

# SLM Solutions – a leader in metal based 3D printing



Investor presentation on the annual report 2014

# In a nutshell: very strong FY 2014 and positive momentum



**Strong order intake: +138% in units achieved**

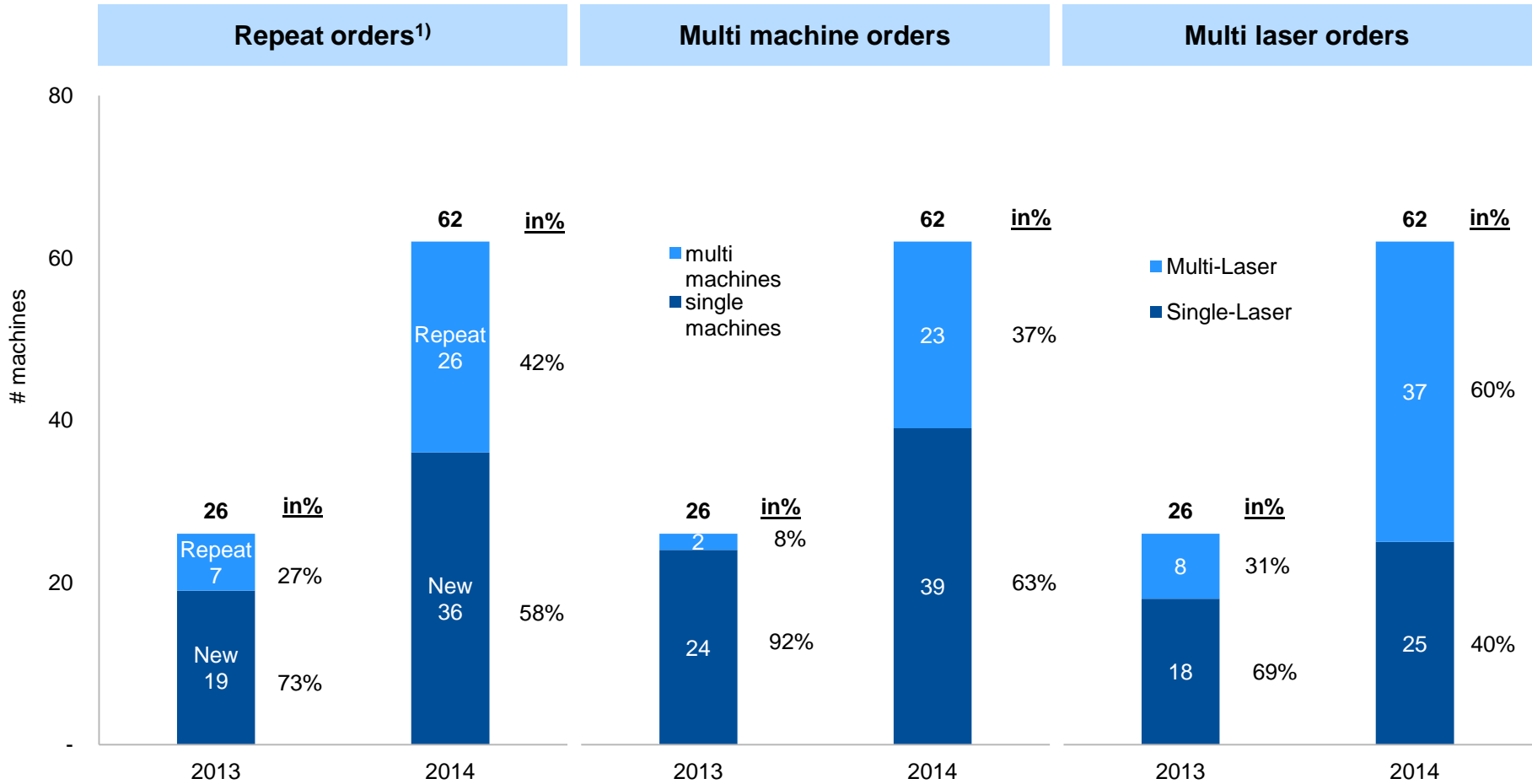
**Revenue growth: +56% group; +79% SLM segment**

