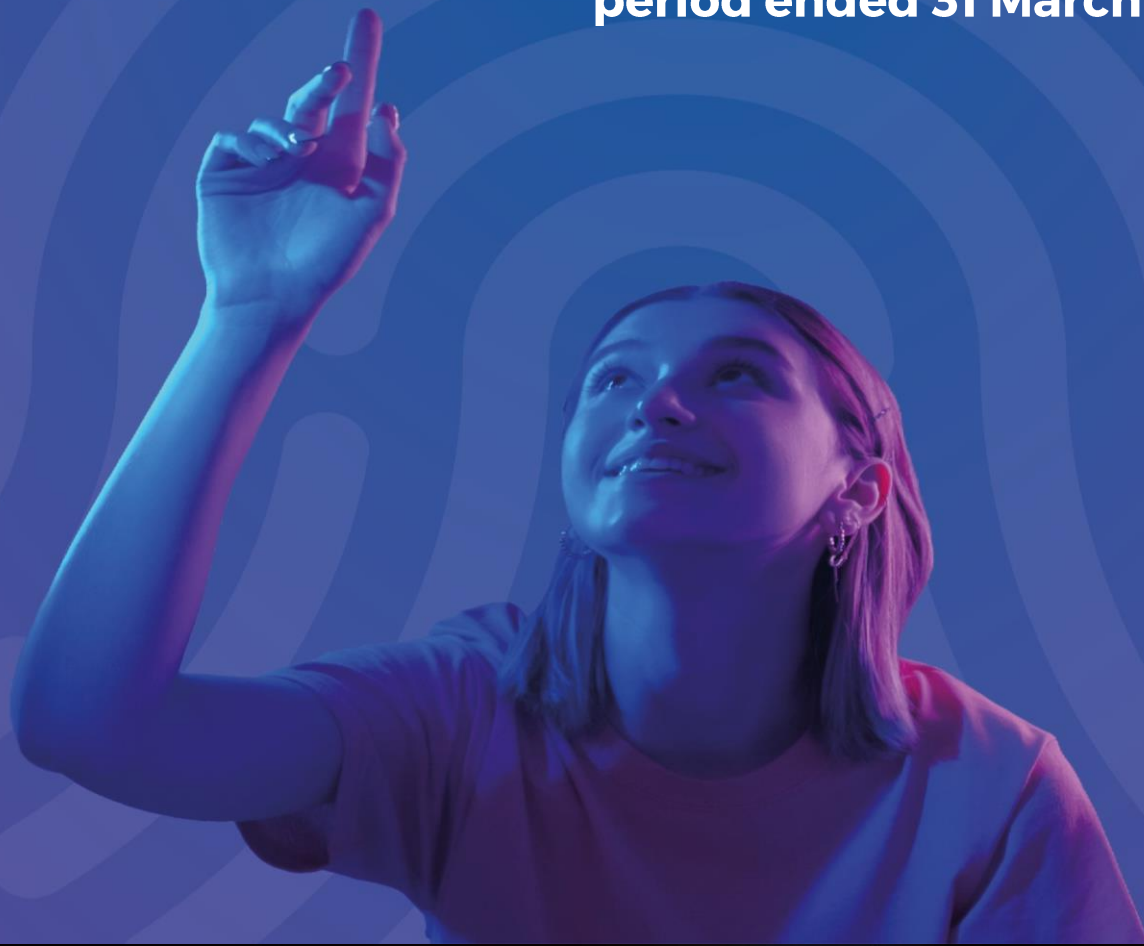




# Interim Results Presentation period ended 31 March 2024



May 2024

## FINANCIAL

- Revenues of £3.3m (FY23 H1: £4.7m)
  - Continuation of FY23 H2 impact in Gaming and Vending as previously reported
- Gross margin including the near full reversal of the £0.2m (6.5bpts) FY23 H1 stock impairment of 27.3% (FY23 H1: 23.5%)
- LBITDA of £0.5m which includes £0.1m part reversal of the FY23 H1 £0.3m impairment of trade receivables (FY23 H1: LBITDA of £0.6m)
- LPS of 4.8p (FY23 H1: LPS of 7.5p)
- No interim dividend proposed (FY23 H1: Nil)
- Closing net cash of £3.7m (30 Sept 2023: £4.7m) with interest earned of £0.1m (FY23 H1: £0.1m)

