

RENISHAW 

2021 final results
21 October 2021

RENISHAW 
FORTIS-S™
2CX733

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%

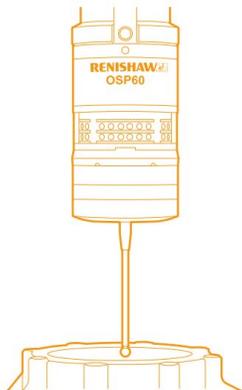
Transforming Tomorrow Together

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

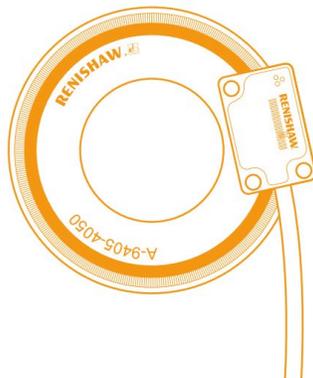
Manufacturing technologies (formerly Metrology)

Analytical instruments and medical devices (formerly Healthcare)

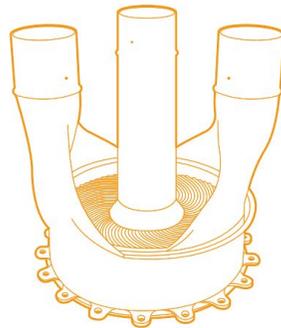
Industrial Metrology



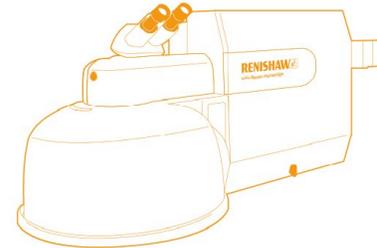
Position Measurement



Additive Manufacturing



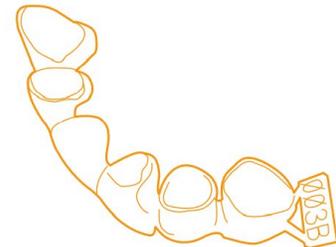
Spectroscopy



Neurological

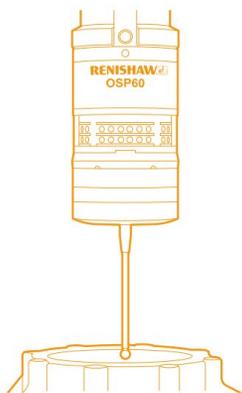


Medical Dental

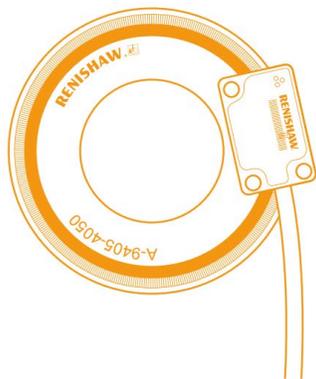


Manufacturing technologies

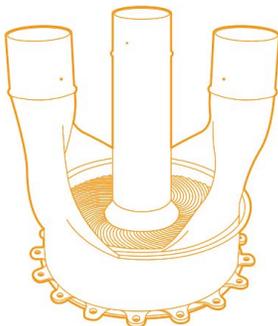
Industrial Metrology



Position Measurement



Additive Manufacturing

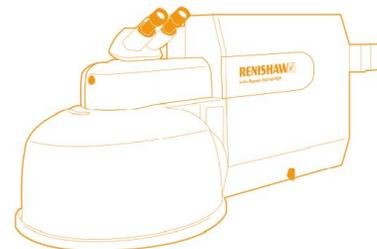


	2021 £m	2020 £m	Change %
Revenue	526.2	475.2	11%
Adjusted operating profit	112.6	50.3	124%

