

A person wearing a white lab coat and white gloves is holding a small vial of blood. The vial has a blue cap and a label that reads "Boule Medical AB" and "2019-01-22". The background is a blurred laboratory setting with blue and white equipment.

# Boule Diagnostics AB Q3 presentation

Jesper Söderqvist CEO and  
Christina Rubenhag CFO

November 10, 2021



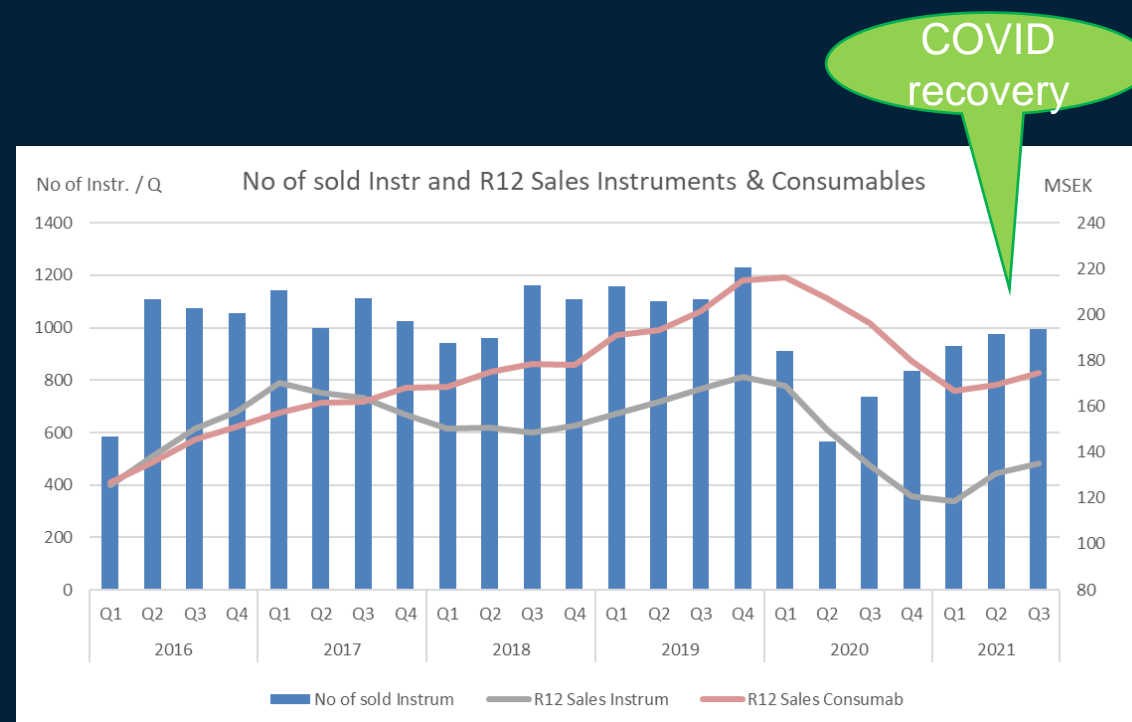
# Agenda

1. Q3 highlights
2. Boule overview
3. Strategy update
4. Q&A



## Q3 highlights: growth in all product lines, +15% in constant currencies

- Continued strong sales in USA driven by OEM
- Instrument sales increasing globally
- Consumables up +12% vs 2020, but still impacted by COVID-19 restrictions, in particular in Southeast Asia
- Disturbances in the supply chain impact profitability
- Good progress with our strategic priorities
- Entering Q4 with large order book



Positive R12 trends for both instruments and consumables continues

## Consumable sales recovering

- Growth in all product lines
- Net sales in constant currencies up +15% YoY, +1% QoQ
- Regional mix as well as supply chain disturbances pressure gross margin
- Investments in new platform 11 MSEK

