



Preliminary Results Year ended 30 September 2017

Presented by

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

December 2017



ZYTRONIC

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	Audited 12 months to 30 Sept 2017	Audited 12 months to 30 Sept 2016	Movement
Group revenue	£22.9m	£21.1m	+9%
Gross profit	£9.4m	£9.0m	+4%
Gross margin	41.1%	42.8%	-170bp
Profit before tax	£5.4m	£4.3m	+27%
Basic earnings per share	29.0p	26.6p	+9%
Dividend for year	19.0p	14.4p	+32%
Cash generation	£4.7m	£5.6m	-16%

Consolidated Income Statement



	Audited 12 months to 30 Sept 2017	Audited 12 months to 30 Sept 2016
Group revenue	£22.9m	£21.1m
Gross profit	£9.4m	£9.0m
Gross margin	41.1%	42.8%
Group trading profit	£5.4m	£4.3m
Trading margin	23.7%	20.3%
Profit before tax	£5.4m	£4.3m
Tax expense	(£0.8m)	(£0.2m)
Profit after tax	£4.6m	£4.1m
Earnings per share (EPS)		
Basic	29.0p	26.6p
Diluted	28.8p	26.1p

Income Statement - Highlights



- Group revenue £22.9m (2016: £21.1m)
- Gross profit margin of 41.1% (2016: 42.8%)
 - Margins impacted from increased costs of raw materials
 - Additional costs of wage rises and increased numbers of production personnel
 - Increased commissions payable
- Admin expenses of £3.6m (2016: £4.4m)
 - Slight year-on-year increase in admin expenses (excluding FX) for professional fees, marketing and travel
 - Benefits from change to hedging policy and year on year reversal of FX provision
- PBT of £5.4m (2016: £4.3m)
- Net effective tax rate estimated at 15% (2016: 4%)
 - Reduced by R&D tax credits and Patent Box relief claims on MPCT™ products for FY2017 (2016 includes prior year's adjustments)
- Basic EPS of 29.0p (2016: 26.6p), fully diluted EPS of 28.8p (2016: 26.1p)
- Dividend for year increased by 32% to 19.0p (2016: 14.4p)

Consolidated Balance Sheet



	Audited 12 months to 30 Sept 2017	Audited 12 months to 30 Sept 2016
Non-current assets	£8.7m	£8.8m
Current assets (less cash)	£6.5m	£6.5m
Cash	£14.1m	£12.8m
Total assets	£29.3m	£28.1m
Current liabilities	(£1.9m)	(£4.6m)
Non-current liabilities	(£0.6m)	(£0.3m)
Total liabilities	(£2.5m)	(£4.9m)
Net assets	£26.8m	£23.2m

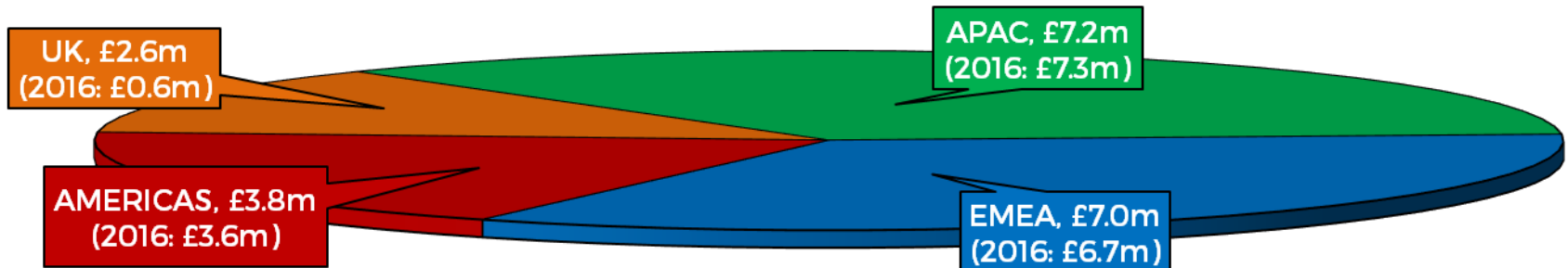
Consolidated Cashflow Statement



	Audited 12 months to 30 Sept 2017	Audited 12 months to 30 Sept 2016
Profit from operating activities	£5.4m	£4.3m
Depreciation and amortisation	£1.2m	£1.1m
Movement in working capital	(£0.4m)	(£0.2m)
Tax paid	(£0.5m)	(£0.6m)
Capex	(£1.1m)	(£0.8m)
Dividends	(£2.4m)	(£1.9m)
Increase in cash	£1.3m	£2.9m
Cash at period end	£14.1m	£12.8m

