

Labtech

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

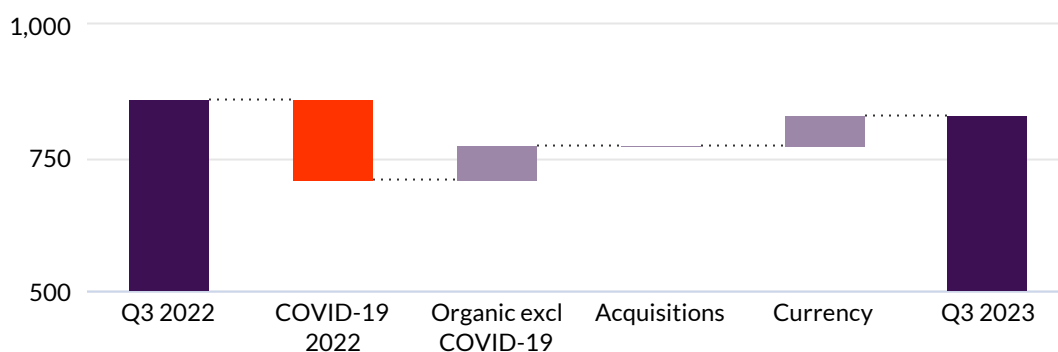


SEKm	3 months ending			9 months ending			12 months ending	
	30 Sep 23	30 Sep 22	change	30 Sep 23	30 Sep 22	change	30 Sep 23	31 Dec 22
Net sales	827	856	-3%	2,604	2,922	-11%	3,562	3,880
Organic growth, % *	9%	5%		9%	6%			
EBITA	99	116	-15%	321	529	-39%	459	667
EBITA-margin, %	12.0%	13.5%		12.3%	18.1%		12.9%	17.2%

*Excluding COVID-19 related sales and exchange rate changes

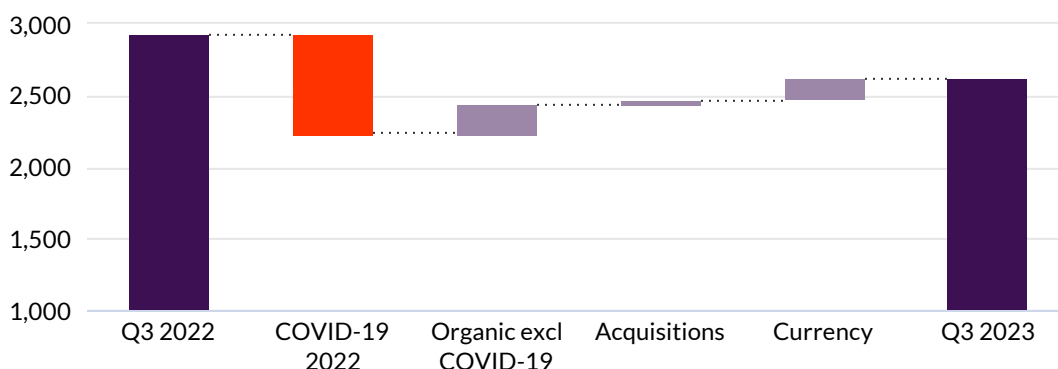
For the quarter, Labtech's net sales decreased by 3 percent to SEK 827 m (856). The organic sales growth, excluding COVID-19 related sales and exchange rate fluctuations, amounted to 9 percent. Net sales related to COVID-19 has now ceased and is reported as SEK 0 m (151). Exchange rate changes had positive impact of 7 percent on net sales. EBITA amounted to SEK 99m (116), corresponding to an EBITA-margin of 12.0 percent (13.5). Reversal of previously allowance for contingent consideration has had a positive effect on operating profit of SEK 15 m. Adjusted for this, EBITA amounted to 10.2%.

