

A woman wearing a white protective suit, a clear face shield, and blue gloves is smiling while working with industrial machinery. The background is a bright, clean industrial setting.

# Strategy *EVOLVE<sup>+</sup>*

Paving the way for continued  
profitable growth

The Swiss Equity Conference

Zurich, 7 November 2024

**expect  
more**

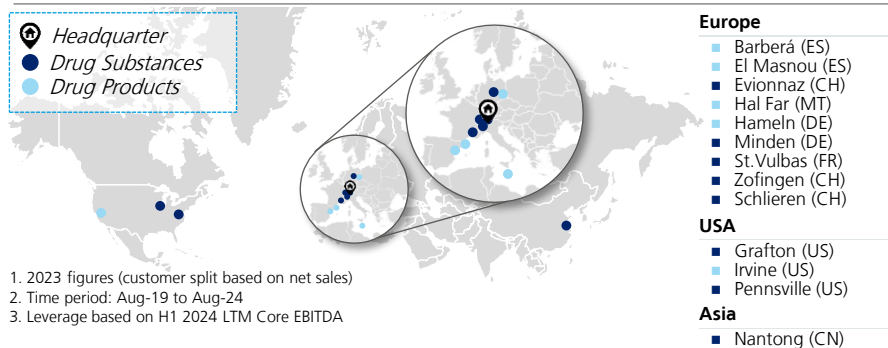
**Siegfried**

# Siegfried at a glance – a globally leading network with more than 150 years of pharmaceutical contract manufacturing experience

## Company overview

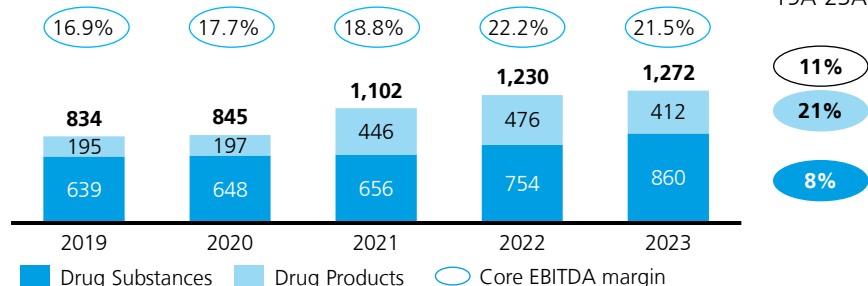
<b>Who we are</b>	<ul style="list-style-type: none"> <li>Leading global CDMO with 13 sites in 7 countries on three continents</li> <li>Founded in 1873, based in Zofingen (CH), employing c. 3,900 people</li> </ul>		
<b>What we do</b>	<b>Drug Substances (DS)</b> <ul style="list-style-type: none"> <li>Development and production of advanced intermediates &amp; API</li> <li>Supplies c. 200 out of 1,500 active pharmaceutical ingredients (API)</li> </ul>	<b>Drug Products (DP)</b> <ul style="list-style-type: none"> <li>Development and production of finished dosage forms (FDF)</li> <li>Supplies c. 4bn OSD &amp; c. 200m sterile units<sup>1</sup></li> </ul>	
<b>Our customers</b>	Small & mid pharma (c. 2/3) <sup>1</sup>	Large pharma (c. 1/3) <sup>1</sup>	Total customers > #500
Large share of long-standing business relationships			

## Geographic footprint

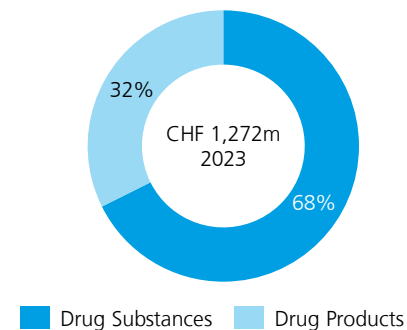


## Key financials

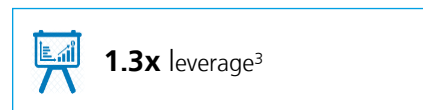
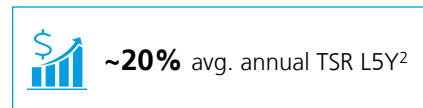
Net sales in CHFm and Core EBITDA margin



