



POINT OF CARE | CLINICAL LABORATORY

**Your Diagnostics Partner
November 2016**



Nasdaq: TRIB

Overview

- Founded in 1992 – quoted on NASDAQ (TRIB).
- Headquartered in Bray, Ireland (favourable tax regime – 12½% corporation tax).
- Significant operations in the USA – direct selling force of 60; in addition to manufacturing operations in Buffalo, Jamestown, San Diego and Kansas City.
- Direct sales operation in Brazil (Sao Paulo).
- Leading positions in a number of high-growth segments.

Meritas Platform

- Acquired a micro pillar based technology (Fiomi Diagnostics) in March 2012.
- Developed high quality Troponin and BNP cardiac tests.
- In September 2016, FDA submission for Troponin withdrawn following discussions with the FDA.
- FDA require Troponin point-of-care tests to demonstrate performance equivalent to the most recently cleared laboratory based device.
- No certainty that this level of performance can be achieved by the Meritas product even with the benefit of further development efforts.
- Closed our Swedish facility and transferring technology to Ireland – will reduce expenditure on project from \$9m p.a. to \$1.5m p.a.
- \$50m+ write-off to be incurred in Q4 2016.

Meritas Platform

- Internal process ongoing to determine the best future opportunity for this technically excellent platform.
- Key alternatives being considered:
 - Develop new product menu
 - Enter joint venture with third parties
 - Licence/sell technology to third parties
- Review to take 9-12 months.

Revenues

- \$100m of revenue in 2015, though heavily impacted by currency.
- Key business segments:
 - Diabetes
 - HIV/Syphilis
 - Infectious diseases
 - Autoimmune
 - Life science supply

Diabetes

- \$28m Business, 9% market share.
- A1c is a long term indicator of diabetes management.
- A1c diabetics require A1c testing 4 times a year.
- Major increase in incidence of diabetes in USA and internationally.
- Significant haemoglobin variant and neo-natal revenues also.
- Major growth market – 12% p.a.
- Market Size \$300m.
- Competitive landscape
 - BIO-RAD
 - Arkray
 - Tosoh
 - Trinity Biotech



Premier

- Premier – New clinical lab HbA1c instrument - FDA approved in December 2011.
- **State of the art instrument**
 - interference free (boronate affinity)
 - quicker – 1 minute assay
 - biggest capacity - 210 tests
 - leading edge software (touch screen)
 - modular configuration (ease of service)
- **Market**
 - Europe – Menarini (40% Market Share)
 - USA - Direct salesforce
 - China (approved Q2 2013)
 - Brazil (approved Q1 2014)
- **Premier Resolution**
 - Variant testing version launched in 2016.



Premier Placements

Year	Placements	Key development
2012	202	Initial product launch in USA, Europe and other strategic markets
2013	321	First sales in China – 74 instruments
2014	460	First sales in Brazil – 121 instruments
2015	350	Temporary withdrawal from Brazilian market due to significant fall in local currency

HIV/Syphilis - HIV

- \$18m revenues : \$12m Africa & \$6m USA.
- Strong gross margins : c.55%.
- **African market**
 - President's Emergency Plan for AIDS Relief ('PEPFAR') - over \$30 billion to date.
 - WHO, World Bank, Clinton & Gates Foundations.
 - Gold standard product – confirmation test in 95% of Africa.
 - Currently targeting \$90m HIV screening market.
- **USA Market**
 - Market Size of \$58m
 - Blood \$25m (Trinity \$6m; Orasure \$10m; Chembio \$9m)
 - Saliva \$33m (Orasure \$33m)
 - FDA approval for HIV-2 claim will boost revenues.



HIV/Syphilis - Rapid Syphilis Test

- CLIA waiver received in December 2014.
- Only FDA approved rapid syphilis test on the market.
- Customers:
 - State public health departments
 - Major city public health departments
 - CDC funding
 - CBO (community based organisations)
 - Planned parenthood
- Excellent companion product for Trinity's HIV test.
- Expected to be \$5m+ p.a. revenue product.

Infectious Diseases

- \$43m business - strong gross margins and cash generation.
- \$9m Lyme confirmation business - 100% market share.
- Broad infectious diseases product range – 60 products.
- Prominent niche player – esoteric tests.
- Large DSX instrument installed base in USA – reagent rental.
- China – large growth market.
- POC tests developed: C. Diff, GDH, H. Pylori, LUA, Strep. Pneumo, HSV.



Autoimmune – Immco Diagnostics

- Acquired July 2013 for \$33m, based in Buffalo, NY and employing 90 people.
- \$250m speciality autoimmune market growing 10% annually, main competitors –Werfen-Inova (\$75m), Bio-Rad (\$70m) and Phadia (\$40m).
- Autoimmune products: Lupus, Sjögren's, Celiac, Crohn's and Rheumatoid Arthritis.
- IFA products (best in market), EIA products (competitive with market leaders).
- Reference laboratory (NYSDOH accredited lab) – autoimmune testing.
- 15% growth expected through leveraging synergies with Trinity, launch of laboratory-based tests, and reference laboratory growth.
- New Sjögren's test performing strongly – marketing partner, Bausch and Lomb.

Financial Highlights

- Currently generating EBITDA of approximately \$18m p.a.
- Cash of \$85m on hand (exchangeable note of \$115m).
- Undertaking major share buyback programme following recent fall in share price.
- Following closure of Swedish plant, company will move to a cash neutral position.

Financial Information - Profit and Loss

	2011 \$m	2012 \$m	2013 \$m	2014 \$m	2015 \$m
Revenue	77.9	82.5	91.2	104.9	106
EBITDA	19.6	21.7	22.8	23.8	20.7
Operating profit	15.8	17.2	17.9	18.0	13.4
Profit after tax	15.6	17.3	17.8	17.2	9.3*
EPS (US cents)	69	77	78	76	40*

* Excluding non-cash financial income

- 2015 revenues were \$100.2m, but have been restated on a constant currency basis to reflect the weakening of a range of currencies versus US dollar – Euro, Brazilian Real, Canadian dollar and Sterling
- 2015 profit was impacted by pre-launch cardiac costs, approx. \$3m.
- Gross margin: 46%
- Operating margin: 13%

Financial Information – Balance Sheet

Balance sheet as at 30 September 2016	\$m
Fixed assets	194.7
Trade and other receivables	26.6
Inventory	40.0
Cash	84.8
Current assets	151.4
Trade and other payables	(20.8)
Net current assets	130.6
Convertible loan notes*	(115.0)

* \$115m raised through issuance of convertible loan notes in April 2015. This is shown net of fair value adjustments and transaction costs in Press Release Balance Sheet.

Take aways

- Profitable and cash generating infectious disease lab business.
- Strong haemoglobins product offering - 350 Premier placements in 2015, new variant version launched.
- Growing autoimmune business (Immco) – including Sjögren’s opportunity.
- CLIA waiver received for syphilis rapid test – significant growth opportunity.
- Cash of \$85m at 30 September 2016.
- 12½% tax rate – Ireland.
- Share buyback in progress.