

Tristel™

**30 JUNE 19 PRELIMINARY RESULTS
INVESTOR PRESENTATION**

**PAUL SWINNEY, CEO
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UNIQUE SELLING POINTS



Trio Wipes System

The only manually applied medical device high level disinfectant (HLD)



Duo Foam

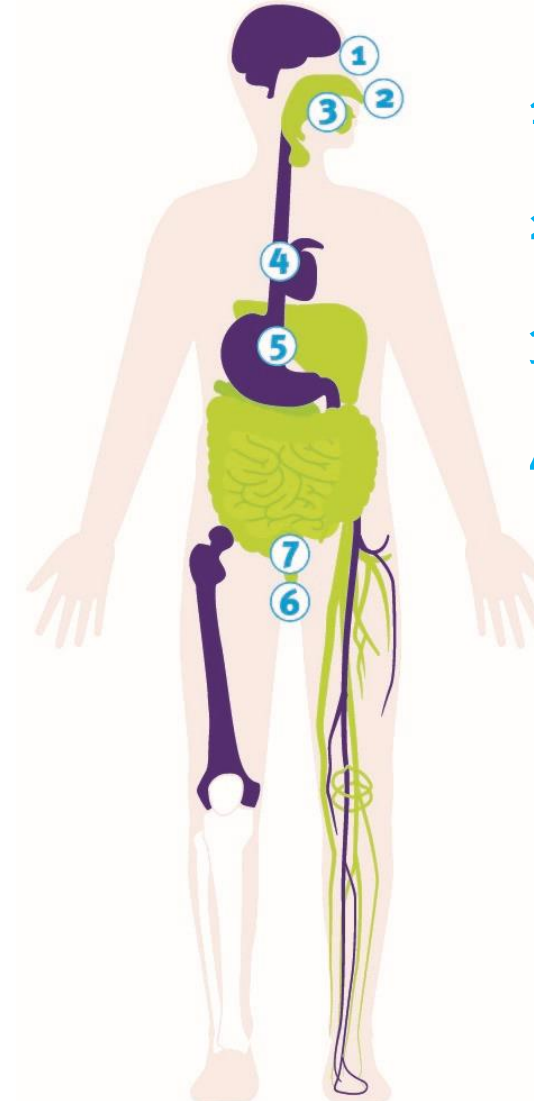
The only Chlorine Dioxide (ClO₂) medical device HLD



3T

The only HLD combining with mobile digital traceability

MULTIPLE USE SITES



- 1 Ophthalmology: Tonometers
- 2 ENT: Nasendoscopes
- 3 A&E: Intubation Laryngoscopes
- 4 GI Endoscopy: Manometry Catheters
- 5 Cardiac surgery: TEE Ultrasound Probes
- 6 Obs & Gynae: Vaginal Ultrasound Probes
- 7 Radiology: Rectal Ultrasound Probes

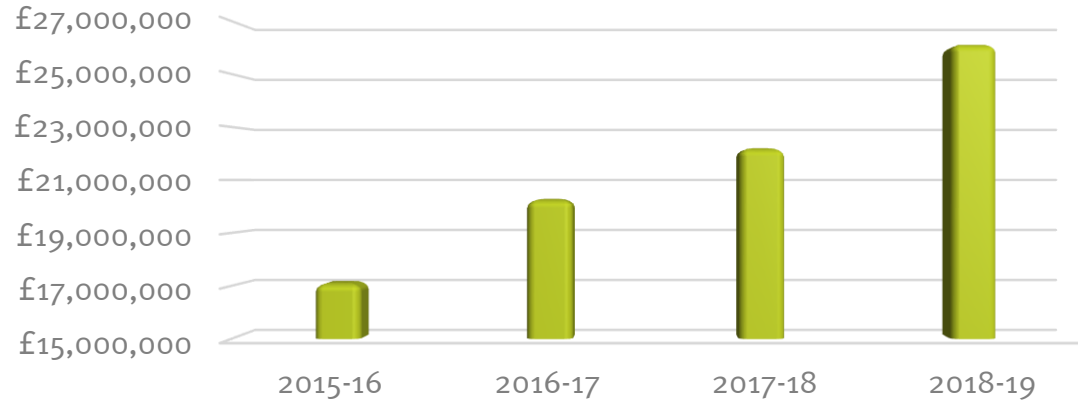
- Turnover up 18% to £26.2m (2018: £22.2m)
- Overseas sales up 26% to £14.4m (2018: £11.4m), representing 55% of total sales (2018: 51%)
- EBITDA before share-based payments up 15% to £7.1m (2018: £6.2m). Unadjusted up 13% to £6.3m (2018: £5.5m)
- Pre-tax profit before share-based payments up 19% to £5.6m (2018: £4.7m). Unadjusted up 18% to £4.7m (2018: £4m)
- Pre-tax margin before share-based payments remained at 21% (2018: 21%). Unadjusted 18% (2018: 18%)
- Adjusted EPS 11.08p up 21% (2018: 9.16p)
- Basic EPS 9.14p up 20% (2018: 7.62p)
- Dividend per share for the full year increased by 21% to 5.54p (2018: 4.58p)
- Net cash of £4.2m at year end (2018: £6.7m), after £4.7m spent on acquisitions. Company remains debt-free

