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Zurich, March 14, 2018

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# Siegfried

## Welcome to the Media & Analysts' Conference

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Higher Sales, EBITDA  
and Net Profit

EBITDA margin:  
target range reached

Mid-term targets  
confirmed

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- 1. Highlights**
- 2. Facts & Figures**
- 3. Strategy**
- 4. Status & Outlook**

## Higher sales and a clearly higher net profit for 2017

- Net sales of 750.5 million Swiss francs (+4.6%)
- EBITDA 114.0 million francs (+17.8%)
- EBITDA margin 15.2% (+1.7 percentage points)
- Net profit 39.7 million francs (+42.4%) despite one time tax effect
  
- Siegfried concluded significant agreements with customers in the first half of 2017, thereby enhancing strategic partnerships (in particular, the US pharmaceutical company Bristol-Myers Squibb and Keryx consolidating and expanding a long-term partnership between both companies)
  
- Outlook year end 2018
  - At least mid single-digit sales growth (at constant exchange rates)
  - Significant increase in EBITDA margin
  
- Confirmation of mid-term targets

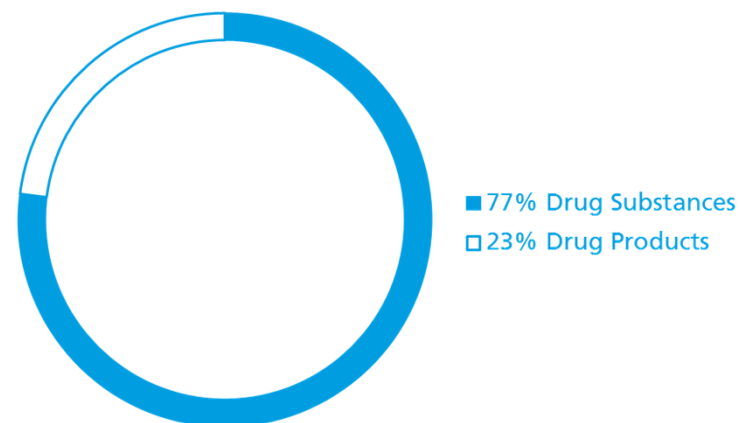
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## Net sales increase despite phase-out of Enoxaparine

CHF million	2017	2016	Change
Drug Substances	580.7	557.9	+4.1%
Drug Products	169.8	159.8	+6.3%
<b>Total</b>	<b>750.5</b>	<b>717.7</b>	<b>+4.6%</b>

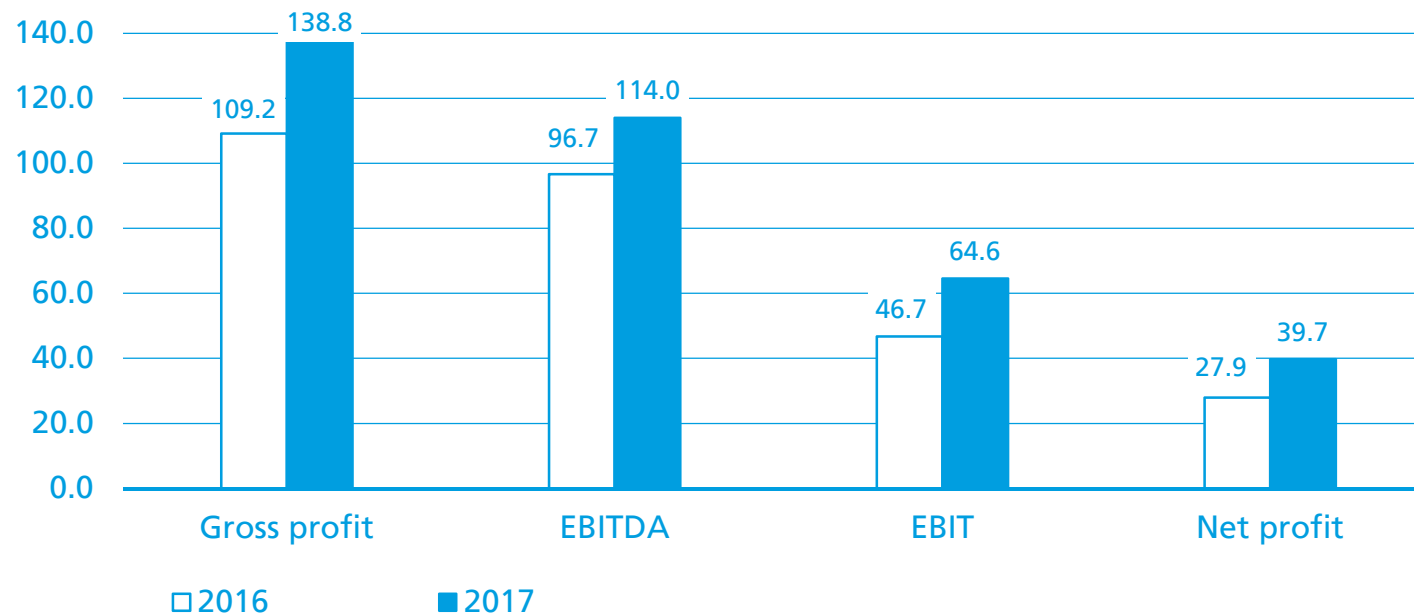
### Comments

- Net sales grew by +4.6% to CHF 750.5m
- Drug Products recorded a growth of +6.3%, Drug Substances a growth of +4.1%
- Drug Products account for 23% of revenue, Drug Substances for 77%



