

Interim Results to period ended 31 March 2021



Mark Cambridge - Chief Executive  
Claire Smith - Finance Director

May 2021

- COVID-19 impacts on business continued
- Revenues of £4.8m (H1 2020: £7.4m)
- EBITDA of £0.2m (H1 2020: £1.0m)
- LBT of £0.3m (H1 2020: £0.5m PBT)
- Corporation tax credit of £0.1m (H1 2020: charge of £0.1m)
- Fully diluted LPS of 1.2p (H1 2020: 2.5p EPS)
- Return of capital through a Tender Offer, 4.6m reduction in shares for £6.7m cash
- Net cash of £7.8m (30 September 2020: £14.0m)

# Consolidated statement of comprehensive income



	Unaudited six months to 31 March 2021	Unaudited six months to 31 March 2020	Audited 12 months to 30 Sept 2020
Group revenue	<b>£4.8m</b>	£7.4m	<b>£12.7m</b>
Gross profit	<b>£1.3m</b>	£2.2m	<b>£2.6m</b>
Gross margin	<b>27.0%</b>	30.3%	<b>20.1%</b>
Group trading (loss)/profit	<b>(£0.3m)</b>	£0.4m	<b>(£1.0m)</b>
Trading margin	<b>(6.6%)</b>	5.7%	<b>(7.6%)</b>
Net income	<b>£0m</b>	£0.1m	<b>£0.5m</b>
(Loss)/profit before tax	<b>(£0.3m)</b>	£0.5m	<b>(£0.4m)</b>
Tax credit/(expense)	<b>£0.1m</b>	(£0.1m)	<b>£0.1m</b>
(Loss)/profit for the period	<b>(£0.2m)</b>	£0.4m	<b>(£0.3m)</b>
(Loss)/earnings per share, (LPS)/EPS			
Basic	<b>(1.2p)</b>	2.5p	<b>(1.8p)</b>
Diluted	<b>(1.2p)</b>	2.5p	<b>(1.8p)</b>

- Group revenue £4.8m (H1 2020: £7.4m)
- Gross profit margin of 27.0% (H1 2020: 30.3%)
  - COVID-19 impact on mix of sensors sold, with less large and curved format sensors being invoiced, predominantly in Gaming market
- Admin expenses of £1.5m (H1 2020: £1.7m)
- EBITDA of £0.2m (H1 2020: £1.0m)
- Reported LBT of £0.3m, (H1 2020: PBT of £0.5m)
- Tax credit of £0.1m (H1 2020: £0.1m charge)
- LPS of 1.2p (H1 2020: 2.5p EPS), fully diluted LPS of 1.2p (H1 2020: EPS of 2.5p)

# Consolidated statement of financial position



	Unaudited six months to 31 March 2021	Unaudited six months to 31 March 2020	Audited 12 months to 30 Sept 2020
Non-current assets	<b>£6.4m</b>	£7.3m	£6.9m
Current assets (less cash)	<b>£3.5m</b>	£6.1m	£4.2m
Cash	<b>£7.8m</b>	£12.4m	£14.0m
Total assets	<b>£17.7m</b>	£25.8m	£25.1m
Current liabilities	<b>(£1.0m)</b>	(£1.5m)	(£1.5m)
Non-current liabilities	<b>(£0.5m)</b>	(£0.5m)	(£0.5m)
Total liabilities	<b>(£1.5m)</b>	(£2.0m)	(£2.0m)
Net assets	<b>£16.2m</b>	£23.8m	£23.1m

# Consolidated cashflow statement



	Unaudited six months to 31 March 2021	Unaudited six months to 31 March 2020	Audited 12 months to 30 Sept 2020
(Loss)/profit before tax	<b>(£0.3m)</b>	£0.5m	(£0.4m)
Depreciation and amortisation	<b>£0.5m</b>	£0.6m	£1.2m
Movement in working capital	<b>£0.2m</b>	£0.9m	£3.2m
Tax received/(paid)	<b>£0.1m</b>	(£0.1m)	(£0.2m)
Net cash from operating activities	<b>£0.4m</b>	£1.9m	£3.2m
Net cashflow used in investing activities	<b>nil</b>	(£0.2m)	(£0.3m)
Net cashflow used in financing activities	<b>(£6.7m)</b>	(£2.4m)	(£2.0m)
(Decrease)/increase in cash	<b>(£6.3m)</b>	(£0.8m)	£0.9m
Net cash	<b>£7.8m</b>	£12.4m	£14.0m

