



## Dear Shareholders,

Our first complete year as an independent company was full of new products and commercial success. But it was also characterized by unusual and volatile geopolitical and market conditions. The market momentum of the first quarter gave way to renewed uncertainty as the war in Ukraine added to the continuing inflation of raw material, energy and labor costs, and the threat of recession. Despite these challenges, we successfully navigated through the year, reaching ambitious milestones thanks to our customers, our strong business model and the tireless efforts and engagement of our employees.

### Growth in both business areas

We grew in both our Healthcare and Consumer & Industrial business areas, despite the normalization of demand after COVID-19.

Healthcare grew 9% compared to the previous year. Revenue in our Dental segment was up 6%, Drug Delivery was up 21% and the Surgery segment grew by 1%. The Healthcare business area capitalized on the recovery in scheduled treatments and elective surgeries.

The Consumer & Industrial business area grew by 4% compared to 2021. The Beauty segment demonstrated continued post COVID-19 recovery boosted by new product launches, growing at 19% for the year. Industry revenue was 8% lower than the previous year, fully due to the temporary headwinds generated by the sanctions on our factory in Poland.

### Continued focus on Innovation and Sustainability

Innovation continues to be a key driver for our success. Among the groundbreaking launches in 2022 is our micro-bristle applicator. This cutting-edge technology enables the precise application of liquid substances or serums, has been recognized with great enthusiasm by consumers as well as industry experts, and has resulted in immediate commercial success.

Boosting our Drug Delivery portfolio, PiccoJect™, a disposable two-step autoinjector designed for subcutaneous injection, won the prestigious Good Design™ Award 2022 in the Medical category. Sold under our Haselmeier brand, this product is offered as a full-service platform, combining product development, design verification, final assembly, secondary packaging, labeling, and serialization. Since its introduction at Pharmapack in Paris in May 2022, PiccoJect already secured its first customization order in 2022.

We continued to strengthen our sustainability core in 2022. We were proud to commit to the UN Global Compact, supporting and acting to achieve the Sustainable Development Goals. Our Beauty brand GEKA received a B rating from CDP for managing climate impact in our supply chain. We also launched recycled resin mascara packaging, which reduces CO<sub>2</sub>(eq.) emissions, water, and waste offering a more sustainable option for consumers. In our Industry segment, we launched the first cartridge made of 100% recycled materials with our MIXPAC™ greenLine™ B-System as well as the upgrade of the F-System with a 100% recycled greenLine™ bayonet ring.

“Innovation is the driving force behind our continued growth, allowing us to stay ahead in a constantly evolving market, and cement our position as a leader in sustainability.”

**Girts Cimermans** Chief Executive Officer



### Investing for growth with an expanding global footprint

2022 was also a year of growth and global expansion for the organization. A key milestone on this journey was securing a site for our new state-of-the-art Healthcare manufacturing facility in Atlanta, which will include clean room operations and positions us in the world’s largest Healthcare market.

Additionally, we acquired the plastics business of the Valencia-based Universal de Suministros, S.L., Spain, and will leverage this acquisition to build a new European production hub for the Industry segment. We plan to start manufacturing in Valencia in the first half of 2023.

Reflecting our ambitious growth plans, we also signed an agreement to acquire a majority stake in Qiaoyi, a Chinese beauty manufacturing business, thus bringing to life our local-for-local strategy for this key market.

"'Agility' is not just a management buzzword, it is a vital component for success at medmix. We are dedicated to shaping our path forward with purpose and foresight to maintain our position at the forefront of the industry."

**Greg Poux-Guillaume**  
Chairman of the Board of Directors



### Resolving the impact of sanctions in Poland

We have deconsolidated and are in discussions to sell our manufacturing operations in Wrocław, Poland, because of the decision made by the Polish government to place medmix Poland sp. Z.o.o. under sanctions in April 2022. medmix firmly believes this decision, based on the presence of a sanctioned financial investor in our capital structure, is erroneous and is contesting it in court. We have mitigated the impact by increasing production in our plants in Haag (Switzerland), Elgin (USA), and Shanghai (China). We are also ramping up Universal de Suministros as our new Industry manufacturing hub in Valencia (Spain).

We are well on our way to recovering our Industry segment output volumes in the fastest way feasible and do not expect any long-term impact.

### Financial results

All segments delivered accelerated revenue growth in 2022, except for the Industry segment that was impacted by the closure of the plant in Poland. We closed the financial year 2022 with revenue of CHF 477 million, an increase of 6% compared to the previous year. Adjusted EBITDA was CHF 105 million, resulting in an adjusted EBITDA margin of 22% compared to 25% in 2021, driven by higher costs from the relocation of production, ongoing inflationary pressures, and mix. Free cash flow was CHF 10 million, reflecting higher inventory levels and capital investments made to minimize supply chain disruptions.

### Further progress as independent company

2022 was the first full year for medmix as an independent company after the spin-off from Sulzer. We have moved ahead on this journey by relocating our headquarters to Baar (Switzerland) in April, building our own competencies to reduce reliance on the shared service agreement with Sulzer and further building our own talent bench.

### Outlook

In 2023, we anticipate continued revenue growth above market rates across all our segments. With demand expected to normalize as the post COVID-19 recovery continues, we target a 5% to 7% growth in revenue. Return to full capacity and a more normalized cost base in Industry and an improved revenue mix overall will result in an adjusted EBITDA margin of 23%.

With our new production facilities in Spain and the US, and exciting investments in R&D, we expect an elevated capital expenditure level at 14% of revenue in 2023 (9% excluding the investment in Spain). For the financial year of 2022, we intend to pay a dividend of CHF 0.50 per share.

Our medium-term ambition remains unchanged with revenue growing at a compound annual growth rate (CAGR) of 8% and an adjusted EBITDA margin of 30%, a target delayed in the short term by the closure of our site in Poland but reinforced in the medium term by our new set-up in Valencia. This increase in profitability will be achieved through an increased share of revenue in the Healthcare business area, which is expected to grow faster and with higher margins than the Consumer & Industrial business area, as well as an increase in operational leverage.

Our 2023 priorities:

- Continue on our path of innovation and sustainability.
- Deliver to our Industry customers from the new plant in Valencia.
- Operationalize the new Healthcare production site in Atlanta, with FDA certification.
- Leverage our Chinese Beauty acquisition for local-for-local growth in the second largest cosmetic products market in the world.
- Continue to pursue acquisition opportunities whenever they create strong value.

#### Thank you

Our employees bring to life our mission of providing innovative solutions to help millions of people live healthier and more confident lives. We thank them for their exemplary engagement and hard work. We are also grateful for the support and collaboration of our customers and business partners. Lastly, on behalf of the Board of Directors and Management, we thank you for your continuing trust in medmix.



Greg Poux-Guillaume  
Chairman of the Board of Directors



Girts Cimermans  
Chief Executive Officer