



Brico

Q3 2023 EARNINGS CALL
—
NOVEMBER 14, 2023



ERIK GATENHOLM / PRESIDENT AND CEO



JACOB THORDENBERG / CFO





AGENDA NOVEMBER 14, 2023

- » Summary Q3 2023
- » Financial performance
- » Performance per business area
- » Outlook
- » Q&A



Growth and improved profitability

Continued stable sales levels despite a slower market.

Improved profitability and positive EBITDA.

Divestment of Ginolis.

587.2

NET SALES
SEK m

6.6

ORGANIC GROWTH
%

69.2

ADJUSTED EBITDA
SEK m

11.8

ADJUSTED EBITDA
MARGIN
%

3.6

CASH FLOW FROM
OPERATING ACTIVITIES
/ SEK m



Financial performance

FINANCIAL PERFORMANCE

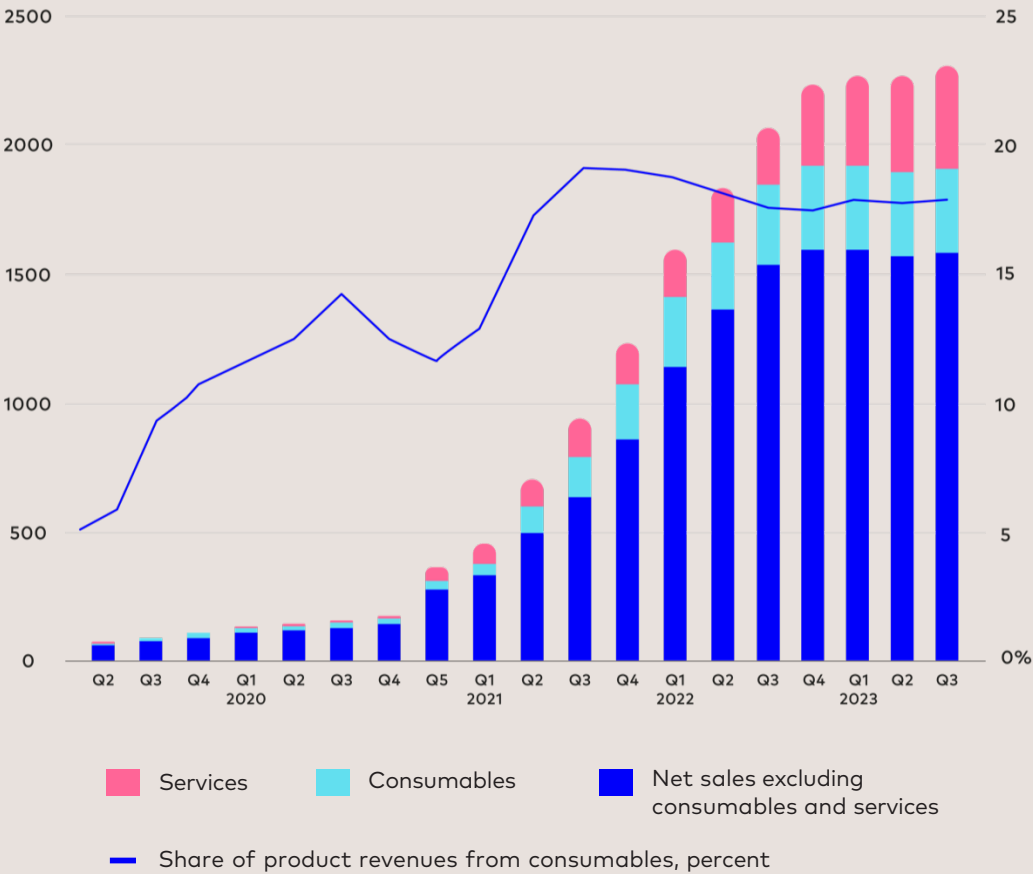
JULY – SEPTEMEBER 2023

❧	587.2	❧	6.6
NET SALES SEK m		TOTAL SALES GROWTH %	
❧	69.2	❧	64.2
ADJUSTED EBITDA SEK m		EBITDA SEK m	
❧	69.2	❧	-70.2
GROSS MARGIN %		NET PROFIT/LOSS SEK m	

