

## Interim report January-March 2015

### January - March 2015

- Net sales amounted to SEK 873 million (578), an increase of 51%
- EBITDA increased by 55% and amounted to SEK 158 million (102) giving an EBITDA margin of 18.1% (17.7)
- Operating profit (EBIT) amounted to SEK 100 million (78)
- Profit after tax amounted to SEK 121 million (55), giving a net margin of 13.8% (9.5), including a financial investment capital gain of SEK 36.3 million
- Earnings per share amounted to SEK 2.74 (2.16), after dilution 2.74 (2.05)
- Cash flow from operating activities was SEK 148 million (57)
- Net debt to EBITDA was 2.1 (1.2)

*The segments within the manufacturing services business area are from this year split into technology instead of geography.*

Key figures					
SEK million	Jan - Mar		change	Apr 14	
	2015	2014	in %	- Mar 15	2014
Net sales	873.2	577.9	51.1	2 864.6	2 569.3
Net sales (constant FX rates)	853.0		47.6		
EBITDA	158.0	101.9	54.9	455.3	399.3
EBIT	100.4	77.8	29.1	294.7	272.1
EBITDA margin (%)	18.1	17.7		15.9	15.5
Earnings per share	2.74	2.16		5.77	4.63
Non-recurring items	0.0	0.0		19.2	19.2
Return on equity (%)	13.1	18.7			11.4
Return on operating capital (%)	12.3	20.7			12.4
Equity to assets (%)	49.9	39.2			39.4
Net debt	937.3	391.0			1 163.7
Net debt to Equity	0.3	0.5			0.5
Net debt to EBITDA	2.1	1.2			2.9

### Thomas Eldered, CEO:

"Sales were in line with expectations, with reported organic sales growth in local currencies of 0.5%. Thus, sales, excluding 2014 acquisitions, were the highest ever for a first quarter, even higher than the very strong comparison quarter 2014. Acquisitions completed in the previous quarter developed well and integration progressed according to plan generating an increase of 47% in sales.

The segment Development & Technology reported very strong sales with an organic growth of more than 71%. Manufacturing services, excluding acquisitions, reported sales higher than the strong Q1 2014, benefitting from strong currency effects partly balancing a higher level of seasonal variation. The profit was affected by non-recurring items. We expect some recovery later in the year, especially in Solids and others. Our commercial

activities are showing good results as we continue to generate a high level of new manufacturing projects. We have also started to explore opportunities to provide value to our new combined customer base and we may see benefits from this already in the short-term.

Starting this quarter, we have implemented a revised segment reporting, more appropriate for the larger group. Manufacturing Services will be reported in two segments, but now based on technology instead of geography. I believe the new segments will promote a strategic view on these segments regarding investments, capacities and returns. In particular, we expect to see a continued strong demand in the Manufacturing Services Sterile Liquids ("MS-SL") segment contributing to further profitability improvement and we will continue to invest in this growth area.

Operating cash flow increased to SEK 148 million and contributed together with gains from short term investments to a strong positive cash flow. After a quarter of significant de-leveraging, our reported net debt to EBITDA ratio improved to 2.1 from 2.9 at year-end due. This is a proof of our financial capacity to proceed with the acquisition opportunities we are currently evaluating. Although acquisitions will continue to be a very important component of our growth strategy, we are also actively progressing several promising technology and product development projects, including collaboration and partnerships with other companies. These projects will contribute to our organic growth and profitability going forward.

To summarize, I am very pleased with what our employees have achieved during the quarter. Following integration activities, ERP-system updates, weaker demand for some products but also good new project activity we are in a good position to meet the challenges we face, explore the opportunities we see in the market and to benefit from the recent acquisitions we have made"

**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 7 May at 10:00 am CET where CEO Thomas Eldered 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/hfsw4kpp>

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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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 7 May 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)