

# Third Quarter 2021 Financial Results Presentation

November 15, 2021



# Disclaimers

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## Non-GAAP Financial Information

This presentation contains non-GAAP financial measures, including non-GAAP gross margin, EBITDA and Adjusted EBITDA. Non-GAAP gross margin is GAAP gross margin excluding stock-based compensation, amortization of acquired intangible assets, acquisition-related and other transactional charges and change in fair value of warrant liability. EBITDA is GAAP net income (loss) excluding interest, income taxes and depreciation and amortization expense. Adjusted EBITDA is EBITDA excluding stock-based compensation, warrant expenses, and transaction costs associated with acquisitions. In addition to Desktop Metal's results determined in accordance with GAAP, Desktop Metal's management uses this non-GAAP financial information to evaluate the Company's ongoing operations and for internal planning and forecasting purposes. We believe that this non-GAAP financial information, when taken collectively, may be helpful to investors in assessing Desktop Metal's operating performance.

We believe that the use of non-GAAP gross margin, EBITDA and Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends because it eliminates the effect of financing, capital expenditures, and non-cash expenses such as stock-based compensation and warrants and provides investors with a means to compare Desktop Metal's financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, investors should be aware that when evaluating non-GAAP gross margin, EBITDA and Adjusted EBITDA, we may incur future expenses similar to those excluded when calculating these measures. In addition, our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of these measures, especially Adjusted EBITDA, may not be comparable to other similarly titled measures computed by other companies because not all companies calculate these measures in the same fashion.

Because of these limitations, non-GAAP gross margin, EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA and Adjusted EBITDA on a supplemental basis. Investors should review the reconciliation of net loss to EBITDA and Adjusted EBITDA and not rely on any single financial measure to evaluate our business.

# Executive Summary: Q3 2021

## 01

### Financial summary

- Revenue — \$25.4 million in Q3 2021<sup>(1)</sup>
  - Sequential growth of 34% from Q2 2021
    - Strong growth in the core metals business
  - Year-over-year growth of 907% from Q3 2020
- Non-GAAP Gross Margin expansion – 27% in Q3 2021
  - Non-GAAP Gross Margin increased 180+ bps from Q2 2021

## 02

### Business highlights

- Production System™ P-50 targeted for shipment in Q4 2021
  - Completing final component procurement and assembly of initial builds
  - Tripled manufacturing capacity dedicated to P-50
- Closed ExOne acquisition, cementing leadership in additive manufacturing for mass production
  - Focused on leveraging complementary technology & go-to-market to drive outsized growth
- Acquired Meta Additive, adding next-gen functional binder technology focused on reducing shrinkage
- Acquired Aidro, adding AM design and high-volume production capabilities for fluid power systems
- Progressed Shapeways strategic relationship through expansion of Desktop Metal system capabilities available on the Shapeways digital manufacturing platform
- Launched new strategic initiative in additively manufactured dental & biofabrication parts under Desktop Health

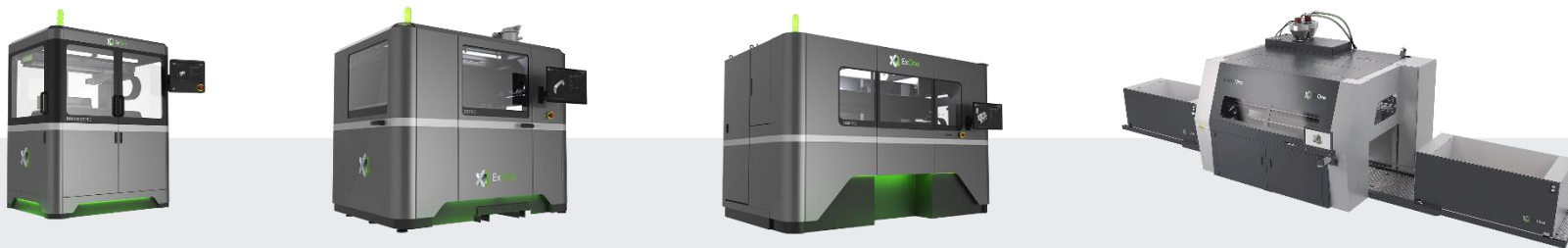
# Desktop Metal completes ExOne acquisition

Cementing Desktop Metal's leadership in additive manufacturing for mass production



