



Interim Results Presentation

for the six months ended 31 March 2017

Presented by

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

16 May 2017

- Group revenue of £11.3m (H1: 2016 £9.9m)
- Touch revenues increased to £10.0m (H1 2016: £8.3m)
- Gross profit margin improved to 43.1% (H1 2016: 42.3%)
- Profit before tax increased to £2.5m (H1 2016: £1.8m)
- Basic earnings per share (“EPS”) increased by 44% to 13.8p (H1 2016: 9.6p)
- Interim dividend increased by 10% to 3.80p per share (2016: 3.45p)
- Net cash increased by £0.9m to £12.5m (30 September 2016: £11.6m)

Consolidated Income Statement



	Unaudited six months to 31 March 2017	Unaudited six months to 31 March 2016
Group revenue (£m)	11.3	9.9
Gross profit (£m)	4.9	4.2
Gross margin (%)	43.1	42.3
Group trading profit (£m)	2.5	1.8
Trading margin (%)	22.3	17.8
Profit before tax (£m)	2.5	1.8
Tax expense (£m)	(0.4)	(0.3)
Profit after tax (£m)	2.2	1.5
Earnings per share (EPS)		
Basic (p)	13.8	9.6
Diluted (p)	13.6	9.5

Income Statement - Highlights



- Group revenue £11.3m (H1 2016: £9.9m)
- Gross profit margin of 43.1% (H1 2016: 42.3%)
 - Improved margins from increased touch product sales
 - Higher volume of large format and multi-touch sensors sold
- Admin expenses of £2.1m (H1 2016: £2.2m)
 - Net FX charges of £0.1m (H1 2016: £0.4m charge)
 - Fair value forward contract provisioning of £0.5m gain (H1 2016: £0.4m loss)
 - Trade differences loss of £0.6m (H1 2016: £0.1m loss)
- PBT of £2.5m (£2.6m excluding FX) (H1 2016: £1.8m, £2.2m excluding FX)
- Net effective tax rate estimated at 14.5% (H1 2016: 15.5%)
 - Reduced by R&D tax credits, MPCT™ patent box & share option exercise reliefs
- Basic EPS of 13.8p (H1 2016: 9.6p), fully diluted EPS of 13.6p (H1 2016: 9.5p)
- Interim dividend increased by 10% to 3.80p (2016: 3.45p)

Consolidated Balance Sheet



	Unaudited six months to 31 March 2017 (£m)	Unaudited six months to 31 March 2016 (£m)	Audited 12 months to 30 Sept 2016 (£m)
Non-current assets	8.8	9.0	8.8
Current assets (less cash)	7.1	6.5	6.5
Cash	13.5	10.8	12.8
Total assets	29.4	26.3	28.1
Current liabilities	(4.4)	(3.3)	(4.6)
Non-current liabilities	(0.3)	(1.9)	(0.3)
Total liabilities	(4.7)	(5.2)	(4.9)
Net assets	24.7	21.1	23.2

