



Surgical Innovations Group Plc

2024 Year End Investor
Presentation

David Marsh, CEO
Brent Greetham, CFO

Company Overview

Surgical
Innovations
Group Plc



Founded by Prof. Michael McMahon,
leading laparoscopic surgeon



Design & manufacturing
expertise in innovative
surgical devices



Focus on minimally
invasive surgery (MIS)



Leading the change
to sustainable
surgical devices

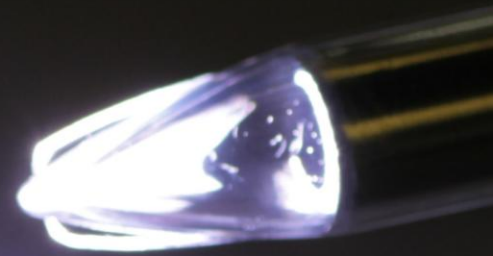


Direct sales in the UK & global
distribution through our
network of global partners



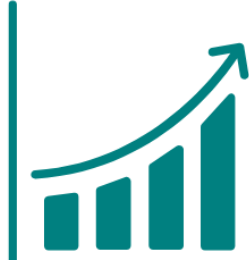
Strong industry partnerships,
most recently In robotics,
leveraging design expertise

Commercial & Operational Highlights



Elite Optical Trocar –
Illuminating the path
to safer surgery

Commercial & Operational Highlights



SI Branded products demonstrated strong growth in key regions as sustainability continues to resonate with healthcare providers



Strengthen UK distribution with new agreements signed in April



Completed the overhead restructure, streamlined costs with benefits expected to be received in 2025



Strong OEM sales as supply chain issues were resolved and back order position cleared

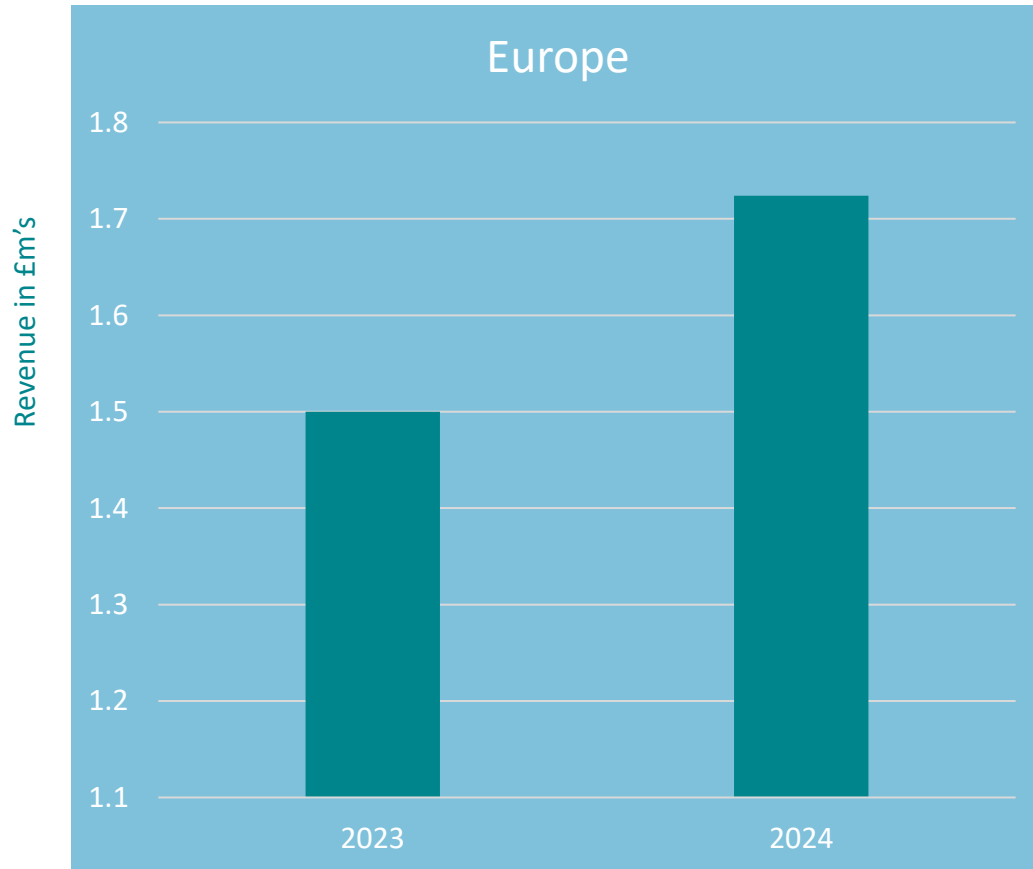


Successful UK launch addressing obesity market, has been followed by boarder rollout to Europe and selected APAC regions



