



FY2020 Earnings Presentation

March 25, 2021

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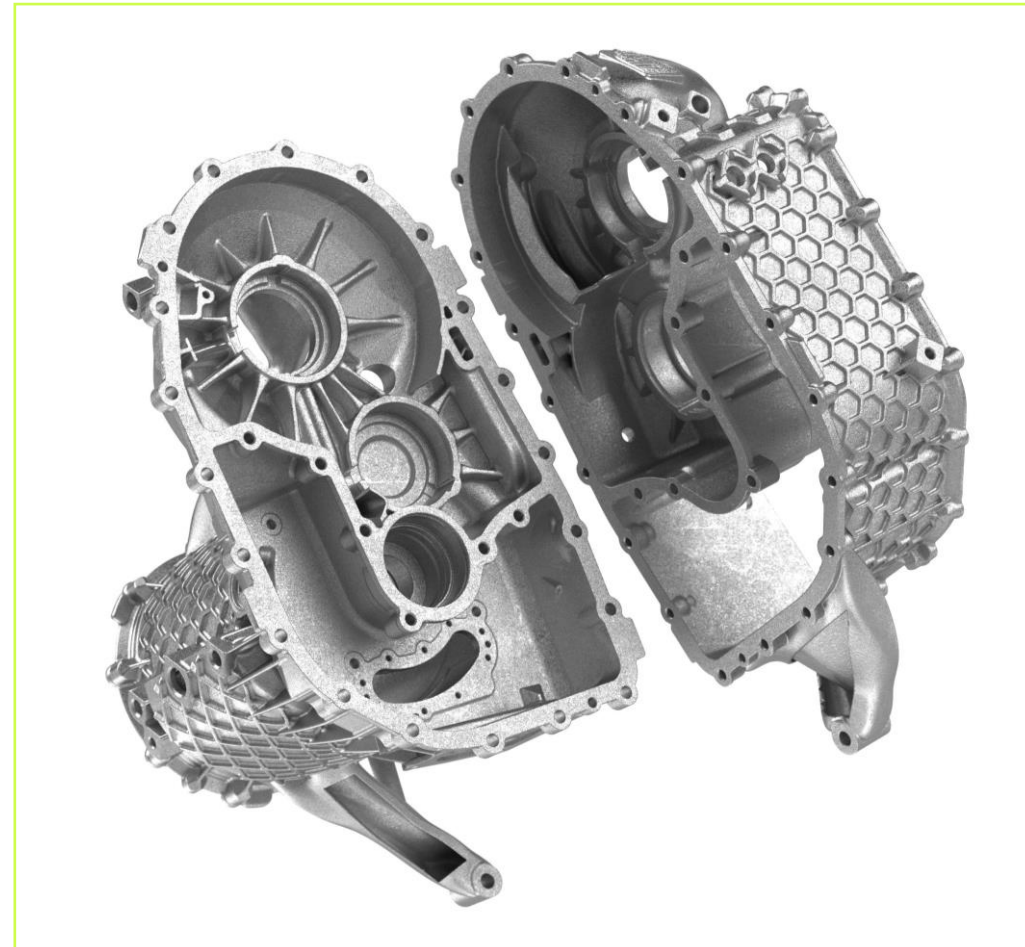
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FY 2020 in Review

