FY 2016
Presentation
1 At a glance
Overview FY 2016 and current Order Entry

- **YoY revenue growth** of 22.0 % to EUR 80.7 mn (FY 2015: EUR 66.1 mn) in a challenging year

- **New order unit intake** rises by 27.5 % to 130 machines (FY 2015: 102), YoY growth in value terms of 30.9 % to EUR 80.0 mn (FY 2015: EUR 61.1 mn)

- **Positive adjusted EBITDA**\(^1\) margin of 3.8 % in FY 2016 (FY 2015: 12.2 %), mainly due to reduced revenue growth in H2/2016

- **New order unit intake** as of March 15, 2017: 17 machines (as of March 15, 2016: 14)
  - Value: 10.6 mn (as of March 15, 2016: 7.7 mn)
  - Average order value: 0.62 mn (as of March 15, 2016: 0.55 mn)

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\(^1\) adjusted for Retention Bonus and transaction costs in FY 2016; adjusted for Retention Bonus in FY 2015
218 Customers (31.12.2016) – 42 with more than one machine

<table>
<thead>
<tr>
<th>Number of installed machines</th>
<th>Area</th>
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<tbody>
<tr>
<td></td>
<td>Energy, Aviation, R&amp;D</td>
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<tr>
<td>1</td>
<td>Automotive</td>
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<tr>
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<td>14</td>
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<td>28</td>
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Financial Highlights
Order value remains on favorable level in Q4/16

- SLM Solutions received orders for 46 machines in Q4/16 (Q4/15: 38)
- Thereof 70% multi-laser machines (Q4/15: 40%)
- Average order value in Q4/16 up to EUR 0.67 mn (Q4/15: EUR 0.51 mn)

- FY 2016 average order value figure affected by lower average order value in H1/16 due to shift in mix of ordered machines and uncommon sale of demo machines at a discount
Order entry catches up again after November 2016

- Reluctance during GE offer phase
- Beginning recovery of order entry after failure of the takeover attempt (October 2016)
Business Split 2016 – Machines sold

**Sales by region**
- EMEA: 23% (59 sales), North America: 27% (32 sales), APAC: 27% (27 sales)

**Repeat sales**
- New sales: 33% (79 sales), Repeat sales: 67% (59 sales)

**Multilaser sales**
- Multilaser: 44% (66 sales), Single laser: 56% (52 sales)

**Sales by machine type**
- SLM 280: 20% (24 sales), SLM 129: 25% (29 sales), SLM 500: 55% (65 sales)

**Multi-machine sales**
- Single machine sales: 33% (39 sales), Multi-machine sales: 67% (79 sales)
FY 2016 sales figures reflect valuable mix

- New version of SLM 500 HL picks up speed
- Multi-laser technology as a USP
"After Sales" business grows disproportionately in FY 2016

- **Consolidated revenue (by segments; EUR mn)**
  - **FY15**
    - Machine Sales: 59.1
    - After Sales: 7.0
    - Total: 66.1
  - **FY16**
    - Machine Sales: 69.7
    - After Sales: 11.0
    - Total: 80.7

- **86.3 % of FY16 revenues were generated by machine sales** (including sale of machines and accessories)

- **13.7 % of FY16 revenues were generated by after sales** (including service revenue, replacement parts sales and merchandise sales), up from 10.5 %

- **After sales business with further growth potential**

- **Positive development of service contracts**

- **Service contracts in place (# contracts)**
  - Dec 31, 2015: 18
  - Dec 31, 2016: 32
  - Increase: +77.8 %
High dependency on 4th quarter

Q4 2016 revenue stable YoY

Rolling observation of a full year period more meaningful: cumulative sales revenues for twelve months remain stable at around 80 to 81 EUR mn
Historic adjusted EBITDA and Working Capital

- **Adjusted EBITDA margin FY2016** at 3.8%
- **Adjusted EBITDA FY2016** significantly influenced by sale of used machines at a discount
- Higher personnel cost ratio (more FTE) and slightly higher cost of materials ratio in 2016

- Working Capital as of Dec. 31, 2016 of EUR 50.6 mn, up 24.9% from Dec. 31, 2015 (EUR 40.5 mn)
- Increase in Working Capital intensity by 1.4 pts. YoY to 62.7% (Q4/15: 61.3%)
3 Strategic Outlook
Well-positioned for further growth on an independent basis

“Turning the key to growth.”

- SLM machines
- Metal powder
- Software tools
- Training & Consulting
- Other consumables
- Turnkey Solutions
- Financing
- After Sales

SLM Solutions company presentation
Management outlook 2017 – return to growth path

- Revenues expected in a range of EUR 110.0 mn to EUR 120.0 mn, highly depending on Q4
- Product mix will include more production-oriented machines
- Adjusted EBITDA margin of 10 to 13% expected (roughly EUR 11.0 mn to EUR 15.0 mn)
- Cost ratios depend highly on revenues achieved – realizing economies of scale
## Investment Highlights

1. Deep rooted additive manufacturing heritage

2. German engineering with a global reach: international expansion in growth markets

3. Enormous addressable market for metal additive manufacturing

4. Technological leadership position due to multi-laser technology

5. Expanding installed base at blue chip customers

6. Profitable growth above market growth

7. Clear growth strategy: full-service provider for additive manufacturing
Development of our share price: +71% in FY 2016
Shareholder Structure (March 27, 2017)

- Deutsche Asset & Wealth Management Investment GmbH: 6.12%
- Oppenheimer Global Opportunities Fund: 5.01%
- Morgan Stanley & Co. LLC: 3.54%
- Allianz Global Investors GmbH: 3.01%
- Others: 30.75%
- Hans-Joachim Ihde (via Ceresio GmbH): 24.07%
- Henner Schöneborn and sons: 2.0%
- Uwe Bögershausen: 0.13%
- DPE Deutsche Private Equity B.V. (via Parcom Deutschland I GmbH & Co. KG): 5.38%
- Elliott International Limited: 20.00%**

* Pooling agreement: joint pursuit of interests pursuant to Section 22 (2) WpHG
** Voting rights are attributed by subsidiary Cornwall GmbH & Co. KG (20,001%)
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