

The background features a dark green fern on the left and a blue and green abstract pattern on the right. The Bricco logo is centered in white. The word "Bricco" is in a large, bold, sans-serif font. To its right is a stylized icon consisting of three vertical bars of varying heights, with horizontal bars connecting them at the top and bottom, resembling a barcode or a digital signal.

# Bricco

Q1 2024 EARNINGS CALL

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MAY 7, 2024



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MARIA FORSS/ PRESIDENT AND CEO



JACOB THORDENBERG / CFO





AGENDA MAY 7, 2024



Summary Q1, 2024



Market Development and Outlook



Financial Performance Q1, 2024



Business Areas Q1, 2024



Q&A



Summary Q1, 2024



# Organic growth while mixed sales performance impacted Q1 profitability

Mixed sales performance throughout the business areas; where Biosciences delivered strong sales growth

Slower sales in Academia and Diagnostics

Strategic review of current R&D projects and the Group's product portfolio

Conclusions from the whistleblower investigation communicated

Changed method for impairment test of goodwill resulting in retroactive impairment of goodwill and other intangible assets

New members in the executive management: CHRO and CCO

510

NET SALES  
SEK m

5

ORGANIC GROWTH  
%

-9

ADJUSTED EBITDA  
SEK m

-2

ADJUSTED EBITDA  
MARGIN  
%

-17

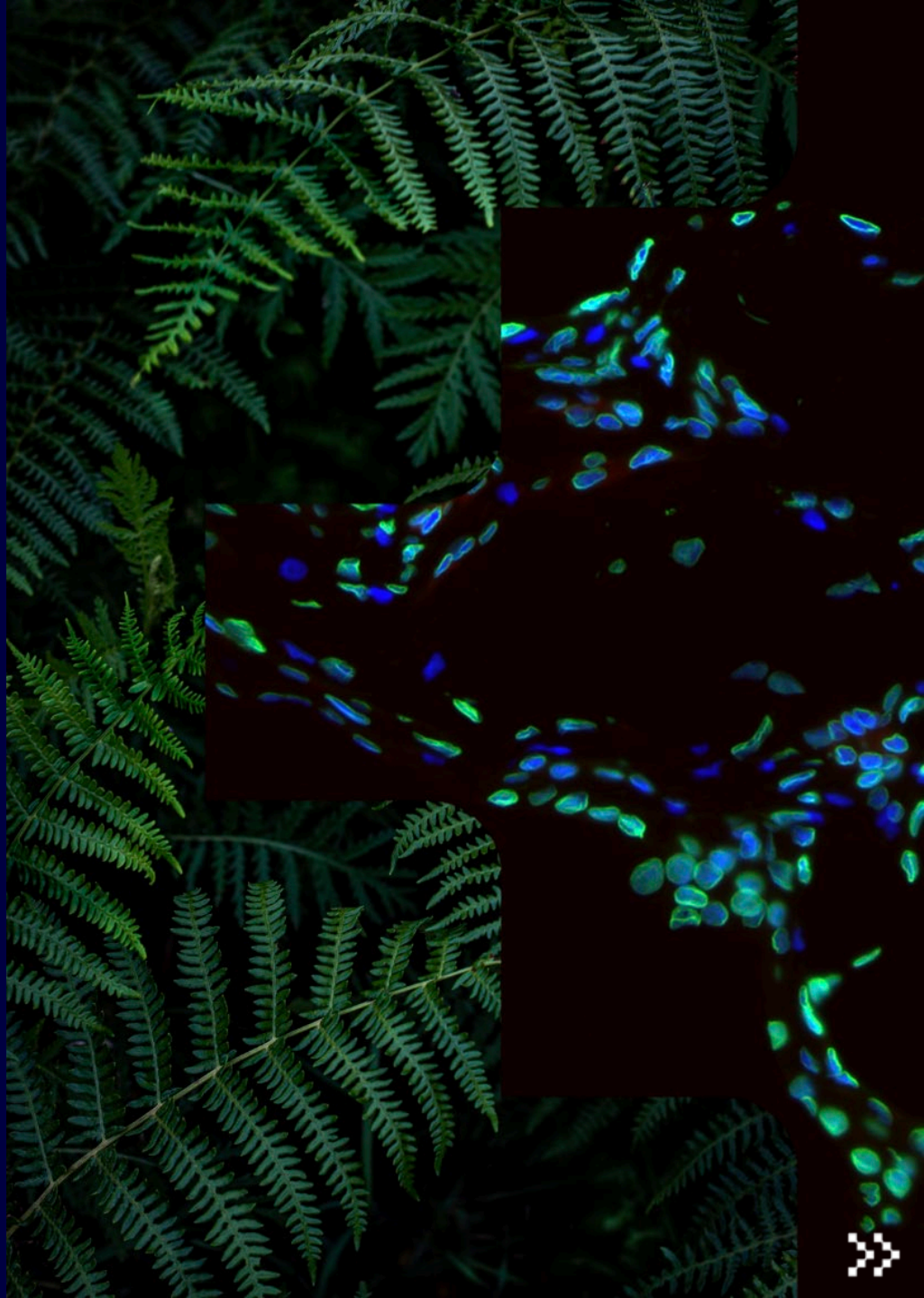
CASH FLOW FROM  
OPERATING ACTIVITIES  
/ SEK m

All numbers in this presentation refers to continuing operations if not otherwise stated. Ginolis has been classified as discontinued operations from Q4 2023. BICO reports in constant currency for all organic growth figures from Q1 2024. From Q1 2024 BICO has also changed to functional reporting and comparable numbers has been adjusted.



