

Vitrolife

Fear over PGT-A lawsuit overdone

- Lawsuit disturbance, but positive view unchanged
- EBIT cut by 5-7% for '25e-'27e, mainly due to FX
- BUY maintained, TP cut to SEK 265 (278)

Limited exposure to PGT-A vs. share price performance

The Vitrolife stock has underperformed in recent months, down some 30% since the Q4 report (30 January), which confirmed our positive view of the company, and it is down more than 20% since mid-February, mainly due to fear and uncertainty related to the PGT-A class action lawsuit, in our view. The legal process with this kind of lawsuit could take several years to get resolved or dismissed, and our greatest concern is if it will have a negative impact on the demand for the PGT-A test in the US. In a worst-case scenario, assuming a 50% drop in demand for the PGT-A test in the US, the impact on Vitrolife's EBIT would be ~8%. So far, Vitrolife has not noticed any slowdown in demand for the PGT-A.

5% organic growth in Q1'25e

For Q1'25, we expect Vitrolife to report close to 5% organic sales growth and EBIT of SEK 195m for a margin of 21.9% (up from 19.9% in Q1'24) for Q1'25. We believe the softness in consumer confidence in the US and China due to the current macroeconomic uncertainty has had a somewhat negative impact on the IVF market. In addition, we estimate the already announced exits from certain markets facing international sanctions will have a 3% negative headwind on the organic sales growth rate throughout the year.

High valuation discount unjustified

We lower EBIT by 5-7% for '25e-'27e, mainly due to FX, and we cut our DCF-based TP to SEK 265 (278), but we believe Vitrolife's underlying mid-to long-term growth prospects are unchanged. After the recent weak share price performance, the stock is trading at an unjustified high discount to peers on EV/EBIT of 28-48% and P/E of 20-37%. Vitrolife has one of the highest cash flow-generative operations in the sector, but it is trading at a 70-88% discount on the FCF yield to peers, which we think is unjustified.

Analyst(s): sten.gustafsson@abgsc.se, +46 8 566 286 25
philip.ekengren@abgsc.se, +46 8 566 294 98

SEKm	2023	2024	2025e	2026e	2027e
Sales	3,512	3,609	3,710	4,097	4,526
EBITDA	-3,164	1,226	1,310	1,458	1,667
EBITDA margin (%)	-90.1	34.0	35.3	35.6	36.8
EBIT adj.	-3,589	784	871	1,013	1,216
EBIT adj. margin (%)	-102.2	21.7	23.5	24.7	26.9
Pretax profit	-3,712	674	798	945	1,162
EPS	-28.43	3.79	4.48	5.30	6.52
EPS adj.	-25.76	5.30	5.94	6.77	7.98
Sales growth (%)	8.6	2.8	2.8	10.4	10.5
EPS growth (%)	-945.9	-113.3	18.0	18.5	22.9

Source: ABG Sundal Collier, Company Data

Reasons:

In-depth research
 Preview of results

BUY HOLD SELL

Healthcare

Estimate changes (%)

	2025e	2026e	2027e
Sales	-4.8	-4.8	-4.8
EBIT	-6.4	-7.2	-7.2
EPS	-7.0	-7.7	-7.6

Source: ABG Sundal Collier

VITR-SE/VITR SS

Share price (SEK)	26/3/2025	161.30
Target price	(278.0)	265.0

MCap (SEKm)	22,376
MCap (EURm)	2,069
No. of shares (m)	135.4
Free float (%)	51.0
Av. daily volume (k)	161

Next event Q1 Report 24 April 2025

Performance



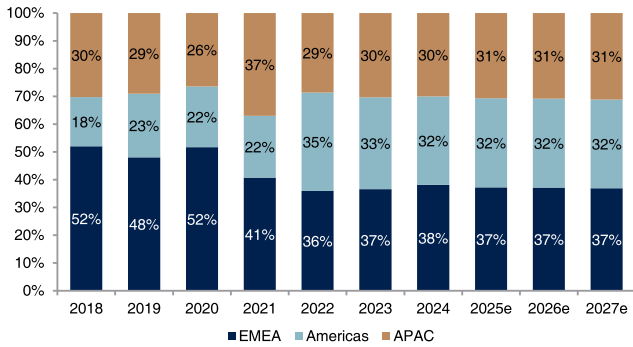
	2025e	2026e	2027e
P/E (x)	36.0	30.4	24.7
P/E adj. (x)	27.2	23.8	20.2
P/BVPS (x)	1.55	1.49	1.43
EV/EBITDA (x)	16.9	14.7	12.4
EV/EBIT adj. (x)	25.5	21.2	17.0
EV/sales (x)	5.98	5.25	4.57
ROE adj. (%)	6.3	6.8	7.6
Dividend yield (%)	0.8	1.0	0.0
FCF yield (%)	3.7	4.2	5.0
Le. adj. FCF yld. (%)	3.5	3.9	4.8
Net IB debt/EBITDA (x)	0.2	-0.3	-0.7
Le. adj. ND/EBITDA (x)	0.2	-0.3	-0.8

Company description

Vitrolife is a Swedish medtech company focused on developing, manufacturing and marketing products used in In Vitro Fertilisation (IVF). Vitrolife offers its customers a wide range of products and solutions, including culture media, disposable products and capital equipment products. Vitrolife is a global company, with sales in some 110 countries.

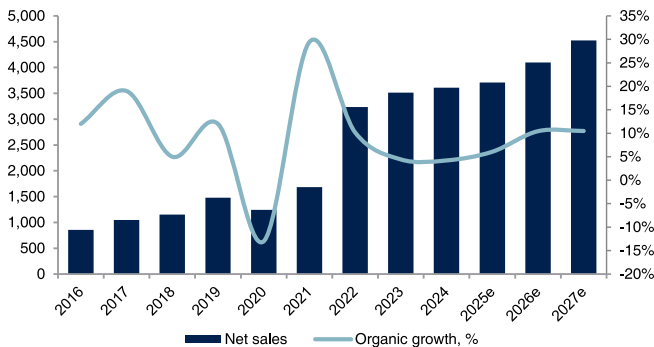
[Sustainability information](#)

Geographical sales split



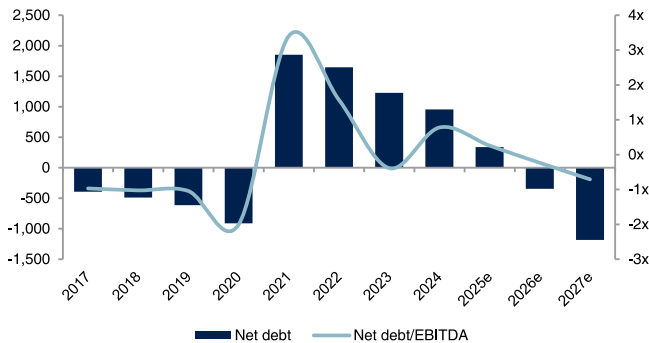
Source: ABG Sundal Collier, Company data

Sales and organic growth



Source: ABG Sundal Collier, Company data

Net debt/EBITDA

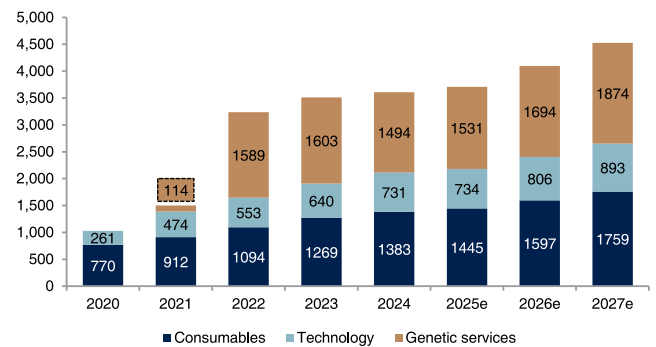


Source: ABG Sundal Collier, Company data

Risks

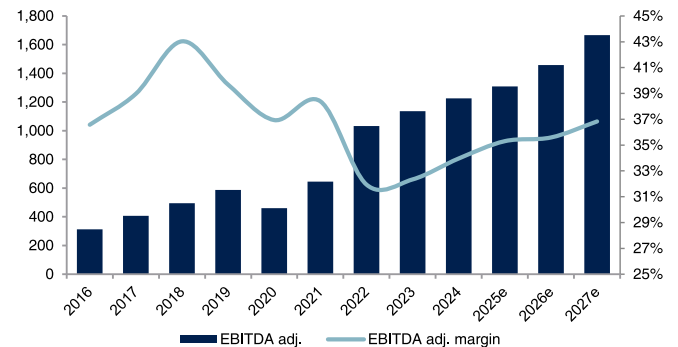
We note a number of risk factors for Vitrolife, including market risk, competition, legal and regulatory risk, product development risk, and currency and macroeconomic risk.

Sales split per product



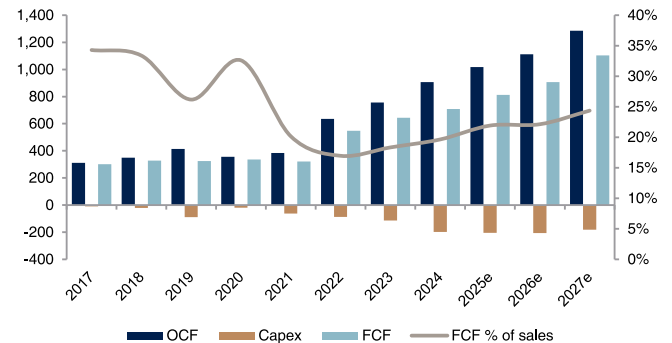
Source: ABG Sundal Collier, Company data

Adj. EBITDA and margin



Source: ABG Sundal Collier, Company data

Cash flow generation



Source: ABG Sundal Collier, Company data

A dive into PGT-A

A class action lawsuit relating to PGT-A testing was filed against Vitrolife in the Court of the Southern District of Florida on 4 March 2025, and similar lawsuits against other companies offering PGT-A testing have been filed previously, starting with CooperGenomics (part of CooperCompanies) in September 2024. In light of this, we take a look at what PGT-A is, how it works, the content of the lawsuits and what the possible outcomes might be.

