



Preliminary Results

Year ended 30th September 2014



A Global Touch

Presented by Mark Cambridge, Chief Executive
& Claire Smith, Finance Director

December 2014

Overview

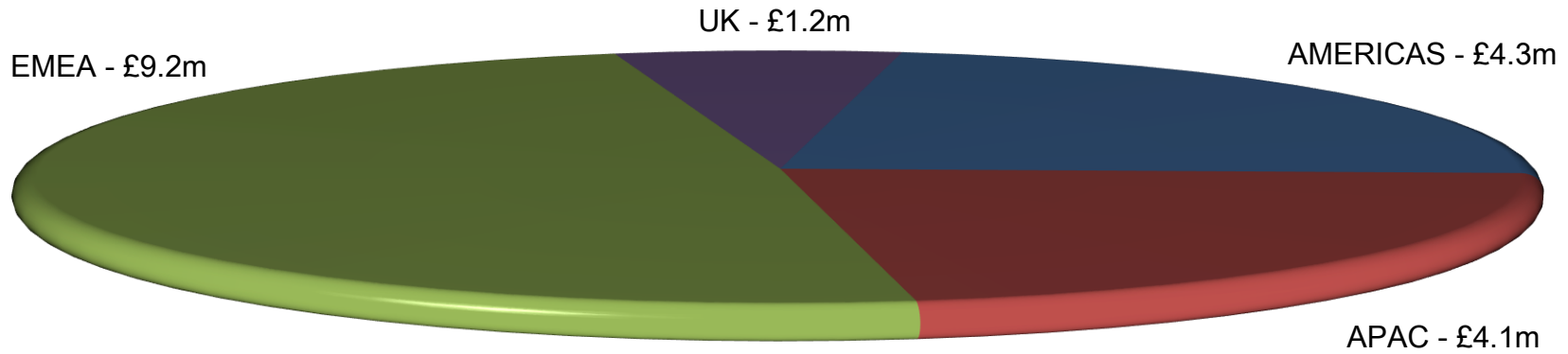
	Year ended 30 September		Growth
	2014	2013	
Revenue	£18.9m	£17.3m	+ 9%
Gross profit	£6.9m	£4.9m	+ 41%
Gross profit margin	37%	28%	+29%
Profit before tax	£3.3m	£1.9m	+68%
Reported EPS	19.6p	11.1p	+77%
Adjusted diluted EPS	19.5p	13.8p	+41%
Total dividend for year	10.0p	9.1p	+10%

Operational

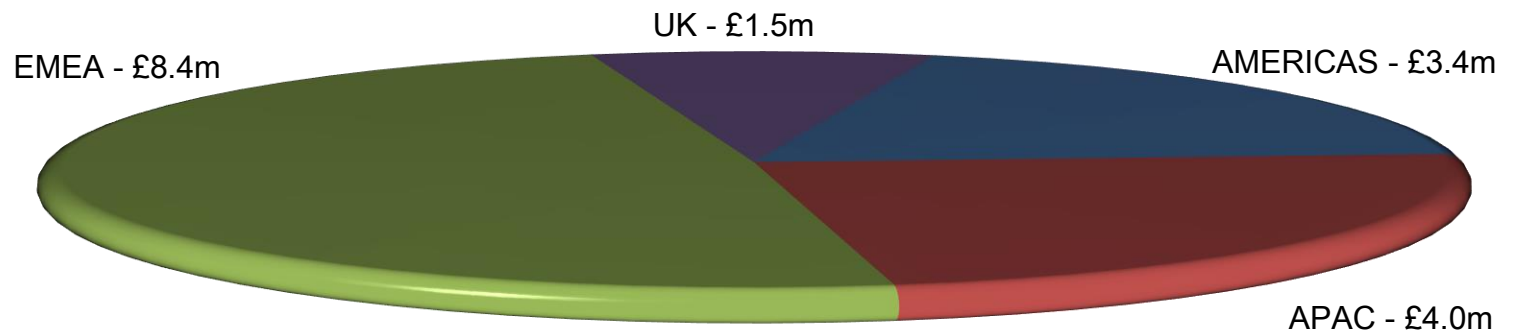
- Total revenues of £18.9m, representing an increase of 9% (2013: £17.3m)
 - 94% exported (2013: 92%)
- Non-Touch
 - Revenues continued to decline, down by £0.7m to £4.0m (2013: £4.7m)
 - ATM display filters account for 71% of total
- Touch
 - Revenues increased 18% to £14.9m (2013: £12.6m)
 - 79% of Group total (2013: 73%)
 - £14.2m or 95% exported (2013: £11.9m or 94%), an increase of 19%
 - Volume of sensors sold increased 11% to 139k units (2013: 126k)
 - Improved mix of sensor sizes, significant increase in >30" sizes
 - Gaming and Signage improving, driving larger sized deployments
 - Continuing momentum in large format MPCT™

