

BACHEM

FULL YEAR RESULTS 2023

Date		March 7, 2024
Location		Zurich / Zoom Call
Name		Thomas Meier, Alain Schaffter



HOUSEKEEPING

At the end of the presentation there will be time for questions.

Write to us in the *Q&A section* anytime.

This call will be recorded and playback will be posted on [bachem.com](https://www.bachem.com).



SPEAKERS



Thomas Meier
CEO



Alain Schaffter
CFO



Daniel Grotzky (Moderator)
Head Group Communication



AGENDA

01

Full Year Results 2023 – Thomas Meier

02

Financial Review 2023 – Alain Schaffter

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Outlook 2024 – Thomas Meier

04

Q & A - all



FULL YEAR RESULTS 2023

Thomas Meier



KEY RESULTS 2023



Sales

- Sales of CHF 577.3m (+8.6%).
- Local currency increase +12.8%.
- Strong H2/23 with CHF 337.5m (+13.7% against H2/22).
- Key drivers CMC development (peptides & oligonucleotides) and commercial peptides.



Capacity

- Building K commissioning and start up in H2/24.
- Additional equipment building G to support key accounts during 2024.
- Sisslerfeld: site development plan handed in
- 2 006 full-time equivalent employees (+230).



Profitability

- EBITDA CHF 166.7m / margin 28.9% (29.1% adjusted).
- Local currencies EBITDA margin 30.5%.
- Proposal to increase dividend to CHF 0.80 per share (increase of CHF 0.05).



Portfolio

- CMC pipeline with 162 NCEs.
- Includes several new NCEs despite biotech funding environment.



SALES BY PRODUCT CATEGORIES (IN CHF MILLION)

in CHF million	2023	Change in CHF	Change in local currency	Sales share
Research & Specialties	40.8	- 13.5%	- 10.4%	7.1%
CMC Development	227.5	+ 22.4%	+ 27.7%	39.4%
Commercial API	309.0	+ 3.4%	+ 7.1%	53.5%
Total sales	577.3	+ 8.6%	+ 12.8%	100.0%



2023 SALES - TAILWINDS & HEADWINDS

Commercial API:

- Originator peptides, including first sales from strategic long-term customers.
- Generic peptides.

CMC development:

- Strong peptide project landscape.
- Strong oligonucleotide development growth.

Commercial API:

- Lower commercial oligonucleotide sales.
- Reduced demand for small molecule generics.

Research & Specialties

- Tight capacity for small-scale non-medical projects due to high API demand.



