



Surgical perfection. For life.

STILLE

Interim Report Q2

2024

Strong profitable growth, coupled with continued successful integration of Fehling.

- **Net sales** totaled MSEK 142.6 (75.1), increased with 89.9 percent, of which 7.4 percent was organic growth.
- **The gross profit margin** was 49.3 percent (44.6).
- **EBITDA before non-recurring items** amounted to MSEK 36.0 (15.7), corresponding to an EBITDA margin of 25.2 percent (20.9).
- **Operating profit before non-recurring items** amounted to MSEK 29.1 (11.9), corresponding to an operating margin of 20.4 percent (15.9).
- **Cash flow from operating activities** totaled MSEK 19.6 (11.8).
- **Earnings per share** amounted to SEK 2.03 (1.18).
- **Net sales in the Surgical Instruments business unit** totaled MSEK 109.9 (42.2), an increase with 160.7 percent, of which 13.7 percent was organic growth.
- **Net sales in the Surgical Tables business unit** totaled MSEK 32.7 (32.9), a decrease with -0.7 percent.

NET SALES



142.6

MSEK

(75.1)

GROSS PROFIT MARGIN



49.3

PERCENT

(44.6)

EBITDA*



36.0

MSEK

(15.7)



25.2

PERCENT

(20.9)

OPERATING PROFIT*



29.1

MSEK

(11.9)



20.4

PERCENT

(15.9)

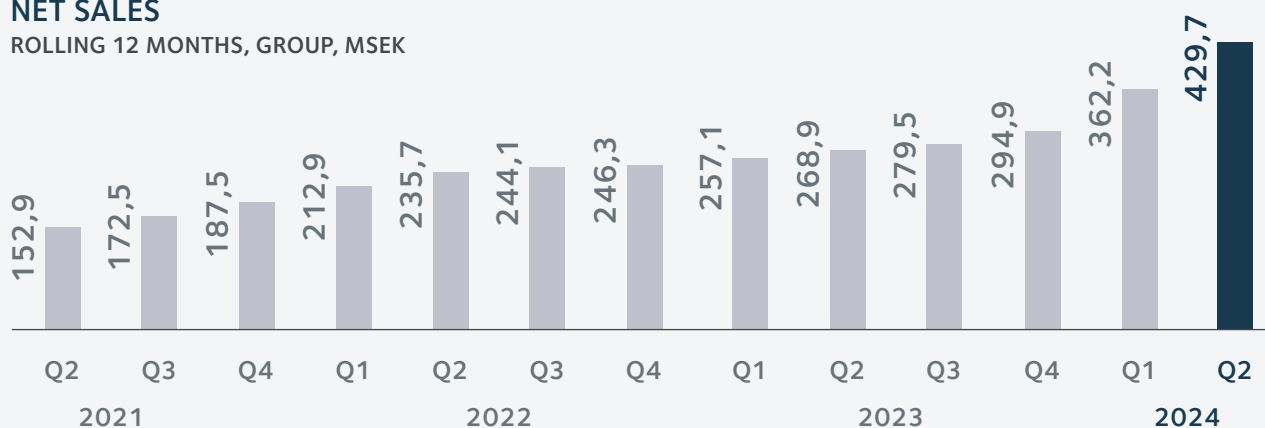
*Before non-recurring items

FINANCIAL OVERVIEW

MSEK	APR–JUN 2024	APR–JUN 2023	JAN–JUN 2024	JAN–JUN 2023	JUL–JUN 2023/24	JAN–DEC 2023
Net sales	142.6	75.1	282.3	147.5	429.7	294.9
Gross profit, %	49.3	44.6	48.9	43.5	50.2	44.8
EBITDA before non-recurring items	36.0	15.7	69.6	29.4	102.8	62.6
EBITDA before non-recurring items, %	25.2	20.9	24.7	20.0	23.9	21.2
EBITDA	32.6	15.7	49.6	26.1	82.8	59.3
EBITDA, %	22.9	20.9	17.6	17.7	20.0	20.1
Operating profit before non-recurring items	29.1	11.9	56.1	22.4	81.9	48.3
Operating profit before non-recurring items, %	20.4	15.9	19.9	15.2	21.0	16.4
Operating profit	25.7	11.9	36.0	19.1	61.9	45.0
Operating profit, %	18.0	15.9	12.8	12.9	15.1	15.2
Profit after tax	18.2	5.9	30.6	9.3	47.9	26.6
Earnings per share, SEK	2.03	1.18	3.40	1.86	6.85	5.31
Equity/assets ratio, %	65.0	55.4	65.0	55.4	65.0	78.6

