



21 October 2024

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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

Audited Preliminary Results
for the year ended 30 June 2024

Record revenues, 38.5% growth in pre-tax profits and strong cash generation

Tristel plc (AIM: TSTL), the manufacturer of infection prevention products for hospitals, announces its audited preliminary results for the year ended 30 June 2024, with trading ahead of both market expectations and internal performance targets. The Company has delivered record revenues, growth in pre-tax profits and maintained strong cash generation from the operations. It continues to be debt free and at the end of year cash and short-term investments balances were £11.8m including £5.7m held as short-term investments.

The Company's core business is the sale to hospitals of its proprietary chlorine dioxide chemistry for the decontamination of medical devices under the [Tristel](#) brand (87% of total sales), and for the sporidical disinfection of environmental surfaces under the [Cache](#) brand (8% of total sales).

Financial Highlights

- Turnover up 16% to £41.9m (2023: £36.0m)
- Gross margin up 2% to 80% (2023 restated: 78%)
- Adjusted pre-tax profit* up 32% to £8.2m (2023: £6.2m)
- Reported pre-tax profit up 39% to £7.1m (2023: £5.1m)
- Adjusted EPS* up 50% to 15.34p (2023: 10.67p). Basic EPS of 13.68p (2023: 9.44p)
- Dividend per share for the full year up 29% to 13.52p (2023: 10.50p)
- Cash and short-term investment balance of £11.8m (2023: £9.5m), with continued strong operating cashflow of £10.9m in the year (2023: £8.4m)

** before share-based payments*

Operational Highlights

- First manufacture and sale of Tristel ULT into the United States ultrasound market
- Approval of Tristel ULT by Health Canada and submission of Tristel OPH to US FDA (post period end)
- Cache TANK and POD approved for UKCA, MDR & CE certification
- Successful CEO transition

Matt Sassone, Chief Executive of Tristel plc, said: *"I am delighted to take on the role as Chief Executive of Tristel and at a stage when we can build on our growing and well-established global footprint for our products and technology. It is clear from my first weeks in the role that we have in place the foundations for further success: we have a hugely talented team, we have differentiated and innovative products that are already well established as market-leading, and we have a host of exciting commercial opportunities to deliver further growth. It is no wonder that as a Board we remain very confident about the outlook for the Company."*

CEO video & investor presentations

Please find a link to a video overview relating to the Company's preliminary results from the Group's Chief Executive Officer, Matt Sassone here - <https://stream.brrmedia.co.uk/broadcast/670fc1052bd2bbc93fcd920b>

Matt Sassone, CEO, and Liz Dixon, CFO, will present the Company's results via the Investor Meet Company platform today at 11:30 BST. The presentation will also be available for playback after the event. Investors can sign up to Investor Meet Company for free and add to meet Tristel plc via: <https://www.investormeetcompany.com/tristel-plc/register-investor>

An in-person presentation will take place at 16:30 BST, which is open to all existing and potential shareholders. The Company will welcome investors to 85 Gresham Street, London, EC2V 7NQ from 16.15 for a 16.30 start and will be followed by refreshments. If you would like to attend, please contact Walbrook PR on 020 7933 8780 or email tristel@walbrookpr.com.

The results presentation is available on the Company's website: <https://tristelgroup.com/>

For further information please contact:

Tristel plc

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About Tristel plc

Tristel plc is a global infection prevention company focussed on the manufacture and supply of products using its unique proprietary chlorine dioxide (ClO₂) chemistry. The Company is a market leader in manual decontamination of medical devices, supplying hospitals under the [Tristel](#) brand, and under the [Cache](#) brand provides products for sporicidal surface disinfection, a more sustainable alternative to commonly used pre-wetted plastic wipes.

Tristel's head office and manufacturing facility is located in Snailwell, near Cambridge, and operates globally employing approximately 250 people across 17 active subsidiaries selling into 40 countries. The business is profitable, with no debt, and has a progressive dividend policy.

The Company has been listed on the London Stock Exchange's AIM market since 2005 (AIM: TSTL).

For more information about Tristel's product range please visit: <https://tristel.com>

CHAIRMAN'S STATEMENT

Chairman's Statement

The 2024 financial year ("FY 24") has been a record year for Tristel in terms of financial performance, with trading ahead of market expectations and our own performance targets. We delivered record revenues, growth in pre-tax profits and maintained strong cash generation from the operations. We continue to be debt free and at the end of year cash and short-term investment balances were £11.8m.

FY 24 also saw us execute against our geographic expansion plans following the significant milestone of FDA clearance for Tristel ULT, our high-level disinfectant ("HLD") for use on endocavity ultrasound probes and skin surface transducers at the end of the previous financial year. In FY 24 we registered our first sales in the US and we continue to work with our partners to increase our market share across North America.

2024 was also a pivotal year in Tristel's history as we position the business for our next stage of growth. After 31 years at the helm, and having built a world-class business, Paul Swinney founder and CEO retired and we welcomed Matt Sassone as his successor.

With over 27 years of experience in the medical device industry, Matt brings a wealth of knowledge and a proven track record of leadership in many markets including North America. His vision and expertise will be instrumental in guiding Tristel through its next phase of growth.

My Board colleagues and I extend our thanks to Paul, who has led the company with remarkable vision and dedication for over three decades. Under his leadership, Tristel has grown from a pioneering start-up to a globally recognized leader in infection prevention, driving innovation by capitalising upon the Company's unique chlorine dioxide chemistry. Paul leaves a legacy of success as shown in this set of results.

Group Strategy

The Group continues to focus on the global hospital market, using its proprietary chlorine dioxide chemistry for two applications: the decontamination of the medical devices under the Tristel brand, and the disinfection of environmental surfaces under the Cache brand.

