



**Investor Presentation  
& Results Year to 31 March 2020**

October 2020



## Byotrol plc: **Key Investment case**

- Infection control and prevention company, specialising in biocides
- Highly attractive industry environment
- Byotrol well-positioned strategically and organisationally
  - High operational gearing
  - Upside to come from organisational change
  - Strong optionality, through licenses and alliances

## Byotrol plc: summary

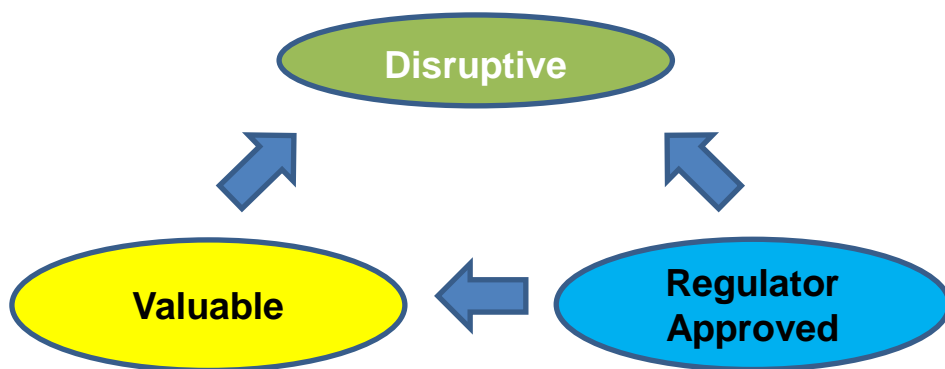
- Publicly-listed (AIM) infection prevention and control company, specialising in biocides. Located in Chester University campus North West UK and in Kent UK
- 35 people in total of which 7 are lab-based technical experts. CTO is Dr Trevor Francis, ex Global VP Homecare R&D, Unilever.
- Active in multiple markets, including:
  - Professional - Byotrol products for use in business/institutional environments – human and animal health, facilities management, manufacturing and food retail
  - Consumer – personal care, household care and petcare, with products for sale in Boots, Pets at Home and various DTC
- 25% of sales into export markets, including EU, Japan, China, US
- All manufacturing outsourced
- Commercial model: finished goods and ingredient supply, licenses and development alliances, often in long-term exclusive relationships

## Byotrol plc: the market, Byotrol positioning

- Demand - large, global, growing
  - Pre-covid: US\$9bn chemical sales US\$50bn+ product sales
- Supply – fragmented – from multinationals to sole traders
- Barriers to market entry increasing, led by regulatory change
  - Old standard products being delisted. Number of biocides being reduced
  - New products require authorisation by EU (complex, time-consuming and expensive) or by EPA US
- Sector re-invention underway, across B2B and B2C

