

Recipharm AB publishes its interim report January - September 2019

July – September 2019

- Net sales amounted to SEK 1,797 million (1,421), an increase of 26%
- EBITDA increased by 87% and amounted to SEK 282 million (151) corresponding to an EBITDA margin of 15.7% (10,6)
- Operating profit (EBIT) amounted to SEK 95 million (25)
- Profit after tax amounted to SEK 81 million (-9) corresponding to a net margin of 4.5% (-0.6)
- Earnings per share amounted to SEK 1.19 (-0.13) before dilution and SEK 1.19 (-0.13) after dilution

January – September 2019

- Net sales amounted to SEK 5,476 million (4,635), an increase of 18%
- EBITDA increased by 31% and amounted to SEK 927 million (708) corresponding to an EBITDA margin of 16.9% (15.3)
- Operating profit (EBIT) amounted to SEK 377 million (407)
- Profit after tax amounted to SEK 253 million (201) corresponding to a net margin of 4.6% (4.3)
- Earnings per share amounted to SEK 3.74 (3.07) before dilution and SEK 3.74 (3.07) 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 1.50
- Net debt to Equity was 0.7 (0.6)

Thomas Eldered, CEO:

Accelerating towards our targets

“The good performance we saw in the second quarter has continued and further improved. Today I’m therefore pleased to report our strongest ever third quarter. Net sales increased 26 per cent over the previous year with a good contribution from the newly acquired inhalation business. Organic growth was 11 per cent and we see strong growth across all three business segments and in all geographies where we operate.

EBITDA increased 87 per cent and in addition to acquisitions we report good contributions from serialisation, newly expanded capacities and our global development services. For non-lyophilized injectables I’m still not satisfied with the performance, but we are making progress on our improvement plan. Stock building in preparation for Brexit in our UK inhalation business generated approximately 10 per cent EBITDA increase.

EBITDA-margin in the normally weak third quarter increased significantly to a very satisfactory 15.7 per cent, whereof 1.3 percentage points was due to new accounting standards.



As earlier in the year we report strong cash flow and good cash conversion. Despite high sales growth we continue to keep working capital almost flat. With limited capex this translates into continued de-leveraging where we are now at a level which will allow us to make acquisitions going forward.

We are clearly benefitting from our global reach and our competitive value proposition to customers as we are taking leadership in selected markets. Our objectives and strategies remain unchanged. We will continue to build powerful, long lasting partnerships with strategically important customers, in addition to adding further technologies and differentiating businesses, based on customer needs.”

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 7 November 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/RecipharmQ3_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:

64885800#

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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 7 November 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