

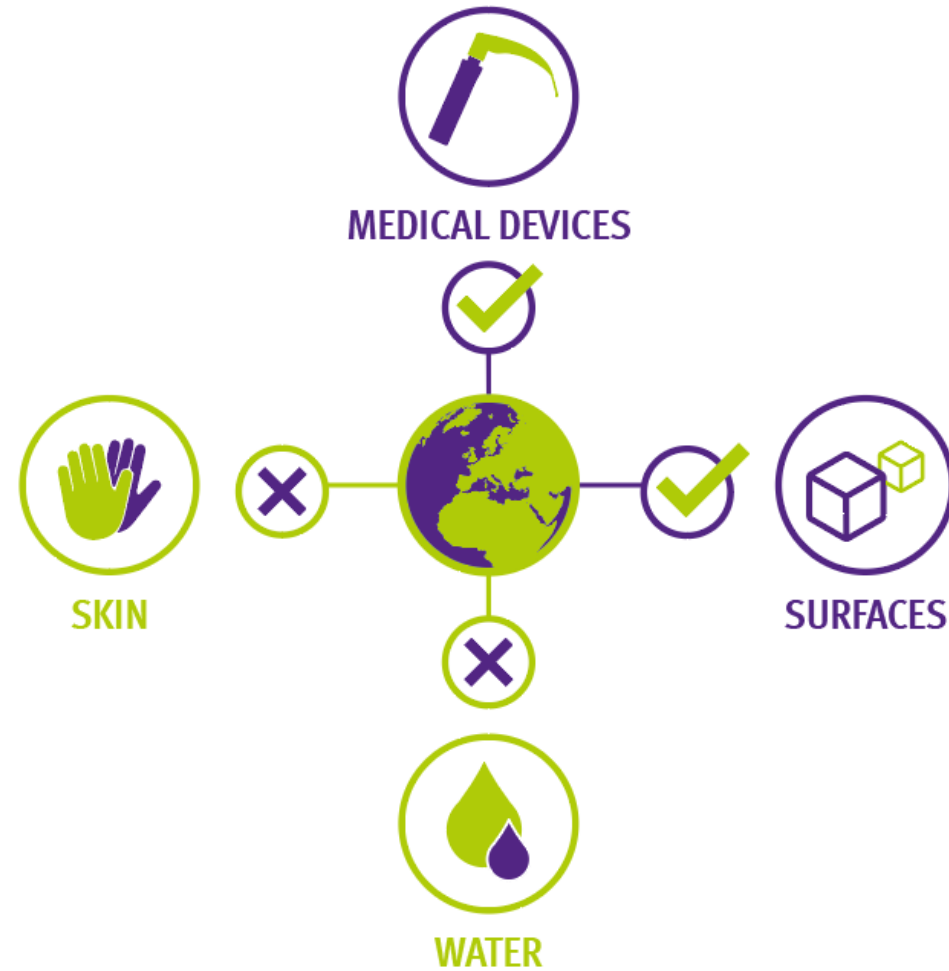


Tristel plc
Interim Results Investor Presentation
6 Months to 31 December 2019

Paul Swinney, CEO
Liz Dixon, FD

24-26 February 2020

THE WORLD OF INFECTION PREVENTION



MEDICAL DEVICE DISINFECTION

UNIQUE SELLING POINTS



Trio Wipes System

The only manually applied high level disinfectant (HLD) for medical devices



Duo Foam

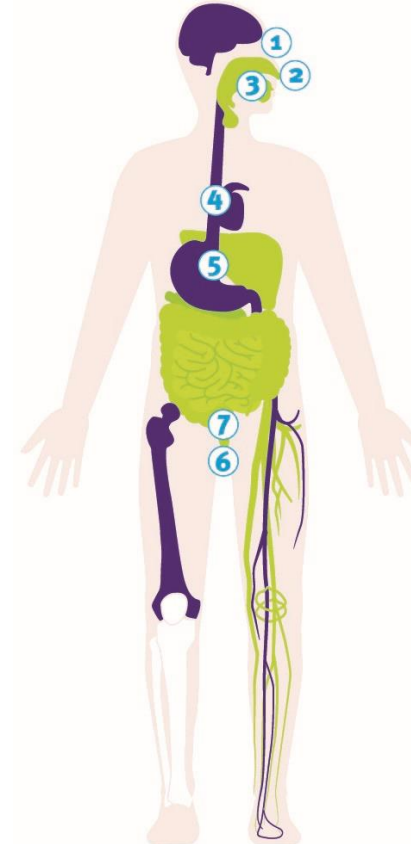
The only Chlorine Dioxide (ClO₂) HLD for medical devices



