



Interim Results to period ended 31 March 2019

Presented by

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

May 2019



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	Unaudited six months to 31 March 2019	Unaudited six months to 31 March 2018	Movement
Group revenue	£9.5m	£10.6m	(10.8%)
Gross margin	34.7%	39.6%	(490bp)
EBITDA	£1.9m	£2.7m	(30.0%)
Profit before tax	£1.4m	£2.2m	(37.2%)
Basic earnings per share	7.4p	11.7p	(36.8%)
Proposed interim dividend	7.6p	7.6p	Nil%
Net cash	£12.1m	£13.7m	(12.2%)

Consolidated statement of comprehensive income



	Unaudited six months to 31 March 2019	Unaudited six months to 31 March 2018
Group revenue	£9.5m	£10.6m
Gross profit	£3.3m	£4.2m
Gross margin	34.7%	39.6%
Group trading profit	£1.4m	£2.2m
Trading margin	14.2%	20.5%
Net finance revenue/(costs)	£-	£-
Profit before tax	£1.4m	£2.2m
Tax expense	(£0.2m)	(£0.3m)
Profit for period	£1.2m	£1.9m
Earnings per share (EPS)		
Basic	7.4p	11.7p
Diluted	7.4p	11.7p

Statement of comprehensive income commentary



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- Group revenue £9.5m (2018: £10.6m)
- Gross profit margin of 34.7% (2018: 39.6%)
 - Margin impacted by revenue mix with lower volumes of larger and curved panels sold in 2019
 - Labour costs flat but higher as a % of revenue
- Admin expenses of £1.8m (2018: £1.8m)
 - Saving in general overheads offset by rise in salaries and investment into sales personnel
 - All other costs well controlled
- PBT of £1.4m (2018: £2.2m)
- Net effective tax rate estimated at 14% (2018: 15%)
 - Enhanced R&D tax credits and Patent Box relief claims on MPCT™ products
- Basic and fully diluted EPS of 7.4p (2018: 11.7p)
- Interim dividend maintained at 7.6p (2018: 7.6p)

Comparative data is given for the six months ended 31 March 2018, except where indicated

Consolidated statement of financial position



	Unaudited six months to 31 March 2019	Unaudited six months to 31 March 2018	Audited 12 months to 30 Sept 2018
Non-current assets	£8.0m	£8.4m	£8.2m
Current assets (less cash)	£7.8m	£6.6m	£6.8m
Cash	£12.1m	£13.7m	£14.6m
Total assets	£27.9m	£28.7m	£29.6m
Current liabilities	(£1.8m)	(£1.9m)	(£2.2m)
Non-current liabilities	(£0.6m)	(£0.6m)	(£0.6m)
Total liabilities	(£2.4m)	(£2.5m)	(£2.8m)
Net assets	£25.5m	£26.2m	£26.8m

Consolidated cashflow statement



	Unaudited six months to 31 March 2019	Unaudited six months to 31 March 2018	Audited 12 months to 30 Sept 2018
Profit before tax	£1.4m	£2.2m	£4.2m
Depreciation and amortisation	£0.6m	£0.5m	£1.1m
Movement in working capital	(£1.7m)	(£0.2m)	£-
Tax paid	£-	(£0.2m)	(£0.6m)
Net cash from operating activities	£0.2m	£2.4m	£4.8m
Net cashflow used in investing activities	(£0.4m)	(£0.3m)	(£0.6m)
Dividends	(£2.4m)	(£2.4m)	(£3.7m)
Net cashflow used in financing activities	(£2.4m)	(£2.4m)	(£3.7m)
(Decrease)/increase in cash	(£2.6m)	(£0.4m)	£0.5m
Net cash	£12.1m	£13.7m	£14.6m

