



October 2015

# Uscom (UCM) – Global Medical Devices and Revenue Growth



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**Executive Chairman/CEO**

*The Measure of Life*

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# Disclaimer



# Uscom

*“A rapidly growing Australian medical device company with world leading products and a strategic global vision...”*



## ***“Products generate profit”***

Outstanding science

Experienced and sector leading people

High growth (+50% pa), innovative medical device company

Key cardiovascular pulmonary markets with multiple products

De-risked technology

Strategic growth from recent acquisitions

Valuable IP with high margins (75+%)

Growth from US focus and reimbursement

Marketing of new product lines

Fundamentals to drive value

Value investment



# Uscom vision

***Company of the Year, 2014***

***Johnson & Johnson Innovation Industry Excellence Awards***

*“A milestone driven, rapidly growing global medical device company, with real products, real revenue, real growth and an aggressive growth strategy”*



# Current Business

- Premium noninvasive cardiovascular and pulmonary monitoring devices
- Addressing the growing threat of superbugs, heart failure, hypertension and asthma
- Validated, clinically accepted, cost and life saving devices with critical applications
- IP protected with regulatory approvals
- Uscom BP+ for market 2016 - \$7m over 5years Chinese contract in place
- +50% revenue growth in Asia and Europe, with US market ahead

## Corporate

- ASX listed (UCM)
- Headquartered in Sydney
- Market cap of \$15m
- 92m shares on issue
- Rob Phillips, Founder and CEO, holds 20% of company

## Board & Management

- Rob Phillips, Chairman & CEO
- Sheena Jack, Director (HCF, Moneytime Health)
- Christian Bernecker, Director (Stream)
- Nick Schicht, General Manager

## Financials

- Sales +59% 2015
- Revenue +48% 2015 (\$2+m)
- Cash consumption - <\$1m
- Gross Margins ~ 78%
- Cash ~ \$2m

# Strategic growth

*Complementary products and technology*

## Fluid, Sepsis & Heart Failure

- US 1.3bn market \*
- CAGR of 7.6% \*
- CE, FDA, TGA, CFDA

### USCOM 1A

Cardiac Output Monitoring



## Hypertension & Vascular Health

- US 1.7bn market \*
- CAGR of 11.5% \*
- CE, FDA, TGA

### BP+

Blood Pressure Monitoring



*Acquired July 2013*

## COPD & Asthma

- US 400m market \*
- CAGR of 6.5% \*
- CE, TGA, FDA

### Thor

Pulmonary Monitoring



*Acquired Sept 2015*



# USCOM 1A

***Non invasive, accurate, compact technology platform solution  
Heart failure, hypertension, sepsis***

Accurate cardiac output

Cardiac stroke volume

Systemic vascular  
resistance

Left + right heart  
measurement



Works with all other  
hospital equipment

Intuitive touch screen

Real time data

Platform technology  
with multiple uses

Non invasive, real time, beat-to-beat haemodynamics

# Uscom BP+



## ***Central BP - New Wave Supra-systolic Oscillometry Central Blood Pressure and Pulse Pressure Wave Analysis The new standard for hypertension***

- FDA, CE Mark, TGA approvals
- Supra-systolic Central BP+
- Reliable and accurate
- Central and Brachial BP
- Replaces sub-systolic methods (cuff)



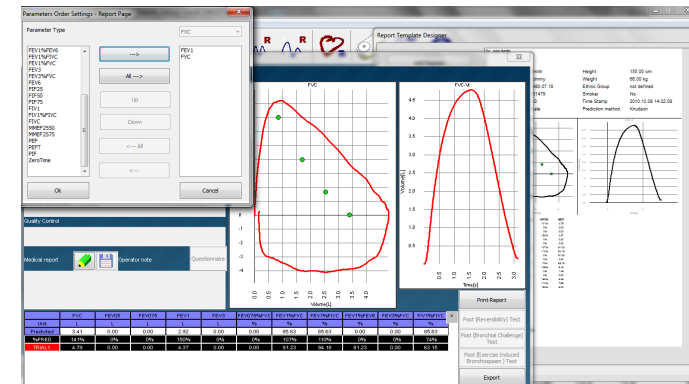
- Home or clinic
- PPW Analysis
- Results in 30 seconds
- No training required
- Platform technology with multiple uses

**Stand alone, non invasive, accurate, compact system**

# Uscom Thor Spirometry

***Central BP – High fidelity digital Ultrasonic spirometry  
For asthma, COPD, and drug compliance monitoring***

- Digital ultrasonic spirometry
- Dual pathway ultrasonic sensing
- FDA, CE Mark, TGA approvals
- Reliable and accurate
- Auto calibration
- Research, home and clinic
- Wireless transmission
- Thorsoft analysis software
- FloFree tube – low resistance
- Software guided examination and report
- Simple to sterilise
- Platform sensors with medical and industrial applications



**Stand alone, non invasive, accurate, compact system**

# De-Risked technology

*Featured in 400+ peer reviewed publications and presentations*



**Sepsis, Heart failure, Hypertension, Fluid management, Emergency, Pediatrics, Cardiac transplantation, Electrophysiology, Emergency transport, Anesthesia, Liver transplantation, ICU, Pre-eclampsia, Pulmonary hypertension, Nurse outreach, Organ procurement, Haemodialysis, Neonates, infants, Children etc.....**



