



Inspiration Healthcare Group plc

FY25 Preliminary Results Presentation

"Pioneering medical technology starting with the very first breaths of life"

Raffi Stepanian – CEO
Alan Olby – CFO

May 2025

Disclaimer

While the information contained herein has been prepared by Inspiration Healthcare Group plc (“Inspiration”) in good faith, neither it nor any of its directors, officers, agents, advisers, affiliates or employees makes any representation or warranty, express or implied, nor shall any of them have any responsibility whatsoever in respect of the accuracy or completeness of, or omissions from the contents of this document or any other document or information, written or oral, supplied at any time or in respect of any opinions or projections expressed herein or omitted therefrom.

No responsibility is accepted, and any and all responsibility and liability is expressly disclaimed, by Inspiration and its directors, officers, agents, advisers, affiliates or employees for any errors, miss-statements, misrepresentations or omissions in this document or any other such document or information supplied at any time to the recipient or its advisers in the course of the recipient’s evaluation of Inspiration.

Any forward-looking information contained in this document is based on subjective estimates and assumptions made by representatives of Inspiration and about circumstances and events that have not yet taken place. Such estimates and assumptions involve significant elements of subjective judgement and analysis which may or may not be correct. Accordingly, no representations are made as to the accuracy of such information and there can be no assurance that any such projected results will be attained, or outcome realised.

Neither Inspiration, nor any of its subsidiaries, affiliates, representatives, partners, directors, officers, employees, advisers or agents has any authority to make or give any representation or warranty whatsoever in relation to Inspiration or the prospects of Inspiration and makes no such representation or warranty.

This document does not constitute or form part of any offer for the sale of shares, business or assets of Inspiration nor shall it constitute the basis of any contract which may be concluded for the sale of the shares, business or assets of Inspiration.

Agenda

1. **FY25 Highlights**
2. FY25 Financial Review
3. Business Overview & Trends
4. Outlook and Q&A
5. Appendices

FY25 in Summary

Operational Highlights

- Award of two material export contracts for SLE 6000 & 1500
- Appointments of CCO, Tech Support, Customer Support
- Transfer of Viomedex from Hailsham to Asia – annualised savings £500k
- Overhead cost reduction realised – annualised savings £1.25m
- Inventory stabilised and started decreasing
- New Infusion pump launched for Acute care segment

Board Changes

- Neil Campbell stepped down as CEO & became NED, with Roy Davis becoming Interim CEO – May '24
- Brook Nolson, COO, stepped down – November '24
- Raffi Stepanian joined as CEO – January '25
- Bob Beveridge, Head of Audit Committee stepped down as NED after 9 years of service with Richard Jones replacing him – January '25

Financial Highlights FY25

- Revenues increased 2% to £38.2m
 - Neonatal sales decreased by 15%
 - Infusion sales increased by 29%
 - Airon sales increased by 81%
- Good turnaround in H2 (£21.2m) vs H1 (£17m)
- Fund raise £2.7M (net proceeds)