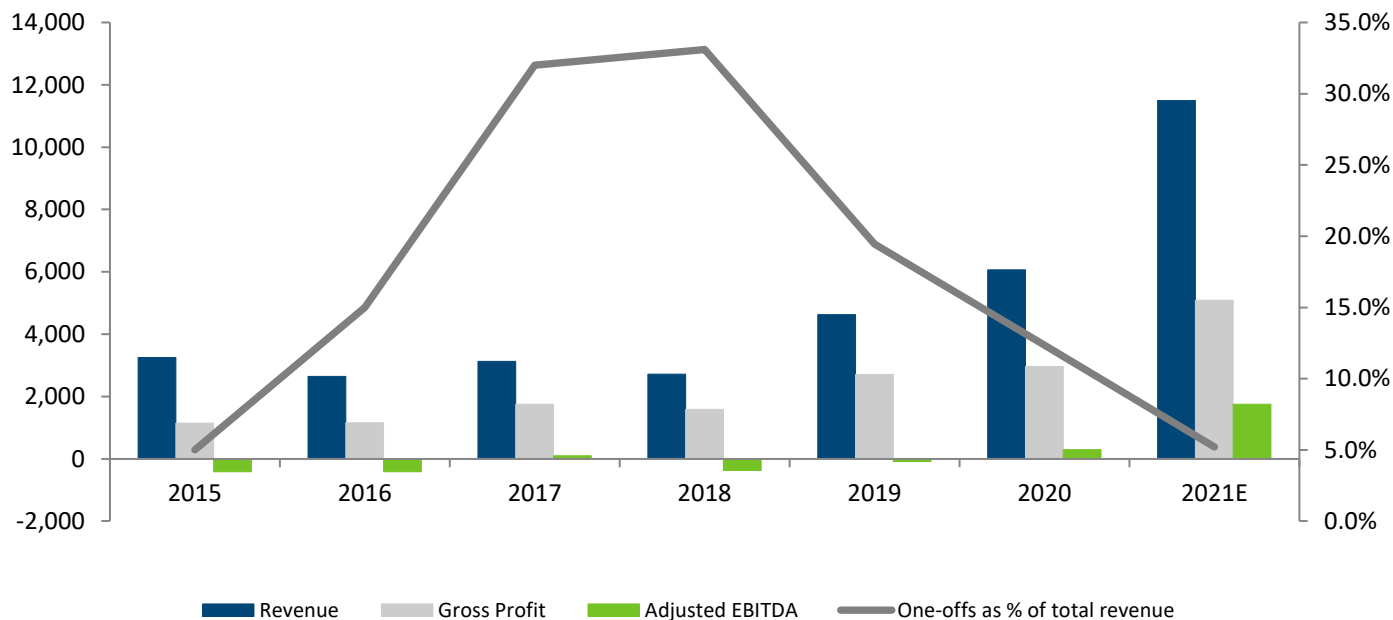


Infection prevention and control in human and animal health, consumer and janitorial/sanitation



- Strong science, high ethics
- High performance chemistries
- Innovative and differentiated offers
- Clearance in all key markets
  - EU (BPR and MDD); US (EPA)

# Financial summary: underlying trading to 31 March 2021



Revenue from Solvay IP smoothed over '18 and '19, as per cash receipts  
2021E as per Finncap

- Business mix continues to improve

- Increase in trading income, increase in sales volumes, increase in economies of scale
- Reduced reliance on one-off deals
- Increase in visibility and sustainability of profits
- New technologies still under development for future – seaweed patent (Innovate UK grant, post year end)

## **Byotrol plc: FYE 2020 - another year of progress; excellent outlook**

- All key financial metrics for FYE March 2020 at or ahead of expectations, with only 1 month of COVID-19 impact.
- Continued improvement in business mix – further increase in trading income versus one-offs.
- Further improvement in balance sheet – new recognition of contract assets and deferred tax assets. Cash balance sufficient to drive further organic growth.
- Accelerated completion of earn-out of Medimark at favourable terms. Financial synergies now expected from April 2020
- FYE 2020 strategic initiatives all completed or progressing well
  - Completion of license over Byotrol24 in US, with minimum annual royalty guarantees.
  - Expanded presence in NHS via multi year licenses with Tristel plc in surface care and SCJohnson Professional in hand sanitizers
  - Solvay relationship remains strong and constructive; expecting to see sales in EU and Asia this calendar year
- Exceptionally well-positioned for growth during and post Coronavirus (COVID-19) pandemic

## Financial summary: year to 31 March 2020

In £'000s	12m ended 31 Mar 2020 Actual	12m ended 31 Mar 2019 Actual	% Change
Product Sales	5,292	3,503	↑ 51%
Royalty and Licensing	777	226	↑ 243%
IP Sale	-	1,931	n/m
<b>Turnover – TOTAL</b>	<b>6,069</b>	<b>5,660</b>	<b>↑ 7%</b>
Gross profit	2,890	3,605	↓ 20%
Opex	(2,920)	(3,018)	↓ 3%
Adj Operating Profit	26	380	
<b>Adj EBITDA*</b>	<b>258</b>	<b>1,079</b>	
Cash and equivalents	1,712	2,797	

\* Pre exceptionals, share based payments,

- 2019 boosted by large IP sale (Actizone to Solvay). Once stripped out, all numbers substantially ahead of last year, on lower cash cost base.
- Cash reserves strong at £1.7m at year end, pre-receipt of further IP payment of £300k on April 1, and with all contingent payments now completed on Medimark. Cash being managed conservatively
- Medimark earnout completed Feb 2020. Total consideration of £2.8m for annual EBITDA contribution of c£500k



