



Growth on a broad basis

9M Report 2016

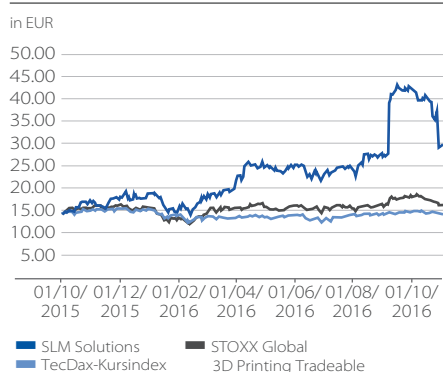


Key share data

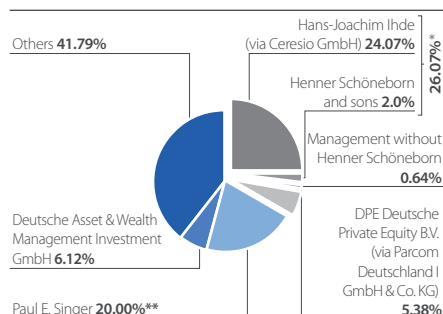
Ticker/ISIN	AM3D/ DE000A111338
Number of shares	17,980,867
Closing price (30/09/2016)*	42.12 EUR
Share price performance (LTM as of 30/09/2016)	186.0%
TecDAX index performance (LTM as of 30/09/2016)	1.5%
STOXX Global 3D Printing index performance (LTM as of 30/09/2016)	24.8%
Market capitalisation (30/09/2016)	757.4 Mio. EUR

* 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
 ** Voting rights are attributed to Mr. Singer by subsidiary Cornwall GmbH & Co. KG (20,0002%)

Events

November 21 – 23, 2016
 German Equity Capital Forum,
 Sheraton Frankfurt Airport Hotel
 and Conference Center

Letter from the CEO

Dear shareholders, customers, business partners and colleagues,

The market for additive manufacturing is on the move. The attempt by our important customer General Electric to take over all of the shares in SLM Solutions highlights the fact that additive manufacturing is becoming increasingly prevalent, and is strategically important to large industrial companies.

In the final instance, this takeover offer was not accepted by the majority of our shareholders, despite the backing of the Management and Supervisory boards. As a consequence, we will continue on our successful growth path as an independent company, relying on the strength of our products and services as well as the strength of our team. We will continue to increasingly optimise SLM Solutions' highly productive multilaser machines, which currently offer up to four lasers working in parallel. At the same time, we are developing ourselves step-by-step into a comprehensive solutions provider for the additive manufacturing of metal components. The joint ventures for metal powders and software that we founded this year represent important milestones in this context. We aim to continue to play a leading role in the rapid advance of additive manufacturing of high-quality metal components – this is what spurs us on.

SLM Solutions' growth continued during the first nine months of this year. New order intake during this period was up by 31.3% in terms of the number of machines sold, while the value of the related orders increased by 17.4%. In the third quarter, new order intake was up by 16.7% according to the number of machines sold, and by 39.7% in terms of value.

Revenue during the first nine months stood 43% above the previous year's level, despite third-quarter revenue contracting by 6% compared with the previous year. During the first three quarters, SLM Solutions has thereby continued to outpace the market for additive manufacturing, which is estimated to have grown by around 30% according to the sector report issued by Wohlers Associates.

The discussions with GE incurred some one-off effects during the quarter elapsed. Adjusted EBITDA amounted to EUR -1.95 million for the first nine months of the year, compared with EUR 0.51 million in the previous year.

We are of the opinion that we can still achieve the targets for the year we announced in the spring. As in previous years, however, reaching these targets depends particularly on the course of the fourth quarter, during which the important sector trade fair, formnext, will be held in Frankfurt. We look forward to welcoming you to our stand and personally discussing the dynamic developments in additive manufacturing.

On behalf of the entire Management Board, I would like to thank our esteemed clients, partners and employees whose confidence in our company provides us with sustainable support for our further developments.