NET SALES 3 MONTHS



Labtech's net sales decreased by 11 percent in the interim period to SEK 2,604 m (2,922), where of organic sales, excluding COVID-19 related sales, increased to 9 percent and acquired growth was 1 percent. Net sales related to COVID-19 has now ceased and is reported as SEK 0 m (696). Exchange rate changes had positive impact of 5 percent on net sales. EBITA decreased by 39 percent to SEK 321 m (529), corresponding to an EBITA-margin of 12.3 percent (18.1).

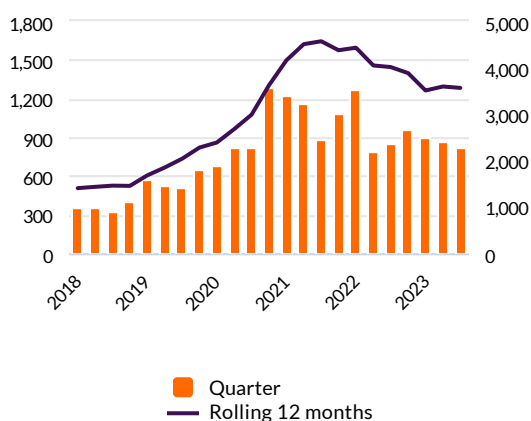
NET SALES 9 MONTHS



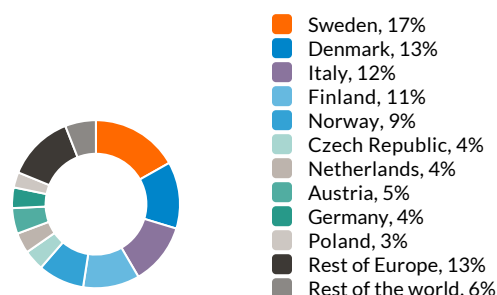
The Labtech business continues to develop well with a 9% organic growth excluding COVID-19 and currency effects. Profitability remains healthy in spite of significant COVID-19 related sales in the third quarter and currencies negatively impacting margins in the Swedish and Norwegian businesses. Developments in Eastern Europe were weaker during the quarter due to delivery delays in projects expected to be completed in the fourth quarter. The acquired Biomedical & Research companies active in the European market have been developing very well, showing strong growth and improving margins.

The market is evolving and many of the global manufacturing companies are changing their organisations and market strategies, creating opportunities for the AddLife companies to take on new products and grow market share. The product portfolio is continuously evolving towards more advanced products and the Next Generation Sequencing (NGS) products are now launched both in Italy and Scandinavia, and are generating great customer interest. In some markets a slightly cautious behaviour can be observed regarding larger capital investments, but this is affecting only a small part of the businesses. The AddLife Labtech business is primarily focused on small to medium sized capital investments and related recurring revenue from consumables, making the business less sensitive to fluctuations in the economy. The most significant customer groups are hospital laboratories, academic research and pharmaceutical companies, where the funding is stable, and activity is high.

NET SALES (SEKM)



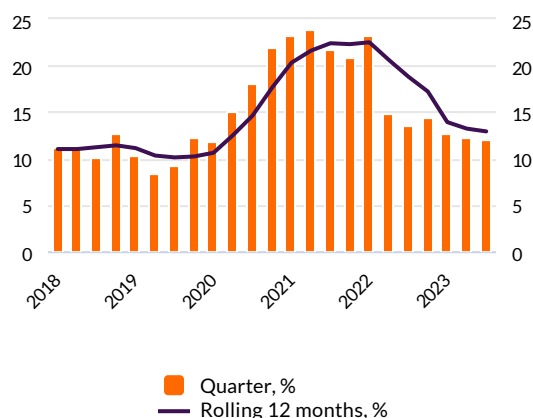
NET SALES PER MARKET 2023



EBITA (SEKM)



EBITA MARGIN (%)



