

Well prepared
Q1 Report 2017

Key share data

Ticker/ISIN	AM3D/ DE000A111338
Number of shares	17,980,867
Closing price (31/03/2017)*	37.25 EUR
Share price performance (LTM as of 31/03/2017)	+67.8 %
TecDAX index performance (LTM as of 31/03/2017)	+23.9 %
STOXX Global 3D Printing index performance (LTM as of 31/03/2017)	+22.7 %
Market capitalisation (31/03/2017)	EUR 669.8 million

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

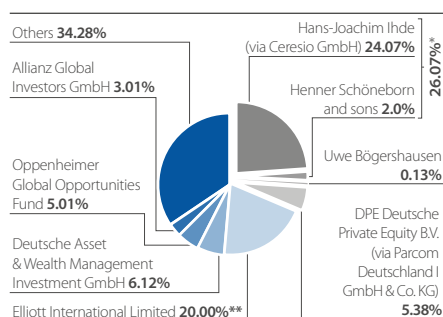
Share price chart



— SLM Solutions — TecDax — STOXX Global 3D Printing Tradable

Shareholder structure

(As of: 25 April 2017, resulting from public voting rights announcements)



*Pooling agreement: joint pursuit of interests pursuant to Section 22 (2) WpHG

**Voting rights are attributed by subsidiary Cornwall GmbH & Co. KG (20.001%)

Events

2 June 2017	Annual General Meeting at the media docks, Lübeck
10 August 2017	Publication of H1 Report 2017
9 November 2017	Publication of 9M Report 2017

Letter from the CEO

Dear shareholders, customers, business partners and colleagues,

The market for additive manufacturing is changing. Following the expiry of General Electric's takeover bid, we are positioning ourselves as an independent company supplying highly productive multi-laser systems to customers embarking on series production. Although the takeover offer generated uncertainty in the short term, it underscored the fact that additive manufacturing is being increasingly accepted and enjoys strategic importance for major industrial companies – a trend from which we will benefit over the short and the long term.

We are relying on the strength of our products and services as well as on the strength of our team. We develop comprehensive solution approaches for additive manufacturing together with our customers. Here, we stand for the sector's highest construction rates and consequently the most cost-efficient production of highly complex series components. We develop our systems into complete solutions that are flexibly customised to our customers' manufacturing requirements. Closed powder cycles meet the highest safety standards, thereby forming a basic prerequisite in sectors such as aviation. We aim to further advance the rapid dissemination of additive manufacturing of high-quality metal components – this is the goal that drives us forward.

All in all, SLM Solutions' growth continued during the first three months of this year. Interest in our products has risen considerably so that the number of potential customers has expanded significantly – a fact also evident in longer-term supply contracts, such as we recently agreed with Divergent 3D, for example. Moreover, our revenue increased during the first three months of the year, and at EUR 16 million was recorded at 15.7 % above the previous year's quarter.

Some customers perceive the changes in the market as not yet being complete. Due to the wait-and-see stance this prompts, expressions of interest cannot be immediately converted into signed orders. For this reason, new order intake during the first quarter in terms of numbers of machines reduced from 25 to 18 machines. Given the high number of interested parties we assume this trend is temporary.

We are of the opinion that we can still achieve the targets for the year we recently announced. As in previous years, however, reaching these targets depends particularly on the course of the fourth quarter, when the important sector trade fair – formnext – will be held in Frankfurt.

On the Management Board's behalf, I would like to thank all of you whose trust and confidence support the further development of our company in a sustained manner over the long term.

Lübeck, 10 May, 2017



Uwe Bögershausen
Member of the Managing Board

Highlights

	Unit	Q1 / 2017	Q1 / 2016	Change
Revenue	TEUR	15,947	13,789	15.7%
Total operating revenue	TEUR	13,766	17,638	-22.0%
Adjusted EBITDA*	TEUR	-1,599	-762	
Adjusted EBITDA margin (as % of revenue)*	%	-10.0	-5.5	
Consolidated net profit/loss for the period	TEUR	-3,803	-1,980	
Earnings per share (undiluted)	EUR	-0.21	-0.11	
Total assets	TEUR	114,301	117,441	-2.7
Equity ratio	%	80.0	82.5	
New order Intake	Number of machines	18	25	
New Order Intake	TEUR	11,264	14,636	

* Adjusted in Q1/2017 for retention bonus of TEUR 78
(Q1/2016: TEUR 196)

Business trends

During the first quarter of the 2017 fiscal year, SLM Solutions won orders for 18 machines, compared with 25 machines in the previous-year period, representing a reduction of 28 %.

