

Investing in our global network:

Siegfried creates opportunities for long-term growth

Media and analyst conference on full year 2021 – 23 February 2022



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All businesses
growing

Driving organic
investments

Creating
opportunities

All margins
expanding

M&A
always on

Strong cash
generation

Building
the strongest
team

Significant
financing
capacity

Sustainability
– walking
the talk



Risen to the next level: For the first time in our history, Siegfried achieves sales beyond CHF 1 billion – profitability further expanded

In 2021, Siegfried once more delivered both, strong growth and higher margins

- Strong growth: Net sales up to CHF 1 102.4m (+30.5% and +30.3% in LC) – despite a temporary set-back by a cyber attack
- Core EBITDA of CHF 207.2m (+38.8%) at an expanded margin of 18.8%; core net profit CHF 95.3m; strong operating cash flow of CHF 119.7m
- BoD proposal to the AGM 2022: Cash distribution of CHF 3.20 per share (+CHF 0.20)

Risen to the next level: For the first time in our history, Siegfried achieves sales beyond CHF 1 billion – profitability further expanded

In 2021, we – as a global team – once more seized opportunities and withstood challenges

- > Integration and transformation of the two new Spanish sites well on track
- > Commercial manufacturing (“fill & finish”) of BioNTech’s coronavirus vaccine started – now ready for Novavax’s vaccine
- > Investments throughout the network to support long-term growth – continued appetite for M&A
- > Successful debut: Issuance of listed senior bonds of CHF 200m
- > ESG journey: CO₂-eq reduction targets by 2030 and net zero GHG emissions by 2050 – inclusion in Dow Jones Sustainability Index Europe

For 2022 and beyond, Siegfried expects continued profitable growth and will continue to create opportunities through investments in our people and our network

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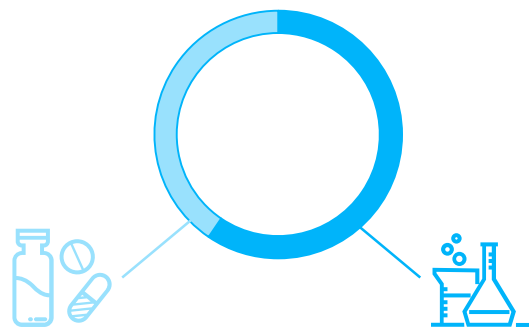
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Robust growth delivered

