



H1 2022 Earnings Presentation

August 18, 2022

DISCLAIMER

This Presentation has been produced by SLM Solutions Group AG ("SLM Solutions", "SLM" or the "Company"), has not been verified independently, and is provided for information purposes only.

This document contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which the Company operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements, including assumptions, opinions and views of the Company or cited from third party sources, contained in this Presentation are solely opinions and forecasts which are uncertain and subject to risks. A multitude of factors can cause actual events to differ significantly from any anticipated development. Neither the Company nor any other person guarantees that the assumptions underlying such forward-looking statements are free from errors, and neither the Company nor any other person accepts any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments.

No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither the Company nor any of its affiliates nor any of their respective officers, employees or advisers accepts any liability whatsoever arising directly or indirectly from the use of this document.

By reviewing this Presentation, you acknowledge that you will be solely responsible for your own assessment of the Company, the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.

This Presentation speaks as of August 18th, 2022. Nothing shall under any circumstances create any implication that there has been no change in the affairs of the Company since such date. The Company disclaims any obligation to update or revise any statements, in particular forward-looking statements, to reflect future events or developments.

This Presentation is not a securities prospectus and does not contain all information with regard to the Company and/or its securities that may be essential to make an investment decision with respect to the Company's securities. An investment decision must be based solely on any related securities prospectus that is made available on the Company's website in the future. Such prospectus will also include a description of the risks specific to the situation of the Company and/or the offered securities which are material for the taking of any investment decisions.

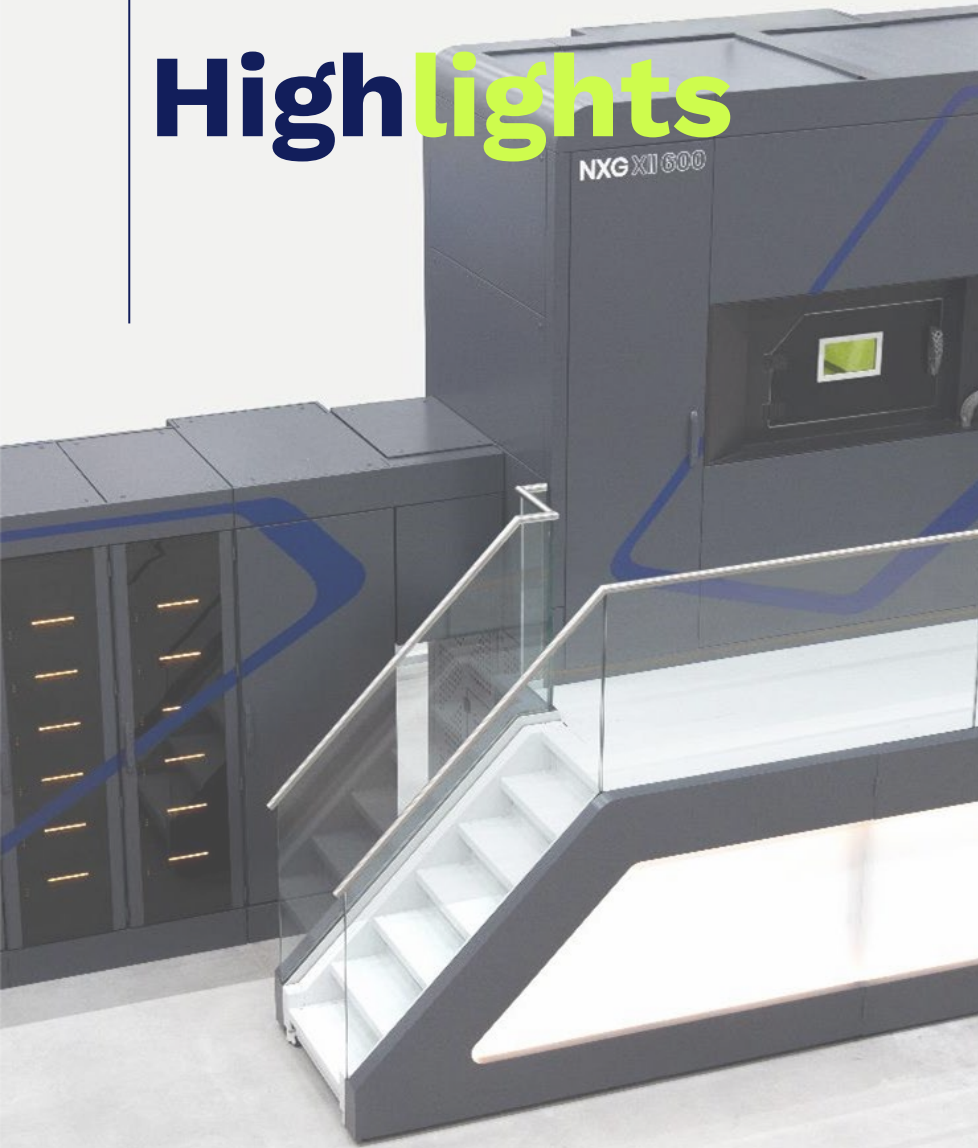
This Presentation does not constitute or form part of and should not be construed as an offer or invitation or recommendation to, purchase or sell or subscribe for, or as any solicitation of any offer to purchase or subscribe for, any securities of the Company, in any jurisdiction. Neither this Presentation, nor any part thereof or anything contained or referred to therein, should form the basis of or be relied on in connection with, or serve as an inducement in relation to, a decision to purchase or subscribe for or enter into any contract or make any other commitment whatsoever in relation to any such securities.

