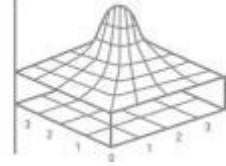


**SLM**  
SOLUTIONS



**9M/2018  
Presentation**



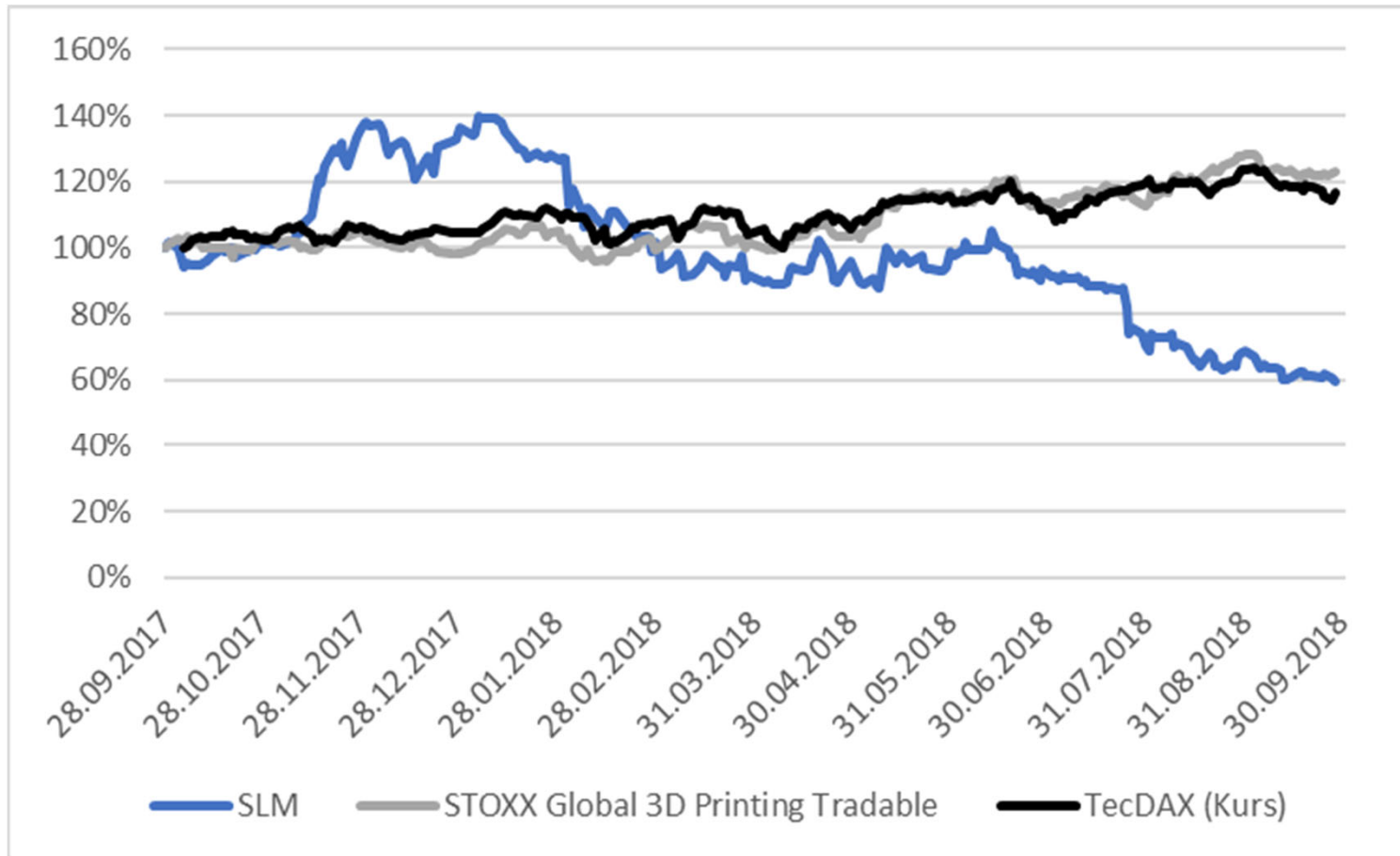
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**At a glance**

