Operator: Greetings. Welcome to ExOne Company's Third Quarter 2020 Earnings Call. (Operator Instructions) Please note this conference is being recorded. I will now turn the conference over to your host, Monica Gould, Investor Relations for the ExOne Company. You may begin.

Monica M. Gould: Thank you, operator, and good morning, everyone. ExOne released results for the third quarter of 2020 ended September 30, 2020, yesterday after market close. If you did not receive a copy of our earnings press release, you may obtain it from the Investor Relations section of our website at investor.exone.com.

With me on today's call are John Hartner, Chief Executive Officer; and Doug Zemba, Chief Financial Officer. This call is being webcast and will be archived on the Investor Relations section of ExOne's website.

Before I turn the call over to John, I'd like to note that today's discussion will contain forward-looking statements, and as such, is subject to risks and uncertainties. These risks and uncertainties include those risk factors discussed in the most recent reports on Form 10-Q and 10-K filed by the company as well as those discussed in the press release. Any forward-looking statements that are made on this call are based on assumptions as of today. And we undertake no obligation to update these statements as a result of new information or future events.

In addition to U.S. GAAP reporting, ExOne reports certain financial measures that do not conform to generally accepted accounting principles. We believe these non-GAAP measures enhance the understanding of our performance. Reconciliations between these GAAP and non-GAAP measures are included in the tables found in today's press release.

And with that, I'd like to turn the call over to John.

John F. Hartner: Thank you, Monica. Good morning, everybody, and welcome to our third quarter 2020 earnings call. I'm pleased to report a solid third quarter performance, reflecting double-digit sequential and year-over-year revenue growth, further demonstrating ExOne's momentum and differentiated position within the 3D market.

We delivered total revenue of $17.4 million reflecting year-over-year growth of 60%, while achieving yet another quarter of record backlog. During the third quarter, our system sales more than doubled sequentially to $10.5 million as easing travel restrictions enabled our teams to complete installations that were started in prior periods.

At the same time, we continue to grow our already strong backlog to $42.6 million, a new record level that will continue to support the predictability of our revenue for some time. Our backlog also remains diverse with no concentration of geography or industry or any one machine model. Moreover, our backlog includes several of our newer metal machines, which carry higher ASPs than our historic metal portfolio.

We delivered recurring revenue of $6.9 million for a 11% sequential increase. On a year-on-year basis, recurring was flat due to depressed COVID-related demand that was limited to certain segments of our sand printing business. Other areas of recurring revenue that have seen strength and growth during this period, including revenue from R&D contracts, services, consumables, and our metal 3D parts business.

Gross margins were below our norm, primarily due to low contribution margins on various system sales as well as some increased warranty expense.

During the quarter, we further increased our liquidity, which now totals nearly $50 million. We achieved this with both prudent operational actions as well as the execution of financing transactions that Doug will touch on in his prepared remarks.

Overall, our performance highlights our business model's resilience and our team's ability to continue executing om our strategy in the face of challenging conditions. Given our strong performance year-to-date and improving visibility, we are on track to deliver year-over-year revenue growth in 2020, despite challenging market conditions and assuming no significant increase in travel restrictions. Also, we believe that this positive momentum will continue into 2021.

Now, I'd like to talk in a little more detail about our business, which will show you why we're confident about the road ahead.

Today ExOne's production metal binder jet systems are in use and gaining momentum in the market place. This includes the X1 25Pro launched just a year ago. We've now successfully installed multiple machines and have a customer expanding into multi-site production operations. Meanwhile, the new X1 160Pro, our 10th and largest metal binder jet system, will be shipping soon with initial revenues anticipated to be recognized in the first half of 2021.

During the quarter, we also announced our Innovent Pro advanced entry level metal 3D printer. This is a major upgrade to the Innovent+, which is the world's bestselling metal binder jetting system today.

Over the last 2 years, our team has honed a process that gives manufacturers a low risk pathway to adopting metal binder jetting technology in production. Given our success, we're expanding our investment in this “ExOne Production Adoption Model”. This 5-step method de-risks the buyer's journey and really gives them confidence as they move towards a significant shift in their metal production strategies.

