

# VITROLIFE GROUP™

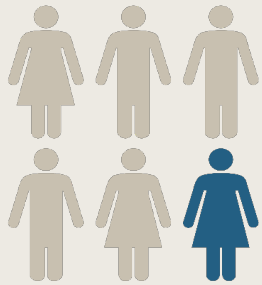
## Handelsbanken Life Science Innovation Day 2024

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Rickard Ericsson, SVP Consumables

2024-08-28

# Significant market opportunity in reproductive health



**1 in 6**

people globally is affected by infertility\*



**134 M**

babies born annually\*\*  
< 1% via IVF



Successful treatment outcomes  
~33% \*\*\*



Access and affordability constraining growth

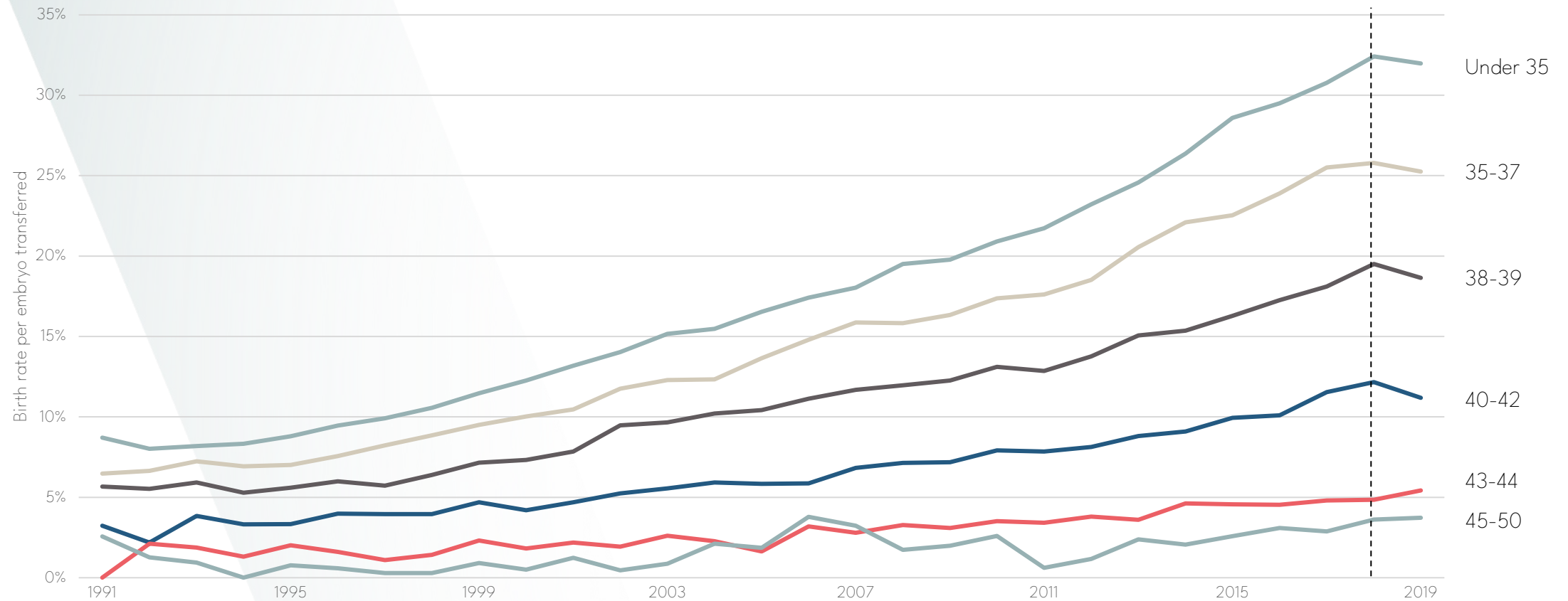
**5-7%**

estimated cycle growth in coming years

# Improvement in treatment outcomes is needed

Less than half of all embryos transferred today result in pregnancy

IVF birth rates have risen for patients under 43 in the last 30 years  
Birth rates per embryo transferred using patient eggs by age band, 1991-2018, 2019 data



# Global access and affordability to IVF treatment is improving

Country	2022 IVF treatments	% of total
<b>China</b>	<b>1,045</b>	<b>25%</b>
<b>Japan</b>	<b>511</b>	<b>12%</b>
<b>USA</b>	<b>387</b>	<b>9%</b>
India	176	4%
Russia	149	4%
Spain	143	3%
Other countries	1,746	42%
<b>Global</b>	<b>4,157</b>	<b>100%</b>



The cost of one IVF cycle can range from \$15,000 to \$30,000. SCIENCE PHOTO LIBRARY - KTSDESIGN/GETTY IMAGES

*Pay & Benefits*

## Feds Can Expect to See Improved Fertility Coverage from FEHB Plans in 2024

Compared to existing fertility benefits, this is a significant expansion.

MARCH 15, 2023

# VITROLIFE GROUP™

EXCELLENCE IN REPRODUCTIVE HEALTH

## Mission

Be the leading global partner in reproductive health,  
striving for better treatment outcomes for patients