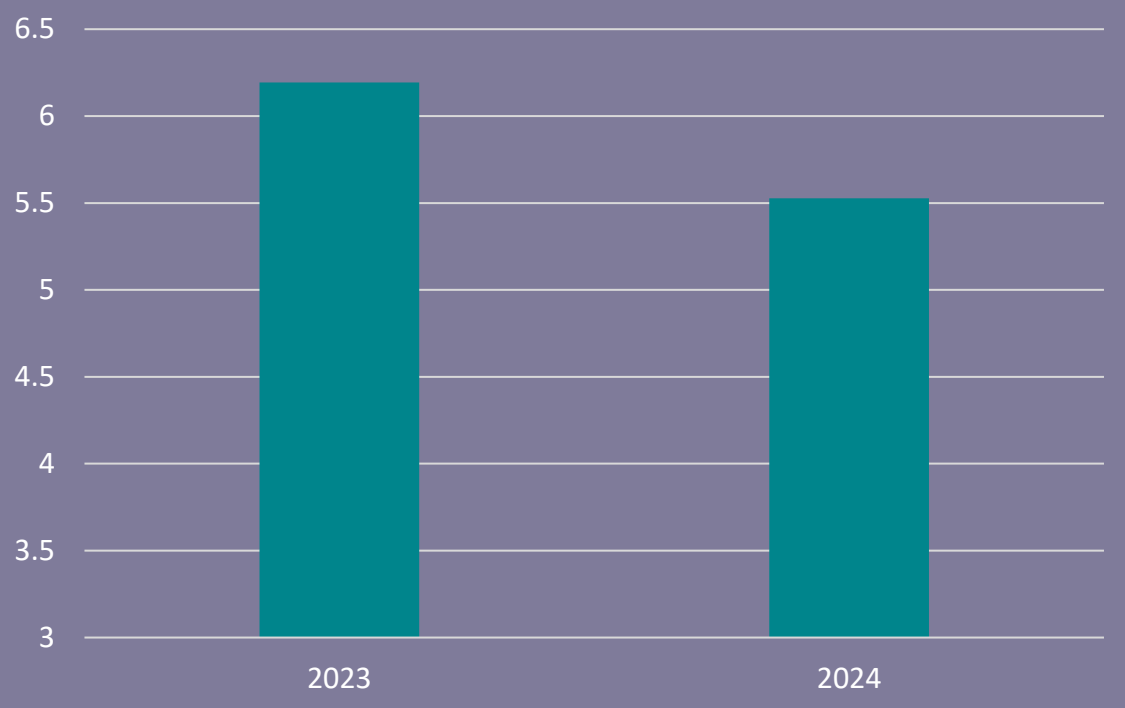
Transition to MDR remains on track, UKCA certified