## Net sales by business segment

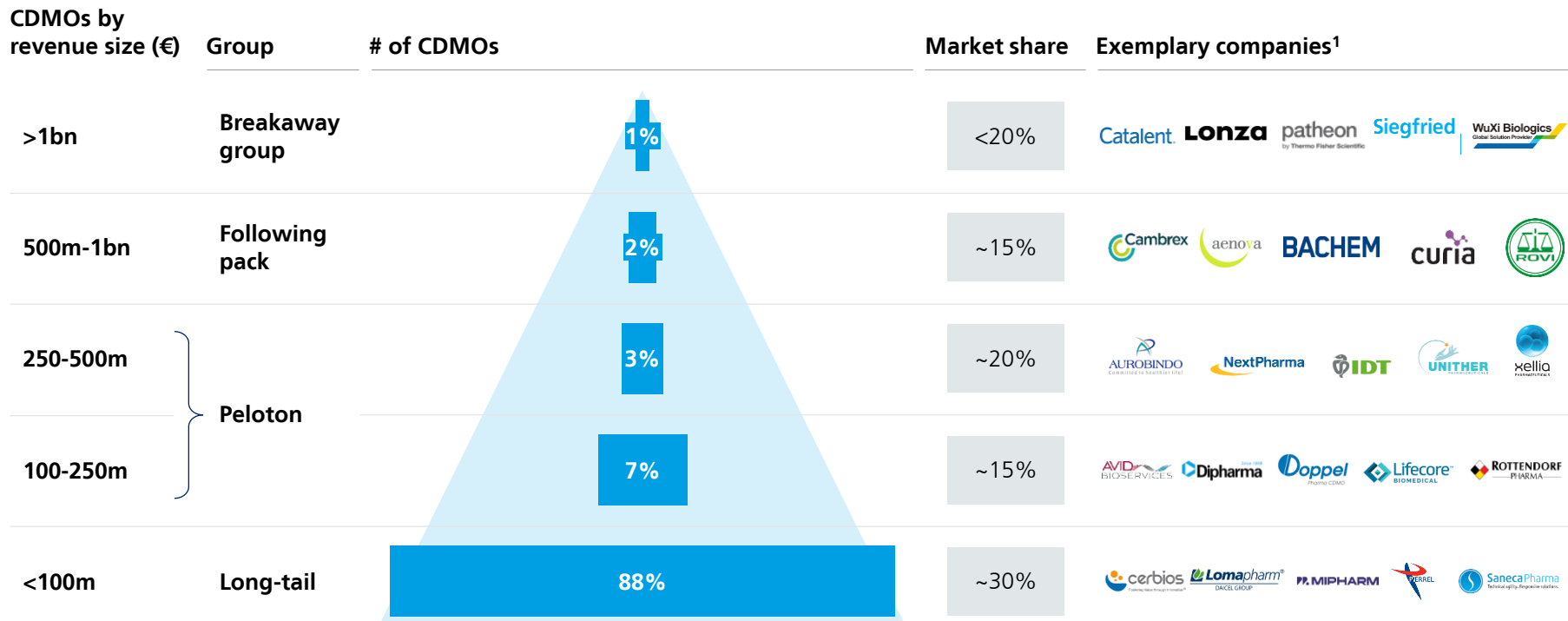


## Selected financial KPIs



# As a leader, we will continue to shape the CDMO industry

Our size and our unceasing pursuit of business growth make us a strategic partner for our customers