Tailwinds

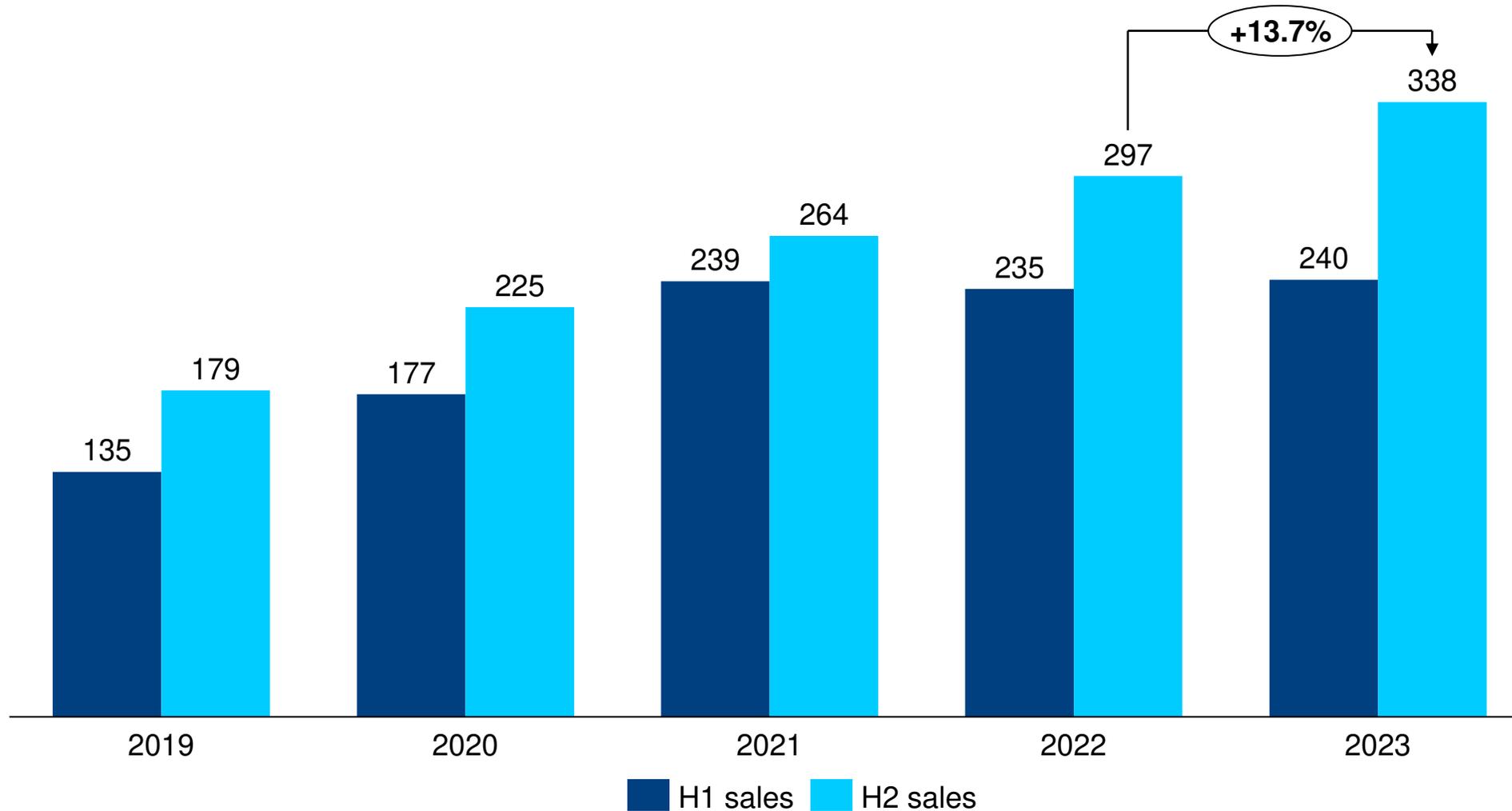


Headwinds



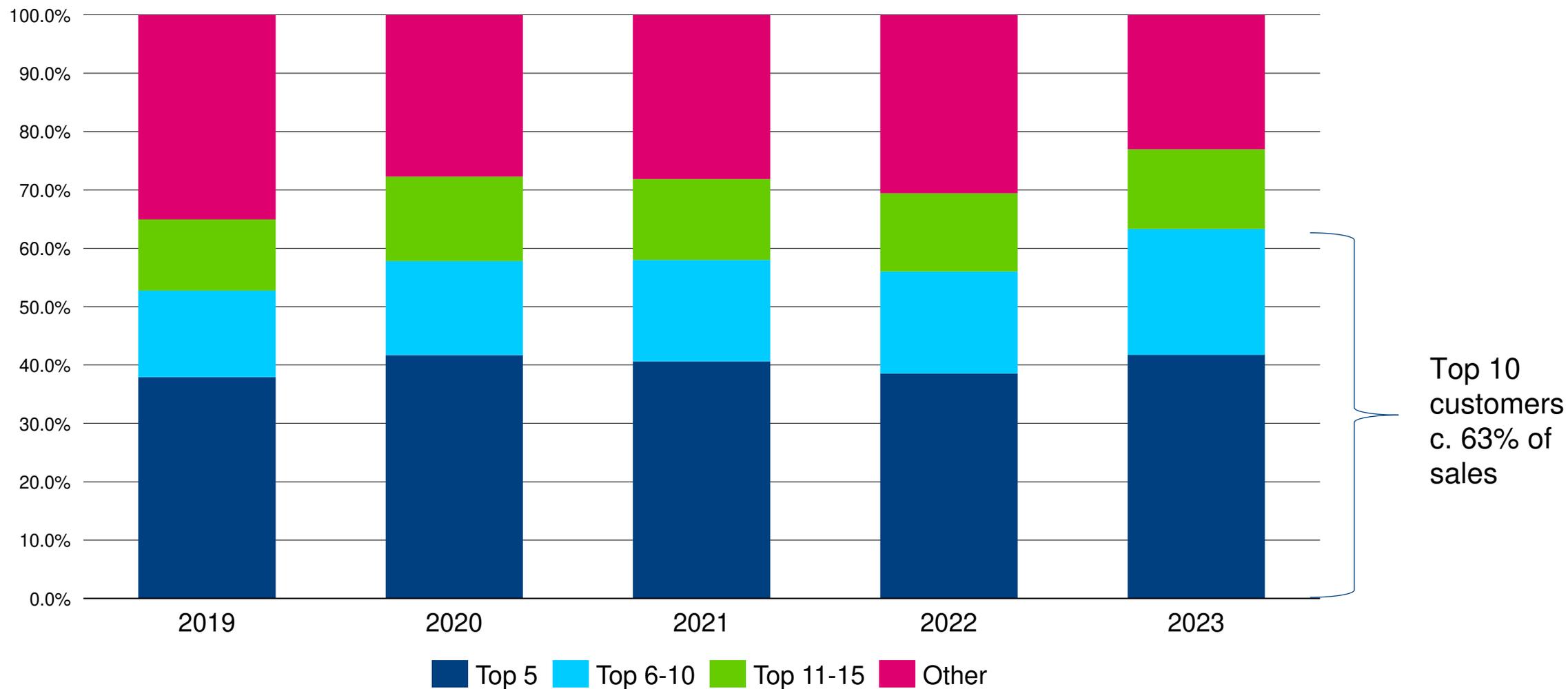
H1/H2 SALES (IN CHF MILLION)

