These slides and accompanying oral presentation may contain forward-looking statements. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that could materially affect actual results, levels of activity, performance, or achievements.

Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in Protolabs’ SEC filings, including the Form 10-K for the year ended December 31, 2019 and the quarterly Form 10-Q filings. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement you see or hear during this presentation reflects our current views with respect to future events and is subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.

Non-GAAP Financial Measures: Protolabs management believes that presenting certain non-GAAP financial measures provides meaningful information to investors in understanding operating results and may enhance investors' ability to analyze financial and business trends. Non-GAAP measures are not a substitute for GAAP measures and should be considered together with the GAAP financial measures. As calculated, our non-GAAP measures may not be comparable to other similarly titled measures of other companies. In addition, Protolabs management believes that these non-GAAP financial measures allow investors to compare period to period more easily by excluding items that could have a disproportionately negative or positive impact on results in any particular period. GAAP to non-GAAP reconciliations are included in this presentation.
PROTOTOLABS
OVERVIEW
WE ARE THE WORLD'S LARGEST AND FASTEST DIGITAL MANUFACTURING SOURCE FOR RAPID PROTOTYPING AND ON-DEMAND PRODUCTION
SUITE OF SERVICES

INJECTION MOLDING
QUICKEST AND MOST RELIABLE PROVIDER OF INJECTION-MOLDED PARTS
- Prototyping and low-volume production
- Online quotes with interactive design feedback
- Parts in as fast as 1 day

SHEET METAL FABRICATION
LEADING PROVIDER OF QUICK-TURN SHEET METAL PARTS
- Prototyping and low-volume production
- Online quotes in hours
- Parts in as fast as 1 day

CNC MACHINING
FASTEST SOURCE FOR MACHINED PROTOTYPES AND PRODUCTION PARTS
- Unmatched in-house production capacity
- Online quotes with interactive design feedback
- Parts in as fast as 1 day

3D PRINTING
INDUSTRY LEADER IN HIGH-PRECISION AND MICRO-RESOLUTION PARTS
- Five additive manufacturing technologies
- Broad material selection
- Instant online quotes

- Thermoplastic Molding
- Silicone Rubber Molding
- Overmolding
- Insert Molding
- Laser Cutting
- Punching
- Press Brake Forming
- Welding
- Powder Coating
- 3- and 5-axis Milling
- Turning with Live Tooling
- Selective Laser Sintering
- Multi Jet Fusion
- Stereolithography
- Carbon DLS
- PolyJet
- Direct Metal Laser Sintering
1999
- Injection Molding

2007
- CNC Machining

2014
- 3D Printing

2017
- Sheet Metal Fabrication

2018 >>>
- On Demand Manufacturing
- Total Solution

THE EVOLUTION OF PROTOLABS

1999
- Injection Molding

2007
- CNC Machining

2014
- 3D Printing

2017
- Sheet Metal Fabrication

2018 >>>
- On Demand Manufacturing
- Total Solution

THE DIGITAL THREAD

BRAND IDENTITY

protomold
- Injection Molding Service

fineline
- Additive Manufacturing

proto labs
- Manufacturing. Accelerated.

PROJECTS

- Individual Developer
- Rapid Prototyping
- Iterative Development
- Design Risk Reduction

CUSTOMERS

- Individual Developer
- Companies
- Development Teams
- Senior Management
- Procurement/Supply Chain

VALUE PROPS

- Individual Developer
- Companies
- Development Teams
- Senior Management
- Procurement/Supply Chain

- Rapid Prototyping
- Iterative Development
- Design Risk Reduction
- Time to Revenue
- Production Cost Reduction
- Supply Chain Optimization
- On-Demand Production

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- Rapid Prototyping
- Iterative Development
- Design Risk Reduction
- Time to Revenue
- Production Cost Reduction
- Supply Chain Optimization
- On-Demand Production
RAPID PROTOTYPING AND ON-DEMAND PRODUCTION IN AS FAST AS 1 DAY

$459M
2019 Revenue

+2,500
Employees

48,000
Product Developers Served (2019)

