

**9M 2017
Presentation**



1

At a glance

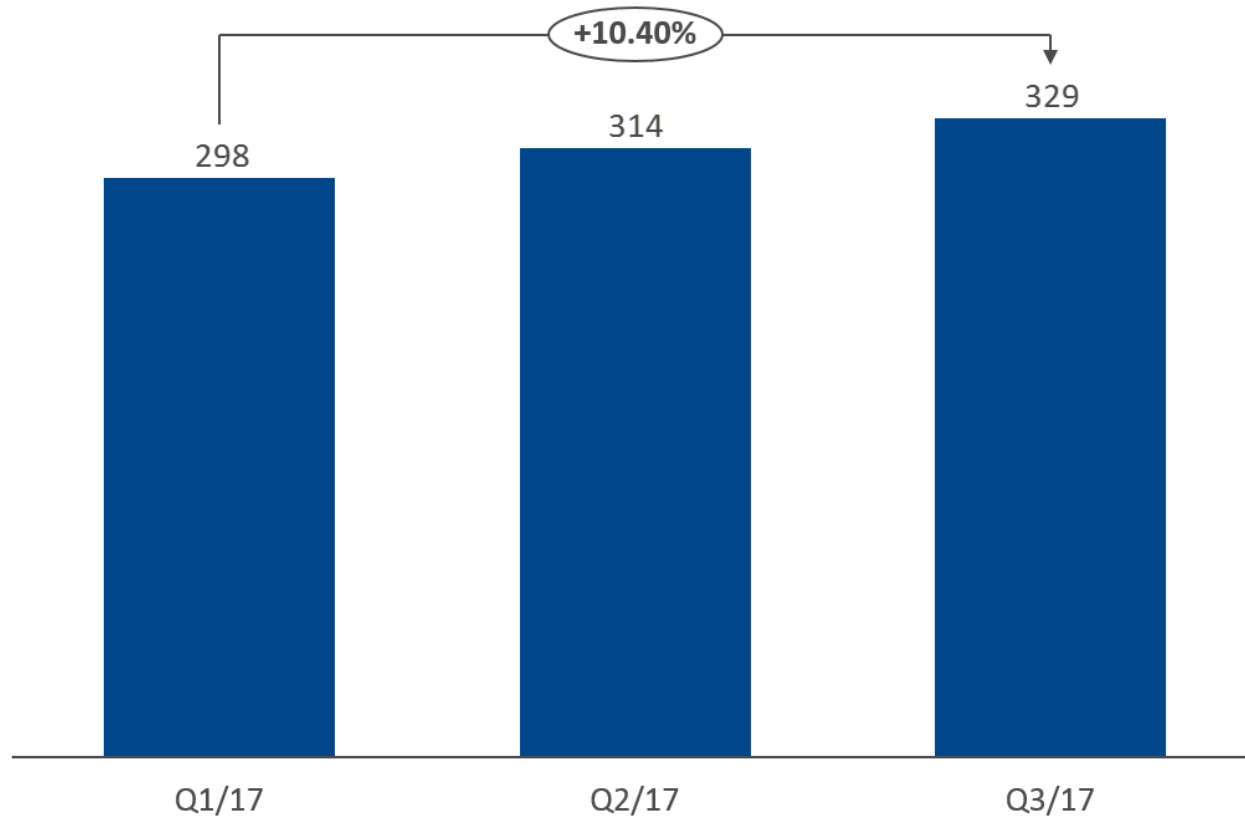
○ Overview 9M 2017

- New order intake:
YoY **increase in value terms of 55.4 % to EUR 76.2 mn** (9M/2016: EUR 49.0 mn);
order intake **in terms of machines up by 42.9 % to 120** (9M/2016: 84)
- Further framework agreement concluded in October 2017
- Increased order value due to large amount of production machines
- Intensification of the strategic partnerships with partners such as BeamIT and first joint development success
- YoY revenue increase of 3.6 % to EUR 50.2 mn (9M/2016: EUR 48.4 mn);
-13.5 % gap to previous year's revenue as of 30 June 2017 has been made up but year 2017 still challenging as some customers continue to stay in “wait and see mode”
- Adjusted EBITDA¹⁾ margin of -9.2 % in 9M/2017 (9M/2016: -4.0 %),
mainly due to higher personnel cost
- **Adjusted EBITDA¹⁾ Q3/2017 of -0.07 EUR mn close to break-even**
(improvement of +0.9 EUR mn compared to Q3/2016 with a value of -0.97 EUR mn)

