

Siegfried

Half-Year Report 2024

Siegfried continues to grow
and increases profitability

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Key Figures

619.9 +3.5% (in LC)
+2.1% (in CHF)

Net Sales (million CHF)

Net Sales amount to 619.9 million Swiss francs (2023: 607.1 million Swiss francs)

132.1 +5.1%

Core EBITDA (million CHF)

Core EBITDA amounts to 132.1 million Swiss francs (2023: 125.7 million Swiss francs)

89.3 +2.4%

Core EBIT (million CHF)

Core EBIT amount to 89.3 million Swiss francs (2023: 87.2 million Swiss francs)

21.3%

Core EBITDA margin (%)

Core EBITDA margin as of June 30, 2024, is 21.3% (2023: 20.7%)

118.9 +51.0%

Cash flow from operating activities (million CHF)

Cash flow from operating activities as of June 30, 2024 is 118.9 million Swiss francs (2023: 78.8 million Swiss francs)

71.7 +21.8%

Core Net Profit (million CHF)

Core Net Profit as of June 30, 2024, is 71.7 million Swiss francs (2023: 58.8 million Swiss francs)

Siegfried continues to grow and increases profitability

- Net sales up to CHF 619.9 million
(prior year CHF 607.1 million), an increase of 3.5% in local currencies (2.1% in CHF)
- Core EBITDA of CHF 132.1 million
(prior year CHF 125.7 million) at a margin of 21.3% (prior year 20.7%)
- Core net profit of CHF 71.7 million (prior year CHF 58.8 million)
- Continued investments to enhance manufacturing network and acquisition of an early-phase CDMO in the US to enhance customer offering
- Outlook confirmed

In the first half of 2024, Siegfried (SIX: SFZN) continued its journey of profitable growth. Significant progress has been made in the implementation of the corporate strategy EVOLVE which is geared towards long-term profitable growth in core areas and beyond.

Net sales amounted to CHF 619.9 million, an increase of 3.5% in local currencies (2.1% in Swiss Francs). Core EBITDA amounted to CHF 132.1 million (prior period: CHF 125.7 million), resulting in an increased Core EBITDA margin of 21.3% (prior period: 20.7%). Core net profit amounted to CHF 71.7 million (prior period: CHF 58.8 million). Cash flow from operating activities increased to CHF 118.9 million (prior period: CHF 78.8 million).

Dr. Reto Suter, CEO ad interim and CFO of Siegfried: “Siegfried delivered a strong first half with further revenue growth at an increased margin. We kept our day-to-day operations well on track and at the same time continued to look ahead and execute important investments in the network as foundation for our future growth. With the acquisition of the early-phase CDMO in the US,

we enhance our offering with early-stage development services for Drug Substances and become even more attractive to our customers.”

Continued profitable growth

This positive result was driven by continued high demand for Siegfried’s products and services, ongoing active portfolio optimization and a strong focus on operational excellence and efficiency at all manufacturing sites. Net sales in Drug Substances increased by 4.3% in local currencies (3.2% in Swiss Francs) to CHF 411.1 million, based on close customer relationships, Siegfried’s scientific and technical excellence and the complementary expertise of its global network. In Drug Products, net sales increased by 1.8% in local currencies (flat in Swiss Francs) to CHF 208.8 million with an increased momentum at the production sites in Barcelona. Based on its quality track record and extensive manufacturing experience, Siegfried continued to be the partner of choice for numerous new projects and products for both drug substances and drug products.

Significant investments in the global manufacturing network to support future growth

As part of its growth strategy, Siegfried continued to make significant investments into its global manufacturing network to further bolster its innovation and technological capabilities. In July 2024, Siegfried closed the acquisition of a CDMO specialized in early-phase development and manufacturing services in Grafton, Wisconsin (US). With this acquisition, Siegfried strengthens its customer offering for Drug Substances in terms of capabilities and geography. Siegfried will further develop the site into its North American Siegfried Acceleration Hub for early-phase CDMO services, to generate attractive growth opportunities. Siegfried also continued the construction of a new global development center for Drug Substances in Evionnaz, set to open in Q4 2024, which will significantly increase Siegfried's R&D capacities to drive future growth. In addition, the construction of the new large-scale multi-purpose production plant for Drug Substances in Minden is well under way and the build out of DINAMIQS' GMP manufacturing facility for viral vectors is on track to go live in 2025. Beyond these landmark investments, Siegfried invested in additional capacities and capabilities across the entire network.

