Syngene

Ref: Syn/Acts/CS/SE/IP/May/01

Syngene International Limited
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CIN: L85110KA1993PLC014937

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May 2, 2017

To, The Manager Listing BSE Limited Corporate Relationship Department Dalal Street, Mumbai – 400 001	To, The Manager Listing National Stock Exchange of India Limited Corporate Communication Department Bandra (EAST), Mumbai – 400 051
Scrip Code: 539268	**Scrip Symbol: SYNGENE**

Dear Sir/Madam,

Subject: Investor Presentation under regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

This has reference to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find attached the Investor Presentation for the quarter and year ended March 31, 2017. The company will use this presentation for any meeting scheduled with analysts or institutional investors up to June 30, 2017.

The above mentioned Investor Presentation will also be available on website of the Company www.syngeneintl.com.

Request you to take the same on record.

Yours faithfully,

For **SYNGENE INTERNATIONAL LIMITED**

MAYANK VERMA
Digitally signed by MAYANK VERMA
Date: 2017.05.02 16:09:14 +05'30'

Mayank Verma
Company Secretary
E: Mayank.verma@syngeneintl.com
T: + 91 80 6775 8781

Syngene

Putting Science to Work

Investor Presentation

March 2017

Safe Harbour

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.

Introduction

Introduction

The Biocon Group

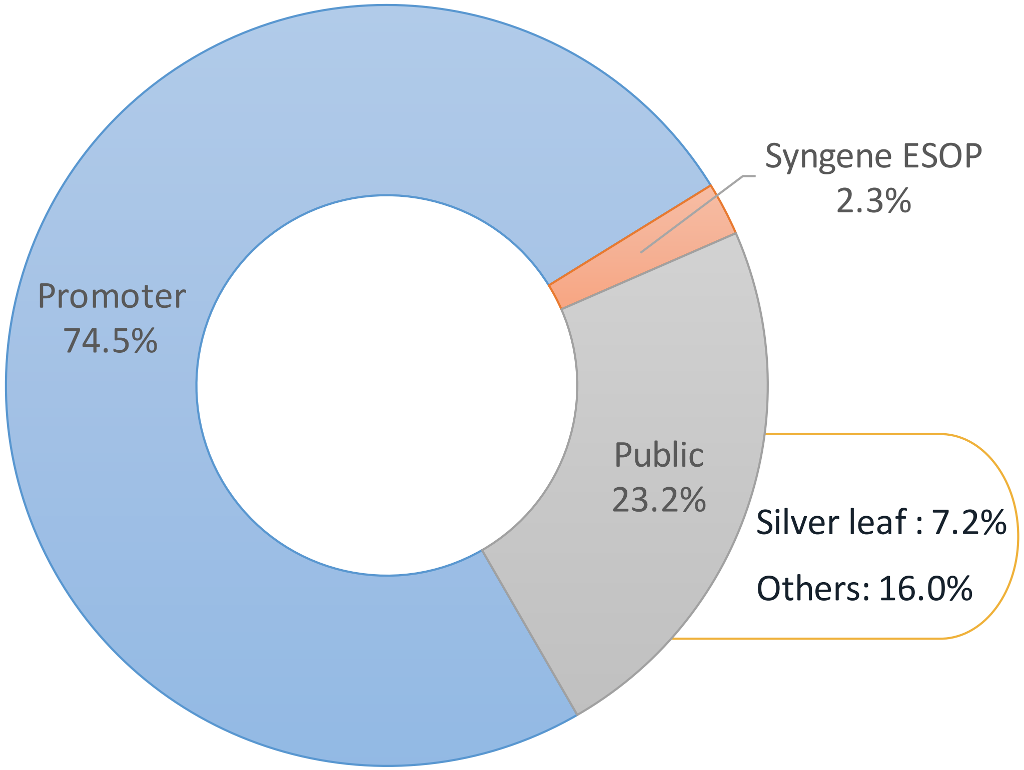
Syngene

- Services Based
- Contract Discovery
- Contract Development
- Contract Manufacturing

Biocon

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

Syngene's Shareholding Pattern[1]



As of 31st March 2017, percentages based on actuals, rounded off to nearest 1 place of decimal

Syngene

Overview

- Established in 1994 as India's first Contract Research Organization – 22+ years of unparalleled experience in novel molecule discovery & development services
- Integrated Service Platform for small & large molecules including Antibody-drug conjugates and oligonucleotides backed by best-in-class bioinformatics services
- World class Infrastructure audited successfully by US FDA, EMA, AAALAC and major life sciences partners

Recent Business Highlights

- Sustained business momentum in all three business verticals.
- Signed a strategic partnership with Herbalife Nutrition to set up its first dedicated nutrition research and development centre in India at Syngene's campus.
- Signed a strategic collaboration with Amgen Inc for setting up a dedicated R&D center that will have Syngene scientists working closely with Amgen's global scientific teams on cutting edge small and large molecule research.
- Acquired the bioinformatics assets of Strand Life Sciences along with a team of expert data scientists which strengthens our data analytics capabilities.

All figures in INR Mn unless otherwise specified

P&L Summary	Q4 FY17	Q4 FY16	YoY Change
Revenue	3,152	3,344	*(6%)*
EBITDA	1,243	1,203	*3%*
EBITDA Margin	*39%*	*36%*	
PAT	784	790	*(1%)*
PAT Margin	*25%*	*24%*	

P&L Summary	FY17	FY16	YoY Change
Revenue	12,716	11,133	*14%*
EBITDA	4,783	3,867	*24%*
EBITDA Margin	*38%*	*35%*	
PAT	2,873	2,408	*19%*
PAT Margin	*23%*	*22%*	

Syngene

Journey Over the Years

2002		2017*
20,000 sq. ft facility	**Infrastructure**	1.3 million sq. ft facility
100+	**People**	~3,500
- Chemistry - Preliminary biology	**Capabilities**	- End-to-End discovery, development and manufacturing capabilities
$5 million	**Investment**	$225 million

