

Half Year Results Announcement

11 November 2014



The Business of Science®



Jonathan Flint – Chief Executive
Kevin Boyd – Group Finance Director



Agenda



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- Overview
- Financial Review
- Operational Review



- Improving trend in order intake
- Strengthening markets in US and UK offsetting weaker Asia performance
- Strong order book for delivery in second half
- Continued FX pressure
- Good contribution from Andor Technology
- Healthy new product introduction pipeline

- **North America**
 - Increased budgets for high-technology
 - Opportunities for growth in US healthcare market
- **Europe**
 - Growth across all sectors
 - Completion of the ITER contract
- **Asia**
 - Growth in China
 - Softening in demand for Nanotechnology Tools in Japan

Financial Review

Kevin Boyd

Financial Highlights



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	2014/15	2013/14	Change	Organic change at CER
Orders (£m)	201.5	168.0	19.9%	7.4%
Revenues (£m)	178.5	166.3	7.3%	-5.9%
Gross Margin (%)	44.1%	45.0%	-90bps	
Operating profit (£m)*	18.9	22.0	-14.1%	
Return On Sales (%)	10.6%	13.2%	-260bps	
Adjusted profit before tax (£m)*	15.4	20.6	-25.2%	
Adjusted tax rate (%)*	23.0%	21.0%	+200bps	
Adjusted EPS (pence)*	20.9	28.6	-25.2%	
Dividend (pence)	3.7	3.4	10.1%	
Net Cash (£m)	(137.5)	32.2	(169.7)	

*Adjusted numbers are stated to give a better understanding of the underlying business. Details of adjusting items can be found in Note 2 of the Half Year Report

Sector Split



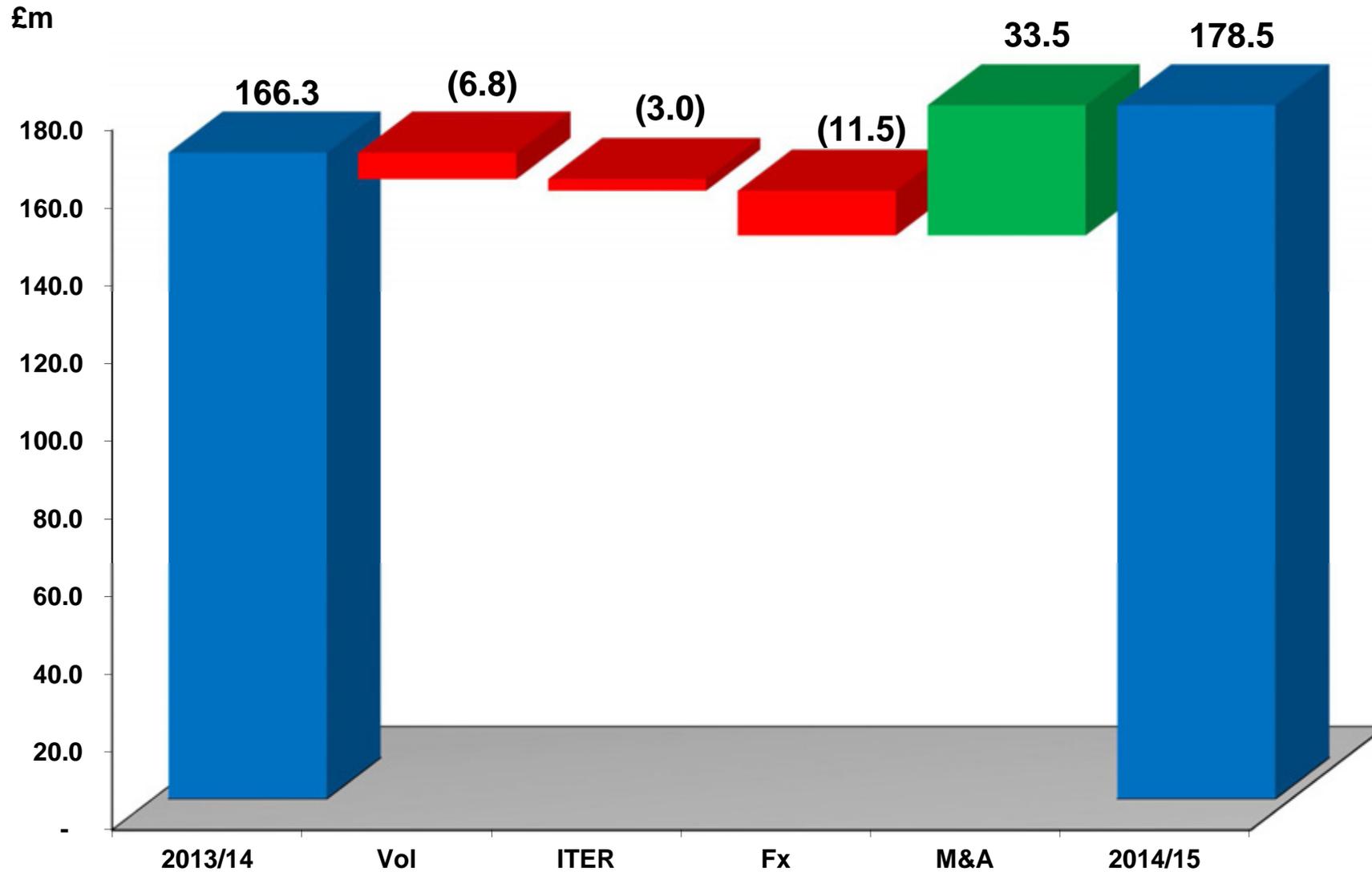
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£m	Nanotechnology Tools		Industrial Products		Service		Total	
	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14
Sector orders*	115.7	79.6	53.2	54.5	33.2	34.9	201.5	168.0
Sector revenue*	92.8	77.1	54.5	58.0	31.7	32.3	178.5	166.3
Trading profit	6.6	7.4	5.5	8.1	6.8	6.5	18.9	22.0
Return on sales	7.1%	9.6%	10.1%	14.0%	21.5%	20.1%	10.6%	13.2%
Revenue Growth	20.4%		-6.0%		-1.9%		7.3%	
CER Organic	-13.7%		-0.7%		1.9%		-5.9%	

