

A background image showing a group of scientists in a laboratory. On the left, three scientists in blue protective suits and masks are working. On the right, three scientists in white lab coats are looking at a laptop. The image is overlaid with a semi-transparent white circle containing the title and date.

Interim report AddLife

July 14, 2023

Continued strong growth

- Strong development in all parts of the business, 14% revenue growth
 - Organic, currency adjusted growth 9% in Labtech, 8% in Medtech
- Increased activity in elective surgery continues, significant backlog remains
- Commercial activities in full force
- Adding new supplier agreements
- Increased EBITA, defending the margins. Reduced number of supplier price increases
- AddLife is well positioned for current and future market conditions

2,365

NET SALES SEKm
+14%

8 %

Organic growth

247

EBITA SEKm
+3%

10.4 %

EBITA MARGIN %
(11.6%)

1.1

NET DEBT/EQUITY
(1.1)

Net Sales & EBITA Q2

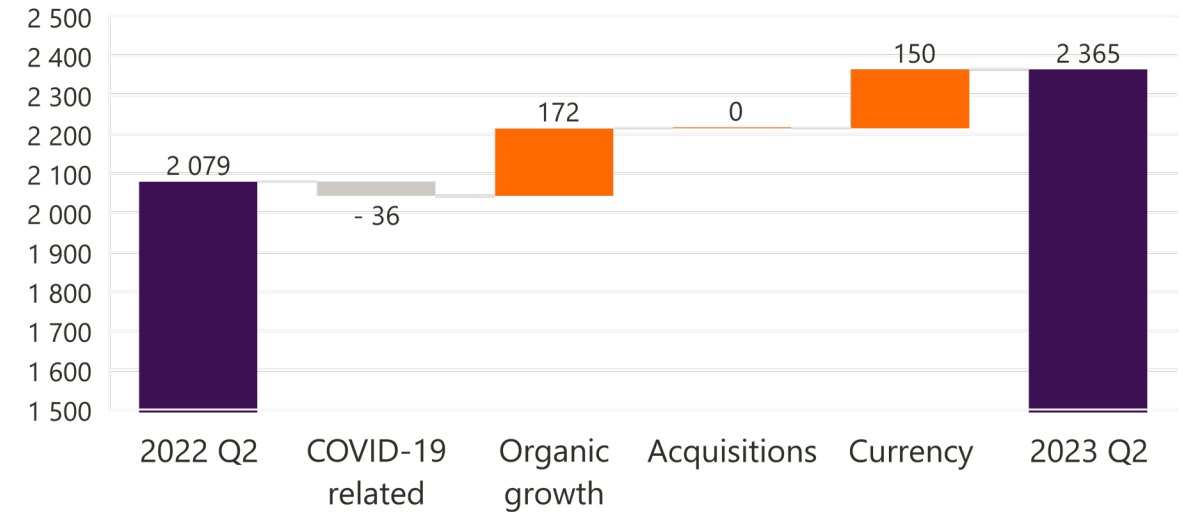
Net sales

- Net Sales SEK 2,365m: +14%
- COVID-19 sales SEK 0m: -100%
- Organic currency adjusted growth excl. COVID-19: +8%

