



RENISHAW 

Annual General Meeting 2021

24 November 2021



Housekeeping and agenda

Housekeeping issues

- COVID protocols – one-way system; face coverings; sanitising
- Fire safety / First aid
- Mobile phones
- Q&A session – microphones if required
- Demonstration area

Agenda

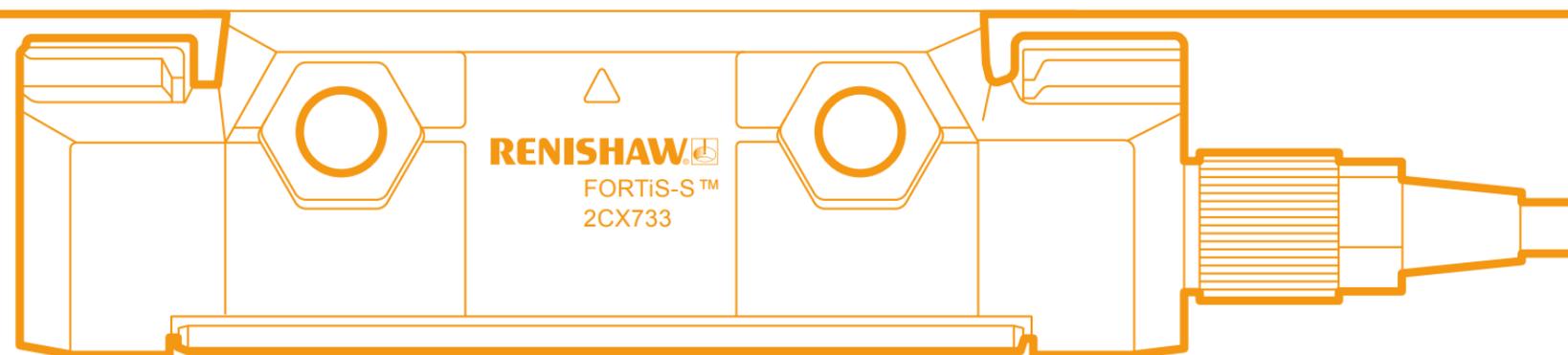
10:00	Welcome and Business review
10:20	AGM – formal business, including question and answer session with Renishaw Board
c.11:00	Close meeting



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Business review and Trading update

Will Lee, Chief Executive



Summary

- **Revenue growth of 11% to £565.6m**
 - Positive year of recovery
 - Strong growth in APAC throughout the year, improving sales in EMEA and Americas in H2
- **Adjusted profit before tax up by 146% to £119.7m**
 - Fit for the Future initiative reduced our cost base and drove productivity improvements
 - Return on sales increased to 21% (2020: 10%), with 25% in H2
- **End of period cash rises to £215.0m**
 - Strong trading performance and reduced capital expenditure and dividends
- Formal sale process, which commenced in March 2021, was concluded in July with no suitable offers

Key metrics

	2021 £m	2020 £m	Change %
Revenue	565.6	510.2	11%
Adjusted profit before tax	119.7	48.6	146%
Statutory profit before tax	139.4	3.2	4,256%
End of period cash and bank deposits	215.0	120.4	

Regional revenue

	2021 £m	2020 £m	Change %
APAC	274.8	227.7	21%
EMEA	169.1	167.2	1%
Americas	121.7	115.3	5%

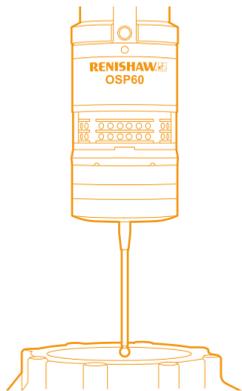
Transforming Tomorrow Together

We make it possible to create the products, materials and therapies that will define our world in the decades to come and touch billions of lives

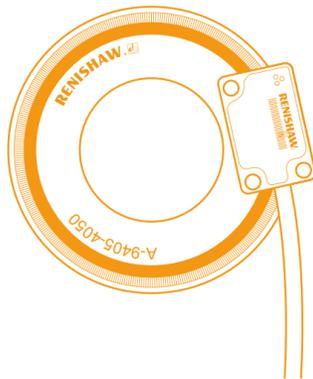
Manufacturing technologies (formerly Metrology)