1) adjusted for Retention Bonus in 9M/2017 and 9M/2016 as well as transaction costs in 9M/2016

○ Sales prospects further increased

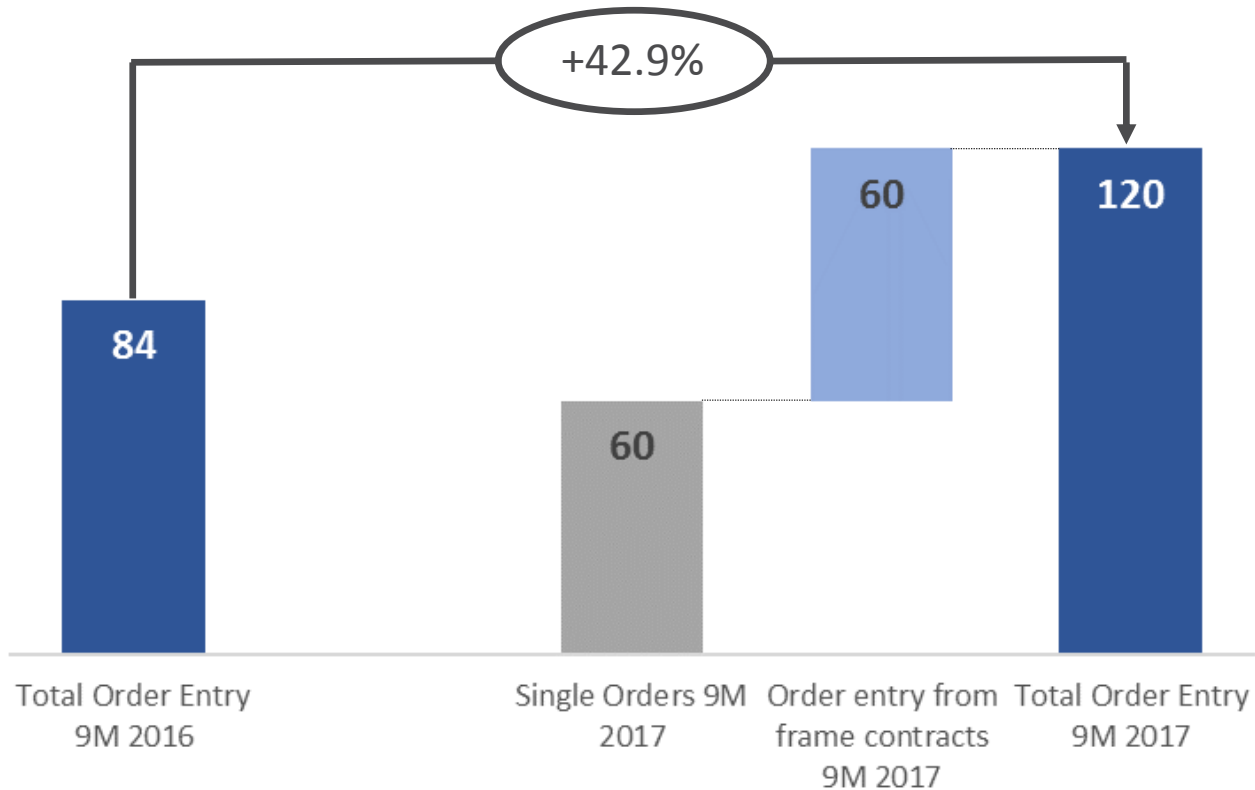
Leads value [EURm]



Order behavior changed:

- Less single orders but mid-term frame contracts instead

Order Entry [number of machines]



