

Xaar 2024 Full Year Results

25th March 2025

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Agenda

- Overview
- Financial performance
- Drivers of growth
- Outlook and summary



Overview

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Xaar Nitrox
Elite

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Key milestones reached with significant growth anticipated in medium term

New business* revenue growth accelerating, offsetting last-stage ceramics market decline

OEM machines using Xaar printheads operational in focus markets, derisking future growth

Significant progress in established Wax and Textiles markets

Complete turnkey solution introduced, accelerating OEM product launches

Proactive management action optimising current operations

Pipeline supports substantial future revenue growth

*New business is defined as revenue from products launched since 2019



Financial performance

Group financial performance

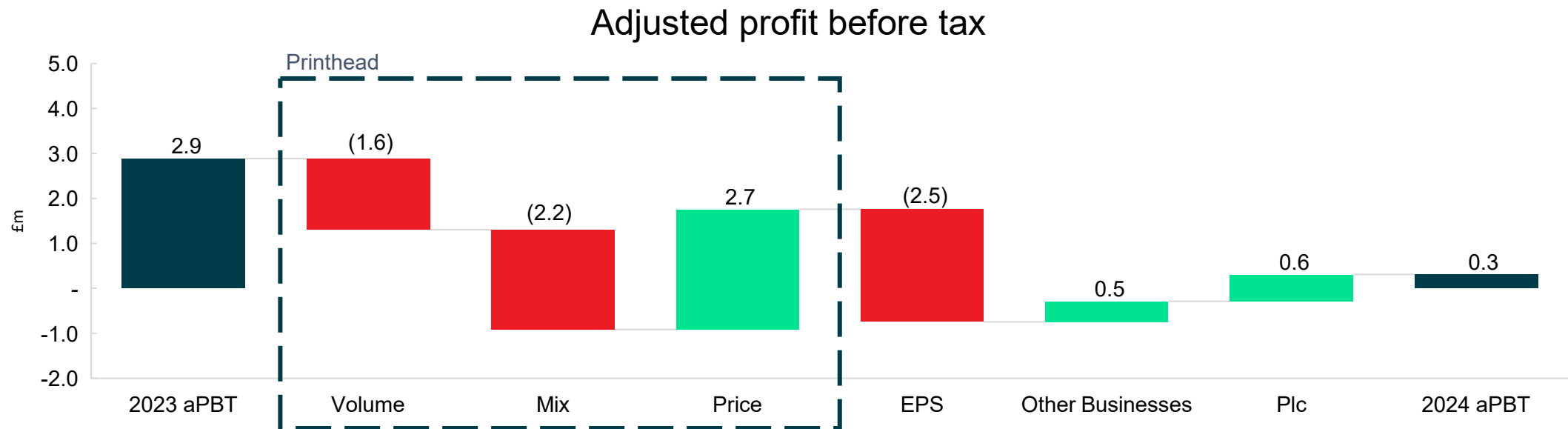
£m	2024	2023	Var	% Var
Revenue	61.4	70.2	(8.8)	-13%
Gross Margin	36%	38%		-2pps
Total aOpex	(21.5)	(25.7)	4.2	16%
aEBITDA	3.7	6.4	(2.7)	-42%
aPBT	0.3	2.9	(2.6)	-89%

Figures (£m) and percentage (%) are subject to rounding

£m	2024	2023	Var	% Var
Trade WC	30.4	33.9	3.5	10%
Net Cash	8.7	7.1	1.6	23%
R&D Spend	5.0	5.4	(0.4)	-7%

- Solid 2024 results with new Printhead business revenue up 23%
- Engineered Print Systems' (EPS) revenue declined after facing tough market conditions and the completion of a substantial multi-year project
- Proactive cost management, especially within head office entity
- Gross margin protected despite increased energy costs and lower sales volumes
- R&D investment at c.8% of revenue, consistent with prior year
- Net cash position up due to working capital improvements

Group financial performance



Printhead – New business making progress

Printhead				
£m	2024	2023	Var	% Var
Revenue	33.5	37.1	(3.6)	-10%
Gross Margin	38%	40%		-2pps
Total aOpex	(10.0)	(11.6)	1.6	14%
aEBITDA	5.3	6.0	(0.7)	-12%
aPBT	2.5	3.3	(0.8)	-24%

