



## VITROLIFE AB (PUBL)

Handelsbanken Life Science Innovation Day

2021-08-25

Thomas Axelsson, CEO

# VITROLIFE IN BRIEF

- Founded 1994
- Approx. 400 employees
- Sales 1,450 MSEK\*
- 99% on export
- 4 key production facilities in Sweden, Denmark and USA
- Sales in more than 110 countries with direct presence in 16
- Listed on NASDAQ Stockholm Large Cap

## VISION

To fulfil the dream of having a baby

## MISSION

Supporting customers to achieve successful treatment outcomes by providing valued solutions and services for assisted reproduction



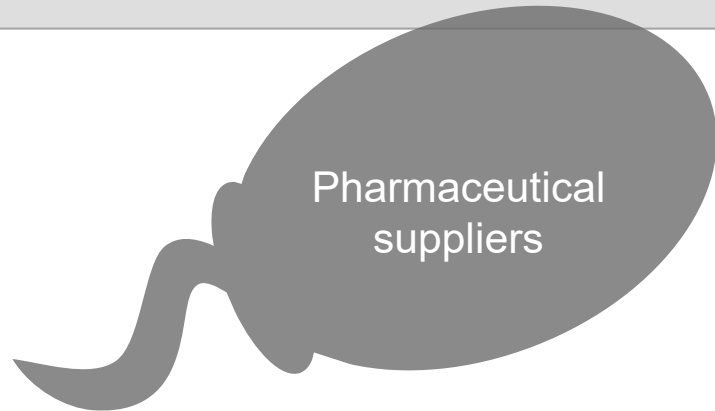
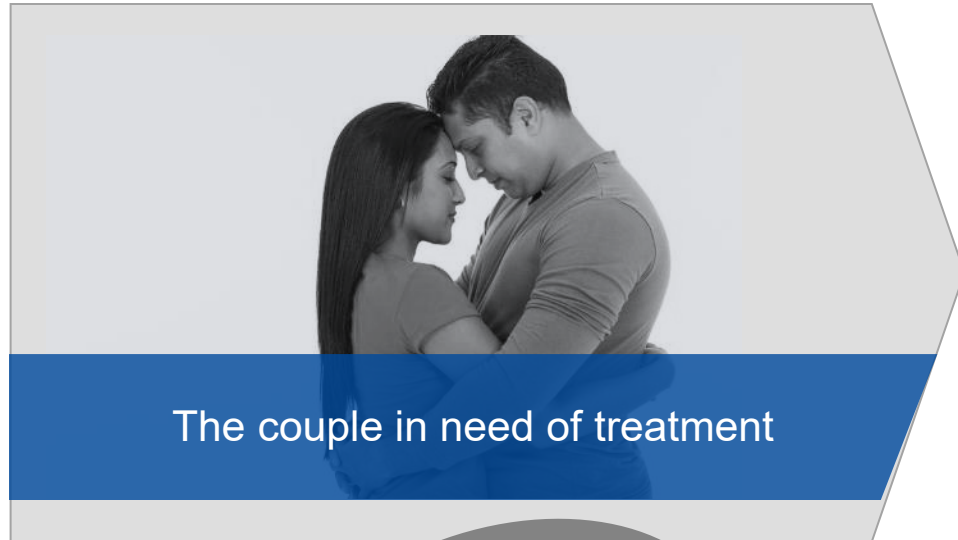
# CONSISTENT BASE STRATEGY DELIVERING GROWTH





