

BACHEM

CAPITAL MARKETS DAY

Date		November 21, 2024
Location		Zurich / Zoom
Name		Kuno Sommer, Thomas Meier, Torsten Wöhr, Günther Loidl, Alain Schaffter



AGENDA

Introduction

Kuno Sommer, Chairman

Mission Update

Thomas Meier, CEO & COO

Market

Torsten Wöhr, CCO

Capacity & Innovation

Günther Loidl, CTO

Financing

Alain Schaffter, CFO

Summary

Thomas Meier, CEO & COO

Q&A

All

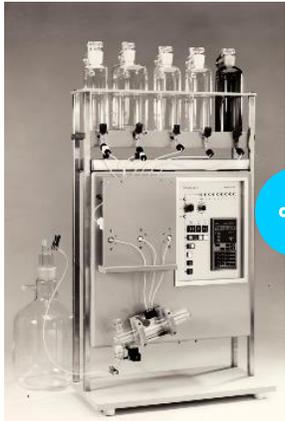


INTRODUCTION

Kuno Sommer, Chairman



LEADER IN TIDES DRIVEN BY INNOVATION AND LASTING CUSTOMER PARTNERSHIPS



Majority shareholder,
long-term committed
to sustainable growth

Discipline, expertise &
perseverance have
built a global leader
for TIDES

Serving the enormous
growth in demand for
TIDES as active
ingredients

Complexity of a
larger, more diverse
organization

Many “firsts” -
Changing market
landscape, new
customer
requirements drive
industry change



MISSION UPDATE

Thomas Meier, CEO & COO



BACHEM: A LEADING SPECIALIST FOR DRUG SUBSTANCES

Contract development and
manufacturing organization
(CDMO)



Broad capabilities
in Pep**TIDES** and
Oligonucleo**TIDES** active
pharmaceutical ingredients
(API) manufacturing



Long-term partnerships
with pharmaceutical and
biotech companies



Focused on chemical
synthesis, committed
to innovation



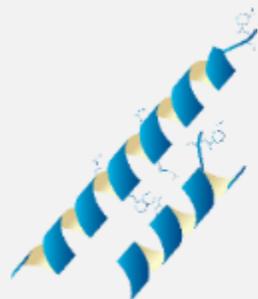
Annual sales of CHF 577.3
million in 2023 and over
2'000 colleagues worldwide



SPECIALIST IN COMPLEX MOLECULES THAT MATTER

Tides

Peptides

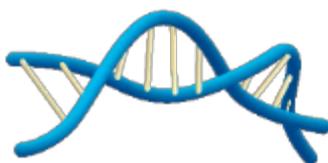


- Molecules of up to approx. 100 amino acids
- Occur naturally in the body, e.g. as a hormone

Applications (examples)

- Cancer
- Metabolic, cardiovascular diseases, diabetes & obesity
- Neuronal disorders
- Cosmetics
- In-vitro diagnostics (IVD)

Oligonucleotides



- Fragments of DNA or RNA
- Suppress the creation of specific proteins

- Mostly applied as “orphan drugs”
- Expanding to chronic diseases



TIDES can be modified chemically to serve as active drug ingredient.



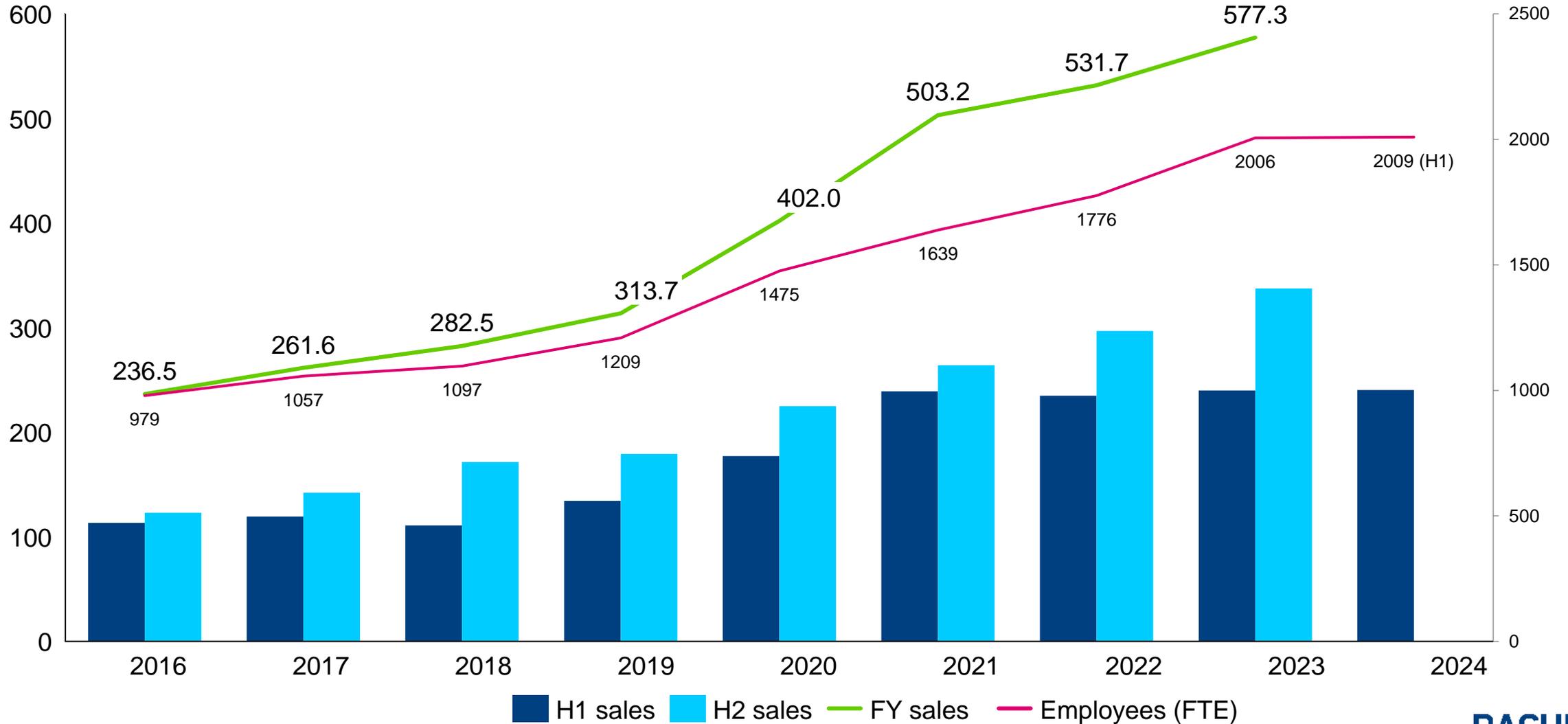
Their complexity makes TIDES a domain for specialists.



