

Quarterly
Statement
9M 2023/2024

for the period
from 1 October 2023
to 30 June 2024

“Our very strong performance in the third quarter emphasizes that market dynamics are intact and that our strategy ideally positions us to take advantage of them. The result is a consequence of our excellent strategy execution based on major pharma trends. Once again, we were able to demonstrate the value of our trusted and long-standing partnerships with our customers which enable us to understand and address current market needs.”

Andreas Reisse,
Chief Executive Officer of
SCHOTT Pharma AG & Co. KGaA

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SCHOTT Pharma delivers strong results and raises revenue guidance

- 9M 2023/2024 revenue up 13 % year-on-year to EUR 758m at constant currencies
- Strong 9M 2023/2024 EBITDA margin of 27.7 % at constant currencies
- Share of strong-margin high-value solutions (HVS) at 53 % in the first nine month of the financial year 2023/2024
- SCHOTT Pharma increases revenue guidance for the financial year 2023/2024 to 11 % to 13 %

Performance Indicators at a glance

		9M 2023/2024		9M 2022/2023
		Reported	Constant currencies	Reported
Revenue	in EUR m	720	758	670
Revenue growth	in %	7.5	13.1	8.4
High-value solutions (HVS) revenue share	in %	53	–	45
EBITDA	in EUR m	191	210	187
EBITDA margin	in %	26.6	27.7	28.0
EBIT	in EUR m	144	–	155
Profit for the period	in EUR m	116	–	117
Earnings per share	in EUR	0.77	–	0.78
Free cash flow	in EUR m	68	–	54

		30 Jun 2024		30 Sep 2023
Equity ratio	in %	55.0	–	56.2
Headcount (as of the reporting date)		4,681	–	4,646

Business Performance and Key Financial Indicators

Results of Operations

SCHOTT Pharma generated revenue of EUR 720.0m in the first nine months of the financial year 2023/2024. This is equivalent to year-on-year revenue growth of 7.5 % and constant-currency revenue growth of 13.1 %.

This strong revenue growth was driven by a consistently buoyant demand for HVS products, which confirms our strategic focus on increasing the revenue share of these products. Revenue distribution by segment was as follows:

(in EUR m)	9M 2023/2024	9M 2022/2023	Change in %	
			Reported	Constant currencies
Drug Containment Solutions (DCS)	400.1	432.1	-7.4%	2.6%
Drug Delivery Systems (DDS)	320.3	238.1	34.5%	32.2%
Reconciliation/consolidation	-0.3	-0.1	-210.0%	-233.0%
SCHOTT Pharma revenue	720.0	670.1	7.5%	13.1%

While reported revenue in the DCS segment fell short of the prior year's figure, decreasing by 7.4 % to EUR 400.1m, constant-currency growth was positive, at 2.6%. The ampoules and cartridges product categories recorded a slight increase in revenue year-on-year. At the same time, vial sales were down due to customers temporarily destocking in the first and second quarter of the financial year 2023/2024. Having built up safety stocks during the pandemic, customers have been scaling them down again since the third quarter of last year.

The DDS segment continued to show a remarkable revenue performance, recording constant-currency revenue growth of 32.2%. This is attributable to the fast and successful expansion of our manufacturing capacities and also reflects high customer demand for prefillable syringes.

Geographically speaking, the highest revenue increase was generated in the EMEA region. For an overview of revenue distribution by region, please refer to the following table:

(in EUR m)	9M 2023/2024	9M 2022/2023	Change
EMEA	401.5	344.2	+57.3
Asia and South Pacific	129.6	116.3	+13.4
North America	127.3	147.9	-20.7
South America	61.7	61.7	-0.0
SCHOTT Pharma revenue	720.0	670.1	+50.0

SCHOTT Pharma's EBITDA was EUR 191.4m in the first nine months of 2023/2024. This can be attributed to persistent negative exchange rate effects, largely resulting from the US dollar and Swiss franc moving against the euro, and from the valuation of forward foreign exchange contracts. Exchange rate effects recognised in profit or loss are reported under the "Reconciliation/consolidation" item. In constant currencies, EBITDA climbed by 12.1%. The constant-currency EBITDA margin was 27.7 % (9M 2022/2023 reported: 28.0%).