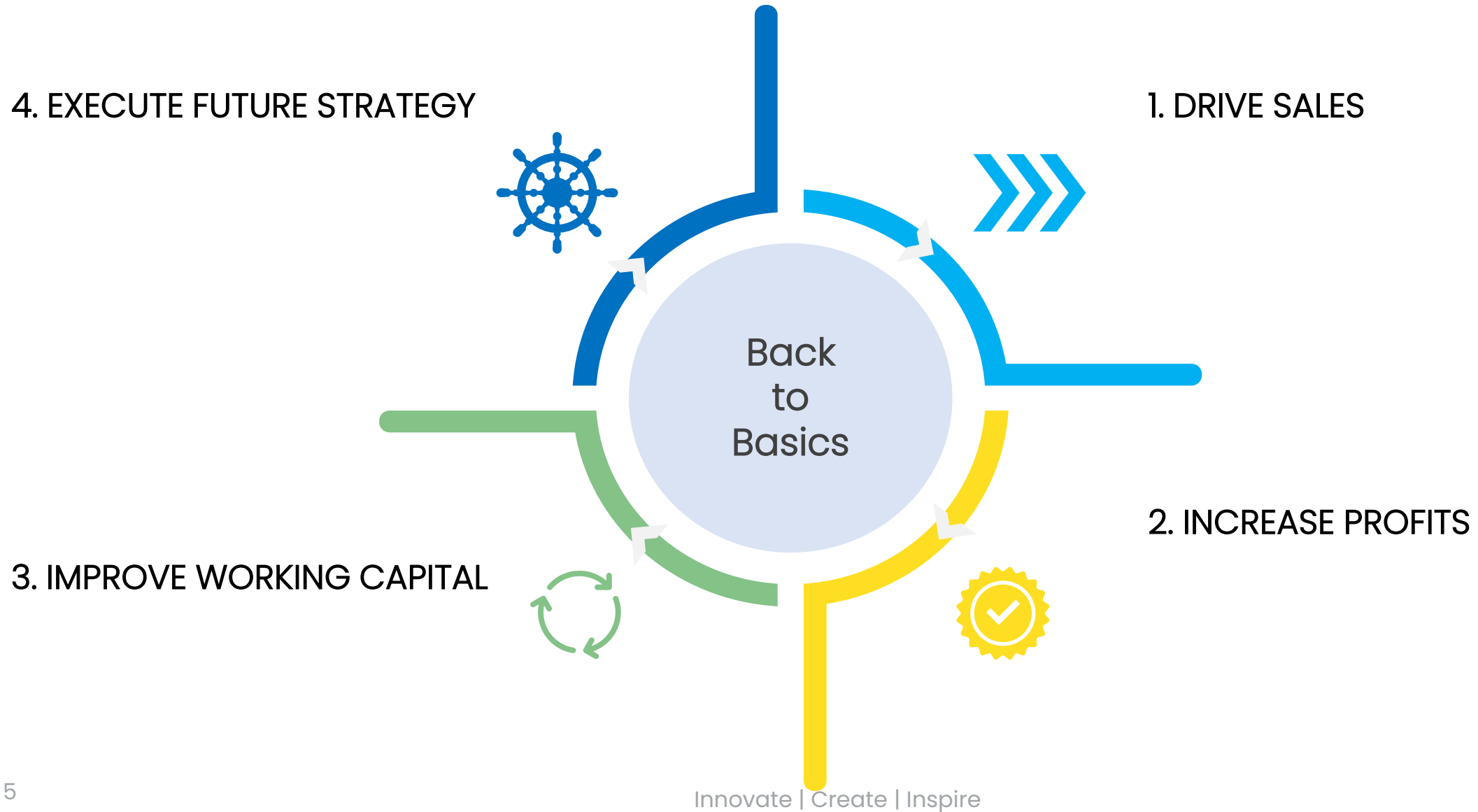
North America Strategy

- Acquisition of Airon Corporation – successful first year finishing above plan
- Approval for Canada for SLE1000 nCPAP, Inspire rPAP and LifeStart – pending SLE 6000
- SLE6000 FDA application retracted – going through product development to resubmit in H2 '26

From Turnaround to Stabilisation

Innovate | Create | Inspire

'Back to Basics' – from Stabilisation to Performing



Agenda

1. FY25 Highlights
- 2. FY25 Financial Review**
3. Business Overview & Trends
4. Outlook and Q&A
5. Appendices

FY25 Financials Summary

Revenue



£38.3m
(FY24: £37.6m)

Gross
Margin



42.8%
(FY24: 47.5%)

Adjusted
EBITDA¹



£0.2m
(FY24: £2.0m)

Operating
Loss



£(14.7m)
(FY24: (£4.9m))

Operating
Cash Flow



£(1.5)m
(FY24 £2.0m)