10–15 % OF ALL COUPLES IN  
FERTILE AGE SUFFER FROM  
FERTILITY PROBLEMS

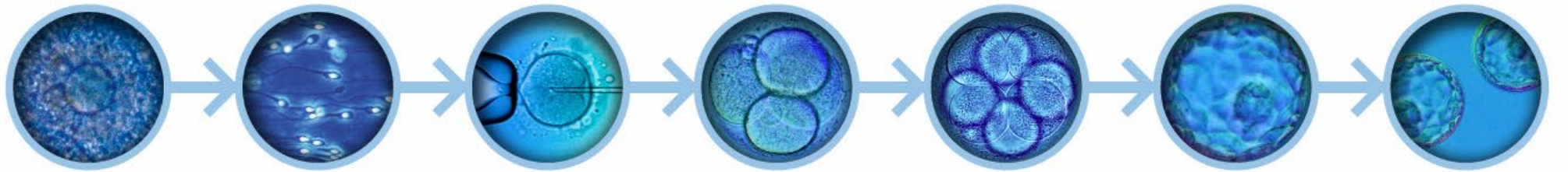
# VITROLIFE IN THE VALUE CHAIN



# THE IVF-PROCESS – VITROLIFE PRODUCTS

## HORMONE TREATMENT

Hormone stimulation to increase the number of retrievable eggs



OOCYTE RETRIEVAL

SPERM PREPARATION

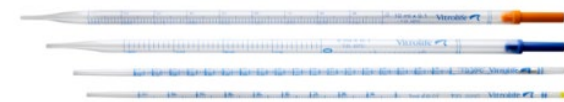
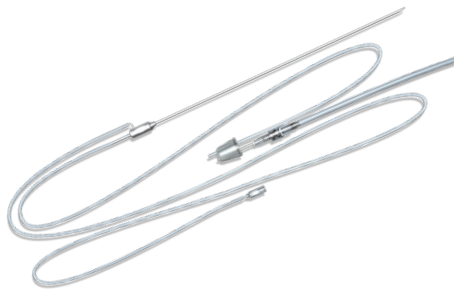
FERTILISATION

CULTURE

EVALUATION

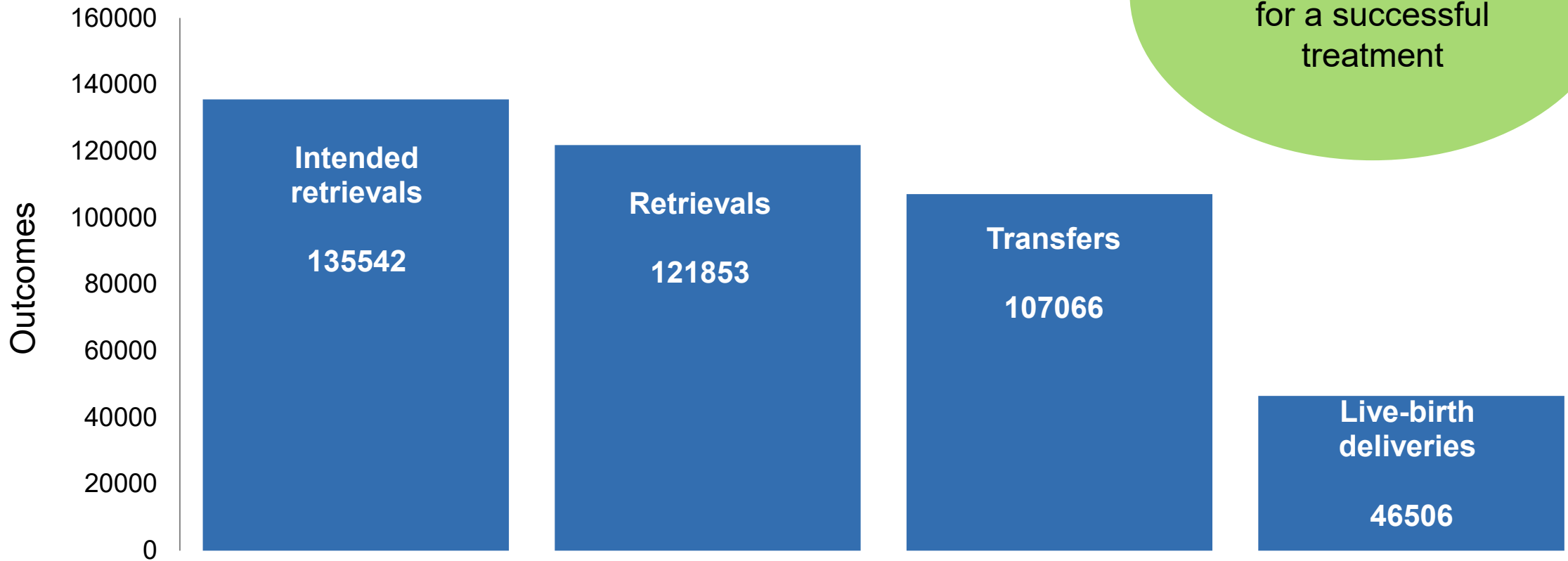
EMBRYO TRANSFER

CRYOPRESERVATION



# SUCCESS RATES “STEP BY STEP”

**Outcomes of ART Cycles Using Fresh Nondonor Eggs or Embryos**



# IMPROVED OUTCOMES USING TIME-LAPSE



Frequently captured images of an embryo result in a video showing the development.