Our ambition is to become the global market leader in the manual decontamination of heat sensitive non-lumened diagnostic medical devices. In Europe, the Middle East and APAC we already hold this position, and during the year we started to build commercial momentum in North America, following the receipt of De Novo clearance for our hand-held HLD, Tristel ULT, from the United States Food and Drug Administration (FDA). This was a significant milestone for a British company of our size.

During the year, 39% of Group revenue was generated in the United Kingdom and 61% in the rest of the world. Throughout the 61 countries in which we actively market our products, Tristel medical device disinfectant revenue, which is driven by the number of diagnostic procedures in which our products are used, increased to £36.3m from £30.8m in the previous year.

Our second product range, Cache, made slower progress during the year. Revenue was £3.4m compared to £3.3m in the previous year. As announced in February, the Company gained Medical Devices Regulation 2002 ("UK MDR") and the European Union Medical Device Regulation 2017/745 ("EU MDR") approval of its TANK ClO₂ Sporocidal Disinfectant system. These newest additions to the Cache range, which provides sporocidal surface disinfection in a format which is a sustainable alternative to commonly used pre-wetted plastic wipes, and our continued success in gaining regulatory approvals in key markets, give us confidence that the Cache range will deliver significant sales growth going forward.

Investing in Growth

We are committed to ensuring that our business is fully primed for growth, both in the UK and across our international subsidiaries. As we expand our global reach, we continue to invest in our people and strengthen our systems to support both our commercial and operational functions. Over the past year we have grown our headcount by 6%, enhancing our sales, marketing and technical teams to meet the demands of our highly regulated industry.

In parallel, we are driving a comprehensive digital transformation across the organization, ensuring that our systems and processes are optimised for the future. Our continued investment in IT and cybersecurity infrastructure is crucial to maintaining the resilience of the business as it grows. By expanding these capabilities, we are positioning Tristel to seize new opportunities, scale efficiently, and sustain our leadership in infection prevention.

New product development is a key focus for the Board and we continued to invest during the year in three areas:

- The 3T platform which is our app-based Train, Trace and Test tool that enables a user of a Tristel medical device high-level disinfectant to record all steps of the decontamination process.
- AI capabilities incorporated into the app that enable objective verification that the key steps in the decontamination process have been performed correctly.
- Colour change technology- visual indicators that provide compliance training tools for the user and which can be incorporated into the decontamination process to ensure key steps in the decontamination process are performed correctly.

We made six patent applications during the year and three applications went to grant. During the year we invested £0.9m in product development and £0.5m in securing and maintaining intellectual property protection.

North America

In June 2023 we reached a significant milestone by securing FDA clearance for Tristel ULT, our ultrasound HLD. In the first half of FY 2024, our partner Parker Laboratories Inc. began manufacturing and commercialising the product in North America. In the second half, Parker's distribution network had stocked up on inventory, and in the final quarter, we started onboarding an increasing number of users.

Tristel ULT is complementary to Parker labs' market leading Aquasonic gel, in that for every invasive ultrasound procedure the gel must be used and an HLD must be used. Parker is a well-qualified manufacturing partner, for Tristel ULT, providing the highest quality standards in its FDA approved New Jersey facility, and also selling our product through its existing nationwide distribution channels. To support our partnership, Parker has expanded its own direct sales team from two people to 10. Whilst Parker have encountered more purchasing bureaucracy than we originally anticipated, which has slightly extended the timeline for some adopters to come on board, momentum is growing as we make headway in the world's largest market.

Parker has also showcased our products at various conferences across North America. Culminating in the publication in May of a white paper "Simplifying High-Level Disinfection for Urological Procedures: A Case Study" at the American Urological Association 2024 conference, the largest gathering of urologists in the world. In the paper, US urologist, Dr Matthew Allaway, highlights Tristel ULT in a case study, commenting on the product's ability to enable faster, simpler endo-cavitary probe processing for busy urology practices.

The white paper can be seen here:

https://www.parkerlabs.com/wp-content/uploads/2024/04/AllawayWhitePaper_8_LOCKED.pdf

In January 2024, we gained Health Canada approval for Tristel ULT, further extending our reach.

Our people

It's clear that our people are Tristel's greatest asset. Without their dedication, skill, and expertise, none of the successes we have achieved would have been possible. We recognise this and are committed to being the best employer we can be, ensuring that Tristel is a place where talent can thrive and grow.

Their collective efforts have not only elevated our reputation but have also positioned us for even greater success.

Results

Total revenues increased 16% to £41.9m for the year (2023: £36.0m). Our gross profit margin increased by 2%. Overheads (excluding share-based payments, depreciation, amortisation and impairment) rose by 19%, principally due to the increase in average headcount to 238 (2023 212). Increases in wages and salaries for the Group were £2.2m.

Adjusted pre-tax profit (before share-based payments of £1.1m) rose 32% from £6.2m to £8.2m. Statutory pre-tax profit increased to £7.1m from £5.1m and the statutory margin rose to 17% from 14%. Charges associated with share-based payments have been included as adjusting items. Although share-based compensation is an important aspect of the compensation of our employees and executives, management believes it is useful to exclude share-based compensation expenses from adjusted profit measures to better understand the long-term performance of the underlying business.

Earnings per share (EPS) (adjusted for the add-back of the share-based payment charge) was 15.34 pence (2023: 10.67 pence). Basic EPS was 13.68 pence (2023: 9.44 pence) and diluted EPS was 13.54 pence (2023: 9.34 pence).

Balance Sheet, Cash and Dividend

The Group has continued to be highly cash generative at an operating cash flow level during the year and the balance sheet is debt free (with the exception of lease liabilities). The combined cash and short-term deposit balance at 30 June 2024 was £11.8m (2023: £9.5m), with £5.7m classed as short term investment (2023: £2.4m).

