

Boule Diagnostics Q2 2023

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Q2 Highlights

- Released new 5-part veterinary instrument
- Strategic win in US – hospital chain will upgrade their installed base of Boule instruments
- Sales headwinds due to geo-political situation
- Restrictions of payments in US dollars and Euro in several emerging markets delay deliveries
- Gross margin improvement vs last year despite unfavourable product mix
- New platform development
 - Extensive clinical and design assessments confirm performance and identify improvements → delay of regulatory submission to summer 2024



Financial summary

- Growth of 0% - in constant currencies down 10%
- Gross profit margin increased by 4.9 p.p vs last year
- EBIT increased by 2.6 p.p.
- Investments in new technology platform 18 MSEK
- Working capital
 - still high inventory levels to mitigate unstable component supplies
 - increased receivables, investments and loan amortization
 - actions on-going to reduce working capital

Financials Q2

Net sales, MSEK

141 (141)

Gross margin %

43 (38)

YoY Growth %

0 (27)

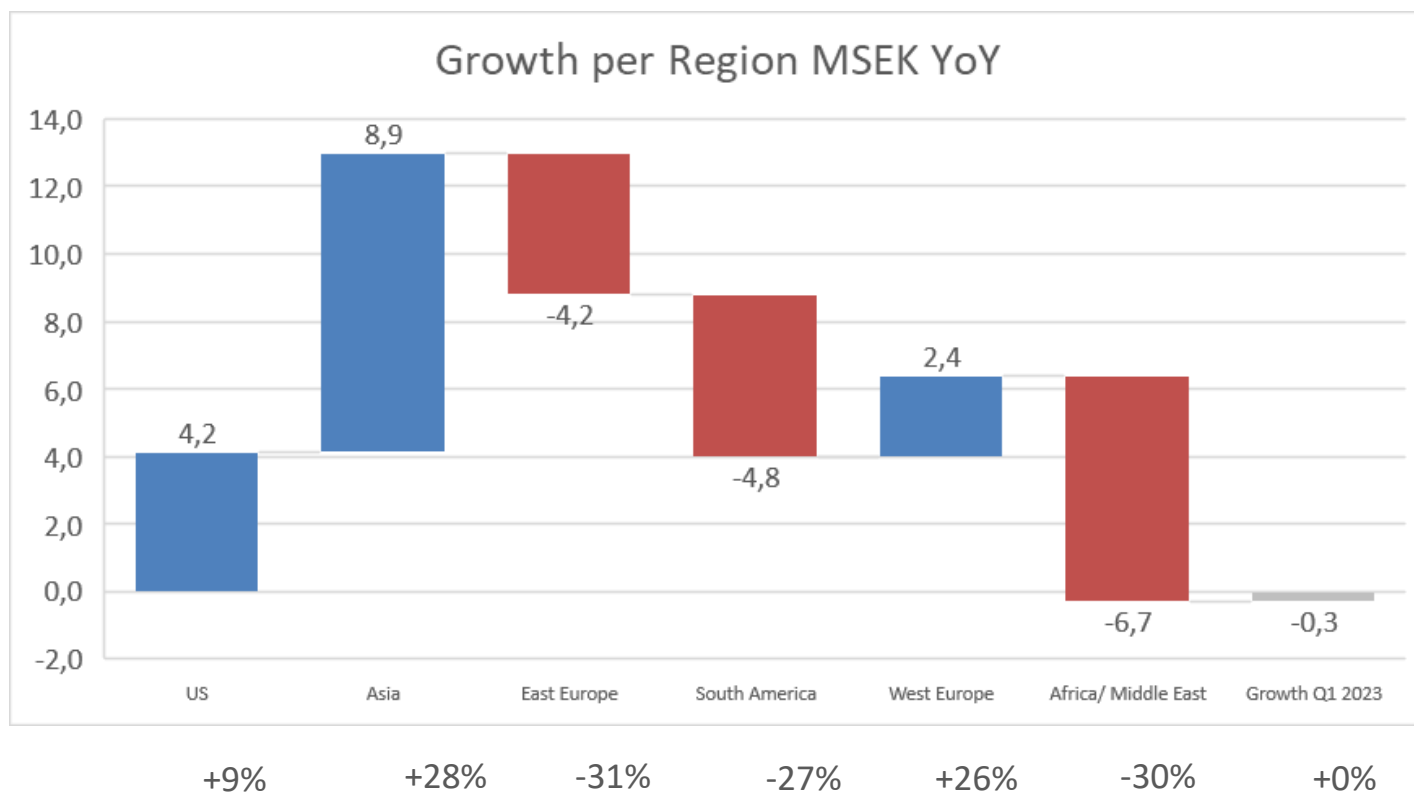
EBIT-margin %

6.2 (3.6)

Op. Cash-flow, MSEK

3.4 (-7.5)

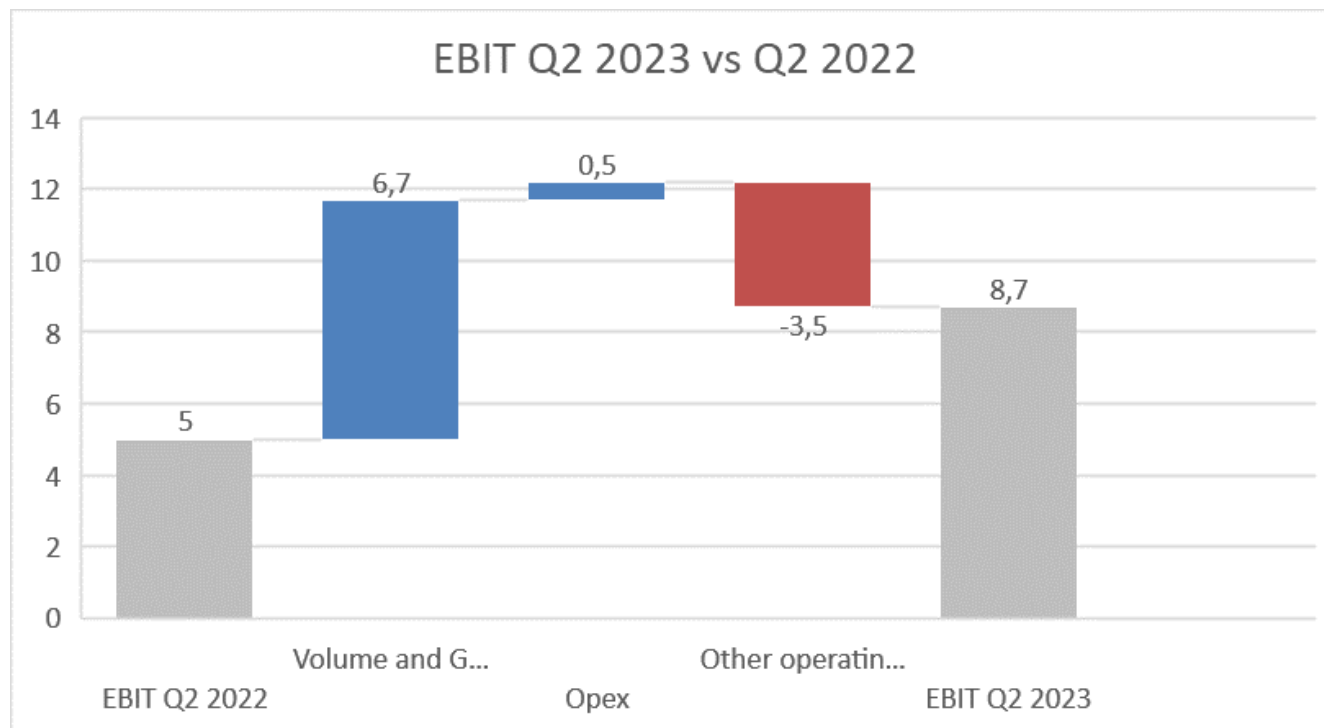
Sales bridge: Regions



- Growth in US mainly driven by OEM consumable sales
- Asia increased sales of 5-part instruments
- Decline in Eastern Europe due to Russia's war in Ukraine
- In South America a clear shift to 5-part instruments → decline of sales of 3-part instruments.
- Africa/Middle East – late pre-payments from several customers due to Central Bank restrictions → delayed deliveries