Lübeck, November 3, 2016



Dr. Markus Rechlin
 CEO

Highlights

	Unit	Q3/2016	Q3/2015	Change	9M/2016	9M/2015	Change
Revenue	TEUR	14,884	15,804	-5.8%	48,400	33,925	+42.7%
Total operating revenue	TEUR	16,854	19,033	-11.5%	58,555	44,107	+32.8%
Adjusted EBITDA***	TEUR	-972	945		-1,953	505	
Adjusted EBITDA margin (as % of revenue)***	%	-6.5	6.0	-12.5%-pts	-4.0	1.5	-5.5%-pts
Consolidated net profit/loss	TEUR	-3,142	272		-5,420	-1,942	
Earnings per share (basic/undiluted)	EUR	-0.17	0.02		-0.30	-0.11	
Total assets	TEUR	115,338	115,678		115,338	115,678	
Equity ratio	TEUR	80.6	81.8	-1.2%-pts	80.6	81.8	-1.2%-pts
Order Intake	machines	28	24	+16.7%	84	64	+31.3%
Order Intake	TEUR	19,084	13,662	+39.7%	49,040	41,766	+17.4%

*In Q3/2016 adjusted for the Retention Bonus of TEUR 78 (Q3/2015: TEUR 172) and transaction costs of TEUR 416 (Q3/2015: TEUR 0)

** In 9M/2016 adjusted for the Retention Bonus of TEUR 387 (9M/2015: TEUR 1,455) and transaction costs of TEUR 416 (9M/2015: TEUR 0)

Business progress

During the first nine months of the 2016 fiscal year, SLM Solutions received orders for 84 machines, compared with 64 machines in the prior-year period. This corresponds to a 31.3% growth rate.

The order value amounts to TEUR 49,040, compared to TEUR 41,766 during the first nine months of the previous fiscal year. This corresponds to a 17.4% growth rate.

During the third quarter of 2016 fiscal year, SLM Solutions won orders for 28 machines, compared with 24 machines in the previous-year period. This represents an increase of 16.7%. The machines ordered included 19 multi laser machines (Q3/2015: 12 machines).

The previous year's positive trend continues as a consequence. The value of the machines ordered in the third quarter of 2016 stands at TEUR 19,084, reflecting a rise of 39.7% compared with the prior-year equivalent period (previous year: TEUR 13,662).

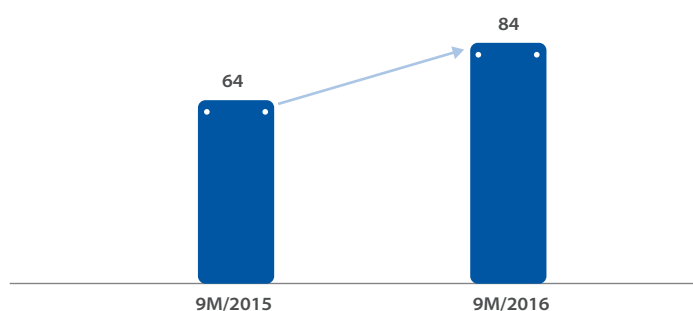
The order book position comprised 22 machines on September 30, 2016, with a value of TEUR 13,941 (previous year: 31 machines with a value of TEUR 23,796).

The revenue TEUR 48,400 reported for the first nine months of the 2016 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 44,180 (previous year: TEUR 28,508), and consequently 91.3% of total Group revenue (previous year: 84.0%). The "After Sales" area generated TEUR 4,220 of revenue (previous year: TEUR 5,417), consequently 8.7% of the total (previous year: 16.0%).

During the period under review, the Group advanced its entry into the powders business, in order to be able to supply exactly the right consumables for given customer applications in the additive manufacturing process. In July 2016, 3D Metal Powder GmbH was formed together with the main shareholder of TLS Spezialpulver. This company will advance the development, production and processing of special metallic powders. The plan is to initially create manufacturing capacity to produce 100 tonnes of aluminium powder per year.

