



# Shareholder presentation

2009 Results

Brent Hudson & Guy McCarthy

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**SAGENTIA**

# Agenda

Financial Results

Key themes for 2010

# Company performance

## 2009 Highlights

### •Significant recovery in technology consulting profit during second half of year following actions taken in first half

- Consulting fees for services' revenue of £20.2m (2008: £22.9m) and gross profit £0.4m (2008: £2.1m) from the full year following H109 gross loss of £0.4m
- Net debt decreased by £1.5m to £2.7m (2008: £4.2m)

### •Appointment of new CEO, Brent Hudson in October 2009 following the unexpected death of Alistair Brown in April.

### •Group structure further simplified:

- Sagentia Catella AB acquired by energy specialist Intertek Semko AB
- Minority shareholding of Sagentia SGAI acquired
- Sagentia Public Sector sold to management
- Sagentia GmbH office closed
- Sagentia Group Employee Trust closed
- Atranova shareholding diluted below subsidiary

### •Non-cash write down in fair value of financial assets and other non-current asset movements of £3.1m (2008: £2.0m) resulted in a pre-tax loss of £3.5m (2008: £2.2m).

- Transfer of Investments to non-current assets classified as held for sale
- Deferred income tax asset of £0.6m recognised
- Loss per share of 13.5 pence (2008: 9.7 pence)
- Shareholders' funds per share of 58.7p (2008: 71.9p)

### •Awards and Licenses:

- Best LED Lighting Application award at Elektra 09 European Electronics Industry Awards
- Innovative high colour quality lighting technology licensed to Nualight in the global food retail sector
- Non-exclusive licensing deal concluded with Novotechnik in respect of its non-contact sensor technology

**Sagentia is well placed to respond to changing market conditions in 2010**

## Consolidated Income Statement

	Consulting		Other	
	Year ended 31 Dec 2009	Year ended 31 Dec 2008	Year ended 31 Dec 2009	Year ended 31 Dec 2008
	£000	£000	£000	£000
Revenue	GJM11 20,215	22,945	GJM12 1,242	1,438
Recharged project expenses	2,221	4,434		
Licence / royalty income	GJM13 136	254		
<b>Revenue</b>	<b>22,572</b>	<b>27,633</b>	<b>1,242</b>	<b>1,438</b>
<b>Gross profit (loss)</b>	<b>433</b>	<b>2,085</b>	<b>(320)</b>	<b>(744)</b>
Change in fair value on financial assets			GJM14 3,122	(1,982)
Redomiciliation			-	(589)
Share based payment charge	(146)	(146)	(24)	(24)
<b>Operating profit (loss)</b>	<b>287</b>	<b>1,939</b>	<b>(3,466)</b>	<b>(3,339)</b>

Consulting activities includes all 'fees for services' operations and licence or royalty income generated directly from these activities. 'Other' activities include rental income from Harston Mill and our remaining Venture Subsidiary activities.

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- GJM11** fees for services include £1.5m (2008: £2.0m) from subsidiaries now disposed, and £4.7m (2008: £7.9m) from micro payments project now complete  
Guy McCarthy, 18/02/2010
- GJM12** Other operations include £1.14m (2008: £1.18m) fees received for rental services (including rent, service and utilities charges) at Harston Mill. Asset management fees of £0.2m were included in 2008 results.  
Guy McCarthy, 18/02/2010
- GJM13** License and royalty fee income includes fees from Astra Zeneca (magnetic tagging), AB Electronics (Sensopad sensor) and Nualight (LED lighting).  
Guy McCarthy, 18/02/2010
- GJM14** The reduction of £3.1m comprises a £1.2m write-down of accrued income (deferred consideration receivable), and £2.2m write down in our unquoted investments, partially offset by a release of provision against Atranova on deconsolidation. The deferred consideration receivable was originally recognised following our disposal of Sensopad Technologies Ltd in 2004, and is dependent upon the quantity of sensors to be sold within a four year period following initial production. The write-down reflects the reduced levels of Sensopad sensors being sold into the automotive sector compared with those originally estimated, and hence the uncertainty over our ability to recover the remaining deferred consideration receivable balance. The provision against the investments recognises the current uncertainty in the valuation of unquoted pre-revenue investments that are expected to seek further funding from shareholders. The investments have been moved to non-current assets classified as held for sale following the Board decision to seek an exit.  
Guy McCarthy, 18/02/2010

