

BACHEM

FULL YEAR RESULTS 2021

Date | March 18, 2022
Location | Bubendorf/Zoom Call
Name | Thomas Meier, Alain Schaffter

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HOUSEKEEPING

Write to us in the **Q&A** section anytime and / or use the “Raise Hand” function.

At the end of the presentation we will have time for questions.

This call will be recorded and playback available on bachem.com.

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SPEAKERS



Thomas Meier
CEO



Alain Schaffter
CFO



Daniel Grotzky (Moderator)
Head Group Communication

AGENDA

- | | |
|---------------------------|-----------------|
| 1. Full Year Results 2021 | Thomas Meier |
| 2. Financial Review 2021 | Alain Schaffter |
| 3. Outlook 2022-2026 | Thomas Meier |
| 4. Q&A | All |

FULL YEAR RESULTS 2021

Thomas Meier

KEY RESULTS 2021



Growth

- Sales of CHF 503.2m (+25.2%*), exceeding half a billion Swiss francs
- Excellent CMC development business



Capacity

- Groundbreaking for new TIDES facility in Bubendorf
- Search for 3rd Swiss manufacturing site
- 1639 full-time equivalent employees (+164)**



Profitability

- Profitable growth:
 - EBIT: CHF 128.9m / margin 25.6%
 - Net income: CHF 114.7m / margin 22.8%
- Capital increase with net proceeds of CHF 571.6m
- Proposal to increase dividend to CHF 3.50 per share (increase of CHF 0.25)



Portfolio

- CMC pipeline with 170 NCEs (+20)
- Oligonucleotides to deliver CHF 100m by 2023

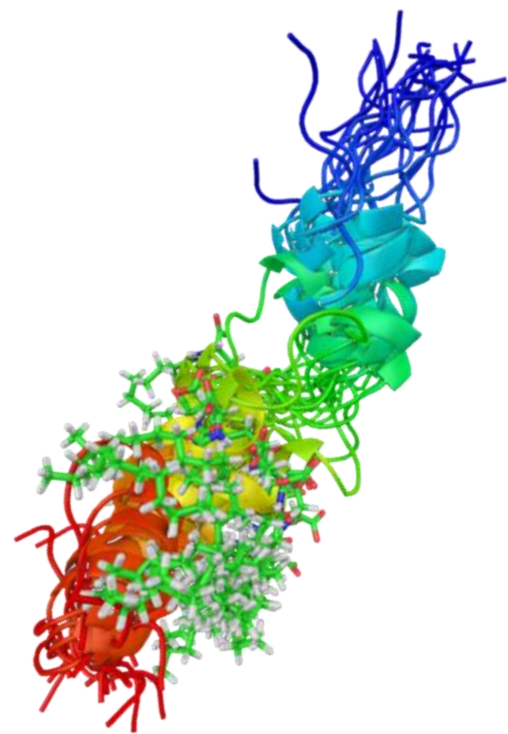
KEY FIGURES 2021

	2021	2020	Change CHF	Change LC
Sales (in CHF million)	503.2	402.0	+ 25.2%	+ 26.8%
EBITDA (in CHF million) <i>in relation to sales</i>	157.4 31.3%	122.6 30.5%	+ 28.4%	+ 32.0%
EBIT (in CHF million) <i>in relation to sales</i>	128.9 25.6%	96.7 24.0%	+ 33.4%	+ 37.9%
Net income (in CHF million) <i>in relation to sales</i>	114.7 22.8%	78.1 19.4%	+ 46.9%	
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%	
Number of employees (in full-time equivalents)	1 639	1 475		

GROWTH IN ALL PRODUCT CATEGORIES

in CHF million	2021	Change in local currency	Change in CHF	Sales share
Research & Specialties	44.8	+ 34.1%	+ 32.5%	8.9%
CMC Development	173.1	+ 50.3%	+ 48.7%	34.4%
Commercial API	285.3	+ 15.0%	+ 13.3%	56.7%
Total sales	503.2	+ 26.8%	+ 25.2%	100.0%

PEPTIDES



Market Trends

- GLPs and GLP/GIP for weight loss
- First approval of a complement C3 inhibitor for autoimmune & inflammatory
- Convenient formulations (i.e. oral, nasal) gaining traction
- Cosmetic applications

