

## Syngene International Limited : Good IPO Note: Ranking:\*\*\*



### Issue details

<b>Price band (Rs)</b>	Rs.240-Rs.250
<b>IPO Opening Date</b>	27/07/2015
<b>IPO Closing Date</b>	29/07/2015
<b>Issue Size</b>	Rs.528-550 Crore.

### Valuations & Recommendation

SIL is a niche player from India in CRAM segment and is confident of having benefit from the growth in global markets. SIL is engaged in contract based discovery, development and manufacturing at its ultra modern world class research and development facility. 95% of its revenue comes from global clients and the rest from domestic clients.

On performance front, for the last three fiscals, the company has posted growth in revenue and EBITDA margins at a CAGR of 25% and 32% respectively with an average EPS of Rs. 7.74 (on diluted basis). Its turnover / net profit are Rs. Rs. 554.20 crore/Rs. 102.10 crore (FY 2013), Rs. 707.70 crore/Rs. 134.80 crore (FY 2014) and Rs. 871.60 crore/Rs. 175.00 crore (FY 2015). The Debt / Equity Ratio is 0.18 as of March 31, 2015

### Highlights

- Syngene International Limited is a subsidiary of Biocon Limited (“Biocon”), a global biopharmaceutical enterprise
- Syngene International Limited (“Syngene”) (“Biocon”) is one of the leading India-based contract research organisations (“CRO”), offering a suite of integrated, end-to-end discovery and development services for novel molecular entities (“NMEs”) across industrial sectors including pharmaceutical, biotechnology, agrochemicals, consumer health, animal health, cosmetic and nutrition companies.
- During fiscal 2015, Syngene has serviced 221 clients including 8 of the Top 10 Global Pharmaceutical Companies by sales for 2014.
- As of May 31, 2015, Syngene has 2,122 scientists, including 258 Ph.Ds. and 1,665 scientists with a Master’s degree.
- As claimed in RHP by promoters and merchant bankers, there are no listed peers to compare with.

### Company Introduction

#### Company Profile

Incorporated in 1993, Syngene International Limited is a subsidiary of Biocon Limited (“Biocon”), a global biopharmaceutical enterprise focused on delivering affordable formulations and compounds. Biocon has been listed on the Indian stock exchanges since 2004 and as of May 31, 2015 had a market cap of Rs.90.3 billion on the BSE as well as the NSE. Over the years, Biocon has successfully brought to the market several affordable and alternative therapeutic drugs in the areas of diabetes, oncology and autoimmune diseases. Biocon is currently focused on bringing its portfolio of generic insulins and bio-similar monoclonal antibodies to global markets



## Financial Summary

Particulars	FY2012	FY2013	FY2014
Sales	416.70	550	699.5
Net Profit	72.7	97.6	133.9
EPS (Rs)	4.26	5.25	7.23

### RANKING METHODOLOGY

WEAK	*
AVERAGE	**
GOOD	***
VERY GOOD	****
EXCELLENT	*****

## Promoters

Smt. Kiran Mazumdar Shaw is the Managing Director of the Company. She is also the Chairperson and Managing Director of Biocon. She is a first generation entrepreneur with more than 39 years of experience in the field of biotechnology. Shri Peter Bains is a Director and Chief Executive Officer of the Company and has almost three decades of experience in the global pharmaceutical space. He is responsible for the daily operations and takes strategic decisions for the Company. Shri Manoj Nerurkar is the Chief Operating Officer of the Company. He has over 19 years of experience in pharmaceutical industry. Shri MB Chinappa is the Chief Financial Officer of the Company. He has over 22 years of experience in the field of finance.

## Business

Syngene International Ltd (“Syngene”) is one of the leading India-based contract research organisations (“CRO”), offering a suite of integrated, end-to-end discovery and development services for novel molecular entities (“NMEs”) across industrial sectors including pharmaceutical, biotechnology, agrochemicals, consumer health, animal health, cosmetic and nutrition companies.

## IPO & Proceed

Subsidiary of Biocon Ltd- Syngene International Ltd (SIL) is coming out with its maiden IPO via book building process offer for sale from existing stakeholders. It is offering 22000000 equity share of Rs. 10 each in a price band of Rs. 240-250 and thus mulls mobilizing Rs. 528-550 crore on at the basis of lower and upper price band. Out of the offer, 2000000 equity shares are kept reserved for preferential allotment to Biocon shareholders. Issue opens for subscription on 27.07.15 and will close on 29.07.15.

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