

First half of 2020: Record Sales and Faster Growth

- **Strength and reliability in exceptional circumstances**
- **Record sales**
- **Increased profitability**
- **Accelerated hiring**
- **Second half on track to break further records**
- **Annual targets confirmed**

Bubendorf/Basel, August 21, 2020 – The Bachem Group (SIX: BANB) generated record sales of 177.1 million CHF (+31.7%) for the first half of 2020, impressively underscoring its strength and reliability in a challenging market environment impacted by the COVID-19 pandemic. Only negative exchange rate effects kept the total below the Group's historic best of 179.2 million CHF, achieved in the second half of 2019. Sales of generic products grew by more than 23% against the previous year's period and amounted to 71.7 million CHF, with sales in North America almost doubling. For research chemicals, it was mainly large orders for catalog bulk products and customer syntheses associated with NCE active-substance development projects that lifted sales by a total of 4.8 million CHF (+35.9% in local currencies LC). Sales of new chemical entities (NCEs) continued to grow in both sales regions – North America and Europe/Asia – clearly exceeding the prior year period by over 43% in LC (North America) and some 95% in LC (Europe/Asia). Despite a growth-driven higher expense base, operating income for the first half of 2020 grew sharply to 40.3 million CHF (+64.9%). Thanks to a better total capacity utilization and the larger contribution margins resulting from an advantageous product mix, the EBIT margin came to 22.7% (H1 2019: 18.2%). Despite unfavorable exchange rate effects, net income rose sharply to 32.8 million CHF (+60.7%) by mid-year 2020.

Ongoing capacity expansion

With the goal of enabling expected future growth, Bachem invested 25.0 million CHF in the first half of 2020 in the expansion of its production capacity at its sites in Switzerland and the U.S. The Group also reinforced its in-house resources in order to be able to quickly process investment projects. The executive team is planning further capital expenditure in the range of 60 million CHF in the second half of the year. Bachem created 151 new jobs in its worldwide organization by mid-2020, thanks to strong demand and an excellent flow of incoming orders. As at June 30, 2020, the Bachem Group employed a total of 1 408 people in 1 356 full-time equivalent positions.

	2020	2019	CHANGES IN %	
			CHF	LC
SALES (IN MCHF)	177.1	134.5	+31.7	+35.8
EBITDA (IN MCHF)	53.0	36.5	+45.3	+56.3
EBITDA IN % OF SALES	29.9	27.1		
EBIT (IN MCHF)	40.3	24.4	+64.9	+81.0
EBIT IN % OF SALES	22.7	18.2		
NET INCOME (IN MCHF)	32.8	20.4	+60.7	
NET INCOME IN % OF SALES	18.5	15.2		
EARNINGS PER SHARE (EPS - IN CHF)	2.35	1.49	+57.3	
CASH FLOW FROM OPERATING ACTIVITIES (IN MCHF)	58.7	32.0	+83.5	
NUMBER OF EMPLOYEES (IN FULL-TIME EQUIVALENTS)	1 356	1 209 ¹		

¹ Value as per December 31, 2019

Outlook: Faster implementation of growth opportunities

Based on its established peptides business and the promising oligonucleotide market segment, Bachem is targeting annual sales of over 500 million CHF in the next three years. Encouraged by the rapidly growing project portfolio and positive customer feedback, Bachem is stepping up the creation of additional capacity for its oligonucleotide activities. In the medium term, Bachem is targeting annual sales of over 100 million CHF in this line of business, and is seeking a market position among the top three oligonucleotide contract development and manufacturing organizations (CDMOs).

The strong mid-year results and an excellent flow of incoming orders strengthen the executive team's resolve to achieve the established goals. Assuming a stable exchange rate and current economic environment, Bachem expects to generate new record sales in the second half of over 200 million CHF and to see sales for fiscal 2020 increase by over 20% compared to 2019, with an even higher increase in operating profit.

The complete Half-Year Report 2020 can be downloaded from the following website: www.bachem.com/half-year-report

Financial Calendar

March 12, 2021	Publication of Annual Report 2020; Media and Financial Analysts conference
April 28, 2021	Annual General Meeting (2020 fiscal year)
August 27, 2021	Publication of Half-Year Report 2021

About Bachem

The Swiss based Bachem Group is a public, innovation-driven company specializing in the development and manufacturing of pepTides and oligonucleoTides. As a full service provider Bachem offers products for clinical development and commercial applications as well as a comprehensive catalog and exclusive custom synthesis. With 50 years of experience and subsidiaries in Switzerland, the United States, the United Kingdom and Japan, Bachem is the partner of choice for the biotech and pharma industry worldwide.

Bachem. Leading Partner in Tides

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