

Siegfried continues to grow and increases profitability

Half-Year Results 2024

Zofingen, 22 August 2024

**expect
more**



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Siegfried continues to deliver growth at expanded margins

Strong underlying business once more overcompensates headwinds



- Net sales up to CHF 619.9 million, an increase of 3.5% in local currencies (2.1% in Swiss Francs)
- Core EBITDA increased to CHF 132.1 million (prior year CHF 125.7 million) resulting in an expanded margin of 21.3% (prior year 20.7%)
- Core net profit of CHF 71.7 million (prior year CHF 58.8 million)
- Strategy EVOLVE well on track:
 - Accelerating growth: Acquisition of an early-phase CDMO in the US to enhance customer offering
 - Continued investments to enhance existing manufacturing network
- Marcel Imwinkelried appointed CEO, starting September 1st

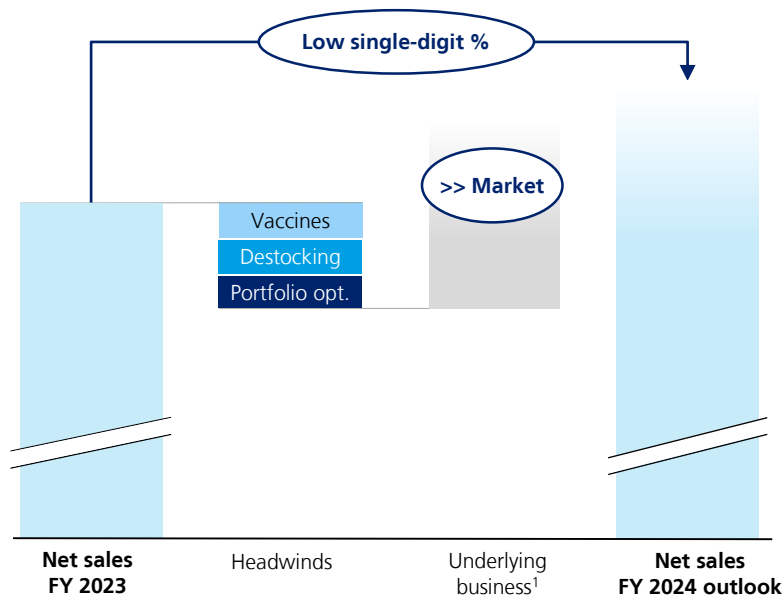
→ Outlook confirmed: For 2024 Siegfried expects a sales growth in the low single-digit percentage range in local currencies and a core EBITDA margin at or above the level of 2023

A woman with dark hair, wearing a white lab coat, safety glasses, and blue gloves, is holding a small glass vial containing a blue liquid. She is looking at the vial with a slight smile. The background is a blurred laboratory setting with other people and equipment.

Financial Update

Strong underlying business growth

Headwinds overcompensated



¹ Underlying business excludes coronavirus vaccines, destocking and portfolio optimization

* Shape and size of boxes do not reflect actual values; all growth rates mentioned are local currency growth rates,

Comments

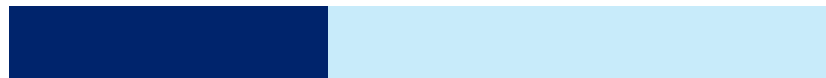
- For 2024, we expected to overcompensate the following top line headwinds:
 - Phasing out of the vaccines business
 - Destocking
 - Portfolio optimization: Consciously sacrificing mid teens million sales from tail-end products for profitability
 - Currency headwind

→ The growth outlook of net sales of low single-digit % translates into significant growth of underlying business above market