Approximately 15-20% of global IVF-cycles are performed in a time-lapse system from Vitrolife.

Vitrolife is developing new AI-based software tools which automatically assesses each embryo for likelihood of implantation using time-lapse videos.

IMPROVED implantation rate <sup>1-4</sup>

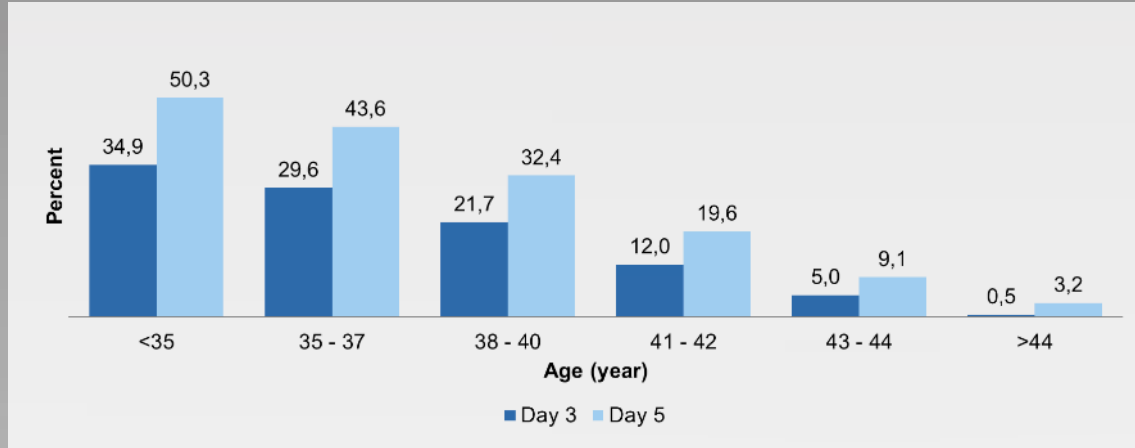
REDUCED pregnancy loss<sup>1, 5, 6</sup>

SHORTENED time to pregnancy <sup>1</sup>

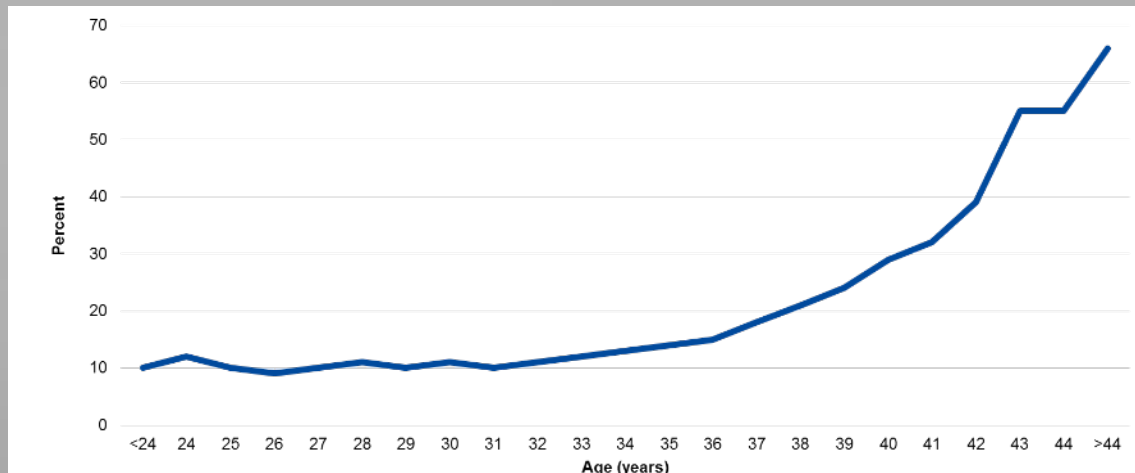


# AGE IS A CRITICAL FACTOR FOR SUCCESS

Day 3 and Day 5 embryo transfers that resulted in live births by age



Percentages of ART cycles that resulted in miscarriage by age



# PRE-IMPLANTATION GENETIC TESTING

Vitrolife has developed a new generation kit for PGT-A, Embryomap.