Bachem Update

- Drove investments in manufacturing capacity at all sites
- Commissioned annex to main production building and expanded tank farm
- Continuous chromatography implemented as first TIDES CDMO
- First large scale production of cosmetic peptides with Molecular Hiving (exclusive technology license from Jitsubo)
- Drove automation across R&D, production and quality control
- Expanded QC capabilities with new technology and equipment
- Green chemistry: Three peer reviewed publications with partner NovoNordisk

OLIGONUCLEOTIDES



Market Trends

- Expansion from rare diseases to large patient populations i.e cardio vascular
- Developing novel technologies to manufacture large quantities
- Manufacturing demand outstrips industry-wide capacities

Bachem Update

- Excellent synergies with peptide manufacturing i.e. upstream and downstream process, analytical & regulatory expertise
- Large scale manufacturing capacity in Bubendorf operational
- Both relevant therapeutic classes of oligonucleotides produced in GMP quality: antisense oligonucleotides (ASOs) and small interfering RNA (siRNA)
- Project pipeline further expanded in 2021, covers commercial and developmental projects
- Developed new oligonucleotide synthesis reactor technology, filed patent application
- Expect CHF 100m sales in 2023

PIPELINE UPDATE

- Healthy NCE pipeline with 170 projects (all originator, not generics)
- Pipeline development focus on quality over quantity

Phase	No. of projects	%
Preclinical	73	43%
Phase 1	43	25%
Phase 2	43	25%
Phase 3	11	7%
Total	170	100

