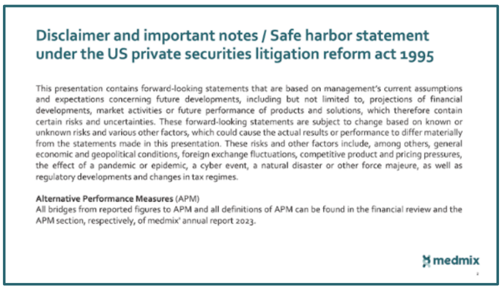
# MEDMIX FULL-YEAR RESULTS 2023 | WEBCAST SCRIPT

## SLIDE 1 | COVER PAGE


[Operator opens the webcast and hands over to James Amoroso]

## SLIDE 2 | DISCLAIMER




My name is James Amoroso, Head of Investor Relations at medmix. I am joined by Girts Cimermans, our CEO, and Jenni Dean, our CFO. In the interests of brevity, we will assume that you have read the disclaimer on this slide regarding forward-looking statements.

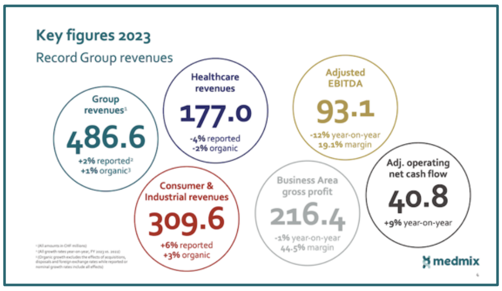
With that, I will now hand over to Girts.

## SLIDE 3 | BUSINESS REVIEW


Good morning, everyone!

I am very pleased, together with Jenni Dean, our CFO, to update you on medmix' progress in 2023 as well as give you some insights into 2024.

## SLIDE 4 | KEY FIGURES 2023




First of all, I would like to say I am very proud of our teams' achievements over the past year, delivering record Group revenues and excellent operating performance in an ongoing volatile environment. I want to take the opportunity to thank them for their ongoing loyalty and hard work.

On slide 4, you can see our key figures for the year.

As a group, we delivered positive revenue growth, on a reported basis and organically.

Revenues of our Consumer & Industrial business area grew in mid-single digits, supporting overall Group revenue growth. Healthcare revenues declined as a result of Dental destocking. We also delivered Group adjusted EBITDA in line with our revised guidance.

You will also see a new KPI on this slide: Adjusted operating net cash flow.

We have decided to disclose this parameter as it embodies one of management's key operating objectives, along with organic revenue growth and adjusted EBITDA margin.

Together, these three parameters form the basis of our short-term management incentive scheme.

As you see, we were able to generate a significant year-on-year increase in our adjusted ONCF. Jenni will go into more detail later.

## SLIDE 5 | HIGHLIGHTS 2023


On slide 5, you see the key highlights from the past year.

Drug Delivery market segment continued its strong organic growth path, while Surgery market segment accelerated year-on-year in the second half to reach another record.

Beauty market segment ended the year strongly even as the pace of product launch activity eased compared to the first half.

Dental market segment destocking effects continued into the second half, as we explained in October. As Dental end markets are continuing to grow, we expect our customers' order patterns to normalize during 2024.

Industry market segment revenue slowed towards the year end as customers were faced with lower demand and higher interest rates.

All the while, we continued to invest in our future growth and profitability.

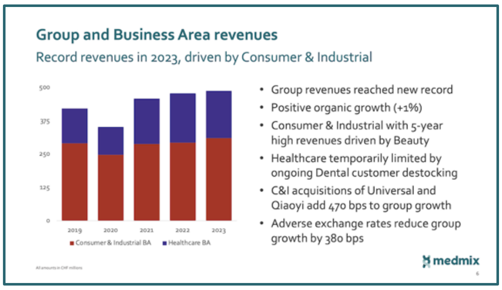
Our new Industry market segment plant in Spain is now able to produce our full product range, and our focus is on increasing production efficiency.

Our Healthcare growth investments in Atlanta are on track and the new plant is due to begin operations towards the middle of this year.

We successfully acquired and integrated Qiaoyi into our Beauty market segment, providing us greater access to Asia, and especially China, the second-largest cosmetics market in the world.