Net
Debt²

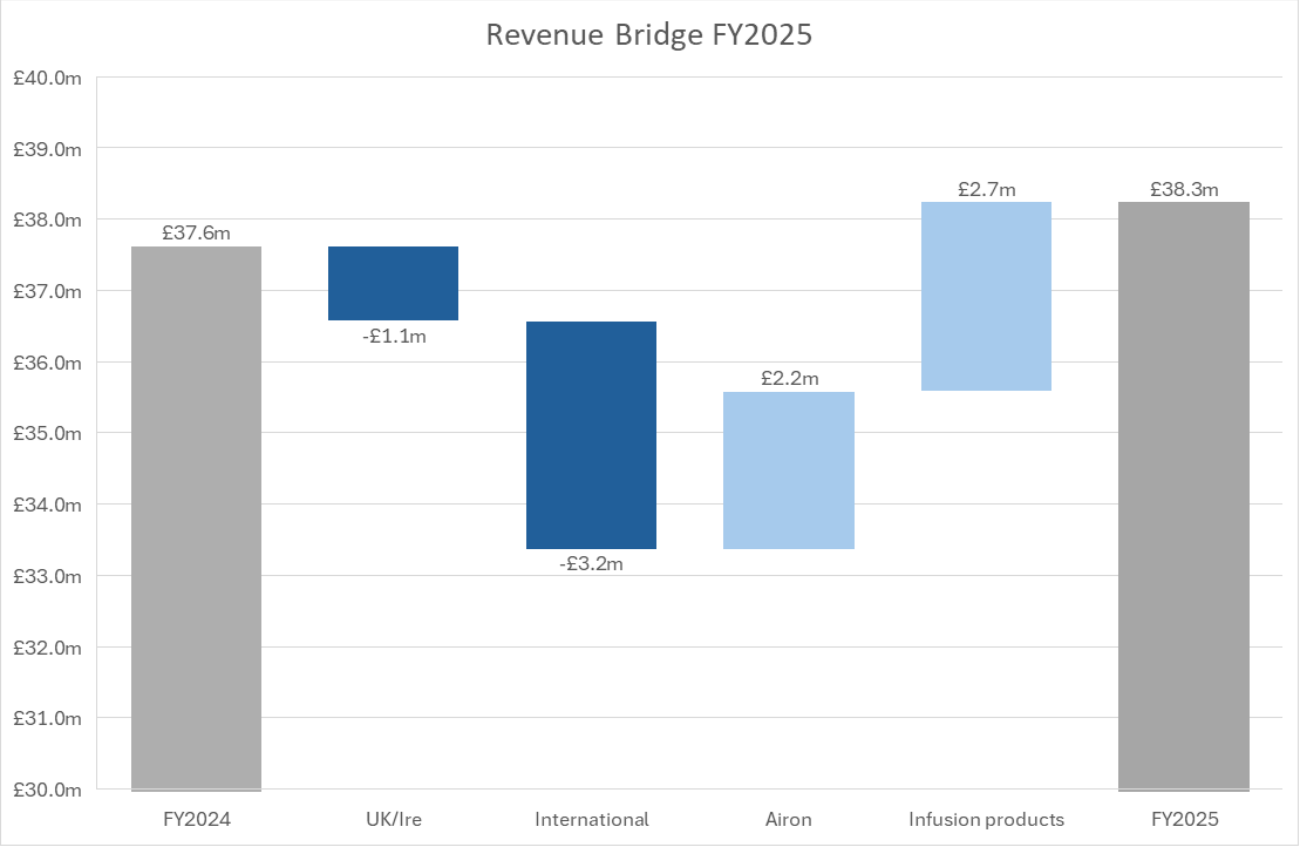


£8.3m
(FY24: £6.0m)

¹ Earnings before interest, tax, depreciation, amortisation, impairment, share based payments and non-recurring items

² Cash and cash equivalents less revolving credit facility and invoice financing borrowings

FY25 Revenue



UK/Ire sales declined 10% as a result of NHS budget pressures and sales team restructure

International sales decline of 17% due to end-of-life of some legacy products and lack of customer engagement