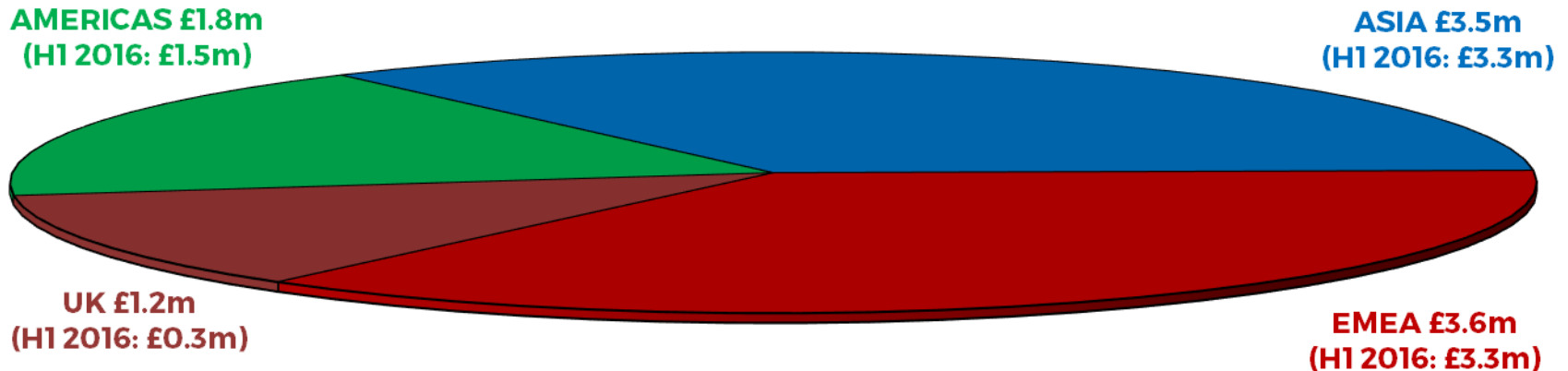
Consolidated Cashflow Statement



	Unaudited six months to 31 March 2017 (£m)	Unaudited six months to 31 March 2016 (£m)
Profit from operating activities	2.5	1.8
Depreciation and amortisation	0.6	0.6
Movement in working capital	(0.4)	0.1
Tax paid	(0.1)	(0.2)
Capex	(0.5)	(0.4)
Dividends	(1.7)	(1.4)
Increase in cash	0.8	0.9
Cash at period end	13.5	10.8

- Financial position continues to strengthen
- Currency Management
 - Natural hedging, predominantly in EUR, due to current sales and purchases profile
 - Surplus USD & EUR forward FX contract: 6 months, unwinding to 3-4 months at year end
 - Net provision liability of £0.4m (30 September 2016: £0.9m)
- Cash position and cashflows
 - Net cash (cash less debt) increased to £12.5m (30 September 2016: £11.6m)
 - Net cash inflow from operating activities of £2.1m (H1 2016: £2.5m)
 - Increase in working capital £0.4m (H1 2016: £0.1m decrease)
 - Mortgage further reduced to £1.0m (30 September 2016: £1.1m), repayable in June 2017
 - Capex spend of £0.5m (H1 2016: £0.4m)
 - R&D £0.3m (H1 2016: £0.2m), Plant & Equipment £0.2m (H1 2016: £0.2m)
 - Tax paid £0.1m (H1 2016: £0.2m)
 - Dividend payments during period of £1.7m (H1 2016: £1.4m)
 - Cash received from exercise of share options of £1.0m (H1 2016: £0.2m)
- Capital reduction exercise completed – increasing financial flexibility

- Group revenues of £11.3m (H1 2016: £9.9m)
- Touch Product revenues up £1.7m to £10.0m (H1 2016: £8.3m)
 - Export touch product revenues grew £0.8m to £8.8m (H1 2016: £8.0m)