3T

The only HLD combining with mobile digital traceability

MULTIPLE USE SITES



- 1 Ophthalmology: Tonometers
- 2 ENT: Nasendoscopes
- 3 A&E: Intubation Laryngoscopes
- 4 GI Endoscopy: Manometry Catheters
- 5 Cardiac surgery: TEE Ultrasound Probes
- 6 Obs & Gynae: Vaginal Ultrasound Probes
- 7 Radiology: Rectal Ultrasound Probes

SURFACE DISINFECTION

Around the patient and in critical areas within the hospital

UNIQUE SELLING POINTS

- Sporicidal disinfectant
- Effective against all pathogens of concern (including coronaviruses)
- Effective in the shortest known contact times
- Excellent safety profile

MULTIPLE USE METHODOLOGIES



Mopping



Wiping



Spraying

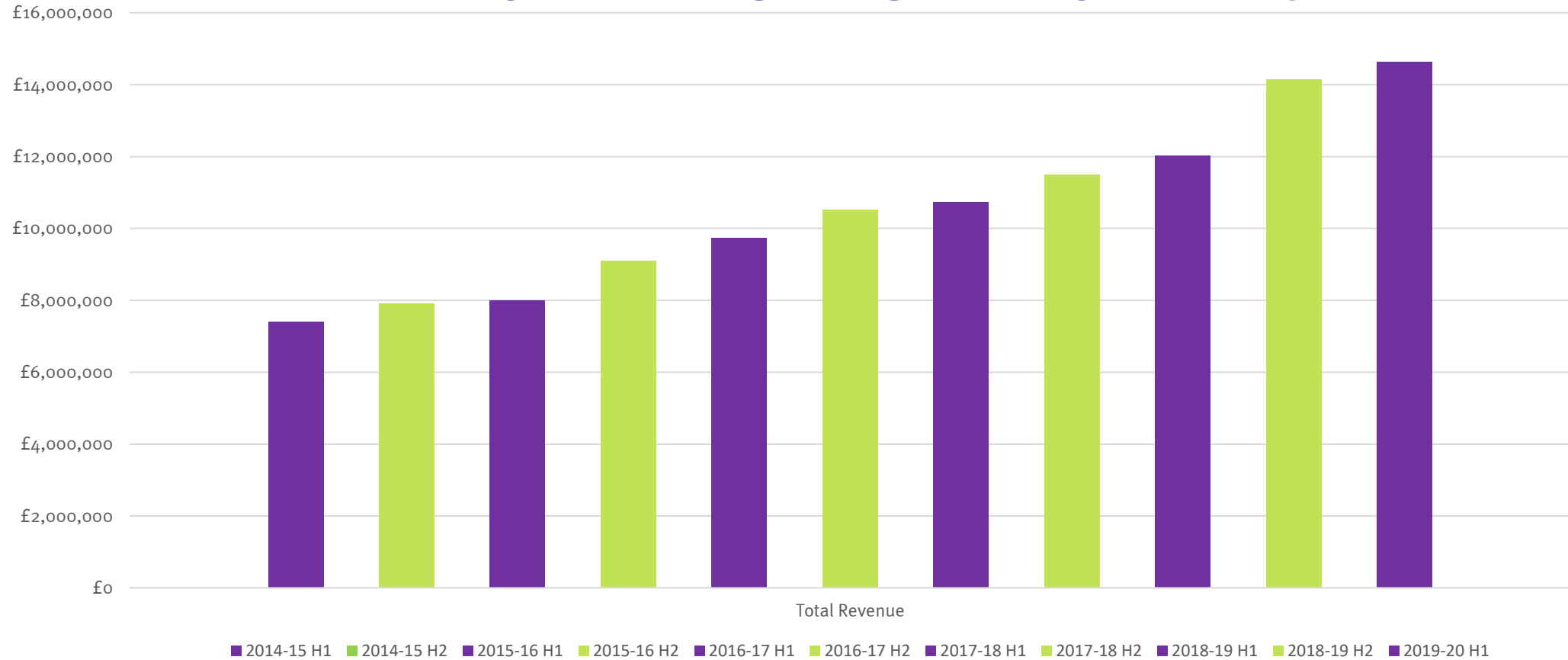
FIRST HALF FINANCIAL HIGHLIGHTS

- Revenue up 22% to £14.6m (2018: £12m)
- Overseas sales up 30% to £8.3m (2018: £6.4m), representing 56% of total sales (2018: 53%)
- Gross margin increased to 79% from 78% in 2018
- PBT before share-based payments up 25% to £3.0m (2018: £2.4m). Unadjusted PBT of £2.8m (£2.2m)
- EPS before share-based payments up 31% to 5.89p (2018: 4.5p). Unadjusted EPS of 5.37p (2018: 4.05p)
- EBITDA before share-based payments up 34% to £4.3m (2018: £3.2m)
- EBITDA margin before share-based payments of 29% (2018: 26%)
- Interim dividend of 2.34p per share (2018: 2.04p), up 15%
- Cash of £4.2m (2018: £4.5m), after dividends of £1.6m and £0.6m paid in July to acquire the remaining 80% of Tristel Italia srl

