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Aim to get back to around 20% revenue growth in FY18: Syngene

The tie-up with the Canadia Company is a good start for the biologics business, said Jonathan Hunt, CEO, Syngene International.

Syngene International, the contract research services arm of Biocon, Thursday reported a flat fourth quarter net profit as a fallout of a fire at its facility in December.

Providing more clarity on the impact of the fire on the earnings and outlook going forward, Jonathan Hunt, CEO, Syngene International said the capacity that was lost due to fire would take about 12 months to rebuild and till then the company has relocated about 500 scientist from one campus to other facilities. They were back up and running in 3-4 weeks.

So from a client services point of view, with the existing customer, we were back on track quickly and succeeded in their projects going.

Profit for the company declined to Rs 78 crore from Rs 79 crore a year earlier while revenue dropped 6 percent to Rs.315 crore from Rs.334 crore. Net profit for the full year rose 19 percent to Rs 287 crore, while revenue grew 14 percent to 1272 crore.

The chemistry part of the business may be impacted a bit but other businesses like biologics, discovery biology, bioinformatics, formulations etc. will pick up pace in FY18.

He is confident of returning back to 20 percent growth on back of capex investments in building capacities made in FY17 have been completed and will be open for business.

The tie-up with the Canadian Company is a good start for the biologics business, said Hunt, adding that it is mainly for 5 anti-bodies. Moreover, if they are scientifically successful then it would offer second opportunity to do the clinical state manufacturing. However, we have to be more ambitious and only one contract does not do justice to our capabilities that we have built.

Source:

<http://www.moneycontrol.com/news/business/earnings-business/aim-to-get-back-to-around-20-revenue-growth-in-fy18-syngene-2267755.html>