

Surgical Innovations Group plc

Site visit and presentation

Nigel Rogers – Executive Chairman

Melanie Ross – Group Finance Director & MD (SI Ltd)

Ian Ballance – Manufacturing Manager

Chris Harrison – Head of Product Design

Monday 21 November 2016



Agenda

- 11:00 Welcome and introduction (NR)
- 11:10 Business overview (MR)
- 11:45 Plant tour (IB)
- 12:30 Product demonstrations (CH)
- 13:15 Lunch and open forum
- 14:00 Departure for Leeds Station



What We Do

Surgical Innovations Group plc specialises in the design, manufacture and sale of innovative devices for use in minimally invasive surgery (MIS)

We distribute branded products through a global network of trusted partners

The Group designs and develops medical solutions for carefully selected OEM Partners including Advanced Medical Solutions Plc

The Group provides precision engineering solutions to complex problems with key strategic partners



Business overview

- Performance recovering strongly following board & senior management changes
- Root cause of previous issues mostly a result of having set unrealistic expectations
- FY 16 interims - revenue up 16.9%, returned to profit
- Almost £3m of borrowings repaid during recovery process - now in net cash position
- Business model offers high return on revenues if run conservatively
- Closed small infill acquisition last month - evaluating others



Business overview

- Export led revenue growth - Brexit FX effect enhances both competitiveness and margin
- Barriers to entry high and increasing - new regulations & weak pound affecting importer/re-sellers in 2017
- New distribution partners appointed in USA & Mexico ramping up in favourable environment
- Product launches - YelloPort Elite endorsed by clinicians & distributors
- European markets regaining confidence in SI brand
- OEM & Precision Engineering partners flourishing



Business overview

- Recent in-fill acquisition - Surgical Dynamics Ltd
- Maximum consideration c£0.36m cash & assumed borrowings
- Purchase of production equipment, product range and "know-how"
- Transfer to Leeds site in 2016 Q4/2017 Q1
- Single use laparoscopic instruments
- Vertical moulding/over moulding
- Metal injection moulding process

