



# Inspiration Healthcare Group plc

Investor Presentation  
Year Ended 31<sup>st</sup> January 2018

April 2018

# Our Business

## Our vision

- To improve patient outcomes in critical care

## Our mission

- To develop outcome-enhancing products for intensive care patients and to promote these globally. We are passionate about improving patient outcomes through innovation, research and life-saving customer service

## The business

- An international supplier of Neonatal Intensive Care and Patient Warming Equipment and distributor of Life Support Equipment
- Key Markets: Critical Care, Operating Theatres and Home Healthcare
- Core Values: Patient focus, Outcome changing, Pioneering, Research driven

## Hypothermia Station



# Financial year ending January 2018

## ACHIEVING GROWTH IN A YEAR OF INTERNAL RESTRUCTURE

Achievements	
“We plan to maintain our returns on a growing revenue line”	✓
Investment in management/ regulatory resources	✓
Increase investment in R&D	✓
Capital Reduction complete	✓
3 new products launched	✓
New R&D centre	✓

# Financial year ended January 2018

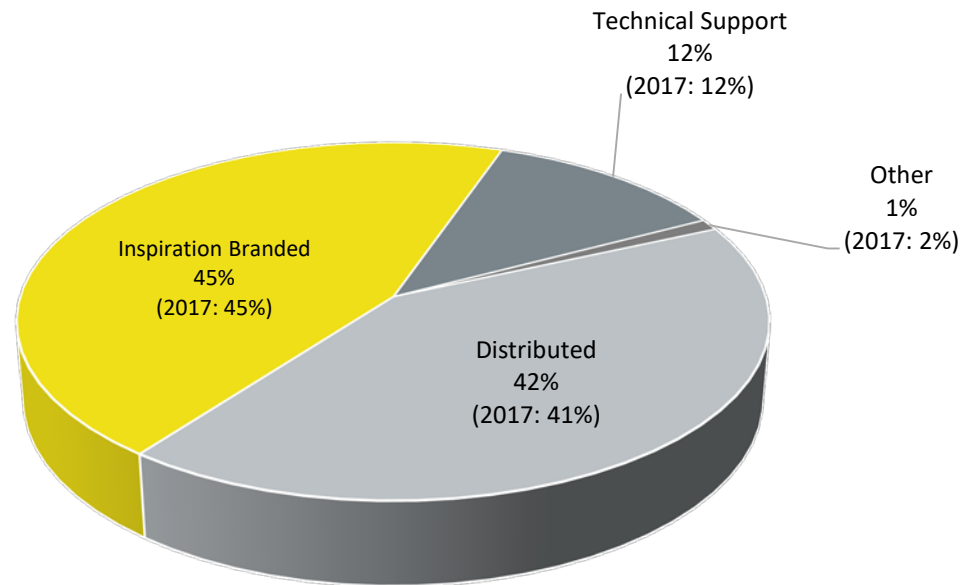
## Financial Headlines

- Revenue grew 8% to £15.5m
  - 9% excluding discontinued industrial revenue in 2017
  - Growth in both International and Domestic revenue
  - Focus on existing product range – gross margin in line with prior year
- Planned increased regulatory costs
- Operating Profit up 4% to £1.2m (2017: £1.16m<sup>1</sup>)
- EBITDA up 6% to £1.5m (2017 £1.4m<sup>1</sup>)
- Underlying EPS up 3%
- Net cash £2.1m
  - Investment in R&D continues – 6.2% of revenue

# Consolidated Income Statement

	Audited FY 2018	Audited FY 2017
	£'000	£'000
Revenue	15,495	14,323
Gross Profit	6,784	6,358
Operating profit	1,204	1,163
Exceptional items	-	(718)
Finance (Expense)/Income	(2)	(1)
Profit/(Loss) before tax	1,202	444
Taxation	21	(132)
Profit/(Loss) after tax	1,223	312
EBITDA	1,454	1,367
Adjusted Earnings per Share – (pence)	3.5	3.4

