

voxeljet AG

Industrial 3D Printing

2Q19 Financial Results



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Title:

voxeljet AG – Second Quarter 2019
Financial Results Conference Call

Live webcast:

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Audio Replay:

1-844-512-2921 or 1-412-317-6671
(Conference ID number: 13692402)

SAFE HARBOR SUMMARY

This presentation contains forward-looking statements concerning voxeljet AG's business, operations and financial performance and condition as well as our plans, objectives and expectations for our business operations and financial performance and condition. Any statements that are not of historical facts may be deemed to be forward-looking statements. You can identify these forward-looking statements by words such as "believes," "estimates," "anticipates," "projects," "expects," "plans," "intends," "may," "could," "might," "will," "should," "aims," or other similar expressions that convey uncertainty of future events or outcomes. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that could cause actual results to differ materially from the projections and estimates contained herein and include, but are not limited to statements relating to: the current trend and inflection point of the market or industry; success and effects of our integrated business model; market demand or market acceptance of our products or services; ability to turn Services customers into Systems customers; expected growth of the 3D printing market; ability to meet growing demand; introduction of VJET XIOB; continued innovation by voxeljet AG; new applications and markets to be supported by voxeljet AG; expected market sizes; actual and successful performance relating to VJET X printers; and voxeljet AG's ability to deliver a fully automated 3D printing solution for mass production. Factors that could cause actual results to differ materially from these forward-looking statements include, among others: the risks inherent in the company's industry; performance of and customer demand at the service centers; decisions and activities of the Company's management affecting margins, investment, capital spend; the Company's use of capital and strategy; the Company's ability to provide products and services satisfactory to its customers; development and achievements by competitors; economic and market conditions; the Company's outstanding indebtedness; the Company's ability to maintain sufficient internal controls over financial reporting; the impact of issuances of additional ADSs; and risks associated with conducting a global business, including application of foreign laws to contract and other disputes, environmental laws, enforcement and uncertain political and economic environments. These risks and other factors are discussed in more detail in the Company's public filings with the Securities and Exchange Commission. Statements made herein are as of the date hereof and should not be relied upon as of any subsequent date. The Company's past performance is not necessarily indicative of its future performance. The Company disclaims any obligation to update any forward-looking statements.

DISCLAIMERS

Guidance

Any estimates, forecasts or projections set forth in this presentation have been prepared by voxeljet AG management in good faith on a basis believed to be reasonable. Such estimates, forecasts and projections involve significant elements of subjective judgment and analysis as well as risks (many of which are beyond management's control). As such, no representation can be made as to the attainability of management's forecasts and projections. Readers are cautioned that such estimates, forecasts or projections have not been audited and have not been prepared in conformance with International Financial Reporting Standards.

Non-IFRS Measure

The Company uses Adjusted EBITDA as a supplemental financial measure of its financial performance. As calculated under International Financial Reporting Standards ("IFRS") accounting principles, Adjusted EBITDA is defined as net income (loss), interest (income) expense, provision (benefit) for income taxes, depreciation and amortization, and excluding other (income) expense resulting from foreign exchange gains or losses on the intercompany loans granted to the subsidiaries. Management believes Adjusted EBITDA to be an important financial measure because it excludes the effects of fluctuating foreign exchange gains or losses on the intercompany loans granted to its subsidiaries which are difficult to forecast for future periods. Management regularly uses both IFRS and non-IFRS results and expectations internally to assess its overall performance of the business, making operating decisions, and forecasting and planning for future periods. Management believes that Adjusted EBITDA is a useful financial measure to the Company's investors as it helps investors better understand and evaluate the projections our management board provides. The Company's calculation of Adjusted EBITDA may not be comparable to similarly titled financial measures reported by other peer companies. Adjusted EBITDA should not be considered as a substitute to financial measures prepared in accordance with IFRS.

Established in **1999**



5 locations worldwide



327 employees (FY18)



Binder Jetting Technology for highest scalability in Additive Manufacturing



Industrial 3D-Printing: more than 400 patents and patent applications



Public company traded on **NYSE** since October 2013



"Our vision is to establish a new manufacturing standard by constantly pushing technological boundaries, enabling cost-effective mass-production utilizing our high-speed, large-format 3D printers and on-demand parts services."

Dr. Ingo Ederer, CEO & founder of voxeljet

Our unique selling propositions



Material diversity

Various applications, processes and materials

Size

Largest 3D printing systems in the market

Cost efficiency

Optimization of production and service **costs**

Speed

High speed printing and fast availability



Synergies built on integrated business model



Services (On-Demand Printing)

2018 Sales: EUR 13.8m

Volume contracts

Strong competitive position:
global footprint/largest printers in the industry

Optimized CAPEX and
OPEX for own assets

Low barriers to entry
send data -> receive printed parts; from n=1

Risk balancing

- Capture business either as 3D-Printer sale or on-demand printing contract
- Balance long with short sales cycles

Customer

- Early awareness of new projects
- Strong customer relationships

Synergies

Operations

- Long track record of executing large-scale projects
- High cost competitiveness and efficiency

Innovation

- Improvement of applications and solutions
- Insights into customer processes

Systems

2018 Sales: EUR 12.2m

Multi-System Sales

After Sales Activities

Direct Parts Technology
High Speed Sintering

Indirect Metals
Technology via Hybrid AM

Powerful global sales network and production footprint



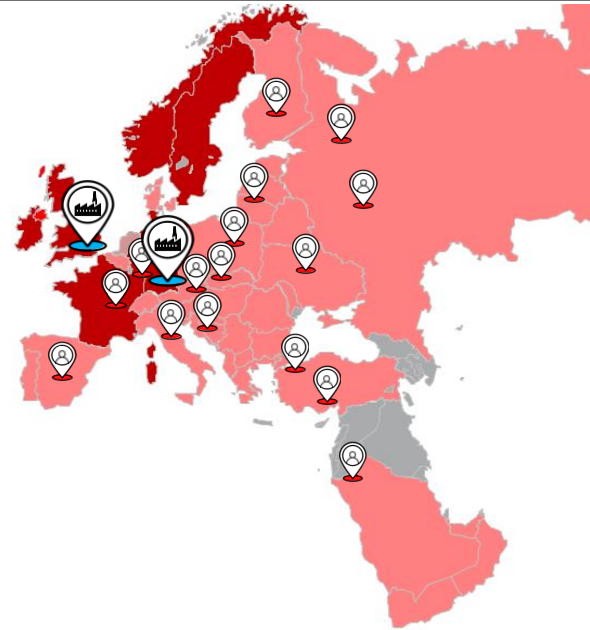
Americas: 37% of Sales

[based on 2Q19 sales]



