



## Investor Presentation December 2017

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

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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, current estimates of fiscal 2017 revenues and Adjusted EBITDA, investments in R&D and S&M initiatives, results of operations, cash needs, capital expenditures, expenses, financial condition, liquidity, prospects, growth and strategies, 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 presentation, 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 the risk factors described in Item 3.D. of our Annual Report on Form 20-F filed with the SEC on May 1, 2017. 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 presentation.

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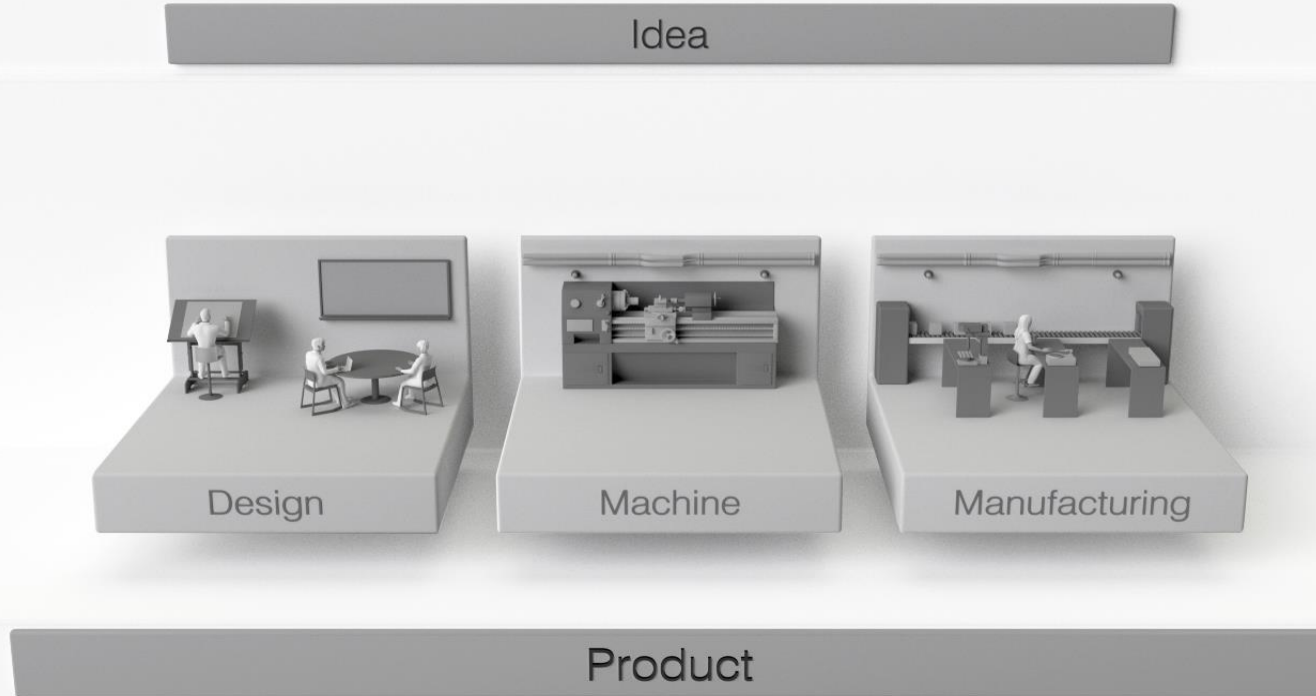
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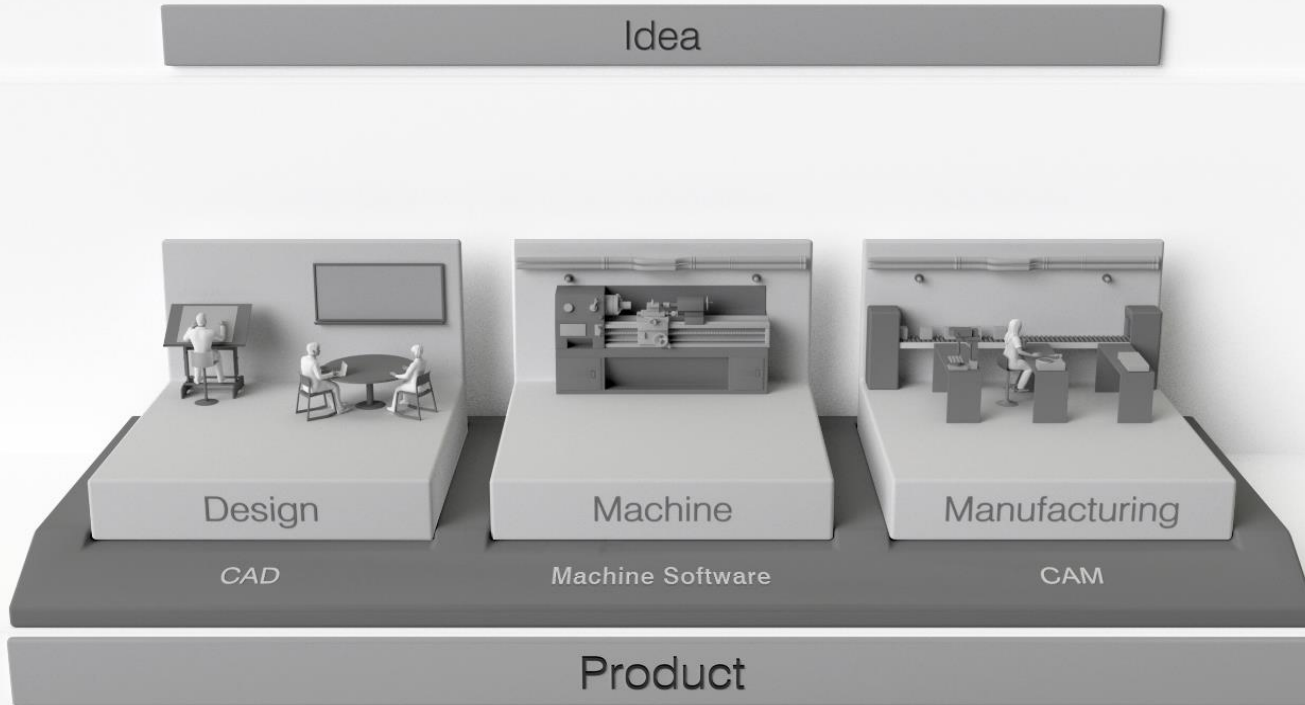
## 25 Years of Software Innovation

