



# Interim Results to period ended 31 March 2018

Presented by

Mark Cambridge – Chief Executive Officer  
Claire Smith – Group Finance Director

May 2018

- Group revenues of £10.6m (H1 2017: £11.3m)
- PBT of £2.2m (H1 2017: £2.5m)
- Interim dividend doubled to 7.6p (H1 2017: 3.8p)
- Net cash of £13.7m (30 September 2017: £14.1m)
- Increased volumes of ultra-large  $\geq 30''$  sensors and MPCT™ sensors
- Gaming revenues increased by 17%
- Market forces influence 29% period reduction in Financial sector revenues

# Consolidated Income Statement



	Unaudited six months to 31 March 2018	Unaudited six months to 31 March 2017
Group revenue	<b>£10.6m</b>	£11.3m
Gross profit	<b>£4.2m</b>	£4.9m
Gross margin	<b>39.6%</b>	43.1%
Group trading profit	<b>£2.2m</b>	£2.5m
Trading margin	<b>20.5%</b>	22.3%
Profit before tax	<b>£2.2m</b>	£2.5m
Tax expense	<b>(£0.3m)</b>	(£0.4m)
Profit after tax	<b>£1.9m</b>	£2.2m
Earnings per share (EPS)		
Basic	<b>11.7p</b>	13.8p
Diluted	<b>11.7p</b>	13.6p

- Group revenue £10.6m (H1 2017: £11.3m)
- Gross profit margin of 39.6% (H1 2017: 43.1%)
  - Margin impacted by currency movements and efficiencies associated with period reduction in Financial customer demand
- Admin expenses of £1.8m (H1 2017: £2.1m)
  - Year on year savings made in salaries of £0.2m
  - Benefits from previous year change to hedging policy and subsequent unwinding of FX provision of £0.1m
- PBT of £2.2m (H1 2017: £2.5m)
- Net effective tax rate estimated at 15% (H1 2017: 14.5%)
  - Reduced by R&D tax credits and Patent Box relief claims on MPCT™ products
- Basic EPS and fully diluted EPS of 11.7p (H1 2017: 13.8p and 13.6p)
- Interim dividend doubled to 7.6p (H1 2017: 3.8p)

# Consolidated Balance Sheet



	Unaudited six months to 31 March 2018	Unaudited six months to 31 March 2017	Audited 12 months to 30 Sept 2017
Non-current assets	<b>£8.5m</b>	£8.8m	£8.7m
Current assets (less cash)	<b>£6.6m</b>	£7.1m	£6.5m
Cash	<b>£13.7m</b>	£13.5m	£14.1m
Total assets	<b>£28.7m</b>	£29.4m	£29.3m
Current liabilities	<b>(£1.9m)</b>	(£4.4m)	(£1.9m)
Non-current liabilities	<b>(£0.6m)</b>	(£0.3m)	(£0.6m)
Total liabilities	<b>(£2.5m)</b>	(£4.7m)	(£2.5m)
Net assets	<b>£26.2m</b>	£24.7m	£26.8m

