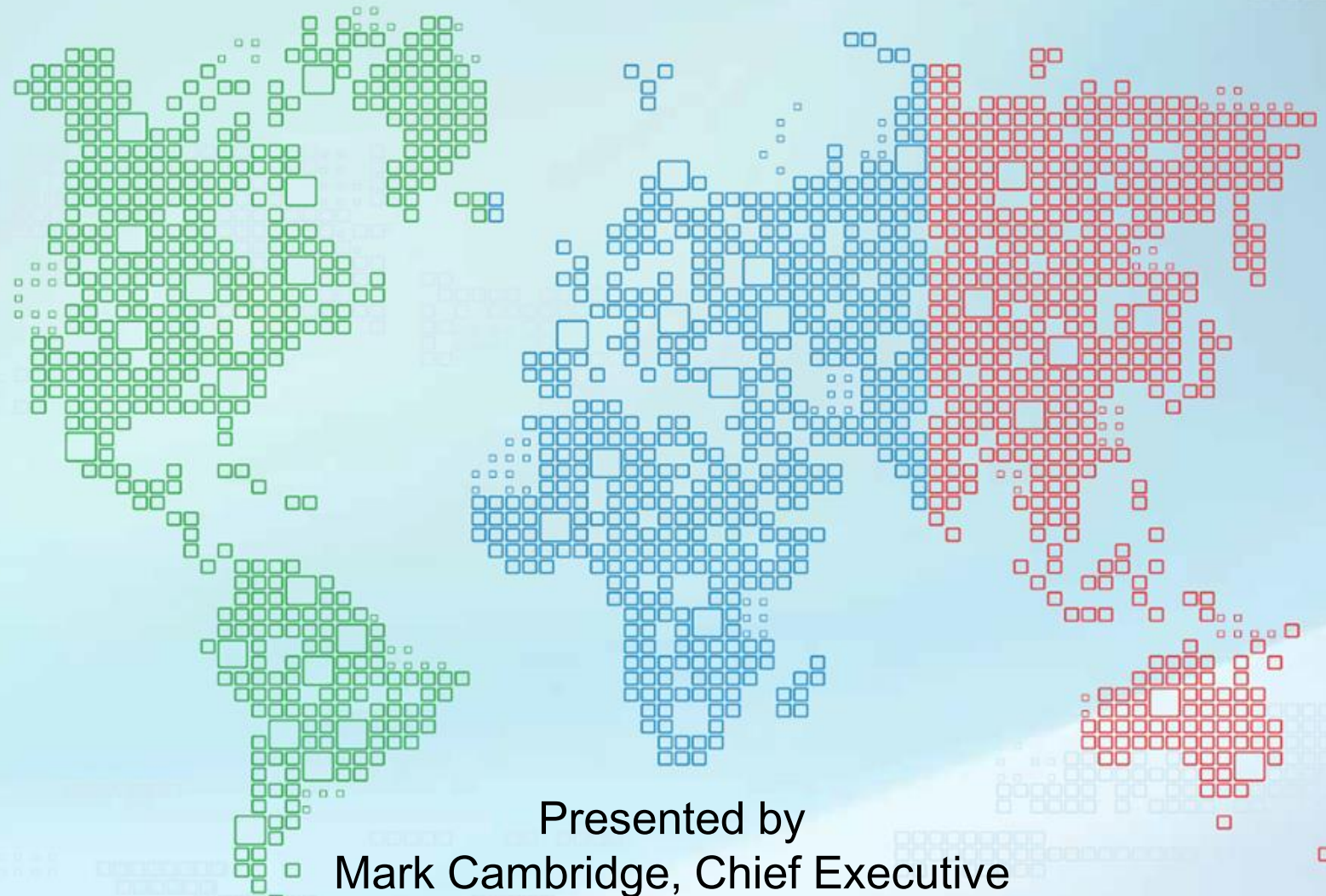




Interim Results

Six months ended 31 March 2015



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

May 2015

Contents

- Financial Overview
 - Income Statement
 - Balance Sheet & Cashflow
- Operational Overview
 - Touch Volumes Analysis by Market and Sensor Size
 - Touch Project Opportunities Analysis
 - Sales & Marketing Activities
- Strategic Developments
- Summary & Outlook
- Appendices
 - Target Touch Markets & Applications