The value of the new order intake amounted to TEUR 11,264 in the first quarter of 2017, compared with TEUR 14,636 in the previous year's period, reflecting a 23 % decrease. Accordingly, the average order value rose compared with the previous year's quarter.

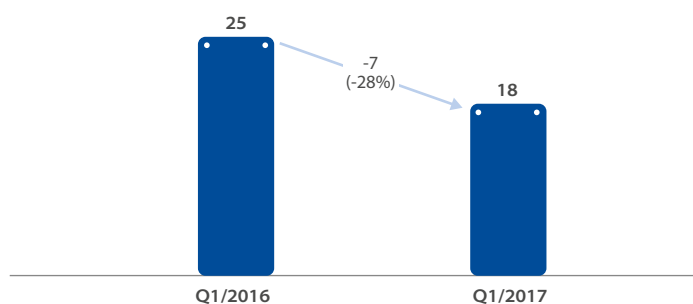
The machines ordered included 7 multi-laser machines (Q1/2016: 16 machines)

On March 31, 2017, the order book position comprised 18 machines worth TEUR 13,667, compared with 24 machines worth TEUR 15,559 in the prior-year period.

The revenue of TEUR 15,947 reported for the first three months of the 2017 fiscal year was generated by the segments "Machine Sales" (sale of machines and accessories) and "After Sales" (service revenue, replacement parts sales and merchandise revenue). The "Machine Sales" segment accounted for TEUR 14,230 (previous year: TEUR 11,795), and consequently 89.2%, of total Group revenue (previous year: 85.5%). The "After Sales" area generated TEUR 1,717 of revenue (previous year: TEUR 1,994), amounting to 10.8% of the total (previous year: 14.5%).

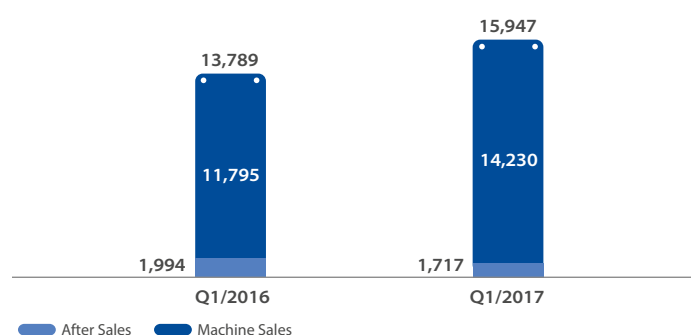
Order intake Q1 / 2017

(Number of Machines)



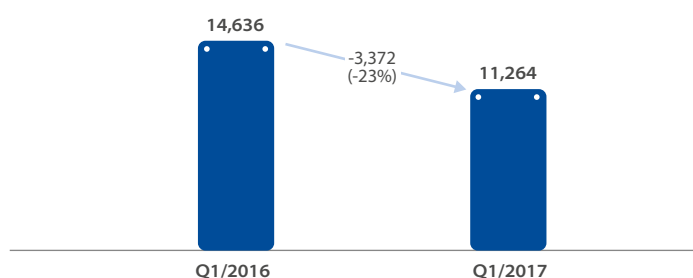
Consolidated revenue (segments) Q1 / 2017

(TEUR)



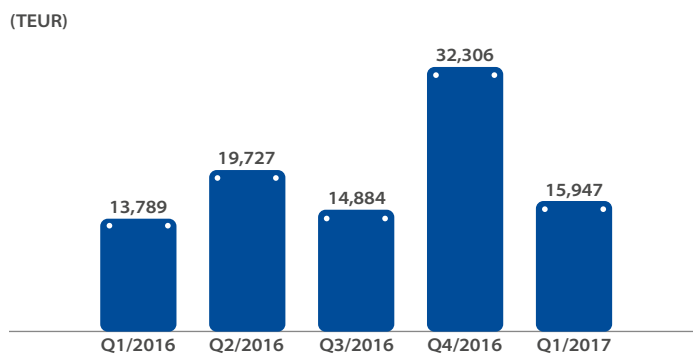
Order Value Q1 / 2017

(TEUR)



