Capital Markets Day 2024

Meet Group Management

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Ready for structural growth

Belén Garijo, CEO

Agenda

01 Delivering the return to growth

02 Strength in value compounding

03 Outlook & executive summary

01

Delivering the return to growth

Stringent execution drives operational and strategic progress

Strength in H1 execution

- AI-driven Semiconductor growth inflection
- Strong growth in Healthcare
- Sequential growth in PS orders in LS

+

H2 catalysts already visible

- H2 stronger than H1 in Life Science
- HC growth driven by CM&E, Oncology and Mavenclad
- AI driving sustained growth in Semiconductors

=

Commitment delivered

Returning to growth: guiding for sales up +2% to +5% org.[1]

Additional strategic wins

- **In-licensed key assets**: Ompenaclid and Pimicotinib; with M9466 operationalized
- **Acquired Mirus Bio** to strengthen position in novel modalities bioprocessing
- **Acquired UnitySC** to strengthen product offering into 3D metrology for AI
- Agreement to **divest Surface Solutions**, with Electronics growth accretion

1) Reported sales guidance range for 2024 of: ~€20.7 – €22.1 bn given in August 2024;
Acronym(s): **PS** = Process; **LS** = Life Science; **HC** = Healthcare; **CM&E** = Cardiometabolic Care and Endocrinology; **AI** = Artificial Intelligence; **Semis** = Semiconductor Solutions

Poised to reach new sales heights beyond 2024

1

Life Science drives org. sales growth in post-COVID world

- Majority of bioprocessing customers have reached target inventory levels in 2024
- Order intake in PS to continue to improve, LS returning to growth
- Key megatrends intact: robust drug pipelines, healthcare access and novel modalities

Share of net sales[1] 44%

Share EBITDA pre[1] 45%

2

Healthcare with a resilient foundation

- CM&E and Fertility provide a solid growth backbone
- Blockbuster products Mavenclad and Erbitux with positive contribution
- Solid early-stage pipeline and clear mandate for accelerated in-licensing

Share of net sales[1] 38%

Share EBITDA pre[1] 40%

3

Semi technology leadership propels growth acceleration in Electronics

- Node transitions driving growth in artificial intelligence
- Memory, analog and mature nodes to recover and return to growth
- Growth business in Display to balance legacy business

Share of net sales[1] 18%

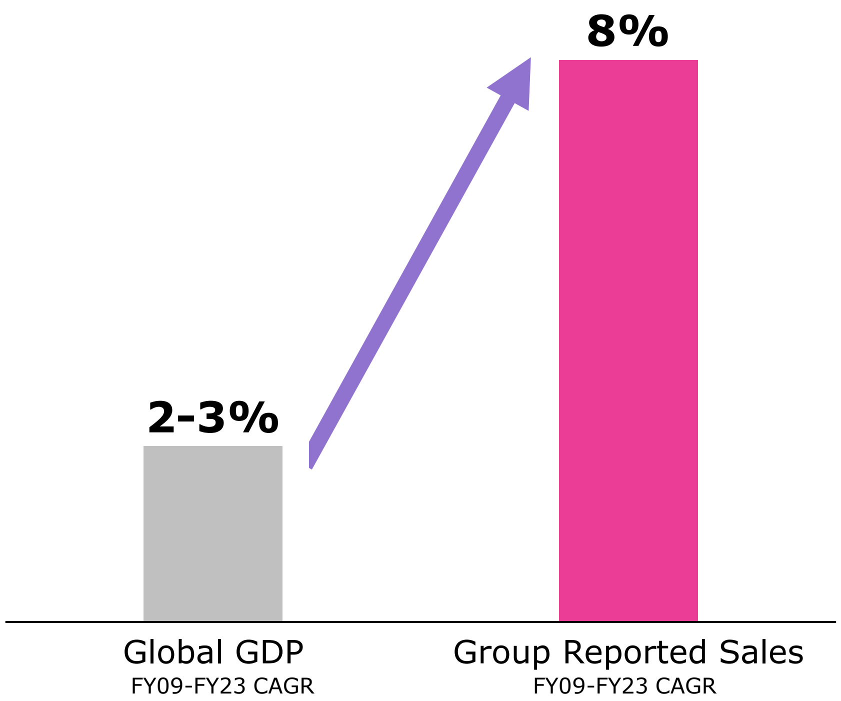
Share EBITDA pre[1] 15%

1) Based on FY23; Group EBITDA pre excluding Corporate & Others; Sector share percentages are rounded to total 100% and may not represent precise figures. These adjustments are for illustrative purposes only.
Acronym(s): **PS** = Process; **LS** = Life Science; **CM&E** = Cardiometabolic Care and Endocrinology