H1 2024: Profitable growth – delivered

Increased momentum at the two Spanish Drug Products sites

Net sales split H1 2024



33.7%

● Drug Products

66.3%

● Drug Substances

Note: Net sales split H1 2023: 34.4% Drug Products, 65.6% Drug Substances

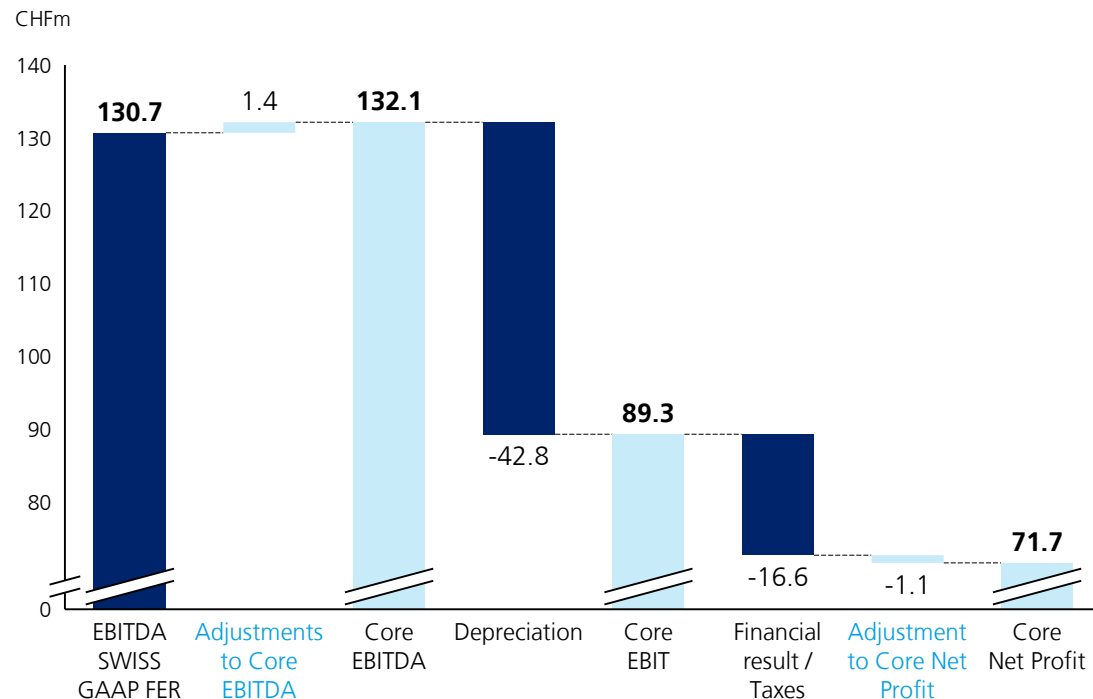
Change H1 2024 vs H1 2023

CHF million	H1 2024	H1 2023	Change
Drug Substances	411.1	398.5	+3.2% (+4.3% in LC)
Drug Products	208.8	208.6	+0.1% (1.8% in LC)
Total	619.9	607.1	+2.1% (+3.5% in LC)

- Net sales grew by 3.5% in local currencies (LC), FX headwind across all currencies
- 35% sales recorded in CHF, 53% in EUR, 12% in USD
- Strong growth of underlying Drug Products business, increased momentum at the two Spanish sites

Reconciliation for H1 2024

From Swiss GAAP FER to Core results



Note: Each number is rounded individually

Comments

Adjustments to Core EBITDA CHF 1.4m

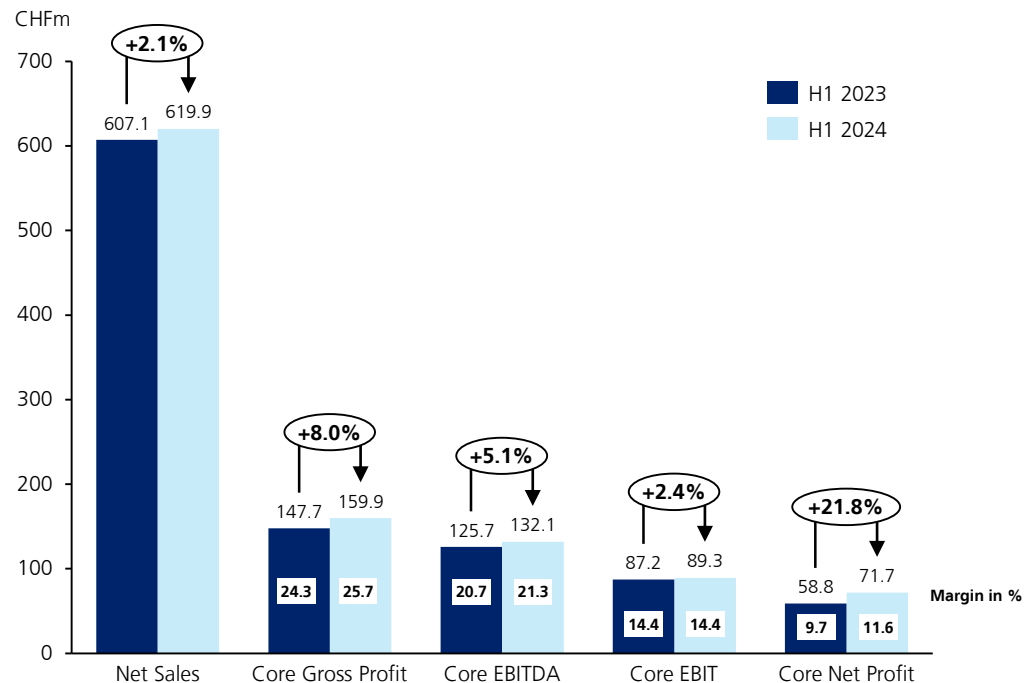
- Current net interest foreign pension plan (CHF 1.4m)

Adjustments to Core net profit CHF 1.1m

- Current net interest foreign pension plan (CHF -1.4m)
- Tax related step-up release effect (CHF 0.4m)