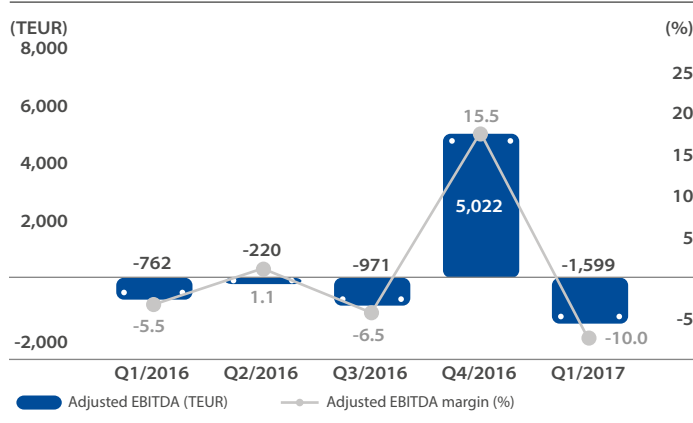
Economic and business report

Development consolidated revenue



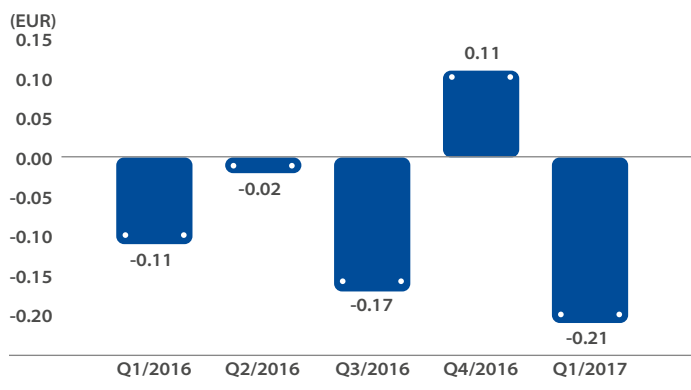
- In the first quarter of 2017, consolidated revenue of TEUR 15,947 was up 15.7% year-on-year (Q1/2016: TEUR 13,789).
- Total operating revenue during the first quarter of 2017 of TEUR 13,766 was down 22.0% year-on-year due to stock reduction (Q1/2016: TEUR 17,638). Stock was accumulated in the previous year's quarter.
- As revenue fluctuates seasonally, the management is of the view that a rolling analysis of a full-year period is more meaningful: cumulative revenue for the last twelve months as of the 31 March 2017 reporting date (LTM) amounts to TEUR 82,864, slightly above the level for the 2016 fiscal year elapsed (TEUR 80,707).

Adjusted EBITDA and EBITDA margin



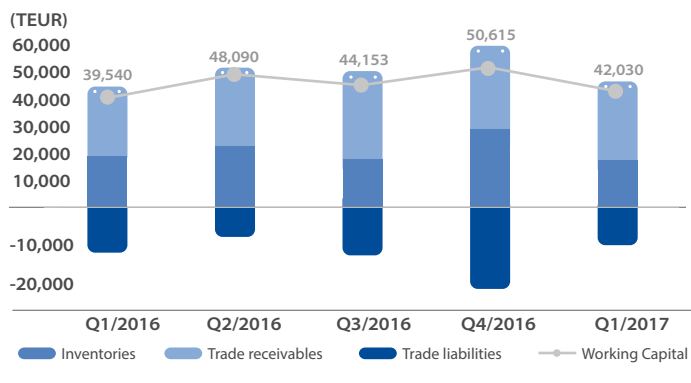
- For the first quarter of 2017, EBITDA and personnel costs were adjusted by TEUR 78 of one-off expenses incurred in connection with the employee loyalty program (Retention Bonus) (Q1/2016: TEUR 196).
- The adjusted personnel cost ratio (in relation to total operating revenue) rose to 52.8 % during the first quarter of 2017 due to the higher number of employees and reduction in total operating revenue (Q1/2016: 29.5 %).
- The cost of materials ratio (in relation to total operating revenue) of 37.0% in the first quarter of 2017 was down on the previous year's level due to the sale of warehoused machines and less preproduction (Q1/2016: 55.2 %).
- Adjusted EBITDA in relation to the last twelve months as of the reporting date (LTM) stands at TEUR 2,232, equivalent to 2.7 % of LTM consolidated revenue of TEUR 82,864.

