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innovators you can count on

## **1Q 2021 Financial Results**

Conference Call  
April 29, 2021

[www.materialise.com](http://www.materialise.com)  
NASDAQ: MTL

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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

- Q1 2021 Highlights and Strategy Overview
- Materialise Software Platform and Link3D
- Q1 2021 Financial Results
- Fiscal 2021 Financial Guidance
- Q&A



**Fried Vancraen**  
*Founder & CEO*



**Peter Leys**  
*Executive Chairman*



**Johan Albrecht**  
*CFO*

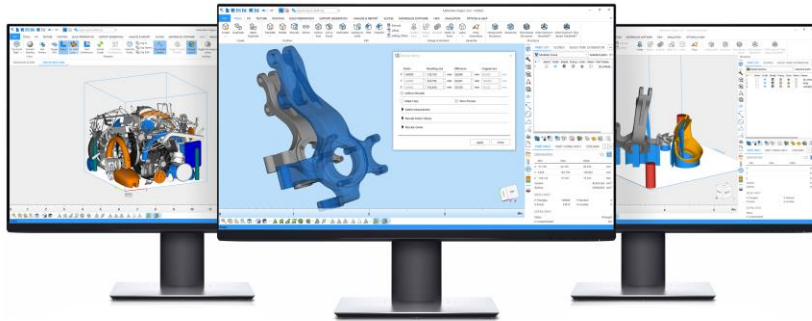
# Q1 2021

## Financial Highlights

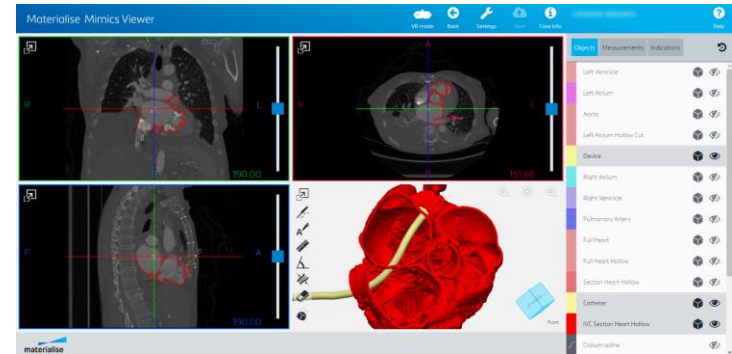
- Q1 2021 revenue was 45,554 kEUR, a decrease of 1.5% from the pre-pandemic first quarter 2020
- Q1 2021 revenue increased 0.6% from the fourth quarter 2020
- Q1 2021 Adjusted EBITDA grew 48% to 5,341 kEUR or 11.7% of revenue
- Q1 2021 Operating profit grew to 290 kEUR compared to (1,084) in Q1 2020
- Q1 2021 Net result was (3,667) kEUR compared to (2,899) kEUR in Q1 2020

