Full-year 2023 revenue growth and profitability within communicated range
Improving trends expected throughout full-year 2024

Revenue (CHF million)	**FY 2023**	% of group	±% nominal	±% organic[1]	**FY 2022**
Group	486.6	100.0%	2.0%	1.1%	477.1
Healthcare	177.0	36.4%	-4.3%	-1.9%	184.9
Consumer & Industrial	309.6	63.6%	5.9%	2.9%	292.3
Profit (CHF million)	**FY 2023**	% margin	±% nominal	± basis pts.	**FY 2022**
Business area gross profit[1]	216.4	44.5%	-0.8%	-120 bps.	218.0
Adjusted EBITDA[1]	93.1	19.1%	-11.7%	-300 bps.	105.4
Adjusted operating net cash flow[1]	40.8	8.4%	9.3%	60 bps.	37.3

FULL-YEAR 2023 HIGHLIGHTS

- FY 2023 organic revenue growth and adjusted EBITDA margin within communicated range[2]
- Drug Delivery, Surgery and Beauty segments with strong double-digit organic revenue growth
- Dental and Industry segment revenue declined double-digit as Dental destocking continued into second half, and as Industry experienced progressively softer demand
- Business area gross profit margin improved in second half, year-on-year and sequentially
- Gross profit and adjusted EBITDA margins impacted by under-absorption from lower volumes
- Adjusted operating net cash flow (adj. ONCF) rose significantly year-on-year
- Major growth and efficiency initiatives:
  - Industry | Full product range now available from new plant in Spain; efficiency ramp-up during 2024
  - Healthcare | New manufacturing facility in USA to be fully operational by mid-year 2024
  - Beauty | Acquisition of Guangdong Qiaoyi Plastic in China completed and successfully integrated
  - Drug Delivery | Strategic investment in Aardex to facilitate access to early clinical trials
- FY 2024 guidance: organic revenue growth of 4% to 6%, adjusted EBITDA margin at least 20%

CEO Girts Cimermans said: "*Our teams delivered solid results in an ongoing volatile environment. Drug Delivery continued its strong organic growth trajectory, while Surgery accelerated year-on-year to reach another record. Beauty ended the year strongly even as the pace of product launch activity eased. Dental destocking effects continued into the second half, as expected. Dental end markets are continuing to grow, and we expect our Dental revenue to normalize during 2024. Industry revenue slowed towards year end as customers were faced with lower demand and higher interest rates. Our new Industry factory in Spain is now able to produce our full product range, and our new focus is on increasing production efficiency. In 2024, we expect a progressive recovery in Group growth and profitability, with improvements skewed to the second half.* "

[1] For alternative non-GAAP performance measures, please see glossary at the end of this media release and for more details refer to the medmix annual report 2023, chapter on alternative performance measures.
[2] On October 30, 2023, medmix provided guidance of "broadly flat" organic revenue growth and "19% to 20%" adjusted EBITDA margin.

GROUP REVIEW

In 2023, medmix generated revenue of CHF 486.6 million, 2.0% higher than 2022 revenue of CHF 477.1 million, with acquisition effects more than offsetting foreign exchange impacts. The key metric of **organic revenue growth** was positive year-on-year (+1.1%), matching our full-year guidance of "broadly flat".

The market segments presented a contrasting organic growth picture with temporary weakness in the Dental and Industry market segments, substantially offsetting the growth of the other market segments.

The Group generated strong double-digit organic growth in each of the Drug Delivery (+18.6%), Surgery (+34.2%) and Beauty (+16.6%) market segments in 2023.

As communicated previously, Dental market segment customers, throughout the value chain, continued to reduce their inventories in the second half, and full-year revenue declined organically by -13.3% year-on-year.

The Industry market segment, limited by production capacity and a softening of demand, especially towards the end of the year, delivered a negative organic revenue growth of -10.3%.

Driven mainly by the consolidation of Guangdong Qiaoyi Plastic in China, acquisitions contributed 430 basis points to Group revenue growth, while currency exchange rates accounted for a negative impact of -340 basis points.

Business area gross profit was broadly stable at CHF 216.4 million, delivering a margin of 44.5%, a year-on-year decrease of -120 basis points. This decline in profitability was driven by an adverse product mix given that Healthcare business area gross margins are significantly higher than the Group average, compounded by one-off expenses in the Industry market segment relating to the higher cost of temporary production in our Haag, Switzerland factory. In the second half of 2023, business area gross margins improved by 190 basis points year-on-year (i.e., compared to the second half of 2022) and by 140 basis points sequentially (i.e., compared to the first half of 2023).

