

Boule Diagnostics Q3 2024

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Q3 Highlights

- Sales declined by 2% organically
- Instrument and reagent sales declined
- Strong growth for OEM

- Significant improvement of operating profit and margin
- Restructuring initiatives implemented with annual saving of SEK 16M
- Lower cash flow driven by restructuring cost

- Go-live of license instrument manufacturing in India on target to commence in Q4, 2024
- BM950 project is in the final stages of preparation for the performance evaluation which will run in the first half of 2025



One-time costs in Q3 2024

BM900 Project

In a response to the continued trend towards 5-part technology we have made the decision to narrow the scope of the BM900 platform project to not include a premium 3-part option.

This decision together with the expensive project delays have adversely impacted the valuation of the project, leading to an impairment and a one-off non-cash cost of SEK 265M.

Russia

In addition, to manage the geopolitical risks and ensuring the sustainability of our business we have decided to change our local presence in Russia by initiating the process to divest our Russian manufacturing site. Consequently, we are reporting a write-down of assets in Russia SEK 26M.



Summary Q3 2024

Sales SEK 130.4 M (139.6) -6.6%

-2.0% organic growth

-4.6% currency

Adjusted gross profit SEK 61.3 M (57.8) +6.1%

Adjusted gross margin 47.0% (41.4%)

Adjusted EBIT SEK 15.3 M (7.9) +93.7%

Adjusted Operating margin 11.8% (5.7%)