Strong commitment to sustainability

In the first half of 2024, Siegfried actively advanced its sustainability efforts with several key initiatives. Siegfried kicked off actions to submit science-based greenhouse gas (GHG) reduction targets for validation by the Science Based Targets Initiative in Q3 2024 and to develop a roadmap for site decarbonization. Siegfried also launched projects to decarbonize the production of its most impactful product in collaboration with the customer and to offer product carbon footprint calculations as a service. Siegfried engaged with customers to initiate detailed ecological footprint analyzes and with equipment suppliers to enhance data collection. Additionally, site-specific measures, such as installing more than 6,800m² of solar panels at the Barberà del Vallès site, are being implemented to reduce energy consumption and GHG emissions.



Dr. Reto Suter, CEO ad interim and CFO

Outlook for 2024

Outlook confirmed: 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.

Dr. Reto Suter

Chief Executive Officer ad interim and Chief Financial Officer

Key Figures 2024

	1 st Half-Year 2024	1 st Half-Year 2023	Change CHF (LC)
Net sales (million CHF)	619.9	607.1	+2.1% (+3.5%)
Gross profit (million CHF)	159.5	147.7	8.0%
Gross profit margin (%)	25.7%	24.3%	
Core¹ results			
Core EBITDA (million CHF)	132.1	125.7	5.1%
Core EBITDA margin (%)	21.3%	20.7%	
Core EBIT (operating result) (million CHF)	89.3	87.2	2.4%
Core EBIT margin (%)	14.4%	14.4%	
Core net profit (million CHF)	71.7	58.8	21.8%
Core net profit-margin (%)	11.6%	9.7%	
Core non-diluted earnings per share (CHF)	16.81	14.02	19.9%
Core diluted earnings per share (CHF)	16.67	13.84	20.4%
Cash flow from operating activities (million CHF)	118.9	78.8	51.0%
Free cash flow (million CHF)	52.5	14.3	266.7%
Investment in property, plant and equipment and intangible assets (million CHF)	66.5	64.5	3.1%
	June 30, 2024	December 31, 2023	Change
Equity (million CHF)	906.5	838.1	8.2%
Total assets (million CHF)	1 877.8	1 861.5	0.9%
Equity ratio (%)	48.3%	45.0%	
Employees (number of FTEs)	3 797	3 684	3.1%

¹ As of June 30, 2024, CHF 1.4 million was reclassified from the current net interest on foreign pension liabilities to the financial result (previous year CHF 1.5 million). The tax asset on the step up on trademark rights was released as of June 30, 2024 in a proportionate amount of CHF 0.4 million (previous year CHF 0.9 million).

Consolidated Core Income Statement

In 1000 CHF	1 st Half-Year 2024	1 st Half-Year 2023
Core result		
Net sales	619 904	607 052
Cost of goods sold	-460 382	-459 367
Gross profit	159 522	147 685
Marketing and sales costs	-9 434	-11 346
Core research and development costs	-21 718	-22 095
Core administration and general overhead costs	-39 776	-33 681
Other operating income	707	6 640
Core EBIT (operating result)	89 301	87 204
Financial income	2 533	245
Core financial expenses	-6 231	-5 775
Exchange rate differences	4 400	-3 085
Core profit before income taxes	90 003	78 588
Core income taxes	-18 346	-19 739
Core net profit incl. minority interests	71 657	58 849
of which attributable to minority shareholders	-106	-8
of which attributable to shareholders of Siegfried Holding AG	71 763	58 857
Depreciation	42 844	38 536
Core EBITDA	132 145	125 740
Core non-diluted earnings per share (CHF)	16.81	14.02
Core diluted earnings per share (CHF)	16.67	13.84

The core results do exclude unusual expenses and income. Siegfried uses the core results in addition to Swiss GAAP FER as important indicators for the internal assessment of the performance of the Group.

Siegfried believes that the disclosure of core results enables financial markets a better understanding of the company and allows a better comparison over the years.

Siegfried defines the effects of changes in the interest rate of foreign pension plans, restructuring, transaction and integration costs as well as impairments on non-financial and intangible assets as extraordinary expenses and income.