Gross profit, which includes shared costs and under absorption, declined by -10.1% year-on-year to CHF 157.6 million. Gross margin reached 32.4%, a decrease of -440 basis points. This decline was driven primarily by the volume shortfalls in the Dental and Industry market segments.

Adjusted EBITDA declined by -11.7% to CHF 93.1 million, delivering an adjusted EBITDA margin of 19.1% compared to 22.1% for full-year 2022 (-300 bps). The result was driven primarily by an adverse product mix due to lower Dental customer orders and the transition of Industry market segment production from Poland to Spain.

Adjusted net income attributable to medmix shareholders declined by roughly one-third to CHF 36.9 million from CHF 58.7 million in 2022, primarily due to the lower operating result.

As previously communicated, **gross capital expenditure** in 2023 significantly increased year-on-year to CHF 66.5 million, up 72.5%, to reach 13.7% of revenue, compared to 8.1% of revenue in 2022. This was primarily due to the exceptional investments in our new Industry production facilities in Valencia, Spain, and planned growth investments in Atlanta, USA. Gross capital expenditure is expected to return to around 9% of revenue in 2024.

The lower year-on-year EBITDA and the elevated capital expenditure described above, combined with higher-than-usual inventories to ensure continuity of supply ahead of the opening of the factory in Valencia, Spain, delivered a modest **free cash flow** of CHF 3.4 million, down by around two-thirds compared to CHF 10.3 million in 2022. By contrast, medmix' key operating metric of **adjusted operating net cash flow**[3] increased by 9.3% to CHF 40.8 million compared to CHF 37.3 million in 2022.

BUSINESS AREA[4] REVIEW

Throughout 2023, Healthcare business area revenue was constrained by customer destocking within the Dental market segment despite strong double-digit growth in the Surgery and Drug Delivery market segments. The Consumer & Industrial business area grew modestly overall, driven by the ongoing strong performance of the Beauty market segment, including acquisition effects, which offset temporary product unavailability and softer demand in the Industry market segment.

In 2024, we expect both business areas' growth to normalize, with the Dental and Industry market segments recovering, the Drug Delivery and Beauty market segments growing at a more moderate pace, and the Surgery market segment maintaining its strongly positive trajectory.

Healthcare | Dental temporarily offsetting strong Drug Delivery and Surgery performance

BA revenue | CHF million	**FY 2023**	% of group	±% nominal	±% organic	**FY 2022**
Healthcare	177.0	36.4%	-4.3%	-1.9%	184.9
- Dental	106.2	21.8%	-15.1%	-13.3%	125.1
- Drug Delivery	53.6	11.0%	14.1%	18.6%	47.0
- Surgery	17.2	3.5%	34.2%	34.2%	12.8
BA gross profit | CHF million	**FY 2023**	% margin	±% nominal	± basis pts.	**FY 2022**
Healthcare	107.3	60.6%	-4.8%	-30 bps.	112.7

On an organic basis, revenue in the Dental market segment declined by -13.3% year-on-year, offsetting the robust growth delivered by the two smaller market segments, Drug Delivery (+18.6%) and Surgery (+34.2%).

In the second half of 2023, the **Dental** market segment entered a new phase of customer destocking that was initially reported in the first half of 2022, going beyond the correction of overstocking seen after the pandemic and ahead of 2022 price increases. Dental market participants, end users as well as direct customers, adopted a new capital allocation focus prompted by increasing interest rates. At the same time, global supply chains stabilized. In other words, holding large inventories became increasingly expensive and unnecessary. Given that the Dental end market has continued to grow in

[3] Defined as free cash flow adjusted for financial income and expenses, taxes, other items, cash impacts on other non-operational items.
[4] The abbreviation of "BA" within this section refers to "business area".

the meantime, albeit at a more modest 1% to 2% rate, we expect a normalization of our revenue during the course of 2024, as customer inventories attain a new equilibrium.

Drug Delivery market segment revenue achieved a new full-year record. This ongoing solid growth reflects our strong device and project pipeline. Last year saw the commercial launch of our D-Flex injector pen, with the launch customer making first shipments. Human factor studies on PiccoJect have demonstrated a strong end user preference for our autoinjector.

Surgery market segment revenue also registered an all-time high and continues to benefit from robust underlying market growth as well as the conversion of tissue banks from bulk bags of allograft to medmix delivery devices, offering surgeons a significant convenience benefit.