Combining information from genomics and morphology (time-lapse) could provide superior information when choosing what embryo to transplant.

## **PGT-A (aneuploidy)**

- previously named PGS (Screening)

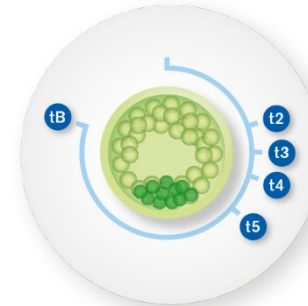
- Testing whether the embryos are euploid (all 46 chromosomes)
- Aiding clinicians in order to choose which embryo to transfer



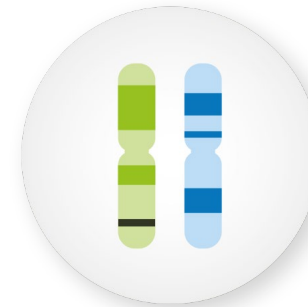
# INNOVATIVE EMBRYO EVALUATION



## Two methods for embryo selection



Algorithms based on the timing of specific events observed by time-lapse technology.



DNA sequencing to determine the chromosome complement.

# INVESTMENTS IN FUTURE SUSTAINABLE GROWTH



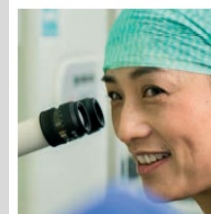
iDAScore launched in April 2021



Embryomap launched in q2 2021



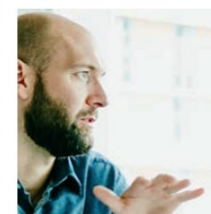
Further development, regulatory work and selected geographical launch of media with antioxidant protection



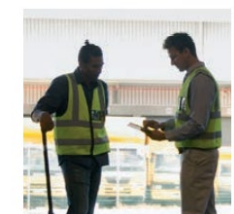
Competent employees



Quality-assured products



Responsible business



Minimal environmental footprint

Increased efforts in the sustainability area, amongst other things by establishing a new position in executive management

# SUSTAINABLE BUSINESS PRACTISE

Vitrolife's sustainability focus is aiming at reducing our negative impact, while at the same time strengthening the group's long-term competitiveness and profitability.



Competent employees



Quality-assured products



Responsible business



Minimal environmental footprint

All 17 UN Global Sustainability Goals are inter-connected and contain parts that are relevant to Vitrolife, e.g. health, safety, climate and equality. These issues are addressed systematically and integrated in Vitrolife's operations.





FINANCIAL SUMMARY Q2 2021 AND ACQUISITION OF IGENOMIX

# Q2 GOOD GROWTH AND ACQUISITION OF IGENOMIX

## Q2:

- Sales of 382 MSEK (209) equals +83% in SEK.
- Sales increased by 94% in local currency.
- EBITDA of 148 MSEK (40) corresponding to a margin of 39% (19) excluding one-time costs.

## First half year:

- Sales of 761 MSEK (543) equals +40% in SEK.
- Sales increased by 49% in local currency.
- EBITDA of 314 MSEK (156) corresponding to a margin of 41% (29) excluding one-time costs.

