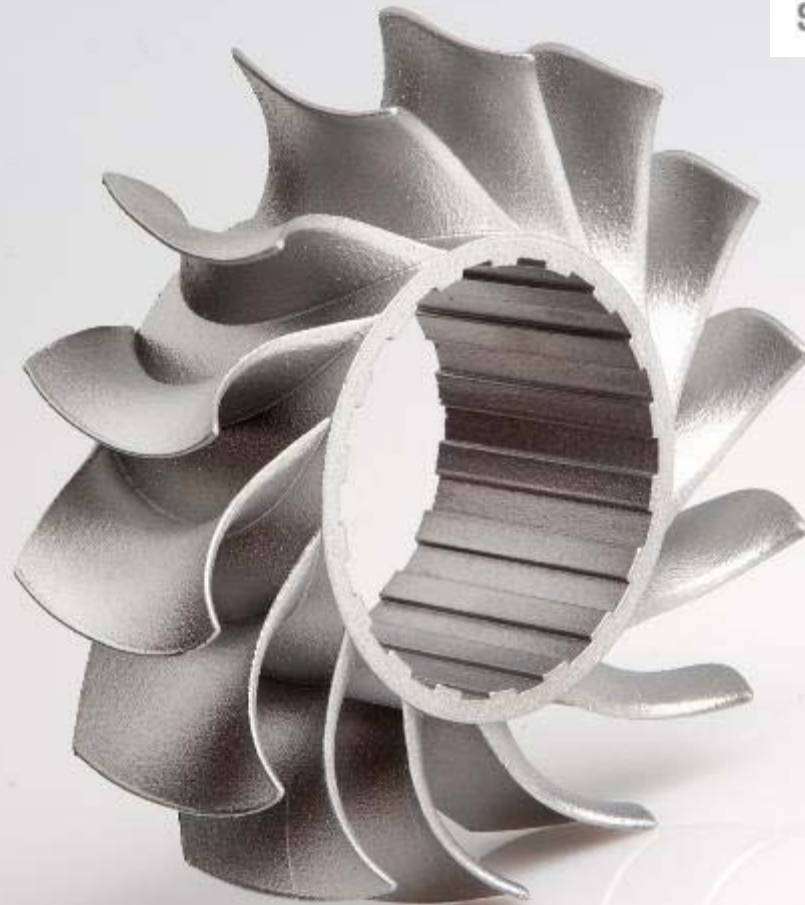
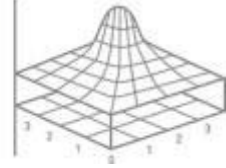


