

Ypsomed Half-Year Results 2022/23

Strong rise in profitability

Webcast, 16 November 2022

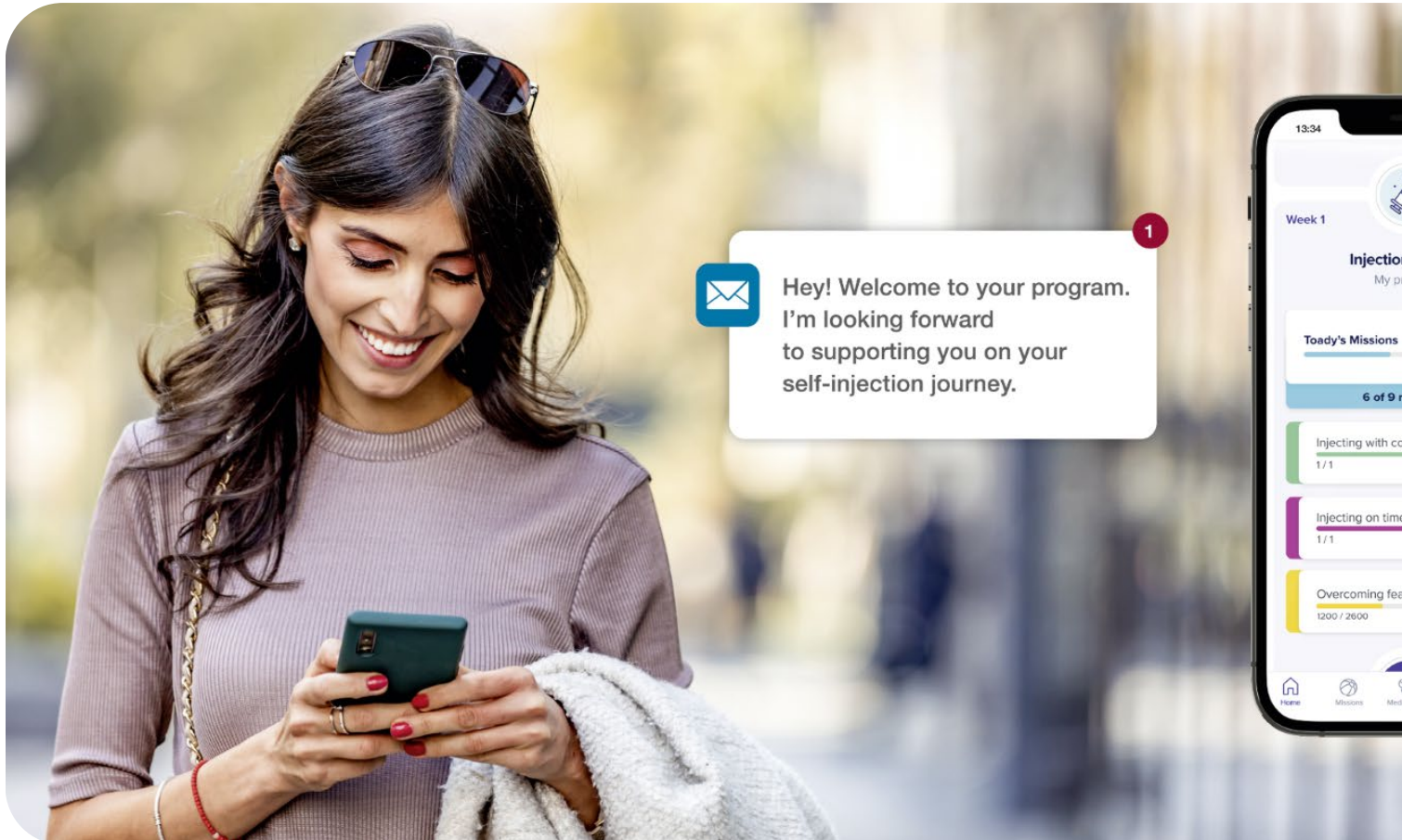


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Making selfcare simpler and easier

Improved therapy outcomes for chronic conditions



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Deliverysystems

Preferred partner for systems to administer liquid drugs



Pen systems



Autoinjector systems



Patch injector systems



Smart services



Diabetescare

Established diabetes specialist with over 35 years' experience



Pen needles



Blood glucose monitoring systems



Infusion systems

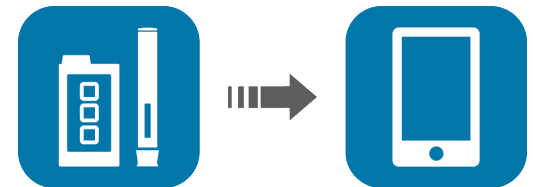
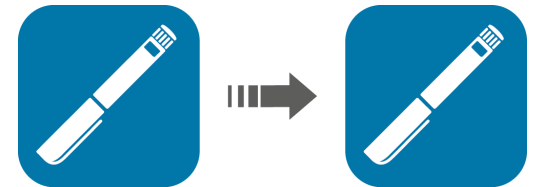
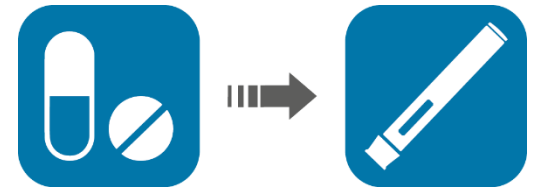
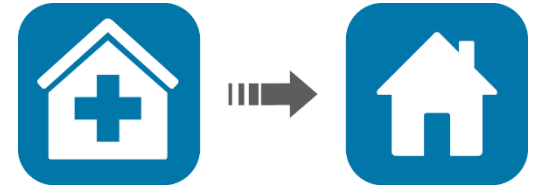