12
Manufacturing Locations

+1,000
Mills, Lathes, Presses, 3D Printers

+4,000,000
CAD Files Uploaded

INCREASE SPEED TO MARKET / REDUCE COSTS / OPTIMIZE SUPPLY CHAIN
DIGITAL MANUFACTURING
AUTOMATION

- CAD analysis
- Design feedback
- Ordering
- Production

CUSTOM PARTS IN AS FAST AS 24 HOURS
Interactive quotes within hours

Cost estimates with real-time pricing updates

Free design for manufacturability (DFM) feedback
Reviews part geometry and highlights any manufacturing issues

Optimizes part design before any actual production begins

DIFFERENTIATED BY DFM ANALYSIS
PROTOLABS DIGITAL MANUFACTURING

• Unlimited Capacity
  • Add scale immediately and capture additional demand and customers from internal / local job shops
  • Acquire and quickly deploy new machinery; recover costs over a short time period

• Scale
  • Enables speed and reliability regardless of spikes in demand, allowing us to gain share from competition with inherently less scale and/or automation

• Barrier to Entry
  • Protolabs’ combination of unlimited capacity and significant scale is very difficult to reproduce
• **Breadth of Services** – attracts new customers and increases retention of existing customers.

• **Capacity** – as product developer count grows, invest in additional production equipment.

**Unique Product Developers**

- 2013: 16,128
- 2014: [Image]
- 2015: [Image]
- 2016: [Image]
- 2017: [Image]
- 2018: [Image]
- 2019: 47,774

**PROTOLABS DIGITAL MANUFACTURING**

- Mills and Lathes
- 3D Printers
- IM Presses
- Sheet Metal Laser Cutters, Presses

Injection Molding / Sheet Metal Fabrication / CNC Machining / 3D Printing
GO-TO-MARKET
Continue to use data and analytics to increase sales and marketing effectiveness

Increase focus on our highest potential customers to drive differential revenue growth

Fill the top of the customer funnel with more new high potential customers

Prioritize closing and penetrating high potential customers
DIVERSE CUSTOMER BASE

• We serve all manufacturing industry verticals
• Each industry has unique needs and uses Protolabs differently
• We are combining tailored solutions with a go to market approach to serve an expanding customer base

Medical + Health Care 20% - 25%
Computer Electronics ~20%
Industrial Machinery + Equipment ~10%
Aerospace ~5%
Automotive ~5%
MARKET AND COMPETITIVE DYNAMICS
PROTOLABS AND THE PRODUCT LIFECYCLE

On-demand, web-enabled digital manufacturer serving our customers through out their product life cycle at world class speed

BENEFITS

• Pay-as-you-go with virtual inventory and large capacity
• Scale from prototyping to production easily
• Manage demand volatility
Majority of the market is made up of small local shops that utilize skilled labor and are inherently not scalable.

Of contract manufacturers that have achieved scale, only Protolabs operates in the high-mix, low-volume space, which is enabled by automating the front-end non-recurring engineering inherent in manufacturing any part.

Large contract manufacturers operate in the low-mix, high-volume space where scale is typically achieved by automating manufacturing operations.
Strong competitive position in $10B - $15B addressable market

<table>
<thead>
<tr>
<th></th>
<th>Digital Front End</th>
<th>Digital Manufacturing (Fast/custom/low volume)</th>
<th>Transparent Quality System</th>
<th>Breadth of Services</th>
<th>Full Specifications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROTOLABS</strong></td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
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<tr>
<td>Digital Brokers</td>
<td>☑</td>
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<td>☑</td>
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<tr>
<td>1 Service</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Fast / Low Volume</td>
<td>☑</td>
<td>☑</td>
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<tr>
<td>Traditional Full Service</td>
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<tr>
<td>Small Individually</td>
<td>☑</td>
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<tr>
<td>Owned Job Shop</td>
<td>☑</td>
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<tr>
<td>High Volume Contract</td>
<td>☑</td>
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<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Manufacturer</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
</tbody>
</table>
PROTOLABS 2.0
Legacy systems evolved slowly and incrementally
Based on architecture from early 2000s

