



Preliminary results presentation

to 31 March 2022

Ian Barkshire
Chief Executive

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Group Finance Director

Agenda

Highlights

Horizon Strategy & Progress

Group Performance – End Markets

Finance Review

End Market Overview

Sustainability Update

Summary & Outlook

- Strong financial performance reflecting resilience of our business model and strength of our end markets
- Significant order, revenue and profit growth despite challenging operational backdrop; sustained progress over last two years
- Strategic progress supporting margin enhancement, while continuing to invest to fuel future growth
- Well positioned in buoyant semiconductor, advanced materials, quantum and life science markets; strong growth to commercial and academic customers
- Record order book provides increased visibility for the year ahead

Leading technologies which create high customer value

- Leading provider of high technology products and services to the world's foremost industrial companies & scientific research communities
- Unrivalled products for imaging, analysing & manipulating materials down to the atomic & molecular level

Well positioned in global niche markets with long term structural growth drivers

- Scale & differentiation within our markets: Advanced Materials, Semiconductor, Lifescience & Quantum
- Enabling a greener, healthier, more connected advanced society

Building on our platform for value creation

- Cementing our leadership through customer centricity, product differentiation, service capability & operational excellence
- Making synergistic acquisitions

Horizon Strategy Progress

Market Intimacy

Heightened market intimacy driving strong growth to existing customers and expansion to adjacent markets

Innovation & Product Development

New products delivering sustainable differentiation & growth into larger commercial markets

Operational Excellence

Operational excellence driving efficiencies; mitigating inflationary cost pressures

Customer Support

Service & digital transformation enhancing customer value, leveraging operational budgets

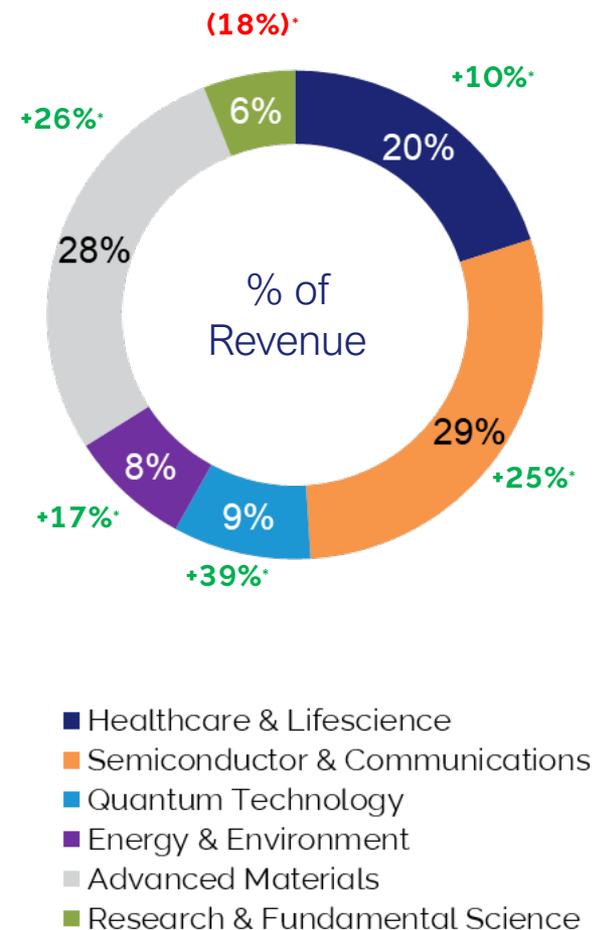
Synergistic Acquisitions

WITec strengthens portfolio with complementary products, enhancing offering to our end markets

Considerable opportunities for further gains from ongoing Horizon strategy execution

Group Performance – End Markets

- Market intimacy in positive end markets driving significant order growth
- Strong growth in semiconductor, quantum and advanced materials markets
- Strong recovery from Healthcare & Lifescience and Energy & Environment after subdued 2021
- Reduced customer activity & decreased focus into Research & Fundamental Science
- Double digit order growth into Europe, Asia and North America
- Covid-related disruption and supply chain challenges held back revenue

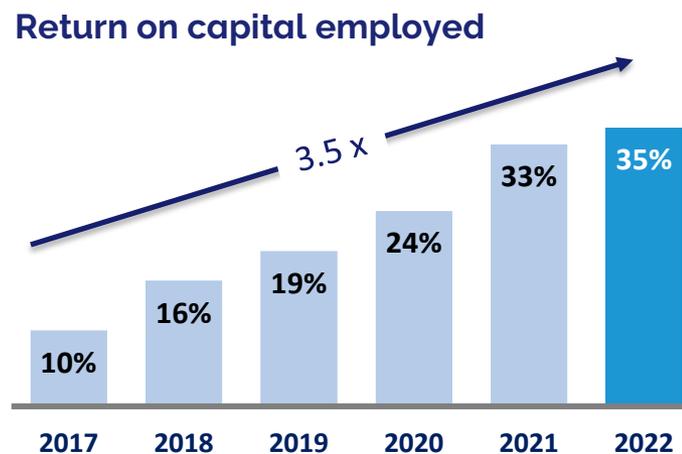
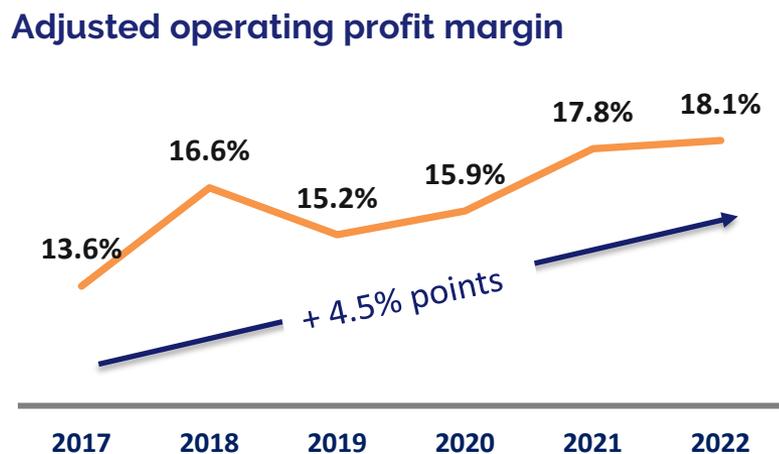
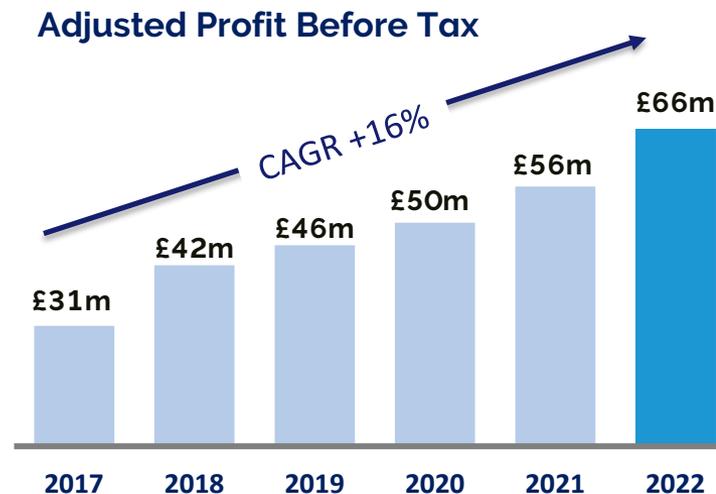
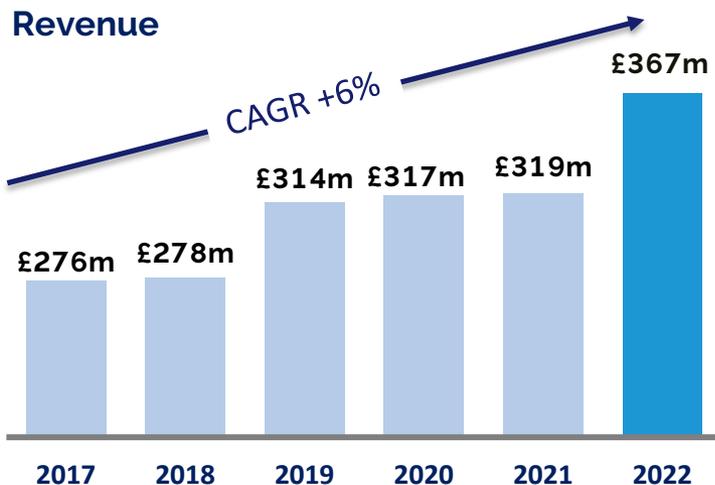