In 2024, we expect continued strong revenue growth in the Surgery market segment and a more moderate revenue growth in Drug Delivery, as a key customer has begun dual sourcing.

Business area gross profit decreased by -4.8% year-on-year to CHF 107.3 million, delivering a gross margin of 60.6%, a year-on-year decrease of just 30 basis points driven primarily by the temporary shortfall in Dental revenue.

Consumer & Industrial | Beauty revenue growth offsetting transitory Industrial market softness

BA revenue | CHF million	**FY 2023**	% of group	±% nominal	±% organic	**FY 2022**
Consumer & Industrial	309.6	63.6%	5.9%	2.9%	292.3
- Industry	130.9	26.9%	-11.6%	-10.3%	148.2
- Beauty	178.6	36.7%	23.9%	16.6%	144.1
BA gross profit | CHF million	**FY 2023**	% margin	±% nominal	± basis pts.	**FY 2022**
Consumer & Industrial	109.0	35.2%	3.6%	-80 bps.	105.3

Beauty market segment revenue grew year-on-year by 23.9% to CHF 178.6million, and organically by 16.6%, benefiting in the first half of the year from several customer product launches. We successfully entered new cosmetic fields outside our core eyelash applications with our innovative Micro Bristle Applicator. In the second half, organic growth moderated, as expected, and benefited from the first-time consolidation of Guangdong Qiaoyi Plastic (Qiaoyi). For the full year, Qiaoyi added CHF 16.8 million in revenue, representing 1,160 basis points of Beauty market segment growth and 570 basis points of business area growth. In 2024, we expect Beauty market segment growth to continue, though at a more moderate pace, driven by ongoing customer launch activities and our own initiatives. The market segment will also benefit from the full year consolidation of Qiaoyi.

Industry market segment revenue reached CHF 130.9 million in 2023, impacted by negative organic growth of -10.3%. The acquisition in 2022 of the plastics business of Universal de Suministros, S.L. in Spain contributed 240 basis points to market segment growth and 120 basis points to business area growth. Throughout 2023, revenue was restrained by limited production capacity and the restricted availability of certain products. Despite these constraints, the market segment retained all significant customers and even gained new business. Towards the end of the year, in the context of softer end user demand and higher interest rates, customers reduced order quantities. In 2024, with our new production facility in Spain now able to produce the full range of fully validated products, our focus is on increasing production efficiency.

Business area gross profit increased by 3.6% year-on-year, delivering a gross margin of 35.2%, a decrease of -80 basis points. Ongoing production cost headwinds in 2023 have included lower volumes and high-cost manual assembly for the Industry market segment, as well as an adverse product mix within the business area.

OUTLOOK

FY 2024 guidance | Revenue and profit recovery skewed towards second half

In 2024, while the Group assumes that its end markets in Drug Delivery and Surgery will continue to grow robustly, the Industry, Dental and Beauty end markets are expected to grow moderately. Ongoing high inflation and interest rates are expected to continue to dampen demand and maintain pressure on operating costs. The Group expects increasing price pressure from our customers. While customer destocking within the Dental market segment is expected to end during 2024, the precise timing is still unclear.

The Group is confident that it will be able to increase profitability during 2024. Within the Industry market segment, temporary manufacturing will be phased out and production efficiency will be increased in Spain. The Beauty market segment will continue to grow and improve its profitability, organically and thanks to the margin-accretive acquisition of Qiaoyi. The normalization of Dental market segment volumes, with margins above medmix' average, will boost Group profitability.

Considering the above factors, management is providing the following financial guidance for 2024:

- Organic revenue growth rate of 4% to 6% (vs. 1.1% actual in 2023)
- Adjusted EBITDA margin of at least 20% (vs. 19.1% actual in 2023)

This guidance acknowledges in particular, the uncertain timing of the Dental and Industry market segments' sales and profit recovery, notably due to the end of destocking in Dental and the general recovery in demand within Industrial end markets. Combined with the phased ramp-up of production efficiency in Valencia, Spain, the expected improvement in Group profitability will be heavily skewed to the second half of the year. An earlier than anticipated recovery in sales volumes, especially in the Dental market segment, would provide upside potential to the adjusted EBITDA margin guidance.

After the major investments in our new production facilities in Spain and the US, management expects the higher-than-usual capital expenditure in 2023 (13.7% of revenue) to return to roughly 9% of Group revenue in 2024.

Longer-term outlook

medmix benefits from unchanged fundamentals within its specialist niches, with the higher-margin Healthcare business area expected to grow faster than the Consumer & Industrial business area, and with overall robust business growth driving operating leverage. Further value-accretive acquisitions are intended to enhance medmix' product mix and competitive edge.