VERY STRONG SECOND HALF DRIVES GROWTH



LARGER VOLUME PROJECTS DRIVING GROWTH

Sales distribution by customer tiers in % of sales



CMC PIPELINE UPDATE

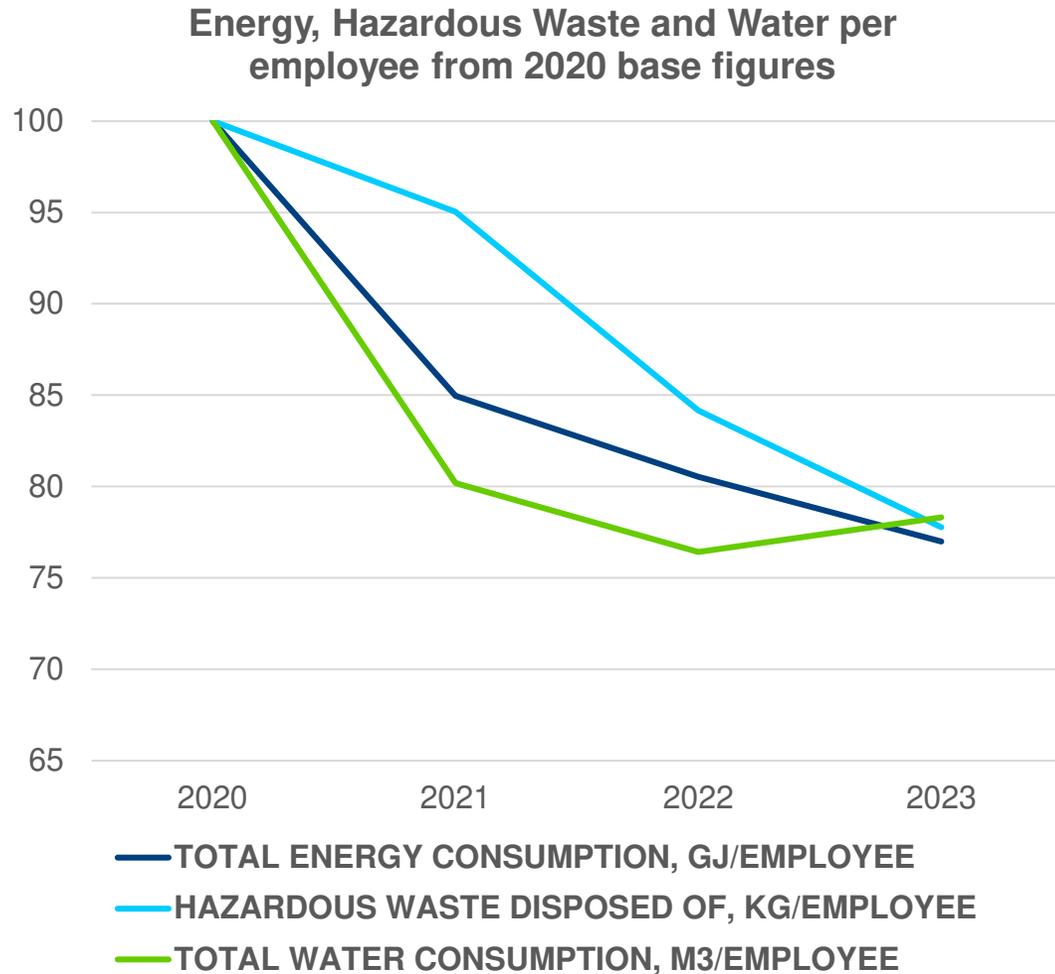
- NCE pipeline with 162 projects.
- Focused due to biotech funding environment.
- Therapy areas include metabolic diseases, oncology, neuroscience, inflammatory diseases, infectious diseases and others.

Phase	No. of projects end 2023	No. of projects end 2022
Preclinical	74	80
Phase 1	40	39
Phase 2	34	44
Phase 3	14	12
Total	162	175



SUSTAINABILITY UPDATE

REDUCING THE ENVIRONMENTAL FOOTPRINT OF GROWTH



- EcoVadis “Gold Rating” in 2023.
- Greenhouse gas disclosure via Carbon Disclosure Project (CDP) with a “B” ranking.
- Sustainable Procurement: 75% of high-medium sustainability risk partners have completed assessment.





CAPACITY EXPANSION UPDATE BUILDING K & BUBENDORF

Building K

- Shift from medium-size multi-functional TIDES equipment to large scale equipment during construction phase.
- First manufacturing lines scheduled for 2nd half 2024.

Bubendorf

- New equipment in existing buildings to support strategic customer projects.
- 24/7 shift system implemented.





CAPACITY EXPANSION UPDATE GLOBAL NETWORK & SISSLERFELD

Global network

- Vista: additional capabilities for large-scale customers planned.
- Vionnaz: production returning in staggered approach.

Sisslerfeld

- 2nd portion of land purchase in H1/2023.
- Legal entity “Bachem Sisslerfeld AG” established.
- Site development plan submitted to authorities.



