Siegfried

Siegfried – a global leader in the CDMO industry

Swiss Equity Conference

1 November 2023

expect more

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Siegfried at a glance

Leading market position underpinned by 150 years of excellence

Key facts

Who we are

- **A leading contract development and manufacturing organization (CDMO)**
- Sales 2022 > CHF 1.229 bn with HQ in Zofingen (CH) and approx. 3,550 employees worldwide

What we do

Drug Substance (DS): Development & production for drug intermediates & API

Drug Product (DP): Development & production of finished dosage forms

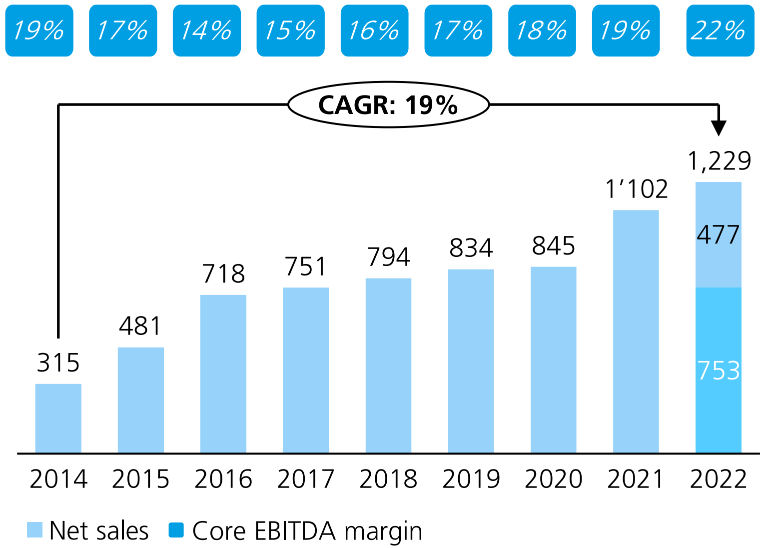
Who we work with

Total customers: c.500		
Big pharma	Regional / mid pharma	Small pharma / biotech
Large share of long-standing business relationships		

Where we are

Europe	**North America**	**Asia**
8 facilities	2 facilities	1 facility

Key financials (in CHFm)



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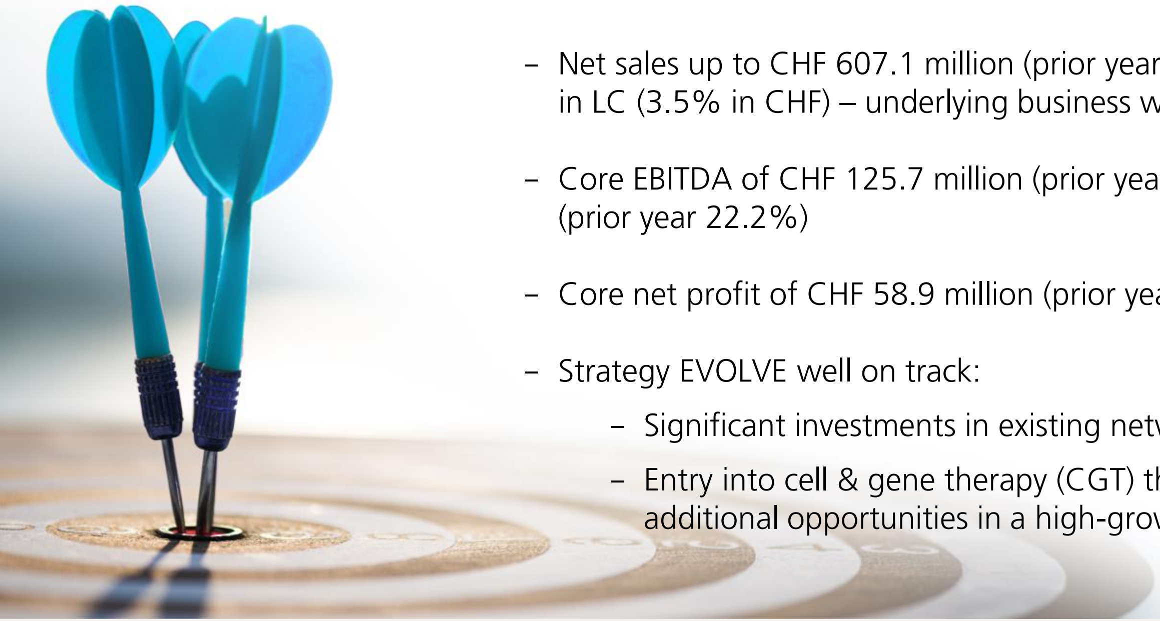
Siegfried delivered strong sales growth and profitability in the first half of 2023

