

# Preliminary Results Announcement

## 10 June 2014



*The Business of Science®*



Jonathan Flint – Chief Executive  
Kevin Boyd – Group Finance Director

- Overview
- Financial Review
- Operational Review
- Strategy and Business Model
- Summary and Outlook

- Sustained recovery after a slow start
- Andor acquisition/integration
- 14 *Cubed*
- Strategy going forward

# Financial Review

## Kevin Boyd

# Financial Highlights

	2013/14	2012/13	Change
Orders (£m)	342.2	334.0	2.5%
Revenues (£m)	360.1	350.8	2.7%
Adjusted operating profit (£m)*	50.3	49.3	2.0%
Return On Sales (%)	14.0%	14.1%	-0.1pp
Adjusted profit before tax (£m)*	47.1	47.0	0.2%
Adjusted EPS (pence)*	67.7	66.5	1.8%
Dividend (pence)	12.4	11.2	10.7%
Net (Debt)/Cash (£m)	(124.3)	39.2	(163.5)

\*Adjusted numbers are stated to give a better understanding of the underlying business. Details of adjusting items can be found in Note 1 of the Financial Statements

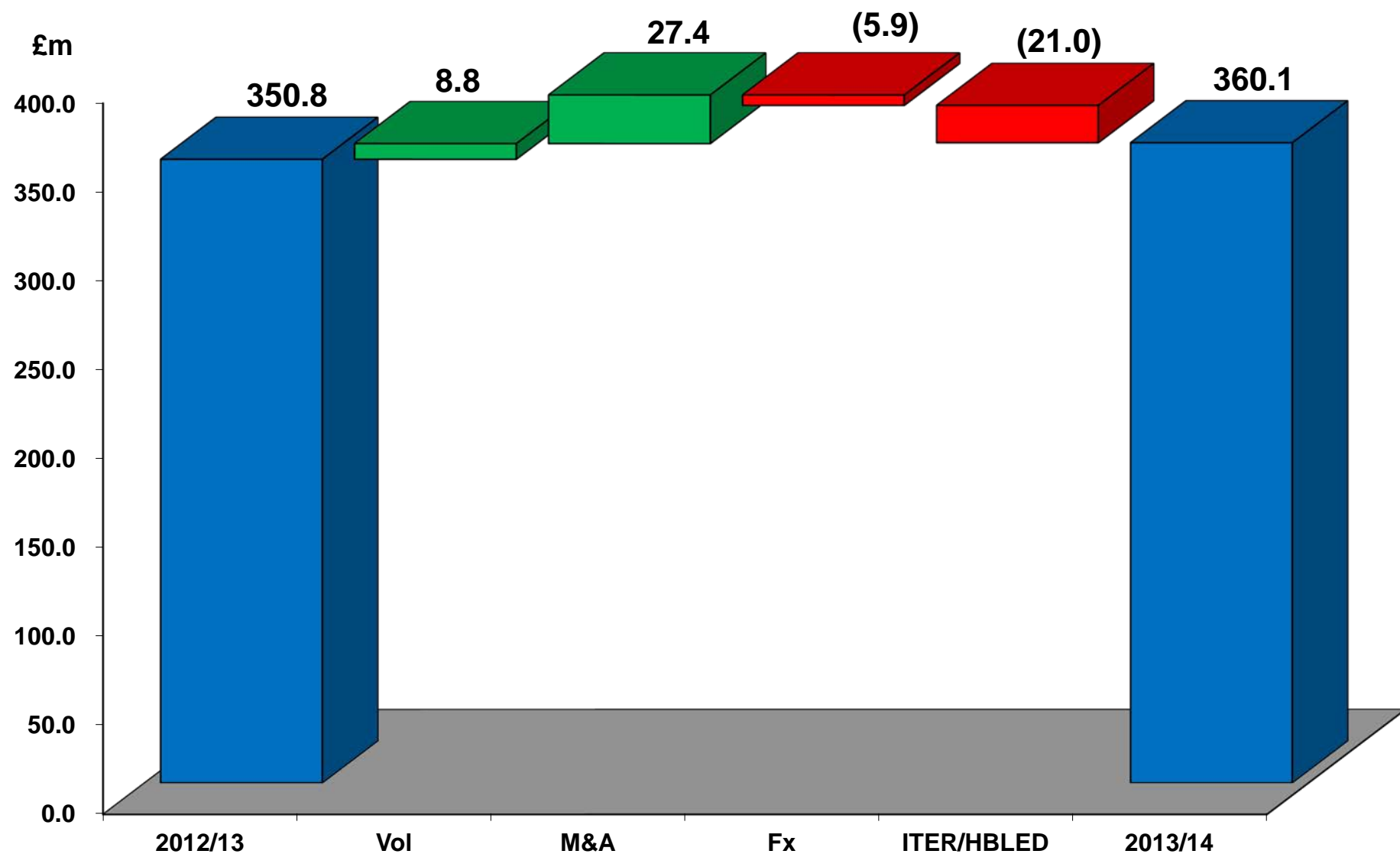


# Segmental Split

	Nanotechnology Tools		Industrial Products		Service		Total*	
	2013/14 £m	2012/13 £m	2013/14 £m	2012/13 £m	2013/14 £m	2012/13 £m	2013/14 £m	2012/13 £m
<b>Segment Orders</b>	<b>166.3</b>	166.6	<b>110.0</b>	102.2	<b>67.5</b>	66.9	<b>342.2</b>	334.0
<b>Segment revenue</b>	<b>180.6</b>	166.1	<b>114.7</b>	125.1	<b>66.4</b>	60.6	<b>360.1</b>	350.8
<b>Operating profit</b>	<b>21.2</b>	20.6	<b>15.6</b>	17.3	<b>13.5</b>	11.4	<b>50.3</b>	49.3
<b>Return on sales</b>	<b>11.7%</b>	12.4%	<b>13.6%</b>	13.8%	<b>20.3%</b>	18.8%	<b>14.0%</b>	14.1%

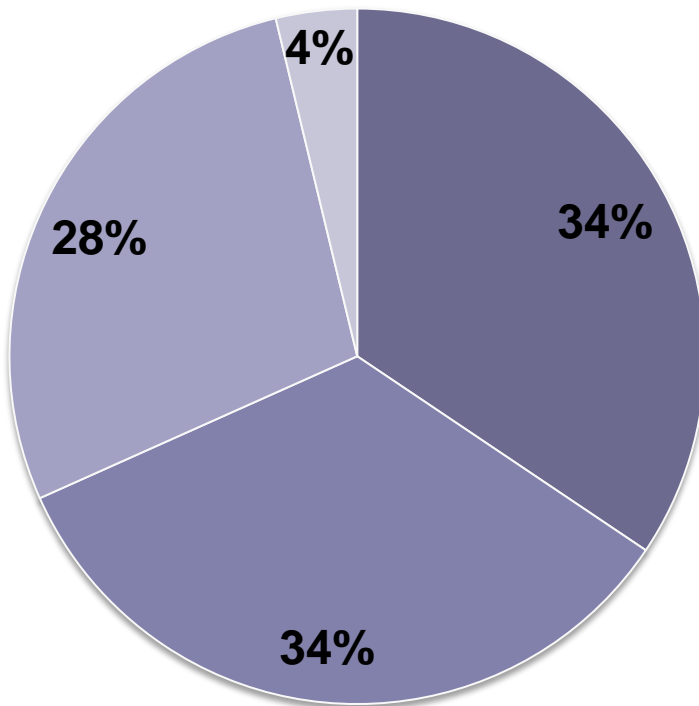
\*excluding inter-segmental orders and revenues