The above developments led to the following EBITDA distribution by segment:

(in EUR m)	9M 2023/2024	9M 2022/2023	Change in %	
			Reported	Constant currencies
Drug Containment Solutions (DCS)	84.3	95.5	-11.7%	-0.2%
Drug Delivery Systems (DDS)	121.3	91.4	32.7%	29.3%
Reconciliation/consolidation	-14.2	0.5	-2,944.0%	-789.3%
EBITDA SCHOTT Pharma	191.4	187.4	2.2%	12.1%

The DCS segment posted a year-on-year decrease in EBITDA to EUR 84.3m, declining by 0.2% on a constant-currency basis. The segment's constant-currency EBITDA margin was 21.5% (9M 2022/2023 reported: 22.1%). While ramp-up costs related to capacity relocations and a temporarily reduced capacity utilisation in vial production took their toll on EBITDA, the early introduction of efficiency measures partly offset the negative effects of lower capacity utilisation.

At the same time, the DDS segment posted a significant year-on-year EBITDA increase on an absolute and constant-currency basis, with a constant-currency EBITDA margin of 37.5% (9M 2022/2023 reported: 38.4%). This positive development is due to significant revenue growth and resulting operating economies of scale, while ramp-up costs related to capacity expansions put a strain on EBITDA.

Cost of sales for SCHOTT Pharma Group increased by 9.9% in the first nine months of the financial year 2023/2024, resulting in a gross profit margin of 34.7% (9M 2022/2023: 36.1%). This reflects mainly a temporary lower capacity utilisation in vial production in the DCS segment, and ramp-up costs related to capacity expansions and capacity relocations in both segments. The ratio of selling and general administrative expenses to revenue was down year-on-year at 13.1%, below the previous year's period (13.6%).

Other operating income and expenses fell by EUR 13.4m to EUR -1.1m, mainly driven by exchange rate losses of EUR 10.9m (9M 2022/2023: exchange rate gains of EUR 7.3m). Moreover, impairment losses on assets in Russia, which had been recognised in prior periods, were partially reversed in the first nine months of the financial year 2022/2023, leading to write-ups of EUR 5.7m. Government grants received in the first nine months of 2023/2024 amounted to EUR 8.6m (9M 2022/2023: EUR 1.2m). Other operating income also includes EUR 2.3m in cost reimbursements related to the IPO (9M 2022/2023: EUR 1.4m), with underlying costs in the same amount being recognised in other operating expenses. Such reimbursements are made by SCHOTT Group companies under a cost assumption agreement concluded in the financial year 2022/2023.

An increase in financial liabilities reduced the financial result by EUR 1.4m compared with the same period of the prior year. The key driver here was the acquisition of shares in SCHOTT Poonawalla Pvt. Ltd., Mumbai, India, during the third quarter of the financial year 2022/2023 for a purchase price of EUR 124.5m.

Income tax expenses fell by EUR 10.5m year-on-year to EUR 21.8m. As profit before income taxes decreased by EUR 11.6m, the tax rate fell to 15.8% compared with 21.6% in the same period of the prior financial year. This decrease is due, among other factors, to non-recurring tax income in the low single-digit million range recognised in the first half of the financial year 2023/2024 following a change in the measurement of deferred taxes. A shift in the mix of countries contributing to profit before income taxes also contributed to this effect, driven by strong growth in the DDS segment. This shift also helped to slightly reduce the tax rate.

Overall, profit for the period decreased to EUR 116.2m and earnings per share to EUR 0.77 (prior year: EUR 0.78).

