



Earnings Presentation

Q2 2021

► July 29, 2021



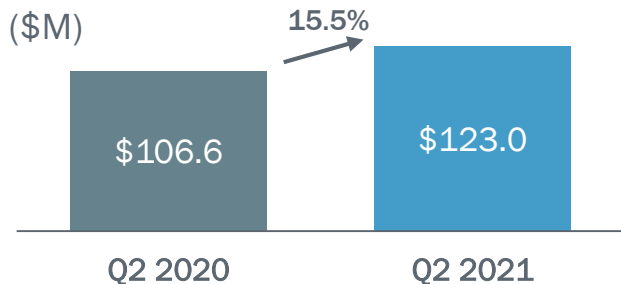


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Q2 2021 Overview

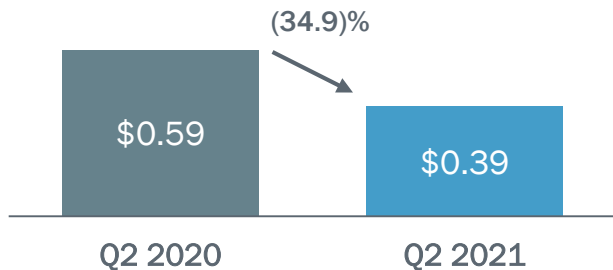


Revenue



- **Record Revenue of \$123.0 million, up 15.5% YoY**
 - 23,253 unique product developers served
 - Hubs contributed \$8.9 million of revenue in Q2

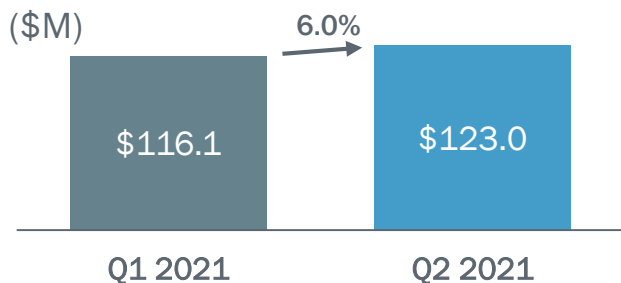
Non-GAAP EPS*



- **Non-GAAP EPS of \$0.39, down \$(0.21) YoY**
 - Investments in building, supporting and scaling a network of manufacturing partners through the Hubs operations
 - Investments in R&D
 - Increase in cost structure due to investments in systems to support long term growth

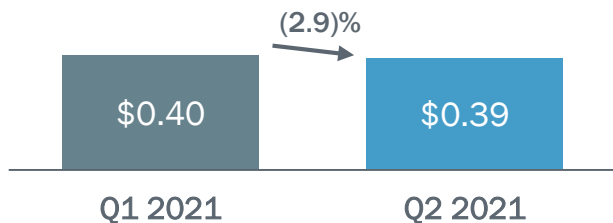


Revenue



- **Record Revenue of \$123.0 million, up 6.0% QoQ**
 - Follows normal seasonality patterns
 - Hubs contributed \$8.9 million of revenue in Q2

Non-GAAP EPS*

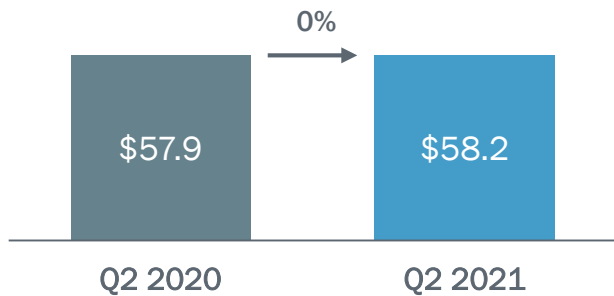


- **Non-GAAP EPS of \$0.39, down \$(0.01) QoQ**
 - Lower than anticipated gross margin driven by labor shortages and wage inflation
 - Full quarter of Hubs operating results
 - Higher effective tax rate due to tax law changes