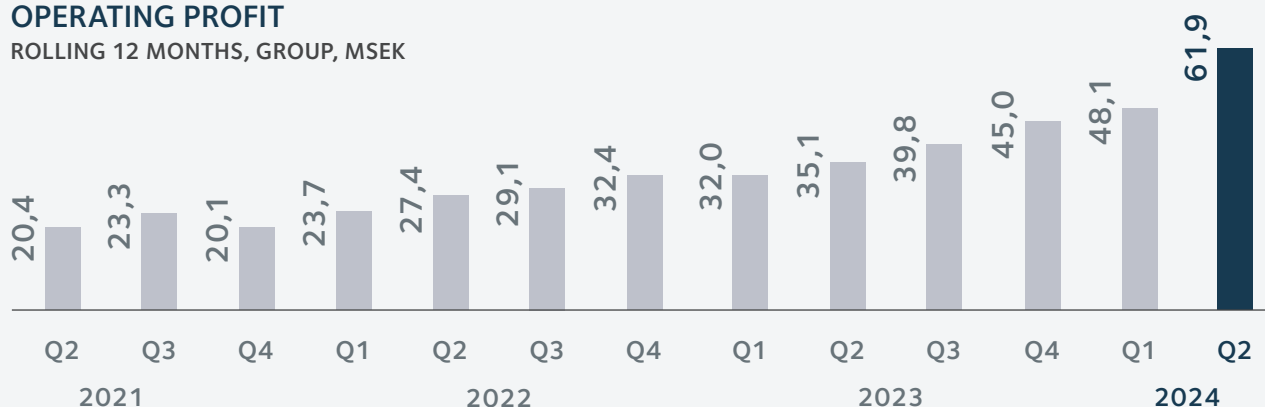
NET SALES

ROLLING 12 MONTHS, GROUP, MSEK



OPERATING PROFIT

ROLLING 12 MONTHS, GROUP, MSEK



Comments from the CEO

Strong profitable growth, coupled with continued successful integration of Fehling.

Stille's sales in the second quarter amounted to MSEK 142.6 (75.1), driven by strong organic growth in surgical instruments and the acquisition of Fehling. It is encouraging to see that organic growth remains robust, despite strong comparable figures. The integration of Fehling is proceeding very well. During the second quarter, our focus was on coordinating the sales organizations. The gross margin for the quarter was 49.3 percent (44.6) and was positively impacted by geographic mix, continued improvements in Operational Excellence and the consolidation of Fehling. Operating profit before non-recurring items amounted to MSEK 29.1 (11.9), corresponding to a margin of 20.4 percent, a historically strong margin. This is also reflected in our increased cash flow from operating activities, which amounted to MSEK 19.6 (11.8).

Sales in the Surgical Instruments business unit was MSEK 109.9 (42.2) for the quarter. We are continuing to integrate Fehling and deliver on our growth strategy in the US, which is a strategic market for Stille. After two quarters of strong growth, the Surgical Tables business unit's sales for the quarter were in line with the year-earlier period at MSEK 32.7 (32.9). This lower growth compared with previous quarters was mainly noted outside the US and Europe.

We are delighted that our continual efforts to improve our pricing, purchasing, production and quality are having a positive effect on our opera-

tions. We are continuing to invest in new innovations and product launches and in ensuring our compliance with the new EU Medical Device Regulation (MDR). During the quarter, we intensified our sustainability efforts, not only to contribute to the green transition and comply with upcoming regulatory reporting requirements, but also to strengthen our customer offering by having the most sustainable products on the market.

Strong performance in 2024

Stille's strategic goals remain firm. With our high-quality surgical instruments and radiolucent surgical tables, we aim to operate in niche premium segments. Our ambition is to continue to grow our operations both organically and through acquisitions. 2024 has continued on a high note – our products are delivering value to our customers, which is creating favorable demand, strong growth and a healthy cash flow. We look forward to the remainder of 2024 with confidence!

Torshälla, July 18, 2024

Torbjörn Sköld
President and CEO

Surgical perfection. For life.

Founded in 1841, Stille AB (publ) is one of the world's oldest medtech companies. With a focus on the needs of surgeons and patients, the Group develops, manufactures and distributes medtech products that simplify and improve the healthcare process.

Over 180 years of premium quality

The Stille of today is the result of over 180 years of innovation in the service of health and medical care. Since its founding by Albert Stille in 1841, the company has manufactured and marketed premium-quality surgical instruments that have made new types of surgery possible and facilitated the work of surgeons.

In 1887, Stille also began manufacturing and marketing surgical tables, and the company is now a market leader in the segment of surgical tables that are used together with C-arms during minimally invasive vascular procedures.

Surgical perfection and product leadership

Stille's vision is to provide products and solutions that enable perfect surgical procedures: Surgical Perfection. For Life. Product leadership – achieved, for example, through solid product development in close partnership with leading surgeons – is therefore central to the company's operations.

Brands associated with the highest quality

Surgeons the world over know Stille's brands thanks to the unique quality of their products. Backed up by a strong brand profile, the company has a unique position in the market and good opportunities to further develop its offering and increase its market presence in the segments that are profitable for both the company and its customers.

Strong distribution channels and global market presence

Stille currently has offices in Sweden, Switzerland, Germany, the US and the United Arab Emirates. Through these offices, and together with the Group's robust sales channels, the company's market presence reaches across large parts of the globe. It is through these partners that the company achieves its market expansion.



Our Business Units

No matter the product portfolio, product leadership and innovation have been part of Stille's business concept since 1841. Today, the operations are divided into two business units: Surgical Tables and Surgical Instruments.