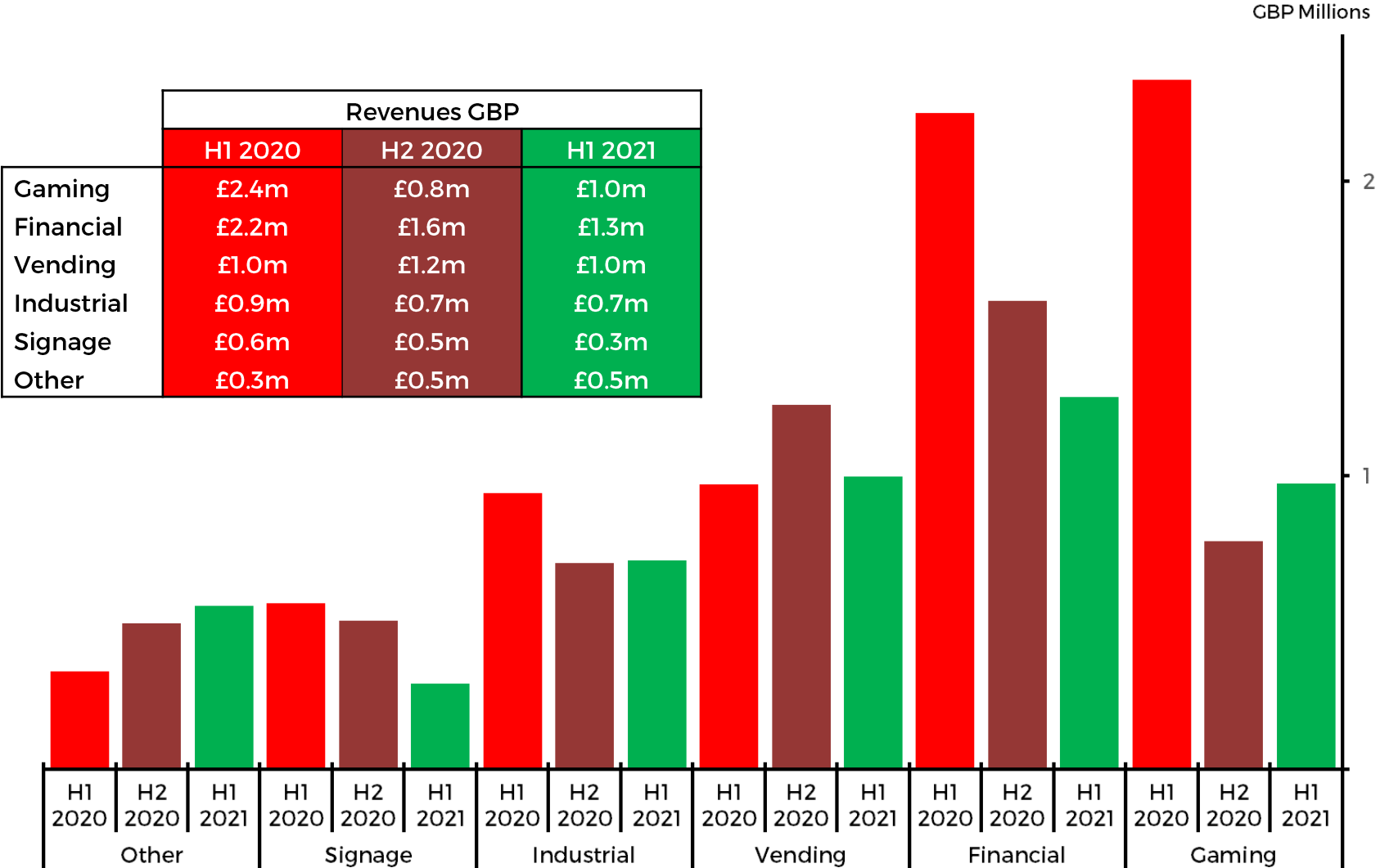
- Group statement of financial position remains strong with reported cash of £7.8m after utilising £6.7m of surplus cash to buy back 4,624,889 shares under a Tender Offer in February 2021
- Currency
  - Hedging strategy remains beneficial with more natural hedging in EUR
  - Surplus USD & EUR forward FX contract cover of 3-4 months, in line with WC
    - Asset of < £0.1m (H1 2020: liability of £0.1m), (30 September 2020: liability of <£0.1m)
- Cash position and cashflows
  - Cash inflow from operating activities of £0.4m (H1 2020: £1.9m)
  - Working capital £0.2m decrease (30 September 2020: £3.2m decrease)
  - Capex spend of < £0.1m (H1 2020: £0.2m)
  - Tax refund of £0.1m over period (H1 2020: £0.1m paid)
  - Return of capital through a Tender Offer returned £6.7m of cash
  - Net cash of £7.8m (30 September 2020: £14.0m)