Gross profit and EBIT improvements

- Gross margin improved thanks to price increases, improved supply situation and increased efficiency in production
- "Others" is operating currency effects



Gross margin, %

43 (38)

EBIT, MSEK

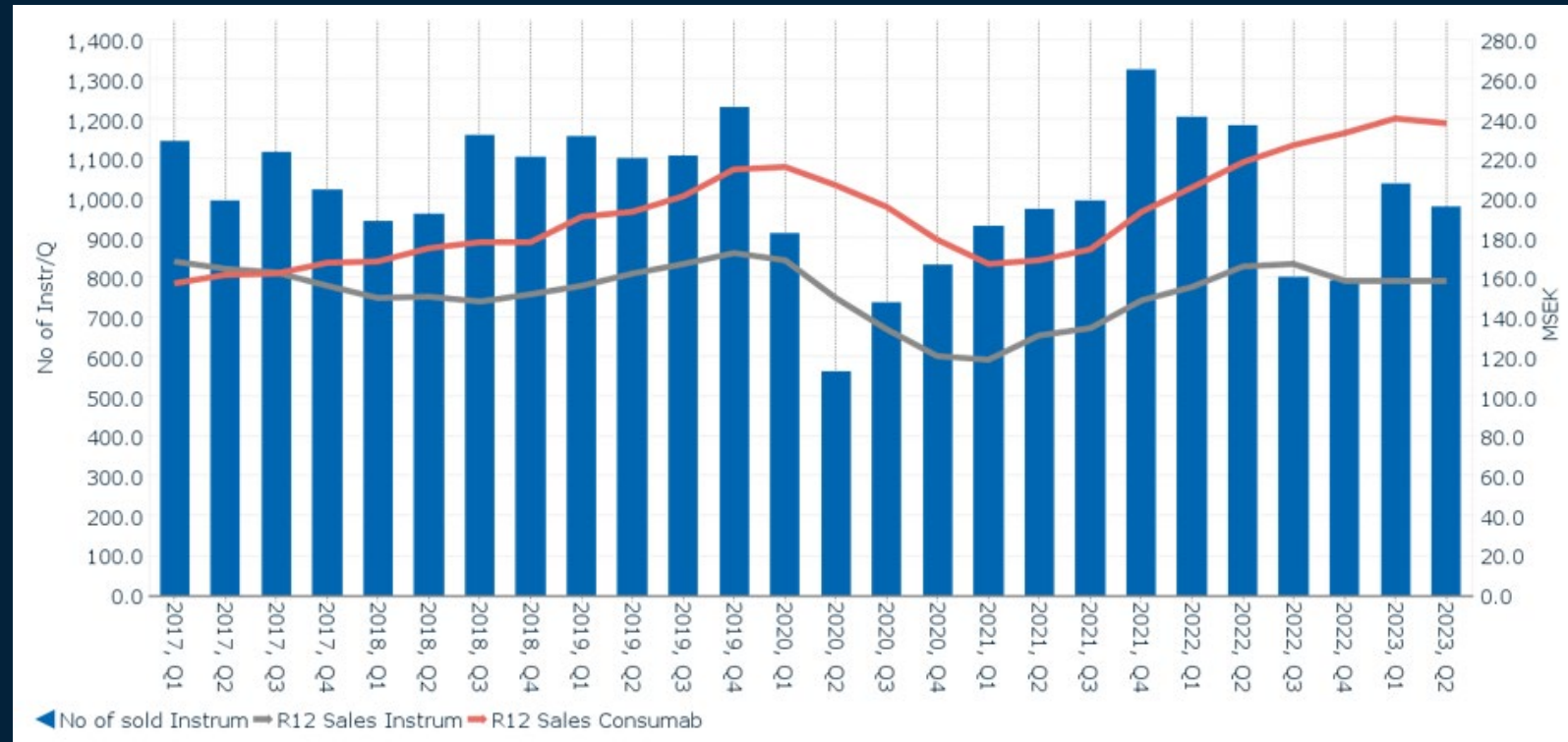
8.7 (5.0)

