

26 August 2025

NANOSONICS 2025 FULL YEAR FINANCIAL RESULTS

FY25 performance at top end of upgraded guidance with foundations in place for next growth horizon

- Total revenue of \$198.6 million, up 17% on prior corresponding period (pcp) (14% at CC¹).
- trophon® cumulative installed base² growth of 6% to 37,000 devices, with 20% growth in consumables and services revenue ("recurring revenue") to \$146.1 million.
- EBIT of \$17.8 million, up 95% on pcp, with operating leverage improvements.
- Profit before tax of \$22.3 million, up 72% on pcp (49% at CC¹).
- Cash flow of \$32.0 million, bringing cash and cash equivalents to \$161.6 million, with no debt.
- Recent FDA clearance for next generation trophon technology and launch of trophon3 and trophon2 *Plus* software upgrade package to drive ongoing new installed base and upgrade growth.
- CORIS® granted US FDA clearance, enabling 510K applications for expanded scope indications and a Controlled Market Release to commence throughout FY26.³

Nanosonics Limited (ASX: NAN), a leader in infection prevention solutions, today announces its financial results for the year ended 30 June 2025 and its Appendix 4E.

"FY25 reflects a strong financial performance and a year in which we continued to lay the foundations for our next growth horizon. Our business model continues to demonstrate its strength and scalability. With a large cumulative installed base of 37,000 units, up 6% year-on-year, we are seeing this foundation translate into significant recurring revenue growth. Total revenue for the year reached \$198.6 million, a 17% increase, driven by a 9% rise in capital revenue to \$52.5 million and 20% growth in recurring revenue to \$146.1 million. This performance underscores the growing value of our recurring revenue business, which is fuelled by installed base and product expansion. Profitability grew with profit before tax up 72% to \$22.3 million while continuing our investments into R&D and operational advancements such as our US manufacturing facility, digital capabilities and a new ERP system to support the business into the future," said Michael Kavanagh, Nanosonics' Chief Executive Officer and President.

"This year we also achieved significant innovation milestones, including the development of the next generation of trophon which supports our market leadership in ultrasound probe reprocessing. trophon3 and our new software upgrade package, trophon2 *Plus*, have now been launched to customers in the US, Canada, UK, Ireland, Australia and New Zealand.

"The FDA clearance of CORIS was another significant milestone in our innovation journey and plans are now well underway for the submission of the first 510(k) applications for expanded scope indications, regulatory certification in Europe and Australia and the commencement of a Controlled Market Release. The CORIS system is designed to deliver a new standard of care for the cleaning of flexible endoscopes by addressing recognised issues associated with current manual processes. With over 60 million flexible endoscope procedures⁴ conducted annually across the top seven key markets alone, CORIS represents a substantial opportunity for the organisation.

"While we remain mindful of broader macroeconomic uncertainties, we are confident in our ability to continue our leadership and growth in ultrasound probe reprocessing with our latest generation trophon and the expansion of our portfolio and revenue streams with the full commercialisation of CORIS in time. Our disciplined approach to capital allocation remains firmly aligned with our purpose and the long-term interests of shareholders, including continued investment in product innovation and portfolio expansion," concluded Mr Kavanagh.

¹ Constant currency removes the impact of foreign exchange rate movements to facilitate comparability of operational performance. The average exchange rate used for the Company's major foreign currency (USD) for the full year was 0.65 (FY24: 0.66). For full details, please see the note at the end of the ASX announcement.

² Cumulative sales of new installed base units.

³ All new product development programs involve inherent risks and uncertainties which can impact commercialisation timelines.

⁴ References on file; available upon request.

Financial performance

Nanosonics reports total revenue of \$198.6 million, reflecting 17% growth on FY24 (14% CC¹). Total revenue was driven by recurring revenue of \$146.1 million from consumables and services, up 20% on pcp, and \$52.5 million in capital revenue from new and upgrade device sales, up 9% on pcp.