Financial Overview

	Six Months ended 31 March		Movement
	2015	2014	
Revenue	£10.0m	£8.8m	+13%
Gross profit margin	39.9%	33.9%	+600bp
Dist & admin costs	£2.4m	£1.6m	+50%
Profit before tax	£1.6m	£1.4m	+15%
Diluted EPS	8.6p	7.6p	+13%
Interim dividend	3.14p	2.85p	+10%

Consolidated Income Statement

	Six Months to 31 March 2015 (£m)	Six Months to 31 March 2014 (£m)	12 Months to 30 September 2014 (£m)
Group revenue	10.0	8.8	18.9
Gross profit	4.0	3.0	6.9
GP margin	39.9%	33.9%	36.5%
Group operating profit	1.6	1.4	3.3
Operating margin	16.0%	15.9%	17.5%
Profit before tax	1.6	1.4	3.3
Tax expense	0.3	0.3	0.3
Profit after tax	1.3	1.2	3.0
Earnings per share			
Basic	8.7p	7.7p	19.6p
Diluted	8.6p	7.6p	19.5p

Income Statement

- Group revenue of £10.0m (H1 2014: £8.8m)
 - Growth in GBP, EUR and USD denominated revenues
- Gross profit margin of 39.9% (H1 2014: 33.9%)
 - Improved margins from touch products
 - Higher volume of large format and multi-touch sensors
 - Recent capital expenditure delivering improved processing efficiencies
- Admin expenses of £2.2m (H1 2014: £1.5m)
 - Zytronic Inc. operating costs of £0.1m (H1 2014: £Nil)
 - YOY salary increases of £0.2m, includes share based payments and provisions
 - FX charges of £0.4m
 - Mark to market of forward contract provisioning £0.2m
 - Translational differences loss of £0.2m (H1 2014: £0.1m gain)

Income Statement – cont'd

- PBT of £1.6m (H1 2014: £1.4m)
- Net effective tax rate estimated at 18% (H1 2014: 18%)
 - Average corporation tax rate for 2015 of 20.5%
 - Projected reduction for R&D tax credits and share option exercise reliefs
- Diluted EPS of 8.6p (H1 2014: 7.6p)
- Interim dividend increased by 10% to 3.14p (2014 interim dividend: 2.85p)

Consolidated Balance Sheet

	Six Months to 31 March 2015 (£m)	Six Months to 31 March 2014 (£m)	12 Months to 30 September 2014 (£m)
Non-current assets	9.1	9.1	8.9
Current assets (less cash)	6.3	6.0	6.2
Cash	8.7	6.3	7.8
Total assets	24.1	21.4	22.9
Current liabilities	3.6	2.8	2.8
Non-current liabilities	2.0	2.1	2.1
Total liabilities	5.6	4.9	4.9
Net assets	18.5	16.5	18.1

Consolidated Cashflow Statement

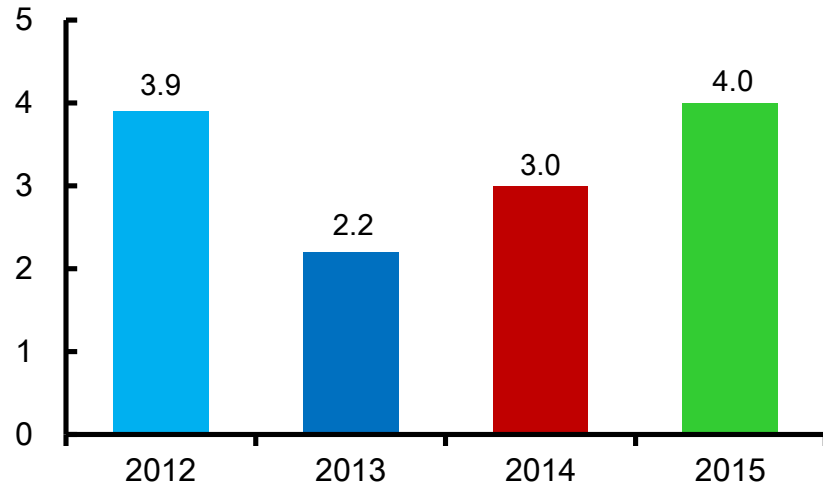
	Six months to 31 March 2015 £m	Six months to 31 March 2014 £m	12 months to 30 September 2014 £m
Operating activities	1.6	1.4	3.3
Depreciation and amortisation	0.5	0.5	1.0
Movement in working capital	0.2	0.2	0.1
Tax paid	(0.1)	(0.2)	(0.5)
Capex	(0.7)	(0.2)	(0.6)
Dividends	(1.1)	(1.0)	(1.4)
Increase in cash	0.9	0.8	2.3
Cash at period end	8.7	6.3	7.8