Therapy management

Solutions for healthcare's biggest challenge

Ypsomed's underlying growth fundamentals are unchanged

- **Selfcare**
Improving quality of life, therapy adherence and enabling affordable healthcare systems
- **Biologics**
Most new-generation drugs with complex active pharmaceutical ingredients have to be injected
- **Biosimilars**
Expanding affordable, global access to medical care
- **Digitization**
Enabling innovative, digital therapy management for optimal therapy outcomes and evidence-based care



Our purpose is a commitment to society

Supporting our ambitions

- Our products are vital for people with chronic conditions,
 - resulting in a **recurring business model** and
 - being **not as dependent on macro-economic cycles**
- We **accelerate investments** to meet demand
- With more innovation to come, we will reach **profitability** for YpsoPump faster
- Supported by a **strong momentum** in sales, our integrated strategy allows a **high operating leverage**

Recent strategic highlights



Innovation & Digital Health

- Successful launch of AID with CamDiab, Abbott FSL 3 coming soon
- Partnership with Sidekick with focus on fast access to Digital Health



Access & Expansion

- Introducing new large volume autoinjector for volumes up to 5.5 ml
- 16 new project orders in H1 with existing and new customers in YDS



Responsibility & Engagement

- ISO 14001 certification
- Manufacturing ISCC+ certified to boost zero-carbon offerings

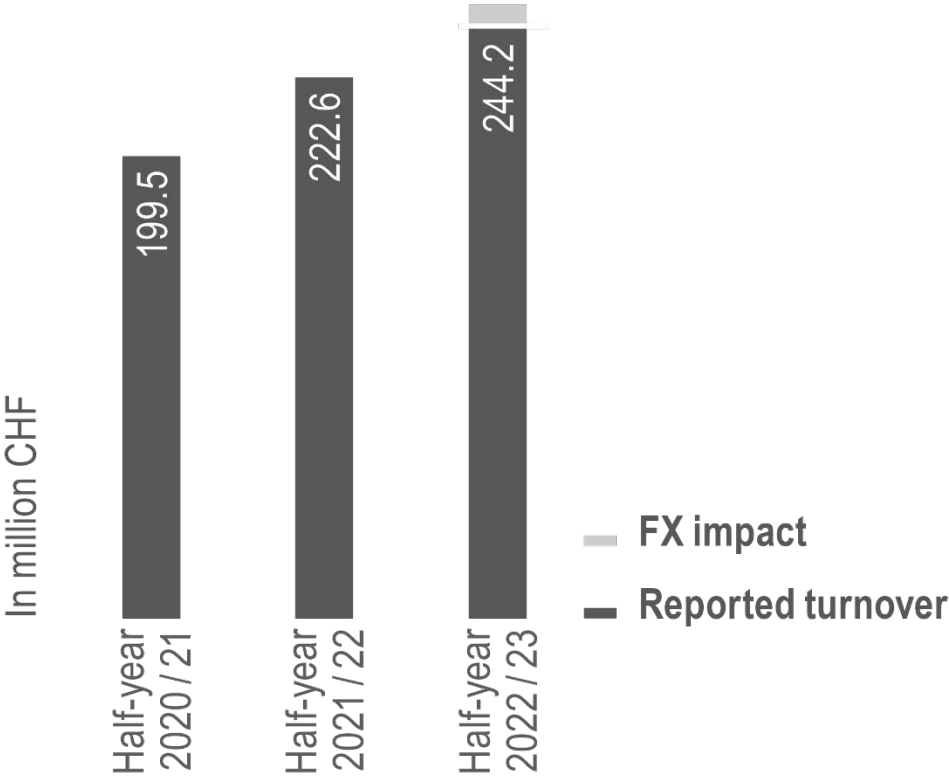


Technology Platforms & Operational Excellence

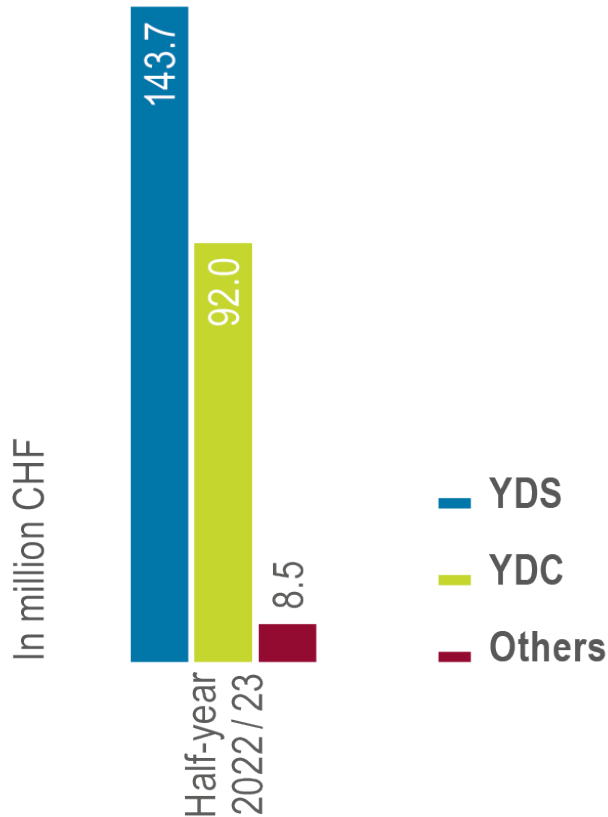
- Capacity expansion in Schwerin for autoinjectors and pens on track
- Signing for our pen manufacturing site in China