The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state in the United States of America and may not be offered or sold in the United States of America, except pursuant to an applicable exemption from registration.

Business Update

H1 2022

Highlights



ORDER INTAKE BACKLOG

Order Intake

- ⇒ Q2 2022: EUR 22.6m (+100% YoY)
- ⇒ H1 2022: EUR 39.4m (+59% YoY)

Order Backlog

- ⇒ June 2022: EUR 49.1m (+62% YoY)



REVENUE

- ⇒ Q2 2022: EUR 26.1m (+60% YoY)
- ⇒ H1 2022: EUR 42.5m (+34% YoY)

⇒ Record revenue for H1 2022 due to:

- Completion of initial NXG XII 600s
- Continued strength in the existing portfolio



PROFITABILITY (EBITDA)

- ⇒ Q2 2022: EUR 1.3m[#] (+++ YoY*)
- ⇒ H1 2022: EUR -3.0m (+51% YoY)

- ⇒ **STRONG PROFITABILITY PERFORMANCE** driven by solid operating leverage + focus on operational efficiency.



STRATEGIC BUSINESS UPDATES

- ⇒ Successful NXG XII 600 roll-out with additional order intake of two NXG XII 600 systems in Q2 2022.
- ⇒ Received orders for two SLM@500s from Rolls Royce expanding their install base of SLM@500s as part of the pre-production ramp up to produce the Pearl@10X engine.
- ⇒ Management Board bolstered with the addition of Charles Grace as CCO.

[#] Q2 2022 EBITDA includes two favorable one-off items (EUR +1.7m), currency tailwinds and reversal of provisions not required.

* Q2 2021: EUR -4.1m.

First NXG XII 600 Shipments

Pivotal in disrupting the auto manufacturing sector



⇒ Large **install base of 16 SLM® systems**, including **5 NXG XII 600 systems**, with **more on order for delivery in 2022**.

⇒ The NXG XII 600 is a vital component of the Divergent Adaptive Production System (DAPS®) and **provides further enhanced productivity**.