In our updated investor deck, we've added some examples detailing where customers are in this process as they head towards substantial investments in our technology for their production. These include a global automaker, medical device company, several consumer goods companies and defense companies.

Given our 20 years of experience in metal binder jetting, ExOne's role in helping manufacturers through the sizable shift is turning out to be a major differentiator. We aren't just selling machines, we're delivering a complete factory floor solution. At the end of the day, binder jetting is still new to most manufacturers, so they really value our insights and they are gravitating towards us because of them.

At the same time, our clear leadership in material offerings in metal binder jetting continues to widen. During the quarter, we announced third party qualification for Inconel 718, a widely used material in defense and other high-performance applications. That brings our total qualified material list to 22, with more than half of those being single alloy materials.

This quarter, we also announced a new contract with the US Air Force Research Lab, AFRL, for binder jetting a novel high strength steel alloy. With these and other exciting materials such as aluminum being fast-tracked for qualifications, we believe ExOne's binder jetting will transform the face of metal manufacturer, making it faster, smarter, and more sustainable.

Now, let's move our discussion to the sand side of our business, which remains an area of focus for ExOne's team. We have long term relationships with our sand customers and foundries. Here, our technology is moving into a new phase, focused on improving productivity and performance. In addition to our Scout Industry 4.0 app, we've been rolling out a new semi-automated desanding station, the first of several upcoming solutions that improve customer productivity.

To wrap up, we continue to manage through the COVID-19 uncertainty, but are moving ahead with confidence. We believe our binder jet 3D printing solutions will play a critical role in the transformation of traditional manufacturing to a more innovative, sustainable, and decentralized manufacturing model. We are confident that we will remain the market leader in this segment by continuing to innovate, advancing machines and material technology, and partnering with our customers and other companies who help us deliver on our mission of sustainable manufacturing without limitations. With that, I'll now turn the call over to Doug, who will provide details about our third quarter financial results and outlook.

Douglas D. Zemba: Thanks, John. Good morning, everyone. We're pleased to report strong third quarter results. We delivered the highest level of third quarter revenue in the company's history, grew our backlog sequentially to another record level and demonstrated continued execution in both our machine and recurring revenue streams despite unfavorable market conditions and continued operational disruptions brought about by COVID-19.

We ended our third quarter with total revenue of $17.4 million, up from $10.9 million in the third quarter of 2019. The increase in revenue was primarily driven by a 164% increase in 3D printing machine revenue while our recurring revenue remained flat. On a trailing 12-month basis, revenue was $59.4 million through the third quarter of 2020 compared to $61 million through Q3 of 2019.

As mentioned, sales of 3D printing machines more than doubled to $10.5 million in the third quarter compared to $4.0 million in the prior year quarter, led by higher volumes, including contributions from our fourth quarter 2019 product introductions, the S-Max Pro and the X1 25Pro platforms, and a favorable mix of machines sold. Trailing 12-month machine sales were $32.4 million through the third quarter of 2020, compared to $35.5 million through the third quarter of 2019.

Now, I'll move to machine unit sales for the period. As a reminder, our direct machines print components such as metal and ceramic parts for industrial and other applications and include our X1 25Pro, Innovent+ and M-Flex platforms; as well as our soon to be delivered X1 160Pro platform, the industry's largest metal 3D printer and our recently announced InnoventPro platform. Our indirect machines print tools such as sand cores and molds and include our S-Max Pro, S-Max, and S-Print platforms. Our indirect machines are our larger footprint systems, which typically generate a higher average sales value. Our direct machine sales have historically leaned heavily to our Innovent platform, which is a lower priced entry level metal system. However, the recent introduction of our 25 Pro platform has increased the average sales value of our direct units and we anticipate the 160Pro system introduction to further increase our direct unit average sales value in 2021.

We recognized 13 machines in the third quarter compared to 9 in Q3 of 2019. The 13 machines recognized in the third quarter consisted of 7 indirect and 6 direct printing machines. We were pleased with our ability to navigate the difficult market conditions influenced by COVID-19 and execute on our current quarter installations. The resiliency of our global team was clearly on full display.

