

SLM Solutions – a leader in metal based 3D printing



Investors presentation on the H1 Figures 2014

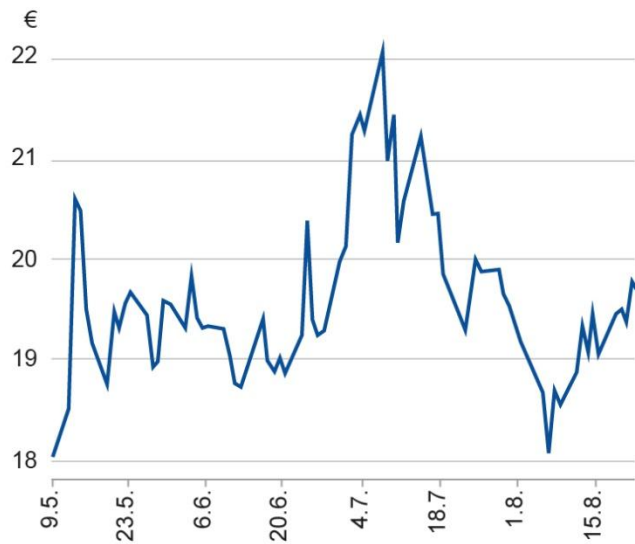
Metal based 3D printing is for industrial applications – direct part manufacturing



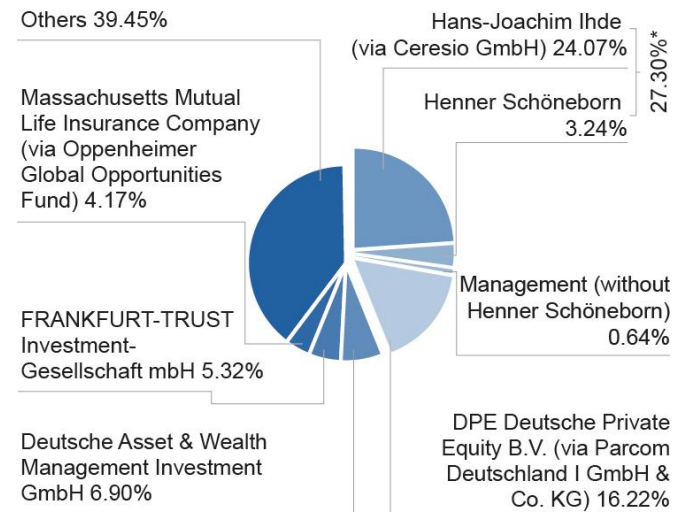
Selective Laser Melting (SLM) is a disruptive technology with significant potential to drive the evolution of manufacturing processes

Solid share price development – stable shareholder structure

Share price development: +9 % (as of August 22, 2014)



Post-IPO shareholder structure (as of August 22, 2014)

