

Interim Results Presentation for the six months ended 31 March 2016



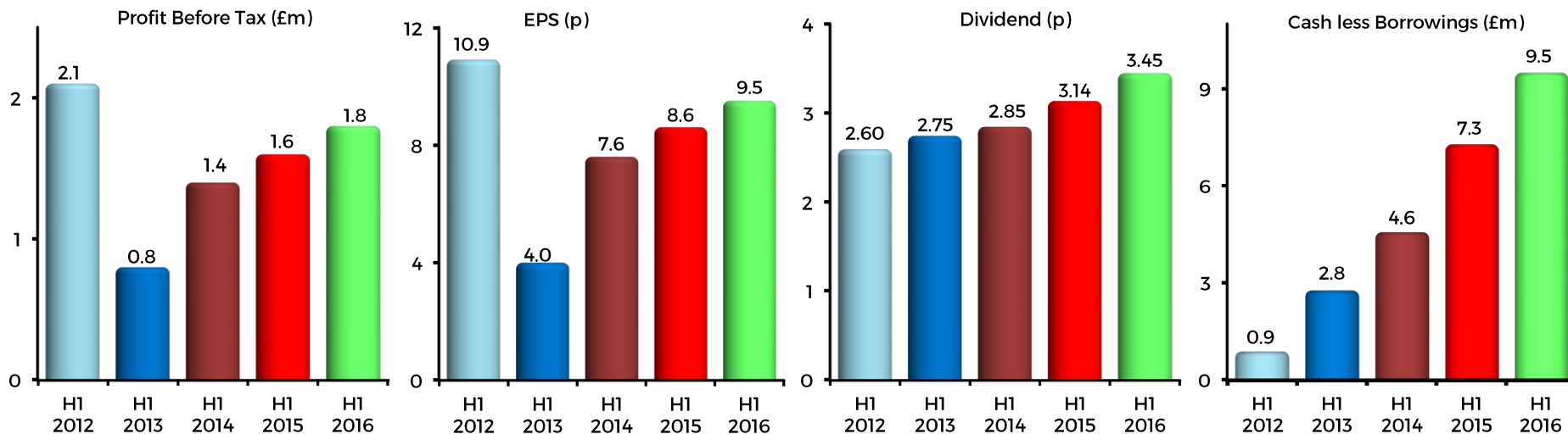
The world at your fingertips

Mark Cambridge, Chief Executive
& Claire Smith, Group Finance Director

May 2016

	Unaudited Six months to 31 March		
	2016	2015	Movement
Revenue	£9.9m	£10.0m	- 1%
Gross profit	£4.2m	£4.0m	+5%
Gross profit margin	42.3%	39.9%	+240bp
Profit before tax	£1.8m	£1.6m	+8%
Reported EPS	9.6p	8.7p	+10%
Diluted EPS	9.5p	8.6p	+10%
Interim dividend	3.45p	3.14p	+10%

Financial – Key Fundamentals*



Six months ended, £m	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16
Revenue (£m)	10.6	8.5	8.8	10.0	9.9
EBITDA (£m)	2.7	1.3	1.9	2.1	2.3
Profit Before Tax (£m)	2.1	0.8	1.4	1.6	1.8
EPS (FD)/(AD) (p)	10.9	4.0	7.6	8.6	9.5
Cash (£m)	2.8	4.6	6.3	8.7	10.8

*Unaudited information

Consolidated Income Statement



	Unaudited Six months to 31 Mar 2016 (£m)	Unaudited Six months to 31 Mar 2015 (£m)	Audited 12 months to 30 Sept 2015 (£m)
Group revenue	9.9	10.0	21.3
Gross profit	4.2	4.0	8.9
GP margin	42.3%	39.9%	41.9%
Group operating profit	1.8	1.6	4.6
Operating margin	17.8%	16.3%	21.4%
Profit before tax	1.8	1.6	4.5
Tax expense	(0.3)	(0.3)	(0.8)
Profit after tax	1.5	1.3	3.8
Earnings per share (EPS)			
Basic	9.6p	8.7p	24.7p
Diluted	9.5p	8.6p	24.3p