**SLM**  
SOLUTIONS



**H1 2018  
Presentation**



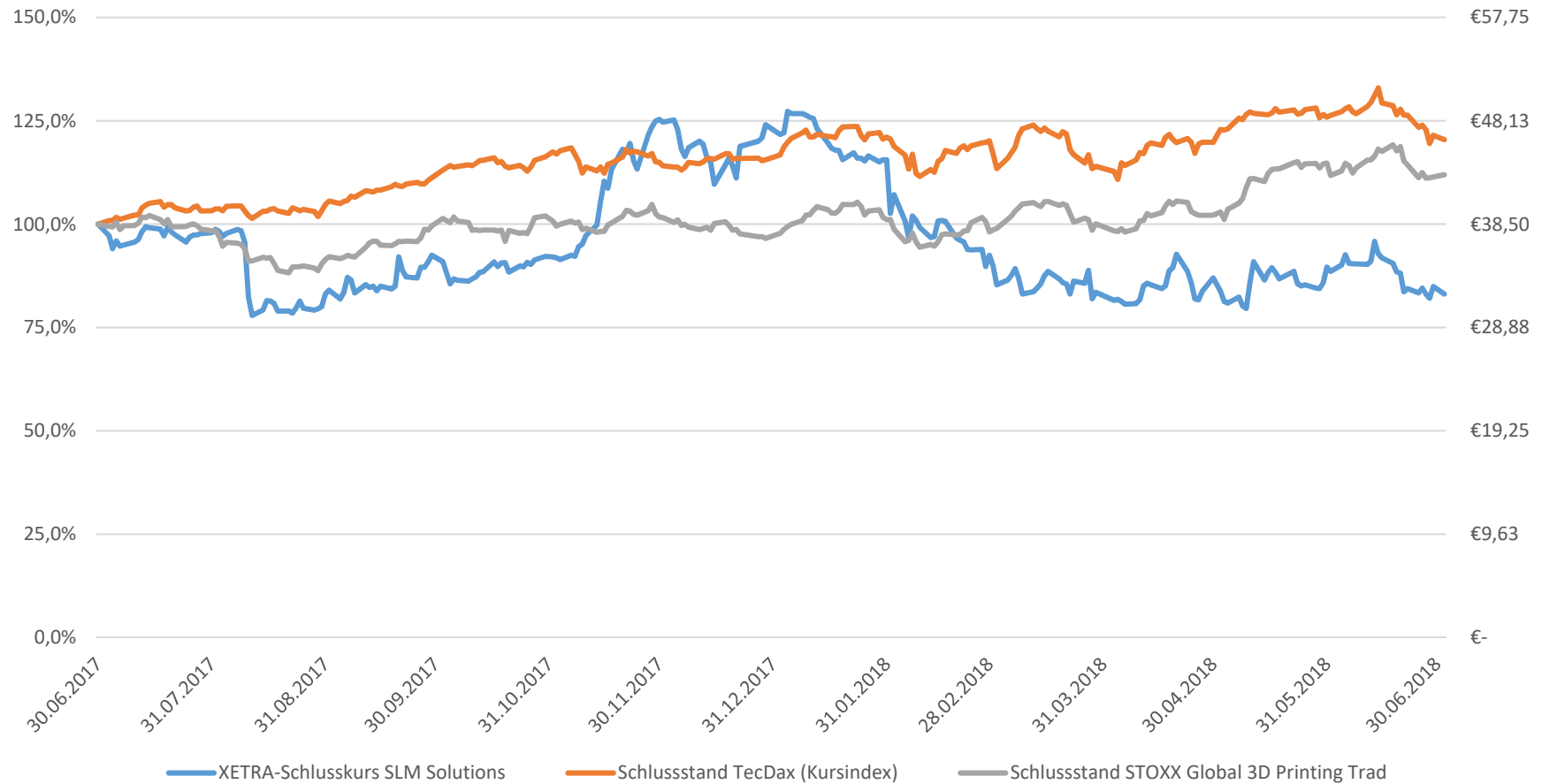
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**At a glance**

