

# Boule Diagnostics Q3 2023

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# Q3 Highlights

- Strong OEM consumable sales growth
- Highest growth in Latin America thanks to strategic deal in Mexico to secure 5-part installed base
- Launch of new veterinary product drove significant growth in Europe
- Strong operating cash-flow
- Agreement for instrument license manufacturing in India
- Good progress for new platform development
  - Focus on preparation for clinical validation



# Financial summary

- Growth of 11%, in constant currencies +4.3%
- Gross profit margin increased by 0.7 p.p
- EBIT increased by 2.8 p.p.
- Working capital improvements
  - lowered inventory levels
  - decreased receivables
  - actions on-going to further reduce working capital
- Investments in new technology platform 21 MSEK

## Financials Q3

Net sales, MSEK

**140** (126)

Gross margin %

**41** (41)

YoY Growth %

**11** (12)

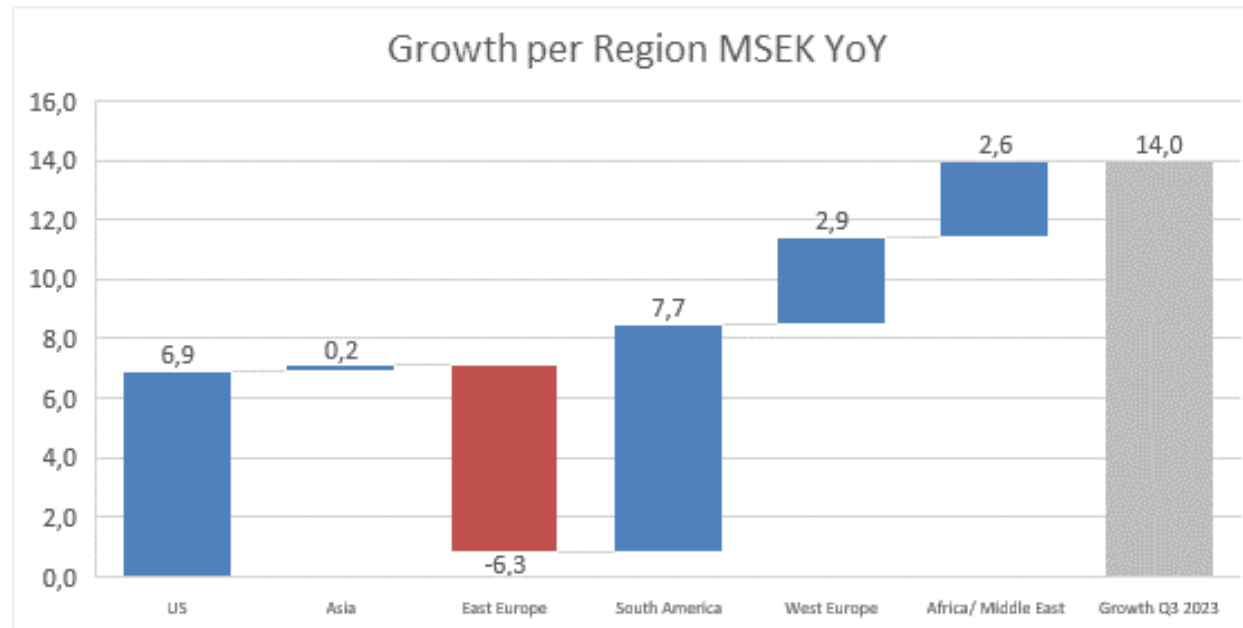
EBIT-margin %

**5.7** (2.9)

Op. Cash-flow, MSEK

**27.8** (-15.8)

# Sales bridge: Regions



+18%

+1%

-39%

+83%

+29%

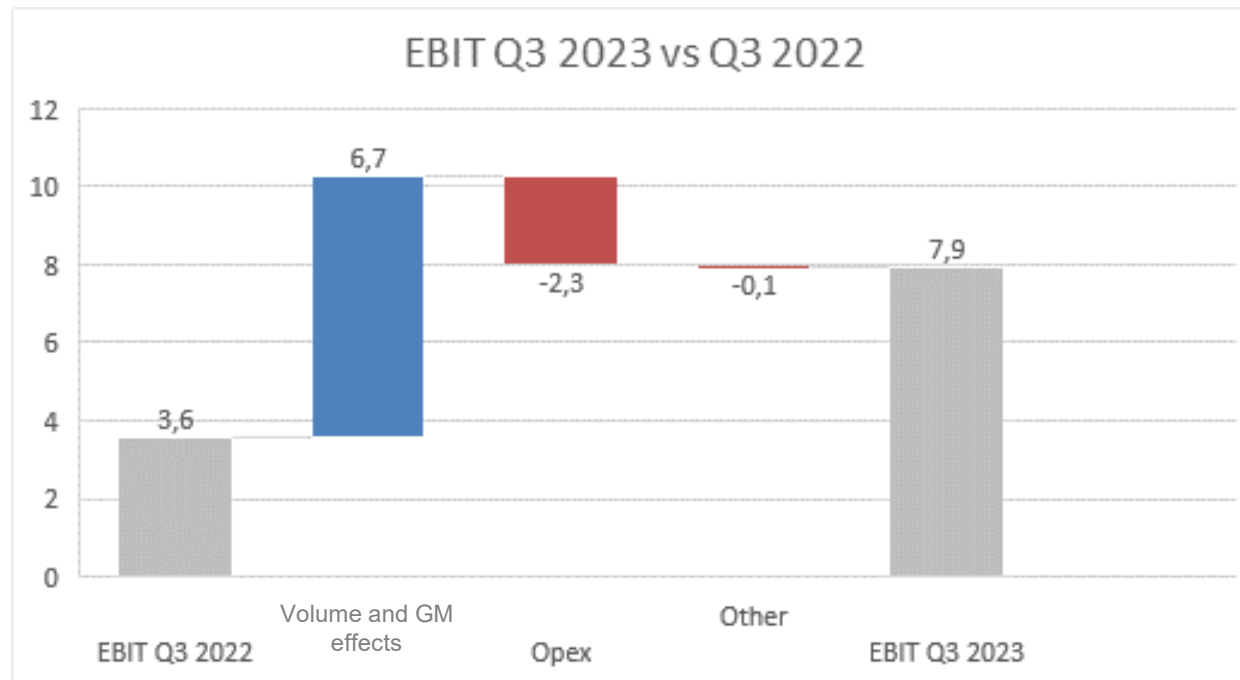
+20%

+11%

- Growth in US mainly driven by OEM consumable sales
- Decline in Eastern Europe due to Russia's war in Ukraine
- Order in Latin America with strategic price to secure 5-part installed base
- Veterinary fuel business in West Europe
- New distributors in Africa create new sales

# GM and EBIT development

- Increased efficiency in instrument production improves gross margin. Product mix and strategic pricing for sales in LATAM offset gains somewhat.
- Opex increased due to currency effects, higher sales and R&D expenses



Gross margin, %

**41** (41)

EBIT, MSEK

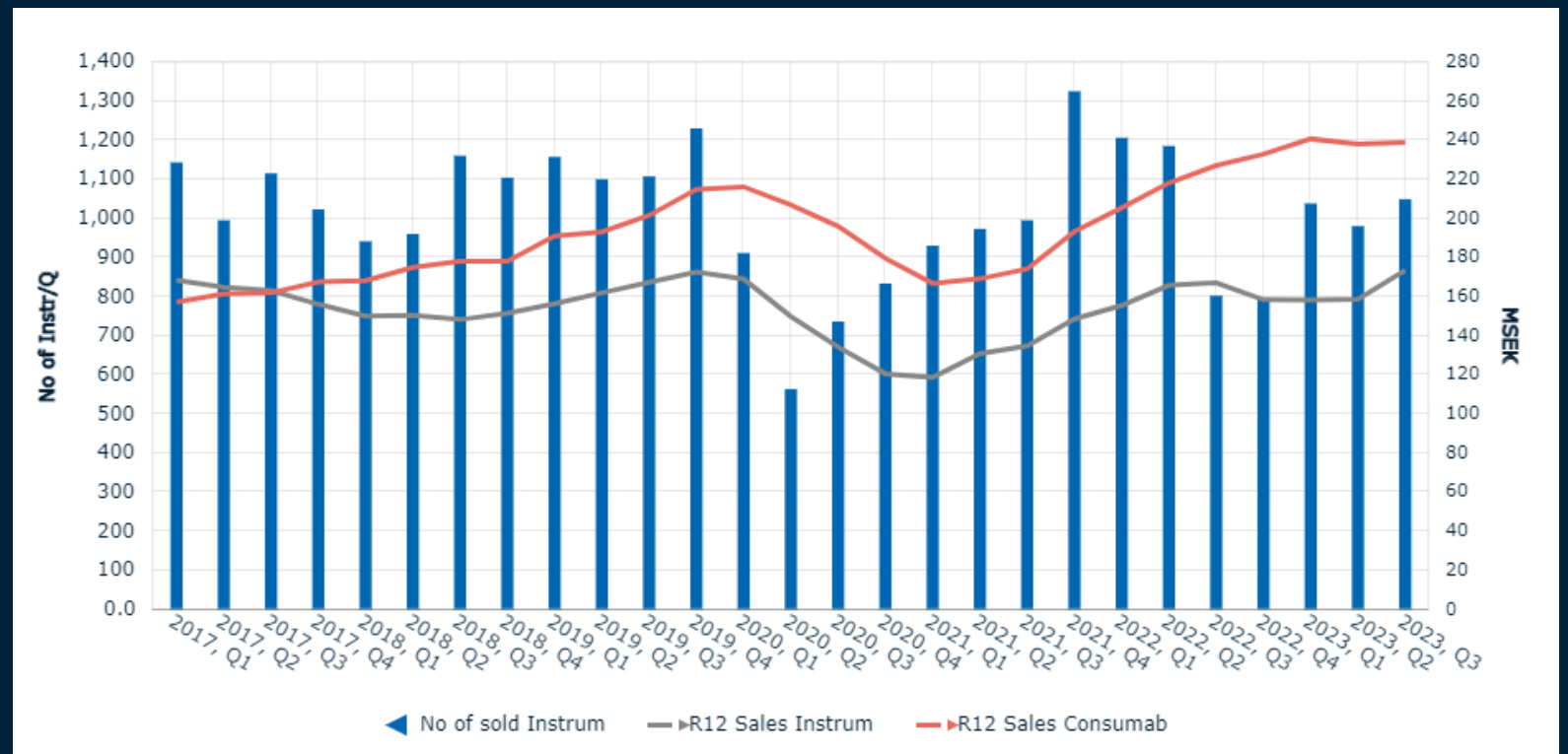
**7.9** (3.6)