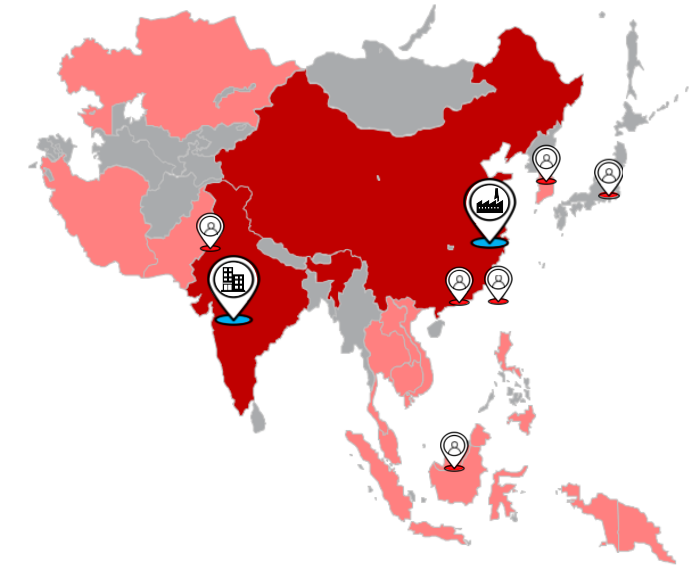
4 voxeljet plants / 1 sales office (India)

EMEA: 51% of Sales



21 voxeljet sales partners

Asia: 12% of Sales



voxeljet direct sales

voxeljet sales partner coverage

Facilities in US and Asia focus on local and regional customers:

Key advantages of overseas facilities include: geographic proximity reduces transportation costs and purchase lead-time; provides timely value-added services for customers; staffs local engineers to promptly deliver technical and maintenance support

50,000 Sq. Feet

USA
3D Parts
Production Center

10,000 Sq. Feet

UK
3D Parts
Production Center

135,000 Sq. Feet

Germany
HQs, R&D/Engineering,
3D Parts
Production Center

1,000 Sq. Feet

India
Office

78,000 Sq. Feet

China
3D Parts
Production Center

New production facility in China (nearby Shanghai)



Opening ceremony, May 2019

Comments









- > China as the largest casting market
- > New state-of-the-art facility, 36 months free of rent (beginning in March 2019)
- > Plan to source / assemble parts of our printers in China to reduce costs; primarily for the Asian market



Proven track record



Long-term relationship with global industry leaders

Company	Length of business relationship (years)
	17
DAIMLER	17
	15
 PORSCHE	13
	10
	7
 HYUNDAI	5
	2
 RICOH imagine. change	2

Case Study I: Functional parts from High Speed Sintering (HSS)

voxeljet has proven that it is possible to perform High Speed Sintering (HSS) with polypropylene (PP) and thermoplastic polyurethane (TPU) on larger platforms. This expands the scope of HSS to new end markets such as automotive interior and exterior components, sporting goods and consumer products.

- PP can be used in most plastics end-use markets; Exp. market size in 2022: 99.17bn USD⁽¹⁾
- TPU can be used in ultra-flexible products; Expected market size in 2022: 2.84bn USD⁽²⁾

A large HSS printer for series production (sample drawing below) is currently under development and a first prototype is expected to be presented in November 2019 at the Formnext show in Frankfurt.



Case Study II: Introduction of new printer VJET X for series production

Integrated into conventional casting lines, VJET X printers are believed to be the most powerful additive manufacturing technology for the cost-efficient **series-production** of sand cores for the casting of complex metal components. These metal components have new features as the geometries are more complex. Applied to car production for example, engine components produced with this technology can help to reduce vehicle CO₂ emissions substantially.

VJET X printers are **10x faster** than previous models, which results in a layering speed of less than 5 seconds. An inorganic binder system for **zero emissions** during core printing, storage and when using the sand cores in the casting process.

(1) MarketsandMarkets: Polypropylene Market by Type, Global Forecast to 2022

(2) MarketsandMarkets: Thermoplastic Polyurethane Market by Type, Global Forecast to 2021





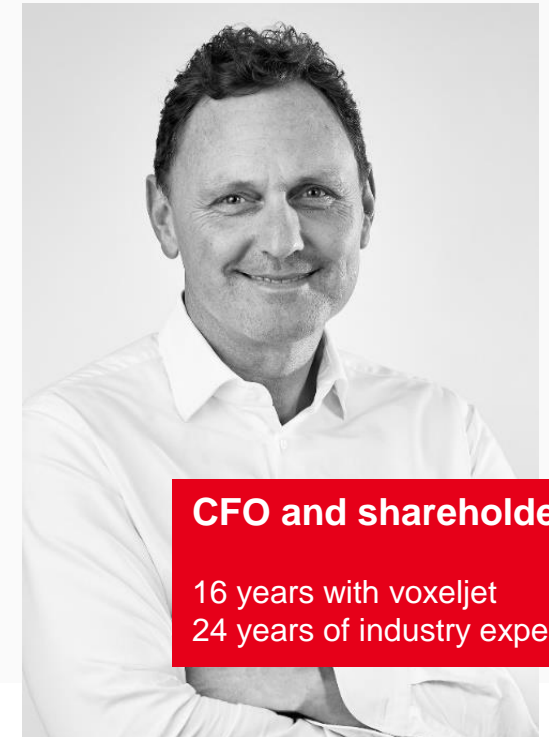
Dr. Ingo Ederer

CEO and founder

20 years with voxeljet
26 years of industry experience

Additive Series Production Q2 2019 results

Rudolf Franz



CFO and shareholder

16 years with voxeljet
24 years of industry experience

GIFA show in Germany (June 2019)



VX1000-S IOB



VX1000-S ODB (background)

Comments

- > Three high-speed printers at the show: VX1000-S IOB, VX1000-S ODB, VJET X
- > High interest of customers and potential new customers in solutions for additive series production
- > Created ca. 150 qualified leads for potential future sales across the globe