Last but not least, we took a 25% stake in AARDEX, a software-as-a-service company that focuses on medication adherence control in clinical trials. AARDEX is involved in phase one clinical trials, providing medmix the opportunity to engage with Drug Delivery customers much earlier in the product development process.

## SLIDE 6 | GROUP AND BUSINESS AREA REVENUES




On slide 6, you see our revenue development as a Group and by Business Area. For more details, let's turn to Slide 7.

## SLIDE 7 | MARKET SEGMENT REVENUES AND ORGANIC GROWTH

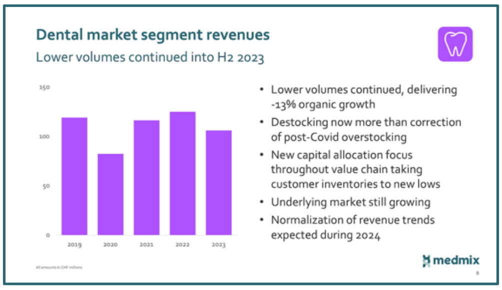

Within the Healthcare Business Area, Drug Delivery and Surgery market segments both delivered record revenue and strong double-digit organic growth of 19% and 34% respectively. Drug Delivery was supported by robust device revenue, while Surgery's year-on-year growth was even stronger in the second half at 42%.

By contrast, Dental revenue declined -13% as a result of continued customer destocking.

Within the Consumer & Industrial Business Area, the excellent 17% performance from the Beauty market segment more than offset the expected decline in the Industry market segment.

Beauty market segment growth was driven primarily by several customer product launches in the first half, while the decline in Industry was primarily due to the continued unavailability of certain products and a softening of end markets towards the year end.

## SLIDE | 8 DENTAL MARKET SEGMENT REVENUES




Let's look at each market segment in more detail, starting with Dental on slide 8.

On this chart, you can clearly see the different phases of the volatility that covid injected into our Dental business that is traditionally known for its stability and predictability.

First came the dip in 2020 as dental surgeries closed. Then came the positive correction after the pandemic in 2021 and ahead of our price increases in the first half of 2022.

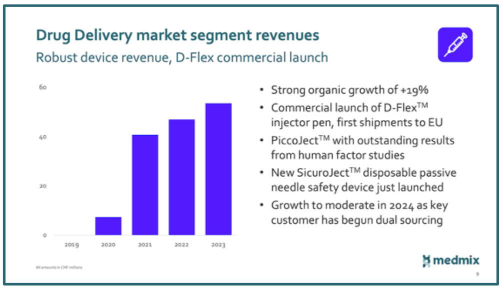
Destocking then began in the second half of 2022 and continued into the first half of 2023.

In the second half of 2023, a new phase of destocking began that went beyond a mere correction.

Dental market participants throughout the value chain, end users and direct customers, began to adopt a new capital allocation focus prompted by higher interest rates. As global supply chains stabilized, holding large inventories and high safety stocks became increasingly unnecessary as well as expensive, so stocks were further reduced.

Given that the Dental end market has continued to grow throughout 2023, albeit at a more modest rate, we expect a normalization of our revenues over the course of 2024, as customer inventories reach a new equilibrium.

## SLIDE 9 | DRUG DELIVERY MARKET SEGMENT REVENUES




Let's move now to Drug Delivery on slide 9.

We acquired Haselmeier in 2020, when we consolidated just 3 months. Every year since then, we have delivered record sales, and last year was no exception.

This ongoing solid growth reflects our strong device revenue and project acquisition.

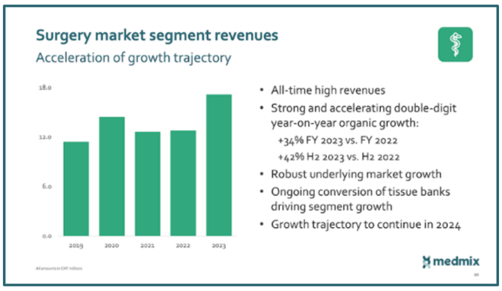
The first D-Flex pens were delivered by our launch customer for a generic drug in Q4 2023. D-Flex was chosen for its unique benefits.

The PiccoJect platform is also fully ready. We carried out three human factor studies last year, comparing PiccoJect to other devices. What we have seen is an overwhelming end user preference for PiccoJect. In particular, its small size makes it easier for patients to hold the device and administer the drug. Yet the syringe size is just as big as in competitor products.

