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Investor Presentation
May 2017



www.materialise.com
NASDAQ: MTL5



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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.

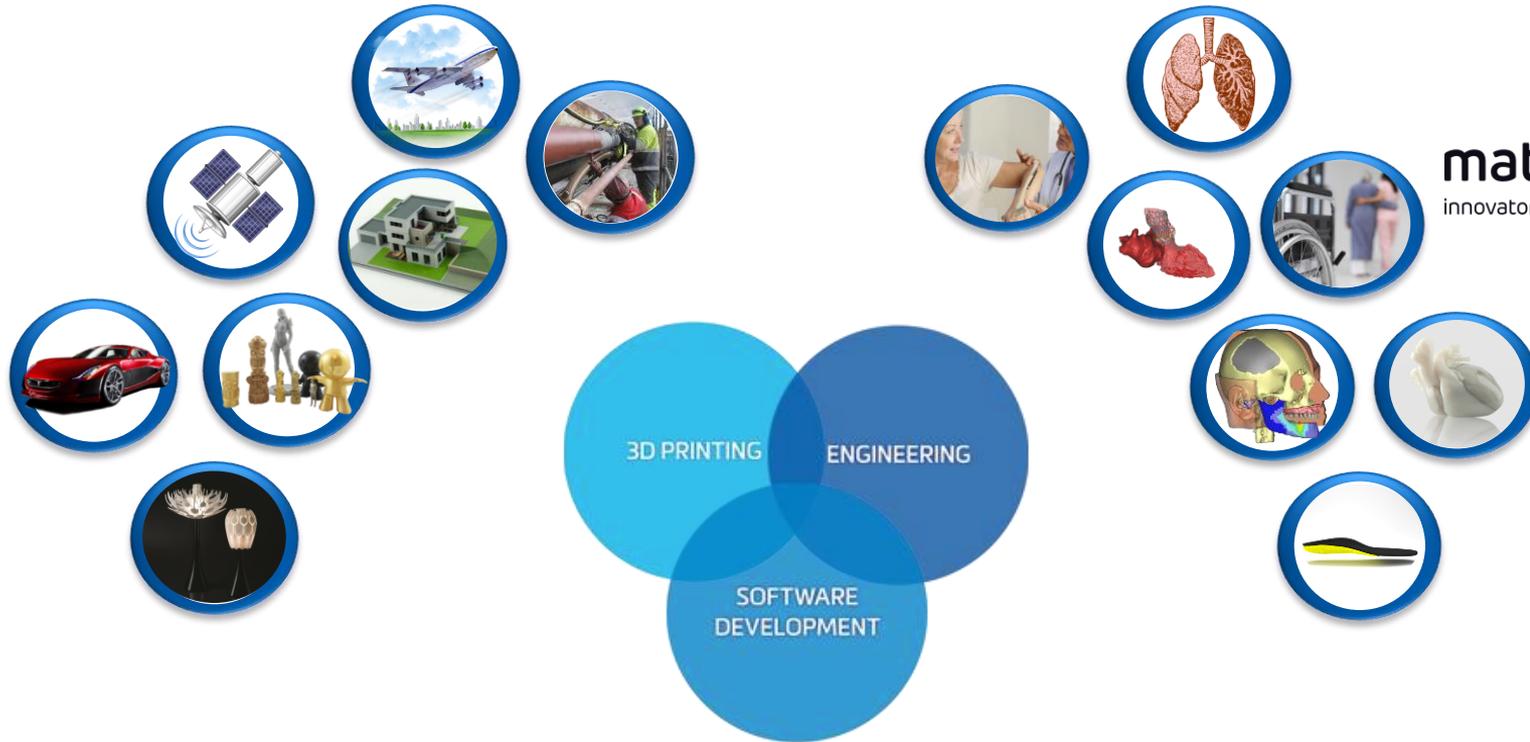
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The Materialise Mission

Together for a Better and Healthier World

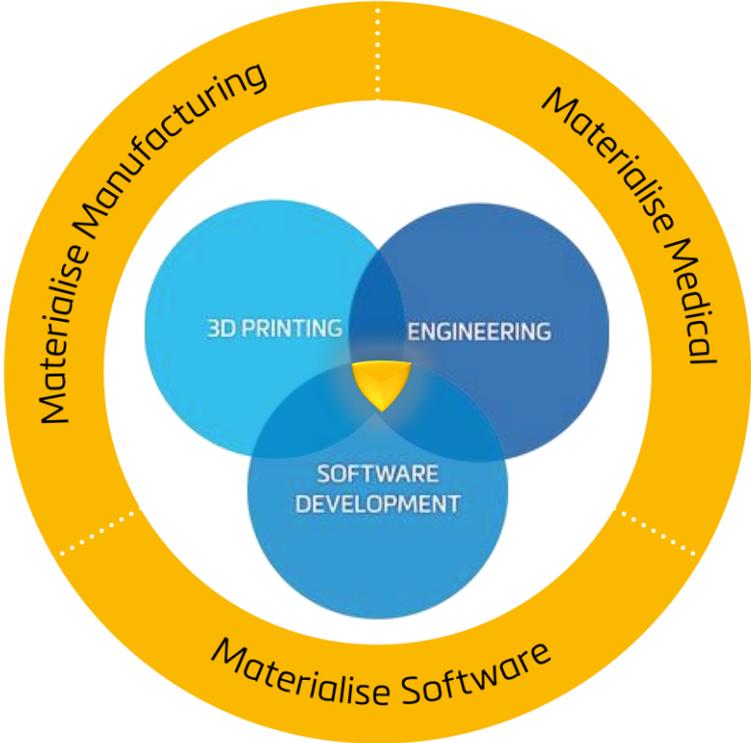
Our mission is to innovate product development that results in a better and healthier world, through our software and hardware infrastructure, and an in-depth knowledge of additive manufacturing.



