

# BACHEM

## HALF-YEAR RESULTS 2023

Date | July 27, 2023  
Location | Bubendorf/Zoom Call  
Name | Thomas Meier, Alain Schaffter

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# **HOUSEKEEPING**

At the end of the presentation we will have time for questions. Please use the “Raise Hand” function.

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

**BACHEM**

# **SPEAKERS**



**Thomas Meier**  
CEO



**Alain Schaffter**  
CFO



**Daniel Grotzky (Moderator)**  
Head Group Communication

# AGENDA

- |                             |                 |
|-----------------------------|-----------------|
| 1. Half-Year Results 2023   | Thomas Meier    |
| 2. Financial Review H1 2023 | Alain Schaffter |
| 3. Outlook                  | Thomas Meier    |
| 4. Q&A                      | All             |

# **HALF-YEAR RESULTS 2023**

Thomas Meier

## KEY RESULTS H1 2023

### Growth

- Sales of CHF 239.9m (+2.1%, +5.3% in LC\*)
- Growth driven by Commercial API

### Capacity

- Maximizing existing capacities
- Building K to add next capacity
- Sisslerfeld in planning phase
- Capital increase raises net CHF 105.9m
- 1 926 full-time equivalent employees (+150 since YE 2022)

### Profitability

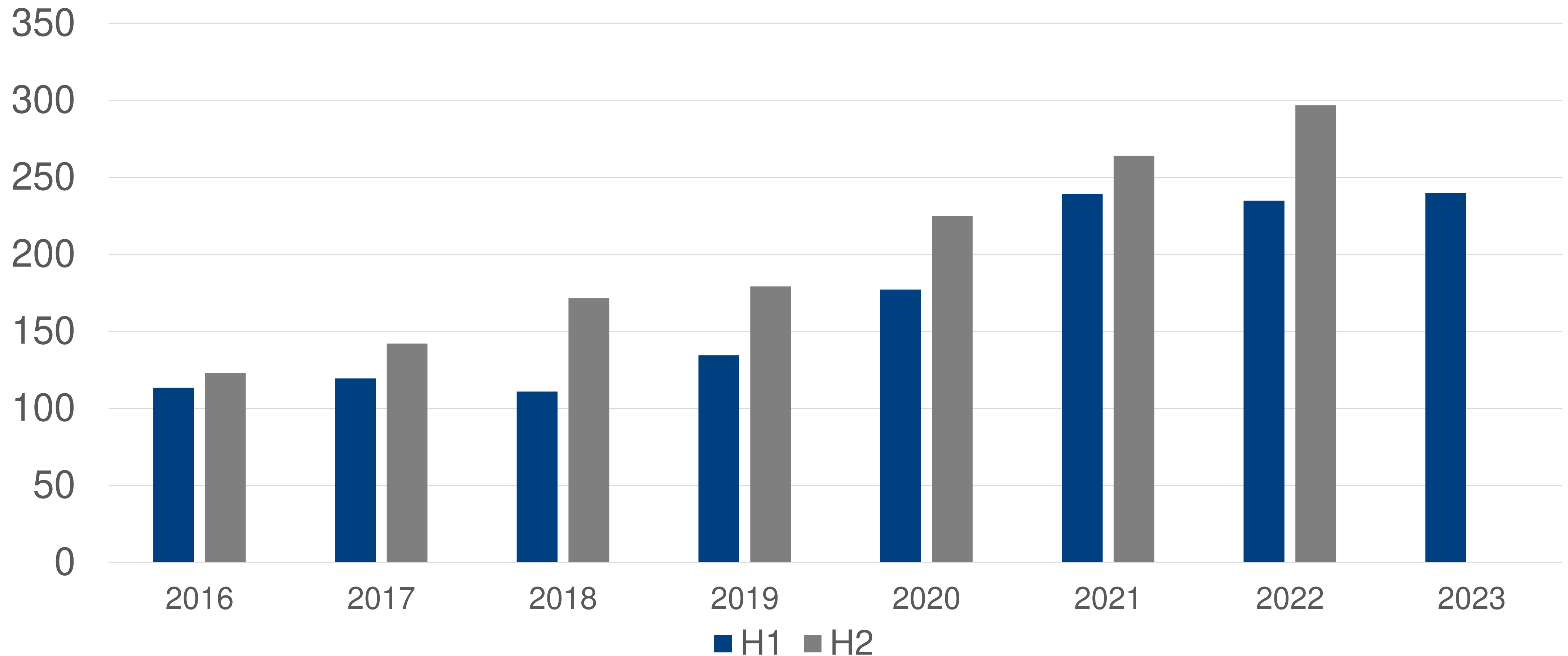
- EBITDA: CHF 52.5m / margin 21.9%
- Hiring ahead of expansion puts pressure on margin
- One-off costs of CHF 1.5m due to reorganization at US-sites  
(adjusted EBITDA of CHF 54.0m/margin 22.5%)