**Better than expected EBITDA margin: 13.4%**

**Q1 2015: Order intake +143% in # machines**

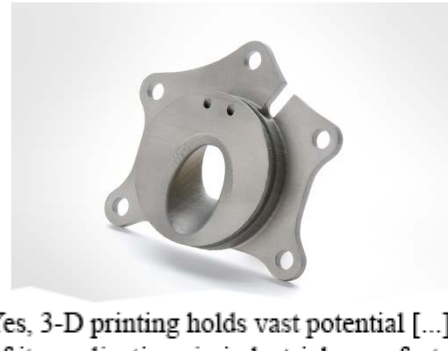
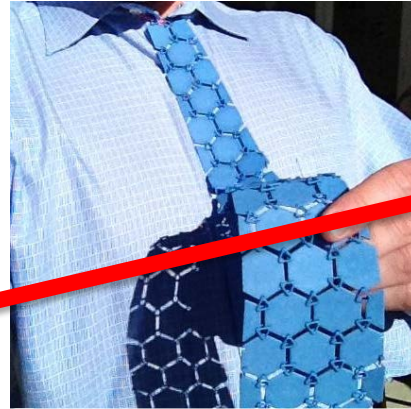
**Q1 2015: Order intake +301% in machine value**

# Beneficial order structure drives revenues



1) Based on orders since 2009 (SLM-HL machines)

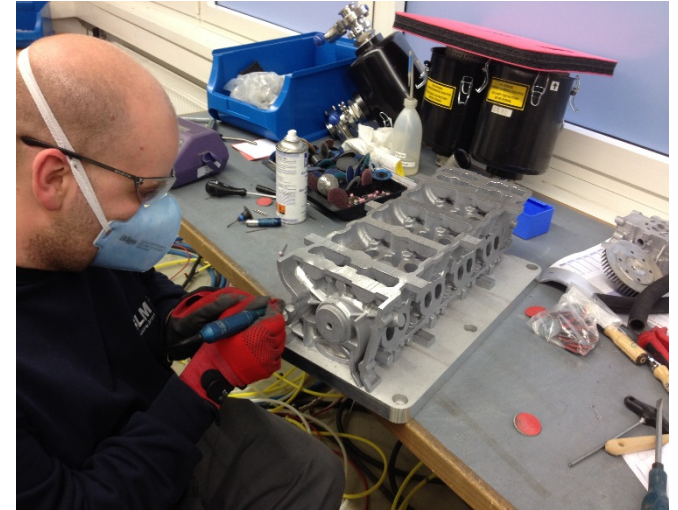
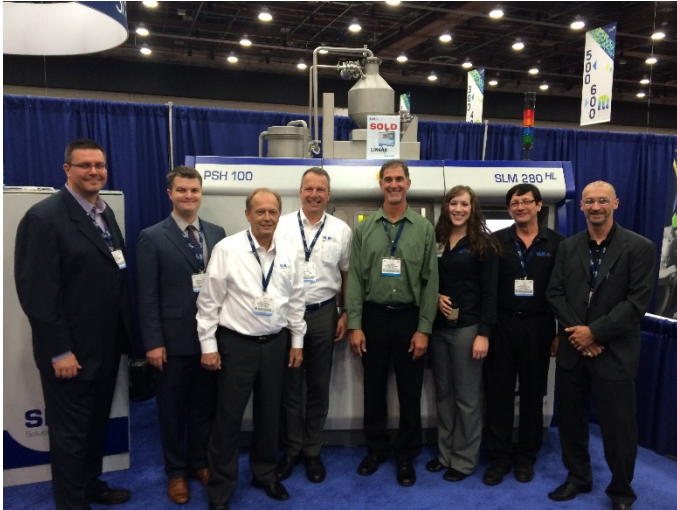
# Direct part manufacturing: metal based 3D printing is for industrial applications



“Yes, 3-D printing holds vast potential [...] that’s because of its applications in industrial manufacturing.” **BARRON’S**