* revenue growth from prior year at constant currency

Finance Review

Gavin Hill

Strong Track Record of Delivery



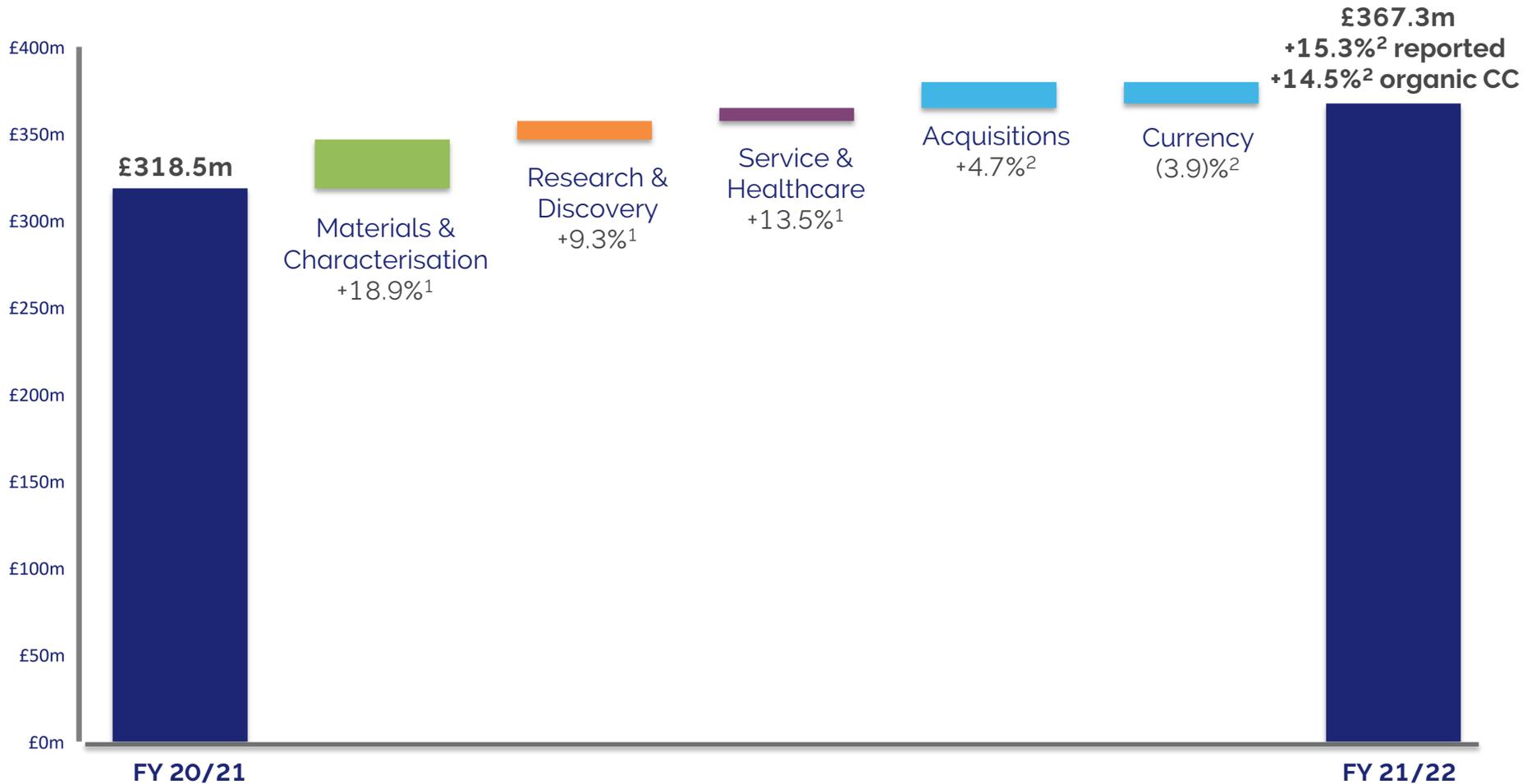
Income Statement



£m	2021/22	2020/21	Reported Change	Organic CC Change
Revenue	367.3	318.5	+15.3%	+14.5%
Adjusted ¹ operating profit	66.3	56.7	+16.9%	+15.2%
Amortisation of acquired intangibles	(9.5)	(8.4)		
Non-recurring items	(2.1)	(1.7)		
Mark-to-market of currency hedges	(6.4)	6.4		
Statutory operating profit	48.3	53.0	(8.9%)	
Net finance costs	(0.7)	(0.8)		
Adjusted ¹ profit before taxation	65.9	55.9	+17.9%	
Statutory profit before taxation	47.6	52.2	(8.8%)	
Adjusted ¹ effective tax rate	17.8%	19.3%		
Adjusted ¹ basic earnings per share	94.3p	78.6p	+20.0%	
Dividend per share (total)	18.1p	17.0p	+6.5%	

