
P R E S S R E L E A S E

Ypsomed business year 2015/16: Expectations exceeded

Burgdorf, 20. May 2016, 7:00 a.m. – In the business year 2015/16, the Ypsomed Group generated consolidated sales totaling CHF 336.9 million (prior year: CHF 306.6 million). Compared with the previous year, this represents an increase in sales of 9.9%. The operating results (EBIT) also increased by 55.7% compared to the previous year, from CHF 28.5 million to CHF 44.4 million and lies considerably above the expectations of CHF 41 million. As a result, the profitability at the EBIT level lies at 13.2% (prior year: 9.3%) – despite the present currency exchange situation. For the current business year 2016/17, Ypsomed expects an accelerated growth in sales of around 12% and an EBIT of approximately CHF 55 million.

All segments, Delivery Devices, Diabetes Direct Business and Others, have contributed to the excellent results of the past business year. This is largely due to the growth in sales in the two segments Delivery Devices and Diabetes Direct Business, but also to improved cost-efficiency in production and sales. The present foreign currency exchange situation and the strong Swiss franc led to a decline of approximately CHF 21 million at the sales level. The operating result was negatively affected with approximately CHF 10 million.

Segment Delivery Devices: excellent results due to platform products and projects

The Delivery Devices segment showed a growth in sales of 11.3% to CHF 168.9 million (prior year: CHF 151.7 million). Thus the road to success of the past year continues in this segment. The following factors affected net sales:

- The market for glucagon-like peptide-1 (GLP-1), a diabetes drug that is becoming increasingly important for the treatment of type 2 diabetes, continues to experience strong growth. Following the successful market launch in the business year 2014/15, additional sales were generated in the past business year with our pharma partners GlaxoSmithKline and AstraZeneca.
- The development and industrialisation revenues were increased by approximately CHF 8 million through various customer projects for the platform products UnoPen™, FixPen™ and the autoinjectors.
- Despite a volume growth of approximately 6%, the components for the SoloStar®, which are manufactured in Solothurn exclusively for our partner Sanofi, showed a slight decline in sales compared to the previous year. Lower selling prices and currency exchange rates in particular, offset the effect of higher sales volumes.
- The business with the pen needles showed a volume growth of approximately 3%. Here too, the growth in volume was offset by the currency exchange rate, resulting in a sales decline around CHF 4.0 million.

The EBIT for the Delivery Devices segment for the business year 2015/16 amounted to CHF 24.9 million. This represents an increase of nearly 85% or CHF 11.5 million on a year on year basis. This excellent result is largely due to the

mentioned sales increases in the area of GLP-1 products and the projects for other platform products. Production was further optimised as was the utilisation of capacities, both of which led to lower pro rata fixed costs.

Segment Diabetes Direct Business: all lines of business contributed to profitability

The Diabetes Direct Business segment again demonstrated vigorous growth during the reporting year 2015/16. Compared to the previous year, net sales increased from CHF 137.7 million to CHF 151.8 million, which equals a growth in sales of 10.3%.

The patient base for the mylife™ OmniPod®, the tubeless insulin patch pump, was expanded as forecast by approximately 40% in the past business year. Nearly half of this growth performance in sales in this segment is derived from the new mylife™ OmniPod® markets Norway, Sweden and Italy. In terms of blood glucose monitoring systems, positive volume growth was achieved with the products of the long-standing partner Bionime. The specialised diabetes dealer, DiaExpert, also demonstrated above average growth in single digits in local currency, however, this was offset by the currency exchange rate.

The operating result in the Diabetes Direct Business area increased by 47.3% year on year to a total of CHF 19.2 million (prior year: CHF 13.0 million). All sectors in this segment contributed to the growth in profitability. Last year saw investments into new distribution markets and these have now contributed to the increase in profitability. The increase in profitability is also the result of more efficient utilisation of the sales and distribution structures, as these have only increased marginally despite the growth and new markets. The result was also influenced positively by releasing a provision from the previous year to the amount of CHF 0.7 million. Process risks relating to an international distribution network were averted definitively.