A resilient and well-diversified business portfolio



- Net sales up to CHF 607.1 million (prior year CHF 586.7 million), an increase of 6.8% in LC (3.5% in CHF) – underlying business with double-digit percentage growth (in LC)
- Core EBITDA of CHF 125.7 million (prior year CHF 130.2 million) at a margin of 20.7% (prior year 22.2%)
- Core net profit of CHF 58.9 million (prior year CHF 65.2 million)
- Strategy EVOLVE well on track:
  - Significant investments in existing network to enable future growth
  - Entry into cell & gene therapy (CGT) through acquisition of DiNAMIQS to create additional opportunities in a high-growth CDMO segment

→ Guidance increased: Siegfried delivered a strong first half and expects mid single-digit percentage sales growth (in LC) with a Core EBITDA margin above 20% for the full year 2023

The pharmaceutical industry is changing, leading to a convergence of favorable trends for CDMO

1	**Focus on R&D and marketing & distribution**	– Focus of investments on key value drivers: Innovation, marketing / distribution – Increasingly less focus on in-house process development and production as pharma companies are changing their business model towards more asset light manufacturing set-up
2	**Increased cost awareness**	– Pharma companies are reducing the complexity of their supply chains driven by an increasing cost pressure within the industry – Outsourcing can serve as "insurance" against R&D failure and fixed asset write-offs
3	**Break-through innovations**	– Innovations often come from small pharma which do not have in-house process development or manufacturing capabilities
4	**Increasing complexity**	– New pharmaceutical entities and medicinal therapies benefit from integrated offering of drug substances and drug products to reduce "time-to-market"
5	**Proactive life cycle management**	– Loss of exclusivity requires pharma companies to lower production cost in order to maintain profitability and maximize value of innovative drugs after patent expiry

CPhI Worldwide on 24-26 October 2023 in Barcelona

Siegfried has significant reach and is in high demand

Key take-aways

- Over 250 customer meetings at our booth
- 50 high-level customer visits at our two new sites in Barcelona
- 150 years anniversary celebration with almost 150 guests
- Interviews with Bloomberg, Reuters and several trade magazines on industry trends, technologies and Siegfried's role as a leading CDMO
- Full-house during the Siegfried scientific expert sessions on how to:
  - Master challenges in OSD high potency product development
  - Master challenges in transferring a biologics drug products to a CDMO
  - Optimize processes for viral vector manufacturing
  - Commercialize cell and gene therapies

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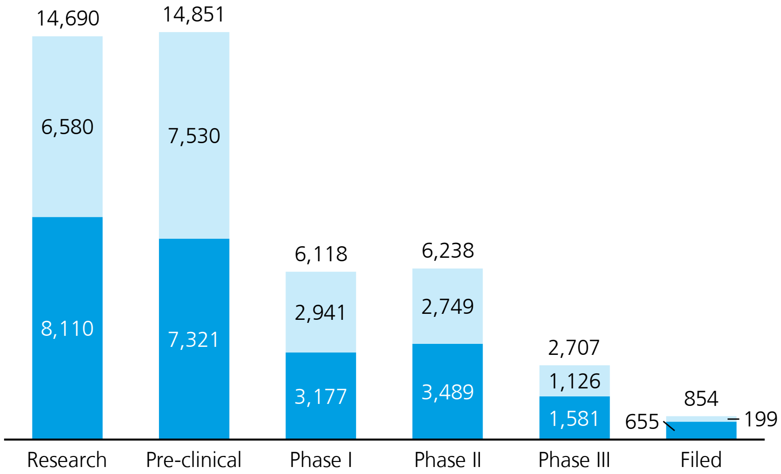
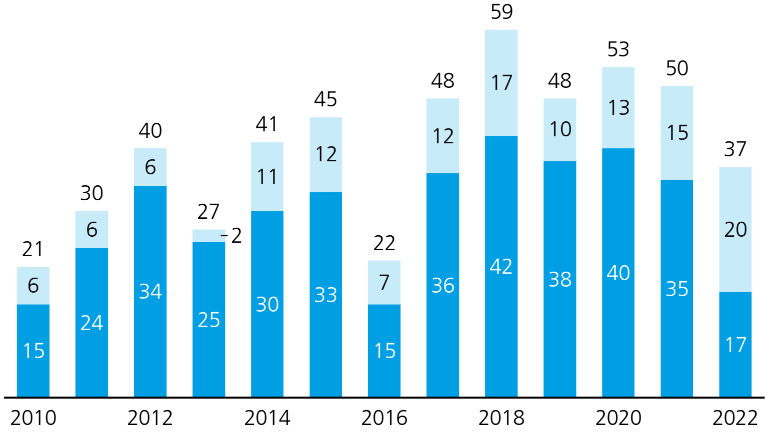
Our organic growth is well supported by a strong development pipeline and healthy approval numbers of Small Molecules