EBIT-margin, %

**5.7** (2.9)

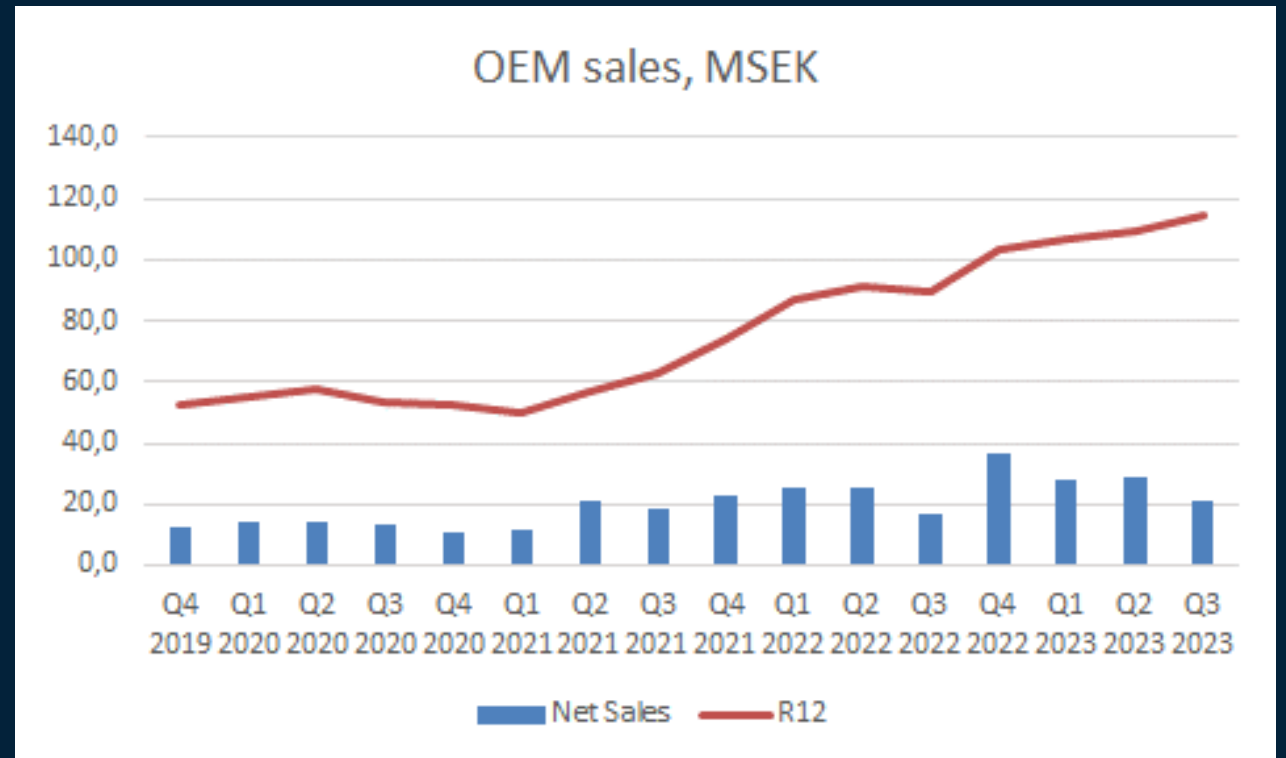
# Higher share of instruments in last quarter