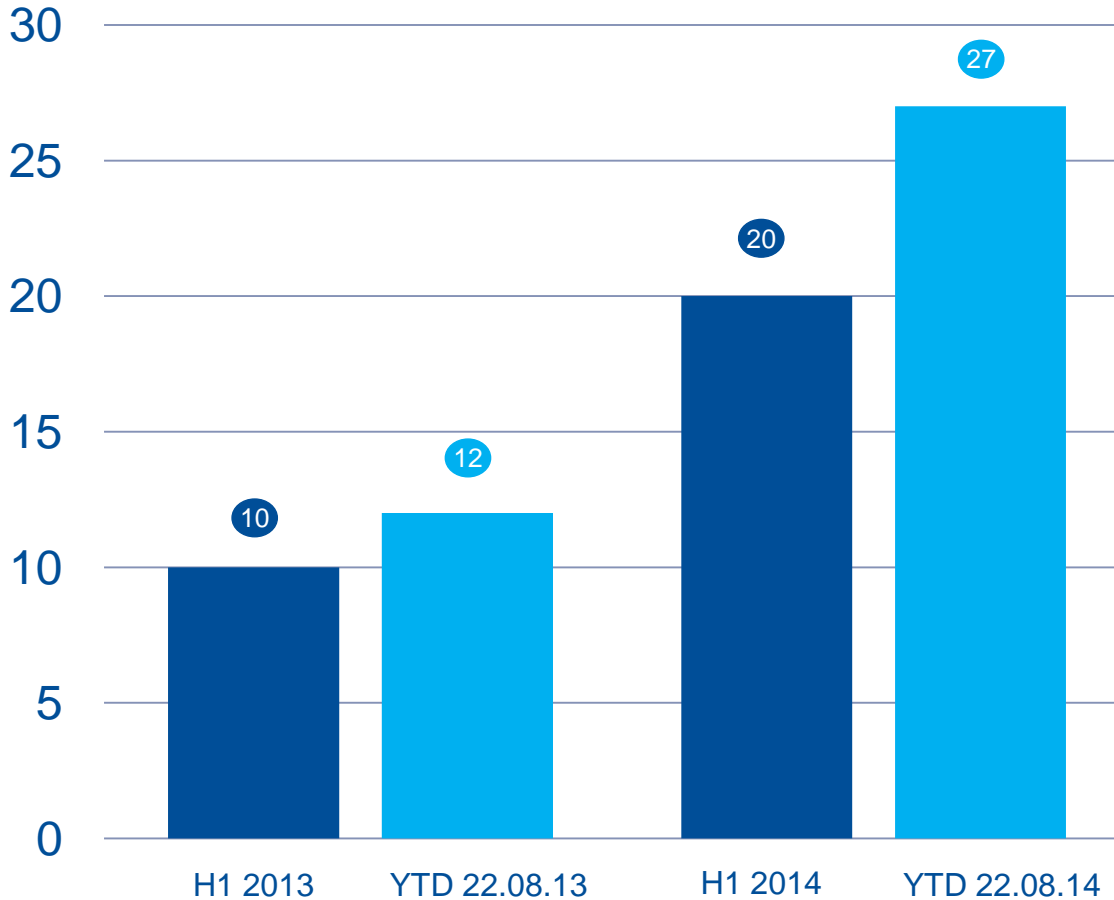


*Pooling agreement: joint pursuit of interest pursuant to Section 22 (2) WpHG

Order intake more than doubled

Order intake

of machines



Source: Company information

Comments

- High order entry supports growth plans for 2014
- Given the trend during the year to date, new order intake in 2014 fiscal year should amount to between 40 and 50 machines
- Better indication for operating growth than quarterly revenues

Clear growth strategy focused on three initiatives

1

Strengthening of sales force and services network

- Develop a global platform with local presence
- New hires USA: 1 Marketing Expert, 2 Sales Reps, 2 Technicians (Customer Support)
- New hires Singapore: 3 Research Engineers, 1 Field Service Engineer, 1 Application Engineer
- Sales office in Singapore established

2

Develop consumables business

- Develop metal powder business by adding manufacturing capabilities through acquisitions or partnerships

3

Continued focus on R&D

- Increase efficiency
- Improve robustness and reliability
- Reduce total operating risk for customers
- Collaboration agreement with University of Singapore (NTU) signed

Highlights (1/2)

	Unit	H1 2013	H1 2014	Change in % or %points
Revenue	TEUR	8,558	10,830	+26.5
Total output	TEUR	8,924	13,504	+51.3
Cost of materials	TEUR	4,796	7,784	+62.3
Cost of materials ratio (as % of total output)	%	53.7	57.6	+3.9
Personnel costs	TEUR	2,137	3,415*	+59.8
Personnel costs ratio (as % of total output)	%	23.9	25.3*	+1.4
Adjusted EBITDA	TEUR	186	98	-47.3
Adjusted EBITDA margin (as % of revenue)	%	2.2	0.9	-1.3
Consolidated net result	TEUR	-829	-7,244	
Earnings per share	EUR	-0.05	-0.40	
New order intake	No. of machines	10	20	+100.0
Machines sold	No. of machines	11	15	+36.4

Comments

- In the company's core segment, the SLM segment (SLM = Selective Laser Melting), revenue increased by 46.9 %. Falling revenue in Rapid Prototyping segment, as planned.
- Cost of materials ratio (expressed as a percentage of total output) increased to 57.6% mainly due to:
 - expensed development costs
 - inventory-taking on June 30 instead of Dec. 31
- Personnel cost ratio adjusted for IPO bonus of TEUR 5,650 increased to 25.3% (H1 2013: 23.9%) Higher number of employees of 106 as of June 30, 2014 (June 30, 2013: 74) is also reflected.
- Adjusted EBITDA takes into account IPO bonus expenses as well as one-off expenses for the IPO (preliminary, auditing and consulting costs, as well as bank fees and insurance charges) of TEUR 2,800 and Investor Relations costs of TEUR 43
- New order intake doubled to 20 machines in H1 2014 (H1/2013: 10 machines)

