



30 JUNE 2022  
PRELIMINARY RESULTS  
INVESTOR PRESENTATION

PAUL SWINNEY, CEO  
LIZ DIXON, CFO

25-26 OCTOBER 2022

# THE COMPANY

- Global infection prevention
- Focus on the hospital
- Focus on our proprietary chlorine dioxide chemistry

Decontamination of medical devices: ultrasound, endoscopic & ophthalmic.

Portfolio brand Tristel.

Status: “Global market leader in manual high-level disinfection of medical devices”

Sporicidal environmental surface disinfection.

Portfolio brand Cache.

Ambition: “Global market leader in emerging niche-sporicidal surface disinfectants

**Simple, focussed, global opportunity**

# FINANCIAL HIGHLIGHTS

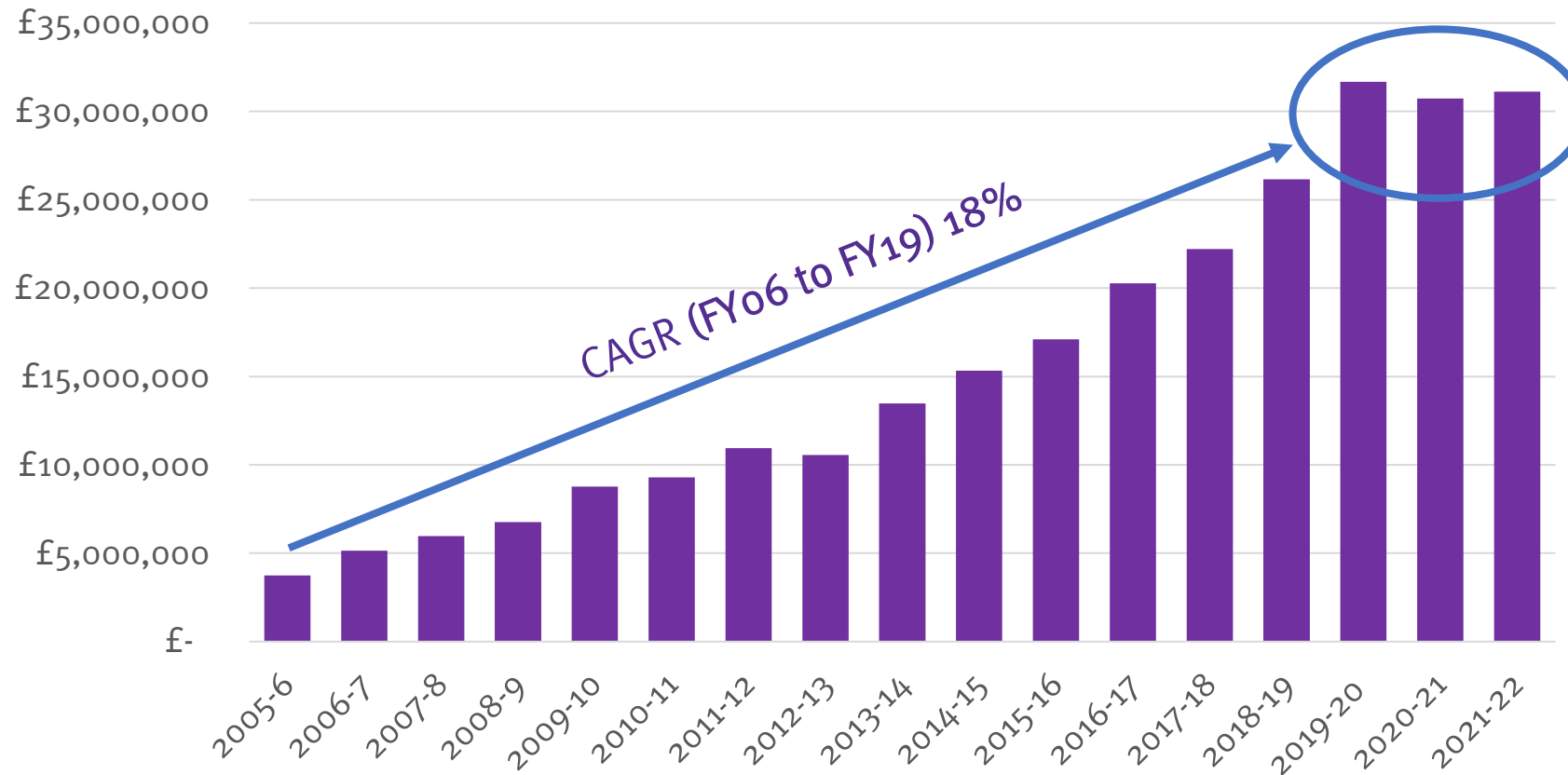
- Turnover steady at £31.1m (2021: £31.0m) with 3% growth in continuing products to £29.6m (2021: £28.6m)
- Overseas sales continue to grow, up 2% to £20.1m (2021: £19.6m), representing 65% of total sales (2021: 63%)
- Gross margin remained steady at 79% (2021: 80%)
- Adjusted EBITDA\* margin of 24% (2021: 27%)
- Adjusted pre-tax profit\* of £4.5m (2021: £5.4m)
- Reported pre-tax profit of £1.5m (2021: £3.8m)
- Adjusted EPS\* of 8.40p (2021: 11.36p restated), Reported EPS of 1.96p (2021: 7.86p restated)
- Dividend per share for the full year up 46% to 9.55p (2021: 6.55p), including special dividend of 3p paid in August 2022
- Net cash of £8.9m (2021: £8.1m), with continued strong operating cashflow of £5.6m (2021: £6.7m)

