16 October 2019

Tristel plc
("Tristel", the "Company" or the "Group")

Final Results
Results for the year ended 30 June 2019

Tristel plc (AIM: TSTL), the manufacturer of infection prevention and contamination control products, announces its unaudited results for the year ended 30 June 2019.

Financial Highlights

- 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 £6.3m (2018: £5.5m)
- Pre-tax profit before share-based payments up 19% to £5.6m (2018: £4.7m). Unadjusted £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% after share-based payments of £0.85m (2018: £0.66m)
- Dividend per share for the full year increased by 21% to 5.54p (2018: 4.58p)
- Net cash of £4.2m (2018: £6.7m) after £4.7m spent on acquisitions. Company remains debt free

Operational Highlights

- Acquisition in November 2018 of the Company's distributors in Belgium, the Netherlands and France, and in July 2019 of its Italian distributor. All are trading in line with expectations
- New 23,000 sq ft warehouse in Newmarket and 14,000 sq ft warehouse in Antwerp fully operational
- Awaiting feedback from USA FDA to De Novo pre-submission request

Paul Swinney, Chief Executive of Tristel plc, said: *"We made solid progress during the year. Top-line growth was driven by our overseas operations and this trend should continue with the acquisition of four of our main European distributors during the year and shortly after the year-end. We were also pleased with 9% sales growth in the United Kingdom which was higher than in recent years. Our direct involvement in the French ultrasound market has been very timely with the publication of new guidelines in the early Summer. We have built a seven-strong salesforce to take advantage of buoyant demand conditions. Our progress in developing both sales and the sales team in China and Hong Kong is encouraging, focussing our efforts in the near term on the private hospital sector whilst we wait for new ultrasound disinfection guidelines to be published which will impact the public sector.*

"We are advancing our De Novo submission for Duo to the USA Food and Drug Administration and are awaiting feedback to our most recent pre-submission request to the agency. We expect to receive this before the end of 2019."

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Chairman's Statement

We made solid progress during the year to 30 June 2019. Sales grew to £26.2m from £22.2m in 2018, an increase of 18%. The proportion of our revenue generated in overseas markets continued to increase and reached 55% in the year (2018: 51%). Overseas sales grew by 26% whilst UK sales grew by 9%. This difference in the pace of growth, across our various markets, reflects the higher market penetration in the United Kingdom than so far achieved in overseas markets.

In November 2018 we acquired our three distributors in Belgium, the Netherlands and France. During the seven and a half months leading up to 30 June that they were under our ownership, they registered sales of £2.1m. If they had continued as our distributors, we estimate that they would have purchased £0.4m of Tristel products from us during that period, and so we estimate that the acquisition has impacted the financial year by increasing sales by £1.7m. If the acquisition had not taken place, our reported sales growth would have been 10%, rather than 18%.

Pre-tax profit before share-based payments was £5.6m compared to £4.7m last year, an increase of 19%. (Unadjusted pre-tax profit of £4.7m compared to £4m last year, an increase of 18%.) Our pre-tax profit margin, which is a key measure of our performance, and before share-based payments, remained at 21%, while pre-tax profit margin also remained consistent at 18%. Adjusted earnings per share (EPS), before share-based payments, were 11.08 pence, up from 9.16 pence last year. Basic EPS were 9.14 pence, a 20% increase from last year, after a share-based payment charge of £0.852m (2018: £0.665m). This charge is a non cash item.

The Group has continued to be highly cash generative and on 30 June 2019 the cash balance was £4.2m (2018: £6.7m), notwithstanding the acquisition during the year of its three distributors in Belgium, the Netherlands and France which involved a cash outlay of £4.7m. In line with the Company's ordinary dividend policy, the Board is recommending that the final dividend is 3.50 pence (2018: 2.98 pence), an increase of 17%. Including the interim dividend of 2.04 pence (2018: 1.60 pence), and the proposed final dividend, the total dividend for the year will be 5.54 pence (2018: 4.58 pence), an increase of 21%.

We continued to invest for future growth. During the year we spent £0.5m on product development and testing (2018: £0.5m) and £0.2m on intellectual property protection (2018: £0.2m). Both these expenditures are held in intangible assets. We invested £0.7m (2018: £1.0m) in regulatory and product enhancement programmes where we have recognised this cost as an expense. Included in this cost is an amount of £0.5m (2018: £0.5m) relating to our initiative to enter the United States market which commenced in 2014. The cumulative investment in this regulatory project and in the establishment of a commercial structure within the country has been £1.7m.