PGT-A, PGT-M and PGT-SR, what is what?

Preimplantation genetic testing (PGT) is a form of genetic testing that looks at the health of the embryos created during IVF. Preimplantation genetic testing for aneuploidy (PGT-A) is the most common form and is used to assess whether embryos have chromosomal abnormalities before implantation. The aim of the test is to identify embryos that are likely to be affected by a chromosomal abnormality that could adversely affect the pregnancy or the baby. PGT was first used in the UK in 1990 and then spread throughout the world in the 1990s.

Overall, PGT can be divided into three subgroups, each of which evaluates different types of changes in the genetic structure of an embryo. PGT-A (aneuploidy) looks for extra or missing chromosomes, PGT-M (monogenic) looks for changes in a single gene and PGT-SR (structural rearrangements) looks for certain changes in the structure of chromosomes.

The latter two are used for couples where one or both of the prospective parents carry a genetic abnormality that puts them at high risk of having a child with an inherited disease. PGT-A is described as a more general screening to detect chromosomal abnormalities with the aim of improving IVF outcomes.

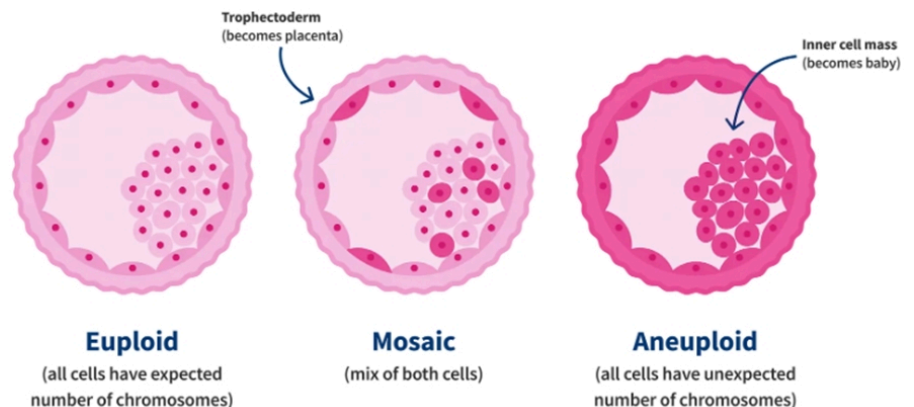
PGT-A testing

Evaluating embryos

The PGT-A test checks how many chromosomes an embryo has, and the typical number you are looking for is 23 pairs of chromosomes (46 in total) in each cell. Embryos with the expected number of chromosomes (46) are called euploid, and if there are too many or too few, the embryo is called aneuploid. Missing chromosomes are called monosomy and an extra chromosome is called trisomy.

A PGT-A test can give four different results when assessing the embryo: 1) euploid: the embryo has the expected number of chromosomes and is suitable for embryo transfer, 2) aneuploid: extra or too few chromosomes, may not be suitable for transfer, 3) mosaic: a mixture with some cells being euploid and some aneuploid, and 4) no result at all. Aneuploid embryos may lead to unsuccessful IVF results, with low pregnancy rates or miscarriages, or to the baby being born with a chromosomal condition, such as Down syndrome, which is caused by an extra chromosome.

Overview of PGT-A outcomes



Source: University of Melbourne

Embryos with extra or fewer chromosomes are relatively common and increases with age. According to an article from the University of Melbourne, 20-30% of embryos are aneuploid among 30-year-olds, but increase to >50% among females over 40 years old, and to >90% for females above 45 years old.

Overview of share of embryos that risk being aneuploid

Among 30-year-olds	Among patients above 40	Among patients above 45
Embryos that are aneuploid: 20-30%	Embryos that are aneuploid: >50%	Embryos that are aneuploid: >90%

Source: ABG Sundal Collier, University of Melbourne

The testing process

The PGT-A test is performed as part of an IVF cycle and involves several steps. The IVF process begins with ovarian stimulation to produce multiple oocytes, which are then retrieved and fertilised in the laboratory. The resulting embryos are cultured for 5-7 days until they reach the blastocyst stage, containing approximately 70-150 cells. As part of the PGT-A process, 3-10 cells are taken in an embryo biopsy. The embryos are then immediately frozen to preserve them while waiting for the test results. The biopsied cells are then sent to a specialist genetic laboratory for analysis. At the laboratory, the cells are tested for PGT-A. Once the genetic analysis is complete, the laboratory sends a report back to the IVF clinic.

Vitrolife's part of the process

Through the acquisition of Igenomix, Vitrolife offers its customers (IVF clinics) a portfolio of reproductive genetic testing services including PGT-A tests. Igenomix run 20 laboratories globally, where IVF clinics can send the genetic tests they want carried out. A patient entering an IVF clinic will be evaluated by a physician if and when a particular genetic test like PGT-A, is deemed necessary based on a number of different parameters, including maternal age, previous failed transfers or previous reported aneuploidies or miscarriages.

If the physician finds it appropriate to carry out a genetic test and prescribe a 'Test Requisition Form', based on the medical evaluation of the patients, each patient must read and sign a 'Consent Form' before a genetic test is prescribed. The physician will then carry out the actual test and then send the test sample to a lab. Vitrolife (Igenomix) is a service provider of genetic tests for IVF clinics, but it is not in contact with the patients and does not provide medical advice to the patients on how to interpret the test results or what to do with them.

Illustration of the PGT-A process

Methodology

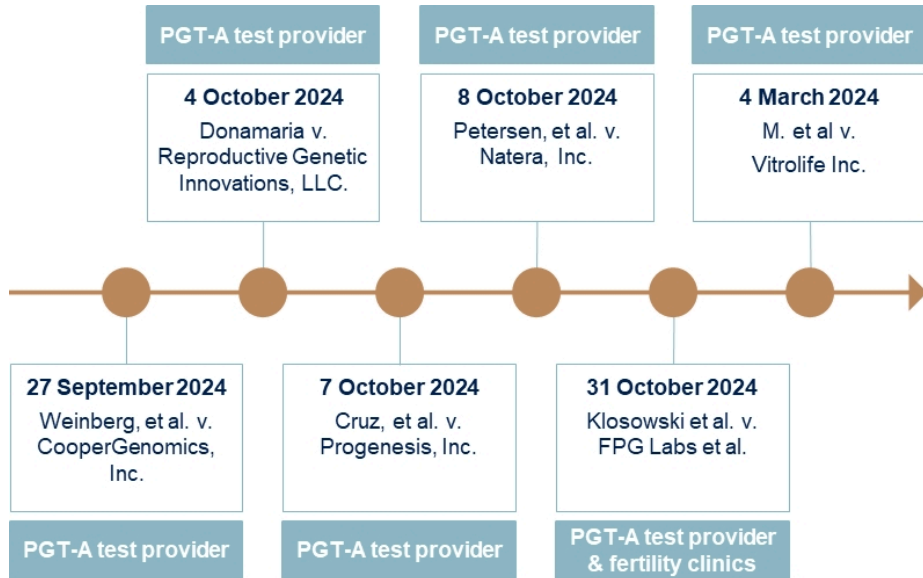


Source: Igenomix

The lawsuit(s)

Berger Montague, in partnership with Constable Law and Justice Law Collaborative, has commenced class action lawsuits against several genetic testing companies, including CooperGenomics, Reproductive Genetic Innovations, Progenesis, Natera and Vitrolife, alleging misleading marketing practices in relation to PGT-A. There is also a lawsuit against FPG Labs et al, that both provides PGT-A tests and run fertility clinics. It started with CooperGenomics on 27 September 2024 and Vitrolife is the latest on 4 March 2025.

Timeline of the lawsuits



Source: ABG Sundal Collier, Bloomberg Law

The lawsuits claim that these companies misrepresented PGT-A's efficacy, suggesting it enhances IVF success rates, increases the likelihood of healthy pregnancies, reduces miscarriage risks, and shortens time to pregnancy, and that major health insurers, including United Healthcare and Aetna, do not consider PGT-A to be medically necessary due to insufficient evidence of efficacy. The lawsuits claim that PGT-A is unproven, unreliable, experimental, and inaccurate, and that Vitrolife (Igenomix) and the other lab service companies being sued are knowingly engaged in misleading advertising to increase profits, despite being aware of the test's limitations. The plaintiffs seek to recover the costs incurred for PGT-A testing and other damages resulting from the defendants' allegedly false and misleading promotion of PGT-A. We note that the aforementioned lawsuits, except for parts of the one against FPG Labs et al., are directed towards the lab service providers of the genetic tests, not the physicians or clinics that prescribe them.

Potential outcomes of the lawsuit(s)

It is still early days and the potential outcome of class action lawsuits against Vitrolife and the other companies are difficult to assess and probably a few years away. Nevertheless, we have looked at some notable class actions that have resulted in settlements and the resulting financial impact.

In 2024, Philips reached a USD 1.1bn settlement over potentially defective breathing devices sold by the company to compensate for personal injury claims. The settlement is estimated to resolve around 60,000 claims, with an average payout of USD 18k. In addition, in 2023, Philips agreed to a partial economic damages settlement of USD 479m to cover reimbursements to people who used the devices and to resellers. The partial settlement could pay consumers approximately USD 50-1,500 and an additional USD 100 for returning the device.