## ○ Overview H1 2018

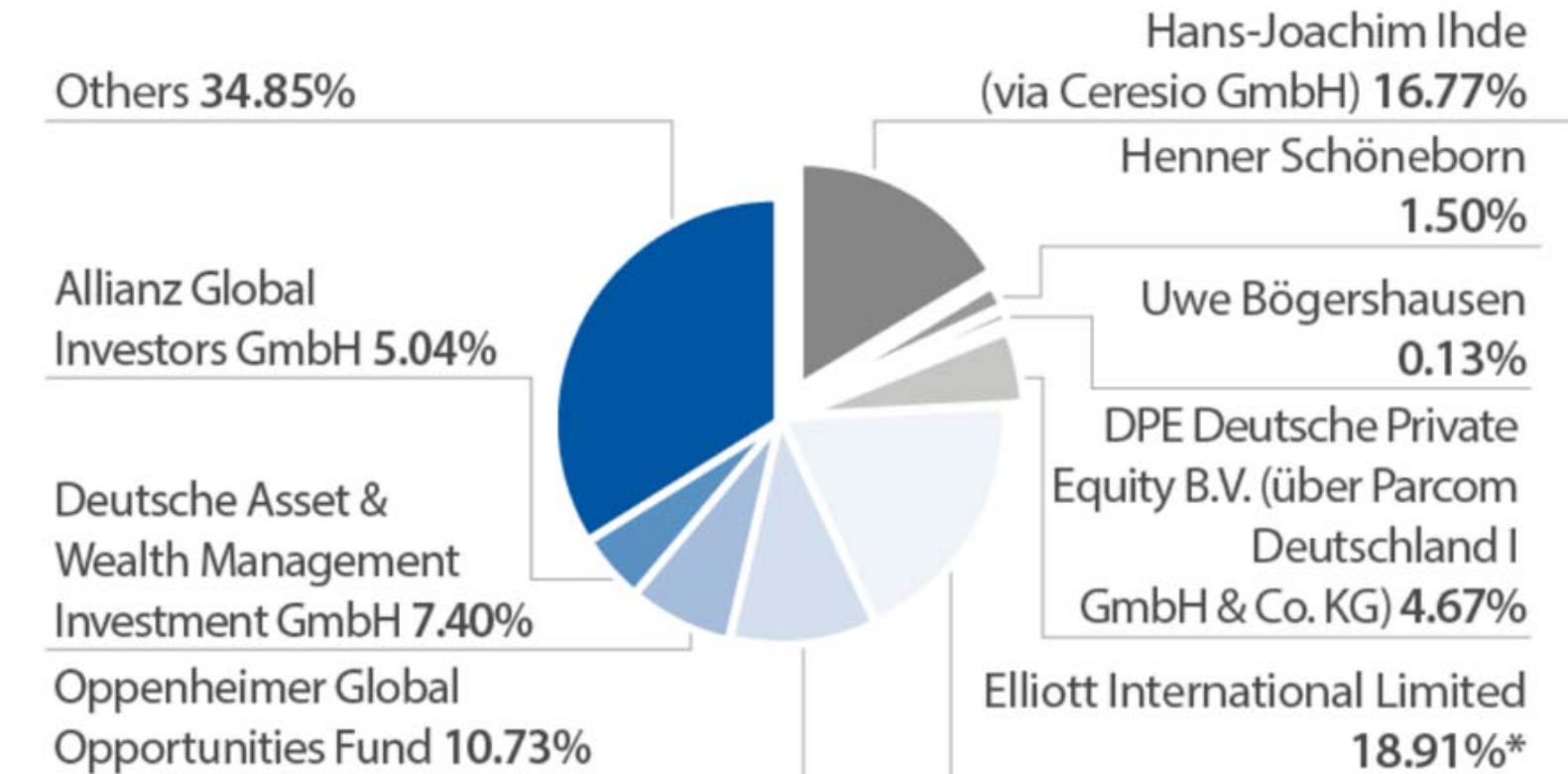
- **YoY revenue increased** by 2.3% to EUR 29.64 mn (H1 2017: EUR 28.99 mn)
- **Total Operating Revenue increased** by 17.7% to EUR 34.66 mn (H1 2017: EUR 29.45 mn)
- **New order intake in value terms** (adjusted by Frame Agreements signed in 2017) **slightly increased** by EUR 0.70 mn to EUR 23.29 mn (H1 2017: EUR 22.61 mn), order intake without adjustments down by 34% compared y-o-y
- **Current adjusted order intake (01 January to 08 August 2018) in value terms increased by 16% to EUR 30.37 mn**
