

VETTER PHARMA RECEIVES THE 2023 CUSTOMER VALUE LEADERSHIP AWARD

*Identified as best in class in the
Global biopharmaceutical aseptic
fill-and-finish services CDMO industry*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Vetter Pharma excels in many of the criteria in the biopharmaceutical aseptic fill-and-finish services CDMO space.

AWARD CRITERIA	
<i>Business Impact</i>	<i>Customer Impact</i>
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

Market Snapshot

Injectables constitute one of the fastest-growing segments in the pharmaceuticals space. Many drugs, including biologics, are going off-patent in the next three or four years, leading to a higher demand for generics and biosimilar injectables in the foreseeable future. The intensification in onshoring and nearshoring of biopharmaceutical products for COVID-19 and next-generation biologics has significantly increased the demand for aseptic fill-and-finish capacity and capabilities to meet the need of various regions. All these factors have made sterile injectable drug product service outsourcing the most lucrative

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- Surbhi Gupta
Senior Industry Analyst

opportunity for contract development and manufacturing organizations (CDMOs). Frost & Sullivan estimates the sterile injectable outsourcing market expanding at a compound annual growth rate of 9.4% from 2021 to 2026.¹

In 2021, Frost & Sullivan recognized Vetter Pharma (Vetter) for its business and customer impact and remains impressed with its continuous innovation and sustained leadership. Vetter uniquely leverages its expertise to meet

its customers’ needs, particularly the growing transition to injectables. It is well-positioned to capitalize on new growth opportunities, cementing its leadership in biopharmaceutical aseptic fill-and-finish services.

¹ Growth Opportunities in Sterile Injectable Outsourcing, (Frost & Sullivan, June 2022)

Vetter: End-to-End Global Service Provider

Founded in 1950 and headquartered in Ravensburg, Germany, Vetter is one of the global leaders in the aseptic filling and packaging of injectable pharmaceutical and biotech compounds, with considerable experience and dozens of novel product approvals. It offers highly specialized, state-of-the-art parenteral manufacturing expertise for the entire product life cycle, from clinical development to commercial production.

Leveraging its seven decades of experience and over 6,000 employees, Vetter is a global CDMO that efficiently supports numerous pharmaceutical and biotech companies of any size. The company fills drugs into syringes, vials, and cartridges for treating various diseases, such as multiple sclerosis, severe rheumatoid arthritis, and cancer. Its core services cover clinical and commercial manufacturing, packaging solutions, and device assembly. It provides development services and clinical trial manufacturing from preclinical through Phase III.

Innovative

With 20 filling lines at manufacturing facilities in the United States (US) and Europe and an increasing presence in Asia, Vetter supports a range of innovative brands and complex, technically challenging molecules. As a result, in 2022, Vetter reported 209 million injectable drug product units filled². Also, the company has a robust project pipeline, with 80% of those involving new molecular entities and complex biologics.

Customer-driven

Vetter helps its customers with critical injectable drug product development steps, covering product-specific manufacturing processes, filling clinical trial material, regulatory submission and approval, and analytical testing services.³ With its customer-centric corporate philosophy, the company operates on the central tenet that its success depends on customer satisfaction. This philosophy permeates its daily practices. Vetter prioritizes communication and collaboration with clients to tailor solutions that meet their unique needs. By putting the customer at the center of its operations, the company consistently delivers high-quality products and services that exceed expectations.

Committed

Vetter's vision is to be an excellent and reliable partner for its customers. It realizes this crucial goal utilizing the highest quality available to supply patients with vital drugs. It meets with customers to assess their needs and develop tailored solutions with roadmaps for seamless execution. This foundational approach establishes ongoing trust with customers for long-lasting relationships. Frost & Sullivan appreciates how this client-oriented approach adds value to customers' operations and contributes to their effective and sustained success. Vetter continues its vital growth while developing new products that meet market and customer needs.

² *Growth Opportunities in Sterile Injectable Outsourcing*, (Frost & Sullivan, June 2022)

³ <https://www.vetter-pharma.com/en/services/>, accessed May 2023

Unmatched Customer Experiences

With its customer-focused strategy, Vetter consistently brings best-in-class solutions and services to the market. The company offers its customers numerous technological innovations in developing new active substances for subsequent commercialization.

Technology-enabled Streamlined Services

As an expert in lyophilized products, Vetter develops customers' lyophilization cycles for economically and technologically scalable commercial manufacturing. Its well-known dual chamber technology for complex compounds requiring lyophilization provides competitive differentiation by filling separated substances within one system. Dual-chamber systems offer patients and healthcare professionals a simple handling procedure with high dosage precision. As pioneers in the market for these systems, the company holds

"Its unwavering dedication to delivering the highest quality products and services and its exceptional knowledge and expertise ensure its customers receive the best possible products and service."