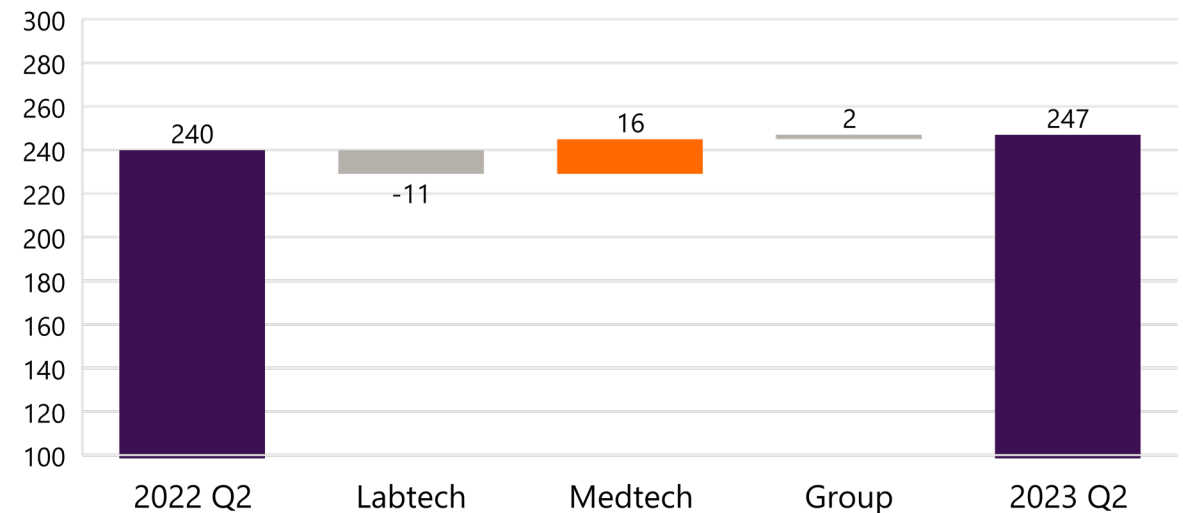
EBITA

- EBITA: SEK 247m +3%
- EBITA margin: 10.4% (11.6)
- Investments in digital solutions amounted to SEK 15m (17)

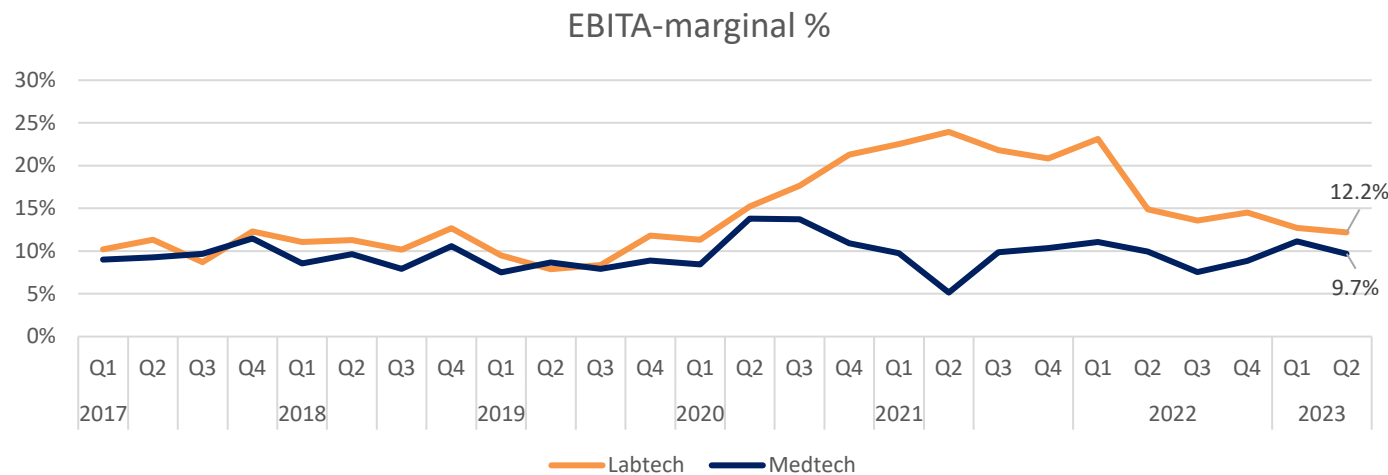
Net sales 3 months



EBITA 3 months



EBITA-margin post COVID-19



- In Labtech COVID-19 sales that contributed to margin have ceased, partially countered by strong organic growth
 - Margin remains above the previous range of 10-12%
- Strong revenue development in Medtech, beneficial product mix
 - In the higher end of the previous range of 8-10%
 - Eye surgery business is reducing the average margin
 - Hospital companies performing well
 - Good price management, strong market positions



Labtech Q1

- Organic currency adjusted growth +9%
- COVID-19 related sales now behind us (LY SEK 36m)
- Developing the portfolio, introducing new products
- Active price management, protecting margins

872

Net Sales SEKm
+11%

107

EBITA SEKm
-9%

12.2

EBITA margin %
(14.9%)

39

No of
Legal entities

807

No of
Employees

Labtech – Organic growth, developing portfolio



Diagnostics

- Solid growth
- Testing volumes benefit from hospital activity
- Strong market position based on product portfolio and service offering
- Active price management
- Expecting more tenders going forward
- Continuously evolving the product portfolio

