

## Recipharm AB publishes its interim report January-March 2019

### January – March 2019

- Continued strong sales growth
- Net sales amounted to SEK 1,812 million (1,513), an increase of 20%
- EBITDA increased by 17% and amounted to SEK 291 million (250) corresponding to an EBITDA margin of 16.1% (16.5)
- Strong development of newly acquired operations in UK
- Operating profit (EBIT) amounted to SEK 111 million (120)
- Profit after tax amounted to SEK 79 million (45) corresponding to a net margin of 4.4% (3.0)
- Earnings per share amounted to SEK 1.17 (0.70) before dilution and SEK 1.17 (0.70) after dilution
- Net debt to Equity was 0.7 (0.8)
- Serialisation project implemented and completed

#### KEY FIGURES

SEK million	Jan – Mar		Change in %	Apr 18 - Mar 19		Change in %
	2019	2018		2018	2018	
Net sales	1,812	1,513	+19.8	6,673	6,374	+4.7
EBITDA <sup>1/</sup>	291	250	+16.6	1,029	987	+4.2
IFRS 16 effect EBITDA	23	-		23	-	
EBITA <sup>1/</sup>	171	174	-2.0	627	630	-0.5
EBIT adjusted <sup>1/</sup>	111	120	-7.4	416	425	-2.1
EBIT	111	120	-7.4	396	405	-2.2
EBITDA margin (%) <sup>1/</sup>	16.1	16.5		15.4	15.5	
Earnings per share adj. (SEK) <sup>1/</sup>	1.17	0.70		3.17	2.73	
Earnings per share (SEK)	1.17	0.70		2.91	2.43	
Return on equity (%), adj. <sup>1/</sup>	4.1	2.5			3.4	
Return on equity (%) <sup>1/</sup>	3.8	-2.3			3.1	
Equity per share, adj. (SEK) <sup>1/</sup>	82.3	73.7			80.6	
Equity per share (SEK) <sup>1/</sup>	82.3	73.7			78.7	
Equity/assets ratio adj. (%) <sup>1/</sup>	41.7	40.0			42.1	
Equity/assets ratio (%) <sup>1/</sup>	41.7	40.0			42.0	
Net debt <sup>1/</sup>	3,976	3,871			3,791	
Net debt, IFRS 16	295	-			-	
Net debt to Equity <sup>1/</sup>	0.7	0.8			0.7	
Net debt to EBITDA <sup>1/</sup>	3.9	4.7			3.8	
IFRS 16, effect net debt to EBITDA	0.2	-			-	

<sup>1/</sup> APM: Alternative Performance Measures

Thomas Eldered, CEO:

Good start of the year

“With revenue increase of 20 per cent in the first quarter we report all-time high net sales, first time over SEK 1.8 billion in a quarter. The high growth was mainly driven by the acquisition completed last October. Growth in continuing operations, adjusted for currency and acquisitions was 3 per cent. EBITDA increased 17 per cent with about half of this increase due to change in



accounting standards. Both sales and EBITDA were materially positively impacted by the recent acquisition and negatively impacted by temporary factors. These we expect to fade away during the year. Market conditions remained generally favourable and the underlying business performed in line with plans with several new contracts under implementation.

In the Steriles & Inhalation segment we continued to see inhalation sales better than plan. We have made good progress to overcome the technical and supply issues for certain injectables that we saw in the fourth quarter. In Italy we had a planned standstill to reconfigure certain manufacturing suites to prepare for implementation of new contracts.

We are implementing several new contracts with associated tech-transfer and scale-up expenses in the Solids & Others segment. While segment sales growth was generally good, we saw materially softer demand of several products that have recently changed ownership.

Our global development services gained business momentum in the quarter and contributed to growth and improved performance in the Development & Technology segment.

Strong sales growth without increased working capital contributed to a healthy operating cash flow and a further strengthening of the balance sheet. During the quarter the material serialisation capital expenditure project was completed, and the service implemented with relevant customers. Increased EBITDA and lower investments had a favourable impact on leverage and gearing ratios.

The markets we operate in remain competitive but at the same time providing both growth and new business and acquisition opportunities. Going forward I expect our growth-driving strategies, including optimisation and improvements of our structure, to continue to deliver.

We have invested heavily in capacities where demand is expected to be high. The feedback we are receiving from our customers is encouraging and with our global reach and attractive value proposition we are taking leadership in our industry. We are well on track to reach our overall targets.”

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

The company invites investors, analysts and media to a web conference (in English) on 3 May at 10:00 am CET, where CEO Thomas Eldered and CFO Tobias Hägglov will present and comment on the report as well as answer questions.

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

[https://webinars.on24.com/EMEA/RecipharmQ1\\_2019](https://webinars.on24.com/EMEA/RecipharmQ1_2019)

Questions may be submitted by dialling below telephone numbers. If you don't wish to ask questions you only need to participate through the link above.

From Sweden: +46 8 566 426 51  
From the UK: +44 333 300 08 04  
From the USA: +1 631 913 14 22

Pin code for participants:  
43158818#

## Contact information

Thomas Eldered, CEO, telephone: +46 8 602 52 10  
Tobias Hägglov, CFO, [ir@recipharm.com](mailto:ir@recipharm.com), +46 8 602 52 00

*This information is information that Recipharm AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 3 May 2019, at 07:45 CET.*



## About Recipharm

Recipharm is a leading Contract Development and Manufacturing Organisation (CDMO) in the pharmaceutical industry employing around 6,000 employees. Recipharm offers manufacturing services of pharmaceuticals in various dosage forms, production of clinical trial material and APIs, and pharmaceutical product development. Recipharm manufactures several hundred different products to customers ranging from big pharma to smaller research and development companies. Recipharm's turnover is approximately SEK 6.4 billion and 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)