# Consolidated Cashflow Statement



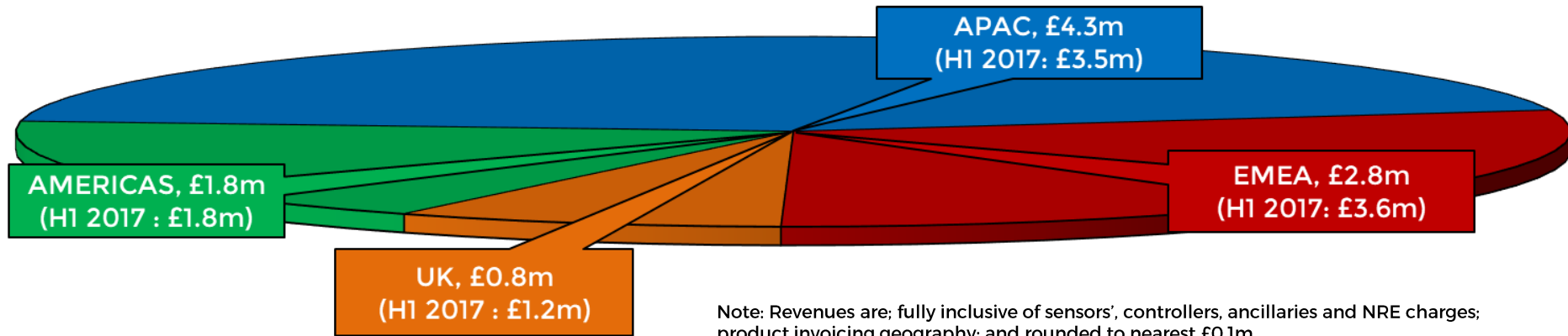
	Unaudited six months to 31 March 2018	Unaudited six months to 31 March 2017	Audited 12 months to 30 Sept 2017
Profit from operating activities	<b>£2.2m</b>	£2.5m	£5.4m
Depreciation and amortisation	<b>£0.5m</b>	£0.6m	£1.2m
Movement in working capital	<b>(£0.2m)</b>	(£0.4m)	(£0.4m)
Tax paid	<b>(£0.2m)</b>	(£0.1m)	(£0.5m)
Capex	<b>(£0.3m)</b>	(£0.5m)	(£1.1m)
Dividends	<b>(£2.4m)</b>	(£1.7m)	(£2.4m)
(Decrease)/increase in cash	<b>(£0.4m)</b>	£0.8m	£1.3m
Cash at period end	<b>£13.7m</b>	£13.5m	£14.1m

- Group retains strong financial position
- Currency
  - Natural hedging, predominantly in EUR
  - Surplus USD & EUR forward FX contract cover of 3-4 months
    - Net provision asset of £0.1m (30 September 2017: £0.1m)
- Cash position and cashflows
  - Strong net cash inflow from operating activities £2.4m (H1 2017: £2.1m)
  - Capex spend of £0.3m (H1 2017: £0.5m)
    - R&D £0.2m (H1 2017: £0.3m), Plant & Equipment £0.1m (H1 2017: £0.2m)
  - Increase in working capital of £0.2m (30 September 2017: £0.4m increase)
  - Taxation paid £0.2m (H1 2017: £0.1m)
  - Dividend payments during period of £2.4m (H1 2017: £1.7m)
  - Net Cash (cash less debt) of £13.7m (30 September 2017: £14.1m)