Net sales split 2021



40.5%

Drug Products

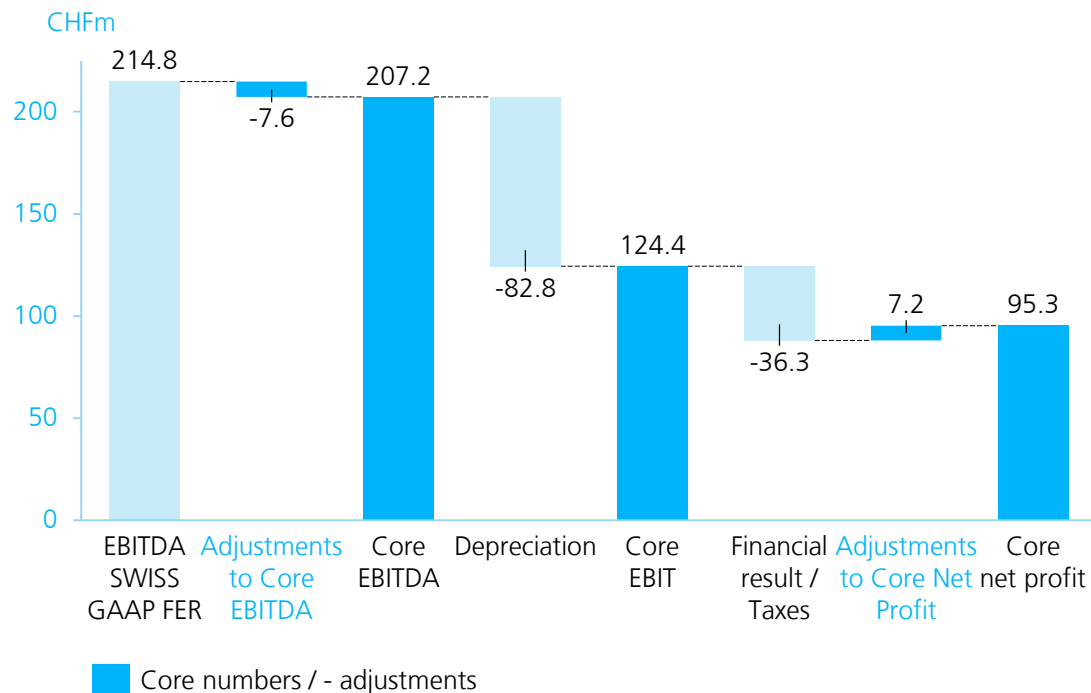
59.5%

Drug Substances

CHF million	2021	2020	Change
Drug Substances	656.0	647.8	↗ +1.3%
Drug Products	446.4	197.2	↗ +126.4%
Total	1 102.4	845.1	↗ +30.5% (+30.3% in LC)

- > Net sales grew by +30.3% in Local Currencies (LC)
- > All businesses growing
- > Drug Products grew stronger due to the acquisition of the two Spanish sites and the vaccines business

Reconciliation for 2021: From Swiss GAAP FER to Core results



Comments

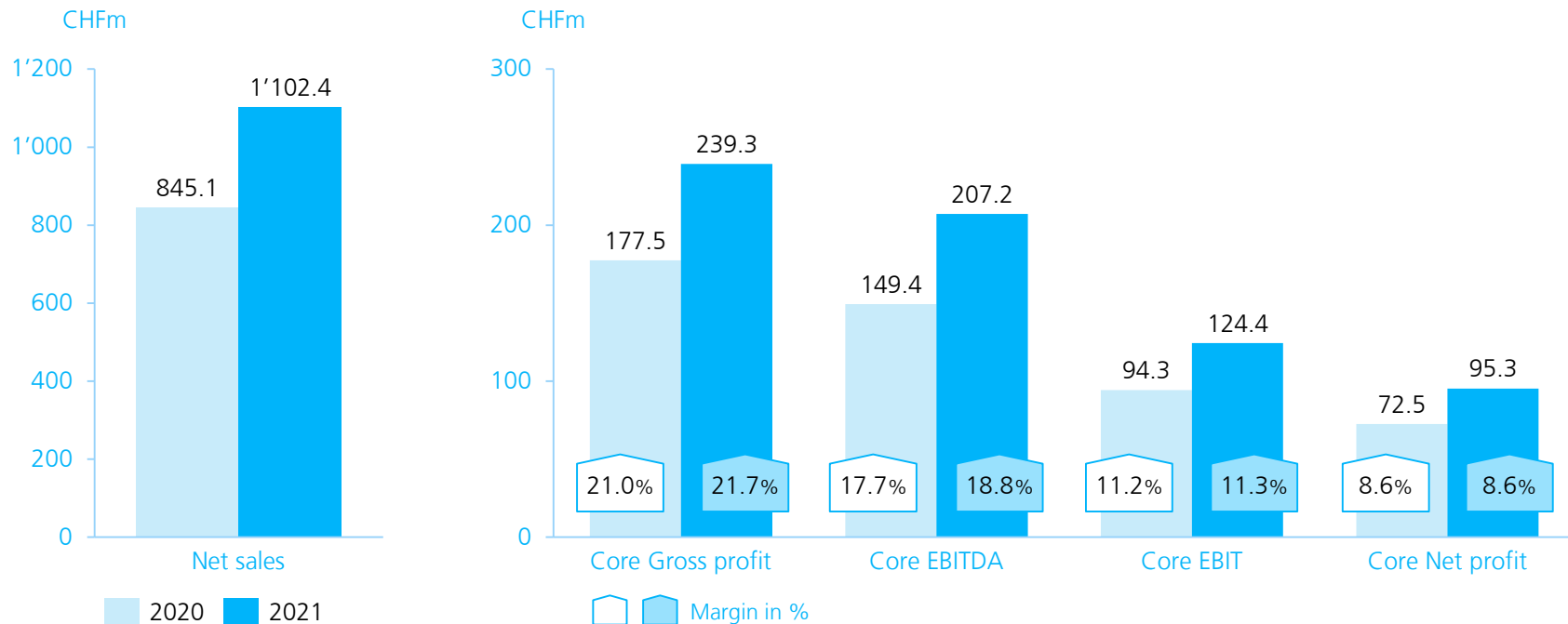
Adjustments to Core EBITDA

- Current net interest
 - Discount rate change
 - Integration / restructuring costs
- } Foreign pension plans







