

For personal use only

**nanosonics**

**Infection  
Prevention.  
For Life.**



**INVESTOR PRESENTATION  
2025 HALF YEAR RESULTS**

**Michael Kavanagh**  
CEO and President

**Jason Burriss**  
CFO

# Disclaimer



This presentation is intended to provide a general outline only and is not intended to be a definitive statement on the subject matter covered in it. The information in this presentation, whether written or verbal, has been prepared without taking into account the commercial, financial or other needs of any individual or organisation.

Certain information may relate to protected intellectual property rights owned by Nanosonics Limited (Nanosonics) and its subsidiaries (together the Group).

While due care has been taken in compiling the information based on the information available to Nanosonics at the date of this presentation material, neither Nanosonics nor its officers or advisors or any other person warrants the accuracy, reliability, completeness or timeliness of the information or guarantees the commercial or investment performance of the Group.

The information does not constitute advice of any kind and should not be relied on as such. Investors must make their own independent assessment of the Group and undertake such additional enquiries as they deem necessary or appropriate for their own investment purposes. Any and all use of the information is at your own risk.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement or estimate by any person (including Nanosonics). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward looking statement will be achieved.

Actual future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based.

Subject to any continuing obligations under applicable law or any relevant listing rules of the Australian Securities Exchange, Nanosonics disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based.

Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of the Group since the date of these materials.

For personal use only

# Contents

- 1 Mission / aspiration & Strategic growth agenda
- 2 Key highlights
- 3 FY25 H1 financial results
- 4 Regional reviews
- 5 CORIS update
- 6 Business outlook
- 7 Appendix



For personal use only

## Our Mission

We improve the safety of patients, clinics, their staff and the environment by transforming the way infection prevention practices are understood and conducted and introducing innovative technologies that deliver improved standards of care.

## Our Aspiration

Transform medical device reprocessing for improved patient safety and better health outcomes



# Our Strategic Growth Agenda



For personal use only

## VALUE CREATION



**By establishing new standards of care and category leadership**

- Leading ultrasound reprocessing
- Transforming endoscope reprocessing
- R&D, strategic partnerships and M&A



**Growing, optimising and protecting our customer base**

- International expansion
- Customer value expansion
- Excellence in customer experience



**Operational excellence will deliver value for all stakeholders**

- R&D and bioscience innovation
- Medical and clinical affairs impact
- Asset allocation and operational efficiencies
- Manufacturing and supply chain scalability and continuity

## ORGANISATIONAL FOUNDATIONS



**Strong organisational foundations will underpin our achievements**

- Excellent talent
- Digital and data transformation
- Quality
- Sustainability

# Key highlights



**Michael Kavanagh**  
CEO and President

“The first half revenue result of \$93.6 million represents a good start to the year up 18% compared to pcp and 4% compared to H2 FY24. This half year result represents a solid foundation to build on for the remainder of the financial year.

Consequently, the range for revenue outlook for the full year has been increased from 8%-12% to 11%-14%<sup>1</sup>.”

## Revenue

- Total revenue of \$93.6 million, up 18% on prior corresponding period (pcp), 18% in constant currency (cc)<sup>2</sup>
- Capital revenue \$24.4 million, up 11% on pcp
- Consumables/service revenue up 20% to \$69.2 million

## Total Capital Units

- Total capital units installed of 1,730 for the half
- Installed base up 1,050 units to 35,840 units globally, a 3% increase in the last 6 months, 7% in the last 12 months
- 680 upgrade units up 10% compared to pcp

## Gross Profit Margin

- Gross profit margin of 78.5% for half vs 79.7% in pcp and 76.3% in H2 FY24

## Operating expenses

- \$66.7 million, up 10% on pcp. Includes investments in sales growth, R&D, geographical expansion, and Infrastructure including ERP implementation & US manufacturing

## Operating profit before tax

- \$10.9 million compared to \$4.9 million in pcp reflecting ongoing investment in growth strategy
- Operating profit before tax for trophon only business of \$25.6 million<sup>3</sup>, up 41% compared to pcp

## Cash flow and cash

- Cash flow of \$13.8 million, with cash and cash equivalents of \$144.5 million at 31 December with no debt

## CORIS®

- CORIS, the new endoscope cleaning technology, continues to proceed through the FDA’s de novo review process. The target for first commercial launch remains Q1 FY26.

1. The FY25 outlook assumes an AUD/USD rate of 0.67.

2. Constant currency removes the impact of foreign exchange rate movements to facilitate comparability of operational performance. This is done by converting the current year sales of entities that use currencies other than Australian dollars at the average rates that were applicable in the prior year. The average exchange rate used for the Company’s major foreign currency (USD) for the half year was 0.66 (FY24 H1: 0.66).