# Overview - Sales

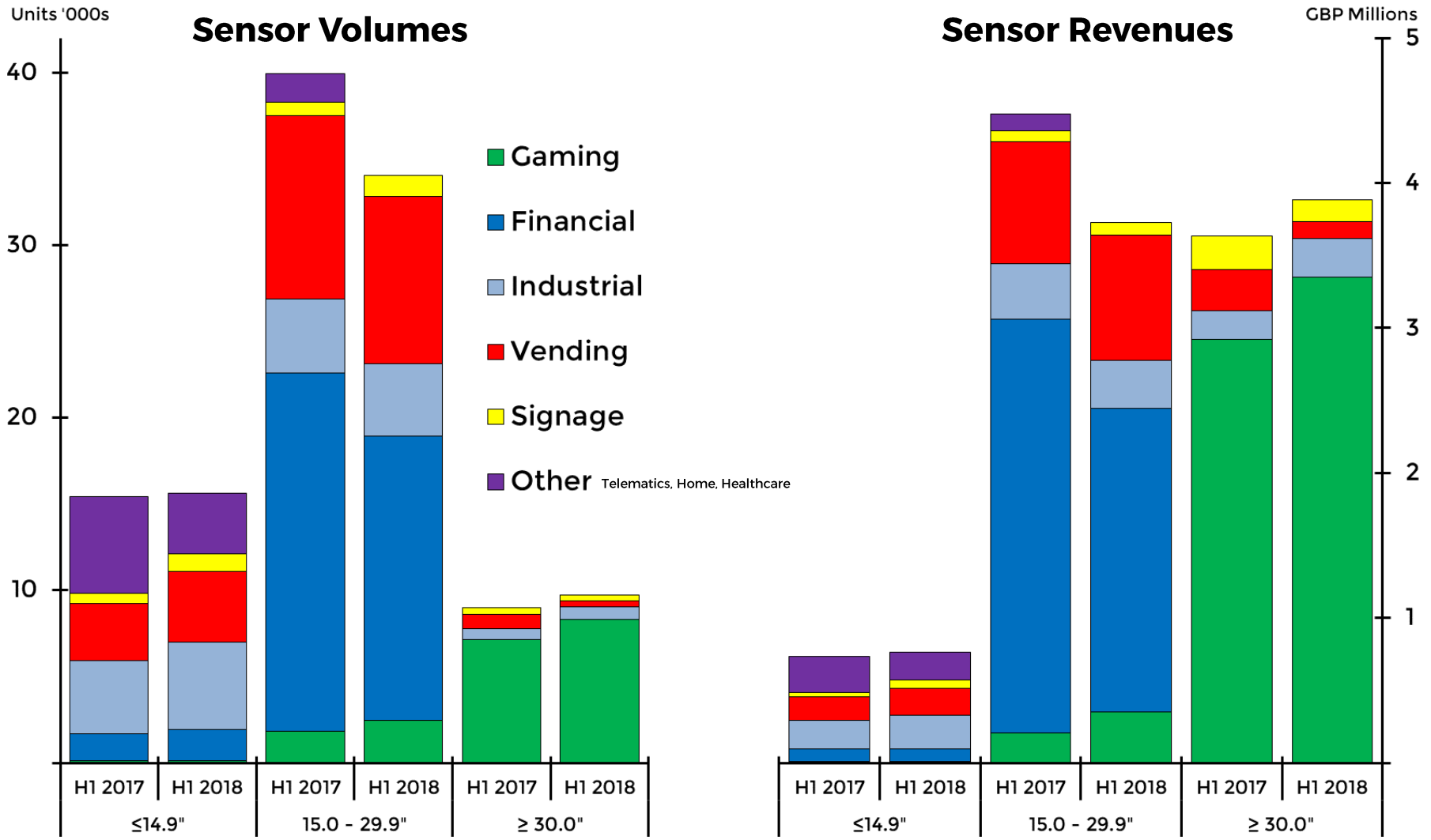


- Group revenues of £10.6m (H1 2017: £11.3m)
  - Non-touch product revenues of £0.9m (H1 2017: £1.3m)
    - ATM non-touch product revenues of £0.3m (H1 2017: £0.7m)
  - Touch product revenues of £9.7m (H1 2017: £10.0m)
    - Volume of ultra-large  $\geq 30$ " sensors increased by 8%
    - Volume of MPCT™ sensors increased by 62%
    - APAC growth mainly attributable to Gaming sector
    - EMEA decline results from Financial sector market issues