We also launched a brand-new product, called SicuroJect, at the Pharmapack trade exhibition in Paris last month. I will discuss this later with other Group innovations.

In 2024, we expect a reduction in the overall rate of growth for the Drug Delivery market segment as result of the dual source strategy of a key customer.

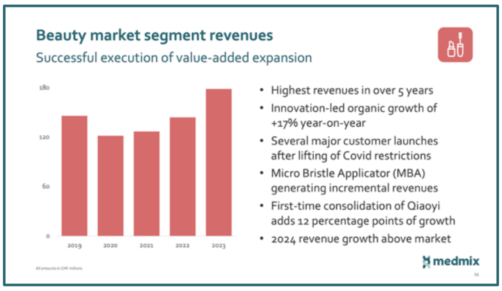
## SLIDE 10 | SURGERY MARKET SEGMENT REVENUES




Next, on slide 10, we turn to the Surgery market segment, which delivered strong double-digit year-on-year organic growth, and all-time high revenues.

Apart from robust underlying end market growth, a key driver of the market segment has been the successful conversion of tissue banks from traditional bulk bags of allograft to medmix delivery devices. Our delivery system is more convenient for surgeons, driving its popularity. As we look into 2024, we feel confident that this market segment's strong growth will continue.

## SLIDE 11 | BEAUTY MARKET SEGMENT REVENUES




The Beauty market segment, on slide 11, delivered exceptionally strong growth in 2023 and achieved its highest revenues since 2018.

The market segment's organic growth of 17% was far above the market and driven by innovation.

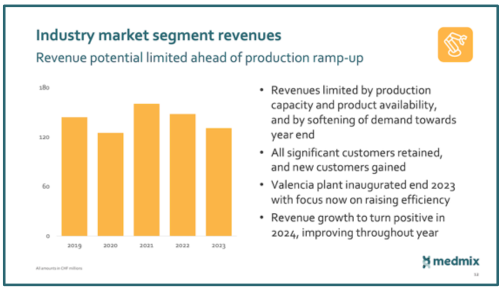
The first half of the year benefited from several customer product launches which had previously been put on hold due to covid restrictions. As we indicated last July, growth moderated in the second half but remained strong and at least in line with its end markets.

Through our innovative Micro Bristle Applicator, we successfully entered new cosmetic fields outside medmix' core eyelash applications.

Our acquisition in China, Qiaoyi, added CHF 17 million of revenue and around 12 percentage points of market segment growth. Qiaoyi's product range complements that of GEKA and gives us access to the fast-growing and dynamic Asian and China markets.

In 2024, we expect Beauty's growth to continue, though at a more moderate pace, driven by ongoing customer launch activities as well as our own initiatives. The market segment will also benefit from the full year consolidation of Qiaoyi.

## SLIDE 12 | INDUSTRY MARKET SEGMENT REVENUES




The Industry market segment, on slide 12, declined organically by -10% year-on-year. The market segment was impacted by the effects of the relocation of production from Poland to Spain, the unavailability of certain products, and the softening of end markets

Despite these constraints, the market segment retained all customers and even gained new business.

Looking at the main end markets:

1. The transportation sector performed well throughout 2023, fueled by EV and specialty transportation as well as a recovery in aerospace.
2. The construction sector started the year well but slowed down in the second half of the year.
3. The electronics sector was soft throughout the year but saw an uptick in mobile phone shipments in the final quarter.

It is unclear when the electronics and construction end markets will return to growth in 2024. We nonetheless expect a progressive recovery of our revenues thanks to our new production facility in Spain which I shall discuss on the following two slides.

## SLIDE 13 | GRAND OPENING OF 14,500M² INDUSTRY PLANT IN VALENCIA


On slide 13, you can see pictures from the grand opening ceremony in November last year to which we invited all our key customers.

As you might remember, in May 2022, we were forced to suspend operations at our manufacturing site in Poland.

Thanks to a superhuman group-wide effort, in May 2023, we produced the first test parts, and in the Fall, we started commercial shipments, from a new factory in a new country with a new workforce.