From the very beginning, Materialise has focused on the software and services that put 3D printers to work.

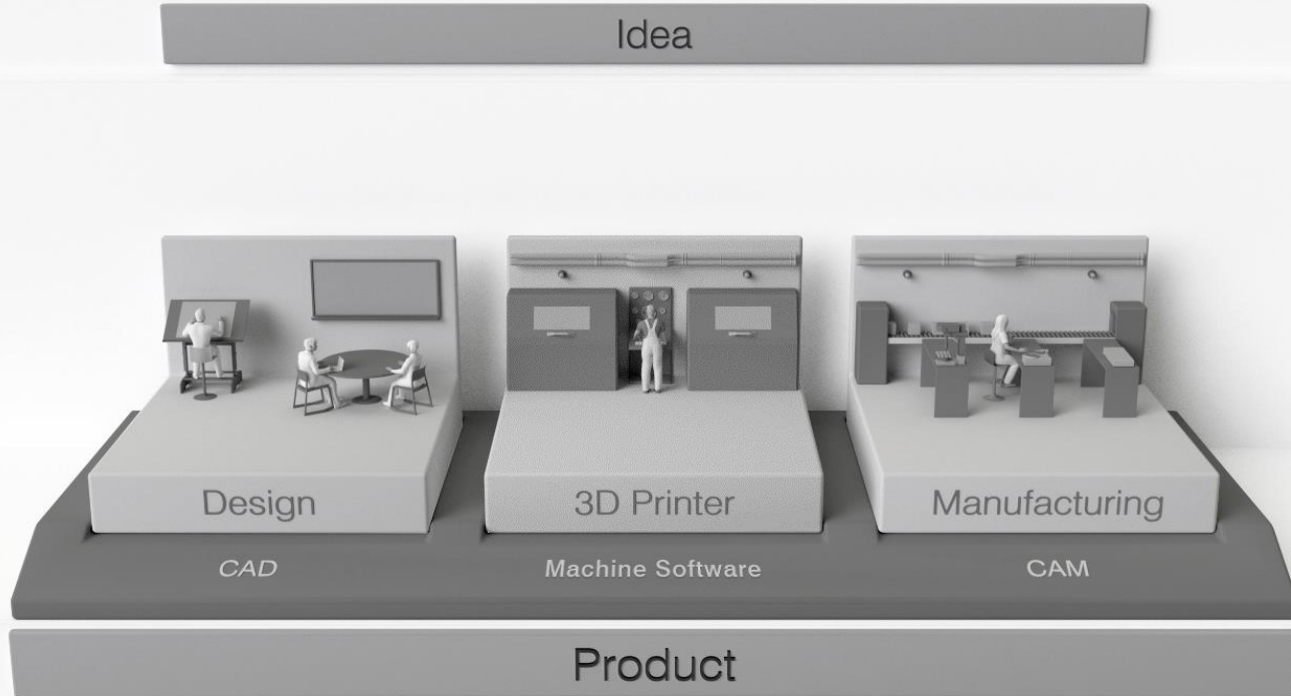
# Industrial Manufacturing Ecosystem



# Industrial Manufacturing Backbone

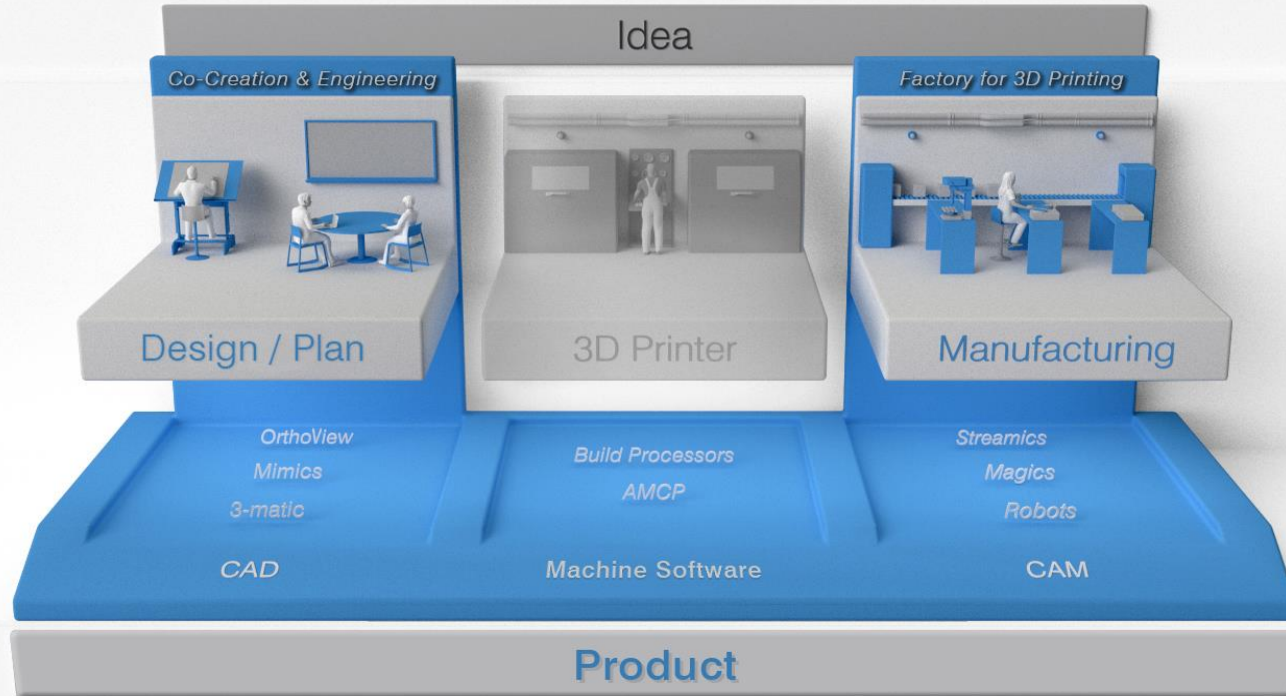


# Industrial 3D Printing Ecosystem & Backbone





# Materialise: the Backbone of the 3D Printing Ecosystem



## Our Strategy at a Glance

Materialise has incorporated more than **25 years** of 3D printing experience into a suite of **software solutions** and 3D printing **services**, that together form the **backbone** of the 3D printing industry.

Our **open and flexible** solutions enable all players in the ecosystem to build **innovative 3D printing applications** that will make the world a better and healthier place.



## Our Competitive Edge

- ▶ Our backbone is **open** to all players in the 3D printing ecosystem, offering them a **neutral and flexible** platform to build meaningful applications.
- ▶ We are the only company that combines the largest group of **software developers** in the industry with one of the largest **3D printing facilities** in the world.
- ▶ We have 25 years of **experience**. We are **global**. We have a portfolio of over 200 granted **patents** and more than 180 pending.

# Who Our Backbone Supports

- ▶ Those who 3D print,
  - ▶ Rely on our software tools to *optimize* the print files, to *prepare* the build platform and to better *control* the printing process;
  
- ▶ Those who subcontract the 3D printing of prototypes or end-use parts,
  - ▶ Turn to us to *(re-)engineer* and *3D print* their most complex designs, using our wide variety of technologies and materials, which can operate in highly regulated and certified environments;
  
- ▶ Those who introduce 3D Printing to their businesses,
  - ▶ For healthcare applications, they work with our *planning and design* software tools, rely on our 3D-printed anatomical *models* and surgical *guides*, and use our targeted patient-specific *implants*.
  - ▶ For industrial applications, they work with us to set up vertical solutions covering the entire cycle from *design* to *production*.

