



Paris, 3 April 2019, 7:00 am

Prodways Group: full-year 2018 results

- 2018 revenue up by 75% to €60.9m, objective exceeded
- Improvement to profitability: EBITDA¹ of €1.2m in 2018 compared to -€1.2m in 2017

Prodways Group (Euronext Paris: PWG) reports its results for full-year 2018 today.

<i>(in € millions)</i>	2018	2017 ¹
Revenue	60.9	34.8
EBITDA ²	1.2	(1.2)
Current operating income	(3.9)	(5.5)
Operating income	(5.0)	(6.7)
Taxes	(0.7)	(1.2)
Net income	(5.7)	(7.7)
Net income – Group share	(5.5)	(7.6)

The 2018 financial statements were approved by the Board of Directors on 1 April 2019. Audit procedures were performed by the statutory auditors, and the audit report is currently being issued.

For 2018, Prodways Group recorded **revenue** of €60.9 million, compared to €34.8 million in 2017, up by 75.0% year-on-year and exceeding the annual target of €58 million, which had previously been upgraded. This increase reflects growth in all of the Group's activities, boosted by the contribution of Solidscape and Varia 3D during the year.

The Group's **EBITDA¹** amounted to €1.2 million in 2018, compared to -€1.2 million in 2017. For the first time, it has exceeded the breakeven over the full year and reached €1.0 million during the second half year, evidencing the continued improvement in profitability.

¹ 2017 data is restated for the 2018 completion of the assessment work on the fair value of 2017 acquisitions (IFRS 3R). The information on 2018 is compared to the restated 2017 data. The restatements are indicated in the Annual Report.

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



Income from continuing operations was -€3.9 million versus -€5.5 million in 2017. This performance is the combination of a large number of already very profitable activities (software, materials...) and high potential activities that still generate significant losses (podiatry, machine development...).

After **non-current operating income items** of €1.1 million related mainly to the amortization of intangible assets recognized at fair value upon acquisitions, **operating income** improved to -€5.0 million compared to -€6.7 million in 2017.

The **Group's net income** recovered to -€5.7 million in 2018, compared to -€7.7 million the previous financial year, after income tax of -€0.7 million compared to -€1.2 million in 2017.

● Detailed performance by division

<i>(in € millions)</i>	Revenue			EBITDA ²		
	2018	2017	Change	2018	2017	Change
Systems	38.4	17.4	+120.8%	1.1	(1.6)	nm
Products	22.9	17.8	+28.2%	0.5	0.8	-37.4%
Structure & disposals	(0.4)	(0.4)	nm	(0.4)	(0.5)	nm
Group	60.9	34.8	+75.0%	1.2	(1.2)	nm

The **Systems** division - including software, 3D printers and related materials and services - achieved revenue of €38.4 million in 2018, with very sustained growth of +120.8% compared to 2017, including the contribution of the American 3D printing machine manufacturer, Solidscape, acquired in July 2018.

EBITDA for the division amounted to €1.1 million in 2018, versus a loss of €1.6 million in 2017. The strong performance of software business, the positive contribution of materials as the installed base of machines grows, plus the reduction in losses with machine business, contributed to the strong improvement in the division's profitability.

The **Products** division - including parts design and manufacturing and medical applications - delivered revenue of €22.9 million in 2018, compared to €17.8 million in 2017, up by 28.2% boosted by the contribution of parts manufacturing activities and the buoyancy of medical activities.

EBITDA for the division amounted to €0.5 million, down compared to 2017 given the investments in parts manufacturing business to prepare the ramp-up of series production and the continued strengthening of sales efforts in the dental and audiology sectors.

● A solid financial structure

In 2018, **cash flow from operations** amounted to €0.8 million, a significant improvement over the cash consumption of €1.6 million in 2017. The increase in **working capital requirement** is well in hand at -€1.8 million.

During the financial year, the Group maintained a sustained level of **investments** of €5.1 million, in particular in new 3D printers during the first half year within the Products division.

At December 31, 2018, **net cash** amounted to €19.2 million compared to €36.7 million at December 31, 2017. The acquisition of the American machine maker Solidscape and an additional equity investment in the US office service bureau Varia 3D contributed by €9.2 million to this change.

At the Annual General Meeting of 7 June 2019, 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 2018.

● Outlook

The acquisitions and R&D developments since the IPO have strengthened the Group's positions in its core businesses, notably machine manufacturing and international activities with the acquisition of Solidscape in 2018. The management team aims to reinforce the synergies and promote the Group's consolidation into a major player in design and digital manufacturing using 3D printing.

Pursuing this strategy, in January 2019 Prodways Group acquired Surdifuse-L'Embout Français, a major audiology player in France. Thanks to the merger of Surdifuse-L'Embout Français with Interson-Protac acquired in 2017, the Group aims to produce the French market leader and one of the European leaders in customized eartips, a market that has been transformed by 3D printing. This acquisition should generate revenue of over €3 million and make a positive contribution to the Group's results this year.

For 2019, Prodways Group should continue to benefit from the development of 3D printing as a production method in an increasing number of markets, as well as its differentiated positioning and technologies.

The R&D effort will remain at a sustained level, albeit relatively down in relation to revenue. The Group will continue its investments in the applications of the future in 3D printing (Rapid Additive Forging technology, digitalization of processes in the medical sector...). These investments - creating value for the future - will continue to weigh on the Group's income statement. It will be increasingly offset by the already profitable businesses that are enjoying strong growth.

In the current scope and excluding new acquisitions, the Group expects for 2019 full-year revenue growth above 15%.

This increase will be particularly pronounced in the Systems division, boosted by the launch of new 3D printers (ProMaker V10, ProMaker LD-20, Solidscape DL) developed since the IPO. In the Products division, the Group continues to implement the digital transition of its medical activities and the greater use of 3D printing for series production, that should bear fruit in the medium term.



● Conference call on April 3 at 9:00 CET

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

Today, Wednesday April 3, 2019, Raphaël Gorgé, Executive Chairman, and Pierre-Olivier Gisserot, Group CFO, will comment on Prodways Group's results and answer questions from the financial community during a conference call in English starting at 9:00am (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: 92231749#

● Next report

Publication of revenue for first-quarter 2019 on April 25, 2019, after stock market closing.



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 2018, the company's revenue was €61M

PRODWAYS GROUP is a Groupe Gorgé company.

For further information: www.prodways-group.com

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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.