***Materialise Software and Medical back on growth track***

# Horizontal Flagship Products

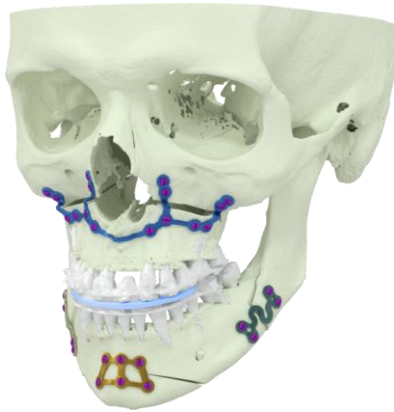


Magics Software Platform



Mimics Innovation Suite

# Vertical Product Lines and Initiatives



Medical - CMF



Wearables - Materialise Motion



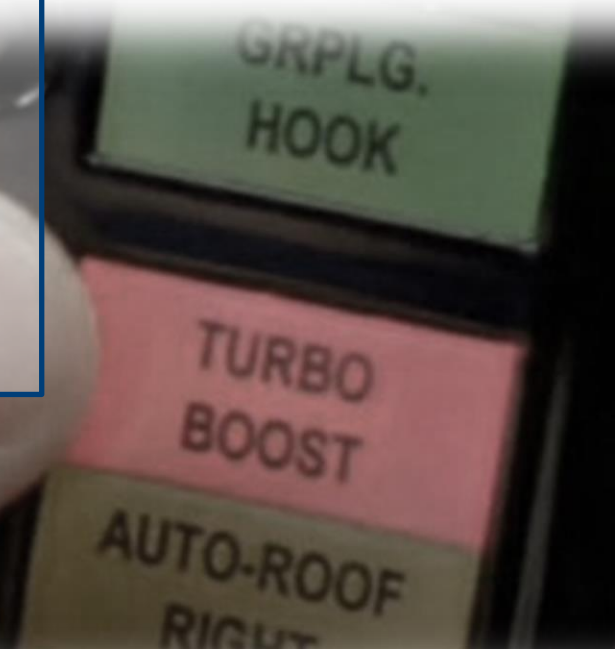
Wearables - Eyewear



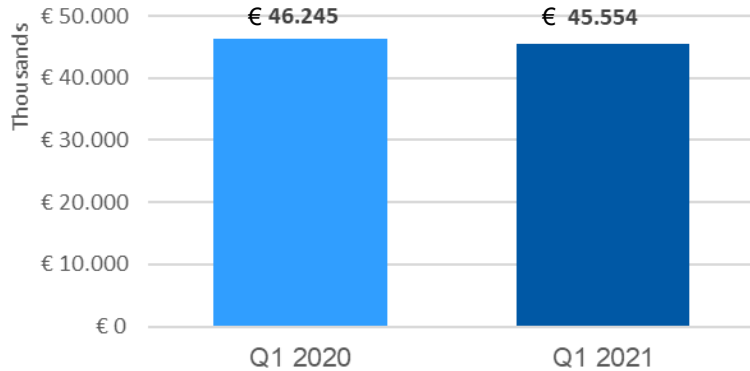
# LINK3D

## **Turbo-boosting Our Magics Cloud Platform:**

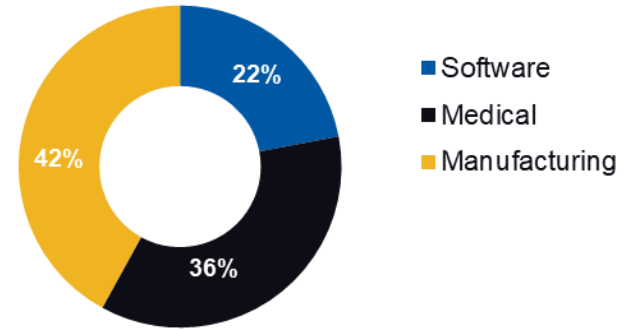
- **Support End Part Manufacturing (MES)**
- **Accelerate Cloud Offering**



# Q1 2021 Consolidated Revenue



Q1 2021 Revenue by Segment

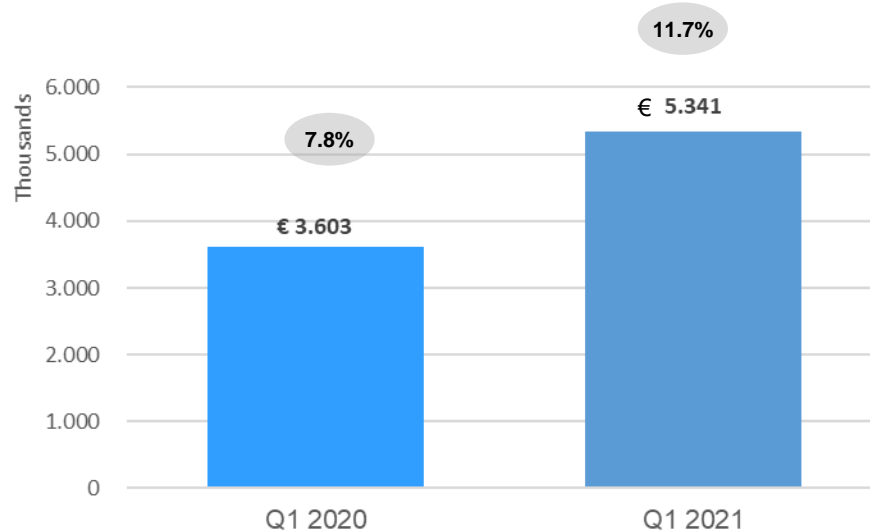


- Positive growth from Software and Medical, offset by Manufacturing, where the increased order intake did not yet result in revenue growth
- Deferred revenues from software license and maintenance fees grew by 1.9 million EUR from end last year
- Cross-segment revenue from software products amounted to 34%