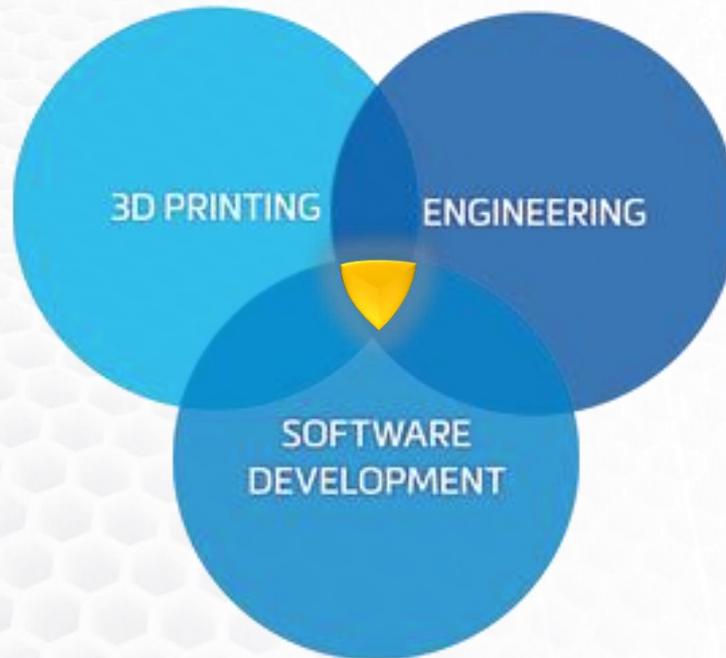
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The Materialise Flywheel



Three Core Competences: Our Software & Services Backbone





The Materialise Backbone

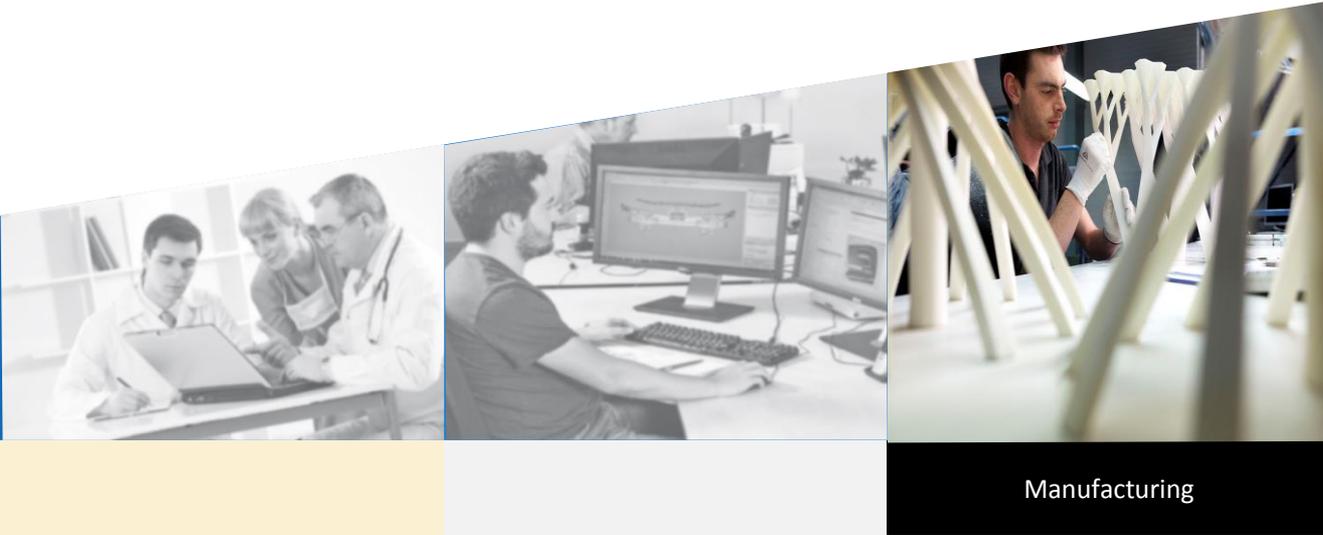
By tapping into the Materialise backbone, our customers gain access to our extensive experience, expertise, and proven processes in our core competences, and benefit from uniquely open and flexible solutions that empower them to create innovative 3D printing applications.

The
Backbone
at
Work

Yuniku.