Analytical instruments and medical devices (formerly Healthcare)

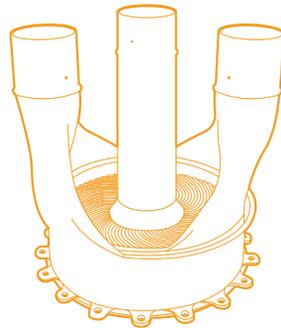
Industrial Metrology



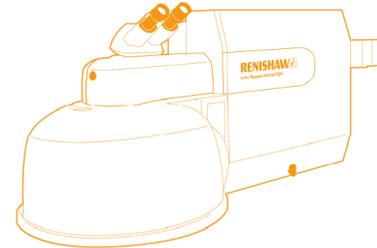
Position Measurement



Additive Manufacturing



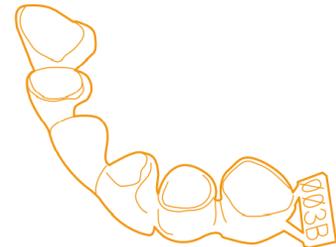
Spectroscopy



Neurological

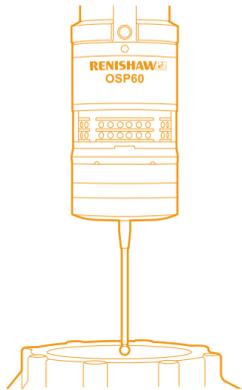


Medical Dental

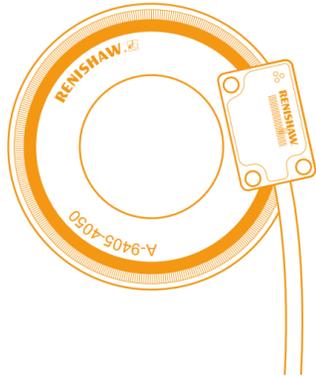


Manufacturing technologies

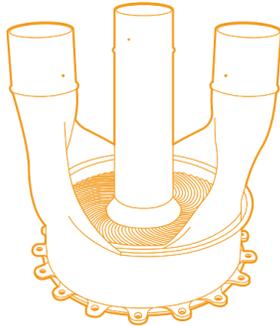
Industrial Metrology



Position Measurement



Additive Manufacturing

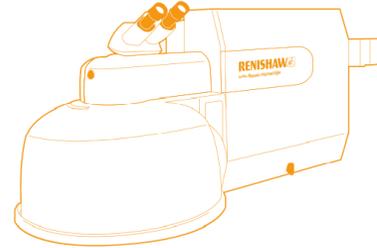


	2021 £m	2020 £m	Change %
Revenue	526.2	475.2	11%
Adjusted operating profit	112.6	50.3	124%

- Record demand for encoders, driven by booming semiconductor and electronics capital investment
- Rising sales of flexible gauging and machine tool products, especially in consumer electronics sector
- Lower AM sales as expected following restructuring

