



Growth on a broad basis

Q1 Report 2016

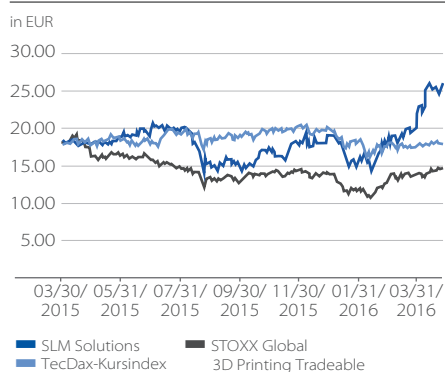


## Key share data

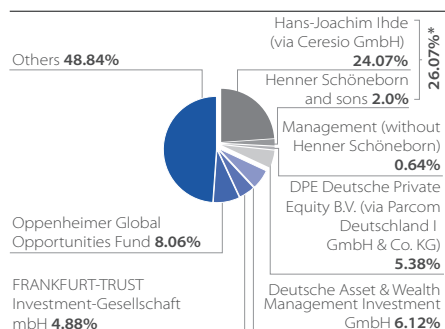
Ticker / ISIN	AM3D / DE000A111338
Number of shares	EUR 17,980,867
Closing price (31 March 2016)*	22.20 EUR
Share price performance (LTM as of 31 March 2016)	23.3%
TecDAX index performance (LTM as of 31 March 2016)	-1.7%
STOXX Global 3D Printing index performance (LTM as of 31 March 2016)	-22.9%
Market capitalisation (31 March 2016)	EUR 399.2 million

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

## Share price chart



## Shareholder structure



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

## Financial calendar

14 June 2016	Annual General Meeting at the media docks, Lübeck
11 August 2016	H1 Report 2016
10 November 2016	9M Report 2016

## Letter from the CEO

Dear shareholders, customers, business partners and colleagues,

An eventful first quarter lies behind us: by 31 March, we had received orders for 25 new machines, a considerable increase of eight machines compared with the previous year. We have maintained our momentum following on from our successful 2015 business year, growing our consolidated revenue by 63 percent to reach a level of EUR 13.8 million. It is also particularly gratifying for me that our share was included in the TecDAX technology index in March, where it is benefiting from greater visibility among investors and media.

Our highly varied customers from industry – including many SMEs – and from the research area are helping us reach our ambitious growth targets. With a view to the current year, we are continuing to expect revenue in a range between EUR 85 million and EUR 90 million, and improved profitability. Terry Wohlers' annual sector report predicts that the market will grow fivefold by 2020 to reach USD 20 billion – we aim to keep pace with this growth, and exceed it as far as we can. Our aim is to further expand our position as technology leader in our market segment for metal-based additive manufacturing.

With our cooperation ventures in the consumables and software areas, we are taking our next steps towards becoming an integrated system supplier in the additive manufacturing area for metal elements of high quality: in February 2016, we signed an agreement in principle with PKM Future Holdings (majority shareholder of TLS Spezialpulver), which defines development, production and refining steps as the cooperation venture's core activities. In the software area, we joined forces with the Austrian company CADS GmbH in February to form a company to develop special software for selective laser melting's design and construction requirements.

We thereby aim to play our part in gradually dismantling the barriers that stand in the way of the end-to-end application of additive manufacturing.

I would like to take this opportunity on behalf of the entire Management Board to extend my warm thanks once again to all of you who express your long-term confidence and trust in our company.

Lübeck, 12 May 2016



Dr. Markus Rechlin  
(CEO)

## Highlights

	Unit	Q1 / 2016	Q1 / 2015	Change (in %)
Revenue	TEUR	13,789	8,476	+62.7
Total operating revenue	TEUR	17,638	11,683	+51.0
Adjusted EBITDA*	TEUR	-762	273	
Adjusted EBITDA margin (as % of revenue)*	%	-5.5	3.2	
Net profit or loss for the period	TEUR	-1,980	-811	
Earnings per share (basic)	EUR	-0.11	-0.05	
Total assets	TEUR	117,441	113,845	+3.2
Equity ratio	TEUR	82.5	84.7	

\*Adjusted in Q1/2016 for retention bonus of TEUR 196 (Q1/2015: TEUR 396)

## Business progress

In the first quarter 2016, SLM Solutions received orders for 25 machines, compared with 17 machines in the prior-year period. This reflected marked growth of 47.1 %, as well as an increase in the shares commanded by industrial customers and repeat buyers compared with the previous year's quarter. The machines that were ordered included 16 multi laser machines (Q1/2015: 10 machines).