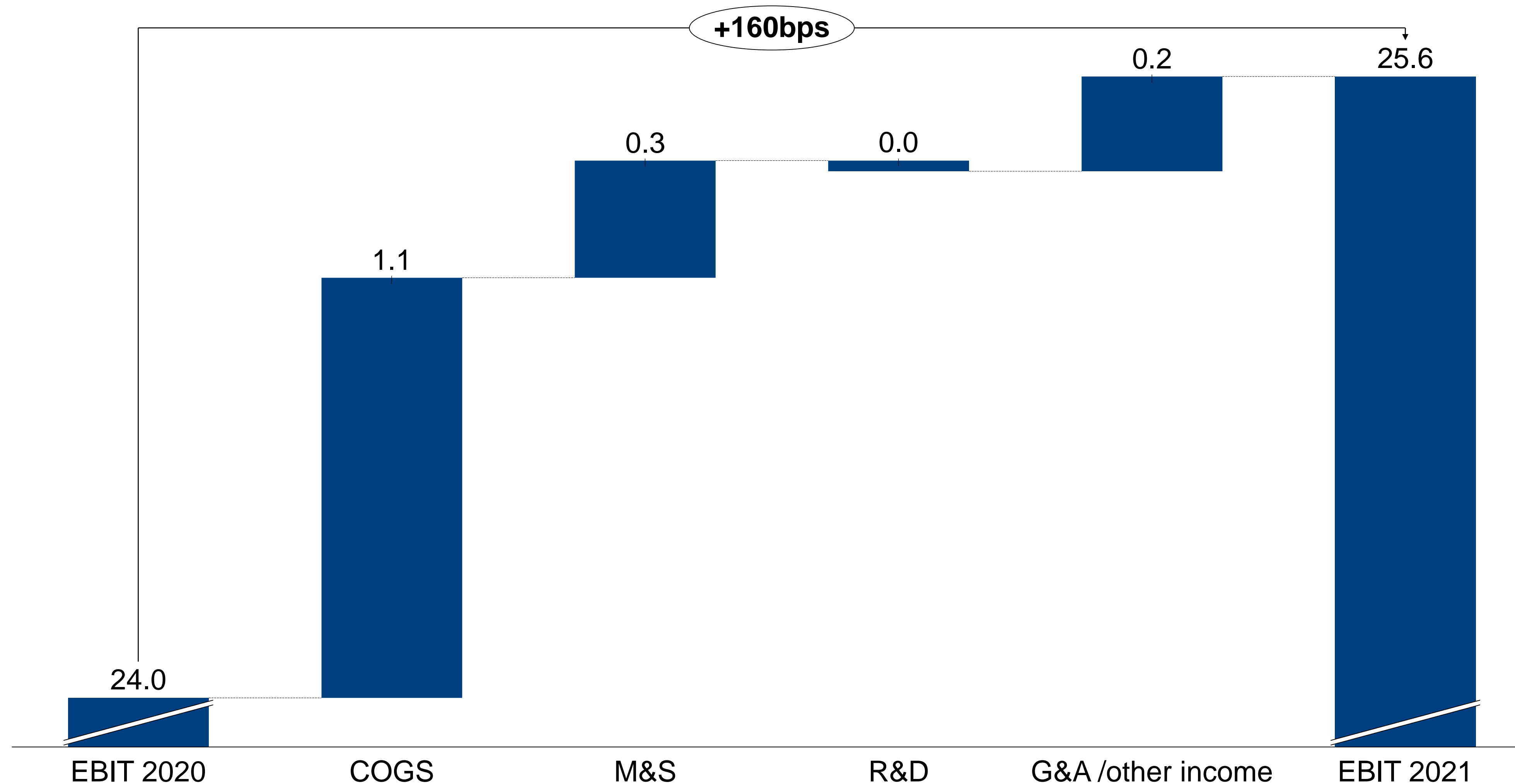
FINANCIAL REVIEW 2021

Alain Schaffter

KEY FIGURES 2021

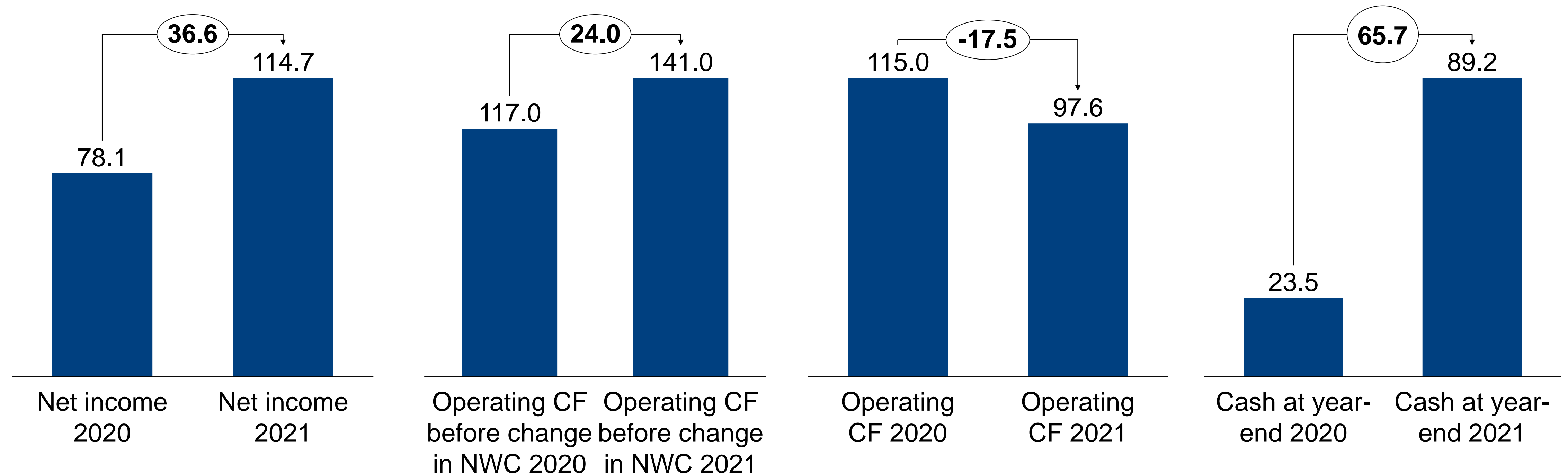
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DRIVERS OF EBIT MARGIN INCREASE (IN %)