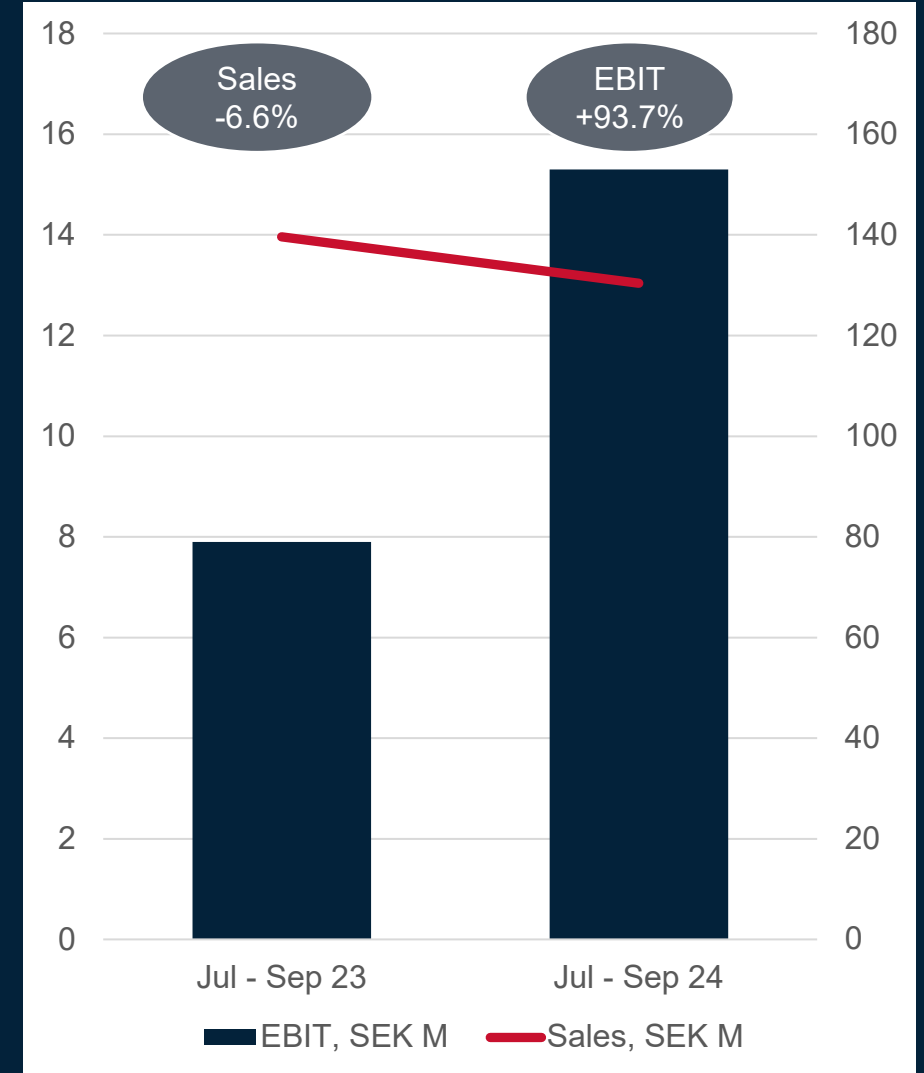
One-time items SEK 3.0 M

Impairment & write down SEK 291 M

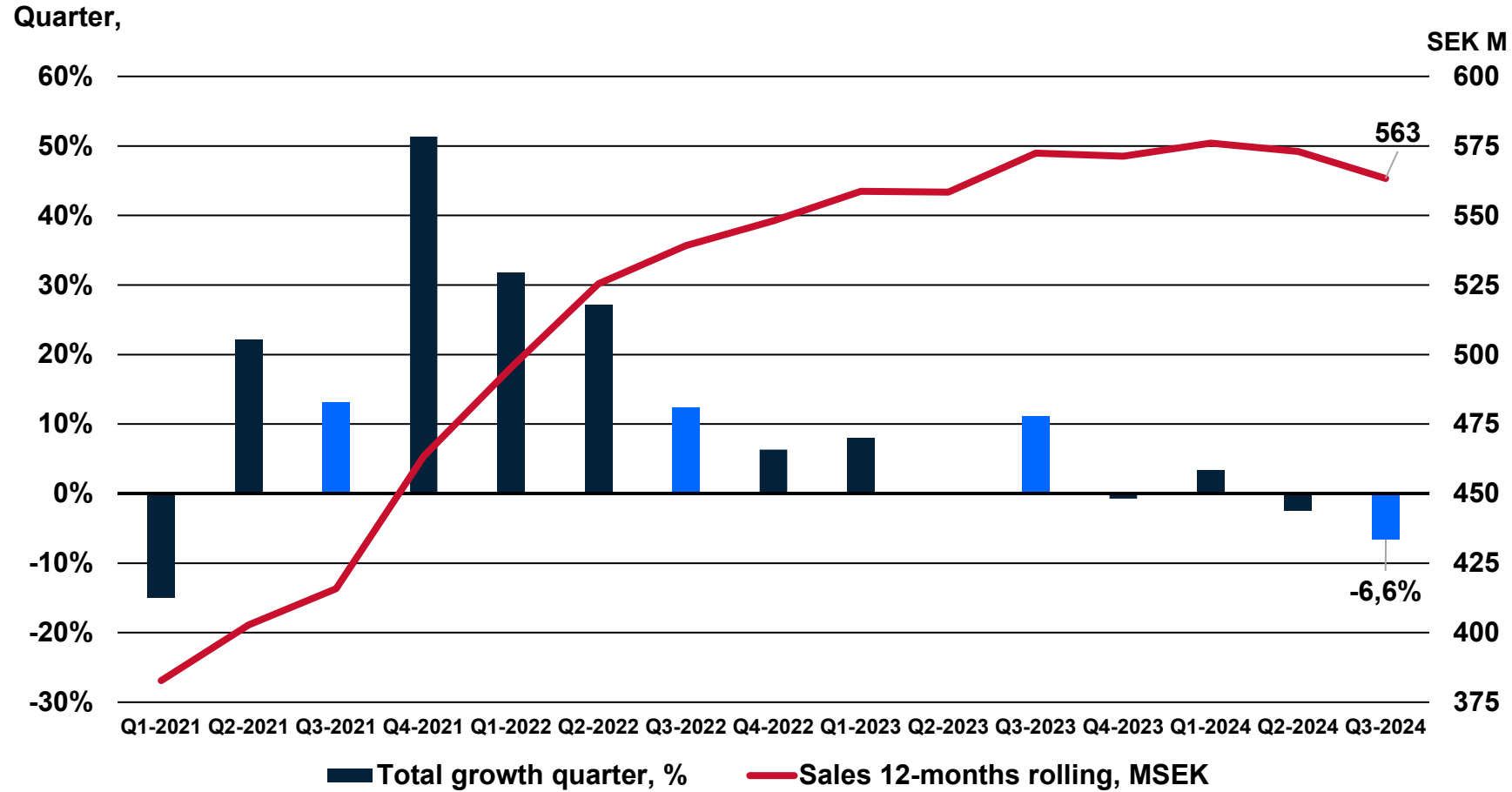
Cash flow from operating activities SEK 5.2 M (27.8)