The Board is recommending a final dividend of 8.28 pence (2023: 7.88 pence). Combined with the interim dividend of 5.24 pence, the total dividend pay-out for the year will be 13.52 pence per share, this is an increase of 29% on last year's total dividend pay-out of 10.50 pence. Going forward the Board's intention is to increase the dividend annually in line with the year's increase in EPS, committing to minimum dividend growth of 5%. This final dividend will be paid on 20 December 2024, to shareholders on the register on 29 November 2024, the associated ex-dividend date is 28 November 2024.

Outlook

Our results clearly reflect our dominant market leadership position. Demand for our infection prevention products remains robust across all of our geographical markets, and with our recently established foothold in North America, we believe we can continue to deliver sustainable growth.

Dr Bruno Holthof
Non-Executive Chair

CHIEF EXECUTIVE'S REPORT

Overview

I am delighted to have joined Tristel. Having admired the business from afar, I now have the privilege of being part of a team that continues to deliver exceptional results, as reflected in our strong performance across all product categories this year. Tristel's success is built on the solid foundation established by my predecessor, Paul Swinney, and my focus will be on building upon that legacy.

We will continue to seize global opportunities, particularly with our core medical device disinfection products, and expand our footprint in key markets like North America. At the same time, we remain committed to delivering on our strategic intent to enter the surface disinfection market, where we see significant potential for our proprietary chlorine dioxide chemistry to disrupt this much larger sector.

The year ended 30 June 2024 marked another period of robust growth for the Group, with notable progress in our key strategic initiatives. These included the expansion of our medical device portfolio into critical new markets like the USA and advancing our goal to penetrate the surface disinfection market.

In the USA, our partner Parker Laboratories began manufacturing and commercialising Tristel ULT during the year, gaining significant traction with several hospitals onboarded in the final quarter. They have built a strong pipeline of opportunities but acknowledge that the more stringent post-COVID purchasing bureaucracy is extending the sales process longer than initially anticipated.

Additionally, we successfully completed the UK MDR and EU MDR certifications for our TANK ClO₂ Sporicidal Disinfectant system. This sustainable alternative to pre-wetted plastic wipes, launched at the end of the fiscal year, is expected to drive accelerated growth in Cache sales across Europe and other regions that recognize these high regulatory standards.

Financial targets

The Board and I remain committed to our financial plan for the three years to 30 June 2025, which was a continuation of the plan for the prior three-year period ending in June 2022. The three key financial targets of both the old and new plans are:

- i) sales growth in the range of 10% to 15% per annum as an annual average over the three years;
- ii) the achievement in each year of an EBITDA margin (excluding share-based payment charge) of at least 25%, and
- iii) to increase profit before tax (excluding share-based payments) year-on-year, independently of the other two targets.

Having joined the business just a few weeks ago, I ask for a little time to work closely with stakeholders to review the company's strategic direction. This process will ensure that we are well-positioned for the next phase of our growth journey. I look forward to updating investors on our financial targets beyond June 2025, as we define our goals to align with the growing opportunities in our core markets and new areas of expansion.

Financial year	Revenue £m	Annual revenue growth	Average 3 year revenue growth	Adjusted EBITDA margin %	Increase in profit before tax (excluding SBP charge)
Ended 30.06.21 (base year)	31.00				
Ended 30.06.22	31.10	0.3%	0%	24.0%	No
Ended 30.06.23	36.00	16%	8%	24.9%	Yes
Ended 30.06.24	41.90	16%	11.7%	26.0%	Yes

Our marketplace and technology

Our business is entirely dedicated to preventing the spread of microbes from one person or object to another. This is critical as the spread of the cross contamination of microbes are responsible for infections in healthcare, leading to illness, death, and imposing a heavy burden on both individuals and society. We fulfil this mission by developing products based on chlorine dioxide, a powerful disinfectant that we've uniquely formulated.

Hospitals, where infection risks are the highest, are where our solutions have the most impact. Infection prevention is a fundamental necessity for the safe and effective delivery of healthcare worldwide. Over 98% of our revenue comes from consumable products that perform essential, non-discretionary functions in these settings.

Our strategy revolves around our proprietary chlorine dioxide chemistry, applied in two key areas. First, we focus on the high-level disinfection of medical devices under the Tristel brand, which accounted for 87% of our continuing product revenues this year. Second, we address the disinfection of hospital surfaces through our Cache brand, representing 8% of revenues. In this area, we distinguish between the sporicidal efficacy of our chlorine dioxide chemistry and the lower-level performance claims of most competing disinfectants. Our aim is to lead the global market in this high-performance, sporicidal segment.

Tristel stands out in two key ways. We are the only provider of chlorine dioxide-based high-level disinfectants that are both validated and regulated for use with semi-critical medical devices. Moreover, our disinfectants are applied manually, unlike our semi-automated competitors that rely on a process of manually cleaning followed by a machine that applies UV-C light or a hydrogen peroxide mist.

While surface disinfection is a universal need in hospitals, with expenditures on it far exceeding those for medical device decontamination, it's the ability to kill bacterial spores that sets the top biocides apart. Chlorine dioxide, as one of the few chemistries capable of this, is a cornerstone of our offering.

The manual application of our products makes them ideally suited for departments handling small, heat-sensitive medical instruments. Whether it's nasendoscopes in ENT departments, laryngoscope blades in emergency settings, cardiac echo probes for heart disease diagnosis, or ultrasound probes in women's and men's health, Tristel provides the simplest, fastest, and most cost-effective high-performance disinfection. As a result, in the markets where we've established ourselves, we hold substantial market share.

