

TRINITY BIOTECH PLC
Form 6-K
July 24, 2017

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of July, 2017

TRINITY BIOTECH PLC

(Name of Registrant)

IDA Business Park

Bray, Co. Wicklow

Ireland

(Address of Principal Executive Office)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-_____.

Press Release dated July 20, 2017

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Lytham Partners LLC

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Trinity Biotech Announces Results for Q2, 2017

DUBLIN, Ireland (July 20, 2017). Trinity Biotech plc (Nasdaq: TRIB), a leading developer and manufacturer of diagnostic products for the point-of-care and clinical laboratory markets, today announced results for the quarter ended June 30, 2017.

Quarter 2 Results

Total revenues for Q2, 2017 were \$25.4m compared to \$26.3m in Q2, 2016.

| | 2016 | 2017 | Increase/ (decrease) |
|---------------------|------------------|------------------|---------------------------------|
| | Quarter 2 | Quarter 2 | |
| | US\$ 000 | US\$ 000 | % |
| Point-of-Care | 4,786 | 4,350 | <i>(9.1%)</i> |
| Clinical Laboratory | 21,502 | 21,098 | <i>(1.9%)</i> |
| Total | 26,288 | 25,448 | (3.2%) |

Point-of-Care revenues for Q2, 2017 decreased from \$4.8m to \$4.4m. This was attributable to lower sales of HIV products in Africa. Due to the nature of the African HIV market, these sales tend to fluctuate significantly and this quarter's decrease is well within the normal range for such fluctuations.

Meanwhile, Clinical Laboratory sales for the quarter were \$21.1m versus \$21.5m for the corresponding period last year, thus representing a decrease of 1.9%. However, when the impact of recently culled products is taken into account, underlying Clinical Laboratory sales rose by approximately 2%. This growth was mainly driven by higher Premier revenues, including new placements of the Premier Resolution version of this instrument, which specifically targets the haemoglobin variant market.

The gross margin for the quarter was 42.5% which compares to 45% in Q2, 2016. This decrease was due to lower distributor pricing due to the strength of the US dollar against a range of currencies and a less favourable sales mix i.e. lower higher margin point-of-care revenues coupled with higher instrument sales which tend to have significantly lower than average margins. However, this quarter's gross margin was higher than the two previous quarters of 40% (Q4 2016) and 42% (Q1 2017).

Research and Development expenses remained constant at \$1.3m. Meanwhile Selling, General and Administrative (SG&A) expenses fell from \$7.8m to \$7.6m in Q2 2017, due to lower discretionary sales and marketing expenses, particularly Meritas related costs incurred in Q2, 2016 which were not replicated in the current quarter.

Operating profit for the quarter decreased from \$2.4m to \$1.8m. This was due to the combined impact of the lower revenues and gross margin though these factors were partially offset by lower indirect costs incurred during the quarter.

Financial income for the quarter remained constant at \$0.2m whilst interest payable, mainly arising on the Company's exchangeable notes, was static at \$1.2m. Further non-cash income of \$0.2m was also recognised in this quarter's income statement. This was due to a gain of \$0.4m arising on a decrease in the fair value of the embedded derivatives associated with the exchangeable notes as offset by a non-cash interest charge of \$0.2m.

The Company recorded a profit of \$0.9m for the quarter which equates to earnings per share of 4.1 cents. However, excluding non-cash items the profit for the quarter was \$0.7m or an EPS of 3.1 cents. Fully diluted EPS for the quarter was 6.8 cents compared to 8.5 cents in Q2, 2016.

EBITDA before share option expense for the quarter was \$3.3m.

Share Buyback

During the quarter, the Company repurchased 554,000 ADRs at an average price of \$5.59 and with a total value of \$3.1m. A further 67,000 ADRs at an average price of \$5.65 have been repurchased since quarter end. This brings the total purchased since the beginning of the program to approximately 1.9m shares with a total value of \$14.6m.

Comments

Commenting on the results, Kevin Tansley, Chief Financial Officer, said "Our operating profit for the quarter of \$1.8m represented a decrease when compared to the equivalent quarter last year. This was due to the combination of lower revenues and a lower gross margin, though the impact of these factors was partially offset by lower indirect costs. This resulted in an EPS (before non-cash items) of 3.1 cents which, whilst lower than the equivalent quarter last year, was higher than the 1 cent per ADR reported in quarter one of this year.

