

# Bioquell PLC

## Investor Presentation

26<sup>th</sup> July 2017

Interim results 2017

Ian Johnson, Executive Chairman

Michael Roller, Finance Director

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# Executive team

## Ian Johnson, Executive Chairman

Joined the Board in June 2016 as non-Executive Chairman, was appointed as Executive Chairman in August 2016. He is currently also non-Exec Chairman of Quantum Pharma plc and has previously been Chairman of Cyprotex plc and Celsis Group. He has served on the boards of various public and private companies in strategic consultancy and business development capacities. He studied Microbiology at Cardiff University.

## Jay LeCoque, Commercial Director

Joined the Board on 24th August 2016. Jay was CEO of Celsis International Ltd (formerly Celsis International plc) from 2000 to 2015. He joined Celsis during its start-up days in 1995 as a Director of Global Business Development.

LeCoque previously worked for Baxter Healthcare (NYSE) and AptarGroup (NYSE) in various global sales and marketing roles. LeCoque received his MBA from Northwestern **University's Kellogg Graduate School of Management** in 1991 and his BS from Miami University in Oxford, Ohio in 1985.

## Michael Roller, Group Finance Director

Joined the Board on 19 March 2014. He has previously been Finance Director of a number of quoted companies, most recently Corin Group plc, has significant experience within the Life Sciences sector and is a non-executive director of Filtronic plc. He has also held a number of other senior finance roles in a broad range of listed and private companies. He qualified as an accountant with KPMG.



# Key Developments in H1 2017

- Continuing to simplify the business and focus on core bio-decontamination growth
- Key hires in the USA for Life science sales team
- New products for LS over next 12 months
- Good progress on re-branding, new website and product names

# Focus on core Bio-Decontamination business

(98% of Group Revenues for H1)

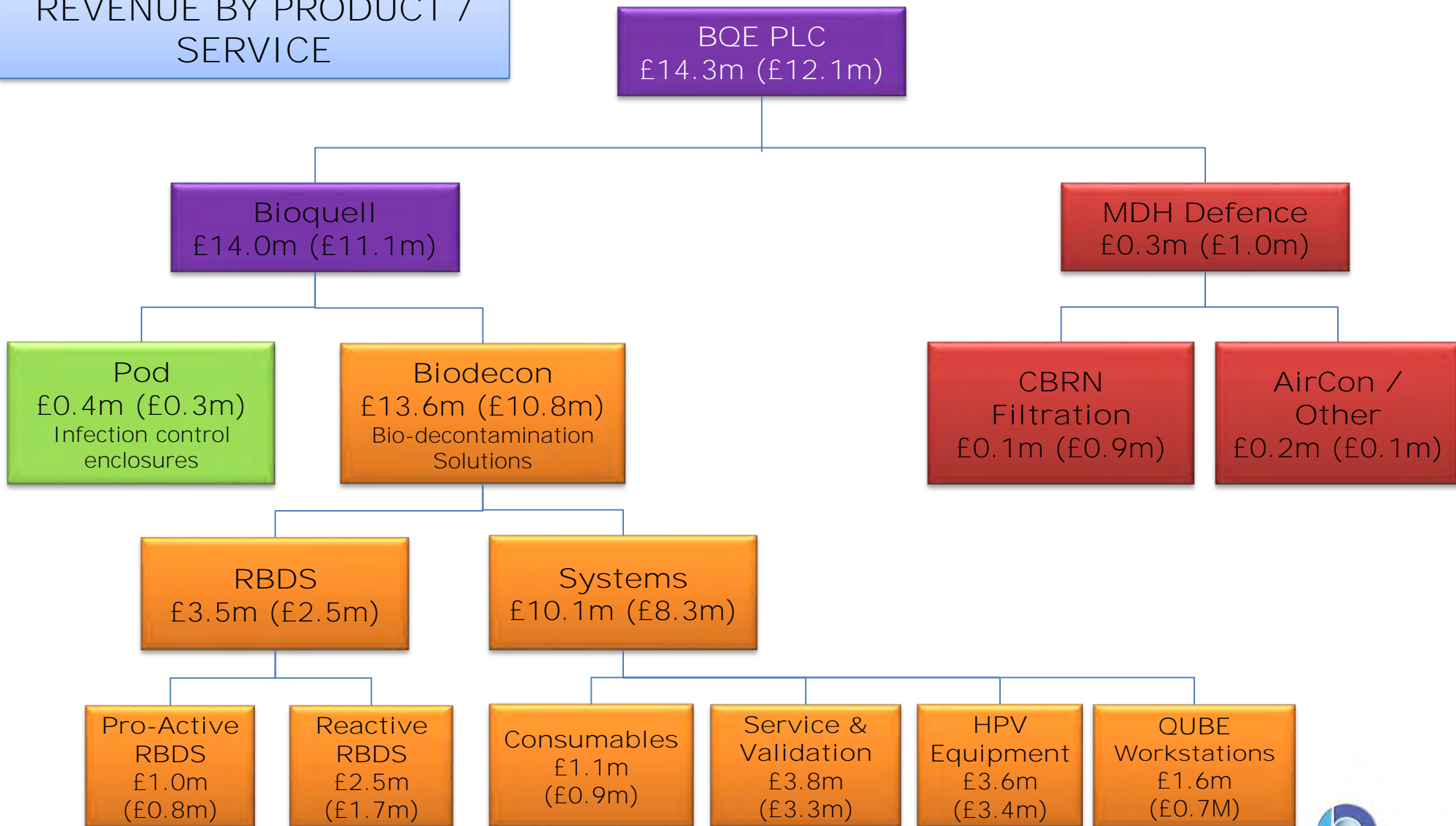
- new initiatives to drive top line growth
  - building US Life Science sales & marketing team
  - new LS market development role
  - Global Corporate Account Management (GCAM) & west coast account manager hired
  - new customer propositions
  - New products for LS over next 12 months
- Continue emphasis on captive consumables & recurring revenues
- A programme of product improvements, upgrades and enhancement of the RBDS equipment fleet is underway

