

# Capital Markets Day

## 13<sup>th</sup> July 2022

Inspiration Healthcare Group plc

Neil Campbell – CEO

Jon Ballard – CFO

Brook Nolson - COO

[www.inspirationhealthcaregroup.plc.uk](http://www.inspirationhealthcaregroup.plc.uk)



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# Our Focus

Every year, an estimated 15 million babies are born preterm<sup>1,4</sup> and this number is rising<sup>3</sup>

Preterm birth complications are responsible for approximately 1m deaths in 2015 – the largest cause of mortality in infants under 5 (18%)<sup>3</sup>

Our neonatal intensive care portfolio is designed to support the most vulnerable patients from the first moments of life.



Sources:

(1) Before 37 completed weeks of gestation

(3) Global, regional, and national causes of under-5 mortality in 2000-15

- Liu L et al 2016

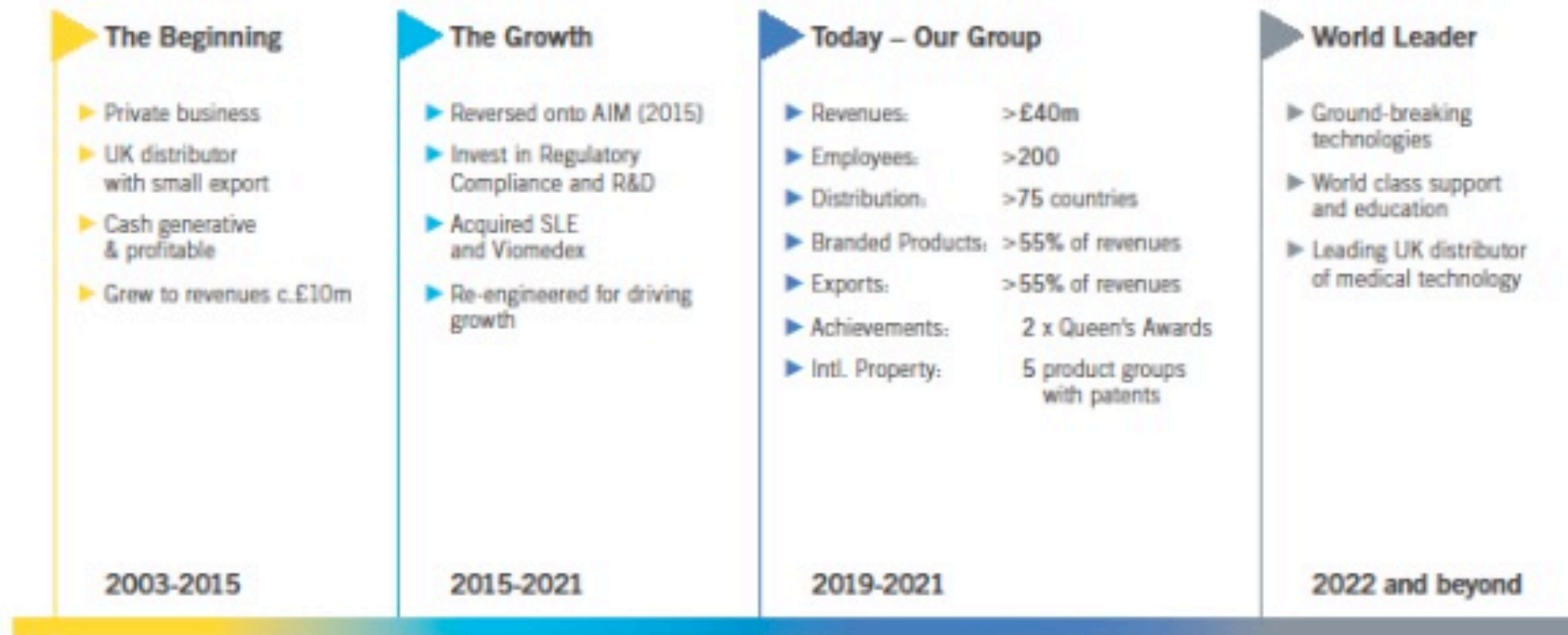
(4) Global, Regional & National estimates of levels of preterm birth