3. The pro forma profit and loss statement is unaudited and reflects total Company results less operating costs associated with new product development and commercialisation. Operating costs reflect unaudited management allocation estimates where resources are shared between trophon and new product development and commercialisation. The pro forma profit and loss statement also includes income received from the Jobs Plus Program.

# FY25 H1 Financial highlights



Focussed execution delivering good start to the financial year and a solid foundation to build on for the 2<sup>nd</sup> half

For personal use only



TOTAL REVENUE



CAPITAL REVENUE



CONSUMABLES & SERVICE REVENUE



GROSS PROFIT MARGIN RATE



OPERATING EXPENSES



CONSOLIDATED PROFIT BEFORE TAX

**FY25 H1**

**\$93.6M**

**\$24.4M**

**\$69.2M**

**78.5%**

**\$66.7M**

**\$10.9M**

**VS FY24 H1**

▲ **18%**  
18% CC<sup>1</sup>

▲ **11%**

▲ **20%**

▼ **1.2% pts**

▲ **10%**

▲ **124%**

**VS FY24 H2**

▲ **4%**

▼ **7%**

▲ **8%**

▲ **2.2% pts**

▲ **3%**

▲ **34%**

1. Constant currency removes the impact of foreign exchange rate movements to facilitate comparability of operational performance. This is done by converting the current year sales of entities that use currencies other than Australian dollars at the average rates that were applicable in the prior year. The average exchange rate used for the Company's major foreign currency (USD) for the half year was 0.66 (FY24 H1: 0.66).

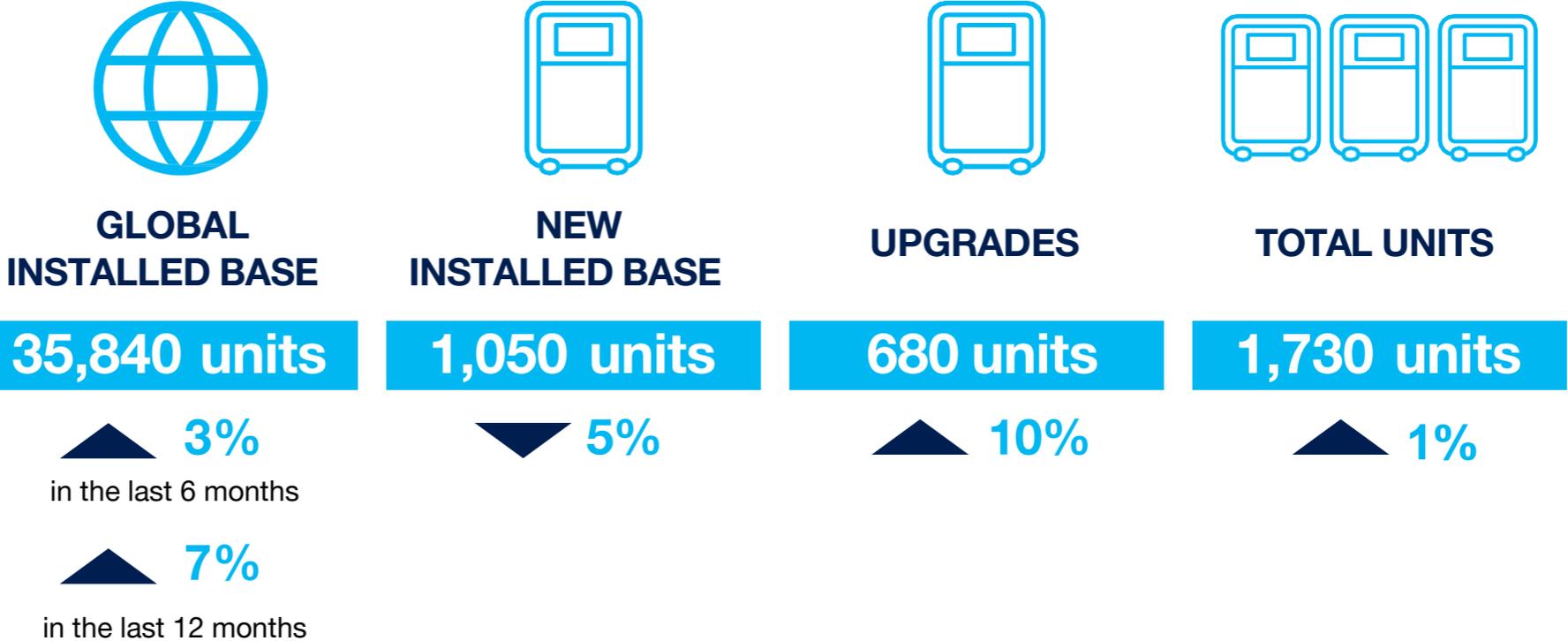
# Global unit highlights



Total units in line with internal forecast phasing with pipeline leading to 2<sup>nd</sup> half growth expectations over H1

