated centres model

Engage New Clients

- Tailored service offerings and dedicated personnel

Moving from CRO to CRAMS with commercial manufacturing

- "Follow the molecule" by expanding into commercialisation



Capacity Expansion

- Consistent investment
- FTE services, manufacturing, formulation, biologics, stability

Capability Additions

- New capabilities across multiple domains incl. the allied sectors
- Stability, analytical and bio-analytical services, viral testing, Oligonucleotide bioinformatics
- New platforms: siRNA, ADC

Discovery Services

Solution: Conducts early-stage research, from target identification to delivery of drug candidates for further development

Collaboration Model: Primarily Full-time Equivalent (FTE) engagements

Development Services

Solution: Encompasses activities from pre-clinical to clinical trials including drug substance development, drug product development and associated services to demonstrate the safety, tolerability and efficacy of the selected drug candidate

Collaboration Model: Largely Fee-for-Service (FFS) engagements

Manufacturing Services

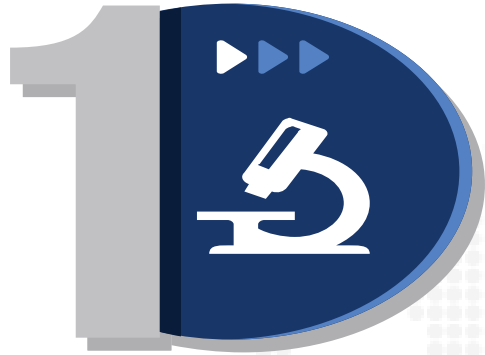
Solution: Manufacturing services for small and large molecules, including cGMP compliant facilities, for clinical supplies and registration batches as well as commercial volumes through a new, state-of-the-art API manufacturing plant and a disposable biologics manufacturing facility

Collaboration Model: Customised engagement models to deliver clinical and commercial supplies

Dedicated R&D Centres

Solution: These centres offer dedicated multi-disciplinary scientific teams, support personnel and ring-fenced infrastructure as per client specifications to support the client's R&D requirements

Collaboration Model: Long-term partnerships, usually five years or more, and based on the FTE model



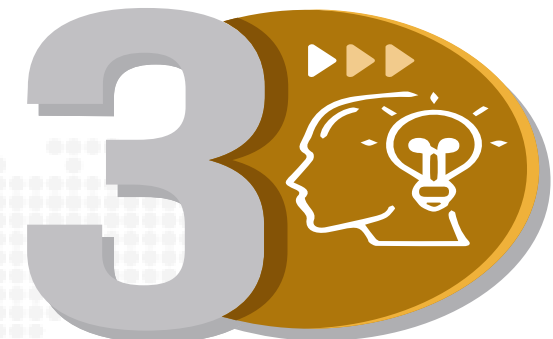
Dedicated R&D labs

- Dedicated scientific and support personnel, customised and managed to partner requirements
- Dedicated infrastructure implemented and maintained by Syngene based upon partner specifications
- Access to additional R&D, Manufacturing and support functions at Syngene
- Long-term (5-7 years) contractual commitment



Full-time equivalent (FTE)

- Dedicated scientific resources selected from partner-specified disciplines
- Deliverables and team composition evolve as project advances
- Typically ~3 year contract term ensures team continuity, adjustable with specified notice period
- Effective for longer-term research commitments



Fee for service (FFS)

- Flexible, on-demand resources with targeted skill sets
- Clearly defined project, limited in scope and deliverables
- Effective way to manage fluctuating demand, ad-hoc requests or uncertain quantity of work

... and we are open to combining any of the above

Our dedicated R&D centres are an industry leading model

 Bristol Myers Squibb™



550 Scientists

250,000+ sq. ft. laboratory space

Largest R&D Centre in Asia for BMS (2009). Contract extended till 2026

Dedicated Centre of research excellence with world class facilities

Produced >10 drug candidates for further study and advanced new compounds for first-in-human studies