⇒ As a result of the NXG XII 600:

Sustainable volume manufacturing ✓

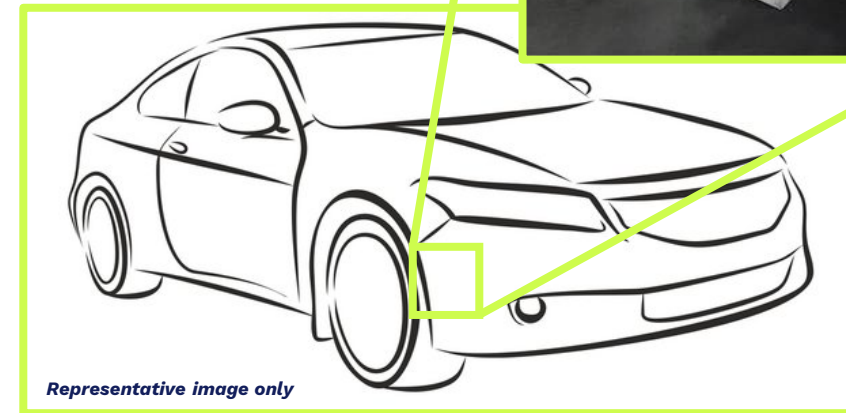
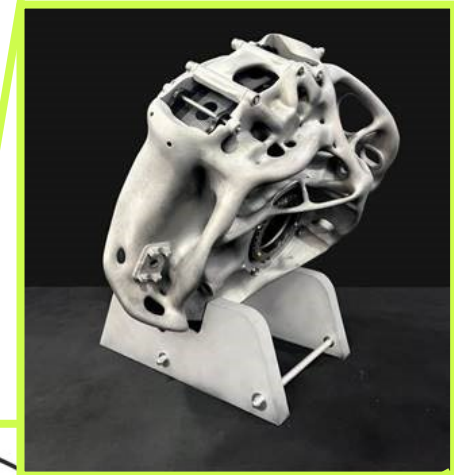
Costly, traditional tooling and capital expenses ✗

⇒ The NXG XII 600 systems are **currently being actively utilized** by Divergent Technologies, including for the purpose of meeting the **growing production demand from several major global carmaker (OEM) programs**

⇒ Since April 2022, **Divergent Technologies has raised \$240 million** in Series C funding, venture financing facilities and a revolving line of credit.

BRAKE ASSEMBLY CHASSIS STRUCTURE

Layer Thickness: 90 µm
Print Time: ~61 hours



Representative image only

SLM®500 POWERING INNOVATIVE SOLUTIONS ...



- Major manufacturer of aero engines.
- **Ordered 2 more SLM®500s**, expanding their install base of SLM®500 systems.
- As seen in the video premiere¹ for the Falcon 10X business jet, powered by the Pearl®10X engine, the SLM®500 is utilized to print **complex combustor tiles achieving valuable weight and emission reduction.**
- The Pearl®10X boasts of a **5% increase in efficiency²** compared to its predecessor.

- Leading global supplier of **mobility solutions, industrial technology**, consumer goods, and energy and building technology.

- **Completed installation of 2 SLM®500s.**



BOSCH

- SLM®500s used to produce parts for its **powertrain technology**, including custom aluminum parts for **hydrogen technology** and **electric drive productions.**

1. [Falcon 10X Premiere video](#)
2. [Rolls-Royce Pearl family continues to grow](#)

