

**Fiscal year 2013:****Sales beat overall market growth, profits sharply higher**

- 8.5% sales growth
- Disproportionate EBIT growth of 31.9%
- EBIT margin improved to 17.3%
- Net income jumped 51.7% to 23.6 million CHF
- Sales in research ingredients business grew, generics slightly below expectations, further strong growth in NCEs
- Proposed dividend increase to 1.75 CHF

**Bubendorf/Basel, March 21, 2014 – Bachem Group (SIX: BANB), the market leader in the field of peptide chemistry with a distinctive focus on quality and innovation, generated sales of 170.7 million CHF in 2013 (2012: 157.3 million CHF, +8.5% in CHF and +8.9% in local currency/LC) in the face of persisting challenges in the market. The research ingredients activities made significant progress in 2013. Generics sales slightly fell short of expectations while the business with patented substances (NCEs), a bellwether of the company's future sales, experienced brisk growth. Bachem was able to further expand its market leadership in this segment. Thanks to cost savings, further efficiency gains and a focus on the core business, Bachem increased its operating profit (EBIT) by +31.9% to 29.5 million CHF. The EBITDA margin rose to 27.8% and the EBIT margin to 17.3%. Bachem achieved another strong increase in net income which surged by 51.7% to 23.6 million CHF. Bachem intends to grow its top and bottom line steadily during the years ahead.**

Sales in the research ingredients business were up 13% in LC. The initial positive effects of measures taken to improve organizational efficiency and the market profile became apparent. This positive development was primarily driven by the custom synthesis business at the competence center in the UK. Sales of catalog products, on the other hand, remained under pressure. Bachem has modernized its online shop for catalog products to expedite a trend change for this business segment. The NCE business continued to perform well. Sales growth of 43.3% in LC underscores Bachem's leadership position in this market. The ongoing pleasing uptrend in the US generics sales largely compensated for some of the weakness in the non-core business area of small organics in Europe. Regarding the geographic breakdown of sales, the aforementioned developments led to a slight -2.7% decline in European sales and a significant increase in North America. Sales in North America were up 35.1% to 65.2 million CHF and their share of total sales rose to 38.2%.

**Higher profits and a higher dividend**

In 2013 Bachem maintained its strict cost management and realized additional savings and efficiency gains. The product mix for the period under review also had a positive impact on earnings. Net income rose by 51.7% to 23.6 million CHF (2012: 15.6 million CHF). Based on this solid result and in view of the company's stable financial position with a high equity ratio of 76.7%, the Board of Directors will propose

increasing the dividend to 1.75 CHF (previous year: 1.50 CHF) at the Annual General Meeting. As in the previous year, this payment will be made from reserves from capital contribution.

	2013	2012 <sup>1</sup>	CHANGES IN %	
			CHF	LC
<b>SALES (IN MCHF)</b>	<b>170.7</b>	<b>157.3</b>	<b>+8.5</b>	<b>+8.9</b>
<b>EBITDA (IN MCHF)</b>	<b>47.4</b>	<b>44.7</b>	<b>+6.1</b>	<b>+6.7</b>
<b>EBITDA IN % OF SALES</b>	<b>27.8</b>	<b>28.4</b>		
<b>EBIT (IN MCHF)</b>	<b>29.5</b>	<b>22.3</b>	<b>+31.9</b>	<b>+33.0</b>
<b>EBIT IN % OF SALES</b>	<b>17.3</b>	<b>14.2</b>		
<b>NET INCOME (IN MCHF)</b>	<b>23.6</b>	<b>15.6</b>	<b>+51.7</b>	
<b>NET INCOME IN % OF SALES</b>	<b>13.8</b>	<b>9.9</b>		
<b>EARNINGS PER SHARE (EPS – IN CHF)</b>	<b>1.75</b>	<b>1.15</b>	<b>+52.2</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES (IN MCHF)</b>	<b>49.2</b>	<b>36.9</b>	<b>+33.5</b>	
<b>RETURN ON EQUITY (ROE)</b>	<b>7.0</b>	<b>4.6</b>		
<b>NUMBER OF EMPLOYEES (IN FULL-TIME EQUIVALENTS)</b>	<b>649</b>	<b>645</b>		
<b>SALES PER EMPLOYEE<sup>2</sup> (IN CHF)</b>	<b>277 000</b>	<b>252 000</b>		

<sup>1</sup> Since 2013, the consolidated financial statements are prepared in accordance with Swiss GAAP FER. The prior year period has been restated to ensure comparability.

<sup>2</sup> Basis: average full-time equivalents excluding apprentices.

### Focus on core business of peptides

Looking to the future, Bachem will concentrate on its core business of peptides with a specific emphasis on innovation and quality. Employee know-how and expertise and close partnerships with customers will be the key drivers of the company's future success. Thomas Früh, CEO and Chairman of the Corporate Executive Committee, remarks: *“Our success stands and falls with the availability of a properly trained workforce of experienced staff. Intensive cooperation with the academic research community and the relevant professional associations enables Bachem to scout out budding new technologies and actively determine the shape of things to come.”*

Bachem is confident it will continue to grow sales steadily along the lines of its long-term projections. Assuming exchange rates and the general economy remain stable, management expects further disproportionate profit growth in the near future. Bachem will continue to expand its leadership in its core business of peptides with the aim of serving customers around the world as a trend-setting business partner.

The 2013 Annual Report can be downloaded from the following website:  
[www.bachem.com/annual\\_report](http://www.bachem.com/annual_report)

**Financial Calendar**

April 28, 2014	Annual General Meeting
May 6, 2014	Payout Date for Dividend
August 29, 2014	Half-Year Report 2014

**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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