

# EKF Diagnostics Holdings plc

Preliminary Results Presentation  
Year Ended 31 December 2024

[ekfdiagnostics.com](https://ekfdiagnostics.com)



# The EKF Team



## Julian Baines

### Executive Chair

Experienced CEO and Exec Chair  
with proven industry acumen  
Over 30 years of AIM experience in  
the Diagnostics Industry



## Gavin Jones

### Chief Executive Officer

Previously Chief Product Officer for  
EKF Diagnostics Holdings plc  
Over 20 years combined experience  
in Point-of-Care and Life Sciences



## Stephen Young

### Chief Financial Officer

Experienced Finance Director & CFO  
AIM experience across multiple  
sectors including BBI Holdings plc  
and Pure Wafer plc

# Financial Highlights

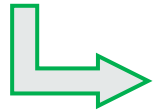
- **Revenues** of **£50.2m**
- **Gross profit** before exceptionals of **£24.4m**
- **Gross margin** improved to **48%** (2023: 45%)
- Adjusted **EBITDA** of **£11.3m** (2023: £10.4m)
- Profit before tax of **£6.3m**
- **Cash** generated from operations of **£12.2m**
- **Group cash**, net of borrowings (excluding IFRS 16 liabilities), of **£14.3m**

# Board Expectations 2024

**01**

## Realignment of cost base

Reduce cost base to better represent the overall business size and growth opportunity

**Achieved**

9.2% increase in adjusted EBITDA to £11.3m (FY 2023: £10.4m) driven by removal of low margin non-core products

**02**

## Stabilize cash position

Improve the cash position and reserves to better deploy capital in coming years

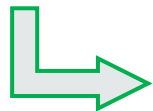
**Ahead**

Cash generation well ahead of expectations with cash at end of 2024 of £14.3m (FY 2023: £4.7m)

**03**

## Removal of low margin products

Finalize the discontinuation of low margin non-core products started in 2023

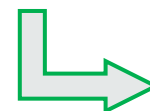
**Complete**

Discontinuation of low margin non-core products now complete, allowing greater focus on growth opportunities

**04**

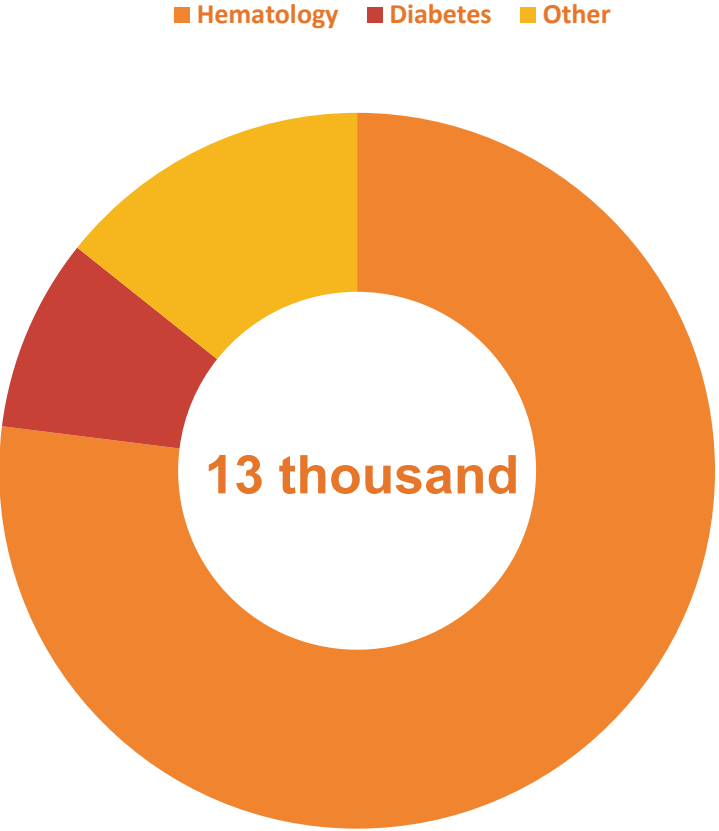
## Capitalize on Life Sciences

Fully realize the substantial opportunity offered by investment made in Life Sciences

