



SHAPING THE FUTURE

Q1 Report 2018



Key share data

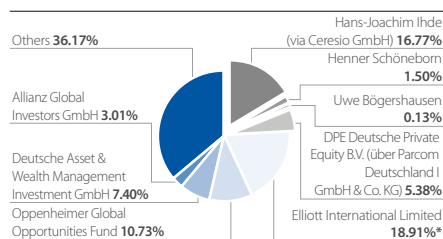
Ticker/ISIN	AM3D/ DE000A111338
Number of shares	17,980,867
Closing price (29/03/2018)*	32.15 EUR
Share price performance (LTM as of 29/03/2018)	-13.7%
TecDAX index performance (LTM as of 29/03/2018)	+20.2%
STOXX Global 3D Printing index performance (LTM as of 29/03/2018)	+4.5%
Market capitalisation (29/03/2018)	578.1 Mio. EUR

* Closing price on the Xetra trading system of Deutsche Börse AG

Share price chart



Shareholder structure



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

Events

June 22, 2018	Annual General Meeting (Lübeck)
August 09, 2018	H1 Report 2018
November 08, 2018	9M Report 2018

Letter from the Board

Dear shareholders, customers, business partners and employees,

During the first quarter of 2018 we dealt intensively with the implementation of the Master Agreements concluded in the second half of 2017. We have expedited the development of the SLM®800 to series production stage to ensure the delivery of the 20 machines ordered at the FormNext, the leading trade fair of this industry. The successful completion of this challenging order will give us further business opportunities, especially in China! The order intake secured in late 2017 against various Master Agreements which otherwise would have had to be processed as individual orders during 2018 will result in solid and predictable production planning, not only in 2018 but also in the following years. We are satisfied with the revenue of Euro 15.0M achieved in the first quarter of 2018 which is right on target and level with the 15.9M achieved in the strong first quarter of 2017. The positive development of the EBITDA signifies the effective control of expenditure.

At the beginning of May we relocated the entire company to a new site in Luebeck-Genin, a move for which we had made all necessary preparations during the first quarter. Due to the increased level of overall activities, we have pre-produced a number of machines so as to minimize potential delivery delays, which may result from the relocation. We expect that the move to the purpose built facility will result in a significant improvement of our internal business processes.

We are banking on the innovative drive of our company and our staff and on the strength of our products and service delivery as well. Closeness to our customers is of highest relevance to us. For this reason, we established two further subsidiaries in France and Italy, markets which are very important for us, during the first quarter of 2018. In addition, we will expand our presence in China and North America during the course of the year. Put simply, together with our customers we want to develop holistic and integrated solutions for the additive fabrication techniques. SLM Solutions is a by-word for the highest production rate in the industry and the most cost effective series production of sophisticated parts and components. We put partnership with our customers into practice, for only long term relationships lead to increasing rates of product acceptance, multi-machine orders or Master Agreements. We do not leave our customers alone, but support them actively with the introduction and implementation of this new technology into their existing manufacturing processes. We are also pleased with the strong level of interest and positive customer feedback regarding the software "Additive-Designer", developed by SLM and a joint-venture partner, and we expect first earning effects from this venture during 2018.

We stand by our targets for the year as announced recently, which of course, as in preceding years will depend on the successful conclusion of the fourth quarter. The signed Master Agreements ensure efficient production planning which will contribute to an improvement of the EBITDA.

On behalf of the Board I would like to thank all those who continue to put their confidence in the long-term development of our company.

Lübeck, May 8, 2018



Uwe Bögershausen
(Speaker of the Board)

Highlights

	Unit	Q1 / 2018	Q1 / 2017	Change
Revenue	TEUR	14,980	15,947	-6.1%
Total operating revenue	TEUR	18,551	13,766	+34.8%
Adjusted EBITDA*	TEUR	-1,569	-1,599	+1.9%
Adjusted EBITDA margin (as % of revenue)*	%	-10.5	-10.0	
Consolidated net profit/loss	TEUR	-3,124	-3,803	+17.9%
Earnings per share (basic/undiluted)	EUR	-0.17	-0.21	
Total assets	TEUR	180,545	114,301	+58.0%
Equity ratio	%	49.6	80.0	
Order Intake	machines	15	18	-16.7%
Order Intake	TEUR	8,864	11,264	-21.3%

* In Q1/2018 no adjustments necessary (In Q1 / 2017 adjusted for the Retention Bonus of TEUR 78)

Business performance

During the first quarter of the 2018 fiscal year, SLM secured orders for 15 machines compared to 18 machines in the same period of 2017. By this, the order intake in the first quarter of 2018 is 16.7% below that for the same period of the preceding year.

