



“Syngene International Limited 3<sup>rd</sup> Quarter & Nine Months FY  
2026 Financial Results Conference Call”

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**Moderator:** Ladies and gentlemen, good day and welcome to Syngene International's 3rd Quarter and Nine Months FY 2026 Financial Results Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "\*" then "0" on your touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Ms. Nandini Agarwal. Thank you and over to you.

**Nandini Agarwal:** Thank you and good afternoon to everyone. Thank you for joining us on this call to discuss Syngene's 3rd Quarter and Nine Months Results for Financial Year 2026.

To Discuss the Financial and Business Performance for the Period, we have on this call today, Mr. Peter Bains, Syngene's Managing Director and CEO and Mr. Deepak Jain, our CFO.

After the opening remarks, Peter and Deepak will be happy to answer any questions you may have.

Before we begin, I would like to caution that comments made during this Conference Call today will contain certain forward-looking statements and must be viewed in relation to the risks pertaining to the business. The safe harbor clause indicated in the investor presentation also applies to this conference call. The replay of this call will be available for the next few days and the transcript will be made available.

With this, I would now turn the call to our Managing Director and CEO – Mr. Peter Bains.

**Peter Bains:** Thank you, Nandini. Good afternoon, everybody, and thank you for joining us in today's call.

I will begin with a brief overview and commentary of our key financials for the quarter and for the first Nine Months of the Financial Year before I move on to our operational and strategic highlights. I will then hand over to Deepak, who will provide a more detailed breakdown of the financials.

**Let me start by addressing the numbers:**

For the 3rd Quarter, revenue from operations declined 3% year-on-year to Rs.917 crores. Operating EBITDA for the quarter stood at Rs.209 crores, with a margin of 23%, while profit after tax before exceptional items was Rs.73 crores.

On a nine-month basis, revenue from operations increased 3% year-on-year to Rs.2,702 crores. Operating EBITDA for the period was Rs.615 crores, with a margin of 23%, while profit after tax before exceptional items stood at Rs.227 crores.

**I would now like to discuss the key underlying dynamics that have shaped this performance delivery and profile:**

The key variable impacting our 3rd Quarter performance has been the ongoing impact related to a single commercial stage product from our largest large molecule biologics customer. We have mentioned this impact to you previously during our interactions this year.

**Outside this singular matter, our underlying business performance has shown steady progress, which I will now outline:**

As Syngene operates across two business segments -- Research Services and Contract Development and Manufacturing Services -- and this includes both large and small molecules. Across both these segments, our underlying growth has remained steady during the quarter.

Our research services business continues to secure new customers and contracts across chemistry, biology, translational and clinical research platforms.

In our CDMO business, we are seeing increased capacity utilization in both small molecules and large molecules as we attract new customers.

**Let me now draw your attention to some of the quarter's business highlights:**

Firstly, I am delighted to advise of the extension of our relationship with Bristol Myers Squibb, which remains our largest and we are now supporting Bristol Myers with over 700 scientists in Bangalore and our longest standing partnership now extending more than 25 years. We have extended our collaboration with BMS through to 2035, providing both partners with a strategic 10-year horizon to further develop and expand this unique long-standing collaboration.

Consistent with our strategy, we are continuing to invest in strengthening our scientific capabilities and manufacturing technologies in areas that improve our ability to grow our business and to support our customers with differentiated services.

During the quarter, we expanded our advanced chemistry capabilities at Hyderabad with new catalytic screening and flow chemistry laboratories. These facilities allow multiple reaction conditions to be evaluated parallel, improving speed, efficiency and scalability.

We also commissioned a new commercial-scale facility for liquid-filled hard gelatin capsules, significantly enhancing our oral solid dosage platform.

With this facility, we are now better equipped to support complex oral formulations that are becoming increasingly common in modern drug pipelines.

At our Bayview Biologics facility in the United States, process and equipment validation are now complete and hiring is underway to support operations as planned.

In summary, and notwithstanding the single product impact I have described, our differentiated scientific capabilities, long-standing client relationships and diversified business model across research services and CDMO continue to provide resilience, balance and growth. These strengths, combined with disciplined investments in technology, AI and new capabilities and capacity, position us well to strengthen our service proposition to our wide and growing customer base.

Thank you and I will now hand over to Deepak.

**Deepak Jain:**

Thank you, Peter. A very good afternoon, everyone.