* For the year ended March 31, 2017

Syngene Who We Are Today: A Global High Growth CRO Company

One of the leading India-based CROs

Integrated discovery and development platform

Focus on novel molecular entities

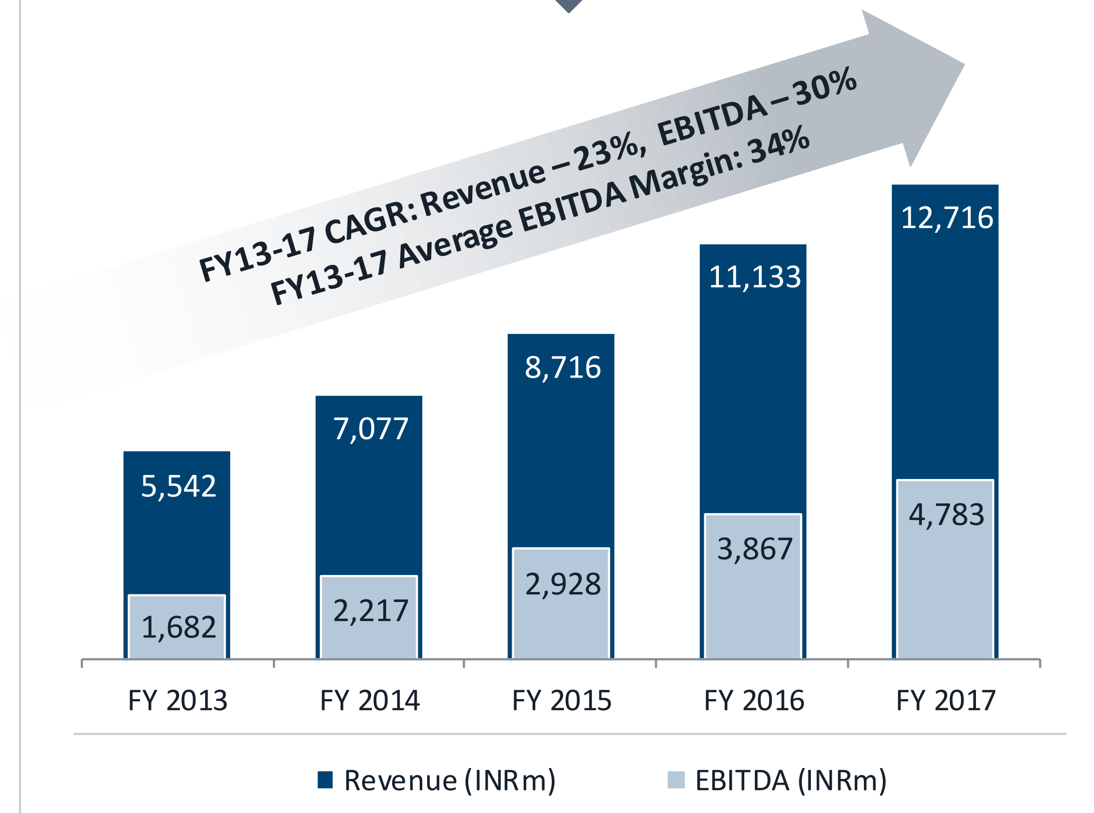
293[1] clients across multiple sectors

96%[1] of revenues from outside India

3,053[1] qualified scientists

World-class R&D and manufacturing infrastructure spread over 1.3[1] Million sq. ft facility.

Strong Growth and Profitability



(1) For the year ended March 31, 2017

Who we are and what we do

- Combining world class research talent and infrastructure with the Indian cost advantage
- Converting R&D to a variable cost for clients
- Moving beyond cost arbitrage to R&D productivity and innovation

Key Differentiators of Growth

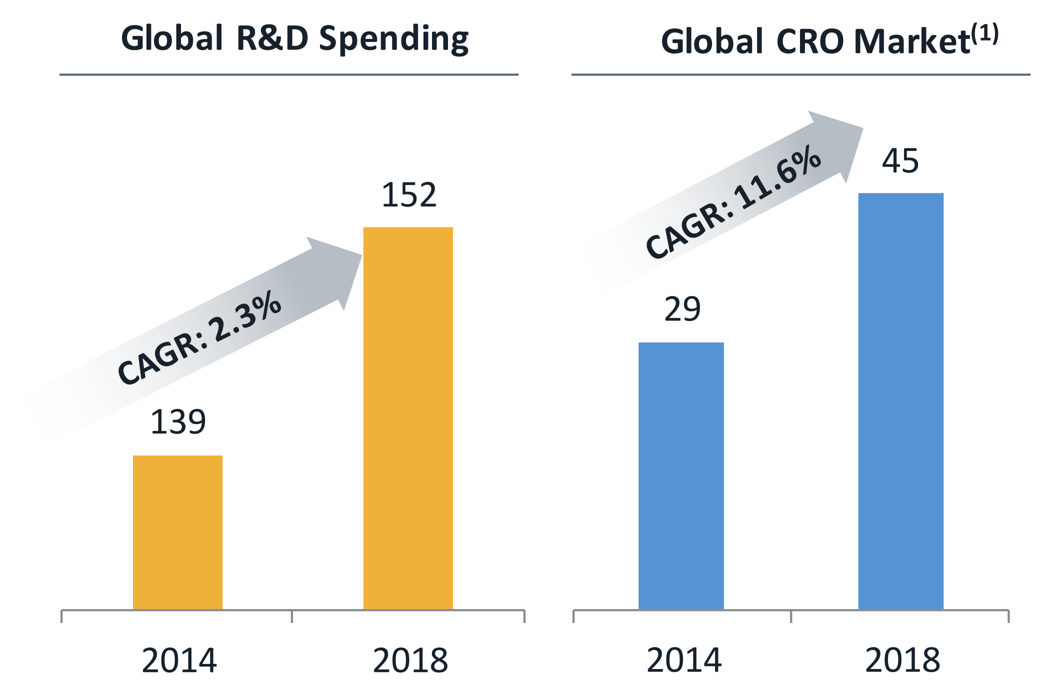
- Scalable
- Predictable
- De-risked
- Profitable

Our Industry

Global Pharma R&D Trends

- **Large and growing addressable market**
  - Global R&D expenditure expected to increase from $139bn in 2014 to $152bn in 2018 (CAGR of 2.3%)
  - 75% of R&D spend can be potentially outsourced
- **Increasing per unit R&D cost for pharma**
  - 8x increase in cost per Novel Molecular Entity from $140m in the mid-1970s to $1,200m early-2000s
- **Increasing outsourcing penetration driven by:**
  - Focus on core competencies
  - Emergence of "virtual" companies
  - Shift from fixed to variable cost models