## Financials Q3

Net sales, MSEK

**111.8**

Gross margin

**44.7%**

YoY Growth

**13.2%**

EBIT-margin

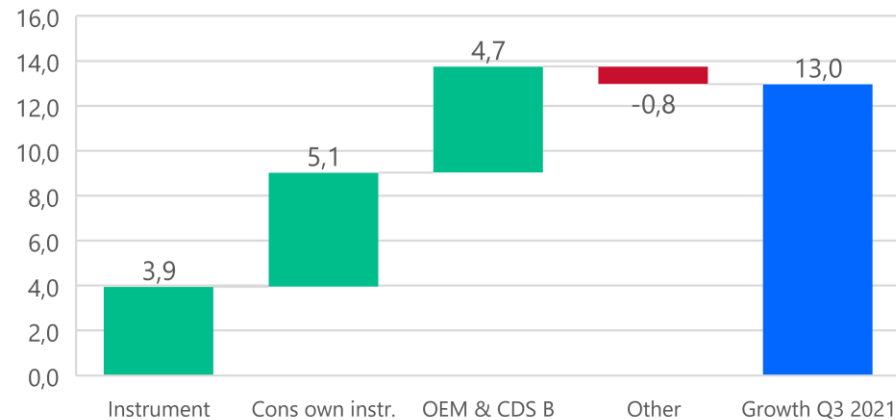
**11.7%**

Op. cash-flow, MSEK

**10.6**

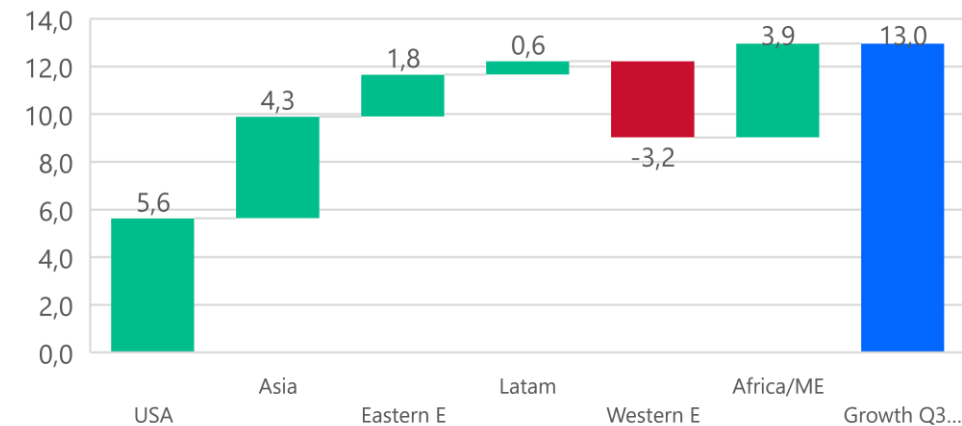
# Sales bridge: positive trends

Growth per product MSEK Q3 YoY



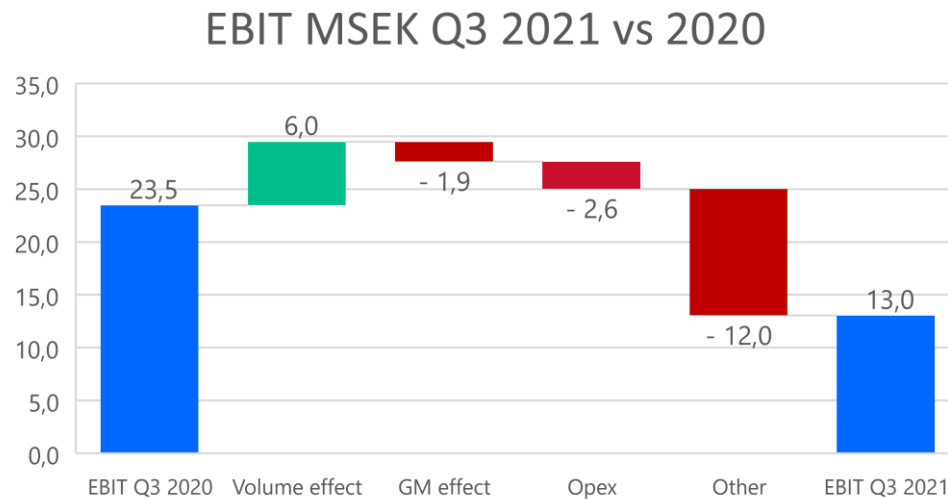
- Recovery driven by ease of pandemic restrictions across the world
- OEM business continue to show strong performance

