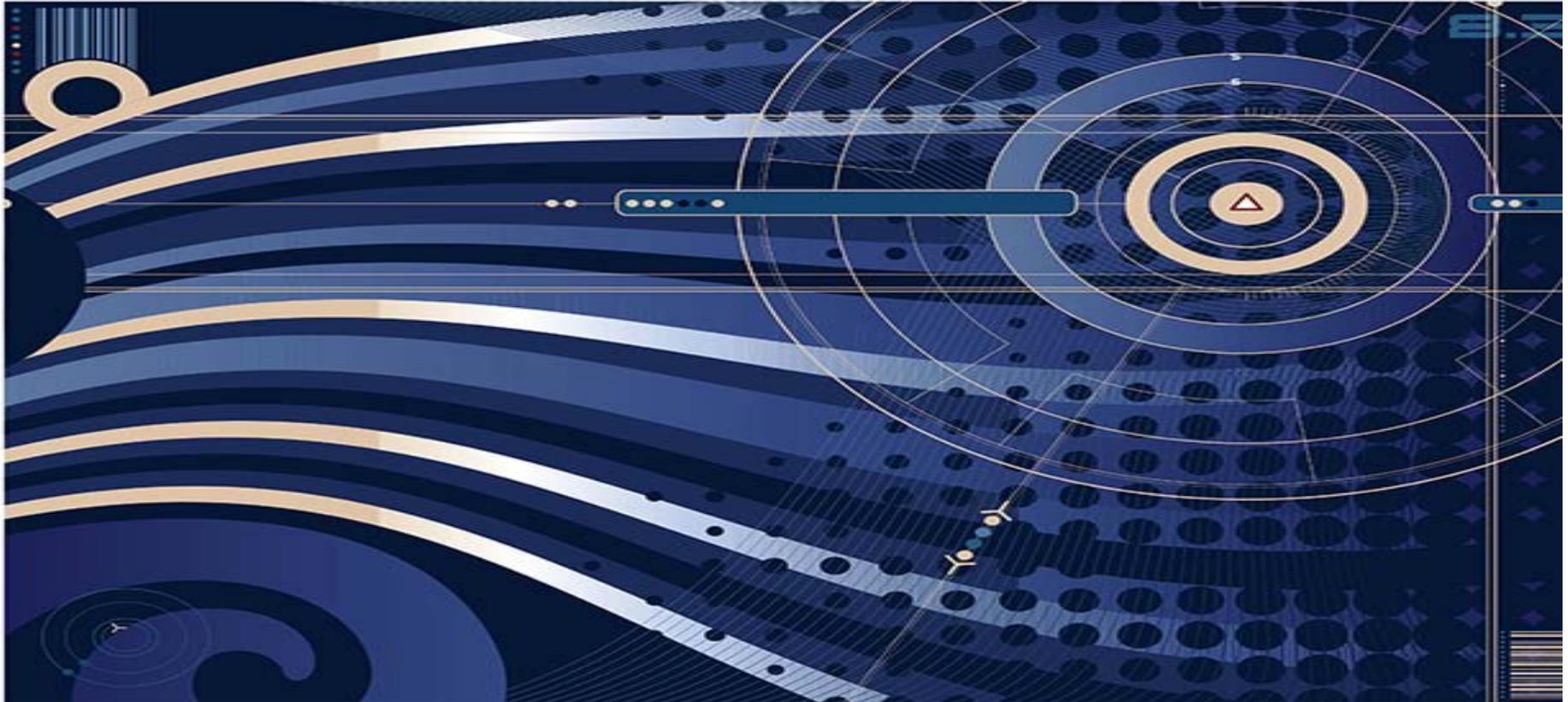


# Half Year Results Announcement

## 12 November 2013



*The Business of Science®*



**Jonathan Flint – Chief Executive**  
**Kevin Boyd – Group Finance Director**



# Agenda

- Highlights
- Financial Review
- Operational Review
- Strategy
- Outlook

- Marked improvement in second quarter trading
- Order run rate ahead in Europe and Asia
- Improving trend in US markets
- Increased R&D spend
- Acquisition programme on track

# Financial Review

## Kevin Boyd

# Financial Summary

	<b>2013/14</b>	<b>2012/13</b>	<b>Change</b>
Orders (£m)	168.0	169.8	-1.1%
Revenues (£m)	166.3	170.8	-2.6%
Gross margin (%)	45.0%	44.6%	+40bps
Adjusted operating profit (£m)*	22.0	23.6	-6.8%
Return on sales (%)	13.2%	13.8%	-60bps
Adjusted profit before tax (£m)*	20.6	22.5	-8.4%
Adjusted EPS (pence)*	28.6	33.0	-13.3%
Dividend (pence)	3.36	3.05	+10.2%
Net Cash (£m)	32.2	37.1	(4.9)

\*Adjusted numbers are stated to give a better understanding of the underlying business. Details of adjusting items can be found in