Highlights (2/2)

	Unit	H1 2013	H1 2014	Change in % or % points
Non-current assets	TEUR	21,026	20,945	-0.4
Current assets	TEUR	14,569	86,863	+496.2
Equity ratio	%	41.3	88.6	+47.3
Total assets	TEUR	35,595	107,808	+202.9

Comments

- Non-current assets consist mainly of intangible assets of TEUR 18,747 (December 31, 2013: TEUR 18,971), which are due to the purchase price allocation in connection with the acquisition of SLM Solutions GmbH, Luebeck
- Current assets multiplied to TEUR 86,863 (December 31, 2013: TEUR 14,569), particularly attributable to strong growth in liquid assets as a consequence of the IPO. Due to good order book position, inventories and trade receivables grew, too.
- Marked increase in the equity ratio chiefly due to the payments received from the IPO capital increase of TEUR 72,366, most of which was transferred to additional paid-in capital.
- Given the successful IPO and the continued corporate growth, the total assets of SLM Solutions grew significantly to TEUR 107,808 (December 31, 2013: 35,595)

Seasonality of business – Quarterly distribution of machine sales

Quarterly shipment of machines and equivalent value

Number of
machines
shipped

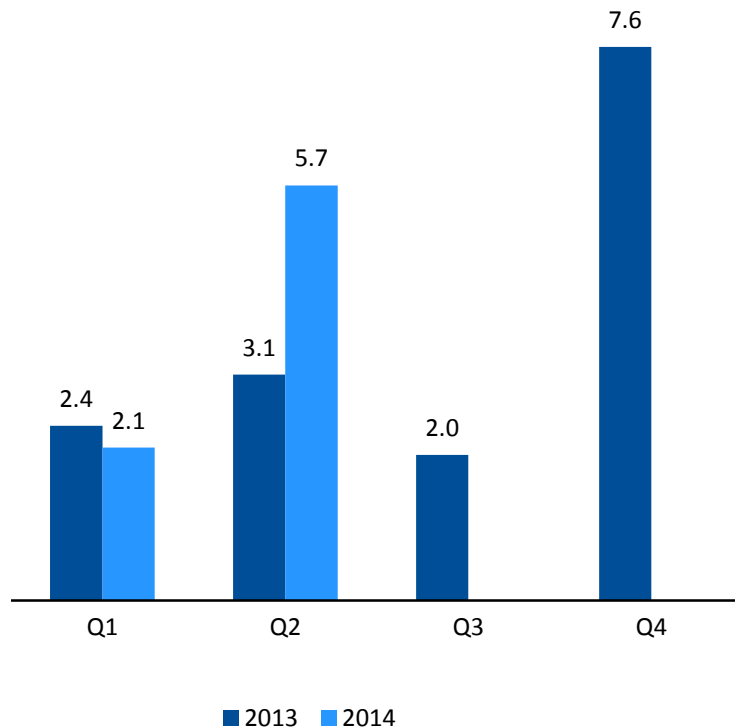
5 5

6 10

5

12

€m



Comments

- SLM Solutions' business is subject to seasonal fluctuations that are typical of its sector
- The first quarter is traditionally the weakest quarter of the year. A significant proportion of order intake is frequently generated in the fourth quarter of the year.
- Strong order intake as of August 22, 2014 indicates higher revenue for total FY 2014 – 27 vs. 12 machines

Note: Numbers represent only machine numbers and equivalent shipping value and can therefore differ from quarterly reporting going forward. This information is derived from internal accounting records for the years 2013 and 2014. The numbers are not audited and are derived solely from our internal accounting records. Deviations from numbers published for the first, second, third or fourth quarter in 2013 are possible due to different methods used for accruals. Historical seasonality is no guaranty of similar seasonal patterns in the future. Investors should not rely on our past results as an indication of our future performance

Source: Company information derived from internal reporting for the years 2013 and 2014; numbers are unaudited; revenue recognition based on shipment date

Investment Highlights



- 1 Deep rooted 3D printing heritage
- 2 German engineering with a global reach
- 3 Enormous addressable market
- 4 Technological leadership position
- 5 Expanding blue chip customer base
- 6 Profitable growth
- 7 Clear growth strategy

Q&A Session

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