Adjustments to Core net profit

- Current net interest on foreign pension plans
- Tax effect on Core effects
- Step-up DTA

Expanding profit margins on all levels



Robust financials 2021: Margin expansion despite higher costs of doing business

CHF million	2021	2020
Core results		
Net sales	 1 102.4	845.1
Core Cost of goods sold	-863.1	-667.6
Core Gross profit	 239.3	177.5
Core Marketing and sales costs	-16.3	-15.6
Core Research and development costs	-40.4	-30.9
Core administration and general overhead costs	-62.2	-39.2
Other operating income	4.0	2.4
Core EBIT	 124.4	94.3
Core financial result (loss)	-4.8	-3.9
Exchange rate differences (loss)	-1.4	-2.6
Core profit before income taxes	 118.2	87.8
Core income taxes	-23.0	-15.3
Core net profit	 95.3	72.5
Depreciation	-82.8	-55.1
Core EBITDA	 207.2	149.4

Comments

- > Expansion of Core Gross profit and Core Gross profit margin
- > SG&A reflect the larger size, namely in R&D and Admin.
- > Reduced cash funding cost
- > Depreciation substantially higher

Notes: Each number is rounded individually; numbers include high single digit CHFm charge related to fraudulent payments

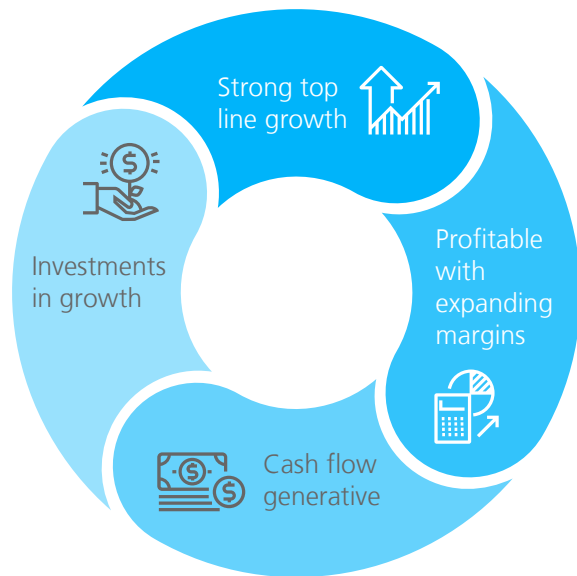
Improvement in operating cash flow – laying the foundations for investments into further growth

CHF million	2021	2020	Comments
Operating cash flow before changes in NWC	210.7	153.4	
Change in NWC	-91.0	-38.6	
Operating cash flow	119.7	114.8	<ul style="list-style-type: none"> › Significant increase of Operating cash flow before changes in Net Working Capital › Substantial improvement in NWC relative to Sales. › Purchase of PPE (CapEx) › Cash flow from financing activities
Purchase of PPE and intangibles (net)	-113.3	-69.0	
Acquisitions	-136.5	-	
Other investing activities	-0.2	0.3	
Cash flow from investing activities	-250.0	-68.7	
Free cash flow	6.5	45.7	
Cash flow from financing activities	148.8	-15.9	
Net change in cash	18.5	30.1	

Note: Each number is rounded individually; Free cash flow is calculated as Operating cash flow minus Purchase of PPE and intangibles (net).