# MDH Defence business

(2% of Group Revenues for H1)

- Non-core business providing environmental control equipment including chemical, biological, radiological and nuclear (CBRN) filtration products for vehicles and shelters
- MDH Defence was re-launched as a separate division of the Group to create further awareness of its capabilities.
- Additional sales and marketing resource was put in place to provide better visibility of revenues and to establish a strong order book.
- There is growing evidence that this is beginning to work as the number of prospects in the pipeline has increased significantly and new customers have been added in the last six months which will generate revenues in the second half onwards

H1-2017 (H1-2016)  
REVENUE BY PRODUCT / SERVICE



# Summary revenue data

£m		H1 2017	H1 2016	Δ%	Constant currency Δ
Bio-decontamination	:	14.0	11.1	27%	17%
Defence	:	0.3	1.0	(68%)	(68%)
<u>Total revenues</u>	:	<u>14.3</u>	<u>12.1</u>	<u>19%</u>	<u>10%</u>

Bio-decontamination revenues					
RBDS	:	3.5	2.5	40%	
Systems*	:	10.2	8.5	18%	
POD		0.4	0.3	22%	
		<u>14.0</u>	<u>11.3</u>		
Recurring Revenues		5.7	5.0	14%	
Non-UK revenues	:	11.3 (79%)	9.0 (75%)	4%	
US dollars		c. 50%			
Euro		c. 29%			

\* Systems include: HPV equipment, Qube, consumables, service and validation

# EBITDA

EBITDA (£m)	H1 2017		H2 2016	
	Revenue	EBITDA	Revenue	EBITDA
Bio-decontamination	14.0	3.0	11.1	1.9
MDH Defence	0.3	(0.1)	1.0	0.2
PLC – central costs		(0.4)		(0.5)
<b>TOTAL</b>	<b>14.3</b>	<b>2.5</b>	<b>12.1</b>	<b>1.6</b>



# Other financial information

£m	H1 2017	H1 2016
Gross margin (%)	52%	46%
Overheads*	(6.0)	(5.3)
Cash overheads**	(5.7)	(5.2)
EBITDA	2.5	1.6
EBIT	1.4	0.4

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Balance sheet:		
Net assets	25.0	24.9
Net cash	11.8	7.3

