



Full-year 2022 results

08 March 2023

open possibilities

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Karl Rotthier
Chief Executive Officer



Antoine Delcour
Chief Financial Officer



Cécile Maupas
Chief CDMO Officer

Agenda

1 - Highlights

3 - Financial performance

3 - Focus on CDMO

4 - 2023 outlook and mid-term perspectives

Q&A session



1

Highlights

Karl Rotthier – Chief Executive Officer



Solid Net Sales driven by solid performance in both CDMO and API Solutions
Strong growth in Large Molecules' strategic segment



Increase in Gross Profit and Core EBITDA

Core EBITDA margin impacted by the suspension of prostaglandin production in Budapest



Launch of major Capex investment to sustain future profitable growth

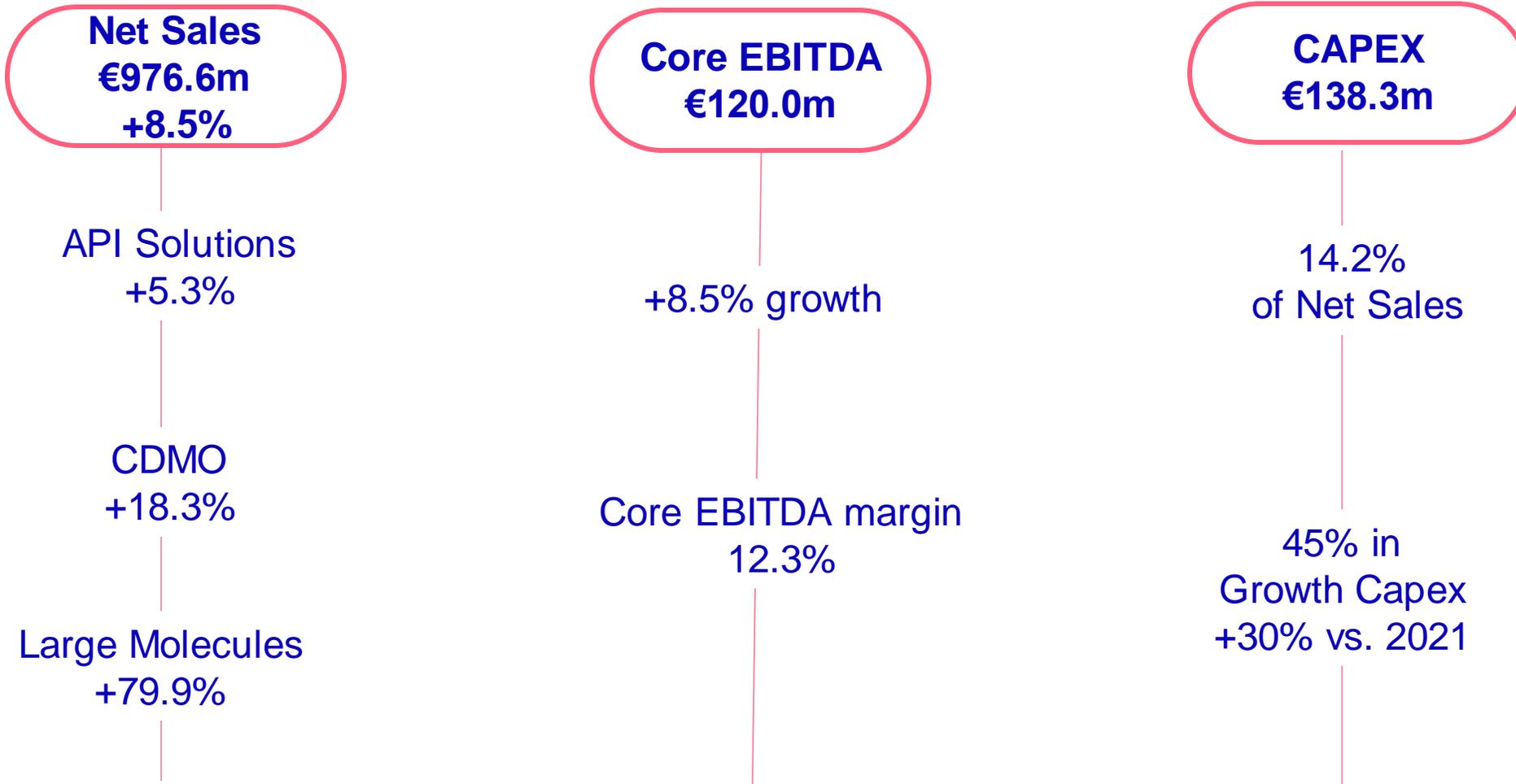


On track to achieve our ambitious ESG commitments



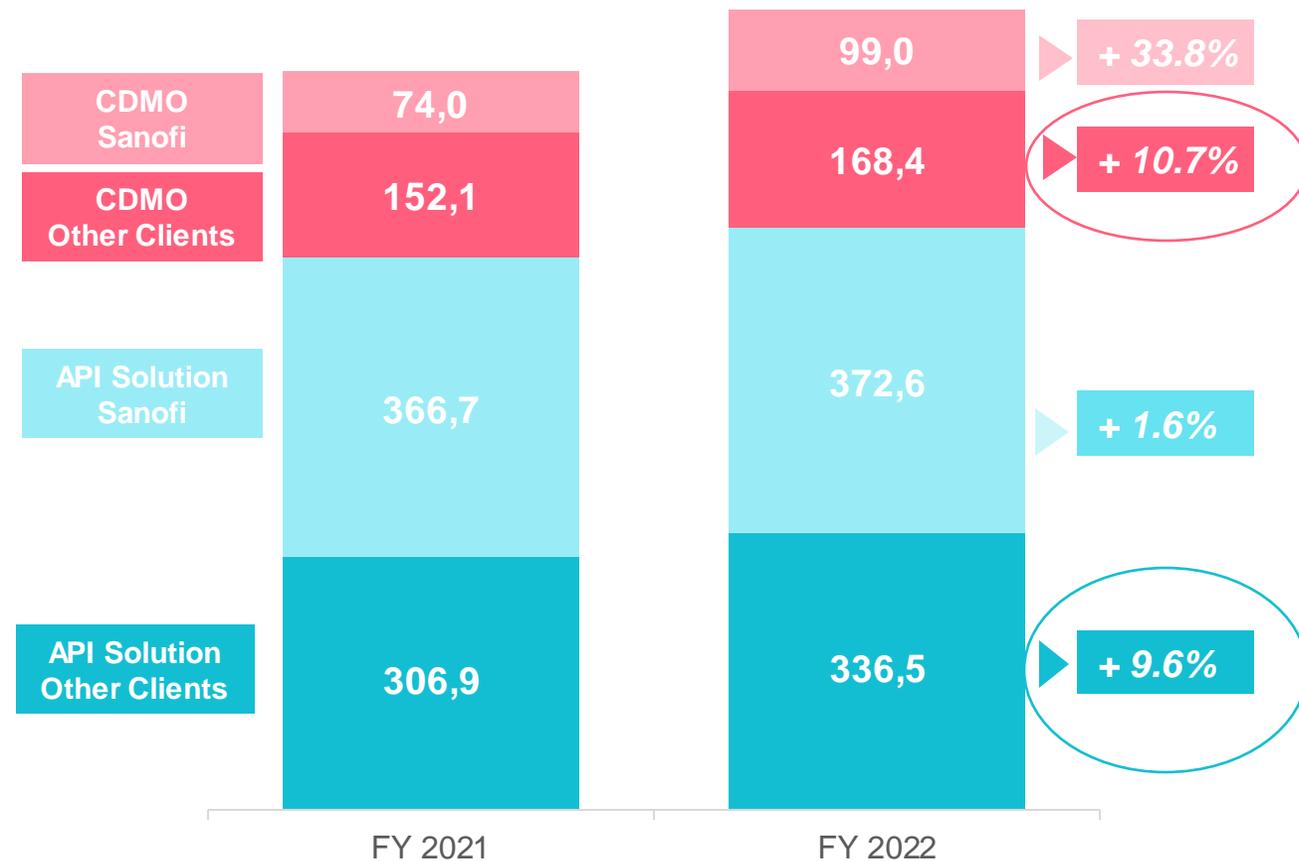
Acceleration of the company's transformation

FY 2022 key operational figures



Net Sales growth driven by solid commercial execution

FY 2022: €976.6m / +8.5%



CDMO business: +18.3%

Accelerated building of projects' pipeline

- Strong contribution from Sanofi's late-stage discontinued projects, and existing commercial contracts with other clients
- 230 RFPs received vs. 120 in 2021

API Solutions : +5.3%

High-single digit growth of sales to Other Clients driven by the execution of the commercial excellence strategy

Price adjustments with Other Clients fully delivered in 2022

Contractual clauses with Sanofi activated

Successful "cross-selling" setting foundation for the future

Increased contribution from large molecules in line with growth strategy

Per type of molecule	2022	Δ% vs 21	Key drivers
 Large molecules¹	€98.4m	+79.9%	Peptides and oligonucleotides growth driven by a commercial stage contract with a US biotech, and a solid contribution from Sanofi products
