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Q2 2023 Financial Results

Conference Call
July 26, 2023

www.materialise.com
NASDAQ: MTLN

Safe Harbor Summary

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things, our intentions, beliefs, assumptions, projections, outlook, analyses or current expectations, plans, objectives, strategies and prospects, both financial and business, including statements concerning, among other things, our estimates for the current fiscal year's revenue and Adjusted EBITDA, our results of operations, cash needs, capital expenditures, expenses, financial condition, liquidity, prospects, growth and strategies (including how our business, results of operations and financial condition could be impacted by the ongoing military conflict between Ukraine and Russia and economic sanctions thereto as well as by inflation and increased labor, energy and materials costs), and the trends and competition that may affect the markets, industry or us. Such statements are subject to known and unknown uncertainties and risks. When used in this press release, the words "estimate," "expect," "anticipate," "project," "plan," "intend," "believe," "forecast," "will," "may," "could," "might," "aim," "should," and variations of such words or similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon the expectations of management under current assumptions at the time of this press release. These expectations, beliefs and projections are expressed in good faith and the company believes there is a reasonable basis for them. However, the company cannot offer any assurance that our expectations, beliefs and projections will actually be achieved. By their nature, forward-looking statements involve risks and uncertainties because they relate to events, competitive dynamics and industry change, and depend on economic circumstances that may or may not occur in the future or may occur on longer or shorter timelines than anticipated. We caution you that forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. All of the forward-looking statements are subject to risks and uncertainties that may cause the company's actual results to differ materially from our expectations, including risk factors described in the company's most recent annual report on Form 20-F filed with the U.S. Securities and Exchange Commission. There are a number of risks and uncertainties that could cause the company's actual results to differ materially from the forward-looking statements contained in this press release.

This presentation includes non-IFRS financial measures, including EBITDA and Adjusted EBITDA. These measures are supplemental measures of financial performance that are not required by, or presented in accordance with, international financial reporting standards ("IFRS"). Please refer to the Appendix of this presentation for a reconciliation of such non-IFRS financial measures to the most directly comparable financial measures prepared in accordance with IFRS.

Agenda

- Q2 2023 Highlights
- New Medical 3D Printing Facility
- Q2 2023 Financial Results
- 2023 Financial Guidance Update
- Q&A



Fried Vancraen
Founder & CEO



Peter Leys
Executive Chairman



Koen Berges
CFO

Q2 2023

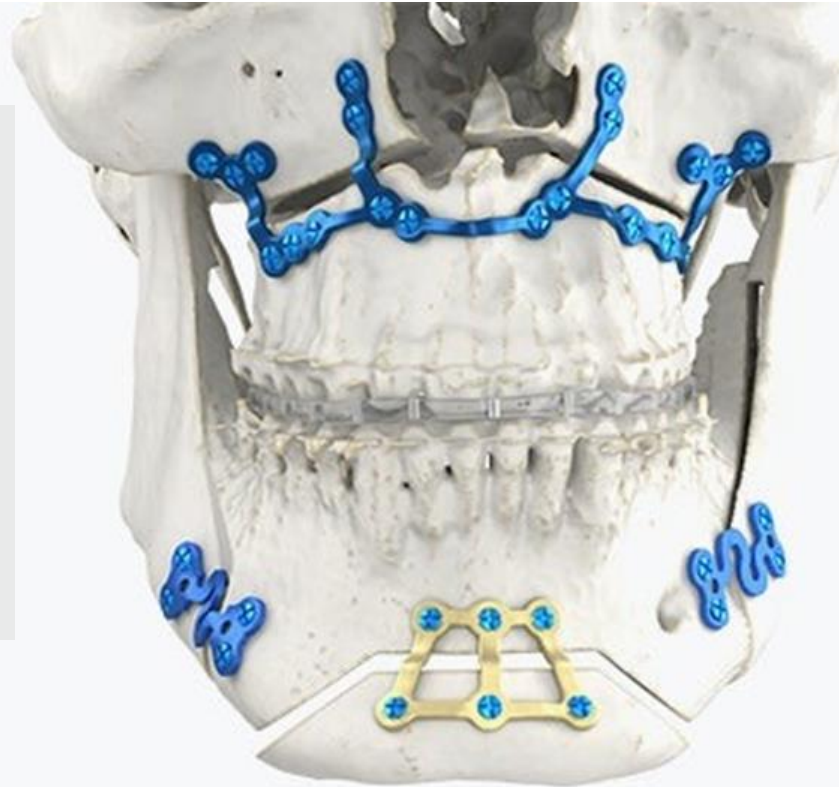
Financial Highlights

- Revenue increased 11.6% to 64,810 kEUR from last year's revenue of 58,070 kEUR
- Adjusted EBITDA increased 12.1% to 4,755 kEUR, representing 7.3% of revenue
- Net result was -494 kEUR, or -1 EUR-ct. per share
- Q2 2023 Adjusted EBITDA and net result include the impact of an unexpected adverse resolution of an arbitration proceeding for -5,189 kEUR