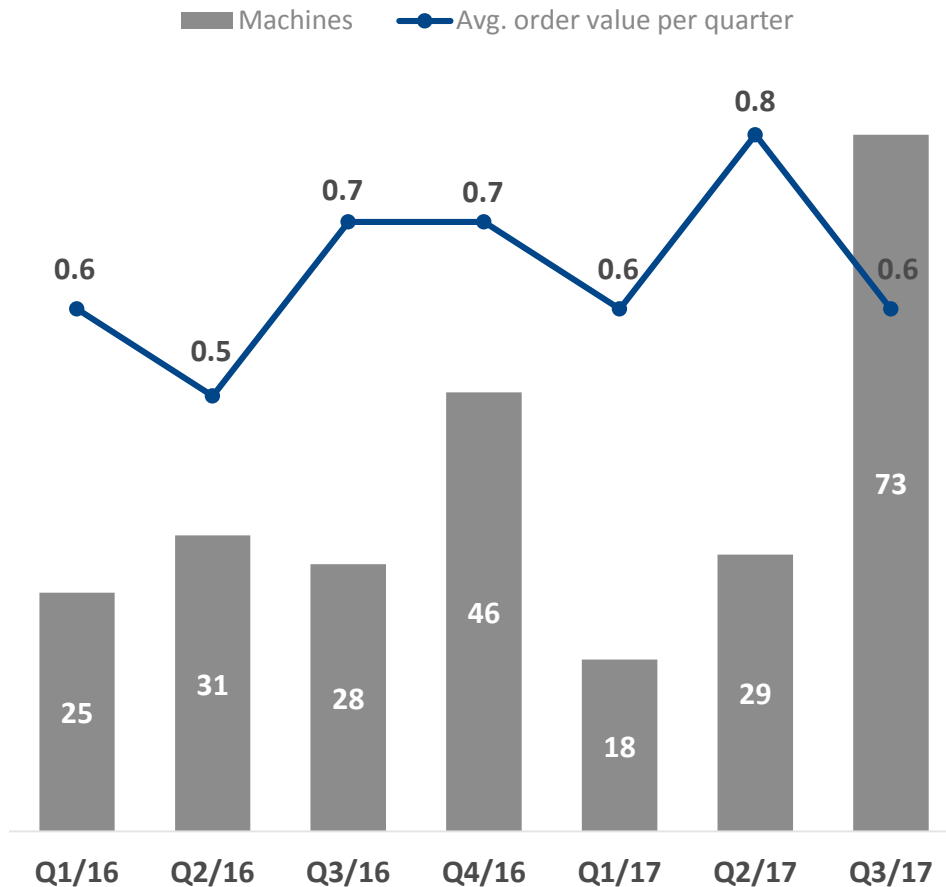


2

Financial Highlights

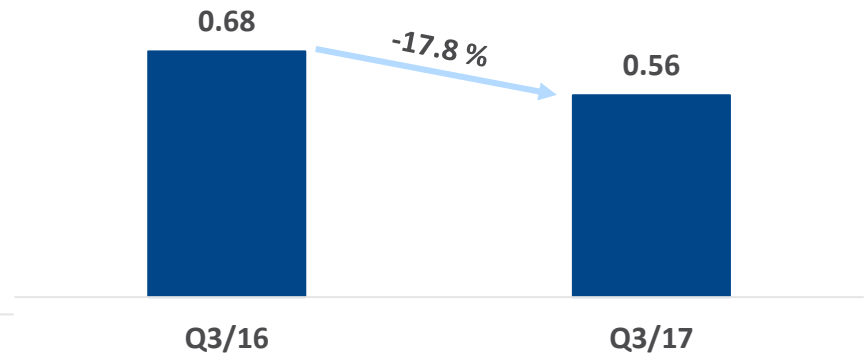
○ Average order value between EUR 0.5 mn and EUR 0.8 mn

Per-quarter order entry (machines) and average order value (EUR mn)