Sales by Territory

Group Sales 2014 - £18.9m



Group Sales 2013 - £17.3m



Touch Product Markets & Applications

Gaming

Casino Systems, AV Jukebox,
Wagering/Lottery Terminal,
Pub Skill Games

Customisation
Reliability
Large size
Curved
Multi-touch



Industrial

Kiosks, HMI devices

Durability
Reliability
Gloved Hand
Multi-touch



Financial

ATM's, Bill Payment Kiosks, Financial
Kiosks

Vandal Resistance
All Weather Usage
Reliability
Gloved Hand
Encryption



Vending

Fuel Vend, Product Vend, Service
Vend

Size range
Durability
Multi-touch
Encryption



Telematics

Industrial, Agricultural, Marine, Mining
- Control systems

Small sizes
Reliability
Customisation
Gloved Hand



Signage

Interactive Tables, Wayfinding
Terminals, Menu-boards, POI
Systems

Ultra Large
Vandal Resistance
Through Glass
Multi-touch



Other

Cooking, Healthcare, Washing

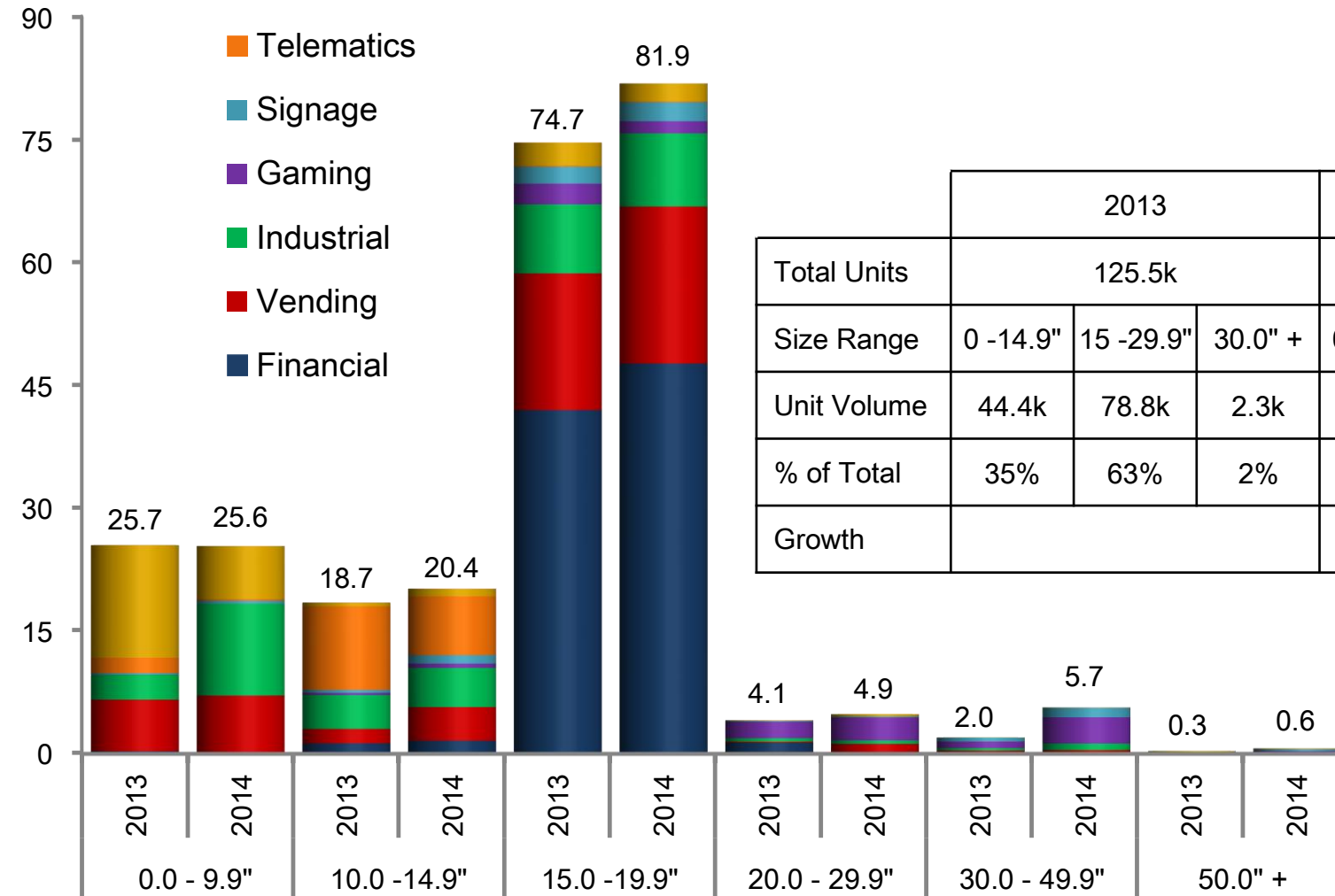
Customisation
Size Range
Durability
Through Glass
Spill Resistant
Reliability