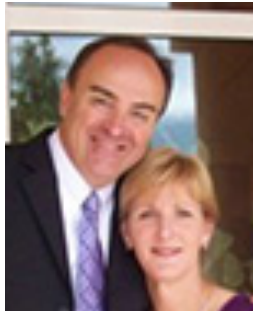
# Global People

**Nick Schicht**



**Global**

**Steve Haken**



**Euro**

**Andrew Kenig**



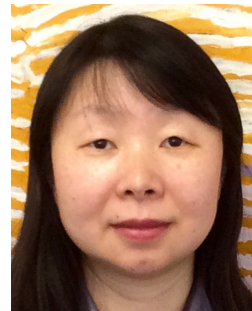
**Aus**

**Denise Pater**



**Global**

**Tina Wu**



**Global**

**Rik Denicke**



**USA**

**Rob Phillips**



**Global**

**Bev Jacobson**



**Global**

**Richard Scott**



**Global**

**George Tang**



**Aus**

**Lindy Belleza**



**Aus**

**George Ferenczi**



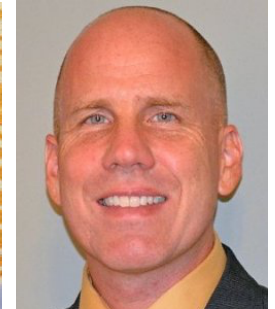
**Global**

**Hagay Gilad**



**Aus**

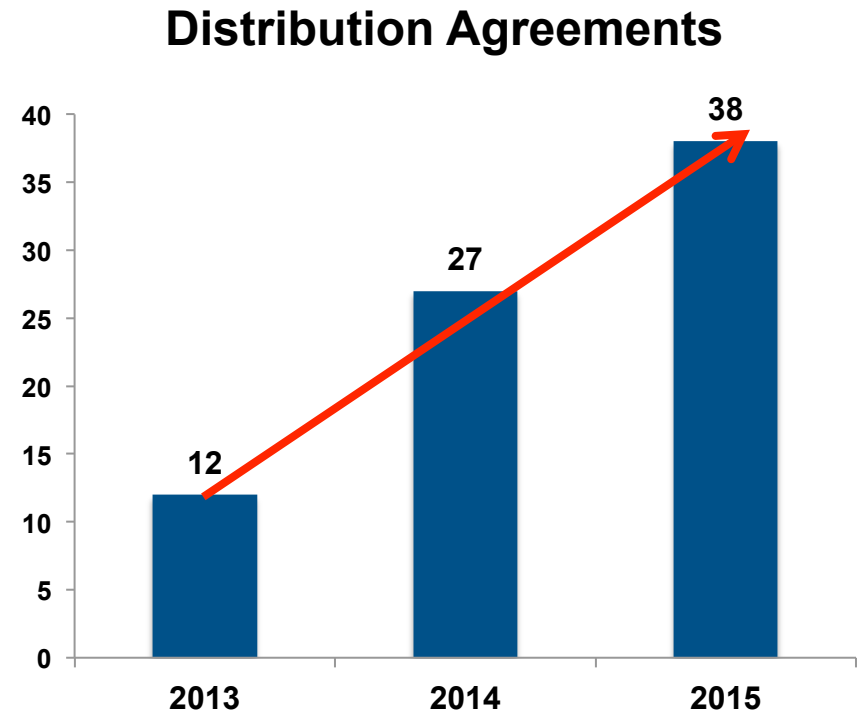
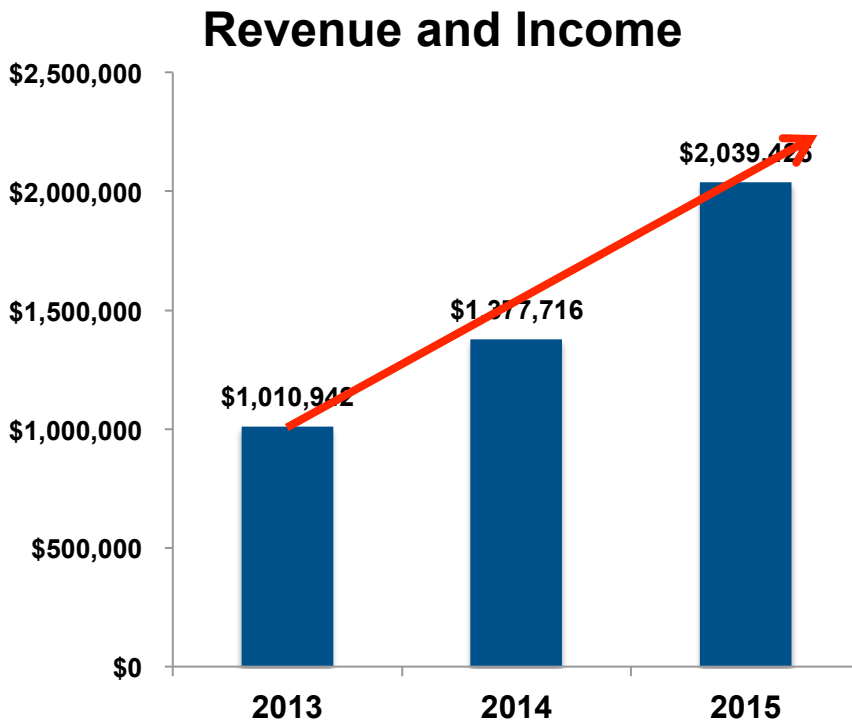
**Steve Wilson**



**USA**



# Results - Growth



*Current revenue only from USCOM 1A  
BP+ and Thor revenue in 2016  
Distribution – sales – revenue*

# New Acquisition



***Uscom has acquired 100% of Thor Laboratories - Asthma\****

## Company Overview

- High fidelity digital Doppler spirometry devices
- Established manufacturing - 15 years
- Global reach
- Reimbursement in multiple markets
- Strong R&D and grant history
- Partners in Home Care Asthma in the USA

## Uscom benefits

- Cash flow positive, revenue of \$500k
- Accredited international manufacturing
- 4 + 3 products, CE, FDA, TGA approvals
- Global distribution
- Technical R&D team 16 engineers
- Marketing and management

**Synergy of science, operations and strategy**

# New Products - Asthma

## Products in Market

### Digital Doppler Spirometer

Home use



### With Diagnostics and WIFI

Digital wifi spirometer



### Professional System

Desktop with advanced software analytics



## New Products

### New – AsthmaHero

Drug delivery measure  
Telemetry to iPhone app  
Smart spacer  
Patient interactive