## Unmatched product portfolio to accelerate the adoption of AM 2.0 for mass production

- Creates leading metal AM portfolio across speed, cost, resolution, and part size
- Accelerates adoption in digital castings market through combination of sand printing technologies
- Materials innovation acceleration by leveraging combined materials engineering resources
- Enhances customer reach and global support through complementary go-to-market efforts
- Opportunity for margin accretion through optimization of manufacturing and supply chain efforts



**\$68M**

—

ExOne Revenue  
(LTM)<sup>(1)</sup>

**\$57M**

—

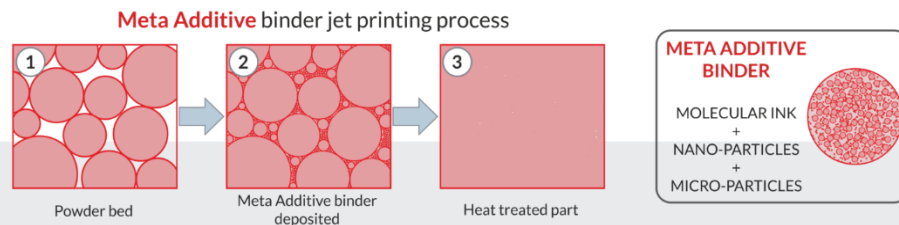
ExOne Total Backlog  
(as of Q3 2021)<sup>(1)</sup>

# Continued vertical integration for our core metal offering

## METAADDITIVE<sup>+</sup>

Proprietary functional binder technology focused on reducing part shrinkage during sintering

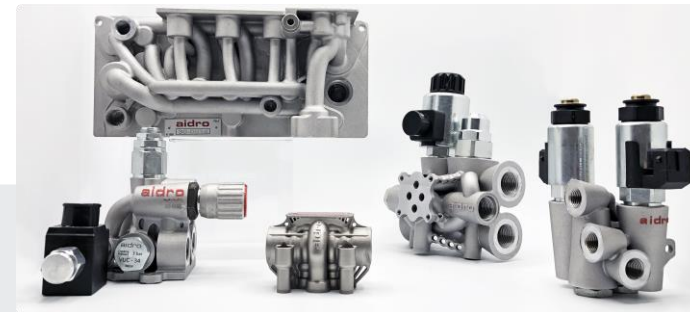
- Innovator of unique binder technology using particles of functional build material to simultaneously bind and infiltrate powder bed particles during binder jetting
- Foundational binder technology reduces part shrinkage to as low as 2% – delivers potential for larger parts, improved tolerances, and increased productivity



