



## **Boule Diagnostics AB**

Q3 presentation

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# Boule Diagnostics

- Develops, manufactures and market complete blood count (CBC) analyzers
  - Strong heritage in hematology
  - Both human and veterinary markets.
- CBC is used to evaluate overall health and detect a wide range of disorders, including infections, anemia and leukemia
- Control of complete value chain
  - One-stop shop: instruments, reagents, blood controls, and calibrators
  - Ensures reliability and quality
- Focus on the growing, decentralized near patient diagnostics segment for human and veterinary market
- Sales in 100+ countries
- Consumables sold to OEM partners



# Q3 2020 in summary

## Strong result and resilient margins despite slower sales

- COVID-19 continues to impact
- Net sales down -20.2% in constant currency
  - Comparisons to all-time high Q3 2019
- 9% sales improvement vs Q2 2020
- Strong operating profit supported by
  - US government grants
  - Good cost control
- Cash-flow improved in the quarter
- 10+ year OEM supply agreement
- New platform development program reorganized
- Appointed CTO to increase focus on innovation and product development

## HIGHLIGHTS Q3

### NET SALES, MSEK

**98.8**

### YoY GROWTH

**-24.7%**

### GROSS MARGIN

**46.6%**

### EBIT-MARGIN

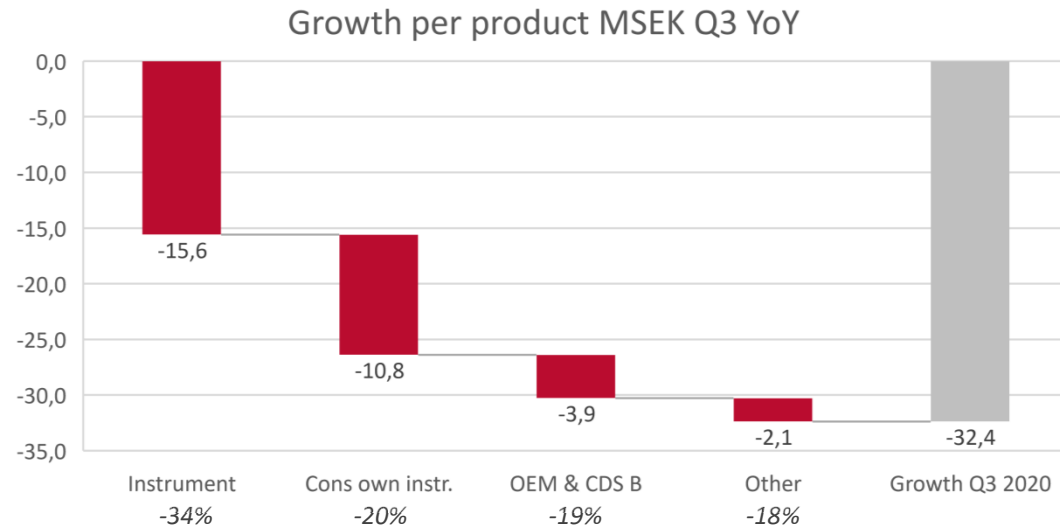
**23.7%**

### CASH FLOW, MSEK

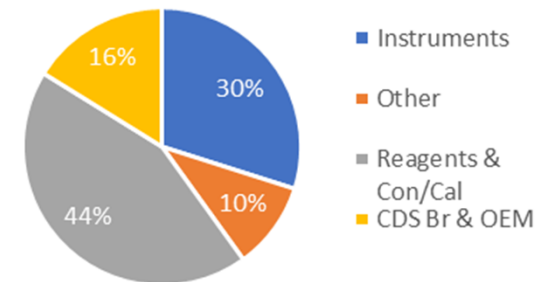
**17.8**



# Instrument sales most impacted by COVID-19

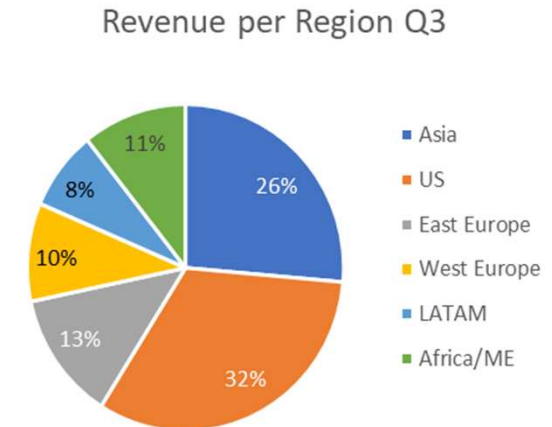
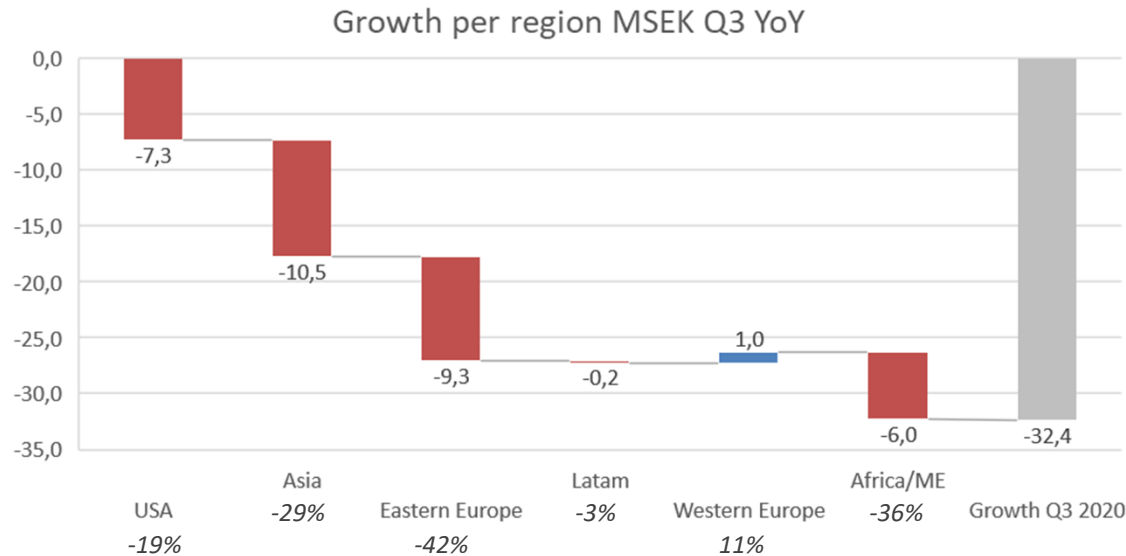


Q3 Revenue Allocation



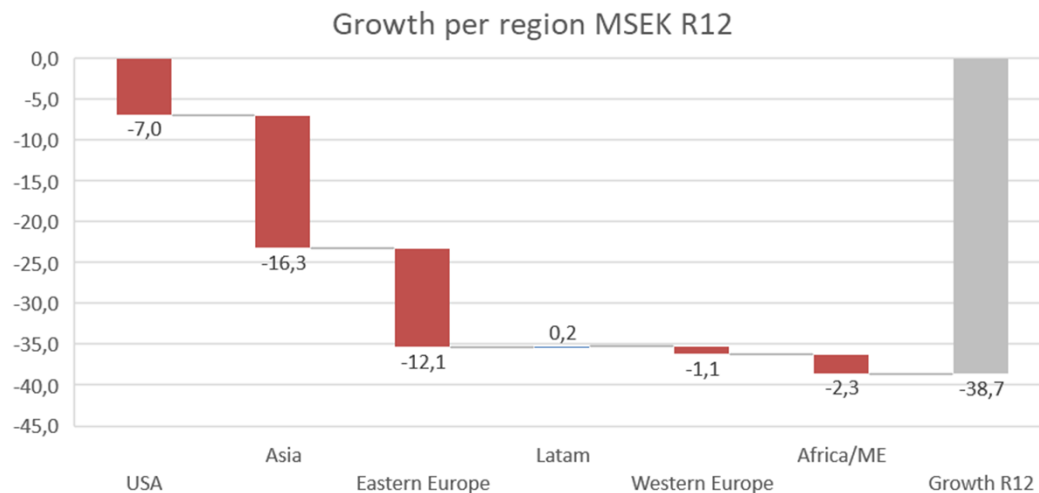
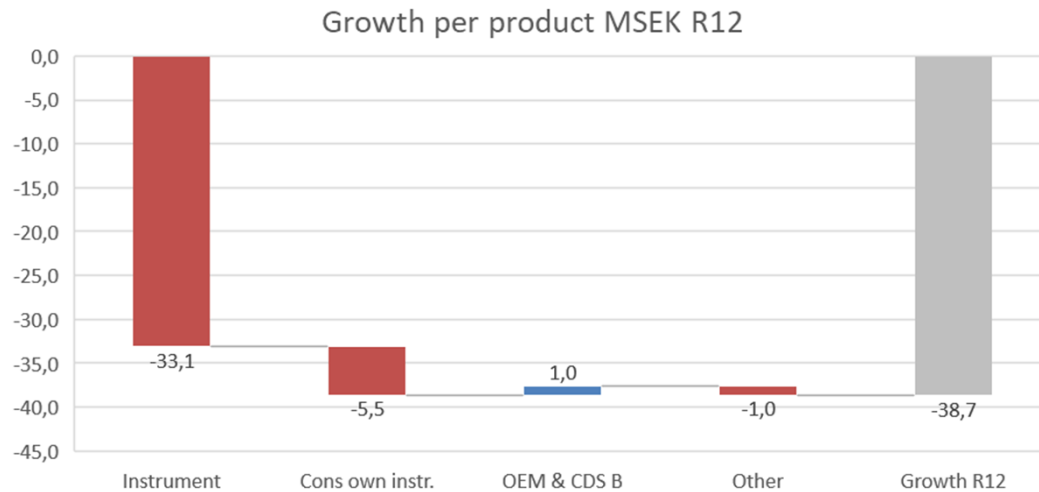
- Fewer blood tests performed due to lock-downs