Total value of order intake during Q1/2018 amounts to Euro 8,864K compared with Euro 11,264K for the same period of 2017.

By this, the value of the order intake is 21.3% below that of the prior-year quarter, which reduced the average value of the individual order correspondingly. Confirmed orders include 8 Multi-Laser-Machines (Q1/2017: 7 machines).

The order backlog as at 31 March 2018 included 145 machines with a total value of Euro 107,697K. In the same period of the preceding year it was 18 machines with a value of Euro 13,667K. The value of the order backlog represents an increase of 688%.

The composition of the reportable Segments has changed compared to the preceding year.

The Segments "Machine Business" and "After Sales Business" were newly identified as chief operating decision makers for the internal reporting system to the executive board and the supervisory board. In the Segment

"Machine Business", the machines from the sector Selective Laser Melting together with such options as powder sieving stations and other peripheral equipment are recorded. In the Segment "After Sales Business" sales of service, spare parts, commodities including powder, training courses and machine installation are taken into account.

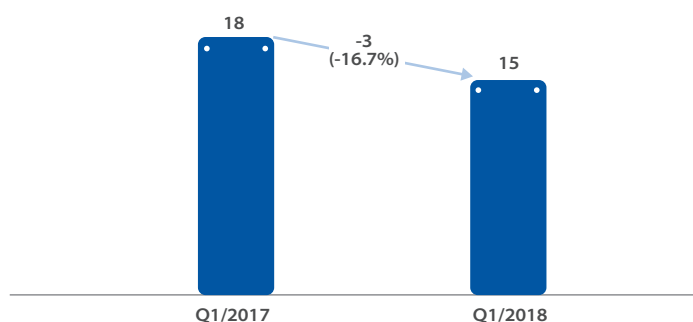
In the preceding year the Segments "Machine Sales" and "After Sales" were accounted for. In "Machine Sales" sales of machines including accessories on the basis of order placement were reported. In "After Sales" service revenue, sales of spare parts and sales of commodities not related to the placement of machinery orders were taken into account.

Management can thus observe business development in a more accurate and transparent way than in the previous segmentation.

The revenue of Euro 14,980K achieved during the first three months of the fiscal year was generated by the segment "Machine Business" (pure sales of machines and accessories) and "After Sales Business" (sales of service, spare parts, powder, training courses and installation of machines). The segment "Machine Business" accounted for Euro 9,495K (Q1/2017 Euro 12,496K) making up 63% of total revenue (preceding year: 78%). The segment "After Sales Business" accounted for a revenue of Euro 5,485K (preceding year: Euro 3,451K) representing 37% of total revenue (preceding year: 22%).

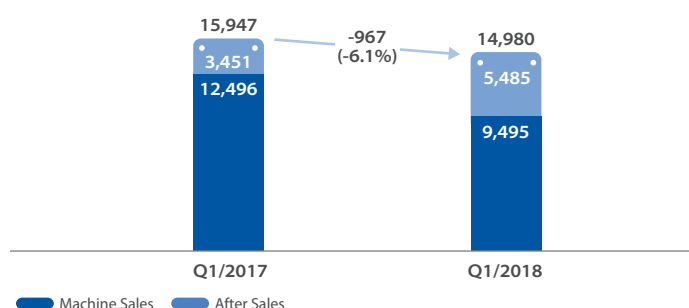
Order intake Q1 / 2018

(Number of Machines)



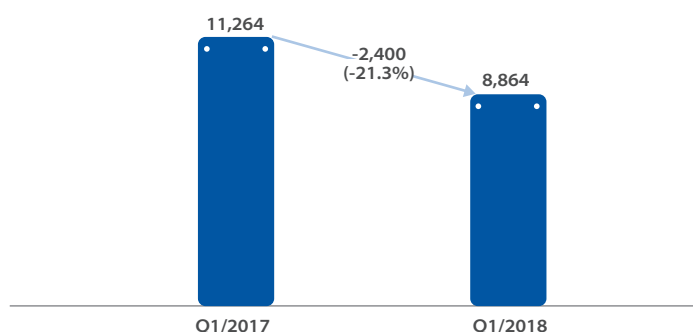
Consolidated revenue (segments) Q1 / 2018*

