



**30 JUNE 18 PRELIMINARY RESULTS  
INVESTOR PRESENTATION**

**PAUL SWINNEY, CEO  
LIZ DIXON, FD**

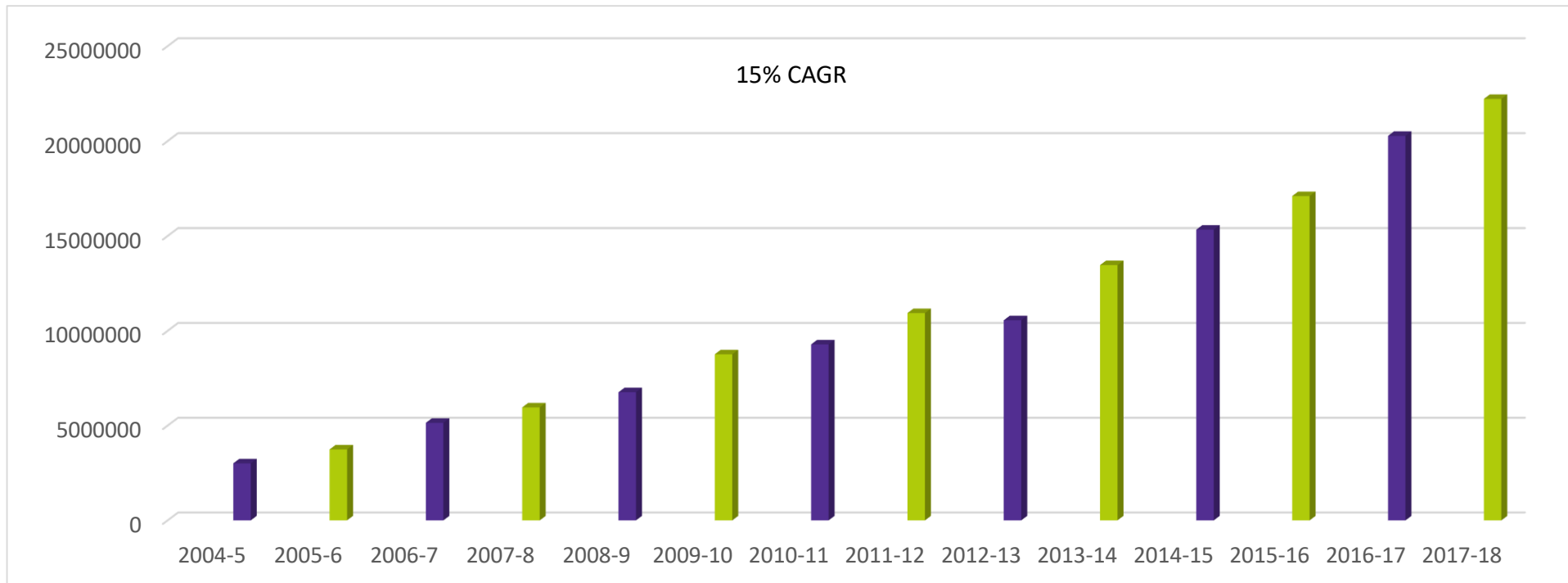
# FINANCIAL HIGHLIGHTS

- Turnover up 10% to £22.2m (2017: £20.3m)
- Overseas sales up 19% to £11.4m (2017: £9.6m), representing 51% of total sales (2017: 47%)
- EBITDA before share-based payments up 16% to £6.2m (2017: £5.3m). Unadjusted £5.5m (2017: £5.2m)
- Pre-tax profit before share-based payments up 15% to £4.7m (2017: £4.1m). Unadjusted £4m (2017: £4m)
- Pre-tax margin before share-based payments increased to 21% (2017: 20%). Unadjusted 18% (2017: 20%)
- Adjusted EPS 9.16 p up 10% (2017: 8.34p)
- Basic EPS 7.62p down 5% due to share-based payments of £0.66m (2017: £0.12m)
- Dividend per share for the full year increased by 14% to 4.58p (2017: 4.03p)
- Net cash of £6.7m at year end (2017: £5.1m). Company remains debt free