- Consumable sales stabilized
- Sold 1010 instruments
- Increase of 5-part instruments sales in Asia and Latin America
- Secure future consumable sales
- # veterinary instruments increase in Europe



# OEM consumables sales continues to grow

- In the quarter growth +21%
- First 9 months +12%



# Local manufacturing in India

Meet 'Make-in-India' requirements to win future government contracts

## 1 - Reagent license manufacturing

- Partner with Q-line Biotech
- 1,200 sqm state-of-the-art facility in Lucknow
- Pending approvals from authorities

## 2 - Instrument license manufacturing

- Extend partnership with Q-line Biotech
- Approx 1 year to transfer production

Royalty revenues will grow profitability, but not generate same top-line growth





# Market update

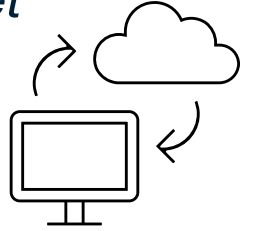
- Increasingly complex market landscape with tragic wars and uncertain economic and political development
- Supply chain and logistics normalized since early 2023
- Underlying growth for diagnostics
- **USA:** OEM business continue to grow
- **Asia:** Local manufacturing favored, intense competition
- **Eastern Europe:** No end of Russia war in Ukraine in sight, expect further declines
- **Latam:** Volume testing done on 5-part instruments
- **Middle East and Africa:** Win business with new distributors. Payment restrictions and weak currencies limit sales



# 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*


- Improvements implemented
- Preparing for clinical validation
- Production readiness
- Regulatory submission mid 2024
- Sales growth in 2025





# Summary

- Strong operating cash-flow in the quarter
- Efficiency and savings program continue focusing on working capital and production costs
- New product platform making significant progress
- Pre-launch promotion coming soon



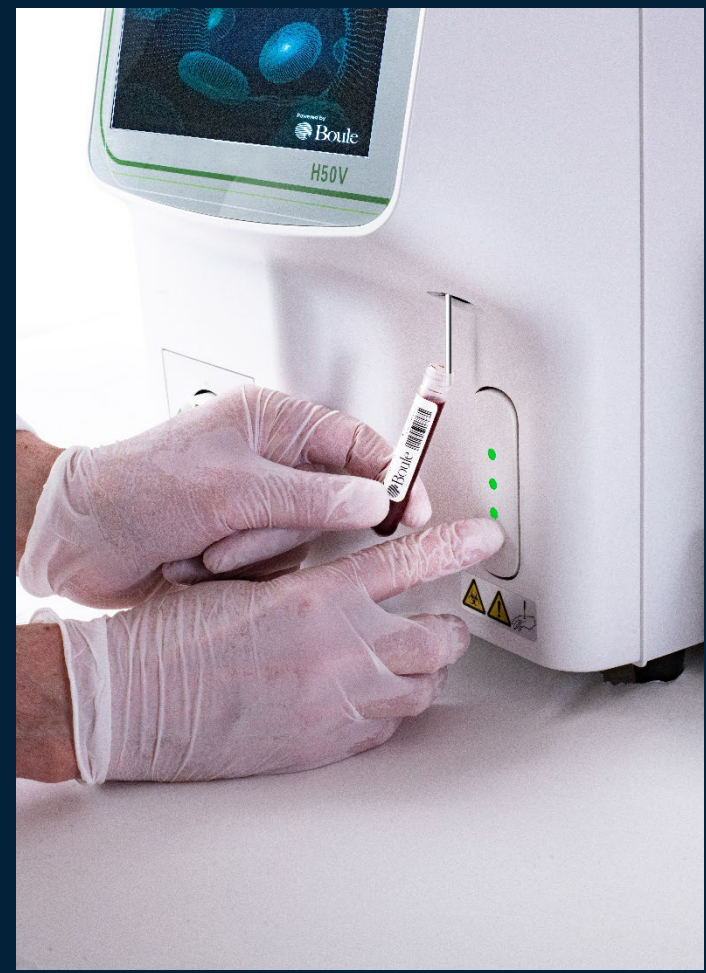
**BOULE ASPIRATION**

- 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