medmix Industry: MIXPAC™ greenLine™ B-System

FINANCIAL AND BUSINESS REVIEW

medmix Surgery: K-System

Financial review

Unless otherwise indicated, changes from the previous year are based on nominal figures.

"Sequential performance improvement across all KPIs, and the continuing revenue rebound in Dental, are positive indicators for the future. We do remain cautious due to continuing softness in end markets for Industry and Beauty market segments."

JENNIFER DEAN
CHIEF FINANCIAL OFFICER

Revenue generation

In the first half of 2024, medmix generated revenue of CHF 241.2 million, 2.8% lower year-on-year. Acquisition effects (+5.4%) more than offset foreign exchange impacts (-2.0%). Underlying organic growth was negative year-on-year (-6.1%). Compared to the second half of 2023, however, Group revenues increased by +1.1% on a reported basis and increased by +3.2% organically.

Healthcare business area revenue in 2022 and 2023 was constrained by customer destocking within the Dental market segment. Today, there are positive signs that this destocking has run its course. More than offsetting the positive first-half organic growth in the Dental market segment, however, were adverse impacts from the Drug Delivery and Surgery market segments.

Healthcare business area revenues declined by -7.0% on a reported basis and -5.9% organically, with the difference of -1.1% entirely due to foreign exchange effects.

Based on the first six months of the year, with **Dental** organic revenue growth of +3.2% year-on-year and +5.5% sequentially, management is optimistic and looks forward to confirmation of these positive trends in the months ahead.

Drug Delivery market segment revenue declined by -18.5% organically. This shortfall was due to the planned transfer of a portion of production for one customer's device to a second source manufacturer.

Surgery market segment revenue, with a -22.8% organic decrease, was impacted by rephasing of customer projects in the first six months following an exceptionally strong end to last year.

A second-half rebound in Healthcare business area revenue is expected, driven by the Dental and Surgery market segments, with the Drug Delivery market segment remaining a drag factor.

Consumer & Industrial business area organic revenue growth declined to a similar extent as Healthcare, driven by lower launch activity in the Beauty market segment. Although first-half demand remained subdued in the Industry market segment, a recovery is noticeable in the sequential revenue trend.

Consumer & Industrial business area revenues declined by -0.4% on a reported basis and -6.3% organically. Qiaoyi, last year's Beauty market segment acquisition, contributed growth of +8.4% to the first six months, while foreign exchange rates had a negative impact of -2.5%.

Industry market segment revenue reached CHF 65.4 million in the first half of 2024, a decline of -8.5% due to a very strong first half of 2023, supported by the release of inventory from Poland. Compared to the second half of 2023, the Industry market segment delivered robust organic growth of +12.3%. Some end markets remain soft and management is watching these developments closely.

Beauty market segment revenue grew year-on-year by +7.6% to CHF 92.8 million. This was driven primarily by the Qiaoyi acquisition with a positive impact of +15.4%, partially offset by negative foreign exchange rates (-2.5%). The negative organic revenue growth -4.4% was anticipated. H1 2023 revenues benefited from several customer product launches delayed due to Covid restrictions, resulting in Beauty's highest half-year revenue in five years. Year-on-year revenue growth is expected to be stronger in the second half of the year.

Revenue by market segment

January 1 - June 30

millions of CHF	2024	% of group revenue	+/–% change	+/–% organic[2]	2023	% of group revenue
Revenue Dental	54.9	22.8%	2.4%	3.2%	53.7	21.6%
Revenue Drug Delivery	21.4	8.9%	–20.6%	–18.5%	26.9	10.8%
Revenue Surgery	6.6	2.8%	–22.8%	–22.8%	8.6	3.5%
Total revenue Healthcare (HC) [1]	**82.9**	**34.4%**	**–7.0%**	**–5.9%**	**89.2**	**35.9%**
Revenue Industry	65.4	27.1%	–9.9%	–8.5%	72.7	29.3%
Revenue Beauty	92.8	38.5%	7.6%	–4.4%	86.3	34.8%
Total revenue Consumer & Industrial (C&I) [1]	**158.3**	**65.6%**	**–0.4%**	**–6.3%**	**158.9**	**64.1%**
Total revenue	**241.2**	**100.0%**	**–2.8%**	**–6.1%**	**248.1**	**100.0%**

1) Revenue from external customers.
2) Adjusted for acquisition and currency effects.