Figures (£m) and percentage (%) are subject to rounding

New business revenue grew 23% to £18.9 million in 2024

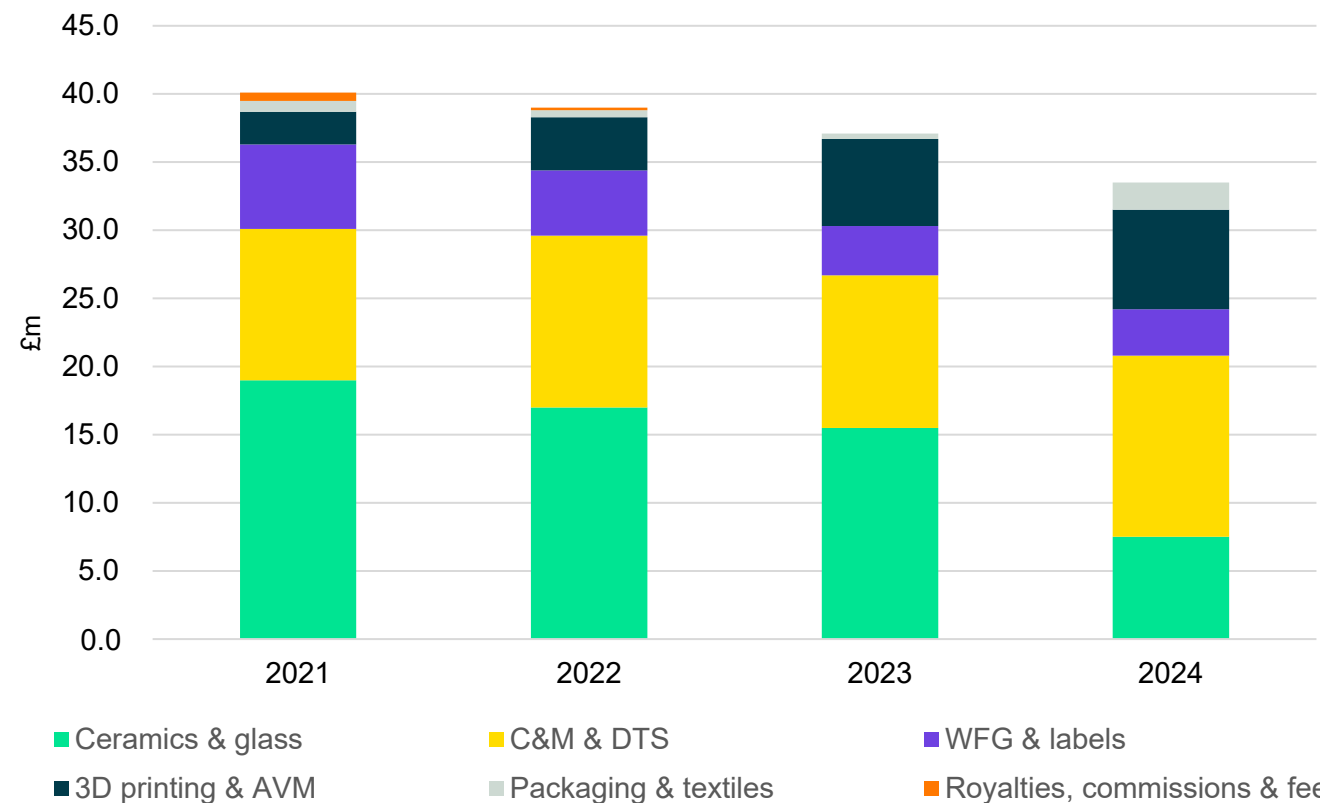
Ceramics revenue bottoming out, limited downside risk

Adjusted profit declined as lower sales volume pressured margins

Disciplined cost management with significant improvement in operating cost

*New business is defined as revenue from products launched since 2019

Revenue by sector





Printhead – New business making progress

- Printhead performance at bottom end of our expectations for the full year
- New business* CAGR of 24% per annum since 2019
- Legacy business** declining driven by ceramics market weakness
- Last-stage decline in ceramics business greater than anticipated. Expected to reach trough in the short-term
- Well positioned for anticipated medium term recovery in the ceramics market
- Strong foundation achieved for growth in short and medium term

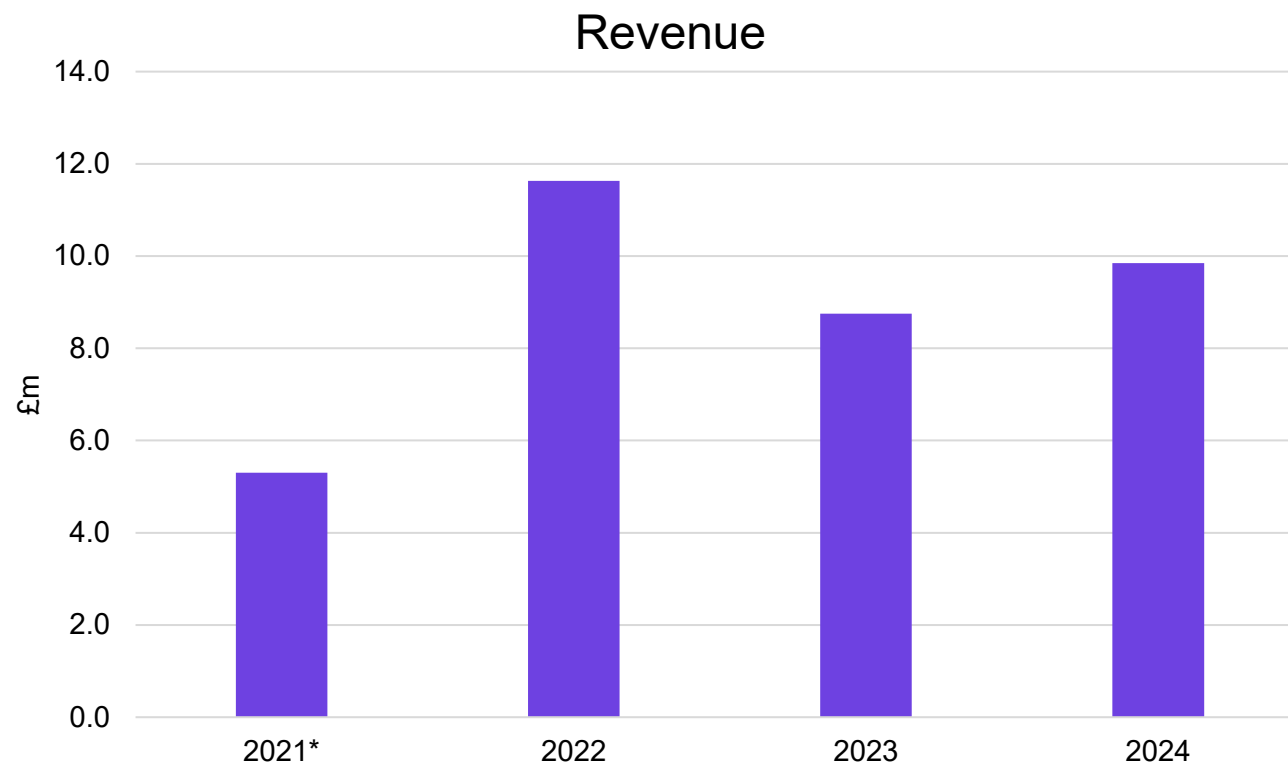
*New business is defined as revenue from products launched since 2019