¹ Adjusted items exclude the amortisation and impairment of acquired intangible assets, acquisition items, other significant non-recurring items, and the mark-to-market movement of financial derivatives

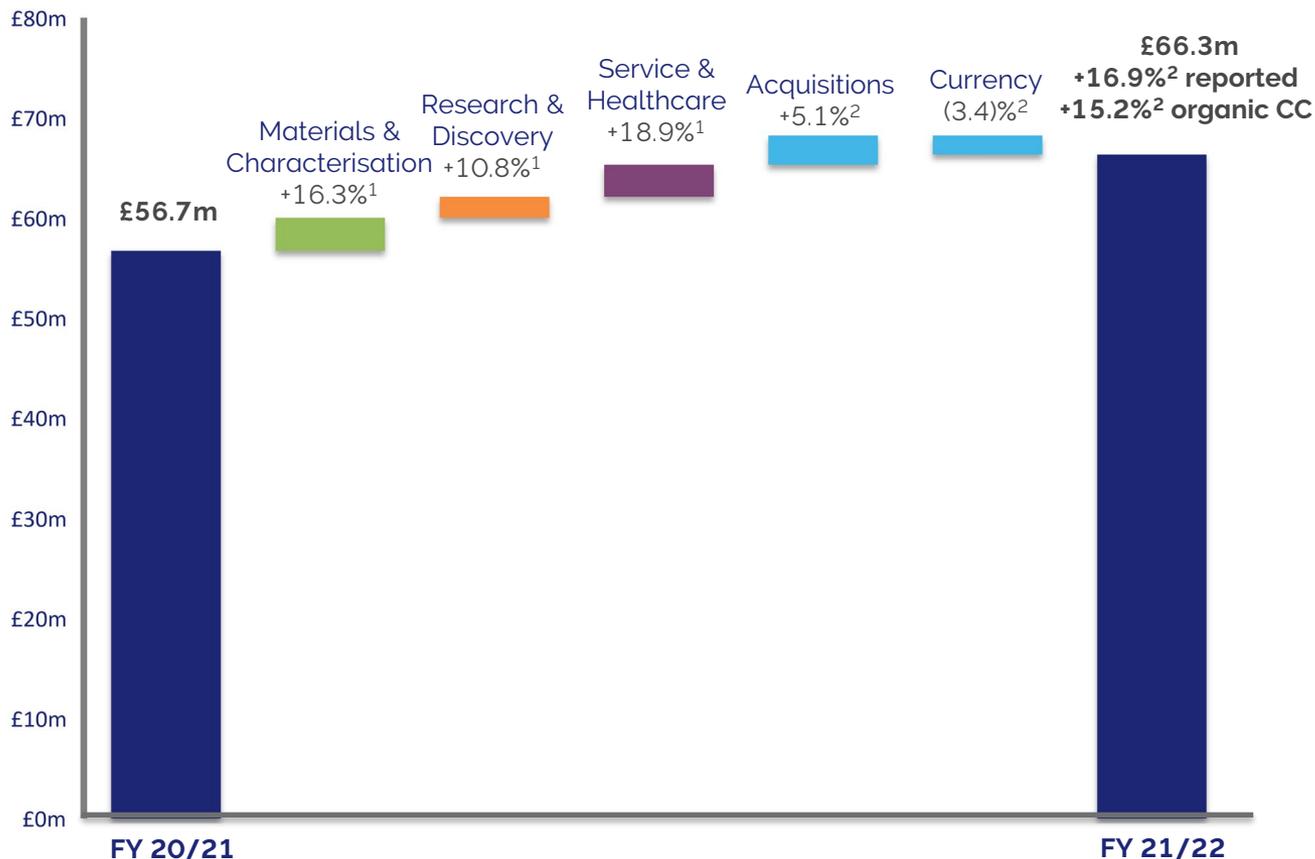
Revenue by Sector



¹ Organic constant currency (CC) growth rate compared to prior year sector revenue

² Growth rate compared to prior year Group total revenue

Adjusted Operating Profit by Sector



Material & Characterisation
margin FY22: 14.1%
margin FY21: 13.7%

Research & Discovery
margin FY22: 17.7%
margin FY21: 17.2%

Service & Healthcare
margin FY22: 30.7%
margin FY21: 29.9%

Group
margin FY22: 18.1%
margin FY21: 17.8%

¹ Organic constant currency (CC) growth rate compared to prior year sector adjusted operating profit

² Growth rate compared to prior year Group total revenue

Margin is calculated as adjusted operating profit divided by revenue

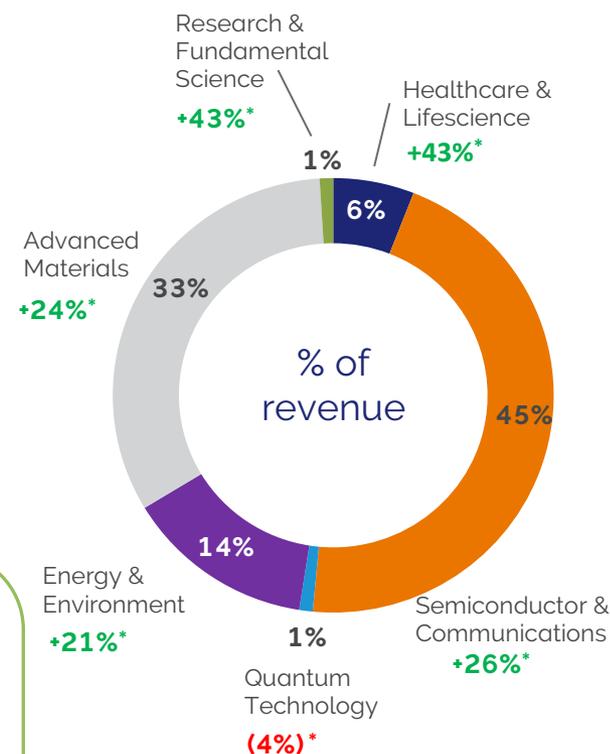
Margin at constant currency (CC) is defined as adjusted operating profit at constant currency divided by revenue at constant currency