# Revenue by Product Ownership FY2018



# Revenue by Market Sector FY2018

## Critical Care £11.1M

Thermoregulation  
Respiratory  
Brain Monitoring  
Acutronic  
Novalung

## Operating Theatre £1.7M

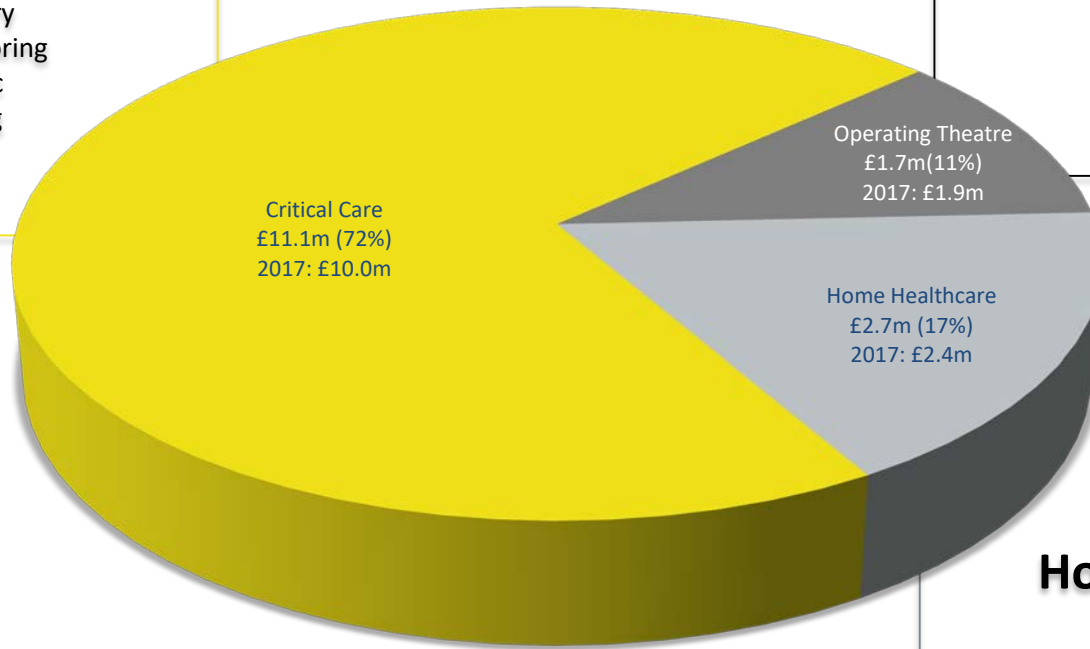
**£1.7M**

Thermoregulation  
Medos  
Acutronic

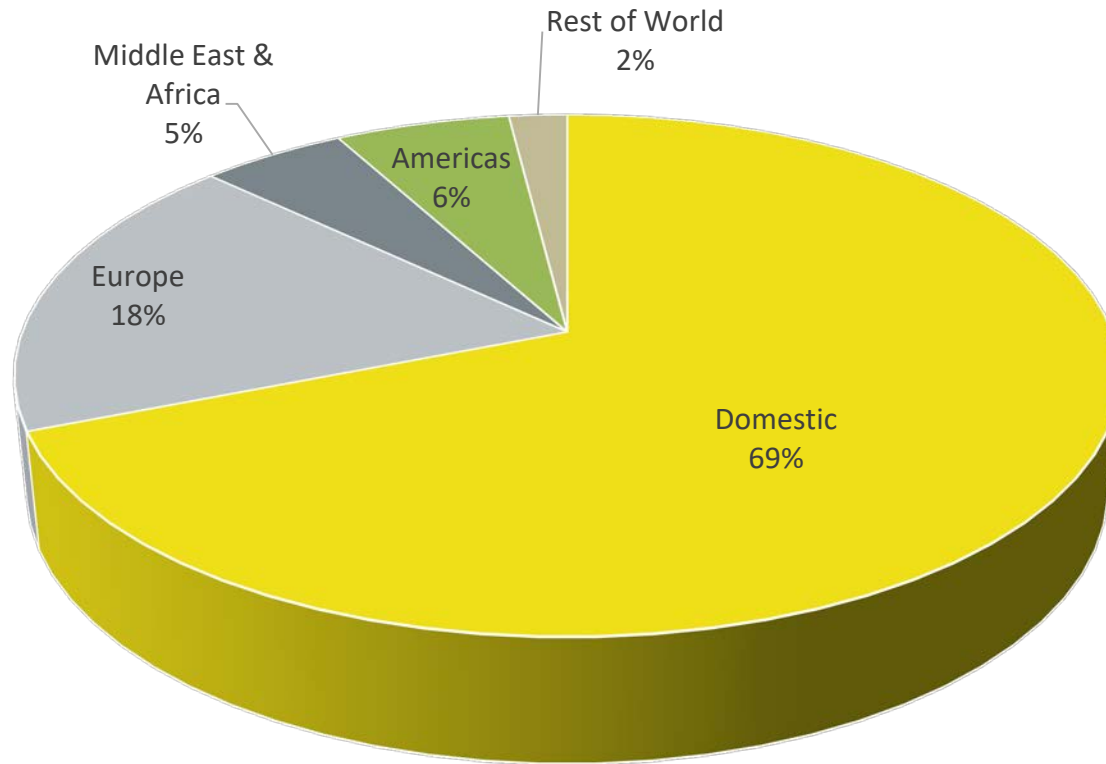
## Home Healthcare £2.7M

**£2.7M**

Parenteral Feeding



# Revenue by Geography FY2018

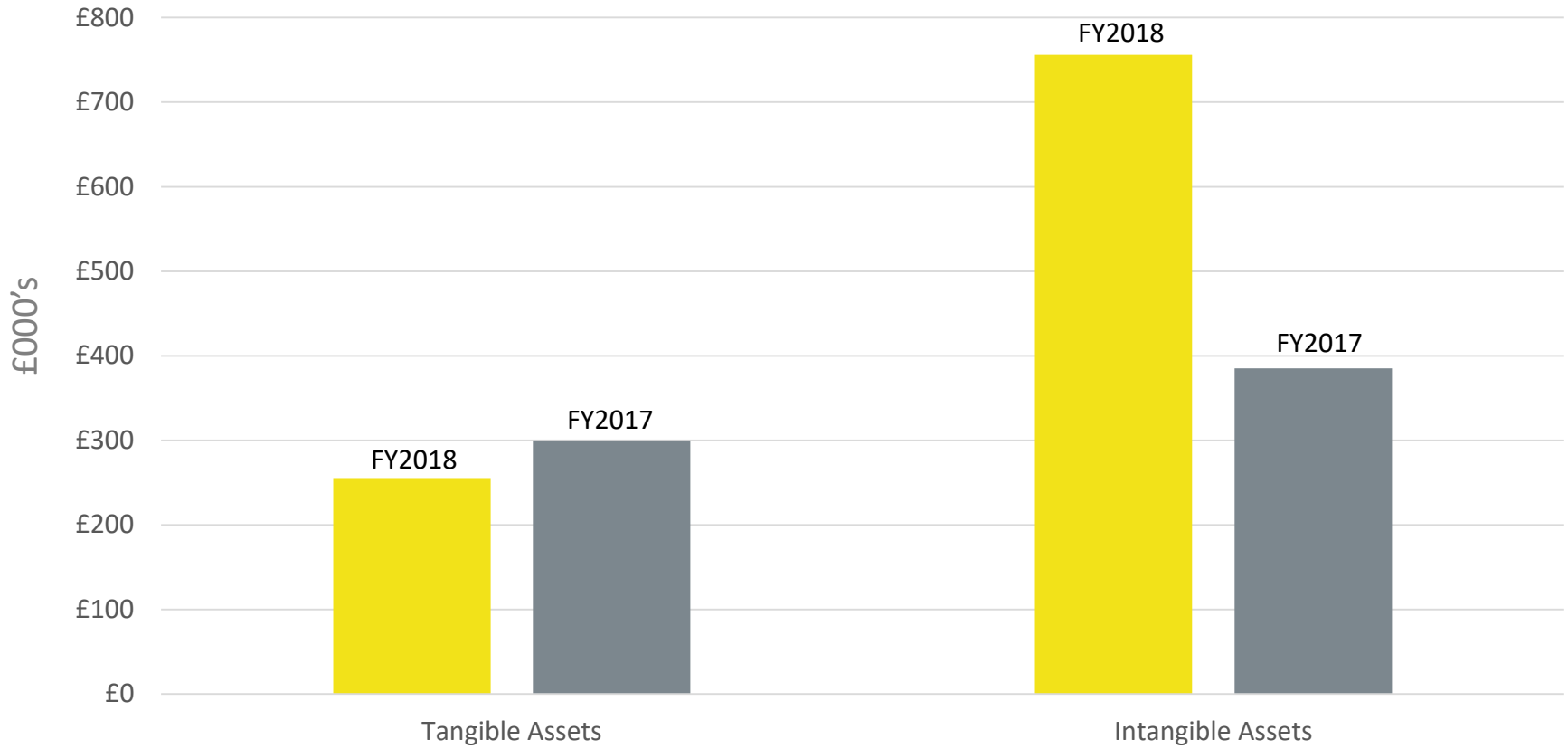




# Consolidated Cash Flow

	Audited FY 2018	Audited FY 2017
Profit before taxation	1,202	444
Depreciation & Amortisation	230	204
Impairment of goodwill and intangible assets	-	-
Movement in working capital	(542)	120
Other	31	3
Net cash generated from operations	921	771
Taxation	34	(203)
Purchase of tangible and intangible assets	(1,011)	(698)
Increase in investment	6	-
Other	(29)	(24)
Net (decrease)/increase in cash and cash equivalents	(79)	(154)
Cash and cash equivalents at the beginning of the year	2,165	2,319
Cash at end of period	2,086	2,165

