

BACHEM INVESTOR PRESENTATION

Date | September 23, 2021

BACHEM

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AGENDA

- Company snapshot
- Summary of market opportunity
- Historical financial track record and recap on H1 2021
- Update on growth strategy

COMPANY SNAPSHOT

BACHEM



LEADING PARTNER IN TIDES

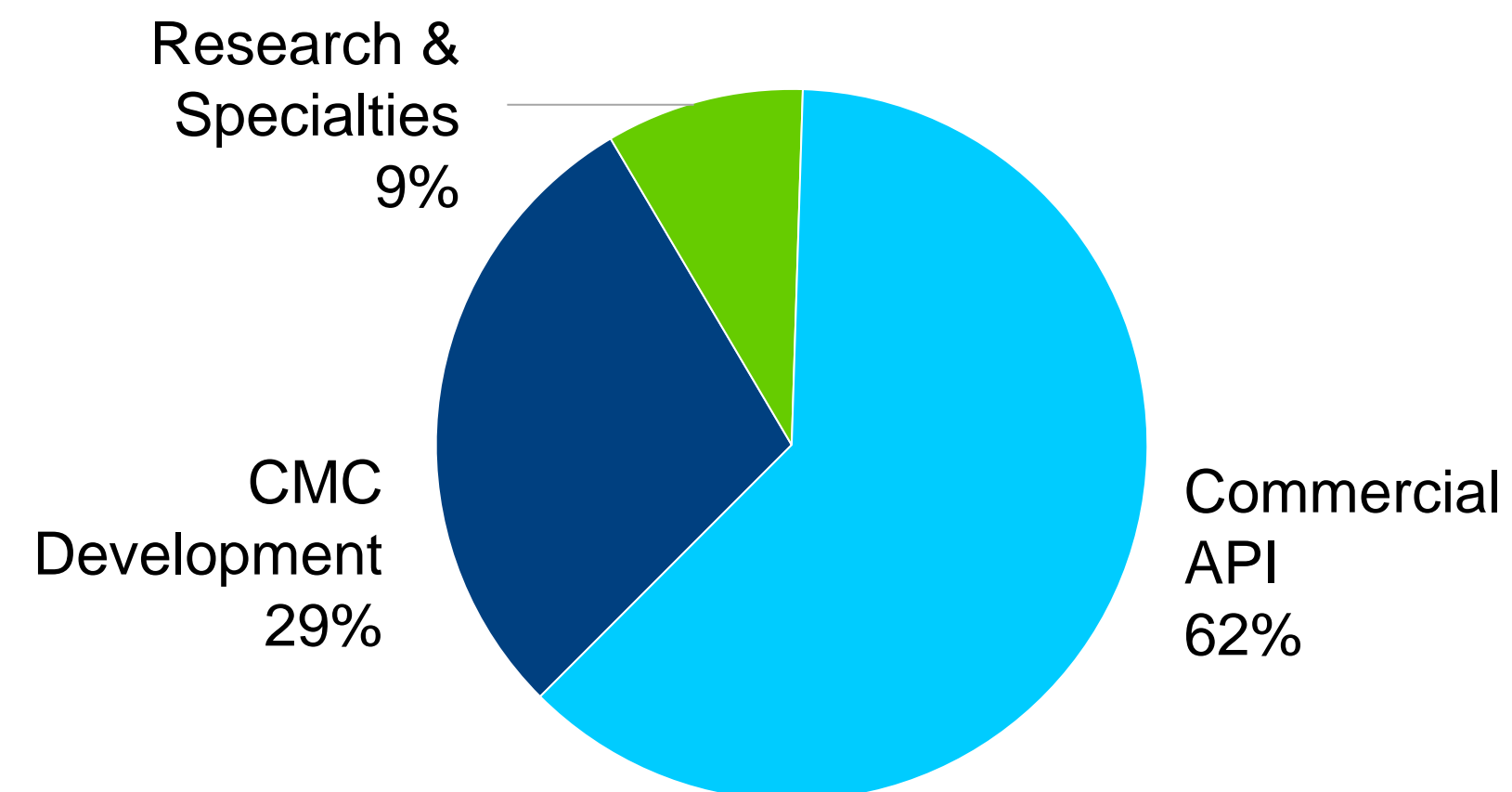
- We are the **world leading Peptide CDMO**, with **growing presence in Oligonucleotides**
- **1 600+ employees** across **six locations worldwide** (Europe, America and Asia)
- **50 years of Bachem** – founded by Peter Grogg in 1971
- **Listed in Switzerland** since 1998

WHAT WE DO

- Peptides and oligonucleotides are **complex biomolecules** that open up so far **undruggable therapeutic targets**
- We provide products for **research, clinical development and commercial** application to **pharma and biotech** customers

