



The logo for 600Group, featuring a stylized grey crescent shape to the left of the text '600Group' in a bold, sans-serif font.

Annual Results – year ended 28 March 2015

2015 - Overview

- ▶ Increased revenues and improved market share in the US and Europe in a challenging trading environment
- ▶ Acquisition of TYKMA Inc. – a leading laser marking business
- ▶ Investment in ProPhotonix Ltd – a designer and distributor of laser related products and LED systems
- ▶ New long term debt package in place including the issue of £7.7m of loan notes with warrants
- ▶ Launch of new Harrison and Colchester lathes and introduction of Clausing product ranges to Europe
- ▶ Strengthened Board and senior management team

Financial Review

- ▶ Profit before tax £3.68m (2014: £2.48m)
- ▶ Underlying profit before tax* £2.01m (2014: £1.97m)
- ▶ Earnings per share 2.66p (2014:2.19p)
- ▶ Underlying earnings per share* of 2.09p (2014:1.90p)
- ▶ Revenues increased by 5% to £43.8m (2014: £41.7m)
- ▶ Group net operating margin* maintained at 5.6%

* From continuing activities, before pension credit interest, amortisation of shareholder loan costs and special items.

Summary Results

£m	FY15	FY14
Revenues	43.79	41.71
Gross Profit*	14.42	13.86
<i>Gross Margin*</i>	32.9%	33.2%
Operating Profit*	2.46	2.35
<i>Operating Margin*</i>	5.6%	5.6%
Profit Before Taxation*	2.01	1.97
Taxation	(1.33)	(0.62)
Other items (including pensions credits)	<u>1.67</u>	<u>0.50</u>
Profit for the period	<u>2.35</u>	<u>1.85</u>
Basic Earnings per share (p)	2.66p	2.19p
Underlying Earnings per share (p)*	2.09p	1.90p

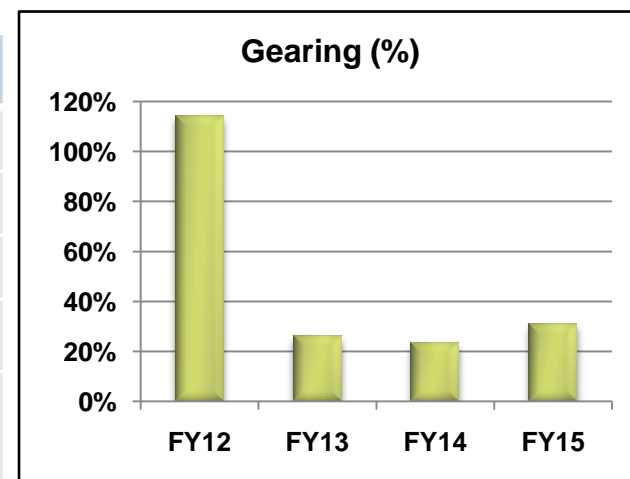
* From continuing activities, before pension credit interest, amortisation of shareholder loan costs and special items.

Cash Flow Statement

£m	FY 15	FY 14
PROFIT FOR THE PERIOD	2.35	1.85
Adjustment for non-cash items	0.67	0.86
Working capital movements	(2.64)	(0.72)
TRADING CASH FLOW	0.38	1.99
Interest and taxation paid	(0.62)	(0.79)
OPERATING CASH FLOW	(0.24)	1.20
Investing activities	(6.22)	(1.01)
Equity raised	1.15	0.03
Debt increase/(repaid)	5.08	(0.01)
(DECREASE)/INCREASE IN CASH EQUIVALENTS	(0.23)	0.21
Debt (increase)/ repaid	(5.08)	0.01
FX/other movements	(0.18)	(0.12)
MOVEMENT IN NET DEBT	5.49	0.10