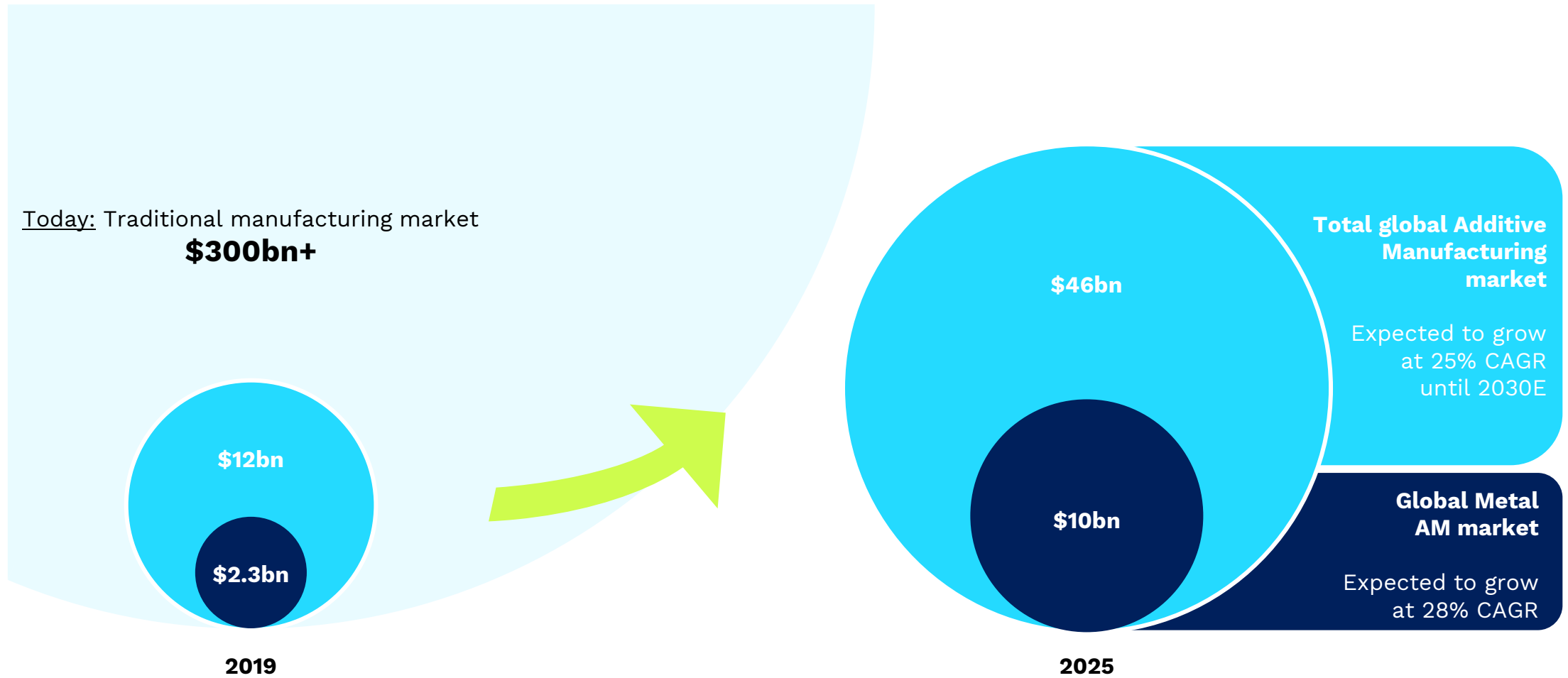
The Numbers

- 26% Revenue growth to €61.8m in a tough COVID impacted environment
- 43% EBITDA improvement to €(14.8)m
- 2 more world firsts to add to our list
 - 12 laser technology
 - First >1,000 cc/hour build rates
 - Game changer for the industry
- 20% of revenue re-invested into R&D
- >30M order backlog, of which >90% is for multi-laser technology
 - Significant customer wins in key industries
 - Strength in industrial diversity
- NXG XII 600 response overwhelming; with the NXG XII 600 metal AM is moving into core industrial 4.0 production processes



Housing for an electric drive by Porsche AG, printed on NXG XII 600






SLM – a leader in the high growth and highly innovative AM technology sector



Source: Wohlers Report, AM Power Report 2020, Equity Research, GS Research

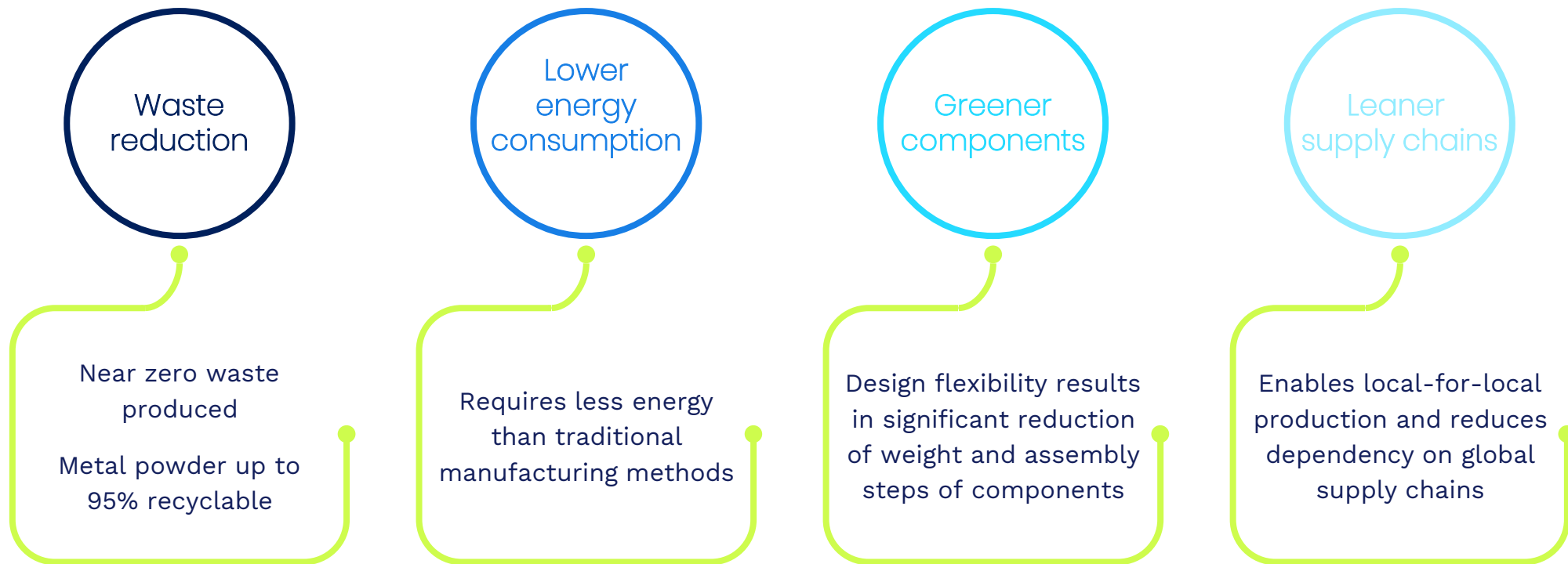
AM delivers vast opportunities for customers

At the very core of the Industry 4.0 disruptive manufacturing and production revolution

	Conventional Casting	Additive Manufacturing
Product Characteristics	<ul style="list-style-type: none"> ✗ Overdesigned ✗ Poor material properties 	<ul style="list-style-type: none"> ✓ Higher performing products ✓ More complex geometries ✓ Reduced weight  <p>Improvement of performance without design limits</p>
Lead Time	<ul style="list-style-type: none"> ✗ 18 – 24 months for product launches ✗ Prototypes expensive and slow 	<ul style="list-style-type: none"> ✓ Prototype within days ✓ 3 weeks for first parts ✓ Easy modifications  <p>Substantially shortened time to market</p>
Process Efficiency	<ul style="list-style-type: none"> ✗ Prototyping resource intensive ✗ Large batch processing 	<ul style="list-style-type: none"> ✓ Print part as needed ✓ Minimized waste and tooling  <p>Optimized working capital and cash conversion cycle</p>
Supply Chain	<ul style="list-style-type: none"> ✗ Global and complex supply chain ✗ Pollution from transportation from LCC sourcing 	<ul style="list-style-type: none"> ✓ 24 / 7 inhouse production ✓ Manufacturing cost largely independent of country with less transportation requirements  <p>Localization prevents supply chain disruptions</p>
Environmental Considerations	<ul style="list-style-type: none"> ✗ Significant pollution from effluents ✗ Very high energy consumption 	<ul style="list-style-type: none"> ✓ Near zero waste ✓ Low energy consumption  <p>Supports the transition to greener manufacturing</p>

SLM enables greener manufacturing

Components produced with AM with substantially better environmental footprint



Our sole focus: Superior Laser Powder Bed Fusion (LPBF)

High mechanical properties combined with great degree of geometric freedom

Superior mechanical properties...