## ○ Overview 9M/2018

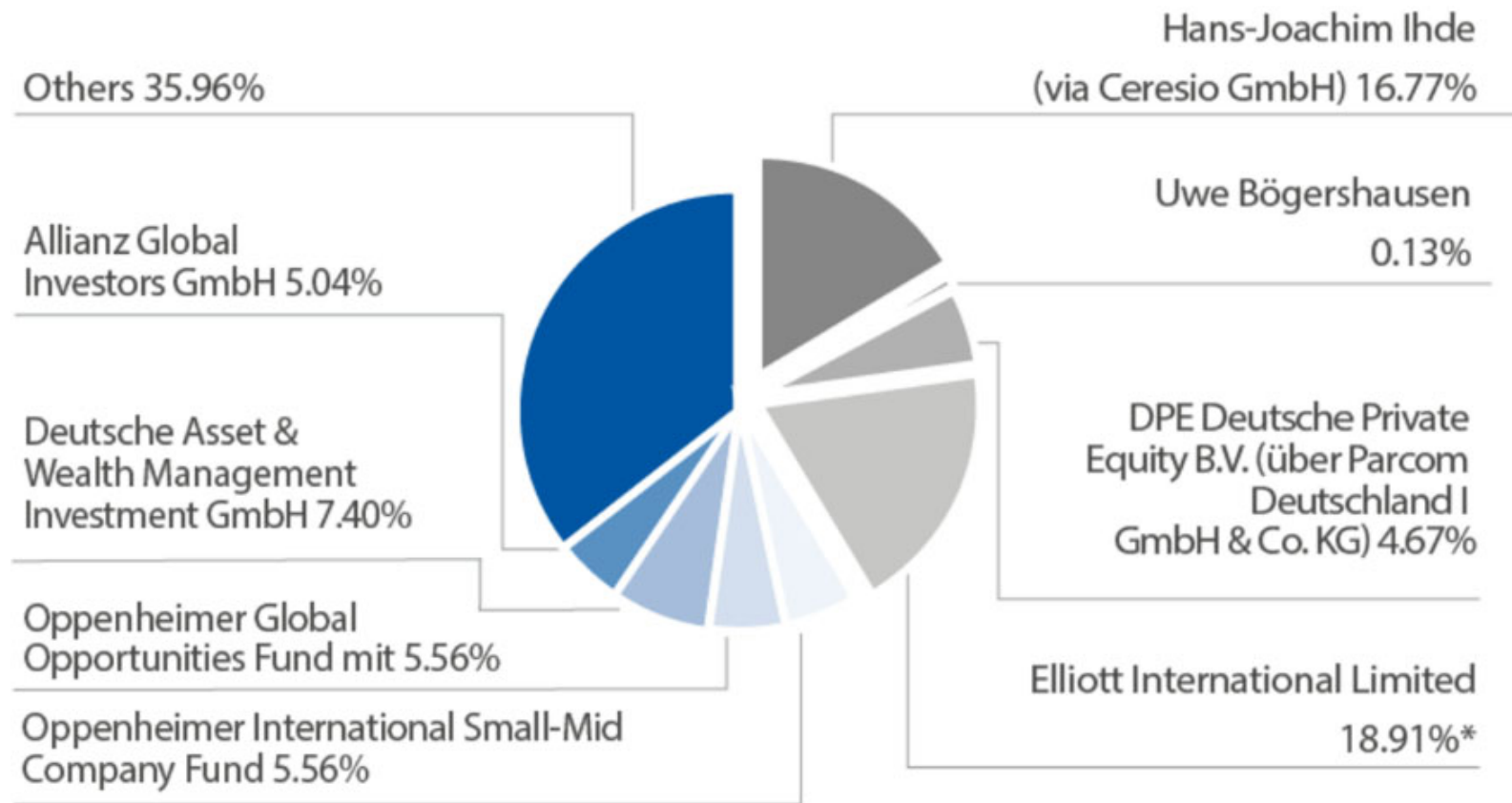
- **YoY revenue slightly decreased** by 3.6% to EUR 48.34 mn (9M/2017: EUR 50.16 mn)
- **Total Operating Revenue increased** by 15.5% to EUR 59.40 mn (9M/2017: EUR 51.41 mn)
- **New order intake in value terms** (adjusted by Frame Agreements signed in 9M/2017) **increased** by almost 13% (EUR 4.72 mn) to EUR 41.28 mn (9M/2017: EUR 36.56 mn), order intake without adjustments down by 45.8% compared y-o-y
- **Current adjusted order intake** (01 January to 07 November 2018) in value terms increased by 14.8% to EUR 43.91 mn
- **EBITDA** improved by around 10% to EUR -4.33 mn (9M/2017: EUR -4.76 mn), personnel cost ratio decreased from 40.7% to 36.7% compared y-o-y
- **New record on sales prospects/leads: EUR 422 mn (28.27% up compared y-o-y)**
- Thanks to its advanced technology, **SLM Solutions is very well positioned** to participate in the near- and long-term growth opportunities

