

Media release – ad hoc announcement pursuant to Art. 53 LR

## **PolyPeptide with substantial improvements in profitability and cash flow, positioned for strong growth**

**Baar, 11 March 2025 – PolyPeptide Group AG (SIX: PPGN), a specialized global CDMO for peptide-based active pharmaceutical ingredients, today announced its annual results for 2024 and guidance for 2025:**

- Revenue of EUR 336.8 million, reflecting growth of 5.1% versus 2023 (reported and at constant currency rates); growth of 7.1%, excluding revenue associated with the coronavirus pandemic in 2023
- EBITDA of EUR 25.4 million versus EUR -6.0 million in 2023 with margin increase of 9.4 percentage points to 7.5%, reflecting improved operational performance and changes in product mix
- Net cash flows from operating activities of EUR 89.4 million versus EUR 36.5 million in 2023, driven by increased profitability and preparations for future growth with customer support
- Capital expenditure of EUR 87.8 million, 26.1% of revenue, versus EUR 54.9 million and 17.1% in 2023, reflecting capacity investments across PolyPeptide's global manufacturing site network to meet strong customer demand
- For 2025, PolyPeptide's priority is to meet the strong and increasing customer demand. Production at the new large-scale SPPS facility in Belgium has started successfully and capacity expansion projects in France and Sweden continue as planned
- Guidance 2025: Accelerated revenue growth of 10% to 20% versus 2024, subject to ramp-up of new commercial production in Belgium. EBITDA margin expected to continue to rise based on top-line growth and further progress in operations, partially offset by preparations for future growth and scalability. Capital expenditure expected to be around 20% of revenue, supported by customer pre-payments
- Joanna (Jo) LeCouilliard to be nominated for election as a new independent member of the Board of Directors at the upcoming AGM on 9 April 2025, bringing with her a financial and accounting background as well as deep global experience in healthcare management, including a career of nearly two decades with GlaxoSmithKline. After serving since 2021, Beat In-Albon will not stand for re-election
- The audio webcast and conference call will take place today at 9:30 am CET (for access details, please see page 5)

**Juan-José González, CEO of PolyPeptide:** “The progress made in 2024 positions us well to meet our mid-term outlook, targeting the doubling of revenue reported for 2023 by 2028 with profitability approaching an EBITDA margin of 25%. Over the last three years, our revenue (excluding revenue associated with the coronavirus pandemic) grew at a mid-teen CAGR, driven by metabolic therapeutics revenue, which more than doubled. Our improved performance, capacity expansion, and rich pipeline including 32 active custom projects for phase III of clinical development highlight the significant potential of PolyPeptide.”

## Key figures<sup>1</sup>

kEUR	2024	2023	Change
Revenue <sup>2</sup>	336,792	320,372	5.1%
EBITDA	25,350	-5,999	_3
EBITDA in % of revenue	7.5%	-1.9%	9.4 ppts
Operating result (EBIT)	-7,364	-36,468	79.8%
Operating results (EBIT) in % of revenue	-2.2%	-11.4%	9.2 ppts
Result for the year	-19,564	-51,440	62.0%
Result for the year in % of revenue	-5.8%	-16.1%	10.2 ppts
Earnings per share (EUR), basic	-0.59	-1.56	62.0%
Return on net operating assets (RONOA)	-1.6%	-8.5%	6.9 ppts
Cash and cash equivalents (end of year)	68,277	95,706	-28.7%
Net cash flow from operating activities	89,399	36,485	145.0%
Capital expenditure	87,839	54,890	60.0%
Capital expenditure in % of revenue	26.1%	17.1%	8.9 ppts
Total assets (end of year)	756,576	689,088	9.8%
Equity ratio (end of year)	47.2%	55.3%	-8.1 ppts
Employees (# of FTEs, average)	1,291	1,202	7.4%

## Revenue

In 2024, PolyPeptide generated EUR 336.8 million in revenue, representing a 5.1% increase versus 2023, reported and at constant currency rates. PolyPeptide fully phased out its business related to the coronavirus pandemic, and revenue increased by 7.1%, excluding respective revenue of EUR 5.8 million in 2023.

