



## Dear Shareholders,

2023 was characterized by a continuation towards normalization for many of the post-pandemic trends we experienced in the past couple of years. Raw material and workforce availability along with global logistics continued to improve throughout the year, making supply chains more predictable and aiding recovery in some of our end markets. On the other hand, easing inflationary pressures gave way to multi-year high interest rates, adding a new layer of challenges to economies around the world. This resulted in the slowdown of large infrastructure development, more cautious spending and prudent working capital management.

At medmix we have kept pace with these developments to deliver our mission, helping millions of people live healthier and more confident lives. We remained focused on driving forward our strategic agenda and succeeded in reaching several important strategic milestones in 2023.

### **Industry recovery, ramp up and opening of the Valencia plant**

We successfully launched and finalized the creation of our new European production hub for the Industry segment in Valencia, Spain. Working around the clock and within the time frame of less than a year, our teams delivered this crucial project in record time, enabling us to be ready to recover full manufacturing capacity for the Industry segment. The facility, with a size of over 14,000m<sup>2</sup> and more than 200 employees, is now fully geared to deliver high-quality products for the adhesives and sealant industries.

## Building a base for Healthcare growth, new plant in Atlanta

During the year, we commenced the buildup of our new manufacturing facility for the Healthcare business area in Atlanta, USA. The project is on time and in budget, aiming for ISO and FDA certification in Q2. We aim to start serving our Surgery customers from this new facility from mid-2024, strengthening our presence in the world's largest healthcare market. With fully equipped clean room operations this site is set to serve our Healthcare customers with a North America focus.



**“2023 saw the achievement of significant milestones in our strategic ambition, through the opening of our two greenfield factories in Atlanta, USA, for Healthcare and Valencia, Spain for Industry and the successful integration of our Beauty acquisition, Qiaoyi, in China.”**

**ROB TEN HOEDT  
CHAIRMAN OF THE BOARD OF DIRECTORS**

## Continuing excellence in product innovation

In 2023, we continued our focus on sustainable product innovation. We further strengthened our market leading portfolio of sustainable products, with a focus on eco-design and waste reduction across all our segments.

Keeping pace with the evolving consumer trends in our Consumer & Industrial business area, we launched the innovative Shadow Printing (patent pending) decoration technology for our Beauty customers. This sustainable process modifies the surface of cosmetics products and packaging without impacting its recyclability as no additional foil or ink is used. The innovative micro-bristle applicator continued to gain success in 2023, with seven new projects signed with cosmetic companies in the US and Europe.

For our Industry market segment, we expanded our portfolio of lower CO<sub>2</sub> footprint products with a new sustainable dispensing solution made of up to 100% post-consumer recycled (PCR) polypropylene. In early 2024 the MIXPAC greenLine™ 400 mL won the BIG (Business Intelligence Group) innovation award in the construction category. Designed for seamless integration into existing compatible dispensers, this novel solution offers a reduced carbon footprint and supports the circular economy without requiring any process changes. Several new dispensers for this market segment, including the COX speedfleX™, a revolutionary ultra-compact battery powered dispenser were developed and launched with remarkable speed.

Strengthening our portfolio of innovative products in the Healthcare area, we launched ZerofloX™, a game-changing flock-free micro applicator for Dental use. This injection molded applicator can be used to apply medication or bonding agents during clinical procedures without the risk of contamination of the cavity with fibers or flocks. Early in 2024, ZerofloX was awarded the 2024 Research Award by Dental Advisor.

In the course of the year, we were delighted to start the first customer deliveries for our innovative D-Flex™ injector pen in the Drug Delivery market segment. This device bridges the gap between fixed and variable-dose pens and paves the way for digitally connected commercial devices. Meanwhile, the Surgery market segment successfully launched a co-development project with a major wound care solutions provider, expanding our presence in an adjacent therapy application and laying foundations for continued strong growth in Surgery.

## Making strides in inorganic growth

Reflecting our strong M&A track record, 2023 also witnessed our successful integration of the majority stake in Qiaoyi, a Chinese beauty manufacturing business, bringing to life our local-for-local strategy for this key market.

Furthermore, our Drug Delivery market segment entered a strategic alliance with AARDEX, the leading global player in digital medication adherence in clinical trials, by acquiring a minority stake in the company. With medication adherence monitoring fast becoming a priority for pharma and biotech, this investment partnership gives us the advantage of increased proximity to pharma customers from an early stage.

In another positive development, we successfully sold our legal entity in Wroclaw, Poland, and have been removed from the Polish list of sanctioned entities.

## Delivering on our sustainability ambitions

We have made strong progress towards meeting our sustainability commitments and are on track towards achieving them within the agreed timeframe.

We have been accepted into the Science Based Target initiative (SBTi), by committing to the 1.5°C emission goal and setting a robust emissions reduction target at the pace and scale required by climate science. Additionally, we have aligned our sustainability strategy and efforts with the United Nations Global Compact principles and have been awarded EcoVadis best-in-class ratings.

We also adapted our sustainability governance and sustainability reporting to the new provisions of the Swiss Code of Obligations.

## Financial results

In 2023, we generated revenues of CHF 486.6 million, 2.0% higher than 2022 revenues, with acquisition effects (primarily of Guangdong Qiaoyi Plastic in China) more than offsetting foreign exchange effects. Organic revenue growth was positive year-on-year (+1.1%), matching our full-year guidance of “broadly flat”. The five market segments presented a contrasting organic growth picture. Temporary weakness in the Dental segment, driven by lower market demand and higher interest rate levels leading to destocking and softer Industry market demand towards the end of the year, substantially offset the double digit growth of the other 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 basis points). This trend 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.

## Outlook

Our take on 2024 is cautiously optimistic. In the Healthcare business area, we expect the destocking in the Dental segment to end in the course of the year and gradually return to normal business pattern. The Drug Delivery segment will benefit from full-year D-Flex device revenues and from new projects. The Surgery segment will be fueled by a new product launch.

For the Consumer & Industrial business area we expect the end markets in electronics to see recovery in 2024 while Beauty will return to a more normalized market growth after the post-pandemic surge.

Reflecting this, we expect organic revenue growth rate to be in the range of 4% to 6% (vs. 1.1% in 2023) and adjusted EBITDA margin of at least 20% (vs. 19.1% in 2023).

Our 2024 priorities:

- Continue on our path of innovation and sustainability.
- Deliver to Surgery customers from our new Healthcare production site in Atlanta, USA.
- Phase out interim manufacturing and ramp up production efficiency in Valencia, Spain.
- Further expand growth in China and Asia from our accretive Beauty acquisition of Qiaoyi.
- Continue to pursue measures to streamline and improve cost effectiveness across our operations.



**“For 2024, we are cautiously optimistic. We expect all our segments to deliver revenue growth above their respective market growth while our operations teams will focus on efficiency improvement in our new plant in Valencia to bring back our profitability in Industry to prior levels.”**

**GIRTS CIMERMANS  
CHIEF EXECUTIVE OFFICER**

## Thank you

As we reflect on 2023, we are filled with gratitude for the contributions of our teams. Their dedication to excellence and innovation has been the driving force behind our progress. Our thanks also go to our valued shareholders who have entrusted us with their resources, believing in our vision and our commitment to achieving our goals.

A stylized, handwritten signature in black ink, appearing to be 'R. ten Hoedt'.

Rob ten Hoedt  
Chairman of the Board of Directors

A stylized, handwritten signature in black ink, appearing to be 'Girts Cimermans'.

Girts Cimermans  
Chief Executive Officer