

Labtech

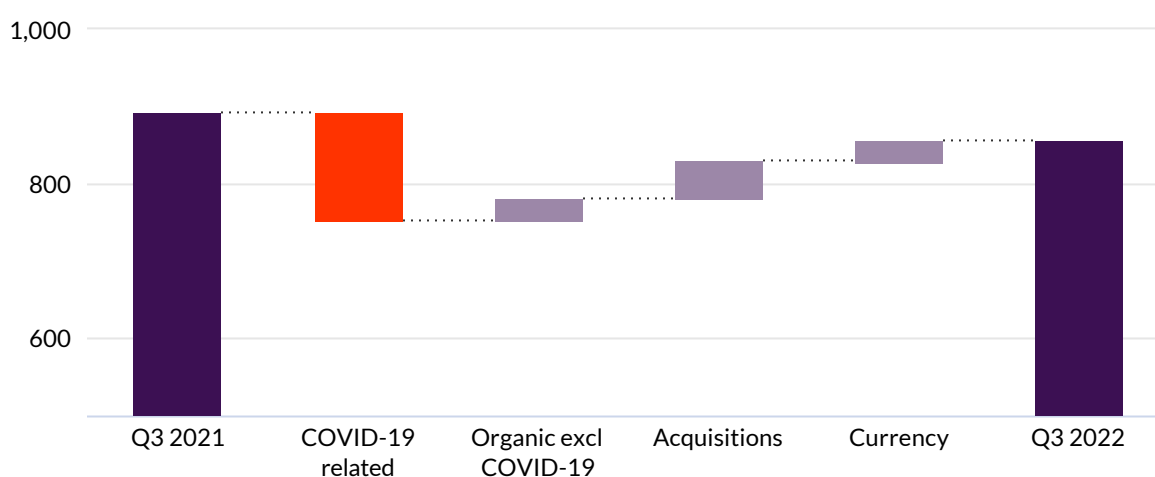
Companies in the Labtech business are active in the market areas diagnostics, biomedical research and laboratory equipment.



MSEK	3 months ending			9 months ending			12 months ending	
	30 Sep 22	30 Sep 21	change	30 Sep 22	30 Sep 21	change	30 Sep 22	31 Dec 21
Net sales	856	890	-4%	2,922	3,284	-11%	4,011	4,373
EBITA	116	194	-41%	529	750	-30%	756	977
EBITA-margin, %	13.5%	21.8%		18.1%	22.8%		18.8%	22.3%

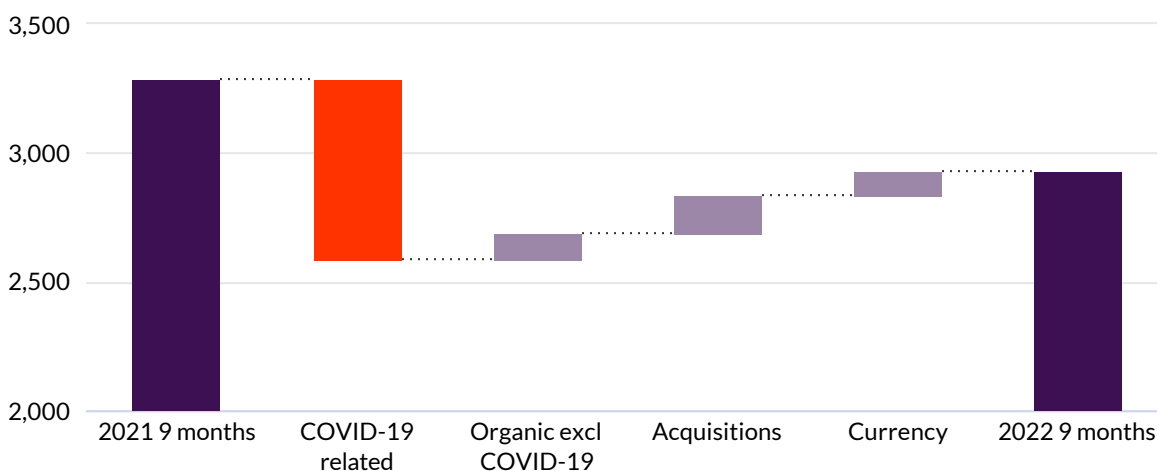
Labtech's net sales decreased by 4 percent in the quarter to SEK 856m (890), where of organic sales, excluding COVID-19 related sales, amounted to 5 percent and acquired growth was 6 percent. Net sales related to COVID-19 decreased by 48 percent and accounted for SEK 151m (290). Exchange rate changes had positive impact of 3 percent on net sales. EBITA decreased by 41 percent to SEK 116m (194), corresponding to an EBITA-margin of 13.5 percent (21.8).

