

19 MARCH 2024

PRODWAYS
GROUP



2023 FULL-YEAR RESULTS



 **3D printing**
Digital
Manufacturing

SUMMARY

#01

Introduction

#02

2023 activity: a challenging year and several measures taken

#03

Financial results 2023

#04

Outlook

#05

Q&A



INTRODUCTION

KEY FIGURES 2023

REVENUES

€75 M

Stable vs 2022
without accounting change in
Software activity

8% CURRENT EBITDA MARGIN

€6.0 M

Maintaining high gross
margin and control over costs

HEALTHY CASH GENERATION¹

€4.1 M

Maintaining profitability in a
challenging year 2023

¹ Cash flow from operations before change in working capital

TWO DIVISIONS REFOCUSSED ON PROFITABLE ACTIVITIES

SYSTEMS DIVISION

~50% of revenues

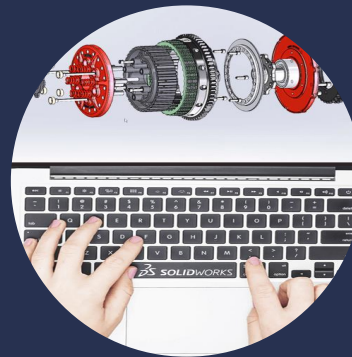
Providing clients with 3D Printing solutions
to set-up their production



3D
PRINTERS



3D
MATERIALS



3D
SOFTWARE

PRODUCTS DIVISION

~50% of revenues

Printing parts on-demand for industrial
& medical applications



3D
DIGITAL
MANUFACTURING



3D
AUDIOLOGY



2023 ACTIVITY

3D PRINTERS & MATERIALS: TAKING MEASURES TO ADDRESS KEY CHALLENGES

2023 - KEY BUSINESS ELEMENTS

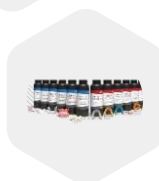
Weak Printers sales (-20%)



Slowdown of investments for aligners production



Weakness of small printers sales for jewellery



Robust sales of materials with recurring clients

MEASURES TAKEN IN 2023 AND EARLY 2024

Refocusing the Printers activity on the manufacturing segment

- Stopping the small printers activity
- Reorganization of the Sales & Marketing team
- Updating our offer for the manufacturing clients

SHORT-TERM EFFECTS IN 2024

Revenue growth & better operating leverage

- Lower fixed costs
- Increased commercial pipeline
- Higher success rates with potential clients

FIRST EFFECTS ARE MATERIALIZING IN Q1 2024 WITH NEW PRINTERS SALES SIGNED

UPDATING OUR OFFER FOR MANUFACTURING CLIENTS

1



Improving our MovingLight printers for the dental market

- Technological push on projectors
- Working on the Software and leveraging AI capacities

2



Integration in the whole manufacturing process

Full integration of pre-printing
and post-processing in the
clients' production flow

