

## Interim report January-June 2015

### April - June 2015

- Net sales amounted to SEK 868 million (611), an increase of 42%
- EBITDA increased by 58% and amounted to SEK 156 million (99) giving an EBITDA margin of 17.9% (16.2)
- Operating profit (EBIT) amounted to SEK 98 million (74)
- Profit after tax amounted to SEK 69 million (48), giving a net margin of 7.9% (7.9)
- Earnings per share amounted to SEK 1.50 (1.33), after dilution 1.50 (1.33)

### January - June 2015

- Net sales amounted to SEK 1 742 million (1 189), an increase of 46%
- EBITDA increased by 56% and amounted to SEK 314 million (201) giving an EBITDA margin of 18.0% (16.9)
- Operating profit (EBIT) amounted to SEK 198 million (151)
- Profit after tax amounted to SEK 189 million (103), giving a net margin of 10.9% (8.7), including a financial investment capital gain of SEK 36.3 million
- Earnings per share amounted to SEK 4.22 (3.34), after dilution 4.22 (3.34)
- Cash flow from operating activities was SEK 201 million (92)
- Net debt to EBITDA was 2.0 (-1.2)

Key figures								
SEK million	Apr - Jun		change	Jan - Jun		change	Jul 14	
	2015	2014	in %	2015	2014	in %	- Jun 15	2014
Net sales	868	611	42.2	1 742	1 189	46.5	3 122	2 569
Net sales (constant FX rates)	856		40.1	1 709		43.7		
EBITDA	156	99	57.6	314	201	56.3	512	399
EBIT	98	74	33.0	198	151	31.0	319	272
EBITDA margin (%)	17.9	16.2		18.0	16.9		16.4	15.5
Earnings per share	1.50	1.33		4.22	3.34		5.94	4.63
Return on equity (%)				11.4	12.6			11.4
Return on operating capital (%)				13.0	20.8			12.4
Equity to assets (%)				49.7	62.1			39.4
Net debt				1 001	-405			1 164
Net debt to Equity				0.4	-0.3			0.5
Net debt to EBITDA				2.0	-1.2			2.9



**Thomas Eldered, CEO:**

“Sales overall developed in line with our expectations during the quarter with organic growth at 1.2% in local currencies, adjusted for volatile large tender sales. Acquisitions from 2014 developed well and integration activities were completed during the quarter, contributing to a total growth in local currencies of 40.1%. While the product mix remained somewhat negative, we saw profit increases and margin expansion as expected.

We continue to take steps to strengthen Recipharm and to support our long-term targets. The acquisition of On Target Chemistry in June will allow us to support our customers also in discovery and increase our geographical reach for development services. Our focus remained on the market, with a high activity level, a lot of new business gained and several promising ventures and technology investments completed.

Capacity expansion projects and in particular our ongoing lyophilisation expansion in Germany progressed according to plan with completion end of 2016. During the quarter the decision was made to expand also the fill and finish capacity of lyophilised products following strong customer demand. These projects, together with several others, will enable us to better support our customers in injectable technologies, an area which is developing very well for us.

The Development & Technology business segment gained further momentum and reported significant increases in profit and margin, in spite of reduced sales of tender products this quarter. Also the Manufacturing Services segment Sterile Liquids performed very well driven by good customer demand while the business segment Solids and Others slowed to some extent. In Solids and Others we continue to have a negative mix in our sales. This will necessitate mitigation activities but will also provide opportunities for improvement initiatives. This work will intensify during the next quarters as we take specific steps to address the different areas of weak performance within this segment.

Operating cash flow for the quarter increased 50% year on year to SEK 53 million. Our financial situation is strong and the net debt to EBITDA ratio improved sequentially to a very comfortable 2.0. After the period we have increased our available unused credit lines by SEK 1,500 million and together with other financing options we are well positioned to continue to deliver on our growth strategy, including proceeding with highly interesting acquisitions and business development opportunities.

Looking forward and excluding acquisitions we expect that in the second half of the year overall demand for our services will stay on the same level year on year, while the weak performance in Solids and Other will impact profit somewhat. We are benefitting from recent acquisitions and we are very well placed to explore the opportunities we see in the market, including geographic expansion.”

**The complete interim report is attached through the link at the end of the press release.**



The company invites investors, analysts and media to a web conference with a presentation (in English) on 23 July at 11:00 am CET where CEO Thomas Elderred and CFO Björn Westberg will present and comment on the interim report and answer questions.

To participate in the web conference, please use the below link:

<http://edge.media-server.com/m/p/m9s5ebdt>

Questions may be submitted by dialing below telephone numbers or by typing them in the Q&A box during the conference. If you don't wish to ask questions by telephone you only need to participate through the link above.

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Pin code for participants:  
602320#

For more information, please visit [www.recipharm.com](http://www.recipharm.com) or contact:

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*This information is published in accordance with the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act and/or the regulations of NASDAQ Stockholm. This information was submitted for publication on 23 July 2015 at 07:45 am CET.*

### About Recipharm

Recipharm is a leading CDMO (Contract Development and Manufacturing Organisation) in the pharmaceutical industry employing some 2,200 employees. Recipharm offers manufacturing services of pharmaceuticals in various dosage forms, production of clinical trial material including API and pharmaceutical product development. Recipharm manufactures more than 400 different products to customers ranging from Big Pharma to smaller research- and development companies. Recipharm's turnover is approximately SEK 3.3 billion and the Company operates development and manufacturing facilities in Sweden, France, the UK, Germany, Spain, Italy and Portugal and is headquartered in Jordbro, Sweden. The Recipharm B-share (RECI B) is listed on NASDAQ Stockholm.

For more information on Recipharm and our services, please visit [www.recipharm.com](http://www.recipharm.com)