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4Q 2020 Financial Results

Conference Call
March 9, 2021

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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

- Q4 and FY 2020 Highlights
- Q4 2020 Financial Results
- Fiscal 2021 Financial Guidance
- Q&A



Fried Vancraen
Founder & CEO



Peter Leys
Executive Chairman



Johan Albrecht
CFO

Q4 2020 & Full Year Financial Highlights

Q4 2020

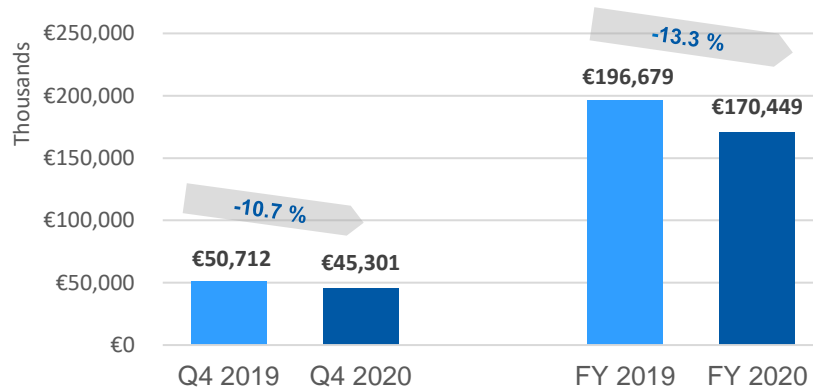
- Q4 2020 revenue decreased 10.7% to 45,301 kEUR from last year
- Q4 2020 revenue increased 11.1% from the third quarter
- Q4 2020 Adjusted EBITDA was 7,370 kEUR or 16.3% of revenue
- Q4 2020 net result was (2,118) kEUR compared to 1,246 kEUR in Q4 2019
- Net result included non-cash revaluations and impairments totaling (3,836) kEUR

Full Year 2020

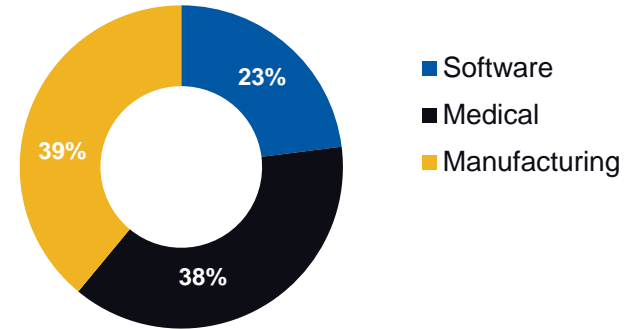
- Total annual revenue decreased 13.3% to 170,449 kEUR
- Full year Adjusted EBITDA decreased to 20,378 kEUR from 26,556 kEUR in 2019
- Net loss was (7,272) kEUR compared to 1,644 kEUR
- Cash position as of year end was 111,538 kEUR
- Operating cash flow increased 1,576 kEUR to 29,978 kEUR