3D TAILORED EYEWEAR

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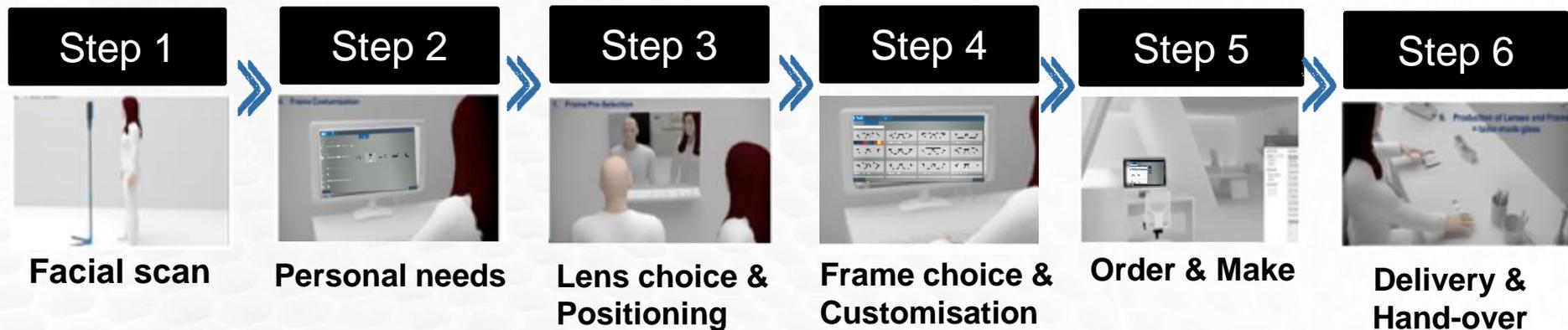
Manufacturing

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

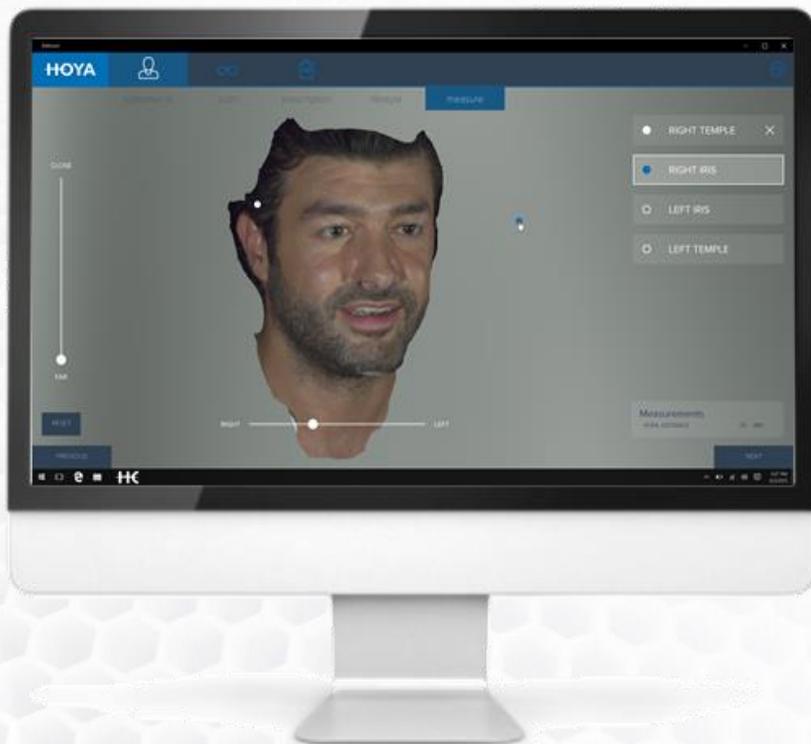


End-to-End Digital Supply Chain



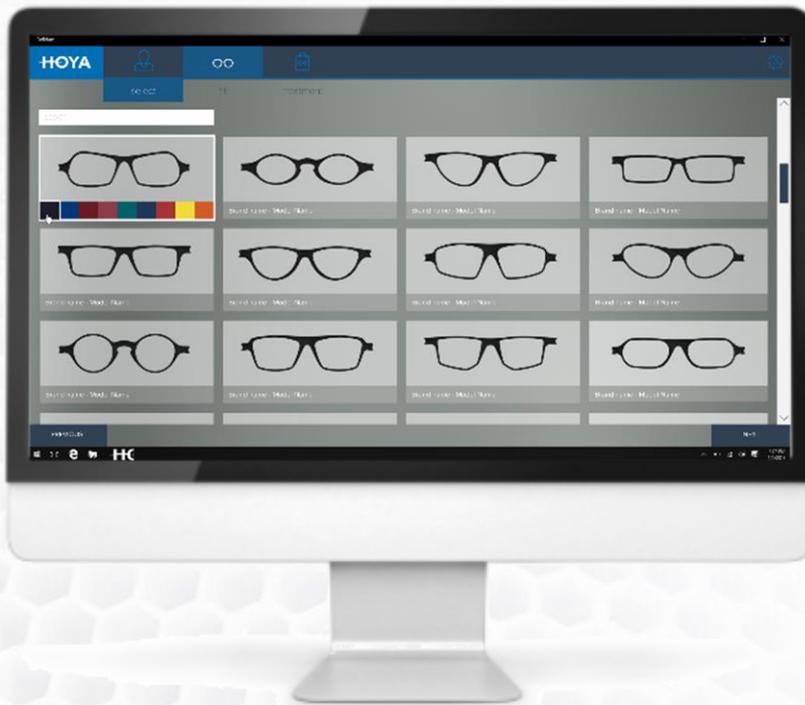
Digital Scanning – Powered by Materialise

