



Year end report AddLife

February 2, 2023

2022 – Positioning for post COVID-19 market

- Acquisitions compensate for reduced COVID-19 revenue, net revenue growth of +14 percent
 - ✓ Five acquisitions completed during 2022
- New businesses set to benefit from recovering elective surgery post COVID-19
- High margin COVID-19 sales being replaced by acquired Medtech sales – at lower margins, but work is ongoing to improve profitability
- Significant European footprint established, broader and more stable portfolio. Opportunities for cross selling, collaborations as well as new products and suppliers
- Long-term positive trend in demand, in spite of market uncertainty
- The board proposes a dividend of SEK 1.20 per share

9,084

NET SALES SEKm
(+14%)

1,221

EBITA SEKm
(-4%)

13.4 %

EBITA MARGIN %
(15.9%)

1.1

NET DEBT/EQUITY
(0.9)

Q4 – Increased organic growth in both business areas

- Post COVID-19 market: Increased demand in the healthcare systems, growing number of surgical procedures
- Acquisitions and organic growth compensating reduced COVID-19 sales, achieving net sales growth of +9 percent
- Increased organic growth in both business areas, +6 percent for the group
- EBITA margin and cash flow in a positive trend compared to previous quarter

2,326

NET SALES SEKm
(+9%)

258

EBITA SEKm
(-22%)

11.1 %

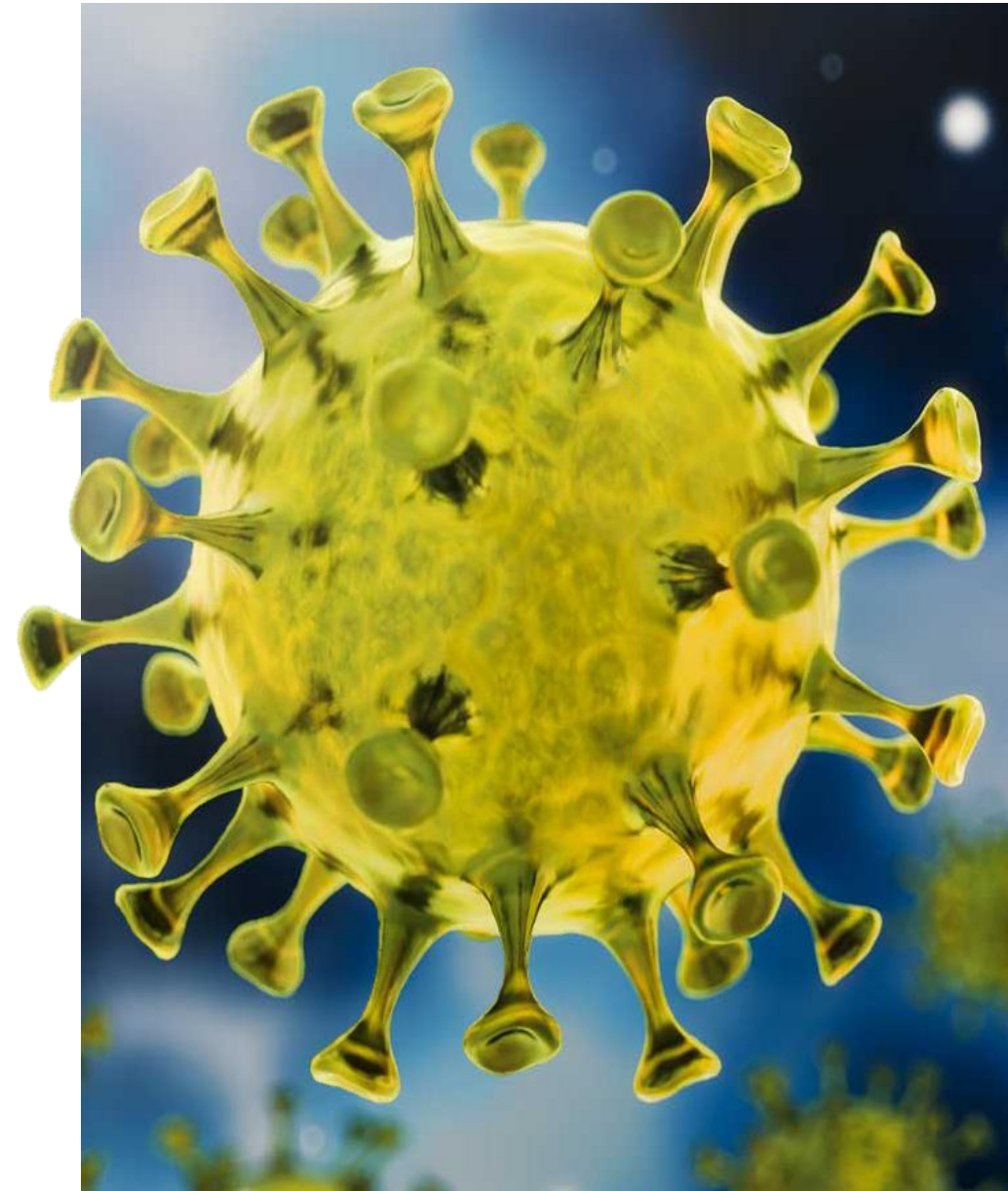
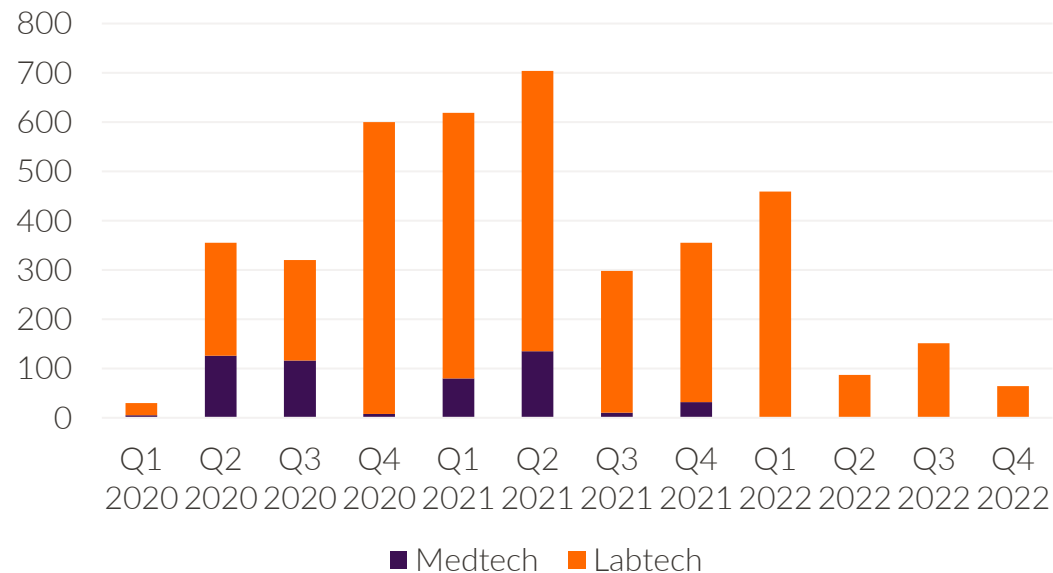
EBITA MARGIN %
(15.5%)