(kEUR)



Order Value Q1 / 2018

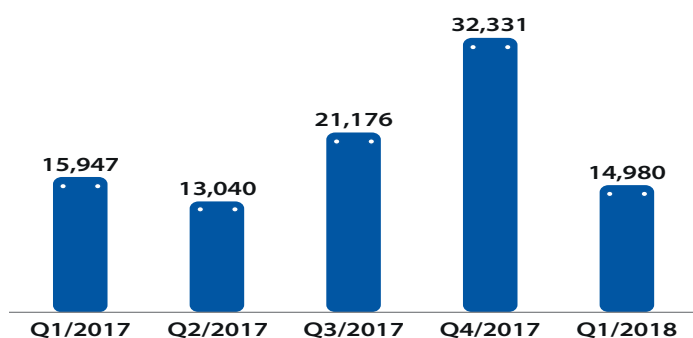
(kEUR)



* With effect from 1st of January 2018, the segment reporting was changed over.

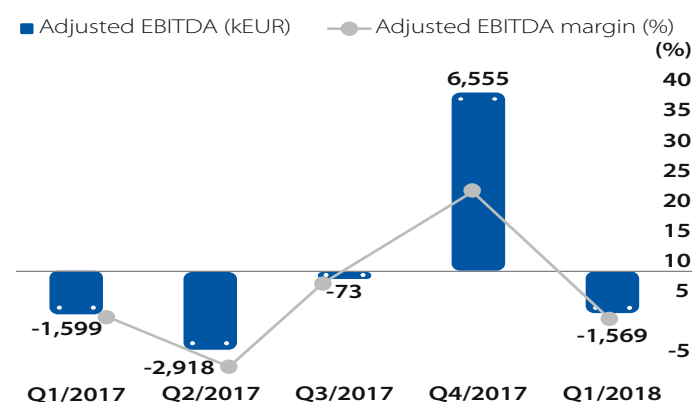
Economic and business report

Development consolidated revenue



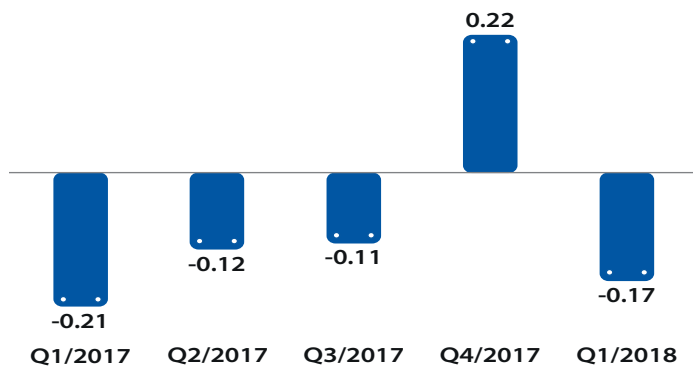
- Group revenue for the first quarter of 2018 is Euro 14,980K, 6.1% below that generated during the same period of the preceding year (Q1/2017: Euro 15,947K).
- Due to the build-up of inventory and the capitalization of in-house work total output of Euro 18,551K in the first quarter of 2018 is 34.8% above that achieved during the same period of the preceding year (Q1/2017: Euro 13,766K). In Q1/2017 inventories had been reduced.
- Due to the seasonal fluctuation of revenue, Management is of the view that it is more meaningful to focus on the performance over a full year: The accumulated revenue of the past 4 quarters as at balance date of 31 March 2018 (LMT) is Euro 81,527K, and therefore slightly below that for the financial year 2017 (Euro 82,494K).

