



Results for the year ended 30 September 2022



December 2022

- Increase in revenues to £12.3m (2021: £11.7m)
- Gross margin improved to 30.5% (2021: 30.3%), despite increased costs of manufacture, as a result of a positive change in product mix
- Gaming revenues increased 62% to £4.7m, Vending increased 39% to £3.6m, offset by a 59% reduction in Financial to £1.2m
- Volume increase in sale of large (> 30" diagonal) sensors of 70% to 13k units, multi-touch technology sensors of 44% to 18.5k units, and curved format sensors of 97% to 7k units
- EBITDA of £1.5m (2021: £1.4m), PBT of £0.7m (2021: £0.5m)
- Basic EPS increased by 87% to 5.6p (2021: 3.0p)
- Proposed final dividend of 2.2p, a 47% increase on prior year (2021: 1.5p)
- Share buyback programme returned a further £2.0m of surplus cash and cancelled 1.3m shares
- Closing net cash of £6.4m (30 September 2021: £9.2m)

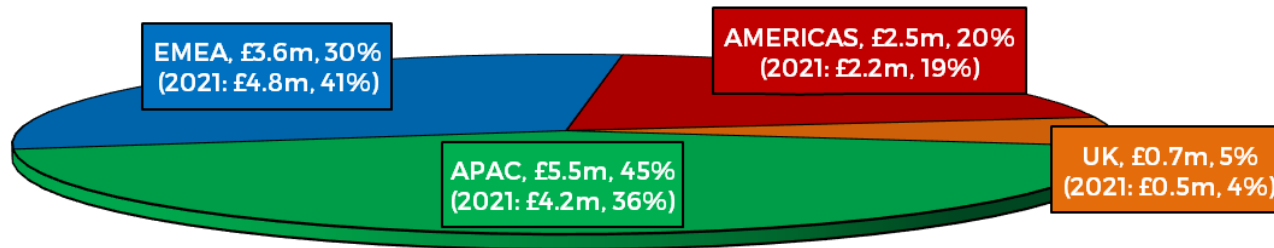
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- Group revenue increased by 5.6% to £12.3m (2021: £11.7m)
 - Gross profit margin improved to 30.5% (2021: 30.3%), influenced by;
 - Improved mix of products sold
 - Not being exposed to significant rises in utility costs
 - Increased raw material costs, due to supply chain shortages
 - Labour inflation considerations from April onwards and labour availability
 - Commissions payable due to channel partner sales increases, in Gaming
 - Admin expenses of £2.8m (2021: £2.9m)
 - Reduction in professional fees over the year
 - H2 higher than H1 due to significant April pay awards
 - Expectation that as travel and marketing resumes to normality, these costs will increase.
 - EBITDA of £1.5m (2021: £1.4m)
 - Reported PBT increase of 40% to £0.7m (2021: £0.5m)
 - Tax expense of £0.1m, on effective tax rate of 13% (2021: £0.1m and 10%)
 - EPS (basic only) increased by 87% to 5.6p (2021: 3.0p)
 - Proposed final dividend of 2.2p, a 47% increase on the prior year (2021: 1.5p)

Statement of financial position & cashflow



- Group statement of financial position remains strong with reported cash of £6.4m, after £2.0m capital reduction for repurchase and cancellation of 1,257,415 shares at weighted average price of 161p, through on market buyback programme between February and May 2022 (30 September 2021: £9.2m)
- Currency
 - Hedging strategy remains beneficial with more natural hedging in EUR
 - Maintained through FY22 surplus USD & EUR forward FX contract cover of 3-4 months, in line with working capital
 - Non material liabilities at year end £0.1m (2021: <£0.1m)
- Cash position and cashflows
 - Cash utilised in operating activities of (£0.1m) (2021: generated £2.1m)
 - Working capital £1.4m increase (30 September 2021: £0.6m decrease)
 - Stocks and debtors increased, creditors increased
 - Capex spend of £0.5m (2021: £0.3m)
 - R&D £0.2m (2021: £0.1m), Plant & Equipment £0.3m (2021: £0.2m)
 - ERP implementation commenced, to complete in FY2023
 - Tax paid £0.2m (2021: tax received < £0.1m)
 - Dividend payments during period £0.2m (2021: £Nil)