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- Global travel restrictions continue to be imposed, affecting sales and marketing activities
    - No exhibitions attended since start of COVID-19 restrictions
  - Manpower matched to workflow requirements post 2020 redundancies
    - Short-time working employed across whole business through Q1 period, without utilising the extended CJRS
  - Ongoing electronic component supply chain impacts, as demands of large entities massively outstrip supplier capacities
  - Business disruption apparent in all markets, but all showing some signs of improvement in Q2 period, particularly Gaming and Financial



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- Total revenues of £4.8m (H1 2020: £7.4m)
    - COVID-19 impacts in H1 FY21, closer aligned to H2 FY20 performance levels, making prior period comparisons non-meaningful
      - FY20 H2 of £5.3m
  - Total export revenue of £4.5m, 95% of total (H1 2020: £7.1m, 96%)
  - Gaming: COVID-19 and casino shutdowns from April '20 continued to impact sales, until return of some OEM operators and improving monthly orders from January '21
  - Financial: COVID-19 continued to impact sales in the period but order levels increased through Q2 for anticipated improving average monthly Q3 demand
  - Vending: Italian and Spanish sales compensating for drop in USA
  - Industrial: Europe and USA sales continue to be impacted by COVID-19
  - Signage: Smart City street furniture deployments in USA affected by COVID-19, impact South Korean supply chain sales
  - Other: Healthcare benefitting from COVID-19 equipment requirements from Singapore and Telematic for sales in Canada (rail)

# Sales - revenues by markets



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# Touch sales - sensor size range and markets