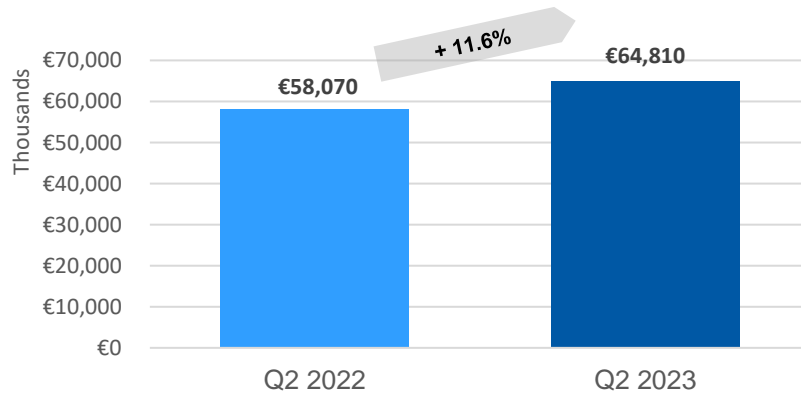
Successful execution leads to continued strong operational performance

New Medical 3D Printing Facility Brings Personalized Care Closer to U.S. Patients

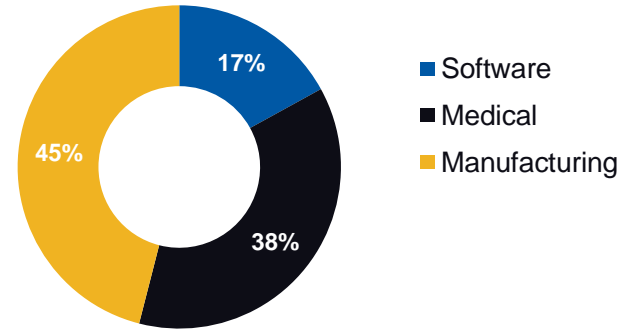
- Titanium CMF implants dedicated 3D printing facility in the U.S
- Reliable personalized medical implants, helping surgeons achieve a more precise and predictable outcome
- Reduced delivery time (to less than a week), closer to U.S. patients
- Demo center for Materialise software tools to improve patient care with 3D visualization, planning & printing



Q2 2023 Consolidated Revenue



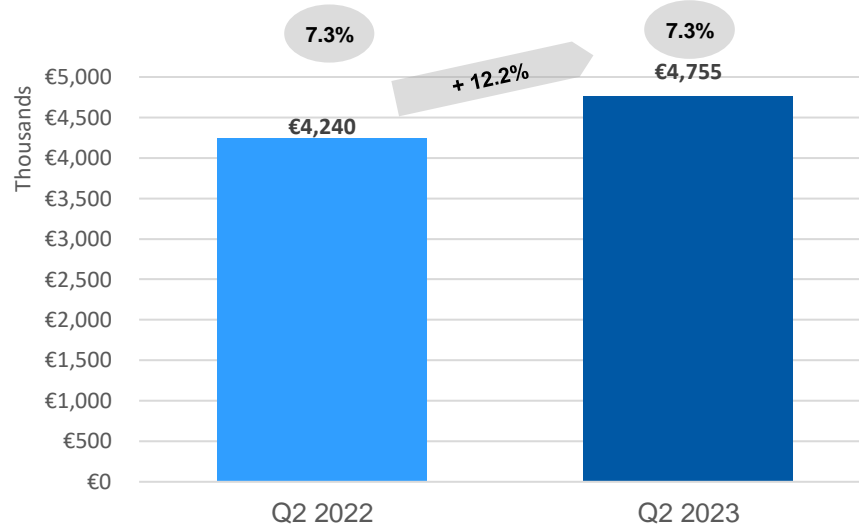
Q2 2023 Revenue by Segment



- Robust 11.6 % revenue increase, with growth across all segments driven by both volume and pricing
- Deferred revenue from software licenses and maintenance of 41,740 k€ on our balance sheet at June 30, 2023
- Cross-segment revenue from software products amounted to 29%