Requiring specific knowledge, equipment & infrastructure.



LONG-TERM & GROWTH-ORIENTED COMPANY (SALES IN CHF M, EMPLOYEES - FTE)



SYNTHETIC PEPTIDE MANUFACTURING MOVES INTO THE SPOTLIGHT

TIDES are the next in a history of pharma game changers

...new medicines that revolutionize the way we treat large population diseases:



OUR STRATEGY: CONTINUE TIDES FOCUS & EXPAND CAPACITY & KNOW-HOW...

Market dynamic

- Urgent need for TIDES capacity
- Potential new market entrants

- Process innovation required to increase yields
- Regulation & imperative toward green chemistry
- Near-shoring effect

Incretins, Amylin, PYY Peptides

Short-term

Long-term

Bachem Strategic imperatives



Capture growth potential

- Execute large-scale opportunity
- Capacity expansion
- Operational efficiency



Ensure long-term competitiveness

- Lead in TIDES expertise
- Process R&D
- Green chemistry innovations
- Strong pipeline



... AND LEAD AS PARTNER OF CHOICE FOR ALL TIDES CDMO NEEDS





HIGHLIGHTS OF OPERATIONAL AGENDA DRIVING SCALE-UP AND EFFICIENCY

- **Network strategy:** Evolve from a headquarter-satellite approach to an even more integrated network.

- **Allow for scalability:** Reduce complexity in structures and processes. Simplicity avoids errors and mistakes.

- **Strengthen management:** Develop & expand talent base to strengthen CMO/large-scale skillset.

- **CAPEX-delivery:** Structured and scalable approach to large capital investments.



ONE GLOBAL GMP NETWORK: INTEGRATED SITES & CAPACITIES

	Bubendorf	Sisslerfeld	Vionnaz	Vista	Torrance
Site Positioning	 <i>Fully integrated TIDES development and manufacturing center</i>	 <i>Large scale manufacturing center for TIDES API</i>	 <i>Center of excellence small molecule API & amino acid derivatives</i>	 <i>Integrated Bachem Americas approach: «Fully capable center for small to medium scale SPPS manufacturing»</i>	
CMO: Large-scale capacity					
CDMO: Development & medium scale capacity					
Trailblazing: R&D competencies					

-  Key focus area
-  Key focus area (in development)
-  Additional focus area
-  Additional focus area (in development)