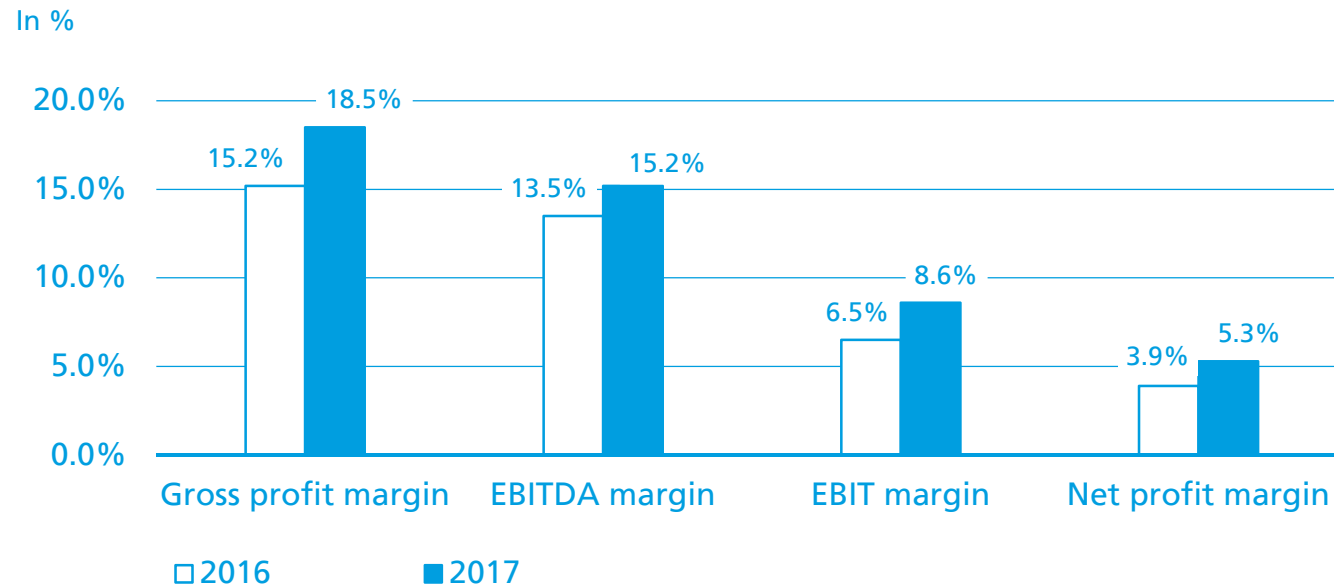
# Significant increase in operating profits

In Mio. CHF



- Significant increase of profit on all levels, gross profit down to net profit
- Strong increase of net profit by CHF 11.8m (+ 42.4%)

# Margin expansion at all levels



- Margin expansion on all levels
- EBITDA margin now in the target corridor of between 15% and 20%



## Strong increase of net profit by CHF 11.8m (+ 42.4%) despite one time tax effect

CHF million	2017	2016
<b>Net sales</b>	<b>750 468</b>	<b>717 729</b>
Cost of goods sold	- 611 658	- 608 509
<b>Gross profit</b>	<b>138 810</b>	<b>109 220</b>
Marketing and sales costs	- 16 228	- 16 028
Research and development costs	- 25 631	- 21 193
Admin and general overhead costs	- 38 631	- 31 488
Other operating income	6 264	6 239
Share of result of associates	- 8	- 36
<b>Operating profit (EBIT)</b>	<b>64 576</b>	<b>46 714</b>
Financial Result	- 8 269	- 11 981
Tax result	- 16 575	- 6 827
<b>Net profit</b>	<b>39 732</b>	<b>27 906</b>
EPS	10.01	7.18
EPS diluted	9.71	7.04

- Decrease of the average expected group tax rate from 21.3% to 17.9% and devaluation of deferred tax assets
- Increase of admin costs because of shift from cost of goods sold

