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Q3 2022 Financial Results

Conference Call
October 27, 2022

www.materialise.com
NASDAQ: MTLA

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 current estimates for fiscal 2022 revenue and Adjusted EBITDA, 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 military conflict between Ukraine and Russia and economic sanctions related thereto), 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 most recent 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 presentation.

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 2022 Highlights
- Key Business Initiatives
- Q3 2022 Financial Results
- Fiscal 2022 Financial Guidance
- Q&A



Fried Vancraen
Founder & CEO



Peter Leys
Executive Chairman



Johan Albrecht
CFO

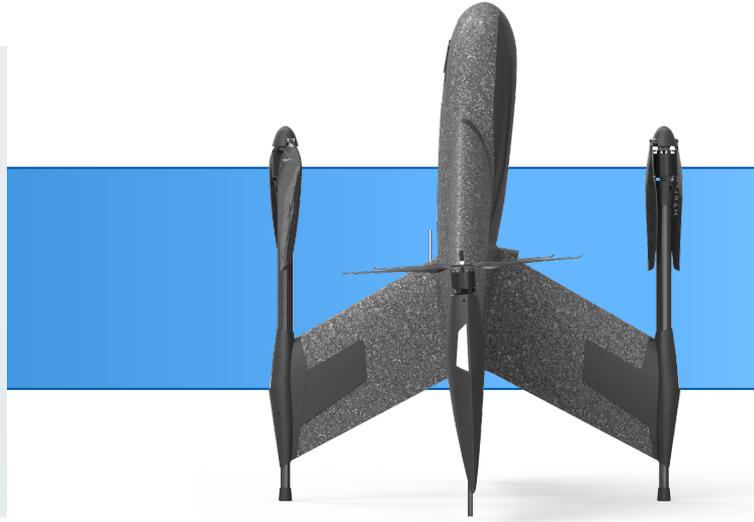
Q3 2022

Financial Highlights

- Q3 2022 revenue increased 11.7% to 58,288 kEUR from last year
- Deferred revenue from maintenance and licenses fees grew 3,214 kEUR to 38,359 kEUR compared to December 31, 2021
- Q3 2022 Adjusted EBITDA decreased to 5,072 kEUR or 8.7% of revenue
- Q3 2022 net result was 1,413 kEUR, or 2 EUR-ct. per share

Continued solid revenue growth

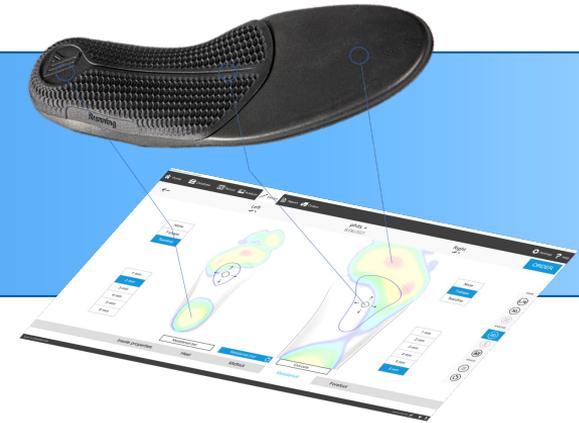
Redefining Aerial Surveying



60 unique end parts per drone for the company Atmos
Flexibility & ability to iterate and improve parts quickly
Potential to scale and iterate

Taking Footscan to the Next Level

*« Huge, huge time savings. They're perfect out of the box !»
- Doc Jenny Sanders*



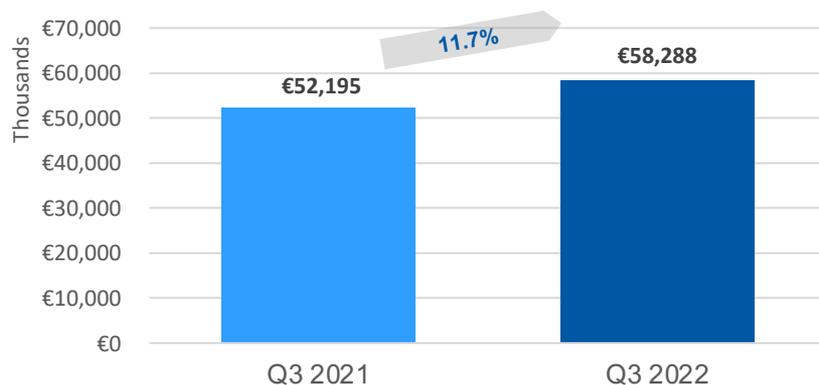
« It really is the next level of orthotics and we are so excited to get to work with it »