As an organization, we continue to sell into a diverse set of global geographies and customer applications, which includes a mix of industrial and research and development users.
Our recurring revenue, which includes our 3D printed and other products, materials and services was

flat at $6.9 million as compared to the third quarter of last year. Increases in aftermarket revenue driven by our growing global installed base of printers and funded research and development, a strategic area of focus for the company, were largely offset by decreases in printing services for sand due to lower end market demand, principally in the automotive market, brought about by COVID-19. While recurring revenue was flat on a year-on-year basis, we are encouraged to see that recurring revenue increased sequentially from $6.2 million in the second quarter driven by growth in aftermarket, consumable material, and funded R&D revenue, which were offset by a decrease in printing services revenue. For the trailing 12 months, recurring revenue was $27.0 million compared to $25.6 million in the prior year period.

For the third quarter, gross margin of 22.4% compared to 26.4% in the third quarter of 2019. The decrease was primarily due to low contribution margin on various system sales, including the X1 25Pro platform following its initial market introduction, and the sale of a discontinued sand system during the period, as well as unfavorable product warranty experience. For the trailing 12 months, gross margin of 29.3% compared to 34.1% in the prior year period.

As I mentioned on our Q2 call, in response to COVID-19, we took various cost saving actions including a mix of employee terminations, furloughs, pay rate reductions and decreases in consulting and other spending all in an effort to conserve cash and maintain adequate liquidity. As we expected, as a result of these actions and other reduced costs such as global travel, we realized approximately $2 million in cost savings in the third quarter. We estimate additional cost savings in the range of approximately $1 to $2 million for the remainder of 2020 with approximately $2 to $3 million of the total 2020 cost savings sustained into 2021.

For the third quarter, our total operating expenses decreased to $6.8 million from $7.7 million in the prior year period. Research and Development expenses were $2.0 million compared to $2.4 million in the third quarter of 2019. The decrease was primarily due to cost savings measures and other cost reductions associated with COVID-19 and lower material and consulting spend associated with machine development projects. For the trailing 12 months, R&D was $9.3 million through Q3 2020 versus $9.7 million through Q3 2019. Selling, general and administrative expenses were $4.8 million compared to $5.3 million for Q3 2019. This decrease was driven by a combination of factors, including lower travel and trade show expenses and cost reductions associated with COVID-19 as well as lower net bad debt expense, offset by an increase in sales commissions expense and the absence of an incentive compensation reversal from 2019. For the trailing 12 months, SG&A was $21.2 million through third quarter 2020 compared to $22.4 million through third quarter 2019.

Turning to our backlog, as a reminder, our backlog includes firmly committed orders received from our machine and recurring revenue customers. It also includes our machine maintenance contracts as well as the non-cancelable portion of our operating lease agreements. Additionally, backlog includes orders for our global metal and sand printing operations and other contractual services including funded research and development. We ended Q3 with another record backlog balance of $42.6 million, an increase of 12% as compared to $38.2 million at the end of the second quarter and an increase of 65% as compared to $25.8 million at the end of the third quarter of 2019.

Our third quarter backlog includes machine orders, totaling $27.3 million representing 40 total units, both sequential quarter increases. Our backlog increase also benefited from an increase in firmly secured research and development contracts with the federal government of approximately $4 million.

Moving to the balance sheet. Cash, cash equivalents and restricted cash as of September 30, 2020 increased to $39.9 million from $20.2 million at June 30, 2020. The increase was driven by cash inflows from financing activities of $25 million including $24.8 million of total equity sales. Offsetting this were

cash outflows from operations of $5.3 million primarily due to the widening of net loss, net of noncash items for the period and a reduction in cash inflows from customers based on timing of payments. Our cash capital expenditures for the third quarter were limited to $200,000 and we expect less than $1 million of planned cash CapEx for the remainder of 2020, which will remain focused on our existing operations and strategic asset acquisition and deployment.

We increased our total liquidity, which includes unrestricted cash and cash equivalents and availability under our related party revolving credit facility to $49.4 million at the end of the third quarter compared to $29.7 million at the end of the second quarter. The increase was driven by changes in cash that I just discussed as there were no borrowings outstanding under the company's $10 million related party revolving credit facility during the period.