Touch Volumes by Market & Size

'000 of Units

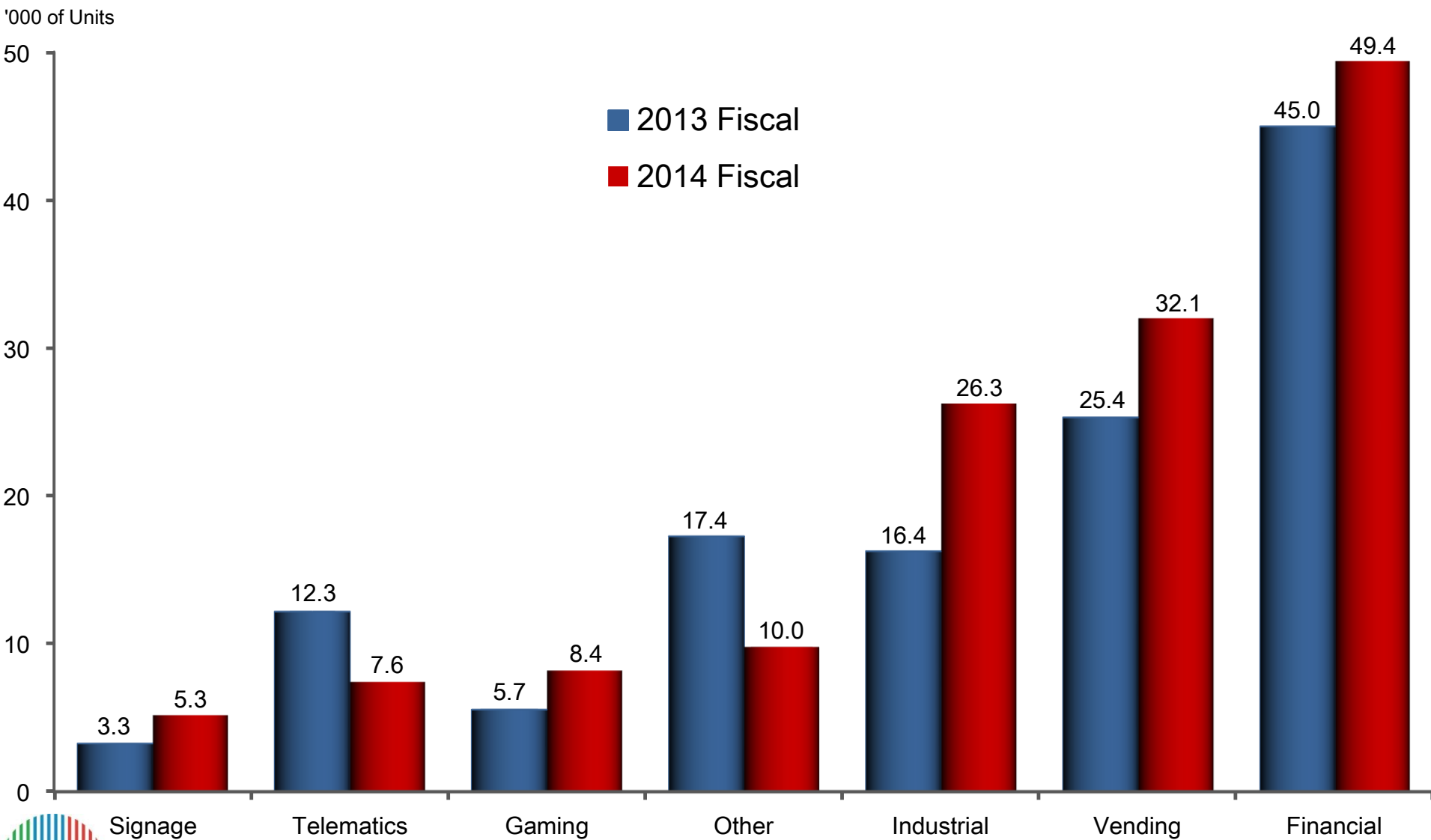
- Other
- Telematics
- Signage
- Gaming
- Industrial
- Vending
- Financial



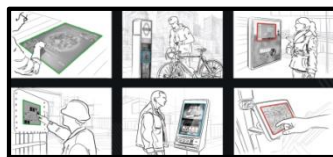
	2013			2014		
Total Units	125.5k			139.1k		
Size Range	0 -14.9"	15 -29.9"	30.0" +	0 -14.9"	15 -29.9"	30.0" +
Unit Volume	44.4k	78.8k	2.3k	46.0k	86.8k	6.3k
% of Total	35%	63%	2%	33%	62%	5%
Growth				+1.6k	+8.0k	+4.0k



Touch Volumes by Market



Sales & Marketing Initiatives



End-Use Markets
DEMAND GENERATION



OEM
ORIGINAL EQUIPMENT MANUFACTURER

Global Channel Partner Network
Agents and Value Added Resellers ("VAR's")



