

## First half of 2018: Further rise in net profit; delayed sales/EBIT to be made good in second half

- Net income 14.9% of sales
- EBITDA at 26.0% and EBIT at 16.2% of sales
- Delayed sales and EBIT increase
- Significantly stronger 2nd half anticipated
- Annual targets confirmed
- Outlook favorable for another very good fiscal year

**Bubendorf/Basel, August 24, 2018** - Owing to project delays, the Bachem Group (SIX: BANB) posted a 7.2% decrease in net sales to 110.9 million CHF for the first half of 2018 (H1 2017: 119.5 million CHF). A marked increase in the second half of the year is expected to make up for this. Exchange rate movements had only a marginal impact. Sales in local currencies were 7.6% down on the first half of 2017. Sales of generics amounted to 44.1 million CHF, below the strong prior year's reference figure (52.0 million CHF). The research chemicals business unit delivered a solid performance in a challenging, highly competitive market environment. Sales of catalog products and custom synthesis products held steady at their new benchmark level. At mid-year, sales of New Chemical Entities (NCEs) were below the year-ago figure (-7.6% in local currencies) due to various delays in the clinical development of customer projects. As expected, the shift of sales to the second half described above impacted on the operating result. Operating income (EBIT) declined year-on-year by 3.4 million CHF to 18.0 million CHF in the first half of 2018. At 16.2%, the EBIT margin on the reference date likewise remained below that of the prior year period (H1 2017: 17.9%). The main causes were the higher cost base compared to the previous year and the delayed contribution margins due to project postponements. Supported by a positive foreign exchange result, net income came to 16.5 million CHF in the first half of 2018 (H1 2017: 15.8 million CHF).

	2018	2017	CHANGE IN %	
			CHF	LC
SALES (IN MCHF)	110.9	119.5	-7.2	-7.6
EBITDA (IN MCHF)	28.9	31.7	-9.1	-13.3
EBITDA IN % OF SALES	26.0	26.6		
EBIT (IN MCHF)	18.0	21.4	-15.7	-22.2
EBIT IN % OF SALES	16.2	17.9		
NET INCOME (IN MCHF)	16.5	15.8	+4.4	
NET INCOME IN % OF SALES	14.9	13.2		
EARNINGS PER SHARE (EPS - IN CHF)	1.21	1.16	+4.3	
CASH FLOW FROM OPERATING ACTIVITIES (IN MCHF)	1.2	14.6	-91.6	
NUMBER OF EMPLOYEES (IN FULL-TIME EQUIVALENTS)	1 062	1 057 <sup>1</sup>	+0.5	

<sup>1</sup> Value as per December 31, 2017

## **Outlook: Consistently high demand for peptide-based active ingredients**

The generally positive market performance and excellent level of orders in hand suggest that the Bachem Group will continue to enjoy sustained sales growth. Moreover, with the Group-wide implementation of a new ERP system, Bachem has created a solid foundation for further improving its operational excellence. The foundation of its own branch in Japan, a key growth market, is an important first step toward building up a third regional focus area along with Europe and North America. Management considers that the development of sales and operating profit, which was still suffering delays and declines around mid-year, to be a momentary snapshot and expects the second half to be significantly stronger. Assuming stability in exchange rates and in the economic environment, Bachem expects fiscal 2018 to be a very good year for the company. Sales growth for the year is put at the lower end of the long-term forecast of 6–10% p.a., and operating profit is expected to make further progress in line with sales.

The Half-Year Report for 2018 can be downloaded from the following website:  
[www.bachem.com/half-year-report](http://www.bachem.com/half-year-report)

## **Financial Calendar**

March 8, 2019	Publication of Annual Report 2018; Media and Financial Analysts conference
April 10, 2019	Annual General Meeting
August 23, 2019	Publication of Half-Year Report 2019

## **About Bachem**

Bachem is a listed, technology-based company focused on peptide chemistry. The company provides a full range of services to the pharma and biotech industries. It specializes in the development of innovative, efficient manufacturing processes and the reliable production of peptide-based active pharmaceutical ingredients. A comprehensive catalog of biochemicals and exclusive custom syntheses for research labs complete the service portfolio. Headquartered in Switzerland with subsidiaries in Europe, the US and Asia, the group has a global reach with more experience and know-how than any other company in the industry. Bachem shows total commitment to quality, innovation and partnership.

## **Bachem. Pioneering Partner for Peptides**

### **For more information:**

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