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)

Others 39.45%
Massachusetts Mutual Life Insurance Company (via Oppenheimer Global Opportunities Fund) 4.17%
FRANKFURT-TRUST Investment-Gesellschaft mbH 5.32%
Deutsche Asset & Wealth Management Investment GmbH 6.90%
Hans-Joachim Ihde (via Ceresio GmbH) 24.07%
Henner Schöneborn 3.24%
Management (without Henner Schöneborn) 0.64%
DPE Deutsche Private Equity B.V. (via Parcom Deutschland I GmbH & Co. KG) 16.22%

*Pooling agreement: joint pursuit of interest pursuant to Section 22 (2) WphG
Order intake more than doubled

<table>
<thead>
<tr>
<th>Order intake</th>
<th># of machines</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2013</td>
<td>10</td>
</tr>
<tr>
<td>YTD 22.08.13</td>
<td>12</td>
</tr>
<tr>
<td>H1 2014</td>
<td>20</td>
</tr>
<tr>
<td>YTD 22.08.14</td>
<td>27</td>
</tr>
</tbody>
</table>

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

Source: Company information
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

Source: Company information
## Highlights (1/2)

**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)

### Table 1: Key Financial Indicators

<table>
<thead>
<tr>
<th>Unit</th>
<th>H1 2013</th>
<th>H1 2014</th>
<th>Change in % or % points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>TEUR</td>
<td>8,558</td>
<td>10,830</td>
</tr>
<tr>
<td>Total output</td>
<td>TEUR</td>
<td>8,924</td>
<td>13,504</td>
</tr>
<tr>
<td>Cost of materials</td>
<td>TEUR</td>
<td>4,796</td>
<td>7,784</td>
</tr>
<tr>
<td>Cost of materials ratio (as % of total output)</td>
<td>%</td>
<td>53.7</td>
<td>57.6</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>TEUR</td>
<td>2,137</td>
<td>3,415*</td>
</tr>
<tr>
<td>Personnel costs ratio (as % of total output)</td>
<td>%</td>
<td>23.9</td>
<td>25.3*</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>TEUR</td>
<td>186</td>
<td>98</td>
</tr>
<tr>
<td>Adjusted EBITDA margin (as % of revenue)</td>
<td>%</td>
<td>2.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Consolidated net result</td>
<td>TEUR</td>
<td>-829</td>
<td>-7,244</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>EUR</td>
<td>-0.05</td>
<td>-0.40</td>
</tr>
<tr>
<td>New order intake</td>
<td>No. of machines</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Machines sold</td>
<td>No. of machines</td>
<td>11</td>
<td>15</td>
</tr>
</tbody>
</table>

*Note: Based on IFRS financials*
### Highlights (2/2)

**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)

<table>
<thead>
<tr>
<th>Unit</th>
<th>H1 2013</th>
<th>H1 2014</th>
<th>Change in % or % points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>TEUR</td>
<td>21,026</td>
<td>20,945</td>
</tr>
<tr>
<td>Current assets</td>
<td>TEUR</td>
<td>14,569</td>
<td>86,863</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>%</td>
<td>41.3</td>
<td>88.6</td>
</tr>
<tr>
<td>Total assets</td>
<td>TEUR</td>
<td>35,595</td>
<td>107,808</td>
</tr>
</tbody>
</table>

Note: Based on IFRS financials
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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