**Ongoing**

A more challenging than expected commercial environment has led to a realignment of strategy at Life Sciences

# Point-of-Care Analyzers Sold



**10k**

## Hematology

Continued growth with increased demand starting to outstrip supply towards the end of 2024

**1k**

## Diabetes

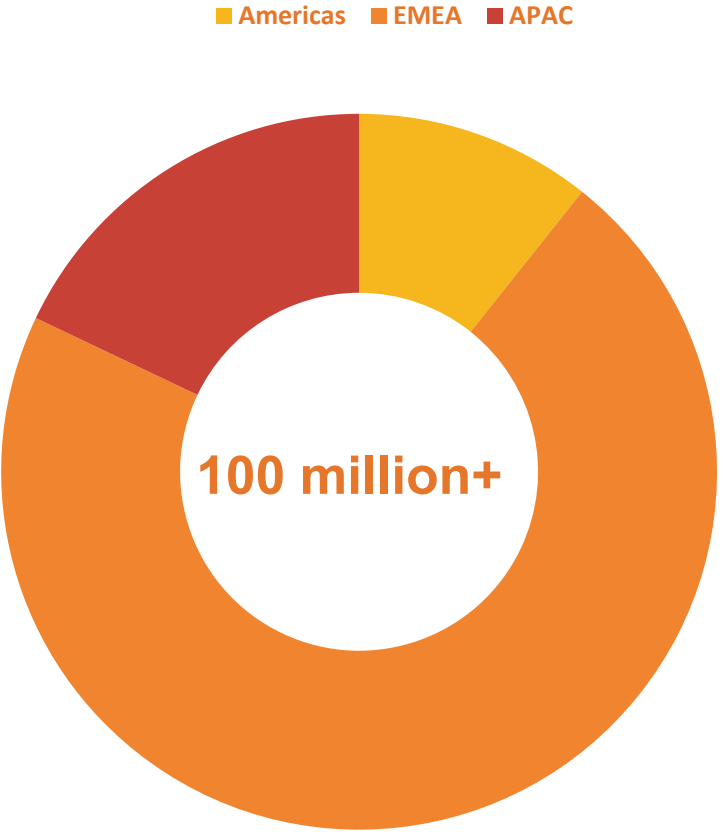
Stable but no significant growth due to fragmentation of the market

**2k**

## Other

Sports performance products continued to be the strongest area outside of the core product focus

# Point-of-Care Tests Sold



11m+

## Americas

Stable business in the US with some growth offset by political headwinds in LATAM