# SLM Solutions – a well-experienced player



# Highlights FY 2014 (1/2)

	Unit	FY 2013	FY 2014	Change in % or % points
Revenue	TEUR	21,575	33,559	+55.5
Total output	TEUR	22,352	39,257	+75.6
Cost of materials	TEUR	11,438	21,040	+83.9
Cost of materials ratio (as % of total output)	%	51.2	53.6	+2.4
Personnel costs	TEUR	4,705	7,623*	+62.0
Personnel costs ratio (as % of total output)	%	21.1	19.4*	-1.7
Adjusted EBITDA	TEUR	2,491	4,490	+80.2
Adjusted EBITDA margin (as % of revenue)	%	11.5	13.4	+1.9
Consolidated net result	TEUR	-430	-5,099	
Earnings per share	EUR		-0.30	
New order intake	No. of machines	26	62	+138.5
Machines sold	No. of machines	28	49	+75.0

\* adjusted for one-off expenses of TEUR 5,650 (IPO bonus) + Retention Bonus TEUR 1,055

## Comments

- In the company's core segment, the SLM segment (SLM = Selective Laser Melting), revenue increased by 79 % in 2014 compared to 2013. Revenue contribution of RP segment further diminished
- Cost of materials ratio (expressed as a percentage of total output) increased to 53.6% mainly due to inventory build-up
- Personnel cost ratio adjusted for IPO bonus of TEUR 5,650 and retention bonus of TEUR 1,055 decreased to 19.4% (2013: 21.1%). Higher number of employees of 146 as of December 31, 2014 (December 31, 2013: 79)
- Adjusted EBITDA 2014 takes into account one-off expenses for the IPO, the IPO bonus and the retention bonus reported among personnel expenses
- New order intake more than doubled to 62 machines in 2014 (2013: 26 machines)

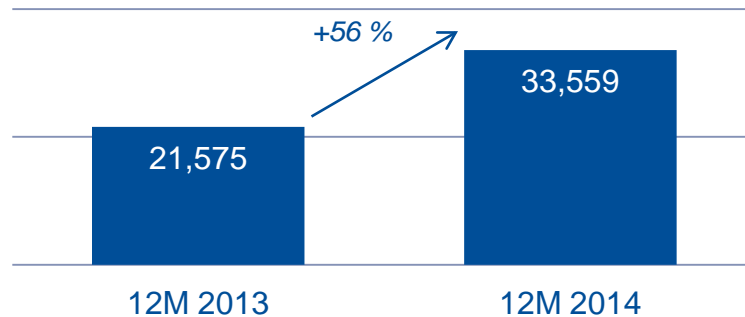
# Highlights FY 2014 (2/2)

	Unit	FY 2013	FY 2014	Change in % or %points
Non-current assets	TEUR	21,026	22,456	+6.8
Current assets	TEUR	14,569	89,719	+515.8
Equity ratio	%	41.3	86.5	+45.2
Total assets	TEUR	35,595	112,175	+215.2

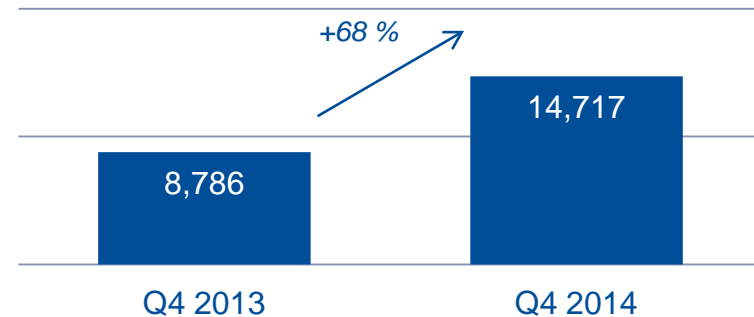
- Non-current assets consist mainly of intangible assets of TEUR 19,892 (December 31, 2013: TEUR 18,971), which are due to the purchase price allocation in connection with the acquisition of SLM Solutions GmbH, Luebeck
- Current assets multiplied to TEUR 89,719 (December 31, 2013: TEUR 14,569), particularly 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 112,175 (December 31, 2013: 35,595)

