

## On the move since 150 years: Siegfried significantly increases sales and profits in 2022

- > Net sales up to CHF 1.229 billion (+15.6% increase versus prior year in local currencies)
- > Core EBITDA of CHF 272.5 million (prior year CHF 207.2 million) at an expanded margin of 22.2% (prior year 18.8%)
- > Core net profit of CHF 127.8 million (prior year CHF 95.3 million)
- > Outlook 2023: Low to mid single-digit sales growth at constant exchange rates and a core EBITDA margin at 20 percent or above
- > The Board of Directors will propose to the Annual General Meeting to increase the payout to the shareholders by 20 cents to CHF 3.40 per registered share (previous year CHF 3.20)

## Key Figures Overview

	2022	2021	Change CHF (LC)
Net sales (million CHF)	1 229.5	1 102.4	+11.5% (+15.6%)
Core gross profit (million CHF)	318.9	239.3	33.3%
Core gross profit margin (%)	25.9%	21.7%	
<b>Core results<sup>1</sup></b>			
Core EBITDA (million CHF)	272.5	207.2	31.5%
Core EBITDA margin (%)	22.2%	18.8%	
Core EBIT (operating result) (million CHF)	190.8	124.4	53.3%
Core EBIT margin (%)	15.5%	11.3%	
Core net profit (million CHF)	127.8	95.3	34.1%
Core net profit-margin (%)	10.4%	8.6%	
Non-diluted core earnings per share (CHF)	30.28	22.66	33.6%
Diluted core earnings per share (CHF)	29.63	21.95	35.0%
Cash flow from operating activities (million CHF)	142.3	119.7	18.9%
Free cash flow (million CHF)	27.2	6.5	320.0%
Investment in property, plant and equipment and intangible assets (million CHF)	115.2	113.4	1.6%
<b>December 31, 2022</b>			
Equity (million CHF)	790.9	688.2	14.9%
Total assets (million CHF)	1 793.2	1 669.2	7.4%
Equity ratio (%)	44.1%	41.2%	
Employees (number of FTEs)	3 564	3 432	3.8%

<sup>1</sup> For more information and reconciliation of Swiss GAAP FER to Core results see Financial Report «Investor Information», pages 61-63.

In a year of macroeconomic uncertainties, Siegfried demonstrated its resilience and delivered a strong performance for the full year 2022. Net sales reached 1.229 billion Swiss francs (CHF), an increase of 15.6 percent in local currencies (2021: CHF 1.102 billion), supported by both, Drug Substances and Drug Products. Core EBITDA grew from CHF 207.2 million to now CHF 272.5 million, 31.5 percent higher than 2021. This resulted in a core EBITDA margin of 22.2 percent (2021: 18.8 percent), exceeding the 20 percent mark for the first time on a full-

year basis. Core net profit grew by 34.1 percent to CHF 127.8 million (2021: CHF 95.3 million). Net profit according to Swiss GAAP FER was higher than the core net profit and amounted to CHF 156.5 million. The Board of Directors will propose to the Annual General Meeting an increase of the payout to the shareholders to 3.40 Swiss francs per share (2021: CHF 3.20). As in the previous year, the payout will be made by reducing the nominal value of the shares by way of a capital reduction.

At CHF 142.3 million, the Siegfried Group delivered a strong result for cash flow from operating activities after changes in net working capital (2021: CHF 119.7 million). Free cash flow amounted to CHF 27.2 million (2021: CHF 6.5 million).

At year-end, Siegfried had cash and cash equivalents of CHF 91.5 million (2021: CHF 72.6 million). Net debt amounted to CHF 418.5 million, a ratio of 1.54 to core EBITDA, and the equity ratio was 44.1 percent. Siegfried is well capitalized and has sufficient capacity to fund further organic and acquisitive growth.