## aidro

Unique AM design & high-volume production capabilities for fluid power systems

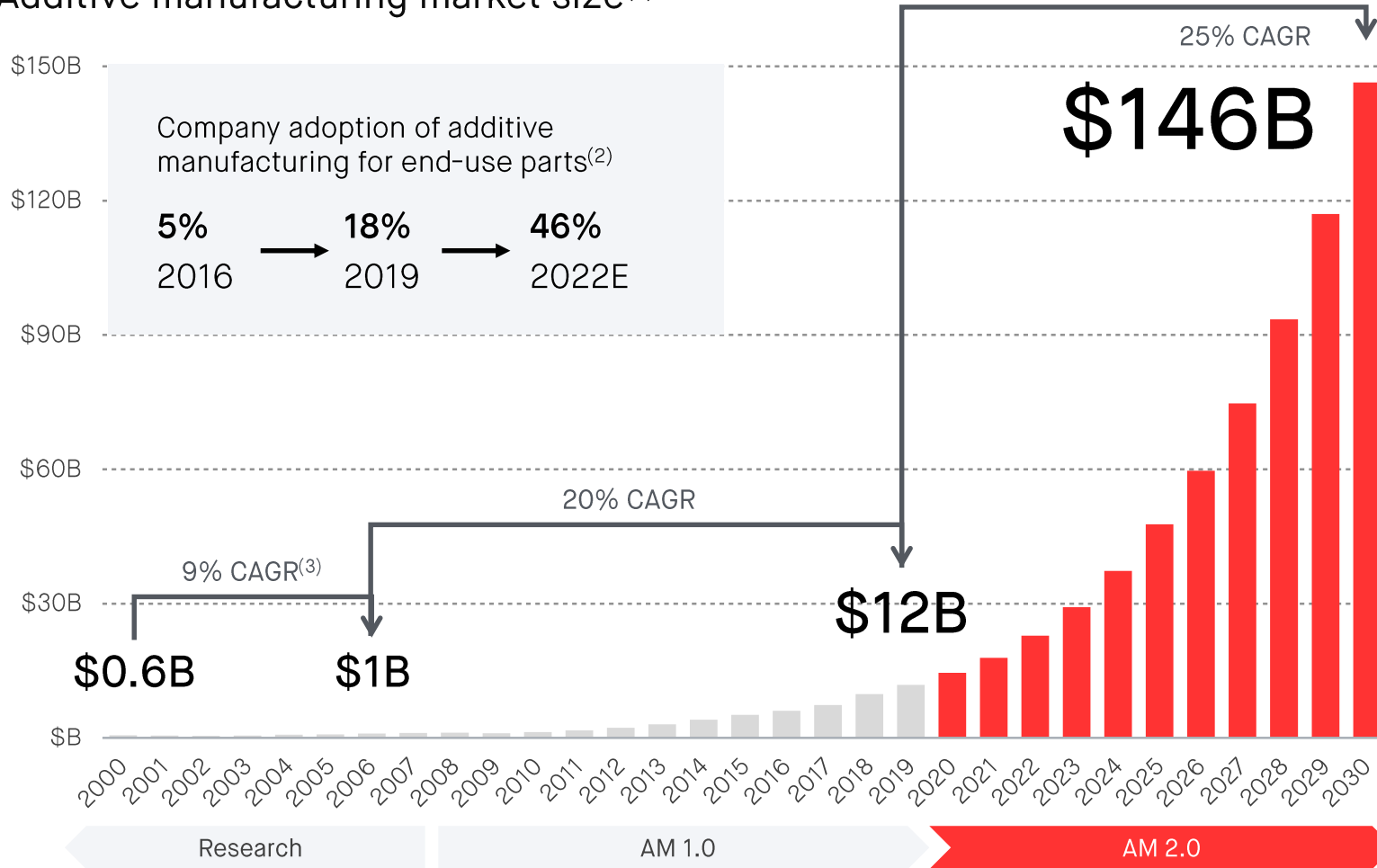
- Pioneer in the additive manufacturing of next-generation manifolds, hydraulics, and fluid power systems – high-value killer applications for AM 2.0
- Talented team adds world-class design & application expertise to serve as foundation for differentiated offering



# Long-term goal to capture double-digit share of AM market

Focus on increasing AM 2.0 serviceable addressable market opportunity to drive growth

## Additive manufacturing market size<sup>(1)</sup>



## Portfolio

### Print Platforms

- Desktop Metal (Metals & Composites)
- EnvisionTEC (Photopolymers)
- ExOne (Metals & Sands)
- Aerosint (Multi-material)

### Materials

- Adaptive3D (Elastomers)
- Beacon Bio (Biofabrication)
- Forust (Wood)
- Meta Additive (Reduced Shrinkage)