Financial Position

(in EUR m)	9M 2023/2024	9M 2022/2023	Change
Cash flows from operating activities	149.4	140.0	+9.3
Cash flows from investing activities	-81.4	-86.3	+4.9
Cash flows from financing activities	-68.8	-58.9	-9.9

At EUR 149.4m, cash flows from operating activities were slightly higher than in the first nine months of 2022/2023. Profit for the period of EUR 116.2m (9M 2022/2023: EUR 117.2m) made a positive contribution, as did non-cash effective depreciation, amortisation and impairment of non-current assets at EUR 47.0m (9M 2022/2023: EUR 32.8m). The increase in the latter is primarily due to high investments in property, plant and equipment and a EUR 5.2m reversal of impairment losses in the prior year that was attributable to property, plant and equipment located in Russia, and had been recognised in the financial year 2021/2022. In addition, our customers made advance payments for future serial deliveries, which pushed contract liabilities up by EUR 18.9m (9M 2022/2023: EUR 28.3m). This also had a positive impact on cash flows from operating activities, while a EUR 36.4m (9M 2022/2023: EUR 19.8m) increase in trade receivables from third parties and SCHOTT Group and in contract assets – which was down to reporting date effects and particularly to revenue growth – made a negative contribution.

Cash flows from investing activities fell slightly short of the level recorded in the first nine months of the prior year, decreasing by EUR 4.9m to EUR -81.4m. This can be attributed primarily to a EUR 6.0m reduction in investments in the purchase of property, plant and equipment and intangible assets as of the reporting date. The DDS segment accounted for 76 % of capital expenditure in the first nine months of the financial year 2023/2024. As in the financial year 2022/2023, investments focused on capacity expansion, especially on the construction and expansion of manufacturing locations.

Cash flows from financing activities amounted to EUR -68.8m compared with EUR -58.9m in the corresponding prior-year period. This figure consisted mainly of dividend payments to our limited liability shareholders in the amount of EUR -22.6m (9M 2022/23: EUR -18.9m), and of changes to the items “Financial receivables – SCHOTT Group” and “Financial payables – SCHOTT Group” in the amount of EUR -38.8m (9M 2022/2023: EUR 80.9m) as a result of the positive free cash flow. “Financial receivables – SCHOTT Group” and “Financial payables – SCHOTT Group” comprise the cash pool payables and receivables vis-à-vis SCHOTT Group. Since SCHOTT Pharma companies are permitted to draw down liquidity to finance their operating business as per the cash pool agreements, cash pool transactions can be characterised as financing transactions and are therefore generally classified as financing activities. Further cash outflows included the allocation to plan assets of EUR -4.4m (9M 2022/2023: EUR -3.6m) and repayment of lease liabilities of EUR -2.0m (9M 2022/2023: EUR -2.8m). The figure for the prior-year period had also included EUR -114.2m in cash flows relating to other transactions with SCHOTT Group as a result of the legal reorganisation. The amount was mainly attributable to the acquisition of shares in SCHOTT Poonawalla Pvt. Ltd., Mumbai, India.

All in all, net change in cash and cash equivalents was EUR -0.8m compared with the reporting date of 30 September 2023. Taking into consideration changes resulting from exchange rate fluctuations, which reduced cash and cash equivalents by a total of EUR -1.4m, cash and cash equivalents stood at EUR 22.2m as of 30 June 2024.

Net assets

Non-current assets rose by EUR 49.6m to EUR 813.1m compared with 30 September 2023. This increase was primarily due to the EUR 41.6m growth in intangible assets and property, plant and equipment. Capital expenditure totalling EUR 97.2m was offset by depreciation, amortisation and impairment of EUR 47.0m and disposals of non-current assets in the amount of EUR 0.4m. In addition, exchange rate effects resulted in a decrease of EUR 13.1m, while inflationary adjustments at our Argentinian subsidiary led to an increase of EUR 4.9m. Capital expenditure includes EUR 16.6m in non-cash effective additions for right-of-use assets related to leasing agreements, attributable for the most part to a commercial property in Serbia and land in the US. Cash-effective capital expenditure focused on expanding manufacturing capacities in the DDS segment. The positive performance of our joint ventures contributed to a EUR 5.8m increase in investments accounted for using the equity method.

