

CHAIR'S STATEMENT

A strong platform for growth

This has been another good year for Oxford Instruments, with good financial results and progress made on many fronts. It has also been a year of transition, as we develop our new strategy and look to the future.

"The strategic work we have carried out this year has reinforced the positive impact we have on the world around us.

We are committed to protecting and enhancing our core strengths as we take the steps needed to realise the full potential of Oxford Instruments."

NEIL CARSON
Chair



I am pleased to report on a busy and purposeful year at Oxford Instruments: we delivered record revenue, welcomed our new CEO Richard Tyson, completed the significant investment in our new compound semiconductor equipment facility in the UK, gained further new colleagues with the acquisition of First Light Imaging, and developed a refreshed purpose and strategy for the Group, all while successfully navigating geopolitical and economic challenges.

We were delighted that Richard accepted the opportunity to lead us through the next stage in our growth, joining us in October 2023. Richard comes to Oxford Instruments with an excellent track record of success, having driven transformational change during his nine-year leadership of TT Electronics plc. He is an astute and strategic leader with a remarkable ability to get quickly to the heart of a challenge and find the solution. He is also people-focused, and I was pleased to see that he made it a firm priority to meet his new colleagues face to face, at all our sites, in a matter of weeks, to get their insights into Oxford Instruments.

Over the few months since he joined, Richard has led the development of a refreshed strategy for Oxford Instruments, working with the Board, with leadership teams and with colleagues around the Group to identify the steps we need to take to realise the potential of the Group, building on our strengths. As he sets out on pages 10 to 15, while we have many strengths, there are also opportunities to do some things differently and drive improved outcomes which will benefit all our stakeholders.

Our new structure (see page 12) will drive growth by facilitating the delivery of action plans that are targeted to the precise and differing needs of each division, while Group-wide we will focus on simplifying our organisation and processes, driving customer-first ways of working and delivering a step change in operational performance.

A new purpose

One of the central elements of the strategy is our commitment to protect and enhance our core strengths. Our new purpose statement neatly encapsulates both the achievements of which we are so proud and the ambition we are all striving towards:

To accelerate the breakthroughs that create a brighter future for our world.

Our technology and scientific expertise enable our customers to discover and bring to market exciting new advances that drive human progress – and we are determined to continue to do so for the long term.

Sustainability

The strategic work we have carried out has reinforced the positive impact we have on the world around us through our products and services. We want that positive impact to extend throughout our operations, from the inclusive culture we seek to build to the reduction of our carbon footprint. I am particularly pleased that this year we have committed to reach net zero in our own operations by 2030 (see page 35).

People at the heart of our success

On behalf of the whole Board, I would like to thank all our employees. The company's success is their success, generated as the result of their hard work, talent and commitment. We are enormously grateful this year, as we are each year, for the contribution of every individual and every team.

A fond farewell to Ian Barkshire

I would also like to extend sincere thanks and best wishes on behalf of the whole Board to Ian Barkshire, who retired as Chief Executive in October 2023. Oxford Instruments made significant progress during Ian's tenure: it was he who drove the development and delivery of the Horizon strategy, building the strong foundations from which we move forward today. Ian's vision to position the company in structural growth markets, founded on deep market insights, underpinned a period of remarkable growth. He can be very proud of what he and his colleagues achieved together.

Further Board changes in the year

We were delighted to welcome Hannah Nichols to the Board as a Non-Executive Director in January. Hannah brings strong financial expertise, extensive international experience and a track record of driving transformational change, both within and beyond the finance function.

I am very pleased to confirm that Hannah will take up the role of Chair of the Audit and Risk Committee following the Annual General Meeting (AGM) on 25 July 2024, at which point Mary Waldner will step down from the role in preparation for leaving the Board in February 2025, following her nine years of sterling service.

We bade farewell to Sir Richard Friend in July 2023. Richard had served for almost nine years as Non-Executive Director, and his deep insights, derived from many years' experience at the highest levels of academia, and in business, will be much missed in Board discussions.

Finally, Reshma Ramachandran will stand down as a Non-Executive Director with effect from the conclusion of the AGM, due to her appointment in a new executive role externally, which will restrict the time she is able to commit to her role with Oxford Instruments. The Board sincerely thanks Reshma for the valuable contributions she has made during her time as a Director.

Dividend

In line with our progressive dividend policy and strong trading performance in the year, the Board is proposing a final dividend of 15.9p per share (2023: 14.9p), which is subject to approval at the AGM on 25 July 2024.

Looking ahead

I am full of optimism for the future of Oxford Instruments. Visiting our state-of-the-art new facility at Severn Beach with my Board colleagues last month, and hearing from the team there how warmly they welcome the Group's new strategic direction, marked a particular milestone. I was struck by the atmosphere full of momentum, pace and energy, which I sense is replicated right around the business. I am hugely looking forward to seeing our plans come to fruition over the coming year, and the years that follow.

NEIL CARSON
Chair

10 June 2024

