

ASX Release
6th September 2024

FY24 FULL YEAR TRADING UPDATE

Compumedics achieves Record Revenues of \$49.7m for FY24 & continues strong Growth Pathway

CORE BUSINESS Update

- Record sales orders received of \$52m for FY24 (Up 22% on FY23)
- Record revenues booked of \$49.7m for FY24 (Up 17% on FY23)
- Full year FY24 profitability with EBITDA returning to profit at \$2.5m, compared to a \$2.0m loss in FY23

Somfit Commercialisation Update

- \$4.2m in SaaS revenue for FY24 from Somfit and Nexus 360 sales (\$1.7m in FY23)
- Craig Gallivan joined USA-based business as National Vice President of Sales – Home Sleep Testing (HST) on June 17 (ASX announcement, 17 June 2024) and is now establishing a HST sales team around him
- Somfit sales commenced in the USA following FDA approval. First USA revenues currently invoiced in Q4 FY24
- Indications CMP has secured over 75% of the pharmacy-based Home Sleep Testing (HST) market in Australia and New Zealand

MEG Update

- Installation of the MEG following the sale to Tianjin Normal University (TJNU), China, largely completed and expected to be signed-off by end of September
- Two additional MEG sales in China are in process for delivery in calendar 2025
- This represents about \$14m of new MEG shipments and new orders in a 12-month period

Updated Guidance for FY25

The Company anticipates revenues for FY25 will be more than \$55m and EBITDA is expected to be about \$5m, with the growth driven primarily by our new SaaS product offering, which will necessitate ongoing investment in sales and marketing, which will impact EBITDA growth in the short term, on the pathway to delivering stronger growth for Compumedics over the medium term.

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Compumedics Limited (ASX: CMP) a global medical device company that develops, manufactures and commercialises diagnostic technology for sleep, brain, and ultrasonic blood flow monitoring is pleased to advise that the Company has achieved record sales orders of \$52m and has shipped record revenues of \$49.7m for FY24.

The revenues of \$49.7m included the sales of an MEG to TJNU for \$4.7m in H1 FY2024. By territory the increase in revenues reflects growth in Australia, compared to the pcp (previous corresponding period) (up 33%), predominantly because of sleep diagnostic sales, particularly Somfit (SaaS) revenues. European sales were also higher at 72% compared to the pcp, driven in this territory by sleep and neurological sales and our new Okti wireless amplifier. Sales to Asia (including China) were also higher, up 19% to the pcp. The gains were offset by declines in the USA, which ended up 10% down year-on-year, but finished strongly with H2 sales orders 67% higher than H1 sales orders. The DWL business, which has been impacted by falls in its China based business and delays with approval for its new EX-Dop product finished 26% down, compared to the pcp. We expect this to turn around in H1 FY2025.

Sales orders for Somfit were a 133% improvement in FY24 (\$2.1m) over FY23 (\$0.9m). This was without material contribution from the USA. Revenues from Somfit were more than 20 times higher in FY24 (\$2.1m) than FY23 (\$0.1m). Including Nexus 360 lab management enterprise software as a service (SaaS) revenue, total SaaS revenues (Somfit and Nexus 360) for FY24 were \$4.2m, 140% higher than FY23 (\$1.7m). The USA Somfit launch is now underway and is a key focus for the Company following FDA approval (ASX announcement, 4 December 2023).

The Company also turned around its EBITDA from a \$2.0m loss in FY23 to a \$2.5m profit in FY24. This was down on previous guidance of about \$5.0m due to the continuing investment and commitment to the US sales and marketing team for all products, but with a focus on HST, and the resumption of DWL's China business, and release of its new EZ-Dop product, both of which are taking longer than anticipated.

The Company's return to EBITDA profitability in FY24 was largely because of the following key factors:

- 1 An increase in sales from \$42.2m to \$49.7m, which included the booking of the TJNU MEG sale at \$4.7m
- 2 An increase in margins, year-on-year, from 51% to 52%
- 3 As a result of the MEG sale to TJNU in China the decision to write back some of the intangible asset value associated with the MEG business, that was written off in the pcp. The total pre-tax write back was \$1.7m, which is non-cash
- 4 Expenses were higher (\$1.7m) because of the Company's deliberate decision to invest in increased sales and marketing resources, particularly in the US, as we commence commercialisation of the Somfit in this key market and continue the commercialisation of the Somfit in Australia

The Company remains committed to its strategic growth plans, whilst at the same time improving productivity and efficiency throughout the business to continue to generate consistent and growing profits.

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Somfit

The ongoing market strategy for Somfit continues to be focused on point-of-care testing. The initial focus was in Australia, but will now move to the USA following FDA approval and the appointment of Craig Gallivan as National Vice President of Sales – Home Sleep Testing (ASX announcement, 17 June 2024).

The Company's market strategy targets three main areas:

- The existing Obstructive Sleep Apnoea (OSA) and the Home Sleep Apnoea Testing (HSAT) market (reimbursable in the USA and non-reimbursable in Australia)
- Based on our assessment, the Compumedics Somfit platform has captured about 75% of the pharmacy-based HSAT market in its first introductory phase, primarily through its national relationship with Phillips Pharmacy Sleep Services. This relatively new and growing consumer-accessible sleep-health monitoring sector will underpin future growth in similar or adjacent areas
- The Australian primary care market for sleep screening and supporting the diagnosis of insomnia and circadian rhythm disorders

MEG

Compumedics expects to complete the installation of its second MEG sale and its first MEG contract in Asia to Tianjin Normal University (TJNU) in Tianjin, China, in the short term. The installation is now largely complete with customer acceptance planned for September 2024. The Company received two further MEG sales orders in China (12 December 2023). Together, these three orders represent incremental and new revenue for Compumedics of about \$14m over a 12-month period. These sales are expected to be shipped and installed during calendar 2025. The Company is currently assessing various options for further developing the MEG business.

Financial Outlook & Growth Pathway

Compumedics expects the existing business and the step-out growth opportunities to deliver an increase in revenues, margins, and earnings in FY25, subject to economic conditions continuing to improve.

The Company anticipates revenues for FY25 will be more than \$55m and EBITDA is expected to be about \$5m, with growth driven primarily by our new SaaS product offering, which will involve ongoing investment in sales and marketing, which will impact EBITDA growth in the short term, on the pathway to delivering stronger growth for Compumedics over the medium term.

About Compumedics Limited

Compumedics Limited [ASX: CMP] is a medical device company that develops, manufactures, and commercialises diagnostic technology for sleep, brain, and ultrasonic blood flow monitoring applications. The Company owns Neuroscan, based in the US, and DWL Elektronische GmbH, based in Germany. In conjunction with these two subsidiaries, Compumedics has a broad international reach, including the Americas, Australia and Asia Pacific, Europe, and the Middle East.

Executive Chairman Dr. David Burton founded Compumedics in 1987. The same year, the Company successfully designed and installed the first fully computerised Australian sleep clinic at Epworth Hospital in Melbourne. Following this early success, Compumedics focused on developing products for the growing international sleep clinic and home monitoring markets.

Compumedics listed on the Australian Securities Exchange in 2000. Over the years, Compumedics has received numerous awards, including Australia's Exporter of the Year, and has been recognised as a Top 100 Innovator by both German and Australian Governments.

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Authorised for lodgement by Compumedics Limited's Board of Directors

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