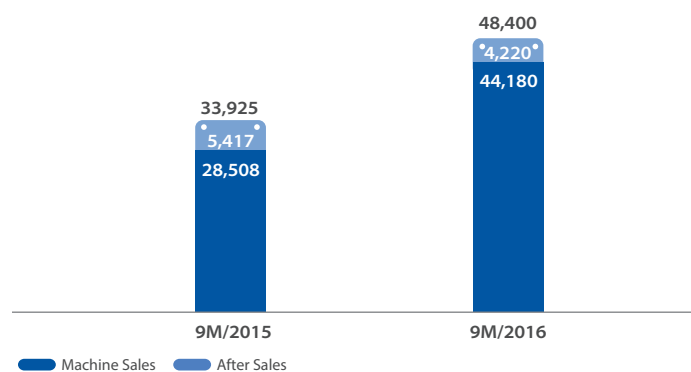
Order intake 9M / 2016

(Number of Machines)

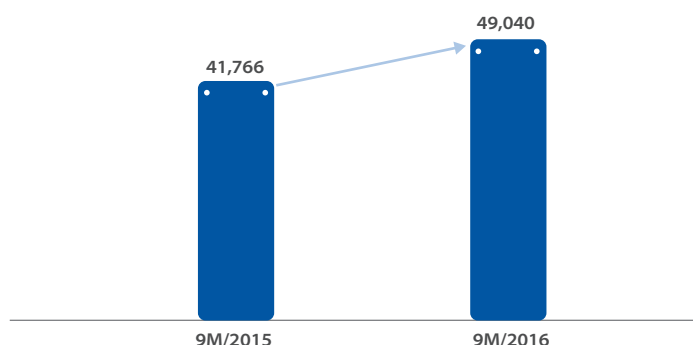


Consolidated revenue (segments) 9M / 2016

(TEUR)