Airon contribution of £2.4m for full year exceeded expectations

Infusion product revenues grew 31% to £11.2m representing 29% of revenue

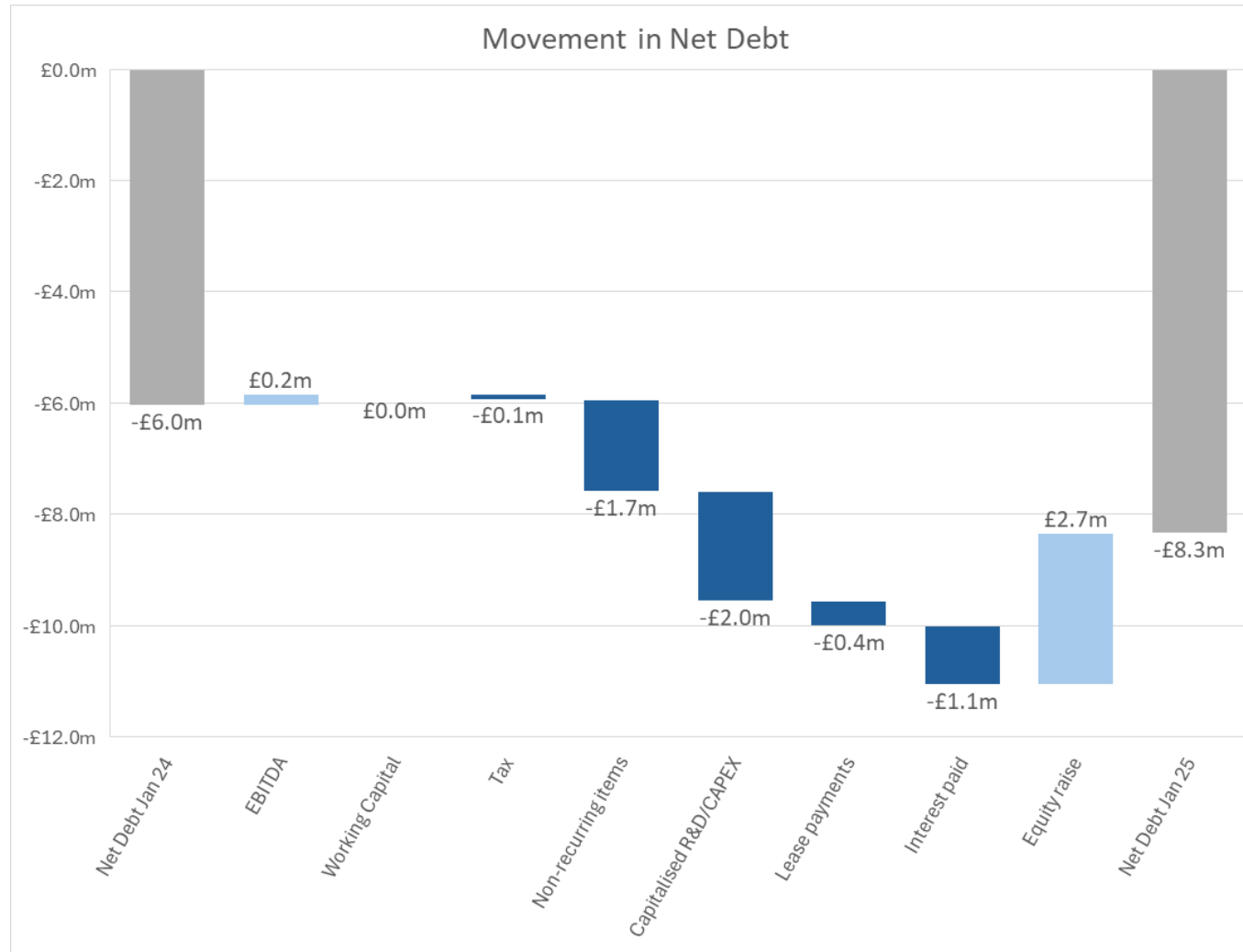
FY25 Income Statement

	FY25 £'000	FY24 £'000
Revenue	38,251	37,630
Gross Profit	16,378	17,887
<i>Gross margin</i>	42.8%	47.5%
Admin. expenses pre non-recurring items	(18,262)	(18,287)
Adjusted operating loss	(1,884)	(400)
Non-recurring items	(12,802)	(4,527)
Operating loss	(14,686)	(4,927)
Net finance expense	(1,062)	(749)
Loss before tax	(15,748)	(5,676)
Income tax	781	(358)
Loss after tax	(14,967)	(6,034)
Adjusted EBITDA¹	210	1,985

- Gross margin reduction due to sales mix, lower capital sales and inventory provisions for end-of-life products
- Operating expenses unchanged following strong cost control and cost savings in H2
- Non-recurring items:
 - Goodwill impairment charge of £10.3m
 - Airon contingent consideration £0.8m
 - Restructuring costs £1.6m

¹ Earnings Before interest, tax, depreciation, amortisation, impairment, share based payments and non-recurring items.

FY25 Movement in Net Debt



- Net debt increased by £2.3m over the year to £8.3m
- Restructuring costs, capex, interest and lease payments account for bulk of the movement
- Offset by £2.7m received from June 24 equity raise
- Working capital flat as inventory reduction offset by increase in receivables due to phasing of sales towards year end
- Liquidity headroom provided by £10m RCF and £5m invoice finance facility. RCF drawings currently capped at £7.8m
- Expect de-leveraging in FY26 with return to profitability and working capital unwind

Agenda

1. FY25 Highlights
2. FY25 Financial Review
3. **Business Overview & Trends**
4. Outlook and Q&A
5. Appendices

Serving Three Distinct Markets

Inspiration Healthcare designs, manufactures and markets pioneering medical technology that saves lives and improves the outcomes of patients starting with the very first breath of life

Neonatal Intensive Care (approx. 65% revenue)

Serviceable addressable market £321m
Neonatal ventilation CAGR ~6%

- Own Brand capital and consumable products with IP
- Distribute complementary products
- Direct sales in UK, Ireland
- Global sales into >75 countries
- UK service centre
- In-house R&D
- State-of-the-art manufacturing centre in South London

Specialty ventilators (approx. 6% revenue)

- Own Brand capital and consumable products with IP
- Manufacturing & Service centre in US
- US sales through national distribution partner & direct sales

Infusion Therapies (approx. 29% revenue)

- Distribution of market leading products
- UK and Ireland sales & support
- UK service centre

Key Trends FY26 & Beyond: Market & Portfolio Evolution



Changing landscape

- Regulatory restrictions
- Component challenges
- Price pressure
- New entrants



Underlying demand

- Neonatal ventilation remains a growing market
- New technologies & innovation



Continuous Development

- Re-launch of SLE1500
- New capabilities on SLE6000
- New areas for Infusion Therapy
- New consumables