Earnings per share (basic)



- The net financial result of TEUR -184 in the first quarter 2017 was down on the previous year's level mainly due to the attribution of the results of the interests held in SLM Solutions Software GmbH and 3 D Metal Powder GmbH (Q1/2016: TEUR -131).
- The tax income of TEUR 230 for the first quarter 2017 is at the previous year's level (Q1/2016: TEUR 212).
- The net result for the first quarter 2017 of TEUR -3,803 lies below the prior year's level (Q1/2016: TEUR -1,980). The reduction in total operating revenue and increase in personnel costs during the reporting period are the main reasons for this change.
- The new development of the company headquarter is progressing as planned with a secured financing.

Working Capital



- With working capital of TEUR 42,030 as of the balance sheet date and LTM consolidated revenue of TEUR 82,864, working capital intensity improved to 50.7%. Receivables, in particular, were reduced during the first quarter of 2017.

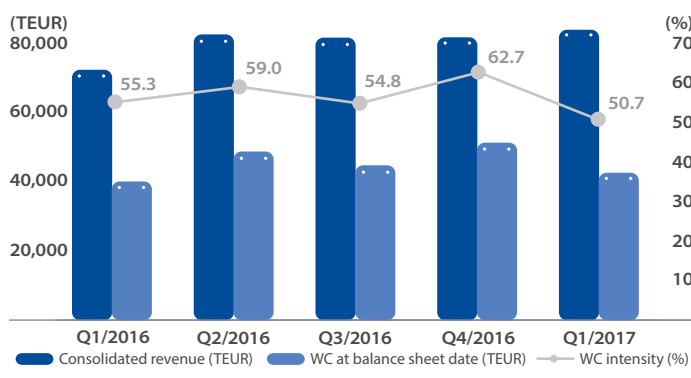
- As of the 31 March 2017 reporting date, inventories decreased by 5.5% to compared with the 31 December 2016 balance sheet date to TEUR 29,383 (31 December 2016: TEUR 31,107).

- The trade receivables position as of the 31 March 2017 reporting date has reduced by 39.9% compared with 31 December 2016 to TEUR 17,523 (31 December 2016: TEUR 29,145).

- The other assets position (financial and non-financial) as of the 31 March 2017 reporting date has risen by 49.7% compared with 31 December 2016 to TEUR 3,863 (31 December 2016: TEUR 2,581). The reasons for this are increased VAT tax receivables and deferred charges.

- As of the 31 March 2017 reporting date, trade payables and other payables (financial and non-financial) reduced by 21.4% compared with 31 December 2016 to TEUR 16,377 (31 December 2016: TEUR 20,839). The reasons for this are decreased trade payables.

Working Capital-Intensity



Events after the balance sheet date

Between the end of the reporting period and the date when the contents of this report were prepared on 10 May 2017, no events of particular significance occurred that could have effects on the financial position and performance.

Forecast

Based on the first quarter results, the management assumes that the forecast that it provided at the start of the year continues to be valid. In the management's view, the estimates relating to the market for metal-based additive manufacturing technology and the target regions' economic trends remain unchanged. SLM Solutions' management continues to expect revenue in a range between TEUR 110,000 and TEUR 120,000 for the 2017 fiscal year. Equally, management anticipates an EBITDA margin of 10 to 13% (in relation to consolidated revenue), after adjusting for one-off effects.