 Highly potent molecules¹	€82.2m	-19.0%	Negatively impacted by the temporary suspension of prostaglandin production in Q4 and the expected downsizing of a contract for animal health APIs
 Biochemistry molecules derived from fermentation	€148.3m	-3.9%	Lower volumes from Sanofi, notably driving the transformation of the Brindisi site
 Complex chemical synthesis molecules¹	€647.7m	+9.9%	Growth coming from API Solutions and CDMO Commercial Phase projects (volumes and prices)

Note

¹ Managerial reporting has been adapted in 2022 and specific reclassifications were performed among molecules type. For more information, please refer to “Investors Presentations” section of the Investor Relations website

Jul. 22 - €24m* in a new 140,000 tons annual steam generation biomass boiler in Elbeuf

- Reduced exposure to **energy fluctuations** and availability
- Reduced site's CO₂ emissions (-76%)



Oct. 22 - €18m in a new state-of-the-art manufacturing equipment in Frankfurt

- Increased **Peptides and Oligonucleotides** production to cc.500 kgs per year by 2025

Jan. 23 - €40m to increase capacities for Vitamin B12 in Elbeuf

- New fermentation generation allowing for nitrite-free process by design, decrease in waste and reduction in water consumption

Payback

< 3 years for projects
< 7 years for strategic projects

IRR

≥ 25%

*: €24.6m gross capex before €10.4m financial support from the French Government within the framework of *France Relance* plan operated by ADEME
Crédit image: IDEX

Accelerate innovation for environmental sustainability

100% sites ISO14001/50001 certification by 2023

75%

~ 100% sites electricity from renewable sources by 2025

83%

~ -30% of CO2 emissions (vs. 2020) by 2030 (scope 1 & 2)