Revenue

We segment our business to reflect our corporate strategy and geographical spread. We have developed distinctly different brands for the two product categories: Tristel for medical device disinfection and Cache for sporicidal surface disinfection. Our strategic intention is to develop the Tristel and Cache brands and product portfolios with a significant degree of independence from each other, but both anchored upon our chlorine dioxide technology platform and using the same sales teams in all countries.

Higher sales volume accounted for £2.2m of the £5.9m revenue growth and price increases accounted for the remaining £3.7m. This represents an average price increase of 11%, driven primarily by the UK where the increase has been higher because of supply agreements which require fixed pricing extending into future years.

Tristel medical device sales grew by 18%, reaching £36.4m. Reinforcing our ability to continually grow on our market leadership position.

During the year, the revenue split across these product categories was:

£m	Brand	Revenue 2023-24	% of total	Revenue 2022-23	% of total
Medical device decontamination in hospitals	<i>Tristel</i>	36.40	87%	30.80	86%
Environmental surface disinfection in hospitals	<i>Cache</i>	3.40	8%	3.30	9%
Other – non-core	Various	2.10	5%	1.90	5%
Group		41.90	100%	36.00	100%

Revenue by channel

We sell our products directly to end-users in those markets in which we have established a subsidiary, and through distributors in markets where we have no corporate presence. During the year, the revenue split by sales channel was:

	2023-24 Revenue	2022-23 Revenue	Year-on-Year change	% change
Hospital medical device decontamination:				
UK	16.20	11.90	4.30	36%
Australia	3.40	3.50	(0.10)	(3%)
Germany	5.50	5.00	0.50	9%
Western Europe	7.40	6.60	1.2	12%
Other ROW	3.90	3.80	0.10	3%
Tristel Global	36.40	30.80	5.60	18%

Hospital environmental surface disinfection:				
UK	2.40	2.40	Nil	Nil
Australia	0.10	0.10	Nil	Nil
Germany	0.10	0.10	Nil	Nil
Western Europe	0.20	0.20	Nil	Nil
Other ROW	0.60	0.50	0.10	(20%)
Cache Global	3.40	3.30	0.10	(3%)
Other revenue: various brands	2.10	1.90	0.20	11%
Group	41.90	36.00	5.90	16%

Revenue by geography

Strong sales in the UK saw the sales percentage increase to 39% of total revenues. The below table shows the 5 year history of this metric.

	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue split %					
UK	40%	37%	35%	35%	39%
Overseas	60%	63%	65%	65%	61%
Annual revenue growth %					
UK	7%	-10%	-3%	12%	31%
Overseas	32%	3%	2%	18%	9%

**Sales made to international distributors are included within overseas in the above table to align with the location of the end customer. As these sales originate within the UK subsidiary, for segmental reporting purposes they are included within the UK.*

We have 16 subsidiaries selling directly into the hospital marketplace in the United Kingdom, Belgium, the Netherlands, France, Italy, Germany, Switzerland, Poland, Hong Kong, China, Malaysia, Singapore, Australia, and New Zealand, India and United States. We have subsidiaries in Japan, Spain and Ireland which are not yet active in terms of selling. We closed our Russian subsidiary early in FY22.

During the year, in another 45 countries, we sold products through national distributors.

Geographic expansion is a key growth driver for the business, our regulatory programme succeeded in attaining 26 approvals for 17 products in seven countries during the year. Including the approval for Tristel ULT from Health Canada.

Our Strategic Assets

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

Our chlorine dioxide chemistry

There are three critically important elements that account for the unique positioning of our chlorine dioxide chemistry:

1. The proprietary formulation,
2. Our focus over two decades on exploring the potential for chlorine dioxide in the decontamination of medical instruments. There is another application for chlorine dioxide chemistry which all other businesses have concentrated upon which is water treatment. From the inception of our business in the 1990's we looked in a different direction – towards medical device disinfection – a direction which others have not followed, and this has given us the pioneer's advantage,
3. The length of time that we have enjoyed this pioneer 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 new entrant significant time and cost to match.

Intellectual property protection

On 30 June 2024, we held 149 patents granted in 32 countries providing legal protection for our products.

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 have entered the public domain, via a number of peer-reviewed and published papers,
3. The certification by medical device manufacturers that our chemistry is compatible with their products. We enjoy official compatibility with the instrumentation of 56 medical device manufacturer, with respect to 1,449 of their individual models.

Our people possess an unrivalled body of knowledge relating both to infection prevention and to chlorine dioxide, and they are a key asset for the future of our business. Their domain knowledge relates to the manufacture of chlorine dioxide-based products and their development. The Company's R&D investment focusses exclusively on our proprietary technology, searching for improvements in microbial efficacy, reductions in hazards, and greater efficiency in manufacture. In parallel, we invest in the creation of packaging and delivery forms that enhance and simplify the delivery of the chemistry and the user experience.

Outlook

This year has been all about delivering on the solid foundations that have been put in place across the business to support growth.

The main driver of our growth has been our Tristel branded products for medical device disinfection, which have benefitted from a continued rise in sales volumes, but also from increased pricing, primarily from the UK due to an increase in longer term fixed price supply agreements. We expect to see further growth across all of our markets in FY 25, and we are particularly focussed on making the most of the significant opportunity that last year's FDA approval for Tristel ULT presents : access to the largest healthcare market in the world. This also gives us the opportunity to leverage the significance of an FDA approval in countries that look to the USA regulator for their own practice, such as countries across Central and South America. We also expect to see future growth from the successful execution of our North American strategy for Tristel OPH, with sales already building up in Canada, and FDA 510(k) clearance targeted for the end of this calendar year.