## Significant improvement of operating cash flow

CHF million	2017	2016
Operating Cashflow before changes in NWC	106 355	95 907
Change in NWC	-21 933	-38 794
<b>Operating Cashflow</b>	<b>84 422</b>	<b>57 113</b>
Purchase of PPE and intangibles (net)	- 52 840	- 68 287
Other investing activities	594	2 525
<b>Cashflow from investing activities</b>	<b>- 52 246</b>	<b>- 65 762</b>
<b>Free Cashflow</b>	<b>32 127</b>	<b>-11 077</b>
<b>Cashflow from financing activities</b>	<b>- 10 125</b>	<b>7 895</b>
Treasury shares	-19 894	-13 242
<b>Net change in cash</b>	<b>+ 2 157</b>	<b>- 13 996</b>

- Significant increase in operating cash flow before and after changes in NWC. Increase in NWC driven by high sales in Q4 2017 and high A/R position at year-end.
- Normalization of PPE purchases compared to 2016.
- Higher operating cashflow in combination with normalized investment activities lead to a significant increase of free cashflow.
- Net debt/EBITDA ratio 0.6 and equity ratio 63%.

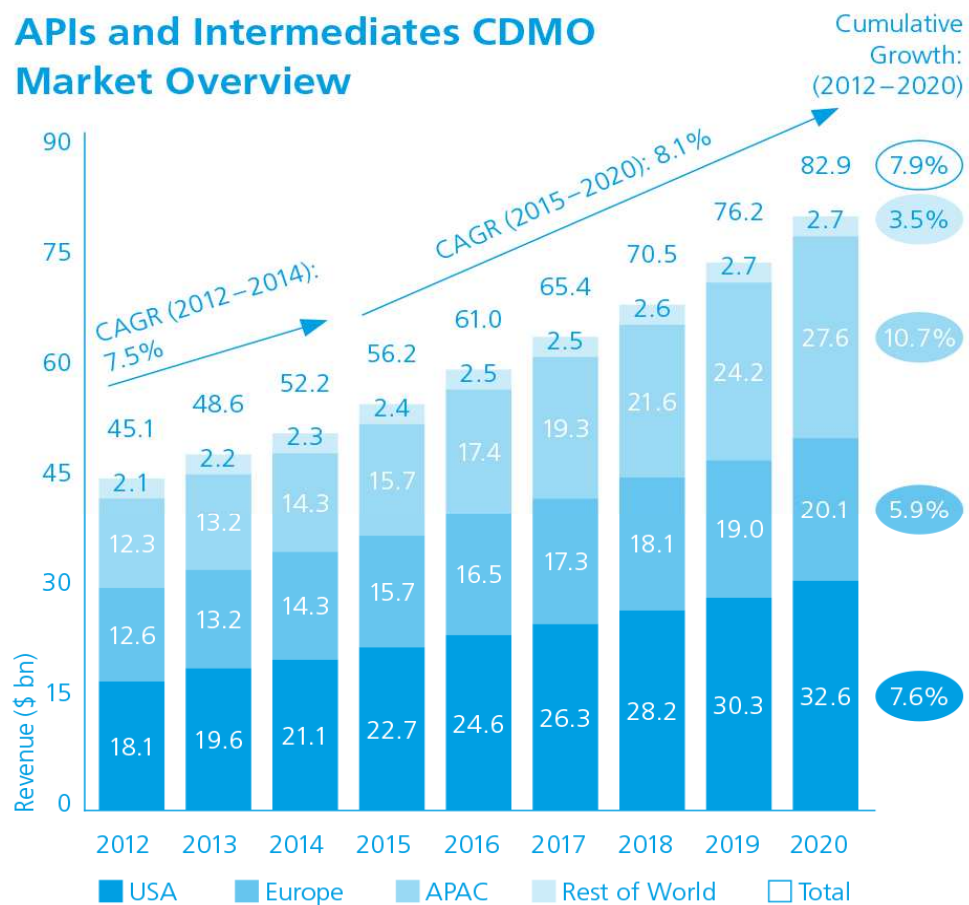
## Pay-out – proposal to the AGM on April 20, 2018

- The Board of Directors proposes a pay-out from the capital contribution reserves of CHF 2.40 per share (2017: CHF 2.00 per share) to the AGM on April 20, 2018 (in total approx. CHF 9.9 million).
- The Pay-out from capital contribution reserve is tax free in Switzerland and under most foreign tax regimes.
- This leaves a capital contribution reserve of CHF 103.3 million for future tax free pay-outs.