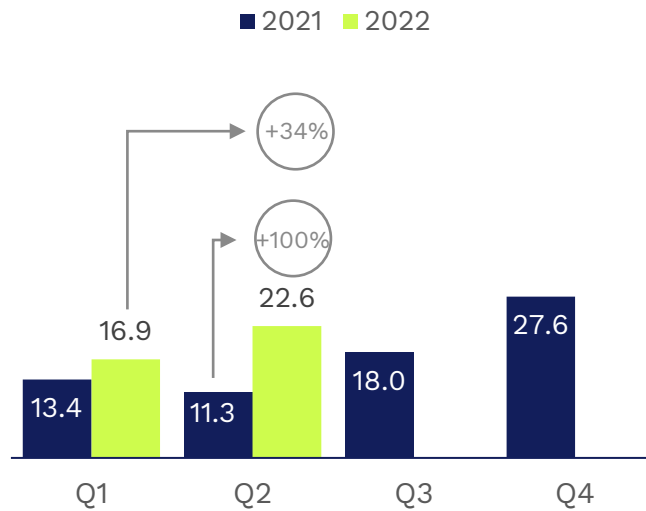
Financial Overview

H1 2022

Growing Topline

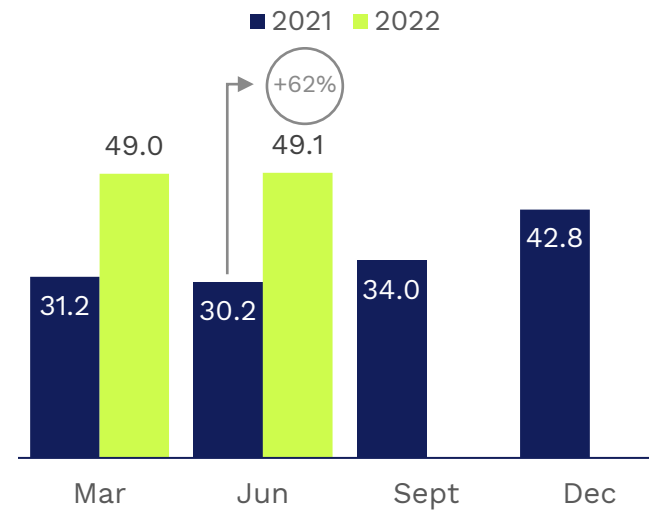
Order Intake

in EUR m



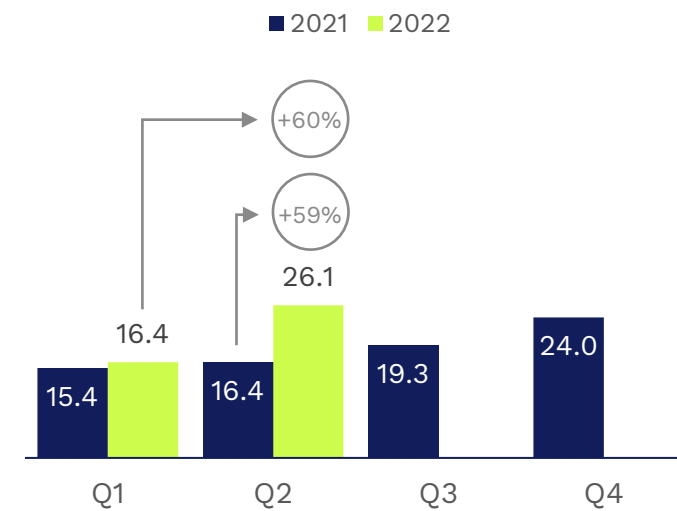
Backlog

in EUR m



Revenue

in EUR m



- ⇒ **Order intake during Q2 2022** of EUR 22.6m, **twice the level of the Q2 2021**. Strong order intake performance driven by all product lines.
 - ⇒ Order intake for Q2 2022 **includes two orders for the NXG XII 600**.
 - ⇒ Strong performance from core portfolio including orders for **two SLM@500s from Rolls Royce**.
- ⇒ **Order Backlog at the end of June 2022** of EUR 49.1m **up 62% YoY**, and marginally higher as compared to the end of March 2022.
- ⇒ **Record revenue for H1 2022** of EUR 42.5m, **up 34% YoY**, driven by a **record performance in Q2 2022** of EUR 26.1m, **up 60% YoY**.

Selected Financials

as per Cost of Sales Accounting

<i>In EUR m</i>	Q2 2022	Δ (in %)	Q2 2021	H1 2022	Δ (in %)	H1 2021
Revenue	26.1	60%	16.4	42.5	34%	31.7
Machine Sale	20.6	70%	12.1	32.0	37%	23.4
After Sales	5.4	29%	4.2	10.5	25%	8.4
Costs of goods sold	(15.4)	57%	(9.8)	(26.2)	43%	(18.3)
Gross profit	10.7	63%	6.6	16.3	22%	13.4
<i>Gross Profit Margin</i>	41%	+1 pp	40%	38%	-4 pp	42%
EBITDA	1.3	n/a	(4.1)	(3.0)	51%	(6.2)
Operating cash flow	(2.9)	52%	(6.1)	(10.5)	5%	(11.1)
Working capital	37.0	17%	31.7			
Cash and cash equivalents	37.1	140%	15.5			