FINANCIAL REVIEW 2023

Alain Schaffter



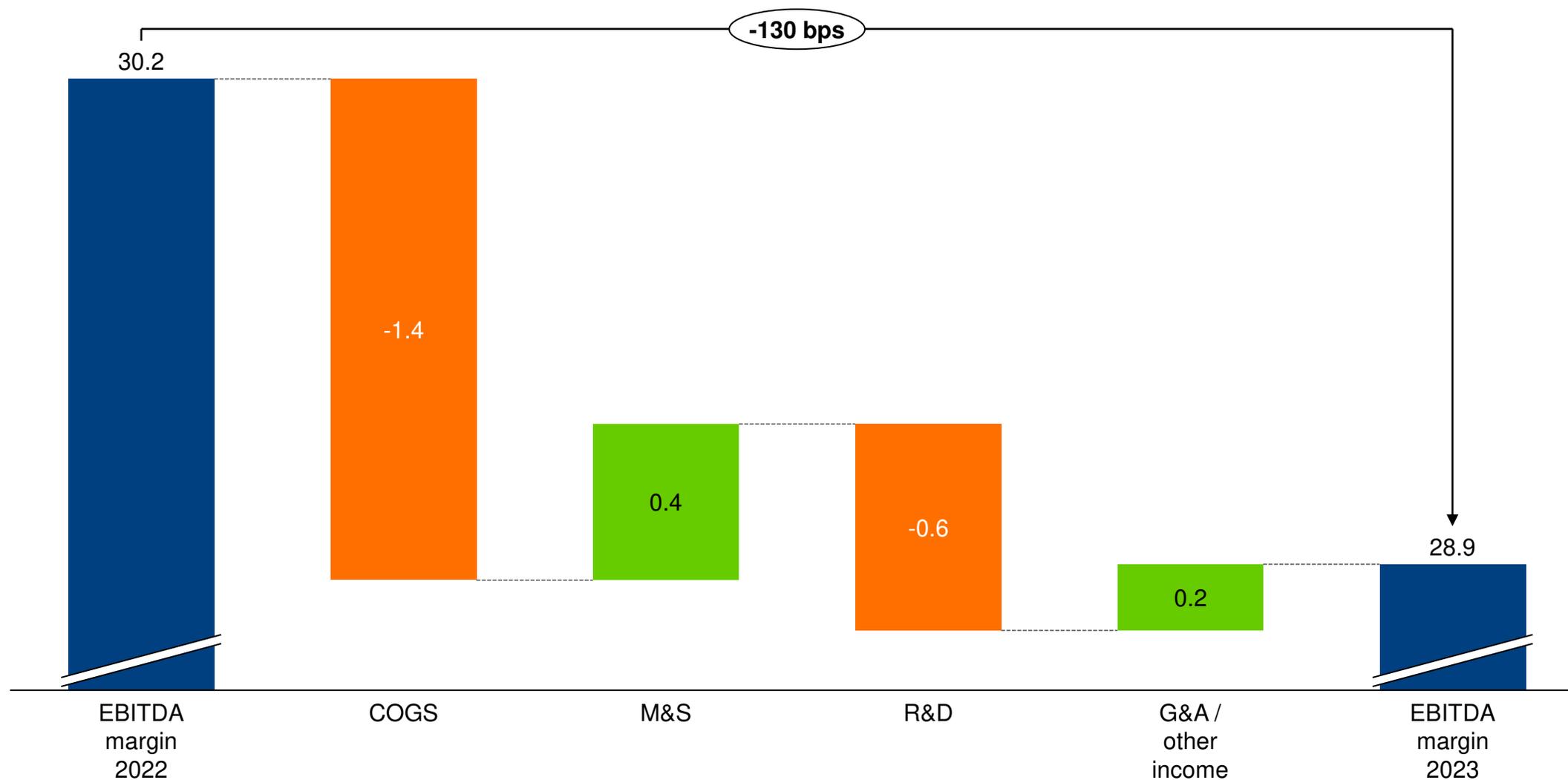
KEY FIGURES 2023

	2023	2022	Change CHF	Change in local currency
Sales (in CHF million)	577.3	531.7	+ 8.6%	+ 12.8%
EBITDA (in CHF million) <i>in relation to sales</i>	166.7 28.9%	160.5 30.2%	+ 3.9%	+ 13.9%
EBIT (in CHF million) <i>in relation to sales</i>	129.4 22.4%	127.2 23.9%	+ 1.7%	+ 14.1%
Net income (in CHF million) <i>in relation to sales</i>	111.9 19.4%	100.7 18.9%	+ 11.1%	
Earnings per share (in CHF) ¹	1.50	1.37	+ 9.7%	
Cash flow from operating activities (in CHF million)	249.9	92.6	+ 169.7%	
Number of employees (in full-time equivalents)	2 006	1 776		

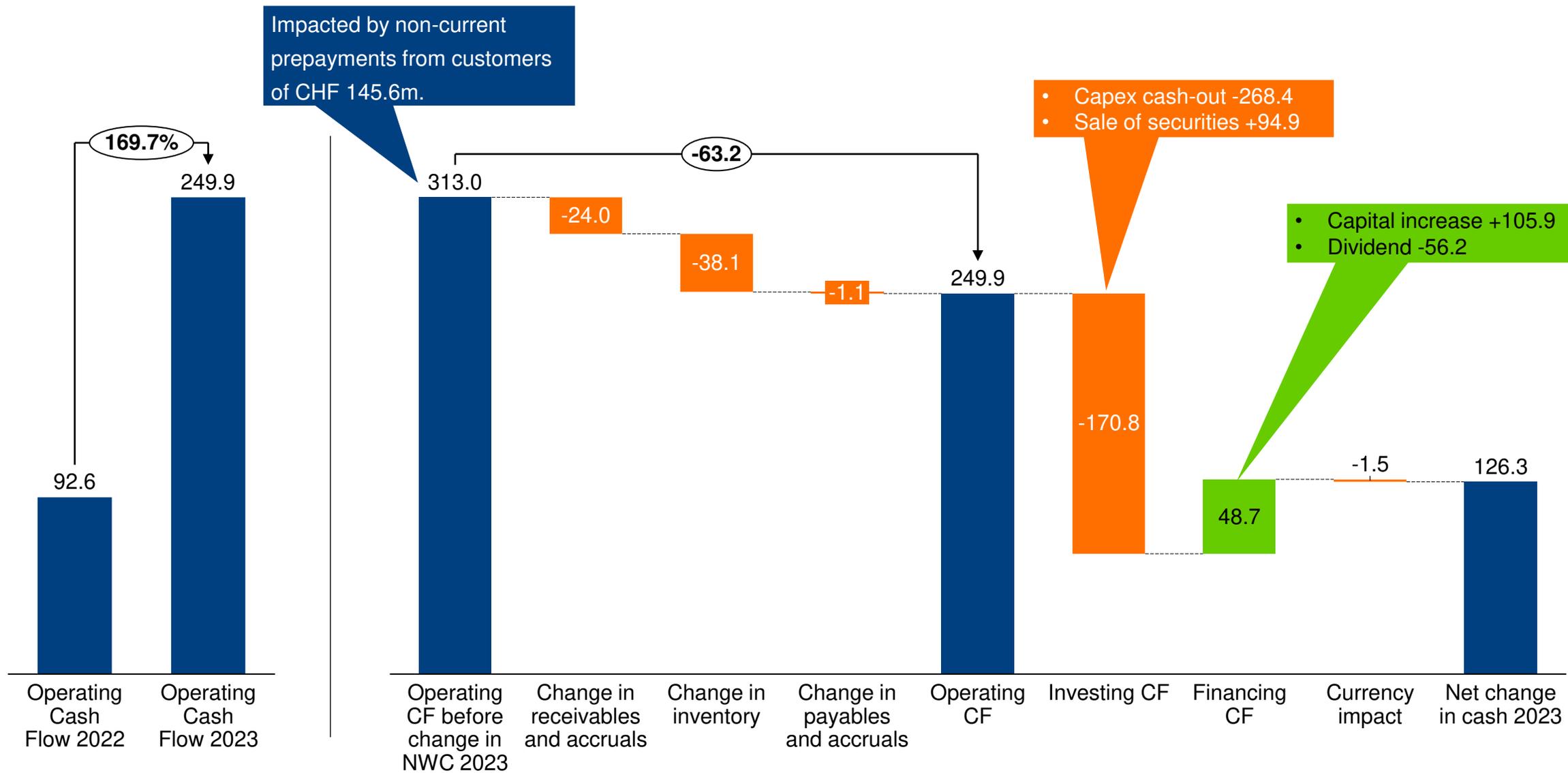
¹ Earnings per share are diluted by the effect on the weighted average due to the capital increase in March 2023.