STRENGTHENING OPERATIONAL MANAGEMENT: EXAMPLES OF RECENT EXPERIENCED HIRES



Transformation
to leverage all
capabilities



Hans van Hees

COO Europe



In role October 1, 2024



>25 years Johnson & Johnson



Michael Indlekofer

Head Global Strategic Capex



In role May 1, 2024



>25 years Roche, Genentech,
Boehringer Ingelheim, Lonza



Patrick Scheidegger

Head QA Bubendorf Site



In role May 1, 2024



~20 years Roche, Biogen, Lonza

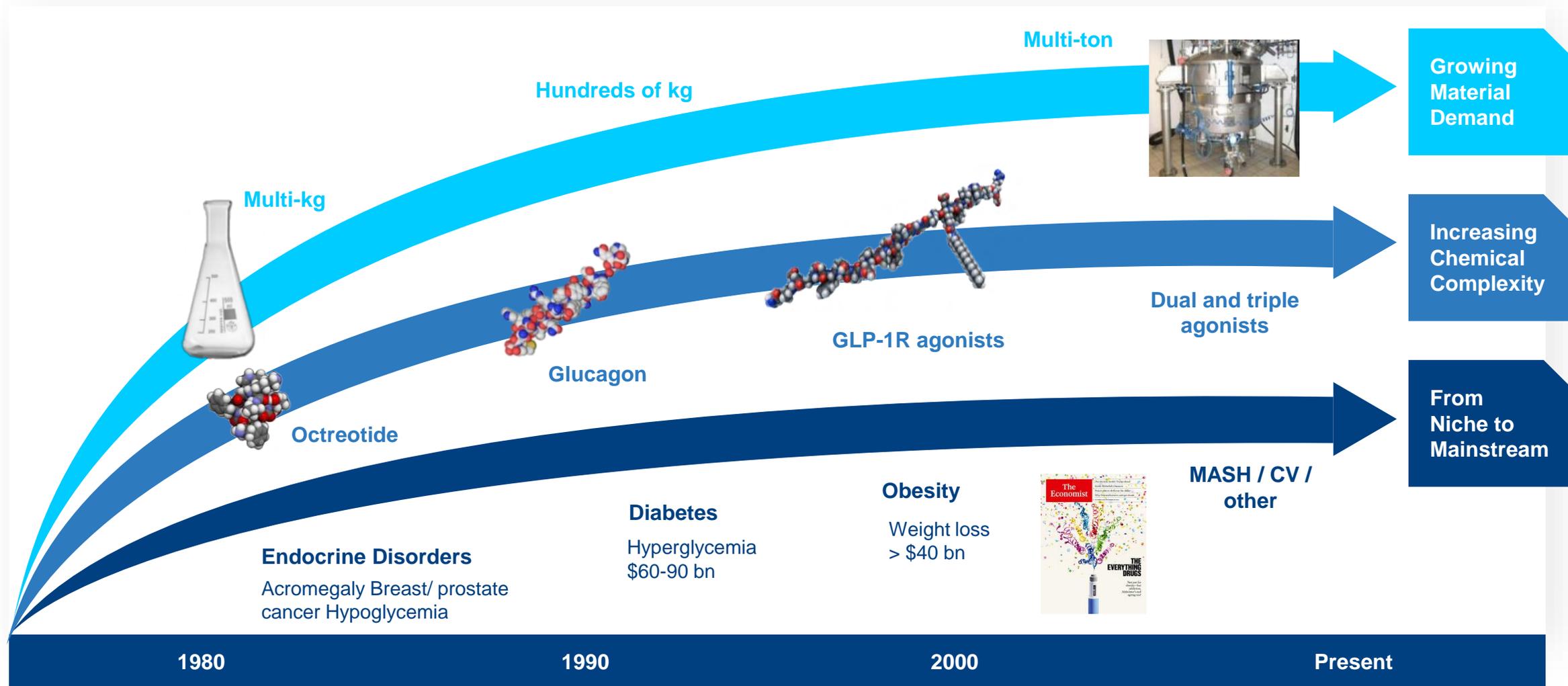


MARKET

Torsten Wöhr, CCO

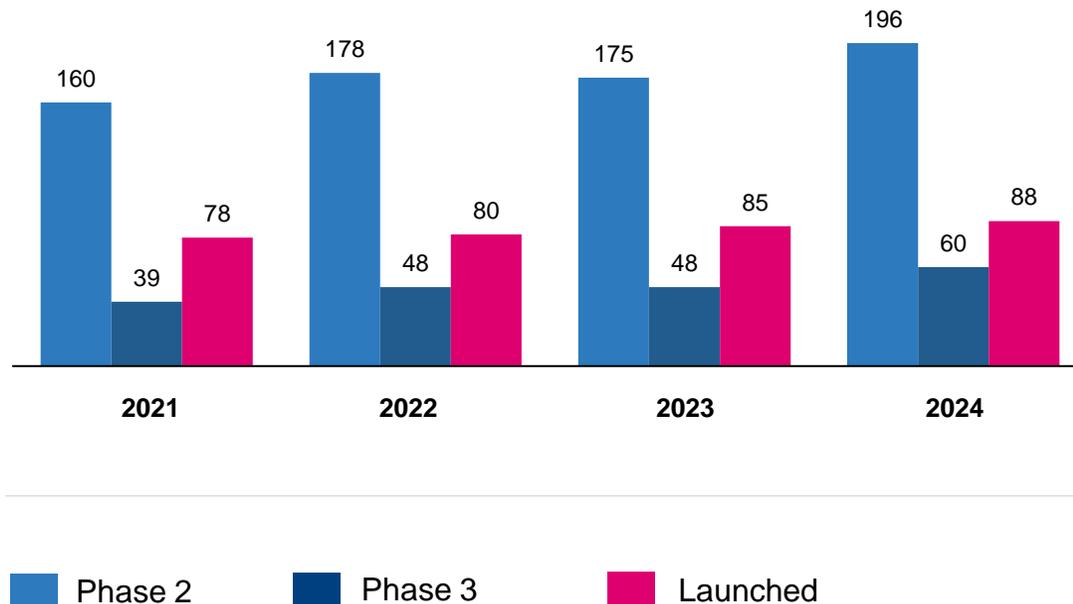


PEPTIDES AS A MODALITY FOR MEDICINES: REACHING MORE PATIENTS THAN EVER BEFORE



PEPTIDE MARKET: STRONG CLINICAL PIPELINE ACROSS THERAPEUTIC INDICATIONS

No. of late-stage & commercial peptide projects (June 2024)



- Overall market size of ca. CHF 1.8 bn.
- Bachem with good pipeline of late-stage assets across multiple disease areas.
- Obesity and diabetes currently driving capacity need and promising additional growth potential through further indication expansions.
- Rising volumes – from hundreds of kilos to tons.



CAPACITY DRIVERS: OBESITY CO-MORBIDITIES

COMORBIDITIES

All new anti-obesity agents in development need to show **effects on obesity-associated diseases and cardiovascular mortality.**



