Financial results for six months ended 30th June 2016

Julian Baines, Chief Executive Officer
Richard Evans, Finance Director & COO

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Agenda

Slide no.

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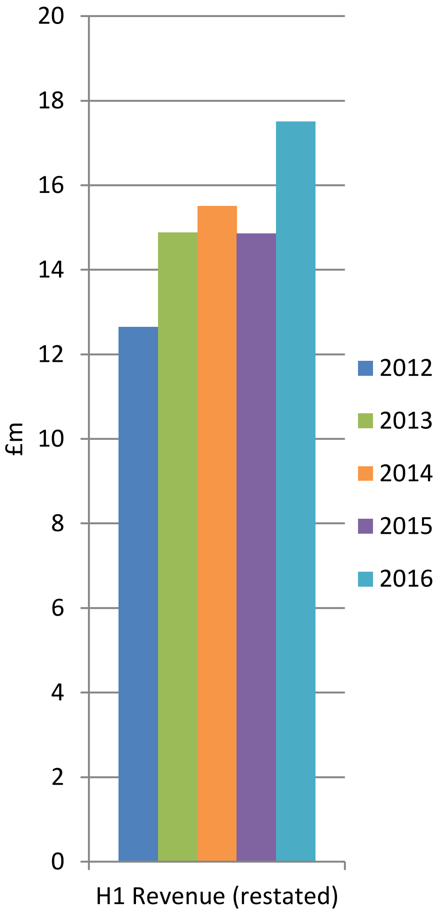
H1 Highlights

- Revenues up 18% to £17.51m (2015 restated: £14.86m)
    - Sold 7,029 analysers and 35.33m tests
- On track to reach higher end of AEBITDA FY forecast of £3.5-£4.0m
- Benefits of restructuring starting to pull through
- Restructuring of the group:
    - Closure of Dublin facility and disposal of biomarker products
    - Transfer of STI manufacturing to Stanbio complete
    - Reduced headcount by 104 to 299 FTEs
    - Quotient closure complete
    - DiaSpect transfer on-going
- Restructured board:
    - Christopher Mills, Non-Executive Chairman
    - Two Executive Directors and two other Non-Executive Directors
    - Senior management performance related incentive packages



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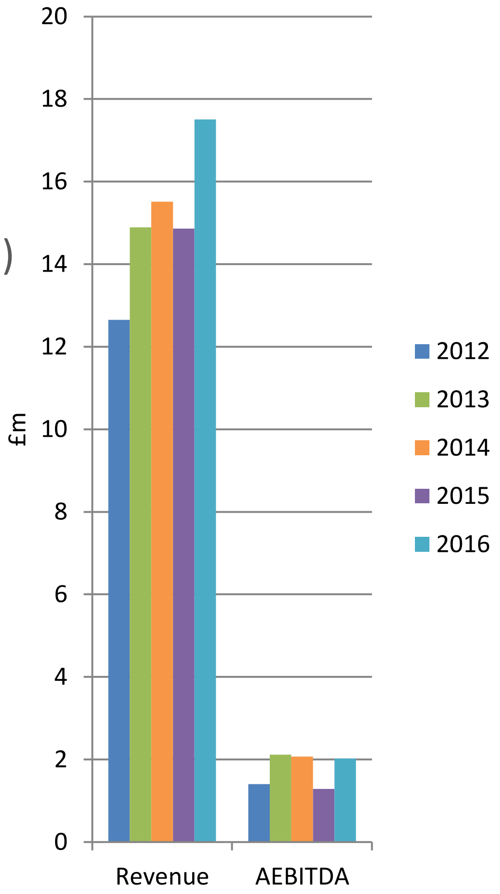
H1 Financial performance

- Gross profit up 10% to £8.42m (2015 restated: £7.67m)
- AEBITDA up 57% to £2.02m (2015 restated: £1.29m)
- Cash and cash equivalents: £3.24m (2015: £2.08m)
- Cash generated from operations: £1.4m (2015 restated: £2.1m used)
- Net debt of £4.3m (2015: £8.8m)
- £4.5m net Placing in June
- FX upside c. £1.0m



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Business Unit performance

	H1 2016 £k	H1 2015 £k	+/- %
Hematology	5,182	4,283	21%
Diabetes	4,816	3,979	21%
Maternal Health	1,390	1,218	14%
Central Laboratory	5,699	4,609	24%
Other	420	775	
	17,507	**14,864**	

Geographical divisional split

H1 revenue	H1 2016 £'000	H1 2015 £'000	2016 v 2015
APAC	1,956	2,129	-8%
EMEA	6,459	5,098	27%
EKF LS	984	1,011	-3%
LATAM	1,636	1,396	17%
USCAN	6,471	5,230	24%
	17,507	**14,864**	**18%**

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H2 Challenges

Regulatory	• Re-registration of QDL products following transfer of production • Complexity and duration of FDA and CFDA submissions for DiaSpect Tm • New IVDR come into effect 2016/17. Significant resources required to comply
Connectivity	• Increasing requirement to meet individual country connectivity demands
Global economy	• Impact of international conflict – Ukraine, Turkey • Currency depreciation
Competition	• Asian manufacturers developing low cost POC analysers and tests within hematology, diabetes and lactate

Summary

- H1 growth built on ‘back to basics’ approach
- Reduced cost base through centralised manufacturing and reduced headcount
- Sales growth from key markets:
  - USA: Relaunch of HemoPoint H2 and B-HB
  - Middle East: Only significant tender win in year to date
  - South east Asia: Growing penetration of hemoglobin and diabetes ranges
- FY revenue target of over £30.0m
- On track to reach higher end of AEBITDA FY forecast of £3.5-£4.0m