Europe Sales

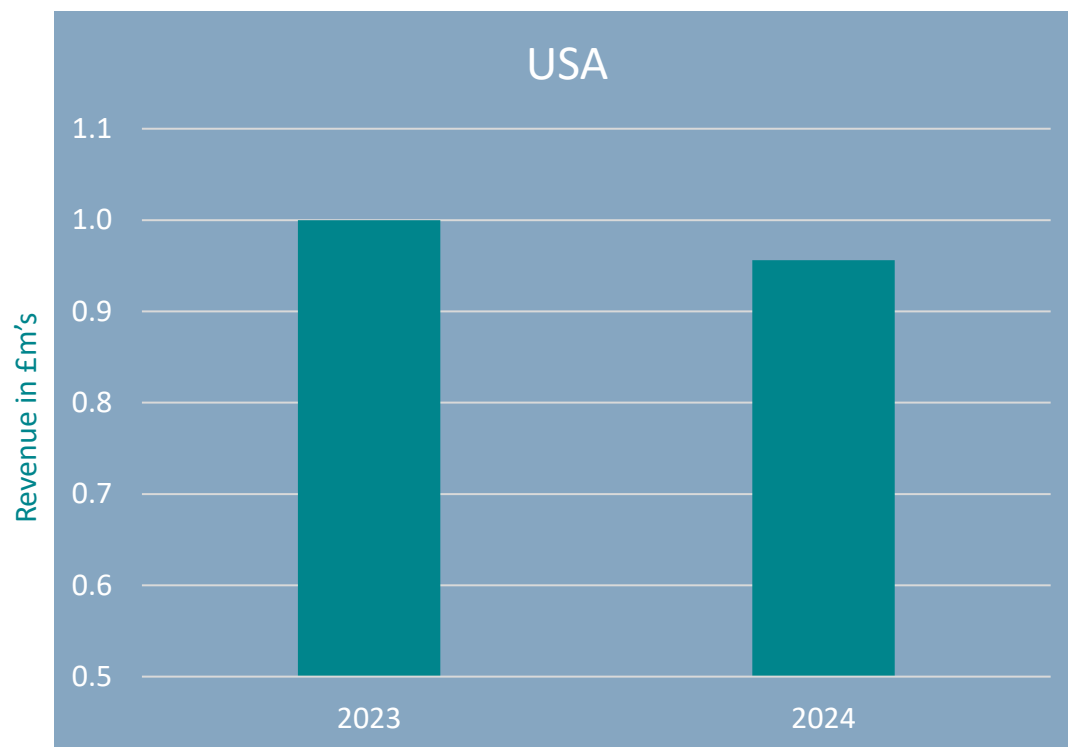


- 12% growth supports focus on training and sustainability
- Sustainability drives key wins in Benelux, Germany and Spain
- 20-hospital trial in Germany to advance sustainable surgery
- Continued rollout of LogiTube to European Market., further opportunity with Illuminated version
- Continuation of successful training and sales & Marketing support programmes to drive growth.

Elemental Sales (incl 3rd Party)

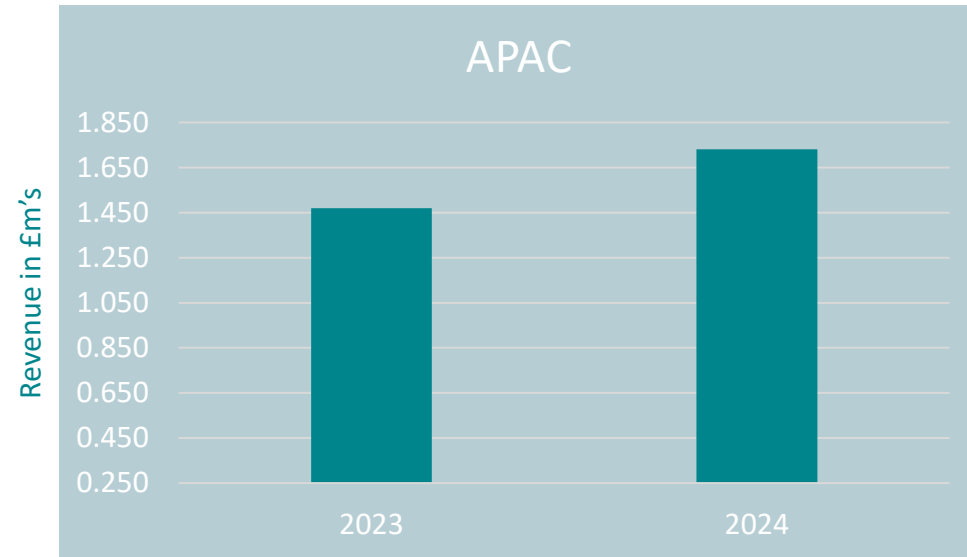


- Decline in sales, 11% v 2023,
 - Strategic decision to move away from low margin products
 - Industrial action in NHS and NHSSC realigning stock
- Extended agreements with Microline (five years)
- New distribution agreements with manufacturers Aspen Surgical and Cipher Surgical both have existing revenue in UK
- Additional Agreement with Veol Medical Technologies which will strengthen offering to Gynaecology
- Two Supply agreements with Private Healthcare Providers