COVID-19

- As expected, significant drop in COVID-19 related sales in the quarter
- COVID-19 related sales amounted to SEK 64m (355) in the quarter, SEK 760m (1 976) for the full year
- COVID-19 testing now part of broader respiratory test panel
- Market normalized, customer access restored, teams focused on commercial activities

COVID-19 related sales



Net Sales & EBITA 2022

Net Sales

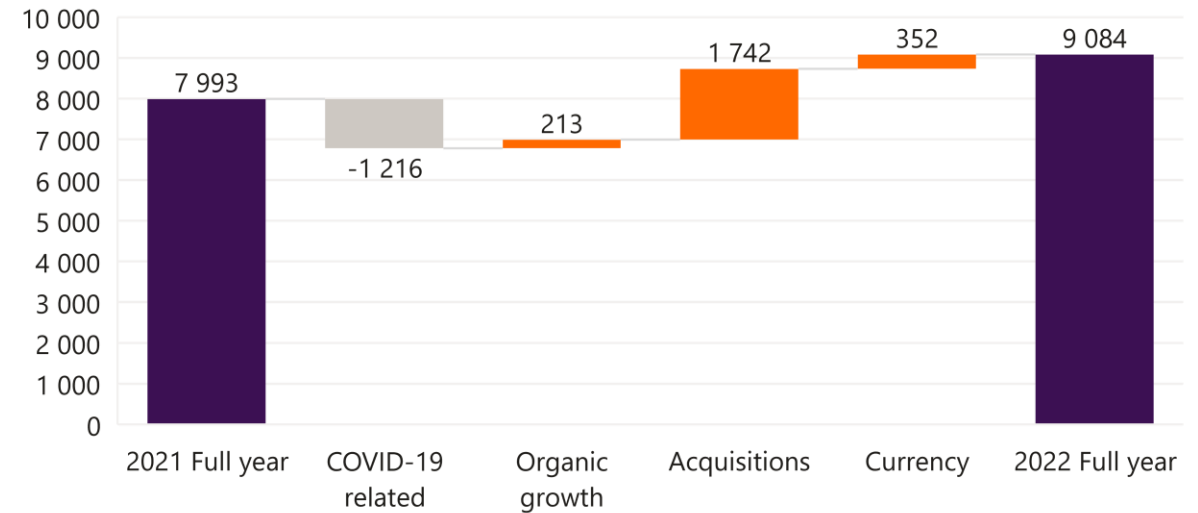
- Net Sales SEK 9,084m, +14%
- COVID-19 sales SEK 760m, -62%
- Organic growth non-COVID-19 SEK 213m, +4%
- Acquired growth SEK 1,742m, +22%