Let me begin by discussing the 3rd Quarter's performance and then I will cover nine months performance and finally the guidance before I close my commentary.

**First, looking at revenue:**

Revenue from operations for the 3rd Quarter was Rs.917 crores, a 3% year-on-year decline in reported terms and down 7% in constant currency.

**Let me elaborate on the numbers:**

This quarter saw steady performance in the research business led by volume improvement and discovery services. Revenue headwinds and CDMO continue to be the driving force by ongoing impact related to a single commercial product from our largest large molecule biologics customer.

**Now, let me turn to costs:**

Raw material costs still at 25% of revenue in this quarter, similar to same in the last quarter. We expect full year raw material costs to be around 25%.

Staff costs increased by about 8% year-on-year, in line with the annual increase and the investment in talent.

Other direct costs, primarily comprising power utility expenses, increased 2% year-on-year due to the new facilities at Bayview in the US and the biologics facility in Bangalore.

Other expenses increased by 5% year-on-year due to general business expenses and automation and digital initiatives.

Our company saw a hedge loss of Rs.23.3 crores against a hedge gain of Rs.1.7 crores in the same quarter of the previous year due to difference between average and spot hedge rates.

Revenue for the quarter was hedged around Rs.86.9. However, the average spot rate during the quarter was around Rs.89.4.

The movement in revenue and costs resulted in operating EBITDA of Rs.209 crores with a margin of 23% in the quarter versus 30% in the last year.

Depreciation has increased in line with our plans and primarily due to addition in capacity at biologics manufacturing sites in Bangalore which became operational this year.

EBITDA from operations was Rs.95 crores with margins of 10%.

Reported interest expense declined by 4% as borrowing reduced in Q3 FY26 compared to the same quarter last year.

Other income declined by 16% compared to Q3 last year primarily due to one-off related to interest on income taxes received last year, which was not there in the current year.

As you will know, the Government of India has recently notified the four labor codes consolidating the 29 existing labor laws. This resulted in an exceptional item of Rs.58 crores net of tax due to impact of change in gratuity liability under the Labor Code.

Overall, profit after tax but before exceptional items, stood at Rs.73 crores down 44% year-on-year.

Reported PAT was Rs.15 crores, down 89% year-on-year.

The normalized effective tax rate for the quarter was 22.8% as compared to 22.2% similar quarter last year. We expect the effective tax rate for the full year to be around in the range of 21% to 23%.

**In terms of CAPEX:**

We continue to invest in building capabilities, technologies that enable us to become an integrated solution provider for our clients. During the 3rd Quarter, we invested a total CAPEX of around \$9 million. Around 50% was invested in research services primarily across capability builds including DMPK biology, ADC labs and contractual obligations in dedicated centres along with regular CAPEX expansion. Nearly 35% of the CAPEX in the CDMO business including for a new commercial scale facility for liquid filled hard gelatin capsules, integration of Bayview facility and the modification of Unit-3. The remaining CAPEX was spent on digitization, automation and towards common infrastructure.

We continue to maintain a strong balance sheet. After meeting CAPEX spends for the quarter, we have a net cash balance of Rs.902 crores as of 31st December 2025.

**Turning to the nine-month performance:**

Reported revenue from operations increased by 3% year-on-year. Raw material cost was down by 3% driven by revenue mix and staff cost increased by 12%.

Our direct cost, primarily comprising of power utilities increased by 3% and other operating costs increased by 11% as we continue to invest into expansion of our facilities and capabilities including automation digitization that I spoke of earlier.

Operating EBITDA margin stood at 23% for the nine months of FY26 compared to 27% last year.

PAT before exceptional item was down 22% year-on-year to Rs.227 crores.

**Finally, let me turn now to the guidance for the year:**

With the ongoing single product impact in our large molecule business, we are revising our guidance. We expect to close the full year with a decline in revenue in the range of 3% to 5% with operating EBITDA margin in the range of 22% to 23%. Our CAPEX is estimated to be around \$45 million by the end of the year.

With that, let us open it up for questions. Thank you.

**Moderator:** We will now begin the question-and-answer session. We will take a first question from the line of Kunal Damesha from Macquarie. Please go ahead.

**Kunal Damesha:** Hi, thank you for the opportunity. The first question is on the impact on the biologic product which was announced in this quarter and seems an impact in previous quarter as well, but as the year goes by, how do we expect the impact of this in Q4 and how are we getting from the FY27 prospect, demand comes back here, are there other drivers which basically help us grow from within our CMO business? And also, if you could provide a broad split between the CRO and CMO business this quarter, that would be helpful?