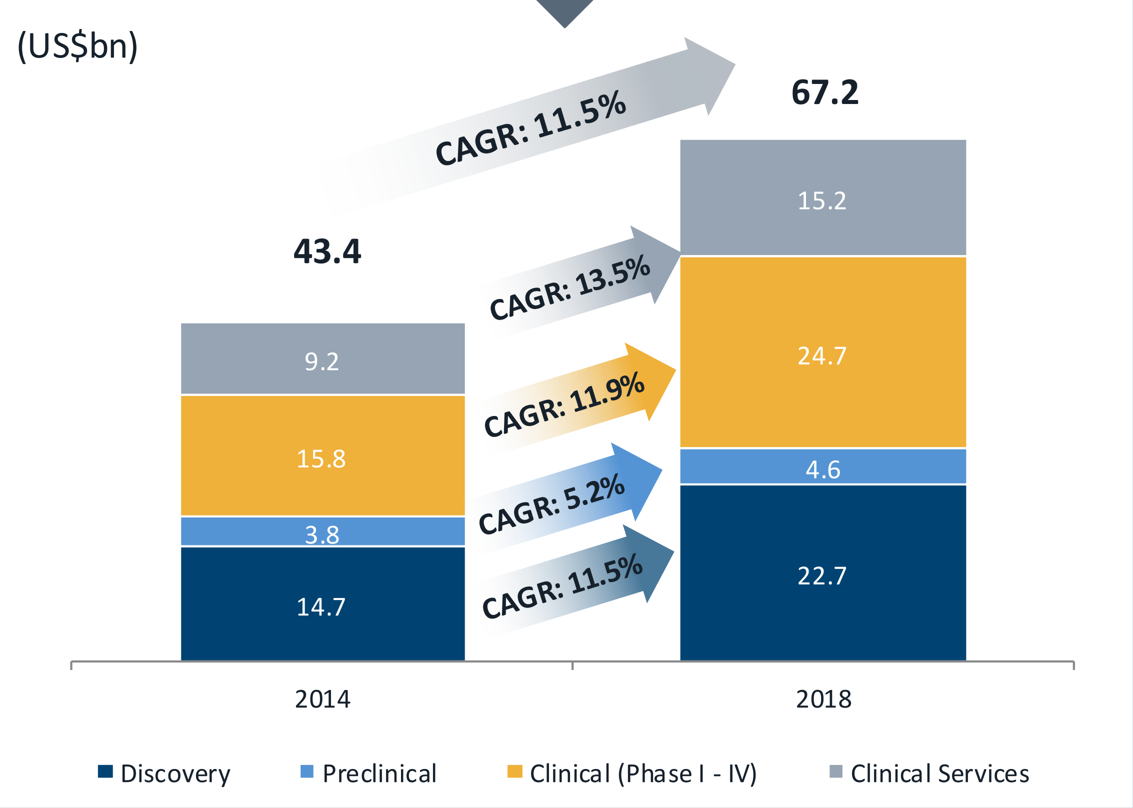
Industry Statistics



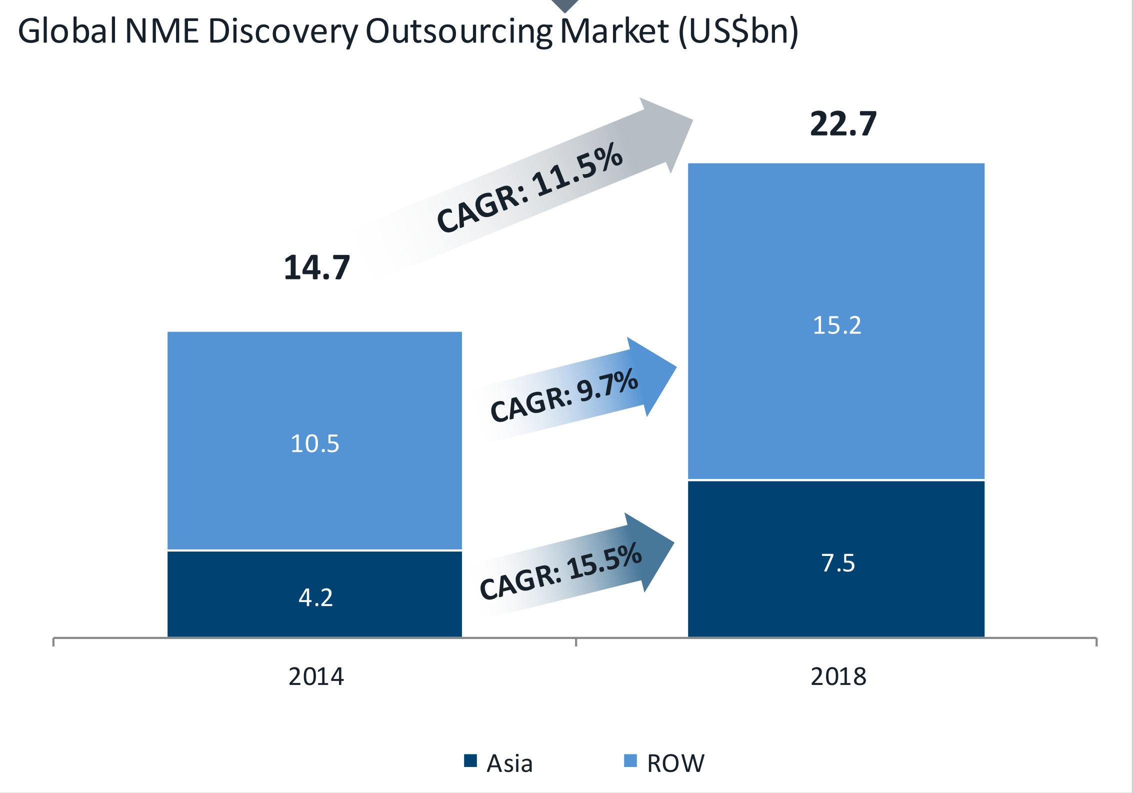
Source: Frost & Sullivan, IQ4I, Frost & Sullivan, (1) CRO Market refers to global preclinical and development services market and excludes discovery services