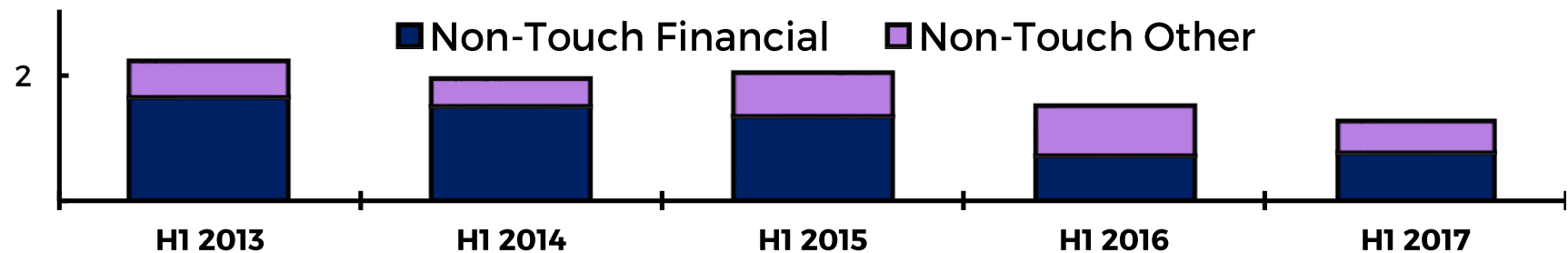
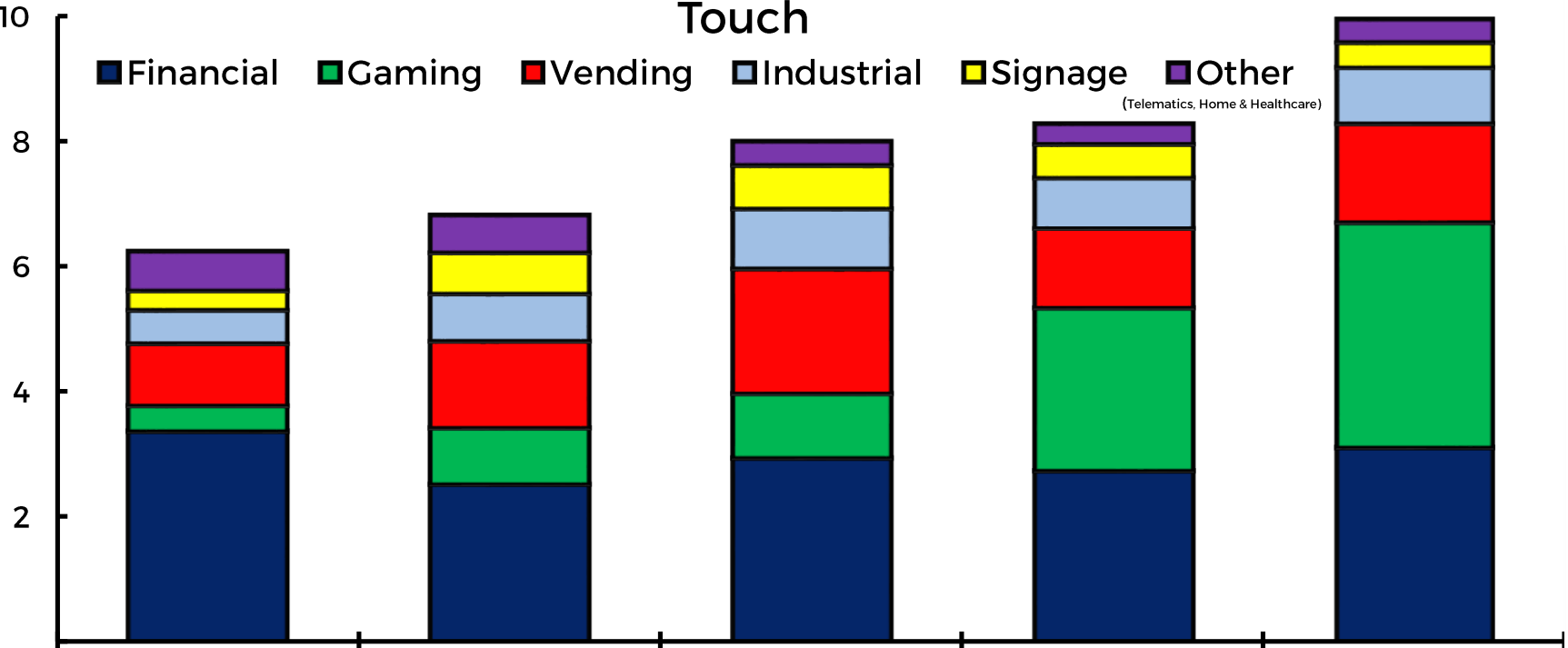
- Continued focus on large-format value-add solutions
 - ≥ 30" sensors - 9,000 units (H1 2016: 6,500)
- Non-Touch Product revenues of £1.3m (H1 2016: £1.6m)