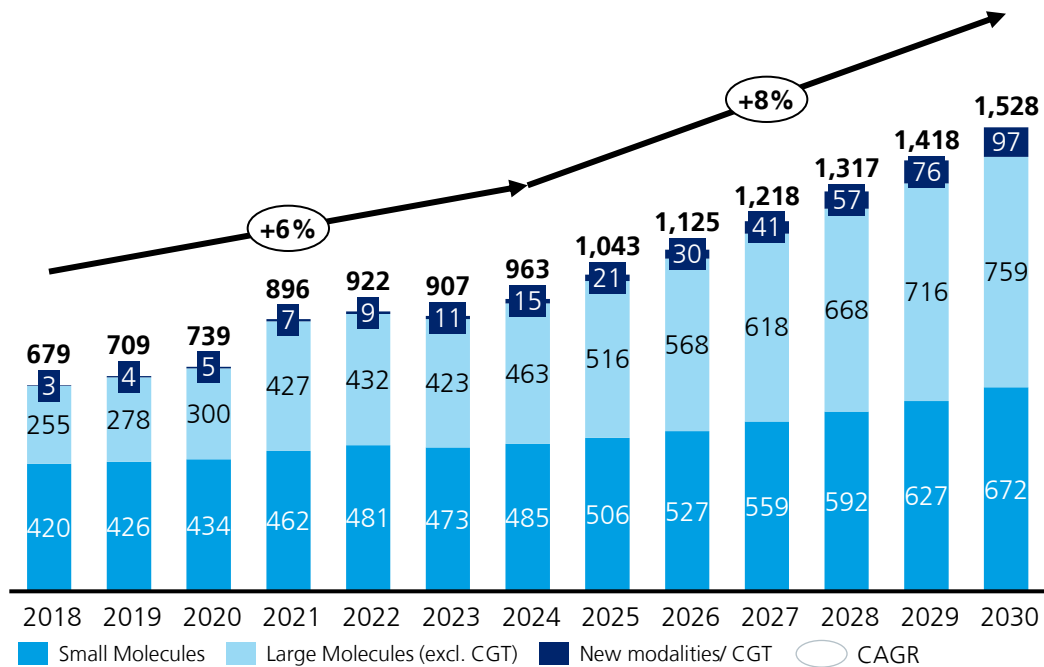


Source: Roland Berger, Siegfried analysis

1. Based on latest available financial figure; pharmaceutical related revenue only

# We have a competitive and targeted offering in all growing customer markets

## Global in-market sales prescription drugs (\$bn)



Source: Evaluate Pharma

1. Adeno-associated virus 2. Active Pharmaceutical Ingredient 3. Finished Dosage Form

## CAGR

2018-24 2024-30

32% 37%

10% 9%

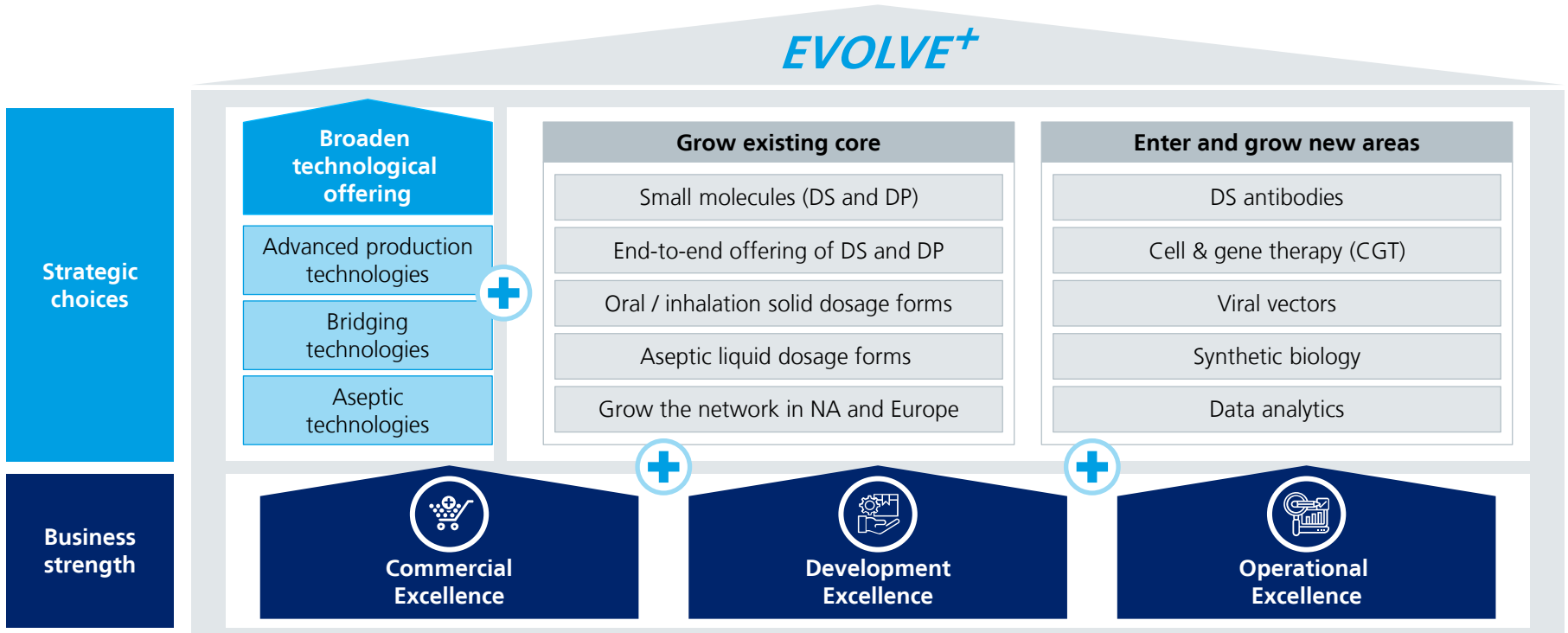
2% 6%

## Siegfried offering

- Early stage CDMO services for **AAV<sup>1</sup> based cell & gene** therapies
- Currently constructing a **GMP** facility in Schlieren (CH)
- **Fill & finish services** for sterile injectables incl. **proteins, biologics** and **vaccines**, e.g., covid vaccines
- **Core of our business:** large **scale**, competitive **capacities** and **development expertise** for **API<sup>2</sup>** (Drug Substances) and **FDF<sup>3</sup>** (Drug Products)

# EVOLVE<sup>+</sup>: We drive our strategy forward

EVOLVE<sup>+</sup> builds upon the cornerstones of EVOLVE



# We continue to execute value accretive M&A

Successful track-record of integrating value accretive acquisitions

We will continue value accretive M&A as a catalyst to drive growth on all levels

**Nov-14:**

Manufacturing site from Hameln Pharma (DE)

**Oct-15:**

Production sites from BASF (DE, FR, CH)

**Sep-20:**

Manufacturing plants from Novartis (ES)

**May-23:**

Biotech CDMO DINAMIQS (CH)

**Jul-24:**

CDMO site from Curia Global (US)

Rationale

- Enter sterile injectables market
- Acquire large-scale capacities

- Increase scale in small molecule API
- European network expansion

- Increase scale in FDF
- Acquire OSD, inhalation & ophthal. technologies

- Enter the cell & gene therapy market
- Attractive risk/reward entry strategy

- Strengthening early-phase services
- Proximity to innovative US pharma pipeline