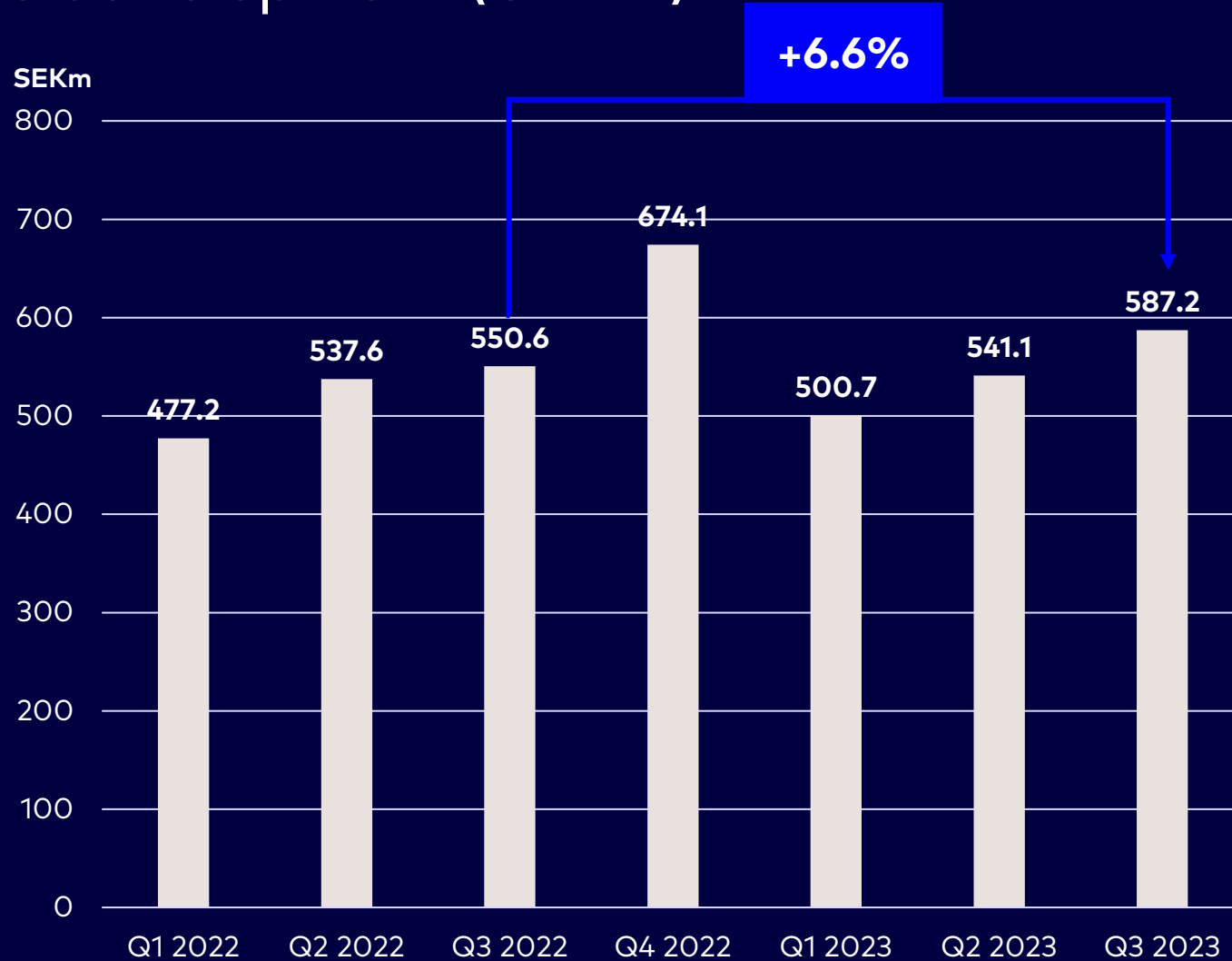
Organic growth amounted to 6.6% (27.8%) and amounted to 16.3% (29.6%) excluding Ginolis.