For personal use only

**FY25 H1  
VS PCP**



# Customer Value Expansion

Focus on existing customer value expansion leads to 20% growth in annuity revenue

For personal use only

**FY25 H1  
VS PCP**



**GLOBAL  
INSTALLED BASE**

**35,840 units**

▲ **3%**

in the last 6 months

▲ **7%**

in the last 12 months



**CONSUMABLES &  
SERVICE REVENUE**

**\$69.2M**

▲ **20%**

# FY25 H1 financial results

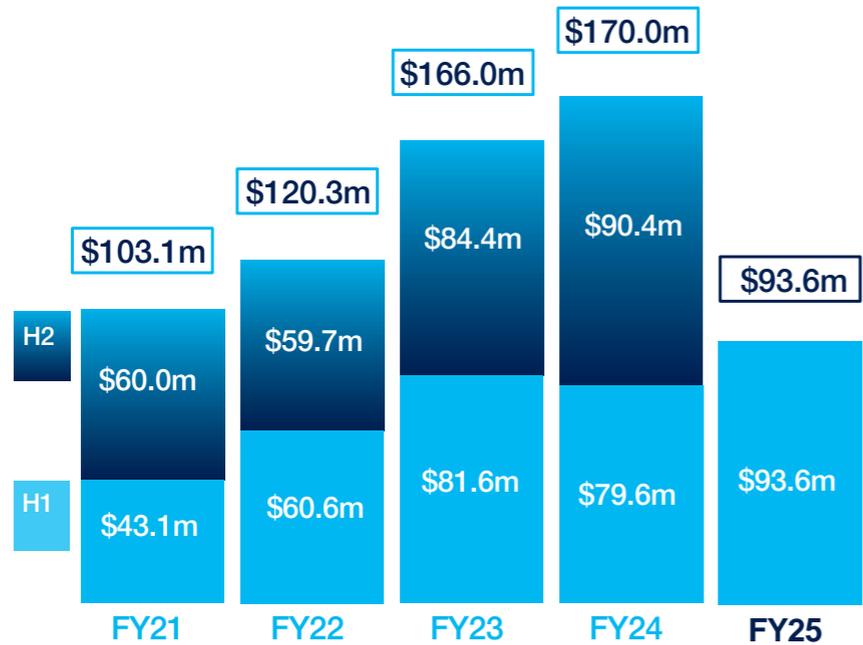


# Global revenue of \$93.6million



Good start to FY25 with revenue growth up 18% with capital revenue up 11% and consumables/service up 20%