« Confidence that this will certainly move 3D printing to the next level»

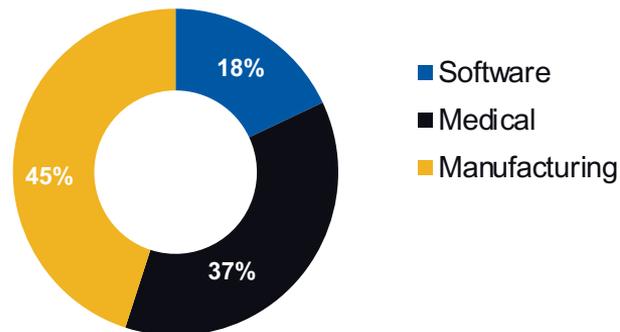
« We are all in awe of what we have seen this week and cannot stop talking about it, the cogs are turning at great pace. So very happy and thank you and all the team once again for the excellent design»

- Testimonials of experts in the field of podiatry - GMT, UK

Q3 2022 Consolidated Revenue



Q3 2022 Revenue by Segment

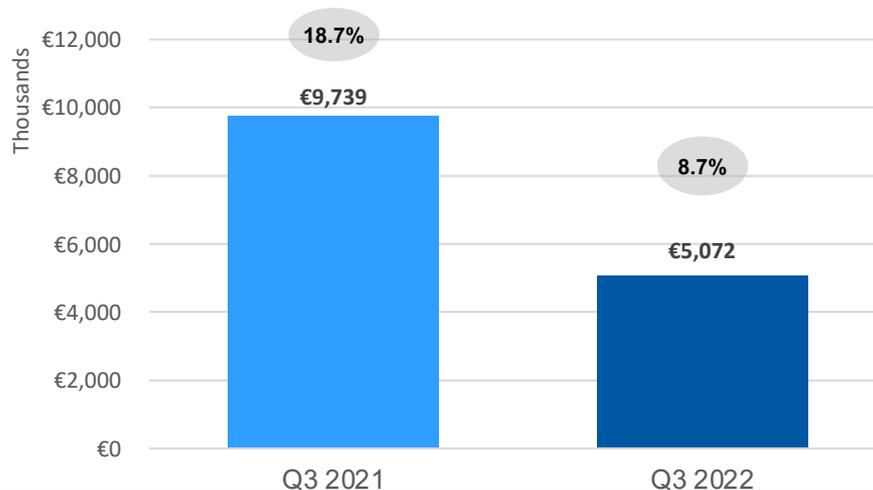


- Revenue grew 11.7%, growth in all segments
- Deferred revenue from licenses and maintenance fees grew 3.2 mEUR* to 38.4 mEUR on our balance sheet
- Cross-segment revenue from software products amounted to 31%

* Deferred revenues grew 4.1 mEUR including the Link3D opening balance position of deferred revenue

Q3 2022

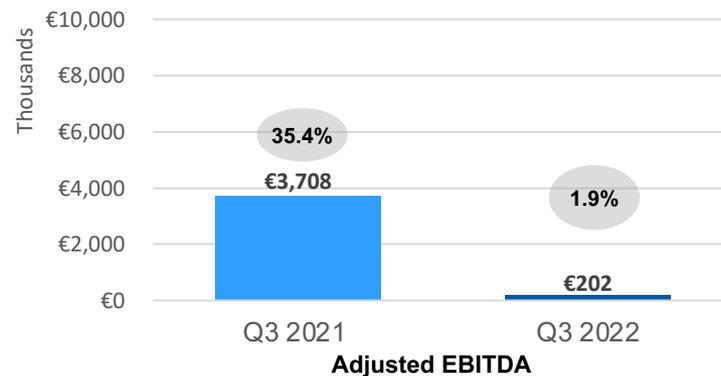
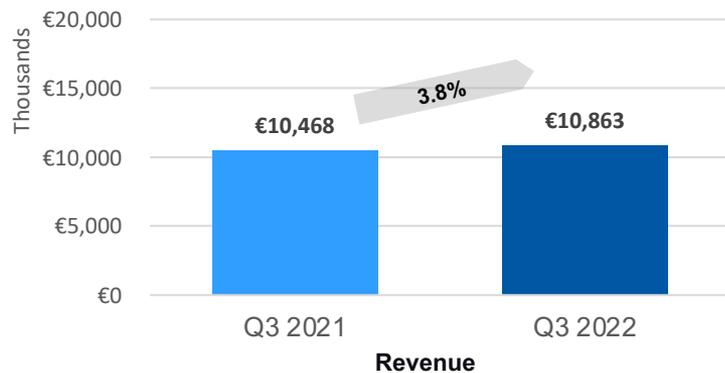
Consolidated Adjusted EBITDA