**Peter Bains:** Thank you, Kunal. Let me address the questions and Deepak add something. Let me deal with the second one first, and that is the split between our research services and CDMO, about two-thirds research services, one-third CDMO in this quarter, that is a slight adjustment reflecting the single product impact that we are having, but that is the balance that we have. Turning to this single biologic product where we have been advising of the impact through this year, obviously, we expect to see this impact continue and play itself out in the next quarters and the coming quarters, and the impact that we are now experiencing is now being included clearly in the full-year guidance. It would be inappropriate for me to comment in any detail on the product itself without our collaboration partner. So, I think that is as far as we can guide at this point.

**Kunal Damesha:** Sorry, I just missed a moment in between. You expect the impact to continue in the next year or are you just guiding for the next quarter as of now?

- Peter Bains:** Well, we expect the impact to continue in the coming quarters, and then it will play itself out through the coming quarters, but it will go beyond Q4.
- Kunal Damesha:** And then any offsets that we see which can help us with the growth in the CDMO business in terms of the pipeline, projects?
- Peter Bains:** Yes, Kunal, and I touched on it in my opening remarks and I am happy to expand. If we strip out the impact of this single product and look at what is happening across our business, what we see is growth, and what is encouraging is that growth is across our division. So, we take the impact out of our manufacturing platform. We are seeing increased capacity utilization, both in small molecules and in large molecules, and we are seeing that translate in the quarter into some growth. In our research services, as we look at that across chemistry, biology, translational science and clinical, we are also seeing growth. Now, our focus is very clearly to look to accelerate that growth in order to compensate for this singular issue that we are facing with our largest large molecule customer, and that will be the focus going forward, and our growth can be broad-based, and I think this is a strength of Syngene's model in that it has diverse capabilities across a wide range here. So, looking for growth and filling up pipeline and capacity in small molecules and large molecules and looking to accelerate the growth that we are seeing in our research services. So, very clearly, that is the focal point of management going forward.
- Kunal Damesha:** Sure. And a second question is for Deepak. Of the Rs.70 crores impact on the new labor code, how much of the impact we expect to see continuing in the future quarter?
- Deepak Jain:** You are talking about the exceptional item, Kunal?
- Kunal Damesha:** Yes, exceptional item.
- Deepak Jain:** So, Kunal, the way it is, as the labor code has just got introduced, the institute has given us a guidance of taking that provision into play, the notifications are still coming out. We are looking and keeping ourselves close to it. As it progresses, as it evolves, we will get to update our financials accordingly. It is early days, but we have taken basis the best judgment what we have right now.
- Kunal Damesha:** Sure. Thank you and all the best.
- Deepak Jain:** Thank you.
- Moderator:** Next question is from the line of Shyam Srinivasan from Goldman Sachs. Please go ahead.
- Shyam Srinivasan:** Hi! Thank you for taking my question. Just the first one on the revenue splits between CRO, CDMO, if you could give us the broad percentages and also a year ago? I am assuming CRO is growing. So, just some qualitative color on what is driving that growth.

- Deepak Jain:** Sure. So, we had two-third, one-third is what Peter had called out earlier as well, that is the split that we have. It is broadly the same as what we had last year as well; it was around 65, 35. So, we are kind of holding almost similar. The point, Shyam, is the fact that because of that one product impact, we are seeing a change in a bit of the business mix. But, if we were to look at or strip that out, as Peter was mentioning earlier, the underlying business continues to grow and continues to grow in a steady progress. So, to that extent, the baseline and foundations seem stronger.
- Shyam Srinivasan:** Deepak, it will be helpful because if I use, how do we strip the riser at double-digit growth, because very difficult, right, since we are not sharing what that call-out is?
- Deepak Jain:** Sure. No, so I understand that, Shyam. So, the way I would call it out is, it is high single-digit, low double-digits is where I would keep it in the ballpark. So, if I was to strip out the growth of -
- Shyam Srinivasan:** You are talking about extra special opportunity, you are calling out the growth in CC terms is what, sorry?
- Deepak Jain:** If I was to exclude the one-off product, right, that is impacting and giving us the headwinds, the rest of the business is growing in high single-digits, low double-digits in constant currency terms.
- Shyam Srinivasan:** Okay. That is helpful. And do you want to give some color around CRO versus CDMO there, excluding that business, which is growing fast?
- Deepak Jain:** Excluding CDMO business? Excluding CDMO business also, we are growing very well.
- Shyam Srinivasan:** No, no, Deepak, excluding that one-off, I am just saying, if you can split the CDMO also, how has the CDMO business done?
- Deepak Jain:** So, I am only able to give you right now, Shyam, the growth as a total business. The growth splits by CDMO and CRO, I am not at the position to say that right now.
- Shyam Srinivasan:** Got it. Helpful. And a second question is just on the guidance. I presume this is a constant currency guidance, right, sorry, if I am...3% to 5% decline now?
- Deepak Jain:** Yes, yes.
- Shyam Srinivasan:** Okay. So, still implies a pretty weak 4Q I would imagine. I do not know how do we use the rupee conversion there, but it still would mean a, my guess, my guess, sequential decline in Quarter 4, which is not typically how it pans out historically?
- Deepak Jain:** The rupee has been fairly volatile.