**Legacy business defined as revenue from the sale of replacement printheads for machines sold before 2019

FFEI: Increasingly integrated into core business

FFEI				
£m	2024	2023	Var	% Var
Revenue	9.3	8.7	0.6	7%
Gross Margin	33%	25%		8pps
Total Opex	(1.7)	(2.3)	0.6	26%
aEBITDA	1.7	2.2	(0.5)	-23%
aPBT	1.5	1.8	(0.3)	-17%

Figures (£m) and percentage (%) are subject to rounding



Last-time orders from Life Sciences a major source of revenue

Gross margin benefitted from improved pricing decisions

Lower y-o-y profit due to sale of IP in 2023 as part of Life Sciences disposal

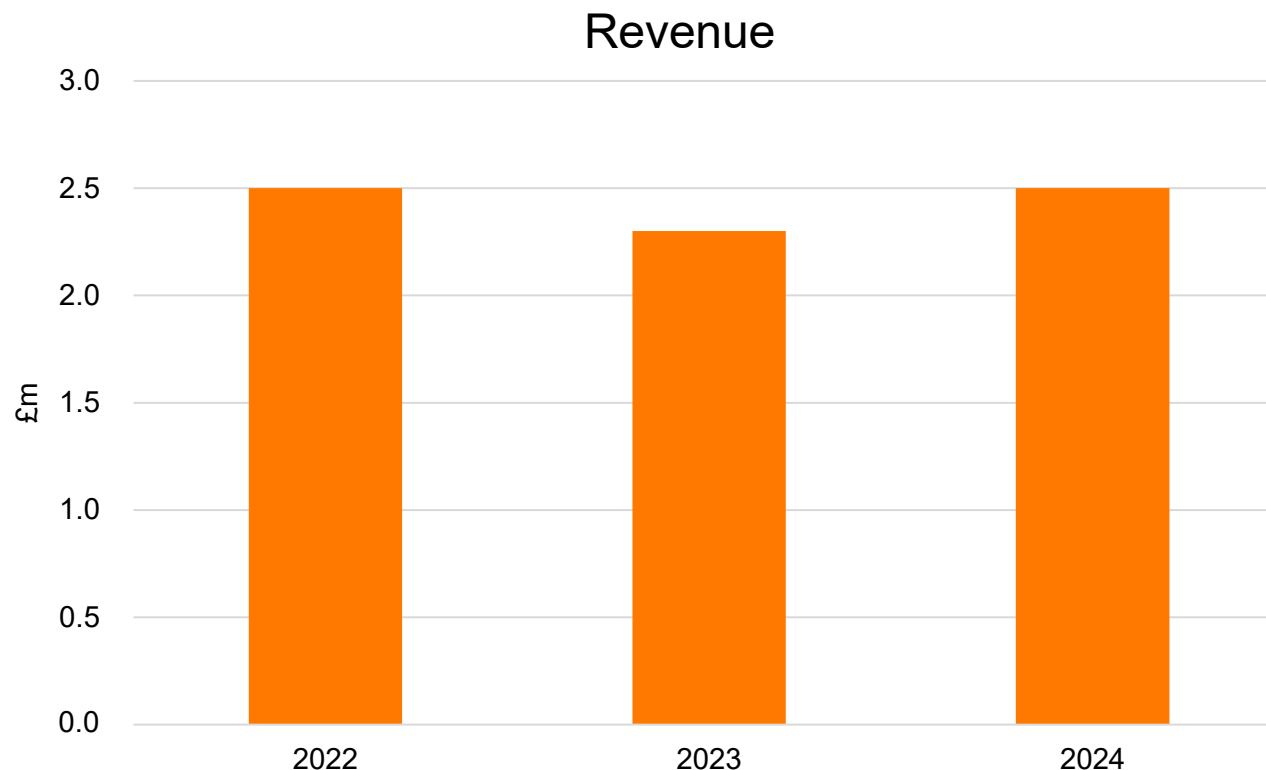
Non-core Life Sciences disposal completed

*FFEI was acquired in July 2021

Megnajet: Increased focus on Group projects while maintaining external growth

Megnajet				
£m	2024	2023	Var	% Var
Revenue	2.5	2.3	0.2	7%
Gross Margin	50%	32%		18pps
Total Opex	(0.2)	(0.1)	(0.1)	-100%
aEBITDA	1.1	0.7	0.4	57%
aPBT	1.2	0.8	0.4	50%