## OPERATIONAL

- Successful participation in major trade shows to illustrate new product developments
- New Sales Director appointed in October 2023; undertook a review of the opportunities pipeline to provide the Board with a reliable view of sales prospects
- Process is now planned for a full business and operational review over the summer months, with conclusions to follow, to inform strategic initiatives and direction

*Note: All monetary values, except EPS, individually reported across this presentation are rounded to the nearest £0.1m, whereas percentage values are based on actual value calculations*

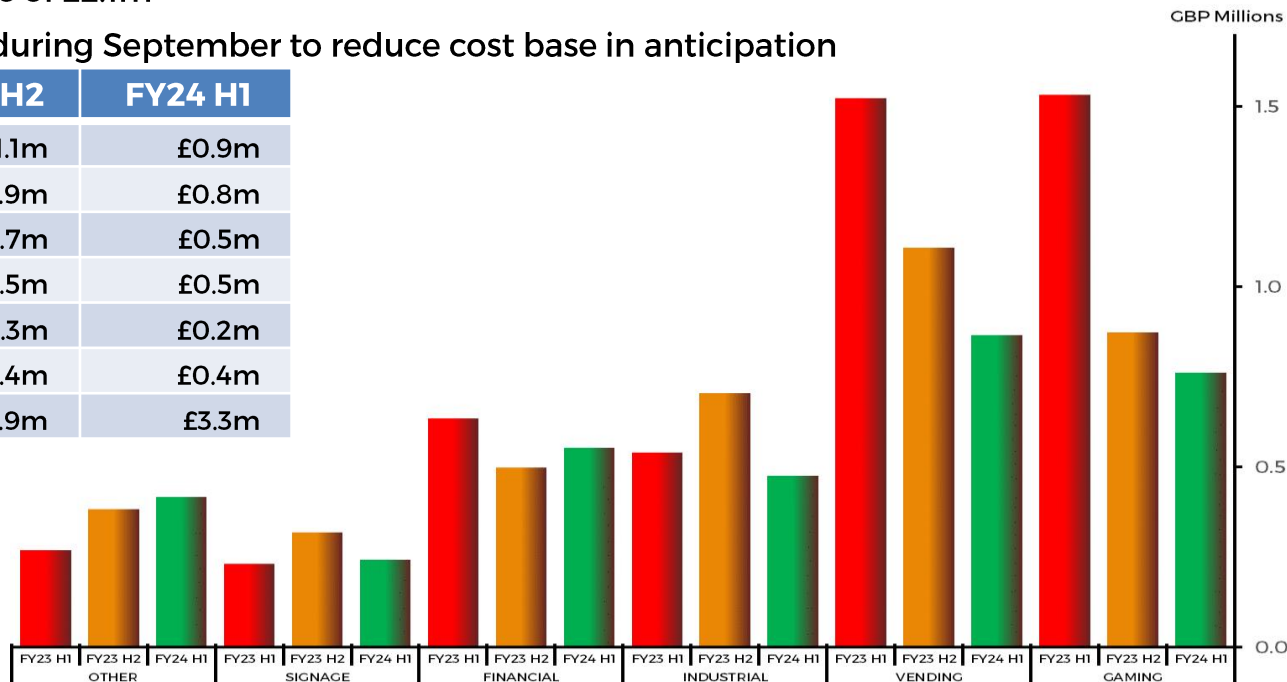
- Group revenue of £3.3m (FY23 H1: £4.7m)
- Gross profit margin of 27.3% (FY23 H1: 23.5%)
  - Benefits from 6.5bpts of write-back in almost full of previously impaired stock of £0.2m
  - Reduced labour costs over H1 due to restructuring exercise at end of prior year
- Admin expenses of £1.5m (FY23 H1: £2.0m)
  - Exceptional item benefit of £0.1m following part repayment of last year's impaired debt
  - Like for like costs in line with last year at £1.6m as cost management continues to be prioritised
- LBITDA at £0.5m (FY23 H1: LBITDA of £0.6m)
- LBT of £0.6m (FY23 H1: LBT of £0.9m)
- Tax estimated at 20%, giving a credit on the LBT of £0.1m (FY23 H1: £0.1m)
- LPS of 4.8p (FY23 H1: LPS of 7.5p)
- No proposed interim dividend (FY23 H1: nil)