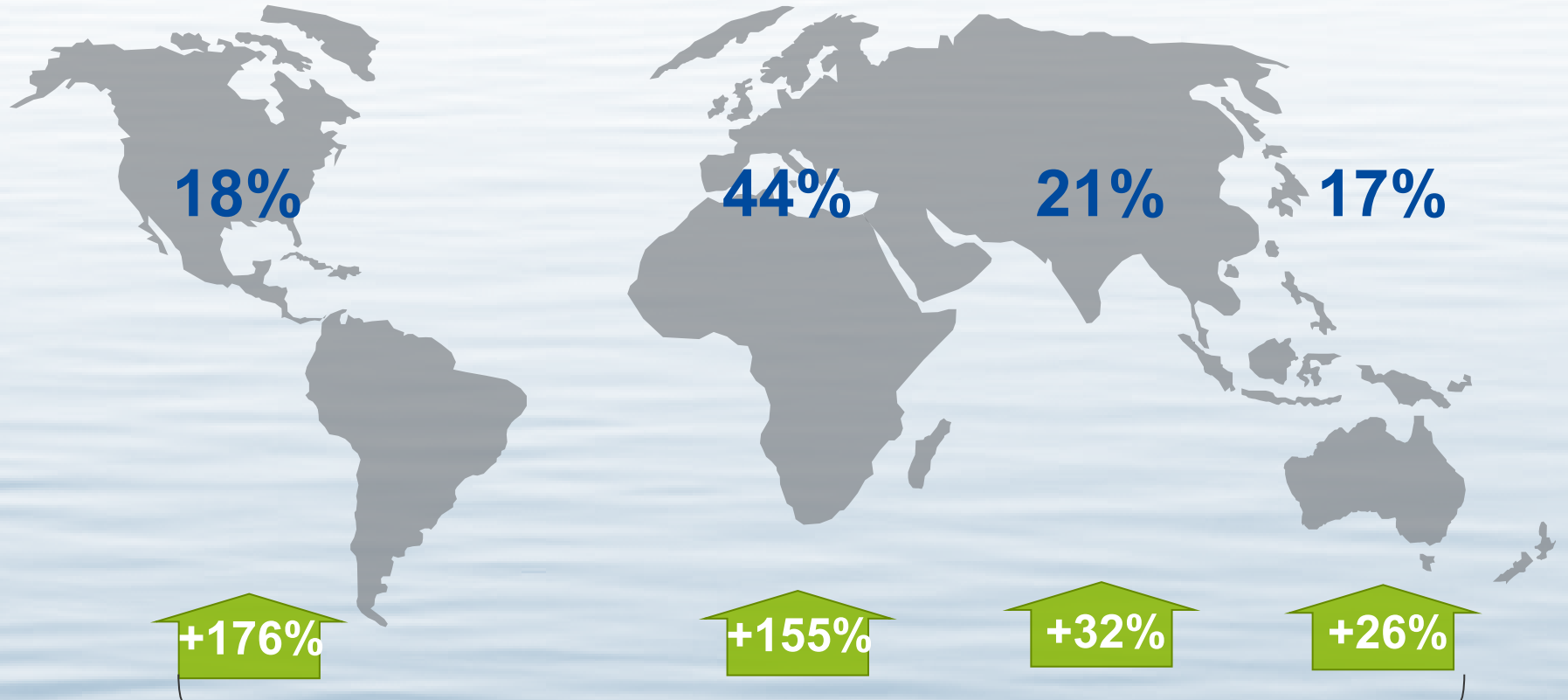
## After the end of the period:

- Agreement to acquire 100% of Igenomix



# SALES AND GROWTH PER MARKET REGION

SHARE OF  
VITROLIFE'S SALES  
ROLLING  
12-MONTHS



Q2 GROWTH RATE  
COMPARED TO LAST  
YEAR IN LOCAL  
CURRENCIES

Total +94%\*



# SALES AND GROWTH PER DIVISION

SEK millions, rolling 12m



## KEY FINANCIALS GROUP Q2

- Fluctuations in exchange rates negatively impacted EBITDA by 15 MSEK.
- EBITDA included acquisition-related one-time costs of SEK 11 million and transport-related one-time costs of SEK 3 million. Adjusted for these items, EBITDA amounted to SEK 148 million, corresponding to a margin of 39 percent.

	2021 Q2	2020 Q2	2021 Q1-Q2	2020 Q1-Q2	2020 FY
Sales, MSEK	382	209	761	543	1 246
Gross Margin %	62%	53%	64%	58%	62%
Adj. Gross Margin %*	63%	57%	65%	61%	64%
EBITDA, MSEK	134	40	297	156	454
EBITDA Margin %	35%	19%	39%	29%	36%
Earnings per share, SEK	0.79	0.11	1.88	0.84	2.64
Net Debt / EBITDA rolling 12m	-1.9	-1.6	-1.9	-1.6	-2.1



