



31 DECEMBER 2017

INTERIM RESULTS

INVESTOR PRESENTATION

Paul Swinney CEO
Liz Dixon FD

FINANCIAL HIGHLIGHTS

REVENUE	UP 10%
(2016: £9.75m)	TO £10.7m

OVERSEAS SALES	UP 28%
(2016: £4.2m)	TO £5.4m

OVERSEAS SALES	50% OF
(2016: 43%)	TOTAL SALES

EBITDA*	UP 18%
(2016: £2.3m)	TO £2.7m

PRE-TAX PROFIT*	UP 18%
(2016: £1.7m)	TO £2m

EPS*	UP 21%
(2016: 3.3p)	TO 4p

INTERIM DIVIDEND	UP 14%
(2016: 1.4p)	TO 1.6p PER SHARE

CASH	£4.9m
(2016: £3.9m)	

* before share-based payments

OPERATIONAL HIGHLIGHTS

HONG KONG DIRECT REPRESENTATION

ESTABLISHED

MOBILE ODT APP BASED COLLABORATION

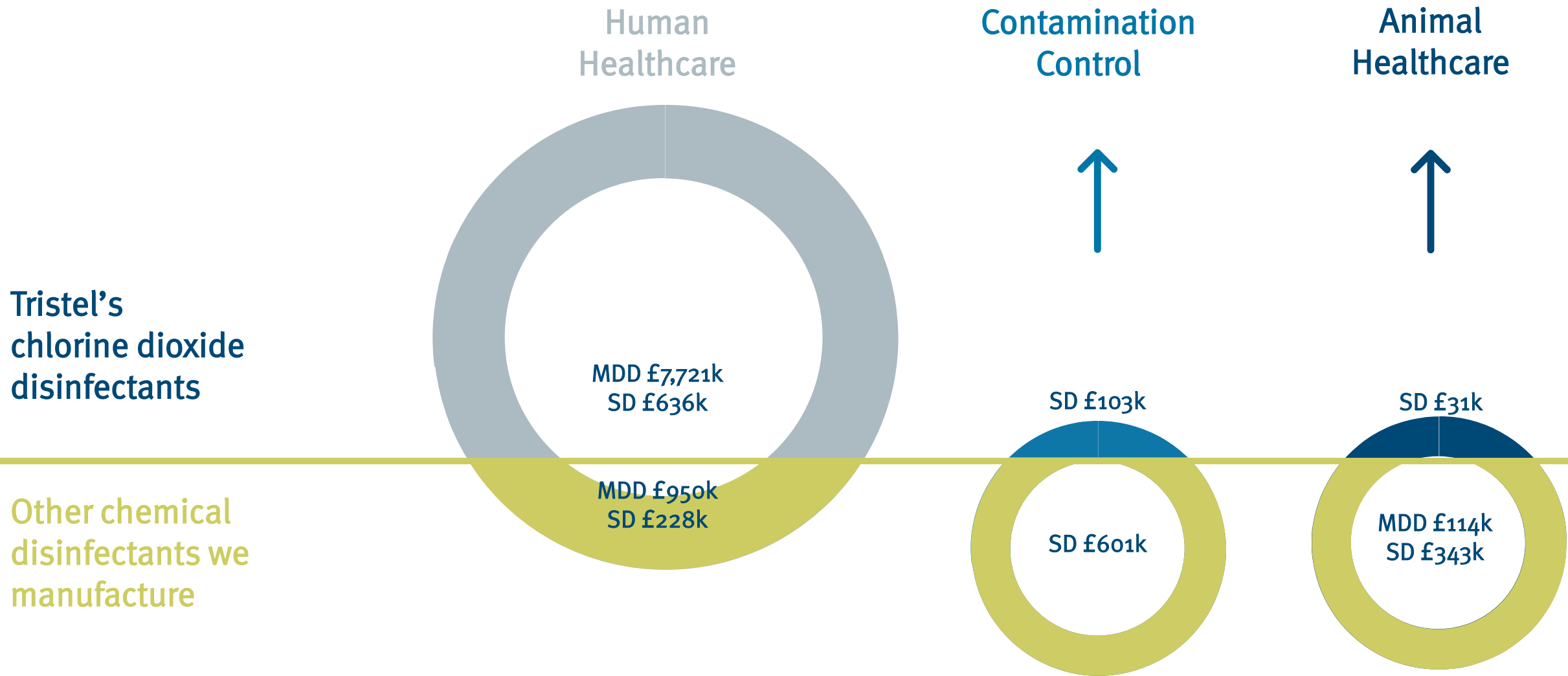
FOR TRAINING AND DISINFECTION COMPLIANCE

EPA ADDITIONAL DATA PROVIDED

ENVIRONMENTAL PROTECTION AGENCY (EPA) APPROVAL AWAITED

SALES STRATEGIC OVERVIEW

MDD = Medical Device Disinfection
SD = Surface Disinfection



SALES – HALF ON HALF

£,000		2015-16 H1	2016-17 H1	2017-18 H1	H1 on H1 %
UK Human healthcare	Medical devices	2,695	3,478	3,604	4%
	Surfaces	620	683	601	(12%)
	Legacy	840	578	192	(67%)
O/seas Human healthcare	Medical devices	2,307	3,801	4,867	28%
	Surfaces	65	96	139	45%
	Legacy	213	94	132	40%
Contamination control		770	578	704	22%
Animal healthcare		500	440	488	11%
Group sales		8,010	9,747	10,727	10%

- Continued period on period sales growth
- Medical device disinfection sales driving growth
- Critical surface disinfection → new product range launch May 2018
- Legacy products → impact of decline now lessening