*\* before share-based payments and impairment of intangibles*

# OPERATIONAL HIGHLIGHTS

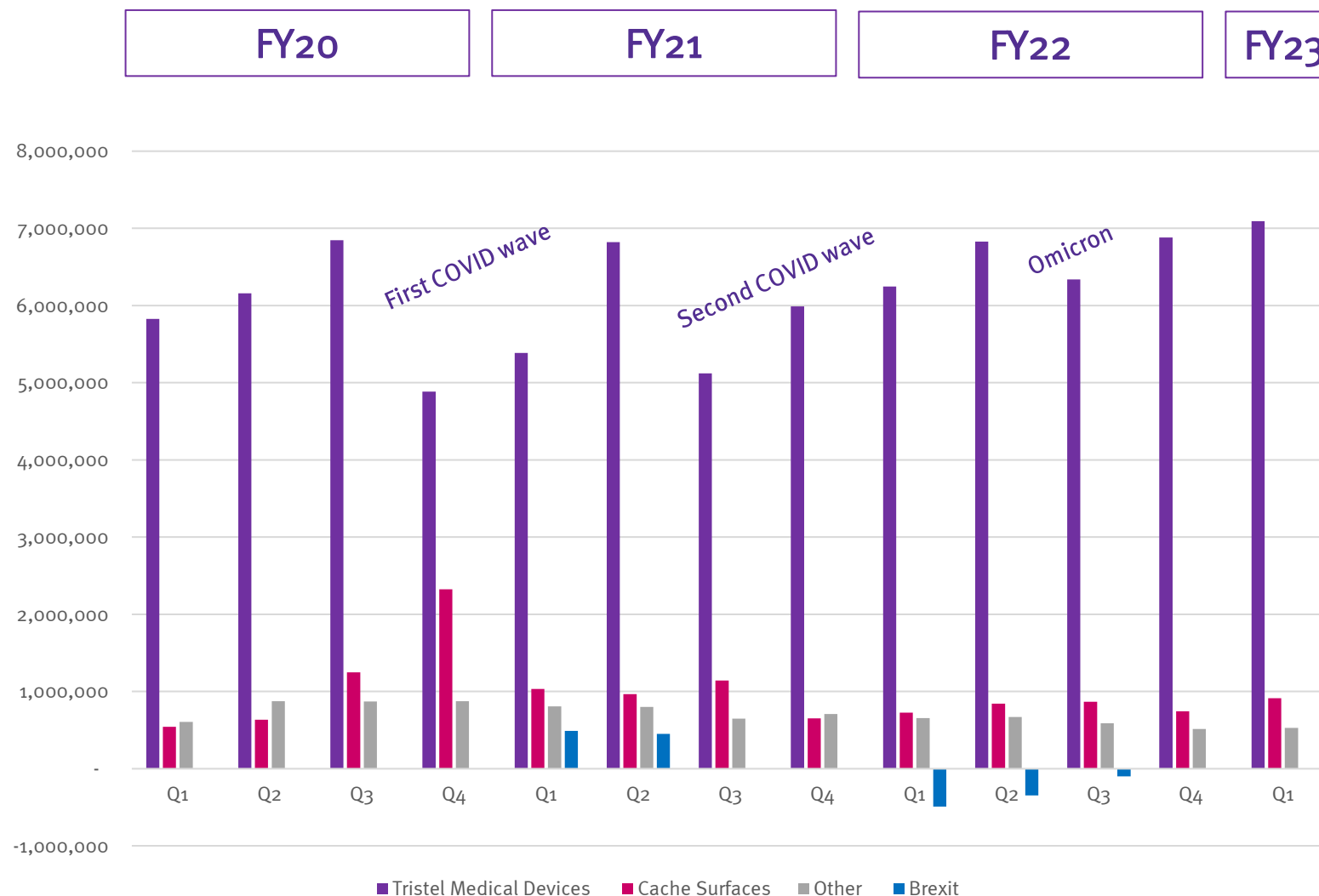
- Business focused exclusively on hospital market with discontinuation of non-core, low growth products completed during the year
- De Novo FDA submission for Tristel Duo ULT progressing - additional information requested (as is commonplace) with expected timescale for decision and likelihood of success unchanged
- State-by-state registration of EPA approved DUO substantially complete, and product launched into United States market in September 2022 at three clinical conferences
- Signed distribution agreement with Medical Ophthalmics Inc., Toronto for Duo OPH (approved by Canada Health for high-level disinfection of ophthalmic devices)