- Peter Bains:** Yes. Shyam, we will expect the single product impact to continue in Q4, and we will be looking to offset that with the growth that we are seeing in the rest of the business, which Deepak has characterized.
- Shyam Srinivasan:** Got it. And just lastly, again, maybe since we do not know the percentages exactly, when I just punched in the two-third, one-third for CRO, even CRO has shown weakness, like, flattish kind of growth YoY. So, I thought the narrative was CRO is improving, biotech funding improving, so, just some qualitative around what is happening to the discovery business?
- Deepak Jain:** So, the entire research services business that we spoke of, right, is growing year-on-year, right? So, I probably do not understand the modeling that you have. Maybe we should have a look at that. But the point remains is my research services is growing and doing well. Our investments in chemistry, biology, translation are putting us on a good steady growth.
- Shyam Srinivasan:** Okay. Thank you and all the best.
- Moderator:** We take our next question from the line of Alankar Garude from Kotak Institutional Equities. Please go ahead.
- Alankar Garude:** Hi, thank you for the opportunity and good afternoon, everyone. The first question, when we had our second quarter call in November, you had mentioned mid-single-digit top-line growth guidance and constant currency terms, and now you are talking about a 3% to 5% decline. So, just trying to understand, in the last few months, the funding environment has actually improved. So, what exactly has driven this sharp change in the guidance for FY26?
- Deepak Jain:** So, Alankar, as I said, there is not much of a change in the way we had our view to the business beyond that one single product. The base business and the underlying growth that we spoke about continues to remain robust. It is more than expected impact that we are getting from the one single large molecule product that is actually having an adverse impact into what we had guided and therefore, needing for us to make that change in guidance.
- Alankar Garude:** So, were we expecting, Deepak, any sales from this molecule in the second half, which were not there in 3Q and will not come in fourth quarter?
- Deepak Jain:** We were expecting a certain quantum of volumes to come into us from the product, but it has been slower than what we expected.
- Alankar Garude:** Got it. And just one clarification on that. When Peter was answering the earlier question regarding this product, I think we missed out a few things. So, can you please help repeat that? I think Peter said, expect impact to continue in the coming quarters. Did I hear that correctly?
- Peter Bains:** Yes, you heard that correctly. I mean, and we have now captured that in the year-end guidance, we do expect the impact of this single product to play out in the coming quarters.

**Alankar Garude:** Okay. Got it. The second question is, can you comment on both the two underutilized facilities in terms of what kind of traction you are seeing, what kind of discussions you are having, both Mangalore as well as Unit-3? And also for the US facility, is it on track to operationalize in the fourth quarter?

**Peter Bains:** Yes, Alankar, I will take that one. So, in Mangalore, the small molecules facility, we are seeing capacity utilization increase and translate into growth this quarter. Our pipeline is building, and the ongoing products can progress there. And if they progress, they can scale as well. So, we are encouraged by the steps that we have taken translating into this improvement in capacity utilization and growth. And obviously, a management focus here will be to strengthen that, and we are working hard to build that pipeline and accelerate utilization. In the Mangalore large molecules, again, we are seeing growth. Capacity utilization is improving, and again, we are looking to strengthen and accelerate that. We have installed as part of our CAPEX programs a sterile fill finish line there. That strengthens our service offering that we now move from drug substance into drug product, and that will enhance our offering there. So, looking to build on the early traction that we are seeing and accelerate that. With regard to Bayview, as I said in my opening remarks, the qualification of equipment and the facility is now complete. We are finishing with the team in order to prepare to begin operations in that in the coming quarter or so. So, clear focus on strengthening the growth that we are seeing by building the pipeline and advancing the assets that we have in play now.