- **EBITDA** improved by 15.6% to EUR -3.81 mn (H1 2017: EUR -4.52 mn), Net Results slightly decreased to EUR -6.27 mn (H1 2017: EUR -5.95 mn)
- Leads value on record level: EUR 385 mn (22.61% up compared y-o-y)
- **Frame Agreements signed in 2017 are being fulfilled:** Customers already called off machines with a value of EUR 12.53 mn from the signed frame agreements – in line with planning (11% of the total value)

# ○ High volatility in share price



Basis: 30 June 2018

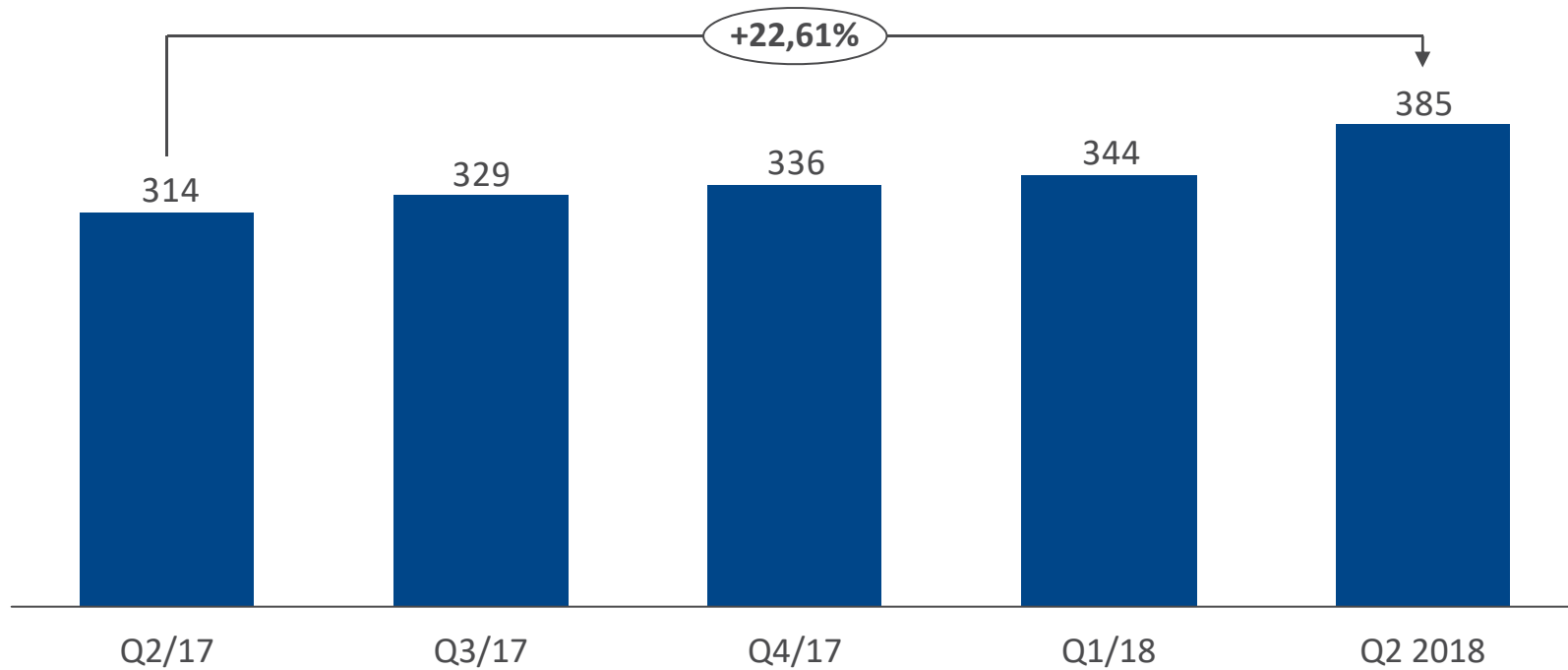
## ○ Shareholder Structure (August 8, 2018)



