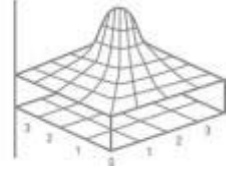


SLM
SOLUTIONS



**FY 2017
Presentation**



1

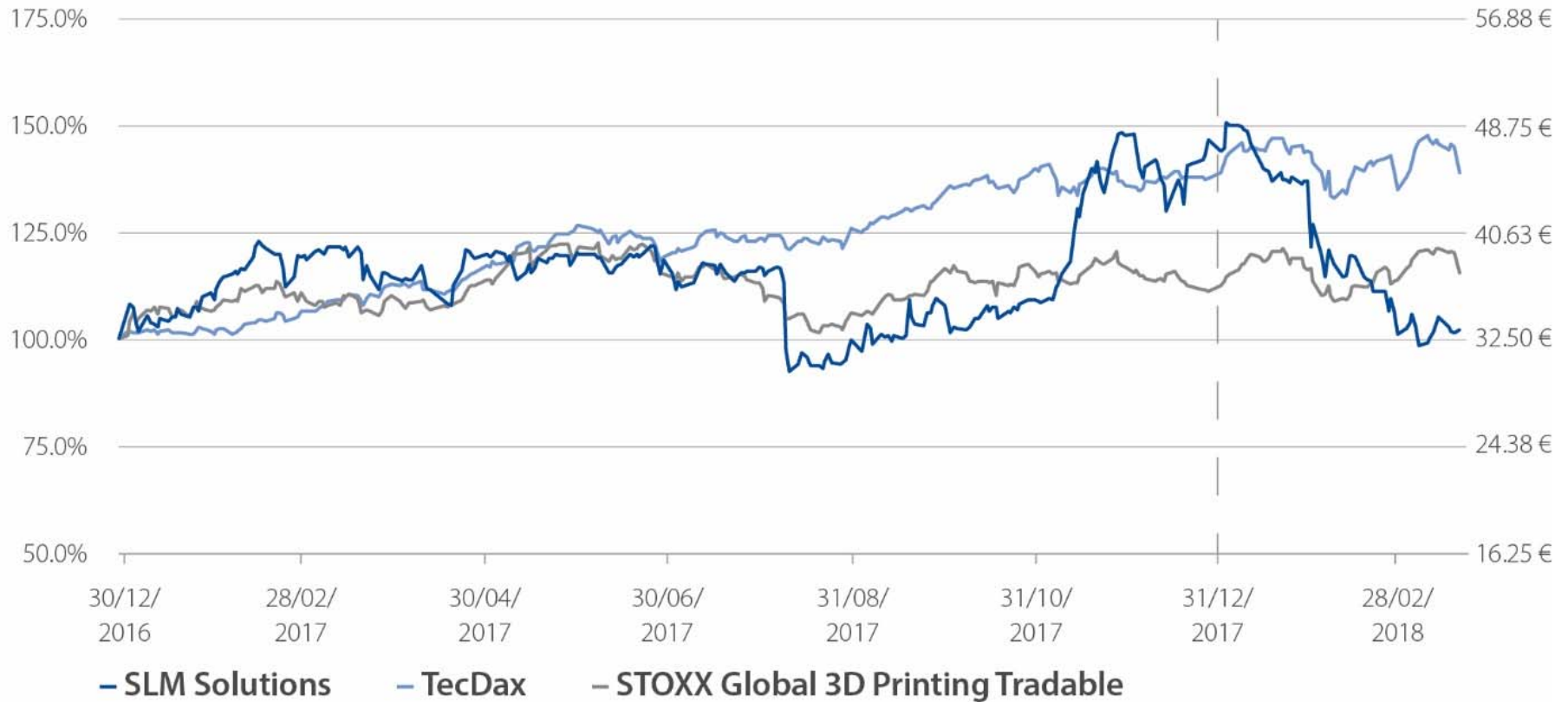
At a glance

○ Overview FY 2017

- **YoY revenue growth** of 2.2% to EUR 82.5 mn (FY 2016: EUR 80.7 mn) in a challenging year after 13.5% decline at the end of H1/17 (compared YoY)
- **New order unit intake in value terms more than doubled** (+111.5%) to EUR 169.2 mn (FY 2016: EURO 80.0 mn) and +85.4% in terms of number of machines
- **Positive Adjusted EBITDA¹⁾** margin of 2.4% in FY 2017 (FY 2016: 3.2%), (reduction YoY mainly due to investments in future growth)
- **Successful placement of convertible bond** (EUR 58.5 mn) in October 2017, cash position end of 2017: EUR 63.7 mn
- **2017 opening of a new office** in India, Q1/18 opening of new offices in France and Italy