## ○ High volatility in share price



Basis: 30 September 2018

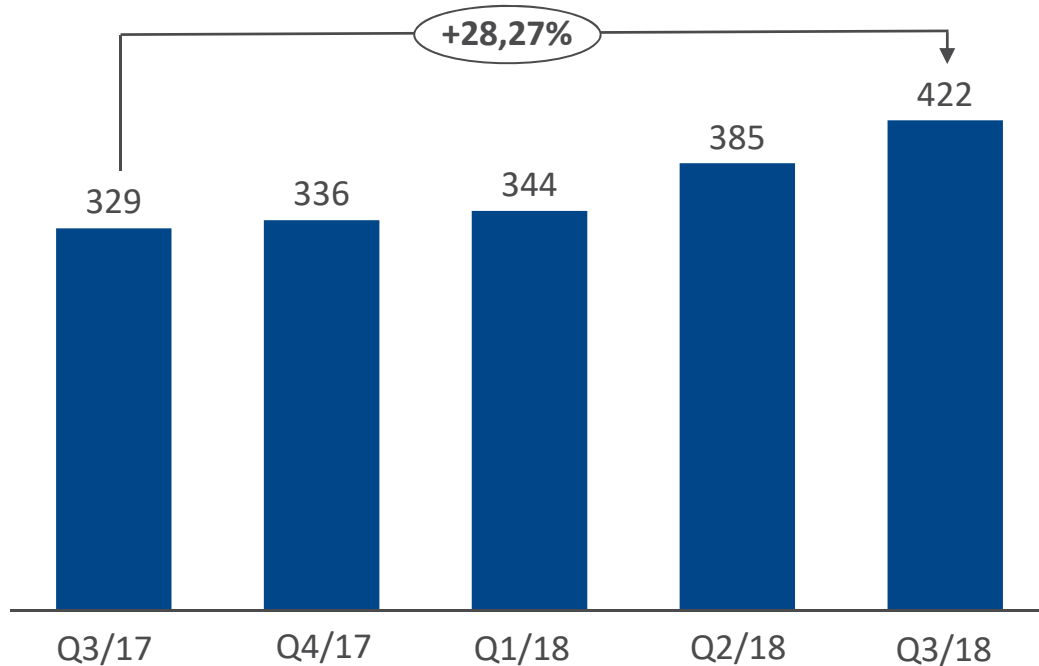
## ○ Shareholder Structure (November 7, 2018)



\*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]



- Sales leads/potential business on record level
- Further momentum driven by large industrial companies
- Existing SLM customers starting to heavily adopt AM in its industrial production processes
- Well-prepared with production-oriented machine portfolio
- Solutions-based approach combines machines, software, consulting and consumables