- 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

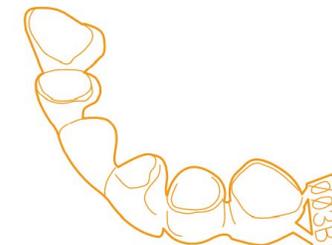
Spectroscopy



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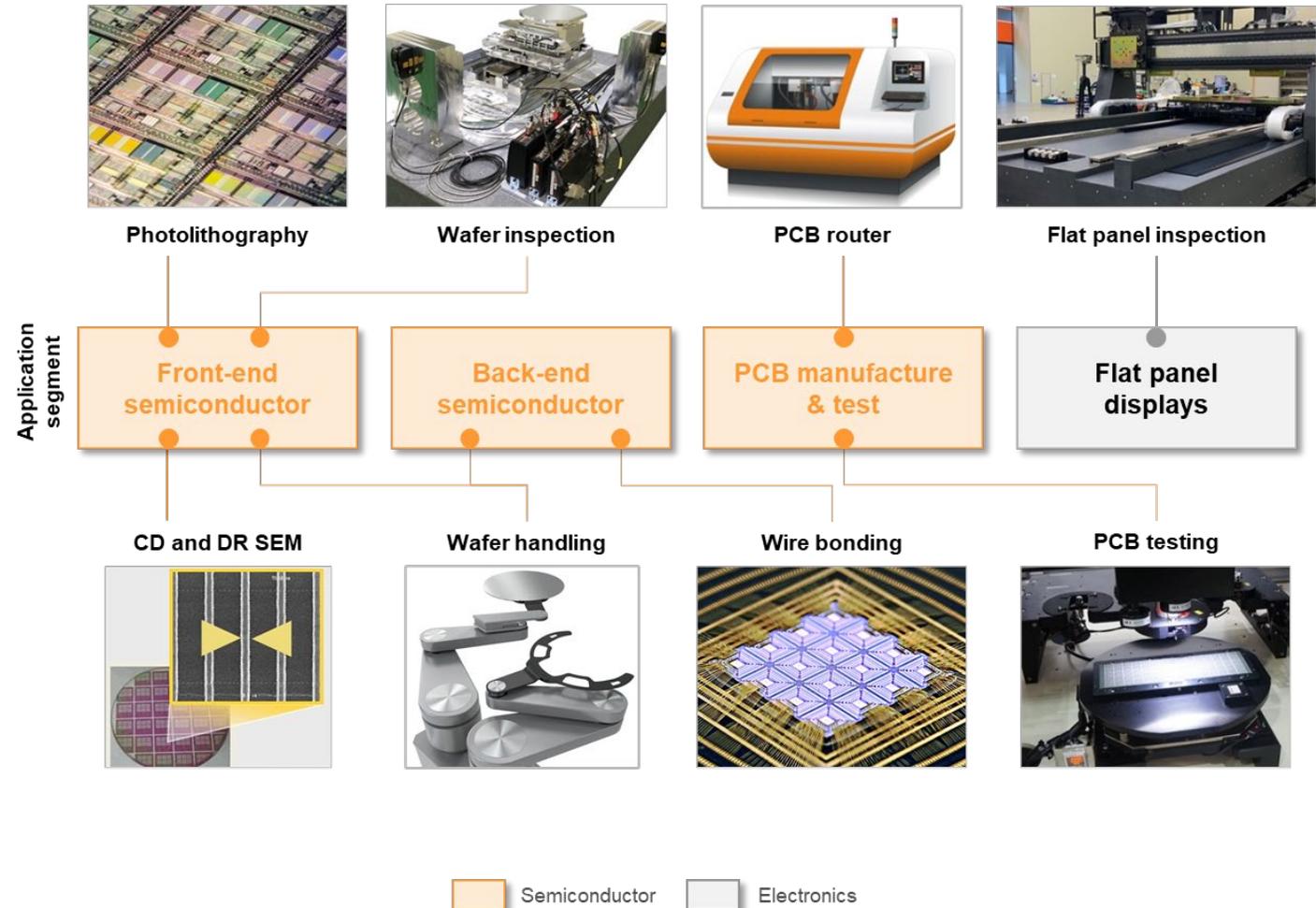


	2021 £m	2020 £m	Change %
Revenue	39.4	35.0	12%
Adjusted operating profit	5.9	1.4	321%

- 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
 - Current challenge is 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 CMMs and robot-loaded flexible gauges
 - Growing share of position encoders for robots and CNC machine tools