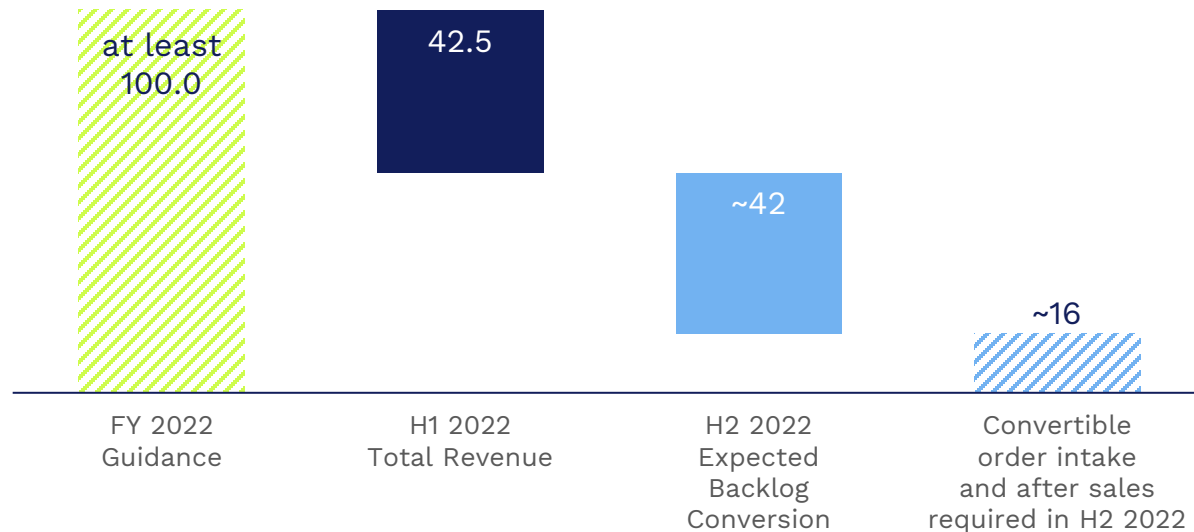
- ⇒ **Machine Revenue:** Driven by continuous strength of core portfolio and shipment of first NXG XII 600s, further acceleration expected in 2H22.
- ⇒ **After-Sales Revenue:** Fueled by growth of machine business and improvement of service quality over the last two years, signed multiple multi-year service agreements in the first half.
- ⇒ **Gross Profit Margin:** Impacted by low productivity of production personnel due to part shortages partially offset by positive product mix (NXG XII 600), low productivity expected to continue in 2H22
- ⇒ **EBITDA:** Impacted by two favorable one-off items (EUR +1.7m), favorable FX impacts and reversal of a legacy accrual.
- ⇒ **Operating cash flow:** Negatively impacted by continuous build up of inventory for NXG XII 600 ramp up, and other supply chain related working capital constraints.