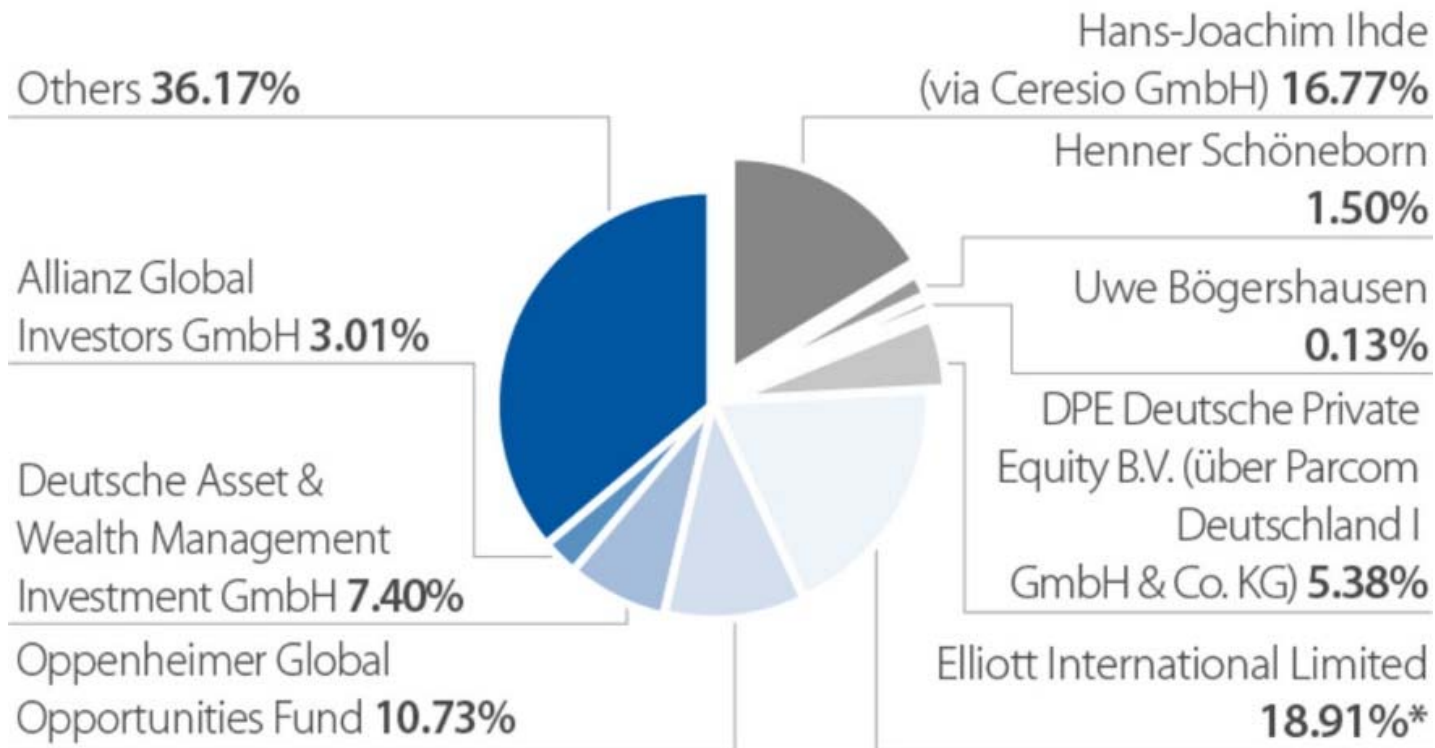
1) adjusted for Retention Bonus in FY 2017

○ Development of our share price: +46.9% in FY 2017



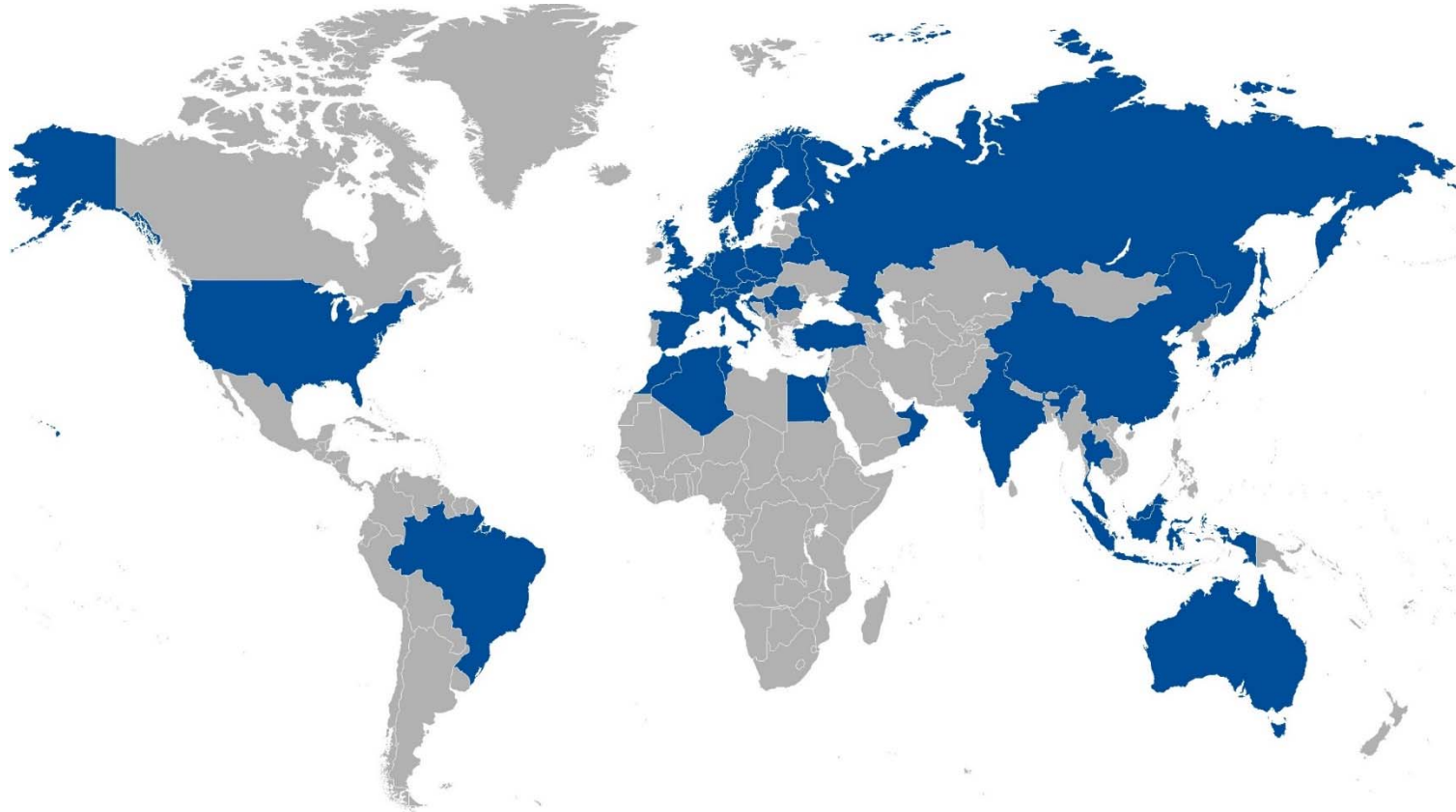
Basis: 23 March 2018

○ Shareholder Structure (March 27, 2018)