## Financial summary: Balance sheet at 31 March 2020

	31 March 2020	31 March 2019
Intangible Assets	3,691	3,862
Tangible Assets & Leases	123	58
Deferred Tax	431	-
Long-term trade receivables	<u>714</u>	<u>176</u>
	<b>4,959</b>	<b>4,096</b>
Inventories	285	416
Trade & other receivables	2,185	1,796
Cash	<u>1,712</u>	<u>2,797</u>
	<b>4,182</b>	<b>5,009</b>
Trade & other payables	(1,319)	(1,193)
Borrowings	(296)	(245)
Lease liabilities	(70)	-
Deferred tax	(394)	(441)
Other Financial Liabilities	=	<u>(817)</u>
	<b>(2,079)</b>	<b>(2,696)</b>
NAV	<b><u>7,062</u></b>	<b><u>6,409</u></b>

- Long-term trade receivables now recognised from IP sales and licensing
- Deferred tax assets now recognised based on likely future profitability
- Slight increase in debtors from pandemic (and decrease of stock)
- Pro-forma cash of £2.0m (following £300k receipt of IP-related monies 1 day after year end)
- Other financial liabilities (Medimark) now settled and removed from balance sheet



## Summary: Professional - year to 31 March 2020

Professional £'000	FYE 31 March 2020	FYE 31 March 2019	% change
Product Sale	4,410	2,710	↑ 63%
Royalty and license	777	-	↑ n/m
IP Sale	-	-	n/m
<b>Total Sales</b>	<b>5,187</b>	<b>2,710</b>	<b>↑ 91%</b>
<b>Gross Profit</b>	<b>2,470</b>	<b>1,093</b>	<b>↑ 126%</b>

- Numbers include 12 months of Medimark for first time
  - contributed £3m sales FYE 2020 versus £1.8m for 7 months in FYE 2019.
  - now the core of Byotrol Professional channel, under Medimark MD, Rick Hayman
  
- Other Professional:
  - continued transition from food to clinical-level performance in community healthcare (animal and human) and facilities management
  - formulations being upgraded technically and SKUs being rationalised
  - continued growth in Invirtu hand sanitisers, boosted by pandemic from March 2020
  - extension of alliances in UK NHS. Multi year licenses with minimum guarantees with
    - SC Johnson Professional Ltd agreement into NHS (April 2020)
    - Tristel plc, supplying into Cache surface care brand launch

## Summary: Consumer - year to 31 March 2020

Professional £'000	FYE 31 March 2020	FYE 31 March 2019	% change	
Product Sale	882	793	↑	11%
Royalty and license	-	226	↓	n/m
IP Sale	-	1,931	↓	n/m
<b>Total Sales</b>	<b>882</b>	<b>2,951</b>	↓	<b>70%</b>
<b>Gross Profit</b>	<b>420</b>	<b>2,512</b>	↓	<b>84%</b>

- Comparison YOY heavily skewed by sale of Actizone IP in FYE 2019
- Steady performance in consumer, especially in petcare, with minimal resource
  - New launch of floor cleaners sold with Swan and Tower electrical appliances. Excellent band association for Byotrol
  - Solvay making good progress with ongoing commercialisation of Actizone; and still increasing resource input worldwide. FYE 2020 will be last year of minimum royalty guarantees; expect Solvay to generate first sales this calendar year
  - Hand sanitisers now relaunched in Boots under refreshed Boots branding. Sales substantially accelerated since March, market demand now substantially larger
- Post year end, license of Byotrol24 in US to Integrated Resources. Much improved risk/reward



## Outlook: Year to 31 March 2021

Consumer £'000	FYE 31 March 2021 Finncap Proj *	FYE 31 March 2020 Actual
Product sale	10,850	5,292
IP and licensing	650	777
<b>Total Sales</b>	<b>11,500</b>	<b>6,069</b>
Gross Profit	5,090	2,890
Opex	(3,350)	(2,920)
<b>Adj EBITDA (pre exceptionals and SBPs)</b>	<b>1,750</b>	<b>258</b>

