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Syngene reports robust Q2 FY20 growth

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Revenue up 11% to Rs. 485 Cr; EBITDA up 10% to Rs. 160 Cr

Quarterly Financial Highlights(All numbers in INR Cr except Margins)

	Q2 FY20	Q2 FY19	YoY Change (%)
Revenue	485	437	11
EBITDA	160	145	10
EBITDA Margin (%)	33	33	
PAT excluding exceptional gain	82	78	5
PAT Margin (%)	17	18	
Exceptional gain, net of taxes	46	-	
PAT	128	78	64

Syngene International Limited has announced its Q2 FY20 results. The Company posted quarterly revenue of Rs. 485 Cr, an increase of 11% from the corresponding quarter of FY19.

Commenting on the results, Jonathan Hunt, Chief Executive Officer - Syngene International Limited, said *"We are pleased to report robust revenue growth of 11% in Q2, with revenue growing from Rs. 437 Cr in Q2 last year to Rs. 485 Cr this quarter. Continued growth in our Discovery Services business, combined with consistent performances in our Dedicated R&D Centres and Development Services business were key to this performance. The quarter also saw the successful completion of another US FDA inspection of our facility in Bengaluru as an analytical laboratory for general GMP coverage. This outcome reflects the importance we place on quality and compliance as well as the ongoing investments we are making in staff training, systems and culture to ensure we continue to keep pace with evolving global standards. Our focus on building world class safety systems and processes won us the Utthama Suraksha Puraskar award from the National Safety Council of India. Overall, performance in the H1 ensures we are making good progress towards achieving our FY goals."*

Business Updates

Syngene's Q2 FY20 business performance was primarily driven by continued growth in the Discovery Services business and consistent performance of the Dedicated R&D Centre and Development Services business.

During the quarter, the first phase of our new research facility in Hyderabad became operational. Phase I covers 50,000 sq ft of laboratory space and will house a team of around 150 discovery research scientists.

Continuing with its strong track record of regulatory compliance, the Company successfully completed another US FDA inspection of its facilities as an analytical laboratory for general GMP coverage. While a formal communication is awaited from the regulator, no form 483 was issued at the conclusion of the inspection.

During the quarter, the Company received an interim payment of Rs. 97 Cr towards its insurance claim for the S2 building. The receipt after adjusting for losses incurred has resulted in an exceptional gain of Rs. 46 Cr, net of taxes.

The Company also received the Utthama Suraksha Puraskar award from the National Safety Council of India for its safety management systems and safety performance. This comes as recognition of the strong focus the Company places on safety and sustainability.