Medtech

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

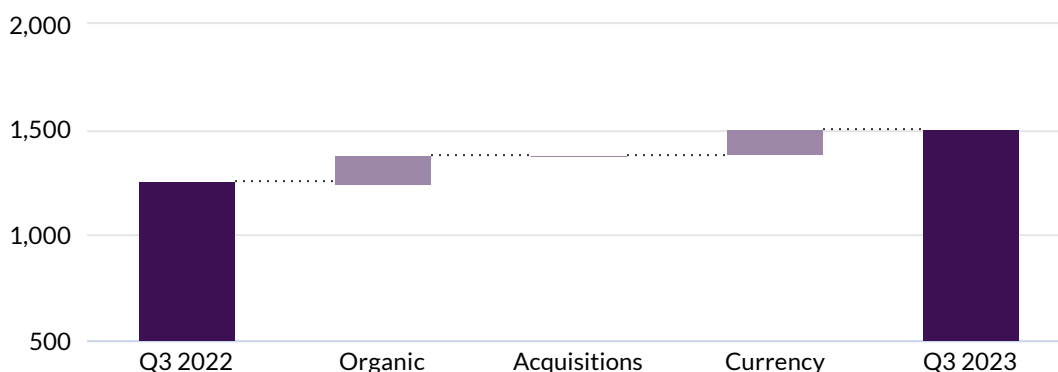


SEKm	3 months ending			9 months ending			12 months ending	
	30 Sep 23	30 Sep 22	change	30 Sep 23	30 Sep 22	change	30 Sep 23	31 Dec 22
Net sales	1,494	1,246	20%	4,544	3,843	18%	5,911	5,210
Organic growth, %	10%	0%		10%	1%			
EBITA	150	179	-16%	551	452	22%	672	573
EBITA-margin, %	10.0%	14.3%		12.1%	11.8%		11.4%	11.0%

* Excluding exchange rate changes

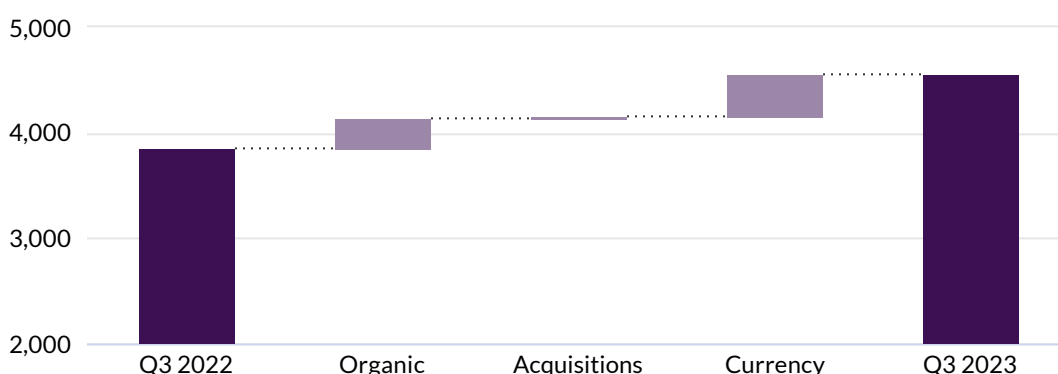
For the quarter, Medtech's net sales increased by 20 percent to SEK 1,494 m (1,246), of which organic growth was 10 percent and exchange rate fluctuations had a positive impact of 9 percent on net sales. EBITA decreased by 16 percent and amounted to SEK 150 m (179), corresponding to an EBITA-margin of 10.0 (14.3). EBITA in the previous year was positively affected by a reversal of a contingent consideration of SEK 85 m. Adjusted for this, the EBITA margin amounted to 7.5%. The investment in digital solutions for remote patient monitoring and healthcare solutions has had a negative impact on the result of SEK 12 m (12).

NET SALES 3 MONTHS



For the interim period, Medtech's net sales increased by 18 percent to SEK 4,544 m (3,843), of which organic growth excluding exchange rate differences, amounted to 10 percent and acquired growth was 1 percent. Exchange rate fluctuations had a positive impact of 7 percent on net sales. EBITA increased by 22 percent to SEK 551 m (452) and EBITA margin amounted to 12.1 percent (11.8). The reversal of previously allowance for contingent consideration, primarily linked to the acquisition of AddVision, has had a positive impact on the result of SEK 86 m (85) and adjusted for this EBITA amounted to 10.3 percent (9.5). The investment in digital solutions for remote patient monitoring and healthcare solutions has had a negative impact on the result of SEK 43 m.