Figures (£m) and percentage (%) are subject to rounding



Revenue up driven by significant order growth from one customer

Supports strategy of increased vertically integrated solutions

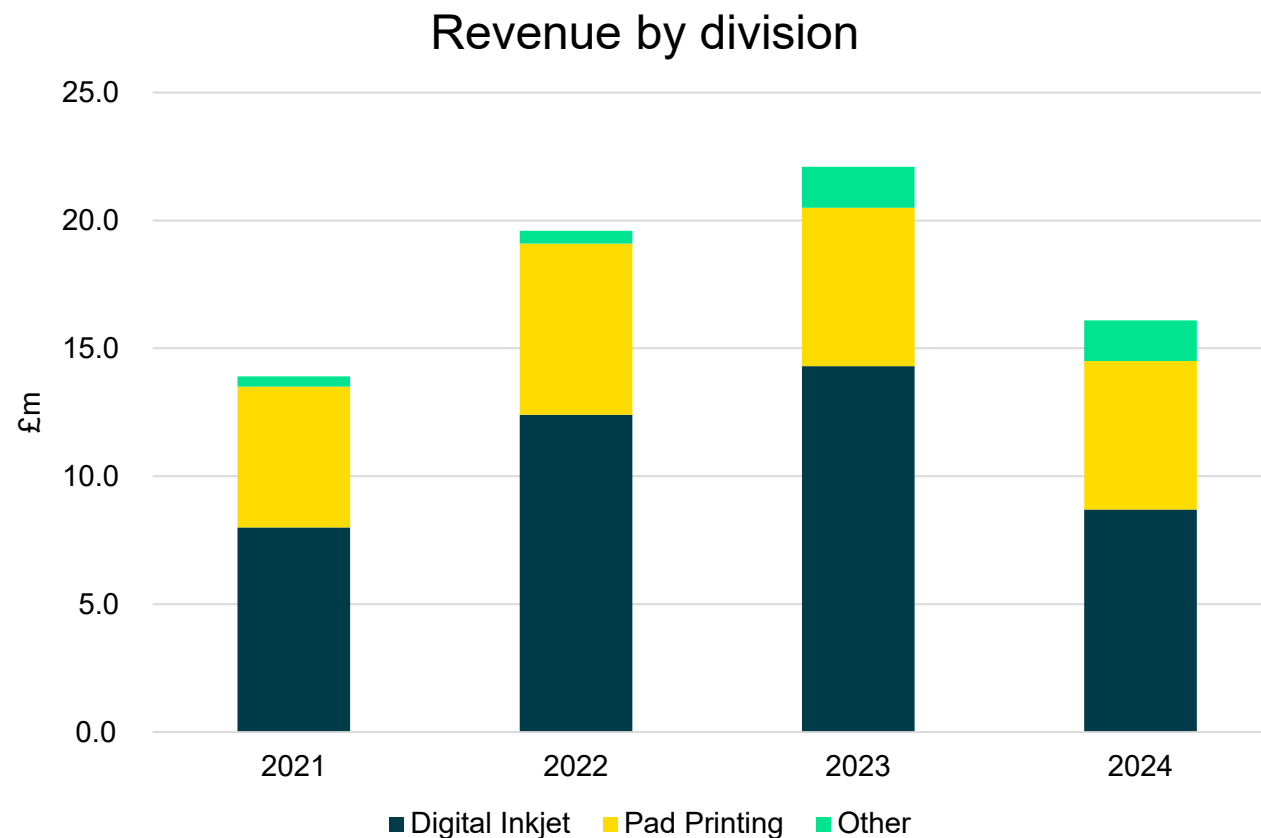
Expansion of Gross Margin due to improved pricing decisions

Made last payment on purchase of Megnajet

EPS business: Impacted by market uncertainty

EPS				
£m	2024	2023	Var	% Var
Revenue	16.1	22.1	(6.0)	-27%
Gross Margin	31%	38%		-7pps
Total Opex	(3.7)	(5.3)	1.6	30%
aEBITDA	1.5	3.5	(2.0)	-57%
aPBT	1.2	3.2	(2.0)	-63%

Figures (£m) and percentage (%) are subject to rounding



Revenue reduction due to completion of multi-year order in early FY24

Market growth below expectations due to macro uncertainty

Margin impacted by reduced revenue

Significant operational cost savings achieved

Strong cash position

- Net Cash inflow of £1.6m taking net cash to £8.7m
- Reduced inventory levels still allows for a rapid response to anticipated future demand
- Reduced operational costs supporting cash
- £5 million Revolving Credit Facility (RCF) remained undrawn during 2024
- Significant liquidity provides options for growth in the medium term