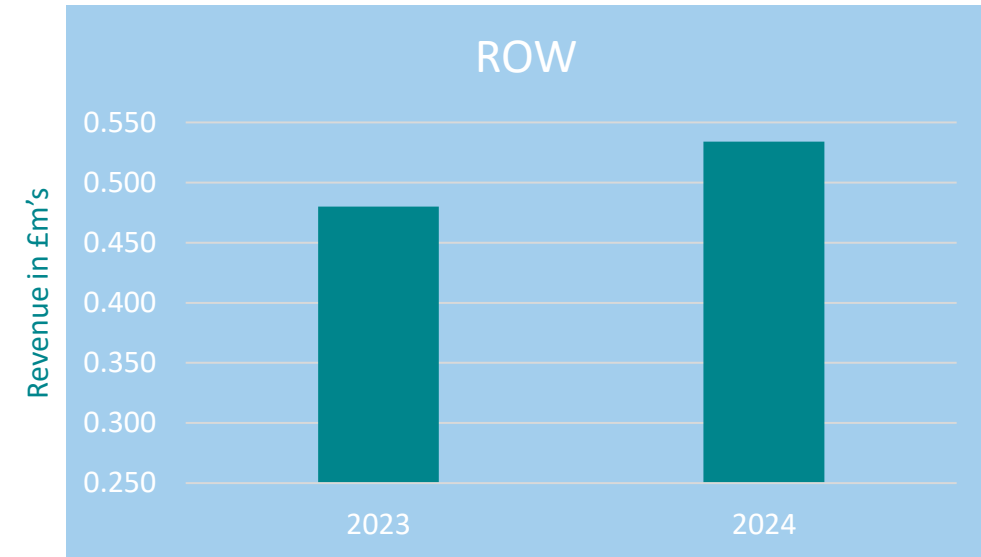


- USA remains problematic, with sales down 4% on 2023
 - Continued pricing pressures
 - Access devices have slow traction
- Reviewing sales strategy for access devices
- Working on alternate route to market for scissor business outside South Eastern states
- Impact of Tariffs creates some uncertainty but also some potential upside

APAC and ROW Sales



- Growth of 12% in the region
- Opportunities to extend portfolio registration in key markets of Japan and India
- Some headwinds in Australia and NZ, new dealer slow to gain traction



- Growth of 10%
- Distributor switch in Canada proving to be positive.
- Israel continue to grow despite domestic challenges
- Tariff impact provide opportunity with wider portfolio in Canada

OEM Sales



- Growth of 6%
- Resolution of supply chain and backorder issues drove growth in 2024
- New OEM opportunity with Steris (previously CareFusion) seeing strong growth in Quarter 1 2025.

Key OEM Partners



- Secure strategic commercial partnerships for Elemental with established revenue streams
- Expand the reach of SI Branded Products in key geographic markets
- Broaden the SI Branded product portfolio to drive growth and differentiation
- Leverage existing SI distribution network to license third-party products to expand portfolio offering
- Capitalise on growing NHS-private sector collaboration by strengthening ties with Private Healthcare Providers
- Embed sustainability as a core value and competitive advantage in key target markets



- Approval of Quality Management System (QMS) enhancements in alignment with the Medical Device Regulation (MDR) requirements
- Achieved MDR compliance and registration for all Class I medical devices.
- Secured full MDR certification for all Class IIa single-use sterile devices, including Logiflex, YelloPort valves, optical trocars, and single-use cannula.
- Obtained MDR certification for all Class IIa reusable devices, such as Pretzeflex, YelloPort cannula and trocars, and locking trocars.
- Completed microbiological audit and received clearance for all Class IIb devices, including approval of completeness checks and submission of technical documentation to BSI for review.