74m+

## EMEA

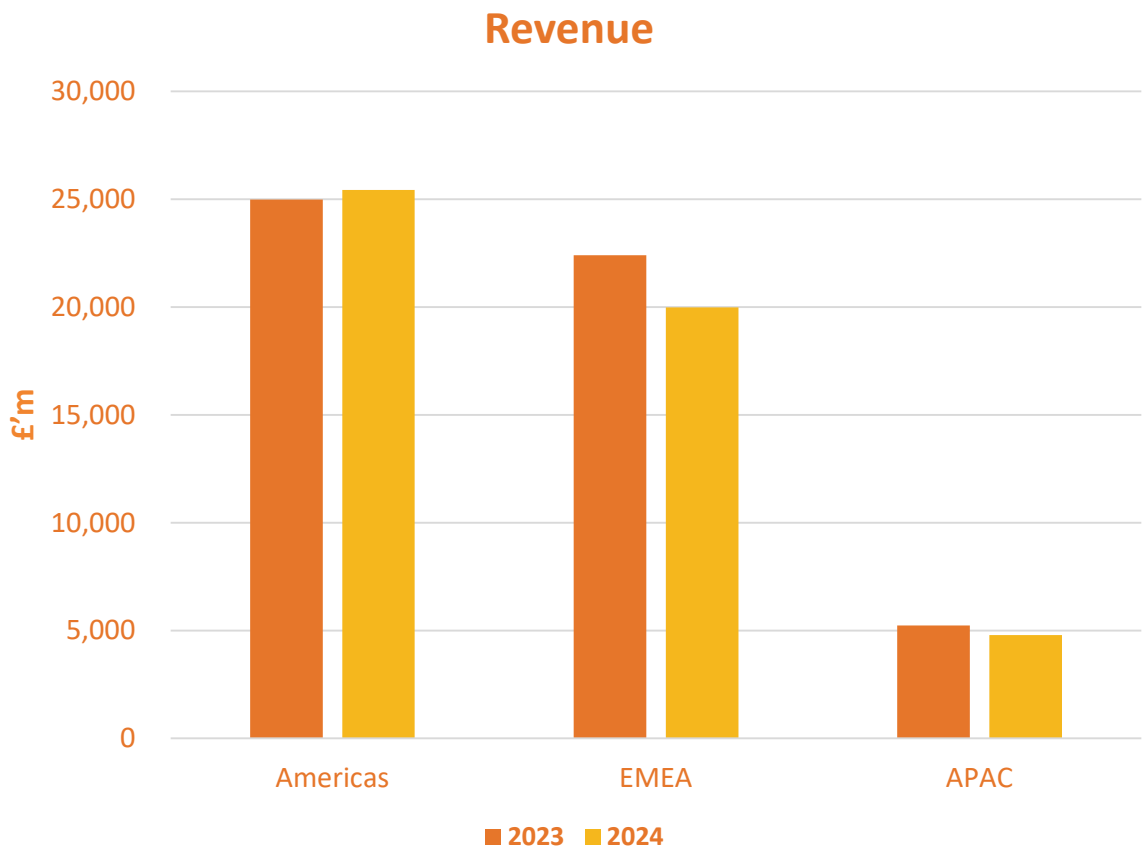
Reduction in reimbursement rates within fragmented Diabetes market offset by strong Hematology business

20m+

## APAC

Expansion in Hematology with significant blood bank tender wins driving growth

# Geographic Highlights



4%

## Stateside growth

Positive regional growth of 4% shown in US driven by strong  $\beta$ -HB expansion with key partners

(11%)

## Africa delivers on Hematology

EMEA was down 11% due to a reduction in Diabetes testing, ongoing support of Hemoglobin testing in Africa drives 17% growth in Africa

45%

## APAC tender wins

Whilst APAC was broadly flat due to Clinical Chemistry discontinuation, significant delivery on blood bank tenders drove 45% increase in Hemoglobin products

# Board Expectations 2025

01

## Capital deployment to deliver sustainable growth and unlock unrealized potential

- ✓ Investment in Operational Excellence to increase production capacity, improve efficiency and implement new technologies
- ✓ Expanded Commercial team to drive further growth in focus areas: Hematology,  $\beta$ -HB and Fermentation
- ✓ New product development aligned to growth strategy with a focus on continuous improvement and cost reduction of core products

02

## Implement share buyback to improve earnings per share (EPS)

- ✓ Utilize cash reserves to implement a progressive, ongoing share buyback programme





# Five-Year Strategy: Sustainable Growth

## Stretch Target 2029

Revenue: >£80m

EBITDA: >£20m



Commercial investment to drive organic growth in existing product lines into new and underserved markets

## Stretch Target 2029

#1 Point-of-Care (POC)  
Hemoglobin



Continued investment in Operational Excellence to facilitate production capacity increase, cost reduction, and margin improvement