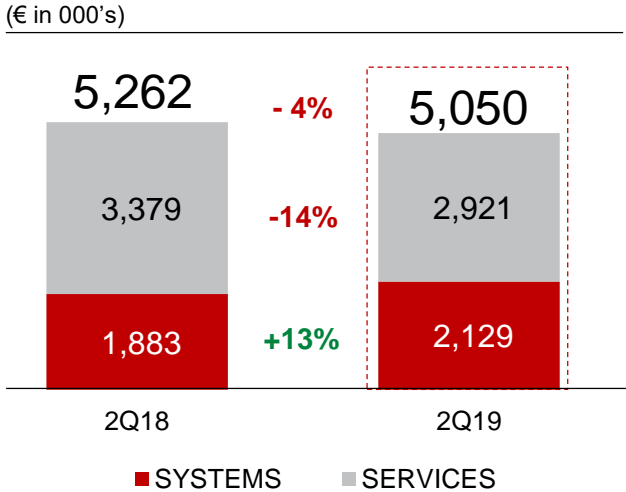


Opening ceremony for VJET X



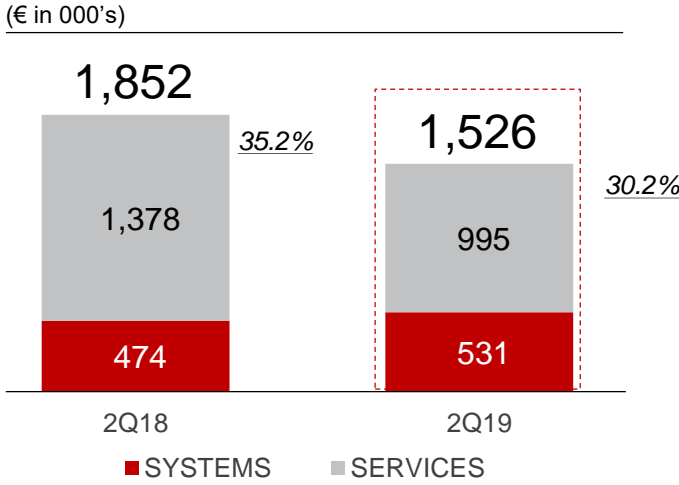
VJET X printer

Revenue by Segment



- **Total revenue** decreased 4.0% to kEUR 5,050 in 2Q19 from kEUR 5,262 in 2Q18
- **Systems revenue** increased 13.1% to kEUR 2,129 in 2Q19 from kEUR 1,883 in 2Q18
- **Services revenue** decreased 13.6% to kEUR 2,921 in 2Q19 from kEUR 3,379 in 2Q18

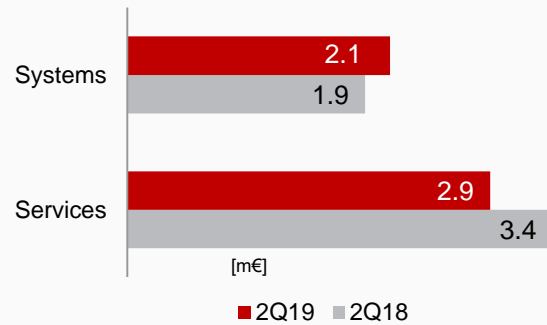
Gross Profit & Gross Profit Margin



- Gross profit margin in **Systems** almost unchanged: 24.9% in 2Q19 from 25.2% in 2Q18
- Gross profit margin in **Services** decreased to 34.1% in 2Q19 from 40.8% in 2Q18. This decrease is mainly due to lower gross profit margin contribution from the German service center, driven by a lower demand from France in May and early June

Strong commitment to R&D

Revenue By business unit



Revenue By geographic region



Opex By function

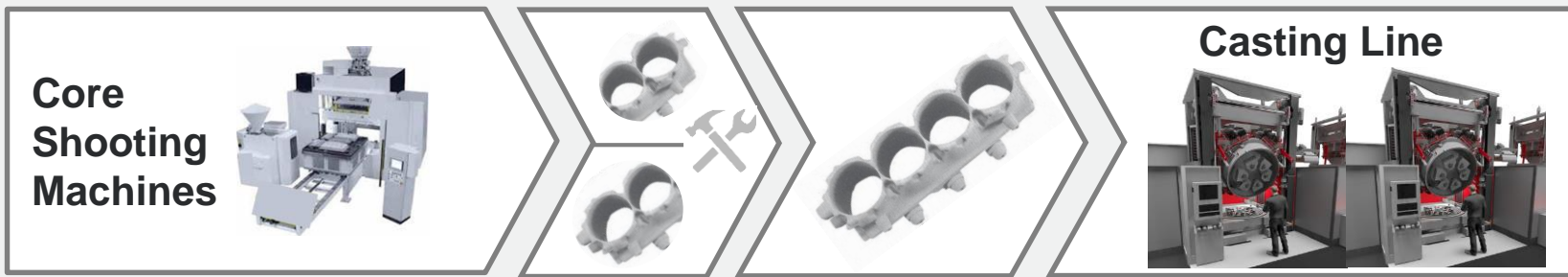
- Selling
- Admin
- R&D
- Other



	Systems	Services	Americas	EMEA	Asia	Selling	Admin	R&D	Other
% 2Q19 Revenue	42.2	57.8	37.3	50.8	11.9	34.9	31.4	33.7	16.2
% 2Q18 Revenue	35.8	64.2	21.4	70.1	8.5	31.5	26.5	28.8	2.5

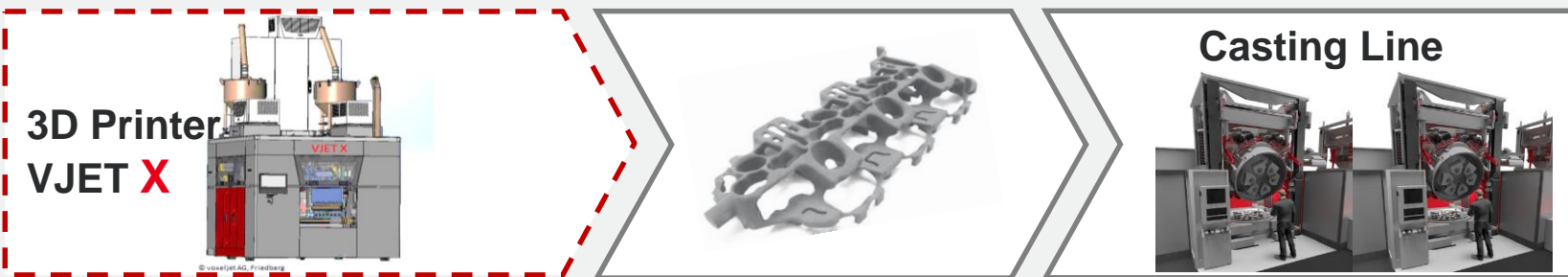
What is VJET X?