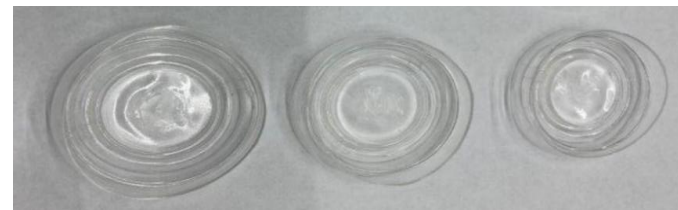


- Submission and certification of all devices and systems to the requirements of United Kingdom Conformity Assessed (UKCA) mark



- Successfully completed audit and maintained certification to ISO 13485 and the Medical Device Single Audit Program (MDSAP), ensuring uninterrupted market access across MDSAP-participating countries, including the United States, Brazil, Canada, Japan, and Australia.
- Secured regulatory approvals and product registrations for key devices in Japan and India, supporting global market expansion.
- Achieved regulatory clearance for two newly developed devices—Logitube and large locking shielded trocars—through comprehensive technical file compilation and issuance of Declaration of Conformity in accordance with applicable regulatory frameworks.

- Targeted R&D investment focused on high-impact projects
- New materials enabling cost reduction and in-house manufacturing
- Development of an innovative illuminated calibration tube to support next-gen procedures
- Accelerated redesign of shielded trocar tip to meet rising demand in gynaecological applications



Materials

Move from Silicone to TPE for core component in YelloPort Elite



New Product 2025

Illuminated version of calibration tube provides greater visualisation and safety



Rapid market response

redesign of trocar tip to address speciality specific applications

Financials



Financial Highlights

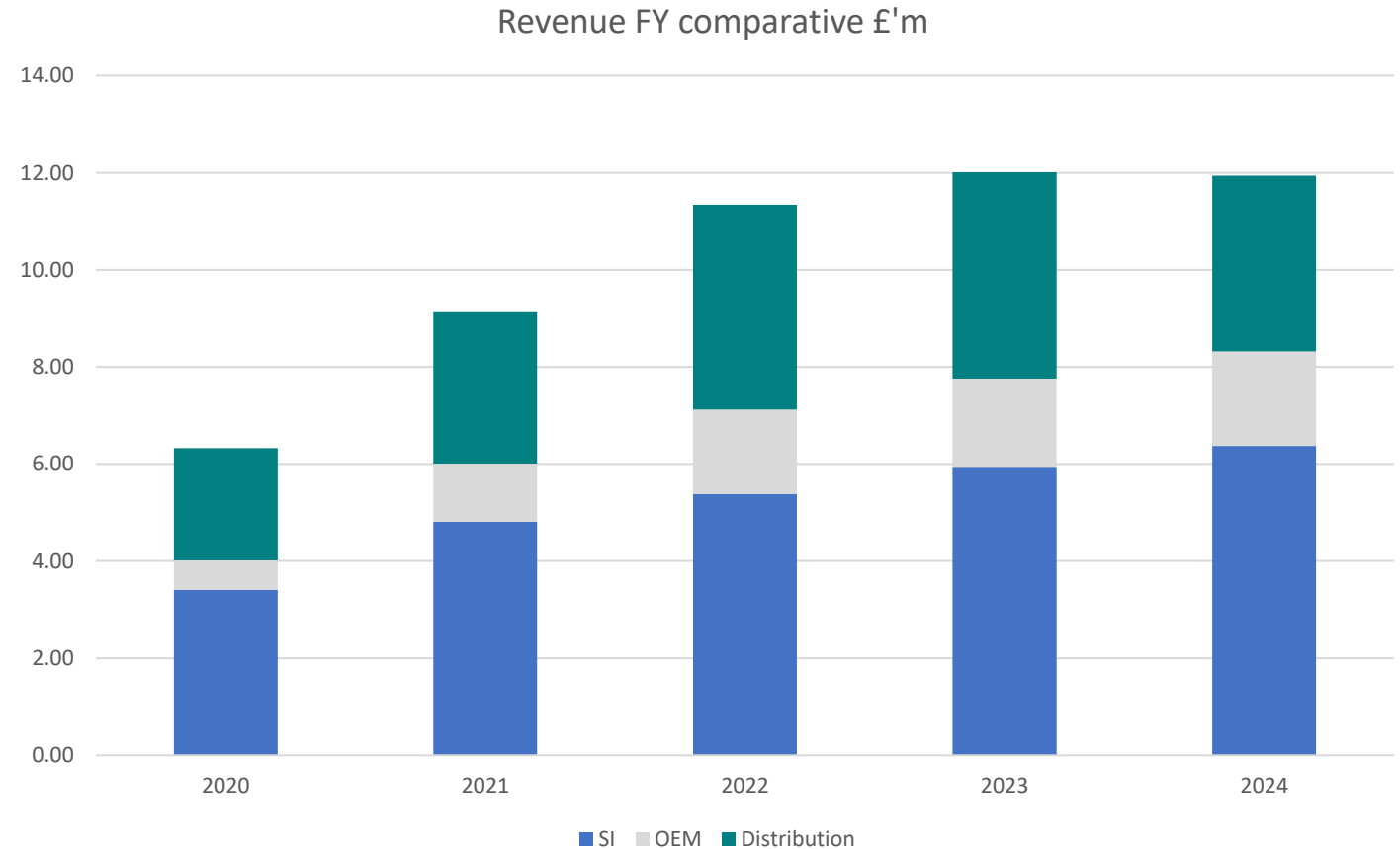
	2024	Change vs. prior comparative	2023
Revenues	£11.95m	-0.5%	£12.01m
Underlying gross margin	30.6%	-7.3%	37.9%
Adj. EBITDA ¹	£0.05m	£-0.15m	£0.20m
Adj. operating (loss)/profit ¹	(£0.63m)	£-0.16m	(£0.47m)
Adj. (loss)/earnings per share (pence) ¹	(0.07p)	-0.02p	(0.05p)