**Alankar Garude:** A slightly hypothetical question. Given that you mentioned about this impact continuing in the key product for the next few quarters, our original Bangalore biologics facility also would be relatively underutilized. So, when it comes to having discussions regarding both Unit-3 as well as the original Bangalore facility, I mean, is there any preference which you have or clients have when it comes to starting new projects among either of these two facilities?

**Peter Bains:** So, I think my answer to that question would be that, a part of the reason in acquiring the US facility was to give us this flexibility. We wanted to put a foothold in the United States as a strategic market opportunity and retain our position here in Bangalore. And this gives us flexibility to talk to our customers about the versatility that might suit what they want to do. So, we will definitely look to leverage that flexibility and versatility going forward.

**Alankar Garude:** Okay, sir. That is it from my side. Thank you.

**Moderator:** Next question is from the line of Chirag Dagli from DSP Mutual Fund. Please go ahead.

**Chirag Dagli:** Thank you for the opportunity. In this single product, where are we in FY26 on a run rate basis versus a more normalized number? You did indicate at the time of signing of this contract that this was a cumulative \$500 million 10-year contract. I am just assuming \$50 million was a more normalized run rate for this one. In FY26, where are we versus that normalized run rate for that product?

**Deepak Jain:** So, Chirag, thanks for the question. If you look at what we have spoken about this product, when we contracted on this product, it was a 10-year program with the potential to get to \$500 million. We also did call out that in the first few years, we were able to deliver better off than a typical average. And that was driven largely by the fact that it is a new product, it will need to go into the market, the pipelines and distribution will need to be filled up, etc., Now, once that happened, from the beginning of the year, we have been speaking about the fact that we are seeing now an inventory correction. But, more importantly, if you look at the public announcements on the product, it is also talking about a product issue as well. And therefore, we do not know how it is panning out. I would not want to comment beyond whatever is there in the public domain. They are a listed company. They will come out with their own views to it. But beyond that, the way we look at it is we are seeing headwinds coming in for our supply of the product to them. And right now, we see that continuing for a few more quarters.

**Chirag Dagli:** Has our wallet share in that product remain stable for that product for the client?

**Peter Bains:** I mean, it is not our position to comment on our collaborating partner here, obviously, we are talking to them. Let me be a little bit clearer. The product is Librela and our partner is Zoetis. What I would do is point you in the direction of their website for information on what they are doing.

**Chirag Dagli:** Understood. And just on the follow-on product or incremental products on that partnership, any color around that?

**Peter Bains:** I mean, we have an open dialogue and an ongoing dialogue with our collaborator there and are exploring other opportunities and we will update on that as we make progress and mature any discussions.

**Chirag Dagli:** Understood. And just a bit on the environment for our services business. I understand this is a lot dependent on the funding environment. Just how are you seeing that environment as we get into this calendar year?

**Peter Bains:** Sure. I think, and we touched on this in the last quarter, that there were some signs that the venture capital funding into biotech, which has had a pretty long winter, was beginning to thaw. I think what we see is that trend continuing and I think there are some signals that that is accelerating a little bit and that is obviously an encouraging sign and the Syngene has a strong exposure to biotech companies and that would be welcome if that continues and that will feed into the biotechnology companies and provide further opportunities for Syngene to collaborate to support. So, I think we are of course watching this, at present I think we see an improving trend in that regard.

**Chirag Dagli:** Understood. Thank you.

**Moderator:** We will take our next question from the line of Neha. Please go ahead.

**Neha:** Yes, thanks for taking my question. If I were to strip out this special product, how should I think about growth for fiscal '27 for the rest of the business, should we assume the high-single digit, low-double digit growth that you mentioned, constant currency accelerating to more like mid-teens, high-teens, would that be a fair assumption?

**Deepak Jain:** Neha, we typically guide towards only the year and we can right now restrict the comments only for this year. Somewhere around in April-May time horizon is when we come and give a guidance for the coming year and that is the time we will speak more detail around the guidance for the coming year. It would not be right for me to right now give any commentary or color on the guidance for FY27.

