

2018 fiscal year:

Record sales and increased operating income

- **Continued growth and record sales of 282.5 million CHF**
- **Increase in EBIT margin to 19.4% and EBITDA margin to 27.6%**
- **Net income rises to 46.6 million CHF, up 11.7%**
- **Stronger presence in Asia with new subsidiary in Japan**
- **Excellent order backlog**
- **Proposed dividend of 2.75 CHF per share**

Bubendorf/Basel, March 8, 2019 – The Bachem Group (SIX: BANB), the market-leading peptide chemistry technology company with a focus on quality and innovation, continued its dynamic growth in fiscal year 2018. Although project delays meant that sales in the first half of the year were below those in the equivalent period of 2017, the company had a strong second half and generated record sales of 282.5 million CHF for the full year (2017: 261.6 million CHF, +8.0%). Bachem boosted its operating income by slightly more than this. The operating result rose by 8.3% to 54.8 million CHF at EBIT level and by 8.9% to 77.9 million CHF at EBITDA level. The EBIT margin reached 19.4% and the EBITDA margin 27.6%. Assisted by a positive foreign exchange result of +0.4 million CHF (prior year -1.8 million CHF), Bachem increased its net income by 11.7% to 46.6 million CHF.

Bachem, as the “Pioneering Partner for Peptides”, reinforced its position as market leader last year in a competitive market environment that remains challenging. Sales of active pharmaceutical ingredients (APIs) continued to develop particularly well. Sales of generics amounted to 113.7 million CHF. With a share of roughly 40% of total sales, they provided a solid foundation for the Group's product portfolio once again in 2018. Research chemicals performed strongly in operational terms, although sales declined by 11.3% because of one-time factors. The New Chemical Entities (NCEs) product category, which is vital to future success, grew by 22%. At the end of the year, Bachem was involved in over 150 NCE projects at all stages of development; these included a large number of projects in clinical phases II and III, which are particularly promising for the Group's future growth.

Excellent performance in North America

Sales performance varied from region to region. North America achieved record sales of 119.1 million CHF in 2018. A significant contribution was made by the Vista factory in California. This formerly belonged to the American Peptide Company (APC), which was taken over in 2015. The various extensions made in recent years have enabled output to be significantly increased. In Europe, sales decreased slightly to 163.4 million CHF, owing to project delays for generics and one-time factors relating to research chemicals. North America's share of total sales therefore rose to 42.1%, compared with 57.9% for Europe. Bachem intends

to use the newly founded Group company in Japan to tap into the Asian market and steadily increase its presence in this region as a third business pillar.

	2018	2017	CHANGES IN %	
			CHF	LC
SALES (IN MCHF)	282.5	261.6	+8.0	+7.5
EBITDA (IN MCHF)	77.9	71.5	+8.9	+6.7
EBITDA IN % OF SALES	27.6	27.3		
EBIT (IN MCHF)	54.8	50.6	+8.3	+5.2
EBIT IN % OF SALES	19.4	19.3		
NET INCOME (IN MCHF)	46.6	41.8	+11.7	
NET INCOME IN % OF SALES	16.5	16.0		
EARNINGS PER SHARE (EPS - IN CHF)	3.43	3.08	+11.6	
CASH FLOW FROM OPERATING ACTIVITIES (IN MCHF)	25.8	36.5	-29.3	
RETURN ON EQUITY (IN %)	12.3	11.3		
NUMBER OF EMPLOYEES (IN FULL-TIME EQUIVALENTS)	1 097	1 057		
SALES PER EMPLOYEE ¹ (IN CHF)	271 000	266 000		

¹ Basis: average full-time equivalents excluding apprentices.

Creation of new jobs and investments in future growth

Thanks to good business performance and high capacity utilization overall, Bachem created a total of 39 new jobs by the end of 2018, boosting the headcount to 1 140 people in 1 097 full-time equivalent positions at the end of the year. Bachem underlined its growth strategy by investing approximately 38 million CHF in property, plant and equipment and in intangible assets.

Over the next few years, Bachem is confident that sales in local currencies will continue to grow steadily in line with the long-term forecast of 6–10% per year. The emphasis is on profit growth more than sales growth, with the medium-term objective of achieving an EBITDA margin of 30%.

The complete 2018 Annual Report can be downloaded from the following website: <http://annualreport.bachem.com>

Financial Calendar

April 10, 2019	Annual General Meeting
April 16, 2019	Payout Date for Dividend
August 23, 2019	Publication of Half-Year Report 2019

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, the US and Asia, 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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