- Q3 2022 consolidated Adjusted EBITDA included:
 - the effect of continuing investments in Link3D and our other growth business lines
 - the operating investments in Identify3D, acquired on September 1, 2022
 - the effect of investment in our personnel to be able to compete in the current labor market situation
 - the effect of persistently high inflation

Q3 2022

Software Segment

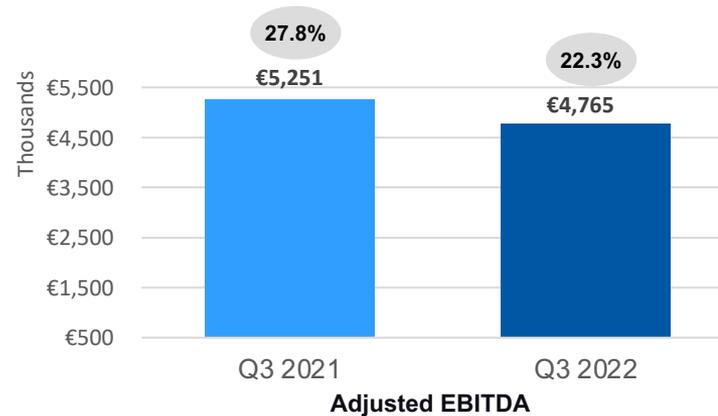
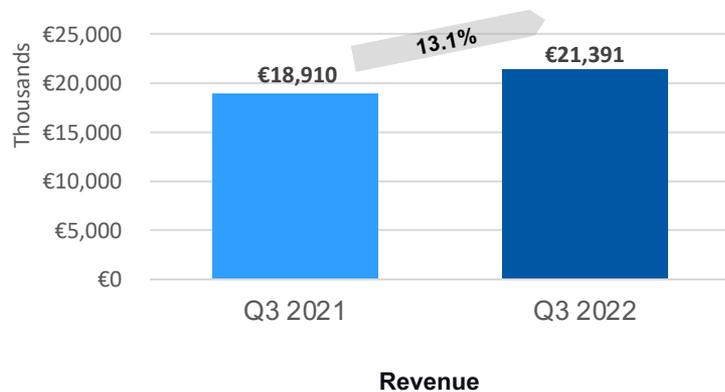


- Q3 2022 revenue grew 3.8% to 10,863 kEUR, supported by sales from renewal licenses
- Q3 2022 Adjusted EBITDA included the ongoing investments in Link3D, Identify3D and CO-AM

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

Q3 2022

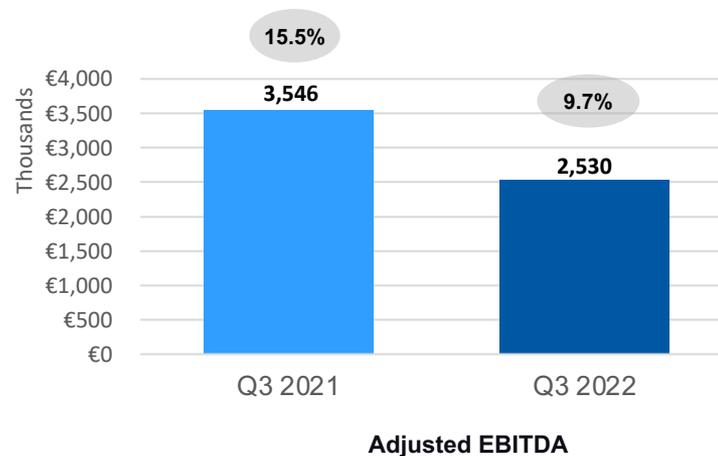
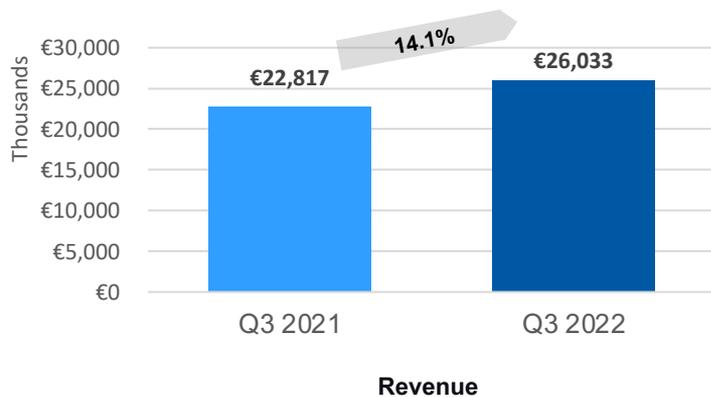
Medical Segment