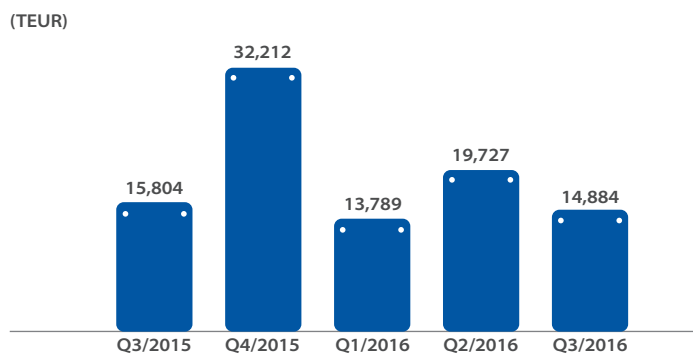


Order Value 9M / 2016



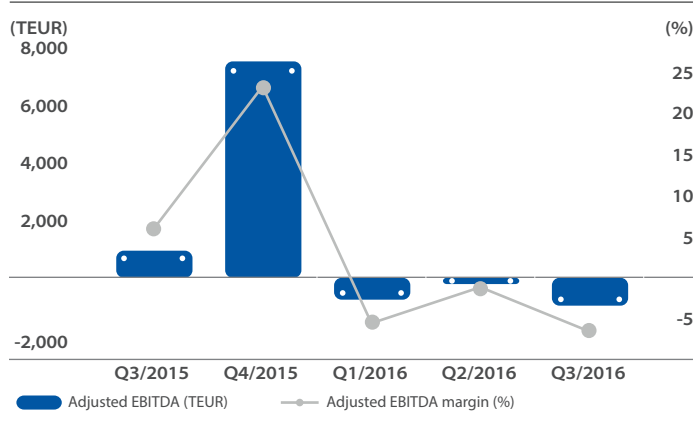
Economic and business report

Development consolidated revenue



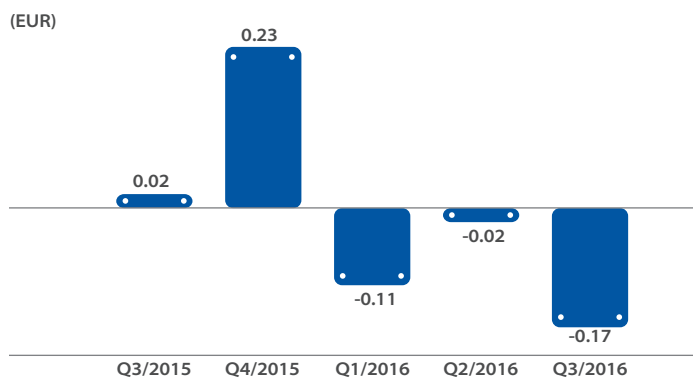
- Consolidated revenue of TEUR 48,400 during the first nine months of 2016 was up by +42.7% year-on-year (9M/2015: TEUR 33,925).
- Consolidated revenue of TEUR 14,884 in the third quarter of 2016 was down -5.8% year-on-year (Q3/2015: TEUR 15,804) due to the takeover offer published in the third quarter.
- Total operating revenue of TEUR 58,555 during the first nine months increased by +32.8% year-on-year (9M/2015: TEUR 44,107).
- Total operating revenue of TEUR 16,854 in the third quarter of 2016 was down -11.4% year-on-year (Q3/2015: TEUR 19,033).
- As revenue fluctuates seasonally, the management is of the view that a rolling observation of a full-year period is more meaningful: Cumulative revenue for the last twelve months as of the September 30, 2016 reporting date (LTM) amounts to TEUR 80,612, above the level for the 2015 fiscal year elapsed (TEUR 66,137).

Adjusted EBITDA and EBITDA margin



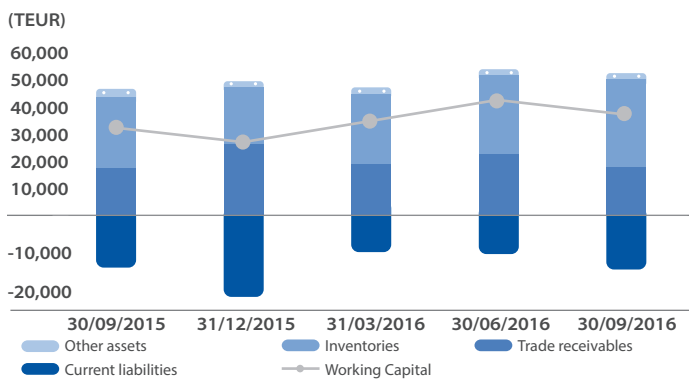
- EBITDA, personnel costs and other operating expenses during the first nine months of 2016 are adjusted for one-off costs for the employee loyalty program (Retention Bonus) of TEUR 387 (9M/2015: TEUR 1,455) and one-off expenses for transaction costs of TEUR 416 (9M/2015: TEUR 0).
- EBITDA, personnel costs and other operating expenses in the third quarter of 2016 are adjusted for one-off costs for the employee loyalty program (Retention Bonus) of TEUR 78 (Q3/2015: TEUR 172) and one-off expenses for transaction costs of TEUR 416 (Q3/2015: TEUR 0).
- Adjusted personnel cost ratio (in relation to total operating revenue) for the first nine months of 2016 rises to 28.2% due to higher number of employees (9M/2015: 24.0%).
- Adjusted personnel cost ratio (in relation to total operating revenue) for Q3/2016 increases to 29.7% due to higher number of employees (Q3/2015: 21.9%).
- Cost of materials ratio (in relation to total operating revenue) for the first nine months of 2016 of 57.0% down year-on-year as a consequence of continuing process optimization in the operational area and economies of scale (Q3/2015: 58.2%).
- Cost of materials ratio (in relation to total operating revenue) for Q3/2016 of 52.2% reduce year-on-year due to continuing process optimization in the operational area and economies of scale (Q3/2015: 60.6%).
- Adjusted EBITDA in relation to the last twelve months as of reporting date (LTM) amounts to TEUR 5,591 and 6.9% in relation to LTM consolidated revenue of TEUR 80,612.

Earnings per share (basic)