The world at your finger tips

www.zytronicplc.com

-
- Group revenue of £9.9m (H1 2015: £10.0m)
 - Gross profit margin of 42.3% (H1 2015: 39.9%)
 - Prior capital expenditure delivering processing on-going efficiencies
 - Higher volume of large format and multi-touch sensors
 - Improved margins from increased touch product sales
 - Admin expenses of £2.2m (H1 2015: £2.2m)
 - Operating costs for USA, Taiwan & Japan of £0.2m (H1 2015: £0.1m)
 - FX forward contracts provisional charges of £0.4m (H1 2015: £0.4m charge)
 - PBT of £1.8m (H1 2015: £1.6m)
 - Net effective tax rate estimated at 15.5% (H1 2015: 18%)
 - Average corporation tax rate for full year 2016 of 20.5%
 - Projected reduction for R&D tax credits, Patent Box on MPCT™ sales and share option exercise reliefs
 - Diluted & fully adjusted EPS of 9.5p (H1 2015: 8.6p)
 - Interim dividend increased by 10% to 3.45p (2015: 3.14p)
-

Consolidated Balance Sheet



	Unaudited Six months to 31 Mar 2016 (£m)	Unaudited Six months to 31 Mar 2015 (£m)	Audited 12 months to 30 Sept 2015 (£m)
Non-current assets	9.0	9.1	9.2
Current assets (less cash)	6.3	6.3	6.3
Cash	10.8	8.7	9.8
Total assets	26.1	24.1	25.3
Current liabilities	(3.2)	(3.6)	(2.7)
Non-current liabilities	(1.9)	(2.0)	(1.9)
Total liabilities	(5.1)	(5.6)	(4.6)
Net assets	21.0	18.5	20.7