Conventional Manufacturing



- Complexity restrictions
New vehicle components are too complex to be manufactured with core shooting machines. Individual parts would be required to be manufactured as multiple components and then assembled into a single piece.
- + Cost efficiency through integration into casting line
- + State of the art for production of simpler parts

Hybrid Additive Manufacturing (HAM)



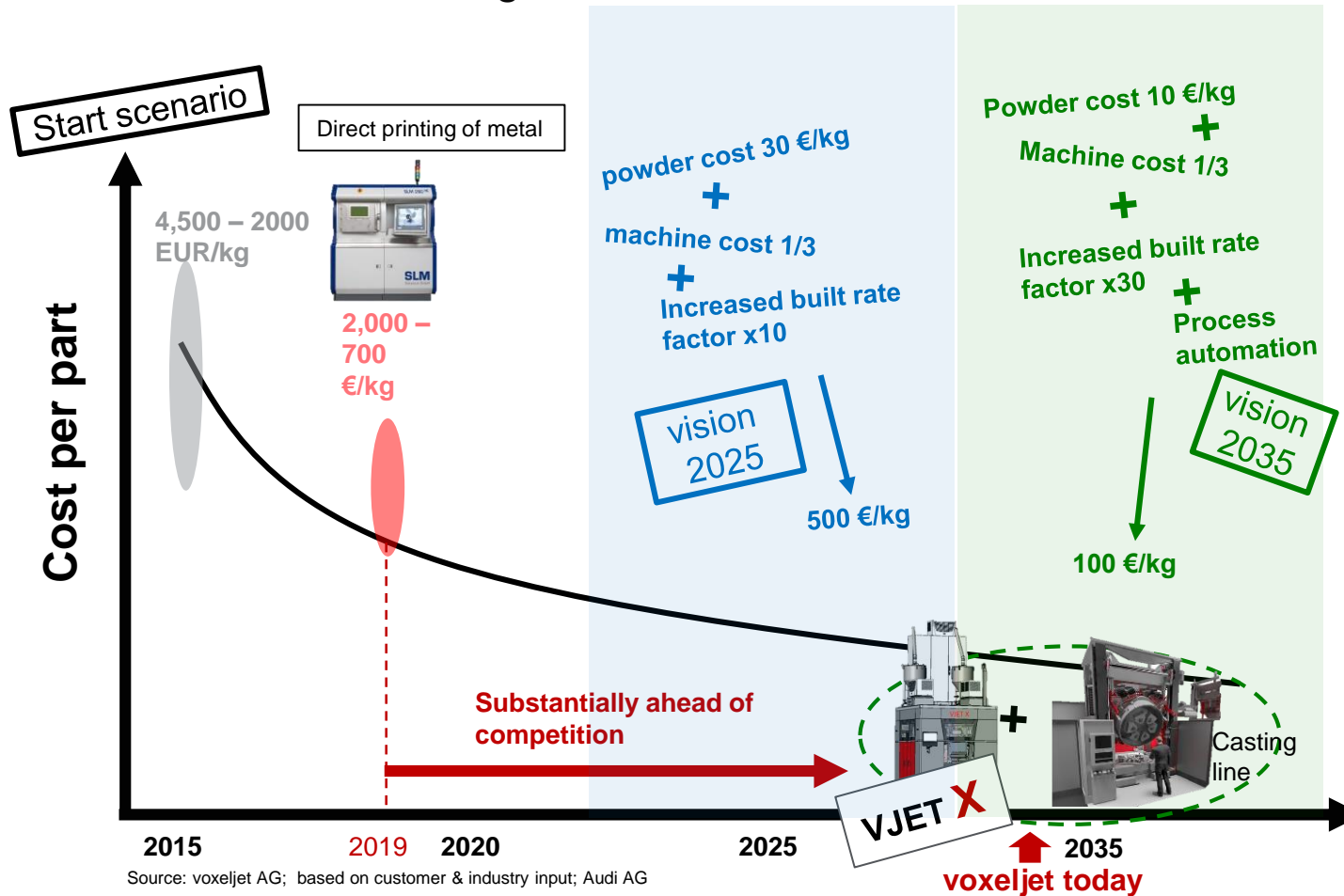
- + No complexity restrictions
- + Functional integration
- + Printed as single piece
- + Cost efficiency through integration into casting line

● **Hybrid Additive Manufacturing (HAM)** is a combination of 3D printing and casting:

HAM combines the advantages of 3D Printing (**product & process innovation**) with those of conventional manufacturing of metal parts via casting (**cost advantages, high degree of automation**). This combination makes additive series production possible (more than 100,000 components per year).

Why is this important?

Additive manufacturing of aluminum

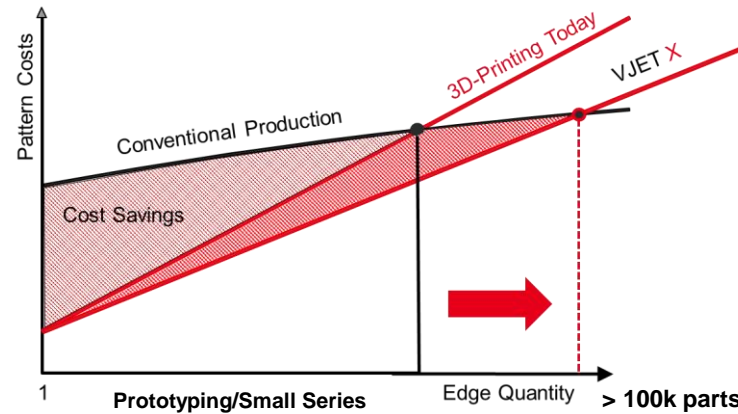


Comments

- > voxeljet has developed a new high-speed 3D printer: VJET X
- > New environmentally friendly binder system creates zero emissions when casting the sand cores
- > When combining VJET X and conventional casting lines, voxeljet can already today mass manufacture complex metal parts (aluminum, magnesium, etc.) at a fraction of the costs of other additive manufacturing (AM) players in the market
- > With tightening regulation on pollution and fuel consumption, the evolution of CO₂ regulation remains the main driver for changes in vehicle technology
- > Use of lightweight materials like aluminum in manufacturing is expected to double by 2030