EBIT-margin, %

6.2 (3.6)

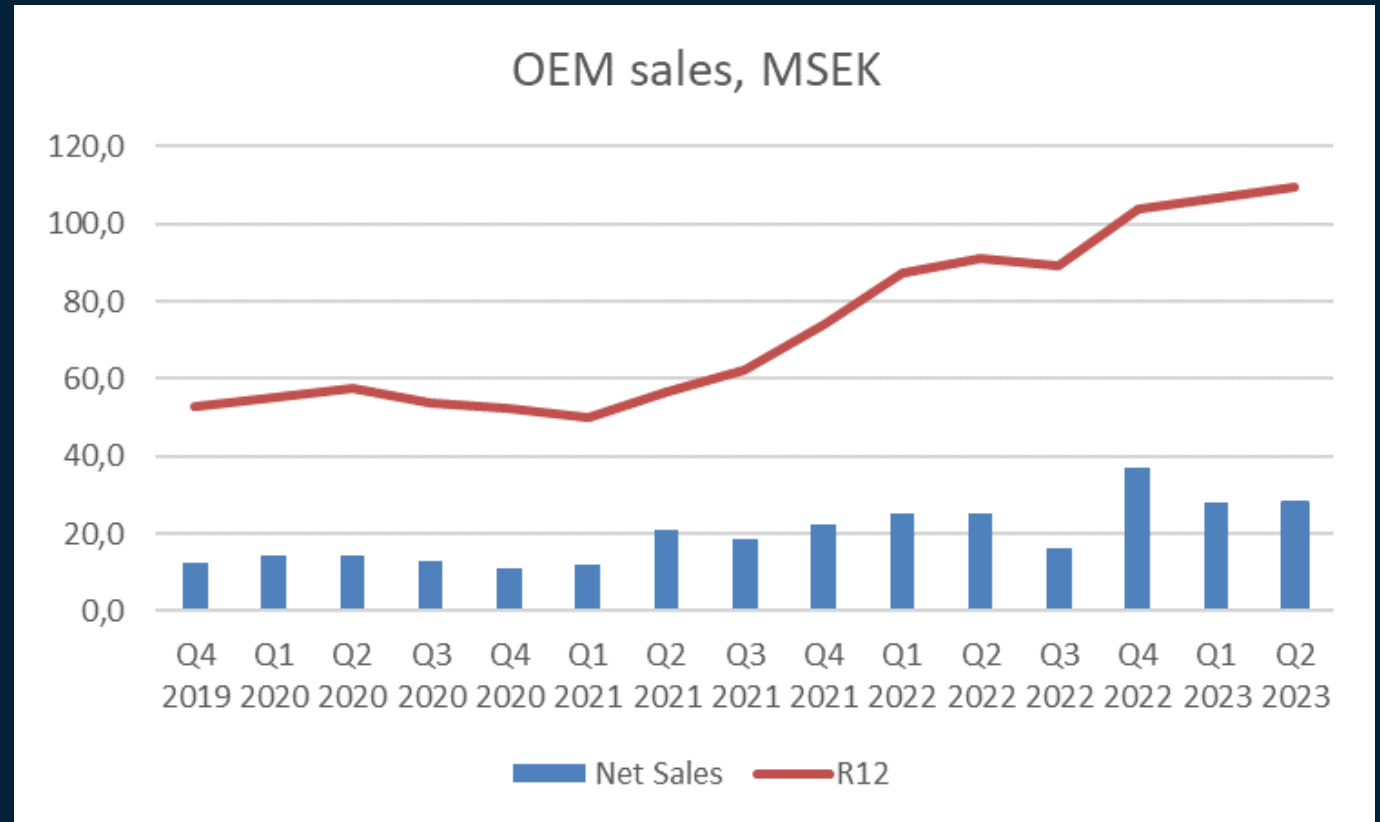
Consumable sales stabilized

- Sold 999 instruments
- Payment issues delay deliveries also of consumables
- Many distributors are trimming their inventories
- Increased # test with 5-part instrument, taking share from 3-part testing.