Development Candidates in Pipeline



New Drug Approvals by the FDA



Biologics Small Molecules

Source: EvaluatePharma as of February 2023, DCAT,
Center for Drug Evaluation and Research (CDER) – FDA, SGD analysis

→ Small Molecules continue to experience sustainable tailwind – with an increasing share of small to mid-size companies innovating and developing new chemical entities

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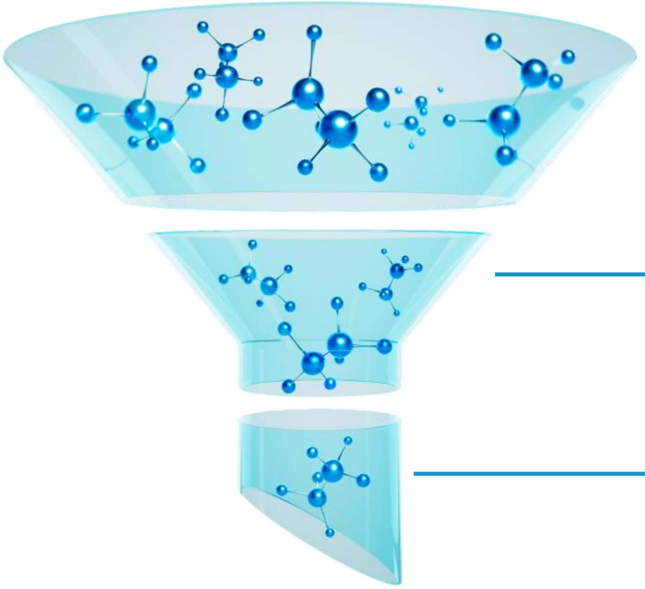
Siegfried's technological breadth generates a rich funnel of attractive new business opportunities for organic growth



Strong small molecules pipeline of innovative drug candidates (Rx and Gx)

- More than **10'000 small molecules** ("NCE") in development (pre-clinical to pre-approval)
- Increased share of **small to mid-size innovators** with a strong preference for outsourcing

~80% of small molecules pipeline accessible for Siegfried

- Very broad **technology portfolio** suitable for almost any customer needs
- Well above **100 "live" projects** at any given point in time – spanning from **early phase developments to commercial launch volumes**

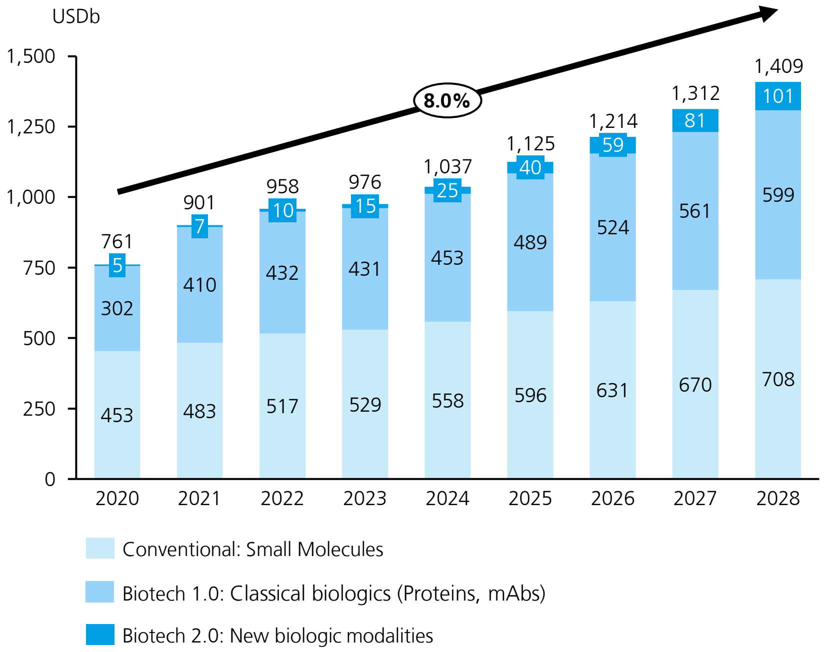
Go-to-market approach based on flexibility and scale