Total revenue \$93.6M



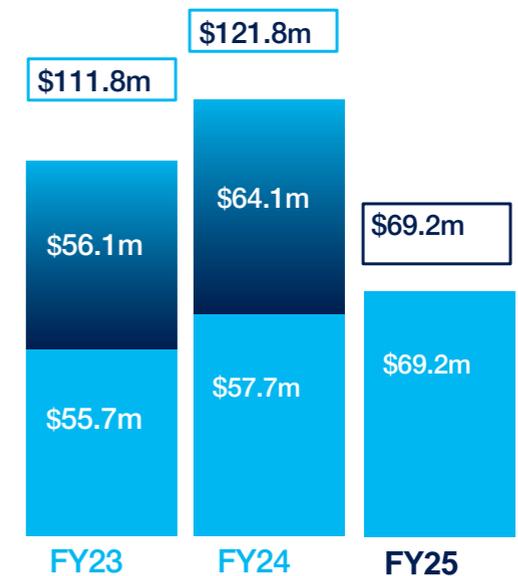
▲ 18% vs pcp

Capital revenue \$24.4M



▲ 11% vs pcp

Consumables/service revenue \$69.2M



▲ 20% vs pcp

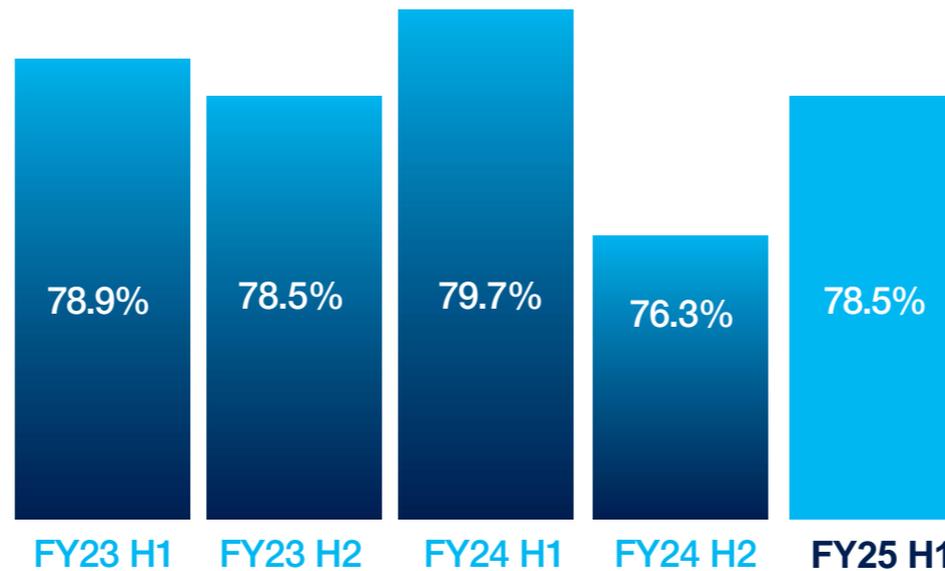
Graphs are not to scale and therefore not comparable.

For personal use only

# Gross profit margin

Return to gross profit margin > 78% reflects a successful inventory management program, return to normal production volumes in H1, and the product sales mix

**FY25 H1 gross profit margin rate 78.5%**



For personal use only

# Profit and loss summary

Growth in operating leverage with PBT as a percentage of revenue growing from 6% to 12%

\$ millions	FY25 H1	FY24 H1	Change %	
Capital revenue	24.4	21.9	▲	11%
Consumable/service revenue	69.2	57.7	▲	20%
<b>Total revenue</b>	<b>93.6</b>	<b>79.6</b>	▲	<b>18%</b>
<b>Gross profit</b>	<b>73.4</b>	<b>63.4</b>	▲	<b>16%</b>
%	78.5%	79.7%		
<b>Operating expenses</b>				
Selling and general	34.3	32.3	▲	6%
Administration	16.0	12.3	▲	30%
Research and development	16.4	16.2	▲	1%
<b>Total Operating expenses</b>	<b>66.7</b>	<b>60.8</b>	▲	<b>10%</b>
Other income	0.6	0.8	▼	-22%
Other gains/(losses)-net	1.3	(0.4)		*nm
<b>Earnings before interest and tax</b>	<b>8.7</b>	<b>3.0</b>	▲	<b>187%</b>
Finance income-net	2.2	1.8	▲	20%
<b>Operating income/(loss) before income tax</b>	<b>10.9</b>	<b>4.9</b>	▲	<b>124%</b>
Income tax benefit/(expense)	(1.1)	1.3		*nm
<b>Profit after income tax</b>	<b>9.8</b>	<b>6.2</b>	▲	<b>58%</b>

- Revenue of \$93.6 million, up 18% on pcp.
- Gross profit margin of 78.5% compared with 79.7% in pcp (76.3% in H2FY24).
- Operating expenses of \$66.7 million, up 10% on pcp. This includes investment in the new ERP system which commenced in FY24 and further investment into CORIS R&D and pre-commercialisation costs.
- R&D as a percentage of revenue reduced from 20% to 17%.
- Other gains/(losses) of \$1.3m relating to foreign exchange gains with stronger closing USD rate than FY24 H1.
- Net finance income of \$2.2 million reflects higher interest earned on higher cash balance during the period.
- Operating profit before tax of \$10.9 million compared with \$4.9 million in pcp.