Post-acquisition

- Scale & upgrade technology
- Portfolio expansion into therapeutic proteins

- New production plant in Minden
- New R&D Center for DS in Evionnaz

- Transform to CDMO business model
- New Development Center in Barcelona

- Construction of a new GMP & research facility
- Investment platform

- Build hub for early-phase CDMO services
- End-to-end offering

Capacity + technology

Capacity + capabilities

Transformation + capabilities

Technology + capacity

Capabilities + offering

# Siegfried's scale allows for an end-to-end service offering

Diversified technology offering is decisive to create strategic partnerships

## Benefits to customers

**Combined end-to-end service offering** for both Drug Substances and Drug Products

**Shorter development time & improved quality** resulting from optimized Drug Substance development process

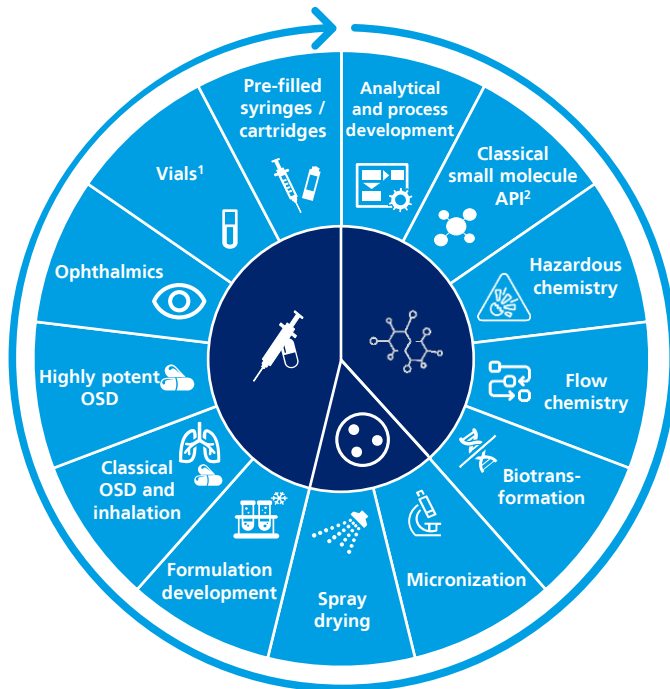
**Complete life cycle management** from development through launch to loss of exclusivity

**Reduced time-to-market** by coordinating key steps with one partner

**Reduced complexity and lower supply chain costs** by consolidating outsourcing base

**Reduced investment risk** from over-/ under-investments in launch capacities

1. Incl. ampoules
2. Active Pharmaceutical Ingredient
3. Finished Dosage Form



**API² (Drug Substances)**



**Bridging technologies**



**FDF³ (Drug Products)**

## Benefits to Siegfried

Stronger **customer intimacy**

**Cross-sell opportunities** across the offering

**Differentiating factor** vs. competitors

Better **planning / utilization of network capacity**

Lower **customer acquisition** efforts

**Diversification** of the portfolio further **enhances resilience** of business model

# EVOLVE<sup>+</sup> Excellence fields further accelerate profitable growth

Commercial, development and operational excellence are the foundation for Siegfried's **EVOLVE<sup>+</sup>** strategy

## EVOLVE<sup>+</sup>



### Commercial Excellence<sup>+</sup>

- Adapt **go-to-market strategy** to changing needs of our customers
- Better-suited **offering for small- and mid-sized** customers
- Further develop **strong** relationships with **large pharma**
- Capitalize on **end-to-end** offerings
- **Portfolio** management
- Follow a **value-based pricing** approach



### Development Excellence<sup>+</sup>

- Offer industry-leading development services at **all clinical stages**
- Help customers **accelerate** clinical **timelines** with seamless integration
- Provide **end-to-end support** from early phase to commercial launch
- Combining DS and DP in one **solution**



### Operational Excellence<sup>+</sup>

- Building a **scalable platform for growth**
- Increasing utilization to capture **economies of scale** and operational leverage
- Embedding **operational excellence** to maximize asset efficiency
- Further improve **reliability, quality,** and customer **satisfaction**



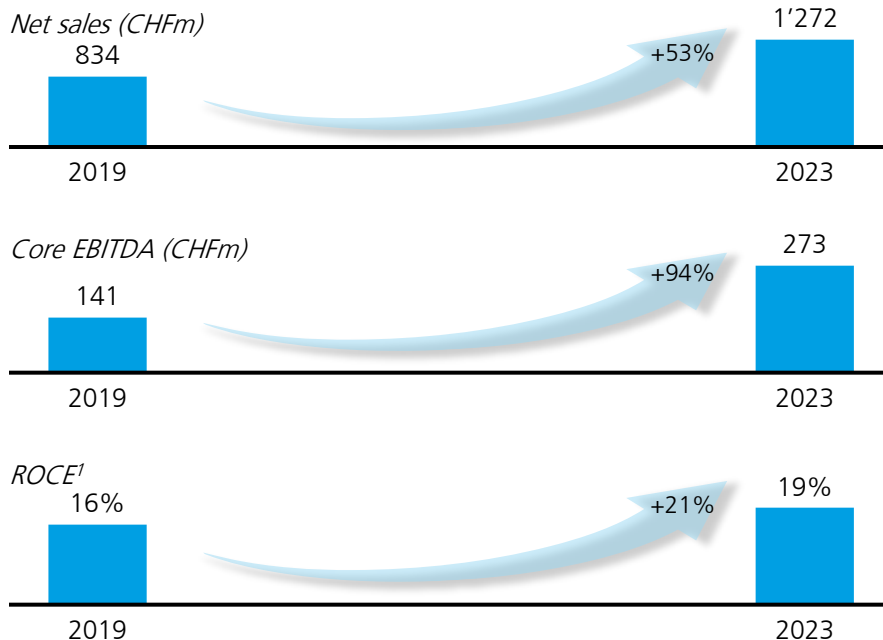
# Proven success of EVOLVE strategy driving all relevant value levers

