

Q3 2023: slowdown in activity in a difficult context

Prodways Group's revenue amounted to €16 million in the 3rd quarter 2023, approximately €1 million below the level of the same period in 2022. Prodways Group's business was notably penalized by the weakness in printer deliveries, which had been anticipated for several months, in addition to an unfavorable economic situation that impacted short-cycle activities, particularly print-on-demand services. Overall, over the first 9 months of the year, Prodways Group's revenues are relatively stable, supported by the resilience of the medical sector, particularly for sales of 3D Materials and Audiology, two high value-added activities.

Revenue by division

(€ million)	Q3 2023	Q3 2022	Change (%)	Organic change (%)	9 months 2023	9 months 2022	Change (%)	Organic change (%)
Systems	8,4	9,2	-8%	-8%	32,5	35,8	-9%	-9%
Products	7,5	8,0	-6%	-6%	26,6	23,3	+14%	+5%
Structure & Intra-Group Eliminations	-0,1	0,0	n.a	n.a	-0,2	-0,2	n.a	n.a
Consolidated revenue	15,9	17,2	-8%	-8%	58,9	58,8	+0%	-3%

Division Systems: Solid recurring revenues but few new printer deliveries

Revenues from the Systems division (which includes sales of 3D printers, 3D Materials and 3D Software) decreased by 8% this quarter compared to the 3rd quarter 2022. The increase in sales of 3D materials continues to support the business, including through significant order intake for 2024. On the other hand, shipments of new 3D printers remain low, as anticipated by the group earlier this year. Finally, regarding sales of 3D Software, commercial activity in the quarter was good and allowed Prodways to win new customers. The sustained growth in SaaS sales is driving the activity but has the effect of smoothing out revenues over time.

Products Division: a difficult economic environment

The Products division includes Digital Manufacturing (print-on-demand services) and Integrated Businesses (mainly the manufacture of custom parts for audiology). This division has been on a positive trajectory since the beginning of the year, with growth of +14% over the first nine months (including +5% organic) but is affected by the slowdown in economic activity in the third quarter.

In Digital Manufacturing, the slowdown in orders from our industrial customers in France was partially offset by the dynamism of activity in Germany, driven by several recurring series production projects.

In audiology, sales remain resilient, demonstrating the attractiveness of this high value-added sector, in which Prodways strengthened its position in 2022. Since the start of the year, growth in this business has been underpinned by orders for custom-made noise protection (both for industrial and private customers), whose effectiveness compared with traditional noise plugs has been proven beyond doubt.

Outlook & Guidance

The slowdown in business in the third quarter of 2023 makes the achievement of the 2023 guidance uncertain. As a reminder, this guidance was "around +5% sales growth and "around 8% current EBITDA margin". Prodways Group remains determined to navigate this demanding economic environment with prudence and perseverance. The company continues to adapt to market challenges while investing in innovation and improvement of its products and services in order to maintain its position as a reference player on the 3D printing market.

About Prodways Group

Prodways Group is a specialist in industrial and professional 3D printing with a unique positioning as an integrated European player. The Group has developed across the entire 3D printing value chain (software, printers, materials, parts & services) with an industrial solution with high technological added value. Prodways Group offers a wide range of 3D printing systems and premium composite, hybrid or powder materials (SYSTEMS division). The Group also manufactures and markets on-demand parts, prototypes and small series of 3D printed plastics and metal (PRODUCTS division). Prodways Group addresses a large number of sectors, particularly in the medical field.

Listed on Euronext Paris (FR0012613610 - PWG), the Group generated revenue of €81 million in 2022.

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