Current assets were up by EUR 117.6m compared with 30 September 2023. This was because the balance sheet item "Financial receivables – SCHOTT Group" increased by EUR 87.3m after a SCHOTT Pharma intra-Group loan of EUR 103.5m was repaid in the first half of the current financial year; this is now being financed via the cash pool with SCHOTT AG. The balance sheet item "Financial payables – SCHOTT Group" also increased by the same amount. Trade receivables from third parties and SCHOTT Group, together with contract assets, also increased by EUR 31.9m as a result of reporting date effects and in particular as a result of revenue growth.

SCHOTT Pharma's equity amounted to EUR 769.3m as of the reporting date (30 September 2023: EUR 692.2m) and the equity ratio decreased from 56.2% to 55.0% as of the reporting date. This lower ratio results from the combined effect of a EUR 167.2m increase in total assets and a EUR 77.1m increase in equity. The latter is primarily a consequence of the EUR 116.2m in profit for the period. This figure was partially offset by EUR –22.6m in dividend payments to our limited liability shareholders, and by EUR –0.4m in payments to non-controlling interests, EUR –6.1m in actuarial losses from pension provisions and EUR –10.0m in currency translation effects.

Non-current liabilities increased by EUR 25.6m to EUR 214.1m, which was mainly a result of contract liabilities rising by EUR 12.5m to EUR 78.6m. The increase in contract liabilities was primarily due to two customers making advance payments for existing long-term series supply contracts. Other financial liabilities rose by EUR 11.9m following the recognition of lease liabilities for a commercial property in Serbia and land in the US.

Current liabilities amounted to EUR 415.6m, an increase of EUR 64.5m compared with 30 September 2023. The item "Financial payables – SCHOTT Group", which posted an increase of EUR 50.9m, was the main driver for this growth after a SCHOTT Pharma intra-Group loan of EUR 103.5m was repaid, as described above; this is now being financed via the cash pool with SCHOTT AG. The positive free cash flow of EUR 68.0m generated in the first nine months of the current financial year offset the increase in current liabilities, while contract liabilities, which grew by EUR 5.9m, also contributed to the increase. As the deliveries underlying the advance payments are scheduled to be made within the next twelve months, advance payments were reclassified from non-current to current liabilities.

Report on Changed Forecasts

Based on the strong business performance in the first nine months of the financial year 2023/2024 and the assumptions for the remainder of the financial year, the Management Board is raising its revenue forecast for the financial year 2023/2024. The increase is driven by both business segments.

Key financial performance indicator	Updated forecast	Initial forecast	Baseline
	Financial year 2023/2024	Financial year 2023/2024	Financial year 2022/2023
Organic revenue growth	+ 11% to 13%	+ 9% to 11%	EUR 898.6m
EBITDA margin	Approximately at previous year's level	Approximately at previous year's level	26.6%

For detailed information on the initial forecast for the financial year 2023/2024, please refer to the Combined Management Report of the Annual Report 2022/2023, beginning on page 36.

Our forecast is based on various assumptions. It excludes portfolio measures but assumes that exchange rates will remain constant, that the geopolitical and global economic situation, global supply chains, inflation and energy supply will not deteriorate, and that there will be no further relevant pandemic-related restrictions.

The opportunity and risk situation has not changed significantly since 30 September 2023. Taking all planned or implemented measures into account, there were no identifiable risks at the time of reporting that would individually or collectively jeopardise SCHOTT Pharma's continued existence as a going concern. For detailed information on SCHOTT Pharma's risk management system and the opportunity and risk situation, please refer to the Combined Management Report of the Annual Report 2022/2023, beginning on page 37.

SCHOTT Pharma's actual performance may deviate positively or negatively from our forecasts, either due to the risks and opportunities described in our Annual Report 2022/2023 (Report on Risks and Opportunities of the Combined Management Report) or because our expectations and assumptions fail to materialise.