Whilst no revenues have yet been generated from the United States, significant progress has been made to build a commercial platform from which to enter the market. During the year we continued to generate data required for a submission which we intend to make to the Food and Drug Administration (FDA) to obtain pre-market approval for our foam-based Duo product as a high-level disinfectant for medical devices. We have already received approvals from the Environmental Protection Agency (EPA) for Duo. We have entered into a partnership with Parker Laboratories based in New Jersey by which we have put in place manufacturing capability and a national distribution network. We do not yet have employees in the United States but have established a subsidiary.

This is my first address as Chairman, having succeeded Francisco Soler at last December's Annual General Meeting. To further develop our Board of Directors we have appointed Dr Bruno Holthof as an independent Non-Executive Director. Bruno is Chief Executive of Oxford University Hospitals NHS Trust.

As I look back upon my first ten months as Chairman, I believe that the Group has successfully navigated its way through a year in which Brexit was anticipated to take place, an event which posed significant challenges, particularly in terms of manufacture. Brexit is yet to occur and has been pushed back, and we expect the challenges it brings to repeat this financial year. However, I believe the Group is well-placed to weather this and any economic downturn that may follow. Finally, I would like to pay tribute to and thank all our employees who have given great service to the Company during the year.

Paul Barnes
Chairman
15 October 2019

Chief Executive's Report

Overview
Group revenue was up 18%, adjusted pre-tax profit was up 19% (pre-tax profit up 18%) and adjusted EPS was up 21% (basic EPS up 20%). We ended the year with cash of £4.2m. The Group is debt-free.

In October 2016, we set out our financial plan for the three years to 30 June 2019. The two key financial targets of the plan were sales growth in the range of 10% to 15% per annum as an annual average over the three years, and the achievement in each year of a pre-tax profit margin (excluding share-based payment charges) of at least 17.5%. Both targets became Key Performance Indicators (KPIs) of the Group. We can report that both these KPI's have been met throughout the three years.

On 18 November 2018 we acquired three companies, known to us as the Ecomed Group ("Ecomed"), and consisting of Ecomed Services N.V. (Belgium), Ecomed Nederlands B.V. (Netherlands), and Ecomed SARL (France). Each of the three companies have been distributors of Tristel products: since 2005 in Belgium; since 2013 in the Netherlands and 2016 in France. The companies have each changed their corporate name to "Tristel" and represent Tristel Western Europe in our organisational structure.

During the year the Ecomed acquisition contributed £1.7m to Group sales. If the three companies had continued as distributors and the acquisition had not taken place, Group sales would have been £24.46m and sales growth would have been 10%.

Strategically, the acquisition expands our direct presence throughout much of continental Europe, and our coverage was further increased shortly after the year-end with the acquisition of the remaining 80% of the share capital of Tristel Italia Srl, bringing this company under our complete ownership and control.

The management teams of our Western Europe and Italian acquisitions are continuing as part of the Group management and sales team. All four companies are essentially sales organisations and have boosted the UK and European sales force to 30, and the global sales force to 41. The total Group-wide headcount at 30 June 2019 was 146. The Ecomed acquisition has also added a 14,000 sq. ft. warehouse facility in Antwerp to our Group's logistics infrastructure.

We are proposing a final dividend of 3.50 pence per share (2018: 2.98 pence), making 5.54 pence (2018: 4.58 pence) in total for the year, an increase of 21%. If approved, the final dividend will be paid on 20 December 2019 to shareholders on the register at 22 November 2019. The corresponding ex-dividend date is 21 November 2019.

Our business: What our marketplace looks like
Our entire business is focussed on preventing the transmission of microbes from one object or person to another. We pursue this purpose because microbes can be a source of infection to humans and animals. They can cause illness or death and place a heavy cost on individuals and society. We achieve our purpose by applying a very powerful disinfectant - chlorine dioxide - to the target surface or medical instrument.

We are unique worldwide in using chlorine dioxide as a high-performance disinfectant for medical instruments. We are also one of a very few companies worldwide that can legitimately claim to be exclusively an infection prevention business.

Our mission is most relevant to hospitals where the risks of infection to individuals are highest. In the hospital market, which we refer to as human healthcare, we brand our products Tristel. The risk of cross infection is also relevant to veterinary practices, or animal hospitals, and in the animal healthcare market we brand our products Anistel. Finally, the control of microbial contamination is also very relevant in critical manufacturing environments, for example cleanrooms, and in this market our products are branded Crystel.