# Convincing growth story delivered

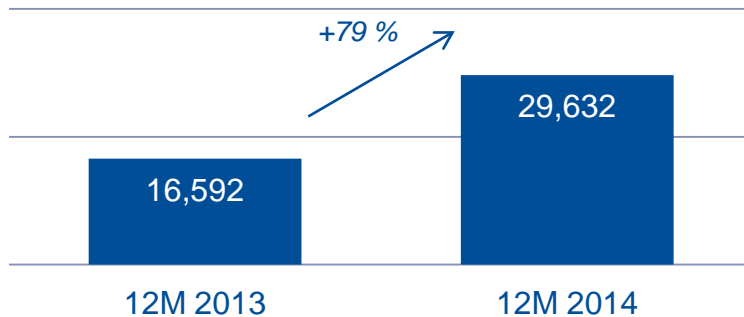
## Group revenues 12M (in TEUR)



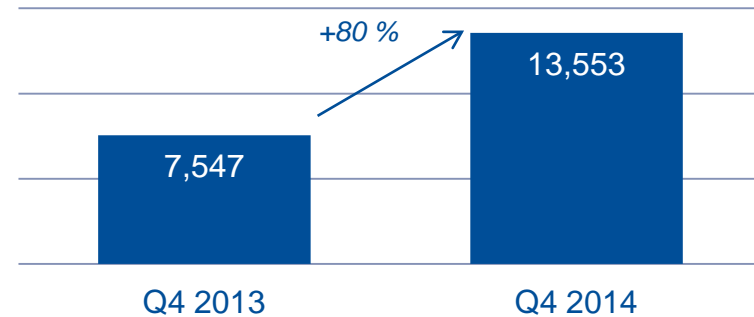
## Group revenues Q4 (in TEUR)



## Core SLM segment revenues 12M (in TEUR)



## Core SLM segment revenues Q4



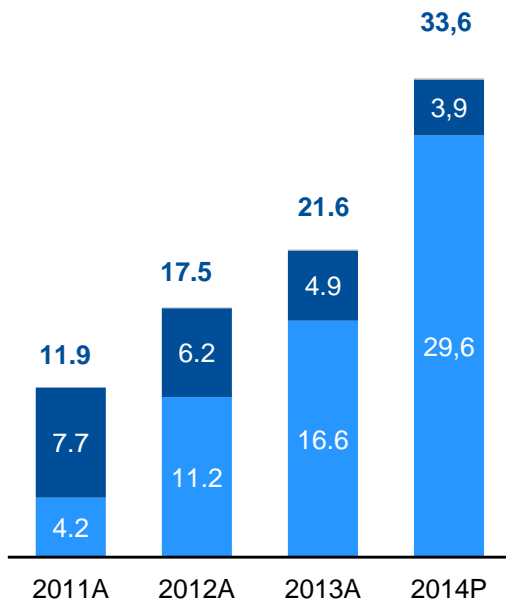
- Growth rate on a group level burdened by RP segment
- With immediate effect RP segment is focused on profitable consumables business