Baxter



200 Scientists

70,000 sq. ft. laboratory space

Dedicated R&D Centre in India for Baxter (2013). Contract extended till 2024

State-of-the-art facility supporting R&D of medical products and devices worldwide

R&D activities centred on product and analytical development, preclinical evaluation in parenteral nutrition and renal therapy

AMGEN®



170 Scientists

60,000 sq. ft. laboratory space

Exclusive R&D Centre for Amgen Inc. in India (2016)

State-of-the-art dedicated centre supporting variety of discovery & development projects for biotechnology and small molecule medicines

Focus on medicinal & process chemistry, biologics, bioprocess, drug metabolism, pharmacokinetics, bioanalytical research and pharmaceutical development

 **HERBALIFE®**



8 Scientists

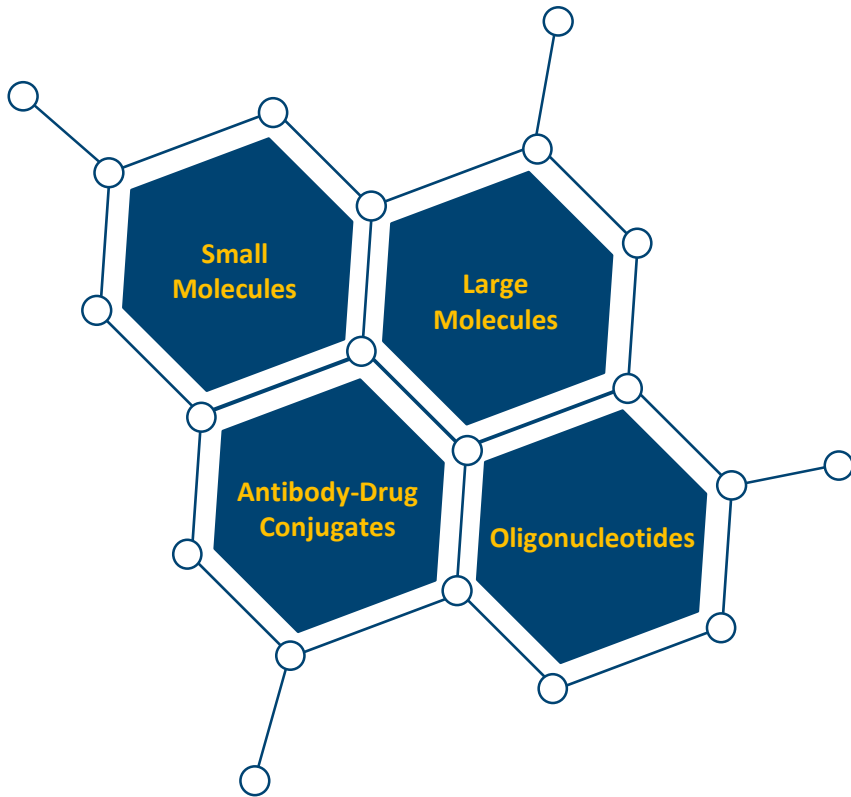
3,200 sq. ft. laboratory space

Herbalife's 1st Nutrition Research and Development Lab in India (2016)