*To interpret the voting rights announcements: Shares attributed to Mr. Paul E. Singer from Elliott International Limited through the subsidiary Cornwall GmbH & Co. KG (18.91%)

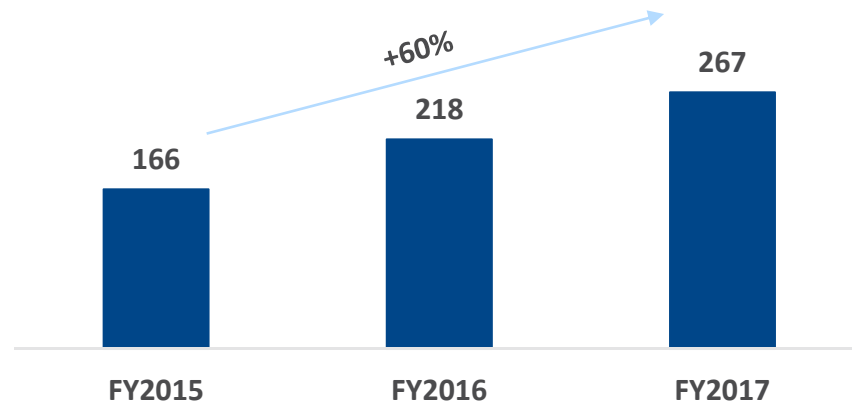
○ SLM Solutions worldwide



Headquarter in Germany; subsidiaries in Austria, France, Italy, USA, Russia, India, Singapore and China and Agents/Resellers nearly all over the World...

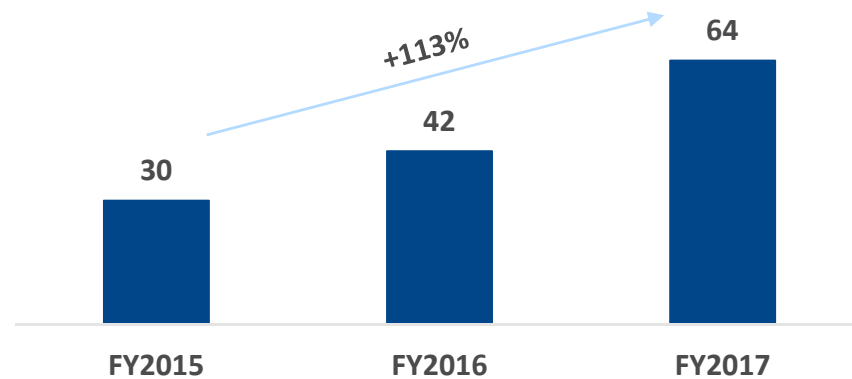
○ Increasing Customer Base

Number of Customers



- Customer Base developed by +60% from 166 Customers to 267 Customers between 2015 and 2017

Customers with more than one machine



- 64 Customers with more than one machine at the end of 2017, more than doubled since 2015

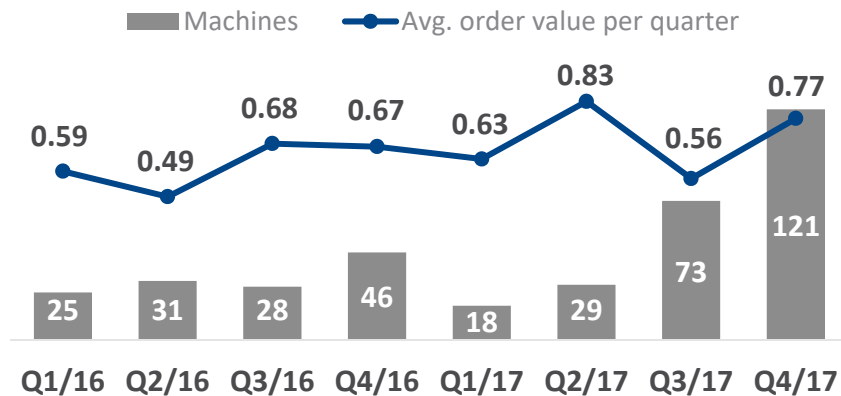


2

Financial Highlights

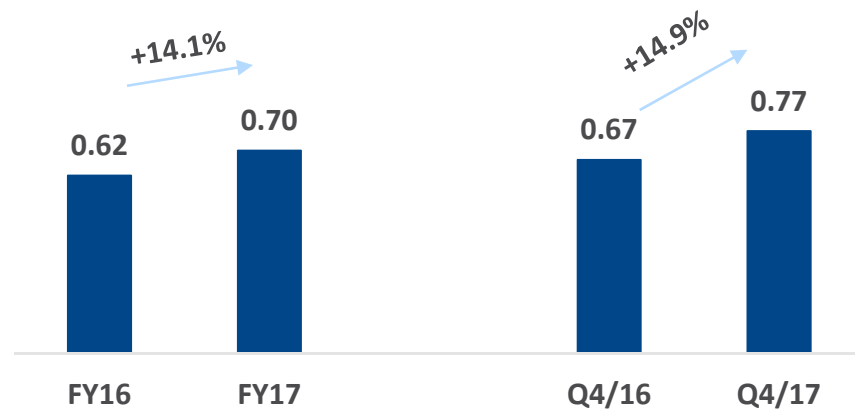
Order value remains on favorable level in Q4/17 and FY2017

