

# Interim report Q3 / 2023

2023-10-27

Vitrolife AB (publ)

Bronwyn Brophy O'Connor, CEO

Patrik Tolf, CFO

# Introduction

- Medtech Executive with 26 years experience in the healthcare and life sciences industry
- Almost 90 days since joining the Vitrolife Group

## Perspectives on the market:

1. Market is growing but access to care remains limited
2. Consolidation of clinics but procedures are labour intensive making scalability a challenge
3. Opportunity to bring more automation to the workflow to support customers
4. Standards of care differ by region - genetic testing plays a larger role in the U.S.

## Conclusions on the Vitrolife Group:

1. Well positioned in a growing market with significant development potential
2. We provide best in class service, quality and support to our customers
3. Our time lapse platform brings automation to the very core of the clinic
4. The breadth of our portfolio allows us to address the differing standards of care

## Q3 Highlights

IMPROVED  
MARGIN  
gross margin  
55.7%

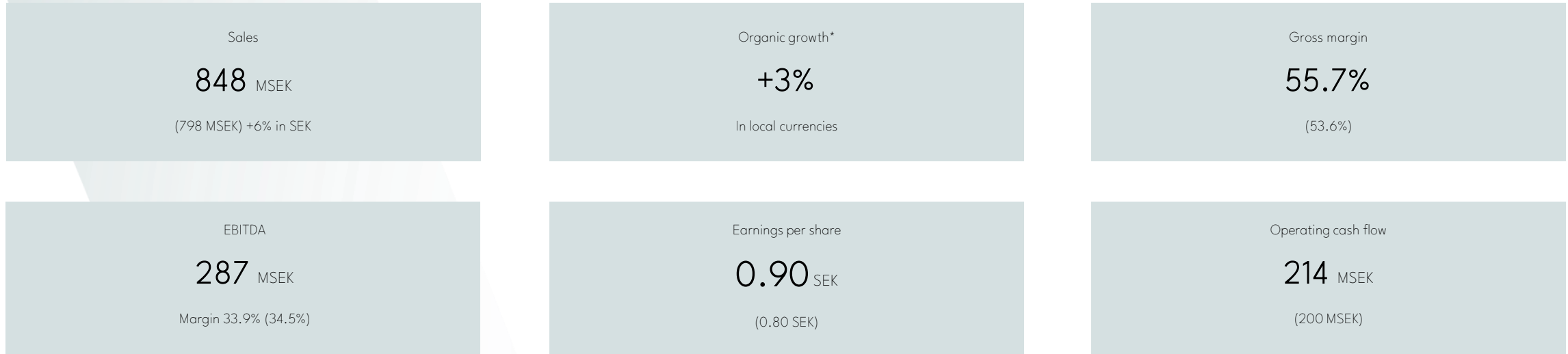
STRONG GROWTH  
IN EMEA  
14% in local  
currencies\*

GX-MEDIA EMDR  
APPROVED  
strengthening our  
position as global  
leader

\* Organic growth in local currencies excluding discontinued business (Covid testing and GPDx China)

