

Siegfried delivers strong sales growth and profitability in first half 2023

- > Net sales up to CHF 607.1 million (prior year CHF 586.7 million), an increase of 6.8% in local currencies
- > Core EBITDA of CHF 125.7 million (prior year CHF 130.2 million) at a margin of 20.7% (prior year 22.2%)
- > Core net profit of CHF 58.9 million (prior year CHF 65.2 million)
- > Strategy EVOLVE on track: Significant investments in existing network and acquisition of 95% majority stake in DiNAMIQS, a well-positioned gene therapy CDMO start-up, to support future profitable growth in core areas and beyond
- > Outlook increased: Siegfried now expects a sales growth of mid single-digit percentages (in LC) and a Core EBITDA margin above 20% for the full year 2023

Key Figures 2023

	1 st Half-Year 2023	1 st Half-Year 2022	Change CHF (LC)
Net sales (million CHF)	607.1	586.7	+3.5% (+6.8%)
Gross profit (million CHF)	147.7	156.4	-5.6%
Gross profit margin (%)	24.3%	26.7%	
Core¹ results			
Core EBITDA (million CHF)	125.7	130.2	-3.4%
Core EBITDA margin (%)	20.7%	22.2%	
Core EBIT (operating result) (million CHF)	87.2	91.4	-4.6%
Core EBIT margin (%)	14.4%	15.6%	
Core net profit (million CHF)	58.9	65.2	-9.8%
Core net profit-margin (%)	9.7%	11.1%	
Core non-diluted earnings per share (CHF)	14.02	15.43	-9.2%
Core diluted earnings per share (CHF)	13.84	15.09	-8.2%
Cash flow from operating activities before change in current assets (million CHF)	119.5	128.1	-6.7%
Cash flow from operating activities (million CHF)	78.8	76.3	3.3%
Free cash flow (million CHF)	14.3	15.5	-7.9%
Investment in property, plant and equipment and intangible assets (million CHF)	64.5	60.7	6.3%
	June 30, 2023	December 31, 2022	Change
Equity (million CHF)	805.4	790.9	1.8%
Total assets (million CHF)	1 768.0	1 793.2	-1.4%
Equity ratio (%)	45.6%	44.1%	
Employees (number of FTEs)	3 633	3 564	1.9%

¹ As of June 30, 2023, CHF 1.5 million was reclassified from the current net interest on foreign pension liabilities to the financial result (previous year CHF 0.6 million). In the reporting period, consulting services were used at individual locations as part of specific performance improvement projects. For this purpose, CHF 1.6 million was neutralized in core administration expenses (previous year CHF 1.6 million). Also CHF 1.4 million expenses for transaction costs, which did not lead to a transaction is not included in core results as well as jubilee costs for 150 years Siegfried CHF 0.8 million. The tax asset on the step up on trademark rights was released as of June 30, 2023 in a proportionate amount of CHF 0.9 million (previous year CHF 0.9 million).

In the first half of 2023, Siegfried (SIX: SFZN) continued its strong growth trajectory and more than offset the phasing out of sizeable vaccines business since 2022. Significant progress has been made in the implementation of the corporate strategy EVOLVE which is geared towards long-term profitable growth in core areas and beyond.

Net sales amounted to CHF 607.1 million, an increase of 3.5 percent in Swiss Francs and 6.8 percent in local currencies. While the growth in the first half of 2023 was fueled by the Drug Substances business and its strong expansion of existing business, successful acquisition of new projects and an active portfolio management, the underlying business in Drug Products also developed well.

Core EBITDA amounted to CHF 125.7 million (prior period: CHF 130.2 million), representing a robust Core EBITDA margin of 20.7% (prior period: 22.2%). Core net profit amounted to CHF 58.9 million (prior period: CHF 65.2 million). Cash flow from operating activities increased to CHF 78.8 million (prior period: CHF 76.3 million).

Dr. Wolfgang Wienand, CEO Siegfried: "Siegfried delivered a strong half year with significant growth, even though we had to compensate for the phasing out of vaccines business. The Siegfried team, once again, demonstrated its readiness to navigate through external challenges and uncertainties, based on strong commitment, hard work and our ambition to be a reliable first-class partner to our clients. We kept our day-to-day operations well on track and at the same time continued to look ahead and execute important investments in the network as foundation for our future growth. With the acquisition of DiNAMIQS we have opened the door to the new growth area of gene therapies and strengthened our position in biologics. In the year of our 150th anniversary, Siegfried is stronger than ever and we are looking forward to our journey onward and upward."

Continued growth in a challenging environment

In the first half year, Siegfried's business model with its well-diversified portfolio of products and customers plus its strong position as one of the globally leading CDMO, has once again proven its resilience to risks and volatility resulting from continuing macroeconomic and geopolitical uncertainties. The company was able to keep up its dynamic pace and, on a group sales level, overcompensate for the phasing out of sizeable vaccines business while keeping the Core EBITDA margin well above the 20% mark. This positive result was driven by continued high demand for Siegfried's products and services, an ongoing active portfolio management, and strict cost discipline in all areas, overhead as well as operations. In Drug Substances in particular, business with new and existing customers continued to strongly expand based on close customer relationships, the broad set of technological capabilities and high-value capacities, and Siegfried's excellent quality track record. As for Drug Products, the integration of the Spanish sites is now completed and they are already attracting new business. Their transformation into highly flexible CDMO platforms concluded with the opening of the new Center of Excellence in Barcelona in March 2023. The development center provides a wide range of development services with flexible pilot capacities, strengthening Siegfried's global Drug Products network and its ability to acquire new business in that space.

Significant investments in the existing network

In addition to the completion and ramp-up of the development center in Barcelona, Siegfried continued to make significant investments into its existing global manufacturing network. In Minden, Germany, Siegfried is investing up to CHF 100 million in building a new large-scale production plant for Drug Substances. The new production plant will not only

significantly increase the capacity of Siegfried's Drug Substance business, but also expand the technological capabilities and the flexibility of Siegfried's global network. Furthermore, at the end of April 2023, Siegfried began constructing a new global development center for Drug Substances in Evionnaz, an investment of up to CHF 25 million, which will significantly increase Siegfried's R&D capacities to drive future growth. Beyond these landmark investments, Siegfried continued to add capacities and capabilities across the whole network.

DiNAMIQS acquisition creates new growth opportunities

In May 2023, Siegfried announced the acquisition of a 95% majority stake in DiNAMIQS, a Swiss-based biotechnology company focused on the development and manufacturing of viral vectors for cell and gene therapies (CGT). Siegfried intends to bring DiNAMIQS' capabilities to commercial scale and create a best-in-class biotech CDMO in that space. This will include the investment in a GMP manufacturing facility, which is currently being designed and the engineering work is in preparation. Through this acquisition, plus the follow-on establishment of commercial-scale GMP capacities, Siegfried further expands its footprint in the biologics space and creates significant mid to long-term growth opportunities in this very dynamic market segment.

Outlook for 2023 increased

Based on the strong half-year results, Siegfried now expects a sales growth of mid single-digit percentages (in LC) and a Core EBITDA margin above 20% for the full year 2023.

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[Link to the webcast \(taking place on 17 August 2023 at 10:00 a.m.\)](#)

[cSuite Live](#)

[This media release on the web](#)

www.siegfried.ch/media-releases

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 3'500 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.

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.