SALES – BY CHANNEL

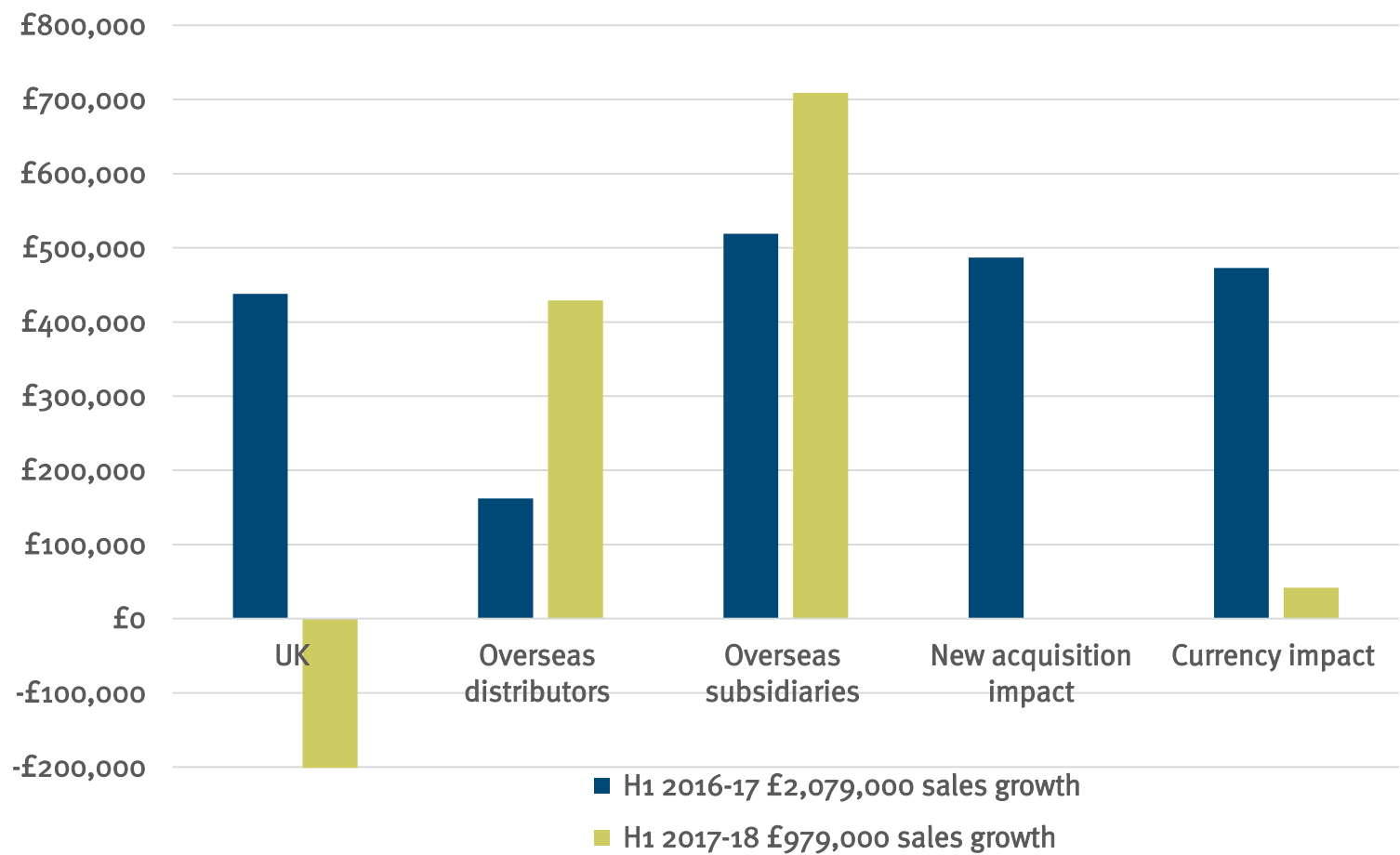
		Growth % at a constant currency				
Channel	Country	2017-18 H1	2016-17 H1	H1 on H1 growth	H1 on H1 growth %	
Direct	Australia	1,155	776	379	49%	48%
	China	297	295	2	0%	2%
	Hong Kong	222	354	(132)	(37%)	(35%)
	Germany & Central Europe	1,953	1,526	427	28%	23%
	New Zealand	374	299	75	25%	28%
Distributor	Overseas distributors (managed by UK)	1,372	943	429	45%	45%
	Total overseas sales	5,373	4,193	1,180	28%	27%
	Total UK sales	5,354	5,555	(201)	(4%)	(4%)
	Group sales	10,727	9,748	979	10%	10%

GROSS MARGIN – HALF ON HALF

	2015-16 H1	2016-17 H1	2017-18 H1
Human healthcare	74%	75%	77%
Animal healthcare	69%	75%	63%
Contamination control	52%	62%	64%
Group gross margin	71%	74%	75%

- Gross margin pressure → Supplier price rises
→ FOC goods and rebates in veterinary arrangements
- Customer price increase in H2 to combat margin drift
- Reduced GM expectations for H2

SALES GROWTH – THE SOURCES



Focus

- a return to growth in the UK
- continue to consider distributor acquisition opportunities

SALES GROWTH THE ENABLERS – REGULATORY APPROVALS

Regulatory activity H1

- new regulatory dossiers started x 55
- regulatory dossiers submitted to authorities x 82
- approvals granted x 15
- India & Japan company incorporations and preliminary regulatory investigations underway

USA EPA status

- dossier re-submitted Nov 2017 in accordance with EPA request
- response expected by 31 May 2018
- if successful, next step: state by state submissions
- first sales expected in 2018-19 FY
- in discussion with potential North American re-sellers and routes to market

USA FDA status

- compatibility, stability & efficacy testing underway

SALES GROWTH THE ENABLERS – NEW PRODUCTS

Medical device disinfection – within the hospital

- The driver of demand is the number of diagnostic patient procedures using a medical device that require high level disinfection.
- The two principal diagnostic technologies are visualisation (endoscopy) and ultrasound.
- Our unique position is being able to access both.