Financial Position

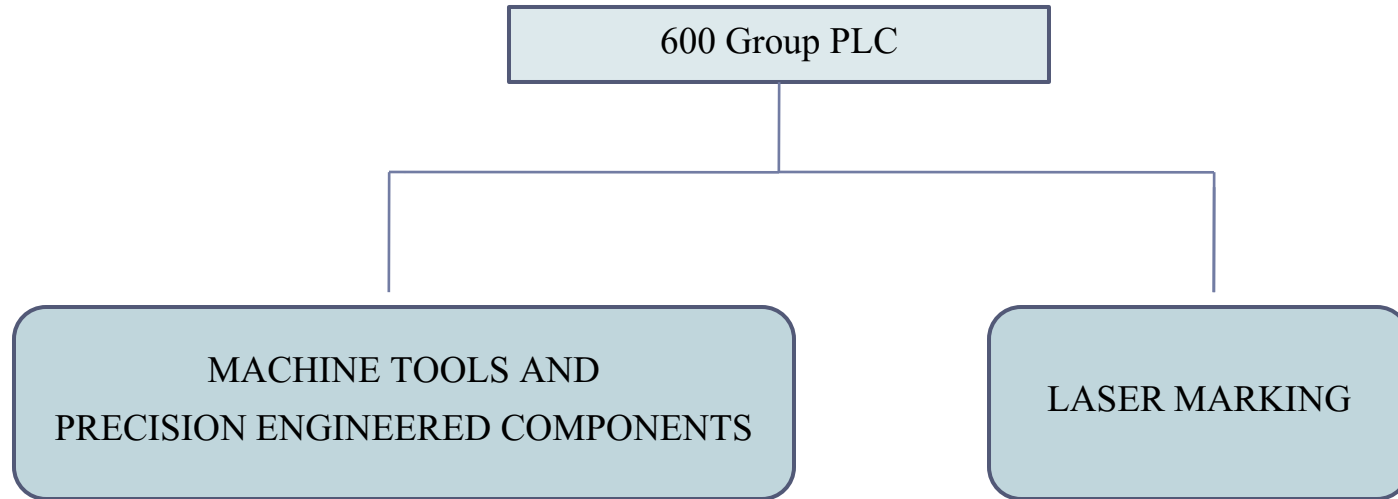
£m	FY 15	FY 14
FIXED ASSETS, DEVELOPMENT COST, INVESTMENT	8.03	6.13
GOODWILL	7.14	-
CONTINGENT DEFERRED CONSIDERATION	(4.17)	-
NET PENSION SURPLUS (net of deferred tax)	22.29	12.36
WORKING CAPITAL		
Inventory	11.04	8.50
Receivables	7.07	6.21
Payables	<u>(6.79)</u>	<u>(6.42)</u>
	<u>11.32</u>	<u>8.29</u>
NET DEBT		
Cash & cash equivalents	0.90	1.15
Bank and financial leases	(4.92)	(4.17)
Loan Notes /Shareholder loans	<u>(6.78)</u>	<u>(2.29)</u>
	<u>(10.80)</u>	<u>(5.31)</u>
OTHER ASSETS (NET)	<u>0.89</u>	<u>1.08</u>
NET ASSETS	<u>34.73</u>	<u>22.55</u>



Debt structure

- ▶ UK bank (UK priority lender) up to £5m – current facilities of £4.4m – drawn £2.5m March 2015
- ▶ Loan notes (2nd ranking) – up to £8.5m maximum, currently £7.7m issued
- ▶ UK pension trustee (ranking 3rd behind loan notes)
- ▶ UK pension fund has assets c. £230m and is well funded
- ▶ IFRS surplus on Group balance sheet is c. £35m before deferred tax
- ▶ Technical Provisions funding (on a gilt yield only) is approximately 97%
- ▶ Closed to new members and accrual of benefits for 2 years
- ▶ No current deficit contributions payable until at least next valuation (April 2016)
- ▶ On flight path to buy-out within 7-9 years with no further contributions.