# Capex

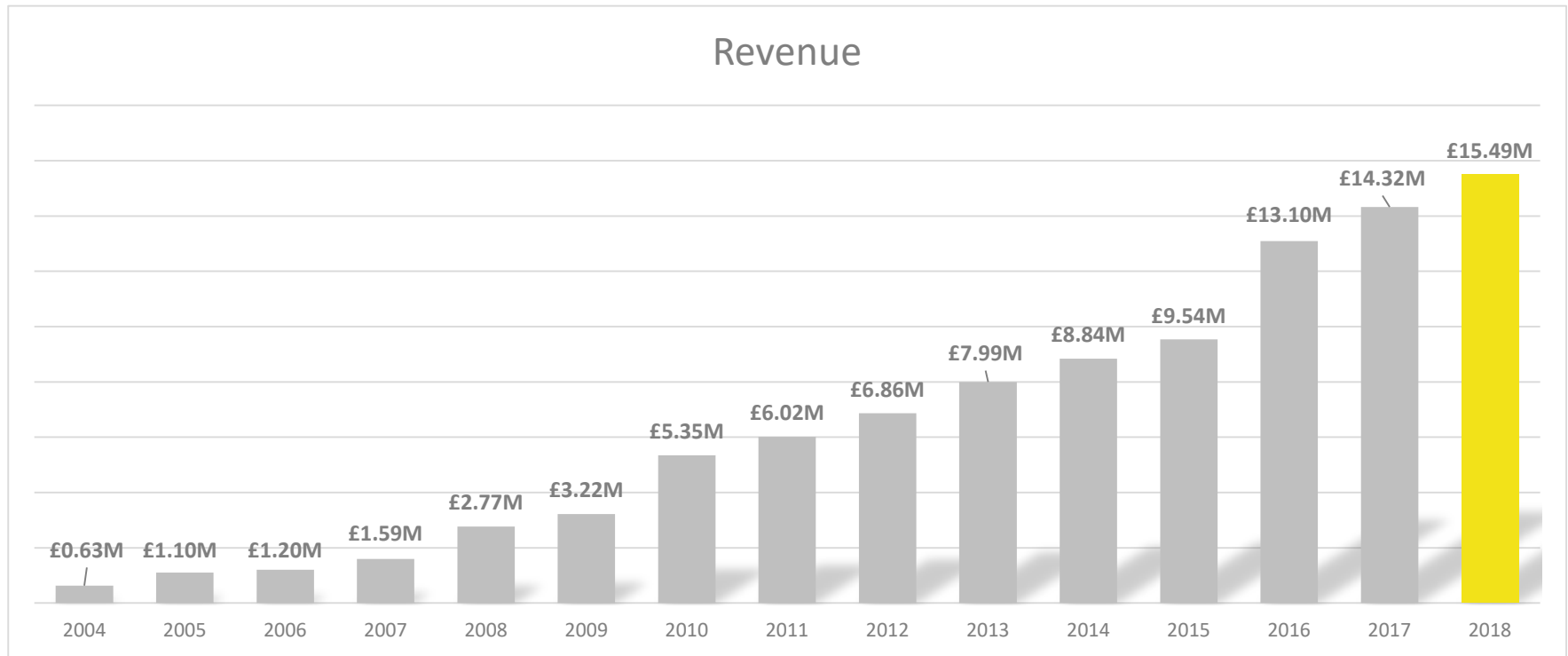


# Consolidated Balance Sheet

- 40% increase in net assets

	Audited FY 2018	Audited FY 2017
	<i>£'000</i>	<i>£'000</i>
Non-Current Assets	1,782	1,006
Cash	2,086	2,165
Other Current Assets	3,625	3,269
Total Liabilities	(3,128)	(3,315)
<b>Net Assets</b>	<b>4,365</b>	<b>3,125</b>

# Consistent Revenue Growth



# Strategic Markets

## Critical Care and Operating Theatre

### Critical Care of the Newborn

- Approx. 15m births pa in target markets
- 10% of all live births in developed world need resuscitation
- 9% are born prematurely
- Target markets approx. £350m pa

### Operating Theatre

- 4.7m Surgical Admissions in UK in 2013/14 (up 27% on 10 years)\*\*
- 51m in patient surgical procedures in USA in 2010\*\*\*
- Guidelines support preventing hypothermia as a KPI in the Operating Theatre
- Established market of over £200m pa

- Strong Market Knowledge
- Increased regulatory and development capability
- Increased regulatory capability
- Track record in growing sales in markets
- **Total Market Size\*: £500m+**
- **Addressable Market\*: £60m+**

# Strategic Markets

## Portfolio in NICU & the Operating Theatre

### Neonatal

- Respiratory
- Neurological
- Resuscitation
- Thermoregulation
- Other disposables\*



### Operating Theatre

- Patient Warming
- ENT\*
- Perfusion\*
- Pain Management\*



\*Distribution Only

# Consumable, Capital & Tech. Support

## Portfolio Creation

- Create best in class product portfolio
- Ensure add value
- Create strong margins
- Ensure drop through to Operating Profit
- ***Acquire vs Develop vs Licence***





# New Products – Market Approval 2018

## LifeStart

Neonatal Resuscitation Platform that facilitates optimal cord clamping



## Inspire rPAP™ Driver

Gas control system for rPAP Generator that can deliver resuscitation breaths to the newborn



