

Ad hoc announcement pursuant to art. 53 LR

## SKAN Group with strong order growth in the first half of 2022

- Order intake increased by 68% to CHF 263 million; net sales up 18% to CHF 121 million.
- Record-high order backlog of CHF 367 million provides planning security for the next two years.
- EBITDA at CHF 11 million; EBITDA margin at 9%.
- Number one position in the high-end segment of the insulator market strengthened.
- Good progress in strategic projects for integrated process systems, standardisation and expansion of the Services & Consumables business.
- High net cash position of CHF 107 million and very solid equity ratio of 46% secure financing for future growth.
- Confident outlook due to broad-based market growth; guidance for the full year 2022 is confirmed.

Allschwil, 23 August 2022 – SKAN Group again achieved a record-high order intake in the first half of 2022 in both business segments and across all regions. Demand was supported by strong market growth, as in addition to the generally positive development of the (bio)pharmaceutical market, the trend towards injectable drugs and thus towards our aseptic filling solutions continues. Like the entire global business community, SKAN faced substantial challenges in the supply chain in the first half of 2022. To always ensure the availability of raw materials and components, the Group has significantly increased its stock levels, particularly of sheet steel. This ensures that SKAN can produce without interruption at all times, but naturally comes at the cost of reduced efficiency.

### Order backlog at record level

SKAN Group's order intake in the first half of 2022 was CHF 263 million, 68 percent more than in the same period last year (H1 2021: CHF 157 million). The closing rate of offers was exceptionally high, enabling SKAN to further strengthen its position as number one in its core market, the high-end segment of the isolator market. This is attributable to SKAN's reputation, its process know-how, the qualitative superiority of the equipment and the proximity to its customers thanks to the global presence. The order backlog reached a record of CHF 367 million (31.12.2021: CHF 226 million). This ensures a very high visibility in the equipment business over the next two years.

Net sales increased by 18 percent to CHF 121 million (first half of 2021: CHF 102 million). This means that the development of revenue did not keep pace with the strong growth in order intake. The reason for this was that various projects were in the completion phase and numerous new orders in the design phase – both phases during which the added value transferrable from order intake to sales is relatively low. As soon as the new projects enter the high value-added production phase in the second half of the year, it is expected that SKAN Group will

make up for the shortfall in net sales and profitability. Relative to net sales, costs rose more sharply due to inflation-related effects like wage increases and higher material cost. On the other hand, SKAN continued to expand the workforce, invest into standardisation and the expansion of its facilities as planned, which will have a positive impact on growth and profitability in the coming years. As a result, EBITDA decreased to CHF 11 million, compared to CHF 12 million in the same period last year. The EBITDA margin was 9 percent at the end of half-year 2022 (first half of 2021: 12 percent).

### **Equipment & Solutions segment pushes ahead with strategy implementation**

The Equipment & Solutions segment increased its order intake in the first half of 2022 by 86 percent to CHF 226 million. Whereas orders in the previous year were mainly for high-volume systems for vaccine filling, customers are now focusing on the production of other substances that were previously postponed due to the pandemic. Accordingly, customers invested more in small-volume systems.

The Equipment & Solutions segment made good progress with its strategic projects in the areas of integrated process systems and standardisation: With the successful acceptance of the first integrated machine, SKAN has demonstrated that, together with partner companies, it can combine robot-assisted filling systems with its isolator technology into one system and thus offer customers a "one-stop shop" solution for the aseptic filling of their medicines. Several orders have now been received for standardised isolators, all with similar specifications, which opens up considerable synergies in design and production.

### **Milestones in the expansion of the services business**

The Services & Consumables segment reports order intake of CHF 37 million for the first half of 2022, 5 percent more than in the same period last year. The relatively low growth is attributable on the one hand to the fact that commissioning at customers was delayed and spare parts were used later. On the other hand, orders for closed vials from Aseptic Technologies are not linear. Since most of the substances are still in various clinical phases, customers order a year's supply at a time.