# Sales Bridge

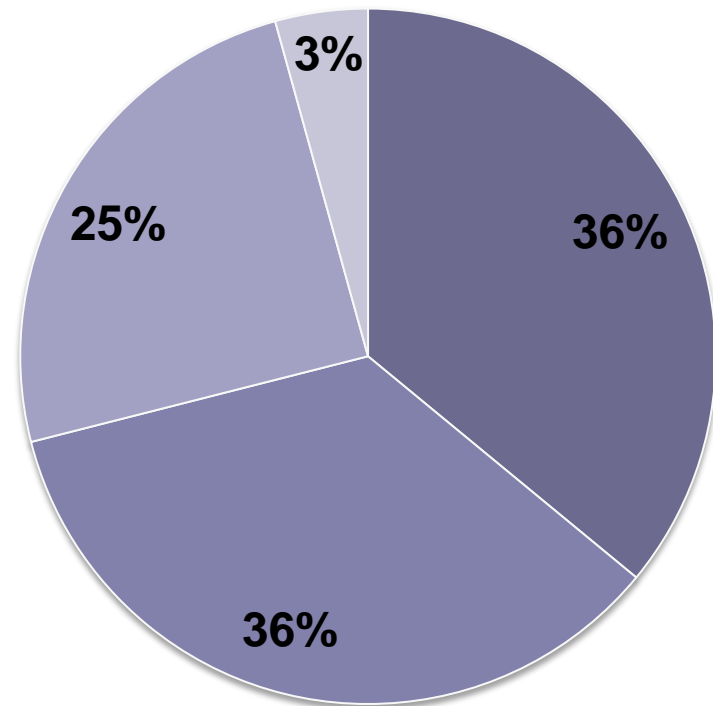


# Sales by Geography

2013/14



2012/13

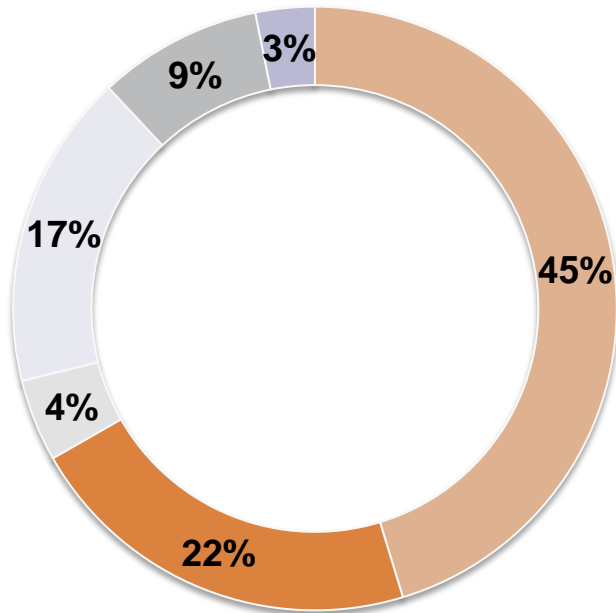


■ Europe      ■ Asia  
■ North America      ■ RoW

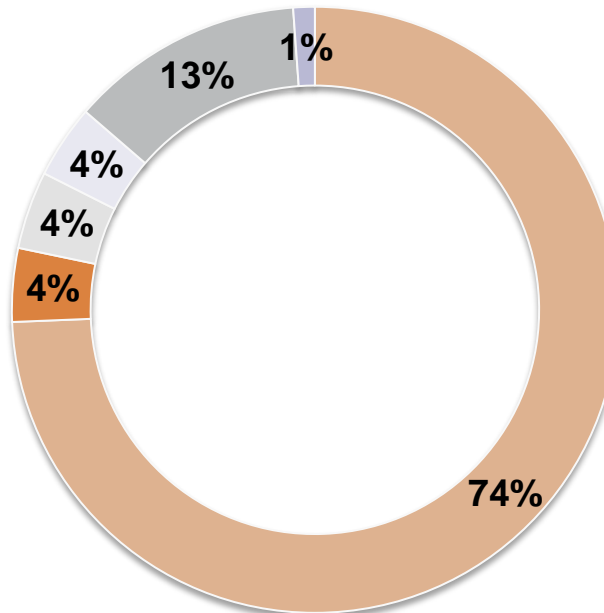


# Market Segments

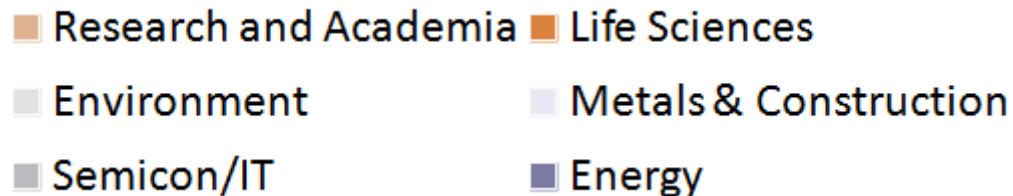
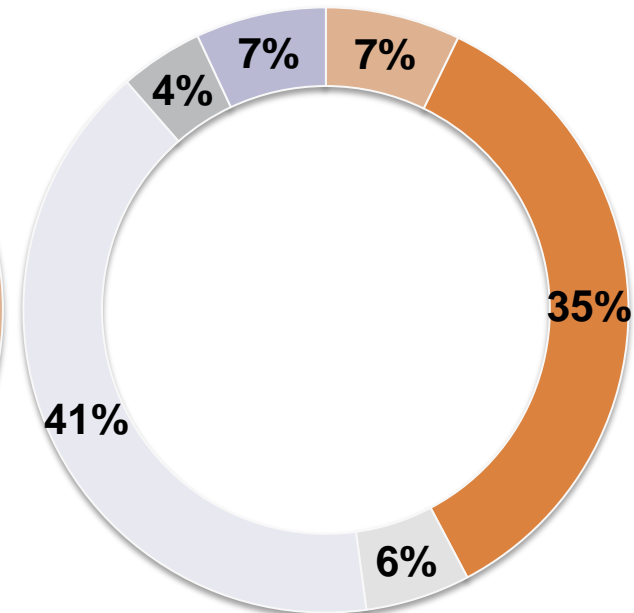
Group