Continued track record of solid cash position and Adjusted EBITDA

Q4 2020 & Full Year Consolidated Revenue

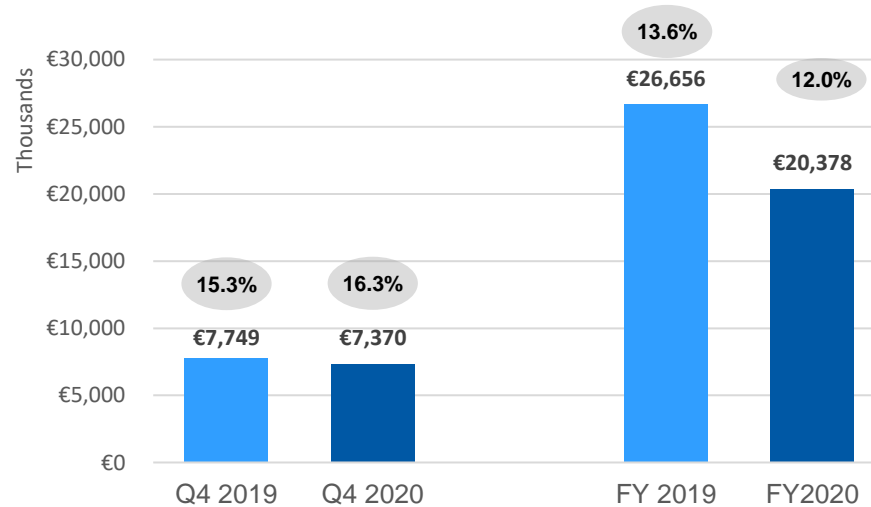


Q4 2020 Revenue by Segment



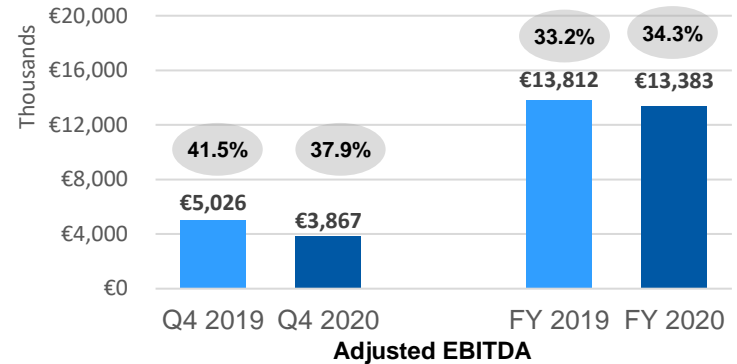
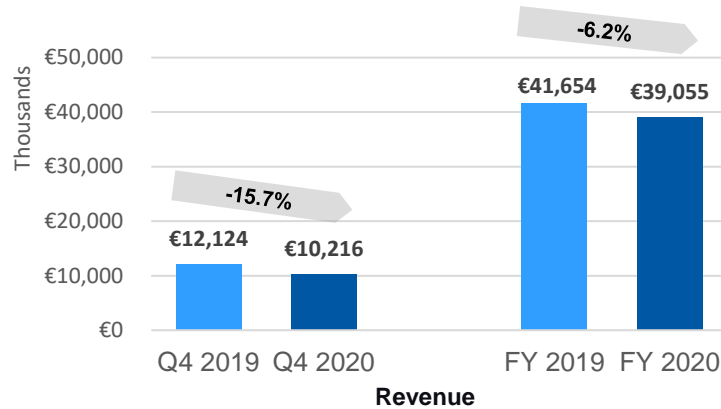
- Covid-19 continued to negatively impact Q4 Software and Manufacturing revenues; Medical revenue stable
- Q4 revenue grew 11% compared to Q3 2020, boosted by 26% growth of Manufacturing
- Deferred revenues from software license and maintenance fees grew by 3.4 million EUR during Q4
- Cross-segment revenue from software products amounted to 34%

Q4 2020 & Full Year Consolidated Adjusted EBITDA



- Q4 2020 consolidated Adjusted EBITDA was 7,370 kEUR; EBITDA margin grew to 16.3%, reflecting a 1.4% gross margin increase to 57.8% and a continuing focus on cost control in SG&A expenditures.
- Full year Adjusted EBITDA was 20,378 kEUR or 12.0% of revenue.
- On a quarterly basis, Adjusted EBITDA margin was 7.8% in Q1; 8.9% in Q2; 14.8% in Q3 and 16.3% in Q4