Adjusted EBITDA and EBITDA margin



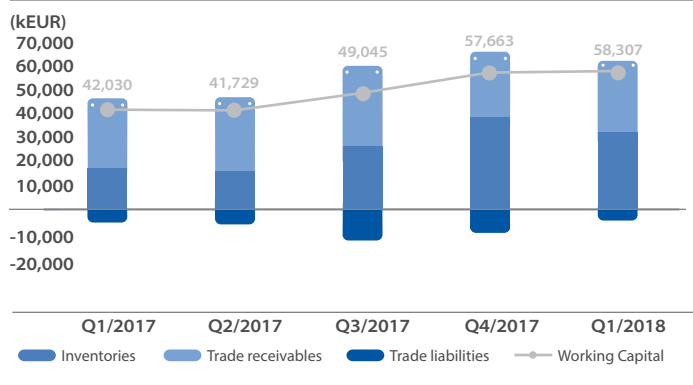
- EBITDA and personnel cost need not be adjusted for further one-off expenditures in 2018. (Q1/2017: Adjusted by one-off expenditure in relation to retention bonus of Euro 78K).
- In Q1/2018 the personnel cost ratio (relative to total output) has dropped to 37.7%. (Q1/2017 adjusted: 52.8%). This also results from the build-up of inventory during the first quarter of 2018 and the consequential effect on total output.
- The cost of materials ratio (relative to total output) lies with 51.6% above that for the same period of the preceding year due to the increase of pre-built machines (Q1/2017: 37.0%).
- Relevant to the final 4 quarters as at the balance date of 31 March 2018 (LTM) the EBITDA is Euro 1,995K constituting 2.5% of the LTM Group revenue of Euro 81,527K.

Earnings per share (basic)



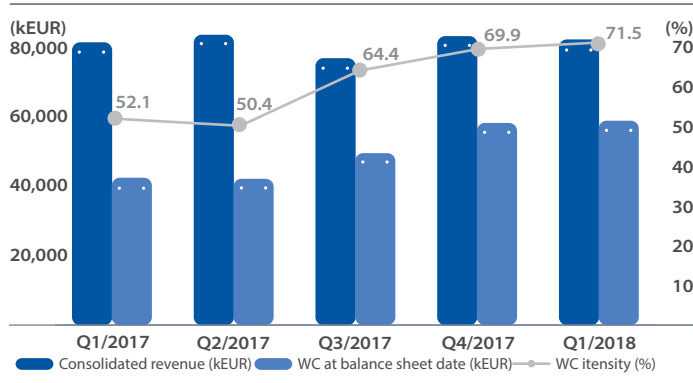
- The net financial result for the first quarter of 2018 of Euro -1.077K is above that for the preceding year (Q1/2017: Euro -121K) primarily due to the long term interest in relation to the Corporate Bond issue.
- Tax revenue of Euro 1,112K for the first Quarter of 2018 is above the level for the previous year (Q1/2017: Euro 230K).
- The Q1/2018 result of Euro -3,124K is above the figure of the previous year (Q1/2017: Euro -3,803K).
- The construction of the new company headquarters was completed on time with the move to the new facility completed in the first week of May.

Working Capital



- In relation to the LTM Group Revenue of Euro 81,527K and working capital of Euro 58,307K capital intensity is 71.5% at balance date.
- As at 31 March 2018 inventories of Euro 29,872K have increased slightly by 8.6% compared to Euro 27,513K as at the balance date of 31.12.2017.
- As at 31.03.2018 the level of trade debtors compared to 31.12.2017 was reduced by 15.7 % to Euro 32,661K (December 2017: Euro 38,741K).
- As at 31.03.2018 the value of sundry assets (financial and non financial) has increased by 49.9% to Euro 3.217K compared to Euro 2,146K as at 31.12.2017 due to increased tax receivables.
- As at the 31.03.2018 trade creditors and sundry accounts payable (financial and non financial) have dropped by 27.6% to Euro 13,182K compared to Euro 18,210K as at 31.12.2017 due to lower provision.

Working Capital-Intensity



Events after the balance sheet date

Upon expiry of the reporting period and until the conceptual completion of this report as at 8 May 2018 no events of special significance have occurred which may have implications on the revenue, financial performance, or financial position of the company.

Forecast

On the basis of the results of the first quarter, Management proceeds on the assumption that the forecast made at the beginning of the year will apply. The positive assessment of the market for metal-based additive manufacturing technology and the economic development of the target regions are believed to remain unchanged. The management of SLM Solutions still anticipates total revenue of Euro 125M for the financial year 2018. Similarly, an EBITDA margin of 12% to 13% (as a percentage of group revenue) adjusted by one-off effects is envisaged.

