

Activity of the 2nd quarter 2024: end of the transition efforts for an improvement in the second semester

Prodways Group achieved €15 million in revenue for the second quarter of 2024. The revenue level is down compared to the previous year's revenue, primarily due to the change in the company's classification in the Software activity into in the second half of 2023 (IFRS 15 standard) and changes in scope implemented at the beginning of 2024. On a comparable basis to the current scope, revenues have decreased by €0,4 million (-3%).

Revenue as of the end of June is in line with the targets set by the group for 2024, amidst operational changes and the cessation of certain activities. The second quarter thus concluded a transition period, paving the way for revenue growth in the second half of 2024.

Prodways Group will publish its half-year results on September 18, 2024. They are expected to show an improvement compared to the second half of 2023.

Revenues <i>(in € million)</i>	Current scope and variation on a comparable basis ¹			Published IFRS revenues		
	Q2 2024	Q2 2023	Variation (%)	Q2 2024	Q2 2023	Variation (%)
Systems	7,3	7,0	+4%	7,1	12,1	-41%
Products	7,9	8,7	-9%	7,9	9,4	-16%
<i>Structure & intra-groupe eliminations</i>	<i>0,0</i>	<i>-0,1</i>	<i>n.a</i>	<i>0,0</i>	<i>-0,1</i>	<i>n.a</i>
Consolidated revenues	15,2	15,6	-3%	15,0	21,5	-30%

The figures for the first half are available in the appendix at the end of this press release.

¹ Adjustments between the published IFRS revenue and the revenue of the current scope on a comparable basis include: Software revenue for Q2 2023 according to the Agent classification (effective from July 1, 2023), exclusion of the Solidscape scope (activity ceased in January 2024), and exclusion of the Cristal scope (activity sold in February 2024).

Systems Division : a shift in printer deliveries and growth in material sales

The Systems Division achieved €7.3 million in revenue for the current scope, compared to €7.0 million in the second quarter of 2023 on a comparable basis. June 2024, in particular, marked a rebound in printer deliveries. Several MovingLight LD models were installed for orthodontic and dental applications, which are material-intensive. Beyond the medical sector, the quarter's orders also include a new, more advanced MovingLight model for an industrial client.

However, the pace of printer deliveries remains below the group's target level and will need to strengthen in the second half of 2024 through effective conversion of the commercial pipeline. This pipeline has been gradually filling since the end of 2023, and the company aims to expand it further to prepare for growth in 2025.

Meanwhile, 3D material sales increased this quarter, supported by a base of recurring clients who continue to be satisfied with the quality of Prodways' products. Revenue growth is notably driven by increased consumption from several accounts in the dental sector.

The Software division continues its positive trajectory this year, thanks to a well-structured commercial strategy. The acquisition of numerous new clients has enabled the company to offset the revenue smoothing effect due to the transition to SaaS sales.

Products Division: €8 million in revenue

The Digital Manufacturing activity experienced mixed results this quarter, with stable revenue compared to the previous year. Despite a decrease in the volume of small orders, Prodways has secured increasing activity with major accounts, particularly in Germany, for small, recurring series.

Conversely, audiology revenues declined this quarter by a few hundred thousand euros, mainly due to a reduction in the production of hearing protections since March. This decline is explained by organizational changes at both commercial and technical levels, which have now been finalized. This new organization has started to show results since June 2024, with a rebound in impression orders expected to lead to higher delivery levels in the second half of 2024.

Outlook

Prodways Group has effectively continued the implementation of the measures announced at the beginning of 2024 aimed at improving the group's commercial dynamics and profitability. The second quarter of 2024 remains disrupted by these changes, in a manner consistent with the company's expectations. Prodways continues to aim for revenue growth on a comparable basis this year, ranging from +1% to +5%, as well as an improvement in its current EBITDA margin.

Appendix

Revenue of the first half 2024 by division

Revenues <i>(in €million)</i>	Current scope and variation on a comparable basis ²				Published IFRS revenues			
	H1 2024	H1 2023	Variation (M€)	Variation (%)	H1 2024	H1 2023	Variation (M€)	Variation (%)
Systems	14,3	14,3	0,0	+0%	14,8	24,1	-9,3	-39%
Products	16,1	17,6	-1,5	-8%	16,3	19,1	-2,8	-15%
Structure & intra-groupe eliminations	0,0	-0,1	0,0	-35%	0,0	-0,1	0,0	-35%
Consolidated revenues	30,4	31,8	-1,4	-4%	31,1	43,1	-12,0	-28%

² The adjustments between the published IFRS revenue and the current scope revenue on a comparable basis include: Software revenues for H1 2023 according to the Agent classification (effective since July 1, 2023), refocusing of the printer activity on the industrial segment (with the exclusion of the Solidscape activity, discontinued in January 2024), and exclusion of the Cristal perimeter (activity sold in February 2024).

About Prodways Group

Prodways Group specializes in industrial and professional 3D printing with a unique position as an integrated European player. The Group has developed across the entire value chain of 3D printing (software, printers, materials, parts & services) with a technologically advanced industrial solution. 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 printed in 3D, in plastic and metal (PRODUCTS division). Prodways Group serves a wide range of sectors, particularly in the medical field.

Listed on Euronext Paris (FR0012613610 - PWG), the Group reported in 2023 revenue of €75 million.

For further information: <https://www.prodways-group.com>

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