### Portfolio

- CMC pipeline: headwinds in custom synthesis (competition & biotech environment)
- Commercial API: strong peptide API and generics counterbalance oligo headwinds
- Research & Specialties: capacity limitations

# H1 WITHIN CONTEXT OF LONG-TERM GROWTH STORY

H1/H2 sales in CHF million



# PRODUCT CATEGORIES

in CHF million	H1 2023	Change in local currency	Change in CHF	Sales share
Research & Specialties	16.9	– 29.9%	– 31.6%	7.0%
CMC Development	76.1	– 0.5%	– 4.1%	31.7%
Commercial API	146.9	+ 15.4%	+ 12.2%	61.3%
<b>Total sales</b>	<b>239.9</b>	<b>+ 5.3%</b>	<b>+ 2.1%</b>	<b>100.0%</b>



# COMMERCIAL DYNAMICS

## Drivers

## Headwinds

### CMC Development Pipeline

+ Peptide & oligonucleotide projects

x Biotech funding environment

### Commercial API

+ Patented Peptide API  
+ Generics volume  
+ Generics price increases

x Oligonucleotide commercial

### Research & Specialities

x Capacity limitations for small volumes

# GEOGRAPHIES

in CHF million	H1 2023	Change in local currency	Change in CHF	Sales share
Europe/Asia	145.3	+ 4.0%	+ 2.2%	60.6%
North America	94.6	+ 6.3%	+ 2.1%	39.4%
<b>Total sales</b>	<b>239.9</b>	<b>+ 5.3%</b>	<b>+ 2.1%</b>	<b>100.0%</b>