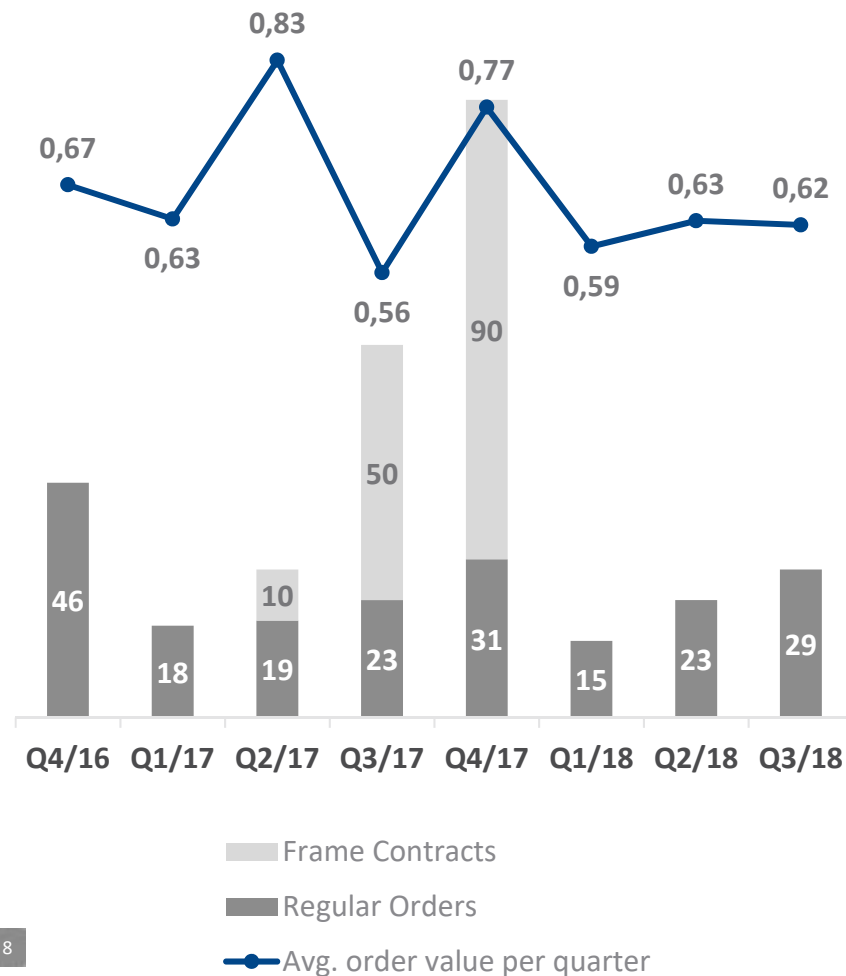


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## Financial Highlights

## Growth on Order Intake in Q3/2018 (adjusted by Frame Agreements signed in 2017)

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

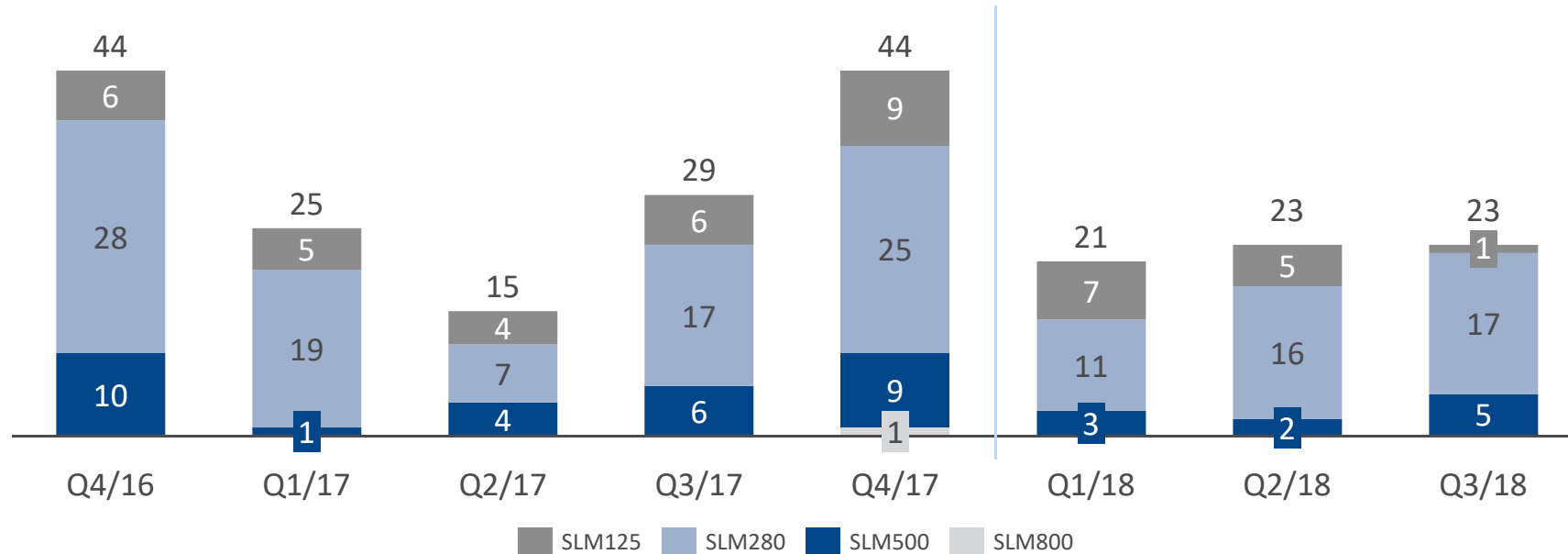


- SLM Solutions received orders for **67 machines in 9M/2018** (9M/2017: 120, adjusted by Frame Agreements: 60)
- Thereof 62.7% **multi-laser machines** (9M/2017: 53.3%)
- **Current order intake** (Basis: 07 November 2018, adjusted by Frame Agreements) is at EUR 43.91 mn resp. 73 machines vs. EUR 38.25 mn resp. 64 machines compared y-o-y
- Average order value remains on higher level



○ 9M/2018 sales figures reflect valuable mix

(machines)