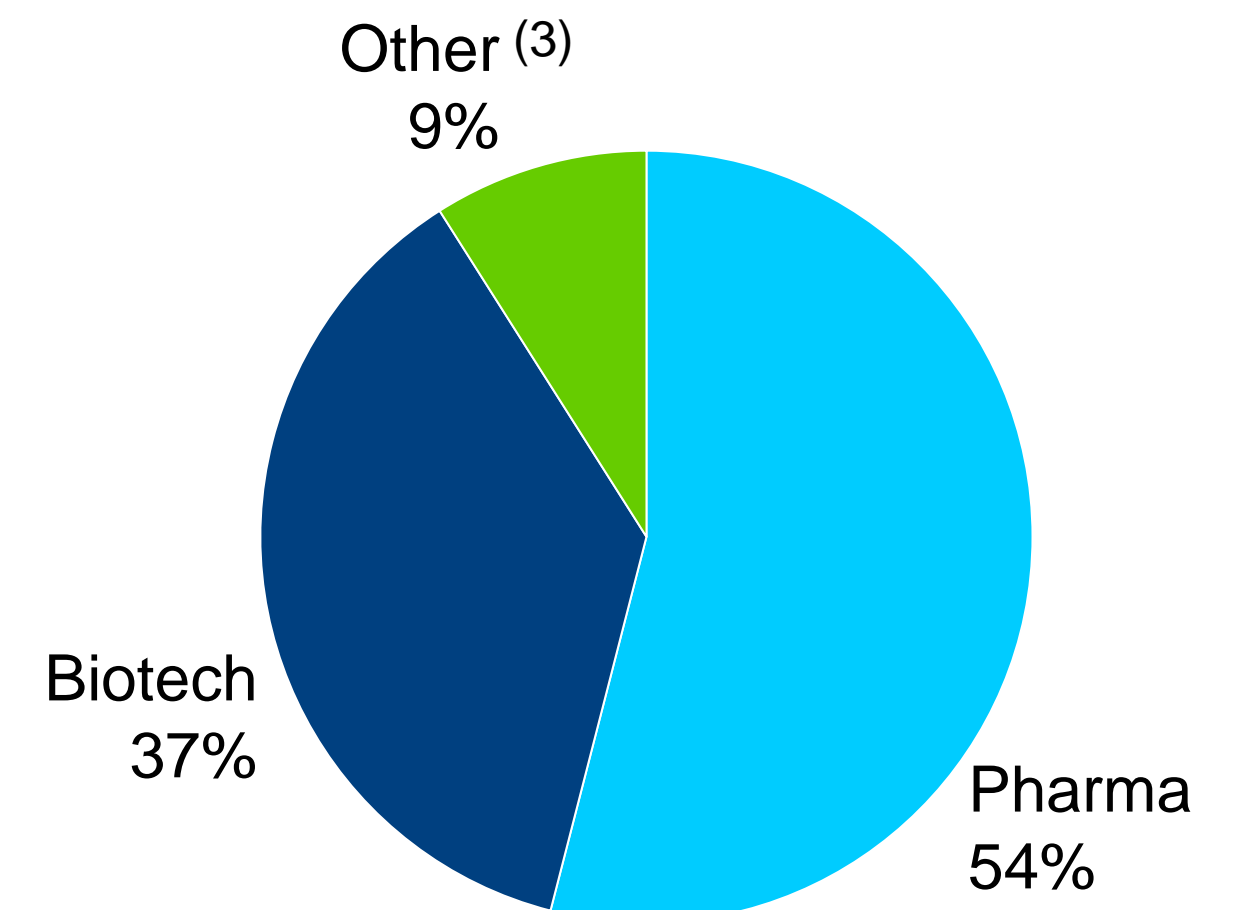
PRODUCT MIX

AS OF H1 2021 ⁽¹⁾



CUSTOMER MIX

AS OF FY2020 ⁽²⁾



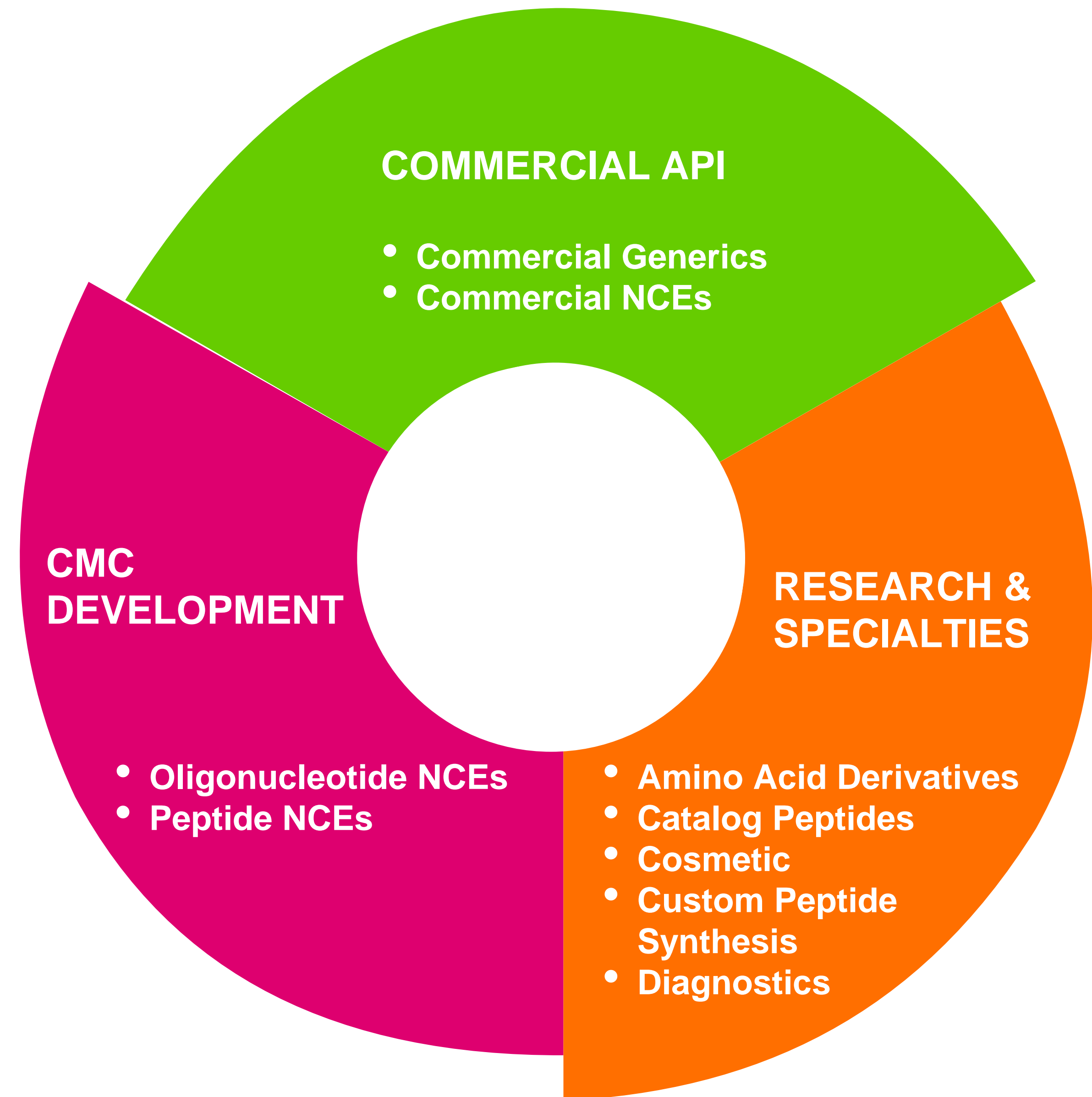
Source: Company information

Notes: 1) New product split by revenue, as of H1 2021

2) By revenue, as of FY 2020

3) Other includes: Distributors, Academia, Diagnostics, Cosmetics, among others

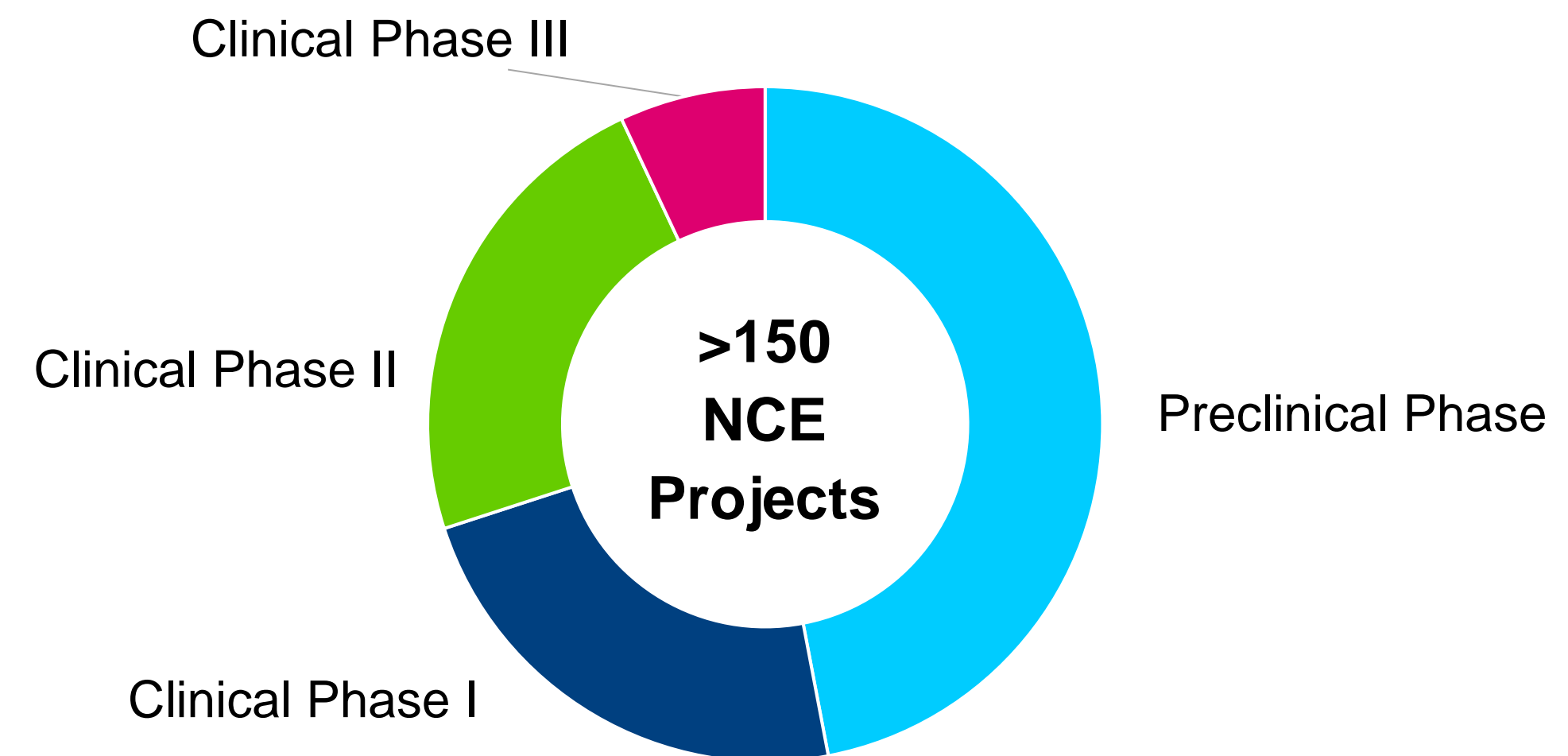
OUR PRODUCT CATEGORIES



