



Tristel plc
Interim Results Investor Presentation
6 Months to 31 December 2020

Paul Swinney, CEO
Liz Dixon, FD

22-24 February 2021

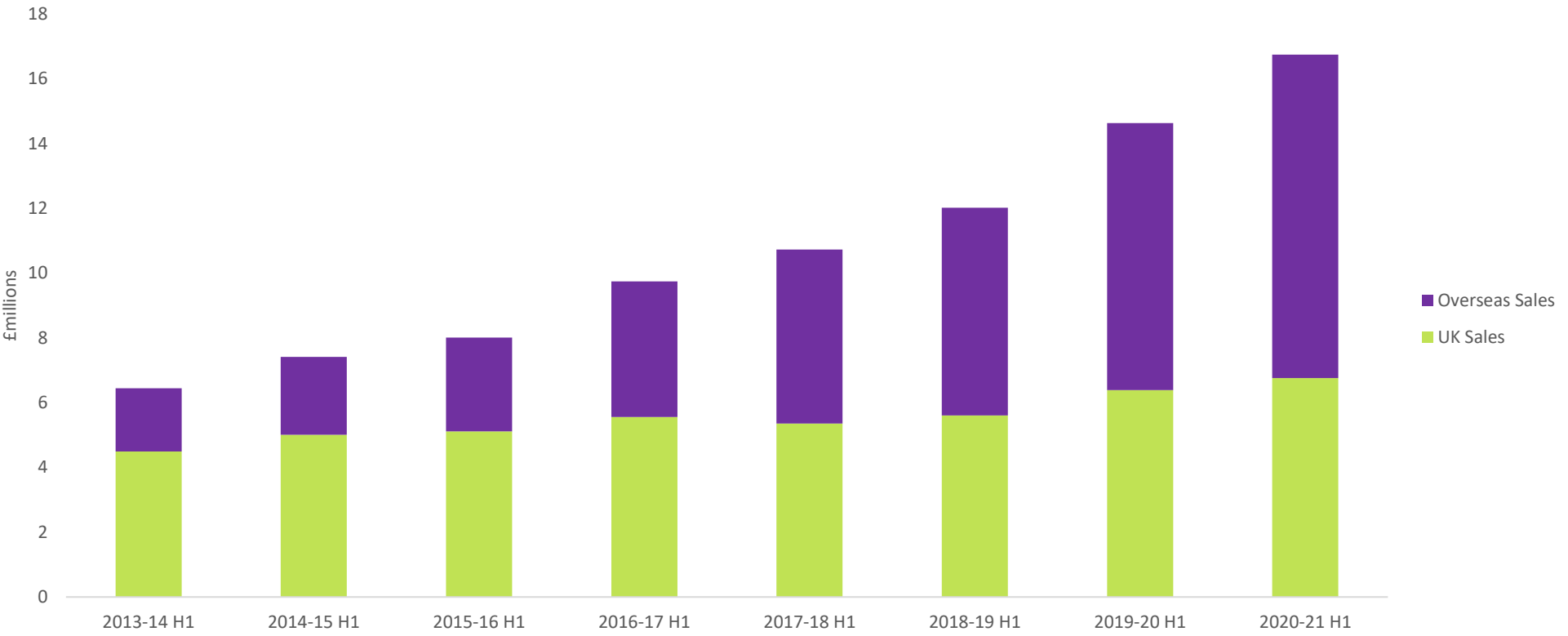
FIRST HALF FINANCIAL HIGHLIGHTS

- Revenue up 15% to £16.8m (2019: £14.6m)
- Overseas sales up 20% to £10m (2019: £8.3m), representing 60% of total sales (2019: 56%)
- Gross margin increased to 80% from 79% in 2019
- PBT before share-based payments up 13% to £3.4m (2019: £3.0m). Unadjusted PBT of £3.1m (2019: £2.8m)
- EPS before share-based payments up 5% to 6.18p (2019: 5.89p). Unadjusted EPS of 5.62p (2019: 5.37p)
- EBITDA before share-based payments up 14% to £4.9m (2019: £4.3m)
- EBITDA margin before share-based payments of 29% (2019: 29%)
- Interim dividend of 2.62p per share (2019: 2.34p), up 12%
- Cash of £7.3m (2019: £4.2m)