# Strong revenue, adjusted EBITDA and margin growth achieved

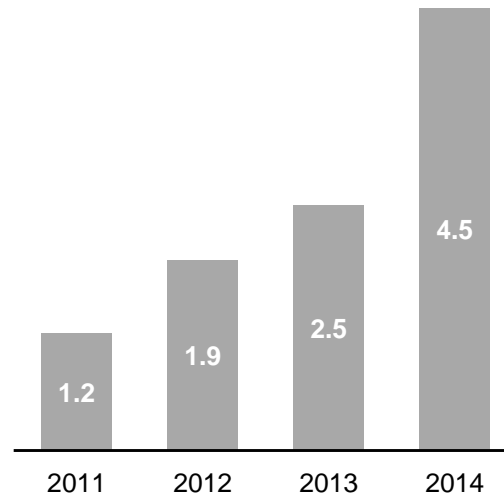
## Revenue

in €m



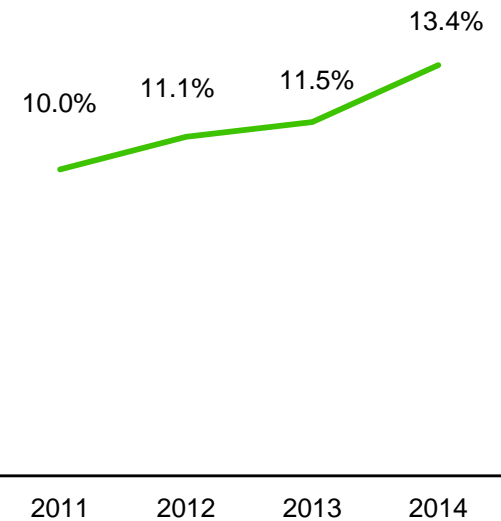
## Adjusted EBITDA<sup>(a)</sup>

in €m



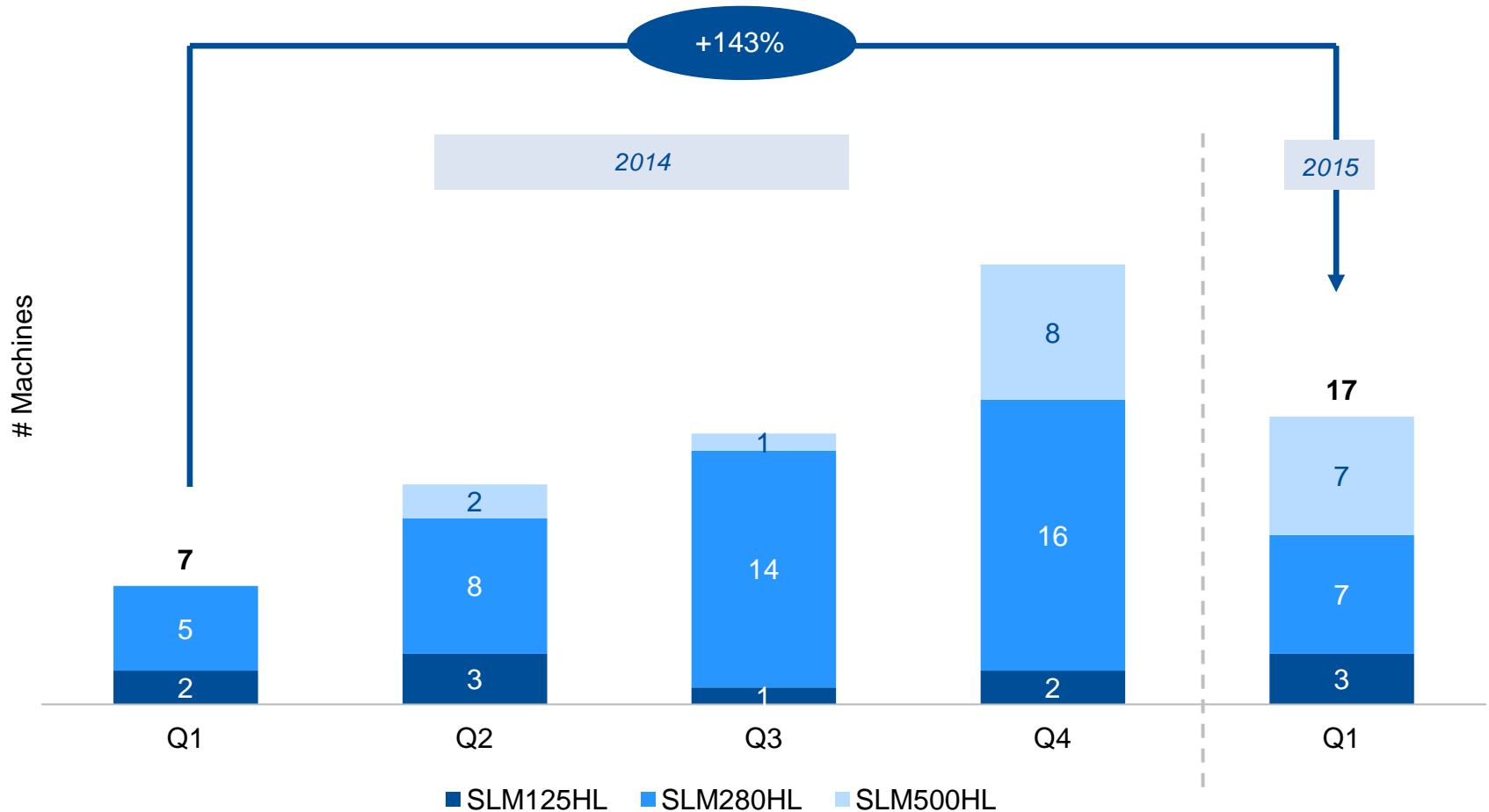
## Adj. EBITDA<sup>(a)</sup> (% of revenue)

