



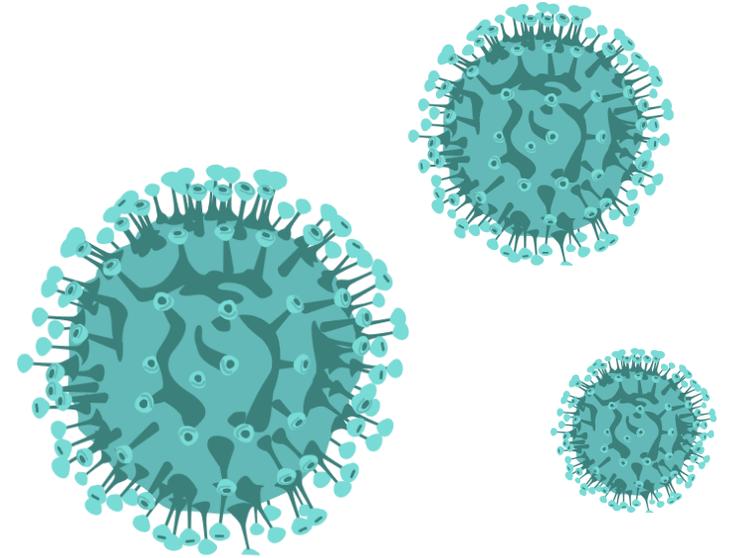
**Tristel plc**  
**Interim Results Investor Presentation**  
**6 Months to 31 December 2021**

**Paul Swinney, CEO**  
**Liz Dixon, FD**

**21-24 February 2022**

# H1 2021: Refocussing the Business

- COVID-19:
  - Impact upon business receding
- North America:
  - Gearing up for action
- Discontinuation of non-core operations:
  - Refocus on Hospital ClO<sub>2</sub>



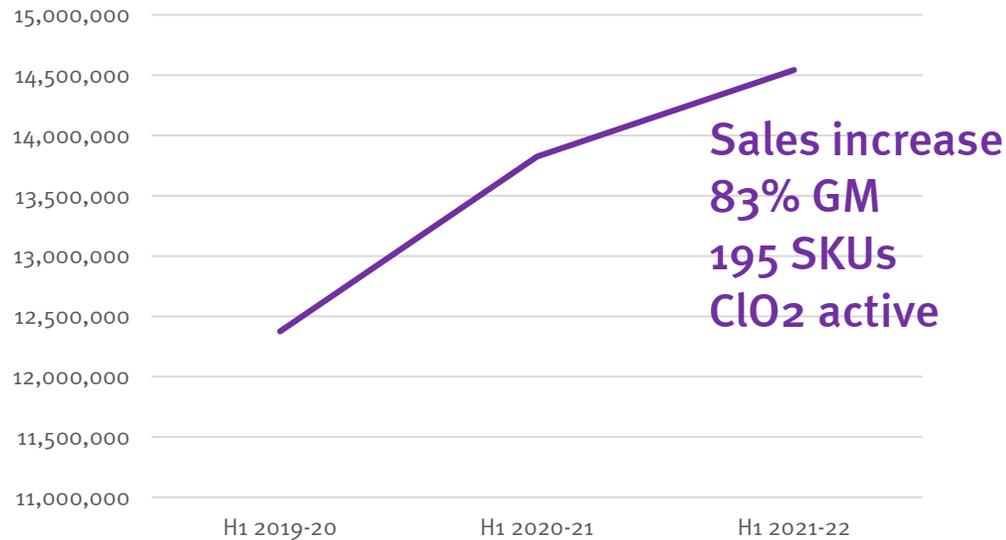
# North America: Good Progress

- EPA state-by-state registrations restarted: Jet & Duo
  - Completion target June 2022
  - Skin surface ultrasound opportunity
- FDA dossier preparation phase: Duo ULT
  - Submission target June 2022
- Canada distribution plan in preparation: Duo OPH