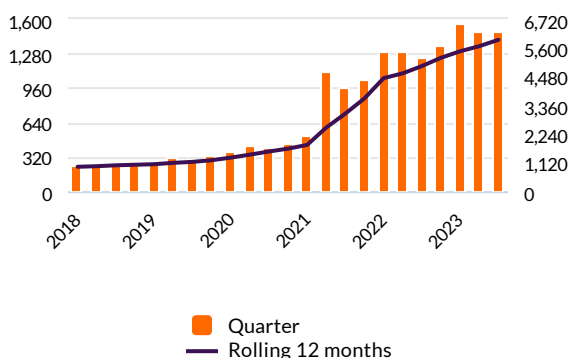
NET SALES 9 MONTHS



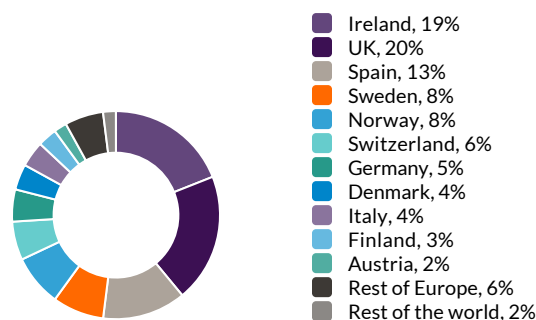
Growth in Medtech remained strong and elective surgery recovery continues to develop well, driving growth in the business area. Waiting lists for surgical procedures remain significant across Europe, and in some countries, such as the UK, waiting lists are still growing. Staffing shortage is slowing the pace of the recovery, and this is expected to lead to a longer period of increased surgical activity. Growth and profitability improvement is strong in all the Hospital companies, and the larger companies acquired the last years contribute to the positive development in a significant way. However, the profitability in AddVision continues to be low, and restructuring activities have been initiated, with an expected annual cost savings of approximately SEK 15 m starting next year and a restructuring cost of approximately SEK 5 m in the fourth quarter 2023.

Demand in the Homecare business is effected by demographic trends, shortage in healthcare staffing as well as user needs and preferences. The business is growing strongly and profitability is improving, supported by a number of initiatives. The digital development portfolio in Homecare has been reviewed and has resulted in a decision to focus the activities and discontinue the Camanio Health activities. The customer relationships will be handed over to another company in the sector. The change is expected to result in an annual cost reduction of SEK 11 m, starting at year end and a write down of an intangible asset amounting to SEK 25 m in the fourth quarter 2023.

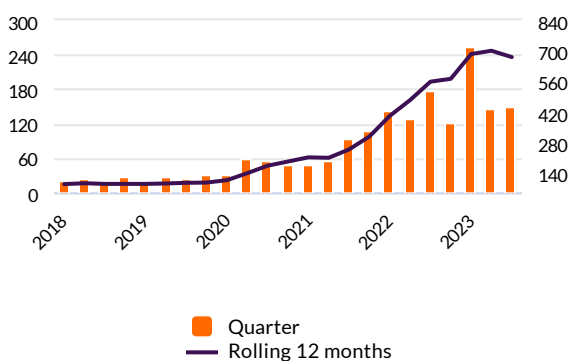
NET SALES (SEKM)



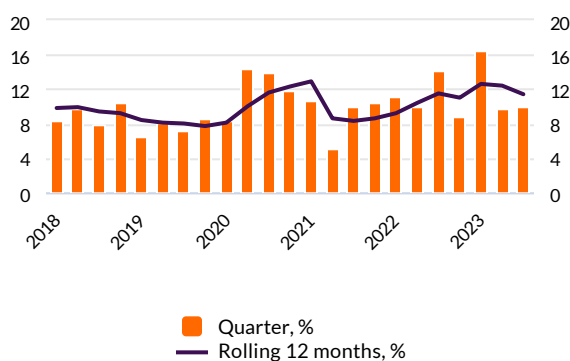
NET SALES PER MARKET 2023



EBITA (SEKM)



