

Press release

17 October 2022 at 18h

Third quarter activity: confirmation of the 2022 outlook

Revenues amounted to €17.2 million this quarter, up 5% and stable on an organic basis. It reflects the change in seasonality with respect to 2021, already detailed in the previous publication, as well as the shift of some printer deliveries scheduled for the end of September to October, with no impact on the 2022 outlook. The third quarter was marked by a significant number of orders for 3D printers, some of which will be used for the orthodontics market and others in the production process of dental prostheses of all types. These latest orders are the first steps towards a wider application of 3D printing in the dental sector, beyond clear aligners. Thanks to its commercial successes, Prodways confirms its 2022 guidance announced in September, both in terms of revenues and profitability.

A significant number of printers to be delivered in the fourth quarter

Recent commercial successes and the strong positioning of Prodways in the dental field have led to new orders for 3D printers and associated materials in the third quarter. **Some ten MovingLight® 3D printers should be delivered in the fourth quarter of 2022.** Half of these orders concern existing customers who are increasing the size of their production base. The other half are new customers, including dental laboratories, which will use 3D printing in the production process of several types of prostheses such as crowns, bridges, implants or surgical guides.

These printers will be delivered in different regions of the world: the USA, Australia, Italy, Sweden and France, thus confirming Prodways' position as a reference player in 3D printing in Europe and internationally.

The growth in the installed base is accompanied by ever-increasing consumption of 3D materials, particularly the Absolute Aligner liquid resin developed by Prodways. In addition to the consumption of the new printers to be delivered, **some major historical customers have already planned to increase their consumption of 3D materials in 2023** to meet strong demand in the dental sector. These high value-added consumables contribute structurally to the group's good profitability.

Revenues by division

(in €million)	Q3 2021	Q3 2022	Variation (%)	Organic variation (%)	9 months 2021	9 months 2022	Variation (%)	Organic variation (%)
Systems	9.7	9.2	-5.1%	-5.1%	31.3	35.8	+14.3%	+14.3%
Products	6.7	8.0	+19.7%	+7.9%	19.3	23.3	+20.7%	+4.5%
Structure & intra-group eliminations	0.0	0.0	n.a.	n.a.	-0.1	-0.2	n.a.	n.a.
Consolidated revenues	16.4	17.2	+4.9%	+0.1%	50.5	58.8	+16.4%	+10.2%

Systems Division: sustained organic growth of +14% for the first 9 months of 2022, with a change in seasonality per quarter

Systems Division revenues are €500k lower this quarter compared to the third quarter 2021 under the combined effects of:

- Shifted printer deliveries from the end of third quarter to the beginning of the fourth quarter, with no impact on the 2022 outlook;
- A continued increase in material consumption, which rose again this quarter;
- The change in seasonality of the Software activity, which benefited from anticipated orders in the first quarter, as already detailed in previous press releases.

For the first nine months of the year, the Systems division's revenues, adjusted for seasonal effects, increased by 14%, driven by both Machines & Materials sales and the Software activity. This progression illustrates the good execution of operations in this division, which is already starting to fill its 2023 order book.

Products Division: steady and sustained structural growth

The Products division, which includes the Digital Manufacturing (print-on-demand service) and integrated medical activities, continued its growth trajectory with an increase of 20% this quarter, of which 8% from organic performance and the remaining part from external growth.

The Digital Manufacturing activity is accelerating and continuing its positive momentum of winning new customers and larger orders, both in Germany and in France. **Organic growth reached +12% this quarter** compared with Q3 2021 (compared with +8% in H1 2022).

Medical activities are also well oriented, driven in particular by **audiology, for which revenues increased 45% this quarter**. This performance was generated both by organic growth and by the acquisition of Auditech, which has been contributing to revenues since July 1, 2022.

Thanks to the good spirit between the teams and the enthusiasm generated by the combination of Prodways' and Auditech's audiology activities, **the plan to implement industrial synergies got underway three months ahead of the initial schedule**. It will notably reduce delivery times and generate better productivity.

Robust outlook

2022 guidance confirmed

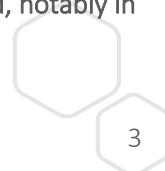
Thanks to the expected deliveries of printers in the Systems division in the fourth quarter and the good performance of the Products division, Prodways Group confirms its 2022 guidance with a revenue growth target of around +15% and a current EBITDA margin of between 15% and 20%.

The beginnings of a new market in the dental sector

Prodways Group is now a key player in the medical sector for 3D printing, particularly in the clear aligners market, where the growth potential remains significant. The group's ambition is to replicate its current success in this application in the broader dental market, for the production of various types of dental prostheses.

A large proportion of dental prostheses are still manufactured conventionally or by hand (using impression paste, couriers to deliver dental models, etc.), but dental practices and laboratories have gradually begun to transition to digital solutions. Their interest in industrial 3D printing solutions is driven by four main trends:

1. **The consolidation of dental laboratories**, whose production volume consequently require industrial printers ;
2. **The repatriation of part of the production outsourced in other regions of the world, notably in China**, due to supply disruptions and rising transportation costs ;



3. The lack of long-term reliability of small "desktop printers" compared to industrial printers such as those developed by Prodways ;
4. The increasing affordability of digital solutions to equip practitioners, such as intra-oral scanners.

This interest is now starting to materialize with orders for printers for several dental laboratories. The MovingLight® technology, having proven itself in the field of orthodontics, now benefits from a good reputation with this type of customer, who will use it in the manufacturing processes of other types of products (crowns, bridges, surgical guides, removable dental prostheses, etc.). This market could represent a significant new field of application for Prodways and constitute a growth driver beyond the clear aligners market.

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 2021 revenue of €71 million.

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