INNOVATION MATTERS

- NCE ⁽¹⁾ **pipeline with >150 projects**
- Focused **oligonucleotide product extension**
- Increasing **demand of synthetic vs. recombinant** manufacturing
- Growth driven by **expanding NCE pipeline** and new market approvals

NCE PIPELINE ⁽²⁾

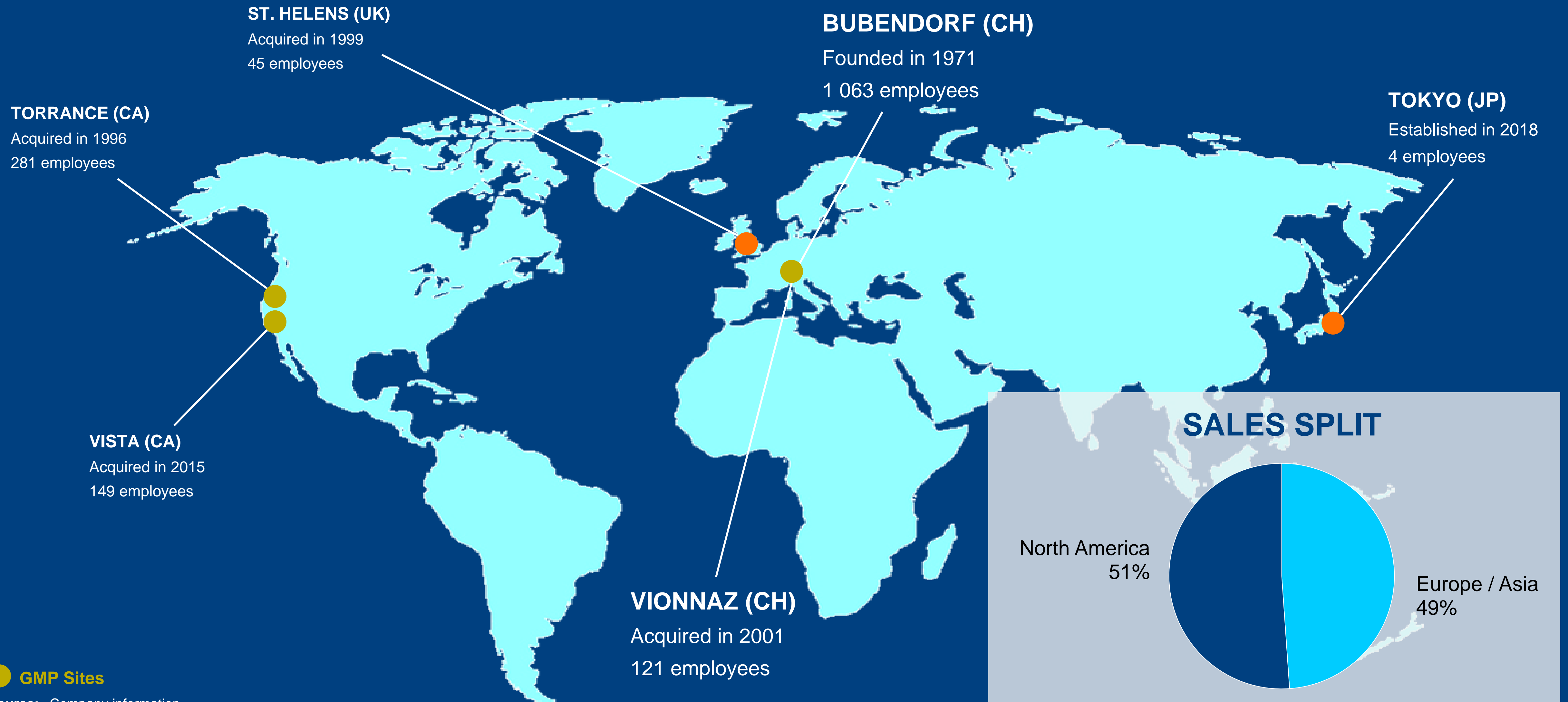


Source: Company information

Notes: 1) NCE = New Chemical Entity

2) Status June 2021

OUR GLOBAL FOOTPRINT (1)