On the left of this slide, you can see two gentlemen looking very happy and proud – with justification, I might add. They are our Head of Industry, Roman Thönig, and Multi-Site Operations Lead, Sebastian Madej. Sebastian previously managed the factory in Poland and brought his entire senior team with him to Spain to set up the new facility.

It still impresses me today that the factory we leased in January 2023 didn't even have a floor, and yet by the end of June we were already running full-scale production trials.

## SLIDE 14 | NEW VALENCIA PLANT NOW FULLY OPERATIONAL

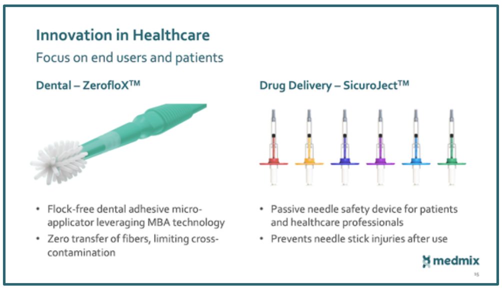

Today, our new plant is now fully operational and able to produce the complete range of products for all our customers.

On slide 14, you can see the injection molding, assembly and packaging of different components, as well as some of our 200 new fully trained production employees.

The new plant uses technologies that can optimize effectiveness and efficiency on an ongoing basis.

Over the coming year, our focus is on increasing production efficiency and improving profitability.

## SLIDE 15 | INNOVATION IN HEALTHCARE




In 2023, our R&D and marketing teams have been busy developing new products to drive medmix' future growth. I would like to highlight a few examples on this slide and the next.

The first slide, 15, shows two Healthcare innovations.

In September last year, we launched ZerofloX, a unique, innovative micro applicator for a Dental end market that uses an estimated 830 million applicators annually.

ZerofloX bristles are injection-molded, avoiding the use of fibers that can contaminate the treatment area.

Two things make ZerofloX stand out.

- Firstly, it is the first true innovation in this traditional category for many years.
- Secondly, it leverages our micro-bristle applicator technology successfully sold in the Beauty market segment, underscoring our ability to share know-how across the Group.

ZerofloX was awarded the 2024 Research Award by Dental Advisor in January this year.

In Drug Delivery, we launched SicuroJect, a passive needle safety device for prefilled syringes. To prevent needle stick injuries, the safety feature is automatically activated at the end of injection. The ergonomic design allows an easy one-handed activation for self-injection. An optional RFID label allows data on device use to be collected, which can be tracked and evaluated thanks to our collaboration with AARDEX.

These two innovations demonstrate medmix' core strength: we focus on end users, understand their needs, identify the problems they face and leverage our know-how and capabilities to provide an optimal solution.

## SLIDE 16 | INNOVATION IN CONSUMER & INDUSTRIAL


On slide 16, we see some examples of innovation from our Consumer & Industrial business area, all of which focus on sustainability.

The Beauty market segment has led the way within medmix' push for sustainable products. And we leverage that expertise across the Group.

The first two examples show the innovative shadow printing technology. According to our own internal calculations, it allows us to save up to 25% of our $CO_2$ emissions compared to using traditional lacquers. We can save a further 8% by using shadow printing technology instead of hot foil stamping.

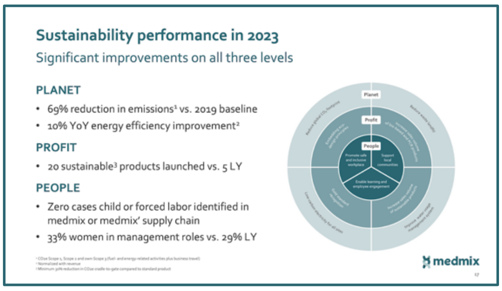
The third example shows the world's first food-grade post-consumer recycled fiber filament for mascara and eyebrow brushes. We are just beginning to explore the myriad of applications for this new material.

In the Industry market segment, we launched 15 new sustainable greenLine products.

In May 2023, we added a 400 mL two-component cartridge system that uses up to 100% of post-consumer recycled plastic and reduces our $CO_2$ emissions by 38% compared to the old cartridge. Last month, it was selected as a winner in the construction category at the 2024 BIG Innovation Awards, presented by the Business Intelligence Group.

In addition to 13 other greenLine cartridges, we launched an adhesive dispenser which uses over 45% post-industrial recycled plastic.