Pay-out proposal to the AGM on 13 April 2022: Increase by 20 cent to CHF 3.20 per share

Capital allocation framework: A strong balance sheet provides the financial flexibility required to execute our strategy EVOLVE



Invest in organic growth – in line with strategy

- > Expansion CapEx in capacity and technologies

M&A – Core and beyond

Deleverage and optimize funding cost

- > Placement of CHF 200m of Senior Bonds at attractive conditions
- > Redemption of Hybrid bond of CHF 160m in October
- > Continuous reduction of leverage by repayment of the RCF

Pay-out policy

- > Distributions expected to step-by-step grow in absolute terms
- > Disciplined pay-out ratio

**Support
Strategy
EVOLVE**

Investments in growth create the scale and the opportunity set required for further value creation

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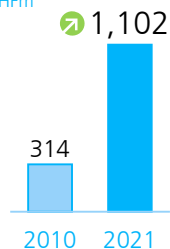


Siegfried's journey since 2010: We walked our talk and delivered on our strategy and growth aspirations

Progressing key metrics since 2010

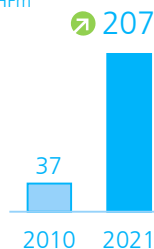
Net sales

CHFm

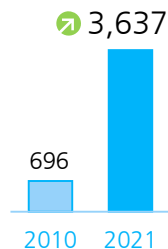


EBITDA¹

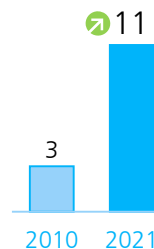
CHFm



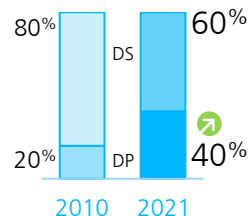
People



Sites

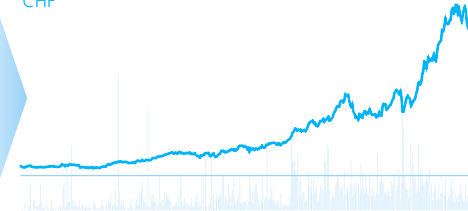


Sales split



Stock price (2010 – today)

CHF



Corporate journey & milestones

1873 Foundation by Samuel B. Siegfried



1973

Quotation on Swiss Stock Exchange

Launch of facility in Malta (MT)

2007

2012

Acquisition of Alliance Medical Products (US)

Construction start of sites in Nantong (CN) and Zofingen (CH)

2013

2014

Acquisition of Hameln Pharma (DE)

Acquisition of production sites in Minden (DE), Evionnaz (CH) and St. Vulbas (FR) from BASF

2015

2020/21

Contracts with BioNTech & Novavax

2021

Acquisition of two FDF sites from Novartis in Barcelona (ES)

¹ Figures related to FY2010 as reported, figures related to FY2021 based on Core metrics.

We will continue to strengthen our core by continued organic investments and use M&A to enter into adjacencies and beyond



Grow existing core

- › Enhance value proposition to our customers and outgrow the market

- › Small molecule drug substances
- › Oral / inhalation solid dosage forms
- › Aseptic fill & finish
- › Integrated DS and DP development services



Add adjacencies

- › Diversification into new CDMO market segments

- › Large molecule formulation
- › Particle technologies
- › Encapsulation / DP delivery systems
- › Antibody drug conjugates (ADC)



Enter new areas

- › Long-term expansion into high growth areas within CDMO business model

- › Antibodies
- › Cell & Gene therapy
- › Viral vectors
- › Bioengineered vaccines
- › Data analytics

Present

2025+

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



Organic investments

- › Expand development and commercial capacities
- › Add new technologies
- › Make use of digital tools
- › Foster teamwork and people



Portfolio management

- › Allocate high value capacity to margin accretive products
- › Free up and de-risk bottlenecks
- › Pricing and operational excellence



Mergers & Acquisitions

- › Acquire idle capacity with attractive business within core – or beyond
- › Onboard new technologies and capabilities



We are creating opportunities for long-term profitable growth by adding capabilities and unlocking and expanding capacities – for the benefit of our customers, stakeholders and shareholders

Building the most competitive network: New R&D center in Evionnaz (CH)



Expansion of drug substances launch capabilities

- › High-end chemical and analytical R&D facilities and kilo lab capacities
- › Consolidation of all on-site development activities in one location plus expansion
- › Energy efficiency measures
- › New labs and teams ready as of 2024
- › Investment of up to CHF 25m

