



Financial results for six months ended 30th June 2017

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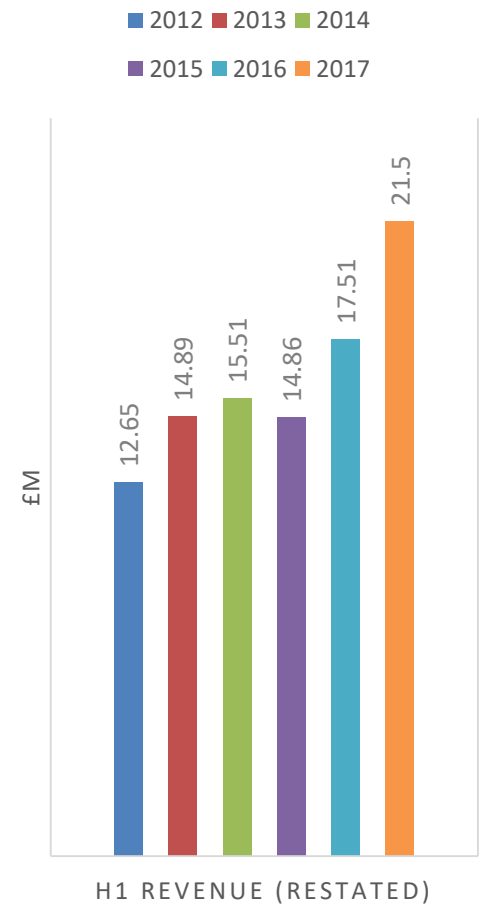
Agenda

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- 4. H1 Highlights
- 5. H1 Financial performance
- 7. Geographic divisional split
- 8. Business Unit performance
- 12. Regulatory update
- 13. H2 2017 Outlook
- 14. Appendix 1: Financial report

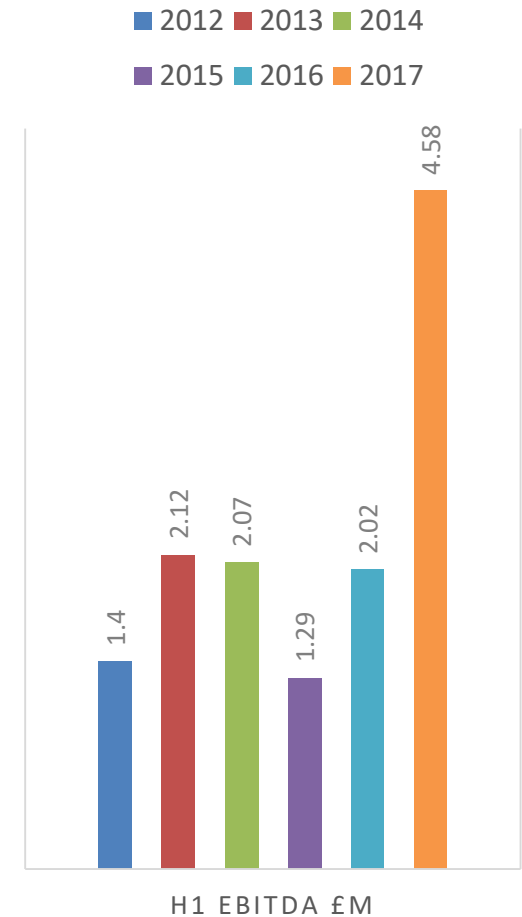
H1 Highlights

- Revenues up 23% to £21.50m (2016: £17.51m)
- AEBITDA up 127% to £4.58m (2016: £2.02m)
- Sold 7,496 analysers and c.34m tests
- Investment in enzyme manufacturing technology at EKF Life Sciences, USA
- Poland manufacturing facility closed 30 June
- 7 sites in total, from peak of 12



H1 Financial performance

- Gross profit up 41% to £11.84m (H1 2016 restated: £8.42m)
- Administration costs up £805k to £10.16m (H1 2016: £9.36)
- AEBITDA* up 127% to £4.58m (H1 2016: £2.02m)
- Cash generated from operations: £5.07m (H1 2016: £1.35m)
- Net cash: £4.44m (30 June 2016: Net debt of £4.28m, 31 December 2016: net cash of £2.16m)
- £4.4m of debt repaid H1 2017



*Before exceptional items and share based payments

Income statement: Extract

	H1 2017 £'000	H1 2016 £'000	+/- £'000
Revenue	21,498	17,507	3,991
Gross profit	11,839	8,416	3,423
GM %	55%	48%	
Admin. costs	(10,163)	(9,358)	(805)
Other income	19	32	(13)
Operating (loss)/profit	1,695	(910)	2,605
AEBITDA	4,577	2,019	2,558

Geographical divisional split

H1 revenue	H1 2017 £'000	H1 2016 £'000	2017 v 2016
APAC	2,135	1,973	+£162k
EMEA	8,128	6,496	+£1,632k
EKF LS	1,510	984	+£526k
LATAM	1,271	1,636	(£366k)
USCAN	8,454	6,497	+1,959k
	21,498	17,507	