ZYTRONIC

SALES ACTIVITIES

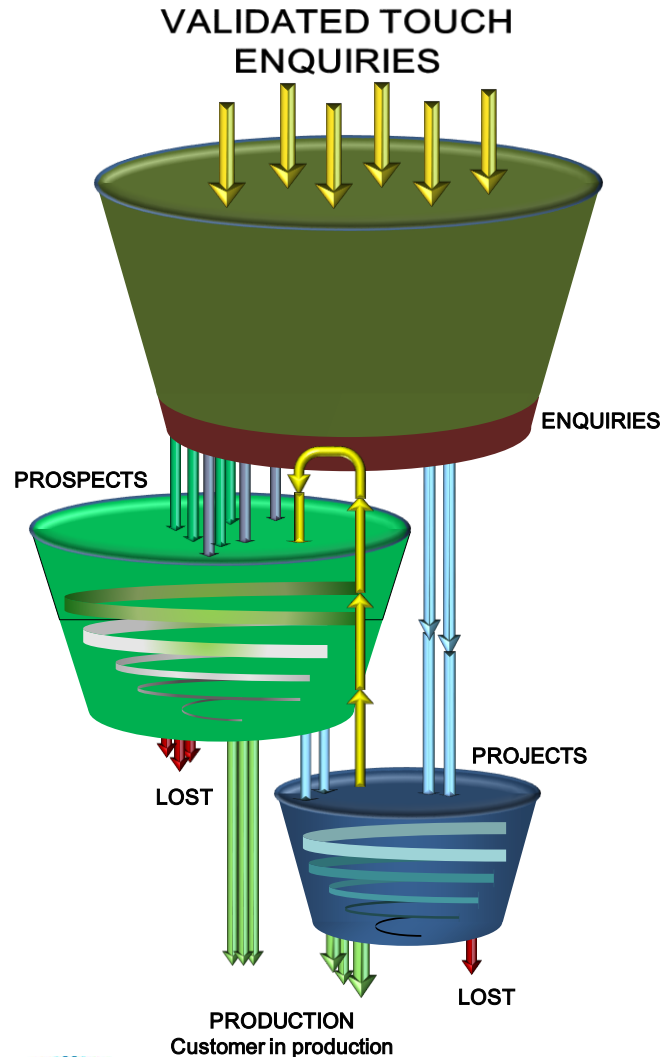
- Export focused sales
 - Establishment of Zytronic Inc. in USA
 - FastTrack China Agency
 - Coverage across 60 countries
 - 37 partner agreements
 - Brazil representation terminated
 - Re-invigoration of N. America representation
 - ~ New representative for Midwest states in USA

underpinned by

MARKETING ACTIVITIES

- Websites: www.zytronicplc.com & www.zytronic.co.uk plus China, Japan and USA microsites
- Trade PR - Printed press, Twitter, LinkedIn, YouTube, Blogs, etc.
- Trade Exhibitions;
 - Global Gaming Expo – 'G2E' – October 2013
 - Integrated Solutions Europe – 'ISE' – January 2014
 - InfoComm Expo – June 2014
 - Local Partner Expos

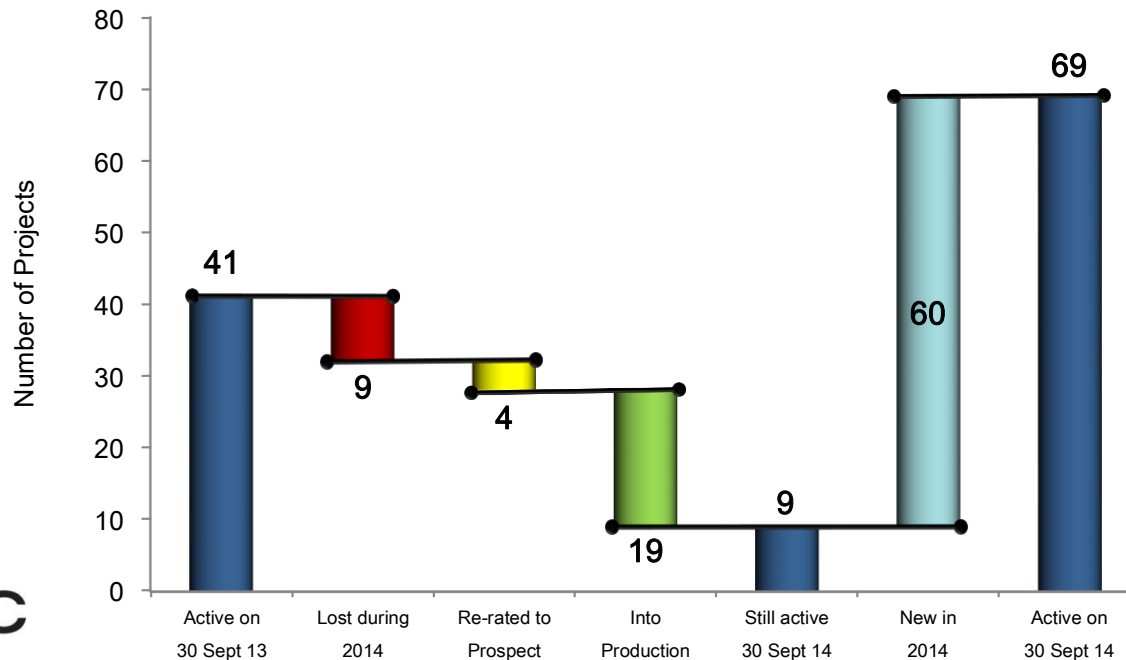
Enquiries Pipeline Analysis



TOTALS	As of 30 Sept '13	As of 30 Sept '14
VALIDATED ENQUIRIES	376	718
Active ENQUIRIES	76	53
Active PROSPECTS	183	237
Active PROJECTS	41	69
LOST Enquiries	41	204
In PRODUCTION	35	155