# **FINANCIAL REVIEW H1 2023**

Alain Schaffter

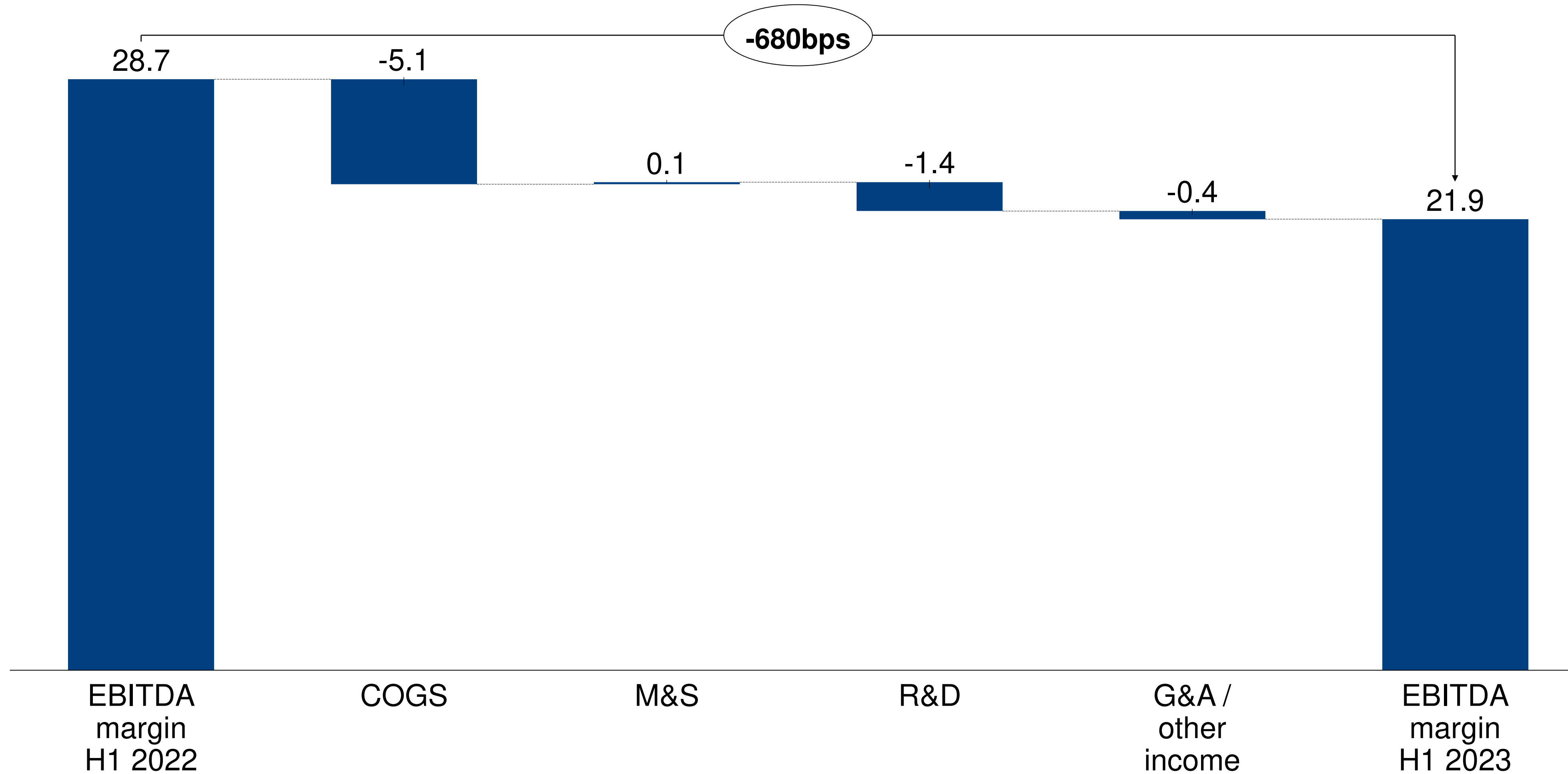
# KEY FIGURES H1 2023

	H1 2023	H1 2022	Change CHF	Change LC
Sales (in CHF million)	239.9	234.9	+ 2.1%	+ 5.3%
EBITDA (in CHF million) <i>in relation to sales</i>	52.5 21.9%	67.3 28.7%	- 22.0%	- 13.8%
EBIT (in CHF million) <i>in relation to sales</i>	34.8 14.5%	51.6 22.0%	- 32.5%	- 22.0%
Net income (in CHF million) <i>in relation to sales</i>	34.4 14.4%	36.6 15.6%	- 5.9%	
Earnings per share (in CHF)	0.46	0.50	- 6.8%	
Cash flow from operating activities (in CHF million)	94.7	50.7	+ 86.9%	
Number of employees (in full-time equivalents)	1 926	1 776 <sup>1</sup>		

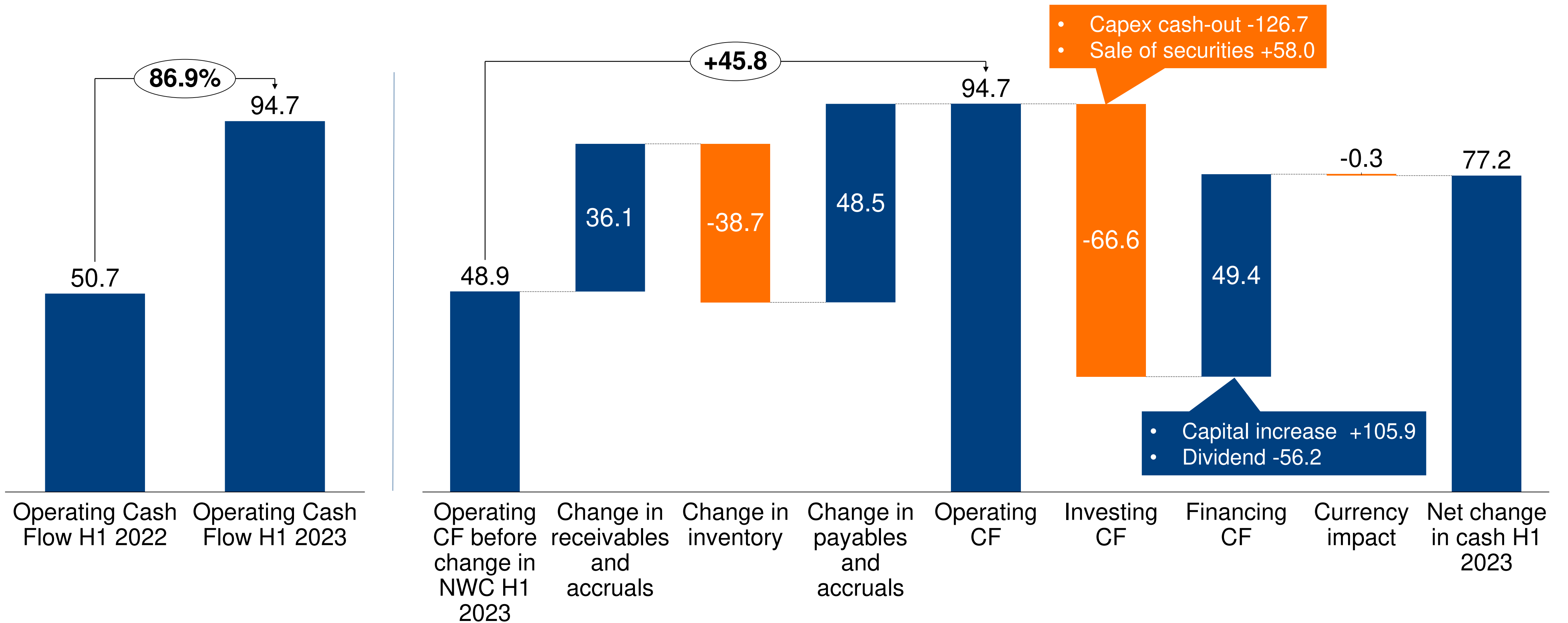
<sup>1</sup> Value as per December 31, 2022