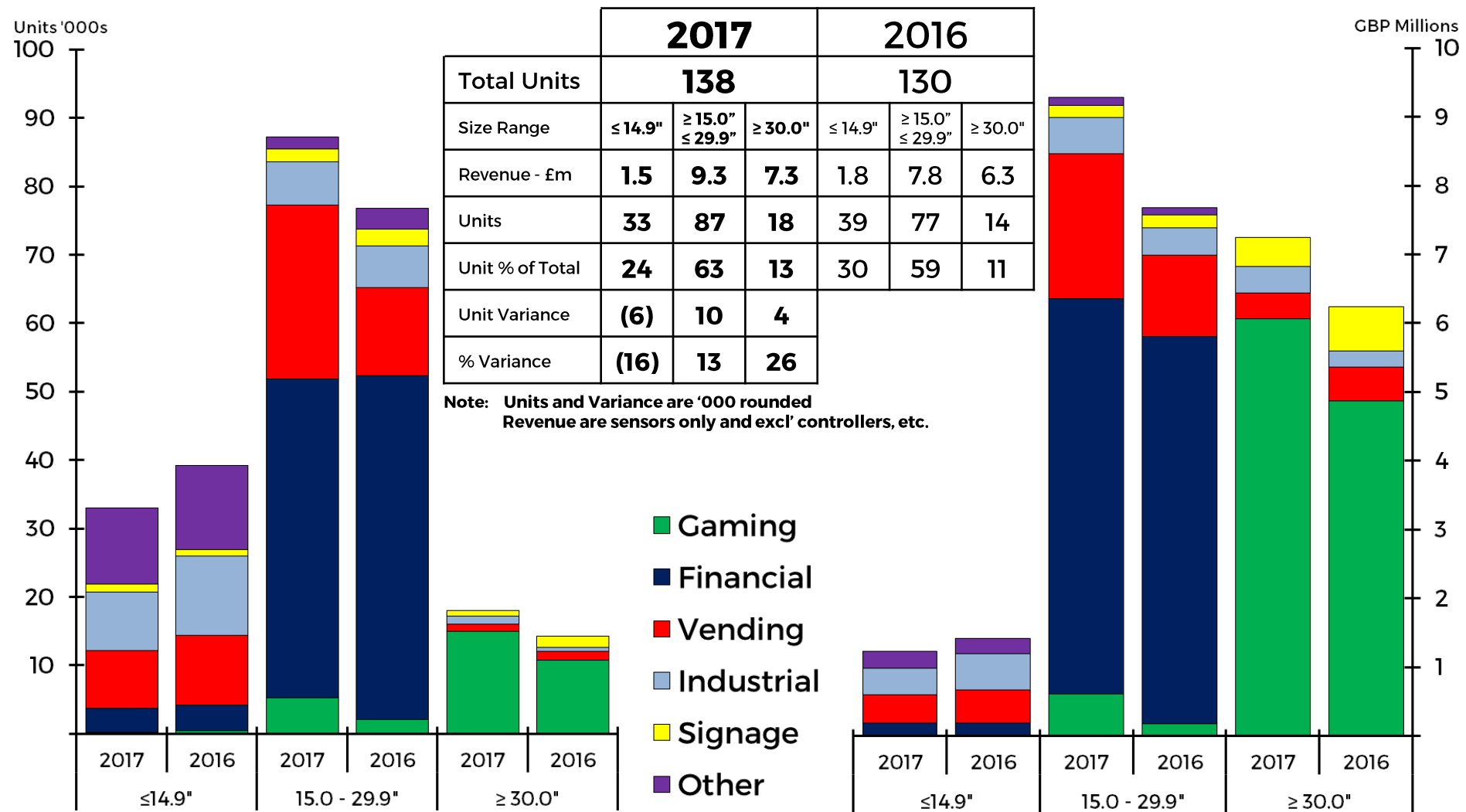
- Group retains strong financial position
- Currency
 - Natural hedging, predominantly in EUR
 - Surplus USD & EUR forward FX contract cover of 3-4 months
 - Net provision asset of £0.1m (30 September 2016: liability of £0.9m)
- Cash position and cashflows
 - Strong net cash inflow from operating activities £4.7m (2016: £5.6m)
 - Mortgage repaid in full (30 September 2016: £1.1m)
 - Capex spend of £1.1m (2016: £0.8m)
 - R&D £0.6m (2016: £0.4m), Plant & Equipment £0.5m (2016: £0.4m)
 - Increase in working capital £0.4m (30 September 2016: £0.2m increase)
 - Taxation paid £0.5m (2016: £0.6m)
 - Cash from share options exercised of £1.2m (2016: £0.2m)
 - Dividend payments during period of £2.4m (2016: £1.9m)
 - Net cash (cash less debt) increased to £14.1m (30 September 2016: £11.6m)

