

# Boule Diagnostics Q2 2022 presentation

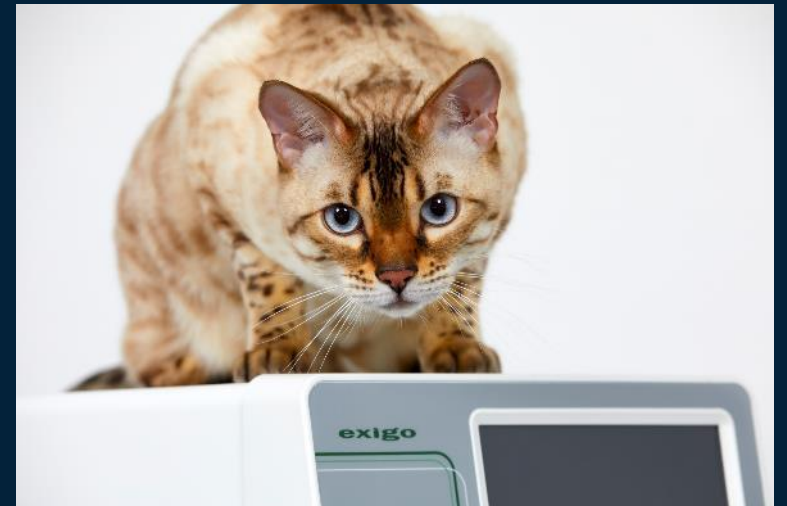
Jesper Söderqvist CEO and  
Annette Colin CFO

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# Q2 highlights

- All time high revenue for a quarter
- Growth for all product lines
- Growth driven by instrument and consumable sales
  
- Supply chain issues caused production stops
- Geopolitical situation cause headwinds
  
- New European regulation IVDR implemented
- External data collection with new platform
- New distributor for veterinary products in Europe



# Financials at a glance

- Net sales in constant currencies up +14% YoY
- High share of instrument sales to India and OEM business
- Gross profit margin decreased by 3.9 pp
- Operating margin increased by 1.5 pp
- Investments in new technology platform 20 MSEK