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

Responding to rising demand



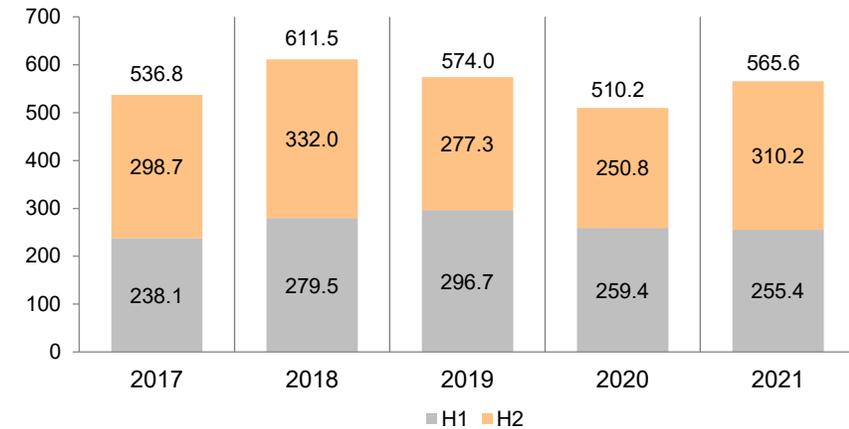
- **Investing in increased manufacturing capacity and automation**
 - Renishaw has a record order book as our customers seek to increase their demand and secure supply
 - We have added more than 25% to our manufacturing headcount during 2021
 - Supply chain difficulties have emerged in many industries 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
 - Rising capex in FY22 for production equipment and machinery for R&D and customer support



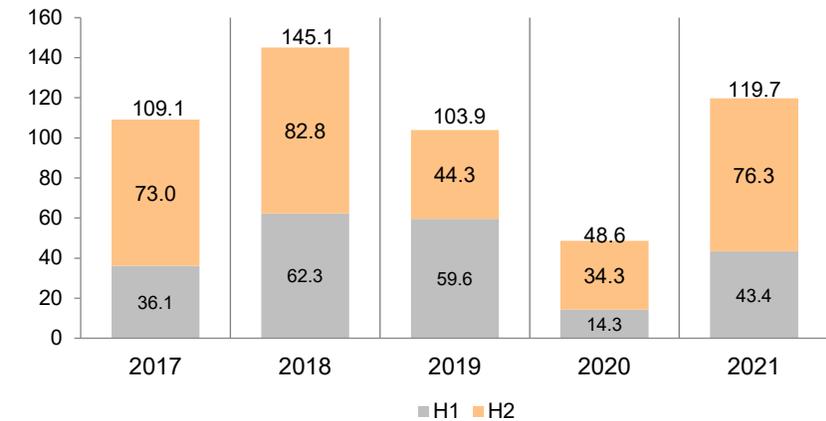
Financial highlights

	2021 £m	2020 £m	Change %
Revenue	565.6	510.2	11%
Adjusted profit before tax	119.7	48.6	146%
Restructuring costs	0.0	(23.8)	
FV gains / (losses) on ineffective FX cash flow hedging contracts	22.9	(21.6)	
Third-party FSP costs	(3.2)	0.0	
Statutory profit before tax	139.4	3.2	
Tax	(27.9)	(2.9)	
Profit after tax	111.5	0.3	
Adjusted earnings per share	132.0p	51.0p	159%
Statutory earnings per share	153.2p	0.4p	
Final dividend per share proposed	52.0p	0.0p	
Interim dividend per share paid	14.0p	0.0p	

