



Results Presentation

Year ended 31 January 2020

21st April 2020

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Key FY20 Highlights

-  LiDCO product revenue up 19% to £7.4m
-  Differentiated business model, HUP, up 101% to £1.9m
-  Adjusted EBITDA* improved by £1.2m to break-even

** adjusted for share-based payments*

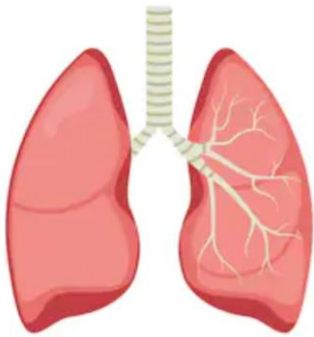
Post Year End

-  Increased demand due to CV-19, 195 monitors sold to date. Compared with 219 monitors in the whole of FY20
-  Board expects FY21 Q1 sales will significantly exceed total sales of £3.5m achieved in H1 FY20

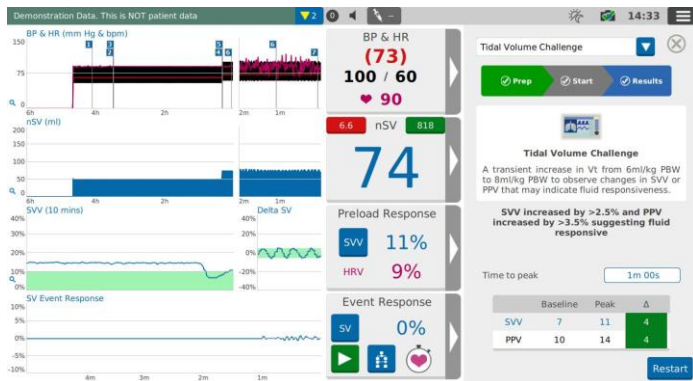
Use of technology for CV-19



LiDCO's monitoring enables doctors to titrate fluid and drugs to patients in order to manage their hemodynamic stability. Patients with CV-19 often develop severe respiratory illness resulting in admission to intensive care.



- Fluid balance is critical in order to manage patients' lungs
- Recommendations include checking preload ('fluid') responsiveness to optimise cardiac performance and end organ perfusion, yet typical methods may be unsuitable by current COVID-19 ventilation treatment recommendations



- LiDCO offers several new, evidence-based protocols to guide the physician on whether their patient is fluid responsive
- They include: Guided Fluid Challenge, Guided Passive Leg Raise, End Expiratory Occlusion Test, Lung Recruitment Maneuver and Tidal Volume Challenge

Intensive care management of COVID-19: challenges and recommendations. Lancet Respir Med 2020. 10.1016/S2213-2600(20)30165-X

Impact of CV-19



TAILWINDS

- Significant short term increased demand
- New customers gained as a result
- Hospital capital purchases defends against competition
- Enlarged installed base has potential to drive increased recurring revenues
- Large inventory holding buffered supply chain delays

HEADWINDS

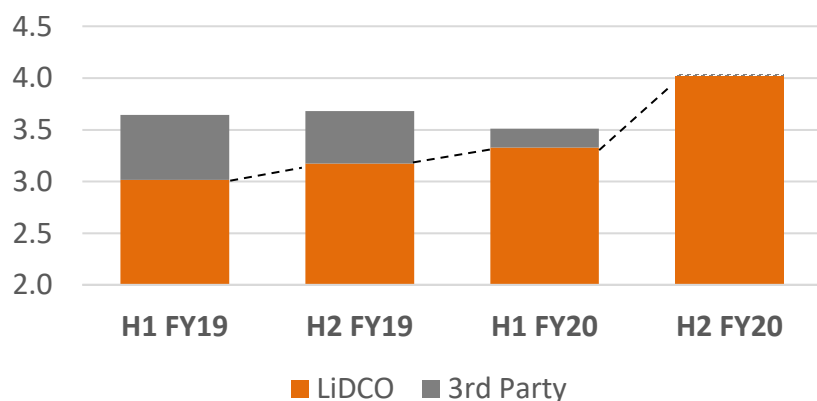
- Cancelled elective surgery impact minimised by HUP business model
- Delayed purchasing decisions will impact H2 growth, especially in US
- Hospital capital purchases from competition reduces new prospects
- Uncertainty regarding future healthcare budgets
- Single source regulatory approved supply chain

PEOPLE – Production staff transitioned to two shifts in order to ensure continuity of supply. Commercial teams unable to visit customers but all other staff able to work from home.