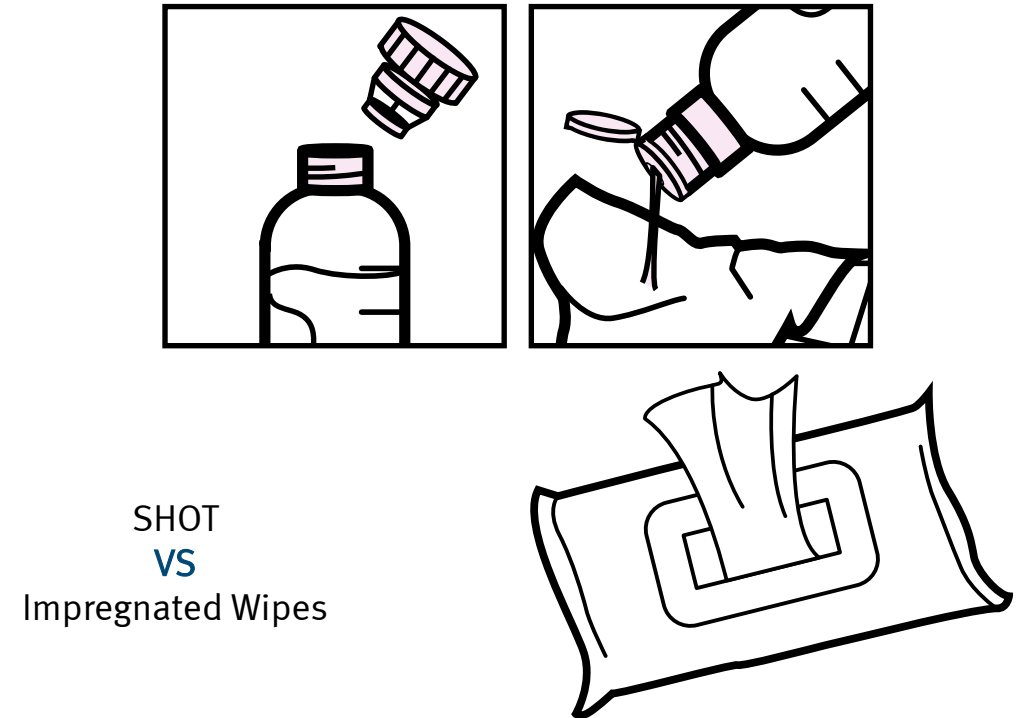
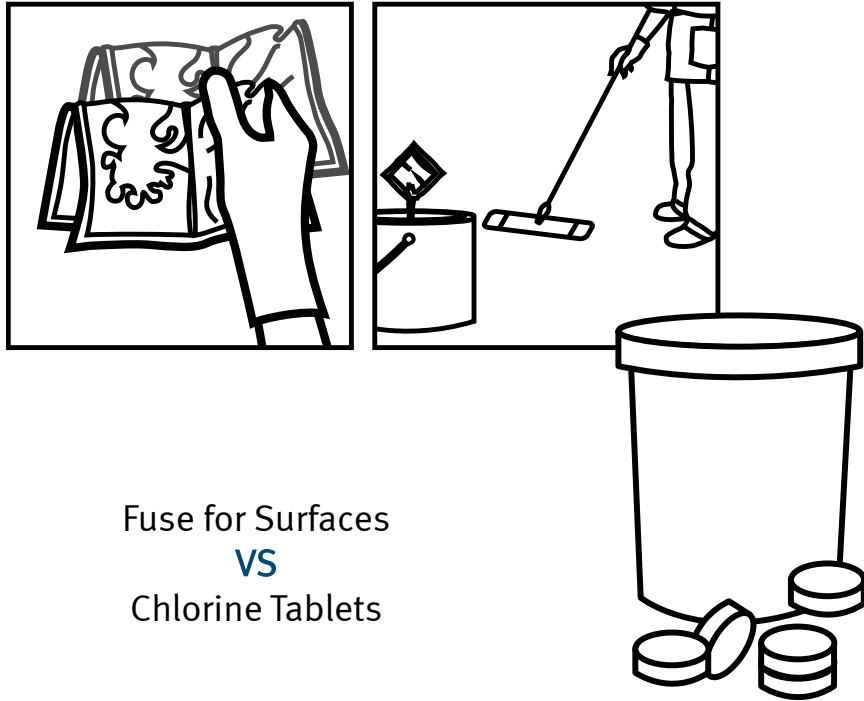