02

strength in value compounding

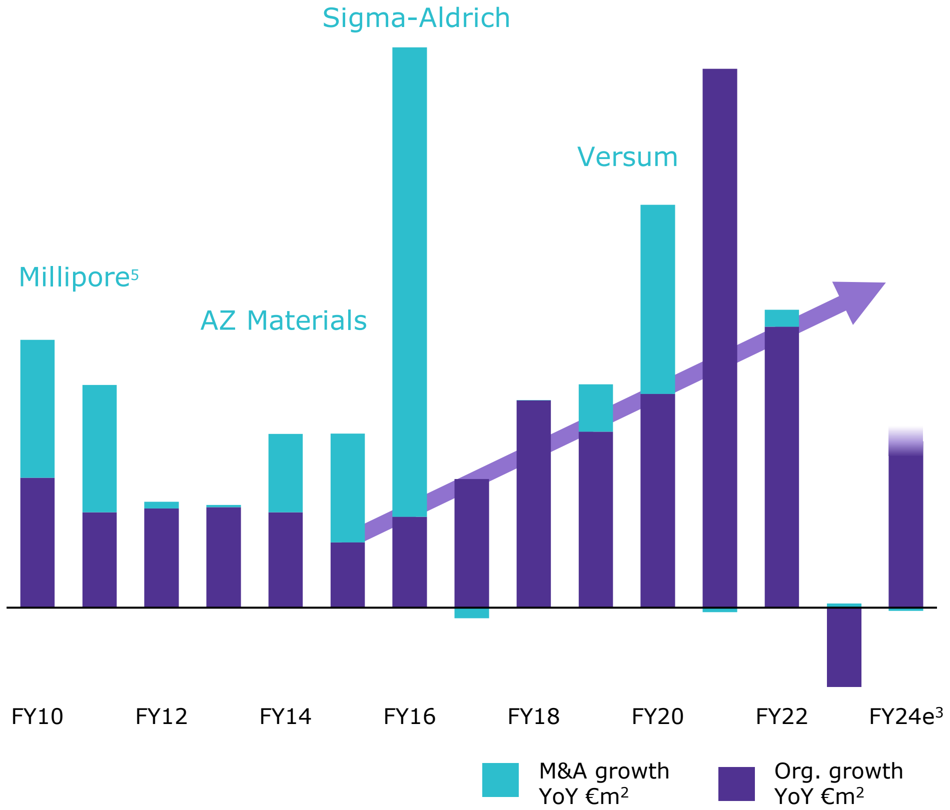
Proven track record of Compounding Growth, back in reach



Same YoY sales growth rate

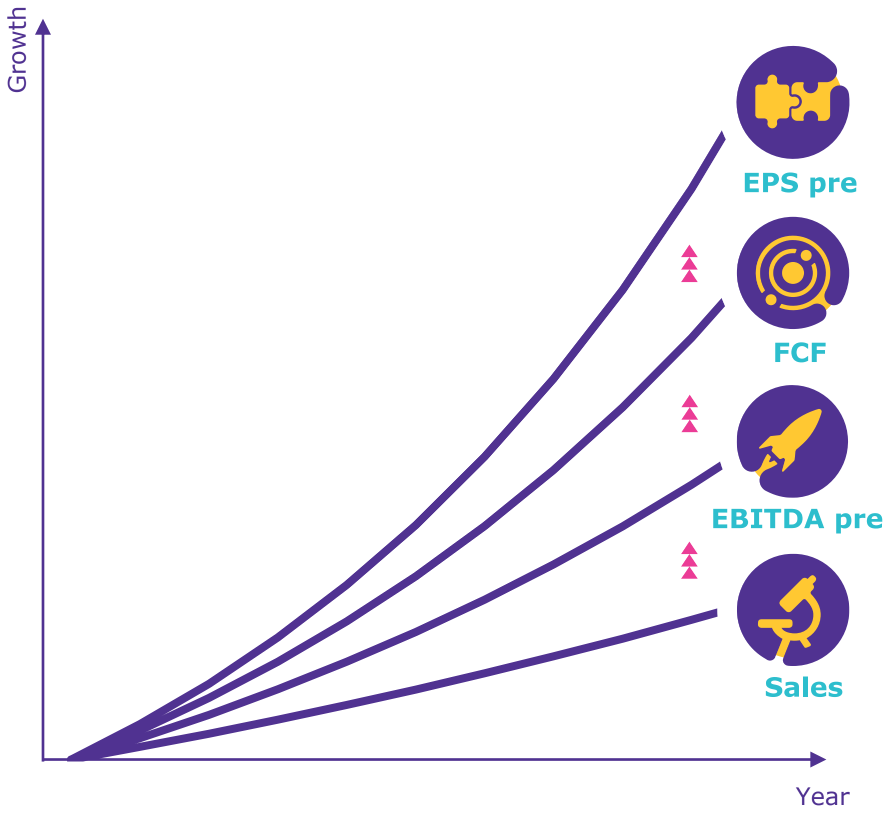
means even more €m sales growth every year