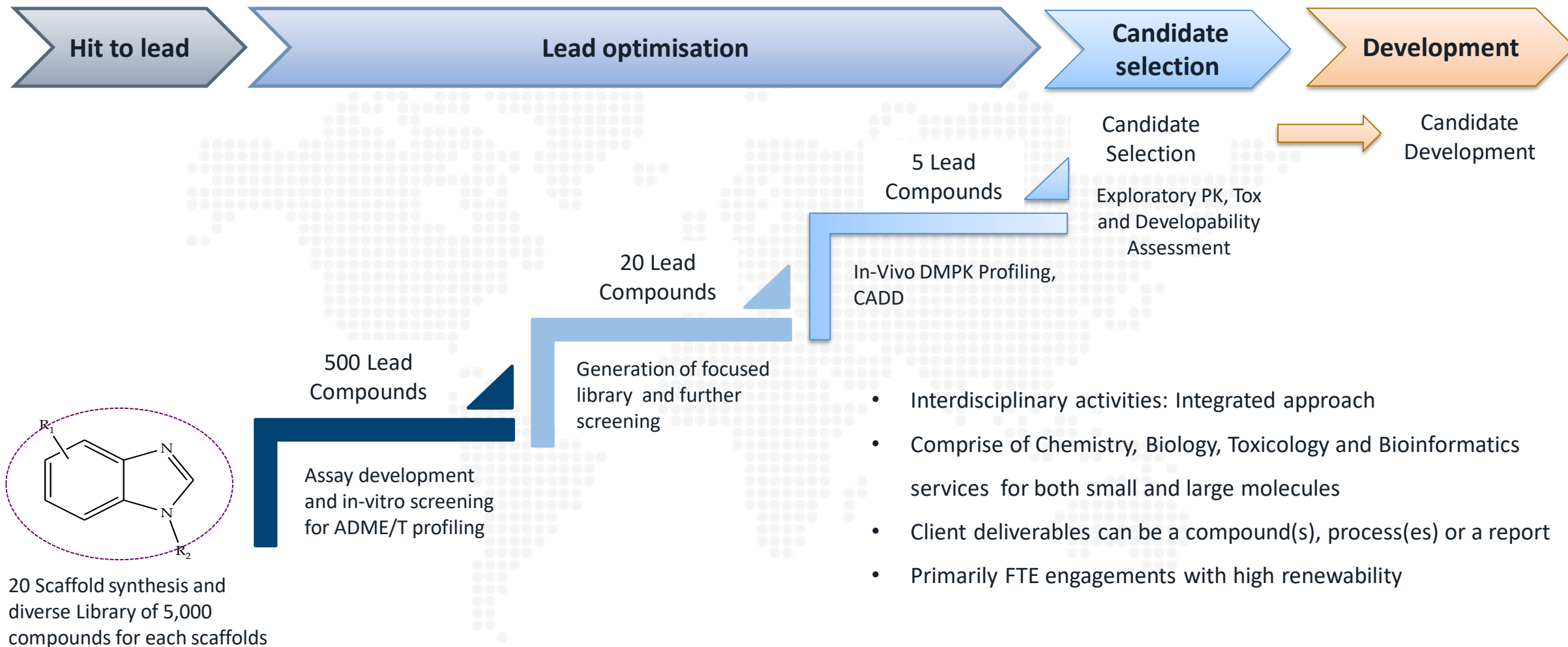
Dedicated Centre houses cGMP formulation lab to support product testing, sampling and end-product development

Focus on product development, sensory evaluation and testing, scientific content writing, project management, formulation development, analytical service, stability study and other related services

Our end-to-end platform enables us to be a 'one-stop-shop' for discovery, development and manufacturing (small and large molecules)



Discovery	Development	Manufacturing
Chemistry	Drug Substance	Clinical Supplies
Biology	Drug Product	
	Integrated Drug Substance – Drug Product	
Safety Assessment		Specialty Molecules
Integrated Drug Discovery	Human Pharmacology Unit (Phase 1)	Commercial Supplies
Therapeutic Antibody Discovery and Engineering; Cell Line Development	Bio Analytical Lab (Large Molecules)	
	Stability Services	
Bioprocess Development, Process Characterisation, Clinical Manufacturing (Microbial and Mammalian)		
Research Informatics: Bioinformatics, integrative analysis, target dossiers, systems modeling, cheminformatics and AI		





- Encompass activities across multiple disciplines as a molecule moves from pre-clinical to clinical trials
- Key activities include:
 - Drug substance development (process R&D and optimisation)
 - Drug product development (pre-formulation and formulation development)
 - Allied services (stability services, viral testing, bioanalytical)
- Primarily FFS engagements which increase in volume/scale over time

Small Molecules



- State-of-the-art cGMP (Current Good Manufacturing Practices) facility to manufacture new chemical entities (NCEs)
- Designed to support multi gram to 100s of kgs/ batch of Intermediates and APIs for clinical trials
- New greenfield investments done in Mangaluru to support larger commercial scale requirements