NET SALES 3 MONTHS



Labtech's net sales decreased by 11 percent in the interim period to SEK 2,922m (3,284), where of organic sales, excluding COVID-19 related sales, increased by 6 percent and acquired growth was 4 percent. Net sales related to COVID-19 decreased by 49 percent and accounted for SEK 696m (1,396). Exchange rate changes had positive impact of 3 percent on net sales. EBITA decreased by 30 percent to SEK 529m (750), corresponding to an EBITA-margin of 18.1 percent (22.8).

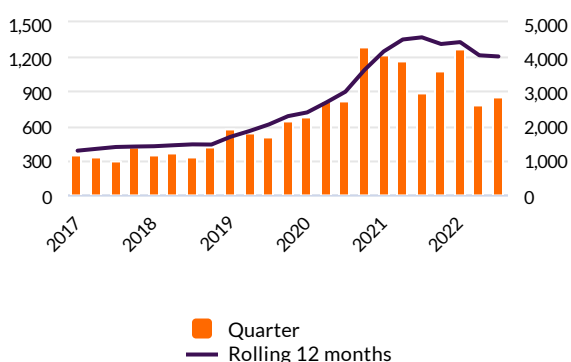
NET SALES 9 MONTHS



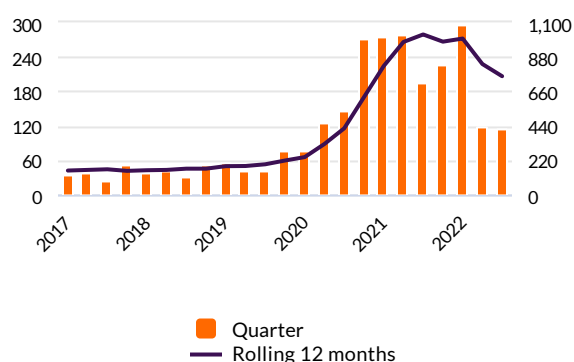
As expected, COVID-related sales continued to decline in the quarter, while organic growth excluding COVID-19, was 5 percent. COVID-19 testing is currently done exclusively using PCR technology and mainly for patients about to undergo surgery and for healthcare workers. An important initiative for the diagnostics companies will be to establish the use of more types of tests on the PCR instruments that have been installed in various healthcare facilities during the pandemic. The influenza season normally starts during winter in Europe and may lead to increased demand for combination tests (influenza, COVID-19 and RSV). Sales development in the diagnostics companies was stable in traditional segments such as blood gas, pathology and microbiology.

Sales to research customers developed well, partly due to the launch of new products. The companies are continuously working to bring new products into the portfolio, especially in advanced and growing segments such as NGS (Next Generation Sequencing), cell therapies, bioprocessing and cancer immunology. In academic research there may be risk of reduced research grants in the future due to the economic environment. In pharmaceutical development and drug discovery, which is a large and important segment for the companies, the positive trend is strong and expected to continue.

NET SALES (SEKM)



EBITA (SEKM)



Medtech

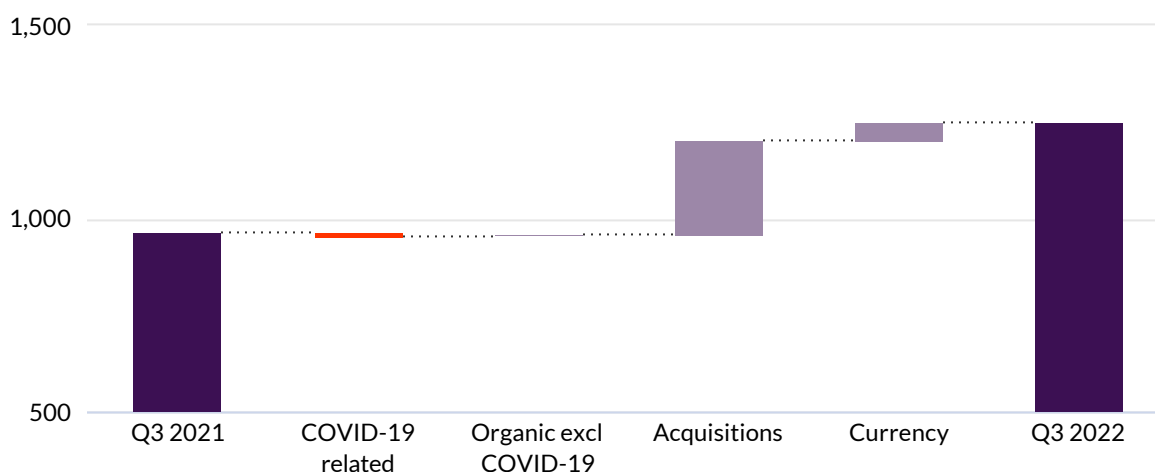
Companies in the Medtech business provides medical device products within the medtech market and assistive equipment within home healthcare.