On the surfaces side, we believe that following UK MDR and EU MDR certifications for our TANK ClO₂ Sporocidal Disinfectant system, we will be able to accelerate growth in Cache sales across Europe and other regions that recognised these high regulatory standards. Sales of these products, for environmental surface disinfection in hospitals, are starting from a low-base, but we believe our offering, that provides the highest level of surface disinfection whilst eliminating the need for the single-use throw-away plastic wipes, will be both commercially and environmentally attractive.

I am delighted to take on the role as Chief Executive of Tristel and at a stage when we can build on our growing and well-established global footprint for our products and technology. It is clear from my first weeks in the role that we have in place the foundations for further success: we have a hugely talented team, we have differentiated and innovative products that are already well established as market-leading, and we have a host of exciting commercial opportunities to deliver further growth. It is no wonder that as a Board we remain very confident about the outlook for the Company.

Matt Sassone
Chief Executive Officer

Tristel Plc**Consolidated Income Statement for the Year Ended 30 June 2024****(As restated)**

	2024 £ 000	2023 £ 000
Revenue	41,933	36,009
Cost of sales excluding depreciation	(7,974)	(7,661)
Depreciation included within Cost of sales	(381)	(430)
Total Cost of sales	(8,355)	(8,091)
Gross profit	33,578	27,918
Distribution costs	(327)	(323)
Administrative expenses:		
Share based payments	(1,089)	(1,061)
Depreciation, amortisation and impairments	(2,392)	(2,188)
Other	(22,788)	(19,069)
Total Administrative expenses	(26,269)	(22,318)
Other operating income	-	4
Operating profit	6,982	5,281
Finance income	318	10
Finance costs	(218)	(179)
Net finance income/(cost)	100	(169)
Profit before tax	7,082	5,112
Income tax expense	(593)	(651)
Profit for the year	6,489	4,461
Profit attributable to :		

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

	2024	2023
Basic - pence	6 13.68	9.44
Diluted - pence	6 13.54	9.34

The above results were derived from continuing operations.

The prior year has been restated to align to IAS 2 in relation to classification of expenditure included in cost of sales, the restatement has no effect on the Profit for the year and is fully disclosed in Note 8

Tristel Plc

Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2024

	2024 £ 000	2023 £ 000
Profit for the year	6,489	4,461
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation losses	(368)	(216)
Total comprehensive income for the year	6,121	4,245
Total comprehensive income attributable to:		
Owners of the company	6,121	4,245

Tristel Plc
(Registration number: 04728199)
Consolidated Statement of Financial Position as at 30 June 2024

	30 June 2024 £ 000	30 June 2023 £ 000
Assets		
Non-current assets		
Property, plant and equipment	3,364	2,922
Right of use assets	5,538	4,905
Goodwill	4,997	5,156
Intangible assets	4,885	4,757
Deferred tax assets	613	1,286
	19,397	19,026
Current assets		
Inventories	4,681	4,569
Trade and other receivables	7,524	7,081
Income tax asset	718	1,146
Short-term investments	5,650	2,432
Cash and cash equivalents	6,139	7,113
	24,712	22,341
Total assets	44,109	41,367
Equity and liabilities		
Equity		
Share capital	476	474
Share premium	14,933	14,188
Foreign currency translation reserve	(647)	(279)
Merger reserve	2,205	2,205
Retained earnings	15,443	14,089
Equity attributable to owners of the company	32,410	30,677
Non-controlling interests	-	7
Total equity	32,410	30,684
Non-current liabilities		
Other non-current financial liabilities	4,830	4,321
Deferred tax liabilities	277	599
	5,107	4,920
Current liabilities		
Trade and other payables	5,482	4,801
Income tax liability	76	103
Other current financial liabilities	1,034	859
	6,592	5,763
Total liabilities	11,699	10,683
Total equity and liabilities	44,109	41,367

Tristel Plc
Consolidated Statement of Changes in Equity for the Year Ended 30 June 2024

	Share capital £ 000	Share premium £ 000	Foreign currency translation reserve £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000	Non- controlling interests £ 000	Total equity £ 000
At 1 July 2023	474	14,188	(279)	2,205	14,089	30,677	7	30,684
Profit for the year					6,489	6,489		6,489
Exchange difference on translation of foreign operations			(368)			(368)		(368)
Total comprehensive income	-	-	(368)	-	6,489	6,121	-	6,121
Dividends					(6,224)	(6,224)		(6,224)
New share capital subscribed	2	745				747		747
Share based payment transactions					1,089	1,089		1,089
Dissolution of non-controlling interest							(7)	(7)
At 30 June 2024	476	14,933	(647)	2,205	15,443	32,410	-	32,410

	Share capital £ 000	Share premium £ 000	Foreign currency translation reserve £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000	Non- controlling interests £ 000	Total equity £ 000
At 1 July 2022	473	13,996	(64)	2,205	13,089	29,699	7	29,706
Profit for the year					4,450	4,450		4,450
Exchange difference on translation of foreign operations			(215)			(215)		(215)
Total comprehensive income	-	-	(215)	-	4,450	4,235	-	4,235
Dividends					(4,511)	(4,511)		(4,511)
New share capital subscribed	1	192				193		193
Share based payment transactions					1,061	1,061		1,061
At 30 June 2023	474	14,188	(279)	2,205	14,089	30,677	7	30,684

Tristel Plc**Consolidated Statement of Cash Flows for the Year Ended 30 June 2024**