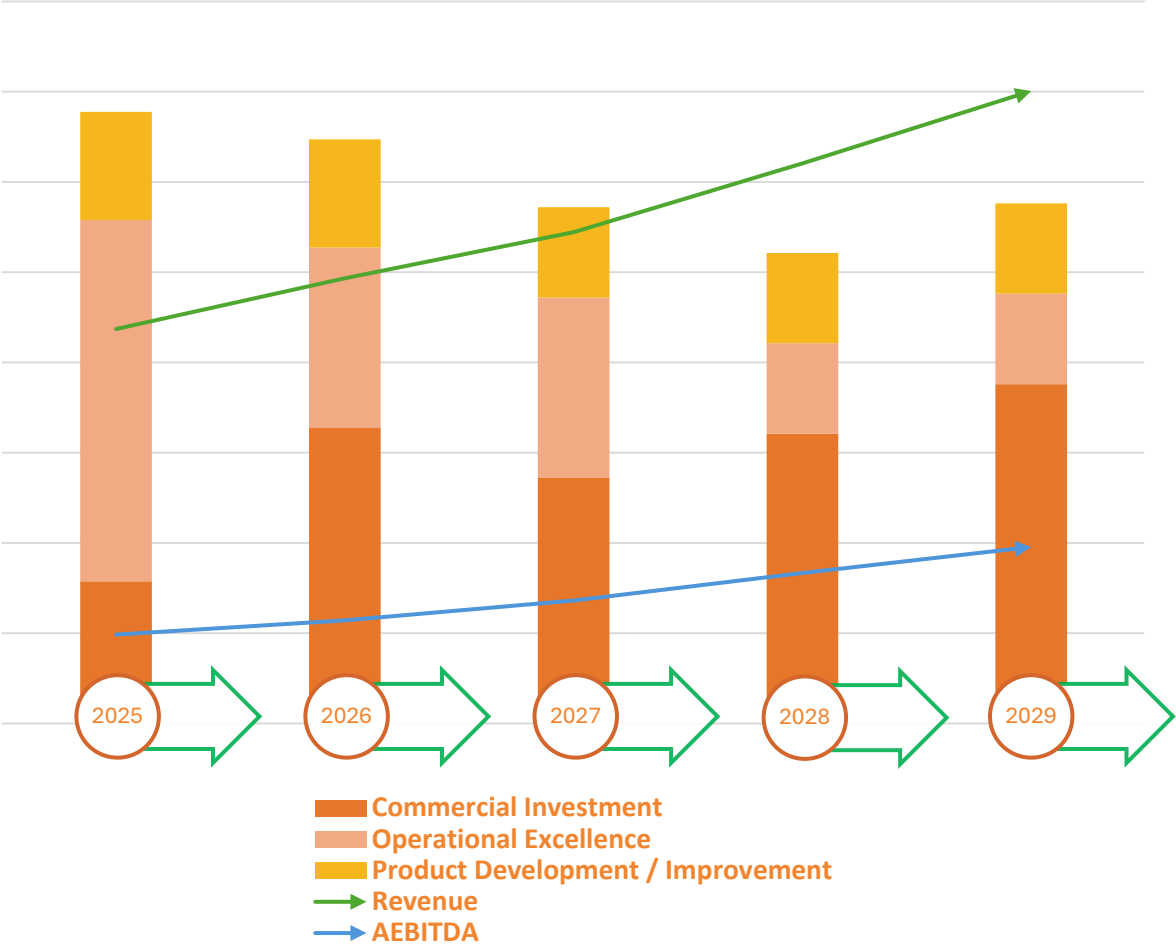
## Stretch Target 2029

#1 Ketone Testing ( $\beta$ -HB)  
Laboratory & POC



Product Development / Improvement both internally and with external development partners

# Five-Year Strategy: Sustainable Growth



1

## Life Sciences realignment

Establish market-specific commercial and technical resources to gain better access to high-value Diagnostic, Pharma and Biotech customers by 2026

2

## Product improvement

Updates to existing products in Hematology and  $\beta$ -HB to deliver best-in-class and compete at the highest level by 2027

3

## New product development

Focused product development to deliver new products and technologies in multianalyte Point-of-Care testing by 2028