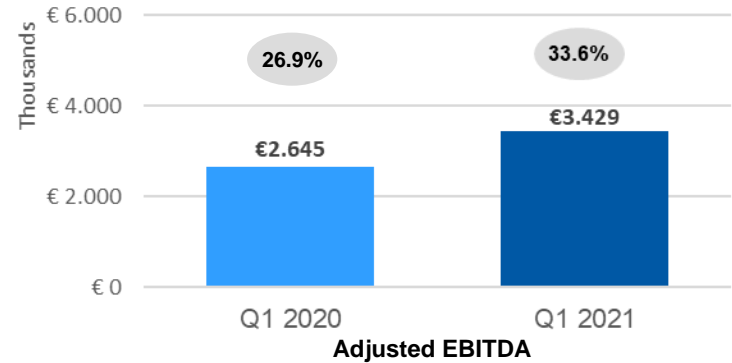
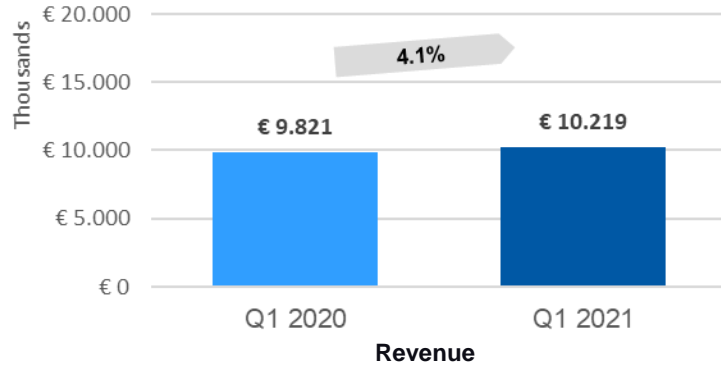
# Q1 2021

## Consolidated Adjusted EBITDA



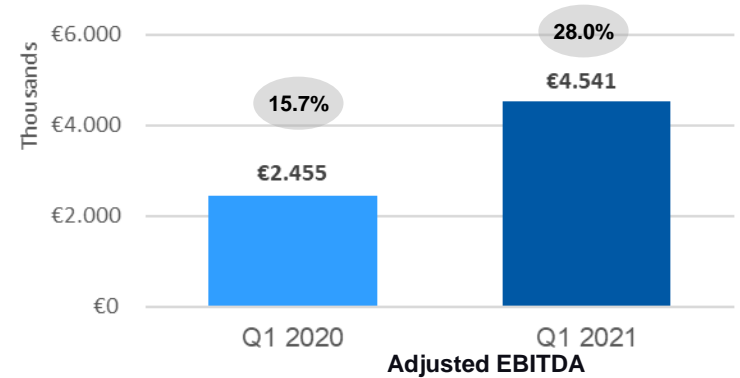
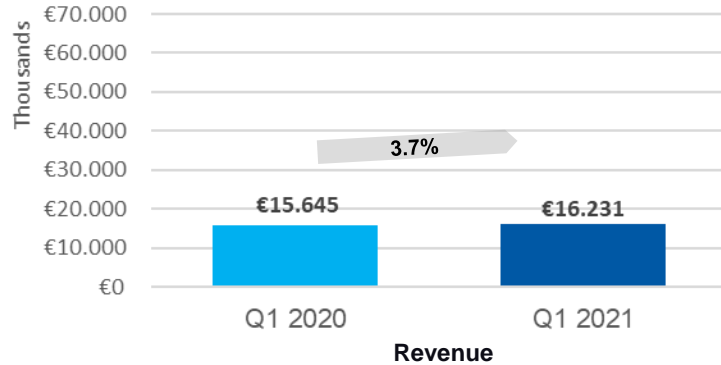
- Q1 2021 consolidated Adjusted EBITDA increased by 48%
- Variable cost of sales decreased, productivity improvements and continued cost savings
- Continued high level of expenditures in research and development, and internal digital transformation program

# Q1 2021 Software Segment



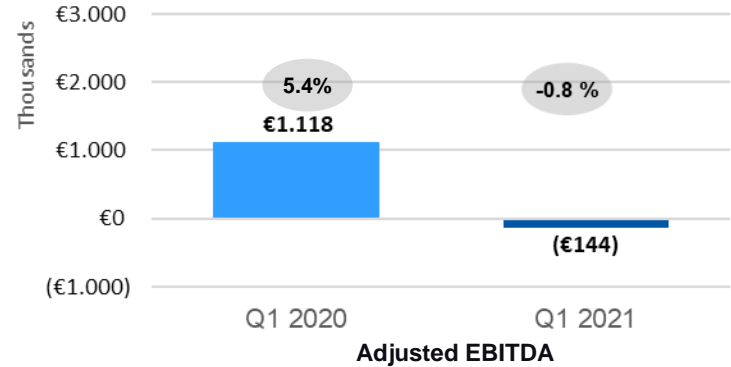
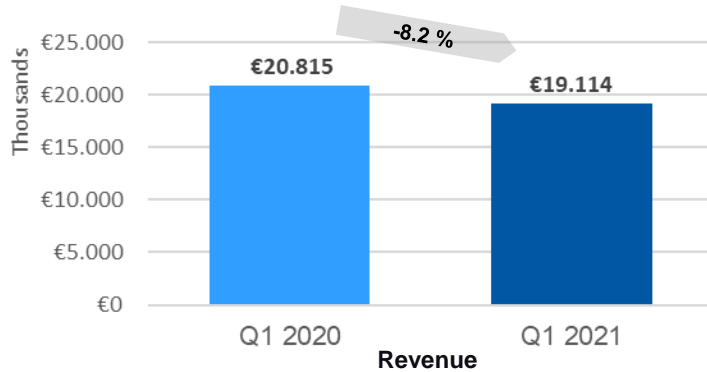
- Q1 2021 revenue was 10,219 kEUR, 4.1% above Q1 2020
  - Revenue was at the same level as the seasonal high Q4 2020
- Q1 2021 recurrent revenue decreased 6.3%
- Q1 2021 non-recurrent revenue rose 20.0% versus Q1 2020
- Q1 2021 Adjusted EBITDA increased 30%: revenue growth, cost containment SG&A, growing investments in R&D

