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We are in the process of implementing a \$200 million growth capex plan to expand capacity and extend capabilities

Syngene, a major CRO in India, has been systematically investing in expanding its existing capacities as well as setting up new infrastructure to add new capabilities. Jonathan Hunt, CEO, Syngene divulges more about the company's ambitious capex plans, its growth strategies, its vision for India, etc. in an exclusive interview with Express Pharma.

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How is the Indian CRO market growing vis-a-vis the global market and is Syngene poised to leverage the growth opportunities?

According to a Frost & Sullivan report, the global CRO market is expected to grow from around \$32 billion in 2015 to \$57 billion in 2020 at a CAGR of over 12 per cent. Within this, Syngene is well placed in the global context to capitalise on this growth. From a discovery chemistry focused CRO, Syngene has evolved to become a full service global scientific services provider offering a range of integrated discovery and development solutions to a global customer base.

Our clients range from world-leading MNCs to small, start-up organisations in the pharma and biotechnology as well as adjacent industries such as nutrition, consumer goods, animal health etc.

Our scale and broad range of services allows us to offer tailor-made solutions to our clients to match their long-term strategies as well as remain consistently cost competitive. Our dedicated R&D centre vertical is a differentiated business model that helps us play a more integral part in our client's R&D strategy and is seeing increased traction in recent years as many clients move from purely seeking cost arbitrage to looking for ways to boost innovation and deliver more science per dollar of investment. Our key differentiators are our world-class infrastructure (successfully inspected by multiple global regulatory authorities), a track record of delivering scientific innovation, excellent scientific talent pool, a senior leadership team that has a depth of global experience and a proven track record of quality compliance (six successful US FDA and two EMA inspections in the last three years) and IP protection.

Can you elaborate on how strategic collaborations have enhanced Syngene's scientific capabilities and expertise?

Over the years, Syngene has entered into strategic, multi-year collaborations with many large and medium-sized organisations which enable our scientists to work very closely with client teams on integrated discovery and development projects. This continuous engagement helps us build a deep understanding and insight into our client's R&D requirements. This insight helps us align our capabilities and resources to meet these future needs. Through this approach, we become a long-term strategic partner for our client, providing them value-added services rather than just a transactional service provider. A case in point is our dedicated R&D centres, a differentiated business model where we set up exclusive research infrastructure for a particular client with a dedicated team of Syngene scientists working exclusively for that particular client. We currently run dedicated R&D centres for BMS, Amgen, Baxter and Herbalife. These are centres of excellence that play a critical role in the client's R&D operations. For instance, BBRC, the dedicated R&D Centre set up for BMS, is their largest R&D infrastructure outside the US and has significantly contributed to the discovery and pre-clinical development of numerous drug candidates for further study.

What is likely to be the future of CRO-pharma relationships and how will it affect the R&D goals of the industry?

The CRO-pharma relation will continue to grow stronger in the coming years. Outsourcing R&D activities to the CRO industry is an extremely effective way for the pharma and biotech industries to overcome their R&D challenges. The relation between the two industries has evolved from the initial transactional or 'fee-for-service' model largely focusing on cost advantage to a more strategic and long-term relation with focus shifting to quality and timely delivery. As the complexities of R&D increases, collaborations with CROs offering integrated services across discovery and development are more and more preferred to get access to not only the required skills and technologies but also to a range of services such as novel drug targets, validation of targets, signal transduction pathway know-how, animal models, disease expertise, translational medicine know-how and biomarkers.

Outsourcing at the early development stages to CROs with bioanalytical expertise is also helping drug manufacturers identify the most promising candidates much earlier, thus reducing overall R&D expenditures. Clients are also increasingly looking at improving quality and efficiency, gaining competitive advantage and strengthening operational and technical expertise through their outsourcing partners.

What are your growth strategies for next three years?

Globally, we anticipate to see a healthy demand for high quality scientific services, not just in the pharma and biotechnology industries but also in other research focused industries like nutrition, agrochemicals, consumer goods and other industries that Syngene caters to. We are in the process of implementing a \$200 million growth capex plan to expand capacity as well as extend our capabilities. Our bioinformatics business is now well integrated into our other services and we expect it to start contributing more strongly to our revenues in the coming year. There is increasing demand for biology and biologic- based services globally and we are starting to see good traction here with our investments in adding to our capabilities and capacities. Our newest biologics manufacturing facility is nearing completion while our new formulation facility is now operational adding to our capacities and we expect to see increased growth in this area. We are making good progress on our dedicated R&D centre vertical and expect to further increase their numbers as well as scope in the coming years. Our fully-integrated drug discovery dedicated centre model continues to get traction with clients and this model is a testimony of our ability to bring a full range of capabilities to solve a range of complex scientific problems. Our Mangalore manufacturing project is also progressing on schedule and once operational, it will significantly boost our commercial scale manufacturing capacities.

Source: <http://www.expressbpd.com/pharma/market-pharma/we-are-in-the-process-of-implementing-a-200-million-growth-capex-plan-to-expand-capacity-and-extend-capabilities/395652/>