Global CRO Market: Over US$43bn and Growing

Outsourcing Market by Stage of DD Continuum



Significant Growth in APAC

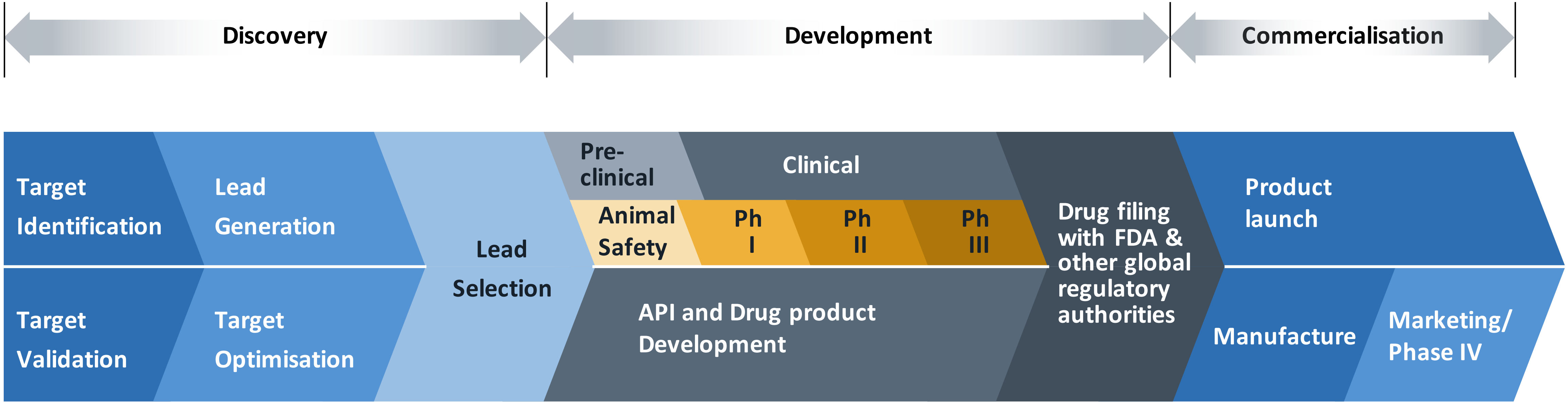


Source: Frost & Sullivan, IQ4I

Source: IQ4I

Business Overview

The Drug Discovery Continuum



Syngene offers an Integrated Service Platform for both small and large molecules

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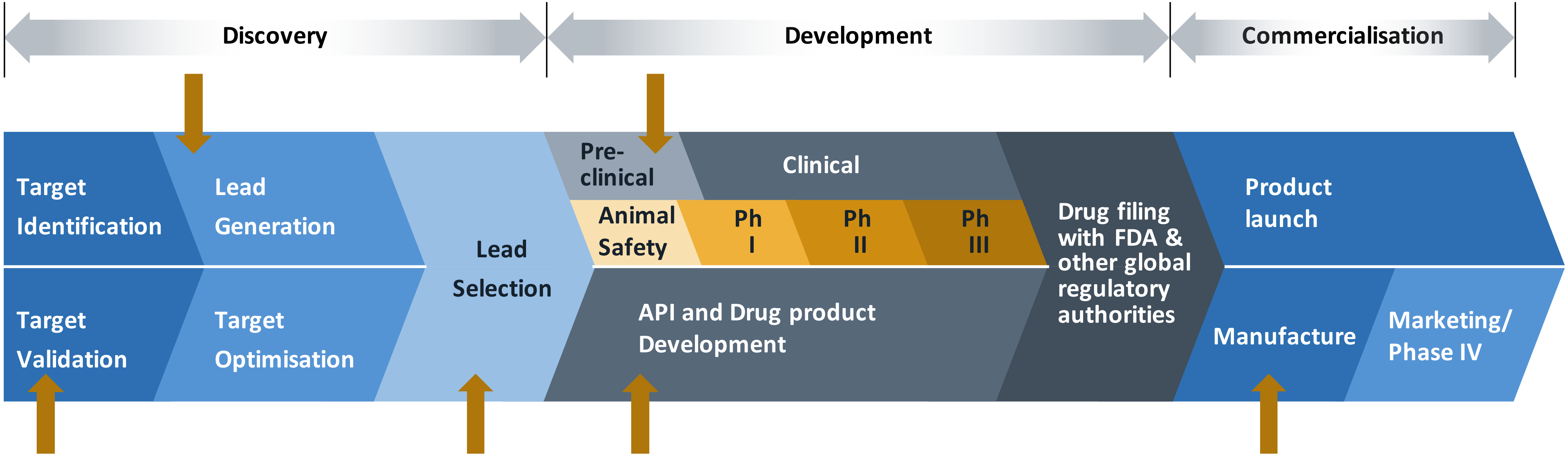
Fully Integrated Services Platform…

	Discovery	Development	Manufacturing
Small Molecules	Chemistry Biology Integrated drug discovery	Drug Substance Development Drug Product Development Integrated Drug Substance – Drug Product Clinical Services (India)	Clinical Supplies Specialty Molecules Commercial Supplies
Large Molecules	Therapeutic Antibody Discovery & Engineering; Cell Line Development	Allied Services Bioprocess Development Process Characterisation Clinical Manufacturing (Microbial & Mammalian)	
Bioinformatics	Next generation sequencing data analysis, data interpretation and reporting		

Wide Spectrum of Services Across a Range of Molecules Including Antibody-Drug Conjugates and Oligonucleotides

