RECORD SALES AND EBITDA

• Net sales SEKm 1,401 up 13%
• EBITDA SEKm 242 up 1%
• EBITDA margin 17% vs 19%

• Profit after tax SEKm 76 (84)
• Operating CF SEKm 154 (139)
• Net debt/equity 0.6 (0.4)
Q2 BY SEGMENT

Manufacturing Services
Sterile Liquids

Sales¹
Growth
SEKm 558 m
+8 %

EBITDA²
Margin
SEKm 122 m
22 %

Manufacturing Services
Solids & Others

Sales¹
Growth
SEKm 666 m
+19 %

EBITDA²
Margin
SEKm 98 m
15 %

Development
Technology

Sales¹
Growth
SEKm 216 m
-3 %

EBITDA²
Margin
SEKm 45 m
21 %

1/ Segment Net Sales includes SEKm 41 intra-group sales
2/ Segment EBITDA does not include SEKm 23 group overhead
STERILE LIQUIDS

- High capacity utilization
  - Good demand
  - Backlog recovery from Q1
  - New Goods and Services Tax in India

- Expansion projects
  - Lyophilisation expansion Wasserburg, DE
    - Ramp-up delayed, likely into 2018
  - Ongoing lyophilisation expansion Masate, IT
    - On plan regarding time and costs
  - Ongoing blow-fill-seal Kaysersberg, FR
    - On plan regarding time and costs

- Sales growth +8 %
  - Local currency +3 %

- EBITDA same as LY
  - Start-up costs in Wasserburg, DE
  - Positive currency contributing

Net Sales and % of Total\(^1\)
- 558 SEKm (39%)

EBITDA and % of Total\(^2\)
- 122 SEKm (46%)

---

1/ % of total segment sales
2/ % of total segment EBITDA
SOLIDS & OTHERS

• Weak demand for new single projects
  • Promising opportunities for portfolios
  • Delays in India
  • Product range change in Fontaine, FR
  • Discontinuation of less profitable contracts

• Sales growth 19%
  • Acquisition and currency effect
  • Organic growth negatively impacted by positive LY one-offs

• EBITDA margin 15%
  • LY positive one-offs

Net Sales and % of Total\(^1\)

- 666 SEKm (46%)

EBITDA and % of Total\(^2\)

- 98 SEKm (37%)

---

1/ % of total segment sales
2/ % of total segment EBITDA
DEVELOPMENT & TECHNOLOGY

- Good demand for IP and product rights
  - Strong trend for Erdosteine and other APIs
  - Slower than expected growth in Development Services
  - Certain setbacks in the US
- Sales growth -3%
  - Local currency -6%
  - Thyrosafe sales -16%
- EBITDA
  - 21% margin, same level as LY
- Global development integration
  - North America, Europe, India
  - Increasing the service offering and enhancing the position in the value chain

Net Sales and % of Total\(^1\)

- 15% of total segment sales
- 216 SEKm

EBITDA and % of Total\(^2\)

- 17% of total segment EBITDA
- 45 SEKm

1/ % of total segment sales
2/ % of total segment EBITDA
ACQUISITIONS UPDATE

• Integration ongoing
  • Mitim Srl (IT), Feb 2016
  • Nitin Lifesciences Ltd (IN), Apr 2016
  • Cirrus Pharmaceuticals Inc (US), May 2016\textsuperscript{1}
  • Kemwell AB (SE), May 2016\textsuperscript{1}
  • Recipharm Pharmaservices Pvt Ltd ("Kemwell India"), Feb 2017\textsuperscript{1}

• Performance
  • Nitin’s Q2 growth influenced by India’s tax reform
  • Mitim’s RM supply induced Q2 backlog recovery
  • Recipharm Pharmaservices delay due to registrations

• Opportunities
  • Technology
  • Market
  • Relationship

1/ Included in acquisitions Q2 LY comparison
FINANCIALS
Henrik Stenqvist
(currency SEK million)
## Q2 P&L DEVELOPMENT

<table>
<thead>
<tr>
<th></th>
<th>Q2 2017</th>
<th>Q2 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>1 401</td>
<td>1 235</td>
</tr>
<tr>
<td>EBITDA</td>
<td>242</td>
<td>240</td>
</tr>
<tr>
<td>EBITDA margin, %</td>
<td>17.3</td>
<td>19.3</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>-119</td>
<td>-91</td>
</tr>
<tr>
<td>EBIT</td>
<td>123</td>
<td>149</td>
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<tr>
<td>Financial Items</td>
<td>-24</td>
<td>-18</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>99</td>
<td>131</td>
</tr>
<tr>
<td>Tax</td>
<td>-23</td>
<td>-47</td>
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<tr>
<td>Net Profit</td>
<td>76</td>
<td>84</td>
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</table>
MANUFACTURING SERVICES – STERILE LIQUIDS

SALES BRIDGE, APRIL – JUNE

<table>
<thead>
<tr>
<th></th>
<th>Sales, SEKm</th>
<th>Sales, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>515.3</td>
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</tr>
<tr>
<td>Currency</td>
<td>+27.6</td>
<td>+5.4</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Organic growth</td>
<td>+15.5</td>
<td>+3.0</td>
</tr>
<tr>
<td>Total</td>
<td>+43.1</td>
<td>+8.4</td>
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<tr>
<td>2017</td>
<td>558.4</td>
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</table>

