

STRATEGY AND TARGETS

Our achievements during 2019 ensure we are well-positioned to explore further opportunities. With net sales of SEK 7.5 billion, corresponding to an annual growth of 17 per cent, we remain on track to achieve our 2020 sales target of SEK 8 billion. Our EBITDA margin continued to improve, amounting to 17.3 per cent in 2019, which is above our target. Leverage ratios have continued to improve, following our increased profit and reduced capex.

FINANCIAL TARGETS

FINANCIAL TARGETS

RESULTS
2017

RESULTS
2018

RESULTS
2019

ANNUAL SALES SHOULD EXCEED SEK 8 BILLION BY 2020

With net sales of SEK 7.5 billion, corresponding to an annual growth of 17.0 per cent, we remain on track to achieve our 2020 sales target.

5.3

billion SEK

6.4

billion SEK

7.5

billion SEK

EBITDA MARGIN SHOULD BE HIGHER THAN 16%*

The EBITDA margin of 17.3 per cent for 2019 exceeded our target margin of 17.2 per cent.

13.7

15.5

17.3

NET DEBT TO EQUITY SHOULD BE LESS THAN 0.8

Net debt in relation to equity was 0.7 in relation to our target of below 0.8.

0.7

0.7

0.7

A DIVIDEND RETURN OF 30–50% PROFIT AFTER TAX

The Board proposes no dividend.

0

SEK/share

1.25

SEK/share

0

SEK/share

OUR OBJECTIVES

To be a world-leading supplier of CDMO services
This is measured by market share based on revenue.

To be the first choice of our target customers
This is measured via independent research.

To maintain a solid financial performance
This is measured by the financial metrics detailed above.

Our new financial targets are valid from 1 January 2020.
The new targets are set on growth, profitability and return.

NEW FINANCIAL TARGETS

AT THE CAPITAL MARKETS DAY ON NOVEMBER 18, our new financial targets were communicated. The new targets were set on growth, profitability and return and will be measured from 1 January 2020.

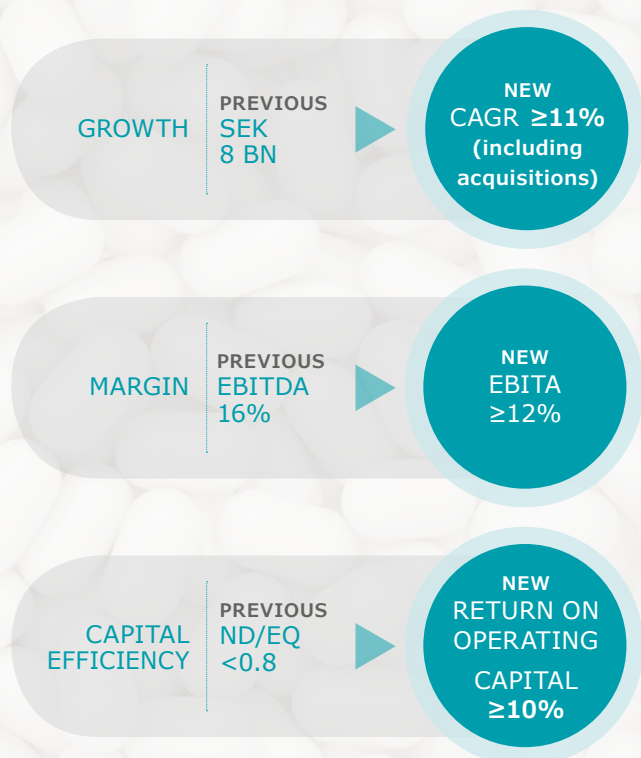
The new relative sales target - a compound annual growth rate (CAGR) of at least 11 per cent with a base year 2019 - will replace our old sales target of reaching sales of SEK 8 billion by 31 December 2020. The new target will in addition to the organic growth also reflect acquired growth.

The new profitability target - Earnings before Interests, Taxes and Amortisation of intangible assets (EBITA*) of at least 12 per cent - will replace the old profitability target of reaching an EBITDA* of at least 16 per cent**. The new target means higher profitability requirements than the previous target.

In order to balance the sales target and strictly focus on generating shareholder value, a new return target will be introduced - achieving a Return on operating capital of at least 10 per cent.

In summary, the new financial targets focus on high-quality growth profitability and return.

SUMMARY NEW FINANCIAL TARGETS



Note. All measures are Alternative Performance Measures

* Adjusted for non-recurring items.

** Due to new accounting standards, the 16 per cent EBITDA target equates to achieving an EBITDA margin of 17.2 per cent in 2019.