Consequently, the previous year's positive trend has continued, with TEUR 14,636 of machines being ordered in the first quarter 2016, a slight year-on-year increase of 1.4 % (previous year: TEUR 14,432). The order book position comprised 24 machines (leased machines and R&D-machines not included) worth TEUR 15,559 as of 31 March 2016.

The first quarter's TEUR 13,789 of revenue was generated by the segments of "Machine Sales", which entails the sale of machines and accessories, as well as "After Sales", consisting of service revenue, replacement parts sales and merchandise revenue. The "Machine Sales" segment accounted for TEUR 11,795 (previous year: TEUR 6,940), and consequently 86 % of total Group revenue (previous year: 82 %). The "After Sales" area generated TEUR 1,994 of revenue (previous year: TEUR 1,536), consequently 14 % of the total (previous year: 18 %).

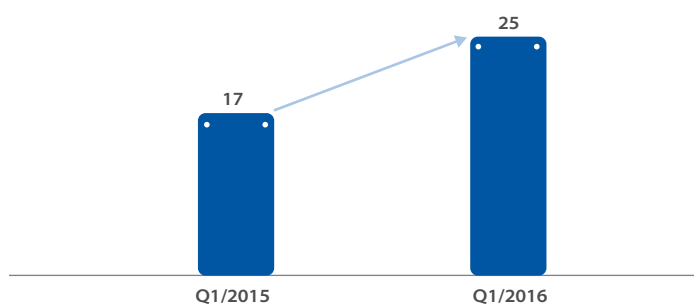
Important strategic partnerships were also agreed during the reporting period. Firstly, SLM Solutions entered the powders business, in order to be able to supply exactly the right consumables for given customer applications in the additive manufacturing process. The agreement in principle with PKM Future Holdings (majority shareholder of TLS Spezialpulver) was signed in February 2016 and defined development, production and refining steps as the cooperation venture's core activities.

SLM Solutions would also like to position itself strategically in the software area: together with CADS GmbH from Perg, Austria, a company was also formed in February 2016 to focus on developing design and construction software to make it easier for customers to develop components.

SLM Solutions has recently further progressed its international expansion with the opening of a representative branch operation in Moscow, thereby bolstering sales and service in Russia.

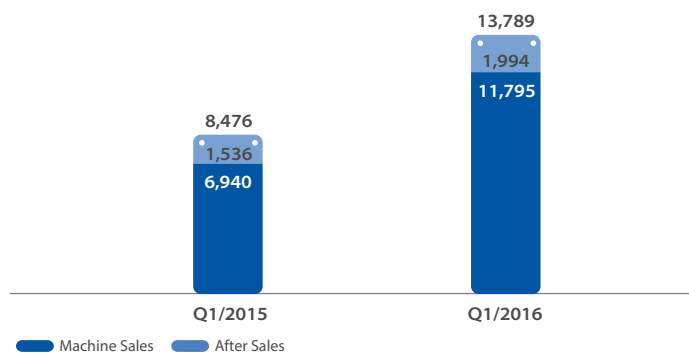
### Order intake Q1/2016

(Number of Machines)



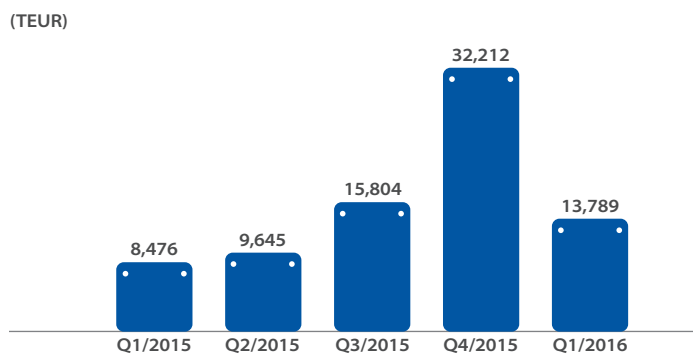
### Consolidated revenue (segments) Q1/2016

