

## Recipharm doubles EBIT and expects second quarter results to be stronger than analyst consensus

Net sales in the second quarter increased 65 per cent compared to the second quarter 2019, to SEK 3,081 million. Adjusted for currency and acquisitions organic growth was 12 per cent. EBITDA<sup>1</sup> for the quarter increased 70 per cent to SEK 600 million corresponding to an EBITDA margin<sup>1</sup> of 19 per cent. EBITA<sup>1</sup> increased 83 per cent to SEK 423 million corresponding to a margin of 14 per cent. The organic increase in EBITA<sup>1</sup> was 34 per cent. EBIT increased 99 per cent to SEK 340 million.

“During the quarter we managed to successfully mitigate operational challenges from lockdowns and other Covid-19 related issues. In the second half of the quarter we compensated from the April shortfall and in addition managed to supply the back log we had from the first quarter. We therefore estimate net effects on results from Covid-19 during the quarter to be positive. In addition, product mix has been favourable with a material increase in demand for Covid-19 related products and services. This has significantly improved results in the Development & Licensing segment,” says Thomas Elderred, CEO of Recipharm.

Uncertainty from Covid-19 pandemic is continuing, but as an increasing number of countries are lifting their restrictions, Recipharm estimates that operating conditions will continue to stabilize. Overall demand continues to be largely unaffected and Recipharm’s customers’ clinical development activities are re-starting, also for non-Covid-19 projects.

“Under these extraordinary circumstances it is comforting to see the robustness in our business model and the benefits we can provide to customers and patients from a resilient global operations network,” says Thomas Elderred.

All figures presented in this press release are preliminary and unaudited. Recipharm will not give any further comments until the announcement of the Q2 2020 report, July 27, 2020 at 07.45 am CET.

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<sup>1</sup> Alternative Performance Measure.



## About Recipharm

Recipharm is a leading Contract Development and Manufacturing Organisation (CDMO) in the pharmaceutical industry employing almost 9,000 employees. Recipharm offers manufacturing services of pharmaceuticals in various dosage forms, production of clinical trial material and APIs, pharmaceutical product development and development and manufacturing of medical devices. Recipharm manufactures several hundred different products to customers ranging from big pharma to smaller research and development companies. Recipharm's annual turnover is approximately SEK 11 billion. The company operates development and manufacturing facilities in France, Germany, India, Israel, Italy, Portugal, Spain, Sweden, the UK and the US and is headquartered in Stockholm, 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)