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Q3 2023 Financial Results

Conference Call
October 26, 2023

www.materialise.com
NASDAQ: MTL

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 armed conflicts in Israel and Ukraine and governmental responses thereto, 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 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

- Q3 2023 Highlights
- Q3 2023 Financial Results
- Industry and MTLs Leadership Update
- 2023 Financial Guidance
- Q&A



Fried Van Craen
Founder & CEO



Peter Leys
Executive Chairman



Koen Berges
CFO

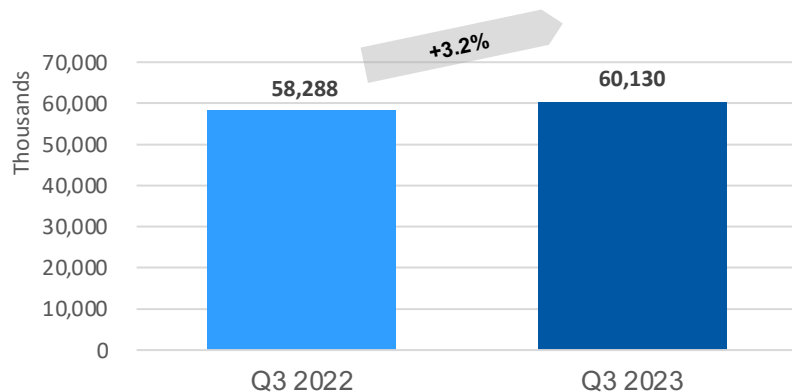
Q3 2023

Financial Highlights

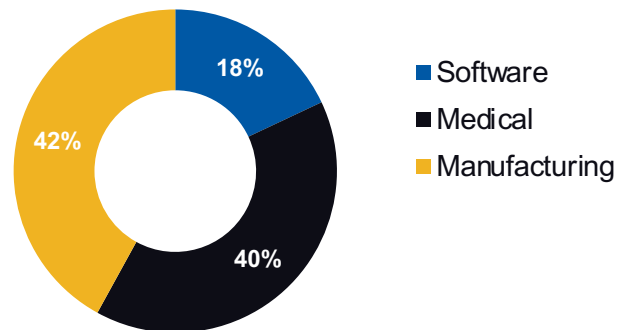
- Revenue increased 3.2% to 60,130 kEUR from last year's revenue of 58,288 kEUR
- Adjusted EBITDA increased 54.9% to 7,857 kEUR, representing 13.1% of revenue
- Net profit increased 184% to 4,013 kEUR, or 7 EUR-ct. per share, from 1,413 kEUR in Q3 2022

Continued strong performance despite less favorable market conditions

Q3 2023 Consolidated Revenue



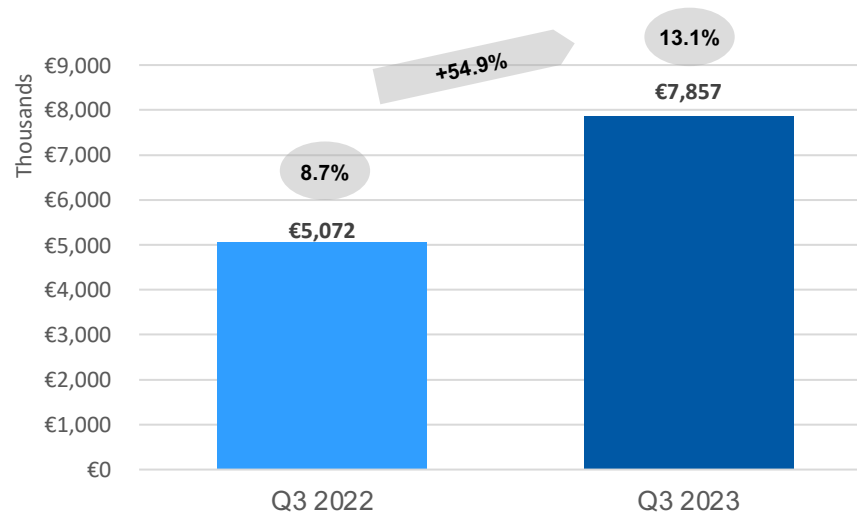
Q3 2023 Revenue by Segment



- Revenue increased 3.2% compared to Q3 2022 to 60.1 mEUR.
- Impact from less favorable market conditions offset by a continued double-digit revenue increase in our Medical business.
- 40.1 mEUR deferred revenue from software licenses and maintenance carried on our balance sheet at the end of Q3 2023.