Continued growth of OEM consumables sales

- Also OEM customers are trimming their inventories which slows down sales short-term
- Growing a pipeline of potential new OEM customers
- Reccuring sales during a product life cycle (>10 years)



Market update

- Underlying growth for diagnostics, but economic climate slows down sales – trimming inventories
- Delay deliveries due to payment restrictions in USD and Euros
- **USA:** Continued OEM business growth
- **Asia:** Local manufacturing in India will be important
- **Western Europe:** Extended vet product portfolio and Fuji as distributor create growth opportunities
- **Eastern Europe:** No end of war in Ukraine in sight, expect further declines
- **Middle East and Africa:** Pipeline of new opportunities, biggest market Egypt slowed down due to payments restrictions



New 5-part veterinary hematology solution – H50V

- Launched in Europe
- Equipped with 13 predefined animal profiles
- Over 30 analyzed parameters
- Results delivered within one (1) minute.
- Built-in mixer.



Next-generation 5-part hematology system for humans

Fully connected advanced system for the premium segment in the decentralized market with autoloader and retics measurement

- Extensive testing and design reviews confirm performance and identify improvements
- Preparing clinical validation and pre-series production
- Regulatory submission postponed until next summer



Summary

- Progress with business in USA
- Extended veterinary product portfolio
- Progress with new product platform
- Efficiency and savings program progress



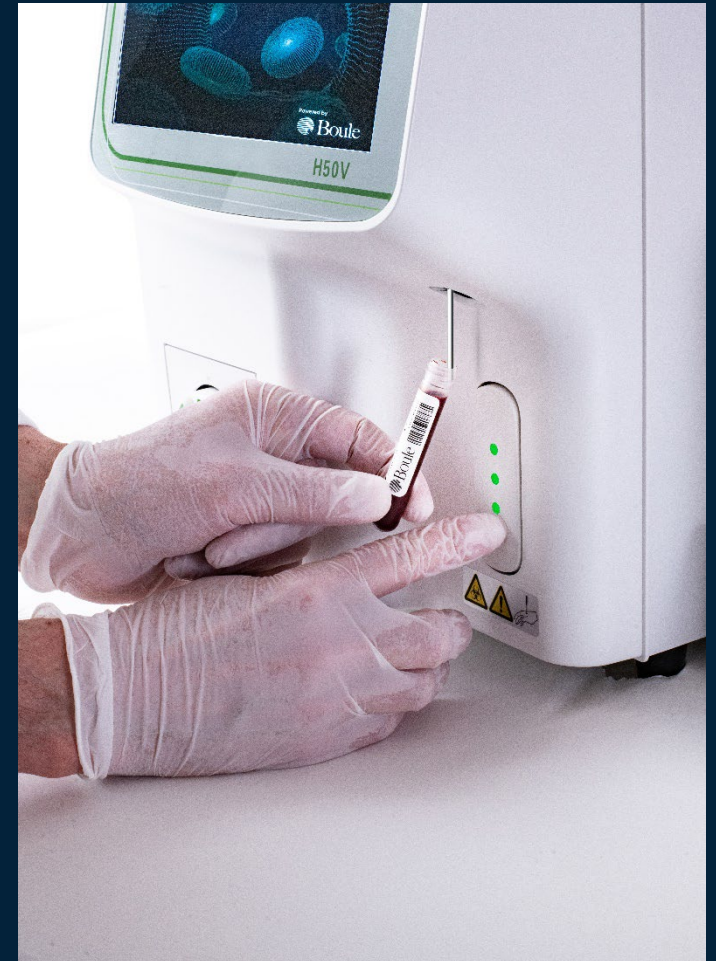
BOULE ASPIRATION

- 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