	2024 £ 000	2023 £ 000
Cash flows from operating activities		
Profit before tax for the year	7,082	5,112
	<hr/> 7,082	<hr/> 5,112
Adjustments to cash flows from non-cash items		
Depreciation of leased assets	1,064	1,000
Depreciation of plant, property and equipment	691	734
Impairment of goodwill	67	68
Amortisation of intangible assets	951	816
Share based payment transactions	1,089	1,061
(Profit)/Loss on disposal of property, plant and equipment	(8)	69
Lease interest	218	177
Other interest	-	2
Finance income	(318)	(10)
	<hr/> 10,836	<hr/> 9,029
Working capital adjustments		
Increase in inventories	(112)	(149)
Increase in trade and other receivables	(280)	(1,230)
Increase in trade and other payables	500	1,330
Lease interest paid	(218)	(177)
Tax	153	(313)
Net cash flow from operating activities	<hr/> 10,879	<hr/> 8,490
Cash flows from investing activities		
Interest received	318	10
Acquisition of intangible assets	(1,044)	(1,570)
Acquisitions of property plant and equipment	(1,138)	(853)
Cash deposit to short-term investments	(3,218)	(2,432)
Net cash flows from investing activities	<hr/> (5,082)	<hr/> (4,845)
Cash flows from financing activities		
Payment of lease liabilities	(1,022)	(1,126)
Share issues	676	193
Dividends paid	(6,224)	(4,511)
Net cash flows from financing activities	<hr/> (6,570)	<hr/> (5,444)
Net decrease in cash and cash equivalents	(766)	(1,799)
Cash and cash equivalents at 1 July	7,113	8,883
Effect of exchange rate fluctuations on cash held	(208)	29
Cash and cash equivalents at 30 June	<hr/> 6,139	<hr/> 7,113

1 Accounting policies

Basis of accounting

This financial information has been prepared in accordance with UK adopted international accounting standards and in accordance with the provisions of the Companies Act 2006.

Tristel plc, the Group's ultimate parent company, is a public limited 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 2024. 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 or IP held.

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, 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.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Interests in subsidiaries are accounted for at cost less accumulated impairment losses.

Audit exemption

The Directors confirm that in accordance with sections 479A and 479C of the Companies Act 2006, Tristel Plc, as parent company of the below entities, has given a parental guarantee to enable those companies to claim exemption from audit. This guarantee relates to the year ended 30 June 2024. The members of these companies have agreed to the exemption from the audit by virtue of the guarantee given by Tristel Plc, for year ended 30 June 2024.

- Tristel International Limited - Registered number 07874262
- Scorcher Idea Limited - Registered number 04602679
- Tristel Solutions Limited - Registered number 03518312

Changes in accounting policy

New standards, interpretations and amendments effective

The following accounting standards and amendments were endorsed by the UK endorsement board in the year ended 30 June 2024

- IAS 12 Pillar 2
- IFRS 17 Insurance contracts

They did not have a material effect on the Group

New standards, interpretations and amendments not yet effective

The following newly issued but not yet effective standards, interpretations and amendments, which have not been applied in these financial statements, will only have a presentational effect on the financial statements in future:

IFRS 18 Presentation and Disclosure in Financial Statements

Will bring new presentation requirements related to the statement of profit or loss, including three new categories for items of income and expense – operating, financing, investing.

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 2024 or 2023 but is derived from those accounts. Statutory accounts for 2023 have been delivered to the registrar of companies, and those for 2024 will be delivered in due course. The auditor has reported on those accounts; their reports were (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 Board of Tristel plc approved the release of this Preliminary Announcement on 18 October 2024.

3 Segmental Analysis

Group revenue lines are split into fourteen geographic regions, which span the different Group entities. In accordance with IFRS 8, aggregation criteria has been applied to five operating segments where similar economic characteristics are shared. The directors consider the operating segments to have similar economic characteristics as they have similar operating margins, and the nature of products sold, and customers are similar. Management consider these operating regions under five reportable segments. The geographic segments consider the location of the sale and product type sold, which is split into three sub divisions. The Company's operating segments are identified initially from the information which is reported to the chief operating decision maker which for Tristel is the CEO.

The group uses a matrix to analyse segments, to analyse the geographic segments against product divisions. The first product division concerns the manufacture and sale of medical device decontamination products which are used primarily for infection control in hospitals. These products generates approximately 87% of Company revenues (2023: 86%).

The second division which constitutes 8% (2023: 9%) of the business activity, relates to the manufacture and sale of hospital environmental surface disinfection products.

The third division addresses the pharmaceutical and personal care product manufacturing industries, veterinary and animal welfare sectors and has generated 5% (2023: 5%) 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 adjusted profit before tax, and strategic decisions are made on the basis of revenue and profit before tax generating from each segment.

	Hospital medical device decontaminati on	Hospital environmenta l surface disinfection	Other revenue	Total 2024	Profit Before Tax 2024
	£000	£000	£000	£000	£000
UK to UK and Overseas distributors	16,238	2,547	1,208	19,993	6,094
Australia	3,378	16	251	3,645	164
Germany	5,451	57	88	5,596	252
Western Europe	7,342	290	334	7,966	358
Other ROW	3,929	525	279	4,733	213
Total	36,338	3,435	2,160	41,933	7,081
	Hospital medical device decontaminati on	Hospital environmenta l surface disinfection	Other revenue	Total 2023	Profit Before Tax 2023
	£000	£000	£000	£000	£000
UK to UK and Overseas distributors	11,895	2,381	1,017	15,293	4,179
Australia	3,504	22	134	3,660	165
Germany	4,979	40	89	5,108	230
Western Europe	6,673	245	347	7,265	327
Other ROW	3,766	608	309	4,683	211
Total	30,817	3,296	1,896	36,009	5,112

Revenues from external customers in the Company's domicile (United Kingdom), as well as its other major markets (Rest of the World) have been identified on the basis of internal management reporting systems, which are also used for VAT purposes. In the year the change was made to incorporate the Italy operating segment into Western Europe, as it was determined that it was similar in characteristics to the other countries in the Western Europe segment and to more accurately replicate internal management reporting systems.