Mainz, Germany, 28 August 2024

SCHOTT Pharma AG & Co. KGaA,
Represented by the Management Board of SCHOTT Pharma Management AG

Andreas Reisse

Dr. Almuth Steinkühler

Consolidated Statement of Income

for the period from 1 October 2023 to 30 June 2024

(in EUR k)	9M 2023/2024	9M 2022/2023
Revenue	720,040	670,086
Cost of sales	-470,133	-427,894
Gross profit	249,907	242,192
Selling expenses	-61,300	-59,776
General administrative expenses	-33,083	-31,406
Research and development costs	-18,848	-18,781
Other operating income	21,762	25,000
Other operating expenses	-22,862	-12,677
Share of profit from investments accounted for using the equity method	8,877	10,048
Operating income (EBIT)	144,453	154,600
Interest income	4,318	3,147
Interest expenses	-9,126	-4,844
Net other financial result	-1,681	-3,351
Financial result	-6,489	-5,048
Profit before income taxes	137,964	149,552
Income tax expenses	-21,810	-32,325
Profit for the period	116,154	117,227
thereof attributable to non-controlling interests	443	84
thereof attributable to limited liability shareholders of SCHOTT Pharma AG & Co. KGaA	115,711	117,143
Earnings per share (in EUR), based on the share of profit for the period attributable to limited liability shareholders of SCHOTT Pharma AG & Co. KGaA		
Basic	0.77	0.78
Diluted	0.77	0.78

Consolidated Statement of Financial Position

as of 30 June 2024

Assets

(in EUR k)	30 Jun 2024	30 Sep 2023
Non-current assets		
Intangible assets	30,556	30,941
Property, plant and equipment	679,744	637,805
Investments accounted for using the equity method	84,863	79,055
Deferred tax assets	17,590	14,828
Other financial assets	17	18
Other non-financial assets	313	843
	813,083	763,490
Current assets		
Inventories	145,470	138,943
Contract assets	73,652	58,208
Trade receivables	176,717	156,652
Trade receivables – SCHOTT Group	5,232	8,838
Financial receivables – SCHOTT Group	122,765	35,485
Income tax assets	2,092	3,953
Other financial assets	7,368	8,521
Other non-financial assets	30,501	33,381
Cash and cash equivalents	22,153	24,357
	585,950	468,338
Total assets	1,399,033	1,231,828

Equity and liabilities

(in EUR k)	30 Jun 2024	30 Sep 2023
Equity		
Subscribed capital	150,615	150,615
Capital reserves	494,481	494,481
Generated Group equity	124,017	36,953
Accumulated other Group equity	-1,546	8,382
Equity attributable to limited liability shareholders of SCHOTT Pharma AG & Co. KGaA	767,567	690,431
Non-controlling interests	1,738	1,748
	769,305	692,179
Non-current liabilities		
Provisions for pensions and similar commitments	26,208	18,777
Provisions for income taxes	2,940	3,557
Other provisions	5,464	6,001
Deferred tax liabilities	19,776	24,822
Contract liabilities ¹	78,633	66,139
Other financial liabilities	81,094	69,207
	214,115	188,503
Current liabilities		
Other provisions	8,549	5,263
Accrued liabilities	52,971	59,003
Contract liabilities ¹	23,700	17,776
Trade payables	58,993	60,529
Trade payables – SCHOTT Group	32,052	30,115
Financial payables – SCHOTT Group	188,397	137,474
Income tax liabilities	24,966	20,397
Other financial liabilities	12,628	9,100
Other non-financial liabilities	13,357	11,489
	415,613	351,146
Total equity and liabilities	1,399,033	1,231,828

¹ To increase transparency, contract liabilities have been shown separately in the Statement of Financial Position since the financial year 2023/2024. Previously, these liabilities had been included in other non-current and current non-financial liabilities. The presentation of the previous year's figures was adjusted accordingly.