Materials & Characterisation

50% Group revenue
Academic: 43%
Commercial: 57%



	2021/22 £m	2020/21 £m	Growth	Organic Constant currency growth
Orders	219.2	175.0	+25.3%	+29.8%
Revenue	185.5	148.6	+24.8%	+18.9%
Adjusted ¹ operating profit	26.1	20.3	+28.6%	+16.3%
Adjusted ¹ operating margin	14.1%	13.7%		



Key performance highlights

- Strong growth from semiconductor and communications driven investment in production capacity across silicon and compound semiconductors, as well as increased research and development
- New product launches including portfolio of semiconductor processing systems for high volume manufacturing
- Significant investment in materials research and battery technology drove growth across Advanced Materials and Energy & Environment
- WITec acquisition supporting growth in Healthcare & LifeScience

* revenue growth over prior year at constant currency

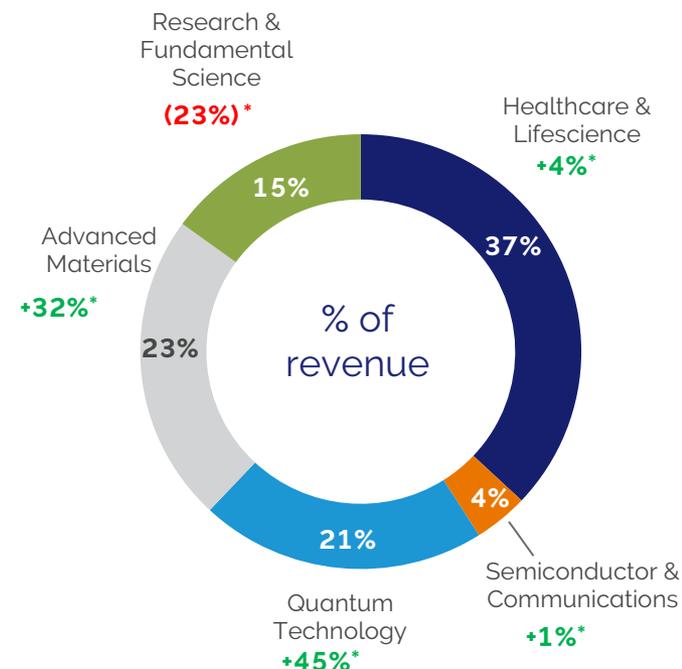
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Research & Discovery

33% Group revenue
Academic: 74%
Commercial: 26%



	2021/22 £m	2020/21 £m	Growth	Constant currency growth
Orders	133.9	115.7	+15.7%	+19.6%
Revenue	120.3	113.4	+6.1%	+9.3%
Adjusted ¹ operating profit	21.3	19.5	+9.2%	+10.8%
Adjusted ¹ operating margin	17.7%	17.2%		



Key performance highlights

- Investment in healthcare research driving demand for our imaging and microscopy products,
- Targeted product launches, including BC43, our new benchtop microscopy system provides access to broader life science markets
- Strong recovery from OEM partners driving growth across all end markets
- Evolution of quantum computing research resulting in demand for cryogenic platforms
- Deprioritising complex systems for Research & Fundamental Science

* revenue growth over prior year at constant currency

¹ Adjusted items exclude the amortisation and impairment of acquired intangible assets, acquisition items, other significant non-recurring items, and the mark-to-market movement of financial derivatives

	2021/22	2020/21		Constant currency growth
	£m	£m	Growth	
Orders	70.0	63.0	+11.1%	+16.0%
Revenue	61.5	56.5	+8.8%	+13.5%
Adjusted ¹ operating profit	18.9	16.9	+11.8%	+18.9%
Adjusted ¹ operating margin	30.7%	29.9%		

Key performance highlights

- Continue to enhance service offering and drive remote connectivity
- Strong growth related to our own products, supported by tailored and flexibly bundled service offerings by end application and region
- Enhanced remote service and digital analytics capabilities enabling greater customer reach and value through higher productivity levels
- Transitioned to regional service model to drive growth and promote efficiencies
- Quality service and support provided for our MRI healthcare customers in Japan



Augmented Reality Support



Remote Support

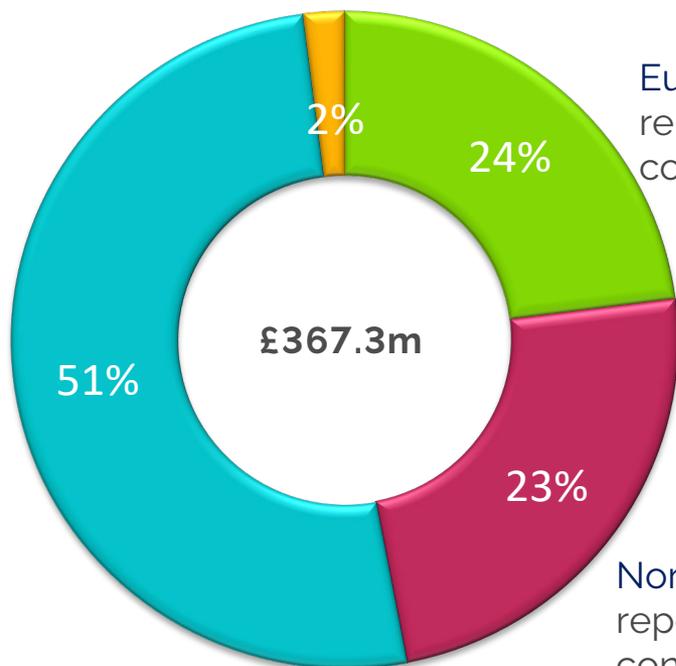


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Revenue and Orders by Region