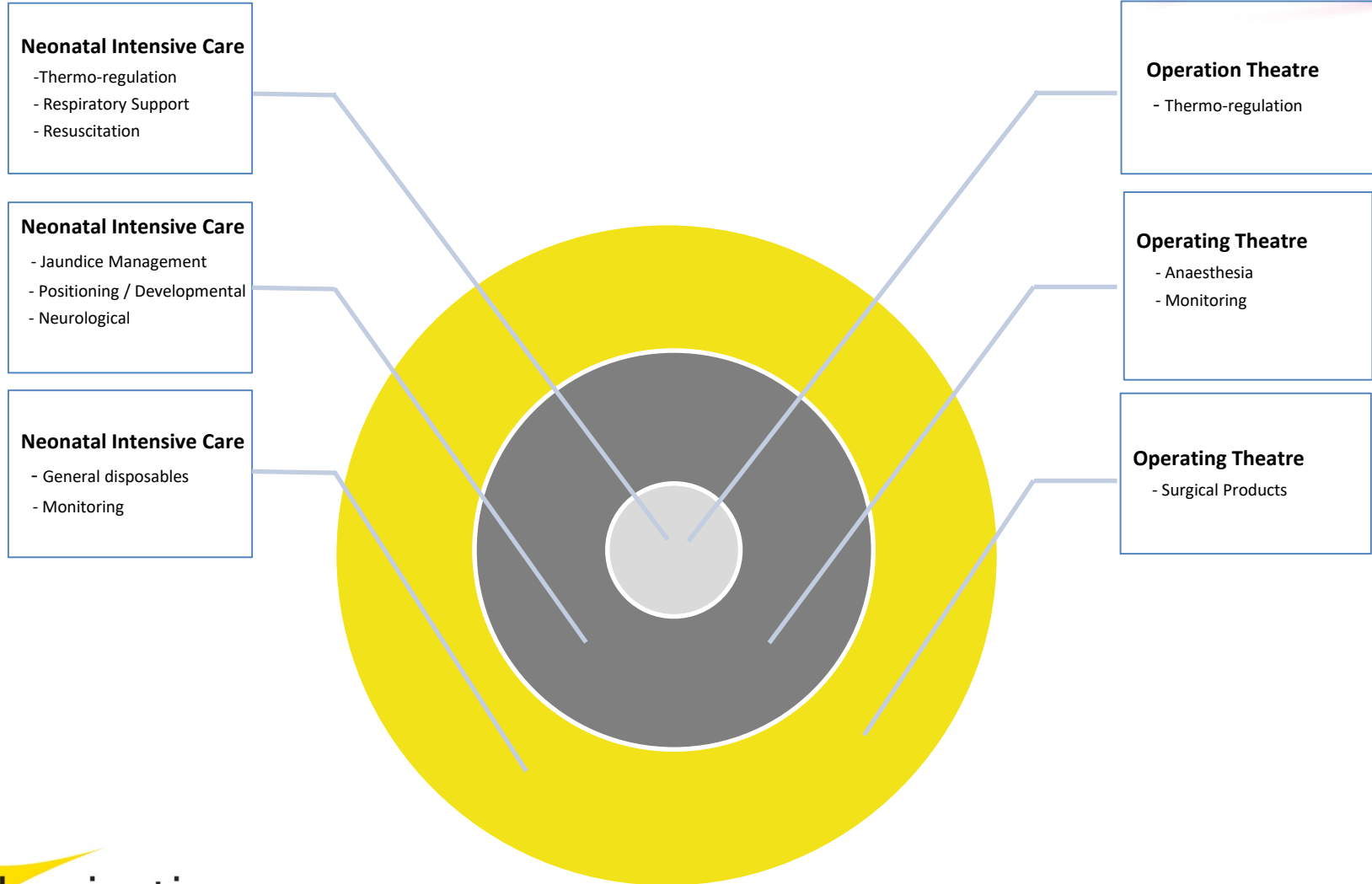
## Unique+ CFM

Cerebral Function Monitoring for the newborn brain with enhanced features





# Acquisition Targets



# Outlook

Outlook – short term	Outlook – longer term
Continuation of underlying organic growth	Develop markets further over 3 years – esp. USA
Gathering momentum during the year	Continual investment from our balance sheet to grow business over the next 3 years