Revenues derived from the UK (the largest reportable segment stated above) for 2024 were £20.0m (2023: £15.2m). Revenues from all overseas subsidiaries total £21.9m (2023: £20.7m.)

Hospital medical device decontamination revenues were derived from a large number of customers but include £9.0m from a single customer in UK which makes up 25% of this product division's revenue (2023: £6.1m, being 20%). Hospital environmental surface disinfection revenues were derived from a number of customers but include £2.0m from a single customer in the UK

which makes up 57% of this product division's revenue (2023: £1.8m, being 55%). Other revenues also were derived from a number of customers, with the largest customer in the UK accountable for £0.3m, which represents 14% of revenue for that product division (2023: £0.2m, 9% from a single customer). During the year 27% of the Group's total revenues were earned from a single customer (2023: 22%).

The following table provides further information on the Group's revenues:

In addition to the segmental information disclosed product divisions are also split as follows:

	Hospital medical device disinfectants £000	Hospital environmental surface disinfection £000	Other revenues £000	Total 2024 £000
Revenue from external customers	36,338	3,435	2,160	41,933
Cost of sales excluding depreciation	(5,690)	(1,441)	(843)	(7,974)
Depreciation included within Cost of sales	(330)	(31)	(20)	(381)
Segment gross profit	30,318	1,963	1,297	33,578
Gross margin	83%	57%	60%	80%
Adjusted gross margin	87%	60%	63%	83%

Centrally incurred income and expenses not attributable to individual product divisions:

Distribution costs	(327)
Depreciation, amortisation and impairments	(2,835)
Other administrative expenses	(23,693)
Share-based payments	(1,089)
Other income	-

Operating profit	6,981
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Operating profit can be reconciled to Group profit before tax as follows:

Finance income	100
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Total profit before tax	7,081
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	Hospital medical device disinfectants £000	Hospital environmental surface disinfection £000	Other revenues £000	Restated as 2023 Total £000
Revenue from external customers	30,817	3,296	1,896	36,009
Cost of sales excluding depreciation	(5,202)	(1,512)	(947)	(7,661)
Depreciation included within Cost of sales	(368)	(40)	(22)	(430)
Segment gross profit	25,247	1,744	927	27,918
Gross margin	82%	53%	49%	78%
Adjusted gross margin	85%	56%	52%	81%
Centrally incurred income and expenses not attributable to individual product divisions:				
Distribution costs				(323)
Depreciation and amortisation of non-financial assets				(2,188)
Other administrative expenses				(19,069)
Share-based payments				(1,061)
Other income				4
Segment operating profit			5,281	
Segment operating profit can be reconciled to Group profit before tax as follows:				
Finance expense			(169)	
Total profit before tax			5,112	

4 Income tax

Tax charged in the income statement

	2024	2023
	£000	£000
Current taxation		
Current tax	312	285
Current tax adjustment to prior periods	(70)	(53)
	<u>242</u>	<u>232</u>
Deferred tax		
Arising from origination and reversal of temporary differences	356	817
UK deferred tax adjustment to prior periods	(5)	(476)
Tax rate effect	-	78
	<u>351</u>	<u>419</u>
Tax expense in the income statement	<u>593</u>	<u>651</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2023 - higher than the standard rate of corporation tax in the UK) of 25% (2023 - 20%).

The differences are reconciled below:

	2024	2023
	£ 000	£ 000
Profit before tax	<u>7,082</u>	<u>5,112</u>
Corporation tax at standard rate	1,773	1,048
Adjustment in respect of prior years	(75)	(529)
Expenses not deductible for tax purposes	405	285
Increase (decrease) from effect of foreign tax rates	(1)	46
Other differences	(303)	464
Tax rate differences		78
Enhanced relief on qualifying scientific research expenditure	(172)	(98)
Patent box relief	<u>(1,034)</u>	<u>(643)</u>
Total tax charge	<u>593</u>	<u>651</u>

5 Dividends

Amounts recognised as distributions to equity holders in the year:

	2024	2023
	£000	£000
Ordinary shares of 1p each		
Final dividend for the year ended 30 June 2023 of £7.88p (2022: £3.93p) per share	3,734	1,856
Special dividend for the year ended 30 June 2023 of £nil (2022: £3.00p) per share	-	1,417
Interim dividend for the year ended 30 June 2024 of £5.24p (2023: £2.62p) per share	2,488	1,238
	<hr/> 6,222	<hr/> 4,511
Proposed final dividend for the year ended 30 June 2024 of £8.28p (2023: £7.88p) per share	3,936	3,728

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:

	2024	2023
	£000	£000
Retained profit for the financial year attributable to equity holders of the parent	6,489	4,461
	<hr/> Shares	<hr/> Shares
	'000	'000
	Number	Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	47,421	47,247
Share options	423	111
	<hr/> 47,844	<hr/> 47,358
Earnings per ordinary share		
Basic	13.68p	9.44p
Diluted	13.54p	9.34p

The Group also presents an adjusted basic earnings per share figure which excludes share-based payments charges:

	2024	2023
	£000	£000
Retained profit for the financial year attributable to equity holders of the parent	6,489	4,461
Adjustments:		
Share based payments	1,089	1,061
Tax on share-based payments	(303)	(483)
Net adjustments	786	578
Adjusted earnings	7,275	5,039
Adjusted basic earnings per ordinary share	15.34p	10.67p

7 Share capital

	Number	£000
30 June 2023	47,309,993	474
Issued during the year	226,500	2
30 June 2024	47,536,493	476

Allotted, called up and fully paid shares

	30 June 2024		30 June 2023	
	No.	£'000	No.	£'000
Ordinary of £0.01 each	47,536,493	476	47,309,993	474

211,500 ordinary shares of 1 pence each, related to the exercise of employee share options were issued during the year. (2023: 85,000). The weighted average exercise price was £3.20 (2023: £2.07). The exercise of employee share options in the year resulted in a movement in the share premium account of £745,000 (2023: £192,000). An additional 15,000 ordinary shares of 1 pence each were issued in relation to the settlement of the contingent element of the Falcare acquisition.

