



Paris, April 3, 2018, 7:00 am

Prodways Group: strong growth and clear results improvement in 2017

- Continued strong growth momentum reflected in 2017 revenue (+38%)
- Profitability recovery and target of balanced EBITDA achieved in the last quarter
- Strong 2018 outlook: expected revenue of more than €50 million

Prodways Group (Euronext Paris: PWG) reported its results for the 2017 financial year today.

<i>(in € millions)</i>	2017	2016
Revenue	34.8	25.2
EBITDA ¹	(1.2)	(4.9)
Current operating income	(5.5)	(8.1)
Operating income	(6.6)	(8.9)
Net income	(7.7)	(8.3)
Net income - Group share	(7.6)	(8.3)

The 2017 financial statements were approved by the Board of Directors on March 28, 2018. Audit procedures were performed by the statutory auditors, and the audit report is currently being issued.

Prodways Group recorded **revenue** of €34.8 million for the 2017 financial year, compared with €25.2 million in 2016, representing an increase of 38.1%. This strong increase in sales reflects balanced growth across the Group's two divisions and strengthened by the contribution of new acquisitions made in the third and fourth quarters.

Group **EBITDA** improved sharply over the year, amounting to -€1.2 million versus -€4.9 million in 2016. At the end of the 2017 financial year, Prodways Group confirmed that it had reached its target of balanced

¹ Profit (loss) from continuing operations before depreciation, amortization and provisions, and before free share allocation expenses

EBITDA in the fourth quarter². Although this performance, a record since the creation of Prodways Group was achieved in a quarter with traditionally strong activity, it confirms the upward trend in results observed since the first half of 2016.

Profit (loss) from continuing operations improved in line with EBITDA and stood at -€5.5 million, compared with -€8.1 million in 2016. Non-current operating income items increased slightly at -€1.1 million compared with -€0.8 million in 2016, due to acquisition costs of €0.2 million and higher fixed asset impairment provisions for €0.3 million.

Due to a temporarily unfavorable **tax** effect (-€1.2 million, versus €0.5 million in 2016), net income recorded a **loss** of -€7.7 million, versus -€8.3 million in the previous year.

Before tax and the change in working capital requirements, operating activities used €1.6 million in cash, well below the figure of €5.8 million used in 2016.

● Detailed performance by division

<i>(in € millions)</i>	Revenue			EBITDA		
	2017	2016	Change	2017	2016	Change
Systems	17.4	13.1	32.8%	(1.6)	(5.4)	n/a
Products	17.8	12.2	46.7%	0.8	1.4	(39.6)%
Structure & disposals	(0.4)	0.0	n/a	(0.5)	(0.9)	n/a
Group	34.8	25.2	38.1%	(1.2)	(4.9)	n/a

The **Systems** division – including software, 3D printers and related materials – achieved revenue of €17.4 million in 2017, a 32.8% increase compared with 2016, reflecting the strong performance of the software and materials activities.

EBITDA recorded a loss of €1.6 million, versus a loss of €5.4 million in 2016. Improved profitability was driven by reduced losses in machines activity, despite ongoing business development expenses, and by the positive contribution of materials – in step with the larger installed base of machines – and software towards the end of the year.

The **Products** division, which includes the design of tailor-made parts, and medical applications, achieved revenue of €17.8 million in 2017, up 46.7% compared with 2016.

The division's EBITDA was €0.8 million, down compared with 2016 due to continued business development expenses incurred by PODO 3D and the transformation of CRISTAL.

¹ The attribution of income to the third and fourth quarters was not subject to specific verifications by the Statutory Auditors.

● A financial structure strengthened by the IPO

Net cash stood at €36.7 million at December 31, 2017, compared with net debt of €7.6 million at December 31, 2016.

The Group's financial position was strengthened with its initial public offering on Euronext Paris in May 2017. A total net amount of €62.5 million was raised (after issue expenses), including the bonds redeemable in shares subscribed upstream of the operation.

The Group maintained a high level of investments during the financial year, representing €4.8 million. The impact of acquisitions on cash was -€8.5 million. The Group reduced its debt (-€10.2 million) and has an undrawn committed credit facility of €10 million.