Appendix 1

Financial report

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Income statement: Extract

	H1 2016 £'000	H1 2015 £'000	+/- £'000
Revenue	**17,507**	14,864	**2,643**
Gross profit	**8,416**	7,674	**742**
GP %	48%	52%	**(4%)**
Admin. costs	**(9,358)**	99	**(9,457)**
Other income	**32**	129	**(97)**
Operating (loss)/profit	(910)	7,902	**(8,812)**
AEBITDA	**2,019**	1,289	**730**
Overheads	**6,831**	6,951	**(120)**
Exceptional items	**(387)**	9,740	**(10,127)**
Depreciation / amortisation	**(2,487)**	(3,018)	**531**
Finance costs / income	**(304)**	(1,218)	**914**
Tax	**(230)**	147	**377**
Loss for the year cont. operations	**(1,422)**	6,832	**(8,254)**

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Balance Sheet / Cashflow: Extract

	June 2016 £'000	Dec 2015 £'000	+/- £'000
Intangible assets	**46,778**	42,927	(3,851)
PPE	**11,978**	10,680	1,298
Inventories	**7,915**	8,234	(319)
Trade / other receivables	**8,137**	7,242	895
Cash and cash equivalents	**3,242**	2,017	1,225
Borrowings	**7,517**	10,842	(3,325)
Net (debt) / cash	**(4,275)**	(8,825)	4,550
Deferred considerations	**505**	485	20
Trade / other payables	7,914	8,331	(417)

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Cashflow

	H1 2016 £'000
Cash at beginning of period	**2,017**
Cash generated in operating activities	1,354
Cash used in investing activities	(1,129)
Cash generated by financing activities	736
Net increase in cash	**961**
Exchange gains	264
Cash at end of period	**3,242**

Appendix 2

Business unit performance

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Point-of-Care

Hematology

- Revenues up £898k (21%)
- Transition of H2 sales in USA from Alere to EKF USA 1st June
- Hemo Control/H2 up 35% YoY
- DiaSpect Tm/CompoLab up 31% YoY
- H2 2016 strategy to focus on:
  - Consolidate H2 distribution strategy in USA
  - Market share in India through DiaSpect Tm
  - Growth in south east Asia through DiaSpect Tm
  - Registration of DiaSpect Tm in USA

Hematology

Hematology range

DiaSpect Tm
Hematastat II
Hemo Control
HemoPoint H2
STAT-Site Hgb
UltraCrit & UltraCrit+

	H1 2016 £k	H1 2015 £k	+/- £k	+/- %
Hematology analysers and tests	5,182	4,283	898	21%

Point-of-Care

Diabetes

- Revenues up £837k (21%) YoY
- Quo-Test and Quo-Lab up 72%
- STAT-Site M BHB up 68%
- Biosen down 11%
- H2 2016 strategy to focus on:
    - Driving revenue from Quo-Lab OEM agreements
    - SSM BHB following-on from growth in BHB reagent
    - Slow re-emergence of Biosen in China following re-registration

Diabetes Care

Diabetes range

Biosen C-Line

Biosen S-Line

Quo-Lab A1c

Quo-Test A1c

STAT-Site M β-HB

	H1 2016 £k	H1 2015 £k	+/- £k	+/- %
Diabetes analysers and tests	4,816	3,979	837	21%

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Point-of-Care

Maternal & Women’s Health

Maternal & Womens Health

- Revenues up £172k (+14%) YoY
- Ten-fold increase in unit sales of Creamatocrit
- Lactate Scout+ up 19%
- Pregnancy kits up 7%
- 2016 strategy to focus on:
  - Increase revenues from Lactate Scout+ through price increase of sensors
  - Identify other volume markets to drive incremental sales of Creamatocrit
  - Investment in clinical trials in Bristol to obtain CE mark for SensPoint

Maternal & Women’s Health range

Creamatocrit

Lactate Scout+

Pregnancy tests

SensPoint

	H1 2016 £k	H1 2015 £k	+/- £k	+/- %
Analysers, sensors and tests	1,390	1,218	172	14%

Central Laboratory

Clinical chemistry, centrifuges and enzymes

Central Laboratory

- Total central laboratory sales +£1,090k (+24%):
  - Beta-Hydroxybutyrate Liquicolor reagent up 72%
  - Incremental sales from launch of Altair 240 clinical chemistry analyser
  - Small increase (£90k) in sales of chemistry
  - Sales of centrifuges and consumables flat
- 2016 strategy to focus on:
  - Continue to drive B-HB in USA
  - Build the market for PCT. First customer acquired in H1 Turkey
  - Launch of Altair 240 automated chemistry analyser to drive further increases in sales of chemistry outside of USA
  - Discontinuation of SlidePrep and PlasmaPrep centrifuges

Central Laboratory range

Centrifuges

Clinical chemistry

Contract fermentation

Enzymes

Liver & kidney biomarkers

	HY 2016 £k	HY 2015 £k	+/- £k	+/- %
Central Laboratory	5,699	4,609	1,090	24%

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Thank you

Product performance

H1 revenue	H1 2016 £'000	H1 2015 £'000	2016 v 2015 % change
Hemo Control & H2	2,511	1,865	35%
DiaSpect	1,169	890	31%
SSM Hgb	233	268	-13%
Quo-Test	1,507	627	140%
Quo-Lab	692	712	-3%
Biosen	2,174	2,443	-11%
Lactate Scout	527	442	19%
Other POCT	56	54	4%
β-HB Liquicolor	3,100	1,810	71%
Pregnancy tests	813	761	7%
Other rapid diagnostics	348	360	-4%
Chemistry	1,988	1,909	4%
Fermentation	177	302	-41%
STI	1,568	1,523	3%
Other	642	897	-28%
	17,507	**14,864**	**115%**

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