

Tristel plc

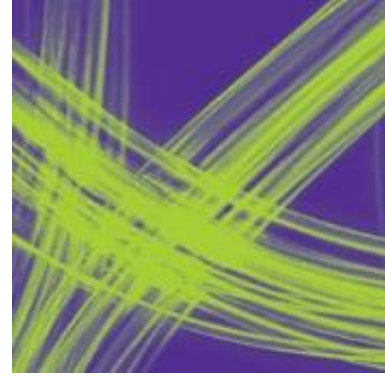
Interim results presentation
31 December 2014

Paul Swinney - CEO
Liz Dixon - FD



Financial highlights

- Revenue up 15% to **£7.4m** (2013: £6.4m)
- International sales up 26% to **£2.4m** (2013: £1.9m)
- Pre-tax profit before share based payments up 57% to **£1.1m** (2013: £0.7m)
- EBITDA up 23% to **£1.5m** (2013: £1.2m)
- Basic EPS up 85% to **1.91p** (2013: 1.03p)
- Interim dividend of **0.585p** per share (2013: 0.36p), an increase of 63%
- Net cash of **£2.9m** (2013: £1.5m)



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Brand portfolio

A proprietary chlorine dioxide formulation addressing three distinct markets:

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HUMAN HEALTHCARE
MARKET

Infection prevention in
hospitals

86% of Group turnover

Turnover £6.3m +14%

Gross margin 72%

UK sales £4.2m +11%

Overseas £2.1m +21%

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CONTAMINATION CONTROL
MARKET

Contamination control in critical
environments

9% of Group turnover

Turnover £0.7m +20%

Gross margin 49%

UK sales £0.5m +15%

Overseas £0.2m +37%

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ANIMAL HEALTHCARE
MARKET

Infection prevention in
veterinary practices

5% of Group turnover

Turnover £0.4m +21%

Gross margin 61%

UK sales £0.3m +12%

Overseas £0.1m +45%

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Corporate strategy

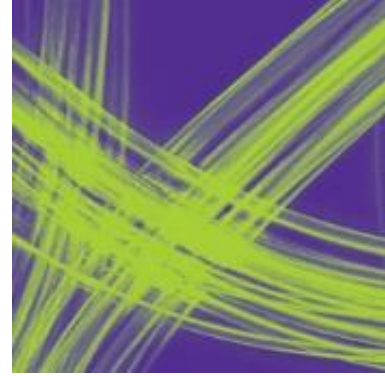
Tristel holds a unique position in high-level instrument disinfection in the ambulatory care market and in sporicidal surfaces disinfection in the hospital setting.

Our products represent innovations that we believe to be disruptive to existing technology.

Our business model is characterised by a very high percentage of recurring revenues (c. 96% 2014) from consumable products that perform essential functions for our customers who are based in 42 countries worldwide.

Goals:

- To become a globally recognised brand in the infection prevention and contamination control market, manufacturing and selling products based upon our proprietary chlorine dioxide.
- To enter the skin disinfection market with a patented sporicidal chlorine dioxide chemistry, which is proven to be effective against *C. difficile* spores in 30 seconds.
- To establish some form of presence in the USA.



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Portfolio strategy

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HUMAN HEALTHCARE MARKET

Hospital infection
prevention

- In the UK – not yet approaching market saturation for Tristel wipes, Stella & surface range.
- Overseas - replicate the success achieved within the UK in the 41 countries where registration is in place.
- Globally - seek new countries and collaborations offering high growth opportunities.

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CONTAMINATION CONTROL MARKET

Critical environment
contamination control

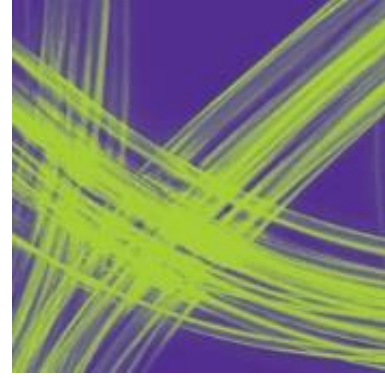
- Offer ClO₂ as a higher performing biocide to the cleanroom market.
- Offer innovative delivery formats for use in cleanroom isolators.

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ANIMAL HEALTHCARE MARKET

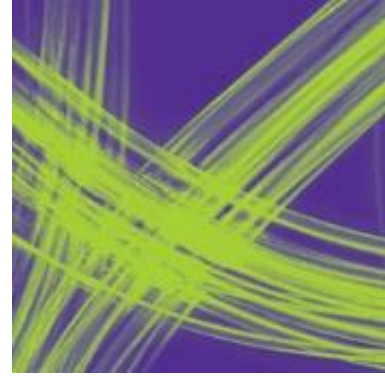
Veterinary practice
infection prevention

- Offer ClO₂ as a safer alternative and better performing biocide than incumbent chemistries.
- Low investment & cash generative.



