

Boule Diagnostics Q4 2023

Jesper Söderqvist CEO and
Jan Benjaminson interim CFO

February 6, 2024



Q4 Highlights

- Good organic sales growth of 4.3%
- Growth driven by uplift of vet sales in Europe and instrument sales in Asia
- Strong operating cash-flow
- First deliveries from our partners new reagent factory in India

February 2024

- Launching our new 5-part instrument at Medlab Middle East



Financial summary

- Total growth of -1%, whereof organic +4.3%
- Gross profit margin decreased by 0.2 p.p
- EBIT increased by 0.4 p.p.
- Adjusted for one-offs EBIT was 15 MSEK equiv. 10%
- Working capital improvements
 - lowered inventory levels
 - increased liabilities
 - actions on-going to further reduce working capital
- Investments in new technology platform 21 MSEK

Financials Q4

Net sales, MSEK

148 (149)

Gross margin %

45 (45)

YoY Growth %

1 (6)

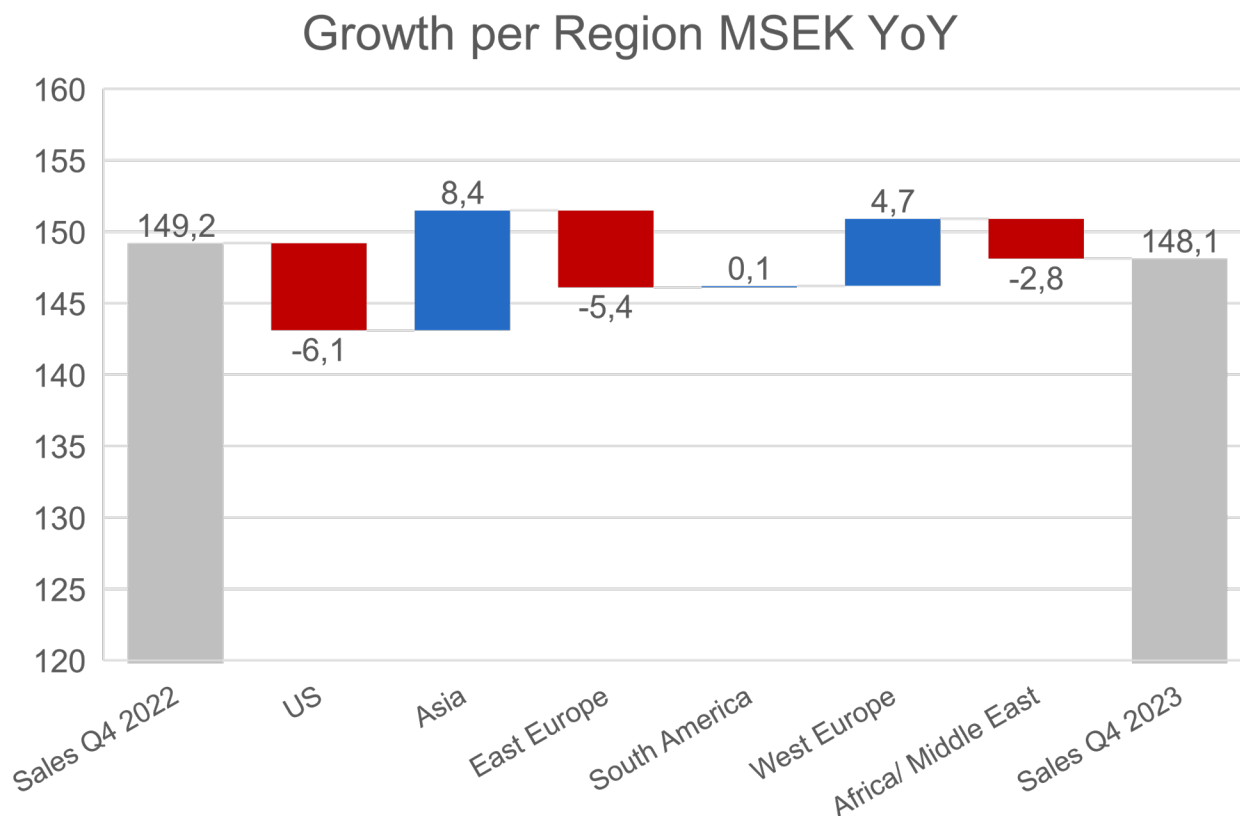
EBIT-margin %

7.1 (6.7)

Op. Cash-flow, MSEK

29.2 (13.3)