EBITA

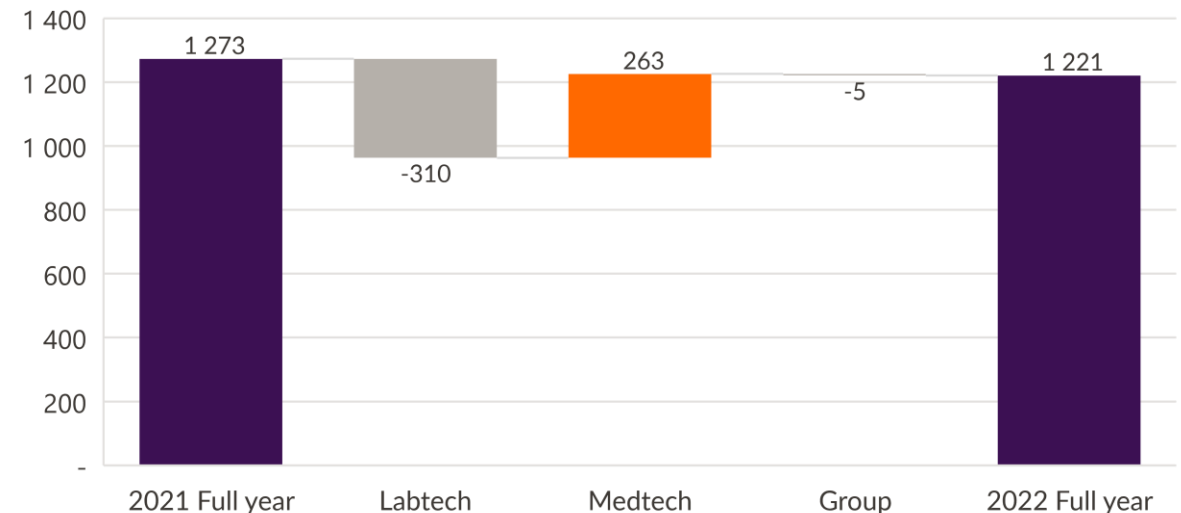
- EBITA SEK 1,221m, -4%
- EBITA margin 13.4% (15.9)
- Affected by the reversal of contingent considerations of SEK 101m
- Investment in digital solutions amounted to SEK 54m

YEAR-END REPORT Q4 2022

Net sales 2022



EBITA 2022



Net Sales & EBITA Q4

Net sales

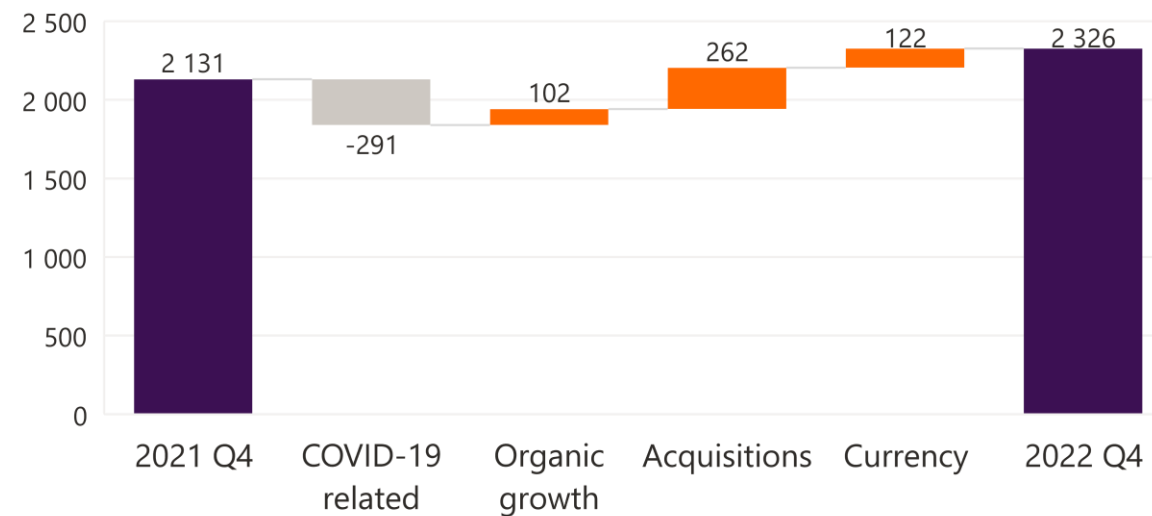
- Net Sales SEK 2,326m, +9%
- COVID-19 sales SEK 64m, -82%
- Organic growth non-COVID-19 SEK 102m, +6%
- Acquired growth SEK 262m, +12%