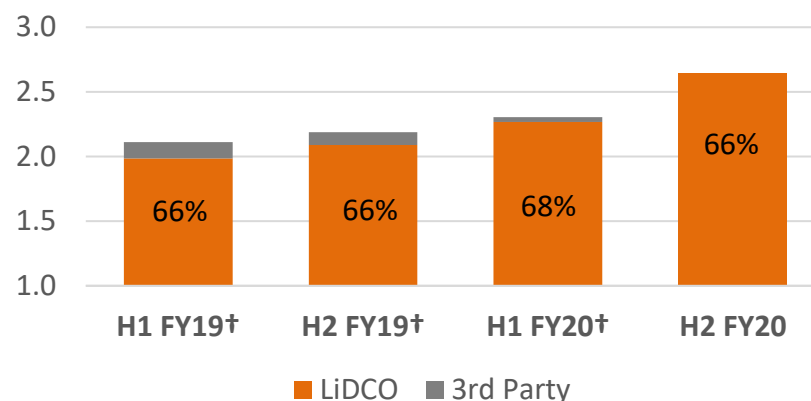
Summary of FY20 Financials



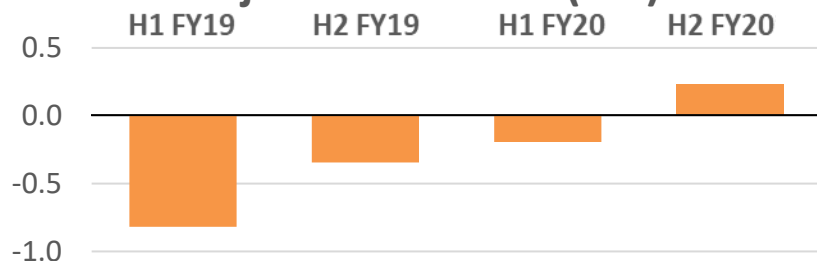
Revenue (£m)



Gross Profit (£m)

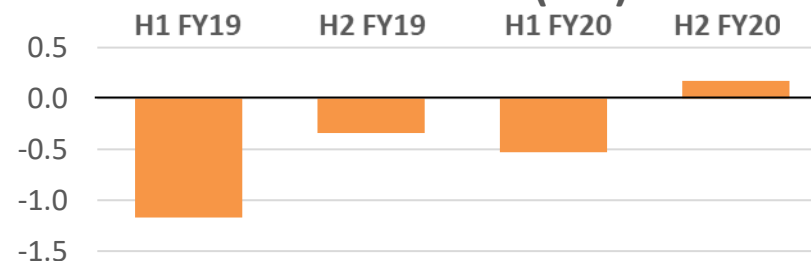


Adjusted EBITDA* (£m)



* Before Share-based Payments

Net Cash Flow (£m)



† Restated for IFRS16, allocation of certain expenses to COGS

DEBT FREE

CASH 31/1/20 £1.36m

Income Statement



	Year ended 31 January 2020 £'000	Year ended 31 January 2019 £'000
Revenue	7,547	7,324
Cost of sales	(2,627)	(3,026)
Gross profit	4,920	4,298
Sales and marketing	(3,419)	(3,787)
Development & regulatory	(783)	(798)
Administration	(1,824)	(1,708)
Overhead costs	(6,026)	(6,293)
Adjusted operating loss	(1,106)	(1,995)
Share-based payments	(96)	(143)
Operating loss	(1,202)	(2,138)
Finance income	1	1
Finance expense	(13)	-
Loss before tax	(1,214)	(2,137)
Income tax	185	196
Loss after tax	(1,029)	(1,941)
EBITDA	(56)	(1,306)

- Total revenues increased 3% to £7.55m
- Cost of sales includes labour & direct overheads of £514k (FY19: £537k)
- Gross margin on LiDCO products increased to 66.8% (FY19: 65.8%)
- Overhead costs reduced by 4.2% due to:
 - Reduction of 6 in average headcount to 44
 - Strict control of costs
 - Partly offset by higher bonuses/commissions
- Finance expense arises from the adoption of IFRS16
- Loss after tax decreased 47% to £1.03m (FY19: £1.94m)
- EBITDA loss decreased by £1.25m to £56k with £216k of decrease coming from adoption of IFRS 16
- EBITDA in H2 £205k (H2 FY19: loss £422k)

Balance Sheet



	31 January 2020 £'000	31 January 2019 £'000
Property, plant & equip't	867	949
Right-of-use assets	224	-
Intangible assets	2,342	2,083
Non-current assets	3,433	3,032
Current assets		
Inventory	1,545	1,880
Trade & other receivables	1,986	1,928
Tax receivable	183	188
Cash	1,360	1,717
Total current assets	5,074	5,713
Current liabilities		
Trade & other payables	(1,556)	(1,374)
Deferred income	(1,230)	(837)
Total current liabilities	(2,786)	(2,211)
Net current assets	2,288	3,502
Non-current liabilities		
Lease liabilities	(120)	-
Net assets	5,601	6,534

- Right-of-use assets recognised on adoption of IFRS 16, relate to facility lease and cars
- £209k of increase in intangibles relates to a new ERP system
- Part of inventory reduction due to an increase in stock provisions of £183k
- Cash increased by £172k in H2
- Increase in payables driven by lease liabilities (+£116k) and accruals (+£108k)
- Increase in deferred income reflects pre-payments from growing HUP customer base
- Long-term lease liability relatively low due to short remaining term on Orsman Rd lease
- Company remains debt free