Investments in new technology platform SEK 13.2 M

Available liquidity at the end of quarter was SEK 48 M

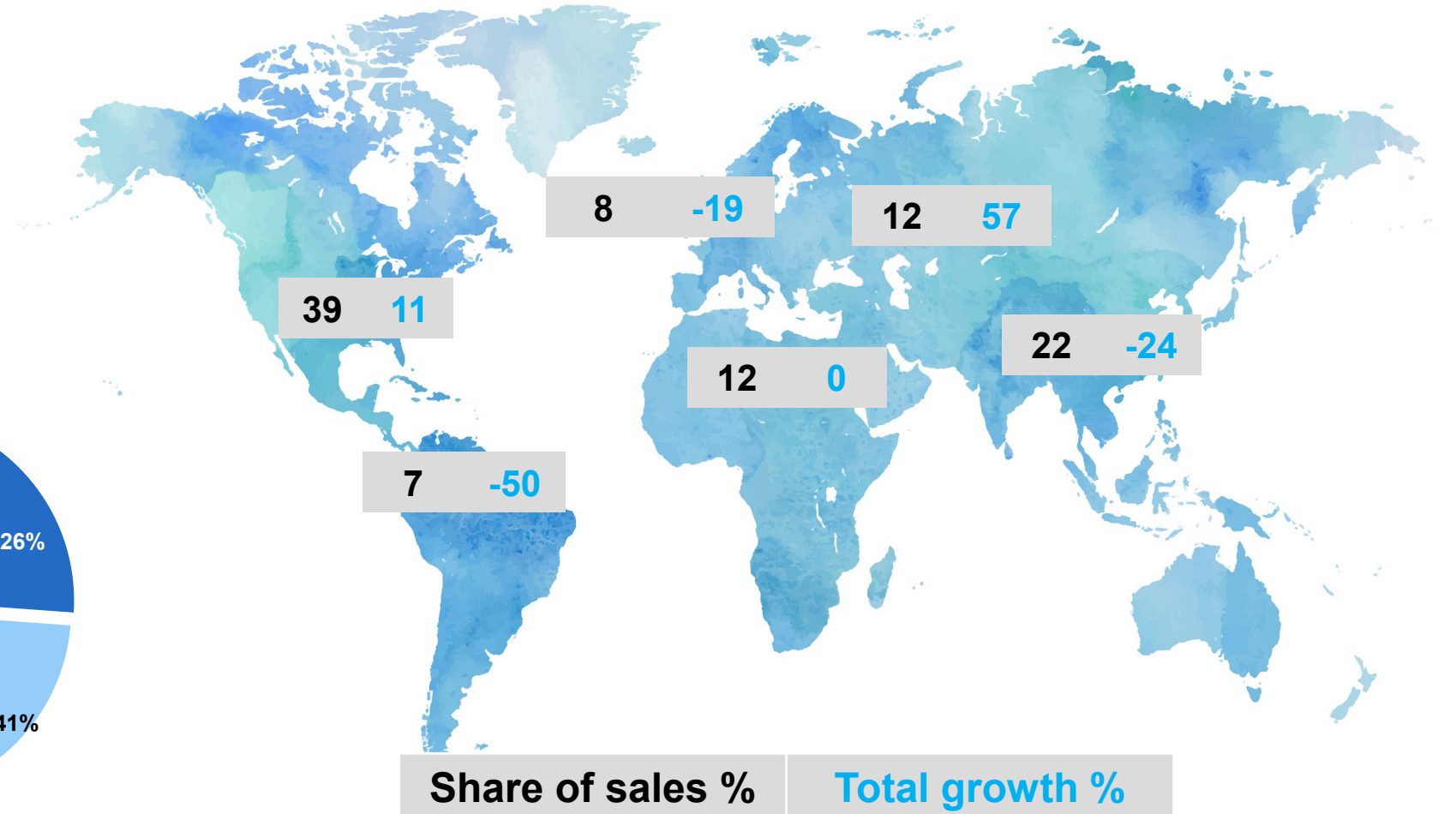
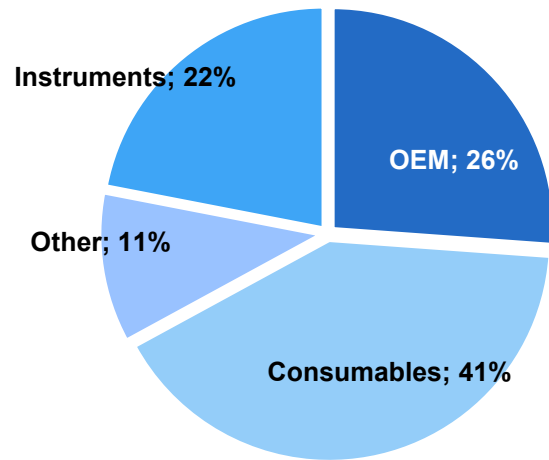


