

Prodways H1 2021

# A TRANSFORMED COMPANY GENERATING IMPROVING RESULTS

16 September 2021

**&** 3D printing  
Digital  
Manufacturing





# Summary

I – Prodways' model: contributing to a more responsible production

II – A transformed company

III – H1 2021: generating record financial results

IV – Outlook: supportive markets & acceleration of the development

Appendix

# Key figures H1 2021: achieving record results

## Strong revenue growth

€34.1 m  
+27%

With highly recurring profile

## Record EBITDA margin

€4.5 m  
13% margin

+6 pts compared to H1 2019

## Positive operating income

€0.9 m

For the first time  
in the history of Prodways

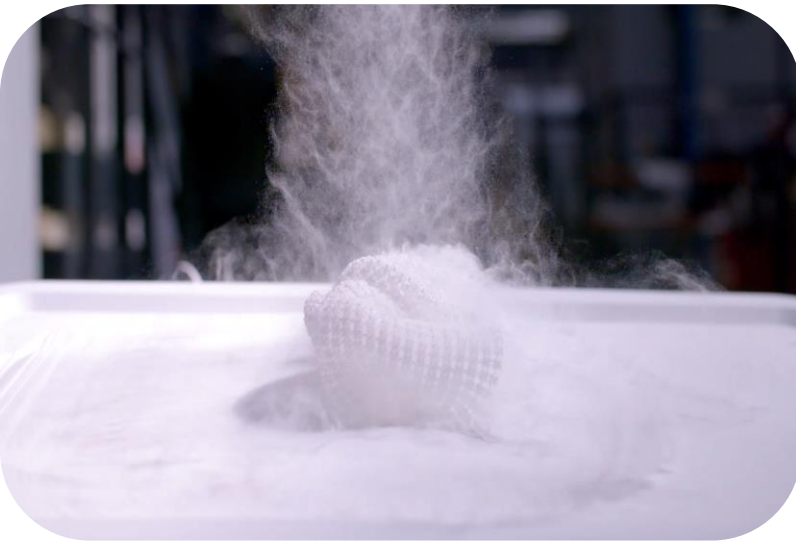


# **I. Prodways' model: contributing to a more responsible production**

# 3D printing, a positive impact on the manufacturing industry



## More efficient production process



Up to 80% reduction  
in CO<sub>2</sub> emissions

in some applications  
compared to conventional manufacturing<sup>1</sup>

## Printing-on-Demand



Eliminating the need for large  
physical inventory

Limiting the use of warehouse storage, inventory  
personnel, waste of obsolete stored parts, etc.

## Localized Manufacturing



Bringing production  
close to the customer

Reducing transport  
from delocalized low-cost factories

# Prodways, a reference player relying on 3 strategic pillars

## 1 Expertise on the whole value chain of 3D Printing

From part Design to Manufacturing

## 2 Focus on plastic parts

The largest market in Additive Manufacturing with the highest added value

## 3 Focus on industrial & mass production

Industrial & medical applications  
demanding high productivity and precision

# Two complementary divisions covering the 3D value chain

## SYSTEMS

Providing turnkey solutions for 3D Printing

*~60% of revenue*



## PRODUCTS

One of the largest 3D Printing service in Europe

*~40% of revenue*



Offering a large range of technologies & brands

**Design & Printing-on-demand**

Custom parts and small series

**Custom medical devices**

in audiology, podiatry & dental

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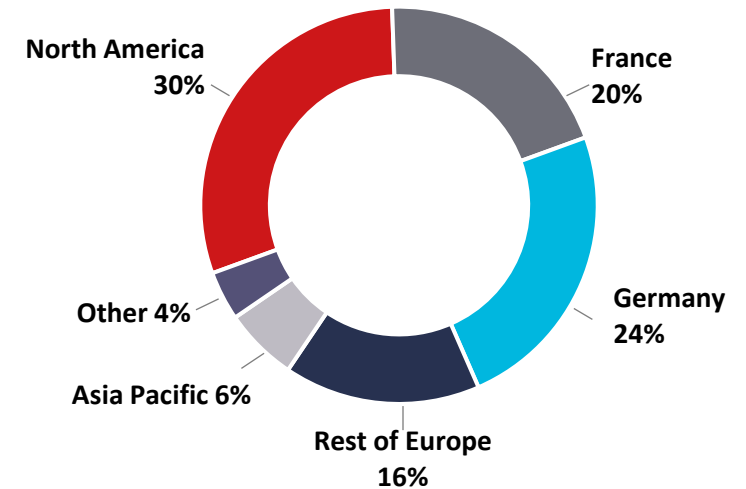
# A global player, especially for Machines & Materials