### New - BreatheSmart

Digital wifi spirometer  
Remote clinical monitoring  
Cloud diagnosis



### New - Whistler

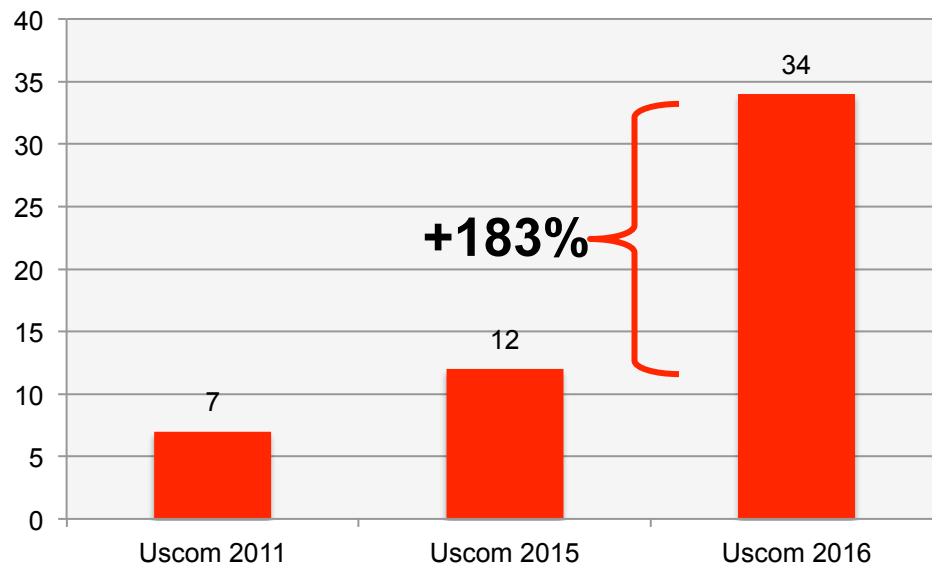
Neonatal Asthma diagnostic



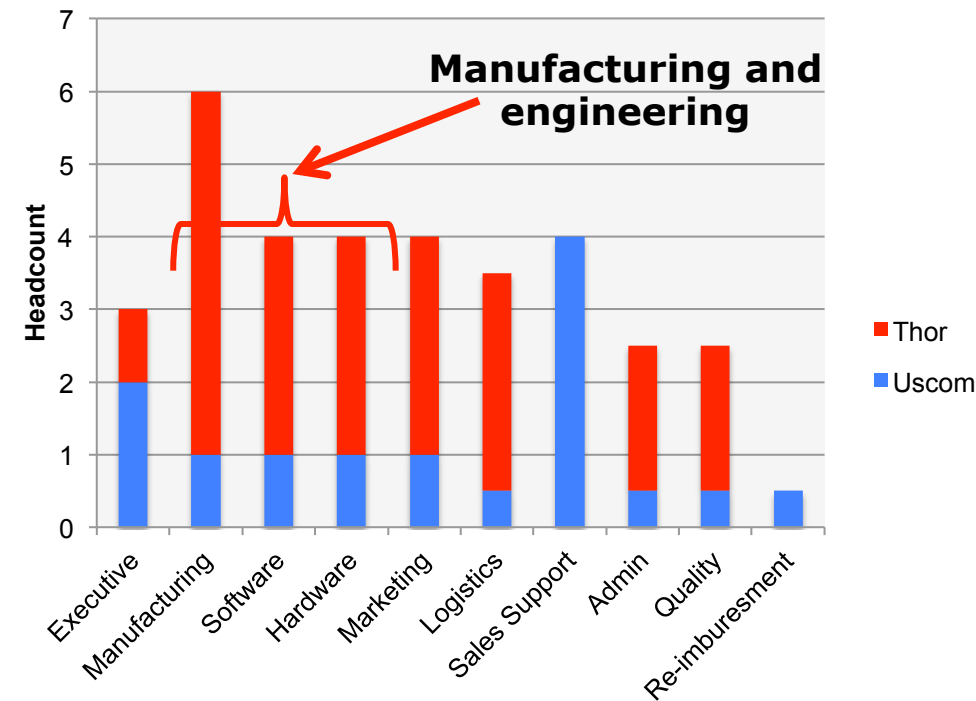
# People and Manufacturing

Post acquisition headcount

Total Headcount



