

2024 half-year results: €31M in revenue and 8% current EBITDA Margin

Prodways Group generated €31 million in revenue for the first half of 2024. The revenue level is down compared to the revenue published last year, mainly due to the company's reclassification in the Software activity in the second half of 2023 (IFRS 15 standard) and the scope changes enacted at the beginning of 2024. On a comparable basis to the current scope, revenues are down by €1.4 m (-4%).

Current EBITDA stands at €2.5 m, representing an 8% margin. This level remains below the company's ambitions. However, this margin has improved by +4 points compared to the second half of 2023.

Consolidated Income Statement H1 2024

The company's accounts presented below were approved by the company's Board of Directors, which met on September 18, 2024.

<i>(in millions of euros)</i>	H1 2024	H1 2023	Var. M€	Var. %
Revenue	31,1	43,0	-12,0	-28%
Current EBITDA¹	2,5	4,8	-2,3	-47%
<i>Current EBITDA margin</i>	<i>8%</i>	<i>11%</i>	<i>-3 pts</i>	<i>-</i>
Income from ordinary activities²	1,2	2,4	-1,3	-53%
Other elements of the operating income	0,0	2,3	-2,3	-
Operating income	1,2	4,7	-3,6	-76%
Financial results & tax	0,2	-1,2	+1,4	-
Net result	1,3	3,5	-2,2	-62%

¹ See the glossary in the appendix for a definition of alternative performance indicators.

Revenue and income from ordinary activities by division²

<i>(in millions of euros)</i>	H1 2024	H1 2023	Variation M€	Variation %
Systems				
Revenues	14,8	24,0	-9,2	-38%
Current EBITDA	1,9	2,5	-0,6	-24%
Current EBITDA margin (%)	13%	10%	+2 pts	-
Income from ordinary activities	1,8	1,7	0,2	9%
Products				
Revenues	16,3	19,1	-2,8	-15%
Current EBITDA	1,0	3,0	-2	-67%
Current EBITDA margin (%)	6%	16%	-10 pts	-
Income from ordinary activities	-0,1	1,4	-1,5	-110%

First Half 2024 Revenue: €31M in Revenue

First half 2024 revenues are down compared to last year, mainly due to the change in revenue recognition for the Software activity since July³ (with no impact on current EBITDA in absolute value), the cessation of the small jewelry printer activity, and the sale of the Cristal dental laboratory. These changes explain a large part of the revenue decrease (-€10.6 m).

On a comparable basis, Systems division revenues are stable. They benefit from a growing base of recurring Software activity revenues, transitioning to the SaaS sales model, and material sales. Printer sales saw a inflexion point in the second quarter of 2024. However, the pace of deliveries remains below the group's target level and will need to consolidate in the second half of 2024 through good transformation of the sales pipeline.

Products division revenues are down compared to last year on a comparable basis, by €1.5 m (-8%). The Digital Manufacturing activity had a mixed semester, generating slightly lower revenues compared to the first half of 2023. However, audiology activity revenue decreased by around €1 m. This is due to organizational changes at the commercial and technical levels, now finalized. This new organization has been producing results since June 2024, with a rebound in impressions that should translate into a higher level of deliveries in the second half of 2024.

A dedicated revenue press release was published on July 25, 2024 ([link to the press release](#)).

² The sum of the aggregates of the two divisions must be supplemented by intra-group eliminations and the structure to obtain the consolidated result presented above.

³ Accounting-wise, the recognition of revenue from this activity is changing due to Prodways Group's classification as an "agent" according to the IFRS 15 standard starting from July 2023, whereas the company was considered a "principal" until that date. As an agent, Prodways Group now recognizes the gross margin realized on these sales as revenue. This change therefore decreases the absolute value of recorded revenue by €6.3 million in the first half, with no impact on the result.

Current EBITDA Margin of 8%

Prodways Group achieved a current EBITDA of €2.5 million in the first half of 2024, in line with its expectations during this period of finalizing organizational changes.

At the beginning of 2024, Prodways Group decided to take several measures to correct the group's trajectory after a difficult second half of 2023. These measures included especially:

- Stopping the small jewelry printer activity;
- Selling the Cristal dental laboratory;
- Increasing the commercial pipeline of industrial printers, resulting from the professionalization of the Sales & Marketing teams;
- Overall, reducing staff to regain significant operational leverage by focusing on the group's profitable activities.

These measures were deployed in the first half of 2024 and have already shown the beginning of profitability recovery: between the second half of 2023 and the first half of 2024, the current EBITDA margin improved by +4 points. This improvement is particularly visible in the Systems division, which generated a 13% current EBITDA margin. The Products division remains penalized by the revenue decline this semester.

Income from ordinary activities of €1.2M and Net Income of €1.3M

Depreciation and amortization decreased due to the cessation of the small printer activity, and other operating income is not significant this semester. Last year, their contribution to the result was positive with the sale of a minority stake in the company Smilers.

Operating income thus stands at €1.2 m.

Financial charges are almost nil this semester with the positive impact of exchange rate variations (+€0.2 m) offsetting interest charges (€0.2 m). The tax charge is also close to zero thanks to a deferred tax product close to the amount of the payable tax.

Net income thus stands at €1.3 m.

Positive Operational Cash Flow Generation and Sound Financial Discipline

Prodways Group effectively converted its result into cash and generated a financing capacity of €2.5 m in the first half of 2024. Working capital requirements increased this semester (+€1.4 m) due to the usual seasonality of the Software activity in the first part of the year. The amount of capex also decreased, to €0.6 m with the end of certain R&D projects.

The company's financial position remains solid, with €13 m in available cash and net debt of €3.8 m.