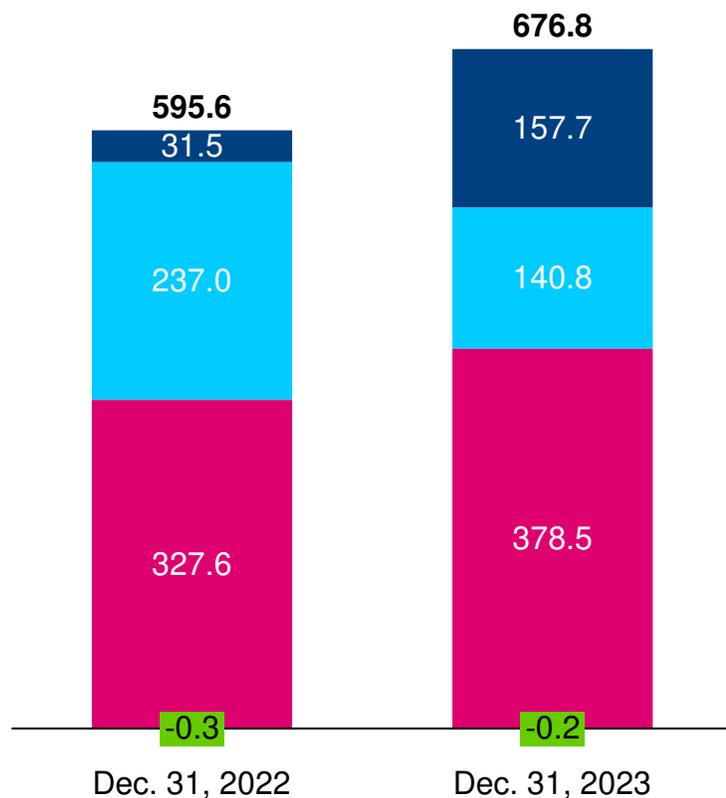
DRIVERS OF EBITDA MARGIN (IN %)



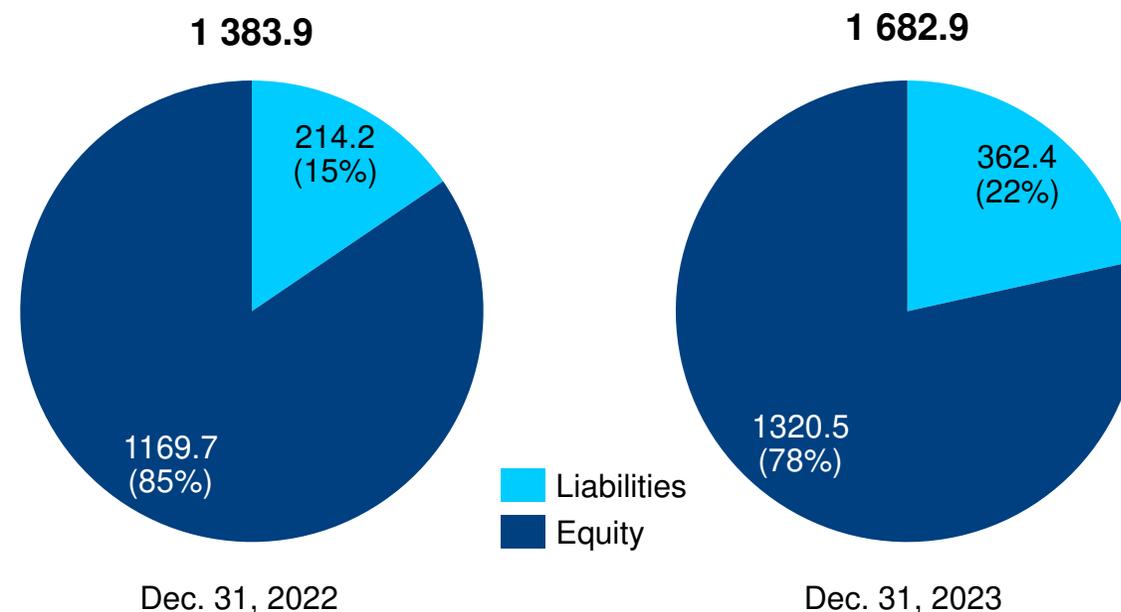
CASH FLOW ANALYSIS (IN CHF MILLION)