Cash Flow & Working Capital



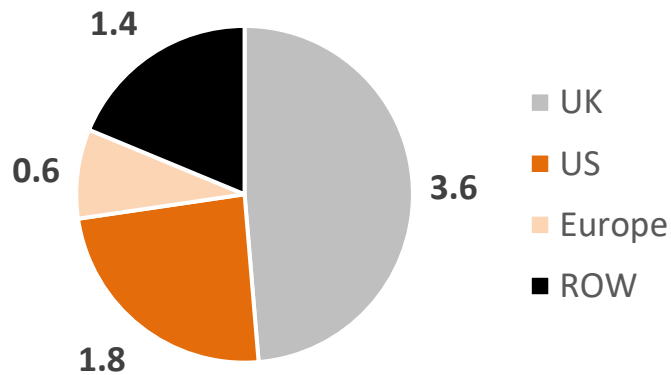
	Year ended 31 January 2020 £000	Year ended 31 January 2019 £000
Loss before tax	(1,214)	(2,137)
Net finance expense/(income)	12	(1)
Depreciation & amortisation	1,146	832
Share-based payments	96	143
Adjusted EBITDA	40	(1,163)
Deferred income	393	169
Working capital	320	350
Taxation	192	135
Cash flow from operating activities	945	(509)
Cash used in investing activities	(1,099)	(1,001)
Net cash flow before financing	(154)	(1,510)
Net cash flow - financing activities	(203)	-
Net change in cash	(357)	(1,510)
Opening cash	1,717	3,227
Closing cash	1,360	1,717

- Depreciation & amortisation increased by £314k with £223k due to adoption of IFRS 16, and £78k from increases in the number of medical monitors
- Positive Adjusted EBITDA of £40k, a £1.20m increase on FY19
- Cash flow used in investing activities consists of £306k PPE (monitors £261k), £794k intangibles (product development £521k) less £1k of finance income
- Cash outflow from financing activities represents principal elements of lease payments and associated interest
- Net cash outflow decreased by £1.15m to £357k. Positive £172k in H2.

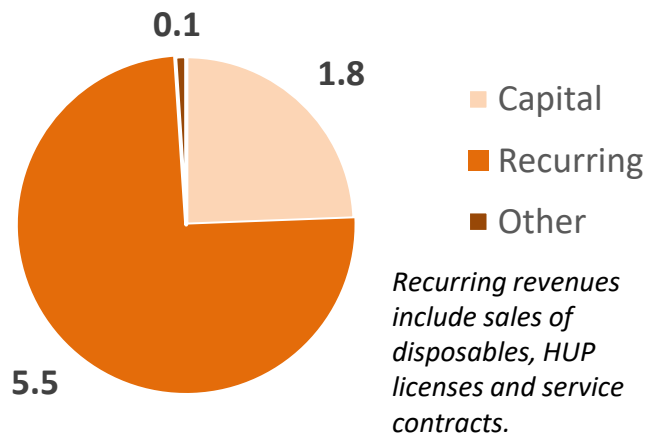
FY20 LiDCO Product Revenues



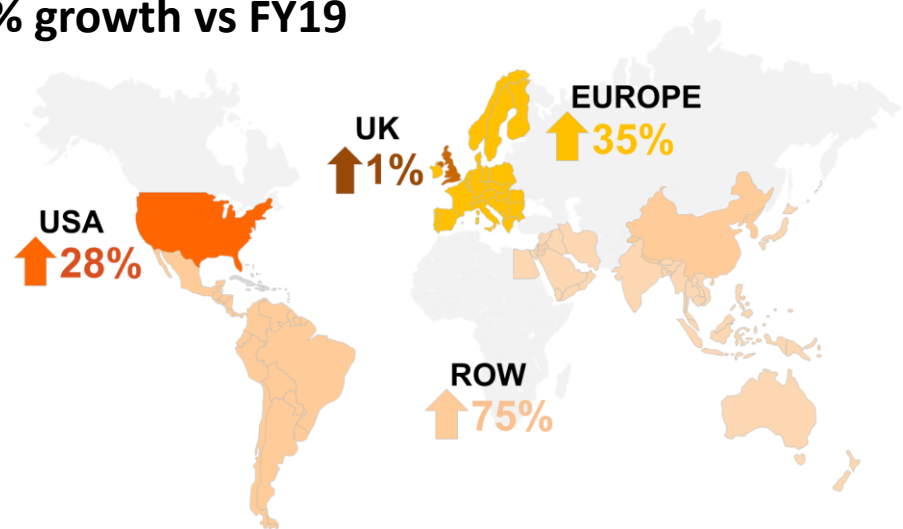
By region (£m)