As John mentioned, our backlog position and enhanced liquidity give us confidence as we head into the fourth quarter and plan for 2021. That said, we remain vigilant as it relates to the significant uncertainties associated with the duration and severity of COVID-19 and its related impact on the markets we serve and our operations. As we stated previously, it is our goal to effectively manage our business through this crisis and exit in a position of strength, further enhancing our market leading position and binder jetting technology. That concludes our prepared remarks and we'd now be happy to take your questions.

Operator: And our first question is from Brian Kinstlinger with Alliance Global partners.

Brian David Kinstlinger, Alliance Global Partners: Nice to see the stronger cash position. However, I'm struggling with understanding how on the surge in revenue the gross margin plunge, you mentioned a variety of reasons in the press release such as low margin on system sales and introduction of the X1 discontinued product sale and unfavorable warranty expense. Can you touch on each of these and the impact on the margin and how these trends might persist if applicable for each please?

Douglas D. Zemba: Sure, Brian. Hey, this is Doug. So, on the margin side relating to the system sales, a couple of things to point out. Number one, one of the systems that were sold during the quarter was our discontinued Ex-Serial system, which was a greater than $1 million sale that effectively was slightly above breakeven. We discontinued that in 2017 and yet we still retained one unit in-house and we were able to sell that to an existing user of the same system. So win-win for the company and we were sort of happy to get that to the customer to expand their operations with both the favorable aftermarket agreement and then continued material sales tied to that.

On the 25Pro, we had a little bit of discussion ongoing here, I think in the last couple of calls that we've done. This is a little bit different than some of the other platforms that we've introduced recently. This is from a ground up, so we sort of started this one with a blank sheet of paper and took a lot of our binder jetting tech and built this up. So, really what we're seeing here is the manufacturing costs that are associated with the first set of units introduced to market, are coming through at a lower rate of return than other systems that we sell. Ultimately, we expect that to normalize back to what we typically sell systems for, but we're probably not out of the woods on this one quite yet; likely to see some margin disruption in Q4 and likely in Q1 of 2021.

On the warranty side, we had some disruption there as well relative to, for the most part on our sand product. So again did a new product introduction or product introductions in 2019 and we had a little bit of a hiccup in the most recent quarter. We don't expect that kind of experience to recur, we have a pretty

strong history of having a balanced equation when it relates to warranty experience. So, it's not something that we're expecting to take any type of abnormal charges far into the future.

All in all, when you add up all those components, I mean my rough estimate is that probably cost us about 10 margin points. So with the 25Pro piece continuing into the future, that's probably the only component that that would (inaudible) we have in our plans going ahead.

Brian David Kinstlinger, Alliance Global Partners: That's helpful, very helpful. One of the questions I get from prospective investors is, in your slide deck as well as the industry market estimates, the compound annual growth rate starting wayback to now and even going forward is about 20% and while this quarter was very strong from a revenue standpoint, you're on track probably to be at 2017 to 2018 revenue levels. So I guess in hindsight, why do you think ExOne hasn't as of late participated in the additive manufacturing market, notwithstanding COVID of course?

John F Hartner: Thanks. Yes, I would say that our growth took a pause as the manufacturing economy went into a bit of a hold, a period at the, in 2019. We're obviously seeing good recovery now as it's shown in our backlog and our current results. The second thing is, there were a number of players that introduced machines that frankly had customers take a look at the industry and the good news is as they looked at other potential alternative suppliers, decided to move forward and come back into our camp and that's where we're also seeing benefit within the, within the backlog.

So I'd say for both those reasons, we think our growth rates will be positive going forward. Yes, I think there is a, we talk also about the supply chain reconfiguration and decentralization of manufacturing, which many times is being done in a way that leverages additive manufacturing and not just additive manufacturing for prototypes, but really the production side, which is exactly where we excel and why we're getting so much interest today.

So, I think that gives you a little perspective of the past and the pause there, and I think it gives us great promise for the future.