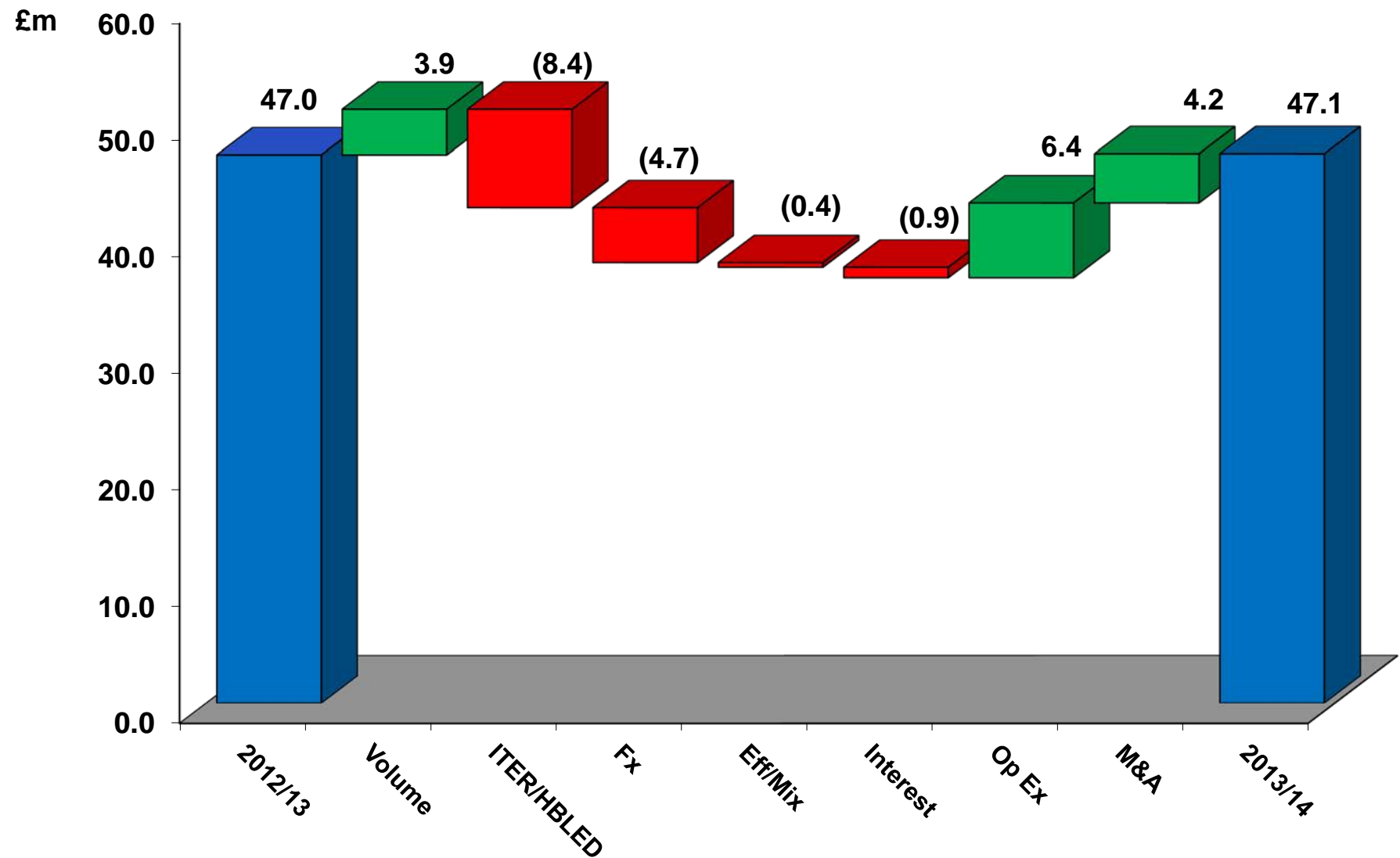
Nanotechnology Tools



Industrial Products

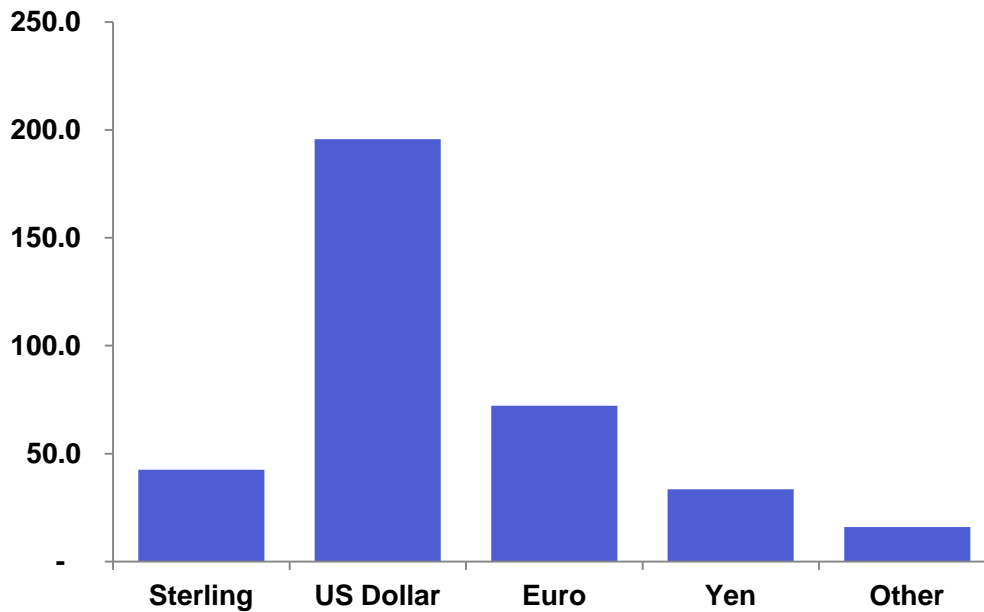


# Profit Bridge

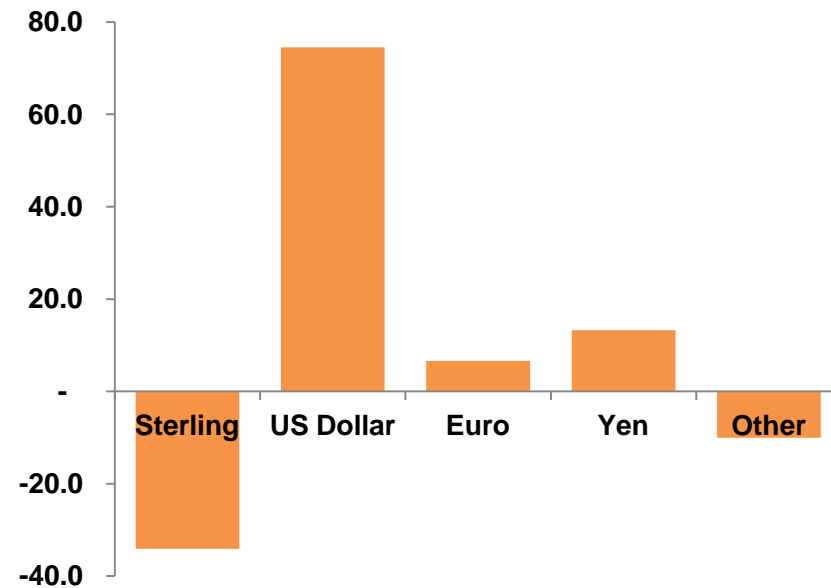


# Currency Exposure

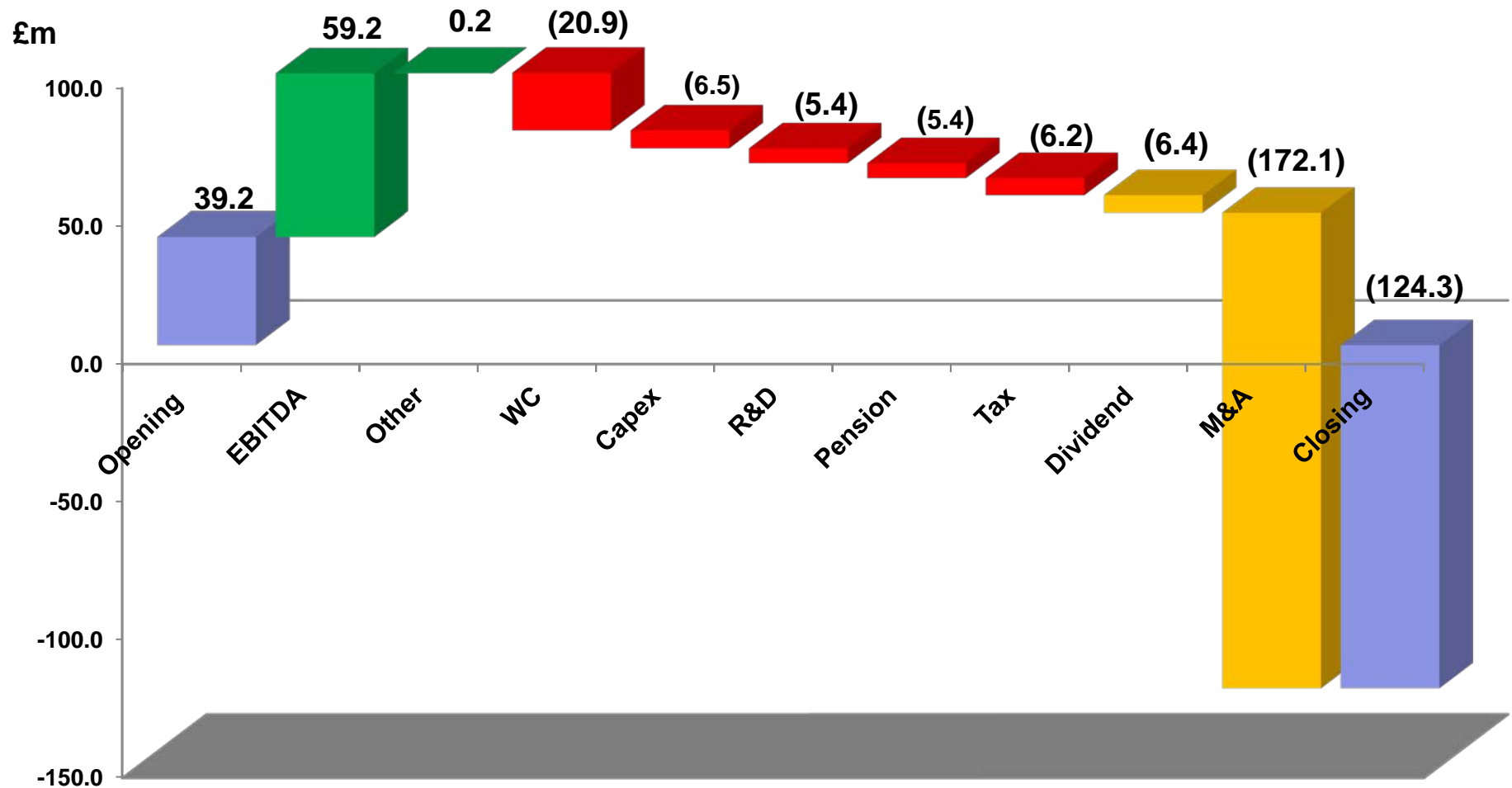
Revenue Exposure £m



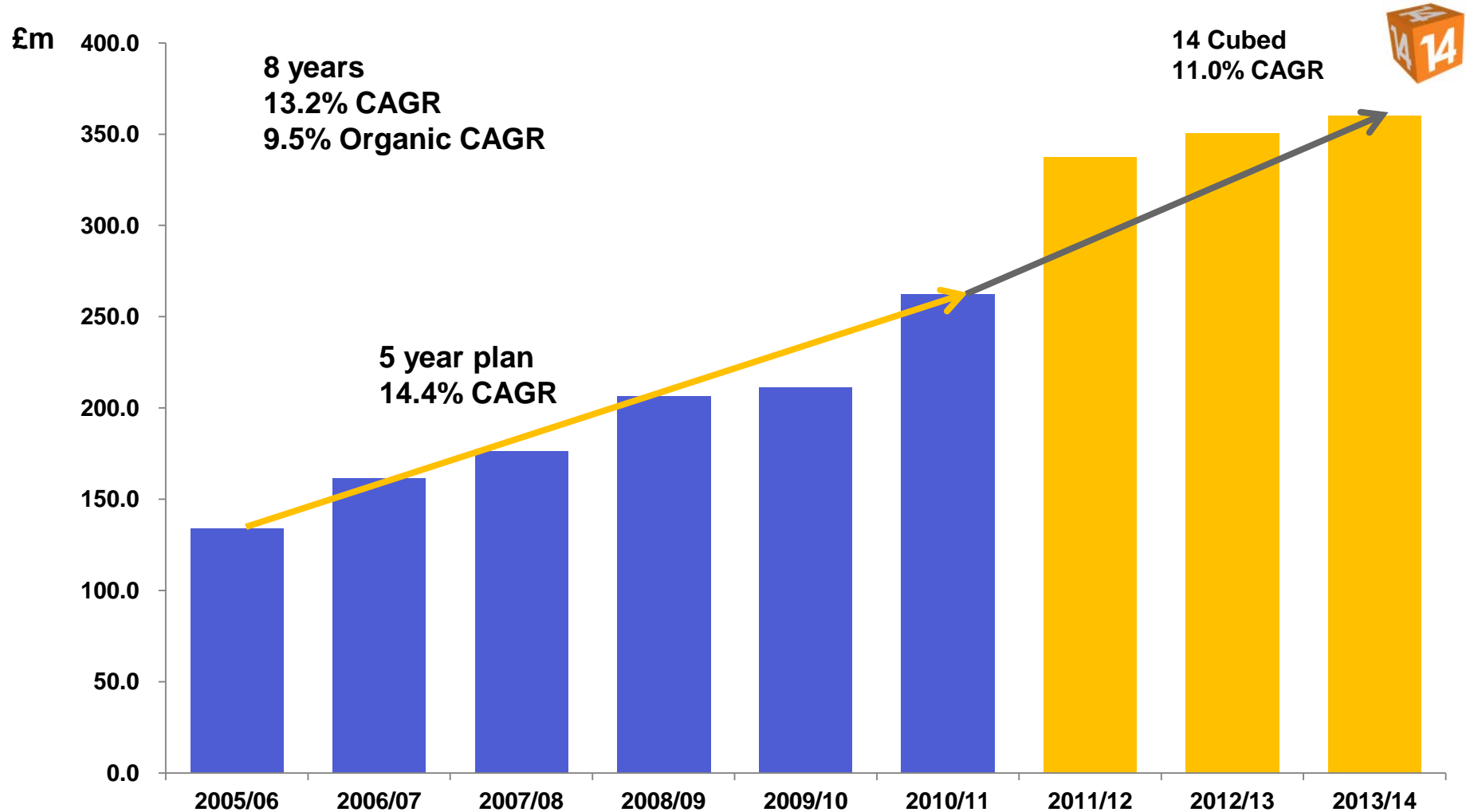
Net Exposure £m