EBITA

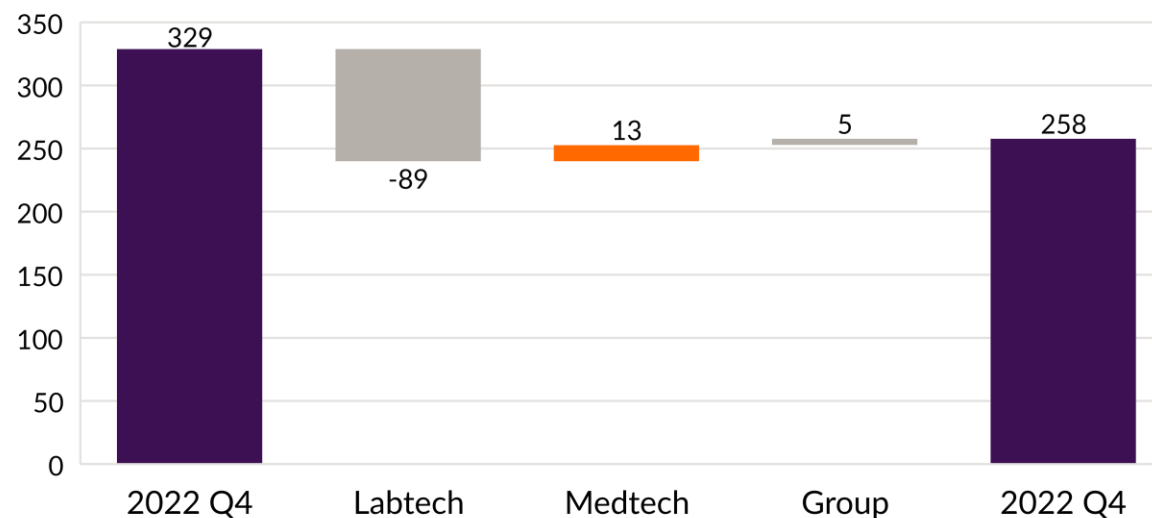
- EBITA SEK 258m, -22%
- EBITA margin +11.1% (15.5)
- Investments in digital solutions amounted to SEK 17m

YEAR-END REPORT Q4 2022

Net sales 3 months



EBITA 3 months





Labtech Q4

- Significant drop in COVID-19 related sales SEK -259m, -82%
- Organic growth, non-COVID, SEK 48m, +6%
- Solid EBITA margin
- Developing the portfolio, introducing new products

958

Net Sales SEKm
(-12%)

138

EBITA SEKm
(-39%)

14.5

EBITA margin %
(20.8%)



Labtech – Organic growth, developing portfolio



Diagnostics

- COVID-19 testing decreasing as expected
- Healthy underlying organic growth
- Increased interest in service and efficiency improving solution due to staffing shortage
- Driving new sepsis products as well as increased Point of Care use of PCR testing
- AddLife offers suppliers unique European distribution with strong commercial organization in 29 countries

Research & Laboratory

- Healthy organic growth in spite of some budget concerns in academic research accounts
- Continued strong sales development in research and drug discovery
- Launching new products and growing in areas such as gene sequencing and bioprocessing



Medtech Q4

- Acquisitions driving strong sales growth, SEK 236m
- Organic growth, non-COVID, increasing to SEK 51m, +5%
- Increase in elective surgery procedures
- Significant patient waiting lists that will have to be managed, healthcare system staffing shortage slowing down reduction of waiting lists

1,367
NET SALES SEKm
(31%)

121
EBITA SEKm
(12%)

8.9
EBITA MARGIN %
(10.4%)



Medtech – Increased activity in surgery



Hospital/Health services

- Healthy organic growth driven by increase in elective surgery
- Acquisitions in advanced orthopedic surgery contribute to growth and margin, rebound in number of procedures after summer and improved margin compared to previous quarter
- Gradual improvement in eye surgery business in the quarter due to product launches and strengthened team

