



**30 JUNE 18 PRELIMINARY RESULTS  
INVESTOR PRESENTATION**

**PAUL SWINNEY, CEO  
LIZ DIXON, FD**

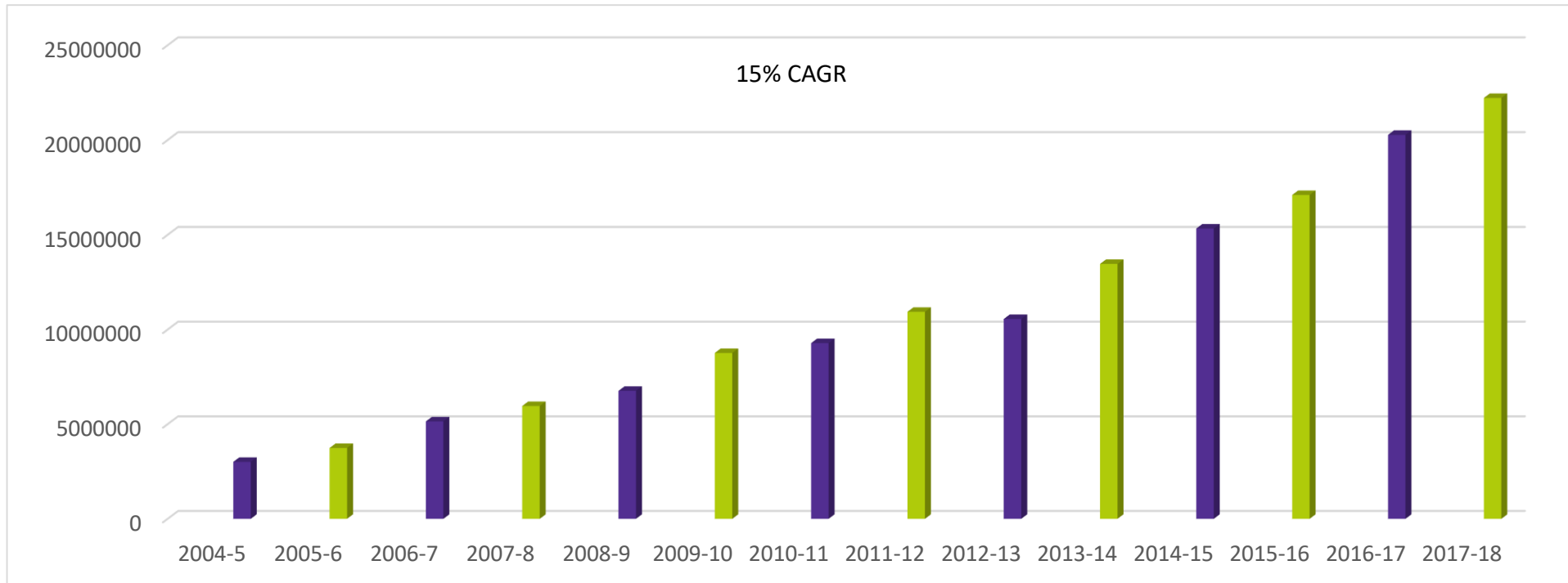
# FINANCIAL HIGHLIGHTS

- Turnover up 10% to £22.2m (2017: £20.3m)
- Overseas sales up 19% to £11.4m (2017: £9.6m), representing 51% of total sales (2017: 47%)
- EBITDA before share-based payments up 16% to £6.2m (2017: £5.3m). Unadjusted £5.5m (2017: £5.2m)
- Pre-tax profit before share-based payments up 15% to £4.7m (2017: £4.1m). Unadjusted £4m (2017: £4m)
- Pre-tax margin increased to 21% (2017: 20%). Unadjusted 18% (2017: 20%)
- Adjusted EPS 9.16 p up 10% (2017: 8.34p)
- Basic EPS 7.62p down 5% due to share-based payments of £0.66m (2017: £0.12m)
- Dividend per share for the full year increased by 14% to 4.58p (2017: 4.03p)
- Net cash of £6.7m at year end (2017: £5.1m). Company remains debt free

# OPERATIONAL HIGHLIGHTS

- Approval from USA Environmental Protection Agency (EPA) for foam-based product Duo
- Commercial collaboration concluded with Parker Laboratories Inc, USA, establishing manufacturing capability and national distribution network in USA
- Board transition plan progressing