Sales Growth by Quarter



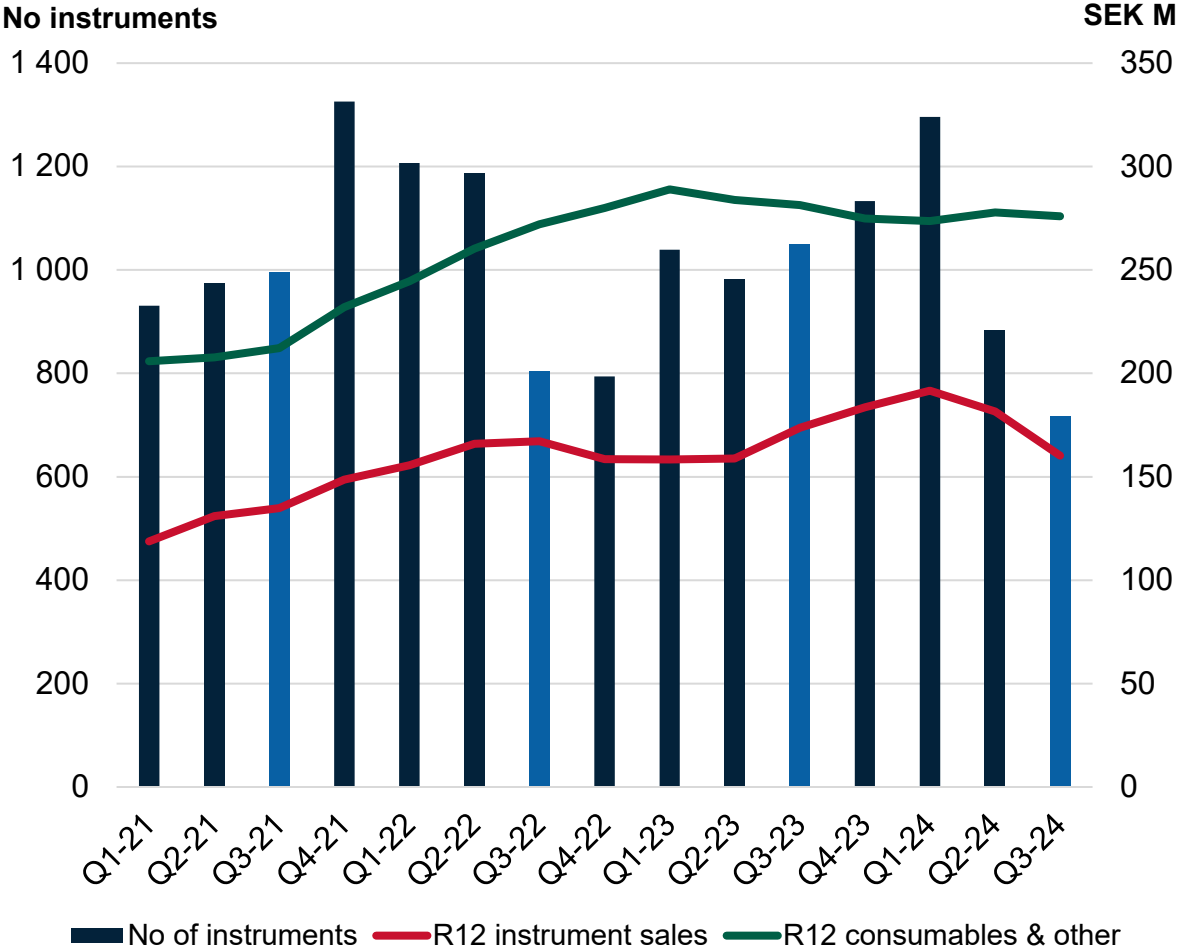
Sales Growth by region Q3 2024

Sales by product area



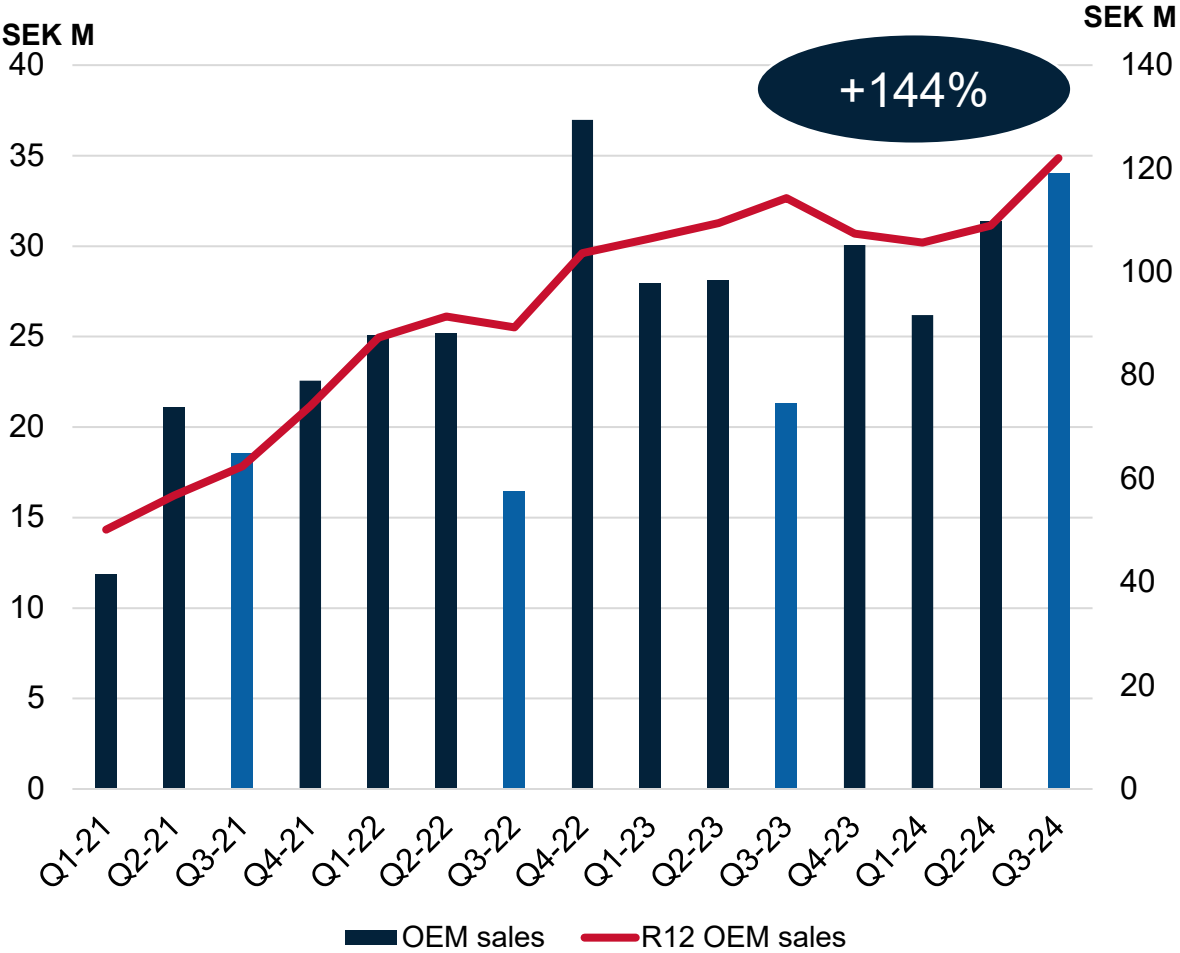
Hematology sales Q3 2024

- Sales declined with -17.7%
- Instruments sold 716 (1010)
- Decline in sales for all type of instruments, partly due to high comparison
- India reagent sales declined because of the switch to reagent license business model
- With start in Q4'24 instrument production for India will switch to license business model, with a sales impact of about SEK 30M on annual basis, and positive margin impact



