

Comments by the CEO

Sales are developing positively across all areas

AddLife's subsidiaries have strong market positions in growing niches, which is clearly reflected in the group's organic growth of 8% and total sales growth 14% during the quarter.

Our business is positively affected by the fact that the activity in elective surgery remains high, driven by the long waiting lists that persist throughout Europe. The number of surgeries performed is still lower than pre-pandemic, and waiting lists have not decreased significantly this quarter. In the UK, waiting lists have continued to grow, while some hospitals, for example in Spain and Scandinavia, have successfully improved efficiency and increased the number of surgeries performed reaching 2019 levels. Even in cases where the number of surgical procedures has substantially increased, significant waiting lists persist and in many cases, more complex surgeries remain once the waiting lists for standard procedures have been addressed. All in all, this means that we can expect high demand for a long time. All our companies within the hospital area developed very strongly during the quarter.

Homecare is becoming an increasingly important requirement for society to manage care for an ageing population and AddLife's business in this area has developed well during the quarter.

Sales are also growing in diagnostics, driven by higher activity in healthcare, along with a well-positioned product portfolio that is continuously developing.

Growth is also strong in biomedical and research. Uncertainty regarding research funding in some countries is offset by research efforts in other European territories, along with strong demand for the development of new therapies in both the pharmaceutical industry and biomedicine.



AddLife's companies have strong market positions in well-selected niches where the conditions for continued profitable growth are good.

Organic growth initiatives

Sales and marketing activities are back to full scale, which is a significant difference compared with the previous year. Customer visits, product demonstrations and training are now being accomplished with full force and in some areas the sales organisations have also been strengthened. The companies have also participated in many of the trade fairs that have resumed post pandemic, which are normally organised during the first six months of the year.

During the quarter, we continued to develop and establish business development plans across the organisation. The company management team met to align on the direction and prioritisation of business development initiatives, as well as to share experiences.

Additional growth potential has been created through new collaborations and experience sharing that has been established between subsidiaries, using their combined skills and resources. These interactions have been characterised by great enthusiasm and a positive spirit, resulting in a number of concrete initiatives, including agreements with several new suppliers.

Focus on profitability and cash flow

Operating profit (EBITA) increased by 3% compared with the previous year, mainly driven by higher growth. The EBITA margin was 10.4% (11.6%) in the second quarter.

The number of new price increases from suppliers has decreased significantly during the quarter, and the previous price increases in late 2022 and in early 2023 have been largely offset by price increases to customers. Efforts to negotiate prices and optimise the product mix continue in parallel with preparations for new tenders, which are now expected to resume post pandemic.

The ongoing efforts to streamline inventory, reduce working capital and improve margins continue unabated.

In summary, I can conclude that AddLife's companies have strong market positions in well-selected niches where the conditions for continued profitable growth are favorable. The decentralised business model ensures efficient and customer-focused decision-making, while allowing companies to benefit from the network and geographical coverage of being part of AddLife. We are well positioned and growth is strong. The main focus is on improving the margin and reducing working capital.

We have had a great start to the year and I would like to thank all employees for their valuable contributions and wish you a happy summer.



Fredrik Dalborg

President and CEO