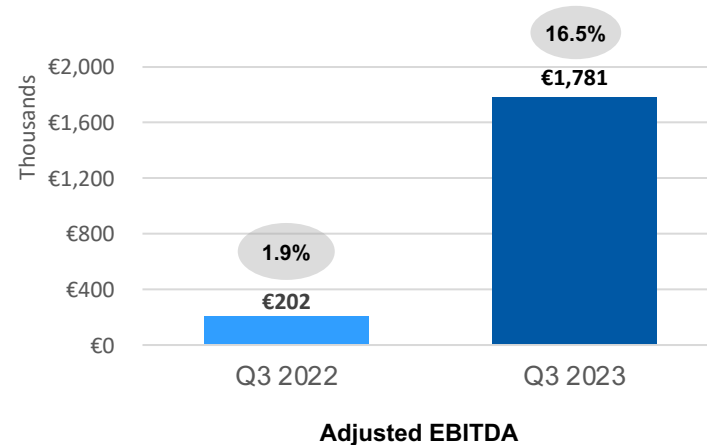
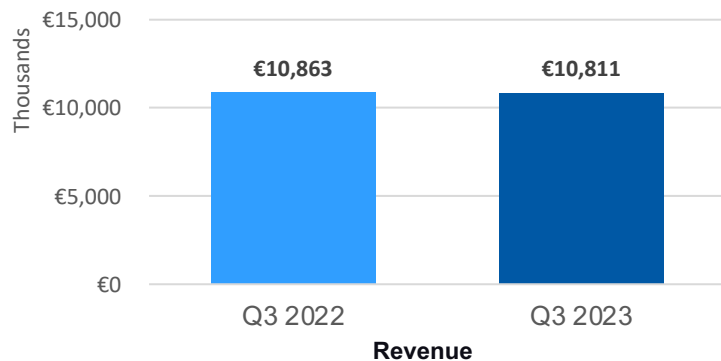
Q3 2023

Consolidated Adjusted EBITDA



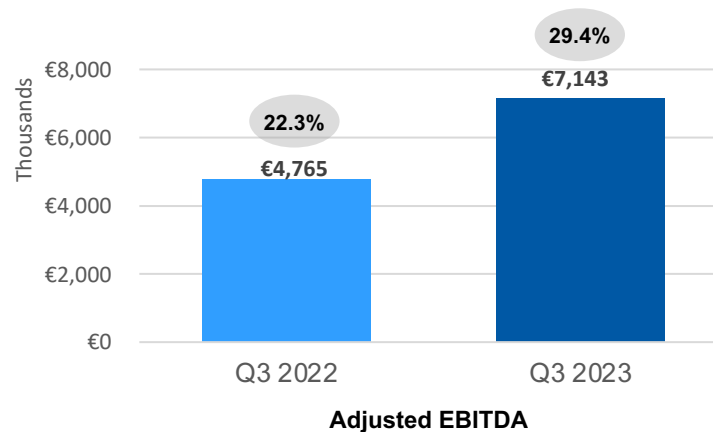
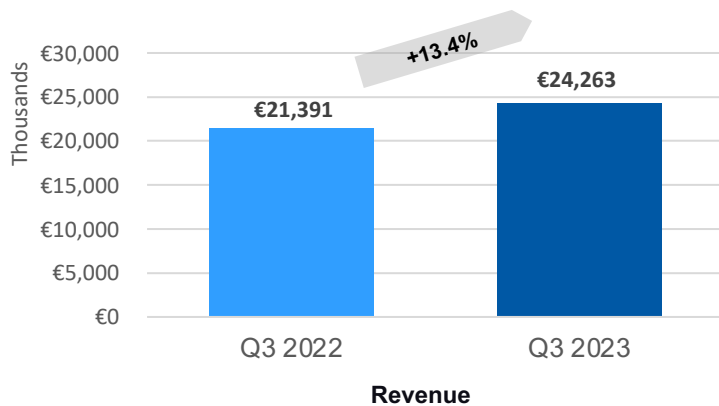
- Q3 2023 Adjusted EBITDA increased 54.9% to 7,857 kEUR compared to Q3 2022 due to leveraging scaling effects and cost control while continuing R&D investments in our growth businesses.

Q3 2023 Software Segment



- Q3 2023 revenue stable at 10,811 kEUR compared to Q3 2022
 - Recurring revenue, including CO-AM subscription fees, rose 10%
 - Non-recurring revenue decreased by 18%
- Q3 2023 Adjusted EBITDA grew to 1,781 kEUR, representing an Adjusted EBITDA margin of 16.5%