Syngene's API manufacturing facility at Mangaluru

Biologics



- Mammalian and Microbial capabilities
- Can support early stage, late stage and commercial launch supply requirements in mammalian
- Capacities to support large volumes for late stage clinical requirements



Syngene's USFDA approved manufacturing facility at Bengaluru

HQ Campus – 90 Acres where most of Syngene’s capabilities are housed today



Biologics Expansion: HQ Campus Biologics Manufacturing Plant

R&D Expansion: Genome Valley, Hyderabad, India commenced operation in Aug 2019



API Mfg Expansion: Commercial Manufacturing to support product launch in Mangaluru, India - Commenced operation in March 2020; Capacity: 68KL ; Reactor size: 2-12KL

~5,000*

strong pool of employees

60,000

hours of training per year

23*%

female employees vs 15% in FY16

Environment that engages our employees and enables them to grow



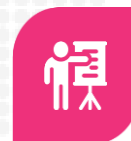
Promoting cross-functional collaboration

- **Discovery Services Leadership Forum (DSLRF)** to engage with leaders from other departments
- Encourage **participation** at international seminars
- Offering **funding for Ph.D. studies** of eligible employees
- **Ph.D. programme launched** in partnership with Merck KgaA and Institute of Bioinformatics and Applied Biotechnology



Attracting and nurturing talent

- Building a talent pipeline for key positions
- Relationships with 40+ renowned Indian science institutes

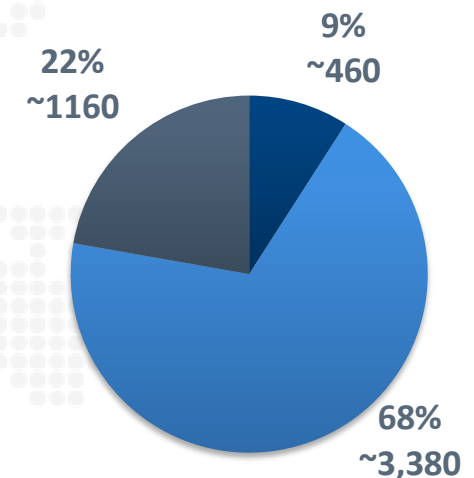


Encouraging development of life skills and technical expertise

- Internally developed training modules tailored to our business and the specific needs of our employees

4200*+ scientists delivering quality output and creating competitive edge

■ PhDs ■ Master's Degree ■ Others



Led by a globally experienced management team



Management team

Jonathan Hunt
Chief Executive Officer



Dr. Mahesh Bhargat
Chief Operating Officer



Sibaji Biswas
Chief Financial Officer



Ashu Tandon
Chief Commercial Officer



Vinita Shrivastava
Chief Human Resources Officer

Previous experience

AstraZeneca

Sanofi, Amgen,
Monsanto

Vodafone,
Fascel Telecomm

IQVIA
Accenture

Sasken, HCL,
Harman



Management team

Alok Mehrotra
Chief Quality Officer



Sanjeev Sukumaran
Chief Of Staff



Dr. Kenneth Barr
SVP Discovery Services



Dr. Jan-Olav Henck
SVP Development Services

Previous experience

Reckitt Benckiser,
PepsiCo, Godrej

Thomson Reuters

FORMA
Merck

Bayer AG,
SSCI, Aptuit

Advised by visionary Board of Directors



Kiran Mazumdar Shaw
Non-Executive Chairperson

*Chairperson of Biocon Limited,
~45 years of experience in the
field of biotechnology*



Jonathan Hunt
Managing Director and Chief
Executive officer

*~30 years of experience in the
global biopharmaceuticals
industry*



Dr Bala S. manian
Independent Director

*~35 years of experience in the
biomedical sciences*



Dr. Carl decicco
Independent Director

*Chief Scientific Officer in
Foghorn Therapeutics*



Professor Catherine Rosenberg
Non-Executive Director

*Professor in electrical and
computer engineering at the
University of Waterloo, Canada*