Source: Company information

Note: 1) As of H1 2021

SUSTAINABILITY DRIVEN BUSINESS MODEL

Bachem’s commitment to making an ongoing contribution to key UN SDGs is manifested by ambitious and tangible sustainability targets



Energy Consumption

- Reduce energy consumption per FTE by 20% by 2026



Global Greenhouse Gas Emissions

- Halve GHG emissions per FTE by 2026
- Achieve climate neutrality by 2030



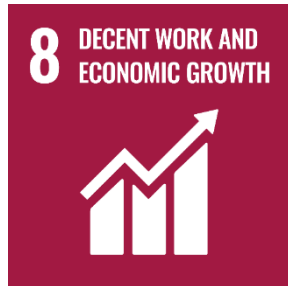
Occupational Health & Safety

- Reduce Lost Time Incident Rate to ≤ 1.0 by 2026



Diversity and Equal Opportunity

- Increase proportion of women in workforce & management by 10% by 2026
- Reflect the local communities we are part of in Bachem’s workforce



*Sustainability Management at all sites
examined through EcoVadis: Silver Medal (Top 25%)*



SUMMARY OF MARKET OPPORTUNITY

BACHEM

STRONG DEMAND FOR PEPTIDES CONTINUES

LARGE END MARKET

\$36 billion

*Peptide Therapeutics
Market 2020 ⁽¹⁾*

ATTRACTIVE GROWTH

+9%

2020-23E CAGR ⁽¹⁾

Long-Term Growth Drivers

...**Ageing** population

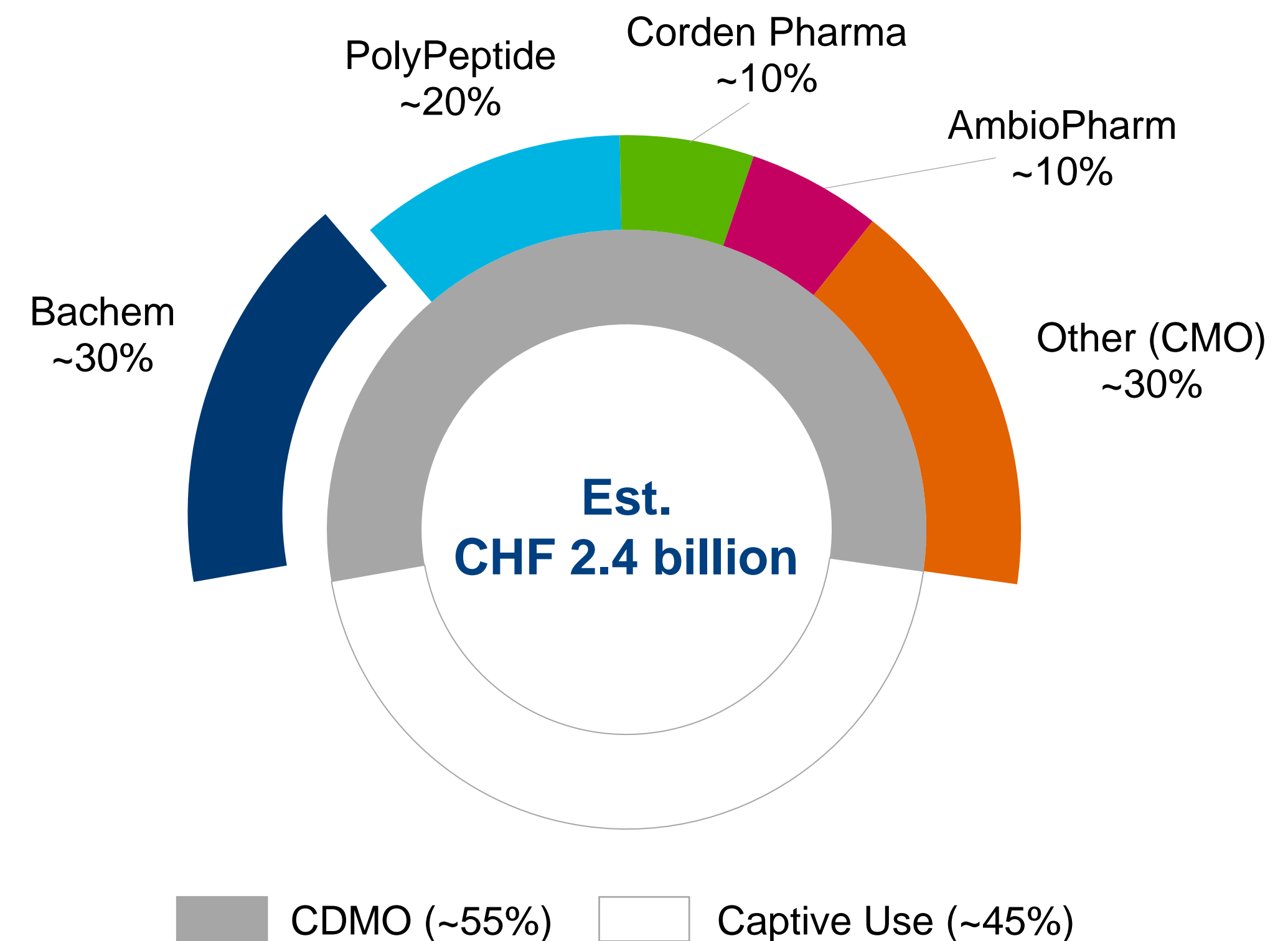
...**Outsourcing** trend in Pharma
and Biotech

...**New applications** and product
approvals

...**New formulations**

Global API Peptide Market ⁽²⁾

Estimated Market Shares



Sources: 1) Technavio - Global Peptide Therapeutics Market (2019-2023)