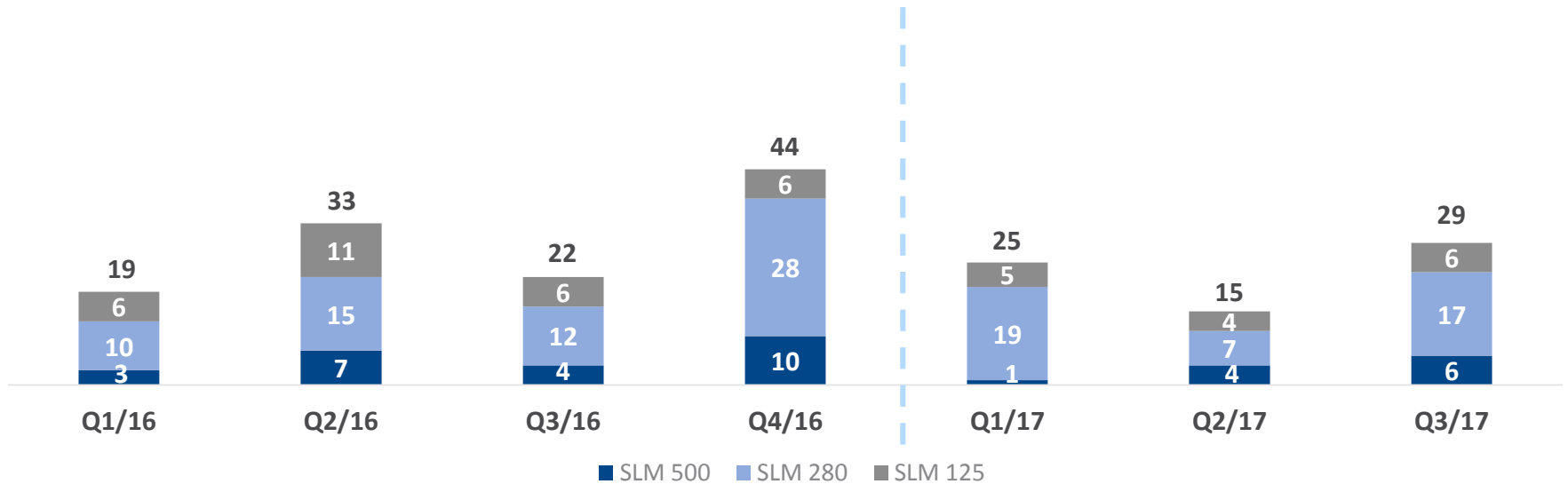
- SLM Solutions received orders for 73 machines in Q3/17 (Q3/16: 28)
- Thereof 53.4 %* multi-laser machines (Q3/16: 67.9 %)
- Average order value in Q3/17 at EUR 0.56 mn* (Q3/16: EUR 0.68 mn)

Average order value (EUR mn)



○ 9M 2017 sales figures reflect valuable product mix

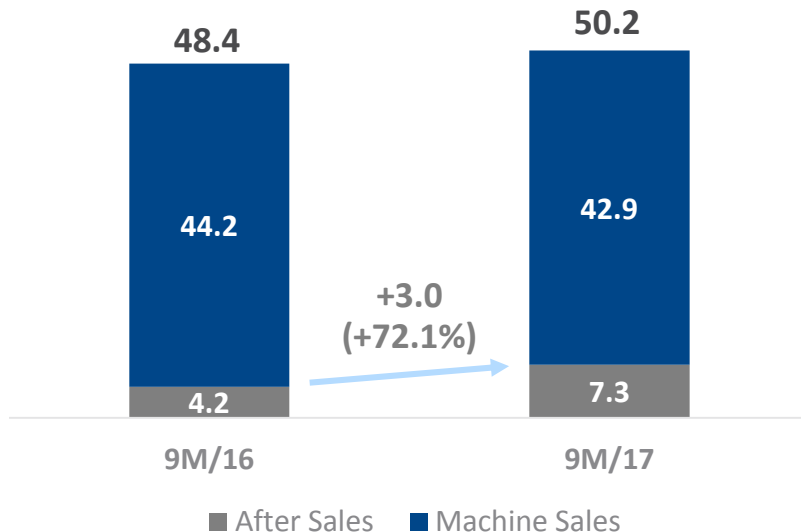
(# Machines)