# DRIVERS OF EBITDA MARGIN (IN %)

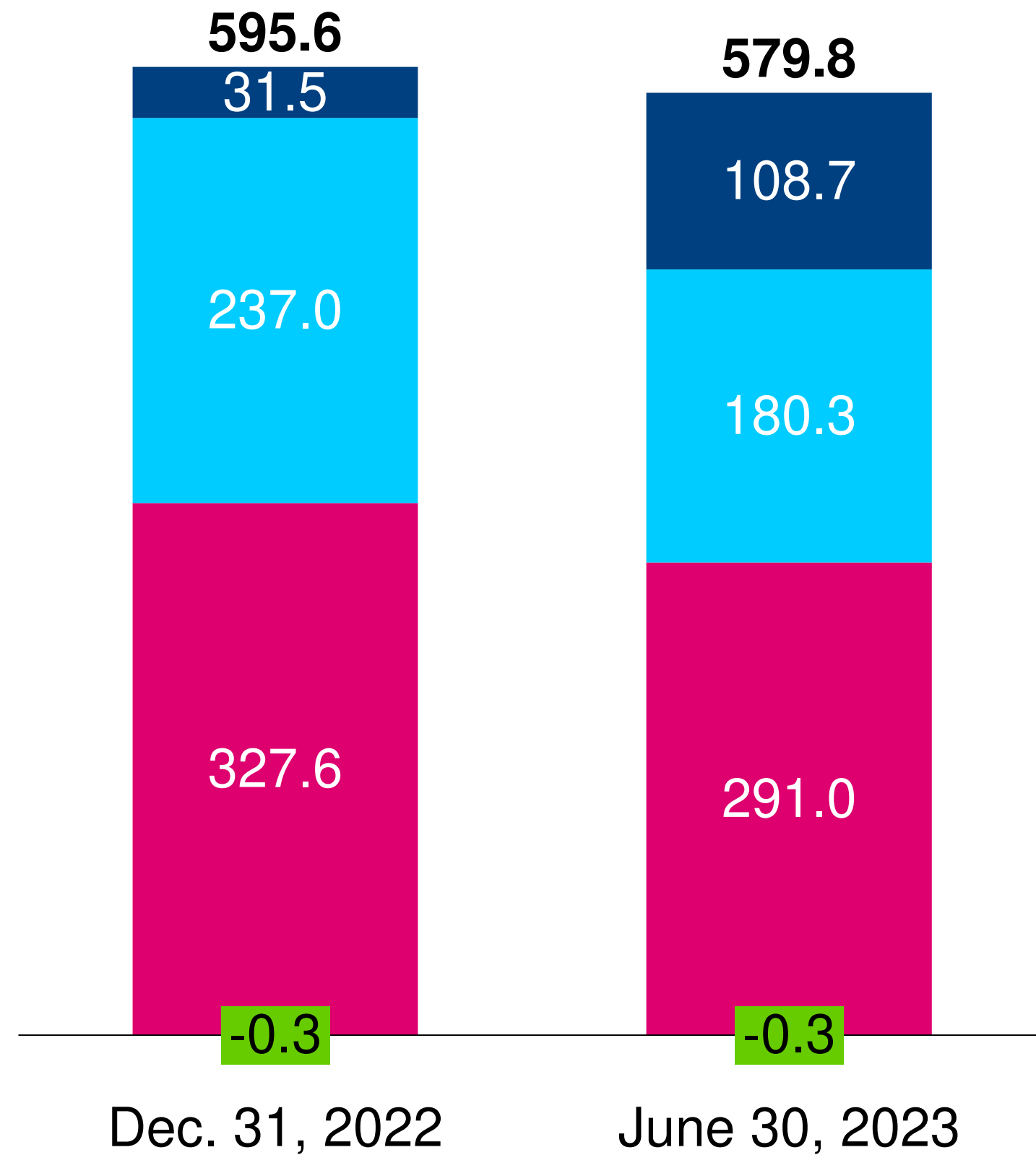
(ALL NUMBERS EXCLUDE DEPRECIATION/AMORTIZATION)