# The Backbone at Work

## Materialise – HOYA Vision Care Partnership



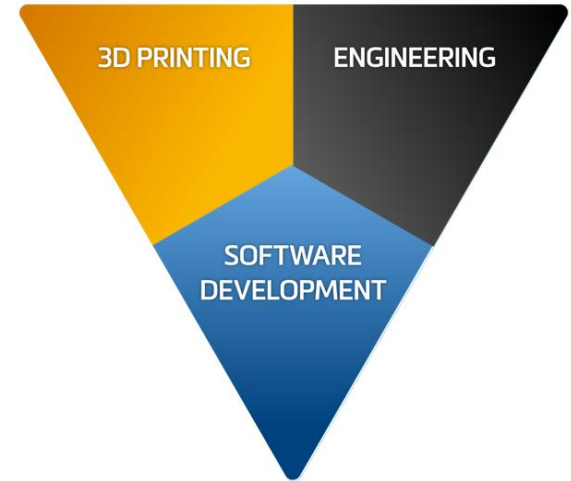
- Prime example of Materialise's backbone strategy
- Significantly enhances the customer's vision experience by customizing lens and frame in a coordinated fashion
  - Yuniku's result: better vision, less fatigue
- Fully backed by an end-to-end digital supply chain
- Materialise to produce the individualized frames
- First products to be delivered in spring of 2017, with ramp up in Europe during the year



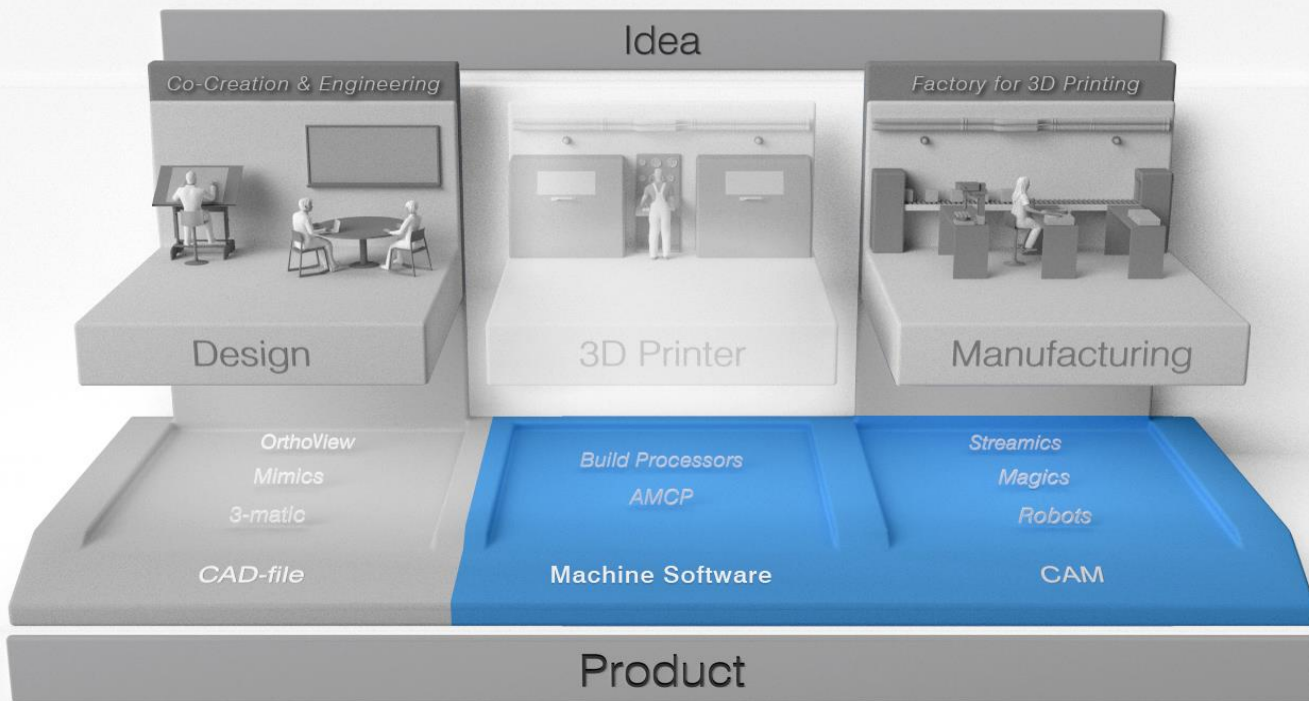
# The Backbone at Work

## Yuniku - A Unique Blend of Three Core Competencies

- Automated engineering of custom-designed frames
- Software
  - Gathers all customer data
  - Designs for optimal vision
  - As a backbone for all stakeholders and production
- 3D Printing as enabler



# Our Software Segment



# Our Software Segment

## Product Suites



### Materialise Magics

#### 3D Print Suite - Professionals

Focuses on Service Bureaus, both large and small, both external and internal, producing prototypes and small series of end parts.