2014 – Chawanpaiboon et al 2019

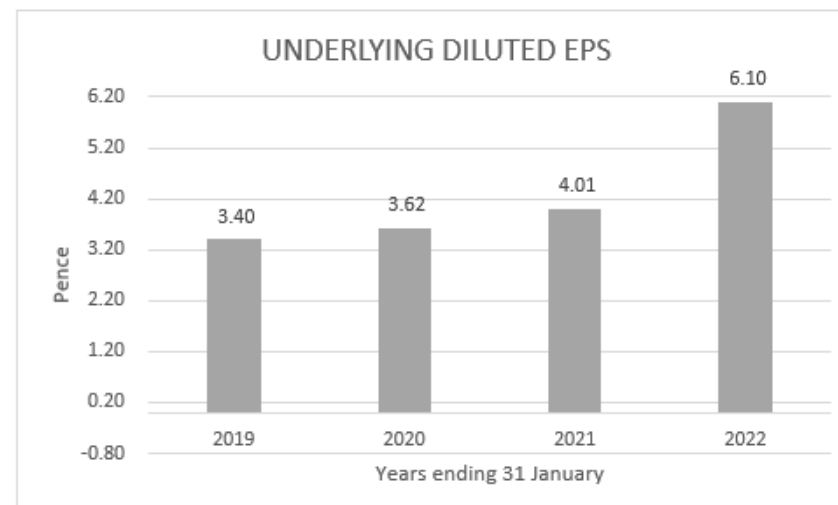
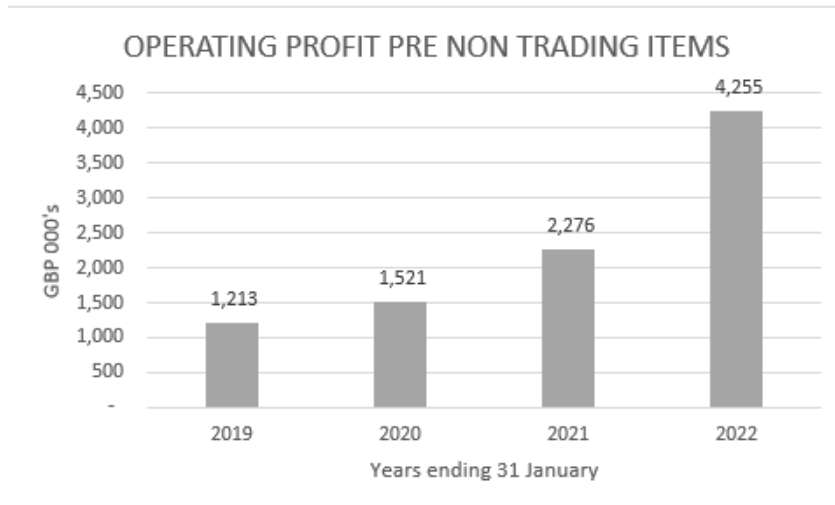
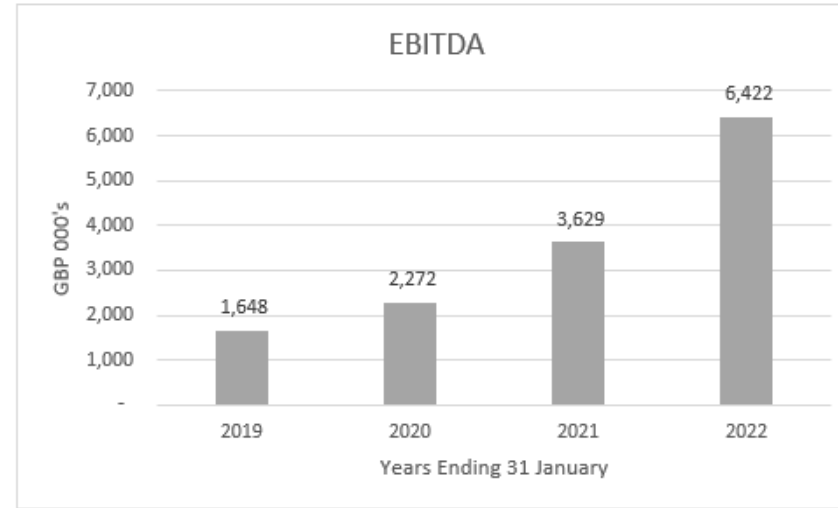
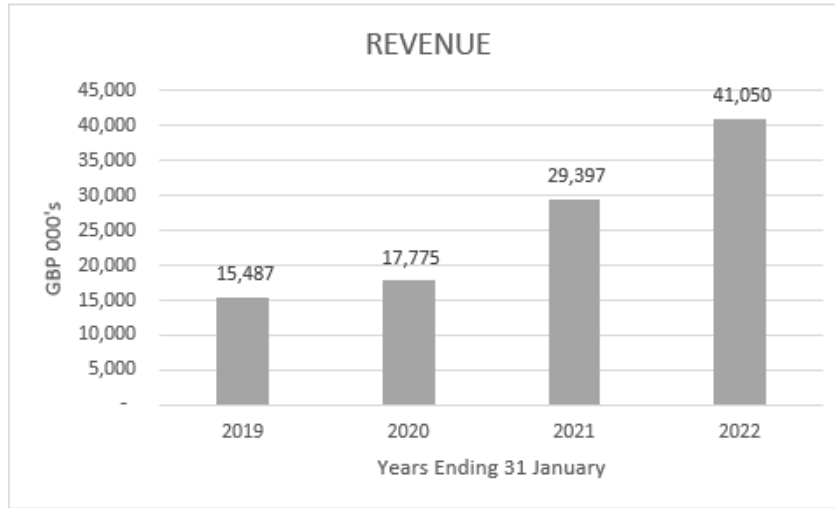
# Who we are: A Wealth of Board Experience