Balance Sheet & Cashflow

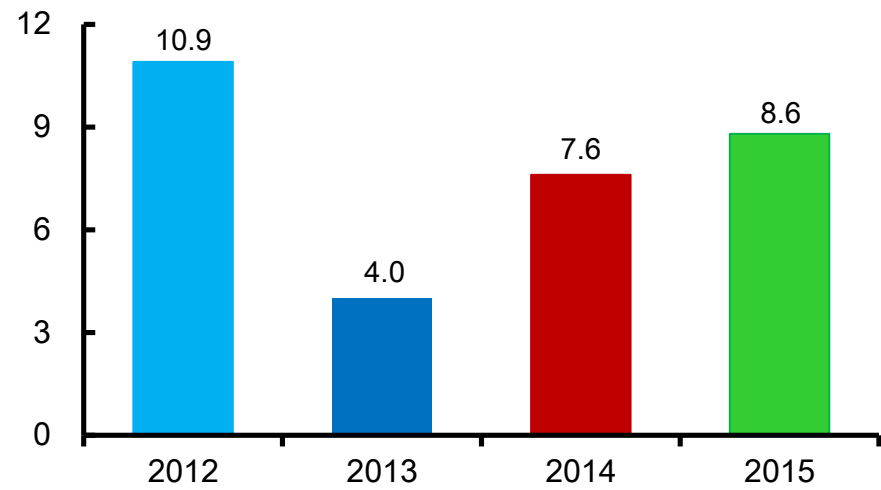
- Group remains in a strong financial position and ungeared
- Currency
 - Natural hedging, predominantly in EUR currency
 - Forward FX contracts in USD and EUR
 - Rolling \geq 12 months, \leq 18 months, net liability of £0.4m at 31 March (30 September 2014: £0.2m)
- Cash position and cashflows
 - Decrease in working capital £0.2m (30 September 2014: £0.1m reduction)
 - Taxation paid £0.1m (H1 2014: £0.2m)
 - Strong net cash inflow from operating activities of £2.6m (H1 2014: £1.9m)
 - Fixed asset spend of £0.7m (H1 2014: £0.2m)
 - Tangible plant & equipment of £0.5m (H1 2014: £Nil)
 - Borrowings reduced to £1.4m (30 September 2014: £1.5m)
 - 2014 Final dividend payment of £1.1m (2013: Final dividend of £1.0m)
 - Net cash increased to £7.3m (30 September 2014: £6.3m)

Key Financial Metrics

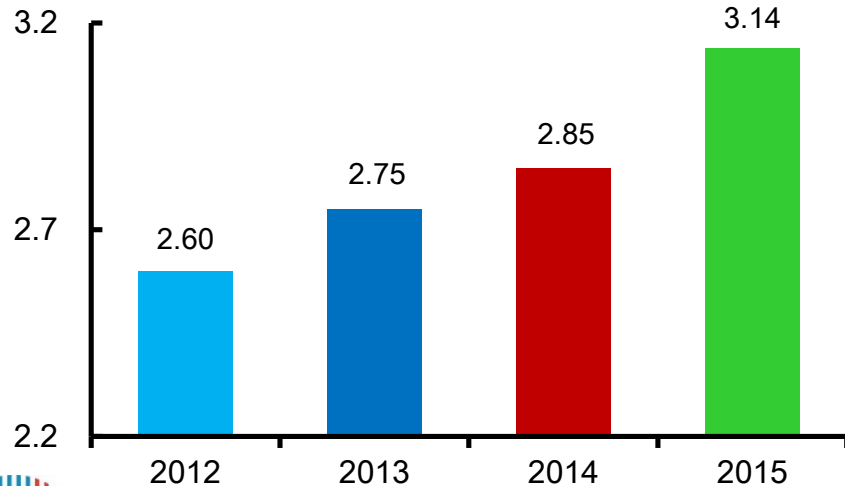
Gross profit (£m)