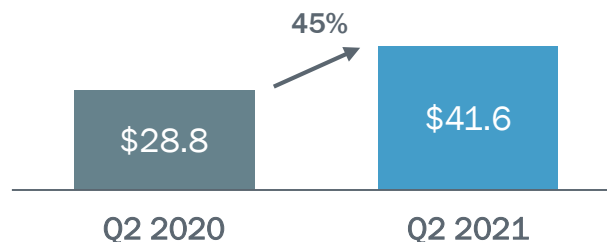
Injection Molding - Revenue

(\$M)



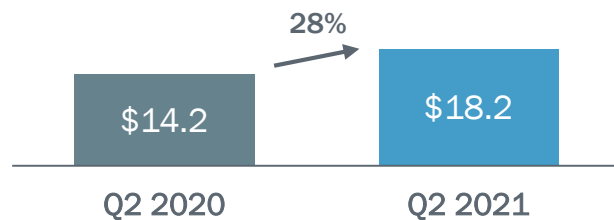
CNC Machining - Revenue

(\$M)



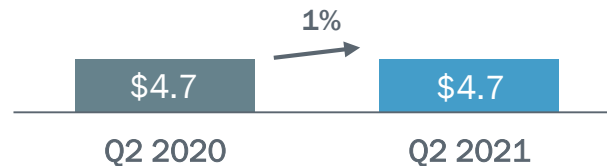
3D Printing - Revenue

(\$M)



Sheet Metal - Revenue

(\$M)

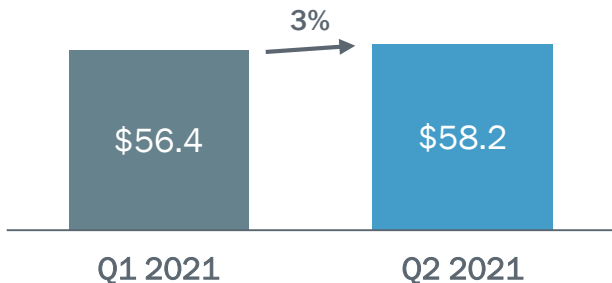


Record quarterly revenue in Injection Molding, CNC Machining and 3D Printing services



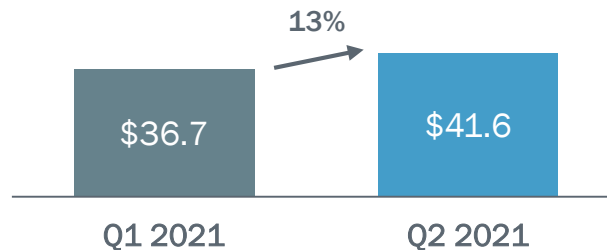
Injection Molding - Revenue

(\$M)



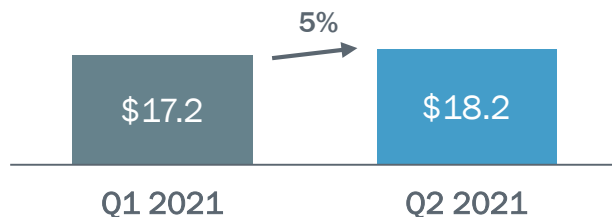
CNC Machining - Revenue

(\$M)



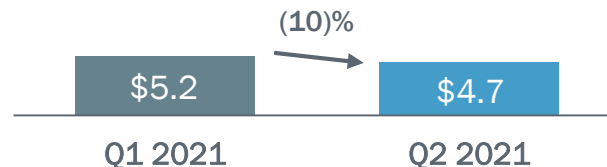
3D Printing - Revenue

(\$M)



Sheet Metal - Revenue

(\$M)



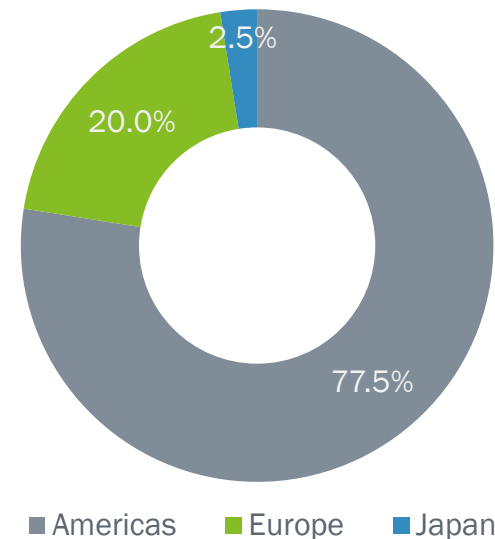
Record quarterly revenue in Injection Molding, CNC Machining and 3D Printing services