Building the most competitive network: New large-scale production plant in Minden (DE)



Expansion of drug substances capacities

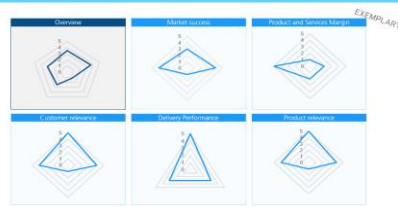
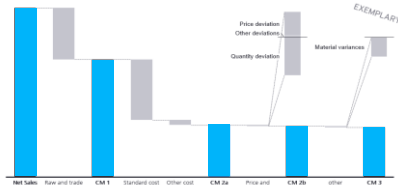
- Up to 100 m³ additional reactor capacity
- Technological and operational “blueprint” for all future investments:
 - “Best practices” from decades of manufacturing experience
 - Highly flexible modular train concept, standardisation
 - High-end online analytics (PAT), manufacturing automation (MES)
 - Energy efficiency measures
- Capacities and teams ready as of 2024
- Investment of up to CHF 100m



Portfolio management: Enhance profitability of our portfolio, while unlocking capacity for future business

Network profitability

Network **profitability** and return on capital



Margin management and customer segmentation

Commercial excellence

1

2

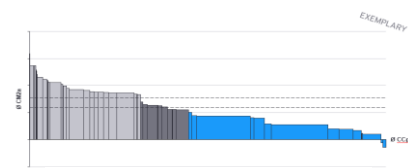
Product margin structure

Product profitability's across the entire portfolio



Portfolio management

Return on **conversion costs and capacity**



4

3

Capacity allocation

Margin-volume trade-off will be optimized towards superior cash flow generation

Investing in digital capabilities: Pushing digital technologies to further leverage the expertise and quality of our teams



SAP S4 HANA roll-out

Global roll-out of S4/HANA enhancing operational efficiencies and decision making



Separation of IT & OT¹

Upgrading of our IT / OT infrastructure, enhancing resilience against cyber attacks



Chemometrics

Acceleration of development timelines and scale-up from grams to tons



Collaboration tools

Enhancing teams efficiencies and close interaction internally and externally



Virtual site tours

Building virtual site tour and audit capabilities



Upgrading process control systems

Further improving operational efficiencies and quality standards

¹ OT = Operational Technology

Building the strongest team: We invest in our people



Siegfried Academy

- › Extending Siegfried's Academy curriculum
- › Addressing the entire skillset to develop teams and leaders today and for the future



Value Awards

- › Strengthening our culture
- › Celebrating success, outstanding work and exemplary behavior



Great Workplace

- › Creating a work environment where people can grow and develop their strength
- › Fostering diversity and team cohesion



We do not only think about tomorrow, but far beyond

Siegfried started its ESG journey years ago:

- > Code of Business Conduct
- > Global Quality Policy
- > Resource and waste management
- > Safety initiatives



Cross-functional ESG
Governance Board sponsored
by CEO and supervised by BoD



Commitment: Siegfried's carbon
footprint to be reduced by 50%
until 2030 compared to 2020¹



Global initiatives proliferating
best practices



Introduction of Siegfried's
supplier integrity commitment



Reporting & recognition

- > Member of UN Global Compact
- > ISS "Prime" status awarded 2020, confirmed 2022
- > MSCI ESG "A" rating
- > Dow Jones Sustainability Index Europe 2022



¹ Normalized against Sales

Siegfried's ambition: Consistently deliver profitable growth by investing in the global network and executing value adding M&A

- > Topline growth at least in line with CDMO market
- > Active portfolio management
- > Operational and pricing excellence
- > Investments in global network – adding technologies and capacities
- > M&A in core areas and beyond



- > Further evolve as a global leader in the CDMO space
- > Be the strongest team running the most competitive network
- > Have critical size in all segments
- > Be the most trusted partner of the pharmaceutical industry

In 2022, high single to low double digit growth (in LC) with profitability further expanding beyond 20 percent Core EBITDA margin, positive mid-term outlook confirmed – some macro uncertainty

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**expect
more**



Annual General Meeting
13 April 2022



Half-Year Reporting
18 August 2022