Projects Analysis

	Active on 30 Sept 13	Lost during 2014	Re-rated to Prospect	Into Production	Still active 30 Sept 14	New in 2014	Active on 30 Sept 14
Finance	5	0	2	0	3	7	10
Gaming	3	0	0	3	0	6	6
Vending	7	3	1	2	2	6	8
Signage	14	4	0	7	2	27	29
Industrial	6	2	1	1	2	9	11
Other	6	0	0	6	0	5	5
TOTALS	41	9	4	19	9	60	69



2014 Strategic Developments

Operations

- Additional 100” plotters added to increase capacity for screens >65”

Product

- ZXY300 MPCT™ controller for >55” multi-touch interactive systems
 - Productionised from February 2014
- International applications of MPCT™ patents made for National Phase in Europe, USA and China
- Large format curved touch solutions
 - Showcased on several stands at G2E 2014 Casino Gaming Expo
- Encrypted touch solutions
 - Actively working with Cryptera A/S, established provider of PCI certified encrypted payment solutions on their CryptoTouch® product range

Income Statement

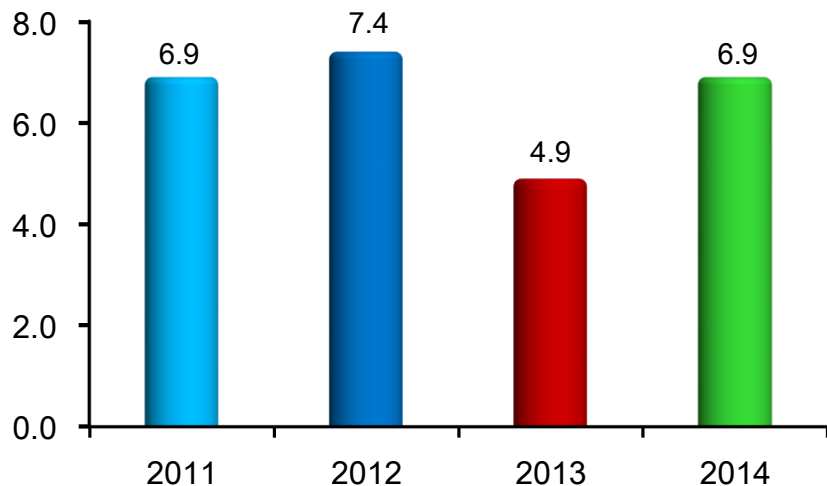
- Group revenue £18.9m (2013: £17.3m), year on year increase of £1.6m
- Gross profit margin of 36.6% (2013: 28.4%)
 - Greater volume of larger sized sensors sold
 - Operational efficiency improvements
- Year on year increase in admin expenses at £3.5m (2013: £2.9m)
 - Bonus provisions
 - Additional tax work for R&D relief
 - FX contract valuations
- PBT of £3.3m (2013: £1.9m)
- Net effective tax rate estimated at 9% (2013: 14%)
 - Average corporation tax rate for full year 2014 of 22%
 - Reduction for R&D tax credits and share option exercise reliefs
- Basic EPS of 19.6p (2013: 11.1p)
- Dividend for year increased by 10% to 10.0p (2013: 9.1p)

Balance Sheet & Cashflow

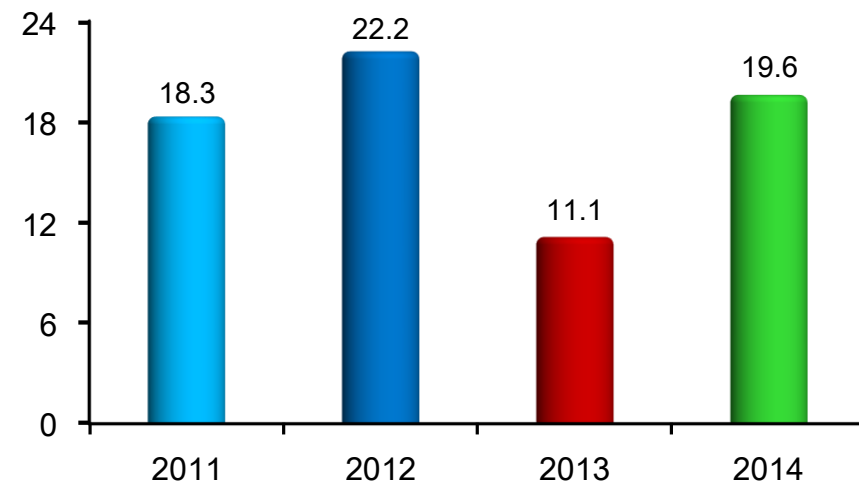
- Group retains strong financial position
- Currency fluctuation mitigated through natural hedging and FX contracts
 - Protected for 12 months ahead at any one time, budgeted currency rates known
- Cash position and cashflows
 - Strong net cashflow from operating activities £4.2m (2013: £3.3m)
 - Net cash (cash less overdrafts) increased to £7.8m (30 September 2013: £5.5m)
 - Borrowings further reduced to £1.5m (30 September 2013: £1.7m), repayable or renegotiated in FY2017.
 - Capex spend of £0.6m (2013: £0.7m)
 - Reduction in working capital of £0.1m (30 September 2013: £0.9m)
 - Taxation paid £0.5m (2013: £0.6m) – rebates expected due to claims in current year relating to prior year's.
 - Dividend payments of £1.4m (2013: £1.3m)

