

Siegfried – a global leader in the CDMO industry

Baader Helvea Swiss Equities Conference - Bad Ragaz

12 January 2024

**expect
more**



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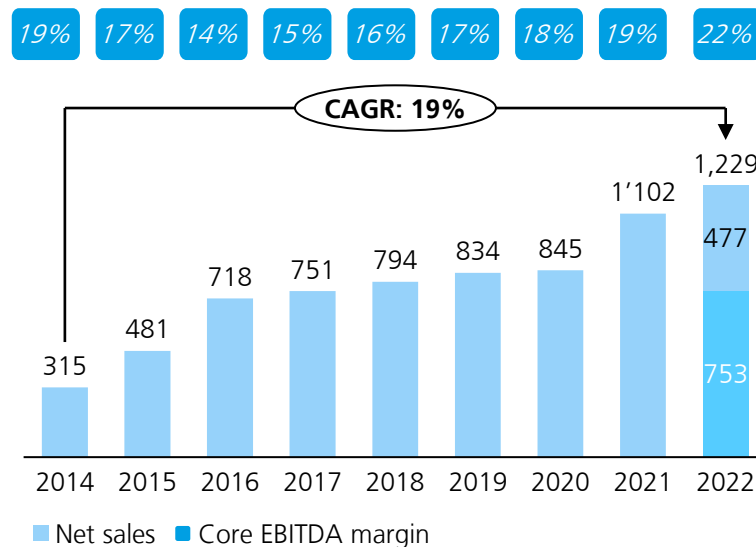
Siegfried at a glance

Leading market position underpinned by more than 150 years of excellence

Key facts

Who we are	<p>> A leading contract development and manufacturing organization (CDMO)</p> <p>> Sales 2022 > CHF 1.229 bn with HQ in Zofingen (CH) and approx. 3,550 employees worldwide</p>					
What we do	 <p>Drug Substance (DS): Development & production for drug intermediates & API</p>	 <p>Drug Product (DP): Development & production of finished dosage forms</p>				
Who we work with	<p>Total customers: c.500</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Big pharma</td> <td style="width: 33%;">Regional / mid pharma</td> <td style="width: 33%;">Small pharma / biotech</td> </tr> </table> <p>Large share of long-standing business relationships</p>			Big pharma	Regional / mid pharma	Small pharma / biotech
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Where we are	<p>Europe 8 facilities</p>	<p>North America 2 facilities</p>	<p>Asia 1 facility</p>			

Key financials (in CHFm)



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”



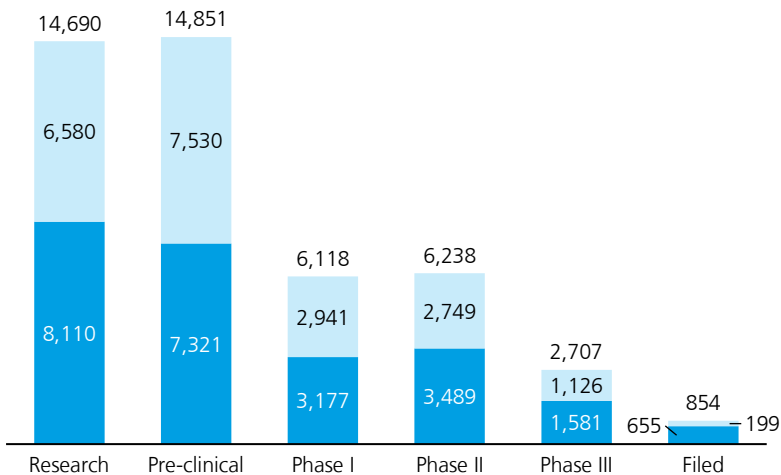
5 Proactive life cycle management

- > Loss of exclusivity requires pharma companies to lower production cost in order to maintain profitability and maximize value of innovative drugs after patent expiry

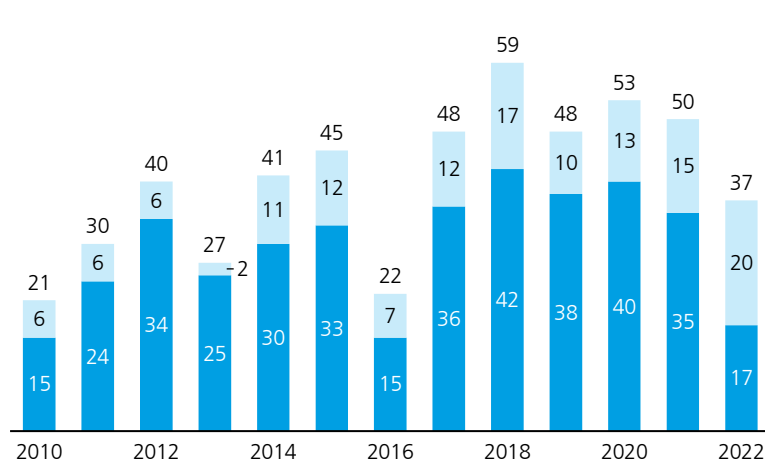
Our organic growth is well supported by a strong development pipeline and healthy approval numbers of Small Molecules