A hospital is a vast, multi-faceted organisation. We are not only unique in providing chlorine dioxide as a high-performance disinfectant within hospitals, but we are also unique in our focus upon specific clinical departments within them. We target clinical departments that carry out diagnostic procedures with small heat-sensitive medical instruments. These include: the nasendoscope used in Ear, Nose and Throat departments; the laryngoscope blade used in emergency medicine; tonometers used in ophthalmology, and ultrasound probes used in both women and men's health. In these departments, we are the only simple to implement, affordable, high-performance disinfection method available. Consequently, in geographical markets in which we have been present for some time, we hold a truly significant market share.

Infection prevention is a basic requirement for the safe and effective provision of healthcare. This is true in all hospitals in all countries. Our primary focus is on the acute hospital, but the trend is for medical device procedures to take place outside of the hospital, and the pool of opportunity for the sale of our products can be expected to expand substantially over the long term.

Brexit cast its spell over the year. To forestall any potential disruption to our customers' supply chain we built inventory of all component parts and finished products in the run up to 31 March and encouraged key domestic and overseas customers to increase their stockholdings of our products. Brexit did not take place and we believe that most of our customers' inventory holdings were then wound down again in the final quarter of the year. We anticipate that a similar cycle will repeat as we approach 31 October 2019.

The other significant event relating to Brexit was to move the location of our Notified Body from BSI's office in the United Kingdom to BSI in Amsterdam. We believe this will ensure our ability to CE mark our disinfectants and sell them within Europe irrespective of the outcome of the Brexit negotiation.

Notwithstanding this near-term uncertainty relating to our trading relationship with Europe and the rest of the world, the outlook for the Company remains very positive.

How We Service Our Market

Over 95% of our revenues are of repeat consumable products that perform a vital function in hospitals. Their use is for the most part non-discretionary. Our products are typically small packaged goods, requiring no after sales service, other than comprehensive training. Capital sales, service and maintenance do not feature, therefore, in a significant way in our revenue model.

We sell our products directly to end-users in those markets in which we have established a direct operational presence, and through distributors in markets where we have no presence.

Our revenues - by sales channel

£000's			**Unaudited 2018-19**	**2017-18**	**Year on year change**	**Percentage change**
Human Healthcare	Direct sales	UK	10,024	8,912	1,112	12%
		EU	6,650	4,087	2,563	63%
		ROW	4,273	3,961	312	8%
	Sales to distributors	EU	1,534	1,559	(25)	(2)%
		ROW	1,465	1,350	115	9%
Contamination Control	Direct sales	UK	1,205	1,258	(53)	4%
		EU	37	34	3	9%
		ROW	51	44	7	16%
	Sales to distributors	EU	122	96	26	27%
		ROW	-	-	-	-
Animal Healthcare	Direct sales	UK	79	96	(17)	(18)%
		EU	8	3	5	167%
		ROW	212	195	17	9%
	Sales to distributors	UK	488	569	(81)	(14)%
		EU	21	56	(35)	(63)%
	Group sales		**26,169**	**22,220**	**3,949**	**18%**

Our revenues - by technology

The majority of our sales are of chlorine dioxide (CI02) based products; but we do formulate, manufacture and sell products utilising other disinfectant chemistries. These include quaternary ammonium compounds, peracetic acid and alcohol. In 2019, £3.7m of our sales were of non-chlorine dioxide chemistries representing 14% of the total (2018: £3.8m representing 17%). As our chlorine dioxide product sales increase at a faster pace than non-chlorine dioxide product sales, and as we continue to find ways to persuade customers to switch to chlorine dioxide as a superior disinfection technology, we expect this percentage to continue to reduce in significance.

£000's			**Unaudited 2018-19**	**2017-18**	**Year on year change**	**Percentage change**
Human Healthcare	Direct sales	CI02	20,009	16,167	3,842	24%
		Other	938	793	145	18%
	Sales to distributors	CI02	2,089	1,995	94	5%
		Other	910	914	(4)	(1)%
Contamination Control	Direct sales	CI02	234	148	86	58%
		Other	1,059	1,188	(129)	(11)%
	Sales to distributors	CI02	74	56	18	32%
	Other	Other	48	40	8	20%
Animal Healthcare	Direct sales	CI02	15	30	(15)	(50)%
		Other	284	264	20	8%
	Sales to distributors	CI02	2	5	(3)	(60)%
		Other	507	620	(113)	(18)%
	Group sales		**26,169**	**22,220**	**3,949**	**18%**

Our revenues - by portfolio and geographical split

Revenues increased by 18% in the year. UK sales grew by 9% and overseas sales by 26%. Overseas sales are made via two channels: through the Company's wholly-owned subsidiaries in Germany, Poland, Switzerland, Russia, Hong Kong, China, Australia, New Zealand, Belgium, France, The Netherlands and via third party distributors. Overseas subsidiary sales to end users increased by 35% to £11.233m in the year, whilst overseas sales to distributors increased by 3% to £3.14m (excluding £0.488m UK distributor sales within the UK).