Key Financial Metrics

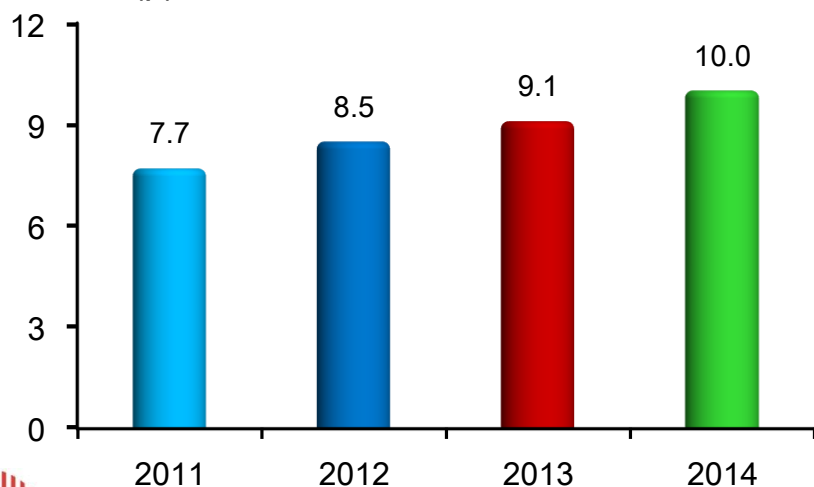
Gross profit (£m)



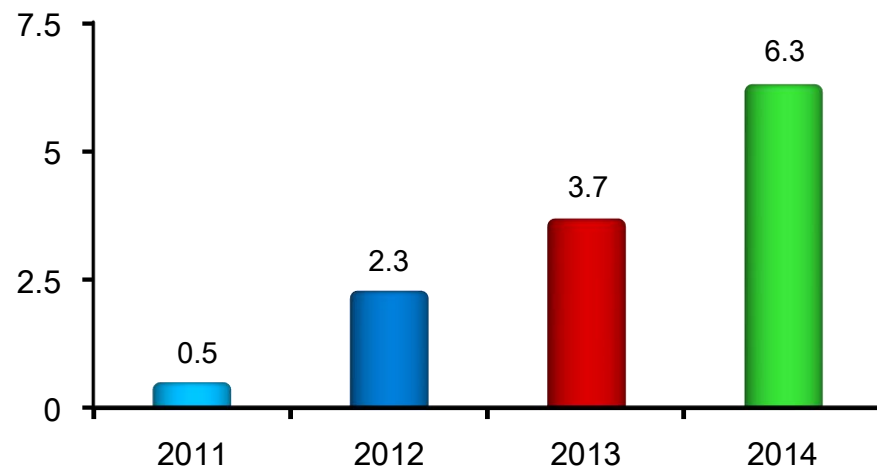
Earnings per share (p)



Dividend (p)



Cash less borrowings (£m)



2015 Target Developments

Sales and Marketing

- Establishment of Zytronic representative office to serve Greater China markets
- Increase channel partner network coverage in South America and the Middle East
- Implementation of new process flow CRM system
 - Automate projects pipeline analysis and improve forecasting processes

Operations

- Cleanroom expansion to increase capacity and meet changing customer requirements

R&D

- New controller development for MPCT™ sensor sizes below 19”
- Application Specific Integrated Chip (“ASIC”) for MPCT™ sensing
- New flexible and rollable foil sensor solutions

Summary & Outlook

- Significantly improved financial and operational performance
- Benefiting from improving size and technology mix of touch sensor solutions across a broad base
- Increasing pipeline of opportunities across target markets
- Strong balance sheet and cash generation
- Continued investment in business development and R&D
- Strong financial position leaves the Group well placed to deliver shareholder value
- Positive start to current year with output, input and projects ahead of last year

Appendices

Consolidated Income Statement

	30 September 2014 (£m)	30 September 2013 (£m)
Group revenue	18.9	17.3
Gross profit	6.9	4.9
Group trading profit	3.3	1.8
Group operating profit	3.3	1.9
Profit before tax	3.3	1.9
Tax expense	0.3	0.3
Profit after tax	3.0	1.7
Earnings per share		
Basic	19.6p	11.1p
Adjusted diluted	19.5p	13.8p