Statement of financial position & cashflow - commentary



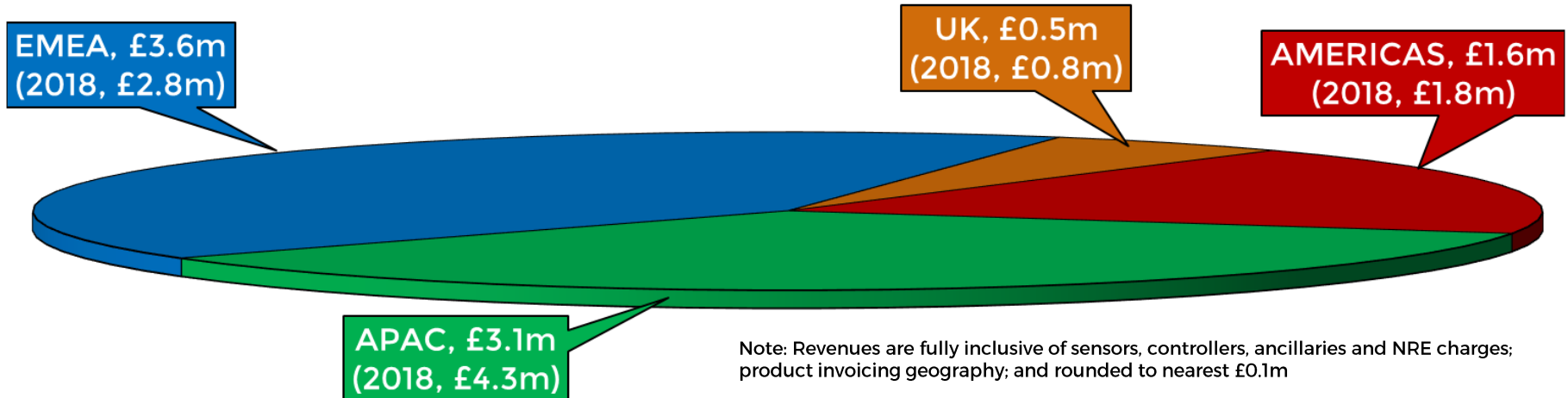
- Group retains strong financial position
- Currency
 - Natural hedging continues
 - FX contract cover of 3-4 months maintained
 - Net provision liability of £Nil (30 September 2018: liability of £0.1m)
- Cash position and cashflows
 - Continued net cash inflow from operating activities £0.2m (2018: £2.4m)
 - Capex spend of £0.4m (2018: £0.3m)
 - R&D £0.1m (2018: £0.2m), Plant & Equipment £0.3m (2018: £0.1m)
 - Working capital increase of £1.7m (30 September 2018: neutral £Nil)
 - Stock and debtors increase and creditors decrease
 - Net £Nil tax paid (2018: £0.2m paid)
 - PY repayment offsets the payments for the period
 - Dividend payment during period of £2.4m (2018: £2.4m)
 - Net cash of £12.1m (30 September 2018: £14.6m)

Comparative data is given for the six months ended 31 March 2018, except where indicated

Overview - sales



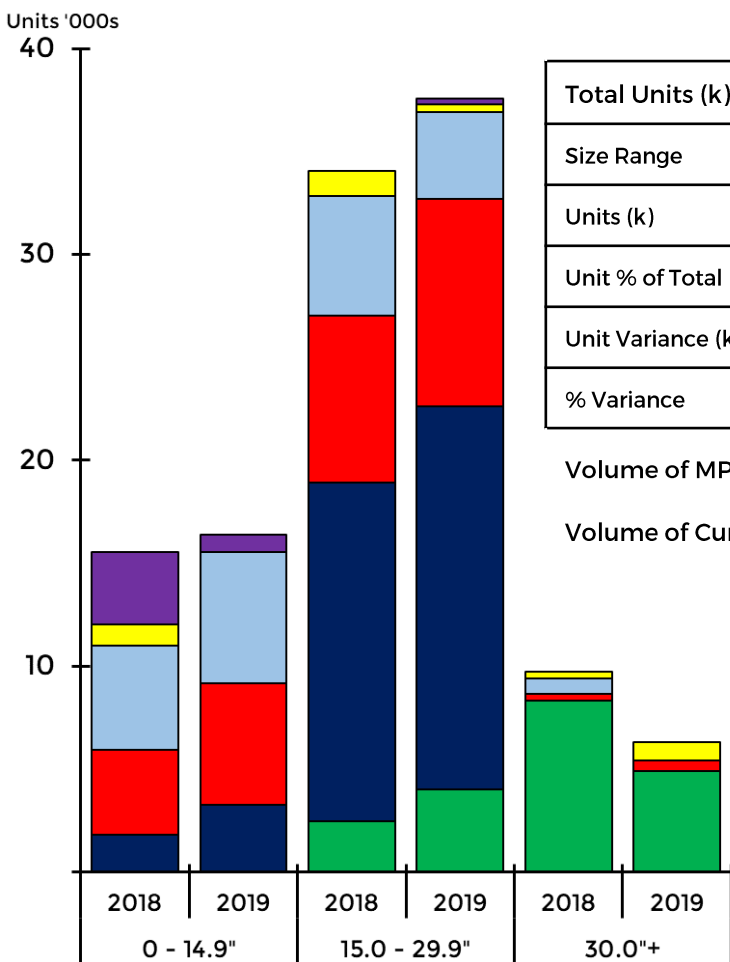
- Group revenues of £9.5m (2018: £10.6m)
 - Total Gaming market revenues lower by £1.1m at £3.1m (2018: £4.2m)
- Touch product revenues of £8.8m (2018: £9.7m)



