

## ITL Half Year Results and BioMedical Growth Update

Following the strong first half results announced on Friday 17th February the company is issuing the following presentation - "Half year results 2016/17 and ITL BioMedical Growth Update" - in order to provide greater insight into ITL's innovative products range and the exciting growth opportunities in the BioMedical division.

**ITL Limited ABN 16 088 212 088**

**Unit 1, 63 Wells Road**

**Chelsea Heights, Victoria, 3196**

ITL is an innovative diversified medical technology company that creates and manufactures leading edge medical devices for Operating Theatres, Bloodbanks and laboratories.

ITL's patented medical devices are sold in over 50 countries and protect healthcare workers in millions of procedures annually.

ITL's wholly owned subsidiary MyHealthTest creates and markets highly innovative direct to consumer pathology testing for major chronic diseases.



Ranked 16<sup>th</sup> most Innovative Company by the AFR  
Innovative Companies Awards

### Australian Securities Exchange

Code: ITD

### Ordinary Shares

95,928,314

### Board of Directors

Bill Mobbs	Executive Chairman
Mark Peatey	Non-executive Director
Andrew Turnbull	Non-executive Director
Trevor Doolan	Chief Financial Officer

### ITL Contact

Trevor Doolan	Company Secretary
Phone:	+61 3 8773 3050
Email:	<a href="mailto:info@itl-limited.com">info@itl-limited.com</a>

[www.itl-limited.com](http://www.itl-limited.com)

### Media

Ben Knowles	Walbrook IR
Phone:	+61 426 277 760
Email:	<a href="mailto:ben.knowles@walbrookir.com.au">ben.knowles@walbrookir.com.au</a>

February 2017



## 2016/17 First Half Results & ITL BioMedical Growth Update





# Agenda

- 2016/17 Half Year Results
- Financial Position
- Performance by division
- BioMedical Division – Growth Opportunities
  - Blood Culture Testing Ancillaries
  - SampLok® Sampling Kit (SSK)
  - Global Distribution Agreement with bioMerieux



# Introduction

ITL is an innovative diversified medical technology company that creates and manufactures leading edge medical devices for Operating Theatres, Bloodbanks and laboratories across the globe.

ITL currently holds 48 patents and is selling into 55 countries

**Innovating to Make Life Easier™**



## 2016/17 First Half Results (Unaudited)

Profit and Loss Statement	31/12/2016	31/12/2015	Increase
Revenue	\$17.5m	\$15.7m	11%
EBITDA	\$2.8m	\$1.6m	69%
PBT	\$2.1m	\$1.0m	110%
NPAT	\$2.1m	\$1.0m	104%
Earnings per share	2.2 cents	1.2 cents	83%



## 31/12/16 Financial Position (Unaudited)

Balance Sheet Measures	31 December 2016	30 June 2016
Net Assets (Total Equity)	\$16.1m	\$14.3m
Cash	\$1.4m	\$0.6m
Borrowings	\$6.4m	\$6.1m
Net Debt	\$5.0m	\$5.5m
Gearing (Net Debt / (Net Debt + Equity))	24%	28%
Net Asset Backing per share	16.8 cents	15.0 cents
Net Tangible Asset Backing per share	10.4 cents	9.1 cents



# Performance by Division to 31 December (Unaudited)

\$million	HCA*	BioMed*	MHT	Other	Total
<u>Revenue:</u>					
2016	10.6	8.6	-	(1.7)	17.5
2015	10.1	6.8	-	(1.2)	15.7
<u>EBITDA:</u>					
2016	1.2	2.5	(0.3)	(0.6)	2.8
2015	0.5	1.6	-	(0.5)	1.6
<u>EBIT:</u>					
2016	1.1	2.2	(0.3)	(0.7)	2.3
2015	0.3	1.4	-	(0.5)	1.2

\* Includes H/O Corporate Recharges



# First Half Results Summary

- Significant growth in demand for ITL BioMedical's highly innovative SampLok® Sampling System ("SSK")
- Global Distribution Agreement for SSK signed with bioMérieux, a French multi national diagnostic solutions company
- Contract wins across Australia and overseas
- Contract renewals across all divisions
- Growing portfolio of innovative and client inspired products
- ITL BioMedical's EBITDA grew 54% to \$2.5m. The division is expected to see strong growth continue as sales of its innovative products increase within the large and fast growing existing and potential new markets





# ITL BioMedical Overview

- ITL BioMedical develops and manufactures a range of specialty products for the global clinical, blood banking, and microbiology/laboratory markets
- Leading products include SampLok<sup>®</sup> Sampling Kit (SSK), Safety SubCulture Unit (SCU), SampLok<sup>®</sup> tube holder and DonorCare<sup>®</sup> Needle Guard
- ITL's products and IP have been developed over many years and are protected currently by 48 patents (and growing) which has allowed the business to generate consistently high gross margins
- In 2014 ITL began a renewed focus on the global potential of ITL BioMedical's products in the Blood Culture Testing (BCT) market
- This saw a 22% growth in sales for FY16 and 27% growth in 1H17 as well as a number of new contracts and expanded distribution agreements signed over the last 12 months



# Blood Culture Testing (BCT) Market

- The blood culture testing market was estimated to be worth US\$3.3b in 2016 growing to US\$4.8b by 2021, a CAGR of 8%<sub>(1)</sub>
- North America is the largest market with Asia expected to experience the fastest growth
- The market is growing due to an increase in the number of sepsis cases, rapidly ageing population and a growing recognition of the need to test blood samples for the presence of bacteria
- The market leaders include: bioMerieux, BD, Thermo Fisher and other specialised suppliers
- ITL BioMedical is a growing provider of specialist ancillary products for the blood culture testing market. ITL's products enable transfer of sample into and out of the sample testing bottles