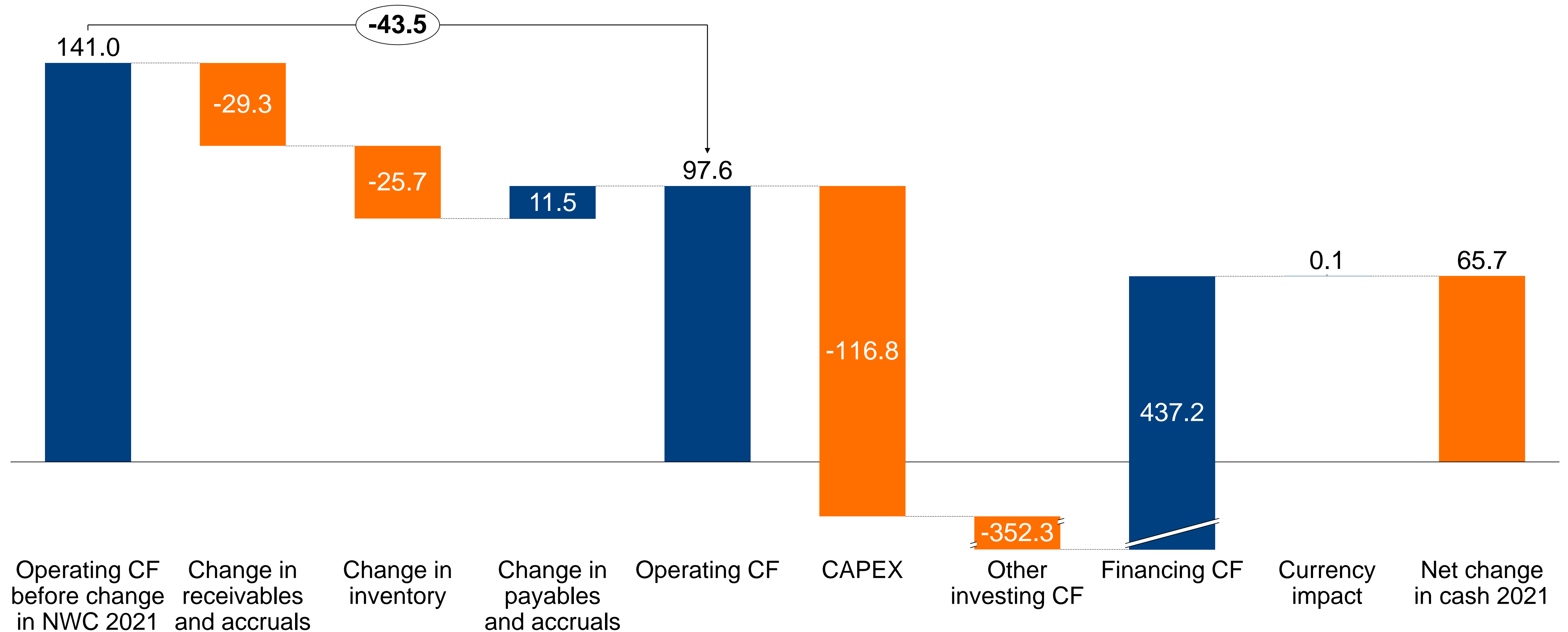


CASH FLOW ANALYSIS (IN CHF MILLION)