Our Strategic Assets

We consider the assets that enable the Company to achieve its strategic goals to be:

- Our chlorine dioxide chemistry, about which there are three critically important elements:
    1. The formulation is proprietary;
    2. We remain the only company using chlorine dioxide for the decontamination of medical instruments in the world, which gives us a genuine point of difference from all other infection prevention companies;
    3. The length of time that we have enjoyed this position has allowed us to collate a significant body of knowledge, including published scientific data, the testimony of almost two decades of safe use, a significant global footprint of regulatory approvals and a library of proven compatibility with hundreds of medical instruments, all of which would take a newcomer significant time and cost to match.

- Intellectual property protection - at 30 June 2019, we held 277 patents granted in 36 countries providing legal protection for our products;

- Our people - who hold an unrivalled body of knowledge relating both to infection prevention and to chlorine dioxide, allowing us to quickly and efficiently create and bring to market innovative and market ready products.

Our proprietary chlorine dioxide chemistry

The competitive advantage that we hold is that we are the only company worldwide using chlorine dioxide to disinfect medical instruments.

With this same chemistry, we have also established a bridgehead in hospital surface disinfection, the veterinary market, and the contamination control market.

The focus of our research and development is our chlorine dioxide technology, searching for continuous improvements in increased microbial efficacy, a reduction in hazards, and greater efficiency in manufacture. In parallel, we invest heavily in the creation of packaging and delivery forms that enhance and simplify the user experience.

Our regulatory programme succeeded in attaining 67 approvals for 34 products in 14 countries during the year.

Our intellectual property protection
In its broadest sense, our intellectual property relates to:

1. Patents, trademarks and registered designs;
2. The scientific validation of our chemistry and our products that has entered the public domain via 29 peer-reviewed and published papers;
3. 19 guidelines have been published by professional clinical bodies, infection prevention bodies, and national healthcare institutions that reference the use of chlorine dioxide in a format that is recognisable as Tristel;
4. The certification by medical device manufacturers that our chemistry is compatible with their products. We enjoy official compatibility with the instrumentation of 55 medical device manufacturers, with respect to 1,845 of their individual models.

Our people
At Tristel the basic qualities we seek in our staff are integrity, inquisitiveness and humility. In our management team, we also look for excellent decision making and execution ability and a "know no boundaries" approach. We believe that these qualities can make the highest possible performance achievable. We view our colleagues as a key strategic asset of the business.

Delivering on our key strategic financial goal
Our key strategic financial goal is to deliver long term sustainable growth. The two key performance measures that we target are:

• Consistent revenue growth - during the past five years, revenue has grown from £15.3m to £26.2m - an increase of 71%. The compound annual growth rate in revenue since the Group went public in 2005 has been 16%. Our target over the past three years has been to grow revenues in the range of 10% to 15% on average each year to 30 June 2019, which has been achieved.

• Maintaining the profitability of the Group - during the year the Group achieved a (before share-based payments) pre-tax margin of 21%. The benchmark (before share-based payments) pre-tax margin we set for the plan period was 17.5%. This measure has also been achieved.

The corollary to achieving these targets is that we have been highly cash generative given the operational cash requirements of the business. The Board's policy with respect to dividends is that if it considers that there are no earnings enhancing opportunities to invest excess cash, a special dividend for shareholders will be considered along with other distribution options.

The Board's pursuit of these financial objectives is grounded in the belief that consistent and sustainable increases in earnings and dividends will, over time, result in share price growth.

Having successfully delivered upon the 2016 to 2019 plan, the Board has established a new financial plan taking the Company to 2022, which incorporates two key performance measures. They are:

• Consistent revenue growth - to grow revenues in the range of 10% to 15% per annum, on average over the three years to 30 June 2022.