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



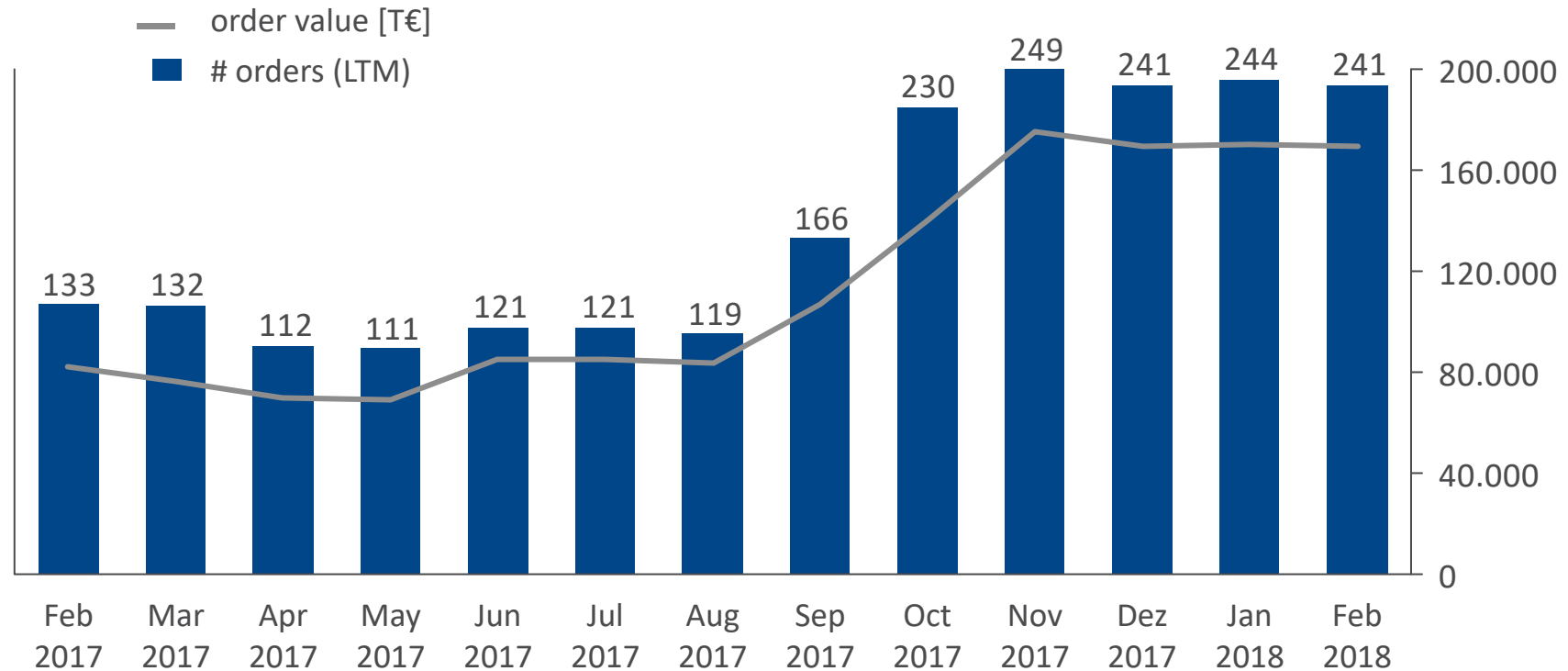
- SLM Solutions received orders for **121 machines in Q4/17** (Q4/16: 46)
- Thereof **55.4% multi-laser machines** (Q4/16: 69.6%)
- **Average order value in Q4/17 up to EUR 0.77 mn** (Q4/16: EUR 0.67 mn)

Average order value (EUR mn)



- FY 2017 average order value increased due to shift in product mix and **more restrictive pricing policy**

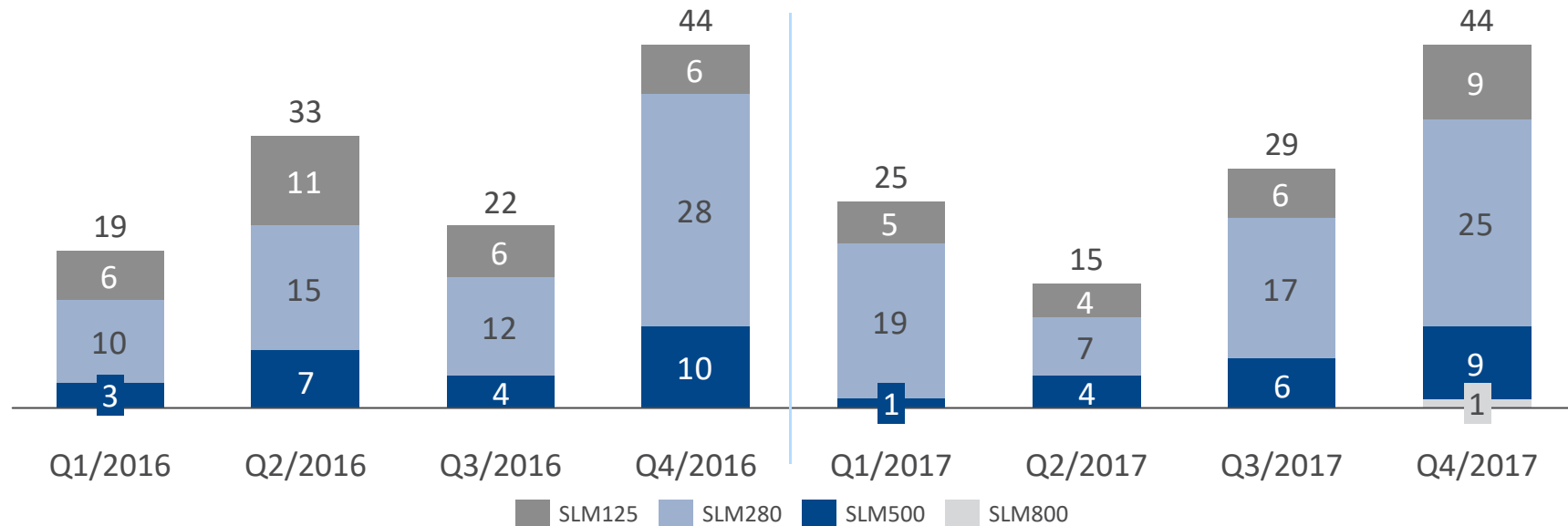
Very strong Q4/17 in terms of order intake leads to a higher level of orders



