

Deltex
medical

Results for year ended 31 December 2017
May 2018

Ewan Phillips, CEO
Jonathan Shaw, FD



Key performance measures

Overall revenue £0.4m lower at £5.9m

USA: sales up 5% to £2.0m

- Pay per use probes up 8% to £1.4m
- Top two territories up 50%(+) on pay per use
- Revenues from managed care contracts down £0.1m to £0.4m

UK: sales down 18% to £1.9m

- UK probe sales down £0.5m at £1.4m
- Small increase in 3rd party sales

International: sales down 5% to £1.9m

- International probe sales flat at £1.6m; 5% growth from four major markets

Monitor revenues flat at £0.4m

- **Consumable gross margin increased to 82% (2016: 74%), generating £0.4m greater margin**
- **Loss before non-cash costs reduced by 31% to £1.1m (2016: £1.6m)**
- **Net cash used in operating activities halved to £0.9m (2016: £1.8m)**
- **C. £1m annualised cost reductions in 2018**
- **£0.2m cash with additional £2.0m net raised in February 2018**



2017 Operating highlights

- 30th US platform account milestone achieved
- TrueVue system launched on CardioQ-ODM+ platform
- TrueVue Impedance, high-definition impedance cardiography, added to ODM+ platform in UK & small number International territories

One Platform

Three best in class technologies

- A** Outpatient to ICU
- B** Newborn to elderly
- C** Broad trending to high end precision

TrueVue

your patients, your choices



2018 to date operating highlights

- Major new 'top 10' US account
- 8 year Paris tender awarded; min €4m end user sales
- FEDORA trial published: 75% reduction in post-op complications in low-moderate risk patients
- 3 year CASMED extension
- TrueVue Loops released globally
- Q1 revenues held back by expected monitor timing differences: year on year growth in all 3 territories in April inc UK probes

Individual complication	% red'n
AKI	92%
ARDS	80%
Cardiopulmonary oedema	100%
Pneumonia	78%
Infection source uncertain	100%
SSI superficial	80%
SSI deep	76%

BJA April 2018: Ripolles et al, FEDORA trial

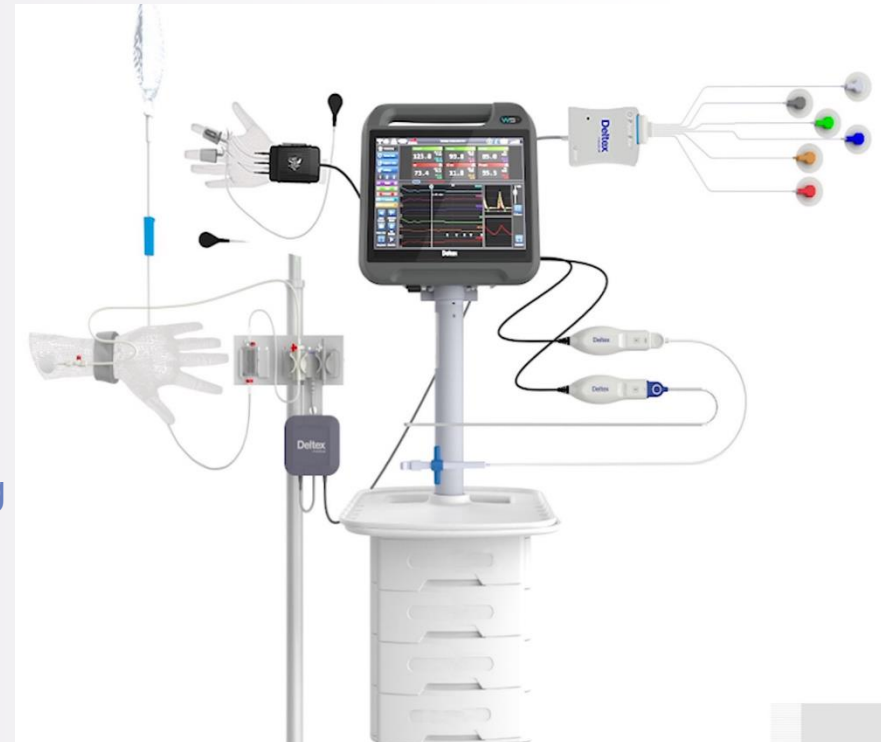
From ODM to TrueVue: the product

Investment complete

- **TrueVue probe:** focus & stability
- **TrueVue Impedance:** launched UK & select overseas; US pending FDA clearance
- **TrueVue loops:** combine velocity & pressure, vaso-active drugs & fluids