in %

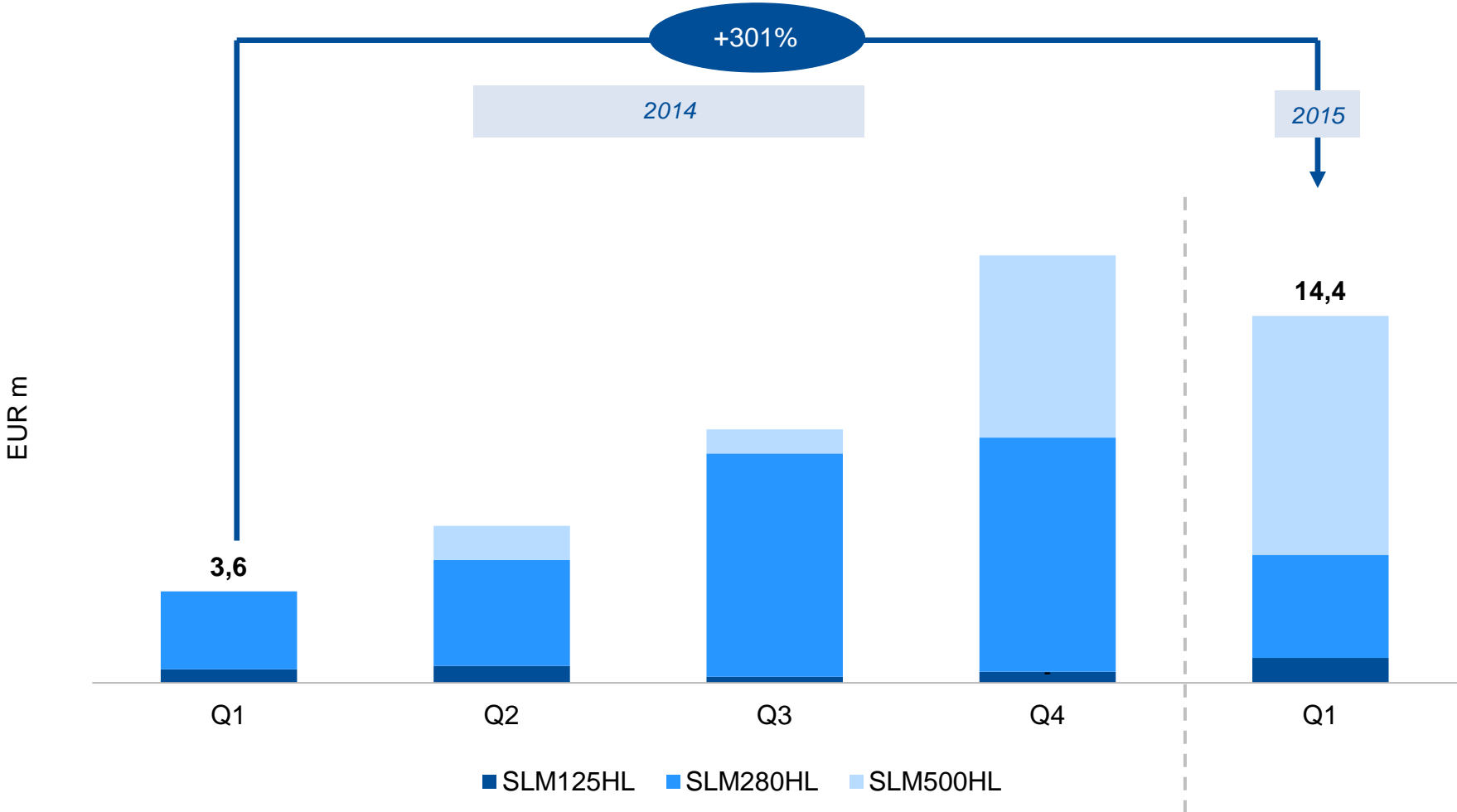


■ SLM segment ■ RP segment ■ Other / consolidation

# Strong order intake in 2014 is even accelerating in 2015...



# ...and is more valuable due to beneficial product mix!