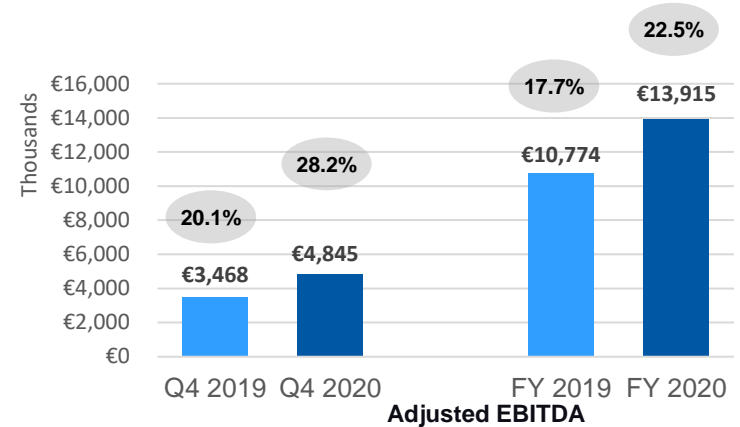
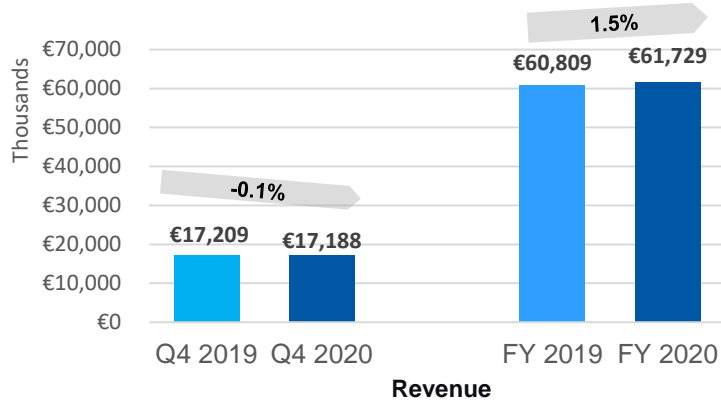
Q4 2020 & Full Year Software Segment



- Q4 2020 revenue was 10,216 kEUR, 15.7% below last year
 - Compared to Q3 2020, revenue rose 7.8%, sales* grew 40.5%
- Q4 2020 recurrent revenue up 3.5% (renewal sales +20%)
- Q4 2020 non-recurrent revenue down -31% from last year, but up 34% from Q3 2020
- Q4 2020 Adjusted EBITDA was 3,867 kEUR, margin remained high at 37.9%

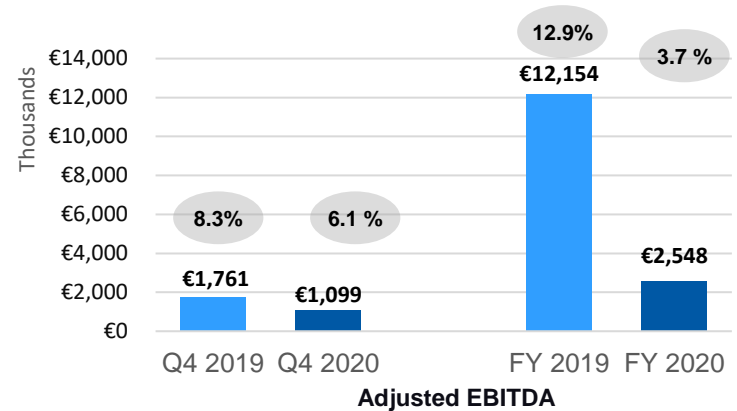
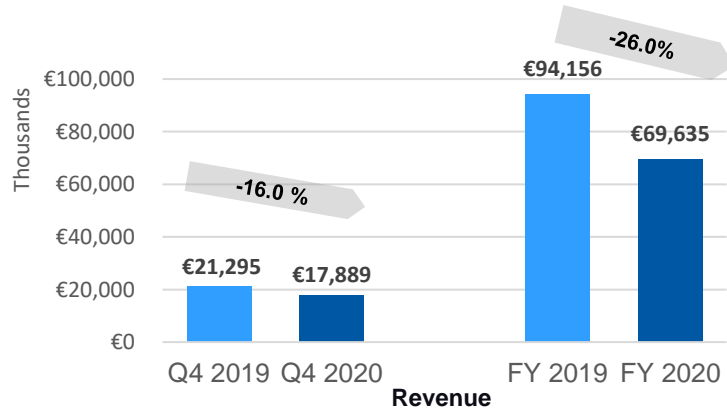
*Sales are defined in this presentation as revenue plus deferred revenue.

Q4 2020 & Full Year Medical Segment



- Q4 2020 revenue remained flat at a high level compared to last year and to Q3 2020
- Medical software sales grew 40% compared to Q3 2020
- Q4 2020 Adjusted EBITDA of 4,845 kEUR, 28% EBITDA margin
- Capitalized expenditures of tracheal splint development program impaired by (2,090) EUR; goodwill and intangible assets of Engimplan impaired by (2,516) kEUR. Both impairment charges were non-cash and excluded in Adjusted EBITDA.

