

Recipharm AB publishes its interim report January - June 2019

April – June 2019

- Net sales amounted to SEK 1,867 million (1,701), an increase of 10%
- EBITDA increased by 15% and amounted to SEK 354 million (307) corresponding to an EBITDA margin of 19.0% (18.1)
- Operating profit (EBIT) amounted to SEK 171 million (262)
- Profit after tax amounted to SEK 94 million (165) corresponding to a net margin of 5.0% (9.7)
- Earnings per share amounted to SEK 1.38 (2.56) before dilution and SEK 1.38 (2.50) after dilution
- Previous years EBIT and profit after tax were positively affected by SEK 97 million from the divestment of Thyrosafe, corresponding to an effect on earnings per share of SEK 1.52
- Continued solid cash flow with unchanged working capital and low investments

January – June 2019

- Net sales amounted to SEK 3,679 million (3,213), an increase of 14%
- EBITDA increased by 16% and amounted to SEK 645 million (557) corresponding to an EBITDA margin of 17.5% (17.3)
- Operating profit (EBIT) amounted to SEK 282 million (382)
- Profit after tax amounted to SEK 173 million (210) corresponding to a net margin of 4.7% (6.5)
- Earnings per share amounted to SEK 2.55 (3.28) before dilution and SEK 2.55 (3.28) after dilution
- Net debt to Equity was 0.7 (0.6)

Key figures	Apr – Jun			Jan – Jun			Jul 18 – Jun 19	Jan - Dec
	2019	2018	Change in %	2019	2018	Change in %	2018	2018
SEK million								
Net sales	1,867	1,701	+10	3,679	3,213	+14	6,839	6,374
EBITDA	354	307	+15	645	557	+16	1,076	987
IFRS 16 effect EBITDA	23	-		45	-		45	-
EBITA	232	225	+3	402	399	+1	633	630
EBIT adjusted	171	169	+1	282	289	-3	418	425
EBIT	171	262	-35	282	382	-26	305	405
EBITDA margin (%)	19.0	18.1		17.5	17.3		15.7	15.5
Earn. per share adj (SEK)	1.38	1.13		2.55	1.84		3.48	2.73
Earnings per share (SEK)	1.38	2.56		2.55	3.28		1.82	2.43
Return on equity (%), adj	4.1	2.2						3.4
Return on equity (%)	2.2	-0.5						3.1
Equity per share, adj (SEK)	83.0	84.9						80.6
Equity per share (SEK)	83.0	80.8						78.7
Equity/assets ratio, adj. (%)	41.7	43.0						42.1
Equity/assets ratio (%)	41.7	43.0						42.0
Net debt	4,002	3,336						3,791
IFRS 16, effect net debt	277	-						-
Net debt to Equity	0.7	0.6						0.7
Net debt to EBITDA	3.7	3.8						3.8
IFRS 16, effect net debt to EBITDA	0.1	-						-



Thomas Eldered, CEO:

Steady progress towards our targets

"For the sixth consecutive quarter I'm pleased to report record high sales for the quarter. We are also reporting sequential improvement of sales, profitability and cash flow.

Net sales increased 10 per cent compared to Q2 2018, corresponding to the net of acquisitions and discontinuing operations. EBITDA increased by 15 per cent and in addition to acquisitions we report good contributions from serialisation, new sterile products in new capacities and our new global development organisation while non-lyophilized injectables and oral solids underperformed during the quarter. EBITDA margin in the quarter increased to 19 per cent, 20 per cent excluding discontinuing operations. Changed accounting standard contributed 1.2 percentage points.

In the Steriles & Inhalation segment we continued to see good demand in the inhalation market and we are evaluating several new business opportunities. We also continue to see good demand for our lyophilisation and blow-fill-seal services as we increase utilisation of the newly installed capacities.

In the Solids & Others we saw stable demand from current customers. We are implementing several new contracts with associated tech-transfer and scale-up expenses which will benefit sales from next year and onwards.

Our global development services continue to gain business momentum and contributed to improved performance in the Development & Technology segment.

Despite sales growth, working capital was slightly reduced during the quarter and operating cash flow increased SEK 140 million to SEK 259 million. Whilst a changed accounting standard increased net debt by SEK 277 million, increased EBITDA and lower investments had a favourable impact on leverage and gearing ratios.

Our current structure has considerable potential for growth and improved performance, also in the short term, but I'm not satisfied with the organic growth in the quarter. We know what to do and expect the increased business momentum we began to see towards the end of the second quarter to continue and strengthen during the rest of the year. 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 25 July 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/RecipharmQ2_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
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Pin code for participants:
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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 25 July 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