John Shaw
Non-Executive Director

*Non-Executive Vice-Chairman of
Biocon Limited*



Paul Blackburn
Independent Director

*40 years+ experience in the field of
finance*



Sharmila Abhay Karve
Independent Director

*Retired as audit partner from Price
Waterhouse*



Dr Vijay Kuchroo
Independent Director

*Founded five biotech companies
including CoStim Pharmaceuticals
and Temporo Pharmaceuticals*



Vinita Bali
Independent Director

*Chief Executive Officer & MD of
Britannia Industries from 2005 to
2014*

Safety is at the heart of everything we do



Accredited with ISO 45001:2018 for its Occupational Health and Safety (OH&S) measures

100%

Lab Hazard Analysis training delivered to all employees working in laboratories



Considerable improvement across several safety metrics due to regular training under **Kavach, our flagship safety program**

Increased incident reporting

Reduction of incidents

Improved risk control measures

Improved general safety perception



Awarded **'Safe Workplace Champion Award'** at the 8th Manufacturing Supply Chain Summit and Awards

Committed to environmental protection



Accredited with ISO 14001:2015 for its effective Environment Management System (EMS)

1000 KL per month

Reduction in water consumption in FY20

1,600 MT

of waste disposed in an environment-friendly manner and ~355 MT of solid waste recycled in FY20

3-R's

Operations constantly monitored to identify opportunities to reduce, reuse, and recycle waste

14,943 tonnes

Started using hydropower energy, facilitated by an exclusive grid service connection, helping us to reduce 14,943 tonnes of carbon dioxide emissions in FY20

Consistently received recognition for our scientific capability and best practices

- **Organization with Innovative HR Practices Award** - At the 14th Annual Asia Pacific HRM Congress 2015
- **CIO100 Award 2015** - The Versatile Honoree Award and The CIO 100 Networking Pioneer Special Award
- **Bangalore India Bio** - Bio Excellence Award for outstanding contribution to the Biotech services sector

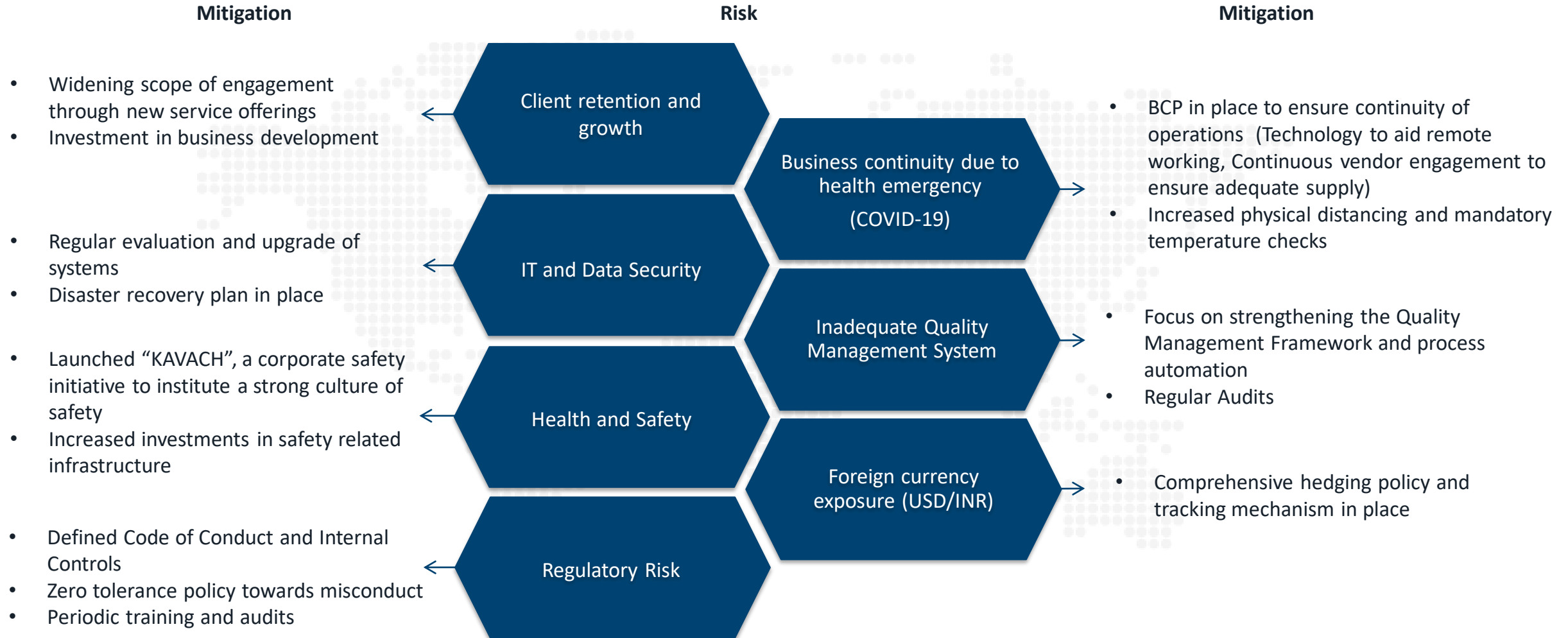
- **Best Contract Research Organization (CRO) Provider - Runner-up Award** - At The 4th Annual World ADC Awards 2017
- **Bio Services Excellence Award 2017** - Bangalore Tech Summit

