

Boule Diagnostics Q4 2022 presentation

Jesper Söderqvist CEO and
Annette Colin CFO

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Q4 Highlights

- Consumable sales at pre-pandemic levels
- Decline for instruments, drop in Asia
- Good volume growth for OEM consumables
- Total growth in quarter thanks to currency effects

- Gross margin improved
- Geopolitical situation create volatile business

- Prototypes of advanced 5-part system in-progress for verification and validation during 2023
- First technical release of Cloud SW
- Contract manufacturing of reagents in India in 2023 on-track
- Preferential rights issue of 150 MSEK in place



Financial summary

- Growth of 6% - in constant currencies down 8%.
- Gross profit margin increased by 3.5. p.p vs last year and increased by 4.0 pp vs Q3 2022.
- Spot purchases decreased the margin with ~3 p.p.
- Operating margin decreased by 3 p.p.
- Investments in new technology platform 15 MSEK.

Financials Q4

Net sales, MSEK

149

Gross margin

45%

YoY Growth

6%

EBIT-margin

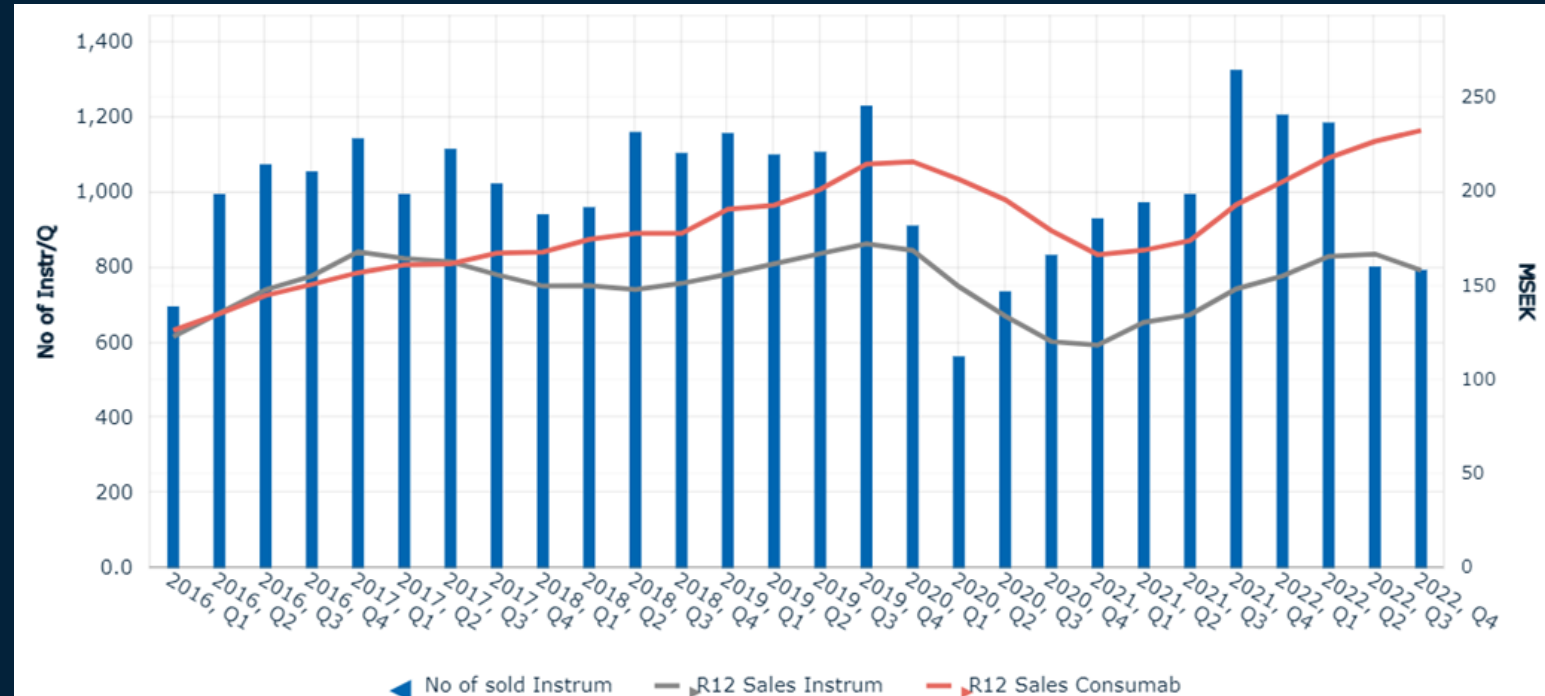
7%

Cash-flow, MSEK

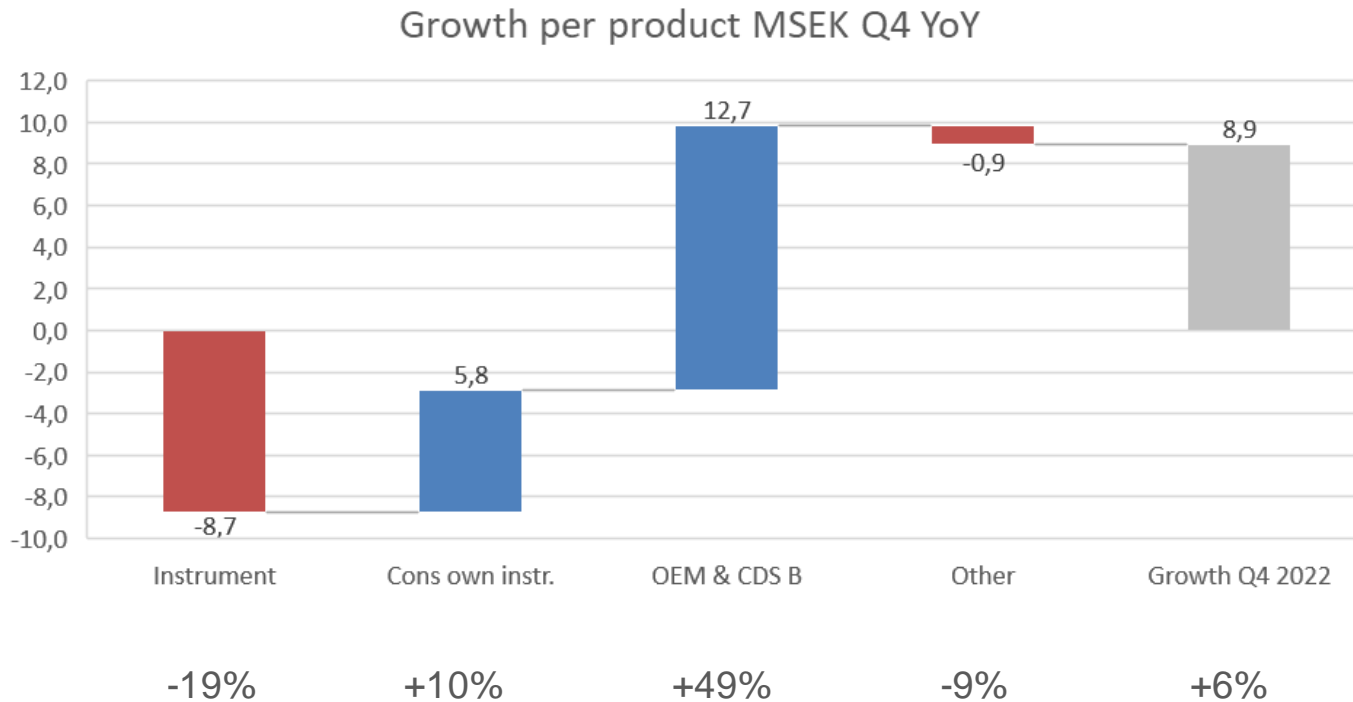
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Stable consumable sales trends

- Consumable sales at pre-pandemic levels
- Drop in instrument sales
 - High prices in local currencies
 - Price increases and strong dollar maintain revenue