## SLIDE 17 | SUSTAINABILITY PERFORMANCE IN 2023




On slide 17, I would like to highlight our sustainability achievements in 2023, in the areas of Planet, Profit and People.

We achieved an almost 70% reduction in medmix' own carbon footprint versus where we were in 2019, and a 10% year-on-year improvement in energy efficiency.

We continuously aim to broaden our offering of sustainable and PCR based products. For example, we launched 20 new sustainable products in 2023 compared to 5 products the year before.

We closely monitor our operations and our entire supply chain, and no cases of child labor or forced labor were identified in 2023. We succeeded in increasing the proportion of women in management roles by 4 percentage points to 33% in 2023.

## SLIDE 18 | SUSTAINABILITY RECOGNITION AND TARGETS IN 2023


I mentioned earlier how the Beauty market segment is leading the way on sustainability. Of the 7 plants receiving EcoVadis sustainability awards last year, it was our Beauty plant in Bechhofen that again earned the platinum rating, ranking it amongst the top 1% of all factories worldwide.

We reached a new milestone by being accepted into the United Nations Global Compact. Our first act was to sign the seven UN Women's Empowerment Principles.

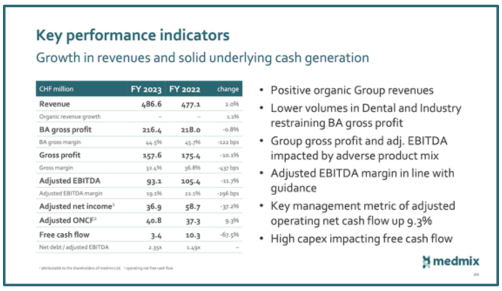
Our management of climate change was rated by Carbon Disclosure Project with a 'B' in 2023, well ahead of our 2025 target, recognizing our coordinated actions on climate issues.

We are now well advanced on our path to Net Zero and aim to have set science-based targets to reduce emissions by the end of this year.

## SLIDE 19 | FINANCIAL REVIEW


With that, I will hand over to Jenni who will take you deeper into the drivers of our 2023 performance.

## SLIDE 20 | KEY PERFORMANCE INDICATORS




Thank you, Girts.

In 2023, as seen on slide 20, we delivered double-digit growth in 3 market segments, compensating the lower volumes in Dental and Industry, resulting in 1% overall organic revenue growth for the Group, in line with guidance.

Business area gross profit was year-on-year flat, with the margin decreasing -120 basis points as a result of adverse product mix and higher Industry production costs.

Group gross profit and margin were additionally affected by lower volumes leading to under-absorption.

This translated into a 12% decline in adjusted EBITDA, delivering a 19.1% margin, in line with our revised guidance.

Adjusted net income and adjusted ONCF, shown here for the first time, exclude non-recurring items similarly to adjusted EBITDA. We use these metrics to reflect and assess the underlying performance of our business.

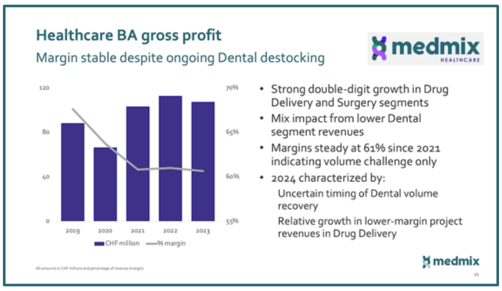
Adjusted net income, in addition to the factors just discussed, is impacted by the increase in financial costs this year.

Adjusted ONCF increased 9% year-on-year demonstrating strong discipline and underlying business performance. This is especially true given the higher level of capital expenditure driven by investments in the new plants in Valencia and Atlanta.

Given our lower net income and higher levels of capex, we are pleased to have achieved a positive free cash flow for the year.

Our debt coverage remained at comfortable levels.

## SLIDE 21 | HEALTHCARE BUSINESS AREA GROSS PROFIT

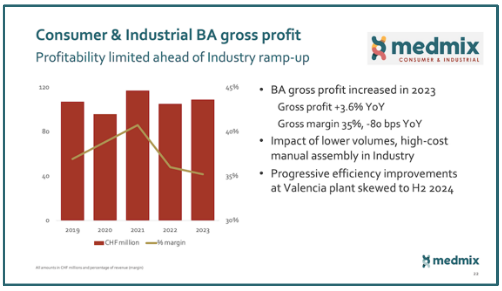



On slide 21, we see that Healthcare business area gross profit declined by 5% year-on-year though remained above 2021 levels.