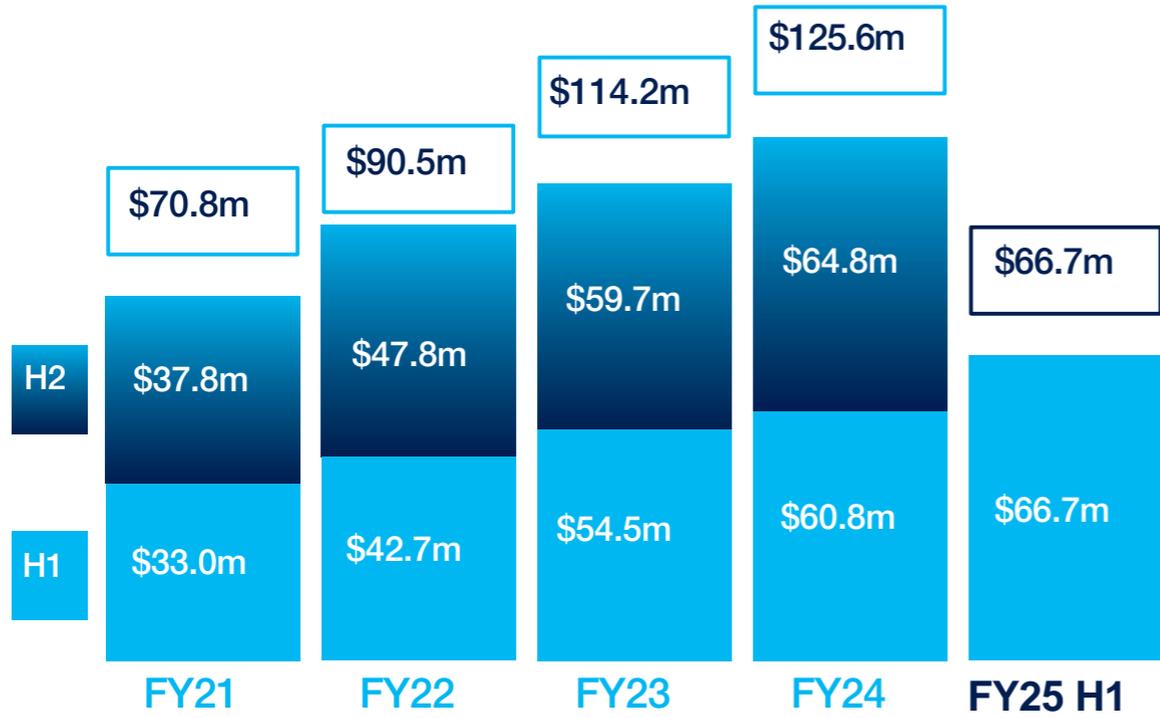
\*nm – not meaningful

For personal use only

# Operating expenses

Disciplined cost control across four core investment areas

For personal use only



## Core Investment areas

Investment in established markets drives and funds the operations of the business today  
**40%**

Investment in developing markets underpins growth for the future  
**6%**

Investment in infrastructure and capability for today and the future  
**30%**

Investment in R&D to maintain growth today and for the future  
**24%**

Graphs are not to scale and therefore not comparable.

# Trophon only business<sup>1</sup>

Positive growth in operating leverage with PBT as a percentage of revenue growing from 23% to 27%

\$ millions	FY25 H1	FY24 H1	Change %	
Capital revenue	24.4	21.9	▲	11%
Consumable/service revenue	69.2	57.7	▲	20%
<b>Total revenue</b>	<b>93.6</b>	<b>79.6</b>	▲	<b>18%</b>
<b>Gross profit</b>	<b>73.4</b>	<b>63.4</b>	▲	<b>16%</b>
%	78.5%	79.7%		
<b>Operating expenses</b>				
Selling, general and administration	46.2	41.3	▲	12%
Research and development	5.8	6.2	▼	-6%
<b>Total Operating expenses</b>	<b>52.0</b>	<b>47.5</b>	▲	<b>9%</b>
Other income	0.6	0.8	▼	-22%
Other gains/(losses)-net	1.3	(0.4)	▼	*nm
<b>Earnings before interest and tax</b>	<b>23.4</b>	<b>16.4</b>	▲	<b>43%</b>
Finance income-net	2.2	1.8	▲	20%
<b>Operating income before income tax</b>	<b>25.6</b>	<b>18.2</b>	▲	<b>41%</b>

\*nm – not meaningful

- Profit before tax (excluding CORIS investments) was approximately \$25.6 million<sup>1</sup>, a 41% increase compared to pcp.
- Operating expenses include all one-off costs associated with a new ERP system of approximately \$1.8 million in the first half. Excluding ERP costs, operating expenses increased by 6% on pcp.
- Investments continue in emerging markets for trophon that are not yet significantly contributing to revenue.
- Investments continue in the ultrasound reprocessing technology roadmap.

1. The pro forma profit and loss statement is unaudited and reflects total Company results less operating costs associated with new product development and commercialisation. Operating costs reflect unaudited management allocation estimates where resources are shared between trophon and new product development and commercialisation. The pro forma profit and loss statement also includes income received from the Jobs Plus Program.