Surgical Instruments

Precision, durability and feel

Precision, durability and feel are characteristic qualities of all Stille's instruments. The portfolio includes everything from ordinary surgical scissors to unique SuperCut scissors, forceps, vascular clamps and a broad range of micro instruments. This combination has made Stille's product portfolio of premium instruments both well known and appreciated among leading surgeons the world over.

Product development and world-class innovation

Stille's was founded as a solution to the shortage of product development and innovation in surgical instruments. Since 1841, Stille has pursued technological development that has made new types of surgical procedures possible. Stille revolutionized the market in 1923 as the first company in the world to manufacture its instruments in stainless steel. In 1982, Stille also invented the SuperCut scissors. In contrast to their predecessors, these new scissors had specially designed cutting surfaces – a combination of scissor and knife edges – which allow them to cut with very high precision. To this very day, SuperCut is considered by leading surgeons to be the best scissors in the world.

Surgical tables

Time-saving multidisciplinary surgical tables

Stille's portfolio of surgical tables is used in a number of different surgical disciplines. The tables are characterized by their high level of functionality that reduces surgery time, reduces radiation doses and increases the likelihood of a good outcome. This makes them an attractive choice for surgeons and the OR team.

Taking minimally invasive development forward

Product development is the cornerstone of the business unit Surgical Tables, which is Stille's vehicle for taking minimally invasive surgery forward. Development of new surgical tables always takes place in close collaboration with leading surgeons and together with our partners.



SEGMENT OVERVIEW

KSEK	APR–JUN 2024	APR–JUN 2023	JAN–JUN 2024	JAN–JUN 2023	JAN–DEC 2023
SURGICAL INSTRUMENTS					
Revenue	109,946	42,178	213,583	82,886	162,755
Operating profit before non-recurring items	25,280	9,028	48,321	17,490	37,732
Operating profit before non-recurring items, %	23.0	21.4	22.6	21.1	23.2
SURGICAL TABLES					
Revenue	32,662	32,908	68,710	64,623	132,138
Operating profit before non-recurring items	3,803	2,920	7,732	4,901	10,532
Operating profit before non-recurring items, %	11.6	8.9	11.3	7.6	8.0
TOTAL					
Revenue	142,608	75,086	282,293	147,509	294,893
Operating profit before non-recurring items	29,083	11,948	56,053	22,391	48,264
Operating profit before non-recurring items, %	20.4	15.9	19.9	15.2	16.4
Non-recurring costs	3,354	–	20,042	3,312	3,312
Operating profit	25,729	11,948	36,011	19,079	44,952
Operating profit, %	18.0	15.9	12.8	12.9	15.2
Net financial items	–2,877	–4,228	1,915	–6,095	–13,366
Profit before tax	22,852	7,719	37,926	12,984	31,586

BRANDS

Surgical Instruments

STILLE instruments have been manufactured since 1841. Today, they are the only instruments forged from round steel by the company itself. This is a manufacturing method that yields exceptional durability and feel.

S&T is the leading brand in the global micro instrument market. Since the beginning, these products have enabled the development of microsurgery and are today considered to be the world's best micro instruments.

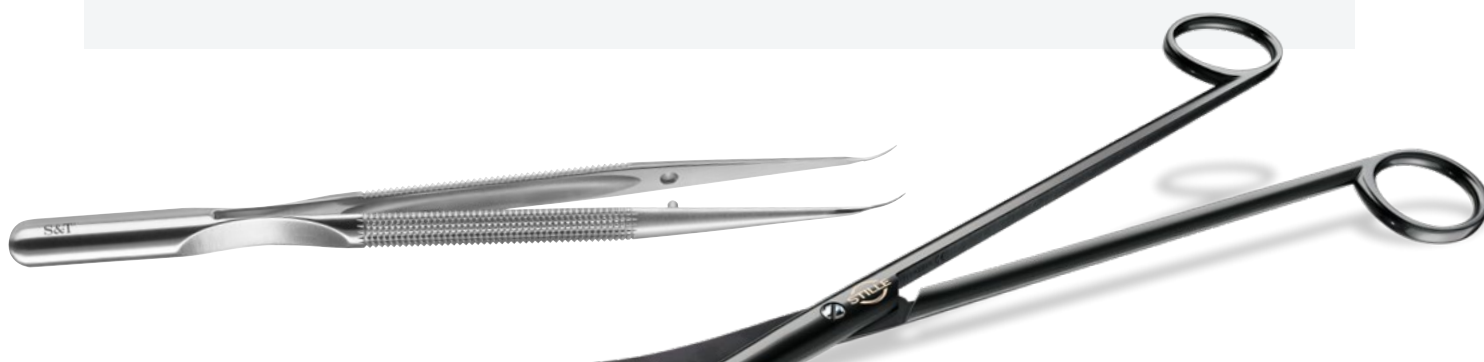
FEHLING offers a broad range of premium products to surgeons, with a focus on demanding specialties such as open and minimally invasive cardiac, thoracic and neurosurgery.

Surgical Tables

imagoQ is the leading brand in the fluoroscopic surgery market. The surgical table is characterized by its unique radiolucency and functionality that reduce both surgery time and radiation exposure.