1. Highlights
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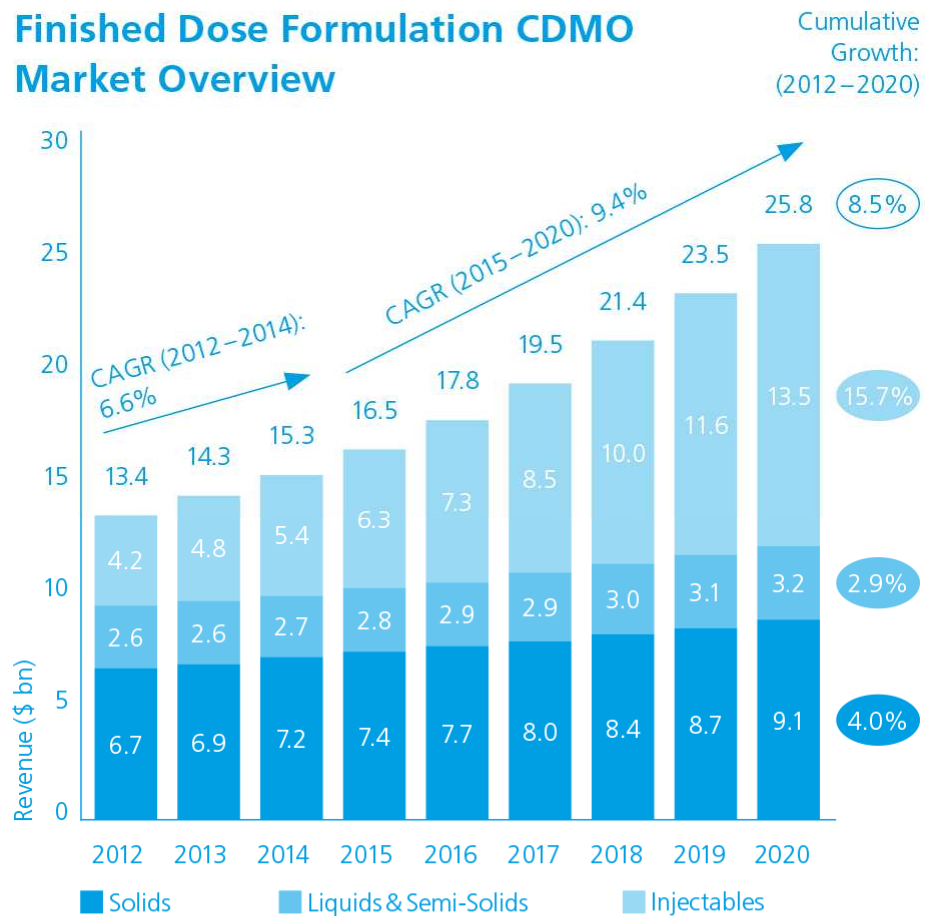
# CDMO market continues to be very attractive

## APIs and Intermediates CDMO Market Overview



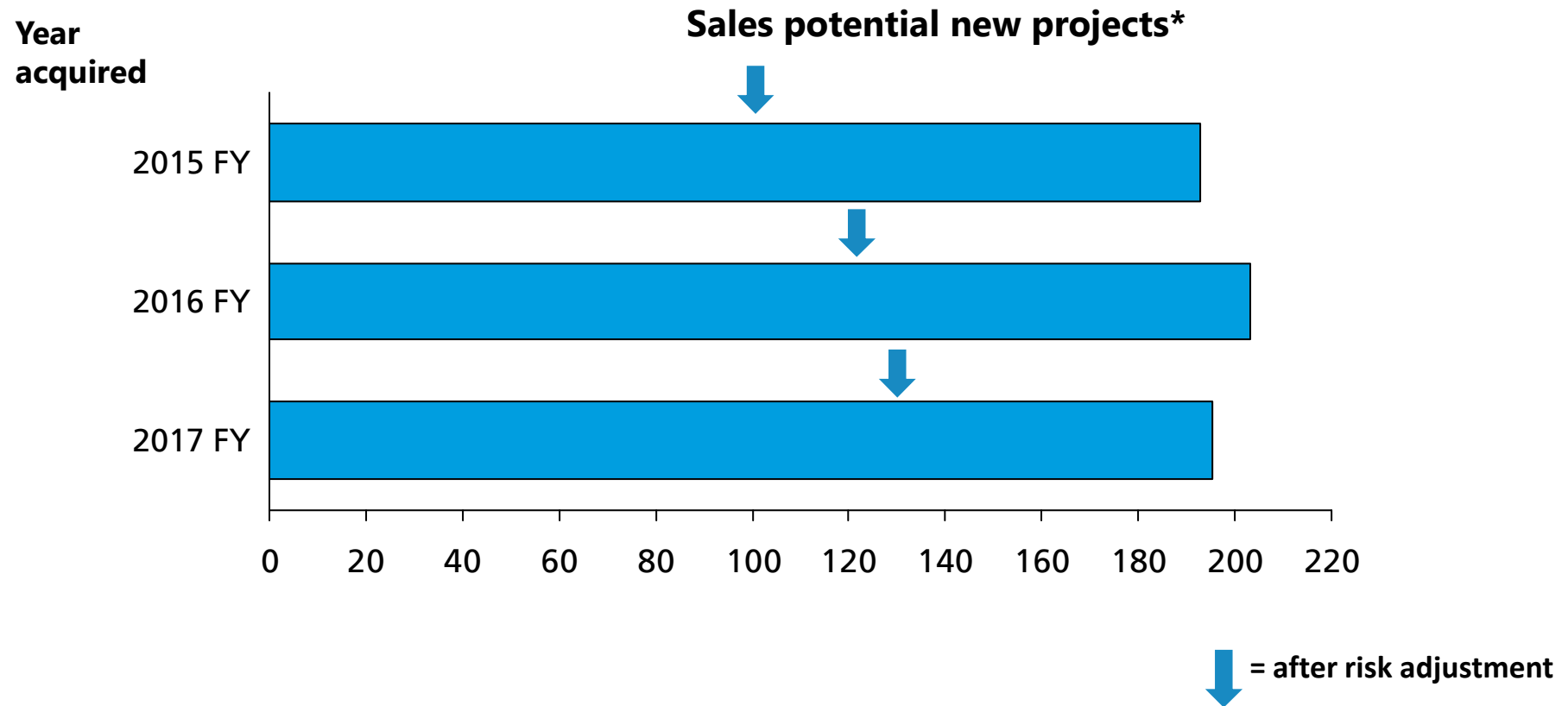
Source: Global Pharmaceutical Contract Manufacturing Organization (CMO) Market by Frost and Sullivan, August 2016