Obesity-related health risks and comorbidities

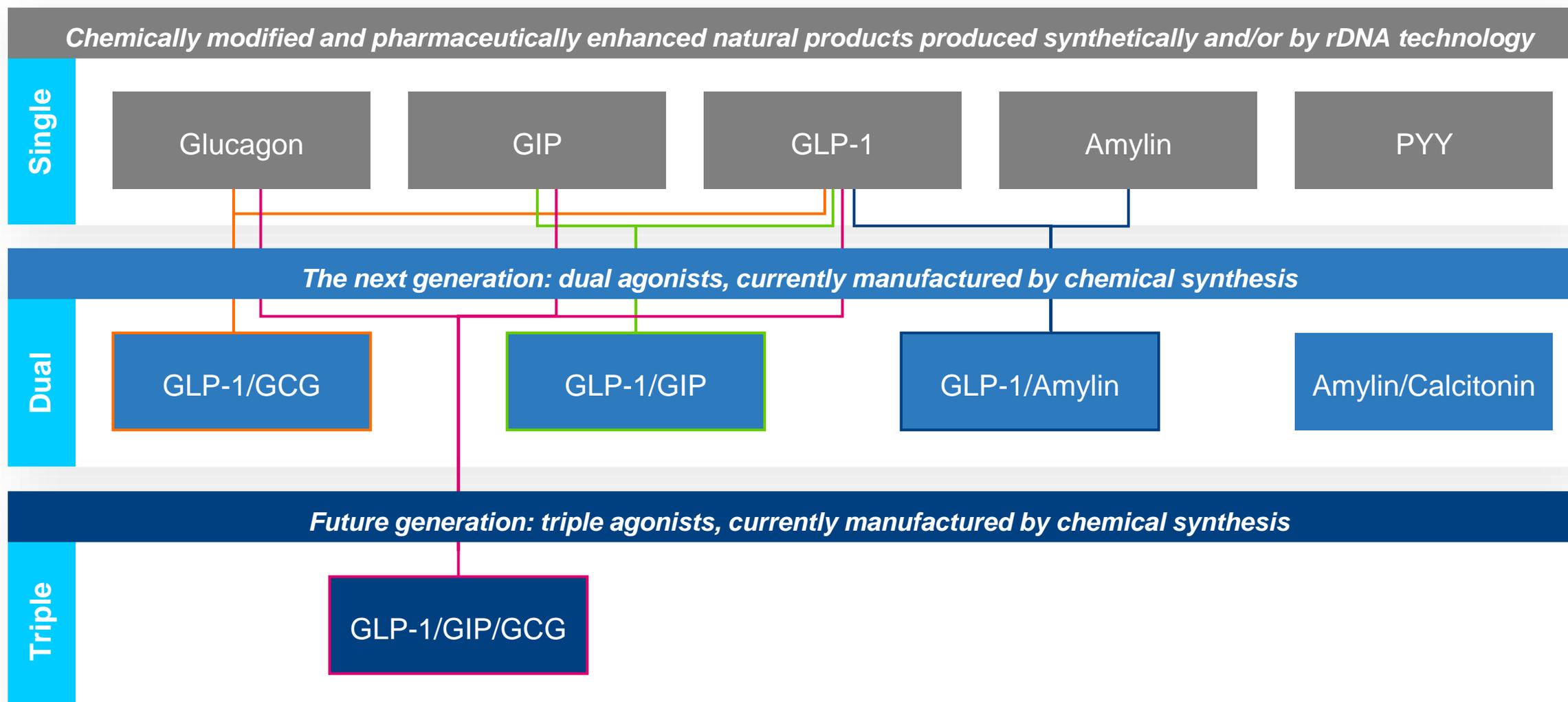
PREVENTION

US economists estimate that reimbursing obesity drugs **could save over \$1 trillion in healthcare costs** over the next decade.

L. McWhorter K (2021) Obesity Acceptance: Body Positivity and Clinical Risk Factors. Cardiac Diseases - Novel Aspects of Cardiac Risk, Cardiorenal Pathology and Cardiac Interventions. IntechOpen. Available at: <http://dx.doi.org/10.5772/intechopen.93540>; <https://healthpolicy.usc.edu/research/benefits-of-medicare-coverage-for-weight-loss-drugs>