# 17 YEAR GROWTH RECORD



FY20, FY21, FY22:  
Brexit, COVID, rationalisation

# FY20 to FY23: BREXIT, COVID, RATIONALISATION

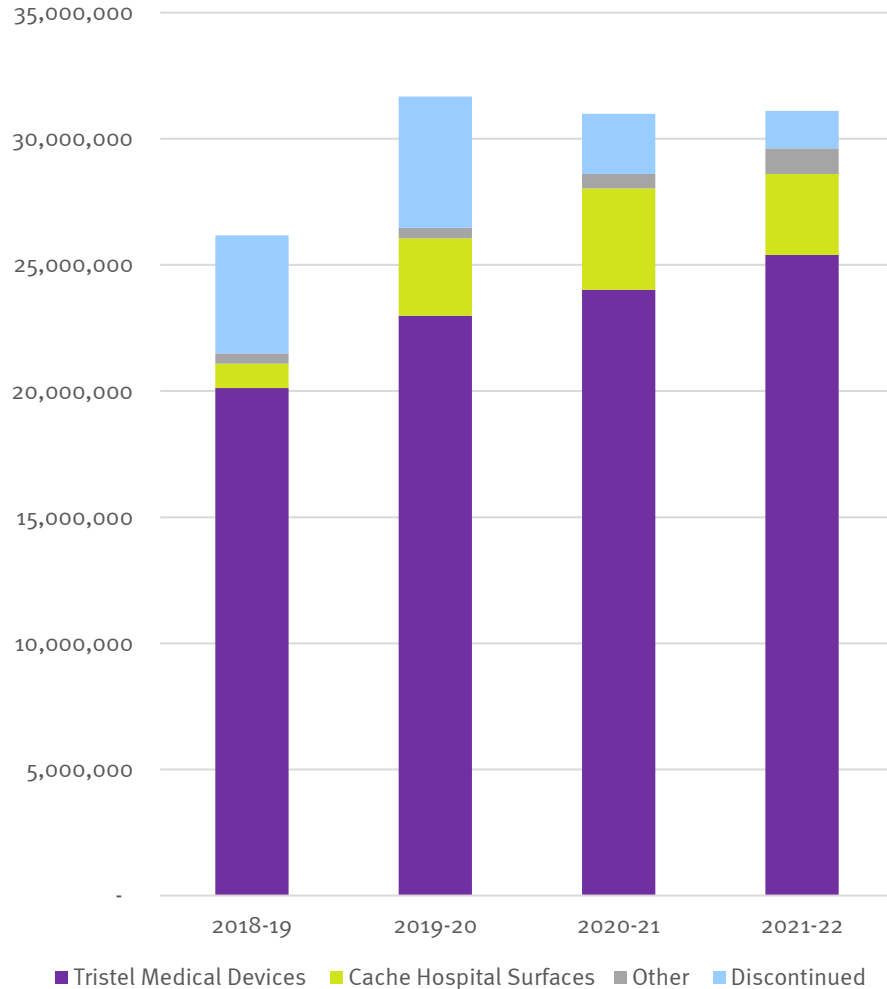


- FY20 Q3 & Q4 First Wave: Hospitals build stocks of all infection prevention products and out-patient services scaled back
- FY21 Q1 & Q2 First Recovery: Out-patient services resume and UK NHS purchase £0.9m in preparation for Brexit
- FY21 Q3: Second Wave: Out-patient services scaled back
- FY21 Q4 and FY22 Q1 & Q2 Second Recovery and Third Wave Combined: Out-patient services resume globally, UK NHS release £0.9m Brexit stock; rationalisation underway.
- FY22 Q3 & Q4 Coming Out of COVID: Rationalisation complete, Brexit stock used.
- ***FY23 Q1 Resumption of Sales Growth: Sales up 20% on prior year - sales run rate £34m pa***