- Group revenues increased to £22.9m (2016: £21.1m)
 - Export revenues of £19.9m, 87% (2016: £20.0m, 95%)
- Non-Touch product revenues reduced to £2.3m (2016: £2.9m), impacted by;
 - £0.2m of non-recurring 2016 revenue from EOL Korean curved display project
 - £0.2m reduction in global ATM Display revenues to £1.4m (2016: £1.6m)
- Touch Product revenues of £20.6m (2016: £18.2m)
 - Export revenues of £18.0m (2016: £17.6m)



- Total volume of touch units sold increased to 138,000 (2016: 130,000)
 - ~ Volume of large $\geq 30"$ sensors increased to 18,000 units (2016: 14,000)
 - ~ Volume of MPCT™ units increased to 12,000 (2016: 11,000)
 - ~ Volume of curved units consistent at 9,000 units (2016: 9,000)

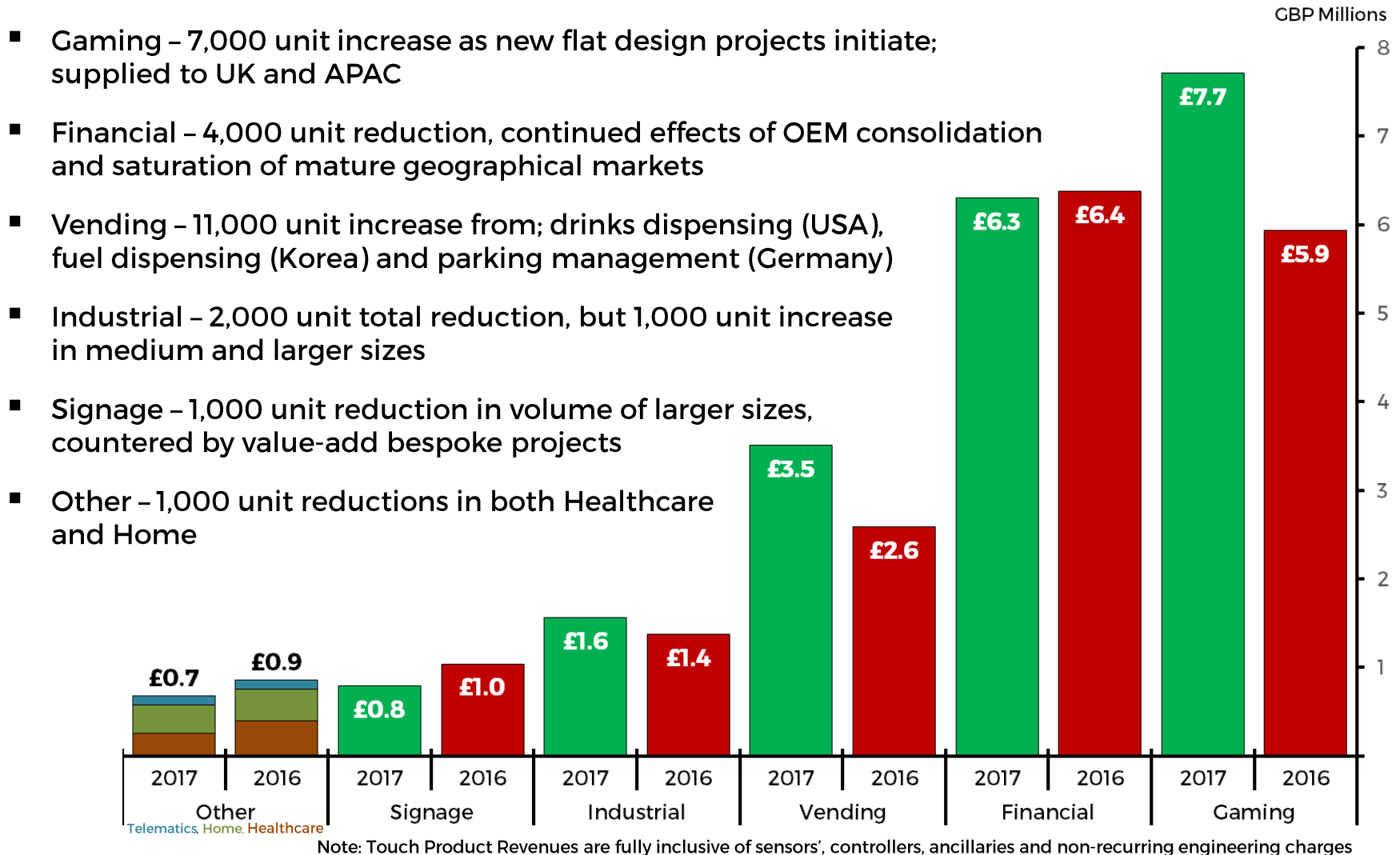
Touch Sales – Sensor Volumes and Revenues by Markets and Size Ranges