- Multi-laser technology as a USP
- Robust SLM 280 „bread and butter“ business

○ Challenging market environment affects “Machine Sales” segment

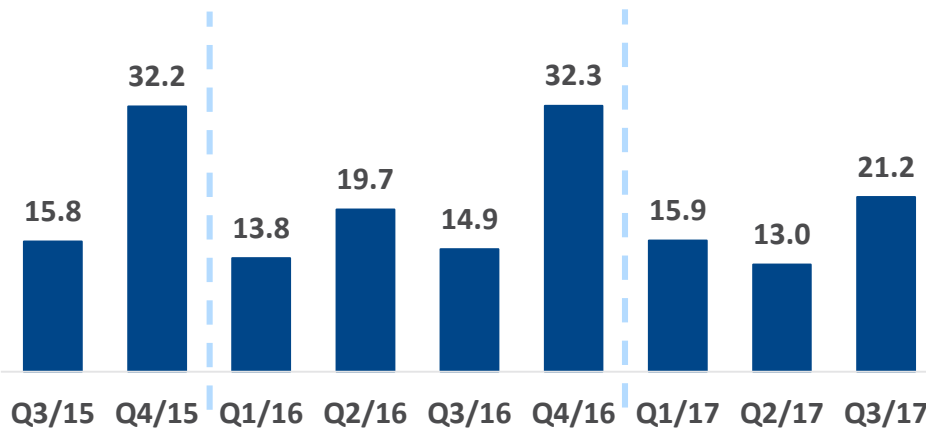
Consolidated revenue (by segments; EUR mn)



- 85.5 % of 9M/17 revenues were generated by machine sales (including sale of machines and accessories), down 2.9 %
- 14.5 % of 9M/17 revenues were generated by after sales (including service revenue, replacement parts sales and merchandise sales), up EUR 3.0 mn (+ 72.1 %)
- Growth potential of after sales business clearly visible

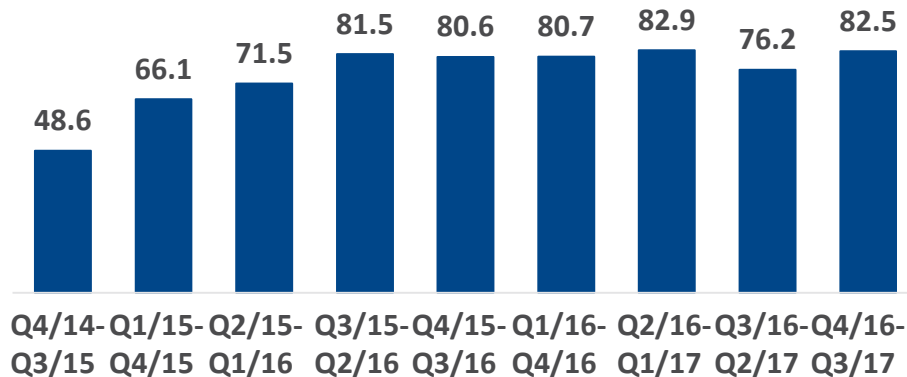
○ High dependency on 4th quarter

Revenue development (EUR mn)