Implantations & teams  
in France, Germany & the US

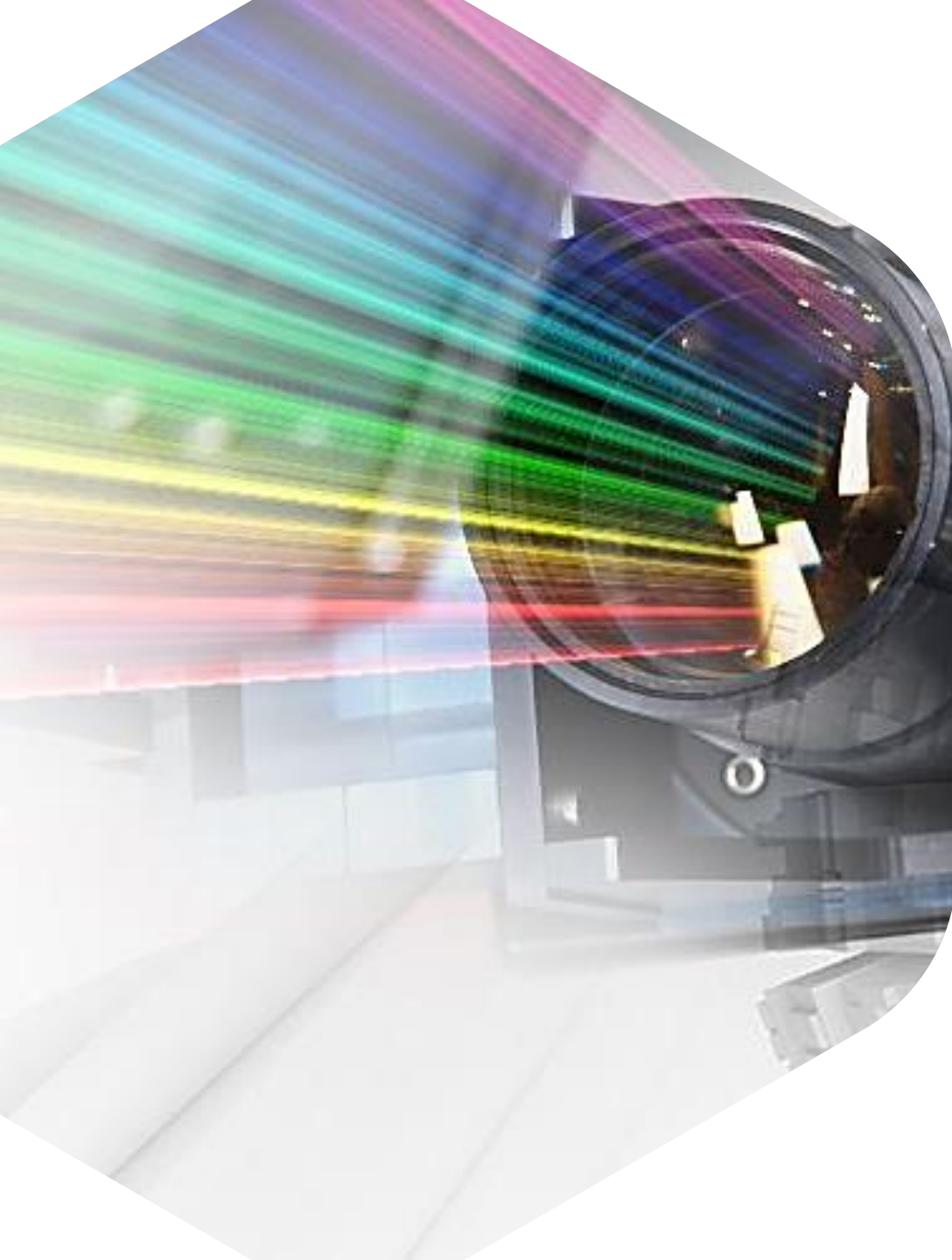


An international base of clients  
for Machines & Materials

Geographic breakdown of Machines & Materials revenue in %







## **II. H1 2021: a transformed company**

# A 4,500 m<sup>2</sup> new site regrouping teams & improving synergies

## Regrouping teams & technologies from different activities in one place

Hosting Prodways 3D printing fleet  
for the Products division...