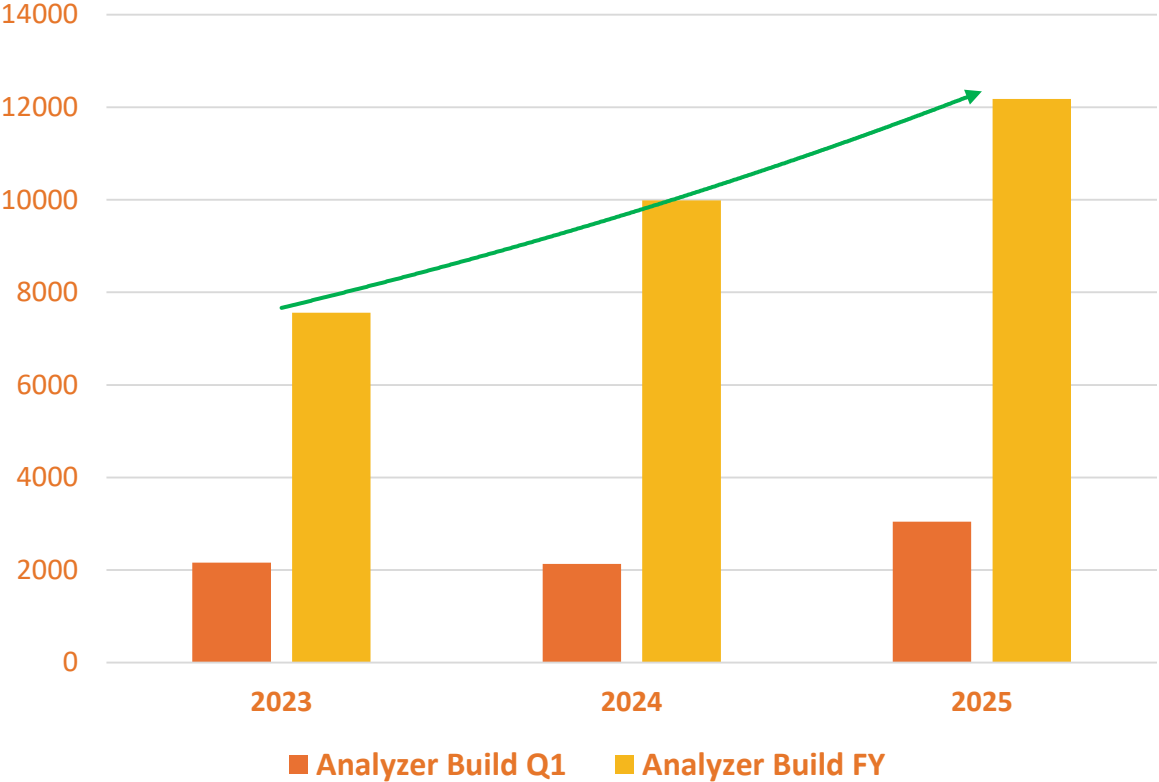
4

## Focus on Hematology

Capital deployment in Commercial and Operational Excellence to become #1 in POC Hematology testing by 2029

# Capital Deployment: Operational Excellence

Analyzer Build from DE Operations



32%

## Year-on-year growth

Expansion of analyzer build year on year, 32% increase in 2024 against 2023, this will drive pull through of consumables,

43%

## Total analyzers

Total projected analyzer demand in Q1 2025 up 43% against Q1 2024 driven by Hematology demand in LATAM and EMEA