Turnover growth of 10% for the Ypsomed Group

Growth of 13% in constant currency



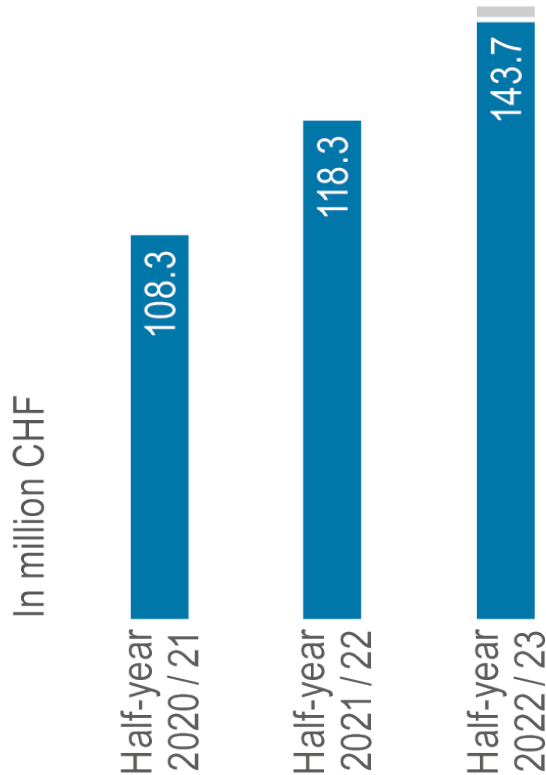
Delivery Systems strong revenue driver



- Sales in **Ypsomed Delivery Systems** (YDS) segment rose again strongly by **21.5 %** to **CHF 143.7 million**
- In **Ypsomed Diabetes Care** (YDC) segment, sales declined slightly by **3.4 %** to **CHF 92.0 million** (around CHF 98 million and 3 % growth in constant currency)
- Sales in the segment **Others** fell by **6.0 %** to **CHF 8.5 million**

Turnover growth of 21.5% in Delivery Systems

26% sales growth in Injection Systems



- Strong sales growth of **+25.6 %** for **Injection Systems** year-on-year
- Main contributor to this growth are **reusable pens** and our autoinjector **YpsoMate® 2.25**
- Contribution to sales from **Contract Manufacturing** increased by **+2.1 %**
- **FX impact on sales is around CHF 2 million** or **2 %** growth

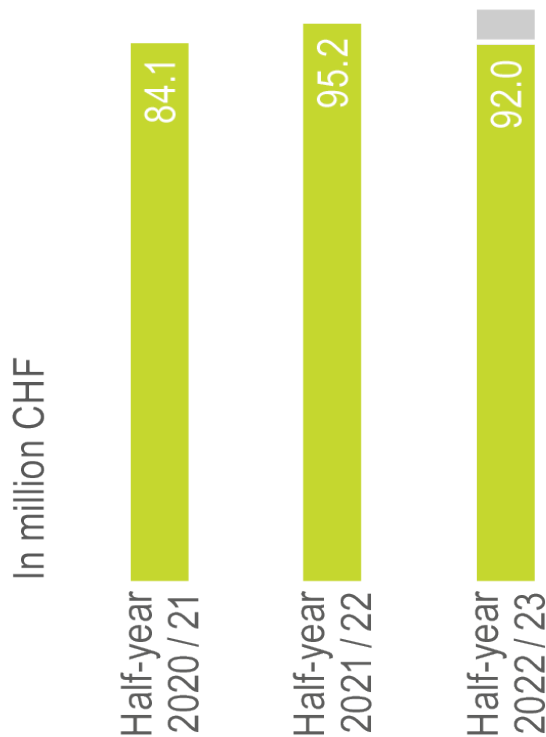
Ypsomed Delivery System (YDS)



- **Recurring** business model
- **Growth** in both **established** and **new products**
- No slow down in **acquisition**, again **16 new projects** with existing and new customers closed, supporting future growth
- Strong performance in **project business** based on our large pipeline
- **Platform offering, scalable manufacturing** and **robust supply chain** fully paying off