Ensures computer design files can be successfully and much more efficiently 3D printed.

### Materialise Magics

#### 3D Print Suite - Manufacturing

Focuses on OEMs operating 3D printing lines for the serial production of complex end parts and/or customized products.

Streamlines the 3D manufacturing process, including managing several materials, machines and customers simultaneously.

### Materialise Magics

#### Partner Program

Partnerships whereby machine vendors, CAD/CAM providers and/or platform providers integrate Materialise solutions into their product offerings.

May include parts of both the Professionals and the Manufacturing Suites.

Suites include a tailor-made mix of: Build Processors, AMCP, Magics, Streamics, Robots and/or 3-matic



# Our Software Segment

## Machine Software



### Build Processors

Allow for a seamless transfer of data, both telling the 3D printer what to do and allowing the printer to give feedback to the operator.

Enable 3D printers to create more complex & better-quality parts.

Data on specific jobs can be traced, helping to meet the strict manufacturing requirements of many sectors.

Customized.

### Controller (AMCP)

Provides the computing power necessary to operate the demanding quality control systems that are needed in industries such as aerospace and medical.

Facilitates the introduction of 3D Printing into highly regulated industries.

Key component of quality management systems.

Open ecosystem.

# Our Software Segment

## Certified Additive Manufacturing



### Magics

Enables the user to import, repair, and optimize the data of computer design files and get them ready for printing.

Ensures computer design files can be successfully 3D printed.

Industry standard.

Open ecosystem.

### Streamics

Provides real-time data regarding printer condition, print job status, and material/shipment flow.

Streamlines the otherwise-complex task of managing several materials, machines and customers simultaneously.

Customized.

Open ecosystem.

### Robot

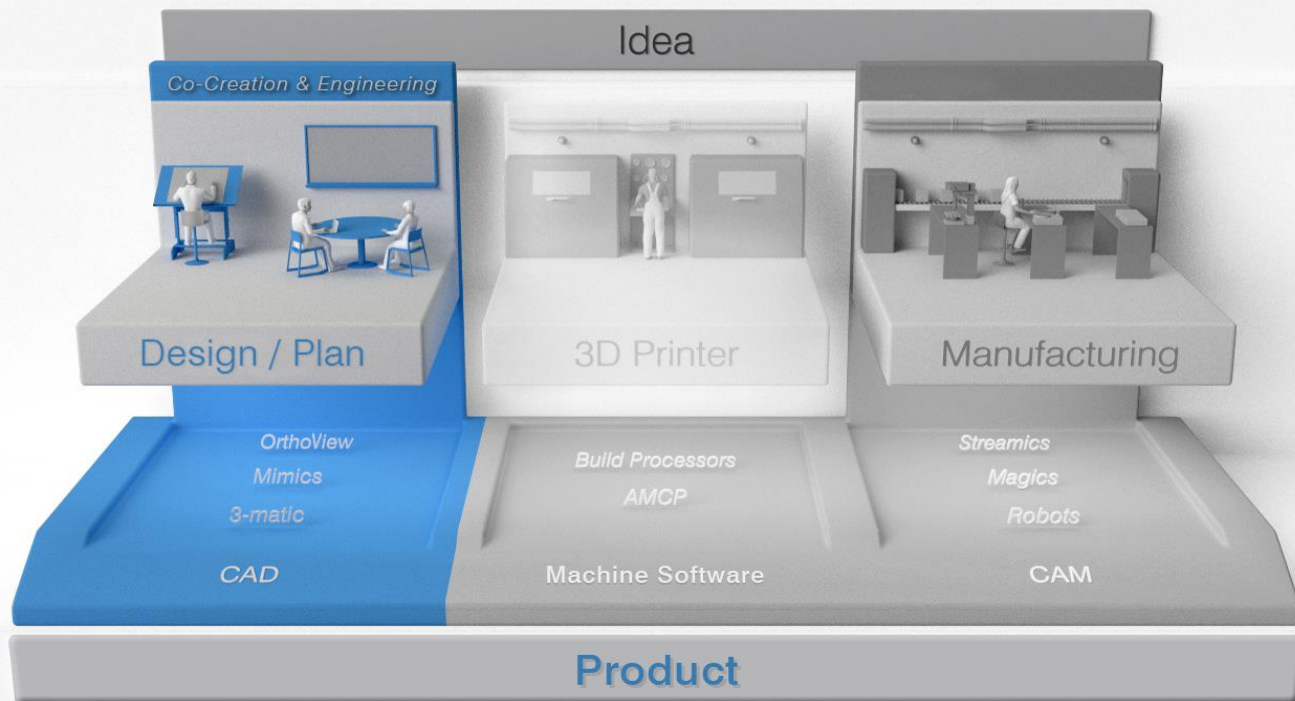
Automates much of what Magics does, including support for instant quoting.