# SALES HISTORY



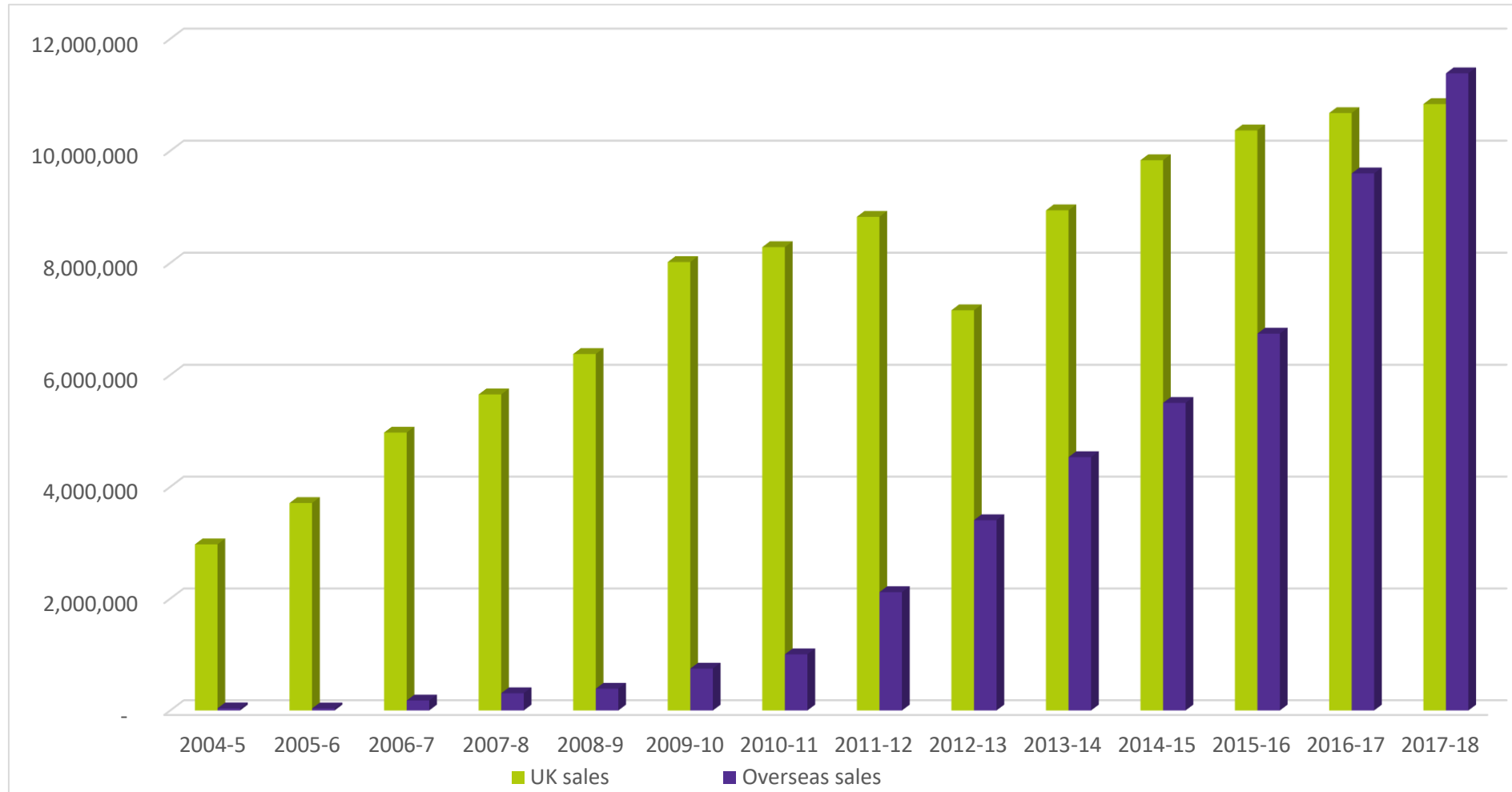
## FINANCIAL PLAN FOR YEARS 2017-2019

Sales growth of between 10% and 15%, on average, over three years

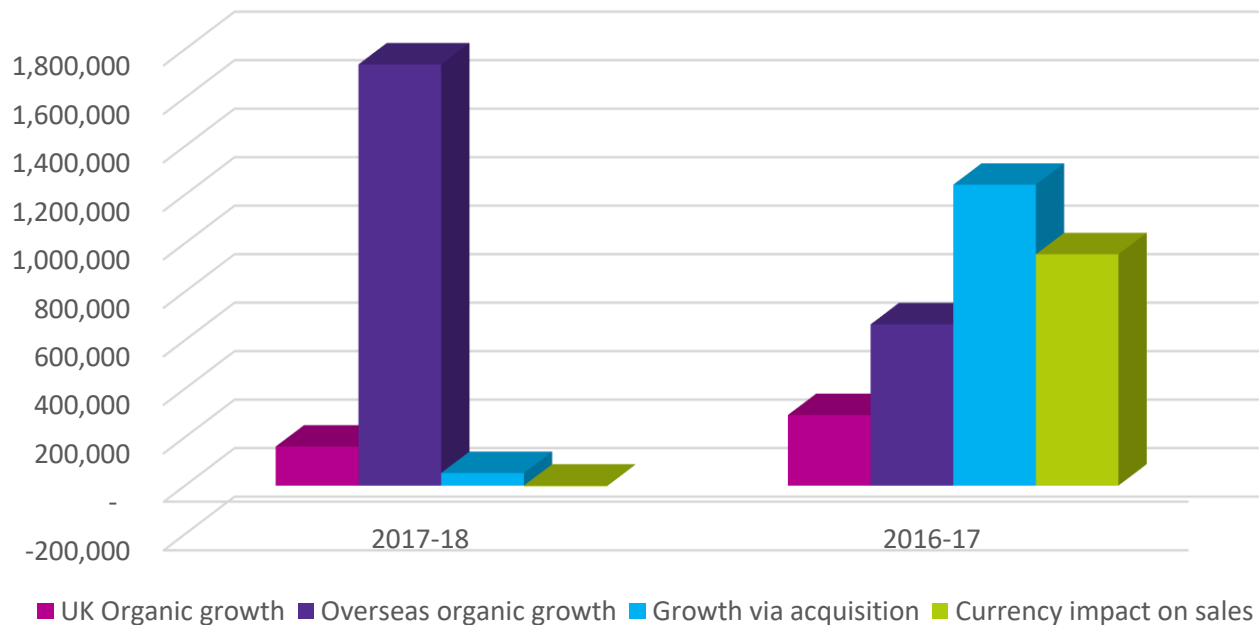
Target sales of between £22.8m and £26m in 2018-2019

On track

# SALES GROWTH



# SALES GROWTH - SOURCES



£,000	2017-2018	2016-2017
Overseas organic growth	1,737	665
Growth via acquisition	55	1,241
Currency impact on sales	(3)	954
<b>Total overseas sales growth</b>	<b>1,786</b>	<b>2,860</b>
UK organic growth	161	291
<b>Total Group sales growth</b>	<b>1,947</b>	<b>3,151</b>

# SALES GROWTH - GEOGRAPHIES

£,000	2017-18	2016-17	Year on year change	% change
Central & Eastern Europe	4,186	3,321	865	26%
Australasia	3,066	2,595	471	18%
Hong Kong	394	588	-194	-33%
China	677	524	153	29%
Worldwide distributors	3,061	2,570	491	19%
Total overseas	11,384	9,598	1,786	19%
United Kingdom	10,836	10,675	161	2%
<b>Total Group</b>	<b>22,220</b>	<b>20,273</b>	<b>1,947</b>	<b>10%</b>

## NEW APPROVALS AND MARKETS

- Approval for 16 products in 20 countries attained in the year
- Investment of £0.540m made in 19 country approval programmes in the year

# SALES GROWTH - PRODUCTS

£,000		2013 – 14	2014 – 15	2015 – 16	2016 – 17	2017 – 18	2017 – 18
							Growth
UK human healthcare	Medical device disinfection	4,253	5,090	5,720	6,659	6,717	1%
	Critical surface disinfection	996	1,169	1,253	1,182	1,245	5%
	Other	2,190	1,973	1,574	1,069	950	-11%
Overseas human healthcare	Medical device disinfection	3,076	4,238	5,377	8,442	9,873	17%
	Critical surface disinfection	233	194	162	121	219	81%
	Other	770	425	513	634	870	37%
Animal healthcare		762	871	1015	878	919	5%
Contamination control		1,190	1,374	1,490	1,288	1,427	11%
<b>Total sales</b>		<b>13,470</b>	<b>15,334</b>	<b>17,104</b>	<b>20,273</b>	<b>22,220</b>	<b>10%</b>

- UK medical devices: growth slow-down due to market saturation
- Global opportunity in critical surface disinfection – via new product set
  - Overseas growth remains strong
  - No currency distortions this year