Slight decline in turnover in Diabetes Care

32% growth commercial sales YpsoPump®



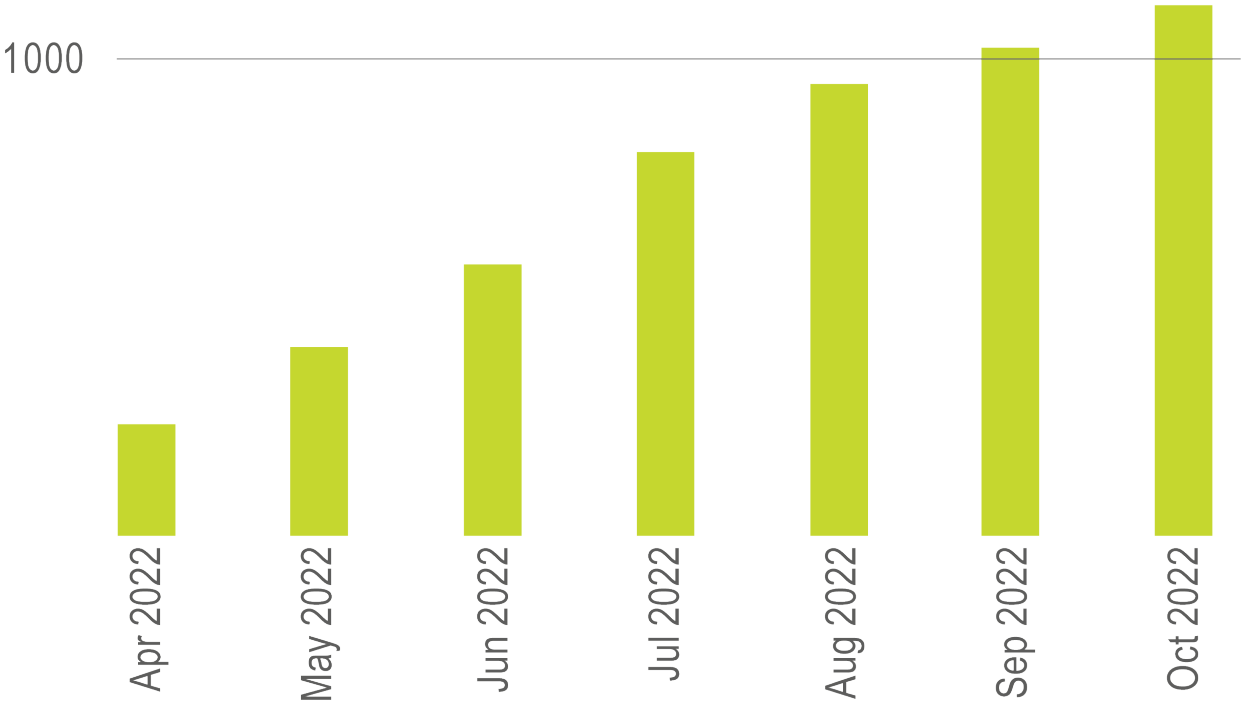
- **Commercial sales for YpsoPump®** increased by **31.8 %** (up +40 % in constant currency)
- **Pen needles** sales up **12.3 %**
- Lower revenues from **development services** for pump partners
- Revenues of **test strips** declined by **14.0 %**
- **DiaExpert** sales down by **13.0 %**
- **FX impact on sales** is around **CHF 6 million** or **6 % growth**

Ypsomed Diabetes Care (YDC)