EBITDA BRIDGE, APRIL – JUNE

<table>
<thead>
<tr>
<th></th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>122.0</td>
</tr>
<tr>
<td>Currency</td>
<td>+5.8</td>
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<tr>
<td>Acquisitions</td>
<td>0.0</td>
</tr>
<tr>
<td>Other</td>
<td>-5.8</td>
</tr>
<tr>
<td>Total</td>
<td>0.0</td>
</tr>
<tr>
<td>2017</td>
<td>122.0</td>
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</tbody>
</table>
## MANUFACTURING SERVICES – SOLIDS & OTHERS

### SALES BRIDGE, APRIL – JUNE

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales, SEKm</th>
<th>Sales, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>561.4</td>
<td>1.3</td>
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<tr>
<td>Currency</td>
<td>+7.6</td>
<td>+1.3</td>
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<tr>
<td>Acquisitions</td>
<td>+145.3</td>
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<tr>
<td>Retroactive prices</td>
<td>-10.6</td>
<td>-1.9</td>
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<tr>
<td>Other</td>
<td>-37.3</td>
<td>-6.6</td>
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<tr>
<td>Total</td>
<td>+105.1</td>
<td>+18.7</td>
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<tr>
<td>2017</td>
<td>666.5</td>
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</table>

### EBITDA BRIDGE, APRIL – JUNE

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA</th>
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<tbody>
<tr>
<td>2016</td>
<td>95.1</td>
</tr>
<tr>
<td>Currency</td>
<td>+1.6</td>
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<tr>
<td>Acquisitions</td>
<td>+19.1</td>
</tr>
<tr>
<td>Retroactive prices</td>
<td>-10.6</td>
</tr>
<tr>
<td>Other</td>
<td>-6.9</td>
</tr>
<tr>
<td>Total</td>
<td>+3.2</td>
</tr>
<tr>
<td>2017</td>
<td>98.3</td>
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</tbody>
</table>

### Graphs

- **Sales Bridge, April – June**
- **EBITDA Bridge, April – June**

- **Q2 2016 Currency Acquisitions Retroactive prices Other Q2 2017**
- **Q2 2016 Currency Acquisitions Retroactive prices Other Q2 2017**
DEVELOPMENT & TECHNOLOGY

SALES BRIDGE, APRIL – JUNE

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales, SEKm</th>
<th>Sales, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>222,4</td>
<td>2,8</td>
</tr>
<tr>
<td>Currency</td>
<td>6,2</td>
<td>8,1</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>-35,3</td>
<td>-15,9</td>
</tr>
<tr>
<td>Other</td>
<td>5,1</td>
<td>2,3</td>
</tr>
<tr>
<td>Total</td>
<td>-6</td>
<td>-2,7</td>
</tr>
<tr>
<td>2017</td>
<td>216,4</td>
<td></td>
</tr>
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</table>

EBITDA BRIDGE, APRIL – JUNE

<table>
<thead>
<tr>
<th>Year</th>
<th>SEKm</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>45,6</td>
<td></td>
</tr>
<tr>
<td>Currency</td>
<td>1,6</td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>0,2</td>
<td></td>
</tr>
<tr>
<td>Product mix and dev. services</td>
<td>-2,8</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-1,1</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>44,5</td>
<td></td>
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</tbody>
</table>
+13% INCREASE IN Q2 NET SALES
### CASH FLOW BY QUARTER

<table>
<thead>
<tr>
<th></th>
<th>Q1-17</th>
<th>Q2-17</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Flow</td>
<td>81,2</td>
<td>191,6</td>
<td>272,8</td>
</tr>
<tr>
<td>Total W. c. change</td>
<td>-106,0</td>
<td>-37,9</td>
<td>-143,9</td>
</tr>
<tr>
<td>Operating cash flow after w.c.</td>
<td>-24,8</td>
<td>153,7</td>
<td>128,9</td>
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<tr>
<td>Maintenance capex</td>
<td>-64,6</td>
<td>-69,8</td>
<td>-134,4</td>
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<tr>
<td>Free cash flow</td>
<td>-89,4</td>
<td>83,9</td>
<td>-5,5</td>
</tr>
<tr>
<td>Expansion capex</td>
<td>-1 035,6</td>
<td>-128,0</td>
<td>-1 163,6</td>
</tr>
<tr>
<td>Cash flow after investment activities</td>
<td>-1 125,0</td>
<td>-44,1</td>
<td>-1 169,1</td>
</tr>
</tbody>
</table>

- **Strong Free cash flow for the quarter**
- **A period of large expansion capex during 2017**
CONCLUDING REMARKS
Thomas Eldered
BECOMING A GLOBAL LEADER

- Sek 5.2 bn 2017Q2 LTM Sales
- ~27% CAGR\(^1\) since 2013

- Sek 774 m 2017Q2 LTM EBITDA\(^2\)
- ~32% CAGR\(^1\) since 2013

- 8 Acquisitions
  2 Asset/portfolio
  1 Green-field
  since 2013

500+ Products  400+ Customers  5000 Employees  20+ Locations  100+ Markets  Attractive value proposition  Founded in Sweden 1995  Listed company since 2014

\(^1\) As reported  
\(^2\) EBIT + depreciations + amortizations
DRIVING ABOVE-MARKET PERFORMANCE

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

Financial targets

At least SEK 8bn in sales by 2020

EBITDA margin at least 16%

Net debt to equity ratio of less than 0.8

Status

+13% Q2
+23% YTD
+35% LTM

17% Q2
15% YTD
15% LTM

0.6 end of Q2
Q&A
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