Materialise

On track to meet FY26 guidance

Materialise's Q326 results confirmed c 5% underlying year-on-year revenue growth, with the Medical segment (54% of revenue) achieving close to double-digit growth. Excluding the impact of disposals, Manufacturing (31% of revenue) is seeing strong demand for series manufacturing, which is offsetting weaker prototyping demand. The company maintained guidance for FY26 which implies revenue growth of 2–6% and adjusted EBIT growth of 13–32%. The sharp share price decline, despite broadly unchanged earnings expectations and a strong net cash position, suggests an increasingly attractive valuation, with evidence of improving Medical margins, sustained growth in series manufacturing and a recovery in Software demand providing potential catalysts for a re-rating.

Underlying revenue growth of 4.9% in Q326

At a group level, revenue grew 2.1% y-o-y or 4.9% adjusted for disposals. Medical continued to be the driver of group revenue growth, with Q326 y-o-y growth of 9.7% to €36.5m. Manufacturing declined 6.2% to €21.3m, but once the RapidFit and Eyewear disposals are stripped out, grew 1.5% y-o-y. Software declined 4.1% y-o-y to €9.9m. Group adjusted EBITDA declined 4.5% y-o-y and group adjusted EBIT declined 14.8%, mainly due to increased R&D expenditure within Medical. Net cash increased from €70.8m at the end of FY25 to €82.5m at the end of Q326, even after share buybacks costing €7.5m over Q1–Q3.

Expanding capabilities

Medical margins were suppressed by higher R&D spending to add capabilities and drive growth. In Q3, new functionality included cardiac planning software for valve-in-valve surgery, innovations to drive efficiencies in cranio-maxillofacial surgery and soft tissue planning software for liver resection. Manufacturing saw c 30% growth in series manufacturing, with aerospace & defence the main driver, offsetting slower prototyping demand. The business expanded metal additive manufacturing capabilities and saw good uptake of its orthotics business in the US. Software is seeing extended sales cycles, which is hampering growth.

Forecasts and valuation: Profit concerns

The company maintained guidance for FY26 revenue of €273–283m and adjusted EBIT of €12–14m. Consensus forecasts are within the range for revenue and just below the range for adjusted EBIT, and have not materially changed since results. The share price is down 16% post results, likely due to concerns over higher R&D spending weighing on future Medical margins and the weaker demand in Software.

Consensus estimates

Year end	Revenue (€m)	EBIT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/24	266.8	9.7	0.23	0.00	28.0	N/A
12/25	267.6	10.6	0.13	0.00	49.6	N/A
12/26e	278.0	11.8	0.19	0.00	33.9	N/A
12/27e	294.6	17.7	0.25	0.00	25.8	N/A

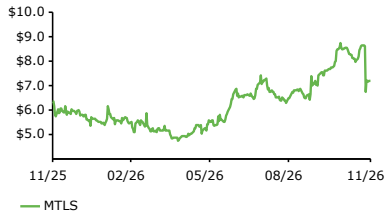
Source: LSEG Data and Analytics (as at 3 November). Note: EBIT is adjusted for share-based payments and exceptional items.

Technology

3 November 2026

Price	**$7.22**
Market cap	**$412m**

Share price performance



Share details

Code	MTLS
Listing	NASDAQ
Shares in issue	57.1m
Net cash/(debt) at end Q326	€82.5m

Business description

Materialise provides a range of software solutions and 3D printing services that empower sustainable 3D printing applications. Its solutions enable flexible industrial manufacturing and mass personalisation in various industries including healthcare, automotive, aerospace, art and design, wearables, and consumer goods.

Bull points

- Strong balance sheet, with recent return of cash to shareholders via buybacks.
- Medical business benefits from strong growth in personalised medicine.
- Portfolio rationalisation is improving profitability.

Bear points

- The two founders hold 58% of shares and 72% of voting rights.
- Software demand slow to recover.
- Manufacturing business not yet break-even.

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