(TEUR)



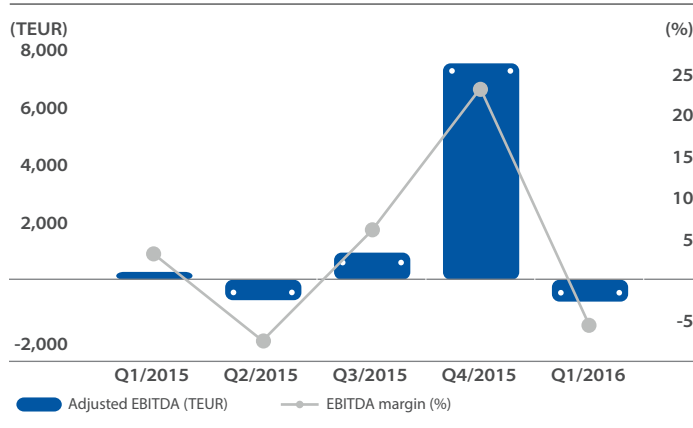
## Economic and business report

### Development consolidated revenue



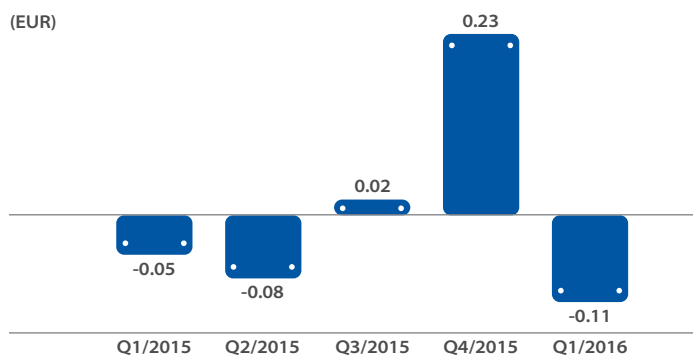
- Q1 2016 consolidated revenue up 62.7 % year-on-year (Q1/2015: TEUR 8,476)
- Total operating revenue grows 51.0 % year-on-year due to stable inventory changes of TEUR 3,148 (Q1/2015: TEUR 3,118)
- As sales revenues are subject to seasonal fluctuations, the management finds a rolling observation of a full year period more meaningful: cumulative sales revenues for the first twelve months as of the 31 March 2016 (LTM) reporting date amount to TEUR 71,450, an increase compared with the level for the 2015 fiscal year (TEUR 66,137).

### Adjusted EBITDA and EBITDA margin



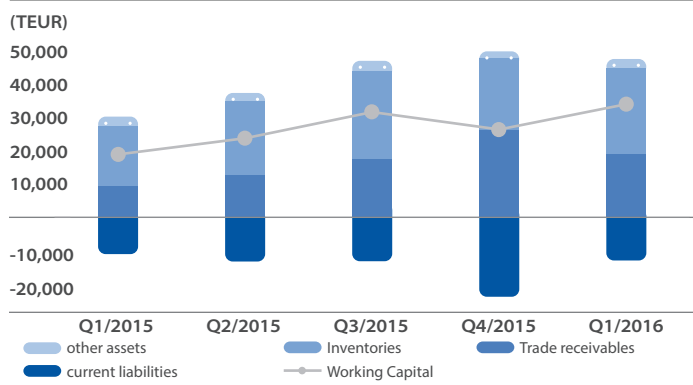
- EBITDA and personnel costs in the reporting period are adjusted for one-off expenses of TEUR 196 for the retention bonus (Q1/2015: TEUR 396)
- Adjusted personnel cost ratio (in relation to total operating revenue) rises to 29.5 % (Q1/2015: 25.0 %) due to higher number of employees
- Costs of materials ratio (in relation to total operating revenue) of 55.2 % down year-on-year (Q1/2015: 57.4 %) due to operating improvements and economies of scale
- Adjusted EBITDA in relation to the last twelve months as of reporting date (LTM) amounts to TEUR 7,014 (and 9.8 % in relation to LTM consolidated revenue of TEUR 71,450)

