

The word "SAGENTIA" is written in a bold, blue, sans-serif font. The letters are slightly shadowed, giving them a 3D appearance as if they are floating or attached to a surface. The background features abstract, flowing blue shapes that resemble liquid or smoke, creating a dynamic and modern aesthetic.

SAGENTIA

2013 Interims Results Presentation July 2013

**Martyn Ratcliffe
Neil Elton**

**Chairman
Finance Director**

Sagentia Group plc

- Science and Technology Consultancy Services & Product Development
 - Medical Market (Diagnostics, Surgical, Patient Care)
 - Commercial Market (Consumer, Industrial and Energy)
- International presence
 - Headquarters and laboratories based in Harston, near Cambridge
 - Significant freehold property
 - Other offices in Guildford; USA - Boston and Houston; and Dubai



Summary

Excellent operating performance. Strong organic growth in revenue, profit and EPS

Operating margins very strong

- Upper end of comparable companies range
- Investment in new business initiatives and state-of-the-art laboratories

Strong balance sheet

- Shareholders Funds : 75.1 pence per share (30 June 2012 : 66.9 pence)
- Cash balance : £20.5m and Net Funds of £14.7m

One-off licence fee settlement of US\$650k to be recognised in H2-2013

Acquisition of OTM and Quadro

Board anticipates performance for the year to exceed its current expectations

Financial Summary

Revenue growth of 36% to £14.5m (H1 2012: £10.7m)

- Revenue growth of 44% in Core business
- R&D Consultancy fees of £12.3m (H1 2012: £8.6m)
- Partially offset by £0.4m reduction in Product & Licence fees, IT Services, and Property
- Favourable movement in \$ exchange rate benefits YOY revenue by ~£0.2m