Homecare

- Strong revenue growth in the quarter
- Homecare portfolio addresses growing need in society, potential for efficiency improvements, cost savings and improving quality of life
- Investment in development of digital solutions of SEK 17m impacting the result in the quarter

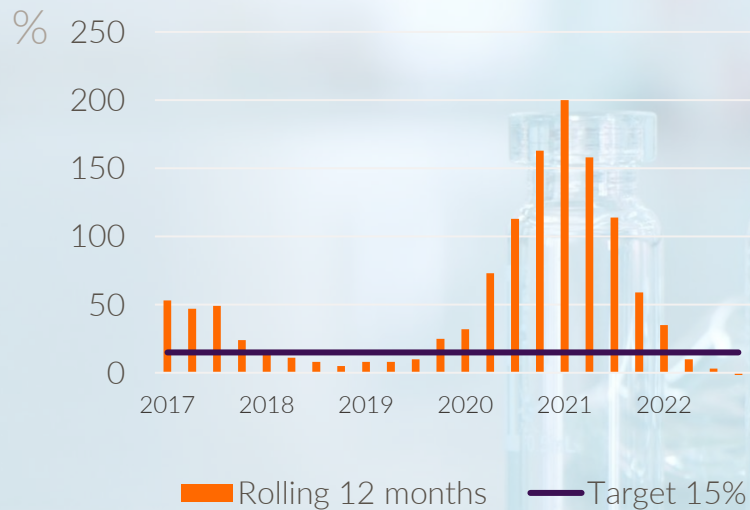
Long term financial goals

- EBITA declined -4 %
- Profitability, P/WC 61 %

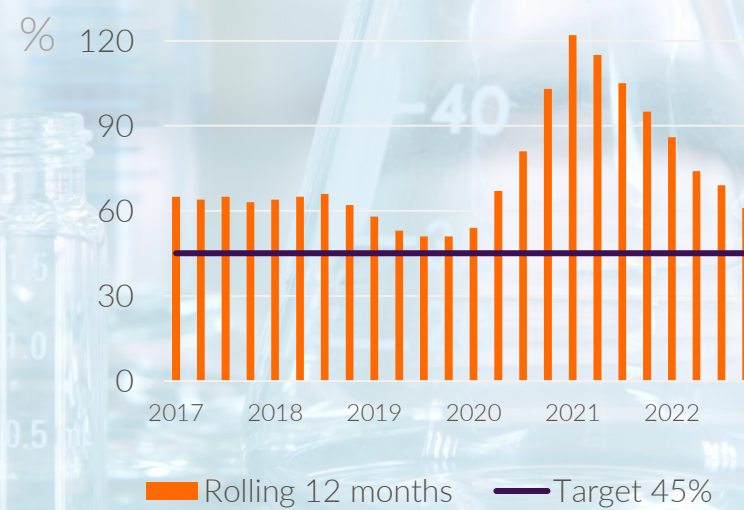
38 %

**AVERAGE PROFIT
GROWTH***

Profit growth, EBITA (%)



Profitability, P/WC (%)

