

# Next Step for Global Vaccine Co. - Acquisition of **IDT BIOLOGIKA** -

June 2024



# Key Implications of the IDT Biologika Deal

“

- 1 Jump start to become a global top-tier vaccine company through the acquisition of IDT Biologika, which has ① state-of-the art manufacturing facilities in Germany ② competitive bio workforce ③ strong client network
- 2 Acquisition of IDT, a global top-10 vaccine CDMO with proven track record, at the right timing at a reasonable valuation
- 3 IDT's existing shareholder (Klocke Holdings) agreed to co-management, retaining a 40% stake, and an additional €51m strategic investment in SKBS shares to build a long-term partnership based on strong trust of operational capability

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# IDT at a glance

## Facility



### Best-in-class Infra

- ✓ Proven 100+ year track record, w/ diverse vaccine manufacturing experience and facilities
- ✓ cGMP commercial production facility, including BSL-3
- ✓ 10+ key regulatory approvals : FDA(US), EMA(EU), ANVISA(BR), MHRA(UK), PMDA(JP), SFDA(SA)



## People/ Capability



### Standout

### bio-manufacturing team and CDMO capabilities

- ✓ Top-tier talents with 15yr+ experience
- ✓ Winner in all 6 categories of the 2024 CDMO Leadership Awards\*

\* Organized by 'Life Sciences Leader' and 'Industry Standard Research'



## Clients












### Stable long-term contracts with global big pharma

- ✓ Significant revenue (70%) from long-term contracts with global big pharma
- ✓ Reserve contract with German Govt. for 80M dz./yr for next pandemic preparedness (next 5 years)