Business area gross profit

Business area gross profit declined by -2.2% broadly in line with Group revenues, delivering a slightly improved year-on-year margin of 44.0%.

Healthcare Business area gross profit decreased by -5.0% year-on-year to CHF 51.4 million, broadly in line with revenue, delivering a gross margin of 62.0% (+132 bps), with the Dental market segment recovery offsetting profit pressure within the Drug Delivery and Surgery market segments.

Consumer & Industrial first-half business area gross profit increased by +0.6% year-on-year, delivering a gross margin of 34.6%, an increase of 34 basis points, with the accretive Qiaoyi acquisition compensating for adverse year-on-year revenue trends in the legacy Beauty business and the Industry market segment.

Business area gross profit margin by business area

January 1 - June 30

	Healthcare		Consumer & Industrial		Total medmix	
millions of CHF	2024	2023	2024	2023	2024	2023
Revenue[1]	**82.9**	**89.2**	**158.3**	**158.9**	**241.2**	**248.1**
Business area cost of goods sold	–31.5	–35.1	–103.4	–104.4	–135.0	–139.5
Business area gross profit	**51.4**	**54.1**	**54.8**	**54.5**	**106.2**	**108.6**
Business area gross profit margin	62.0%	60.6%	34.6%	34.3%	44.0%	43.8%

1) Revenue from external customers.

Gross profit at the Group level, which includes shared costs and cost absorption, declined by -1.7% year-on-year to CHF 80.6 million. Group gross profit margin therefore increased to 33.4%, up +35 basis points. This improvement was driven primarily by the recovery in Dental market segment revenues.

Profitability

Adjusted EBITDA was CHF 46.0 million, a decrease of -7.4% year-on-year but an increase of 5.9% sequentially, and delivering an adjusted EBITDA margin of 19.1% compared to 20.0% in H1 2023 and 18.2% in H2 2023. In addition to the lower volumes, the year-on-year decrease was driven by two main factors. Firstly, the company made additional investments to drive future growth, particularly in R&D and the new sites in Valencia and Atlanta. Secondly, it will take time to ramp up volume and efficiency in our new Valencia plant delivering Industry market segment products. The sequential improvement is primarily driven by the recovery of Dental volumes. In this context, it is worth noting that the reported EBITDA of CHF 41.9 million increased by +22.0% sequentially, i.e., compared to the second half of last year.

Bridge from operating income (EBIT) to adjusted EBITDA

January 1 - June 30

millions of CHF	2024	2023
Operating income (EBIT)	**12.9**	**14.5**
Depreciation	17.0	14.9
Amortization	11.9	10.7
Impairments on tangible and intangible assets	0.0	–
EBITDA	**41.9**	**40.0**
Restructuring expenses	1.3	0.1
Non-operational items[1)]	2.8	9.5
Adjusted EBITDA	**46.0**	**49.7**

1) Non-operational items include significant acquisition-related expenses, gains and losses from the sale of businesses or real estate (including release of provisions), and certain non-operational items that are non-recurring or do not regularly occur in similar magnitude.

Adjusted EBITDA margin

January 1 - June 30

millions of CHF	2024	2023
Adjusted EBITDA	46.0	49.7
Revenue	241.2	248.1
Adjusted EBITDA margin	**19.1%**	**20.0%**

Financial income and expenses

Total financial income / (expenses), net, amounted to CHF -6.2 million, compared with CHF -5.5 million in the first half of 2023. The financial expenses are mainly driven by higher interest expenses on borrowings.

Income tax expenses

Income tax expenses comprise current and deferred taxes. Income tax expenses are recognized based on the estimated effective income tax rate for the full financial year. The effective income tax rate used for the reporting period is 15.7%, compared with 19.0% for the six months ended June 30, 2023. In the reporting period, the effective income tax rate is positively impacted by a tax-deductible impairment of a foreign subsidiary. The normalized estimated effective income tax rate for 2024, excluding the tax effect from the impairment of the foreign subsidiary, is 19.0% (half-year 2023: 19.0%).