## Consolidated Statement of Financial Position

<b>Balance Sheet</b>	<b>2009</b>	<b>2008</b>
<b>Extracted highlights</b>	<b>Dec</b>	<b>Dec</b>
	<b>£000</b>	<b>£000</b>
<b>Non current assets</b>		
Property Plant and equipment	14,334 GJM15	15,008
Investments	-	5,291
Non-current assets- held for sale	1,441 GJM16	-
<b>Current Assets</b>		
Cash and cash equivalents	4,234 GJM17	5,341
<b>Non current liabilities</b>		
Borrowings	6,927	9,430
<b>Equity attributable to the equity holders of the parent</b>	<b>12,725</b>	<b>15,378</b>
<b>Net asset per share (p)</b>	<b>59</b>	<b>71</b>

Current Market Price 20p

## Slide 5

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**GJM15** This includes freehold land and buildings with a net book value of £14.0m (2008: £14.0m) against which Sagentia has an outstanding loan of £6.5m (2008: £9.0m). The property comprises Sagentia's 77,000 square feet freehold headquarters in Harston, England. The principal tenant of the property remains Sagentia Limited, which occupies 35,000 square feet on arms length terms. The majority of the remaining space is let on short to medium term leases

Guy McCarthy, 18/02/2010

**GJM16** The fair value of equity investments in investee companies at the year-end was £1.4m (2008: £5.3m) and have been moved to 'non-current assets classified as held for sale' in 2009.

The provision against the investments recognises the current uncertainty in the valuation of unquoted pre-revenue investments that are expected to seek further funding from shareholders. The investments have been moved to non-current assets classified as held for sale following the Board decision to seek an exit.

The Group's full interest in CMR Fuel Cells plc was disposed of in March 2009 for cash consideration of £0.4m.

Guy McCarthy, 18/02/2010

**GJM17** Sagentia had cash balances of £4.2m (2008: £5.3m).

At the year-end Sagentia had a loan facility of up to £9.0m of which £6.5m was drawn down. At the date of these accounts the loan drawn down was £5.5m.

Guy McCarthy, 18/02/2010

## Key Themes for 2010

**Sagentia - A company which is globally recognised in its niche markets and which is growing, profitable and a great place to work.**

- Globally recognised – marketing, physical presence
- Niche markets – focus: the 3 sectors Medical (Drug delivery, Diagnostics, Critical care, surgical), Industrial, Consumer
- Growing – Revenue, from our current levels
- Profitable – PBT, in both the Consulting and Other sectors
- Great place to work – job security, interesting work & colleagues, good remuneration, career paths, good working environment, company playing a role in the community

## Summary

During 2009:

- We simplified our company and reduced costs
- Focus on retaining a profitable consulting business
- We have implemented a clear strategy and vision for the company moving forward:

‘A company which is globally recognised in its niche markets and which is growing, profitable and a great place to work’

During 2010:

We will continue to

- build our delivery capability in our principal geographic markets
  - exploit our own and third party IP in licenses and manufacturing royalties
  - build our brand
  - build on the operational profitability and cash generation
  - trade out our investment portfolio
- We will build shareholder value in a profitable and growing company

[www.sagentia.com](http://www.sagentia.com)  
[info@sagentia.com](mailto:info@sagentia.com)



**Sagentia Ltd**  
Harston Mill  
Harston  
Cambridge  
CB22 7GG  
UK

T. +44 1223 875200

**Sagentia Inc**  
8161 Maple Lawn Boulevard  
Suite 475  
Fulton, MD 20759  
USA

T. +1 240 547 6600

**Sagentia SGAI Ltd**  
Unit 6-7, 13/F  
Wah Wai Industrial Centre  
38-40 Au Pui Wan Street  
Fotan  
Hong Kong

T. +852 2866 8701

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