Commercial revenue increased by 31.8% and development revenue declined by 23.5%, reflecting a higher demand for peptide-based drugs across therapeutic areas and regulatory approval for some of PolyPeptide's phase III development projects, also impacting the revenue classification.

Throughout 2024, PolyPeptide remained committed to meeting the needs of its customers. The active custom projects pipeline at the end of 2024 included 201 (204) projects, with 32 (29) projects for phase III of clinical development. The number of commercial projects supported during 2024 increased to 65 (64).

### Footnotes

<sup>1</sup> This media release and key figures table include references to operational indicators and alternative financial performance measures (APM) that are not defined or specified by IFRS. These APM should be regarded as complementary information to and not as substitutes for the Group's consolidated financial results based on IFRS. For the definitions of the main operational indicators and APM used, including related abbreviations, as well as for selected reconciliations to IFRS, please refer to the section "Definitions and reconciliations" of the Annual Report 2024.

<sup>2</sup> For revenue by business area, refer to Note 3 of the consolidated financial statements. To discuss business drivers more concisely, revenue of the business areas Contract Manufacturing and Generics & Cosmetics have been combined into "Commercial revenue", while revenue in the business area Custom Projects is labelled "Development revenue".

<sup>3</sup> Change in % not meaningful.

## **Profitability**

In 2024, PolyPeptide made substantial progress in restoring profitability. The gross profit for 2024 was EUR 39.3 million versus EUR 9.1 million in 2023, and EBITDA was EUR 25.4 million versus EUR -6.0 million. The EBITDA margin increased by 9.4 percentage points to 7.5% versus -1.9% in 2023.

The increase in EBITDA reflects an improvement of EUR 31.3 million, driven by operational performance and changes in product mix. With a 7.4% increase in average full-time equivalents, personnel expenses were EUR 9.5 million higher versus 2023, reflecting preparations for future growth, including the ramp-up of new assets and continued organizational development.

The operating result (EBIT) in 2024 was EUR -7.4 million versus EUR -36.5 million in 2023. The financial result was EUR -10.8 million versus EUR -21.8 million in 2023. The result for the year was EUR -19.6 million versus EUR -51.4 million in 2023.

## **Cash flow and financing**

The increased profitability and preparations for growth with customer support contributed to a strong operating cash flow. Net cash flows from operating activities reached EUR 89.4 million in 2024, versus EUR 36.5 million in 2023. Inventories increased by EUR 17.0 million, driven by raw materials and intermediates required for planned growth and contrasting with the EUR 15.5 million reduction in 2023. Contract liabilities saw significant net inflows of EUR 89.9 million versus EUR 38.8 million in 2023, reflecting customer support for capacity expansion initiatives.

Net cash flows from investing activities were EUR -91.0 million versus EUR -59.5 million in 2023, bringing the free cash flow to EUR 2.4 million versus EUR -20.2 million in 2023. After the repayment of debt and other liabilities to the amount of EUR 25.3 million, cash and cash equivalents at the end of 2024 were at EUR 68.3 million versus EUR 95.7 million at the end of 2023.

For financing, PolyPeptide expects further improvements in profitability and cash flow, customer funding support for large capacity expansion projects, and the utilization of its credit facilities. As at the end of 2024, EUR 30 million was outstanding under the unsecured short-term credit facility with the Group's main shareholder, which has been agreed to be prolonged. EUR 61 million remained available under the EUR 111 million committed revolving credit facility (RCF). The Group is in ongoing discussions with its lenders as part of the regular assessment of financing opportunities.

Further, with the attractive market outlook and evolving customer opportunities, the Board of Directors will propose two capital-related resolutions at the upcoming Annual General Meeting on 9 April 2025 (AGM 2025), i.e. the introduction of a capital band and the creation of conditional share capital for financing purposes and finance instruments.