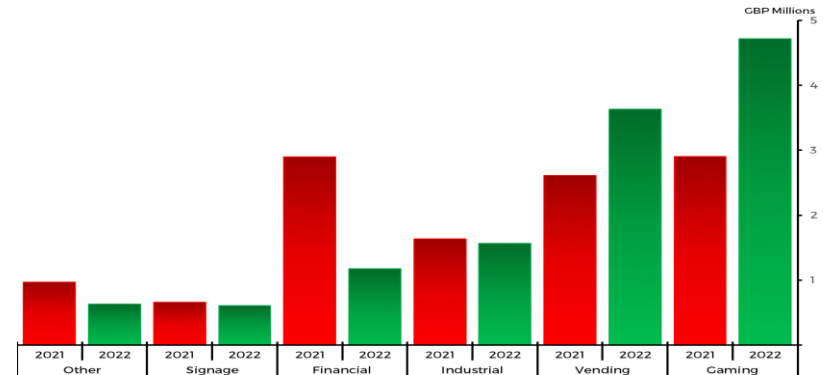
- Total revenues increased 5.6% to £12.3m (2021: £11.7m)
 - H2 revenue weighting of 52% at £6.4m, H1 48% at £5.9m, closer to historic norm, than 59% and 41% observed in FY21
 - Export revenues of 95% (FY21: 96%)



- Global effects of COVID-19 continue to affect business conditions and constrain timing of organic recovery
 - H1 order intake was 33% higher at £7.4m than H2 at £4.9m, as customers placed increased H1 order visibility for H2 output
 - Electronic component supply chains impacted throughout year, creating supply vacuum and price inflation
 - Omicron variants delayed new business development lead generation processes and external marketing activities until late April onwards
- Russian war in Ukraine has immediate impact on EMI product orders and our encrypted touch in partners' longer-term opportunities for their product solutions

- Gaming and Vending markets increase against FY21, countered by drop in Financial

Market	2022	2021
Gaming	£4.7m	£2.9m
Vending	£3.6m	£2.6m
Industrial	£1.6m	£1.6m
Financial	£1.2m	£2.9m
Signage	£0.6m	£0.7m
Other	£0.6m	£1.0m
Total	£12.3m	£11.7m



Note: all £ values in the above table are rounded to nearest £0.1m

Market	Commentary
Gaming	Primary market of Las Vegas recovering, improving sales through South Korean integrators. Expect new design innovation in market in 2023
Vending	Growth in USA sales for OEM brand independent drink fountain manufacturer and in France and Spain for regional public OEM electrical vehicle charging (EVC) manufacturers
Industrial	HMI devices and kiosks. Static performance YoY, with improved sales in UK and USA offset by declines in EMEA and APAC
Financial	Primarily ATM products. At market maintenance level, as latest generation of ATM platforms not utilising Zytronic products
Signage	Information systems and tables. Improvements in UK and APAC sales, offset by a significant decline in US smart city street furniture programmes
Other	Smaller markets, such as Telematics, Health, Military, etc. Lower YoY performance attributable to non repeat in FY22 of sales to a Singaporean medical OEM in FY21