Consolidated Cashflow Statement

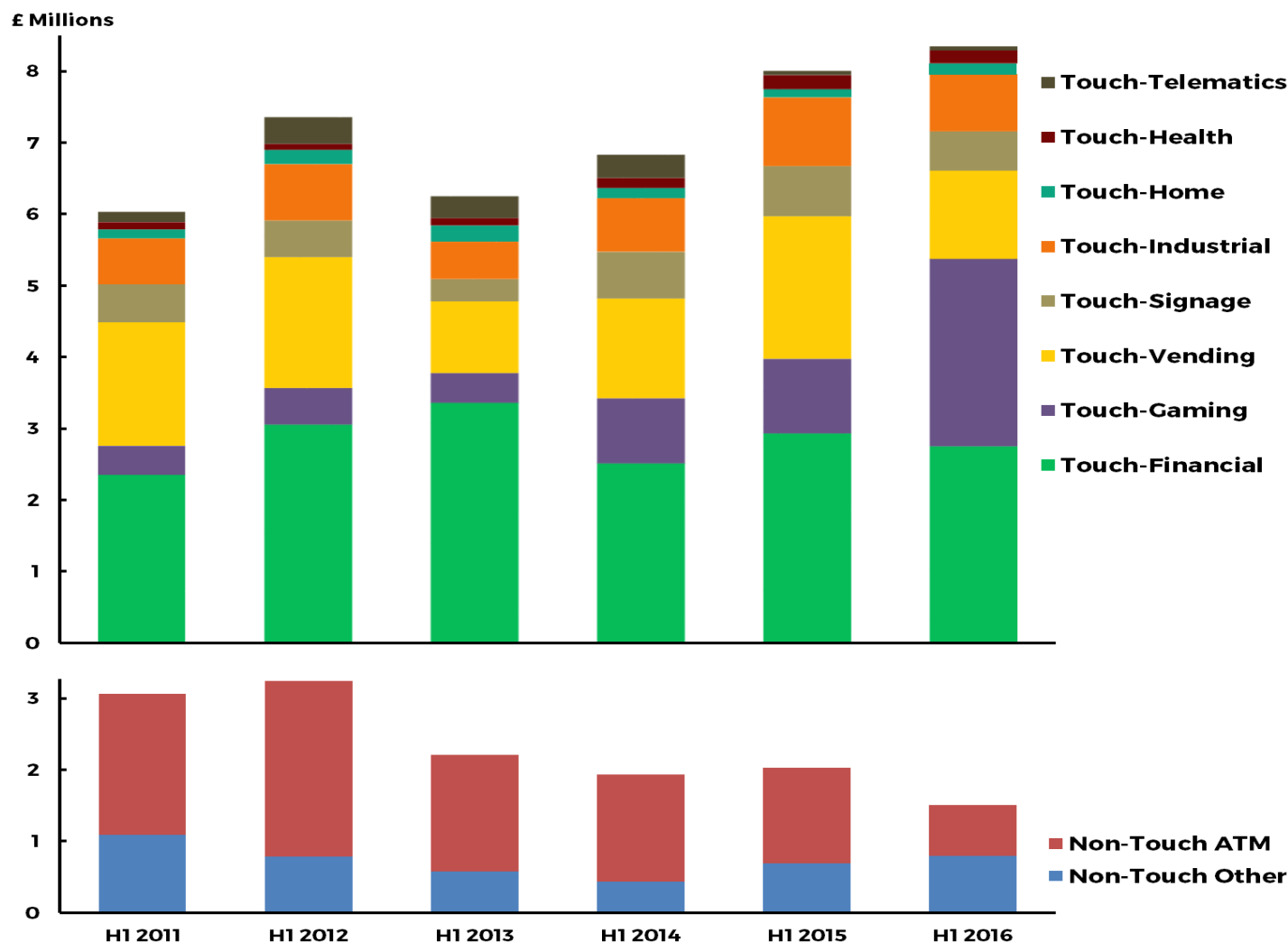


	Unaudited Six months to 31 Mar 2016 £m	Unaudited Six months to 31 Mar 2015 £m	Audited 12 months to 30 Sept 2015 £m
Profit from operating activities	1.7	1.6	4.5
Depreciation and amortisation	0.6	0.5	1.0
Movement in working capital	0.1	0.2	(0.3)
Tax paid	(0.2)	(0.1)	(0.6)
Capex	(0.4)	(0.7)	(1.4)
Dividends	(1.4)	(1.1)	(1.6)
Increase in cash	1.0	0.9	2.0
Cash at period end	10.8	8.7	9.8

-
- Group retains strong financial position
 - Currency
 - Natural hedging, in EUR and USD
 - Surplus USD & EUR between 12 and 18 months of forward FX rolling contract cover
 - Net liability of £0.4m at 31 March 2016 (30 September 2015: £0.1m)
 - Cash position and cashflows
 - Reduction in working capital of £0.1m (30 September 2015: £0.3m increase)
 - Taxation paid £0.2m (H1 2015: £0.1m)
 - Strong net cash inflow from operating activities £2.5m (H1 2015: £2.6m)
 - Capex spend of £0.4m (H1 2015: £0.7m)
 - Property, plant & equipment £0.2m (H1 2015: £0.5m)
 - 2015 Final dividend payments of £1.4m (H1 2015: 2014 Final of £1.1m)
 - Net cash (cash less overdrafts) increased to £10.8m (30 September 2015: £9.8m)

-
- Total revenues of £9.9m (H1 2015: £10.0m)
 - Touch revenues account for 84% of total (H1 2015: 80%)
 - 95% exported (H1 2015: 92%)
 - Non-Touch
 - Revenues of £1.6m (H1 2015: £2.1m)
 - ATM display filters accounted for £0.7m or 45% of non-touch total (H1 2015: £1.3m, 64%)
 - Touch
 - Revenues up £0.4m to £8.3m (H1 2015: £7.9m)
 - Volume of 62k sensor units (H1 2015: 72k units)
 - Year on year changes to geographical and market application mix
 - Customer & project activity dependent