In 2022, Johnson & Johnson reached a USD 300m settlement over pelvic mesh implants for thousands of women who reported complications from the mesh products, including chronic pain, painful intercourse and incontinence. The legal dispute lasted a decade,

and the average payout was around USD 30k per patient after fees and insurance claims. Getinge (HOLD) made a settlement in 2021 for its mesh litigation dating back to 2016. The allegation in Getinge's hernia mesh litigation was related to defects in the product that caused an allergic and inflammatory reaction with severe complications. In total, Getinge made provisions of SEK 2.4bn to cover settlement for 3,200 cases and all the legal charges over several years.

It should be noted that the class actions mentioned above related to personal injuries caused by the products sold by the companies. In the case of the current PGT-A testing lawsuits, the claims are for economic damages related to false and misleading promotion of the PGT-A test. As such, the potential settlement and subsequent economic impact on the defendants should be much lower.

There have also been cases where medtech companies have settled claims of the deceptive marketing of products. In 2021, Boston Scientific agreed to pay USD 189m to 47 states and the District of Columbia to settle allegations that it deceptively marketed transvaginal surgical mesh devices to patients. This settlement followed a court ruling in 2020, when Johnson & Johnson had to pay USD 344m for deceptively marketing the same type of products, and a USD 60m settlement between Becton Dickinson and most states.

It is difficult to draw conclusions at this stage as it is still early days. Looking at the various PGT-A lawsuits we have reviewed, the number of plaintiffs varies from one to nine, but there could be more patients added to the lawsuits. The settlements described above involved many plaintiffs and with the Vitrolife case in its current form it is difficult to assess a potential financial impact. However, if the lawsuits continue, it is plausible that the law firms will gather a larger number of plaintiffs to strengthen the case, which in the end may bring a material financial impact on the defendants.

Risk of a slowdown in demand for PGT-A

Another potential risk worth highlighting is that of a slowdown in demand for the PGT-A test following the lawsuits. A large public legal battle among IVF patients and the lab service providers could potentially make prospective IVF patients become more sceptical about the PGT-A test and opt out when their doctor recommends the test, which would have a negative impact on Vitrolife's sales and earnings.

We estimate the PGT-A test is the largest genetic test in the US for Vitrolife, accounting for an estimated 50% of its US Genetics revenue, or an estimated SEK 264m in 2025e, equal to 7% of total sales for Vitrolife. Below we outline three scenarios, with sales of PGT-A in the US dropping by 10%, 25% and 50% and what the impact would be on total EBIT '25e for Vitrolife, assuming a 50% gross margin on the test. Even if the US PGT-A revenue were to drop by 50%, which we believe is highly unlikely, the impact on total EBIT '25e would be less than 8%.

Sensitivity to US PGT-A

Scenario	Sales '25	EBIT '25	Target price sensitivity
Base case - current forecast	3,710	871	SEK 265
US PGT-A down 10%	3,683	858	SEK 263
Delta vs Base case	-0.7%	-1.5%	
US PGT-A down 25%	3,644	838	SEK 260
Delta vs Base case	-1.8%	-3.8%	
US PGT-A down 50%	3,578	805	SEK 255
Delta vs Base case	-3.6%	-7.6%	

Source: ABG Sundal Collier

Since the lawsuit against Vitrolife was announced (4 March, 2025), the Vitrolife share price is down some 15%. However, looking at the share price over the past six months, since the first lawsuit in the industry (CooperGenomics) was made public, on 27 September, 2024, the Vitrolife share price is down some 35%. We highlighted already in our report on 19 February, 2025, *Executive order to improve IVF access*, that the fear of a lawsuit has been holding back sentiment in the share even before the lawsuit against Vitrolife was made public, as several of the other companies involved in PGT-A lab services had been sued. It seems like the stock is down more than 20-30% on something that could potentially impact our EBIT forecast by 8% in a 'worst-case' scenario, i.e., clearly an overreaction in our view.

Vitrolife share price - 6 months



Source: ABG Sundal Collier, FactSet

Q1 '25e preview

We expect Vitrolife to report close to 5% organic sales growth and EBIT of SEK 195m for a margin of 21.9%, up from 19.9% in Q1'24. We believe the softness in consumer confidence in the US and China due to the current macroeconomic uncertainty has had a somewhat negative impact on the IVF market, which is mostly paid out of people's own pockets in most markets. As previously communicated in conjunction with the Q4 results (30 January, 2024), Vitrolife has decided to exit certain markets facing international sanctions, which we estimate will have a ~3% negative impact on sales in FY'25e, i.e., a 3% negative headwind on organic growth throughout the year. The results are due on 24 April, 2025.

5% organic sales growth in Q1e

On a regional basis we expect the positive momentum in **EMEA** to have continued in Q1 with relatively easy comps from Q1'24, but at the same time be negatively impacted by the exit from certain markets that we assume to be in the EMEA region. In total, we forecast 7% organic sales growth in EMEA driven by strong growth of +12% in Technology (from a low base), +8% in Consumables and +3.5% in Genetics.

For the **Americas** region we forecast 9% organic growth in Q1 despite the macroeconomic uncertainty in the region and softness in consumer confidence seen during the quarter, as comps from Q1'24 are relatively easy (was -14% in Q1'24).

We are more cautious with regard to the sales growth in the **APAC** region in Q1'25 and forecast organic growth of -2%, driven by -5% in Technology, -2% in Consumables and +4% in Genetics. Comps for the APAC region are tough in Q1'25e as the company reported 19% organic growth in Q1'24, when Vitrolife had very strong growth in Technology (+37%) and in Consumables (+22%).

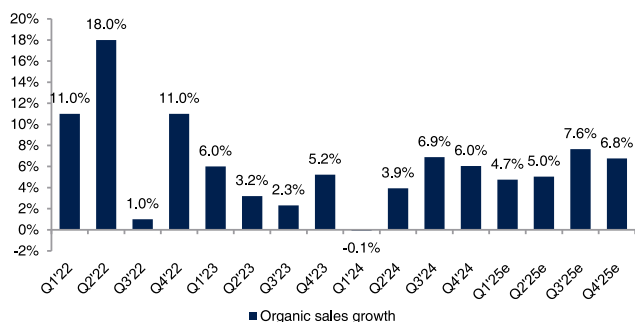
Adding this all up on a divisional level, we forecast 5% organic sales growth on **Consumables** and **Genetics**, and 4% organic sales growth for **Technology** in Q1'25e.

EBIT margin expansion to 21.9%

We forecast Q1'25e EBIT of SEK 195m, for a margin of 21.9%, up y-o-y from 19.9%, mainly driven by an improved gross margin, as we have assumed Vitrolife will have continued to invest in its sales and marketing organisation, as well as in R&D, even though we expect a large part of the R&D investments to be capitalised and not impact the P&L directly. We forecast a gross margin of 59.4% in Q1'25e, up from 57.2% in Q1'24. The gross margin is impacted by both geographical and product mix changes, but in addition Vitrolife improved the underlying gross margin during 2024 through cost savings, and we expect it to be able to continue improving its gross margin somewhat in 2025.

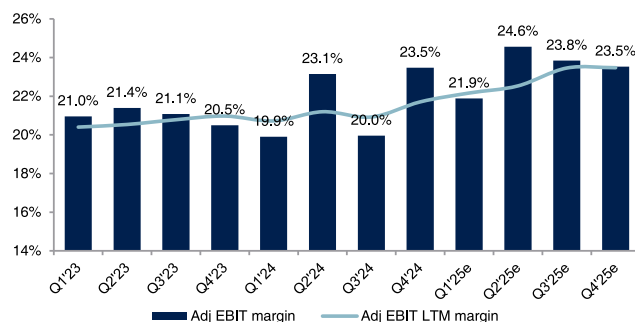
We do not forecast any NRIs in Q1, or the company to make any provision for the lawsuit related to the PGT-A test in the US. One of the key uncertainties in the P&L for Q1 is related to other 'operating income and expenses' where translation effects of the balance sheet are booked. Given the changes in SEK/USD and SEK/EUR and other currencies during the quarter are more likely to impact the P&L negatively in Q1, we still have SEK 0m in our forecast as this relates to non-cash items.