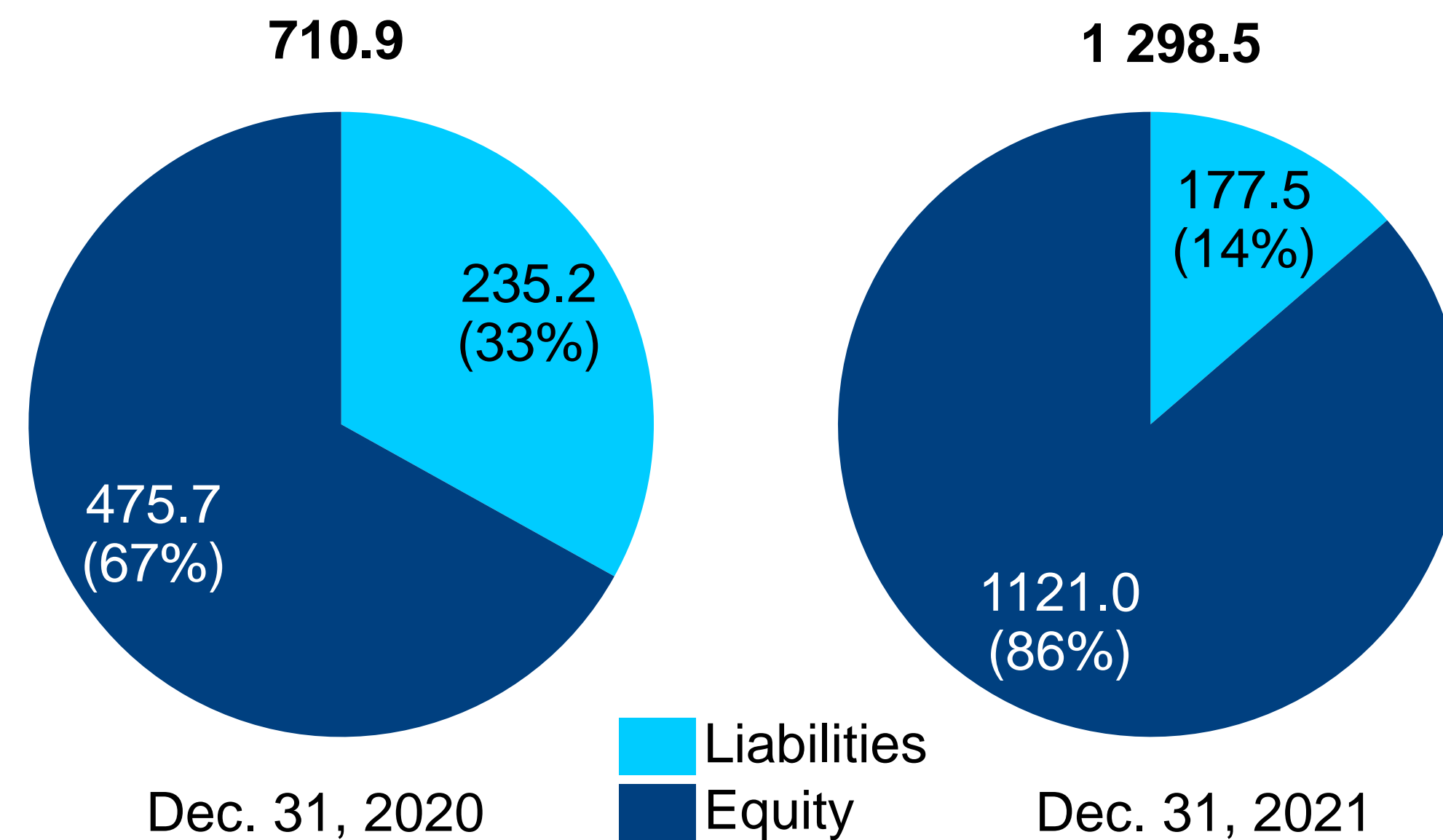
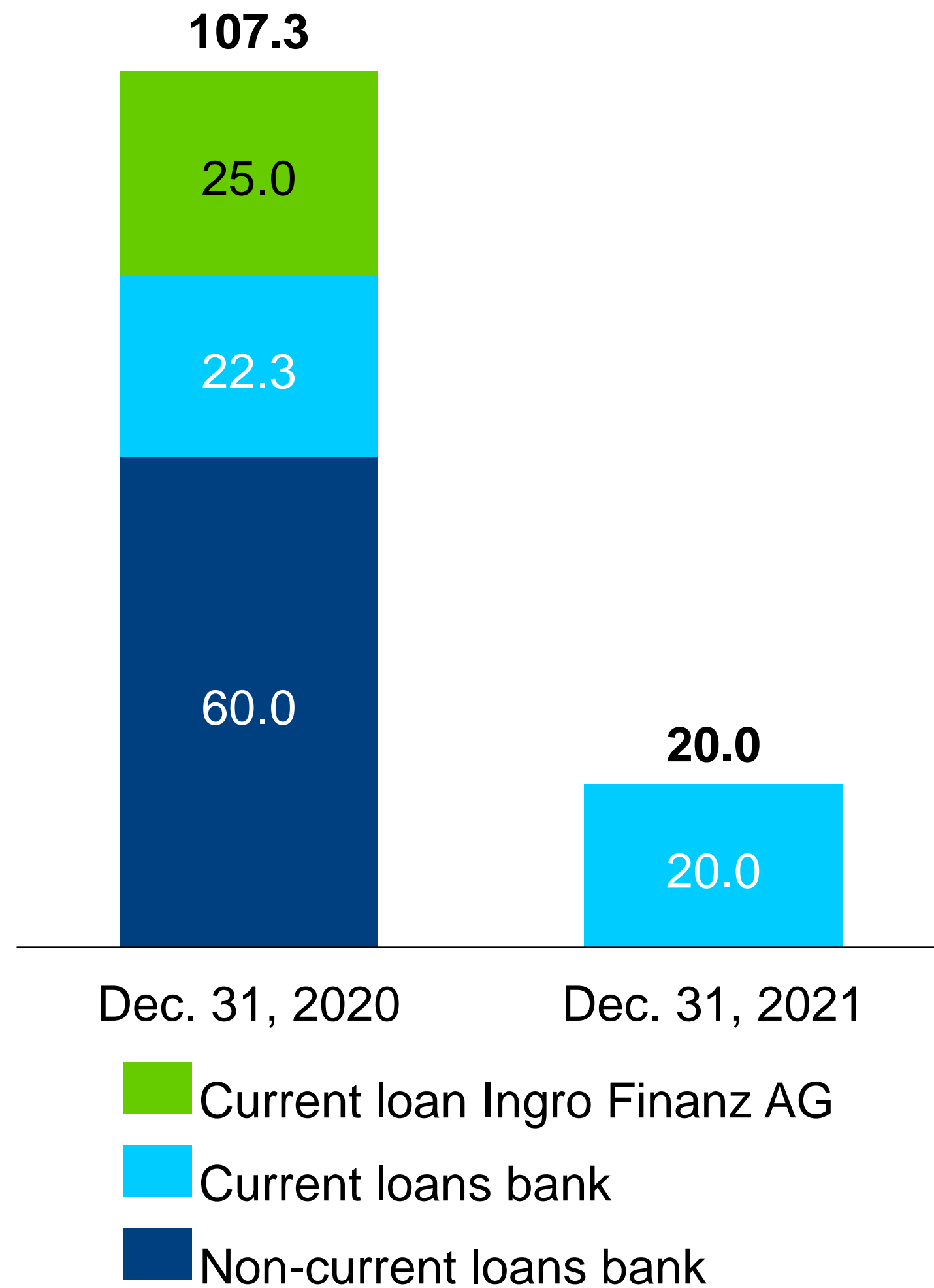
- Net proceeds of CHF 571.6 million from capital increase in October 2021.
- Taken necessary steps to avoid interest charges on cash.
- Prior year comparison of operating cash flow is impacted by one-off effects in 2020.