# Whistleblower investigation

- Conclusions from a whistleblower investigation communicated in March.
- Three aspects should be underlined;
  - the whistleblower report refers to historical events, 2017-2021,
  - the report has not been able to show any criminal act and,
  - it does not lead to any further accounting measures.
- The work with strengthening of internal control systems have been in place since 2022.
- We will continue to make sure that we stay proactive, as well as fostering and developing the right BICO culture.





# BICO changes method for impairment test of goodwill resulting in retroactive impairment of goodwill and other intangible assets

- BICO has resolved to change method for impairment test of goodwill. This results in a retroactive impairment of goodwill and other intangible assets with an accumulated non-cash effect on EBIT in 2022 and 2023 of SEK -1,788m.
- The impairment follows discussions with the Council for Swedish Financial Reporting Supervision regarding impairment tests of goodwill for 2022 and 2023.
- The Council has, as part of their normal oversight of listed companies, reviewed BICO's Annual report 2022 and more specifically the impairment tests of goodwill, IAS 36.
- The Council has advocated that the Company should use a five-year forecast period. BICO has therefore decided to change method for impairment test of goodwill
- As disclosed in its Annual Reports BICO has historically applied a forecast period of ten years. The chosen length of the forecast period which, has been audited and accepted, was used to reflect the value of the business given its growth prospects.



# BICO changes method for impairment test of goodwill resulting in retroactive impairment of goodwill and other intangible assets

	December 31, 2023			December 31, 2022		
	Previously reported	Adjustment	Adjusted reporting	Previously reported	Adjustment	Previously reported
<b>BALANCE SHEET</b>						
Intangible assets	5,026.2	-1,838.0	3,188.2	6,712.9	-2,667.9	4,045.0
Deferred tax assets	57.8	-	57.8	101.9	-	101.9
Total other non-current assets	772.8	-	772.8	945.0	-	945.0
Current assets	2,041.0	-	2,041.0	2,437.0	-	2,437.0
<b>Total assets</b>	<b>7,897.8</b>	<b>-1,838.0</b>	<b>6,059.8</b>	<b>10,196.8</b>	<b>-2,667.9</b>	<b>7,528.9</b>
Share capital	1.8	-	1.8	1.8	-	1.8
Other contributed capital	7,580.5	-	7,580.5	7,590.5	-	7,590.5
Translation reserve	394.6	-49.0	345.6	419.3	-93.9	325.4
Retained earnings incl. profit/loss for the year	-3,094.4	-1,758.6	-4,853.0	-1,106.5	-2,569.0	-3,675.5
<b>Equity attributable to owners of the Parent Company</b>	<b>4,882.5</b>	<b>-1,807.6</b>	<b>3,074.9</b>	<b>6,905.1</b>	<b>-2,662.9</b>	<b>4,242.2</b>
Non-controlling interests	25.4	-	25.4	27.2	-	27.2
<b>Total equity</b>	<b>4,907.9</b>	<b>-1,807.6</b>	<b>3,100.3</b>	<b>6,932.2</b>	<b>-2,662.9</b>	<b>4,269.3</b>
Deferred tax liabilities	254.9	-30.4	224.5	345.1	-5.0	340.1
Other non-current liabilities	1,888.0	-	1,888.0	1,980.0	-	1,980.0
Current liabilities	847.0	-	847.0	939.5	-	939.5
<b>Total equity and liabilities</b>	<b>7,897.8</b>	<b>-1,838.0</b>	<b>6,059.8</b>	<b>10,196.8</b>	<b>-2,667.9</b>	<b>7,528.9</b>