3



R&D on new materials for new industrial projects

CONFIDENTIAL

Ongoing projects

DIGITAL MANUFACTURING: A STRONG POSITION

+9%
REVENUE
GROWTH
IN 2023

**Accelerating in Q4
with +11%**

**Strong success
in Germany**



MEASURES TAKEN IN 2023 AND EARLY 2024

Adding new materials
to our portfolio

Deepening activity with
existing flagship clients

Reorganization of Sales
team to boost volumes

SHORT-TERM EFFECTS IN 2024

+€2 m of new opportunities
identified in Jan.2024 only

Price increases

More recurring small
series vs prototyping

AUDIOLOGY: STRONG GROWTH WITH INDUSTRIAL CLIENTS



**Successful integration
of Auditech (acquired
in H2 2022)**

**+11% organic growth
with industrial clients**



MEASURES TAKEN IN 2023 AND EARLY 2024

Reorganization of Sales
& Marketing teams

New R&D projects
to enhance imprint
& production flow

Reduction of the
production costs

SHORT-TERM EFFECTS IN 2024

Significant volume increase
with large industrial clients

Price increases

Higher gross margin

PROFESSIONALIZATION OF PRODWAYS TEAMS

Enhancing
the quality
of our teams

with **limited**
increase in
headcount

+27
people
in 2023

They joined the Prodways adventure recently



RICARDO

3D Audiology
Head of sales

*10 year experience
in Audio markets*



DAMIEN

3D Software
Head of Sales

*Senior Sales expert in
the industrial sector*



NELL

Head of CSR

*Expert in
CSR policies*



STEFAN

3D Digital Manufacturing
Senior sales in Germany

*20 years experience
in 3D Printing*



ANTHONY

3D Digital Manufacturing
Sales Director in France



KAREN

Marketing manager
group



FINANCIAL RESULTS 2023

SYSTEMS DIVISION: A CHALLENGING YEAR 2023



-€7 m from change in accounting classification in Software activity ¹

Decrease in Printers sales



Significant loss on Printers activity

Transition to SaaS model in Software

Strong profit from Materials sales

¹ Change in classification in application of IFRS15 standard, decrease revenues but having no impact on current EBITDA in absolute value. See the press release on FY2023 results for a detailed explanation of the change in classification

PRODUCTS DIVISION: STEADY GROWTH



+5% organic growth

**Increasing contribution
from of Auditech**

**Decreasing revenues
from Cristal brand**



-€0.4m decrease vs 2022

**Strengthening of Sales &
Marketing teams to boost
2024 growth & beyond**

P&L STATEMENT 2023: DISCIPLINE IN A CHALLENGING YEAR

	FY 2023 (€M)	FY 2022 (€M)	Variation (€M)	Variation (%)
Revenue	74,6	80,7	-6,1	-8% -10% organic
Current EBITDA ¹	6,0	11,4	-5,4	-48%
Current EBITDA margin	8%	14%	-6 pts	-
Income from ordinary activities ²	1,0	5,8	-4,8	-82%
Other elements of the operating income	-13,6	-0,8	-12,8	-
Operating income	-12,6	4,9	-17,5	-
Financial results, tax & minorities	-1,4	-3,3	+1,9	-
NET INCOME	-14,0	1,6	-15,6	-



REVENUE impacted by the change in classification in Software in H2 2023 (-€6.5 m)

Stable revenue without this change

LOWER EBITDA MARGIN by €5 m

- -€1 m from exceptional debt waiver in 2022
- -€0,4 m from strengthening Sales & Marketing teams
- -€1 m from the small Printers activity
- -€1.5 m lower sales of industrial printers

EXCEPTIONALLY HIGH OTHER ELEMENTS

- -€17 m from depreciation (non-cash) on small printers activities
- +€3 m value gain on the sale of the participation in Biotech dental

¹ Operating income before "depreciation, amortization and provisions", "non-recurring items in operating income" and "Group share of the earnings of affiliated companies".

² Operating income before "non-recurring items in operating income" and "Group share of the earnings of affiliated companies".

CASH GENERATION: +€2 M IN 2023



**+€4.1 M of cash
from operations¹**

**+€4 M from
disposal of a
minority
participation**



**Significant improvement in
working capital of €1.4 M**

More improvement expected in
2024



**€3.3 M investments
in R&D & capex**

**€16 M AVAILABLE CASH AT END-JUNE
LOW LEVEL OF NET DEBT (€2.9 M)**

¹ Before change in working capital ² Before IFRS16 lease debt and including treasury shares



Perspectives

3D MARKETS: POSITIVE SIGNALS FOR 2024 AND BEYOND



SEVERAL SUPPORTIVE TRENDS

Dental

Investments picking up after a slowdown in 2023
Increasing production & improving quality

Aerospace

R&D projects maturing and
going into industrial phases

Electrical vehicles

More & more project using 3D
for special components

Mass markets

Adoption of 3D by mass market players



Meta

HONOR

AN IMPROVED OPERATING LEVERAGE TO BENEFIT FROM REVENUE GROWTH



LOWER HEADCOUNT

- Stopping **small printers** activity
- Selling **small dental** lab activity
- **Professionalization** of the teams



LOWER FIXED COSTS

- Optimization of **Printers teams**
- Regroupment of production sites in **Audiology**
- Efficiency in **support functions**