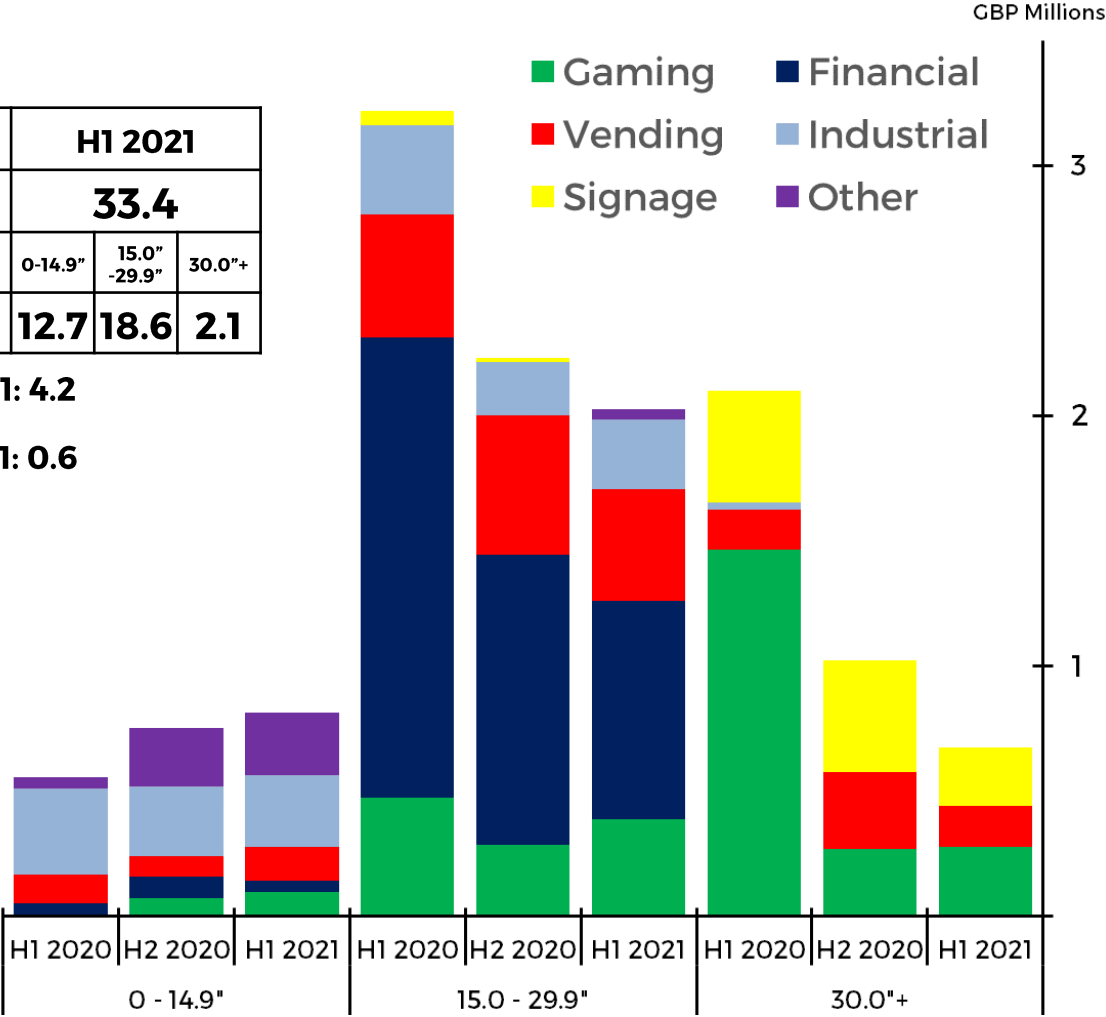


	H1 2020			H2 2020			H1 2021		
Total Units ('000)	<b>43.9</b>			<b>33.7</b>			<b>33.4</b>		
Size Range	0-14.9"	15.0"-29.9"	30.0"+	0-14.9"	15.0"-29.9"	30.0"+	0-14.9"	15.0"-29.9"	30.0"+
Units ('000)	<b>9.1</b>	<b>29.1</b>	<b>5.7</b>	<b>9.7</b>	<b>21.2</b>	<b>2.8</b>	<b>12.7</b>	<b>18.6</b>	<b>2.1</b>

MPCT™ units ('000) H1 2020: 8.6, H2 2020: 5.4, **H1 2021: 4.2**

Curved units ('000) H1 2020: 3.5, H2 2020: 0.5, **H1 2021: 0.6**

COVID-19 impact on Gaming Market affecting both MPCT™ and Curved



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Note: Revenues are touch sensors only and exclude controllers and ancillaries



- Elektra Awards 2020 Winner – ZYBRID®<sup>HOVER</sup> Passive & Electromechanical Product of the Year
- Digital marketing focused due to lack of physical marketing at exhibitions
- Release of numerous case studies, whitepapers and ‘thought’ pieces, see [www.zytronic.co.uk/news/](http://www.zytronic.co.uk/news/)



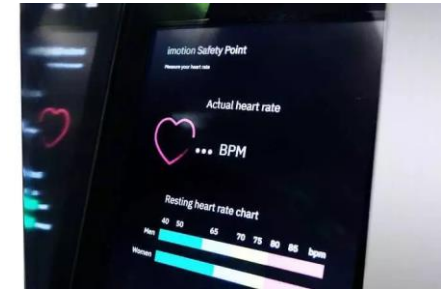
CityPost™ smart kiosks – Nanov Displays (USA)



Singha Estates' prestigious ESSE Asoke development – DEC Media Co. Ltd (Thailand)