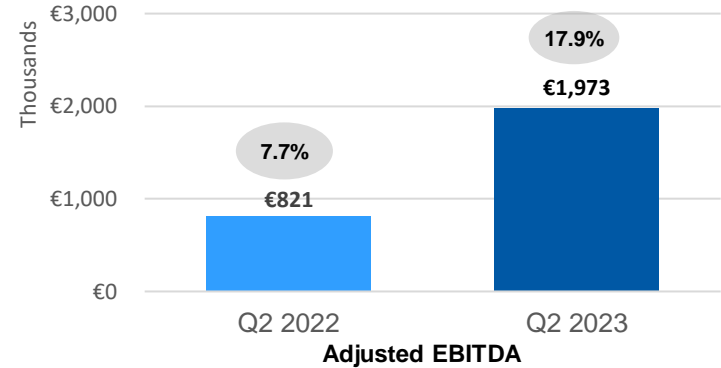
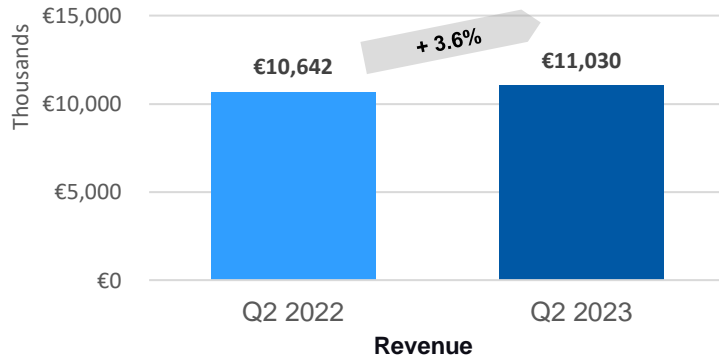
Q2 2023

Consolidated Adjusted EBITDA



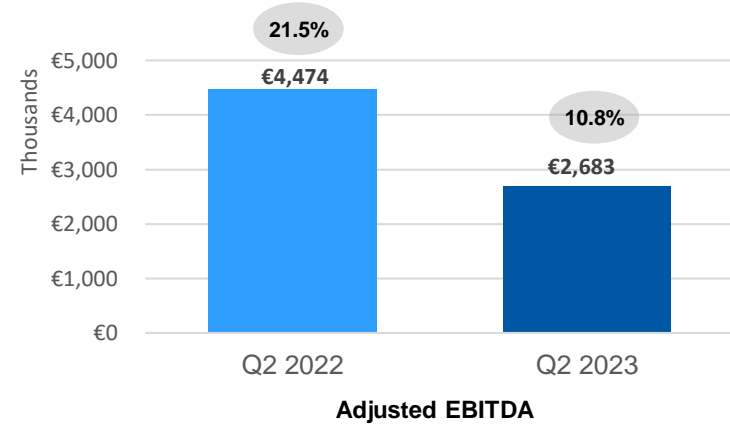
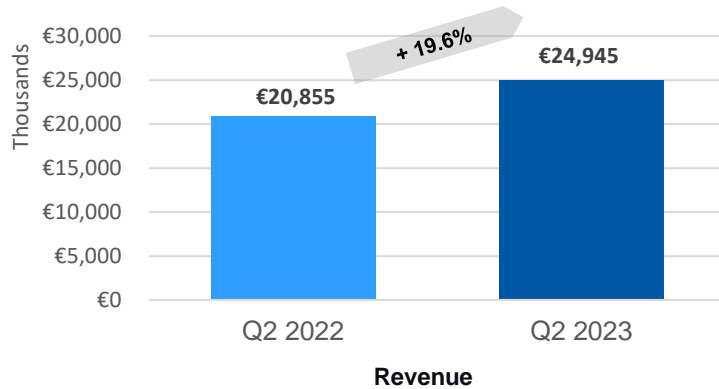
- Q2 2023 Adjusted EBITDA increased 12.2% compared to last year's period following top-line growth while continuing R&D investments.
- Q2 2023 Adjusted EBITDA includes the negative impact of the unexpected adverse resolution of an arbitration proceeding for -5,189 kEUR. Excluding this one-time event, the Q2 2023 Adjusted EBITDA margin would be 15.3%.

Q2 2023 Software Segment



- Q2 2023 revenue increased 3.6% to 11,030 kEUR
 - Recurring revenue, including CO-AM subscription fees, rose 7.0%
 - Non-recurring revenue decreased by 2.8%
- Q2 2023 Adjusted EBITDA grew to 1,973 kEUR, representing an Adjusted EBITDA margin of 17.9%