Combined Headcount



More people and More Manufacturing = More Revenue

# Thor Manufacturing



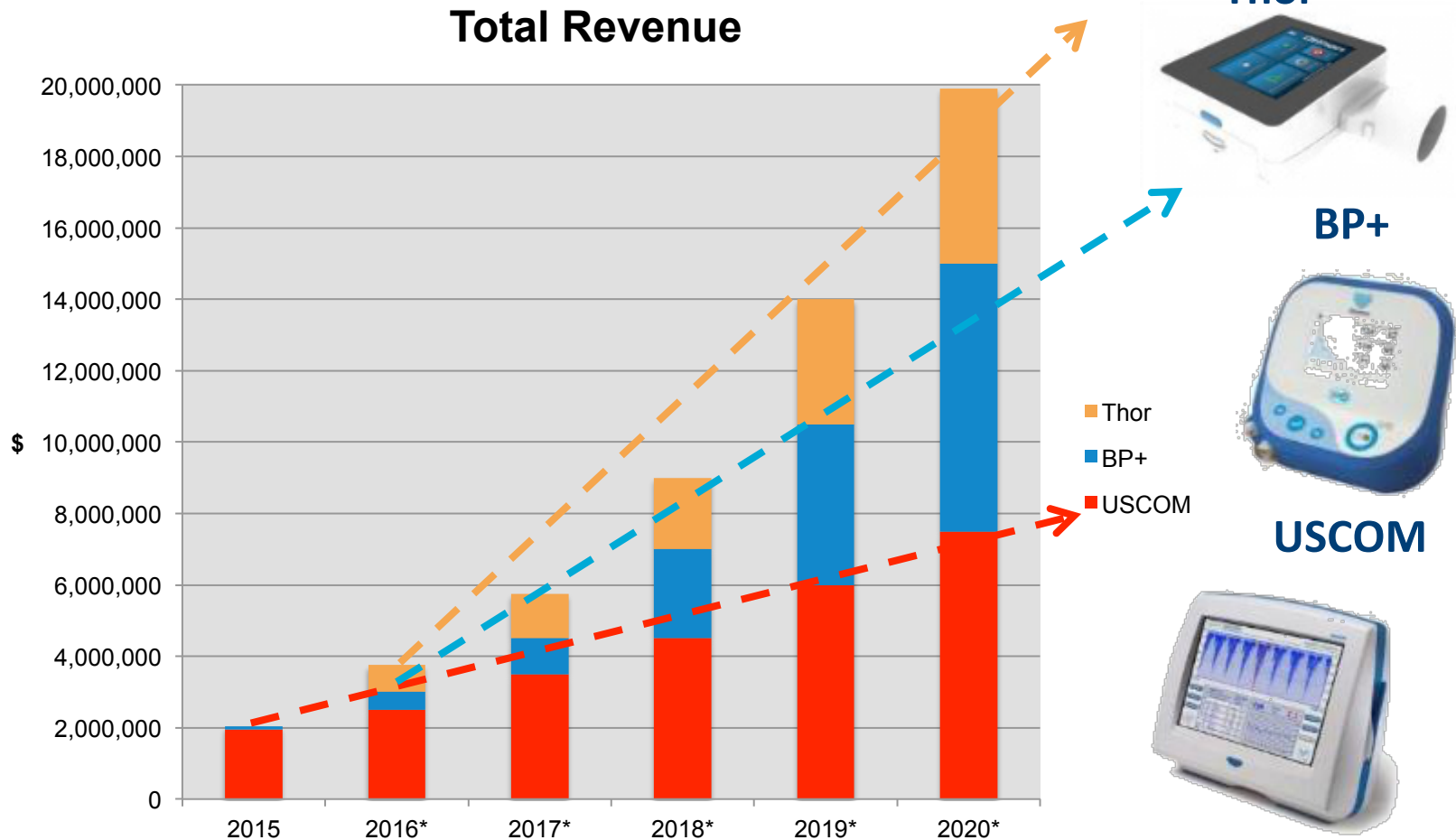
- ✓ Global approvals
- ✓ Manufacturing and R&D
- ✓ Experienced engineers
- ✓ Established reputation
- ✓ USCOM and BP+ reserve
- ✓ University Budapest links