Wolfgang Wienand, Chief Executive Officer: "In 2022, our global team has again taken important steps to further strengthen our position as a global leader in the CDMO space. While we look back at a successful year, I am equally excited for the years to come – including 2023, which marks Siegfried's 150th anniversary. We are committed to further build on what the many generations before us have created and to go ahead with the same entrepreneurial spirit. And we will continue to invest in our people and in our network in order to deliver long-term profitable growth also in the future."

### **Integration of the two Spanish Drug Product Sites successfully completed**

The two pharmaceutical manufacturing sites acquired from Novartis at the beginning of 2021, Barberà del Vallès and El Masnou, have been fully integrated into the Siegfried network in the year under review and contributed to the substantial profitable growth in the reporting period. For both sites, Siegfried was successful in acquiring new projects and products in 2022 and expects further intake of new business in 2023 and 2024.

### **Expanding our capabilities and capacities to support long-term profitable growth**

In 2022, Siegfried continued to invest in its global network to further strengthen its innovation and technological capabilities and capacities, enhance flexibility and become even more relevant to its customers. In Minden, we started the construction of a new world-class large-scale production plant for innovative Drug Substances, a total investment of up to CHF 100 million. At the same time, we further strengthened our footprint in the biologic fill & finish market segment by launching an additional filling line in Hameln. In Barcelona, the installation of our new Center of Excellence for pharmaceutical formulation development has been completed and will be inaugurated in the first half of 2023. Here, Siegfried will offer its customers a wide range of development services and differentiating pharmaceutical production technologies in state-of-the-art laboratories and flexible pilot capacities. Also in 2023, we will start the construction of our new Center of Excellence for Drug Substances in Evionnaz.

### **On track in a challenging environment**

Macroeconomic challenges such as Russia's attack on Ukraine, the energy crisis in Europe and ongoing supply chain disruptions have put a burden also on Siegfried. However, with a steady focus on operational and commercial excellence, we were able to respond to them by closely managing our supply chains, applying strict cost discipline including broad energy saving measures and to find solutions together with our customers. As a result, we have been able

to protect the interests of our customers as well as of our company and of our other stakeholders. In addition to the benefit from these defensive measures, the positive development of our overall business including vaccines plus the active management of our entire product portfolio contributed to the increase in profitability to well above 20 percent core EBITDA margin.

### **Strong commitment to sustainability**

Sustainability represents one of our five corporate values and is at the core of our business. With our expertise in process optimization, we help our customers to develop greener production processes for their products and to achieve ambitious sustainability targets. We introduce second-generation processes, apply green chemistry, and continuously search for opportunities to apply new sustainable technologies. With these efforts, we reduce energy consumption, produce less waste, and, at the same time, often save costs and increase the safety of our products. Our efforts and initiatives have been recognized by external parties and independent institutions: In 2022, we were again rated positively by ISS ESG, MSCI ESG and Sustainalytics, and were for the second time included in the Dow Jones Sustainability Index Europe. All our sites also scored well in the EcoVadis Rating.

### **Change in the Board of Directors**

In October 2022, Siegfried announced that, after 10 years of service, board member Colin Bond has decided not to stand for re-election at the 2023 Annual General Meeting. We thank him for his valuable contribution to the positive development of the company in recent years and wish him all the best for his future endeavors. The Board of Directors has nominated Elodie Cingari as a new member for election. Elodie Cingari has been holding the position as Chief Financial Officer of the Landis+Gyr Group since 2020 and will bring extensive professional experience and a profound knowledge to the team.

### **Continuing to deliver long-term profitable growth**

Siegfried's business model is well proven, and we have consistently and effectively implemented our strategy over the last years. Based on this, we expect to deliver continuous profitable growth in the years to come through the continued introduction of attractive new business from existing and new customers, the active management of our portfolio of projects and products and by execution of organic investments in our network as well as value-adding M&A. Through these activities, we will continue to expand our capabilities and capacities and play an active role in the further consolidation of the CDMO industry.