Net income and adjusted net income

Net income declined by CHF 1.7 million to CHF 5.6 million (thereof CHF 5.2 million attributable to shareholders of medmix AG) from CHF 7.3 million (thereof CHF 7.3 million attributable to shareholders of medmix AG) in the prior period.

Adjusted net income declined to CHF 18.2 million from CHF 23.9 million in 2023, primarily due to the lower operating result.

Bridge from net income to adjusted net income

millions of CHF	2024	2023
Net income attributable to shareholders of medmix Ltd	**5.2**	**7.3**
Amortization	11.9	10.7
Impairments on tangible and intangible assets	0.0	–
Restructuring expenses	1.3	0.1
Non-operational items[1)]	2.8	9.5
Tax impact on above items	–3.1	–3.7
Adjusted net income	**18.2**	**23.9**

1) Non-operational items include significant acquisition-related expenses, gains and losses from the sale of businesses or real estate (including release of provisions), and certain non-operational items that are non-recurring or do not regularly occur in similar magnitude.

Adjusted diluted EPS

Adjusted diluted EPS declined from CHF 0.58 in the prior period to CHF 0.44 in 2024.

Bridge from diluted EPS to adjusted diluted EPS

millions of CHF	2024	2023
Diluted earnings per share, attributable to a shareholder of medmix Ltd (in CHF) as of June 30	**0.12**	**0.18**
Amortization	0.29	0.26
Impairments on tangible and intangible assets	0.00	–
Restructuring expenses	0.03	0.00
Non-operational items[1)]	0.07	0.23
Tax impact on above items	–0.07	–0.09
Adjusted diluted earnings per share, attributable to a shareholder of medmix Ltd (in CHF) as of June 30	**0.44**	**0.58**

1) Non-operational items include significant acquisition-related expenses, gains and losses from the sale of businesses or real estate (including release of provisions), and certain non-operational items that are non-recurring or do not regularly occur in similar magnitude.

Key balance sheet positions

Total assets as of June 30, 2024, amounted to CHF 1'036.4 million, an increase of CHF 29.6 million from December 31, 2023. All balance sheet movements are compared with the year-end balances as of December 2023, unless stated otherwise.

Non-current assets rose by CHF 11.3 million to CHF 710.0 million, mainly driven by CHF 6.5 million higher Goodwill due to currency translation effects and the increase in property, plant and equipment of CHF 5.8 million. As previously communicated, the increase in property, plant and equipment is primarily the result of the investments in our new production facilities in Valencia, Spain, and Atlanta, USA.

Current assets increased by CHF 18.3 million to CHF 326.4 million, primarily due to the drawdown of the syndicated credit facility in the amount of CHF 15.0 million, which increased cash and cash equivalents correspondingly. Consistent with our decision to hold substantial inventory levels to guarantee supply continuity, Inventory increased by CHF 4.6 million. Additionally, trade accounts receivable expanded by CHF 3.2 million whereas other current receivables and prepaid expenses decreased by CHF 3.5 million.

Equity amounted to CHF 470.6 million on June 30, 2024, down by CHF 3.7 million. The main drivers for the lower equity were the distributed dividend of CHF -20.4 million, cash flow hedges of CHF -2.6 million and CHF -3.2 million change in put option liabilities associated with the Qiaoyi acquisition. However, a net income for the period of CHF 5.6 million and currency translation gains of CHF 16.0 million contributed positively to the equity.

Non-current liabilities decreased by CHF 9.4 million to CHF 345.0 million mainly resulting from the reclassification of a put option liability from sale of investments in subsidiaries (CHF 11.7 million) to current liabilities.

Current liabilities rose by CHF 42.7 million to CHF 220.8 million. The main drivers were higher current borrowings (CHF 14.5 million), higher unpaid dividends (CHF 5.5 million), higher unpaid withholding taxes mainly relating to the dividend (CHF 6.5 million), and the reclassification of a put option liability from non-current liabilities to current liabilities (CHF 11.7 million). As of June 30, 2024, the syndicated revolving credit facility was drawn with CHF 45.0 million, compared to CHF 30.0 million as of December 31, 2023.