In progress

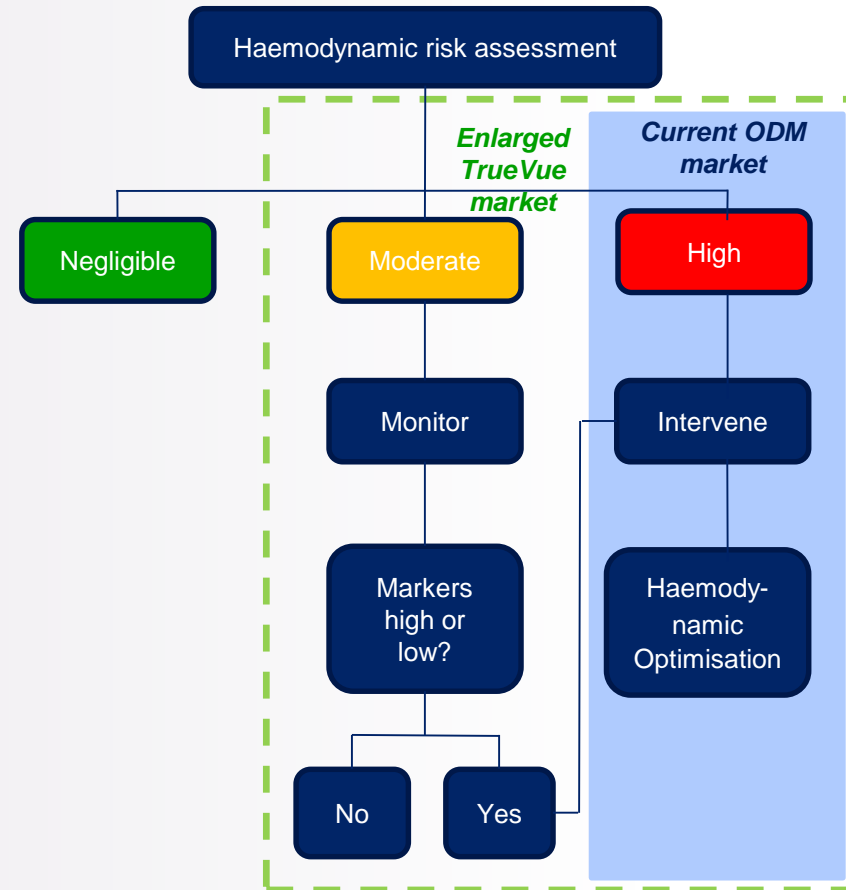
- **Non-invasive Doppler:** snapshot & calibration; volunteer testing prototypes
- **Non-invasive blood pressure:** comparing potential providers & commercial models
- **New monitor platform:** integrated haemodynamic workstation, consistent displays, patient record & hospital data interoperability



Company concept design of new monitor

From ODM to TrueVue: market development

- **Haemodynamic risk assessment:** risk of harm to your patient from period(s) of haemodynamic compromise
- **Monitoring:** detect episodes of haemodynamic compromise or trends towards them
- **Intervention:** pre-emptive goal directed haemodynamic therapy using fluids, drugs, & inotropes to protect patients from periods of haemodynamic compromise





Summary

- New, growing global market for high risk patients: potential >\$1bn* pa
- Company considers that risk appropriate monitoring could expand potential market several times over
- Deltex's ODM technology delivers best results in unconscious high risk patients
- TrueVue system offers more clinician entry levels and wider application
- Deltex has already made substantial investments necessary to establish a multinational MedTech business
- Key target of reaching operating cash breakeven to be achieved through cost reductions and sales growth
- Focus on building high margin sales: established traction in key export markets

* *Company estimate*



ADDITIONAL INFORMATION

Appendix A – Cash flow statement

	2017 £'000	2016 £'000
Loss before taxation	(2,101)	(2,518)
Changes in working capital and other adjusting items	1,181	638
Net cash used in operations	(920)	(1,880)
Cash flows from investing activities		
Purchase of property, plant and equipment	(6)	(26)
Capitalised development expenditure	(286)	(533)
Interest received	-	1
Net cash used in investing activities	(292)	(558)
Net cash generated from financing activities	870	2,327
Net decrease in cash and cash equivalents	(350)	(47)
Cash and cash equivalents at the beginning of the year	582	575
Exchange (loss) / gain on cash and cash equivalents	(13)	54
Cash and cash equivalents at the end of the year	219	582

Appendix A – FY 2017 results – Pro-forma

	2017 £'000	2016 £'000
Probes	4,936	5,458
Other consumables	49	331
Total consumables	5,285	5,789
Gross profit - consumables	4,312	4,306
Sundry income / (expense)	1	(5)
Net monitor income / (costs)	291	253
Cash costs	(5,643)	(6,173)
Cash loss	(1,039)	(1,619)
Non cash costs	(899)	(750)
Operating loss	(1,938)	(2,369)

Appendix A - Balance sheet assets and liabilities

Assets	Dec 17 £'000	Dec 16 £'000	Liabilities	Dec 17 £'000	Dec 16 £'000
Non-current assets					
Intangible assets	2,486	2,396	Trade & other payables	2,645	2,414
Property, plant and equipment	274	431	Borrowings - current	813	858
	2,760	2,827	Borrowings - >1 year	1,004	967
Current assets			Provisions	115	119
Inventories	754	760			
Trade & other receivables	2,050	2,499			
Tax recoverable	94	107			
Cash at bank and in hand	219	582			
	3,117	3,948		4,577	4,358

Share Capital & major holders

Share capital table

Deltex Medical Group plc	
Shares in issue	490,663,367
Shares under option	25,311,582
Fully diluted share capital	465,351,785

Major holders*

	%
Nigel Keen	8.6
Jarvis Investment	6.6
J O Hambro	6.3
Charles Stanley	5.5
Janus Henderson	4.9
Interactive Investor	4.5
Llewellyn Family	4.1
Herald Investment Mgmt	4.0
Hargreaves Lansdown	3.8
Barclays Wealth	3.7
Andy Muir	3.6

* As at 1 March 2018



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