A PLAYING FIELD FOR COMPLEX CHEMICAL SYNTHESIS: GLP-1 AGONISTS AND NEXT GEN ANTI-OBESITY PEPTIDES



CAPACITY DRIVERS: SEVERAL ASSETS WITH "BLOCKBUSTER" THERAPEUTICS POTENTIAL

GLP-1a/Gut Hormones Agonists

Indication: **Obesity**

US prevalence: **>100 million adults**

IL-23R Antagonist

Indication: **Psoriasis**

US prevalence: **~7.5 million adults**

PCSK9 Inhibitors

Indication: **Hypercholesterolaemia**

US Prevalence: **>40 million adults take medication to manage high cholesterol**

Peptide-Drug Conjugates

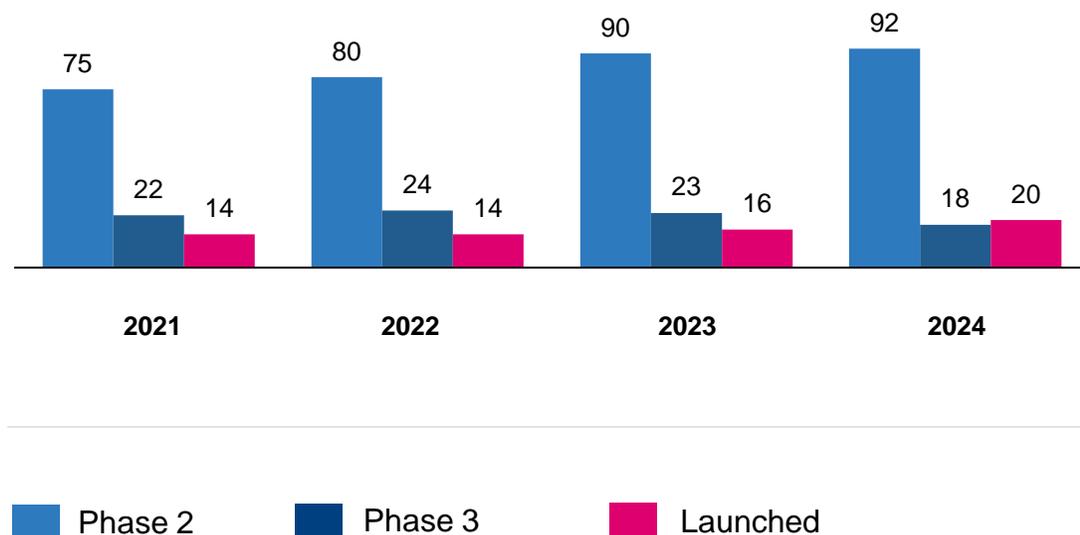
Indication: **Advanced Cancer**

US prevalence adv. cancer: **~700K**



OLIGONUCLEOTIDE MARKET REMAINS DEVELOPMENT-HEAVY, BUT WILL ALSO FACE SCALE-UP CHALLENGES

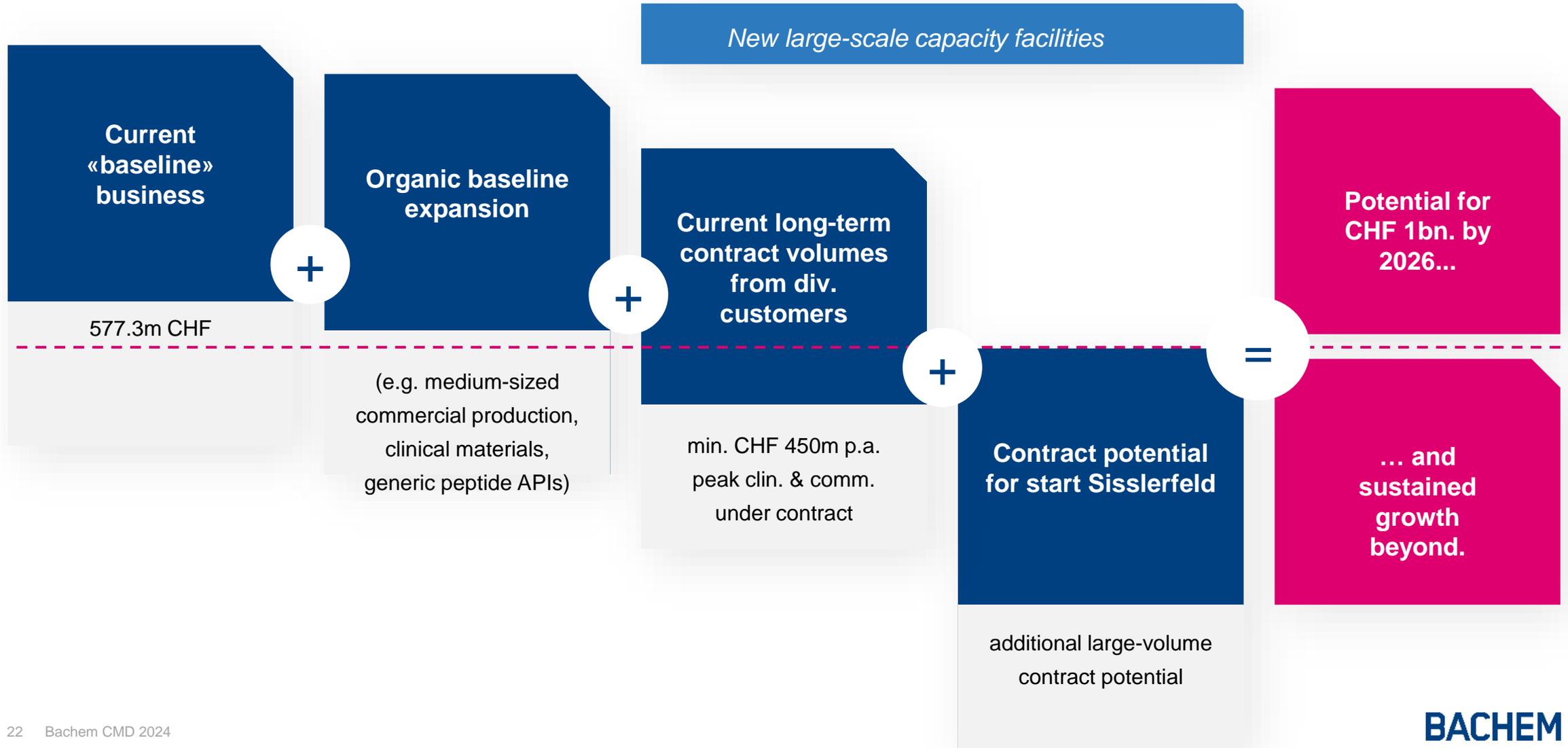
No. of late-stage & commercial oligonucleotide projects (June 2024)



- Larger patient populations will highlight efficiency and sustainability limits of current technologies.
- Bachem with a solidly growing pipeline of projects.
- Long-term strategic appeal for Bachem: retain a market foothold and apply new technologies for future scale-up challenges.



CUSTOMER DEMAND BACKS COMMERCIAL OUTLOOK



CAPACITY & INNOVATION

Günther Loidl, CTO



WHERE DOES TIDES MANUFACTURING NEED TO GO? LARGER, HIGHER QUALITY & EFFICIENCY, GREENER

Four major drivers



Capacity expansion

- Scaling experience between R&D, clinical and commercial production will be critical
- Large-scale API manufacturing is needed to cover increasing demand
- New facilities, new capabilities, more people



Process Innovation

- Process development needs to be targeted, quick and reliable
- Cost and efficiency gains for large-scale production are required
- Quality remains key for reliable supply



Sustainability

- Demand of peptides in metric ton range comes with sustainability challenges, e.g. solvents and waste
- Customers increasingly require greener manufacturing in their suppliers to uphold their goals
- Regulations and societal demand also increasing



Chemical complexity

- Chemical expertise is necessary for ever more complex API
- Next generation drugs with tailored properties, conjugation and linker chemistries
- Protection group chemistries, analytical methods for identification and characterization



BUILDING K – SCALING UP WITH CUTTING-EDGE TIDES TECHNOLOGY



Reactors



Reagents Supply

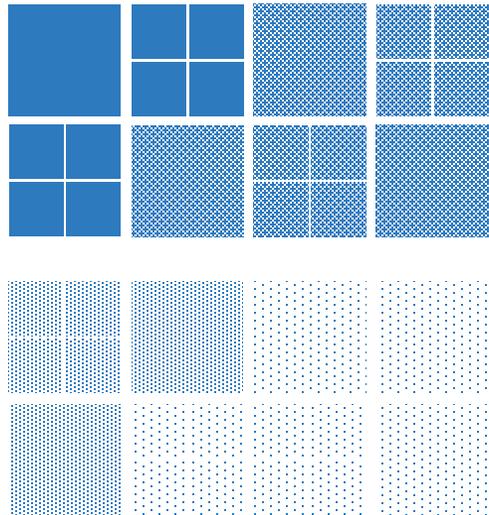


Utilities



BUILDING K – COMPLEXITY DRIVER 1: EXPANDED SCOPE DURING CONSTRUCTION

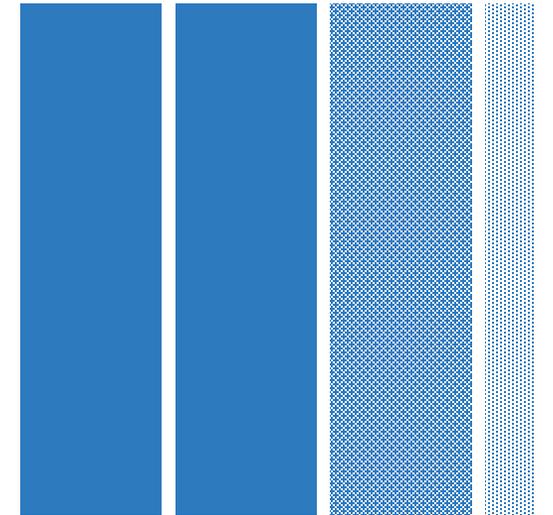
Original plan 2020/21



- Small and medium-sized equipment
- Step-by-step annual order acquisition post-launch
- Gradual expansion
- Estimated 50/50 split peptides-oligonucleotides