## **Capacity expansion**

In 2024, capital expenditure reached EUR 87.8 million or 26.1% of revenue, reflecting investments across PolyPeptide's manufacturing sites to meet the strong customer demand. Toward the end of 2024, PolyPeptide announced the production start of its large-scale solid-phase peptide synthesis (SPPS) capacity in Braine l'Alleud, Belgium. Over the last three years, it invested around EUR 100 million to support a multi-year commercial GLP-1 agreement previously announced.

In 2024, PolyPeptide finalized the debottlenecking of upstream and downstream capacity at its manufacturing site in Torrance, CA, U.S.A., and advanced the construction work to double SPPS capacity at the site in Strasbourg, France, which it expects to bring online toward the end of 2025. During 2024, PolyPeptide also launched the construction work for the doubling of SPPS capacity at the site in Malmö, Sweden, where it plans to invest around EUR 100 million as part of its mid-term outlook.

### **Strategy, innovation and sustainability**

PolyPeptide's vision is to be the most innovative peptides CDMO, strengthening competitive advantages in 1) innovation focused on green chemistry and process intensification, 2) superior pipeline development capabilities, and 3) rapid and flexible capacity expansion leveraging the potential for modularity.

It undertook further transformational steps throughout 2024 to strengthen its organization with additional industrial-scale manufacturing and commercial capabilities and with an enhanced focus on operational excellence and scalability. To that end, PolyPeptide started evaluating a new enterprise resource planning system (ERP) to further bolster control mechanisms and drive process standardization and harmonization.

As part of its large-scale capacity expansion, PolyPeptide uses proprietary manufacturing technology with an integrated engineering design, advanced automation, and process control to ensure high productivity, safety, and sustainability. In 2024, it continued its research project to increase the throughput of its SPPS infrastructure by using proprietary resin formulations. In line with its green chemistry agenda, it advanced its research efforts for PFAS-free SPPS alternatives, identifying viable options for industrial applications in the future.

During 2024, PolyPeptide finalized its climate strategy and transition plan, including greenhouse gas reduction targets, which will be submitted for validation to the Science-based Targets Initiative (SBTi) in 2025. As part of its commitment, the Group continued to participate within the framework of CDP's climate change program, improving to a "B" rating in 2024 from "B-" in 2023, marking progress for the third consecutive year.

### **Mid-term outlook, elections to the Board of Directors, and guidance for 2025**

The progress made in 2024 positions PolyPeptide well to meet its mid-term outlook communicated with H1 results in August 2024. PolyPeptide targets the doubling of revenue reported for 2023 by 2028, with profitability approaching an EBITDA margin of 25%. Capital expenditures over that period are required to be between 15% to 20% of revenue, to ensure capacity also beyond 2028.

As part of its efforts to ensure that the Board of Directors is comprised of individuals with the skills, experience and expertise necessary, PolyPeptide is pleased to announce the nomination of Jo LeCouilliard as a new independent member of the Board of Directors for election at the AGM 2025. Ms. LeCouilliard, a UK and Irish national, brings with her a financial and accounting background as well as deep global experience in healthcare management, including a successful career of nearly two decades with GlaxoSmithKline, and will further strengthen diversity and independence.

After serving for four years, Beat In-Albon has decided not to stand for re-election at the AGM 2025. The Board of Directors would like to extend its heart-felt thanks to Mr. In-Albon for his outstanding personal commitment and valuable contributions leading the Audit and Risk Committee between 2021 and 2023.

For 2025, PolyPeptide's priority is to meet the strong and increasing customer demand. Production at the new large-scale SPPS facility in Belgium has started successfully. Subject to the ramp-up of commercial production, PolyPeptide expects accelerated growth of 10% to 20% in 2025 versus 2024. The EBITDA margin is expected to continue to rise based on topline growth and further progress in operations, which will be partially offset by preparations for future growth and scalability. Capital expenditure in 2025 is expected to be around 20% of revenue, supported by customer pre-payments.

### **Results documentation, audio webcast and conference call**

PolyPeptide Group will hold an audio webcast today at 9:30 am CET, where CEO Juan José González and CFO Marc Augustin will present a business update and annual results for 2024. Please [click here](#) to join the audio webcast. To ask questions during the Q&A session, you must dial in to the moderated telephone conference. Participants may pre-register [here](#) and will receive dedicated dial-in details to easily access the call. Please dial in 5 to 10 minutes prior to the start.