Further streamlines and speeds up the 3D printing production process, reducing manual effort and the possibility of human error.

Industry standard.

Open ecosystem.

# Our 3D Medical Segment



# Our Medical Segment Product Suites



## Materialise Mimics

### Innovation Suite

Addresses the needs of research institutes, universities and medical device companies.

Starting with CT or MRI images, creates a precise 3D replica of patient anatomy in a virtual software environment and enables the design of medical devices (implants, surgical guides) on the anatomy of the patient. Both (parts of) the anatomy as well as the (newly designed) devices can be 3D printed.

## Materialise Mimics

### Care Suite

Focuses on the needs of hospitals and medical professionals.

Same software core as the Innovation Suite, but adapted for precise surgical planning purposes in a hospital setting (both in 2D and 3D); includes optionality to 3D print patient specific medical devices.

## Materialise Mimics

### Partner Program

Partnerships whereby medical device companies integrate or link Materialise solutions in or with their own product offering.

Includes solutions of the Materialise Innovation Suite.

Suites include a tailor-made mix of: Mimics, 3-matic, OrthoView, Surgical Planning Devices, and/or Custom Implants

# Our Medical Segment Software

## Mimics

Starting with CT or MRI images, creates a precise 3D replica of patient anatomy in a virtual software environment. This replica can also be 3D printed.

Enables surgical pre-planning, minimizing variability in the operating room.

Regulatory clearance in US & EU.

CE-labelled.

Underlying files 3D printable.

## 3-matic

Starting with a Mimics 3D image, enables the design of medical devices (implants, surgical guides) right on the anatomy of a patient in a virtual software environment. These devices can then be 3D printed.

Allows the design of implants that fit the anatomy of a patient.

Regulatory clearance in US & EU.

CE-labelled.

Underlying files 3D printable.

## OrthoView

Imports 2D x-ray images into a virtual software environment, and allows for the positioning of the templates of suitable prostheses on the image at the correct scale.

Enables surgical pre-planning based on more widely available 2D x-rays.

Regulatory clearance in US & EU.

CE-labelled.

Compatible with many PAC systems.

# Our Medical Segment

## 3D-Printed Products



### Surgical Planning Devices Models

3D-printed based on a precise 3D replica of patient anatomy created in Mimics software.

Provide exact, rather than approximate, physical representations of patient anatomy, enabling precise surgical preplanning.

Unique offering in combination with our front- and back-end software tools.

### Surgical Planning Devices Surgical Guides

3D-printed based on surgical plans created right on patient anatomy in Mimics & 3-matic.

Used by surgeons in the operating room to precisely guide where it is necessary to cut and drill in order to optimally install standard implants.

Ensure placement of standard implants, and minimize variability in the operating room.

Unique offering in combination with our front- and back-end software tools.

### Patient-Specific Implants

Patient-specific orthopedic bone & joint implants, produced through Mobelife. *Flagship product:* Hip revision implants.

Patient-specific titanium implants for cranio-maxillofacial surgeries. *Flagship product:* Maxillofacial and cranial implants.