Q3

NET SALES
SEK m / ROLLING 12 MONTHS



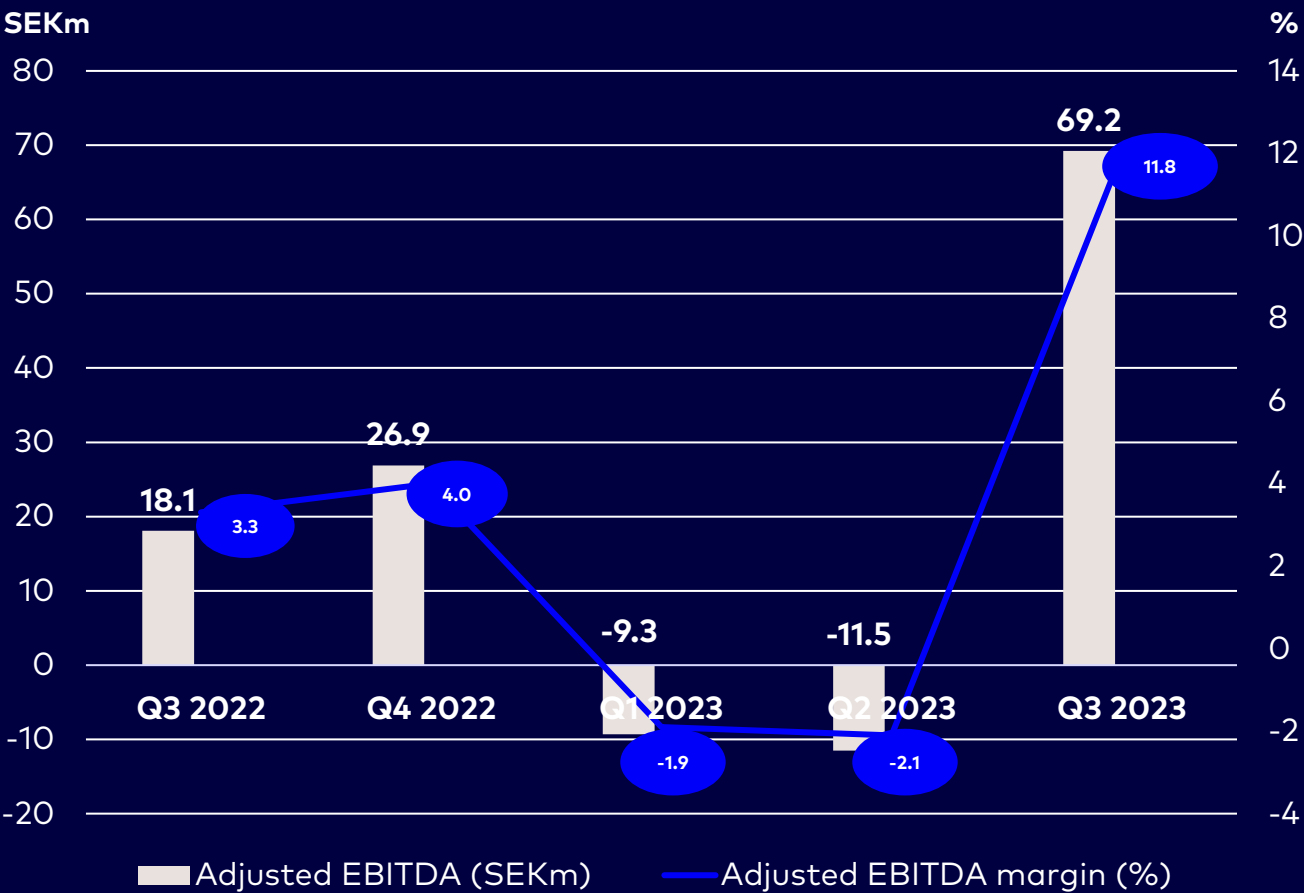
Sales development (SEKm)