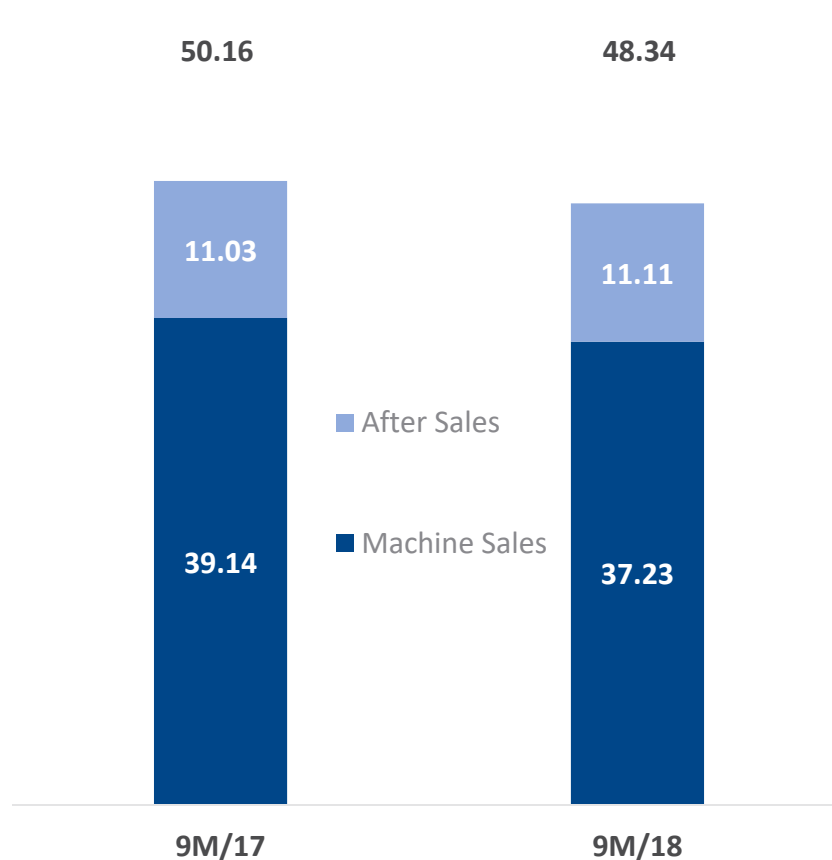


■ SLM280 remains „bread and butter business“

■ FY2018 results depending on Q4/2018

## ○ After Sales Business with further growth potential

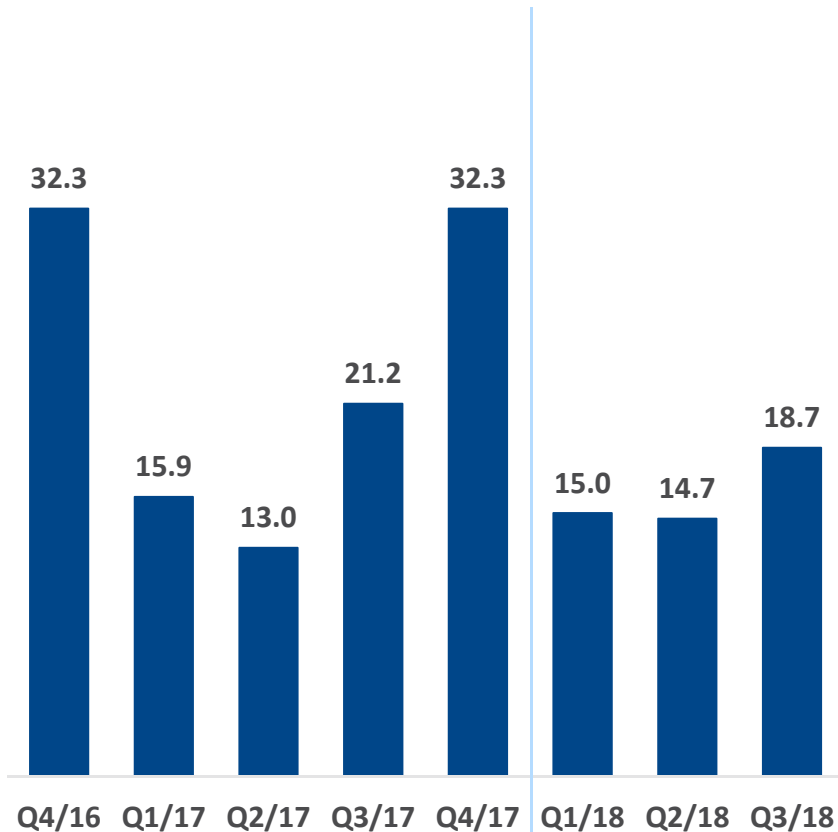
Consolidated revenue (by segments; EUR mn)



- **77% of 9M/2018 revenues were generated by machine sales** compared to 78% in 9M/2017