Printhead: New business revenue growth of 23%, legacy revenue bottoming out

EPS: Revenue down, market uncertainty delayed new customer growth

FFEI: Last-time orders from Life-sciences was major source of revenue

Megnajet: Solid growth with focus on supporting Group projects

R&D spend c.8% of revenue, consistent with prior year

Net cash to £8.7m, as a result of inflow of £1.6m

Financial summary

Solid performance in the face of substantial headwinds

Strong balance sheet and significant opportunities for growth

Drivers of growth

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Where are we now

Clear value proposition for using our technology in all target markets

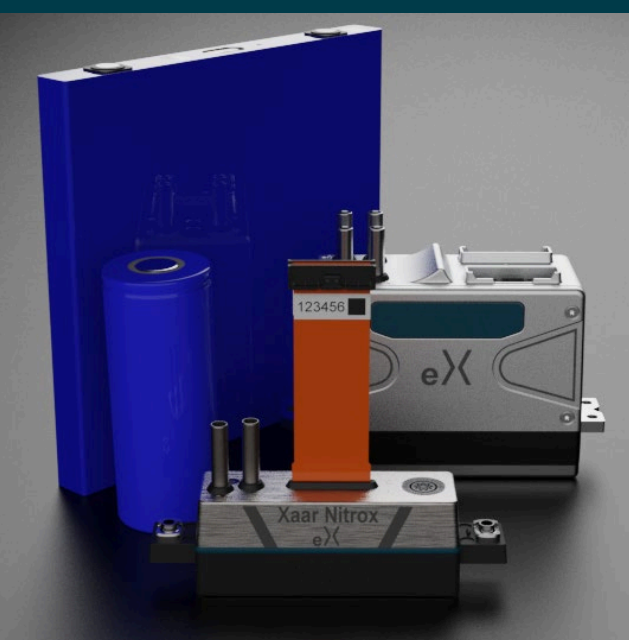
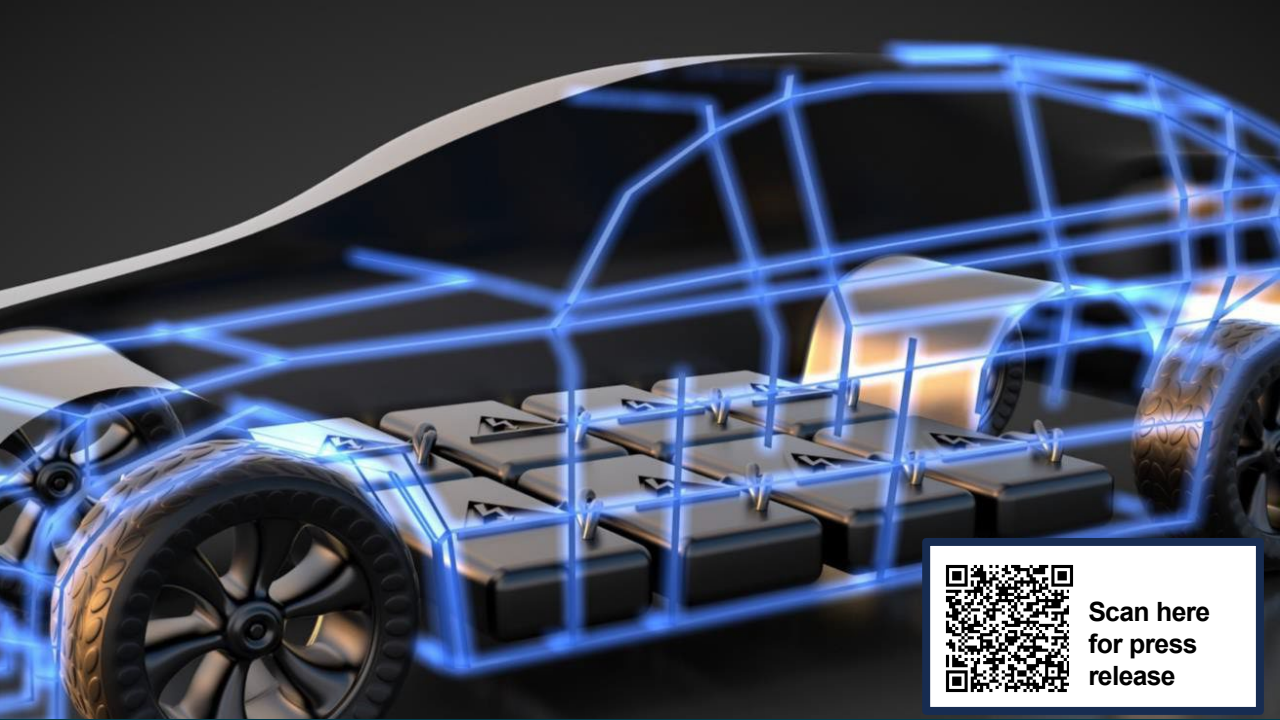
OEMs have launched Xaar enabled machines in all our key markets