• Maintaining the profitability of the Group - to continue to achieve an earnings before interest, tax, depreciation and amortisation (EBITDA) margin of at least 25%, also stated before share based payment charges. We have changed the profitability measure from a pre-tax profit margin to an EBITDA margin, so that our profitability target does not deter investment in future revenue and profit generating possibilities, which will impact amortisation.

Progress in North America

In 2014, we explained to our shareholders that we had embarked upon a United States regulatory approvals programme. To date we have focussed upon our chlorine dioxide foam-based product Duo.

We have received approval for Duo from the EPA as an intermediate level disinfectant.

We are preparing a submission to the FDA for Duo as a high-level disinfectant. The intended use patterns will be for intra-cavity ultrasound probes, nasendoscopes, and lastly certain ophthalmic devices. If successful, this will position us in three of the clinical areas in which we are most successful in other geographical markets.

We have appointed Parker Laboratories as our contract manufacturer for supply to each of these targeted clinical areas. We have granted Parker marketing rights for Duo's use in ultrasound where they are the market leader in the United States for ultrasound conductive gels. In the ultrasound segment, the contractual arrangement is royalty-based.

Focus

We have set objectives which are visible to everyone inside the Group, and we make them equally visible to all other stakeholders.

We look forward to meeting these objectives and continuing the progress of the Group. We look to the future with confidence as Tristel continues to grow and expand its geographical reach.

Paul Swinney
Chief Executive Officer
15 October 2019

Tristel plc
Consolidated Income Statement
For the year ended 30 June 2019

	Unaudited 2019 £ 000	2018 £ 000
Revenue	26,169	22,220
Cost of sales	(5,504)	(5,040)
Gross profit	20,665	17,180
Share based payments	(852)	(665)
Depreciation, amortisation and impairments	(1,537)	(1,564)
Administrative expenses, excluding share based payments, depreciation, amortisation and impairment	(13,579)	(10,971)
Operating profit	4,697	3,980
Finance income	5	2
Finance costs	(1)	-
Net finance income	4	2
Share of profit of equity accounted investees	45	24
Profit before tax	4,746	4,006
Income tax expense	(715)	(734)
Profit for the year	4,031	3,272
Profit/(loss) attributable to:		
Owners of the company	4,031	3,272

Earnings per share from total and continuing operations attributable to equity holders of the parent

	2019	2018
Basic - pence	9.14	7.62
Diluted - pence	8.86	7.33

The above results were derived from continuing operations.

Earnings before interest, tax, depreciation and amortisation for the year ended 30 June 2019 were £6,279,000 (2018 £5,568,000). (Note 4.)

Tristel plc
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2019

	Unaudited	
	2019	**2018**
	£ 000	**£ 000**
Profit for the year	4,031	3,272
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation gains/(losses)	149	(112)
Total comprehensive income for the year	4,180	3,160
Total comprehensive income attributable to:		
Owners of the company	4,180	3,160

Tristel plc
Consolidated Balance Sheet
As at 30 June 2019

	Unaudited 30 June 2019 £ 000	30 June 2018 £ 000
Assets		
Non-current assets		
Property, plant and equipment	1,466	1,328
Goodwill	4,146	998
Intangible assets	8,803	5,954
Investments	807	589
Investments accounted for using the equity method	65	46
Deferred tax assets	709	399
	15,996	9,314
Current assets		
Inventories	2,957	2,279
Trade and other receivables	5,370	4,286
Cash and cash equivalents	4,170	6,661
	12,497	13,226
Total assets	28,493	22,540
Equity and liabilities		
Equity		
Share capital	446	432
Share premium	11,427	11,058
Foreign currency translation reserve	83	(66)
Merger reserve	2,205	478
Retained earnings	9,191	6,518
Equity attributable to owners of the company	23,352	18,420
Non-controlling interests	7	7
Total equity	23,359	18,427
Non-current liabilities		
Deferred tax liabilities	756	205
Current liabilities		
Trade and other payables	3,539	3,201
Income tax liability	839	707
	4,378	3,908
Total liabilities	5,134	4,113
Total equity and liabilities	28,493	22,540

EA Dixon
Director

Tristel plc
Consolidated Statement of Changes in Equity (Unaudited)
For the year ended 30 June 2019