Growth per region MSEK Q3 YoY



- Growth in US +20% in fixed currencies, driven mainly by OEM business
- Asia growth driven by instrument and consumable sales to India. Still restrictions in many other countries
- Last year Q3: larger tender sales in West Europe

## EBIT bridge: EO-item impact YoY comparison



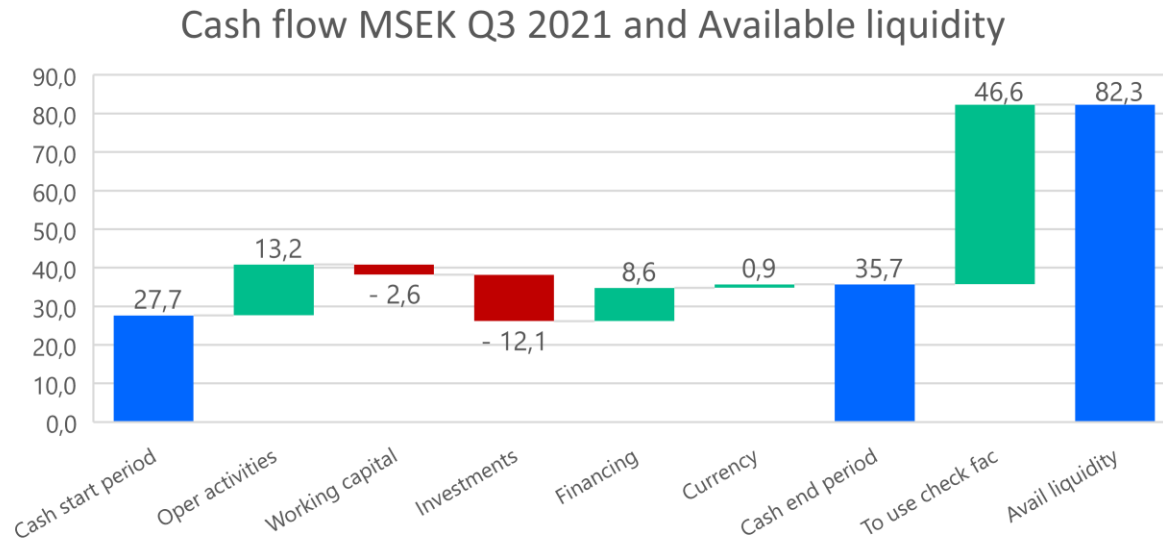
- Other items last year included conversion of Payroll Protection Loan of 12 MSEK
- Gross margin pressured by supply chain disturbances
- Sales recovery will drive EBIT improvements

EBIT, MSEK  
**13.0** (23.5)

EBIT-margin  
**11.7%**



## Cash flow Q3: strong liquidity position to enable growth and future investments



- Continued investment in future proprietary technology platform
- Increased liquidity with new bank loan of 20 MSEK in July

Operating cash flow,  
MSEK

**10.6**

Cash flow, MSEK

**7.1**

# Good progress with key priorities during Q3

## H2 2021 priorities

- Manage supply situation - **Continues – risks**
- Start local production in Russia ✓
- Industrialization of new product platform - **Good progress**
- Strengthen marketing team to prepare product launch in 2022 ✓
- IVDR readiness - **On-track – workload reduced with new timelines**
- Start-up new distributors in EMEA ✓





