

**Q1 2017
Presentation**



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At a glance

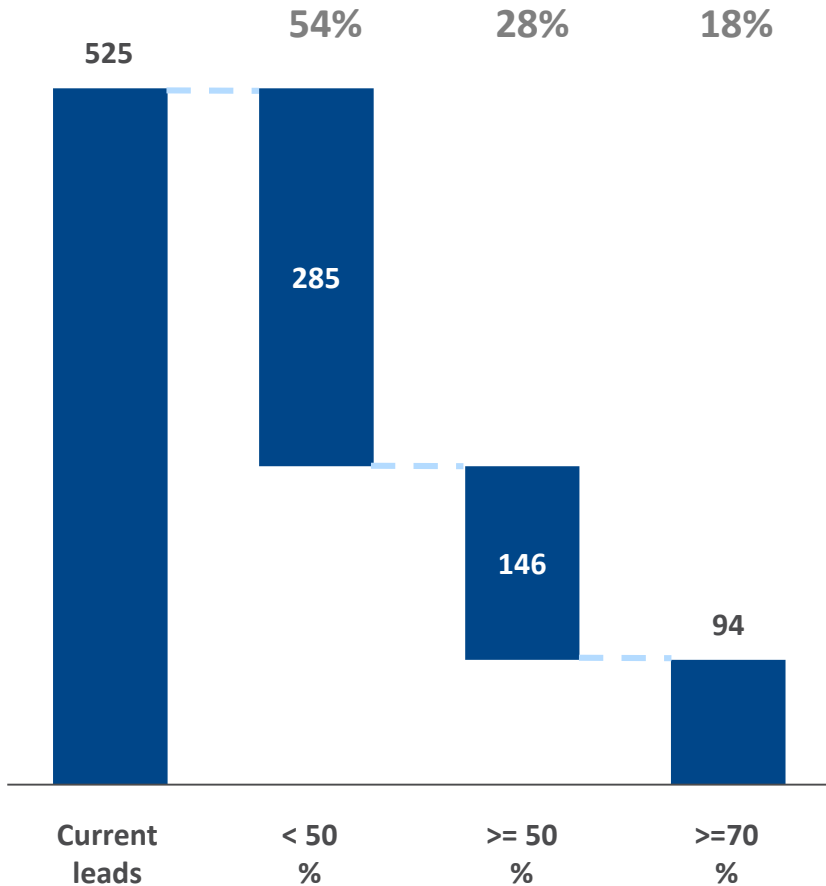
○ Overview Q1 2017

- YoY revenue growth of 15.7 % to EUR 15.9 mn (Q1/2016: EUR 13.8 mn); year still challenging, customers continue to stay in “wait and see mode”
- New order unit intake down by 28.0 % to 18 machines (Q1/2016: 25), YoY decline in value terms of only 23.0 % to EUR 11.3 mn (Q1/2016: EUR 14.6 mn)
- adjusted EBITDA¹⁾ margin of -10.0 % in Q1/2017 (Q1/2016: -5.5 %), mainly due to higher personnel cost