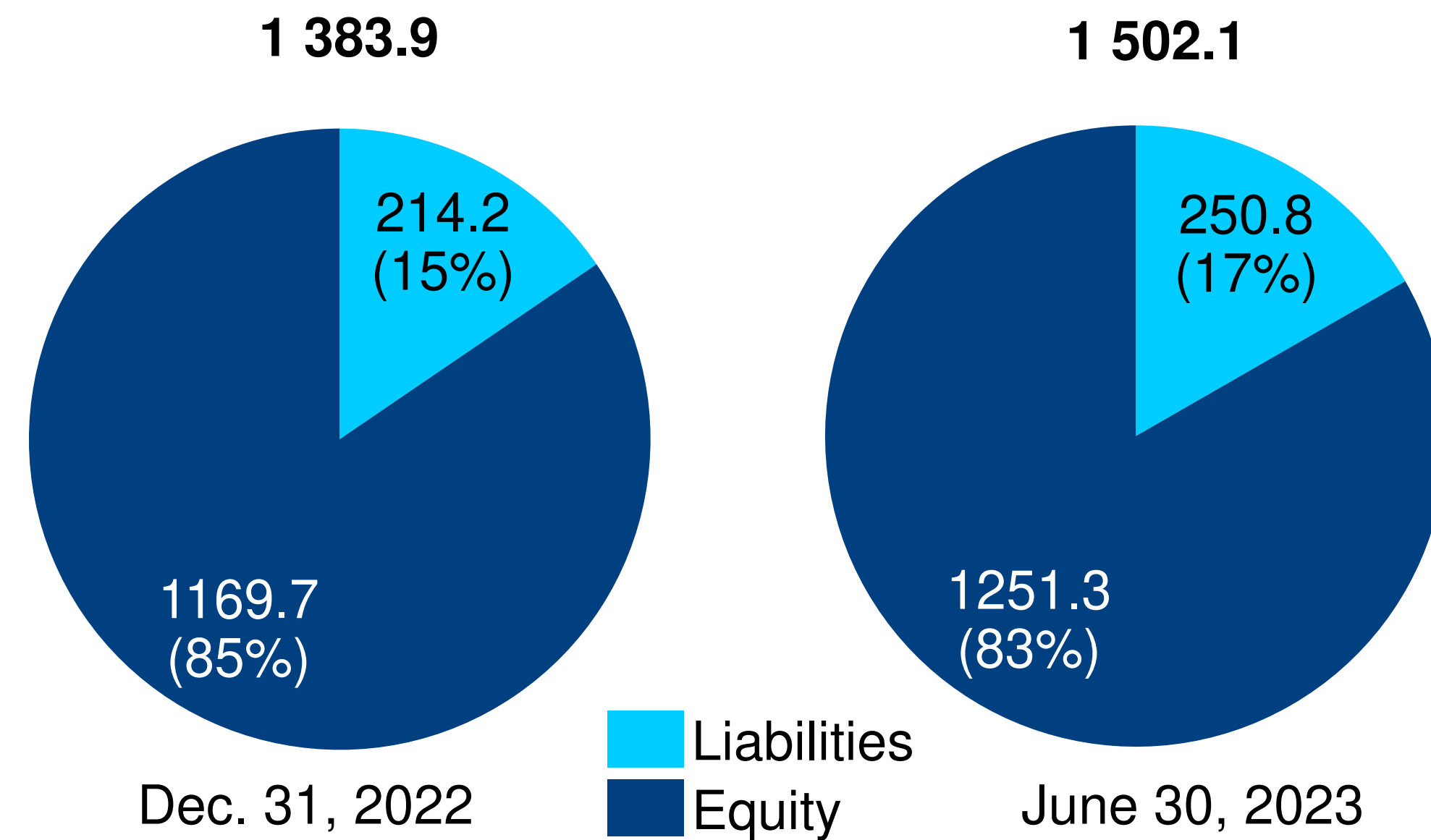
# CASH FLOW ANALYSIS (IN CHF MILLION)