# Direction remains

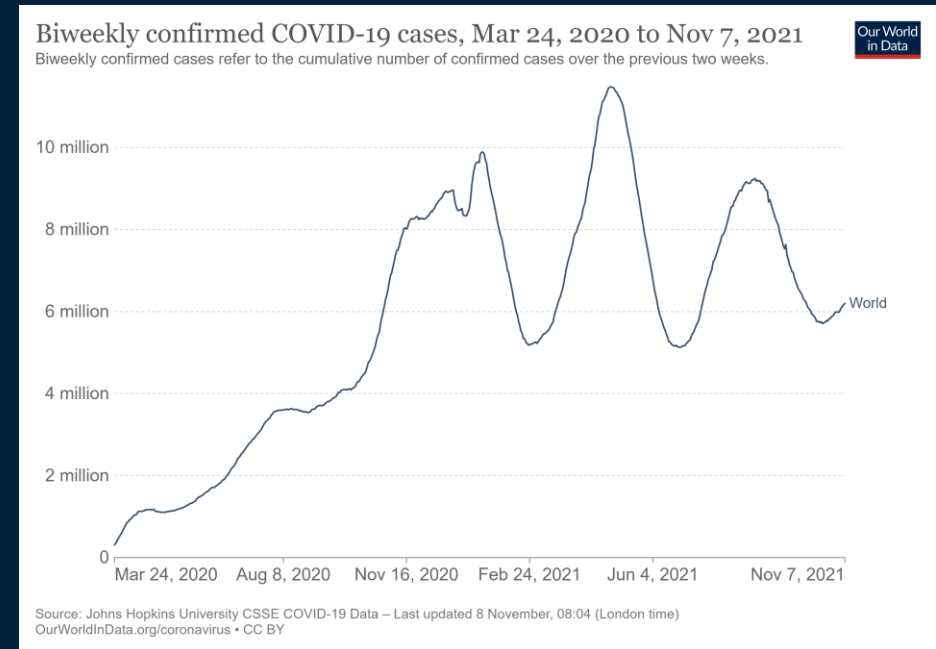
## **Q4 2021 and 2022 priorities**

- Convert large Q4 order book to revenue
- Manage supply situation
- IVDR readiness
- Industrialization of new product platform
- Continue to strengthen Boule based on updated strategy



# Market outlook: positive trends, but recovery slowed down by continued pandemic

- Good order intake in Q3
- Positive signs globally, but pandemic still impact many countries
- Continued uncertainty during 2022 both for demand and supplies due to new COVID-19 mutations



# Boule Diagnostics overview

- Decentralized near patient blood diagnostics
- Over 70 years in hematology
- Human and veterinary markets
- Instruments and consumables
- Recurring revenues
- Multi-brand strategy
- OEM-sales

**29,000**  
active instruments

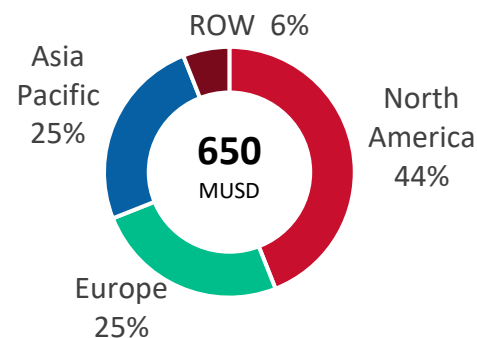
**130+**  
million tests per year

**100+**  
countries



# Well-positioned in attractive markets

## Human Near Patient Hematology Market

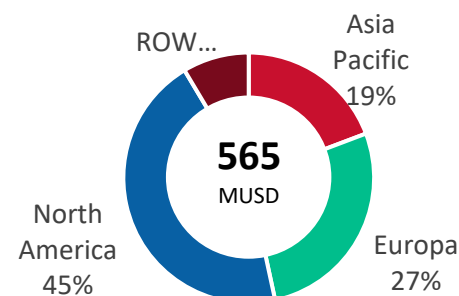


**5 %**  
Market growth  
CAGR 2019-2024

### Stable growth for near patient diagnostics

- Aging population drive near patient care and monitoring
- Growing demand for healthcare in emerging markets
- Digitalization and multiparameter testing
- 5-part market grows faster than 3-part market