Margin improvement

- Better product & geography mix
- Consumables and service growth – less reliance on capital sales



Market development

- North America
- Restrengthen AsiaPac
- Market share gain in Europe

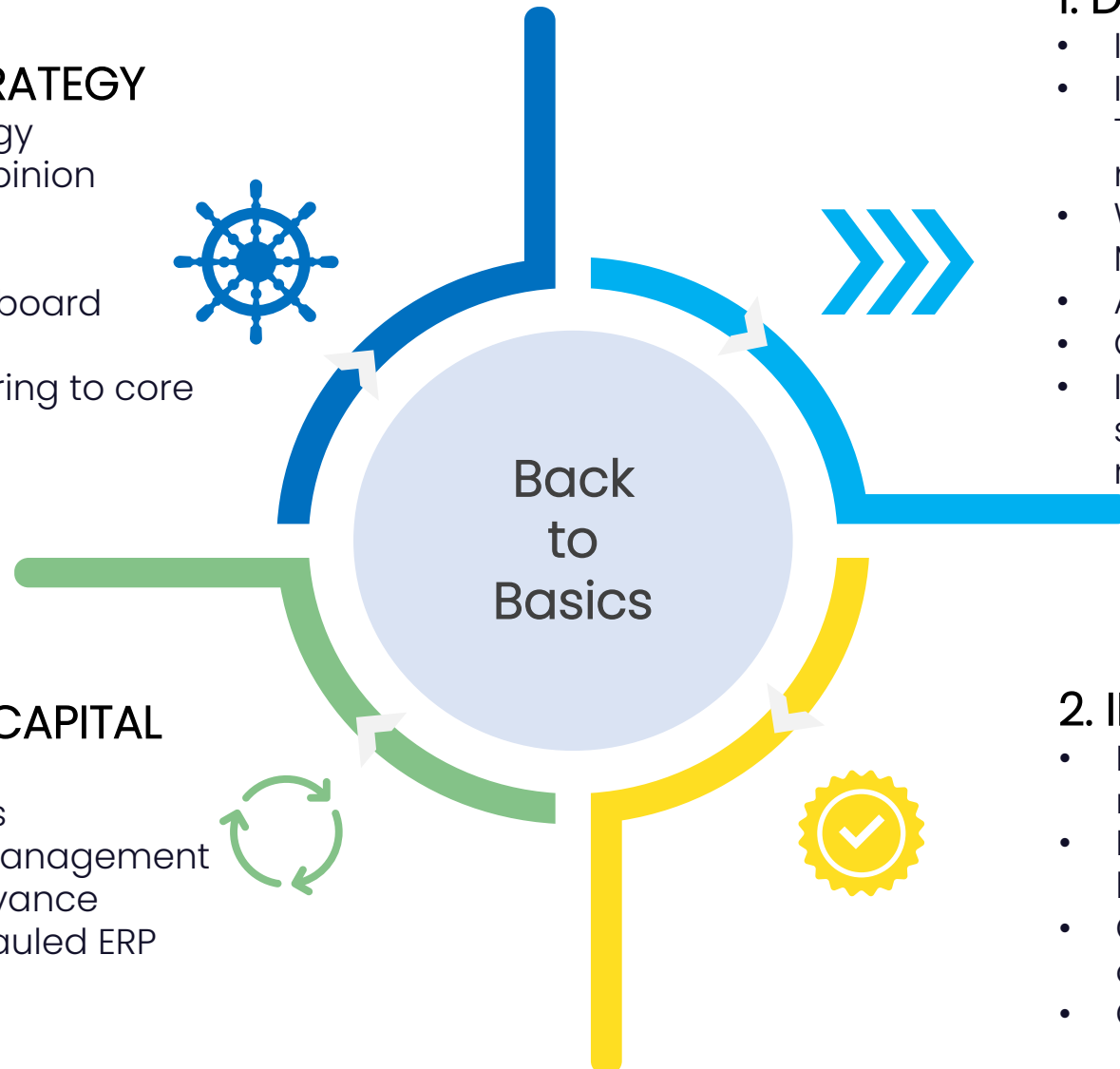
Continued 'Back to Basics'

4. EXECUTE FUTURE STRATEGY

- Reassess vision & strategy
- Already engaged Key Opinion Leader as consultant
- Recruit Medical Director
- Create clinical advisory board
- Focus on innovation
- Rationalise product offering to core and value-add

3. IMPROVE WORKING CAPITAL

- Reduce inventory
- Manage CSO / DSO days
- Improve Supply Chain Management – supplier contracts, advance planning through overhauled ERP system



