



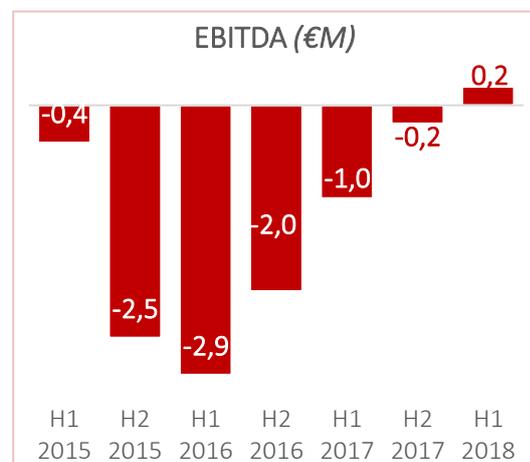
Paris, September 14, 2018, 7:00 a.m.

Prodways Group: strong improvement in EBITDA in the first half of 2018

- Strong revenue growth in the first half of 2018 (+88.1%)
- Positive EBITDA in the first half of 2018
- Strong improvement in cash flow from operating activities (+€1.0 million)
- 2018 target confirmed

Prodways Group (Euronext Paris: PWG) publishes its 2018 first half-year results today.

<i>(in € millions)</i>	H1 2018 ¹	H1 2017
Revenue	27.6	14.6
EBITDA ²	0.2	(1.0)
Current operating income	(2.2)	(3.1)
Operating income	(2.4)	(3.3)
Taxes	(0.5)	0.4
net income	(2.9)	(3.0)
Net income – Group share	(2.8)	(2.9)



In the first half of 2018, **Prodways Group** posted revenue of €27.6 million versus €14.6 million for the first half of 2017, up 88.1%. Revenue maintained a high growth rate in the first half in both divisions, driven by firstly acquisitions and the strong momentum of the on-demand parts manufacturing activity.

EBITDA continued to improve over the period, amounting to €0.2 million versus -€1.0 million in 2017. This strong improvement was achieved despite several recently launched activities still generating losses.

¹ The half-year consolidated statements were given a limited review by the Statutory Auditors, and their reports are presently being issued.

² Profit (loss) from continuing operations before depreciation, amortization and provisions, and before free share allocation expenses.



Profit (loss) from continuing operations improved in line with EBITDA and stood at -€2.2 million, compared with -€3.1 million in the first half of 2017.

Non-current operating income items were up slightly to -€0.3 million, versus -€0.1 million in the first half of 2017. They comprised acquisition costs for €0.1 million and amortization of intangible assets recognized at fair value upon acquisition for €0.2 million. **Group operating income** picked up at -€2.4 million in the first half of 2018, versus -€3.3 million in the first half of 2017.

The **tax** expense stand at -€0.5 million, versus +€0.4 million in the first half of 2017. Accordingly, the Group recorded a **loss for the period attributable to the parent company** of -€2.8 million, versus -€2.9 million in the first half of 2017.

The Group's **cash flow generation** improved significantly, before tax, financial costs and change in working capital requirements; operating activities consumed €30 thousand in cash, which is well below the figure for June 30, 2017 (€1.2 million). At June 30, 2018, **cash flow from operating activities** thus rose significantly to €1.0 million, versus -€4.3 million over 2017. It benefited from a favorable change in **working capital requirements** of €1.7 million at June 30, 2018.

During the first half of 2018, Group **investments** amounted to €4.2 million, comprising mainly investments in new machines within the Products division.

At June 30, 2018, the Group still had a solid **net cash position** of €32.2 million, versus €36.7 million at December 31, 2017. This cash does not take into account the payment for the acquisition of Solidscape, which was finalized in mid-July 2018.

