


Key performance indicators

Measuring our success

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

2022 figures and 2021 comparative figures are based on continuing operations (where relevant), and are subject to rounding.

Revenue

Statutory

£72.8m

Continuing operations

Total revenue for the Group was £72.8 million, an increase of £13.5 million year-on-year (2021: £59.3 million). Revenue increased 23% year-on-year.

Revenue by sector £m

Industrial

2022	£54.9m
2021	£40.8m

Packaging

2022	£12.9m
2021	£11.9m

Industrial sector growth incorporates the acquisition of Megnajet (£2.5 million), the effect of a full year of FFEI revenue (£6.4 million) and improvements to EPS performance (£5.7 million).

Graphic Arts

2022	£4.7m
2021	£6.2m

Royalties

2022	£0.3m
2021	£0.4m

Declines in the wide format graphics and labels markets are behind the reduction in the graphic arts sector. Royalties from the single remaining licensee declined in the year and are expected to cease in 2023.

Revenue by region £m

EMEA

2022	£28.4m
2021	£23.7m

Asia

2022	£8.2m
2021	£12.0m

Americas

2022	£36.2m
2021	£23.6m

The increased revenue in Americas is primarily due to the continued sales turnaround in the EPS business and a key US printhead customer increasing stock holding in the year.

The Asia market was significantly impacted by the COVID-19 lockdown measures in China, which prevented OEMs from assembling machinery in the region.

EMEA growth was predominantly driven by inorganic growth related to the FFEI and Megnajet acquisitions.

Profit

Statutory

39%

Gross margin – Continuing operations

2022	39%
2021	34%

The increase in gross profit for the Group can be attributed to the performance of the Printhead business, driven by operational leverage and cost-saving initiatives, and the continuing turnaround of the EPS business. (2021: 34%).

£0.8m

Profit before tax £m – Continuing operations

2022	£0.8m
2021	£1.0m

Profit before tax represents operating profit after investment income and finance costs (2021: £1.0 million). Impact of COVID reduced Printhead profitability but offset by turnaround in EPS.

2.1p

Basic earnings per share (Total)

2022	2.1p
2021	20.9p

The calculation of basic EPS is based on the weighted average number of ordinary shares outstanding during the period (2021: 20.9p). See Financial Statements – note 14 for further information.

Alternative Performance Measures (APMs)

£6.2m

Adjusted EBITDA £m – Continuing operations

2022	£6.2m
2021	£3.2m

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. Refer note 4.

£2.8m

Adjusted profit before tax £m – Continuing operations

2022	£2.8m
2021	(£0.6m)

Adjusted profit 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.

4.8p

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

2022	4.8p
2021	(1.0p)

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.

Cash

Statutory

£8.5m

Cash & treasury deposits £m

2022	£8.5m
2021	£25.1m

Cash and cash equivalents comprise cash at bank of £8.5 million (2021: £25.1 million).

(£16.5m)

Net (decrease)/increase in cash and cash equivalents £m

2022	(£16.5m)
2021	£5.0m

During 2022 we acquired businesses resulting in an initial net cash outlay of £3.5 million as well as a further deferred payment for FFEI of £1.7 million. Additionally, we invested £5.4 million on key infrastructure and product development and a further £9.5 million in inventory. 2021: £5.0 million inflow – benefitting from an inflow of £9.3 million on the sale of Xaar 3D.

Alternative Performance Measures (APMs)

£6.7m

R&D investment £m

2022	£6.7m
2021	£5.7m

Group R&D investment (continuing operations) excluding capitalised costs. Reflects the ongoing investment in Xaar's ImagineX platform as well as increased investment in FFEI (2021: £5.7 million).

(£16.3m)

Cash outflow from continuing operations £m

2022	(£16.3m)
2021	(£2.3m)

Net cash outflow (including £0.3 million benefit from invoice discounting facility) was £16.3 million as a result of acquisition related payments of £5.3 million and the investments in inventory and key product development as explained on the left. Excluded from this figure is a cash outflow of £0.2 million relating to settlements for the discontinued Thin Film business. 2021 figure is excluding the discontinued operations outflows of £2.0 million and proceeds from 3D disposal of £9.3 million.