Q4 2020 & Full Year Manufacturing Segment



- Q4 revenue decreased 16.0% YOY, as negative impact of COVID-19 continued
 - Compared to Q3, revenue grew 26% (+21% excluding the 762 kEUR impact of RS Print)
- Q4 Adjusted EBITDA amounted to 1,099 kEUR, a decrease of (-662) kEUR compared to last year
- Q4 Adjusted EBITDA increased 1,392 kEUR from Q3

Income Statement Highlights

(in thousands of euros, except where indicated)	Q4		Full Year	
	2020	2019 (*)	2020	2019 (*)
Revenue	45,301	50,712	170,449	196,679
Cost of sales	(19,137)	(22,134)	(76,446)	(86,972)
Gross profit	26,165	28,578	94,003	109,707
Research & development expenses	(8,669)	(5,937)	(27,104)	(23,348)
Sales & marketing expenses	(10,938)	(14,192)	(44,636)	(52,989)
General & administrative expenses	(8,236)	(7,333)	(29,337)	(31,786)
Other income/(expenses), net	(296)	1,394	2,436	5,352
Operating profit/(loss)	(1,974)	2,509	(4,639)	6,936
Financial income/(expenses), net	(596)	(558)	(3,541)	(2,305)
Share in gain/(loss) of joint venture		(147)	(39)	(392)
Taxes	452	(558)	949	(2,595)
Net profit/(loss)	(2,118)	1,246	(7,272)	1,644
Diluted EPS (in €)	(0.04)	0.03	(0.13)	0.03
(Diluted) weighted average shares (thousands)	53,896	53,797	53,364	53,779

(*) 2019 has been restated to reflect the final accounting of the Engimplan business combination (-80K€)

Other Financial Highlights

(in thousands of euros)	12/31/2020	12/31/2019
		(*)
Cash and equivalents	111,538	128,897
Receivables	30,871	40,322
Inventories	10,043	12,696
Payables	18,672	21,878
Deferred income	34,881	32,673
Borrowings	115,110	127,939
Equity (incl. NCI 2019)	133,104	142,782
Total balance sheet	327,667	349,401
(in thousands of euros)	FY 2020	FY 2019
Capital expenditures	17,650	15,665
Cash flow from operations	29,978	28,402
(in thousands of euros)	Q4 2020	Q4 2019
Capital expenditures	3,670	3,753
Cash flow from operations	15,226	5,663

* NCI 2019: Non-Controlling Interest Engimplan 3,276

(*) 2019 has been restated to reflect the final accounting of the Engimplan business combination (-80K€)

Fiscal 2021 Financial Guidance

- Encouraging Q4 2020 results and customer feedback in early 2021
- Overall environment remains too uncertain to offer specific full-year guidance
- Current outlook for Q1 2021:
 - Expect Software and Medical to recover steadily, with potential to post revenues close to pre-pandemic Q1 2020 levels
 - Expect Manufacturing to recover more slowly
 - Expect Consolidated revenue to be 5% - 10% below Q1 2020
- Expect all segments to perform well and grow sequentially in Q2 - Q4 2021, as COVID-19 crisis subsides
- Continuing to invest in R&D and internal infrastructure

APPENDIX

Adjusted EBITDA Reconciliation

	For the quarter ended December 31		For the year ended December 31	
(in thousands of euros)	2020	2019(*)	2020	2019 (*)
Net profit/(loss)	(2,118)	1,246	(7,272)	1,644
Income taxes	(452)	558	(949)	2,595
Financial expenses	1,073	1,035	5,996	3,682
Financial income	(477)	(477)	(2,453)	(1,377)
Share of loss in a joint venture		147	39	392
Depreciation & amortization	5,160	5,196	19,775	19,278
EBITDA	3,188	7,705	15,136	26,214
Share-based compensation expenses	286	44	1,343	302
Acquisition-related expenses	63	-	63	140
Impairments	4,606		4,606	
Re-valuation on 50% Rs Print	(770)		(770)	
Adjusted EBITDA	7,370	7,749	20,378	26,656

(*) 2019 has been restated to reflect the final accounting of the Engimplan business combination (-80K€)