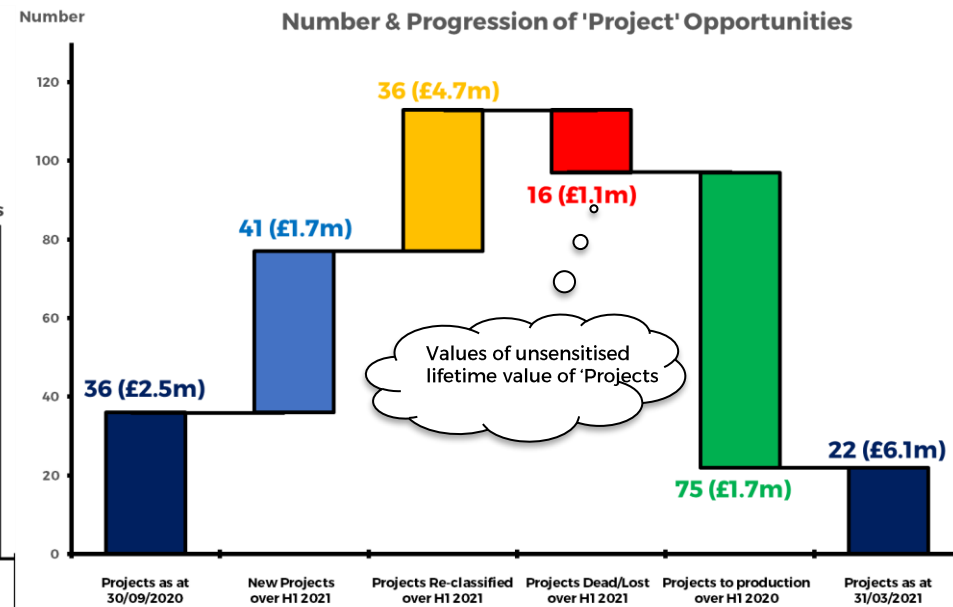
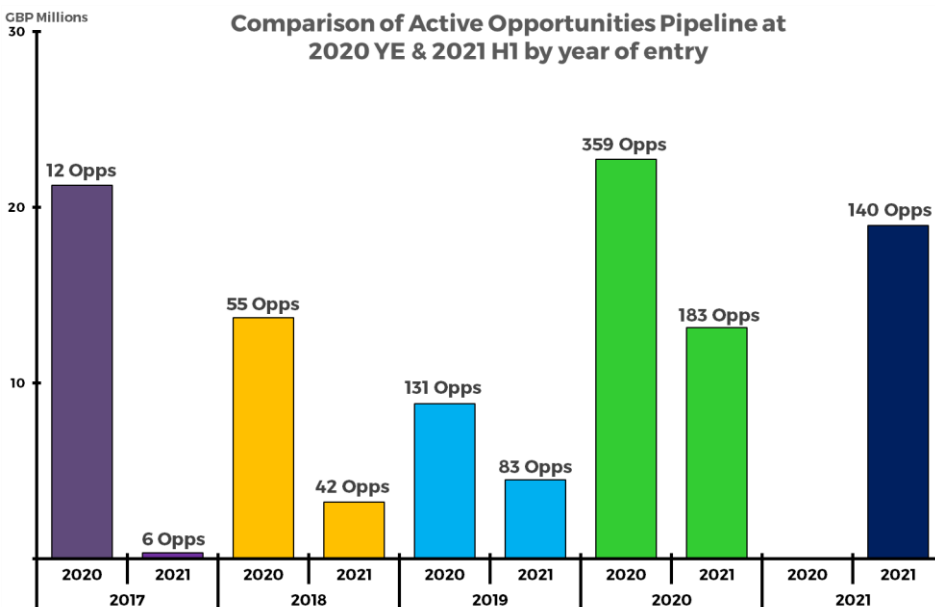


Radiant Touch™ interactive transparent OLED display – INNOVATUS (Germany)



Digital signage totem, with built-in automated external defibrillator (AED) – INFINITUS (Slovenia)