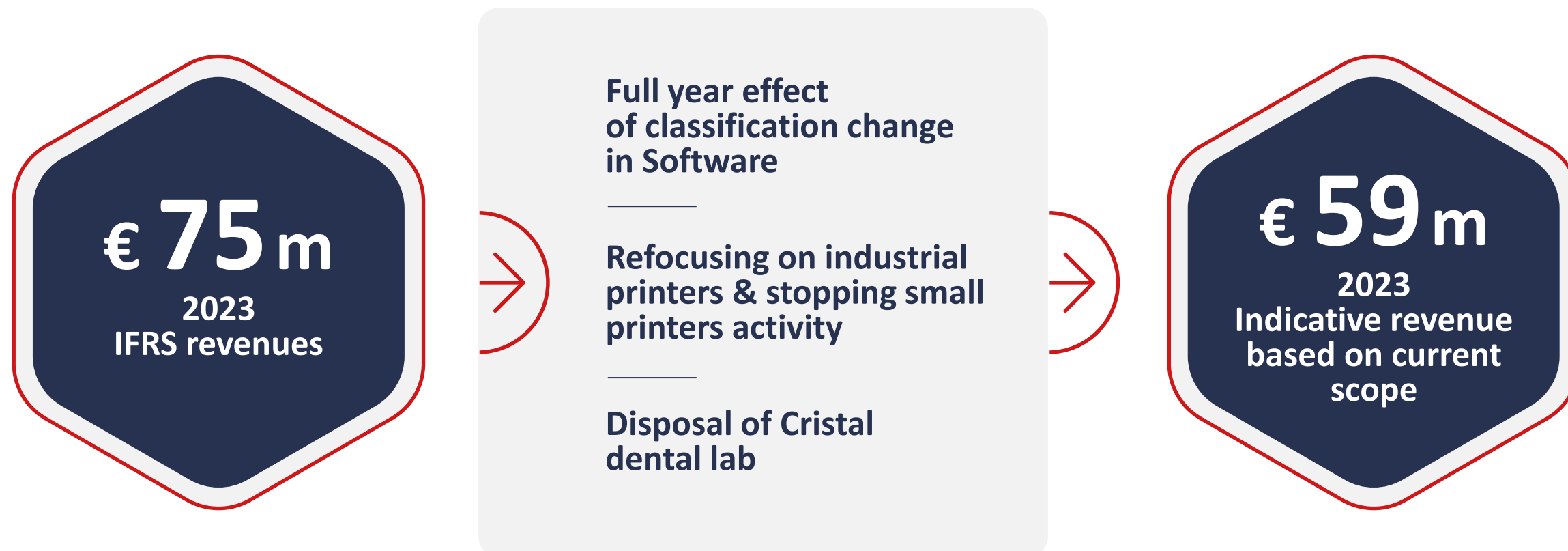
~440

people
end-2024
 vs 507 end-2023

-€5 m

of fixed costs on a
full year basis

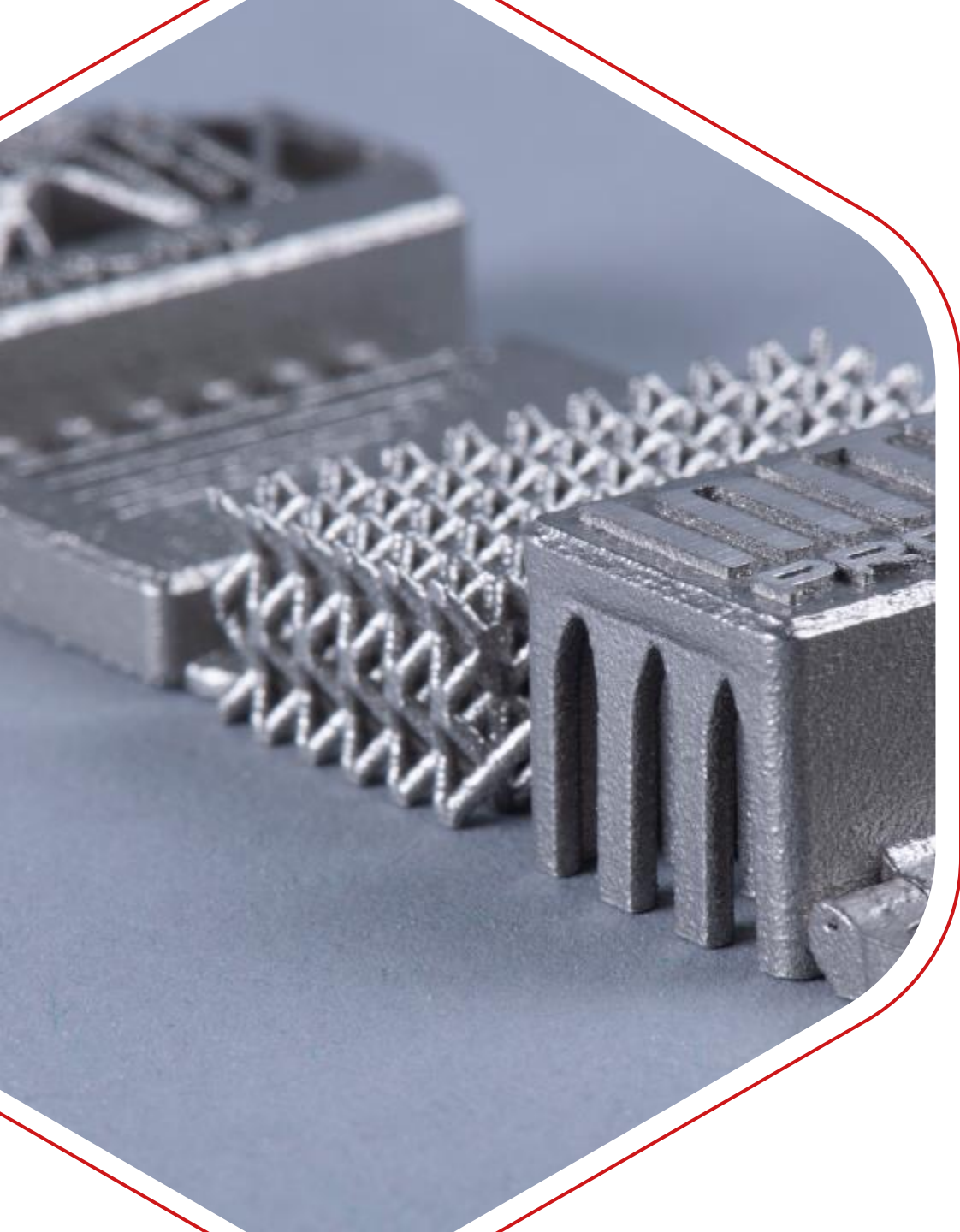
COMPARABLE REVENUE BASIS FOR 2024