# CDMO market continues to be very attractive



Source: Global Pharmaceutical Contract Manufacturing Organization (CMO) Market by Frost and Sullivan, August 2016

# Siegfried's sales potential of new projects remains at a high level

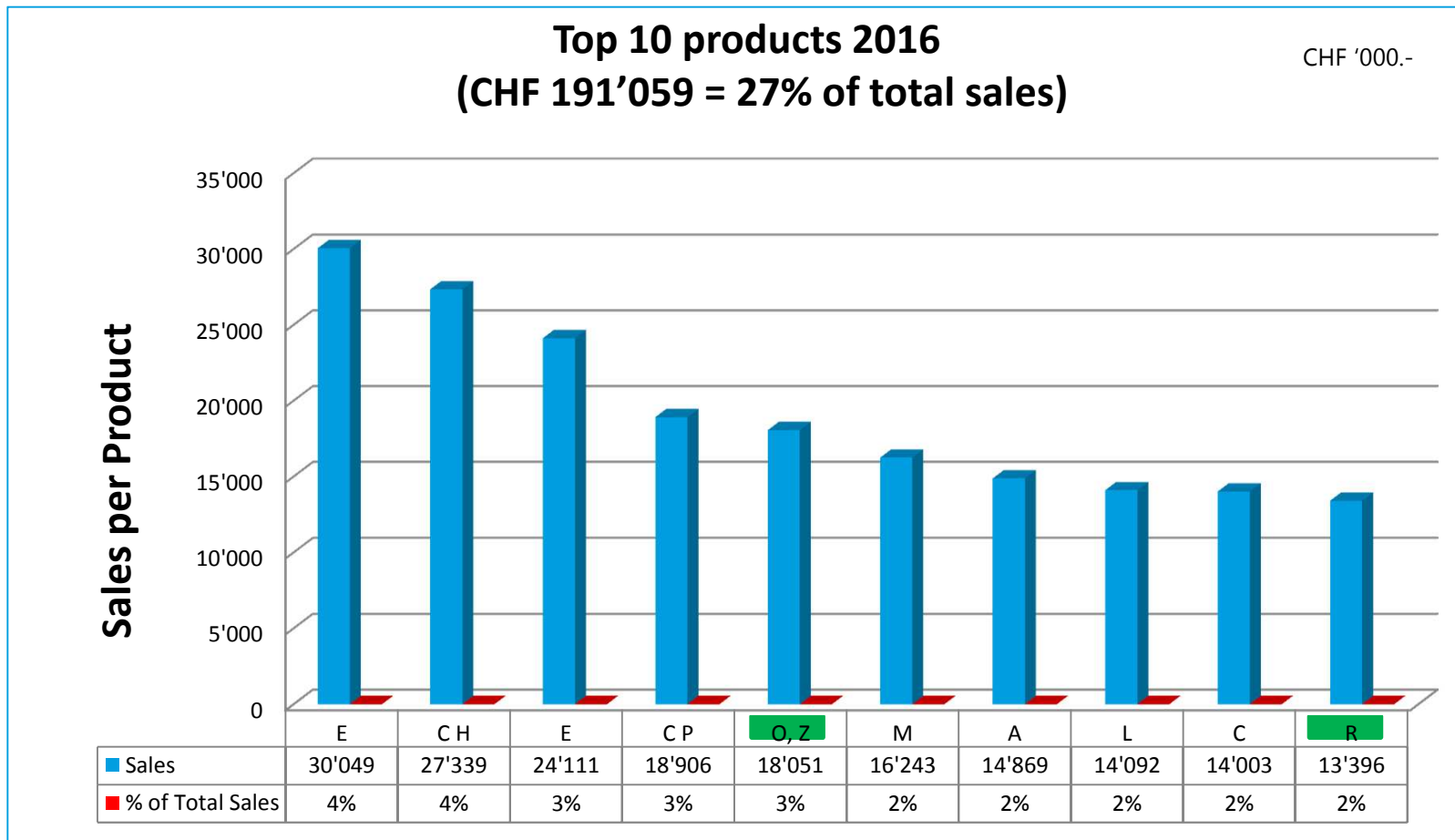


**\*For 5 years. Excludes portfolio products.**

2015 total includes Hameln 2015 projects for first time & former BASF DS Exclusives projects acquired in Q4 2015  
Business segments included: DS Exclusives, DP Exclusives, DS & DP combined and DP Sterile business segments  
& DS Portfolio growth (2017)