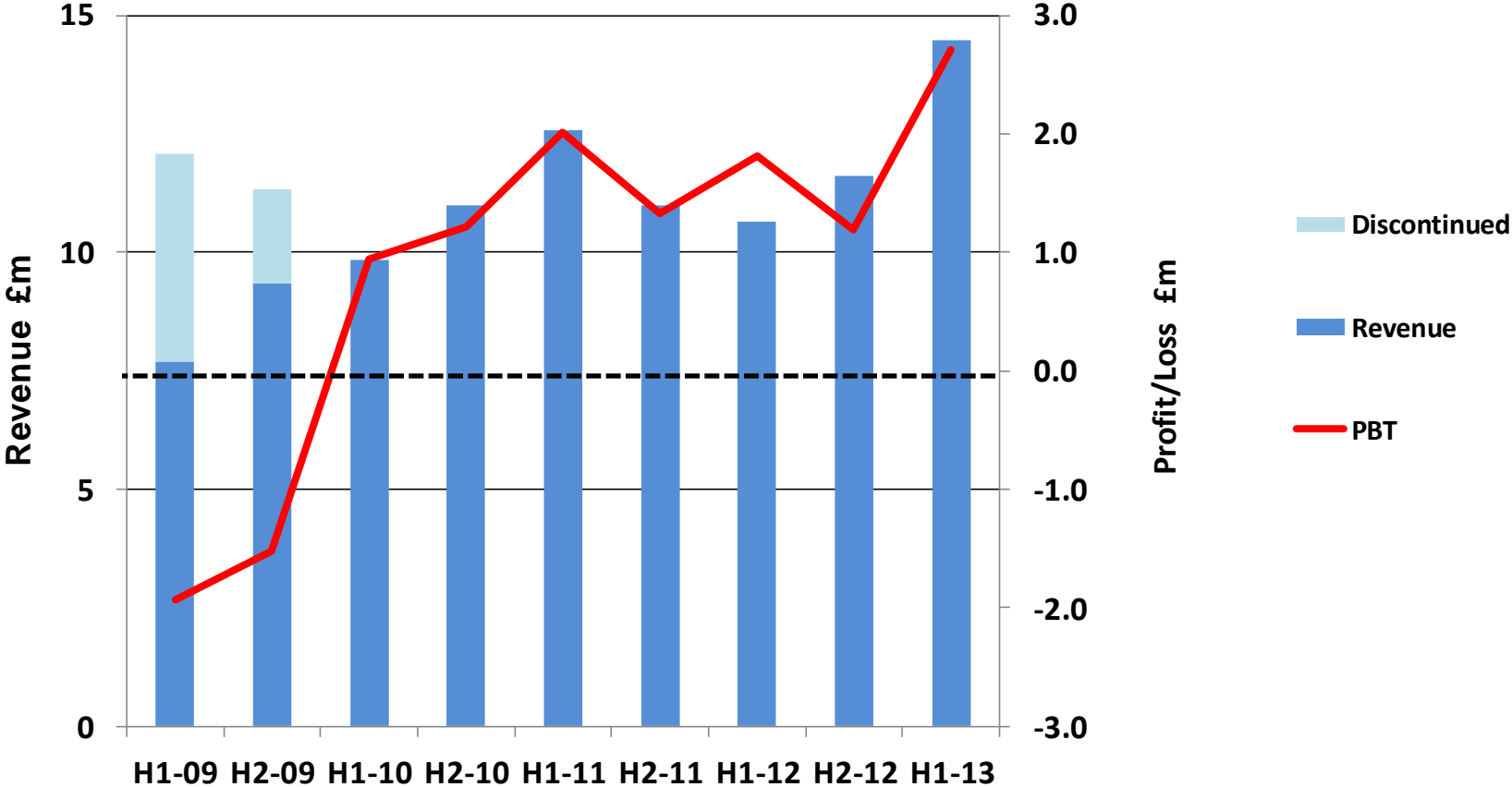
Margin Enhanced

- Operating Profit growth of 43% to £2.9m (H1 2012: £2.0m)
- Profit before tax growth of 49% to £2.7m (H1 2012: £1.8m)
- PBT margin of 18.7% (H1 2012: 17.0%)
- EPS (diluted) growth of 53% to 6.6p (H1 2012: 4.3p)

Balance Sheet

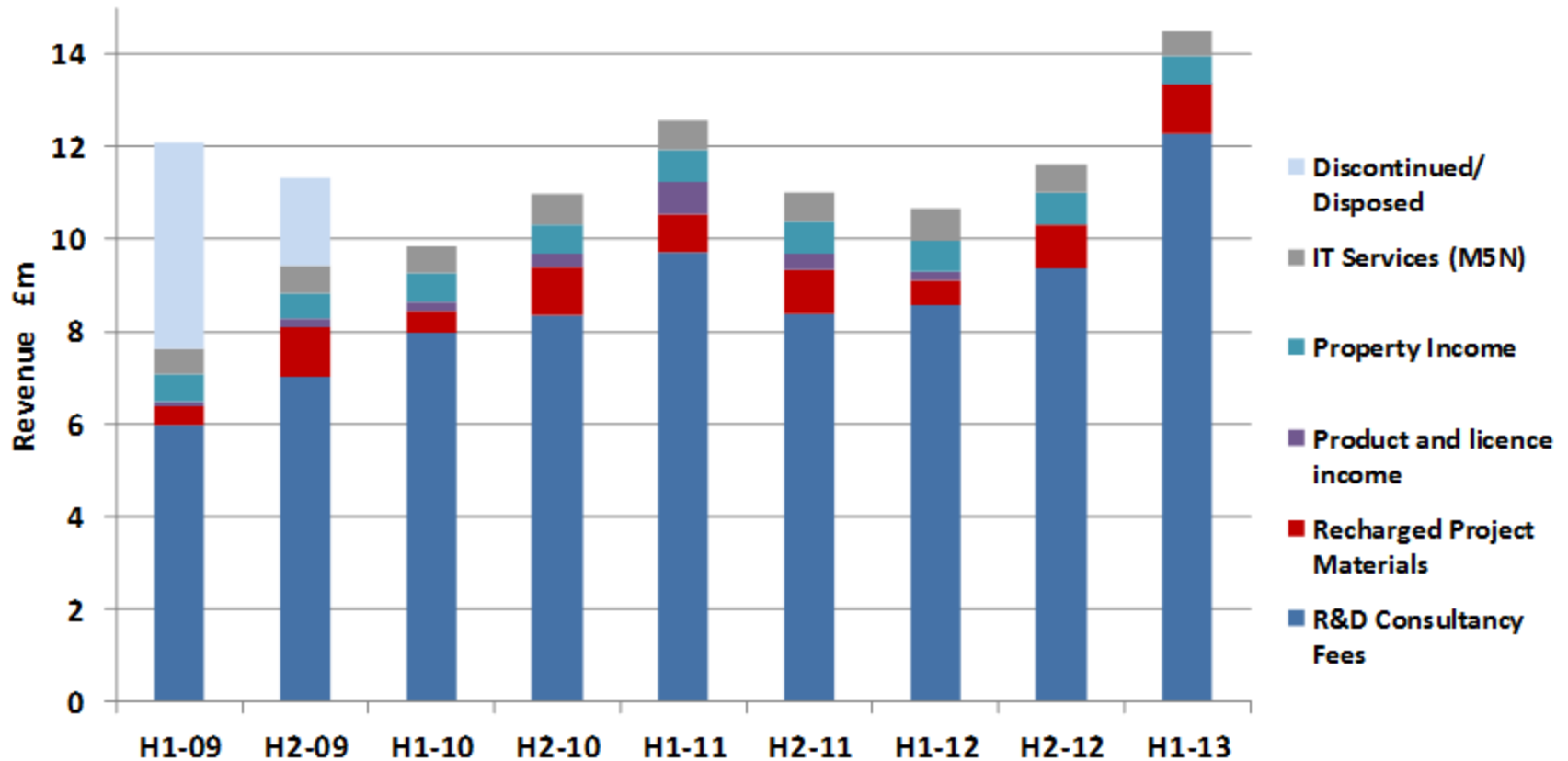
- Debtor Days at 30 June 2013: 37 (30 June 2012: 39; 31 December 2012: 31)
- Cash of £20.5m (30 June 2012: £18.9m; 31 December 2012: £19.2m)
- Net Funds of £14.7m (30 June 2012: £12.3m; 31 December 2012: £12.9m)
- Shareholders Funds per Share: 75.1p (30 June 2012: 66.9p; 31 December 2012: 68.9p)