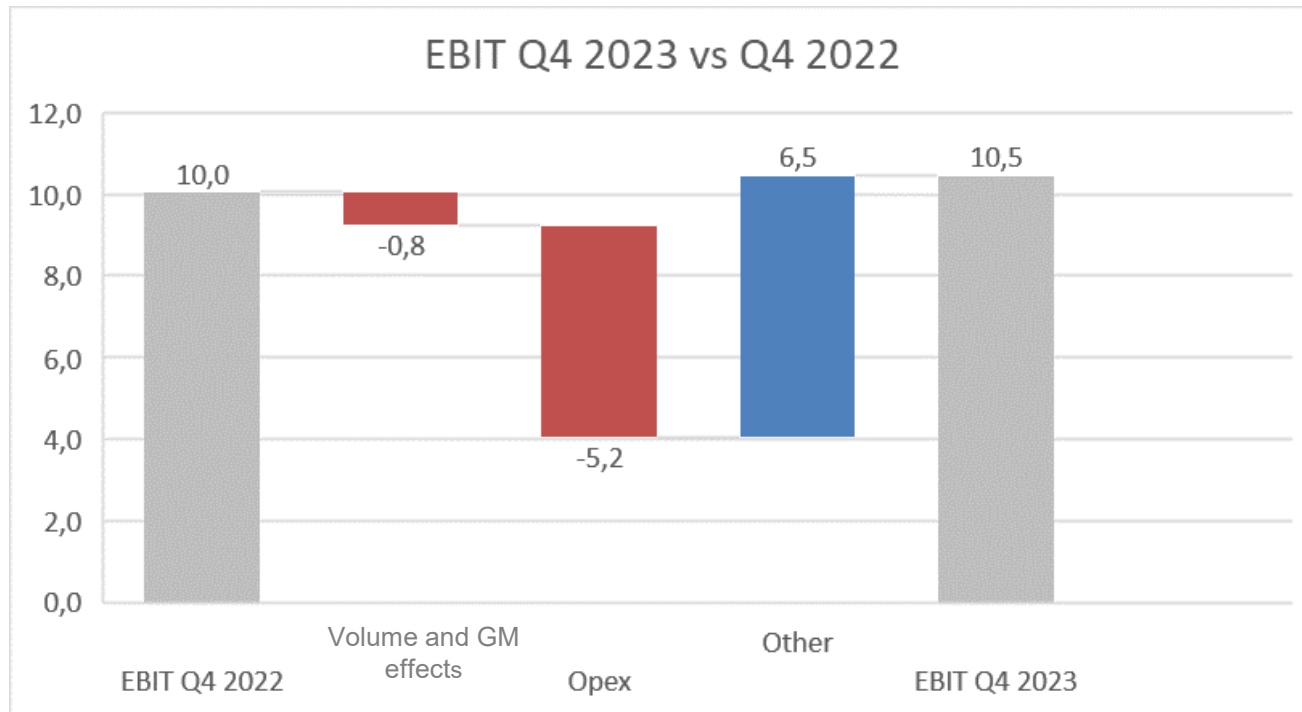
Sales bridge: Regions



- US had a strong OEM sales comparable quarter in 2022
- Growth in Asia driven by deliveries of instruments to India
- Continued decline in Eastern Europe due to Russia's war in Ukraine
- Veterinary drive business in West Europe
- Decline in instrument sales in Middle East and lower consumable sales in Africa

GM and EBIT development

- Increased efficiency in production lifts gross margin
- Strategic deal in India pressure gross margin
- Opex increased due to one-time cost of write-off of fixed assets
- Adjusted for one-time cost EBIT-margin was 10%



Gross margin, %

45 (45)

EBIT, MSEK

10.5 (10.0)

EBIT-margin, %

7.1 (6.7)