Regionally, North America continued strong growth with revenue of \$180.4 million, up 17% on pcp, comprised of \$131.0 million in recurring revenue and \$49.4 million in capital revenue. Europe, the UK and the Middle East contributed revenue of \$12.2 million, up 22% on pcp (\$10.2 million in recurring revenue and \$2.0 million in capital revenue), with APAC contributing revenue of \$6.0 million, up 4% on pcp (\$4.9 million in recurring revenue and \$1.1 million in capital revenue).

Gross margin was 78.2% including the impact of the 10% USA tariff in the 4th quarter.

Operating expenses increased by 10% on pcp to \$138.7 million. Importantly, operating leverage improved with operating expenses declining as a percentage of revenue compared to FY24.

R&D investment increased 6% to \$34.7 million. As a percentage of revenue, R&D decreased to 17% in FY25, down from 19% in FY24. Approximately two thirds, or \$22.3 million, of R&D investment was focussed on the Endoscope Reprocessing innovation program, with \$12.4 million investment into the Ultrasound Reprocessing innovation program. Significant R&D milestones were achieved in both these programs with the US FDA De Novo clearance for CORIS followed by the regulatory approvals and launch of trophon3 and trophon2 *Plus*.

EBIT grew strongly to \$17.8 million, up 95%, with profit before tax increasing 72% to \$22.3 million (49% at CC¹).

Cash flow for the year was \$32.0 million compared to \$17.4 million in the prior year. This growth was driven by increasing profits and diligent working capital management.

Cash and cash equivalents were \$161.6 million as at 30 June 2025, providing a strong foundation for strategic investments. With no debt on the balance sheet, Nanosonics maintains full flexibility to allocate capital to support innovation, market and product expansion, and long-term shareholder value.

Financial results

\$ millions	FY25	FY24	Change	%
Capital revenue	52.5	48.2	▲	9%
Consumables and service revenue	146.1	121.8	▲	20%
Total revenue	198.6	170.0	▲	17%
Gross profit	155.4	132.4	▲	17%
%	78.2%	77.9%		
Operating expenses				
Selling and general	71.9	65.8	▲	9%
Administration	32.1	27.0	▲	19%
Research and development	34.7	32.8	▲	6%
Total operating expenses	138.7	125.6	▲	10%
Other income	1.3	1.7	▼	-27%
Other gains/(losses)-net	(0.1)	0.5	▼	-127%
Earnings before interest and tax	17.8	9.1	▲	95%
Finance income-net	4.5	3.9	▲	16%
Profit before income tax	22.3	13.0	▲	72%
Income tax benefit/(expense)	(1.6)	-		
Profit after income tax	20.7	13.0	▲	59%

Core Trophon Business Growth and Profitability

Nanosonics' cumulative installed base of trophon devices grew 6% to 37,000 units in FY25 with a total of 2,210 new installed base this year. Of those, 1,920 were installed in North America, 200 in Europe, UK and Middle East, and 90 in APAC.

In addition, 1,660 devices were upgraded from our original EPR devices to the trophon2, up 10% on pcp. This included 1,500 units in North America, as well as 80 units in Europe, UK and Middle East, and 80 in APAC.

A total of 3,870 devices were installed during the year resulting in a 9% increase in capital revenue to \$52.5 million.

The strategy to expand value to the customers of the 37,000 cumulative installed base resulted in a 20% increase in recurring revenue to \$146.1 million through growth in consumables and services.

The core trophon business continues to demonstrate strong and growing profitability, delivering EBIT of \$48.4 million (excluding CORIS investments), a robust 33% increase on FY24. EBIT margin expanded to 24% of revenue, up from 21% in the previous year, underscoring the improvements in the business' operating leverage and disciplined execution. Operating expenses rose by 10%, including strategic investments in the Company's new Enterprise Resource Planning (ERP) system and trophon R&D. Importantly, operating expenses declined as a percentage of revenue year-on-year, highlighting improved cost efficiency.