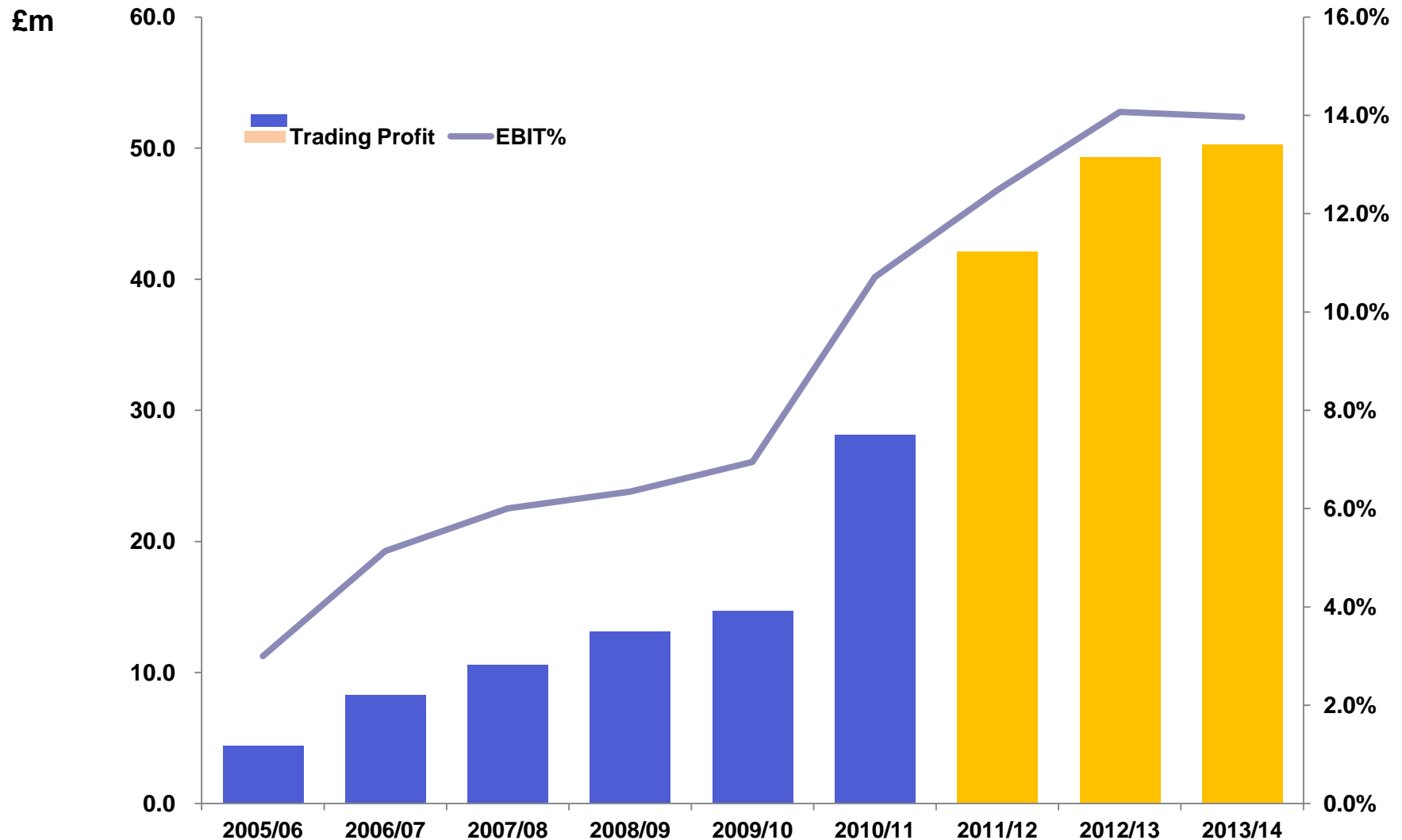
# Cash



# Sales Progress



# Profit & Margin Progress





# Operational Review

## Jonathan Flint

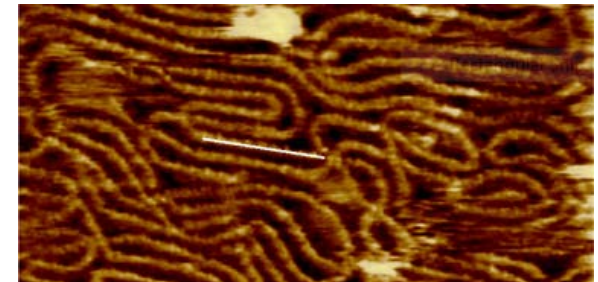
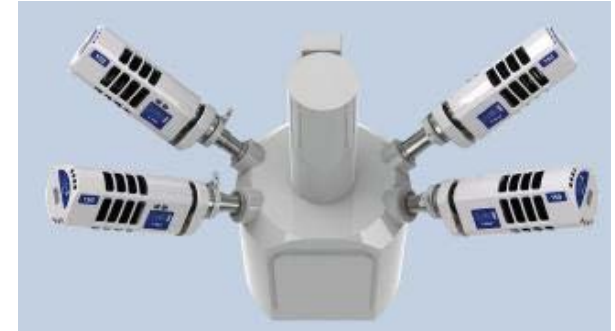
# Nanotechnology Tools

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



*The Business of Science®*

- Increased revenues and profits
- Range of successful new products
  - **Layerprobe**: a unique tool to measure the thickness and composition of nano films
  - **X-Max**: dual detector capability allowing up to four detectors on the microscope
  - **CypherES**: atomic force microscope for novel sample environments
  - **Astrea**: New batch tool for HBLED etching