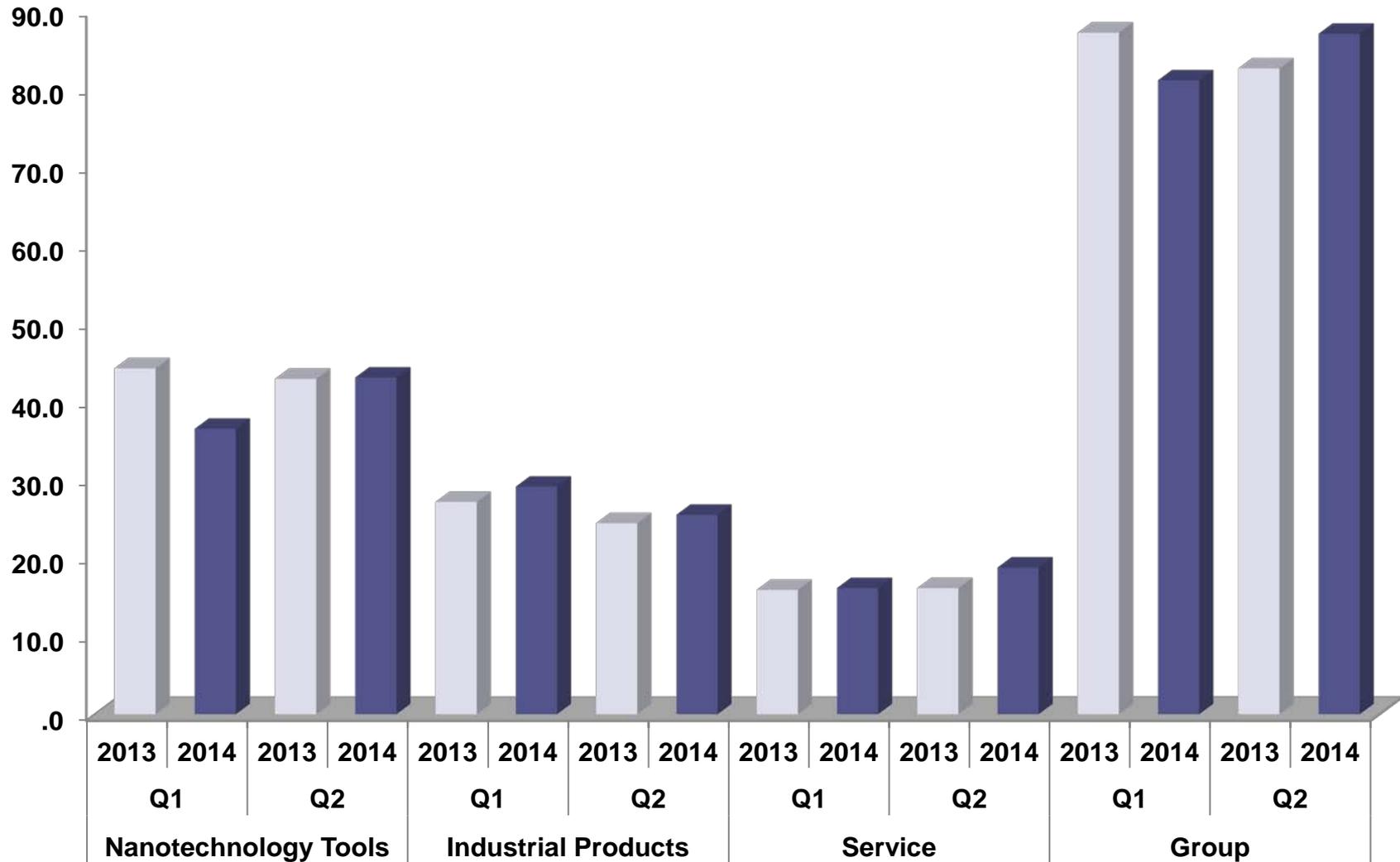
Note 2 of the Half Year Report

# Sector Split

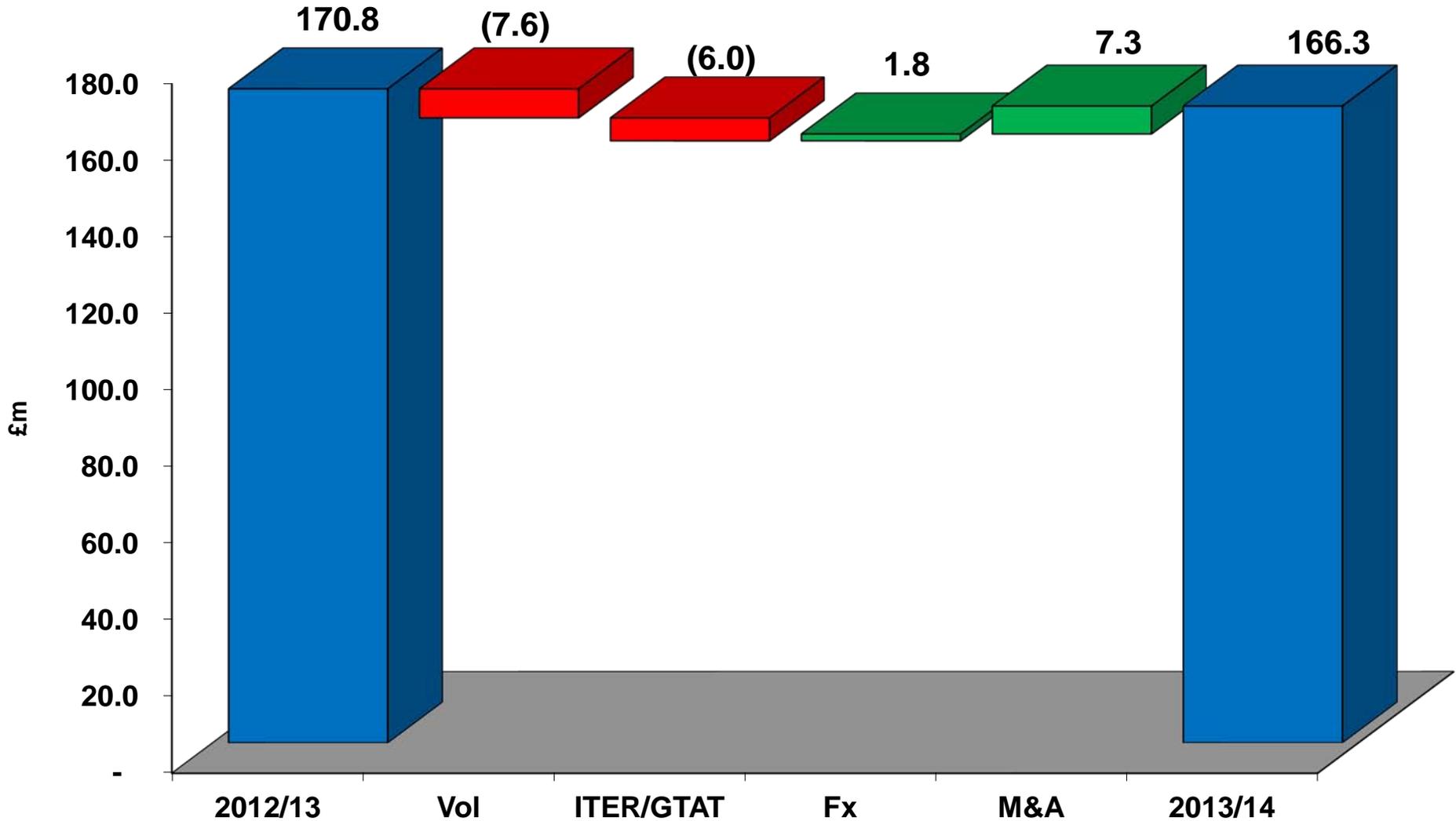
£m	NanoTechnology Tools		Industrial Products		Service		Total*	
	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
<b>Sector revenue</b>	77.1	80.9	58.0	61.5	32.3	29.3	<b>166.3</b>	<b>170.8</b>
<b>Operating profit</b>	7.4	10.3	8.1	7.5	6.5	5.8	<b>22.0</b>	<b>23.6</b>
<b>Return on sales</b>	9.6%	12.7%	14.0%	12.2%	20.1%	19.8%	<b>13.2%</b>	<b>13.8%</b>