Medical device disinfection – outside of the hospital

- The growing trend is for diagnostic procedures to move into the community.
- Again - The two principal diagnostic technologies are visualisation (endoscopy) and ultrasound.
- Our unique position is being mobile and free of the constraints of traditional automated disinfection processes.

SALES GROWTH THE ENABLERS – NEW PRODUCTS

Expanding our opportunity in critical surface disinfection



INVESTMENTS

REGULATORY PROGRAMME

£0.5m

MANUFACTURING EQUIPMENT
FOR SURFACES

£0.2m

PRODUCT DEVELOPMENT
FOR SURFACES & APP

£0.2m

PATENTS AND PROTECTIONS

£0.1m

STRATEGIC FINANCIAL PLAN TO JUNE 2019

GROW SALES ON AVERAGE BY 10% – 15%

MAINTAIN A PRE-TAX PROFIT MARGIN OF AT LEAST 17.5%, WHILST INVESTING IN NORTH AMERICA

RETURN SURPLUS FUNDS TO SHAREHOLDERS



THANK YOU

APPENDIX – INCOME STATEMENT

	Period ended 31.12.17	Period ended 31.12.16
	£'000	£'000
Turnover	10,727	9,748
Cost of sales	(2,643)	(2,496)
Gross profit	8,084	7,252
Gross margin %	75%	74%
Administrative expenses	(5,367)	(4,959)
Net interest	1	3
Results from associate	8	6
Operating profit before amortisation & shared based payments	2,726	2,302
Amortisation & Depreciation	(713)	(595)
Share based payments	(164)	(5)
Pre-tax profit	1,849	1,701
Tax charge /(credit)	(296)	(312)
Profit after tax	1,553	1,389
Basic EPS – pence	3.62p	3.30p
Diluted EPS – pence	3.46p	3.14p

APPENDIX – BALANCE SHEET

	31.12.17	31.12.16
Non-current assets	£'000	£'000
Goodwill and other intangible assets	7,404	6,882
Property, plant and equipment	1,518	1,381
	8,922	8,263
Current assets		
Inventories	2,226	1,753
Trade and other receivables	3,871	3,776
Cash and cash equivalents	4,945	3,854
	11,042	9,383
Total assets	19,964	17,646

