

Key performance indicators

Our progress in numbers

We monitor progress against the delivery of our strategic goals using financial key performance indicators ('KPIs').

The Company uses a number of alternative performance measures ('APMs') in addition to those reported in accordance with IFRS. The Directors believe that these APMs, shown, are important when assessing the underlying financial and operating performance of the Group and its divisions, providing management with key insights and metrics in support of the ongoing management of the Group's performance and cash flow. A number of these align with KPIs and other key metrics used in the business and therefore are considered useful to also disclose to the users of the financial statements.

The following APMs do not have standardised meaning prescribed by IFRS and therefore may not be directly comparable with similar measures presented by other companies.

 **See note 4 of the Group's Consolidated Financial Statements, for reconciliation between adjusted and statutory items on page 130**

2021 figures and 2020 comparative figures are based on continuing operations (where relevant), and are subject to rounding.

Revenue

Statutory

£59.3m

Continuing operations

Total revenue for the Group was £59.3 million, an increase of £11.2 million year-on-year (2020: £48.0 million). Revenue increased 23% year-on-year.

Revenue by sector £m

Industrial

2021	£40.8m
2020	£28.9m

Packaging

2021	£11.9m
2020	£12.4m

Industrial sector growth incorporates the acquisition of FFEI (£5.3 million), combined with Ceramics and Glass segment increasing throughout the year with full year revenue up 38%.

Graphic Arts

2021	£6.2m
2020	£6.3m

Royalties

2021	£0.4m
2020	£0.4m

Royalties from the single remaining licensee declined and will continue to decline in both 2021/22 before ceasing. Royalties in 2021 include a one off service fee payable by Stratasy.

Revenue by region £m

EMEA

2021	£23.7m
2020	£18.1m

Asia

2021	£12.0m
2020	£9.6m

Americas

2021	£23.6m
2020	£20.3m

The increase of revenue in Americas is primarily due to the sales turnaround in the EPS business. Performance in Asia, and China in particular, was successful with growth of £2.6 million in Printheads driven by re-engagement of Chinese Ceramic customers who began to adopt the Xaar 2001 and have now transitioned to the newly launched Xaar 2002 for their new printer builds. EMEA was slightly higher, and we have seen a promising upward trend.

Profit

Statutory

34%

Gross margin – Continuing operations

2021	34%
2020	27%

The increase in the gross profit for the Group can be attributed to the performance of the Printhead business. This was driven by the operational leverage in the business with increased product throughput absorbing greater costs in 2021 (2020: 27%).

£1.0m

Profit (Loss) before tax £m – Continuing operations

2021	£1.0m
2020	(£4.3m)

Profit before tax represents operating profit after investment income and finance costs (2020: £4.3 million loss), and before the gain arising on sale of Xaar 3D.

20.9p

Basic earnings per share (Total)

2021	20.9p
2020	(15.2p)

The calculation of basic EPS is based on the weighted average number of ordinary shares outstanding during the period. (2020: 15.2p loss) see Financial Statements - note 14 for further information.

Alternative Performance Measures (APMs)

£3.2m

Adjusted EBITDA – Continuing operations

2021	£3.2m
2020	£0.1m

Adjusted EBITDA is defined as operating profit before separately reported items. It is one of the Group's KPIs and is used to assess the trading performance of Group businesses. It is also used as one of the targets against which the annual bonuses of certain employees are measured.

(£0.6m)

Adjusted loss before tax £m – Continuing operations

2021	(£0.6m)
2020	(£3.9m)

Adjusted loss before tax from continuing operations represents the loss before tax adjusted for recurring and non-recurring items. Reconciliation of adjusted financial measures is provided in note 4 (page 130) (2020: loss £3.9 million).

(1.0p)

Adjusted basic earnings / (loss) per share – Continuing operations

2021	(1.0p)
2020	(5.2p)

Earnings per share adjusted for the impacts of adjusting items and share-based payment expense. This measures the growth and profitability of the Group operations.

Net cash

Statutory

£25.1m

Cash & treasury deposits £m

2021	£25.1m
2020	£18.1m

Cash and cash equivalents comprise cash at bank of £25.1 million (2020: 17.9 million) and short-term highly liquid investments with an original maturity of three months or less. Net cash incl. treasury deposits of £Nil (2020: £0.2 million).

£5.2m

Net increase in cash and cash equivalents £m

2021	£5.2m
2020	(£4.7m)

Net increase in cash and cash equivalents was £5.2 million following a reduction in cash consumed by operating activities and after adjusting for cash movements in both investing and financing activities during the year (2020: (£4.7) million).

Alternative Performance Measures (APMs)

£5.7m

Gross R&D investment £m

2021	£5.7m
2020	£4.5m

Gross R&D investment (continuing operations) reflects the investment in the ImagineX platform (£5.7 million). 2020 investment excludes amortisation of Xaar 3D development costs and impairment of Thin Film (2020 restated: £4.5 million).

(£2.3m)

Cash outflow from continuing operations £m

2021	(£2.3m)
2020	£7.1m

Net cash outflow (incl. treasury deposits) from continuing operations was £2.3 million as a consequence of increases in working capital and net cash used for investing activities before proceeds from the disposal of Xaar 3D (2020: £7.1 million).