# A UNIQUE COMBINATION ACROSS THE IVF JOURNEY

**Vitrolife's best-in-class IVF device portfolio**



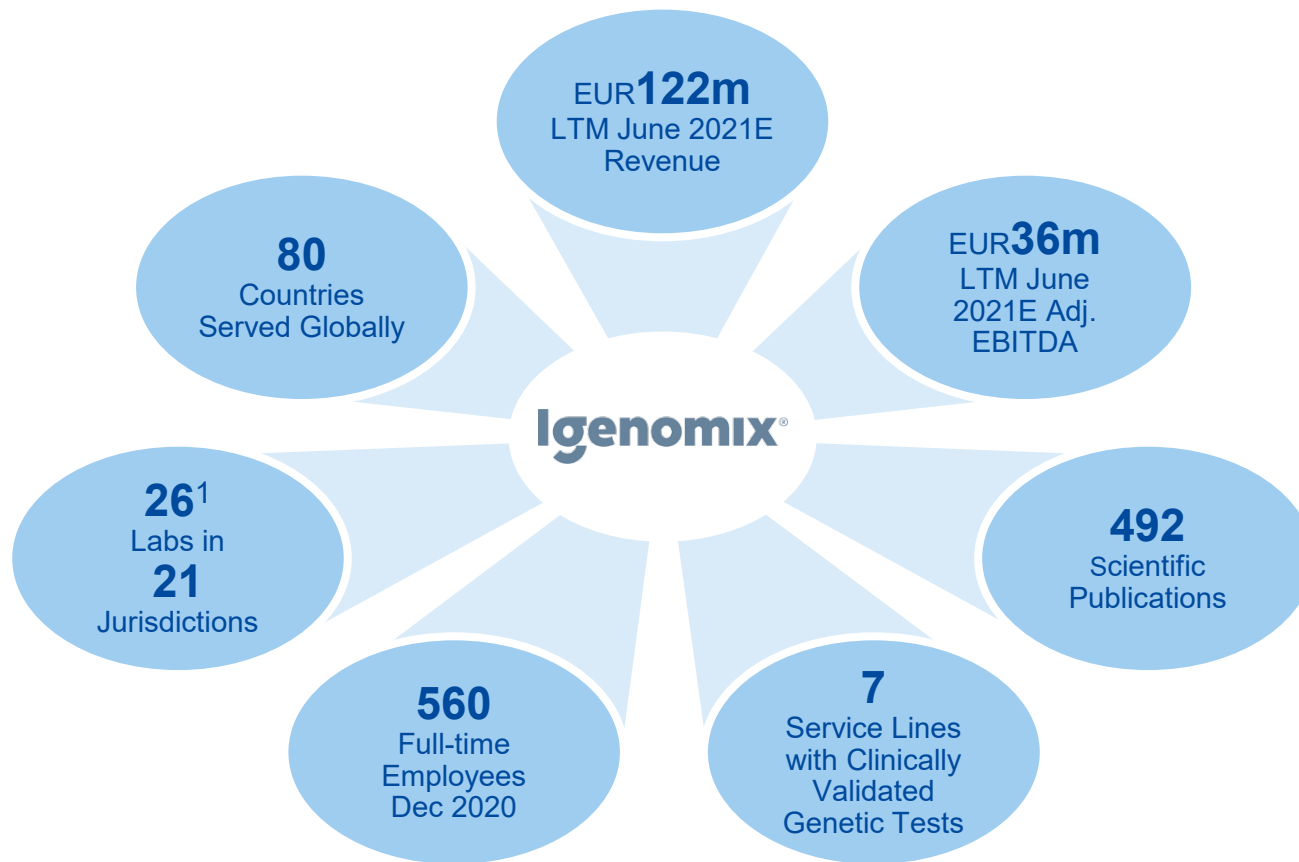
**Igenomix's leadership in reproductive genetic testing services**

# VITROLIFE + IGENOMIX: CLEAR STRATEGIC RATIONALE

- ✓ **Creates a global leader in reproductive health**
  - Pro forma sales in excess of SEK 2 billion, with ambition to deliver long-term profitable growth
- ✓ **Enables Vitrolife to expand further into the high growth IVF diagnostic testing sector**
  - Leader in reproductive genetic testing services for IVF clinics
- ✓ **Expands Vitrolife's commercial network and customer base**
  - Enhances Vitrolife's ability to interact with IVF clinics, professional staff and patients
- ✓ **Strong synergy potential as fully integrated reproductive health service provider**
  - Ability to cross-sell products and offer enhanced solutions to customers
  - Integrated platform for knowledge sharing to drive further innovation
- ✓ **Reduces time to pregnancy through improved evaluation and timing**
  - Delivers on Vitrolife's mission of supporting customers to achieve successful treatment outcomes by providing valued solutions and services for assisted reproduction