Analytical instruments and medical devices

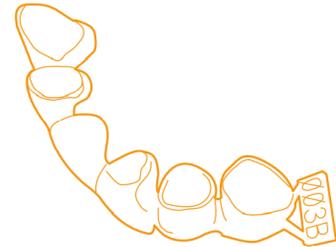
Spectroscopy



Neurological



Medical Dental

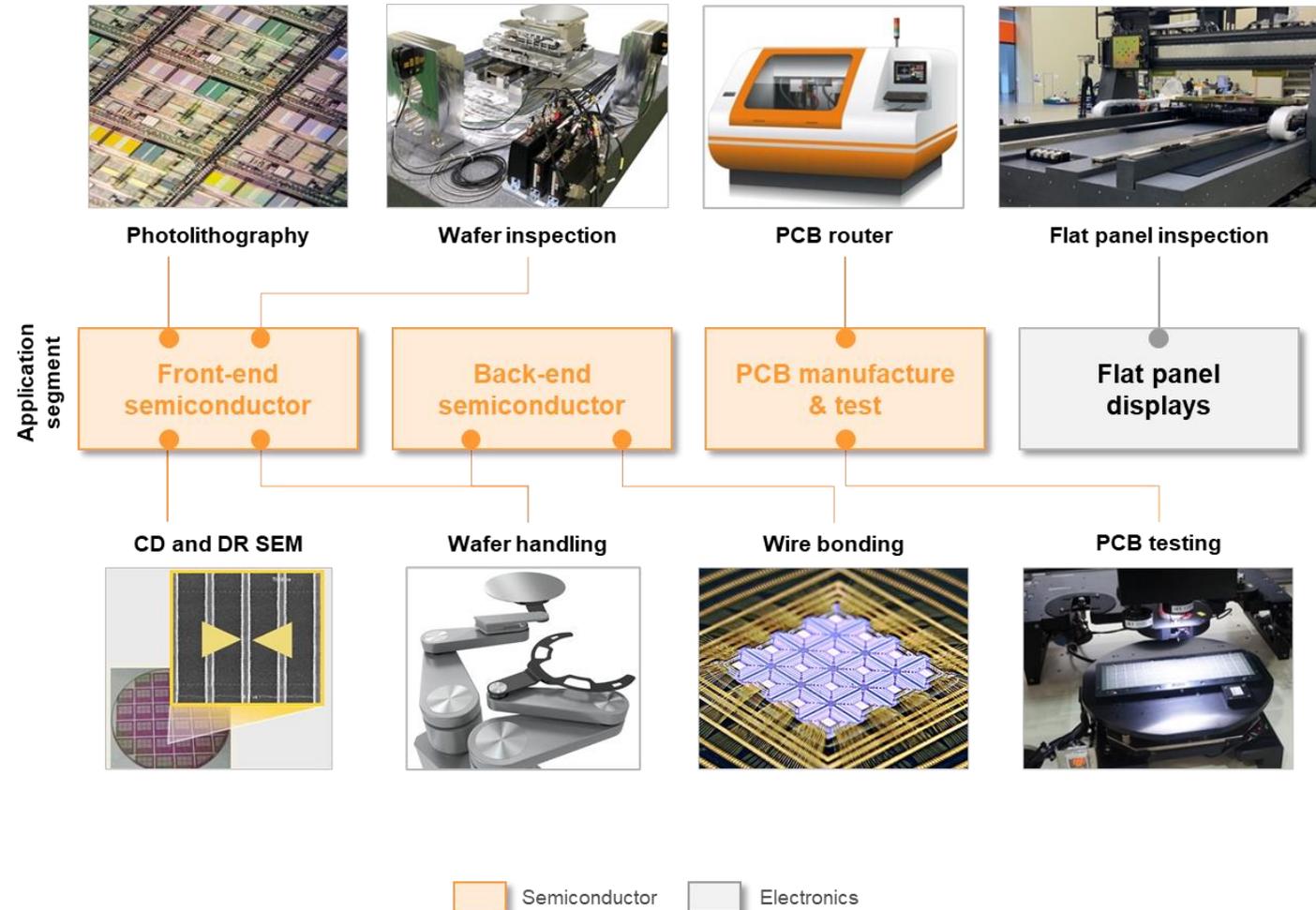


	2021 £m	2020 £m	Change %
Revenue	39.4	35.0	12%
Adjusted operating profit	5.9	1.4	321%

- General recovery in Spectroscopy investment and increasing adoption of the Virsa™ Raman Analyzer
- Growth in Neurological products, as we support large pharma customers with clinical trials using our unique drug delivery technology

Market development – semiconductor and electronics

- **Boom in capex to tackle supply shortages**
 - Demand for consumer electronics increased during the pandemic
 - Ongoing growth in 5G, 5nm chips, EVs all fuelling demand for semiconductors
 - Major producers building and equipping new fabs to meet rising demand
- **Renishaw's market position**
 - Our position encoder and calibration systems are used throughout the supply chain
 - We are dealing with the challenge of keeping up with customer demand



Market development – rising automation

- **Increasing use of robots and automated machining**
 - Skills shortages driving increased focus on automation
 - Automated metrology and robots enabling near-shoring
 - Rising use of 5-axis and multi-tasking machine tools
 - Increasing manufacturing digitalisation and integration of production data with design
- **Renishaw's market position**
 - Leading provider of machine tool probes for process setting and in-process control with rising fitment levels
 - Rising demand for multi-sensing co-ordinate measuring machines (CMMs) and robot-loaded flexible gauges
 - Growing share of position encoders for robots and computer numerically controlled (CNC) machine tools