5yrs H1 Sales – comparative revenues by type and markets



GBP Millions

Touch



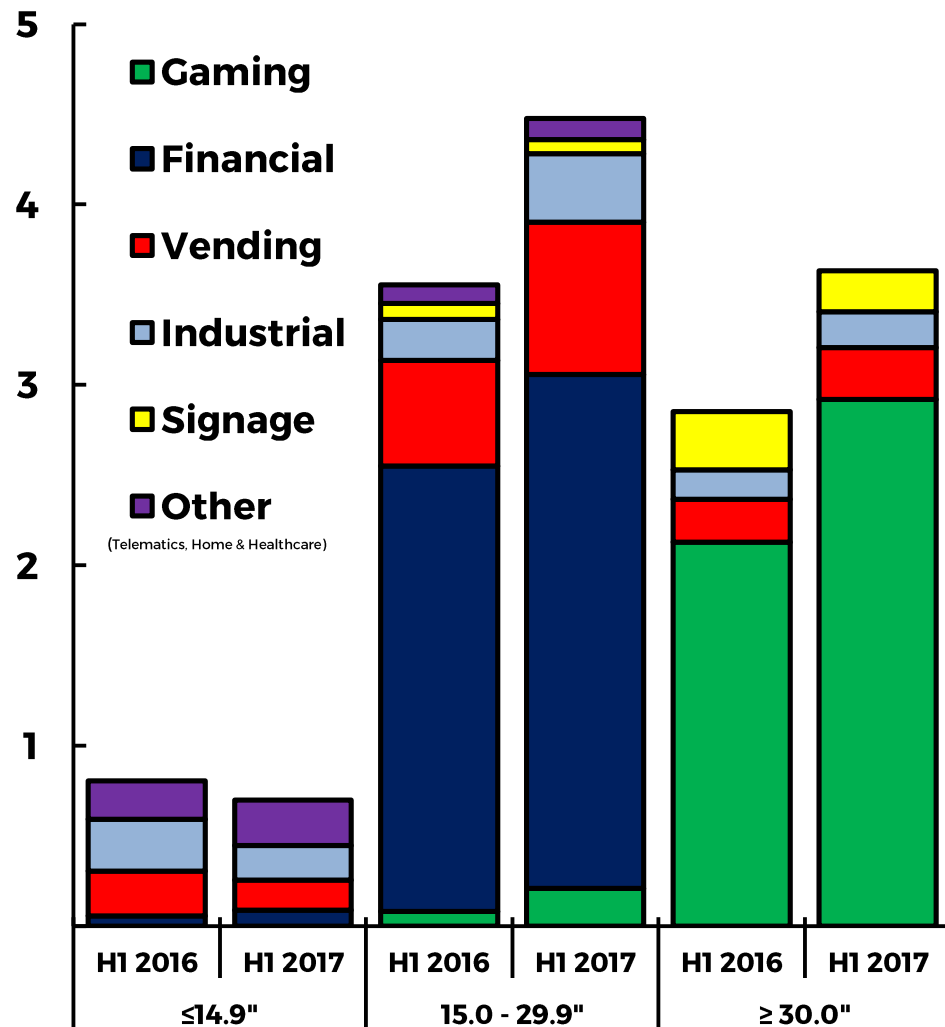
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Touch Sales – comparative touch sensor revenues by size & markets



GBP Millions



	H1 2016			H1 2017		
Total Units	62.0k			64.5k		
Size Range	≤ 14.9"	≥ 15.0 ≤ 29.9"	≥ 30.0"	≤ 14.9"	≥ 15.0 ≤ 29.9"	≥ 30.0"
Unit Volume	19.0k	36.5k	6.5k	15.5k	40.0k	9.0k
% of Total	31%	59%	10%	24%	62%	14%
% Volume Change				(18%)	10%	39%

5.5ku of ≥30" are MPCT™ (H1 2016: 5.0ku)