\*excluding inter-sector revenue

# Orders by Segment by Quarter (£m)

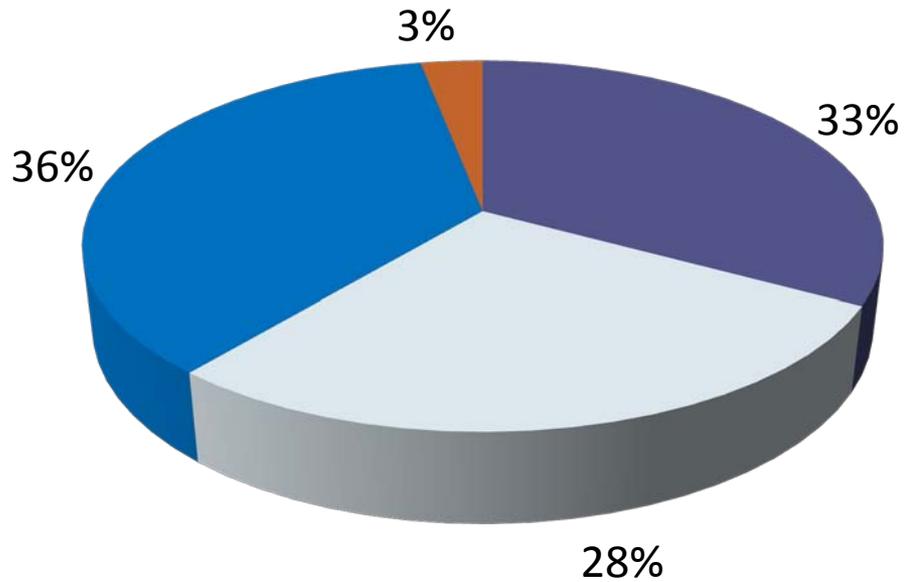


# Sales Bridge



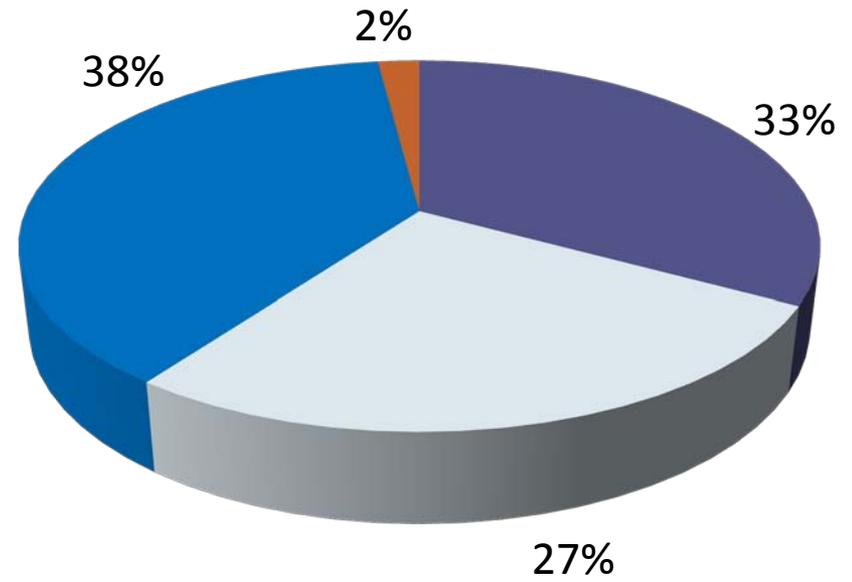
# Sales by Destination

## H1 2013/14



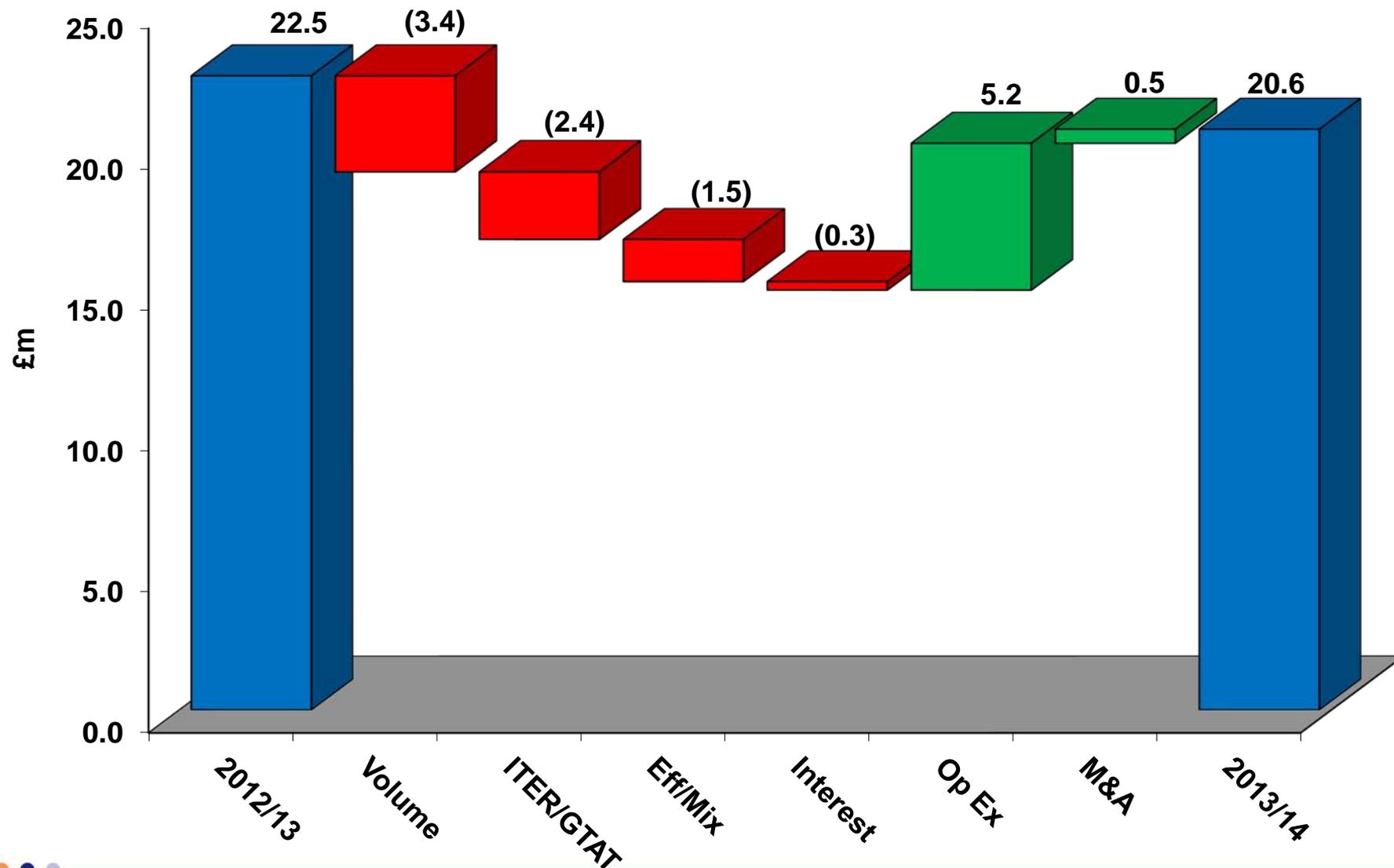
■ Europe ■ N America ■ Asia ■ RoW

## H1 2012/13

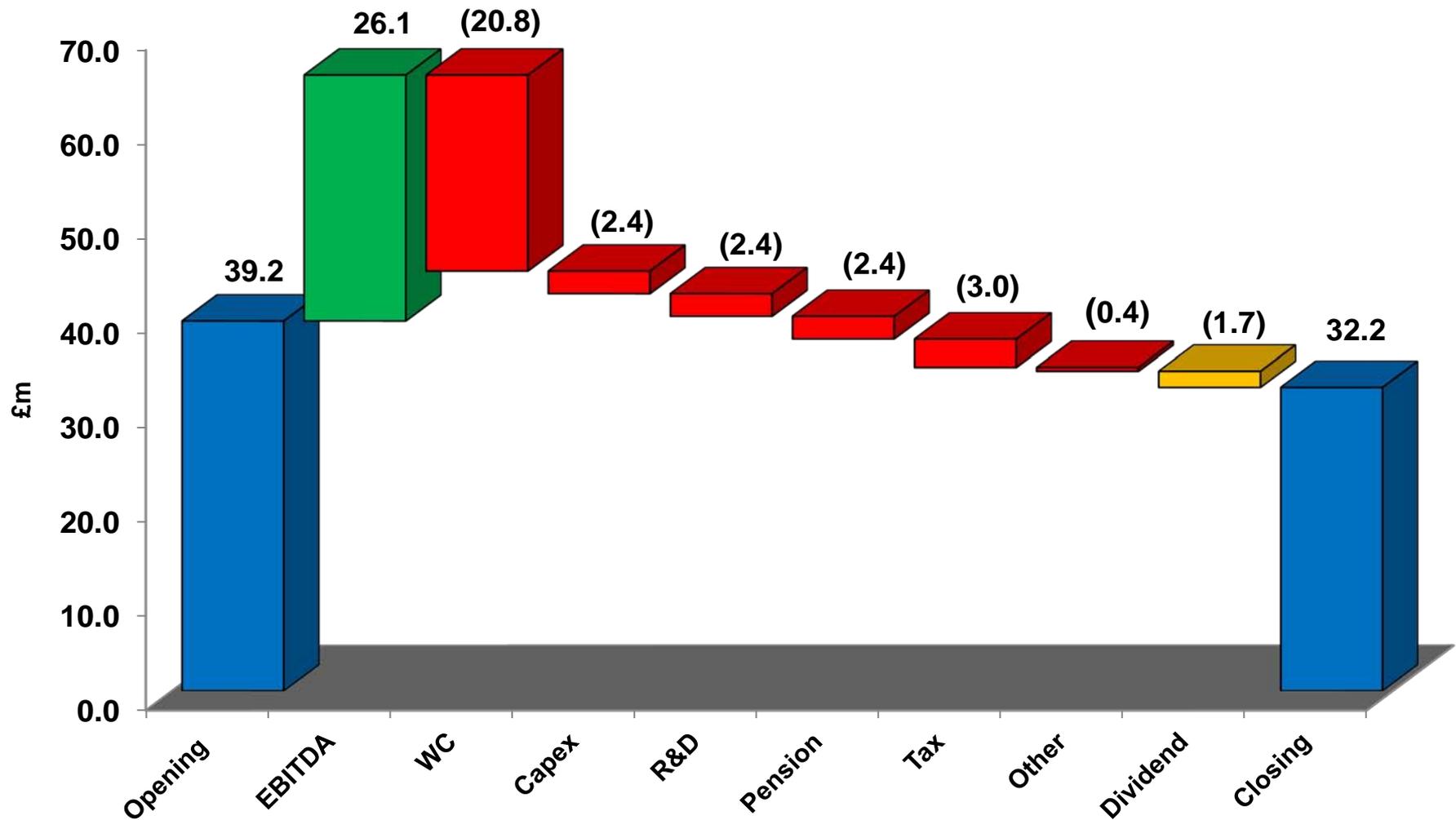


■ Europe ■ N America ■ Asia ■ RoW

# Profit Bridge

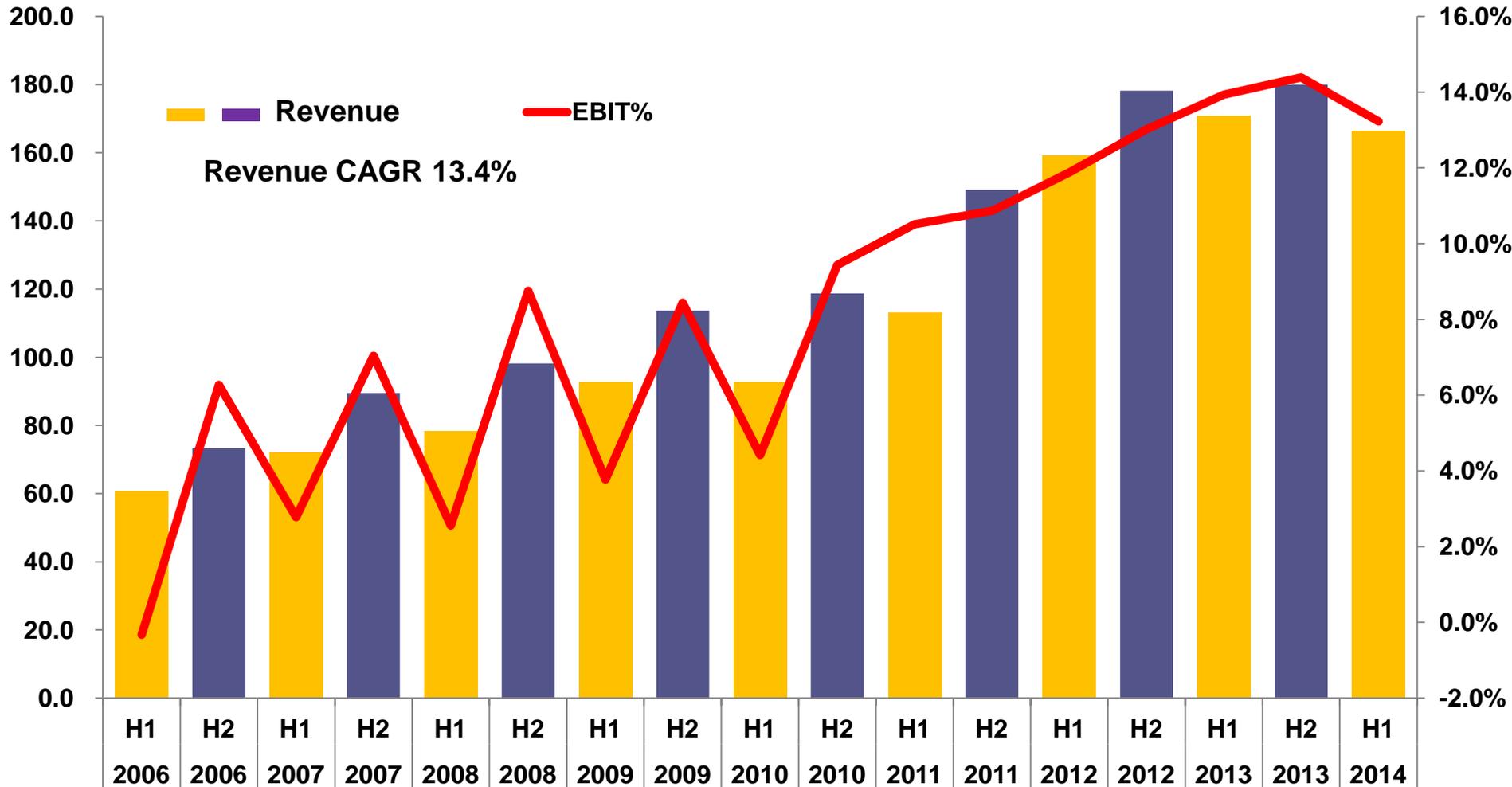


# Cash



# Revenue & Margin Progression

£m



# Operational Review

## Jonathan Flint

## Nanotechnology Tools

High-performance  
technology products

- NanoAnalysis
- Omicron NanoScience
- Plasma Technology

## Industrial Products

Analytical instruments  
and high technology  
components

- Industrial Analysis
  - RMG Technology
- Industrial Components

## Service

Service, support,  
training, refurb,  
consumables,  
accessories

- OiService CT & MR
- OiService - own products

# RMG Technology

Technology	Laser Induced Breakdown Spectroscopy (LIBS)
Acquisition strategy	Bolt-on for Industrial Analysis
Product	Ultra fast, lightweight hand-held metal analyser
Market	Scrap and Recycling
Growth strategy	<ul style="list-style-type: none"><li>• Integrate into Industrial Analysis for operational efficiency</li><li>• Expand sales and distribution network for global reach</li><li>• Focus on developing next generation product</li></ul>