Pivot to large-scale facility today

- Large scale capacity
- Large portion booked ahead of launch
- Rapid and concurrent ramp-up of production
- Predominantly peptides

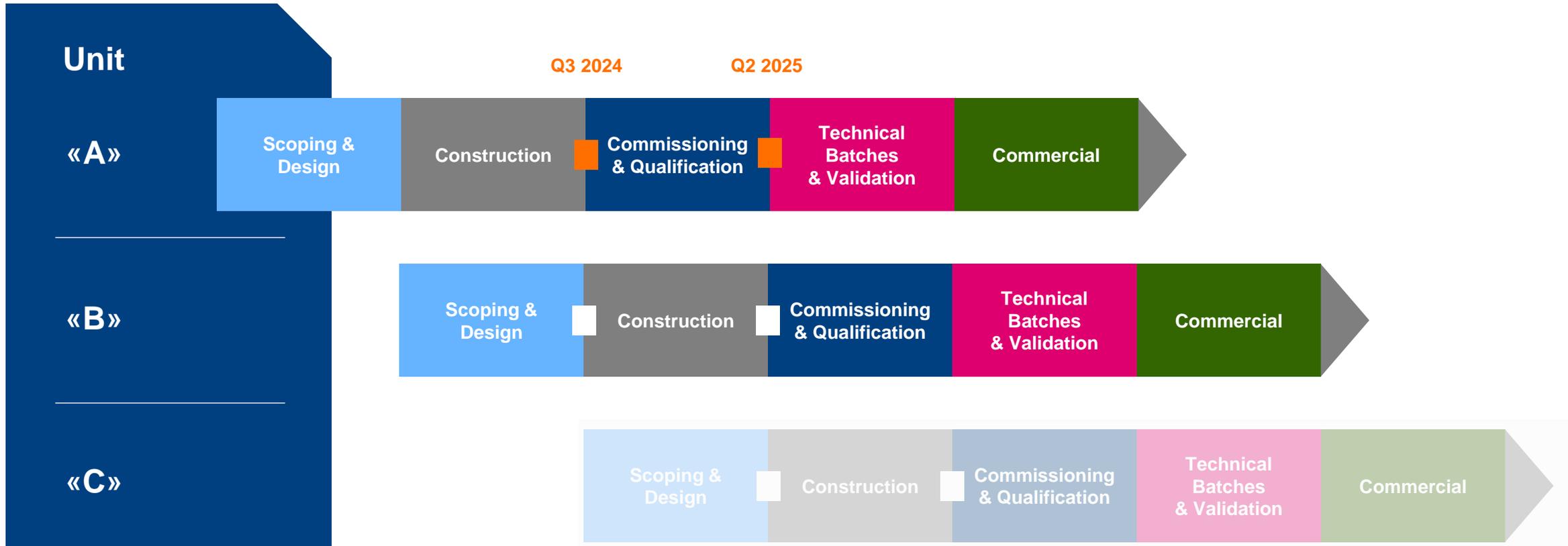


Images are illustrative

Repeated substantial changes to building, infrastructure, equipment, & ramp-up approach



BUILDING K – COMPLEXITY DRIVER 2: OVERLAPPING PHASES FOR PRODUCTION UNITS



Images are illustrative



NEW LARGE SCALE SITE – BACHEM SISSLERFELD



Capture
growth
potential

Greenfield

15 ha = 37 ac



- On track for manufacturing launch end-of-decade
- Focus on securing large-scale capacity partnerships
- Site Masterplan and Development Plan progressing
- Collaboration with authorities in preparing building application

