

Paul Swinney: CEO

Liz Dixon: FD

The logo for Tristel, featuring the word "Tristel" in a bold, sans-serif font. The letters "Tris" and "tel" are purple, while the letter "i" is a light green color.

Interim results presentation

31 December 2015

- Revenue up 8% to **£8m** (2014: £7.4m)
- Overseas sales up 20% to **£2.9m** (2014: £2.4m), representing 36% of total sales
- EBITDA and share based payments up 27% to **£1.9m** (2014: £1.5m)
- Pre-tax profit before share based payments up 36% to **£1.5m** (2014: £1.1m)
- EPS before share based payments up 40% to **2.89p** (2014: 2.07p)
- Interim dividend of **1.14p** per share (2014: 0.585p), an increase of 95%
- Significant increase in operational cash flow, with net cash at period end of **£4.3m** (2014: £2.9m)

- Focus on margins and cost control
- Successful implementation of Enterprise Resource Planning system throughout the Group
- Continued investment for future growth
- 510(K) pre-submission meeting request made to the United States Food and Drug Administration (FDA)

Our proprietary chlorine dioxide formulation addresses three distinct markets:

Tristel

- The Human Healthcare market (hospital infection prevention – via the Tristel brand).

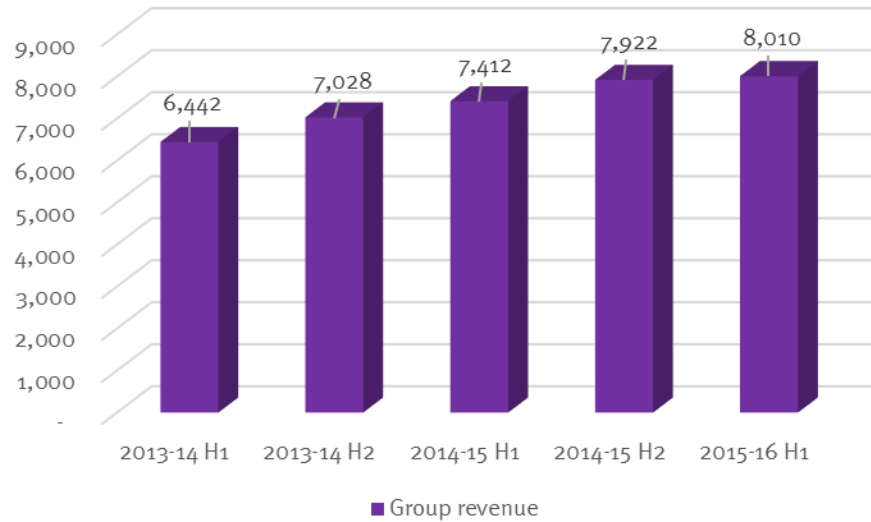
Crystel

- The Contamination Control market (control of contamination in critical environments – via the Crystel brand).

Anistel

- The Animal Healthcare market (veterinary practice infection prevention – via the Anistel brand).