# Further growth expected for 2015

**In 2014, expectations met, and even exceeded**

**Notable order book position and a beneficial product mix**

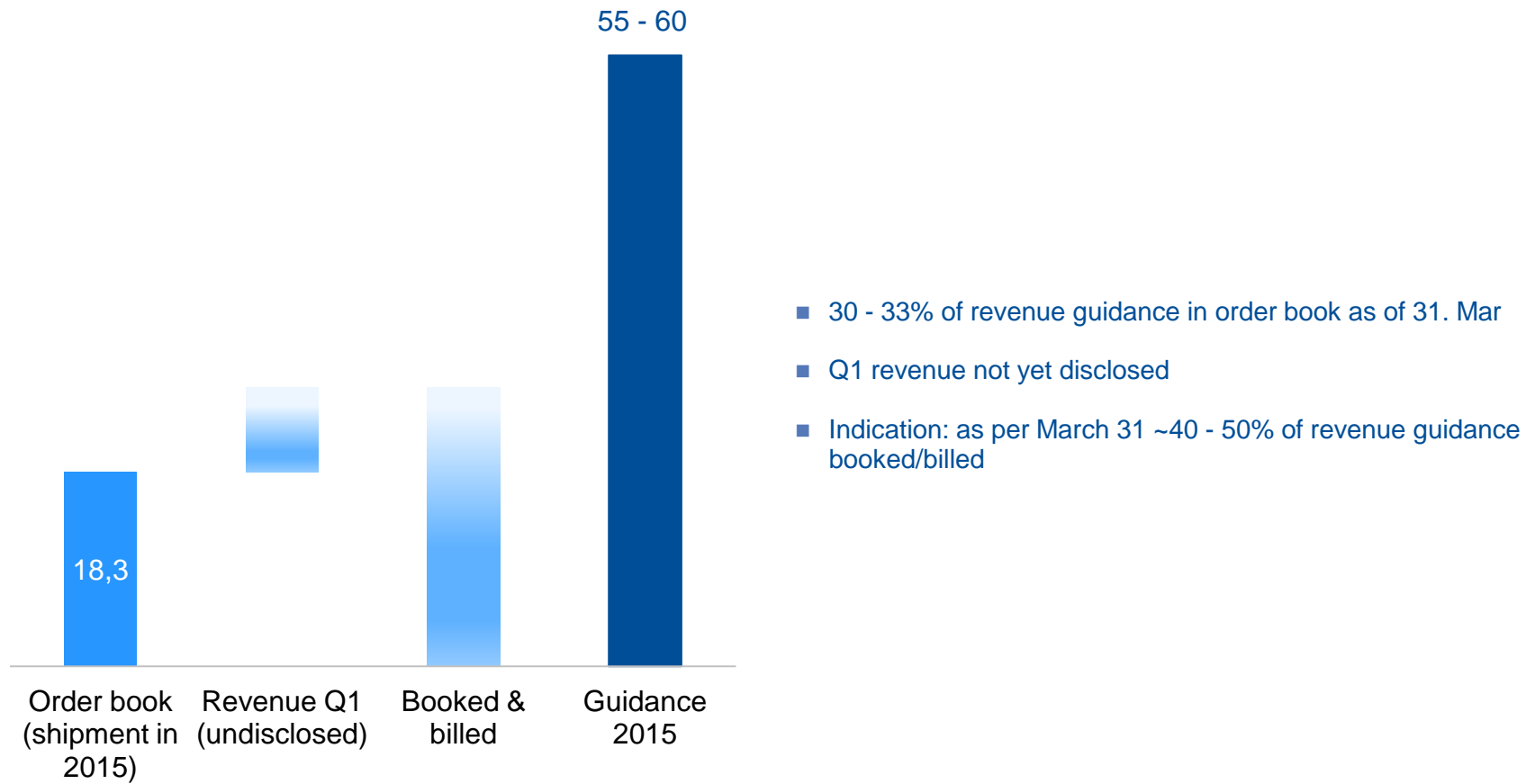
**New order intake of more than 100 machines expected over the course of the full year**

