



Paris, March 23, 2020 at 6:00 pm,

Full-year 2019 results

- Full-year 2019 revenue up +17.1%
- Continued strong growth in profitability in the second half
- Improved cash flow from operating activities

Prodways Group (Euronext Paris: PWG) publishes its full-year 2019 results today.

<i>(in € millions)</i>	H2 2019 ¹	H2 2018 ²	Change	2019	2018	Change
Revenue	36.0	33.3	+7.9%	71.3	60.9	+17.1%
EBITDA ³	2.7	1.0	+€1.7m	5.3	1.2	+€4.1m
EBITDA margin (%)	7.6%	3.0%	+459 bp	7.5%	2.0%	+549 bp
EBIT ⁴	(0.5)	(1.9)	+€1.4m	(1.5)	(4.0)	+€2.5m
Operating income	(1.4)	(2.5)	+€1.2m	(3.8)	(5.0)	+€1.2m
Operating margin (%)	-3.7%	-7.6%	+389 bp	-5.3%	-8.3%	+295 bp
Financial result	(0.2)	(0.0)	-€0.2sm	(0.3)	(0.1)	-€0.2m
Tax	0.0	(0.2)	+€0.2m	(0.3)	(0.6)	+€0.3m
Net income	(1.5)	(2.7)	+€1.2m	(4.3)	(5.7)	+€1.4m
Net income (Group share)	(1.4)	(2.6)	+€1.2m	(4.2)	(5.5)	+€1.3m

The consolidated financial statements for the 2019 financial year were approved by the Board of Directors, which met remotely on March 20, 2020. Audit procedures were performed by the Statutory Auditors, and the audit report is currently being issued. Approval of the financial statements will be formally recorded as soon as legislation will allow it or when a meeting with the physical attendance of the directors will be possible.

¹ First application of IFRS 16 - *Leases* as from January 1, 2019 (the impacts are described in the 2019 Financial Report) without applying any retrospective changes for 2018.

² The 2018 figures are restated for the finalization in 2019 of the fair value measurement of 2018 acquisitions (IFRS 3R). Information relating to 2019 is compared to the restated information for 2018. The restatements are listed in the 2019 Financial Report.

³ Operating income before "Net depreciation, amortization and provisions", "Other items of operating income" and "Share in the results of associated companies".

⁴ Operating income before "Net depreciation, amortization and provisions" and "Share in the results of associated companies".



Consolidated revenue at December 31, 2019 reached €71.3 million, a sharp increase of +17.1% compared with 2018 (+6.3% on a comparable basis). Revenue was up +7.9% in the second half, with both divisions contributing to this growth.

The Group's **EBITDA**³ stood at €5.3 million, up +€4.1 million compared with 2018, thanks to the sharp improvement in profitability in the second half (+€1.7 million), despite traditionally unfavorable seasonality in Products division. These figures take into account a favorable effect of €2.1 million related to the application of IFRS 16 - *Leases*, with a negligible impact on operating income and net income. The Group's **EBITDA margin** rose sharply to 7.5% in 2019, versus 2.0% in 2018.

EBIT⁴ stood at -€1.5 million in 2019, up +€2.5 million compared to 2018.

After taking into account **other items in operating income** for €2.4 million, related mainly to the amortization of intangible assets recognized at fair value during the acquisitions, restructuring costs and free share allocations, **operating income** improved by +€1.2 million to -€3.8 million in 2019, driven by strong performance in the second half.

Revenue (Group share) improved by +€1.3 million in the year, of which +€1.2 million in the second half, to -€4.2 million in 2019.

Performance by division

<i>(in € millions)</i>		H2 2019	H2 2018	Change	2019	2018	Change
Systems	Revenue	23.6	22.4	+5.2%	44.9	38.4	+16.8%
	EBITDA	2.0	1.2	+€0.8m	3.3	1.1	+€2.2m
	<i>EBITDA margin (%)</i>	8.6%	5.6%	+300 bp	7.4%	2.9%	+450 bp
	Operating income	(0.5)	(1.2)	+€0.7m	(1.7)	(3.0)	+€1.2m
Product	Revenue	12.8	11.0	+16.0%	27.0	22.9	+17.9%
	EBITDA	1.4	0.1	+€1.3m	3.1	0.5	+€2.6m
	<i>EBITDA margin (%)</i>	10.7%	1.2%	+952 bp	11.7%	2.3%	+937 bp
	Operating income	(0.2)	(1.0)	+€0.8m	(0.2)	(1.4)	+€1.2m

The **Systems** division - comprising 3D software, 3D printers and related materials and services - reported revenue of €44.9 million for the financial year, i.e. an increase of +16.8% in reported terms and of +7.6% on a comparable basis. In the second half of 2019, the division's revenue was €23.6 million, up +5.2%.