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Yuniku.
3D TAILORED EYEWEAR

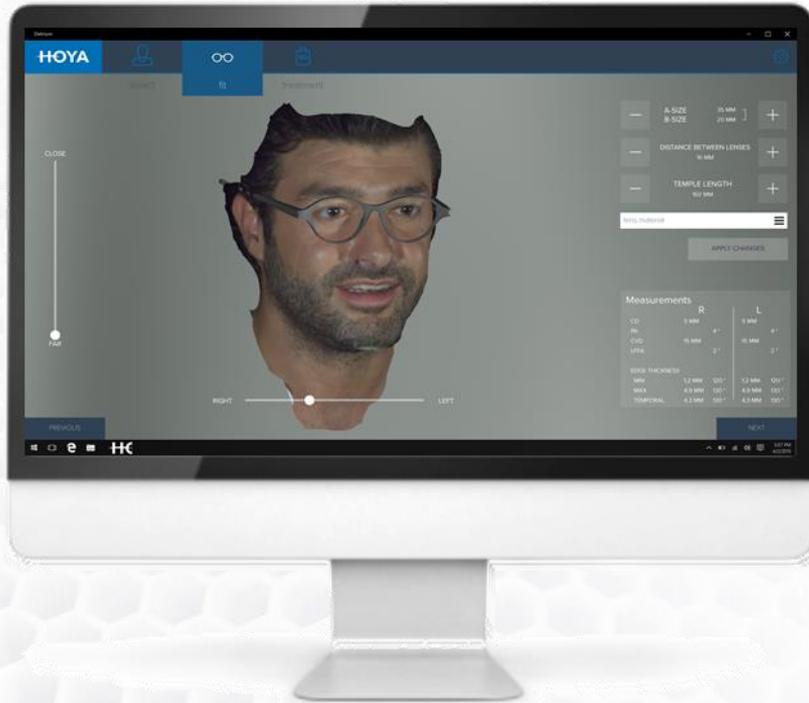
Product Catalogue – Open Platform



Frame Selection

The customer selects a base model, color and finish. Adjustments for comfort are made automatically.

Design Automation – Powered by Materialise

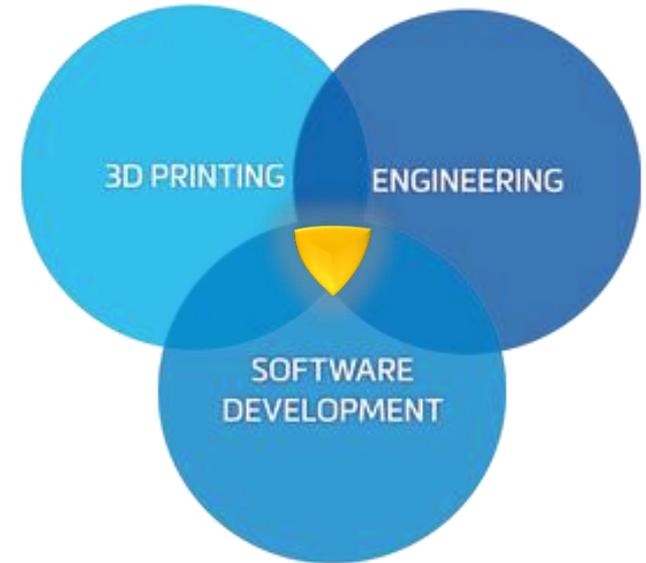


Frame Customisation

The optician helps his customer make the final frame choice (material, tint, coating).

Yuniku – A Unique Combination of Three Core Competences

- ▶ 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

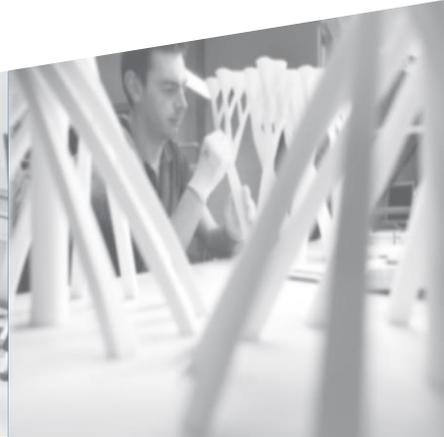
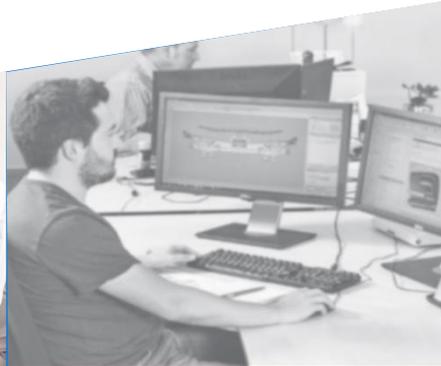