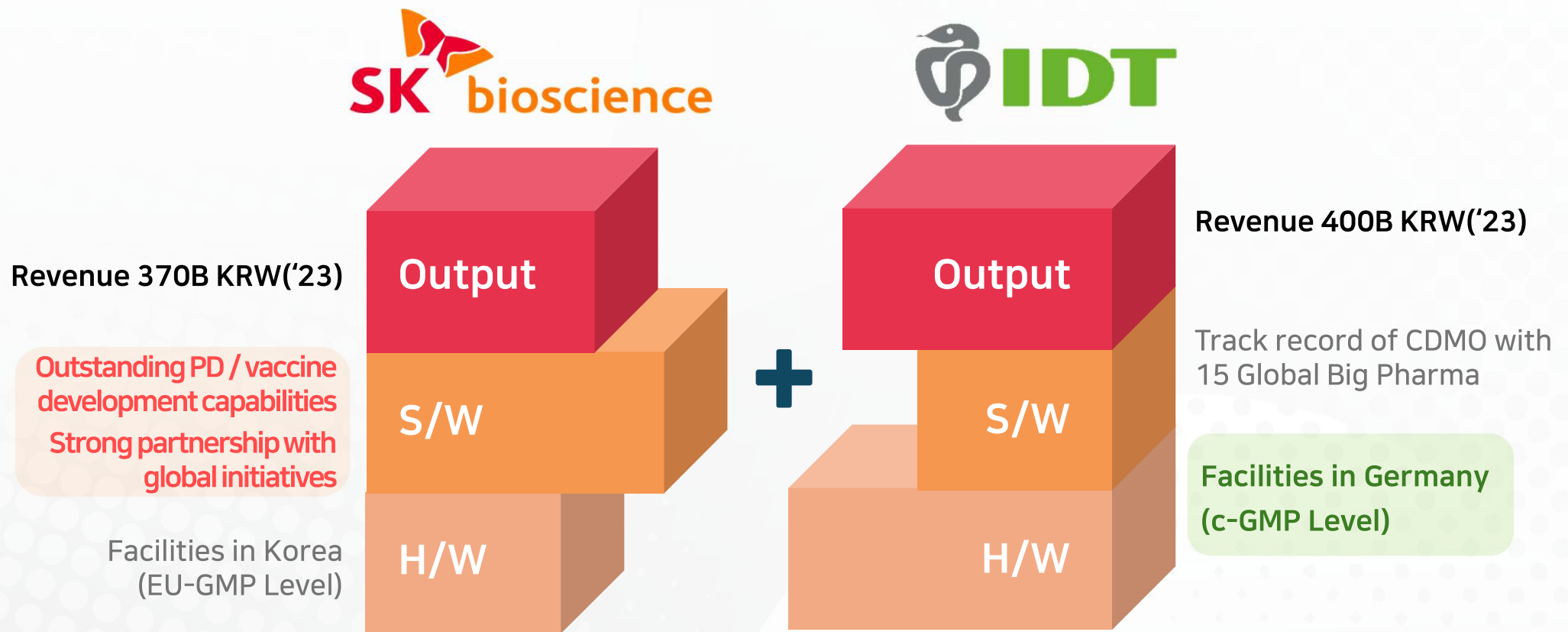
# Introduction to IDT

|                |  IDT DE   |  IDT US |
|----------------|--|--|
| Overview       |    |         |
| Establishment  | 1921   | 2015   |
| Business       | Process Development, Clinical, Commercial Manufacturing  | Process Development  |
| Product        | Vaccine, CGT, B&SI*  | Vaccine, CGT   |
| Location       | ① Dessau, ② Magdeburg  | Rockville, Maryland  |
| Site area      | 1,360,000 m <sup>2</sup>   | 3,650 m <sup>2</sup>   |
| Main customers |      |  |

\* Biologics and Sterile Injectables

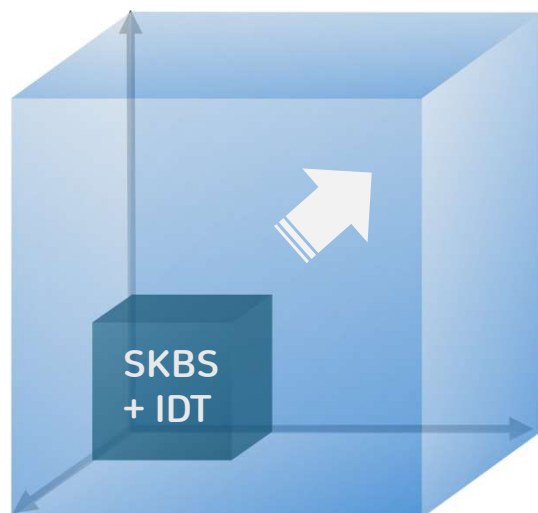
# Why IDT? - Perfect Fit

- Combining software and hardware from both companies creates immediate synergies to drive revenue growth





# What do we expect from this acquisition?



- ① Strategic Fit
- ② Financial Impact



# SKBS 3.0 Growth Strategy

- The acquisition of IDT is a strong momentum for SK bioscience's growth strategy, SKBS 3.0
- Full-fledged triggering event for three main pillars :  
strengthening manufacturing R&D/Infra, next pandemic preparedness, and new bio biz. expansion

5 Pillars

IDT  
Synergies



## Expansion of Vaccine Portfolio

- Assets to expand SKBS portfolio



## Strengthening of Manufacturing R&D/Infra

- State-of-the-art facilities operate as "One Network"