Consolidated Balance Sheet

	30 September 2014 £m	30 September 2013 £m
Non-current assets	8.9	9.3
Current assets (less cash)	6.2	5.9
Cash	7.8	5.5
Total assets	22.9	20.8
Current liabilities	2.8	2.5
Non-current liabilities	2.1	2.2
Total liabilities	4.9	4.7
Net assets	18.1	16.1

Consolidated Cashflow Statement

	12 months to 30 September 2014 £m	12 months to 30 September 2013 £m
Operating activities	3.3	1.9
Depreciation and amortisation	1.0	1.1
Movement in working capital	0.1	0.9
Tax paid	0.5	0.6
Capex	0.6	0.7
Dividends	1.4	1.3
Increase in cash	2.3	1.3
Cash at year end	7.8	5.5

Vision & Mission

Vision

- Zytronic's touch sensor product ranges to be pre-eminent in those regions and uses requiring medium to ultra-large sized touch interactive systems

Mission

- Expansion of our global sales footprint, through regional sales channel partnership agreements
- Focus on growing vertical markets where we have a competitive advantage: vending, public information, industrial, financial and gaming equipment

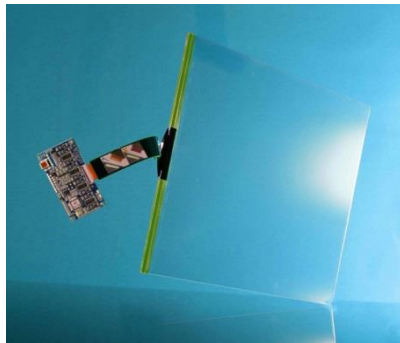
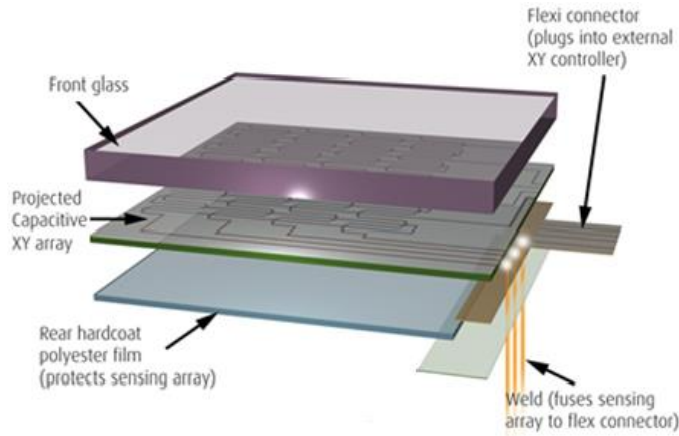
Key Milestone Events

YEAR	DESCRIPTION
2014	Zytronic Inc. opened in Atlanta, Georgia, for pre and post technical sales support services
2013	MPCT™ touch solution wins two prestigious international engineering awards
2012	Development and patent filing of Mutual Projected Capacitive Technology (MPCT™) touch solution
2011	ZYPOS design win for Bosch Siemen's Gaggenau induction cooktop. Investment in additional equipment and cleanroom refurbishment to drive efficiency gains
2010	ZXY100 Series controllers and chipset solution to market
2009	ZYPOS design wins for Coca-Cola Freestyle™ drinks dispensing machine and Aristocrat Indago™ gambling equipment
2008	ZYPOS manufacturing facility operational. Electronics development programme of ZDL ASIC and ARM® processor for new touch controller
2006	ZYPOS® development. Acquisition of new building for future ZYPOS manufacturing
2005	ZYTOUCH design wins for Petrol Pump applications; Route to market defined through Global Channel partners of Agents and Value Add Resellers (VAR's)
2002	ZYTOUCH design wins for ATM's (2 of the global top 3) and BT Webphone
2001	First Commercial PCT based product to market – trade named ZYTOUCH®
2000	Zytronic quoted on London Stock Exchange (LSE), Alternative Investment Market (AIM)