# GLOBAL LEADER IN REPRODUCTIVE GENETIC TESTING SERVICES

Leader in women's health and reproductive genetic testing services for IVF clinics



- Testing portfolio covers a wide range of genetic diagnostics in reproductive and personalized medicine
- Market-leading, proprietary PGT-A and Endometrium related tests
- Operates 26<sup>1</sup> labs globally and offers a wide portfolio of clinically validated genetic tests and services
- Underlying strong scientific foundation focused on research and publications, with an attractive product pipeline

# DIFFERENTIATED TESTING PORTFOLIO

Testing portfolio covers a wide range of genetic diagnostics in reproductive and personalized medicine

Preconception

Pre / Implantation Analysis

Pre / Natal

Rare Diseases



## The Right Embryo



**Embrace**



**MitoScore**



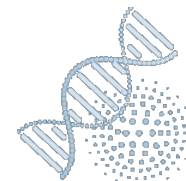
**PGT-A**



**PGT-M**



**NACE**



**POC**



**GPDx**

## The Right Timing



**ERA**



**ALICE**



**EMMA**

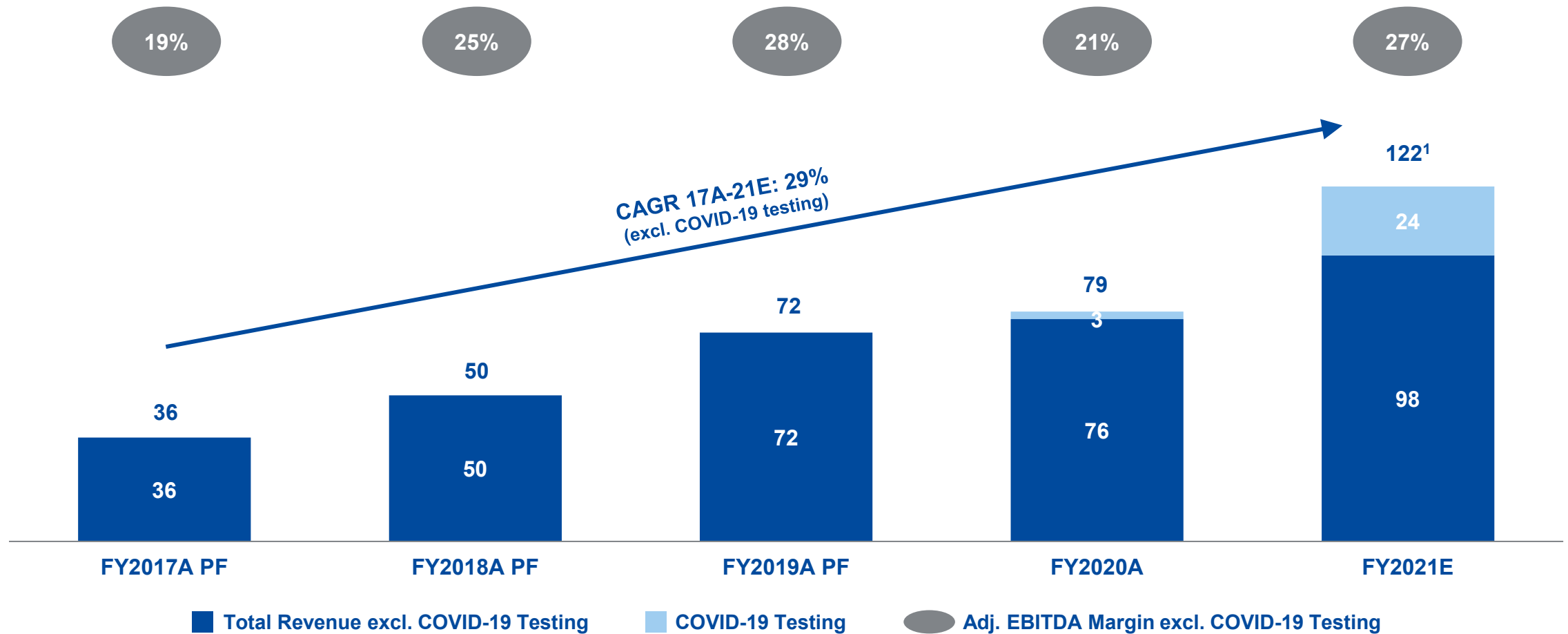


**Endome Trio**



**GPDx**

# PROVEN TRACK RECORD OF DRIVING ATTRACTIVE GROWTH AND PROFITABILITY



# PRE-IMPLANTATION EVALUATION TOOLS FOR A SUCCESSFUL TREATMENT OUTCOME

## Genetic Evaluation Tools

	PGT-A	ERA
Test	<ul style="list-style-type: none"> <li>Can analyze all 24 chromosome types in an embryo in order to discard the possibility of the presence of an abnormal number of chromosomes</li> </ul>	<ul style="list-style-type: none"> <li>Proprietary genetic test to determine whether a patient has issues related to the implantation window of the endometrium</li> </ul>
Rationale	<ul style="list-style-type: none"> <li>Valuable service given that a high percentage of the embryos have some kind of chromosomal abnormality</li> <li>Igenomix is in a position to manage the whole PGT-A cycle (from the biopsy until the final result) in less than 1-2 days from most points in the world</li> </ul>	<ul style="list-style-type: none"> <li>Very useful primarily in implantation failure patients (women which have had more than 2 fertility cycles with no success)</li> <li>Analyzes a genetic profile of 238 genes involved in endometrial receptivity from an endometrium sample to find the window of implantation to maximize the pregnancy rate</li> </ul>
Outcome	<p>Genetic embryo and endometrial evaluation allows a shorter time to pregnancy</p>	

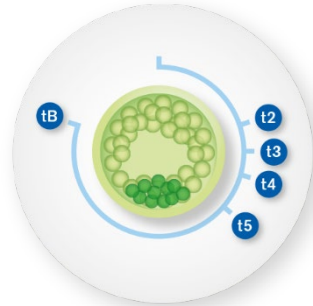