Global presence in

**125**  
markets

Employees

~ **1,100**

Sales in 2023

**3,512MSEK**

Integrity

Quality

Innovation

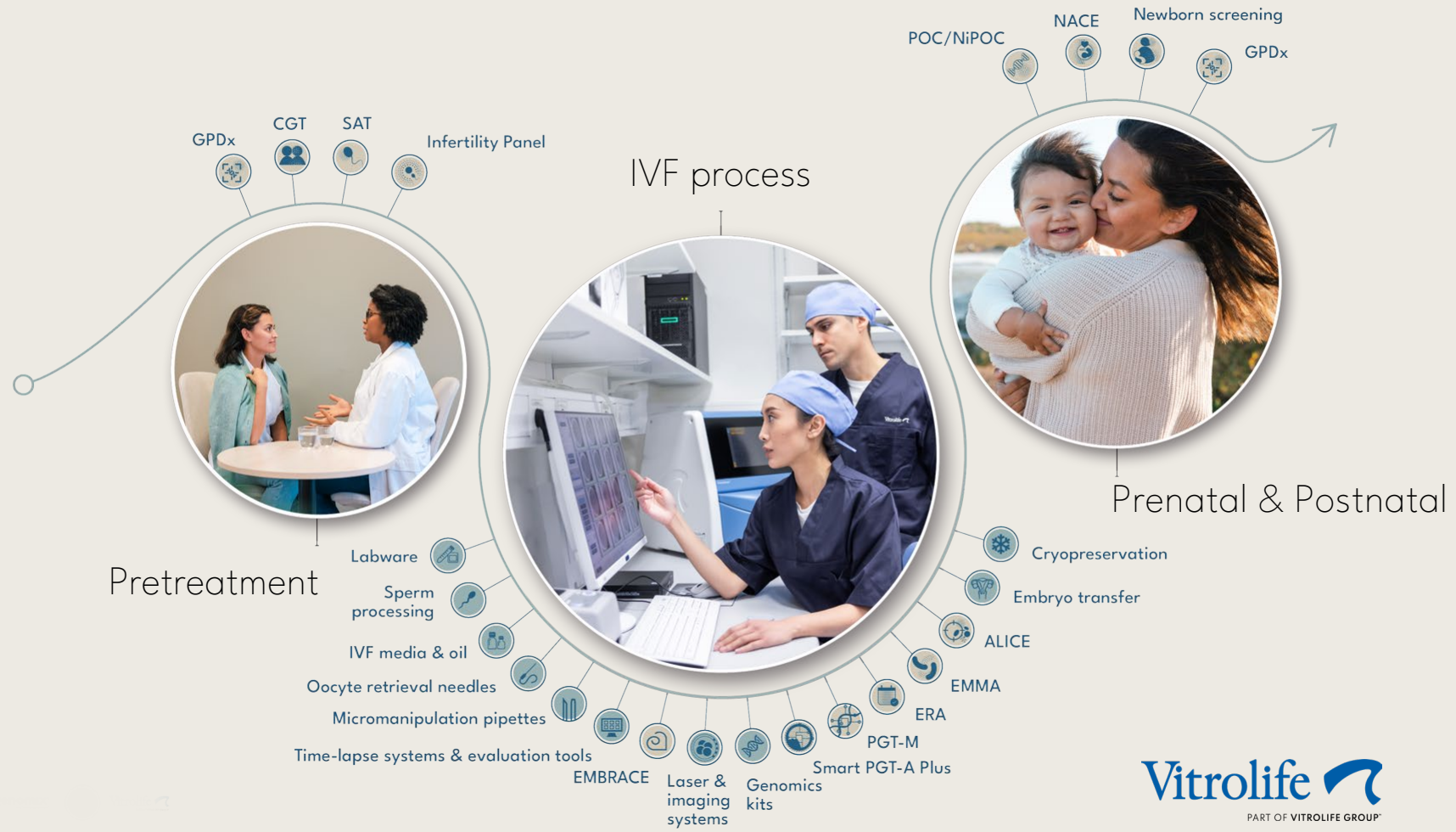
Collaboration

**Vitrolife**  
PART OF VITROLIFE GROUP™

**Igenomix**  
PART OF VITROLIFE GROUP™

# Vision: Enable people to fulfill the dream of having a healthy baby

Portfolio covering every step of the IVF journey combined with best-in-class quality, service and training



# Key IVF market dynamics – How can the Vitrolife Group bring value to the ecosystem



Growth in demand



Increase IVF capacity and accessibility



Clinics labour and skills shortage



Automation and digitalisation



Consolidation of clinics



Standardisation and scalability



Regionalisation of standards of care



Diverse portfolio to address differences in standards of care



Patient empowerment



Communication and education

# Corporate Strategy Vitrolife Group

## Market megatrends



Growth in demand



Labour and skills shortage



Consolidation



Regionalisation



Patient Empowerment

## Vision with a purpose

“Enable people to fulfil the dream of having a healthy baby”

## Mission

“Be the leading global partner in reproductive health, striving for better treatment outcomes for patients”

## Long-term growth and profit-targets (5 years)

Annual organic revenue growth (in local currencies)

**>10%**

EBITDA margin

**>33%**

Net debt/EBITDA

**<3**

Own the platform connecting products and services

Innovate to expand leadership

Accelerate growth in key markets

Optimise go-to-market model

Drive operational excellence

Ensure sustainability in everything we do

## Our values

Integrity

Quality

Innovation

Collaboration



# Vitrolife Group acquired eFertility

- eFertility, an innovative system and software company transforming IVF clinic management.
- eFertility offers both a witnessing system and EMR platform.
- eWitness is an error prevention system that optimises lab workflow and enhance security with reliable insights.
- eWitness is currently being rolled out in Europe, followed by other regions next year.
- A key element of the Vitrolife Group's strategy is to bring increased standardisation and digitalisation to IVF clinics.



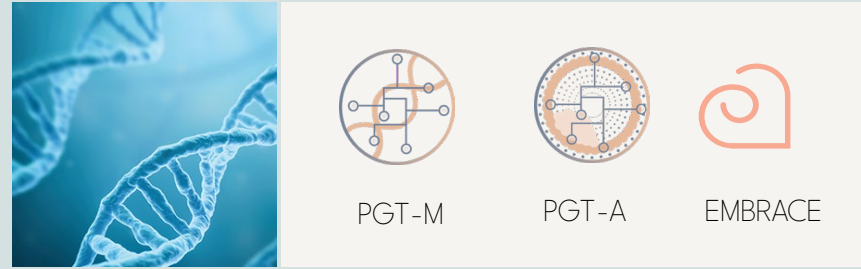
# Vitrolife Group is uniquely positioned

Time Lapse EmbryoScope™ + Non-invasive PGTA + Witnessing

Two methods for embryo evaluation



- ① Time-lapse technology-based assessment  
EmbryoScope® uses AI-based algorithms to analyse full course of embryo development



- ② Genetic assessment  
Analysis of embryo DNA to determine existence of chromosomal abnormalities or genetic diseases

## Next generation platform will enable:

- Streamlined workflow and traceability
- Provide advanced embryo evaluation
- Increase consistency and ease of use

# Interim report Q2 / 2024



# Q2/2024 Highlights

## Improved margins

Gross margin 59.9%

EBITDA margin 34.7%

## Technologies +40%\*

## Acquisition of eFertility

# Strong Technologies growth and improved margins

## Second quarter 2024

Sales

**941** MSEK

(905 MSEK) +4% in SEK

Organic growth

**+4%**

In local currencies

Gross margin

**59.9%**

(55.8%)