*includes inter-sector values

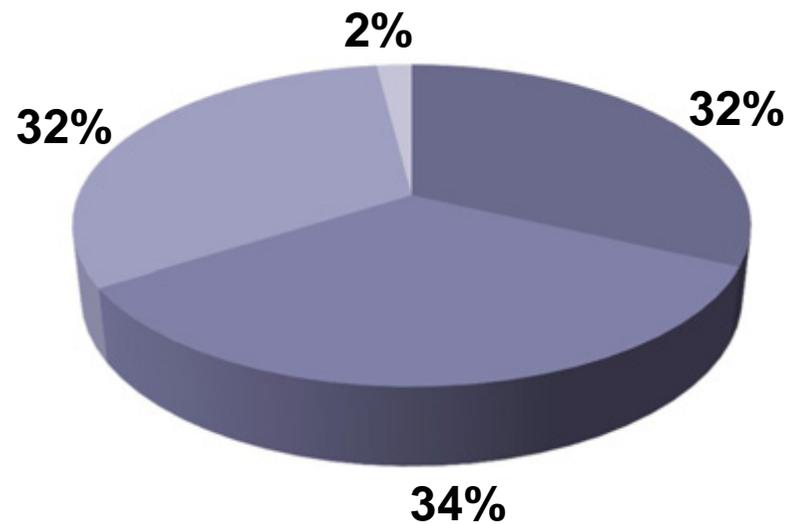


Sales Bridge



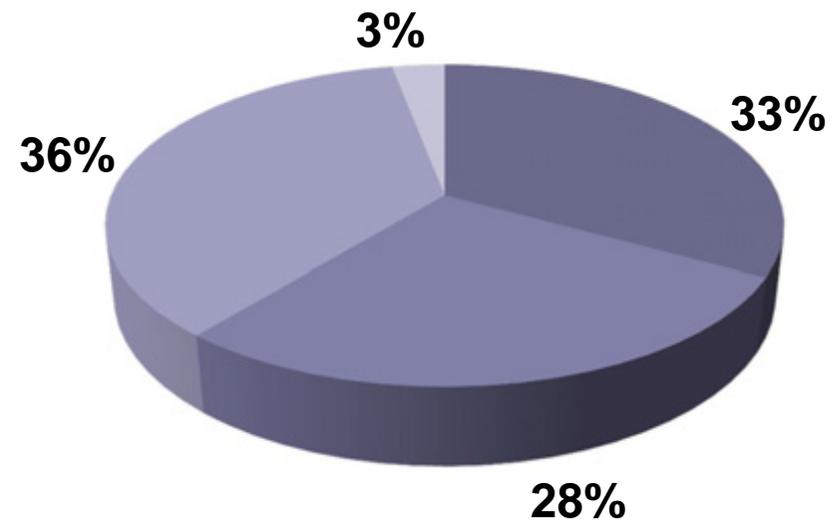