OEM sales Q3 2024

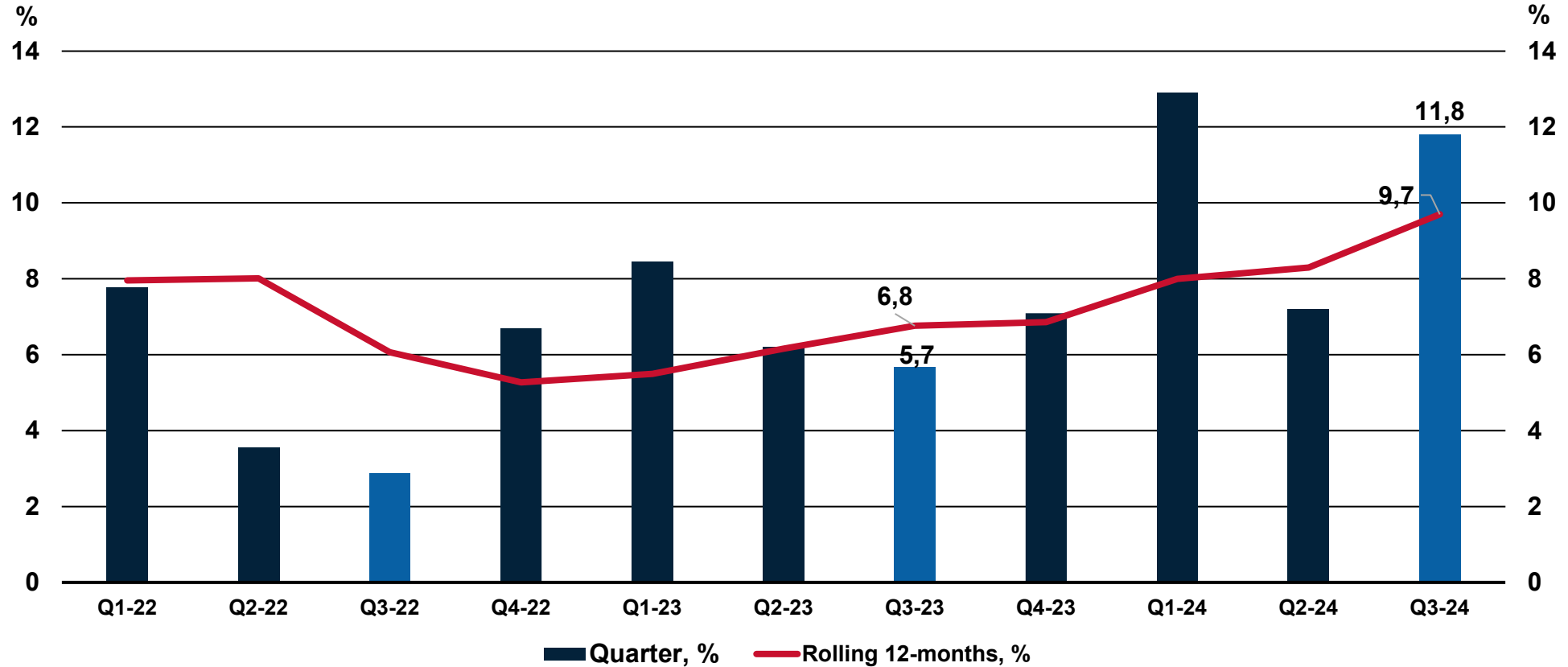
- Strong sales growth +51%
- Sales funnel for new projects continue to grow and mature creating significant growth opportunities going forward



Financial summary

SEK M	Jul-Sep 2023	Jul-Sep 2024	Jan-Sep 2023	Jan-Sep 2024
Net sales	139.6	130.4	423.2	415.2
<i>Organic growth, %</i>	4.3%	-2.0%	0.5%	-0.1%
Adjusted COGS	-81.8	-69.1	-239.4	-225.8
Adjusted Gross profit	57.8	61.3	183.8	189.4
<i>Adjusted Gross margin, %</i>	41.4%	47.0%	43.4%	45.6%
Adjusted Operating expenses	-48.7	-45.5	-150.1	-139.2
Adjusted Other operating income/expenses	-1.2	-0.5	-4.7	-5.6
Adjusted Operating profit	7.9	15.3	28.8	44.4
<i>Adjusted Operating margin, %</i>	5.7%	11.8%	6.8%	10.7%
Cash flow from operating activities	27.8	5.2	22.3	31.5
Available cash and cash equivalents	112.1	47.7	112.1	47.7