- EMEA benefits from improved Financial, whereas opposite affects Americas
- APAC significantly influenced by Gaming reduction, which also affects UK

Comparative data is given for the six months ended 31 March 2018, except where indicated

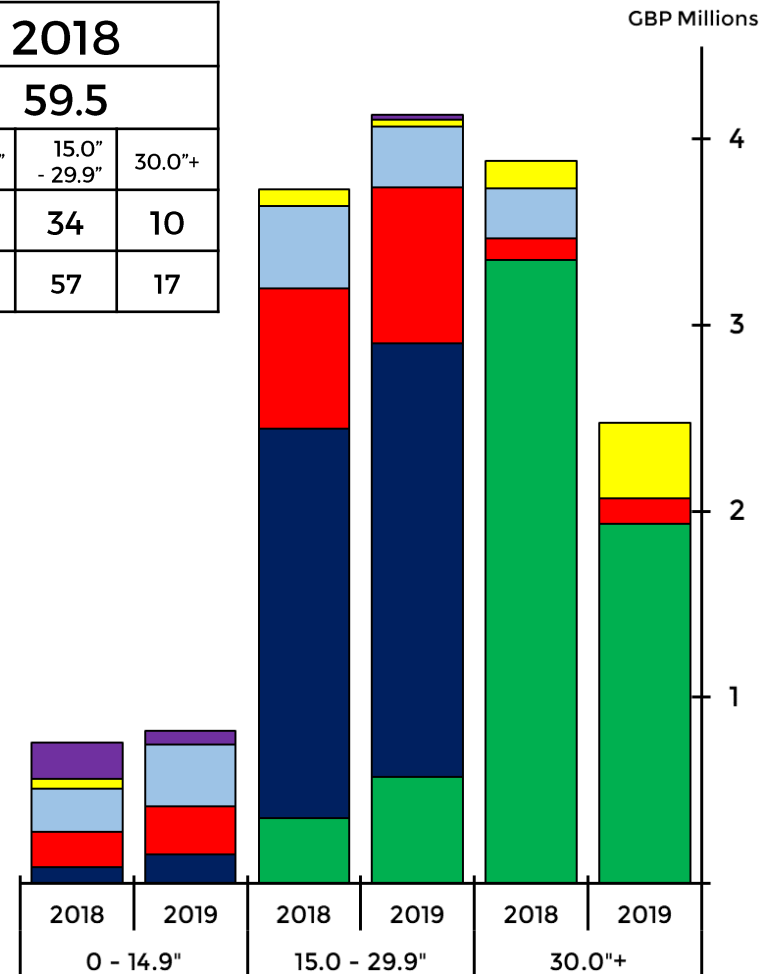
Touch sales – sensor volumes and revenues by application market and size range



	2019			2018		
Total Units (k)	60.5			59.5		
Size Range	0 - 14.9"	15.0" - 29.9"	30.0"+	0 - 14.9"	15.0" - 29.9"	30.0"+
Units (k)	16.5	37.5	6.5	15.5	34	10
Unit % of Total	27	62	11	26	57	17
Unit Variance (k)	1	3.5	(3.5)			
% Variance	6.5	10	(35)			

Volume of MPCT™ units of **8.5k** (2018: **9k**)

Volume of Curved units of **4.5k** (2018: **6k**)



Comparative data is given for the six months ended 31 March 2018, except where indicated

Note: Revenues are sensors only and excl' controllers, etc.