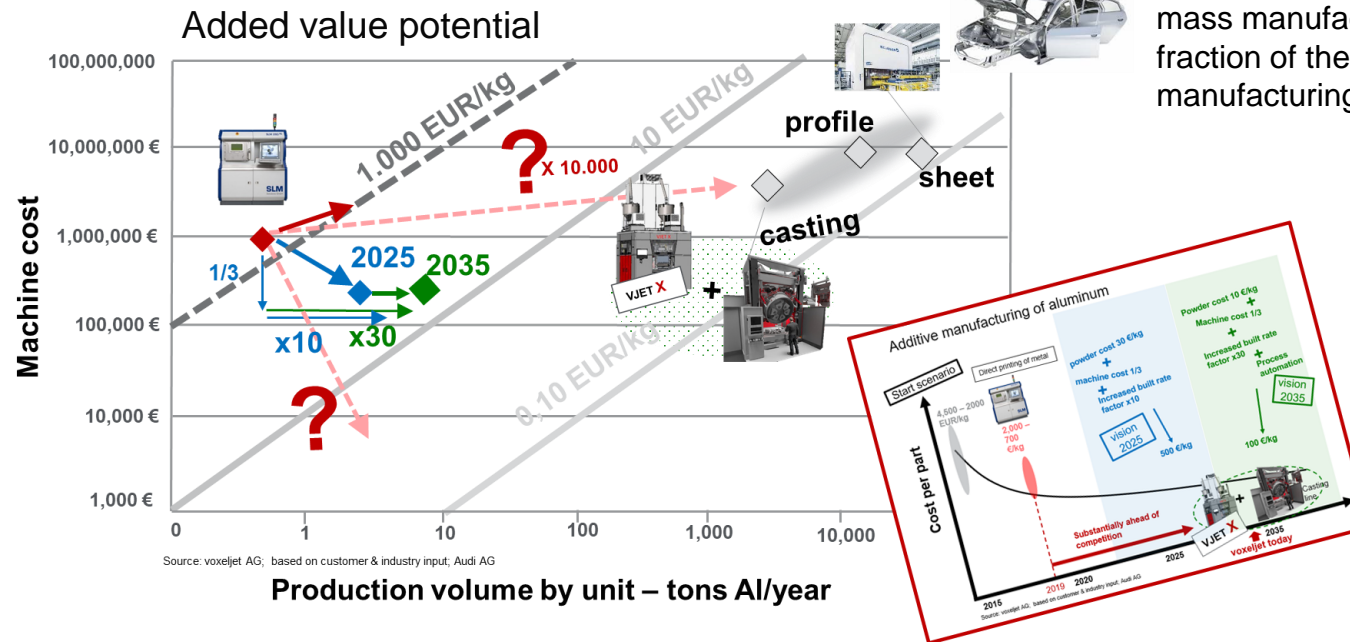
Dilemma for car manufacturers

- > Increasing fuel-efficiency requirements mean that engines are becoming more complex (“downsizing”)
- > Therefore, R&D departments of automotive OEMs developed new components for more efficient cooling of engines or batteries in EVs
- > **BUT** the production departments could not produce them at scale: conventional production does not work because the component is too complex
- > Direct metal printing is too expensive/slow for series production



voxeljet solution: VJET X

- > Because AM makes more complex geometries possible, these metal components have new features: applied to car production for example, components are lighter and have optimal geometric shapes for heat control: this can help to reduce vehicle CO₂ emissions substantially
- > When combining VJET X and conventional casting lines, voxeljet can already today mass manufacture complex metal parts at a fraction of the costs of other additive manufacturing (AM) players in the market



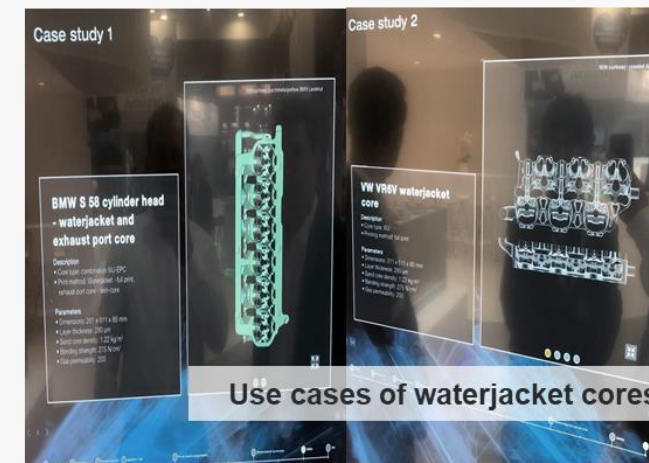
First presentation of VJET X at GIFA show, 25/26 June 2019.