Trophon only financial performance in FY25⁵

\$ millions	FY25	FY24	Change	%
Capital revenue	52.5	48.2	▲	9%
Consumables and service revenue	146.1	121.8	▲	20%
Total revenue	198.6	170.0	▲	17%
Gross profit	155.4	132.4	▲	17%
%	78.2%	77.9%		
Operating expenses				
Selling, general and administration	95.7	86.5	▲	11%
Research and development	12.4	11.8	▲	5%
Total Operating expenses	108.1	98.2	▲	10%
Other income	1.3	1.7	▼	-27%
Other gains/(losses)-net	(0.1)	0.5	▼	-127%
Earnings before interest and taxes	48.4	36.5	▲	33%
EBIT as a % of revenue	24%	21%	▲	
Finance income-net	4.5	3.9	▲	16%
Profit before income tax	52.8	40.4	▲	31%
PBT as a % of revenue	27%	24%	▲	

⁵ The pro forma profit before tax for the trophon business is unaudited and has been prepared by management to reflect total Company results less operating costs associated with new product development and commercialisation for CORIS. Operating costs reflect management allocation estimates where resources are shared between trophon and CORIS development and commercialisation. The pro forma profit and loss statement also includes income received from the Jobs Plus Program. Methodology has been subjected to an agreed procedure review by external auditors.

Next generation trophon

During the year, Nanosonics completed the development of its next generation ultrasound reprocessing technology, trophon3 and trophon2 *Plus*, a software upgrade package. The new innovation is over 40% faster than previous generations of trophon. It has expanded digital integration capabilities and offers the widest traceability capabilities in the ultrasound reprocessing market including new digital traceability through customers' DICOM imaging database systems, the international standard for medical imaging data. Fully programmable and adaptable, trophon3 and trophon2 *Plus* can be customised to suit a range of customer workflows, enhancing efficiency while delivering consistent, reliable disinfection in a safe, effective, and environmentally friendly way.

The sales opportunity for the new trophon innovations span three key areas:

- Expansion of the cumulative installed base in both hospital and private physician markets through sales of trophon3.
- Upgrades to trophon3 for approximately 10,000 first generation trophon EPR devices currently in use.
- trophon2 *Plus* software upgrades for the existing approximately 20,000 trophon2 devices providing them access to all the key features of trophon3.

In addition to driving capital and software upgrade sales, each new device or upgrade supports the ongoing growth of the Company's recurring revenue.

The Company continues to see a long-term growth opportunity in its ultrasound reprocessing business, and remains committed to continued investment in both core and select emerging markets.

CORIS advances to phased commercialisation

CORIS is a transformational device that automates the current ineffective manual cleaning process of complex flexible endoscopes and in doing so, solves a range of customer challenges. Contaminated endoscopes are recognised as a source of infection with significant patient and hospital impacts, and the CORIS device is designed to not only automate but deliver a new standard of care for the effective cleaning of these important medical instruments.

CORIS advanced significantly this year, setting in motion its commercialisation pathway to become a further strong growth engine for Nanosonics. Plans are now well underway for the submission of the first 510(k) for expanded scope indications, regulatory certification in Europe and Australia and the commencement of a Controlled Market Release (CMR), throughout FY26, first in Europe and Australia. The CMR will commence in the USA upon approval of the first 510(k) for expanded scope indications.

A CMR is typical for new medical devices and involves a strategically limited launch into select markets and user environments before full scale commercialisation. It enables real-world feedback on device performance, usability and integration into clinical workflows, and helps identify and resolve any unexpected issues prior to broader commercialisation. Broader market commercialisation of CORIS is expected to follow the CMR.

Manufacturing

In FY25, Nanosonics invested in the expansion of its existing Indianapolis facility. This included expanding its existing service function, and establishing a new manufacturing line for both the trophon and CORIS consumables. The facility received the relevant manufacturing certifications during the year and manufacturing of consumables is set to commence during FY26. trophon and CORIS device manufacturing will remain at the Company's Sydney facility.