- **Strong order intake** in Q4/17
- **Major Frame Agreements** signed in June, September, October and November 2017

FY 2017 sales figures reflect valuable mix

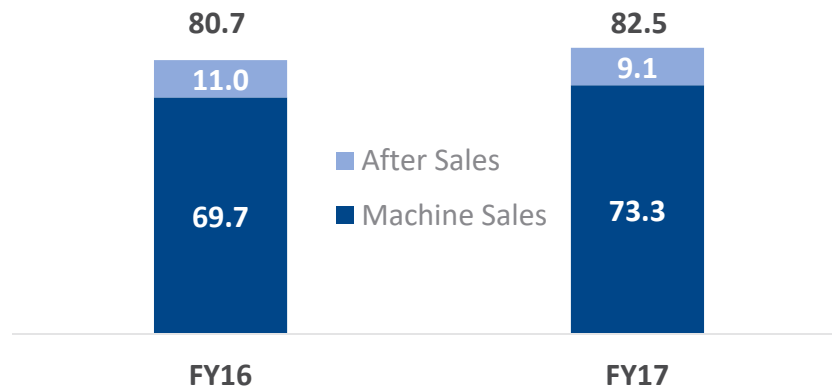
(machines)



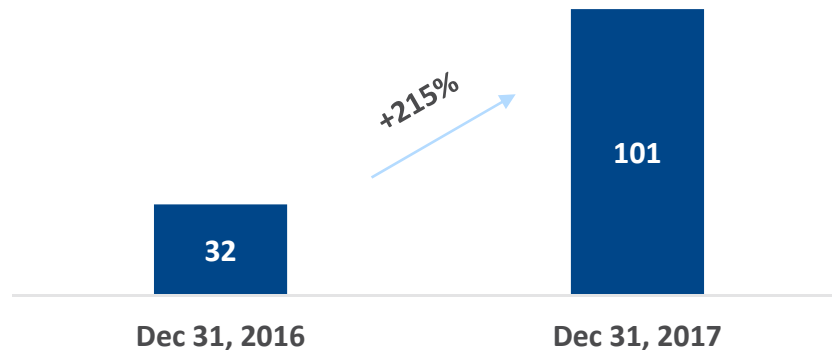
- First sale of **SLM800** in Q4/17
- **SLM280** remains „bread and butter business“

“Machine Sales” business increases by +5% in FY 2017

Consolidated revenue (by segments; EUR mn)



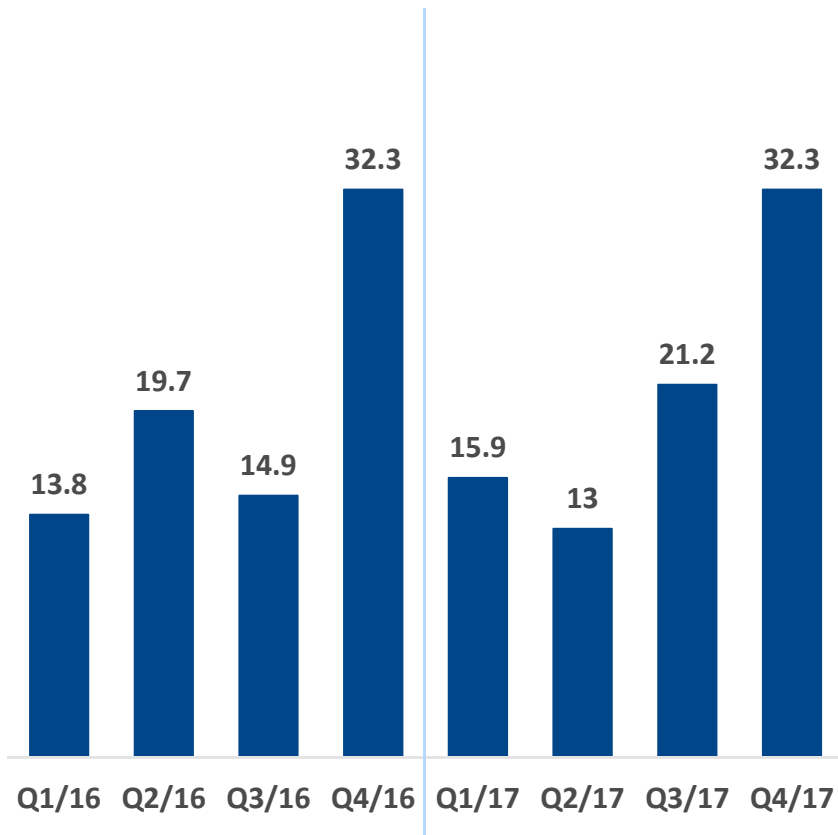
Service contracts in place (# contracts)



- **88.9% of FY 2017 revenues were generated by machine sales** (including sale of machines and accessories)
- **11.1% of FY 2017 revenues were generated by after sales** (including service revenue, replacement parts sales and merchandise sales), down from 13.7%
- After sales business with further **growth potential**
- Positive development of **service contracts**
- **101 Service Contracts** in place at 31 December 2017; **more than tripled** compared to 31 December 2016