1. DRIVE SALES

- Improve geographic spread
- Increase distributor sales in Int'l region. Team structured – recruiting AsiaPac manager
- Win fair share in Europe with increased Marketing efforts
- Airon opportunities ex-US
- Get ready in US for neonatal segment
- Increase recurring revenues from service & consumables – launch new range

2. INCREASE PROFITS

- Improve operational efficiency – ERP revamp in all processes
- Improve product margins – focus on higher margin products & markets
- Customer-centric culture with focus on speed and efficiency
- Constant review of structure

Agenda

1. FY25 Highlights
2. FY25 Financial Review
3. Business Overview & Trends
- 4. Outlook and Q&A**
5. Appendices

Positive Outlook – Back to Basics Driving Results

Positive financials with strong H1

- Large Middle East & Humanitarian Organisation contracts on track
- Opportunity pipeline providing confidence in full-year market expectations
- Working Capital improvement with inventory decreasing
- Net Debt reduction

Underlying demand for Group products remains strong

- Well-known brands of IHL in the UK and SLE internationally
- Expanding geographic reach and product range

Operational and organizational changes

- Increase efficiency with customer-centric culture
- Goals and KPIs driving ownership and accountability
- Strengthened leadership team

Mid-term product roadmap clarified and focused on US market access and consumables launch

It's All About Execution!

Innovate | Create | Inspire

Questions ?

APPENDIX

Broad Portfolio of Innovative, Specialist Products

Key Neonatal Products



First Breath™ nCPAP
Inspire nCPAP™
Inspire rPAP™



Breathing Circuits



SLE Ventilators

Neonatal

- Core focus area with a high level of expertise
- Products designed specifically for the neonate with benefits such as OxyGenie™, The Queen's Award-winning auto-O₂ software
- Manufactured products are supported by complementary distributed technology providing us with a comprehensive offering
- Approx 70% capital, 30% recurring revenue

Key Infusion Products



Rythmic™ Serena
Parenteral Nutrition



Rythmic™ Ultima
PCA Pain
Management

Infusion Therapies

- Exclusive GB distributor for Micrel Medical ambulatory pumps
- Active in multiple markets; Parenteral Nutrition, PCA and Regional Anaesthesia, epidural pain management and oncology
- Value add through direct Sales and Clinical Support
- Approx 20% capital, 80% recurring revenue

Key Airon Products



pNeuton Model A



pNeuton Mini

Airon

- Fully pneumatic ventilators with unique applicability in transport and MRI environments
- Adult and neonatal versions
- Approx 70% capital, 30% recurring revenue

Neonatal Intensive Care: A Growing Core Market Despite Changing Market Dynamics

Global Growth Drivers



Increase in healthcare infrastructure



Increase in premature births



Technology advancements



Increase in Affordability

Changing Market Dynamics

- Saturation in adult ventilation market driving new entrants resulting in more aggressive competition in neonatal segment
- Increased regulation slowing new markets penetration
- Increased macro-economic uncertainty affecting government healthcare investment



Every year, an estimated 15 million babies are born preterm^{1,2} and this number is rising³



Neonatal Intensive Care⁴
\$7.7bn with a CAGR of 6.46%



~£1,500 cost per baby per day in neonatal intensive care

Notes:

(1) Before 37 completed weeks of gestation

(2) Global, Regional & National estimates of levels of preterm birth 2014 – Chawanpaiboon et al 2019

(3) Global, regional, and national causes of under-5 mortality in 2000-15 – Liu L et al 2016

(4) Berkshire Hathaway 2022. Worldwide Neonatal Intensive Care Unit Industry is expected to grow with a CAGR of 6.46% from 2021 to 2027

Infusion Therapies: A Significant Opportunity

UK and Ireland Market Growth Drivers



NHS desire to get patients home earlier



Technology advancements – remote monitoring of equipment



Centres of excellence for certain therapies



Price pressure always in the background

Market Opportunities



New products with superior features – including remote monitoring



Expansion into new therapy areas – pain management & oncology



Capital linked to consumables

Specialty Ventilators: A Significant Opportunity

Global Growth Drivers



Unique pneumatic technology ideal for transport and MRI



Synergies with core neonatal ventilation segment



Gain foothold in US with various manufacturers exiting the segment due to varied reasons