Syngene

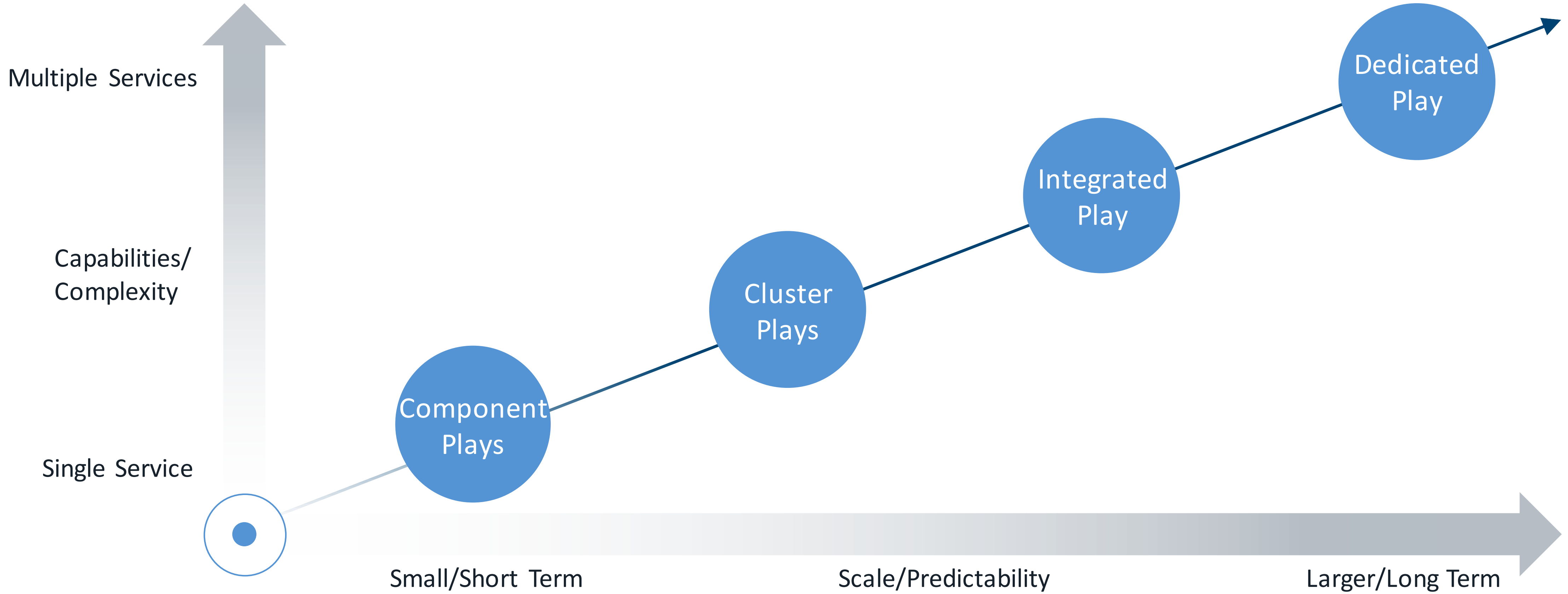
...With Multiple Entry Points



Entry points create opportunity for customer engagement expansion

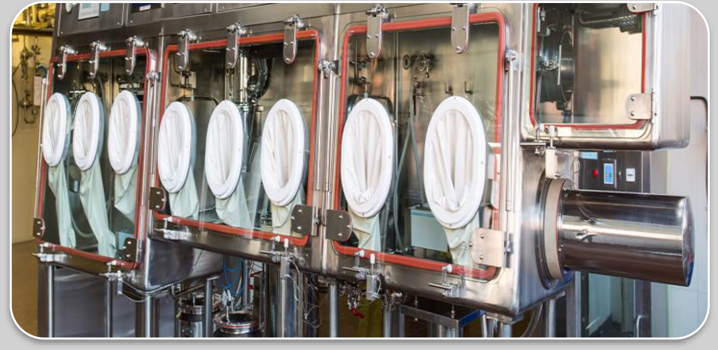
Integrated Platform to Build Strategic Relationships

Customer Focus	Cost Arbitrage	R&D Productivity	Innovation



Syngene

Verticals Overview



Dedicated centers

- Integrated Services
- Dedicated Infrastructure customized for client's requirements
- Long term, FTE based contracts
- Currently 5 in place: BBRC, ANRD, BGRC SARC and Herbalife Nutrition Research Centre

Discovery Services

- Discovery Chemistry, Discovery Biology and in-vivo services
- Multi-client infrastructure
- Largely FTE based engagements, typically renewed annually
- High renewal rates

Development & Manufacturing Services

- Preclinical studies, Stability, formulation, CMC and Clinical supplies, Clinical development etc.
- Largely FFS based services (both short and long term)
- High renewal rates in Manufacturing services

Syngene Dedicated Centres: Long term relationships

Bristol-Myers Squibb

Largest R&D Centre in Asia for BMS (2009). Contract extended till 2020.

Dedicated centre of research excellence with world class facilities.

Over 400 scientists supporting Novel Molecule research in small and large molecules.

Produced nine drug candidates for further study and advanced new compounds for first-in-human studies.

Baxter

Dedicated research centre in India for Baxter (2013).

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

Engages a multidisciplinary team of ~150 scientists.

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

Abbott Nutrition

Abbott Nutrition's 1st R&D centre in India set up in collaboration with Syngene (2012). Contract extended till December 2017.

Dedicated research centre supporting development of affordable, nutrition products.

~30 multi-disciplinary scientists engaged in product development lifecycle.

Focus on maternal, pediatric, neo-natal nutrition and diabetes care in line with emerging market needs.

AMGEN

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.

Engages a multidisciplinary team of ~ 100 scientists.

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

HERBALIFE Independent Distributor

Herbalife first Nutrition Research and Development Lab India at Syngene's Campus (2016).

Dedicated centre spans at 3,000 Sq.ft. and 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.

Discovery Services: From Target to a Drug Candidate

Hit to Lead → **Lead Optimization** → **Candidate Selection** → **Development**

Candidate Selection

Exploratory PK, Tox & Developability Assessment

Candidate Development

5 Lead Compounds

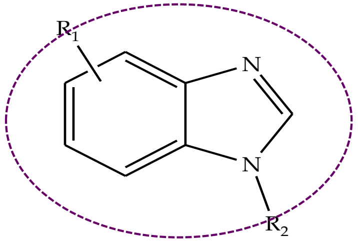
In-Vivo DMPK Profiling, CADD

20 Lead Compounds

Generation of focused library and further screening

500 Lead Compounds

Assay development and in-vitro screening for ADME/T profiling



20 Scaffold Synthesis & Diverse Library of 5,000 compounds for each scaffolds

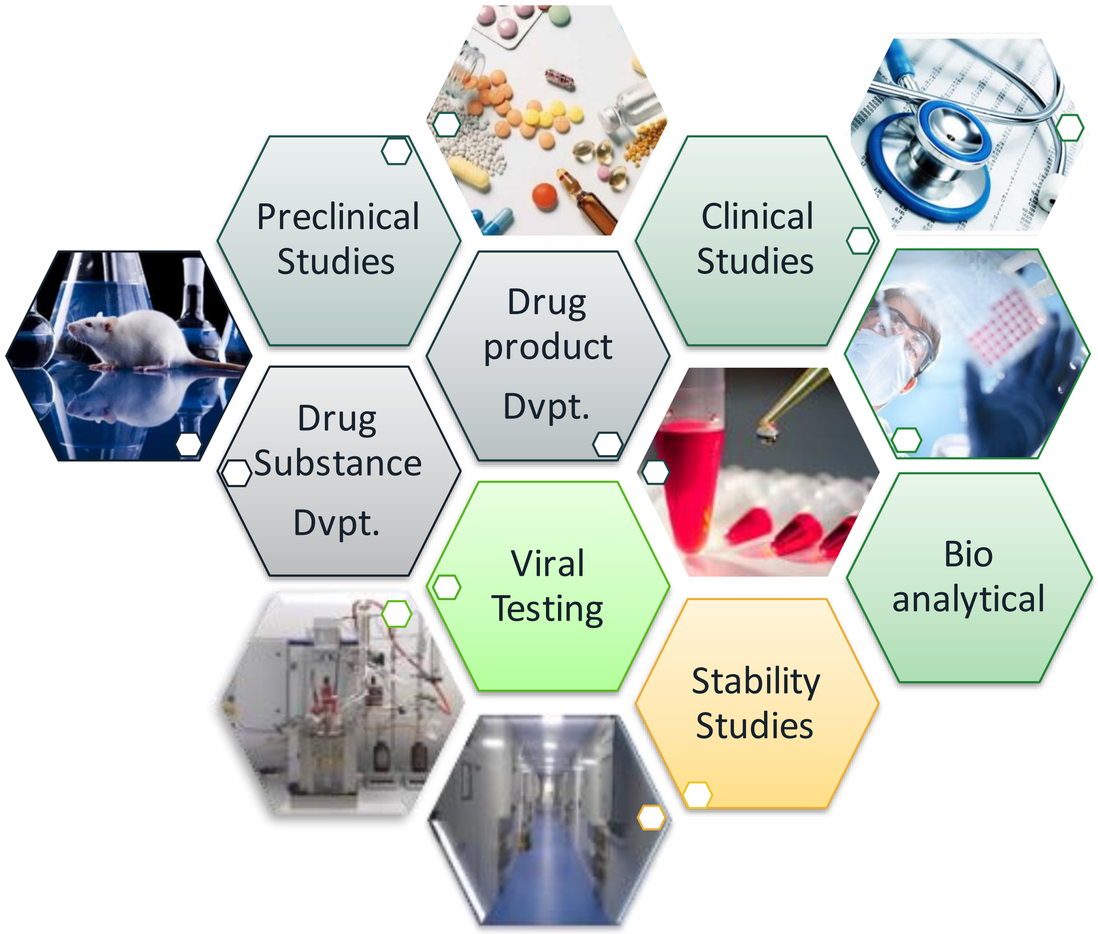
Interdisciplinary activities: Integrated approach