Brian David Kinstlinger, Alliance Global Partners: One more question. With the increased capital twofold. First, how do you make investments in sales and marketing or would you plan to that will go through the P&L that create more market awareness for binder jetting. And then second question on the capital desktop metal, their process are going through right now, they're boasting a play on. Of course, it's just a plan to introduce a binder jetting printer next year that has a significant faster speed than your binder jetting machine. So, how do you think about investments in a faster speed printer, so a twofold question on capital deployment?

John F Hartner: Yes, I'll get it started and, Doug, you can add in. Yes, I think we've got many opportunities to invest capital to expand our organic growth rates, both as you said in sales and marketing and we've increased our footprint in as far as coverage globally, we've just hired a brand new Asia-Pacific leader where we had nobody in that space before, covered that through reps remotely and we've also increased our marketing presence and capabilities. So, we see opportunities there, we see opportunities to continue to expand our material pallet. We have significant customer interest in a range of new materials, but as we introduce new materials where many times working with these customers through the adoption process that was in the slide deck and I described in my script and that is actually causing

us to put some more capital to sustain those sorts of new development projects that we're collaborating with customers on. So that is the, that on the first part of the question. I think we have plenty of places to invest in organic growth and we're really excited about those and they are many times very aligned with our customer needs. On the claims of other folks out there, look, there's a lot of claims. I think the important thing is we are delivering and we have been for more than 20 years, machines to customers and I think one of the things we understand when we talk to customers is speed is not the only consideration, as a matter of fact, it's not the primary consideration. Their No. 1 consideration is can we deliver high quality parts with their material in a reliable fashion. That is what we're doing every day and again that adoption model helps the customers prove that and de-risk, their buying journey. I mean, if you look forward in our road map, which we share with certain customers under NDAs. Do we have improved productivity of our printers out there? Absolutely, but again right now, customers are buying on quality parts, ability to deliver those in a reliable fashion and ability to service them in the long-term. So we think some of the benefit we're seeing right now is because that's the type of partner we are with these customers and I expect that to accelerate in the future.

Operator: And our next question is from Sarkis Sherbetchyan with B Riley Securities.

Sarkis Sherbetchyan, B. Riley: John, can you maybe touch a little bit more on the funded R&D. I know you've recently released some interesting kind of releases regarding, for example the United States Air Force awarded contract. Maybe just touch on what that means for your business and how do you see that portion of the business growing and then ultimately what does that mean from maybe increased systems and material sales over time?

John F Hartner: Yes, sure. So funded R&D is really part of the aspect. Binder jetting is still relatively new to many customers and has dramatic opportunities to expand the material palette and the capabilities for production 3D printing. So, we're saying to customers; look, we need to work on this together and we are going to need your help financially to make these things happen. Sometimes, those customers are government customers and that's where Doug mentioned some of our success there. It was an initiative we started in the last few years and have seen some recent success, as he talked about it and that was an increase of our backlog of almost $4 million this quarter.

Now remember, those contracts don't come out the next quarter, those tend to be running over 8 quarters. So, we expect that to be an absolute improvement in our recurring revenue next year. And beyond that, secondly, I'll go to the commercial R&D contracts. Within that adoption model that we have in the slide deck, those steps scope of work validation of technical and business case include funded R&D with the customers that actually prove that they can go into high volume metal part production with their platforms in the future and we work together with them and we ask for a contribution to that effort and many times what we're doing is proving out either new materials, new geometries, new applications and so all of that leads not just to at the end in both of these cases, new opportunities for individual machines, but new opportunities in many cases from multiple machines.

So, at the end of that rainbow, there is some positive news for us and frankly, very positive news for the customer because their, it's not just a promise in the future, it's not just selling a machine and hoping things work in a couple of years. We are throughout every step of that journey proving to them that this will meet their requirements and then they have the confidence to spend substantial capital to many set up new facilities to meet their parts requirements in the future.

Sarkis Sherbetchyan, B. Riley: Now understood. And if you kind of step back and think about this process, how long do you anticipate on these processes taking from start to finish and then obviously from a benefit perspective, whether it be through increased machine sales or material sales, how does that kind of flow through as you sell more systems and set up those processes for your customers?