Market Opportunities



Leverage IHC global distribution network to increase footprint

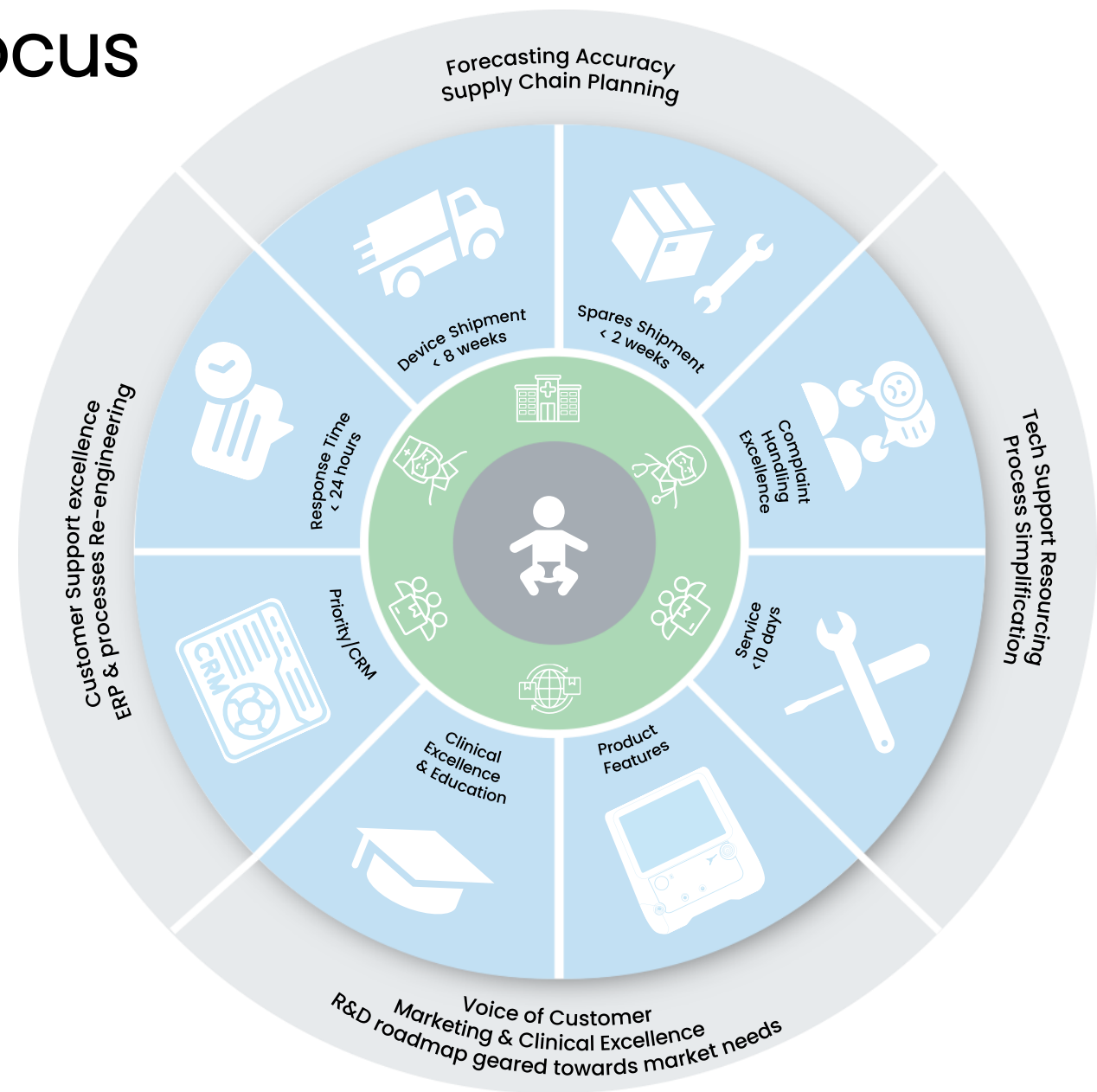


Expansion into new therapy areas (MRI, Transport)