	Share capital £ 000	Share premium £ 000	Foreign currency translation £ 000	Merger reserve £ 000	Retained earnings £ 000	Total £ 000	Non-controlling interests £ 000	Total equity £ 000
At 1 July 2018	432	11,058	(66)	478	6,518	18,420	7	18,427
Profit for the year	-	-	-	-	4,031	4,031	-	4,031
Exchange difference on translation of foreign operations	-	-	149	-	-	149	-	149
Total comprehensive income	-	-	149	-	4,031	4,180	-	4,180
Dividends	-	-	-	-	(2,210)	(2,210)	-	(2,210)
New share capital subscribed	7	369	-	-	-	376	-	376
Share based payment transactions	-	-	-	-	852	852	-	852
Acquisition of subsidiaries, increase/(decrease) in equity	7	-	-	1,727	-	1,734	-	1,734
At 30 June 2019	446	11,427	83	2,205	9,191	23,352	7	23,359

	Share capital £ 000	Share premium £ 000	Foreign currency translation £ 000	Merger reserve £ 000	Retained earnings £ 000	Total £ 000	Non-controlling interests £ 000	Total equity £ 000
At 1 July 2017	427	10,705	46	478	4,399	16,055	7	16,062
Profit for the year	-	-	-	-	3,272	3,272	-	3,272
Exchange difference on translation of foreign operations	-	-	(112)	-	-	(112)	-	(112)
Total comprehensive income	-	-	(112)	-	3,272	3,160	-	3,160
Dividends	-	-	-	-	(1,818)	(1,818)	-	(1,818)
New share capital subscribed	5	353	-	-	-	358	-	358
Share based payment transactions	-	-	-	-	665	665	-	665
At 30 June 2018	432	11,058	(66)	478	6,518	18,420	7	18,427

Tristel plc
Consolidated Statement of Cash Flows
For the year ended 30 June 2019

	Unaudited 2019 £'000	2018 £'000
Cash flows from operating activities		
Profit before tax	4,746	4,006
Adjustments to cash flows from non-cash items		
Depreciation of plant, property & equipment	584	548
Amortisation of intangible asset	886	950
Impairment of intangible asset	67	67
Share based payments - IFRS 2	852	665
Gain on fair value of investment	(98)	-
Loss/(profit) on disposal of property, plant and equipment	21	(17)
Unrealised profit/(loss) in foreign exchange	72	(78)
Loss/(profit) on disposal of intangible asset	12	-
Finance income	(5)	(2)
	7,137	6,139
Working capital adjustments		
(Increase)/decrease in inventories	(415)	13
Increase in trade and other receivables	(414)	(587)
(Decrease)/increase in trade and other payables	49	54
Corporation tax paid	(871)	(1,124)
Net cash flow from operating activities	5,486	4,495
Cash flows from investing activities		
Interest received	5	2
Purchase of intangible assets	(669)	(997)
Purchase of investment in Ecomed	(4,706)	-
Purchase of investment in MobileODT	(120)	-
Purchase of property plant and equipment	(678)	(516)
Proceeds from sale of property plant and equipment	-	63
Net cash used in investing activities	(6,168)	(1,448)
Cash flows from financing activities		
Share issues	383	358
Dividends paid	(2,210)	(1,818)
Net cash used in financing activities	(1,827)	(1,460)
Net (decrease)/increase in cash and cash equivalents	(2,509)	1,587
Cash and cash equivalents at the beginning of the period	6,661	5,088
Exchange differences on cash and cash equivalents	18	(14)
Cash and cash equivalents at the end of the period	4,170	6,661

1 Accounting policies

Basis of accounting
These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

There have been no new financial reporting standards effective for the year which have impacted the accounting policies stated below. Tristel plc, the Group's ultimate parent company, is a limited liability company incorporated and domiciled in the United Kingdom.

Basis of consolidation
The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 30 June 2019. Subsidiaries are entities over which the Group has rights or is exposed to variable returns from its involvement with the investee and has the power to affect those returns by controlling the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. These fair values are also used as the basis for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of the aggregate of the consideration transferred and the amount of non-controlling interest over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Non-controlling interests, presented as part of equity, represent a proportion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the assets of the parent and the non-controlling interests based on their respective ownership interests.

Audit exemption
The following subsidiaries are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act :

• Tristel International Limited - Registered number 07874262
• Scorcher Idea Limited - Registered number 04602679

Changes in accounting policy

EU adopted IFRSs not yet applied

As of 30 June 2019, the following Standards and Interpretations are in issue but not yet effective and have not been adopted early by the Group:

• IFRS 16 Leases (effective 1 January 2019)
• IFRS 17 Insurance contracts (effective 1 January 2021)

The Directors anticipate that the adoption of IFRS 17 in future periods will have no material effect on the financial statements of the Group.