Note: All units are 500 rounded

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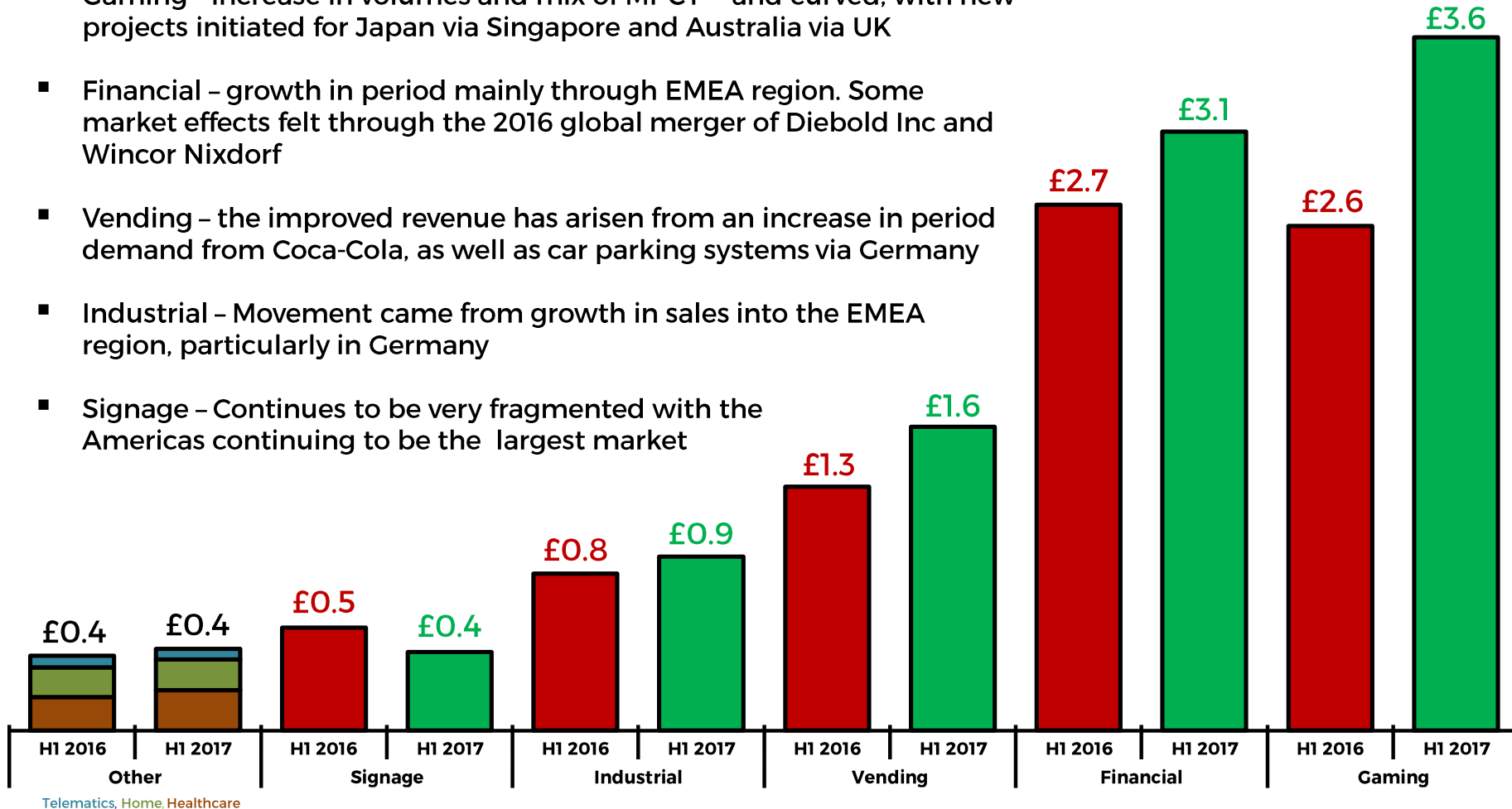
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Touch Sales - total revenues by markets



All quoted values are GBP millions

- Gaming – increase in volumes and mix of MPCT™ and curved, with new projects initiated for Japan via Singapore and Australia via UK
- Financial – growth in period mainly through EMEA region. Some market effects felt through the 2016 global merger of Diebold Inc and Wincor Nixdorf
- Vending – the improved revenue has arisen from an increase in period demand from Coca-Cola, as well as car parking systems via Germany
- Industrial – Movement came from growth in sales into the EMEA region, particularly in Germany
- Signage – Continues to be very fragmented with the Americas continuing to be the largest market