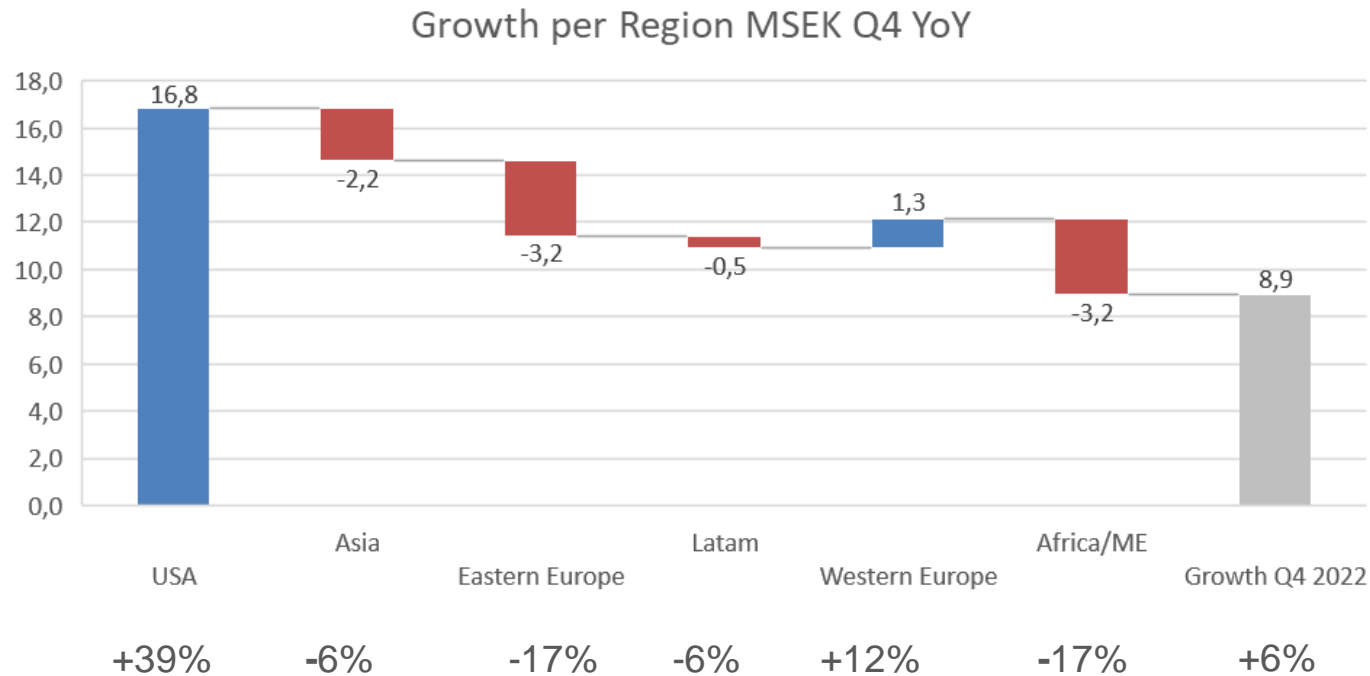


Sales bridge: Growth driven by OEM



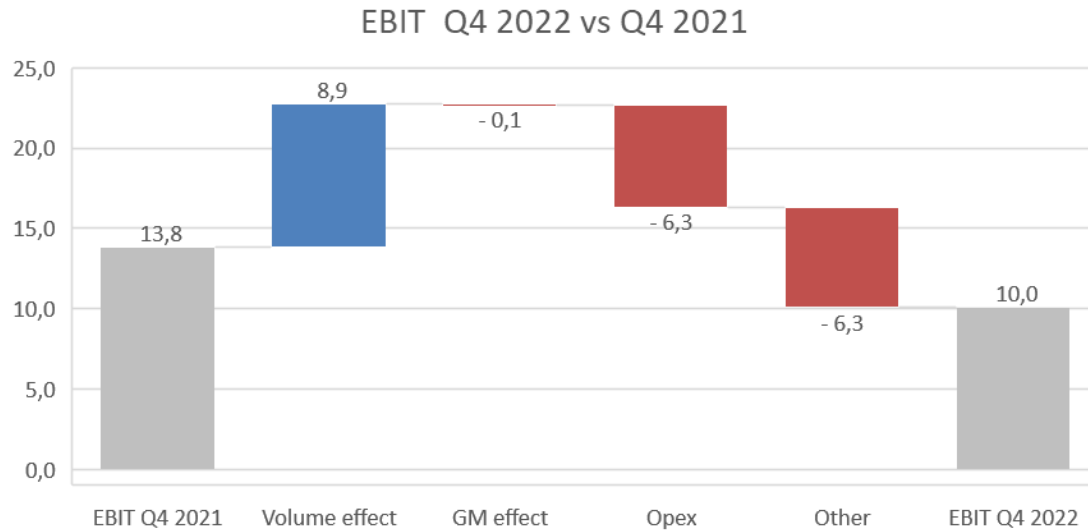
- # instruments show a significant decrease
 - 794 instruments, with increased average sales price
 - 1326 in Q4 2021 (all-time high)
- OEM and CDS brands show the highest growth.