By revenue type (£m)



% growth vs FY19

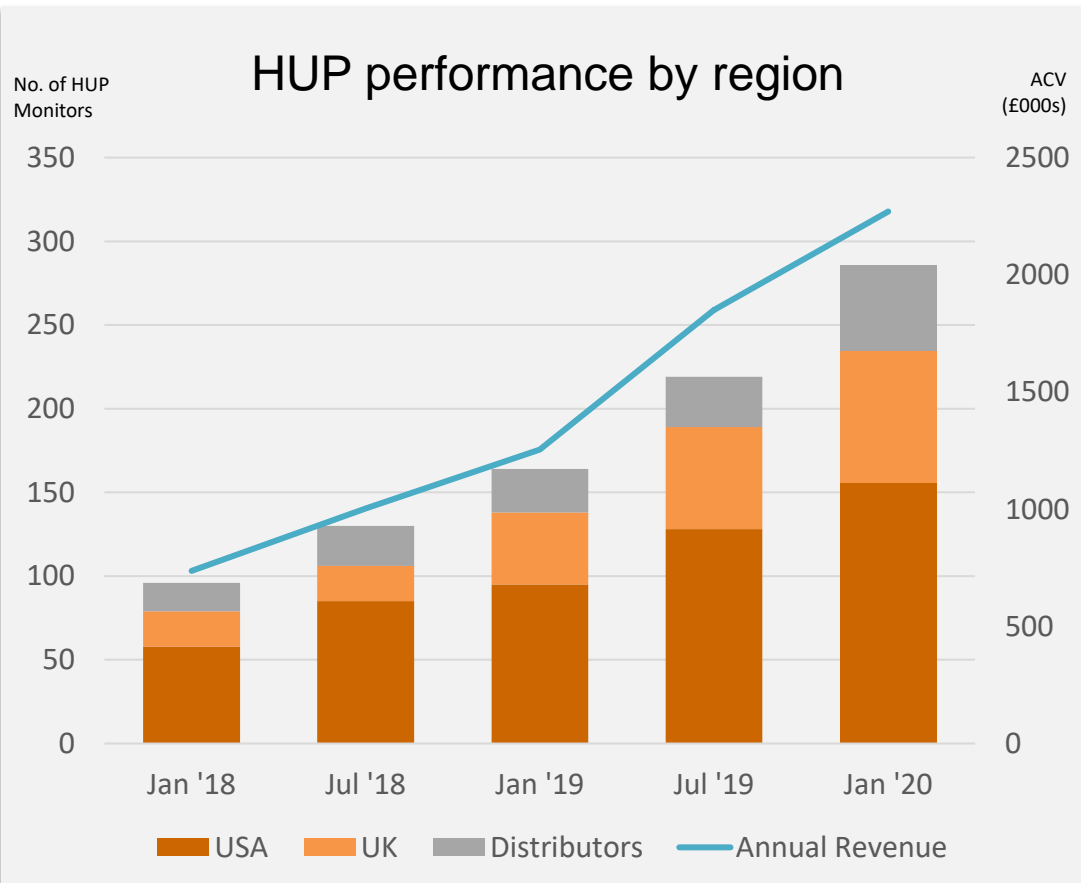


- Over 50% of revenues generated outside UK
- 75% recurring revenues
- License revenues represent 30% of revenues
- **US** - Driven by HUP software license success
- **UK** - Remain market leader
- **EU** - Rebuilding business with new distributors
- **ROW** - Relaunch in China driving growth

HUP Performance



HUP performance by region



Since launch July 2017:

- 286 monitors signed on the Software as a Service “SaaS” model
- US: 156 monitors spread across 15 hospital accounts
- 26% of UK business converted to HUP
- Total annualised contract value (ACV) £2.3m
- £7.6m total value of HUP contracts signed
- 98% Retention rate

HUP REVENUES UP 101% to £1.9m (FY19: £0.9m)

Product Development

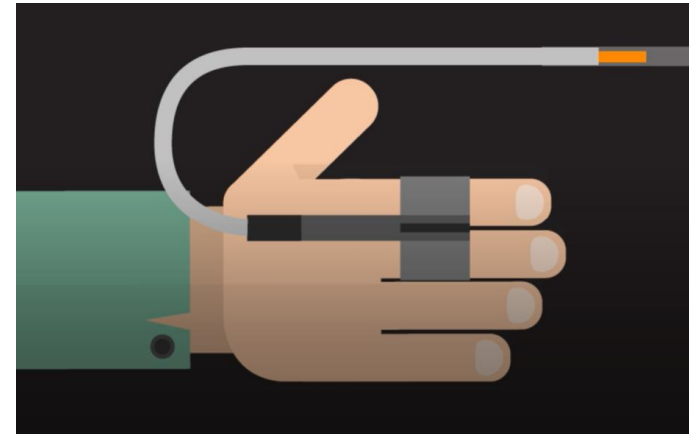


NEW License Modes

	Competitor	
Patients	506	Unlimited
Monitors	10 @ \$25,000	10 @ \$15,000
Disposables	\$300 per patient	N/A
Annual Costs	\$506,000	\$150,000

- The Per Patient license allows for the sale of a block of uses for either arterial and/or non-invasive use, without the need for a disposable.
- The uses can be topped up over time as they run out.