- Ranked as one of the **25 fastest growing companies in India** by Outlook Business
- **India Pharma Award 2019** - For "Excellence in Contract Research and Manufacturing Services" at CPhI and P-MEC India Expo
- **Utthama Suraksha Puraskar 2019** - (Pharma and Chemical Manufacturing Category) by National Safety Council of India (NSCI). Leadership Awards
- **CMO Leadership Awards 2019** - Presented by Life Science Leader Magazine
- **FICCI CSR Award for Environmental Sustainability** -At the 17th Edition of the awards in New Delhi
- **Safe Workplace Champion Award** - At the 8th Manufacturing Supply Chain Summit and Awards
- **Best Leadership Development Program for Middle Management Award** - At the 6th Global Training and Development Leadership Awards



- **Dynamic Enterprise of the Year 2016** - At the 9th Annual Pharmaceutical Leadership Summit and Pharma Leaders Business Leadership Awards 2016- in recognition for its contribution to the field of Research and Development for the Life Science Industry
- **CII Award** - Won first place in the Office/Software/Service Sector
- **CII Award** - Four Star Rating on Environment Health and Safety Management System

- **Bio-Excellence Award 2018** - At Bengaluru Tech Summit, Bengaluru
- **Best Bioprocessing Excellence Award 2018** - At 5th Biologics Manufacturing Asia, Singapore
- **Healthcare Company of the Year 2018** - At the 7th Annual VC Circle Awards 2018, Mumbai
- **HR Excellence Award 2018 'For Best Talent Management Strategy'** - World HRD Congress, Mumbai



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Particulars	Q1 FY21	Q4 FY20	Q1 FY20	QoQ Change	YoY Change
Revenue from operations	4,216	6073	4,209	(31%)	0.2%
Other Income	153	205	205	(25%)	(25%)
Total Revenue	4,369	6,278	4,414	(30%)	(1%)
Material and Power costs	1,019	1,562	1,173	(35%)	(13%)
Employee costs	1,404	1,641	1,322	(14%)	6%
Foreign exchange (gain)/loss, net	33	6	(16)	450%	(306%)
Other Expenses	515	823	519	(37%)	(1%)
EBITDA	1,398	2,246	1,416	(38%)	(1%)
EBITDA Margin (%)	32%	36%	32%	-	-
Depreciation, Interest and tax	818	1,044	696	(22%)	17%
Profit After Tax	580	1,202	720	(52%)	(19%)
PAT Margin (%)	13%	19%	16%		