OPERATIONAL HIGHLIGHTS

- Approval received for Duo range of products in India. Appointed national distributor
- Successful start for new subsidiary in Malaysia with six-month sales of £240k
- Board changes: Caroline Stephens (ex-J&J) joins as INED
- Completed Usability and Human Factors Engineering Study for USA FDA

YEAR ON YEAR H1 SALES PERFORMANCE

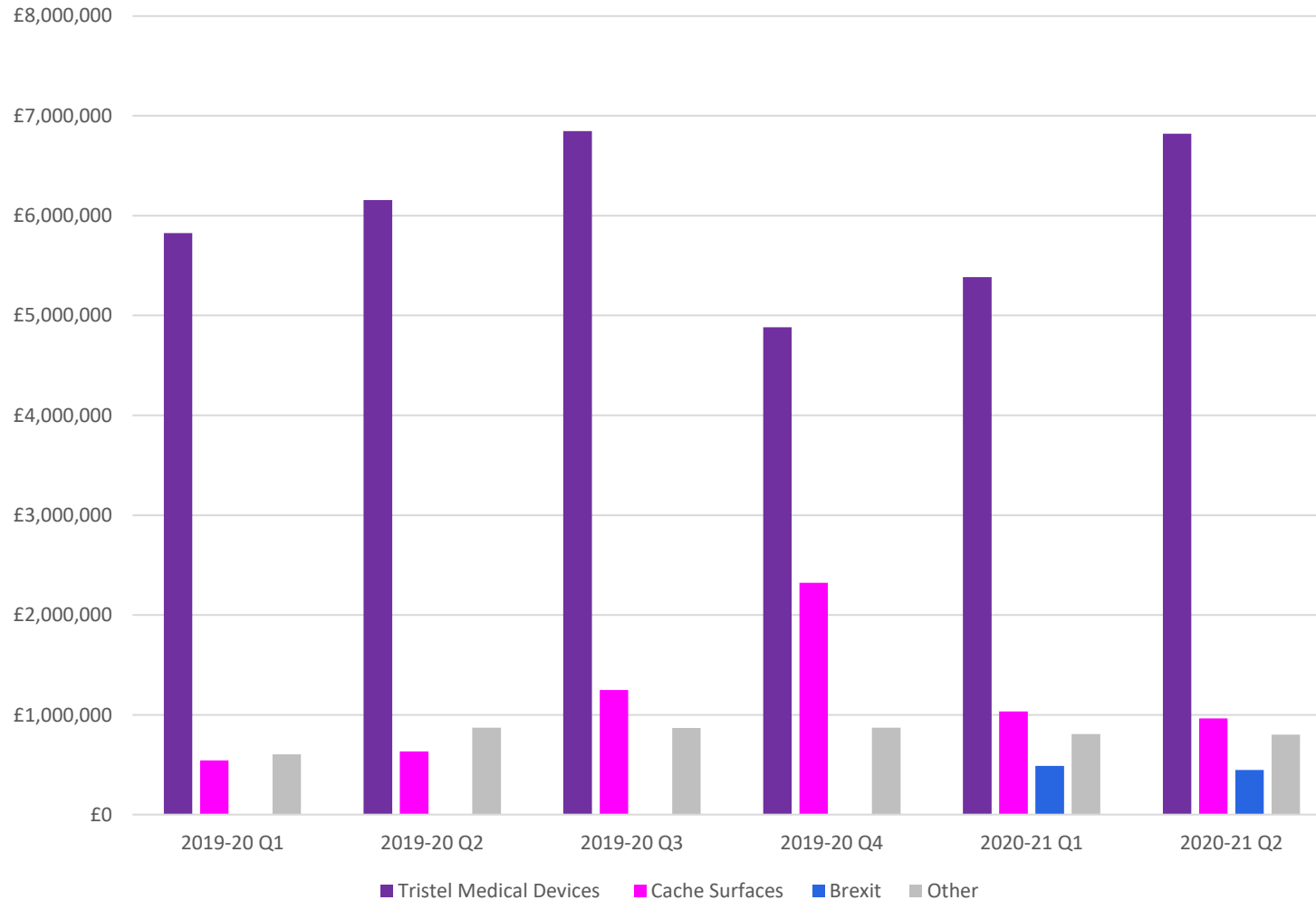


Financial plan for 2020-2022

Consistent revenue growth: 10% to 15% per annum, on average, over the three years.

Maintaining the profitability of the Group - EBITDA margin of at least 25%, in conjunction with continued PBT growth (both stated before share-based payment charges).

PANDEMIC IMPACT



Quarter by quarter changes due to COVID:

- 2019-20 Q1 & Q2: Normal
- 2019-20 Q3: Pandemic announced. Hospitals build their stock of all infection prevention products
- 2019-20 Q4: Out-patient departments close to all but COVID patients. Reduced Tristel sales, but Cache sales hit an all time high
- 2020-21 Q1: Out-patient departments start to re-open, Brexit ordering by NHS, Cache sales remain at an enhanced level
- 2020-21 Q2: Out-patient departments open, Brexit ordering by NHS, Cache sales steady at new level
- 2020-21 H2 outlook: short term unclear but sales will return to at least pre-COVID levels.