Sales bridge: Growth in USA and Western Europe



- US strong organic growth thanks to OEM
- India is the main reason for the decline in Asia, due to less instruments.
- Eastern Europe, the decline is mainly driven by Russia.
- Africa/Middle sales limited by temporary central bank payment restrictions in foreign currencies in Egypt.

EBIT bridge

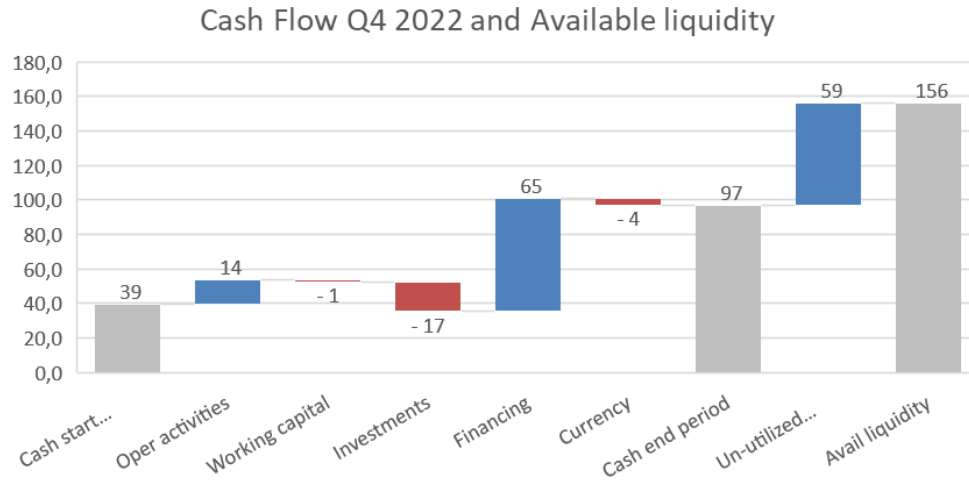


EBIT, MSEK
10.0 (-3.8)

EBIT-margin
6.7% (-3.2 p.p.)

- Increased volume due to positive currency effects.
- GM 45%, improved due to price increase realization
- Spot purchases negatively effected GM with approx. ~3 p.p., but trends of improvements visible
- Opex increased, redesign to mitigate component shortages, regulatory expenses, exhibitions and more travel.
- Others is operating currency effects

Cash flow



- Investments in new platform of 15 MSEK.
- Financing includes rights issue net of 139 MSEK, amortization bank loan 11 MSEK and decreased utilized credit facility 66 MSEK.
- Available liquidity 156 MSEK

Operating cash flow,
MSEK

13

Cash flow, MSEK

61

Volatile market conditions continue

- Good order intake in the end of the quarter
- Supply chain challenges remains
 - Less purchases on the spot market end of the quarter
 - Progress with alternatives to reduce dependence of Chinese interruptions
- **USA:** OEM business strong during the quarter
- **Asia:** opportunities in South-East Asian countries. Local manufacturing in India will be important
- **Eastern Europe:** no end of war in Ukraine in sight, restrictions on payments, uncertain environment for future business
- **Middle East and Africa:** momentum in sales, new opportunities, but payment restrictions in foreign currencies and political boycotts may slow down business
- Public tenders may slow down due to weaker economy



Progress with our strategic and operational plan

Operational priorities

Industrialization of new hematology platform

- Cloud pre-launch for installed base Q1 2023
- Initial two product releases 2023-2024
- Continue to upgrade our product portfolio over the next 2-5 years based on the new platform

Improve profitability & cash-flow

- Increase marketing and sales activities
- Optimization of working capital
- Extra costs in the past quarters likely of temporary nature
- Balance out rising costs due to supply chain challenges and inflation worldwide

People, competence, culture

- Agility and customer-centric mind-set
- Teamwork with a solid foundation in technology and clinical expertise
- Multi-cultural environment driving innovative thinking

- First technical release of cloud
- 5-part instruments prototypes for verification

- Spot purchases declining in end of Q4
- Reduced staff in instrument production and support functions
- Program to save, improve productivity and increase digitization

- Reduced size of Executive Team
- Culture and talent management elevated
- Meeting customers again, exhibitions and travel

Executive summary

- Gross margin improved in Q4
- Started efficiency and saving program to drive profitability in 2023
- Financing in place to deliver on strategic plan with new modern product platform



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