FINANCIAL TARGETS

SALES: LAST THREE YEARS

Targeted: Sales growth of between 10% and 15%, on average, per annum.

Actual sales growth rate = 15%



PROFITABILITY: LAST THREE YEARS

Targeted: PBT* margin of 17.5%

Actual PBT* margin:

2016-17	20%
2017-18	21%
2018-19	21%

USA spend:

£0.5m
£0.5m
£0.5m

**before share based payments and after expensing USA Regulatory costs

SALES: NEXT THREE YEARS

Target: Sales growth of between 10% and 15%, on average, over the three years to June 2022.

PROFITABILITY: NEXT THREE YEARS

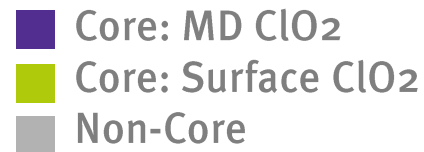
Target: EBITDA* margin 25%. Change of measure to EBITDA reflects the ongoing innovation and investment plan.

KEY DYNAMICS



- Medical device ClO2: Growing fast, 2019 +24%
- Surface ClO2: Picking up pace, 2019 +11%
- International: Growing fast, 2019 +25%
- Non-core: In decline, 2019 -5%
- Corporate growth: +18%

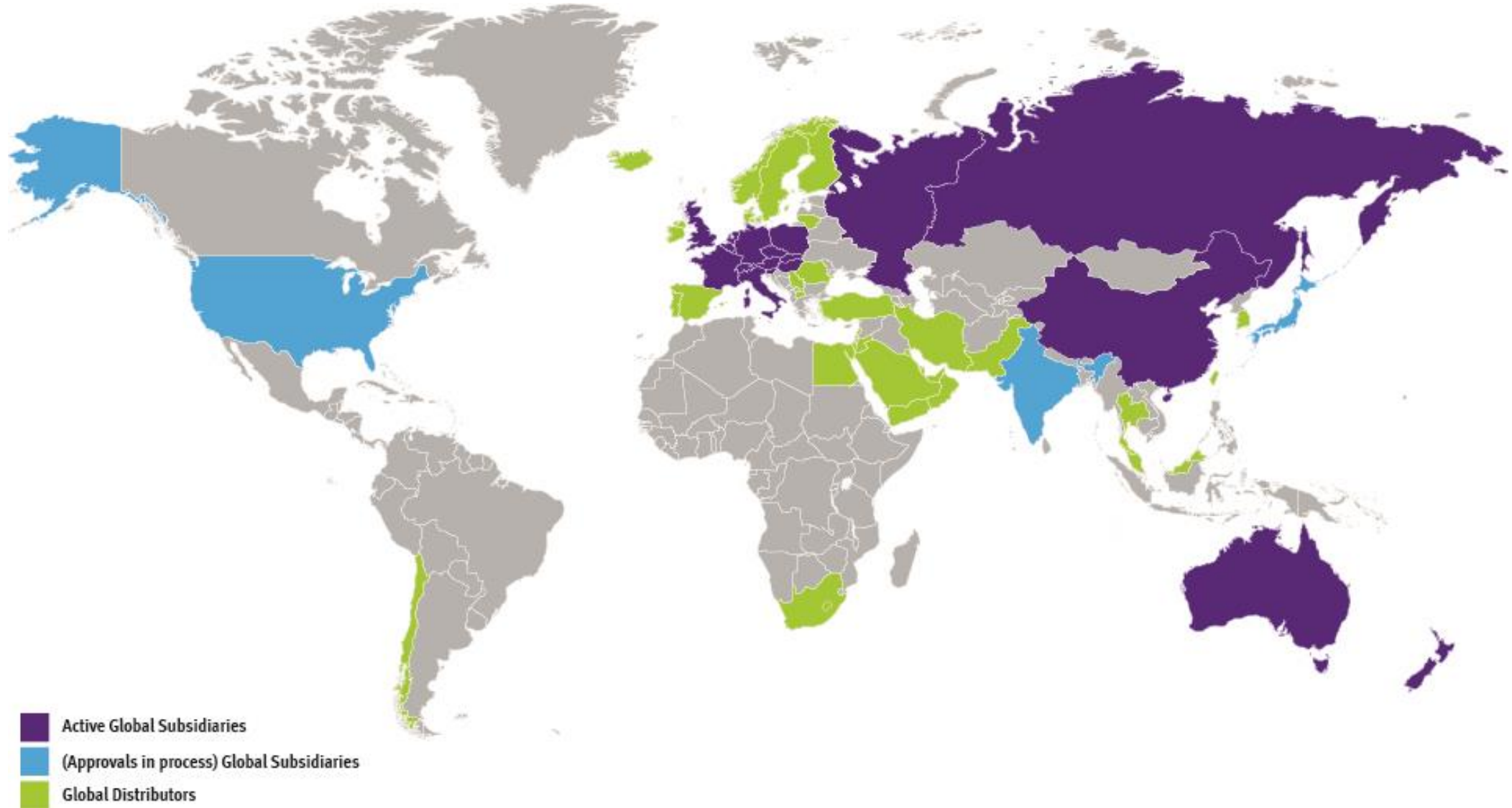
Corporate growth is being held back by “non-core” decline.