# Our product portfolio remains very balanced

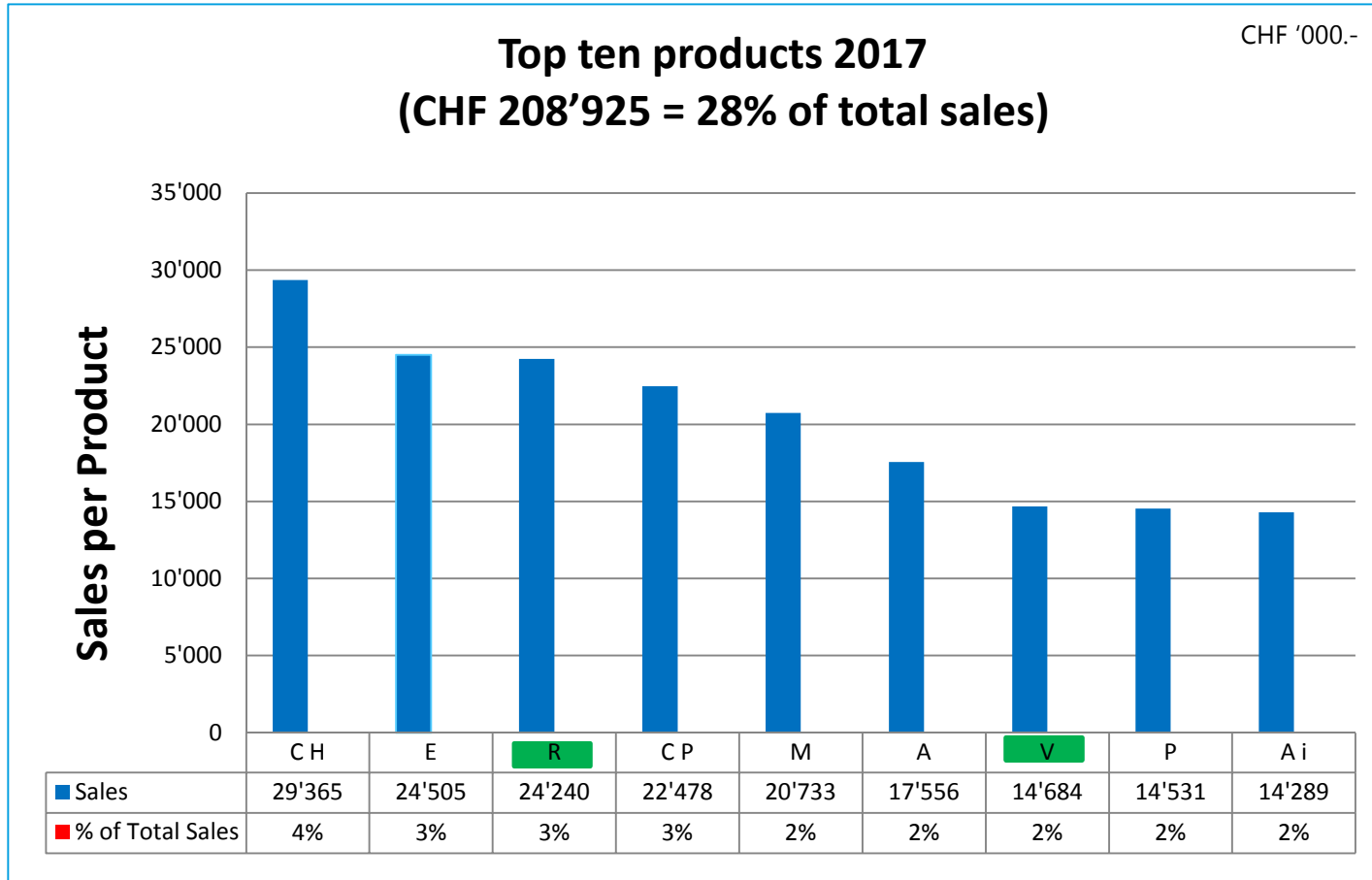
## Net sales top 10 