Particulars	FY20	FY19	YoY Change
Revenue from operations	20,119	18,256	10%
Other Income	816	751	9%
Total Revenue	20,935	19,007	10%
Material and power costs	5,652	5,726	(1%)
Employee costs	5,804	4,727	23%
Foreign exchange (gain)/loss, net	(144)	19	(858%)
Other Expenses	2,628	2,416	9%
EBITDA	6,995	6,119	14%
EBITDA Margin (%)	33%	32%	
Depreciation, Interest and tax	3,333	2,803	19%
Profit After Tax before exceptional gain	3,662	3,316	10%
PAT Margin (%)	17.5%	17.4%	-
Exceptional gain	459	-	-
Profit After Tax after exceptional gain	4,121	3,316	24%

Balance Sheet Highlights

As on 31st March 2020

Shareholders' funds	21,758
Net Fixed assets	22,538
Other net assets ⁽¹⁾	(4,403)
Net cash/(debt) ⁽²⁾	3,623
Total Use of Funds	21,758

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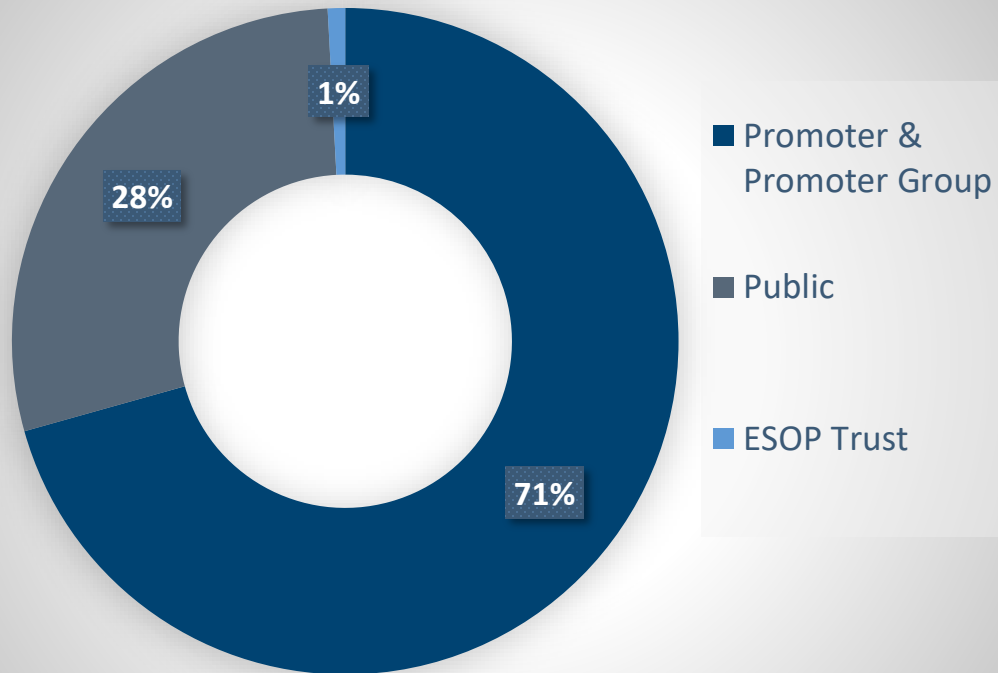
Financials

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Shareholding and Share Information

Putting Science to Work

Syngene's Shareholding Pattern*



Syngene's Share Information*

NSE Ticker	SYNGENE
BSE Ticker	539268
Market Cap (Rs. Mn)	160,360
% free-float	29%
Free-float market cap (Rs. Mn)	47,065
Share Outstanding (Mn)	400
3M ADTV ^ (Shares)	442,446
3M ADTV ^ (Rs. Mn)	152.6

THANK YOU

www.syngeneintl.com

Putting Science to Work

For more details

- Visit www.syngeneintl.com
- [Link to latest FY20 Annual Report](#)
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investor@syngeneintl.com