Following rezoning of Nanosonics' current premises in Macquarie Park, Sydney, the Company has secured new long-term manufacturing and headquarter premises in the same area with relocation planned for H2 FY27.

Sustainability

During the year, the Company delivered a key component of our carbon reduction strategy by sourcing 100% renewable energy for use in its Australian and United States business operations. This saw around 56% or 270

tonnes of our scope 2 emissions abated. Further, scope 1 emissions reduced by around 17% (67 tonnes down to 56 tonnes). The manufacturing of key CORIS consumables in the United States is expected to see the Company avoid future scope 3 emissions that would have otherwise been caused from shipping these goods from Australia to our customers in the United States.

FY26 outlook & guidance

Nanosonics is well-positioned to continue to benefit from several trends in healthcare and infection prevention, such as automation, traceability and digitalisation, as well as the positive impacts of its newly launched, next generation trophon technology and CORIS commercialisation plans. However, the Company is taking a prudent approach to macro-economic uncertainties, recognising the changing global trade environment.

Nanosonics is confident the foundations built upon in FY25 will support continued revenue growth into FY26 and beyond. The Company's newly launched trophon3 and software upgrade package, trophon2 *Plus*, supports continued growth in our cumulative installed base and upgrades. Continued value expansion for our customers is also expected to support ongoing growth in our recurring revenue.

In FY26, the direct impact of the current tariff rates⁶ on the cost of goods are expected to be approximately \$4 million, which is expected to result in a gross margin percentage of between 75% to 77%. However, various mitigation strategies are expected to off-set the majority of the tariff impacts at a profit before tax level, including a range of cost sharing and financial initiatives, such as reasonable price adjustments over time, sourcing more goods from USA based suppliers, and prudent investment timings.

The Company will continue investing in CORIS throughout FY26 to support full commercialisation readiness. This includes scaling manufacturing and supply chain, advancing regulatory submissions for expanded scope indications, initiating the CMR, and engaging with customers in readiness for broader commercialisation.

Operating expenses in FY26 will also include provisions for Nanosonics' planned new headquarters and manufacturing facility.

The Company's FY26 guidance assumes no changes to the global trading environment and US tariffs at the current level of 10%.

FY26 Outlook at constant currency⁷:

	Range	vs FY25
Revenue	\$215m to \$223m	8% to 12%
Gross Margin	75-77%	-
Operating expenses	\$147m to \$151m	6% to 9%

Investor conference call and webinar:

Investors are invited to join a conference call and webcast today, Tuesday 26 August 2025 at 11:00am (AEST) hosted by Nanosonics CEO & President, Michael Kavanagh, and Jason Burriss, CFO.

If you would like to join the **audio webcast**, please pre-register at <https://ccmediaframe.com/?id=uKB3Um83>. Please note, you will not be able to ask questions via the webcast.

Alternatively, if you would like to ask questions, please join the **conference call** by registering at: <https://s1.c-conf.com/diamondpass/10048876-r9so5t.html>. You will receive the dial-in number, passcode and PIN.

A recording of the call will be available in the Investor Centre of Nanosonics' website after the event.

Authorised by the Board of Directors of Nanosonics Limited.

⁶ As at the 26 August 2025.

⁷ Guidance is at constant currency. It uses an AU/USD exchange rate of 0.65 which is the effective exchange rate for the FY25 results. Guidance is subject to uncertainty in relation to potential impacts associated with macroeconomic and political uncertainty, as well as potential impacts from increased competitive activity in the USA.

Note on Constant Currency

Constant currency removes the impact of exchange rate movements to facilitate comparability of operational performance. This is done by (1) converting the current year sales, costs and operating expenses of entities that use currencies other than Australian dollars at the average rates that were applicable in the prior year (2) restating foreign currency denominated transactions of the parent entity that is impacted by exchange rate movements at the average rates that were applicable in the prior year and (3) by adjusting for current year foreign currency gains and losses. The average exchange rate used for the Company's major foreign currency (USD) for the full year was 0.65 (FY24: 0.66).

For more information, please contact:

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