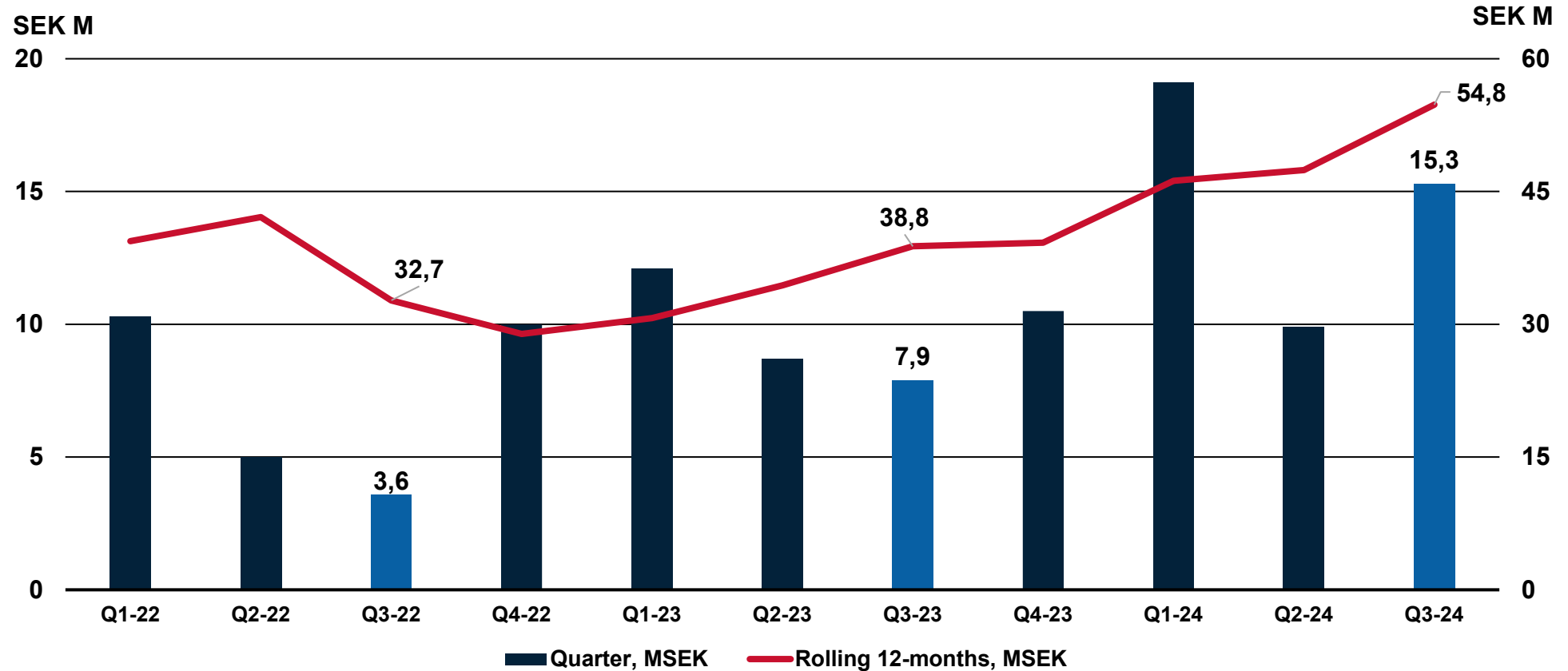
Operating margin*, Percentage



*) Excluding items affecting comparability.

Operating profit*, MSEK

EBIT +41%
since LY



*) Excluding items affecting comparability.