...along with Engineering & design services...



...and the production of SLS Printers  
transferred in H1 2021



## A virtuous building to lead by example

Transformation of a former industrial site...

...into a **low carbon building** recovering the heat of the machines to heat the facility

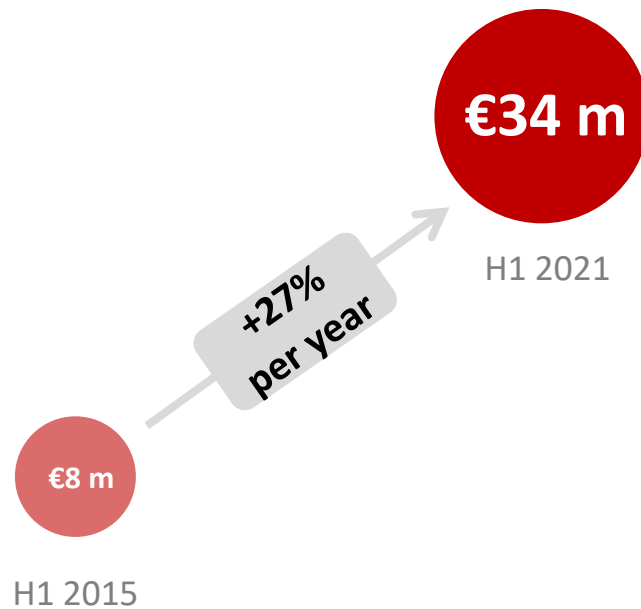
A project carried by an overwhelming majority of **local companies**



# A highly recurring & growing revenue profile

**Growing revenues...**  
both through organic & external growth

Evolution of Prodways revenues in € million



**...with an increasingly recurring profile**

Share of recurring revenues as a % of total revenues



# A disciplined financial policy supporting a healthy balance sheet



## **Solid cash-flow from operations**

+€4.6 m in 2019 / -€0.2 m in 2020 / +€2.1 m in H1 2021<sup>1</sup>



## **Leading to a positive net cash position**

+€3.7 m net cash<sup>2</sup> / €20.1 m available cash



## **Focalized investments in R&D...**

~10% of Machines & Materials revenue, the only activities requiring R&D



## **...but disciplined investment policy overall**

~€2 to €3 m gross investment on a stabilized basis in R&D and CAPEX, partly offset by government subsidies & tax credits

# Acceleration of the ESG strategy

## Fast improving Environmental & Social policies



**+ 8 pts**  
in one year

**59 / 100**

vs sector average at 51  
2020<sup>2</sup>

**51 / 100**

2019

**38 / 100**

2018

13 <sup>1</sup> 67% of voting rights

## A responsible governance...

**18/19**

Compliance points to  
the Middennext code

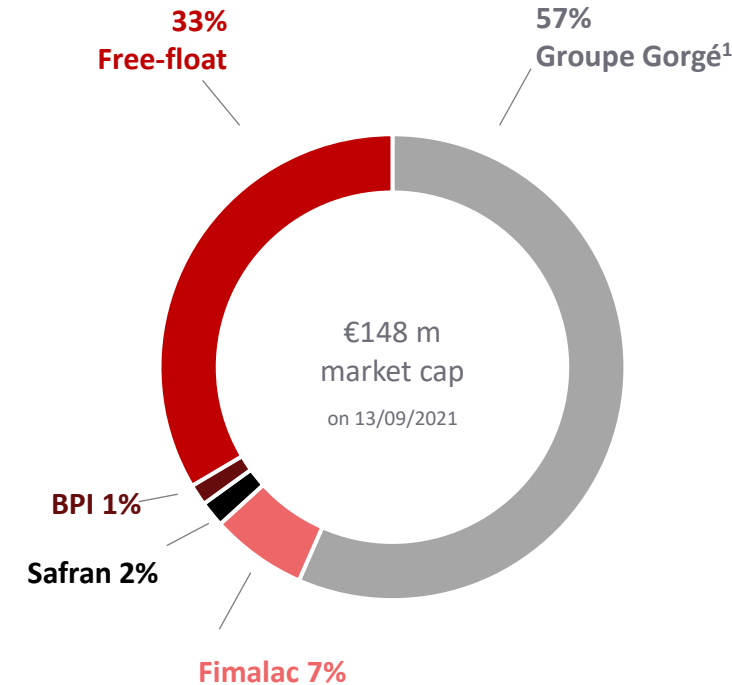
**50%**

of women in the board

**38%**

Independent board  
members

## ...supported by a stable shareholder structure



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# III. H1 2021 : generating record results