# All regions impacted by COVID-19 also in Q3



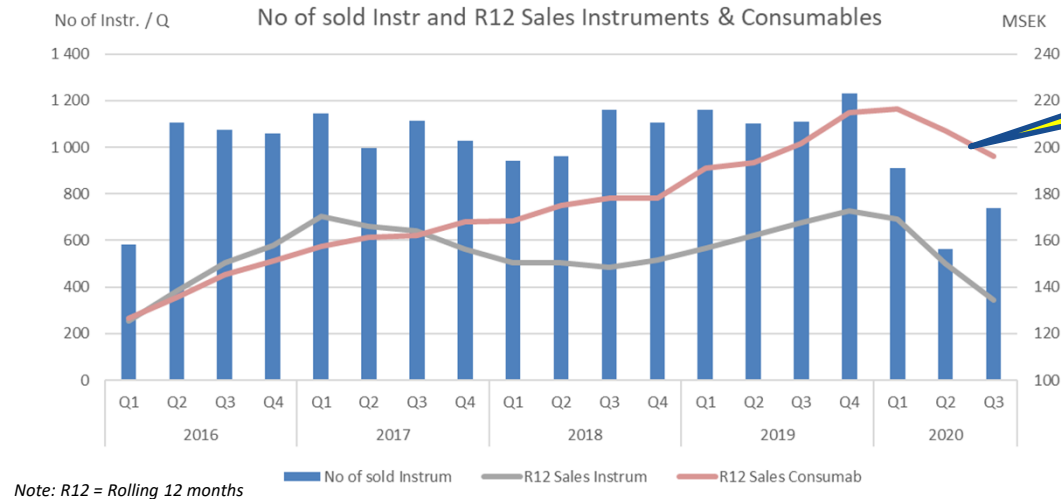
- Slow down in US partly due to soft OEM sales
- Decline in Asia due to lower instrument sales, while consumable sales increased
- Sales in East Europe were impacted both by pandemic as well as increased unfair competition

# High impact on R12 instrument sales

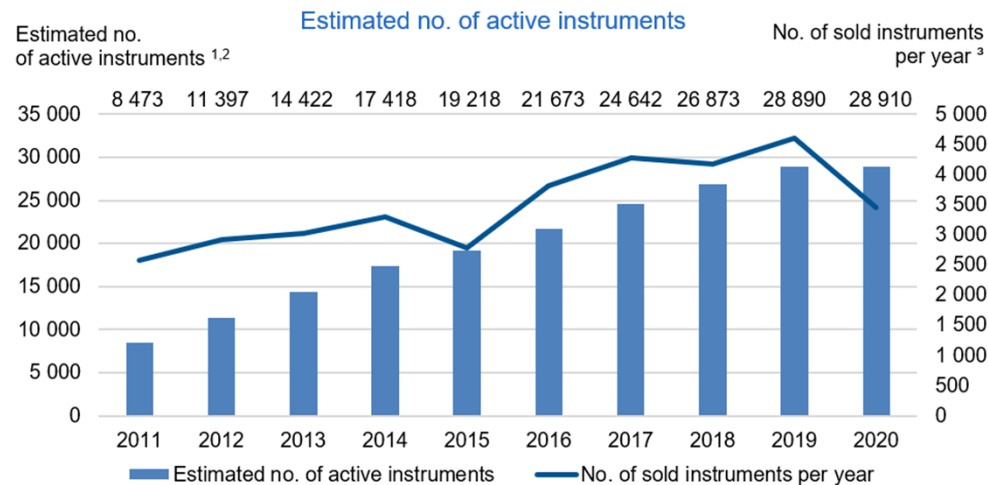


- Impact by COVID-19 during all of 2020
- Sales of new instruments has temporarily halted due to:
  - lock-downs
  - reduced CAPEX
  - other priorities in healthcare
- Consumable sales slowed down