### **Outlook for 2023**

Siegfried expects a sales growth in the low to mid single-digit percentage range at constant exchange rates for the current year. In addition, Siegfried expects the core EBITDA margin to be at 20 percent or above, subject to unforeseen geopolitical and macroeconomic events or trends. In the medium-term, Siegfried expects a further increase in sales and profitability. Over the cycle, the company plans for average annual capital expenditures in low teens percentages of sales.

Together with its financial results, Siegfried also published its Annual Reports 2022. For more information, please visit our Investor Relations portal:

[www.ir.siegfried.ch](http://www.ir.siegfried.ch)

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## This media release on the web

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## About Siegfried

The Siegfried Group is a global life sciences company with sites in Switzerland, Germany, Spain, France, Malta, the USA and China. In 2022, the company achieved sales of 1.229 billion Swiss francs and employed on 31.12.2022 more than 3'600 people at eleven sites on three continents. Siegfried Holding AG is publicly listed on SIX Swiss Exchange (SIX: SFZN).

Siegfried is active in manufacturing pharmaceutical APIs (and their intermediates) as well as drug products (tablets, capsules, sterile vials, ampoules, cartridges and ointments) for the pharmaceutical industry and provides development services.

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## Cautionary Statements Regarding Forward-Looking Statements

This media release includes statements concerning the future. They are based on assumptions and expectations that may prove to be wrong. They should be considered with due caution as, by definition, they contain known and unknown risks, insecurities and other factors which could result in a difference in the actual results, financial situation, developments or the success of Siegfried Holding AG or Siegfried Group from the explicit or implicit assumptions made in these statements.

# Consolidated Income Statement

In 1000 CHF (for the years ended December 31)	Notes*	2022	2021
Net sales	29	1 229 518	1 102 423
Cost of goods sold		-910 628	-862 853
<b>Gross profit</b>		<b>318 890</b>	<b>239 570</b>
Marketing and sales costs		-18 124	-16 288
Research and development costs		-43 175	-40 669
Administration and general overhead costs		-31 073	-54 683
Other operating income	20	4 259	4 058
Income of associated companies		-	-35
<b>Operating result</b>		<b>230 777</b>	<b>131 953</b>
Financial income	21	57	86
Financial expenses	21	-7 774	-4 161
Exchange rate differences	21	-4 286	-1 351
<b>Profit before income taxes</b>		<b>218 774</b>	<b>126 527</b>
Income taxes	5	-62 284	-30 928
<b>Net profit</b>		<b>156 490</b>	<b>95 600</b>
Non-diluted earnings per share (CHF)	23	37.07	22.73
Diluted earnings per share (CHF)	23	36.28	22.03

\* The Notes on pages 11–41 are an integral part of the Group Financial Statements.

# Consolidated Balance Sheet

In 1000 CHF (as of December 31)	Notes*	2022	2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	779 901	770 724
Intangible assets	3	35 853	25 570
Investments in associated companies and joint ventures	4	–	327
Financial and other non-current assets		591	592
Employer contribution reserves	18	9 018	9 979
Deferred tax assets	5	22 950	35 800
<b>Total non-current assets</b>		<b>848 313</b>	<b>842 992</b>
<b>Current assets</b>			
Inventories	6	405 782	364 655
Trade receivables	7	337 767	267 028
Other current assets	8	62 605	65 930
Accrued income and prepaid expenses	9	43 737	49 583
Current income taxes		3 120	5 543
Securities		135	345
Derivative financial instruments	10	258	460
Cash and cash equivalents		91 483	72 621
<b>Total current assets</b>		<b>944 887</b>	<b>826 166</b>
<b>Total assets</b>		<b>1 793 200</b>	<b>1 669 158</b>
<b>Liabilities and equity</b>			
<b>Equity</b>			
Share capital	12	79 776	93 196
Treasury shares	11	–102 112	–78 696
Capital reserves		109 532	85 594
Hybrid capital		80 000	80 001
Retained earnings		623 732	508 122
<b>Total equity</b>		<b>790 928</b>	<b>688 217</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities	13	510 000	480 000
Non-current provisions	14	27 884	28 618
Deferred tax liabilities	5	12 579	10 970
Other non-current liabilities	15	52 701	59 584
Non-current pension liabilities	18	81 514	130 977
<b>Total non-current liabilities</b>		<b>684 678</b>	<b>710 149</b>
<b>Current liabilities</b>			
Trade payables		114 065	119 932
Other current liabilities	17	86 007	63 689
Accrued expenses and deferred income	16	51 196	52 645
Derivative financial instruments	10	1	–
Current pension liabilities	18	473	456
Current provisions	14	10 311	14 199
Current income tax liabilities		55 541	19 871
<b>Total current liabilities</b>		<b>317 594</b>	<b>270 792</b>
<b>Total liabilities</b>		<b>1 002 272</b>	<b>980 941</b>
<b>Total liabilities and equity</b>		<b>1 793 200</b>	<b>1 669 158</b>