Our longer-term ambitions remain the same. We will revisit our mid-term targets when the rebound of the business is confirmed at the end of 2024.

Key figures[5]

CHF million	**FY 2023**	% revenue	±% change	**FY 2022**	% revenue
Revenue	486.6	100.0%	2.0%	477.1	100.0%
Organic revenue growth[6]	-	-	1.1%	-	-
Business area gross profit[6]	216.4	44.5%	-0.8%	218.0	45.7%
Gross profit	157.6	32.4%	-10.1%	175.4	36.8%
Operating income (EBIT)	16.0	3.3%	-18.5%	19.6	4.1%
EBITDA	74.4	15.3%	5.2%	70.7	14.8%
Adjusted EBITDA[6]	93.1	19.1%	-11.7%	105.4	22.1%
Net income, attributable[7]	0.3	0.1%	-97.5%	11.6	2.4%
Adjusted net income[6], attributable[7]	36.9	7.6%	-37.2%	58.7	12.3%
Free cash flow (FCF)	3.4	-	-67.5%	10.3	-
Capital expenditure, gross[6]	66.5	13.7%	72.5%	38.6	8.1%
Capital expenditure, net[6]	66.3	13.6%	77.6%	37.3	7.8%
Adj. operating net cash flow (adj. ONCF)[6]	40.8	8.4%	9.3%	37.3	7.8%
Net debt	219.0	-	39.8%	156.7	-
Net debt to adjusted EBITDA ratio	2.35	-	-	1.49	-
Employees (FTEs)	2,658	-	28.6%	2,067	-
Basic earnings per share (in CHF)	0.01	-	-97.5%	0.28	-
Adj. diluted earnings per share[6] (in CHF)	0.90	-	-37.3%	1.43	-
Ordinary dividend per share (in CHF)	0.50	-	0.0%	0.50	-
Payout ratio	7,038%	-	-	177%	-

[5] medmix' full-year report 2023 contains all consolidated financial statements and notes and is available to download here.
[6] For alternative non-GAAP performance measures, please see glossary at the end of this media release and for more details refer to the medmix annual report 2023, chapter on alternative performance measures.
[7] attributable to shareholders of medmix Ltd.

Full-year 2023 results presentation

Webcast participation

medmix management will present the full-year results 2023 as a webcast on February 22, 2024, at 08:30 CET. Please note that the moderator can only take questions from dialed-in participants. Webcast participants may submit written questions. A webcast invitation was sent to medmix news subscribers earlier this week. If you have not received it and wish to participate, please click here to pre-register by 08:00 CET latest to receive the link to the webcast and dedicated dial-in details.

Webcast playback

The playback of the webcast will be available shortly after the event under the same link.

Inquiries

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Key dates in 2024

April 24, 2024	*Annual General Meeting 2024*
July 18, 2024	*Half-year results 2024*

Glossary of key non-GAAP measures

- ***Organic revenue growth*** *is revenue growth adjusted to exclude acquisitions, disposals and currency effects.*
- ***Business area gross profit*** *is the gross profit assigned to a business area and excludes the part of cost of goods sold that is shared between business units or cannot reasonably be allocated to any one business unit.*
- ***Adjusted EBITDA*** *is adjusted for non-operational items that are non-recurring or do not regularly occur in a similar magnitude. The adjusted EBITDA margin is calculated by dividing the adjusted EBITDA by Group revenue.*
- ***Adjusted net income*** *is net income attributable to shareholders of medmix Ltd before tax-adjusted effects on restructuring, amortization, impairments and non-operational items.*
- ***Adjusted diluted earnings per share*** *is adjusted net income divided by the average fully diluted number of shares.*
- ***Adjusted operating net cash flow*** *is free cash flow adjusted for financial income and expenses, taxes, other items and cash impacts on other non-operational items.*

For more details of these and other non-GAAP measures, please refer to the medmix annual report 2023, chapter on alternative performance measures.

About medmix

medmix is a global leader in high-precision delivery devices. We occupy leading positions in the healthcare, consumer and industrial end markets. Our customers benefit from a dedication to innovation and technological advancement that has resulted in over 900 active patents. Our 14 production sites worldwide together with our highly motivated and experienced team of nearly 2,700 employees provide our customers with uncompromising quality, proximity and agility. medmix is headquartered in Baar, Switzerland. Our shares are traded on the SIX Swiss Exchange (SIX: MEDX). www.medmix.swiss

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