1. Adjusted EBITDA, adjusted operating (loss)/(profit) before tax and Adjusted EPS are stated before deducting non-recurring/ exceptional costs of £0.15m (2023:£0.01m), impairment of intangible costs of £1.16m (2023: £nil) and share based payment costs of £nil (2023: £0.03m)

Revenue Analysis

Year-on-year organic growth

- Surgical Innovations (SI) branded sales increased by 6.8% to £6.3m
- Distribution sales decreased 14.7% to £3.6m
- OEM sales increased 6.6% to £1.9m



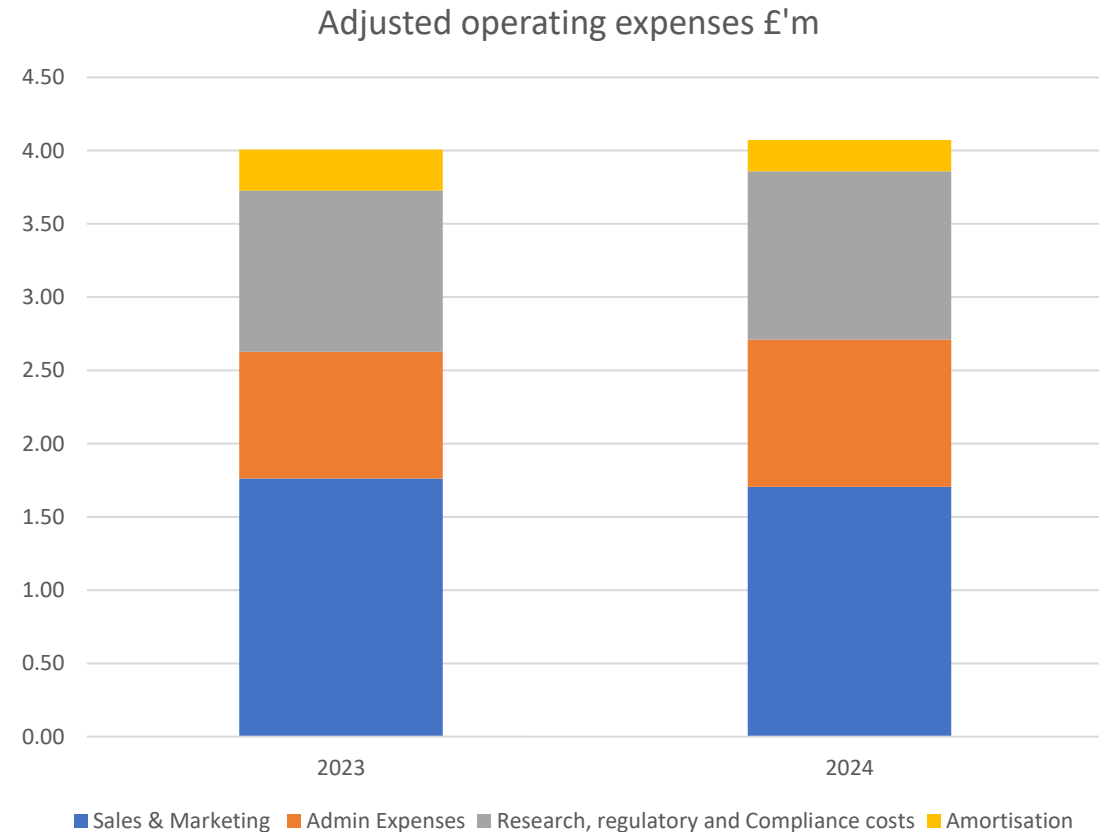
Margin Analysis

- Commercial margins reduced to 30.6% (2023 37.9%) reflecting impact of inflation & higher material prices across range.
- Overall contribution margin holding to PY levels due to improved net cost of manufacturing, and lower 'non material' costs, including comp & bens, which have reduced YOY (employee numbers reduced 13%; Comp & Bens reduced 14.2%).
- Cost reduction initiatives for both direct and indirect were implemented in 2024
- Emphasis on margin improvement continues to be a key priority, through enhancement of sales offering, strategic sales price increases, and close management of cost base

Gross Margin Analysis	2024	2023
	£'m	£'m
Revenue	11.95	12.01
Cost of Sales	(8.28)	(7.46)
Underlying gross margin	3.66	4.55
Underlying gross margin %	30.6%	37.9%
Net Cost of Manufacturing	(0.23)	(1.11)
Contribution Margin	3.44	3.45
Contribution Margin %	28.8%	28.7%

Operating Expenses

- Adjusted operating expenses¹ increased to £4.1m (2023: £4.01m)
- Ongoing investment in Sales & Marketing to support growth
- Several one-time cost headwinds associated with restructuring activities in the year impacting cost base
- Close management and control of discretionary spend throughout 2024