Org. sales CAGR[1,4] of 5% with 3% M&A sales CAGR[1,4]



1) FX effect not illustrated, but immaterial over a 14 year period; 2) trailing 4-5 year average of annual reported €m sales growth; 3) e = expected as per FY24 guidance given in August 2024. 4) CAGR from FY09-23 5) The acquisition of Millipore in July 2010 was the epoch defining moment when Group became a Life Science player;
Acronym(s): **CAGR** = compound annual growth rate; **YoY** = Year-over-Year

Leveraging sales growth to drive profits and cash



Acronym(s): **EPS** = earnings per share; **FCF** = free cash flow

Company demonstrates a strong track record of Compounding Value

Investing through the transitional period[1] for long-term value creation

	CAGR	Total Growth
Sales growth	8%	184%
EBITDA pre growth	10%	262%
FCF growth[1]	6%	121%
EPS pre growth	12%	405%

Across 15 years[3]

TSR[2] of 549%

1) Average FCF YoY growth rate of 14% from FY09 to FY23 Average calculated using simple average (sum of growth rates / number of years); 2) total shareholder return (price + reinvested dividends) from Bloomberg from 30.12.2010 to 27.09.2024 compares at least favorably to the DAX, STOXX Europe 600, MSCI Europe Pharma Biotech & Life Sciences and S&P 500 LS Tools & Services indices with TSR of 182%, 209%, 389% and 549% respectively; Note: Company invested capex for growth through the transitional year to enable long-term growth 3) 15 years of track record from FY09 to FY23, The acquisition of Millipore in July 2010 was the epoch defining moment when Company became a Life Science player

Acronym(s): **CAGR** = compound annual growth rate; **FCF** = free cash flow; **EPS** = earnings per share; **TSR** = total shareholder return

Executing on “value creation recipe” for Compounding Value

Critical Ingredients for value creation

- **Innovation and leadership driven**
- **Attractive markets & megatrends**

- **Significant customer value add**
- **High barriers to entry**

- **Focused and disciplined capital allocation**
- **Lowering capital intensity**

- **Reinvesting for growth**
- **Strong M&A track record**

Key process steps for compounding

1 **Organic growth**
from Science & Technology innovation focus in attractive and growing markets

2 **Expand EBITDA pre margins**
operational excellence in markets with high value add for customers

3 **Strong FCF generation**
converting profits into strong cash flow with lower capital intensity

4 **M&A and business dev.**
disciplined reinvestment into accretive inorganic growth opportunities

Acronym(s): **FCF** = free cash flow

Innovating to spark future growth across the Group

Todays Business
(Mid-term)

Resilient portfolio built on strong innovation legacy:

- Monoclonal Antibodies
- High-potency small molecules
- Complex biologics experience
- Liquid crystal and OLED materials
- Deposition and Formulations materials

Tomorrow's Growth
(Mid- to long term)

Growth from adoption of innovative new technologies:

- Novels: viral vectors, cell & gene therapy, mRNA and antibody drug conjugates
- Pipelines of antibody drug conjugates and DNA damage repair assets
- Selective deposition, metrology, advanced packaging materials and reactive mesogens for waveguides
- AI assisted discovery[1] and sustainable alternatives inc. biobased solvents