## Execution of SKYShield

- Production base for expanding SKYShield coverage



## Next Pandemic Preparedness

- A global key supply chain during the next pandemic



## New Bio Biz Expansion

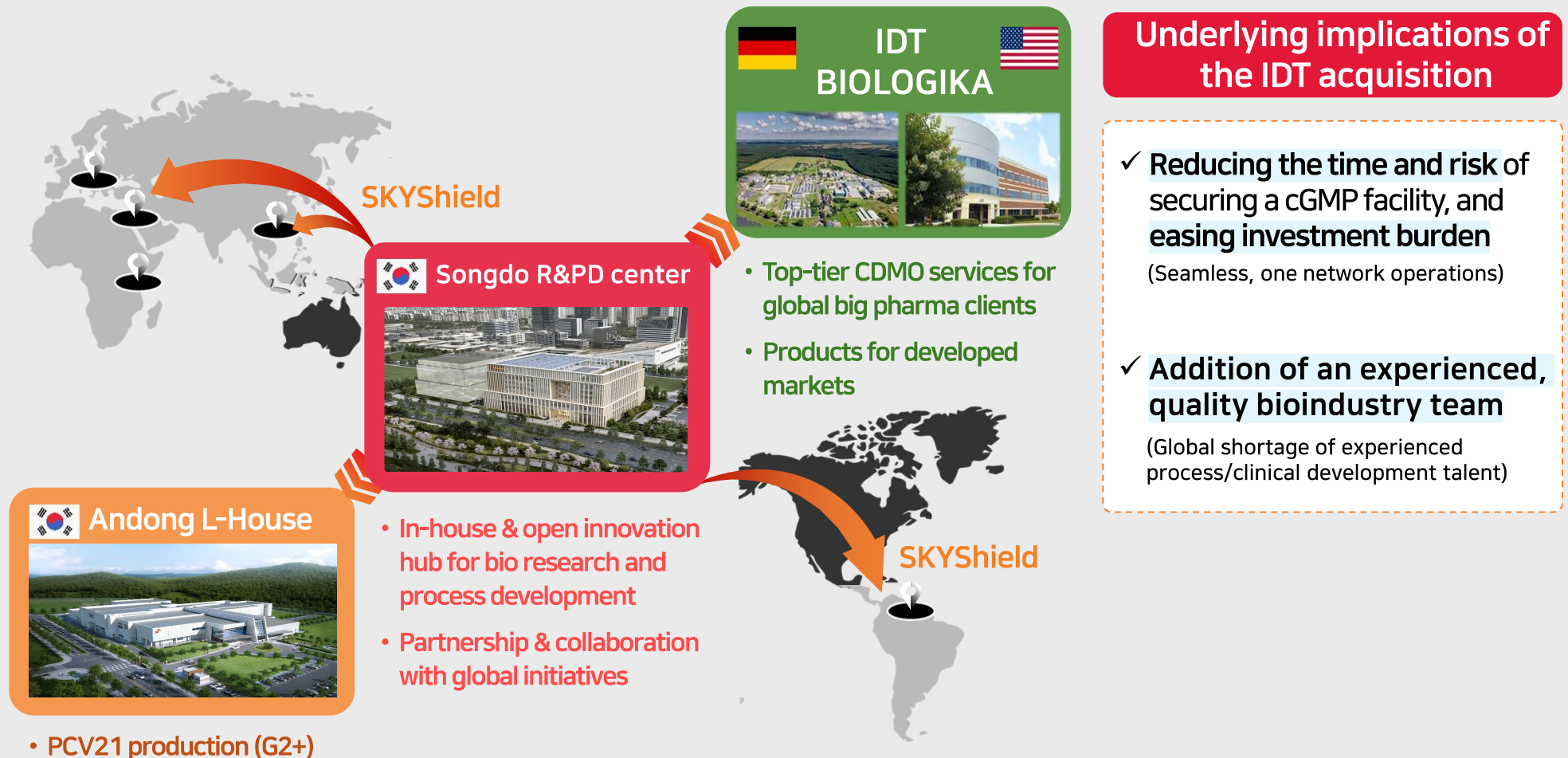
- Anchor for full-scale CGT biz

SKBS 3.0

IDT BIOLOGIKA

# Pillar 2 – Strengthening Manufacturing R&D / Infrastructure

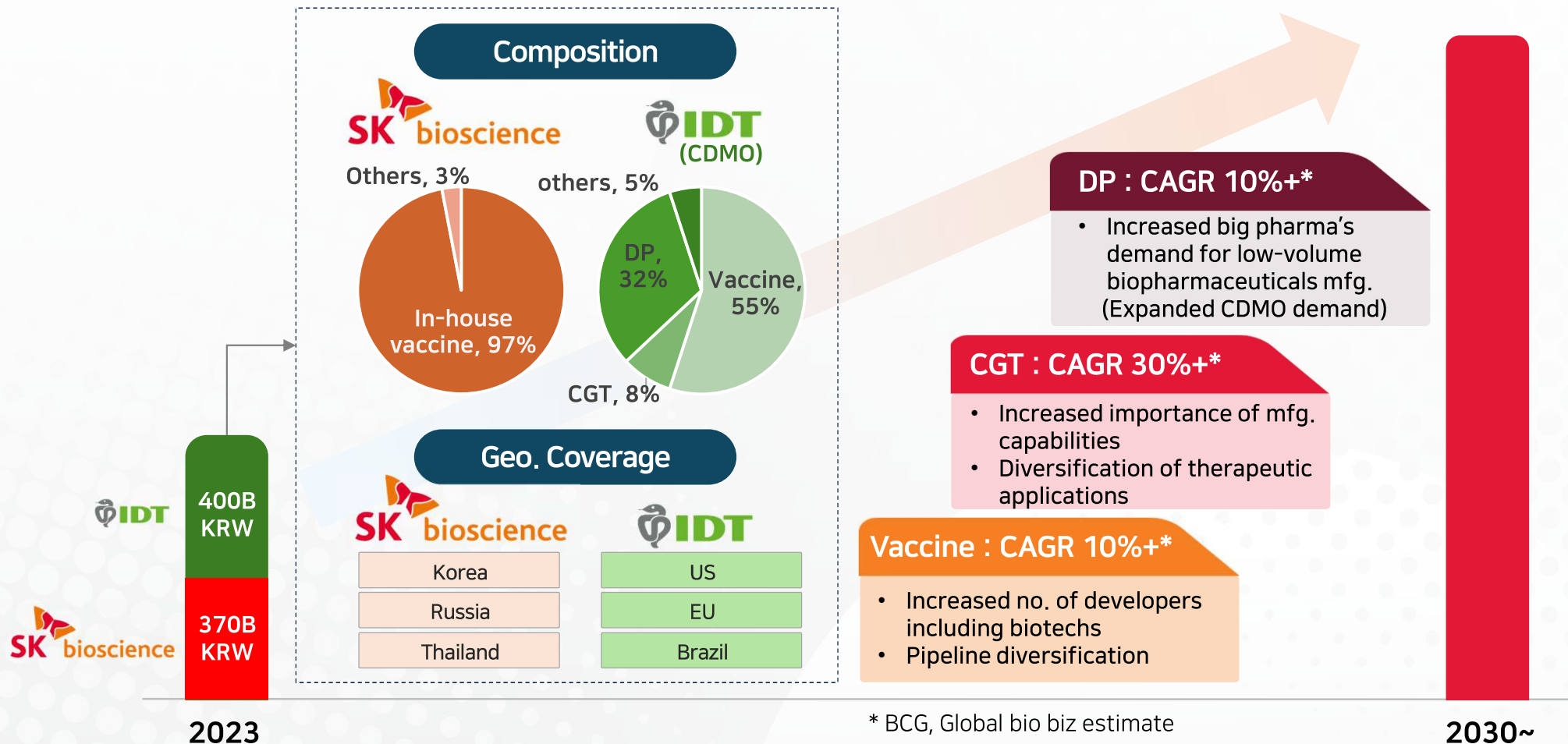
- Increased efficiency through integrated operations with SK bioscience's infrastructure (target market/product specialization and segmentation)





# Sustainable Top Line Growth

- SKBS and IDT have different playgrounds in terms of product mix and geographic coverage  
⇒ Highly complementary synergy
- Upward revenue growth will be continually driven through product and geographic expansion