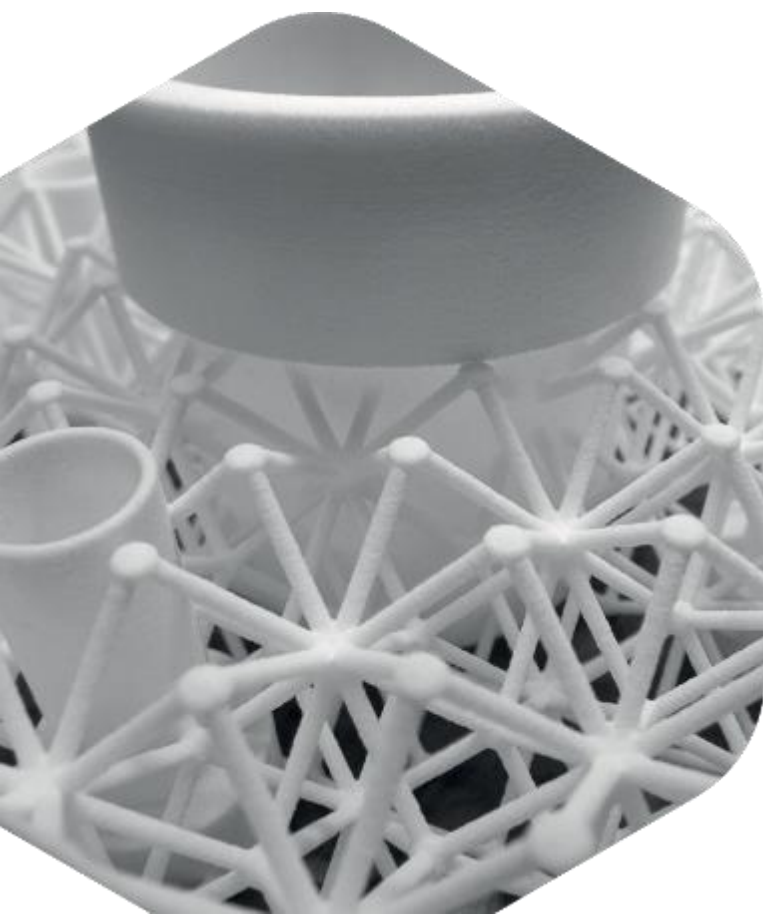
OUTLOOK 2024

CONTINUING ON THE STRATEGY OF GROWTH & PROFITABILITY





Q&A



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