GS2® is a premium table for multidisciplinary surgery. This surgical table is targeted at outpatient surgery units in the US, and is developed in an exclusive partnership with GE Healthcare.

Medstone supplements the product portfolio by being a cost-efficient table for simpler procedures, for example, in pain management and ERCP, where good radiolucency is necessary.



Financial summary

April–June

Net sales

Net sales for the second quarter totaled MSEK 142.6 (75.1) and were positively impacted by acquisition effects of MSEK 62.0 and exchange-rate effects of MSEK 1.0. Comparable figures excluding acquisition effects amounted to sales of MSEK 80.6 (75.1) for the quarter, positively impacted by exchange-rate effects of MSEK 0.7.

Instrument sales for the quarter totaled MSEK 109.9 (42.2). Excluding acquisition effects, sales totaled MSEK 47.9 (42.2). Business unit Surgical Table's sales for the quarter totaled MSEK 32.7 (32.9).

Instrument sales were strong in all markets and grew 13.7 percent organically compared with Q2 2023. After two strong quarters, the business unit Surgical Tables had a weaker quarter in line with Q2 2023, particularly in the markets outside Europe and the US.

Earnings

Gross profit for the quarter amounted to MSEK 70.3 (33.5), corresponding to a gross profit margin of 49.3 percent (44.6).

Gross profit excluding acquisition effects was strong in both business units, particularly in Surgical Instruments, and was positively impacted by a favorable geographic market mix since sales in the North American market were higher than in previous years. At the same time, our work on Operational Excellence is yielding results.

Operating profit before non-recurring items for the quarter amounted to MSEK 29.1 (11.9), positively impacted by exchange-rate effects of MSEK 0.1. The Group had acquisition-related costs of MSEK –3.4 during the period, which are reported under "Non-recurring items".

Consolidated net financial items for the quarter amounted to MSEK –2.9 (–4.2) and were mainly impacted by revaluation effects attributable to exchange-rate fluctuations.

Profit before tax for the quarter amounted to MSEK 22.9 (7.7). Profit after tax for the quarter totaled MSEK 18.2 (5.9). Earnings per share amounted to SEK 2.03 (1.18).

Tax

Tax expense for the quarter totaled MSEK –4.6 (–1.8). As of June 30, 2024, the Group had an accumulated loss carryforward of MSEK 8.8, of which MSEK 0 was directly attributable to the Parent Company.

Cash flow

Consolidated cash flow from operating activities for the quarter amounted to MSEK 19.6 (11.8) and was impacted by fluctuations in working capital of MSEK –7.4 (2.9). Consolidated cash and cash equivalents at the end of the period totaled MSEK 90.9 (38.8).

Financial position

The consolidated equity/assets ratio for the quarter was 65.0 percent (55.4). Consolidated equity at the end of the period totaled MSEK 659.6 (201.9). The Group has a bank overdraft facility of MSEK 15.0 (15.0), of which MSEK 0.0 (1.8) had been utilized as of June 30.

Investments

Net investments in tangible and intangible assets for the quarter totaled MSEK 3.0 (3.5). MSEK 2.1 (2.6) in development costs for new products has been capitalized. Of capitalized development costs, MSEK 0.3 (0.2) pertained to capitalized personnel expenses and MSEK 1.7 (2.4) to capitalized external development costs.

Employees

The average number of full time employees (FTEs) in the Group for the quarter was 142 (103). 143 (103) FTEs were employed in the Group on June 30.

Parent Company

Net sales in the Parent Company for the quarter totaled MSEK 46.1 (45.5). Profit after tax for the quarter amounted to MSEK 6.6 (2.6). The balance sheet total was MSEK 756.3 (296.1), of which MSEK 572.0 (136.1) comprised equity.

January–June

Net sales

Net sales for the first six months totaled MSEK 282.3 (147.5), positively impacted by acquisition effects of MSEK 122.0 and exchange-rate effects of MSEK 2.8. Comparable figures excluding acquisition effects amounted to sales of MSEK 160.3 (147.5) for the period, positively impacted by exchange-rate effects of MSEK 2.1.

Instrument sales for the period totaled MSEK 213.6 (82.9). Excluding acquisition effects, sales totaled MSEK 91.6 (82.9). Business unit Surgical Table's sales for the period amounted to MSEK 68.7 (64.6).

Total sales of tables and instruments were strong in all markets. Sales of imagiQ in Europe were especially strong. At the same time, the acquisition of Fehling is progressing very well, with sales up 24.5 percent compared with the first half of 2023.

Earnings

Gross profit for the period amounted to MSEK 138.2 (64.2), corresponding to a gross profit margin of 48.9 percent (43.5).

Gross profit excluding acquisition effects was strong in both business units, but particularly in instruments, positively impacted by a favorable geographic market mix since sales in the North American market were higher than in previous years.

Operating profit before non-recurring items for the period amounted to MSEK 56.1 (22.4), positively impacted by exchange-rate effects of MSEK 0.5. The Group had acquisition-related costs of MSEK –20.0 during the period, which are reported under "Non-recurring items".