Revenue

RoW
reported +9%
constant currency +11%



Europe
reported 2%
constant currency (2)%

North America
reported +11%
constant currency +12%

Asia
reported +26%
constant currency +30%

Order growth

Europe
reported +19%
constant currency +15%

North America
reported +21%
constant currency +23%

Asia
reported +20%
constant currency +22%

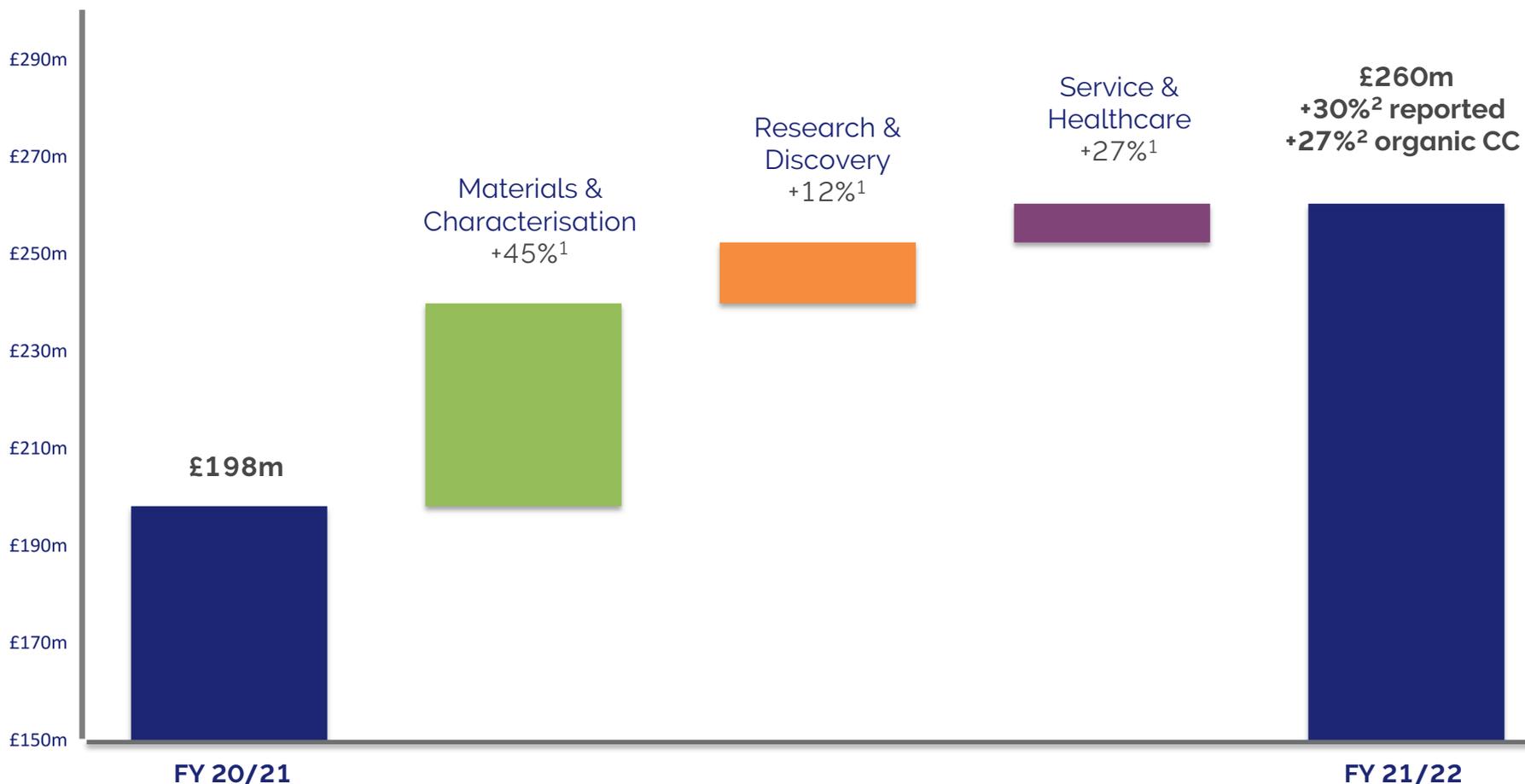
RoW
reported (6)%
constant currency -

Book-to-bill ratio

FY 21/22: 115%

FY 20/21: 117%

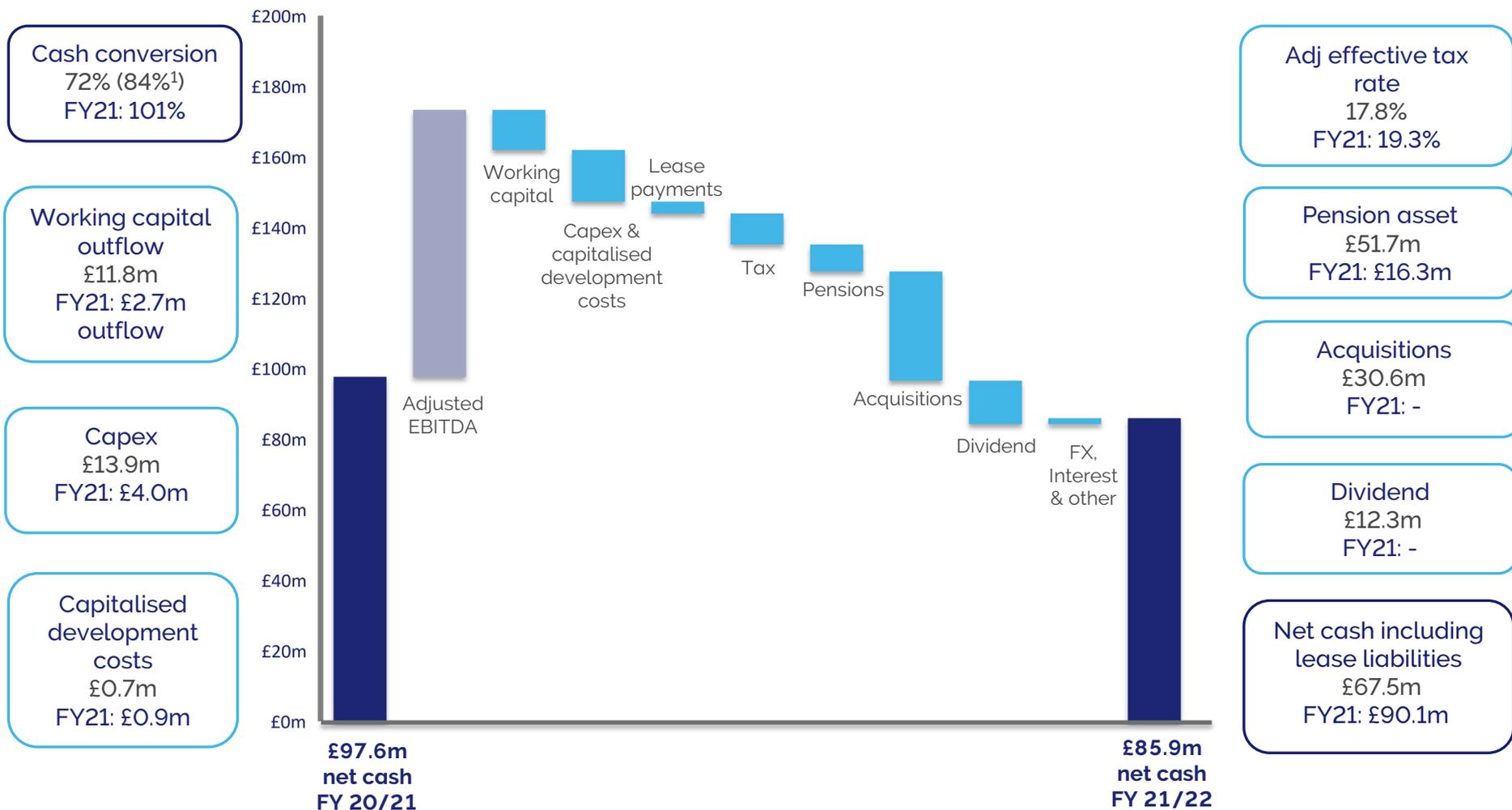
Order Book by Sector



¹ Organic constant currency (CC) growth rate compared to prior year sector revenue

² Growth rate compared to prior year Group total revenue

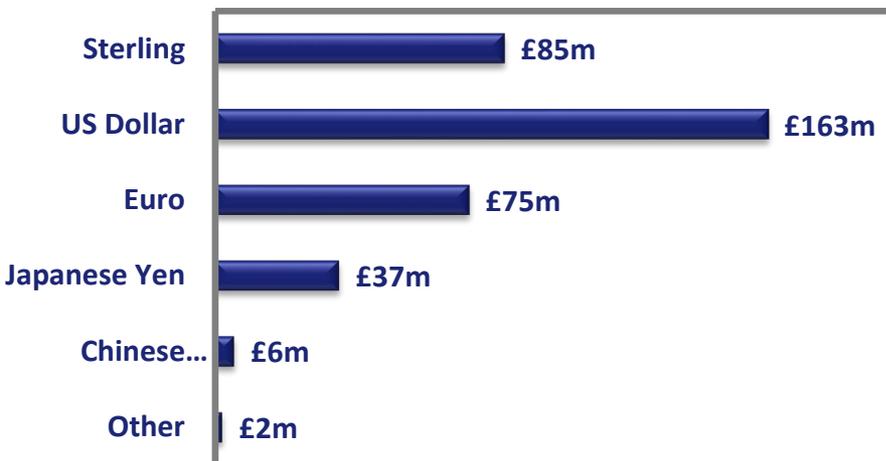
Cash Flow



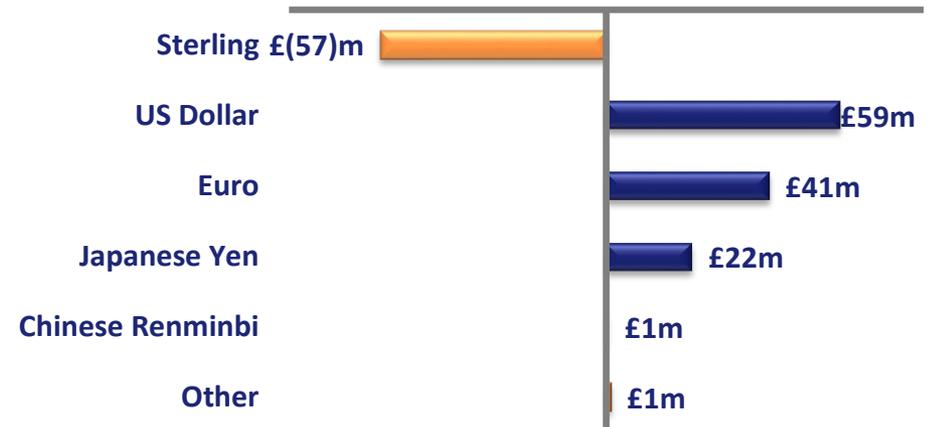
¹ Cash conversion (normalised) of 84% excludes expenditure on our new semiconductor facility

Currency Exposure

Revenue (£m equivalent)



Adjusted Operating Profit (£m equivalent)



- Adverse currency impact in 2021/22: Revenue: (£12.4m) ; AOP: (£1.9m)
- Estimated Full Year 2022/23 currency impact
 - Assuming current hedges as at 31/03/22 and no change from current forecast rates, approximate currency sensitivity against 2021/22: Revenue: +£5.1m; AOP: (£4.0m)
 - This does not affect the underlying growth of the Group and is prior to mitigating actions
- Estimated Full Year 2023/24 currency impact
 - Assuming no change from current rates, currency sensitivity against 2022/23: Revenue: £-m; AOP: +£1.9m
- Uncertain volume and timing of shipments and acceptances, currency mix and FX volatility, may significantly affect full year currency impact outcomes

Forecast currency rates – GBP:USD 1.28; GBP:EUR 1.20; GBP:JPY 163

- Organic constant currency revenue growth of 15% despite supply chain disruption
- Adjusted operating margin lifted to 18.1%, with margin improvement across all sectors
- Adjusted EPS growth of 20% and increase in total dividend of 6.5%
- Cash conversion of 84% (normalised excl. new semiconductor facility)
- Defined benefit pension plan moving closer to self-sufficiency
- Net cash of £85.9m provides strong balance sheet to support future growth through organic investment and acquisition opportunities
- Strong order book provides good visibility ahead; however, we continue to anticipate challenges from export controls, supply chain disruption, and cost inflation

End Market Overview

Ian Barkshire

Healthcare & Lifescience

- Aging population
- Improved treatments & vaccines
- Personalised medicine & therapies
- Reduced development timelines & costs

Semiconductor & Communications

- Increased chip demand
- Faster computers & devices
- Exponential data growth
 - Universal connectivity
 - Green economy

Advanced Materials

- Building blocks of advanced society
- Improved performance enables megatrends
- Sustainable manufacturing
 - Finite resources