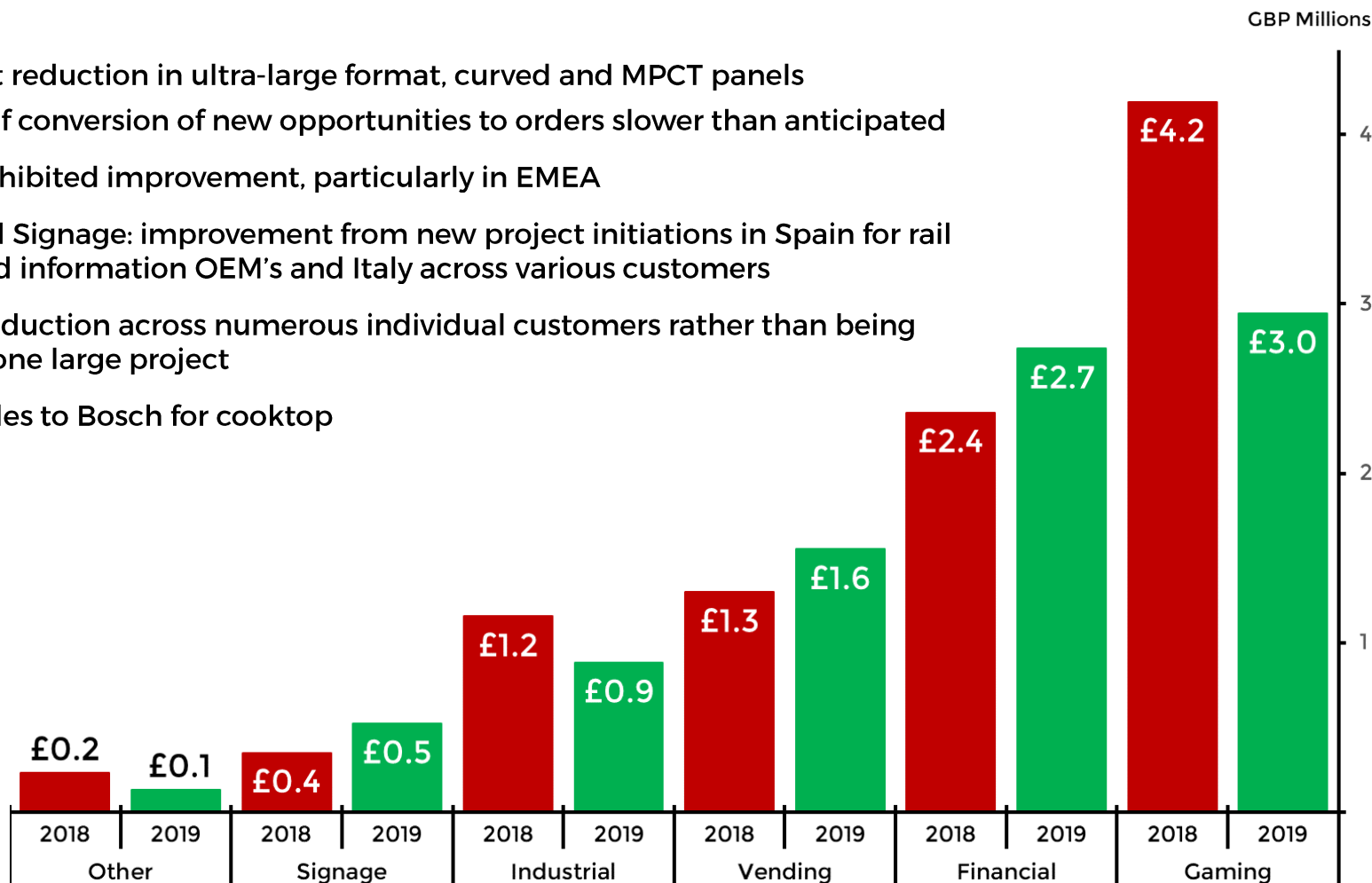
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Touch sales - total product revenues by application markets