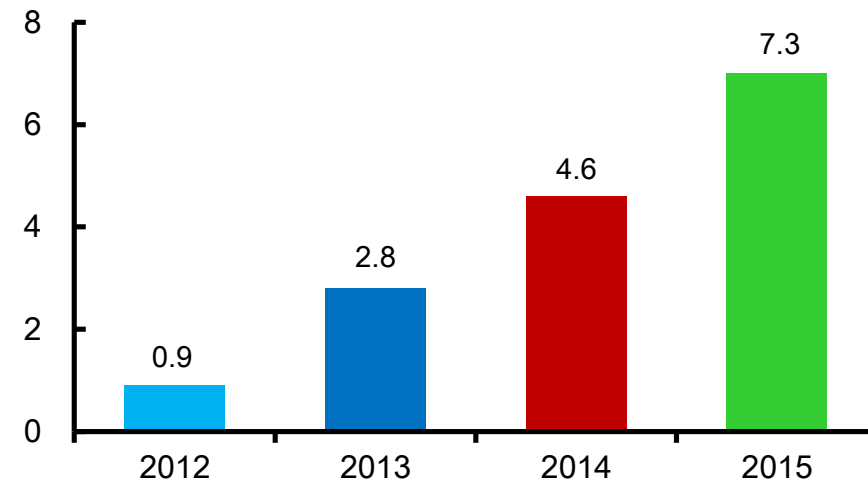
EPS (p) – Diluted



Interim Dividend (p)



Net cash (£m)