Revenue by Region | Q2 2021



\$M	Q2 21	Q2 20	YoY Change Overall	YoY Change Organic, Constant Fx*
Americas	\$95.3	\$86.8	10%	4%
Europe	\$24.7	\$16.7	47%	10%
Japan	\$3.0	\$3.0	1%	3%
TOTAL	\$123.0	\$106.6	15%	5%

Revenue % by Region Q2 2021



*YoY change reflected in constant currency, and excluding Hubs
See reconciliation in Appendix.

Q2 2021

Detailed Financial Information



\$M, Except per share amounts	Q2 21	Q1 21	QoQ Change	Q2 20	YoY Change
Revenue	\$123.0	\$116.1	6.0%	\$106.6	15.5%
Non-GAAP Gross Margin*	46.8%	48.5%	(160) bps	50.1%	(330) bps
Non-GAAP Operating Margin*	12.1%	12.0%	10 bps	17.6%	(550) bps
Non-GAAP Earnings Per Share*	\$0.39	\$0.40	(2.9)%	\$0.59	(34.9)%

*Non-GAAP: adjusted for stock-based compensation, intangible amortization, transaction expenses, and unrealized gain/loss on foreign currency. See reconciliation in Appendix.

YoY GAAP to Non-GAAP P&L | Q2 2021



\$ in thousands	Three Months Ended Jun. 30, 2021			Three Months Ended Jun. 30, 2020		
	GAAP	Adjustments	Non-GAAP*	GAAP	Adjustments	Non-GAAP*
Revenue	\$123,048	-	\$123,048	\$106,575	-	\$106,575
Cost of Revenue	<u>66,423</u>	<u>(1,011)</u>	<u>65,412</u>	<u>54,119</u>	<u>(936)</u>	<u>53,183</u>
Gross Profit	\$56,625	\$1,011	\$57,636	\$52,456	\$936	\$53,392
Marketing and Sales	21,044	(929)	20,115	16,936	(750)	16,186
Research and Development	11,060	(744)	10,316	8,648	(607)	8,041
General and Administrative	<u>8,417</u>	<u>3,908</u>	<u>12,325</u>	<u>12,521</u>	<u>(2,100)</u>	<u>10,421</u>
Total Operating Expenses	<u>40,521</u>	<u>2,235</u>	<u>42,756</u>	<u>38,105</u>	<u>(3,457)</u>	<u>34,648</u>
Income from Operations	\$16,104	\$(1,224)	\$14,880	\$14,351	\$4,393	\$18,744
Adjusted EBITDA	N/A	N/A	\$23,128	N/A	N/A	\$26,147
<u>% of Revenue</u>						
Gross Profit	46.0%		46.8%	49.2%		50.1%
Marketing and Sales	17.1%		16.3%	15.9%		15.2%
Research and Development	9.0%		8.4%	8.1%		7.5%
General and Administrative	<u>6.8%</u>		<u>10.0%</u>	<u>11.7%</u>		<u>9.8%</u>
Total Operating Expenses	<u>32.9%</u>		<u>34.7%</u>	<u>35.8%</u>		<u>32.5%</u>
Income from Operations	13.1%		12.1%	13.5%		17.6%
Adjusted EBITDA	N/A		18.8%	N/A		24.5%

*Non-GAAP: adjusted for stock-based compensation, intangible amortization, transaction expenses, and unrealized gain/loss on foreign currency. See reconciliation in Appendix.