Sustainability agenda reinforcing growth drivers

Energy & Environment

- Climate change
- Increasing energy demands
- Transition from fossil fuels
 - Food & Water safety

Quantum Technology

- Disruptive technology
- Government & data security
- Evolving commercial market
- Range of sectors - Pharma, logistics, Finance

Research & Fundamental Science

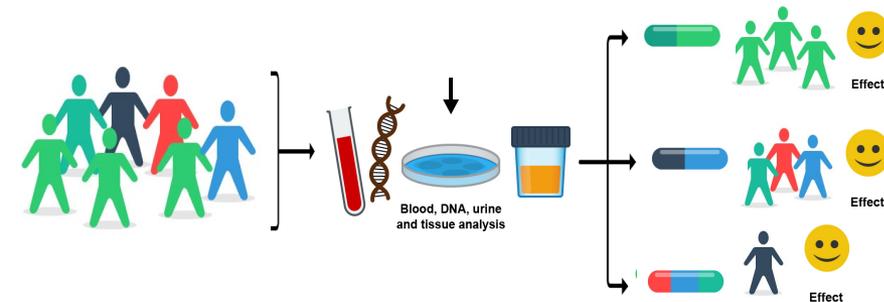
- Advancing society
- Tomorrow's innovation
- Economic leadership
- Astronomy & Space

Client needs

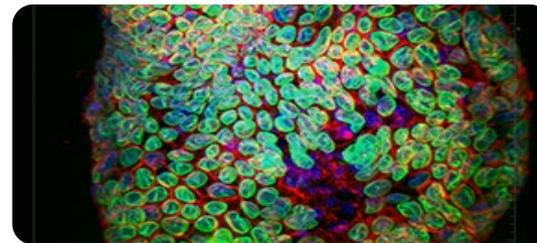
- Understand fundamental disease mechanisms
- Analyse efficacy at cellular & molecular level to improve treatment
- Transform patient outcomes
- Shrink development time & costs

Oxford Instruments provides

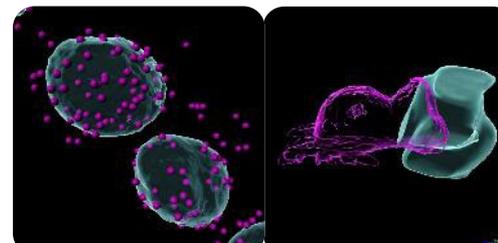
- Highest performance research systems
- Benchtop systems - unprecedented ease of use & accessible price point
- Dedicated workflows & data analytics



Improving patient outcomes through personalised medicines



Visualisation of drug efficacy on organoids and individual cells



Measuring Efficacy of Personalised cancer treatments



BC43 – Benchtop Analyser

Semiconductor & Communication

Semiconductor Analysis



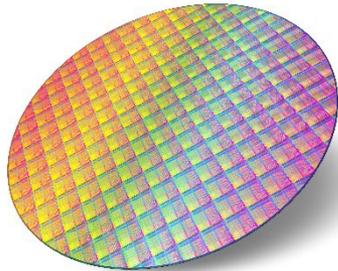
Client needs

- Faster processors, higher yield per wafer
- Manufacture of smaller & more complex devices
- Nanoscale characterisation
- Efficient QA & QC tools

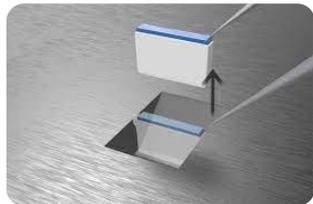


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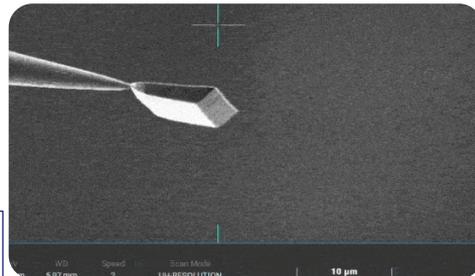
- Highest performing solutions – unparalleled spatial resolution, accuracy & speed
- Ease of use – Expert to Routine
- Dedicated workflows & analytics driving productivity



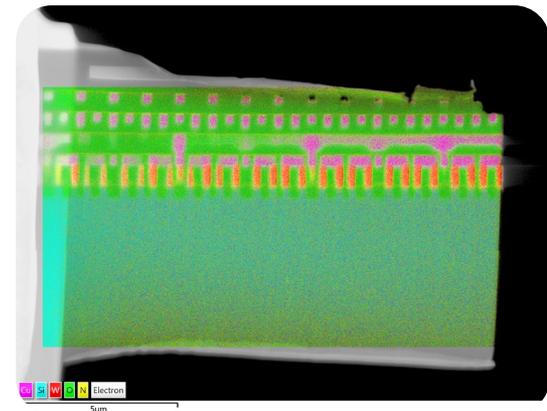
Wafer defect review



Nano Manipulator
Lamella lift out



Ultra-High spatial
resolution analysis:
Composition &
Structure



Semiconductor & Communication

Power Semiconductors



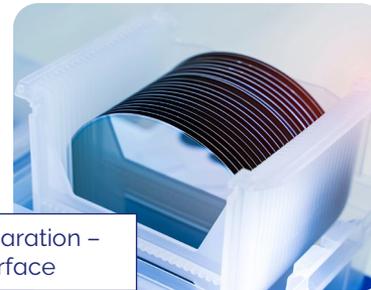
Client needs

- Higher power, capacity & lifetime
- Improved energy efficiency
- Manufacturing of complex devices
- New materials & processes
- Higher yields, lower costs

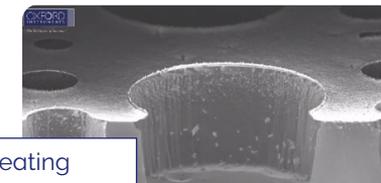


Oxford Instruments provides

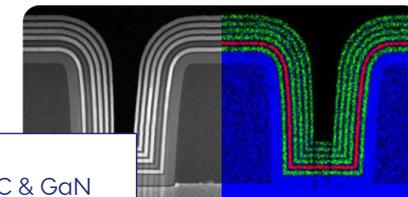
- Dedicated production and R&D systems
- Proprietary critical layer processes
- Ultimate control of composition & surface
- Yield management solutions