### Killer Apps

- Aidro (Fluid Power Systems)
- Dental & Biofabrication Parts Platform

1. Source: Wohlers Report 2020 (2000 actuals - 2029 forecast); 2030 figure based on management calculations.

2. Source: "3D printing: hype or game changer?" Ernst & Young Global Report 2019.

3. Compound annual growth rate.

# Unmatched portfolio of AM 2.0 solutions

Best-in-class portfolio positioned to capture double-digit share in Additive

01

20 category-leading **print platforms** focused on end-use parts production



Metal



Polymer



Digital Casting



Wood



Biofabrication

Proprietary Software and Sintering Solutions

02

Enabling 250+ differentiated **materials**

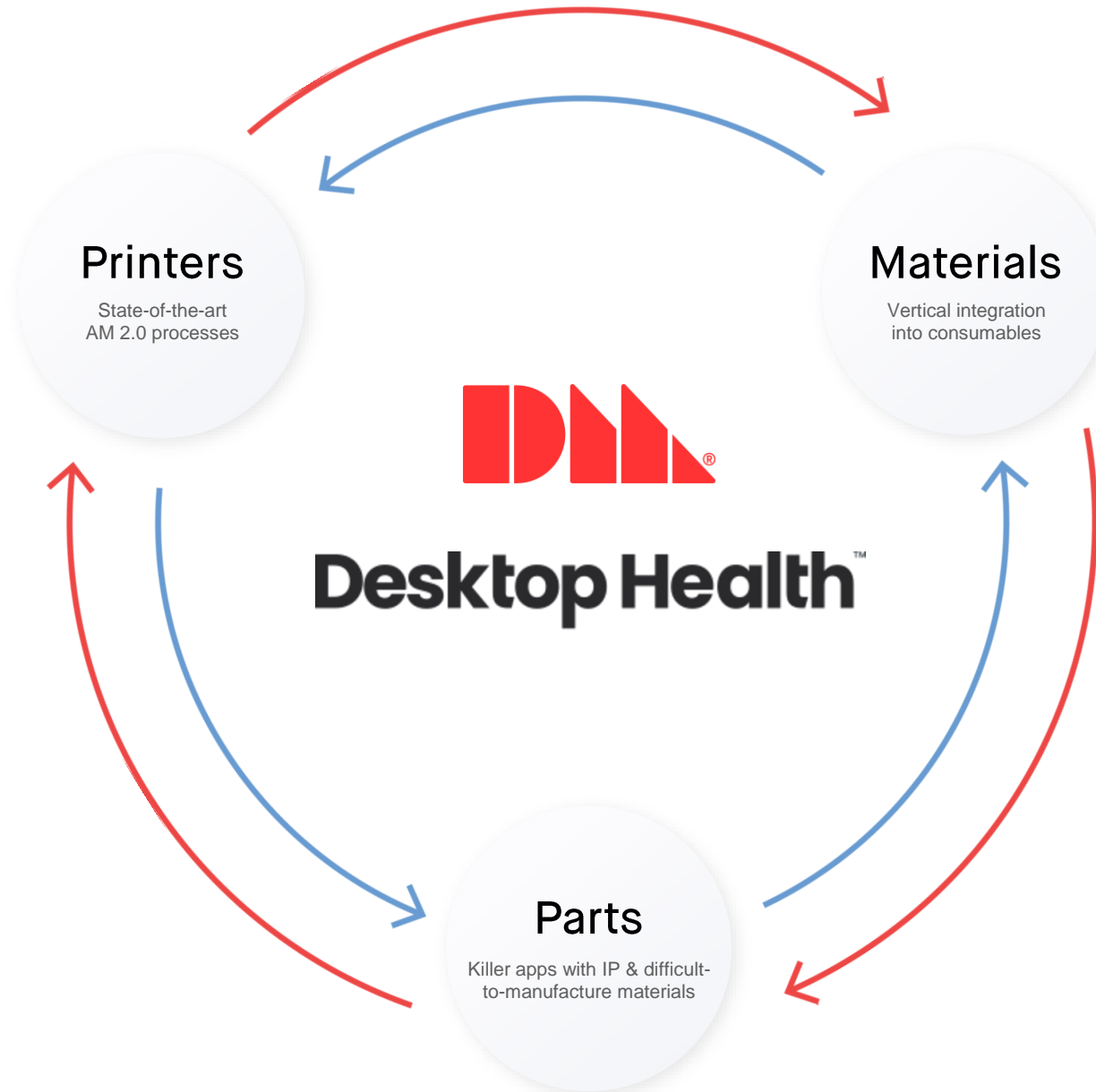
- Copper
- Nickel Alloys
- Precious Metals
- Stainless & Tool Steels
- Titanium & Aluminum
- Composites
- Ceramics
- Elastomers
- Photopolymers
- Biofabrication Materials
- Sands
- Woods

03

Delivering customers an expanding set of **applications** for AM

- Aerospace
- Automotive
- Biofabrication
- Components Suppliers
- Consumer Electronics
- Consumer Products
- Dental
- Education
- Energy
- Healthcare
- Heavy Industry
- Industrial
- Jewelry
- Medical Devices
- Military & Defense
- Space

# Key strategic pillars for growth





# Dental & Biofabrication Parts Platform

Leveraging world-class technology solutions to participate in high-value killer apps for AM