Backlog Conversion

Solid base to achieve guidance

Expected order backlog conversion by quarter

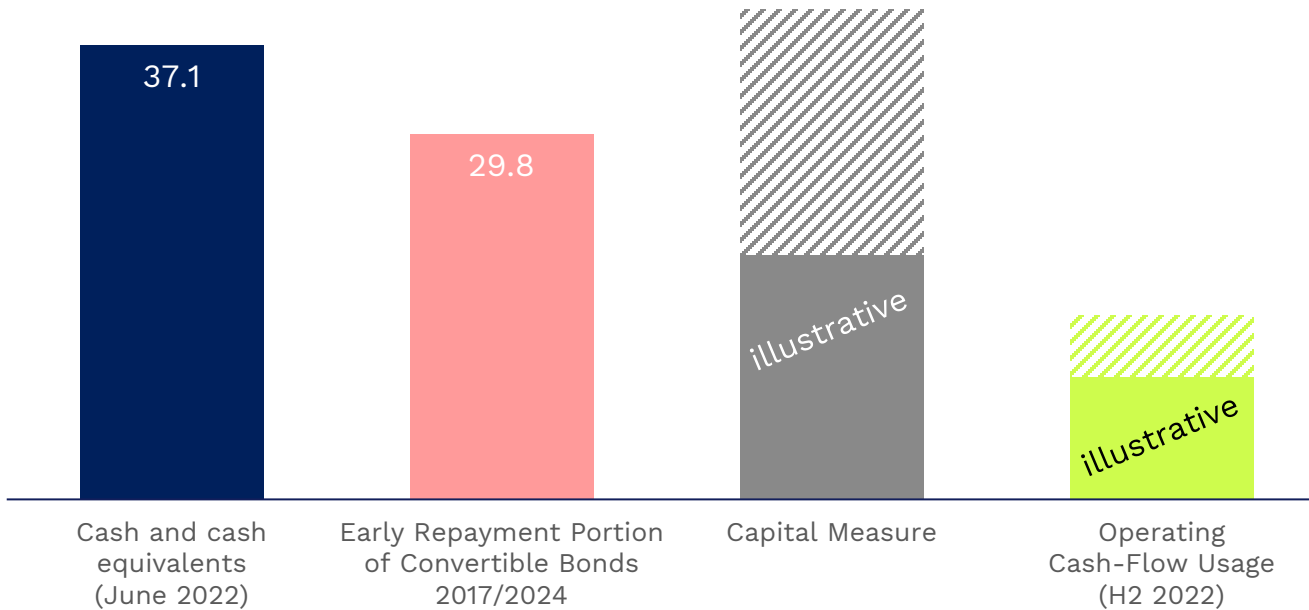
in EUR m



- ⇒ Pace of NXG XII 600 deliveries expected to accelerate in the second half of 2022
- ⇒ Excludes After-Sales Business revenue
- ⇒ Robust level of customer demand along with growth in order intake expected to continue in the coming periods

- ⇒ Availability of certain critical parts, especially electronic components, remains constrained and therefore may hinder us to convert all convertible backlog in the second half of 2022.

Capital Management



- ⇒ As of June 2022, the Company had a liquidity position of EUR 37.1m in cash and cash equivalents
- ⇒ SLM Solutions' liquidity position supported by proceeds from the issuance of the third tranche of the convertible bonds 2020/2026.
- ⇒ Management Board is evaluating financing options
- ⇒ More details to be shared in the coming weeks

Guidance & long-term view

Reiterating FY 2022 and long-term guidance

GUIDANCE

	2022E	2026E
Sales	At least EUR 100 m	~5x revenue growth vs 2021 guidance (~EUR 350 m)
EBITDA	Break-even on quarterly basis in second half	+++

Key Assumptions

2022E: No significant disruptions in supply chain constraints during the second half of 2022, no significant COVID-19 restrictions in key markets, successful NXG XII 600 ramp up, no severe economic slowdown due to Ukraine-Russia crisis

2026E: Ramp-up in serial production of key industries as expected in market forecasts, no significant economic events

KEY LEVERS OF GROWTH

GROWING TAM

MARKET SHARE GROWTH OF EXISTING PORTFOLIO

THE NXG XII 600

STEADY GROWTH IN AFTER SALES REVENUE

Summary

Well positioned for growth



SLM Solutions' product offerings are driving innovations across industries, redefining manufacturing.



Demand environment for additive manufacturing remains strong resulting in continued growth in order intake YoY.



Record revenues for H1 2022 are taking the business to new heights.



Further improvements in profitability achieved with a clear path to our goals.