**Neha:** Is there any color that we can give on probably trends improving in the rest of the business to give confidence on '27 growth if not a formal guidance? I understand that you would probably prefer to give that after fourth quarter either what we are seeing probably in CRO or the CDMO business to give us confidence that things could improve going into FY27 for the rest of the business?

**Peter Bains:** Sure, Neha, let me take that one. So, as I think, both Deepak and we have commented in the earlier questions, notwithstanding this single product impact, we are seeing growth across the wide range of the Syngene model. So, we are seeing growth in the manufacturing business, small molecules and large molecules, and we are seeing growth in the research services, spanning chemistry, biology and biotherapeutics, and translation and clinical sciences. Deepak has given an indication of what that underlying growth looks like at high single, low double digits. And, of course, that is the focus now is to accelerate that growth across all fronts and pick up on these encouraging signs of growth that we have and accelerate that and then we will be giving formal guidance for '27 in our fourth quarter results. But we are very focused on looking to build on and accelerate the growth that we are seeing across the diverse service platforms that we have. It is really a strength of Syngene that we have this diverse platform, and, of course, we now have to push on that to compensate for the headwinds that we are facing with this large single product issue.

**Deepak Jain:** Neha, if I may add, we continue to invest in the business, right, we continue to invest in CAPEX, we have spoken about in the previous quarters as well and we continue to speak about in this quarter as well, right, as we enhance our capabilities and capacities, as and when the modalities and technology change, we continue to upgrade ourselves. So, we continue to invest in the business. We continue to have a strong balance sheet and the underlying business growth continues to remain strong.

**Neha:** Thanks for that. Given the lumpiness of this asset and you invested in the Bangalore facility and now in the U.S. facility, do we see anything in the pipeline that we have, with our customers in terms of other large products that could probably reduce our dependence on this one product when it comes to revenue growth, just reduce the dependence on the volatility related to this product, do you have any visibility on that coming through, let us say, in the next 12 months or 18 months?

**Peter Bains:** Yes. That is very clearly a focus, and our goal is to build the pipeline, translate that into capacity utilization across all our facilities, and Bangalore and Bayview are clearly two of those facilities. And what we are seeing is some early and encouraging signs both in business coming in, providing the basis of the growth that we have described, and we are working on strengthening those pipelines so that we can accelerate that. That is very clearly a focus.

**Moderator:** We will take our next question from the line of Manoj Bahety from Carmelian Asset Management. Please go ahead.

**Manoj Bahety:** Hi, good afternoon. Thanks for taking my question. So, I have a couple of questions like, first one is especially on the CDMO, the way we have expanded the capacity and done the capital allocation. So, just wanted to understand what is the plan for capacity ramp up -- is there an urgency in terms of getting the capacity utilization also in place, because when I compare peers who are in CDMO, who have done the capacity addition, especially the way the opportunity is coming to India, we are seeing, like, significantly faster and much bigger numbers in terms of expectation of capacity utilization. I am not interested in exact numbers, but in terms of the direction of the growth going forward, looking at the kind of capacity in India, as well as in the US, where we have put it, like, next two, three years, are we seeing some meaningful upside or market-leading growth on account of the capacity which we have put in?

**Peter Bains:** So, Manoj, the answer is yes. I mean, that is very clearly a key priority. Has the performance in Mangalore met the expectations as we discussed? Not yet, but that is what we are working on. And as I said in my opening comments, we are seeing some traction, we are seeing capacity utilization increase. That is very encouraging. Of course, we need to accelerate that, and that is what we are working on, and we are looking to strengthen the pipeline and the delivery and accelerate that utilization. And the same holds true for the Bangalore facility, large molecules. And again, we are seeing now some early pickup in traction and utilization and growth, and we are going to build on that. And, obviously, in Bayview, we are completing, the formalities to get that facility licensed and cleared. We have built the management team, and we are ongoing many dialogues to look at starting to fill that facility up. You will have also seen that we have appointed a new Head of Manufacturing, Dr. Rohtash Kumar, who comes with an awful lot of experience both in large molecules and small molecules in Europe, in the United States, and he is relocated here in Bangalore to lead and drive that in the next chapter of our CDMO platforms. So, we are very focused on it. We have got early and encouraging signs, and we are strengthening the focus on accelerating that.

**Manoj Bahety:** Thanks for that response, Peter. But still, where you mentioned that even if I take out this one of the large products, you mentioned that there is a high single-digit growth across the business, which we believe that the larger portion of the growth may be contributed by CRO. And still, CMO, excluding this single large product, still the growth visibility is not there, and as investors, we are not getting any direction in terms of the direction and magnitude of the growth also going forward. So, help us getting at least some color on the direction and magnitude of the group going forward, that will be really helpful?