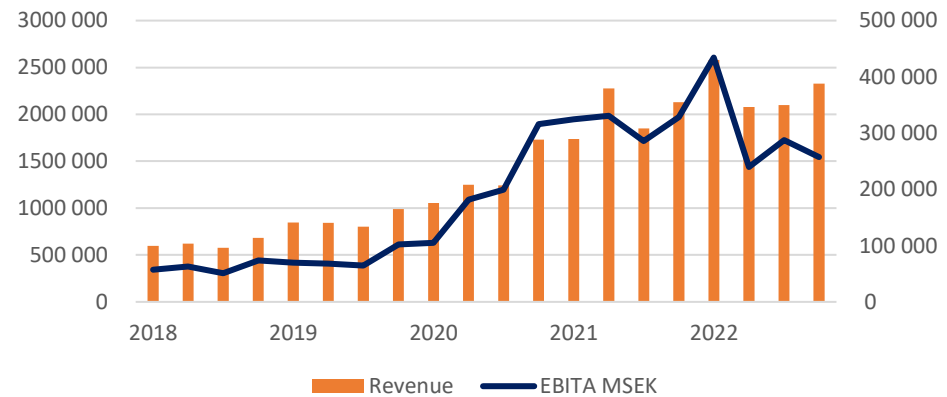


*Average profit growth since listing March 2016

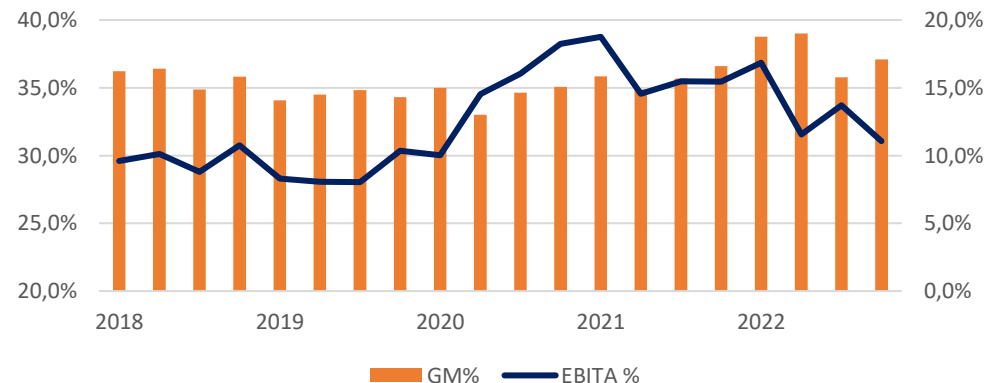
Low operational risk

- Stable revenue growth in a non-cyclical market
- Market growth supported by macro and demographic trends
- Stable gross margin, currently challenged by cost increases
- COVID-19 sales handled within current organization, positive EBITA impact