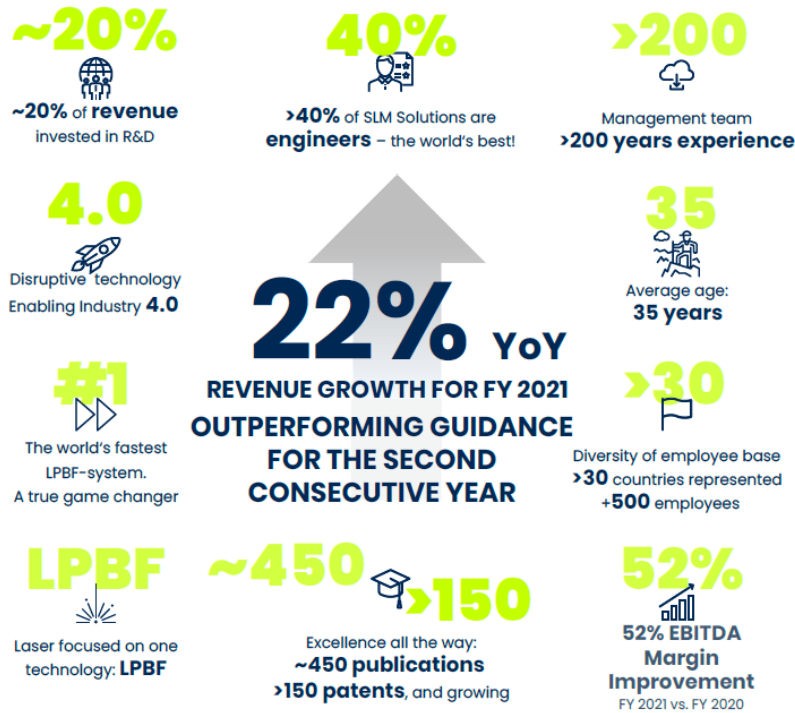
Solid order backlog position of EUR 49.1m provides a strong foundation to achieve guidance for FY 2022.



Supply chain disruptions, a key risk for the business, being effectively managed on a day-to-day basis with several mitigatory measures in play to limit its impacts.

Q&A

SLM SOLUTIONS - SET FOR GROWTH



DIVERSE PORTFOLIO & INDUSTRY COVERAGE

SERVICES	SOFTWARE	MATERIALS	APPLICATIONS

WORLD LEADER IN LPBF A HISTORY OF FIRSTS



SLM SOLUTIONS

DELIVERING THE FUTURE OF MANUFACTURING



Appendix

Income Statement

Total cost accounting

<i>In EUR m</i>	H1 2022	H1 2021	Q2 2022	Q2 2021
Revenue	42.5	31.7	16.4	26.1
Increase/decrease of finished and unfinished stock on hand	8.4	3.9	2.7	2.7
Other activated contributions	3.5	3.2	1.8	1.9
Total output	54.4	38.9	20.8	30.7
Cost of material	(27.5)	(18.1)	(10.2)	(14.1)
Gross profit	26.9	20.7	10.6	16.5
Payroll	(22.8)	(19.3)	(10.2)	(11.9)
Other operating income	2.0	0.8	0.2	1.7
Other operating expenses	(9.1)	(8.5)	(4.6)	(5.0)
EBITDA	(3.0)	(6.2)	(4.1)	1.3
Depreciation & amortization	(3.8)	(3.7)	(1.8)	(1.9)
Earnings before interest and taxes (EBIT)	(6.8)	(10.0)	(5.9)	(0.5)
Interest and similar expenses	(2.5)	(2.6)	(1.4)	(1.3)
Interest & Other Income	0.0	0.0	0.0	0.0
Earnings before taxes	(9.3)	(12.5)	(7.3)	(1.8)
Tax payable	0.2	0.3	0.1	0.1
Result for the period	(9.1)	(12.3)	(7.1)	(1.7)

Pro Forma Income Statement

Cost of sales method of accounting

<i>In EUR m</i>	H1 2022	H1 2021	Q2 2022	Q2 2021
Revenue	42.5	31.7	26.1	16.4
Costs of goods sold	(26.2)	(18.3)	(15.4)	(9.8)
Gross profit	16.3	13.4	10.7	6.6
<i>Gross Profit Margin</i>	38%	42%	41%	40%
Sales costs	(8.7)	(8.3)	(4.8)	(4.6)
Administration costs	(10.8)	(11.5)	(5.2)	(5.8)
Research & Development costs	(5.4)	(4.4)	(2.8)	(2.2)
Other operating income	2.0	1.3	1.7	0.3
Other operating expenses	(0.3)	(0.4)	(0.1)	(0.2)
Earnings before interest and taxes (EBIT)	(6.8)	(10.0)	(0.5)	(5.9)
Interest and similar expenses	(2.5)	(2.6)	(1.3)	(1.4)
Interest & Other Income	0.0	0.0	0.0	0.0
Earnings before taxes	(9.3)	(12.5)	(1.8)	(7.3)
Income Tax	0.2	0.3	0.1	0.1
Result for the period	(9.1)	(12.3)	(1.7)	(7.1)
Earnings before interest and taxes (EBIT)	(6.8)	(10.0)	(0.5)	(5.9)
Depreciation	3.8	3.7	1.9	1.8
EBITDA	(3.0)	(6.2)	1.3	(4.1)