## Financials Q2

Net sales, MSEK

**141**

Gross margin

**38%**

YoY Growth

**27%**

EBIT-margin

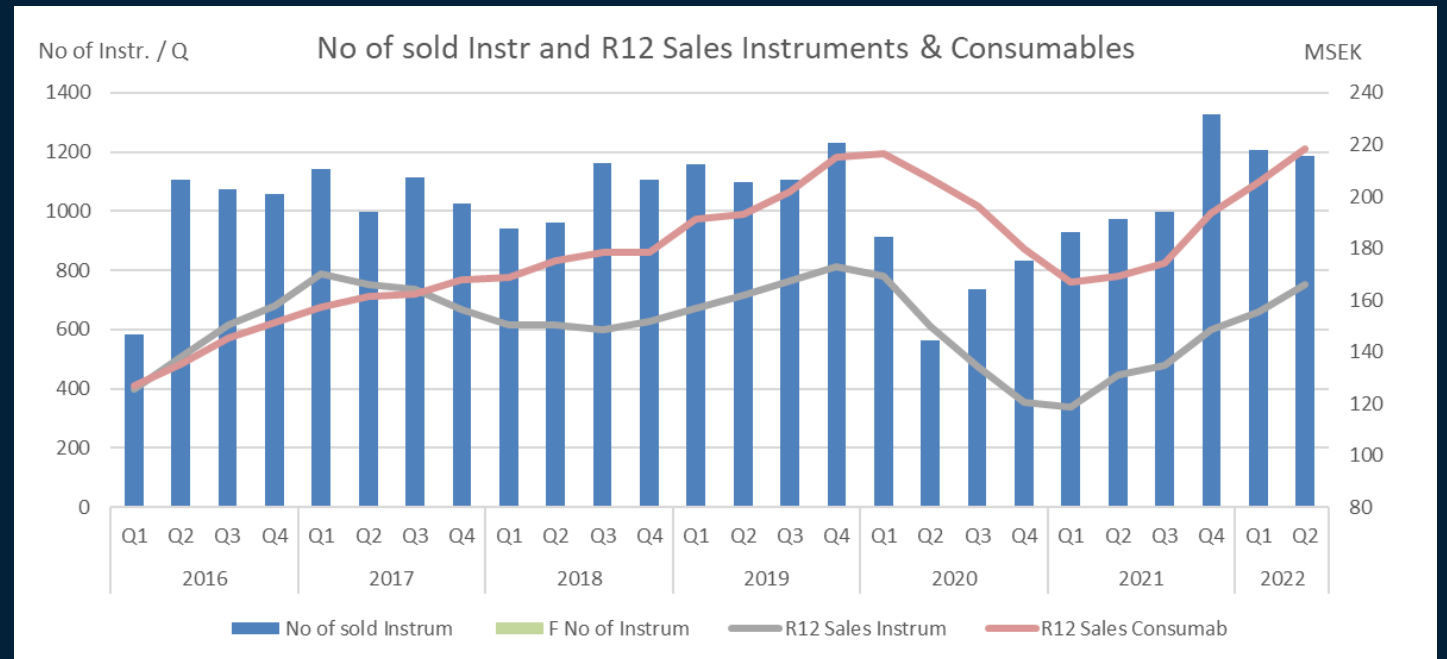
**4%**

Cash-flow, MSEK

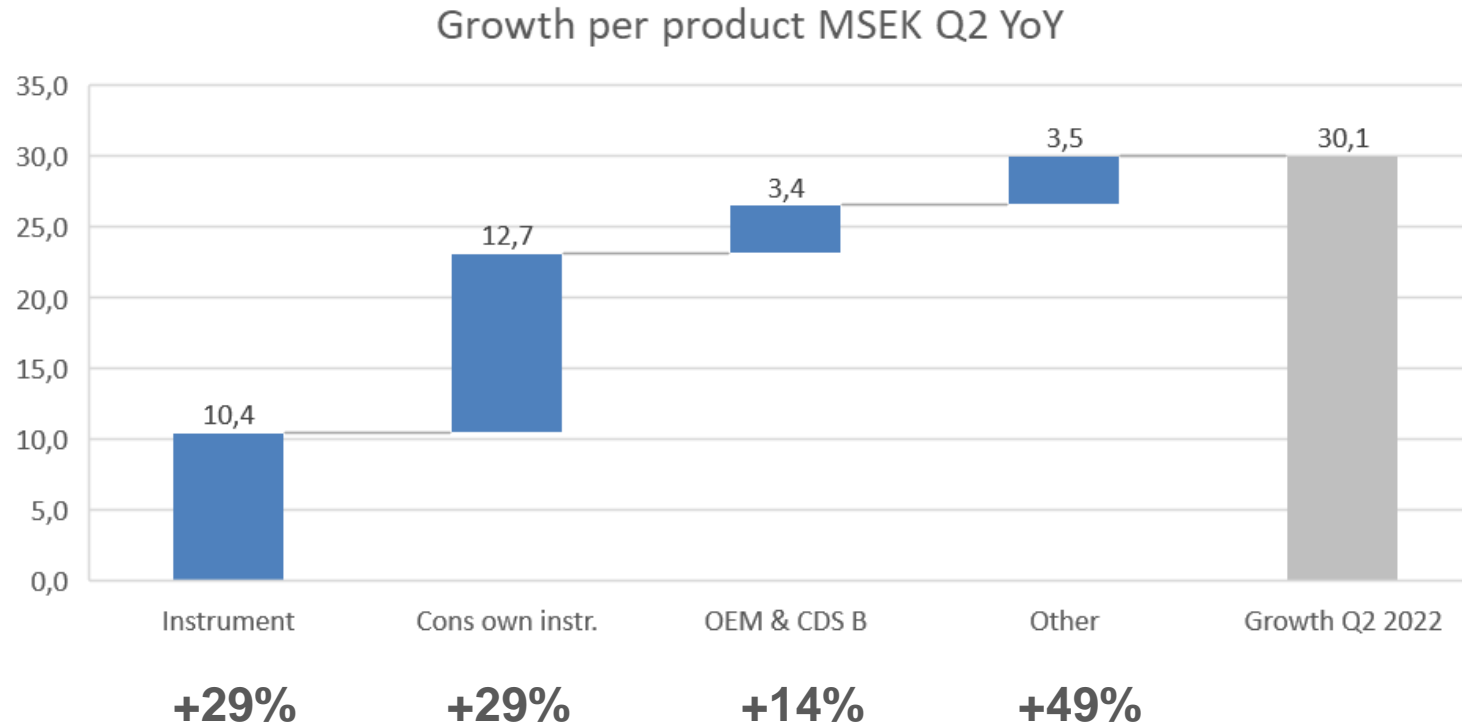
**-8.7**

# All-time-high revenue for a quarter & stable growth trends past year

- Back to pre-pandemic levels last three quarters
- Boule grows faster than the market