NEW Non-Invasive Features



- Reducing the time to start monitoring to less than a minute
- Automatic incorrect sensor size recognition to reduce mistakes
- Improved signal optimisation, for more reliable short- and long-term blood pressure tracking

Office Relocation



Changes agreed to Orsman Rd lease

- Compensation to be paid upon LiDCO vacating the premises which increases with each month before 23 June 2021 that vacation occurs
- LiDCO may terminate the lease from 23 June 2020 on one month's notice
- Rent reduced by 12.5%
- Total compensation expected to cover the fit-out costs of new premises

New premises



- Production and distribution moving to a new facility in the northern outskirts of London
- Ten-year lease signed and fit-out ongoing
- Clean room activities are being outsourced to a contract manufacturer



- 3-year lease signed for office space in central London effective from 1 May
- Semi-serviced office with shared amenities
- Plans to move by 23 June may be disrupted by COVID-19

- Short-term spike in demand as a result of CV-19
- Travel and marketing costs substantially reduced due to restrictions
- Board expects that the Group will benefit from strong cash inflows in the first half of the current financial year
- Delayed purchasing decisions as buyers focused on the short-term needs associated with CV-19
- Board remains confident that LiDCO will be well placed when markets return to normal

Summary



- Strong LiDCO product growth in FY20
- FY21 has benefited from CV-19 demand
- Company is well positioned to take further market share through appealing 'Software As A Service' model when markets return to normal
- Fundamentals of business very attractive
- Balance sheet supports growth strategy

Appendix

LiDCO investing headlines



Large and growing global market



Geographical expansion from UK 60% market share base*



Differentiated business model enabling share expansion



Recent sector M&A valuations 4-7 times revenue

** internal management estimate*

LiDCO Timeline



Market Acceptance

LEGEND -

Key Clinical Studies

Meta-Analyses

(major review of available studies with a consolidated conclusion)

(UK) NICE Recommendation⁸



(USA) ASER & POQI Consensus statement⁶



(EUR) Intensive Care Society Consensus statement⁷

Growing body of clinical evidence

2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

LiDCO offering



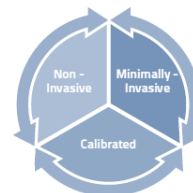
LiDCO Plus
Calibrated technology



LiDCO Rapid
Minimally Invasive trending technology



LiDCO Rapid
With Non-Invasive technology and depth of anaesthesia



LiDCO Unity
All technologies on one new monitor platform



High Usage Programme
Rethinking the market



Guided Clinical Protocols
Incorporating latest clinical thinking

Proven to improve patient outcomes

Independent studies using **LiDCO** technology have been shown to **improve outcomes** in:

High risk elective surgery

Emergency surgery

Intensive Care



Colorectal, Vascular, Hip replacement, Liver Resection, Oesophagectomy, Bariatric, Cardiac, Abdominal, Caesarean, Emergency Laparotomy

High risk surgical patients in ICU, Septic shock patients in ICU

Reducing patient deaths

Using LiDCO in the management of **Sepsis** shock patients has been shown to statistically reduce mortality²

40% mortality rate
no central
monitoring

60%



16% mortality rate
LiDCO

Reducing length of stay

Using LiDCO as part of an Enhanced Recovery program in **Colorectal** surgery has been shown to statistically reduce length of stay (LOS)³

LOS
7 days
BEFORE



5 days
AFTER

Less complications

Using LiDCO for **Cardiac** surgery statistically reduced major postoperative complications⁴

45.3%

BEFORE



27.4%
AFTER

Cost savings

Using LiDCO as part of an Enhanced Recovery program in **Oncology** surgery has been shown to reduce overall hospital costs⁵