# Cash and cash equivalents

Cash flow of \$13.8m for the period with cash and cash equivalents growing to \$144.5m at 31 December 2024 and no debt

H1 Cash flow  
(\$m)

**\$13.8M**

Cash and cash  
equivalents (\$m)

**\$144.5M**

Cash provides flexible capital allocation for growth.

Infrastructure development	Investments in digital strategy & platforms e.g. ERP and international manufacturing expansion
New product working capital & launch investments	Working capital for inventory build, manufacturing set up and launch of CORIS
Inorganic growth / M&A	Investments in inorganic product expansion opportunities – searching for value-accretive M&A

For personal use only



For personal use only

# FY25 H1 Regional Reviews

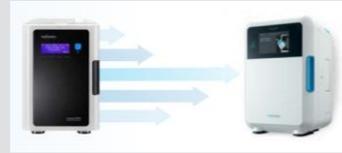
# North America Growth Strategy

## Core pillars to the North America growth strategy



### New installed base growth

Continue growth in installed base from hospital and private physician segments



### Upgrade adoption acceleration

Accelerate upgrade adoption amongst > 10,000 aged first generation devices



### Customer value expansion - consumables

Expand consumables usage through dedicated education programs and ecosystem expansion



### Customer value expansion - service

Expand service coverage through new installed base and upgrades growth



### CORIS market introduction

Launch CORIS with significant long term market potential<sup>1</sup>

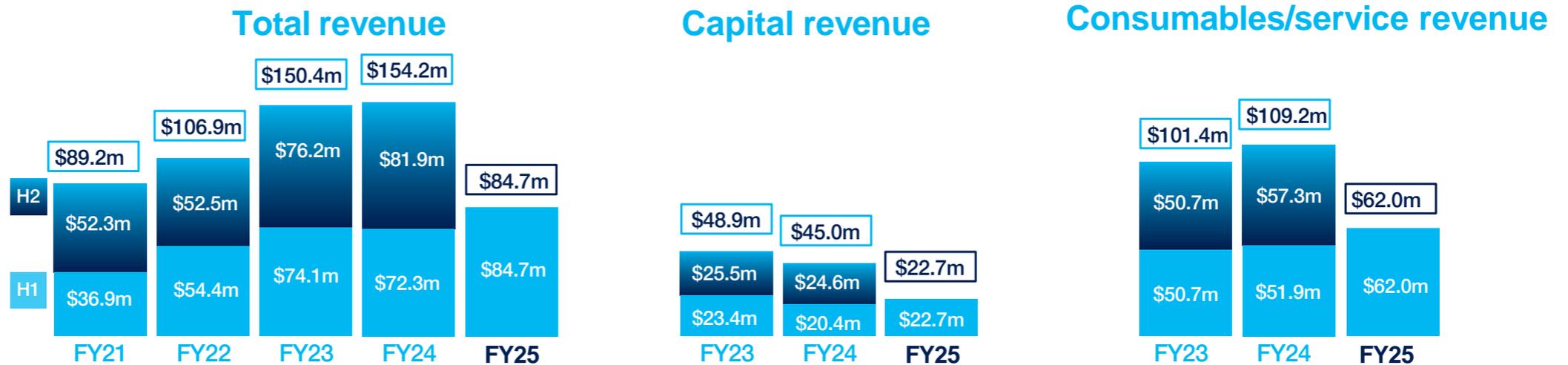
1. All research and new product development programs involve inherent risks and uncertainties which can impact commercialisation timelines.

# North America H1 performance

Revenue growth of 17% to \$84.7M with annuity revenue growing faster than capital revenue. 1,550 total units installed

For personal use only

## Revenue



## Units



Graphs are not to scale and therefore not comparable.

# NA Consumables Manufacturing

For personal use only



- New manufacturing site for both trophon and CORIS consumables being established in our existing Indianapolis facility.
- Completion and registration expected in H2.
- Range of benefits expected to be delivered including margin improvements over time, sustainability benefits from reduced transportation as well as reduced exposure to the introduction of any potential tariffs on goods imported into the US.

# EMEA Growth Strategy

## Core pillars to the EMEA growth strategy

For personal use only



**Focus on core markets for new installed base growth**

Continue to build pipeline and grow rate of new IB conversion in markets with strong fundamentals (UK/IE/select distribution markets).