- Gaming
 - 30% unit reduction in ultra-large format, curved and MPCT panels
 - Timing of conversion of new opportunities to orders slower than anticipated
- Financial: exhibited improvement, particularly in EMEA
- Vending and Signage: improvement from new project initiations in Spain for rail ticketing and information OEM's and Italy across various customers
- Industrial: reduction across numerous individual customers rather than being affected by one large project
- Other: no sales to Bosch for cooktop



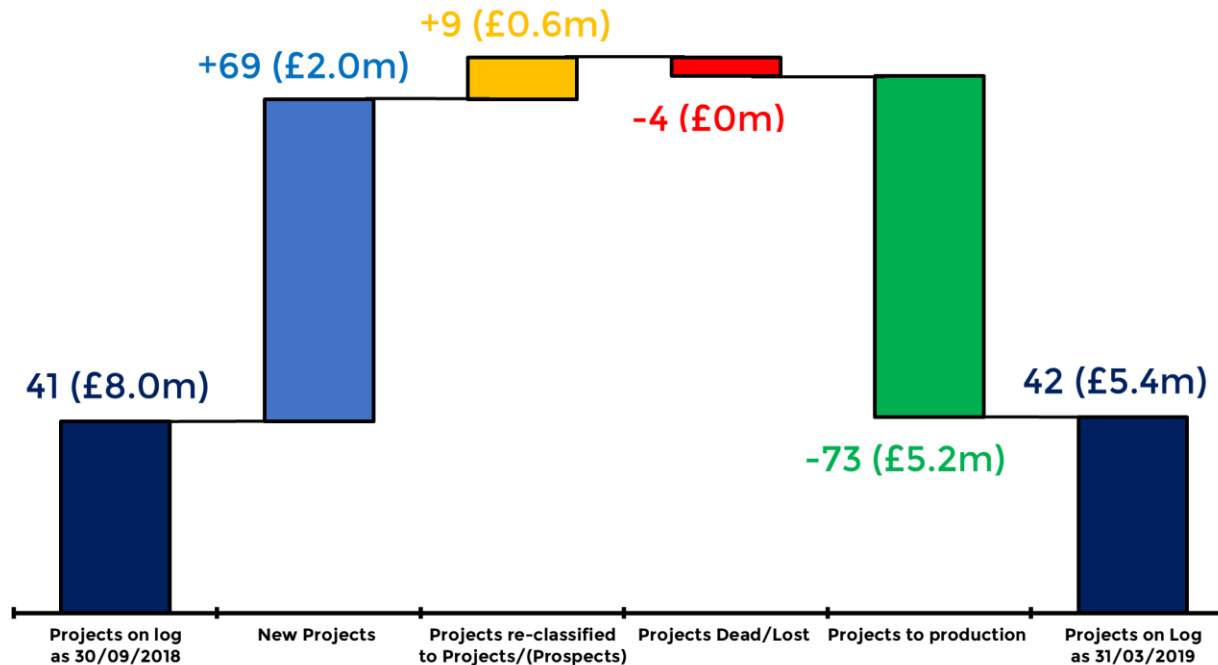
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Note: Touch Product Revenues are fully inclusive of sensors, controllers, ancillaries and non-recurring engineering charges

- Market engagement: new ZXY500 series controller and MPCT™ ASIC
- Zytronic Inc: recruitment of third US national sales manager
- CRM pipeline analysis
 - Movement in No. of Projects from 30 Sept '18 to 31 Mar '19, (Unsensitised Total Value)



- £250k investment into plant efficiency and extended capabilities through replacement programme of dilapidated kit
 - CNC glass cutting facility, improved efficiency
 - 5-axis CNC glass profiling machine, greater processing capabilities
 - Space efficient computer controlled glass storage racking system, improved efficiency and Health & Safety
- Evaluation of sensor material variants and new display technologies with ZXY500 proprietary electronics