Q3 2017 revenue **up 42.3% YoY**

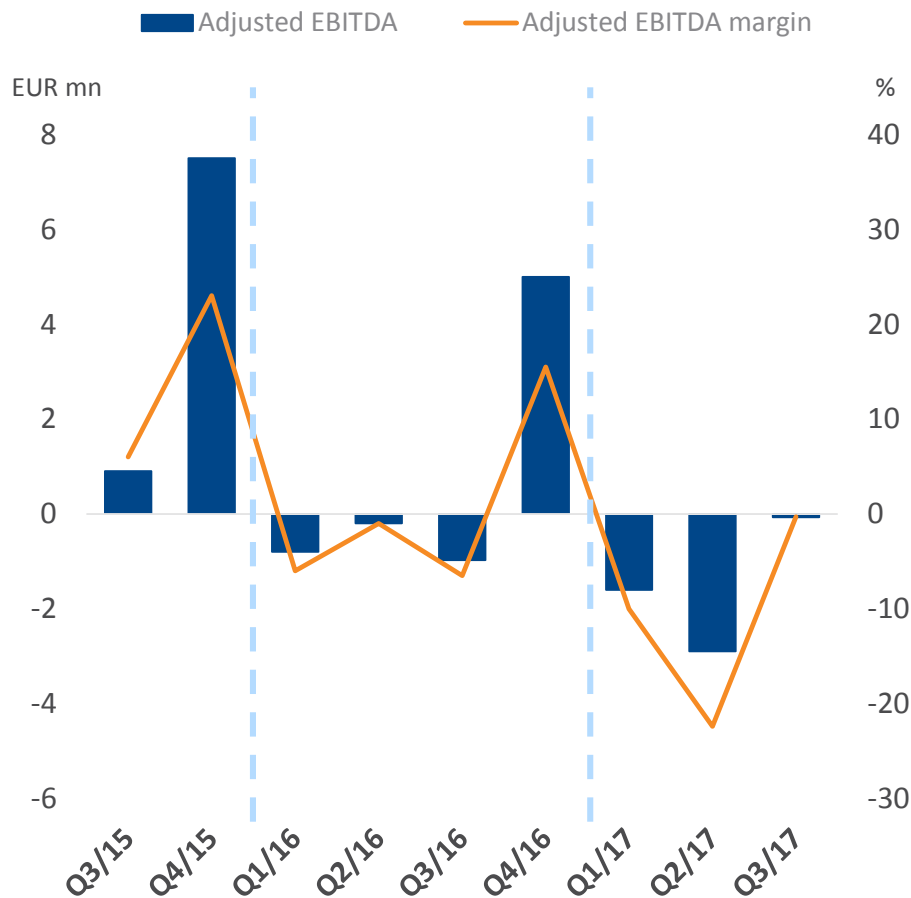
Revenue of the last twelve months (EUR mn)



Rolling observation of a full year period more meaningful: cumulative sales revenues for twelve months increasing to EUR 82.5 mn

○ Historic adjusted EBITDA

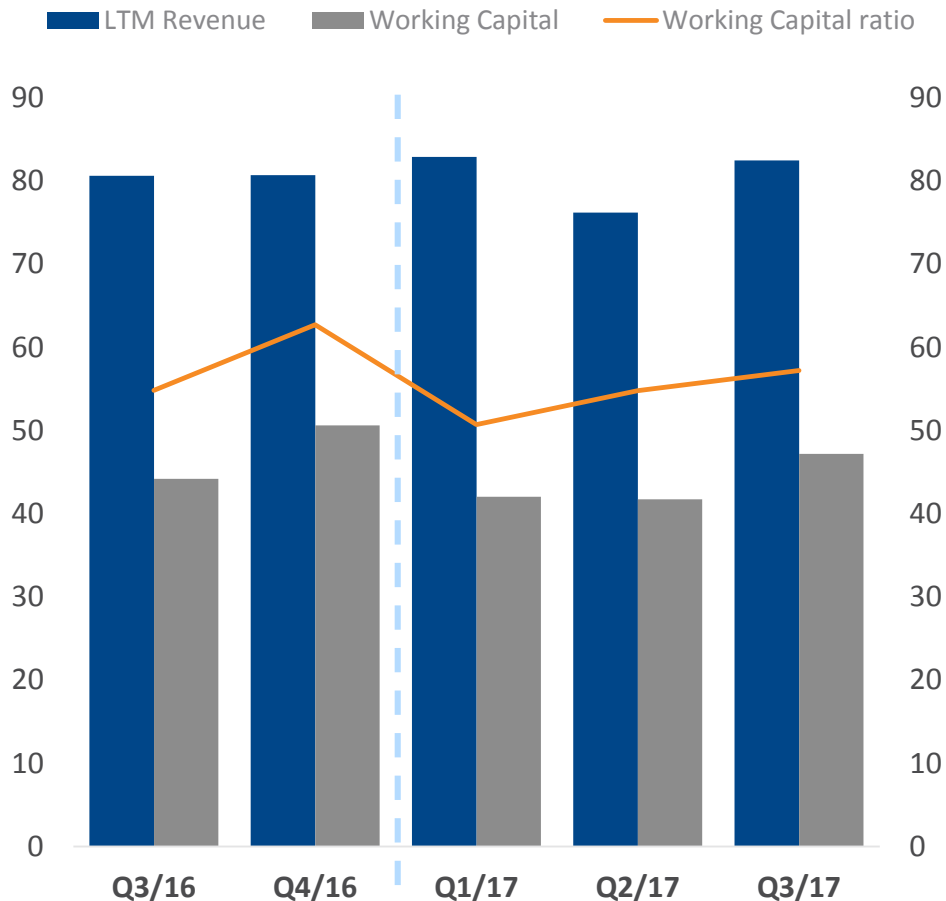
Adjusted EBITDA (EUR mn / %)