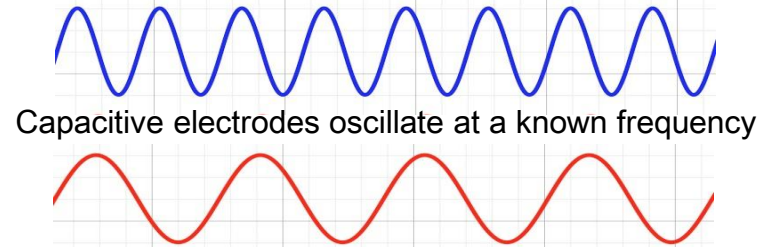
Zytronic's PCT™ & MPCT™ Sensing

PCT™ & MPCT™ Configurations



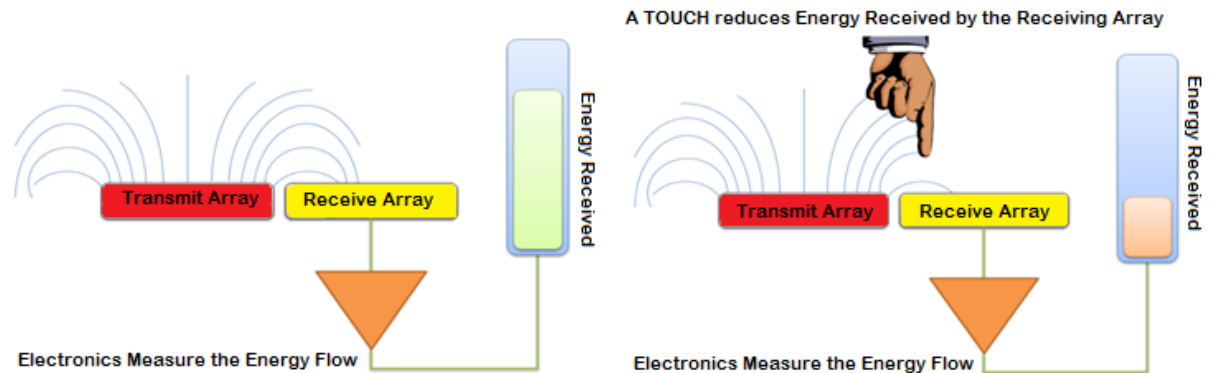
Saleable sensor and controller

PCT™ - often referred to as self-capacitance



Applying a finger due to the body's self-capacitance changes the frequency of oscillation. Measuring the change on an XY array, identifies the 2D touch point.

MPCT™ - referred to as mutual-capacitance



The X axis acts as a transmitter whilst the Y acts as a receiver. The common term applied to the sensing technique is Mutual Capacitance.

Competition Comparison

- Zytronic's PCT™ & MPCT™ products used in industrial and public access markets and not consumer markets
- Historical competing technologies are Acoustic, Surface Capacitive and Infra-Red/Optical touch
- Increasing competition from ITO & Metal Mesh based Projected Capacitive suppliers (3M, TPK, etc.)
- Commercial availability of in-cell touch by display manufacturers is disruptive, albeit in the small size ranges

	Environmental				Touch				Physical				
	Surface Durability	Vandal Resistance	Dust/Water Resistance	Optical Clarity	Finger or Hand	Gloved Hand Input	Other inputs (pens etc.)	Dual-Touch Capability	Bezel-less Designs	Small Displays (<5")	Medium Displays (6-10")	Large Displays (10-40")	Ultra Large Displays (>42")
Projected Capacitive	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Surface Capacitive	Orange	Orange	Red	Orange	Green	Red	Orange	Red	Red	Green	Green	Orange	Red
Infra-Red	Green	Orange	Orange	Green	Green	Orange	Green	Green	Red	Orange	Orange	Green	Green
Acoustic	Green	Orange	Red	Green	Green	Orange	Red	Orange	Orange	Green	Orange	Orange	Red
	GOOD				AVERAGE				POOR				

Board Biographies

Non-Executive Chairman - Tudor Griffith Davies , B.Sc

Tudor has over twenty years listed company experience as a Director of Castle Support Services plc, Chairman of Dowding & Mills Plc, Chairman of Stratagem plc, Chairman and Chief Executive of Hicking Pentecost Plc, and a Non-Executive Director of Scottish Highland Hotels Plc.

Chief Executive Officer - Mark Cambridge , B.Sc (Hons), FIoD

Mark was appointed to the board of Zytronic Plc in June 2007 and subsequently to Chief Executive on 21 January 2008. Mark graduated in 1986 in Materials Science and has a Securities Institute Certificate in Corporate Finance (2003). He has held the positions of Technical & Quality Director, Sales and Marketing Director and is presently Managing Director of Zytronic Displays Limited the operating subsidiary and President of Zytronic Inc., the USA, technical sales support services operation.

Group Finance Director – Claire Louise Smith, B.A. (Hons), ACMA, GCMA, CertICM

Claire graduated in 2000 in Business and Finance, attained CIMA accreditation in 2006 and a certificate in International Cash Management in 2011. She held various positions with Procter & Gamble and the NAAFI, before joining Zytronic Displays Limited in April 2007, as Group Financial Controller. In 2012, Claire was appointed Finance Director of the operating subsidiary Zytronic Displays Limited and Finance Director of Zytronic plc in January 2014.

Senior Independent Non-Executive Director - Sir David Robert Macgowan Chapman Bt., DL, B Comm.

Sir David is a former Director of Northern Rock plc, the London Stock Exchange and was a member of the Greenbury Committee on Corporate Governance. Sir David is currently Chairman of the Virgin Money Pension Scheme and is on the Advisory board of the North East Finance.

Independent Non-Executive Director - David John Buffham

David worked at the Bank of England for 32 years until 2010. Most recently he was the Bank's Agent for the North East of England for nine years. David is a director of Newcastle Building Society and William Leech (Investments) Ltd.