-20%

Create a safe and multicultural workplace

30% women in a leadership position by 2025

Achieved

Lost Time Injury to 1.5 by 2025

1.8

Total Recordable Injury to 2.5

2.9

Uphold best-in-class corporate governance

United Nations Global Compact commitment in 2022

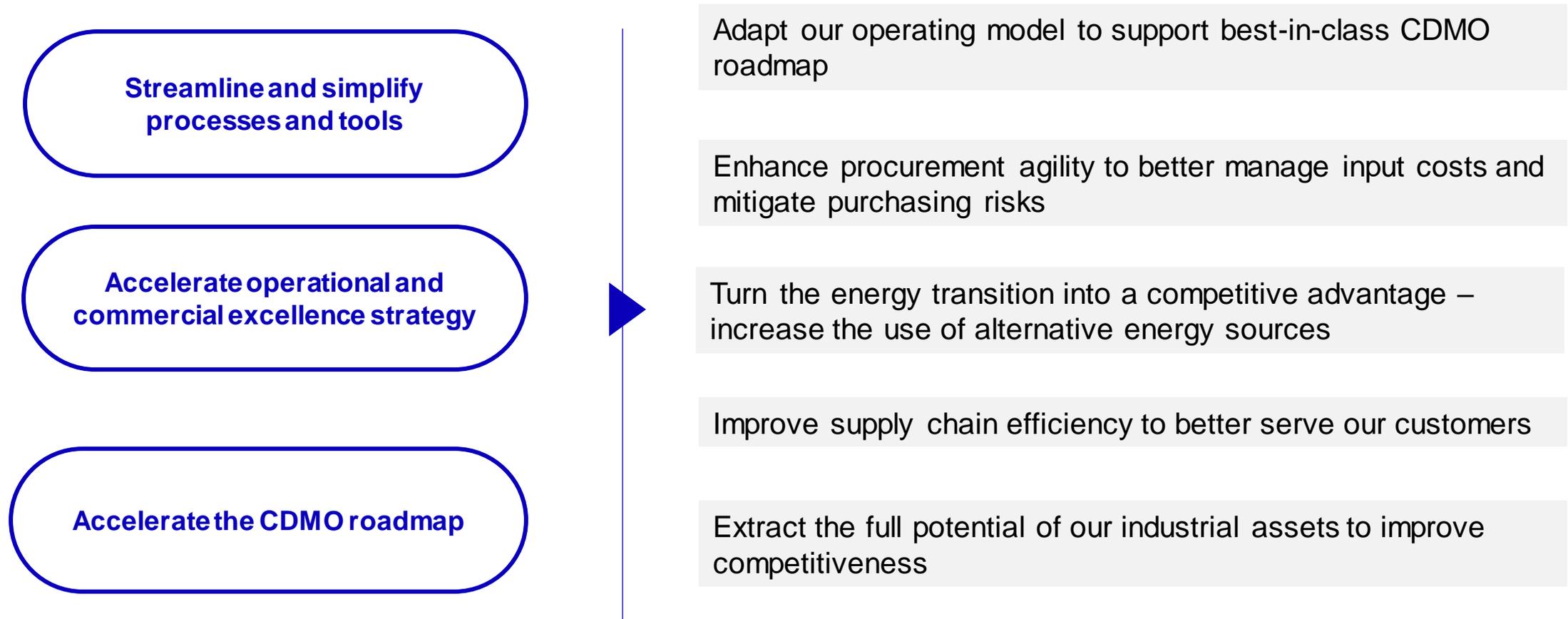
Signed

100% completion of code of conduct and compliance training (incl. corruption) in 2022

95%

Acceleration of the company's transformation

Culture change in motion for a more agile, responsive, and customer-centric company



Bring €50m annual run rate of value creation by 2026 to unlock growth and increase profitability

2

Financial performance

Antoine Delcour – Chief Financial Officer

In € millions	FY-2022	FY-2021	<i>Change</i>
Net sales	976.6	899.8	+8.5%
Gross profit	176.9	153.3	
<i>Gross profit margin</i>	18.1%	17.0%	
Core EBITDA	120.0	110.6	+8.5%
<i>Core EBITDA margin</i>	12.3%	12.3%	
Net income	(15.0)	n.a. ¹	

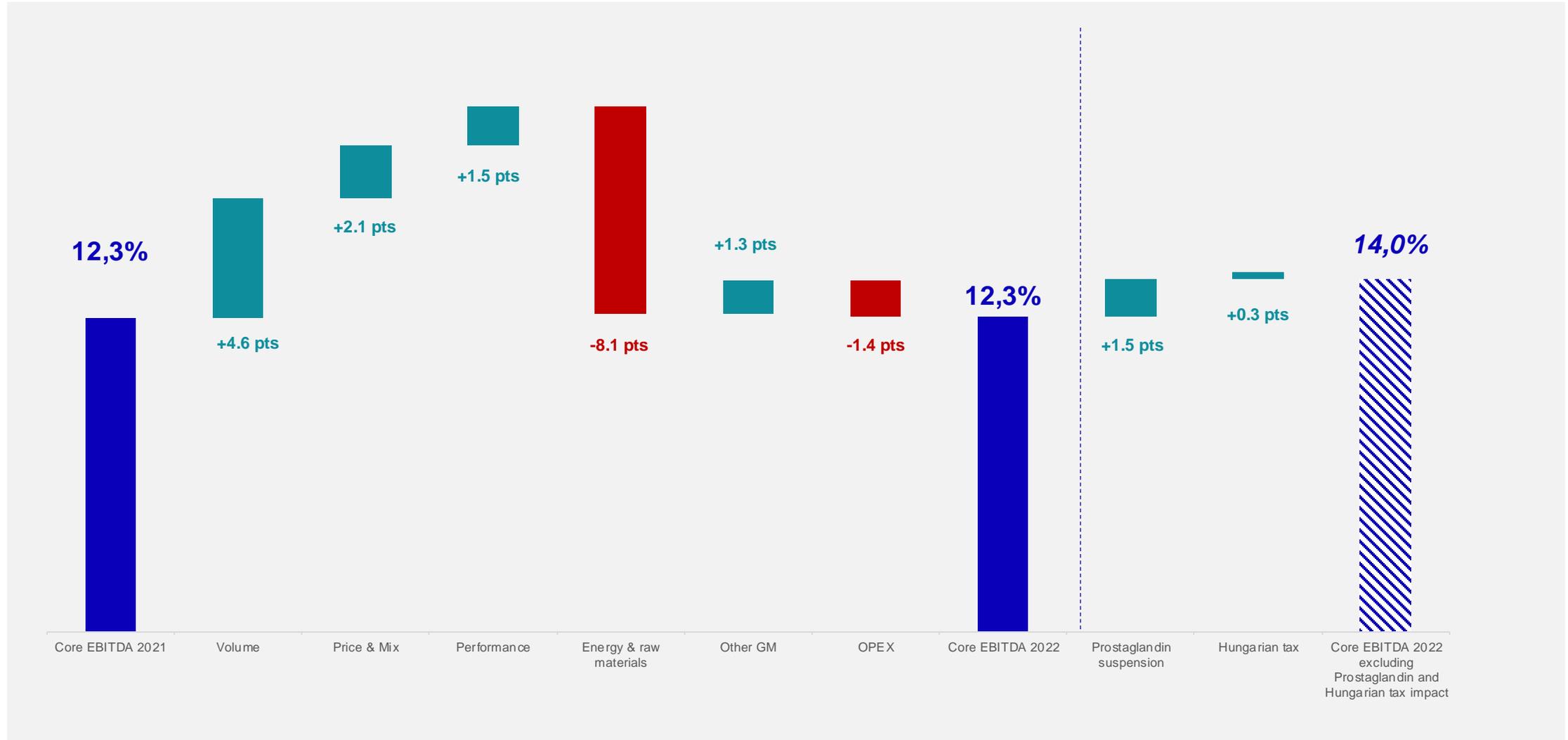
- **Net sales up 8.5%, driven by API Solutions and CDMO commercial momentum**
- **Increase in Gross Profit despite the impact of the suspension of prostaglandin production in Budapest**
- **Excluding the impairment of assets for €(28.8)m, Net Income would have been €13.8 m**