2) Company internal estimates as per FY 2020

THE OLIGONUCLEOTIDES OPPORTUNITY



Oligonucleotides are short single or double-stranded fragments of DNA or RNA

~\$900M

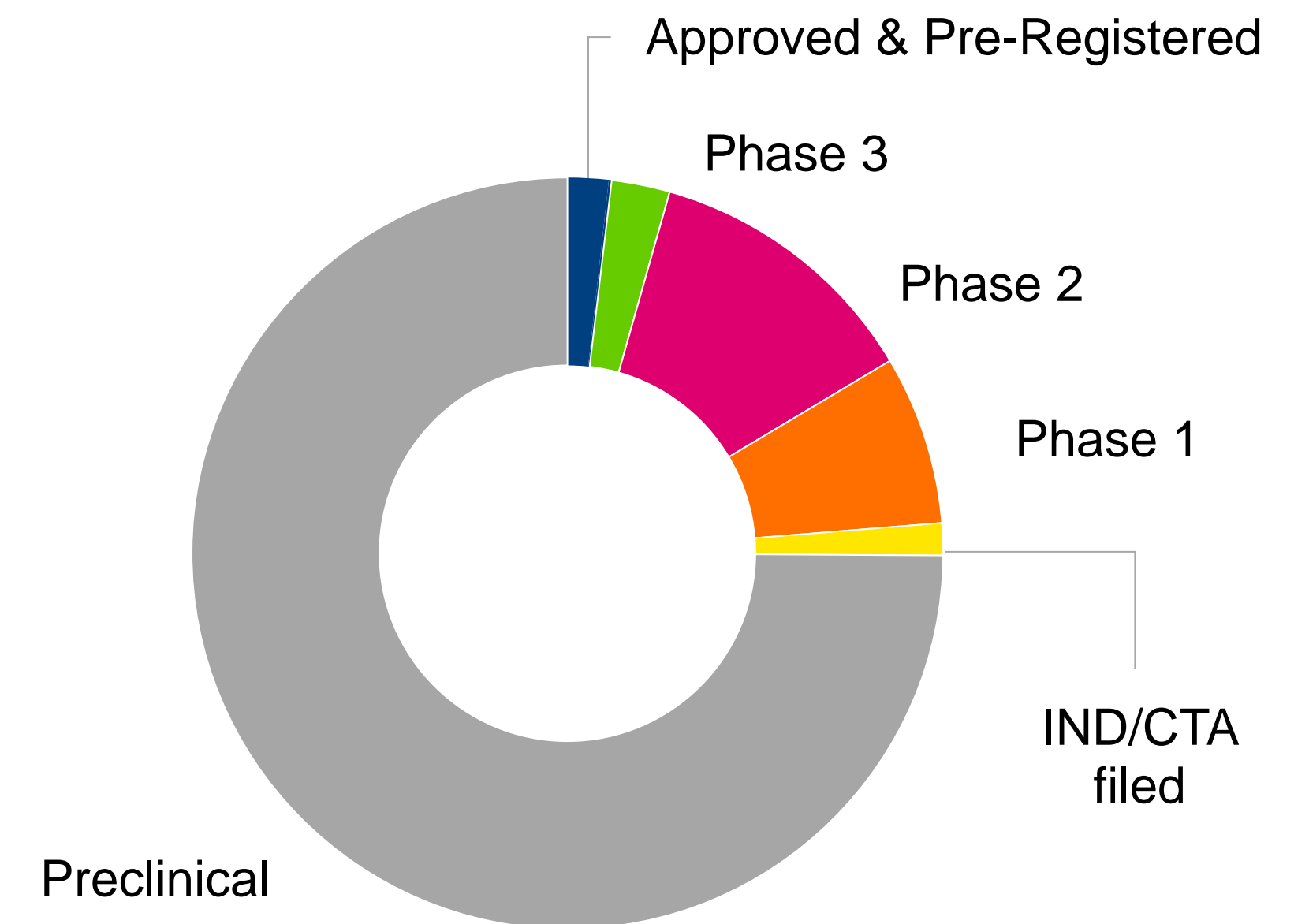
**Global market for
Oligos API ⁽¹⁾**

10-20%

**Est. market
growth p.a. ⁽¹⁾**

- **Strong synergies** with peptides
- **Leading CDMOs** currently **Agilent** and **Aji-Bio**
- **800 Oligo products** in NCE Pharma pipeline, with **14 already launched**

800 Oligos in Pipeline ⁽²⁾



Sources: 1) Study commissioned by Bachem from embs; market size as of FY 2020

2) Global Data, status January 2021



OLIGONUCLEOTIDES ON THE PATH TO SUCCESS

Today

- Oligo business successfully **launched from mid-2010s on**
- **Full-service** manufacturer for all **clinical phases and commercial supply**
- **FDA-approved** manufacturing facilities in Switzerland and USA
- **New manufacturing capacity** to go online by end of Q4 2021

Strategic Ambition

- Development of a **second strategic pillar** next to peptides
- **Expanding** commercial activities
- Mid-term goal of **CHF 100 million sales** and positioning among **top 3 oligo CDMOs** globally