# OPERATIONAL HIGHLIGHTS

- Approval from USA Environmental Protection Agency (EPA) for foam-based product Duo
- Commercial collaboration concluded with Parker Laboratories Inc, USA, establishing manufacturing capability and national distribution network in USA
- Board transition plan progressing

# SALES HISTORY



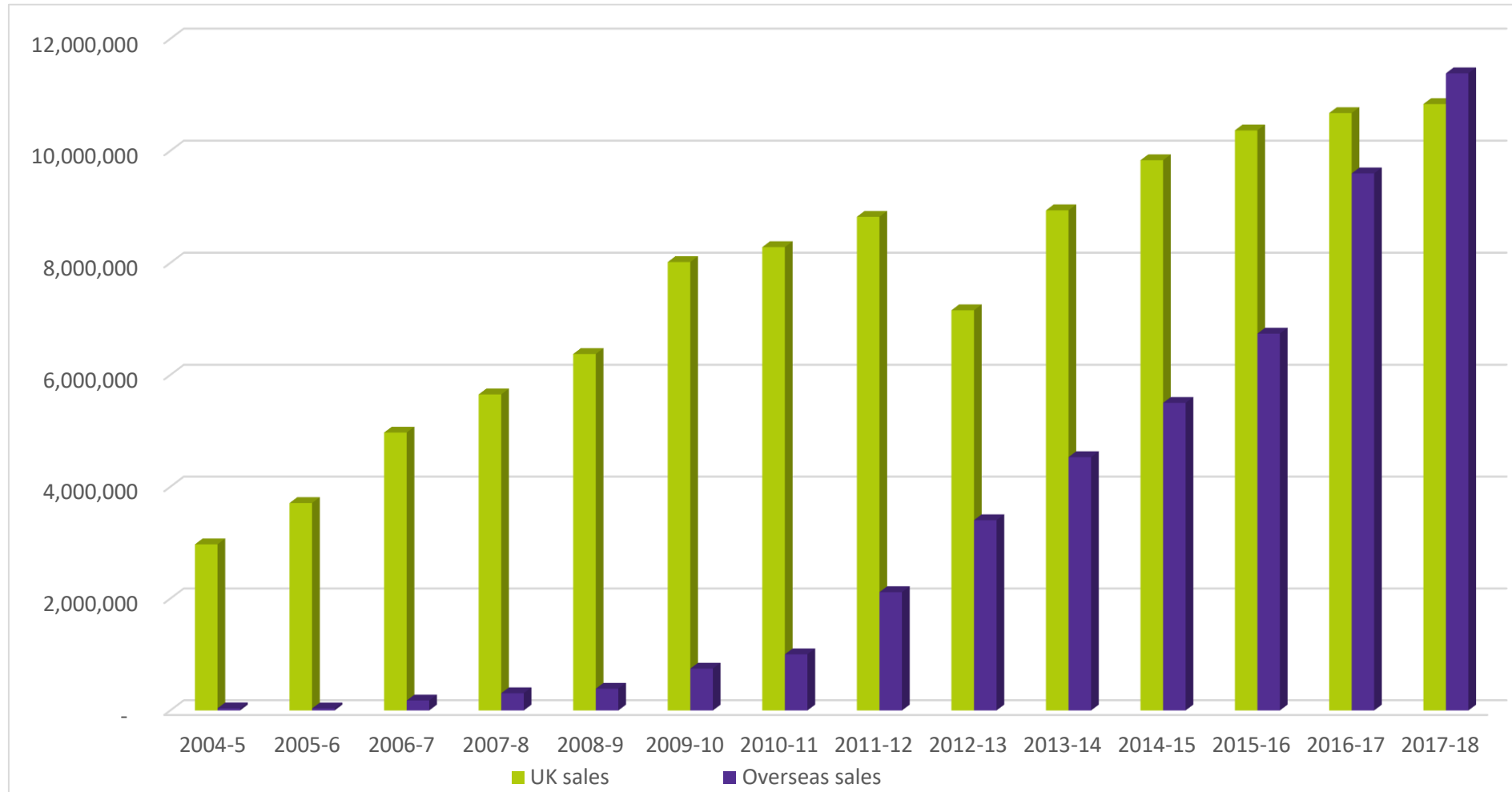
## FINANCIAL PLAN FOR YEARS 2017-2019

Sales growth of between 10% and 15%, on average, over three years

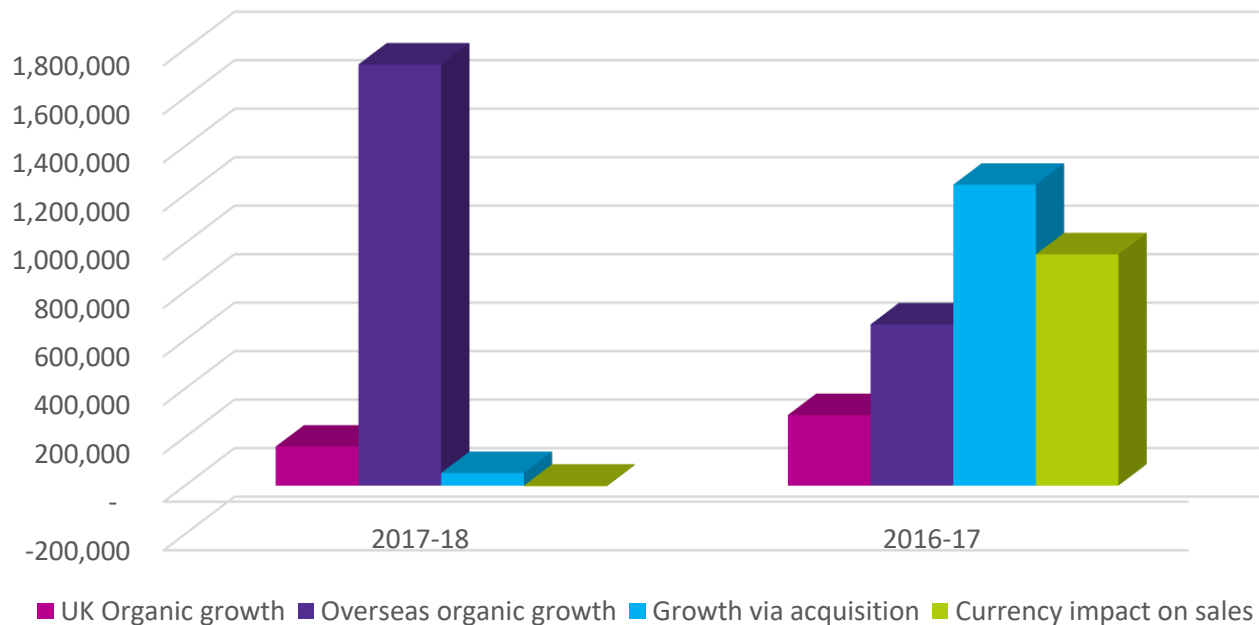
Target sales of between £22.8m and £26m in 2018-2019

On track

# SALES GROWTH



# SALES GROWTH - SOURCES



| £,000                              | 2017-2018    | 2016-2017    |
|------------------------------------|--------------|--------------|
| Overseas organic growth            | 1,737        | 665          |
| Growth via acquisition             | 55           | 1,241        |
| Currency impact on sales           | (3)          | 954          |
| <b>Total overseas sales growth</b> | <b>1,786</b> | <b>2,860</b> |
| UK organic growth                  | 161          | 291          |
| <b>Total Group sales growth</b>    | <b>1,947</b> | <b>3,151</b> |

# SALES GROWTH - GEOGRAPHIES

| £,000                    | 2017-18       | 2016-17       | Year on year change | % change   |
|--------------------------|---------------|---------------|---------------------|------------|
| Central & Eastern Europe | 4,186         | 3,321         | 865                 | 26%        |
| Australasia              | 3,066         | 2,595         | 471                 | 18%        |
| Hong Kong                | 394           | 588           | -194                | -33%       |
| China                    | 677           | 524           | 153                 | 29%        |
| Worldwide distributors   | 3,061         | 2,570         | 491                 | 19%        |
| Total overseas           | 11,384        | 9,598         | 1,786               | 19%        |
| United Kingdom           | 10,836        | 10,675        | 161                 | 2%         |
| <b>Total Group</b>       | <b>22,220</b> | <b>20,273</b> | <b>1,947</b>        | <b>10%</b> |