Note

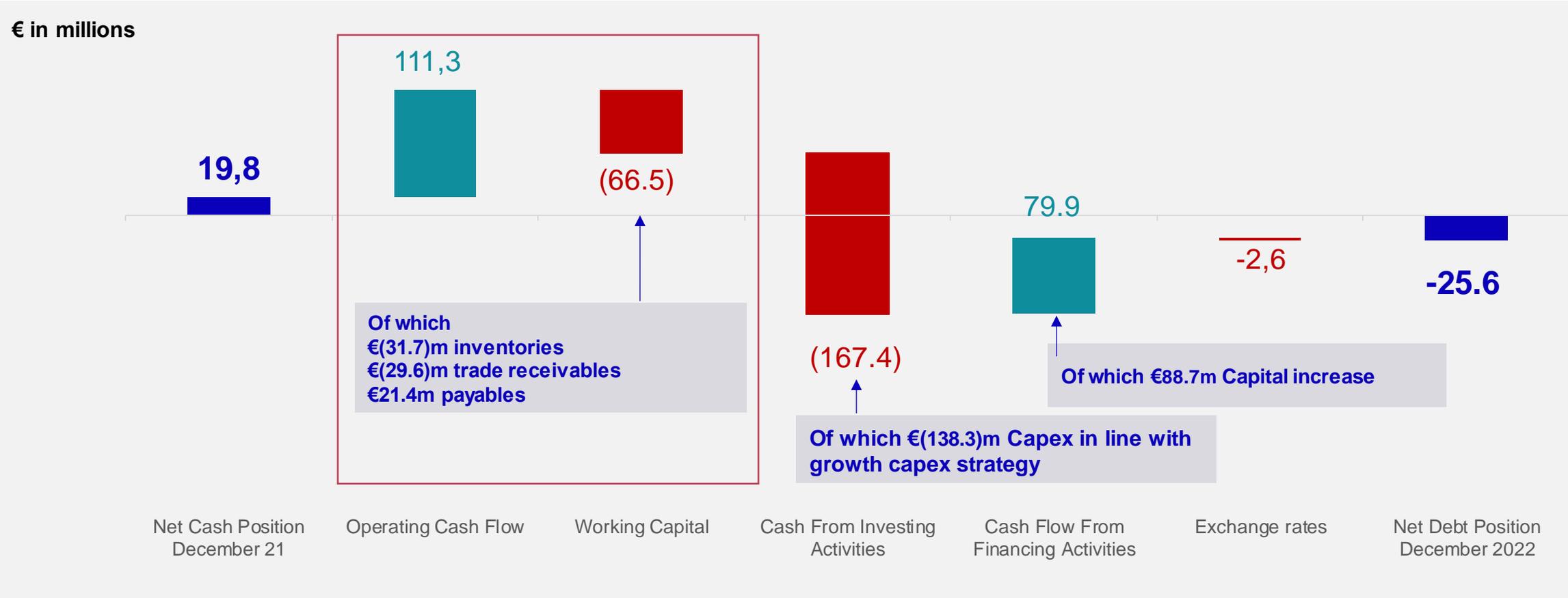
¹ Net income not part of the restated key performance indicators prepared for readability purposes for FY21

Increase in Gross Profit despite energy and raw materials impacts

Core EBITDA negatively impacted by the suspension of prostaglandin production in late Q4



Solid balance sheet and financial flexibility



€(54.2)m Core Free Cash Flow compared by €79.8 million in 2021, including €(29.6) non-recurring impact linked to the carve-out