Quarterly organic sales growth



Source: ABG Sundal Collier, Company data

Adj. EBIT margin and LTM adj. EBIT margin



Source: ABG Sundal Collier, Company data

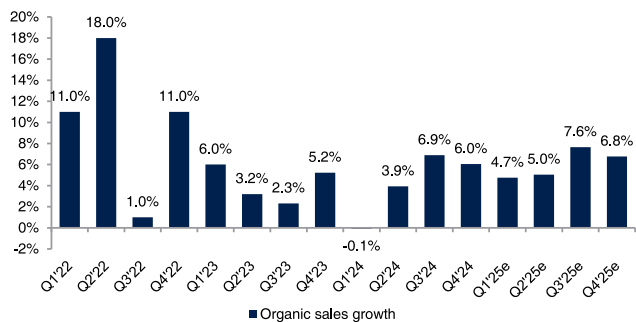
Estimate changes

SEKm	2025e			2026e			2027e		
	Old	New	% chg	Old	New	% chg	Old	New	% chg
Sales	3,898	3,710	-4.8%	4,305	4,097	-4.8%	4,756	4,526	-4.8%
Gross profit	2,334	2,220	-4.9%	2,593	2,467	-4.9%	2,886	2,748	-4.8%
Margin	59.9%	59.8%	0 bp	60.2%	60.2%	0 bp	60.7%	60.7%	0 bp
Gross profit adj.	2,518	2,404	-4.5%	2,777	2,651	-4.6%	3,070	2,932	-4.5%
Margin	64.6%	64.8%	20 bp	64.5%	64.7%	20 bp	64.6%	64.8%	20 bp
Opex (cash)	-1,136	-1,094	-3.6%	-1,227	-1,192	-2.8%	-1,295	-1,265	-2.3%
EBITDA	1,382	1,310	-5.2%	1,550	1,458	-5.9%	1,775	1,667	-6.1%
Margin	35.5%	35.3%	-20 bp	36.0%	35.6%	-40 bp	37.3%	36.8%	-50 bp
EBITDA adj	1,382	1,310	-5.2%	1,550	1,458	-5.9%	1,775	1,667	-6.1%
Margin	35.5%	35.3%	-20 bp	36.0%	35.6%	-40 bp	37.3%	36.8%	-50 bp
D&A	-451	-439	-3%	-458	-445	-3%	-465	-451	-3%
EBIT	931	871	-6.4%	1,092	1,013	-7.2%	1,310	1,216	-7.2%
Margin	23.9%	23.5%	-40 bp	25.4%	24.7%	-60 bp	27.5%	26.9%	-70 bp
Pretax profit	858	798	-7.0%	1,024	945	-7.7%	1,257	1,162	-7.5%
Net profit	652	606	-7.0%	779	718	-7.7%	955	883	-7.5%
Growth									
Sales growth	8.0%	2.8%	-520 bp	10.4%	10.4%	0 bp	10.5%	10.5%	0 bp
Organic	6.3%	6.1%	-30 bp	10.4%	10.4%	0 bp	10.5%	10.5%	0 bp
Sales breakdown									
EMEA	1,443	1,381	-4.3%	1,591	1,522	-4.3%	1,747	1,672	-4.3%
Americas	1,268	1,190	-6.2%	1,397	1,311	-6.2%	1,540	1,444	-6.2%
APAC	1,187	1,139	-4.0%	1,317	1,264	-4.0%	1,469	1,410	-4.0%
Divisional sales									
Consumables	1,521	1,445	-5.0%	1,682	1,597	-5.0%	1,852	1,759	-5.0%
Technology	767	734	-4.3%	843	806	-4.3%	933	893	-4.3%
Genetics	1,609	1,531	-4.9%	1,781	1,694	-4.9%	1,970	1,874	-4.9%

Source: ABG Sundal Collier, Company data

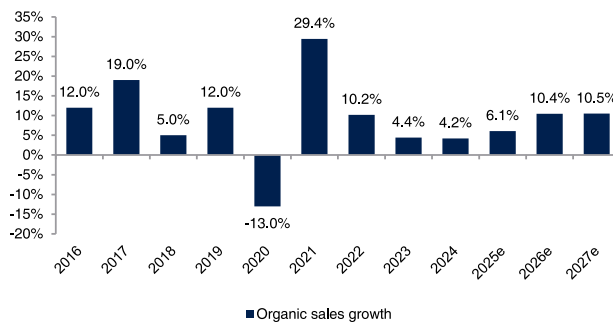
We lower our adj. EBIT forecast by 6-7% for '25e-'27e mainly due to updated FX assumptions and an overview of our opex assumptions, and marginally lower organic sales growth in '25e, from +6.3% to +6.1%. Given its global operations, with opex matching sales relatively well, we expect the impact on Vitrolife's margins to be relatively limited due to the FX movements.

Quarterly organic sales growth



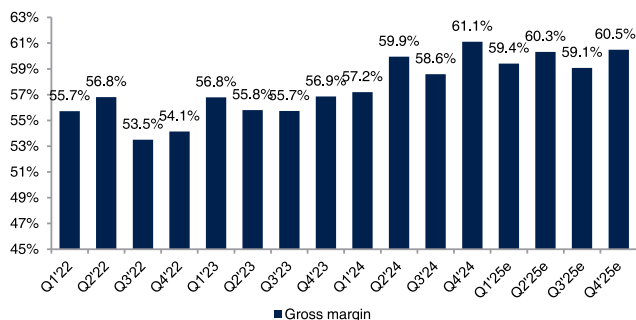
Source: ABG Sundal Collier, Company data

Annual organic sales growth



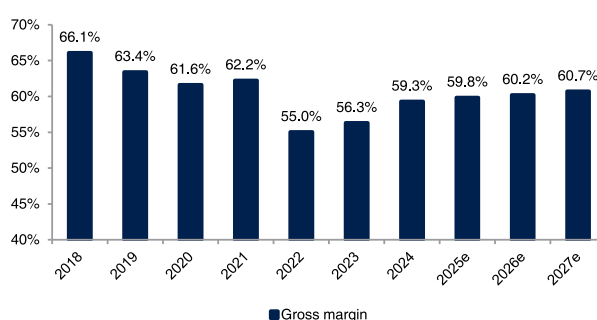
Source: ABG Sundal Collier, Company data

Quarterly gross margin



Source: ABG Sundal Collier, Company data

Annual gross margin



Source: ABG Sundal Collier, Company data

Sales LTM and gross margin LTM



Source: ABG Sundal Collier, Company data

Sales LTM and EBITDA margin LTM



Source: ABG Sundal Collier, Company data

Interim P&L forecast

(SEKm)	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2024	2025e
Sales	841.0	941.0	867.0	959.1	890.9	946.3	899.6	972.8	3,608.7	3,709.7
COGS	-360.0	-376.9	-359.0	-373.0	-361.6	-375.5	-368.1	-384.3	-1,470.0	-1,489.4
Gross profit	481.0	564.1	508.0	586.1	529.3	570.9	531.5	588.5	2,139.9	2,220.2
<i>Gross margin</i>	<i>57.2%</i>	<i>59.9%</i>	<i>58.6%</i>	<i>61.1%</i>	<i>59.4%</i>	<i>60.3%</i>	<i>59.1%</i>	<i>60.5%</i>	<i>59.3%</i>	<i>59.8%</i>
PPA in COGS	-43.0	-43.0	-49.0	-44.0	-46.0	-46.0	-46.0	-46.0	-179.0	-184.0
Gross profit (pre PPA)	524.0	607.1	557.0	630.1	575.3	616.9	577.5	634.5	2,318.9	2,404.2
<i>Adj gross margin</i>	<i>62.3%</i>	<i>64.5%</i>	<i>64.2%</i>	<i>65.7%</i>	<i>64.6%</i>	<i>65.2%</i>	<i>64.2%</i>	<i>65.2%</i>	<i>64.3%</i>	<i>64.8%</i>
Selling expenses	-169.0	-195.8	-190.0	-199.0	-182.8	-192.6	-186.5	-195.3	-753.8	-757.2
<i>Growth</i>	<i>2%</i>	<i>12%</i>	<i>17%</i>	<i>9%</i>	<i>8%</i>	<i>-2%</i>	<i>-2%</i>	<i>-2%</i>	<i>10%</i>	<i>0%</i>
Adm. expenses	-118.2	-117.8	-100.0	-142.0	-120.6	-117.8	-100.0	-134.9	-478.0	-473.3
<i>Growth</i>	<i>-2%</i>	<i>10%</i>	<i>4%</i>	<i>30%</i>	<i>2%</i>	<i>0%</i>	<i>0%</i>	<i>-5%</i>	<i>10%</i>	<i>-1%</i>
R&D expenses	-33.3	-26.7	-30.0	-28.0	-31.0	-28.0	-30.6	-29.4	-118.0	-119.0
<i>Growth</i>	<i>-2%</i>	<i>-19%</i>	<i>-4%</i>	<i>-1%</i>	<i>-7%</i>	<i>5%</i>	<i>2%</i>	<i>5%</i>	<i>-7%</i>	<i>1%</i>
Other operating items	6.9	-6.0	-15.0	8.0	0.0	0.0	0.0	0.0	-6.1	0.0
NRI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	167.4	217.8	173.0	225.1	195.0	232.5	214.4	228.9	784.0	870.8
<i>EBIT margin</i>	<i>19.9%</i>	<i>23.1%</i>	<i>20.0%</i>	<i>23.5%</i>	<i>21.9%</i>	<i>24.6%</i>	<i>23.8%</i>	<i>23.5%</i>	<i>21.7%</i>	<i>23.5%</i>
Adj EBIT	167.4	217.8	173.0	225.1	195.0	232.5	214.4	228.9	784.0	870.8
<i>Adj EBIT margin</i>	<i>19.9%</i>	<i>23.1%</i>	<i>20.0%</i>	<i>23.5%</i>	<i>21.9%</i>	<i>24.6%</i>	<i>23.8%</i>	<i>23.5%</i>	<i>21.7%</i>	<i>23.5%</i>
D&A (incl PPA in COGS)	-105.0	-109.0	-115.5	-112.2	-111.6	-109.1	-109.1	-109.1	-441.7	-438.9
EBITDA	272.4	326.8	288.5	337.3	306.6	341.6	323.5	338.0	1,225.7	1,309.7
<i>EBITDA margin</i>	<i>32.4%</i>	<i>34.7%</i>	<i>33.3%</i>	<i>35.2%</i>	<i>34.4%</i>	<i>36.1%</i>	<i>36.0%</i>	<i>34.7%</i>	<i>34.0%</i>	<i>35.3%</i>
Adj EBITDA	272.4	326.8	288.5	337.3	306.6	341.6	323.5	338.0	1,225.7	1,309.7
<i>Adj EBITDA margin</i>	<i>32.4%</i>	<i>34.7%</i>	<i>33.3%</i>	<i>35.2%</i>	<i>34.4%</i>	<i>36.1%</i>	<i>36.0%</i>	<i>34.7%</i>	<i>34.0%</i>	<i>35.3%</i>
Net financials	-24.0	-25.0	-18.0	-43.0	-19.4	-18.8	-17.8	-16.8	-110.0	-73.0
Pretax profit	143.4	192.8	155.0	182.1	175.5	213.6	196.6	212.1	674.0	797.8
Tax	-28.0	-49.0	-40.0	-43.0	-42.1	-51.3	-47.2	-50.9	-160.0	-191.5
Net profit	115.4	143.8	115.0	139.1	133.4	162.4	149.4	161.2	514.0	606.3
Growth y-o-y	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2024	2025e
Sales, reported	-1.5%	4.0%	2.2%	6.1%	5.9%	0.6%	3.8%	1.4%	2.8%	2.8%
- Organic growth	-0.1%	3.9%	6.9%	6.0%	4.7%	5.0%	7.6%	6.8%	4.2%	6.1%
- FX growth	-1.5%	-0.2%	-4.7%	0.0%	0.9%	-4.8%	-4.2%	-5.6%	-1.6%	-3.5%
- M&A growth	0.0%	0.3%	0.0%	0.0%	0.3%	0.3%	0.3%	0.3%	0.1%	0.3%
EBITDA	4.0%	11.6%	0.4%	nm	nm	nm	nm	nm	nm	nm
Adj EBITDA	-3.4%	9.3%	0.4%	14.6%	12.6%	4.5%	12.2%	0.2%	7.9%	6.9%
EBIT	5.3%	16.1%	-3.2%	nm	nm	nm	nm	nm	nm	nm
Adj EBIT	-6.5%	12.5%	-3.2%	21.5%	16.5%	6.7%	24.0%	1.7%	10.3%	11.1%
Net profit	16.6%	36.2%	-6.2%	nm	nm	nm	nm	nm	nm	nm
Regional sales										
EMEA	310	355	328	383	333	343	331	373	1,376	1,381
<i>Organic growth</i>	<i>-2%</i>	<i>11%</i>	<i>9%</i>	<i>10%</i>	<i>7%</i>	<i>1%</i>	<i>6%</i>	<i>2%</i>	<i>7%</i>	<i>4%</i>
Americas	248	316	273	311	278	309	284	320	1,148	1,190
<i>Organic growth</i>	<i>-14%</i>	<i>5%</i>	<i>2%</i>	<i>9%</i>	<i>9%</i>	<i>3%</i>	<i>9%</i>	<i>10%</i>	<i>1%</i>	<i>8%</i>
APAC	283	270	267	265	280	295	285	279	1,085	1,139
<i>Organic growth</i>	<i>19%</i>	<i>-5%</i>	<i>9%</i>	<i>-2%</i>	<i>-2%</i>	<i>13%</i>	<i>9%</i>	<i>11%</i>	<i>5%</i>	<i>8%</i>
Sales breakdown by division										
Consumables	329	356	345	353	348	375	360	361	1,383	1,445
<i>Organic growth</i>	<i>12%</i>	<i>3%</i>	<i>13%</i>	<i>11.7%</i>	<i>5%</i>	<i>10%</i>	<i>8%</i>	<i>8%</i>	<i>10%</i>	<i>8%</i>
Technology	166	197	153	215	176	182	165	212	731	734
<i>Organic growth</i>	<i>8%</i>	<i>40%</i>	<i>11%</i>	<i>8.5%</i>	<i>4%</i>	<i>-4%</i>	<i>10%</i>	<i>3%</i>	<i>16%</i>	<i>3%</i>
Genetics	346	388	370	391	366	389	375	399	1,494	1,531
<i>Organic growth</i>	<i>-12%</i>	<i>-7%</i>	<i>0%</i>	<i>0.0%</i>	<i>5%</i>	<i>5%</i>	<i>6%</i>	<i>8%</i>	<i>-5%</i>	<i>6%</i>