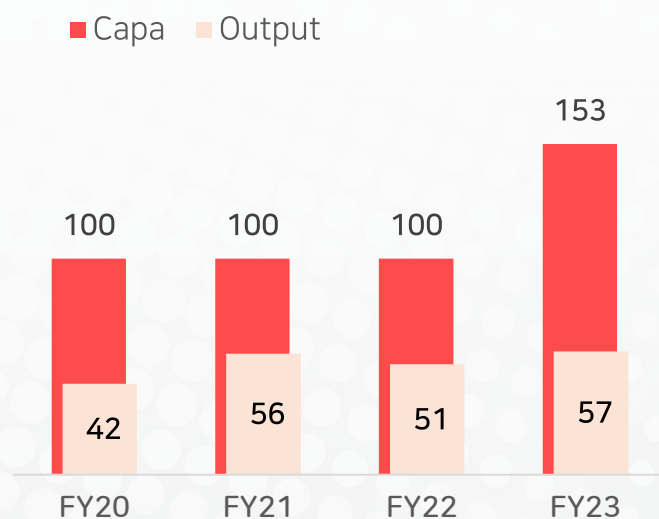
\* BCG, Global bio biz estimate

# IDT Bottom line Optimization for Profitability

- Significant CAPEX of KRW 180B in FY21~FY22 to expand cutting-edge production capacity
- Near-term profitability impacted by increased hiring and CAPEX
- SK bioscience will actively pursue new projects and clients, enhance plant utilization rates, and a cost optimization strategy

## Capa. and Output (DP)

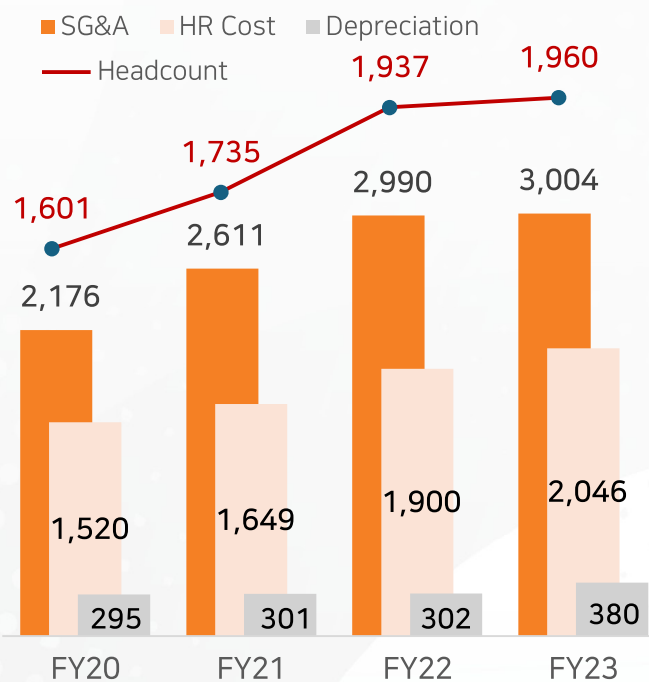
(Unit : m dz)



Potential for significant production growth

## SG&A

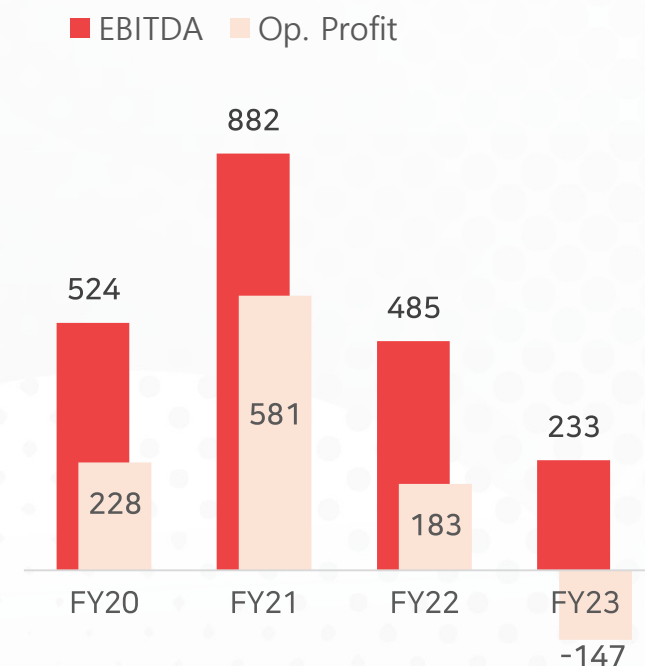
(Unit : 100 mn, people)