Touch sales - size range and markets

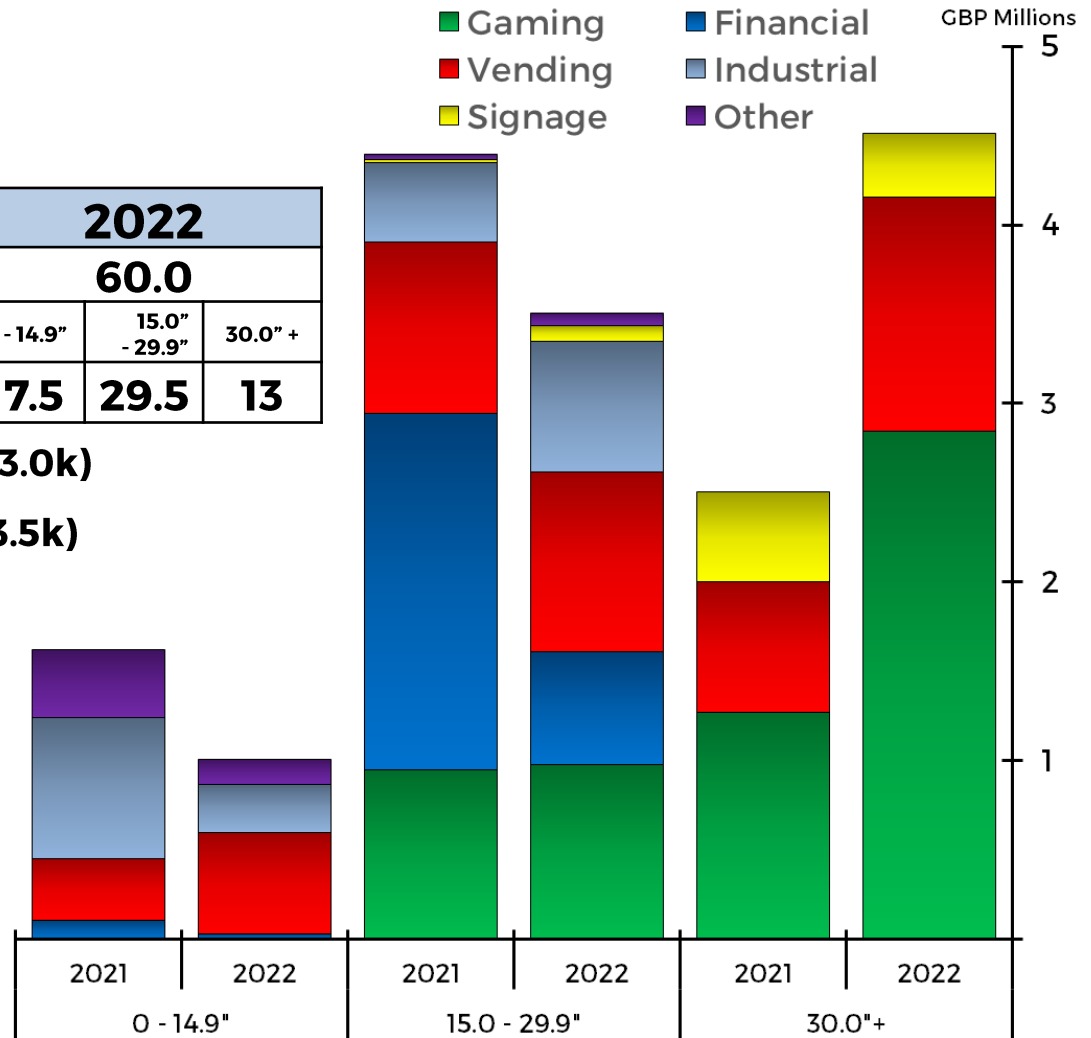


	2021			2022		
Total Units	76.5			60.0		
Size Range	0 - 14.9"	15.0" - 29.9"	30.0" +	0 - 14.9"	15.0" - 29.9"	30.0" +
Units (k)	30	38.5	8	17.5	29.5	13

Volume of MPCT™ units **18.5k (2021: 13.0k)**

Volume of Curved units **7.0k (2021: 3.5k)**

Note: Unit volumes are rounded to the nearest 0.5k



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Note: Revenue as illustrated on graph are for touch sensor only sales and exclude sales of controllers and ancillaries

- R&D sourcing, approving and re-designing constantly throughout year to accommodate global electronic component shortages
- ZyBrid^{®edge} and Electroglaz[™] concepts designed and built for key expos
- Developments of low-voltage device powering and data communication, utilising filament tech in conjunction with touch sensing tech
- Advanced glass processing and novel structures to enhance localised touch interactivity and static tactile feedback
- New 2nd generation laser bonding system, designed and sourced, production ready in early 2023
- Granted patent portfolio increased by 3 in year to 12
 - GB2576674 granted, titled “User preference indication”
 - US11,392,215 granted, titled “Button Supply”
 - EP2856294 granted, titled “Non-planar touch panel production method”
- GB patent application made in year, titled “An interactive device”, presently total of 12 at application/examination status