KEY DYNAMICS

£,000		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2018-19
									%
UK Human healthcare	Medical device disinfection	2,965	4,253	5,090	5,720	6,659	6,717	7,760	16%
	Critical surface disinfection	656	996	1,169	1,253	1,182	1,245	1,488	20%
	Other	2,225	2,190	1,973	1,574	1,069	950	776	-18%
Intl Human healthcare	Medical device disinfection	2,122	3,076	4,238	5,377	8,442	9,873	12,707	29%
	Critical surface disinfection	128	233	194	162	121	219	276	26%
	Other	816	770	425	513	634	870	939	8%
Animal healthcare		738	762	871	1,015	878	919	808	-12%
Contamination control		908	1,190	1,374	1,490	1,288	1,427	1,415	-1%
Total revenue		10,558	13,470	15,334	17,104	20,273	22,220	26,169	18%

GEOGRAPHICAL EXPANSION



SALES GROWTH BY GEOGRAPHY

£,000	2016-17	2017-18	2018-19	Year on year change	% Change	% Change in constant currency
Central & Eastern Europe	3,321	4,186	4,610	424	10%	11%
Western Europe	-	-	2,140	2,140	-	-
Australasia	2,595	3,066	3,299	233	8%	11%
Hong Kong	588	394	979	585	148%	139%
China	524	677	203	(474)	(70%)	(70%)
Worldwide distributors	2,570	3,061	3,142	81	3%	3%
Total Overseas	9,598	11,384	14,373	2,989	26%	27%
United Kingdom	10,675	10,836	11,796	960	9%	9%
Total Group	20,273	22,220	26,169	3,949	18%*	18%

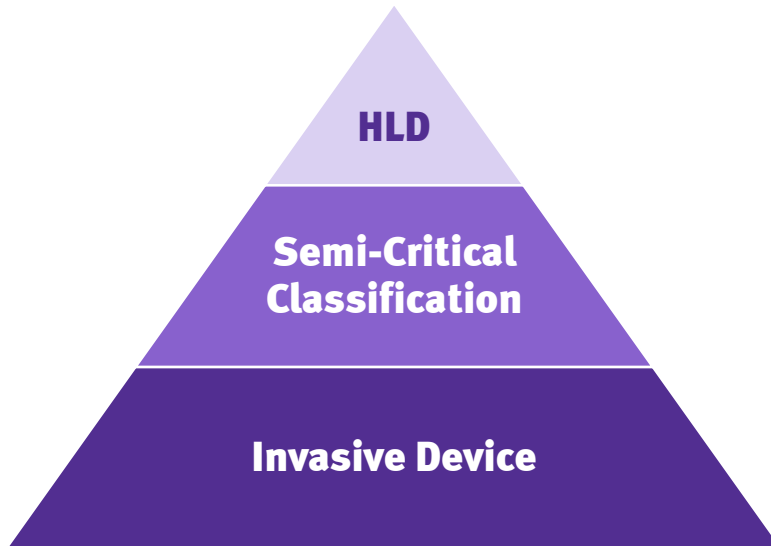
* Excluding Belgium, Netherlands and France acquisitions, growth = 10%