### Earnings per share (basic)



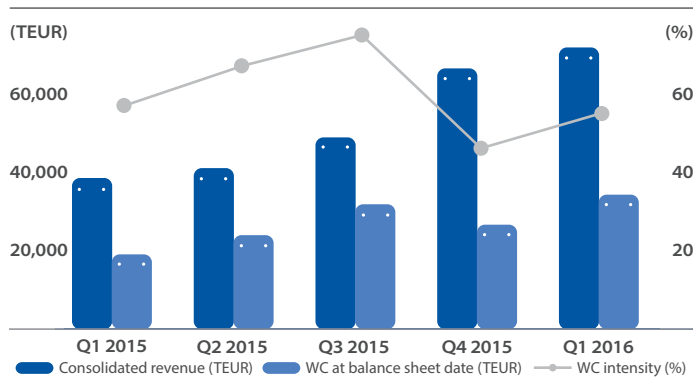
- Net financial result of TEUR -131 due to higher interest expenses and addition of the result of the equity holding in SLM Solutions Software GmbH (Q1/2015 TEUR -41)
- Tax income of TEUR 212 in the reporting period (Q1/2015: TEUR -53 tax expense)
- Net result for the period of TEUR -1,980 (Q1/2015: TEUR -811)
- Basic (undiluted) earnings per share calculated on the basis of 17,980,867 shares in each case
- Basic earnings per share (LTM) of EUR 0.06

## Working capital



- Working capital of TEUR 34,085 as of the reporting date in relation to LTM consolidated revenue of TEUR 71,450 equivalent to 47.7 % working capital intensity
- Inventories as of 31 March 2016 up 20 % compared with 2015 year-end to reach TEUR 25,951 (31 December 2015: TEUR 21,663)
- Trade receivables rise 28 % compared with 2015 year-end to a level of TEUR 19,052 (31 December 2015: TEUR 26,341)
- Trade payables fall 51 % compared with 2015 year-end to a level of TEUR 5,463 (31 December 2015: TEUR 11,121)

## Working capital intensity



## Supplementary report

Between the end of the reporting period and the date when the contents of this report were prepared on 6 May 2016, no events of particular significance occurred that incur 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 85,000 and TEUR 90,000 for the 2016 fiscal year. A rising EBITDA margin (in relation to consolidated revenue), after adjusting for one-off effects, is also anticipated

## Consolidated income statement (1 January to 31 March 2016)

in TEUR	01/01- 31/03/2016	01/01- 31/03/2015	01/01- 31/12/2015
Revenue	13,789	8,476	66,137
Increase in inventories of finished goods and work in progress	3,148	3,118	8,434
Other work performed by the company and capitalised	701	89	4,082
<b>Total operating revenue</b>	<b>17,638</b>	<b>11,683</b>	<b>78,654</b>
Cost of materials	-9,730	-6,700	-42,265
<b>Gross profit</b>	<b>7,909</b>	<b>4,983</b>	<b>36,388</b>
Personnel costs	-5,403	-3,316	-16,788
Other operating income	319	514	1,557
Other operating expenses	-3,783	-2,304	-14,298
<b>EBITDA</b>	<b>-958</b>	<b>-123</b>	<b>6,860</b>
Depreciation, amortisation and impairment losses	-1,103	-593	-3,250
<b>Operating profit or loss (EBIT)</b>	<b>-2,061</b>	<b>-716</b>	<b>3,610</b>
Result equity holding	-17	0	0
Interest and similar expenses	-120	-53	-111
Other interest and similar income	6	12	97
<b>Earnings before tax (EBT)</b>	<b>-2,192</b>	<b>-758</b>	<b>3,595</b>
Income taxes	212	-53	-1,435
<b>Consolidated net profit/loss for the period</b>	<b>-1,980</b>	<b>-811</b>	<b>2,160</b>
Number of shares in millions	18.0	18.0	18.0
Basic earnings per share in EUR*	-0.11	-0.05	0.12
Diluted earnings per share in EUR	-0.11	-0.02	0.12