Share Information

			2024	2023	2022	2021	2020
Market prices registered share	high	CHF	944.0	859.5	879.5	934.5	689.0
	low	CHF	835.5	616.0	573.0	618.0	313.5
Year-end (2024: until 30/6/)		CHF	933.0	859.5	613.5	889.5	651.5

Consolidated Income Statement

In 1000 CHF	1 st Half-Year 2024	1 st Half-Year 2023
Net sales	619 904	607 052
Cost of goods sold	-460 382	-459 367
Gross profit	159 522	147 685
Marketing and sales costs	-9 434	-11 346
Research and development costs	-21 718	-22 930
Administration and general overhead costs	-41 219	-38 057
Other operating income	707	6 640
Operating result	87 858	81 992
Financial income	2 533	245
Financial expenses	-4 788	-4 296
Exchange rate differences	4 400	-3 085
Profit before income taxes	90 003	74 856
Income taxes	-18 726	-19 649
Net profit incl. minority interests	71 277	55 207
of which attributable to minority shareholders	-106	-8
of which attributable to shareholders of Siegfried Holding AG	71 383	55 214
Non-diluted earnings per share (CHF)	16.73	13.15
Diluted earnings per share (CHF)	16.58	12.99

Consolidated Balance Sheet

In 1000 CHF	June 30, 2024	December 31, 2023
Assets		
Non-current assets		
Property, plant and equipment	833 737	801 070
Intangible assets	45 916	43 870
Financial and other non-current assets	597	577
Employer contribution reserves	9 636	9 520
Deferred tax assets	23 616	23 305
Total non-current assets	913 502	878 342
Current assets		
Accrued income and prepaid expenses	46 711	80 717
Inventories	464 804	431 938
Current income taxes	6 265	2 927
Other current assets	72 966	63 454
Trade receivables	308 515	347 357
Derivative financial instruments	149	145
Securities	410	263
Cash	64 458	56 363
Total current assets	964 278	983 164
Total assets	1 877 780	1 861 505

Consolidated Balance Sheet

In 1000 CHF	June 30, 2024	December 31, 2023
Liabilities and equity		
Equity		
Share capital	49 643	65 233
Treasury shares	-93 895	-105 844
Capital reserves	171 174	132 356
Hybrid capital	40 000	80 000
Retained earnings	739 816	666 492
Total equity excl. minorities	906 738	838 236
Minorities	-203	-103
Total equity incl. minorities	906 535	838 133
Non-current liabilities		
Non-current financial liabilities	430 000	445 000
Non-current provisions	25 027	25 553
Deferred tax liabilities	24 507	20 837
Other non-current liabilities	42 059	45 862
Non-current pension liabilities	92 050	88 320
Total non-current liabilities	613 643	625 572
Current liabilities		
Current provisions	3 589	6 339
Current pension liabilities	426	419
Accrued expenses and deferred income	102 253	120 500
Current income tax liabilities	54 804	63 162
Other current liabilities	105 360	107 873
Trade payables	91 110	98 848
Derivative financial instruments	60	659
Total current liabilities	357 602	397 800
Total liabilities	971 245	1 023 372
Total liabilities and equity	1 877 780	1 861 505

Consolidated Statement of Cash Flows

In 1000 CHF	1 st Half-Year 2024	1 st Half-Year 2023
Net profit incl. minority interests	71 277	55 207
Depreciation and impairment of PP&E and intangible assets	42 844	38 536
Change in provisions	-1 115	-148
Other non-cash items	-3 193	-4 016
Share-based payments	-1 626	3 073
Exchange rate differences	-4 400	3 085
Financial income	-2 533	-245
Financial expenses	4 788	4 296
Income taxes	18 726	19 649
Net result on disposal of property, plant and equipment	-	43
Cash flow from operating activities before change in NWC	124 768	119 480
Change in net working capital:		
Trade receivables	44 898	56 447
Other current assets and accruals	27 387	323
Inventories	-20 605	-85 470
Trade payables	7 539	-11 313
Other current liabilities and accruals	-24 748	10 592
Payments out of provisions and pension liabilities	-4 035	-3 703
Income taxes paid	-36 274	-7 585
Cash flow from operating activities	118 928	78 772

Consolidated Statement of Cash Flows

In 1000 CHF	1 st Half-Year 2024	1 st Half-Year 2023
Purchase of property, plant and equipment	-62 395	-57 343
Proceeds from disposal of property, plant and equipment	115	79
Purchase of intangible and other assets	-4 131	-7 189
Acquisition of group companies	-	-10 562
Increase in longterm financial assets	-8	-
Interest received	228	163
Dividend received	4	1
Cash flow from investing activities	-66 187	-74 852
Free cash flow	52 518	14 320
Capital increase	916	1 016
Increase of non-current financial liabilities	55 000	155 000
Decrease of non-current financial liabilities	-70 000	-195 000
Change in other non-current liabilities	-179	-61
Purchase of treasury shares	-10 301	-6 408
Interest paid and bank charges	-4 717	-4 426
Distribution to the shareholders of Siegfried Holding AG	-15 386	-14 438
Cash flow from financing activities	-44 667	-64 317
Net change in cash and cash equivalents	8 077	-60 396
Cash and cash equivalents 1/1/	56 363	91 483
Net effect of exchange rate changes on cash	19	-635
Cash and cash equivalents 30/06/	64 458	30 451