Revenue £m



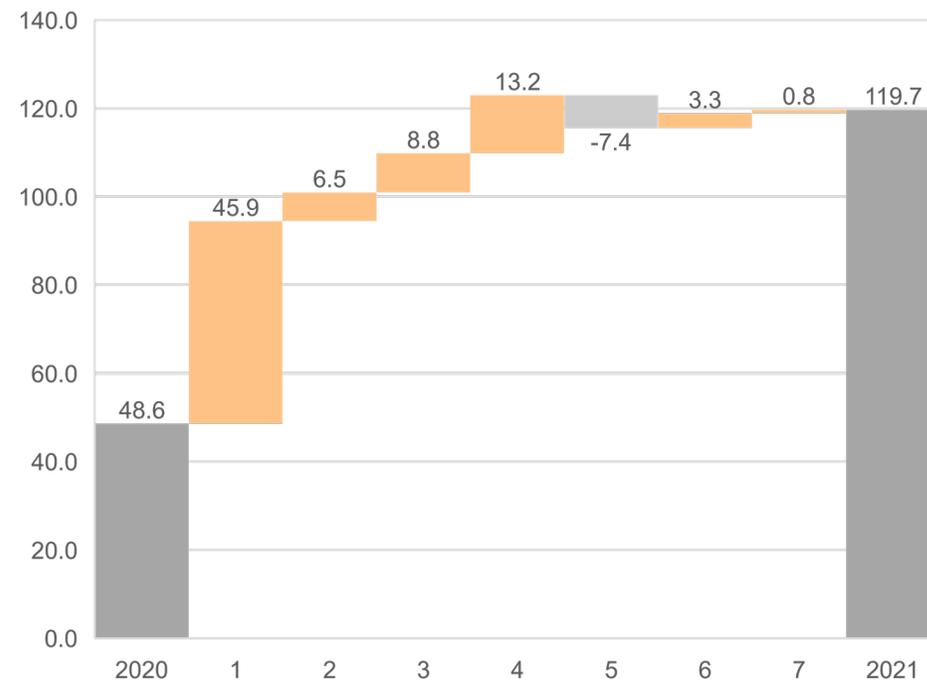
Adjusted profit before tax £m



Income statement

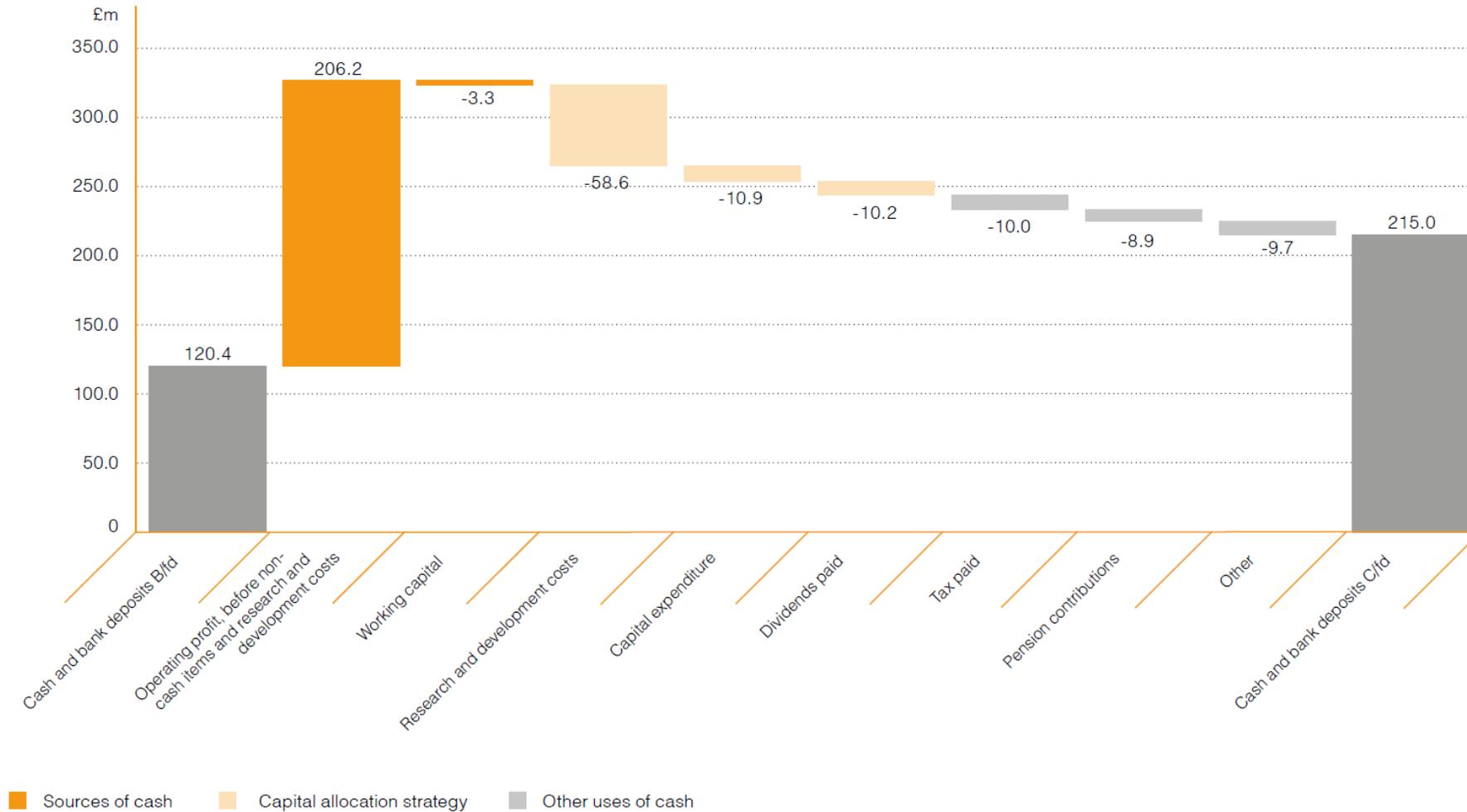
	2021 £m	%	2020 £m	%	Change
Revenue	565.6	100	510.2	100	11%
Cost of sales	(197.8)	(35)	(184.3)	(36)	7%
Engineering (inc. R&D)	(72.1)	(13)	(87.3)	(17)	-17%
Gross profit	295.7	52	238.6	47	24%
Distribution costs	(110.2)	(19)	(123.3)	(24)	-11%
Administrative costs	(69.3)	(12)	(58.6)	(11)	18%
Restructuring costs	0.0	-	(23.8)	(5)	-
Fair value gains/(losses) on financial instruments	22.0	4	(26.6)	(5)	-
Financial expense (net)	(0.6)	-	(3.9)	(1)	-85%
Share of profits of associates and joint ventures	1.7	-	0.8	-	113%
Statutory profit before tax	139.4	25	3.2	1	4,256%