55" MPCT Smart Cities kiosk
by QVOSS (S. Korea)



Kia showroom, car design portal
by Nerotouch (Turkey)

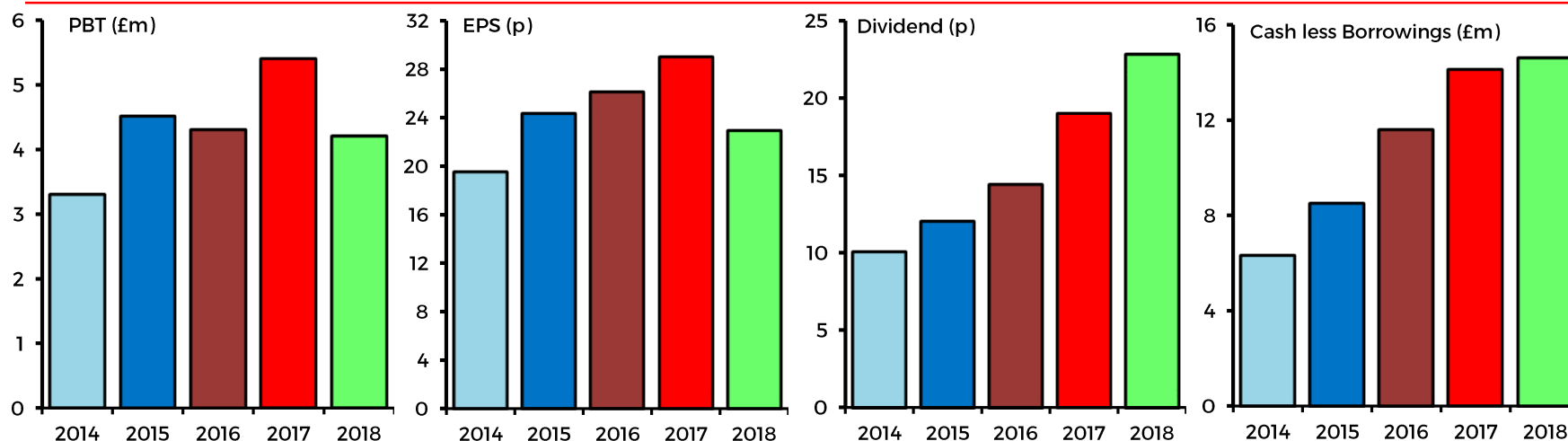


Metro ticket ordering kiosk
by Mikroelektronika (Czech)

- Revenues and profitability hit by timing of conversion of new opportunities to orders in Gaming
- Interim dividend maintained at 7.6p
- Strong balance sheet and cash provides sound base for growth
- Diversified technologies, products, markets and applications
- Strengthening of direct global sales support in USA
- Strength in Opportunities pipeline and Projects
- Investment in processes and technology
 - Processing improvements on replacement of dilapidated kit
 - ZXY500 proprietary electronics with new sensing and display technologies
- As stated in our recent trading update, whilst historically trading in the second half has shown an improvement over the first half, and there are several projects that should improve performance as they come to fruition, at this stage the Board is taking a cautious and conservative view on an increase in activity levels from the Gaming sector in the second half.