STRATEGIC REVIEW

# Current R&D projects and the Group's product portfolio

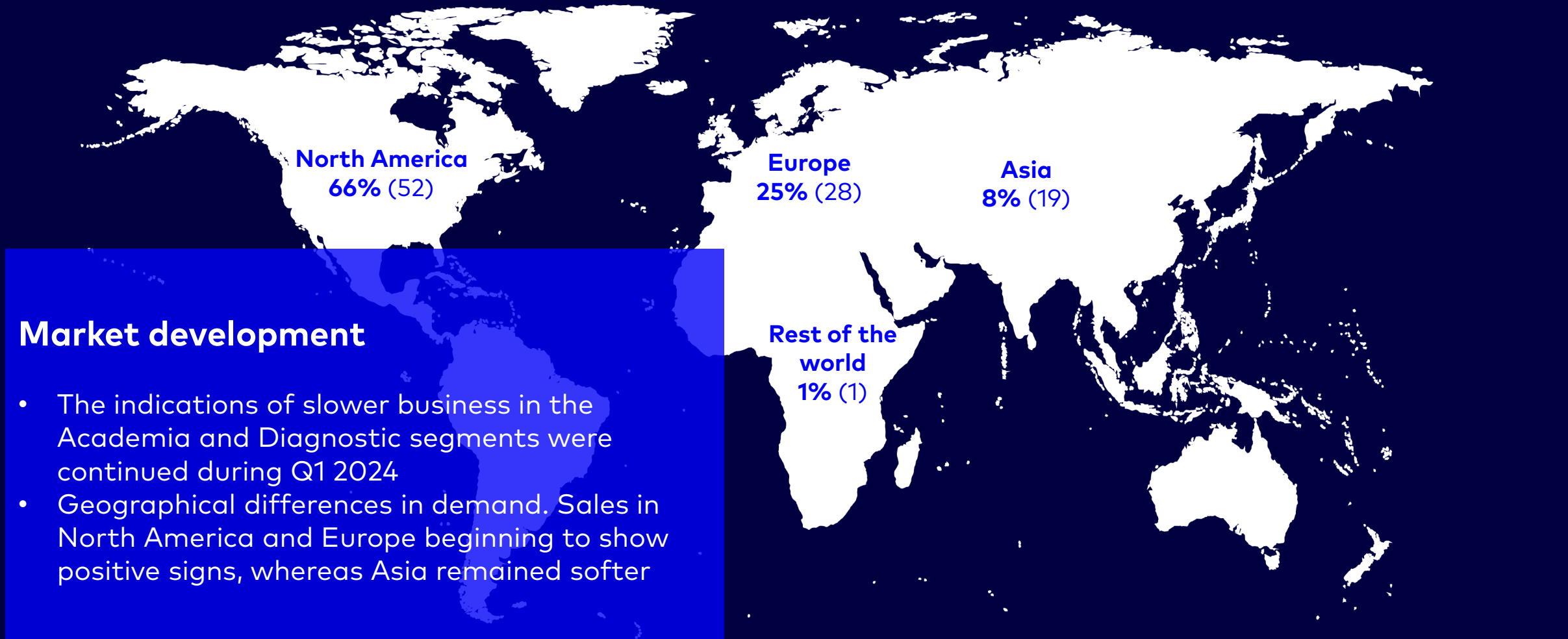
- The Project Management Office (PMO) reviews current R&D projects across the Group.
- R&D board established- review of key projects ensuring focused and customer insight driven R&D investments.
- Due to the heavy dependency on the Academia and the Diagnostic sectors where the business has been softer for some time, measures made in CELLINK and SCIENION.
  - CELLINK: new management in place and measures have been concluded in two areas; commercial offering and cost savings. The commercial offering will be focusing on the core portfolio and a new pricing strategy has been implemented to ensure profitable growth
  - For Q1 a need for write-downs of capitalized R&D in CELLINK of SEK 85m which impacted EBIT
  - SCIENION: we are continuing to actively work with restructuring and reshaping of the business both from an offering and cost perspective





# Market Development and Outlook

# Market Development and sales per geography Q1 2024 vs. Q1 2023



## Market development

- The indications of slower business in the Academia and Diagnostic segments were continued during Q1 2024
- Geographical differences in demand. Sales in North America and Europe beginning to show positive signs, whereas Asia remained softer