The consolidated financial statements are available in the appendix at the end of this press release.

Outlook: Revenue Growth and Improved Results from 2024

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

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 right across the 3D printing value chain (software, machines, materials, parts & services) with a high value added technological industrial solution. Prodways Group offers a wide range of 3D printing systems and premium composite, hybrid and powder materials (SYSTEMS division). The company also manufactures and markets parts on demand, prototypes and small production run 3D printed items in plastic and metal (PRODUCTS division).

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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Appendix

Definition of alternative performance indicators

- Current EBITDA: Operating income before “depreciation, amortization and provisions”, “other items of operating income” and “Group share of the earnings of affiliated companies”.
- Income from ordinary activities: Operating income before “other items of operating income” and “Group share of the earnings of affiliated companies”.
- Net Debt/Net Cash: Net debt/Net cash excluding lease liabilities resulting from the application of IFRS 16 and including the value of treasury stock.
- Cash-flow from operations: Cash-flow from operating activities before change in working capital.

P&L Statement

<i>(in thousands of euros)</i>	H1 2024	H1 2023
REVENUE	31 061	43 031
Capitalized production	189	487
Inventories and work in progress	(279)	(347)
Other income from operations	323	183
Purchases and external charges	(14 258)	(21 792)
Personnel expenses	(14 498)	(16 755)
Tax and duties	(247)	(299)
Depreciation, amortization, and provisions (net of reversals)	(1 377)	(2 358)
Other operating income and expenses	242	291
INCOME FROM ORDINARY ACTIVITIES	1 156	2 441
Non-recurring items in operating income	(5)	2 278
Group-share of the earnings of affiliated companies	-	-
OPERATING INCOME	1 151	4 719
Interest on gross debt	(264)	(169)
Interest on cash and cash equivalents	-	-
NET BORROWING COST (a)	(264)	(169)
Other financial income (b)	287	29
Other financial expense (c)	(12)	(123)
FINANCIAL INCOME AND EXPENSES (d=a+b+c)	11	(263)
Income tax	198	(909)
NET INCOME FROM CONTINUING OPERATIONS	1 360	3 547
Net income from discontinued operations	-	-
CONSOLIDATED NET INCOME	1 360	3 547
INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDER	1 349	3 566
INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	11	(19)

Average number of shares	51 527 858	51 442 228
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Cash Flow statement

<i>(in thousands of euros)</i>	H1 2024	H1 2023
NET INCOME FROM CONTINUING OPERATIONS	1 360	3 547
Accruals	654	2 841
Capital gains and losses on disposals	415	(2 885)
Group Share of income of equity-accounted companies	-	-
CASH FLOW FROM OPERATING ACTIVITIES (before neutralization of the net borrowing cost and taxes)	2 429	3 503
Expense for net debt	264	169
Tax expense	(198)	909
CASH FLOW FROM OPERATIONS (after neutralization of the net borrowing cost and taxes)	2 495	4 581
Tax paid	(587)	(916)
Change in working capital requirements	(1 390)	(1 553)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	518	2 112
Investing activities		
Payments/acquisition of intangible assets	(403)	(654)
Payments/acquisition of property, plant and equipment assets	(199)	(724)
Proceeds/disposal of property, plant and equipment & intangible assets	-	4
Payments/acquisition of non-current financial assets	(7)	(33)
Proceeds/disposal of non-current financial assets		
Net cash inflow/outflow on the acquisition/disposal of subsidiaries	17	27
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(197)	1 519
Financing activities		
Capital transactions (increase, contributions, dividends, other)	(15)	(30)
Proceeds from borrowings	-	-
Repayment of borrowings	(3 147)	(2 909)
Cost of net debt	(265)	(153)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(3 427)	(3 092)
CASH FLOW GENERATED BY CONTINUING OPERATIONS (D = A+B+C)	(3 106)	539
CASH FLOW GENERATED BY DISCONTINUED OPERATIONS	-	-
CHANGE IN CASH AND CASH EQUIVALENTS	(3 106)	539
<i>Effects of exchange rate changes</i>	7	(4)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	16 273	14 096
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13 174	14 631

Balance sheet

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022
NON-CURRENT ASSETS	60 536	61 075
Goodwill	39 056	39 056
Other intangible assets	5 872	6 111
Property, plant and equipment	8 052	8 726
Right of use	5 772	6 541
Other financial assets	611	640
Deffered tax asset	685	2
CURRENT ASSETS	37 847	43 829
Net trade receivables	5 110	6 141
Contract assets	12 236	14 324
Other current assets	-	65
Tax receivables payable	5 825	5 560
Cash and cash equivalents	1 497	1 519
Assets held for sale	13 179	16 221
TOTAL ASSETS	-	558
NON-CURRENT ASSETS	98 383	105 462
<i>(in thousands of euros)</i>	31/12/2023	31/12/2022
EQUITY ATTRIBUTABLE TO OWNER OF THE PARENT	54 756	53 437
STAKES ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	103	93
NON-CURRENT LIABILITIES	17 767	20 691
Long-term provisions	676	794
Long-term liabilities – portion due in more than one year	12 465	14 667
Lease liabilities – portion due in more than one year	4 517	5 069
Deferred tax liabilities	109	161
CURRENT LIABILITIES	25 757	30 683
Short-term provisions	907	1 815
Long-term liabilities – portion due in less than one year	4 576	4 520
Lease liabilities – portion due in less than one year	1 399	1 630
Operating payables	7 414	9 423
Contract liabilities	83	543
Other current liabilities	11 266	12 618
Tax liabilities payable	113	135
LIABILITIES FOR SALE	-	558
TOTAL LIABILITIES	98 383	105 462