21%

## Increased Hematology

Significant increase in demand in Hematology analyzers from 2023 to 2024

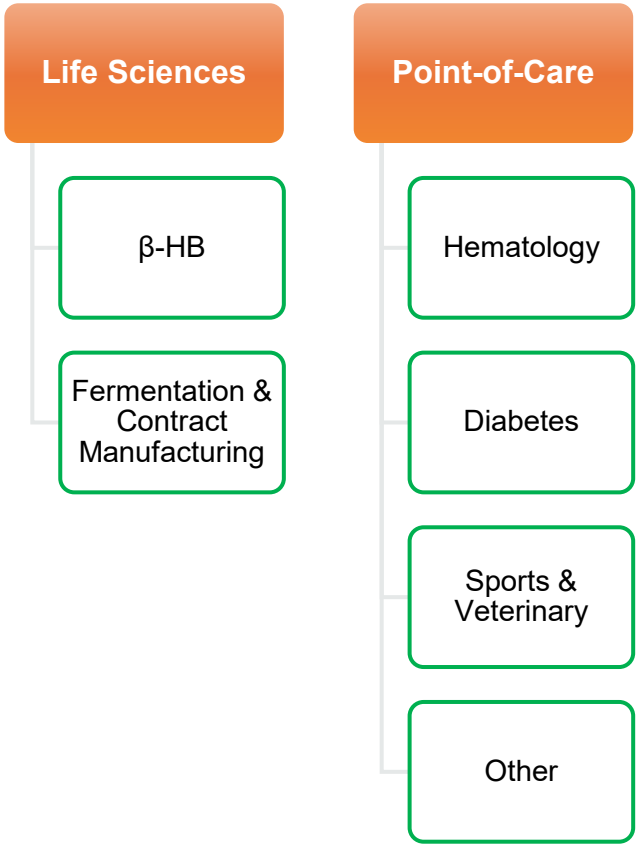
# Capital Deployment: Commercial

## Life Sciences realignment

- New commercial team in place to review pipeline opportunities and drive new business development
- Closer alignment to the technical team to deliver on high value customer requirements in Diagnostics, Pharma and Biotech

## Product focus

- Grow  $\beta$ -HB business with enhanced product offering and improved performance
- Support key commercial partners, delivered by a dedicated sales team focused on building this key market



## Dedicated commercial team

- Realignment of commercial team post-discontinued product lines
- Capitalize on unrealized potential in Point-of-Care in currently underserved markets in the US and LATAM

## Focus on Hematology

- Drive Hematology opportunity in the US where we currently only have 5-7% of the market
- Capitalize on new opportunities due improved connectivity options and weakened competitors

# Five-Year Strategy Goals

## Stretch Target 2029

Revenue: >£80m

EBITDA: >£20m

## Stretch Target 2029

#1 Point-of-Care  
(POC)

Hemoglobin

## Stretch Target 2029

#1 Ketone Testing  
( $\beta$ -HB)

Laboratory & POC

# Outlook

## **Capital deployment to support the implementation of the foundations of the five-year growth strategy**

- Strengthen the commercial teams in Life Sciences and Point-of-Care, develop the technical resources to serve customer demand, and new product development in focus areas

## **Drive organic growth of Point-of-Care Hematology in key markets, USCAN and LATAM**

- Work with partners to raise the profile of Hematology products in new markets, supported by a dedicated Point-of-Care sales force

## **Level-up production capacity to deliver on significant increase in demand for Hematology products**

- Review options to increase output in the short term with longer-term plans in place to deliver on commercial demand





**Thank You**

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# Financial



# Financial Highlights

- **Gross profit** before exceptionals of **£24.4m** (2023: £24.4m)
- **Gross margin** improved to **48%** (2023: 45%)
- **Admin expenses** reduced by £1.6m
- Increased Adjusted **EBITDA** of **£11.3m** (2023: £10.4m)
- Profit before tax of **£6.3m** (2023: £2.1m)
- **Net cash** generated from operating activities of **£12.2m** (2023: £6.3m)
- **Group cash**, net of borrowings (excluding IFRS 16 liabilities), of **£14.3m** (2023: £4.7m)

# Business Units

£ millions	2024	2023	+/- £k
Point-of-Care	31,404	32,175	(771)
Life Sciences	16,655	15,840	815
Other	989	1,146	(157)
Discontinued Products	1,146	3,450	(2,304)
Total Group Revenues	50,194	52,611	(2,417)