Capital expenditure

Gross capital expenditure in the first half of 2024 decreased year-on-year by CHF 17.4 million to CHF 17.7 million. This was primarily due to the exceptional investments in 2023 in our new production facilities in Valencia, Spain, and Atlanta, USA.

Bridge to capital expenditure, net

millions of CHF	2024	2023
Additions to intangible assets	4.7	1.4
Additions to property, plant and equipment	12.9	33.7
Capital expenditure, gross	**17.7**	**35.1**
Disposals of intangible assets gross amount	–0.0	–0.7
Disposals of intangible assets accumulated amortization and impairment losses	0.0	0.7
Disposals of property, plant and equipment gross amount	–5.2	–1.8
Disposals of property, plant and equipment accumulated depreciation and impairment losses	4.7	1.8
Capital expenditure, net	**17.1**	**35.1**

Cash flow

Cash flow from operating activities was CHF 28.6 million, up from CHF 15.4 million in the first half of 2023 mainly due to positive contribution from net working capital. In 2024, lower net working capital contributed CHF 3.1 million to cash flow from operations compared to CHF -14.1 million in the same period in 2023.

Cash out from investing activities was CHF 21.0 million, related to purchase/sale of property, plant and equipment (CHF 16.3 million, net) and intangible assets (CHF 4.7 million).

Cash inflows from financing activities amounted to CHF 0.4 million, which included paid shareholders' dividend of CHF 7.8 million and paid lease liabilities of CHF 5.8 million. Current borrowings increased by CHF 14.5 million following the group's drawdown of CHF 15.0 million from the syndicated credit facility.

The higher year-on-year cash flow from operating activities for the first half of 2024 and consistent payments for capital expenditure resulted in a positive free cash flow of CHF 7.6 million, compared to a negative CHF 4.9 million in the first half of 2023.

Bridge from cash flow from operating activities to free cash flow and adjusted operating net cash flow

January 1 - June 30

millions of CHF	2024	2023
Cash flow from operating activities	**28.6**	**15.4**
Purchase of intangible assets	–4.7	–1.4
Purchase of property, plant and equipment	–17.5	–18.9
Sale of property, plant and equipment	1.2	0.0
Free cash flow (FCF)	**7.6**	**–4.9**
Interest received	–0.4	–0.3
Interest paid	6.3	3.1
Other financial (income) / expenses, net	0.7	1.6
Income tax paid	4.6	4.5
Other items	1.3	–0.3
Operating net cash flow (ONCF)	**20.1**	**3.6**
Non-operational items paid [1)]	3.7	9.9
Adjusted operating net cash flow (adjusted ONCF)	**23.9**	**13.5**

1) Non-operational items paid include significant acquisition-related payments, cash flow from the sale of businesses or real estate, and cash flow for certain non-operational items that are non-recurring or do not regularly occur in similar magnitude.