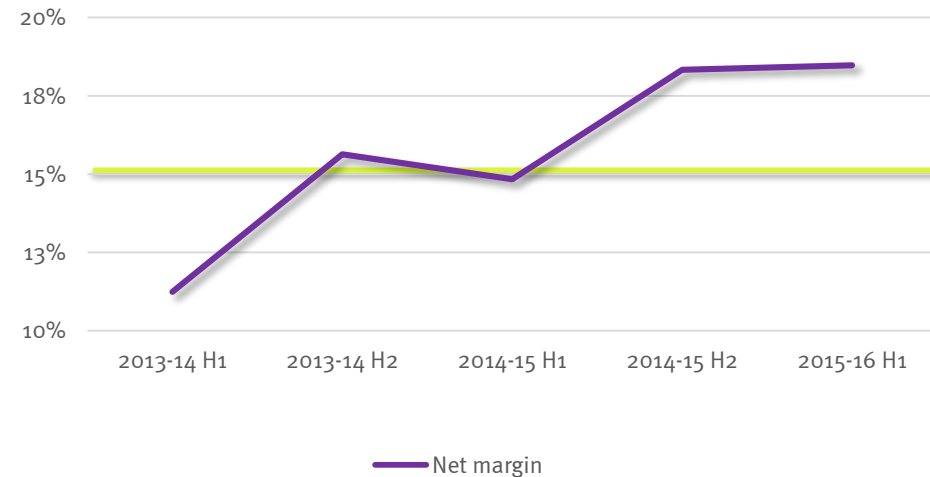
£20m revenue by 30 June 2017



Unlikely to be achieved due to slowing UK growth

- *Current focus on margin improvement*
- *Long-term revenue growth driven by geographical expansion and new products*

Maintain at least a 15% pre-tax profit margin



Goal exceeded

£,000	2015-16 Half 1		2014-15 Half 1		Growth	
Human healthcare	6,740	84%	6,332	86%	408	6%
Animal healthcare	500	6%	397	5%	103	26%
Contamination Control	770	10%	693	9%	77	11%
Total sales	8,010	100%	7,412	100%	598	8%

£,000	2015-16 Half 1		2014-15 Half 1		Growth	
Germany	794	10%	665	9%	19%	
Australasia	491	6%	495	7%	-	
Asia	486	6%	286	4%	70%	
<i>Total overseas direct sales</i>	<i>1,771</i>	<i>22%</i>	<i>1,446</i>	<i>20%</i>	<i>22%</i>	
Overseas distributor sales	1,122	14%	960	13%	17%	
<i>Total Overseas sales</i>	<i>2,893</i>	<i>36%</i>	<i>2,406</i>	<i>32%</i>	<i>20%</i>	
UK	5,117	64%	5,006	68%	2%	
Total sales	8,010	100%	7,412	100%	8%	

£,000		2013-14	2014-15	2014-15	2015-16
UK		H2	H1	H2	H1
Human healthcare	Out-patient instrument disinfection	2,160	2,621	2,469	2,695
	Critical surface disinfection	521	586	583	620
	Other	949	1,023	950	840
Contamination control		499	518	469	589
Animal healthcare		319	258	356	373
		4,448	5,006	4,827	5,117
Overseas					
Human healthcare	Out-patient instrument disinfection	1,531	1,823	2,415	2,307
	Critical surface disinfection	111	86	108	65
	Other	710	183	242	213
Contamination control		112	175	212	181
Animal healthcare		116	139	118	127
		2,580	2,406	3,095	2,893
Total revenue		7,028	7,412	7,922	8,010

Productivity investments & gross margin improvements

Gross margin	2015-16 Half 1	2014-15 Half 1	Margin improvement
Human healthcare	74%	72%	2%
Animal healthcare	69%	61%	2%
Contamination control	52%	49%	3%
Overall GM	71%	69%	2%

Stock	31 December 2015	31 December 2014	Stock holding reduction
Finished goods	826	901	75
Componentry	763	1,096	333
Total stock	1,589	1,997	408

Investments in manufacturing efficiencies to date:

- ERP system £160k investment, providing an improvement in stock control and reduction in write offs.
- Investments in manufacturing plant £150k, providing reduced unit cost of £25k pa and security in source of supply.

To come:

- Automation of filling lines £120k investment, providing a reduction in overhead of £65k pa

Selection of regulatory approval initiatives

Product <i>Application</i>	Stella	Wipes/Duo			Fuse/Jet/Duo
	<i>Various</i>	<i>Ultrasound</i>	<i>Ophthalmology</i>	<i>ENT</i>	<i>Surfaces</i>
USA	0	1	1	0	0
Taiwan	1	1	1	1	1
Australia/NZ	4	3	1	3	2
South Korea	0	1	1	1	-
Nigeria	1	1	1	1	1
Peru	1	1	1	1	1
Guatemala	1	1	1	1	1
Saudi Arabia	2	4	4	4	2
China	3	1	1	3	1
El Salvador	1	1	1	1	0
Hong Kong	3	2	2	3	3
Malaysia	2	2	2	2	2