## Category-Leading **Print Platforms**

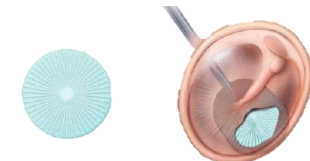


## Differentiated **Materials**



## Leveraging recent acquisitions to facilitate Dental & Biofabrication **Parts** offering

- Massive opportunity in dental & biofabrication for additive manufacturing
- Accelerates our dental market footprint to drive AM adoption
  - AM improves patient outcomes, turnaround times, and pricing
  - Positions DM to enable digital workflows and chairside printing capability
- Leverages existing technology solutions to participate in providing high-margin dental & biofabrication parts
  - Capture a larger profit portion of the value-chain
- Installing a world-class team with experience executing this strategy



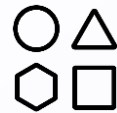
# The leader in additive manufacturing for mass production

Uniquely positioned to capture double-digit share in additive manufacturing by the end of the decade



## High-throughput technology platforms

Area-wide print processes up to 100x the speed of legacy AM, and proprietary software and sintering technology to achieve superior economics



## Broadest materials portfolio

Over 250+ materials to drive application discovery across metals, polymers, elastomers, composites, sands, woods, biofabrication, and more



## Focus on killer applications for AM

End-to-end solutions including design and parts production targeting high-margin use cases for additive manufacturing



## World-class distribution and support

Complementary direct and indirect channels with presence in over 65 countries around the world and deep experience with AM



## Turnkey, integrated solutions

Vertical integration into materials for reliably yielding high-performance parts and high-margin consumables revenue streams

# Financial Summary

# Third quarter 2021 financial highlights

## Third quarter 2021 results

### Third quarter

Ended September 30, 2021

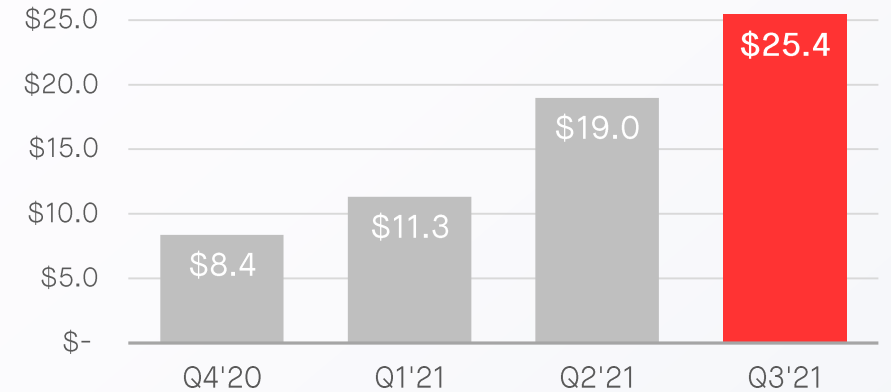
- Revenue of \$25.4 million<sup>(1)</sup>
  - Up 34% from Q2'21
  - Up 907% from Q3'20
- Non-GAAP Gross Margin of 27%
  - Non-GAAP Gross Margin up 180+ bps from Q2'21
- Adj. EBITDA of \$(26.0) million

### Liquidity highlights

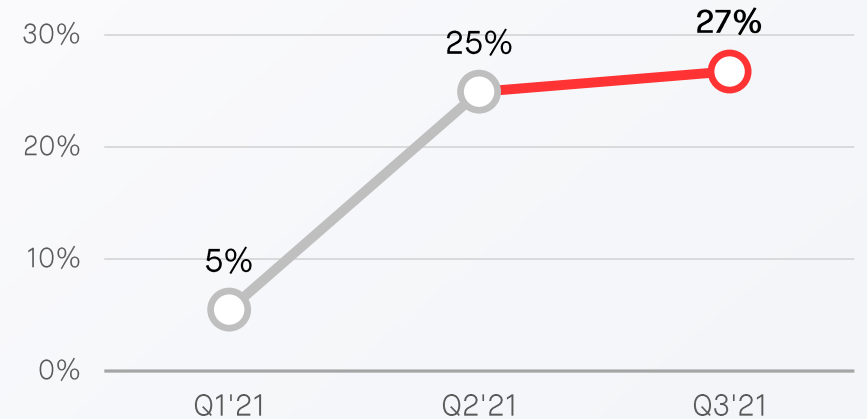
- Cash, cash equivalents, and short-term investments of \$423.9 million as of September 30, 2021