Consolidated net financial items for the period amounted to MSEK 1.9 (–6.1), positively impacted primarily by revaluation effects of attributable to exchange-rate fluctuations.

Profit before tax for the period amounted to MSEK 37.9 (13.0). Profit after tax for the period totaled MSEK 30.6 (9.3). Earnings per share amounted to SEK 3.40 (1.86).

Tax

Tax expense for the period totaled MSEK –7.3 (–3.6). As of June 30, 2024, the Group had an accumulated loss carry-forward of MSEK 8.8, of which MSEK 0 is directly attributable to the Parent Company.

Cash flow

Consolidated cash flow from operating activities for the period amounted to MSEK 8.7 (+22.7), impacted heavily by fluctuations in working capital of MSEK –28.8 (+5.5). Consolidated cash and cash equivalents at the end of the period totaled MSEK 90.9 (38.8).

Financial position

The consolidated equity/assets ratio for the quarter was 65.0 percent (55.4).

Consolidated equity at the end of the period totaled MSEK 659.6 (201.9). The Group has a bank overdraft facility of MSEK 15.0 (15.0), of which MSEK 0.0 (1.8) had been utilized as of June 30.

Investments

Net investments in tangible and intangible assets for the period totaled MSEK 6.7 (6.2). MSEK 4.3 (4.7) in development costs for new products has been capitalized. Of capitalized development costs, MSEK 0.5 (0.6) pertained to capitalized personnel expenses and MSEK 3.7 (4.1) to capitalized external development costs.

Employees

The average number of FTEs in the Group for the period was 142 (103). 143 (103) FTEs were employed in the Group on June 30.

Parent Company

Net sales in the Parent Company for the period totaled MSEK 100.4 (94.4). Profit after tax for the quarter amounted to MSEK 17.3 (5.4). The balance sheet total was MSEK 756.3 (296.1), of which MSEK 572.0 (136.1) comprised equity.

Related-party transactions

Stille's related parties and transactions with related parties are described in Note 10 of the Annual Report. No transactions between Stille and related parties that had a material impact on the company's position and earnings were conducted during the quarter.

Risks and uncertainties

The Group's and the Parent Company's material estimates and assessments, risks and risk management are described in Note 4 of the 2023 Annual Report. Uncertainties concerning the performance of the global economy, and thereby the economic conditions for Stille's end customers, could impact future sales volumes.

Accounting policies

This Interim Report has been prepared in accordance with the International Financial Reporting Standards (IFRS), with the application of IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU as well as recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups. The Parent Company has prepared its accounts in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities. Amendments to and interpretations of existing standards that have entered force have not had any impact on the Group's financial position or financial statements. The accounting policies and calculation methods remain unchanged compared to the description in the 2023 Annual Report.

Auditor's review

This report has not been reviewed by Stille's auditors.

Signatures

Torshälla, July 18, 2024.

We certify that, to the best of our knowledge, the half-year report provides a fair overview of the company's and the Group's operations, position, and results, as well as describes the significant risks and uncertainties faced by the company and the companies included in the Group.

Lars Kvarnhem
Chairman of the Board

Victor Steien
Board Member

Per Carlsson
Board Member

Jens Viebke
Board Member

Sirpa Mäkipää
Employee representative

Yonna Olsson
Board Member

Torbjörn Sköld
CEO & President

SHARE AND OWNERSHIP DATA

JUNE 30

<p>MSEK 1,950</p> <p>MARKET CAP</p>	<p>STIL OMXSPI</p> <p>23% 3%</p> <p>SHARE DEVELOPMENT (APR 1–JUN 30)</p>	<p>8,985,447</p> <p>SHARES</p>
<p>SEK 217</p> <p>SHARE PRICE</p>	<p>2,592</p> <p>SHAREHOLDERS</p>	<p>SEK 175–224</p> <p>LOW/HIGH (APR 1–JUN 30)</p>

LARGEST SHAREHOLDERS	OWNERSHIP	
	NUMBER	SHARE
Impilo AB	2,056,075	22.9%
Linc AB	2,056,075	22.9%
SEB Funds	579,068	6.4%
Lannebo Funds	558,031	6.2%
Berenberg Funds	429,582	4.8%
Aktia Asset Management	380,353	4.2%
ShapeQ GmbH	373,000	4.2%
Ramhill AB	328,145	3.7%
Avanza Pension	195,072	2.0%
Fondita Fund Management	180,000	2.0%
Total	7,135,401	79.4%

Share data provided by Modular Finance AB.

Stille's share is listed on the Nasdaq OMX First North Growth Market under the ticker "STIL", ISIN code SE0000998650. EminoVA Fondkommission AB is the Certified Adviser, +46 (0)8 684 211 10, adviser@eminova.se.