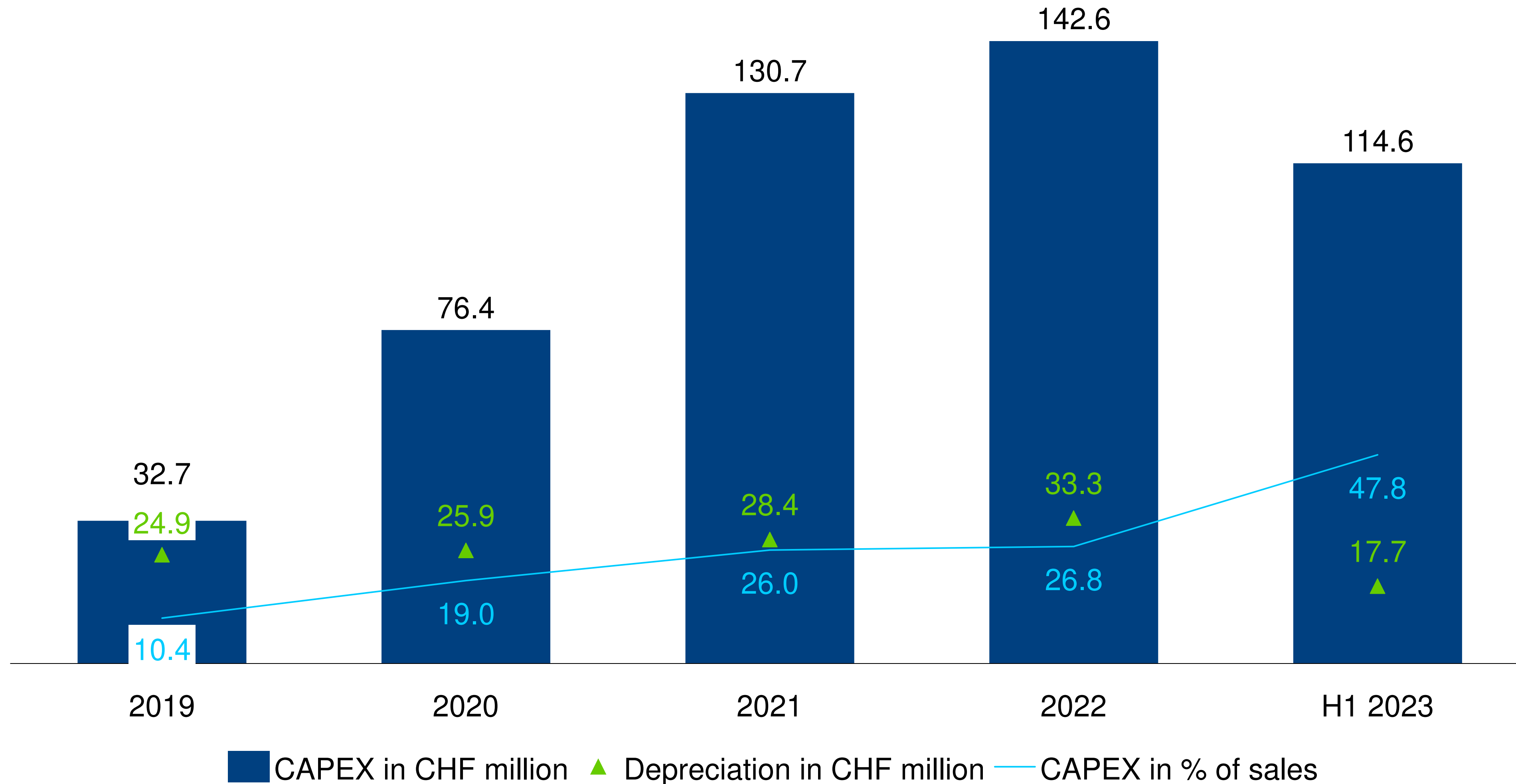
# BALANCE SHEET ANALYSIS (IN CHF MILLION)