Protolabs 2.0 is a different approach
Will allow our systems to scale and support evolving customer needs

Two components:
Customer-facing eCommerce platform
Back-end systems

Moving to modern software architecture and development

Better support our customers and strategy
Enhanced functionality from external vendors
Easier path from R&D to the eCommerce platform
PROTOLABS 2.0 – BENEFITS

Customer Experience
- More intuitive user experience
- Fewer clicks, better buying experience

Internal Productivity
- Less system maintenance
- More focus on innovation and future growth

Speed & Scalability
- Ability to launch new services faster
- Easier to integrate acquisitions

Business Insights
- Easier access to data across the enterprise, enabling value add analysis
GROWTH STRATEGIES AND FINANCIAL HIGHLIGHTS
**GROWTH STRATEGIES**

1. **Expand Customer Base**
   - Acquire new customers
   - Increase sales within existing customers
   - Expand geographically

2. **Broaden Part Envelope**
   - Larger sizes
   - Increased complexity
   - New materials

3. **Launch New Manufacturing Technology**
   - Services and processes
   - Secondary operations
   - Inspection reporting
HISTORICAL REVENUE PERFORMANCE

6-year CAGR: 19%

2013: $163
2014: $210
2015: $264
2016: $298
2017: $344
2018: $446
2019: $459
FY 2019 FINANCIAL HIGHLIGHTS

• **Revenue** grew 3% to $458.7 million
  • Served 47,774 product developers, up 4% from 2018

• **Adjusted EBITDA** was $121.4 million

• **Net Income** was $63.7 million
  • Non-GAAP EPS of $2.79

• **Cash** and investment balances totaled $173.6 million at 12/31/19
  • Repurchased $33.5 million of common stock in 2019
  • Generated $116.1 million of cash from operations in 2019

• **No debt** on the balance sheet

*Note:* Non-GAAP financials adjusted for stock-based compensation, intangible amortization, unrealized (gain) loss on foreign currency and disposal of businesses. See reconciliation in Appendix.
## FY 2019 REGIONAL REVENUE

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 19</th>
<th>FY 18</th>
<th>YoY CHANGE*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>$360.2</td>
<td>$350.5</td>
<td>3%</td>
</tr>
<tr>
<td>Europe</td>
<td>$82.8</td>
<td>$80.9</td>
<td>8%</td>
</tr>
<tr>
<td>Japan</td>
<td>$15.7</td>
<td>$14.2</td>
<td>10%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$458.7</td>
<td>$445.6</td>
<td>4%</td>
</tr>
</tbody>
</table>

*YoY CHANGE reflected in constant currency. See reconciliation in Appendix.

### Revenue % by Region FY 2019

- **Americas**: 79%
- **Europe**: 18%
- **Japan**: 3%

---

Injection Molding / Sheet Metal Fabrication / CNC Machining / 3D Printing
FY 2019 REVENUE BY SERVICE

**Injection Molding - Revenue**
($M)

- **2018**: $210.5
- **2019**: $217.4

**CNC Machining - Revenue**
($M)

- **2018**: $153.5
- **2019**: $155.5

**3D Printing - Revenue**
($M)

- **2018**: $53.3
- **2019**: $61.4

**Sheet Metal - Revenue**
($M)

- **2018**: $25.0
- **2019**: $21.0
Invest in Equipment and Facilities for Growth and Scale
- 1,000+ machines manufacturing customer parts
- High ROI with equipment payback generally under one year
- Over 1,000,000 sq. ft. to support operations and scale

Invest in R&D for Service and Envelope Expansions
- Commitment to R&D investment to expand our Digital Model
- Continuous process resulting in expansion of all services

Strategic Acquisitions
- FineLine (April 2014) to launch 3D printing service
- Alphaform (October 2015) expanded 3D printing to Europe
- Rapid Manufacturing (December 2017) to launch sheet metal fabrication service and expand CNC capabilities