EBITDA

**327** MSEK

Margin 34.7% (32.4%)

Operating cash flow

**236** MSEK

(211 MSEK)

Earnings per share

**1.06** SEK

(0.78 SEK)

## First half year 2024

Sales

**1,782** MSEK

(1,759 MSEK) +1% in SEK

Organic growth

**+2%**

In local currencies

EBITDA

**599** MSEK

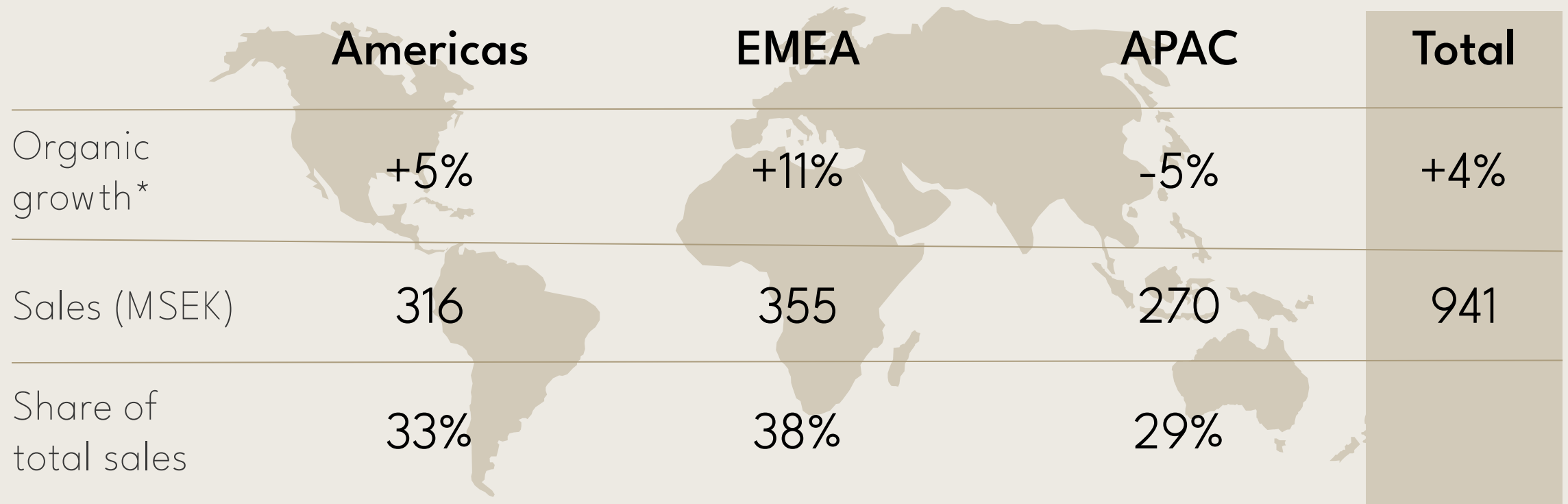
Margin 33.6% (31.5%)

Operating cash flow

**434** MSEK

(372 MSEK)

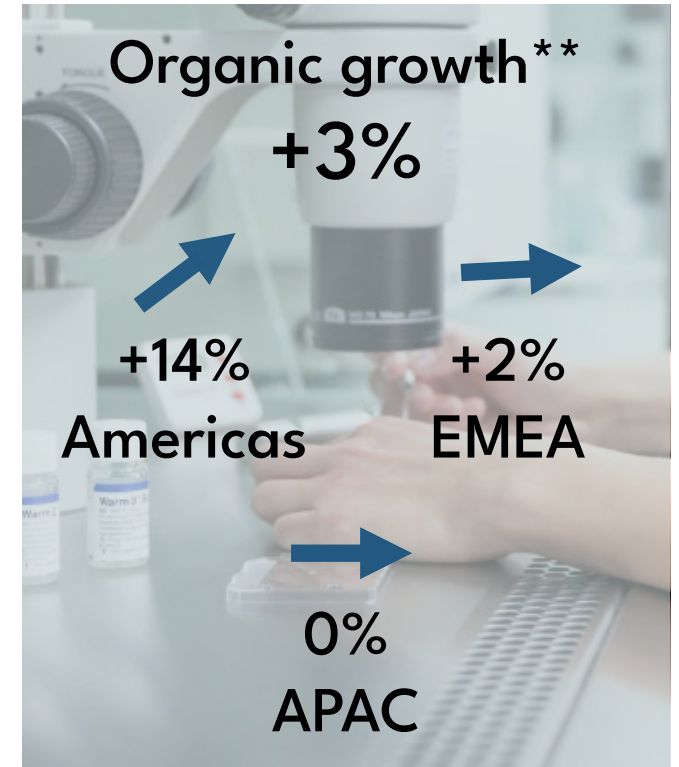
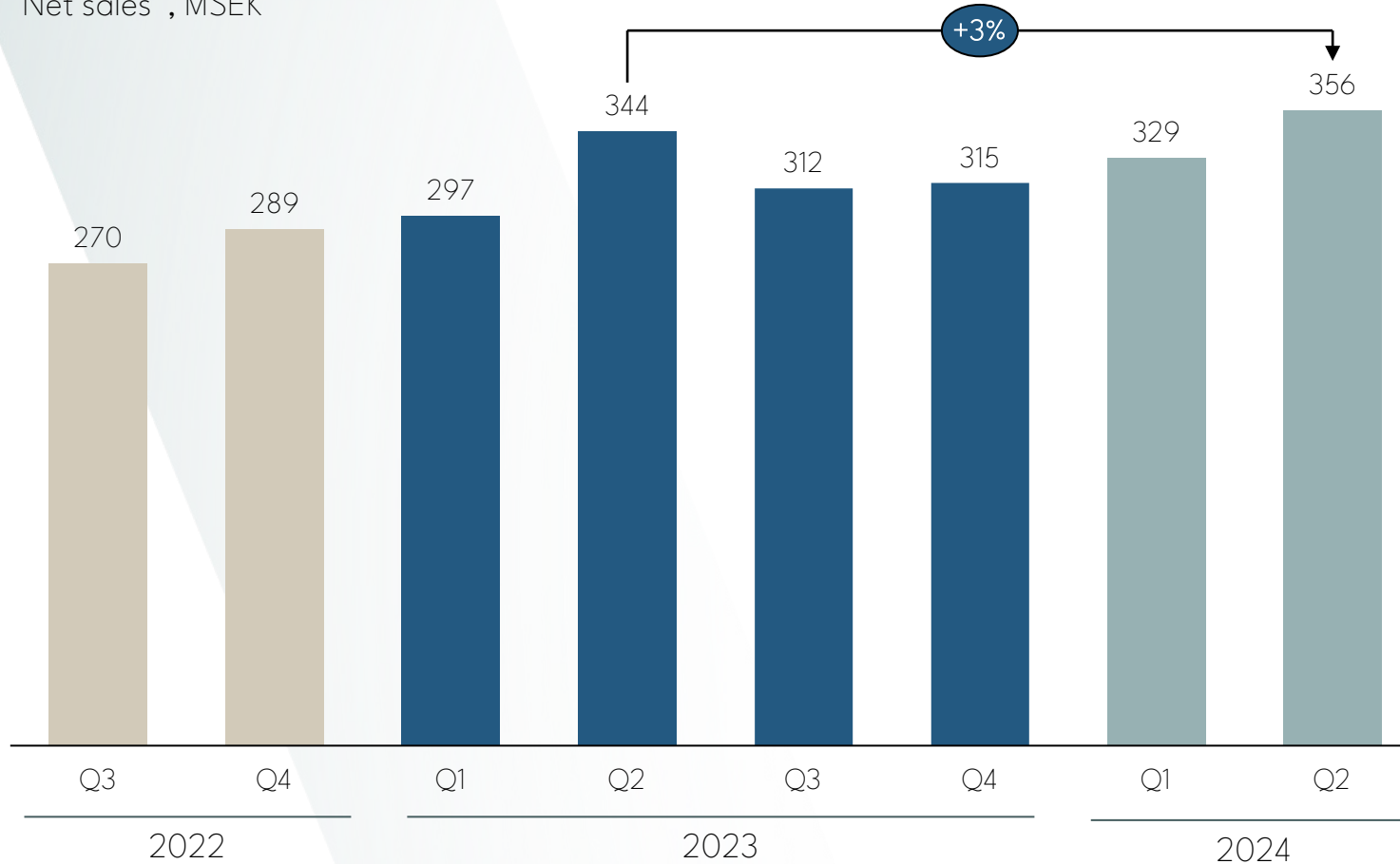
# Sales and growth per geographical segment



