

Our strategic pillars

DELIVERING ON OUR STRATEGY

Strategic pillar	Highlights	Progress	
<p data-bbox="92 396 188 420">Ceramics</p> 	<p data-bbox="320 396 539 420">Market sector in 2017</p> <p data-bbox="320 424 459 462">Largest</p> <p data-bbox="320 515 587 586">Technology announced</p> <p data-bbox="320 538 587 586">High Laydown</p>	<p data-bbox="635 396 1118 634">The Ceramics sector was our largest market in 2017. We have a strong market share of the total installed base. Despite increased competition in this sector, we implemented a successful strategy for the Xaar 1003, with the focus on selling the upgrade opportunity for tile manufacturers with older Xaar printheads in order to benefit from improved performance and longer maintenance-free production run times.</p> <p data-bbox="635 662 1098 957">The Xaar 2001+, launched in 2016, was targeted at tile manufacturers looking for a completely new printer. Whilst the Xaar 2001+ has been slow to gain traction, we saw increased sales towards the end of the year once we were able to augment the Xaar 2001+ with HL Technology, which was announced mid-year at Ceramics China 2017. HL Technology combined with the Xaar 2001+ gives us competitive advantages for adding decorative effects such as glosses and lustres, as well as adhesives.</p> <p data-bbox="635 986 786 1011">See page 18 ↗</p>	
<p data-bbox="92 1030 252 1081">Product Printing & Packaging</p> 	<p data-bbox="320 1030 496 1054">Good progress in</p> <p data-bbox="320 1058 528 1096">3D Printing</p> <p data-bbox="320 1150 528 1201">Outperforming a fast growing market</p> <p data-bbox="320 1205 539 1243">EPS growth</p>	<p data-bbox="635 1030 1106 1509">During 2017 we made good progress in 3D Printing. At the end of 2016 we hired an experienced team of engineers in Copenhagen to complement the team in Nottingham. In March we officially opened the Xaar 3D Centre in Nottingham where guests included ABB, BAE Systems and Jaguar Land Rover. Towards the end of the year we demonstrated the first prototype of the Xaar 3D printer using HSS technology, developed by the 3D teams in Nottingham and Copenhagen and led by Professor Neil Hopkinson. Other progress included announcing collaborations with Materialise (to provide their market-leading 3D print software with Xaar's additive manufacturing development kit) and with BASF, a world-leading chemical company (to improve the Photopolymer Jetting process which will enable manufacturers to produce 3D parts with enhanced properties at lower costs).</p> <p data-bbox="635 1538 1098 1728">EPS, which supplies customised and bespoke printing solutions, continued to grow during 2017, outperforming a fast growing market. Whilst EPS is predominantly operating in North America, we started our plan to expand its global reach by appointing COMEC Italia as European distributor for its digital product portfolio.</p> <p data-bbox="635 1757 786 1782">See page 19 ↗</p>	

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<p>Thin Film</p> 	<p>Xaar 1201 sale of units over a 2 year period 90,000</p> <p>Commercialisation planned in 2018 Xaar 5601</p>	<p>2017 has seen us making good progress with our Thin Film portfolio, despite it being slower than expected. The Xaar 1201 printhead achieved substantial sales in the Graphic Arts sector and we signed a master distribution agreement for the sale of 90,000 units over a two year period. The supply constraints we experienced in the second half of the year were resolved and we expect additional capacity for the 1201 to come on stream later in 2018.</p> <p>Our 5601 Thin Film printhead passed several key milestones, including freezing the design. In November we showcased the 5601's four colour print capabilities at the InPrint show where its exceptionally high resolution print quality attracted much interest. We sold a number of 5601 development kits to our key OEM partners to enable them to evaluate the printhead for their next generation of printers. The programme team is now focused on supporting full commercialisation of the product in 2018.</p> <p>See pages 20 to 21 ↗</p>	
<p>Acquisitions & Partnerships</p> 	<p>Joint Development Agreement for some bulk piezo printheads Xerox</p> <p>Partnerships in 3D Printing Materialise & BASF</p>	<p>In 2017 we broadened our collaboration with partnerships in a number of key strategic areas.</p> <p>We have explored, and will keep exploring, acquisition opportunities in the Product Printing space and in other carefully selected target markets.</p> <p>See page 34 ↗</p>	