Knee Guide Platform

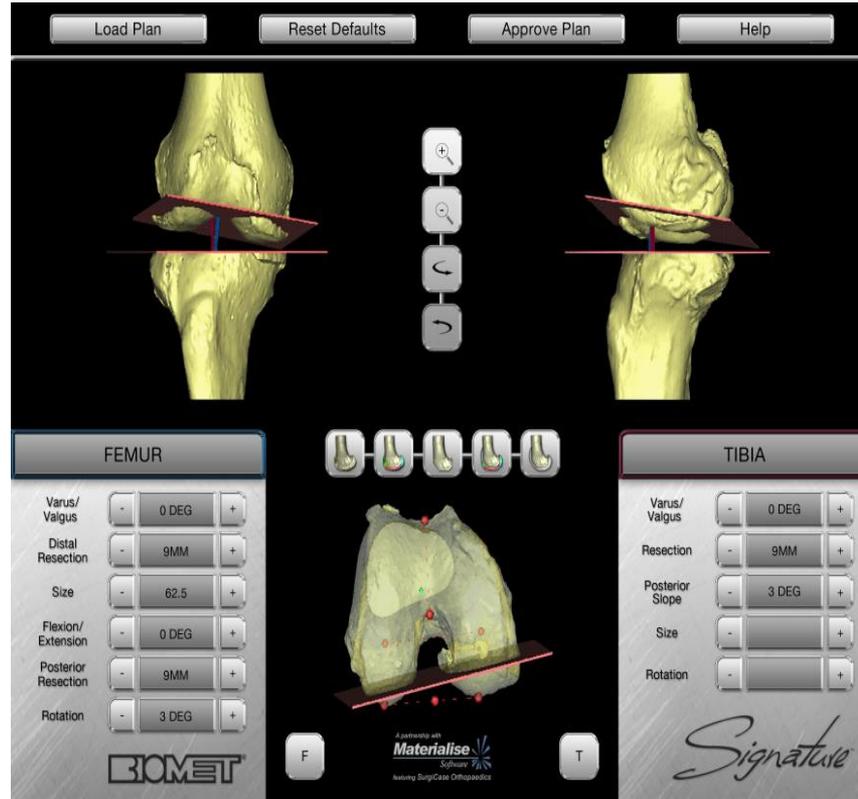
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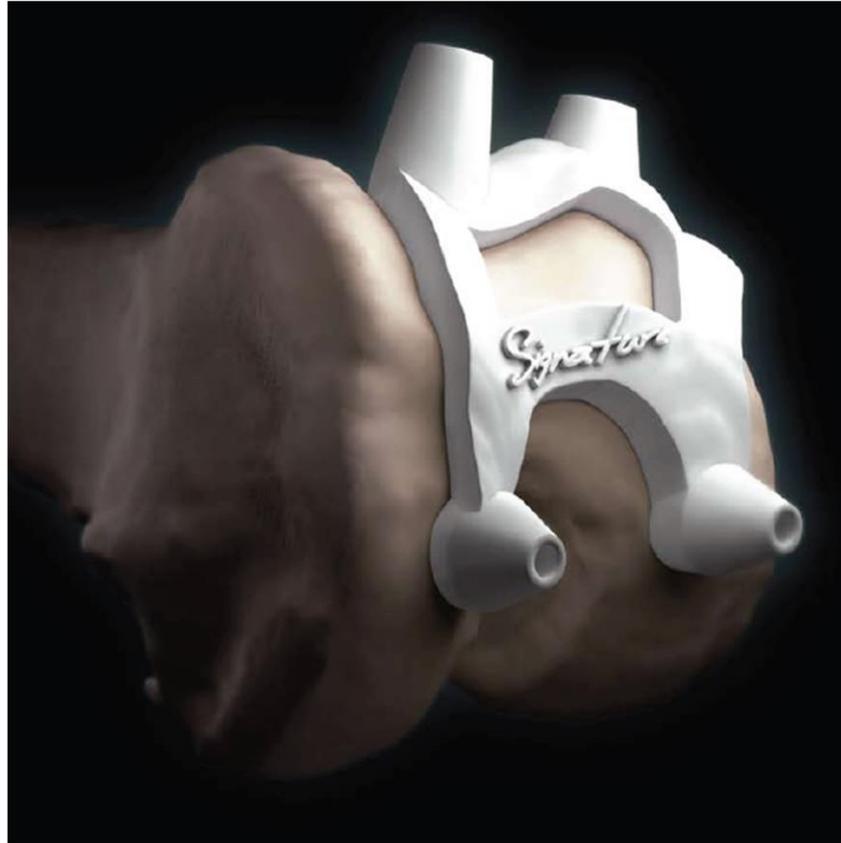
Medical