Source: ABG Sundal Collier, Company data

Annual P&L forecast

(SEKm)	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	1,480	1,246	1,681	3,234	3,512	3,609	3,710	4,097	4,526
COGS	-541	-478	-635	-1,454	-1,534	-1,470	-1,489	-1,631	-1,778
Gross profit	939	768	1,046	1,780	1,977	2,140	2,220	2,467	2,748
<i>Gross margin</i>	<i>63.4%</i>	<i>61.6%</i>	<i>62.2%</i>	<i>55.0%</i>	<i>56.3%</i>	<i>59.3%</i>	<i>59.8%</i>	<i>60.2%</i>	<i>60.7%</i>
PPA in COGS	-42	-25	-19	-78	-185	-179	-184	-184	-184
Gross profit (pre PPA)	981	792	1,065	1,858	2,162	2,319	2,404	2,651	2,932
<i>Adj gross margin</i>	<i>66.3%</i>	<i>63.6%</i>	<i>63.4%</i>	<i>57.5%</i>	<i>61.6%</i>	<i>64.3%</i>	<i>64.8%</i>	<i>64.7%</i>	<i>64.8%</i>
Selling expenses	-232	-197	-244	-602	-684	-754	-757	-801	-847
<i>Growth</i>	<i>25%</i>	<i>-15%</i>	<i>24%</i>	<i>146%</i>	<i>14%</i>	<i>10%</i>	<i>0%</i>	<i>6%</i>	<i>6%</i>
Adm. expenses	-119	-114	-259	-400	-433	-478	-473	-489	-504
<i>Growth</i>	<i>20%</i>	<i>-4%</i>	<i>127%</i>	<i>54%</i>	<i>8%</i>	<i>10%</i>	<i>-1%</i>	<i>3%</i>	<i>3%</i>
R&D expenses	-100	-92	-114	-143	-127	-118	-119	-164	-181
<i>Growth</i>	<i>13%</i>	<i>-8%</i>	<i>25%</i>	<i>25%</i>	<i>-11%</i>	<i>-7%</i>	<i>1%</i>	<i>38%</i>	<i>10%</i>
Other operating items	-0.2	5.5	7.5	19.0	-4,323.0	-6.1	0.0	0.0	0.0
NRI	0.0	-6.0	-101.0	17.0	-4,300.0	0.0	0.0	0.0	0.0
EBIT	488	370	435	654	-3,589	784	871	1,013	1,216
<i>EBIT margin</i>	<i>33.0%</i>	<i>29.7%</i>	<i>25.9%</i>	<i>20.2%</i>	<i>-102.2%</i>	<i>21.7%</i>	<i>23.5%</i>	<i>24.7%</i>	<i>26.9%</i>
Adj EBIT	488	376	536	637	711	784	871	1,013	1,216
<i>Adj EBIT margin</i>	<i>33.0%</i>	<i>30.2%</i>	<i>31.9%</i>	<i>19.7%</i>	<i>20.2%</i>	<i>21.7%</i>	<i>23.5%</i>	<i>24.7%</i>	<i>26.9%</i>
D&A (incl PPA in COGS)	-99	-84	-109	-396	-425	-442	-439	-445	-451
EBITDA	587	454	544	1,050	-3,164	1,226	1,310	1,458	1,667
<i>EBITDA margin</i>	<i>39.7%</i>	<i>36.5%</i>	<i>32.4%</i>	<i>32.5%</i>	<i>-90.1%</i>	<i>34.0%</i>	<i>35.3%</i>	<i>35.6%</i>	<i>36.8%</i>
Adj EBITDA	587	460	645	1,033	1,136	1,226	1,310	1,458	1,667
<i>Adj EBITDA margin</i>	<i>39.7%</i>	<i>36.9%</i>	<i>38.4%</i>	<i>31.9%</i>	<i>32.3%</i>	<i>34.0%</i>	<i>35.3%</i>	<i>35.6%</i>	<i>36.8%</i>
Net financials	5	-4	25	-56	-123	-110	-73	-67	-54
Pretax profit	497	362	460	598	-3,712	674	798	945	1,162
Tax	-109	-78	-116	-143	-139	-160	-191	-227	-279
Net profit	389	284	344	455	-3,851	514	606	718	883
Growth y-o-y	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales, reported	28.6%	-15.8%	34.9%	92.4%	8.6%	2.8%	2.8%	10.4%	10.5%
- Organic growth	12.0%	-13.0%	29.4%	10.2%	4.4%	4.2%	6.1%	10.4%	10.5%
- FX growth	6.6%	-2.8%	-3.5%	17.9%	4.2%	-1.6%	-3.5%	0.0%	0.0%
- M&A growth	10.0%	0.0%	9.1%	64.2%	0.0%	0.1%	0.3%	0.0%	0.0%
EBITDA	22.7%	-22.7%	19.9%	92.9%	nm	nm	6.9%	11.3%	14.3%
Adj EBITDA	18.5%	-21.7%	40.3%	60.1%	9.9%	7.9%	6.9%	11.3%	14.3%
EBIT	23.9%	-24.2%	17.7%	50.2%	nm	nm	11.1%	16.3%	20.1%
Net profit	18.7%	-22.9%	42.6%	18.8%	11.6%	10.3%	11.1%	16.3%	20.1%
	25.1%	-26.9%	21.0%	32.5%	nm	nm	18.0%	18.5%	22.9%
Regional sales									
EMEA	596	533	650	1,163	1,286	1,376	1,381	1,522	1,672
<i>Organic growth</i>	<i>12%</i>	<i>-9%</i>	<i>33%</i>	<i>1%</i>	<i>5%</i>	<i>7%</i>	<i>4%</i>	<i>10%</i>	<i>10%</i>
Americas	284	226	355	1,144	1,159	1,148	1,190	1,311	1,444
<i>Organic growth</i>	<i>51%</i>	<i>-16%</i>	<i>39%</i>	<i>12%</i>	<i>-3%</i>	<i>1%</i>	<i>8%</i>	<i>10%</i>	<i>10%</i>
APAC	360	273	591	927	1,066	1,085	1,139	1,264	1,410
<i>Organic growth</i>	<i>16%</i>	<i>-28%</i>	<i>39%</i>	<i>20%</i>	<i>14%</i>	<i>5%</i>	<i>8%</i>	<i>11%</i>	<i>12%</i>
Sales breakdown by division									
Consumables	712	770	912	1,094	1,269	1,383	1,445	1,597	1,759
<i>Organic growth</i>	<i>8%</i>	<i>8%</i>	<i>22%</i>	<i>12%</i>	<i>11%</i>	<i>10%</i>	<i>8%</i>	<i>11%</i>	<i>10%</i>
Technology	489	261	474	553	640	731	734	806	893
<i>Organic growth</i>	<i>-23%</i>	<i>-23%</i>	<i>34%</i>	<i>5%</i>	<i>11%</i>	<i>16%</i>	<i>3%</i>	<i>10%</i>	<i>11%</i>
Genetics	0	0	114	1,589	1,603	1,494	1,531	1,694	1,874
<i>Organic growth</i>	<i></i>	<i></i>	<i></i>	<i>18%</i>	<i>-3%</i>	<i>-5%</i>	<i>6%</i>	<i>11%</i>	<i>11%</i>