Accelerating sales, expanding margins, and optimizing capital efficiency drive long-term growth and profitability

## Value levers



## Successful financial track record



## Measures

- Stable organic growth
- Optimization of existing network
- Continuous expansion of capacity
- Steady enhancement of technological offering
- Selective, value accretive M&A

1. ROCE = Return on Capital Employed = Core EBITDA / (PPE + Intangible Assets + Net Working Capital)

# As in the past, *EVOLVE*<sup>+</sup> will drive value creation across all levers

## Measures of *EVOLVE*<sup>+</sup>

<b>Broaden technological offering</b> <ul style="list-style-type: none"><li>– Further expansion of technological capabilities</li><li>– Further enhance technological differentiation</li></ul>	<b>Grow existing core</b> <ul style="list-style-type: none"><li>– Further expansion of existing business areas</li><li>– Leverage scale for growth and profitability</li></ul>	<b>Enter and grow new areas</b> <ul style="list-style-type: none"><li>– Further develop DINAMIQS</li><li>– Explore options in broader biologics, CGT and synthetic biology space</li></ul>
<b>Commercial Excellence<sup>+</sup></b> <ul style="list-style-type: none"><li>– Targeted go-to-market strategy</li><li>– Value-based pricing</li><li>– Portfolio management</li></ul>	<b>Development Excellence<sup>+</sup></b> <ul style="list-style-type: none"><li>– Earlier-stage chemical process and formulation development</li><li>– Early business acquisition and expedited timelines until launch</li></ul>	<b>Operational Excellence<sup>+</sup></b> <ul style="list-style-type: none"><li>– Next level of lean / six sigma</li><li>– Advanced planning and network optimization</li><li>– Working capital management</li></ul>
<b>Value accretive M&amp;A will continue to be the catalyst to drive growth on all levels</b>		