New Product Releases as R&D Pipeline	New product introductions to steadily increase growth rate
Exploring Distribution Opportunities	

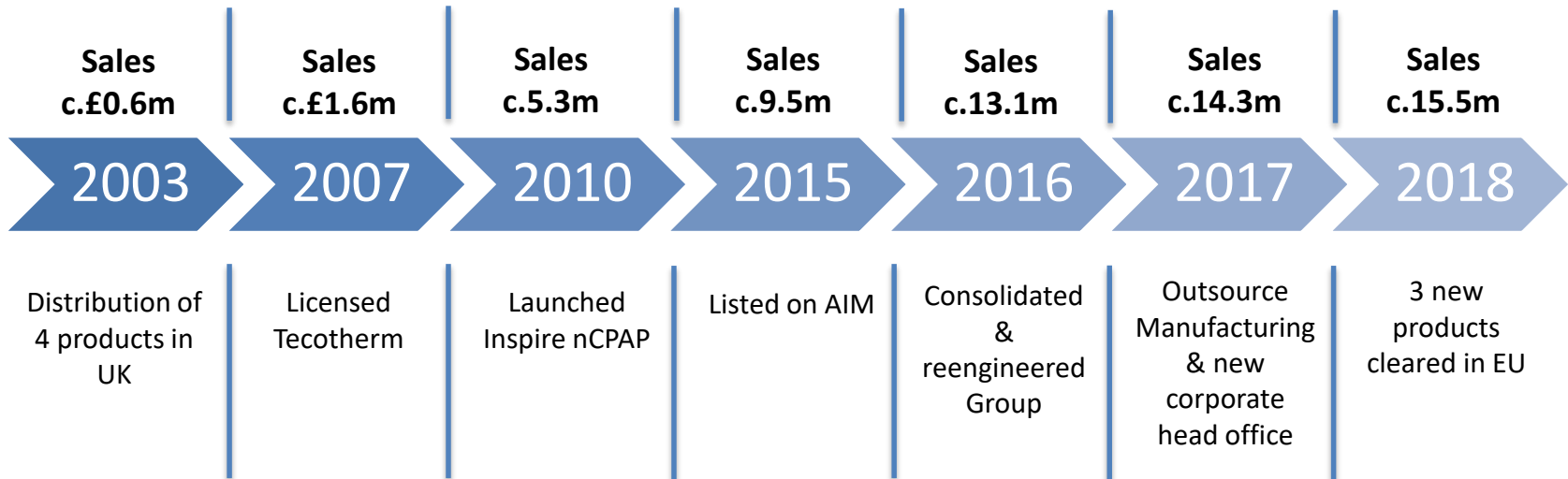
*“We are optimistic about the potential for our business over the next few years and, accordingly, plan to reinvest the growth in profits to benefit future years.”*

