Q4 SALES INCREASED 54%. EBITDA 108%  

- Net sales SEK 1 333m, up 54%  
- EBITDA SEK 229m, up 108%  
- EBITDA margin 17.2% vs 12.7%  

- Profit after tax SEK 76m (26)  
- Operating cash flow SEK 83m (147)  

- Net debt/equity constant at 0.4  
- Convertible bond of SEK 1 billion  
- Proposed dividend per share SEK 1.50 (1.50)
### Net Sales and % of total

- **2015**
  - Development & Technology: 20%
  - Sterile Liquids: 24%
  - Solids and Others: 56%
  - Total: 863 SEKm

- **2016**
  - Development & Technology: 14%
  - Sterile Liquids: 40%
  - Solids and Others: 46%
  - Total: 1333 SEKm

### EBITDA and % of total

- **2015**
  - Development & Technology: 34%
  - Sterile Liquids: 37%
  - Solids and Others: 29%
  - Total: 110 SEKm

- **2016**
  - Development & Technology: 13%
  - Sterile Liquids: 49%
  - Solids and Others: 38%
  - Total: 229 SEKm
STERILE LIQUIDS SEGMENT UPDATE

• Continued strong demand
  – Lyophilisation
  – Blow-fill-seal

• Expansion projects
  – Finalising Wasserburg, DE
    • Lyophilisation, packaging
  – Ongoing Masate, IT
    • Lyophilisation
  – Ongoing Kaysersberg, FR
    • Blow-Fill-Seal

• Growth
  – New contract in Kaysersberg
  – Increased demand

• Important acquisitions contributing
  – Mitim, IT
  – Nitin Lifesciences, IN

Net Sales and % of total

EBITDA and % of total
• Competitive market conditions
  • Discontinuation of less profitable contracts
  • Promising project portfolio
  • Opportunities to integration of delivery technologies

• Maintenance capex

• Cost saving and efficiency program
  ‒ Swedish operations
  ‒ Integration synergies

• Important acquisition
  • Kemwell AB, SE

• After the period
  ‒ Recipharm Pharmaservices Pvt Ltd, IN*

* From 1 February 2017
DEVELOPMENT AND TECHNOLOGY SEGMENT UPDATE

• Product rights, challenging but stabilising
  – Weak GBP, sales in UK
  – Pricing impact in Portugal
  – Negligible Thyrosafe

• Good growth in development services
  – SE, IS, FR, IT, US
  – New technology centers

• Expansion projects implemented
  – Bioanalysis capability, SE
  – New GMP API development, IT
  – New GMP suite for clinical materials, US

• Global development integration
  – North America, Europe, India*
  – Feeding manufacturing

* From 1 February 2017.
ACQUISITIONS UPDATE

• Integration ongoing
  – Mitim Srl (IT), Feb 24, 2016
  – Nitin Lifesciences Ltd (IN), Apr 11, 2016
  – Cirrus Pharmaceuticals (US), May 23, 2016
  – Kemwell AB (SE), May 23, 2016

• After the period
  – Recipharm Pharmaservices Pvt Ltd (IN)

• Opportunities under review
  – Technology
  – Market
  – Relationship
BUILDING INDIAN PRESENCE FURTHER

Fast growing pharma market
• India, 3rd largest producer in volume
• $ 50bn in value, +15% per year
• Government initiative – India to become global leader (manufacturing)

Key drivers for Recipharm growth
• Strong domestic market
• Market access for existing customers
• Export to emerging markets in Asia/CIS/Africa
• Access to low cost development capabilities
• Combined capabilities Europe/India leverage new opportunities and improved ways of working

Broad range of Recipharm services
• Development services
  Oral solids, liquids and semi-solid formulations, R&D services
• Commercial supply
  Oral solids, oral and sterile liquids semi-solid formulations, ophthalmic and lyophilised products

Short term general upsides
• General sales tax
• Demonetisation
FINANCIALS
BJÖRN WESTBERG, CFO
(CURRENCY SEK MILLION)
# Q4 P&L DEVELOPMENT

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>1 333</td>
<td>863</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>229</td>
<td>110</td>
</tr>
<tr>
<td></td>
<td>17.2%</td>
<td>12.7%</td>
</tr>
<tr>
<td><strong>D&amp;A</strong></td>
<td>-107</td>
<td>-61</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>122</td>
<td>48</td>
</tr>
<tr>
<td><strong>Financial items</strong></td>
<td>-25</td>
<td>-5</td>
</tr>
<tr>
<td><strong>Profit bef. Tax</strong></td>
<td>96</td>
<td>44</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>-20</td>
<td>-18</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>76</td>
<td>26</td>
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</table>
## MANUFACTURING SERVICES – STERILE LIQUIDS

### Sales Q4

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>216</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+188</td>
</tr>
<tr>
<td>Kayserberg contract</td>
<td>+84</td>
</tr>
<tr>
<td>Other contracts</td>
<td>+43</td>
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<tr>
<td>Currency translation</td>
<td>+16</td>
</tr>
<tr>
<td>2016</td>
<td>548</td>
</tr>
</tbody>
</table>