Size / Geometric Freedom

- Size of parts **only limited by machine chamber size**
- Outperforming in terms of **absolute size and variability of part thickness**
- **Geometry complexity is for free**, allowing for **topology optimization that is without limits**

Mechanical Properties

- Constantly **high mechanical properties**
- **Low porosity**
- **High density**

Wide Material Choice

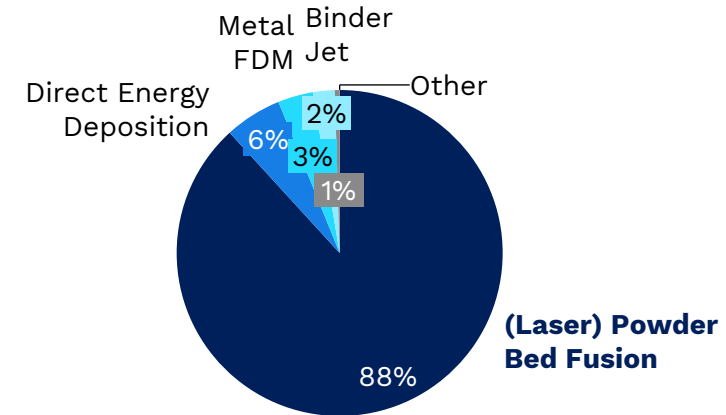
- Compared to all other additive technologies **LPBF offering greatest number of input materials.**
- **Any material that can be welded can be processed**

One Step-Processing

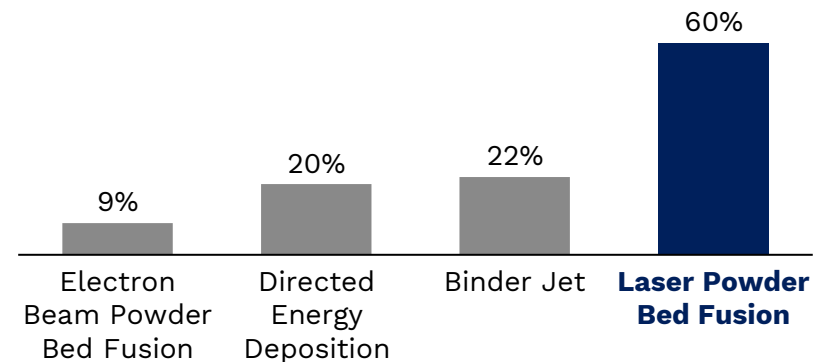
- Little to no post-production increases **“first time right potential”**
- **Enabling thin wall sections**
- **Consistently accurate geometrical output** due to **controlled and predictable part shrinkage and distortion**

...make LPBF the leading AM technology today and tomorrow

Installed base (units) by technology 2019¹⁾



Investment related to AM in next years²⁾



NXG XII 600 is game changer for the entire AM industry

12 lasers designed for serial production

20x faster

than a standard single laser system

5x faster

than the SLM quad-laser machine

Designed for
serial production

Optimized for large parts and
high-volume production



12 Lasers
1000 Watts each

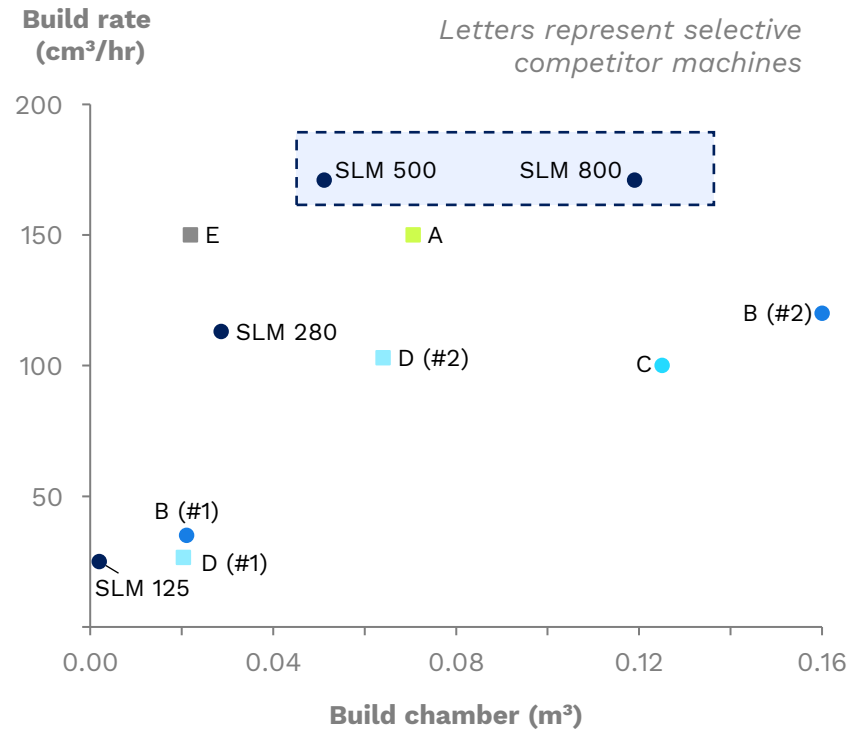
Zoom function
build up rate up to 1000 cm³/h