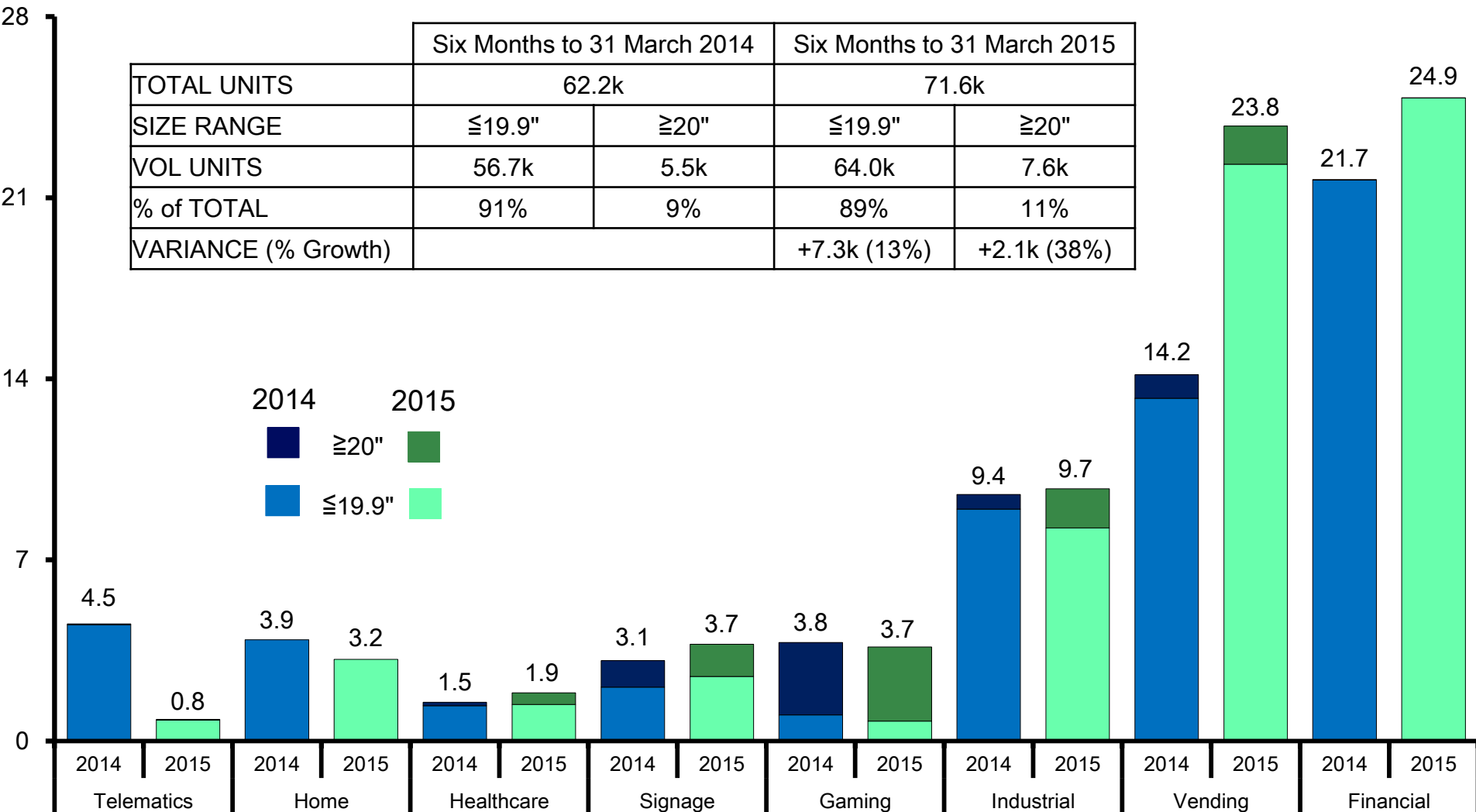
Operational Overview

- Total revenues of £10.0m (H1 2014: £8.8m)
 - Touch revenues account for 80% of total (H1 2014: 77%)
 - 92% exported (H1 2014: 95%)
- Touch
 - Revenues up £1.1m to £7.9m (H1 2014: £6.8m)
 - Unit volumes increased to 72k units (H1 2014: 62k units)
 - Volumes showing improvement across majority of markets
 - Improved mix of sensor sizes continues; increased volumes >20” sizes
~ Gaming remains largest market for >20” sizes
 - Telematics, end of life (“EOL”) of Australian agricultural project
 - Financial, 23% increase in ATM units
 - Vending influenced by uplift in Freestyle, countered by EOL of fuel vend project
 - Commenced initial deliveries of 42” curved MPCT™ for Gaming
 - Fourfold increase in volume of MPCT™ sensors >20” to 1,800 units
- Non-Touch
 - Revenues of £2.1m (H1 2014: £2.0m)
 - ATM display filters account for 66% of non-touch total (H1 2014: 75%)

