

Tissue Regenix Group PLC

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Tissue Regenix makes strong operational and financial progress

Tissue Regenix Group PLC (LON:TRX) said it remained committed to hitting its target of breaking even by 2020 as its interim results revealed the company delivered strong financial and operational performances.

Chief executive Steve Couldwell also told investors the regenerative medicines specialist had identified a number of potential new commercial opportunities it was "actively pursuing".

In the six months ended June 30, it inked distribution agreements with Arthrex and ARMS Medical of the US and Pennine Healthcare here in the UK.

Another milestone was British regulatory sign-off for the BioRinse portfolio, while the manufacturing of DermaPure, the company's wound care product, has been successfully transferred to the CellRight facility in Texas ahead of schedule.

WATCH: Tissue Regenix boss gives his take on results

Financially, significant progress was made with revenues rising to £5.6m in the first half from £1.3m in the comparable period last year, boosted by sales of DermaPure, which almost doubled in value on a constant currency basis.

The contribution to the top line from the CellRight business, bought a year ago, was £3.2m, which was up 46% on a like-for-like basis.

The company's gross profit margin advanced 12.1 percentage points to 56%, while the underlying loss narrowed significantly from £5.1m to £3.5m.

Cash burn falls, plenty in the bank

At the same time, cash burn dropped by £300,000 to £4.3m as Tissue Regenix said a research and development portfolio review had been undertaken and "operational efficiency initiatives implemented".

The company had £12.2m in the bank as at the end of June.

CEO Couldwell said he was pleased with the growing momentum across the business.

"As the demand for our products continues to increase we are proactively reviewing our capacity capabilities to ensure that we can scale the business to meet future production requirements," he added.

"We have identified a number of potential new commercial opportunities which we are actively pursuing and anticipate our current momentum will continue. We remain committed to our objective of being break-even in 2020."

Shares rise 10%

The shares rose 10% to 9.62p following the update, valuing the business at almost £90m.

Price: 2.75

Market Cap: £32.23 m

1 Year Share Price Graph



October 2018 April 2019 October 2019

Share Information

Code: TRX

Listing: AIM

52 week High Low
9 2.4

Sector: Pharma & Biotech

Website: www.tissuregenix.com

Company Synopsis:

TISSUE REGENIX GROUP is a pioneering, international medical technology company, focusing on the development of regenerative products utilising our two platform technologies, dCELL®, addressing soft tissue needs, and BioRinse™, providing inductive bone allografts. We are helping to transform the treatment of patients in three key areas: BioSurgery, Orthopaedics & Dental and Cardiac.

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"I am quite pleased," said boss Couldwell of the interims. "But I am conscious this is one data point covering six months.

"The summer hasn't been too unkind in terms of July and August, but we have some tough [comparable] numbers in the fourth quarter."

Tissue Regenix's products span wound care, orthopaedics and cardiac applications and are based on two proven regenerative medicine technologies.

The first, dCELL, removes cellular and DNA material from biological tissues, leaving intact a scaffold upon which the patient's cells can regenerate and re-populate.

BioRinse does a similar job killing micro-organisms, bacteria and spores as well as removing debris, blood, bone marrow and lipids. It is key to the process used to create CellRight-developed regenerative scaffolds used by surgeons.

Geographic expansion on the cards

Going forward, the company will focus on additional strategic partnerships alongside geographic expansion.

It is also targeting two firsts in the second-half: UK sales of BioRinse via its distribution deal with Pennine and US sales of SurgiPure XD, a soft tissue 'patch'.

The company is also looking to expand its production capability at its facility in San Antonio, Texas, as well as rolling out initiatives designed to enhance employee engagement.

On the CellRight acquisition, CEO Couldwell said: "The integration in terms of nuts and bolts of finances and IT; it's 95% done."

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