At the Annual General Meeting of Shareholders, in order to reserve its financing capacities for investments and growth opportunities, the Board of Directors will propose that no dividend be paid out for 2017.

● Challenges and outlook for 2018

In the Systems division, the Group will continue to develop and increase the liability of its various machine ranges. R&D efforts will remain strong, reflecting in particular the development of Rapid Additive Forging technology, which has enjoyed its first success with the installation of the first industrial machine at NEXTEAM GROUP in Toulouse ([see press release dated March 19, 2018](#)). The rapid adoption by industrial clients of the 3D printing technologies developed by Prodways will have a major influence on the level of machine sales during this year and the years to come. Prodways' integrated strategy enables it to benefit from the growing impact of recurring sales of materials and tailored services as the installed base increases. The 3D design software integration and distribution activity is expected to record double-digit growth.

In the Products division, the ramp-up of medical applications (podiatry, audiology and dental) should better absorb the significant structural costs required to launch and develop these activities. The manufacturing of 3D printed parts on request is expected to maintain its strong growth momentum and gradually benefit from investments in new machines in 2018 for an amount nearly three times as high as the average amount invested in previous years. Thanks to these additional production capacities, Prodways Group can assure future clients of its ability to handle greater mass production outputs.

With the full-year consolidation of the acquisitions made in the second half of 2017 and the organic growth of its activities, Prodways Group aims to exceed revenue of €50 million in 2018, representing growth of more than 43%. New acquisitions could reinforce this growth momentum. Prodways Group is reviewing transactions for both divisions and has the financial resources to match its ambitions.

One of the major challenges for the year in the Systems division will be to strike the right balance between a high level of innovation and R&D, and the continued return to profitability. EBITDA should improve in terms of absolute value within the Group's two divisions.



● Conference call on April 3 at 9:30 CET

The information on the 2017 results includes this press release and the presentation available on the Prodways Group website: www.prodways-group.com.

Today, Tuesday April 3, 2018, Raphaël Gorgé, Chairman and CEO, and Pierre-Olivier Gisserot, CFO, will provide the financial community with their comments on the Prodways Group results and respond to questions from analysts during a conference call in English as from 9:30 am (Paris time).

To participate in the conference call, you may call any of the following telephone numbers approximately 5 - 10 minutes prior to the scheduled start time:

- France: +33 (0) 1 70 71 01 59
- United-Kingdom: +44 (0) 8 00 37 66 183
- Germany: +49 (0) 8 00 72 41 011
- USA: +1 84 42 86 06 43

Access code : 84923998#

A webcast will be available on Prodways Group's website: www.prodways-group.com/webcast

A replay of this conference call will be available on Prodways Group's website and at the following telephone numbers (Access code: 84923998#) :

- France : +33 (0) 1 72 72 74 02
- United-Kingdom +44 (0) 2 03 36 45 147
- USA: +1 64 67 22 49 69

● Next report

Publication of first quarter 2018 revenue on Friday, April 27, 2018 before the stock market opening.



About Prodways Group

PRODWAYS GROUP is a specialist in industrial and professional 3D printing with a unique positioning as an integrated European player. The group has developed right across the 3D printing value chain (software, machines, materials, parts & services) with a high value added technological industrial solution. PRODWAYS GROUP offers a wide range of 3D printing systems and premium composite, hybrid and powder materials (SYSTEMS division). The company also manufactures and markets parts on demand, prototypes and small production run 3D printed items in plastic and metal (PRODUCTS division). The Group targets a significant number of sectors, from aeronautics to healthcare.

In 2017, the company generated revenue of €34.8 million, including close to 40% outside of France. Building on revolutionary and proprietary technology, MOVINGLight®, PRODWAYS GROUP today has global visibility in the industrial 3D printing sector and with leading customers.

PRODWAYS GROUP is a Groupe Gorgé company.

For further information: www.prodways-group.com

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Disclaimer

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The current release and the information contained therein do not constitute an offer to sell or to subscribe, nor a solicitation for an order to purchase or subscribe to shares in Prodways Group or in any subsidiaries thereof listed in whatsoever country.