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PRESSRELEASE

STILLE AB: INTERIM REPORT Q2 2020

Stille AB (publ) publishes report for the first half of and second quarter of 2020. “Positive tendencies in an otherwise tough quarter”, summarizes CEO Hanna Ernestam Wilkman.

Revenue in the second quarter was negatively affected by COVID-19 and decreased by 20.4 percent compared to the same quarter previous year. Revenue amounted to 29.3 MSEK (36.8). The operating profit decreased to -1.5 MSEK (5.1) and was negatively impacted by items affecting comparability of 5.4 MSEK following depreciation of stock and a weakened US dollar. Simultaneously, the operating profit was positively impacted by economic relief packages relating to COVID-19 by 2.6 MSEK.

It has been a tough quarter but we can still see positive tendencies where the *Surgical Instruments* business area has continued its growth in the US during the quarter, and the product line *Medstone* within the *C-arm Tables* business area displays growth in the first half of 2020, explains Hanna Ernestam Wilkman and continues. The decline in revenues primarily derives from a reduced demand for the product line *imagiQ* within the *C-arm Tables* business area following the healthcare system’s reprioritization to fight the pandemic.

The queues for planned surgeries are growing worldwide and the demand for Stille’s products will gradually return as the pandemic slows down, it is however difficult to specify when that is. For that reason, Hanna Ernestam Wilkman estimates that results and cashflow will be lower or significantly lower in the third quarter compared to the same record quarter in 2019.

We continue our efforts in balancing the effects of this through cost reductions where possible and continue our work to ensure future product leadership, says the CEO and concludes. It is a tough quarter we are now leaving behind us. As we move forward our focus remains to be the health and employment of our employees, and generating growth and profitability.

CONTINUED GROWTH FOR SURGICAL INSTRUMENTS IN THE US. C-ARM TABLES NEGATIVELY AFFECTED BY COVID-19.

- Revenues amounted to 29.3 MSEK (36,8).
- Gross margin amounted to till 28.9 percent (43.6).
- Operating profit amounted to -1.5 MSEK (5.7), equal to an operating margin of 5.1 percent (15.5).
- Net income amounted to -2.0 MSEK (4.1), equal to -7.0 percent (11.1).
- Cashflow from current operations amounted to 0.6 MSEK (6.9).
- During ongoing efforts to increase efficiency, decision was taken to stop offering certain low volume table models and surgical instruments. In total, this has depreciated stock and negatively affected the operating profit with 3.0 MSEK.
- Operating profit was positively impacted by economic relief packages relating to COVID-19 by 2.6 MSEK.

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jul-Jun 2019/2020	Jan-Dec 2019
Revenue, MSEK	29,3	36,8	66,1	75,2	147,6	156,7
Operating Margin, %	-5,1	15,5	4,9	17,7	12,5	18,2
Operating Profit	-1,5	5,7	3,3	13,3	18,5	28,5
Profit Before Tax, MSEK	-2,4	5,5	3,1	13,4	18,5	28,8
Net Income, MSEK	-2,0	4,1	2,3	10,1	15,2	22,9
Earnings per Share, SEK	-0,42	0,84	0,48	2,08	3,14	4,74

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STILLE AB (publ) develops, manufactures and markets medical devices for surgeons across the world. Stille was founded in 1841 and is one of the world’s oldest medical device companies. Stille’s main business areas are surgical instruments and c-arm tables. Stille’s surgical instruments are mostly used during different kinds of open surgery. During minimal invasive procedures, the c-arm tables imagiQ2 and Medstone are key products. The company has a strong brand and products of a renowned high-quality.

The share is listed on First North Growth Market under the acronym “STIL” with Eminova AB as Certified Adviser. Eminova Fondkommission AB, + 46 8 684 211 10, adviser@eminova.se. This information is such information that Stille AB is obliged to disclose according to the EU’s market abuse regulation. The information was, through the agency of the contact person above, rendered for publication on August 20th 2020, kl. 08.00 (CET).

For more information about Stille visit www.stille.se