SiC Wafer preparation – High quality surface

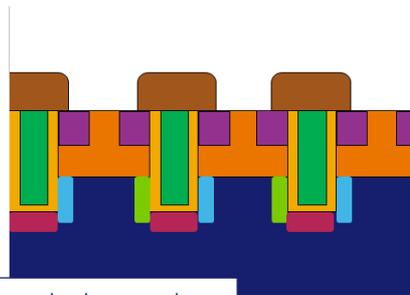


Precise etch: creating device structures



Critical layer deposition: SiC & GaN

Portfolio of R&D & dedicated production systems



Increasingly complex device structures

Advanced Materials

Enabling advances in Automotive design and manufacturing



Client needs

- Improved vehicle performance
- Offsetting battery weight
- Enhanced passenger protection
- Advanced steels – 25% weight reduction
~20% improved fuel economy / range
- Control of the nanoscale structure

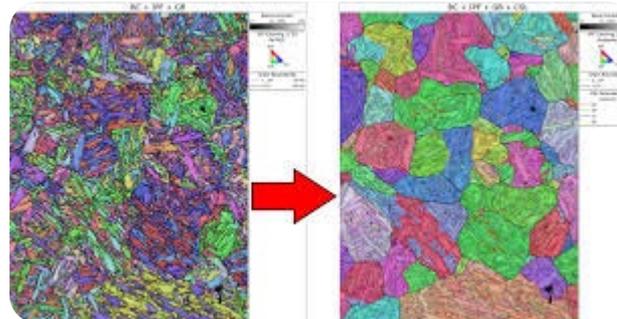
Oxford Instruments provides

- Nanoscale structure & composition analysis
- Fastest automated grain analyser
- AZtecSteel tailored workflow
- AZtecClean for defect analysis

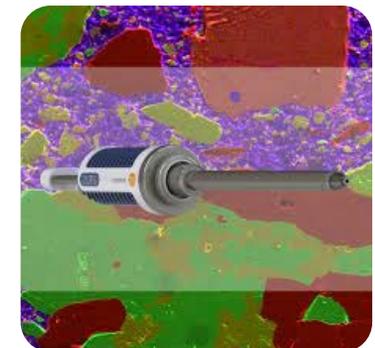
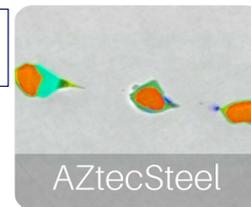
Functionally Optimised Materials:
- safety cage
- structural frame
- crumple zone



Symmetry:
Nanoscale grain
structure analysers



Dedicated
workflows



Nanoscale Compositional
Analysis

Shaping a sustainable future

- Sustainability is a cornerstone of our long-term strategy to drive stakeholder value
- Our products and services directly support society's investment in delivering a sustainable future
- Executing on our sustainability agenda
 - Embracing TCFD reporting framework & wider sustainability reporting
 - Significant reduction in own environmental footprint
 - Improved diversity across the Group
 - Developing our long-term ambitions & targets for social, environment & governance

- Strong order and revenue growth in year, with growth on FY 2020
- Strong growth in operating profit, and improved margin despite supply chain and cost headwinds
- Emerged from turbulence of last two years a stronger, more focused and efficient business, aligned to attractive, structurally growing end markets
- Anticipate continued supply chain challenges & inflationary headwinds. However strong order book and opportunity pipeline supports a full year outlook in line with our expectations
- Well positioned to deliver sustainable growth and medium-term margin expansion

Thank you



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Appendix





Confidence in strategy



Strong financial position



World-class brand reputation



Focus on sustainability



Access to attractive markets

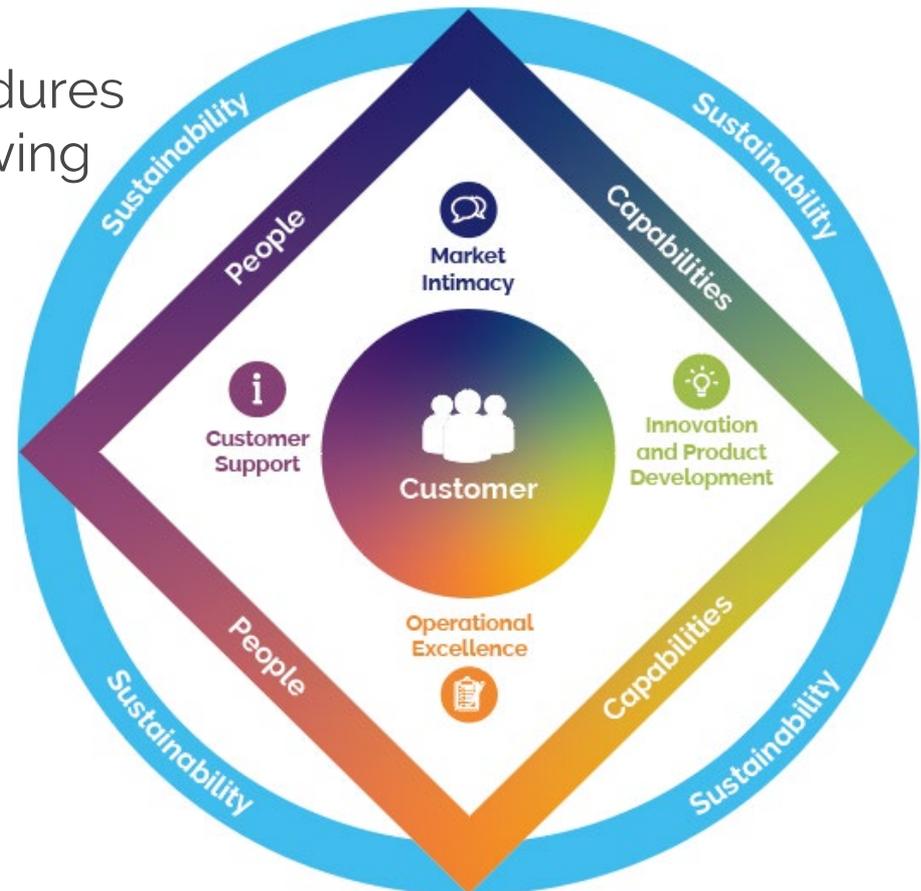
The Oxford Instruments Business Model



Horizon defines the way we operate, embedding clearly defined core capabilities, processes and procedures across our businesses in the following areas:

Our core purpose is to support our customers in addressing some of the world's most pressing challenges.

Our key enabling technologies, products and services facilitate a greener economy, increased connectivity, improved health and leaps in scientific understanding.



Semiconductor market drivers