DNA DOUBLE HELIX captured by CypherES



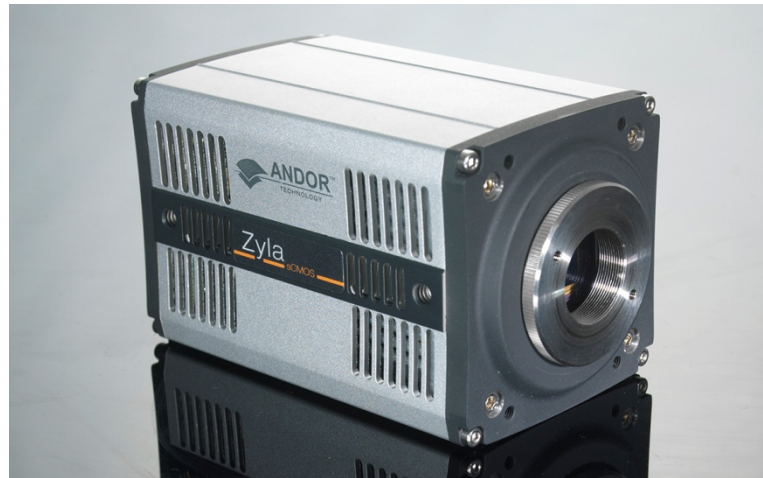
# Acquisitions: Andor Technology

part of Nanotechnology Tools



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- Market leading supplier of high performance optical cameras, microscope systems and software
- Integration into Oxford Instruments progressing well
- Andor acquisitions, Apogee and Spectral, on target
- New Managing Director appointed May 2014
- Products include the ultra-sensitive Zyla 4.2 sCMOS camera and the latest Bitplane Imaris software



# Industrial Products

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



*The Business of Science®*

- Growth, excluding ITER
- New product introductions
  - **PMI-Master Smart:** revolutionary miniaturisation of OES instrumentation for metals industry
  - **Pulsar:** benchtop magnetic resonance
  - **Shasta:** optimised x-ray tube power supply

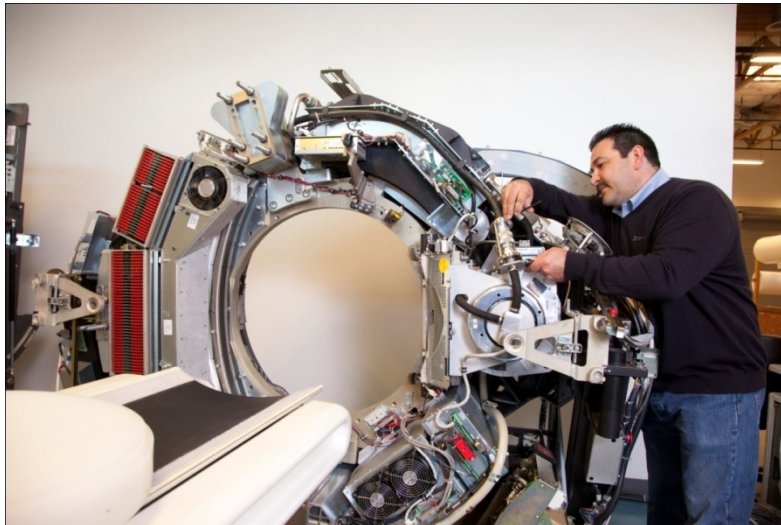


- RMG
  - **mPulse** hand-held metals analyser using Laser Induced Breakdown Spectroscopy
  - Strong demand from scrap sector
- Roentgenanalytik
  - X-ray Fluorescence (XRF) coating thickness measurement tools
  - Centre of excellence for benchtop XRF
  - New product introduction: Maxxi 6





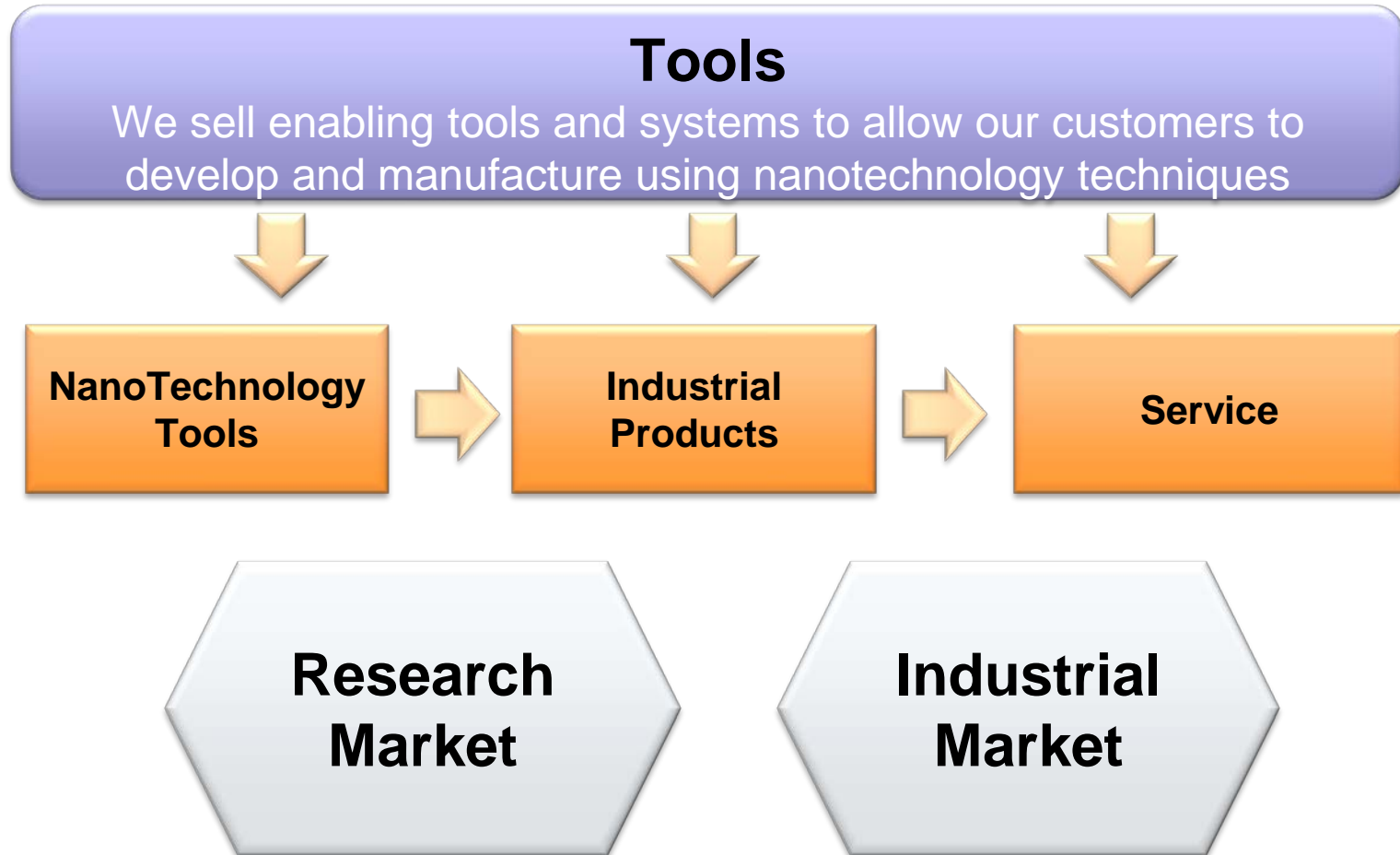
- Good performance in all territories
- Growth in service for third party MRI and CT machines
- Multi-year contracts
- Launch of OI Training Academy