Adjusted profit before tax bridge £m



- 1 Margin (excl. eng)
- 2 Engineering (excl. impairment)
- 3 Capitalised dev't costs impairment
- 4 Distribution
- 5 Administrative
- 6 Financial income & expense
- 7 Associates & JV

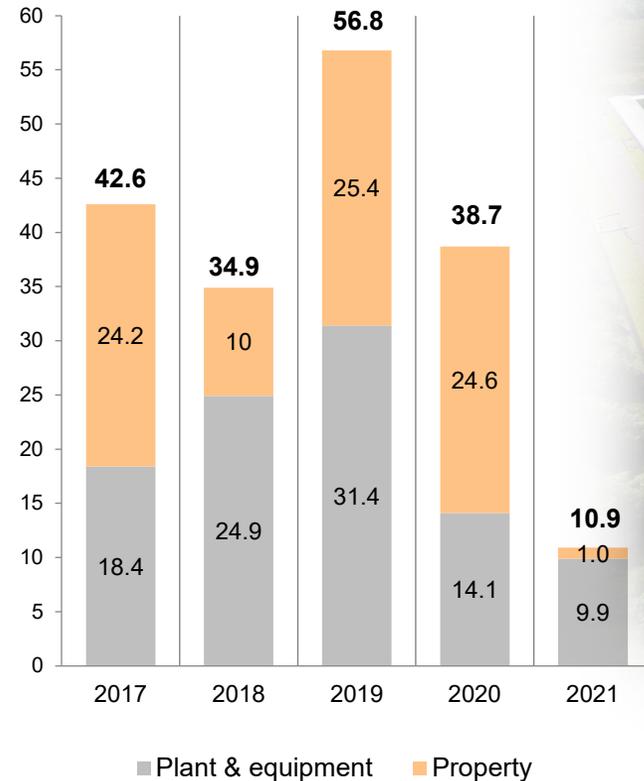
Sources and uses of cash (incl. bank deposits)



Capital expenditure

- Additions to property, plant and equipment and vehicles totalled £10.9m.
- Lower expenditure in line with expectations following significant infrastructure investments in recent years.
- Planning to increase expenditure in next financial year, including new production equipment to support business growth