- With our pharma heritage of 150 years, reputation and customer closeness we qualify for **strategic partnerships** – rather than purely transactional relationships
- Strategic supplier status at key customers gives Siegfried a **right to quote**
- Attractive **integrated offering** based on scope and size of the global network

→ Based on our strong position and attractive offering, we are able to continuously acquire attractive pipeline projects and convert them into large-scale commercial wins

While small molecules and conventional biologics represent the lion share of the pharma market, new modalities are expected to thrive

Sales of conventional and biotechnology products



Source: Evaluate Pharma, 30.05.2022

CAGR	Comments
45.6%	– New modalities will increase sales 20x from 2020 to 2028, starting from a low basis
8.9%	– Classical biological products are strong top line growth driver of pharma industry
5.7%	– Conventional products continue to show very attractive sales growth (relative and absolute) in the coming years maintaining largest pharma segment

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Strategy EVOLVE: We strengthen our core and open doors beyond

Through organic investments and M&A

Grow existing core

Strengthening current value proposition to fully exploit significant potential in small molecules

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

Add and integrate adjacencies

Diversification into new CDMO market segments followed by integration into core

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

Enter and grow new areas

Expansion into other high-growth areas within CDMO business model

- DS Antibodies
- Cell & gene therapy
- Viral vectors
- Bioengineered vaccines
- Data analytics

Delivering upon our strategy EVOLVE: Grow existing core

Expanding our development and manufacturing capacities and capabilities in small molecules

Minden (DS, Germany)

New large-scale, world-class production plant for high-value DS:

Construction start in August 2022, to be operational in 2024 / 2025

Evionnaz (DS, Switzerland)

New Center of Excellence for high-end DS development services:

Start in April 2023, to be operational 2024

Barcelona (DP, Spain)

New Center of Excellence for high-end DP development services:

Completed and operational since March 2023

→ Siegfried further builds out its globally leading position in small molecules to fully exploit highly attractive market dynamics today and to enable long-term profitable growth in the future

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We strive for excellence to fully exploit our asset base and prepare for growth

Continued focus on commercial, operational and organizational excellence will drive returns and de-risk M&A

Commercial Excellence

Allocate high value capacity to margin accretive products & optimize working capital

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

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

PORTFOLIO MANAGEMENT

Organizational Excellence

Increase organizational maturity and prepare for the next wave of growth

- Siegfried Academy: Train and develop our people
- SAP S4 / HANA, Salesforce: Define core processes and organizational setup

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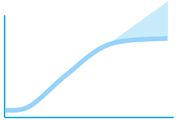
Delivering upon our strategy EVOLVE: Enter and grow new areas

Acquisition of DiNAMIQS as nucleus for additional growth in the cell & gene therapy CDMO segment

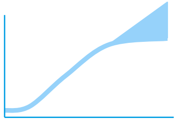
Bio-Technopark Zurich-Schlieren

Investment platform to be built out in line with market and technology trends

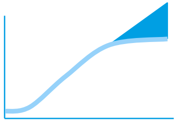
- Attractive AAV vector development and non-GMP manufacturing platform
- Strong team of cutting-edge scientists as core to further build the organization
- Build-out of a state-of-the-art GMP facility at 500L commercial scale underway – to be operational in 2025
- DiNAMIQS as separately managed entity to maintain start-up mindset



Capacity
Expansion of GMP capacity for commercial-scale manufacturing



Technology
Expansion of technology offering, e.g., LV, LNP, mRNA, non-viral technologies



Network footprint
Geographical expansion of development and manufacturing services (US, EU)

→ Investing in DiNAMIQS to build the basis for future growth in the CGT space

DiNAMIQS a Siegfried company

Sustainability is one of our five core values

Good progress in H1 2023

MSCI AA
ESG RATINGS
CCC | B | BB | BBB | A | AA | AAA
Confirmed on 12.2.23

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

SILVER 2022 ecovadis Sustainability Rating

Corporate ESG Performance
Prime
RATED BY ISS ESG

GOLD 2020 ecovadis Sustainability Rating

-8.6%
Energy
Energy saved in H1 2023[1]

73%
Renewable Electricity
454 Terajoules (TJ) electricity consumption came from renewable energy sources

-10%
Energy Target
Target: Total energy consumption reduction in 2023[3]