Revenue Mix by Product Types & Markets



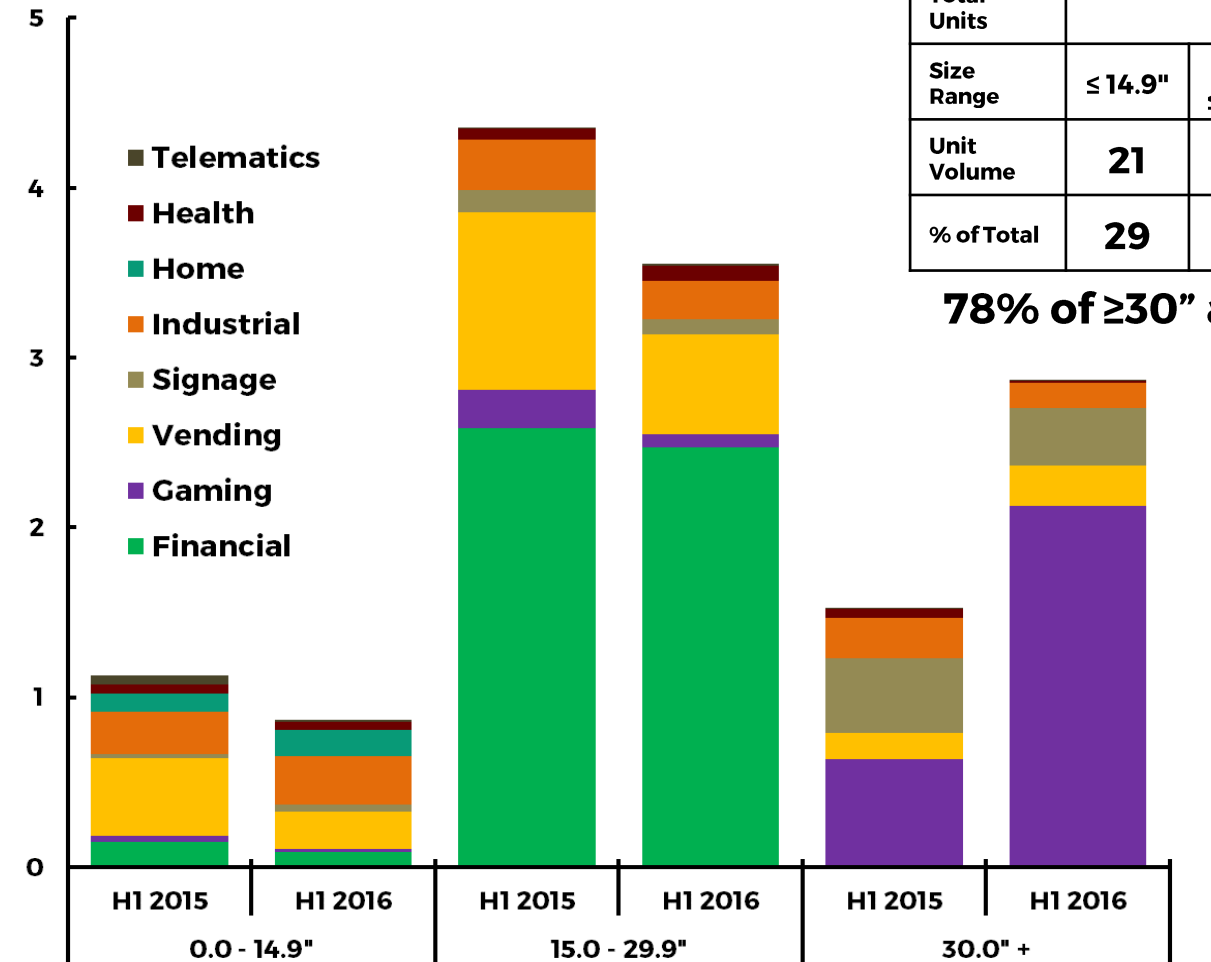
The world at your finger tips

www.zytronicplc.com

Touch Revenues by Sensor Sizes & Markets



£ Millions



	H1 2015			H1 2016		
Total Units	72			62		
Size Range	≤ 14.9"	≥ 15.0 ≤ 29.9"	≥ 30.0"	≤ 14.9"	≥ 15.0 ≤ 29.9"	≥ 30.0"
Unit Volume	21	47	4	19	36	7
% of Total	29	66	5	31	59	10

78% of ≥30" are MPCT™ (H1 2015: 49%)