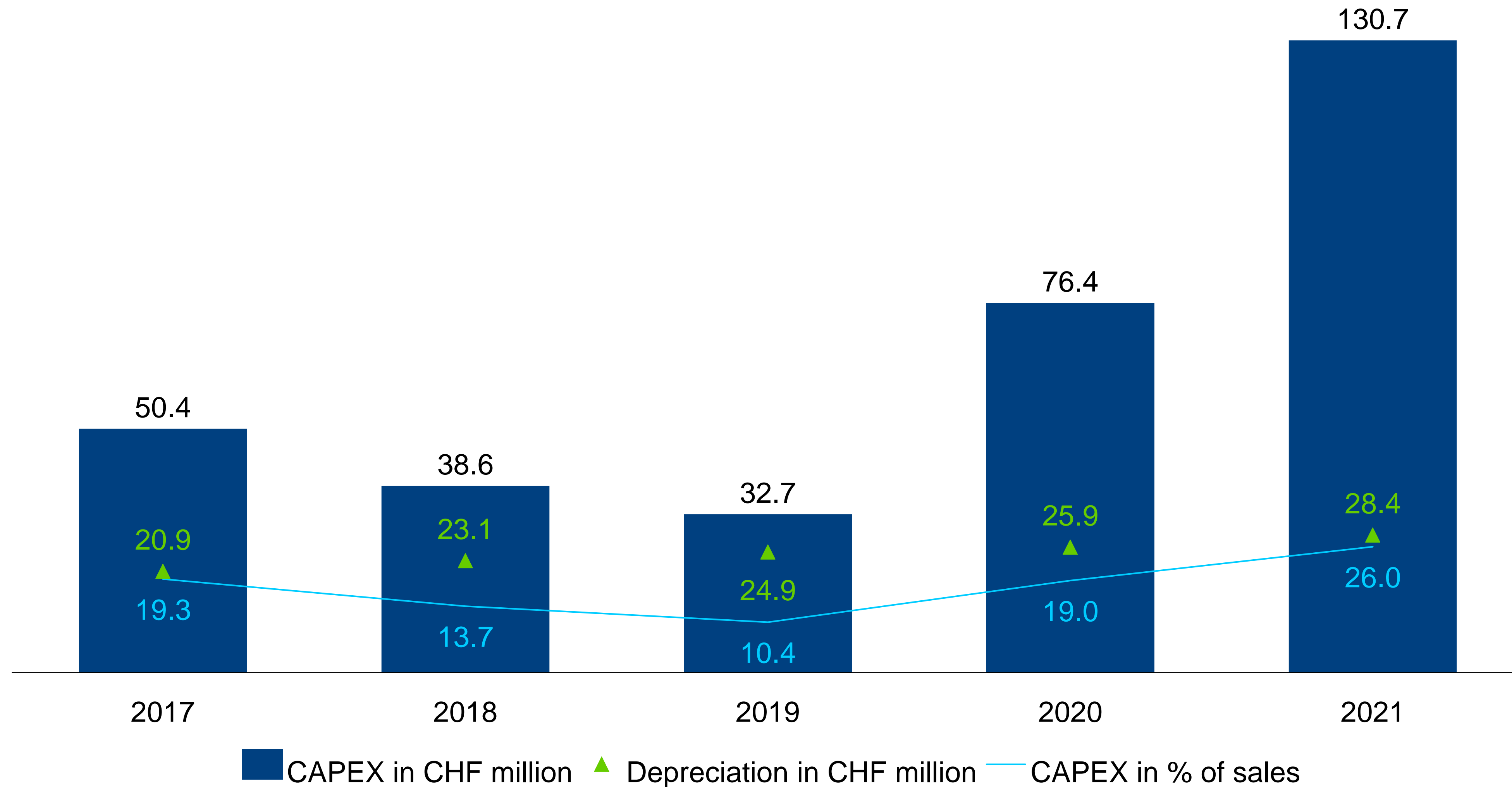
CASH FLOW ANALYSIS (IN CHF MILLION)