# Financial Performance

## Q1 2024

FINANCIAL PERFORMANCE

JANUARY – MARCH 2024



510

NET SALES  
SEK m



5

ORGANIC GROWTH  
%



-9

ADJUSTED EBITDA  
SEK m



-19

EBITDA  
SEK m



45

GROSS MARGIN  
%



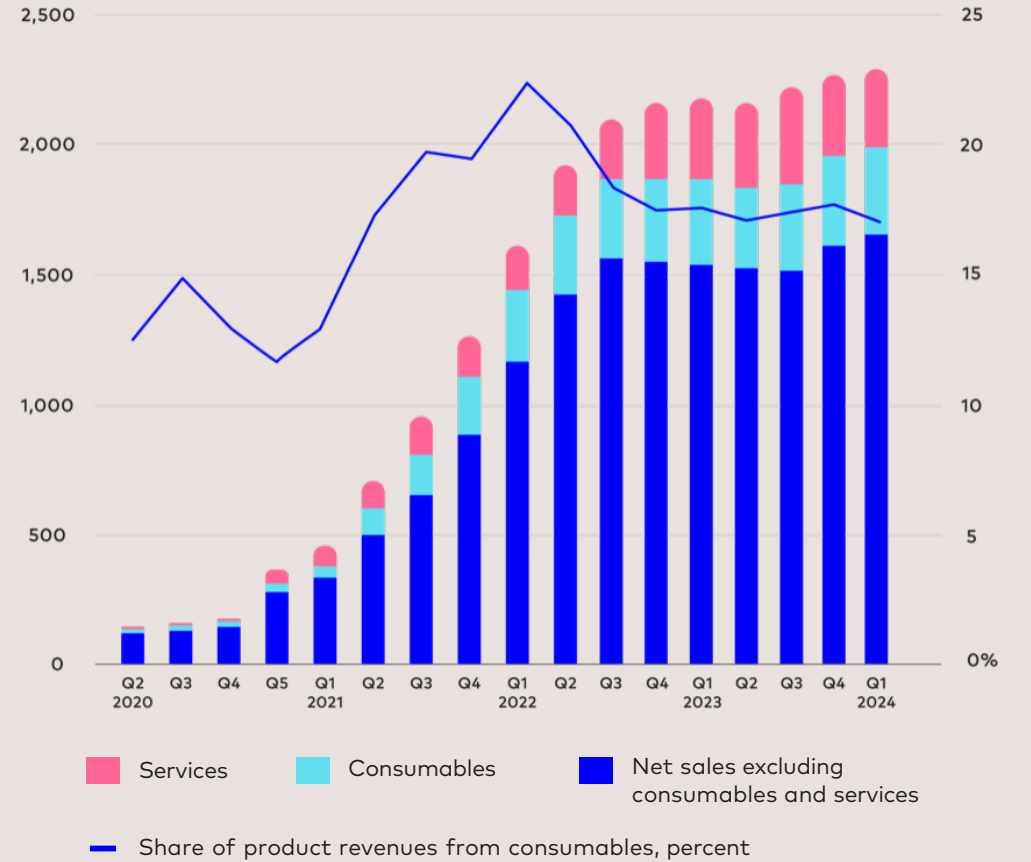
-29

NET PROFIT/LOSS  
SEK m

# Q1 2024

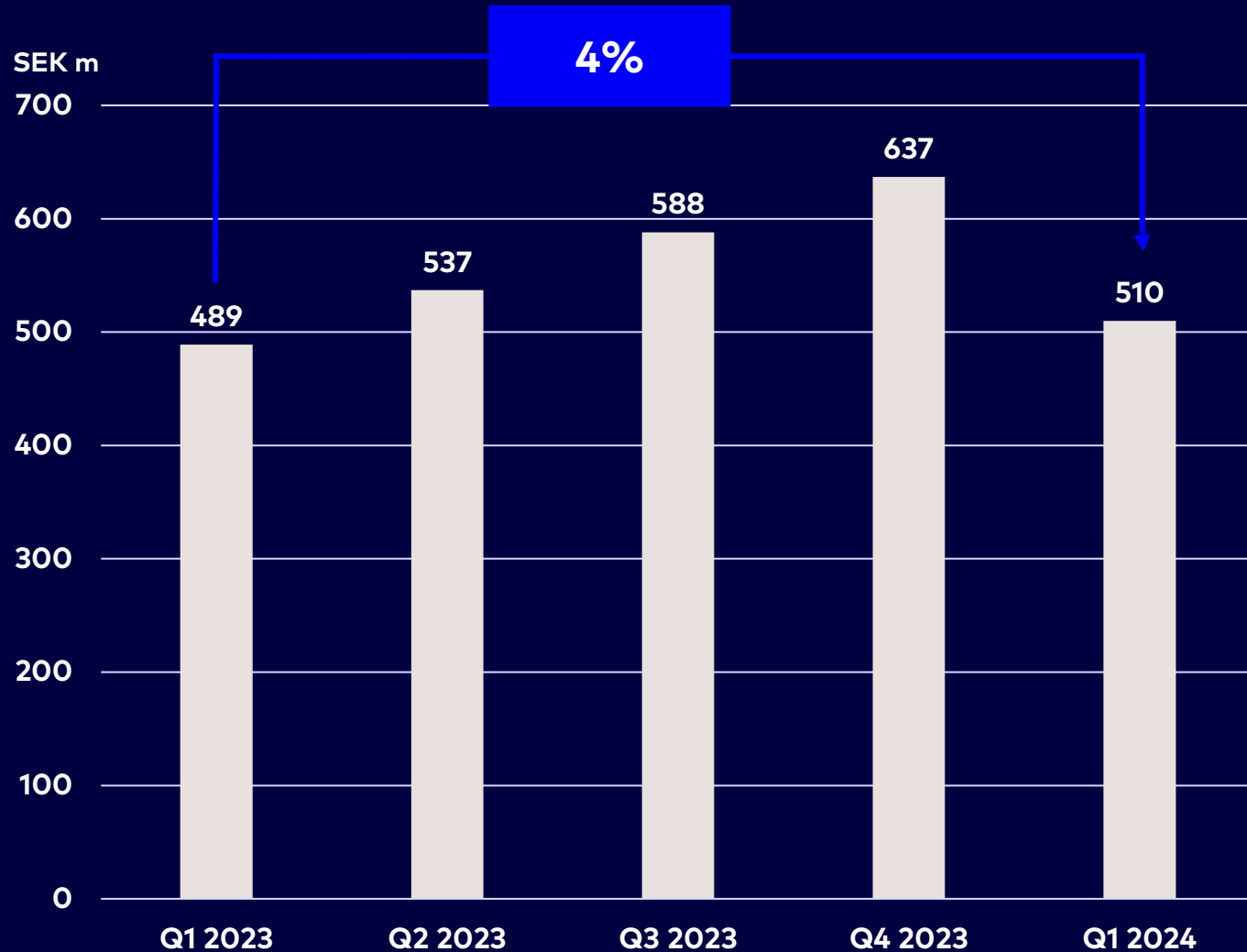
## NET SALES

SEK m / ROLLING 12 MONTHS





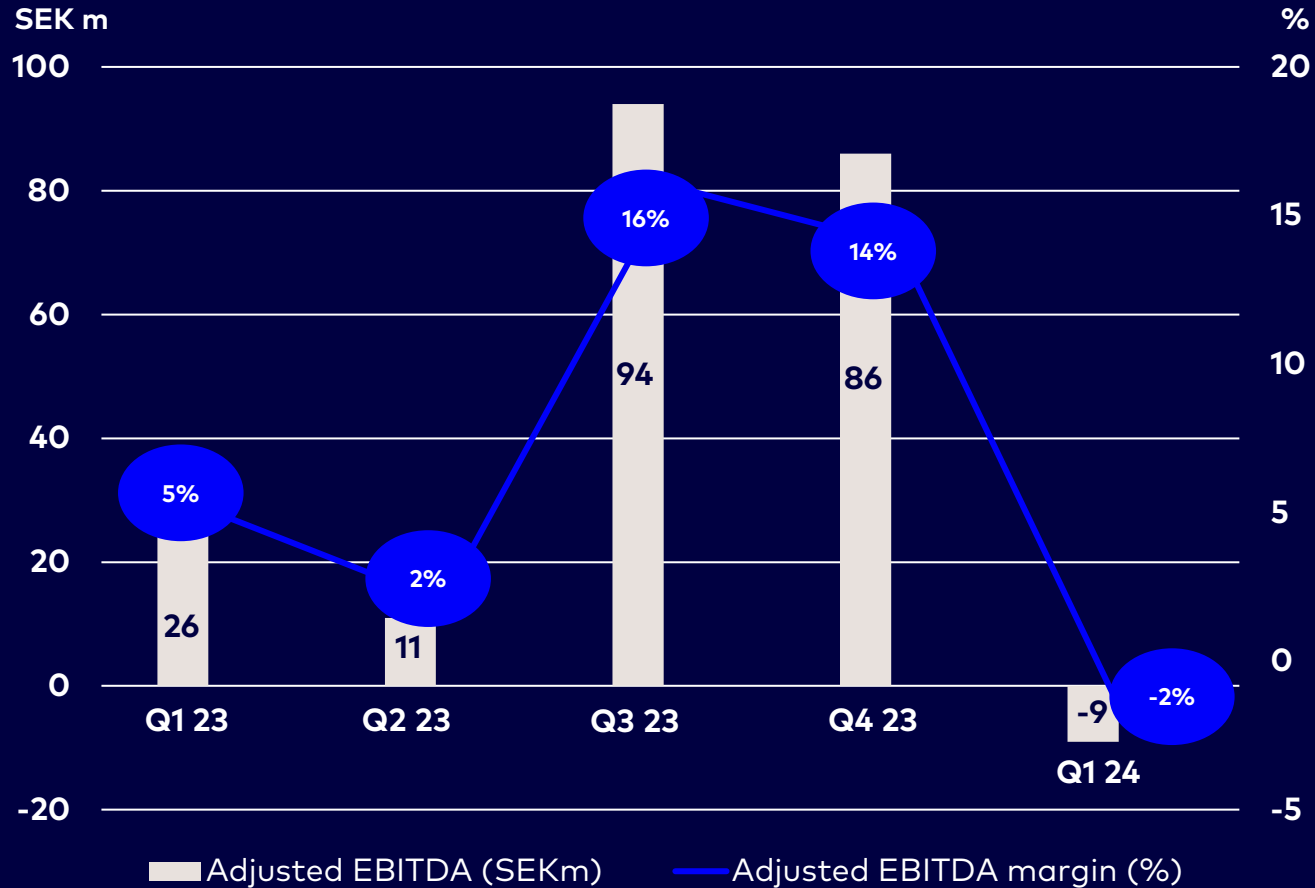
# Sales Development (SEKm)



- Mixed sales performance from our business areas, where Biosciences delivered strong sales levels.
- Historically Q1 seasonally normally a seasonally weak quarter, and this was not an exception for the Bioprinting and Bioautomation businesses with weak development in CELLINK and SCIENION.
- Strong sales levels for Biosciences.
- The indications of slower business in the Academia and Diagnostic segments were continued during Q1 2024.
- Geographical differences in demand. Sales in North America and Europe beginning to show positive signs, whereas Asia remained softer.