QoQ GAAP to Non-GAAP P&L | Q2 2021



\$ in thousands	Three Months Ended Jun. 30, 2021			Three Months Ended Mar. 31, 2021		
	GAAP	Adjustments	Non-GAAP*	GAAP	Adjustments	Non-GAAP*
Revenue	\$123,048	-	\$123,048	\$116,126	-	\$116,126
Cost of Revenue	<u>66,423</u>	<u>(1,011)</u>	<u>65,412</u>	<u>60,796</u>	<u>(977)</u>	<u>58,819</u>
Gross Profit	\$56,625	\$1,011	\$57,636	\$55,330	\$977	\$56,307
Marketing and Sales	21,044	(929)	20,115	19,480	(853)	18,627
Research and Development	11,060	(744)	10,316	12,181	(624)	11,557
General and Administrative	<u>8,417</u>	<u>3,908</u>	<u>12,325</u>	<u>19,408</u>	<u>(7,224)</u>	<u>12,184</u>
Total Operating Expenses	<u>40,521</u>	<u>2,235</u>	<u>42,756</u>	<u>51,069</u>	<u>(8,701)</u>	<u>42,368</u>
Income from Operations	\$16,104	\$(1,224)	\$14,880	\$4,261	\$9,678	\$13,939
Adjusted EBITDA	N/A	N/A	\$23,128	N/A	N/A	\$22,677
% of Revenue						
Gross Profit	46.0%		46.8%	47.6%		48.5%
Marketing and Sales	17.1%		16.3%	16.8%		16.0%
Research and Development	9.0%		8.4%	10.5%		10.0%
General and Administrative	<u>6.8%</u>		<u>10.0%</u>	<u>16.7%</u>		<u>10.5%</u>
Total Operating Expenses	<u>32.9%</u>		<u>34.7%</u>	<u>44.0%</u>		<u>36.5%</u>
Income from Operations	13.1%		12.1%	3.7%		12.0%
Adjusted EBITDA	N/A		18.8%	N/A		19.5%

*Non-GAAP: adjusted for stock-based compensation, intangible amortization, transaction expenses, and unrealized gain/loss on foreign currency. See reconciliation in Appendix.



\$M	Q2 21	Q1 21	Q2 20
Operating Cash Flow	\$14.3	\$6.4	\$31.0
Capital Expenditures	\$17.4	\$6.5	\$19.9
Share Repurchases	\$1.2	\$0	\$3.5
Cash and Investments*	\$89.0	\$93.1	\$175.3
Debt*	\$0	\$0	\$0

Q3 2021

Financial Outlook



Q3 2021 Revenue

Revenue	\$123M - \$133M
% Growth YoY	14% - 24%
% Growth QoQ	0% - 8%

Q3 2021 Outlook Commentary*

- ▶ Expect foreign currency to have a ~\$1.5 million positive impact on Q3 revenue
- ▶ Estimated Non-GAAP gross margin of 47% +/- 50 bps
- ▶ Projected Non-GAAP operating expenses of \$44 million to \$46 million
- ▶ Expect Non-GAAP tax rate of approximately 24%
- ▶ Expect Q3 fully diluted shares outstanding of approximately 28 million

*Non-GAAP: adjusted for stock-based compensation, intangible amortization, transaction expenses, and unrealized gain/loss on foreign currency.

Thank You



Appendix

GAAP to NON-GAAP Reconciliation | Revenue



\$ in thousands

	Three Months Ended June 30, 2021				Three Months Ended June 30, 2020		%			
	GAAP	Foreign Currency ¹	Hubs Acquisition ²	Non-GAAP	GAAP	Change ³		% Change Organic ⁴		
Revenues										
United States	\$ 95,344	\$ -	\$ (4,626)	\$ 90,718	\$ 86,823	9.8	%	4.5	%	
Europe	24,655	(1,913)	(4,314)	18,428	16,729	47.4		10.2		
Japan	3,049	54	-	3,103	3,023	0.9		2.6		
Total Revenue	<u>\$ 123,048</u>	<u>\$ (1,859)</u>	<u>\$ (8,940)</u>	<u>\$ 112,249</u>	<u>\$ 106,575</u>	15.5	%	5.3	%	

¹ Revenue for the three and six-month periods ended June 30, 2021 has been recalculated using 2020 foreign currency exchange rates in effect during comparable periods to provide information useful in evaluating the underlying business trends excluding the impact of changes in foreign currency exchange rates.