- Group statement of financial position still strong despite H1 performance with reported cash of £3.7m (30 Sept 2023: £4.7m)
- Currency
  - Natural hedging dominates with surplus currency sold at spot when necessary
- Cash position and cashflows
  - Cash utilised in operating activities of £1.0m (FY23 H1: £0.3m)
  - Working capital £0.5m increase (FY23 H1: £0.3m decrease)
    - Inventories increased by £0.3m as goods ordered in the prior year filtered in over the period (FY23 H1: £0.1m increase)
    - Trade and other receivables increased by £0.2m (FY23 H1: £1.1m decrease)
  - Capex spend of £0.1m (FY23 H1: £0.6m), all in R&D
  - Interest earned of £0.1m (FY23 H1: £0.1m), continue to obtain very favourable rates, despite less cash available to deposit
  - No tax received or paid (FY23 H1: £0.1m received)
  - No dividend payments during period (FY23 H1: £0.2m)

- Operational trends observed over FY23 H2 continued into FY24 H1
  - Low order intake FY23 Q4 and FY24 Q1 of £2.6m combined, contributed significantly to FY24 H1 performance
    - FY24 Q2 order intake of £2.1m
  - Mitigation steps taken during September to reduce cost base in anticipation

	FY23 H1	FY23 H2	FY24 H1
Vending	£1.5m	£1.1m	£0.9m
Gaming	£1.5m	£0.9m	£0.8m
Industrial	£0.6m	£0.7m	£0.5m
Financial	£0.6m	£0.5m	£0.5m
Signage	£0.2m	£0.3m	£0.2m
Other	£0.3m	£0.4m	£0.4m
<b>Total</b>	<b>£4.7m</b>	<b>£3.9m</b>	<b>£3.3m</b>

