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## Syngene Q4 profit up 18% to Rs66 crore

The profit was notched up on a 28% increase in Syngene's revenue to Rs334 crore from Rs254 crore

**Hyderabad:** Syngene International Ltd, the contract research services arm of biopharmaceutical firm Biocon Ltd, on Tuesday announced an 18% increase in net profit for the quarter ended 31 March. It said the performance was led by sustained momentum across key verticals including dedicated centres, discovery services as well as development and manufacturing services.

Profit rose to Rs.66 crore in the fiscal fourth quarter, from Rs.56 crore in the year-ago period. The profit was notched up on a 28% increase in revenue to Rs.334 crore from Rs.254 crore.

For the year ended March, Syngene posted a net profit Rs.221 crore, which was 26% more than the previous year's Rs.175 crore. The revenue grew 28% to Rs.1,113 crore.

Syngene said it has cleared three US Food and Drug Administration (FDA) inspections of its facility in Bengaluru during the fourth quarter.

"This momentum, combined with our extensive capital investment plans, puts us on-track to achieve our mid-term revenue target for FY18 and deliver excellent returns for our investors," said Jonathan Hunt, chief executive of Syngene.

Hunt assumed full charge as CEO from 1 April, replacing Peter Bains, who will continue as Syngene's board member.

Syngene has set a sales target of \$250 million by end of this financial year.

Syngene said it has raised \$100 million debt by way of external commercial borrowings to finance its upcoming Mangalore manufacturing facility as well as the other capital expenditure projects that are in various stages of implementation.

The company is pumping around \$200 million on capital expenditure over the next three years as part of a broader plan to evolve from a contract research firm into a contract research and manufacturing services company with commercial-scale production capabilities.

The company is investing around \$100 million on setting up a new unit in Mangalore to support large-scale manufacturing requirements of its clientele. It expects the Mangalore facility to be operational by FY19.

The remaining investment will go into a new research centre, biologics manufacturing plant, formulations facility, viral testing and oligonucleotide pilot plants in Bengaluru.

Syngene said its client base increased to 256 from 221 a year ago. The top three clients—Bristol Myers Squibb Co. (BMS), Abbott Nutrition Inc. and Baxter International Inc.—account for around 40% of revenue. BMS, Syngene's top client contributed about 29% of the overall revenue.

"We were able to reduce the exposure of our top client from 40% to 29% without losing any business," said Manoj Nerurkar, chief operating officer of Syngene. Nerurkar said the company expects its manufacturing division to do well in the coming year as some of the molecules of its partner are entering late stage clinical trial.

Last year two molecules of Syngene clients were commercialized.

As of 31 March, Biocon held a 74.55% stake in Syngene.

Shares of Syngene gained 1.95% to close at Rs.378.55 on BSE, the benchmark Sensex rose 1.28% to end 26,007.30 points.

**Source:** <http://www.livemint.com/Companies/JzvvhbhfZyhELCa07ZFUOL/Syngene-Q4-profit-up-18-to-Rs66-crore.html>