

30 July 2019

Deltex Medical Group plc
("Deltex Medical" or the "Group")

Pre-close Trading Update

Deltex Medical Group plc (AIM: DEMG), the global leader in Oesophageal Doppler Monitoring ("ODM"), today announces an update on trading for the half-year ended 30 June 2019.

The Group has made a good start in the first six months of 2019 and expects to report a positive adjusted EBITDA for the period. The Group had £0.6 million cash at bank as at 30 June 2019 with net cash (cash at bank less invoice discount facility drawdown) improved by £300,000 to £328,000 at the end of the period.

As previously reported, the Group re-based itself during the second half of 2018 leading to total revenues for the half-year ended 30 June 2019 of 2.0 million (H1 2018: £2.3 million).

Total revenue in the USA was £0.7 million (H1 2018: £0.8 million) with a strong start made to July with revenue of c.£0.1 million recognised for orders received right at the end of June that could not be delivered within the first half. The re-based US operations now consistently contribute monthly positive EBITDA to the consolidated results.

International revenues were £0.6 million (H1 2018: £0.7 million) which were held back by the impact of our French distributor which has continued to make inventory reductions due to the lower level of its probe sales made during the implementation of the previously announced Paris Hospital tender.

UK revenues were £0.7 million (H1 2018: £0.8 million) reflecting the continuing difficult trading conditions experienced with the NHS.

Nigel Keen, Deltex Medical's Chairman, commented:

"I am pleased to see that both the profitability and cash generation reported in Q4 2018, our strongest quarter, has continued in H1 2019.

The Group has also made a good start to H2 2019 with several large orders that were received at the end of June by both our US and International businesses being delivered in the first few days of the new period.

Trading for the first six months was in line with the Board's expectations, and we expect the outturn for the full year to be in line with market expectations."

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Notes for Editors

Deltex Medical manufactures and markets haemodynamic monitoring technologies. Deltex Medical's proprietary oesophageal doppler monitoring ("ODM") (TrueVue Doppler) measures blood flow velocity in the central circulation in real time. Minimally invasive, easy to set-up and quick to focus, the technology generates a low-frequency ultrasound signal which is highly sensitive to changes in blood flow and measures such changes in 'real time'. Deltex Medical is the only company in the enhanced haemodynamic space to have built a robust and credible evidence base demonstrating both the clinical and economic benefits of its core technology, TrueVue Doppler. This technology has been proven in a wide range of clinical trials to reduce complications suffered by patients after surgery and consequently save hospitals the costs of treating those complications.

Deltex Medical's TrueVue System on the CardioQ-ODM+ monitor platform now provides clinicians with two further advanced haemodynamic monitoring technologies. TrueVue Impedance is an entirely non-invasive monitoring technology which transmits low magnitude, high frequency electrical signals through the thorax and measures the changes to this signal when the heart pumps blood. TrueVue PressureWave uses the peripheral blood pressure signal analysis to give doctors information on changes in the circulation and is particularly suited to monitoring lower risk or haemodynamically stable patients.

Group goal

Haemodynamic management is now becoming widely accepted as an important part of the anaesthesia protocol for surgical patients. Consequently, the Group's focus is on maximising value from the opportunities presented, as enhanced haemodynamic management is adopted into routine clinical practice around the world. The Group aims to provide clinicians with a single platform - a 'haemodynamic workstation' - which offers them a range of technologies from simple to sophisticated to be deployed according to the patient's condition as well as the skill and expertise of the user. Doing this will enable the Group to partner healthcare providers to support modern haemodynamic management across the whole hospital.

The Group is currently in the implementation phase of achieving this goal in a number of territories worldwide, operating directly in the UK and the USA, and through distribution arrangements in approximately 40 other countries.