

Continued improvement in performance

Sales and order intake increased in March and we delivered continued improvement in performance. I am particularly pleased that the gross margin for the Group continues to improve and that the efficiency improvements initiated at the beginning of the year are resulting in an improved gross profit.

Our extended cooperation agreement with FujiFilm in Europe is promising and boosts our potential in the veterinary segment. In the second quarter, we will launch a new veterinary product.

The quarter in brief

Sales increased by 8.1 percent compared to the previous year, totaling SEK 143 million. At unchanged exchange rates, sales decreased by 2.7 percent.

We delivered over 1,000 instruments, an increase of 31 percent compared to the last quarter of 2022. Revenue per instrument increases as a result of price increases and favorable currency effects.

Sales of consumables increased by 15 percent in comparison with the same period last year and is the product segment showing the strongest growth.

Cash flow for the period was negative. This was chiefly due to changes in operating receivables, where mainly customers in some countries have had restrictions on payments in foreign currency. Cash flow is also affected by the fact that a large part of the deliveries and invoicing took place at the end of the quarter, which is the same pattern as in previous years.

The ongoing efficiency improvements in production have started to show results. The gross margin improved further and reached 46.2 percent, an improvement of 1.5 percentage points compared to the fourth quarter of 2022 and 3.3 percentage points compared to the corresponding period last year. The supply of electronic components and other inputs has significantly improved during the quarter, and the additional costs incurred in 2022 when we had to rely on the spot market have gone down.

Operating profit totaled SEK 12.1 million, and the operating margin, 8.5 percent. The result includes non-recurring costs of SEK 2 million for staff reductions carried out in January.

The market situation

The underlying demand for blood diagnostics remains. The volatility and uncertainty of the global macroeconomic environment has affected business. In certain markets prices are increased significantly due to local currencies which impacts the customers ability to invest.

Sales of instruments in the US had a weak start, but this was largely compensated by increased sales of consumables to OEM customers. OEM customers signal continued growth in the coming years.

The demand for 5-part instruments continue to grow especially in mature markets, but also in public tenders in Asia.

The new product platform is our most important growth area and the human market is prioritized. The first instrument will be an advanced 5-part instrument. During the quarter, we invested SEK 15 million in development. Our goal remains to start sales by the end of 2024 and to start the regulatory application process to the FDA and IVDR by the end of 2023.

New veterinary product

There is also growing demand for 5-part diagnostics in veterinary medicine. In the second quarter, we will therefore launch a new 5-part veterinary instrument on the European market. As one of our key decision criteria

was time-to-market, we chose to work with an external partner to develop the new product. The solution is an excellent complement to our existing offer in the veterinary market.

Enhanced partnership

FujiFilm began selling Boules veterinary products in three European countries in mid-2022. The first installations have produced very positive feedback, and during the quarter FujiFilm chose to expand the cooperation and sell Boules veterinary solutions in five additional countries in Europe. FujiFilm has an extensive and uniquely broad portfolio of both IVD products and imaging equipment for veterinary clinics. With Boule's hematology products, FujiFilm has a comprehensive competitive offering for veterinary laboratories.

With an expanded veterinary portfolio and a new strong international distributor in Europe, we expect increased sales in the veterinary segment as soon as this year.



A handwritten signature in blue ink, reading "Jesper Söderqvist".

Jesper Söderqvist
CEO and Group President

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