products 2016





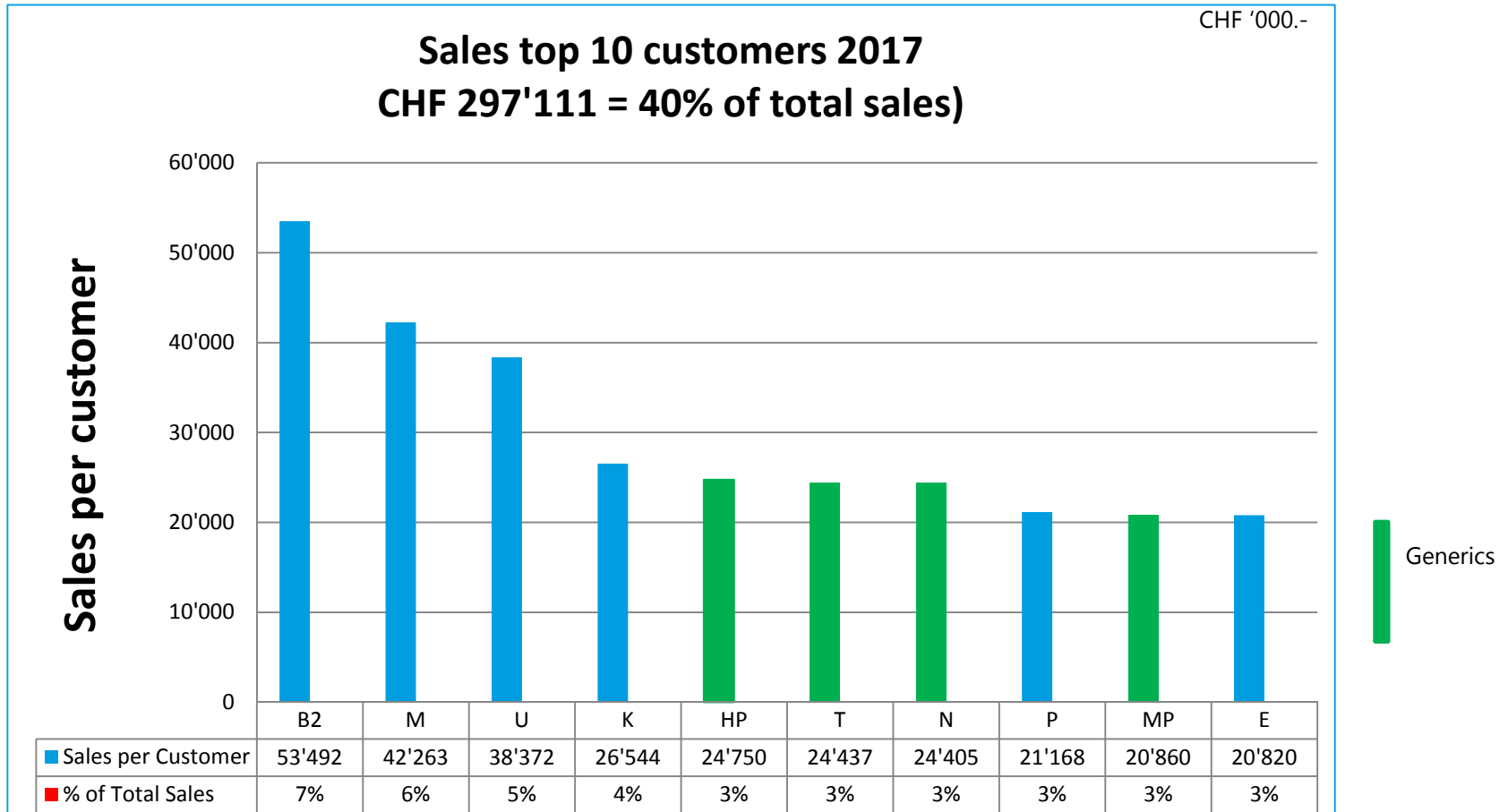
# Our product portfolio remains very balanced