# H1 2021 revenue: +27% driven by both divisions

## SYSTEMS division

**+28%**

€21.6 m

- ▶ Record sales of **Software (+21%)** and **Materials (+40%)**

## PRODUCTS division

**+27%**

€12.6 m

- ▶ Strong recovery of **Medical activities (+56%)**, especially audiology

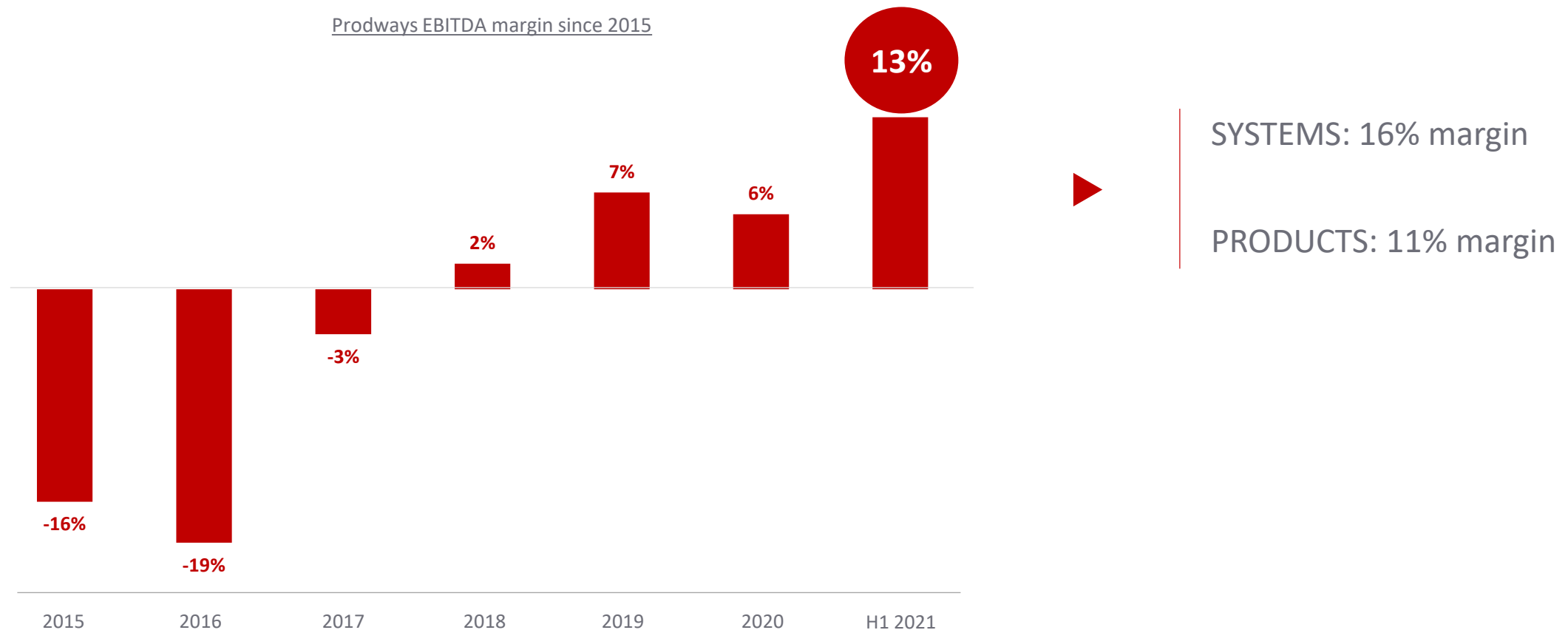


[See appendix page 26 for more details](#)



# Doubling EBITDA margin thanks to improvement in both divisions

Benefiting from the operational transformation carried out in 2020 & H1 2021



# Positive operating income for the first time in the history of Prodways

(in € million)	H1 2020	H1 2021	Change (€m)	Change (%)
Revenue	26.8	34.1	+7.3	+27%
EBITDA <sup>1</sup>	1.4	4.5	+3.1	+214%
Income from ordinary activities <sup>2</sup>	-2.9	2.2	+5.1	-
Operating income	-10.0	0.9	+10.8	-
Financial results, tax & minorities	1.3	-1.2	-2.5	-
<b>Net income in group share</b>	<b>-8.7</b>	<b>-0.3</b>	<b>+8.3</b>	-