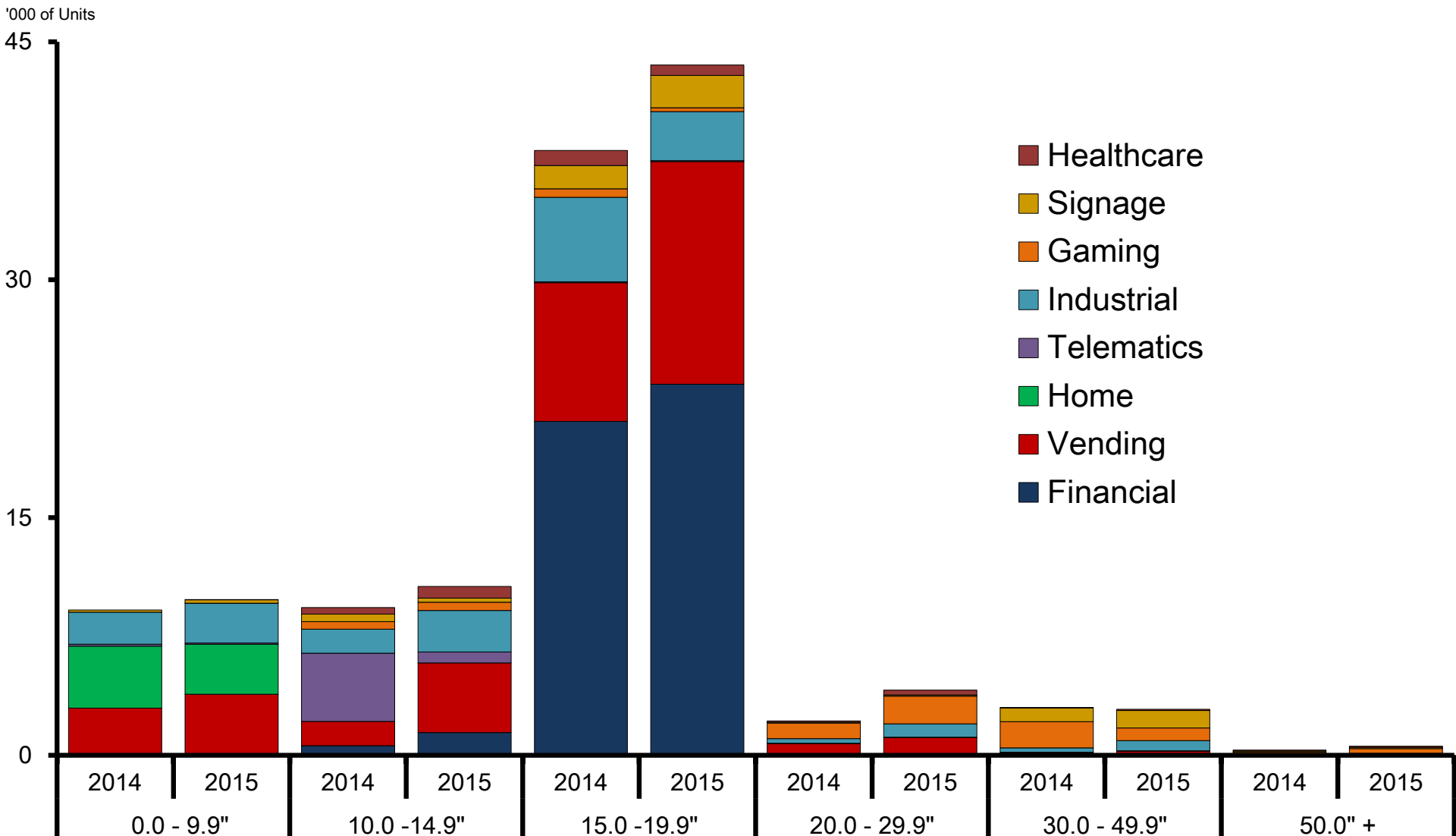
Touch Volumes by Markets & Sensor Sizes

'000 of Units

	Six Months to 31 March 2014		Six Months to 31 March 2015	
TOTAL UNITS	62.2k		71.6k	
SIZE RANGE	≤19.9"	≥20"	≤19.9"	≥20"
VOL UNITS	56.7k	5.5k	64.0k	7.6k
% of TOTAL	91%	9%	89%	11%
VARIANCE (% Growth)			+7.3k (13%)	+2.1k (38%)