HISTORICAL FINANCIAL TRACK RECORD AND H1 RECAP

BACHEM

2020 FINANCIAL HIGHLIGHTS

**First-time sales of
> CHF 400 million**

**14% sales CAGR
from 2016-20**

CHF 123 million EBITDA

> 30% EBITDA margin

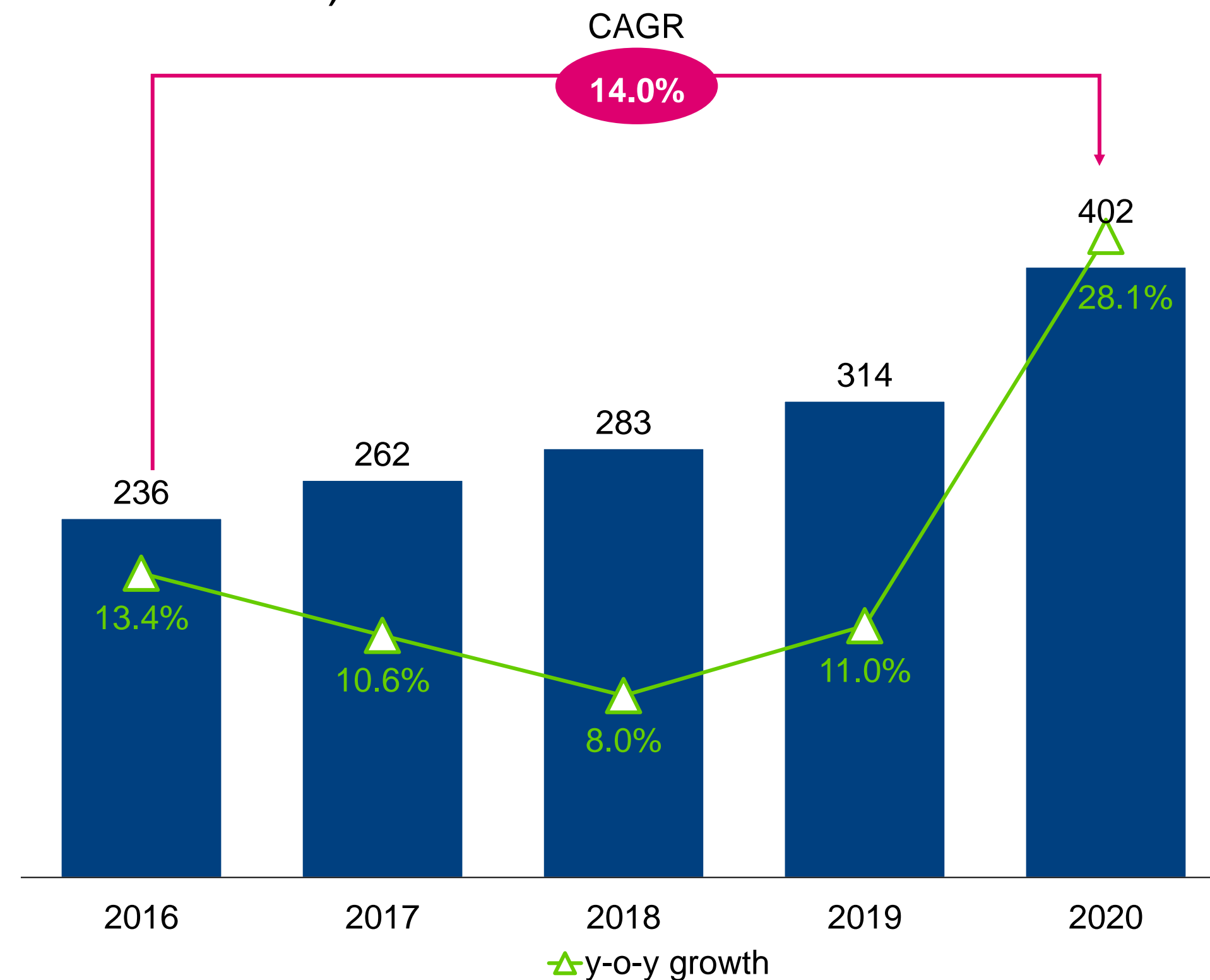
**CHF 115 million
operating cash flow**

**> CHF 500 million
investment planned for
2022-26**

STRONG REVENUE GROWTH ACROSS ALL PRODUCT CATEGORIES AND REGIONS

Sales

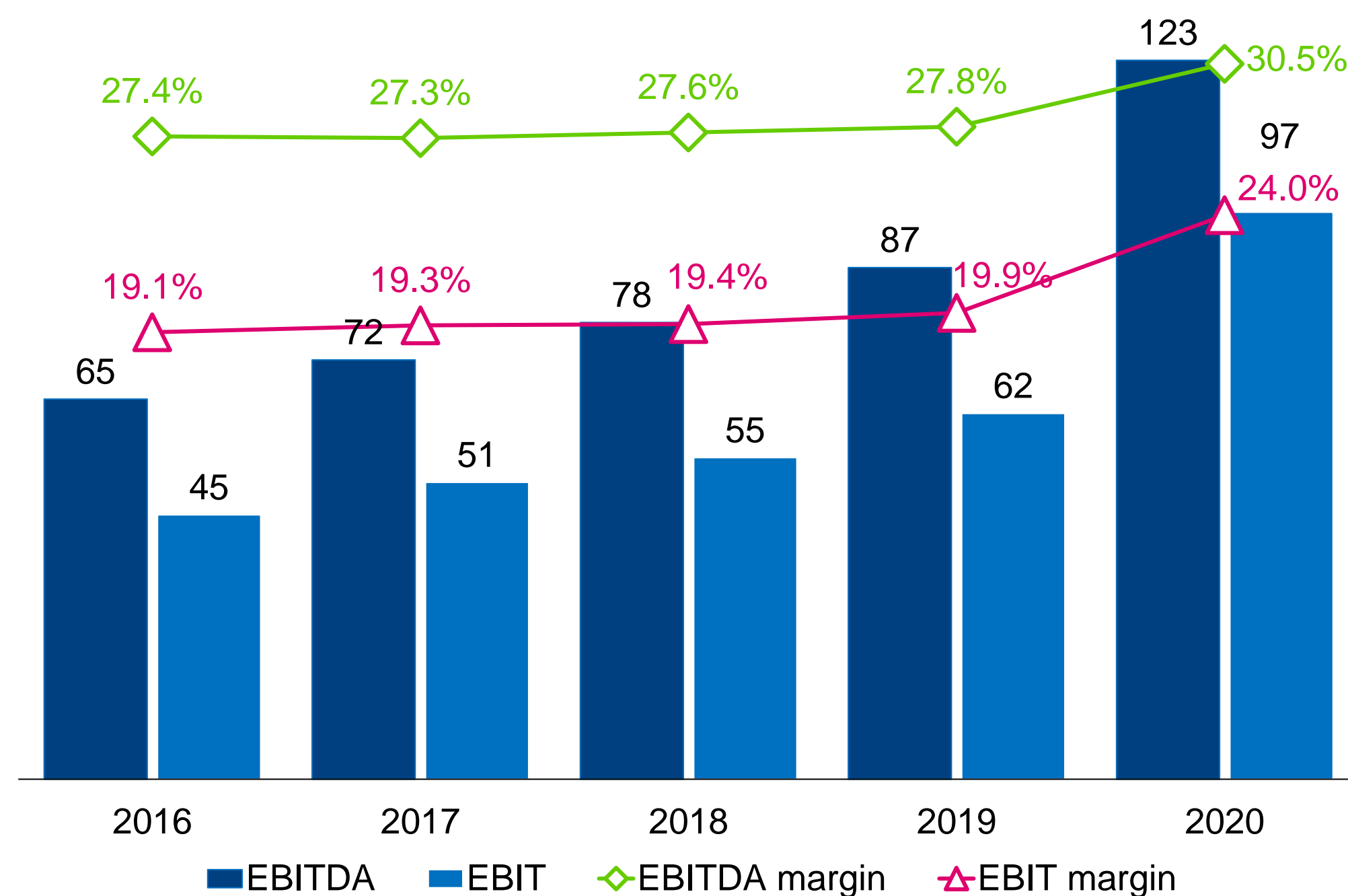
(in CHF million)



- **Capital increase in 2019 laid foundations for expansion of production capacity to capture sector growth trends**
- **Strong average annual growth of 14.0% (2016-2020)**
- **Excellent results in 2020:**
 - First-time sales of > CHF 400 million
 - **Growth in all product categories and geographical segments**
 - **North America increased by almost 50% (in USD)**

CONTINUOUSLY IMPROVING MARGINS

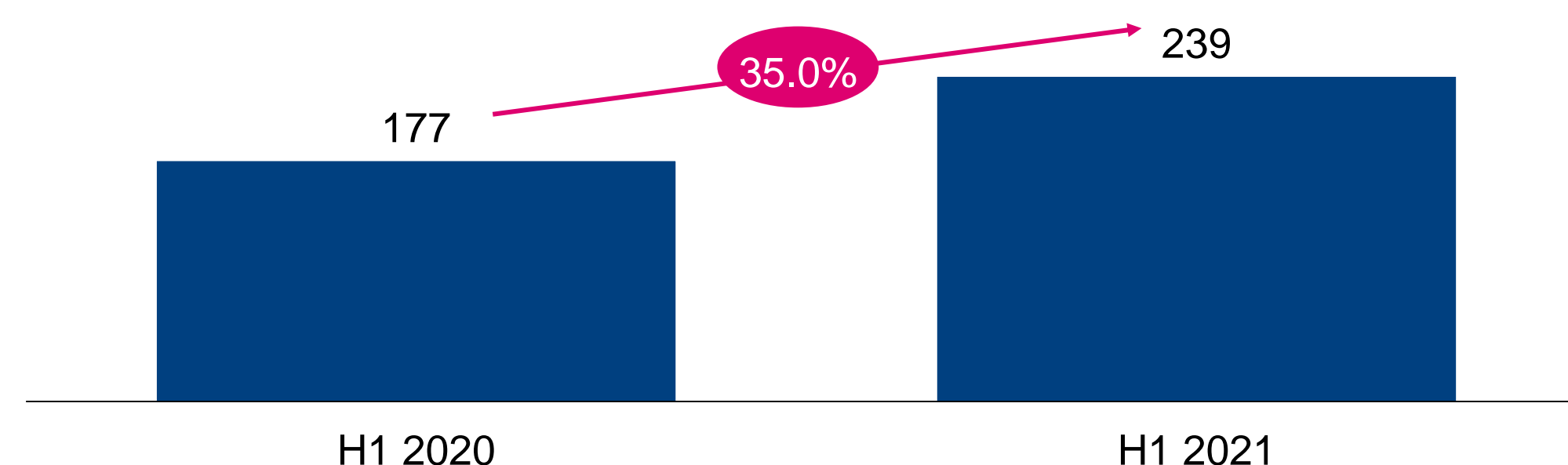
EBIT(DA)
(in CHF million)