# Touch Sales – Sensor Volumes and Revenues by Markets and Size Ranges



The world at your fingertips

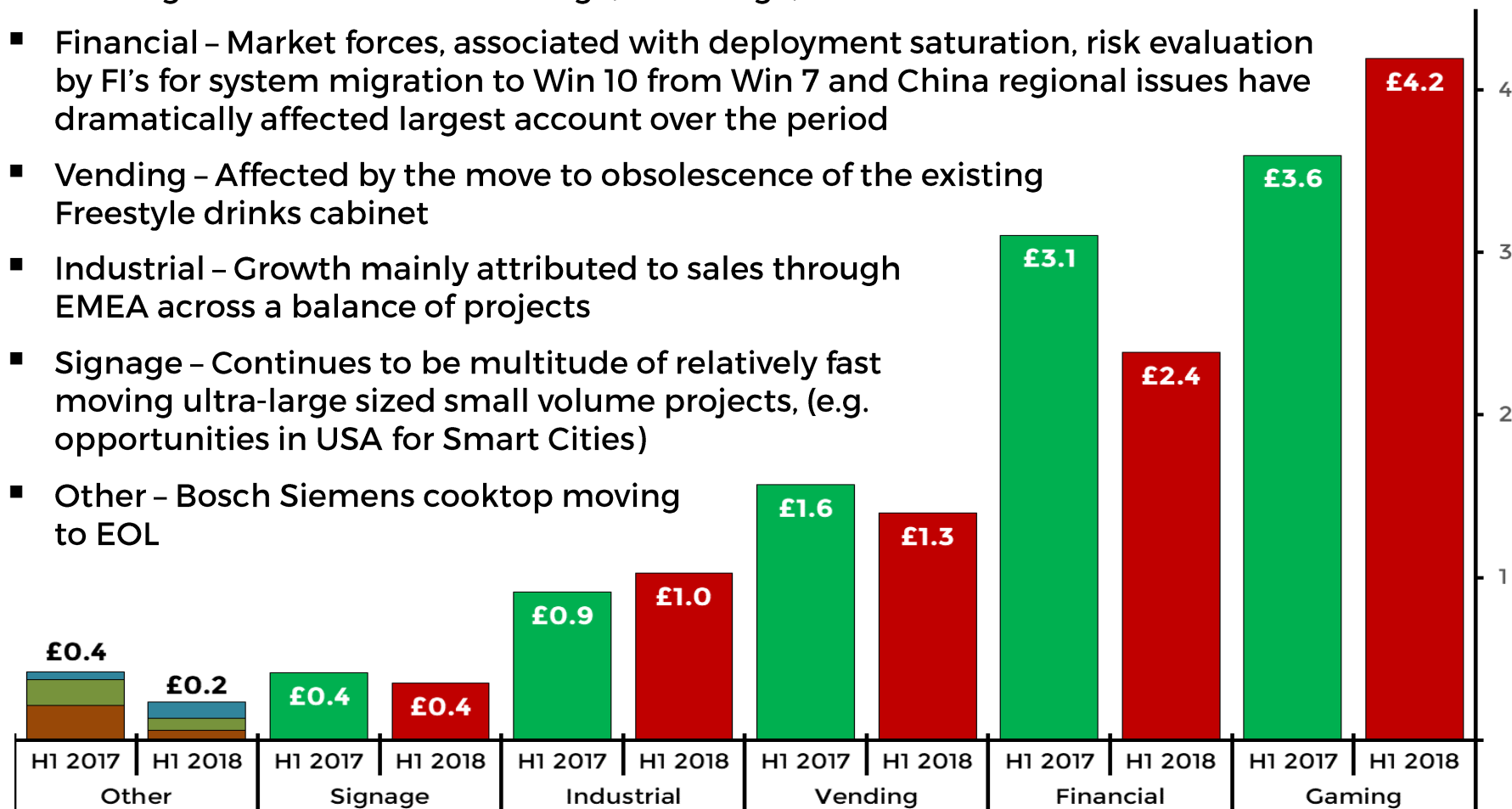
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# Touch Sales - Total Product Revenues by Markets



- Gaming - Volume increases in large, ultra-large, curved & MPCT™ solutions
- Financial - Market forces, associated with deployment saturation, risk evaluation by FI's for system migration to Win 10 from Win 7 and China regional issues have dramatically affected largest account over the period
- Vending - Affected by the move to obsolescence of the existing Freestyle drinks cabinet
- Industrial - Growth mainly attributed to sales through EMEA across a balance of projects
- Signage - Continues to be multitude of relatively fast moving ultra-large sized small volume projects, (e.g. opportunities in USA for Smart Cities)
- Other - Bosch Siemens cooktop moving to EOL

GBP Millions



Telematics, Home, Healthcare

Note: Touch Product Revenues are rounded to nearest £0.1m and comprise sensors', controllers, ancillaries and non-recurring engineering charges