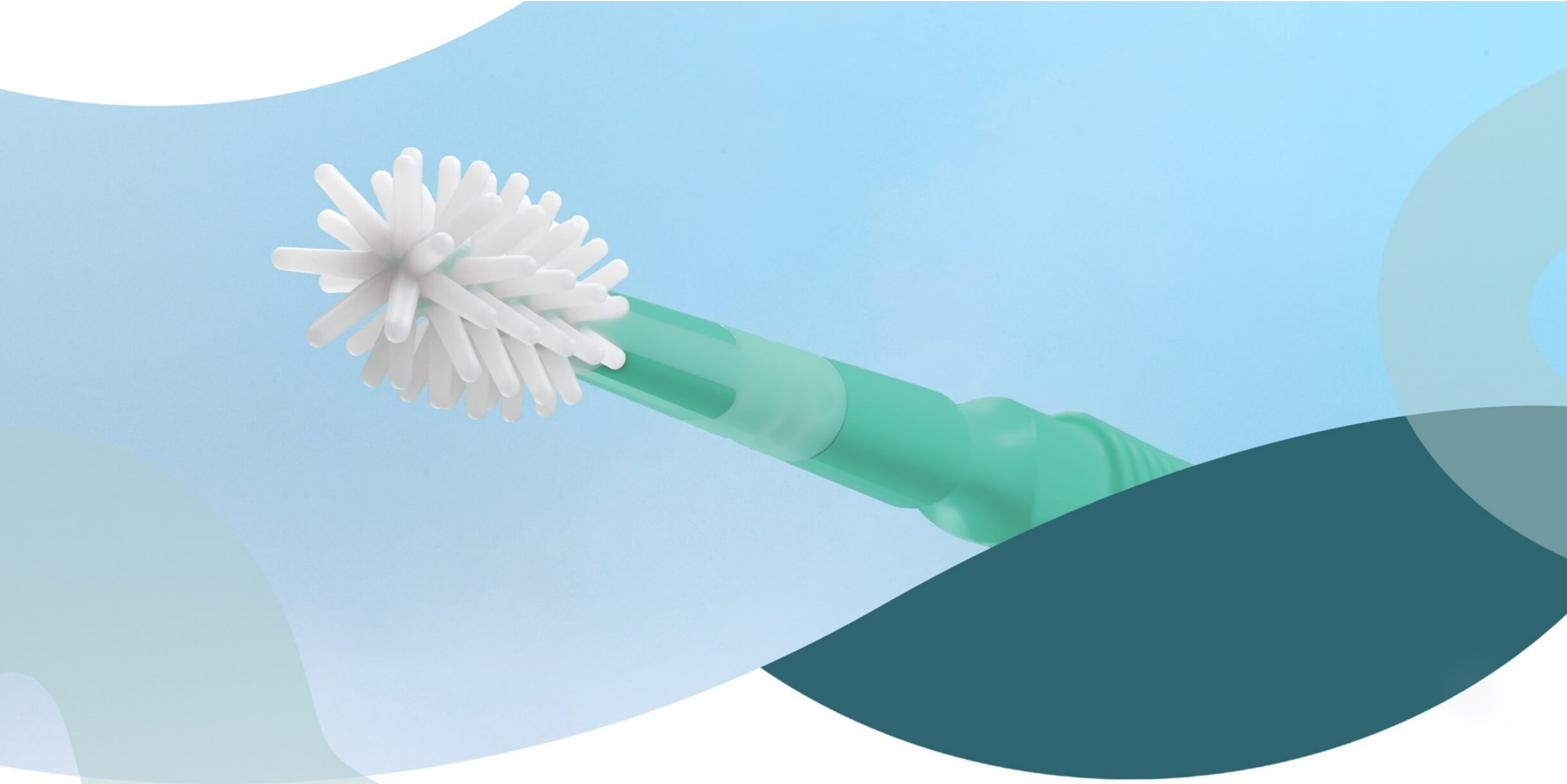
Outlook

Reference is made to the letter to the shareholders.

Alternative performance measures (APMs)

For the definition of the alternative performance measures, please refer to the medmix annual report 2023, chapter on alternative performance measures.

Abbreviations
EBIT: Earnings before interest and taxes
EBITDA: Earnings before interest, taxes, depreciation and amortization
ONCF: Operating net cash flow



medmix Dental: ZerofloX™

Healthcare review

Healthcare business area expects rebound

Our Healthcare business area comprises the Dental, Drug Delivery and Surgery market segments, which produce and market a broad range of products such as dispensers, cartridges, mixers, tips, syringes, pen injectors for subcutaneous delivery of biologicals, and delivery devices for bone repair and tissue treatment. These devices are used in a variety of applications by our end-customers. In the Dental business, our products are used for prosthetics, restoratives, anesthetics and aesthetics. The pen injectors produced and marketed by our Drug Delivery market segment are used in fertility and growth hormone treatments, and to deliver medical substances for the treatment of diabetes, osteoporosis and rare diseases. The delivery devices produced and marketed by our Surgery market segment are used by tissue banks for bone repair and bone cement in trauma surgeries, and by pharma customers with other medical substances for internal and external wound healing.