Note: values rounded to nearest £0.1m

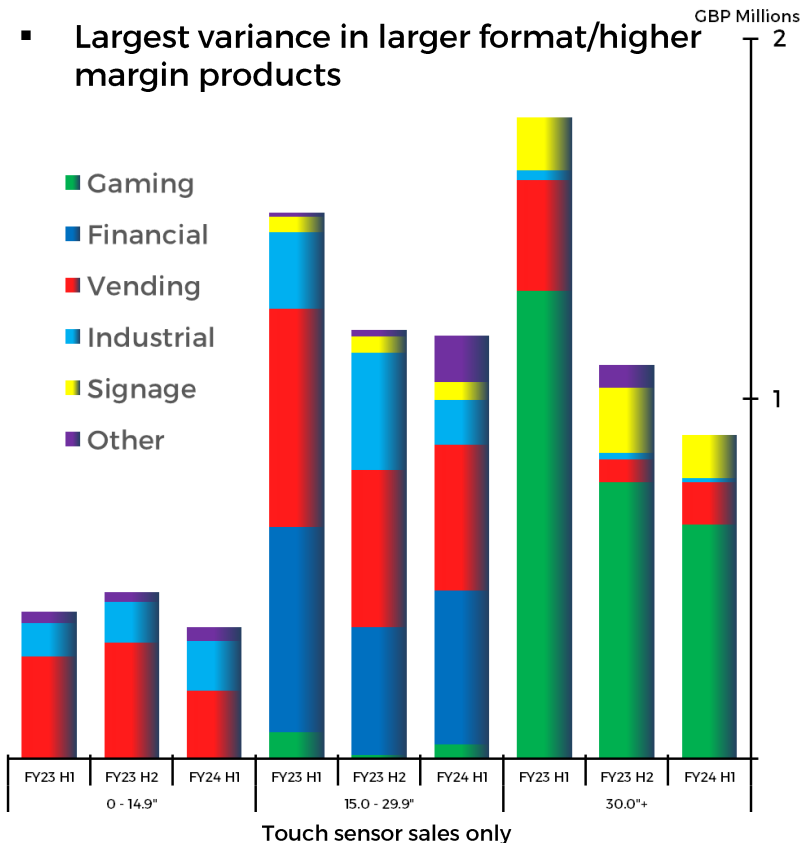


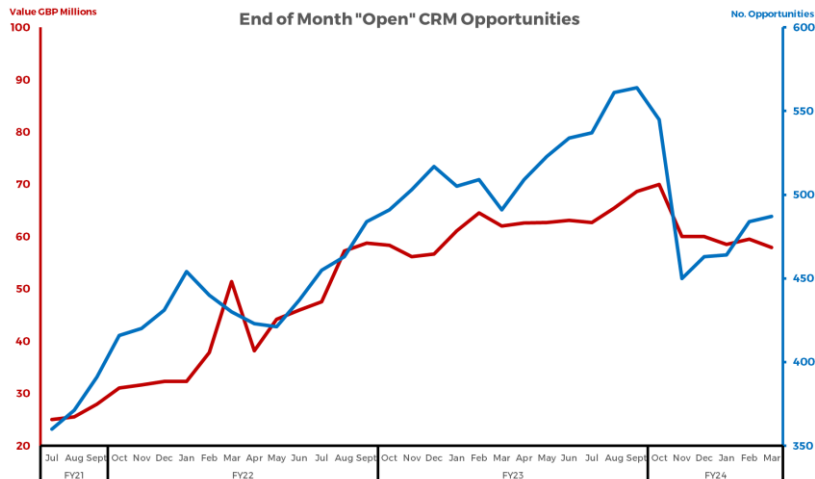
Markets	Commentary
Vending	Revenues reduction from EV charging demand from Spain, a continuation of weak demand for the unbranded drinks fountain in the USA, a reduced demand for the fuel dispensing solutions in South Korea. Improvement in demand for a prior year's self-service pizza project
Gaming	Net neutral sales to the old and new Aruze entities, but new Aruze seeking significant cost reductions across whole machine build
Industrial	Number of individual customers serviced, increased from 37 with an average revenue of £15k per account, to 39 with average revenue of £12k
Financial	Reduction of EMEA sales to one ATM customer, in standard non-touch display filter laminates
Signage	Like Industrial, customers serviced increased from 12 to 18, with average revenue down from £19k to £14k per account
Other	Significant benefit from initiation of new medical device project, accounting for £0.1m revenues. Of other revenues, increase in number of accounts offsets lower average per account

*Comments reference the market performance comparisons between FY24 H1 and FY23 H1*

Period	Sensor Size Range	Units (k)	Total Units (k)
FY23 H1	0 - 14.9"	6.6	22.7
	15.0 - 29.9"	11.8	
	30.0" +	4.3	
FY23 H2	0 - 14.9"	7.4	21.0
	15.0 - 29.9"	10.9	
	30.0" +	2.7	
FY24 H1	0 - 14.9"	5.7	17.5
	15.0 - 29.9"	9.6	
	30.0" +	2.2	

Unit volumes are rounded to the nearest 0.1k





	31 March 24		30 Sept 23	
	Open	CPLV	Open	CPLV
<b>Vending</b>	157	£32.4m	174	£36.9m
<b>Gaming</b>	29	£3.9m	32	£12.0m
<b>Industrial</b>	63	£8.7m	92	£3.5m
<b>Signage</b>	138	£4.6m	155	£4.6m
<b>Financial</b>	19	£1.9m	20	£3.7m
<b>Other</b>	81	£6.4m	91	£7.9m
<b>Total</b>	<b>487</b>	<b>£57.9m</b>	<b>564</b>	<b>£68.6m</b>

- New Sales Director tasked with CRM review, completed by end of November, during period:
  - 124 Opps 'Closed', CPLV of £8.5m; of which 111 and £7.2m respectively were removed directly by the review
- Of active 'Open' Opps by 31 March 2024, 119 are FY24 H1 entries with a CPLV of £10.2m
- Long maturation period examples:
  - FY18 Q3 entry for multi-year medical device prospect, converted in FY24 Q1, contributing £0.1m in FY24 H1 of a CPLV of £1.1m
  - FY22 Q1 entry Gaming opportunity, £6.7m CPLV, multiple sensor design proposal not taken forward by the customer, Closed' as lost FY24 Q2



- Primary lead generation marketing strategy remains expo participation, to highlight new product and technical developments, including:
  - New floating button concepts shown at G2E and ICE expos
  - New sensor configurations and product launches of full interactive tables at ISE expo
  - New hybrid concept, fully customisable interactive surface for human-machine-interfaces shown at MECSPE expo
- New combined website design work progressing
  - Several new promo videos produced to complement applications of use, process capabilities and overall business competitiveness
- Significant increase in B2B engagement through LinkedIn platform
  - PPC LinkedIn ads initiated to target key technical and design roles in applicable markets and companies