1. Adjusted operating expenses are stated before deducting non-recurring/ exceptional costs of £0.15m (2023:£0.01m), impairment of intangible costs of £1.16m (2023: £nil) and share based payment costs of £0.03m (2023: £0.03m).

Financial Position

	31 Dec 2024	31 Dec 2023
	£'m	£'m
Tangible assets	1.50	1.70
Intangible assets	5.42	6.53
Total non-current assets	6.92	8.23
Inventories	2.97	2.85
Trade receivables	1.75	1.58
Other current assets	0.41	0.44
Trade & other payables	(1.57)	(1.63)
Accruals and deferred Income	(0.69)	(0.38)
Total working capital	2.87	2.87
Cash & cash equivalents	0.20	1.21
Borrowings	(0.50)	(0.85)
Right of Use Lease obligations	(0.74)	(0.81)
Total net cash	(1.05)	(0.45)
Adjusted net cash¹	(0.54)	0.36
Other	(0.17)	(0.17)
Net assets/total equity	8.54	10.48

- Investment
 - Capital expenditure of £0.1m
 - Investment in product development continues £0.27m (2023:£0.41m)
- Inventory levels ticked up across year & ongoing area for reduction measures
- £1m invoice discounting facility remains largely undrawn
- Bank remain a supportive stakeholder

1. Adjusted net cash is gross cash less bank borrowings excluding Right-of use lease obligations

Significant Opportunities to utilise Distributor network with 3rd Party products

- A number of opportunities for evaluation

Increasing demand for Surgical Innovations Branded Products

- Sustainability message resonates in more key markets

New Long-Term Agreements with Key Suppliers

- Secures and underpins UK distribution model

New Supply Agreements with UK Private Healthcare Providers

- Capitalises on NHS reliance on private sector to reduce backlog of elective surgery

Operational Efficiencies Benefits

- Streamlined structure leading to cost savings, improved bottom-line performance and competitiveness