# Profitable growth globally despite headwind in the U.S.

## Third quarter

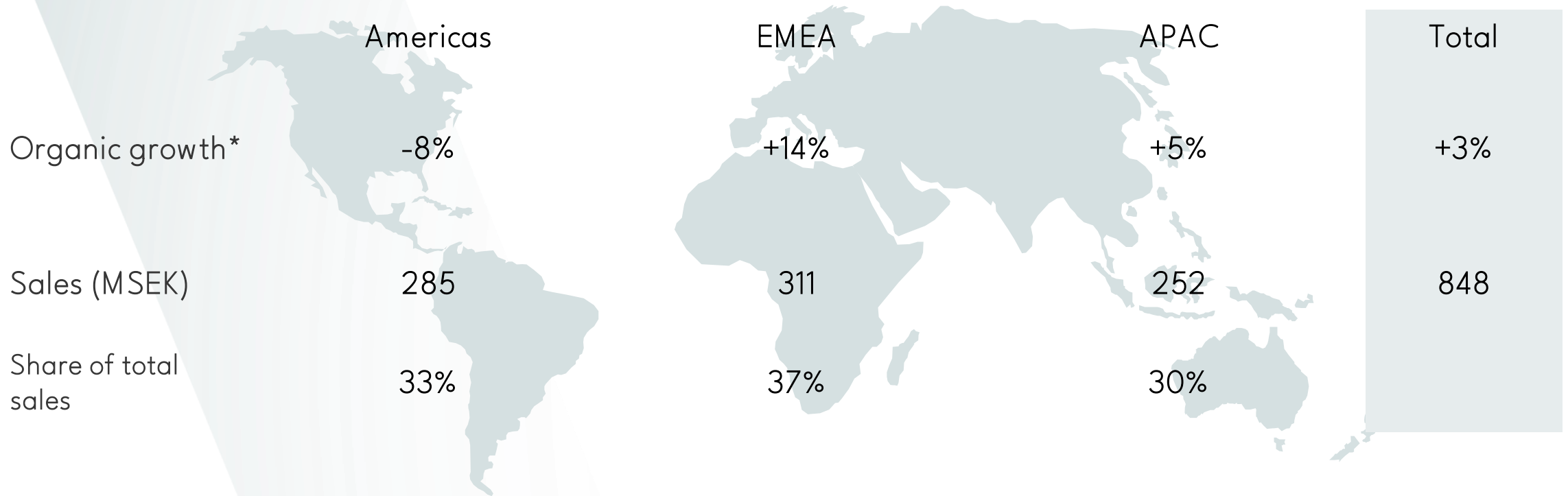


## First nine months 2023



\* Organic growth excluding discontinued business (Covid testing and GPDx China)