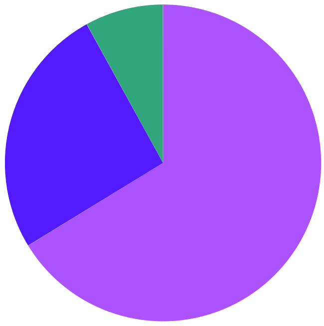
Key figures Healthcare

January 1 - June 30

millions of CHF	2024	% of HC revenue	+/–% change	+/–% organic[2)]	2023	% of HC revenue
Revenue Dental	54.9	66.2%	2.4%	3.2%	53.7	60.2%
Revenue Drug Delivery	21.4	25.7%	–20.6%	–18.5%	26.9	30.1%
Revenue Surgery	6.6	8.0%	–22.8%	–22.8%	8.6	9.7%
Total revenue Healthcare (HC) [1)]	**82.9**	**100.0%**	**–7.0%**	**–5.9%**	**89.2**	**100.0%**
Business area cost of goods sold	–31.5	–38.0%	10.1%		–35.1	–39.4%
Business area gross profit	**51.4**	**62.0%**	**–5.0%**		**54.1**	**60.6%**

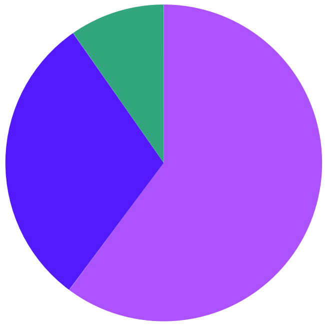
1) Revenue from external customers.
2) Adjusted for acquisition and currency effects.

Revenue by market segment
H1 2024



- **66.2%** Dental
- **25.7%** Drug Delivery
- **8.0%** Surgery

Revenue by market segment
H1 2023



- **60.2%** Dental
- **30.1%** Drug Delivery
- **9.7%** Surgery

Positive trends in our Dental market segment

The Dental market segment generated a revenue of CHF 54.9 million, an organic increase of +3.2% compared with the same period last year. The order patterns show strong indications of normalization, and the management is cautiously optimistic to confirm these positive trends in the months ahead.

In the first half of 2024, medmix proudly introduced new dental mixing tips and cartridges certified by the International Sustainability and Carbon Certification (ISCC) Plus. The ISCC is a globally recognized certification system that promotes sustainable, fully traceable, deforestation-free, and climate-friendly supply chains. This independent, multi-stakeholder initiative plays a crucial role in fostering environmentally, socially, and economically sustainable production. As a leader in the dental industry, we are committed to pioneering solutions that not only meet the highest standards of quality but also advance our commitment to environmental responsibility.

Expanding our Drug Delivery market segment pipeline

The Drug Delivery market segment generated a revenue of CHF 21.4 million, which corresponds to an organic decrease of -18.5% year-on-year. This shortfall was largely due to a customer moving a portion of production, as planned, to a second source manufacturer (under license to medmix).