## NEW APPROVALS AND MARKETS

- Approval for 16 products in 20 countries attained in the year
- Investment of £0.540m made in 19 country approval programmes in the year

# SALES GROWTH - PRODUCTS

| £,000                     |                               | 2013 – 14     | 2014 – 15     | 2015 – 16     | 2016 – 17     | 2017 – 18     | 2017 – 18  |
|---------------------------|-------------------------------|---------------|---------------|---------------|---------------|---------------|------------|
|                           |                               |               |               |               |               |               | Growth     |
| UK human healthcare       | Medical device disinfection   | 4,253         | 5,090         | 5,720         | 6,659         | 6,717         | 1%         |
|                           | Critical surface disinfection | 996           | 1,169         | 1,253         | 1,182         | 1,245         | 5%         |
|                           | Other                         | 2,190         | 1,973         | 1,574         | 1,069         | 950           | -11%       |
| Overseas human healthcare | Medical device disinfection   | 3,076         | 4,238         | 5,377         | 8,442         | 9,873         | 17%        |
|                           | Critical surface disinfection | 233           | 194           | 162           | 121           | 219           | 81%        |
|                           | Other                         | 770           | 425           | 513           | 634           | 870           | 37%        |
| Animal healthcare         |                               | 762           | 871           | 1015          | 878           | 919           | 5%         |
| Contamination control     |                               | 1,190         | 1,374         | 1,490         | 1,288         | 1,427         | 11%        |
| <b>Total sales</b>        |                               | <b>13,470</b> | <b>15,334</b> | <b>17,104</b> | <b>20,273</b> | <b>22,220</b> | <b>10%</b> |

- UK medical devices: growth slow-down due to market saturation
- Global opportunity in critical surface disinfection – via new product set
  - Overseas growth remains strong
  - No currency distortions this year



# NEW OPPORTUNITIES – USA

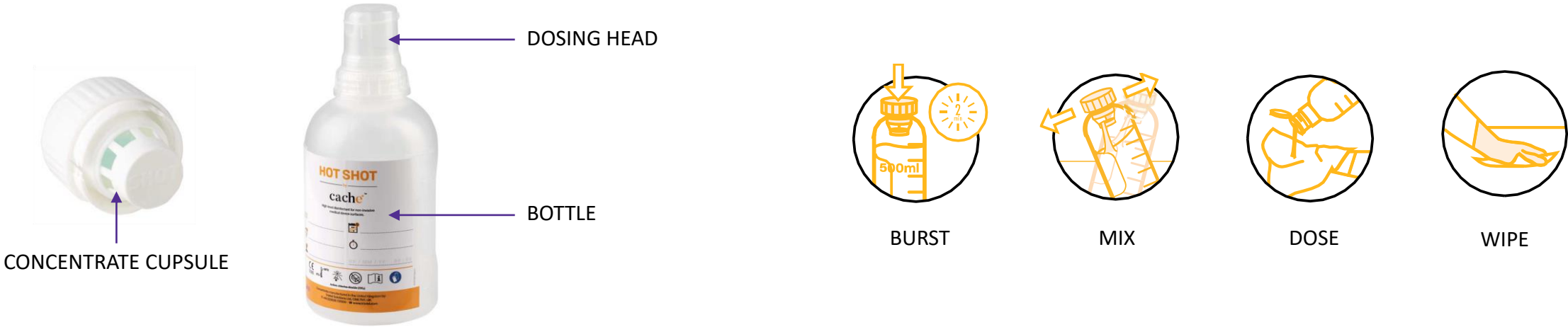


Joint Tristel & Parker Laboratories Inc. Exhibition Stand, Orlando, October 2018.

- Collaboration with Parker Laboratories Inc underway.
  - Awaiting state approvals - first received.
- FDA pre-submission response received. No show stoppers, additional work required, FDA redirection to a De Novo application.
  - FDA full submission expected by June 2019.