Financial Performance – Half Year



Revenue Breakdown

Strong growth in Core Consulting Revenues partly offset by reduction in Product & Licence fees, IT Services, and Property income



Segmental Analysis

Business Sectors

- **Medical Market: Revenue of £6.7m (H1 2012: £5.4m)**
 - 50% (H1 2012: 59%) of Consultancy Revenue
 - Strong performance in Diagnostic and Surgical sectors
 - Patient Care sector performing satisfactorily
- **Commercial Market: Revenue of £6.7m (H1 2012: £3.7m)**
 - 50% (H1 2012: 41%) of Consultancy Revenue
 - Consumer sector underpinned by 3-year contract with US company signed in 2011
 - Large on-going project in the Energy sector

Geographic

- **Approx. 82% of R&D Consultancy revenue from overseas markets (H1 2012:78%)**
 - North America: 69%; ROW: 13%; UK: 18% (H1 2012: NA: 63%; ROW: 15%; UK: 22%)

Customer Profile

- **Top 5 customers account for 47% of Core Business revenue (H1 2012: 40%)**
- **Top 10 customers 71% (H1 2012: 65%)**

Balance Sheet (extracted information)

	30 Jun 2012	31 Dec 2012	30 Jun 2013
	£m	£m	£m
Cash*	18.9	19.2	20.5
	(after £2.4m share buyback in H1 2012)	(after £2.1m share buyback in H2 2012)	(after £0.4m maiden dividend in H1 2013)
Borrowings	(6.6)	(6.2)	(5.8)
Freehold Property	13.8	13.7	13.7
• Last valuation (Savills): August 2010			
Shareholders Funds	26.0	25.3	27.7
• Shareholders Funds per Share	66.9p	68.9p	75.1p

*All figures exclude OTM acquisition completed in July (net cash cost: £4.2m)

M&A Activity

OTM Consulting Limited (“OTM”)

- Acquired July 2013 for £6.5m (~£5.4m net consideration after cash acquired)
 - £5.3m cash (£4.2m net), and
 - £1.2m shares in Sagentia. 3-Year lock-in
- International technology management consultancy specialising in Energy market (oil, gas and alternative energy sectors)
- Offices in Guildford, Surrey; Houston, USA; and Dubai
- 35 staff
- Established blue-chip customer base including BP, ConocoPhillips, Shell and Statoil
- Revenues of £4.3m and PBT of £0.8m in 2012 (In accordance with Sagentia’s accounting policies)

QDA Limited (“Quadro”)

- Acquired February 2013 for £14k and 3 year earn-out up to maximum of 180,000 Sagentia shares, on cash-free/debt-free basis
- Industrial design company
- Successfully integrated into Harston Mill operations and now growing
- Complements Sagentia’s product development offering

Summary

Excellent operating performance

- Strong organic revenue growth driven by demand in North American market
- Operating margins in H1-2013 at the upper end of sector range
- Board anticipates results for the year to exceed its previous expectations

Corporate Matters

- M&A activity – successful acquisition of OTM and Quadro
- Acquisitions continue to be evaluated
- Continuing to invest in organic business opportunities
- Settlement of licence royalty dispute results in one-off benefit of \$650k in H2-2013
- Board exploring options for debt refinancing in H2-2013 (extend to late 2018)

Robust balance sheet and cash flow

- NAV of £27.7m includes net cash and freehold property equivalent to £28.4m
 - 75.1 pence per share at 30 June 2013

Appendix

Overview of OTM Consulting Limited

OTM Consulting Limited - Overview

Acquired July 2013

OTM enables companies in the oil, gas & energy sector to extract value from their investments in R&D and technology