Comprise of Chemistry, Biology ,Toxicology and Bioinformatics services for both small and large molecules.

Client deliverables can be a compound(s), process(es) or a report

Primarily FTE engagements with high renewability

Development Services



- *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 optimization)*
  - *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*

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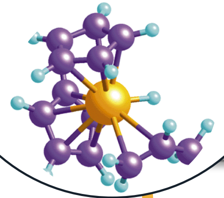
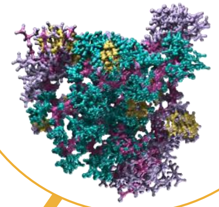
Manufacturing Services

Small Molecules



- A State-of-the-art cGMP facility to Manufacture NCEs
- Designed to support multi gram to 100s of kgs/ batch of Intermediates, & APIs for Clinical Trials; Current capacity can support initial commercial supplies
- New greenfield investment being made in Mangalore to support larger commercial scale requirements

Large Molecules

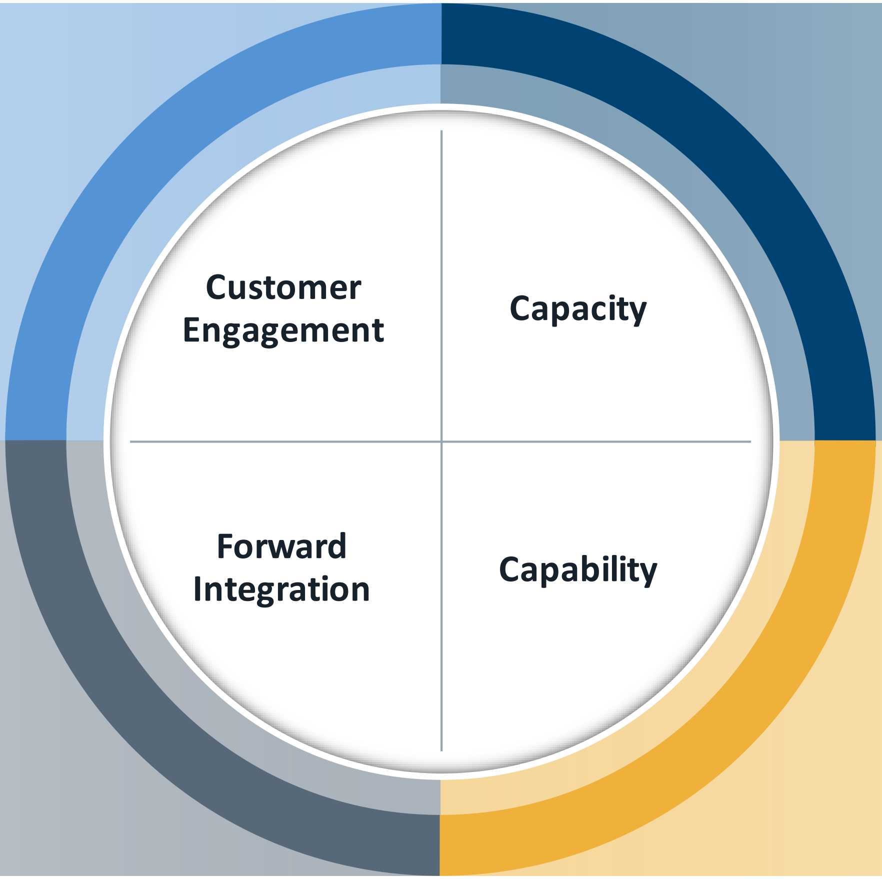


- Mammalian and microbial capabilities
- Can support early stage supply requirements (toxicology, preclinical, phase 1 & II a)
- Capacities being expanded at Bangalore to support large volumes for late stage clinical requirements

Multiple Layers of Growth

Expand/Extend existing clients
- High service integration
- Dedicated centres model

Engage New Clients
- Tailored service offerings and dedicated personnel



Capacity Expansion
- Consistent expansion
- FTE services, manufacturing, formulation, biologics, stability

Moving from CRO to CRAMS with commercial manufacturing
- "Follow the molecule" by expanding into commercialisation

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

Investment of upto $200 Mn in expansion of our facilities over FY16 to FY19

Financial Highlights

Syngene

Q4 FY17 Financial Highlights

All figures in INR Mn unless otherwise specified

Particulars	Q4 FY17	Q4 FY16	YoY Change
Revenue	3,152	3,344	*(6%)*
Material & Power costs	883	1,001	*(12%)*
Employee costs	779	743	*5%*
Gross Margin	**1,490**	**1,600**	***(7%)***
Gross Margin (%)	*47%*	*48%*	
Other Expenses	247	397	*(38%)*
EBITDA	**1,243**	**1,203**	***3%***
EBITDA Margin (%)	*39%*	*36%*	
Depreciation, Interest & tax	459	413	*11%*
Profit After Tax	**784**	**790**	***(1%)***
PAT Margin (%)	*25%*	*24%*	