# NEW OPPORTUNITIES – USA

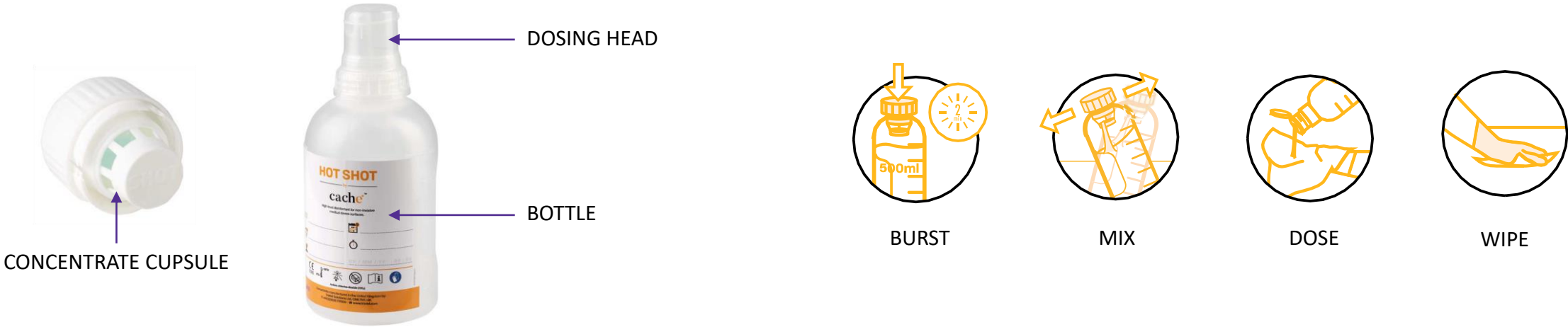


Joint Tristel & Parker Laboratories Inc. Exhibition Stand, Orlando, October 2018.

- Collaboration with Parker Laboratories Inc underway.
  - Awaiting state approvals - first received.
- FDA pre-submission response received. No show stoppers, additional work required, FDA redirection to a De Novo application.
  - FDA full submission expected by June 2019.

# NEW OPPORTUNITIES – CRITICAL SURFACE DISINFECTION

HOT SHOT CHLORINE DIOXIDE → A SURFACE DISINFECTANT WIPE



# NEW OPPORTUNITIES – CRITICAL SURFACE DISINFECTION

## THE ENVIRONMENTAL ISSUE

### SINGLE USE PLASTICS



PLASTIC WIPE



PLASTIC STRAW



PLASTIC CUP

## CURRENT PRACTICE

### PRE-SATURATED DISINFECTANT WIPES COMPRISE OF



A single use plastic wipe + a few millilitres of disinfectant liquid.

### HOW IS DISINFECTANT LIQUID COMBINED WITH THE WIPE?

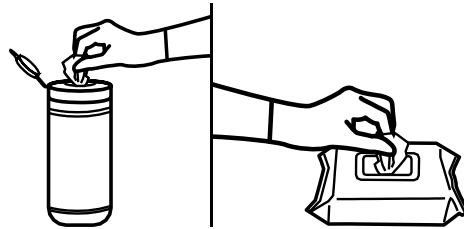
With plastic wipes, liquid adheres to the external surface of the wipe and the fibres from which the wipe is made. This is called the process of **adsorption**, as opposed to **absorption**.

## WHAT IS A PRE-SATURATED WIPE DOING?

### TWO THINGS:

It acts as the storage medium for the disinfectant liquid whilst it's in its pack.

Then it acts as a spreader of the liquid.