Future Innovations
(long term)

Aligned to customer tech roadmaps and unmet patient needs:

- Fully autonomous process for the continuous Biologics GMP production
- Custom and precision medicine, personalized therapeutics
- Biological electronic interfaces / lab on a chip
- Neuromorphic, Biological and Quantum computing

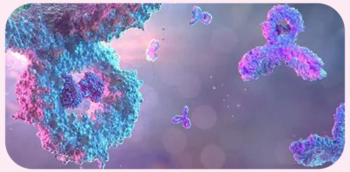
1) Company is leveraging AI to accelerate the discover of new molecules and materials across the business areas
Acronyms: **OLED**: organic light emitting diode; **VV** = viral vector; **AI** = artificial intelligence; **GMP** = Good Manufacturing Practices

Life Science

Leveraging growth in the attractive Life Science market

End Market Growth

Confirming 5-7%[1] Life Science market growth



Positioned for Key Megatrends

Capturing growth along the molecule and modality journey

Leadership, Innovation and Growth

Mid-term growth aspiration of a 7-9% org. sales CAGR

Strong clinical pipeline of later-stage **complex molecules & novels**

Record number **of Biologics FDA approvals** in 2023

Emerging tools, NextGen tech for the lab growing at **mid-teens %**

Focus on key growth drivers: **pharma, biotech** & innovative **academia**

Portfolio for attractive **Process** markets expanding, e.g. **Novels**

New products/services to serve needs for **digital & automated solutions**

Build critical mass in portfolio areas, where we set **the gold standard**

Differentiation through **innovation** (incl. sustainable alternatives)

Advancing commercial execution and **go-to-market** approaches

1) Source: Company estimate based on industry forecast over 5-year horizon for the markets we operate in
Acronym(s): **CAGR** = compound annual growth rate; **FDA** = Food and Drug Administration

Healthcare

Committed to innovation, building on top of a resilient portfolio

End Market Growth

Global Pharma Industry to grow 5-8%[1]

Positioned for Key Megatrends

Oncology and N&I at the core. Further de-risked R&D

Leadership, Innovation and Growth

Slight sales CAGR mid-term, solid foundation to step-up long-term

Innovation a critical component to ensure long-term growth

Diversified regional presence a strategic advantage. **US** remains key market

Market impacted by GLP-1 drugs, still major growth potential in other TAs

N&I R&D focus on **mid- to late stage**. Enpatoran CLE/SLE, cladribine in gMG

Broader R&D approach in oncology, focus on ADC space, ATRi and PARPi

External Innovation to boost future successes. Broader modality footprint and rare disease space optionality

CM&E and Fertility resilient **growth backbone mid- and long term**

Proven excellence in commercial execution, incl. launch products

Exciting Oncology and N&I pipeline. Derisking via **external innovation**

1) From IQVIA Global Use of Medicines 2024 Report from January 2024, global medicine market using invoice price levels
Acronyms: **GLP-1** = Glucagone-like Peptide 1; **TAs** = Therapeutic Areas; **N&I** = Neurology and Immunology; **CLE** = cutaneous lupus erythematosus; **SLE** = systemic lupus erythematosus; **ADC** = antibody-drug conjugate; **ATRi** = ATR = Ataxia Telangiectasia and Rad3-related protein; **PARPi** = PARP1 = Poly [ADP-ribose] polymerase 1; **CM&E** = Cardiovascular Metabolism & Endocrinology; **CAGR** = compound annual growth rate

Electronics
Compounding growth faster as AI enabler with ecosystem relevance

End Market Growth

Reconfirming mid-term MSI growth of 5-7%[3,4]

Positioned for Key Megatrends

Above market growth extended to **+200 to +400 bps** due to AI upside[3]

Leadership, Innovation and Growth

Raising mid-term org. sales CAGR[5] aspiration to 5-9%
(Semis +7 to +11% with ~80% of sales)