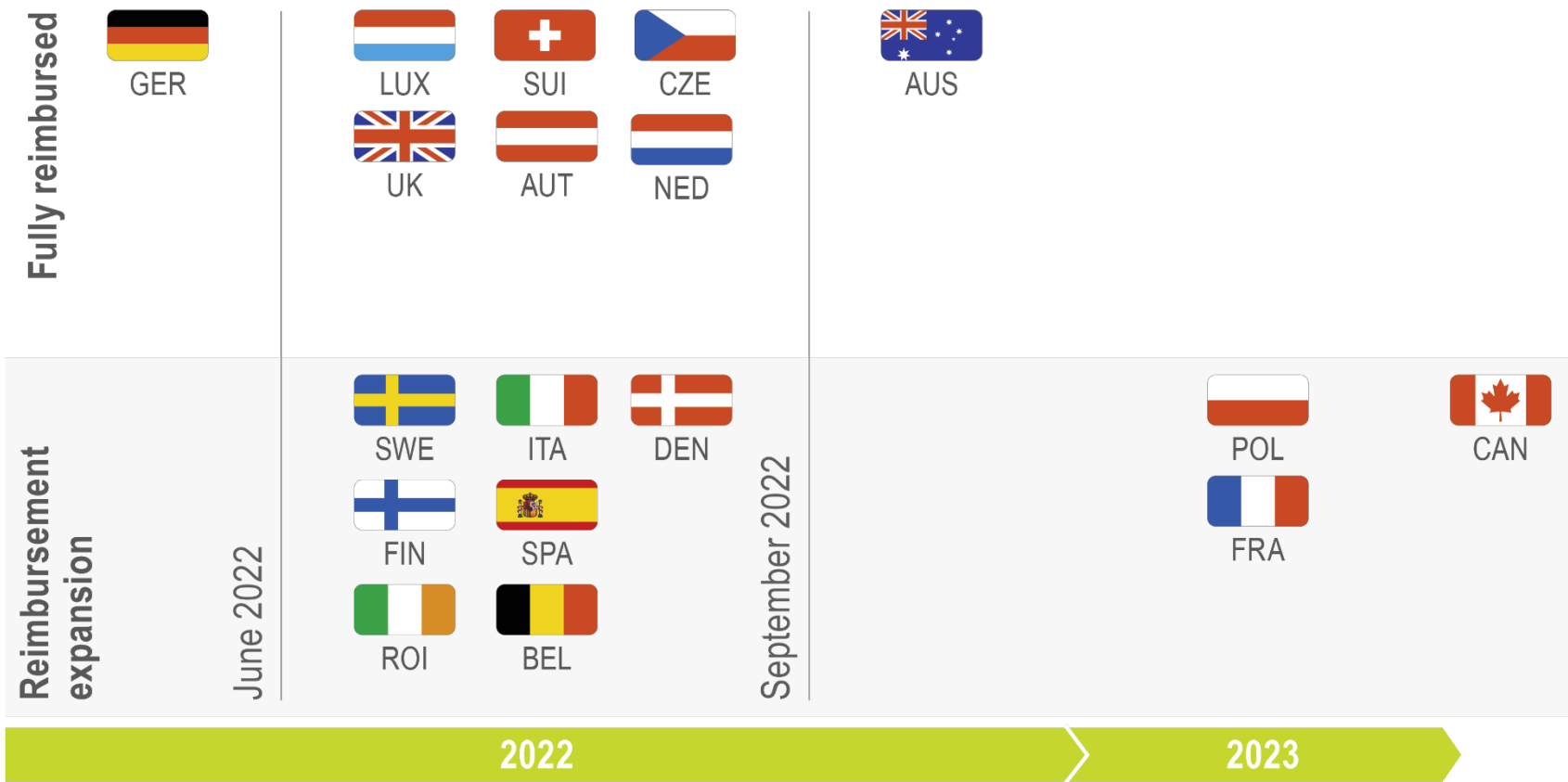


- **Strong uptake** in the roll-out of the mylife™ Loop™ AID offering
- **New pump starts** already over **1000** per month
- But up to three months delayed financial recognition due to common reimbursement procedures
- Launch of worldwide **first AID** with **Abbott Freestyle Libre 3 before end of 2022** in Germany, **iOS** expected in second half of 2023
- **New leadership and management organisation** in YDC in place

Over 1 000 new YpsoPump® starts per month achieved

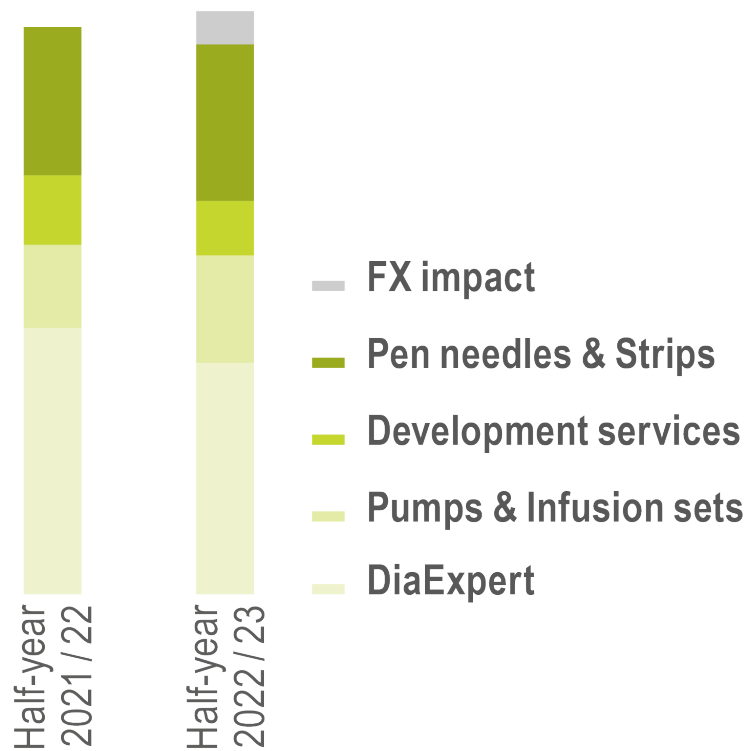


Rollout roadmap mylife™ CamAPS FX Android



Sales performance YDC year-on-year

Breakdown to Product Areas



- **YDC core-business** (excluding DiaExpert and development services) grew at **+13.4%**

Divesting DiaExpert

Focus on own products

- DiaExpert is an established diabetes specialist and mail-order company in **Germany**
- **Supplying a wide range of medical devices** and over-the-counter products important for everyday life with diabetes
- Belongs to Ypsomed for over 30 years
- 180 employees
- **Sales CHF 86 million (FY 2021/22)**
- **EBIT CHF 4 million (FY 2021/22)**

