



Advanced Medical Solutions Group plc

Peters Surgical - Acquisition



Transforming through Acquisitions



On 13 March 2024, AMS announced the proposed transformational acquisition of Peters Surgical, a leading European provider of specialty surgical products, for a maximum consideration of €141 million.

Following completion, expected mid-2024, the deal will strengthen the Group's position as a leading, global specialist in tissue repair and skin closure.

Peters Surgical is an excellent strategic fit, aligning with the strategy of expanding the Group's presence in the operating room, increasing the portfolio and sales of AMS branded products, increasing direct selling capabilities and volumes and expanding its global footprint. Peters offers complementary expertise, global reach, cross-selling opportunities and potential synergies, significantly broadening AMS's portfolio, by:

- Extending its portfolio of surgical products, increasing diversity and reducing reliance on single markets.
- Increasing its portfolio of own-brand products.
- Strengthening its direct sales force capability in key markets.
- Increasing its global footprint in target markets.
- Integrating a cash-generative business to provide substantial commercial and cost synergies.



Transforming through Acquisitions continued

Complementary portfolio of surgical products

The complementary nature of Peters Surgical products significantly strengthens AMS's existing brands and with both businesses targeting the same end-users, creates significant cross-selling opportunities. Peters Surgical generated revenues of €84 million in the 12 months to 31 December 2023.

Sutures (47% of 2023 Peters revenue)

The Peters range of specialist sutures, focusing on cardiovascular, dental and ophthalmic applications, combined with our range of RESORBA® sutures, creates a comprehensive product offering that can compete more effectively with global market leaders. The joint portfolio establishes a major regional player in Europe, APAC and the Middle East, while new US approvals for the Peters Surgical range anticipated in 2025 are expected to become a significant growth-driver for the business.

Internal Fixation and Sealants (4% of 2023 Peters revenue)

Peter's range of novel internal adhesives has the potential to generate high levels of growth. Their hexyl-based cyanoacrylate formulations are ideally suited for wet environments and internal use, being more flexible and resorbable, which allows them to be used in a wide range of applications, including bariatric surgery and prolapse repair. Combined with AMS's expertise in device design, this expanded portfolio is expected to further enhance AMS's rapidly growing LiquiBandFix8®/LIQUIFIX™ hernia repair franchise.

Haemostasis (33% of 2023 Peters revenue)

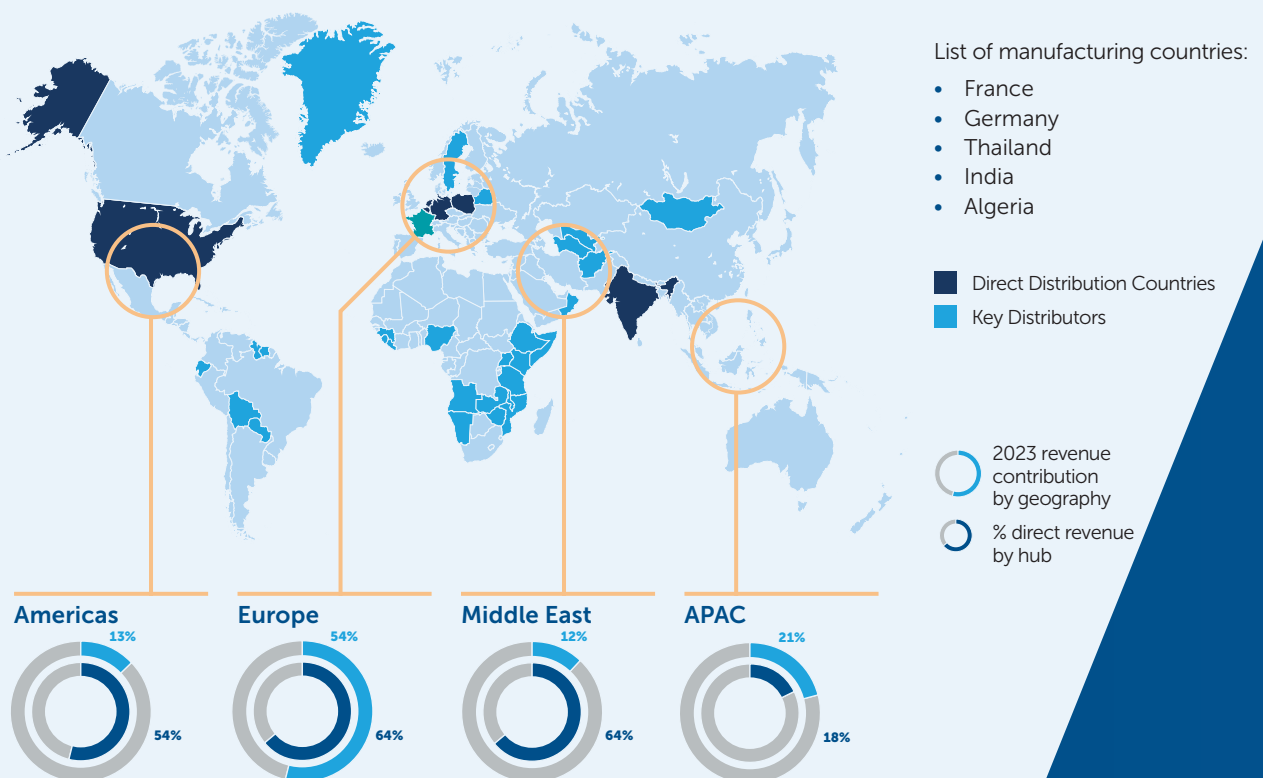
Peter's range of innovative, haemostatic vascular clip technology and clamps complements AMS's range of biosurgical and haemostatic products, with both portfolios targeting the same surgical procedures and end-users.

