



Global 3D Printer Market Up +9% in Q1'16 but industrial segment sees decline

The Industrial/Professional printer market yet again sees decline in printer shipments, with 20% fewer printers shipped in Q1'16 than a year ago

LONDON, 13th July 2016- Worldwide shipments of 3D Printers rose +9% in Q1'16 compared to a year ago, according to figures released today by CONTEXT, the IT market research company. The growth was mainly bolstered by the Personal/Desktop Printer shipments, however, the Industrial/Professional market, which accounted for 78% of the global revenues, saw 20% fewer printers ship in Q1'16 than in Q1'15.

Global market leaders **Stratasys** and **3D Systems**, both of which are in the midst of top management overhauls, again witnessed declines, shipping 32% and 66% fewer units than a year ago. 3D Systems has largely exited the Personal/Desktop segment with Stratasys now refocusing its efforts on the MakerBot side of its business to B2B and Education sales. The period witnessed the high-profile announcement of details regarding **HP's** first 3D Printer shipments of its Jet Fusion 3D Printers later this year as well as the announcement from **Ricoh** of the early availability of its Industrial/Professional printer.

"The 3D Printer market continues to witness a great deal of change" noted Chris Connery, VP for Global Analysis at CONTEXT. "Long time market leaders Stratasys and 3D Systems look to overhaul their businesses while high profile brands like HP, Ricoh and others begin to lay the groundwork for their vision to kick-start the industry." Both HP and Ricoh are offering Industrial/Professional printers to the market, both with the goal of helping the industry move from one focused on prototyping to one focused on short-run to medium-run production. The market has largely begun this trend in the ultra-high end side of Metal 3D Printing, but has yet to turn that corner for Plastics, the space where HP and Ricoh are entering.

The Industrial/Professional portion of the 3D Printing market continued to struggle in Q1'16 especially due to poor performance from market leaders Stratasys and 3D Systems. The bright side of the Industrial/Professional 3D Printing sector continued to be Metal 3D Printing, seeing a 29% Y/Y growth in the number of Metal based 3D Printing machines shipped in Q1'16 versus a year ago. Three of the top five Industrial/Professional companies by revenue (**EOS**, **SLM Solutions** and **Arcam AB**) all have a strong or growing emphasis on metal 3D Printers showing the relevance of this segment to the overall market.

"The challenge on the Professional side of the 3D Printing market is to see if the entrance of new major players can, along with their advanced technology and promotional efforts, help the bigger manufacturing markets embrace 3D Printing for short to mid-size production runs of finished good parts", said Connery. "The market has already embraced the ability of 3D Printing to provide detailed, functional, load-bearing parts in finished good production in metal with aerospace, orthopedics and other markets for metal, with the next challenge being to convince the world of plastics manufacturing that additive manufacturing can suit their needs for final part production as well."

On the other side, the Desktop/Personal 3D Printer sector largely continues to grow quite separately from the Industrial/Professional side with little brand cross-over between the two segments. Taiwanese vendor **XYZprinting** remained the global leader in Q1'16, but saw its share drop to 25% as new players entered the market in the period. The quarter yet again witnessed a record breaking Kickstarter campaign resulting in the largest crowdsourced effort ever by unit volumes in the form of the "first ever smartphone 3D Printer" the **OLO**. The pre-order of 16,329 units of its small form factor, \$99 resin printer shows that great demand exists for entry-level 3D Printers with OLO's shipments anticipated to heavily influence future market share when/if this upstart is able to deliver against its campaign. The previous record holder for Kickstarter pre-orders Tiko, was not yet shipping in the period but its 16K+ pre-orders will also impact market share in quarter's to come and, like the OLO project, is a leading indicator of success to come, both demonstrating that pent-up demand exists. The market still has yet to see shipments from toy maker **Mattel** of its \$299 ThingMaker or the release of market leader XYZPrinting's \$269 da Vinci mini and its \$229 mimiMaker, all of which expect to impact the market greatly for the year.

Looking into the future, CONTEXT is optimistic but reserved in its forecast in the Industrial/Professional sector in the near term until HP, Ricoh and others are fully engaged and can -- along with retooled industry stalwarts like Stratasys and 3D Systems -- convince manufacturing markets of the value of 3D Printing in plastics. It remains bullish on for the Personal/Desktop market in the near term with demand clearly evidenced by growing sales, pre-orders from startups and new brands entering the market. The total global market for 3D Printing including not only printer Hardware, but also Materials and Services is forecast to grow from \$4.1B in 2015 to \$18.4B by 2020.

Figure 1: Top 5 Vendor 3D Printer Market Share by Unit Volumes, Global Desktop/Personal Printers, Q1'16

Rank	Company	Q1'16 Unit Shipments	Q1'16 Share
1	XYZprinting	17,400	25%
2	M3D	6,265	9%
3	Ultimaker	5,438	8%
4	Stratasys	4,005	6%
5	FlashForge	3,725	5%

Figure 2: Top 5 Vendor 3D Printer Market Share by Printer Revenue, Global Industrial/Professional Printers, Q1'16

Rank	Company	Q1'16 Printer Revenue (M)	Q1'16 Revenue Share
1	Stratasys	\$106.4	29%
2	3D Systems	\$51.2	14%
3	EOS	\$41.6	11%
4	SLM Solutions	\$13.0	3%
5	Arcam	\$11.6	3%

About CONTEXT

Headquartered in London with approximately 250 staff across the world, CONTEXT specialises in tracking technology sales and pricing globally. Supported by the largest Distribution Channel Database in

the world and coupled with our extensive experience in managing and reporting on large data sets, we provide the highest quality data that has been helping our clients make business-critical decisions for over 30 years. CONTEXT also works with Government Statistical Services and key Trade Associations globally.

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