Sales by Geography

2014/15



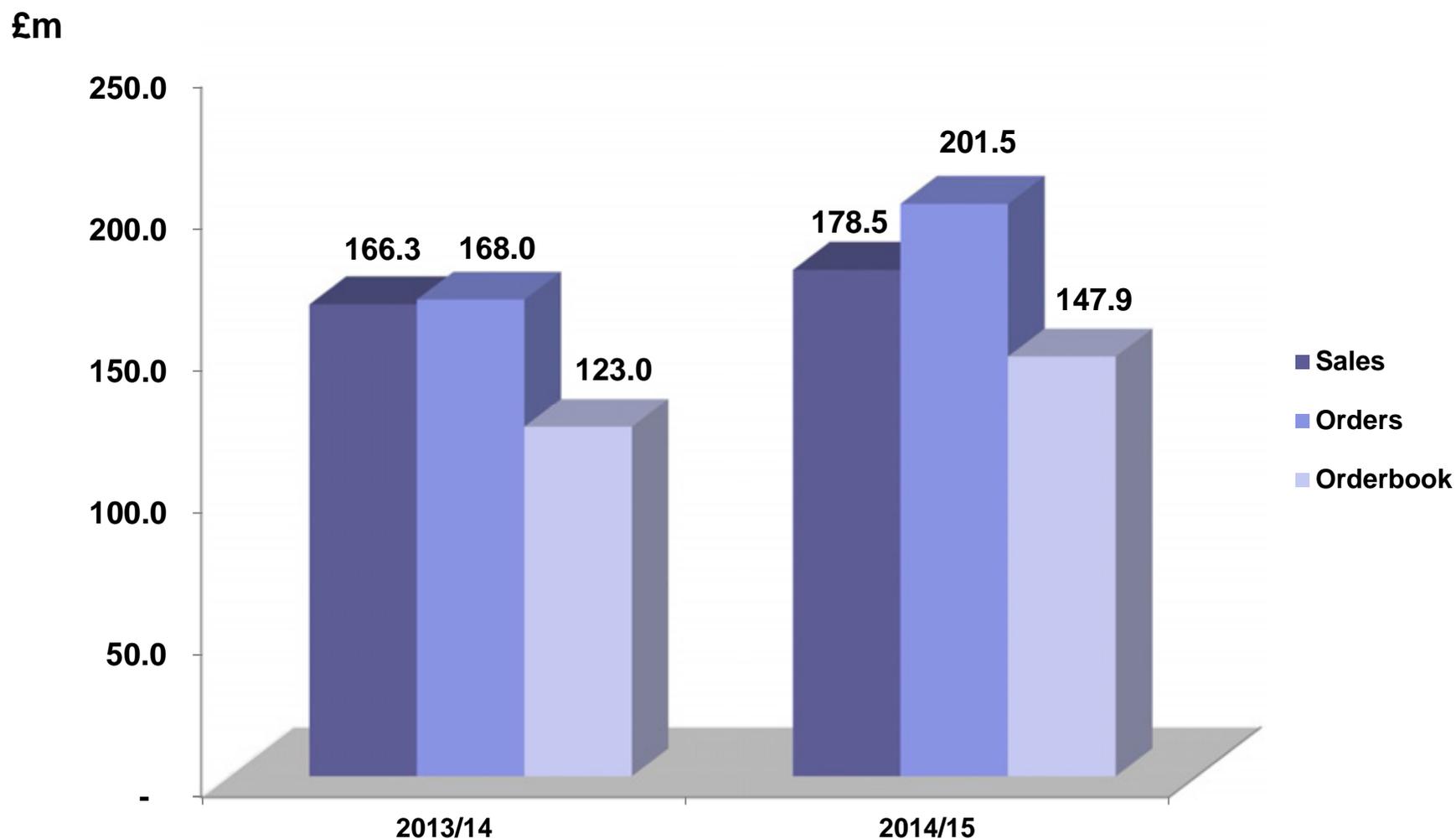
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2013/14