Source: ABG Sundal Collier, Company data

Valuation

BUY reiterated, TP cut to SEK 265 (278)

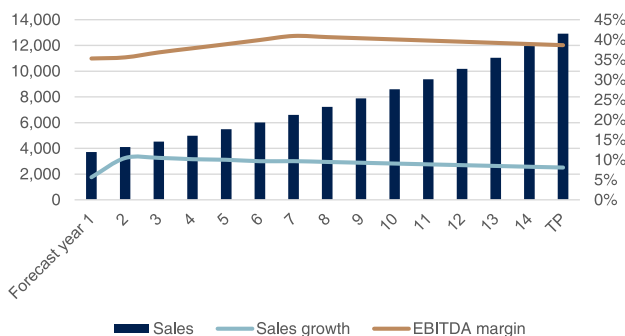
We arrive at a target price on Vitrolife of SEK 265 per share, using our three-stage DCF model with a WACC of 8.5%, but with support from the peer group valuation and historical multiples. The first stage in our DCF model is based on our detailed forecast for Vitrolife until 2031e. The second phase in the model is a fading period until 2039e, where sales growth is set to gradually decline to 8.0%, and the EBITDA margin is set to level out at 36%. In the third stage in the DCF model, the terminal period, we assume a 3.0% growth rate in future free cash flow.

Overview of DCF model assumptions

Weighted Cost of Capital - WACC		Cash flow assumptions			DCF value summary		
Risk free yield	3.0%	Forecast period	25e	26e	27e	Present value FCF in stage 1	4,377
Market risk premium	5.0%	Sales growth	5.6%	10.4%	10.5%	Present value FCF in stage 2	10,295
Equity beta	1.00	EBIT margin	23.5%	24.7%	26.9%	Present value FCF in TP	20,921
Extra risk factor	2.0%					Total enterprise value	35,593
Company specific risk premium	7.0%	Adaption period - Stage 2 ->			2039	Market value of debt	338
Cost of equity (Re)	10.0%	Sales growth end stage 2			8.0%	Dividend	-135
EBITA tax rate	22%	EBITDA margin end stage 2			36.0%	Value of shareholders equity	35,120
Cost of debt after tax (Rd)	5.0%	Depreciation/sales			-3.0%	Time adjustment factor	1
		CAPEX/sales end stage 2			3.0%		
Capital weights and WACC		Terminal value year			2040	Number of shares	135.4
Debt	70%	FCF growth TP			3.0%	DCF value per share	265
Equity	30%	EBIT margin TP			35.9%		
Implied net debt/equity	43%	CAPEX/sales TP			3.1%		
WACC	8.5%						

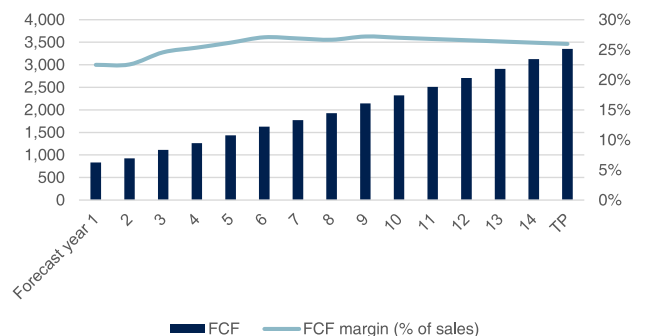
Source: ABG Sundal Collier

Sales, sales growth and EBITDA margin



Source: ABG Sundal Collier

FCF and FCF margin



Source: ABG Sundal Collier

Sensitivity analysis DCF model

EBITDA margin end stage 2	Sales growth end stage 2				
	6.0%	7.0%	8.0%	9.0%	10.0%
34%	243	249	255	261	267
35%	248	254	260	267	273
36%	253	259	265	272	278
37%	258	264	270	277	284
38%	262	269	276	282	290

Source: ABG Sundal Collier

Sensitivity analysis DCF model

FCF growth TP	WACC				
	9.5%	9.0%	8.5%	8.0%	7.5%
2.0%	201	220	241	266	296
2.5%	209	229	252	280	314
3.0%	217	239	265	297	336
3.5%	227	251	281	318	364
4.0%	238	266	301	344	399

Source: ABG Sundal Collier

Peer-based valuation

For our peer group valuation, we have selected a group of Swedish medtech companies with high sales and earnings growth to match Vitrolife's earnings profile and estimated earnings outlook. We believe the companies we have selected share similar characteristics with Vitrolife in terms of growth outlook and to some degree also cash flow generation. Currently, Vitrolife is trading at a 28-44% discount to '25e-'26e average EV/EBIT, a 20-37% discount to average P/E for '25e-'26e, and at a 71-88% discount on FCF yield for '25e-'26e. We find this unjustified and believe it should trade closer to the average.

Peer group valuation based on ABGSC and consensus estimates

Company	Rec.	TP	Mcap SEKm	EV/Sales (x)		EV/EBIT(x)		P/E (x)		Sales CAGR %		FCF/Sales		Le. adj. FCF yield (%)		
				2025e	2026e	2025e	2026e	2025e	2026e	'18-'23	'24-'26e	'18-'23 ave.	2025e	2026e	2025e	2026e
Bonesupport	BUY	450	19,942	15.5	11.4	62.9	38.9	69.1	43.9	43.7	37.1	neg.	21.7	22.4	1.4	1.9
RaySearch	na.	na.	8,218	6.0	5.1	25.7	18.7	34.0	25.3	10.3	13.0	4.9	21.1	19.4	3.4	3.6
Sectra	BUY	330	48,527	12.5	10.7	67.9	44.7	86.3	57.5	15.4	16.1	13.9	9.9	10.0	0.8	0.9
Xvivo Perfusion	na.	na.	9,970	9.3	7.0	54.1	31.6	64.2	38.9	26.0	28.0	neg.	2.6	6.3	0.3	0.9
Vimian	BUY	52	20,871	4.5	3.9	22.3	17.0	38.3	29.0	110.1	16.7	neg.	13.8	15.1	3.3	4.0
Median				9.3	7.0	54.1	31.6	64.2	38.9	26.0	16.7	9.4	13.8	15.1	1.4	1.9
Average				9.6	7.6	46.6	30.2	58.4	38.9	41.1	22.2	9.4	13.8	14.6	1.8	2.2
Vitrolife	BUY	265	22,051	6.1	5.4	26.1	21.8	36.9	31.1	25.0	6.6	21.1	20.6	21.0	3.4	3.8
Difference to peer group median				-34%	-23%	-52%	-31%	-43%	-20%	-4%	-61%	125%	49%	39%	151%	105%
Difference to peer group average				-36%	-30%	-44%	-28%	-37%	-20%	-39%	-70%	125%	49%	43%	88%	71%

Source: ABG Sundal Collier, FactSet

Historical multiples

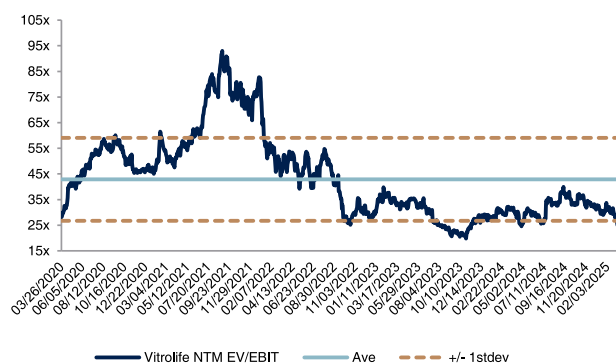
Based on FactSet consensus estimates, Vitrolife is trading on a 12m-forward P/E multiple of 33.1x, equal to a 41% discount to its five-year historical average of 55.9x, and at a 12m-forward EV/EBIT multiple of 24.2x, equal to a 44% discount to its historical average.