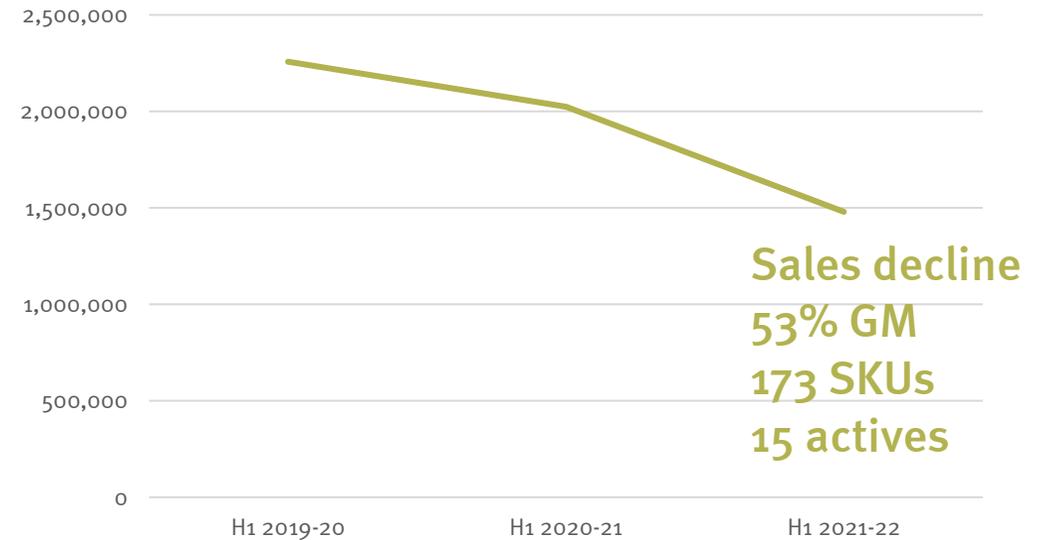


# Discontinuation of Non-Core: Reasons

## Underlying Continuing sales



## Discontinued sales



Underlying Continuing product sales increased through the Pandemic – masked by non-core sales decline

- Disproportionate risk & cost necessary to maintaining non-core products
- Outcome in future periods: higher growth rates and higher gross margins
- 2022: one-off non-cash write off associated with discontinued activities

# Discontinuation of Non-Core: Outcomes

- Increase rate of top line growth. 3-year plan 2022-25 to be reset July 22
- Drive up gross margins: 83% in H1
- Allows repositioning of cost to core activities: All company resource focussed on 1 product range, 1 market, 1 technology
- Enables regulatory affairs and quality assurance to focus on what matters, and secure our capability to operate in an ever-more demanding regulatory environment
- Simplifies manufacture:
  - Focusing on small pack sizes & campaign runs
- Enables in-country/region production:
  - Shorten supply chains
  - Eliminate shipping costs
  - Reduce environmental impact

# Sharpened Focus: Product Portfolio

## Medical device decontamination



## Sporicidal surface disinfection



# H1 2021 Financial Highlights: Continuing Operations

- Underlying revenues\* up 5% to £14.5m (H1 21: £13.8m) and 17% higher than pre-pandemic H1 20
- Gross margin of 83% (H1 21: 83%) against 53% for Discontinued products
- Adjusted† EBITDA of £3.3m (H1 21: £3.9m) Adjusted† EBITDA margin 24% (H1 21: 26%)
- Adjusted† Profit before tax of £1.9m (H1 21: £2.6m)
- Diluted EPS 2.5p (H1 21: 3.96p)
- Interim dividend 2.62p per share (H1 21: 2.62p)
- Cash generated from operations £3.4m (H1 21: £4.2m)
- Cash of £8.8m (H1 21: £7.3m)
- Write down of intangible assets associated with Discontinued operations of £2.4m