Condensed income statement and statement of comprehensive income

GROUP

KSEK	APR–JUN 2024	APR–JUN 2023	JAN–JUN 2024	JAN–JUN 2023	JAN–DEC 2023
Net sales	142,608	75,086	282,293	147,509	294,893
Cost of goods sold	-72,344	-41,598	-144,124	-83,285	-162,722
Gross profit	70,264	33,488	138,170	64,224	132,171
Other operating income	1,566	478	2,756	745	1,883
Selling expenses	-38,161	-17,410	-60,155	-33,823	-67,006
Administrative expenses	-4,132	-4,265	-24,070	-8,620	-17,476
Non-recurring items	-3,354	-	-20,042	-3,312	-3,312
Other operating expenses	-455	-342	-647	-136	-1,309
Operating profit	25,729	11,948	36,011	19,079	44,952
Financial income	5,234	-475	16,436	-1,308	971
Financial expenses	-8,111	-3,753	-14,522	-4,787	-14,337
Profit before tax	22,852	7,719	37,926	12,984	31,586
Income tax	-4,621	-1,794	-7,347	-3,641	-4,939
Net profit for the period	18,231	5,926	30,579	9,343	26,646
<i>Other comprehensive income</i>					
Items that may be reclassified to profit or loss:					
- translation differences in foreign operations	-4,173	11,236	-3,260	11,723	10,599
COMPREHENSIVE INCOME FOR THE PERIOD	14,058	17,162	27,319	21,066	37,245
Earnings per share before and after dilution, SEK	2.03	1.18	3.40	1.86	5.31

Condensed balance sheet

GROUP

KSEK	JUN 30, 2024	JUN 30, 2023	DEC 31, 2023
ASSETS			
<i>Non-current assets</i>			
Intangible assets	550,173	154,264	155,685
Tangible assets	72,914	62,650	59,501
Deferred tax assets	33,607	631	377
Total non-current assets	656,694	217,545	215,562
<i>Current assets</i>			
Inventory	164,029	63,258	66,553
Accounts receivable	65,717	39,533	31,251
Current receivables ¹	40,010	5,321	250,082
Cash and cash equivalents ¹	90,903	38,761	241,446
Total current assets	360,659	146,872	589,331
ASSETS	1,017,353	364,417	804,894
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	659,574	201,855	632,254
Non-current liabilities	174,009	115,929	92,689
Current liabilities	183,771	46,633	79,952
EQUITY AND LIABILITIES	1,017,353	364,417	804,894

¹ A subscribed but not paid share issue of MSEK 220, which was paid in early January 2024, is included as of December 31, 2023. Cash and cash equivalents include a paid subscribed share issue of MSEK 205 that was registered on January 10, 2024.

Condensed statement of changes in equity

GROUP

KSEK	JUN 30, 2024	JUN 30, 2023	DEC 31, 2023
Opening balance	632,254	189,813	189,813
Ongoing new share issue, after tax	–	–	414,219
Dividend to shareholders	–	–9,024	–9,024
Registered share capital	–	–	–
Provision for share premium reserve	–	–	–
Change in carrying amount of assets	–	–	–
Comprehensive income for the period	27,319	21,066	37,245
CLOSING BALANCE	659,574	201,855	632,254

Condensed cash flow statement

GROUP

KSEK	APR–JUN 2024	APR–JUN 2023	JAN–JUN 2024	JAN–JUN 2023	JAN–DEC 2023
OPERATING ACTIVITIES					
<i>Before change in working capital</i>					
Operating profit	25,729	11,948	36,011	19,079	44,952
Adjustment for non-cash items, etc.	5,556	2,161	10,831	3,818	13,185
Tax paid	-4,337	-5,196	-9,325	-5,694	-10,377
Cash flow from operating activities before change in working capital	26,947	8,913	37,518	17,203	47,759
Change in inventory	-6,241	-2,986	-9,507	-3,299	-7,889
Change in operating receivables	-7,056	660	-7,463	-577	-17,181
Change in operating liabilities	5,930	5,206	-11,829	9,341	14,588
Total change in working capital	-7,367	2,880	-28,798	5,465	-10,482
Cash flow from operating activities	19,580	11,793	8,720	22,667	37,277
INVESTING ACTIVITIES					
Acquisition of intangible assets	-3,266	-3,421	-5,615	-5,470	-11,495
Acquisition of tangible assets	288	-88	-1,089	-781	-1,408
Other external assets	-	-	-32,415	-	-
Acquisition of operations	-	-	-301,533	-	-
Cash flow from investing activities	-2,978	-3,509	-340,653	-6,251	-12,903
FINANCING ACTIVITIES					
Dividend to shareholders	-	-9,024	-	-9,024	-9,024
Repayment of debts, including right-of-use assets	-3,392	-3,817	-27,328	-7,296	-16,983
New share issue, net of transaction costs	-	-	208,854	-	205,000
Loans raised	-	-	-	-	-
Cash flow from financing activities	-3,392	-12,842	181,526	-16,321	178,993
CASH FLOW FOR THE PERIOD	13,210	-4,558	-150,407	96	203,367
Cash and cash equivalents at start of period	78,533	41,402	241,446	36,677	36,677
Translation difference	-839	1,917	-135	1,988	1,402
Cash and cash equivalents at end of period	90,903	38,761	90,903	38,761	241,446