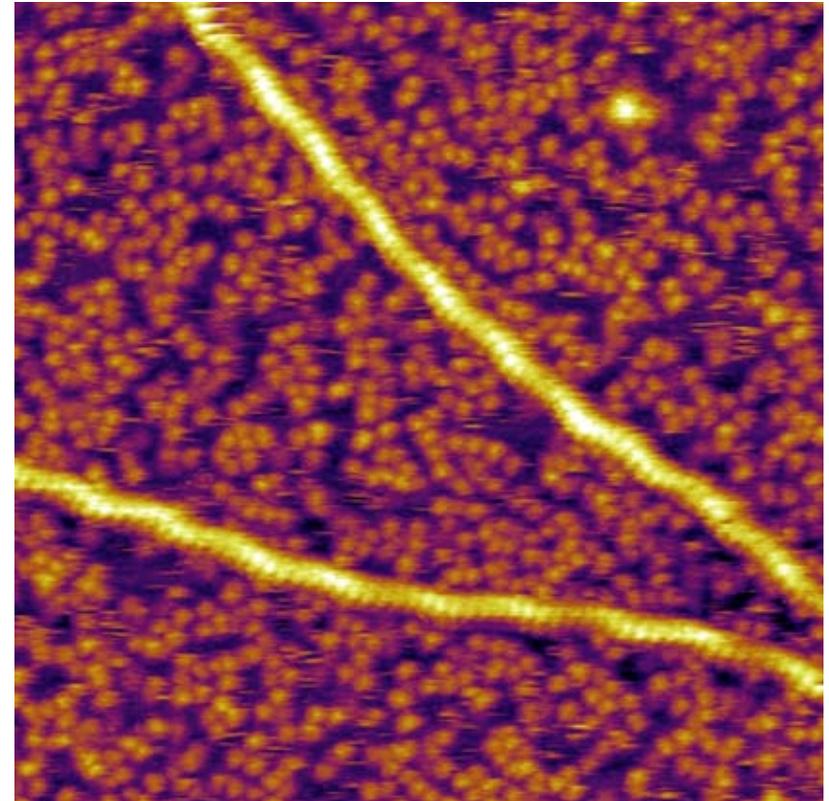
# NanoTechnology Tools

High-performance technology products for research and industry

OXFORD  
INSTRUMENTS

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- Large scale nanofabrication system delivered to Jülich University
- Centre of Excellence for two dimensional materials established
- New microanalysis detectors and software launched for analysis of photovoltaic cells
- Asylum Research extends market reach and contributes to growth



*Atomic Force Microscope Image of DNA*

# Industrial Products

Analytical instruments and high technology components

- **PMI-MASTER Smart:** world's first portable optical emission spectrometer launched worldwide for metals analysis, particularly for use in hard to reach, inaccessible locations
- **PULSAR:** magnetic resonance analyser for use in food fraud detection



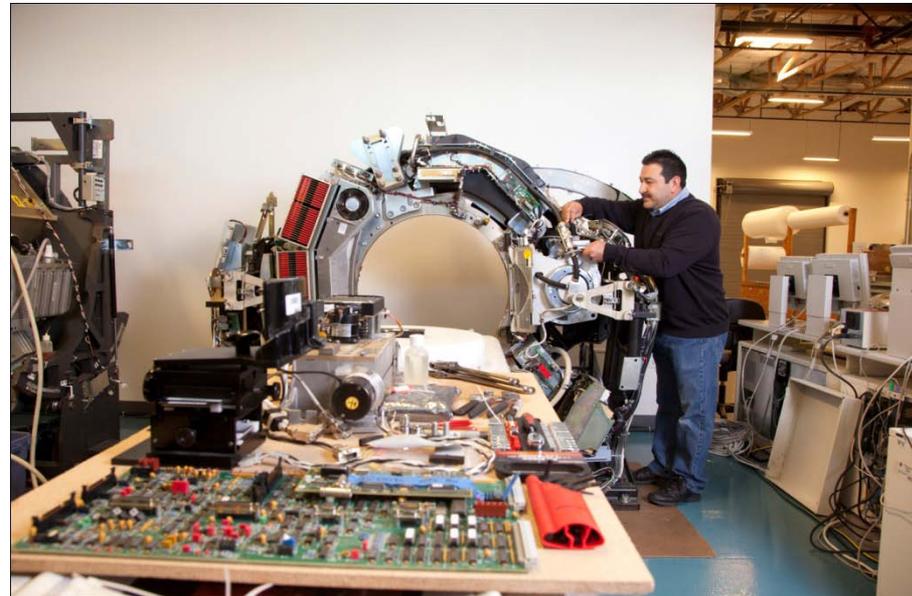
# Service

Service, support, training, refurb, consumables, accessories

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INSTRUMENTS

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- Growing installed base
- Increased orders and sales for service contracts and spares
- Investment in international service capability
- New opportunities for CT & MR Service in US medical and veterinary markets



# 14 Cubed Update

<b>Objective</b>	<b>Achieve a 14% Return on Sales by April 2014</b>
Status 	<ul style="list-style-type: none"><li>• 14% achieved a year early</li><li>• First half of FY13/14 delivered 13.2%</li></ul>
<b>Objective</b>	<b>Achieve a 14% Revenue CAGR 2011-14</b>
Status 	<ul style="list-style-type: none"><li>• 15.6% CAGR achieved 2011-13</li><li>• CAGR to date 13.7%</li></ul>

		Nanotechnology Tools		Industrial Products		Service
Area	Technique	Academic Research	Applied Research	Low Volume Industrial	In-line/Auto Industrial	Aftermarket
Nano-Fabrication	Compound Semi DSE	Plasma Technology				
						Service
Nano-Materials	XRF OES MRI Superconductors Cryogenics Magnets EDS WDS EBSD AFM	OION		Industrial Products		
		NanoAnalysis				
		Asylum				
Adjacent Market	Technique X Technique Y etc					