Biomedical and Research

- Strong growth
- Academic research demand somewhat cautious in some markets, primarily instrument investments
- Continued strong activity in drug discovery and biomedical
- Positive trend for products in emerging research areas such as gene sequencing, cell therapy, bioprocessing and cancer immunology
- Active price management



Medtech Q2

- Strong organic, currency adjusted growth: +8%
- Health care markets recovering, significant increase in elective surgery
- Increase in sales and marketing activities, selectively strengthening sales teams
- Adding significant new supply agreements

1.496
NET SALES SEKm
+15%

145
EBITA SEKm
+12%

9.7
EBITA MARGIN %
(10.0%)

50
No of
Legal entities

1.474
No of
Employees



Medtech – Increased activity in surgery



Hospital/Health services

- Elective surgical procedures increasing across Europe – long term trend
- All hospital focused companies performing very well
- Increased commercial activities and strengthened team
- Eye surgery business growing, new products launched and strengthened sales organization in place

Homecare

- Healthy revenue development in home care products continues
- Homecare portfolio addresses growing need in society, AddLife has uniquely broad product portfolio
- Investment in development of digital solutions of SEK 15m (SEK 17m) impacting the result in the quarter

Market trends and implications

Market trends: current and expected



Post pandemic environment:
Elective surgery recovering



Staffing shortage, hospital capacity
constraints



Outcome & efficiency
focused healthcare spending



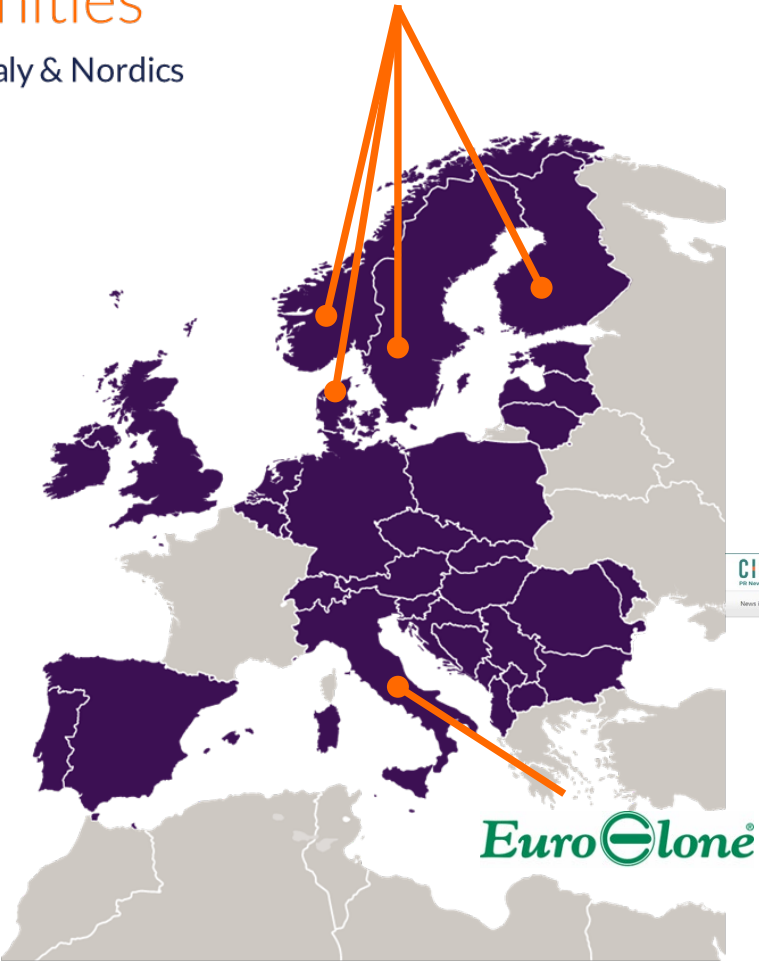
Distributor consolidation



Suppliers restructuring,
focusing on core

Distribution – Growth Opportunities

Division: Clinical testing & laboratory equipment | Territory: Italy & Nordics



MGI

Euroclone signed a multi-year distribution contract with MGI, an industry leading provider of transformative oncology and surgical product portfolio.