- **23% of 9M/2018 revenues were generated by after sales** (including service revenue, replacement parts sales and merchandise sales) compared to 22% in 9M/2017
- **After sales business with further growth potential**

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

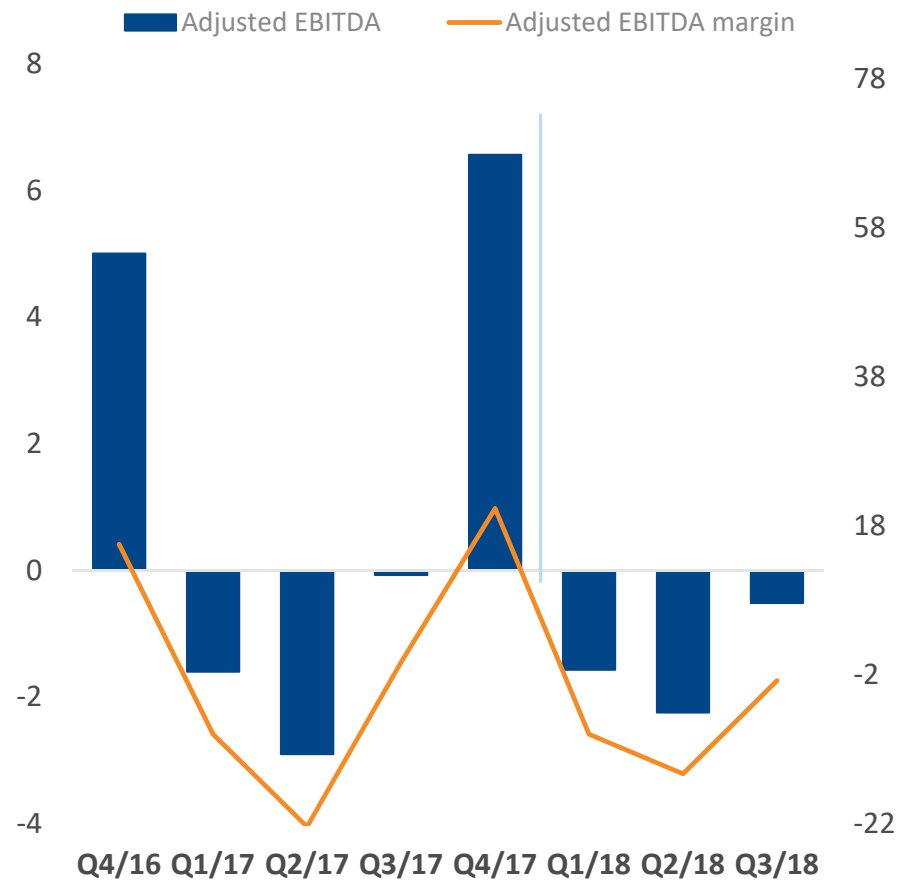
Revenue development (EUR mn)