# Consumables business area

Strong momentum in the US, challenging comparable numbers in APAC

Net sales\*, MSEK

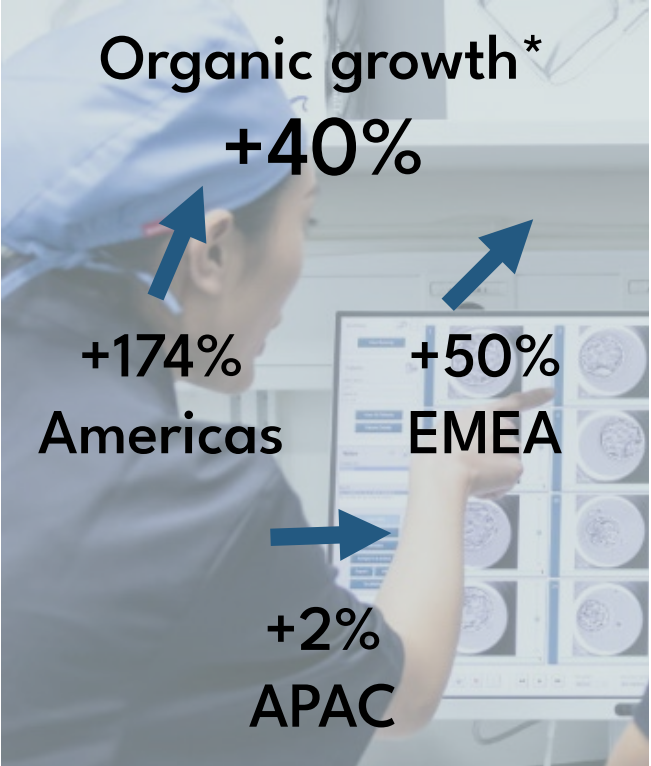
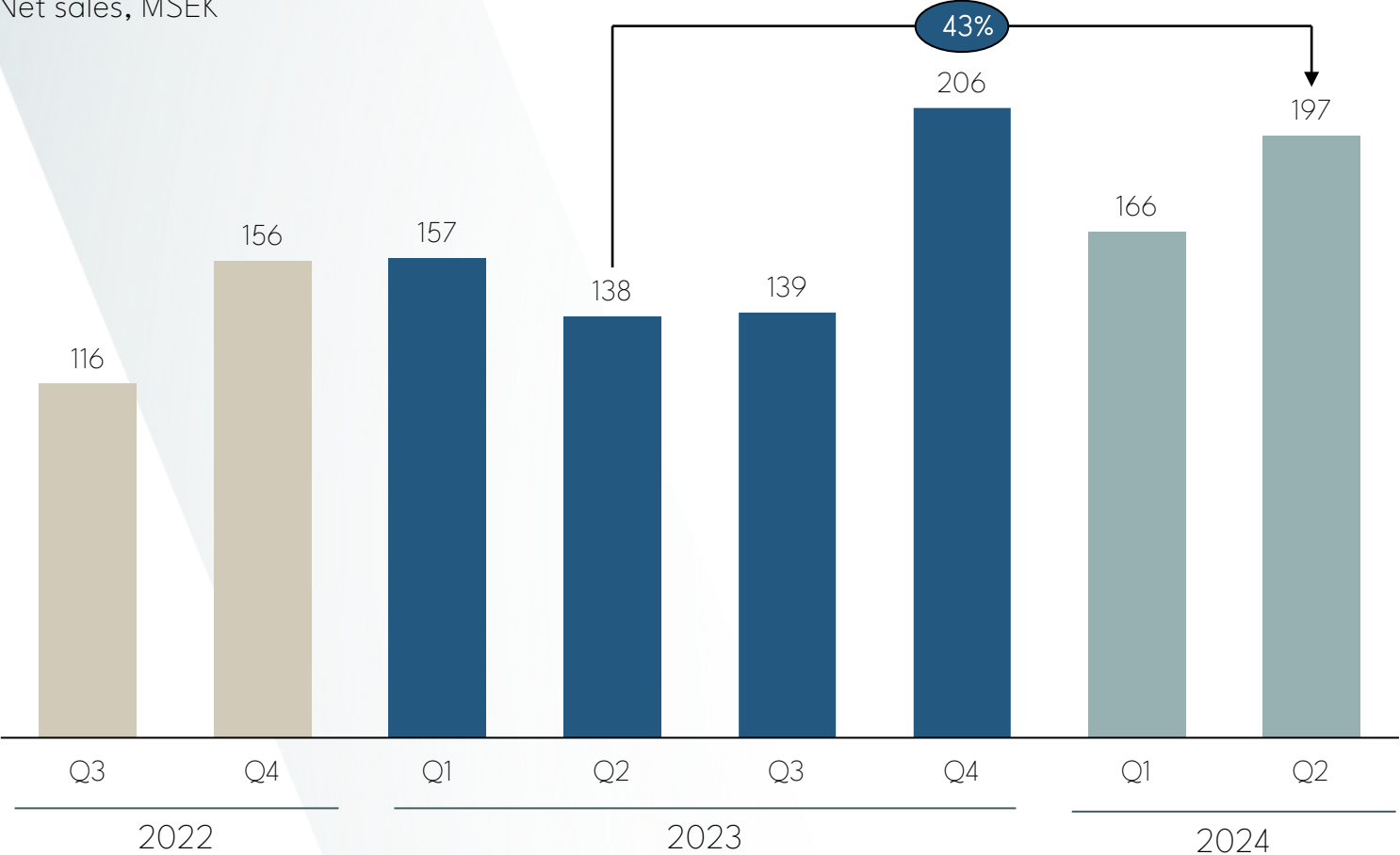