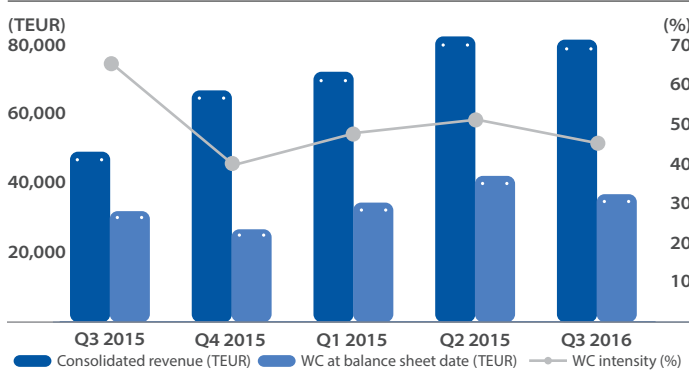
- Net financial result for the first nine months of 2016 was down to TEUR -289 due to attribution of results from the interests in SLM Solutions Software GmbH and 3 D Metal Powder GmbH (9M/2015: TEUR -125).
- Net financial result for Q3/2016 was down to TEUR -183 for the same reason (Q3/2015: TEUR -38).
- Tax income for the first nine months of 2016 amounted to TEUR 1,693 and was above the previous year value (9M/2015: TEUR 1,308).
- Tax income for Q3/2016 amounted to TEUR 235 and was below the previous year value (Q3/2015: TEUR 408).
- Net result for the first nine months of 2016 amounted to TEUR -5,420 and was below the previous year value (9M/2015: TEUR -1,942). The main reasons had been the mentioned extraordinary effects during the period under review and the declining revenue in Q3/2016.
- Net result for Q3/2016 amounted to TEUR -3,142 and was below the previous year value for the same reason (Q3/2015: TEUR 272).

Working Capital



- Working capital of TEUR 36,494 as of the reporting date in relation to LTM consolidated revenue of TEUR 80,612 equivalent to improving working capital intensity of 45.3%.
- Inventories as of September 30, 2016, up 12.3% compared with Q2/2016 to reach TEUR 33,173 (June 30, 2016: TEUR 29,533).
- Trade receivables drop 21.9% compared with Q2/2016 to a level of TEUR 17,614 (June 30, 2016: TEUR 22,538).
- Other Assets (financial and non-financial) drop 7.5% compared with Q2/2016 to a level of TEUR 2,229 (June 30, 2016: TEUR 2,409).
- Trade payables and other liabilities (financial and non-financial) increase 62.8% compared with Q2/2016 to TEUR 15,993 (June 30, 2016: TEUR 9,827).

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 November 3, 2016, the following events of particular significance occurred that could have effects on the financial position and performance:

The takeover offer that GE Germany Holdings published on September 26, 2016, to the shareholders of SLM Solutions Group AG expired on October 24, 2016, 24:00 hours (local time in Frankfurt am Main). With the failure to reach the minimum acceptance threshold of 75% of SLM shares outstanding, one of the completion conditions failed to be met, and the offer then lapsed.

Forecast

The company is of the view that the targets for the year for the key management metrics of revenue and adjusted EBITDA can still be met (revenue in a range between TEUR 85,000 and TEUR 90,000; slightly higher EBITDA margin [in relation to revenue] after adjusting for extraordinary items), although, as in the previous year, these are particularly dependent on progress during the fourth quarter of 2016, during which the important sector trade fair, formnext, will be held in Frankfurt.

Consolidated income statement (January 1 to September 30, 2016)

in TEUR	01/01/- 30/09/2016	01/01/- 30/09/2015	01/01/- 31/12/2015
Revenue	48,400	33,925	66,137
Increase in inventories of finished goods and work in progress	7,499	8,901	8,434
Other work performed by the company and capitalised	2,656	1,281	4,082
Total operating revenue	58,555	44,107	78,654
Cost of materials	-33,371	-25,677	-42,265
Gross profit	25,184	18,430	36,388
Personnel costs	-16,891	-12,023	-16,788
Other operating income	616	1,277	1,557
Other operating expenses	-11,665	-8,633	-14,298
EBITDA	-2,756	-950	6,860
Depreciation, amortisation and impairment losses	-4,068	-2,174	-3,250
Operating profit or loss (EBIT)	-6,824	-3,124	3,610
Result from equity accounted investments	-128	0	0
Interest and similar expenses	-180	-205	-111
Other interest and similar income	19	80	97
Earnings before tax (EBT)	-7,113	-3,250	3,595
Income taxes	1,693	1,308	-1,435
Consolidated net profit/loss	-5,420	-1,942	2,160
Number of shares in millions	18.0	18.0	18.0
Earnings per share, basic (undiluted), in EUR*	-0.30	-0.11	0.12
Earnings per share, diluted, in EUR	-0.30	-0.11	0.12