Profitability protected and increased

Overcompensated profitable vaccines business, destocking and portfolio optimization



Note: Growth rates are calculated using the exact numbers

Comments

- Top line: Growth of 3.5% (2.1% in CHF)

Vaccines business, destocking and portfolio optimization overcompensated through above-market growth of underlying business

- Profitability: Growth ranging from 2.4% to 21.8%

Efficiency measures, strict cost discipline and active portfolio optimization again supported profitability and are now part of Siegfried's DNA

H1 2024: Profitability protected and increased

CHF million	H1 2024	H1 2023
Net sales	619.9	607.1
Cost of goods sold	-460.4	-459.4
Core gross profit	159.5	147.7
Marketing and sales costs	-9.4	-11.3
Core research and development costs	-21.7	-22.1
Core administration & general overhead costs	-39.8	-33.7
Other operating income	0.7	6.6
Core EBIT	89.3	87.2
Core financial result (loss)	-3.7	-5.5
Exchange rate differences (loss)	4.4	-3.1
Core profit before income taxes	90.0	78.6
Core income taxes	-18.3	-19.7
Core net profit	71.7	58.9
Depreciation	-42.8	-38.5
Core EBITDA	132.1	125.7

Note: Each number is rounded individually

Comments

- COGS / SG&A: c. CHF 2m of IT cost permanently shifted from COGS to admin & general overhead
- Core G&A stable relative to sales
- Non-cash exchange rate differences positive, partial reversal from year end

Continued to deliver significant improvement in operating cash flow

First contributions from net working capital improvement project

CHF million	H1 2024	H1 2023
Operating cash flow before changes in NWC	124.8	119.5
Change in NWC	-5.8	-40.7
Operating cash flow	118.9	78.8
Purchase of PPE and intangibles (net)	-66.4	-64.5
Acquisitions	-	-10.6
Other investing activities	0.2	0.2
Cash flow from investing activities	-66.2	-74.9
Free cash flow	52.5	14.3
Cash flow from financing activities	-44.7	-64.3
Net change in cash	8.1	-60.4

Comments

- Substantial increase of operating cash flow and free cash flow, due to favorable developments in net working capital
- First contributions from net working capital improvement project
- Capital expenditures at lower end of guidance
- Continued to de-lever, net debt / Core EBITDA at 1.3
- Conversion of first hybrid convertible bond

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

→ Strong operating cash flow further strengthens our foundation for investments into further growth

Sustainability is one of our five core values

We are an ESG leader in the CDMO industry

Our focus areas

Greenhouse gas (GHG) reduction

- SBTi¹ validation of GHG reduction targets ongoing
- Decarbonizing of products with largest GHG footprint
- Roadmap for decarbonisation of sites

Customers sustainability offerings

- Roll-out of sustainability dashboard
- Analysis of product carbon footprint reduction potential

Evolving reporting standards

Preparing the organisation to comply with

- TCFD²
- Limited assurance
- CSRD³

Our most important distinctions

MSCI
ESG RATINGS



CCC | B | BB | BBB | A | AA | AAA

Confirmed on
12.2.23

Corporate ESG
Performance

RATED BY
ISS ESG

Prime



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Member of

Dow Jones
Sustainability Indices

Powered by the S&P Global CSA



¹ Science Based Targets initiative

² Task Force on Climate-related Financial Disclosures

³ Corporate Sustainability Reporting Directive

A woman wearing a white protective suit and a clear face shield is smiling. She is wearing glasses and has a friendly expression. The background shows a laboratory or industrial setting with white equipment and blue accents.

Outlook

We continue to deliver our strategy EVOLVE

Grafton will further accelerate our growth story

Grow existing core



- Small molecule DS and DP
- Complex chemistry
- Oral / inhalation solid dosage forms
- Aseptic liquid dosage forms
- Integrated offering of DS and DP services

Add adjacencies

- Formulation and aseptic fill & finish of large molecules
- Particle technologies
- DP delivery systems
- Antibody drug conjugates (ADC)

Enter and grow new areas

- DS Antibodies
- Cell & gene therapy (CGT)
- Viral vectors
- Synthetic biology
- Data analytics

Acquisition of Grafton

Development center for DP in Barcelona (ES), including dedicated facilities for highly potent products

New large-scale production plant for high-value DS in Minden (DE)

New R&D hub for DS in Evionnaz (CH)

Expansion of pre-filled syringe capacity for biologics in Hameln (DE)

Expansion of high-potency micro-nization capacity in Evionnaz (CH)

Acquisition of DINAMIQS and build-out of commercial capacities in Zurich (CH)