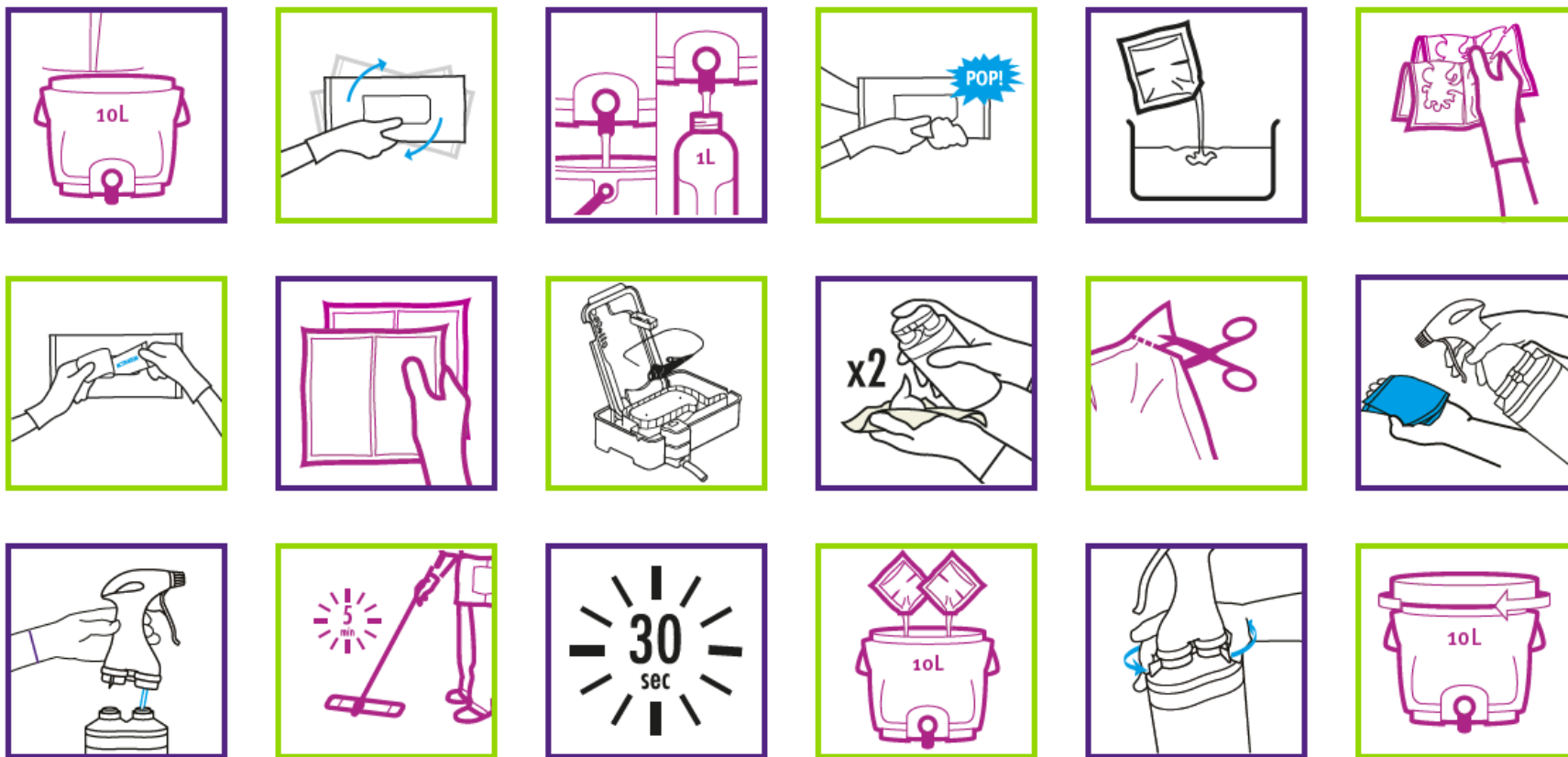
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APPENDIX – BALANCE SHEET CONTINUED

	31.12.17	31.12.16
	£'000	£'000
Capital and reserves		
Share capital	429	424
Share premium account	10,892	10,443
Merger reserve	478	478
Foreign exchange reserve	52	80
Retained earnings	4,986	2,849
Non-controlling interests	7	5
Total equity	16,844	14,279
Current liabilities		
Trade and other payables	2,296	2,583
Current tax	639	649
Total current liabilities	2,935	3,232
Deferred tax	185	135
Total liabilities	3,120	3,367
Total equity and liabilities	19,964	17,646

APPENDIX – CASH FLOW RECONCILIATION

	Period ended 31.12.17	Period ended 31.12.16
	£'000	£'000
Revenue	10,727	9,748
Less expenses	(8,002)	(7,455)
Changes in circulating capital (inventory, receivables, payables)	(911)	(592)
Purchase of tangible fixed assets	(402)	(244)
Purchase of goodwill & intangible assets	(263)	(1,163)
Proceeds from sale of property, plant & equipment	17	14
Dividends paid	(1,130)	(2,193)
Shares issued	189	34
Net interest	1	2
Corporation tax paid	(375)	(94)
Decrease in cash	(149)	(1,943)



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