# NEW OPPORTUNITIES – CRITICAL SURFACE DISINFECTION

HOT SHOT CHLORINE DIOXIDE → A SURFACE DISINFECTANT WIPE



# NEW OPPORTUNITIES – CRITICAL SURFACE DISINFECTION

## THE ENVIRONMENTAL ISSUE

### SINGLE USE PLASTICS



PLASTIC WIPE



PLASTIC STRAW



PLASTIC CUP

## CURRENT PRACTICE

### PRE-SATURATED DISINFECTANT WIPES COMPRISE OF



A single use plastic wipe + a few millilitres of disinfectant liquid.

### HOW IS DISINFECTANT LIQUID COMBINED WITH THE WIPE?

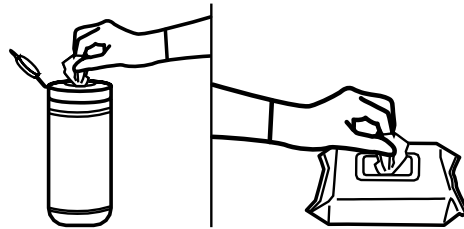
With plastic wipes, liquid adheres to the external surface of the wipe and the fibres from which the wipe is made. This is called the process of **adsorption**, as opposed to **absorption**.

## WHAT IS A PRE-SATURATED WIPE DOING?

### TWO THINGS:

It acts as the storage medium for the disinfectant liquid whilst it's in its pack.

Then it acts as a spreader of the liquid.

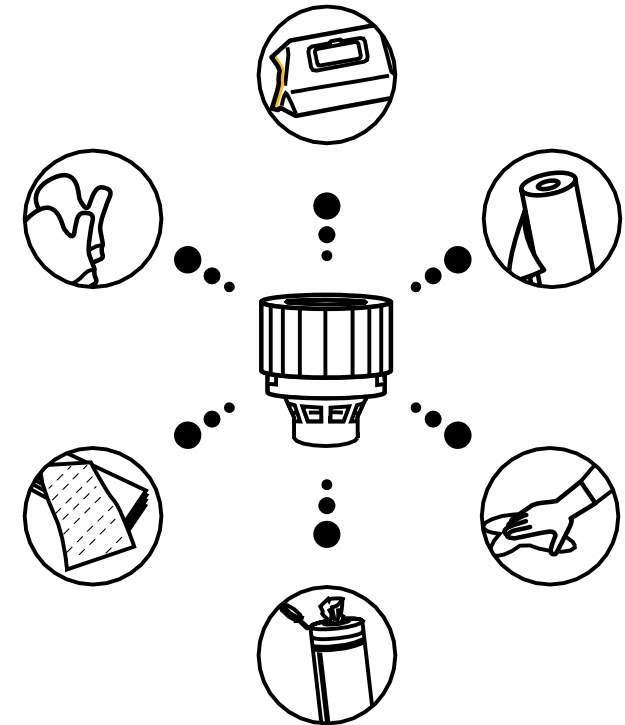


### IS ALL THE LIQUID DISINFECTANT TRANSFERRED FROM THE WIPE TO THE SURFACE?

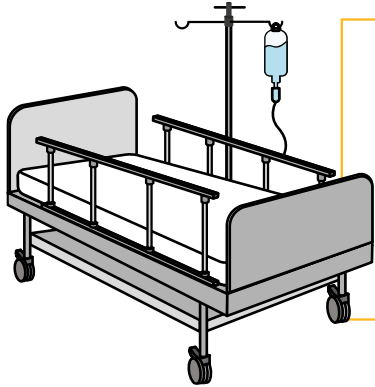
NO! A large proportion of disinfectant will always be transferred to the waste bin.

## WHAT IS THE HOT SHOT DIFFERENCE?

HOT SHOT decouples the liquid from the wipe, enabling you to choose how much you use and how you disperse it.



# NEW OPPORTUNITIES – CRITICAL SURFACE DISINFECTION



## WHAT DOES THIS MEAN?

One HOT SHOT can disinfect an entire patient bedspace compared to many wipes.  
 You can eliminate the use of single-use plastic when you clean and disinfect hospital surfaces.  
 You can choose the spreader; including blue paper towels, which are biodegradable.