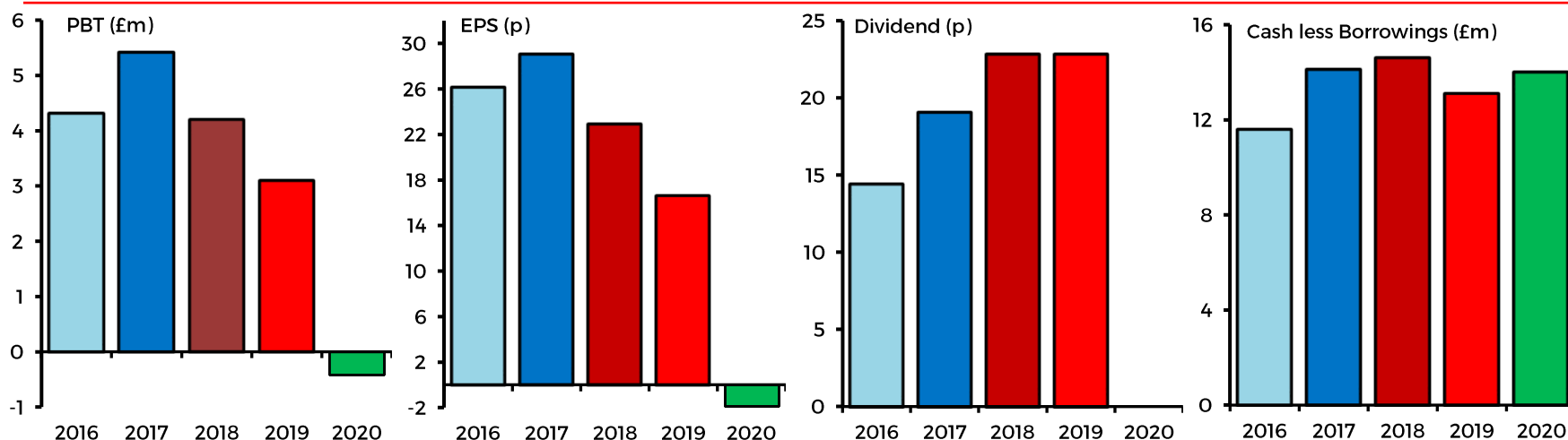
- New innovative ElectroglasZ™ product developed, combining expertise of lamination, metallised coated glass and electronic capabilities
  - [ElectroglasZ™- transparent power delivery - Zytronic UK](#) (follow to go to web info)
- CRM opportunities analysis as at 31 March 2021
  - 455 opportunities, projected value of £40m (30 September 2020: 557, £67m)
    - COVID-19 has impacted opportunity log, as customers review and refine their business proposition



- H1 trading COVID-19 impacted at levels more consistent with H2 2020
- Continued innovation in glass and electronics based technologies
- Opportunity levels provide platform for improved performance
- Expectation is for COVID-19 to continue to impact until FY2022
- Signs of an improving order intake which may drive a better H2