## Net sales top 10 products 2017



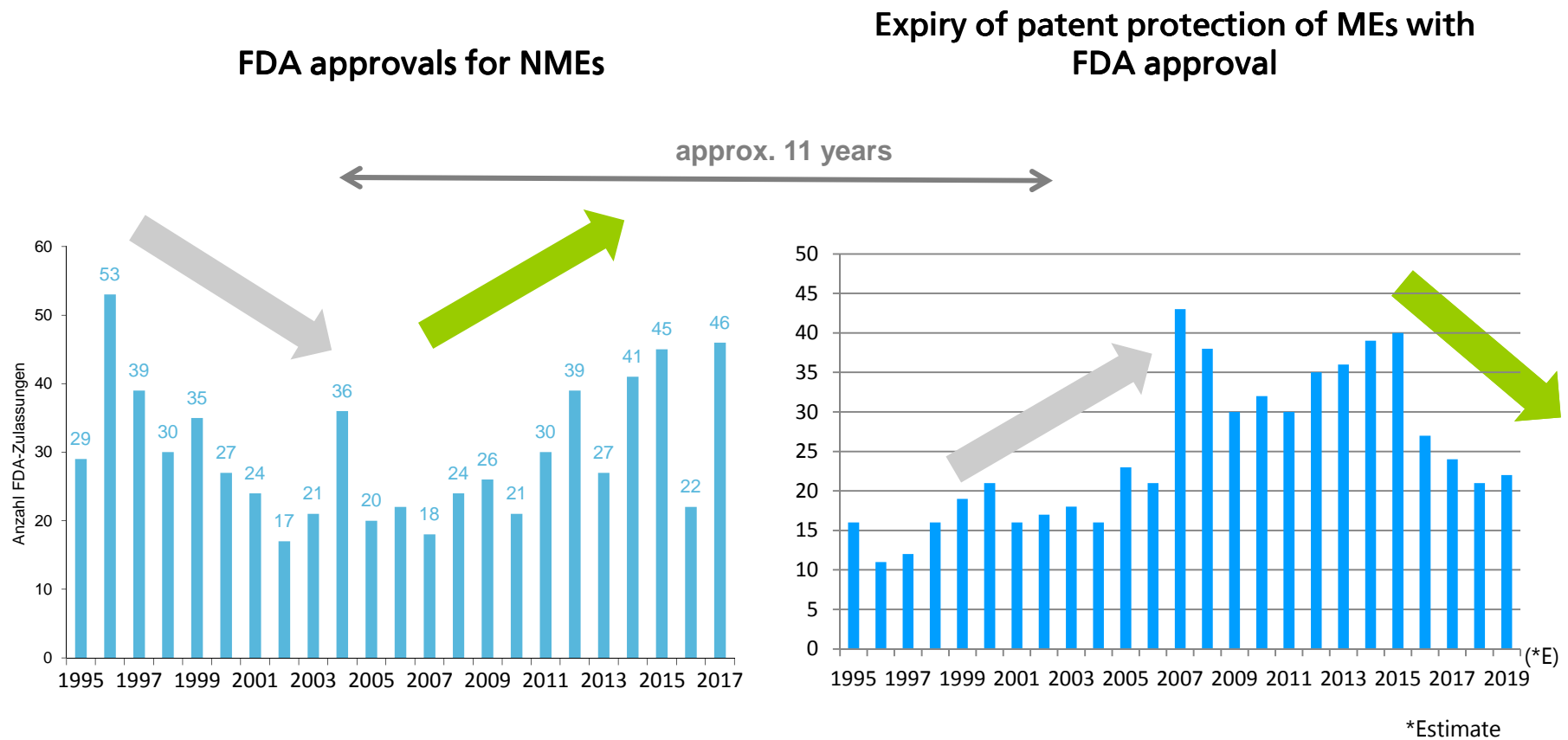
# Product portfolio top 10 customers 2017

## Patent protected vs. generics



# Sustainability can be achieved by reducing volatility – alignment of business and asset strategy necessary

Volatility hedged by managing two rather than only one entry point to the market.



# Our new production network offers an unique combination of flexibility and integration for both, patent protected products and generics



DS: Drug Substances (API)  
DP: Drug Products

# Siegfried's EVOLVE strategy for 2016–2020: Siegfried will further enhance its pure-play CDMO business model

## Fields of action

Growth

- **Strengthen offerings:**
  - Expand global solid drug product footprint
  - Expand overall presence with own production facilities (e.g. US)
  - Enhance development setup
- **Grow within value chain of existing business:**
  - Reach critical size in drug product sector
  - Backward integration
- **Diversify into adjacent new business**
  - *Enhance technology base (micronization, lyophilization, spray drying, additional high-potent manufacturing capabilities)*



# Siegfried's expansion into biologics

- Biological filling capacity:
  - Low-loss filling line specifically designed for sterile biologics in Irvine in use, necessary analytical support in place
  - Investment in Hameln for filling line for sterile biologics ongoing
  - Collaboration with Symphogen A/S (fill and finish) and other customer contracts signed



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# Status & Outlook

## Result 2016

Sales CHF 717.7 million,  
EBITDA CHF 96.7 million

## Result 2017

Sales CHF 750.5 million  
EBITDA CHF 114.0 million

## 2018, the Siegfried Group expects :

- At least mid single-digit sales growth (at constant exchange rates)
- Significant increase of EBITDA margin

## Mid-term targets confirmed

- 900 million sales and 20% EBITDA margin



Siegfried |

expect more

Thank you  
for your  
attention