A replay of the event will be available in the [Results Center](#) after the results presentation.

All results documents, including the media release, the results presentation, the [Annual Report 2024](#) as well as the updated time series, will be available from around 7:00 am CET in the PolyPeptide [Results Center](#).

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### **About PolyPeptide**

PolyPeptide Group AG and its consolidated subsidiaries ("PolyPeptide") is a specialized Contract Development & Manufacturing Organization (CDMO) for peptide- and oligonucleotide-based active pharmaceutical ingredients. By supporting its customers mainly in pharma and biotech, it contributes to the health of millions of patients across the world. PolyPeptide serves a fast-growing market, offering products and services from pre-clinical through to commercial stages. Its broad portfolio reflects the opportunities in drug therapies across areas and with a large exposure to metabolic diseases, including GLP-1. Dating back to 1952, PolyPeptide today runs a global network of six GMP-certified facilities in Europe, the U.S. and India. PolyPeptide's shares (SIX: PPGN) are listed on SIX Swiss Exchange.

For more information, please visit [polypeptide.com](https://polypeptide.com)

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### **Disclaimer**

This media release has been prepared by PolyPeptide Group AG and includes forward-looking information and statements concerning the outlook for the Group's business. These statements are based on current expectations, estimates and projections about the factors that may affect

the Group's future performance. These expectations, estimates and projections are generally identifiable by statements containing words such as 'expects', 'believes', 'estimates', 'targets', 'plans', 'projects', 'outlook' or similar expressions. There are numerous risks, uncertainties and other factors, many of which are beyond PolyPeptide Group AG's control, that could cause the Group's actual results to differ materially from the forward-looking information and statements made in this media release and that could affect the Group's ability to achieve its stated targets. The important factors that could cause such differences include, among others: timing and strength of its customer's product offerings, relationships with employees, customers and other business partners; strategies and initiatives of competitors; manufacturing capacity and utilization; quality issues; supply chain matters; the ability to continue to obtain sufficient financing to meet growth initiatives and liquidity needs; legal, tax or regulatory disputes; and changes in the political, social and regulatory framework in which the Group operates, or in economic or technological trends or conditions, including currency fluctuations, inflation and consumer confidence, on a global, regional or national basis. Although PolyPeptide Group AG believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

In particular, the statements related to the Guidance for 2025 and Mid-term outlook constitute forward-looking statements and are not guarantees of future financial performance. The Group's actual results of operations could deviate materially from those set forth in the Guidance for 2025 and Mid-term outlook as a result of the factors described above or other factors. As such, investors should not place undue reliance on the statements related to the Guidance for 2025 and Mid-term outlook.

Except as otherwise required by law, PolyPeptide Group AG disclaims any intention or obligation to update any forward-looking statements as a result of developments.

#### **Alternative financial performance measures (APM)**

This media release contains references to operational indicators, such as active custom development and commercial projects, and APM that are not defined or specified by IFRS, including revenue at constant currency rates, EBITDA, EBITDA margin, net operating assets, return on net operating assets (RONOA), capital expenditures (Capex), equity ratio, free cash flow, net cash, total financial debt, and headcount. These APM should be regarded as complementary information to and not as substitutes for the Group's consolidated financial results based on IFRS. These APM may not be comparable to similarly titled measures disclosed by other companies. For the definitions of the main operational indicators and APM used, including related abbreviations, as well as for selected reconciliations to IFRS, refer to the section "Definitions and reconciliations" in PolyPeptide Group AG's [Annual Report 2024](#).

For the purposes of this media release, unless the context otherwise requires, the term 'the Company' means PolyPeptide Group AG, and the terms 'PolyPeptide', 'the Group', 'we', 'us' and 'our' mean PolyPeptide Group AG and its consolidated subsidiaries. In the key figures table, the use of '-' indicates not meaningful or not applicable.