

Ad hoc announcement pursuant to Art. 53 LR of the Swiss stock exchange SIX

Bubendorf, March 7, 2024

Bachem continues to grow and increases dividend

- Group sales rise to CHF 577.3 million (+8.6%) in 2023.
- EBITDA at CHF 166.7 million (+3.9%) with a margin of 28.9%.
- Strong Swiss franc: In local currencies sales growth is 12.8% and EBITDA-margin 30.5%.
- Total investments of CHF 269.0 million and net creation of 230 new positions.
- Board of Directors proposes an increase of the dividend by CHF 0.05 to CHF 0.80 per share.

	2023	2022	Changes in	
			CHF	LC
Sales (in CHF million)	577.3	531.7	+ 8.6%	+ 12.8%
EBITDA (in CHF million)	166.7	160.5	+ 3.9%	+ 13.9%
EBITDA margin	28.9%	30.2%		
EBIT (in CHF million)	129.4	127.2	+ 1.7%	+ 14.1%
EBIT margin	22.4%	23.9%		
Net income (in CHF million)	111.9	100.7	+ 11.1%	
Net income margin	19.4%	18.9%		
Earnings per share (in CHF)	1.50	1.37	+ 9.7%	
Cash flow from operating activities (in CHF million)	249.9	92.6	+ 169.7%	
Return on equity	9.0%	8.8%		
Number of employees (in full-time equivalents)	2 006	1 776		
Sales per employee ¹ (in CHF)	312 000	319 000		

¹ Basis: average full-time equivalents excluding apprentices.

Thomas Meier, CEO of Bachem, on the results of fiscal year 2023:

"Thanks to a strong order volume and operational measures, we were able to significantly increase sales and EBITDA in the second half of the year and thus achieve a good overall result for 2023. A paradigm shift is taking place in our industry. Peptides as active pharmaceutical ingredients will no longer be niche products in the near future, but instead form the active ingredients of the best-selling drugs. With over two thousand employees, we are approaching this transformation energetically and highly motivated. We are engaged in a broad expansion of our production capacities and strengthening the necessary process capabilities."

Group results

The Bachem Group (SIX: BANB) increased sales in Swiss francs by 8.6% to CHF 577.3 million in 2023. In local currencies, sales increased by 12.8%.

The second half of the year saw an increase of sales by 13.7% compared to the second half of last year, from CHF 296.9 million to CHF 337.5 million.

Operating income before depreciation and amortization (EBITDA) increased by 3.9% to CHF 166.7 million (local currencies: +13.9%). This results in an EBITDA margin of 28.9% (2022: 30.2%). In local currencies the EBITDA margin was 30.5%.

Due to one-time payments resulting from efficiency measures at the US sites in the first half year, the income statement contains one-time costs of CHF 1.5 million. Adjusted for these one-time costs, EBITDA is CHF 168.2 million and the EBITDA margin is 29.1%.

Operating income (EBIT) rose by 1.7% to CHF 129.4 million (local currencies: +14.1%). The EBIT margin in the reporting year was 22.4% (2022: 23.9%), primarily due to increased depreciation and amortization resulting from the commissioning of investments.

Net income is CHF 111.9 million (+11.1%) with a margin of 19.4% (2022: 18.9%).

Sales by product category

Bachem achieved sales of CHF 309.0 million (2022: CHF 298.8 million, +3.4%) with commercial active ingredients. A decline in sales of commercial oligonucleotide products was successfully compensated for by growth in patented and generic peptides.

In the clinical medicines category (CMC Development), sales increased to CHF 227.5 million (2022: CHF 185.8 million, +22.4%) driven by strong peptide- as well as oligonucleotide-based development projects.

Due to the high demand for production capacity for active pharmaceutical ingredients, non-medical projects with small peptide volumes were temporarily not prioritized. Business with research chemicals and specialty products (Research & Specialties) therefore declined to CHF 40.8 million (2022: CHF 47.1 million, -13.5%).

Investment program for capacity expansion and long-term order situation

Bachem is pursuing an investment program to expand capacity at all sites. CHF 269.0 million were invested in 2023. A new manufacturing site is currently planned in Sisslerfeld in the Swiss municipality of Eiken. A portion of land was purchased in the first half of 2023 and a development plan for the site has been submitted.

Bachem began construction of the world's most advanced production plant for large volumes of peptides and oligonucleotides in 2021 (building "K") in Bubendorf. Production in building "K" is to commence in the second half of 2024 and capacity will then be expanded on a modular basis. The 2024 order volume for a large volume contract announced in 2022 will be reduced following the current commissioning plan for building "K" and deliveries will be made as best possible from existing facilities. The sales outlook for 2024 already includes this development. The overall order situation is very positive. A large portion of building "K" is already booked.

Outlook

For 2024 Bachem expects growth in local currencies in the mid- to high-single-digit percentage range. The EBITDA margin in local currencies should remain stable compared to the previous year. For 2026, the company aims for annual sales of more than CHF 1 billion and an EBITDA margin of over 30%.

The complete Annual Report 2023 can be viewed and downloaded on the Bachem website: <https://www.bachem.com/about-bachem/investors-and-media/reports-and-presentations/>

Financial Calendar

April 24, 2024	Annual General Meeting (business year 2023)
April 30, 2024	Payout date for dividend
July 25, 2024	Publication of Half-Year Report 2024
February 27, 2025	Publication of Annual Report 2024; Media and Analyst conference

About Bachem

Bachem is a leading, innovation-driven company specializing in the development and manufacture of peptides and oligonucleotides. The company, which has over 50 years of experience and expertise, provides products for research, clinical development, and commercial application to pharmaceutical and biotechnology companies worldwide and offers a comprehensive range of services. Bachem operates internationally with its headquarters in Switzerland and sites in Europe, the US and Asia. The company is listed on the SIX Swiss Exchange. For further information, see www.bachem.com.

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