- *Mark Abrahams – Current: Non-Exec Chair (since 2015). Former: Chair / CEO Fenner plc (25 years), Vice Chair Leeds Teaching Hospitals Trust, Non-Exec Chair Darby Group plc, Non-Exec Chair Inditherm plc*
- *Bob Beveridge – Current: NED (since 2015). Former: Group Finance Director McBride plc, Marlborough Stirling plc, Cable & Wireless plc*
- *Liz Shanahan – Current: NED (since 2020); NED Celadon Pharmaceuticals plc, Director CW Plus (charity). Former NED C&W Foundation Trust.*
- **Neil Campbell – Current: CEO (founder 2003, plc board since 2015). Former NED Neuroprotexon Ltd**
- **Jon Ballard – Current: CFO (since 2020)**
- **Brook Nolson – Current: COO (since 2020). Former Exec roles: Birse plc, Willmott Dixon plc, Morgan Sindall plc, NED Inspiration Healthcare Group plc**

# Inspiration Healthcare - a global provider of medical technology



# Historic Metrics – Excluding Covid Revenues



## NOTES

Excludes "one off" Covid-19 related revenue and profit (unaudited) in 2021

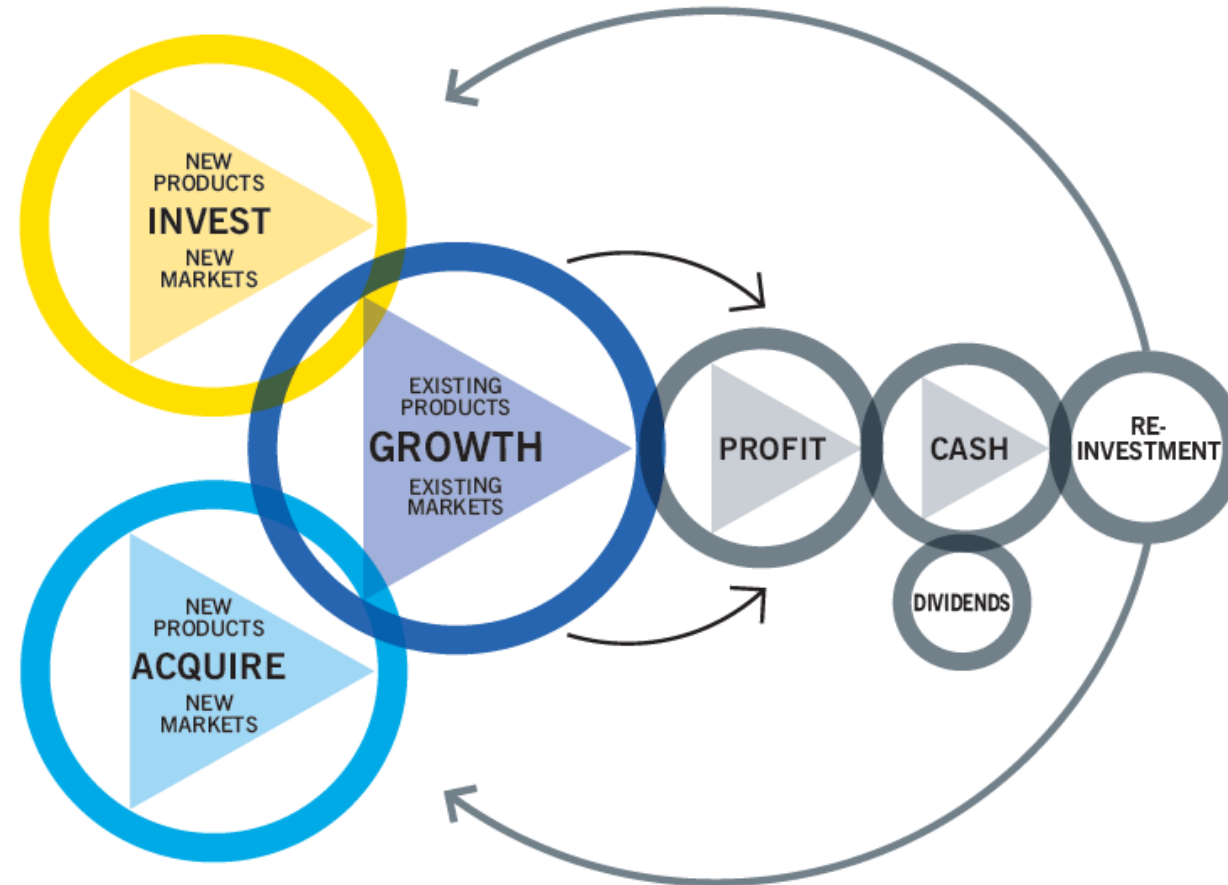
## Acquisitions

2019 Sept – Viomedex

2020 July – SLE



# Our Business Model



## Latest Operational Highlights

- Strengthened and expanded Management
- Integration of new branding across the Group
- Roll-out of the Group's ERP system into Viomedex and SLE
- Renewed long term Distribution Agreement with Micrel