Group activities



Board of Directors & Operational Directors

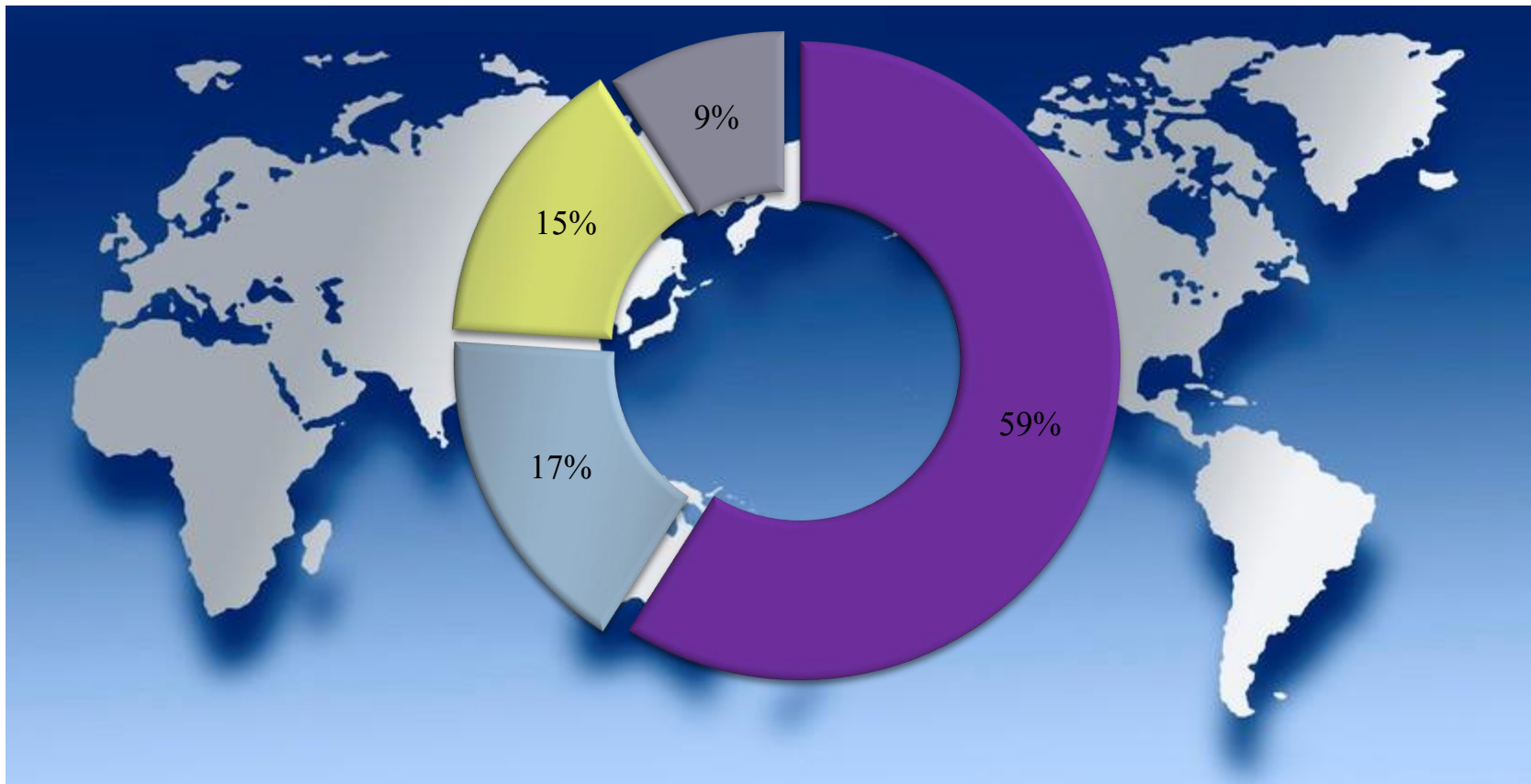
- ▶ Paul Dupee - Executive Chairman
- ▶ Neil Carrick - Group Finance Director
- ▶ Stephen Rutherford - Non Executive Director
- ▶ Derek Zissman - Non Executive Director
- ▶ Stephen Fiamma - Non Executive Director

- ▶ Mike Berry - Managing Director 600 Group Europe
- ▶ Don Haselton - President 600 Group Inc
- ▶ David Grimes - CEO of Tykma Inc.