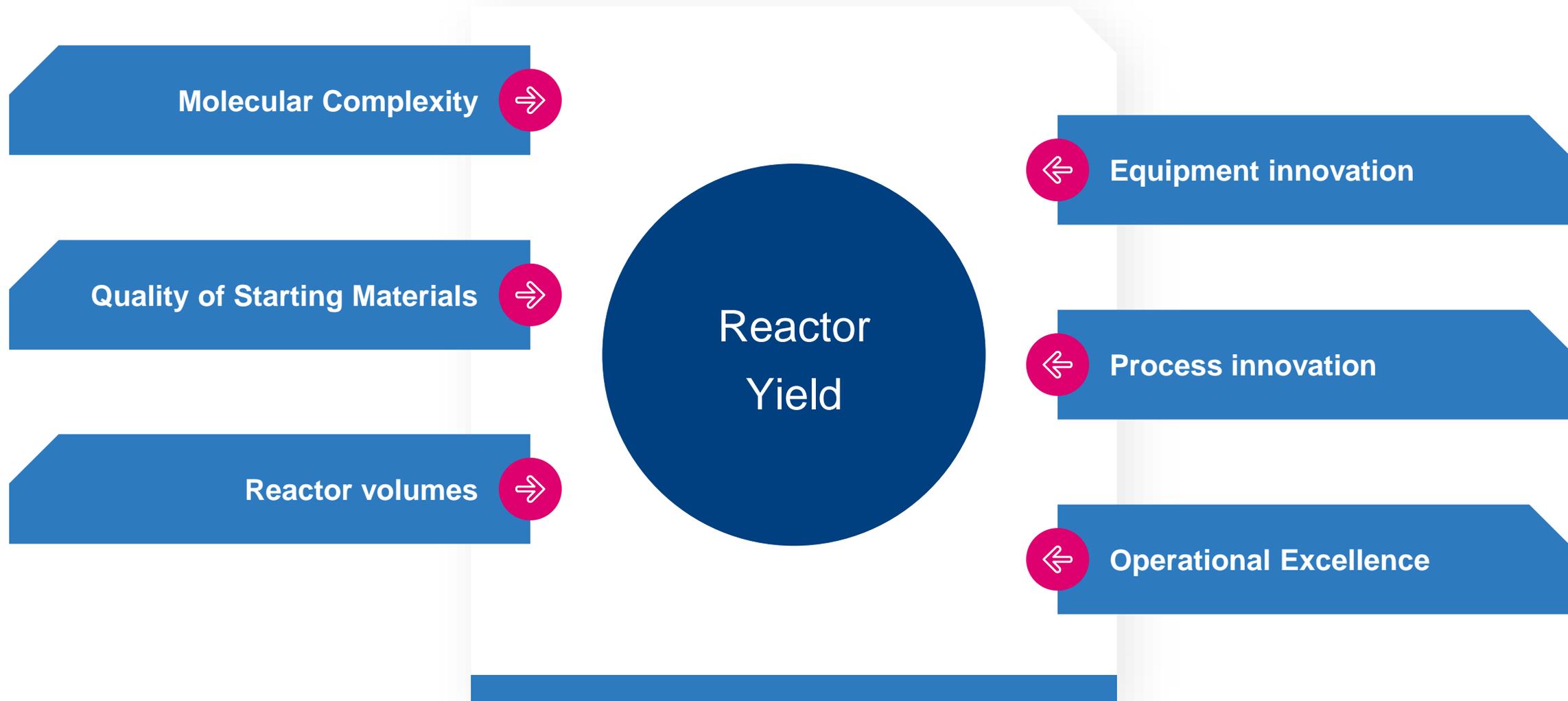
Long-term potential



- Ideal location in Life Science Cluster Northwest-Switzerland/Center of Europe
- Proximity to pharmaceutical and chemical industry, synergies with existing infrastructure
- Space for multiple large scale manufacturing buildings and infrastructure



MASTERING COMPLEXITY IS KEY TO MAXIMIZING REACTOR YIELDS

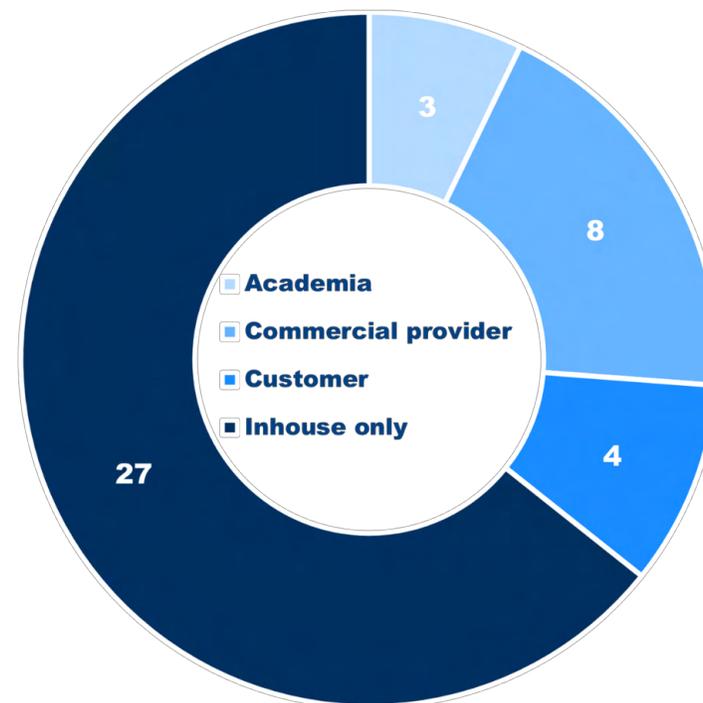


LEVERAGE INDUSTRY-LEADING INNOVATION

Ensure long-term competitiveness

- > 40 technology innovations in progress
- First-mover in driving efficiency & green chemistry (e.g. continuous chromatography)
- Know-how transfer from peptides to oligonucleotides to solve greater production volume needs
- Highest concentration of TIDES chemistry experts worldwide and access to key global life-science clusters