**Lowered cost base** thanks to operational synergies...

-13% operating expenses vs H1 2019

...leading to strong **operational leverage** effect

Positive contribution of **subvention granted** in the US for €0.9 m

**Still some exceptional costs** for €0.4 m

from the restructuring plan implemented in 2020 / H1 2021



[See appendix page 27 for the result by division](#)



## IV. Outlook

# Strong potential of industrial applications for 3D printing

## Applications already massively using 3D printing

### Orthodontics / dentistry



Clear aligners  
& light-curing dentistry

### Rapid prototyping



For various industries

### Jewellery



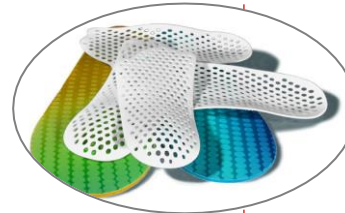
High-end luxury jewelry

### Audiology



Customized ear tips  
for hearing aids & ear protections

### Podiatry



Customized footwear  
outsoles, midsoles & insoles

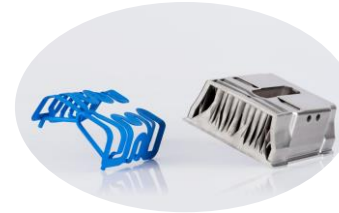
## Applications potentially converting to 3D printing production in the short / medium-term

### Optics



Optic lenses  
for glasses

### Precision casting



Tooling & components  
For automotive, aeronautics, etc.

## Application with potential to convert

### Mass production of customized products

Earphones, helmets, glass frames, keys, etc.



### Production of complex parts

Turbines, specific tooling, rollertrains, etc.