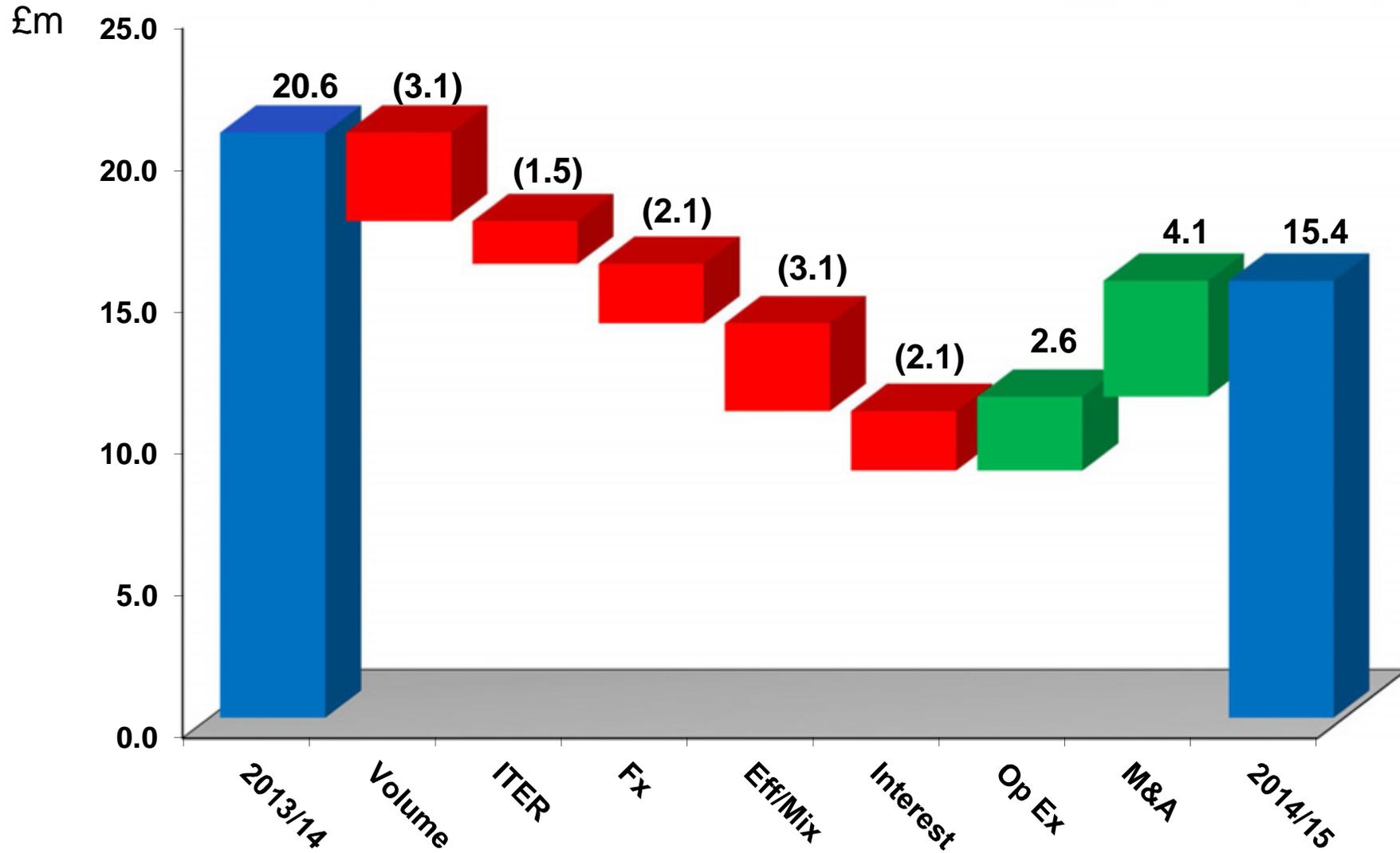


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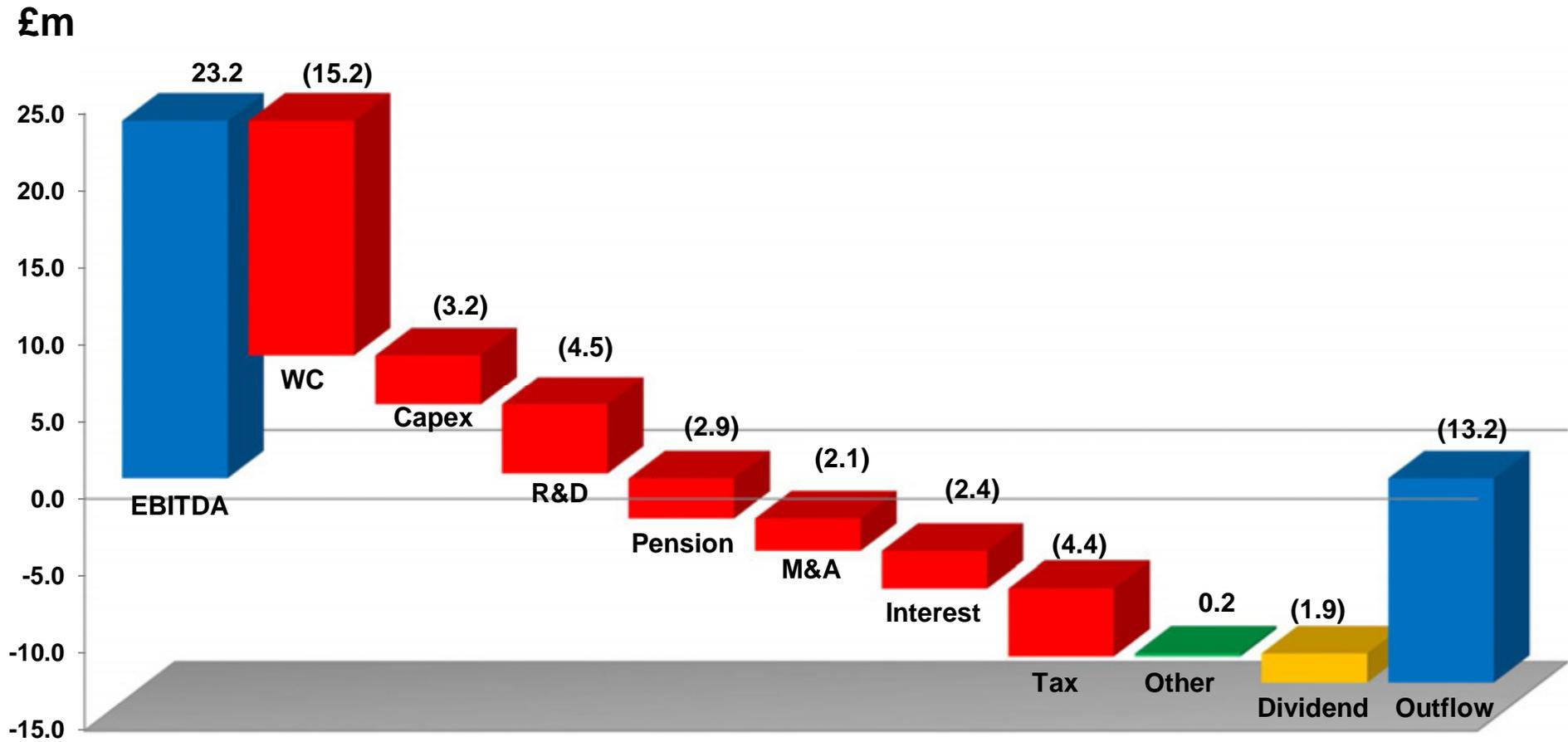