Key	
-	No plans to register
0	Under consideration
1	Submission being prepared
2	Submission made
3	Approval granted
4	Approval granted since last presentation

	Approval body				Progress	
	Non regulated	EPA	FDA	FDA & EPA	Approval feasibility proven	Approval programme underway
Duo Ophthalmology *	→				Y	Y
Duo Ultrasound *	→				Y	Y
Filtershot	→				Y	To start Q4 15-16
Rinse Assure	→				Y	To start Q4 15-16
Stella	→				Y	Not yet decided
Fuse for Stella	→				Not yet	N/A
Protect Bags	→				N/A - marketing to commence Q4 15-16	N/A
Fuse for Surfaces	→				Not yet	N/A
Wipes	→				Not yet	N/A
* Pre-submission letter and meeting request sent to FDA Feb 2016						

- Revenues up 8% but below management target of 15% p.a.
 - *long-term revenue growth expected from further geographical expansion and new products*
- Focus on margin improvement – inc. exit from certain low margin non-chlorine dioxide products
- Margin, costs and cash tightly managed resulting in profit & earnings growth on target
- Investment programme to drive future growth
- US FDA regulatory programme progressing well
- Strong cash generation continues to underpin progressive dividend policy
- Outlook continues to be promising and we remain confident for the full year

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Income Statement


	Six months ended 31.12.15	Six months ended 31.12.14
	£'000	£'000
Turnover	8,010	7,412
Cost of sales	(2,289)	(2,301)
Gross profit	5,721	5,111
Gross margin %	71%	69%
Administrative expenses	(3,850)	(3,600)
Net interest expense	4	3
Depreciation & amortisation	(401)	(422)
Share based payments	(1,015)	(67)
Results from associate	6	8
Pre-tax profit / (loss)	465	1,033
Tax charge / (credit)	(273)	(260)
Profit / (loss) after tax	192	773
Basic EPS – pence	0.46p	1.91p
Diluted EPS – pence	0.45p	1.82p

	31.12.15	31.12.14
	£,000	£'000
Non-current assets		
Goodwill	667	667
Intangible assets	5,586	5,593
Property, plant and equipment	1,330	1,319
Deferred tax	37	44
	<hr/> 7,620	<hr/> 7,623
Current assets		
Inventories	1,589	1,997
Trade and other receivables	3,319	2,764
Cash and cash equivalents	4,264	2,945
	<hr/> 9,172	<hr/> 7,706
Total assets	<hr/> 16,792	<hr/> 15,329

Continued...

	31.12.15	31.12.14
	£'000	£'000
Capital and reserves		
Share capital	421	407
Share premium account	10,455	9,517
Merger reserve	478	478
Foreign exchange reserve	(134)	(101)
Retained earnings	2,559	2,323
Minority interests	7	7
Total equity	13,786	12,631
Current liabilities		
Interest bearing loans and borrowings	-	27
Trade and other payables	2,444	2,109
Current tax	403	329
Total current liabilities	2,847	2,465
Deferred tax	159	233
Total liabilities	3,006	2,698
Total equity and liabilities	16,792	15,329

	31.12.15	31.12.14
	£'000	£'000
Profit before tax	465	1,033
Add back non cash items	1,409	474
Working capital movements	357	(437)
Purchase of fixed assets	(203)	(244)
Purchase of intangible assets	(147)	(181)
Proceeds from sale of property, plant & equipment	16	8
Shares issued	542	238
Net loans repaid	-	(25)
Net interest	4	7
Corporation tax paid	(96)	(70)
Free cash flow	2,347	803
Dividends paid	(2,141)	(512)
Increase / (decrease) in cash	206	291



Why disinfect when you can **Tristel** ?