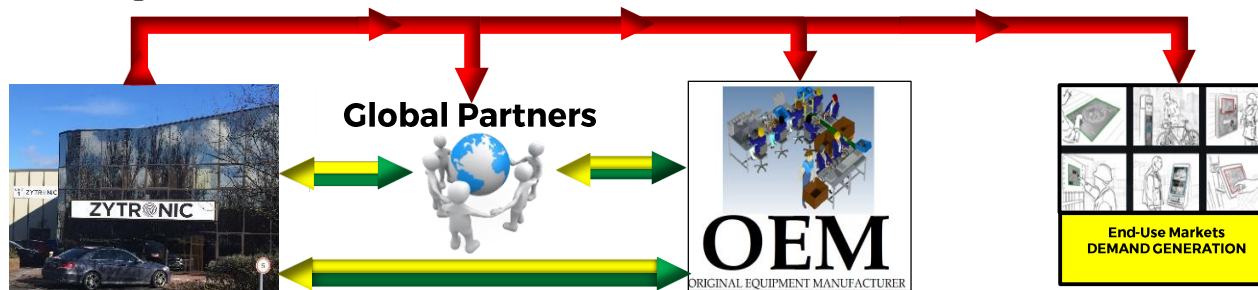
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R&D

- MPCT™ ASIC samples tested and approved, production units by Q1 2018
- Shape recognition – provide value-add beyond touch component; shape hardware, system software, GUIs etc
- H2020 – Consortium for new printed material processing for sensor production

Sales & Marketing

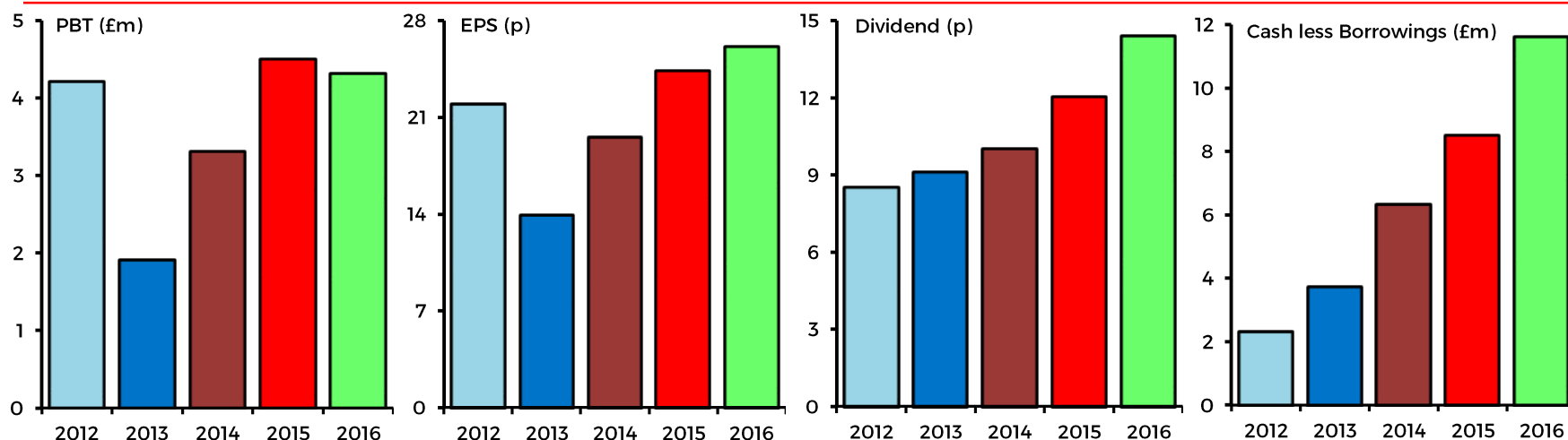


- Appointment of USA based Zytronic Inc, Director of Sales, Americas
- Expansion of Japan virtual office and appointment of additional resellers
- Increased geographic coverage of Taiwan representative office to include SE Asia
- Participation at gaming and signage tradeshow in Europe, and the USA

- Margin continues to benefit from mix of touch
- Continued investment in our technology, process, facilities and global sales footprint
- 10% increase in interim dividend
- Cash generation and capital restructuring underpin financial flexibility
- Current trading in line with expectations for continued progress during the year