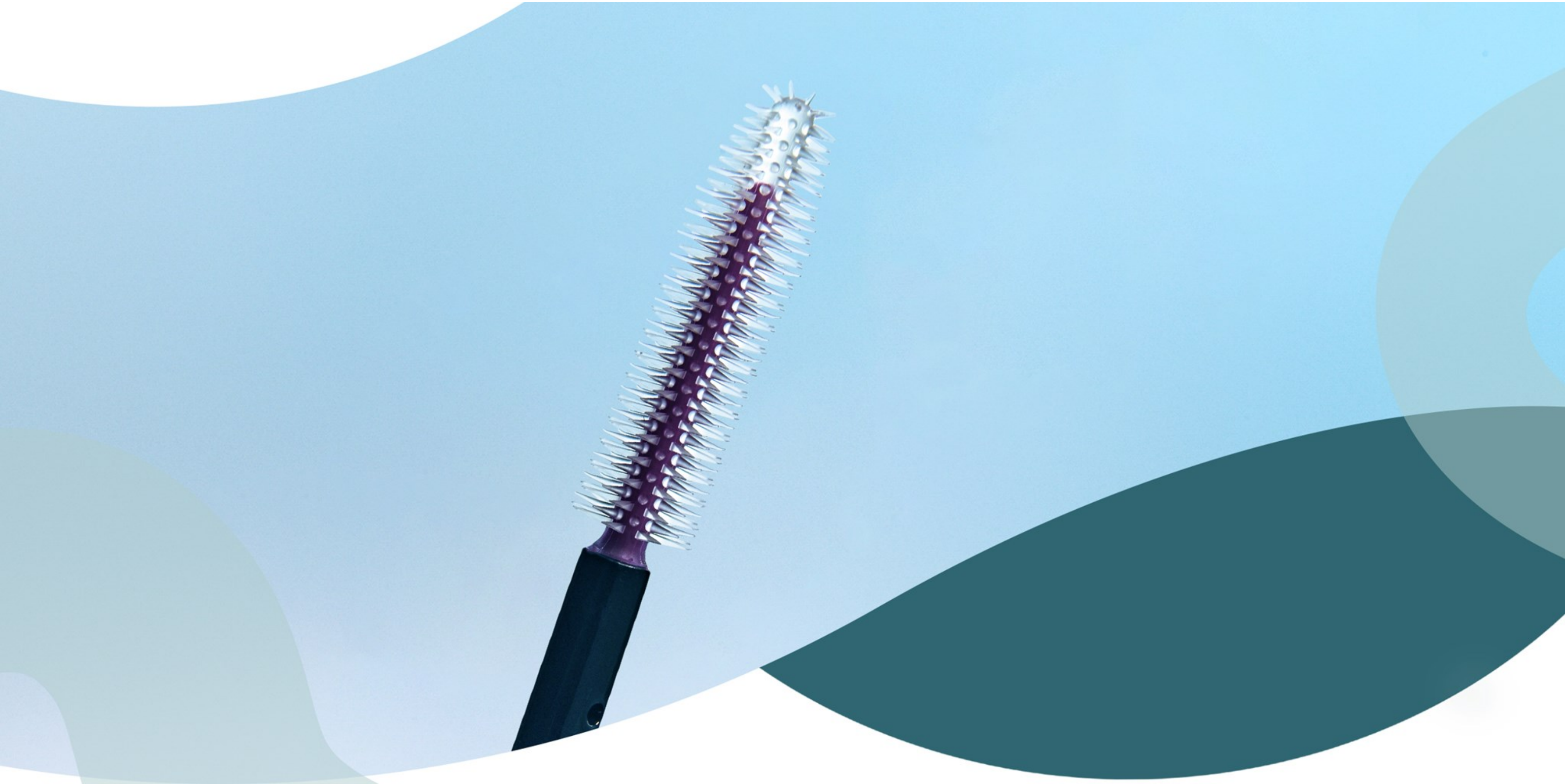
medmix' project pipeline remains robust, ensuring the delivery of our long-term revenue and profitability targets. We are confident in our ability to introduce significant new projects, such as the PiccoJect autoinjector, the D-Flex injector pen, and other innovative devices. Currently, we are in discussions with a broad spectrum of customers, including major pharmaceutical companies, for a variety of drugs, including GLP-1 and biosimilars.

In a major development this January, we expanded our product portfolio by launching the SicuroJect™ passive needle safety device at Pharmapack Europe in Paris. This device is designed to prevent needle stick injuries for patients, healthcare professionals, and caregivers. In April, our Drug Delivery market segment ("Haselmeier") announced an exclusive promotion and distribution partnership with NIPRO CORPORATION ("Nipro") for PiccoJect™ in the Japanese market, enabling market access through Nipro starting from Q1 2025.

Surgery market segment: poised for growth

Revenue in our Surgery market segment was CHF 6.6 million in the first half of 2024, a -22.8% organic decrease compared with the same period last year. The decrease in revenue was primarily driven by an exceptionally strong end to 2023.