# FY22 RATIONALISATION

- Discontinued non-chlorine dioxide, non-hospital activities in the year
- 2 product ranges with no growth opportunity; lower margin; disproportionate manufacturing resource
- Commenced discontinuation July 2021; substantially complete December 21
- Revenue contribution of discontinued products in FY22: £1.5m
- Neutral profit contribution
- Impairment of intangibles £2.4m

# FY22 UNDERLYING TRENDS



- All sales (all colours on chart) = 0% growth
- Exclude blue (discontinued) = 3% growth continuing products
- Purple only (Medical device products) = 6% growth
- Purple only (MD), without Brexit distortion = 14% growth despite loss of £0.9m of sales due to Brexit stock release by NHSSC.
- 2022-23 Q1 all products = 20% growth
- Rationalisation has re-focused the business back onto its core market, and will increase sales growth rates



# FY23 TAILWINDS & HEADWINDS

## Positive:

- Tristel Medical Device Decontamination: Diagnostic procedures using medical devices we target are increasing in all 14 subsidiaries & distributor markets
- Cache Sporicidal Surface Disinfection: Better informed selection of highest performing disinfectants for environmental surface disinfection
- Unprecedented concern with use of single-use pre-wetted wipes: this supports the Cache process, which separates the disinfectant liquid from the spreader, permitting use of sustainable (pulp) dry wipes
- Reasonable insulation from inflationary cost pressures: relatively low energy consumption manufacture process; high component inventory position; high gross margins
- Pricing power: FY23, £3m increase, of which 80% volume & 20% pricing, equating to a 2% price increase. An actual price increase of 6-8 % is being implemented during course of H1 in all geographical markets

## Negative:

- Hospital staff shortages worldwide
- Further COVID waves

# FY23 – FY25 FINANCIAL TARGETS

## Returning to growth

- Sales growth in the range of 10% to 15% per annum as an annual average over the three years  
*(Over 14 year period to FY19 CAGR was 17%)*
- EBITDA margin (excluding share-based payment charge) of at least 25%  
*(FY19 EBITDA margin was 27%)*

# NORTH AMERICA

USA



**Duo ULT: Ultrasound Probe**  
FDA Approval in Progress

USA



**DUO: Ultrasound console**  
Market launch underway

CANADA



**Duo OPH: Ophthalmic Devices**  
Market launch underway

# ESG HIGHLIGHTS

## ESG actions:

- Engagement of ESG specialist consultant to assist in developing an ESG strategy and external reporting
- Second Carbon emission calculation which will allow Carbon Zero targets and route to success to be defined in 2022-23
- Ongoing consideration of the carbon profile of our key products and research into alternative and environmentally friendlier packaging options for the Company's products
- Local community connections and staff wellbeing and support remain at the forefront of Managements thinking

# SUMMARY & OUTLOOK

- Worst impacts of COVID and Brexit passed
- Growth resumed
- Overseas expansion continuing
- Profitable, cash generative, debt free
- Rationalisation complete

Simple, focussed, global opportunity

THANK YOU

# SALES GROWTH BY CHANNEL

£m	2020-21	2021-22	Y-O-Y change	% change
<b>Tristel Hospital Medical Device Decontamination</b>				
UK direct	6.91	7.62	0.71	10%
Europe direct	10.00	10.37	0.37	4%
APAC direct	5.03	5.30	0.28	5%
Distributors	2.09	2.13	0.04	2%
	<b>24.02</b>	<b>25.42</b>	<b>1.40</b>	<b>6%</b>
<b>Cache Hospital Surface Disinfection</b>				
UK direct	2.78	2.14	-0.64	-23%
Europe direct	0.47	0.39	-0.08	-17%
APAC direct	0.66	0.48	-0.17	-26%
Distributors	0.10	0.16	0.06	57%
	<b>4.01</b>	<b>3.18</b>	<b>-0.83</b>	<b>-21%</b>
<b>Other (all geographies and channels)</b>	<b>0.57</b>	<b>1.03</b>	<b>0.45</b>	<b>79%</b>
<b>Discontinuations</b>	<b>2.39</b>	<b>1.50</b>	<b>-0.89</b>	<b>-37%</b>
<b>Total</b>	<b>31.00</b>	<b>31.12</b>	<b>0.13</b>	<b>0%</b>