BALANCE SHEET ANALYSIS (IN CHF MILLION)



CAPEX OVERVIEW 2017 – 2021



OUTLOOK 2022-2026

Thomas Meier

LONG-TERM ORIENTED COMPANY

Mission: The world-leading specialist in peptides and oligonucleotides with an unmatched market position, sales north of CHF one billion and strong profitability for independence. We attract and develop the most engaged and skilled workforce in our field.

Medium-term goals: 2022-26

- Average annual **growth of about 15%** to > 1bn CHF sales
- Reach **CHF 100m oligonucleotide sales**
- Continued profit **margin expansion**
- **Global investment program** to expand capacity
- Reach key **UN SDG sustainability targets** (#3/4/8/12)

Long-term goals: > 5 years

- Expand **market leadership**
- Explore **adjacent technologies**
- Continue **capacity expansions**
- **Additional site** in Switzerland
- Remain **independent & financially robust**
- **Grow sales** ambitiously
- Develop sustainably **profit margin & efficiency measures**
- Continuous commitment to CSR

Strategic foundations

People &
Culture

Innovation &
Technology

Sustainability

Customer
Centricity & Service

Operational
Excellence & Quality

Long-term entrepreneurial commitment

STRONG FUNDAMENTAL GROWTH DRIVERS

Trend favors specialists

- **Outsourcing trend** in Pharma and Biotech
- Pandemic confirms CDMO **value proposition for agility**
- **Growing regulatory demands** benefit specialists
- Rising potential for **strategic partnerships** including **captive market**

Demand for “TIDES”

- **Complex molecules** require specialist knowledge
- **New applications & formulations** drive volume
- **Expanding useage** in therapeutic indications with larger patient populations

Bachem value proposition

- Deep **technology & quality** understanding
- Unique mix of **focus, experts & capabilities**
- Quality of **pipeline** and established **relationships**
- Strong reputation for **quality**

SOLIDLY HEDGED AGAINST MACROECONOMIC VOLATILITY

Geopolitics

- No material customer exposure and footprint to Ukraine/Russia
- Europe and US manufacturing base

Supply chain

- Ability to re-integrate elements of supply chain if necessary
- Strong long-term supplier relations as market leader

Inflation

- Swiss-based operations better hedged against wage inflation
- Contract clauses allow price adjustments with customers

Interest rates

- Cash positive due to capital increase

MAJOR INVESTMENT PRIORITIES

Adding to the world's manufacturing capacity for TIDES

“Tides FABrication Plant” (Bubendorf)