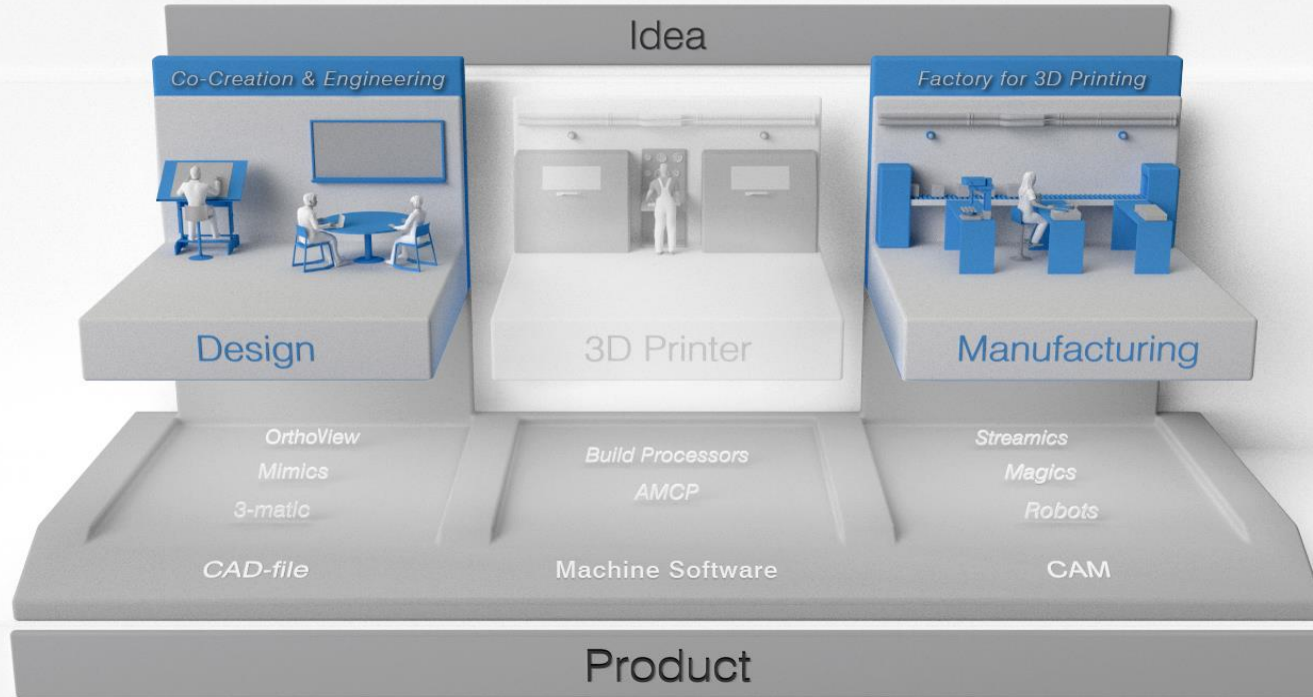
Provide solutions for complex reconstructive surgeries that precisely fit the anatomy of the patient and respect the physiology of bone.

One-of-a-kind.



# Our Manufacturing Segment

**materialise**  
innovators you can count on



# Our Manufacturing Segment Services



## Design & Engineering Consultancy

Through **3DP Academy**, **Co-Creation Lab**, and **3DP Scan**, works hand-in-hand with customers to help them discover what 3D Printing can mean for them and support them in the creation of new products or the transformation of existing ones.

Co-develop with the customer, new **vertical solutions** from design to production.

## Materialise Manufacturing End Parts

Through our **Certified Manufacturing Process**, offers customers access to a wide-range of 3D printing technologies and materials for the creation of end-use products.

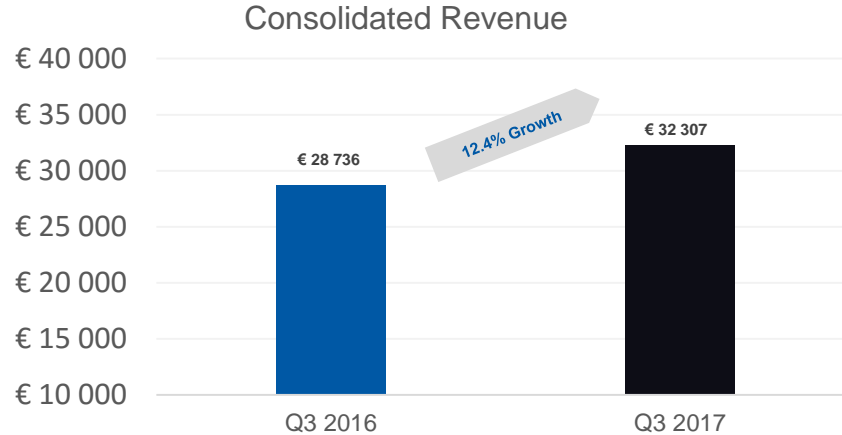
Through the web-based **i.materialise**, manufacturing services are also accessible to smaller businesses and consumers.

## Materialise Manufacturing Prototypes

Offers customers access to a wide-range of 3D printing technologies and materials for the creation of prototypes and models to verify designs.

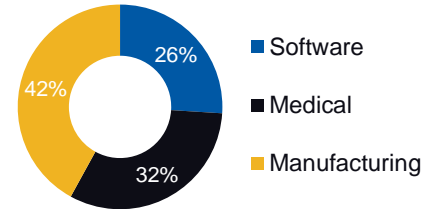
Through the web-based **Materialise OnSite**, prototyping services are accessible 24 hours a day, 7 days a week.

## Q3 2017 Consolidated Revenue

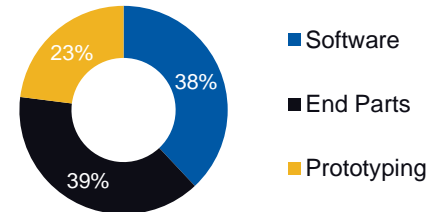


- All three segments generated sizable increases.
- 77% of Q3 2017 revenue from software revenues and end parts.