# Adjusted EBITDA (SEKm) and Margin (%)



- Softer business in Bioprinting and Bioautomation, primarily CELLINK and SCIENION had a negative impact.
- The strong sales from Biosciences compensated to a certain extent.
- Staying on course with cost control for the Group guiding for the quarter and will continue to be.



# Comment on Cash Flow, Working Capital and Financial Position

- Cash flow from operating activities for Q1 amounted to SEK -17m
- This includes a positive effect from changes in working capital of SEK 27m
  - Operating receivables decreased by SEK 163m
  - Inventories decreased by SEK 22m
  - Operating liabilities decreased by SEK 158m
- Investments in tangible CAPEX amounted to SEK 8m
- Investments in intangible CAPEX amounted to SEK 8m
- Earn-out payments amounted to SEK 28m in the quarter. Total estimated remaining earn-out payments amounts to SEK 20m
- Total cash flow during Q1 amounted to SEK -77m and cash reserves by March 31, 2024, amounted to SEK 796m.

JANUARY-  
MARCH 2024

CASH FLOW FROM OPERATING ACTIVITIES

**-17**  
SEK m

CHANGE IN WORKING CAPITAL, NET

**27**  
SEK m

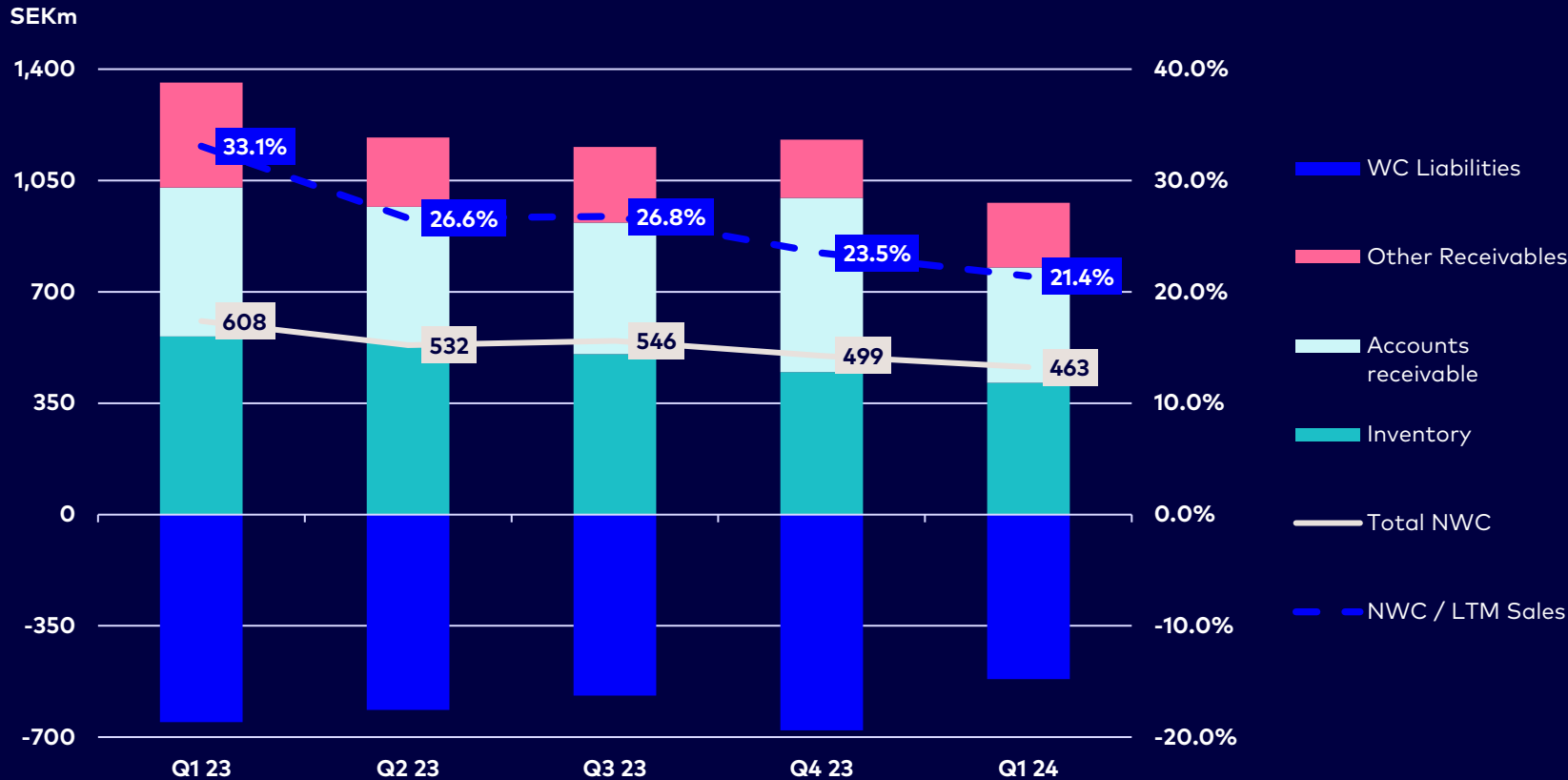
CASH AND CASH EQUIVALENTS PER MARCH 31, 2024

**796**  
SEK m





# Development in Net Working Capital between Q1 2023 and Q1 2024



- Between Q1 2023 and Q1 2024, NWC decreased from SEK 608m to SEK 463m
- Main drivers for this development include;
  - Account receivables improved from SEK 442m to SEK 362m, an improvement by SEK 80m
  - Inventories decreased from SEK 506m to SEK 414m, an improvement of SEK 92m
  - WC liabilities increased modestly by SEK 26m
- Total improvements amounted to SEK 145m, or a decrease from around 33% to around 21% of net working capital/LTM Sales