Key performance indicators

GROUP

KSEK	JAN–JUN 2024	JAN–JUN 2023	JAN–DEC 2023
<i>Key performance indicators for profit or loss</i>			
Net sales	282,293	147,509	294,893
Net sales growth, %	91.4	18.1	19.7
Gross profit	138,170	64,224	132,171
Gross profit, %	48.9	43.5	44.8
Depreciation and amortization	–13,591	–7,057	–14,357
EBITDA before non-recurring items	69,644	29,448	62,621
EBITDA before non-recurring items, %	24.7	20.0	21.2
EBITDA	49,602	26,136	59,309
EBITDA, %	17.6	17.7	20.1
Operating profit before non-recurring items	56,053	22,391	48,264
Operating profit before non-recurring items, %	19.9	15.2	16.4
Operating profit (EBIT)	36,011	19,079	44,952
Operating profit (EBIT), %	12.8	12.9	15.2
Net profit for the period	30,579	9,343	26,646
Earnings per share ¹ , SEK	3.40	1.86	5.31
Comprehensive income after tax	27,319	21,066	37,245
<i>Key performance indicators for balance sheet</i>			
Equity/assets ratio ² , %	65.0	55.4	78.6
Equity	659,574	201,855	632,254
Equity per share ³ , SEK	73.40	40.26	126.11
Return on equity ⁴ , SEK	7.4	12.8	6.5
<i>Key performance indicators for cash flow statement</i>			
Cash flow from operating activities	8,720	22,667	37,277
<i>Other key performance indicators</i>			
Average number of shares	8,985,447	5,013,484	5,013,484
Average number of employees	142	103	106

Definitions

¹ Profit after tax in relation to the average number of shares outstanding.

² The equity/assets ratio has been calculated as equity as a percentage of the total assets in the balance sheet.

³ Equity in relation to the average number of shares outstanding before and after dilution at the end of the period.

⁴ Return on equity comprises profit/loss after tax, rolling 12 months, as a percentage of weighted equity.

Condensed income statement

PARENT COMPANY

KSEK	APR–JUN 2024	APR–JUN 2023	JAN–JUN 2024	JAN–JUN 2023	JAN–DEC 2023
Net sales	46,101	43,022	100,376	89,423	163,534
Cost of goods sold	–30,990	–27,406	–65,829	–57,741	–110,890
Gross profit	15,111	15,616	34,547	31,682	52,643
Other operating income	6,361	2,978	6,684	5,728	11,399
Selling expenses	–6,533	–6,655	–13,504	–12,973	–24,958
Administrative expenses	–5,106	–4,350	–9,205	–8,278	–17,066
Transaction costs	–	–	–	–	–
Other operating expenses	–356	–247	–496	–3,509	–4,392
Operating profit	9,477	7,341	18,026	12,651	17,627
Financial income	6,791	–245	18,911	–850	1,868
Financial expenses	–8,134	–3,768	–15,109	–4,939	–15,418
Profit after financial items	8,134	3,328	21,828	6,862	4,077
Appropriations	–	–	–	–	8,456
Profit before tax	8,134	3,328	21,828	6,862	12,534
Tax on profit for the period	–1,581	–686	–4,497	–1,414	–2,781
NET PROFIT FOR THE PERIOD	6,553	2,643	17,332	5,449	9,752

Condensed balance sheet

PARENT COMPANY

KSEK	JUN 30, 2024	JUN 30, 2023	DEC 31, 2023
ASSETS			
<i>Non-current assets</i>			
Intangible assets	59,443	54,085	57,460
Tangible assets	3,320	3,667	3,463
Financial assets	577,997	132,276	132,276
Total non-current assets	640,760	190,029	193,199
<i>Current assets</i>			
Inventory	45,446	40,506	44,892
Accounts receivable	12,407	12,316	7,068
Current receivables ¹	52,012	51,890	280,173
Cash and cash equivalents	5,637	1,344	217,302
Total current assets	115,501	106,056	549,434
ASSETS	756,260	296,085	742,633
EQUITY AND LIABILITIES			
Equity	571,986	136,132	554,655
Untaxed reserves	13,077	21,533	13,077
Non-current liabilities	122,026	107,345	122,706
Current liabilities	49,171	31,075	52,196
EQUITY AND LIABILITIES	756,260	296,085	742,633

¹ A subscribed but not paid share issue of MSEK 220, which was paid in early January 2024, is included as of December 31, 2023. Cash and cash equivalents include a paid subscribed share issue of MSEK 205 that was registered on January 10, 2024.

Note 1 | Accounting policies

Business combinations

The Group applies the acquisition method for the recognition of business combinations in accordance with IFRS 3. The remuneration that is transferred by the Group in order to obtain control of a subsidiary is calculated as the total of the fair values of the assets transferred, the liabilities assumed and the equity instruments issued by the Group as of the date of acquisition, which include the fair value of an asset or liability that arose on the basis of a contracted contingent consideration. Acquisition costs are expensed as they arise.

Goodwill

Goodwill represents future economic benefits that arise in conjunction with a business combination but are not identified individually and recognized separately. Goodwill is recognized at cost less accumulated impairment.