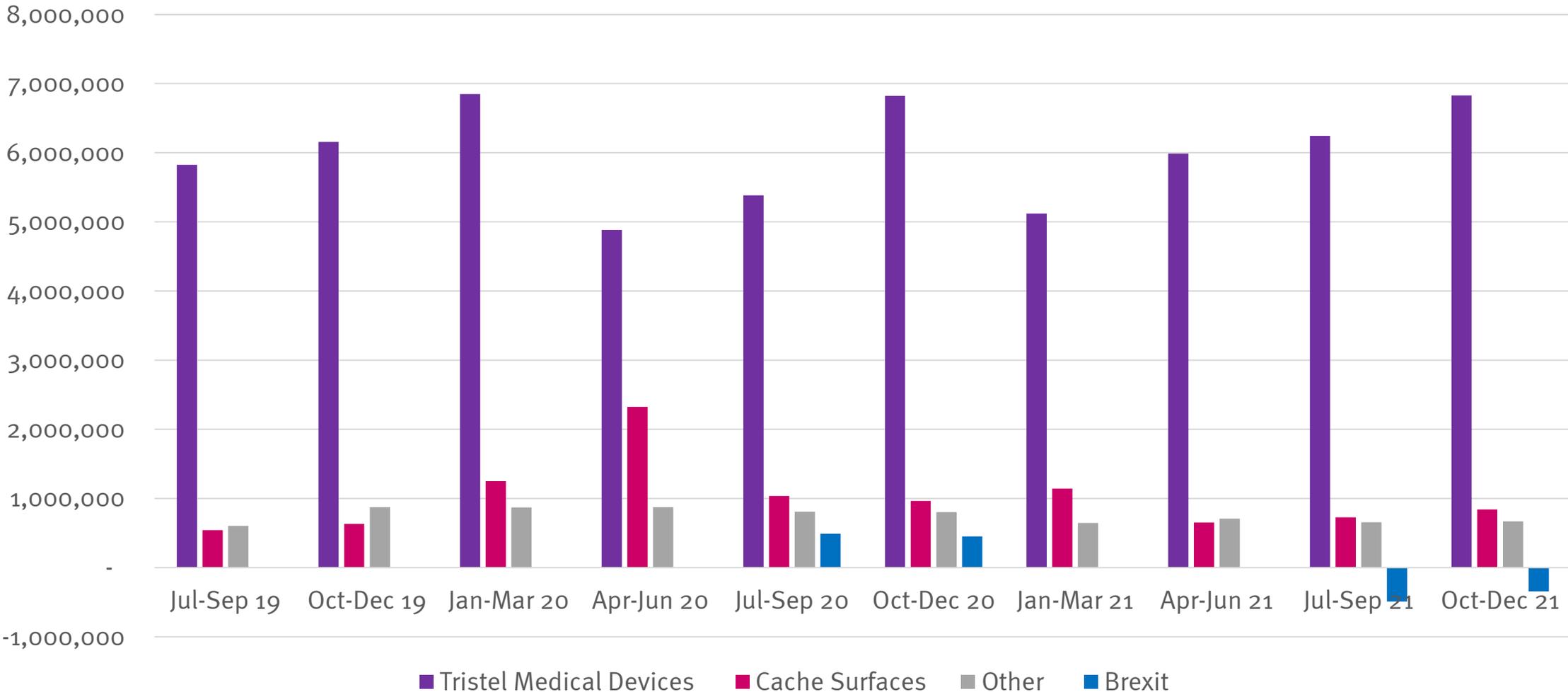
\* Underlying revenues = Continuing revenues adjusted for £0.9m NHS Brexit pre-stocking in H1 21, unwound in H1 22

† Adjusted for share-based payment charge of £0.9m (H1 21: £0.3m)

# H1 2021 Sales Growth by Geography

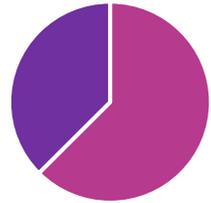
Region	2020-21 H1	2021-22 H1	Half on half variance
	£m	£m	%
APAC	2.9	3.2	10%
Europe	5.6	5.6	-
International distributors	1.5	1.2	(20%)
<b>Total overseas sales: Continuing</b>	<b>10.0</b>	<b>10.0</b>	<b>-</b>
UK sales: Continuing	4.7	3.6	(21%)
<b>Total Continuing sales</b>	<b>14.7</b>	<b>13.6</b>	<b>(7%)</b>
Remove Brexit distortion	(0.9)	0.9	-
<b>Underlying Continuing sales</b>	<b>13.8</b>	<b>14.5</b>	<b>5%</b>
<i>Discontinued sales</i>	<i>2.0</i>	<i>1.5</i>	<i>(27%)</i>
<b><i>Total Continuing &amp; Discontinued sales</i></b>	<b><i>16.7</i></b>	<b><i>15.1</i></b>	<b><i>(10%)</i></b>

# H1 2021 Sales Growth Through the Pandemic



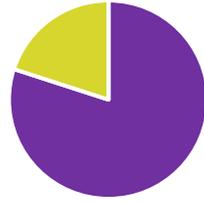
# ESG

Board gender split



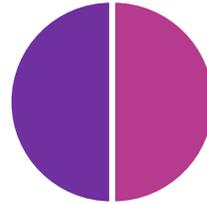
■ Male ■ Female

Independent NEDs



■ Independent  
■ Non-independent

Leadership roles (ex-BOD)



■ Male ■ Female

Salary range by gender



## ESG actions to date:

- Second carbon emission calculation in progress, offset options under review
- Launch of Cache: enabling hospitals to eliminate single use plastic wipes
- Launch of Tristel Hive: In-house Sustainability, Equality, Diversity and Inclusivity initiative
- Complimentary and plastic free: healthy snacks, period products, kitchen supplies
- Launch of Menopause support group & introductory consultation provided for staff
- Maternity pay increased to 6 months full pay\*
- Holiday pay increased to 30 days\*