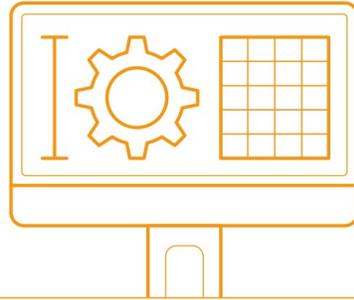
Capital expenditure £m



Our strategy in action

Engineering

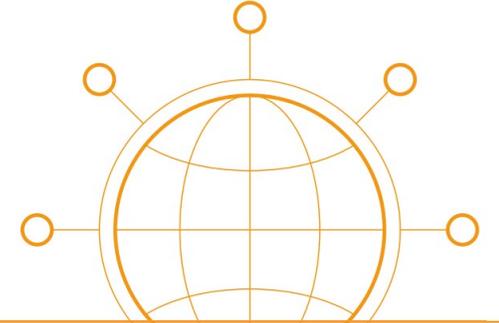
Creating strong market positions with innovative products and processes



- Current products quality is critical to customer retention and new business development
- Focus on delivering strategically important new products to market
- Key technology research for the longer term

Sales & Marketing

Supporting our customers' success around the world



- Supporting customer growth
- Winning new business
- Launching new products
- Face-to-face and digital marketing

Strong market position and revenue growth

FORTiS™ enclosed optical encoder



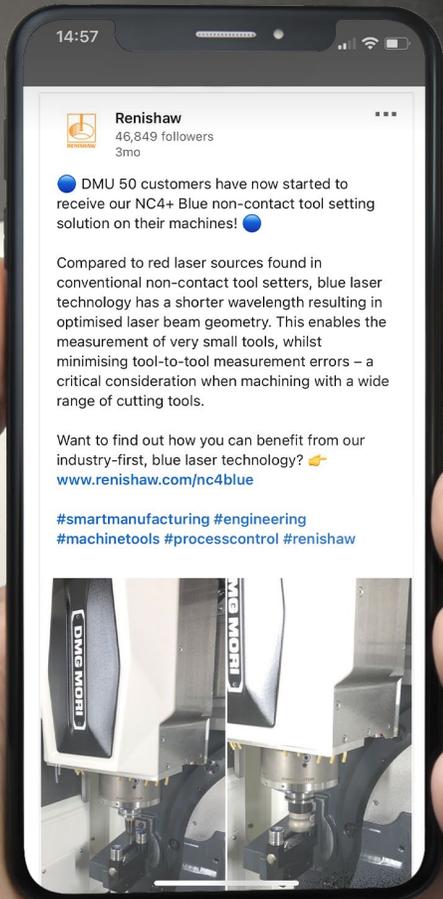
- High-performance measurement in harsh environments on machining centres, precision tool grinding and semiconductor wafer dicing
- Non-substitutional entry into an industry with existing Renishaw presence, reputation and contacts
- High fitment rates on precision tool grinders and high-speed machines opens up an immediately accessible market – first production orders received
- Increasing encoder use on traditional machines gives path to growth

NC4+ Blue (second generation)



- Industry-first blue laser for high-accuracy tool measurement
- Measure tools down to a diameter of 30 μm
- Advanced software cycles (e.g. ball-nose profiles, tool run-out, chip detection)
- Increased range of sizes to suit more machine types

NC4+ Blue and machine tool builders



NC4+ Blue adoption by key OEMs driven by:

- Small footprint
- Stable and accurate tool-to-tool performance
- Wide range of CNC software supported by local staff

Electric vehicle metrology solutions



REVO video probe inspecting crown paper height on harpin stator from EV electric motor

- New manufacturing metrology challenges in electric motor assembly and gearbox noise, vibration and harshness (NVH) reduction
- Renishaw offers market-leading metrology systems for EV manufacturing, including our REVO 5-axis multi-sensing, and our family of Equator flexible gauges

REVO® ultrasonic probe (RUP1)



- Latest addition to REVO 5-axis multi-sensor system
- Single-sided measurement of thickness where access to internal features is challenging
- Key applications: aircraft landing gear parts, aerospace and power generation drive shafts, and hollow aerospace blades
- Measures 1 mm to 20 mm thick walls with an accuracy of better than 10 microns