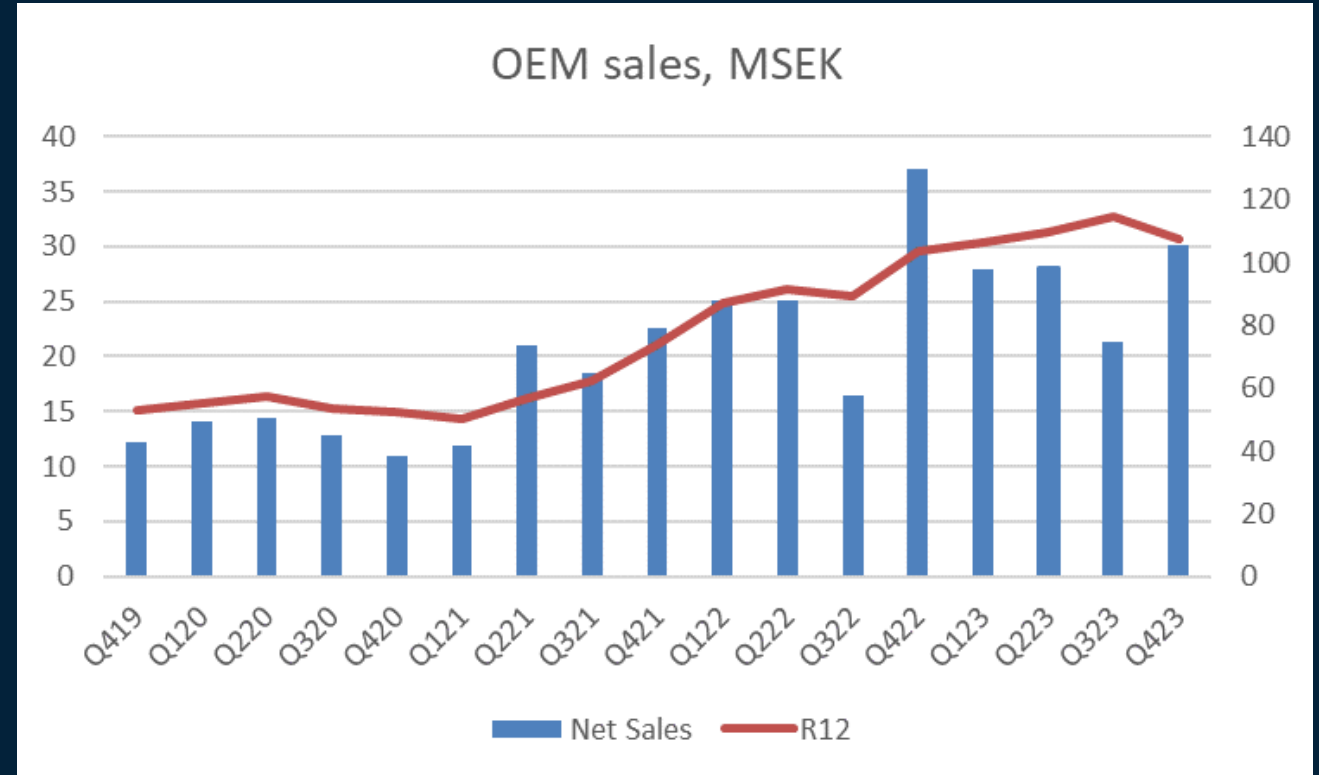
High instrument sales in last quarter

- Sold 1133 instruments
- Increase of 3-part instruments sales thanks to strategic deal in India
- # veterinary instruments increase in Europe
- In India reagent revenue start to decline as we switch to reagent license business model
- Growth of reagents in South East Asia



OEM consumables sales

- Though comparison: strong sales in Q4 2022
 - Sales declined with 19% in the quarter
- Sales funnel for new projects has grown the past year which create significant growth opportunities going forward



Market update

- **USA:** OEM business continue to grow & adding long-term opportunities
- **Asia:** Intense competition with local manufacturing favored
- **Western Europe:** Difficult investment climate, but opportunities in vet segment
- **Eastern Europe:** No improvements, Russia war in Ukraine continues, expect further declines
- **Latam:** Volume testing done on 5-part instruments, opportunities will come with updated portfolio, growth in veterinary market
- **Middle East and Africa:** New distributors create in opportunities in new countries. Payment restrictions and weak currencies limit sales

- Volatile world with uncertain economic and geo-political development
- Risk for increased costs in supply chain and logistics due to wars in Middle East
- Despite market volatility continued investments in healthcare in emerging markets is expected



Launch of BM950 at Medlab February 5th 2024



Next-generation 5-part hematology system for humans

Advanced system for the premium segment in the decentralized market with autoloader and retics measurement

- Fully connected
- Robust and accurate
- Designed with the user in mind
- Tailored to applications (oncology, anemia, infections, urgent/decentralized care)
- Regulatory submission during 2024
- Sales growth in 2025

Boule™ 950-series



Strengthened Executive Team

- Holger Lembrér
new CFO



"I am really looking forward to becoming part of the team at Boule and working together to continue to develop the company forward. It also feels inspiring to start working in a company with long experience, expertise and strong brands in its industry,"

- Simonetta Tumbiolo
new SVP Marketing



"I have been thoroughly impressed by the passion that I've witnessed at Boule. I am eager to collaborate with such a talented group of individuals and I am committed to bringing my best to the team. I am confident that together, we can achieve great things and contribute to the growth and success of Boule."

Summary

- Robust business model with large portion of recurring revenue
- Launch of new 5-part instrument to grow installed base for decentralized human diagnostics
- Continue to grow veterinary business with our updated portfolio
- Invest in OEM consumable business growth
- Focus in 2024 to further optimize working capital and efficiency in production



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