Ronan O Caoimh, CEO of Trinity said "This quarter's revenues were down 3% when compared to Q2, 2016. However, this was due to the impact of culling older non-economic products in late 2016 and to the normal fluctuations which impact our HIV sales, particularly in Africa. The remainder of our business remains strong and demonstrated underlying revenue growth this quarter. We were particularly pleased with the increase in sales of our new Premier Resolution instrument. This instrument, which is a sister product of the Premier Hb9210 A1c instrument, specifically addresses the haemoglobin variant market. Though it has only been launched relatively recently, it has been very positively received by customers and I am confident that in common with the Premier Hb9210, it will serve as a growth driver for the company in the years ahead. Meanwhile, we bought back over 500,000 shares during the quarter and at current share price levels it is our intention to continue to be active purchasers in the market.

Forward-looking statements in this release are made pursuant to the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties including, but not limited to, the results of research and development efforts, the effect of regulation by the United States Food and Drug Administration and other agencies, the impact of competitive products, product development commercialisation and technological difficulties, and other risks detailed in the Company's periodic reports filed with the Securities and Exchange Commission.

Trinity Biotech develops, acquires, manufactures and markets diagnostic systems, including both reagents and instrumentation, for the point-of-care and clinical laboratory segments of the diagnostic market. The products are used to detect infectious diseases and to quantify the level of Haemoglobin A1c and other chemistry parameters in serum, plasma and whole blood. Trinity Biotech sells direct in the United States, Germany, France and the U.K. and through a network of international distributors and strategic partners in over 75 countries worldwide. For further information please see the Company's website: www.trinitybiotech.com.

Trinity Biotech plc

Consolidated Income Statements

| | Three Months Ended June 30, 2017 (unaudited) | Three Months Ended June 30, 2016 (unaudited) | Six Months Ended June 30, 2017 (unaudited) | Six Months Ended June 30, 2016 (unaudited) |
|---|--|--|--|--|
| <i>(US\$000 s except share data)</i> | | | | |
| Revenues | 25,448 | 26,288 | 48,984 | 49,804 |
| Cost of sales | (14,629) | (14,472) | (28,274) | (27,856) |
| Gross profit | 10,819 | 11,816 | 20,710 | 21,948 |
| Gross margin % | 42.5% | 45.0% | 42.3% | 44.1% |
| Other operating income | 26 | 72 | 49 | 141 |
| Research & development expenses | (1,322) | (1,267) | (2,651) | (2,414) |
| Selling, general and administrative expenses | (7,561) | (7,797) | (14,588) | (14,758) |
| Indirect share based payments | (130) | (468) | (380) | (735) |
| Operating profit | 1,832 | 2,356 | 3,140 | 4,182 |
| Financial income | 196 | 223 | 373 | 443 |
| Financial expenses | (1,169) | (1,185) | (2,339) | (2,366) |
| Net financing expense | (973) | (962) | (1,966) | (1,923) |
| Profit before tax & non-cash financial income / (expense) | 859 | 1,394 | 1,174 | 2,259 |
| Income tax expense | (176) | (131) | (275) | (313) |
| Profit for the period before non-cash financial income / (expense) | 683 | 1,263 | 899 | 1,946 |
| Non-cash financial income / (expense) | 219 | 841 | 1,249 | (1,188) |
| Profit after tax and once-off items | 902 | 2,104 | 2,148 | 758 |
| Earnings per ADR (US cents) | 4.1 | 9.1 | 9.8 | 3.3 |
| Earnings per ADR excluding non-cash financial income (US cents) | 3.1 | 5.5 | 4.1 | 8.4 |
| Diluted earnings per ADR (US cents) | 6.8* | 8.5 | 11.7* | 14.9* |
| Weighted average no. of ADRs used in computing basic earnings per ADR | 21,847,528 | 23,016,169 | 21,974,369 | 23,152,018 |
| Weighted average no. of ADRs used in computing diluted earnings per ADR | 27,104,994 | 28,409,024 | 27,231,931 | 28,526,486 |

* Under IAS 33 *Earnings per Share*, diluted earnings per share cannot be anti-dilutive. In a reporting period where it is anti-dilutive, diluted earnings per ADR should be constrained to equal basic earnings per ADR.

The above financial statements have been prepared in accordance with the principles of International Financial Reporting Standards and the Company's accounting policies but do not constitute an interim financial report as

defined in IAS 34 (Interim Financial Reporting).