Manufacturing Technology Innovation Pipeline

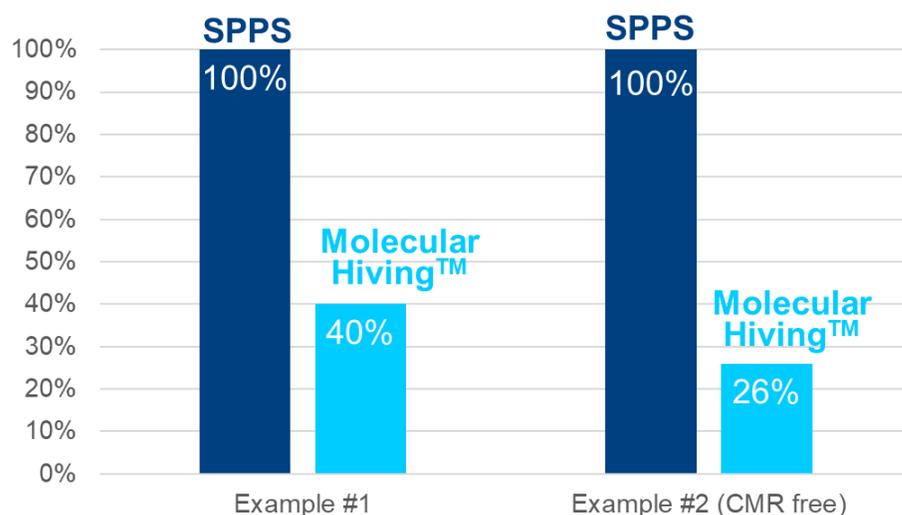


DRIVING THE NEXT GENERATION IN TIDES TECHNOLOGY

Ensure long-term competitiveness

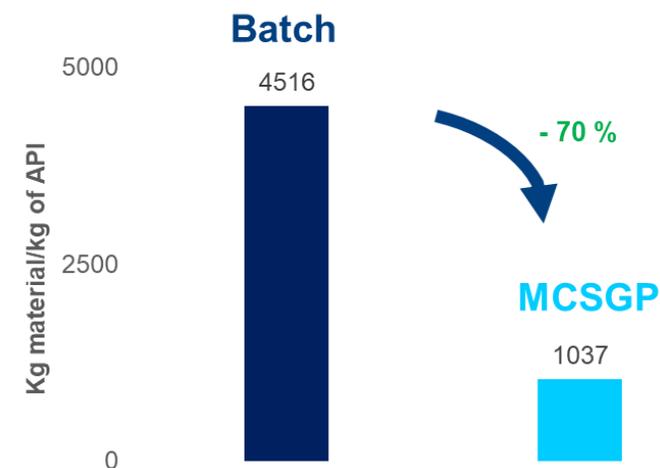
Tag-assisted synthesis

Solvent volumes for peptide synthesis



MCSGP (Continuous Chromatography)

Comparison batch versus continuous purification (case study)



reduce environmental impact - improve yield & efficiency - lower costs

FINANCING

Alain Schaffter, CFO



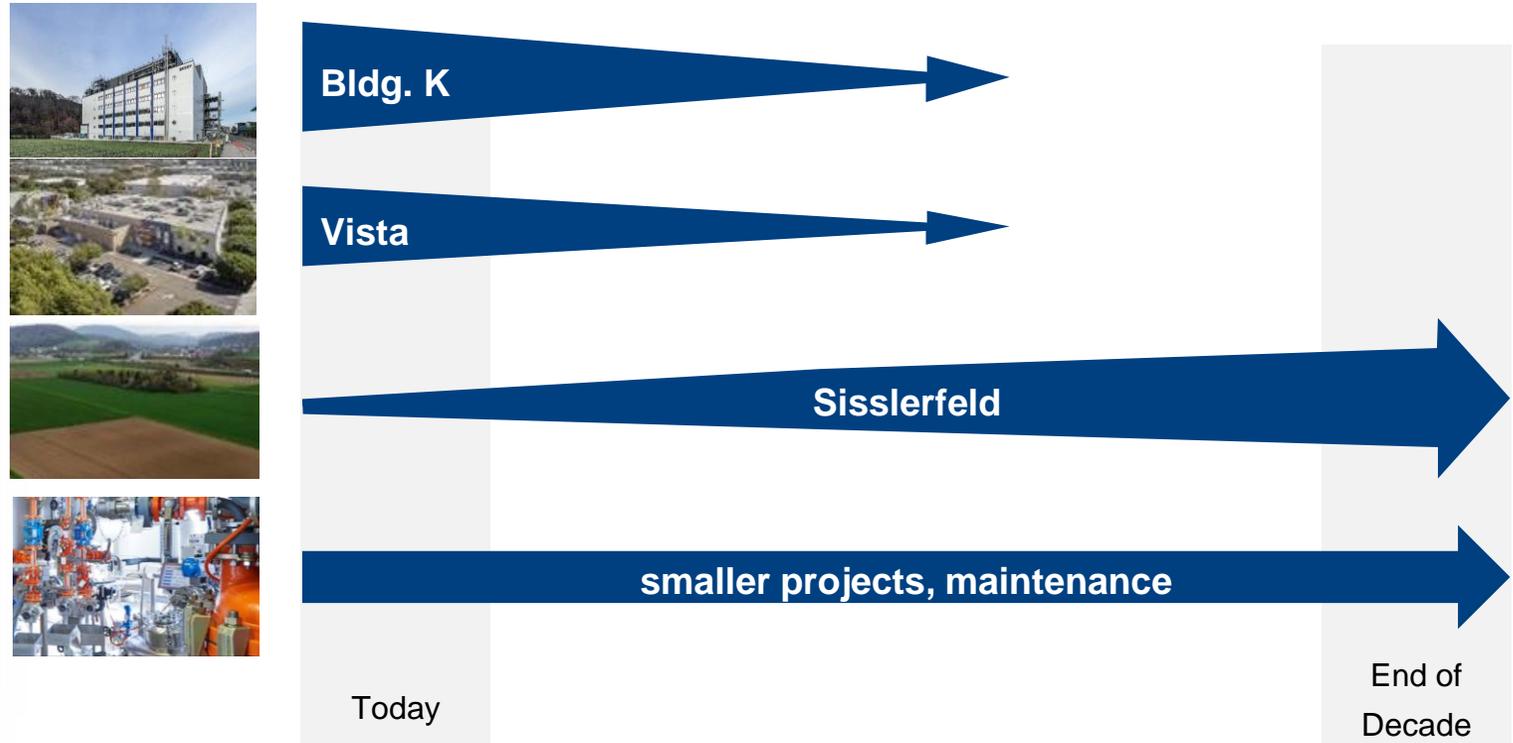
FINANCING GROWTH

Gradual diversification of financing sources

- Operational cash flow
- Customer financial contributions
- Options for third party debt/bond instruments under review

Images are illustrative

Ongoing Capex required to deliver capacity



SUMMARY

Thomas Meier, CEO & COO



OUR STRATEGY: CONTINUE TIDES FOCUS & EXPAND CAPACITY & KNOW-HOW...

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Ensure long-term competitiveness

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CURRENT 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



UPCOMING EVENTS

February 27, 2025

ANNUAL REPORT 2024
Full Year Results Conference

April 30, 2025

ANNUAL GENERAL MEETING
(BUSINESS YEAR 2024)

July 24, 2025

HALF-YEAR REPORT 2025
Half Year Call



THANK YOU FOR YOUR ATTENDANCE!

Question? Send an e-mail to...

ir@bachem.com

media@bachem.com



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- 2 legislative and regulatory developments and economic conditions;
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- 10 adverse publicity and news coverage.

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