

Zytronic warns second half orders impacted by global raw materials supply issues

Touch sensor specialist Zytronic has warned that lingering global disruption is impacting its supply chains and order intake.

The Blaydon firm, which is listed on the London Stock Exchange, told investors the cost of raw materials and electronic components had been challenging in the second half of its 2022 financial year. In an update ahead of its full year results, Zytronic nevertheless said it expected revenues to be in the region of 5% higher than the £117m reported last year.

Pre-tax profits are also expected to hold up as the plc noted it had restarted sales and marketing activities after a near two-year hiatus. Meanwhile expansion of working capital is expected to result in a year-end cash balance of £6m.

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A statement to the London Stock Exchange said: “With an improving log of opportunities and the ability to commit further resources to business development and project progression activities, management remains confident in the positioning, ongoing recovery, and longer-term growth prospects for the group.”

In December last year, Zytronic reported a return to profit. And in May this year it said sales had improved among its gaming and vending customers in its Asia Pacific and Americas territories, and that it had been granted a new patent and applied for another.

It warned then of “considerable disruption” in global supply chains and expected those headwinds to continue for the rest of the year. The company has previously said its research and development team has looked at ways to accommodate well known semiconductor chip shortages around the world.

Zytronic makes touch sensors that are installed in the likes of casinos, information desks, cash machines and transport ticket machines. The North East firm has built systems used by gaming Japanese, US and Australian customers operating in the the Las Vegas markets.

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