Capable of
large layer thickness

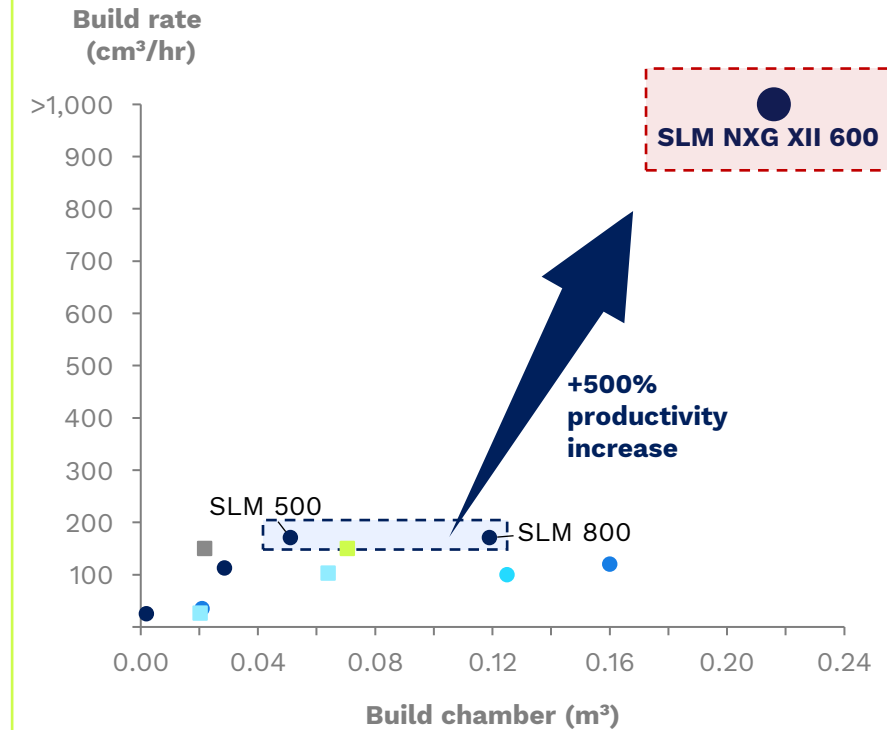
Fine features and
delicate patterns possible

NXG XII 600 is moving metal AM economics to a completely new level

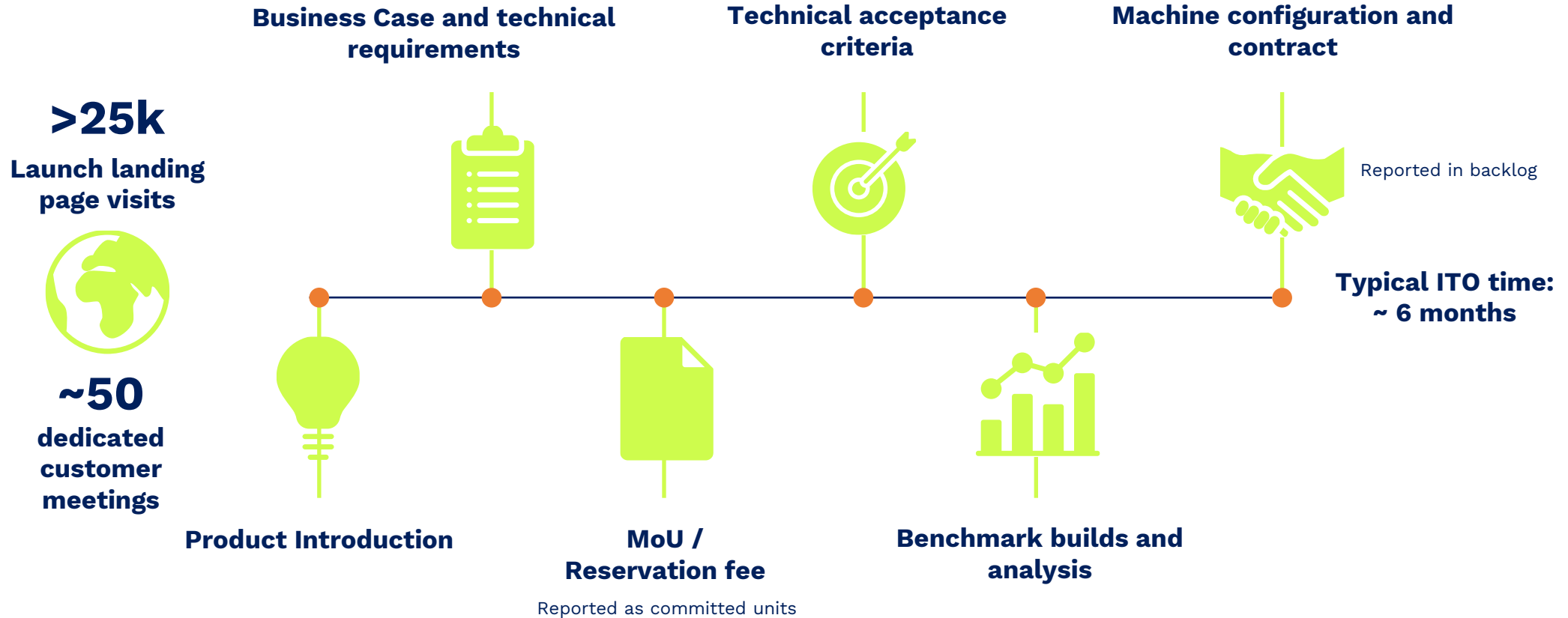
SLM's current generation of machines is already at the top level of productivity for Metal AM machines...



