

## Siegfried continues to deliver profitable growth

- > Net sales CHF 1.272 billion (+6.3% increase versus prior year in local currencies)
- > Core EBITDA of CHF 273.3 million ahead of prior year (CHF 272.5 million) with a margin of 21.5% (prior year 22.2%)
- > Core net profit of CHF 128.1 million (prior year CHF 127.8 million)
- > Outlook for 2024: Siegfried expects a sales growth in the low single-digit percentage range in local currencies and a core EBITDA margin at or above the level of 2023 – implying a growth of underlying business at or above market
- > The Board of Directors to propose at the Annual General Meeting an increase of the distribution to shareholders by CHF 0.20 to CHF 3.60 per share

## Key Figures Overview

	2023	2022	Change CHF (LC)
Net sales (million CHF)	1 271.5	1 229.5	+3.4% (+6.3%)
Core gross profit (million CHF)	320.4	318.9	0.5%
Core gross profit margin (%)	25.2%	25.9%	
<b>Core results<sup>1</sup></b>			
Core EBITDA (million CHF)	273.3	272.5	0.3%
Core EBITDA margin (%)	21.5%	22.2%	
Core EBIT (operating result) (million CHF)	191.9	190.8	0.6%
Core EBIT margin (%)	15.1%	15.5%	
Core net profit (million CHF)	128.1	127.8	0.3%
Core net profit-margin (%)	10.1%	10.4%	
Non-diluted core earnings per share (CHF)	30.24	30.28	-0.1%
Diluted core earnings per share (CHF)	29.80	29.63	0.6%
Cash flow from operating activities (million CHF)	208.6	142.3	46.6%
Free cash flow (million CHF)	71.8	27.2	163.6%
Investment in property, plant and equipment and intangible assets (million CHF)	137.1	115.2	19.0%
	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>Change</b>
Equity (million CHF)	838.1	790.9	6.0%
Total assets (million CHF)	1 861.5	1 793.2	3.8%
Equity ratio (%)	45.0%	44.1%	
Employees (number of FTEs)	3 933	3 564	10.3%

In 2023, Siegfried (SIX: SFZN) continued its journey of strong profitable growth, more than offsetting the phasing out of significant vaccines business compared to 2022. Net sales reached CHF 1.272 billion, an increase of 6.3 percent in local currencies and 3.4 percent in CHF (2022: CHF 1.229 billion).

Core EBITDA was CHF 273.3 million, up +0.3 percent (2022: CHF 272.5 million). This resulted in a core EBITDA margin of 21.5 percent (2022: 22.2 percent), despite the phasing out of above-average profitable vaccines business compared to 2022. Core net profit grew by +0.3 percent to CHF 128.1 million (2022: CHF 127.8 million). The Board of Directors will propose at the Annual General Meeting on 18 April 2024 to increase the distribution to shareholders by CHF 0.20 to CHF 3.60 per share. As in prior years, this distribution will be effected by way of a reduction in the par value of each share.

At CHF 208.6 million, the operating cash flow was significantly above the previous year's level (2022: CHF 142.3 million). Free cash flow amounted to CHF 71.8 million, significantly up from last year (2022: CHF 27.2 million).

At year-end, Siegfried had cash and cash equivalents of CHF 56.4 million (2022: CHF 91.5 million). Net debt amounted to CHF 388.6 million, a ratio of 1.42 to core EBITDA, and the equity ratio was 45.0 percent. Compared to the previous year, the Siegfried Group's debt capacity and its ability to finance further growth steps has further expanded.

In 2023, Siegfried was included in the prestigious Dow Jones Sustainability Index Europe for the third consecutive year and has once more received very good ratings by ISS ESG, MSCI ESG and Sustainalytics. All sites also scored well in the EcoVadis Rating.

**Wolfgang Wienand**, Chief Executive Officer: "In 2023, Siegfried once again delivered a strong year with significant sales growth at attractive profitability. I am particularly pleased that we were able to deliver this very good result, because we have been able to not only compensate for the phasing out of vaccines business, but to even overcompensate for it. This result validates the resilience of our business model and the dedication and spirit-to-win of our global teams. We are ready to keep this momentum and to translate the many opportunities available to us into future growth."

### **Continued growth in a challenging environment**

In withstanding continued inflation and the ongoing energy crisis in 2023, Siegfried's underlying business (excluding coronavirus vaccines) with its well-diversified portfolio of products and customers has once again demonstrated its resilience. The company was able to keep up its dynamic pace and to overcompensate for the phasing out of significant and above-average profitable vaccines business while protecting the profit margin on all levels. This positive result was driven by continued high demand for Siegfried's products and services in its underlying business, ongoing active portfolio optimization and strict cost discipline at corporate level as well as at all manufacturing sites. In drug substances the business continued to strongly expand based on close customer relationships, Siegfried's scientific and technical excellence and the complementary expertise of its global network. The underlying drug products business grew at mid to high single-digit percentages (in LC). At the same time, Siegfried continued to expand its drug products capabilities and strengthened its footprint in biologics. Paired with its quality track record and extensive manufacturing experience, Siegfried once again was a partner of choice for both, new projects and products for drug substances as well as for drug products.

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

As part of the EVOLVE strategy, Siegfried continued to make significant investments into its global manufacturing network to further strengthen its innovation and technological capabilities. In March 2023, Siegfried inaugurated the new Development Center for Drug Products in Barcelona. The development center provides a wide range of development services with flexible pilot capacities, strengthening Siegfried's global Drug Products network and enhancing the ability to acquire new business. At the end of April 2023, Siegfried began constructing a new global development center for Drug Substances in Evionnaz, which will significantly increase Siegfried's R&D capacities to drive future growth. Construction of the new large-scale multi-purpose production plant for Drug Substances in Minden continued. Beyond these landmark investments, Siegfried invested in additional capacities and capabilities across the entire network.

## **New growth opportunities from the acquisition of DINAMIQS**

In May 2023, Siegfried acquired 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. Siegfried intends to bring DINAMIQS' capabilities to commercial scale and to create a best-in-class biotech CDMO in that space. This will include the investment in a GMP manufacturing facility, which is on course to go live in 2025. With first business intake from small and large pharmaceutical companies the growing DINAMIQS team is well on track to create significant mid to long-term growth opportunities for Siegfried in this dynamic market segment.

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

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

## **Outlook for 2024**

In 2024, Siegfried will keep its momentum with the ambition to again overcompensate for the phasing out of significant vaccines business. The company expects a sales growth in the low single-digit percentage range in local currencies and a core EBITDA margin at or above the level of 2023, implying a growth of the underlying business at or above market. Capital expenditures in the year will be elevated due to ongoing projects in Minden, Evionnaz and at DINAMIQS at mid teens percentage of sales.

In the mid-term, Siegfried expects continued profitable growth at or above market, while stepwise expanding 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 Report 2023. For more information, please visit its Investors portal:

<https://www.siegfried.ch/investors/reports/>

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[Link to the webcast \(taking place on 20 February 2024 at 14:00 CET\)](#)

[cSuite Live](#)

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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 2023, the company achieved sales of CHF 1.272 billion and employed on 31.12.2023 more than 3'900 people at twelve 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.