## Companion Animal Market Hematology and Clinical Chemistry



**8-10%**  
Market growth  
CAGR 2020-2025

### Rising demand of veterinary services

- Consumer economy and growing companion animal population
- Prevalence of pet insurance and veterinary chains

# Boule strategic overview



## BOULE PURPOSE

We provide versatile, high quality, near patient diagnostics solutions for everyone everywhere



## BOULE ASPIRATION

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



## BUSINESS MODEL

- Indirect sales
- Extend installed base
- Multi-brand strategy



## OUR CORE VALUES

- Courageous
- Customer oriented
- Innovative
- Result oriented
- Teamwork
- Quality

# Strategic pillars for profitable growth

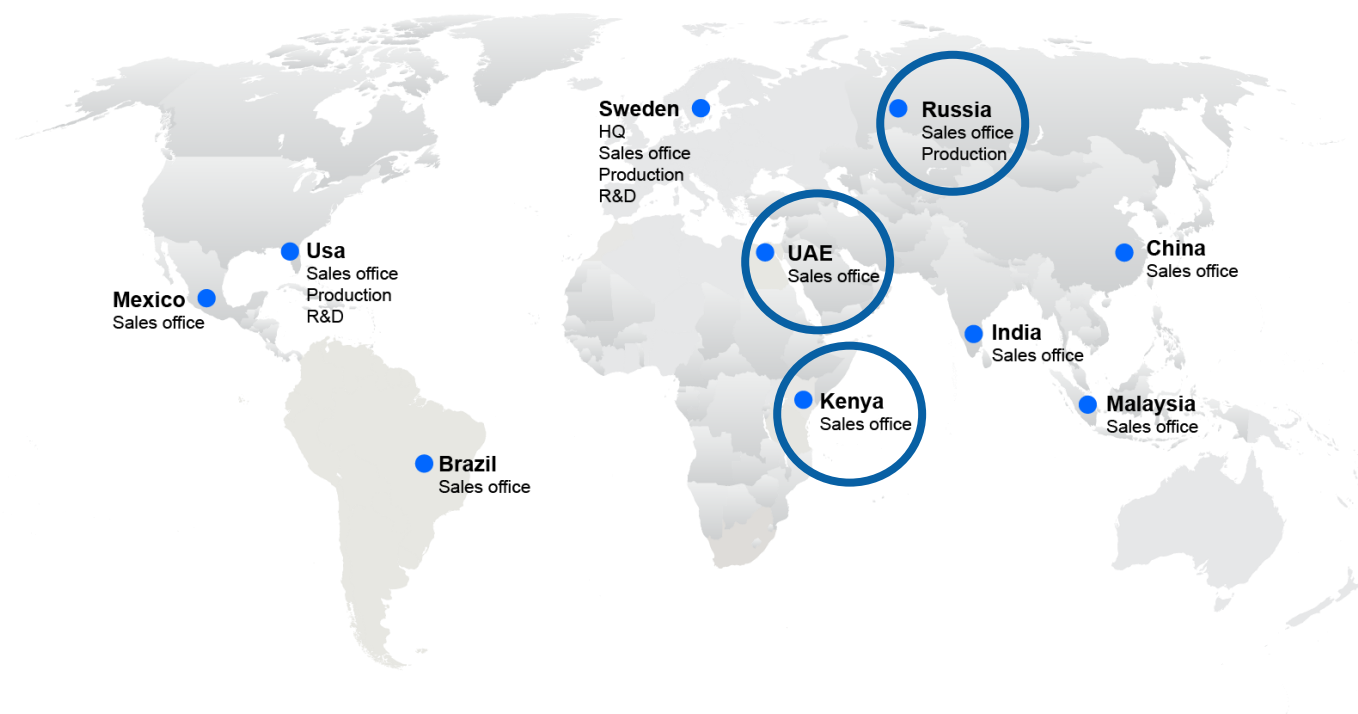


- **Increase value for users and distributors**
- **Invest in sustainable product development**
- **Grow # tests done with Boule solutions**