... but SLM's NextGen machine will be a gamechanger



NXG XII 600: Inquiry to Order (ITO) Customer Journey

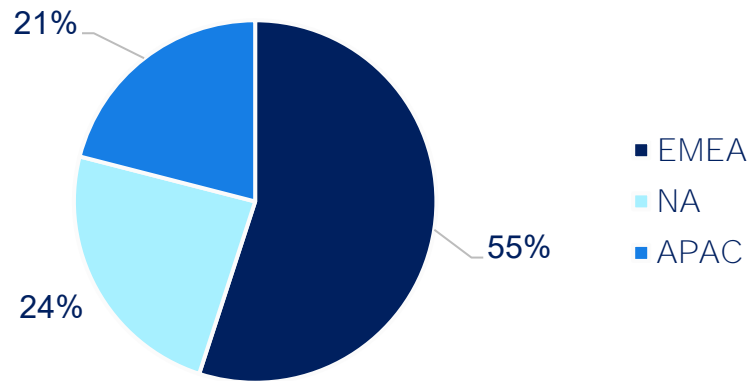


Current commitments cover a significant portion of the 2022 manufacturing capacity

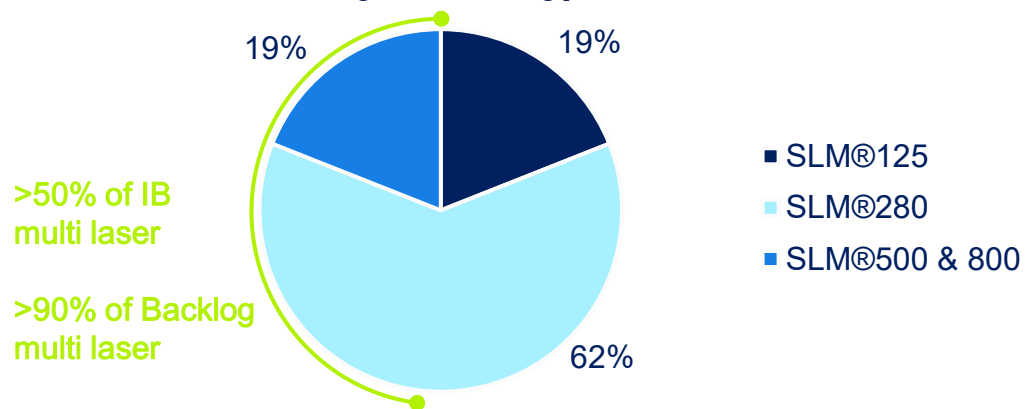
>650 machines installed globally

Serving a broad range of blue chip customers

Installed base by region



Installed base by machine type



Serving more than **150** blue chip customers

including **Fortune 500** companies, **Dax30** companies, some of the **largest OEMs** as well as leaders in **space exploration, aviation, electro mobility, motor racing, science**, and many more...



Source: SLM
Note: Installed machine base as of end 2020

SLM in Perspective

SLM with superior technological capabilities

	SLM SOLUTIONS	Velo3D	Desktop Metal ¹
Technology	Powder Bed Fusion	Powder Bed Fusion	Binder Jetting
Support Free	Yes	Yes	<i>Not applicable</i>
Applications	Production of high value / high complexity metal parts	Production of high value / high complexity metal parts	Mass production of low-cost / low complexity parts
Industry Diversification	Aerospace, auto, energy, medical, research	Aerospace, energy	Auto, general industry
IP Portfolio	>400 publications >130 granted patents	<50 granted patents	~120 publications
Technology Heritage	20 years	7 Years	6 Years
Machine Portfolio	5 (1 to 12 lasers)	2 (2 to 8 lasers)	3
Maximum Build Size	600 mm X 600 mm X 600 mm 40% Larger than Velo	Ø 600 mm x 550 mm	490 x 380 x 260 mm
Proven Productivity	>1,000 cc/h	<100 cc/h	~1,000 cc/h

Source: SLM, Velo3D disclosure, Desktop Metal disclosure
 Note: 1) Focus on Desktop Metal's binder jet printing segment.

SLM in Perspective (cont.)

SLM with significantly more advanced fundamentals

	SLM SOLUTIONS	Velo3D	Desktop Metal ¹
Installed Base (# machines)	>650	<50	Production System release H2 21
Market Share (%)	>10%	<3%	<i>Not applicable, different market</i>
Employees (#)	>450	~100	~300
In-house Manufacturing	Yes	No	No
Global Sites (#)	4	1	1
Direct Global Sales	Yes	No	No
Revenue 2020 (€m)	€62m	~€16m	~€14m
Revenue Growth 2020 (%)	26%	21%	-38%

Source: SLM, Velo3D disclosure, Desktop Metal disclosure
 Note: 1) Focus on Desktop Metal's Binder Jet segment.