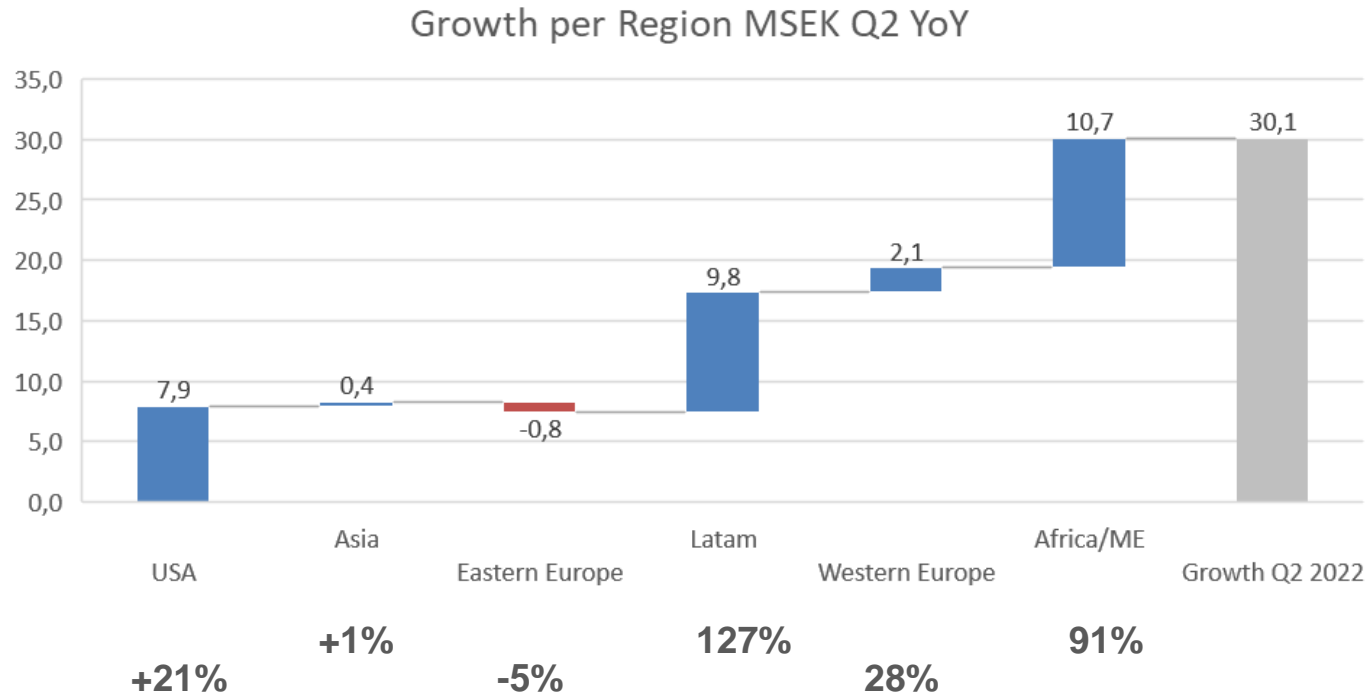


# Sales bridge: Growth for all products



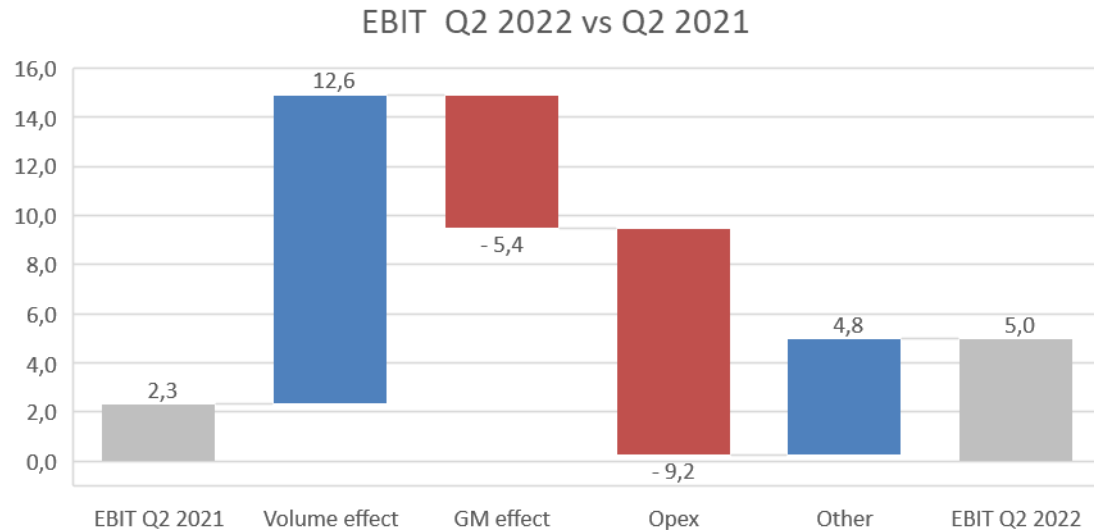
- Strong reported and organic growth in both instruments and consumables