Note: All units are '000 rounded

The world at your finger tips

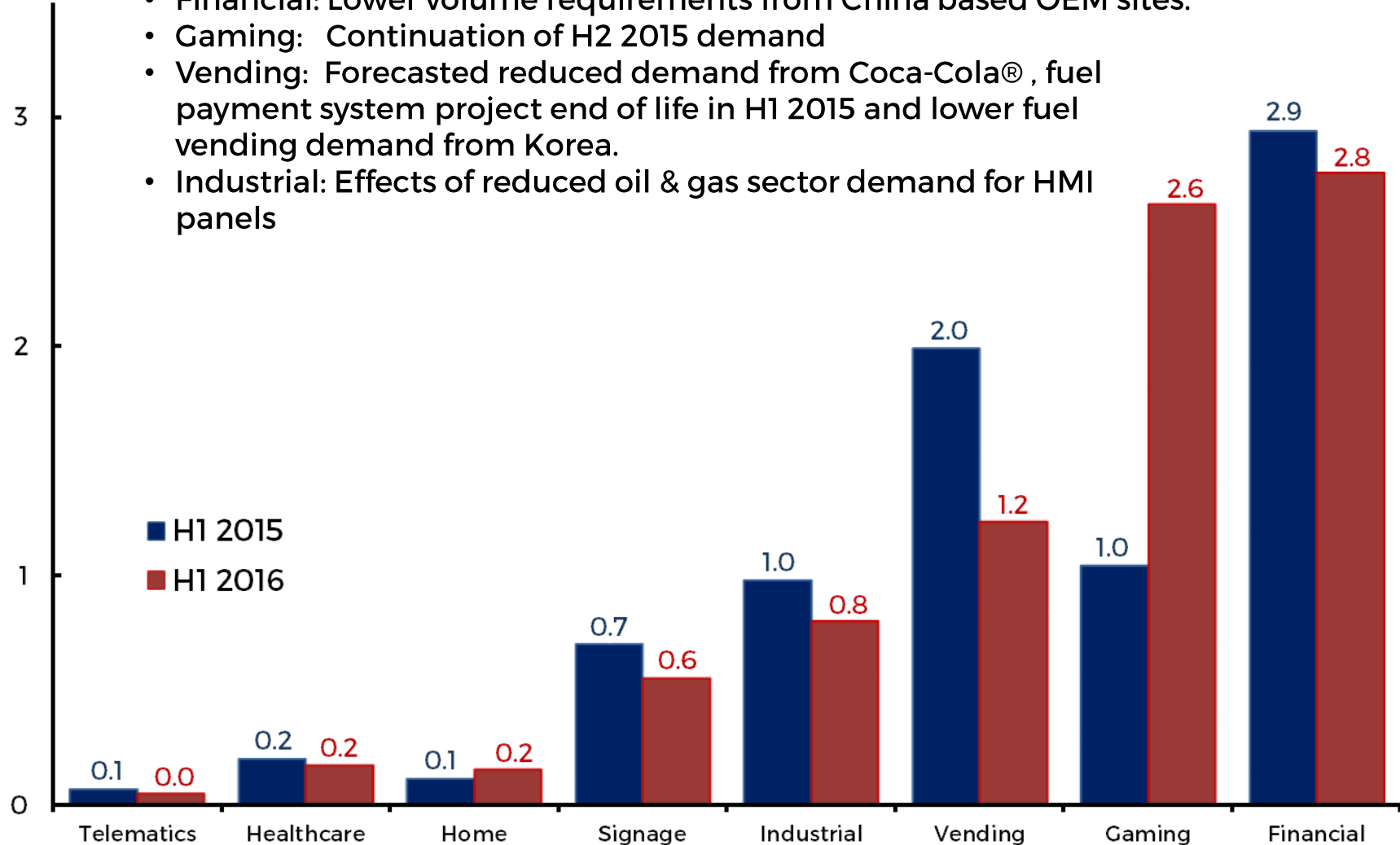
www.zytronicplc.com

Touch Revenues by Markets



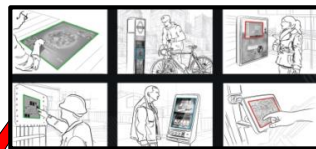
£ Millions

- Financial: Lower volume requirements from China based OEM sites.
- Gaming: Continuation of H2 2015 demand
- Vending: Forecasted reduced demand from Coca-Cola®, fuel payment system project end of life in H1 2015 and lower fuel vending demand from Korea.
- Industrial: Effects of reduced oil & gas sector demand for HMI panels



The world at your finger tips

www.zytronicplc.com



**End-Use Markets
DEMAND GENERATION**



SALES ACTIVITIES

- Zytronic Inc., additional sales engineer recruited
 - Formal serviced office location opened
- Additional channel partner in to German market

underpinned by

MARKETING ACTIVITIES

- New Corporate branding and touch focused iconography
- New Corporate & Trade websites and supporting videos
- Individual trade PR for Europe, USA and Greater China
 - Jointly exhibited with partner at Gitex Dubai (Oct)
 - Zytronic trade expos in Europe (Feb) and USA (Mar)

-
- Instigated Technical Apprenticeship programme for development of future technicians
 - Further expansion of large format manufacturing capacity
 - Production release of sub 20" MPCT™ solutions
 - Advancement of latest generation of laser jointing techniques for flexi-tail bonding
 - Continued work with industry and academic partners on printing methodologies for alternate sensor production

-
- Margin benefits from mix of touch sizes
 - Cash generation underpins the strength of the balance sheet
 - 10% growth of interim dividend
 - Continued investment in the technologies, processes and facilities
 - Continuing growth in touch product revenues