# INNOVATIVE EMBRYO EVALUATION AND LEADING DIAGNOSTIC TOOL TO FIND WINDOW OF IMPLANTATION

Two of the strongest names within reproductive health into one platform to achieve successful treatment outcomes

Two methods for embryo evaluation

Combination improves successful treatment outcomes



Algorithms based on the timing of specific events observed by time-lapse technology



DNA sequencing to determine the chromosome complement

**Vitrolife** 

Best-in-class device portfolio

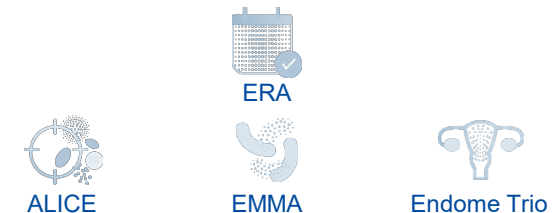
**Igenomix**<sup>®</sup>

Leadership in reproductive genetic testing

## The Right Embryo



## The Right Timing



# STRUCTURE AND TERMS

- Acquisition of 100% of the share capital in Igenomix for a total consideration of EUR 1,250 million (SEK 12.7 billion<sup>1</sup>) on a cash and debt free basis, from EQT and other shareholders
- Financed through a mix of a share issue in kind directed to the sellers, a directed share issue to institutional investors, current cash balance and new committed debt facilities
- Transaction supported by largest shareholders William Demant Invest and Bure Equity as well as new shareholders Fjärde AP-fonden and AMF
- Subject to customary closing conditions and regulatory approvals

# POSITIVE FINANCIAL IMPACT

- **Expected combined pro forma sales LTM June 2021 of SEK 2,460 million and adj. EBITDA of SEK 864 million (excl. Igenomix Covid-19 testing impact)<sup>1</sup>**
- **Immediate top-line growth with long-term upside potential from enhanced offering**
- **Potential to realize synergies through a range of opportunities**
- **Attractive financial impact**
  - Pro forma top-line growth and positive EBITDA impact
  - Strengthened cash-flow generation and provides additional financial flexibility
- **Net debt / EBITDA to remain below 3x in-line with Vitrolife's financial objectives**
- **Continued potential to explore further opportunities as leading IVF platform**



# TRANSACTION TIMETABLE



Announcement of Transaction: 8 July 2021




Guaranteed Directed Share Issue: 8 July 2021




EGM to Resolve on Consideration Share Issue:  
Autumn 2021



Closing of Transaction: Q4 2021



Our goal is to be the leading provider of solutions that reduce the time to achieve a healthy baby and improve workflow efficiency and control for IVF clinics



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