\*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%)

## ○ Sales prospects further increased

Leads value [EURm]



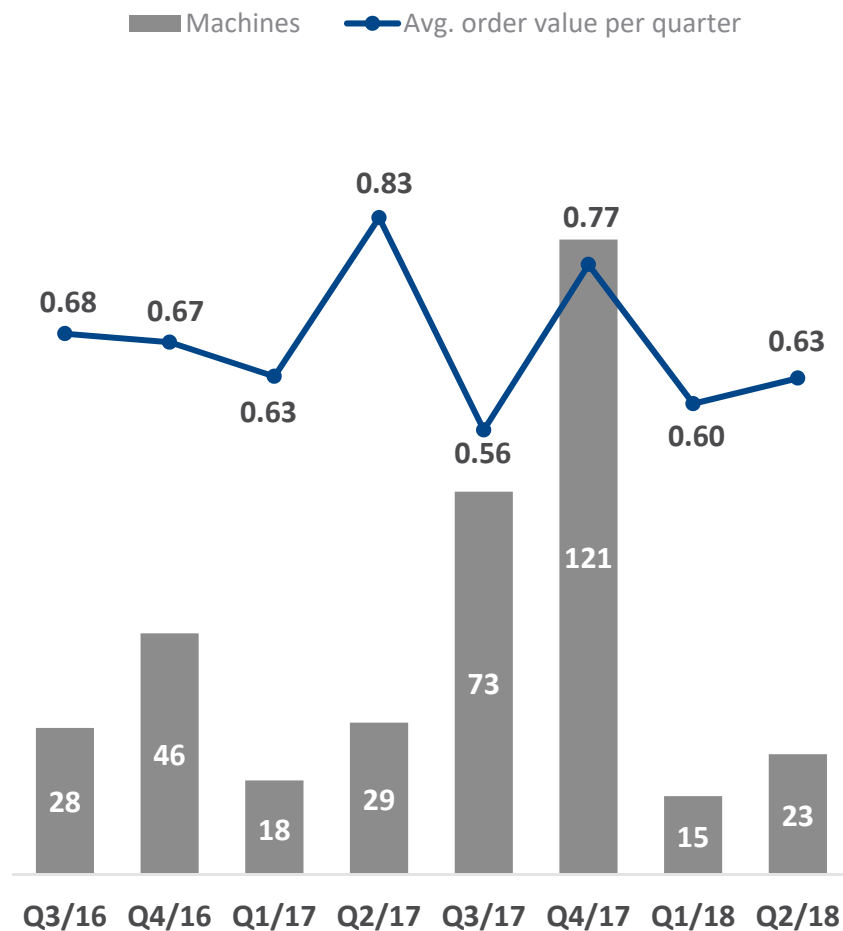


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## Financial Highlights

## Strong second quarter leads to robust first half

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

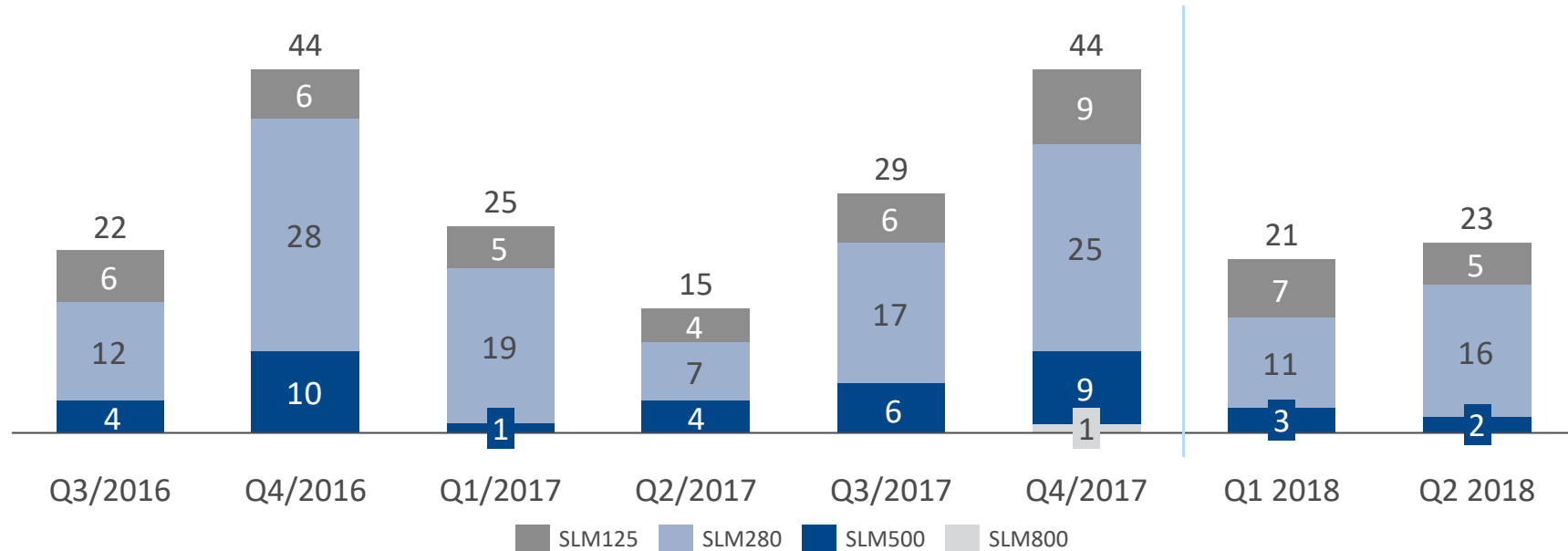


- SLM Solutions received orders for **38 machines in H1/18** (H1/17: 47, adjusted by Frame Agreements: 37)
- Thereof **60.5% multi-laser machines** (H1/17: 62.1%)
- **Current order intake (Basis: 08 August 2018) is at EUR 30,37 mn resp. 48 machines vs. EUR 26,13 mn resp. 43 machines compared y-o-y**
- Positive development of average order value



# ○ H1 2018 sales figures reflect valuable mix

(machines)