**Customer value expansion - consumables**

Expand consumables usage through dedicated education programs and ecosystem expansion



**Customer value expansion - service**

Expand service coverage through new installed base growth



**Leverage existing infrastructure with complementary 3<sup>rd</sup> party products**

Exclusive distribution agreement for UK & Ireland for Eco Lab Cardiac Ultrasound (TEE) disinfection solution



**CORIS market introduction**

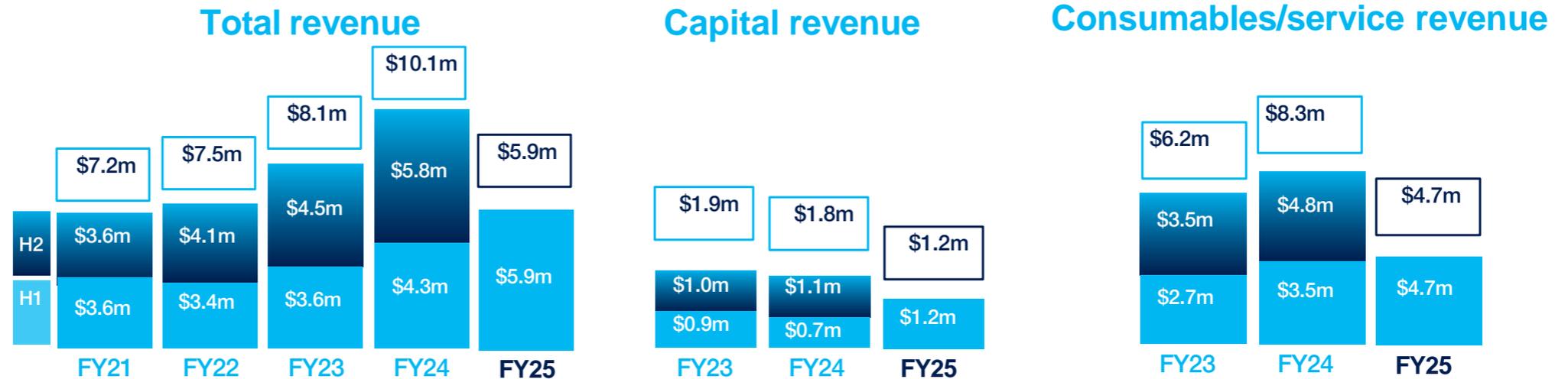
Launch CORIS with significant long term market potential<sup>1</sup>

1. All research and new product development programs involve inherent risks and uncertainties which can impact commercialisation timelines.

# EMEA H1 performance

Revenue growth of 37% to \$5.9M. H1 installations slower than anticipated. Expectation for growth in new installed base in H2 over H1.

## Revenue



## Units



Graphs are not to scale and therefore not comparable.

For personal use only

# APAC Growth Strategy

## Core pillars to the APAC growth strategy



**Continue to lead in ANZ market and strengthen fundamentals in Japan**

Continue to grow new IB in ANZ but at lower rate due to high market penetration. Focus on Japan as future driver of new IB growth.



**Customer value expansion - consumables**

Expand consumables usage through dedicated education programs and ecosystem expansion



**Customer value expansion - service**

Expand service coverage through new installed base growth



**CORIS market introduction**

Launch CORIS with significant long term market potential<sup>1</sup>

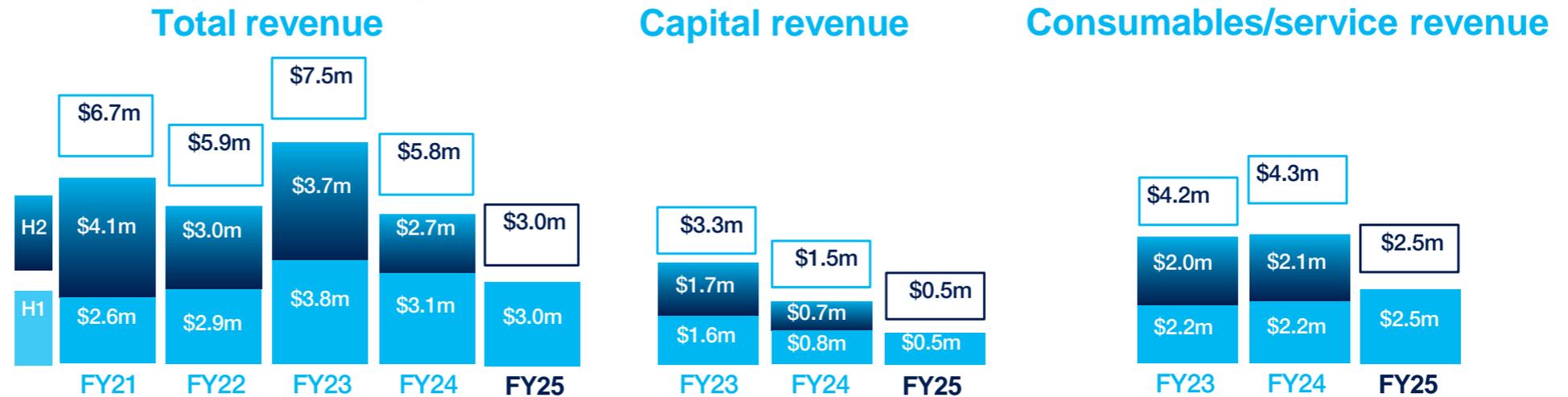
1. All research and new product development programs involve inherent risks and uncertainties which can impact commercialisation timelines.