Return Capital to Shareholders
- Expanded Stock Repurchase program to $100M (May 2019)
- Repurchased $33.5M of common stock in 2019, $50M remaining under the program as of December 31, 2019
## LONG TERM FINANCIAL OBJECTIVES

<table>
<thead>
<tr>
<th>1. Drive Revenue Growth</th>
<th>2. Grow Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Focus on customer needs</td>
<td>• Invest in growth</td>
</tr>
<tr>
<td>• Expand capabilities to capture market share</td>
<td>• Continue to invest in R&amp;D to expand capabilities</td>
</tr>
<tr>
<td></td>
<td>• Invest in scalable internal systems</td>
</tr>
<tr>
<td></td>
<td>• Drive efficiencies through our Proto Excellence program</td>
</tr>
<tr>
<td></td>
<td>• Leverage fixed cost base</td>
</tr>
</tbody>
</table>

| 3. Continue Strong Cash Generation |
Helping companies accelerate product development, reduce risk, and optimize supply chains by providing quality prototyping and on-demand manufacturing services at unprecedented speeds.
APPENDIX
FINANCIAL RECONCILIATIONS
### GAAP TO NON-GAAP RECONCILIATION | REVENUE

($ in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31, 2019</th>
<th>Year Ended December 31, 2018</th>
<th>% Change</th>
<th>% Change Constant</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GAAP</td>
<td>Adjustments</td>
<td>Non-GAAP</td>
<td>GAAP</td>
</tr>
<tr>
<td>United States</td>
<td>$360,205</td>
<td>$ -</td>
<td>$360,205</td>
<td>$350,535</td>
</tr>
<tr>
<td>Europe</td>
<td>82,805</td>
<td>4,353</td>
<td>87,158</td>
<td>80,889</td>
</tr>
<tr>
<td>Japan</td>
<td>15,718</td>
<td>(150)</td>
<td>15,568</td>
<td>14,172</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$458,728</td>
<td>$4,203</td>
<td>$462,931</td>
<td>$445,596</td>
</tr>
</tbody>
</table>

1 Revenue growth for the three-month and year-ended periods ended December 31, 2019 has been recalculated using 2018 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 This column presents the percentage change from GAAP revenue growth for the three-month and year-ended periods ended December 31, 2018 to GAAP revenue growth for the three-month and year-ended periods ended December 31, 2019.

3 This column presents the percentage change from GAAP revenue for the three-month and year-ended periods ended December 31, 2018 to non-GAAP revenue for the three-month and year-ended periods ended December 31, 2019 (as recalculated using the foreign currency exchange rates in effect during the three-month and year-ended periods ended December 31, 2018) in order to provide a constant currency comparison.
### GAAP TO NON-GAAP RECONCILIATION | EBITDA

<table>
<thead>
<tr>
<th>($ in thousands)</th>
<th>Year Ended December 31,</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP net income</td>
<td></td>
<td>$ 63,655</td>
<td>$ 76,588</td>
</tr>
<tr>
<td>Amortization expense</td>
<td></td>
<td>3,482</td>
<td>3,233</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td></td>
<td>27,383</td>
<td>23,521</td>
</tr>
<tr>
<td>Interest income, net</td>
<td></td>
<td>(2,095)</td>
<td>(1,704)</td>
</tr>
<tr>
<td>Tax expense</td>
<td></td>
<td>17,538</td>
<td>15,067</td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td>109,963</td>
<td>116,705</td>
</tr>
<tr>
<td>Add back:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td></td>
<td>10,781</td>
<td>10,928</td>
</tr>
<tr>
<td>Unrealized (gain) loss on foreign currency</td>
<td></td>
<td>677</td>
<td>(380)</td>
</tr>
<tr>
<td>Disposal of businesses</td>
<td></td>
<td>-</td>
<td>(671)</td>
</tr>
<tr>
<td>Total adjustments</td>
<td></td>
<td>11,458</td>
<td>9,877</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td></td>
<td>$ 121,421</td>
<td>$ 126,582</td>
</tr>
</tbody>
</table>