**WINNER: THE ENVIRONMENT**

THE DOSING BOTTLE AND DOSING HEAD ARE **REUSABLE AND RECYCLABLE**

**HOT SHOT IS RECYCLABLE**

ALL ARE 100% POLYPROPYLENE



**WINNER: THE ENVIRONMENT**



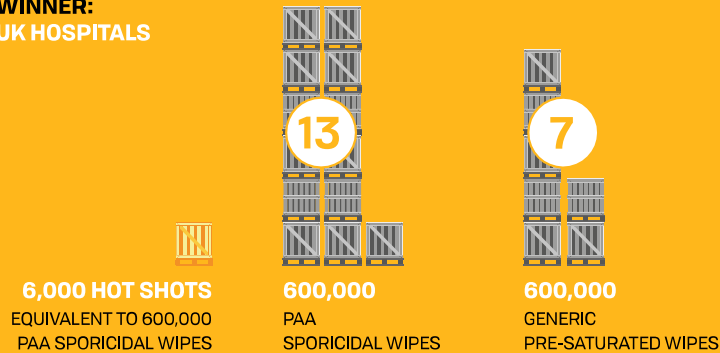
MANUFACTURED IN THE UK



= REDUCED CARBON FOOTPRINT  
**WINNER: THE ENVIRONMENT**

DRAMATIC REDUCTIONS IN STORAGE & SHIPMENT COSTS

**WINNER: UK HOSPITALS**



WHAT CAN YOU DO DIFFERENTLY ONCE YOU USE HOT SHOT?

### REAPPLY THE DISINFECTANT

With HOT SHOT it is okay to apply a second, a third, a fourth dose of disinfectant to the spreader: the liquid goes to the spreader; not the spreader into the liquid.

### NO RESTRICTIONS

With current practice as soon as the liquid is exhausted, you need to use another single-use wipe. With HOT SHOT, surface area coverage is no longer limited to the amount of disinfectant liquid a plastic wipe can release.

**WINNER: UK HOSPITALS**

# STRATEGIC FOCUS

## PRIMARY OBJECTIVES

- Maximise Company's value to shareholders
- Create the conditions for sustainable high growth
- Replicate market penetration achieved in targeted clinical areas in UK in all overseas markets

## SECONDARY OBJECTIVES

- To be a high margin company
- To be debt free and highly cash generative, returning to shareholders cash that is not required for operational needs and investment possibilities

## GOALS

- Focus on ClO<sub>2</sub>
- Focus on disposable products performing essential daily hygiene tasks
- Manufacture our ClO<sub>2</sub> products to protect IP

## GAME CHANGING STRATEGIC PLAYS

- Successful entry into the USA market
- Future company acquisitions which strictly align to our key strategic objectives and goals
- Position ourselves as the sole HLD player in the digital healthcare market, and the only HLD option accessible in developing countries

# BREXIT RISKS

Regulatory: the risk that our accreditation will not be recognised by the EU.

BSI has offered reassurance that in the case of a Hard Brexit or No Deal, they will guarantee that the markets in the EU and UK will not be impaired. BSI Netherlands will be our new notified body for EU.

Logistical: the risk that:

1. The movement of goods between the UK and the EU are halted or delayed at ports as a result of increased customs declarations / border bureaucracy.
2. Logistics during 2019 H1 travelling over the channel being put under considerable pressure, delaying the transportation of goods further.

All EU sales outlets have placed orders sufficient to cover stock requirements to May 19, to be delivered during January in an effort to avoid logistical delays

Currency: the risk that sterling rates fluctuate and disadvantage us via the conversion of foreign currency transactions into GBP.

If sterling weakens we will be positively impacted via the translation of sales and profits within the EU to GBP. If sterling strengthens the opposite will occur.

Financial: the risk that the Group will suffer additional duties in relation to goods travelling between the UK & the EU.

We have no visibility at this stage – unknown.

Personnel: the risk that key EU personnel based in the UK will leave through disillusionment with the UK or because of a legal requirement.

Where appropriate staff are permitted to relocate outside of UK.