BALANCE SHEET ANALYSIS (IN CHF MILLION)



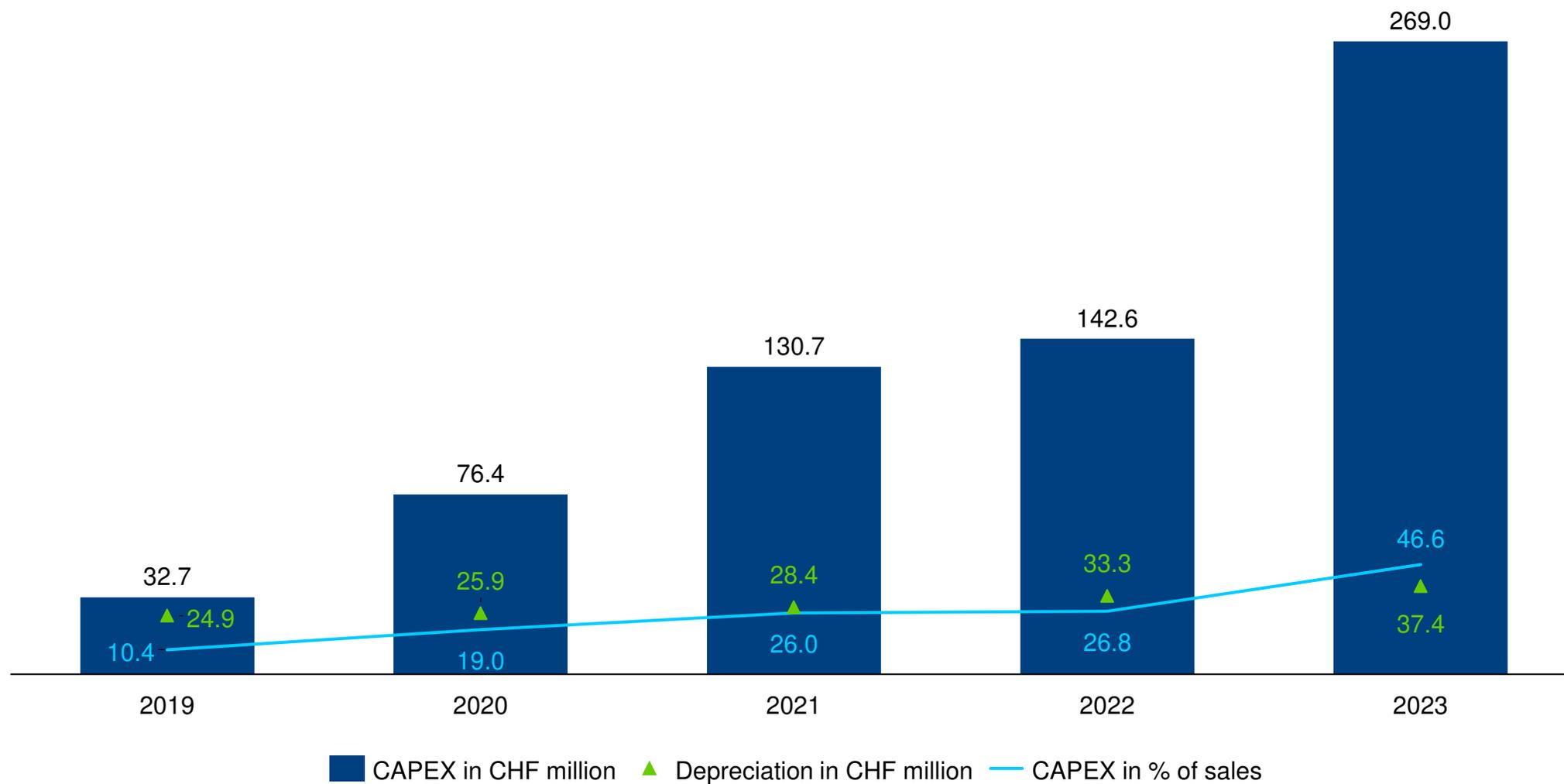
- Cash and cash equivalents
- Securities
- Current financial liabilities
- Net working capital



