

Fiscal year 2017:**Continued increase in sales, profitability and earnings**

- Continued growth and new record sales of 261.6 million CHF
- EBIT margin rises to 19.3% while EBITDA margin remains stable at 27.3%
- Increase in net income to 41.8 million CHF despite adverse foreign exchange effects
- Rise in dividend by 10% from 2.50 to 2.75 CHF proposed
- Confirmed growth forecast

Bubendorf/Basel, March 16, 2018 – Bachem (SIX: BANB), the market leader in peptide chemistry and a company that focuses on quality and innovation, has reported a solid result for the first half of fiscal 2017 with a further improvement in the second half of the year. Expectations were again high for the 2017 fiscal year. Sales came to 261.6 million CHF (2016: 236.5 million CHF, +10.6% in CHF). Bachem lifted its operating result (EBIT) by 12.3% to 50.6 million CHF and the EBIT margin widened once again, improving to 19.3% (prior year: 19.1%). Operating profit before depreciation and amortization (EBITDA) came to 71.5 million CHF (previous year: 64.8 million CHF). This equates to an EBITDA margin of 27.3%. In contrast to the positive contribution in the prior year, currency translation effects had a significantly negative impact on net income for the year under review. Overall, exchange rate movements resulted in a consolidated exchange rate loss of 1.8 million CHF (previous year: gain of 1.2 million CHF). Posting net income of 41.8 million CHF, the company slightly exceeded the previous year's result despite these significant negative effects. Operating net income before currency translation effects, by contrast, rose significantly.

Thanks to the commitment and dedication of the workforce, the previous year's results were equaled or even exceeded. Sales growth again substantially outpaced the overall market while margins remained high.

Vista's contribution to sales more than doubles

As reported earlier, several expansion projects were undertaken at the Vista plant, California, acquired from the American Peptide Company (APC). The resulting impacts on production capacity again limited sales growth in the year under review. Nevertheless, the contribution of the plant (acquired in 2015) to total sales more than doubled over the previous year. Successful utilization of the capacity mentioned above should enable further significant gains in the coming year.

Generics as stable pillar of business and research chemicals with fresh impetus

Sales of generics amounted to 112.9 million CHF, underscoring their status as a bedrock of stability within the Group's product portfolio with a share of roughly 43% of total sales. The research chemicals business unit again delivered a strong performance following the previous year's product line purge. Catalog products and custom synthesis performed well in the face of a challenging and highly competitive market, growing by a substantial 23% to 31.9 million CHF. Bachem's Competence Center for Custom Synthesis in St. Helens, UK, reaffirmed and solidified its strong position in global competition in research chemicals. The activities taken over from APC also contributed to the gratifying performance.

	CHANGES IN %		
	2017	2016	CHF
SALES (IN MCHF)	261.6	236.5	+10.6
EBITDA (IN MCHF)	71.5	64.8	+10.4
EBITDA IN % OF SALES	27.3	27.4	+9.6
EBIT (IN MCHF)	50.6	45.1	+12.3
EBIT IN % OF SALES	19.3	19.1	+11.1
NET INCOME (IN MCHF)	41.8	41.2	+1.4
NET INCOME IN % OF SALES	16.0	17.4	-8.2
EARNINGS PER SHARE (EPS - IN CHF)	3.08	3.04	+1.2
CASH FLOW FROM OPERATING ACTIVITIES (IN MCHF)	35.7	40.4	-11.5
RETURN ON EQUITY (IN %)	11.3	11.5	-1.8
NUMBER OF EMPLOYEES (IN FULL-TIME EQUIVALENTS)	1 057	979	+8.0
SALES PER EMPLOYEE ¹ (IN CHF)	266 000	267 000	-3.4

¹ Basis: average full-time equivalents excluding apprentices.

More jobs added and further investments in future growth

Thanks to the strong business performance and high overall capacity utilization, Bachem created a total of 79 new jobs through the end of 2017. As of December 31, 2017 the Bachem Group employed a total of 1 101 people in 1 057 full-time equivalent positions. With gross capital expenditures in property, plant and equipment of approximately 45 million CHF, the Group again sent a clear signal of future growth in 2017.

Bachem's positioning as "Pioneering Partner for Peptides" underscores its focus on the core peptides business with a commitment – based on unique expertise and a strong capacity for innovation – to being the best partner for successful execution of peptide projects of all kinds. Investments in additional modern production facilities at the US location in Vista, California and in an automated high-bay warehouse at the headquarters in Switzerland will allow us to further expand our global leadership in the peptide market. With a planned local presence in Japan, the most important Asian market, the company intends to take greater advantage of the dynamic growth in the Far East. For the coming years, Bachem expects global sales in local currencies to grow continually by 6–10% in average whilst profit growth takes precedence over sales growth.

The complete 2017 Annual Report can be downloaded from the following website:
<http://annualreport.bachem.com>

Financial Calendar

April 25, 2018 Annual General Meeting
May 2, 2018 Payout Date for Dividend
August 24, 2018 Publication of Half-Year Report 2018

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 and the US, 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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