- Global expo participation significantly impacted during the year by COVID-19
 - Several shows undertaken by internationally based employees only, G2E (Oct '21), Touch Taiwan (May '22) & Digital Signage Japan (June '22)
 - ISE rescheduled (Feb '22 moved to May '22)
 - Light + Building rescheduled (Mar '22 moved to Oct '22)
 - Channel partner supported shows – ICE rescheduled (Jan '22 moved to Apr '22), Embedded World (June '22) & InnoTrans (Sept '22)
- Marketing Specialist recruited in May '22 to support a returning tradeshow calendar and expanding digital/traditional marketing platforms
 - Release of numerous case studies, whitepapers and 'thought' pieces, refer to web URL www.zytronic.co.uk/news/



[Hong Kong - The City Gallery](#)



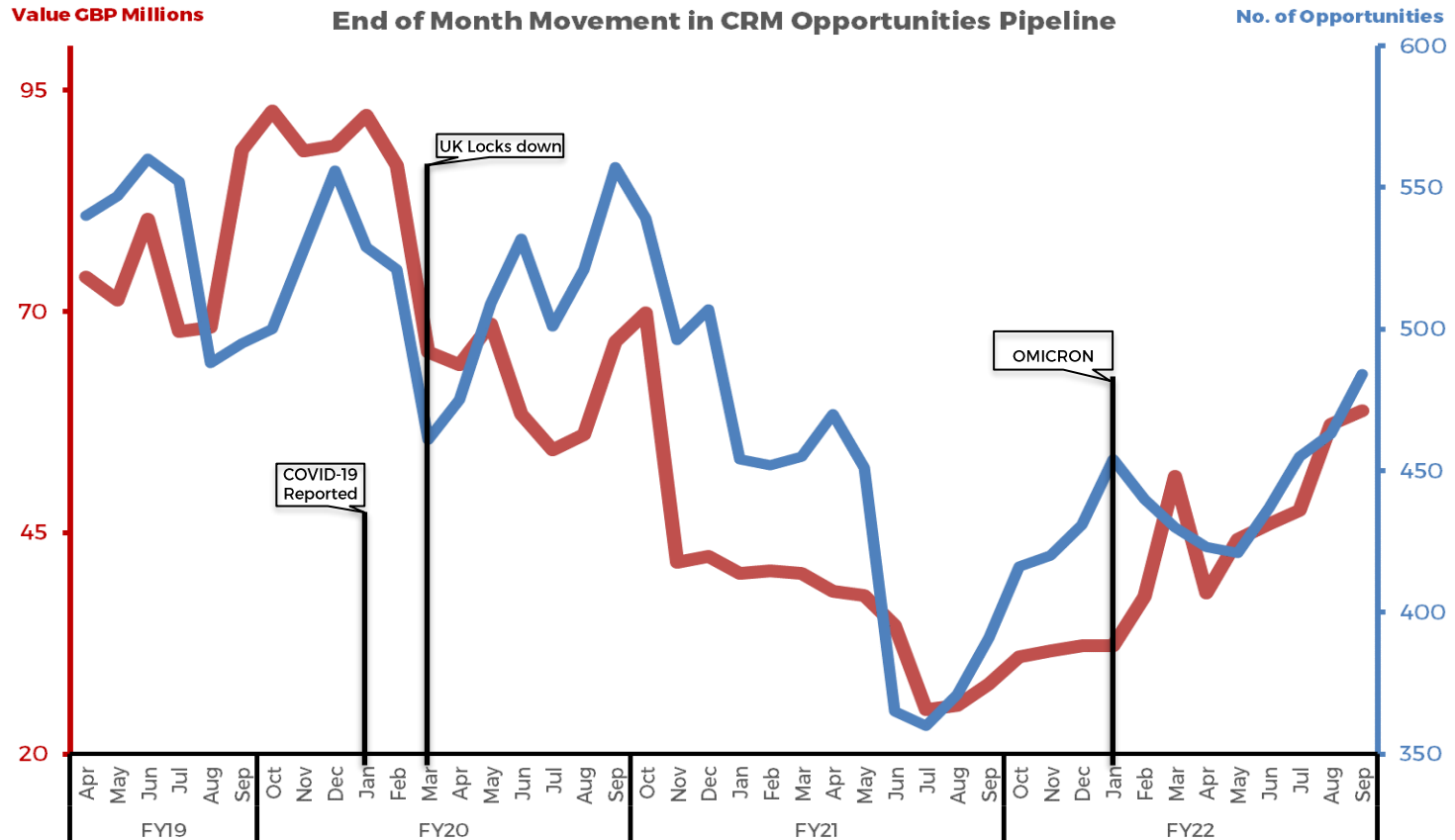
[Sydney Olympic Park - Wayfinder](#)