# PRODUCT STRATEGY CONTRIBUTING TO ESG

## SAVING SPACE



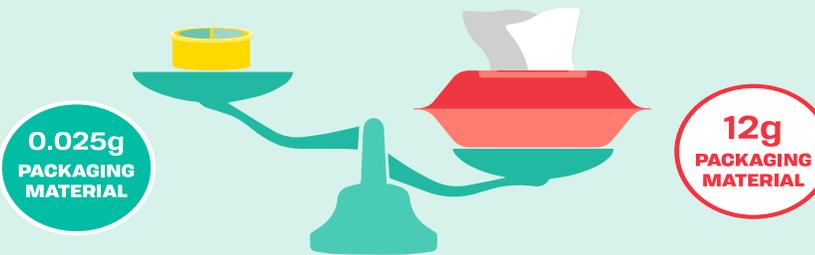
THE CAPSULE

### 1 PALLET VS 6 LORRIES

You only need 1 pallet of TANK capsules to produce the equivalent of 2 million peracetic acid (PAA) sporicidal wipes.



## REDUCING WASTE & EMISSIONS



**0.025g VS 12g**

TANK capsules require up to 97% less packaging than pre-wetted plastic wipes.



**MADE IN THE UK VS MADE IN CHINA**

TANK Capsules are filled, sealed, and packed in the UK. To reach NHS Alfreton they only need to travel 134 miles, versus the 12,000 miles required for products manufactured in China.

# Summary and outlook

- Underlying first half growth
- End of Brexit distortions
- COVID impact receding
- Sharpened focus on high margin, high growth products
- Remain profitable, cash generative & debt-free
- Broad geographically based growth strategy continues to deliver
- Long term prospects continue to be very encouraging

QUESTIONS?

# APPENDIX – INCOME STATEMENT

	6 months to 31.12.21	6 months to 31.12.20
	£'000	£'000
<i>CONTINUING OPERATIONS</i>		
Turnover	13,646	14,726
Cost of sales	(2,334)	(2,453)
<b>Gross profit</b>	<b>11,312</b>	<b>12,273</b>
<b>Gross margin %</b>	<b>83%</b>	<b>83%</b>
Administrative expenses less other income	(8,015)	(8,378)
<b>EBITDA &amp; shared based payments</b>	<b>3,297</b>	<b>3,895</b>
Amortisation & Depreciation	(1,300)	(1,156)
Net interest	(102)	(100)
Share based payments	(884)	(260)
<b>Pre-tax profit</b>	<b>1,011</b>	<b>2,379</b>
Tax credit /(charge)	183	(501)
Profit after tax	1,194	1,879
<b>Basic EPS – pence</b>	<b>2.53p</b>	<b>4.07p</b>

# APPENDIX – BALANCE SHEET

	31.12.21	31.12.20
	£'000	£'000
Non-current assets		
Goodwill and other intangible assets	9,190	13,577
Property, plant and equipment	8,263	8,603
Deferred tax	1,990	852
	<b>19,443</b>	<b>23,032</b>
Current assets		
Inventories	3,751	3,993
Trade and other receivables	4,842	5,888
Cash and cash equivalents	8,779	7,307
	<b>17,372</b>	<b>17,188</b>
<b>Total assets</b>	<b>36,815</b>	<b>40,220</b>

Continued...

# APPENDIX – BALANCE SHEET ...Continued

	31.12.21	31.12.20
	f'000	f'000
<b>Capital and reserves</b>		
Share capital	472	465
Share premium account	13,929	12,891
Merger reserve	2,205	2,205
Foreign exchange reserve	(128)	367
Retained earnings	11,255	13,150
Non-controlling interests	7	7
<b>Total equity</b>	<u>27,740</u>	<u>29,085</u>
<b>Current liabilities</b>		
Trade and other payables	2,897	3,688
Contingent liability	-	76
Current tax	(474)	688
Current leased asset liabilities	629	870
<b>Total current liabilities</b>	<u>3,052</u>	<u>5,322</u>
Deferred tax	874	612
Non-current leased asset liabilities	5,149	5,201
<b>Total liabilities</b>	<u>9,075</u>	<u>11,135</u>
<b>Total equity and liabilities</b>	<u>36,815</u>	<u>40,220</u>

# APPENDIX – CASH FLOW RECONCILIATION

	6 months to 31.12.21	6 months to 31.12.20
	£'000	£'000
Revenue	15,125	16,751
Less expenses	(11,635)	(11,842)
Changes in working capital (inventory, receivables, payables)	349	288
Purchase of tangible fixed assets	(164)	(730)
Purchase of investments, goodwill & intangible assets	(428)	(377)
Payment of lease liabilities	(400)	(435)
Dividends paid	(1,854)	(1,785)
Shares issued	330	269
Corporation tax paid	(488)	(989)
Increase / (decrease in cash)	<b>835</b>	<b>1,150</b>

THANK YOU

Tristel™