- Sales for Q3 amounted to SEK 587m, corresponding to an organic growth of 6.6% and 1.9% excluding currency effect.
- Excluding Ginolis organic growth amounted to 16.3%
- Growth in the quarter was a result of sales focus and currency tailwind of 4.7%



Adjusted EBITDA (SEKm) and margin (%)



- The group delivered an adjusted EBITDA of SEK 69m corresponding to a margin of 12%.
- The Bioprinting and Biosciences business areas showed healthy profitability.
- Bioautomation is still being hampered by the negative effect of Ginolis and post-pandemic normalization.
- Focus on cost control throughout the group and the right sizing tied to the cost-savings program is showing effect.
- Seasonal volume effects also contributed positively resulting in higher operational efficiency.



Divestment of Ginolis, financial impact in Q3 and estimated financial impact in Q4, 2023

- Management buy-out to Ginolis' current CEO and the purchase price amounted to €1, completed in November 2023.
- The rationale behind the divestment is that the company has not transitioned fast enough to mitigate the post-pandemic downturn. Ginolis has been right sized during 2023, but order intake has not been restored according to expectations.
- IP-rights and licenses related to the patented PMBi dispensing pump has been carved out from the transaction and transferred to BICO.
- Ginolis House will also be carved-out from the transaction. Closing is subject to establishment of a Finnish entity with real estate VAT registration at the Finnish tax authorities. BICO is entitled to 70 percent of net proceeds if the company is sold within three years after closing.
- The transaction is estimated to result in a divestment loss of SEK -25m, which is a non-cash item. Final divestment result will be reported and disclosed in the Q4 report.

- Excluding Ginolis, organic growth for the quarter amounted to 16.3%, decreasing organic growth by 9.7 percentage points.
- Excluding Ginolis, adjusted EBITDA for the quarter amounted to SEK 97.1m, decreasing the margin by 4.8 percentage points.

July-September (Q3) 2023

SEK m	Including Ginolis	Excluding Ginolis
Net sales	587.2	583.9
Organic growth, %	6.6%	16.3%
Adjusted EBITDA	69.2	97.1
Adjusted EBITDA margin, %	11.8%	16.6%

January-September 2023

SEK m	Including Ginolis	Excluding Ginolis
Net sales	1,629.0	1,607.8
Organic growth, %	3.6%	11.7%
Adjusted EBITDA	49.7	137.9
Adjusted EBITDA margin, %	3.1%	8.6%



Comment on cash flow, working capital and financial position

- Cash flow from operating activities for Q3 amounted to SEK 4m
- This includes a negative effect from increase of working capital of total SEK 24m
 - Operating receivables increased with SEK 46m
 - Inventories decreased by SEK 21m
 - Operating liabilities increased by SEK 1m
- Investment in tangible CAPEX amounted to SEK 36m in Q3, of which investments into our facilities in Oulu, Finland and Berlin, Germany comprised SEK 10m.
- Investments in intangible CAPEX, mainly product development amounted to SEK 34m.
- Earn-out payments amounted to SEK 35m in the quarter. Remaining earn-out payments amounts to estimated SEK 69m.
- Total cash flow during Q3 amounted to SEK -127m, decreasing total cash reserves to SEK 562m per September 30, 2023.
- BICO cash balance remains strong and will be further strengthened with approximately EUR 21m in Q4 when the divestment of the building in Berlin is expected to close.

