

Update of Coronavirus's impact on Vitrolife's sales

Vitrolife estimates that sales during the first quarter will be approximately in line with last year in local currency and that the EBITDA margin will amount to approximately 33-37 percent. Furthermore, the company assess that the second quarter will be significantly negatively impacted by the virus outbreak.

In the beginning of March, Vitrolife estimated that sales in the Asia region will decrease by approximately 30 percent in local currency during the first quarter and that other regions will not materially be affected. As the virus has spread outside Asia, negative effects of sales can be seen also in other regions. "Demand for IVF is expected to be reduced significantly in Europe and USA in the coming months following measures taken by local authorities to minimize infection spread and recommendations from for example ESHRE (The European Society of Human Reproduction and Embryology) to avoid becoming pregnant now through IVF", says Thomas Axelsson, CEO of Vitrolife.

Vitrolife estimates that sales during the first quarter will be approximately in line with last year in local currency and that the EBITDA margin will amount to approximately 33-37 percent. Based on available information today, it is difficult to estimate how the virus outbreak will affect the demand for IVF treatments during the second quarter other than that it will likely have a significant negative effect. On a positive note, the company has seen that demand for IVF has started to recover in China during March after more or less have been suspended during February.

The company estimates that the vast majority of patients that now postpone IVF treatments will complete these at a later date. The company estimates that the long-term market outlook is essentially unchanged and Vitrolife therefore expects a continuously expanding market, which in monetary terms is expected to grow by 5-10 per cent per year for the foreseeable future.

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Vitrolife is an international medical device Group. Vitrolife develops, produces and markets products for assisted reproduction.

Vitrolife has approximately 400 employees and the company's products are sold in approximately 110 markets. The company is headquartered in Gothenburg, Sweden, and there are also offices in Australia, Belgium, China, Denmark, France, Germany, Italy, Japan, United Kingdom and USA. The Vitrolife share is listed on NASDAQ Stockholm.

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