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



# CAPEX OVERVIEW 2019 – H1 2023

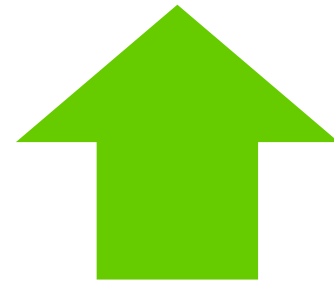




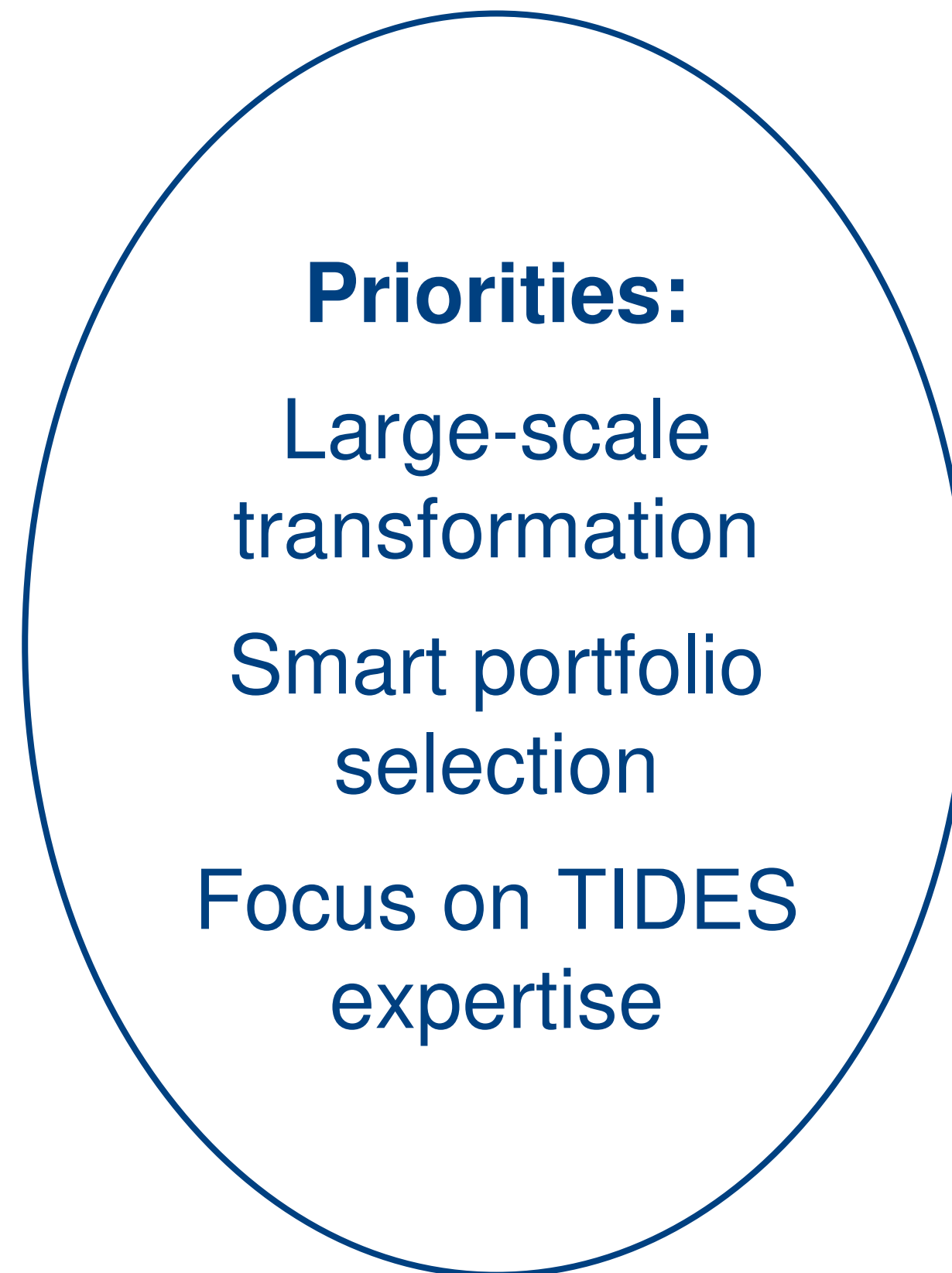
# **OUTLOOK**

Thomas Meier

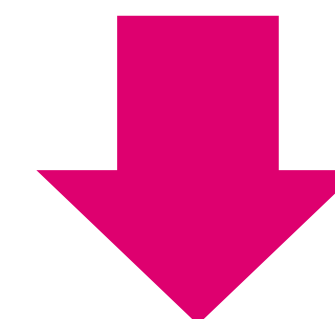
# MARKET DYNAMICS



- **Large scale needs in biopharma:** Peptides in diabetes and obesity indications drive need for rapid ramp-up for commercial volumes.
- **CDMO value proposition:** Strong biopharma interest in leveraging CDMO (even if partial in-house production).
- **Broad TIDES applications:** numerous recent and emerging new indications (e.g. Psoriasis, polycythemia vera, IBD, CV).
- **Strong quality projects:** pipelines retain well-financed candidates
- **Generics:** chemical synthesis can deliver against recombinant legacy



- **High capital intensity:** Ramp-up requires ability to secure customer trust for pre-payments & trust by strained financial markets.
- **Dynamic competitive environment** (both peptides & oligos): (re)-entrants and multiple CDMOs with strong growth aspirations
- **Biotech funding challenge is real:** less early-stage projects, less small-scale opportunity.