- Continuing R&D:
  - Electroglaz™ - Several market leading cabinet light suppliers
  - Several demo units seeded to customers for market engagement feedback
  - Touch algorithm developments:
    - physical dial concepts utilising PCAP tech
    - floating button tech, and
    - usage of active stylus pens
  - Hybrid interface surface to integrate all touch functions from one controller
  - New high input controller designed to drive ultra large format PCAP sensors
  - Scoping exercise of new 'ASIC' to improve functionality, performance and market positioning
- 2 international patents to be granted, one in China (Hybrid touchscreen), one in Europe (Button Supply)
- 8 UK design registrations filed (Gaming Machine Button concepts)
- Detailed business and operational review:
  - Terms of reference defined
  - External facilitator appointed
  - Process will run over the summer

- Trends observed FY23 H2 in Gaming and Vending customers influence FY24 H1 performance
  - Further reduction in revenues and margins, as volumes of large units reduced
  - Workforce balanced by 30 Sept 2023 to control expected trend
- FY24 Q2 showing significant order intake improvement against prior 3 quarters
- Business risks previously associated with global events are improving
  - New Sales Director reviewed opportunity pipeline on appointment
  - Global business development and marketing initiatives fully re-established
  - R&D significantly advancing new PCAP innovation and product solution development
- New combined trading and corporate website progressing
- Business and operational review planned over the summer months, terms of reference defined, third party facilitator appointed, with conclusions to follow

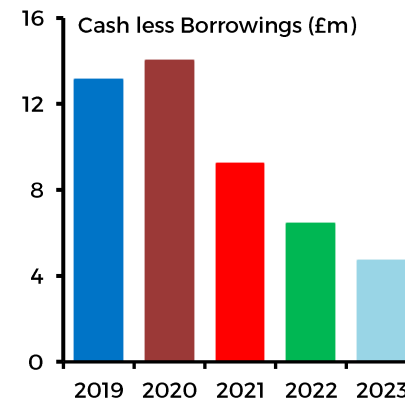
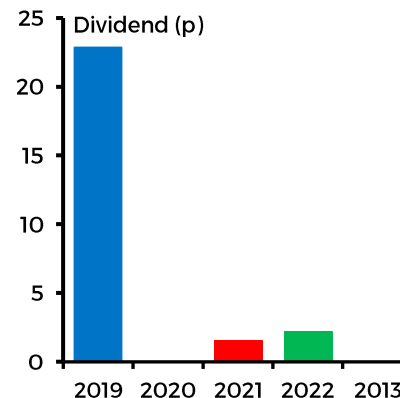
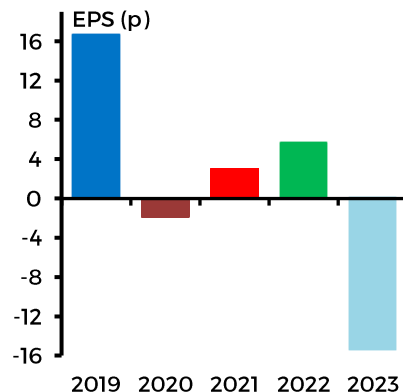
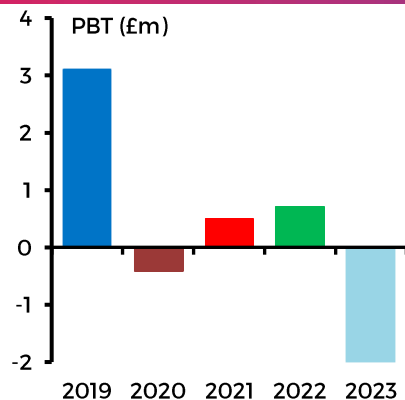
# Appendices

	Unaudited six months to 31 March 2024	Unaudited six months to 31 March 2023	Audited 12 months to 30 Sept 2023
Group revenue	<b>£3.3m</b>	£4.7m	£8.6m
Gross profit	<b>£0.9m</b>	£1.1m	£1.5m
Gross margin	<b>23.5%</b>	23.5%	17.4%
Group operating loss	<b>(£0.7m)</b>	(£1.0m)	(£2.2m)
Operating margin	<b>(21.4%)</b>	(20.6%)	(26.1%)
Net income	<b>£0.1m</b>	£0.1m	£0.2m
Loss before tax	<b>(£0.6m)</b>	(£0.9m)	(£2.0m)
Tax credit	<b>(£0.1m)</b>	£0.1m	£0.4m
Loss for the period	<b>(£0.5m)</b>	(£0.8m)	(£1.6m)
Loss per share – Basic	<b>(4.8p)</b>	(7.5p)	(15.4p)