# SALES GROWTH BY GEOGRAPHY

£m	2020-21	2021-22	Year on year change	% change
Australasia	3.80	3.97	0.17	5%
China & Hong Kong	1.60	1.65	0.05	3%
Malaysia & Singapore	0.58	0.61	0.03	5%
Western Europe	4.89	4.84	-0.05	-1%
Central Europe	5.38	5.43	0.05	1%
Italy	0.79	1.01	0.22	28%
Overseas distributors	2.60	2.57	-0.03	-1%
Total overseas sales	19.64	20.08	0.44	2%
Total UK sales	11.36	11.04	-0.32	-3%
Global sales	31.00	31.12	0.12	0%



# APPENDIX – INCOME STATEMENT

	Year ended 30.06.22	Year ended 30.06.21
	f'000	f'000
<b>Turnover</b>	<b>31,123</b>	<b>30,998</b>
Cost of sales	(6,464)	(6,255)
<b>Gross profit</b>	<b>24,659</b>	<b>24,743</b>
<b>Gross margin %</b>	<b>79%</b>	<b>80%</b>
Administrative expenses less other operating income	(17,158)	(16,344)
Net interest	(194)	(194)
Operating profit before amortisation & shared based payments	7,307	8,205
Amortisation & Depreciation	(2,777)	(2,813)
Impairment of intangibles / Movement in fair value of investment	(2,439)	(807)
Share based payments	(596)	(824)
<b>Pre-tax profit</b>	<b>1,495</b>	<b>3,761</b>
Tax charge /(credit)	(568)	(105)
Profit after tax	927	3,656
<b>Basic EPS – pence</b>	<b>1.96</b>	<b>7.86</b>
<b>Diluted EPS – pence</b>	<b>1.94</b>	<b>7.77</b>

# APPENDIX – BALANCE SHEET

	30.06.22	30.06.21
	£'000	£'000
Non-current assets		
Goodwill	5,242	5,265
Intangible assets	4,138	6,704
Property, plant and equipment	8,000	8,542
Deferred tax	1,493	2,489
	<b>18,873</b>	<b>23,000</b>
Current assets		
Inventories	4,420	4,266
Trade and other receivables	5,851	5,255
Income tax receivable	713	170
Cash and cash equivalents	8,883	8,094
	<b>19,867</b>	<b>17,785</b>
<b>Total assets</b>	<b>38,740</b>	<b>40,785</b>

Continued...

# APPENDIX – BALANCE SHEET ...Continued

	30.06.22	30.06.21
	£'000	£'000
Capital and reserves		
Share capital	473	471
Share premium account	13,996	13,600
Merger reserve	2,205	2,205
Foreign exchange reserve	(65)	(203)
Retained earnings	12,371	14,687
Non-controlling interests	7	7
<b>Total equity</b>	<b>28,987</b>	<b>30,767</b>
Current liabilities		
Trade and other payables	3,222	3,476
Other current liabilities	814	629
<b>Total current liabilities</b>	<b>4,036</b>	<b>4,105</b>
Deferred tax	720	637
Other non-current liabilities	4,997	5,276
<b>Total liabilities</b>	<b>9,753</b>	<b>10,018</b>
<b>Total equity and liabilities</b>	<b>30,740</b>	<b>40,785</b>

# APPENDIX – CASH FLOW STATEMENT

	Year ended 30.06.22	Year ended 30.06.21
	£'000	£'000
Profit before tax	1,495	3,761
Add back non-cash items	6,026	4,711
Working capital movements	(1,196)	129
Interest received	1	1
Purchase of tangible fixed assets	(305)	(1,159)
Purchase of intangible assets	(898)	(608)
Payment of lease liabilities (IFRS16)	(930)	(797)
Dividends paid	(3,091)	(3,017)
Shares issued	398	984
Corporation tax paid	(772)	(1,925)
<b>Increase/(Decrease) in cash</b>	<b>728</b>	<b>2,080</b>