Consolidated Statement of Changes in Equity

In 1000 CHF	Share capital	Treasury shares	Capital reserves	Hybrid capital	Value fluctuations of financial instruments ¹	Accumulated profits ¹	Offset goodwill / badwill ¹	Cumulative translation adjustments ¹	Total Siegfried Holding shareholders	Total minorities	Total equity
As of January 1, 2024	65 233	-105 844	132 356	80 000	-3 618	965 407	-124 094	-171 203	838 236	-103	838 133
Net profit	-	-	-	-	-	71 383	-	-	71 383	-106	71 277
Distribution from nominal capital reduction	-16 247	-	-	-	-	861	-	-	-15 386	-	-15 386
Interest on hybrid capital	-	-	-	-	-	-349	-	-	-349	-	-349
Changes in financial instruments	-	-	-	-	-5 504	-	-	-	-5 504	-	-5 504
Employee share plan	-	85	-	-	-	-36 449	-	-	-36 363	6	-36 357
Purchases of treasury shares	-	-14 123	-	-	-	-	-	-	-14 123	-	-14 123
Capital increase	657	-	38 818	-	-	-	-	-	39 475	-	39 475
Change of hybrid capital	-	25 987	-	-40 000	-	14 013	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	29 369	29 369	-	29 369
As of June 30, 2024	49 643	-93 895	171 174	40 000	-9 123	1 014 866	-124 094	-141 834	906 738	-203	906 535
As of January 1, 2023	79 776	-102 112	109 532	80 000	-1 535	868 300	-117 921	-125 112	790 929	-	790 929
Net profit	-	-	-	-	-	55 214	-	-	55 214	-8	55 207
Change in consolidation scope associated companies	-	-	-	-	-	-	-	-	-	-29	-29
Distribution from nominal capital reduction	-15 191	-	-	-	-	753	-	-	-14 438	-	-14 438
Interest on hybrid capital	-	-	-	-	-	-360	-	-	-360	-	-360
Changes in financial instruments	-	-	-	-	-1 629	-	-	-	-1 629	-	-1 629
Employee share plan	-	-	-	-	-	-23 558	-	-	-23 558	1	-23 557
Purchases of treasury shares	-	-6 408	-	-	-	1 595	-	-	-4 813	-	-4 813
Sale of treasury shares	-	2 581	-	-	-	-	-	-	2 581	-	2 581
Capital increase	648	-	22 823	-	-	-	-	-	23 471	-	23 471
Allocation goodwill / badwill	-	-	-	-	-	-	-6 991	-	-6 991	-	-6 991
Currency translation differences	-	-	-	-	-	-	-	-14 971	-14 971	-	-14 971
As of June 30, 2023	65 233	-105 939	132 355	80 000	-3 164	901 944	-124 911	-140 083	805 434	-35	805 399

¹ In the Consolidated Balance Sheet these items are disclosed as retained earnings.

Through the creation of new shares from conditional capital for the distribution of shares for participation plans the share capital of Siegfried Holding AG has increased by CHF 0.7 million.

In addition, the par value per share was decreased from CHF 14.60 each by resolution of the general assembly on April 18, 2024 to CHF 11.00 each. The capital reduction was publicly certified on

April 18, 2024. The share capital amounts to CHF 49.6 million as of June 30, 2024 and is divided into 4 513 000 registered shares with a par value of CHF 11.00 each (2023: 4 468 000 registered shares with a par value of CHF 14.60 each).

All fully consolidated investments are held to 100% by the Group, except for SIEGFRIED DiNAMIQS Ltd, which represents a 95% interest.