JULY – SEPTEMBER 2023

CASH FLOW FROM OPERATING ACTIVITIES



3.6

SEK m

CHANGE IN WORKING CAPITAL, NET



-23.7

SEK m

CASH AND CASH EQUIVALENTS PER SEPTEMBER 30



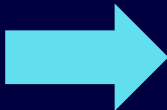
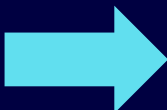
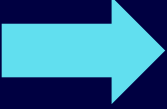
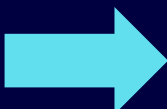
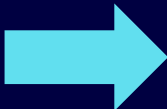
562.0

SEK m



One year's focus on: strengthening profitability and cash flow

DEVELOPMENT: Q3, 2022 TO Q3, 2023

- | | | | |
|----|--|---|--|
| 1/ | Cost savings program that targets reducing expenses in excess of SEK 100m on a 12-month basis in the four loss-making companies and Group common costs. |  | Status Q3, 2023: Cost savings program completed. Cost control throughout the group and swift actions on companies not performing in line with expectations. |
| 2/ | Activities to improve working capital with stricter payment terms in some companies, and use of collection agencies to ensure timely payments. |  | Status Q3, 2023: This is an area where we are working hard but has not yet reached target levels. Negative impact in Q3 due to increased contract assets and larger projects awaiting invoicing milestones. |
| 3/ | Establish factoring solutions for some of the companies at the beginning of 2023. |  | Status Q3, 2023: Introduced in some of the European companies in Q1, 2023. Factoring in Q3 amounted to SEK 5m. |
| 4/ | Reduce inventory following large proportion of deliveries to customers. We are also reviewing the safety stock levels for components to optimize inventory levels. |  | Status Q3, 2023: The Group's inventories are still at elevated levels. Re-negotiating volume commitments, continued inventory management review and preferred supplier list work. |
| 5/ | Facility financing regarding our buildings in Oulu, Finland and Berlin, Germany and evaluation of several options. |  | Status Q3, 2023: <i>Berlin:</i> BICO is waiting for approval of customary process from the city of Berlin. Estimated to be completed in Q4, 2023 with a cash flow contribution of EUR 21m.
<i>Oulu:</i> Building carved out as part of divestment. BICO actively seeks to lease out and is evaluating the opportunity to divest. |