- Successfully integrated SLE and Viomedex into the Group with ongoing synergies
- Investment in new manufacturing and technology centre in the UK
- Launch for diagnosing antibiotic induced hearing loss from genedrive plc



# Financial Highlights


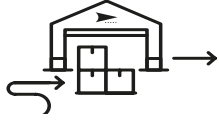








	<i><b>FY 2022</b></i>	<i><b>FY 2021*</b></i>
	<i><b>£'000</b></i>	<i><b>£'000</b></i>
Revenue	41,050	36,980
<i>Gross profit margin</i>	50.2%	48.7%
Operating profit	<b>4,255</b>	<b>3,244</b>
Profit before tax	3,963	3,133
Profit after tax	3,593	2,815
<b>EBITDA<sup>1</sup></b>	<b>6,422</b>	<b>5,611</b>
<i>EBITDA margin</i>	<i>15.6%</i>	<i>15.2%</i>

Extracted from the audited financial statements

\* Includes 'one-time' Covid Revenues

<sup>1</sup> Earnings Before interest, tax, depreciation, amortisation, impairment, share based payments and non-trading items

# Revenue Breakdown

Product Ownership	Branded Products	Distributed Products	Technology Support	Covid-19	TOTAL*
	 56% : £22.9m 32% : £11.8m	 33% : £13.6m 40% : £14.9m	 11% : £4.6m 8% : £3.0m	 0% : £nil 20% : £7.3m	 100% : £41.1m 100% : £37.0m
Market Sector	Acute Care	Service	Infusion	Covid-19	TOTAL*
	 73% : £29.8m 56% : £20.7m	 10% : £4.3m 8% : £3.0m	 17% : £7.0m 16% : £6.0m	 0% : £nil 20% : £7.3m	 100% : £41.1m 100% : £37.0m