Appendices

5-yr FY comparisons



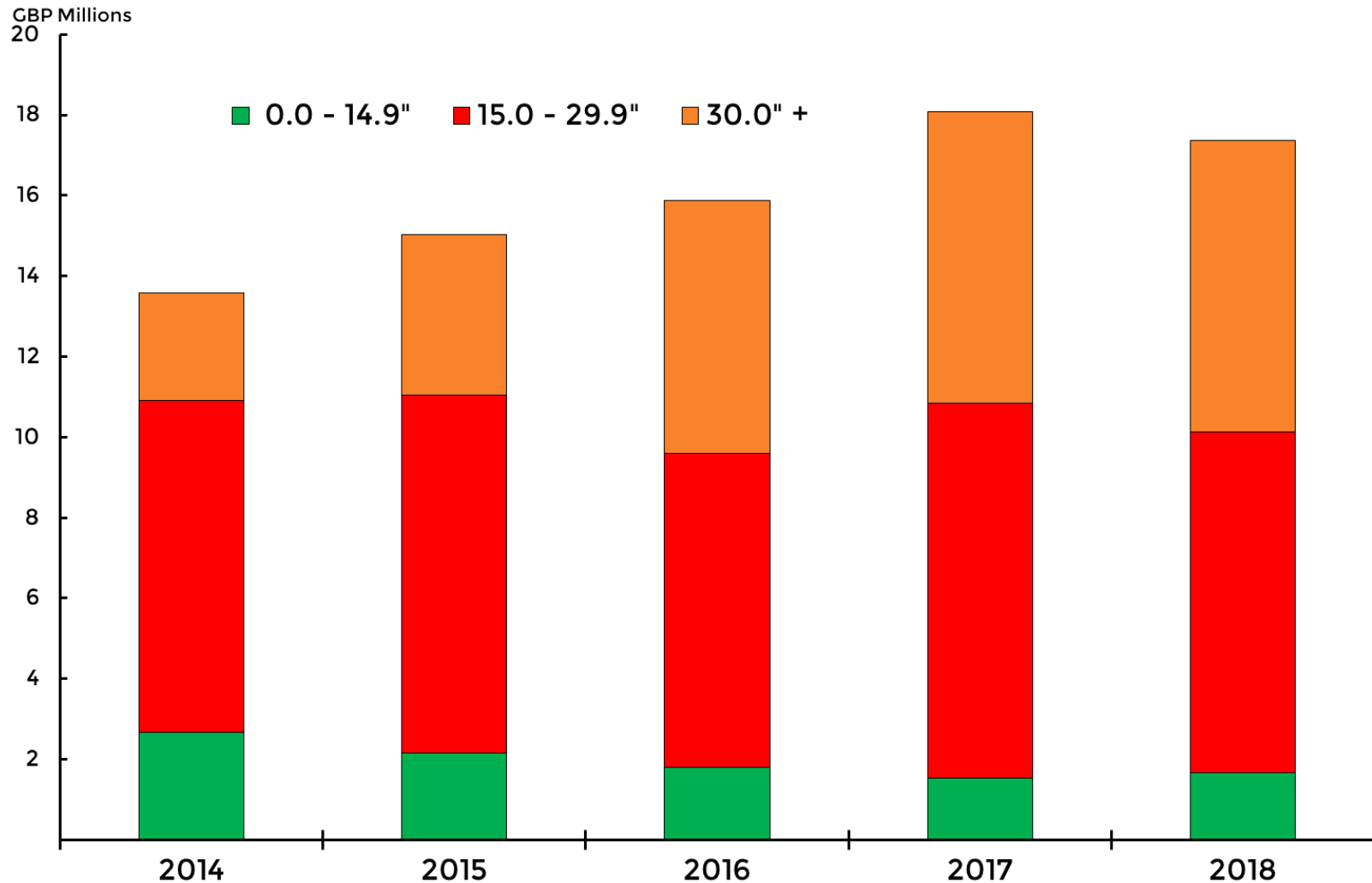
	Year ended	30-Sept-14	30-Sept-15	30-Sept-16	30-Sept-17	30-Sept-18
Revenue (£m)		18.9	21.3	21.1	22.9	22.3
Gross margin (%)		36.6	41.9	42.8	41.1	37.0
EBITDA (£m)		4.3	5.6	5.4	6.6	5.2
PBT (£m)		3.3	4.5	4.3	5.4	4.2
EPS (FD)/(AD) (p)		19.5	24.3	26.1	29.0	22.7
Dividends for year (p)		10.01	12.01	14.41	19.0	22.8
Net cashflow from operating activities (£m)		4.2	4.9	5.6	4.7	4.8
Net cash (£m)		6.3	8.5	11.6	14.1	14.6