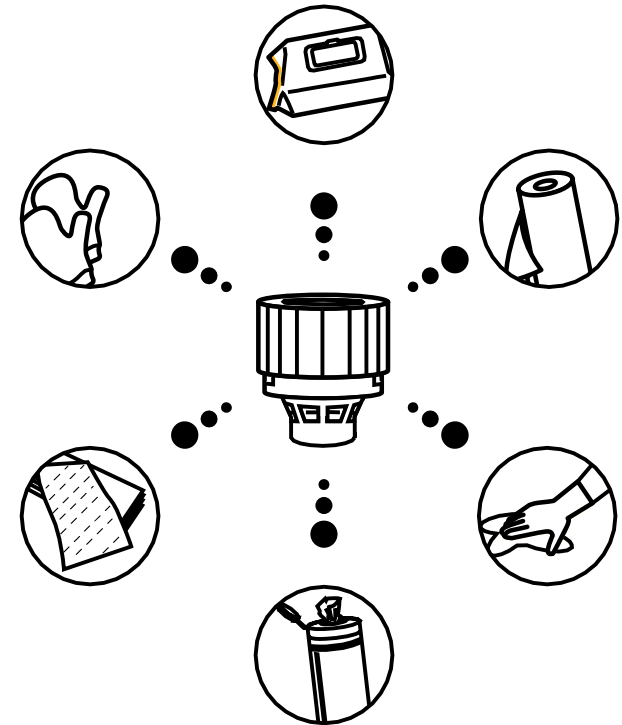


### IS ALL THE LIQUID DISINFECTANT TRANSFERRED FROM THE WIPE TO THE SURFACE?

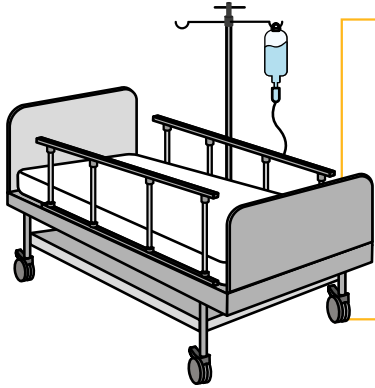
NO! A large proportion of disinfectant will always be transferred to the waste bin.

## WHAT IS THE HOT SHOT DIFFERENCE?

HOT SHOT decouples the liquid from the wipe, enabling you to choose how much you use and how you disperse it.



# NEW OPPORTUNITIES – CRITICAL SURFACE DISINFECTION



## WHAT DOES THIS MEAN?

One HOT SHOT can disinfect an entire patient bedspace compared to many wipes.  
 You can eliminate the use of single-use plastic when you clean and disinfect hospital surfaces.  
 You can choose the spreader; including blue paper towels, which are biodegradable.

**WINNER: THE ENVIRONMENT**

THE DOSING BOTTLE AND DOSING HEAD ARE **REUSABLE AND RECYCLABLE**

**HOT SHOT IS RECYCLABLE**

ALL ARE 100% POLYPROPYLENE



**WINNER: THE ENVIRONMENT**



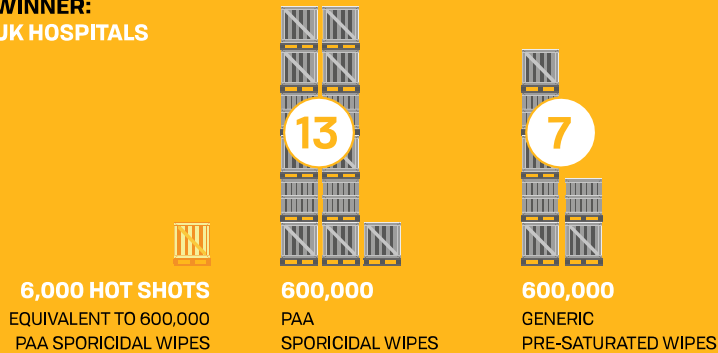
## MANUFACTURED IN THE UK



= **REDUCED CARBON FOOTPRINT**  
**WINNER: THE ENVIRONMENT**

## DRAMATIC REDUCTIONS IN STORAGE & SHIPMENT COSTS

**WINNER: UK HOSPITALS**



## WHAT CAN YOU DO DIFFERENTLY ONCE YOU USE HOT SHOT?

### REAPPLY THE DISINFECTANT

With HOT SHOT it is okay to apply a second, a third, a fourth dose of disinfectant to the spreader: the liquid goes to the spreader; not the spreader into the liquid.

### NO RESTRICTIONS

With current practice as soon as the liquid is exhausted, you need to use another single-use wipe. With HOT SHOT, surface area coverage is no longer limited to the amount of disinfectant liquid a plastic wipe can release.

**WINNER: UK HOSPITALS**

# STRATEGIC FOCUS

## PRIMARY OBJECTIVES

- Maximise Company's value to shareholders
- Create the conditions for sustainable high growth
- Replicate market penetration achieved in targeted clinical areas in UK in all overseas markets

## SECONDARY OBJECTIVES

- To be a high margin company
- To be debt free and highly cash generative, returning to shareholders cash that is not required for operational needs and investment possibilities

## GOALS

- Focus on ClO<sub>2</sub>
- Focus on disposable products performing essential daily hygiene tasks
- Manufacture our ClO<sub>2</sub> products to protect IP

## GAME CHANGING STRATEGIC PLAYS

- Successful entry into the USA market
- Future company acquisitions which strictly align to our key strategic objectives and goals
- Position ourselves as the sole HLD player in the digital healthcare market, and the only HLD option accessible in developing countries

# BREXIT RISKS

Regulatory: the risk that our accreditation will not be recognised by the EU.