John F Hartner: Yes, so, and again a lot of times these are more challenging applications and/or significant steps up in volume. So that 5-step process is taking anywhere from, we see that one to 3 years in timeline and we say that because again many times these customers are moving through. We're working on new materials, working with their own custom materials, working with their own geometries; validating the cases. They're going before their boards and validating large capital expenditures, we're doing the first machine, we're running that inside of our facility, then we're moving it into their facility and then they are scaling up from one machine to multiple machines. So that sort of process is a one to 3 year process and frankly a lot of times, our customers are -- they're not doing this for their existing product that they designed 5 or 10 years ago, they are doing this for new products and new initiatives to help them have a substantially improved end product of their own. So, it's really exciting to work with them on that journey.

Sarkis Sherbetchyan, B. Riley: Understood. And just wanted to kind of come back to the backlog real quickly. I think in the comments you mentioned machine backlog was up quarter-on-quarter, and I think you just mentioned that the government contract was up $4 million in backlog as well right? So total backlog was up maybe about $3 million. Can you just maybe help me understand the math or if there is something that I'm missing there?

Douglas D. Zemba: No, I think you have that right. So the backlog on a machine basis increased from 25.8 to 27.3 Q-on-Q, which means that the remaining portion of the increase was tied to all other streams of work and that we added the gov con piece here in Q3, which would have then been offset by reductions or recognition of other sales on the recurring side.

Sarkis Sherbetchyan, B. Riley: Got it. So just simply stated, it was (inaudible) backlog being recognized in sales, is that the right way to think about it?

Douglas D. Zemba: Yes, yes.

Sarkis Sherbetchyan, B. Riley: Okay, got it. Good and just wanted to kind of come back to the discussion regarding the margin. You mentioned the disruption continues to 4Q, is this '21. What's kind of the magnitude of that? I think that was associated more so with the 25Pro machine. What's the order of magnitude as sales should be growing, so just want to understand what the contribution margin looks like on an incremental basis?

John F Hartner: Yes, it's a little bit hard to say because every machine sale that we do represents a slightly different configuration depending on the customer and the application in the last. And we don't -- I don't necessarily have perfect visibility into the timing or the mix of sales that we'll have in any particular

period, I think history has pretty much shown that. When you look at the current quarter, again sort of doing a break up and thinking about what the assumption is related to the margin impact simply on the 25 Pros for the current quarter had again estimate somewhere maybe 2 to 3 margin points in reduced return. We've done a little bit better on our, because it's manufacturing driven, we will continue to do better on some of the sales coming through in Q4 and in the early part of 2021. But to put up specific finger on what that might look like for those 2Q's, I wouldn't necessarily say at this point.

Sarkis Sherbetchyan, B. Riley: Okay, no, that's helpful. And then just circling back to the cost savings and the piece that sustained into 2021. Just remind me, given the 2 million in sales and I think you mentioned 1 to 2 million upcoming, was the 2 million rolling forward into 2021. Was the right number?

John F Hartner: Correct. Somewhere between 2 to 3 million. I think last quarter we have been set on about 2.5. I've widen the range to 2 to 3 and the reason for that is that's predominantly permanent employee terminations that we didn't replenish. That number is really representative of those costs that would continue on into 2021.

Sarkis Sherbetchyan, B. Riley: And any incremental kind of SG&A coming through would really be to support the new product rollout and kind of marketing initiatives. Is that the right way to think about it?

John F Hartner: Yes, I think you see a variable selling costs and/or other variable costs come up to the extent that the commercial operations would dictate that. So that's, that's really where we would earmark increases. I think otherwise, we're pretty stable.

Operator: Our next question is from Jed Dorsheimer with Canaccord.

Jonathan Edward Dorsheimer, Canaccord Genuity: Nice job on the quarter. I think most of my housekeeping questions have been asked and answered already. So just maybe high level. John, I'm curious in terms of what you're seeing and how you might be able to articulate or quantify any cross colonization efforts with respect to some of the larger customers on the sand side, in terms of interest on the direct side of the business?