Increase value for users and distributors

## Thinking globally & acting with local expertise and presence



## Milestones Q3 2021

### Russia

- Start of local reagent production and first delivery of reagent sales in Russia.
- Addition of key account manager to promote Russia “domestic” production

### Middle East/Northern Africa

- Strengthened local presence in the Middle East and North Africa with an Area Sales Manager based in UAE

### Sub-Saharan Africa

- Established local presence in Sub-Saharan Africa with an Area Sales Manager in Kenya to execute our sales expansion in the region.





Increase value for users and distributors

# Boule Academy™

*An initiative to share and grow knowledge*



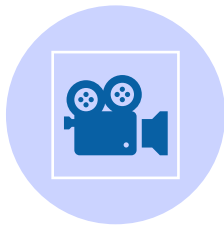
CERTIFIED  
DISTRIBUTORS  
TRAINING APPLICATION



CERTIFIED  
DISTRIBUTORS  
TRAINING SERVICE



SALES TRAINING



HOW-TO-VIDEOS



WEBINARS  
TROUBLESHOOTING



SCIENTIFIC WEBINARS

Transformation from  
products to solutions





Invest in sustainable product development

## New proprietary hematology product platform

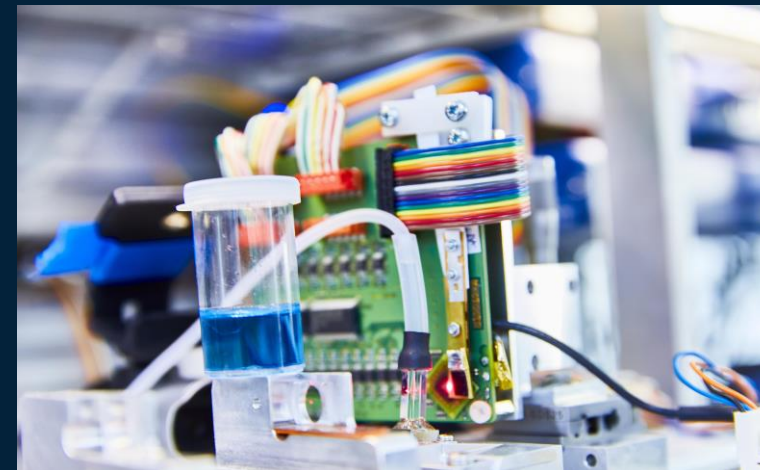
### Innovation foundations

- Leverage soon-to-come instrument platform to broaden portfolio over time
- Enhanced connectivity beyond service and maintenance
- Improve health and fight infectious diseases with core in hematology and expand into nearby diagnostics

### Milestones Q3 2021

- Delivered proof of concept for cloud solution
- Initiated implementation of first cloud solution

A truly innovative company



Focus on how existing technologies can be applied to solve clinical needs



Grow #tests done with Boule solutions

## Expanding the sales of consumables

Grow the installed base and #test per instrument

- Continue expansion in emerging markets
- Target segments with high test volumes
- Expand OEM business

### Milestones Q3 2021

- Consumable sales +12%
- Sales to OEM +44%
- Started-up new distributors in EMEA
- 3 new regional sales resources started

Boule aspiration >500M tests yearly



3 GOOD HEALTH  
AND WELL-BEING



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



## Summary

- Well-filled order book
- High level of activity both commercially and in our development projects
- Executing on our strategy



### 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

## Strategic pillars for profitable growth



- **Increase value for users and distributors**
- **Invest in sustainable product development**
- **Grow # tests done with Boule solutions**



Thank You

Q&A

 Boule