\$21,294
BEFORE

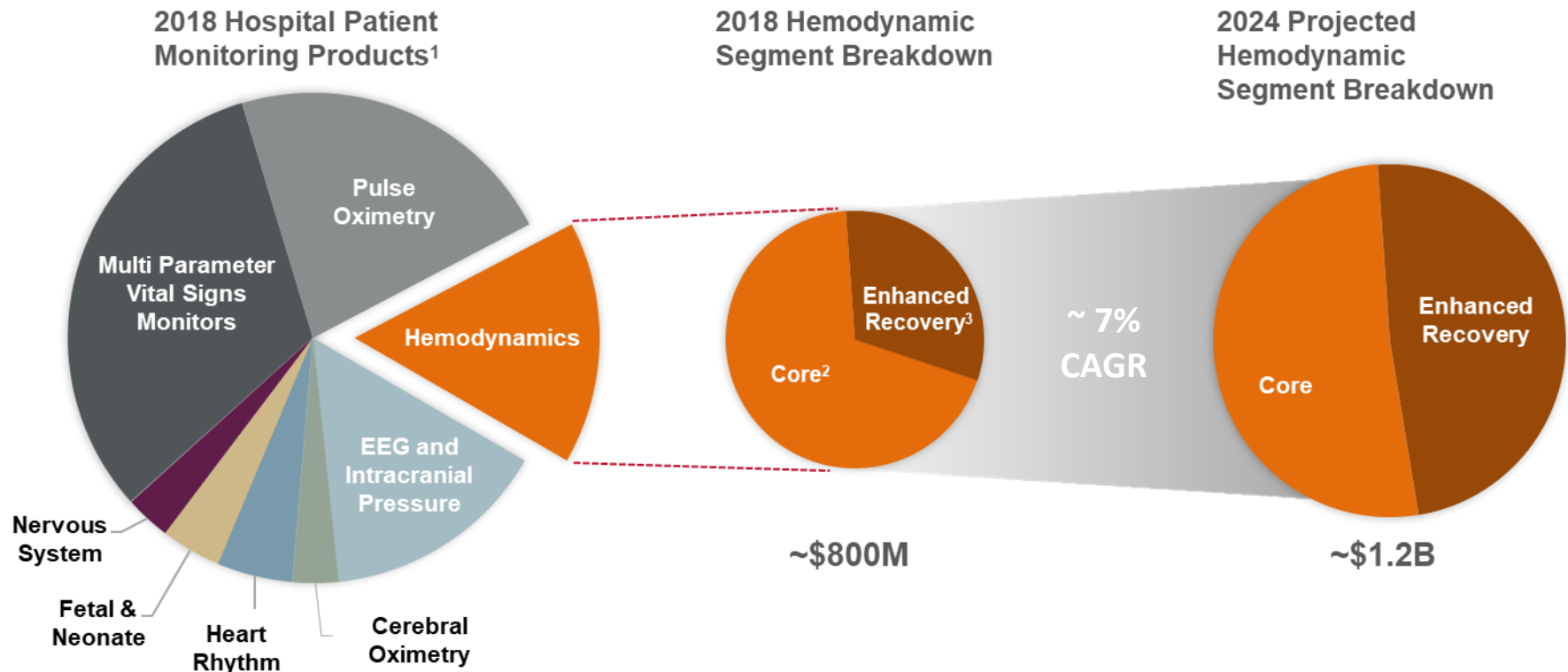


\$18,716
AFTER

Market Overview



Enhanced Recovery to Accelerate Segment Growth



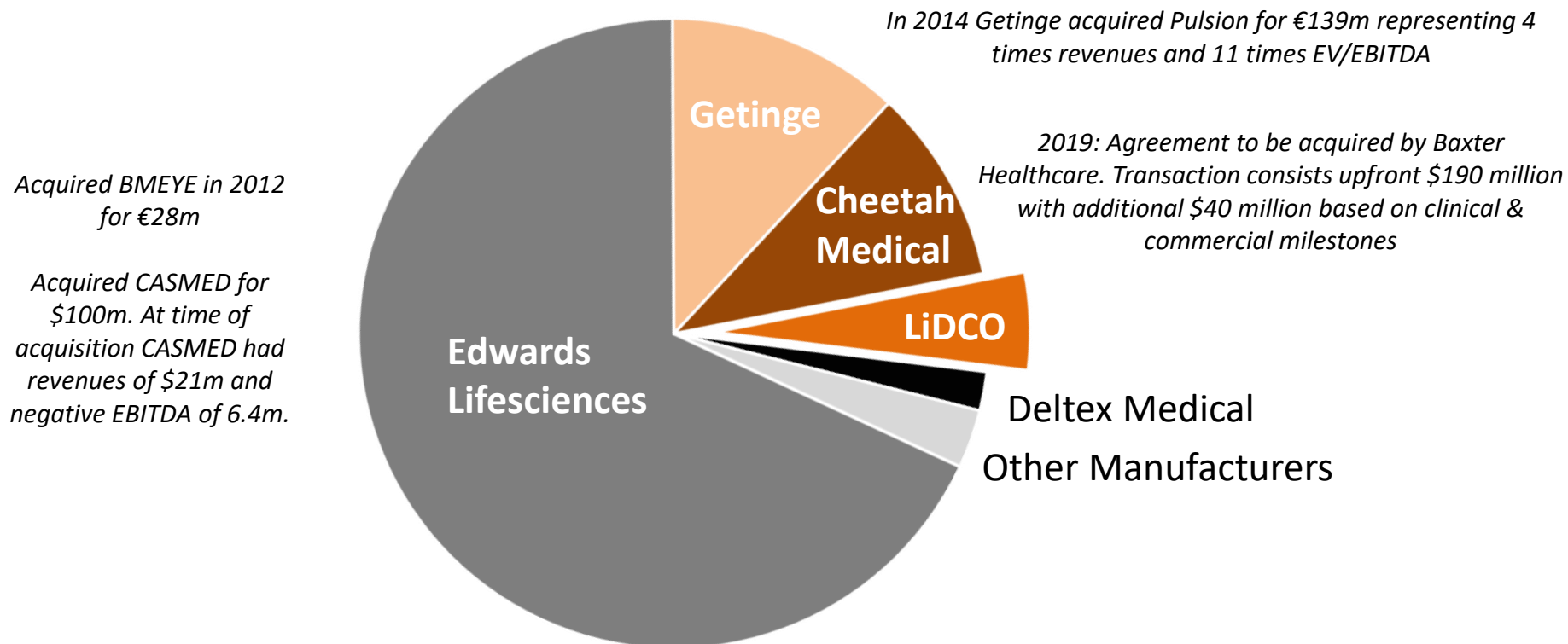
1. Third party research and internal estimates 2. Includes pulmonary artery catheters and invasive pressure monitoring products, excludes capital 3. Includes minimally invasive and non-invasive advanced hemodynamic monitoring products, excludes capital