# Business Areas

## Q1 2024

# Bioprinting

JANUARY – MARCH 2024

113

NET SALES  
SEK m

-21

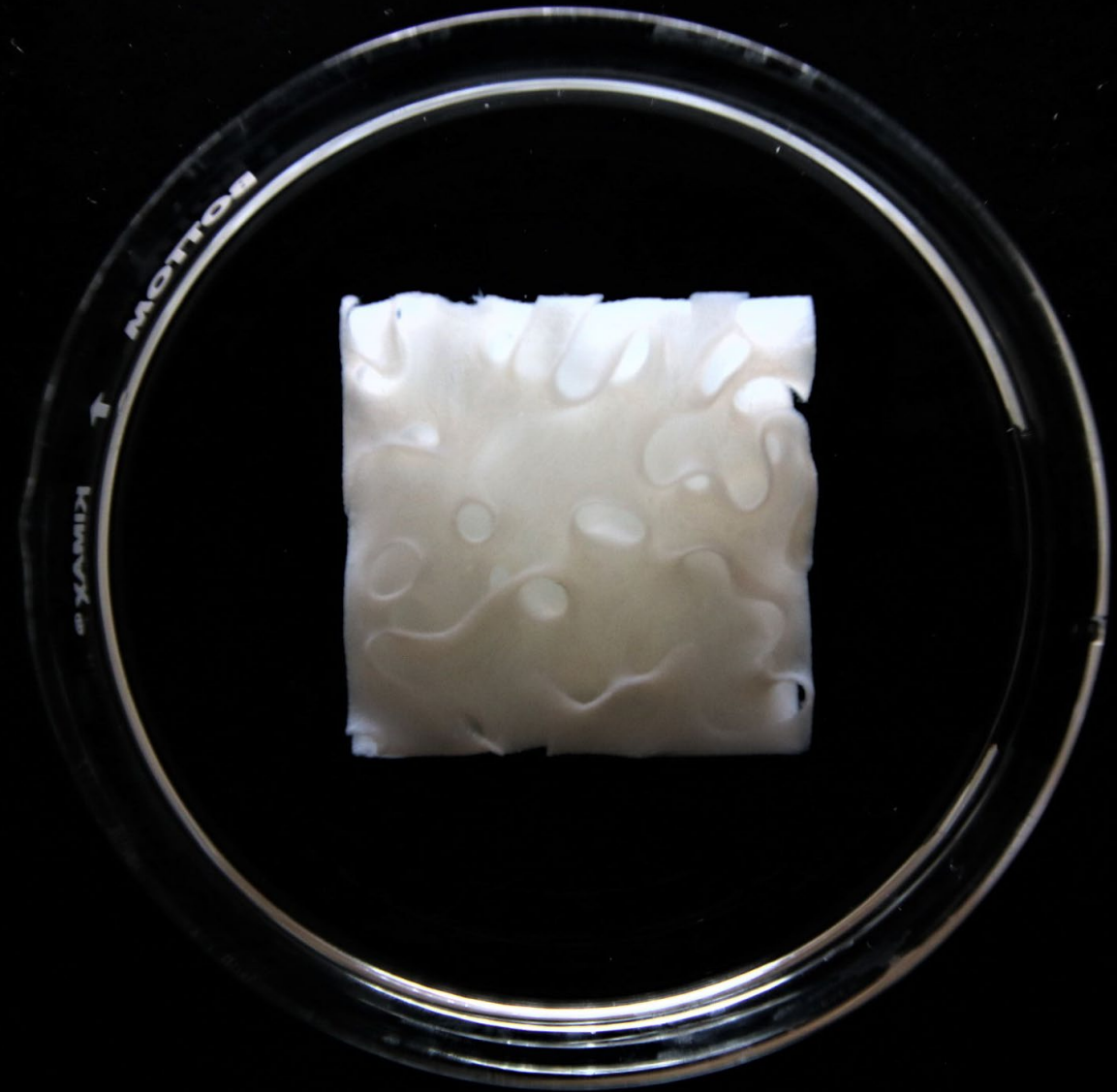
ORGANIC GROWTH  
%

-21

ADJUSTED EBITDA  
SEK m

-19

ADJUSTED EBITDA  
MARGIN  
%







# Biosciences

JANUARY – MARCH 2024

313

NET SALES  
SEK m

36

ORGANIC GROWTH  
%

35

ADJUSTED EBITDA  
SEK m

11

ADJUSTED EBITDA  
MARGIN  
%



# Bioautomation

JANUARY – MARCH 2024

84

NET SALES  
SEK m

-27

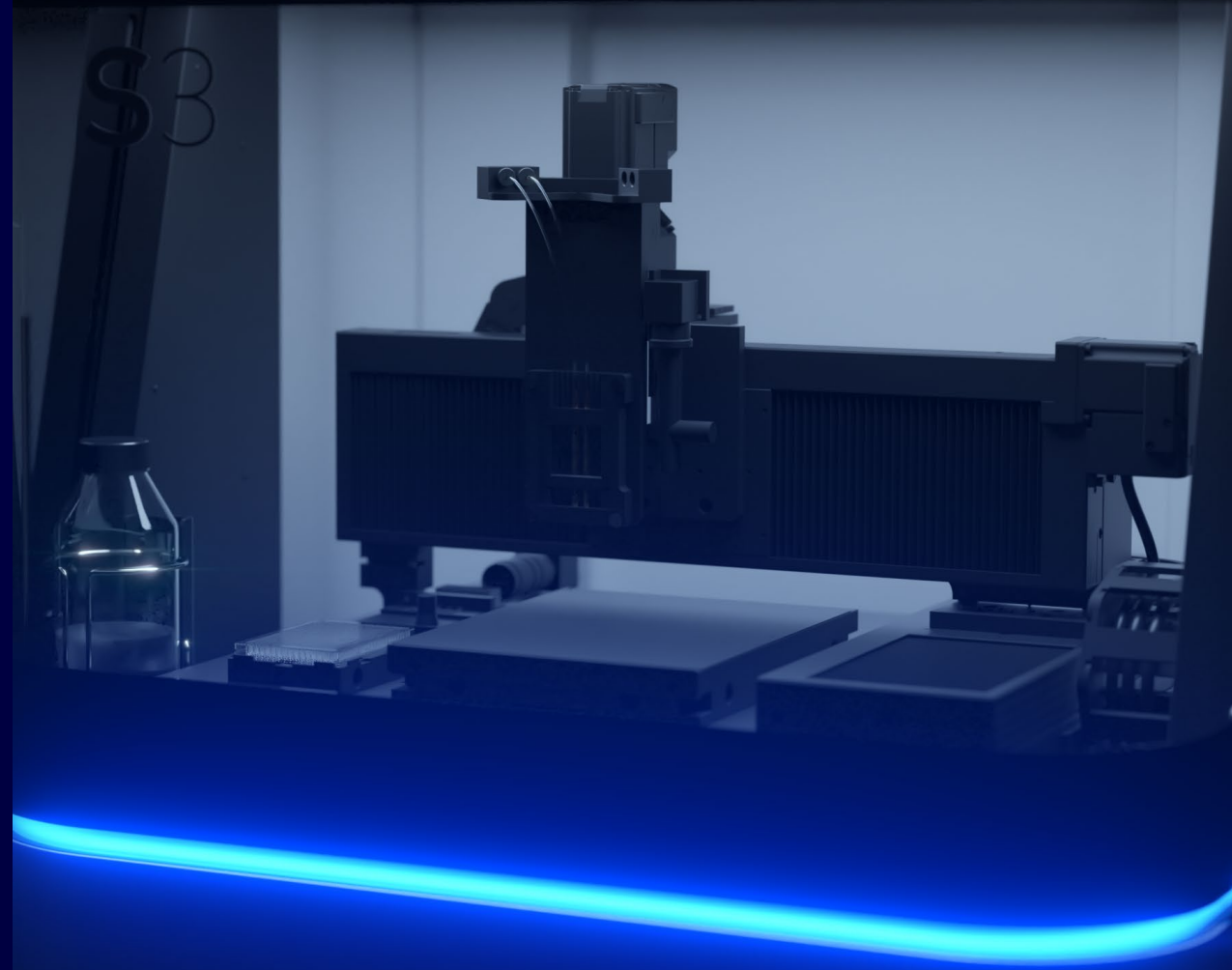
ORGANIC GROWTH  
%

6

ADJUSTED EBITDA  
SEK m

8

ADJUSTED EBITDA  
MARGIN  
%





**Q&A**







**JOIN THE  
BIO-CONVERGENCE  
REVOLUTION **



## Financial Calendar



**MAY 20, 2024**  
Annual General Meeting 2024



**AUGUST 20, 2024**  
Interim Report Q2, 2024



**SEPTEMBER 2024**  
Capital Markets Day 2024



**NOVEMBER 13, 2024**  
Interim Report Q3, 2024



**FEBRUARY 19, 2025**  
Year-end report 2024

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Bioconvergence is an emerging industry segment within healthcare and life sciences that emphasizes the convergence between multidisciplinary fields of research such as engineering, computerized systems, robotics, artificial intelligence, big data and biology. BICO is creating the future of life-saving treatments by aiming to reduce the organ shortage and speeding up drug development.







**Brico** 