MSEK	3 months ending			9 months ending			12 months ending	
	30 Sep 22	30 Sep 21	change	30 Sep 22	30 Sep 21	change	30 Sep 22	31 Dec 21
Net sales	1,246	962	30%	3,843	2,582	49%	4,886	3,625
EBITA	179	95	87%	452	202	123%	560	310
EBITA-margin, %	14.3%	9.9%		11.8%	7.8%		11.5%	8.6%

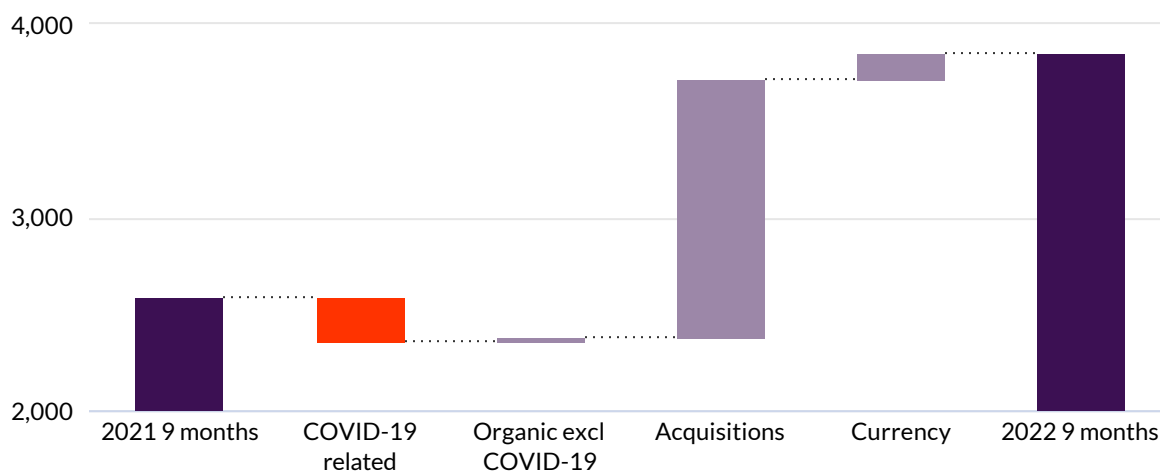
For the quarter, Medtech's net sales increased by 30 percent to SEK 1,246m (962), of which organic growth, excluding COVID-19 related sales, was unchanged and acquired growth was 25 percent. Net sales related to COVID-19 accounted for SEK 0m (10). Exchange rate fluctuations had a positive impact of 5 percent on net sales. EBITA increased by 87 percent to SEK 179m (95) and EBITA margin amounted to 14.3 percent (9.9). The reversal of the contingent consideration, linked to the acquisition of AddVision, has had a positive impact on operating profit of SEK 85 million. The additional purchase price was based on a high target that did not foresee the negative impact of COVID-19 on elective surgeries in 2022. Adjusted for this reversal, the EBITA margin is 7.5 percent. The investment in digital solutions for remote patient monitoring and healthcare solutions has had a negative impact on the result of SEK 12m.

NET SALES 3 MONTHS



For the interim period, Medtech's net sales increased by 49 percent to SEK 3,843m (2,582), of which organic growth excluding COVID-19 related sales, amounted to 1 percent and acquired growth was 52 percent. Net sales related to COVID-19 accounted for SEK 0m (226). Exchange rate fluctuations had a positive impact of 5 percent on net sales. EBITA increased by 123 percent to SEK 452m (202) and EBITA margin amounted to 11.8 percent (7.8). The reversal of the contingent consideration has had a positive impact on operating profit of SEK 85 million. Adjusted for this reversal, the EBITA margin is 9.6 percent. The investment in digital solutions for self-monitoring and healthcare solutions has had a negative impact on the result of SEK 37m.

NET SALES 9 MONTHS



Acquisitions within Medtech delivered strong growth during the quarter, while organic sales were flat. During the holiday months of July and August, demand was slow within Medtech, but during the month of September a clear improvement was noted and order intake also developed in a positive way.

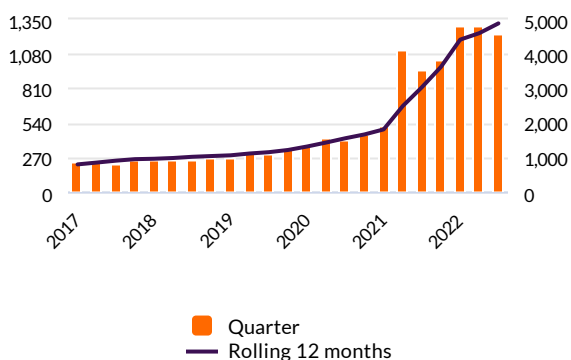
The weaker profitability in the quarter is partly due to fewer planned surgical procedures during the summer months, mainly in orthopaedics, as the healthcare systems gradually recovered after the pandemic.