- Liabilities
- Equity



CAPEX OVERVIEW 2019 - 2023



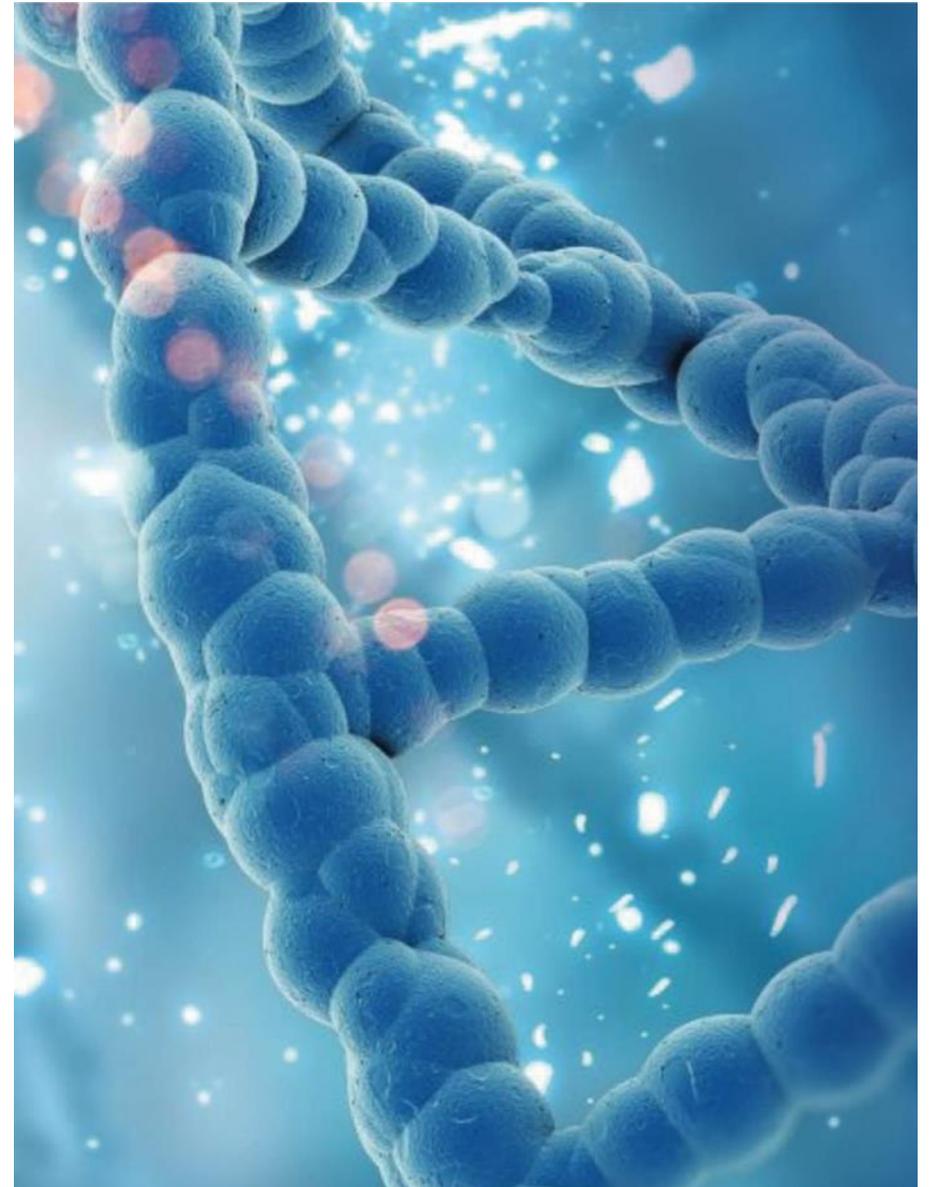
OUTLOOK 2024 AND BEYOND

Thomas Meier



OLIGONUCLEOTIDE UPDATE

- Bachem footprint across technologies: siRNA, ASOs incl. PMOs; commercial and development presence.
- Significant expansion of oligonucleotide development sales balances out reduced oligo commercial sales.
- Long-term partnerships progressing well.
- Industry-wide > 100 oligonucleotide projects in advanced clinical trials – drives need for new approaches to manage increased capacity demand.
- Bachem piloting new technology, e.g. stirred-bed technology applying peptide legacy know-how to oligonucleotides.



INCRETINS IN DIABETES/OBESITY DRIVING A TIDES PARADIGM SHIFT

Disruption in healthcare

- Incretins targeting diabetes & obesity promise disruptive change in patient outcomes.
- Growing body of evidence on reduction of co-morbidities.
- Huge global healthcare burden.
 - Diabetes: 2 million deaths ¹ 2.2% of total global GDP²
 - Obesity: ≥ 2.8 million deaths per year³; 2.7% of total global GDP³ by 2030

Disruption in TIDES industry

- Biopharma capacity expansion projects and heightened activity, e.g.:
 - USD 6 bn. Novo Nordisk announcement.
 - Lilly USD 2.5 bn. in injectable manufacturing.
 - Roche purchase of Carmot Therapeutics.
 - Novo Holdings acquisition of Catalent.

Since obesity is a risk factor for diabetes, some individuals might be counted in the two columns in some instances. Sources: (1) World Health Organization, (2) Diabetes Care 2018;41:963–970, (3) World Obesity Organization. Impact on global economy and total global GDP is estimated for high BMI ($\geq 25\text{kg/m}^2$). Body mass index (BMI) is a value derived from the mass (weight) and height of a person and used as rule of thumb to broadly categorize persons ,



BUSINESS OUTLOOK 2024

Favorable market environment

- Incretins (e.g. GLP-1) drive cross-industry scale-up need.
- Peptides in clinical development for several therapeutic indications, e.g. inflammatory Bowel disease, reducing LDL (e.g. PCSK9 inhibitor), cancer (e.g. radiopharmaceuticals).
- Oligonucleotides, e.g. liver targets to reduce LDL.
- Need for chemical synthesis knowledge.