***Internationally ISO accredited medical device manufacturing***



# Revenue Targets

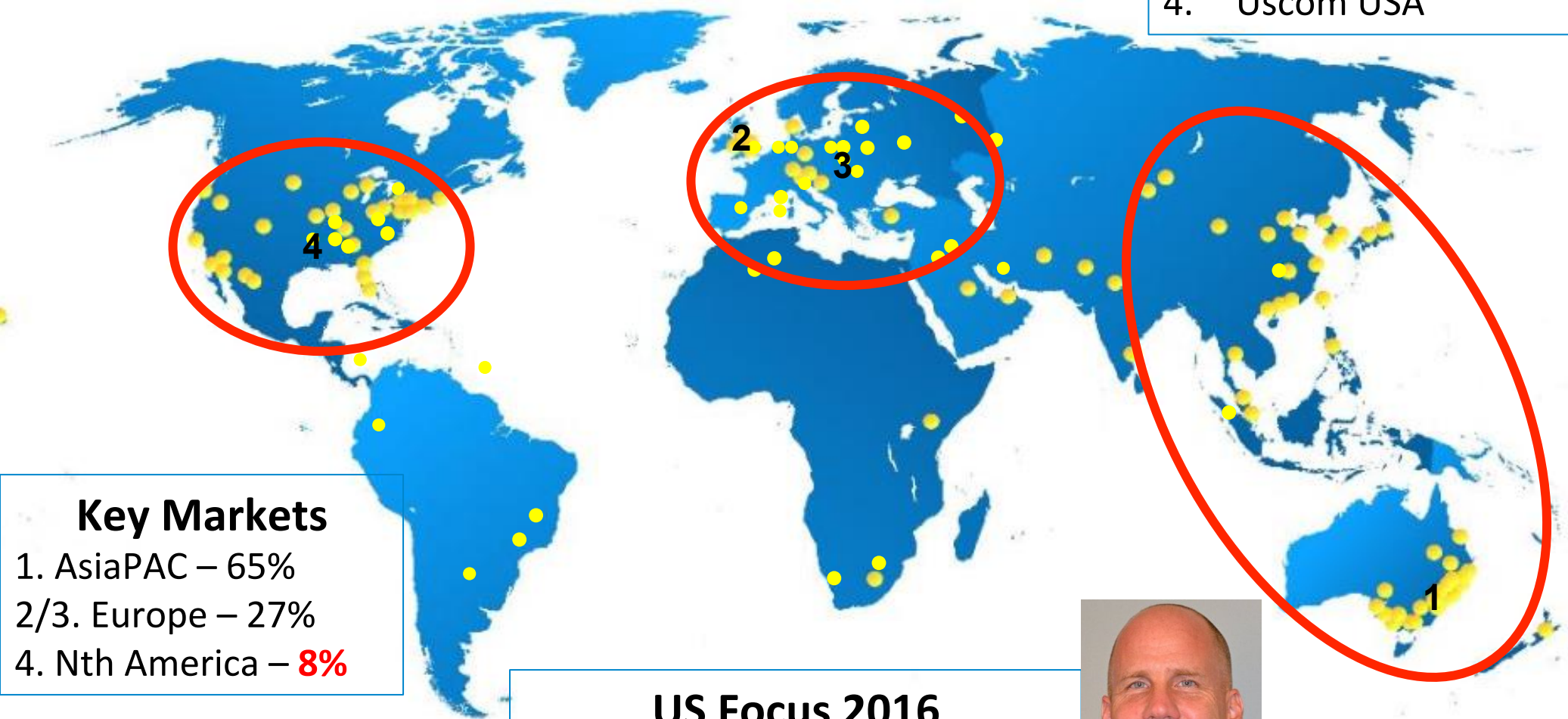


***\$20m revenue by 2020 - 5 year CAGR of 58%***

# Maintaining growth

## Operations growth

1. Uscom Aus
2. Uscom UK
3. Uscom Budapest
4. Uscom USA



## Key Markets

1. AsiaPAC – 65%
- 2/3. Europe – 27%
4. Nth America – **8%**

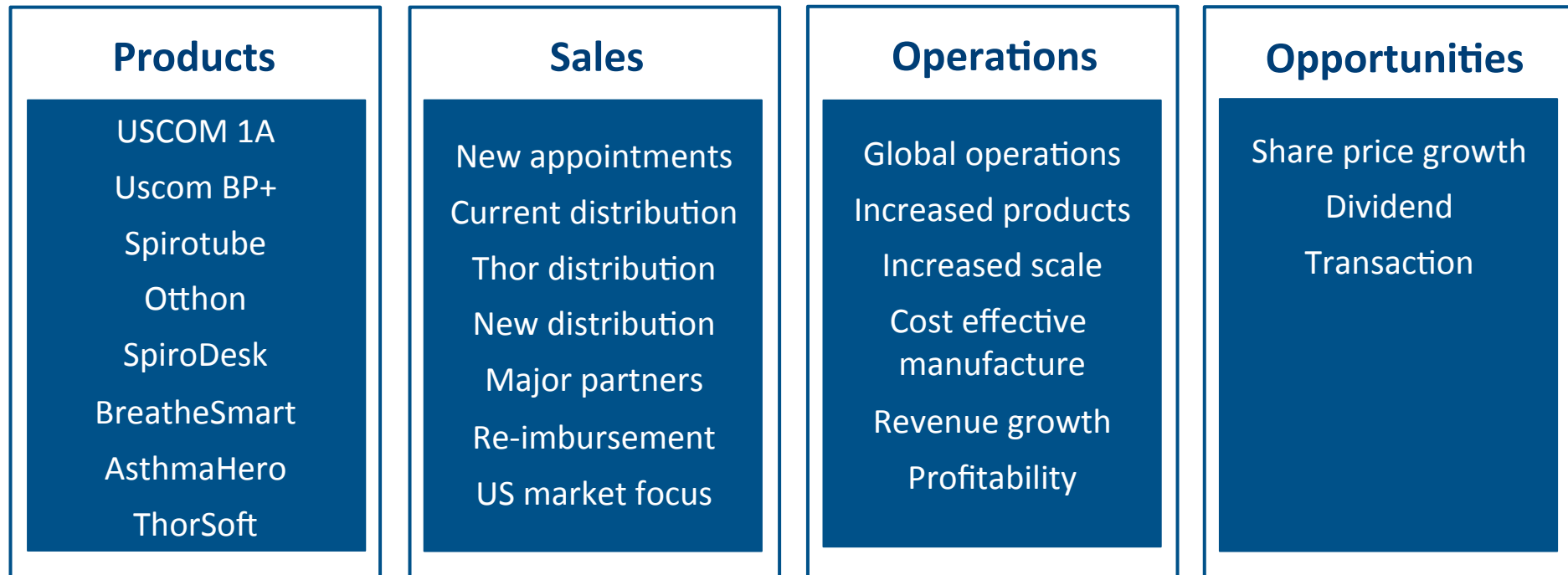
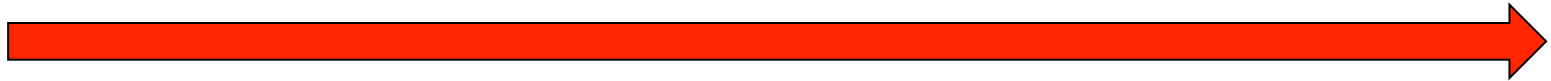
## US Focus 2016