SALES GROWTH – BY GEOGRAPHY

	2018-19 H1	2019-20 H1	2020-21 H1	Half on half growth
	£m	£m	£m	%
Overseas subsidiaries:				
Australasia	1.6	1.7	1.9	12%
China & Hong Kong	0.5	0.6	0.8	33%
Malaysia*	-	-	0.2	-
Western Europe (Benelux & France)*	0.4	1.8	2.4	33%
Central Europe (Germany, Switzerland, Poland)	2.2	2.5	2.8	12%
Italy*	-	0.3	0.4	33%
Overseas distributors	1.6	1.4	1.5	7%
Total overseas sales	6.3	8.3	10.0	20%
Total UK sales	5.6	6.3	6.8	8%
Global sales	11.9	14.6	16.8	15%

* Included in Overseas distributors prior to acquisition / direct sales commencement

SALES GROWTH – BY APPLICATION

		2018-19 H1	2019-20 H1	2020-21 H1	Half on half growth %
		£m	£m	£m	%
Tristel Medical device decontamination	UK	3.6	4.4	4.4	-
	Overseas	5.7	7.3	8.7	19%
Cache Surface disinfection	UK	0.7	0.8	1.5	88%
	Overseas	0.2	0.3	0.5	67%
Other	UK	1.3	1.1	0.9	(18%)
	Overseas	0.5	0.7	0.8	14%
Global sales		12.0	14.6	16.8	15%

BUILDING MOMENTUM ACROSS A BROAD FRONT

- *Existing Geographical Markets*

Malaysia: H1 revenue £0.2m, utilising new in-house salesforce

France: 38% H1 revenue growth to £0.9m

Italy: 33% H1 revenue growth to £0.4m

- *Targeted Geographical Markets*

India: approvals received, distributor appointed.

Canada: dossier submitted, awaiting news.