Automated machining cell with robot-loaded Equator gauge and machining centre

Responding to rising demand



- **Investing in increased manufacturing capacity and automation**
 - Renishaw has a record order book as our customers seek to increase their demand and secure supply
 - We have added more than 25% to our manufacturing headcount during 2021
 - Supply chain difficulties due to shortages in manufacturing and transportation capacity
 - We are working closely with vendors to increase supply of critical components and materials as we ramp up our production
 - Increased capex in FY22 with focused investments in production equipment and machinery for R&D and customer support

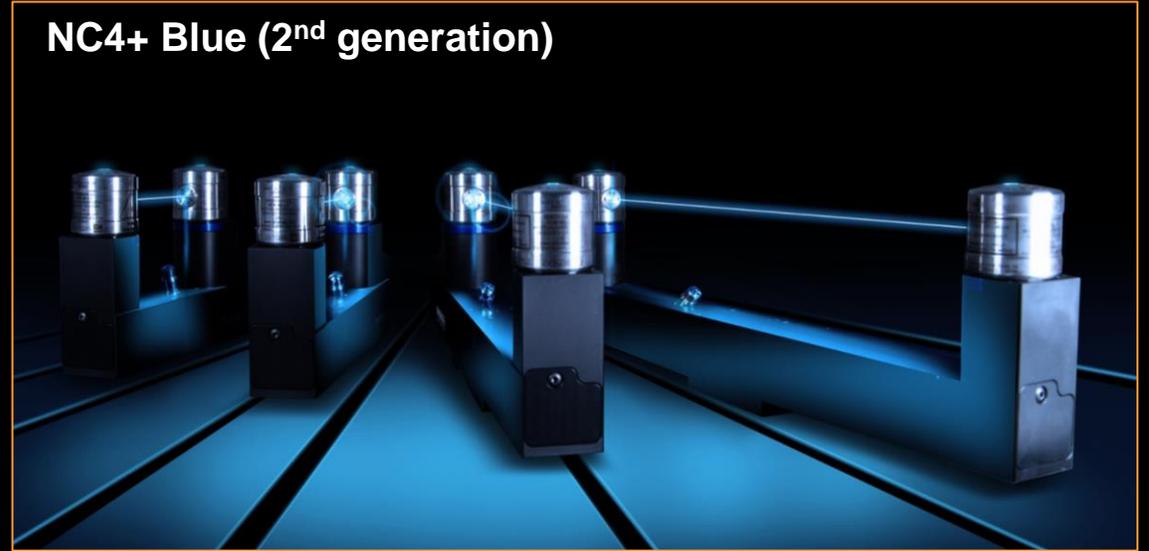


New products for machine tools

FORTiS™ enclosed optical encoder



NC4+ Blue (2nd generation)