EBITA MARGIN (%)



Net sales by business area

Quarterly data, SEKm	2023				2022		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	827	872	905	958	856	786	1,280
Medtech	1,494	1,496	1,554	1,367	1,246	1,296	1,301
Group items	-2	-3	-2	1	-2	-3	-2
AddLife Group	2,319	2,365	2,457	2,326	2,100	2,079	2,579

EBITA by business area

Quarterly data, SEKm	2023				2022		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	99	107	115	138	116	117	296
Medtech	150	145	256	121	179	129	144
Parent Company and Group items	-5	-5	-5	-1	-7	-6	-5
EBITA	244	247	366	258	288	240	435
Depreciation intangible assets	-112	-111	-108	-109	-105	-102	-97
Operating profit	132	136	258	149	183	138	338
Finance income and expenses	-71	-66	-52	-72	-41	-44	-49
Profit after financial items	61	70	206	77	142	94	289

Net sales by business area

SEKm	3 months ending			9 months ending			12 months ending	
	30 Sep 23	%	30 Sep 22	30 Sep 23	%	30 Sep 22	30 Sep 23	31 Dec 22
Labtech	827	-3	856	2,604	-11	2,922	3,562	3,880
Medtech	1,494	20	1,246	4,544	18	3,843	5,911	5,210
Group items	-2		-2	-7		-7	-6	-6
AddLife Group	2,319	10	2,100	7,141	6	6,758	9,467	9,084

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 23	%	30 Sep 22	%	30 Sep 23	%	30 Sep 22	%	30 Sep 23	%	31 Dec 22	%
Labtech	99.0	12.0	116.0	13.5	321.0	12.3	529.0	18.1	459.0	12.9	667.0	17.2
Medtech	150.0	10.0	179.0	14.3	551.0	12.1	452.0	11.8	672.0	11.4	573.0	11.0
Parent Company and Group items	-5.0		-7.0		-15.0		-18.0		-16.0		-19.0	
EBITA	244.0	10.5	288.0	13.7	857.0	12.0	963.0	14.3	1,115.0	11.8	1,221.0	13.4
Depreciation intangible assets	-112.0		-105.0		-331.0		-304.0		-440.0		-413.0	
Operating profit	132.0	5.7	183.0	8.7	526.0	7.4	659.0	9.7	675.0	7.1	808.0	8.9
Finance income and expenses	-71.0		-41.0		-189.0		-134.0		-261.0		-206.0	
Profit after financial items	61.0		142.0		337.0		525.0		414.0		602.0	

Net sales by revenue type

SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 23	30 Sep 22	30 Sep 23	30 Sep 22	30 Sep 23	31 Dec 22
Products	579	726	1,857	2,274	2,537	2,954
Instruments	179	93	544	460	776	692
Service	69	37	203	188	249	234
Labtech	827	856	2,604	2,922	3,562	3,880
Products	1,240	992	3,737	3,099	4,824	4,186
Instruments	124	95	407	380	556	529
Service	130	159	400	364	531	495
Medtech	1,494	1,246	4,544	3,843	5,911	5,210
Group items	-2	-2	-7	-7	-6	-6
Total	2,319	2,100	7,141	6,758	9,467	9,084

Sales per country

	3 months ending		9 months ending		12 months ending	
	30 Sep 23	30 Sep 22	30 Sep 23	30 Sep 22	30 Sep 23	31 Dec 22
Ireland	253	222	845	670	1,067	892
UK	348	233	918	727	1,171	980
Sweden	247	230	815	778	1,137	1,100
Spain	174	194	607	545	787	725
Norway	181	170	579	654	801	876
Denmark	171	142	525	485	996	956
Italy	149	141	474	509	615	650
Finland	130	128	416	407	591	582
Rest of Europe	558	537	1,710	1,740	2,036	2,066
Rest of the world	108	103	252	243	266	257
Total	2,319	2,100	7,141	6,758	9,467	9,084