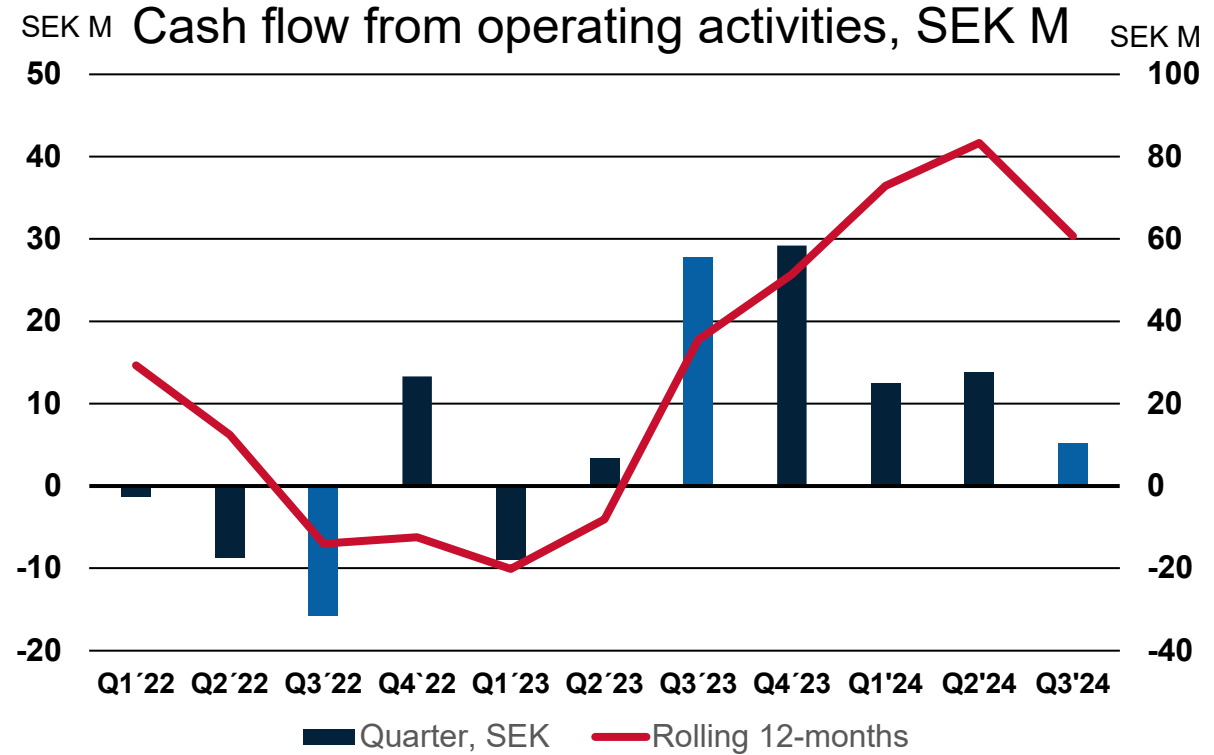
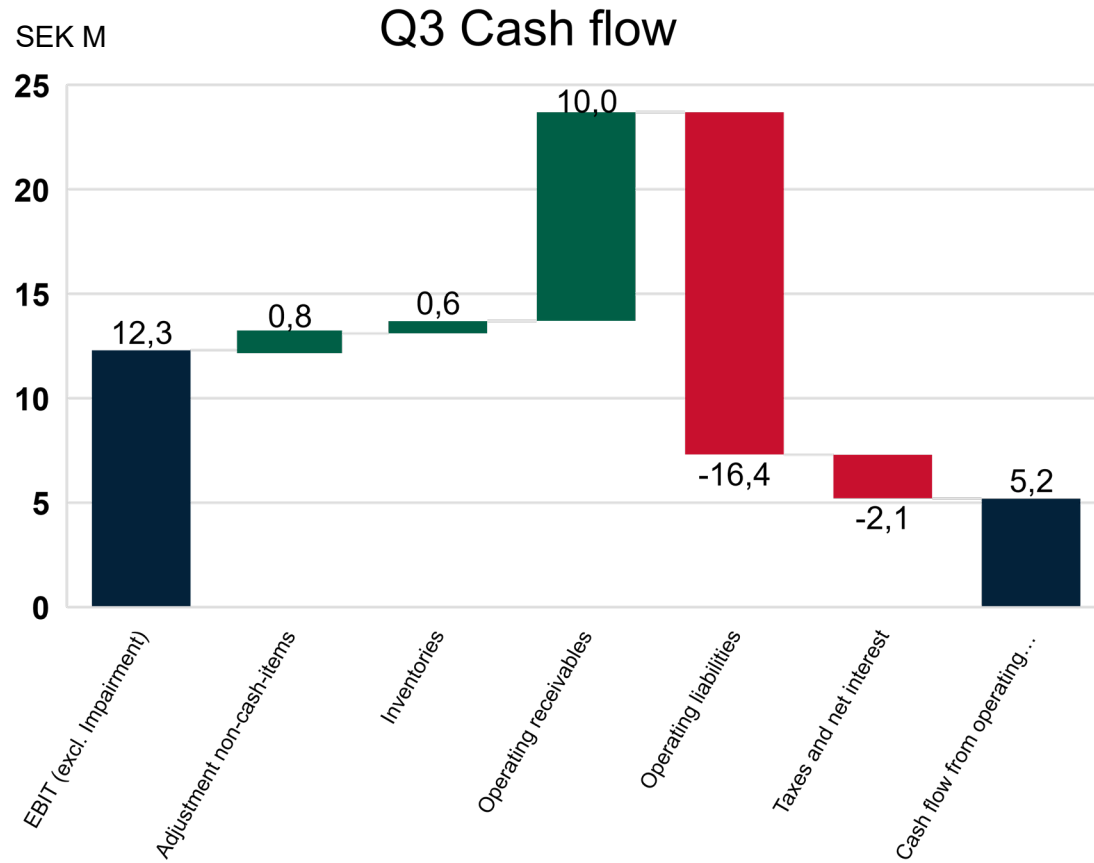
Adjusted Cost* breakdown as % of sales Q3 2024

%	Q3 '2023	Q3 '2024	Δ
Cost of goods sold	-58.6%	-53.0%	5.6%
Adjusted gross profit	41.4%	47.0%	5.6%
Selling & marketing expenses	-21.0%	-22.4%	-1.4%
Administrative expenses	-4.7%	-5.3%	-0.6%
Research and development expenses	-9.1%	-7.2%	1.9%
Other operating income and expenses	-0.9%	-0.4%	0.5%
Adjusted operating margin, %	5.7%	11.8%	6.1%

- Efficiency improvements in production and favorable mix in sales increased gross margin
- Savings from restructuring implemented in Q2'24 decreased operating expenses
- Less impact from currency than last year

*) Excluding items affecting comparability.