○ High dependency on 4th quarter

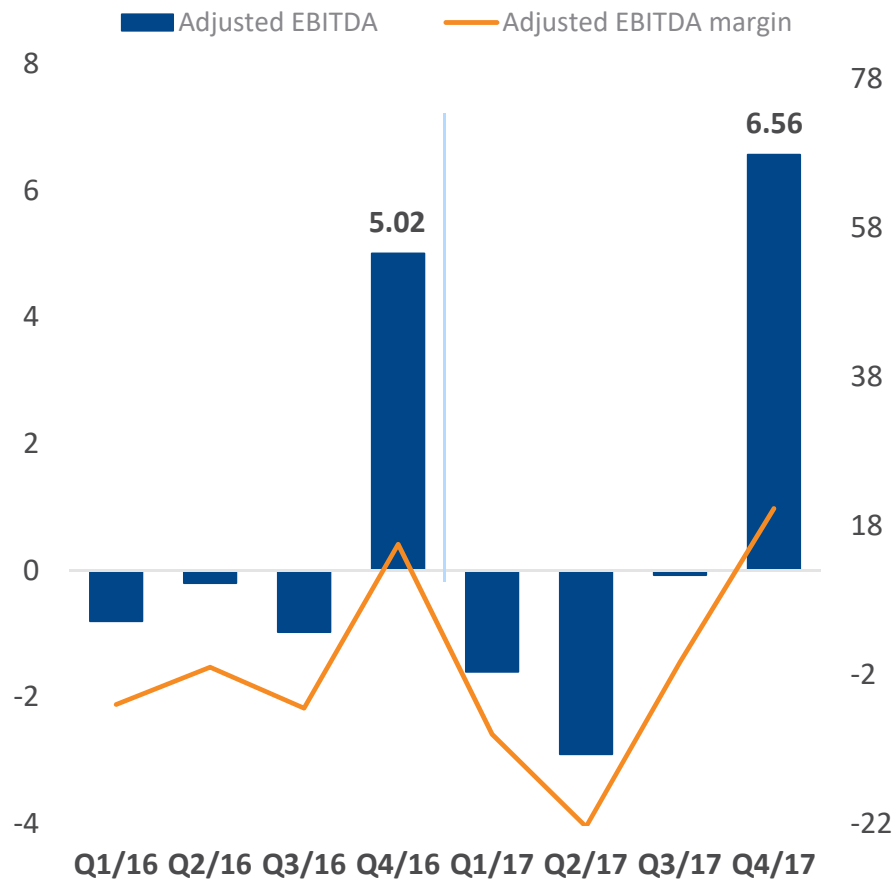
Revenue development (EUR mn)



- Strong H2/17 compared YoY
- Revenue growth in Q3/17 and Q4/17 after -13.5% in revenues at the end of H1/17 compared YoY
- Q4/17 revenue stable YoY with EUR 32.3 mn

○ Strong increase in EBITDA in Q4/17 compared YoY

Adjusted EBITDA (EUR mn / %)



■ Adjusted EBITDA margin FY 2017 at 2.4%

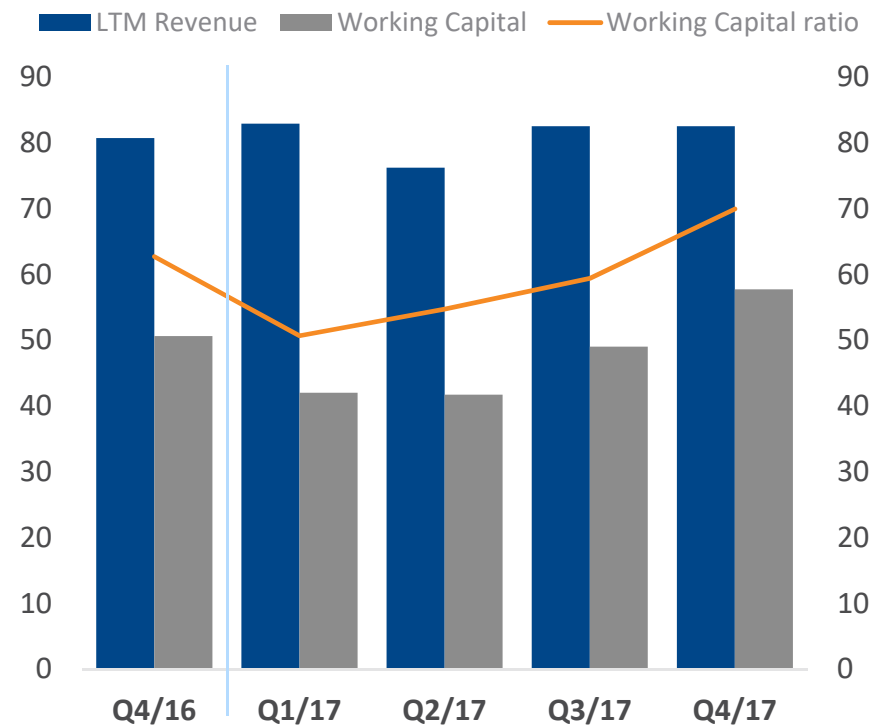
■ Adjusted EBITDA FY 2017 significantly influenced by H1/17 and **investments into future growth**

■ Higher personnel cost ratio (more FTE) and lower cost of materials ratio

■ Adjusted EBITDA Q4/17 YoY +30% higher (+EUR 1.54 mn) on same revenue level

Working Capital

Working Capital (EUR mn / % of LTM revenue)