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Touch Sales - Total Product Revenues by Markets



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- Continued refinement of Global Channel Partner Network
 - AMERICAS – Appointment of Zytronic Inc. Director of Sales
 - APAC – 2 additional distributors for Japan, retained direct BDM for Japan and extended Greater China BDM to include SE Asia
 - EMEA – appointed distributors for Switzerland and Austria
- New factory tour video released to demonstrate to global customers; facilities, capabilities and competitive advantages
- Participation at various vertical market tradeshow in Europe, China and the USA
- Focused profile enhancement in global trade press to align with key vertical markets and social media platforms



Moscow Metro Ticketing Machines
by Progressive Self-Service Systems



84" Table by Ideum (USA) at the
National Air and Space Museum
of the Smithsonian Institution



Self-Service Vending Machines
by Amtek of Italy

- Continued development of new ASIC for MPCT™ and ZXY500 series controllers
- Development of alternative sensing material solutions in conjunction with ZXY500
- Further MPCT™ derived GB patent applications for surface shape recognition and ability to position physical holes through glass active area without performance degradation
- Continued improvement to in-house production capacity for value-add of large format sensors



PIZZADOOR Pizza Vending
by ADIAL France



Smart-City Hub by Citybeacon
Eindhoven Netherlands

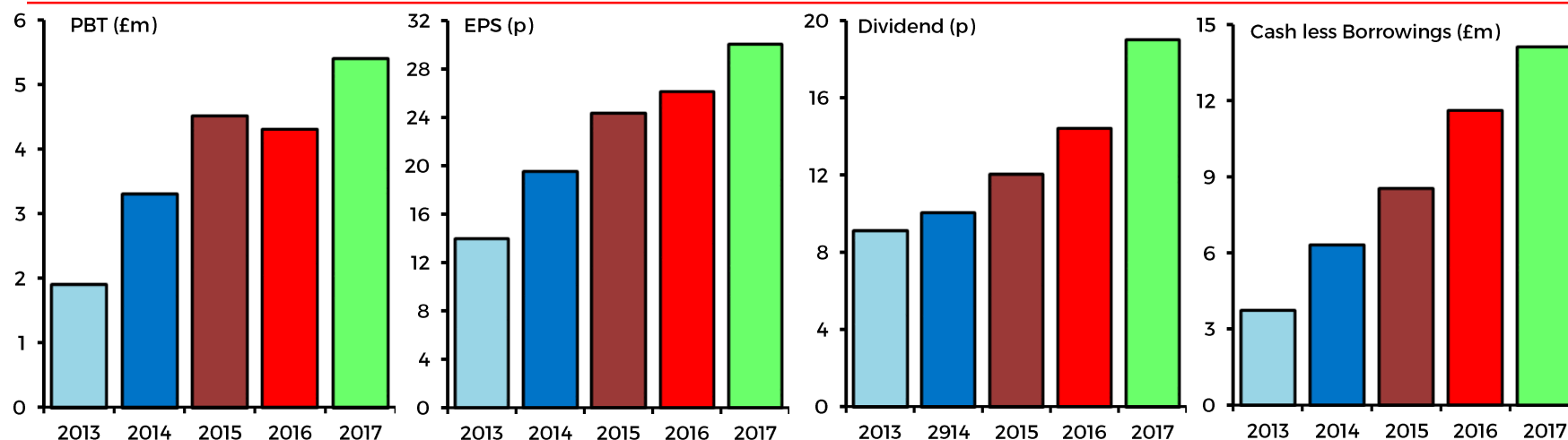


Hyundai dealership tables
by Nerotouch Turkey

- Continued strength of opportunities and “Projects” at 30 September 2017
 - 551 live opportunities in CRM
 - ~ 60 classified as “Projects”, unsensitised lifetime revenue of £8.2m, over 5 years
- 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
- Continued strong margins from mix of business
- Continued progressive growth of annual dividends (32% above FY16)
- Strong balance sheet and cash generation provides sound base for further growth in dividends and shareholder value