² Revenue for the three and six-month periods ended June 30, 2021 has been recalculated to exclude revenue earned from our acquisition of Hubs, Inc. to provide information useful in evaluating the underlying business trends excluding the impact of acquisitions.

³ This column presents the percentage change from GAAP revenue for the three and six-month periods ended June 30, 2020 to GAAP revenue for the three and six-month periods ended June 30, 2021.

⁴ This column presents the percentage change from GAAP revenue for the three and six-month periods ended June 30, 2020 to non-GAAP revenue for the three and six-month periods ended June 30, 2021 (as recalculated using the foreign currency exchange rates in effect during the three- and six-month periods ended June 30, 2020, excluding the impact of Hubs, Inc. acquisition) in order to provide a constant-currency comparison.

GAAP to NON-GAAP Reconciliation | EBITDA



	Three Months Ended	
	June 30,	
	2021	2020
<i>\$ in thousands</i>		
GAAP net income	\$ 12,915	\$ 12,607
Amortization expense	1,490	754
Depreciation expense	8,578	7,143
Interest income, net	(65)	(368)
Tax expense	3,326	2,511
EBITDA	<u>26,244</u>	<u>22,647</u>
Add back:		
Stock-based compensation expense	4,941	3,639
Unrealized gain on foreign currency	(402)	(139)
Transaction costs ¹	<u>(7,655)</u>	<u>-</u>
Total adjustments	(3,116)	3,500
Adjusted EBITDA	<u>\$ 23,128</u>	<u>\$ 26,147</u>
Adjusted EBITDA % of Revenue	18.8%	24.5%

¹ Transaction costs include direct costs incurred in our acquisition of 3D Hubs, Inc. and the impact of changes in the fair value of acquisition-related contingent consideration obligations.

GAAP to NON-GAAP Reconciliation | EPS



\$ in thousands, except share and per share amounts

	Three Months Ended June 30,	
	2021	2020
Non-GAAP net income, adjusted for stock-based compensation expense, amortization expense, unrealized (gain) loss on foreign currency and transaction costs		
GAAP net income	\$ 12,915	\$ 12,607
Add back:		
Stock-based compensation expense	4,941	3,639
Amortization expense	1,490	754
Unrealized (gain) loss on foreign currency	(402)	(139)
Transaction costs ¹	(7,655)	-
Total adjustments ²	(1,626)	4,254
Income tax benefits on adjustments ³	(575)	(987)
Non-GAAP net income	<u>\$ 10,714</u>	<u>\$ 15,874</u>
Non-GAAP net income per share:		
Basic	<u>\$ 0.39</u>	<u>\$ 0.60</u>
Diluted	<u>\$ 0.39</u>	<u>\$ 0.59</u>
Shares used to compute non-GAAP net income per share:		
Basic	27,735,732	26,660,498
Diluted	27,744,870	26,760,866

¹ Transaction costs include direct costs incurred in our acquisition of Hubs, Inc. and the impact of changes in the fair value of acquisition-related contingent consideration obligations.

² Stock-based compensation expense, amortization expense, unrealized (gain) loss on foreign currency and transaction costs were included in the following GAAP consolidated statement of operations categories:

	Three Months Ended June 30,	
	2021	2020
Cost of revenue	\$ 1,011	\$ 936
Marketing and sales	929	750
Research and development	744	607
General and administrative	(3,908)	2,100
Total operating expenses	(2,235)	3,457
Other (income) loss, net	(402)	(139)
Total adjustments	<u>\$ (1,626)</u>	<u>\$ 4,254</u>

³ For the three and six-month periods ended June 30, 2021 and 2020, income tax effects were calculated using the effective tax rate for the relevant jurisdictions. Our non-GAAP tax rates differ from our GAAP tax rates due primarily to the mix of activity incurred in domestic and foreign tax jurisdictions and removing effective tax rate benefits from stock-based compensation activity in the quarter.