

Activity of the 1st quarter 2023: a start to the year in line with expectations

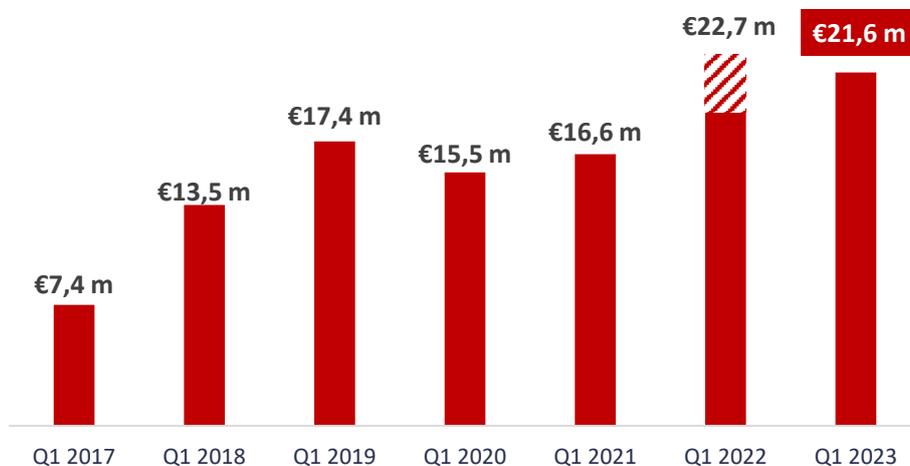
Prodways Group's revenue for the first quarter of 2023 stood at €22 million, €1.2 million below the level of the exceptional first quarter of 2022, which had benefited from more than €3.5 million in revenues realized by anticipation. This unfavorable base effect is partially offset by the very good performance of the Products division, which grew by 33% due to several structural factors: the significant increase in the volume of parts produced, market share gains with major industrial accounts and external growth with the acquisition of Auditech in 2022. Prodways Group also benefited this quarter from the sale of a minority stake in Biotech Dental Smilers, which generated €4 million of cash and a €2.9 million capital gain that will improve first-half earnings.

Revenues by division

| <i>(in €million)</i> | Q1 2023 | Q1 2022 | Variation (%) | Organic variation (%) |
|--------------------------------------|-------------|-------------|---------------|-----------------------|
| Systems | 11.9 | 15.5 | -23.2% | -23.2% |
| Products | 9.7 | 7.3 | +32.5% | +17.9% |
| Structure & intra-group eliminations | 0.0 | -0.1 | n.a | n.a |
| Consolidated revenues | 21.6 | 22.7 | -4.9% | -9.6% |

Revenues for the first quarter of 2023 stand at a good level given the return to a more normal seasonality at the beginning of the year. The commercial and industrial dynamism was particularly sustained in March in activities with a short sales cycle, which concern the Products division. The teams in this division both increased their production rate, with nearly 1 million parts produced and delivered this quarter, and stepped up their commercial efforts to support this trend. The Systems Division, which includes activities with longer sales cycles, is working on new ambitious and innovative industrial projects in the medical sector.

Evolution of Prodways Group first-quarter revenues



 Exceptional effect due to the change in seasonality

Systems Division supported by recurring revenues

Revenues for the Systems Division (which includes sales of 3D Printers, 3D Materials and 3D Software) were €3.6 million lower this quarter compared to the first quarter 2022, entirely due to the change in seasonality¹.

Sales for the quarter were notably supported by recurring revenues generated by 3D Materials. The quality and reliability of the liquid resins and polymer powders supplied by Prodways Group enable the Group to secure its customers on a long-term basis and give it the means **to develop new innovative materials**. This is the case of the Provivic Denture Base resin for the 3D printing of complete and partial denture bases. This new material responds to the demand from dental laboratories, which are seeing an increasing demand for dental prostheses and are adopting digital workflows to reduce workloads and improve manufacturing ([see dedicated press release](#)).

Prodways Group also strengthened its partnership with a global leader in medical and dental product distribution this quarter with **an additional order for three MovingLight LD20 printers**. This customer will operate a fleet of 17 MovingLight printers using PLASTCure Absolute Aligner resin for the mass production of transparent clear aligners.

The Software activity (distribution of 3D design software) was also supported by a significant share of recurring revenues.

¹ The first quarter of 2022 benefited from more than €3.5 million revenues realized by anticipation due to fears of stock-outs and price increases, which caused some customers to anticipate their orders.

Products Division: structural growth in production

The Products Division, which includes Digital Manufacturing (print-on-demand service) and integrated medical activities, continues its growth trajectory with an increase of +33% this quarter, **including +18% organic performance**.

The Digital Manufacturing activity is experiencing a strong acceleration with over 20% revenue growth this quarter. The acceleration of commercial efforts and the start of the strengthening of the teams in 2022 enabled the production and delivery of several hundred thousand parts in the first quarter. **The number of projects for printing small series of parts is increasing**, resulting in a smaller number of customers but higher orders per customer in value.

The medical activities are also experiencing strong growth, of around +40%, including a significant proportion of external growth but also double-digit organic growth. In audiology, the synergies rapidly implemented since the acquisition of Auditech in July 2022 have made it possible **to increase the pace of manufacturing by pooling industrial tools**. More than 100,000 earmolds and hearing protections were produced in the first quarter. In the dental sector, the Cristal prosthesis laboratory is back on a growth trajectory after a difficult end of the year, notably by gaining new customers.

The Products division as a whole is **gaining market share and new partnerships with key accounts in various sectors**. Several major industrial players, who wish to remain confidential, have entrusted the production of key parts to Prodways this quarter for various applications: in the automotive sector for on-board parts; in the space sector for satellite equipment; in the robotics sector for new generations of drones; in the luxury goods sector for specific production tooling; in the medical sector for 3D Molding² printing; and in the leisure sector for series production of personalized decorative elements.

These major customers also open up significant opportunities for Prodways, on the one hand through the growth of the underlying applications and on the other hand through capillary action within these major industrial players for other related applications.

The start of 2023 illustrates the importance of the strategic axes put forward by Prodways to support the success of its BOOST development plan: the technical quality of printed parts, partnerships with customers to develop innovative materials, external growth with directly actionable synergies and the strengthening of sales teams.

² 3D Molding: an innovative technique that makes it possible to produce a mold in 3D printing and then inject the parts in the right material, thus freeing oneself from the costs, design constraints and delays of traditional injection tools

Next financial events

- July 24, 2023: activity of the second quarter 2023
- September 20, 2023: half-yearly results 2023
- October 16, 2023: activity of the third quarter 2023

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).

Listed on Euronext Paris (FR0012613610 – PWG), the Group reported in 2022 revenue of €81 million.

For further information: <https://www.prodways-group.com>

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