(1) [www.marketsandmarkets.com/PressReleases/blood-culture-test.asp](http://www.marketsandmarkets.com/PressReleases/blood-culture-test.asp)



# The Opportunity for the Clinical and Laboratory BCT Market

- Most immuno-compromised patients around the world are tested for sepsis (bacteria in the blood)
- One large blood culture test provider estimates sales of 120 million reagent bottles per annum. Most patients are tested with aerobic and anaerobic reagent bottles simultaneously, and some are tested multiple times while in hospital
- ITL has a range of specialised adaptor caps to facilitate collection of patient samples for bacterial screening. Estimated annual market for adaptor caps is ~ 60 million
- If a collected sample is positive a small amount is transferred from the reagent bottle for further testing to identify the bacteria to determine the treatment
- ITL's Safety SubCulture Unit safely and without a needle, facilitates sample transfer from the bottle for further testing.



# The Opportunity for the Blood Banking BCT Market

- The last 10-15 years have seen the transition from the sourcing of platelets through whole blood collection and separation to the use of automated methods, which produce apheresis platelets, used for transfusion to patients (typically cancer patients)
- The potential for bacterial contamination of platelet components is known to be one of the biggest risks for patients receiving transfused platelets, with the elderly and immuno-compromised most at risk
- Bacterial testing of platelet components is a rapidly growing market as more countries implement stricter regulations and/or mandatory testing. USA, Canada, and Australia enforce strict bacterial testing requirements and test the vast majority of all platelet components whereas France, the 3rd largest European market for platelet volumes<sup>(2)</sup>, performs little/no testing
- ITL's relationship with bioMerieux, a leader in the US\$60b in vitro diagnostics industry, is important to leverage growth in this market

(2) [http://ec.europa.eu/health/sites/health/files/blood\\_tissues\\_organs/docs/20150408\\_cc\\_report\\_en.pdf](http://ec.europa.eu/health/sites/health/files/blood_tissues_organs/docs/20150408_cc_report_en.pdf)



# Blood Culture Testing: Innovative Ancillaries Portfolio

- ITL's Blood Culture Testing Ancillaries Portfolio
  - Provides innovative ancillaries for multiple markets: Clinical, Blood Banking and Laboratory
- Product Focus
  - Safely collecting and transferring patient and donor blood samples into and out of blood culture bottles for testing
- Collecting samples: range of Adaptor Caps and SSK
- Transferring samples: range of Safety SubCulture Units (SCU)



- In the event the blood culture sample tests positive for the presence of bacteria there is a need for further testing to identify the bacterium
- SCU is used in the laboratory to transfer the sample from the testing bottle to a slide or other mechanism for further testing
- ITL BioMedical recently signed a 5 year distribution agreement with bioMerieux Canada for SCU. Subculture procedure volumes are estimated to be 700k – 1m annually in the Canadian market



# ITL SampLok Sampling Kit (SSK)

- SSK is a single-use, consumable medical device designed to provide a simple, safe solution for obtaining platelet or cellular product samples for bacterial detection or other testing
- SSK is used to transfer platelets from the donor bag to the testing bottle (e.g. as part of bioMerieux's bacT/ALERT testing system)
- ITL BioMedical has sold SSK in the US and UK via its distributors for over a decade with the product having been continually improved over that period
- In 2016 ITL BioMedical had significant success in expanding SSK sales worldwide including signing a global distribution agreement with bioMerieux, a multi-year tender with the UK's NHSBT, contracts with US blood banks and distributors, and Taiwan FDA approval
- SSK is one of ITL's biggest profit generators and now has substantial opportunities for further international growth primarily through the expanded global distribution agreement with bioMerieux





# SSK Global Distribution Agreement with bioMerieux

- bioMerieux is a multi-billion dollar biotechnology company headquartered in France and is a global leader in the clinical diagnostics market
- bioMerieux's bacT/ALERT® is the dominant system used in the process of testing platelets for bacteria in the blood banking market. SSK is used as an ancillary product as part of the system.
- In October 2016 ITL BioMedical announced it had signed a global distribution agreement for SSK with bioMerieux. The previous agreement was only for the UK whereas the new agreement includes bioMerieux's entire network of over 155 countries
- Volumes of SSK are expected to pick up substantially and will drive sales and profit growth for ITL BioMedical
- There is the opportunity for the global distribution agreement to be extended to other ITL BioMedical products, both existing and in development



- Robust new innovative product pipeline
- Multiple ancillaries for the blood culture market are expected to be commercialised within the next 12 months



SampLok® Adaptor Cap 2



Segment Sampler



Universal Adaptor Cap



## ITL BioMedical – An Exciting Future

- Significant growth in first half 2016/17 with EBITDA up 54% to \$2.5m
- Diversified market and product portfolio spanning clinical, laboratory and blood banking markets
- Refocus on Blood Culture Testing (BCT) market has already produced a series of successes
- BCT market estimated to be worth \$3.3bn in 2016 and \$4.8bn by 2021
- Global Distribution Agreement with BioMerieux, a leader in the US\$60b in vitro diagnostics industry, gives ITL exposure to 155 countries
- Significant growth in SSK sales anticipated, already one of ITL's biggest profit generators



Voted Australia's 16<sup>th</sup> most  
Innovative Company by the  
Financial Review