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

Consolidated statement of comprehensive income (January 1 to September 30, 2016)

in TEUR	01/01/- 30/09/2016	01/01/- 30/09/2015	01/01/- 31/12/2015
Consolidated net profit/loss	-5,420	-1,942	2,160
Income/expenses not to be reclassified to the income statement in the future:			
Actuarial gains and losses	-608	0	226
Income/expenses that are recycled to the income statement in the future:			
Income/expenses from currency translation	-43	52	83
Other comprehensive income			309
Total comprehensive income	-6,070	-1,890	2,469
Attribution of total comprehensive income:			
Shareholders of SLM Solutions Group AG	-6,070	-1,890	2,469

Consolidated income statement (July 1 to September 30, 2016)

in TEUR	01/07/- 30/09/2016	01/07/- 30/09/2015	01/01/- 31/12/2015
Revenue	14,884	15,804	66,137
Increase in inventories of finished goods and work in progress	1,558	2,780	8,434
Other work performed by the company and capitalised	412	450	4,082
Total operating revenue	16,854	19,033	78,654
Cost of materials	-8,791	-11,536	-42,265
Gross profit	8,063	7,497	36,388
Personnel costs	-5,086	-4,332	-16,788
Other operating income	116	514	1,557
Other operating expenses	-4,559	-2,907	-14,298
EBITDA	-1,466	773	6,860
Depreciation, amortisation and impairment losses	-1,728	-871	-3,250
Operating profit or loss (EBIT)	-3,194	-98	3,610
Result from equity accounted investments	-72	0	0
Interest and similar expenses	-122	-96	-111
Other interest and similar income	11	58	97
Earnings before tax (EBT)	-3,377	-136	3,595
Income taxes	235	408	-1,435
Consolidated net profit/loss	-3,142	272	2,160
Number of shares in millions	18.0	18.0	18.0
Earnings per share, basic (undiluted), in EUR*	-0.17	0.02	0.12
Earnings per share, diluted, in EUR	-0.17	0.02	0.12

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

Consolidated statement of comprehensive income (July 1 to September 30, 2016)

in TEUR	01/07/- 30/09/2016	01/07/- 30/09/2015	01/01/- 31/12/2015
Consolidated net profit/loss	-3,142	272	2,160
Income/expenses not to be reclassified to the income statement in the future:			
Actuarial gains and losses	0	0	226
Income/expenses that are recycled to the income statement in the future:			
Income/expenses from currency translation	8	44	83
Other comprehensive income			309
Total comprehensive income	-3,134	316	2,469
Attribution of total comprehensive income:			
Shareholders of SLM Solutions Group AG	-3,134	316	2,469

Consolidated balance sheet

in TEUR	30/09/2016	30/09/2015	31/12/2015
Assets			
Cash and cash equivalents	23,734	41,391	39,920
Trade receivables	17,614	17,472	26,341
Other financial assets	7	–	5,179
Inventories	33,173	26,629	21,663
Current tax receivables	96	204	120
Other assets	2,223	3,039	1,989
Total current assets	76,846	88,736	95,212
Intangible assets	20,817	20,428	21,638
Property, plant and equipment	17,023	6,154	13,032
Equity accounted investments	361	–	0
Other assets and deferred tax assets	291	360	37
Total non-current assets	38,492	26,943	34,708
Total assets	115,338	115,678	129,920

in TEUR	30/09/2016	30/09/2015	31/12/2015
Equity and liabilities			
Trade and other payables	8,780	13,943	11,121
Other financial liabilities	7,213	64	9,849
Provisions	530	1,485	2,551
Total current liabilities	16,524	15,492	23,521
Pension and similar obligations	5,440	4,828	4,375
Deferred tax liabilities	418	90	2,497
Provisions	22	623	522
Total non-current liabilities	5,880	5,542	7,394
Subscribed share capital	17,981	17,981	17,981
Additional paid-in capital	85,041	85,041	85,041
Retained earnings	-9,094	-7,777	-3,675
Other reserves	-993	-600	-343
Total equity	92,934	94,645	99,004
Total equity and liabilities	115,338	115,678	129,920