Appendices

5yr Financial Comparisons

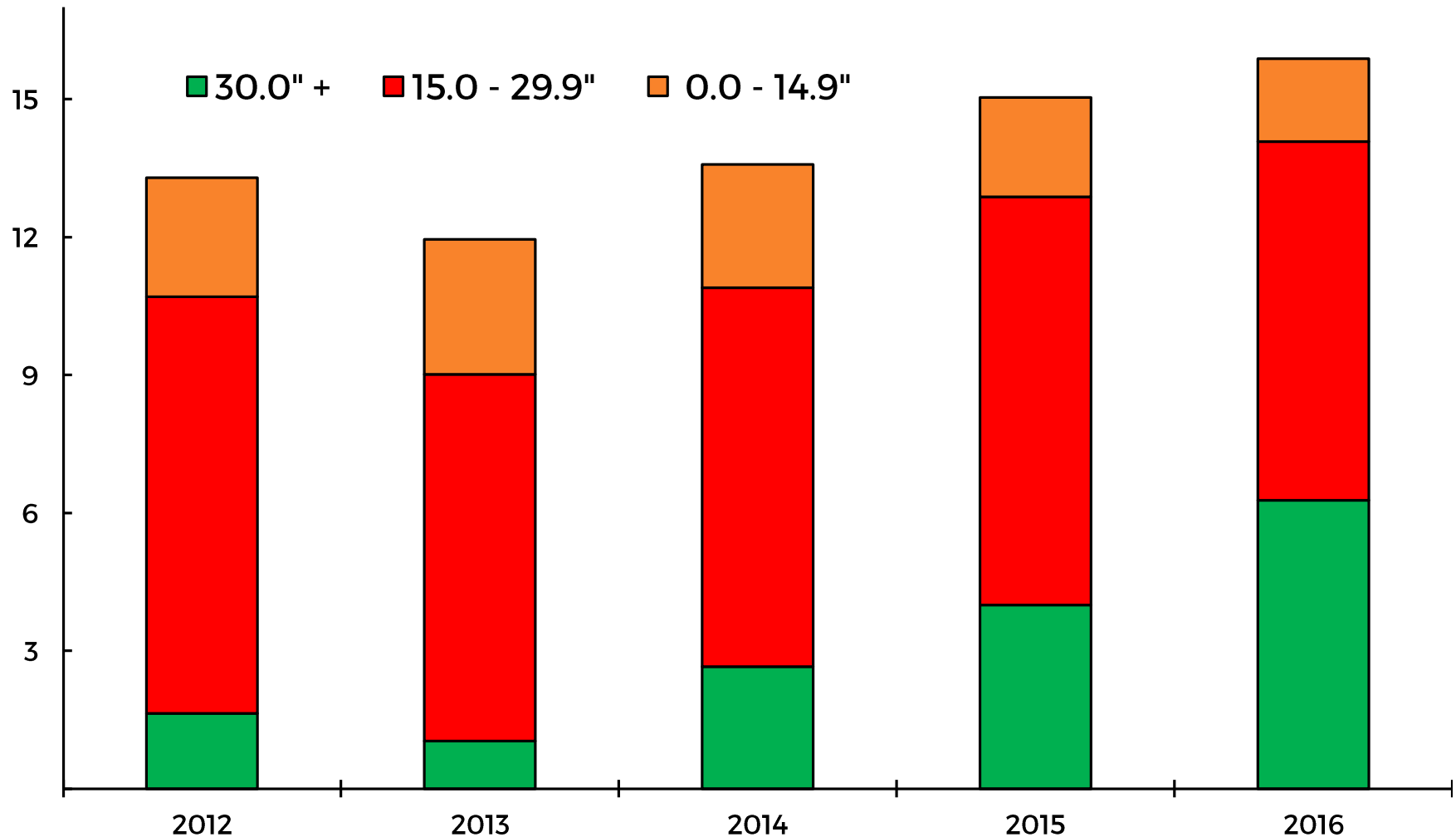


Year ended	30-Sept-12	30-Sept-13	30-Sept-14	30-Sept-15	30-Sept-16
Revenue (£m)	20.4	17.3	18.9	21.3	21.1
Gross Margin (%)	36.3	28.4	36.6	41.9	42.8
EBITDA (£m)	5.3	3.0	4.3	5.6	5.4
Profit Before Tax (£m)	4.2	1.9	3.3	4.5	4.3
EPS (FD)/(AD) (p)	21.9	13.8	19.5	24.3	26.1
Cash Generation (£m)	3.6	3.3	4.2	4.9	5.6