Surgical Planning



Surgical Guides

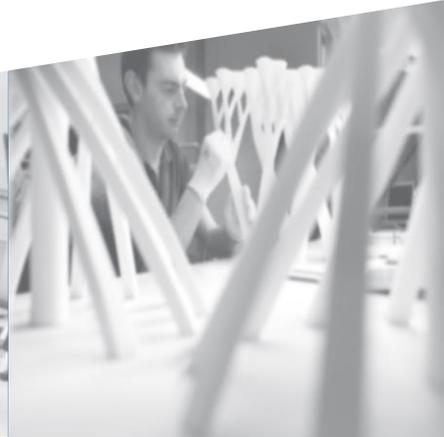


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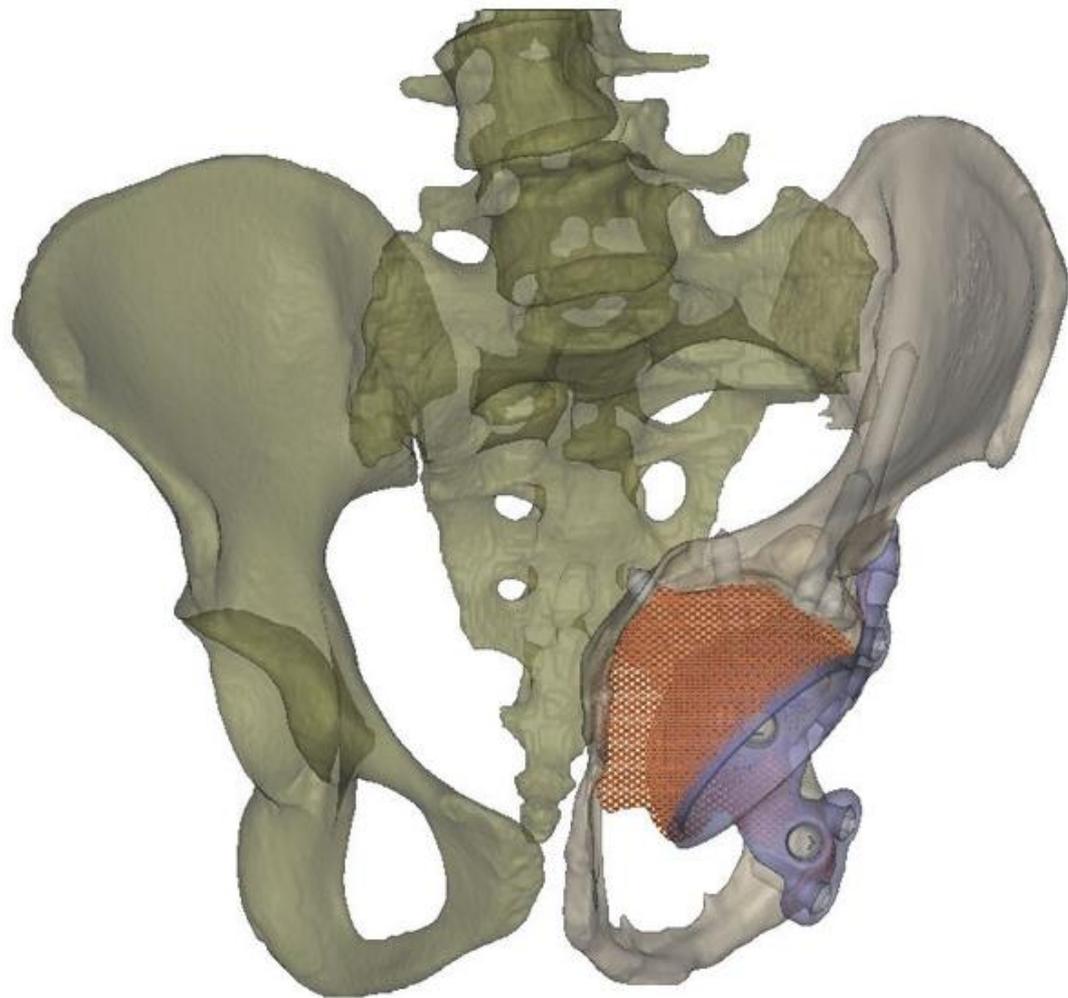


Medical



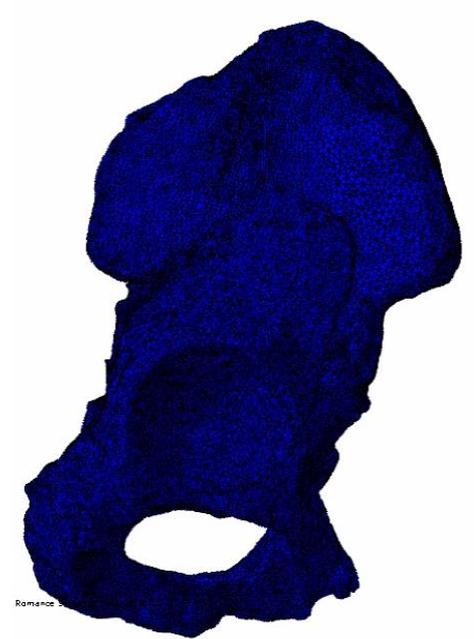
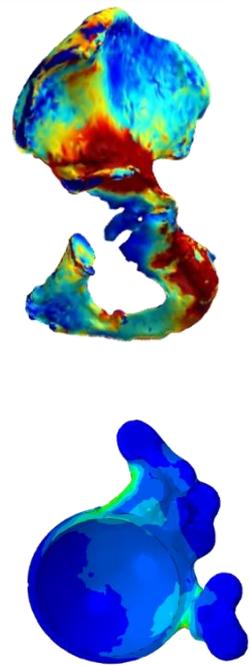
Patient Specific Implants