Competitive Landscape



Competitive Landscape Changing Due To Recent Acquisitions

Advanced Recovery Hemodynamics Market Share*



* Source: internal estimates based on published data

Recent sector acquisitions



2019

Baxter
Healthcare

Acquired for \$190 million with
additional \$40 million based on clinical
& commercial milestones

Revenues \$25m*
LBITDA - \$5m*



2019

Edwards
Lifesciences

Acquired for \$100m

Revenues \$21m
LBITDA - \$6.4m



2014

Getinge AB

Acquired for €139m

Revenues €34m
EBITDA €12m



2012

Edwards
Lifesciences

Acquired for €28m

Revenues €4m*
EBITDA - €1m*

* Private companies.
Management estimates

LiDCO MARKET CAP £22M (2.9 X FY20 REVENUE)*

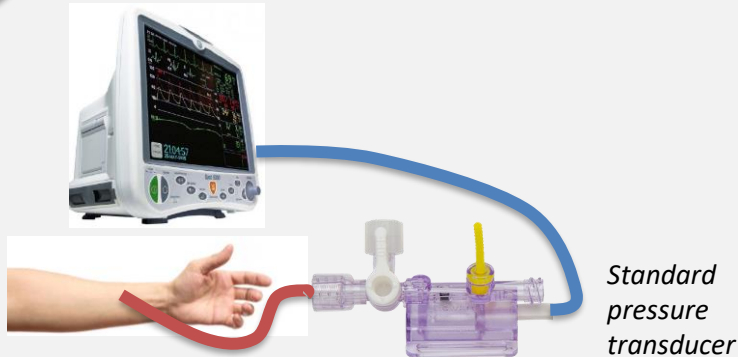
* 20/04/20 Closing share price.t

Differentiated business offering



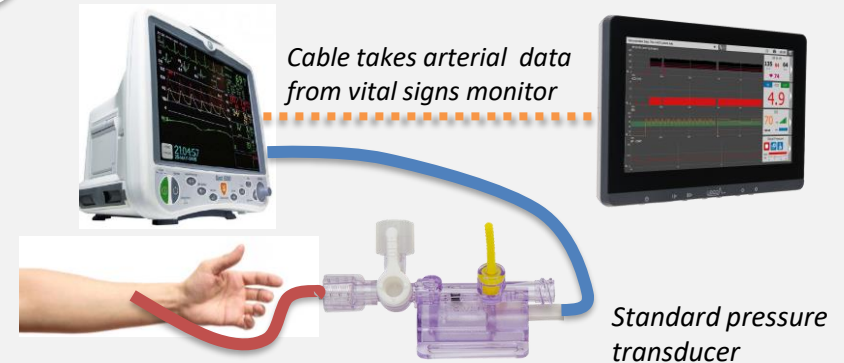
A

Standard arterial monitoring



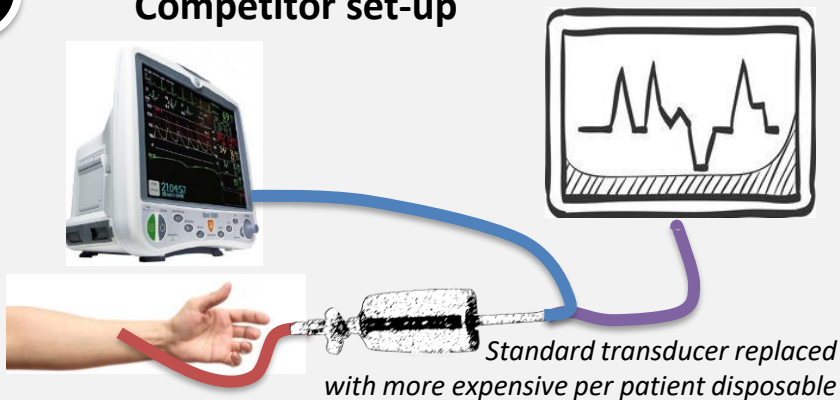
C

LiDCO set-up



B

Competitor set-up



Difference between two methods:

- No need to change from standard pressure transducer
- No need for an expensive per patient disposable
- No need to increase infection risk by 'breaking the line'
- LiDCO is pressure transducer agnostic

LiDCO – HUP strategy



OFFERING



Software as a Service



Treat unlimited number of patients



Potential for significant cost saving



No expensive per patient disposable required

STRATEGY



Disruptive model to take share & expand globally



Accelerate US market penetration



Drive greater adoption of hemodynamic monitoring



Customers sign multi-year agreements

HUP Customer Experience



Large **NHS** Teaching Hospital

Leading **US** Academic Hospital

Before

4065 Patients



LiDCO technology

Circa **£0.3m**



Costs

2900 Patients



Competitor technology

Circa **\$1.0m**



Costs

After first year of HUP

5838 Patients



LiDCO technology

ZERO increase



in costs

Direct savings

<£0.1m p.a.

Potential Indirect savings*

£1m to £1.7m p.a.

5315 Patients



LiDCO technology

Over **\$0.5m**



Savings

Total Direct savings

>\$1.2m p.a.

Potential Indirect savings* **\$1.8m to \$3.1m** p.a.

* Calculated using potential cost-savings per patient when using goal-directed fluid therapy as identified in the following clinical paper - Michard et al. Perioperative Medicine (2015) 4:11 DOI 10.1186/s13741-015-0021-0

Board



Peter Grant

**Non-Executive
Chairman**

- Former Chief Executive Officer of Skyepharma PLC
- Former Chief Financial Officer at WorldPay plc & Group Chief Executive at Molins PLC



Matt Sassone

**Chief Executive
Officer**

- 20+ years medical device experience
- Former Chief Marketing Officer of Maquet
- Former Regional President for Smiths Medical



Tim Hall

**Chief Financial
Officer**

- Chartered Accountant with 30 years' experience
- Former Chief Financial Officer of Oxford Gene Technology IP Ltd & Lombard Medical Technologies PLC



Phil Cooper

**Non-Executive
Director**

- 30 years medical device experience
- Former president of the wound care division Mölnlycke Health Care



Jim Wetrich

**Non-Executive
Director**

- 35 years of experience in the US healthcare industry
- Former Executive at Abbott Laboratories, Mölnlycke Health Care, Premier Inc, and Providence Health & Services.

Clinical References



- 1:** *Evaluation of the utility of the Vigileo FloTrac™, LiDCO™, USCOM and CardioQ™ to detect hypovolaemia in conscious volunteers: a proof of concept study. Reference: Anaesthesia 2015, 70, 142–149*
- 2:** *Hata J, Stotts C, Shelsky C, Bayman E, Frazier A, Wang J, Nickel E (2011) Reduced mortality with noninvasive hemodynamic monitoring of shock. J Crit Care vol 26 (2):224. E1-8*
- 3:** *Miller T, Thacker J, White W, Mantyh C, Migaly J, Jin J, Roche A, Eisenstein E, Edwards R, Anstrom K, Moon R, Gan TJ (2014) Anesth Analg 2014;118:1052–61*
- 4:** *Eduardo A. Osawa; Andrew Rhodes; Giovanni Landoni; Filomena R. B. G. Galas; Julia T. Fukushima, et al. Effect of Perioperative Goal-Directed Hemodynamic Resuscitation Therapy on Outcomes Following Cardiac Surgery: A Randomized Clinical Trial and Systematic Review General High Risk Surgery. Crit Care Med. 2016 Apr;44(4):724-33. doi: 10.1097/CCM.0000000000001479*
- 5:** *Fitzgerald T, Mosquera C, Koutlas N, Vohra N, Lee K, Zervos E. Enhanced recovery after surgery in a single high-volume surgical oncology unit: Details matter. Presented at the 11th Annual Academic Surgical Congress (ASC), Jacksonville, Florida, Feb 2016*
- 6:** *American Society for Enhanced Recovery (ASER) and Perioperative Quality Initiative (POQI) joint consensus statement on perioperative fluid management within an enhanced recovery pathway for colorectal surgery. Thiele et al. Perioperative Medicine (2016) 5:24 DOI 10.1186/s13741-016-0049-9*
- 7:** *Consensus on circulatory shock and hemodynamic monitoring. Task force of the European Society of Intensive Care Medicine. Cecconi et al. Intensive Care Med DOI 10.1007/s00134-014-3525-z*
- 8:** *NICE Medical technologies guidance [MTG3]. <https://www.nice.org.uk/guidance/mtg3/resources>*