3

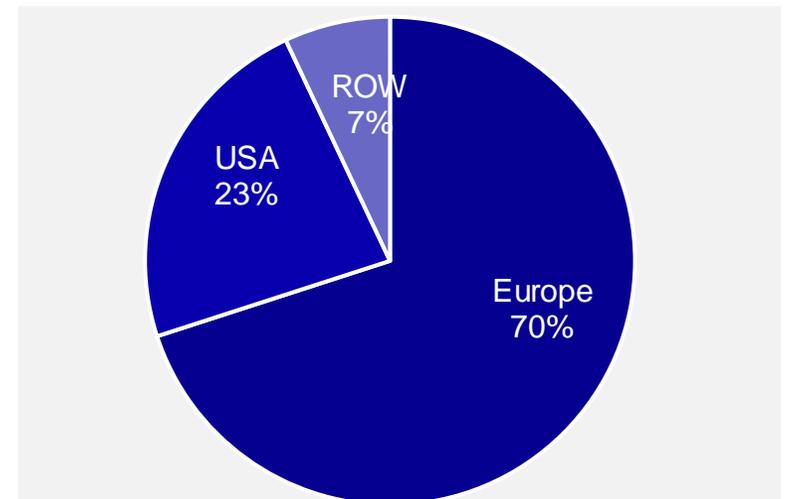
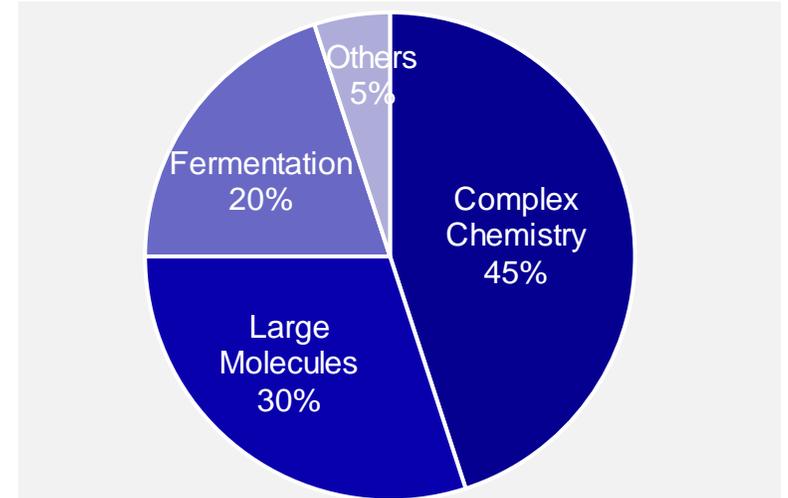
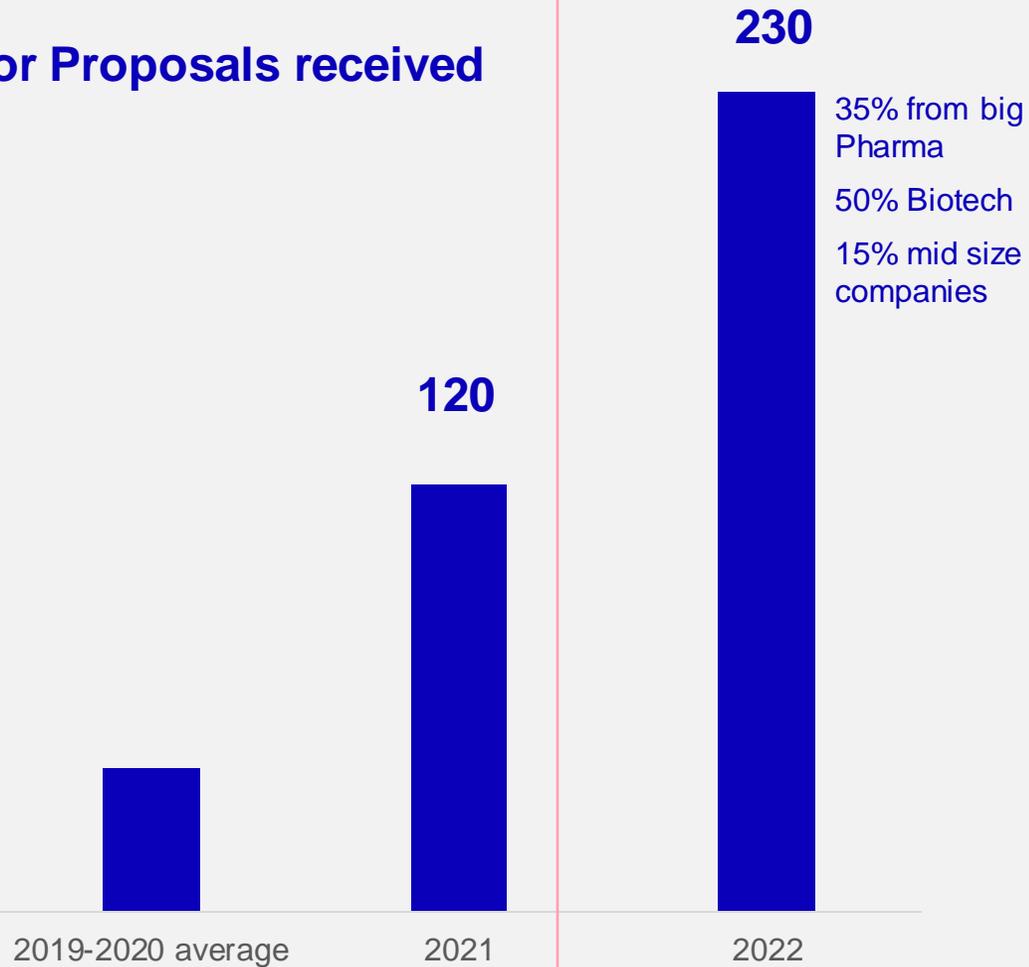
Focus on CDMO