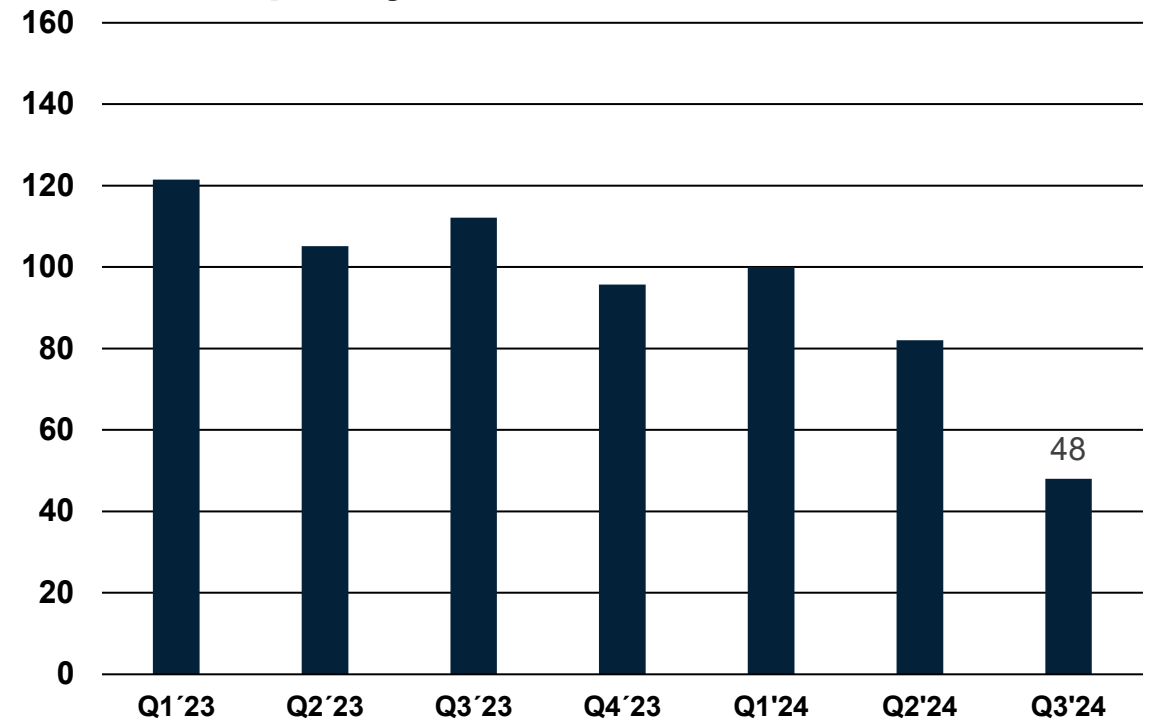
Cash flow from operating activities



Liquidity & Credit

- Cash position at SEK 17 M
- Additional SEK 31 M in credit facilities available
- Net cash / EBIT (R12), times -0.1

Liquidity & Credit Facilities, SEK M



2024/2025 Strategic Priorities

Focus on transforming Boule into a higher growth and higher margin company

Expand operating margins through disciplined execution and reductions in structural cost

- Reduce COGS through supply chain improvements
- Improve OPEX through consolidation and organizational restructure
- Build a Culture of Operational Excellence

Accelerate growth through strategic organic investments

- Establish local presence in strategic locations
- Expand and strengthen channel reach in high growth markets
- Strengthen brand awareness and digital footprint

Building a better, stronger, growth-oriented portfolio

- Strengthen Hematology portfolio
- Build synergistic Adjacent Market portfolio
- Expand OEM capabilities

Expand operating margins through disciplined execution and reductions in structural cost



COGS Reduction

- Rigorous supplier and terms evaluation
- Operational Tiger Team focusing on COGS reduction initiatives



OPEX Improvements

- Consolidate sites and right size organization
- Simplify organizational structure for better execution



Operational Excellence

- Establish a culture of Operational Excellence
- Implement LEAN tools and processes

Accelerate growth through strategic organic investments



Local Presence

- Proactively manage local policy changes
- Strengthen our commercial setup for better coverage



Channel Management

- Channel Partner evaluation program
- Bring Veterinary portfolio to new markets



Digital Marketing

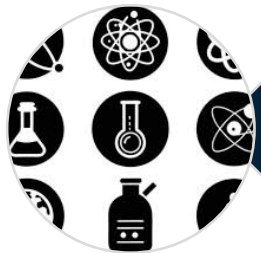
- Strengthen brand recognition and customer engagement
- Targeted campaign activity

Building a better, stronger, growth-oriented portfolio



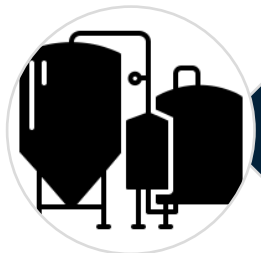
Hematology

- High quality, cost-effective Human Value portfolio
- Differentiated Premium Human and Veterinary portfolio



Adjacent Markets

- Build Adjacent Market portfolio synergistic with Hematology



OEM

- Invest in OEM manufacturing capacity and capabilities
- Develop portfolio of generic reagents and controls

Conclusions

- Stable performance YTD
- Continued improvement in profitability
- Priority to complete the new 5-part instrument
- Focus on executing our strategic priorities



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