The world at your fingertips

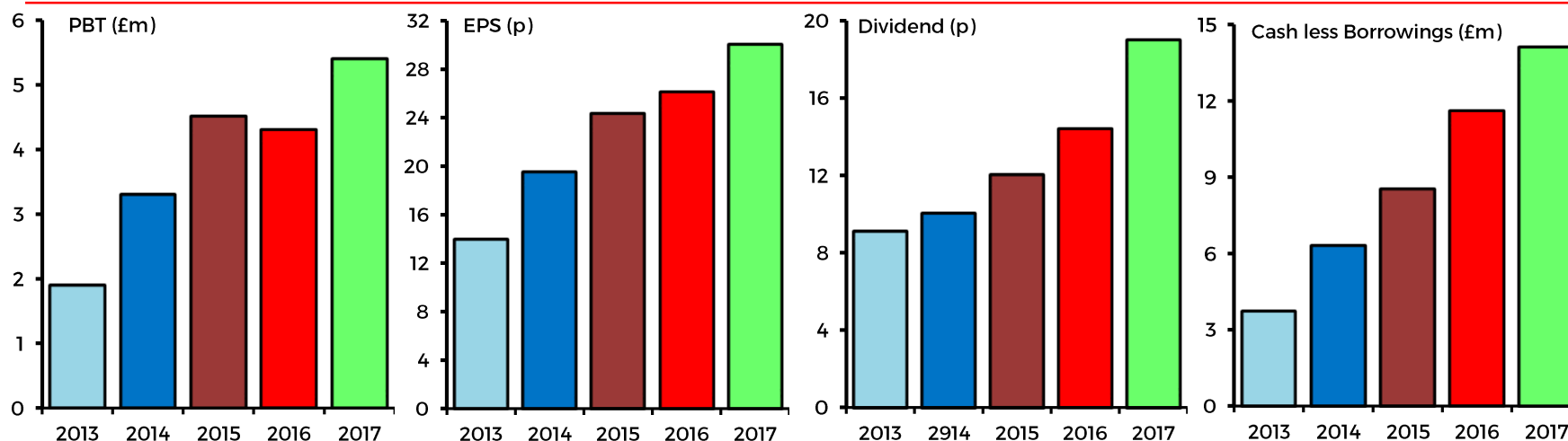
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- Completed successful participation at G2E (USA) & ICE (Europe) gaming expos, and ISE (Europe) & DSE (USA) display expos
- Transitioned digital marketing agency support to increase website effectiveness
- Production and product launch of new MPCT™ ASIC chipset, ZXY500 series of controller boards and 2<sup>nd</sup> Gen MPCT™ sensors
- Planned further refinement of external global sales
  - AMERICAS – Recruitment of 3<sup>rd</sup> USA national sales person to Zytronic Inc
  - APAC – Recruitment of 2<sup>nd</sup> Japanese national sales engineer
    - Researching new channel partners for SE Asia

- Continued strong margins from mix of business
- Continued progressive dividends
- Strong balance sheet and cash generation provides sound base for further growth in dividends and shareholder value
- Continued expansion of global sales footprint
  - Strengthening of direct global sales and support in USA and Far East
- Continued investment in the technologies, processes and facilities
  - MPCT™ - new ASIC, chipset and ZXY500 series controllers
- Growth in Gaming continues into H2 with demand improving in ATM market