- Revenue in Q3/2018 increased by 27.5% compared to Q2/2018, but decreased by 11.7% compared y-o-y
- Achievement of overall guidance depends highly on the fourth quarter

# EBITDA improved y-o-y

EBITDA (EUR mn / %)



■ **EBITDA margin 9M/2018 with -9.0% improved compared to 9M/2017\* with -9.5%**

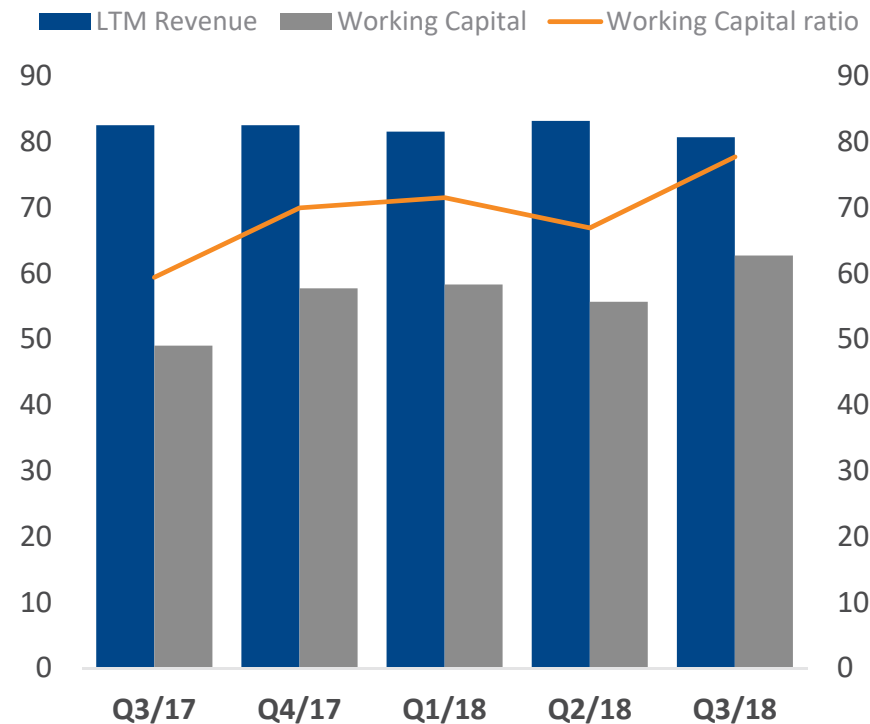
■ Lower personnel cost ratio due to continuous process improvement

■ Higher cost of materials ratio due to stock-building in preparation of a strong 4<sup>th</sup> quarter

\*adjusted in 2017 for Retention Bonus

# Working Capital further increased in preparation for a strong 4<sup>th</sup> quarter

Working Capital (EUR mn / % of LTM revenue)