- Pavel Zhebrouski
Best Practices Research Analyst

the patents on the Vetter Lyo Ject® dual-chamber syringe and V-LK® dual-chamber cartridge.⁴

Vetter is committed to ensuring flexibility and the highest possible safety and quality standards. The company applies hydrogen peroxide in every cleanroom after every batch through its holistic concept, Vetter Cleanroom Technology (V-CRT®) combined with Restricted Access Barrier System technology with isolators, which allows decontamination within three hours compared to the 24

hours required by solely applying an isolator. Its streamlined safety and quality strategy adds value to clients as Vetter can quickly fulfill more batches due to the decreased decontamination time. The solution follows comprehensive aseptic filling working steps (decontamination, set-up and filling, monitoring, and analytics), heightening safety and mitigating microbe carry-over risks while enabling rapid product changeover.

Moreover, Vetter is developing a fully automated, highly flexible production cell with a gloveless isolator designed to fill and close a wide variety of containers, including syringes, cartridges, and vials made of glass or plastic, with virtually no product loss.

Value through Digitization and Automation

Vetter's digitization focus drives its quality, safety, and process improvement leveraging predictive maintenance, visual remote services, and intelligent worker assistance systems, limiting downtimes and troubleshooting. The company applies machine learning to complex forecasting projects and robotic automation of recurring activities, heightening accuracy and, thereby, return on investment.

At the same time, Vetter incorporates customer feedback into its strategic decisions and implementation plans to maximize short-term growth opportunities while providing a path to future revenues. Its unwavering dedication to delivering the highest quality products and services and its exceptional knowledge and expertise ensure its customers receive the best possible products and services.

⁴ Vetter's Facts, Figures, Data 2022, <https://www.vetter-pharma.com/media/content/downloads/vetter-presskit.pdf>, accessed May 2023

Vetter's innovative technologies and customer-centric approach to problem-solving have earned it a reputation as a trusted partner in the pharmaceutical industry.

Sustainability Focus: A Foot in the Present and an Eye on the Future

Since its inception, Vetter's sterling operations and customer-centric framework have led to its coveted preferred partner status. Over the years, it has added a range of new customers to its base by positioning itself as a trusted market thought leader. Through participation in industry-leading events and sharing best practices, the company has established awareness around its unwavering commitment to superior quality and sustainability.

Vetter focuses on maintaining transparency and economic, ecological, and social responsibility. This approach has enabled it to cultivate a sense of trust and confidence among its customers, who prioritize these qualities in their partners. Thus, the company's distinct differentiation in the space is magnified by its sustainability focus. Vetter's actions correspond with the United Nations' seventeen Sustainable Development Goals (SDGs), contributing to achieving global goals.⁵

The company is successfully fulfilling two of its "Vetter Excellence 2025" goals, its current strategy, and is progressing with its "Vetter Next 2029" corporate strategy. With a focus on process excellence, it applies Production Excellence, its company-wide process optimization system, to develop a highly regulated, customer-transparent, and knowledge-intensive production process and recognize and eliminate waste. Notably, since 2020, the company has operated in a carbon dioxide-neutral mode.

In the past ten years, Vetter has invested more than \$7.2 million in energy-efficient and environment-friendly technologies and has realized savings of more than 31 million kilowatt-hours (kWh) in the areas of electricity, natural gas, and biogas.⁶ Furthermore, the company reported 2,327,244 kWh of renewable energy generated from its plants.⁷

Frost & Sullivan believes Vetter is well-positioned to drive the biopharmaceutical aseptic fill-and-finish services space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

⁵ Vetter's Sustainability Report, <https://www.vetter-pharma.com/media/content/downloads/vetter-sustainabilityreport.pdf>, accessed May 2023

⁶ Growth Opportunities in the Biologics Contract Development and Manufacturing Organization Sector, (Frost & Sullivan, May 2023)

⁷ Vetter's Sustainability Report, <https://www.vetter-pharma.com/media/content/downloads/vetter-sustainabilityreport.pdf>, accessed May 2023

Conclusion

Customer-centric strategies help companies safeguard leading positions in markets, but only if the approach is authentic and the implementation is seamless. Vetter Pharma (Vetter) incorporates customer-focused strategies and exemplifies best practice implementation. Vetter offers highly specialized, state-of-the-art parenteral manufacturing expertise for the entire product life cycle, from clinical development to commercial production. The company's core services cover clinical and commercial manufacturing, packaging solutions, and device assembly. By putting the customer at the center of its operations, Vetter consistently delivers high-quality products and services that exceed expectations. This overall customer-first approach offers immense value to existing and new customers and solidifies its reputation in the market. With its strong overall performance, Vetter earns Frost & Sullivan's 2023 Global Customer Value Leadership Award in the biopharmaceutical aseptic fill-and-finish services contract development and manufacturing organizations market.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan’s proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