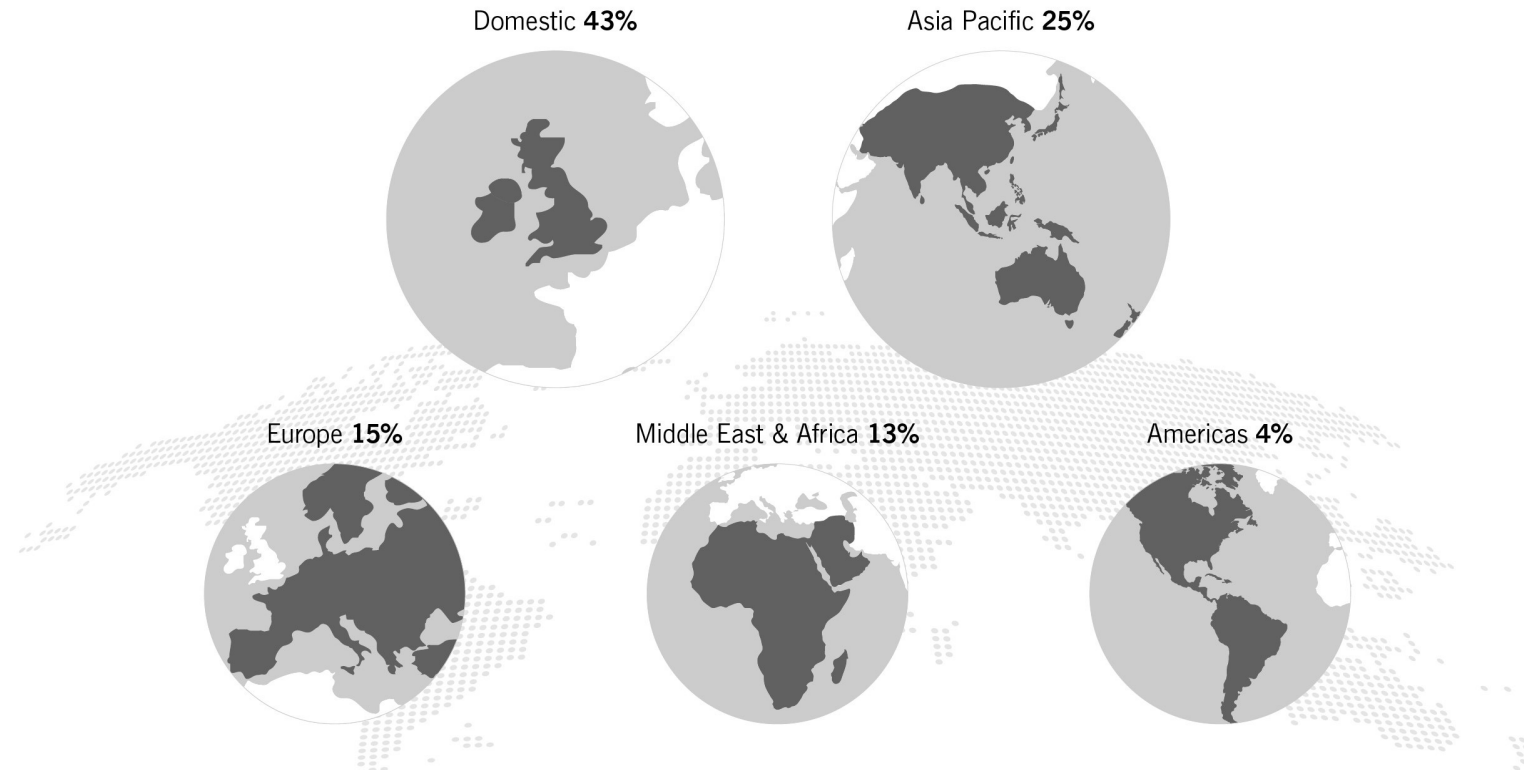
Figures reported in GREY = YE 31 January 2022 Group Revenue

Figures reported in BLUE = YE 31 January 2021 Group Revenue

\* includes carriage c.1%

PERCENTAGE OF REVENUE BY MARKET YE JANUARY 2022

# Revenue Breakdown Geography



# Our Growth Drivers

## Significant Market Growth

- Neonatal World Market CAGR 6.5%
- 2023 ~\$7.7bn market valuation

## Market Penetration

- Optimise opportunity for all products where regulatory clearance exist (ie EU)
- Leverage route to market working with distribution partners

## Market Development

- Expanding opportunity for existing products through regulatory clearance into new markets (i.e. USA)

