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

Repeat orders\(^1\)

- **2013**:
  - Repeat: 7 (27%)
  - New: 19 (73%)

- **2014**: 62 (100%)
  - Repeat: 26 (42%)
  - New: 36 (58%)

Multi machine orders

- **2013**: 23 (100%)
  - Multi machines: 24 (92%)
  - Single machines: 2 (8%)

- **2014**: 39 (100%)
  - Multi machines: 37 (63%)
  - Single machines: 2 (8%)

Multi laser orders

- **2013**: 8 (100%)
  - Multi-Laser: 8 (100%)

- **2014**: 25 (100%)
  - Multi-Laser: 37 (60%)
  - Single-Laser: 8 (31%)

**Note:**
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)

### Notes:
- Based on IFRS financials

### 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).

### Unit FY 2013 FY 2014 Change in % or % points

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

* adjusted for one-off expenses of TEUR 5,650 (IPO bonus) + Retention Bonus TEUR 1,055
Highlights FY 2014 (2/2)

- 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).

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>FY 2013</th>
<th>FY 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>22,456</td>
<td>+6.8</td>
</tr>
<tr>
<td>Current assets</td>
<td>TEUR</td>
<td>14,569</td>
<td>89,719</td>
<td>+515.8</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>%</td>
<td>41.3</td>
<td>86.5</td>
<td>+45.2</td>
</tr>
<tr>
<td>Total assets</td>
<td>TEUR</td>
<td>35,595</td>
<td>112,175</td>
<td>+215.2</td>
</tr>
</tbody>
</table>

Note: Based on IFRS financials
Convincing growth story delivered

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

**Group revenues 12M (in TEUR)**

- 2013: 21,575
- 2014: 33,559
- Increase: +56%

**Group revenues Q4 (in TEUR)**

- Q4 2013: 8,786
- Q4 2014: 14,717
- Increase: +68%

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

- 2013: 16,592
- 2014: 29,632
- Increase: +79%

**Core SLM segment revenues Q4**

- Q4 2013: 7,547
- Q4 2014: 13,553
- Increase: +80%
Strong revenue, adjusted EBITDA and margin growth achieved

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (€m)</th>
<th>Adjusted EBITDA (€m)</th>
<th>Adj. EBITDA (%) of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011A</td>
<td>11.9</td>
<td>4.2</td>
<td>10.0%</td>
</tr>
<tr>
<td>2012A</td>
<td>17.5</td>
<td>6.2</td>
<td>11.1%</td>
</tr>
<tr>
<td>2013A</td>
<td>21.6</td>
<td>4.9</td>
<td>11.5%</td>
</tr>
<tr>
<td>2014P</td>
<td>33.6</td>
<td>3.9</td>
<td>13.4%</td>
</tr>
</tbody>
</table>

**Source:** SML SOLUTIONS
Strong order intake in 2014 is even accelerating in 2015…

![Chart showing order intake by quarter and machine models.](chart)

- **Q1 2014**: 7 machines, 5 SLM125HL, 2 SLM280HL, 1 SLM500HL
- **Q2 2014**: 8 machines, 3 SLM125HL, 8 SLM280HL, 1 SLM500HL
- **Q3 2014**: 14 machines, 1 SLM125HL, 1 SLM280HL, 12 SLM500HL
- **Q4 2014**: 16 machines, 2 SLM125HL, 16 SLM280HL, 8 SLM500HL
- **Q1 2015**: 17 machines, 7 SLM125HL, 7 SLM280HL, 3 SLM500HL

**Graphical Note**: +143% order intake increase from Q1 2014 to Q1 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

- 30 - 33% of revenue guidance in order book as of 31. Mar
- Q1 revenue not yet disclosed
- Indication: as per March 31 ~40 - 50% of revenue guidance booked/billed
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

Source: Company information
Profitable growth, solid share price

Share price development
(as of April 17, 2015)

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>11.9</td>
<td>17.5</td>
<td>21.6</td>
<td>33.6</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td>1.2</td>
<td>1.9</td>
<td>2.5</td>
<td>4.5</td>
</tr>
<tr>
<td>EBITDA¹ margin (in % of revenue)</td>
<td>10.0</td>
<td>11.1</td>
<td>11.5</td>
<td>13.4</td>
</tr>
</tbody>
</table>

¹ 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

Shareholder structure
(as of April 17, 2015)

- Others 40.22%
- Massachusetts Mutual Life Insurance Company (via Oppenheimer Global Opportunities Fund) 4.17%
- Management (without Henner Schöneborn) 0.64%
- DPE Deutsche Private Equity B.V. (via Parcom Deutschland I GmbH & Co. KG) 16.22%
- Henner Schöneborn and sons 3.24%
- FRANKFURT-TRUST Investment-Gesellschaft mbH 5.32%
- Deutsche Asset & Wealth Management Investment GmbH 6.12%
- Hans-Joachim Ihde (via Ceresio GmbH) 24.07%

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