Consolidated income statement (1 January to 31 March 2017)

in TEUR	01/01/- 31/03/2017	01/01/- 31/03/2016	01/01/- 31/12/2016
Revenue	15,947	13,789	80,707
Increase in inventories of finished goods and work in progress	-2,461	3,148	6,309
Other work performed by the company and capitalised	280	701	3,460
Total operating revenue	13,766	17,638	90,476
Cost of materials	-5,089	-9,730	-49,246
Gross profit	8,677	7,909	41,230
Personnel costs	-7,348	-5,403	-23,793
Other operating income	170	319	1,539
Other operating expenses	-3,176	-3,783	-16,936
EBITDA	-1,677	-958	2,040
Depreciation, amortisation and impairment losses	-2,172	-1,103	-5,190
Operating profit or loss (EBIT)	-3,849	-2,061	-3,150
Other interest income	4	6	12
Interest income from shareholder loans	1	0	1
Interest and similar expenses	-126	-120	-194
Profit or loss from equity accounted companies	-63	-17	-481
Earnings before tax (EBT)	-4,034	-2,192	-3,812
Income taxes	230	212	364
Other taxes	0	0	-36
Consolidated net profit/loss for the period	-3,803	-1,980	-3,483
Number of shares in millions	18.0	18.0	18.0
Earnings per share, basic (undiluted), in EUR*	-0.21	-0.11	-0.19
Earnings per share, diluted, in EUR*	-0.21	-0.11	-0.19

* Calculated with 17,980,867 shares for ease of comparison (2016: 17,980,867 shares)

Consolidated statement of comprehensive income (1 January to 31 March 2017)

in TEUR	01/01/- 31/03/2017	01/01/- 31/03/2016	01/01/- 31/12/2016
Consolidated net profit/loss	-3,803	-1,980	-3,483
Items not to be reclassified to profit or loss:			
Actuarial gains and losses	0	0	-392
Income/expenses to be recycled to the income statement in the future:			
Income/expenses from currency translation	-14	-102	73
Other comprehensive income	-14	-102	-319
Consolidated total comprehensive income	-3,817	-2,082	-3,803
Attribution of total comprehensive income:			
Shareholders of SLM Solutions Group AG	-3,817	-2,082	-3,803

Consolidated balance sheet

in TEUR	31/03/2017	31/03/2016	31/12/2016
Assets			
Cash and cash equivalents	18,403	33,651	20,028
Trade receivables	17,532	19,052	29,145
Other financial assets	57	0	92
Inventories	29,383	25,951	31,107
Current tax receivables	182	96	182
Other assets	3,806	2,694	2,489
Total current assets	69,363	81,443	83,043
Intangible assets	21,371	21,665	22,005
Property, plant and equipment	23,157	14,266	18,360
Equity accounted investments	91	31	120
Other investments	253	0	251
Other assets	68	37	53
Total non-current assets	44,939	35,999	40,789
Total assets	114,301	117,441	123,833

in TEUR	31/03/2017	31/03/2016	31/12/2016
Equity and liabilities			
Trade and other payables	9,891	5,913	12,004
Other financial liabilities	6,141	3,245	6,071
Tax Provisions	269	0	269
Provisions	76	4,453	2,494
Total current liabilities	16,377	13,612	20,839
Pension and similar obligations	5,245	4,508	5,112
Deferred tax liabilities	1,295	2,249	1,566
Provisions	0	150	1,114
Total non-current liabilities	6,540	6,907	7,793
Subscribed share capital	17,981	17,981	17,981
Additional paid-in capital	85,041	85,041	85,041
Retained earnings	-10,962	-5,655	-7,158
Other reserves	-676	-444	-662
Total equity	91,385	96,922	95,202
Total equity and liabilities	114,301	117,441	123,833

Consolidated statement of cash flows

in TEUR	01/01/- 31/03/2017	01/01/- 31/03/2016	01/01/- 31/12/2016
Consolidated net profit/loss for the period	-3,803	-1,980	-3,483
Depreciation, amortisation and impairment losses	2,172	1,103	5,190
Interest expenses	12	114	194
Interest income	-5	0	-13
Income taxes	-230	0	-364
Non-cash expenses	-208	-212	1,422
Change in assets and liabilities			
Inventories	1,723	-4,288	-9,443
Receivables	11,613	7,290	-2,804
Pension and similar obligations	133	133	-48
Liabilities	-4,753	-2,026	2,149
Provisions	-1,189	1,533	-1,966
Other liabilities	-922	0	-3,162
Other assets and liabilities	230	-10,503	4,063
Income taxes paid	0	0	-91
Net cash provided by (used in) operating activities	4,775	-8,836	-6,283
Purchases of property, plant and equipment and intangible assets	-6,069	-1,661	-14,398
Investments in development costs	-280	-701	-3,460
Cash inflows/outflows for investments in equity accounted companies	-34	-31	-601
Cash outflows for investments in financial assets	-1	0	-251
Interest received	5	0	13
Cash inflows from financial assets as part of short-term financial management	0	5,002*	5,002*
Net cash provided by (used in) investing activities	-6,380	2,609	-13,696
Interest paid	-12	0	-33
Net cash provided by (used in) financing activities	-12	0	-33
Net increase (decrease) in cash and cash equivalents	-1,617	-6,229	-20,012
Currency-related change in cash and cash equivalents	-8	-41	120
Financing funds at start of reporting period	20,028	39,920	39,920
Financing funds at end of reporting period	18,403	33,651	20,028
Rent deposit	-31	-32	-31
Cash and cash equivalents at end of reporting period	18,372	33,619	19,997