AddLife capitalised on the relationship and distribution agreement & identified opportunities to extend the distribution agreements to other European markets.



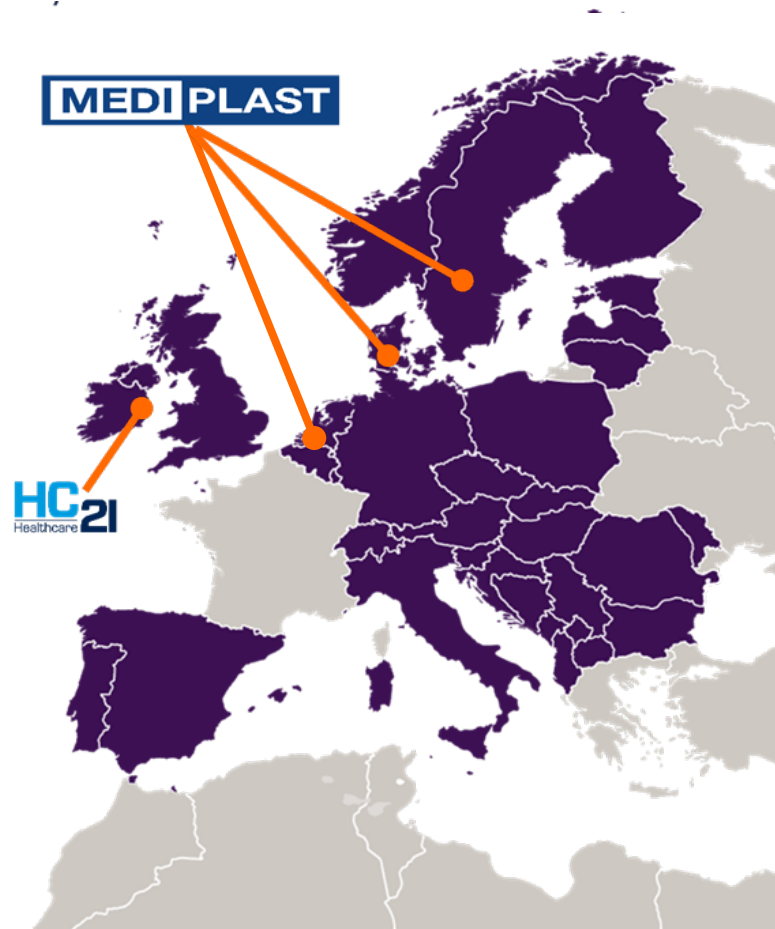
Distribution – Growth Opportunities

Division: Innovation oncology & products | Territory: UK & Ireland, Denmark, Benelux countries