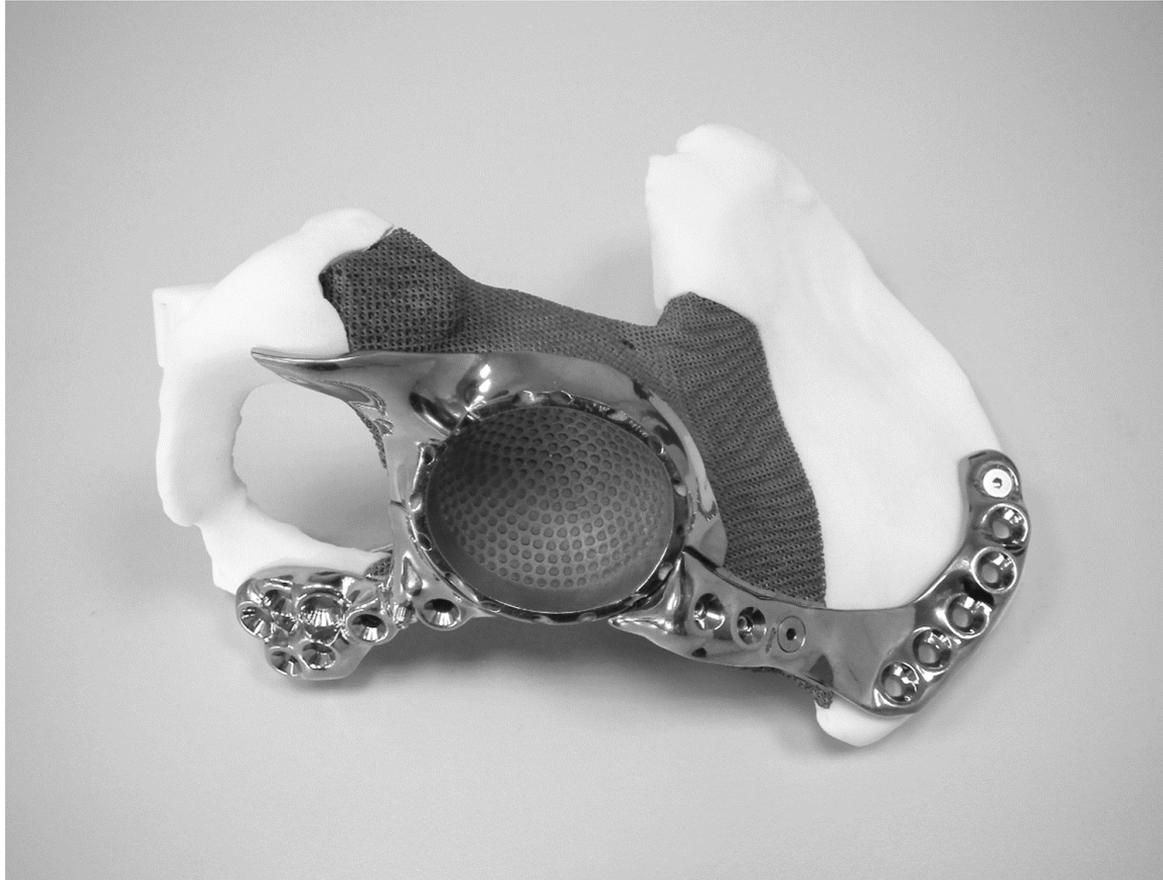






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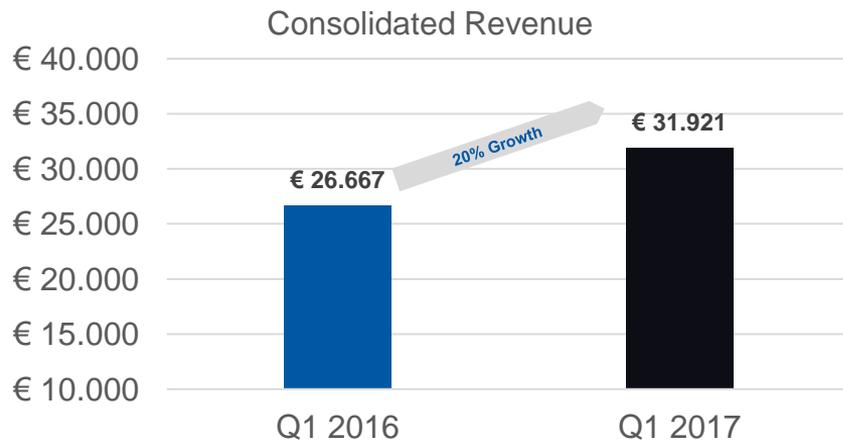