## Value levers

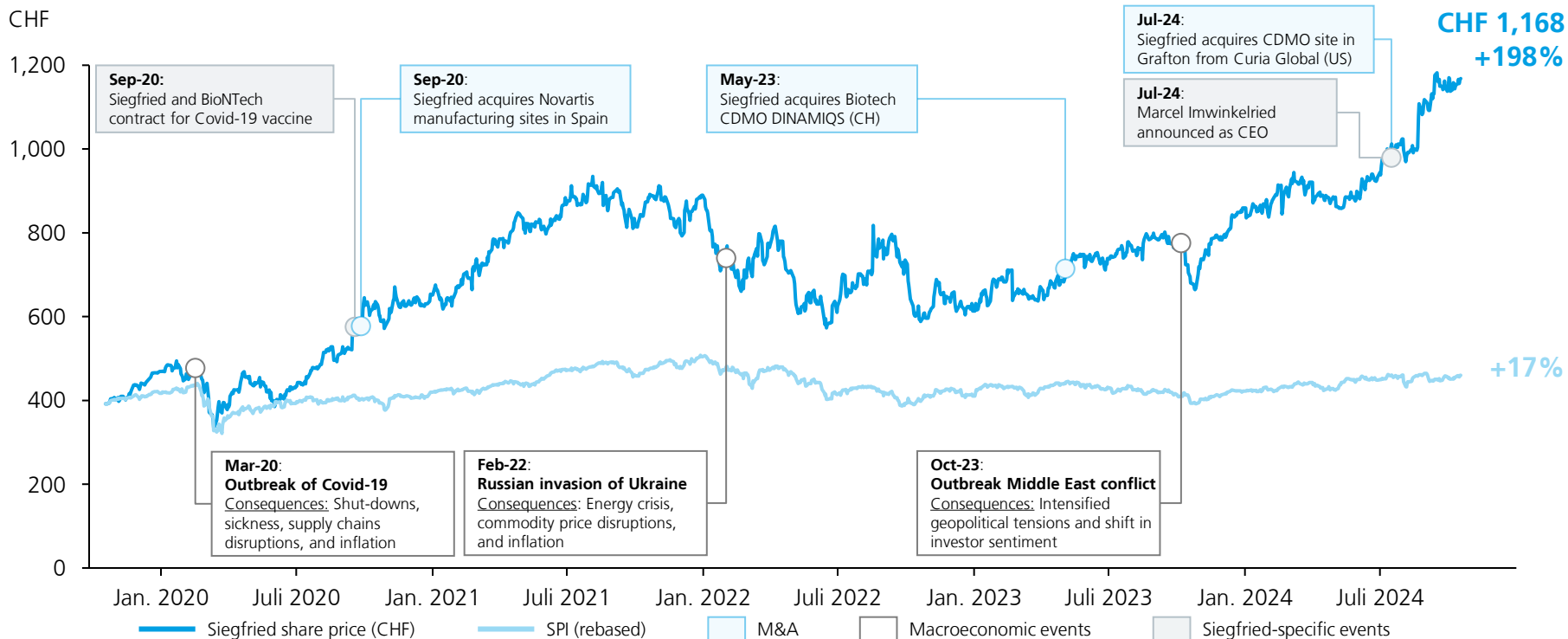


A worker in a white protective suit, hairnet, and face mask is operating a large, complex industrial machine made of stainless steel. The machine features a large cylindrical tank with various pipes, valves, and a motor. The worker is wearing blue gloves and is focused on adjusting a component on the top of the tank. The background shows a clean, industrial environment with a blue floor and a white ceiling with recessed lighting. A blue semi-transparent box is overlaid on the left side of the image, containing the text "Strong and sustainable value creation".

Strong and sustainable  
value creation

# Strong performance showing resilience despite macroeconomic headwinds

Siegfried's share price has nearly tripled over the last 5 years

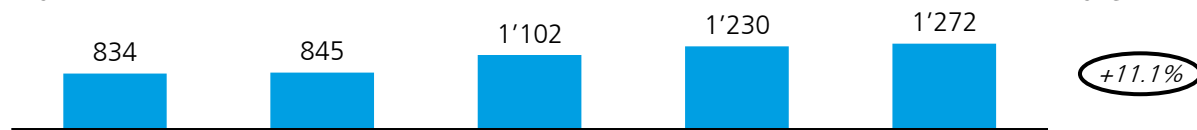


Source: Factset

# Solid growth in net sales and operating cash flow driven by capacity expansion, strategic acquisitions, and a shift towards high-margin products

