

## **Half-Year Report 2019: Record sales of 134.5 million CHF and surge in operating income in the first half**

- **Significant sales and EBIT growth**
- **EBITDA at 27.1% and EBIT at 18.2% of sales**
- **Capital increase boosts equity ratio**
- **Potentially record-breaking second half expected**
- **Annual targets confirmed**
- **Another strong fiscal year anticipated**

**Bubendorf/Basel, August 23, 2019** – The Bachem Group (SIX: BANB) generated sales of 134.5 million CHF in the first half of 2019. Following a modest start to the new year, the pace picked up considerably in the second quarter, resulting in a finish well ahead of the reference period's. By mid-year, sales had significantly exceeded those of the prior-year period by 23.7 million CHF (+21.3%) and had even outpaced the figure for the strong first half of 2017 by 15.1 million CHF (+12.6%). Exchange rate movements had a mildly positive impact on the translation of sales performance in local currencies of 20.0%. Sales of generic products reached 58.2 million CHF, well above not only the prior year reference figure of 44.1 million CHF, but also the very strong 2017 figure of 52.0 million CHF. The research chemicals business unit delivered a solid performance. Bachem's Competence Center for Custom Synthesis in St. Helens (UK) made a strong showing in a challenging, highly competitive market environment. Sales of catalog peptides and custom synthesis products saw small gains of 0.8 million CHF (+5.7%) in the first half. Sales growth in the New Chemical Entities (NCEs) unit was also very gratifying overall. The two regions differed in their contribution to this outcome, however. While Europe failed to match the previous year's results, North America again saw significant gains with growth of over 60%.

### **Higher operating income and further job creation**

The sales gains mentioned above had a positive impact on overall performance. Despite higher expenses, operating income in the first half of 2019 rose by 6.4 million CHF (+35.5%) year-on-year to 24.4 million CHF. At 18.2%, the EBIT margin on the reference date likewise significantly exceeded that of the prior year period (H1 2018: 16.2%). With orders up and further strong business performance anticipated, Bachem had by mid-year created 29 new jobs worldwide. As of June 30, 2019, the Bachem Group employed a total of 1 169 people in 1 124 full-time equivalent positions.

	2019	2018	CHANGES IN %	
			CHF	LC
SALES (IN MCHF)	134.5	110.9	+21.3	+20.0
EBITDA (IN MCHF)	36.5	28.9	+26.3	+24.3
EBITDA IN % OF SALES	27.1	26.0		
EBIT (IN MCHF)	24.4	18.0	+35.5	+32.7
EBIT IN % OF SALES	18.2	16.2		
NET INCOME (IN MCHF)	20.4	16.5	+23.9	
NET INCOME IN % OF SALES	15.2	14.9		
EARNINGS PER SHARE (EPS – IN CHF)	1.49	1.21	+22.8	
CASH FLOW FROM OPERATING ACTIVITIES (IN MCHF)	32.0	1.2	+2 514.6	
NUMBER OF EMPLOYEES (IN FULL-TIME EQUIVALENTS)	1 124	1 097 <sup>1</sup>		

<sup>1</sup> Value as per December 31, 2018

### Outlook: an excellent basis for the future, and strong demand for peptide-based compounds

The Bachem Group is still extremely well placed for sustainable growth. Demand for peptide-based active ingredients continues to be strong, and a broad portfolio of NCE projects exhibits the potential to drive further corporate development. Bachem also has a solid base of generics sales. These serve as a stabilizing factor in relation to the project delays that frequently occur in NCEs. As pioneer and market leader in this field, Bachem captures a disproportionate share of market growth. Given stable exchange rates and economic conditions, Bachem again anticipates very good results for fiscal year 2019. With a second half equal to or even exceeding the prior year's record performance, this year's sales growth should come into the upper range of the long-term forecast of 6–10% per year, and operating profits should show further gains in line with sales. Preparations have already begun to support the very strong expected business performance of the coming months, with build-ups in inventories of semi-finished goods, finished goods, and work in progress. Considering the encouraging growth of the first six months, however, the second-half spike in sales will be less extreme as in 2018.

The Half-Year Report for 2019 can be downloaded from the following website: [www.bachem.com/half-year-report](http://www.bachem.com/half-year-report)

### Financial Calendar

March 13, 2020	Publication of Annual Report 2019; Media and Financial Analysts conference
April 22, 2020	Annual General Meeting (2019 fiscal year)
August 21, 2020	Publication of Half-Year Report 2020

## **About Bachem**

Bachem is a listed, technology-based company focused on peptide chemistry which 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 and the US, the Group has a global reach with more experience and knowhow than any other company in the industry. In working together with its customers, Bachem attaches the utmost importance to quality, innovation and partnership.

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

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