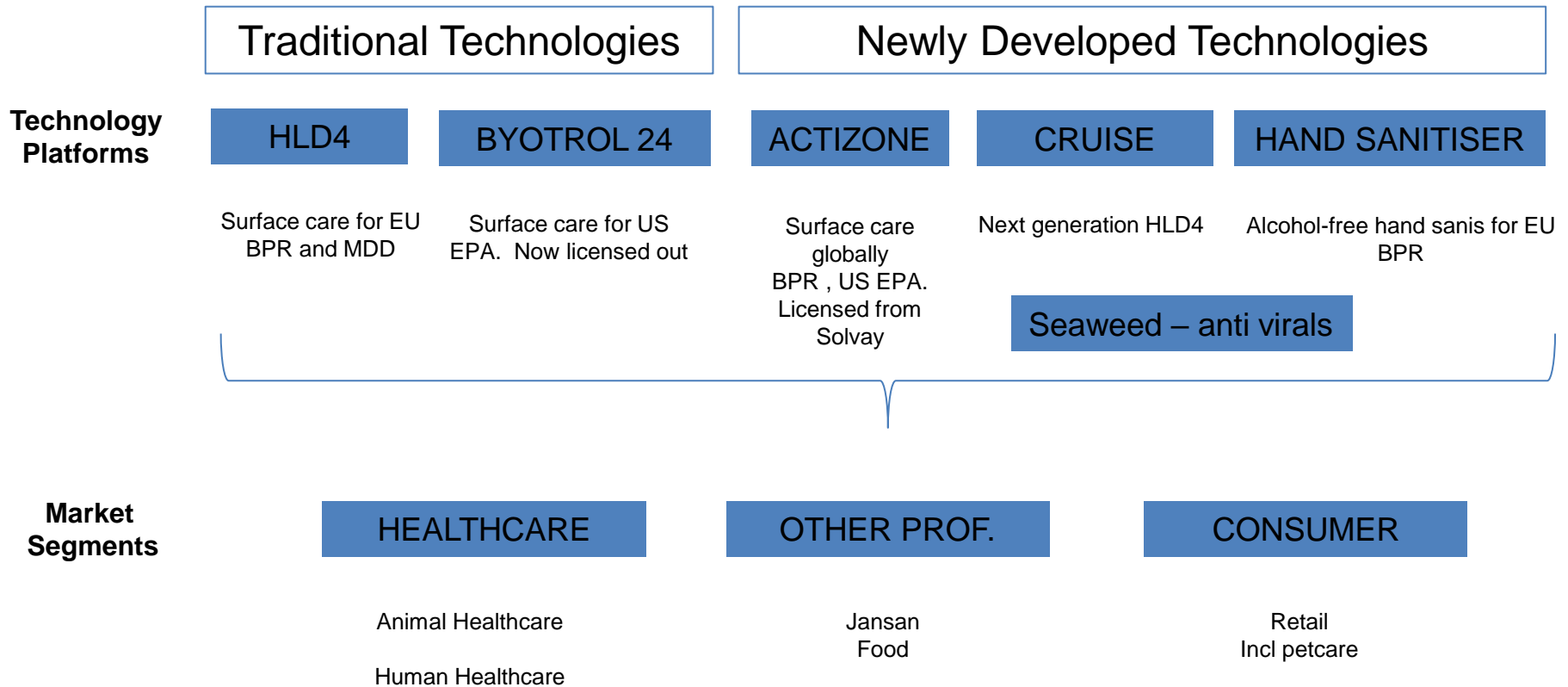
As per Finncap 24 Sept, 2020

- Very positive financial outlook for remainder of year
- Finncap now increasing guidance for current year, FYE 2021
  - Adj EBITDA from £1.5m to £1.75m

## Outlook: Year to 31 March 2021

- Underlying industry trends remain in place, but now magnified and accelerated by Coronavirus (COVID-19)
  - Huge global demand for all infection control products, influenced by substantial change in consumer behaviour and industry risk profiles. Directors believe that a significant increase in demand for hygiene products - and anti-virals specifically - is permanent
  - Continually increasing regulatory pressure on suppliers and on new innovation; barriers to entry remain very high
- Supply chain now functioning well, raw materials and packaging increasingly available (though some at higher cost)
- Opening new specialist virology lab to service demand for new products, new innovations.
- Minimal increase in Byotrol opex. High operational gearing. Further integration work now to be completed with Medimark
- Now investing in focussed growth – corporate strategy, marketing strategy, A&P spend, limited hiring.
- Highly positive outlook.

# Byotrol plc: Technologies



Relevant Regulatory Agency → BPR - Biocides Products Regulation (EU)  
MDD – Medical Device Directive (EU)  
EPA – Environmental Protection Agency (US)



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