# Appendices

# 5 Year Financial Comparisons

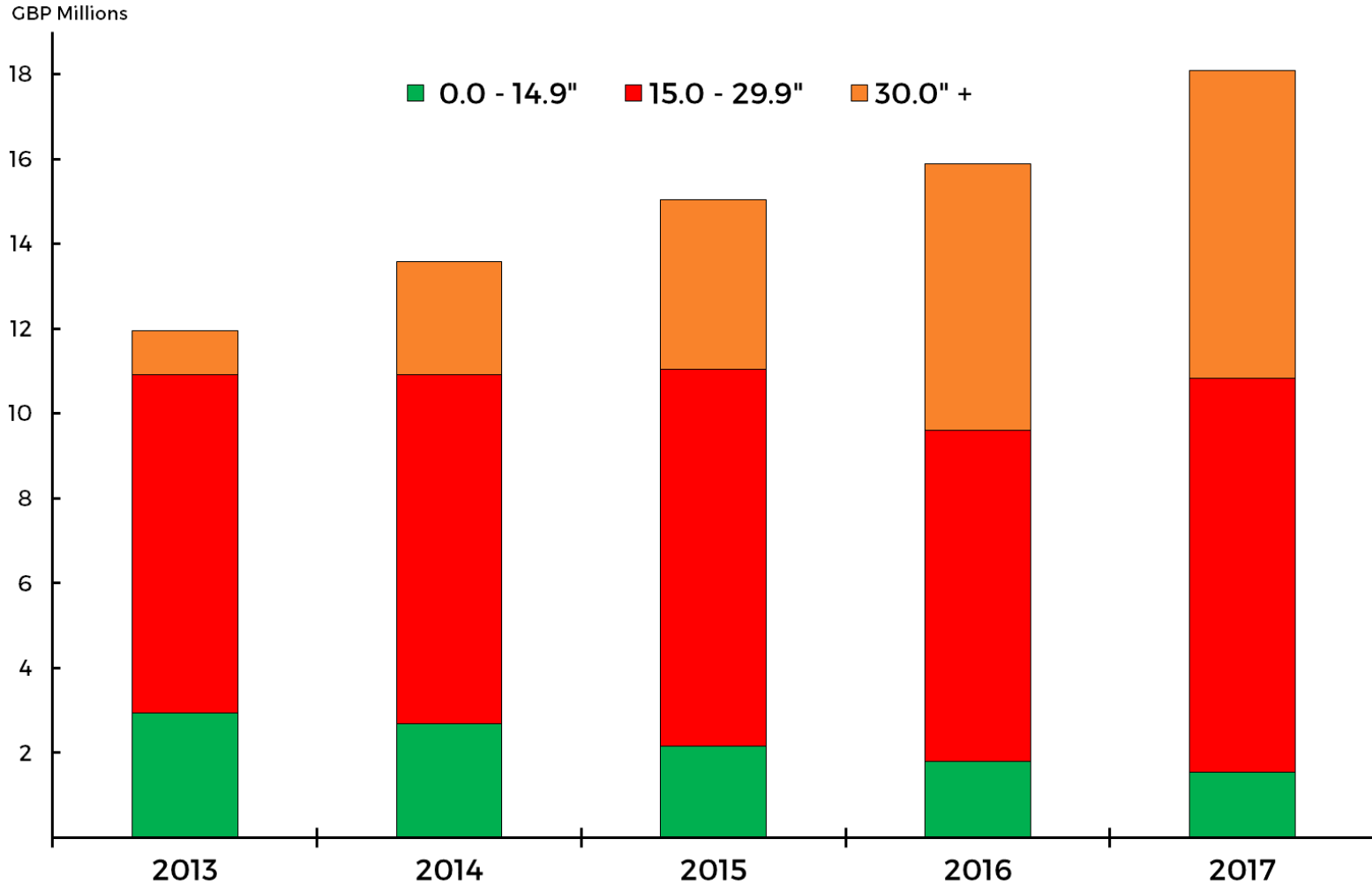


Year ended	30-Sept-13	30-Sept-14	30-Sept-15	30-Sept-16	30-Sept-17
Revenue (£m)	17.3	18.9	21.3	21.1	22.9
Gross Margin (%)	28.4	36.6	41.9	42.8	41.1
EBITDA (£m)	3.0	4.3	5.6	5.4	6.6
PBT (£m)	1.9	3.3	4.5	4.3	5.4
EPS (FD)/(AD) (p)	13.8	19.5	24.3	26.1	29.0
Dividends for year (p)	9.01	10.01	12.01	14.41	19.0
Cash Generation (£m)	3.3	4.2	4.9	5.6	4.7
Cash less Borrowings (£m)	3.7	6.3	8.5	11.6	14.1

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# 5 Year Touch Sales – Sensor Revenues by size ranges