Low future investment required to enable growth of these revenue streams

Able to provide a complete turnkey solution to OEMs where required

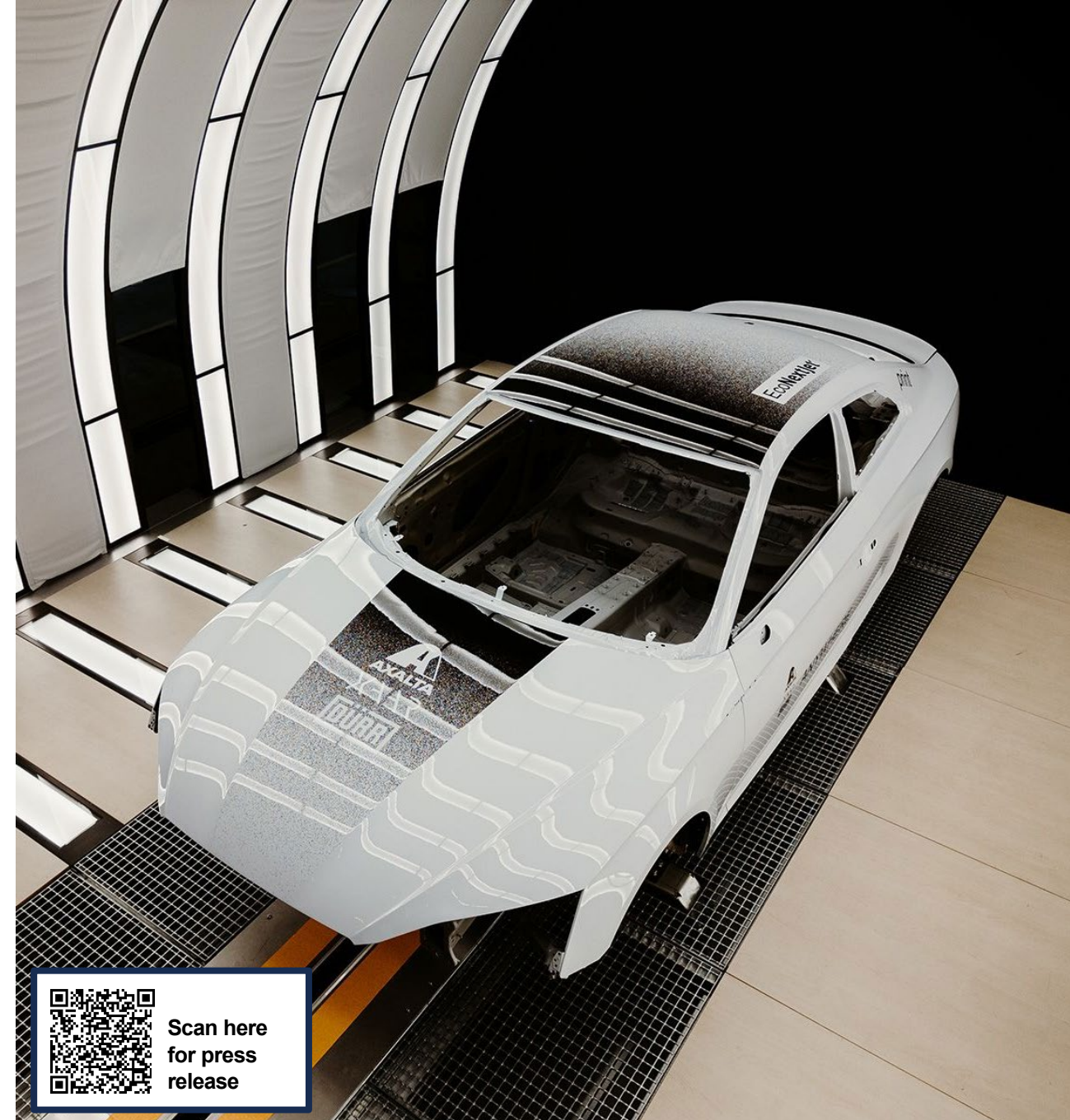
EV battery market

- Current PET wrapping for batteries faces safety concerns
- Inkjet coated EV batteries can withstand far greater levels of heat, reducing safety concerns
- July 2024: Xaar was the first company to enter the sector with a specially designed printhead
- October 2024: Omijia launched the world's first EV battery coating machine in utilising Xaar printheads
- January 2025: Shifang launched their own line using Xaar printheads
- 1,300 EV battery production lines globally
- 100% conversion of this market could generate £260m of revenue
- Estimated printhead replacement cycle of two years



Automotive coating market

- Two tone paint limited due to production inefficiencies and cost with c.40% of paint wasted. Adhesive decals limited due to jet wash damage
- Xaar inkjet technology significantly more efficient than spray painting and more robust than adhesive decals
- Axalta recently partnered with Dürr. Xaar-enabled machines currently being demonstrated to vehicle manufactures
- Xaar receive an income based on the number of cars painted and from rental of the printheads
- c.90 million passenger vehicles produced annually. Conversion of 1% would generate significant revenue with a 100% drop through to profit



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for press
release

3D printing market

- Absence today of a low-cost, high-quality product. Retail cost of machine producing equivalent quality is c.£40,000
- Xaar technology enables the jetting high viscosity fluid at relatively low cost
- November 2024: Flashforge launched their full colour inkjet machine using Xaar printheads, priced at c.£2,400. Pre-orders open in short-term with first orders shipped in Q3 2025
- Over 1 million single nozzle, monochrome, 3D printers sold annually, price range up to £5,000
- 1% share of existing monochrome market would generate meaningful revenue on initial sales alone
- Printhead replacement cycle



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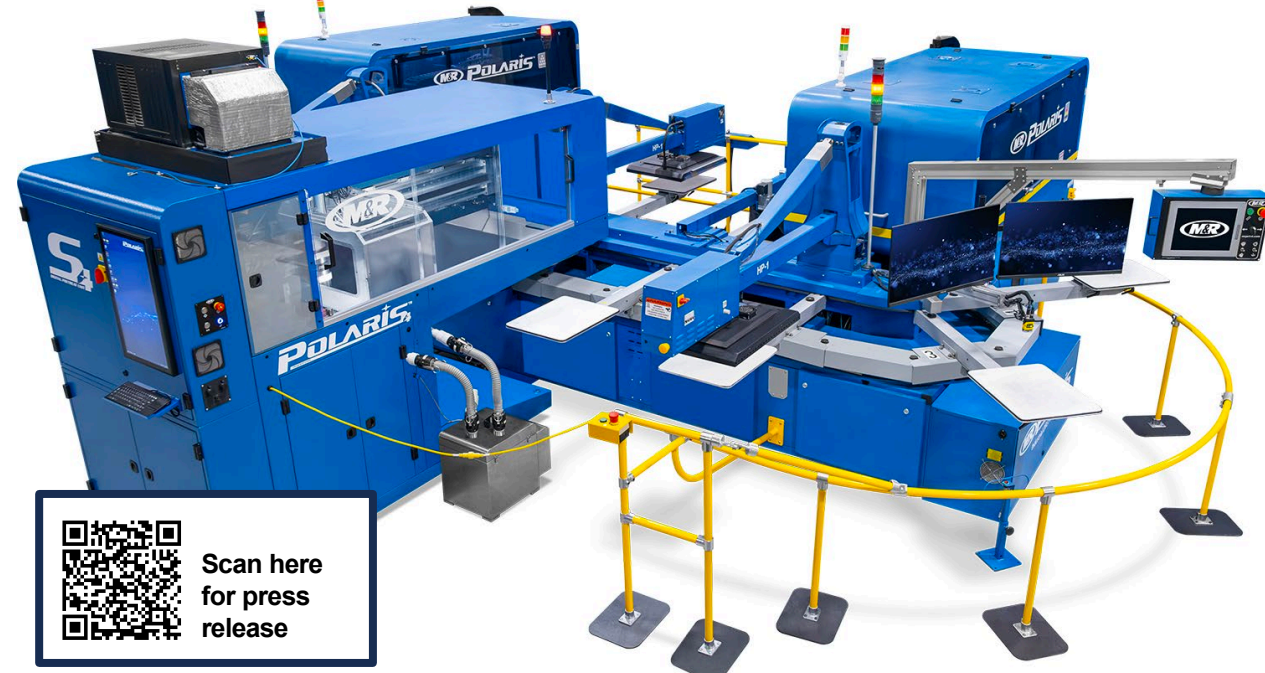
Other market opportunities