\*\*in local currencies, Q2 2024

# Technologies business area

Strong growth with accelerated adoption in Americas

Net sales, MSEK



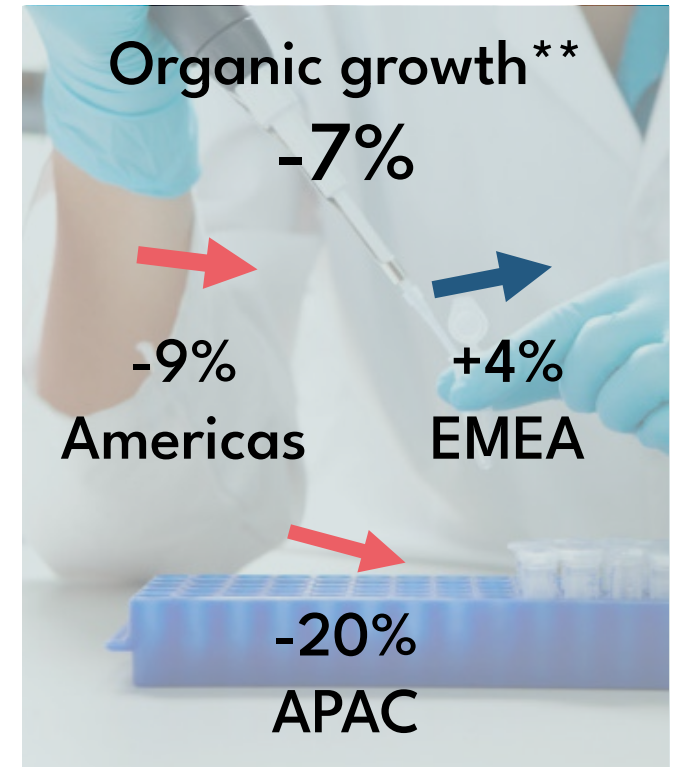
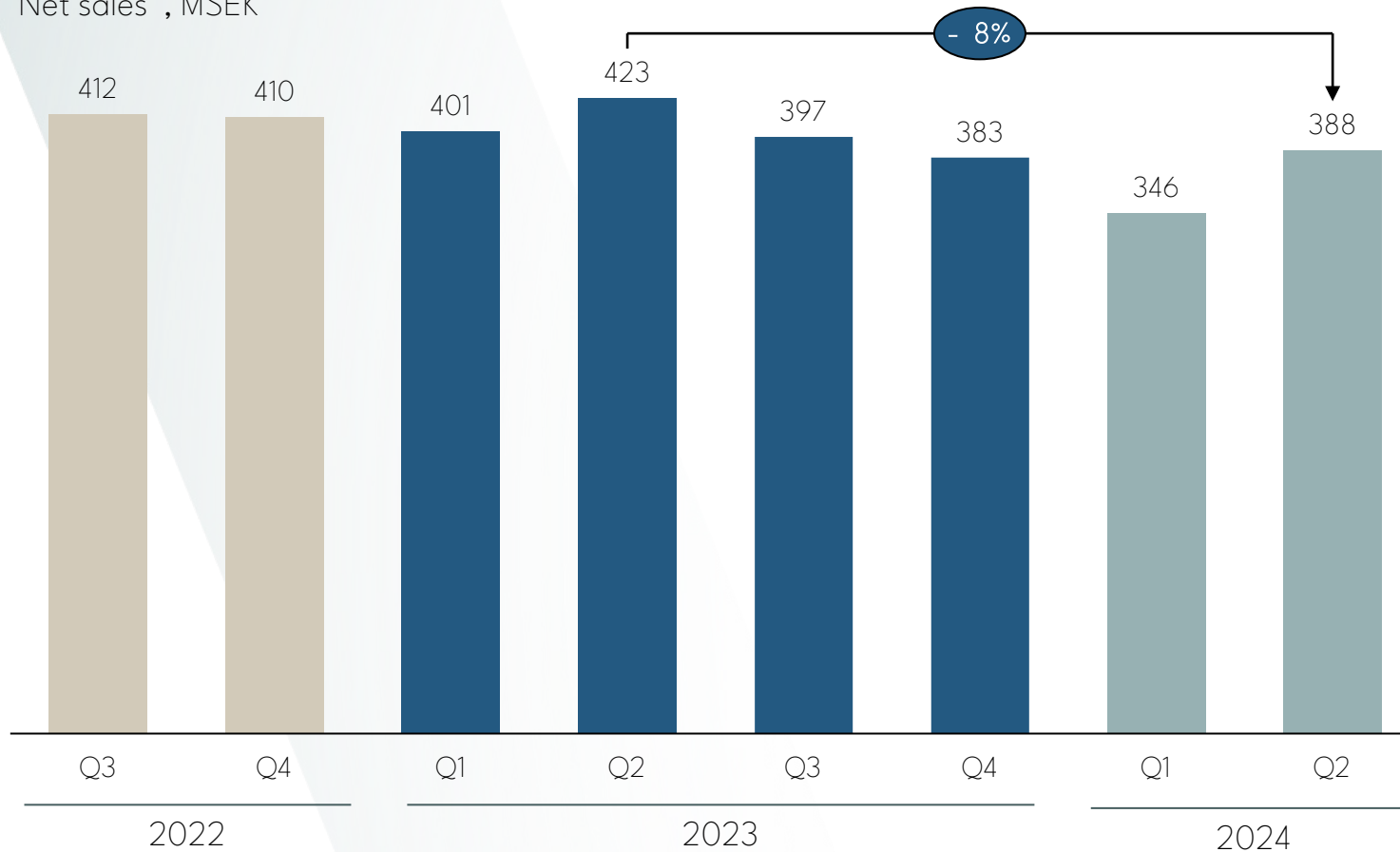
\*in local currencies, Q2 2024