In the first half of 2022, SKAN signed an agreement with the co-owner of Aseptic Technologies, Société Régionale d'Investissement de Wallonie, to purchase a further 30% of the shares, increasing its stake to 90%. A first tranche of 20% was acquired as of 1 July 2022, with two further tranches of 5% each to follow between 2023 and 2026. Aseptic Technologies is of strategic importance to the SKAN Group. The automated, robotic process solutions for filling closed vials (AT-Closed Vial® Technology) target applications in cell and gene therapy, a rapidly growing therapeutic segment. The commercialisation of new drugs will increase the demand for closed vials and thus the volume in the Services & Consumables segment in line with the strategy. SKAN reached another milestone in the planned expansion of the services business in the reporting period with the start of the implementation phase for the upcoming pre-approved services. The launch is planned for 2025.

## Cash flow and balance sheet

SKAN Group invested CHF 16 million in property, plant and equipment and intangible assets as planned in the first half of 2022. An important investment project to expand capacity was completed with the commissioning of the enlarged site in Stein, Switzerland. An investment amount of CHF 15 million was allocated to an advance payment for the purchase of additional shares in Aseptic Technologies.

In order to avoid negative interest rates, SKAN Group has invested its liquid funds in a medium-term investment with positive interest. The substantially negative net working capital of CHF 32 million is a consequence of the high order intake and the associated advance payments from customers.

SKAN continues to have a strong net cash position of CHF 107 million in the reporting period and is thus very well positioned to finance future growth. The equity of CHF 168 million corresponds to an equity ratio of a solid 46 percent.

## Two management changes

Ralf Krämer has taken over the position of Chief Technology Officer of the SKAN Group as of 1 April 2022. He replaces Bernd Naumann, who had been a member of the SKAN Group's Executive Management since 2009. Ralf Krämer joined SKAN in 2016 as Head of Design and was Director Customised Solutions since 2020. Prior to that, he held various technical management positions for Tetra Pak and other industrial companies. As of 1 August 2022, Marina Häni joined SKAN as Chief People & Culture Officer, succeeding Fabienne Schmid, who had been Chief Officer HR at SKAN since 2013 and a member of the Executive Management since 2016. Marina Häni held various positions in HR before joining SKAN in 2019, first as HR Specialist and then as HR Business Partner. She works on a global level to ensure that SKAN attracts the best people and for the further development of SKAN's culture – both central elements of SKAN's success.

The Board of Directors and the Executive Management of the SKAN Group are pleased that these positions could be filled by qualified internal candidates. Firstly, this facilitated the hand-over of the functions and ensures continuity; secondly, it also underlines the good succession planning in the company. The Board of Directors and the Executive Management thank Fabienne Schmid and Bernd Naumann for their valuable contributions to the development of SKAN Group and wish them all the best for the future.

## Outlook and guidance

SKAN Group assumes that the growth of its relevant market will remain high in the coming years. From today's perspective, the projection of market experts regarding a doubling of the relevant market between 2020-2026 remains realistic. SKAN Group has the technologies, customer relationships and capacities to benefit significantly from this development. In the short term, SKAN will continue to face the known challenges of rising inflation and supply chain bottlenecks. Thanks to the development of local competencies at the various Group locations, these effects can be partially offset. These efforts will be intensified in the future.

Due to the typical periodicity of large projects, the development of net sales until mid-year is below plan despite significantly higher order intake. Our project planning shows that net sales and margin will experience a boost in the second half of the year. The reason for this is that numerous ongoing projects are entering the production phase, during which about 80 percent of the total chargeable added value is generated. This accumulation of high-revenue project phases will lead to faster sales growth in the second half of the year, which in turn will have a strong positive impact on earnings and profitability.

Against this background, SKAN Group confirms its guidance for the full year 2022: If the challenges in the supply chain do not significantly intensify, SKAN expects an increase in the mid to upper teens at net sales level. The EBITDA margin should range between 13 and 15 percent.