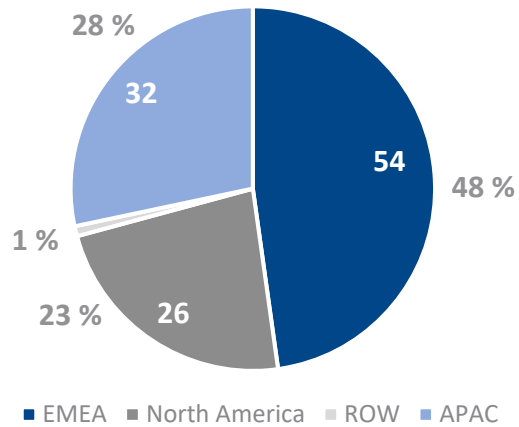


■ Working Capital as of Dec. 31, 2017 of EUR 57.7 mn, up 14% from Dec. 31, 2016 (EUR 50.6 mn)

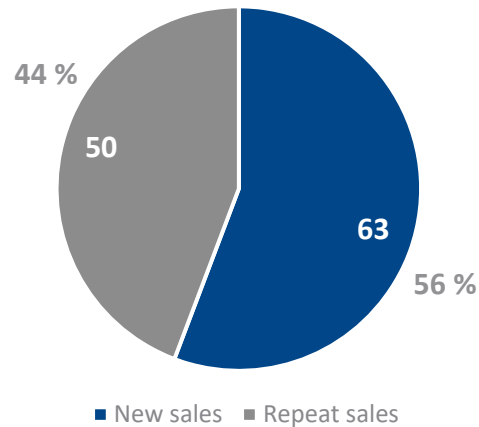
■ Increase in Working Capital intensity by 7.2% YoY to 69.9% (Q4/16: 62.7 %)