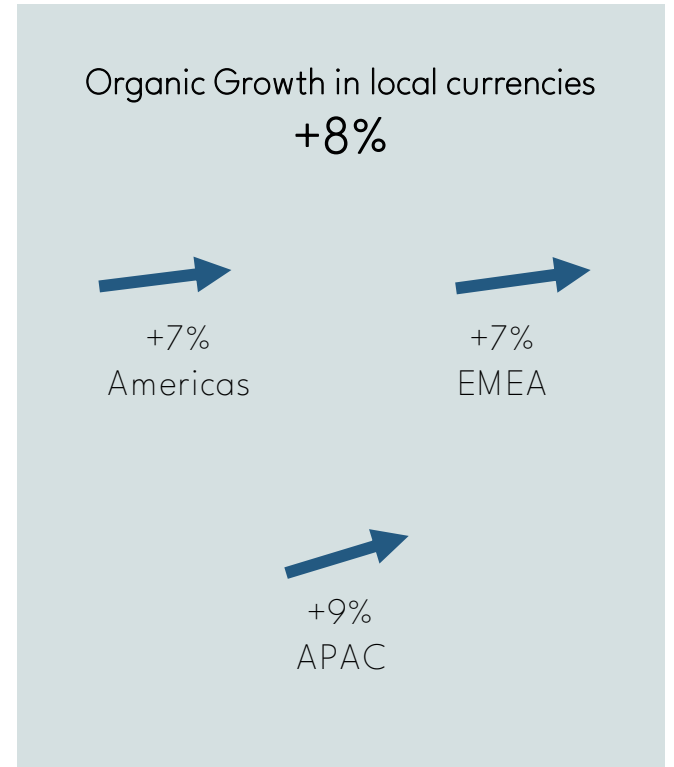
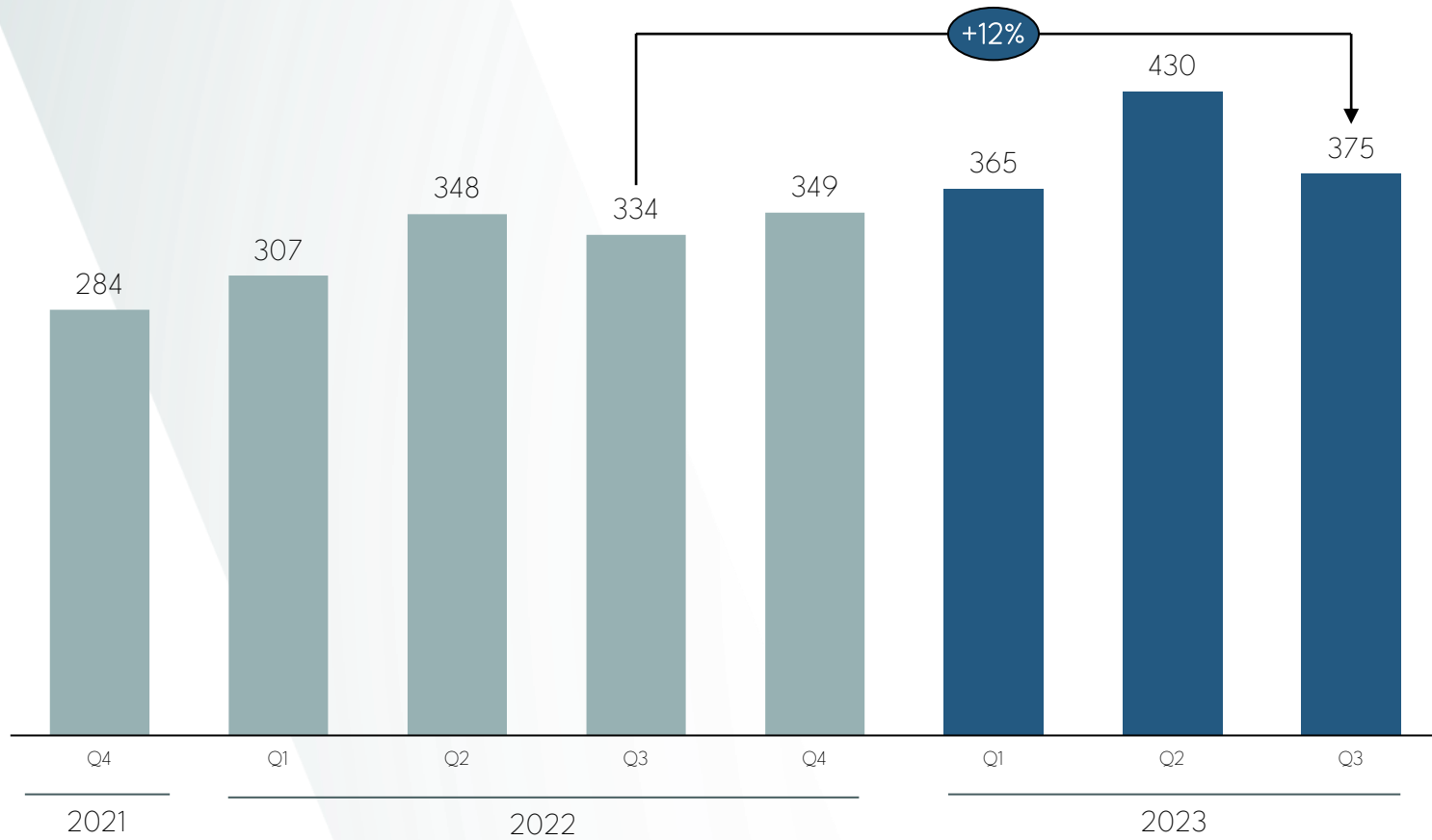
# Sales and growth per geographical segment in local currencies



\* Organic growth excluding discontinued business (Covid testing and GPDx China)

