

**Fiscal year 2016:****Another year of strong sales and profit growth**

- Momentum intact and new sales record set
- EBIT margin climbs to 19.1%, EBITDA margin to 27.4%
- Significantly faster net income growth of 29.4% to 41.2 million CHF
- Expansion of production capacity, new building for R&D at company headquarters
- Workforce grows, now numbers more than 1'000
- Increase in dividend from 2.25 to 2.50 CHF proposed
- Excellent order situation and better capacity utilization

Bubendorf/Basel, Friday, March 17, 2017 – Bachem Group (SIX: BANB), the market leader in the field of peptide chemistry with a distinctive focus on quality and innovation, set another sales record in the 2016 fiscal year and reported sharply higher earnings. Bachem managed to sustain its very good momentum from the first half of the year throughout the second half. The Group generated full-year sales of 236.5 million CHF (2015: 208.6 million CHF, +13.4% in CHF). Bachem increased its operating profit (EBIT) by 17.0% to 45.1 million CHF. One-off costs associated with legal counsel and the introduction of a new Group-wide Enterprise Resource Planning (ERP) system are included in this figure. Furthermore, the expansion of capacity at American Peptide Company (APC) after its acquisition in 2015 resulted in a brief, scheduled stoppage in production that curtailed the utilization of the Vista, California plant. Despite these extraordinary effects, Bachem widened its EBIT margin to 19.1% (previous year: 18.5%). The EBITDA margin stood at 27.4% (previous year: 27.2%). Net income rose at a proportionately faster pace of 29.4% with some tailwind from positive foreign exchange effects and amounted to 41.2 million CHF (previous year: 31.8 million CHF).

In 2016 Bachem strengthened its international leadership in the peptides market by investing in state-of-the-art production facilities at its US site in Vista and in a new research and development building at company headquarters in Switzerland. Sales of active pharmaceutical ingredients remained strong. Sales of patented new chemical entities (NCEs), a driver of Bachem's future success, increased by 54%. The number of development projects under way, which serves as an indicator of future sales growth, rose slightly to 247 (241 in the previous year). In the geographic breakdown of sales, the North America region increased its share of total sales to 36.3% (previous year 35.0%) following the completion of the capacity expansion in the US. The percentage of sales generated in Asia passed the 10% mark in 2016. This region offers considerable growth potential and Bachem Group is therefore planning to expand its activities in Asian markets.

### Solid financial stability

Based on these strong results and in view of the company's stable financial position with a high equity ratio of 73.6%, the Board of Directors is proposing an increase in the dividend to 2.50 CHF (previous year: 2.25 CHF).

	2016	2015	CHANGES IN %	
			CHF	LC
SALES (IN MCHF)	236.5	208.6	+13.4	+11.8
EBITDA (IN MCHF)	64.8	56.8	+14.0	+10.4
EBITDA IN % OF SALES	27.4	27.2		
EBIT (IN MCHF)	45.1	38.5	+17.0	+11.8
EBIT IN % OF SALES	19.1	18.5		
NET INCOME (IN MCHF)	41.2	31.8	+29.4	
NET INCOME IN % OF SALES	17.4	15.3		
EARNINGS PER SHARE (EPS – IN CHF)	3.04	2.35	+29.3	
CASH FLOW FROM OPERATING ACTIVITIES (IN MCHF)	40.4	61.4	-34.2	
RETURN ON EQUITY (IN %)	11.5	9.1		
NUMBER OF EMPLOYEES (IN FULL-TIME EQUIVALENTS)	979	859		
SALES PER EMPLOYEE <sup>1</sup> (IN CHF)	267 000	277 000		

<sup>1</sup> Basis: average full-time equivalents excluding apprentices.

### Leadership in core business strengthened

Bachem intends to continue delivering superior performance with the support of its highly-qualified and dedicated employees. Strict cost management and selective investments in innovation will likewise be vital for success. Management is confident that it can achieve steady local-currency sales growth of 6-10% p.a. in the years ahead, in line with its long-term projections, while continuing to give precedence to sustainable profit growth. Besides the targeted organic growth, Bachem will be examining opportunities for strengthening its leadership in its core peptide business through alliances or acquisitions. Bachem remains strongly committed to expanding its leadership role and to its customers around the world as a trailblazing business partner.

The 2016 Annual Report can be downloaded from the following website:  
<http://annualreport.bachem.com>

### Financial Calendar

April 24, 2017	Annual General Meeting
April 28, 2017	Payout Date for Dividend
August 25, 2017	Publication of Half-Year Report 2017

**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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