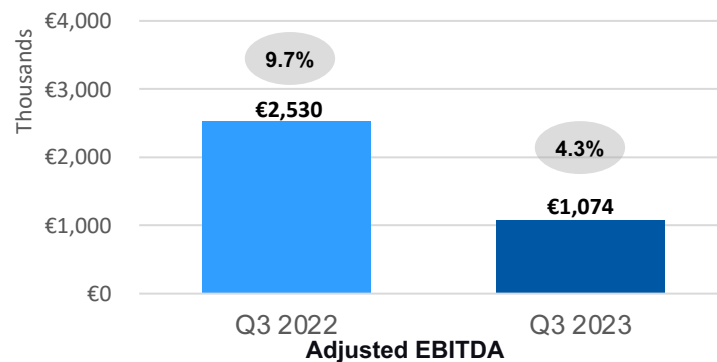
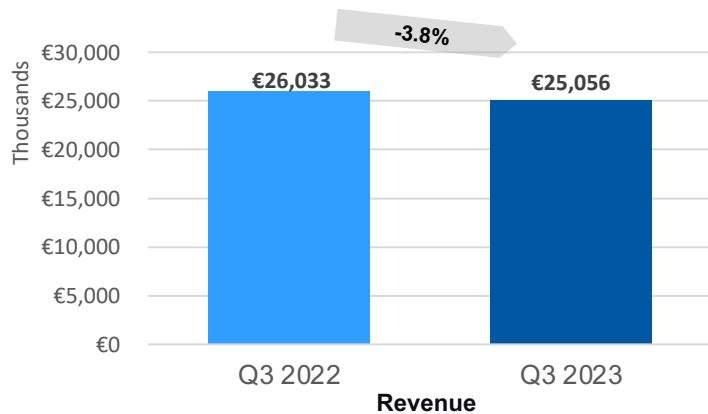
Q3 2023 Medical Segment



- Q3 2023 revenue increased 13.4% to 24,263 kEUR
 - Revenue from medical software grew 10%
 - Revenue from medical device solutions increased 15% driven by growth in both partner and direct sales
- Q3 2023 Adjusted EBITDA grew to 7,143 kEUR representing an Adjusted EBITDA margin of 29.4%

Q3 2023

Manufacturing Segment



- Q3 2023 revenue decreased by 3.8% compared to Q3 2022 mainly due to a slow down in the prototyping market
- Q3 2023 Adjusted EBITDA decreased to 1,074 kEUR, representing an Adjusted EBITDA margin of 4.3%, including effects of:
 - Less favorable market conditions
 - Continued investments in our growth business lines Motion and Eyewear

Income Statement Highlights

(in thousands of euros, except where indicated)	Q3 2023	Q3 2022
Revenue	60,130	58,288
Cost of sales	(26,435)	(26,245)
Gross profit	33,696	32,042
Research & development expenses	(9,476)	(9,313)
Sales & marketing expenses	(13,960)	(15,198)
General & administrative expenses	(8,640)	(8,980)
Other income/(expenses), net	710	1,166
Operating profit/(loss)	2,330	(282)
Financial income/(expenses), net	1,319	2,173
Share in gain/(loss) of joint venture	-	-
Taxes	363	(478)
Net profit/(loss)	4,013	1,413
Diluted EPS (in €)	0,07	0.02
(Diluted) weighted average shares (thousands)	59,068	59,089

Other Financial Highlights

(in thousands of euros)	9/30/23	12/31/22
Cash and equivalents	133,953	140,867
Receivables	41,998	51,043
Inventories	16,764	16,081
Payables	23,072	24,476
Deferred income	46,473	50,998
Borrowings	66,222	80,980
Equity	236,631	228,928
Total balance sheet	393,991	411,262

(in thousands of euros)	Q3 2023	Q3 2022
Cash flow from operations	8,143	3,840
Capital expenditures	3,920	9,441

Leadership Handover – as of Jan 1, 2024



Fried Vancraen

Chairman of the Board



Brigitte de Vet-Veithen

CEO of Materialise

Peter Leys remains non-executive **Board member**

Leadership Handover – as of Jan 1, 2024



Brigitte de Vet-Veithen

- 30+ years experience in technology and healthcare sector
- Executive Vice President Materialise Medical since 2016
- Before Materialise:
 - CTO at various companies and CEO at Acertys
 - Business leader at Johnson & Johnson
 - Strategy consultant for technology companies at Accenture

Fiscal 2023 Financial Guidance Update

Maintaining earlier upward adjusted guidance on revenue and Adjusted EBITDA

- Expect 2023 consolidated revenue within 255-260 mEUR range
- Expect 2023 consolidated Adjusted EBITDA within 28-33 mEUR range



Appendix

Adjusted EBITDA Reconciliation

(in thousands of euros)	Q3 2023	Q3 2022
Net profit/(loss)	4,013	1,413
Income taxes	(363)	478
Financial expenses	1,554	2,110
Financial income	(2,873)	(4,283)
Share of loss in a joint venture		
Depreciation & amortization	5,527	5,378
EBITDA	7,857	5,096
Share-based compensation expenses		(24)
Adjusted EBITDA	7,857	5,072