# Consumables business area

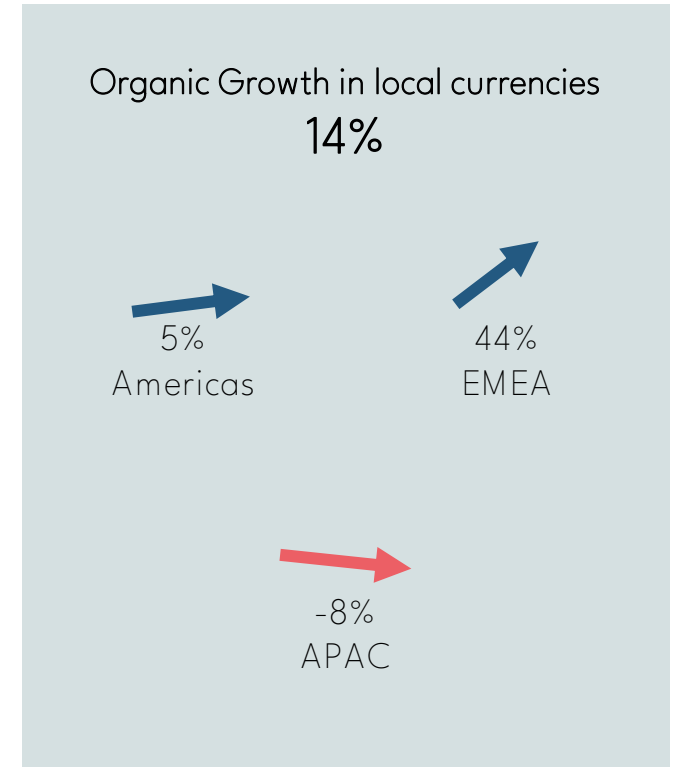
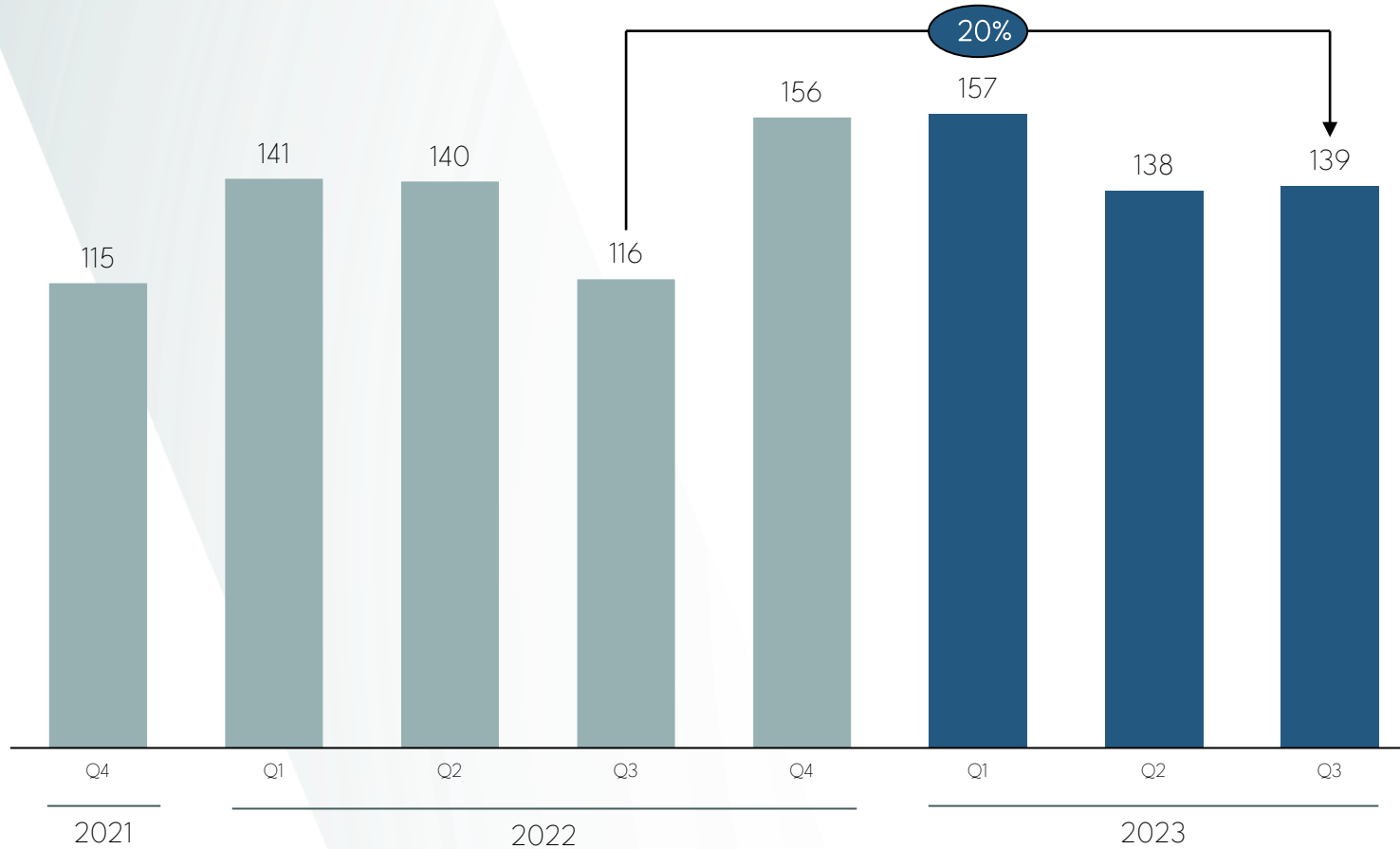
Consistent growth across the globe