IFRS 16

IFRS 16 - Leases was issued in January 2016 and will be adopted by the Group effective 1 July 2019. The standard provides a single lease accounting model, requiring lessees to recognise assets and liabilities for all operating leases unless the term is 12 months or less or the leased asset is of a low value. As at the reporting date, the group has non-cancellable operating lease commitments of £4.8m. Of these commitments, the Group expects to recognise right of use assets of approximately £3.1m on 1 July 2019 and lease liabilities of £3.3m (after adjustments for prepayments and accrued lease payments recognised as at 30 June 2019). The modified retrospective transition approach will be applied with the right of use assets being measured as if IFRS 16 had always been applied using the transition discount rate, subsequently an adjustment to equity of £0.2m is expected as at 1 July 2019. Comparative results will not require restatement.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

None of the standards, interpretations and amendments effective for the first time from 1 July 2018 have had a material effect on the financial statements.

2 Publication non-statutory accounts

The financial information set out above does not constitute the company's statutory accounts for the years ended 30 June 2019 or 2018. The financial information for 2018 is derived from the statutory accounts for 2018 which have been delivered to the registrar of companies. The auditor has reported on the 2018 accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The statutory accounts for 2019 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the registrar of companies in due course.

The Board of Tristel plc approved the release of this unaudited Preliminary Announcement on 15 October 2019.

3 Segmental Analysis

Management considers the Company's revenue lines to be split into three operating segments, which span the different Group entities. The operating segments consider the nature of the product sold, the nature of production, the class of customer and the method of distribution. The Company's operating segments are identified initially from the information which is reported to the chief operating decision maker.

The first segment concerns the manufacture and sale of infection control and hygiene products that includes the Company's chlorine dioxide chemistry, and are used primarily for infection control in hospitals. This segment generates approximately 92% of Company revenues (2018: 90%).

The second segment which constitutes 3% (2018: 4%) of the business activity, relates to the manufacture and sale of disinfection and cleaning products, principally into veterinary and animal welfare sectors ("Animal healthcare"). During prior years all sales for this segment were made to a distributor who supplied the end user.

The third segment addresses the pharmaceutical and personal care product manufacturing industries ("Contamination control"), and has generated 5% (2018: 6%) of the Company's revenues this year.

The operation is monitored and measured on the basis of the key performance indicators of each segment, these being revenue and gross profit, and strategic decisions are made on the basis of revenue and gross profit generating from each segment.

The Company's centrally incurred administrative expenses and operating income, and assets and liabilities, cannot be allocated to individual segments.

Un-audited	Human Healthcare	Animal Healthcare	Contamination Control	Total 2019
	£000	£000	£000	£000
Revenue				
From external customers	**23,946**	**808**	**1,415**	**26,169**
Cost of material	**4,736**	**275**	**493**	**5,504**
Segment gross profit	**19,210**	**533**	**922**	**20,665**
Gross margin	**80%**	**66%**	**65%**	**79%**
Centrally incurred income and expenses not attributable to individual segments:				
Depreciation and amortisation of non-financial assets				**1,537**
Other administrative expenses				**13,579**
Share-based payments				**852**
Segment operating profit				**4,697**
Segment operating profit can be reconciled to Group profit before tax as follows:				
Finance income				**4**
Results from equity accounted associate				**45**
Total profit before tax				**4,746**

	Human Healthcare £000	Animal Healthcare £000	Contamination Control £000	Total 2018 £000
Revenue				
From external customers	**19,869**	**919**	**1,432**	**22,220**
Cost of material	**4,161**	**369**	**510**	**5,040**
Segment gross profit	**15,708**	**550**	**922**	**17,180**
Gross margin	**79%**	**60%**	**64%**	**77%**
Centrally incurred income and expenses not attributable to individual segments:				
Depreciation and amortisation of non-financial assets				**1,564**
Other administrative expenses				**10,971**
Share based payments				**665**
Segment operating profit				**3,980**
Segment operating profit can be reconciled to Group profit before tax as follows:				
Finance income				**2**
Results from equity accounted associate				**24**
Total profit before tax				**4,006**

The Group's revenues from external customers are divided into the following geographical areas:

Unaudited	**Human Healthcare**	**Animal Healthcare**	**Contamination Control**	**Total 2019**
	£000	**£000**	**£000**	**£000**
United Kingdom	**10,024**	**567**	**1,205**	**11,796**
Europe	**8,184**	**29**	**159**	**8,372**
Rest of World	**5,738**	**212**	**51**	**6,001**
Total Revenues	**23,946**	**808**	**1,415**	**26,169**