AI drives demand for **Adv. Logic** chips, **HBM** chips and **HI**

Power efficiency and electrification drive analog device demand

Immersive communication devices need new **display technologies**

3D-Densification[1] drives **more materials per wafer**

Complex architectures like GAA[2] need more value-added **material innovations**

Materials Intelligence™ is driving improved **sustainability** and **yields**

Broad portfolio addresses key **high-value process** steps

Customer intimacy, driven by localization, data and digital

Continuous operational excellence

Enhanced cycle management

1) 3D-Densification involves packing more components into a smaller space through smaller feature sizes, vertical stacking, advanced transistors, and innovative packaging techniques; 2) the most significant node type transition since planar transistors gave was to FinFET in 2012; 3) Market growth of Semiconductors indicative of underlying growth in the Electronics industry;
4) Company estimates for Million Square Inches of Silicon Wafers growth of +5 to +7% based on industry forecasts; 5) Mid-term ambition excluding Surface Solutions, and reflecting the core business of Display and Semiconductor Solutions
Acronym(s): **AI** = artificial intelligence; **HBM** = High-Bandwidth Memory; or stacks of DRAM; **HI** = Heterogeneous Integration; **GAA** = Gate All Around

Sustainable innovation drives future business growth

Reducing the upstream footprint of products for customers

supplier of choice

Reducing impact with environmental progress, ahead of schedule:

- Scope 1+2 emissions reduced by -30% vs. 2020
- Waste impact reduced by -12% vs. 2016
- Water intensity reduced by -25% vs. 2020

Green Speed app quantifies impact for sustainable product-scaling:

- Resource and carbon footprint reduction in our production
- Product carbon footprint under development

Targeting customer centric innovations

Enabler & Multiplier

Strategic approach to make the future portfolio more sustainable

- R&D Sustainability Scorecard roll-out completed, data quality check running in 2024
- M-Spot Portfolio Assessment in implementation
- Collaboration with customers for targeted development of more sustainable products

More sustainable products for our customers

Reducing costs

- Lower resource consumption
- Avoidance of environmental taxes

Driving growth

- More sales of sustainable products offering additional benefits
- Gaining additional share of wallet with enhanced customer intimacy

>2,500 more sustainable Life Science products brought to market[1]

1) Average growth rate of +30% for sustainable products in Life Science from 2020 to 2023

Plan delivered - Ready for new phase of lower capital intensity

Cork (Ireland)

Expansion of membrane and filtration manufacturing

Rockville (USA)

Expansion of biosafety testing capacity

Daejeon (Korea)

Bioprocessing production center

€1.6 to 1.8bn

capex guide for 2024, with lower future capex reflecting shifting priorities

Kaohsiung (Taiwan)

Integrated production facility for thin-films, patterning and specialist gases

Aubonne (Switzerland)

Expansion of manufacturing and packaging of fertility treatments

Focusing on strategic M&A priorities

1 Focus on larger Life Science acquisition(s)

2 Clear mandate to drive external innovation in Healthcare

3 Continue to execute on string of pearls technology and bolt-on deals in key growth areas:

Process solutions	Neurology & Immunology
Science & Lab solutions	Oncology
Life science services	Semiconductors

Accretive M&A is vital to compounding value

Attractive growth ambitions

Life science

7-9% mid-term CAGR

- Market returns to +5-7% growth, China at muted level, but with above average growth mid term
- Focus on growth engines, building critical mass in attractive areas, differentiation through innovation

Healthcare

Slight growth mid-term CAGR, longer-term upside

- CM&E and Fertility as resilient growth backbone
- Oncology and N&I impacted by maturing growth of Bavencio and Mavenclad

Electronics

5-9% mid-term CAGR

- Pure-play with increased contribution from high-growth Semiconductors driven by AI
- Display closer to growth inflection

Acronym(s): **CAGR** = compound annual growth rate; **CM&E** = Cardiometabolic Care and Endocrinology; **N&I** = Neurology and Immunology; **AI** = artificial intelligence

03

outlook & executive summary

Reacceleration of value compounding

		Track record[1]	FY23 →	Mid Term
1	Organic Growth	5% CAGR	-2%	↗
2	Expand EBITDA pre	~28% margin	28%	↗
3	Strong FCF	~14% margin	10%	↗
4	M&A and Business Dev.	~3% CAGR		Upside on Deal by Deal basis

Accelerating EPS growth and returns

1) Track record from 2009 to 2023 from point when Company became a Life Science player following the acquisition of Millipore:
Acronym(s): **FCF** = free cash flow

Executive summary

DELIVERED
return to growth commitment

LEVERAGE
attractive megatrends with portfolio positioning

INNOVATE
to extend leadership and accelerate growth

ENHANCE
returns with Group value creation recipe