## Consolidated key figures

in thousand CHF	1st half-year 2022 or 30.06.2022	in % of net sales	1st half-year 2021 or 31.12.2021	in % of net sales	change in %
<b>SKAN</b>					
<b>Financial key figures</b>					
Order intake	263'270		156'833		67.9%
Order backlog <sup>1</sup>	367'387		226'111		62.5%
Net sales from goods and services	120'894		102'032		18.5%
EBITDA	10'679	8.8%	12'283	12.0%	-13.1%
EBIT	5'874	4.9%	9'245	9.1%	-36.5%
Profit for the period	1'115	0.9%	9'297	9.1%	-88.0%
<b>Other key figures</b>					
Net working capital (NWC) <sup>1</sup>	-31'666		-12'025		-163.3%
Return on capital employed (ROCE)	3.0%		8.8%		-65.5%
Investments <sup>3</sup>	15'683		17'108		-8.3%
Equity <sup>1</sup>	168'158		174'005		-3.4%
Equity ratio <sup>1</sup>	45.5%		52.4%		-13.2%
Cash flow from operating activities	26'875		44		nm <sup>2</sup>
Cash flow from investing activities	-56'096		9'602		nm <sup>2</sup>
Cash flow from financing activities	-1'927		-2'923		34.1%
Headcount <sup>1</sup>	1'097		1'007		8.9%
<b>Segment key figures</b>					
<b>Equipment &amp; Solutions</b>					
Order intake	226'303		121'729		85.9%
Order backlog <sup>1</sup>	340'478		204'464		66.5%
Net sales from goods and services	90'203		76'482		17.9%
EBITDA	4'782	5.3%	6'988	9.1%	-31.6%
<b>Service &amp; Consumables</b>					
Order intake	36'967		35'104		5.3%
Order backlog <sup>1</sup>	26'909		21'647		24.3%
Net sales from goods and services	30'690		25'550		20.1%
EBITDA	5'897	19.2%	6'305	24.7%	-6.5%
<b>Others</b>					
EBITDA	-		-1'011	nm <sup>2</sup>	nm <sup>2</sup>

<sup>1</sup> Comparison value as of 31.12.2021

<sup>2</sup> not meaningful

<sup>3</sup> Investments in property, plant and equipment and intangible assets

## Conference Call and Audio Webcast

Thomas Huber, CEO, and Burim Maraj, CFO, will explain the 2022 half-year results and provide an outlook for the current financial year in two conference calls and audio webcasts today. Afterwards, they will be available for questions.

One conference call and one audio webcast will be held in German and English respectively:

### Conference call and audio webcast in German

**Tuesday, 23 August 2022, 9:00 a.m.**

To participate in the conference call, dial in using one of the telephone numbers below. You will be greeted by an operator and asked to enter your confirmation code. The confirmation code is **9396860**. As a participant of the conference call you can follow the presentation [here](#).

Switzerland	+41 (0)44 580 72 69
Germany	+49 (0)69 2222 25204
United Kingdom	+44 (0)330 165 4012

The presentation will be broadcast as a live audio webcast. To access, please use this [link](#). Questions can be asked via the chat function. A replay will be available at the same [link](#).

### Conference call and audio webcast in English

**Tuesday, 23 August 2022, 2:00 p.m.**

To participate in the conference call, dial in using one of the telephone numbers below. You will be greeted by an operator and asked to enter your confirmation code. The confirmation code is **5880971**. As a participant of the conference call you can follow the presentation [here](#).

Switzerland	+41 (0)44 580 72 79
United Kingdom	+44 (0)330 165 4012
USA	+1 646 828 8073

The presentation will be broadcast as a live audio webcast. To access, please use this [link](#). Questions can be asked via the chat function. A replay will be available at the same [link](#).

For questions about the conference call or the audio webcast, or if you have any problems with the link, please contact Thomas Balmer, [ir@skan.com](mailto:ir@skan.com), +41 79 703 87 28.

## Download Links:

- >> [Half-Year Report 2022](#)
- >> [Presentation Half-Year Results 2022](#)

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## Financial calendar:

28 March 2023                      Publication of Annual Results 2022

3 May 2023                              Annual General Meeting

## SKAN – together always one step ahead

SKAN is a pioneer in the field of aseptic and aseptic-toxic manufacturing processes for the (bio)pharmaceutical industry. The company is the market and technology leader for high-quality, process-critical isolator systems for filling drugs according to strict sterility standards. In addition, the company offers its customers process support, services and consumables. Innovative solutions and an efficient life-cycle support organisation make SKAN an important partner for the pharmaceutical and biotech industry, CMOs (Contract Manufacturing Organisations) and research laboratories worldwide. Founded in 1968, SKAN today employs over 1000 people. More than half of them work at the Allschwil headquarters in the Life Sciences Hub of the Basel region. The other employees are located among the subsidiaries in Switzerland, Germany, Belgium, Japan and the USA.