Net sales, MSEK

# Technologies business area

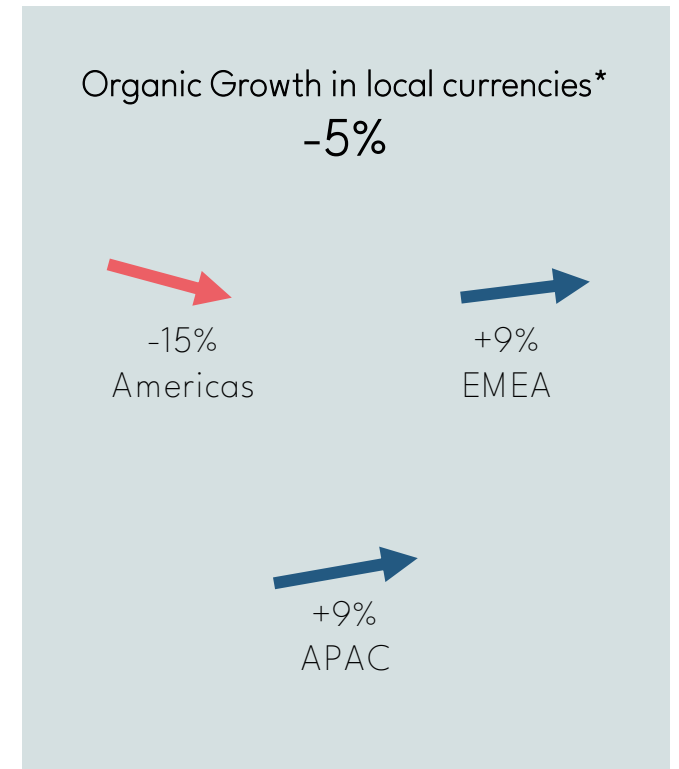
Very strong performance in EMEA



Net sales, MSEK

# Genetic Services business area

EMEA and APAC performing well, U.S. impacted by decline in ERA



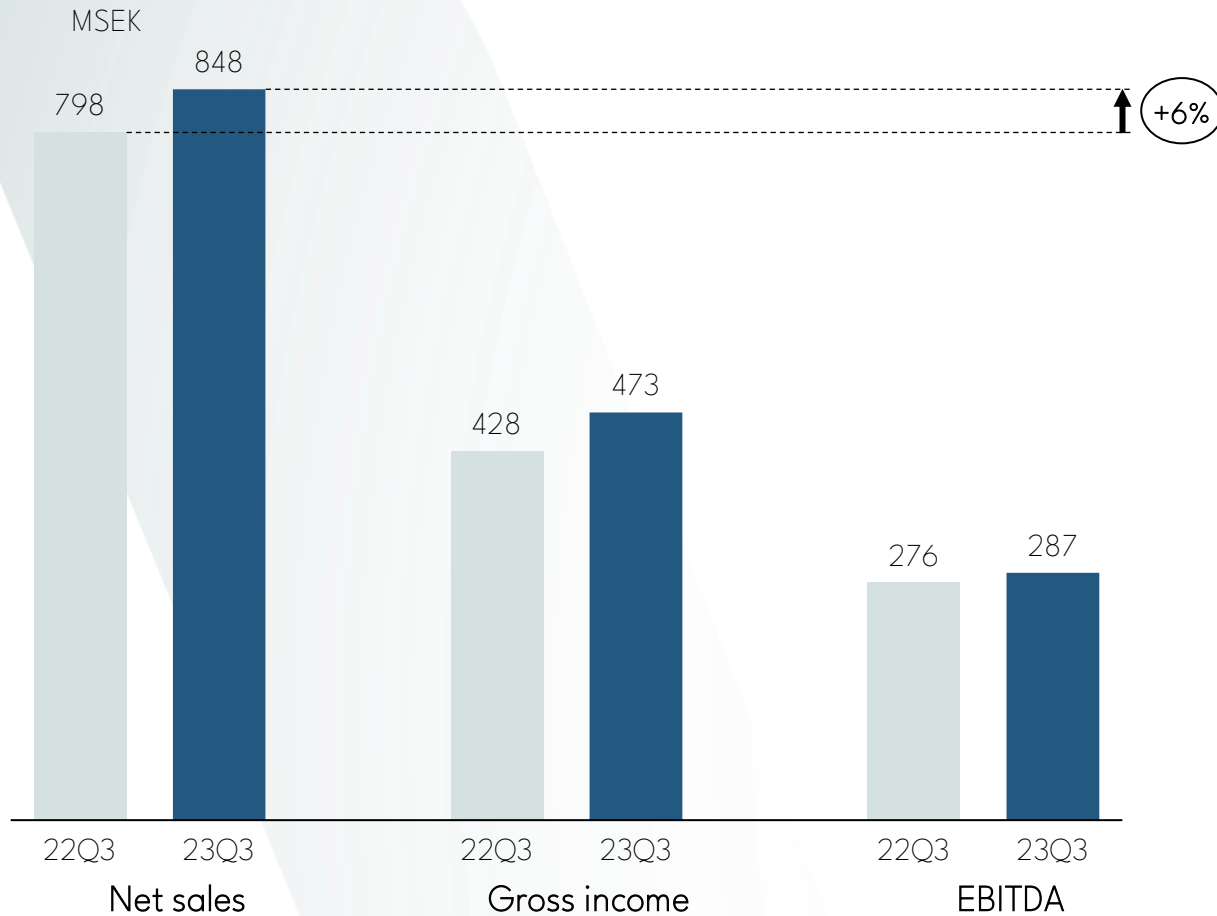
\* Organic growth excluding discontinued business (Covid testing and GPDx China)



# Geographical segments

	Americas	EMEA	APAC	Total
Sales (MSEK)	285	311	252	848
Gross income (MSEK) <i>Gross margin %</i>	138 48.4%	177 56.8%	158 62.7%	473 55.7%
Selling expenses (MSEK)	-65	-52	-45	-162
Market contribution (MSEK) <i>Contribution margin %</i>	73 25.7%	124 40.0%	113 44.7%	310
<i>Contribution margin Q3 -22</i>	31.8%	30.1%	44.4%	

# Q3 financial highlights



Net sales of SEK **848** million (798), + 6% in SEK

- Positive impact from currencies of SEK 32 million (4%)
- Organic growth in local currencies
  - 2% total sales
  - **3%** excluding discontinued business\*

Gross income of SEK **473** million (428)