OPERATIONAL HIGHLIGHTS

- Successful integration of Tristel Italia srl
- Received further positive feedback from the FDA and data generation for our regulatory submission continues
- Completed the construction and fit-out of second 23,000 sq ft warehouse and office in Newmarket

HALF-ON-HALF SALES PERFORMANCE



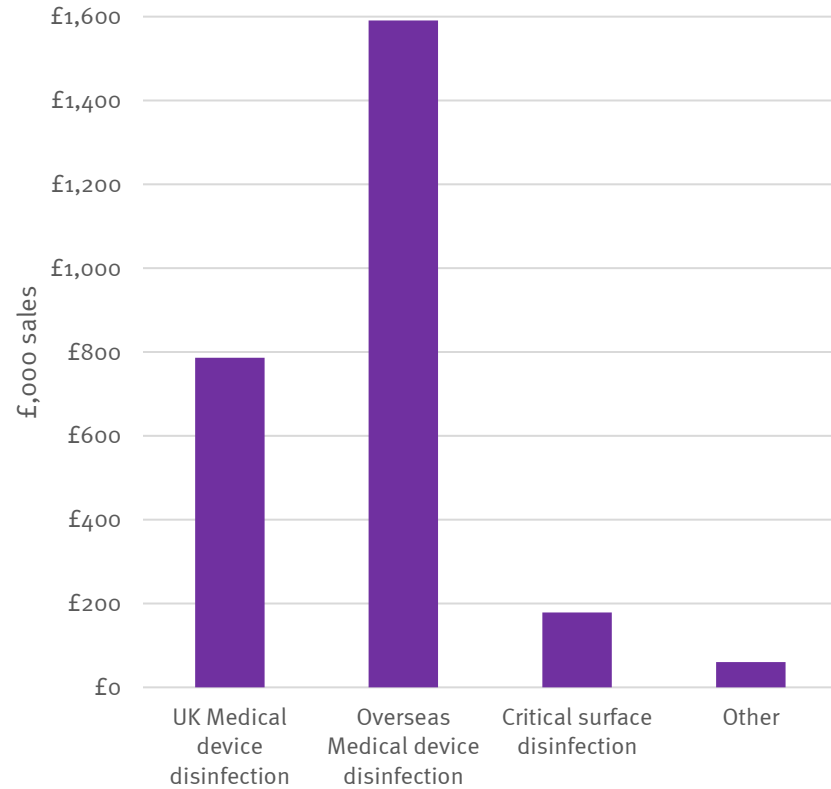
Financial plan for financial years 2020-2022