Group revenues by destination

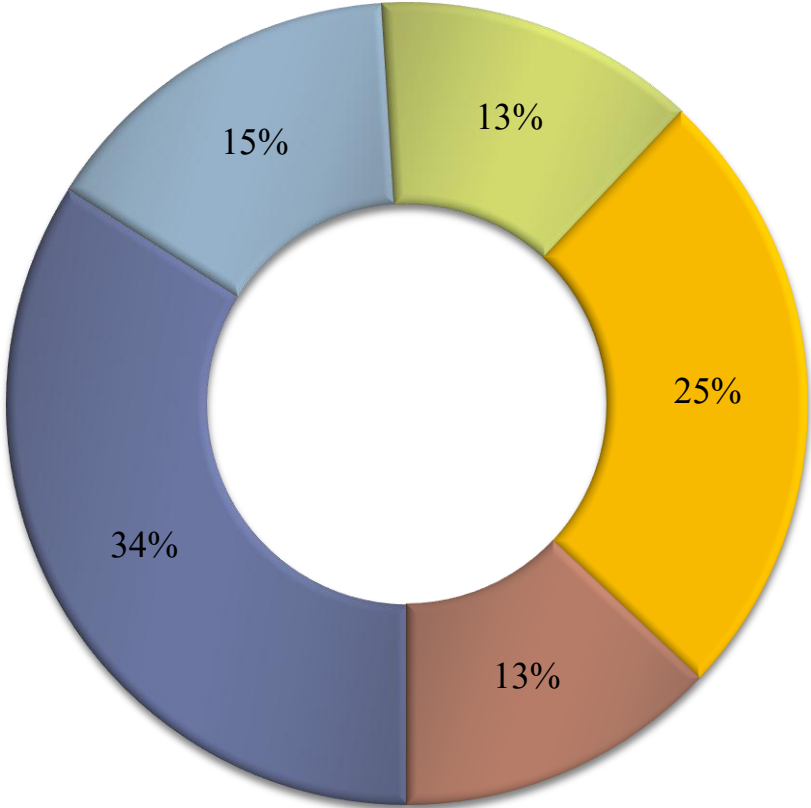
FY 15 pro forma (incl TYKMA), % of total