Performance per business area

Bioprinting

JULY-SEPTEMBER 2023

169.2

NET SALES
SEKm

16.1

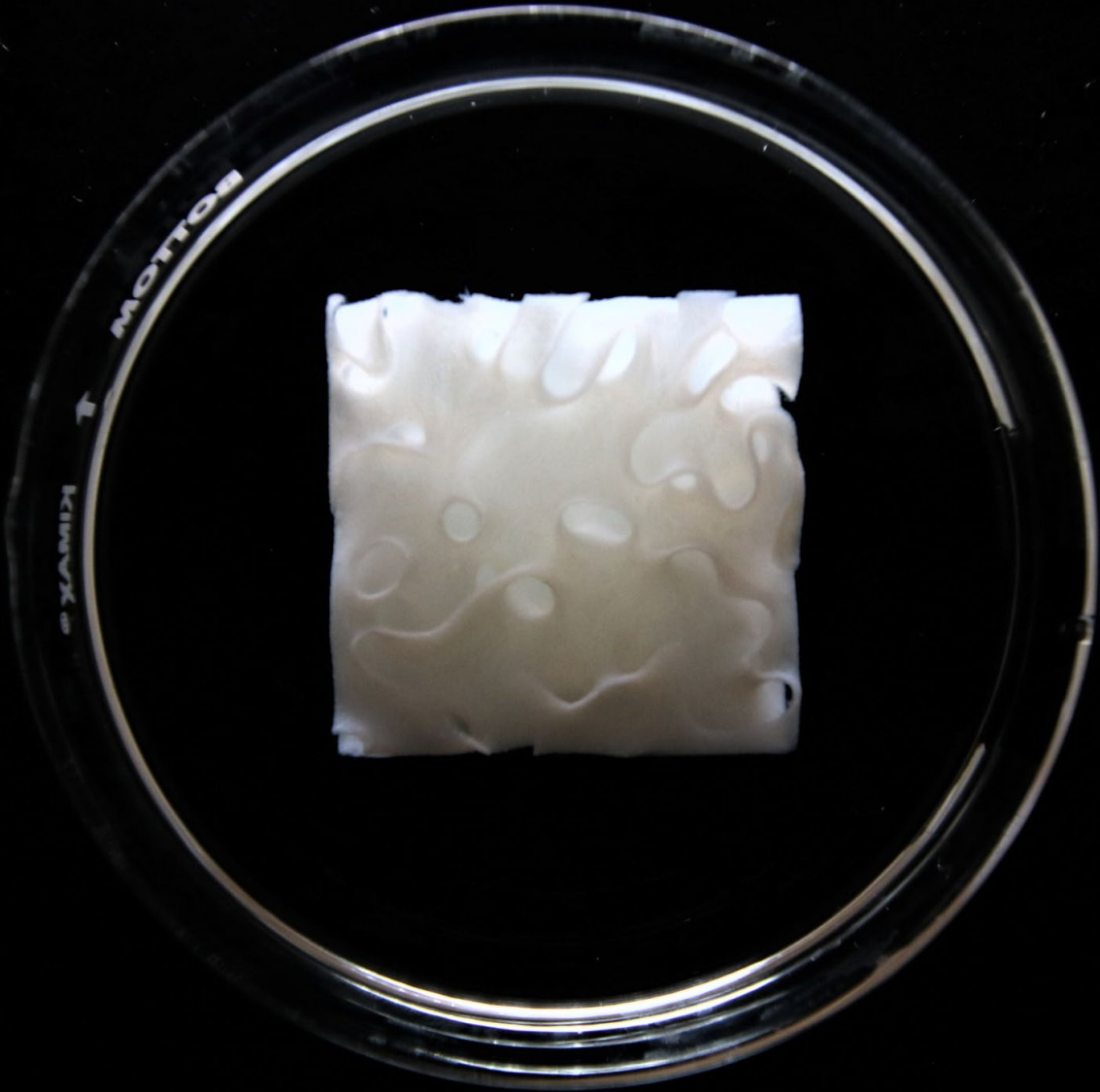
ORGANIC GROWTH
%

39.9

ADJUSTED EBITDA
SEK m

23.6

ADJUSTED EBITDA
MARGIN
%





PERFORMANCE PER BUSINESS AREA

Biosciences

JULY-SEPTEMBER 2023

295.1

NET SALES
SEKm

25.2

ORGANIC GROWTH
%

65.8

ADJUSTED EBITDA
SEK m

22.4

ADJUSTED EBITDA
MARGIN
%



Bioautomation

JULY-SEPTEMBER 2023

123.1

NET SALES
SEKm

-27.3

ORGANIC GROWTH
%

-11.8

ADJUSTED EBITDA
SEK m

-9.6

ADJUSTED EBITDA
MARGIN
%

Excluding Ginolis, Bioautomation performed as follows in Q3:
Net sales amounted to SEK 119.8m. Organic growth amounted to -0.5%. Adjusted EBITDA amounted to SEK 16.0m, corresponding to a margin of 13.4%.



Outlook

Focus ahead

Maria Forss will assume her position
on November 20, 2023
as new President and CEO of BICO.

Q4 2023 focus

1. Continue the transformation towards profitability and activities to strengthen financial position
2. Proactive cost control and working capital improvements across the Group



Q&A

Telephone conference

If you joined via telephone conference, you have the possibility to ask questions verbally by pressing * five, on your telephone keypad, to enter the queue.

Webcast

if you joined via webcast, you have the possibility to send in written questions through the chat below.





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Financial calendar



FEBRUARY 20, 2024
Year-end report 2023



MARCH 15, 2024
Annual Report 2023



MAY 7, 2024
Interim report Q1, 2024



MAY 20, 2024
2024 Annual General Meeting

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Bioconvergence is enabling the future of health

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.



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