- Adjusted EBITDA of -9.2% in 9M/2017, significantly influenced by increased number of staff (9M/2016: -4.0%)
- Higher adjusted personnel cost ratio of 40.6% (9M/2016: 28.2%)
- Significantly lower cost of materials ratio of 46.8% (9M/2016: 57.0%) due to continued process optimization and optimized preproduction
- Adjusted EBITDA Q3/2017: -0.07 EUR mn (Q3/2016: -1.0 EUR mn)

Working Capital

Working Capital (EUR mn / % of LTM revenue)



- **Working Capital of EUR 47.2 mn as of September 30, 2017, up 13.2 % from June 30, 2017 (EUR 41.7 mn), mostly due to increasing receivables**
- **Increase of Working Capital by EUR 3.0 mn (6.9 %) Y-o-Y (Q3/16: EUR 44.2 mn)**
- **Increase in Working Capital intensity by 2.4 pts. during Q3/17 to 57.2 % (Q2/17: 54.8 %)**
- **Working Capital intensity up by 2.4 pts. to 57.2 % Y-o-Y (Q3/16: 54.8 %)**



3

Outlook

○ Strategic guidelines for 2017/2018

- **Customer-centric organization:**

 - More **long-term strategic partnerships** with customers

 - Intensified support for customers who want to enter **serial production**

- **BOM-oriented R&D**

- **Creating the basis for revenue of EUR 500 million in 2022 with an EBITDA margin of 20%**

○ Expectations for 2017 highly depending on 4th quarter

- Estimates relating to additive manufacturing market and target regions' economic trends remain unchanged
- Revenues expected in a **range of EUR 110.0 mn to EUR 120.0 mn, highly depending on Q4**
- Product mix will include **more production-oriented machines**
- **Adjusted EBITDA margin of 10 to 13 % expected (roughly EUR 11.0 mn to EUR 15.0 mn)**
- Cost ratios depend highly on revenues achieved – **realizing economies of scale**
- Results more depending on Q4 than the years before