John F Hartner: Okay. Sure. Thanks, Jed. So the good news is we have long-standing relationships as I mentioned with sand foundries and a number of OEMs who have incorporated digital mode core printing within their own operations. The other thing about that is, they understand our production readiness and how we're doing things, it's scale as opposed to purely for prototyping. That actually is starting to play in and if I think about the customers that are in our production adoption model, several of those are companies that have had experience with us on the sand side. So they understand, know our teams, they understand the expectations of scaling the business and I think that this frankly, you might talk about the pillar of expanding our technology and modularity, we're taking some of that same very robust reliable production-ready technology that we have in the sand and building that into, for example, the X1 160Pro which is truly exciting to a lot of these players because they are already familiar with some of those core technology components. And frankly the software, so that is a benefit. We weren't sure how extensive it will be and would be, but we are seeing it, seeing it probably more in the automotive or large industrial

and some aspects in the defense business too.

Jonathan Edward Dorsheimer, Canaccord Genuity: So from a timing perspective, I mean if we look at what Tesla has done in EUV. Now Tesla has open reqs around 3D printing systems in terms of some of the positions they are looking to hire. So if we look at Tesla, it is kind of Avangard for EUV. You've also got a train of traditional OEMs, many of which you have relationships on the sand side for the casting that are going to need or have plans on the EUV side, and what we've seen in other technologies is kind of follow the leader if you will. So do you think it's more of just a timing situation or I guess how do you translate sort of those queries into in RFP or as well as to an order?

John F Hartner: Sure. Yes, I say that a majority of the automotive companies customers whether traditional or either an EV, they see the ability to 3D print lightweight parts is absolutely vital to their future whether it is hybrid vehicle or EV. So, I think it is a matter of time. If you look at some of this more newer firms on the EV side, we've had a number of discussions. A lot of them are just trying to get their product out and get the design finalized, but they are at the same time looking to light weighting and production oriented solutions for 3D printing and it could be. The nice thing for us is that could be a sand solution that gets them started depending on the scale of the part they are looking at or are they material based. And in other cases, it can be direct metal in a production basis, particularly with the scale of the 160 and the ability for that to do larger parts and significant throughputs. And the same holds true for the production, the traditional companies in the automotive space, who are increasingly moving to hybrid and EV type platforms. They are leveraging their knowledge, I would say, to an extent, but it is a timing thing. It takes time for these companies to finalize their platform, get the supply chain set and start to produce. So, I think that the next few years are going to be quite exciting when it looks, when we see the adoption of metal 3D printing again whether direct or indirect in these sorts of firms and that spells, I think multi-machine opportunities for us.

Jonathan Edward Dorsheimer, Canaccord Genuity: Got it. And where do you fall along the lines of, so additives, pretty straightforward. It seems as if that's more of, I don't want to say convincing, but hitting specs in terms of reliability, sort of, you know it's a newer technology from the robustness of the part for example, whereas the sand and in casting is tried and true, so if you look at the, both can kind of lead to a path of lightweight. On the sand side, you might need lasers to remove excess material from your casting to get to that lightweight. Do you see that as kind of be in the first half before you see the, the direct additive or is it really OEM dependent in terms of that light weighting process?

John F Hartner: So, as you said it's both. It's both for sand casting, 3D printed digital sand casting and for direct metal. Sand casting is more established, people understand the metallurgy. So that is probably ahead, but I would say, this really I don't want to mention again the production adoption model, that's where we're working through customers to tackle the sorts of concerns that you described. People may have in the past gotten excited about some speed claims or proposals, but now when they get real about this, they need metallurgy, uptime automation cost per part and that is what we're validating in the production adoption models such that they can feel comfortable to press the button on large capital expenditures that may come into their platforms. And again on the automotive side, you know the cycle times. It may be getting shorter, but we're talking to several companies on projects we're working with companies on projects that are for the platforms of 2022, 2023. So that sort of timeline really does ensure that they have high degrees of confidence to work with us and deploy systems to meet their production

requirements at that point. So we have short, mid and long-term paths to help the customers win there.

Operator: We are finished with the question-and-answer session. I will now turn the call over to John Hartner for closing remarks.