The Siegfried Acceleration Hub is in business

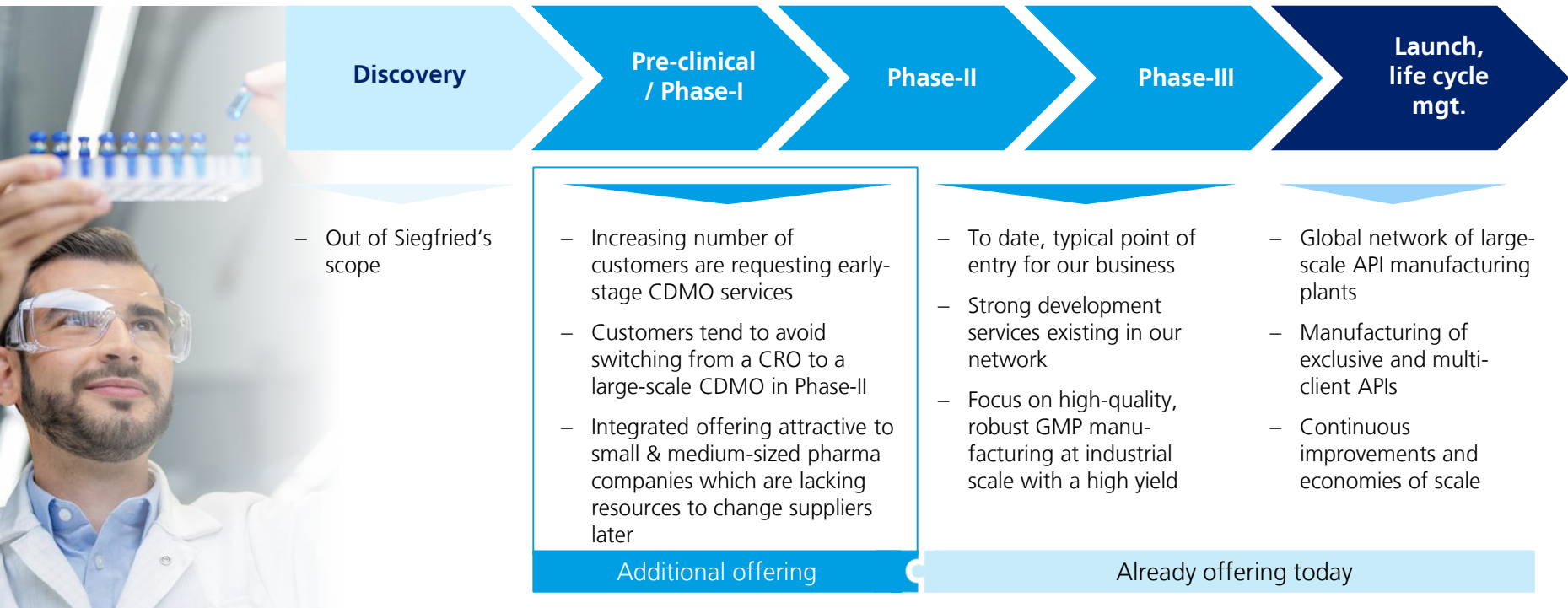
Expanding our offering in the US and strengthening service portfolio globally

- CDMO specialized in early-phase development and manufacturing services in Grafton, Wisconsin (US)
- Strengthening Siegfried's customer offering for Drug Substances in terms of capabilities and geography
- Great team with state-of-the-art expertise in process and analytical development
- Platform for further investments into differentiating technologies
- Positive response from customers, first inquiries received



Capturing attractive opportunities already at early clinical stages

Customers will benefit from synergies across all development phases all the way to commercial production



Fully exploiting our asset base and preparing for further growth

Continued focus on commercial and operational excellence as well as portfolio optimization



Operational excellence

Free up and de-risk bottlenecks as well as improve operational efficiency

- Ensure cost competitiveness
- Strive for first-time-right
- Reduce non-quality cost
- Keep highest levels of quality standards
- Support sustainability targets



Commercial excellence

Optimize working capital management and enhance customer relationships

- Protection against inflation, demand volatility, FX effects
- Working capital and inventory financing
- Long-term customer development as strategic partners



Portfolio optimization

Allocate high value capacity to margin accretive products

- Allocate high-value capacity to margin accretive products
- Free up and de-risk bottlenecks



Siegfried's journey goes on

Continuously delivering profitable growth

Investing in our global network and executing value-adding M&A

- Delivering our strategy EVOLVE
- Optimizing our portfolio of projects, products and assets
- Focus on execution along commercial, operational excellence

Positive mid-term outlook confirmed

- Continued profitable growth at or above market (excluding M&A)
- Stepwise expanding profitability
- Capital expenditures of low teens
- Increasing cash generation

→ Outlook confirmed: 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



Thank you for your attention



24 October 2024

Capital Markets Day Site visit

18 February 2025

FY Results

10 April 2025

AGM



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