



21 July 2021

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

Trading update

Positive signs of recovery in out-patient departments and continued growth in surface disinfectant product sales

Tristel plc (AIM: TSTL), the manufacturer of infection prevention products, provides a trading update for the year ended 30 June 2021.

In the last update on 25 April, the Company stated that second half sales in all markets had started slowly because COVID-19 was causing the postponement of hospital admissions and fewer patient examinations with medical devices that Tristel's products disinfect. The effect of the pandemic was being felt more acutely in the UK than in overseas markets. Conversely, sales of Tristel's surface disinfectant products were ahead compared to last year.

In April, sales for the year ending 30 June were anticipated to be £31m and pre-tax profit (before share-based payments) to be no less than £5m.

As the fourth quarter progressed, demand for the device-based products accelerated as hospital out-patient departments gradually returned to pre-pandemic levels of activity. Surface disinfectant product sales have continued to grow.

It is expected that the upturn in sales activity, combined with a gross margin maintained at 80% and tight control over operating costs, will translate into sales of £31m (2020: £31.7m) and pre-tax profit (before share-based payments and the exceptional item explained below) of £5.5m (2020: £7.1m) for the year.

In 2017, Tristel made an equity investment in a medical device company focussed upon women's health. The investment led to a close collaboration between the two companies which has been a key influence in the development of Tristel's 3T App and new exciting product development initiatives that are underway involving AI, and for which several patent applications have been made.

The Company's shareholders had initiated a sale process for the business to enable the technology to find a home within a larger medical device company with the resources to succeed in the United States market. The process has not been successful to date, and whilst the company continues to operate as a going concern, Tristel will take a conservative approach to the carrying value of the investment, totalling £0.8m, and fully impair this in the financial year just ended. This expense is non-cash and will be recorded as an exceptional item.

As announced on 24 June 2021, Tristel has succeeded in gaining its first regulatory approval in Canada for the Duo OPH disinfectant for ophthalmic devices, and an enhanced approval for additional efficacy claims from the USA EPA for the Jet surface disinfectant product. A more detailed update on the progress of the USA FDA submission for Duo ULT for ultrasound probe disinfection and the commercial development plan for North America will be provided with the final results in October 2021.

Balance sheet and dividends

The Company's cash position on 30 June 2021 was £8m compared to £6.2m last year.

The Board has committed to declare a final dividend of 3.93 pence, making a total of 6.55 pence for the year. This distribution level represents a one-off divergence from the Company's stated dividend policy of two-times cover.

Outlook

Towards the end of the financial year the Company witnessed an increase in hospital admissions and patient examinations. The Company is confident that sales and profits growth will resume this year and the investments made in people, systems and new market registrations will lay the foundation for strong growth in the years ahead.

Paul Swinney, CEO of Tristel, commented: *“The second half of the year was a frustrating period for the Company. Since Spring 2020 our ordinarily stable and predictable business has been disrupted by both Brexit and the pandemic. We have waited for signs that healthcare provision in our main twenty-five markets would return to normal, and finally we are seeing signs of this occurring.”*

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

For further information please contact:

Tristel plc

Paul Swinney, Chief Executive Officer
Liz Dixon, Finance Director

Tel: 01638 721 500

Walbrook PR Ltd

Paul McManus
Lianne Cawthorne

Tel: 020 7933 8780 or tristel@walbrookpr.com

Mob: 07980 541 893
Mob: 07854 391 303

finnCap

Geoff Nash / Charlie Beeson, Corporate Finance
Alice Lane, ECM

Tel: 020 7220 0500