[inforverre™ - DSIGN Japan](#)



[L.B. Foster - Information totems](#)



- 30 Sept '22 – 484 Opportunities with Customer Projected Lifetime Value (“CPLV”) of £59m, 24% and 111% increase respectively over 30 Sept '21
 - Vending – 156 & CPLV of £33m, Gaming – 26 & CPLV of £11m

- Revenue, gross margin and profit, all improved, benefiting from product mix in Gaming and Vending markets
- On-market share buyback programme between Feb and May 2022 returned a further £2.0m of cash and cancellation of 1.3m shares. In total since Tender Offer in 2021, £8.7m of surplus cash has been returned to shareholders.
- Expected FY22 resumption of face-to-face global business development and marketing activities delayed due to Omicron variants of COVID-19
- FY22 impacted by global supply issues of electronic components, expected to continue through to at least H1 of FY23
- First 2-months of order intake, at average monthly levels similar to H2 FY22
- Encouraged by return of global business development and marketing activities and the positive impact this is having on the opportunities pipeline rebuild

Appendices

Consolidated statement of comprehensive income



	Audited 12 months to 30 Sept 2022	Audited 12 months to 30 Sept 2021
Group revenue	£12.3m	£11.7m
Gross profit	£3.8m	£3.5m
Gross margin	30.5%	30.3%
Group operating profit	£0.7m	£0.5m
Operating margin	5.6%	3.9%
Net income	-	-
Profit before tax	£0.7m	£0.5m
Tax expense	(£0.1m)	(£0.1m)
Profit for the year	£0.6m	£0.4m
Earnings per share - Basic	5.6p	3.0p

Consolidated statement of financial position



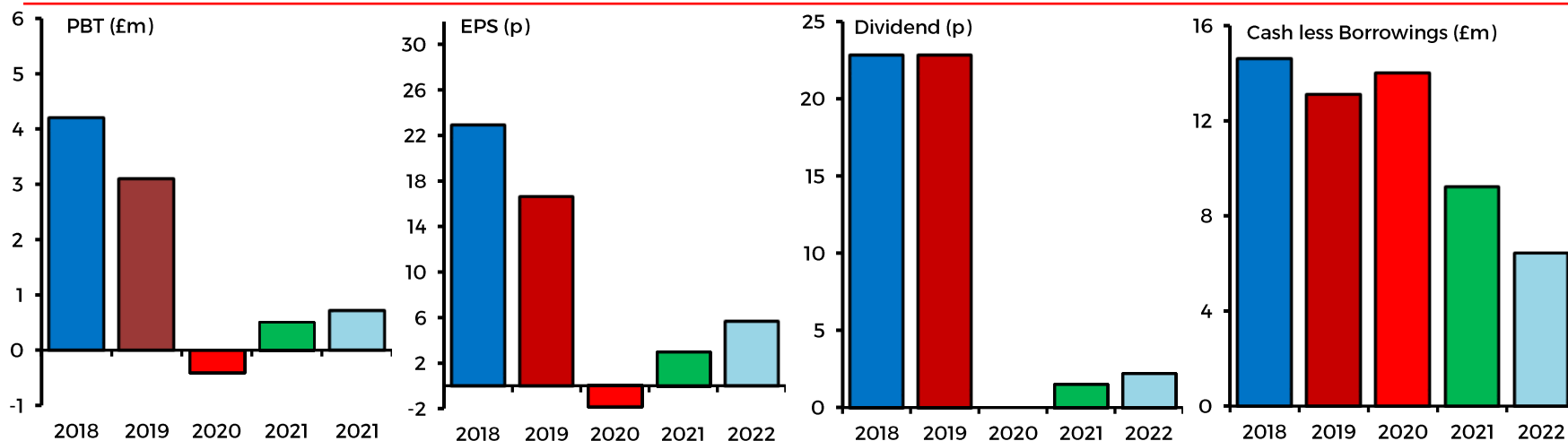
	Audited 12 months to 30 Sept 2022	Audited 12 months to 30 Sept 2021
Non-current assets	£5.8m	£6.1m
Current assets (less cash)	£5.2m	£3.6m
Cash	£6.4m	£9.2m
Total assets	£17.4m	£18.9m
Current liabilities	(£1.7m)	(£1.8m)
Non-current liabilities	(£0.5m)	(£0.3m)
Total liabilities	(£2.2m)	(£2.1m)
Net assets	£15.2m	£16.8m

