

29 January 2024

Surgical Innovations Group Plc
("Surgical Innovations", the "Company" or the "Group")

Year-end 2023 Trading Update

Record sales and operational efficiency programme on track

Surgical Innovations Group Plc (AIM: SUN), the designer, manufacturer and distributor of innovative technology for minimally invasive surgery, provides an update on trading for the year ended 31 December 2023, with sales marginally head of market expectations.

Unaudited Financials

Revenues for the year are expected to be approximately £12.0m, an increase of 6% compared with the prior year (2022: £11.3m). Group revenues continued to grow in H2 in line with the Board's expectations, with key markets and OEM sales in particular performing strongly. Sales for the second half of the year were approximately 13% higher than the first half. The Group expects to report a positive adjusted EBITDA¹ of £0.2m, in-line with expectations. Operational improvements continue to be implemented in the new financial year and are expected to enhance future profitability.

The closing net cash² balances of the Group stood at approximately £0.36m at 31 December 2023 (30 June 2023: £0.38m), with available gross cash resources at 31 December 2023 of £2.21m (30 June 2023: £2.41m) including an undrawn invoice discounting facility of £1.0m (30 June 2023: £1.0m).

UK sales remained strong in H2 2023, driven by the resonance of the sustainability messaging for both the NHS and Private Healthcare providers. Growing global acceptance of the need to adopt more sustainable solutions in healthcare is also driving growth in key markets in Europe, APAC and ROW. Despite supply chain challenges in H2 2023, the OEM business produced strong sales and carried a positive order book into 2024.

The recently implemented operating efficiency programme, which includes the re-introduction of a 5-day working week, is on track to deliver further improvements to the gross margin in 2024.

Current trading and outlook

While continued industrial action in the NHS has impacted the volume of elective surgeries and slowed some of the progress with evaluations, it is not anticipated to affect Q1 sales. Across the Company's distribution network, expected sales remain on track to deliver management forecasts. Some of the supply chain issues seen last year have impacted OEM sales, but these are now resolved and are not expected to have a material bearing on Q1 performance.

David Marsh, CEO of Surgical Innovations Group Plc, said: *"Despite a challenging 2023, the Company finished the year with record sales and entered 2024 with an encouraging order book. The recent actions taken to improve operational efficiencies, together with continued increasing sales momentum, give the Board confidence that we have put the business onto a sustainable growth trajectory for 2024 and beyond."*

Notes

¹Adjusted EBITDA is earnings before interest, tax, depreciation and amortization adjusted by deducting non-recurring exceptional costs, impairment of intangible acquisition costs and share based payment costs. Adjusted loss before tax is the loss before tax adjusted by non-recurring exceptional items, impairment of intangible acquisition costs and share based payment costs.

²Net cash equals cash less bank debt and finance lease leases, excluding IFRS16 lease obligations.

For further information please contact:

Surgical Innovations Group Plc

David Marsh, CEO
Charmaine Day, CFO

www.sigroupplc.com

Tel: 0113 230 7597

Singer Capital Markets (Nominated Adviser & Broker)

Aubrey Powell / Oliver Platts

Tel: 020 7496 3000

Walbrook PR (Financial PR & Investor Relations)

Paul McManus / Alice Woodings

Tel: 020 7933 8780 or si@walbrookpr.com

Mob: 07980 541 893 / 07407 804 654

About Surgical Innovations Group Plc

The Group specialises in the design, manufacture, sale and distribution of innovative, high quality medical products, primarily for use in minimally invasive surgery. Our product and business development is guided and supported by a key group of nationally and internationally renowned surgeons across the spectrum of minimally invasive surgical activity.

We design, manufacture and source our branded port access systems, surgical instruments and retraction devices which are sold directly in the UK home market through our subsidiary, Elemental Healthcare, and exported widely through a global network of trusted distribution partners. Many of our products in this field are based on a "resposable" concept, in which the products are part reusable, part disposable, offering a high quality and environmentally responsible solution at a cost that is competitive against fully disposable alternatives.

Elemental also has exclusive UK distribution for a select group of specialist products employed in laparoscopy, bariatric and metabolic surgery, hernia repair and breast reconstruction.

In addition, we design and develop medical devices for carefully selected OEM partners and have also collaborated with a major UK industrial partner to provide precision engineering solutions to complex problems outside the medical arena.

We aim for our brands to be recognised and respected by healthcare professionals in all major geographical markets in which we operate and provide by development, partnership or acquisition a broad portfolio of cost effective, procedure specific surgical instruments and implantable devices that offer reliable solutions to genuine clinical needs in the operating theatre environment.

Further information

Further details of the Group's businesses and products are available on the following websites:

www.sigroupplc.com

www.surginno.com

www.elementalhealthcare.co.uk

To receive regular updates by email, please contact si@walbrookpr.com