\* Calculated with 17,980,867 shares for ease of comparison (2015: 17,980,867 shares)

## Consolidated statement of comprehensive income (1 January to 31 March 2016)

in TEUR	01/01- 31/03/2016	01/01- 31/03/2015	01/01- 31/12/2015
Consolidated net profit/loss for the period	-1,980	-811	2,160
<b>Income/expenses not to be reclassified to the income statement in the future:</b>			
Actuarial gains and losses	-	-	226
<b>Income/expenses that are recycled to the income statement in the future:</b>			
Income/expenses from currency translation	-102	12	83
<b>Other comprehensive income</b>	<b>-102</b>	<b>12</b>	<b>309</b>
<b>Total comprehensive income</b>	<b>-2,082</b>	<b>-798</b>	<b>2,469</b>
Attribution of total comprehensive income:			
Shareholders of SLM Solutions Group AG	-2,082	-798	2,469

## Consolidated balance sheet

in TEUR	31/03/2016	31/03/2015	31/12/2015
<b>Assets</b>			
Cash and cash equivalents	33,651	60,220	39,920
Trade receivables	19,052	9,553	26,341
Other financial assets	0	0	5,179
Inventories	25,951	17,915	21,663
Current tax receivables	96	204	120
Other assets	2,694	2,876	1,989
<b>Total current assets</b>	<b>81,443</b>	<b>90,767</b>	<b>95,212</b>
Intangible assets	21,665	19,635	21,638
Property, plant and equipment	14,266	3,523	13,032
Equity holdings	31	0	0
Other assets	37	44	37
Deferred tax assets	0	-124	0
<b>Total non-current assets</b>	<b>35,999</b>	<b>23,078</b>	<b>34,708</b>
<b>Total assets</b>	<b>117,441</b>	<b>113,845</b>	<b>129,920</b>

in TEUR	31/03/2016	31/03/2015	31/12/2015
<b>Equity and liabilities</b>			
Trade and other payables	5,463	9,815	11,121
Other financial liabilities	3,245	24	9,849
Provisions	4,904	1,560	2,551
<b>Total current liabilities</b>	<b>13,612</b>	<b>11,399</b>	<b>23,521</b>
Pension and similar obligations	4,508	4,618	4,375
Deferred tax liabilities	2,249	1,066	2,497
Provisions	150	330	522
<b>Total non-current liabilities</b>	<b>6,907</b>	<b>6,015</b>	<b>7,394</b>
Subscribed share capital	17,981	17,981	17,981
Additional paid-in capital	85,041	85,742	85,041
Retained earnings	-5,655	-6,428	-3,675
Other reserves	-444	-864	-343
<b>Total equity</b>	<b>96,922</b>	<b>96,431</b>	<b>99,004</b>
<b>Total equity and liabilities</b>	<b>117,441</b>	<b>113,845</b>	<b>129,920</b>