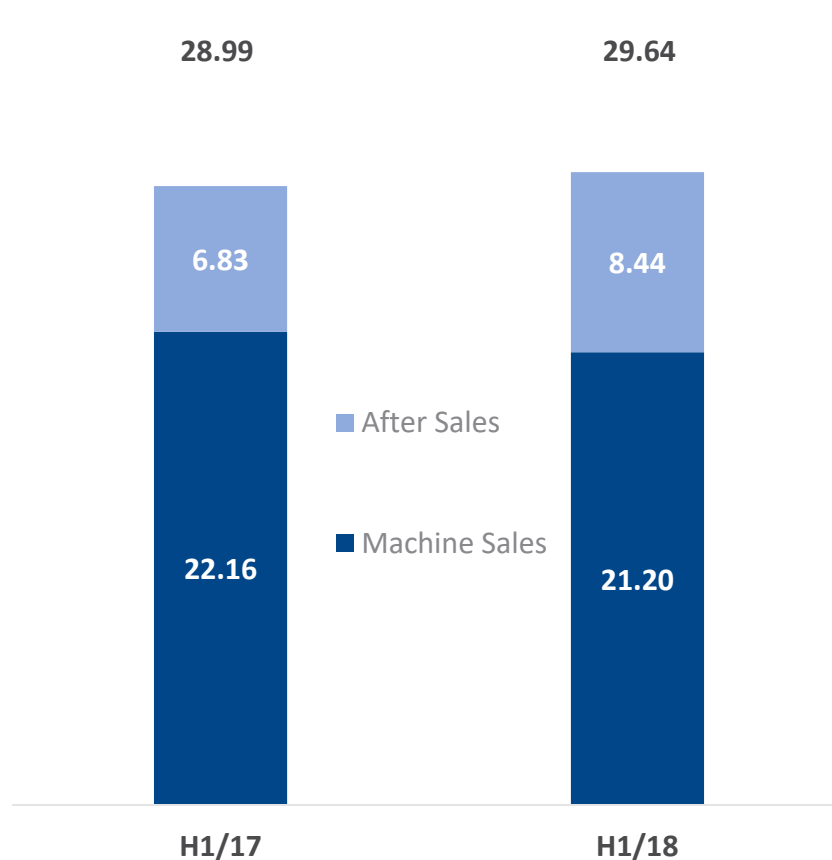


■ SLM280 remains „bread and butter business“

■ FY2018 results depending on Q4 2018

## ○ Increasing numbers in after sales business

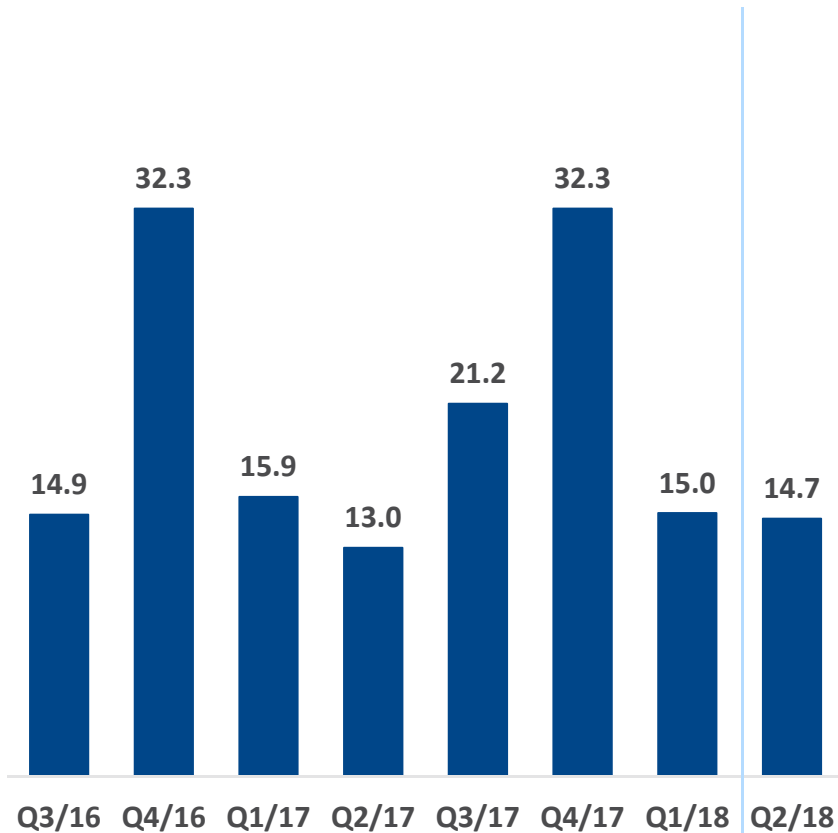
Consolidated revenue (by segments; EUR mn)



- **71.5% of H1/18 revenues were generated by machine sales** (including sales of machines and accessories) compared to 76.5% in H1/17
- **28.5% of H1/18 revenues were generated by after sales** (including service revenue, replacement parts sales and merchandise sales) compared to 23.5% in H1/17
- **After sales business with further growth potential**