Consolidated cashflow statement



	Audited 12 months to 30 Sept 2022	Audited 12 months to 30 Sept 2021
Profit before tax	£0.7m	£0.5m
Depreciation and amortisation	£0.8m	£1.0m
Movement in working capital	(£1.4m)	£0.6m
Tax (paid)/received	(£0.2m)	nil
Net cashflow (used in)/ from operating activities	(£0.1m)	£2.1m
Net cashflow used in investing activities	(£0.5m)	(£0.3m)
Net cashflow used in financing activities	(£2.2m)	(£6.7m)
Decrease in cash	(£2.8m)	(£4.9m)
Net cash	£6.4m	£9.2m

5-yr financial comparisons



	Year ended	30-Sept-18	30-Sept-19	30-Sept-20	30-Sept-21	30-Sept-22
Revenue (£m)		22.3	20.1	12.7	11.7	12.3
Gross margin (%)		37.0	33.7	20.1	30.3	30.5
EBITDA (£m)		5.2	4.1	0.7	1.4	1.5
PBT/(LBT) (£m)		4.2	3.1	(0.4)	0.5	0.7
EPS/(LPS) (FD)/(AD) (p)		22.7	16.6	(1.8)	3.0	5.6
Dividends for year (p)		22.8	22.8	nil	1.5	2.2
Net cashflow from operating activities (£m)		4.8	2.8	3.2	2.1	-0.1
Net cash (£m)		14.6	13.1	14.0	9.2	6.4