This performance reflects contrasting situations within the division: historical businesses, in particular MOVINGLight, positioned itself in the orthodontic clear aligner market, and commercial successes were achieved with leading chemistry groups and in Rapid Additive Forging, whereas Solidscape's jewelry business was slow to recover with the launch of new machines. The Materials business continued to



record double-digit growth and the Software business maintained a good level of performance throughout the year.

The division's EBITDA continued to improve and stood at €3.3 million, up +€2.2 million in 2019, driven by the second half, which contributed €2 million to this growth. The EBITDA margin was 7.4% in 2019, versus 2.9% in 2018. The division benefited from the remarkable performance of the sales of Materials business, which enjoyed a margin of more than 20%, and offset the impact of consistently significant expenses related to the development of the Machines business.

The division's operating income improved by +€1.2 million and stood at -€1.7 million in 2019. It came close to breakeven in the second half of 2019 at -€0.5 million, compared with -€1.2 million in the second half of 2018.

The **Products** division – which comprises the design and manufacturing of parts on demand and medical applications – recorded revenue of €27 millions for 2019, up +17.9% (+3.1% on a like-for-like basis, excluding Surdifuse-l'Embout Français, acquired in January 2019). In the second half of 2019, the division's revenue was €12.8 million, up +16%. The division benefited from the contribution of Surdifuse-L'Embout Français, acquired in the first quarter of 2019, and from the double-digit growth of our historical businesses in hearing protection and podiatry, as well as the strong performance of parts production. The recovery in the Dental business continued, although the business was still down year-on-year.

The division's EBITDA was up sharply at €3.1 million for the year, an increase of +€2.6 million compared with 2018. Profitability increased by €1.3 million in the second half to €1.4 million, despite seasonality affecting the parts on demand design business. The audiology business recorded remarkable growth and podiatry benefited from the measures implemented to improve operational efficiency.

Operating income was close to breakeven at -€0.2 million for the year, compared with -€1.4 million in 2018.

Financial position

The notable improvement in the Group's profitability was reflected in a +€3.8 million increase in cash flow from operating activities.

Operating cash flow for the year was €4.3 million, compared with -€1.7 million in 2018, benefiting in particular from the improvement in working capital requirements (€0.9 million).

During the year, the Group maintained a high level of investments at €13.2 million, of which €6.2 million related to the acquisition of Surdifuse-L'Embout Français in the first quarter, the Avenao earn-out payment, and the acquisition of Interson-Protac minority shareholders.

As of December 31, 2019, net cash (excluding lease liabilities arising from the application of IFRS 16 and with treasury shares) totaled €9.6 million versus net cash of €20.9 million as of January 1, 2019.



● 2020 perspectives

In 2019, the Group continued to consolidate its activities as an integrated player positioned across the entire digital manufacturing value chain. In light of the prevailing wait-and-see attitude in some industrial sectors and mass productions that are slow to materialize, the Group remains attentive to market opportunities and well-positioned to lead the industry's digital transformation.

For several years, Prodways Group has been working on 3D printing industrialization projects in various business sectors. These projects implement a wide variety of machines dedicated to production applications that use several tons of material. The Group hopes to secure the first such order in the next months.

The Group also expects a surge in its Materials business, with an increase in volume consumed that will validate the significant investments made in the Machines business over several years.

In the new context of the Covid-19 crisis, Prodways Group has limited as much as possible activities within its sites in order to preserve the health and safety of its employees and implemented business continuity plan.

At this stage, it is impossible to assess the impact of the epidemic on the group's revenue. All measures are implemented to adapt as best as possible to government's guidelines and resume some productions when means are available and safety conditions for our employees are met. The group will keep the market informed of any other substantial change in its business.

Conference call on Tuesday, September 24, 2020 at 8:30 am CET

The information on the 2019 full-year results includes this press release and the presentation available on the Prodways Group website: www.prodways-group.com.

Tuesday, March 24, 2020, Raphaël Gorgé, Executive Chairman, Olivier Strebelle, Chief Executive Officer, and Laurent Cardin, Chief Financial Officer, 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 from 8:30 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 72 72 74 03
- United Kingdom: +44 (0) 2 07 19 43 759
- Germany: +49 (0) 6 92 22 22 54 29

Access code: 90292751#

A replay will be available as soon as possible on the Prodways Group investor website under "Financial information".



Financial calendar

First quarter 2020 Revenue: April 28, 2020 (after 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 expanded across the entire 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 Group also manufactures and markets parts on demand, prototypes and small-production-run 3D printed items in plastic and metal (PRODUCTS division). Prodways Group targets a significant number of sectors, from aeronautics to healthcare.

Listed on Euronext Paris, the Group reported revenue of €71.3 million in 2019.

Prodways Group is a Groupe Gorgé company.

More information at www.prodways-group.com

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