

Interim report January-June 2016

January - June 2016

- Net sales amounted to SEK 2 208 million (1 742), an increase of 27 %
- EBITDA increased by 20 % and amounted to SEK 376 million (314) giving an EBITDA margin of 17.0 % (18.0)
- Operating profit (EBIT) amounted to SEK 218 million (198)
- Profit after tax amounted to SEK 108 million (189: last year included a financial capital gain of SEK 46.6 million), giving a net margin of 4.9 % (10.9)
- Earnings per share amounted to SEK 2.14 (4.22), after dilution 2.13 (4.22)
- Cash flow from operating activities was SEK 78.6 million (201)
- Net debt to Equity was 0.4 (0.4)

Key figures								
SEK million	Apr - Jun		change	Jan - Jun		change	Jul 15	
	2016	2015	in %	2016	2015	in %	- Jun 16	2015
Net sales	1 235	868	42.2	2 208	1 742	26.8	3 856	3 389
Net sales (CER) ^{1/}	1 239	856	42.6	2 216	1 709	27.3		3 344
EBITDA ^{1/}	240	156	54.0	376	314	19.9	572	510
EBIT ^{1/}	150	98	61.3	218	198	14.4	303	274
EBITDA margin (%) ^{1/}	19.4	17.9		17.0	18.0		14.8	15.0
Earnings per share	1.67	1.50	23.3	2.14	4.22	-45.2	5.94	4.72
Return on equity (%) ^{1/}				3.5	11.4			8.8
Equity per share (SEK) ^{1/}				91.9	59.3			59.2
Equity ratio (%) ^{1/}				51.1	49.7			48.1
Net debt ^{1/}				1 807	1 001			1 183
Net debt to Equity ^{1/}				0.4	0.4			0.4
Net debt to EBITDA ^{1/}				3.2	2.0			2.3

^{1/} APM: Alternative Performance Measures, see financial definitions after note 5

Thomas Eldered, CEO:

"With a sales increase of 42 percent we recorded all-time high sales for the quarter. For the first time we had sales in excess of SEK 1 billion, and this even without the SEK 231 million contribution from recent acquisitions. Sales growth during the quarter, excluding acquisitions was 16 percent in local currencies. Sales of the volatile tender product ThyroSafe and from the new contract in Kaysersberg, France as well as phasing of revenues from the first quarter contributed significantly to the sales increase. A packaging-only contract, discontinued in Q3 2015, lower reference prices in Portugal and lower sales in the UK of certain high-margin own products had a negative impact.

EBITDA for the quarter increased 54 percent to SEK 240 million and EBITDA-margin increased sequentially to 19.4 percent, the highest quarterly margin ever for Recipharm. Excluding acquisitions, completed during the last twelve months, EBITDA still reached an all-time high for a quarter. In addition to the sales growth, a price adjustment related to the first quarter this year had a positive impact on EBITDA. Implementation of the cost and efficiency program in Swedish operations started to impact EBITDA positively somewhat ahead of plan.

We continued to take important steps to strengthen Recipharm and to support achievement of our long-term targets. Completed acquisitions during the quarter of Indian Nitin Lifesciences Ltd, Swedish Kemwell AB and US Cirrus Pharmaceuticals Inc together with Italian Mitim Srl, acquired in February, performed according to our expectations and integration activities progressed in-line with plan. Together with the acquisition of Kemwell's



pharmaceutical business in India, with expected authority approvals in Q4 this year, we have now strengthened our synergistic business model and will align development and manufacturing services globally. Our high-performing European operations, highly efficient Indian capabilities and US bridgehead, providing access to our network for small and midsize US customers, is creating a leading global setup providing valuable solutions to our customers. We continue to make expansion investments in the Sterile Liquids segment, in particular to meet the strong demand we see for our lyophilisation services and blow-fill-seal technology.

As expected we comply with our EBITDA-margin and Net debt to Equity targets. Going forward I expect our growth-driving strategies, including executing on further acquisition opportunities, to continue to deliver. The markets we operate in remain competitive but at the same time providing both growth and many opportunities. With our global reach and attractive value proposition to our customers I'm confident that we will reach our long term growth targets set to 2020. We were pleased with the support showed by our shareholders in the recently completed rights issue and we are very well placed to continue to explore the opportunities we see in the market."

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 22 July 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/ufdsqyft>

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.

From Sweden: + 46 8 505 963 06
From Denmark: + 45 354 45597
From Finland: + 358 9 8171 0317
From France: + 33 29092 0977
From Germany: + 49 30 211 510 067
From India: + 91 226187 51 03
From Italy: + 39 2 3604 67 98
From Norway: + 47 235 00 559
From Portugal: + 35 210 609104
From Spain: + 34 911 143 608
From Switzerland: + 41 44 5800083
From the UK: + 44 203 139 48 30
From the USA: + 1 718 873 90 77

Pin code for participants:

44823539#

For more information, please visit www.recipharm.com or contact:

Thomas Eldered, CEO, +46 8 602 52 10

Björn Westberg, CFO, ir@recipharm.com, +46 8 602 46 20

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 22 July 2016 at 07:45 am CET.

About Recipharm

Recipharm is a leading CDMO (Contract Development and Manufacturing Organisation) in the pharmaceutical industry employing some 3,500 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 5.0 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 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