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

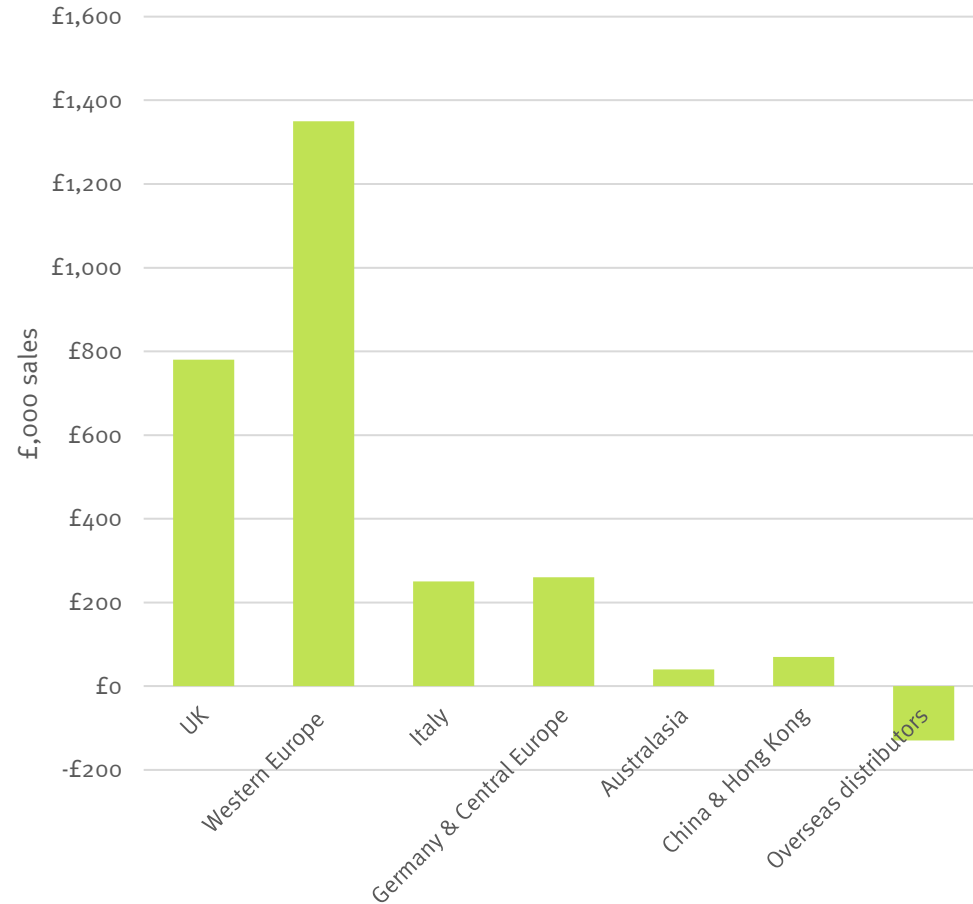
Maintaining the profitability of the Group - EBITDA margin of at least 25%, in conjunction with continued PBT growth (both stated before share-based payment charges).

SALES GROWTH £2.6m – SOURCES

By Application



By Geography



Note: Decline in Overseas Distributor sales derives from the reclassification of Western Europe and Italy to Tristel subsidiaries, following their acquisition. Underlying overseas distributor growth is 11%.

SALES GROWTH – BY APPLICATION

£m		2017-18 H1	2018-19 H1	2019-20 H1	Half on half growth
UK human healthcare	Medical device disinfection	3.31	3.61	4.40	22%
	Critical surface disinfection	0.60	0.69	0.75	9%
	Other	0.48	0.43	0.33	-24%
Overseas human healthcare	Medical device disinfection	4.62	5.70	7.29	28%
	Critical surface disinfection	0.19	0.19	0.31	60%
	Other	0.33	0.30	0.46	58%
Contamination control		0.70	0.69	0.71	4%
Animal healthcare		0.49	0.41	0.38	-8%
Total sales		10.72	12.02	14.63	22%

SALES GROWTH – BY GEOGRAPHY

	First half 2018-19 £m	First half 2019-20 £m	Period-on-period growth %	Period-on-period growth at constant currency %
Overseas subsidiaries:				
Germany & Central Europe	2.23	2.49	12%	13%
Western Europe *	0.40	1.75	337%	343%
Italy **	0.05	0.30	500%	529%
Australasia	1.66	1.70	2%	5%
China & Hong Kong	0.55	0.62	13%	9%
Overseas distributors ***	1.52	1.39	(9%)	(8%)
Total overseas sales	6.41	8.25	29%	30%
Total UK sales	5.60	6.38	14%	14%
Global sales	12.01	14.63	22%	22%

* Acquired November 2018

** Acquired July 19s

*** Prior year includes Western Europe and Italy

GROWTH DRIVERS – ESTABLISHING A DIRECT PRESENCE

	Establishment year	Establishment type	Acquisition cost £m	First half sales 2019-20 £m
Overseas subsidiaries:				
Germany & Central Europe	2010	Start up		2.49
Western Europe	2018	Acquisition	£6.4m	1.75
Italy	2019	Acquisition	£0.7m	0.30
Australia	2016	Acquisition	£1.1m	1.29
New Zealand	2009	Start up		0.41
China	2009	Start up		0.12
Hong Kong	2018	Contract termination	£0.2m	0.50

Overseas expansion plans:

Malaysia: start up expected in 2020-21

India: regulatory approval expected in 2020-21

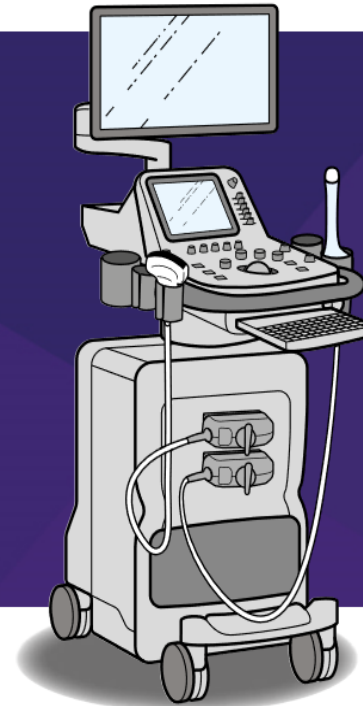
Canada, USA: regulatory dossiers in preparation stage