## Product Development

- Developing new products for existing markets through investment in R&D

## Acquire

- IP through corporate transaction / strategic alliance

# Facilitating Growth



## New 4,200m<sup>2</sup> State of the Art Facility

### Platform for Growth:

- Group capital manufacturing centre
- Increased production capacity by 50%+
- Improved production flow
- New technology support centre
- Enhanced education facilities
- Increased R&D capacity to drive innovation

# Summary

## Strong Performance

- Revenue £41.1m (FY2021: £37.0m)
- Operating Profit £4.3m (FY2021: £3.4m)
- Adjusted EBITDA £6.4m (FY2021: £5.6m)
- Underlying earnings per share increase

SLE and Viomedex integration finalised, synergies now on-going

Logistic challenges recognised and being managed

Deployed Capital in core areas of business

- New Product Development, Manufacturing and Technology Centre & IT Support Systems

**"We are agile in our approach to managing the challenges ahead and remain confident in our growth prospects"**

**Mark Abrahams - Chairman**



# 1 | Appendix

# Project Wave – update

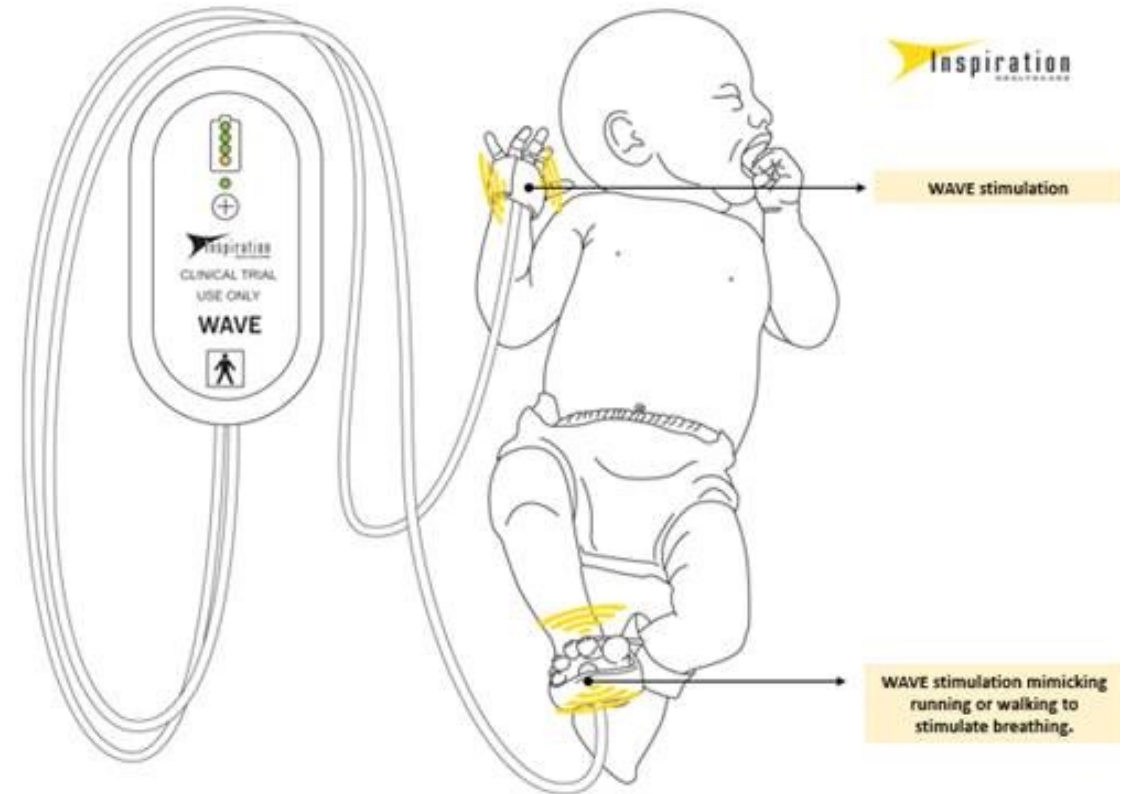
Recruitment started in 2021 but slow

Trial paused to allow scope widening from 27 weeks to 24 weeks GA

Health Protection Agency approval Autumn 2021

Recruitment restarted late 2021

10 patients studied to June 2022



# Consolidated Balance Sheet

	<i><b>FY 2022</b></i>	<i><b>FY 2021*</b></i>
	<i><b>£'000</b></i>	<i><b>£'000</b></i>
Intangible assets	16,782	15,206
PPE	1,798	919
Right of use asset	7,383	3,102
Deferred tax asset	470	-
<b>Total non-current assets</b>	<b>26,433</b>	<b>19,227</b>
 Net Cash	 9,253	 10,653
<b>Other current assets</b>	<b>15,763</b>	<b>13,353</b>
 <b>Total liabilities</b>	 <b>(16,544)</b>	 <b>(11,657)</b>
 <b>Net assets</b>	 <b>34,905</b>	 <b>31,576</b>