- **Improving profitability margins**, with strong boost in 2020 on EBIT level
- **Ramping-up of “Operational Excellence”** allowed for stronger COGS improvement
- **Favourable product mix** positively affecting margins
- Despite rising personnel costs and regulatory requirements, **2020 profitability rose disproportionately to sales**

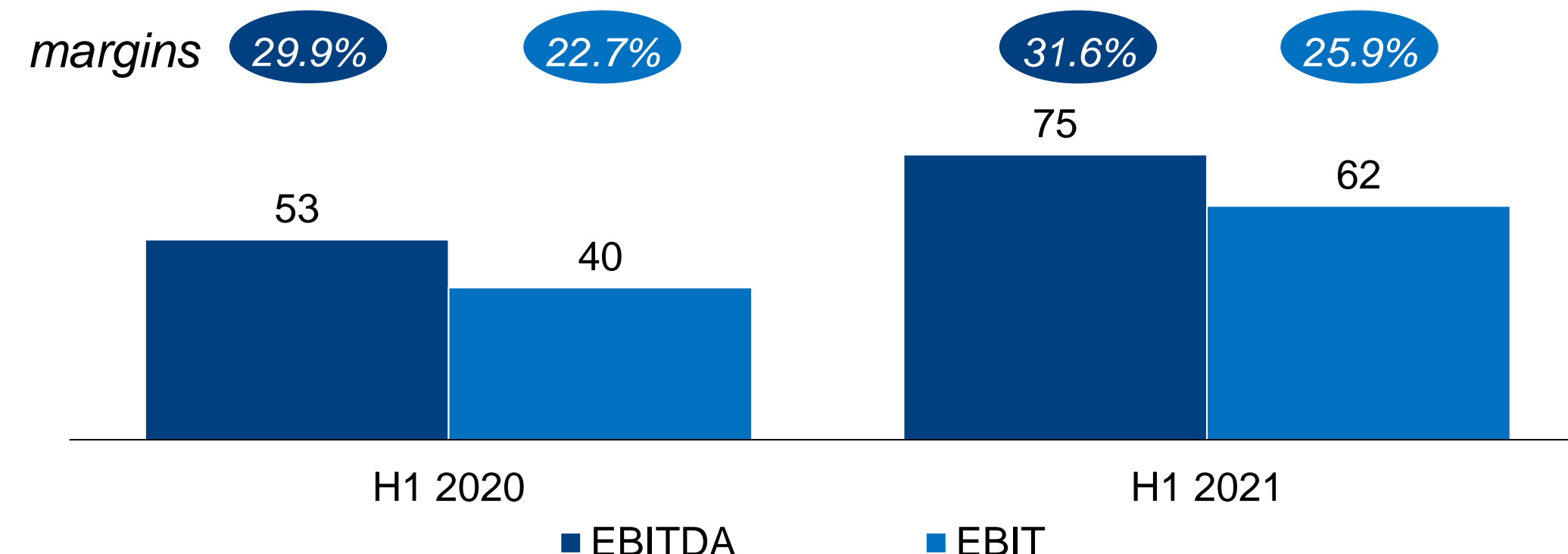
FURTHER STRONG GROWTH AND HIGH PROFITABILITY IN H1 2021

Sales (in CHF million)



- **H1 2021 Sales of CHF 239.1 million (+ 35.0%)**
- Growth across **all product categories & geographies**
- **Growth driven by Commercial API (62.0% of sales), CMC (28.6% of sales) and Research & Specialties (9.4% of sales)**
- **Stronger balance between Europe/Asia (48.9% of sales) and North America region (51.1% of sales)**

EBIT(DA) (in CHF million)



- **H1 2021 EBITDA and EBIT of CHF 75.5 million (+ 42.5%) and CHF 61.9 million (+ 53.9%), respectively, with percentage growth ahead of sales**
- Main driver of the **EBIT margin improvement to 25.9%** came from **efficiency gains in COGS**