- Q3 2022 revenue increased 13.1% to 21,391 kEUR
 - Revenue from medical software grew 19.1%; sales grew 31.7%
 - Revenue from medical device solutions grew 10.2%
- Q3 2022 Adjusted EBITDA of 4,765kEUR, 22.3% EBITDA margin
 - Effects of sales mix, investing in growth business lines, inflation and war for talent

Q3 2022

Manufacturing Segment



- Q3 2022 revenue rose 14.1% to 26,033 kEUR
 - Solid growth in the core manufacturing business lines
- Q3 2022 Adjusted EBITDA of 2,530 kEUR, 9.7% EBITDA margin, including
 - Continued investments in our growth business
 - Effects of inflation and pressure in the labor market
 - Higher cost of subcontracting services

Income Statement Highlights

| (in thousands of euros, except where indicated) | Q3 2022 | Q3 2021(*) |
|--|----------|------------|
| Revenue | 58,288 | 52,195 |
| Cost of sales | (26,245) | (21,119) |
| Gross profit | 32,042 | 31,076 |
| Research & development expenses | (9,313) | (6,602) |
| Sales & marketing expenses | (15,198) | (12,413) |
| General & administrative expenses | (8,980) | (7,885) |
| Other income/(expenses), net | 1,166 | 355 |
| Operating profit/(loss) | (282) | 4,529 |
| Financial income/(expenses), net | 2,173 | 4,203 |
| Share in gain/(loss) of joint venture | - | - |
| Taxes* | (478) | (75) |
| Net profit/(loss) | 1,413 | 8,657 |
| Diluted EPS (in €) | 0.02 | 0.15 |
| (Diluted) weighted average shares (thousands) | 59,089 | 58,944 |

(*) The year 2021 has been restated to reflect the final accounting of the business combination with RS Print. Impact on the three months ended September 30 income taxes and net profit is 5 k€

Other Financial Highlights

| (in thousands of euros) | 09/30/'22 | 12/31/'21 |
|-----------------------------|-----------|-----------|
| Cash and equivalents | 150,621 | 196,028 |
| Receivables | 42,329 | 41,541 |
| Inventories | 15,532 | 11,295 |
| Payables | 26,166 | 20,954 |
| Deferred income | 43,044 | 38,258 |
| Borrowings | 83,925 | 99,107 |
| Equity | 236,538 | 232,577 |
| Total balance sheet | 415,606 | 413,408 |

| (in thousands of euros) | Q3 2022 | Q3 2021 |
|----------------------------------|---------|---------|
| Capital expenditures | 9,441 | 3,252 |
| Cash flow from operations | 3,840 | 4,388 |

APPENDIX

Adjusted EBITDA Reconciliation

| (in thousands of euros) | Q3 2022 | Q3 2021(*) |
|-----------------------------------|---------|------------|
| Net profit/(loss)* | 1,413 | 8,657 |
| Income taxes* | 478 | 75 |
| Financial expenses | 2,110 | (2,334) |
| Financial income | (4,283) | (1,869) |
| Share of loss in a joint venture | - | - |
| Depreciation & amortization | 5,378 | 5,314 |
| | | |
| EBITDA | 5,096 | 9,843 |
| Share-based compensation expenses | (24) | (104) |
| Acquisition-related expenses | - | - |
| Impairments | - | - |
| Adjusted EBITDA | 5,072 | 9,739 |

(*) The year 2021 has been restated to reflect the final accounting of the business combination with RS Print. Impact on the three months ended September 30 income taxes and net profit is 5 k€