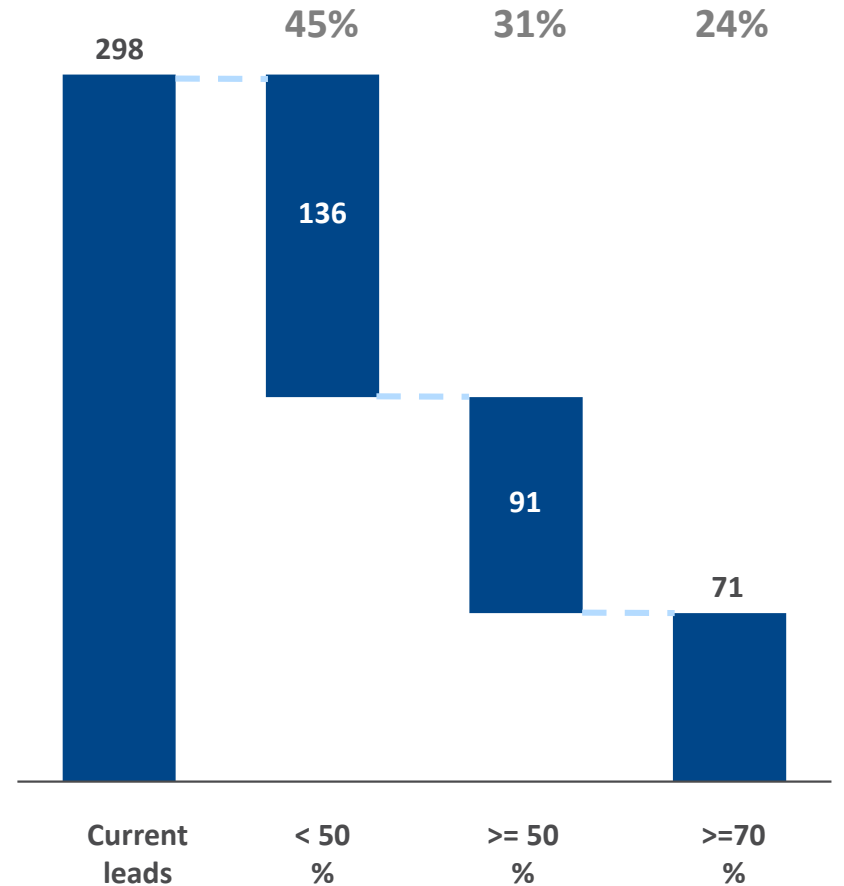
1) adjusted for Retention Bonus in Q1/2017 and Q1/2016

○ Interest in our products increased significantly

Machines



Order value [EURm]



Order probabilities calculated with a proprietary model

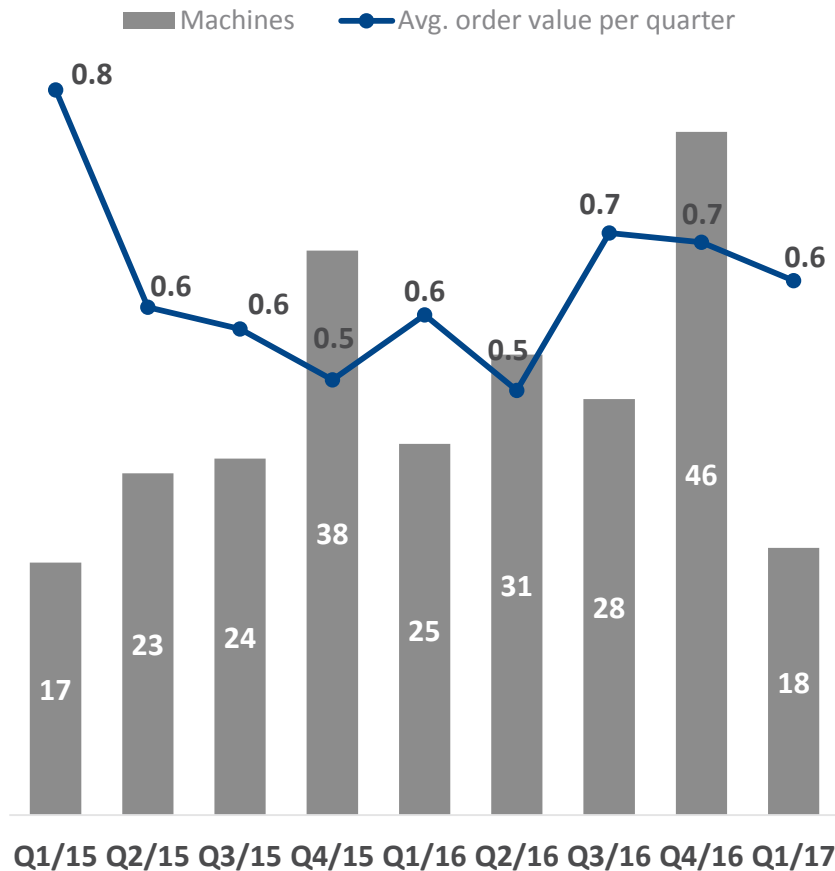
An aerial, high-angle view of a city street grid, rendered in a light blue, wireframe style. The streets form a dense pattern of rectangles. In the lower-left quadrant, there is a dark blue square with rounded corners and four small white dots at its corners. Inside this square is a large white number '2'.