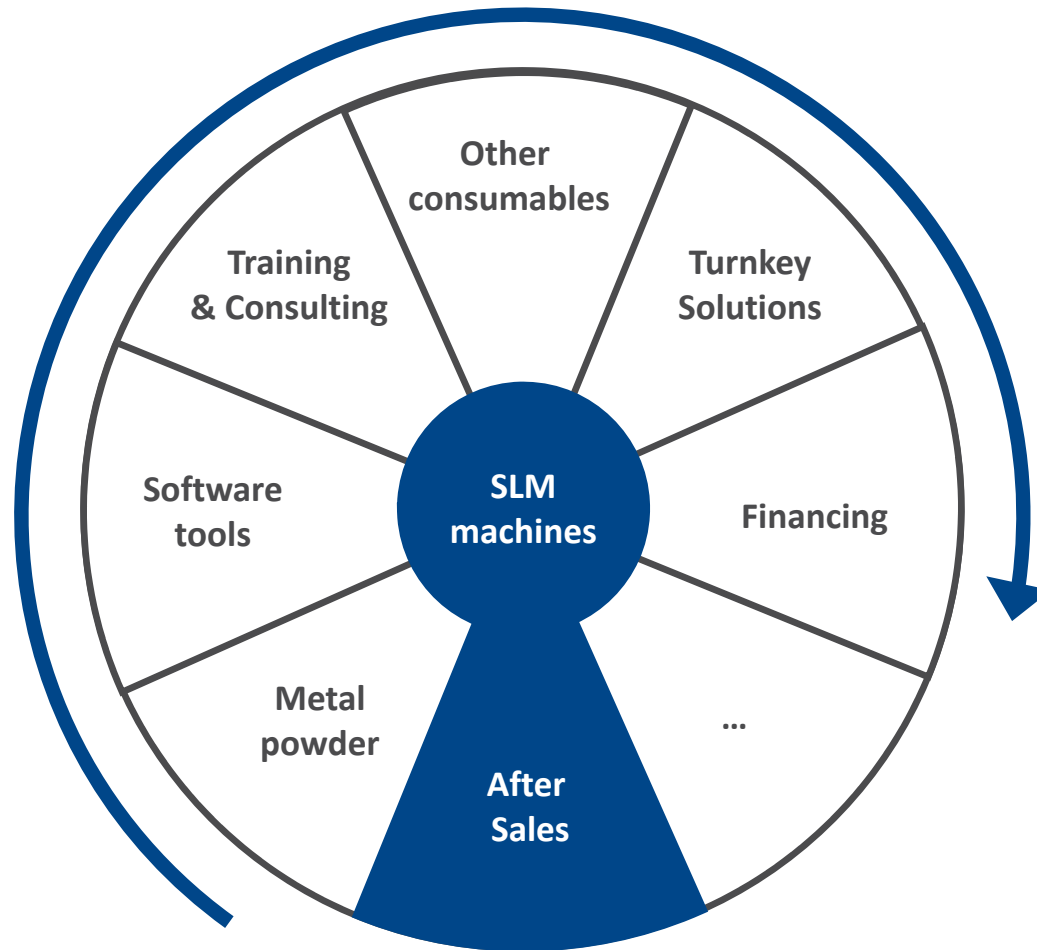
- Working Capital significantly increased in Q3/2018: EUR 62.71 mn
- **Increase in Working Capital intensity** by 18.2 pts. y-o-y to 77.7 % (Q3/2017: 59.5 %)
- Main reason for increase of Working Capital: Increase of inventories from EUR 34.0 mn in Q3/2017 to EUR 38.0 mn in Q3/2018 and decrease of payables from EUR 11.4 (Q3/2017) to EUR 5.9 mn (Q3/2018)



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# Strategic Outlook

## ○ Strategy under review

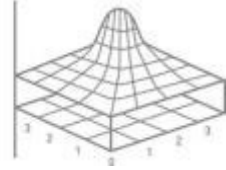


- Currently **under review** by the Executive Board
- **Expansion of sales** and after sales capabilities
- **Advisory teams** focussing on supporting customers to ramp up **serial production**
- **Refinement** of machines – better user-friendliness

## ○ Management outlook 2018 further detailed

- Revenues expected of around **EUR 90 mn to EUR 100 mn**,  
**highly depending on Q4**
- **Positive single-digit EBITDA margin** expected
- Pursuing **multiple leads** on new customers and multi-machine orders **to capture the momentum**
- Long-term Vision of **EUR 500 mn** with a positive EBITDA-Margin of around 20%  
by year 2022 confirmed, but strategy to be reviewed
- Focus remains on **long-term frame contracts** and collaboration agreements; overall:  
“tight” and long-term relationship with customers
- Product mix will include **more production-oriented machines**





**Q&A**



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