Stephen Wilson – Former VP Corporate Development Welch Allyn appointed



# The Future

## *Value Cascade*



*Products – Sales – Revenue - Opportunities*

# Business Risks & Mitigants

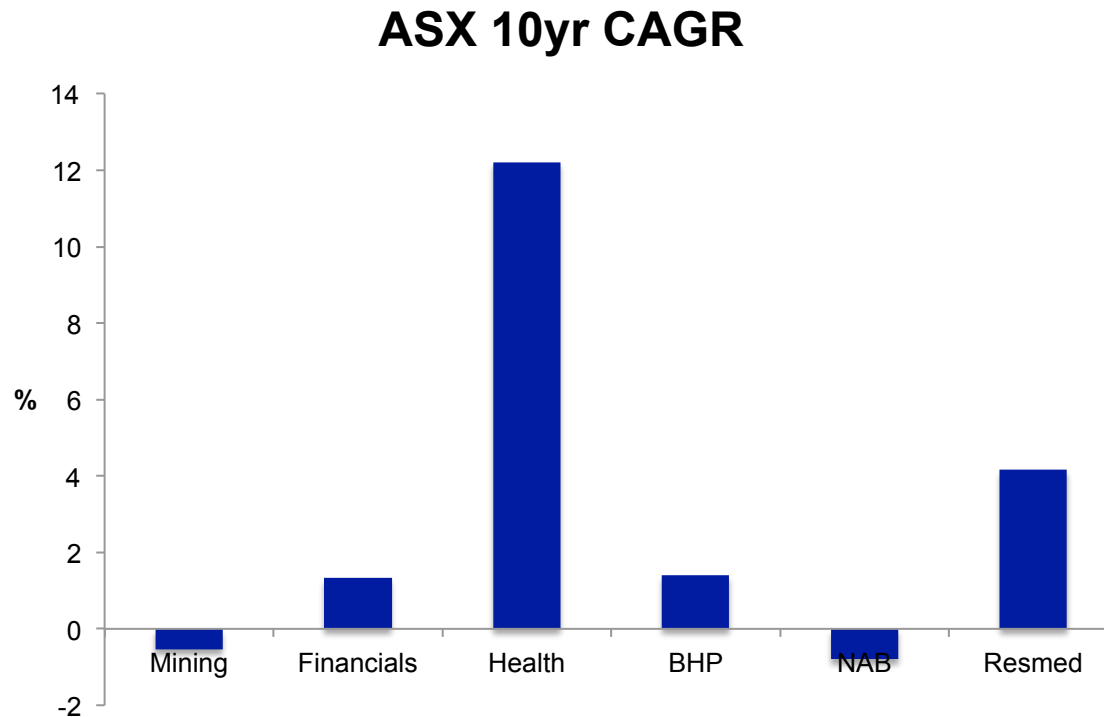
## Risks

- Global markets unpredictable
- Competitiveness of market sectors
- Thor integration & key staff retention
- Ongoing Thor business management
- Thor distraction from USCOM & BP+
- Regulatory costs and timelines
- Distribution & revenue growth
- Working capital requirements to meet increased product demand

## Mitigants

- Diversified and expanded products
- Senior sales and marketing personnel
- Earn outs in Thor deal structure
- Earn outs in Thor deal structure
- Product and revenue diversification
- Additional focused resources
- Key Uscom and Thor staff
- Additional WC from capital raise

# UCM Investment



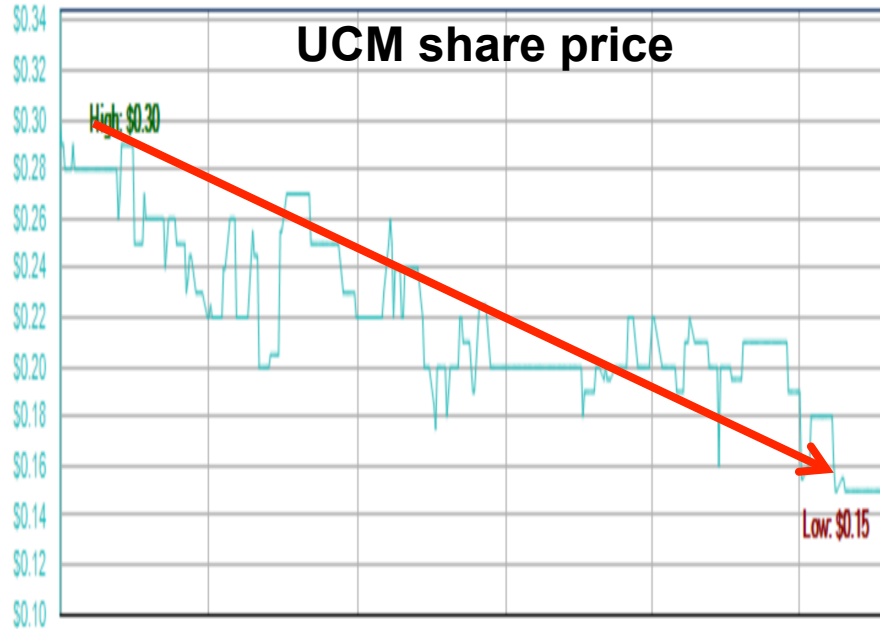
*UCM sales growth*  
*2014 – 67%*  
*2015 – 59%*