First presentation of VJET X at GIFA



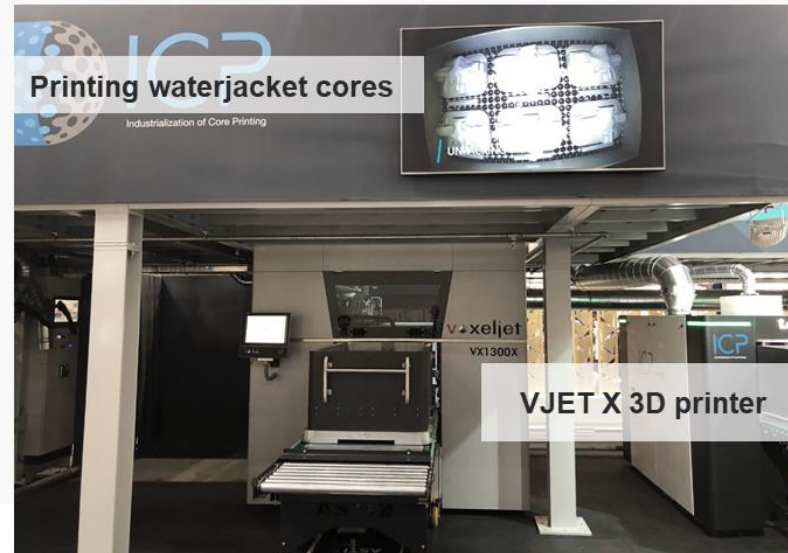
Production line



Use cases of waterjacket cores



Unloading via robotic system



VJET X 3D printer

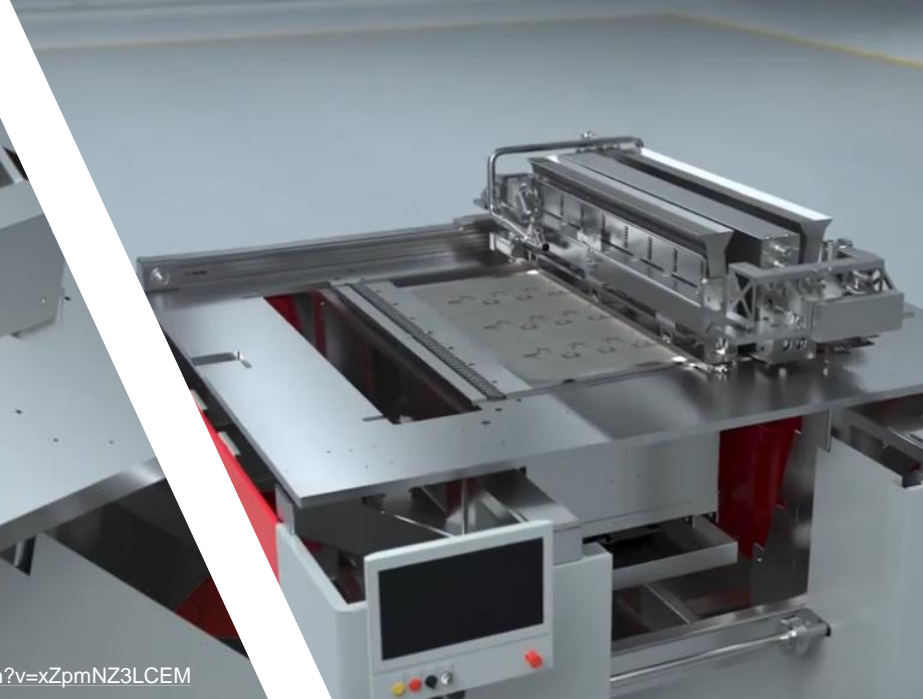


Printed waterjacket core

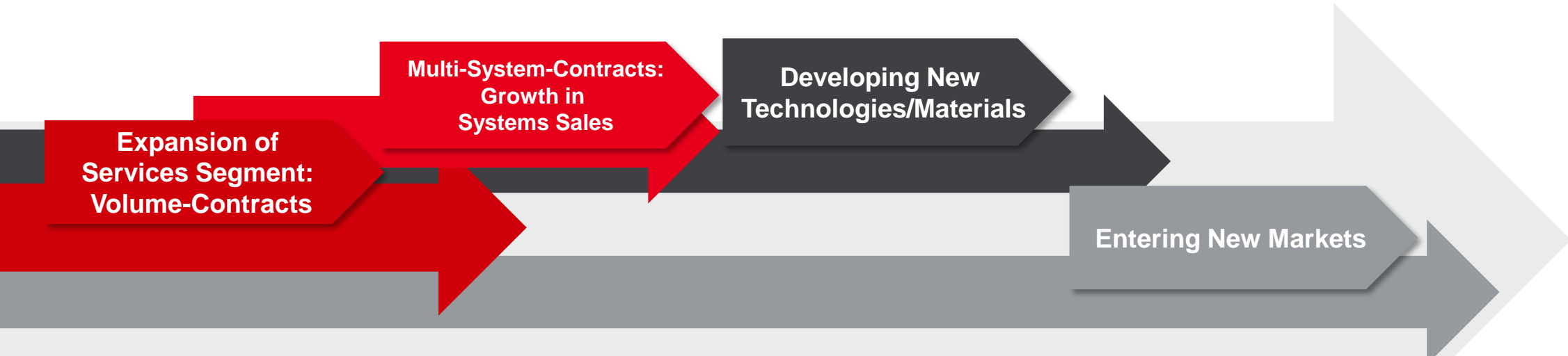
VJET X – Additive Series Production



PROCESS UNIT
ONE LINEHEAD
TWO RECOATERS
TWO IR LAMPS



A defined roadmap for profitable growth



- > Best-in-class customer value proposition driven by the ability to print more parts simultaneously on one printer
- > Resulting in quick, cost-effective turnaround times for print jobs
- > Expected to leverage recent investments in additional capacity in Europe, the United States and China to meet growing demand

- > Capitalize on knowledge and market position to increase sales of 3D printers and after-sales services
- > Introduce advanced and fully automated AM solutions that address key customer pain points
- > Example: VJET X – as we believe the world’s first 3D production solution, capable of replacing conventional manufacturing in automotive series production

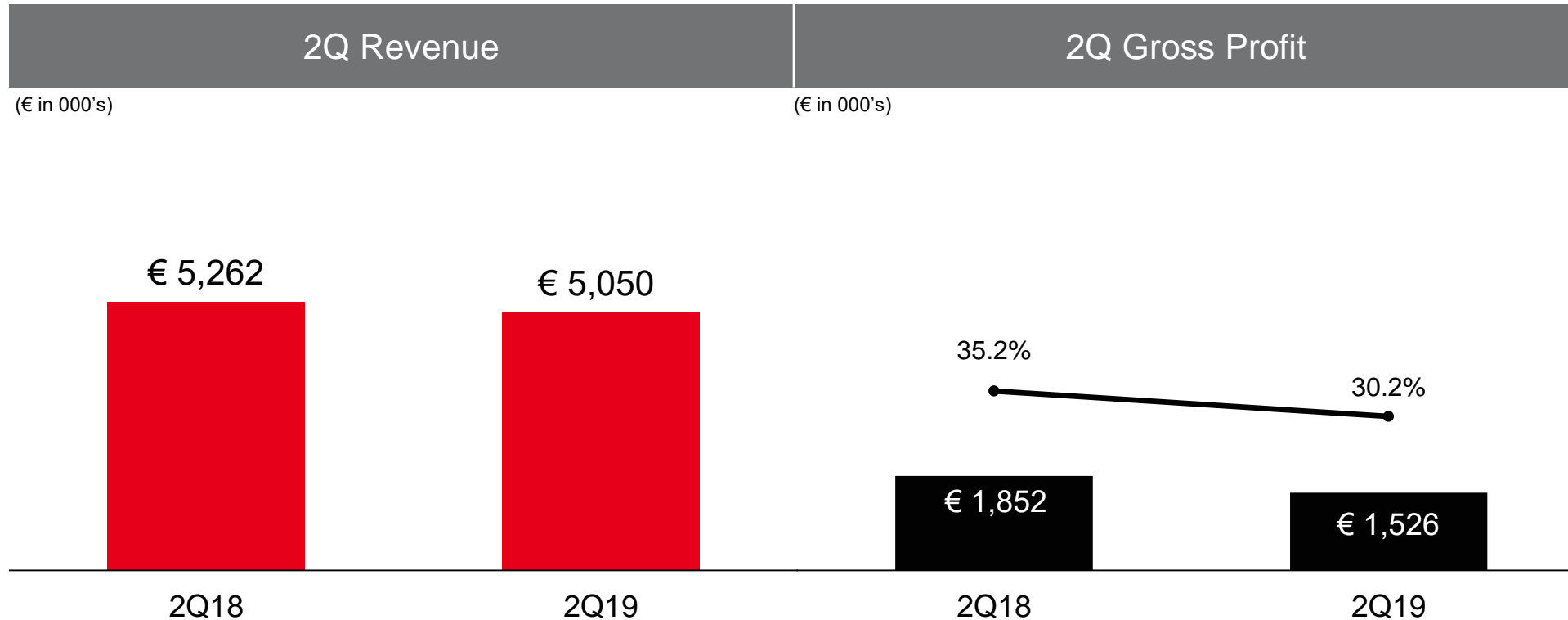
- > Continued shift from solutions built for prototyping to solutions built for production
- > Development of High Speed Sintering (HSS) printing process
- > Continued innovation in materials portfolio, most recently developing Thermoplastic Polyurethane and Polypropylene-based print solutions for direct parts in HSS