# Genetics business area

Growth in genetic services, genomic kits decline

Net sales\*, MSEK



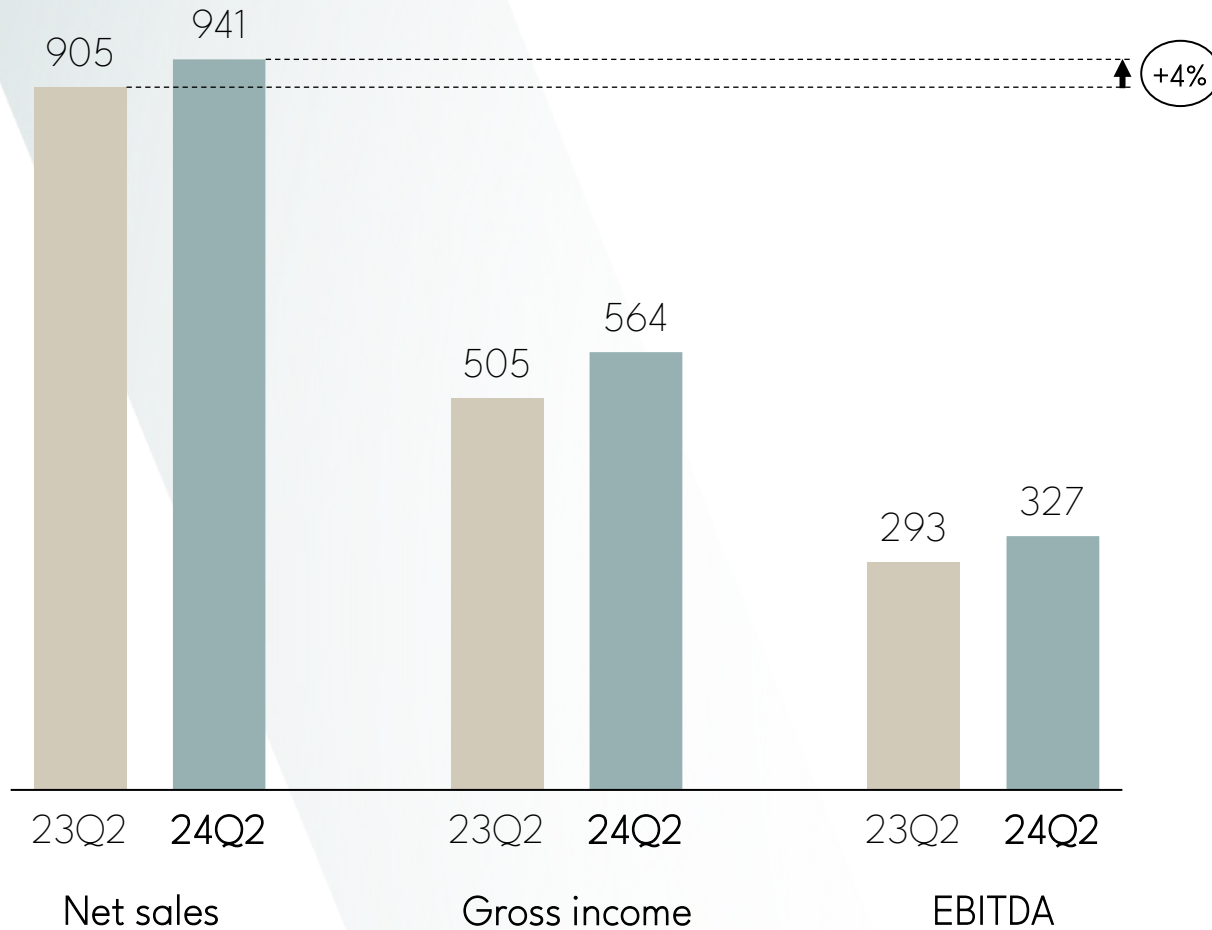
\*\*in local currencies, Q2 2024

# Geographical segments

	Americas	EMEA	APAC	Total
Sales (MSEK)	316	355	270	941
Gross income (MSEK) <i>Gross margin %</i>	181 57.3%	215 60.5%	169 62.4%	564 59.9%
Selling expenses (MSEK)	-63	-90	-42	-196
Market contribution (MSEK) <i>Contribution margin %</i>	117 37.2%	125 35.1%	126 46.7%	369 39.2%
<i>Contribution margin Q2 -23*</i>	32.1%	33.1%	44.5%	36.5%

# Q2 financial highlights

MSEK



Net sales of SEK 941 million (905), +4% in SEK

- Organic growth in local currencies +4%
- Minimal currency impact

Gross income of SEK 564 million (505)