\* IFRS overheads, including amortisation of capitalised R&D costs

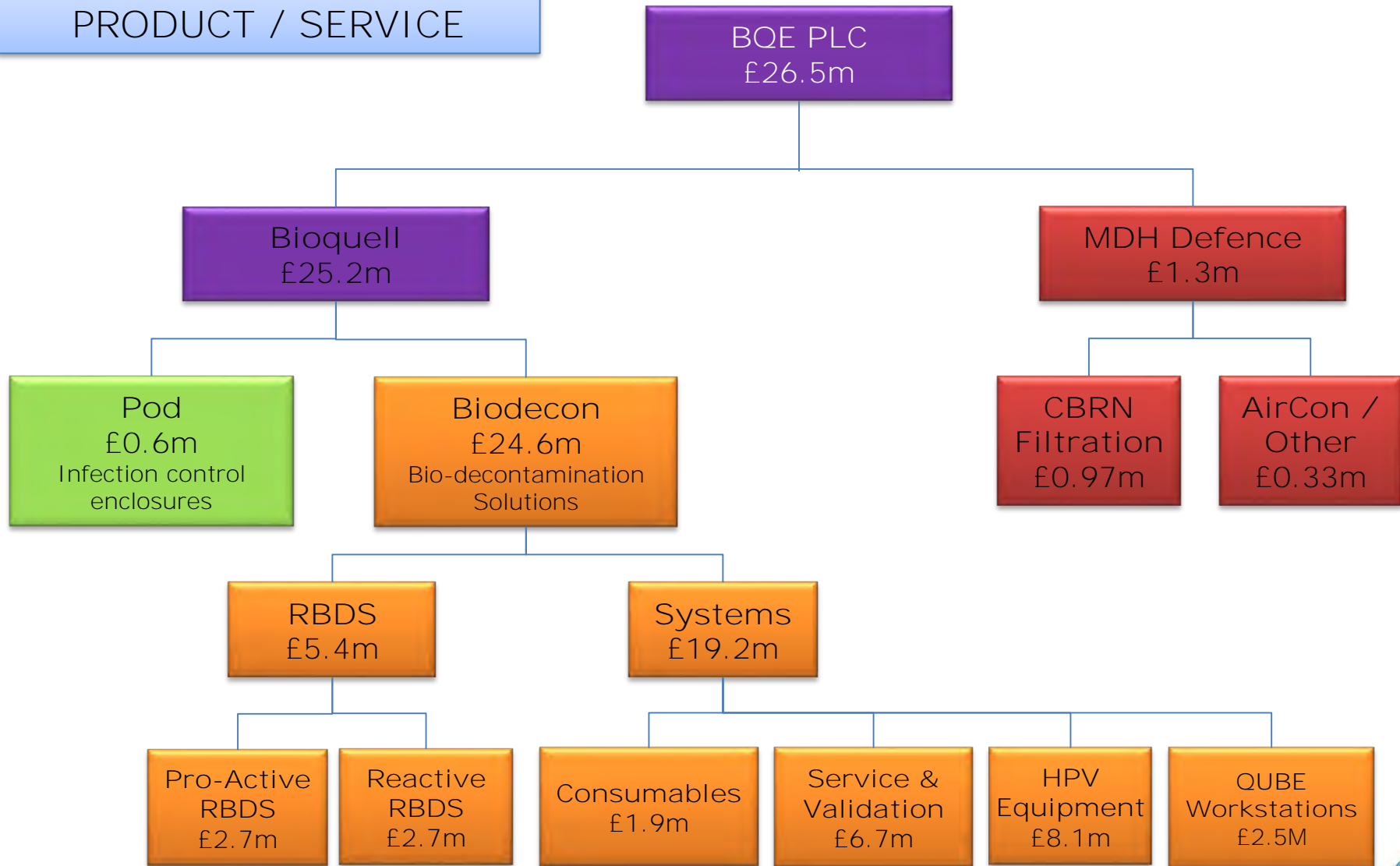
\*\* overheads expensing R&D

# Summary & Outlook

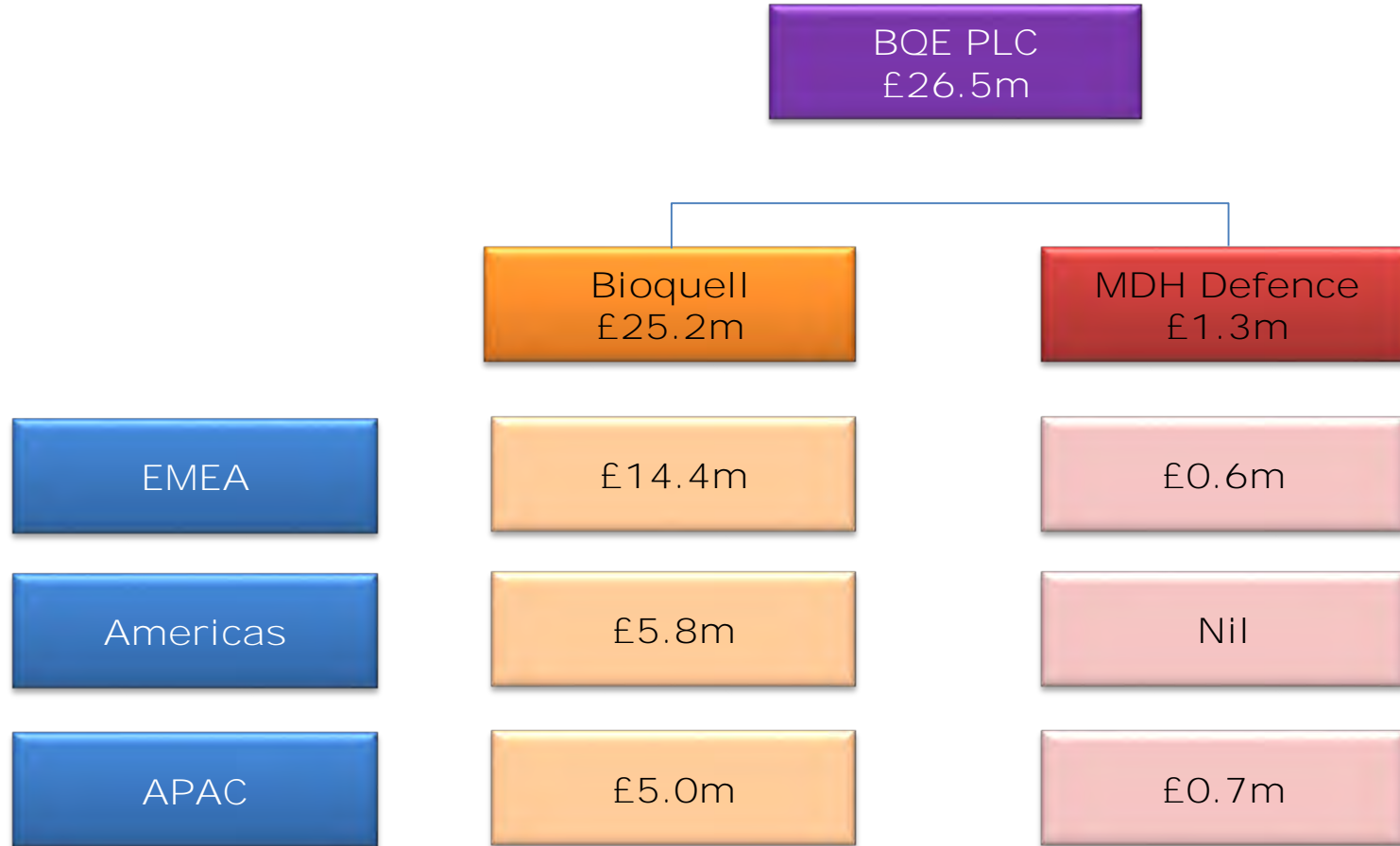
- H2-2017 – similar revenue to H1
- Continuing to focus on simplifying Group and further developing and improving the bio-decontamination business
- Building LS/pharma sales and marketing team in the US. New GCAM person & west coast account manager hired. Just hired east coast account manager.

# Appendices

# 2016 REVENUE BY PRODUCT / SERVICE



# 2016 REVENUE BY GEOGRAPHY



# Bio-decontamination products & services

## Systems

- Mobile systems
- Fixed Systems
- QUBE (aseptic work station)



## Services

- Bio - Decon services:
  - RBDS proactive
  - RBDS reactive
- Preventative maintenance
- Repairs
- Spares
- Validation



## Consumables

- Hydrogen peroxide
- Biological indicators
- Chemical indicators

## Rental

- POD



**Flexible, 'mix & match' approach to providing bio-decontamination solutions, predominantly to the international Life Sciences sector**

# Demand driven by regulatory compliance

**Bioquell's bio-decontamination technology is increasingly regulated...**

**...and also enables clients to achieve regulatory compliance**

EU 72-281

- EU regulation of airborne disinfection systems
- based on a French National standard (which changed market)
- comes into force in February 2017

ISO 18362

- *"Manufacture of cell-based healthcare product – control of microbial risks during processing"*
- should help drive demand for the QUBE



*In the Life Sciences sector, a significant proportion of customers buy from Bioquell to help them achieve regulatory compliance*

# Launch of new fixed (wall-mounted) system



- Bioquell Sequire
- fixed decontamination system with consumable
- minimised foot-print

- demand from clean-room users as well as material airlocks / cleanroom “pass-thrus”
- demand increasingly driven by regulations in Life Sciences sector



*Completion of the Bioquell product range: fixed, mobile and service*



# Evolving drivers of growth for BQ products & services

- complex, rapidly expanding international regulatory environment for the safe production of biologically-sensitive therapeutic products
- demand for cost-effective, fast-to-deploy aseptic environments
- rapid, aseptic transfer of heat-sensitive materials into cleanrooms
- after-sales support & preventative maintenance (NB regulatory requirement)
- **pressure on costs... ..and the use of technology to reduce costs**
- growth in cell-based healthcare products – eg CAR-T
- mitigation of risks and liabilities for complex drug production in hospital pharmacies



*Regulatory compliance is a key driver of growth in the international Life Sciences market*