The business area gross profit margin has remained stable over the past three years at around 61%. The Dental segment represents 60% of Healthcare revenues, so the lower volumes here, due to destocking, has put pressure on gross profit over the past 18 months.

We expect customer destocking in Dental to unwind over the course of 2024, although timing remains unclear. As soon as order patterns normalize, we will see an overall improved product mix and profitability within the business area and the Group.

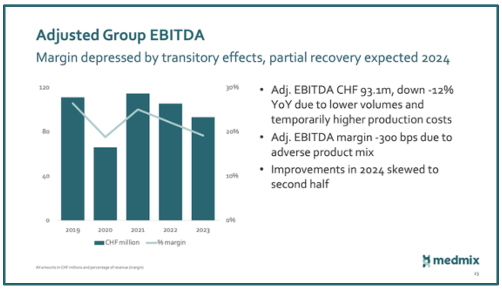
## SLIDE 22 | CONSUMER & INDUSTRIAL BUSINESS AREA GROSS PROFIT




On slide 22, we see that Consumer & Industrial business area gross profit increased by around 4% year-on-year. The adverse product mix and temporarily high cost of production within the Industry segment led to only a slight decline in gross profit margin.

We expect margins to improve progressively during 2024, thanks to increased volumes now that our full Industry product range is available, and also to improved efficiency as we ramp up production in Valencia. The improvement will be heavily skewed towards the second half of the year.

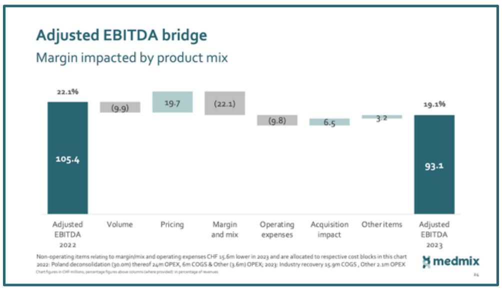
## SLIDE 23 | ADJUSTED GROUP EBITDA




Our adjusted EBITDA of 93.1 million Swiss francs was impacted by lower volumes in Dental and Industry and temporarily higher costs in Industry, resulting in a 12% decrease year over year. The adverse change in product mix through lower Dental volumes led to a 300 basis points decline in adjusted EBITDA margin.

We expect Group profitability to improve in 2024, skewed towards the second half.

## SLIDE 24 | ADJUSTED EBITDA BRIDGE



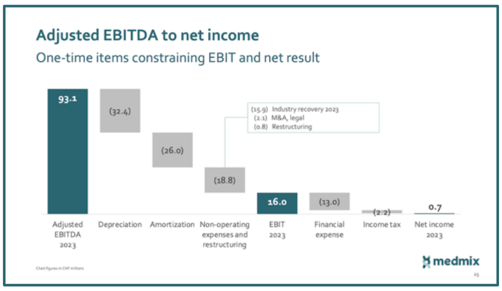

On slide 24, our year-on-year adjusted EBITDA bridge highlights that price increases were not sufficient to offset the volume shortfall in Dental and Industry, and the impact on margin and mix of lower Dental volumes and temporary Industry-related costs.

In 2023, as planned, we saw an increase in operating expenses related primarily to the final buildout of our new standalone organization.

The acquisition impact of 6.5 million Swiss francs reflects the net contribution of Qiaoyi and Universal.

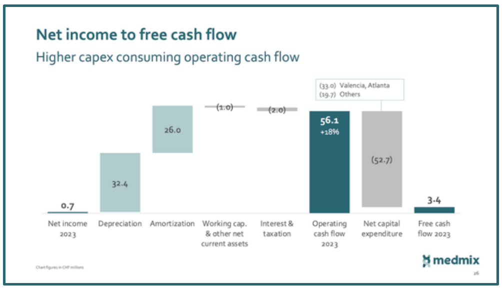
To better demonstrate our underlying performance, we have shown margin and mix as well as operating expenses net of non-recurring and non-operational costs. In the note below the chart, you can see the key items for 2022 and 2023, which relate primarily to the Industry market segment.