# Q1 2021 Medical Segment



- Q1 2021 revenue increased 3,7% to 16,231 kEUR
- Revenue growth from both medical devices and medical software sales
- Q1 2021 Adjusted EBITDA grew 85% to 4,541 kEUR, 28% EBITDA margin:
  - Revenue growth, productivity improvements, continued cost containment in operating expenses, while rolling out our R&D programs

# Q1 2021 Manufacturing Segment



- Q1 2021 revenue decreased 8.2% compared to Q1 2020
  - More positive outlook for Q2 from improving order intake in Q1
- Q1 2021 Adjusted EBITDA amounted to -144 kEUR
  - Cost savings measures offset by fixed cost of unused capacity

# Income Statement Highlights

(in thousands of euros, except where indicated)	Q1	
	2021	2020*
<b>Revenue</b>	45,554	46,245
<b>Cost of sales</b>	(20,986)	(21,660)
<b>Gross profit</b>	24,568	24,585
<b>Research &amp; development expenses</b>	(6,536)	(6,527)
<b>Sales &amp; marketing expenses</b>	(11,310)	(12,627)
<b>General &amp; administrative expenses</b>	(7,552)	(7,197)
<b>Other income/(expenses), net</b>	1,120	683
<b>Operating profit/(loss)</b>	290	(1,084)
<b>Financial income/(expenses), net</b>	(4,112)	(1,321)
<b>Share in gain/(loss) of joint venture</b>	-	(39)
<b>Taxes</b>	155	(457)
<b>Net profit/(loss)</b>	(3,667)	(2,899)
<b>Diluted EPS</b> (in €)	(0.07)	(0.05)
<b>(Diluted) weighted average shares</b> (thousands)	54,169	53,173

\* The year 2020 has been restated to reflect the final accounting of the business combination with Engimplan

# Other Financial Highlights

(in thousands of euros)	03/31/2021	12/31/2020
<b>Cash and equivalents</b>	107,568	111,538
<b>Receivables</b>	31,899	30,871
<b>Inventories</b>	10,292	10,043
<b>Payables</b>	19,024	17,698
<b>Deferred income</b>	37,640	34,882
<b>Borrowings</b>	110,527	115,110
<b>Equity</b>	129,961	133,104
<b>Total balance sheet</b>	320,162	327,667

(in thousands of euros)	Q1 2021	Q1 2020
<b>Capital expenditures</b>	2,010	3,053
<b>Cash flow from operations</b>	4,231	7,273

# Outlook for 2021

- **Current revenue outlook for Q2 2021**
  - Expect Materialise Medical and Materialise Software to continue to perform well
  - Expect Materialise Manufacturing to recover more significantly
  - Expect consolidated Q2 2021 revenue to grow sequentially with potential of being up to 10% higher than Q1 2021
- **Current Adjusted EBITDA outlook for 2021**
  - Continuous expenditures in R&D and internal infrastructure expected to weigh on Adjusted EBITDA

# APPENDIX

## Adjusted EBITDA Reconciliation

	For the quarter ended March 31	
(in thousands of euros)	2021	2020*
Net profit/(loss)	(3,667)	(2,899)
Income taxes	(155)	457
Financial expenses	4,701	1,821
Financial income	(589)	(500)
Share of loss in a joint venture	-	39
Depreciation & amortization	5,081	4,760
<b>EBITDA</b>	5,371	3,678
Share-based compensation expenses	(415)	(75)
Acquisition-related expenses	385	
Impairments		
<b>Adjusted EBITDA</b>	5,341	3,603

\* The year 2020 has been restated to reflect the final accounting of the business combination with Engimplan