Bachem-specific advantage

- Specialized in chemical synthesis as technology platform.
- Near-shoring trend favors CH and US capacity build-up.
- Broad development portfolio provides strong base business.
- Long-term partnerships reduce demand uncertainty.

Bachem priorities in 2024 and beyond

- Execute on capacity expansion plans.
- Ongoing transformation to adapt for large-scale operations.



ONGOING TRANSFORMATION TO REMAIN LEADING PARTNER IN TIDES

Large-scale opportunity for accelerated growth

CMO



Cost-effective manufacturing, e.g. for sponsors with existing processes.

Established global leader continue growth & remain competitive

CDMO



“Best of both worlds”:
Sponsor and Bachem develop and execute a tailored process to manufacture (complex) TIDES molecules.

«Trailblazing» CDMO



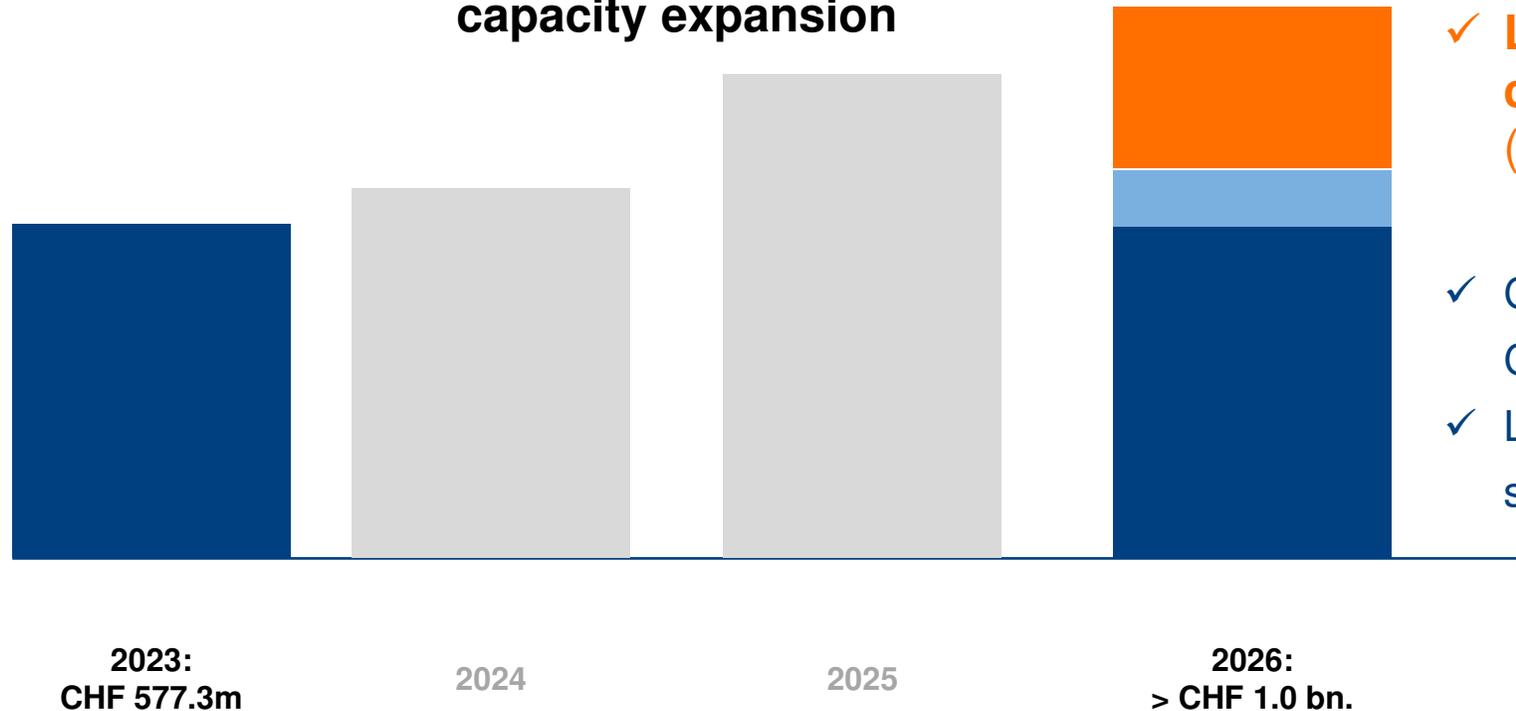
First-mover advantage & access for sponsors to new manufacturing technology with superior quality and cost structure.



THE PATH TOWARD CHF ONE BILLION 2026

Key focus to realize growth:

Execution on large-scale capacity expansion



- ✓ Long-term large-scale CMO contracts in place (c. 75% of required growth till 2025)
- ✓ Continue successful track record for CDMO business
- ✓ Leverage leadership in TIDES chemical synthesis as a technology platform

Visuals are illustrative only.



OUTLOOK

2024 Full Year



Sales

Mid-high single-digit growth in local currencies.



Profitability

Stable EBITDA margin compared to prior year in local currencies.

2026



Sales

> CHF 1.0 bn.



Profitability

EBITDA ahead of 30%.



Q&A

All



THANK YOU FOR YOUR ATTENDANCE!

Question? Send an e-mail to...

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media@bachem.com



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- 2 legislative and regulatory developments and economic conditions;
- 3 delay or inability in obtaining regulatory approvals or bringing products to market;
- 4 fluctuations in currency exchange rates and general financial market conditions;
- 5 uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side-effects of pipeline or marketed products;
- 6 interruptions in production;
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- 8 litigation;
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- 10 adverse publicity and news coverage.

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