Cécile Maupas – Chief CDMO Officer

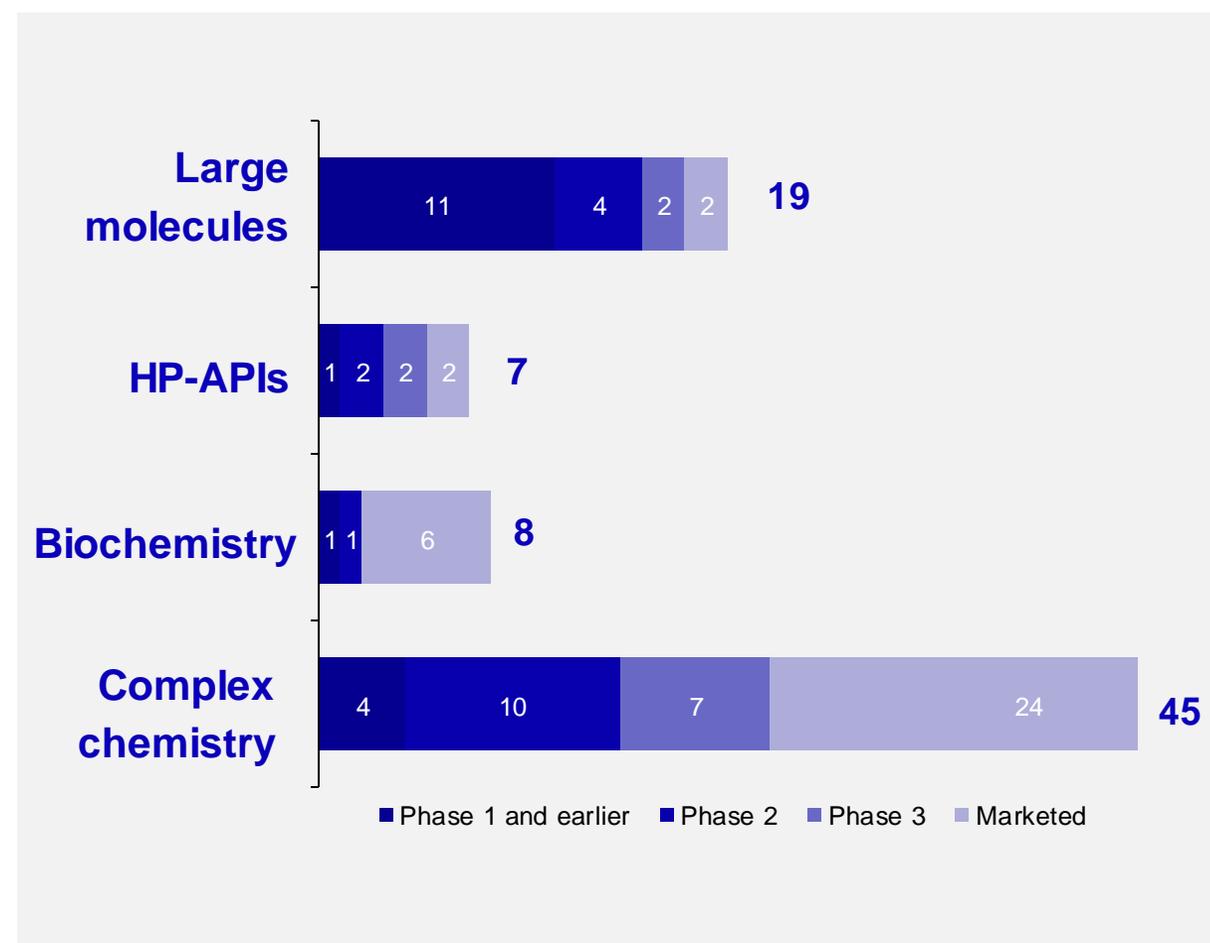
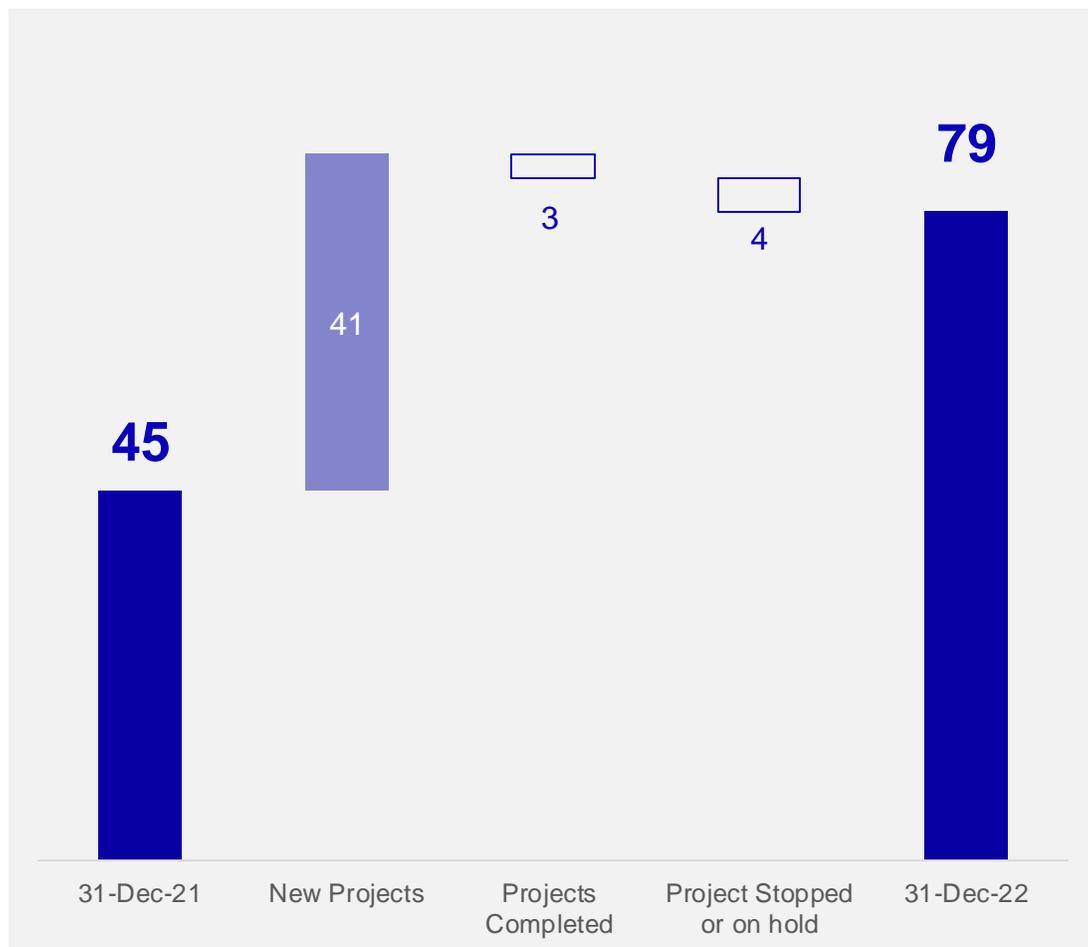
Acceleration of commercial momentum