In the first half of 2024, medmix successfully completed the ISO 13485 audit for its new facility in Atlanta, USA. This facility is now producing fully validated surgery products, significantly strengthening the company's presence in the world's largest healthcare market. In February 2024, medmix participated in the AAOS Congress, demonstrating our commitment to customer engagement and staying abreast of industry trends. We plan to continue this momentum at the forthcoming NASS 2024.



medmix Beauty: pureDEFINITION brush

Consumer & Industrial review

Robust performance in Industry and growth in Beauty

In our Consumer & Industrial business area, we provide our customers with high-quality products and services specifically tailored to our customers' needs. In the Industry market segment we design, develop and market a broad range of products such as dispensers, cartridges and mixers for two-component adhesives and sealants for use in construction, transportation, electronics, infrastructure and general industrial sectors, as well as in the Do-It-Yourself market. Micro-brushes and applicators for eyes, eyelashes, lips and facial make-up are the most important products of our Beauty market segment. They are sold to a broad customer base that ranges from regional to global brands and includes the most iconic names in the beauty industry.

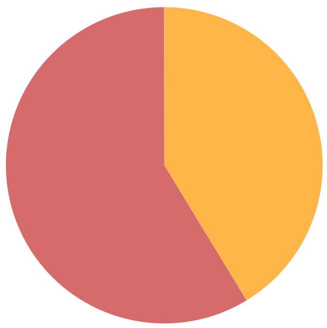
Key figures Consumer & Industrial

January 1 - June 30

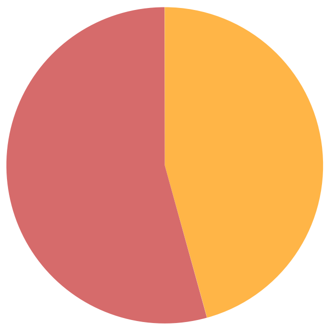
millions of CHF	2024	% of C&I revenue	+/–% change	+/–% organic[2]	2023	% of C&I revenue
Revenue Industry	65.4	41.3%	–9.9%	–8.5%	72.7	45.7%
Revenue Beauty	92.8	58.7%	7.6%	–4.4%	86.3	54.3%
Total revenue Consumer & Industrial (C&I) [1]	**158.3**	**100.0%**	**–0.4%**	**–6.3%**	**158.9**	**100.0%**
Business area cost of goods sold	–103.4	–65.4%	0.9%		–104.4	–65.7%
Business area gross profit	**54.8**	**34.6%**	**0.6%**		**54.5**	**34.3%**

1) Revenue from external customers.
2) Adjusted for acquisition and currency effects.

Revenue by market segment
H1 2024



Revenue by market segment
H1 2023



Sequential growth in Industry market segment

Revenue in our Industry market segment was CHF 65.4 million in the first half of 2024, a decrease of -8.5% organically year-on-year primarily due to the release of Poland inventory in the first half of 2023. Compared to the second half of 2023, the Industry market segment delivered robust organic growth of +12.3% with our new production facility in Valencia now producing the entire range of fully validated products.

Stable growth in Beauty market segment

Our Beauty segment delivered revenue of CHF 92.8 million, a year-on-year growth of 7.6%. This was driven primarily by the Qiaoyi acquisition with a positive impact of +15.4% partially offset by negative foreign exchange rates (-3.4%). The decline in organic revenue of -4.4% was driven primarily by strong launch activity in the first half of 2023 which instead will be more concentrated in the second half of the year in 2024.

Pioneering sustainable innovation

In the first half of 2024, medmix proudly launched the industry's first post-consumer recycled polypropylene (PCR PP) material for safe primary packaging in cosmetics, marking a groundbreaking innovation in sustainable cosmetics packaging. This new material revolutionizes the market by providing unprecedented color brilliance and maintaining visual effects while reducing CO2 emissions by 75% compared to virgin materials. Its ability to meet the highest standards opens new horizons for packaging products such as water-based mascaras. Previously, the strict quality and suitability requirements for components in contact with cosmetics, such as thread parts and bottles, precluded the use of PCR PPs. Now, for the first time, packaging can be made entirely from recycled material.

The medmix Beauty market segment site in Bechhofen has been awarded the EcoVadis PLATINUM medal for the fourth consecutive year. Additionally, GEKA received B ratings from the CDP for its efforts to address climate change and water security. These accolades confirm GEKA as a sustainability leader in the cosmetics sector and represent important steps in our environmental, social, and governance strategy.