DiaExpert
Diabetes bewegen

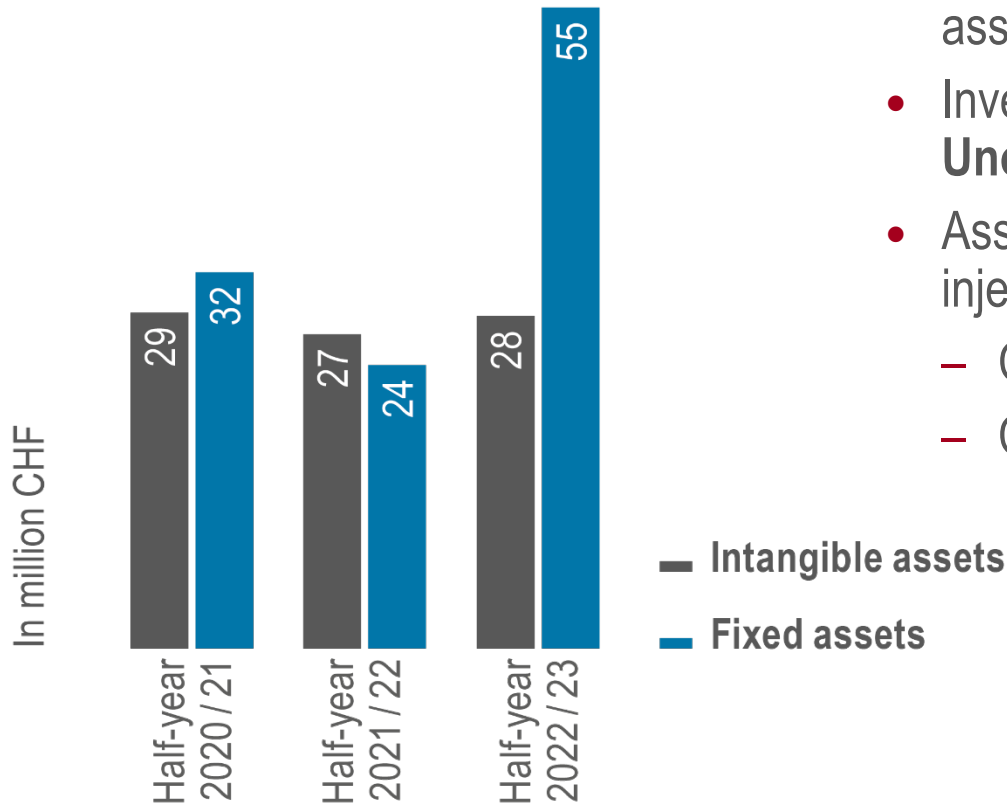


Focus on our integrated approach with our own products

Leveraging profitability



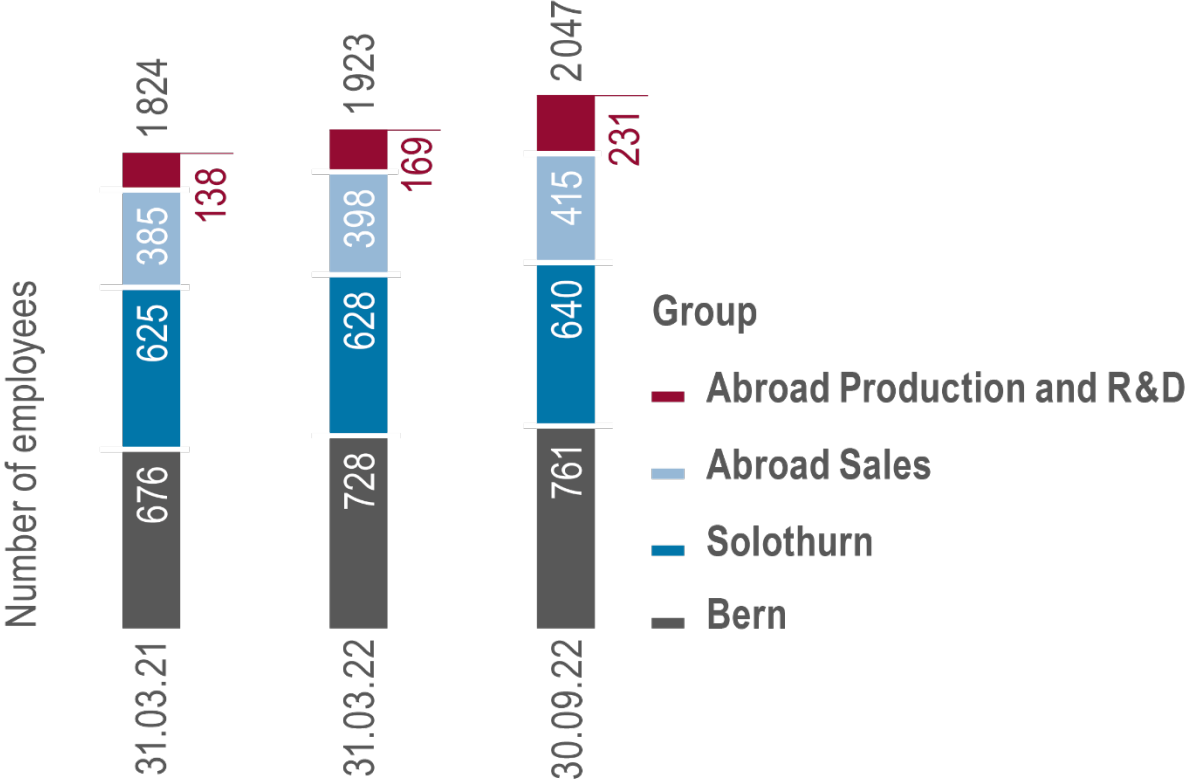
Investments supporting future growth



- CHF 55 million investments in fixed assets
- Investments in **autoinjectors** and **UnoPen™**
- Assembly lines, printing systems, injection moulding machines and tools
 - CHF 30 million in Schwerin
 - CHF 20 million in Switzerland