Extracted from the audited financial statements

\* Includes Covid revenues

# Consolidated Cash Flow

	<i>FY 2022</i>	<i>FY 2021*</i>
	<i>£'000</i>	<i>£'000</i>
Cash generated from operations	4,130	4,944
Taxation paid	(554)	(209)
Net cash generated from operating activities	3,576	4,735
Cash flows from investing activities:		
Payment for acquisition of subsidiary	-	(19,457)
Cash acquired through business combinations	-	6,314
Interest received	9	3
Capex – capitalised development costs	(2,208)	(614)
Capex – PP&E and other intangibles	(1,763)	(306)
Cash flows from financing activities:		
Proceeds from issue of shares	-	16,967
Share issue costs	-	(957)
Principle elements of lease payments	(382)	(262)
Principle elements of lease receipts	74	-
Interest paid	(294)	(114)
Dividends paid	(412)	(136)
Net (decrease)/increase in cash and cash equivalents	(1,400)	6,173
Cash and cash equivalents at the year end	9,253	10,653

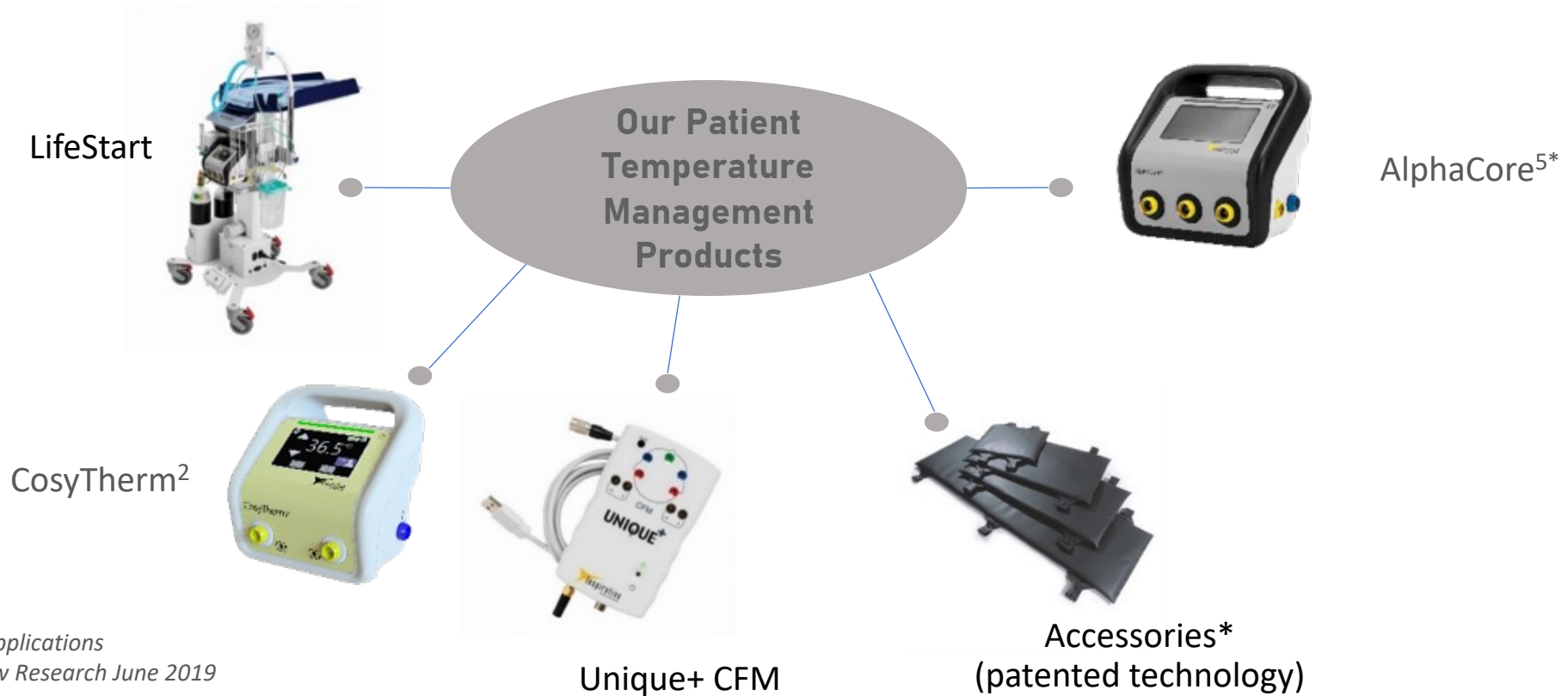
Extracted from the audited financial statements