Historical NTM P/E



Source: ABG Sundal Collier, FactSet

Historical NTM EV/EBIT



Source: ABG Sundal Collier, FactSet

Income Statement (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	1,151	1,480	1,246	1,681	3,234	3,512	3,609	3,710	4,097	4,526
COGS	-390	-541	-478	-635	-1,454	-1,534	-1,470	-1,489	-1,631	-1,778
Gross profit	761	939	768	1,046	1,780	1,977	2,139	2,220	2,467	2,748
Other operating items	-283	-351	-314	-502	-730	-5,141	-913	-910	-1,008	-1,081
EBITDA	479	587	454	544	1,050	-3,164	1,226	1,310	1,458	1,667
Depreciation and amortisation	-29	-43	-43	-60	-101	-55	-122	-126	-130	-134
of which leasing depreciation	0	-14	-16	-18	-30	-40	-48	-48	-48	-48
EBITA	436	530	395	467	900	-3,240	1,051	1,132	1,274	1,477
EO Items	0	0	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	-43	-42	-25	-32	-246	-349	-267	-261	-261	-261
EBIT	394	488	370	435	654	-3,589	784	871	1,013	1,216
Net financial items	5	5	-4	-10	-56	-123	-110	-73	-67	-54
Pretax profit	399	493	366	426	598	-3,712	674	798	945	1,162
Tax	-88	-109	-78	-116	-143	-139	-160	-191	-227	-279
Net profit	311	384	288	309	455	-3,851	514	606	718	883
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
Net profit to shareholders	311	384	288	309	455	-3,851	514	606	718	883
EPS	2.86	3.53	2.64	2.97	3.36	-28.43	3.79	4.48	5.30	6.52
EPS adj.	3.17	3.84	2.83	2.46	4.74	-25.76	5.30	5.94	6.77	7.98
Total extraordinary items after tax	0	0	0	0	0	0	0	0	0	0
Leasing payments	0	-14	-16	-18	-30	-40	-48	-48	-48	-48
Tax rate (%)	22.0	22.1	21.4	27.3	23.9	-3.7	23.7	24.0	24.0	24.0
Gross margin (%)	66.1	63.4	61.6	62.2	55.0	56.3	59.3	59.8	60.2	60.7
EBITDA margin (%)	41.6	39.7	36.5	32.4	32.5	-90.1	34.0	35.3	35.6	36.8
EBITA margin (%)	37.9	35.8	31.7	27.8	27.8	-92.3	29.1	30.5	31.1	32.6
EBIT margin (%)	34.2	33.0	29.7	25.9	20.2	-102.2	21.7	23.5	24.7	26.9
Pre-tax margin (%)	34.6	33.3	29.4	25.3	18.5	-105.7	18.7	21.5	23.1	25.7
Net margin (%)	27.0	25.9	23.1	18.4	14.1	-109.7	14.2	16.3	17.5	19.5
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
Sales growth (%)	10.0	28.6	-15.8	34.9	92.4	8.6	2.8	2.8	10.4	10.5
EBITDA growth (%)	17.4	22.7	-22.7	19.9	92.9	-401.4	-138.7	6.9	11.3	14.3
EBITA growth (%)	14.5	21.5	-25.6	18.5	92.5	-460.0	-132.4	7.7	12.5	16.0
EBIT growth (%)	15.6	23.9	-24.2	17.7	50.2	-648.8	-121.8	11.1	16.3	20.1
Net profit growth (%)	17.4	23.5	-25.0	7.5	47.2	-945.9	-113.3	18.0	18.5	22.9
EPS growth (%)	17.4	23.3	-25.2	12.5	13.2	-945.9	-113.3	18.0	18.5	22.9
Profitability	-	-	-	-	-	-	-	-	-	-
ROE (%)	22.9	23.4	15.1	3.6	2.8	-26.1	3.9	4.4	5.0	5.9
ROE adj. (%)	26.0	25.9	16.4	3.9	4.4	-23.8	5.9	6.3	6.8	7.6
ROCE (%)	29.3	29.4	19.2	4.4	3.6	-21.3	5.2	5.5	6.3	7.4
ROCE adj. (%)	32.4	31.9	20.5	4.7	4.9	-19.2	7.0	7.2	8.0	9.0
ROIC (%)	37.4	38.5	27.7	3.7	3.9	-20.8	5.6	5.9	6.8	7.9
ROIC adj. (%)	37.4	38.5	27.7	3.7	3.9	-20.8	5.6	5.9	6.8	7.9
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
EBITDA adj.	479	587	454	544	1,050	-3,164	1,226	1,310	1,458	1,667
EBITDA adj. margin (%)	41.6	39.7	36.5	32.4	32.5	-90.1	34.0	35.3	35.6	36.8
EBITDA lease adj.	479	573	438	526	1,020	-3,204	1,177	1,261	1,410	1,619
EBITDA lease adj. margin (%)	41.6	38.7	35.2	31.3	31.5	-91.3	32.6	34.0	34.4	35.8
EBITA adj.	436	530	395	467	900	-3,240	1,051	1,132	1,274	1,477
EBITA adj. margin (%)	37.9	35.8	31.7	27.8	27.8	-92.3	29.1	30.5	31.1	32.6
EBIT adj.	394	488	370	435	654	-3,589	784	871	1,013	1,216
EBIT adj. margin (%)	34.2	33.0	29.7	25.9	20.2	-102.2	21.7	23.5	24.7	26.9
Pretax profit Adj.	441	535	391	458	844	-3,363	941	1,059	1,206	1,423
Net profit Adj.	353	426	312	341	701	-3,502	781	867	979	1,144
Net profit to shareholders adj.	353	426	312	341	701	-3,502	781	867	979	1,144
Net adj. margin (%)	30.7	28.8	25.1	20.3	21.7	-99.7	21.6	23.4	23.9	25.3

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	479	587	454	544	1,050	-3,164	1,226	1,310	1,458	1,667
Net financial items	5	5	-4	-10	-56	-123	-110	-73	-67	-54
Paid tax	-88	-109	-78	-116	-143	-139	-160	-191	-227	-279
Non-cash items	-17	-4	-11	-32	62	4,270	-14	0	0	0
Cash flow before change in WC	378	479	361	386	913	844	942	1,045	1,164	1,334
Change in working capital	-28	-65	-4	-2	-277	-87	-35	-28	-51	-49

Cash Flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Operating cash flow	349	413	356	384	636	757	907	1,017	1,112	1,285
Capex tangible fixed assets	-18	-19	-13	-25	-51	0	-42	-38	-42	-46
Capex intangible fixed assets	-4	-70	-7	-38	-36	-113	-156	-167	-164	-136
Acquisitions and Disposals	-158	-24	0	-6,472	-62	-10	-179	0	0	0
Free cash flow	169	301	336	-6,150	487	634	530	813	907	1,103
Dividend paid	-81	-92	0	-88	-110	-115	-135	-149	-176	-217
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Leasing liability amortisation	0	-15	-16	-18	-30	-31	-46	-48	-48	-48
Other non-cash items	25	-90	-10	2,472	-193	-12	-137	0	0	0
Balance Sheet (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Goodwill	422	426	403	12,995	13,874	9,591	10,121	10,121	10,121	10,121
Other intangible assets	306	352	299	4,553	4,648	4,314	4,342	4,170	3,827	3,480
Tangible fixed assets	94	98	80	230	240	280	363	349	500	626
Right-of-use asset	0	76	62	103	78	69	65	65	65	65
Total other fixed assets	25	37	46	141	138	162	198	198	198	198
Fixed assets	847	988	891	18,022	18,978	14,415	15,089	14,903	14,711	14,490
Inventories	161	209	204	313	405	413	422	428	451	498
Receivables	190	245	228	424	501	560	714	728	763	790
Other current assets	8	7	9	40	88	79	86	86	86	86
Cash and liquid assets	491	690	974	630	578	861	1,135	1,550	2,033	2,671
Total assets	1,697	2,139	2,305	19,429	20,551	16,329	17,446	17,695	18,043	18,535
Shareholders equity	1,493	1,794	2,013	15,322	16,736	12,722	13,639	14,096	14,639	15,305
Minority	3	4	4	19	4	1	2	2	2	2
Total equity	1,496	1,798	2,017	15,341	16,740	12,723	13,641	14,098	14,641	15,307
Long-term debt	0	0	0	1,944	1,988	1,875	1,837	1,637	1,437	1,237
Pension debt	-	-	-	-	-	-	-	-	-	-
Convertible debt	-	-	-	-	-	-	-	-	-	-
Leasing liability	0	76	62	109	84	100	137	137	137	137
Total other long-term liabilities	49	77	62	1,108	1,147	1,107	1,171	1,171	1,171	1,171
Short-term debt	0	0	0	429	153	114	115	115	115	115
Accounts payable	32	29	26	173	181	171	203	195	201	226
Other current liabilities	120	158	137	325	258	240	342	342	342	342
Total liabilities and equity	1,697	2,139	2,305	19,429	20,551	16,329	17,446	17,695	18,043	18,535
Net IB debt	-509	-641	-936	1,803	1,611	1,176	900	284	-398	-1,236
Net IB debt excl. pension debt	-509	-641	-936	1,803	1,611	1,176	900	284	-398	-1,236
Net IB debt excl. leasing	-509	-716	-998	1,694	1,527	1,077	763	148	-535	-1,373
Capital employed	1,496	1,873	2,079	17,823	18,965	14,812	15,730	15,987	16,329	16,796
Capital invested	987	1,157	1,081	17,144	18,351	13,899	14,541	14,383	14,242	14,071
Working capital	207	273	277	279	556	643	677	705	756	806
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	17,509	17,509	17,509	21,848	21,848	21,848	21,848	21,848	21,848	21,848
Net IB debt adj.	-491	-614	-911	1,852	1,647	1,228	954	338	-344	-1,182
Market value of minority	3	4	4	19	4	1	2	2	2	2
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	-	-	-	-	-	-	-	-	-	-
EV	17,022	16,899	16,602	23,719	23,499	23,076	22,804	22,188	21,505	20,668
Total assets turnover (%)	73.8	77.2	56.1	15.5	16.2	19.0	21.4	21.1	22.9	24.7
Working capital/sales (%)	16.8	16.2	22.1	16.6	12.9	17.1	18.3	18.6	17.8	17.3
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	-34.0	-35.6	-46.4	11.8	9.6	9.2	6.6	2.0	-2.7	-8.1
Net debt / market cap (%)	-2.9	-3.7	-5.3	8.3	7.4	5.4	4.1	1.3	-1.8	-5.7
Equity ratio (%)	88.1	84.1	87.5	79.0	81.5	77.9	78.2	79.7	81.1	82.6
Net IB debt adj. / equity (%)	-32.8	-34.1	-45.2	12.1	9.8	9.6	7.0	2.4	-2.4	-7.7
Current ratio	5.59	6.13	8.66	1.52	2.66	3.65	3.57	4.29	5.07	5.92
EBITDA/net interest	102.5	123.7	118.7	56.6	18.8	25.7	11.1	17.9	21.6	30.7
Net IB debt/EBITDA (x)	-1.1	-1.1	-2.1	3.3	1.5	-0.4	0.7	0.2	-0.3	-0.7
Net IB debt/EBITDA lease adj. (x)	-1.0	-1.2	-2.2	3.3	1.5	-0.4	0.7	0.2	-0.3	-0.8
Interest coverage	879.7	198.8	29.9	45.2	15.9	26.3	8.7	14.0	16.3	21.4