***Health is Growth, UCM is more growth***

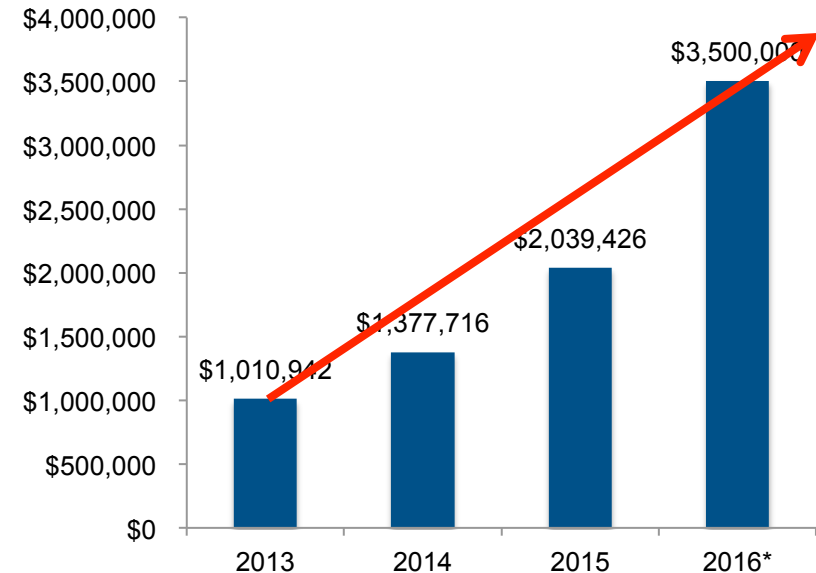


# ASX:UCM

**Disconnect between performance and price  
But markets ultimately align!**



## Revenue and Income

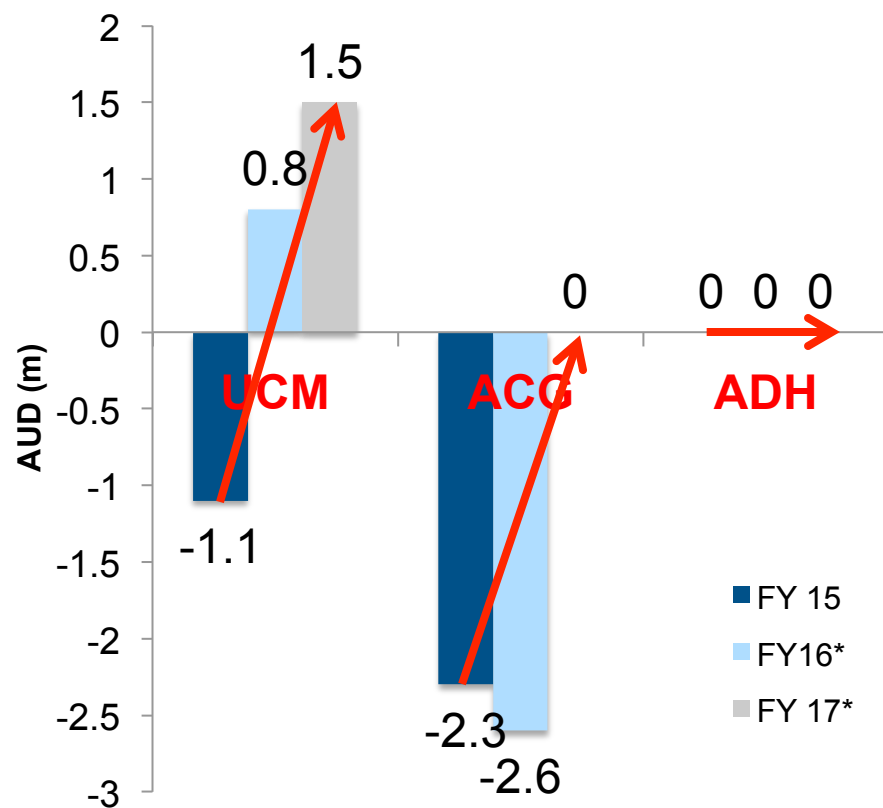


*Tightly held, few traders, difficult to acquire volume*

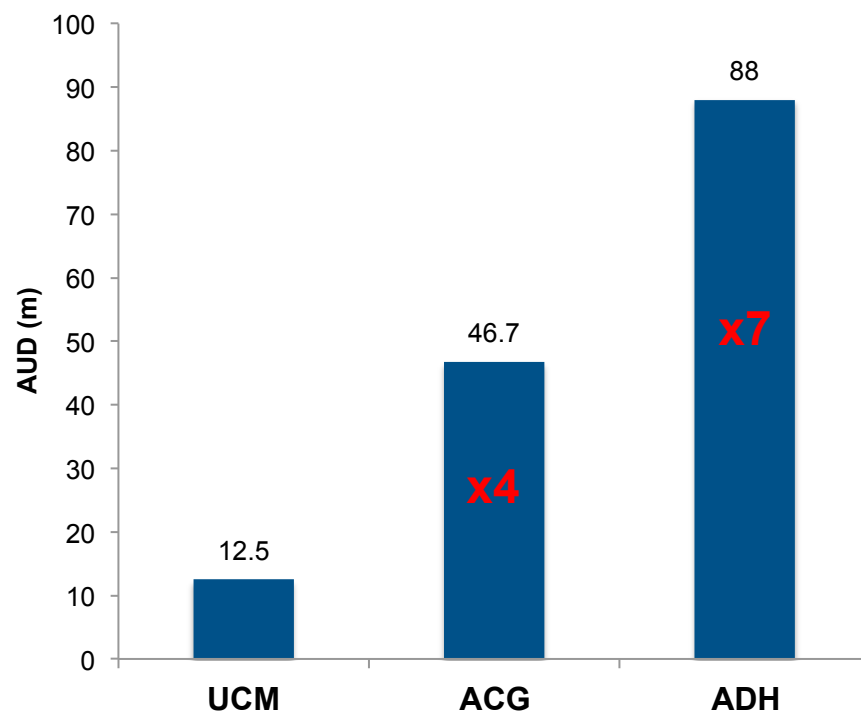
\* Estimate

# Industry comparators

## Reported and Predicted EBITDA



## Capitalised Value



# Uscom

- Value investment ✓*
- Experienced management ✓*
- Strong underlying business ✓*
- Strong growth phase ✓*
- Invested in future growth ✓*
- Premium global markets ✓*
- Diversified and lifesaving technologies ✓*
- Aggressive global growth strategy ✓*
- Two new product ranges for market in the next 12mths ✓*
- Right time – Q1 2016 results imminent ✓*



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## Thanks

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# USCOM 1A Competitive Advantage

Method	Manufacturer	Technology	Rel+Rep	Non-invasive	Simple	Cost	Portable	SV beat to beat
<b>USCOM 1A</b>	<b>Uscom</b>	<b>Doppler</b>	✓	✓	✓	✓	✓	✓
BioZ	Samsung	BioImpedance	✗	✓	✓	✗	✓	✗
NiCOM	Cheetah	BioReactance	✗	✓	✓	✗	✓	✗
Nexfin	Bmeye	APP	✗	✓	✓	✓	✓	✗
CardioQ	Deltex	Doppler	✓	✗	✓	✗	✓	✗
LiDCO	LiDCO	LiCl dilutio +APP	✓	✗	✗	✗	✗	✗
LiDCOrapid	LiDCO	APP	✗	✗	✓	✗	✗	✗
PiCCO (mod Tx + PP)	Pulsion	APP	✓	✗	✗	✗	✗	✗
FloTrac	Edwards	APP	✗	✗	✗	✗	✗	✗

# Testimonials

*"This machine is **saving lives**, there are no two ways about it."*

*Professor Brendan Smith, Anesthetist, Intensivist and Emergency Physician, N.S.W. Dept of Health, Australia*

*"USCOM has changed the way I look at the cardiovascular status of my patients. It's part of the initial shock evaluation and monitored regularly thereafter.... USCOM has now been established as the **standard of care**."*