- Strategic research and advice, via fixed-price contracts, providing reports
- Thought-leadership and industry engagement - 25 collaboration networks

Established in 1993 by Chris Dudgeon

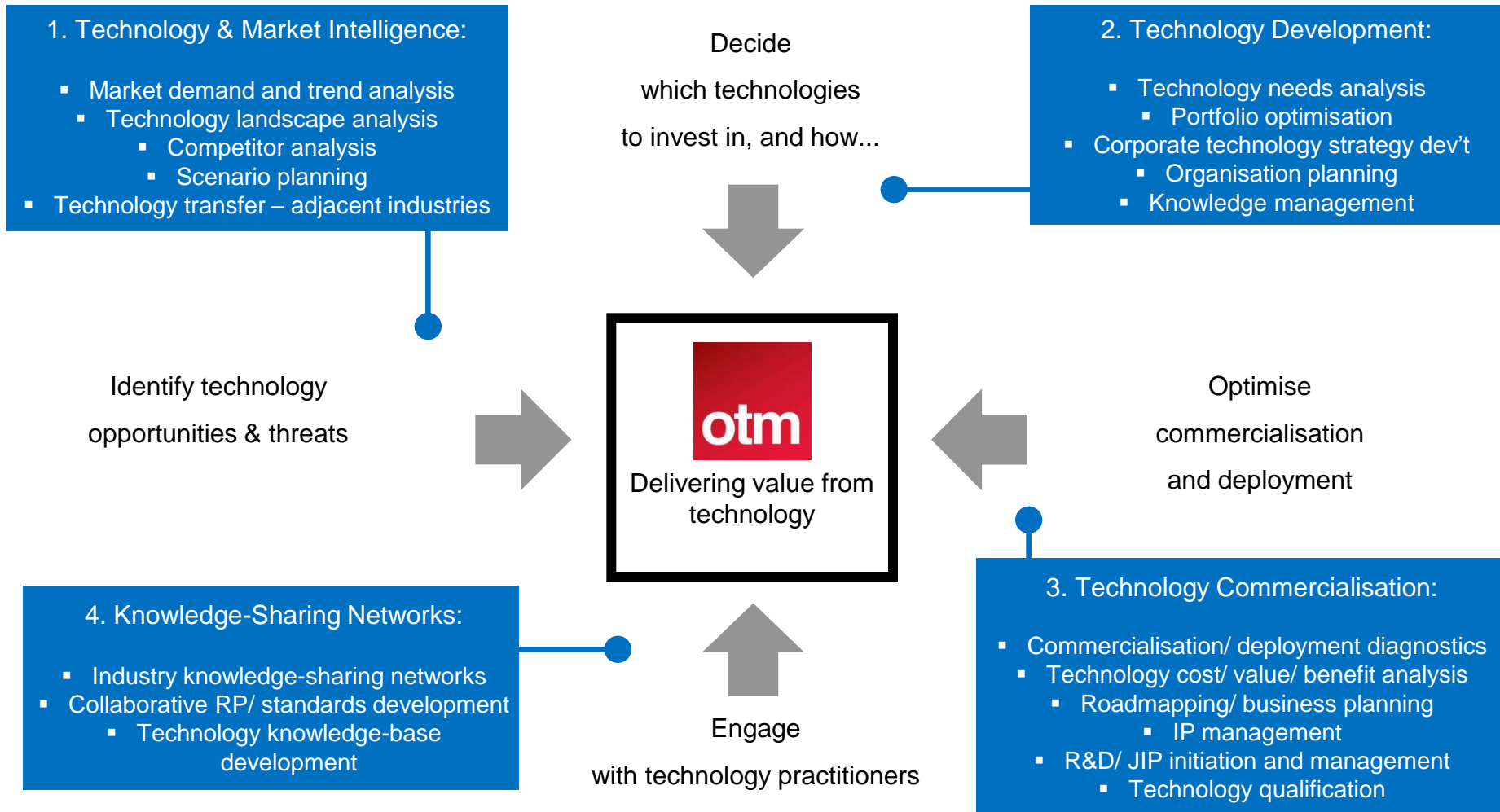
Revenue growth of 200% (2008-2012). Consistently profitable

35 specialist staff in London / Houston / Dubai – scientists / engineers

Established blue-chip customer base. More than 40 operator clients, including

- All 5 IOC super-majors and 5 key NOCs
- All of the 'big 4' service companies and numerous technology providers
- 12 venture capital investors

OTM - Proposition



OTM – Global Client Base



ExxonMobil



ConocoPhillips

BG Group



Schlumberger

HALLIBURTON



Technip



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Sagentia is listed on the
London Stock Exchange (SAG.L)

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