# APAC H1 performance

Revenue of \$3.0M broadly in line with pcp. High market penetration in ANZ with focus on annuity revenue growth which was up 14% vs pcp.

Focus on Japan for market expansion.

## Revenue



## Units



Graphs are not to scale and therefore not comparable.

For personal use only



# Transforming endoscope reprocessing

For personal use only

# CORIS – under FDA Review

## De Novo Regulatory Pathway

The CORIS technology continues to proceed through the FDA's de-novo review process with answers to the FDA questions received to date having been submitted.

- The Company continues its preparations for supply chain and manufacturing readiness and is targeting the commencement of the first stage of commercialisation in Q1 FY26, subject to the requisite regulatory approvals.
- Assuming a successful FDA de novo clearance of the CORIS system, marketing of the device will commence in the US. In parallel, it is expected that the first 510K for expanded scope indications will be submitted shortly thereafter.
- Outside of the US, the first commercial launch will likely take place in Europe in Q1 FY26 which is not contingent on the FDA de novo clearance.<sup>1</sup>

For personal use only



1. All research and new product development programs involve inherent risks and uncertainties which can impact commercialisation timelines.

For personal use only

# FY25 business outlook



**nanosonics**  
Infection Prevention. For Life.

# Business outlook for FY25



In view of the H1 FY25 results, the Company updates its FY25 outlook ranges as follows:

	PREVIOUS OUTLOOK	REVISED OUTLOOK
<b>Revenue growth</b>	8% - 12% <sup>1</sup>	<b>11% - 14%<sup>1</sup></b>
<b>Gross margin rate</b>	77% - 79% <sup>1</sup>	<b>78% - 79%<sup>1</sup></b>
<b>Operating expenses growth</b>	6% - 10% <sup>1</sup>	<b>8% - 10%<sup>1</sup></b>

The above revised outlook maintains the original AUD/USD exchange rate of 0.67. Assuming an average exchange rate of 0.64<sup>1</sup> for H2 FY25, the revised outlook ranges translate to revenue growth of 13-16%, gross margin rate of 78-80% and operating expenses growth of 9-11%.

All guidance is subject to uncertainty in relation to potential impacts associated with macroeconomic and political uncertainty, as well as potential impacts from increased competitive activity in the USA.

1. The FY25 outlook assumes an AUD/USD rate of 0.67.

2. 0.64 was chosen taking into consideration the Company's current forecast exchange forecast for H2 FY25 as well as the Company's hedging position.

For personal use only

For personal use only

# APPENDIX



**nanosonics**  
Infection Prevention. For Life.

# Income tax

For personal use only

\$ millions	31-Dec-24	31-Dec-23
Income tax expense / (benefit)	1.1	(1.3)
<b>Components of Net Deferred Tax Asset</b>	<b>31-Dec-24</b>	<b>30-Jun-24</b>
Tax losses	0.3	0.5
R&D tax credits	1.2	1.3
All other timing differences	18.0	14.9
<b>Total</b>	<b>19.5</b>	<b>16.7</b>

Value of carried forward losses & R&D credits	Gross	Tax benefit	Effective tax rate
Losses recognised	1.3	0.3	25.5%
R&D credits carried forward	2.5	1.2	46.5%
<b>Total losses and R&amp;D credits recognised</b>	<b>3.8</b>	<b>1.5</b>	<b>39.4%</b>
Losses not recognised	10.7	3.5	32.8%
<b>Total</b>	<b>14.5</b>	<b>5.0</b>	<b>34.5%</b>

Effective income tax for the period was 10.5%.

Deferred tax asset consists of:

- \$0.3m tax losses relate to the recognised portion of losses for UK and Canada
- \$1.2m R&D tax credits not utilised.
- \$18.0m all other timing differences

Assessment of probability of recovery (and therefore recognition of related benefit) of unrecognised losses is made on an on-going basis. Currently we have \$10.7m unrecognised losses.