### Low volume production

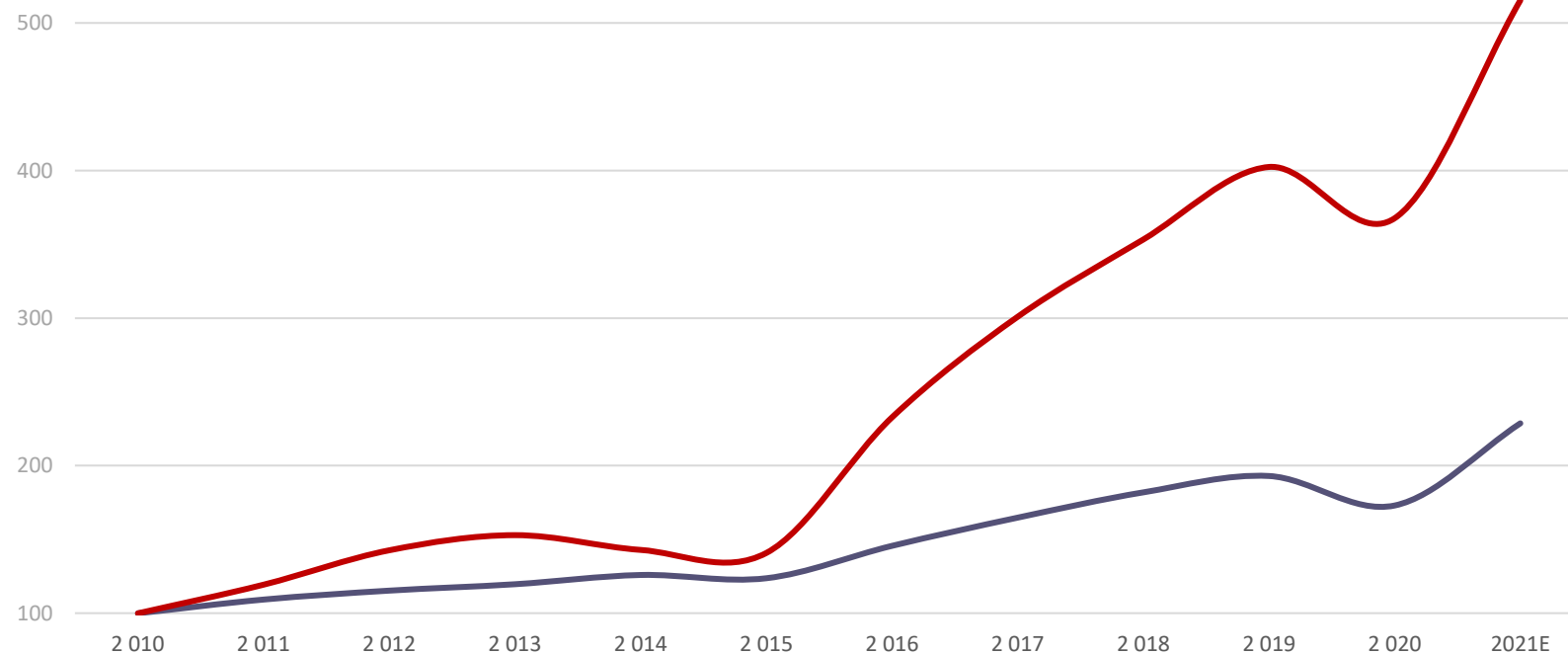


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# Prodways key market keeps outperforming: rapid growth of the dentistry & clear aligners players

Rapid growth of the revenues since 2015, accelerating in 2021

Evolution of revenue of dentistry & clear aligners players, basis 100 in 2010



Outperformance of Clear aligners players<sup>1</sup>

+24% per year since 2015

Strong performance of overall dentistry players<sup>2</sup>:

+11% per year since 2015

# Acceleration of the development of the Products division: integration of Creabis well on track

## Creabis, one of the top 3D experts in Germany

Acquisition of 100% of the capital closed early July 2021

**20-people team founded in 2011 by Ralf Deuke**  
a pioneer & expert in 3D printing manufacturing

●  
**A fleet of 11 printers using 5 technologies**  
including Prodways'

●  
**Highly-diversified based of clients generating ~€3 m revenue in 2020**

●  
**50% of revenues from recurring serial production**

## Strong complementarity with Prodways

●  
Creating one of the largest 3D printing service in Europe  
with a fleet of 52 printers

●  
Widening Prodways offer with new technologies

### Significant synergies potential

On revenues, through cross-selling  
On costs, especially on 3D materials not produced by the group

Integration of the teams & the offers well-under way  
Combined offer for cross-selling will be effective by end-September

### Revenue

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**Around +20% growth**

Subject to the evolution  
of the sanitary context

### Profitability

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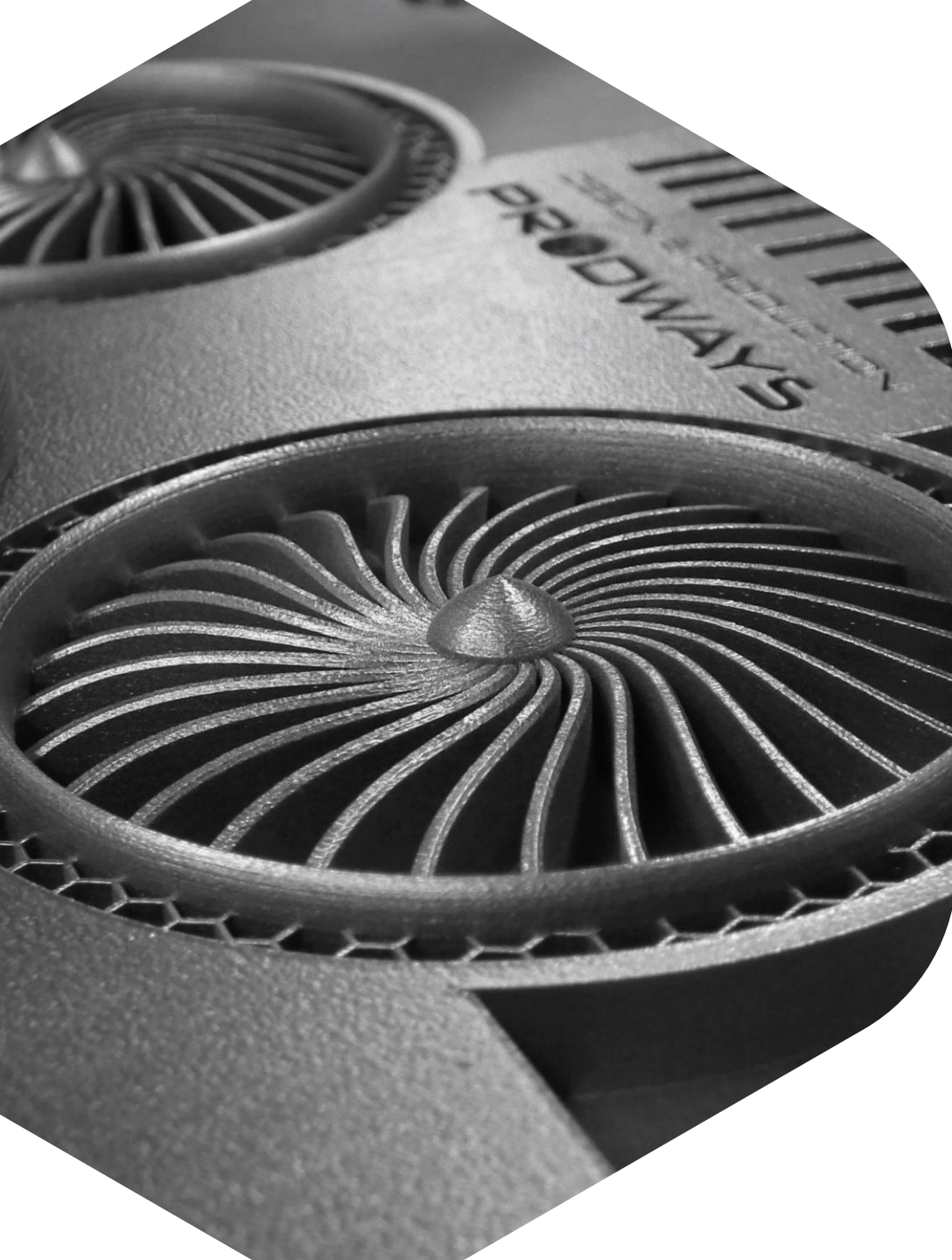
**Continuing on the trend  
set in H1 2021**