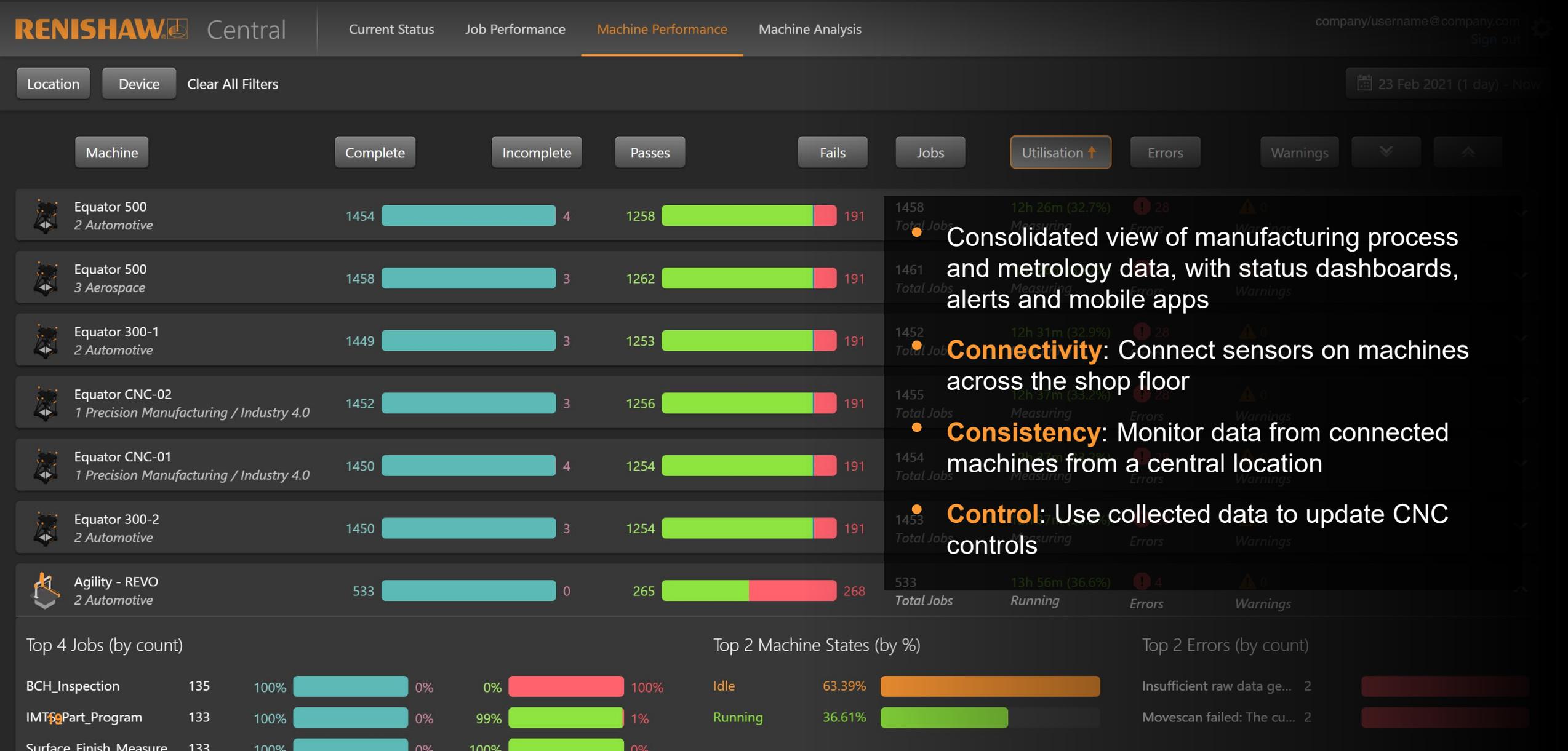
Next generation radio transmission probing system

- Ultra-compact RMI-QE design with updated comms protocol and flexible mounting options
- Robust and reliable in busy radio environments (patented frequency-hopping spread spectrum radio transmission)
- Improved performance and practicality: longer probe battery life, simplified set up and remote diagnostics



New Opti-Logic™ Probe Setup app

Renishaw Central manufacturing connectivity platform



RenAM 500Q Flex

- RenAM 500Q quad-laser metal 3D printer with rapid material change-over
- Process development machine that can work on a range of materials to suit different applications
- Process parameters and material properties transfer seamlessly to more automated production machines
- First customer deliveries in FY22 H1



Example additively manufactured minimal surface heatsinks printed on a RenAM 500Q for use in electronic applications, optimised by nTopology 3rd party software package.

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

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