- Big HSS printer to be presented to the public at Formnext show in November 2019. The new printer is expected to increase the total addressable market significantly, including series production of:
- > Sporting goods and shoes
 - > Hydraulic seals and gaskets
 - > Household goods
 - > Automotive interiors

Financial Overview



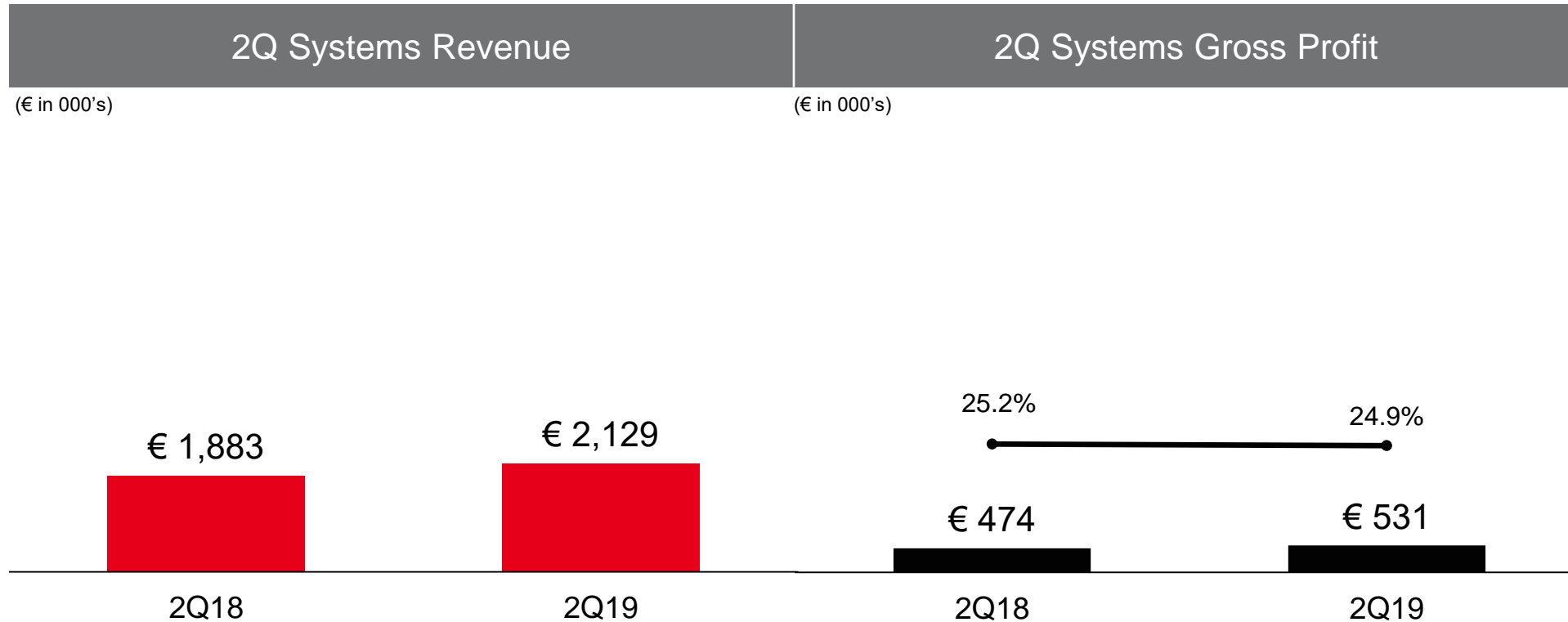
Revenue and gross profit: three months ended 06/30/2019



- Revenue in 2Q19 decreased by 4.0% to *kEUR* 5,050 compared to *kEUR* 5,262 in 2Q18
- Services revenue: slightly lower contribution from the German Service Center; higher revenue from the US and China
- Systems revenue: strong after-sales activities as a result of higher installed base and more focused after-sales activities like modular maintenance contracts

- Gross profit and gross profit margin were *kEUR* 1,526 and 30.2% in 2Q19 compared to *kEUR* 1,852 and 35.2% in 2Q18
- Services gross margin: temporarily lower utilization in the German Service Center in May and early June, mostly related to lower demand from France
- Systems gross margin: almost unchanged