UPDATE ON GROWTH STRATEGY

BACHEM

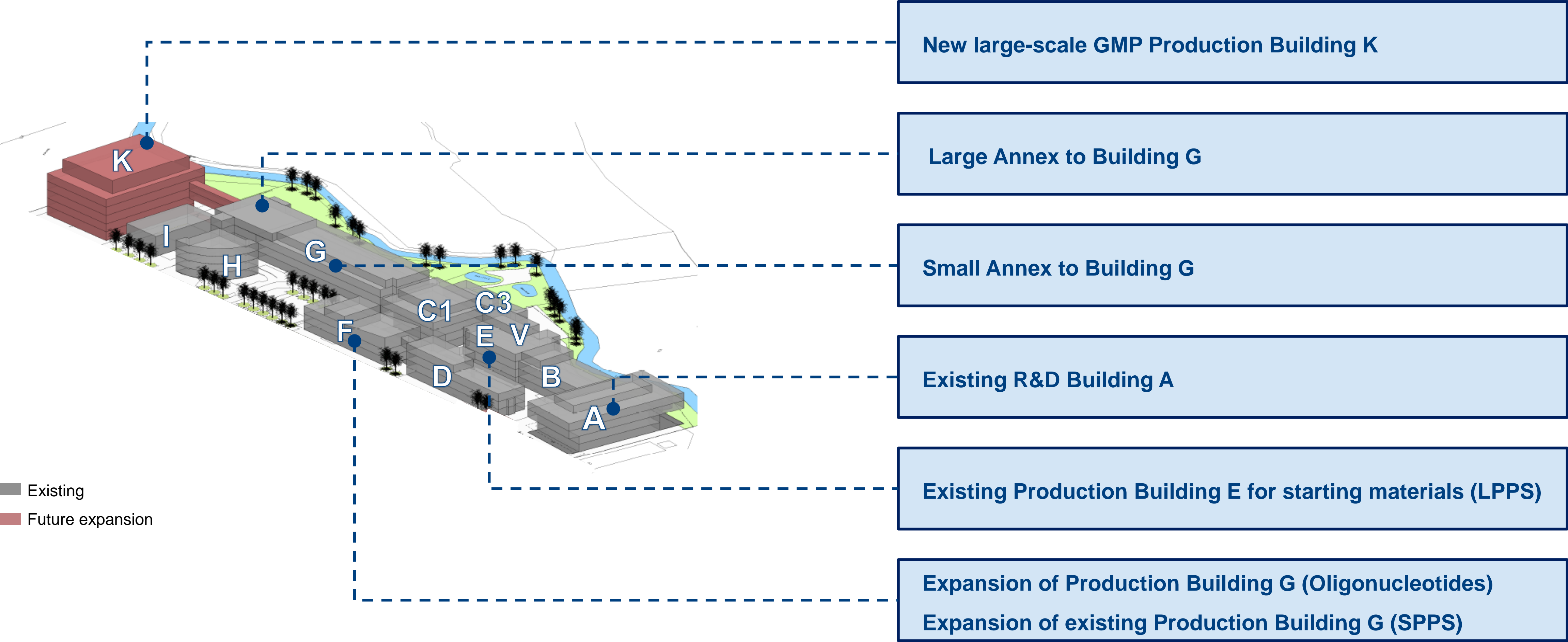
BACHEM: A LONG-TERM SUCCESS STORY



SUBSTANTIAL CAPEX PROGRAM

- **Capex > CHF 500 million over next five years**
 - Ongoing **capacity expansion across all sites and businesses**
 - Further invest in:
 - construction of hitherto **largest manufacturing facility in Bubendorf**
 - expansion of **automated manufacturing solutions** as well as **equipment and technology across all its sites**
 - Enhance **ability to produce both peptides and oligonucleotides**
-
- In addition, establish new **independent manufacturing site in Switzerland** (with own quality control, maintenance, storage, etc.) to secure longer-term capacity
 - Search for respective site initiated

BUBENDORF – ONGOING AND PLANNED CAPACITY EXPANSION / SITE DEVELOPMENT*



*Bachem-held real estate & buildings only.

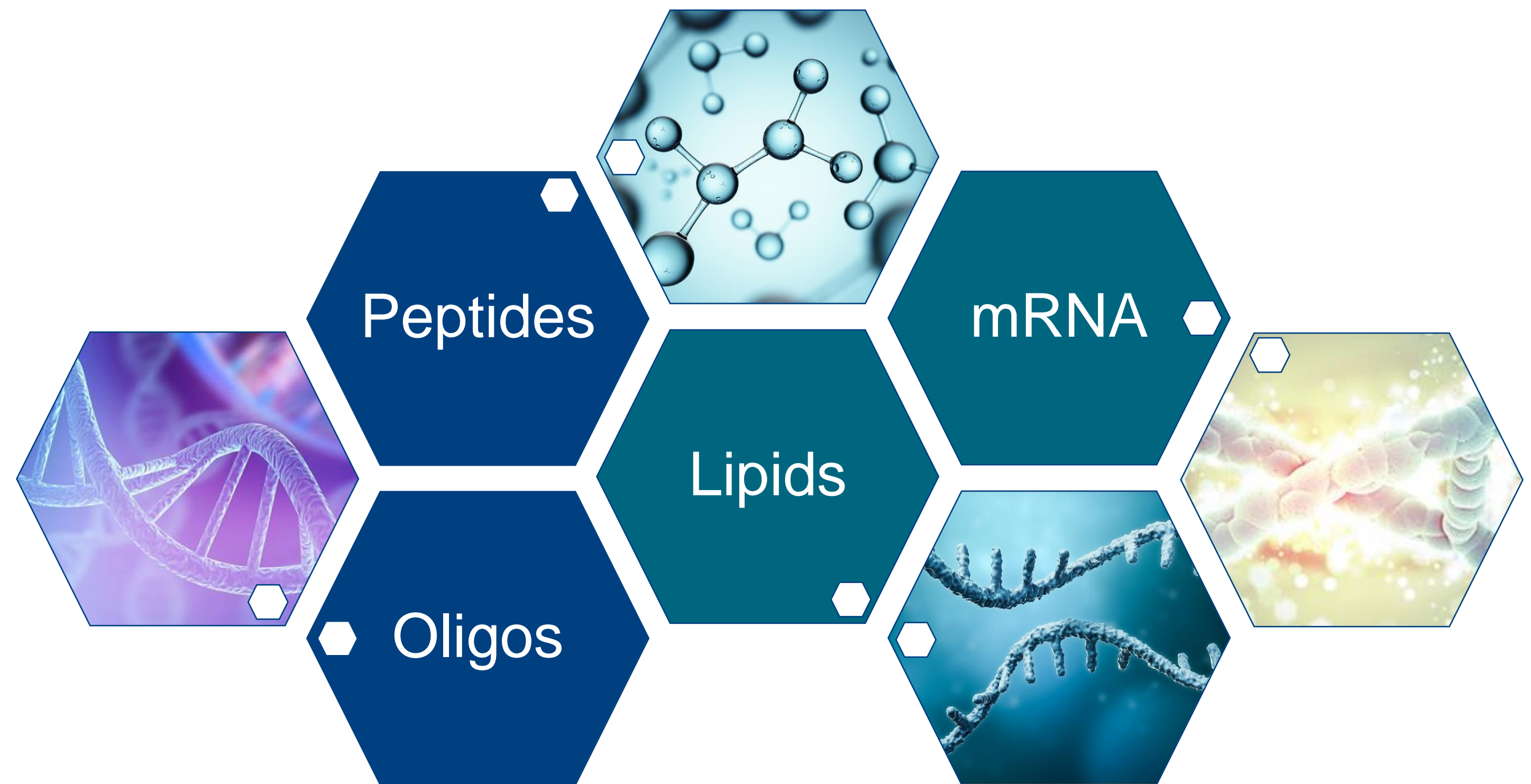
POTENTIAL AVENUES TO ACCELERATE GROWTH VIA M&A AND/OR TECHNOLOGY SYNERGIES

SELECTION CRITERIA

- + Strategic fit
- + Market potential
- + Technological barriers to entry
- + Growth profile
- + Profitability
- + Buy vs. Develop

EXISTING MARKETS

POTENTIAL GROWTH AREAS



EXTRAORDINARY GENERAL MEETING

- Proposal to the Extraordinary General Meeting of Bachem for a change in the articles of association and creation of authorized capital authorizing the board of directors to issue **up to 1 million new shares**
- The authorized share capital represents **approx. 7% of currently issued share capital**
- The capital increase **will increase the free float, enhance the trading liquidity of Bachem shares and expand the shareholder base**