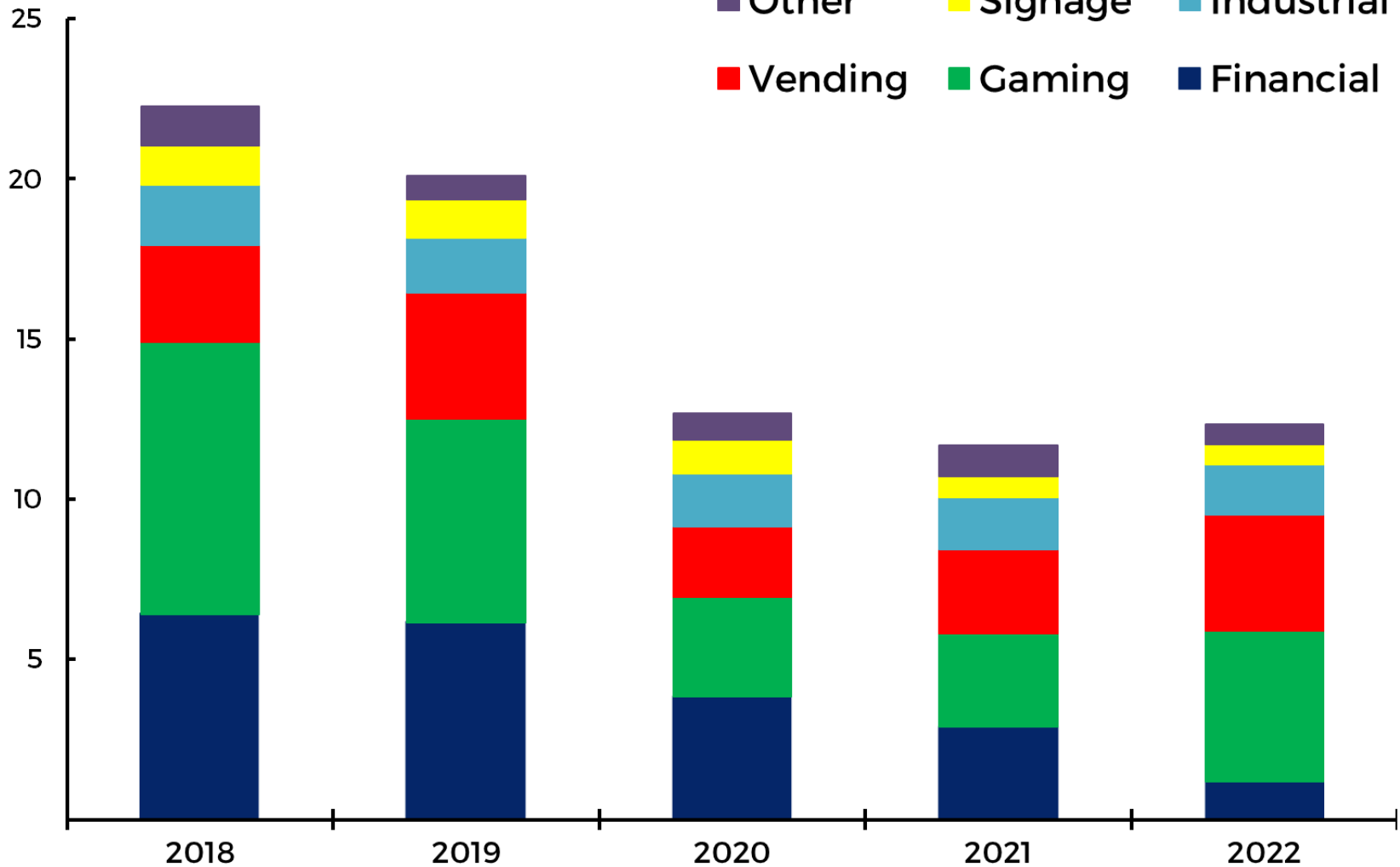
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5 yrs - revenues by markets



GBP Millions



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Acting Executive Chair - Mark Cambridge

Mark has been Acting Executive Chair of Zytronic Plc since October 2022 after temporarily relinquishing his role as Chief Executive, a position he has held since January 2008 after being appointed to the Board in June 2007. Mark is the Managing Director of the operating subsidiary Zytronic Displays Limited a position he has held since 2006 and is also President of its subsidiary Zytronic Inc. Prior to being appointed as Managing Director, Mark has held the prior positions of Sales and Marketing Director and Technical and Quality Director. Mark is a Materials Science graduate with prior industrial experience in the nuclear and metal casting industries and has a Securities Institute Certificate in Corporate Finance.

Group Finance Director – Claire 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 – Mark Butcher

Mark has over 20 years' experience in the City where he was an Executive Director of GPG (UK) Holdings plc which was the UK investment arm of Guinness Peat Group plc. In addition to investment management, he has wide experience in international accounting, corporate finance and banking transactions. He has sat as a Non-executive Director on the Boards of a number of public and private companies and is currently a Non-executive Director of Redde Northgate plc, AssetCo plc and National Milk Records plc. He is Chair of the audit committees of Redde Northgate plc and National Milk Records plc. Mark graduated with a Bachelor of Commerce degree from the University of Cape Town and qualified as a Chartered Accountant in South Africa.