



Dear Shareholder,

2021 was an extraordinary year in many respects. The world was learning to adapt to the recurring waves of the pandemic and the global economy was on its recovery path while dealing with supply chain challenges, raw material shortages, energy price hikes and recurring lockdowns. Our teams around the world worked tirelessly to accommodate the pent-up demand from our customers across most of our segments, ensuring constant availability of raw materials and strict adherence to health guidance. These actions helped us keep our employees safe, avoid factory closures, and supply our customers seamlessly throughout the year. Our business recovered to pre-pandemic levels by the end of the first half 2021 and continued growing strongly in the second half of the year. The past year was also the first year of medmix as an independent company, following the shareholders' decision to spin off the former Sulzer Applicator Systems (APS) division into a separate company, which was subsequently listed on the SIX Swiss Exchange.

Delivering strong results

We closed the financial year with a revenue of CHF 457.3 million, an increase of 30.2% compared to 2020. This also marks a nominal 8.7% increase compared to the pre-pandemic CHF 420.7 million in 2019. The organic growth rate was 21.5% compared to the previous year. Our adjusted EBITDA was CHF 114.5 million, which results in an adjusted EBITDA margin of 25.0%, compared to 18.8% in 2020. A free cash flow of CHF 55.6 million marks strong cash generation. Both business areas, Healthcare and Consumer & Industrial, recorded significant growth in 2021.

Healthcare grew 63.7% compared to the previous year. Half of the growth was organic, and half was driven by the acquisition of Haselmeier and our entry into the Drug Delivery market. The integration of Haselmeier was completed in March 2021, and the business performed very well, securing four customers for our new D-Flex injector pen platform, all US biotech companies. With the global reopening, we saw a strong rebound in the Dental market segment, with an increase of 42.3% year-on-year. Surgery, our smallest Healthcare market segment, was down 12.5% due to an exceptional re-stocking order for a key customer in 2020, but is expected to return to growth in 2022.

Consumer & Industrial grew 16.1%, driven by a global pick-up in economic activity that translated into high demand for adhesives, with the Industry market segment itself up 27.6%. The electronics and construction industries, which our adhesives customers serve, were particularly active, and automotive and aerospace also picked up. Recovery in the Beauty market segment was slower but steady at +4.2% for the year, while still impeded by lockdowns, limited travel leading to low duty-free revenues, and work from home.

We are excited to continue our development as an independent, publicly traded company, as we have been since September 30, 2021. You only get one chance to make a first impression, and we took it, reaching or exceeding all the targets we had committed to.

“medmix demonstrated its ability to grow profitably within Sulzer. We are excited to continue and accelerate this path as an independent company. The delivery device space is full of opportunities, which we will capture through innovation and rigorous execution.”

Greg Poux-Guillaume
Chairman of the Board of Directors



Market introduction and shareholder base

Our spin-off from Sulzer was a unique opportunity to create more focus, shine a spotlight on all the exciting developments happening at medmix, and accelerate our profitable growth. Through a Capital Markets Day in June 2021 and a detailed prospectus for the September 2021 capital increase, we were able to share with existing and future shareholders what makes medmix unique in the delivery device space, and why our future, based on innovation, leadership positions and an increasingly global presence, is bright.

We priced our capital increase at CHF 45 per share and raised gross proceeds of CHF 315 million, with an order book many times oversubscribed. Over the following weeks, our shareholder base progressively stabilized, with some historical Sulzer investors focused on yield stocks or industrials rotating out, and new investors focused on growth stocks or healthcare building positions. In choppy financial markets in the last three months of the year, we traded slightly below our introduction price as this shareholder rotation took its course, before closing the year slightly above our introduction price of CHF 45.

We have made good progress on building our internal resources to complete our independence from Sulzer. Transition services, valued at around CHF 8 million initially with a proposed duration of 18 months, should be ramped down faster than anticipated, without generating incremental substitution costs for medmix. Our new office space in Baar, in the Canton of Zug, should be ready for our corporate team to move in by April 2022. We are up and running, fully set to drive medmix towards its 2022 targets.

“The power behind medmix' portfolio is that we are exposed to diverse markets. Some markets experience trends ahead of others. This helps us to spot key trends and stay ahead of the curve, notably leading the market in sustainable products and solutions across all our segments.”

Girts Cimermans Chief Executive Officer



Governance

While we spun off from Sulzer with a Board of Directors composed only of three Directors, we are fully committed to aligning with market practices from the 2022 annual general meeting (AGM) onwards. As such, and since Jill Lee has announced that she will not stand for re-election as a Board member, we will propose up to five additional Directors for a shareholder vote in April. Should shareholders support these nominations, our Board will be at its target size of seven.

Our Chairman, Greg Poux-Guillaume, resigned from Sulzer on December 6, 2021, and left Sulzer on February 18, 2022. While neither Greg nor Jill ever had operational responsibilities at medmix — they acted as our Board, representing our former 100% shareholder Sulzer — with these changes, any uncertainty relating to residual ties to Sulzer in our governance may be considered resolved.

Global leader in sustainable products and solutions

The spin-off allows us to leverage the full potential of medmix. Our business strategy is anchored in sustainability. We take learnings from the beauty market — where consumers have long had a strong affinity for sustainable products — and implement these learnings across the company. This positions us uniquely as a leader in sustainable products and eco-design across all our segments. We present a preview of the milestones reached and plans for the future in this report. Our highly skilled and motivated team, across the business, drives our sustainability strategy. We strive to be an employer of choice within our industry and a good neighbor in our communities, with flat hierarchies and a culture of mutual respect.

Outlook 2022

Innovation is key for medmix. We plan to renew our patent-protected portfolio on a rolling basis. To this end, we spend an average of 5 to 6% of our revenues on the development of new products every year.

In 2022, we are aiming for 8 to 10% growth in revenue. Growing revenue in the more profitable Healthcare business area faster than in Consumer & Industrial will drive our adjusted EBITDA margin to 26%. While we define medmix primarily as a growth company, we do plan to pay a dividend as a form of financial discipline and to reward our shareholders from day one. We intend to pay a dividend of CHF 0.50 for the first time in 2022, for the financial year of 2021.

In the medium term, our aim is to achieve a compound annual growth rate (CAGR) of 8% in revenue and an increase in adjusted EBITDA margin to 30% through continued faster growth in our Healthcare business area and operational leverage. To reach these goals, we plan to increase our production capacities in 2022. We also intend to make strategic acquisitions that will enable us to broaden our product portfolio in Healthcare and expand geographically, with a focus on China.

Thank you

On behalf of the Board of Directors and Group Executive Management, we would like to thank you for your trust and for accompanying us on our journey as an independently listed company. We also warmly thank our employees, who have shown incredible dedication in tackling the pandemic and the spin-off at the same time.



Greg Poux-Guillaume
Chairman of the Board of Directors



Girts Cimermans
Chief Executive Officer