Development Candidates in Pipeline



New Drug Approvals by the FDA

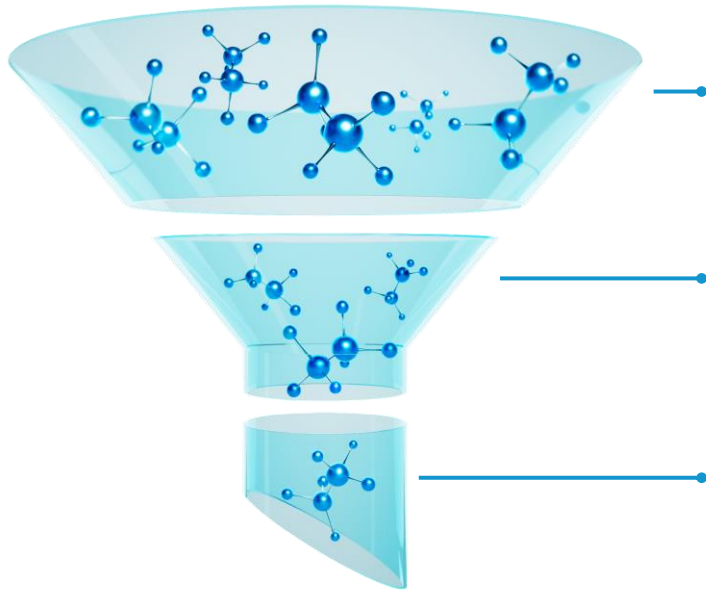


Source: EvaluatePharma as of February 2023, DCAT, Center for Drug Evaluation and Research (CDER) – FDA, SGD analysis

Biologics Small Molecules

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

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**

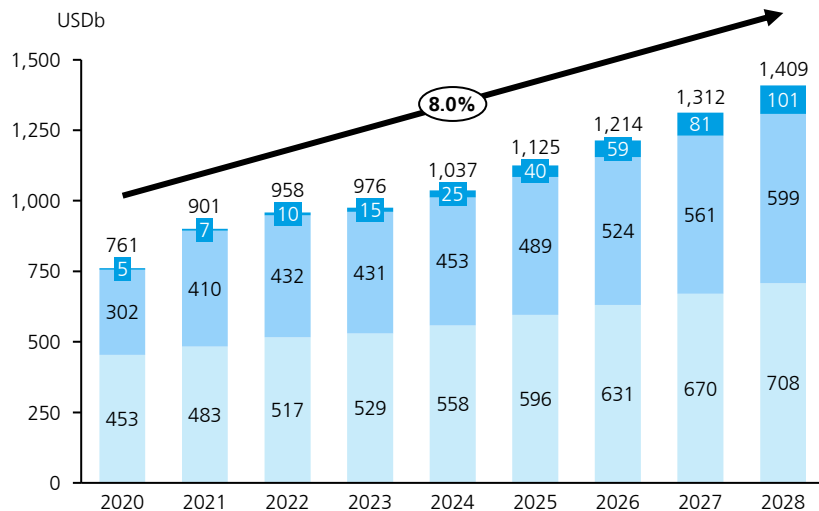
Go-to-market approach based on flexibility and scale

- > 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



■ Conventional: Small Molecules
■ Biotech 1.0: Classical biologics (Proteins, mAbs)
■ Biotech 2.0: New biologic modalities

Source: Evaluate Pharma, 30.05.2022

CAGR

45.6%

8.9%

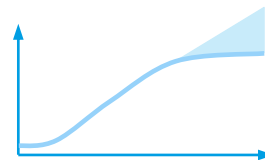
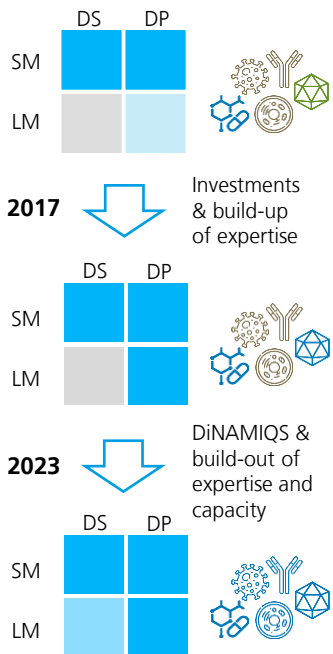
5.7%

Comments

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

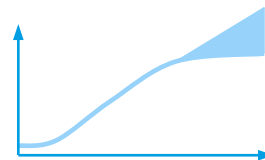
Our journey in biologics

DiNAMIQS as nucleus for further growth



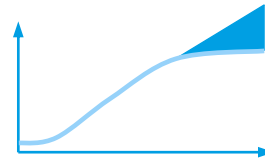
Capacity

- > 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)

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



Capital allocation framework

A strong balance sheet provides the financial flexibility required to execute our strategy



Invest in organic growth – in line with EVOLVE strategy

- Expansion investments in capacity and technologies
- Investments in capabilities and people

M&A – Core and beyond in line with EVOLVE strategy

Deleverage and optimize funding cost

- Continuous reduction of leverage by repayment of the RCF

Pay-out policy

- Disciplined pay-out ratio

→ Investments in growth create the readiness to seize our opportunities and further create value

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



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

PORTFOLIO MANAGEMENT



Sustainability is one of our five core values

Good progress in H1 2023

MSCI ESG RATINGS **AA**

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

Corporate ESG Performance **Prime**
RATED BY **ISS ESG**

SILVER 2022 **ecovadis** Sustainability Rating

GOLD 2020 **ecovadis** Sustainability Rating

¹ Compared to H1 2021, based on actual consumption
² Compared to 2020, CO₂ equivalents normalized against Sales
³ Compared to 2021

-8.6%



Energy

Energy saved in H1 2023¹

73%



Renewable Electricity

454 Terajoules (TJ) electricity consumption came from renewable energy sources

-10%



Energy Target

Target: Total energy consumption reduction in 2023³

-50%



Sustainability Commitment

Siegfried's carbon footprint to be reduced by 50% until 2030²



Q&A

Thank you for
your attention



20 February 2024

**Publication:
Full-Year-Results
2023**

18 April 2024

**Annual General
Meeting**