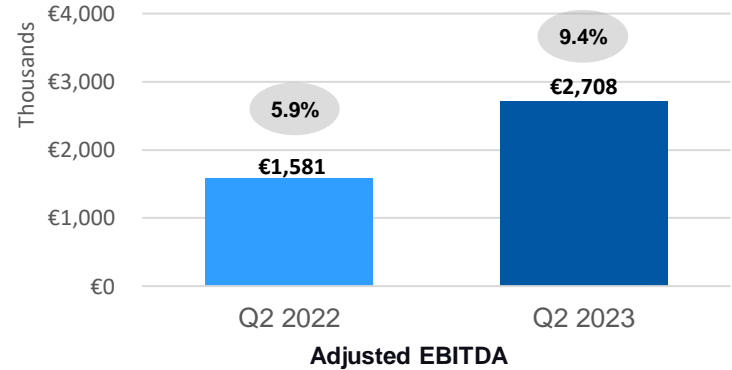
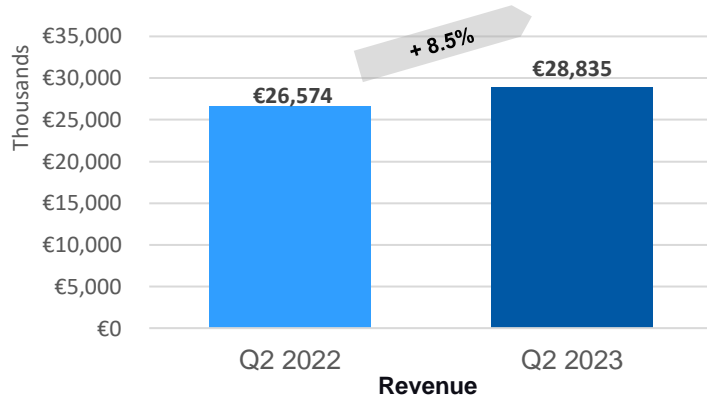
Q2 2023 Medical Segment



- Q2 2023 revenue increased 19.6% to 24,945 kEUR
 - Revenue from medical software grew 26.1%
 - Revenue from medical device solutions grew 16.8%, driven by growth in almost all business lines
- Q2 2023 Adjusted EBITDA of 2,683 kEUR, representing a 10.8% Adjusted EBITDA margin
 - Excluding the negative impact of the unexpected adverse resolution of an arbitration proceeding, Q2 2023 Medical Adjusted EBITDA margin would have been 31.6%

Q2 2023

Manufacturing Segment



- Q2 2023 revenue growth of 8.5% boosted by ACTech (+15.5%) and our core business lines (+9.8%)
- Q2 2023 Adjusted EBITDA grew to 2,708 kEUR, representing an Adjusted EBITDA margin of 9.4%, while including effects of:
 - Continued investments in our growth business lines Motion and Eyewear
 - Higher ACTech subcontracting expenditures while preparing operational capacity of new factory

Income Statement Highlights

(in thousands of euros, except where indicated)	Q2 2023	Q2 2022
Revenue	64,810	58,070
Cost of sales	(27,764)	(26,040)
Gross profit	37,047	32,030
Research & development expenses	(9,489)	(8,955)
Sales & marketing expenses	(14,159)	(14,954)
General & administrative expenses	(9,528)	(9,704)
Other income/(expenses), net	(4,468)	498
Operating profit/(loss)	(597)	(1,084)
Financial income/(expenses), net	635	2,580
Share in gain/(loss) of joint venture		-
Taxes	(532)	(600)
Net profit/(loss)	(494)	896
Diluted EPS (in €)	(0.01)	0.02
(Diluted) weighted average shares (thousands)	59,067	59,095

Other Financial Highlights

(in thousands of euros)	6/30/23	12/31/22
Cash and equivalents	136,285	140,867
Receivables	45,859	51,043
Inventories	16,007	16,081
Payables	24,919	24,476
Deferred income	49,212	50,998
Borrowings	72,412	80,980
Equity	233,393	228,928
Total balance sheet	400,259	411,262

(in thousands of euros)	Q2 2023	Q2 2022
Capital expenditures	2,119	6,548
Cash flow from operations	775	8,636

Fiscal 2023 Financial Guidance Update

- Confirming earlier upward adjusted guidance (in spite of the unexpected adverse resolution of an arbitration proceeding) due to continued strong operational performance
- Expect 2023 consolidated revenue at higher end of 255-260 mEUR range
- Expect 2023 consolidated Adjusted EBITDA within 28-33 mEUR range



Appendix

Adjusted EBITDA Reconciliation

(in thousands of euros)	Q2 2023	Q2 2022
Net profit/(loss)	(494)	896
Income taxes	532	600
Financial expenses	670	1,320
Financial income	(1,305)	(3,901)
Share of loss in a joint venture	-	-
Depreciation & amortization	5,353	5,374
EBITDA	4,755	4,289
Share-based compensation expenses	-	(49)
Adjusted EBITDA	4,755	4,240