LONG TERM GROWTH POTENTIAL

MEDICAL DEVICES

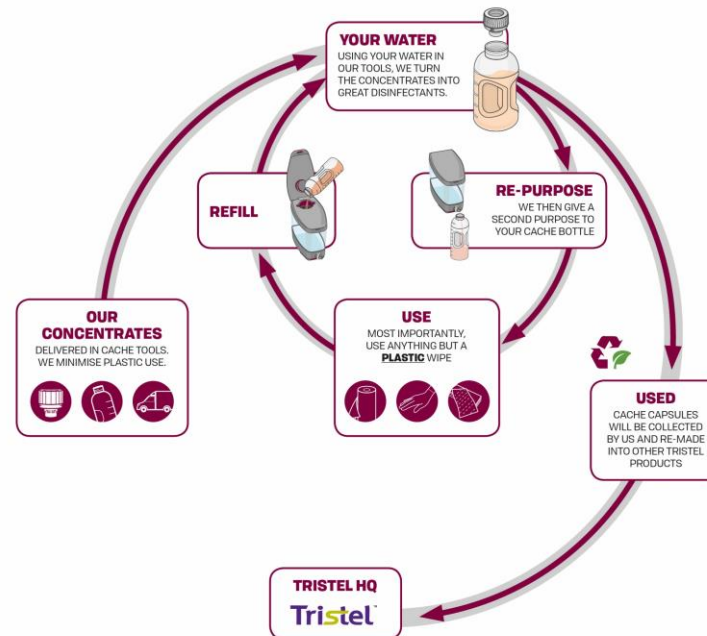
Regulation Drives Demand:

- Legal
- Standards
- Guidelines



SURFACES

The Environment, Innovation & Economics drive demand



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CIRCULAR SYSTEM

DEFENSIVE STRENGTHS

- Proprietary Formulation
- Patents:
 - 6 families
 - 233 grants
 - 66 applications in progress
- Published Papers = 29
- Clinical Guideline Inclusion = 19
- Manufacturers Compatibility:
 - 55 companies
 - 1,845 device models

ClO₂ MEDICAL DEVICE DISINFECTION SALES BY APPLICATION* 2018-19

←-----Ultrasound-----→

Radiology
& OBGY

£,000	Cardiology	Radiology & OBGY	ENT	Urology	Ophthalmology	#Other	Total
Central & Eastern Europe	1,880	815	420	198	425	630	4,369
Western Europe	501	517	390	98	68	143	1,717
Australasia	140	1,748	804	116	-	171	2,979
China & Hong Kong	151	431	114	288	2	76	1,062
Worldwide distributors	523	451	822	146	47	78	2,067
Total Overseas	3,196	3,963	2,550	846	542	1,098	12,194
United Kingdom	338	3,046	3,719	82	37	1,051	8,273
Total Group	3,534	7,008	6,269	928	579	2,149	20,467

*Company estimates
#GI Endoscopy, A&E, Colposcopy etc

LONG TERM GROWTH POTENTIAL USA

- De Novo pathway following FDA pre-submission feedback October 2018:
 - Foam – a unique approach
 - Chlorine dioxide – a unique active
 - “Duo contact occurs at room temperature and the time is much shorter compared to other high level disinfectants”
- Awaiting FDA written feedback to pre-submission request, lodged Sep 2019. Expected Dec 2019.
- Collaboration with Parker Laboratories developing well.
- Good visibility on USA ultrasound disinfection market potential by benchmarking against competitors.