Consolidated cash flow statement

in TEUR	01/01/ 30/09/2016	01/01/ 30/09/2015	01/01/ 31/12/2015
Consolidated net profit/loss	-5,420	-1,942	2,160
Depreciation, amortisation and impairment losses	4,068	2,174	3,250
Interest expenses	180	205	111
Interest income	-19	-80	-97
Tax result as per income statement	-1,693	0	1,435
Non-cash income	-	-597	0
Non-cash expenses	110	1,455	1,277
Change in assets and liabilities	-6,291	-17,931	-15,500
Inventories	-11,510	-15,622	-9,700
Trade receivables	8,727	-5,325	-14,151
Pension liabilities	101	285	-160
Trade payables	-854	2,999	4,997
Provisions	-2,519	205	-240
Other liabilities	0	0	3,856
Other assets and liabilities	-236	-473	-103
Income taxes paid	0	0	0
Net cash provided by (used in) operating activities	-9,065	-16,715	-7,364
Purchases of property, plant and equipment and intangible assets	-8,811	-4,187	-7,218
Investments in development costs	-2,656	-1,281	-4,082
Cash inflows (and cash outflows) from the sale of participating interests, intangible assets, and property, plant and equipment	-611	0	0
Net cash provided by (used in) investing activities	-12,078	-5,467	-11,300
Other proceeds from shareholders	0	0	0
Capital injection from IPO	0	0	0
Repayment of debt	0	0	-38
Interest paid	-19	-15	-20
Cash inflows/outflows for fixed term deposit	5,002	0	-5,002
Net cash provided by (used in) financing activities	4,983	-15	-5,060
Net increase (decrease) in cash and cash equivalents	-16,160	-22,197	-23,724
Currency-related change in cash and cash equivalents	-27	25	81
Liquid assets at start of reporting period	39,920	63,563	63,563
Liquid assets at end of reporting period	23,734	41,391	39,920
Rent deposit	-32	-32	-32
Cash and cash equivalents at end of reporting period	23,702	41,359	39,888

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 01/01/2015	17,981	85,551	-6,500	13	97,045
Consolidated net profit/loss	-	-	-1,942	-	-1,942
Exchange rate effects	-	-	-	52	52
Actuarial gains/losses	-	-	-	-	-
Other changes in equity	-	-510	-	-	-510
Balance as of 30/09/2015	17,981	85,041	-8,442	65	94,645
Balance as of 01/01/2016	17,981	85,041	-4,114	96	99,004
Consolidated net profit/loss	-	-	-5,420	-	-5,420
Exchange rate effects	-	-	-	-43	-43
Actuarial gains/losses	-	-	-608	-	-608
Other changes in equity	-	-	-	-	-
Balance as of 30/09/2016	17,981	85,041	-10,142	53	92,934

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 January 1, 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.

30/09/2016			
in TEUR	Machine Sales	After Sales	Total
Revenue	44,180	4,220	48,400
Deployment of merchandise	-24,791	-4,093	-28,884
Gross profit	19,389	127	19,516
Expenses	-14,911	-8,165	-23,076
EBITDA	4,478	-8,038	-3,560
Depreciation, amortisation and impairment losses			-4,068
Net interest result			-161
Result from participating interests			-128
Income taxes			1,693
Adjusted costs			804
Consolidated net profit/loss			-5,420

30/09/2015			
in TEUR	Machine Sales	After Sales	Total
Revenue	28,508	5,417	33,925
Deployment of merchandise	-11,946	-4,220	-16,166
Gross profit	16,562	1,197	17,759
Expenses	-15,267	-4,898	-20,165
EBITDA	1,295	-3,701	-2,406
Depreciation, amortisation and impairment losses			-2,174
Net interest result			-125
Result from participating interests			0
Income taxes			1,308
Adjusted costs			1,455
Consolidated net profit/loss			-1,942

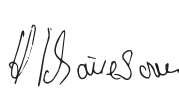
Along with depreciation, amortisation and impairment losses, significant non-cash expenses of TEUR 387 were incurred in the year under review in connection with the Retention Bonus (previous year: TEUR 1,455). The above-presented segment revenue relates to revenue generated from business with external customers. No significant transactions occurred between the segments.



Dr. Markus Rechlin
SLM Solutions Group AG



Uwe Bögershausen



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Imprint

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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".