

Fiscal Year 2019

Record year points to increasing growth dynamics

- Sales pass 300-million mark for the first time at 313.7 million CHF
- EBIT margin rises to 19.9%, EBITDA margin to 27.8%
- Net income up sharply to 54.2 million CHF
- Initial successes in oligonucleotide market
- Growth targets raised thanks to rising demand
- Proposed dividend increase to 3.00 CHF per share

Bubendorf/Basel, March 13, 2020 – The Bachem Group (SIX: BANB) surpassed the 300 million CHF sales mark for the first time in fiscal year 2019. Sales rose for the ninth time in succession, hitting a new record of 313.7 million CHF (2018: 282.5 million CHF, +11.0%). Operating profit at the EBIT level rose disproportionately by 13.8% to 62.4 million CHF. At the EBITDA level, it came to 87.2 million CHF (previous year: 77.9 million CHF). The results lifted the EBIT margin to 19.9% and the EBITDA margin to 27.8%. Despite a sizeable foreign currency result of -1.6 million CHF (2018: +0.4 million CHF), Bachem achieved a 16.1% gain in net income to 54.2 million CHF.

In a competitive market environment that remains challenging, Bachem, the “Pioneering Partner for Peptides”, further extended its market lead last year with new record results. The trend in sales of active pharmaceutical ingredients (APIs) was again particularly encouraging. Generics shone with brilliant growth figures. Sales of generics came to 137.4 million CHF (2018: 113.7 million CHF), underscoring their status as a bedrock of stability within the Group's product portfolio and accounting for over 40% of total sales. Research chemical sales advanced by 24.4%. This product category benefited not only from the strong performance of the Bachem Competence Center for Custom Synthesis in St. Helens, UK, but also from periodically recurring major orders. Sales of the New Chemical Entities (NCEs) product line held steady at the previous year's level in consequence of multiperiod project delays and postponements. At the end of the year Bachem was involved in about 150 NCE projects at all stages of development. These included a large number of projects in clinical phases II and III, which are particularly promising for the Group's future growth.

North America on a par with Europe/Asia

Geographically, sales were particularly heartening in North America. The region saw sales advance 30.3% to a new record of 155.1 million CHF. In Europe/Asia sales slipped slightly by 2.2% in local currencies due to project delays, reaching 158.6 million CHF. North America's share of total sales reached a new high of 49.5%, bringing the region nearly on a level with Europe/Asia.

	2019	2018	CHANGES IN %	
			CHF	LC
SALES (IN MCHF)	313.7	282.5	+11.0	+10.8
EBITDA (IN MCHF)	87.2	77.9	+12.0	+12.3
EBITDA IN % OF SALES	27.8	27.6		
EBIT (IN MCHF)	62.4	54.8	+13.8	+14.3
EBIT IN % OF SALES	19.9	19.4		
NET INCOME (IN MCHF)	54.2	46.6	+16.1	
NET INCOME IN % OF SALES	17.3	16.5		
EARNINGS PER SHARE (EPS – IN CHF)	3.91	3.43	+14.0	
CASH FLOW FROM OPERATING ACTIVITIES (IN MCHF)	64.3	25.8	+149.3	
RETURN ON EQUITY (IN %)	13.0	12.3		
NUMBER OF EMPLOYEES (IN FULL-TIME EQUIVALENTS)	1 209	1 097		
SALES PER EMPLOYEE ¹ (IN CHF)	282 000	271 000		

¹ Basis: average full-time equivalents excluding apprentices.

Targeted investments in new growth

Bachem created a total of 117 new jobs in 2019 thanks to high capacity utilization and an excellent order situation. At the end of the year Bachem Group employed 1 257 people in 1 209 full-time equivalent positions. The focus of investments, which totaled approximately 33 million CHF, was on expanding capacity. In addition, Bachem scored some early successes on entering the oligonucleotide active pharmaceutical ingredients market in 2019 and will commence production of commercial quantities starting in 2021. The company is confident in its ability to build an oligonucleotide project portfolio comparable with the peptide pipeline, representing a sturdy second pillar for the Group.

Higher growth target and proposed dividend increase

In light of the company's strong market position and increasing demand, Bachem has raised growth targets and expects to break through the 500 million CHF sales barrier over the next four to five years. To achieve this growth, the Group will make investments of roughly 300 million CHF in the next five years, over half of which will go to expanding capacity. The company is targeting an EBITDA margin of 30% by 2021. Based on the good results and financial stability we have achieved, the Board of Directors will propose to the General Meeting that the dividend per share be raised from 2.75 CHF to 3.00 CHF. Half of the distribution will come from reserves from capital contribution.

The complete 2019 Annual Report can be downloaded from the following website:
<http://annualreport.bachem.com>

Financial Calendar

April 22, 2020	Annual General Meeting
April 28, 2020	Payout Date for Dividend
August 21, 2020	Publication of Half-Year Report 2020

About Bachem

Bachem is a listed, technology-based company focused on peptide chemistry which 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, the US and Asia, the Group has a global reach with more experience and knowhow than any other company in the industry. In working together with its customers, Bachem attaches the utmost importance to quality, innovation and partnership.

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

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