Consolidated Statement of Cash Flows

for the period from 1 October 2023 to 30 June 2024

(in EUR k)	9M 2023/2024	9M 2022/2023
Profit for the period	116,154	117,227
Depreciation, amortisation and impairment as well as impairment reversals on non-current assets	46,977	32,789
Changes in provisions and accrued liabilities	2,462	11,397
Other non-cash income/expenses	-1,422	-4,536
Net gain or loss on the disposal of intangible assets and property, plant and equipment	-535	-338
Net gain or loss from financial assets	-741	-499
Changes in inventories and advance payments made on inventories	-8,952	-20,252
Changes in contract assets	-15,444	-2,749
Changes in trade receivables	-24,561	-32,109
Changes in trade receivables – SCHOTT Group	3,605	15,066
Changes in other assets	6,265	-4,570
Changes in contract liabilities	18,925	28,342
Changes in trade payables	-651	-12,832
Changes in trade payables – SCHOTT Group	4,297	-1,517
Changes in other liabilities	8,521	7,824
Changes in deferred taxes	-7,548	4,767
Dividends received from investments accounted for using the equity method	2,000	2,000
Cash flows from operating activities (A)	149,352	140,010
Proceeds from the sale of property, plant and equipment	959	889
Purchase of property, plant and equipment	-80,524	-86,625
Purchase of intangible assets	-88	-31
Purchase of financial assets	-1,745	-528
Cash flows from investing activities (B)	-81,398	-86,295
Dividends paid to limited liability shareholders	-22,592	-18,878
Dividends paid to non-controlling interests	-386	-196
Other transactions with SCHOTT Group	0	-114,197
Changes in financial receivables – SCHOTT Group	-88,663	106,505
Changes in financial payables – SCHOTT Group	49,913	-25,654
Cash inflows from borrowings	0	237
Cash outflows from allocation to plan assets	-4,361	-3,617
Cash inflows/outflows from financial assets	-282	-379
Cash inflows/outflows from financial liabilities	-366	95
Cash outflows from repayments of outstanding lease liabilities	-2,032	-2,782
Cash flows from financing activities (C)	-68,769	-58,866

(in EUR k)	9M 2023/2024	9M 2022/2023
Net change in cash and cash equivalents (A+B+C)	-815	-5,151
Cash and cash equivalents at beginning of the period	24,357	28,795
- Cheques, cash on hand	7	7
- Bank deposits	24,350	28,788
Change in cash and cash equivalents due to foreign exchange rates	-1,389	-2,744
Cash and cash equivalents at end of the period	22,153	20,900
- Cheques, cash on hand	4	9
- Bank deposits	22,149	20,891
(in EUR k)	9M 2023/2024	9M 2022/2023
Additional notes to the Consolidated Statement of Cash Flows¹		
Interest paid	-6,940	-4,498
Interest received	4,318	3,147
Income taxes paid	-23,406	-15,983

¹ Included in cash flows from operating activities.

Additional Information

Financial calendar

12.12.2024	Annual Report 2023/2024
4.2.2025	Annual General Meeting

Disclaimer/forward-looking statements

This Quarterly Statement contains numerous forward-looking statements which are based on the Company's assumptions, expectations and intentions. Such statements are indicated by words like "expect", "assume", "intend" or similar wording and are based both on the information currently available to management and on the prevailing environment. These may change at any time. The Company accepts no liability for the ultimate correctness and accuracy of any expectations or assumptions expressed in this report. The Company also undertakes no obligation to update any of its forward-looking statements to bring them in line with actual developments after this Quarterly Statement has been published.

Publication

This Quarterly Statement was published on 29 August 2024. The document is also available in German. In the event of any discrepancies, the German version shall be authoritative and prevail over the English translation.

In the interest of sustainability, the Company's quarterly statements are not available in printed form. All of them are available online in PDF format.

Rounding, language and formatting

Due to rounding, individual figures in this document and in other documents may not correspond exactly to the totals stated, and percentages shown may not exactly reflect the absolute values to which they relate.

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