# Appendices

# 5yr financial comparisons



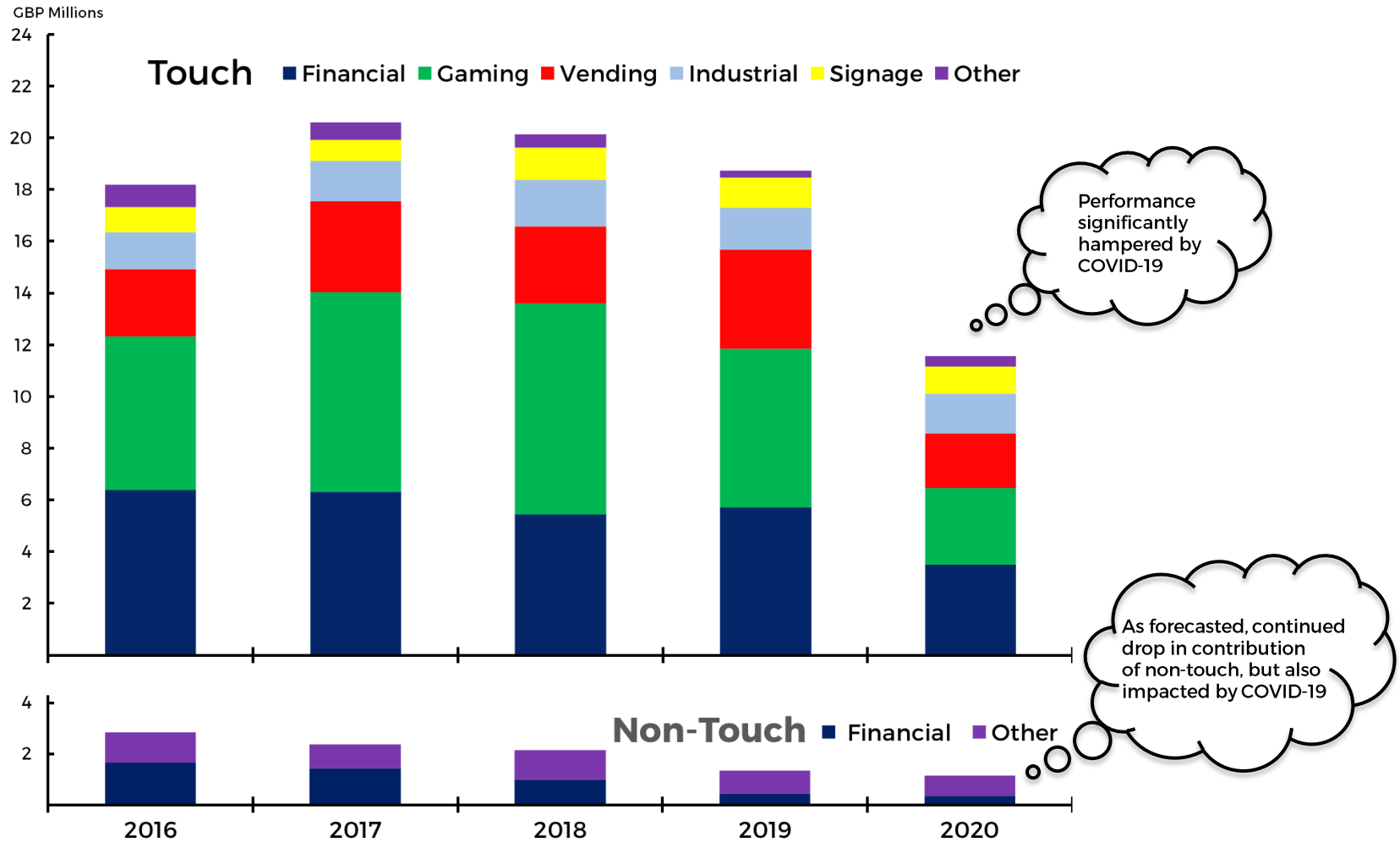
	Year ended	30-Sept-16	30-Sept-17	30-Sept-18	30-Sept-19	30-Sept-20
Revenue (£m)		21.1	22.9	22.3	20.1	<b>12.7</b>
Gross margin (%)		42.8	41.1	37.0	33.7	<b>20.1</b>
EBITDA (£m)		5.4	6.6	5.2	4.1	<b>0.2</b>
PBT/(LBT) (£m)		4.3	5.4	4.2	3.1	<b>(0.4)</b>
EPS/(LPS) (FD)/(AD) (p)		26.1	29.0	22.7	16.6	<b>(1.8)</b>
Dividends for year (p)		14.41	19.0	22.8	22.8	<b>nil</b>
Net cashflow from operating activities (£m)		5.6	4.7	4.8	2.8	<b>3.2</b>
Net cash (£m)		11.6	14.1	14.6	13.1	<b>14.0</b>

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# 5yrs - revenues by products and markets