\* Includes Covid revenues

# Market Opportunity – Temperature Management

## Patient Temperature Management Market:

US\$2.6bn → US\$4.7bn between 2019 and 2026\*\*



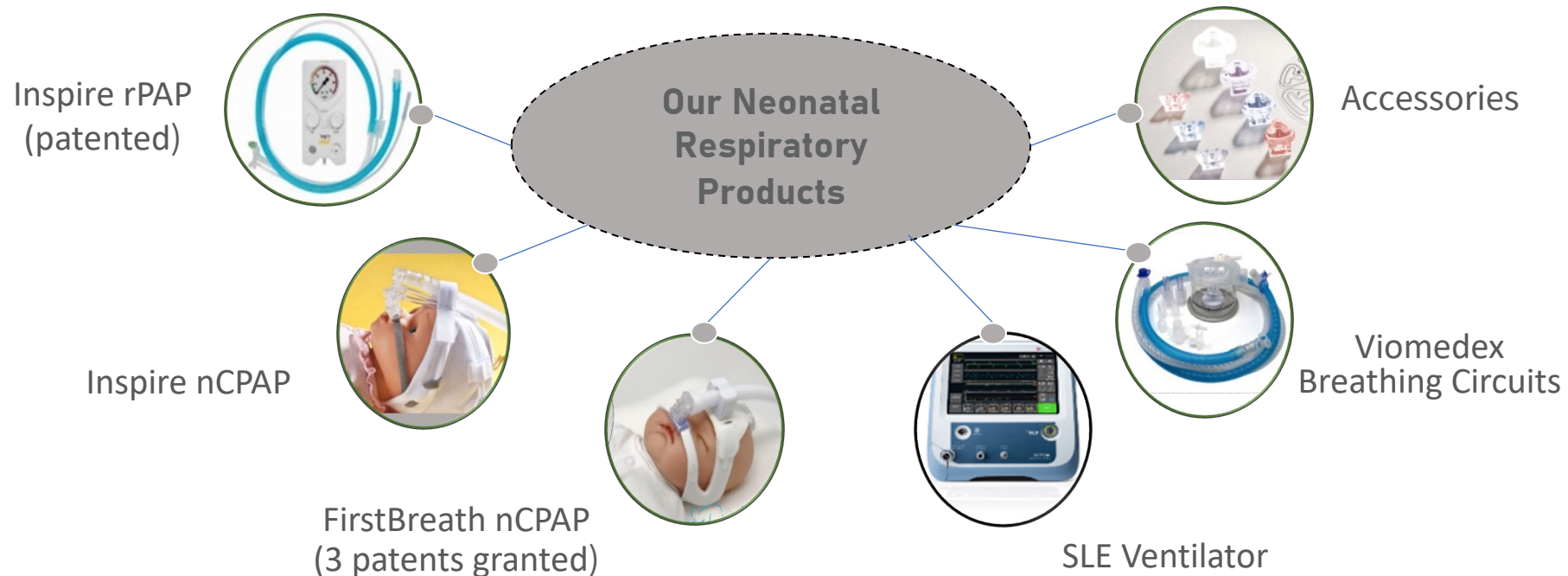
*\*Neonatal & Adult Applications*

*\*\*Source: Grand View Research June 2019*

# Market Opportunity – Neonatal Respiratory Devices

## Neonatal Intensive Care Respiratory Devices Market:

US\$1.4bn → US\$2.1bn between 2019 and 2027\*



## Disruptive Technology Development: Project Wave

\* Source: Credence Research June 2019