Half Year Results Announcement
11 November 2014

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

• Overview
• Financial Review
• Operational Review
Overview

- 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
Orders Overview

- **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

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

*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

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

*includes inter-sector values
Sales by Geography

<table>
<thead>
<tr>
<th>Region</th>
<th>2014/15</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>34%</td>
<td>36%</td>
</tr>
<tr>
<td>N America</td>
<td>32%</td>
<td>28%</td>
</tr>
<tr>
<td>Asia</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>RoW</td>
<td>32%</td>
<td>33%</td>
</tr>
</tbody>
</table>
Sales, Orders & Orderbook

£m

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Orders</th>
<th>Orderbook</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14</td>
<td>166.3</td>
<td>168.0</td>
<td>123.0</td>
</tr>
<tr>
<td>2014/15</td>
<td>178.5</td>
<td>201.5</td>
<td>147.9</td>
</tr>
</tbody>
</table>
Profit Bridge

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
<th>ITER</th>
<th>Fx</th>
<th>Eff/Mix</th>
<th>Interest</th>
<th>Op Ex</th>
<th>M&amp;A</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14</td>
<td>20.6</td>
<td>(3.1)</td>
<td>(1.5)</td>
<td>(2.1)</td>
<td>(3.1)</td>
<td></td>
<td></td>
<td>4.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15.4</td>
</tr>
</tbody>
</table>
Cash

£m

EBITDA: 23.2
Capex: (15.2)
WC: (3.2)
R&D: (4.5)
Pension: (2.9)
M&A: (2.1)
Interest: (2.4)
Tax: (4.4)
Other: 0.2
Dividend: (1.9)
Outflow: (13.2)
Annual Currency Exposure (2013/14)

Revenue Exposure £m

Net Exposure £m
Operational Review
Jonathan Flint
Our Businesses

Nanotechnology Tools
- NanoSolutions
- NanoCharacterisation

Industrial Products
- Industrial Analysis
- Industrial Components

Service
- OI Healthcare
- OiService - own products
• 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
• 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
• New business opportunities in the US
• Good growth in service contracts and spares
• Dedicated service repair centre opened in India
Summary and Outlook

- 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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