Trinity Biotech plc

Consolidated Balance Sheets

| | June 30, 2017 US\$ 000 | March 31, 2017 US\$ 000 | Dec 31, 2016 US\$ 000 |
|--|------------------------------|-------------------------------|-----------------------------|
| | (unaudited) | (unaudited) | (audited) |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 14,462 | 14,163 | 13,403 |
| Goodwill and intangible assets | 90,438 | 88,996 | 87,275 |
| Deferred tax assets | 15,352 | 14,669 | 14,556 |
| Other assets | 873 | 828 | 870 |
| Total non-current assets | 121,125 | 118,656 | 116,104 |
| Current assets | | | |
| Inventories | 33,620 | 32,659 | 32,589 |
| Trade and other receivables | 24,856 | 22,683 | 22,586 |
| Income tax receivable | 1,220 | 1,290 | 1,205 |
| Cash and cash equivalents | 63,977 | 69,851 | 77,108 |
| Total current assets | 123,673 | 126,483 | 133,488 |
| TOTAL ASSETS | 244,798 | 245,139 | 249,592 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to the equity holders of the parent | | | |
| Share capital | 1,176 | 1,176 | 1,224 |
| Share premium | 16,122 | 16,122 | 16,187 |
| Accumulated surplus | 90,977 | 93,171 | 93,004 |
| Other reserves | (1,409) | (1,193) | (1,688) |
| Total equity | 106,866 | 109,276 | 108,727 |
| Current liabilities | | | |
| Income tax payable | 582 | 181 | 175 |
| Trade and other payables | 22,572 | 20,893 | 25,028 |
| Provisions | 75 | 75 | 75 |
| Total current liabilities | 23,229 | 21,149 | 25,278 |
| Non-current liabilities | | | |
| Exchangeable senior note payable | 95,245 | 95,462 | 96,491 |
| Other payables | 640 | 698 | 735 |
| Deferred tax liabilities | 18,818 | 18,554 | 18,361 |

| | | | |
|--------------------------------------|---------|---------|---------|
| Total non-current liabilities | 114,703 | 114,714 | 115,587 |
| TOTAL LIABILITIES | 137,932 | 135,863 | 140,865 |
| TOTAL EQUITY AND LIABILITIES | 244,798 | 245,139 | 249,592 |

The above financial statements have been prepared in accordance with the principles of International Financial Reporting Standards and the Company's accounting policies but do not constitute an interim financial report as defined in IAS 34 (Interim Financial Reporting).

Trinity Biotech plc

Consolidated Statement of Cash Flows

| <i>(US\$000 s)</i> | Three Months Ended June 30, 2017 (unaudited) | Three Months Ended June 30, 2016 (unaudited) | Six Months Ended June 30, 2017 (unaudited) | Six Months Ended June 30, 2016 (unaudited) |
|---|---|---|---|---|
| Cash and cash equivalents at beginning of period | 69,851 | 96,829 | 77,108 | 101,953 |
| Operating cash flows before changes in working capital | 3,739 | 5,282 | 6,006 | 7,786 |
| Changes in working capital | (367) | (3,234) | (2,575) | (3,862) |
| Cash generated from operations | 3,372 | 2,048 | 3,431 | 3,924 |
| Net Interest and Income taxes (paid)/received | 62 | 149 | 239 | (92) |
| Capital Expenditure & Financing (net) | (3,185) | (5,995) | (6,832) | (11,427) |
| Free cash flow | 249 | (3,798) | (3,162) | (7,595) |
| Share buyback | (3,096) | (4,699) | (4,929) | (6,026) |
| Payment of HIV-2 licence fee | | (1,112) | (1,112) | (1,112) |
| 30 year Exchangeable Note interest payment | (2,300) | (2,300) | (2,300) | (2,300) |
| Once-off items | (727) | | (1,628) | |
| Cash and cash equivalents at end of period | 63,977 | 84,920 | 63,977 | 84,920 |

The above financial statements have been prepared in accordance with the principles of International Financial Reporting Standards and the Company's accounting policies but do not constitute an interim financial report as defined in IAS 34 (Interim Financial Reporting).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRINITY BIOTECH PLC
(Registrant)

By: /s/ Kevin Tansley
Kevin Tansley
Chief Financial Officer

Date: 20 July 2017