Financial overview

Fiscal Year 2020

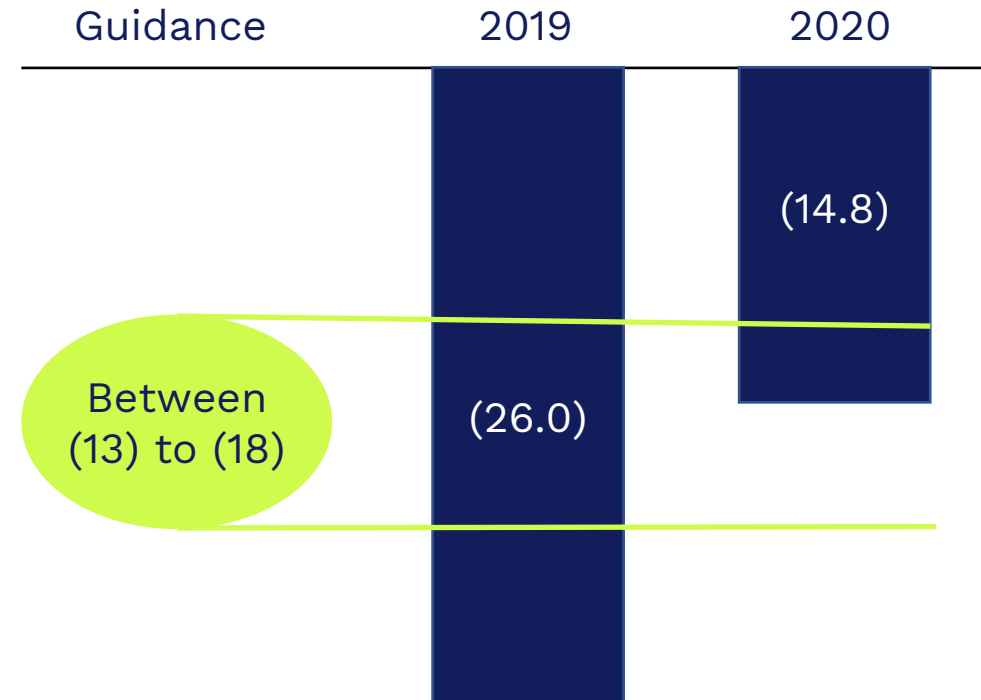
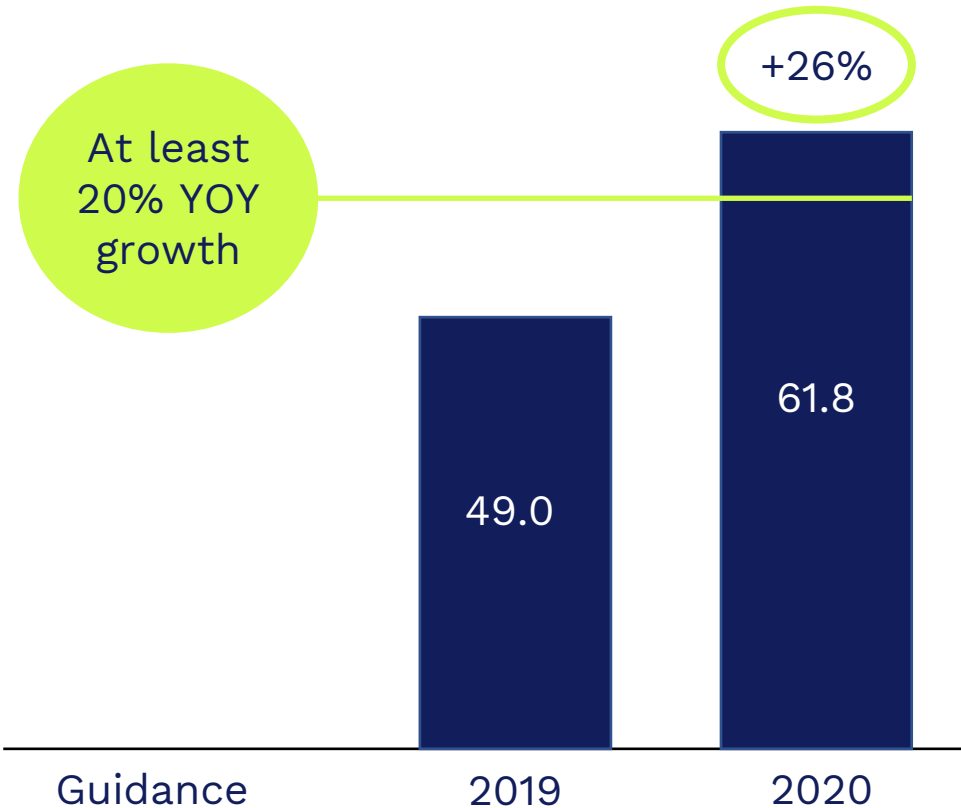
Successful target delivery

Continued progress on turnaround path

in €m

Revenue

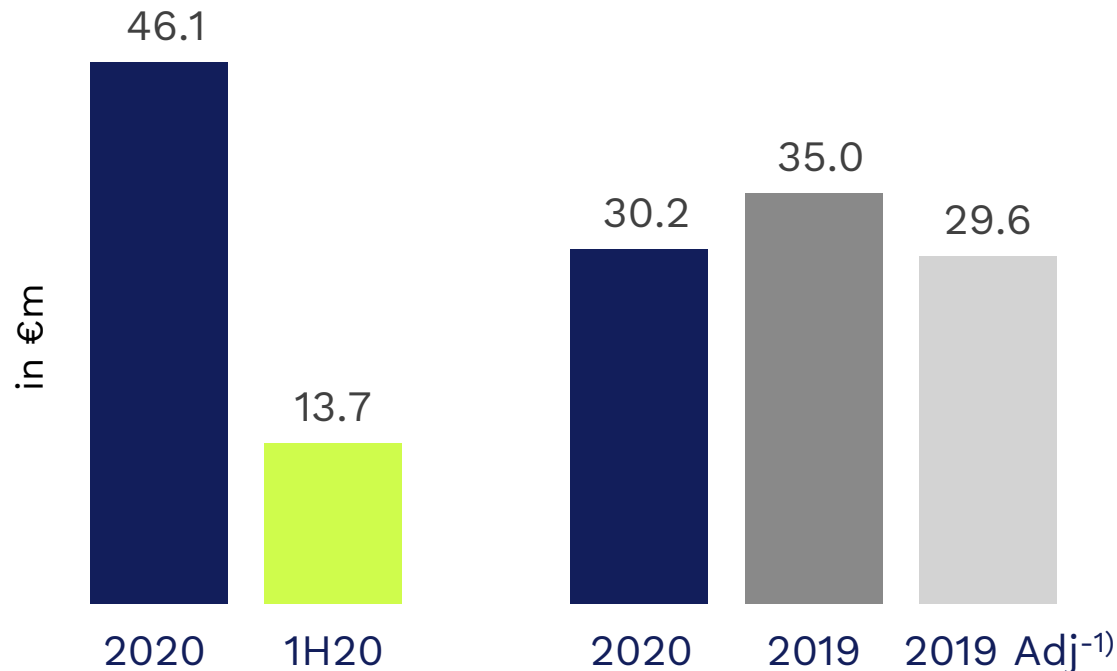
EBITDA



Strong operational performance

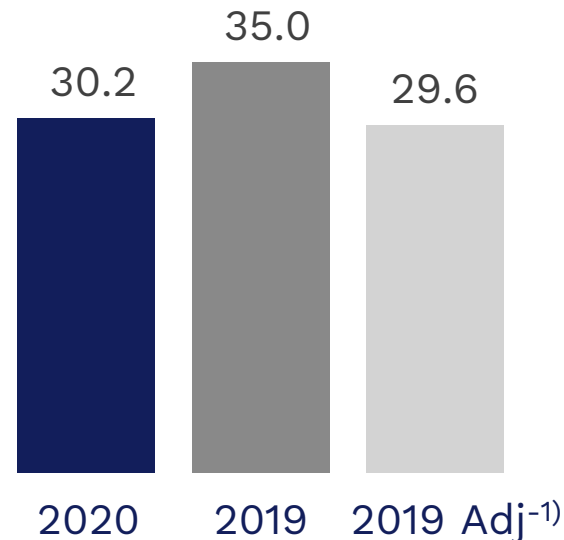
Solid foundation to continue growth story