Number of RFPs received almost doubled

Requests For Proposals received



Number of projects up 75% in 2022, with large molecules multiplied by 4 Number of customers doubled in one year



Further balancing of the CDMO pipeline to accelerate profitable growth

6 to 12 months lag between project attribution and first revenue recognized



December 2022	17	17	11	34	79
December 2021	8	7	5	25	45
Before 2020				22	22

*Of which 3 paused for 2023
 ** legacy project, mostly in commercial phase

2023 outlook and mid-term perspectives

Karl Rotthier - CEO

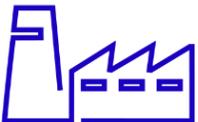
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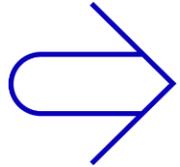
Between +7% and +8% Net sales growth, including double-digit growth in sales to Other Clients and low-single digit decrease in sales to Sanofi



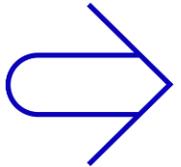
Core EBITDA margin between 12.0% and 14.0%



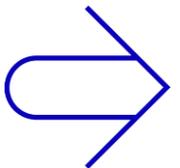
Capex between €120m and €130m



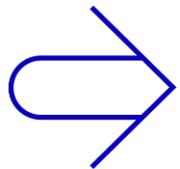
Net Sales to increase between +7% and +8% on average for the period 2023-2026* (vs. +6% to +7% for the period 2021-2025), driven by double-digit growth in Sales to Other clients (including API Solutions and CDMO).



Core EBITDA margin to exceed 20% in 2026 (vs. 2025 initially expected).
2025 Core EBITDA margin should be above 18%

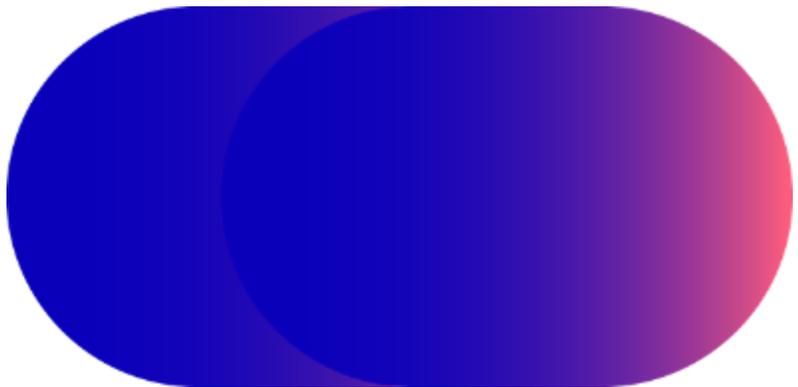


Capex of €510 million for the period 2022-25 (unchanged)

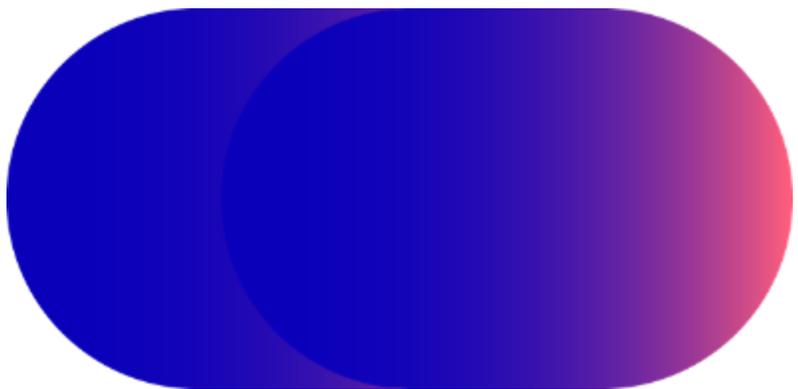


Core Free Cash conversion between 50% and 53% by 2025 (unchanged)

Q&A session



Appendix



Full-year 2021 Consolidated

Consolidated key performance indicators for the full year 2021 are not comparable to those of the full year 2022, as the contractual framework with Sanofi was neither fully deployed in June 2021 nor was the target organization fully deployed. Restated performance indicators have been prepared to provide investors with a better understanding of the Group's performance, considering the impacts of the Prior Reorganization Transactions as part of the separation from the Sanofi group. 2021 restated performance indicators have not been independently reviewed or audited by the Statutory Auditors.