- + recovery of material supply

### EBITDA Q4

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>49</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+45</td>
</tr>
<tr>
<td>Other</td>
<td>+27</td>
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<tr>
<td>Currency translation</td>
<td>+3</td>
</tr>
<tr>
<td>2016</td>
<td>124</td>
</tr>
</tbody>
</table>

- + increased sales
# MANUFACTURING SERVICES – SOLIDS & OTHERS

## Sales Q4

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>514</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+132</td>
</tr>
<tr>
<td>Others</td>
<td>-16</td>
</tr>
<tr>
<td>Currency translation</td>
<td>+4</td>
</tr>
<tr>
<td>2016</td>
<td>634</td>
</tr>
</tbody>
</table>

- Certain products discontinued

## EBITDA Q4

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>39</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+33</td>
</tr>
<tr>
<td>Others</td>
<td>+23</td>
</tr>
<tr>
<td>Currency translation</td>
<td>+2</td>
</tr>
<tr>
<td>2016</td>
<td>97</td>
</tr>
</tbody>
</table>

+ Efficiency and improvement program
DEVELOPMENT & TECHNOLOGY

### Sales Q4

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>183</td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+6</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-10</td>
<td></td>
</tr>
<tr>
<td>Currency translation</td>
<td>+6</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>185</td>
<td></td>
</tr>
</tbody>
</table>

- Lower sales in the UK market
- Reference pricing in Portugal

### EBITDA Q4

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>-6</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-7</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>32</td>
<td></td>
</tr>
</tbody>
</table>

- Lower sales of a few high margin products
- GBP currency effect – own products
- Reference pricing in Portugal
+54% CHANGE IN Q4 NET SALES

1/ Currency translation effect
# 2016 PERFORMANCE

<table>
<thead>
<tr>
<th>KPIs</th>
<th>2016</th>
<th>2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>4 678</td>
<td>3 389</td>
<td>+38%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>749</td>
<td>510</td>
<td>+47%</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>16.0</td>
<td>15.0</td>
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</tr>
<tr>
<td>Earnings per share (SEK)</td>
<td>3.32</td>
<td>4.72</td>
<td></td>
</tr>
<tr>
<td>Return on equity (%)</td>
<td>5.0</td>
<td>8.8</td>
<td></td>
</tr>
<tr>
<td>ROOC (%)</td>
<td>7.0</td>
<td>12.7</td>
<td></td>
</tr>
<tr>
<td>Equity to assets (%)</td>
<td>52.4</td>
<td>48.1</td>
<td></td>
</tr>
<tr>
<td>Net working capital to Sales (%)</td>
<td>20.9</td>
<td>18.1</td>
<td></td>
</tr>
<tr>
<td>Net debt (SEKm)</td>
<td>1 894</td>
<td>1 183</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>5 130</td>
<td>2 740</td>
<td></td>
</tr>
<tr>
<td>Net debt to Equity</td>
<td>0.4</td>
<td>0.4</td>
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</tr>
<tr>
<td>Net debt to EBITDA</td>
<td>2.5</td>
<td>2.3</td>
<td></td>
</tr>
</tbody>
</table>
CONCLUDING REMARKS

THOMAS ELDERED
BECOMING A GLOBAL CDMO
ENHANCED OFFERING, GLOBAL PRESENCE, NEW RELATIONS
ACCRETIVE ACQUISITIONS 2016-

TECHNOLOGY
- Freeze dried ampoules
- Injectable hormones
- Niche APIs
- Niche dosage forms
- Niche dev. technology

MARKET
- India
- North America
- Europe (Israel)

RELATIONSHIP
- ~ 50 new customers
- More Big Pharma

Nitin Lifesciences
Kemwell AB
Recipharm Pharmaservices Pvt Ltd
Mitim
Cirrus Pharmaceuticals
GROWTH DRIVING STRATEGY EXECUTION

• Global footprint established
  – Strong presence in all major European markets
  – Enhanced presence in India
  – Foothold established in attractive US market

• World wide market supply capabilities

• Highly attractive value proposition
  – Diverse customer base
  – Broad technology base
  – High quality, high performance manufacturing facilities
  – Access to competitive drug delivery technologies
  – Technology and product development partnerships and joint projects
AGENDA 2017

• Integration of completed acquisitions
• Benefit from commercial and cost synergies
• Start supply serialised products to the US
• Start commercial supply from expanded lyophilisation capacity in Germany
• Create a global comprehensive development services offering
• Leverage our new sales and business development organisation, in the US, Europe and India
• Execute on accretive acquisition opportunities
ON TRACK TO REACH OUR LONG-TERM TARGETS

Financial targets

- **At least SEK 8bn in sales by 2020**
  - +54% Q4
  - +38% FY

- **EBITDA margin more than 16.0%**
  - 17.2 Q4
  - 16.0% FY

- **Net debt to equity ratio of less than 0.8**
  - 0.4 end of Q4

- **Dividend 30-50% of net profit**
  - Board proposal
CONTACT INFORMATION

Thomas Eldered
CEO & Managing Director
+46 (0)8 602 52 10

Björn Westberg
CFO & EVP
Finance, Control & Investor Relations
+46 (0)8 602 46 20, ir@recipharm.com