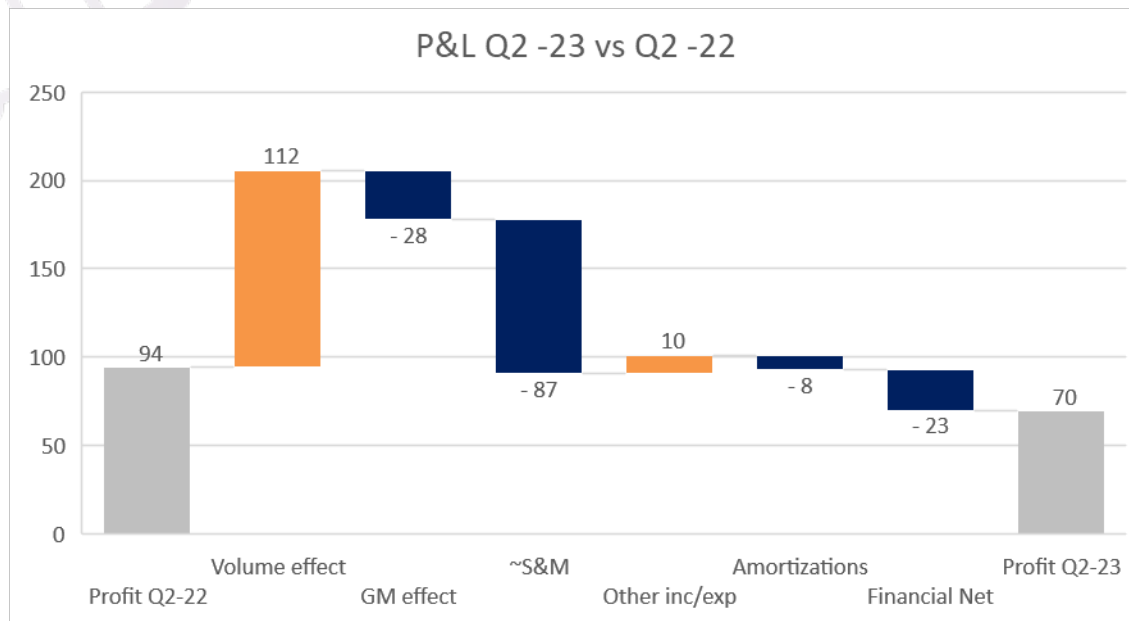


HC21 signed a multi-year distribution contract with AngioDynamics, an industry leading provider of transformative oncology and surgical product portfolio.

AddLife capitalised on the relationship and distribution agreement & identified opportunities to extend the distribution agreements to other European markets.

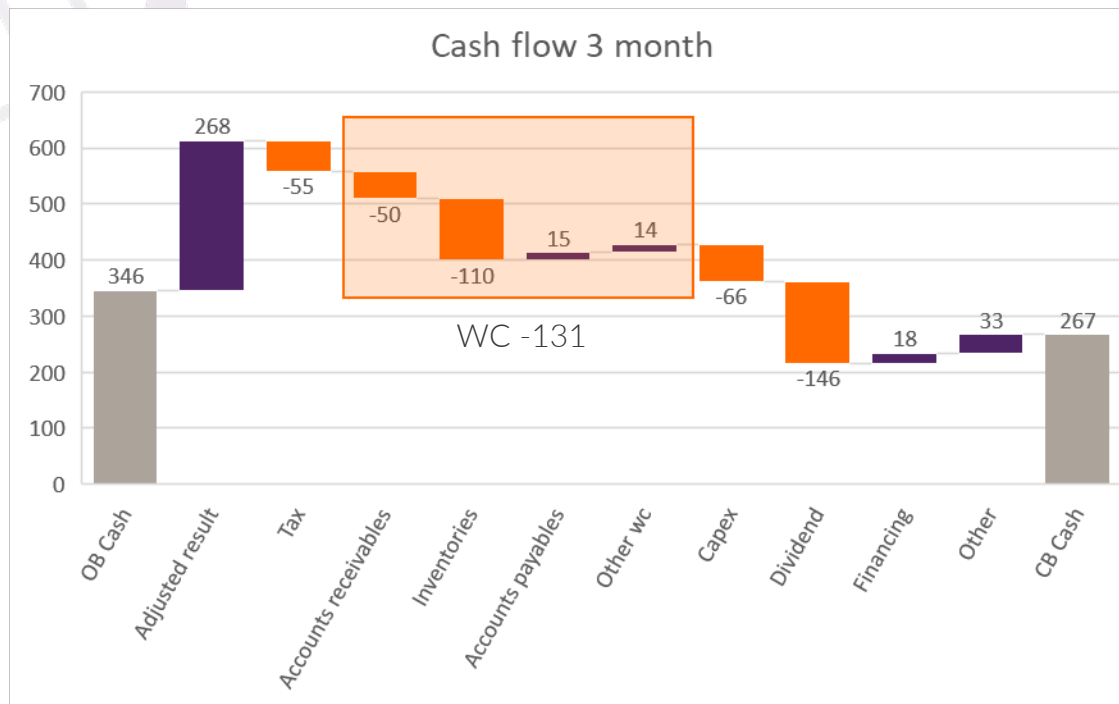


Profit & Loss Q2



- Strong growth, +14%
- Gross margin stable thanks to product mix and price management, but under pressure
- Increased commercial activities and strengthened sales organization
- Increased interest costs