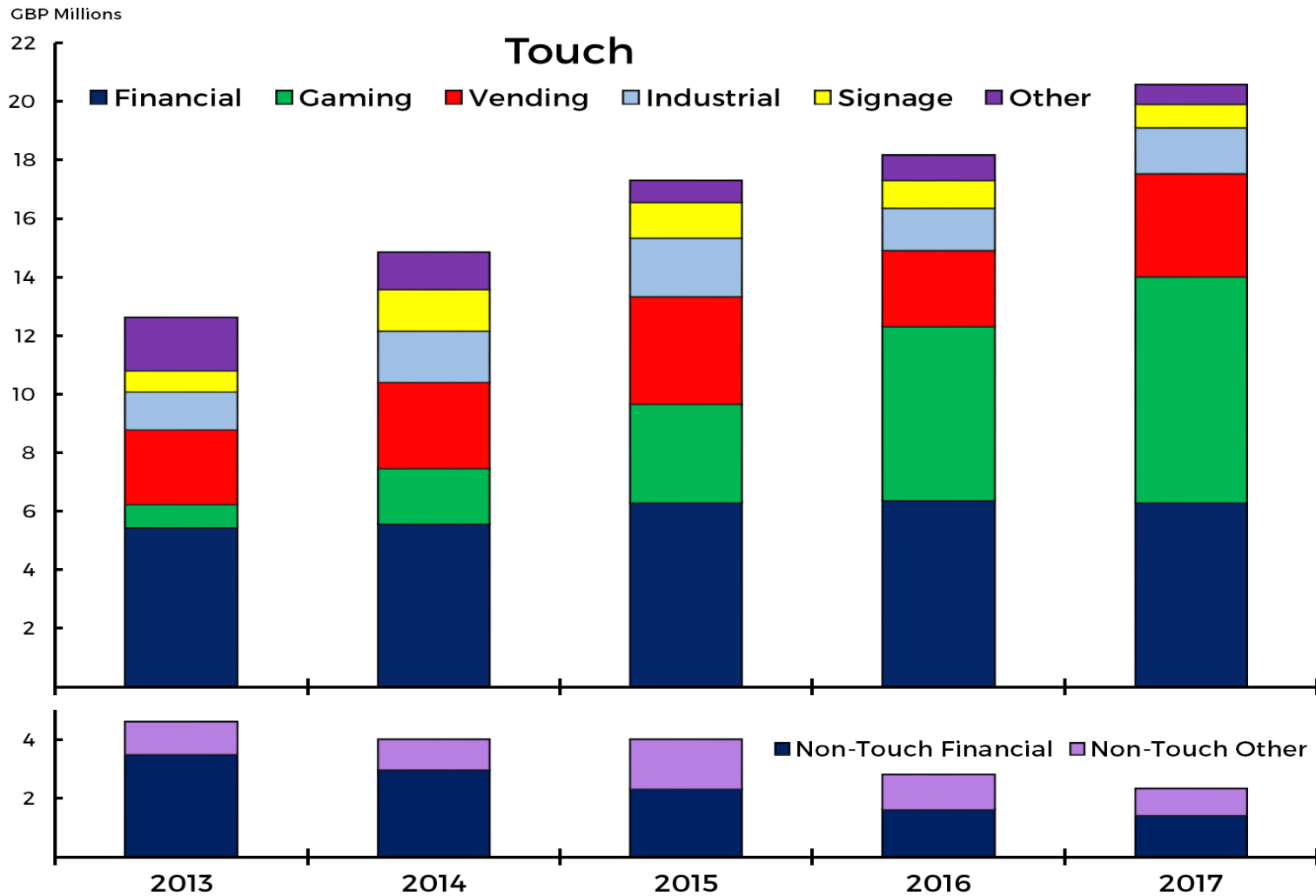


Note: Revenues are sensors only and exclude controllers

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# 5 Year Sales – Revenues by Type and Markets



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

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<b>Total Issued Shares</b>	<b>16,044,041</b>
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<b>Shareholding as of 30 April 2018</b>	<b>(% of ISC)</b>
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Hargreaves Lansdown	7.85
Close Brothers Asset Management	6.94
Brown Shipley	5.82
Investec Wealth & Investment	5.00
Canaccord Genuity Wealth Management	4.56
Cazenove Capital Management	3.46
Chelverton Asset Management	3.40
Interactive Investor	3.27
Cavendish Asset Management	3.25
Barclays Smart Investor	3.23
Directors	1.77

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## **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, Chairman and Chief Executive 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 is a graduate in Materials Science with a Securities Institute Certificate in Corporate Finance. He has held the positions within the Group of Technical & Quality Director, Sales and Marketing Director and is presently also Managing Director of Zytronic Displays Limited and President of Zytronic Inc., the USA, sales operation. Mark was appointed to the board of Zytronic Plc in June 2007 and subsequently became Chief Executive in January 2008.

## **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.

## **Senior Independent Non-Executive Director - Sir David Robert Macgowan Chapman Bt.**

Sir David is a former Chairman of the CBI North East and has held a variety of Non-Executive roles including Northern Rock plc and the London Stock Exchange. Sir David is currently Chairman of Virgin Money's Pension Scheme and its Independent Governance Committee.

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

David worked at the Bank of England until 2010, most recently as the Bank's Agent for the North East of England, for nine years. David is a Non-Executive Director of Newcastle Building Society and a Director of William Leech (Investments) Ltd.