○ Investment Highlights

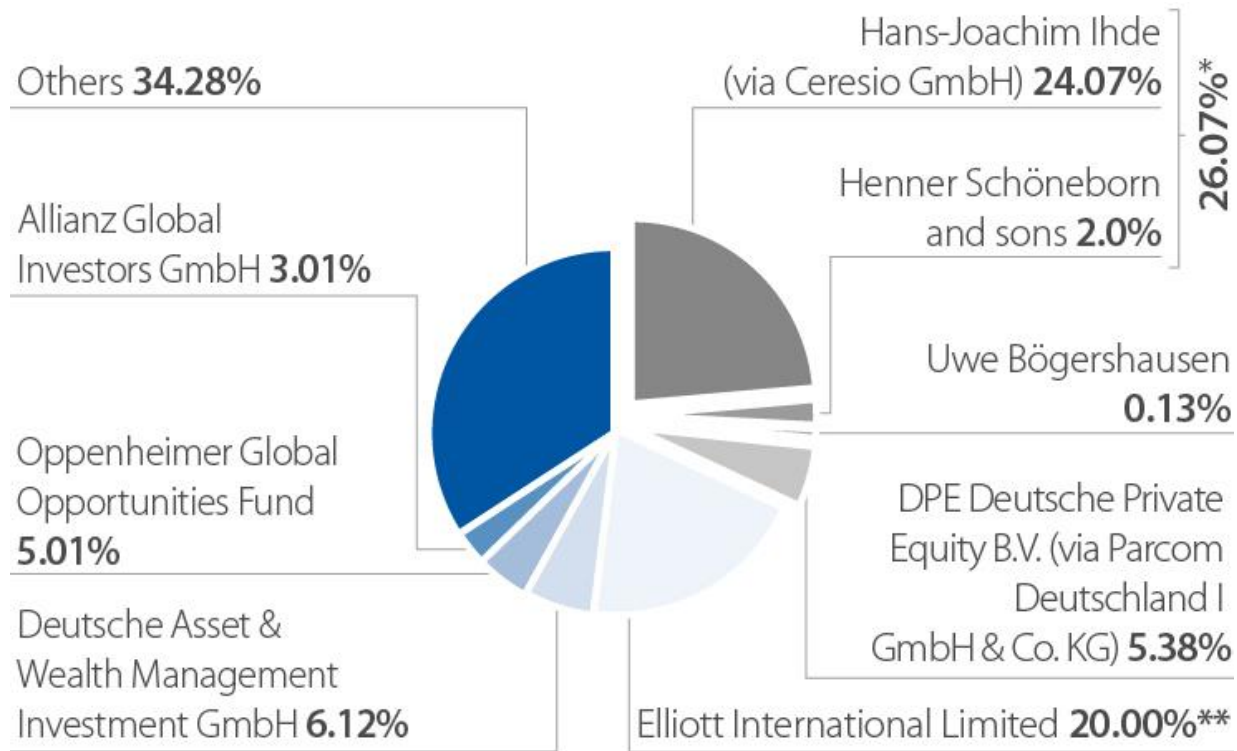
- 1 Deep rooted additive manufacturing heritage
- 2 German engineering with a global reach: international expansion in growth markets
- 3 Enormous addressable market for metal additive manufacturing
- 4 Technological leadership position due to multi-laser technology
- 5 Expanding installed base at blue chip customers
- 6 Profitable growth above market growth
- 7 Clear growth strategy: full-service provider for additive manufacturing

Development of our share price LTM affected by takeover attempt in autumn 2016



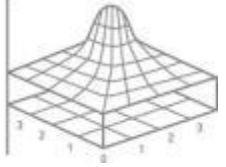
- Today's share price still **above** share price before takeover offer was announced: 2016/09/05 closing price Xetra EUR 27.80

○ Shareholder Structure (September 30, 2017)



* Pooling agreement: joint pursuit of Interests pursuant to Section 22 (2) WpHG

** Voting rights are attributed by subsidiary Cornwall GmbH & Co. KG (20.001%)



Q&A



○ Disclaimer

This Presentation has been produced by SLM Solutions Group AG (the “Company”) and no one else and is furnished to you solely for your information.

This document contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which the Company operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes,” “expects,” “predicts,” “intends,” “projects,” “plans,” “estimates,” “aims,” “foresees,” “anticipates,” “targets,” and similar expressions. The forward-looking statements, including assumptions, opinions and views of the Company or cited from third party sources, contained in this Presentation are solely opinions and forecasts which are uncertain and subject to risks. A multitude of factors can cause actual events to differ significantly from any anticipated development. None of the Company or any other person guarantees that the assumptions underlying such forward-looking statements are free from errors nor do they accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company or any other person or any of its parent or subsidiary undertakings or any of such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.

By reviewing this Presentation you acknowledge that you will be solely responsible for your own assessment of the Company, the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.

This publication constitutes neither an offer to sell nor an invitation to buy securities.

This Presentation speaks as of 9-November-17. Nothing shall under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

This presentation is not for publication or distribution, directly or indirectly, in or into the United States of America. This presentation is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States. No offer or sale of transferable securities is being, or will be, made to the public outside Germany and Luxembourg. Offers in Germany and Luxembourg will be made exclusively by means of and on the basis of a prospectus that will be published and will be available free of charge inter alia at the Company.