In ophthalmology a small number of suppliers have suffered from supply disruptions and a few distribution agreements have expired, resulting in reduced sales and also a negative impact on profitability. Deliveries are expected to gradually resume and in some cases products will be phased out and gradually replaced by other products from existing and new suppliers. A focused improvement effort is ongoing in this area.

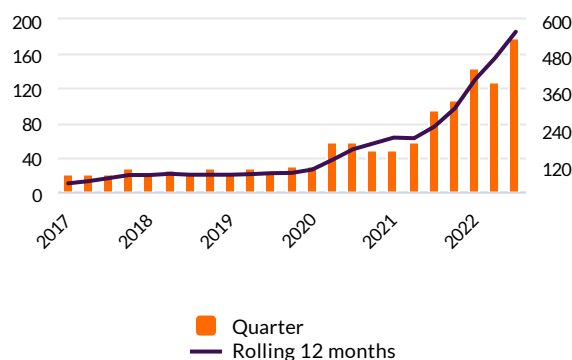
In advanced surgery, where the companies offer a very high level of service, a new product group in neurosurgery has been introduced. A significant instrument sale was completed during the quarter, which reduced average margins, but will generate higher margin service contract revenues going forward.

Profitability was also impacted by investments in the further development of the Homecare digital platforms, both of which are in an early commercial phase. We see great potential in these solutions and expect continued investments.

NET SALES (SEKM)



EBITA (SEKM)



Net sales by business area

Quarterly data, SEKm	2022				2021		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	856	786	1,280	1,089	890	1,169	1,225
Medtech	1,246	1,296	1,301	1,043	962	1,108	512
Group items	-2	-3	-2	-1	-2	-1	-1
AddLife Group	2,100	2,079	2,579	2,131	1,850	2,276	1,736

EBITA by business area

Quarterly data, SEKm	2022				2021		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	116	117	296	227	194	280	276
Medtech	179	129	144	108	95	57	50
Parent Company and Group items	-7	-6	-5	-6	-3	-5	0
EBITA	288	240	435	329	286	332	326
Depreciation intangible assets	-105	-102	-97	-84	-79	-79	-35
Operating profit	183	138	338	245	207	253	291
Finance income and expenses	-41	-44	-49	-22	-27	-16	-4
Profit after financial items	142	94	289	223	180	237	287

Net sales by business area

SEKm	3 months ending			9 months ending			12 months ending	
	30 Sep 22	%	30 Sep 21	30 Sep 22	%	30 Sep 21	30 Sep 22	31 Dec 21
Labtech	856	-4	890	2,922	-11	3,284	4,011	4,373
Medtech	1,246	30	962	3,843	49	2,582	4,886	3,625
Group items	-2		-2	-7		-4	-8	-5
AddLife Group	2,100	14	1,850	6,758	15	5,862	8,889	7,993

EBITA and EBITA-margin by business area and operating profit for the group

SEKm	3 months ending				9 months ending				12 months ending			
	30 Sep 22	%	30 Sep 21	%	30 Sep 22	%	30 Sep 21	%	30 Sep 22	%	31 Dec 21	%
Labtech	116	13.5	194	21.8	529	18.1	750	22.8	756	18.8	977	22.3
Medtech	179	14.3	95	9.9	452	11.8	202	7.8	560	11.5	310	8.6
Parent Company and Group items	-7		-3		-18		-8		-24		-14	
EBITA	288	13.7	286	15.5	963	14.3	944	16.1	1,292	14.5	1,273	15.9
Depreciation intangible assets	-105		-79		-304		-193		-388		-277	
Operating profit	183	8.7	207	11.2	659	9.7	751	12.8	904	10.2	996	12.5
Finance income and expenses	-41		-27		-134		-47		-156		-69	
Profit after financial items	142		180		525		704		748		927	

Net sales by revenue type

SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 22	30 Sep 21	30 Sep 22	30 Sep 21	30 Sep 22	31 Dec 21
<i>Products</i>						
Labtech	726	687	2,274	2,678	3,114	3,518
Medtech	992	763	3,099	2,184	3,963	3,048
Group items	-2	-2	-7	-4	-8	-5
The Group	1,716	1,448	5,366	4,858	7,069	6,561
<i>Instruments</i>						
Labtech	93	161	460	473	660	673
Medtech	95	123	380	245	481	346
The Group	188	284	840	718	1,141	1,019
<i>Service</i>						
Labtech	37	42	188	133	237	182
Medtech	159	76	364	153	442	231
The Group	196	118	552	286	679	413
Total	2,100	1,850	6,758	5,862	8,889	7,993