8 Prior Year Restatement

Group

IAS 2: Cost of sales restatement

Within the prior year Income Statement elements of the cost of production were erroneously included within Administrative expenses, excluding share-based payments, depreciation, amortisation and impairment and Depreciation, amortisation and impairments. £1,257,000 has been reclassified to Cost of sales, £430,000 from Depreciation, amortisation and impairments and £827,000 from Administrative expenses, excluding share-based payments, depreciation, amortisation and impairment to align to the requirements of IAS 2. This has no overall effect on the total profit for the prior financial year. The adjustment does not impact the amounts previously presented on the Balance Sheet at 30 June 2022 and therefore a third Balance Sheet is not considered to provide a user of the financial statements with any additional information.

Group Income Statement	2023 previously reported	Restatement	2023 Restated
	£'000s	£'000s	£'000s
Revenue	36,009	-	36,009
Cost of sales excluding depreciation	(6,834)	(827)	(7,661)
Depreciation included within Cost of sales	-	(430)	(430)
Total Cost of sales	(6,834)	(1,257)	(8,091)
Gross profit	29,175	(1,257)	27,918
Distribution expenses	(323)	-	(323)
Administrative expenses:			
Share-based payments	(1,061)	-	(1,061)
Depreciation, amortisation and impairments	(2,618)	430	(2,188)
Other	(19,896)	827	(19,069)
Total Administrative expenses	(23,575)	1,257	(22,318)
Other operating income	4	-	4
Operating Profit	5,281	-	5,281
Finance income	10	-	10
Finance costs	(179)	-	(179)
Net finance cost	(169)	-	(169)
Profit before tax	5,112	-	5,112
Income tax expense	(651)	-	(651)
Profit for the year	4,461	-	4,461

Non-GAAP measures**Income statement reconciliation**

The group presents adjusted profit measures (gross profit, operating profit/EBIT, Profit after tax, Profit before tax and EBITDA) by making adjustments for costs and profits, which management believes to be significant by virtue of their size, nature or incidence. Such items may include, but are not limited to, share based payments expense, impairments, fair value movements on investments and restructuring. In addition, the group presents gross profit and adjusted gross profit, EBITDA and adjusted EBITDA (adjusted in the same manner) as management believes that this is an important metric for the shareholders. The group uses adjusted measures to evaluate performance and as a method to provide shareholders with clear and consistent reporting. See below reconciliation of gross profit, operating profit (EBIT), profit before tax, net profit and EBITDA to the respective adjusted measures.

Adjusted profit measures	2024 Statutory £000	Adjustment 1 £000	2024 Adjusted £000
Operating profit (EBIT)	6,982	1,089	8,071
Net finance costs	100		100
Profit before tax	7,082	1,089	8,171
Income tax expense	(593)	(303)	(896)
Profit attributable to equity shareholders	6,489	786	7,275
Effective tax rate	8%		11%
Profit before tax margin	17%		19%
Profit for the year	6,489	786	7,275
Income tax expense	593	303	896
Net finance cost	(100)		(100)
Depreciation, amortisation and impairments	2,773		2,773
EBITDA	9,755	1,089	10,844
Revenue for the year	41,933		41,933
EBITDA margin	23%		26%

ROCE**2024 Statutory**

£000

Total assets	44,109
Current liabilities	(6,592)
Capital employed	37,517
EBIT	6,982
ROCE	19%

Adjusted profit measures	2023 Statutory £000	Adjustment 1 £000	2023 Adjusted £000
Operating profit (EBIT)	5,281	1,061	6,342
Net finance costs	(169)	-	(169)
Profit before tax	5,112	1,061	6,173
Income tax expense	(651)	(483)	(1,134)
Profit attributable to equity shareholders	4,461	578	5,039
Effective tax rate	13%	46%	18%
Profit before tax margin	14%		17%
Profit for the year	4,461	578	5,039
Income tax expense	651	483	1,134
Net finance cost	169	-	169
Depreciation, amortisation and impairments	2,618	-	2,618
EBITDA	7,899	1,061	8,960
Revenue for the year	36,009	-	36,009
EBITDA margin	22%	-	25%
ROCE	2023 Statutory		
	£000		
Total assets	41,367		
Current liabilities	(5,763)		
Capital employed	35,604		
EBIT	5,281		
ROCE	15%		

Specific adjusted items are as follows:

1. Share-based payment charges under IFRS 2

Gross profit margin reconciliation

The Group presents adjusted gross profit measures by making adjustments to cost of sales regarding production costs. The Group presents these adjusted measures as a method to provide shareholders with clear and consistent reporting.

Adjusted profit measures	2024 Statutory	Adjustment 1	2024 Adjusted
	£000	£000	£000
Revenue	41,933	-	41,933
Cost of sales excluding depreciation	(7,974)	966	(7,008)
Depreciation included within Cost of sales	(381)	381	-
Total Cost of sales	(8,355)	1,347	(7,008)
Gross Profit	33,578	1,347	34,925
Gross Profit Margin	80%		83%

	2023 Statutory	Adjustment 1	2023 Adjusted
	£000	£000	£000
Revenue	36,009	-	36,009
Cost of sales	(7,661)	827	(6,834)
Depreciation included within Cost of sales	(430)	430	-
Total cost of sales	(8,091)	1,257	(6,834)
Gross Profit	27,918	1,257	29,175
Gross Profit Margin	78%		81%

Specific adjusted items are as follows:

1. Reallocation of costs of production to Administrative expenses.