## ○ High dependency on 4<sup>th</sup> quarter

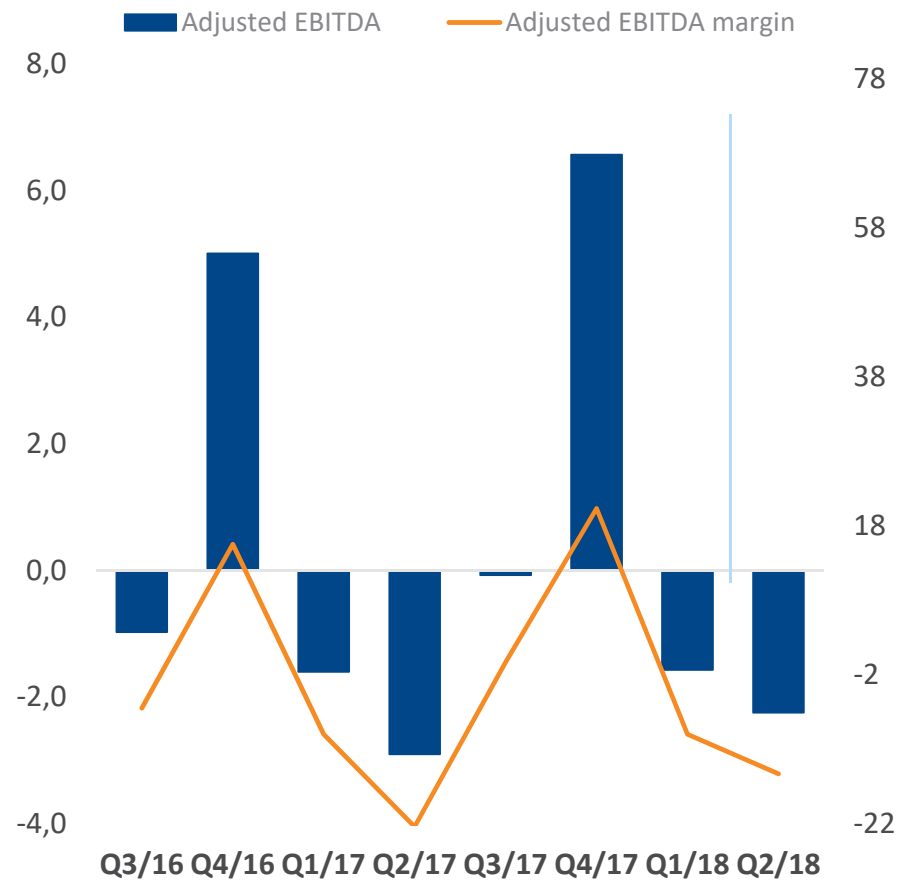
Revenue development (EUR mn)



- Revenue Q1/18 and Q2/18 flat, but strong growth compared to Q2/17
- Achievement of overall guidance depends highly on the fourth quarter

## EBITDA significantly improved y-o-y

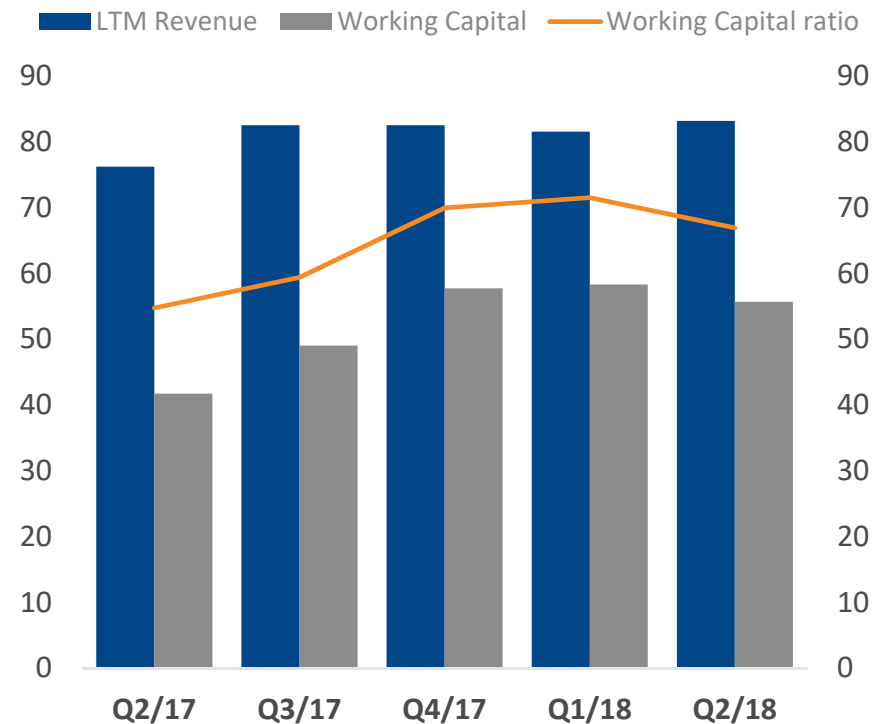
### (Adjusted) EBITDA (EUR mn / %)