# UPDATE ON LARGE-SCALE CAPACITY EXPANSION



## **Building K, Bubendorf**

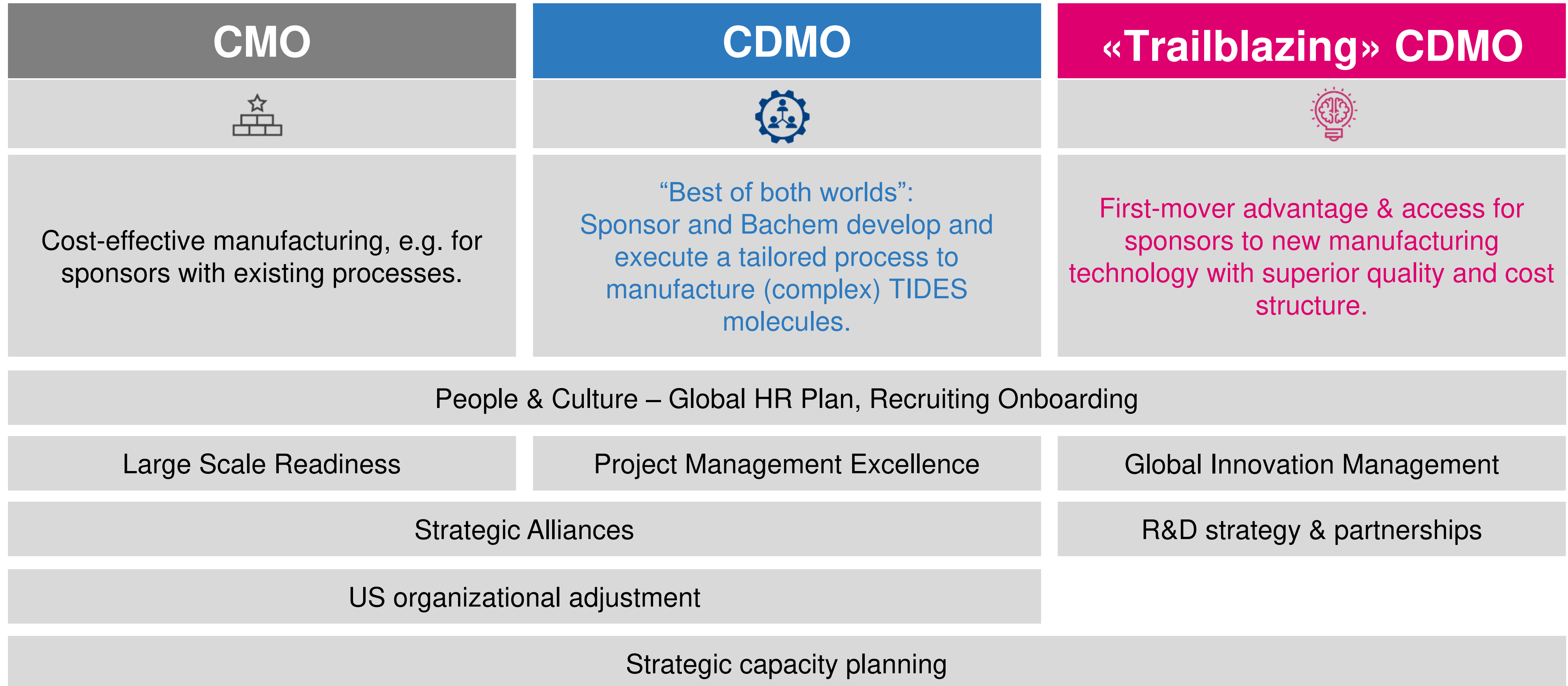
- Working with full commitment against an ambitious schedule
- Hiring progressing well
- Manufacturing contracts in place for phase 1
- 2nd phase expansion until 2026



## **Sisslerfeld**

- Currently in planning phase
- Legal entity created, 2nd plot of land purchased
- Intended launch by end of decade
- Initial capacity: analogous to building K
- Opportunity for customers to co-finance

# GETTING READY FOR THE FUTURE: MULTIPLE CHANGE TRACKS



# OUTLOOK

## 2023 Full Year



### Sales

High single-digit growth.



### Profitability

EBITDA margin at around 30%.

## By 2026



### Sales

> CHF 1 bn.



### Profitability

EBITDA ahead of 30%.

**Q&A**

All

# THANK YOU FOR YOUR ATTENDANCE!

Question? Send an e-mail to...

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