Segment Others: Ypsotec holds its own in a difficult foreign currency environment

The Ypsomed subsidiary, Ypsotec (Segment Others), continues to assert itself in a difficult and highly competitive market. Together with the production facility in Tábor, Czechia, this resulted in a positive result.

Net profits increased by 85% and a higher dividend payout

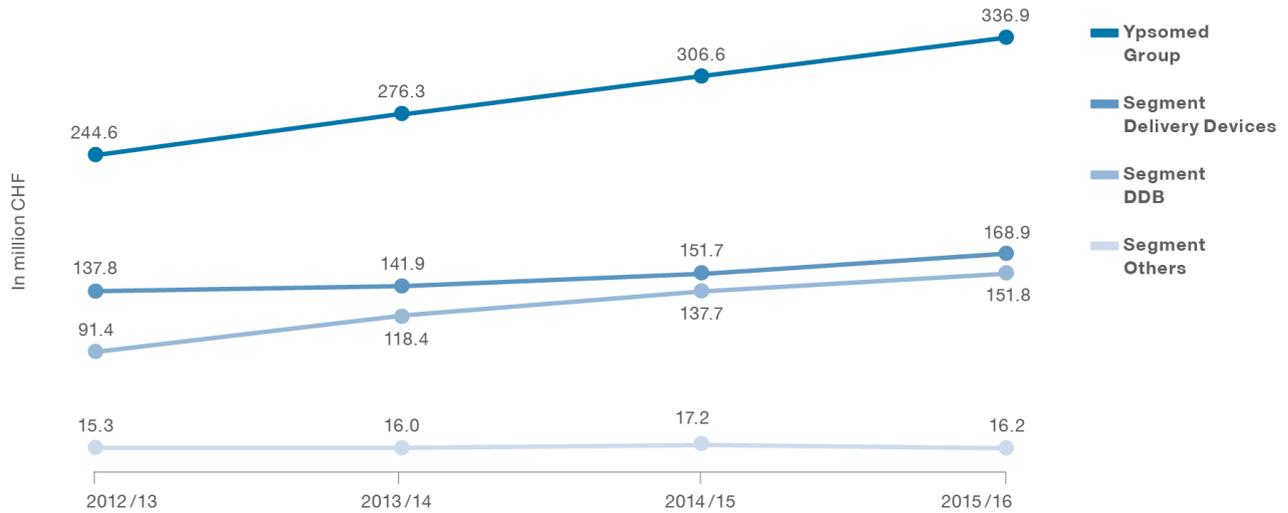
The financial result for the business year 2015/16 was impacted negatively by CHF 1.2 million. Of these, CHF 0.5 million are due to interest paid (CHF 0.8 million in the previous year), and CHF 0.7 million due to losses in currency exchange rates as well as impairment on the investment in Bionime. For the business year 2014/15, currency exchange losses and impairment for this investment still amounted CHF 4.1 million. The tax burden on profits before taxes was also reduced to 17.1% from 18.3% in the previous year. Thus, the net profit for the business year 2015/16 amounts to a total of CHF 35.8 million. Compared to the previous year at CHF 19.4 million, this represents an increase of 84.6%. Due to the good result, the shareholders shall be paid a dividend of CHF 1.00 per registered share (prior year: CHF 0.60), exempt from withholding tax, from reserves arising from capital contributions for the past financial year 2015/16.

Change in executive management

Yvonne Müller, Senior Vice President Human Resources, has decided to leave the Ypsomed Group on her own request at the end of November 2016 in order to take on a new career challenge. She has been responsible for Human Resources since 2003 and has ensured professional and sustainable staff recruitment, support and development during these 13 years. The Ypsomed Group would like to thank Yvonne Müller for her many valuable contributions to the company and wishes her all the best for the future. Her successor will be announced in due course.

If you would like any further information, Benjamin Overney, Head of Investor & Public Relations for Ypsomed Holding AG will be happy to help you. He can be reached on +41 34 424 41 59. This press release, the Annual Report 2015/16 and further documents in electronic form can be accessed at www.ypsomed.com (under Media & Investors/Media resources and press releases).

Sales of goods and services



EBIT