Increasing SG&A due to hiring and facility expansion

## EBITDA And Operating Profit

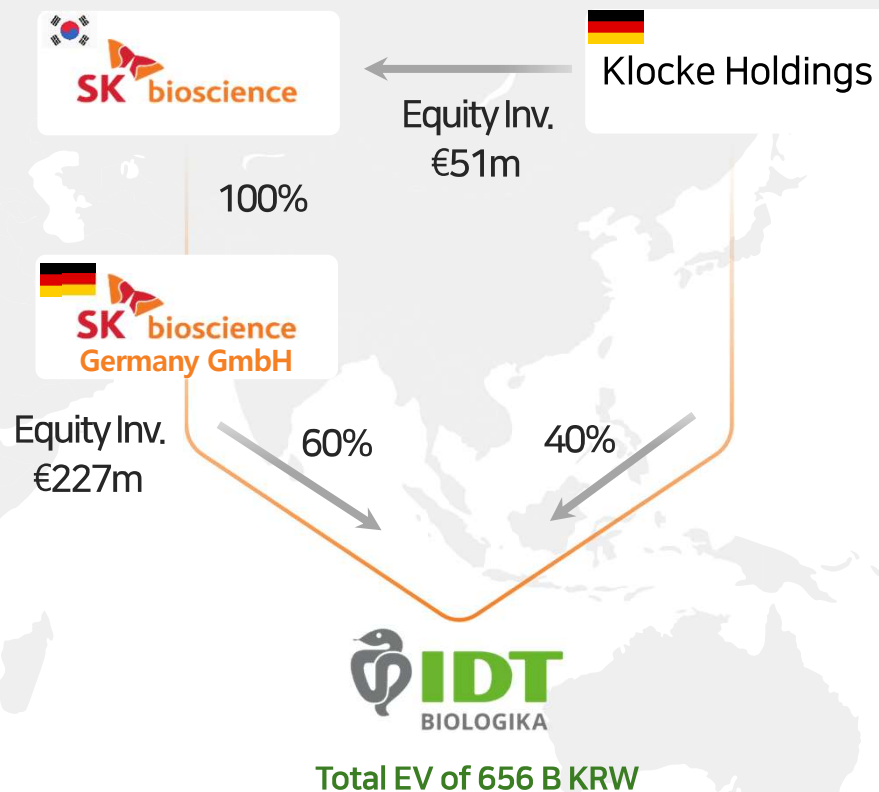
(Unit : 100 mn)



Maintaining positive EBITDA despite rising SG&A costs

# Deal Overview

## Deal Structure



### Retaining a 40% stake in IDT

#### Confidence in growth for IDT

- Major role expected in optimizing IDT's operations and achieving long-term growth

### Klocke's investment into SKBS

#### €51m strategic investment in SKBS shares for further partnership

- Cross-investment for mutual commitment
- Trust in SKBS's operational capability

# Recap and Takeaways



- 1 After deliberation, we acquired a compelling company that was a great fit for us at a reasonable valuation
- 2 SK bioscience and an existing shareholder will jointly operate to ensure stable management and become a global top-tier company
- 3 The IDT acquisition will be a strong driver to accelerate SKBS 3.0 and will deliver concrete results in the future