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5-yr FY touch sales –

sensor revenues by
size ranges



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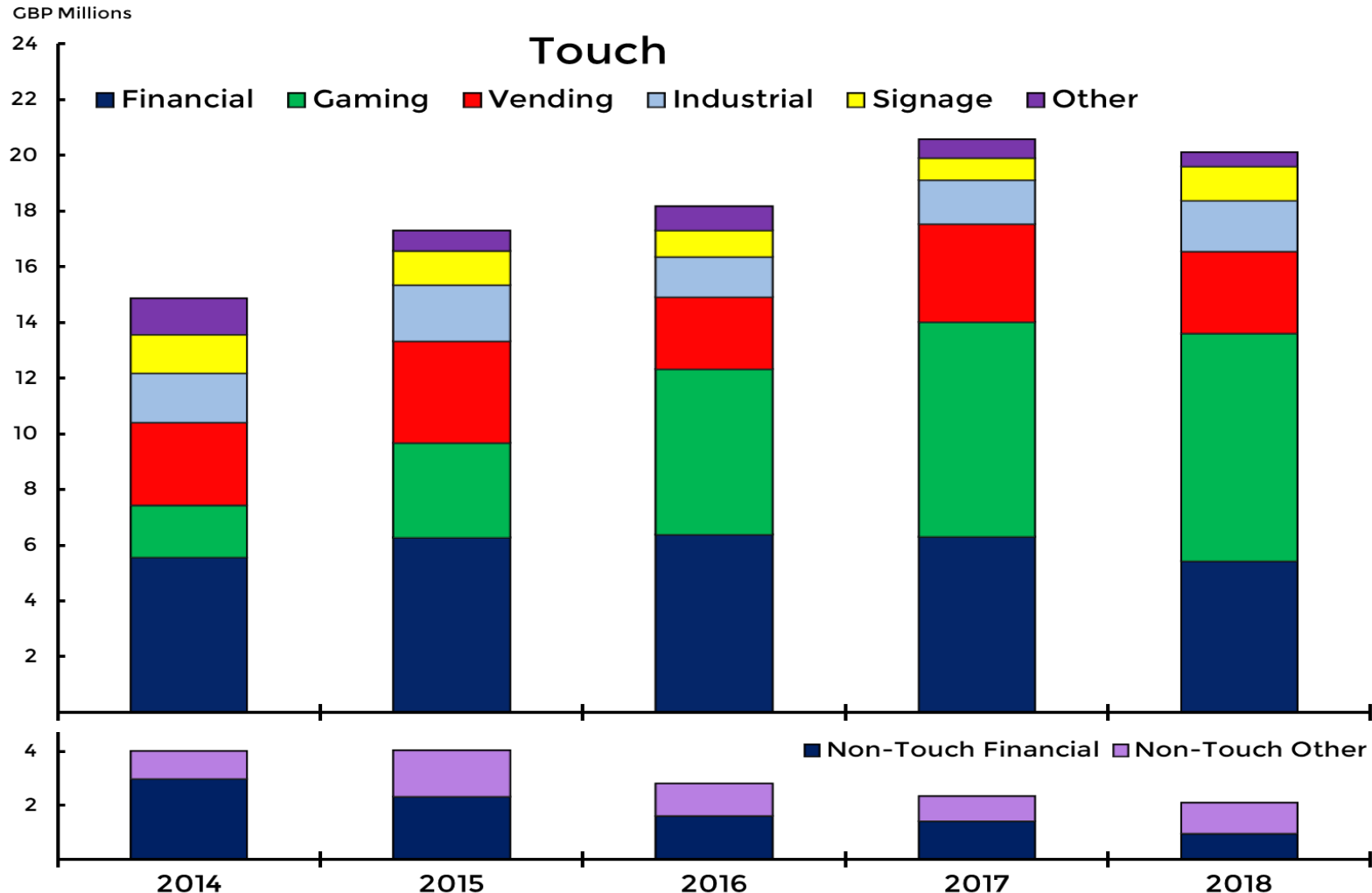
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5-yr FY sales – revenues by type and markets



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



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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, Chief Executive and subsequently Chairman 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 Materials Science graduate with a Securities Institute Certificate in Corporate Finance. He has held the positions within the Group of Technical and Quality Director, Sales and Marketing Director and is presently Managing Director of Zytronic Displays Limited and President of Zytronic Inc. Mark was appointed to the board of Zytronic Plc in June 2007 becoming 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. Claire is also the Group Company Secretary.

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. David is the Chairman of the Audit Committee and the Remuneration Committee.