*Dr Akash Deep, Director of Paediatric ICU, King's College Hospital, London*

*"The USCOM device is a simple method of accurately and noninvasively measuring central circulation, a **goal of cardiology** for many years. The device has the potential to change the way we approach management of sepsis, heart failure and hypertension."*

*Professor Malcolm West, Cardiologist, Mayne Professor of Medicine at The University of Queensland School of Medicine, Brisbane, Australia and Uscom Medical Advisory Board Member.*

*"I have used USCOM for over 5 years now on our very sick children, and use it to guide management. We are now beginning multi-centre, global research which will define the way USCOM is **used in Paediatric Departments across the world**."*

*Dr Joe Brierley, Consultant Intensivist, Great Ormond Street Hospital for Sick Children, London, UK.*

*"The USCOM device is really good; I use it in all my anaesthetics. I think **there should be one on every ICU bed and on every anaesthetic patient**."*

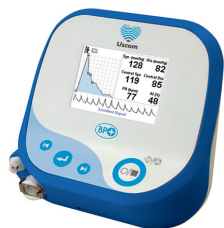
*Dr Steve Woodford, Consultant Anaesthetist, circulatory researcher at Australian School of Advanced Medicine, and Uscom Investor,*

*"To parents and doctors this machine, **USCOM, is priceless**. This machine is thought to have saved baby Abbie's life.*

*BBC Documentary "New machine helps save babies life", 2010, Nottingham Children's Hospital*



# BP+ Competitive Advantage



Uscom BP+	TensioMed	BPLab	IEM	Centron	AtCor
Australia	Hungary	Russia	Germany	UK	Australia
USD 3,500	USD 6,000	USD 7,000	USD 7,000	USD 6,300	USD 20,000
1 min	2 min	2 min	2 min	1 min	1 min
Stand-alone	ABP, needs computer	ABP, needs computer	ABP, needs computer	Stand-alone	Needs computer
CE, FDA, TGA	CE	CE	CE, FDA	CE	CE, FDA
Aortic + brachial waveform	Central systolic BP	Rough waveform	Rough waveform	Rough waveform	Rough waveform
Physical model	Statistical regression	Transfer function	Transfer function	Transfer function	Transfer function

# Why ?

*Independent research from Cambridge University, Weill Cornell, University of California, Wales Heart Institute – BP+ = Four stars*

**Table 1** Indirect, non-invasive methods for estimating central pressure

Method of waveform recording	Device	Company	Method of calibration	Method of estimation	Clinical applicability <sup>†</sup>
Radial tonometry	BPro <sup>86,87</sup>	HealthSTATS	Brachial–radial cuff BP	GTF (radial-aortic)	++
	SphygmoCor <sup>12,88</sup>	AtCor Medical	Brachial–radial cuff BP	(i) GTF (radial-aortic)	+
				(ii) Late systolic shoulder	+
	HEM9000AI <sup>39,77</sup>	Omron	Brachial cuff BP	(i) Algorithm	++
Brachial cuff PVP				(ii) Late systolic shoulder	++
	*ARCSolver <sup>89,90</sup>		Brachial cuff BP	GTF (brachial-aortic)	+++
	Centron cBP301 <sup>35,91</sup>	Centron Diagnostics	Brachial cuff BP	GTF (brachial-aortic)	++++
	Vicorder <sup>92</sup>	Skidmore Medical	Brachial cuff BP	GTF (brachial-aortic)	+++
	XCEL	AtCor Medical	Brachial cuff BP	GTF (brachial-aortic)	+++
Suprasystolic brachial cuff PVP	Method of Sung et al. <sup>42</sup>		Brachial cuff BP	Algorithm	++
	Arteriograph <sup>37,93</sup>	TensioMed	Brachial cuff BP	Late systolic wave amplitude	+++
	Cardioscope II <sup>36,94</sup>	PulseCor	Brachial cuff BP	Algorithm	++++

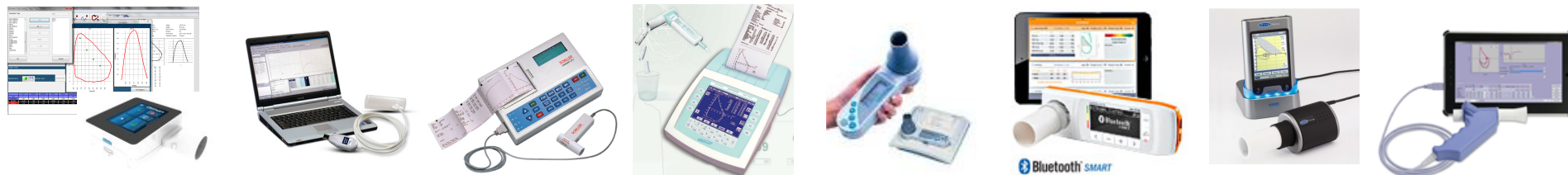
PVP, pulse volume plethysmography; GTF, generalized transfer function.

\*Incorporated in Mobil-O-Graph PWA device (IEM GmbH).

<sup>†</sup>Personal view based on experience, operator-dependency, need for computer/software interface, with + indicating limited applicability to routine clinical practice and ++++ indicating high applicability.

***BP+ is on the international space station***

# Thor Competitive Advantage



Uscom Thor	Welch Allyn	Schiller	Sibelmed	Vitalograph	MIR	Carefusion	NDD
Australia	USA	Switzerland	Spain	USA	Italy	USA	Switzerland
USD 1,790	USD 2,100	USD 1,850	USD 2,300	USD 2,030	USD 1,750	USD 2,180	USD 1,990
Dual Path Ultrasound	Diff Pressure	Diff Pressure	Turbine	Diff Pressure	Turbine	Turbine	Single Path Ultrasound
Accurate Auto calibration SpiroReporter Fully digital FreeFlo sensor Hygeinic	Multiple iterations	Multiple iterations	Multiple iterations	Multiple iterations	Multiple iterations	Multiple iterations	Accurate