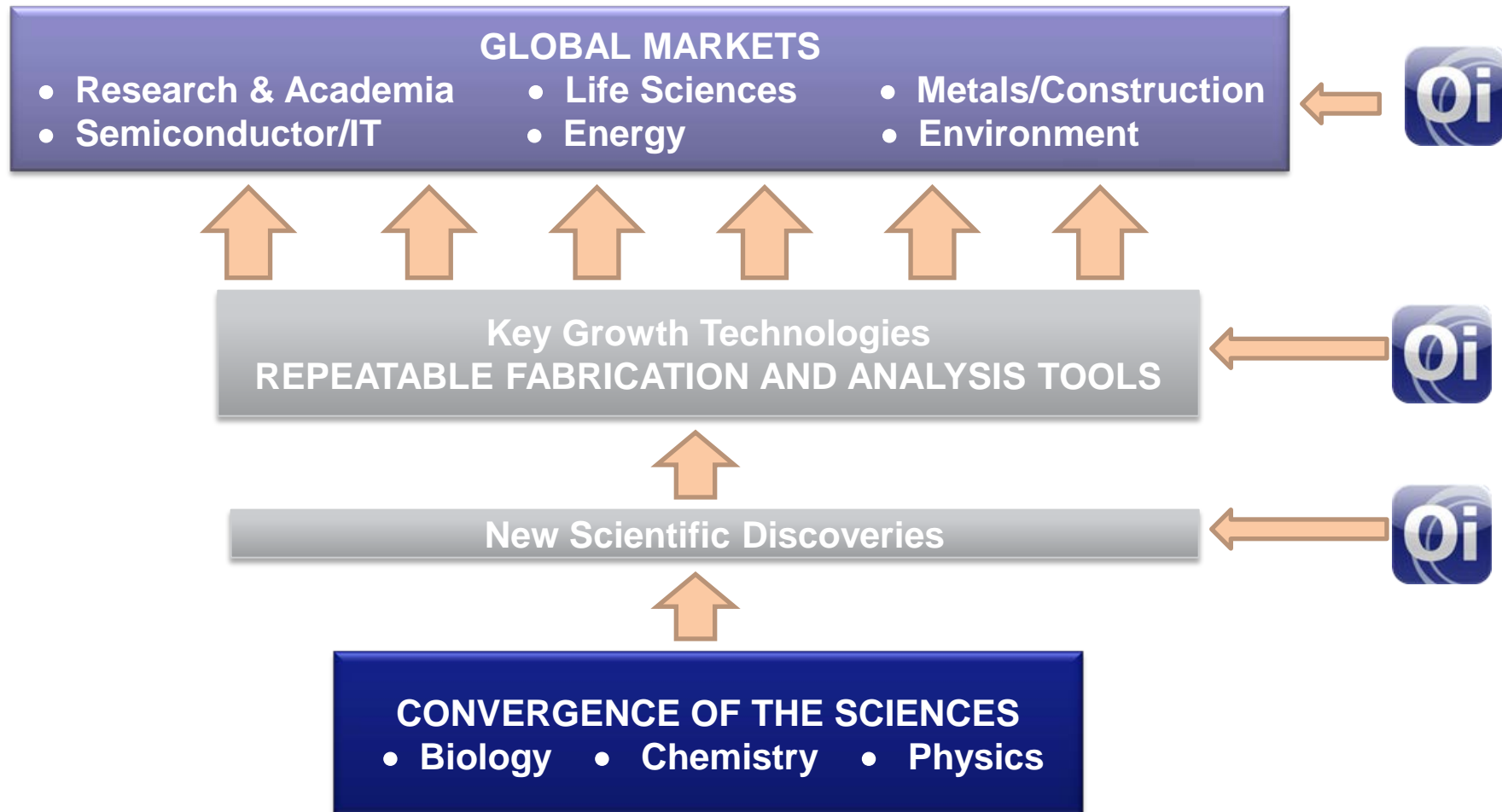


# Strategy and Business Model

## Jonathan Flint



# The Tools Model



## Delivering Customer Value

### People

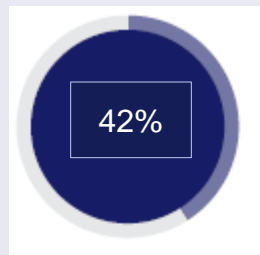
- Adaptability
- Engagement
- Calibre
- Skill



Staff Engagement

### Products

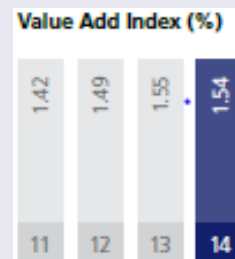
- Strategic and market driven
- Aligned with a long term vision
- Delivery enabled environment
- Market leading high margin products



Vitality Index

### Processes

- Getting the basics right
- A culture of continuous improvement
- A vision of Business Excellence



Value Add

### Markets

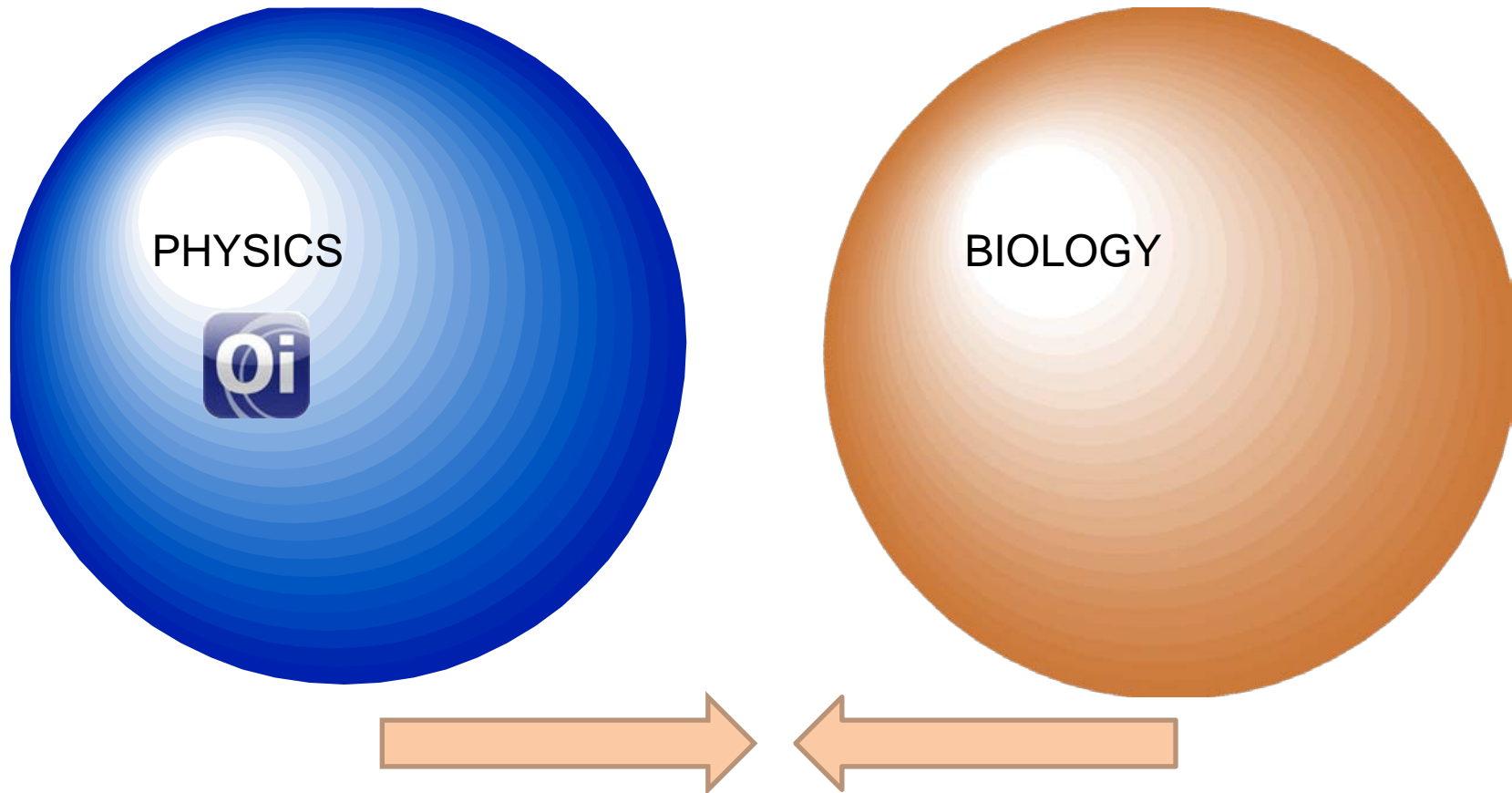
- Target fast growing markets
- Expand our portfolio of techniques
- High potential acquisitions
- Move into attractive adjacent markets