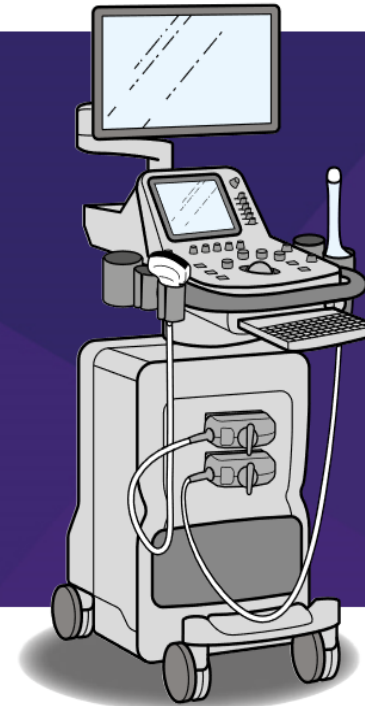
USA: positive results, dossier completion progressing.

- *New Product focus*

Cache Sporocidal surface disinfectants: 82% H1 revenue growth to £2m.

LONG TERM GROWTH POTENTIAL - USA

- De Novo approval process. FDA has never before approved:
 - HLD applied manually and in a foam format
 - ClO₂
 - HLD with such a short kill time (2 minutes)
- Usability and Human Factors Engineering study completed February 2021 – a major milestone
- Clinical evaluations and chemical residue studies remaining



Semi-critical devices

High- level disinfectant

DeNovo pathway

Focus on Ultrasound

SUMMARY & OUTLOOK

- Strong first half growth in sales, profit and dividends
- Profitable, cash generative, debt-free
- Broad based sales growth strategy continues to deliver
- COVID impact managed in H1, H2 outlook unclear
- Long term prospects for Tristel continue to be very encouraging

APPENDIX – INCOME STATEMENT

	6 months to 31.12.20	6 months to 31.12.19
	£'000	£'000
Turnover	16,751	14,634
Cost of sales	(3,421)	(3,030)
Gross profit	13,330	11,604
Gross margin %	80%	79%
Administrative expenses	(8,472)	(7,298)
EBITDA & shared based payments	4,858	4,306
Amortisation & Depreciation	(1,402)	(1,239)
Net interest	(100)	(72)
Share based payments	(260)	(234)
Pre-tax profit	3,096	2,761
Tax charge	(501)	(366)
Profit after tax	2,595	2,395
Basic EPS – pence	5.62p	5.37p

APPENDIX – BALANCE SHEET

	31.12.20	31.12.19
	£'000	£'000
Non-current assets		
Goodwill and other intangible assets	13,577	13,997
Property, plant and equipment	8,603	5,934
Deferred tax	852	997
	23,032	20,928
Current assets		
Inventories	3,993	2,664
Trade and other receivables	5,888	4,819
Cash and cash equivalents	7,307	4,169
	17,188	11,652
Total assets	40,220	32,580

Continued...

APPENDIX – BALANCE SHEET ...Continued

	31.12.20	31.12.19
	£'000	£'000
Capital and reserves		
Share capital	465	447
Share premium account	12,891	11,735
Merger reserve	2,205	2,205
Foreign exchange reserve	367	(221)
Retained earnings	13,150	10,066
Non-controlling interests	7	7
Total equity	29,085	24,239
Current liabilities		
Trade and other payables	3,688	2,614
Contingent liability	76	112
Current tax	688	968
Current leased asset liabilities	870	-
Total current liabilities	5,322	3,694
Deferred tax	612	747
Non-current leased asset liabilities	5,201	3,900
Total liabilities	11,135	8,341
Total equity and liabilities	40,220	32,580

APPENDIX – CASH FLOW RECONCILIATION

	6 months to 31.12.20	6 months to 31.12.19
	£'000	£'000
Revenue	16,751	14,634
Less expenses	(11,842)	(10,656)
Changes in working capital (inventory, receivables, payables)	288	(75)
Purchase of tangible fixed assets	(730)	(1,111)
Purchase of investments, goodwill & intangible assets	(377)	(919)
Payment of lease liabilities	(435)	-
Dividends paid	(1,785)	(1,562)
Shares issued	269	309
Corporation tax paid	(989)	(477)
Increase / (decrease in cash)	1,150	143

THANK YOU

Tristel™