Appendices

5yr 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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5yrs Touch Sales – Sensor Revenues by size ranges

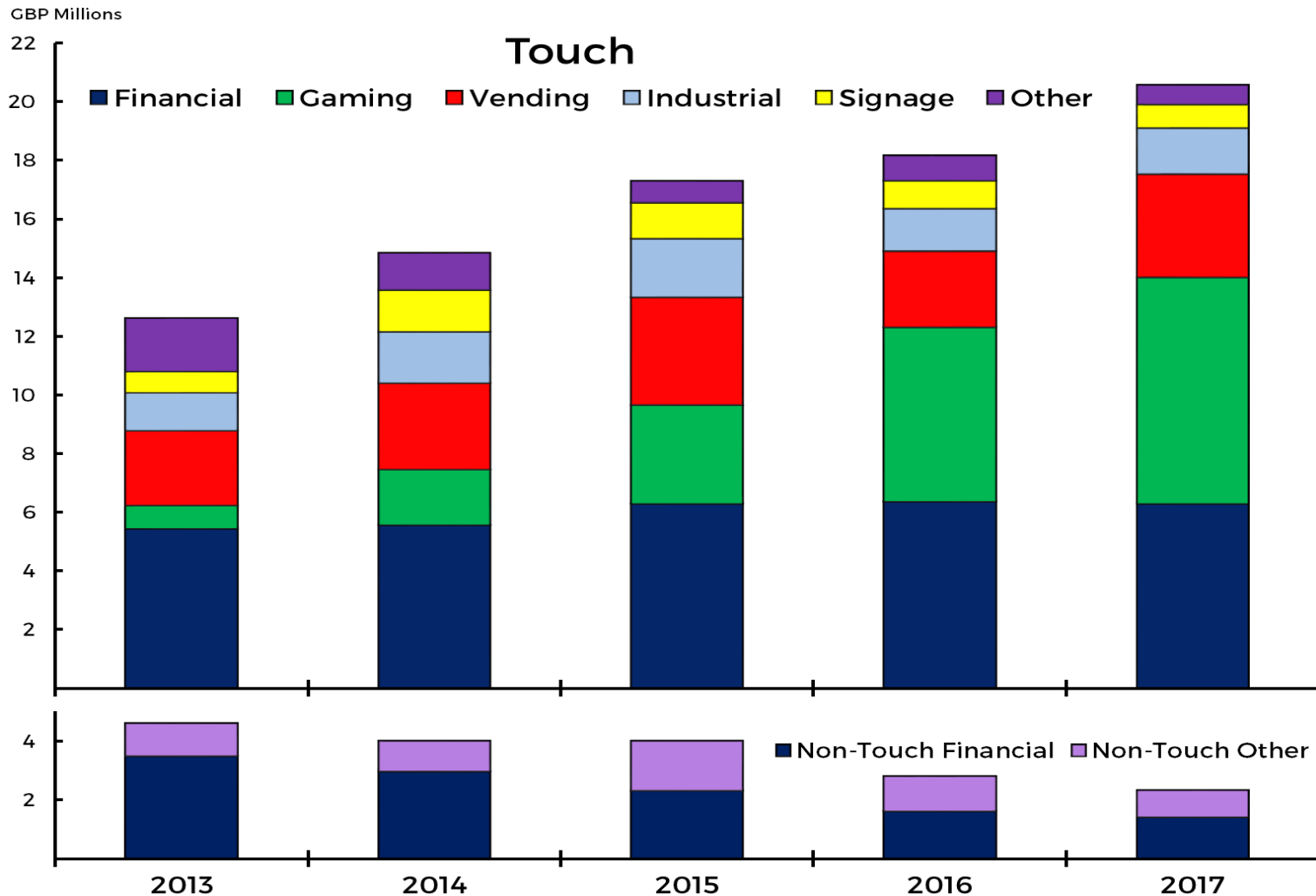


Note: Revenues are sensors only and excl' controllers

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5yrs 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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Shareholding as of 30 November 2017	(%)
Hargreaves Lansdown Stockbrokers Ltd	7.63
Close Brothers Asset Management	6.66
Brown Shipley	6.65
Barclays Bank Plc (Private Banking)	4.47
Investec Wealth & Investment	4.23
AXA Investment Managers UK Ltd	3.93
Canaccord Genuity Wealth Management	3.84
Cavendish Asset Management	3.78
Cazenone Capital Management	3.64
Directors	1.77
 Total Shareholders as of 30 November 2017	 16,044,041

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.