# Sales bridge: Strong growth in Latam and Africa & Middle East



- US growth mainly driven by OEM business
- Eastern Europe decreasing due to war,
- Latam driven by deliveries to Mexico and Dominican Republic
- Africa/Middle East mainly driven by sales to Egypt

# EBIT bridge: pressured by supply chain disturbances

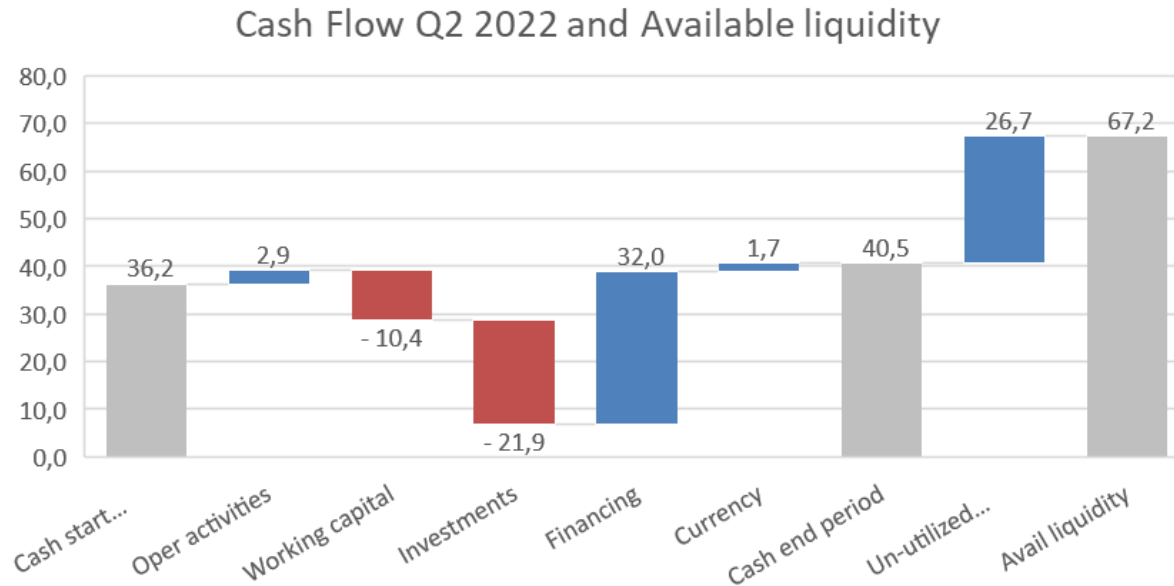


- Volume and price increases drive top line
- Gross margin pressured by supply chain disturbances, production stops, increased prices for components and logistics
- Opex include supply chain mitigations, redesign, exhibitions and travel, expenses related to IVDR and recruitment costs

EBIT, MSEK  
**5.3** (+2.7)

EBIT-margin  
**3.6%** (+1.5 p.p.)

# Cash flow: external headwinds



- Working capital impacted by supply chain disturbances
- Continued investment in future product platform
- New loan of 35 MSEK to finance investments in the new product platform

Operating cash flow,  
MSEK

**-8.7**

Cash flow, MSEK

**2.7**



# Strong growth despite volatile geopolitical situation

- Strong recovery in sales first half year
  - Supply chain and logistics challenges remain
  - Positive long-term outlook, but near-term high volatility
- 
- **USA:** OEM business expect slower growth
  - **Asia:** India recovered. Opportunities in South-East Asian countries
  - **Eastern Europe:** no end of war in Ukraine in sight, sanctions towards Russia will remain, expect decline of the business
  - **Middle East and Africa:** new opportunities thanks to increased local presence and new distributors
- 
- Is the pandemic over?
  - Public tenders may slow down due to weaker economy



# Increase profitability and continue to invest in the future

- Manage supply situation
  - Component supplies
  - Increase production capacity in our US production
- Price increase realization
- Improve cash-flow and manage expenses
- Industrialization of new product platform



# Summary

- Record sales three consecutive quarters
- Stable revenue from large installed base
- Gross margin temporary held back by unfavorable product mix, higher material and logistics costs
- Geopolitical instability, inflation and component shortages create short term uncertainties and pressure profitability
- Long-term market growth 3-8%
- Boule has grown faster than the market the last years



## BOULE ASPIRATION

- Most satisfied customers
- Highly valued employer
- >500M tests yearly



## FINANCIAL TARGETS

- Operating Margin >15%
- Long-term sales growth >10%
- Net debt to EBIT ratio <3 times





Thank you!

Q&A