# Long-term stability supported by large installed base



- Consumable sales will recover with declining spread of coronavirus and eased restrictions

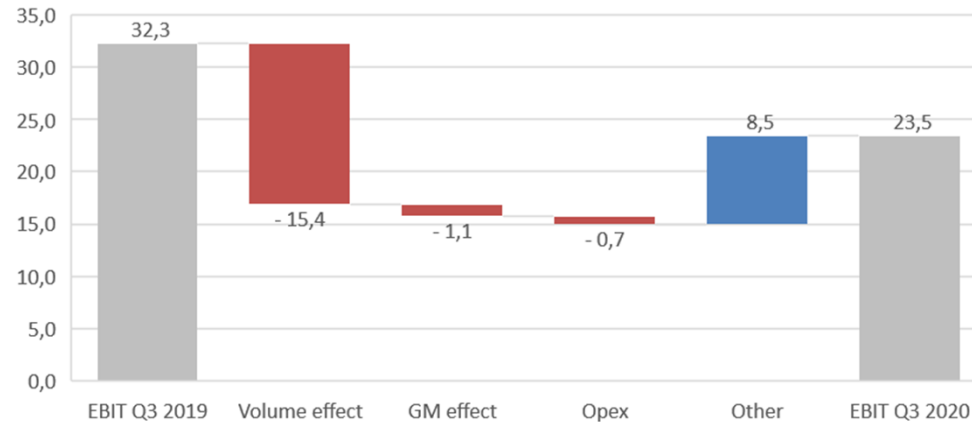


- Estimated active installed base ~29k instruments
  - flat IB in 2020



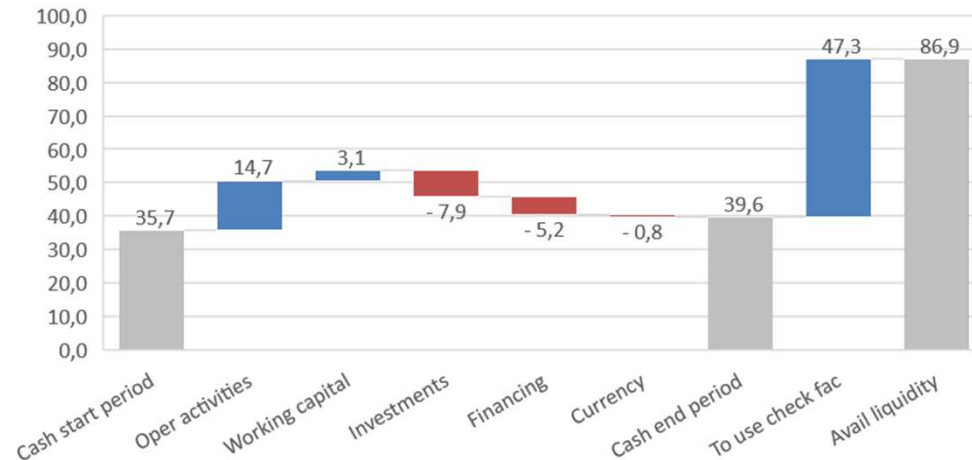
# P&L vs 2019 and cash flow bridge in Q3

EBIT Q3 2020 vs Q3 2019



- EBIT loss due to lower sales
- GM and OPEX at same level as 2019
- US government grants partly compensate
- Without US government grants EBIT in Q3 would be **12,0%**

Cash Flow Q3 2020 and Available liquidity



- Operating cash-flow +17,8 MSEK
  - +13,3 MSEK reduced inventory
- Investments mainly relates to development of future platform



# Short term outlook

## MARKET RECOVERY

- Recovery will be driven by declining spread of virus and ease of restrictions in our key markets
- Recovery in Q3 sales, up 9% vs Q2
- Significant uncertainty in Q4 due to on-going and accelerating pandemic
- Boule ready to ramp-up shipments when demand return

## Q4 AND Q1 PRIORITIES

- COVID-19 mitigations
- Local production in Russia plan to start in Q1 2020
- Start production of new OEM reagents
- Increase sales in veterinary market
- Continue to improve our product portfolio
- Platform development



# Post COVID-19, targets and focus remain

## FINANCIAL TARGETS

- Operating Margin  $>15\%$  (YTD 11,6%)
- Long-term sales growth  $>10\%$  (YTD -16,7%)
- Net debt to EBIT ratio  $<3$  times

## MID-TERM PRIORITIES

- Balance sales and profitability
- Increase efficiency and effectiveness
- Continue to strengthen product portfolio
- Veterinary market





Thanks for your attention and  
interest for Boule!