**Significant increase in consolidated revenues of EUR 55 million and EUR 60 million expected**

**Adjusted EBITDA margin expectations between 12 and 13 %**

# Revenue guidance 2015 highly visible

Order book and revenues in EUR m



# Clear growth strategy focused on three initiatives

1

## Strengthening of sales force and services network

- Develop a global platform with local presence
- Novi, USA: tripled sales force and engineer staff, new showroom facility
- Sales office in Singapore established (local research engineers, field service engineers, application engineers)
- Domestic distributor in Japan; representations in India, China and Russia planned
- New application centre in Luebeck

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



# Profitable growth, solid share price

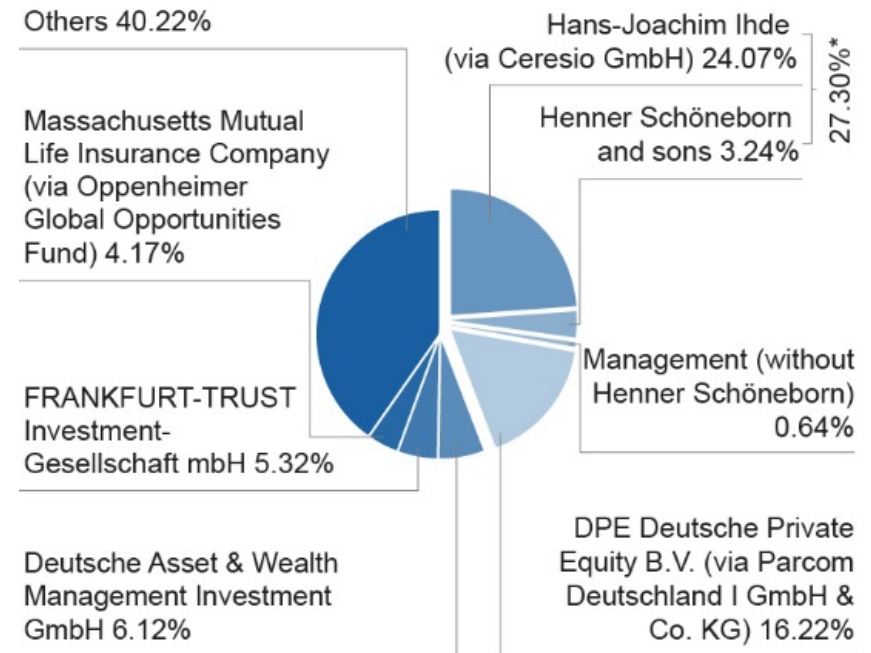
EUR million	2011	2012	2013	2014
Revenue	11.9	17.5	21.6	33.6
EBITDA <sup>1</sup>	1.2	1.9	2.5	4.5
EBITDA <sup>1</sup> margin (in % of revenue)	10.0	11.1	11.5	13.4

<sup>1</sup> EBITDA adjusted for one-off costs related to entry of Parcom Deutschland | GmbH & Co. KG, one-off costs related to IPO and other non-recurring costs (unaudited). EBITDA 2014 adjusted for IPO-related expenses

## Share price development (as of April 17, 2015)



## Shareholder structure (as of April 17, 2015)



# SLM Solutions – a leader in metal based 3D printing



- 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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