Order In-take



- Order-Intake in 2H more than doubled vs 1H reflecting ongoing improvement in key markets & industries
- Backlog up YoY⁻²⁾ if €5.6m adjustment in 2Q20 considered

Backlog



Selected Financials

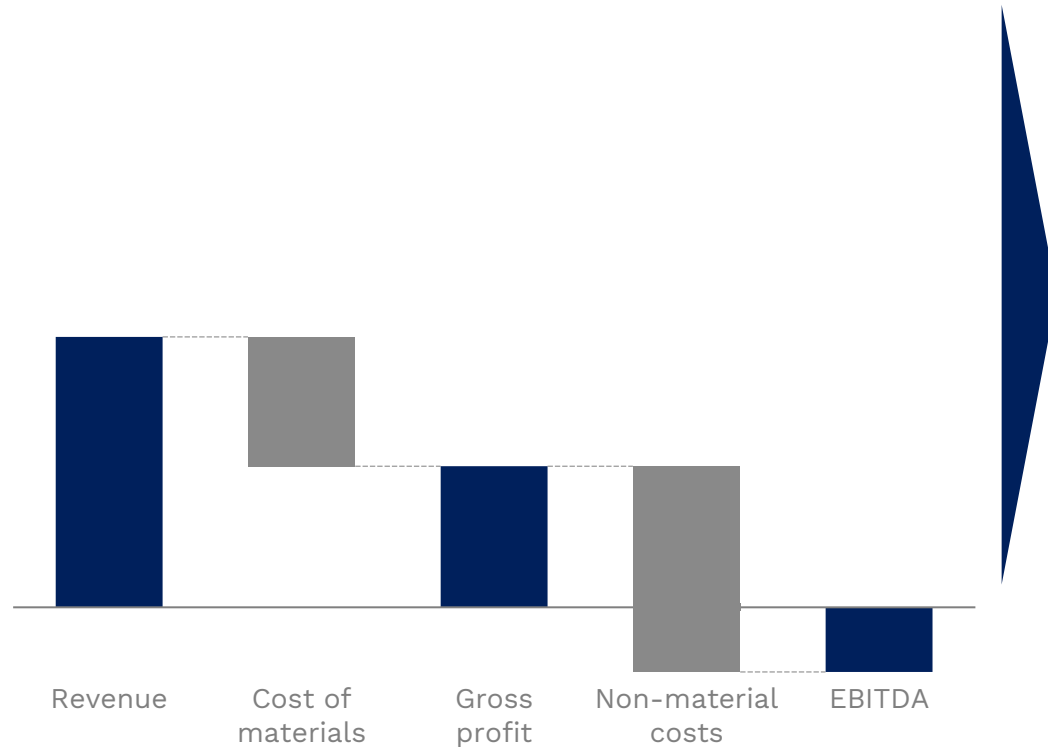
<i>in €m</i>	2020	2019	Change
Machines Revenue	45.1	35.1	28%
After Sales Revenue	16.6	13.8	20%
Gross Profit	53%	53%	0pt
Personnel expenses	(35.6)	(31.9)	12%
Other Exp. & Income	(13.0)	(17.6)	(26)%
EBITDA	(14.8)	(26.0)	(43)%
Op. Cash-flow	(3.4)	3.5	U
Working Capital	24.4	36.8	(34)%
Cash	18.9	25.5	(26)%

- Personnel expense ↑ due to hiring of key talent
- Other expense ↓ due to more cautious spending
- Working Capital ↓ due to operational excellence initiatives, increase in 2021 due to NXG ramp-up
- Initiated 2nd tranche of convertible 2020/26 (€15m) to strengthen balance sheet