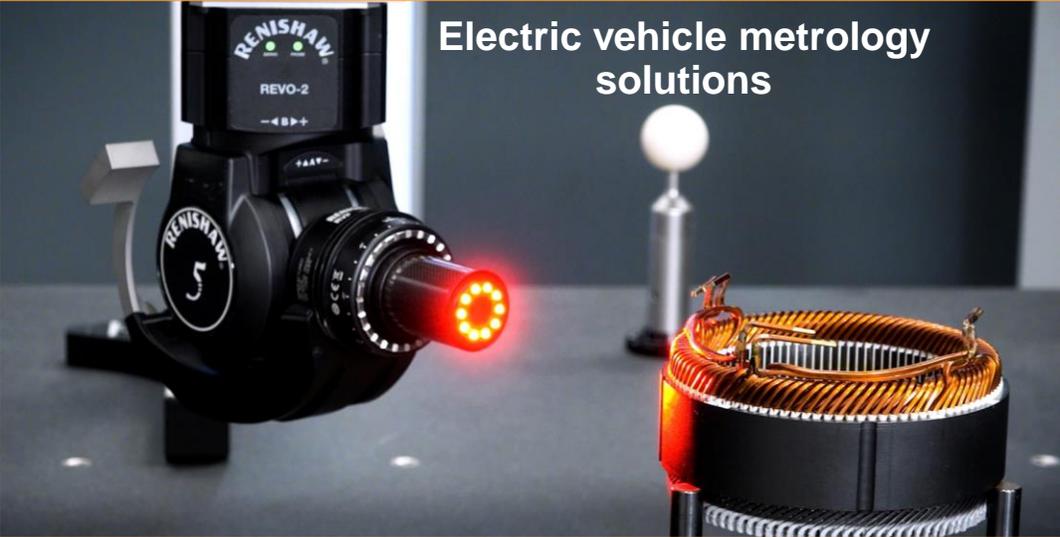
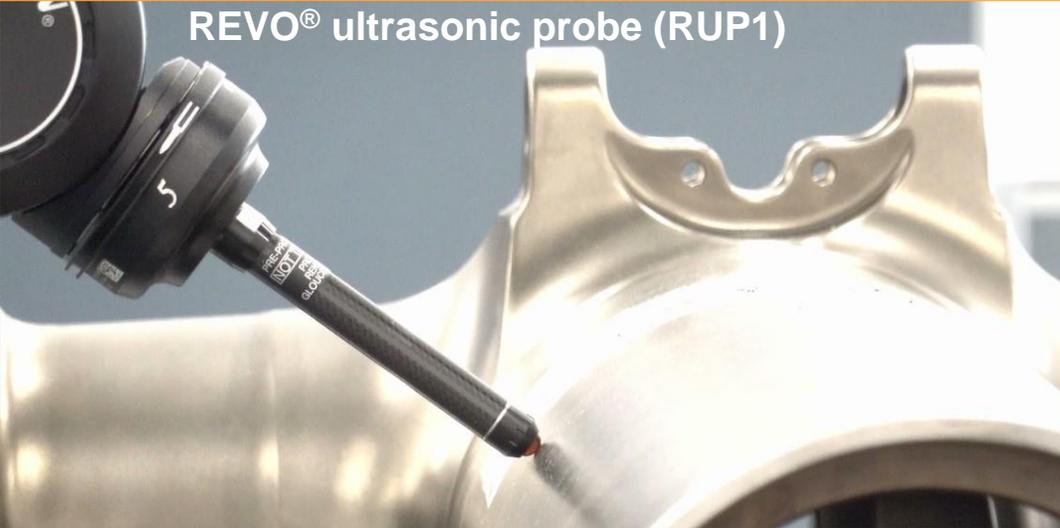


Next generation radio transmission probing system



Opti-Logic™ Probe Setup app

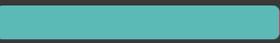
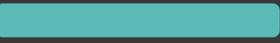
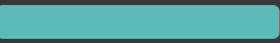
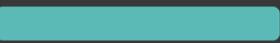
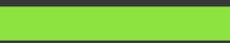
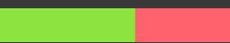
New products for measuring machines / AM applications



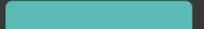
Renishaw Central manufacturing connectivity platform

Location
Device
Clear All Filters

 23 Feb 2021 (1 day) - Now

Machine	Complete	Incomplete	Passes	Fails	Jobs	Utilisation ↑	Errors	Warnings
 Equator 500 2 Automotive	1454  4		1258  191		1458 Total Jobs	12h 26m (32.7%) Measuring	 28 Errors	 0 Warnings
 Equator 500 3 Aerospace	1458  3		1262  191		1461 Total Jobs	12h 26m (32.7%) Measuring	 28 Errors	 0 Warnings
 Equator 300-1 2 Automotive	1449  3		1253  191		1452 Total Jobs	12h 31m (32.9%) Measuring	 28 Errors	 0 Warnings
 Equator CNC-02 1 Precision Manufacturing / Industry 4.0	1452  3		1256  191		1455 Total Jobs	12h 37m (33.2%) Measuring	 28 Errors	 0 Warnings
 Equator CNC-01 1 Precision Manufacturing / Industry 4.0	1450  4		1254  191		1454 Total Jobs	12h 37m (33.2%) Measuring	 28 Errors	 0 Warnings
 Equator 300-2 2 Automotive	1450  3		1254  191		1453 Total Jobs	12h 37m (33.2%) Measuring	 28 Errors	 0 Warnings
 Agility - REVO 2 Automotive	533  0		265  268		533 Total Jobs	13h 56m (36.6%) Running	 4 Errors	 0 Warnings