Wax Printing

- Xaar printheads offer significant performance advantages over incumbent technology
- April 2024: Flashforge launched their first product using Xaar printheads, the Waxjet 510. Pre-orders being taken for their three headed wax machine Waxjet 530
- Total market opportunity in Wax c.£20 million per annum

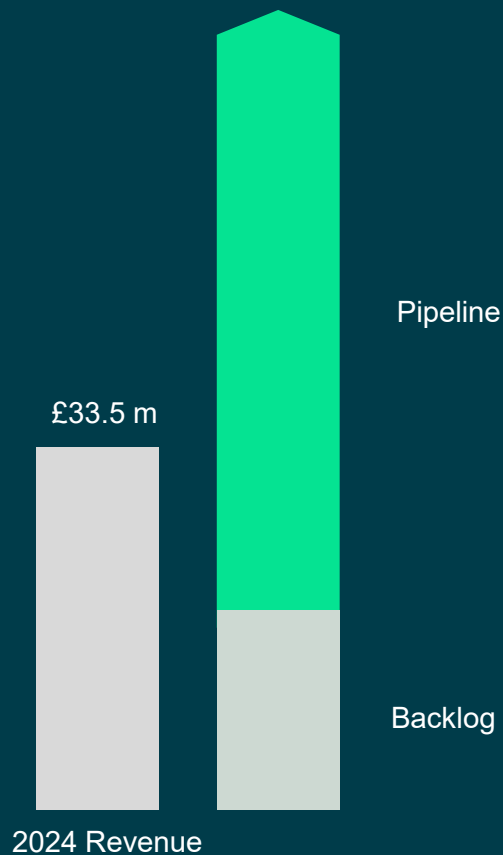
Textiles

- Complete turnkey solution provided to M&R powered by Aquinox printhead, enabling consistently clean, high-quality prints while printing on a wider range of garments
- September 2024: Product generating repeat sales within six months of initial discussions, instead of the typical three years
- Total market opportunity in Direct-to-Garment c.£20 million per annum



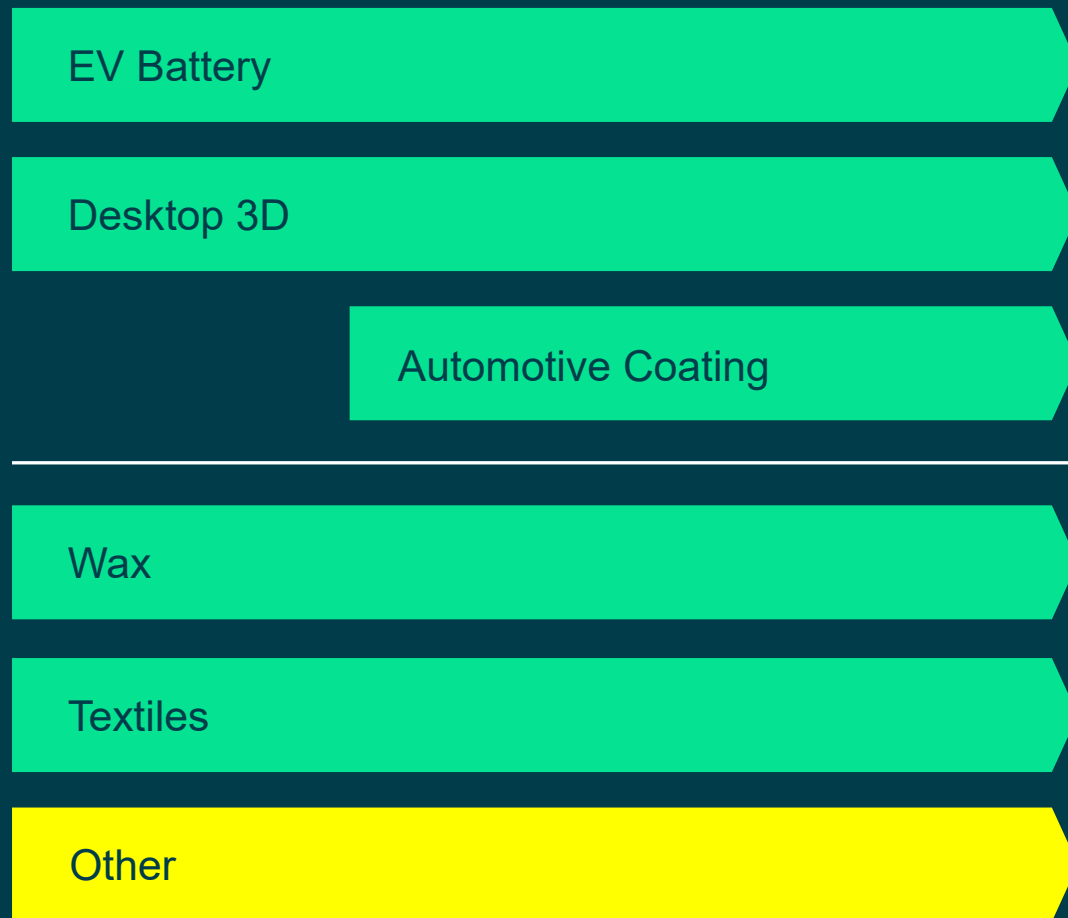
Summary of key Printhead revenue drivers