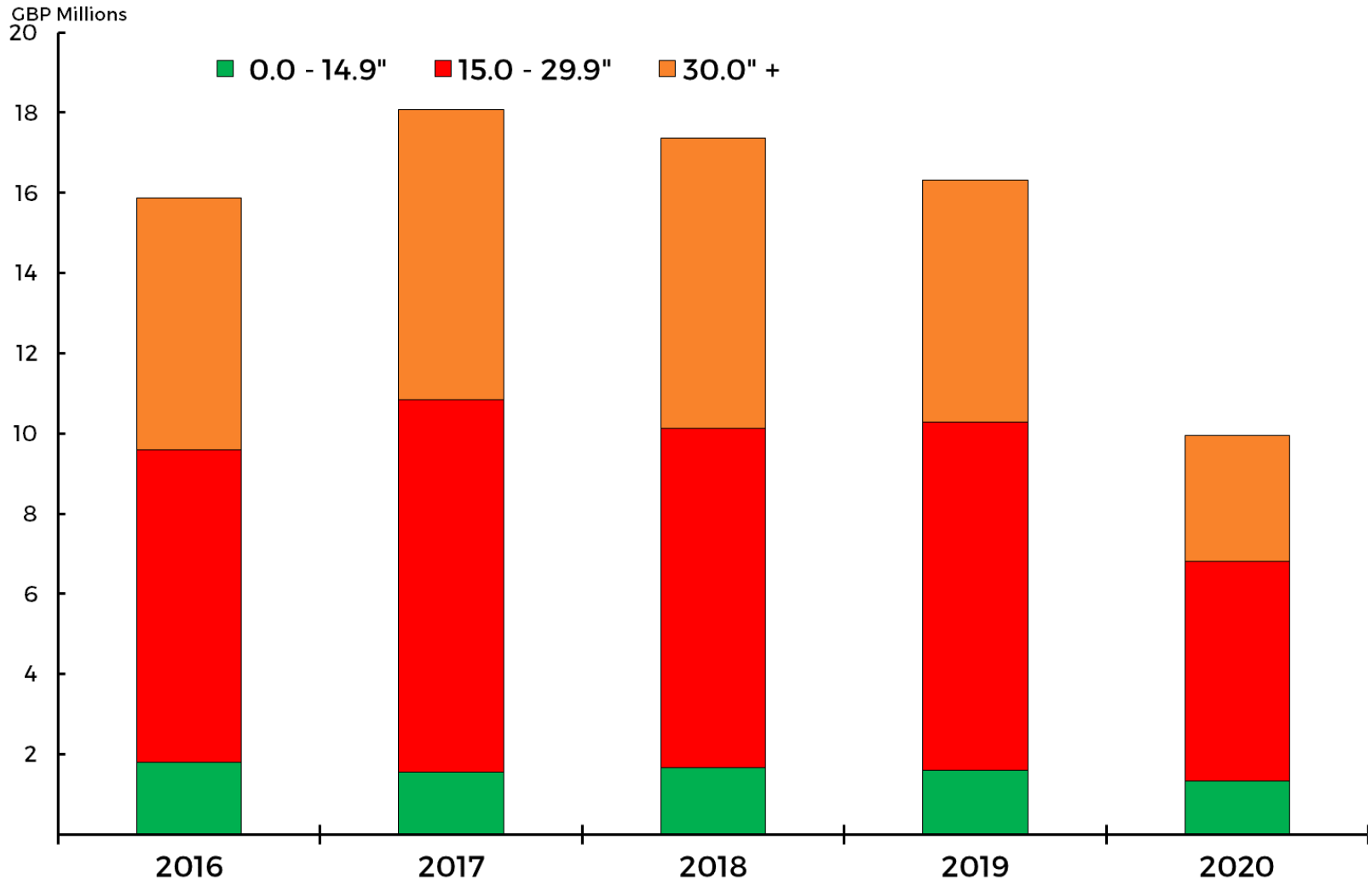


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Note: Touch revenues are fully inclusive of sensors, controllers, ancillaries and non-recurring engineering charges

# 5yrs sensor touch sales - sensor size ranges



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Note: Revenues are touch sensors only and exclude controllers and ancillaries

# Shareholder profile



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<b>Shareholding &gt;3% (by parent company) as of 30 April 2021</b>	<b>(%)</b>
Interactive Investor Trading	13.22
Hargreaves Lansdown PLC	13.11
Private Stakeholders (UK)	6.33
Barclays Bank	5.23
Canaccord Genuity Group Inc	4.55
A J Bell Group	4.53
Woodland Investment Management	4.03
Lloyds Banking Group	3.45
Directors & related parties	2.14
<b>Total Shares as of 30 April 2021</b>	<b>11,419,152</b>

## **Non-Executive Chairman - Tudor Griffith Davies**

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, Chief Executive and subsequently Chairman of Hicking Pentecost Plc, and a Non-Executive Director of Scottish Highland Hotels Plc. He is currently Chairman of Assetco plc

## **Chief Executive Officer - Mark Cambridge**

Mark after being appointed to the board of Zytronic Plc in June 2007 became Chief Executive in January 2008. Mark is a graduate in Materials Science with prior industrial experience in the nuclear and metal casting industries and has a Securities Institute Certificate in Corporate Finance. He has held positions within the operating subsidiary Zytronic Displays Limited of Technical and Quality Director, Sales and Marketing Director and has been its Managing Director since 2006 and is also President of its USA subsidiary Zytronic Inc.

## **Group Finance Director - Claire Louise Smith**

Claire is a graduate in Business and Finance, CIMA accredited with a certificate in International Cash Management. 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. Claire is also the Group Company Secretary

## **Independent Non-Executive Director - David John Buffham**

David worked at the Bank of England until 2010, and as the Bank's Agent for the North East of England from 2001. David was a Director of William Leech (Investments) Ltd and Newcastle Building Society. David is the Chairman of the Audit Committee and the Remuneration Committee