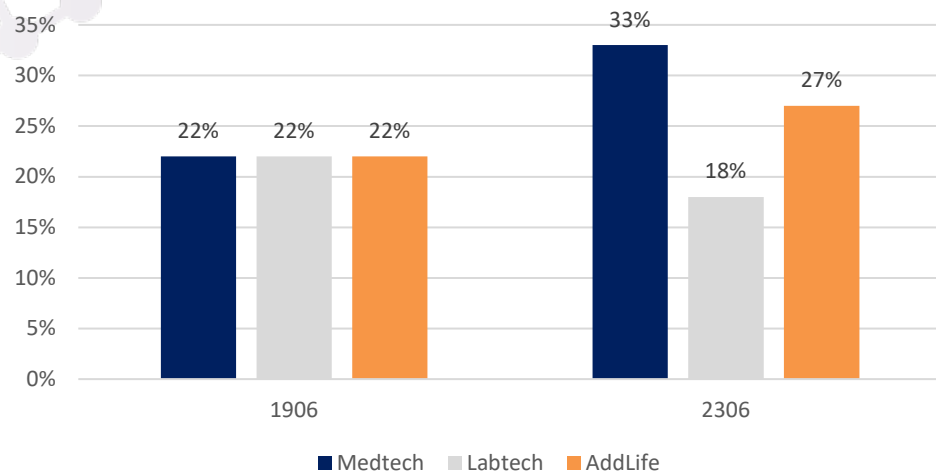
Cash flow Q2



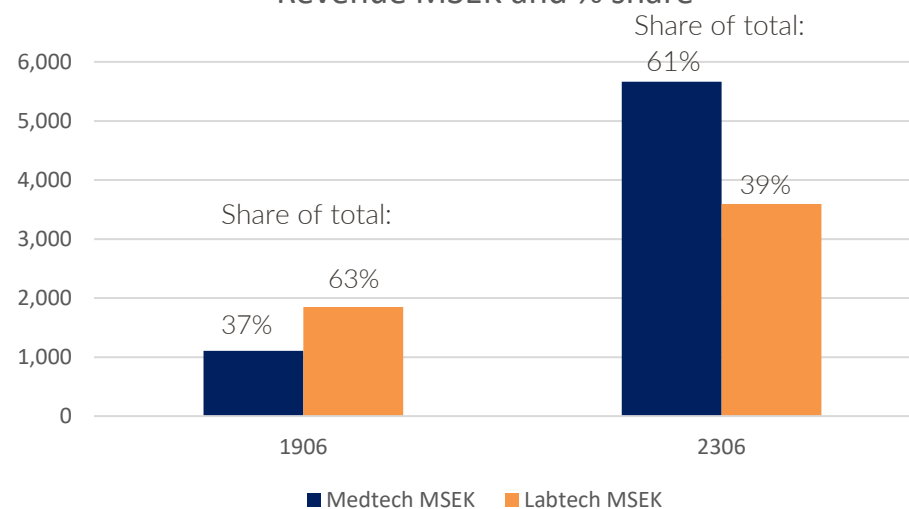
- Cash flow used to finance growth
 - A/R & inventory increase with revenue
 - Introduction of new suppliers and products
- Buffer inventory due to component shortages
- Continuous focus on cash generation
- Structured process that will take some time

Medtech is the largest business area

WC / revenue



Revenue MSEK and % share



- Working capital impact;
 - More orthopedics: consignment stock, broad product range and fast deliveries
 - Expansion in Southern Europe, longer payment terms compared to Nordics
 - New companies: Implementing AddLife's working capital approaches takes time

Summary

- Strong market positions, solid growth in all parts of the business
- Sales and marketing activities back to full scale, selectively strengthened commercial teams
- Expanding the product portfolio with advanced products
- EBITA increased
 - Protecting margins, fewer price increases from suppliers
 - Margins strong compared to pre-covid levels
- Increased working capital
 - Strong growth increases Accounts Receivable
 - Increased share of orthopedics business and new products increases inventory
- Priorities going forward:
 1. Protect and improve profit
 2. Organic growth
 3. Cash flow
 4. Acquisitions



Capital Markets Day



Date: September 15th

Time: 08.30 AM CEST

Location: Studio Puck, Kommendörsgatan 24 or online

Welcome investors, analysts, and financial media to our Hybrid Capital Markets Day on September 15, 2023.

The purpose of the Capital Markets Day is to give insights into AddLife's business model, selected portfolio companies as well as our updated strategy.

Presentations and Q&A will be held by key members of AddLife's management.

Q&A

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