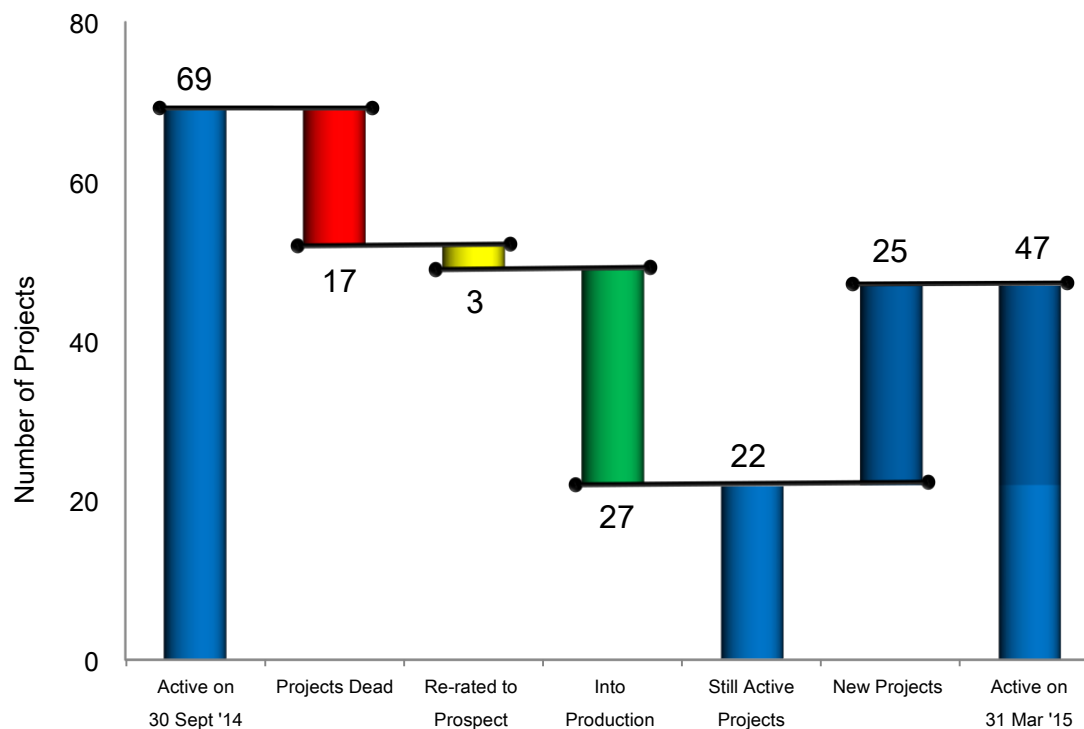


Touch Volumes by Sensor Sizes & Markets

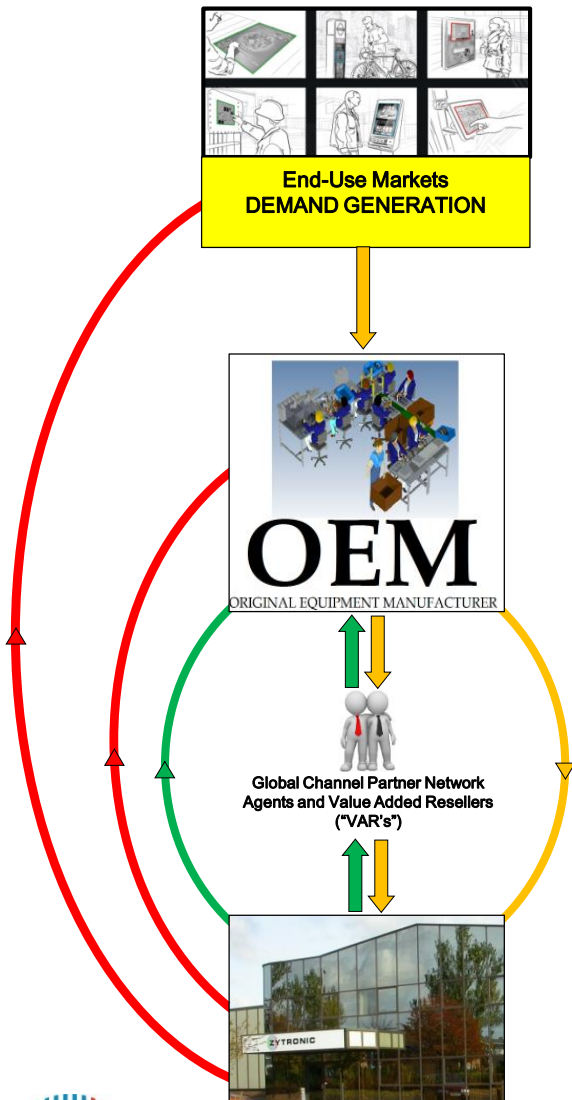


Touch Project Opportunities Analysis

	Active on 30 Sept 14	Dead during H1'15	Re-rated to Prospect during H1'15	Into Production during H1'15	Still active 31 March 2015	New during H1'15	Active on 31 March 2015	Prospective impact of Actives
Finance	10	1	-	8	1	1	2	★
Gaming	6	2	-	3	1	4	5	★★★
Vending	8	1	-	2	5	4	9	★★★
Signage	29	9	-	9	11	5	16	★★★
Industrial	11	4	1	3	3	9	12	★
Other	5		2	2	1	2	3	★
TOTALS	69	17	3	27	22	25	47	



Sales & Marketing Activities



MARKETING ACTIVITIES

- Several 'How to' – technical support videos released on Zytronic YouTube channel
- Trade Exhibitions undertaken;
 - Electronica – Europe, November 2014
 - Integrated Solutions Europe "ISE" – February 2015
 - Digital Signage Expo "DSE" – USA, March 2015
 - Customer products showcased at USA and UK gaming expos

supporting

SALES ACTIVITIES

- Export focused sales
 - Zytronic Inc. USA – operational for 12 months
 - FastTrack China Zhengzhou Agency, opened October 2014
 - Taiwan Representative Office, opened March 2015
 - ▶ Taiwanese national - Business Development Manager

Strategic Developments

Operations

- Cleanroom expanded, increasing total cleanroom floor area by 25%
 - New equipment ordered, 5x 65” plotters, 1x 65” laminator and 1x CNC glass profiler

R&D

- UK Patent GB2502600 granted Nov 2014, relating to MPCT™ scanning technique
- Released PCT™ ZXY110 controller for dynamic frequency scanning
- ZXY150 controller development initiated for MPCT™ sensor sizes below 19”
- Feasibility study on Application Specific Integrated Chip (“ASIC”) for MPCT™
- Touch surface ‘shape recognition’ development initiated for advanced interactivity

Summary & Outlook

- Benefiting from the improving mix of touch sensor solutions across the customer base
- Strong financial position underpinned by healthy cash balances
- Good level of opportunities across our target markets
- Continued investment in business development
- Expect to make further progress over the remainder of 2015

Appendix

Target Touch 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