- EBITDA margin H1/18 with -12.9% significantly improved compared to H1/17 (-15.6%)
- Lower personnel cost ratio due to continuous process improvement
- Higher cost of materials ratio due to stock-building in preparation of a strong 4<sup>th</sup> quarter

## Working Capital slowly going down

### Working Capital (EUR mn / % of LTM revenue)



- Working Capital Q2/18: EUR 56.33 mn, down 3.4% compared to Q1/18 (EUR 58.31 mn)
- Increase in Working Capital intensity by 12.9 pts. YoY to 67.7 % (H1/17: 54.8 %)

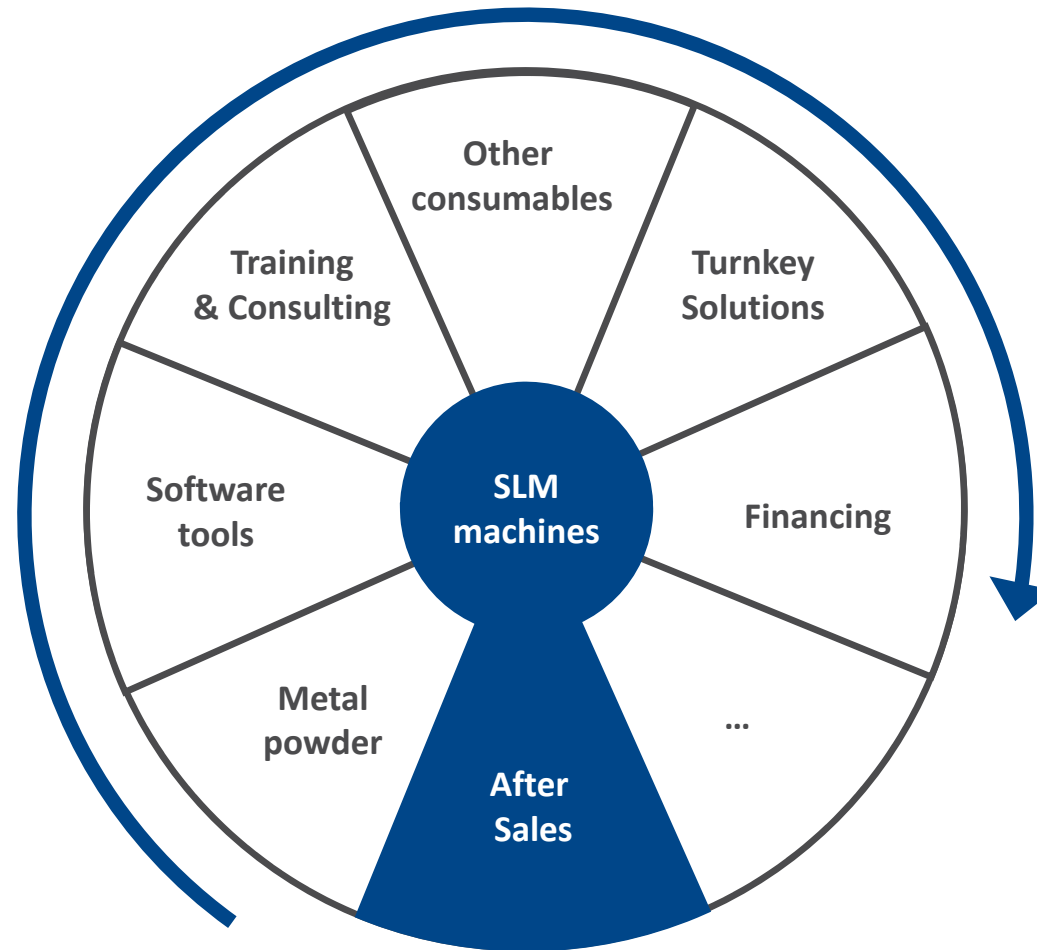


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# Strategic Outlook

- Well-positioned for further growth on an independent basis

“Turning the key to growth.”



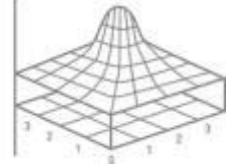
## ○ Management outlook 2018 further detailed

- Revenues expected of around **EUR 115 mn to EUR 125 mn**,  
**highly depending on Q4**
- Strong focus on **long-term frame contracts** and collaboration agreements
- Product mix will include **more production-oriented machines**
- **11 to 13% positive EBITDA margin** expected
- Long-term Vision of **EUR 500 mn** with a positive EBITDA-Margin (adjusted)  
of 20.0% by year 2022 confirmed



# ○ 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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