## SLIDE 25 | ADJUSTED EBITDA TO NET INCOME




Moving now to slide 25. As just mentioned, non-operational and non-recurring costs relate primarily to the Industry recovery and these continued to put pressure on reported EBIT and net income in 2023.

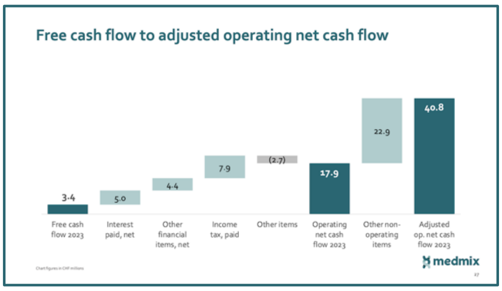
## SLIDE 26 | NET INCOME TO FREE CASH FLOW




Slide 26 highlights our robust operating cash flow of 56.1 million Swiss francs which was 18% higher than in 2022.

The most notable item in the walk to the free cash flow of 3.4 million Swiss francs is the impact of capital expenditure, two-thirds of which relate to our new Healthcare plant in the US and new Industry plant in Spain.

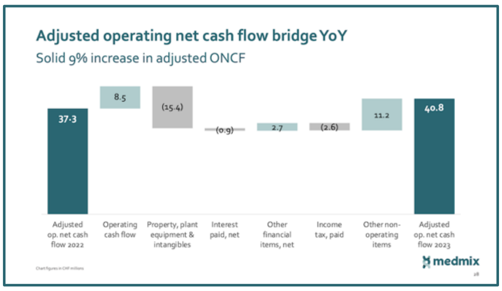
## SLIDE 27 | FREE CASH FLOW TO ADJUSTED OPERATING NET CASH FLOW




Slide 27 shows the walk to adjusted operating net cash flow, one of our three internal short-term operational targets, along with organic revenue growth and adjusted EBITDA margin.

We first take free cash flow and then eliminate interest, financial and tax items to arrive at operating net cash flow. Afterwards, we adjust for non-recurring and non-operational items, the same way we do for adjusted EBITDA. This provides a clearer assessment of underlying business performance.

## SLIDE 28 | ADJUSTED OPERATING NET CASH FLOW BRIDGE



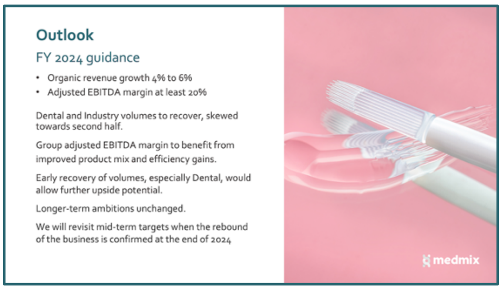

On slide 28 the year-on-year adjusted ONCF walk shows whether management has run the business effectively.

In 2023, under difficult circumstances, we generated an additional 8.5 million Swiss francs of adjusted operating net cash flow compared to 2022, representing an increase of 9%, even with roughly 15 million Swiss francs of additional capex year-on-year.

## SLIDE 29 | OUTLOOK


That’s all from my side. Girts will now discuss our outlook.

## SLIDE 30 | FY 2024 GUIDANCE & MID-TERM OUTLOOK




Thanks, Jenni.

For 2024, we expect year-on-year organic revenue growth of between 4% and 6%, and an improvement of our adjusted EBITDA margin to at least 20%.

The Dental and Industry market segments represent major swing factors in our shorter-term growth and profit recovery. There is still uncertainty around the timing of this recovery with our current assumption being a trend change in the second half of the year.

Of course, an earlier than anticipated recovery in Dental sales volumes would provide upside potential to our margin guidance.

Our longer-term ambitions are unchanged, based on solid market fundamentals. Given the various challenges medmix has faced during the last two years, we believe it is prudent to focus on the commercial rebound and key operations projects, and to revisit our mid-term targets when the rebound of the business is confirmed at the end of 2024.

That is the end of the presentation. Jenni and I will now be pleased to take your questions.

## SLIDE 31 | Q&A


## SLIDE 32 | YOUR INVESTOR RELATIONS CONTACT