FY17 Financial Highlights

All figures in INR Mn unless otherwise specified

Particulars	FY17	FY16	YoY Change
Revenue	12,716	11,133	*14%*
Material & Power costs	3,522	3,412	*3%*
Employee costs	3,086	2,493	*24%*
Gross Margin	**6,108**	**5,228**	***17%***
Gross Margin (%)	*48%*	*47%*	
Other Expenses	1,325	1,361	*(3%)*
EBITDA	**4,783**	**3,867**	***24%***
EBITDA Margin (%)	*38%*	*35%*	
Depreciation, Interest & tax	1,910	1,459	***31%***
Profit After Tax	**2,873**	**2,408**	***19%***
PAT Margin (%)	*23%*	*22%*	

Balance Sheet Highlights

As on 31st March 2017

Shareholders' funds	**14,131**
Net Fixed assets	9,853
Other net assets (1)	1,928
Net cash/(debt) (2)	2,350
Total Use of Funds	**14,131**

(1) Other Assets calculated as (Inventories + Trade Receivables + Unbilled Revenues + Advance Tax + FX premium + Less (Trade payables + Others current liabilities) at the end of the year
(2) Net cash / (Net debt) calculated as the Cash & cash equivalents (Cash and bank balances + Current investments) less Total debt (Short-term borrowings + Long-term borrowings) at the end of the year

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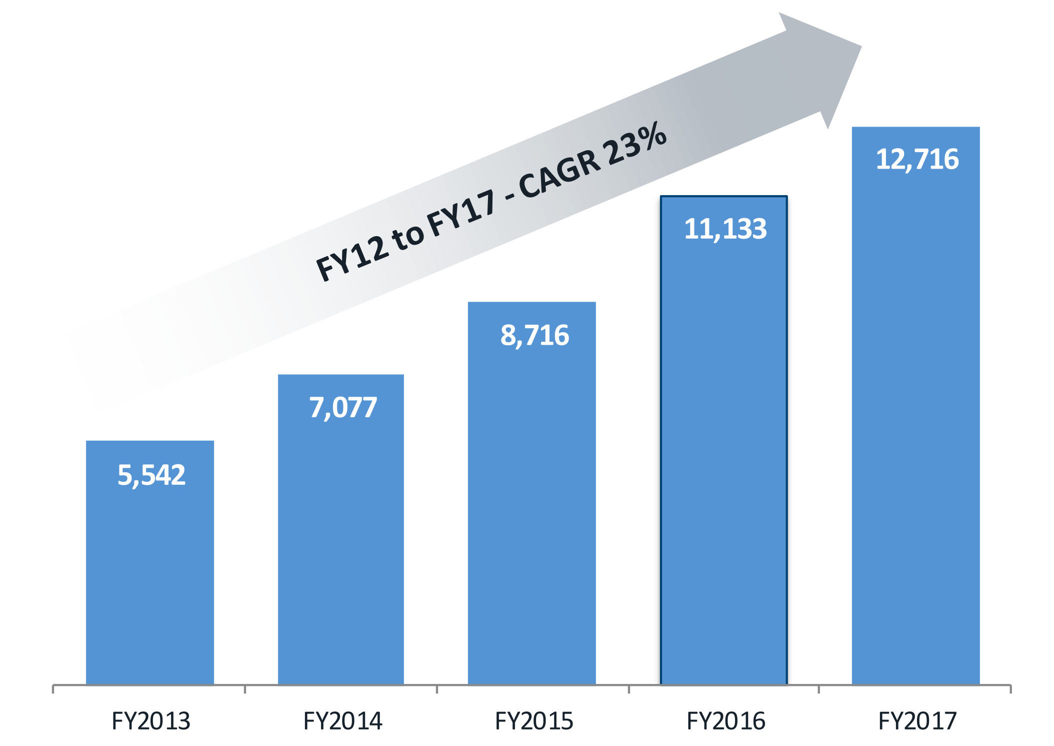
Strong Track Record Of Topline Growth…

- 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

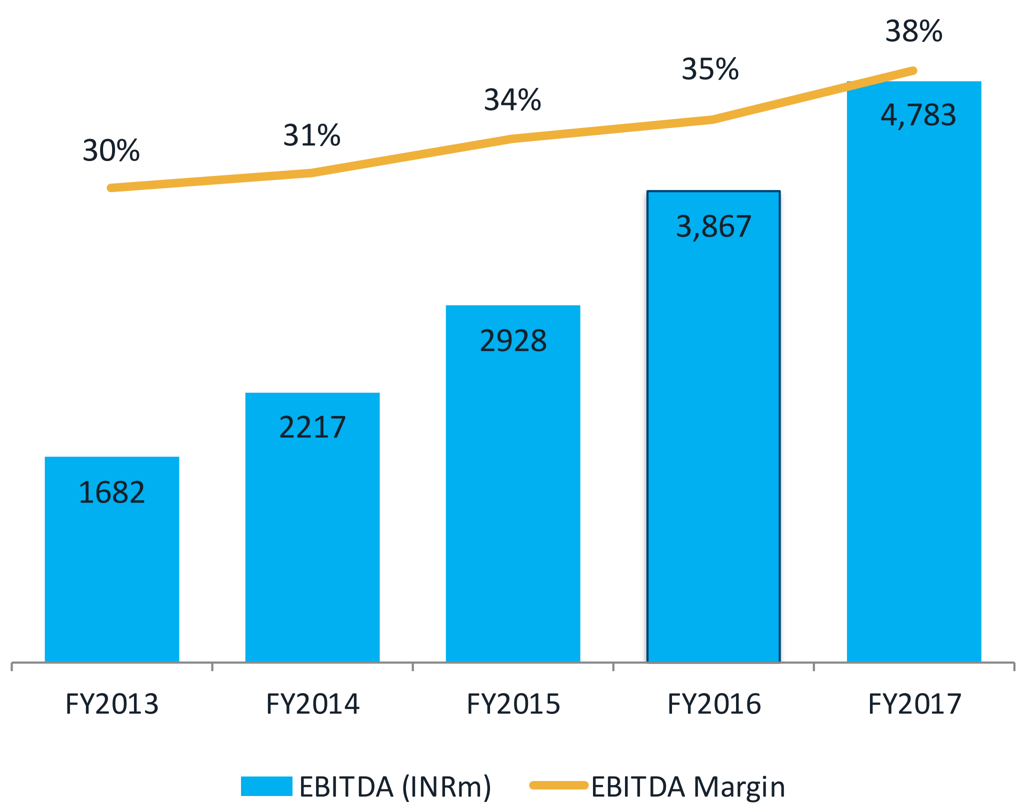
Total Revenue (INR Mn)