■ North America ■ UK ■ Continental Europe ■ RoW



Group revenues by product range

■ MT - lathes ■ MT -other ■ Components ■ Lasers ■ Aftermarket

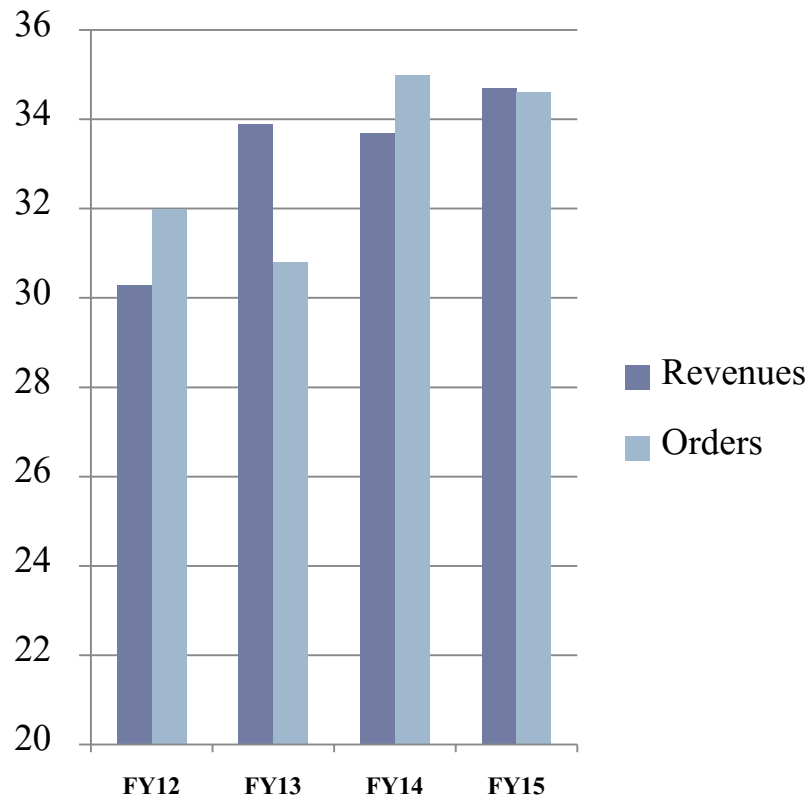


Pro-forma FY15 including TYKMA

Machine Tools segment financials

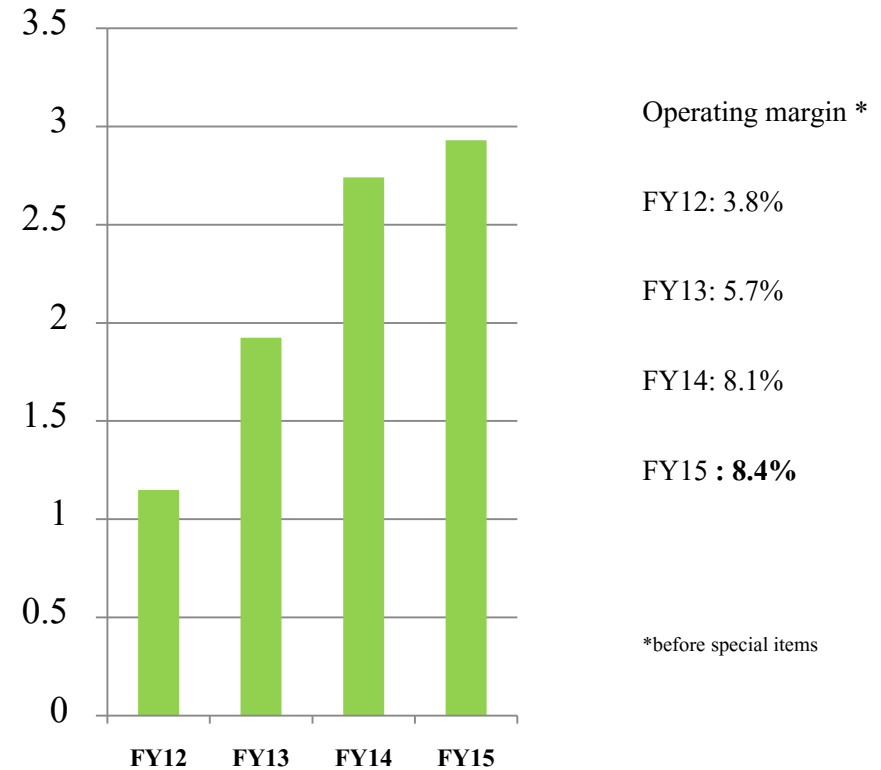
Revenues – FY12 to FY15

£m



EBIT – FY12 to FY15

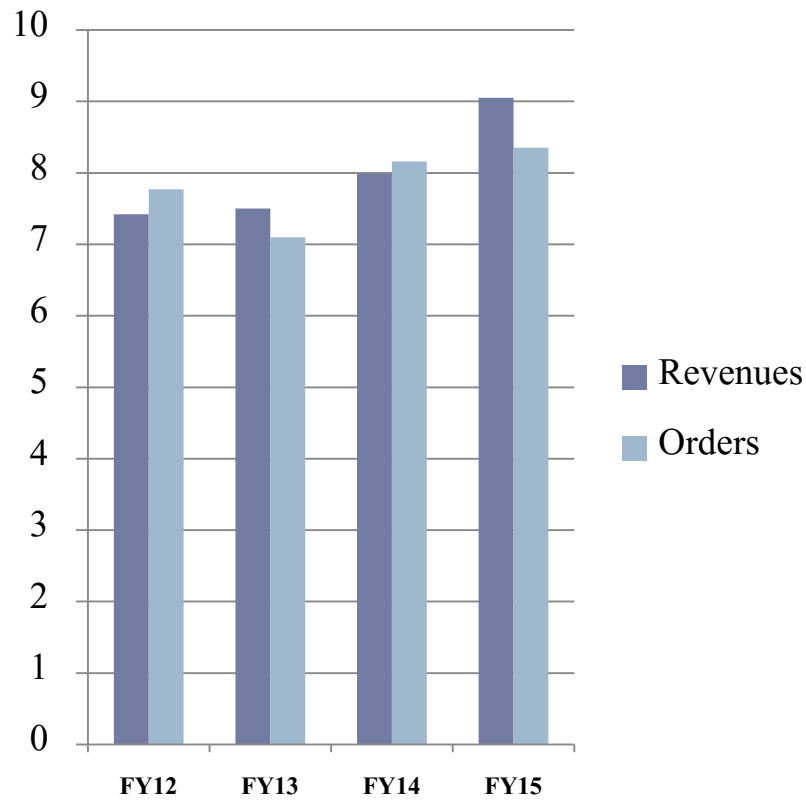
£m



Laser Marking segment financials

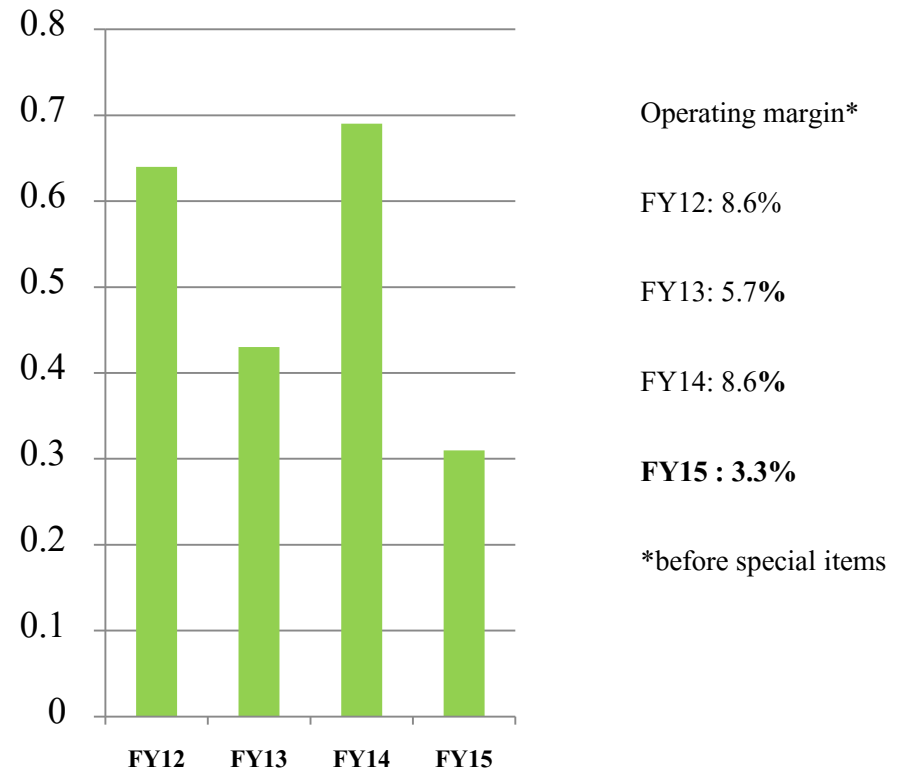
Revenues – FY12 to FY15

£m



EBIT – FY12 to FY15

£m



Machine Tools



- ▶ New designs launched
- ▶ Continued decrease in lead times for delivery
- ▶ Increased focus on international markets to leverage brand value

- ▶ Introduction of selected Clausing machines to UK, Europe and SE Asia
- ▶ New facilities in Kalamazoo
- ▶ Continued market share gains from providing quality products at competitive prices on short lead times



Laser Marking



- ▶ Division now led by TYKMA CEO David Grimes
- ▶ Management teams combined
- ▶ Sales driven by US and technology by UK
- ▶ Integration benefits from combination of USA sales teams and adoption of Electrox technology into TYKMA product range
- ▶ New enlarged facilities for TYKMA in July 2015
- ▶ distribution, assembly and build of Electrox product in the Ohio USA



Outlook

- ▶ Fully develop international opportunities for growth through worldwide recognised brands
- ▶ Seek and assess further bolt on acquisitions in selected high growth sectors
- ▶ Progressively implement a high product availability, short lead time model across entire group



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