# SUMMARY

- Overseas expansion continues to drive sales growth
  - Profitable, cash generative, debt-free
- Clear dividend policy to return surplus cash to shareholders
- Business has strong IP and many defensive strengths
  - Exciting new market opportunities ahead
- Expected further sustainable growth in 2019 and beyond

THANK YOU



# APPENDIX – INCOME STATEMENT

|  | Year ended 30.06.18 | Year ended 30.06.17 |
|--|---------------------|---------------------|
|  | £'000               | £'000               |
| Turnover   | 22,220              | 20,273              |
| Cost of sales  | (5,040)             | (4,598)             |
| Gross profit   | 17,180              | 15,675              |
| Gross margin %   | 77%                 | 77%                 |
| Administrative expenses                                      | (10,971)            | (10,301)            |
| Net interest   | 2                   | 4                   |
| Results from associate                                       | 24                  | 19                  |
| Operating profit before amortisation & shared based payments | 6,235               | 5,397               |
| Amortisation & Depreciation                                  | (1,564)             | (1,310)             |
| Share based payments   | (665)               | (121)               |
| Pre-tax profit   | 4,006               | 3,966               |
| Tax charge /(credit)   | (734)               | (549)               |
| Profit after tax   | 3,272               | 3,417               |
| Basic EPS – pence  | 7.62                | 8.06p               |
| Diluted EPS – pence  | 7.33                | 7.80p               |

# APPENDIX – BALANCE SHEET

|                               | 30.06.18 | 30.06.17 |
|-------------------------------|----------|----------|
| Non-current assets            | £'000    | £'000    |
| Goodwill                      | 998      | 1,065    |
| Investments                   | 589      | 589      |
| Intangible assets             | 5,954    | 5,924    |
| Property, plant and equipment | 1,328    | 1,409    |
| Deferred tax asset            | 399      | -        |
|                               | <hr/>    | <hr/>    |
|                               | 9,268    | 8,987    |
| Current assets                |          |          |
| Inventories                   | 2,279    | 2,292    |
| Trade and other receivables   | 4,332    | 3,745    |
| Cash and cash equivalents     | 6,661    | 5,088    |
|                               | <hr/>    | <hr/>    |
|                               | 13,272   | 11,125   |
| Total assets                  | <hr/>    | <hr/>    |
|                               | 22,540   | 20,112   |

Continued...

# APPENDIX – BALANCE SHEET CONTINUED

|                              | 30.06.18 | 30.06.17 |
|------------------------------|----------|----------|
|                              | £'000    | £'000    |
| Capital and reserves         |          |          |
| Share capital                | 432      | 427      |
| Share premium account        | 11,058   | 10,705   |
| Merger reserve               | 478      | 478      |
| Foreign exchange reserve     | (66)     | 46       |
| Retained earnings            | 6,518    | 4,399    |
| Non-controlling interests    | 7        | 7        |
| Total equity                 | 18,427   | 16,062   |
| Current liabilities          |          |          |
| Trade and other payables     | 3,201    | 3,147    |
| Current tax                  | 707      | 728      |
| Total current liabilities    | 3,908    | 3,875    |
| Deferred tax                 | 205      | 175      |
| Total liabilities            | 4,113    | 4,050    |
| Total equity and liabilities | 22,540   | 20,122   |

# APPENDIX – CASH FLOW RECONCILIATION

|   | Year ended<br>30.06.18 | Year ended<br>30.06.17 |
|---|------------------------|------------------------|
|   | £'000                  | £'000                  |
| Profit before tax                                 | 4,006                  | 3,966                  |
| Add back non-cash items                           | 2,133                  | 1,370                  |
| Working capital movements                         | (520)                  | (530)                  |
| Purchase of tangible fixed assets                 | (516)                  | (585)                  |
| Purchase of intangible assets                     | (997)                  | (2,002)                |
| Proceeds from sale of property, plant & equipment | 63                     | 45                     |
| Dividends paid                                    | (1,818)                | (2,787)                |
| Shares issued                                     | 358                    | 300                    |
| Net interest                                      | 2                      | 4                      |
| Corporation tax paid                              | (1,124)                | (454)                  |
| Increase/(Decrease) in cash                       | 1,587                  | (673)                  |

**Tristel**<sup>™</sup>

WE HAVE CHEMISTRY.