Other intangible assets

Brands and customer relationships

All intangible assets with a finite useful life, including capitalized internally developed software, are measured based on the cost, whereupon capitalized expenditures are amortized on a straight-line basis over their estimated useful life. Useful lives are reviewed on each balance sheet date. Additionally, an impairment test is conducted once a year, or if there are indications of a decrease in the value of the intangible asset. Brands that meet the conditions for separate disclosure in a business combination are recognized as intangible assets, initially at fair value. Acquired brands have an indefinite useful life and are measured at cost and tested for impairment annually.

Customer relationships that meet the conditions for separate disclosure in a business combination are recognized as intangible assets, initially at fair value. Customer relationships have a finite useful life and are therefore measured at cost and amortized on a straight-line basis over their estimated useful life.

Customer relationships that are attributable to the acquisition of S&T have an estimated life of 20 years. Customer relationships that are attributable to the acquisition of Fehling have an estimated life of 15 years.

The following useful lives are applied:

- Brands indefinite
- Customer relationships 15–20 years
- Software 3–5 years

Tangible assets

Land

Land is measured at the Group's cost and is tested for impairment as soon as market factors indicate a substantial negative change.

Impairment is recognized directly against earnings to the extent that the fair value has decreased. Any potential reversal of previous impairment is recognized as an increase in value directly against earnings.

Since no finite useful life can be determined for land, the carrying amounts are not depreciated.

Buildings

Buildings are initially recognized at cost, and subsequently at cost less accumulated depreciation and impairment.

Buildings are depreciated on a straight-line basis less estimated residual value.

The following useful lives are applied:

- Buildings 20–100 years

Note 2 | Acquisition of Fehling Instruments

In January 2024, Stille acquired all shares outstanding in Fehling Instruments GmbH & Co. KG and Fehling Verwaltungen GmbH with associated subsidiaries (jointly designated "Fehling"). Fehling is a German company, founded in 1996, that develops and sells premium-quality medical instruments. Fehling has a strong market position with direct operations in Germany, Switzerland, the US, Singapore, the United Arab Emirates and Malaysia.

With over 30 years of industry experience, Fehling strives to provide a broad range of premium products for surgeons, with a focus on demanding specialties such as open and minimally invasive cardiac, thoracic and neurosurgery. Fehling has a global sales presence combined with direct sales and distributors. As a result of the acquisition, the combined Group is expected to increase its presence in these markets.

Fehling has been included in the consolidated financial statements as of January 1, 2024.

Preliminary acquisition analysis

Information on purchase consideration, net assets acquired and goodwill is presented in the preliminary acquisition analysis below:

PURCHASE CONSIDERATION	KSEK
Cash consideration	335,988
Purchase consideration reserved	13,791
PURCHASE CONSIDERATION	349,779
FAIR VALUE OF ASSETS AND LIABILITIES ACQUIRED	KSEK
Assets	
Brands	103,669
Customer relationships	146,719
Intangible assets	250,388
Other non-current assets	13,569
Inventory	87,176
Accounts receivable and other receivables ¹	36,256
Cash and bank balances	34,455
Liabilities	
Non-current liabilities	-8,764
Provision for deferred tax, net	-75,117
Current liabilities	-136,123
Acquired identifiable net assets	201,840
Goodwill	147,940
ACQUIRED NET ASSETS	349,779

¹ Contracted gross amounts correspond in all material respects to the fair values of acquired receivables above.

Goodwill is attributable to the employees and the high levels of profitability in the operations acquired. No part of recognized goodwill is expected to be tax-deductible.

Impact of the acquisition on the Group's cash and cash equivalents

	KSEK
Purchase consideration settled in cash	-335,988
Cash and cash equivalents in subsidiaries acquired	34,455
Net outflow of cash and cash equivalents	
Investing activities	-301,533

Expenses related to acquisitions

Expenses of MSEK 20.7 related to acquisitions are included in "Other external expenses" in the income statement as well as in operating activities in the cash flow statement.

Other

In conjunction with the acquisition, Stille repaid previous shareholder loans in Fehling totaling MSEK 81.4 (MEUR 4.8 + MUSD 2.5) through its own shareholder loan to Fehling.

Sales and earnings in the acquisition

The acquired business contributed revenue of MSEK 62.0 and net profit of MSEK 8.3 for the quarter. Earnings include acquisition-related amortization of MSEK -2.4 related to customer relationships.

For the first six months, the acquired business contributed revenue of MSEK 122.0 and net profit of MSEK 20.5. Earnings include acquisition-related amortization of MSEK -4.8 related to customer relationships.

These amounts were calculated using the subsidiary's earnings adjusted for differences in accounting policies between the Group and the subsidiary.

Fehling's preliminary net sales for full-year 2023 totaled MSEK 206.9.

These amounts were calculated using the subsidiary's earnings adjusted for differences in accounting policies between the Group and the subsidiary.

Please note that this acquisition analysis is preliminary.



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Financial calendar

Interim Report Jan–Sep 2024	October 24, 2024
Year-end Report 2024	February 13, 2025

All of the company's financial reports can be found in their entirety on the company's website, www.stille.se.

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