Revenue & EBITA, KSEK

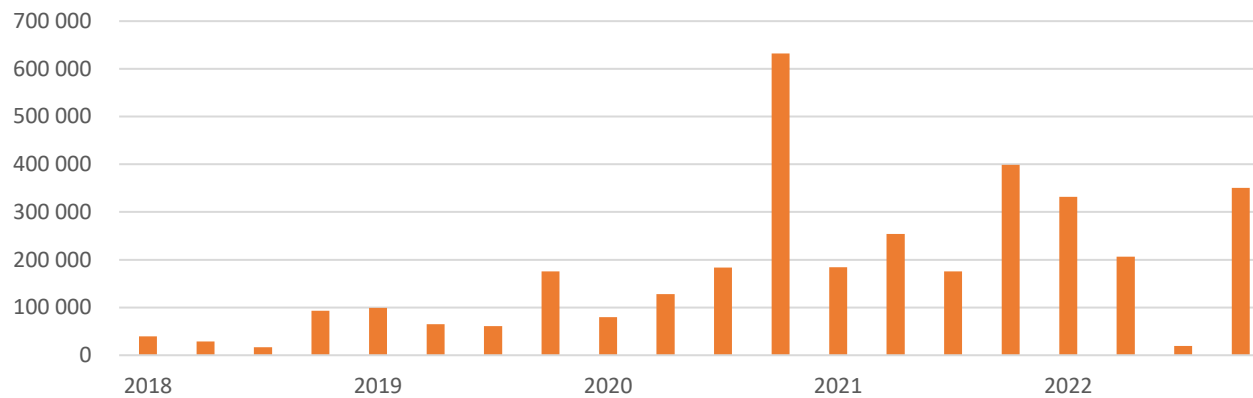


GM% and EBITA-margin %

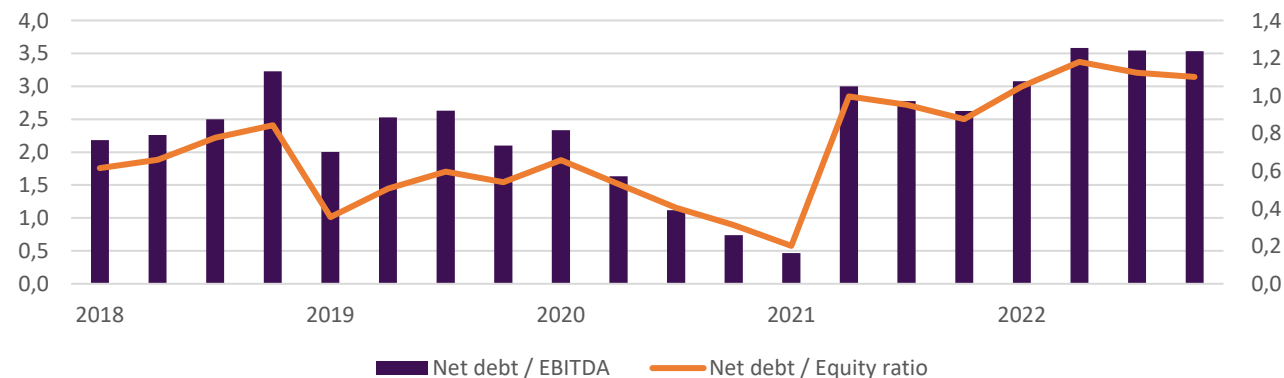


Stable cash flow

Operating cash flow



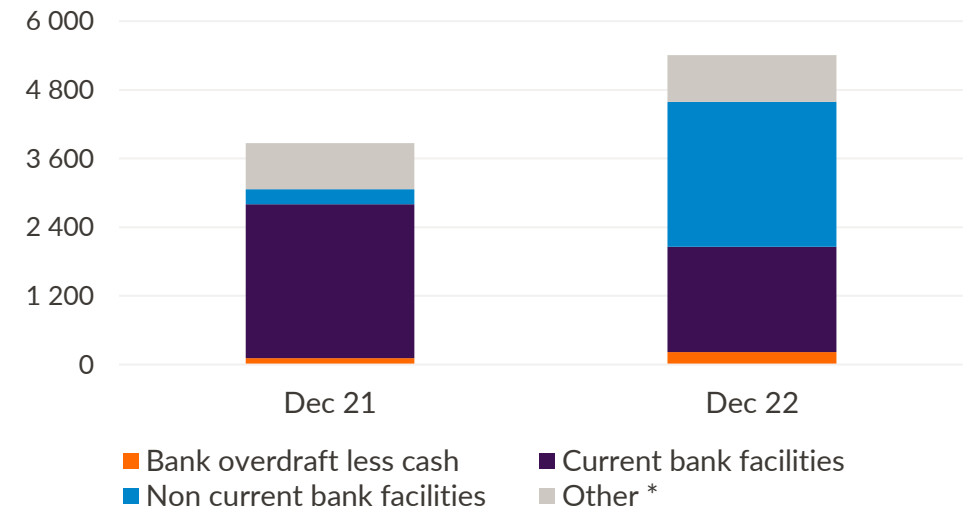
Net debt / EBITDA & Net debt / Equity



- Stable operating cash flow
- Inventory build up during 2022 (mainly in Q3) to ensure deliveries to customers. Should gradually improve going forward
- Higher debt level correlate with major acquisitions 2018 & 2021/2022
- Debt to be reduced via self-generated cash flow

- Good margin in relation to covenants stipulated in bank agreements
 - Interest coverage ratio > 4.0 times
 - Equity ratio > 25 procent
- Interest expenses in Q4 amounted to SEK 46m, and exchange rate losses to SEK 26m
- Average interest rate in Q4 was 3.70%