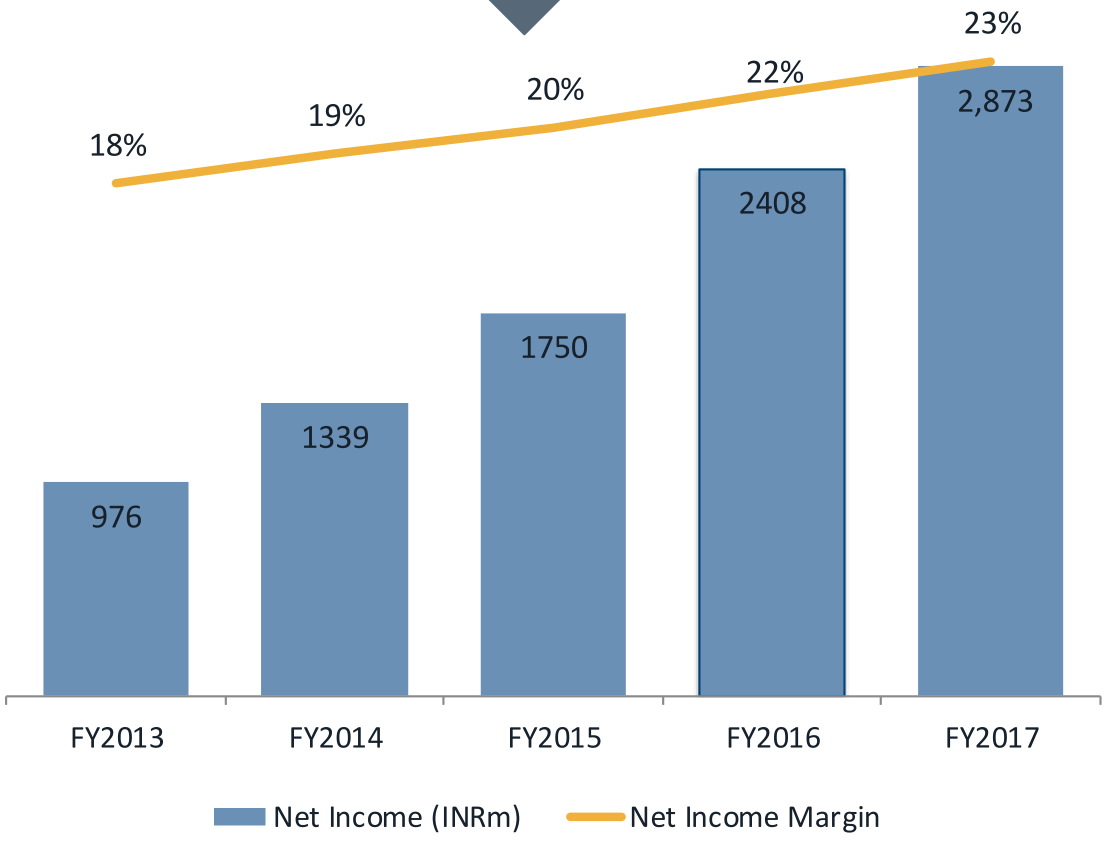
Note: Revenues from FY 2016 is as per Ind AS (Indian Accounting Standards)

…With Best-in-Class Profitability

Operating Margin (EBITDA)



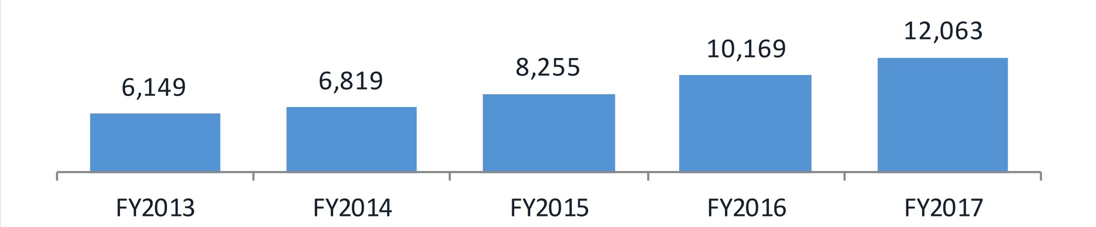
Profit After Tax Margin (Net Income)



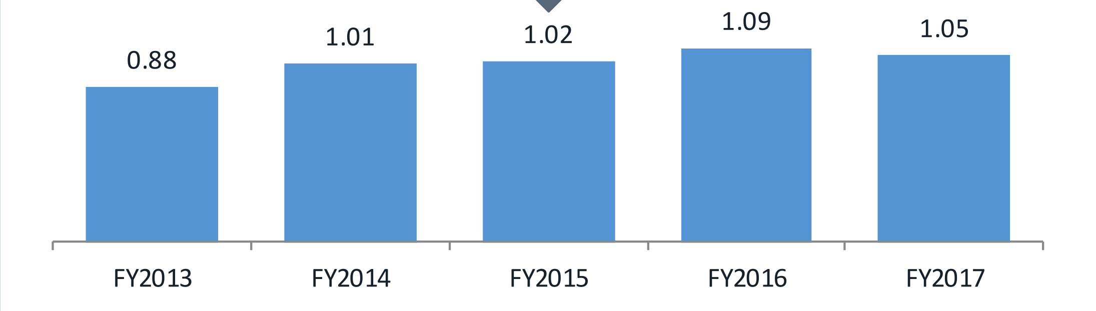
Note: EBITDA and PAT from FY 2016 is as per Ind AS (Indian Accounting Standards)

Capital Expenditure

Historical Capital Investments – Average Gross Block (INR Mn)



Gross Block Turnover Ratio[1]



- Capex towards capacity expansions, capability additions and technology up-gradations
- Key facility additions during the last three years include dedicated facility for Abbott, Baxter, Amgen, Herbalife and new formulation facility

Planned Capital Expenditure

- Expansion Capex of US$200 million envisaged over FY16 to FY19
- Future funding requirements to be met through internal accruals & debt

Capex investment area

- Research centre
- Formulation centre

Late stage & commercial manufacturing

- Expansion of API plant
- Commercial NCE manufacturing plant
- Biologics manufacturing plant

Other services & new capabilities

- Oligonucleotides
- Viral testing services
- ADCs
- Bioinformatics

Gross block turnover ratio calculated as the CRAMS revenue of last twelve months divided by average of Gross block at the beginning and end of the year

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Managing Risks

Risk	Mitigation
Client growth and sustained retention	*Proactive client engagement and sustained quality*
Currency fluctuation (USD/INR)	*Comprehensive hedging policy and tracking mechanism in place*
Significant capex investment over next few years	*Staggered investments in line with business visibility*
Sustainability of margin profile	*Strong cost control systems, productivity improvement initiatives*

THANK YOU

www.syngeneintl.com

For more details

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