	Unaudited six months to 31 March 2024	Unaudited six months to 31 March 2023	Audited 12 months to 30 Sept 2023
Non-current assets	<b>£5.7m</b>	£6.0m	£5.8m
Current assets (less cash)	<b>£4.5m</b>	£4.1m	£4.0m
Cash	<b>£3.7m</b>	£5.4m	£4.7m
<b>Total assets</b>	<b>£13.8m</b>	£15.5m	£14.5m
Current liabilities	<b>(£0.9m)</b>	(£0.8m)	(£1.0m)
Non-current liabilities	<b>(£0.0m)</b>	(£0.5m)	<(£0.1m)
<b>Total liabilities</b>	<b>(£0.9m)</b>	(£1.3m)	(£1.1m)
<b>Net assets</b>	<b>£12.9m</b>	£14.2m	£13.4m

	Unaudited six months to 31 March 2024	Unaudited six months to 31 March 2023	Audited 12 months to 30 Sept 2023
Loss before tax	<b>(£0.6m)</b>	(£0.9m)	(£2.0m)
Depreciation and amortisation	<b>£0.3m</b>	£0.3m	£0.8m
Movement in working capital	<b>(£0.5m)</b>	£0.2m	£0.5m
Tax received	<b>£0.0m</b>	£0.1m	£0.1m
Net cashflow used in operating activities	<b>(£1.0m)</b>	(£0.3m)	(£0.9m)
Net cashflow used in investing activities	<b>(£0.1m)</b>	(£0.5m)	(£0.6m)
Net cashflow used in financing activities	<b>£0.0m</b>	(£0.2m)	(£0.2m)
Decrease in cash	<b>(£1.0m)</b>	(£1.0m)	(£1.7m)
Net cash	<b>£3.7m</b>	£5.4m	£4.7m

# 5-yr financial comparisons



	Year ended	30-Sept-19	30-Sept-20	30-Sept-21	30-Sept-22	<b>30-Sept-23</b>
Revenue (£m)		20.1	12.7	11.7	12.3	<b>8.6</b>
Gross margin (%)		33.7	20.1	30.3	30.5	<b>17.4</b>
(LBITDA)/EBITDA (£m)		4.1	0.7	1.4	1.5	<b>(1.4)</b>
(LBT)/PBT (£m)		3.1	(0.4)	0.5	0.7	<b>(2.0)</b>
(LPS)/EPS (FD)/(AD) (p)		16.6	(1.8)	3.0	5.6	<b>(15.4)</b>
Dividends for year (p)		22.8	nil	1.5	2.2	<b>nil</b>
Net cashflow from operating activities (£m)		2.8	3.2	2.1	(0.1)	<b>(0.9)</b>
Net cash (£m)		13.1	14.0	9.2	6.4	<b>4.7</b>



## **Independent Non-executive Chair – Dr Chris Potts**

Chris joined the Board on 1st August 2023, bringing over 20 years of CEO and Chair experience of international technology businesses. He is presently Chair of Guralp Systems Ltd, a world leading seismic event monitoring instrumentation company whose global reach and focus is similar to Zytronic, and of proSapient Ltd, an international services business that utilises AI to support strategic decision making. Chris's experience includes leading privately owned firms, private equity backed businesses and divisions of listed public companies, and he has led several large international corporate transactions.

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

Mark was appointed CEO of the Group in 2008 after joining the Board in 2007, post his appointment as Managing Director of the operating subsidiary Zytronic Displays Limited ("ZDL") in 2006. Mark is also President of ZDL's US subsidiary Zytronic Inc, since 2012. Prior to being appointed the Managing Director of ZDL, he held the positions of Sales and Marketing Director, Business Development Director and Technical and Quality Director. Mark holds a BSc (Hons) degree in Materials Science, a Securities Institute Certificate in Corporate Finance and is a Fellow of the Institute of Directors.

## **Chief Financial Officer – 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 ZDL in April 2007, as Financial Controller. In 2012, Claire was appointed Finance Director of ZDL and in January 2014 was appointed to the Board as Group Finance Director and 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 several public and private companies and is currently a Non-executive Director of Redde Northgate plc where he is Chair of the audit committee. Mark graduated with a Bachelor of Commerce degree from the University of Cape Town and qualified as a Chartered Accountant in South Africa.