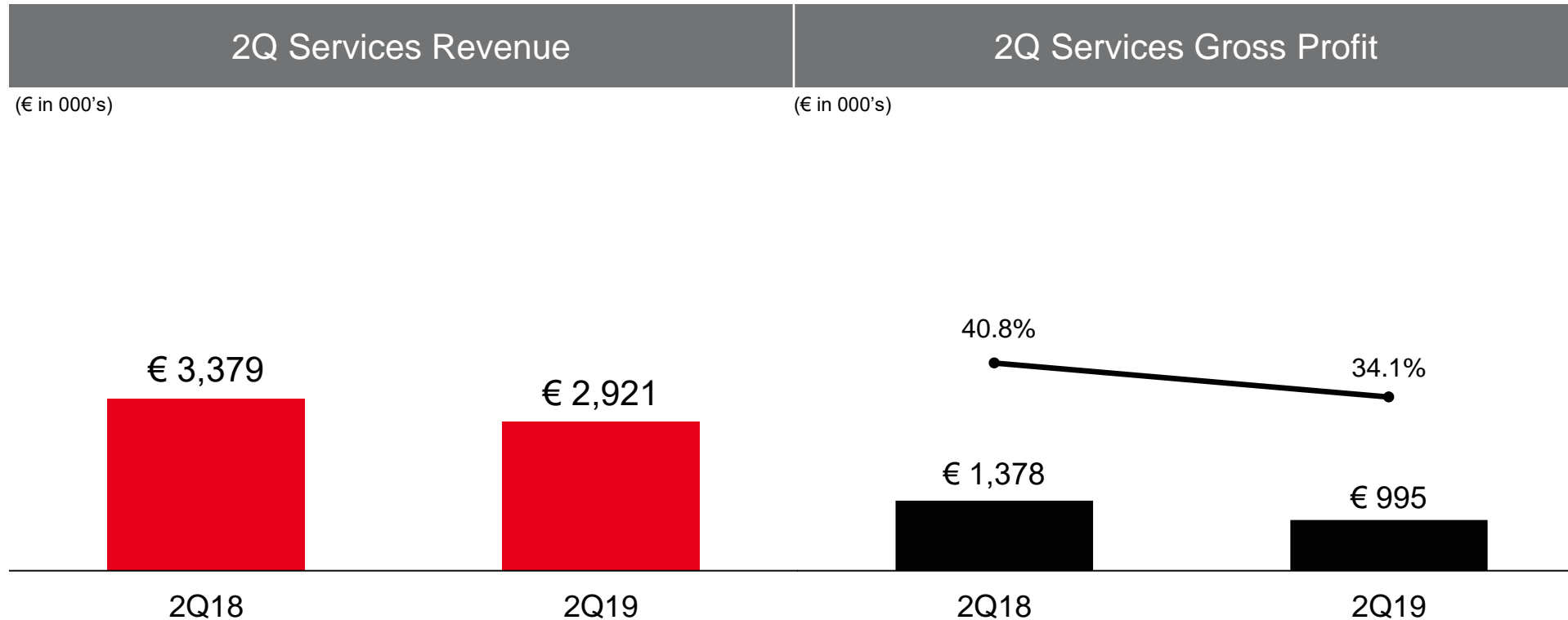
Segment financials - Systems: three months ended 06/30/2019



- Systems revenue in 2Q19 increased 13.1% to *kEUR* 2,129 from *kEUR* 1,883 in 2Q18
- Two new printers sold in 2Q19 compared to one new and one used and refurbished printer in 2Q18
- Systems revenue accounted for 42.2% of total revenue in 2Q19 compared to 35.8% in 2Q18

- Gross profit and margin of *kEUR* 531 and 24.9% in 2Q19 compared to *kEUR* 474 and 25.2% in 2Q18
- Not all new products yet contributing to revenue growth, as commercialization just started
- The company expects to book revenue for the two VJET X units already installed at the car maker early next year
- Gross margin contribution of individual printers can already be above 50 percent

Segment financials - Services: three months ended 06/30/2019



- Services revenue for 2Q19 decreased 13.6% to *kEUR* 2,921 from *kEUR* 3,379 in 2Q18
- This decrease is mainly due to a lower utilization rate in the German Service Center, primarily as a result of lower demand from French customers; this was partially offset by higher demand in the US and China
- Services revenue accounted for 57.8% of total revenue in 2Q19 compared to 64.2% in 2Q18

- Gross profit and margin of *kEUR* 995 and 34.1% in 2Q19 compared to *kEUR* 1,378 and 40.8% in 2Q18
- The decrease is related to temporarily lower utilization in the German Service Center in May and early June, mostly due to lower demand from France; higher depreciation expense at our US Service Center as several printers were added last year
- Currently shipping VX2000 PDB printer to the US, as the demand for this technology is particularly high in the US

Financial highlights

three months ended 06/30/2019



Thousands of EUR (except per share data)	2Q19	2Q18
Revenue	5,050	5,262
Cost of sales	(3,524)	(3,410)
Gross profit	1,526	1,852
Gross margin	30.2%	35.2%
SG&A	(3,347)	(3,050)
Research & Development	(1,702)	(1,514)
Other operating income (expense), net	(670)	308
Operating income (loss)	(4,193)	(2,404)
Financial result	334	(538)
Net income (loss)	(3,915)	(2,949)
Earnings (loss) per ordinary share	(0.79)	(0.79)
Weighted avg. ordinary shares outstanding	4,836,000	3,720,000
Earnings (loss) per ADS	(0.16)	(0.16)
Weighted avg. ADSs outstanding	24,180,000	18,600,000

Comments

- > Higher net loss primarily related to increased other operating expenses as a result of non-cash FX effects from intercompany loans: the total quarter over quarter negative impact from gains and losses from foreign currency transactions on operating loss was 1.1 million euros

Balance sheet (selected items)

Thousands of EUR (except per share data)	06/30/2019	12/31/2018
Cash and cash equivalents	5,986	7,402
Financial assets (bond funds)	9,104	12,905
Liquidity	15,090	18,659
Trade receivables	4,502	6,030
Inventories	12,174	10,064
Property, plant and equipment	30,849	27,675
Total debt and finance lease obligations	21,783	17,171
Equity	41,080	46,475
Weighted average shares outstanding	4,836,000	3,940,636
Weighted average ADSs outstanding	24,180,000	19,703,180

Comments

- > Recent investment in infrastructure including the new Chinese service center requires little additional infrastructure investment in the near future
- > Total debt of 21.8 million euros consists of 20.4 million euros of long-term debt, which includes 10 million euros from the EIB's *Horizon2020* venture debt program and 4.2 million euros of lease liabilities as a result of initially applying the IFRS 16 standard. These lease liabilities were previously classified as operating leases

- > Full year 2019 revenue is expected to be in the range of € 27.0 million and € 30.0 million
- > Gross margin is expected to be above 40%
- > SG&A expenses expected to be between € 12.0 and € 12.5 million
- > R&D expenses expected to be between € 5.5 and € 6.0 million
- > Depreciation and amortization expenses expected to be between € 3.75 and € 4.0 million
- > Adjusted EBITDA for the second half of 2019 is expected to be neutral-to-positive; Adjusted EBITDA excludes the impact of foreign exchange valuations, which are not determinable at this time
- > Capital expenditures projected to be between € 2.0 and € 2.5 million
- > Third quarter revenue projected to be between € 4.5 and € 5.5 million

Projected long-term operating model 2025



● Expected revenue growth **15-20% p.a.**

● Projected gross margin **> 40%**

● Projected operating expenses

R&D: 12.5% Revenue

Sales: 10.0% Revenue

Admin: 7.5% Revenue

● Expected EBITDA margin **20-22.5%**

Expected EBIT margin **12.5-15.0%**

Additive Series Production



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