# Strategy

		Nanotechnology Tools		Industrial Products		Service
Area	Technique	Academic Research	Applied Research	Low Volume Industrial	In-line/Auto Industrial	Aftermarket
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		NanoAnalysis				
		Asylum				
Adjacent Market	Technique X Technique Y etc					

# Strategy – Next Steps ...

		Nanotechnology Tools		Industrial Products		Service
Area	Technique	Academic Research	Applied Research	Low Volume Industrial	In-line/Auto Industrial	Aftermarket
Nano-Fabrication	Compound Semi DSE	<b>Plasma Technology</b>				<b>Service</b>
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		<b>NanoAnalysis</b>				
Nano-Bio	Technique 1 Technique 2 Technique 3 Technique 4					

# Andor Opportunity

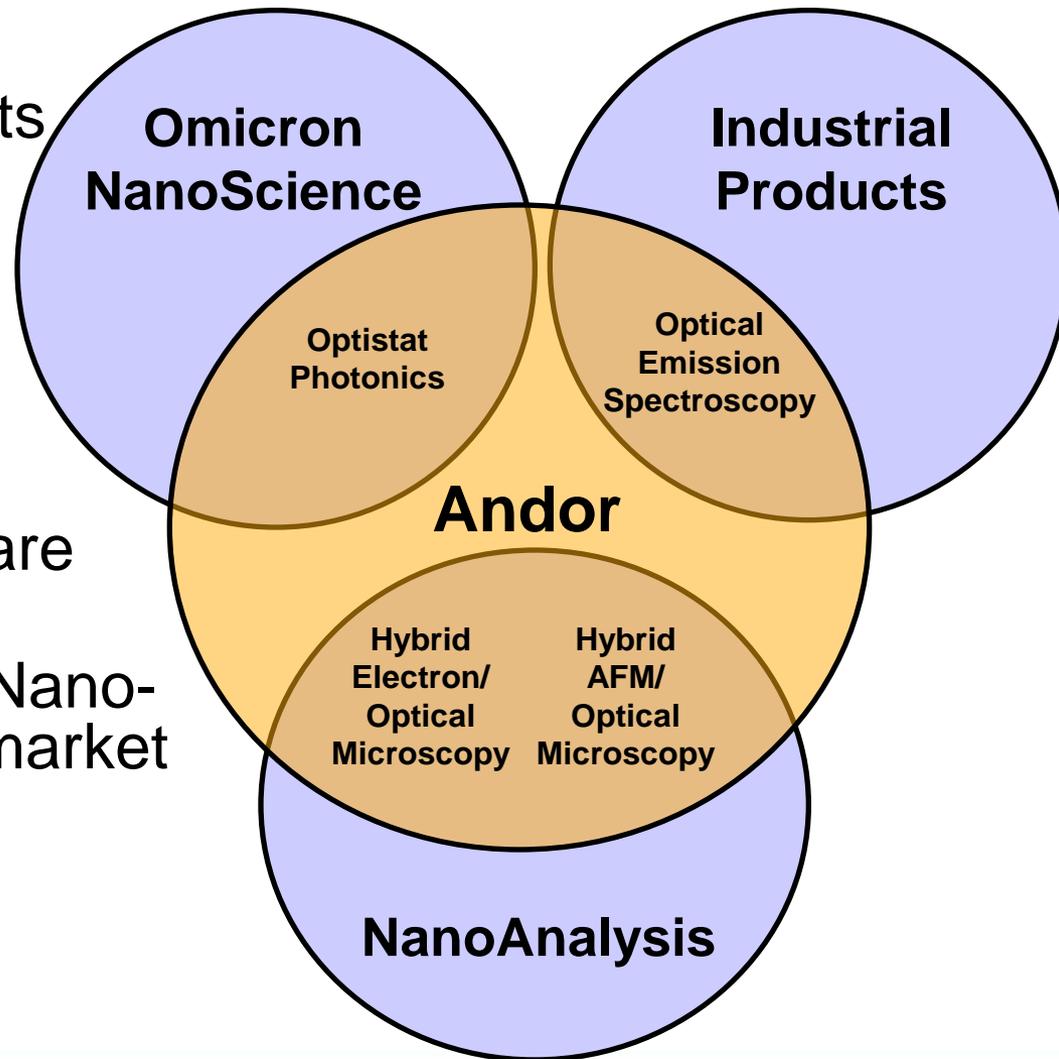
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Nano-Materials	XRF OES/LIBS MRI Superconductors Cryogenics Magnets EDS WDS EBSD	OION		Industrial Products		Service
			NanoAnalysis			
			Andor			
Nano-Bio	AFM Confocal Microscopy Raman Fluorescence Microscopy Cytometry					

## Short Term

- Research market benefits
- Grow Asia market
- Grow optical systems business

## Longer Term

- Grow system and software capability
- Combined products for Nano-Bio and Nano-Material market
- Develop technology for industrial applications



- Order run rate ahead in Europe and Asia
- Tentative recovery in US market
- Strong new product pipeline
- Q2 momentum encouraging for H2
- Acquisition programme on track
- Strategy progression into Nano-Bio supports long term growth

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