Top 4 Jobs (by count)

BCH_Inspection	135	100%		0%	0%		100%
IMTS2_Part_Program	133	100%		0%	99%		1%
Surface Finish Measure	133	100%		0%	100%		0%

Top 2 Machine States (by %)

Idle	63.39%	
Running	36.61%	

Top 2 Errors (by count)

Insufficient raw data ge...	2	
Movescan failed: The cu...	2	

A sustainable future

- **Since 2015 we have reduced our GHG emissions (scopes 1, 2 and measured scope 3) by 39%**
- **80% of our global electricity use is from renewable sources of which 11% is self-generated**
- **We will shortly be committing to a science-based Net Zero emissions target – the target date will be earlier than 2050**
 - We will have this target validated and monitored by the SBTi (Science Based Target initiative)
 - As part of this commitment, we will also report against the UN's Sustainable Development Goals (SDGs)
- **Our products help our customers with their own Net Zero ambitions by reducing energy consumption and minimising waste**
 - We are looking at life cycle analysis projects to quantify the total carbon footprint of our products



Solar panels mounted on the Renishaw Innovation Centre at our headquarters site in Gloucestershire, UK

Trading update and outlook

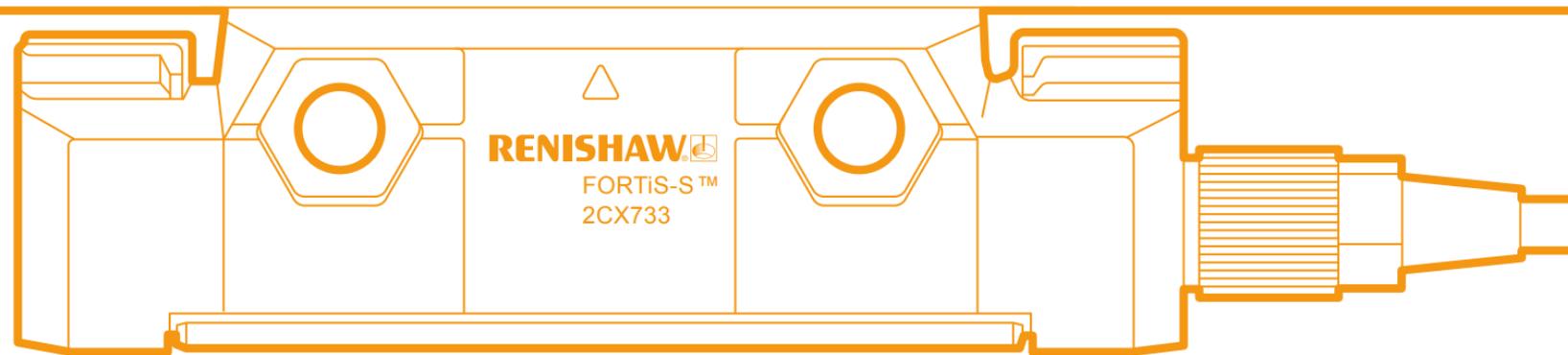
Key metrics

	Q1 2022 £m	Q1 2021 £m	Change %
Revenue	157.8	116.9	+35%
Adjusted profit before tax	41.7	18.3	+128%
Statutory profit before tax	39.3	28.2	+39%

- The year has started with a strong first quarter and we currently have a record order book
- Strong net cash and bank deposit balances of £234.8m at 30 September 2021 (30 June 2021: £215.0m)
- The Board remains confident in the long-term prospects for the Group and we are well placed to take advantage of the opportunities presented by the recovery we are seeing in the global economy



RENISHAW
Annual General Meeting 2021
Sir David McMurtry, Executive Chairman



Questions

Renishaw Board of Directors



John Jeans

Independent Non-executive Director



Catherine Glickman

Independent Non-executive Director



Sir David Grant

Senior Independent Director



Sir David McMurtry

Executive Chairman



William Lee

Chief Executive



Allen Roberts

Group Finance Director



Carol Chesney

Independent Non-executive Director



Jacqueline Conway

Group General Counsel & Company Secretary

Apologies



John Deer

Deputy Chairman



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