

## **Fiscal year 2015: Record sales and creation of new jobs**

- **Sales grow 13.8% in local currency and pass the 200 million CHF threshold**
- **EBIT margin of 18.5% and EBITDA margin of 27.2%**
- **Net income increases 9.5% to 31.8 million CHF**
- **Market leadership extended and American Peptide Company integrated**
- **About 80 new jobs created in Switzerland; expansion at all company sites**
- **Increase in dividend from 2.00 to 2.25 CHF proposed**
- **Healthy order backlog, further sustainable growth expected**

**Bubendorf/Basel, March 11, 2016 – Bachem Group (SIX: BANB), the market leader in the field of peptide chemistry with a distinctive focus on quality and innovation, looks back on a successful fiscal year. Group sales reached a new record high of 208.6 million CHF (2014: 183.9 million CHF, +13.4% in CHF and +13.8% in local currency/LC). Excluding last year's extraordinary gain of 2.0 million CHF on the divestment of the immunology product line, Bachem increased its operating profit (EBIT) for fiscal 2015 by 13.5% to 38.5 million CHF. This figure includes a negative amount of 0.9 million USD in connection with the business activities acquired from American Peptide Company (APC). Despite this one-time effect, Bachem was able to slightly raise its EBIT margin to 18.5% (previous year: 18.4% excluding gain on sale of immunology product line). Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 56.8 million CHF (previous year: 55.1 million CHF), which corresponds to a high EBITDA margin of 27.2%. With these figures Bachem completely achieved its sales targets for fiscal 2015 amid a persisting competitive market environment and increased its bottom-line profit significantly to 31.8 million CHF, despite negative currency effects and a negative earnings contribution from APC.**

In 2015 Bachem stayed sharply focused on its core peptides business, in line with the strategy announced three years earlier. Thanks to steady progress in the formulation of peptides and greater efficiency in peptide production, the peptide market remains highly attractive. Besides delivering on its targeted organic growth, Bachem expanded its market leadership in the global peptides business in 2015 by acquiring APC. This acquisition strengthens Bachem's position in the US, the world's largest peptides market, enables on-demand access to additional production capacity, and reduces the CHF portion of its cost base. Business with active pharmaceutical ingredients stayed on a growth trajectory. The portfolio of New Chemical Entities (NCE) projects, which is a key driver of future sales trends, grew significantly once again and now boasts 241 projects at different stages of development. The large number of projects in Phase II and III clinical trials provide Bachem with an outstanding platform for future growth. Sales of established generics increased by almost 26% and research ingredients sales by 25.3% in LC.

Geographically, the acquisition of APC helped to produce a slight shift in the share of sales towards North America, where Bachem generated 35.0% of its total sales (2014: 33.5%). Given the targeted strengthening of its market position and planned expansion of capacity, management expects the percentage of sales generated in the US to continue to grow.

### New jobs created

Thanks to the good business momentum and high capacity utilization, Bachem was able to create 93 new jobs last year. Together with the 55 APC employees who were retained by Bachem, the total headcount rose by 148 compared to the previous year. As of December 31, 2015, Bachem Group employed a total of 902 people in 859 full-time-equivalent positions. In view of the good order situation, the company plans to create more jobs at all of its locations over the coming year.

### Solid financial stability

Based on this strong results and in view of the company's stable financial position with a high equity ratio of 79.6%, the Board of Directors is proposing an increase in the dividend to 2.25 CHF (previous year: 2.00 CHF).

	2015	2014	CHANGES IN %	
			CHF	LC
SALES (IN MCHF)	208.6	183.9	+13.4	+13.8
EBITDA (IN MCHF)	56.8	55.1	+3.2	+6.0
EBITDA IN % OF SALES	27.2	29.9		
EBIT (IN MCHF)	38.5	35.9	+7.3	+12.0
EBIT IN % OF SALES	18.5	19.5		
NET INCOME (IN MCHF)	31.8	29.1	+9.5	
NET INCOME IN % OF SALES	15.3	15.8		
EARNINGS PER SHARE (EPS – IN CHF)	2.35	2.15	+9.3	
CASH FLOW FROM OPERATING ACTIVITIES (IN MCHF)	61.4	47.2	+30.1	
RETURN ON EQUITY (IN %)	9.1	8.5		
NUMBER OF EMPLOYEES (IN FULL-TIME EQUIVALENTS)	859	711		
SALES PER EMPLOYEE <sup>1</sup> (IN CHF)	277 000	283 000		

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

### Greater market presence

With its unfailing commitment to quality and reliability in all dealings with customers, Bachem is steadfastly working to build up its leadership position in the peptides market. Having invested a total of more than 25 million CHF at all company sites, management has set a course for steady organic growth. In addition, it is examining alliances and acquisition targets to further strengthen its presence in Asian markets. Despite the challenging economic environment, management is confident the company will be able to maintain its sales growth within the long-term target range of 6-10% p.a. in local currency. Profitability will continue to be prioritized over absolute growth.

The complete Annual Report 2015 is available at the following website:

<http://annualreport.bachem.com>

**Financial Calendar**

April 18, 2016	Annual General Meeting
April 22, 2016	Payout Date for Dividend
August 26, 2016	Publication of Half-Year Report 2016

**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 knowhow than any other company in the industry. Towards its customers, Bachem shows total commitment to quality, innovation and partnership.

**Bachem. Pioneering Partner for Peptides****For more information:**

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