Sales, Orders & Orderbook



Profit Bridge



Cash

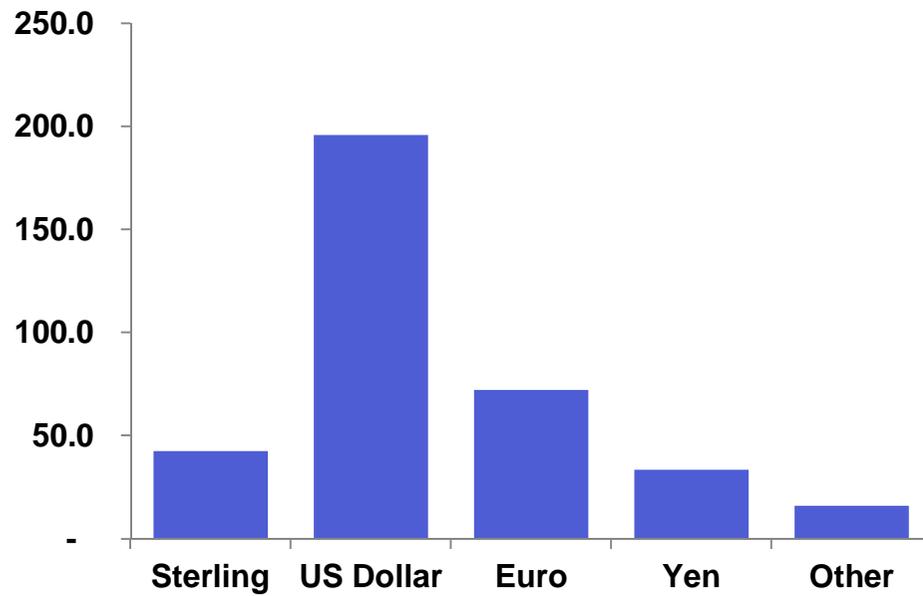


Annual Currency Exposure (2013/14)