Other (10% of Peters Surgical revenue)

Peters range of outsourced, complementary surgical devices will combine with the portfolio of products gained via the acquisition of AFS Surgical in 2022. This will establish a comprehensive range of surgical instruments that can be exploited to enhance other key target areas.

Significant Operational Synergies

The Peters Surgical acquisition substantially increases the Group's manufacturing and R&D capabilities and expertise. The complementarity between the two portfolios presents significant opportunities to improve operational efficiency across the combined Group over the coming years.



Enhancing Direct Sales and Global Commercial Footprint

The acquisition of Peters Surgical will significantly enhance the Group's geographic footprint and its ability to penetrate key markets.

Increased direct sales presence in key markets

The addition of Peter's established direct sales presence in France, Benelux, Germany, Poland and India to AMS's existing direct markets of the UK, Germany, Austria and the Czech Republic, represents a significant opportunity for the Group's product offering and global reach. Cross-selling of both portfolios through this enlarged direct salesforce is expected to significantly enhance profitability and the Group's ability to expand into key markets.

Stronger and Broader Distribution Channels

Peters has already established distribution channels across key markets such as China, Japan, South-East Asia, the Middle-East and Africa where AMS has yet to make significant in-roads. Harnessing these networks presents significant opportunities for AMS's LiquiBand®, LiquiBandFix8® and RESORBA® brands in accelerating penetration in these lucrative territories.

In the US, Peters operates a hybrid model similar to AMS with locally based specialists supporting a network of distributors and partners. New product approvals and launches are expected to further leverage this model and critical market in the short, medium and long term.

Commercial Synergies: Combined Specialist Portfolio – Doubling Surgical Revenues



Topical surgical glues:

Major player in cyanoacrylate sealant technology

- LiquiBand® branded
- LiquiBand® XL

Biosurgicals:

Range of biological surgical scaffolds

- RESORBA® branded
- Collagen devices with drug-eluting technology
- Synthetic bone substitutes

Internal Fixation:

Leader in the fast-growing internal glue market

- LiquiBand Fix8® / LIQUIFIX™ for hernia mesh fixation
- Complementary Ifabond® for internal use for hernia repairs and other applications

Sutures:

Leading specialist suture provider:

- Absorbable/Non-absorbable
- Focus on key specialty segments
- Cardiovascular
- Dental
- Ophthalmic

Vascular Temporary Occlusion & Clips:

Innovative and novel clip technology

- Ligating clips
- Clamps

Other:

Range of specialist surgical devices and instruments

- AMS' 'Other Distributed products' including AFS
- Peters Surgical range of distributed and sourced complementary devices