Consolidated income statement (January 1 to March 31, 2018)

in kEUR	01/01/- 31/03/2018	01/01/- 31/03/2017	01/01/- 31/12/2017
Revenue	14,980	15,947	82,494
Changes in inventories of finished goods and work in progress	2,865	-2,461	-2,279
Other work performed by the company and capitalised	705	280	3,132
Total operating revenue	18,551	13,766	83,346
Cost of materials	-9,563	-5,089	-38,575
Gross profit	8,987	8,677	44,771
Personnel costs	-6,994	-7,348	-26,691
Other operating income	120	170	1,948
Other operating expenses	-3,648	-3,176	-18,094
Profit or loss from equity-accounted companies*	-34	-63	-63
EBITDA	-1,569	-1,741	1,871
Depreciation, amortisation and impairment losses	-1,588	-2,172	-6,887
Earnings before interest and taxes (EBIT)	-3,158	-3,913	-5,015
Other interest income	0	4	14
Interest income from shareholder loans	2	1	5
Interest and similar expenses	-1,079	-126	-1,015
Earnings before taxes (EBT)	-4,235	-4,034	-6,012
Taxes income	1,112	230	2,272
Net profit/loss for the period	-3,124	-3,803	-3,741
Number of shares in millions	18	18	18
Earnings per share (basic) in EUR**	-0.17	-0.21	-0.21
Earnings per share (diluted) in EUR	-0.17	-0.21	-0.21

* Shown first quarter 2017 outside of operating profit or loss.

** Calculated with 17,980,867 shares for ease of comparison (2017: 17,980,867 shares).

Consolidated statement of comprehensive income (January 1 to March 31, 2018)

in kEUR	01/01/- 31/03/2018	01/01/- 31/03/2017	01/01/- 31/12/2017
Consolidated profit/loss for the period	-3,124	-3,803	-3,741
Income/expenses not to be reclassified to profit or loss in the future:			
Actuarial gains and losses	0	0	-33
Income/expenses to be reclassified to profit or loss in the future:			
Income/expenses from currency conversion	-65	-14	-277
Other comprehensive income	-65	-14	-310
Consolidated total comprehensive income	-3,189	-3,817	-4,051
Attribution of total comprehensive income:			
Shareholders of SLM Solutions Group AG	-3,189	-3,817	-4,051

Consolidated balance sheet

in kEUR	31/03/2018	31/03/2017	31/12/2017
Assets			
Cash and cash equivalents	52,573	18,403	63,712
Trade receivables	32,661	17,532	38,741
Other financial assets	22	57	9
Inventories	29,872	29,383	27,513
Current tax receivables	988	182	979
Other current assets and other current financial assets	3,217	3,806	2,146
Total current assets	119,333	69,363	133,101
Intangible assets	21,926	21,371	21,950
Property, plant and equipment	36,825	23,157	32,491
Equity accounted investments	818	91	474
Other investments	258	253	256
Other current assets and ther current financial assets	237	68	105
Total non-current assets	61,212	44,939	55,276
Total assets	180,545	114,301	188,377

in kEUR	31/03/2018	31/03/2017	31/12/2017
Equity and liabilities			
Trade payables and other liabilities	6,660	6,105	10,365
Other financial liabilities	5,684	6,141	5,286
Tax provisions	0	269	0
Provisions	1,539	3,862	2,559
Total current liabilities	13,883	16,377	18,210
Financial liabilities held for trading	70,916	0	70,718
Pension and similar obligations	5,431	5,245	5,294
Deferred tax liabilities	0	1,295	200
Provisions	755	0	821
Total non-current liabilities	77,103	6,540	77,034
Subscribed share capital	17,981	17,981	17,981
Additional paid-in capital	87,023	85,041	87,023
Consolidated loss for the period included in retained earnings	-14,023	-10,962	-10,899
Other reserves	-1,422	-676	-972
Total equity	89,559	91,385	93,133
Total equity and liabilities	180,545	114,301	188,377