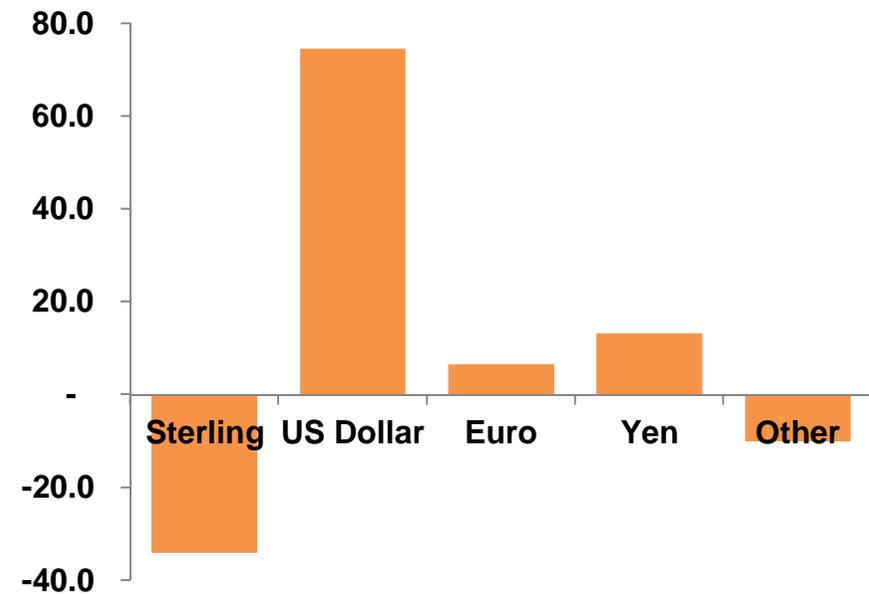


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Revenue Exposure £m



Net Exposure £m



Operational Review

Jonathan Flint

Our Businesses



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Nanotechnology Tools

High-performance
technology products

- **NanoSolutions**
- **NanoCharacterisation**

Industrial Products

Analytical instruments
and high technology
components

- **Industrial Analysis**
- **Industrial Components**

Service

Service, support,
training, refurb,
consumables,
accessories

- **OI Healthcare**
- **OiService - own products**



Nanotechnology Tools

highest technology products serving research and industrial customers in the public and private sectors

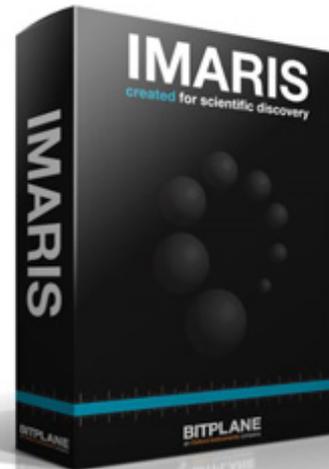


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- Increased demand from Quantum Information Processing research
- Growth in 2D materials applications
- Expansion into Life Science markets
- Links with Nobel science prize winners



- Good performance
- Seven new product launches for materials and life sciences applications
- New Managing Director appointed May 2014
- Integration programme on track



Industrial Products

analytical systems for quality control, environmental and compliance testing, and components for industry and research



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- Successful launch of X-MET8000 hand-held analyser into scrap and PMI markets
- Delivery of multiple compressors for radio telescope project in South Africa
- Expansion of addressable market for superconducting wire
- RMG and RoentgenAnalytik integrating well



Service

service, support, training, refurbishment, consumables and accessories



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- New business opportunities in the US
- Good growth in service contracts and spares
- Dedicated service repair centre opened in India



Summary and Outlook



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- Challenging first half
- Strong order intake supports H2 performance
- Full year performance around the lower end of market expectations
- Continued focus on developing innovative new products
- Growing market share in core areas of physical science and extending reach into adjacent life science markets



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