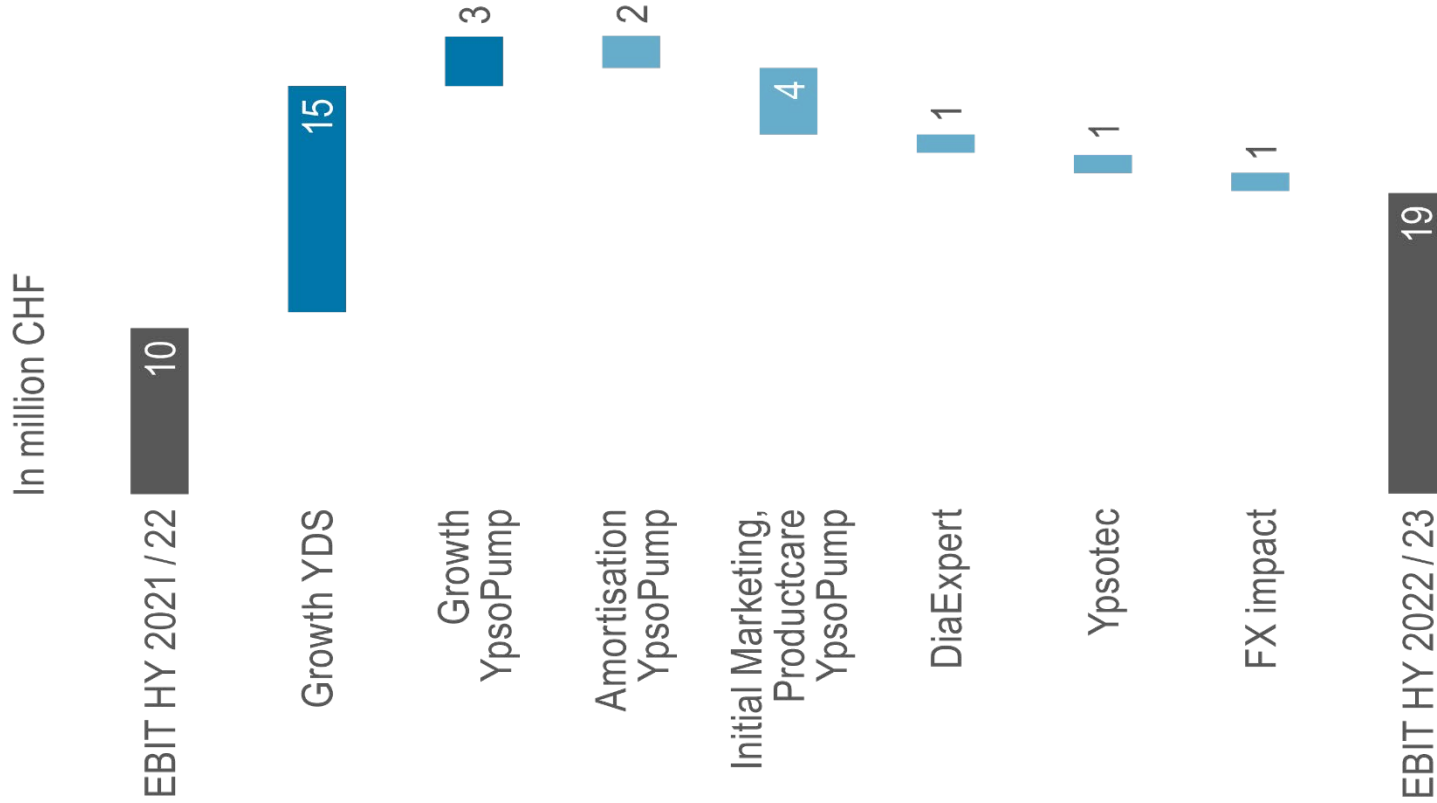
Creating 124 new jobs in 6 months

45 of them in Switzerland



EBIT increased significantly

Development year-on-year



Confirming Outlook

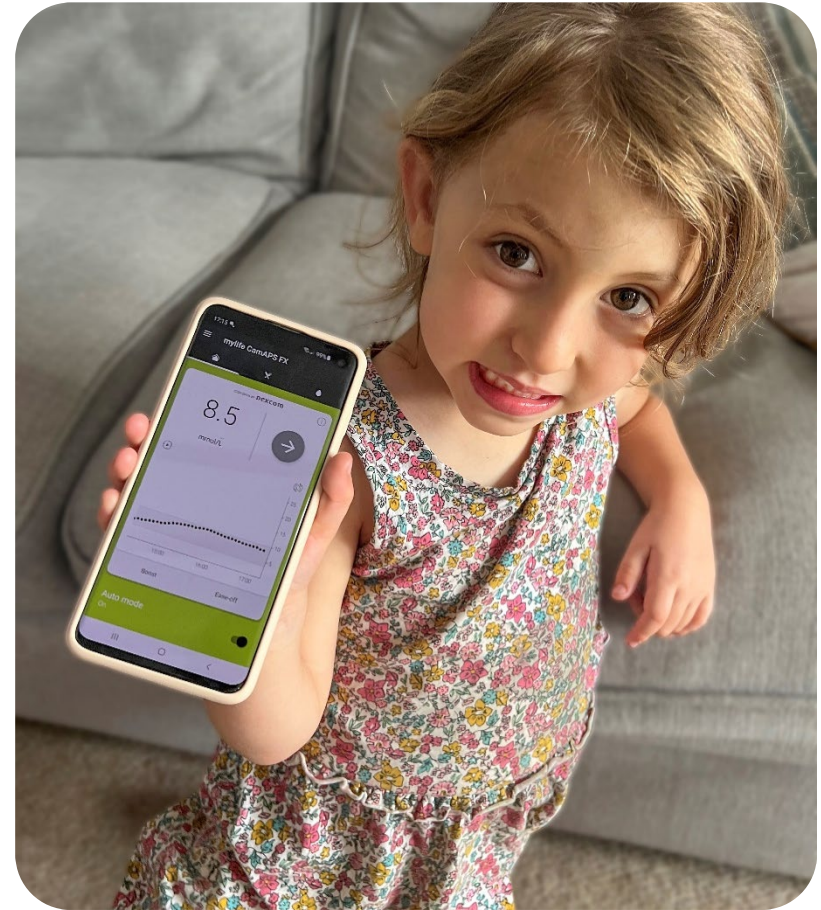
- For the **financial year 2022/23**, Ypsomed expects sales growth of the continued operations in the range of the previous financial year. At the EBIT level, we confirm growth of at least 50%, taking into account the negative effects from inflation, higher energy cost and the announced sale of DiaExpert.
- In addition, Ypsomed is expecting to record a one-off profit in the low double-digit million range at EBIT level on completion of the divestment of DiaExpert.
- For the **following financial year 2023/24**, we confirm a doubling of the operating profit (EBIT) compared to 2022/23, even without a contribution to earnings from DiaExpert.

Innovation & Digital Health

We invest above average in research and development. When developing new solutions, the focus is on added value for those affected, the customers and society.