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Financial strategy



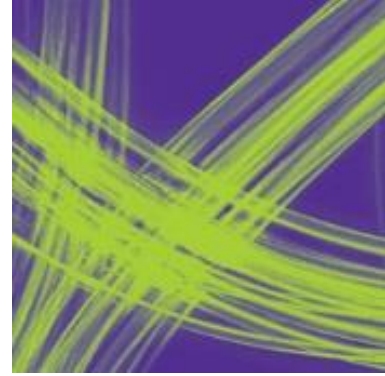
- Goal 1
Revenue of £20m (50% growth on 2013-14) by 2016-17.

15% year on year growth achieved in 2014-15 H1 – on target
- Goal 2
At least a 15% net margin 2014-15 with upside potential to be arrived at from operational gearing.

15% net margin achieved in 2014-15 H1 – on target

Short term goals – upskill and upscale

- £400k investment in 20,000 sq ft factory, office & warehouse, increasing space and efficiency.
Completed October 2014
- £160k investment in SAP ERP system to be rolled out across the Group, increasing control and efficiency.
To be completed 30 June 2015
- £150k investment in burstable sachet dual lane machine, increasing capacity, control and reducing cost.
To be completed 31 May 2015
- Graduate recruitment programme: marketing, business development, product development & regulatory affairs.
To be completed December 2015



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Revenue

	2013-14 H1 £,000	2013-14 H2 £,000	2014-15 H1 £,000	H1 year on year Growth
<i>UK</i>				
Human healthcare	3,809	3,630	4,230	11%
Contamination control	451	499	518	15%
Animal healthcare	231	319	258	12%
	4,491	4,448	5,006	11%
<i>Rest of the world</i>				
Human healthcare	1,727	2,352	2,092	21%
Contamination control	128	112	175	37%
Animal healthcare	96	116	139	45%
	1,951	2,580	2,406	23%
Total revenue	6,442	7,028	7,412	15%



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International growth



🚩 Tristel UK £5m (up 11%)

📍 Subsidiaries & branches in 5 countries £1.5m (up 20%)

🌿 International distributors 36 countries £0.9m (up 29%)

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Income Statement

	Six months ended 31.12.14	Six months ended 31.12.13
	f'000	f'000
Turnover	7,412	6,442
Cost of sales	(2,301)	(1,952)
Gross profit	5,111	4,490
Gross margin %	69%	70%
Administrative expenses	(3,600)	(3,296)
Net interest expense	3	(4)
Depreciation & amortisation	(422)	(449)
Share based payments	(67)	(22)
Results from associate	8	5
Pre-tax profit / (loss)	1,033	724
Tax charge / (credit)	(260)	(155)
Profit / (loss) after tax	773	569
Basic EPS – pence	1.91p	1.03
Diluted EPS – pence	1.82p	1.03



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Balance Sheet

	31.12.14	31.12.13
	£'000	£'000
Non-current assets		
Goodwill	667	667
Intangible assets	5,593	5,584
Property, plant and equipment	1,319	1,159
Deferred tax	44	306
	7,623	7,716
Current assets		
Inventories	1,997	1,836
Trade and other receivables	2,764	2,431
Cash and cash equivalents	2,945	1,621
	7,706	5,888
Total assets	15,329	13,604

Continued...



Balance Sheet - continued

	31.12.14	31.12.13
	£'000	£'000
Capital and reserves		
Share capital	407	400
Share premium account	9,517	9,151
Merger reserve	478	478
Foreign exchange reserve	(101)	(105)
Retained earnings	2,323	1,434
Non-controlling interests	7	14
Total equity	12,631	11,372
Current liabilities		
Interest bearing loans and borrowings	27	55
Trade and other payables	2,109	1,955
Current tax	329	196
Total current liabilities	2,465	2,206
Interest bearing loans and borrowings	-	26
Deferred tax	233	-
Total liabilities	2,698	2,232
Total equity and liabilities	15,329	13,604



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Cashflow

	Six months ended 31.12.14 £'000	Six months ended 31.12.13 £'000
Net cash generated from operating activities	1,000	1,600
Purchase of tangible fixed assets	(244)	(285)
Interest received (paid)	7	(4)
Free cash flow	763	1,311
Purchase of intangible fixed assets	(181)	(197)
Proceeds from sale of property, plant & equipment	8	16
Dividends paid	(512)	(128)
Shares issued	238	-
Net loans repaid	(25)	(36)
Increase / (decrease) in cash	291	966

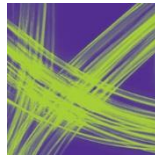


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A clear way forward...



...a long way to go.



Good ideas from **Tristel**
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