Consolidated cash flow statement

in kEUR	01/01/- 31/03/2018	01/01/- 31/03/2017	01/01/- 31/12/2017
Net profit/loss for the period	-3,124	-3,803	-3,741
Depreciation, amortisation and impairment losses	1,589	2,172	6,887
Interest expenses	1,047	12	1,015
Interest income	-2	-5	-19
Taxes on income	-1,112	-230	-2,272
Non-cash expenses	34	-208	305
Change in assets and liabilities			
Inventories	-2,359	1,723	3,594
Receivables	6,080	11,613	-9,684
Pensions and similar obligations	137	133	182
Payables	-4,364	-4,753	-1,047
Provisions	-1,086	-1,189	-91
Other liabilities	-114	-922	-1,489
Other assets and liabilities	-1,151	230	-1,585
Income taxes paid	-232	0	-1,039
Net cash flows from operating activities	-4,657	4,775	-8,984
Cash outflows for investments in intangible assets and property, plant and equipment	-5,304	-6,069	-17,883
Investments in development costs	-705	-280	-3,132
Cash outflows for investments in equity-accounted companies	-378	-34	-417
Cash outflows for investments in financial assets	-23	-1	-5
Interest received	2	5	19
Net cash flows from investing activities	-6,408	-6,380	-21,418
Cash inflows for loans	0	0	16,005
Cash inflows for convertible bond	0	0	58,500
Interest payments	-17	-12	-45
Net cash flows from financing activities	-17	-12	74,460
Net increase / decrease in cash and cash equivalents	-11,082	-1,617	44,058
Change in financing funds due to exchange rates changes	-57	-8	-374
Financing funds at the start of the reporting period	63,712	20,028	20,028
Financing funds at the end of the reporting period	52,523	18,403	63,712
Rental deposit	-30	-31	-31
Financing funds at the end of the period	52,493	18,372	63,682

Consolidated statement of changes in equity

in TEUR	Subscribed share capital	Additional paid-in capital	Retained earnings	Reserves from foreign currencies	Consolidated equity
Balance as of 01/01/2017	17,981	85,041	-7,158	-622	95,202
Consolidated net profit/loss	-	-	-3,803	-	-3,803
Changes in equity from foreign currencies	-	-	-	-14	-14
Balance as of 31/03/2017	17,981	85,041	-10,962	-676	91,385
Balance as of 01/01/2018	17,981	87,023	-10,899	-972	93,133
Consolidated net profit/loss	-	-	-3,124	-	-3,124
Changes in equity from foreign currencies	-	-	-	-65	-65
Changes in equity from adjustments new Standards	-	-	-	-384	-384
Balance as of 31/03/2018	17,981	87,023	-14,023	-1,422	89,559

Segment Reporting

According to IFRS 8 the SLM Solutions Group AG is obligated to include segment reporting as an annex to the consolidated financial statement of the Group.

The structure of the reportable segments has been changed compared to the preceding year. The segments "Machine Business" and "After Sales Business" have been identified as chief operating decision makers for the internal reporting system to the Executive Board and the Supervisory Board. The segment "Machine Business" covers actual sales of machines from the sector Selective Laser Melting and customer specified options such as the powder sieving stations and other accessories. In the segment "After Sales Business" sales of service support, spare parts, commodities including powder, training courses, and machinery installations are taken

into account. In the preceding year, the segments "Machine Sales" and "After Sales" were considered separately. In the former, segment sales of machines including accessories and options on the basis of order placement were recorded whereas in the latter, sales of service activities, spare parts, and commodities not related to the order placement for machines.

Management can thus observe business development in a more accurate and transparent way than in the previous segmentation.

The central control elements are revenue, EBITDA, EBITDA margin, as well as in the preceding years the EBITDA adjusted for one-off expenses and the adjusted EBITDA margin.

31/03/2018			
in kEUR	Machine Business	After Sales Business	Total
Revenue	9,495	5,485	14,980
Deployment of merchandise	-3,949	-2,749	-6,698
Gross profit	5,547	2,736	8,282
Expenses	-6,698	-3,154	-9,851
EBITDA	-1,151	-418	-1,569
Depreciation, amortisation and impairment losses			-1,588
Net interest result			-1,079
Taxes on income			1,112
Consolidated net profit/loss			-3,124

31/03/2017			
in kEUR	Machine Business	After Sales Business	Total
Revenue	12,496	3,451	15,947
Deployment of merchandise	-5,671	-1,879	-7,550
Gross profit	6,826	1,571	8,397
Expenses	-7,370	-2,767	-10,075
EBITDA	-544	-1,196	-1,741
Depreciation, amortisation and impairment losses			-2,172
Net interest result			-121
Taxes on income			230
Consolidated net profit/loss			-3,803

Apart from depreciation, there were no other significant cash effective expenses during the reporting year (in the preceding year Euro 196K in relation to the retention bonus). The revenue of the segments as shown above represent the revenue generated through sales to external customers. There are no significant business activities between the segments.



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The report of the first quarter 2018 is also available in English. In case of differences the German version prevails. The digital version of the Annual Report and the Interim Reports can be downloaded at www.slm-solutions.de in the category "Investor Relations/Reports and Publications".