BSI has offered reassurance that in the case of a Hard Brexit or No Deal, they will guarantee that the markets in the EU and UK will not be impaired. BSI Netherlands will be our new notified body for EU.

Logistical: the risk that:

1. The movement of goods between the UK and the EU are halted or delayed at ports as a result of increased customs declarations / border bureaucracy.
2. Logistics during 2019 H1 travelling over the channel being put under considerable pressure, delaying the transportation of goods further.

All EU sales outlets have placed orders sufficient to cover stock requirements to May 18, to be delivered during January in an effort to avoid logistical delays

Currency: the risk that sterling rates fluctuate and disadvantage us via the conversion of foreign currency transactions into GBP.

If sterling weakens we will be positively impacted via the translation of sales and profits within the EU to GBP. If sterling strengthens the opposite will occur.

Financial: the risk that the Group will suffer additional duties in relation to goods travelling between the UK & the EU.

We have no visibility at this stage – unknown.

Personnel: the risk that key EU personnel based in the UK will leave through disillusionment with the UK or because of a legal requirement.

Where appropriate staff are permitted to relocate outside of UK.

# SUMMARY

- Overseas expansion continues to drive sales growth
  - Profitable, cash generative, debt-free
- Clear dividend policy to return surplus cash to shareholders
- Business has strong IP and many defensive strengths
  - Exciting new market opportunities ahead
- Expected further sustainable growth in 2019 and beyond

THANK YOU



# APPENDIX – INCOME STATEMENT

	Year ended 30.06.18	Year ended 30.06.17
	£'000	£'000
Turnover	22,220	20,273
Cost of sales	(5,040)	(4,598)
Gross profit	17,180	15,675
Gross margin %	77%	77%
Administrative expenses	(10,971)	(10,301)
Net interest	2	4
Results from associate	24	19
Operating profit before amortisation & shared based payments	6,235	5,397
Amortisation & Depreciation	(1,564)	(1,310)
Share based payments	(665)	(121)
Pre-tax profit	4,006	3,966
Tax charge /(credit)	(734)	(549)
Profit after tax	3,272	3,417
Basic EPS – pence	7.62	8.06p
Diluted EPS – pence	7.33	7.80p

# APPENDIX – BALANCE SHEET

	30.06.18	30.06.17
Non-current assets	£'000	£'000
Goodwill	998	1,065
Investments	589	589
Intangible assets	5,954	5,924
Property, plant and equipment	1,328	1,409
Deferred tax asset	399	-
	<hr/>	<hr/>
	9,268	8,987
Current assets		
Inventories	2,279	2,292
Trade and other receivables	4,332	3,745
Cash and cash equivalents	6,661	5,088
	<hr/>	<hr/>
	13,272	11,125
Total assets	<hr/>	<hr/>
	22,540	20,112

Continued...

# APPENDIX – BALANCE SHEET CONTINUED

	30.06.18	30.06.17
	£'000	£'000
Capital and reserves		
Share capital	432	427
Share premium account	11,058	10,705
Merger reserve	478	478
Foreign exchange reserve	(66)	46
Retained earnings	6,518	4,399
Non-controlling interests	7	7
Total equity	18,427	16,062
Current liabilities		
Trade and other payables	3,201	3,147
Current tax	707	728
Total current liabilities	3,908	3,875
Deferred tax	205	175
Total liabilities	4,113	4,050
Total equity and liabilities	22,540	20,122

# APPENDIX – CASH FLOW RECONCILIATION

	Year ended 30.06.18	Year ended 30.06.17
	£'000	£'000
Profit before tax	4,006	3,966
Add back non-cash items	2,133	1,370
Working capital movements	(520)	(530)
Purchase of tangible fixed assets	(516)	(585)
Purchase of intangible assets	(997)	(2,002)
Proceeds from sale of property, plant & equipment	63	45
Dividends paid	(1,818)	(2,787)
Shares issued	358	300
Net interest	2	4
Corporation tax paid	(1,124)	(454)
Increase/(Decrease) in cash	1,587	(673)

**Tristel**<sup>™</sup>

WE HAVE CHEMISTRY.