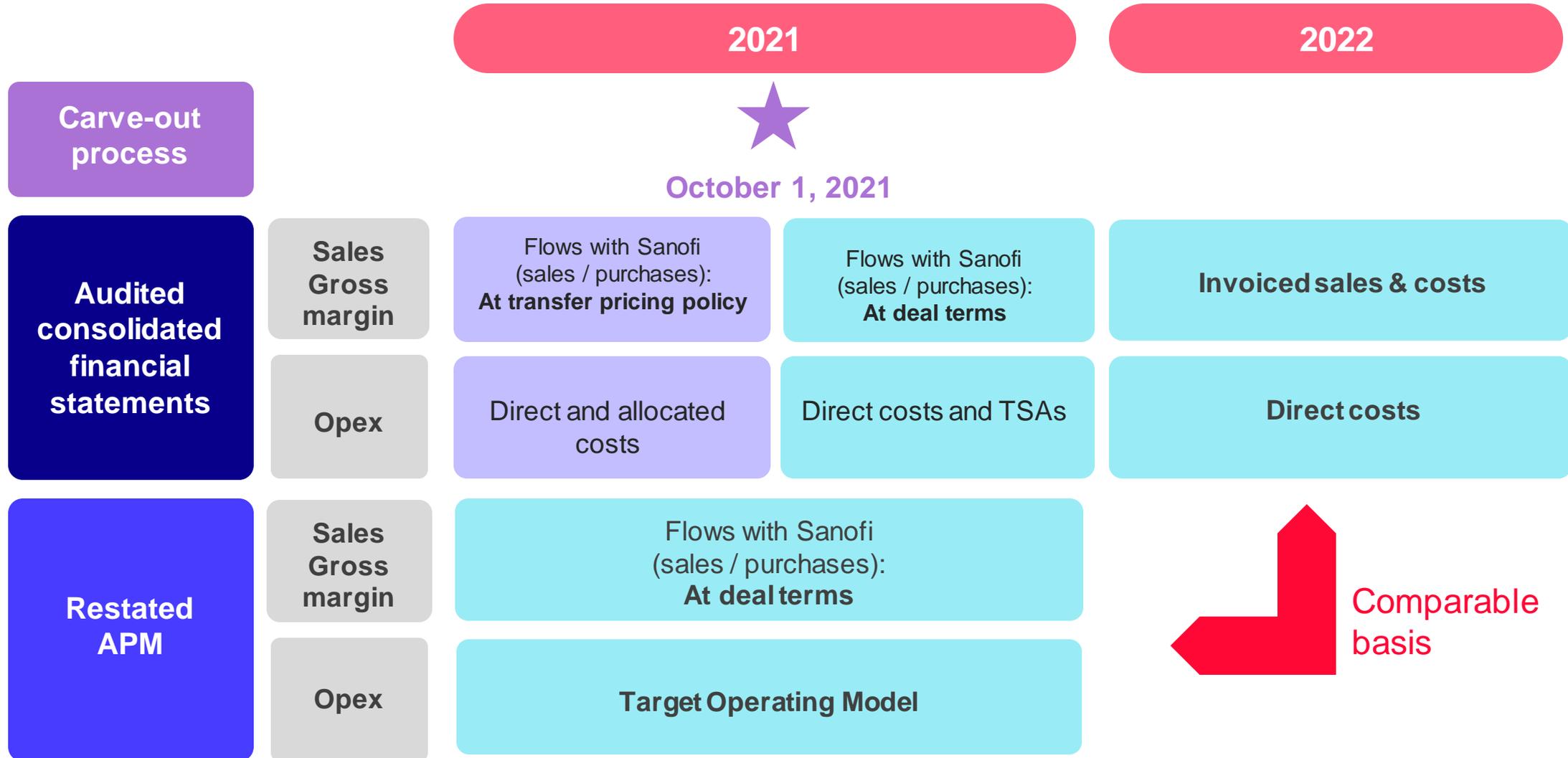
EBITDA and Core EBITDA

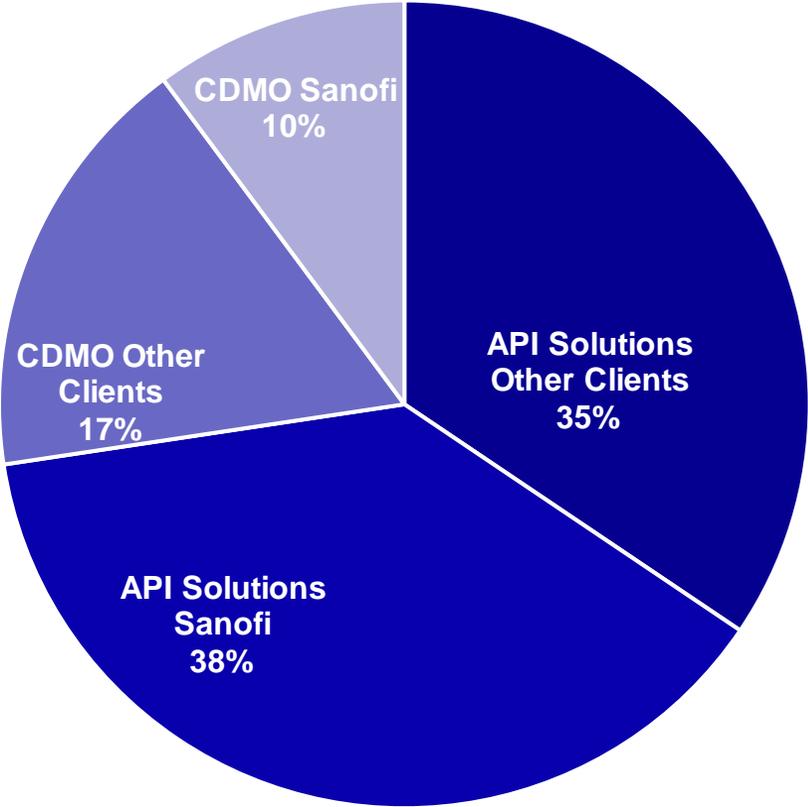
EBITDA corresponds to operating income (loss) restated for depreciation and amortization and net impairment of intangible assets and property, plant and equipment.

Core EBITDA thus corresponds to EBITDA restated for restructuring costs and similar items (excluding depreciation and write-downs), allocations net of reversals of unutilized provisions for environmental risks, and other items not representative of the Group's current operating performance or related to the effects of acquisitions or disposals.

Core Free Cash Flow

Core FCF conversion corresponds to the ratio between, on the one hand, (i) cash flow generated by (used in) operating activities less the "acquisitions of property, plant and equipment and intangible assets" items, and restated for the "net change in other current assets and other current liabilities", "current taxes" and cash inflows and outflows relating to Core EBITDA restatements, and on the other hand (ii) Core EBITDA.





11 May, 2023

Annual General Meeting

01 August 2023

First-half results

Thank you!

Merci - Danke - Grazie - Köszönöm - Obrigada - Спасибо - ありがとうございます



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