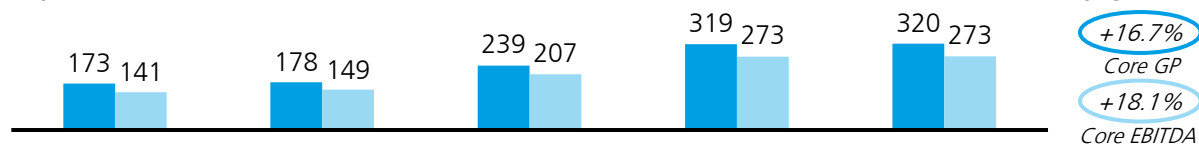
## Net sales

in CHFm



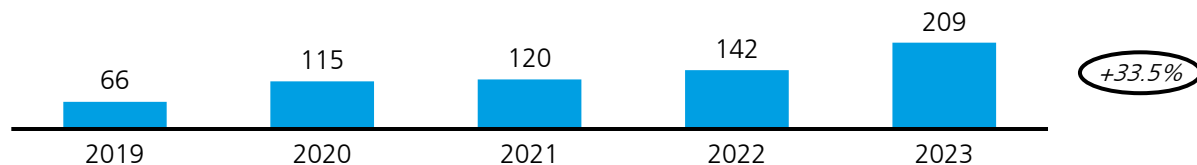
## Core gross profit and core EBITDA

in CHFm



## Operating cash flow

in CHFm



## Comments

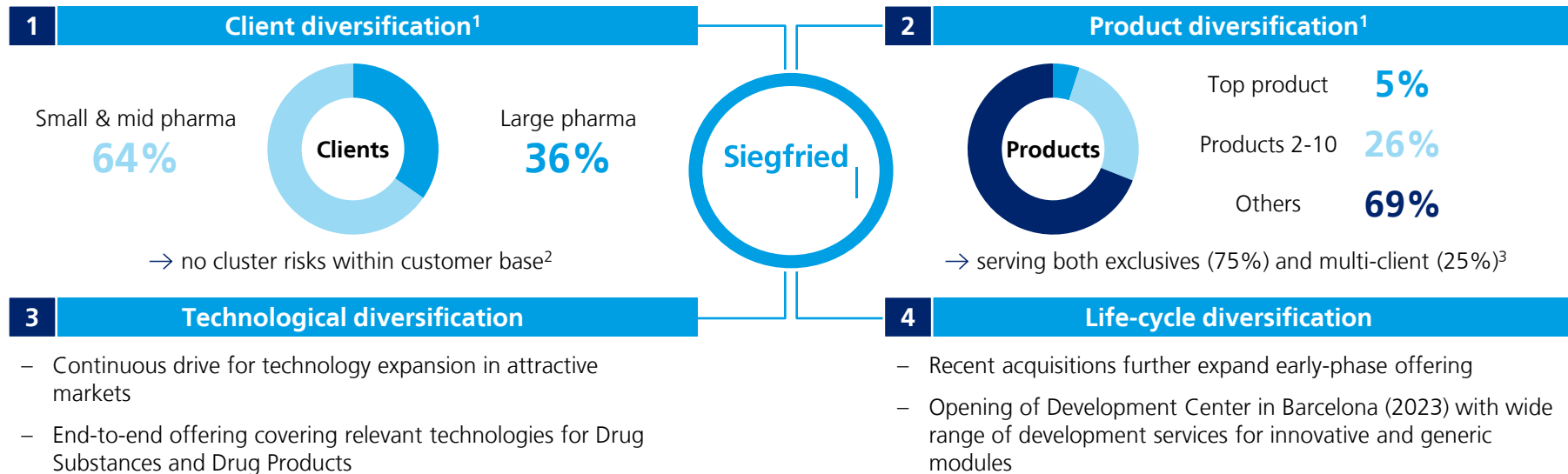
- Driven by increasing **demand**, especially for **API** and **intermediates**
- Underscored by **strategic acquisitions** in **high-potential segments**

- **Margin improvement** driven by **operational efficiencies**, **economies of scale**, and higher **capacity utilization**

- Affected by **capacity expansion**, **changing inventory levels** and overall **shift** towards **higher-margin products**

# Resilience through diversification

Our customer and revenue mix promotes stability and future growth



1. Based on FY2023 figures; 2. Largest customer accounts for a double digit % of net sales (10-20%) while second largest customer contributes to approx. 6% of net sales; 3. Drug Substances only

We execute a well-hedged portfolio of investments by diversifying across regions, technologies, and capacities

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

## Growth

- Targeted organic expansion investments enabling future growth
- Value accretive M&A in line with **EVOLVE<sup>+</sup>** strategy
- Maintenance Capex supporting operational excellence



## Dividends

- Disciplined pay-out ratio
- Committed dividend program
- Growth in dividend per share at a CAGR of c.9% since 2014



## Significant cash flow generation

## Leverage

- Committed to a conservative leverage level
- Funds for M&A available
- Syndicated loan facility



## Flexibility

- Strong balance sheet to preserve financial flexibility
- Strong cash flow generation expected
- Enables long-term value creation



# Siegfried's journey goes on

Continuously delivering profitable growth

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

- Delivering our strategy *EVOLVE<sup>+</sup>*
- 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: 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





# Q&A

Thank you for  
your attention



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