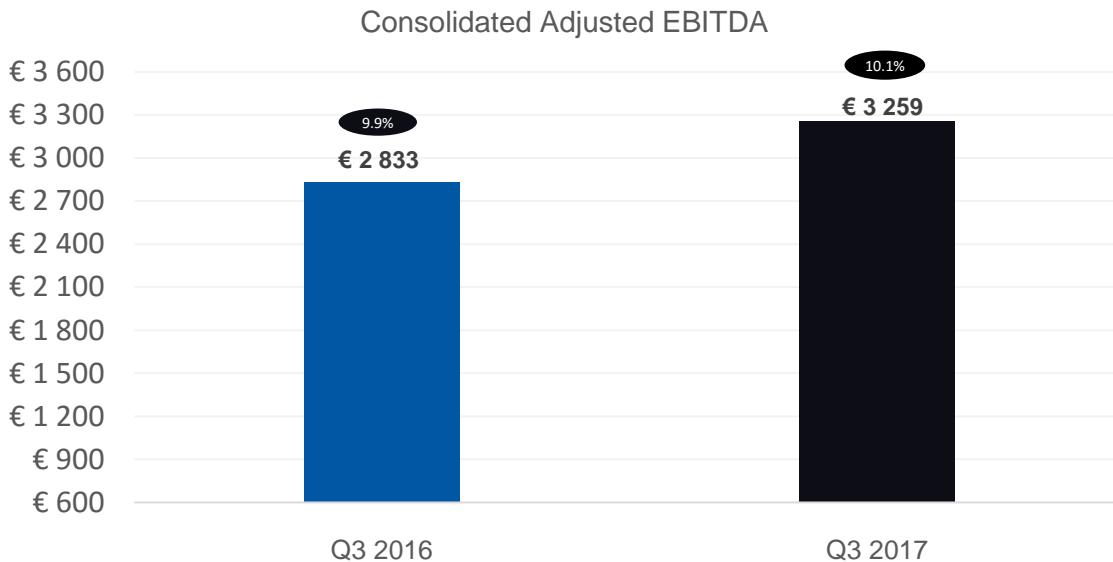
### Q3 2017 Revenue by Segment



### Q3 2017 Revenue by Product Type



## Q3 2017 Consolidated Adjusted EBITDA



- Q3 2017 consolidated adjusted EBITDA rose from 2,833 kEUR to 3,259 kEUR.
  - Increase reflects 12.4% revenue growth combined with a lower increase in operational expenses.
- Q3 2017 Adjusted EBITDA excludes 266 kEUR in expenses related to ACTech acquisition.

# Income Statement Highlights

(in thousands of euros, except where indicated)	Q3	
	<u>2017</u>	<u>2016</u>
Revenue	32,307	28,736
Cost of sales	(14,434)	(11,799)
Gross profit	17,873	16,937
Research & development expenses	(4,701)	(4,389)
Sales & marketing expenses	(8,753)	(8,299)
General & administrative expenses	(6,055)	(5,286)
Other income/(expenses), net	<u>1,414</u>	<u>1,369</u>
Operating profit/(loss)	(222)	332
Financial income/(expenses), net	(593)	(124)
Share in loss of joint venture	(165)	(69)
Taxes	(433)	(191)
Net profit/(loss)	(1,413)	(52)
Diluted EPS*	(0.03)	(0.00)
Diluted weighted average shares (thousands)	47,325	47,325

\* Excludes non-controlling interest.

## Other Financial Highlights

(in thousands of euros)	09/30/2017	12/31/2016
Cash & equivalents	48,099	55,912
Receivables	30,656	27,479
Inventories	8,642	7,870
Payables	15,138	14,326
Total deferred income	21,858	21,410
Total borrowings	53,565	33,806
Total equity	76,060	79,033
Total liabilities and equity	180,141	161,920
(in thousands of euros)	Q3 2017	Q3 2016
Capital expenditures	9,621	2,292
Cash flow from operations (9 months)	2,518	4,315



# APPENDIX

## Adjusted EBITDA Reconciliation

	For the three months ended September 30	
(in thousands of euros)	2017	2016
Net profit/(loss)	(1,413)	(52)
Income taxes	433	191
Financial expense	1,058	181
Financial income	(465)	(58)
Share of loss in a joint venture	165	69
Depreciation & amortization	2,918	2,144
EBITDA	2,696	2,475
Non-cash stock-based compensation expenses	297	358
Acquisition-related expenses	266	-
Adjusted EBITDA	3,259	2,833