INVESTMENTS AND CASHFLOW

	2018-19	2017-18
	£,000	£,000
Net cash from operations	5,877	4,918
Acquisition of Belgium, France and Netherlands distributors	(4,709)	-
Product development, investments and fixed asset additions	(1,467)	(1,513)
Dividends	(2,210)	(1,818)
Decrease in cash during the year	(2,509)	(1,587)

- Successful integration of Belgium, France and Netherlands distributors, acquired November 2018:
 - Trading in line with expectations.
 - Timely acquisition: French ultrasound guidelines released summer 2019.
 - French salesforce now seven strong.
- Successful integration of Italian associate acquired July 2019. Starting to address ultrasound and surfaces.
- Good progress in China and Hong Kong:
 - Anticipate China ultrasound guidelines within next two years.
 - Starting to build salesforce with immediate focus on private hospitals.
- Steady progress in product development programme for hospital surface disinfection – the Cache initiative.
Growth of 11%.
- New 23,000sq ft warehouse in Newmarket and 14,000sq ft warehouse in Antwerp, fully operational.

SUMMARY

- Overseas expansion, both organic and acquired, continues to drive sales growth
- Continued profits growth and cash generation. Company remains debt-free
 - Business has strong IP and many defensive strengths
 - Exciting new market opportunities ahead
 - Further sustainable growth to come

THANK YOU

APPENDIX – INCOME STATEMENT

	Year ended 30.06.19	Year ended 30.06.18
	£'000	£'000
Turnover	26,169	22,220
Cost of sales	(5,504)	(5,040)
Gross profit	20,665	17,180
Gross margin %	79%	77%
Administrative expenses	(13,579)	(10,971)
Net interest	4	2
Results from associate	45	24
Operating profit before amortisation & shared based payments	7,135	6,235
Amortisation & Depreciation	(1,537)	(1,564)
Share based payments	(852)	(665)
Pre-tax profit	4,746	4,006
Tax charge /(credit)	(715)	(734)
Profit after tax	4,031	3,272
Basic EPS – pence	9.14	7.62
Diluted EPS – pence	8.86	7.33

APPENDIX – BALANCE SHEET

	30.06.19	30.06.18
Non-current assets	£'000	£'000
Goodwill	5,150	998
Investments	872	589
Intangible assets	7,593	5,954
Property, plant and equipment	1,466	1,328
	15,081	8,869
Current assets		
Inventories	3,077	2,279
Trade and other receivables	5,250	4,332
Cash and cash equivalents	4,170	6,661
	12,497	13,272
Total assets	27,578	22,141

Continued...

APPENDIX – BALANCE SHEET CONTINUED

	30.06.19	30.06.18
	£'000	£'000
Capital and reserves		
Share capital	446	432
Share premium account	11,427	11,058
Merger reserve	2,205	478
Foreign exchange reserve	83	(66)
Retained earnings	9,191	6,518
Non-controlling interests	7	7
Total equity	23,359	18,427
Current liabilities		
Trade and other payables	3,539	3,201
Current tax	839	707
Total current liabilities	4,378	3,908
Deferred tax	(159)	(194)
Total liabilities	4,219	3,714
Total equity and liabilities	27,578	22,141

APPENDIX – CASH FLOW RECONCILIATION

	Year ended 30.06.19	Year ended 30.06.18
	£'000	£'000
Profit before tax	4,746	4,006
Add back non-cash items	2,405	2,135
Working capital movements	(779)	(520)
Purchase of tangible fixed assets	(678)	(516)
Purchase of intangible assets	(669)	(997)
Purchase of investments	(4,826)	-
Proceeds from sale of property, plant & equipment	-	63
Dividends paid	(2,210)	(1,818)
Shares issued	383	358
Corporation tax paid	(881)	(1,124)
Increase/(Decrease) in cash	(2,509)	1,587

GLOSSARY

HLD or High-level disinfectant

A globally recognised classification for a disinfectant that can kill all micro-organisms including large numbers of bacterial spores (but not necessarily all).

ClO₂ or Chlorine dioxide

Tristel owns a proprietary formulation of this molecule which achieves high-level disinfection, without hazard to the user, in very short contact times.

MD or Medical device

Tristel focusses upon the high level disinfection of medical instruments which come into contact with the mucous membranes of the body, such as non-lumened (i.e. no inner channel) endoscopes, intra-cavity ultrasound probes (oesophageal, rectal, vaginal), tonometers, laryngoscopes, manometry catheters; and single channeled endoscopes, such as cystoscopes.

Core

87% of Tristel sales come from “Core” products: those which contain Tristel’s proprietary ClO₂. For legacy reasons Tristel sells products which utilise other active substances. These are considered Non-Core.

Tristel[™]

WE HAVE CHEMISTRY.