BUILDING MOMENTUM ACROSS A BROAD FRONT

- Existing Geographical Markets:
France H1 2020 revenue £0.65m Vs H1 2019 £0.01m
New French guidelines for HLD in ultrasound
- New Geographical Markets:
Malaysia, India, Canada, USA
- New Products:
Rinse Assure – ClO₂ dosed rinse water for endoscopic instruments. 23 installations UK, 1 Australia.
H1 2020 revenue £0.072m.
Consumable gross margin 91%.
Significant potential in Australasia & USA
- Science, Device Manufacturers' Endorsements & IP Progress in H1 2020:
4 peer reviewed publications citing ClO₂/Tristel; 5 endorsements & 2 pending to add to the library of circa 1,900 endorsements; 20 patents granted & 1 application for new ClO₂ invention.

LONG TERM GROWTH POTENTIAL - USA

- FDA written feedback to pre-submission request #3 received December 2019. Guidance sought on 7 discussion topics and 13 specific questions. Clarification on all but 4 points for which further details have been requested.
- 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)
- Data generation for submission continues



Semi-critical devices

High-level disinfectant

DeNovo pathway

Focus on Ultrasound

Spend to date £1.85m

SUMMARY

- Strong first half growth in sales, profit and dividends
- Profitable, cash generative, debt-free
- Successful integration of distributor acquisitions
- New 3 year plan targets 10-15% revenue growth p.a., minimum EBITDA margin 25%, combined with yearly PBT growth
- Broad based momentum has been built

APPENDIX – INCOME STATEMENT

	6 months to 31.12.19	6 months to 31.12.18
	£'000	£'000
Turnover	14,634	12,018
Cost of sales	(3,030)	(2,600)
Gross profit	11,604	9,418
Gross margin %	79%	78%
Administrative expenses	(7,298)	(6,252)
Net interest	(72)	1
Results from associate	-	16
Operating profit before amortisation, depreciation & shared based payments	4,234	3,183
Amortisation & Depreciation	(1,239)	(781)
Share based payments	(234)	(196)
Pre-tax profit	2,761	2,206
Tax charge	(366)	(433)
Profit after tax	2,395	1,773
Basic EPS – pence	5.37p	4.05p

APPENDIX – BALANCE SHEET

	31.12.19	31.12.18
	£'000	£'000
Non-current assets		
Goodwill and other intangible assets	13,997	13,447
Property, plant and equipment	2,224	1,339
Right of use assets	3,710	-
Deferred tax	997	195
	<hr/>	<hr/>
	20,928	14,981
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Current assets		
Inventories	2,664	2,768
Trade and other receivables	4,819	4,650
Cash and cash equivalents	4,169	4,486
	<hr/>	<hr/>
	11,652	11,904
	<hr/>	<hr/>
Total assets	32,580	26,885
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Continued...

APPENDIX – BALANCE SHEET ...Continued

	31.12.19	31.12.18
	£'000	£'000
Capital and reserves		
Share capital	447	443
Share premium account	11,735	11,227
Merger reserve	2,205	1,865
Foreign exchange reserve	(221)	(41)
Retained earnings	10,066	7,184
Non-controlling interests	7	7
Total equity	24,239	20,685
Current liabilities		
Trade and other payables	2,614	3,491
Contingent liability	112	1,567
Current tax	968	973
Total current liabilities	3,694	6,031
Deferred tax	747	169
Total liabilities	8,341	6,200
Total equity and liabilities	32,580	26,885

APPENDIX – CASH FLOW RECONCILIATION

	6 months to 31.12.19	6 months to 31.12.18
	£'000	£'000
Revenue	14,634	12,018
Less expenses	(10,656)	(8,851)
Changes in circulating capital (inventory, receivables, payables)	(75)	(484)
Purchase of tangible fixed assets	(1,111)	(316)
Purchase of investments, goodwill & intangible assets	(919)	(3,462)
Proceeds from sale of property, plant & equipment	-	19
Dividends paid	(1,562)	(1,303)
Shares issued	309	180
Net interest	-	2
Corporation tax paid	(477)	(3)
Increase / (decrease in cash)	143	(2,200)

THANK YOU

Tristel™