Business Split FY 2017 – Machines sold

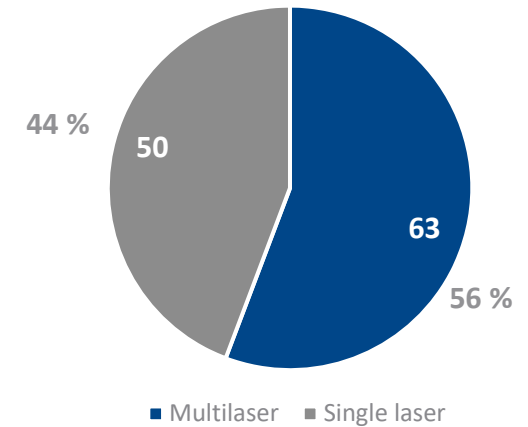
Sales by region



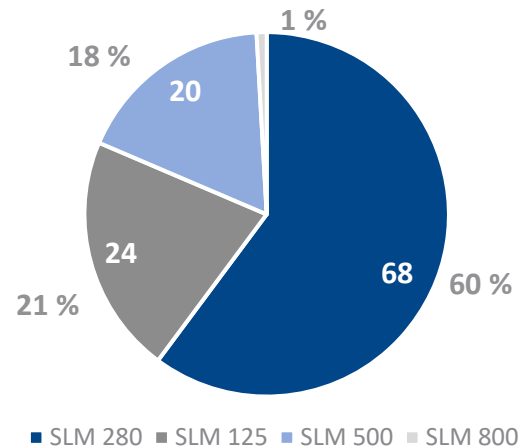
Repeat sales



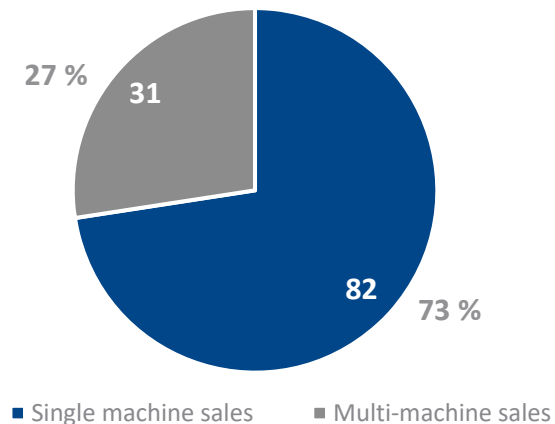
Multilaser sales



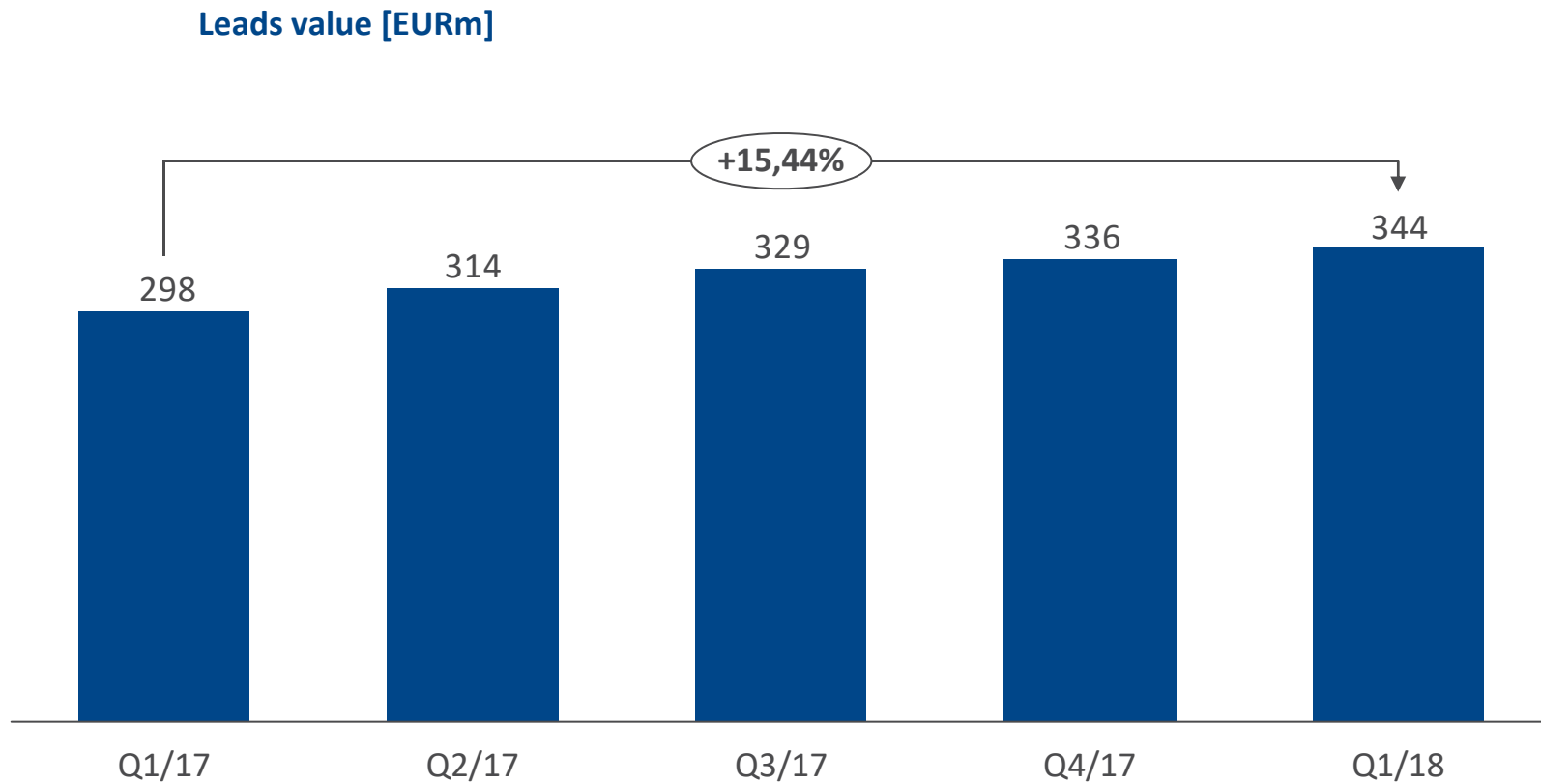
Sales by machine type



Multi-machine sales



○ Sales prospects further increased

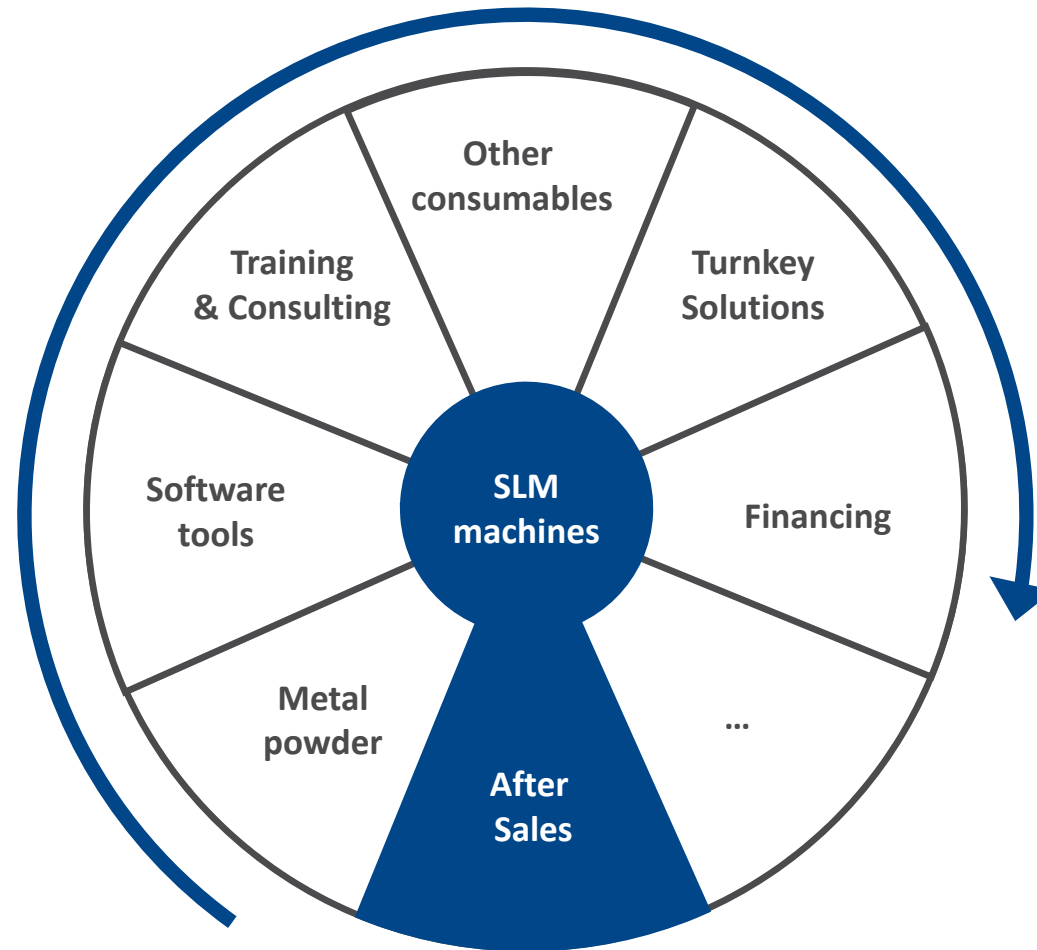




3

Strategic Outlook

- Well-positioned for further growth on an independent basis

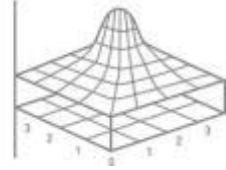


○ Management outlook 2018 – return to growth path

- Revenues expected of around **EUR 125.0 mn**, highly depending on Q4
- Strong focus on **long-term frame contracts** and collaboration agreements
- Product mix will include **more production-oriented machines**
- **Two-digit EBITDA margin (adjusted)** expected
- Long-term Vision of **EUR 500.0 mn** with a positive EBITDA margin (adjusted) of 20.0% by year 2022

○ 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



Q&A



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