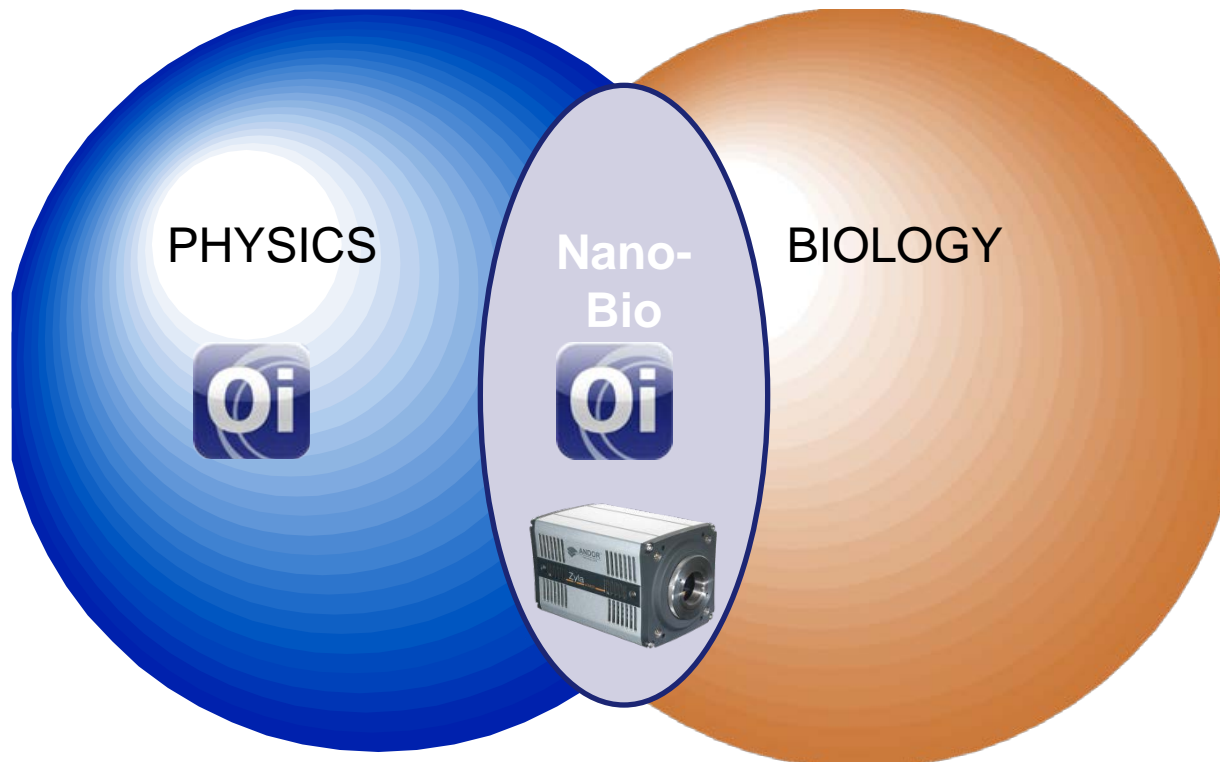
Addressable Market

## Maximising Shareholder Value

# Scientific Convergence



# Scientific Convergence





- Tools and expertise now cross the boundaries of physics and biology
  - New customers working at the nano-scale
  - Application of physical science techniques
  - Opportunities for innovation
  - New addressable markets
- Potential applications
  - Advances in medicine
  - Energy production
  - Agriculture
  - Aerospace
  - Manufacturing



Characterisation	Experimental Equipment	Imaging	Nano-structures	Nano-mechanics	Nano-particles	Components
EBSD	Cryogenics	SPM-UHV	CVD	Nano manipulators	Particle analysis	Supercon Wire
WDS	ULT Systems	AFM - ambient	PECVD	Nano Indentation	Cytometry	X-Ray Tubes
EDS	MPMS/PMPS	Fluorescence Mic	PVD	Technique NM3	Technique NP2	Component 1
OES	Magnet Inst.	Confocal Micr.	ALD	Technique NM4	Technique NP3	Component 2
XRF	UHV	Technique Im5	RIE	Technique NM5	Technique NP4	Component 3
HHXRF	Technique EE2	Technique Im6	MBE	Technique NM6		Component 4
NMR	Technique EE3	Technique Im7	Technique NS2	Technique NM7		Component 5
XPS		Technique Im8	Technique NS3	Technique NM8		Component 6
Auger		Technique Im9	Technique NS4			
LIBS			Technique NS5			
Raman			Technique NS6			
Photon Imaging			Technique NS7			
Technique C6			Technique NS8			
Technique C7			Technique NS9			

Key::

OI 2011	Omicron	Omniprobe	Asylum
	RMG	Roentgenanalytik	Andor

- Skilled and talented staff
- Focus on Operational Excellence
- Continued focus on core capabilities in physical science
- Strategy for next phase of growth for Oxford Instruments
- Extended reach into life science markets

- Orders ahead of previous year
- Nanotechnology continues to offer long-term growth prospects
- Convergence will drive increased demand for nanotechnology tools

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