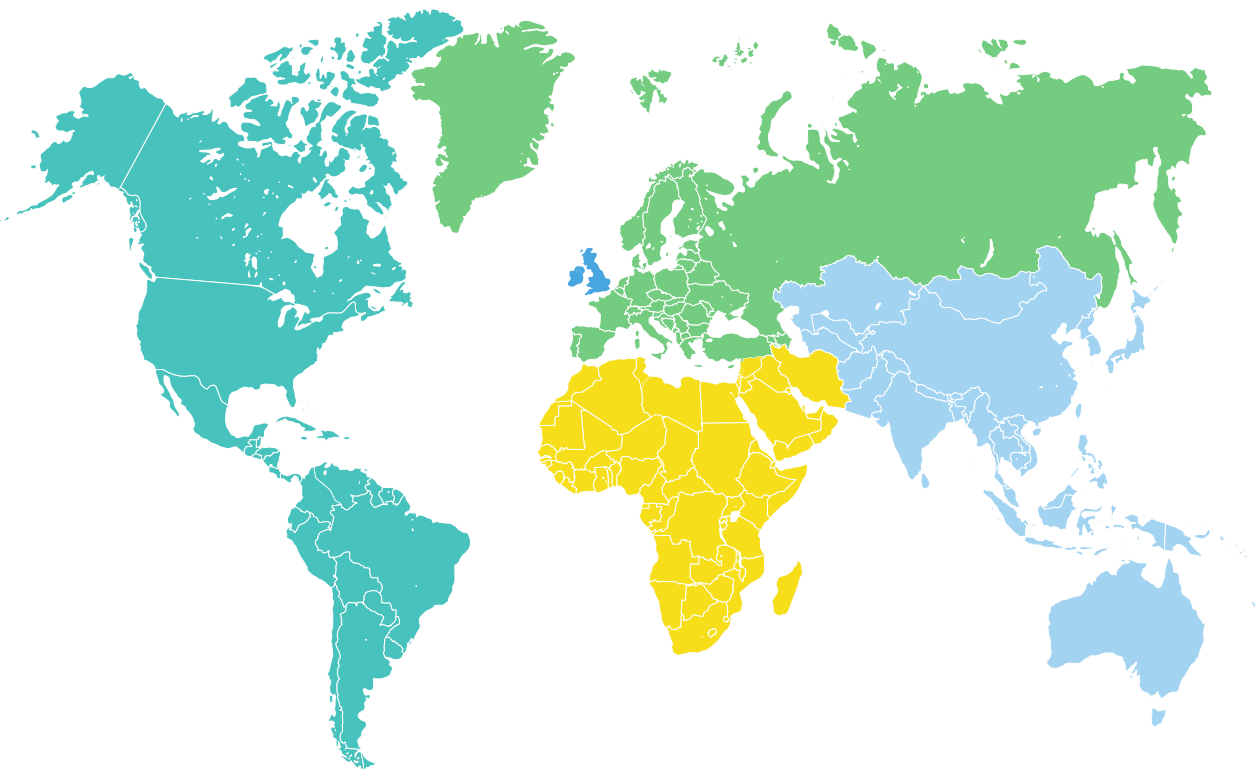


Capital linked to consumables

Customer in Focus



Revenue by Geography



Domestic £20.3m (FY24: £18.7m)	FY25: 53%	FY24: 50%	FY23: 48%
Europe £5.6m (FY24: £4.4m)	FY25: 15%	FY24: 12%	FY23: 13%
Americas £3.5m (FY24: £1.9m)	FY25: 9%	FY24: 5%	FY23: 3%
Asia Pacific £6.0m (FY24: £8.4m)	FY25: 15%	FY24: 22%	FY23: 23%
Mid East & Africa £2.9m (FY24: £4.2m)	FY25: 8%	FY24: 11%	FY23: 13%


FY25 Cashflow Statement

	FY25	FY24
	£'000	£'000
Cash (used in)/generated from operations	(1,462)	1,822
Taxation paid	(87)	190
Net cash (used in)/generated from operating activities	(1,549)	2,012
<i>Cash flows from investing activities:</i>		
Capitalised development costs	(1,379)	(1,135)
Purchase of PPE and other intangibles	(591)	(497)
Acquisition of subsidiary, net of cash acquired	-	(917)
Interest received	34	61
Net cash used in investing activities	(1,936)	(2,491)
<i>Cash flows from financing activities:</i>		
Net lease payments	(448)	(548)
Interest Paid	(1,086)	(799)
Dividends Paid	-	(420)
Proceeds from equity raise	2,725	-
Net cash generated from/(used) in financing activities	1,191	(1,767)
(Net debt)/cash at beginning of year	(6,047)	(3,801)
Net increase in net debt	(2,294)	(2,246)
Net debt at end of the year	(8,341)	(6,047)

- Cash outflow from operations resulting from restructuring charges, working capital flat and remains elevated
- Acquisition of Airon Corporation Jan 24
- Net debt increased by £2.2m in the year expect deleveraging in FY26 from operating cash generation

Balance Sheet

	31 Jan 25	31 Jan 24
	£'000	£'000
Non-current assets	15,931	25,993
Inventories	13,083	13,743
Trade and other receivables	11,336	8,669
Net debt (ex leases)	(8,341)	(6,047)
Current liabilities	(9,743)	(7,913)
Net current assets	6,355	8,452
Non-current liabilities	(5,631)	(5,477)
Net assets	16,635	28,968

- 
- £10.3m impairment to goodwill and acquired intangibles
 - £0.7m reduction in inventory
 - Receivables increased due to high Q4 sales
 - £2.3m Increase in net debt, see slide 17
 - Increase in current liabilities includes £0.8m contingent consideration re Airon and higher trade payables