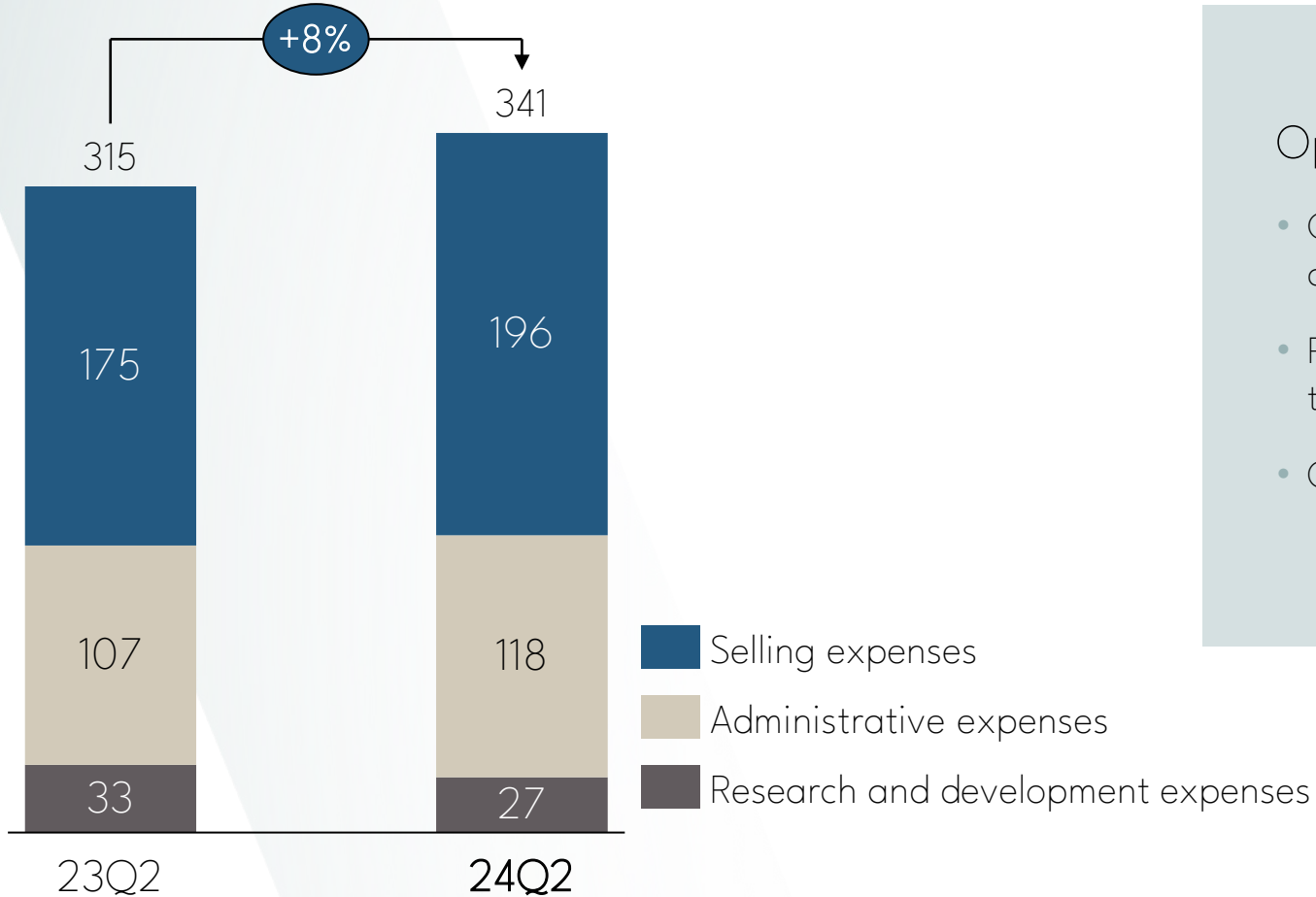
- Margin of 59.9% (55.8%)
- Positive product mix
- Operational excellence improvements

EBITDA of SEK 327 million (293)

- EBITDA Margin of 34.7% (32.4%)