● Performance by division

<i>(in € millions)</i>	Revenue			EBITDA		
	H1 2018	H1 2017	Change	H1 2018	H1 2017	Change
Systems	16.0	7.5	+113.8%	(0.1)	(0.7)	+81.8%
Products	11.9	7.4	+59.3%	0.4	0.2	+70.1%
Structure & disposals	(0.3)	(0.3)	ns	(0.1)	(0.5)	+86.2%
Group	27.6	14.6	+88.1%	0.2	(1.0)	+120.0%

The **Systems** division - comprising 3D software, 3D printers and related materials - achieved revenue of €16.0 million in the first half of 2018, a strong increase of 113.8% compared with 2017, benefiting in particular from the integration and strong performance of software activities. Regarding the sale of machines, some indicators are evolving very favorably. For example, the number of customers with more than one Prodways 3D printer increased from 10 to 22 in the first half of the year.

EBITDA recorded a loss of €0.14 million, versus a loss of €0.75 million in 2017. Improved profitability was driven by the positive contribution of materials as the installed base of machines increased, as well as by



the strong performance of software activities, which offset losses in the machines activity, related to the company's development.

Revenue for the **Products** division - comprising on-demand parts manufacturing and medical applications - amounted to €11.9 million in the first six months of the financial year, up 59.3% compared with 2017. The on-demand parts manufacturing activity recorded strong growth, driven by investments in new 3D printers over the period and the contribution of the Varia 3D service bureau. Medical applications are still buoyant and benefit from the integration of Interson Protac.

The division's EBITDA amounted to €0.39 million in the first half of 2018, compared with €0.23 million for the same period last year. This 70.1% increase reflects the strong performance of the parts manufacturing activity and the integration of the audiology activity, which offset continued business development expenses incurred by PODO 3D and the transformation of CRISTAL.

Subsequent events and outlook

On July 17, Prodways Group announced that it had acquired the US 3D printing maker Solidscape ([see the press release of July 17, 2018](#)). Based in Merrimack, United States, the company has been developing a leading 3D printing technology for investment casting applications, particularly for the jewelry market, for more than 25 years. This acquisition strengthens the positioning of the Prodways Group, which bases its strategy on 3D printing manufacturing applications. The MOVINGLight® technology, already available to the jewelry market, the resins developed by Prodways Materials, and Solidscape's proprietary technologies complement each other perfectly and will give the Group a comprehensive and unmatched offer on the investment casting and jewelry market.

Consolidated over 12 months, Solidscape should generate revenue above \$10 million in 2019, of which nearly 50% from sales of materials and supplies. The expected synergies, and particularly the marketing of small MOVINGLight® machines through Solidscape network of more than 50 international distributors, should enable the new subsidiary to post double-digit EBITDA by 2020.

During first-half revenue, the Group upgraded its 2018 objective and now expects to record revenue of more than €53 million. This upgrade does not take into account the contribution of Solidscape, which will be consolidated during the second half of the year. Accordingly, Prodways Group will raise again its 2018 target at the time of reporting the 2018 third-quarter revenue on October 26, 2018.

Prodways Group's two divisions should continue to improve their performance in the medium term. Organic growth should continue to be bolstered by new acquisitions. Several projects aimed at strengthening the Group's existing activities or at increasing its geographical footprint are being considered. Following payment for the Solidscape acquisition, Prodways Group still has enough cash to carry out new acquisitions.



● Conference call on September 14, 2018 at 9:30 a.m. CET

The information on the first-half 2018 results includes this press release and the presentation available on the Prodways Group website: www.prodways-group.com.

Today, Friday, September 14, 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 a.m. (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 72 72 74 03
- United-Kingdom: +44 (0)2 07 19 43 759
- Germany: +49 (0)6 92 22 22 54 29
- USA : +1 64 67 22 49 16

Access code: 85170528#

A recording of this conference call will be available as a replay on the Prodways Group website.

● Next report

Publication of third-quarter 2018 revenue on Friday, October 26, 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.

La société a réalisé en 2017 un chiffre d'affaires de 34,8M€, dont 40% à l'international. 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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