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Actual shares outstanding	109	109	109	135	135	135	135	135	135	135
Actual shares outstanding (avg)	109	109	109	135	135	135	135	135	135	135

Share Data (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
All additional shares	-	-	-	-	-	-	-	-	-	-
Issue month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assumed dil. of shares from conv.	0	0	0	0	0	0	0	0	0	0
As. dil. of shares from conv. (avg)	0	0	0	0	0	0	0	0	0	0
Conv. debt not assumed as equity	0	0	0	0	0	0	0	0	0	0
No. of warrants	0	0	0	0	0	0	0	0	0	0
Market value per warrant	0	0	0	0	0	0	0	0	0	0
Dilution from warrants	0	0	0	0	0	0	0	0	0	0
Issue factor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual dividend per share	0.85	0.00	0.81	0.82	0.85	1.00	1.10	1.30	1.60	0.00
Reported earnings per share	-	-	-	-	-	-	-	-	-	-

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Shares outstanding adj.	109	109	109	135	135	135	135	135	135	135
Diluted shares adj.	109	109	109	135	135	135	135	135	135	135
EPS	2.86	3.53	2.64	2.97	3.36	-28.43	3.79	4.48	5.30	6.52
Dividend per share	0.85	0.00	0.81	0.82	0.85	1.00	1.10	1.30	1.60	0.00
EPS adj.	3.17	3.84	2.83	2.46	4.74	-25.76	5.30	5.94	6.77	7.98
BVPS	13.75	16.53	18.54	113.12	123.56	93.93	100.70	104.07	108.08	112.99
BVPS adj.	7.05	9.36	12.07	-16.43	-13.19	-8.73	-6.08	-1.43	5.10	12.58
Net IB debt/share	-4.52	-5.65	-8.39	13.67	12.16	9.06	7.04	2.50	-2.54	-8.73
Share price	161.30	161.30	161.30	161.30	161.30	161.30	161.30	161.30	161.30	161.30
Market cap. (m)	17,509	17,509	17,509	21,848	21,848	21,848	21,848	21,848	21,848	21,848
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	56.4	45.7	61.1	54.3	48.0	nm	42.5	36.0	30.4	24.7
EV/sales (x)	14.78	11.42	13.33	14.11	7.27	6.57	6.32	5.98	5.25	4.57
EV/EBITDA (x)	35.6	28.8	36.6	43.6	22.4	-7.3	18.6	16.9	14.7	12.4
EV/EBITA (x)	39.0	31.9	42.1	50.7	26.1	-7.1	21.7	19.6	16.9	14.0
EV/EBIT (x)	43.2	34.6	44.9	54.5	35.9	-6.4	29.1	25.5	21.2	17.0
Dividend yield (%)	0.5	0.0	0.5	0.5	0.5	0.6	0.7	0.8	1.0	0.0
FCF yield (%)	1.0	1.7	1.9	-28.2	2.2	2.9	2.4	3.7	4.2	5.0
Le. adj. FCF yld. (%)	1.0	1.6	1.8	-28.2	2.1	2.8	2.2	3.5	3.9	4.8
P/BVPS (x)	11.73	9.76	8.70	1.43	1.31	1.72	1.60	1.55	1.49	1.43
P/BVPS adj. (x)	22.89	17.24	13.37	-9.81	-12.23	-18.48	-26.51	-112.51	31.62	12.82
P/E adj. (x)	50.9	42.0	57.0	65.7	34.0	nm	30.4	27.2	23.8	20.2
EV/EBITDA adj. (x)	35.6	28.8	36.6	43.6	22.4	-7.3	18.6	16.9	14.7	12.4
EV/EBITA adj. (x)	39.0	31.9	42.1	50.7	26.1	-7.1	21.7	19.6	16.9	14.0
EV/EBIT adj. (x)	43.2	34.6	44.9	54.5	35.9	-6.4	29.1	25.5	21.2	17.0
EV/CE (x)	11.4	9.0	8.0	1.3	1.2	1.6	1.4	1.4	1.3	1.2
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	1.9	6.0	1.6	3.7	2.7	3.2	5.5	5.5	5.0	4.0
Capex/depreciation	0.8	3.2	0.7	1.5	1.2	7.5	2.7	2.6	2.5	2.1
Capex tangibles / tangible fixed assets	19.1	19.2	16.7	10.7	21.3	0.0	11.6	10.8	8.3	7.3
Capex intangibles / definite intangibles	1.3	19.9	2.3	0.8	0.8	2.6	3.6	4.0	4.3	3.9
Depreciation on intang / def. intang	9	8	9	1	2	0	2	2	2	2
Depreciation on tangibles / tangibles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: ABG Sundal Collier, Company Data

Analyst Certification

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ABG Sundal Collier Ratings and Investment Banking by 3/27/2025

Total of Rating	Research Coverage	Investment Banking Clients (IBC)	
	% of Total Rating	% of Total IBC	% of Total Rating by Type
BUY	63.61%	21%	8.64%
HOLD	31.94%	3%	2.46%
SELL	3.14%	0%	0.00%

IBC: Companies in respect of which ABG SC or an affiliate has received compensation for investment banking services within the past 12 months.

Analyst stock ratings definitions

BUY = We expect this stock’s total return to exceed the market’s expected total return by 5% or more over the next six months.

HOLD = We expect this stock’s total return to be in line with the market’s expected total return within a range of 4% over the next six months.

SELL = We expect this stock’s total return to underperform the market’s expected total return by 5% or more over the next six months.

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When setting the individual ratings for investment research (“independent research”), ABG Sundal Collier assumes that a normal total absolute return (including dividends) for the market is 8% per annum, or 4% on a 6-month basis. Therefore, when we rate a stock a BUY, we expect an absolute return of 9% or better over six months. Volatility and low trading volumes mean that we have a wider range for expected returns on small cap stocks than for large caps.

ABG Sundal Collier’s analysts publish price targets for independent research and may publish valuation ranges for commissioned research. These price targets or valuation ranges rely on various valuation methods. One of the most frequently used methods is the valuation of a company by calculation of that company’s discounted cash flow (DCF). Another valuation method is the analysis of a company’s return on capital employed relative to its cost of capital. Finally, the analysts may analyse various valuation multiples (e.g., the P/E multiples and the EV/EBITDA multiples) relative to global industry peers. In special cases, particularly for property companies and investment companies, the ratio of price to net asset value is considered. Price targets and valuation ranges are changed when earnings and cash flow forecasts are changed. They may also be changed when the underlying value of a company’s assets changes (in the cases of investment companies, real estate companies or insurance companies) or when factors impacting the required rate of return change.

Expected updates

ABGSC has no fixed schedule for updating its research reports. Unless expressly stated otherwise, ABGSC expects (but does not undertake) to issue updates when considered necessary by the research department, for example following the publication of new figures or forecasts by a company or in the event of any material news on a company or its industry.

Stock price, company ratings and target price history

Company: Vitrolife

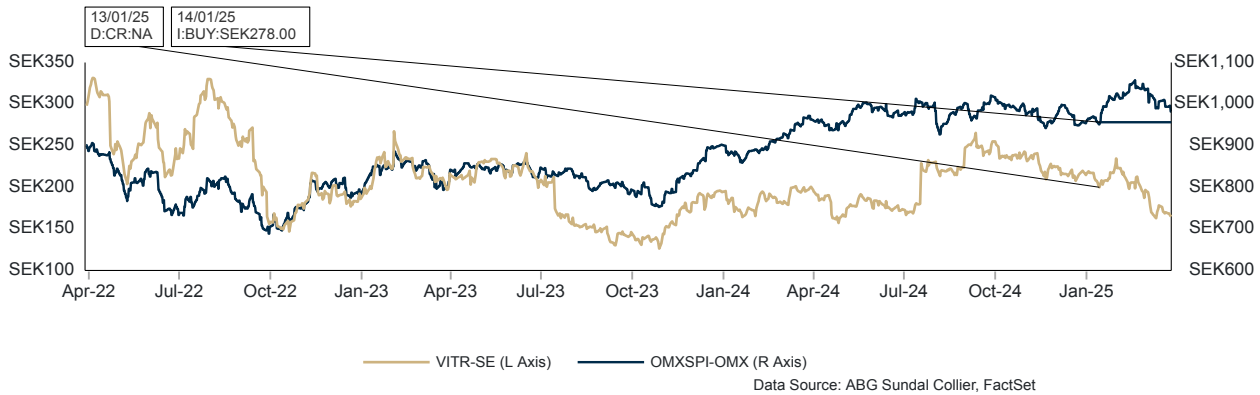
Currency: SEK

Current Recommendation: BUY

Date: 26/3/2025

Current Target price: 265.0

Current Share price: 161.30



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Norway
Ruseløkkveien 26, 8th floor
0251 Oslo
Norway
Tel: +47 22 01 60 00
Fax: +47 22 01 60 60

Denmark
Forbindelsesvej 12,
2100 Copenhagen
Denmark
Tel: +45 35 46 61 00
Fax: +45 35 46 61 10

Sweden
Regeringsgatan 25, 8th floor
111 53 Stockholm
Sweden
Tel: +46 8 566 286 00
Fax: +46 8 566 286 01

United Kingdom
10 Paternoster Row, 5th floor
London EC4M 7EJ
UK
Tel: +44 20 7905 5600
Fax: +44 20 7905 5601

USA
140 Broadway, Suite 4604
New York, NY 10005
USA
Tel. +1 212 605 3800
Fax. +1 212 605 3801

Singapore
10 Collyer Quay
Ocean Financial Center
#40-07, Singapore 049315
Tel +65 6808 6082

Germany
Schillerstrasse 2, 5. OG
60313 Frankfurt
Germany
Tel +49 69 96 86 96 0
Fax +49 69 96 86 96 99

Switzerland
ABG Sundal Collier AG
Representative Office
Schwanenplatz 4
6004 Lucerne
Switzerland
Tel +41 79 502 33 39