* Cash inflow for the fixed-term deposit as cash flow from investing activities.

Consolidated statement of changes in equity

in TEUR	Subscribed share capital	Additional paid-in capital	Retained earnings	Other reserves	Consolidated equity
Balance as of 01/01/2016	17,981	85,041	-3,675	-343	99,004
Consolidated net profit/loss	-	-	-1,980	-102	-2,082
Balance as of 31/03/2016	17,981	85,041	-5,655	-444	96,922
Balance as of 01/01/2017	17,981	85,041	-7,159	-662	95,201
Consolidated net profit/loss	-	-	-3,803	-	-3,803
Exchange rate effects	-	-	-	-14	-14
Actuarial gains/losses	-	-	-	-	-
Other changes in equity	-	-	-	-	-
Balance as of 31/03/2017	17,981	85,041	-10,962	-676	91,385

Segment Reporting

Pursuant to IFRS 8, SLM Solutions Group AG is required to include segment reporting in the notes to its consolidated financial statements.

The composition of reportable segments has not changed compared with the previous year. The "Machine Sales" and "After Sales" operating segments were identified as the main decision-makers for internal

reporting to the Management and Supervisory boards. The "Machine Sales" segment comprises purely machine sales deriving from the selective laser melting area, along with accessories, on the basis of new order intake. The "After Sales" segment consists of service revenues, spare parts sales and merchandise sales. The central steering elements are revenue, EBITDA, the EBITDA margin, adjusted EBITDA and the adjusted EBITDA margin.

31/03/2017			
in TEUR	Machine Sales	After Sales	Total
Revenue	14,230	1,717	15,947
Deployment of merchandise	-6,984	-1,869	-8,853
Gross profit	7,246	-152	7,093
Expenses	-6,283	-2,410	-8,692
Adjusted EBITDA	963	-2,562	-1,599
Depreciation, amortisation and impairment losses			-2,172
Net interest result			-184
Income taxes			230
Adjusted costs			-78
Consolidated net profit / loss for the period			-3,803

31/03/2016			
in TEUR	Machine Sales	After Sales	Total
Revenue	11,795	1,994	13,789
Deployment of merchandise	-5,992	-1,851	-7,843
Gross profit	5,803	143	5,946
Expenses	-5,802	-905	-6,707
Adjusted EBITDA	-1	-761	-762
Depreciation, amortisation and impairment losses			-1,103
Net interest result			-131
Income taxes			212
Adjusted costs			-196
Consolidated net profit / loss for the period			-1,980

Along with depreciation, amortisation and impairment losses, significant expenses of TEUR 78 were incurred in the year under review in connection with the Retention Bonus (previous year: TEUR 196). The above-presented segment revenue relates to revenue generated from business with external customers. No significant transactions occurred between the segments.



Uwe Bögershausen
SLM Solutions Group AG



Henner Schöneborn

Imprint

Publisher

SLM Solutions Group AG

Roggenhorster Straße 9c
23556 Lübeck
Germany

Tel.: +49 (451) 16082 – 0
Fax: +49 (451) 16082 – 250

E-Mail: info@slm-solutions.com
www.slm-solutions.com

IR-Contact

SLM Solutions Group AG

Dennis Schäfer
Roggenhorster Straße 9c
23556 Lübeck
Germany

Tel.: +49 (451) 16082 – 1307

E-Mail: Dennis.Schaefer@slm-solutions.com
www.slm-solutions.com

Layout, Editor & Design

SLM Solutions Group AG

The report of the third quarter 2016 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".