**Peter Bains:** Sure. I mean, I understand the question, Manoj, I understand, your expression of frustration. At this point, we cannot give any quantitative guidance on that. When we come to the full year, we will have a clearer picture. I can only emphasize that we believe these facilities will have high potential, the capacities are there, the capabilities and technologies are good, under new leadership and with the amplified focus, plus, I think, very clearly some of the early and encouraging signs that we are seeing that I have discussed, we are looking to accelerate that quite clearly to fill the capacities which have substantial potential to drive revenue going forward.

**Manoj Bahety:** Got it. Now, my second question is on the CRO side, like looking at the improving environment on the biotech funding, we were expecting that CRO will also start coming back to faster pace of the growth, but looking at your overall number, that thing is still not visible. Is there something which is still preventing at a macro level the faster pace of growth or we as an organization are growing slower vis-à-vis our peers, how do you read this?

**Peter Bains:** So, I think the macro environment is broadly favorable. I mean, I think we have spoken about encouraging signs of return on venture capital into biotech, the mid and long-term, the trends are continued outsourcing by big pharma of discovery services. And I think, Syngene's platform is well placed to capitalize on that and investments that we have made in chemistry that I spoke about, we are looking to build out in biology, not just in discovery biology, but leverage, what we think is, platform capabilities and differentiated platform capabilities in India on biotherapeutics. And, certainly in translational sciences and in clinical trials, we are seeing again in both of those areas, those encouraging early signs. And, one of those we touched on last quarter was the award of our first global clinical trial recruiting here in India and in the United States. And that continues to make progress, but there are timelines here. So, in this quarter, we have received the expert committee approvals to go forward, and we will be now looking at site selection and patient recruitment. But these things do have a timeline before they can really accelerate. Again, our focus will be on leveraging the diverse capabilities that we have in chemistry, and we spoke about those investments in biology, and in translational clinical sciences and look to accelerate the growth that we have, which, Deepak has advised underlying, is in that high single digit, low double digit, and of course, that is for us to build that, and accelerate that further.

**Manoj Bahety:** Got it. And one last question I do have. So, what is the internal plan to mitigate the risk on this single large molecule, like you highlighted that earlier, it was inventory correction, which the customer was taking on, also, there are some product-specific issues, so, internally, how we are preparing ourselves to mitigate the impact of this going forward? And secondly, how long the impact will be there on Syngene of the single large molecule -- can we expect that by the fourth quarter it will be over or do you believe that it will continue for the next few quarters?

**Peter Bains:** So, as I think we covered in some earlier questions in terms of how long do we see this impact lasting. We see this playing out over the next few quarters. It is clearly going to play into Q4 and it will play in, I think, into a couple of quarters in '27 before it plays out. Now, how long and where it goes? That is not for us to comment on, as I said. I mean, this is a product from a key collaborator of ours,

Zoetis, and again, I would encourage you to look at their website, and take guidance from them on how they see this product moving forward. In terms of -

**Manoj Bahety:** My question was how Syngene is planning to mitigate the impact of this?

**Peter Bains:** Sure, I am coming to that, Manoj. So, on the second question, in terms of mitigation, I mean, it is very clear that what Syngene is looking to do is to build a wide and diversified business across the platforms, and build more large relationships. I mean, I think this product was launched, it had very high success at launch, and of course, it has run into the headwinds that it has run into and that impact has significantly affected our numbers, as you can see, and reflects that exposure to a single large business. We are working to diversify our business, both across our platforms and in terms of building more large relationships, so that exposure to these types of single product events would be minimized and, that is another focus of how we are looking to build our business going forward.

**Manoj Bahety:** Thanks for taking my questions.

**Moderator:** We will take our next question from the line of Pankaj Murarka from Renaissance Investment Managers. Please go ahead.