# Operating expenses

MSEK

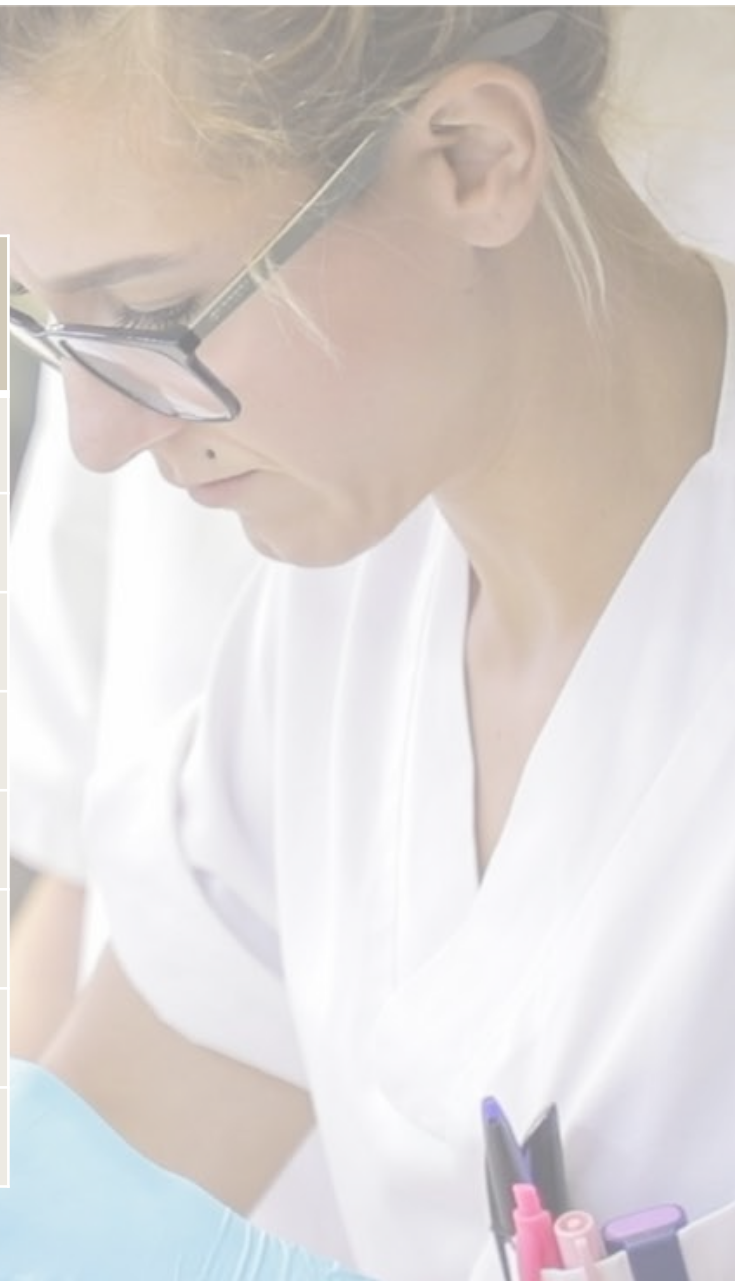


## Operating expenses

- Continue to invest in Sales and Marketing capabilities in key markets
- R&D expenses are slightly lower due to project phasing and capitalisation
- One-off costs for restructuring and acquisitions

# Key financials

	2024 Q2	2023 Q2		2024 YTD	2023 YTD
Sales, MSEK	941	905		1,782	1,759
Gross Margin, %	59.9	55.8		58.6	56.3
EBITDA	327	293		599	554
EBITDA Margin, %	34.7	32.4		33.6	31.5
Net income	143	106		258	205
Earnings per share, SEK	1.06	0.78		1.91	1.52
Operating cash flow, MSEK	236	211		434	372
Net Debt / EBITDA rolling 12m	1.0	1.3		1.0	1.3



# Focus for the rest of the year

Priority

Increase share and penetration in the US & China

Increase market share in Consumables

Accelerate penetration and utilisation of Time-Lapse

Accelerate growth of broader genetics portfolio

Drive operational excellence across the company

Progress

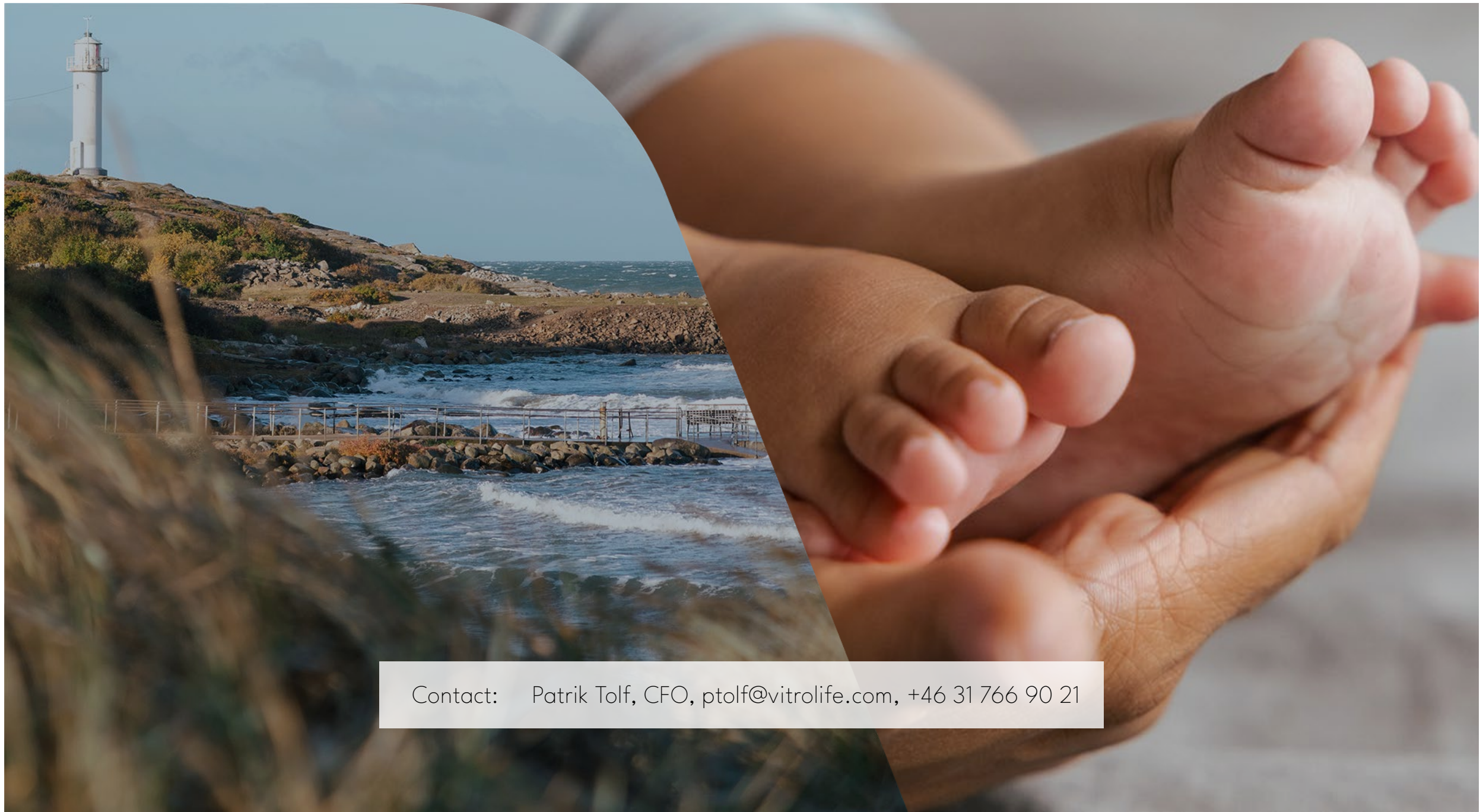
- ✓ Investment in commercial capabilities ongoing
- ✓ Strengthen relationship with clinic chains through strategic account management (SAM)

- ✓ Maintain positive momentum in media
- ✓ Increase market share in disposable devices

- ✓ Continue to leverage workflow & automation benefits
- ✓ Increase utilization per installed EmbryoScope

- ✓ Increase sales on carrier screening (CGT) and non-invasive tests
- ✓ Drive increased adoption of all tests OUS

- ✓ Leverage synergies across the business areas and streamline processes and systems - ongoing



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