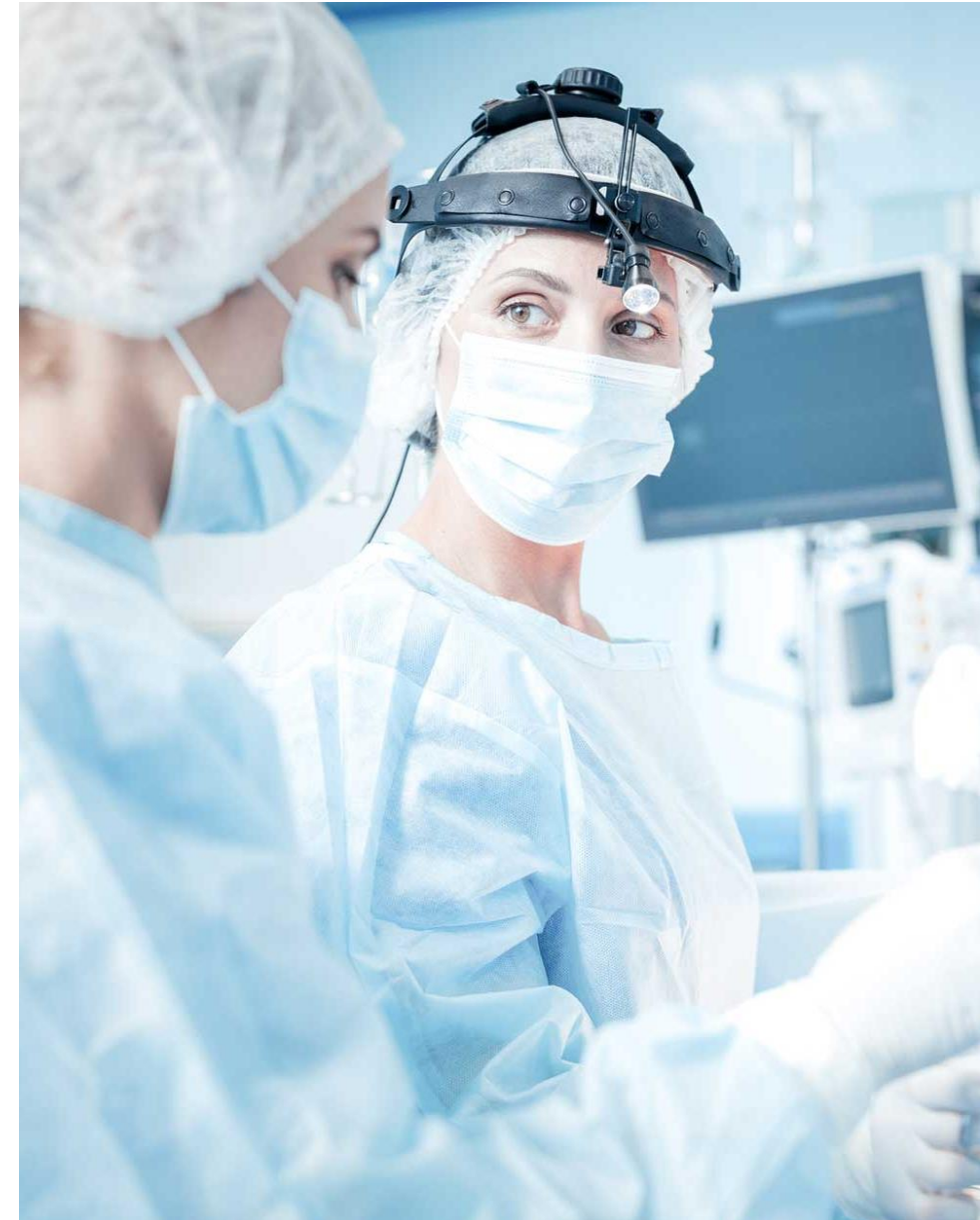
Interest bearing liabilities



* Other incl pension, leasing liabilities, contingent considerations and other provisions

Summary

- COVID-19 revenues being replaced by acquired Medtech revenue
- AddLife positioned to benefit from market conditions post COVID-19
- Health care systems now entering a new phase when elective surgery procedures increase, significant long term demand
- Organic growth improving in both business areas
- Positive trend in profitability and cash flow compared to previous quarter, driving further improvements with high priority
- Continuing to actively work on price increases to protect margins
- Ambition to reduce debt, while working proactively to develop acquisition pipeline



Q&A

Fredrik Dalborg

CEO

+46 705 16 09 01

fredrik.dalborg@add.life

Christina Rubenhag

CFO

+46 705 46 72 22

christina.rubenhag@add.life



Income statement

SEKm	Quarter			Full year		
	Q4 -22	Q4 -21	%	2022	2021	%
Net sales	2,326	2,131	9%	9,084	7,993	14%
Gross margin	37.1%	38.1%		37.7%	36.9%	
Overhead expenses	-606	-451	34%	-2,206	-1,584	39%
EBITA	258	329	-22%	1,221	1,273	-4%
EBITA margin	11.1%	15.5%		13.4%	15.9%	
EBIT	149	245	-39%	808	996	-12%
Financial net items	-72	-22		-206	-69	
Tax	-15	-45		-119	-206	
Profit for the period	62	178	-78%	483	721	-36%
 Earnings per share (diluted)	 0.50	 1.45	 -66%	 3.95	 6.01	 -34%

- Sales growth of +9%
- Gross margin improving in spite of cost increases
- Overhead cost increase driven by acquisitions
- EBITA affected by;
 - investment in digital solutions of SEK -17m
- Interest expenses amounted to SEK 46, and exchange rate losses to SEK 26m

Cash flow

SEKm	Quarter		Full year	
	Q4-22	Q4 -21	2022	2021
Profit after financial items	77	223	602	927
Adjustment for items not included in cash flow	188	107	684	449
Income tax paid	-104	-105	-256	-252
Change in working capital	190	168	-121	-114
Cash flow from operating activities	351	393	909	1,010
Net investments in non-current assets	-82	-41	-268	-134
Acquisitions and disposals	0	-183	-818	-2,843
Cash flow from investing activities	-82	-224	-1,086	-2,977
Dividend paid to shareholders	-	-	-243	-183
Other financial activities	-203	-72	377	2,253
Cash flow from financing activities	-203	-72	134	2,070
Cash flow from the period	66	97	-43	103

- Increased inventory during the year to ensure deliveries to customer. Stable during Q4
- Increased investments in rental equipment to customers
- Cash flow improved compared to previous quarter