Medium term revenue visibility



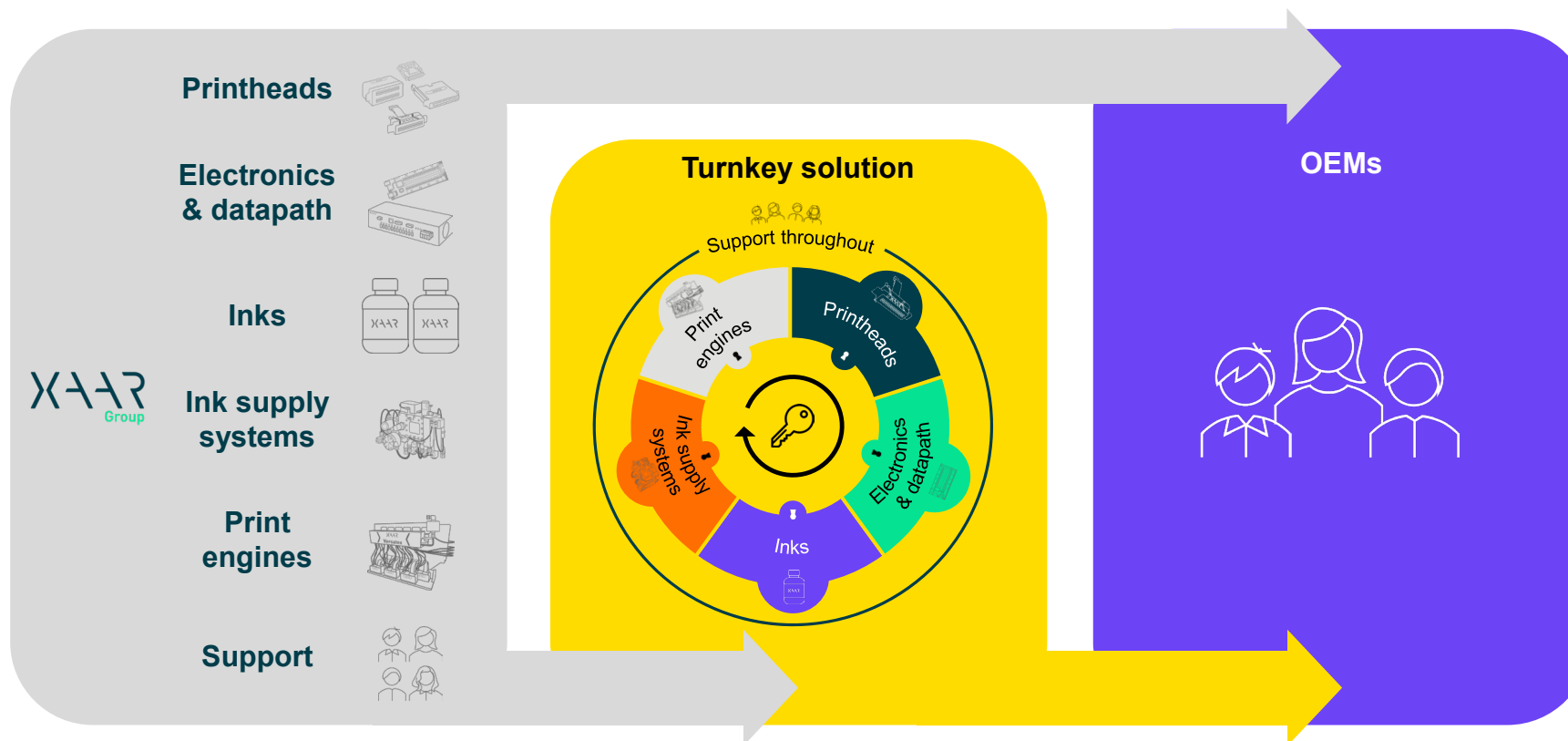
New market growth opportunities

Existing market growth opportunities



April 2025

Our turnkey solutions reduce time to market



Properties that provide Xaar's unique capabilities can make system integration more complex

Developing a full printer solution in house, to identify and resolve issues before they are sent to OEMs is key

1st project with M&R was extremely successful. 2nd project delivering promising results



Outlook & summary

Outlook: Short-term headwinds persist with significant medium-term upside potential

We anticipate strategic progress in 2025 driven by maturing of new market opportunities

Slowdown in EPS and market uncertainty will remain a headwind

Medium term, expect strong Group revenue and profit growth

Key milestones reached with significant growth anticipated in medium term

New business* revenue growth accelerating, offsetting last-stage ceramics market decline

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Q&A



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A technician wearing safety glasses and white gloves is working on a complex electronic assembly in a cleanroom. The technician is focused on a component that is part of a larger machine. The machine has various cables and connectors. A label on the machine reads "Supply / Return Cable" and "Return" with an arrow pointing up. The technician is holding a component that has "XAAR" written on it. The background is a cleanroom environment with various pieces of equipment.

Thank you

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