-50%
Sustainability Commitment
Siegfried's carbon footprint to be reduced by 50% until 2030[2]

[1] Compared to H1 2021, based on actual consumption
[2] Compared to 2020, CO_2 equivalents normalized against Sales
[3] Compared to 2021

Outlook increased: Siegfried keeps moving to deliver profitable growth

By investing in the global network and executing value-adding M&A

- Sales growth of underlying business at least in line with CDMO market
- Active project and product portfolio management
- Commercial, operational and organizational excellence
- Further execution of corporate strategy EVOLVE:
  - Investments in global network, adding capacities amd differentiating technologies
  - M&A in core areas and beyond – DiNAMIQS as most recent acquisition

→ Guidance increased: Siegfried delivered a strong first half and expects mid single-digit percentage sales growth (in LC) with a Core EBITDA margin above 20% for the full year 2023

Q&A

20 February 2024

Publication: Full-Year-Results 2023

18 April 2024

Annual General Meeting

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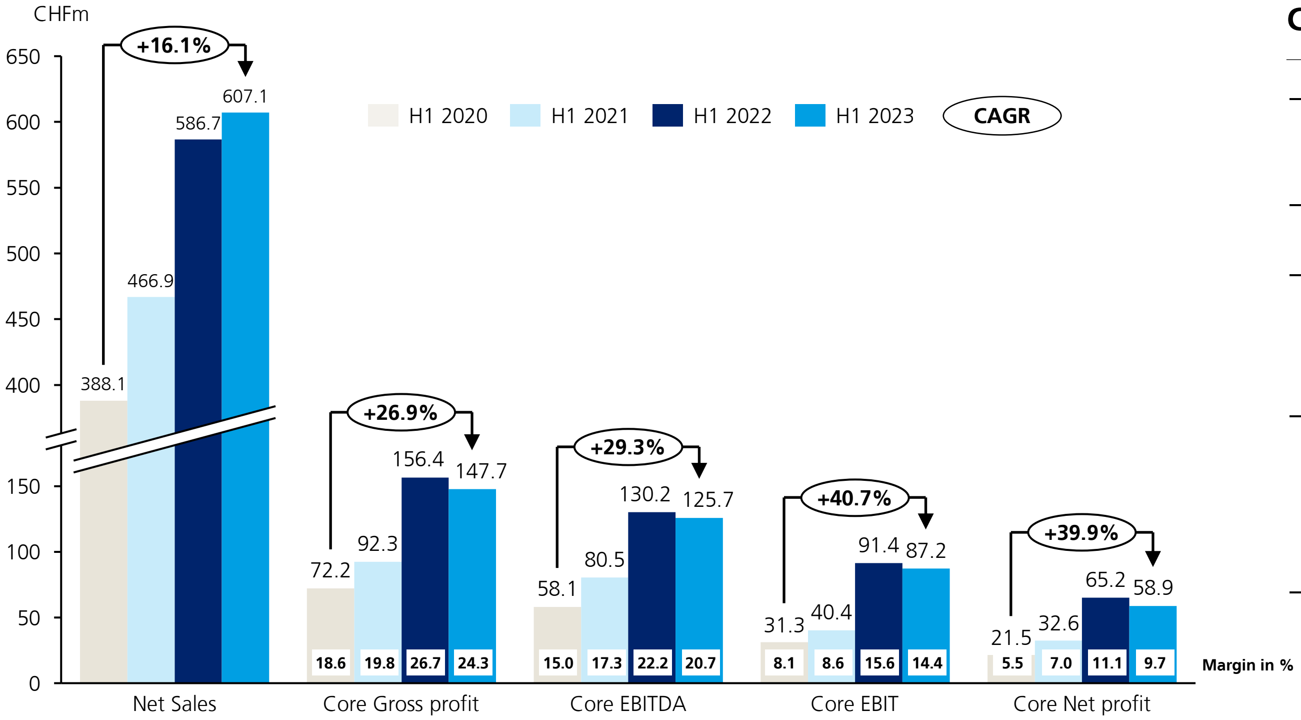
Strong profitable growth over the cycle in a challenging macro environment

Resilience from business model, diversification and operational management



Comments

- High CAGR for net sales – even higher for all profit aggregates
- Continued high demand
- Unprecedented macro environment: pandemic, supply chains, inflation, FX volatility, interest rates
- Efficiency measures, strict cost discipline and active portfolio management were key to successfully master the challenges
- Effect will be permanent and long-lasting

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