	Human Healthcare	**Animal Healthcare**	**Contamination Control**	**Total 2018**
	£000	**£000**	**£000**	**£000**
United Kingdom	**8,912**	**665**	**1,258**	**10,835**
Germany	**3,989**	**-**	**34**	**4,023**
Rest of World	**6,973**	**254**	**135**	**7,362**
Total Revenues	**19,874**	**919**	**1,427**	**22,220**

4 Income tax

Tax charged in the income statement	**Unaudited**	
	2019	**2018**
	£'000	**£'000**
Current taxation		
Overseas tax	798	850
UK corporation tax	221	255
UK corporation tax adjustment to prior periods	(16)	(2)
	1,003	1,103
Deferred tax		
Arising from origination and reversal of temporary differences	(322)	(369)
UK deferred tax adjustment to prior periods	(20)	-
Tax rate effect	54	-
Tax expense in the income statement	715	734

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 – lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	Unaudited 2019 £ 000	2018 £ 000
Profit before tax	4,746	4,006
Corporation tax at standard rate	902	761
Adjustment in respect of prior years	(36)	(2)
Increase from effect of capital allowances depreciation	10	-
Expenses not deductible for tax purposes	166	24
Other temporary differences	(175)	131
(Decrease) from effect of patent box	(226)	(163)
Tax rate differences	225	115
Enhanced relief on qualifying scientific research expenditure	(151)	(132)
Total tax charge	715	734

5 Dividends

Amounts recognised as distributions to equity holders in the year:	Unaudited 2019 £000	2018 £000
Ordinary shares of 1p each		
Final dividend for the year ended 30 June 2018 of 2.98p (2017: 2.63p) per share	1,303	1,130
Interim dividend for the year ended 30 June 2019 of 2.04p (2018: 1.60p) per share	907	688
	2,210	1,818
Proposed final dividend for the year ended 30 June 2019 of 3.50p (2018: 2.98p) per share	1,560	1,287
Company		
Dividend received from subsidiaries	(2,793)	(1,465)

The proposed final dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and has not been included as a liability in the financial statements.

6 Earnings per share

The calculations of earnings per share are based on the following profits and number of shares:	**Unaudited**	
	2019	**2018**
	£000	**£000**
Retained profit for the financial year attributable to equity holders of the parent	4,031	3,272
	Shares	**Shares**
	'000	'000
	Number	Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	44,086	42,956
Share options	1,399	1,688
	45,485	44,644
Earnings per ordinary share		
Basic	9.14p	7.62p
Diluted	8.86p	7.33p

A total of 320,000 options of ordinary shares were anti-dilutive at 30 June 2019 (430,000 at 30 June 2018). Contingent options would be dilutive but are excluded. The Group also presents an adjusted basic earnings per share figure which excludes the share-based payments charge:

	Unaudited	
	2019	**2018**
	£'000	**£'000**
Retained profit for the financial year attributable to equity holders of the parent	4,031	3,272
Adjustments:		
Share based payments	852	665
Net adjustments	852	665
Adjusted earnings	4,883	3,937
Adjusted basic earnings per ordinary share	11.08p	9.16p

7 Share capital

Allotted, called up and fully paid shares

	Unaudited			
	30 June 2019		**30 June 2018**	
	No. 000	**£ 000**	**No. 000**	**£ 000**
Ordinary of £0.01 each	44,563	445.63	43,192	431.92

	Number	**£'000**
30 June 2018	43,192,133	432
Issued during the year	661,415	7
Issued on acquisition	709,775	7
30 June 2019	44,563,323	446

661,415 ordinary shares of 1 pence each, related to the exercise of 661,415 share options issued during the year (2018: 442,716) in addition to 709,775 ordinary shares of 1 pence each issued on acquisition (2018: nil). The weighted average exercise price was 81.84 pence (2018: 80.80p).

8 Annual report

Printed copies of the annual report and financial statements, along with the notice of AGM, will be sent to shareholders prior to the Company's Annual General Meeting taking place on 17 December 2019 in Snailwell, Newmarket.

9 Post balance sheet event

The Company acquired 80% of the share capital of Tristel Italia srl (TI) from Michael Donaldson for £595,000 in July 2019. Tristel previously owned 20% of TI since 2007 when it supported Donaldson to introduce Tristel's medical device disinfectants into Italy.