## Revenue

\$s in millions

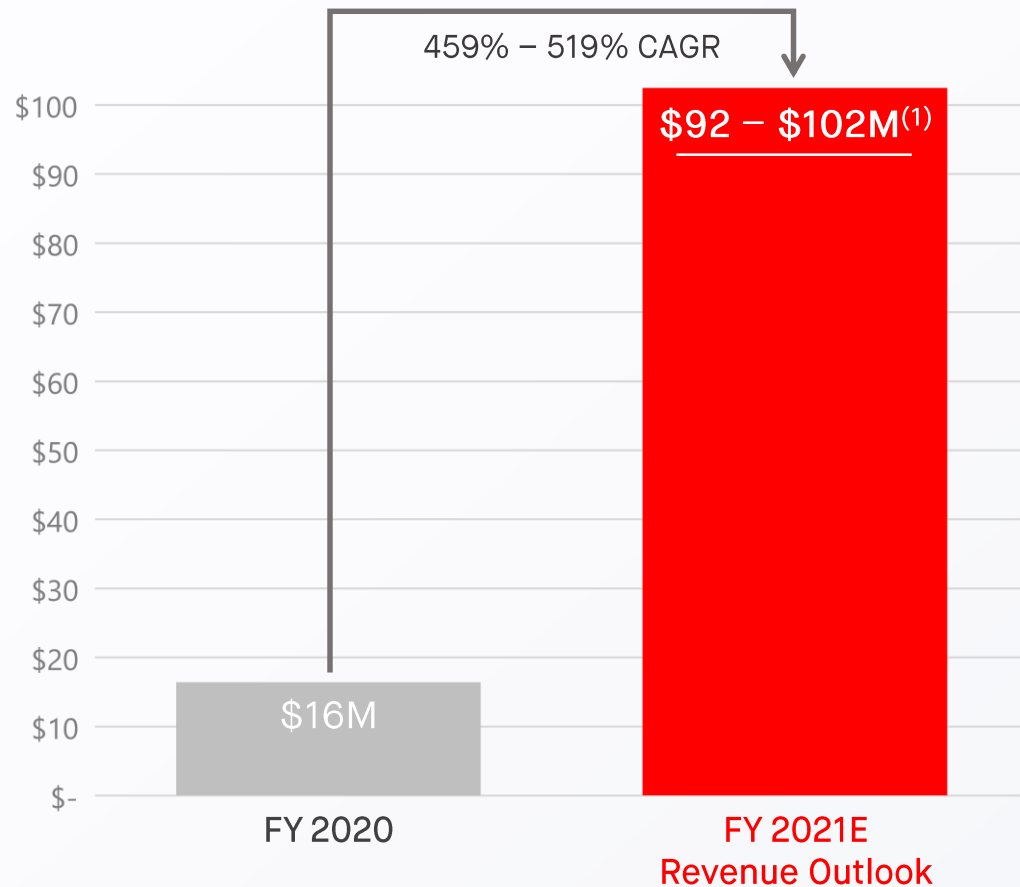


## Non-GAAP Gross Margin



# Full year 2021 financial outlook

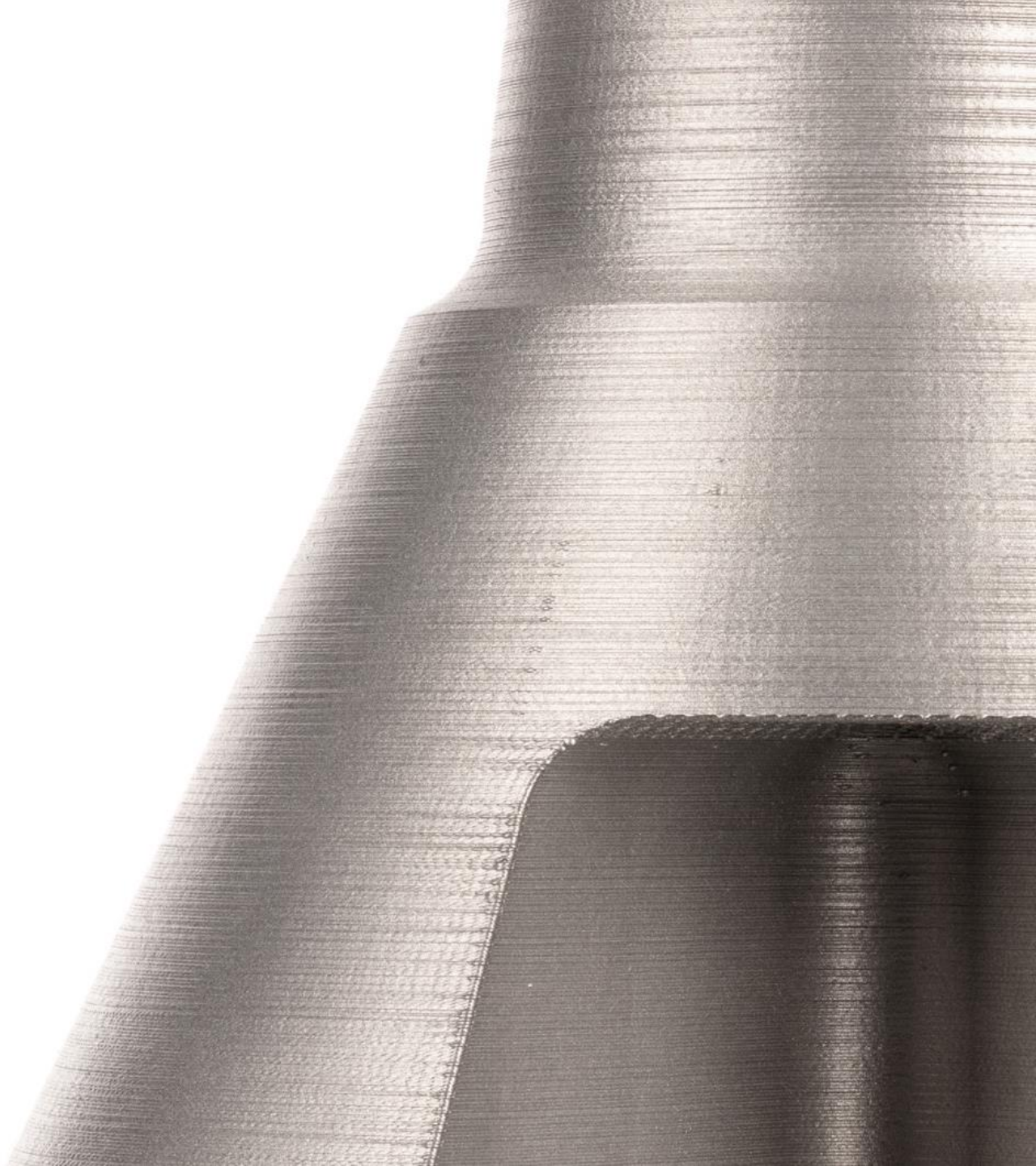
## 2021 revised financial outlook



- Revenue between \$92-\$102 million, excluding ExOne
  - Recent acquisitions between \$17-\$20 million, excluding ExOne
  - Representing 459%-519% y/y growth
- Fourth quarter 2021 revenue between \$36-\$46 million, excluding ExOne
  - Representing 43%-82% sequential growth from Q3'21
- Core revenue between \$75-\$85 million<sup>(2)</sup>
- Adj. EBITDA between \$(80)-\$(90) million, excluding ExOne

1. Excluding contributions from ExOne.  
2. Core revenue = Desktop Metal and EnvisionTEC revenue, excluding recent acquisitions.

Q&A



# Appendix

# Reconciliation to non-GAAP measures

<i>(Dollars in thousands)</i>	<u>Three months ended</u>	
	September 30, 2021	September 30, 2020
GAAP gross margin	\$ 3,955	\$ (2,301)
Stock-based compensation included in cost of sales	341	68
Amortization of acquired intangible assets included in cost of sales	2,515	—
<b>Non-GAAP gross margin</b>	<b>\$ 6,811</b>	<b>\$ (2,233)</b>



# Reconciliation to non-GAAP measures (cont.)

<i>(Dollars in thousands)</i>	<u>Three months ended</u>	
	September 30, 2021	September 30, 2020
Net loss attributable to common stockholders	\$ (66,879)	\$ (19,457)
Interest (income) expense, net	(104)	12
Income tax benefit	(523)	–
Depreciation & amortization	6,488	2,050
In-process research and development assets acquired	15,181	–
<b>EBITDA</b>	<b>(45,837)</b>	<b>(17,395)</b>
Change in fair value of investments	4,204	–
Stock compensation expense	9,951	1,895
Transaction costs associated with acquisitions	5,675	–
<b>Adjusted EBITDA</b>	<b>\$ (26,007)</b>	<b>\$ (15,500)</b>