**Pankaj Murarka:** Yes. Hi. Good afternoon, gentlemen. Peter, you answered some of my questions, but I still want to get your take on, I presume it has been about six or seven months since you have been back into the saddle. So, did some of the existing state of affairs or state at which the business was, when you assume charge, did it surprise you? Point number one. Point number two, while you outlined the initiatives you have taken and you continue to make strategic investments, keeping the long-term interest in the business, and since you are not guiding for next year, and as shareholders, we want to take a slightly more medium term or longer term view on the business, can you qualitatively comment, when do you think the business will get back to growth trajectory on the aggregate basis, because while I understand that some part of the business is growing, but still as shareholders, we are not buying parts of the business? And I am still not able to understand, Deepak, your comment that when you are saying the rest of the business is growing at high single digit, how do you call it a strong growth, I am still not able to connect that qualitative comment to the underlying growth in the business? So I would appreciate since you are not quantifying or giving guidance, if you could clarify on some of these qualitative comments on the questions I am asking?

**Peter Bains:** Sure, Pankaj, thank you. So let me address the first part of your question about how I am seeing the business having come back into it. I think the first thing to say is the extent of the single product headwind has been a one-off and was not expected at the time of launch, the launch was successful. So this has happened, and we obviously have to deal with it. And how we are dealing with it is obviously looking to accelerate the growth in the rest of the business, which I have sort of characterized in the near-term. Now, looking at a midterm perspective that you have drawn on, I think, prospects are very good. I think the market is looking as if, very clear market opportunities, we see the trend in outsourcing of R&D continuing, and that provides the sort of basic framework

for us as a contract service provider in R&D, and we also see the trends in manufacturing outsourcing continue. Of course, geopolitics is shifting some of the balances there, particularly in the United States and in large molecules, the strategic acquisition of the Bayview site will play into that opportunity. Syngene's capabilities, I think, remain fundamentally very, very strong, I mean, I think our research services, and our capability offerings and our differentiated service propositions in chemistry are very strong, and in biology are very strong, and now including biotherapeutics, where I think we are highly differentiated in the Indian context. And in translational clinical sciences, I think this is a rising tide in India, with a very large patient population pool. And I think it is tremendous opportunity for Syngene to strengthen its position in translational sciences and to strengthen its position in clinical trials. And we are seeing the early signs of very positive traction there. So we have got to get over the issue that we are dealing with this single product. As I said, I think that will play out in the next few quarters. The underlying business is sound and the growth rates as Deepak has described, and obviously we want to accelerate those and get them higher. And that is what we are looking to build, and we will give guidance on '27 at the end of this fiscal year and give some range there. But I am optimistic, I think that Syngene is well placed, needs to get over this single product issue that is dragging us down, and we need to accelerate on the other elements of what is a very, strong and diverse platform, Syngene is a longstanding company, it is built some of the most remarkable relationships in the industry, we have touched on one in this call, the Bristol Myers relationship, and we will look to be building more diverse businesses and across the board, we will, of course, be looking to build bigger and longer-term relationships so that our business is more robust against single point exposures, which we are facing today.

**Moderator:** Pankaj, does that answer your question?

**Pankaj Murarka:** Thank you. Yes, it does.

**Moderator:** We will take our last question from the line of Kunal Randeria from Axis Capital. Please go ahead.

**Kunal Randeria:** Hi, good afternoon. Thanks for the opportunity. Sir, your customer of this one last product has got approvals for a new molecule in various geographies in the last few months. So do you expect to partner them in supplying this product, because it is for the same indication, for the same, and not for the injection and so on, so would you be partnering them?

**Peter Bains:** So Kunal, we are working with our collaborating partner on that. Let me update you at the full year position that we have a very good channel of dialogue with our collaboration partner, exploring a number of opportunities and we will update you as and when they mature.

**Kunal Randeria:** I understand. But in case, let us say these deals do fructify, then do you think this can compensate for the loss of the current product?

**Peter Bains:** I think that is very hard to say, and directionally, Pankaj, this product, Deepak described the high level contours of expectation there of this product over 10-years, 50-million per year, and obviously,

the early launch success, push those numbers higher, which has meant that, in addressing the challenges there, obviously, the gap that we are faced with is high, and that is the single biggest issue that we are dealing. I cannot comment as to say whether anything else is going to make that all up in one-go. But we are very, very focused, as I described on doubling down, strengthening and accelerating, encouraging early signs that we are seeing in small molecules, large molecules and across our discovery services to build that more diverse and broader business mix so that we have a very, very strong position. So, that is where we are.

**Kunal Randeria:**

Sure. Thank you and all the best.

**Moderator:**

Ladies and gentlemen, as that was the last question for today, you can get in touch with Syngene team for any further questions. On behalf of Syngene International that concludes this conference. Thank you for joining us and you may now disconnect your lines.