Advanced, modular offering in insulin pump therapy

- Successful launch of **mylife™ Loop™**, our AID offering
- Highly **adaptive algorithm**, **Smartphone control** and **easy to use**
- Available for all ages and pregnancy, reducing the **mental burden** for families
- Launching the worldwide first AID system compatible with **Abbott FreeStyle Libre 3** before end of 2022
- **mylife™ App** as additional option offering smartphone bolus without looping



Freedom of choice with mylife™ Loop™

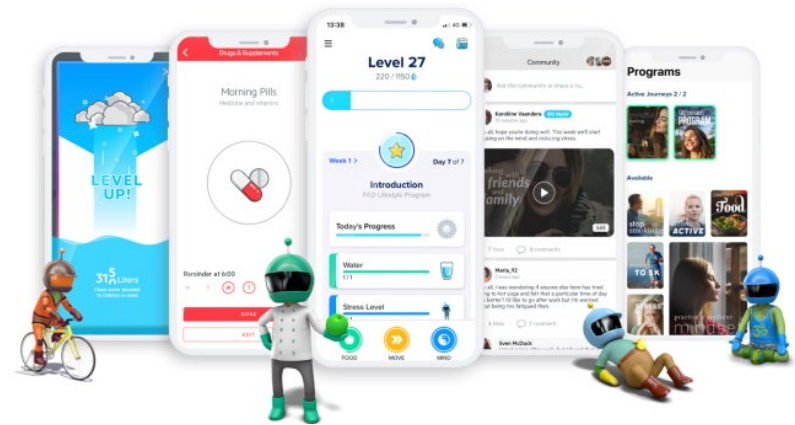


In both YDC and YDS, Digital Health is evolving to evidence-based solutions

- Shift from product differentiation to **improving therapy outcomes**
- **Evidence-based** and **clinically validated**
- Increase of therapy efficacy through **combination of traditional treatments** with **digital therapeutics (DTx)**
- Enabling **outcome-based compensation** programs
- Opportunity to **extend our value chain** with pure **digital services**

Entering a strategic collaboration with Sidekick Health

Gamified and evidence-based digital therapeutics platform



Neurobehavioral injection module

Integrated into Sidekick's digital therapeutics platform

- Developing a **device-digital module** to support patients with self-injections
- **Digital** and **in-person coaching** to increase rate of successful injections
- Reminders to **increase adherence**
- **Psychological support** to reduce injection anxiety and stress
- **Validation** in randomized controlled trials
- Ypsomed will **receive royalties** for all digital programs that will use the module



Digital therapeutics offer significant added value

Across a wide spectrum of chronic conditions

Oncology

- Timely identification of toxicities and adverse events
- Improved overall survival for patients with symptom reporting
- Reduced cancer-related fatigue and improved quality of life

Aapro, M., et al. (2020) ; Basch, E., et al. (2017).

Immunology & Inflammation

- Improved symptom control via identification of pain trends
- Positive effects on patient-reported stress and energy levels
- Reduced psoriasis severity via reduced stress and anxiety

Solomon, D. H. and R. S. Rudin (2020); Sidekick study results.

Cardiovascular & Metabolics

- Significant effect of weight loss goals in obesity
- Improved blood glucose control in type 2 diabetes
- Increase in physical activity and exercise frequency

Thorgeirsson T et al. (2021). Sidekick study results

Access & Expansion

We improve medical care worldwide.

To make life easier for those affected, we want to serve the widest possible range of disease areas.

Current and potential future disease areas served

Pens

- Diabetes
- Osteoporosis
- Growth disorders
- Fertility
- Parkinson
- **Rheumatoid arthritis**
- **Bullous pemphigoid**

Auto- and patch-injectors

- Asthma
- Migraine
- Multiple sclerosis
- Sexual dysfunction
- Rheumatoid arthritis
- Psoriasis
- Dermatitis
- **Obesity**
- **Alzheimer**
- **Immuno-oncology**
- **Diabetes**
- **Haemophilia**

YpsoMate® 5.5 – the 5.5 ml large volume autoinjector

Unlocking new applications for handheld autoinjectors

- Latest addition to the growing YpsoMate® family of devices
- Based on the established technology of the YpsoMate® 2.25 Pro
- **Larger dosing volumes can reduce the number of injections required**
- Pre-filled syringe syriQ BioPure 5.5 ml developed in **collaboration with Schott**
- Enables treatment of cancer, rare and autoimmune diseases



Platforms & Operational Excellence

With our platform approach and scalable capacities, we are able to provide products quickly and reliably. We operate according to the principles of lean management and highly automated processes to expand our cost leadership.

Statement on the energy supply

- Ypsomed **does not require natural gas** in operations, and only minimal for heating
- Within the scope of business continuity, a dedicated **Energy Task Force** and a defined action plan for power management are in place
- Numerous measures have been identified to **save electricity** and to smooth the load curve (e.g. Sunday shifts)
- **Resilience of the manufacturing operations** with regard to short-term planned and unplanned power interruptions is **ensured**
- **Projects for solar energy** in Schwerin, Burgdorf, Grenchen, Tábor were accelerated
- We see this as an **opportunity** to take important steps towards our ambitious long-term climate goals
- **Smoothing of energy prices** by concluding a long-term power purchase agreement (2023 till 2027)

Signing for a new manufacturing site in China

Changzhou National High-Tech Industry Development District

- China is a rapidly growing market for Ypsomed, in particular for **UnoPen™**
- To foster **long-term partnerships** and to **eliminate shipping**, we set up a local manufacturing site:
 - 15'000 m² land, option for additional 5'000 m²
 - Around CHF 35 million investment in construction and equipment
 - Start of production during the second half of 2024
 - Over 50 jobs in two years



Thank you.



PUBLIC

YPSOMED
SELF-CARE SOLUTIONS