Business Unit performance

		H1 2017 £k	H1 2016 £k	+/- %
Point of Care	Total	13,974	11,388	23%
	Hematology	6,664	5,182	29%
	Diabetes	5,899	4,816	22%
	Others	1,411	1,390	2%
Central Laboratory	Total	6,579	5,699	15%
Other	Shipping, repairs, discontinued products	945	420	125%
		21,498	17,507	

Point-of-Care

Hematology

- Revenues up £1,485k (29%)
- Hemo Control/H2 up £883k (35%)
- DiaSpect Tm/CompoLab up £238k (20%)
- HemataStat II up £335k (48%)
- H2 2017 strategy to focus on:
 - Consolidate H2 distribution strategy in USA
 - Market share in India through DiaSpect Tm

	H1 2017 £k	H1 2016 £k	+/- £k	+/- %
Hematology analysers and tests	6,664	5,182	1,482	29%



Hematology range

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



Point-of-Care

Diabetes



- Revenues up £1,083k (22%) YoY
- Quo-Test and Quo-Lab up £746k (34%)
- STAT-Site M BHB up £152k (52%)
- Biosen up £338k (16%)
- H2 2017 strategy to focus on:
 - New Biosen distributors in China
 - Driving revenue from Quo-Lab OEM agreements
 - SSM BHB following-on from growth in BHB reagent

Diabetes range

- Biosen C-Line
- Biosen S-Line
- Quo-Lab A1c
- Quo-Test A1c
- STAT-Site M β -HB

	H1 2017 £k	H1 2016 £k	+/- £k	+/- %
Diabetes analysers and tests	5,899	4,816	1,083	22%

Central Laboratory

Clinical chemistry, centrifuges and enzymes



- Total central laboratory sales +£880k (+15%):
 - Beta-Hydroxybutyrate Liquicolor reagent up £351k (+11%)
 - Incremental sales from launch of Altair 240 clinical chemistry analyser
 - Clinical chemistry sales up £319k (+16%)
- 2017 strategy to focus on:
 - Continue to drive β -HB in USA
 - Build the international market for PCT. First customers acquired in Europe
 - Sales of Altair 240 automated chemistry analyser to drive further increases in sales of chemistry outside of USA

Central Laboratory range

Clinical chemistry

Contract fermentation

Enzymes

Liver & kidney biomarkers

Micro12



	HY 2017 £k	HY 2016 £k	+/- £k	+/- %
Central Laboratory	6,579	5,699	880	15%

Regulatory update

Product registrations	<ul style="list-style-type: none">• Further investment in FDA submissions• China FDA registration of Quo-Test in lab testing phase• Brazilian registration for Hemo Control, DiaSpect Tm, Quo-Test and Quo-Lab• Indian registration of DiaSpect Tm anticipated Q1 2018
IVDR	<ul style="list-style-type: none">• New IVDR come into effect 2016/17. Significant resources required to comply

H2 2017 Outlook

- Build on the success of the streamlined Group and lower cost base
- Achieve further manufacturing savings based on CapEx spend
- Achieve sales growth from current key markets and customers:
 - USA: Continued growth of β -HB and HemoPoint H2
 - China: Identified new distributors for Biosen glucose analyser
- Medium-term growth opportunities from new registrations and customers:
 - Draft agreements in place with OEM partners in USA for DiaSpect Tm and Quo-Test A1c
- Board is comfortable that trading in line with management expectations for 2017



Appendix 1

Financial report

Income statement: Extract

	H1 2017 £'000	H1 2016 £'000	+/- £'000
Revenue	21,498	17,507	3,991
Gross profit	11,839	8,416	3,423
GM %	55%	48%	
Admin. costs	(10,163)	(9,358)	(805)
Other income	19	32	(13)
Operating (loss)/profit	1,695	(910)	2,605
AEBITDA	4,577	2,019	2,558
Exceptional items	23	(387)	410
Depreciation / amortisation	(2,011)	(2,487)	476
Finance costs / income	(268)	(304)	36
Tax	(1,626)	(230)	(1,396)
Loss for the year cont. operations	(199)	(1,422)	1,223

Balance Sheet / Cashflow: Extract

	June 2017 £'000	Dec 2016 £'000	+/- £'000
Intangible assets	45,165	46,503	(1,338)
PPE	12,096	12,124	(28)
Inventories	5,638	6,025	(387)
Trade / other receivables	9,366	9,370	(4)
Cash and cash equivalents	5,719	7,874	(2,155)
Borrowings	(1,283)	(5,718)	4,435
Net cash / (debt)	4,436	2,156	2,280
Deferred considerations	915	505	410
Trade / other payables	10,728	7,914	2,814

Cashflow

	H1 2017 £'000	H1 2016 £'000	+/- £'000
Cash at beginning of period	7,874	2,017	5,857
Cash generated in operating activities	5,068	1,354	3,993
Cash used in investing activities	(1,115)	(1,129)	42
Cash generated by financing activities	(5,959)	736	(6,473)
Net increase/ decrease in cash	(2,006)	961	(2,438)
Exchange gains	(149)	264	(942)
Cash at end of period	5,719	3,242	2,477



Thank you