

# Tristel plc ("Tristel", the "Group" or the "Company")

## Trading update and special dividend Acquisition of the business and assets of its Australian distributor & Notice of results

Tristel plc (AIM: TSTL), the manufacturer of infection prevention, contamination control and hygiene products provides a trading update for the year ended 30 June 2016, declares a special dividend and announces the acquisition of the business and assets of its Australian distributor.

## Trading update and special dividend

For the year ended 30 June 2016 Tristel will record turnover in excess of £17 million (2015: £15.3 million) and pre-tax profit (before share-based payments and unrealised currency gains) of at least £3.1 million (2015: £2.6 million). Both turnover and pre-tax profit are ahead of market expectations.

In the second half, revenue from overseas markets contributed 41% of the Group total compared to 36% in the first half, and for the full year overseas revenue represented 39% of Group revenue – a record level.

Tristel has continued to generate significant levels of cash and at 30 June 2016 cash balances were £5.7 million compared to £4.0 million at 30 June 2015. The Company has no debt.

Accordingly the Board has decided to return to shareholders the portion of this cash that it considers surplus to its investment and operational requirements and announces a special dividend of three pence per share payable on 5 August 2016 to shareholders on the register on 29 July 2016. The corresponding ex-dividend date is 28 July 2016. The Company expects to declare a final dividend for the year at the time of the preliminary results to be announced in October. The level of the final dividend will be determined in accordance with the Company's prevailing normal dividend policy: earnings per share to cover the dividend by at least two times.

After the payment of this special dividend and payment of the consideration associated with the acquisition referred to below, the Company's ongoing intention is to retain cash reserves in excess of £3.0 million. The Company last paid a special dividend of 3 pence per share in August 2015.

## Acquisition of Australian distributor's business

Tristel has acquired the assets and business of Ashmed Pty Ltd, Melbourne. Since 2011 Ashmed has acted as the Company's distributor in Australia for the Tristel Wipes System. The consideration is AU\$1.35 million plus certain compensation payments for the re-purchase of inventory. The management team is staying with the business.

The distributorship achieved sales of approximately AU\$3 million during the year ended 30 June 2016 and is profitable. Tristel expects the acquisition to improve significantly its margins on sales to the Australian hospital market and the acquisition will be earnings enhancing. The Company expects the business to contribute incremental earnings of at least £100,000 during the current financial year.

## **Trading outlook**

Tristel continues to make solid progress both in the United Kingdom and overseas. The Company's plans to enter the United States market remain on track following a successful meeting with the Food and Drug Administration (FDA) in Washington on 28 April 2016. The Company also continues to actively pursue

registrations with the Environmental Protection Agency (EPA). Following the FDA meeting and detailed investigation into the product approval requirements of the EPA, Tristel has multiple test programmes underway. The Board expects to be in a position to provide a detailed assessment of progress at the time of the preliminary results.

## Shareholder Open Day

Tristel is today hosting an Open Day for Shareholders at the Company headquarters in Snailwell, Cambridgeshire. A presentation will be made during the Open Day; however, no new material information will be disclosed during the course of the day. The presentation will be available shortly on the Company website: www.tristel.com/investor-centre

## Notice of results

The Company expects to announce its preliminary results for the year ended 30 June 2016 on 17 October 2016.

## Francisco Soler, Chairman of Tristel plc, comments:

"The Company enjoyed very strong second half growth in both the UK and overseas compared to last year. UK revenues in the second half were £5.3 million, an increase of 10.4% on last year's £4.8 million. An excellent performance overseas resulted in second half revenue of £3.7 million compared to £3.1 million last year, an increase of 19.4%. The proportion of our revenues that are generated overseas continues to increase, and we intend to maintain this trend. I look forward to the Group continuing its expansion in the years ahead and to providing further detail with regards to the United States regulatory project in October."

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014

## For further information please contact:

**Tristel plc** Paul Swinney, Chief Executive Officer Liz Dixon, Finance Director

Walbrook PR Ltd Paul McManus Lianne Cawthorne

## finnCap

Geoff Nash/ Giles Rolls (Corporate Finance) Alice Lane (Corporate Broking) Tel: 020 7933 8780 or <u>tristel@walbrookpr.com</u> Mob: 07980 541 893 Mob: 07584 391 303

Tel: 020 7220 0500

Tel: 01638 721 500