Appendices

Financial

ATM's, Bill Payment Kiosks,
Financial Kiosks

Vandal Resistance
All Weather Usage
Reliability
Gloved Hand
Encryption



Signage

Interactive Tables, Wayfinding
Terminals, Menu-boards, POI
Systems

Ultra Large
Vandal Resistance
Through Glass
Multi-touch



Vending

Fuel Vend, Product Vend, Service
Vend

Size Range
Durability
Multi-touch
Encryption



Industrial

Kiosks, HMI devices

Durability
Reliability
Gloved Hand
Multi-touch



Gaming

Casino Systems, AV Jukebox,
Wagering/Lottery Terminal,
Pub Skill Games

Customisation
Reliability
Large Sizes
Curved
Multi-touch
Encryption



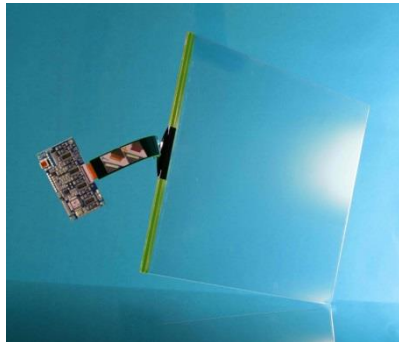
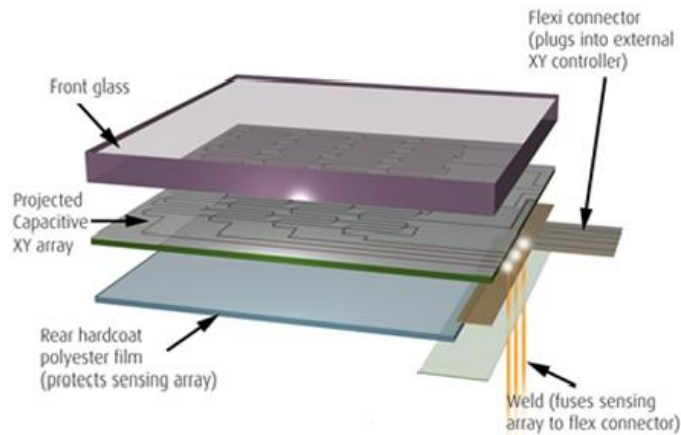
Other

Healthcare, Home, Telematics,
Military, etc

Customisation
Size Range
Durability
Through Glass
Spill Resistant
Reliability

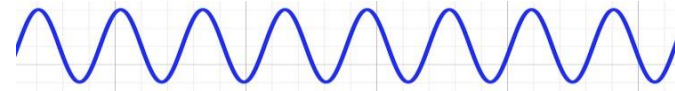


PCT™ & MPCT™ Cross-Sectional



Sensor and controller

PCT™ - self-capacitance technology

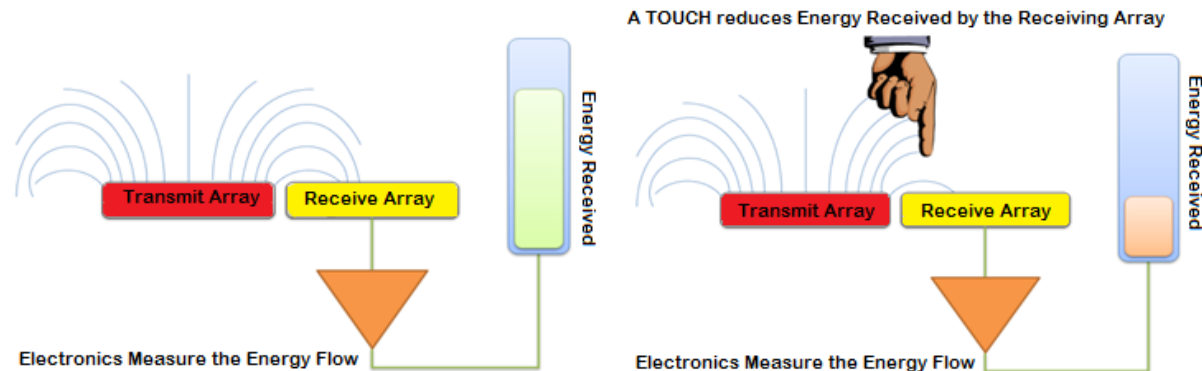


Capacitive electrodes oscillate at a known frequency



Applying a finger due to the body's self-capacitance changes the frequency of oscillation. Measuring the change on an XY array, identifies the 2D touch point.

MPCT™ - mutual-capacitance technology



The X axis acts as a transmitter whilst the Y acts as a receiver.

Non-Executive Chairman - Tudor Griffith Davies , B.Sc

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.

Chief Executive Officer - Mark Cambridge , B.Sc (Hons), FIoD

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 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, B.A. (Hons), ACMA, GCMA, CertICM

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., DL, B Comm.

Sir David is a former Director of Northern Rock plc, the London Stock Exchange and was a member of the Greenbury Committee on Corporate Governance. Sir David is currently Chairman of Virgin Money's Pension Scheme and is on the Advisory board of the North East Finance.

Independent Non-Executive Director - David John Buffham

David worked at the Bank of England for 32 years until 2010. Most recently he was the Bank's Agent for the North East of England for nine years. David is a director of Newcastle Building Society and William Leech (Investments) Ltd.