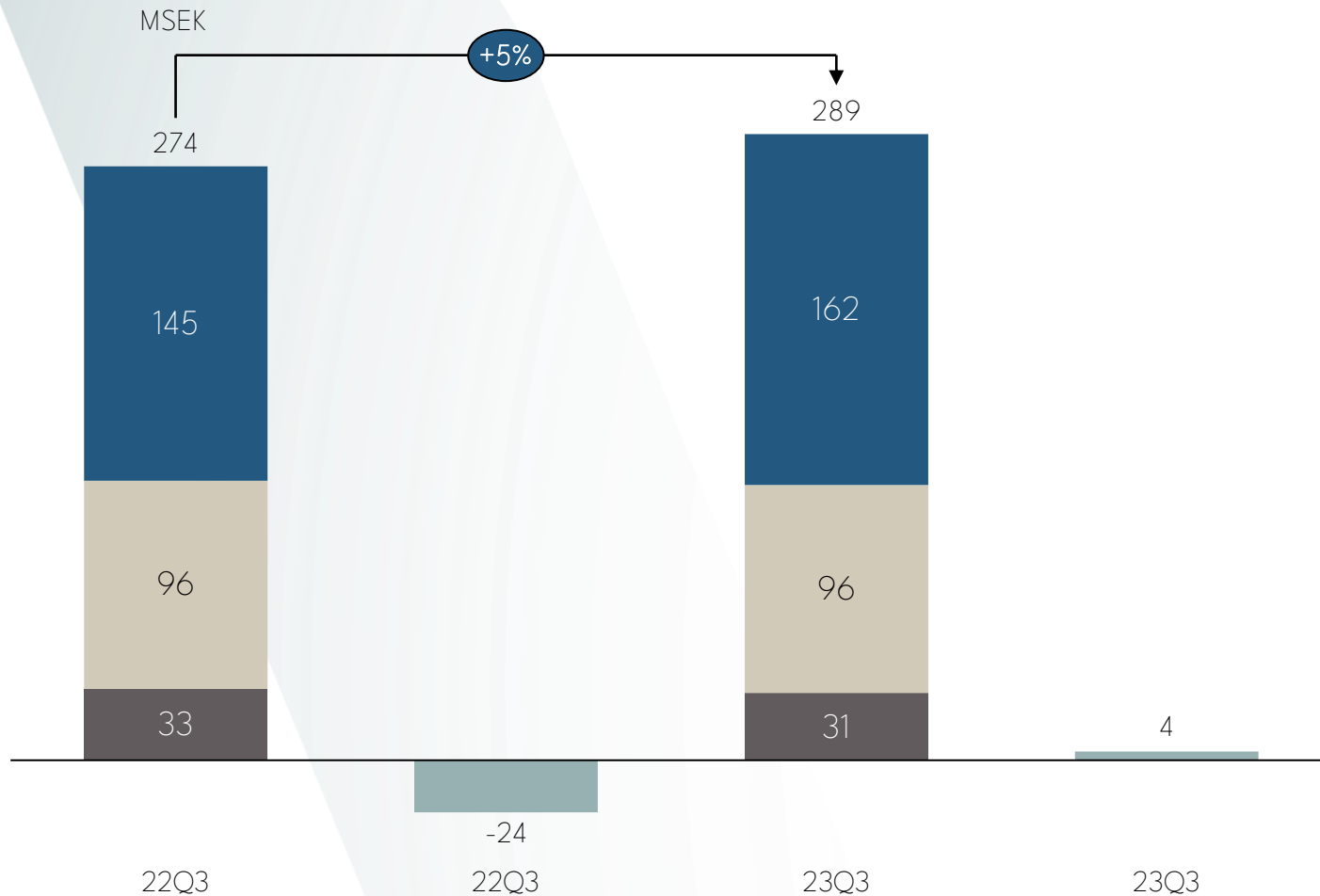
- Margin of 55.7% (53.6)

EBITDA of SEK **287** million (276)

- Margin of 33.9% (34.5%)
- Improved margin of ~ 2%-unit due extraordinary items impact last year

\* Organic growth excluding discontinued business (Covid testing and GPDx China)

# Operating expenses



- Selling expenses
- Administrative expenses
- Research and development expenses
- Other operating income and expenses

## Operating expenses increased 2% in local currencies

- Increased marketing activities in key markets
  - Increase of 6% in local currencies
- Administrative expenses on similar level
  - Decrease of 2% in local currencies
- Slight decrease in R&D due to project phasing
  - Decrease of 6% in local currencies

## No extraordinary items impacting other operating income this quarter

- Q3 2022 impacted by VAT and insurance claim

## Key financials

	2023 Q3	2022 Q3		2023 YTD	2022 YTD
Sales, MSEK	848	798		2,607	2,379
Gross Margin, %	55.7%	53.6%		56.1%	55.3%
Adjusted Gross Margin, %*	58.3%	56.0%		58.5%	57.8%
EBITDA	287	276		842	777
EBITDA Margin, %	33.9	34.5		32.3	32.6
EBITDA **	287	276		868	777
EBITDA Margin, % **	33.9	34.5		33.3	32.6
Earnings per share, SEK	0.90	0.80		2.42	2.36
Operating cash flow, MSEK	214	200		586	470
Net Debt / EBITDA rolling 12m	1.0	1.9		1.1	1.9

\* Adjusted for amortisation of acquisition-related intangible assets

\*\* YTD is adjusted for non-recurring costs Q1 and Q2 2023

## Closing remarks

Continue to drive profitable growth by:

Accelerating penetration of time-lapse globally

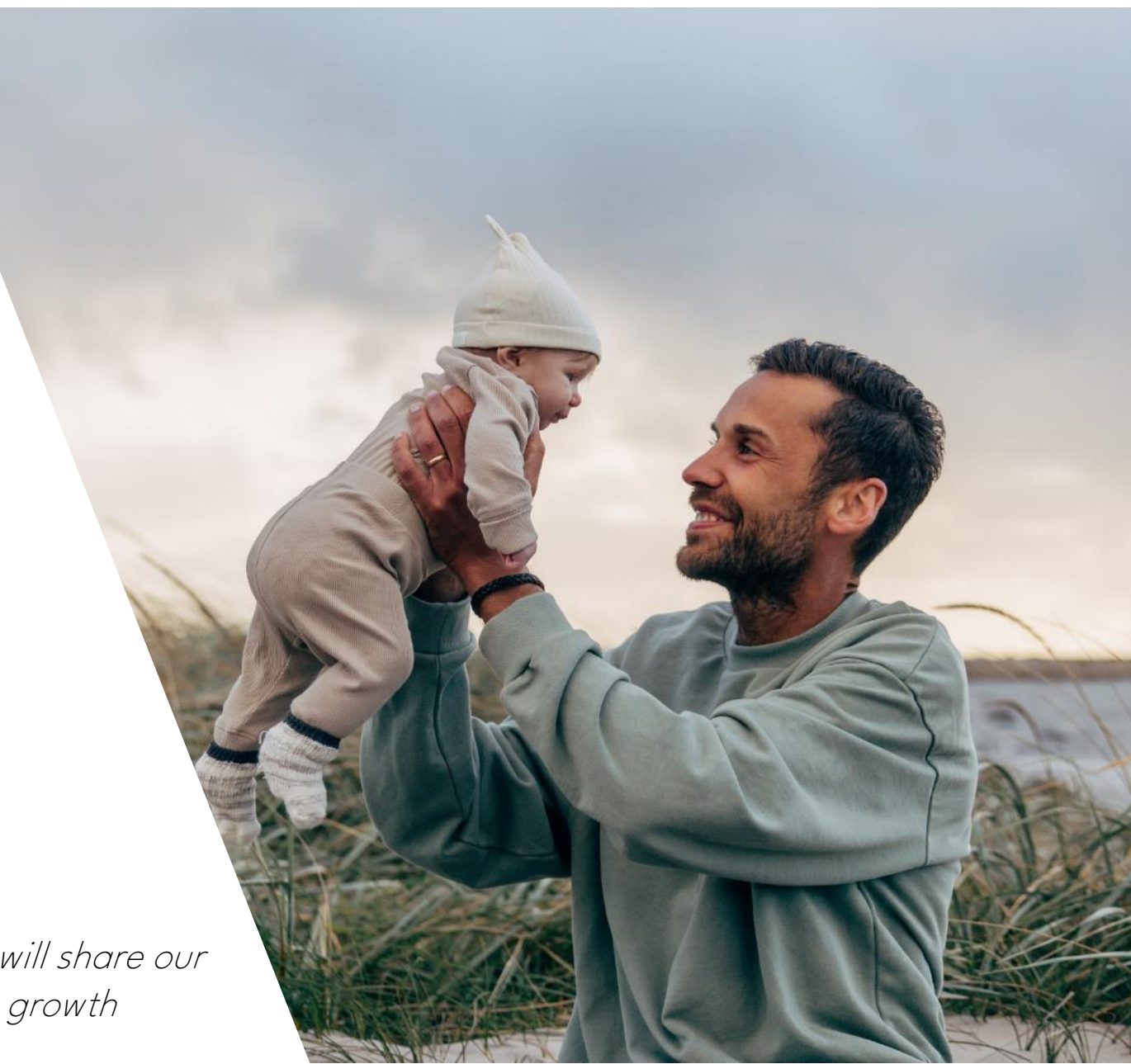
Increasing share in consumables

Driving revenue of newly launched products & tests

Executing on ERA remediation plan

Maintaining focus on operational excellence

*Capital Markets Day on 12<sup>th</sup> of December where we will share our corporate strategy and focus pillars for longer term growth*





Q/A Session

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