\* The Notes on pages 11–41 are an integral part of the Group Financial Statements.

# Consolidated Statement of Cash Flows

In 1000 CHF (for the years ended December 31)	Notes*	2022	2021
<b>Net profit</b>		<b>156 490</b>	<b>95 600</b>
Depreciation and impairment of PP&E and intangible assets	2,3	81 748	82 816
Change in provisions	14	-1 110	-247
Other non-cash items <sup>1</sup>		-45 543	-17 646
Share-based payments	18	10 342	13 756
Exchange rate differences	21	4 286	1 351
Financial income	21	-57	-86
Financial expenses	21	7 774	4 161
Income taxes	5	62 284	30 928
Income of associated companies	4	-	35
Net result on disposal of property, plant and equipment		-67	6
<b>Cash flow from operating activities before change in NWC</b>		<b>276 147</b>	<b>210 674</b>
Change in net working capital:			
Trade receivables		-72 823	8 262
Other current assets and accruals		-6 459	-42 060
Inventories		-51 462	-60 334
Trade payables		-9 771	32 840
Other current liabilities and accruals		25 265	-11 573
Payments out of provisions and pension liabilities		-8 799	-10 189
Income taxes paid		-9 758	-7 870
<b>Cash flow from operating activities</b>		<b>142 340</b>	<b>119 749</b>
Purchase of property, plant and equipment	2	-103 585	-113 100
Proceeds from disposal of property, plant and equipment		115	135
Purchase of intangible and other assets	3	-11 623	-297
Sale of associated companies		231	-
Acquisition of Group companies	22	11 155	-136 529
Investments in financial fixed assets		-8	-309
Interest received		57	19
Dividend received		3	68
<b>Cash flow from investing activities</b>		<b>-103 655</b>	<b>-250 013</b>
<b>Free cash flow</b>		<b>27 246</b>	<b>6 487</b>
Capital increase		1 071	1 065
Decrease of hybrid capital	12	-	-160 000
Increase of non-current financial liabilities	13	475 000	755 032
Decrease of non-current financial liabilities	13	-445 000	-415 000
Change in other non-current liabilities		-4 140	-2
Purchase of treasury shares		-24 101	-12 660
Disposal of treasury shares		22	437
Interest paid and bank charges		-7 895	-7 479
Distribution to the shareholders of Siegfried Holding AG		-13 535	-12 630
<b>Cash flow from financing activities</b>		<b>-18 578</b>	<b>148 763</b>
<b>Net change in cash and cash equivalents</b>		<b>20 105</b>	<b>18 497</b>
Cash and cash equivalents 1/1/		72 621	54 413
Net effect of exchange rate changes on cash		-1 243	-292
Cash and cash equivalents 31/12/		91 483	72 621

\* The Notes on pages 11–41 are an integral part of the Group Financial Statements.

<sup>1</sup> Other non-cash effective changes include mainly the effect of the discount rate change on foreign pension plan obligations and derivative financial instruments.