# Financial agenda

Q3 2021 activity: October 28<sup>th</sup> 2021



# Appendix

# Prodways is a reference player in established industrial 3D applications

## Ramping-up since 2017 in dental & jewellery & Development of Audiology & Podiatry



Reference player in dental  
>1 million aligners

per year produced by Prodways machines



Largest installed base  
of jewellery printers

250,000 jewels  
per year



French leader in audiology

60,000 ear tips  
per year



Key player in podiatry

50,000 insoles  
per year

RAINER DENTAL

FORSTEC

NEW  
ANCORVIS

df DENTI  
Free

PlusDental+

SUMMUM  
LABORATOIRE DENTAIRE

Cartier

HARRY WINSTON  
FINE PIECES

3D MAQ

CROWN RING

Casting House  
CUSTOM DESIGN & POWDERED JEWELLERY

Network of audiologists  
through

INTERSON  
by PRODWAYS

Network of podiatrists  
through

ScientiFeet

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## Q2 2021 & H1 2021 revenue

	2 <sup>nd</sup> quarter			1st semester		
<i>In € million</i>	Q2 2020	Q2 2021	<i>Change<sup>1</sup> (%)</i>	H1 2020	H1 2021	<i>Change<sup>1</sup> (%)</i>
Systems	7.0	11.1	+60%	16.8	21.6	+28%
Products	4.2	6.4	+51%	9.9	12.6	+27%
Structure & intra-groupe eliminations	0.2	0.0	n.s.	0.1	0.0	n.s.
<b>Consolidated revenue</b>	<b>11.4</b>	<b>17.5</b>	<b>+54%</b>	<b>26.8</b>	<b>34.1</b>	<b>+27%</b>

# Prodways H1 2021 result by division

<i>(in €million)</i>		H1 2020	H1 2021	Change
<b>Systems</b>	Revenue	16.8	21.6	+4.8
	EBITDA <sup>1</sup>	1.4	3.5	+2.1
	EBITDA margin (%)	8.1%	16.3%	8.2 pts
	Income from ordinary activities <sup>2</sup>	(1.4)	2.5	+3.9
<b>Product</b>	Revenue	9.9	12.6	+2.7
	EBITDA	0.6	1.4	+0.8
	EBITDA margin (%)	6.3%	11.2%	4.9 pts
	Income from ordinary activities	(1.0)	0.0	+1.0

<sup>1</sup> Operating income before "depreciation, amortization and provisions", "other items of operating income" and "Group share of the earnings of affiliated companies".

<sup>2</sup> Operating income before "other items of operating income" and "Group share of the earnings of affiliated companies".

# Contact

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