## Consolidated statement of cash flows

in TEUR	01/01/- 31/03/2016	01/01/- 31/03/2015	01/01/- 31/12/2015
Consolidated net profit/loss for the period	-1,980	-811	2,160
Depreciation, amortisation and impairment losses	1,103	593	3,250
Interest expenses	114	48	14
Non-cash expenses	-212	164	1,277
Change in assets and liabilities			
Inventories	-4,288	-5,951	-9,700
Trade receivables	7,290	2,595	-14,151
Pension liabilities	133	75	-160
Trade payables	-2,026	596	4,997
Provisions	1,533	-30	-240
Other liabilities			3,856
Other assets and liabilities	-10,277	187	-103
Changes in tax receivables, deferred tax assets and tax provisions	-226	-41	1,435
<b>Net cash provided by (used in) operating activities</b>	<b>-8,836</b>	<b>-2,575</b>	<b>-7,364</b>
Purchases of property, plant and equipment and intangible assets	-1,661	-749	-7,218
Payments for intangible assets produced by the company itself	-701	-89	-4,082
Cash inflows from the sale and cash outflows from purchase of participating interests, intangible assets, and property, plant and equipment	-31	0	0
<b>Net cash provided by (used in) investing activities</b>	<b>-2,394</b>	<b>-838</b>	<b>-11,300</b>
Other proceeds from shareholders	0	0	0
Capital injection from IPO	0	0	0
Repayment of debt	0	-14	-38
Interest paid	0	-5	-20
Investments in term deposits	5,002	0	-5,002
<b>Net cash provided by (used in) financing activities</b>	<b>5,002</b>	<b>-19</b>	<b>-5,060</b>
Net increase (decrease) in cash and cash equivalents	-6,229	-3,432	-23,724
Currency-related change in cash and cash equivalents	-41	89	81
Financing funds at start of reporting period	39,920	63,563	63,563
Financing funds at end of reporting period	33,651	60,220	39,920
Fixed term deposits	-32	-32	-32
<b>Cash and cash equivalents at end of reporting period</b>	<b>33,619</b>	<b>60,188</b>	<b>39,888</b>

## Consolidated statement of changes in equity

in TEUR	Subscribed share capital	Additional paid-in capital	Retained earnings	Other reserves	<b>Total</b>	consolidated equity
<b>Balance as of 1 January 2015</b>	<b>17,981</b>	<b>85,551</b>	<b>-5,835</b>	<b>-652</b>	<b>97,045</b>	<b>97,045</b>
Consolidated net profit/loss	-	-	-593	-212	-806	-806
Other equity changes	-	192	-	-	192	192
<b>Balance as of 31 March 2015</b>	<b>17,981</b>	<b>85,743</b>	<b>-6,428</b>	<b>-8,640</b>	<b>96,431</b>	<b>96,431</b>
<b>Balance as of 01 January 2016</b>	<b>17,981</b>	<b>85,041</b>	<b>-3,675</b>	<b>-343</b>	<b>99,004</b>	<b>99,004</b>
Consolidated net profit/loss	-	-	-1,980	-102	-2,082	-2,082
<b>Balance as of 31 March 2016</b>	<b>17,981</b>	<b>85,041</b>	<b>-5,655</b>	<b>-444</b>	<b>96,922</b>	<b>96,922</b>

## 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. On 1 January 2015, 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. Revenue and EBITDA comprise the central steering elements.

<b>03/31/2016</b>			
in TEUR	Machine Sales	After Sales	<b>Total</b>
<b>Revenue</b>	<b>11,795</b>	<b>1,994</b>	<b>13,789</b>
Deployment of merchandise	5,992	1,851	7,843
Gross profit	5,803	143	5,946
Expenses	5,998	907	6,905
<b>EBITDA</b>	<b>-195</b>	<b>-764</b>	<b>-958</b>
Depreciation, amortisation and impairment losses			-1,103
Interests and similar expenses			-114
Result equity holding			-17
Taxes on income			212
<b>Consolidated net profit/loss for the period</b>			<b>-1,980</b>

<b>03/31/2015</b>			
in TEUR	Machine Sales	After Sales	<b>Total</b>
<b>Revenue</b>	<b>6,940</b>	<b>1,536</b>	<b>8,476</b>
Deployment of merchandise	-3,041	-1,124	-4,165
Gross profit	3,899	412	4,311
Expenses	-3,398	-1,036	-4,434
<b>EBITDA</b>	<b>501</b>	<b>-624</b>	<b>-123</b>
Depreciation, amortisation and impairment losses			-593
Interests and similar expenses			-41
Income taxes			-53
<b>Consolidated net profit/loss for the period</b>			<b>-811</b>

Along with depreciation, amortisation and impairment losses, significant expenses of TEUR 196 were incurred in the year under review in connection with the retention bonus (previous year: TEUR 396). The above-presented segment revenue relates to revenue generated from business with external customers. No transactions occurred between the segments.



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## Imprint

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### Layout, Editor & Design

cometis AG

The report of the first 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](http://www.slm-solutions.de) in the category "Investor Relations/Reports and Publications".