5yrs Touch Sales – Sensor Revenues by size ranges



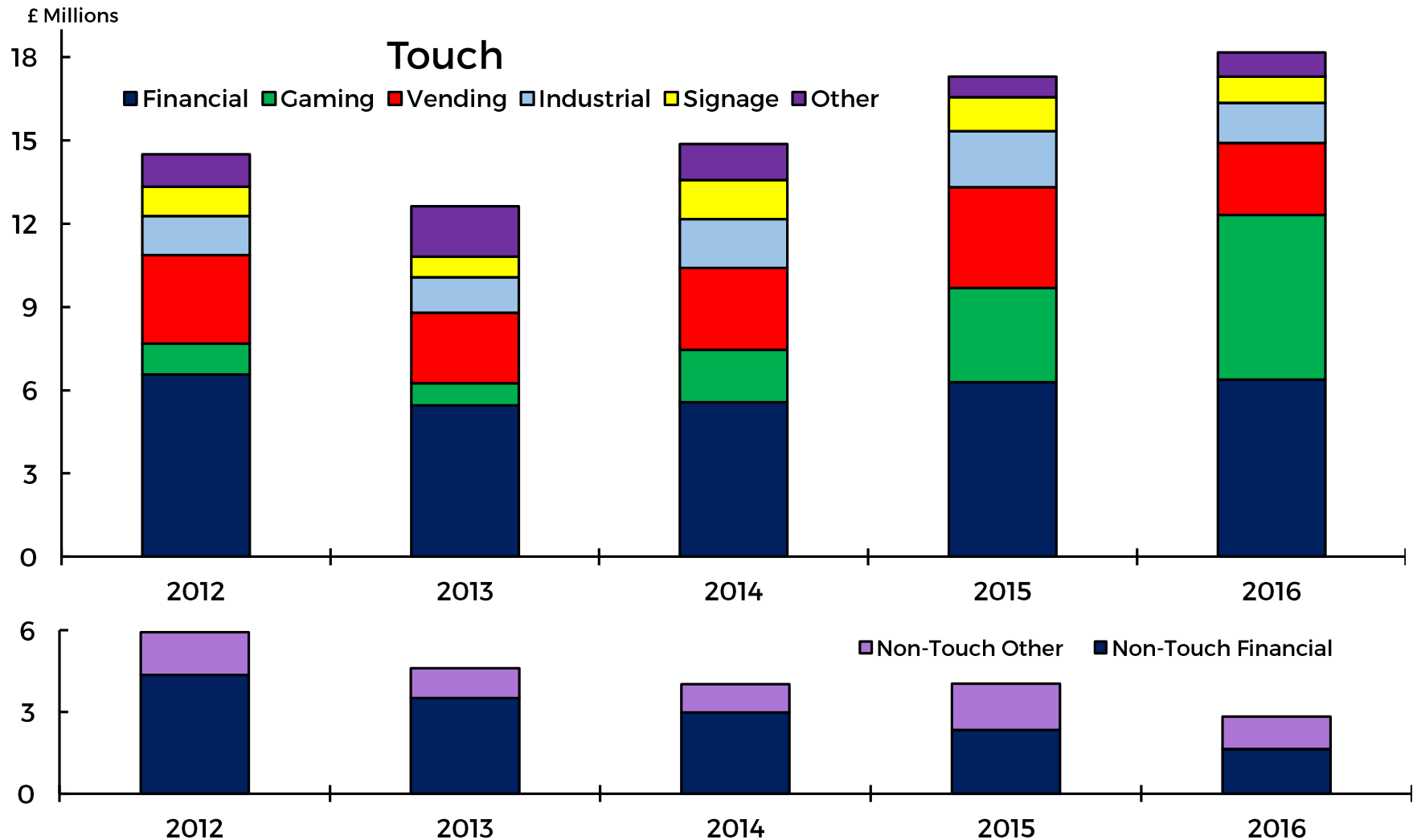
£ Millions



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5yrs Sales – Revenues by Type and Markets



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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 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 Retirement Savings 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.