

Bubendorf, March 18, 2022

Ad hoc announcement pursuant to Art. 53 LR of the Swiss stock exchange SIX

Bachem achieves sales of half a billion Swiss francs for the first time in 2021

- Group sales increase to CHF 503.2 million, up 25.2% year-on-year.
- EBITDA increases from CHF 122.6 million to CHF 157.4 million with a margin of 31.3%.
- Operating income EBIT increases from CHF 96.7 million to CHF 128.9 million with a margin of 25.6%.
- Net income increases from CHF 78.1 million to CHF 114.7 million with a margin of 22.8%.
- Total investments of CHF 130.7 million and creation of 166 new jobs, 149 of them in Switzerland.
- Board of Directors proposes to increase the dividend by CHF 0.25 to CHF 3.50 per share.
- Capital increase of CHF 571.6 million net strengthens equity base and secures capacity expansion plans and financial independence.

Outlook:

- Bachem expects sales to increase by an average of 15% per year over the five-year period 2022-2026.
- Operating income (EBIT) is expected to increase at a higher percentage rate than sales growth within this period.
- The target of CHF 100 million in sales from the oligonucleotides business is expected to be reached in 2023.
- Bachem is pursuing an investment program across all sites to expand capacity. The launch of operations for the world's most modern and largest building for peptide and oligonucleotide production in Bubendorf is planned for 2024. A third site in Switzerland is to strengthen the production network by the end of the decade.

	2021	2020	Changes in	
			CHF	LC
Sales (in CHF million)	503.2	402.0	+ 25.2%	+ 26.8%
EBITDA (in CHF million)	157.4	122.6	+ 28.4%	+ 32.0%
EBITDA margin	31.3%	30.5%		
EBIT (in CHF million)	128.9	96.7	+ 33.4%	+ 37.9%
EBIT margin	25.6%	24.0%		
Net income (in CHF million)	114.7	78.1	+ 46.9%	
Net income margin	22.8%	19.4%		
Earnings per share (in CHF)	8.09	5.58	+ 45.1%	
Cash flow from operating activities (in CHF million)	97.6	115.0	- 15.2%	
Return on equity	14.4%	16.9%		
Number of employees (in full-time equivalents)	1 639	1 475		
Sales per employee ¹ (in CHF)	332 000	309 000		

¹ Basis: average full-time equivalents excluding apprentices.

Thomas Meier, CEO of Bachem, on the results of the past fiscal year: "2021 was a very good year for Bachem. For the first time, we were able to achieve sales of over half a billion Swiss francs. At the same time, we further improved our profitability. Our team of almost 1'700 employees once again performed magnificently under persistent pandemic conditions. Bachem is well on its way to further expanding its market leadership in peptides and becoming a leading partner for oligonucleotides."

Group results

The Bachem Group (SIX: BANB) increased sales by 25.2% to CHF 503.2 million in 2021 (local currencies: +26.8%). Operating income before depreciation and amortization (EBITDA) grew by 28.4% to CHF 157.4 million (local currencies: 32.0%), and operating income (EBIT) increased by 33.4% to CHF 128.9 million (local currencies: 37.9%). This represents a rise of the EBITDA margin to 31.3% (2020: 30.5%) and of the EBIT margin to 25.6% (2020: 24.0%). Net income increased by 46.9% to CHF 114.7 million and a margin of 22.8% of sales (2020: 19.4%).

Growth by regions

In the Europe/Asia region, sales increased from CHF 185.0 million to CHF 270.4 million (+46.2%, local currencies: +46.5%), with strong sales gains from new NCE projects in both Europe and Asia. In the North America region, sales increased from CHF 217.0 million to CHF 232.8 million (+7.3%, local currencies: +9.2%) after having previously grown disproportionately over the past years.

Growth by product category

Sales grew across all product categories in 2021.

In the *Commercial API* category, sales increased by 13.3% (local currencies: +15.0%) year-on-year to CHF 285.3 million (previous year: CHF 251.7 million), partly due to the acquisition of additional customers.

In *CMC Development*, growth was 48.7% (local currencies: +50.3%) to CHF 173.1 million (previous year: CHF 116.5 million). This was driven by new projects, study progress of existing projects and product approvals.

Research & Specialties grew by 32.5% (local currencies: +34.1%) to CHF 44.8 million (previous year: CHF 33.8 million). Growth was driven by specialties, in particular cosmetics, diagnostics and excipients for formulations.

Oligonucleotide business

The expansion of the oligonucleotide business is going ahead as planned. Partnerships with customers have been established both for approved products, as well as in clinical development. Bachem has been able to win contracts due to new technology approaches and synergies with the production of peptides. This underlines Bachem's capability as an innovator on the oligonucleotide market. At the end of 2021, additional facilities for the production of oligonucleotides began operation in Bubendorf. It is planned that about half the capacity of the

new manufacturing building from 2024 on is to be dedicated to oligonucleotides. These investments also contribute to increasing the as yet ongoing limitations of global manufacturing capacity for oligonucleotide-based active ingredients. The goal of achieving CHF 100 million in oligonucleotide sales is expected to be achieved by 2023. Bachem aims to be among the three leading oligonucleotide contract development and manufacturing organizations (CDMOs).

Investment program and use of resources from the capital increase

Bachem invested CHF 130.7 million across all sites in 2021. The current investment plan calls for ongoing capacity expansions across all sites. The plan is well secured through a successful capital increase in 2021 of net CHF 571.6 million.

In 2021 Bachem began construction for the world's most modern plant for the production of peptides and oligonucleotides. The start of operations at the facility is planned for 2024. In a first phase the CHF 220 million have been designated to this project. Bachem has also begun to search for a third location in Switzerland for the long-term expansion of capacity by the end of the decade.

Dividend

Due to the very good business development, the Board of Directors proposes to the Annual General Meeting an increase of the dividend from CHF 3.25 to CHF 3.50 per share.

Transformation of «A» to «B»-shares and share split

The board will make a proposal to the Annual General Meeting to streamline the share structure and conduct a share split in the ratio of 1:5. Thereby all non-listed shares designated "Bachem A" (currently 47.47% of share capital) would be transformed into shares of the type "Bachem B" and subsequently the nominal value of all shares would be split in a ratio of 1:5, so that the nominal value of each share would amount to CHF 0.01 (previously CHF 0.05). Bachem considers the share split beneficial to trading and to facilitate small shareholders' ability to purchase the share.

The complete Annual Report 2021 can be viewed and downloaded on the Bachem website:

www.bachem.com/about-bachem/investors-and-media/reports-and-presentations/

Financial calendar

April 27, 2022	Annual General Meeting (business year 2021)
May 3, 2022	Payout date for dividend
August 25, 2022	Publication of Half-Year Report 2022
March 7, 2023	Publication of Annual Report 2022; Media and Analyst conference

About Bachem

Bachem is a leading, innovation-driven company specializing in the development and manufacture of peptides and oligonucleotides. The company, which has 50 years of experience and expertise, provides products for research, clinical development, and commercial application to pharmaceutical and biotechnology companies worldwide and offers a comprehensive range of services. Bachem operates internationally with headquarters in Switzerland and locations in Europe, the US and Asia. The company is listed on the SIX Swiss Exchange. For further information, see www.bachem.com.

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