1. Accounting Principles

Scope of consolidation

This Half-Year Report includes the unaudited half-year consolidated financial statements of Siegfried Holding AG, which is domiciled in Switzerland, and its subsidiaries for the reporting period ended June 30, 2024 (1st half-year 2024). The half-year consolidated financial statements have been drawn up in accordance with Swiss GAAP FER 31 and should be read in conjunction with the Consolidated Financial Statements for the financial year ended December 31, 2023. The requirements in Swiss GAAP FER 31 allow for condensations in presentation and disclosures compared to annual financial statements. The Group prepares its accounts in compliance with all existing guidelines of Swiss GAAP FER (Swiss Accounting and Reporting Recommendations). The accounting principles are set out in detail in the Annual Report 2023 of the Siegfried Group. The half-year consolidated financial statements were approved by the Board of Directors on August 19, 2024.

Information about the Group

Siegfried is a worldwide pharmaceutical supplier with production sites in Switzerland, the USA, Malta, China, Germany, France and Spain. Siegfried develops and produces under contract to the pharmaceutical industry active pharmaceutical ingredients (Drug Substances) and their intermediates. Siegfried also produces finished pharmaceutical products (Drug Products). Siegfried Holding AG (head office in Zofingen, AG) is listed on the SIX Swiss Exchange.

2. Most Important Currency Translation Rates

Balance Sheet

Closing rates	June 30, 2024	December 31, 2023
1 USD	0.900	0.838
1 EUR	0.963	0.926
100 CNY	12.391	11.795

Income Statement

Average rates	1 st Half-Year 2024	1 st Half-Year 2023
1 USD	0.890	0.912
1 EUR	0.962	0.986
100 CNY	12.327	13.168

3. Scope of Consolidation

Siegfried GmbH, Hameln was merged into Siegfried Deutschland Holding GmbH, Hameln as of March 12, 2024 and Siegfried Hameln Real Estate GmbH + Co. KG, Hameln was merged into Siegfried Hameln GmbH, Hameln as of April 18, 2024.

4. Share-Based Payments

In the 1st half-year of 2024, 45 000 shares were created from conditional capital. They were utilized for the allocation of shares for the vesting period (2021–2023) of the Long Term Incentive Plan (LTIP) and the shares acquired by the employees under the Employee Share Purchase Plan (ESPP).

5. Contingent Liabilities

In comparison with the contingent liabilities at December 31, 2023, there have been no changes in the period under review.

6. Contingent Assets

Siegfried has potential claims from contracts for payments in the maximum amount of CHF 19.3 million over the years 2024–2028. These claims are due upon achievement of certain agreed target values and will be settled once a year for a completed business year.

7. Segment Information

The Siegfried Group consists of one “reportable segment”. Financial information is regularly reported to the Board of Directors at the level of the Siegfried Group as a whole. Based on this financial information the Siegfried Group is managed and its performance is measured.

Net sales by product group

In CHF million	1 st Half-Year 2024	1 st Half-Year 2023
Drug Substances	411.1	398.5
Drug Products	208.8	208.6
Total	619.9	607.1

8. Events after the Balance Sheet Date

Effective July 1, 2024, Siegfried has acquired a CDMO specialising in early-stage development in Grafton, Wisconsin (US) from Curia Global. The acquisition reinforces Siegfried’s position in the United States. Siegfried intends to develop the site into its Siegfried Acceleration Hub for early-phase CDMO services to provide comprehensive support to customers in the pre-clinical and clinical development and manufacturing of Drug Substances.

There are no other significant events after the balance sheet date.

Cautionary Statement regarding Forward-Looking Statements

This Half-Year Report contains certain forward-looking statements identified by words such as “believes”, “expects”, “anticipates”, “projects”, “intends”, “should”, “seeks”, “estimates”, “future” or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this Report, among others: (1) pricing and product initiatives of competitors; (2) legislative and regulatory developments and economic conditions; (3) delay or inability in obtaining regulatory approvals or bringing products to market; (4) fluctuations in currency exchange rates and general financial market conditions; (5) uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side-effects of pipeline or marketed products; (6) increased government pricing pressures; (7) interruptions in production; (8) loss of or inability to obtain adequate protection for intellectual property rights; (9) litigation; (10) loss of key executives or other employees; and (11) adverse publicity and news coverage.

The statement regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Siegfried’s earnings or earnings per share for 2024 or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Siegfried.

The Siegfried Group is a global life sciences company with production facilities in Switzerland, Germany, Spain, France, Malta, the USA and China. Siegfried employs more than 3,700 people worldwide. Siegfried Holding AG is publically listed on the Swiss Stock Exchange (SIX: SFZN).

Siegfried is active in manufacturing pharmaceutical APIs (and their intermediates) as well as drug products (tablets, capsules, sterile vials, ampoules, cartridges and ointments) for the pharmaceutical industry and provides development services.

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