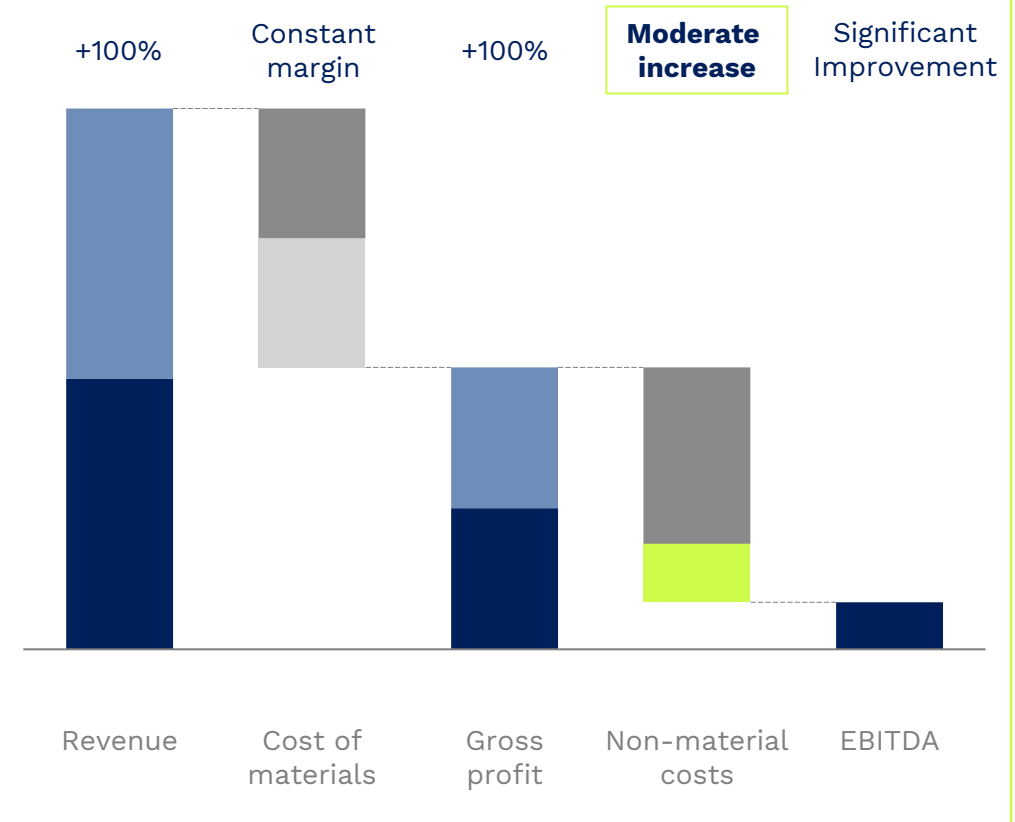
Path to growth and profitability

High operating leverage & NXG introduction

Currently: Negative EBITDA largely driven by high non-material costs (R&D, admin) relatively to revenue



Illustrative: Revenue increase resulting in significant operating leverage due to decoupling of non-material costs



Guidance & long-term view

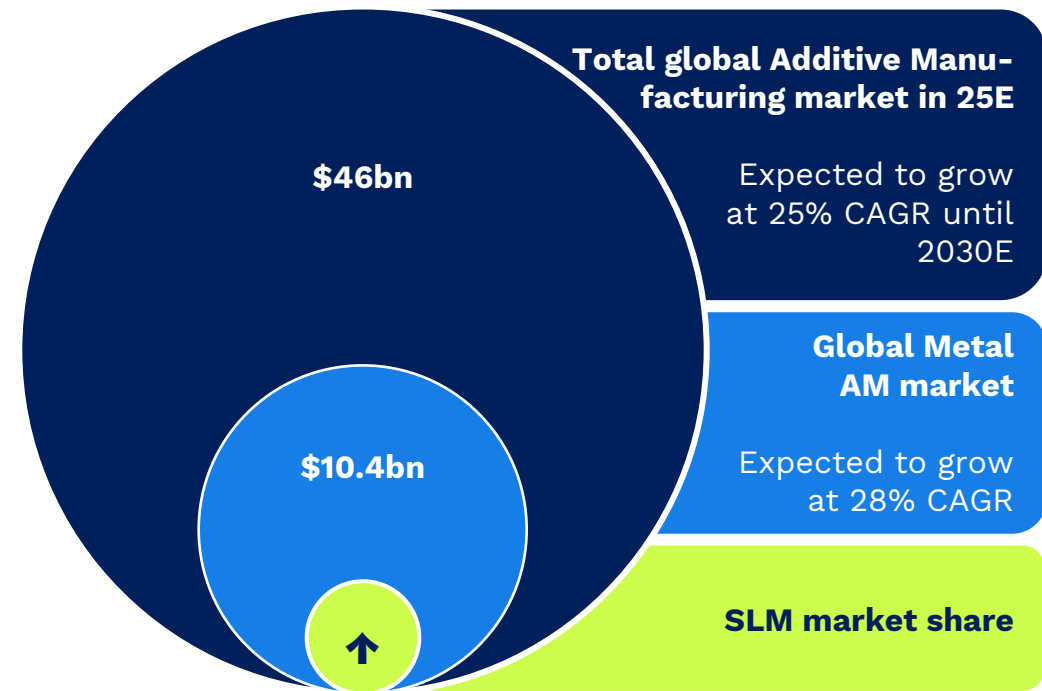
Continued progress on turnaround path

2021 Guidance

	2020	2021	2022 +
Sales	€61.8M	at least 15% YoY ¹⁾ growth	Further acceleration
EBITDA	€(14.8)M	Further improvement	

Assuming no drastic deterioration of the current COVID-19 situation.

2025E expected market size



SLM – Key Investment Highlights

SLM - a leader in the high growth and highly innovative AM technology sector

- Current market size ~\$12bn with CAGR of 28% until 2025
- Accelerated demand for AM due to reshoring and the need for more flexible supply chains

Our sole focus: Superior Laser Powder Bed Fusion

- Technology addresses most innovative and most attractive segments of the AM market: High precision, high performance parts across key regulated and unregulated industries
- SLM features one of the strongest IP portfolios and R&D and engineering teams in the sector, consistently investing leading industry innovation (~20% of revenue in R&D (2020))

SLMs is at the very core of the Industry 4.0 disruptive manufacturing and production revolution

- Fast evolving ecosystem around SLM's core metal printing technology: engineering capabilities, software, powder, process technology
- AM helps to significantly improve the ecological footprint of products and metal manufacturing process (energy and raw material savings)

SLM's NXG XII 600 machine is a game changer for the entire AM industry

- World's fastest and most efficient large platform PBLF printer launched in Nov 2020
- High precision, high performance, high value parts produced cost competitively compared to conventional processes (metal subtraction, casting)

Sizable service business opportunity

- Currently over 650 machines installed, containing over 1,000 lasers
- Machines in industrial processes generate significant constant revenue stream from service and powder

Strong international management team of growth and technology experts

- New management refocused company on growth and technology and manufacturing excellence

Poised for continuous growth

- > €30m backlog and NXG ramp up underpins SLM's growth trajectory
- Attractive and expanding gross margins
- Significant operating leverage. The business is set up for growth
- Core shareholder group supports growth trajectory with funding

Q&A