***Track record of delivering on plans***

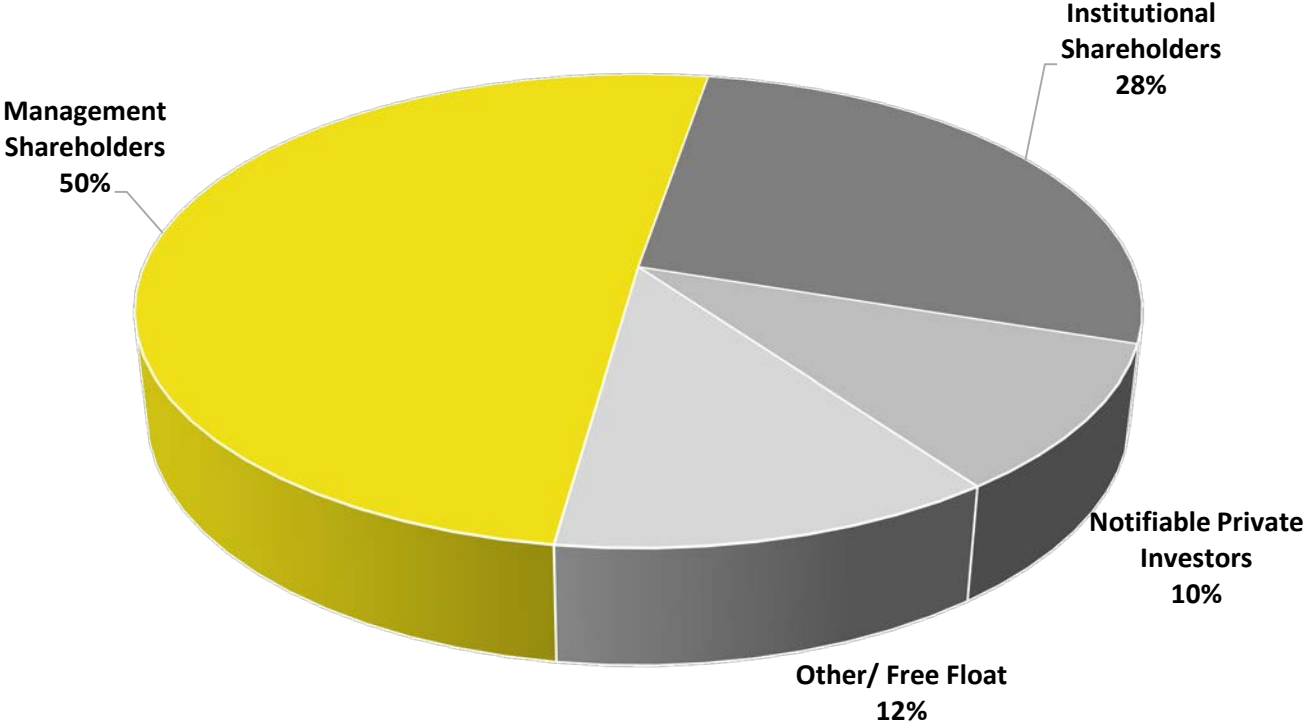


# Appendices

# The Inspiration Story



# Shareholder Base



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