# Income Statement

£ '000	2024	2023	+/- £k
Revenue	50,194	52,611	(2,417)
Cost of Sales	(25,798)	(28,175)	2,377
Exceptional items	(330)	(577)	247
Gross Profit	24,066	23,859	207
Gross Margin %	48%	45%	3%
Admin Expenses/Overheads	(18,078)	(19,680)	1,602
Exceptional items	(22)	(2,256)	2,234
Other Income	294	158	136
Operating Profit/(Loss)	6,260	2,081	4,179
EBITDA	11,336	10,384	952

# Appendices

# Non-executive Directors



## Christian Rigg - Senior Independent Non-executive Director

Chris Rigg is a chartered accountant who has significant executive experience at both public and private companies. He is Chief Executive Officer of PAM Group, a private equity backed healthcare business. He was formerly the Chief Executive Officer of Project Galaxy UK Topco Limited (the holding company of Mandata Holdings Limited) which was sold in 2021 for £82m and he was also formerly a Non-executive Director of the main market listed Sportech plc. Chris previously held the positions of Chief Financial Officer and latterly Chief Executive Officer at Quantum Pharma plc, which, under his stewardship, was refinanced and implemented a new strategy facilitating growth and leading to its acquisition by Clinigen Group plc for an enterprise value of £160 million.



## Jennifer Winter - Non-executive Director

Jenny has over 20 years' experience across a broad variety of healthcare organisations ranging from small not-for-profit companies to large corporates. Jenny is currently Chief Executive Officer of AIM listed Animalcare Group plc (AIM: ANCR) where she is successfully executing on the business's long-term growth strategy, against a backdrop of very challenging market conditions. Before joining Animalcare Group plc in October 2018, Jenny was Vice President of Respiratory products - Global Supply Chain and Strategy at AstraZeneca, a position she held from 2015. Jenny has a BSc in Physiology and Pharmacology from the University of Southampton.



## Christopher Mills - Non-executive Director

Christopher founded Harwood Capital Management in 2011, a successor to its former parent company J.O. Hambro Capital Management, which he co-founded in 1993. He is Chief Executive and Investment Manager of North Atlantic Smaller Companies Investment Trust plc and Chief Investment Officer of Harwood Capital LLP. He is a Non-Executive Director of a number of companies including Renalytix plc. Christopher was a Director of Invesco MIM, where he was Head of North American Investments and Venture Capital, and of Samuel Montagu International. Christopher stood down from the audit committee in March 2022.

# Balance Sheet – Assets

£ '000	2024	2023	+/- £k
<b>Fixed assets</b>	24,034	24,775	(741)
<b>Intangible assets</b>	28,922	30,224	(1,302)
<b>Investments</b>	228	276	(48)
<b>Deferred tax</b>	9	18	(9)
<b>Inventories</b>	7,393	8,766	(1,373)
<b>Receivables</b>	6,803	6,787	16
<b>Corporation tax</b>	55	2,277	(2,222)
<b>Cash</b>	14,301	7,726	6,575
<b>Total assets</b>	81,745	80,849	896

# Balance Sheet – Liabilities

£ '000	2024	2023	+/- £k
<b>Payables</b>	6,717	6,625	92
<b>Deferred tax liabilities</b>	1,198	2,517	(1,319)
<b>Corporation tax</b>	618	504	114
<b>Borrowings</b>	-	2,986	(2,986)
<b>Total creditors</b>	8,533	12,632	(4,099)
<b>Capital and reserves</b>	72,327	67,117	5,210
<b>Minority interest</b>	885	1,100	(215)
<b>Total equity</b>	73,212	68,217	4,995

# Cash Flow

£ '000	2024	2023	+/- £k
Net cash generated from operating activities	13,656	6,311	7,345
Net cash (used in)/generated by investing activities	(2,662)	(5,642)	2,980
Net cash used in financing activities	(4,077)	(3,646)	(431)
Net (decrease)/increase in cash and cash equivalents	6,917	(2,977)	9,894
Cash and cash equivalents at beginning of year	7,726	11,578	(3,852)
Exchange gains/(losses) on cash and cash equivalents	(342)	(875)	533
Cash and cash equivalents at end of year	14,301	7,726	6,575



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