

Ad hoc announcement pursuant to Art. 53 LR

Ypsomed doubles profits and confirms outlook

Burgdorf, 15.11.2023, 07:00 a.m. – Ypsomed (SIX: YPSN) continues its growth trend and achieved consolidated sales of CHF 255.4 million in the first six months of the 2023/24 financial year (previous year: CHF 244.2 million). Adjusted for the effect of the divestment of the diabetes specialist DiaExpert in Germany at the end of December 2022, we demonstrated growth of 24.1% with our continued business. On its growth trend, the company doubled its operating result (EBIT) to CHF 39.9 million versus the previous year (CHF 19.4 million or adjusted for continued business CHF 16.6 million). Net profits also more than doubled to CHF 36.6 million (previous year CHF 15.4 million). Ypsomed confirms the outlook for the financial year 2023/24 and expects an operating result of at least CHF 90 million.

This result confirms the long-term, fundamental trends towards easy and safe selfcare with liquid medications for people with chronic conditions.

Other major events:

- Sales growth of 37% from deliveries in the proprietary pen and autoinjector business;
- The conclusion of a long-term supply contract for large quantities of autoinjectors with Novo Nordisk with an expected contribution to commercial sales in the 2025/26 financial year;
- Further partnerships with S3 Connected Health and Interface Analysis Associates for innovative services;
- The increase in commercial sales of the mylife YpsoPump system by more than 150%, which is close to 40,000 users by the end of September 2023;
- The creation of 172 new positions, 69 of them in Switzerland.

“Our underlying growth drivers for easy self-treatment and the growth of biopharmaceutical medicinal products and biosimilars offer enormous potential. Our fully automated and scalable processes allow us to benefit from this growth. To further accelerate our profitability, we will continuously review our portfolio,” CEO Simon Michel comments on the positive development.

Outlook

Ypsomed expects sales growth of the continued business in the 2023/24 financial year of approximately 25%. At the EBIT level, Ypsomed confirms the outlook and expects an operating result of at least CHF 90 million.

Strong growth of Ypsomed Delivery Systems in the proprietary injection systems business

During the first half-year 2023/24, the Ypsomed Delivery Systems segment increased turnover by 22.8% or CHF 32.8 million respectively. The turnover for the reporting period amounts to CHF 176.5 million (previous year: CHF 143.7 million).

- With a growth of 36.5%, the development of commercial deliveries was particularly pleasing in the business with the YpsoMate 1.0 and YpsoMate 2.25 autoinjectors for larger volumes with existing and new customer products;
- Project revenues remained stable at a high level;

- In Contract Manufacturing, sales increased by 15.6%.

“For our injection systems, we foresee a clear and very promising development. To prepare for the expected growth, we are accelerating our capacity expansion at all locations. In this context, we decided together with a CMO customer to extend the supply contract only until the beginning of the 2026/27 financial year. We will be using the space that will gradually be freed up, as well as the staff in Solothurn, for the production of our own products,” says Ulrike Bauer, Chief Business Officer Delivery Systems, pleased with the positive development.

Growth of over 150% for the mylife YpsoPump

In the Ypsomed Diabetes Care segment, sales of CHF 72.6 million (previous year: CHF 92.0 million) were recorded in the first half of 2023/24. Adjusted for the divestment of DiaExpert, a growth of 35.4% was achieved in continued business (previous year: adjusted CHF 53.6 million).

- Commercial sales of the mylife YpsoPump system increased by 153.6%;
- Our mylife Loop solution for the automated insulin delivery with a self-learning algorithm on the smartphone is approaching 40,000 users;
- Sales of pen needles declined by CHF 7.2 million due to high inventories at the distribution partners;
- The blood glucose monitoring systems business dropped by 7.3% due to the general decline in the market.

“We are proud to significantly improve the lives of people with diabetes with mylife Loop. We have achieved our interim target of 40,000 active users and see a clear return to profitability in the insulin pump business,” says Sébastien Delarive, Chief Business Officer Diabetes Care, on the successful development of the mylife Loop offer.

Considerably higher gross margin at group level

Due to higher sales and the associated higher degree of utilisation of the production infrastructure, as well as the absence of dilution by the divested diabetes specialist DiaExpert, the gross margin increased significantly to 34.4% (previous year: 26.8%).

Increased earnings contribution from both business areas

The operating result (EBIT) increased significantly to CHF 39.9 million.

- The increase in turnover and higher utilisation of the production capacity for pens and autoinjectors made an encouraging contribution to earnings;
- The operational profit with the mylife YpsoPump continues to burden the result with CHF -20.4 million (previous year: CHF -27.5 million). The better result from the additional turnover was negatively affected with approximately CHF 8 million in additional costs for strengthening the global sales organisation and higher marketing expenses, which had already been initiated last summer. Most of this development in the core markets has now been completed;
- The decline in sales at Ypsotec reduces the result by around CHF -1.5 million (previous year: CHF -1.0 million).

In the period under review, Ypsomed achieved a net profit of CHF 36.6 million (previous year CHF 15.4 million). The net profit margin doubled to 14.3% (previous year: 6.3%). The earnings per share are CHF 2.68 (previous year CHF 1.17).

Continued high investments for future growth

Cash flow from investment activities of CHF 89.9 million, is slightly higher than in the previous year (previous year: CHF 83.2 million). Of this amount, CHF 50.1 million (previous year: CHF 55.0 million) were attributed to

investments in fixed assets; in particular, in the further expansion of capacities at the Swiss locations and in Schwerin, Germany. Investments in intangible assets of CHF 39.8 million (previous year: CHF 28.4 million) were made in favour of the further development of platforms for pen and autoinjector systems, smartphone apps, FDA approval for the US pump market and digital services in the area of Digital Health.

Detailed reporting and further information can be found in the semiannual report 2023/24, see [Link to our reports](#).

Contact

Thomas Kutt, Investor Relations, Ypsomed Holding AG
+41 34 424 35 55, thomas.kutt@ypsomed.com

Ypsomed Group

Ypsomed is the leading developer and manufacturer of injection and infusion systems for self-medication and a renowned diabetes specialist with over 35 years of experience. As a leader in innovation and technology, it is a preferred partner of pharmaceutical and biotech companies for pens, autoinjectors and pump systems for administering liquid medications. Ypsomed presents and markets its product portfolios under the umbrella brands mylife Diabetescare directly to patients or via pharmacies and hospitals as well as under YDS Ypsomed Delivery Systems in business-to-business operations with pharmaceutical companies. The company is headquartered in Burgdorf, Switzerland, and has a global network of production facilities, subsidiaries and distribution partners employing a staff of over 2,200 employees worldwide. www.ypsomed.com