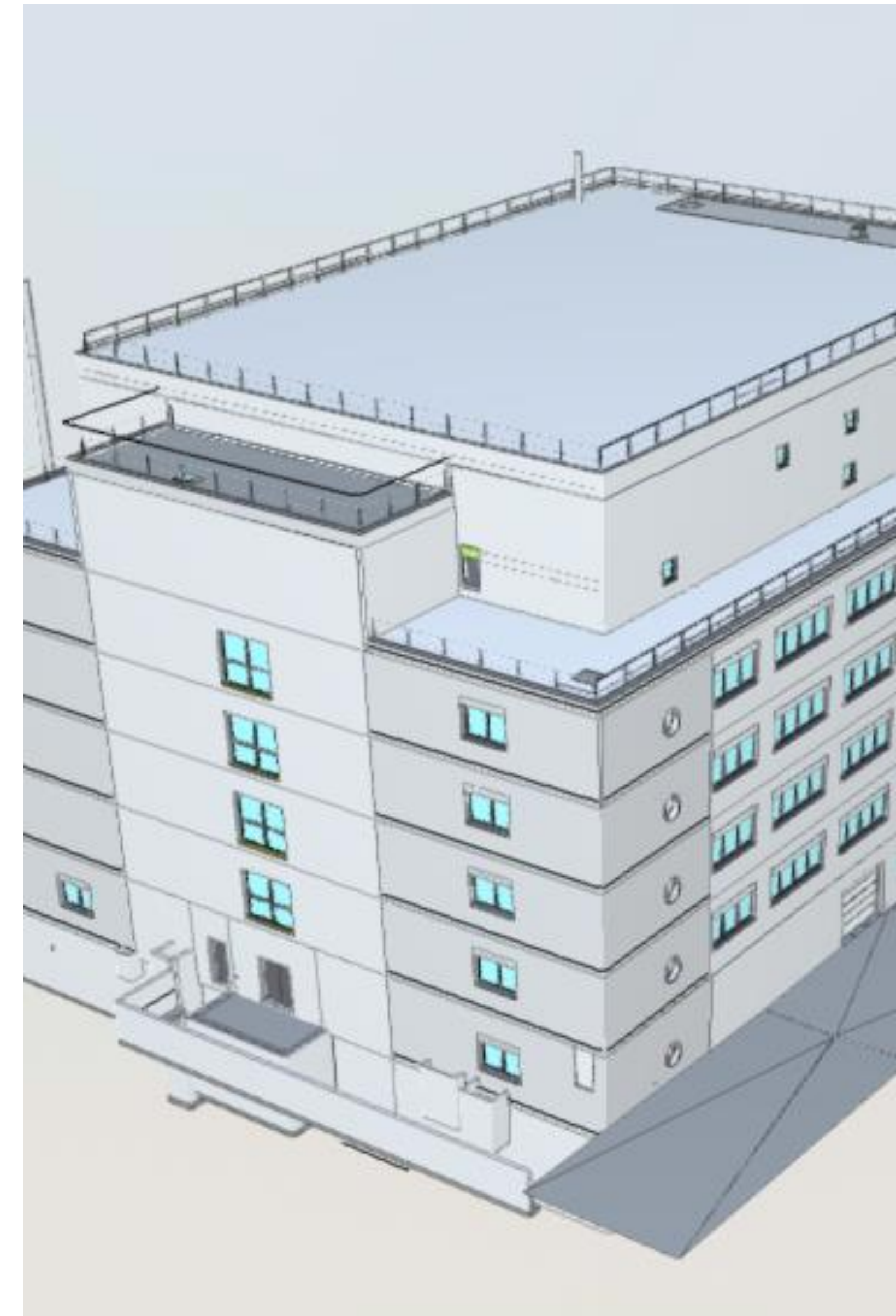
- Oligonucleotide & peptide facility (50-50 split planned)
- Start of manufacturing planned for 2024
- Expected investment until 2024: CHF 220m
- Additional space and infrastructure to double capacity after 2024

Additional Manufacturing Site

- Shortlist for Northwestern Switzerland
- Final object by end 2022 / early 2023
- Planned to go online by end of decade

Significant investments into global manufacturing network

- Automation, process analytical technology for efficiency & quality
- Chemistry and technology for improved sustainability



OUTLOOK 2022-2026

Growth

- Expected average sales of 15% per year 2022-2026 (CAGR)

Capacity

- Deliver capacity for a rapidly growing demand
- Investments across global manufacturing network

Profitability

- EBIT growth by percentage ahead of sales during the 5-year period

Portfolio

- Oligonucleotides and peptides that make a difference
- Build a strong second business pillar with Oligonucleotides
- Strengthen and leverage vertical integration

2022 WITHIN FIVE-YEAR CONTEXT

Growth

- Appraisal of 2022 annual outlook at half-year

Capacity

- Major capacity expansions come to bear in 2nd half of 5-year period

Profitability

- Heightened macroeconomic uncertainty
- Ongoing productivity measures
- Higher R&D, M&S costs expected

Portfolio

- Year-on-year fluctuations in commercial products driven by different product maturities
- 2022 new CMC projects to have stronger impact in H2

Q&A

All

THANK YOU FOR YOUR ATTENDANCE!

Question? Send an e-mail to...

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media@bachem.com



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