Cost Reconciliation – 2021

Total Cost Accounting vs Cost of Sales

FY 2021	Increase/decrease of finished and unfinished stock on hand	Other activated contributions	Cost of material	Payroll	Other operating income	Other operating expenses	Depreciation & amortization	Allocations	Total
In EUR m									
Costs of goods sold	1.6	0.0	(32.9)	(10.1)	0.0	(2.1)	(0.9)	0.1	(44.2)
Sales costs	(0.0)	0.0	(1.2)	(9.7)	0.0	(7.1)	(0.5)	0.8	(17.7)
Administration costs	0.0	0.0	(2.5)	(10.8)	0.0	(7.8)	(3.2)	1.0	(23.2)
Research & Development costs	0.0	6.3	(0.6)	(8.4)	0.0	(1.5)	(3.1)	(1.9)	(9.2)*
Other operating income	0.0	0.0	0.0	0.0	2.7	0.7	0.0	0.0	3.4
Other operating expenses	0.0	0.0	0.0	0.0	0.0	(0.7)	0.0	0.0	(0.7)
Total	1.6	6.3*	(37.0)	(39.0)	2.7	(18.6)	(7.7)	0.0	

H1 2021	Increase/decrease of finished and unfinished stock on hand	Other activated contributions	Cost of material	Payroll	Other operating income	Other operating expenses	Depreciation & amortization	Allocations	Total
In EUR m									
Costs of goods sold	3.9	0.2	(16.4)	(4.7)	0.0	(1.0)	(0.4)	0.1	(18.3)
Sales costs	(0.0)	0.0	(0.4)	(4.8)	0.0	(3.2)	(0.2)	0.3	(8.3)
Administration costs	0.0	0.0	(1.0)	(5.7)	0.0	(3.7)	(1.5)	0.4	(11.5)
Research & Development costs	0.0	3.0	(0.3)	(4.1)	0.0	(0.6)	(1.6)	(0.8)	(4.4)
Other operating income	0.0	0.0	0.0	0.0	1.3	0.0	0.0	0.0	1.3
Other operating expenses	0.0	0.0	0.0	0.0	0.0	(0.4)	0.0	0.0	(0.4)
Total	3.9	3.2	(18.1)	(19.3)	1.3*	(8.9)*	(3.7)	0.0	

*Internal reclassification as a result of change to cost of sales method of accounting

Cost Reconciliation – 2022

Total Cost Accounting vs Cost of Sales

<i>H1 2022</i>	Increase/decrease of finished and unfinished stock on hand	Other activated contributions	Cost of material	Payroll	Other operating income	Other operating expenses	Depreciation & amortization	Allocations	Total
<i>In EUR m</i>									
Costs of goods sold	8.4	0.0	(26.4)	(6.5)	0.0	(1.3)	(0.4)	0.1	(26.2)
Sales costs	0.0	0.0	(0.5)	(5.6)	0.0	(2.8)	(0.2)	0.4	(8.7)
Administration costs	(0.0)	0.0	(0.2)	(5.7)	0.0	(4.0)	(1.6)	0.7	(10.8)
Research & Development costs	(0.0)	3.5	(0.4)	(5.1)	0.0	(0.8)	(1.5)	(1.2)	(5.4)
Other operating income	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	2.0
Other operating expenses	0.0	0.0	0.0	0.0	0.0	(0.3)	0.0	0.0	(0.3)
Total	8.4	3.5	(27.5)	(22.8)	2.0	(9.1)	(3.8)	0.0	