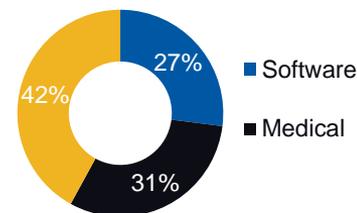
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Q1 2017 Consolidated Revenue

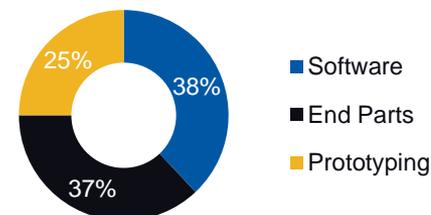


- ▶ Double-digit revenue increases in all segments.
- ▶ Manufacturing led the gain with a 26% increase.
- ▶ 75% of Q1 2017 revenue from software sales and end parts.

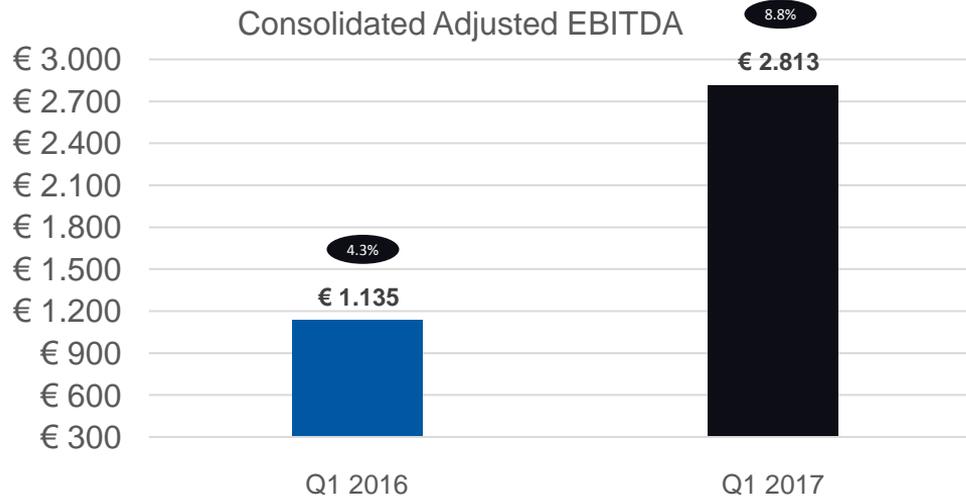
Q1 2017 Revenue by Segment



Q1 2017 Revenue by Product Type



Q1 2017 Consolidated Adjusted EBITDA



- ▶ Q1 2017 consolidated adjusted EBITDA increased from 1,135 kEUR to 2,813 kEUR.
- ▶ Q1 2017 consolidated adjusted EBITDA grew 450 basis points to 8.8%.
- ▶ Improvement reflects:
 - ▶ 20% revenue growth
 - ▶ Improvement in Manufacturing's gross margin, offset by higher cost of sales in Medical due to increased activities in medical devices and implants business lines
 - ▶ Significantly lower increase of operational expenses compared to revenue growth.

Income Statement Highlights



(in thousands of euros, except where indicated)	Q1	
	<u>2017</u>	<u>2016</u>
Revenue	31,921	26,667
Cost of sales	(13,444)	(10,705)
Gross profit	18,477	15,962
Research & development expenses	(4,592)	(4,372)
Sales & marketing expenses	(9,608)	(8,815)
General & administrative expenses	(5,379)	(5,050)
Other income/(expenses), net	<u>1,018</u>	<u>1,286</u>
Operating profit/(loss)	(84)	(989)
Financial income/(expenses), net	(142)	(734)
Share in loss of joint venture	(389)	(168)
Taxes	(201)	(1,260)
Net profit/(loss)	(816)	(3,151)
Diluted EPS*	(0.02)	(0.07)
Diluted weighted average shares (thousands)	47,325	47,325

* Excludes non-controlling interest.

Other Financial Highlights

(in thousands of euros)	03/31/2017	12/31/16
Cash & equivalents	55,071	55,912
Receivables	30,507	27,479
Inventories	8,267	7,870
Payables	14,617	14,326
Total deferred income	23,549	21,410
Total borrowings	41,408	33,806
Total equity	78,585	79,033
Total liabilities and equity	171,835	161,920
(in thousands of euros)	Q1 2017	Q1 2016
Capital expenditures (incl. financial lease)	9,169	1,590
Cash flow from operations	1,603	1,376

APPENDIX

Adjusted EBITDA Reconciliation



	For the three months ended March 31	
(in thousands of euros)	2017	2016
Net profit/(loss)	(816)	(3,151)
Income taxes	201	1,260
Financial expense	919	897
Financial income	(777)	(163)
Share of loss in a joint venture	389	168
Depreciation & amortization	2,568	1,910
EBITDA	2,484	921
Non-cash stock-based compensation expenses	329	214
Adjusted EBITDA	2,813	1,135