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Financial Highlights

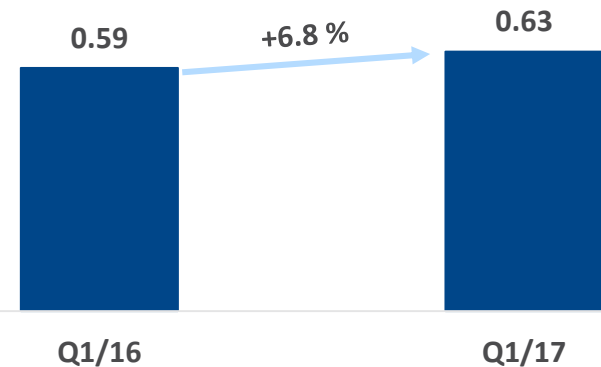
○ Average order value at robust level in Q1/2017

Per-quarter order entry (machines) and average order value (EUR mn)



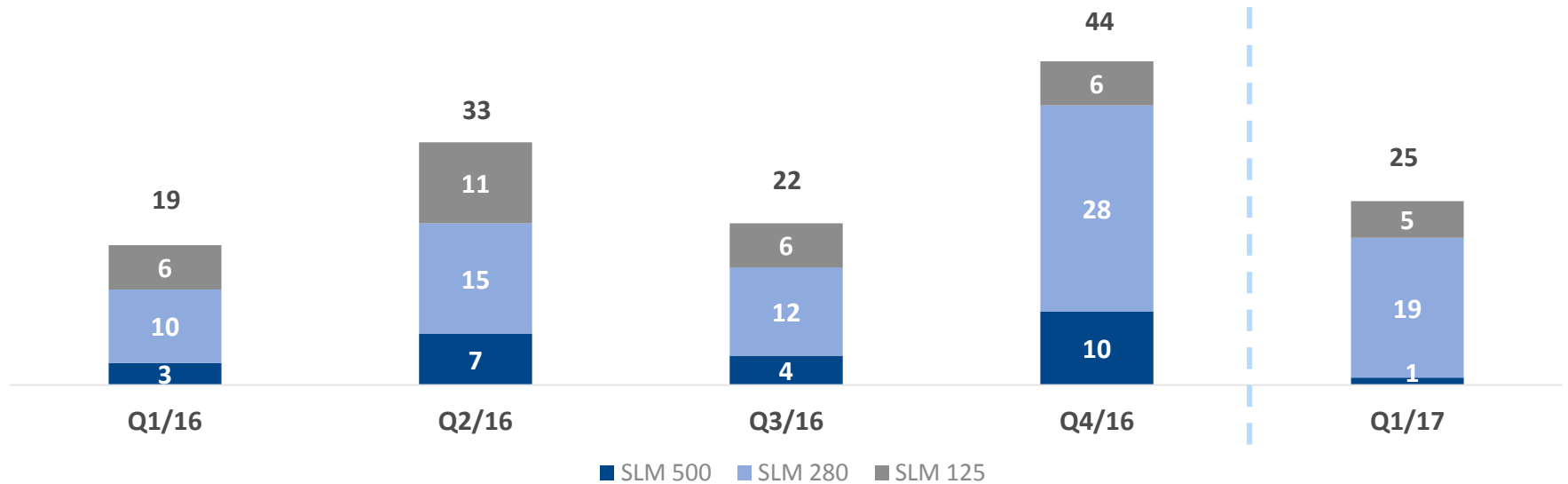
- SLM Solutions received orders for 18 machines in Q1/17 (Q1/16: 25)
- Thereof 39 % multi-laser machines (Q1/16: 64 %)
- Average order value in Q1/17 slightly up to EUR 0.63 mn (Q1/16: EUR 0.59 mn)

Average order value (EUR mn)



○ Early 2017 sales figures reflect valuable mix

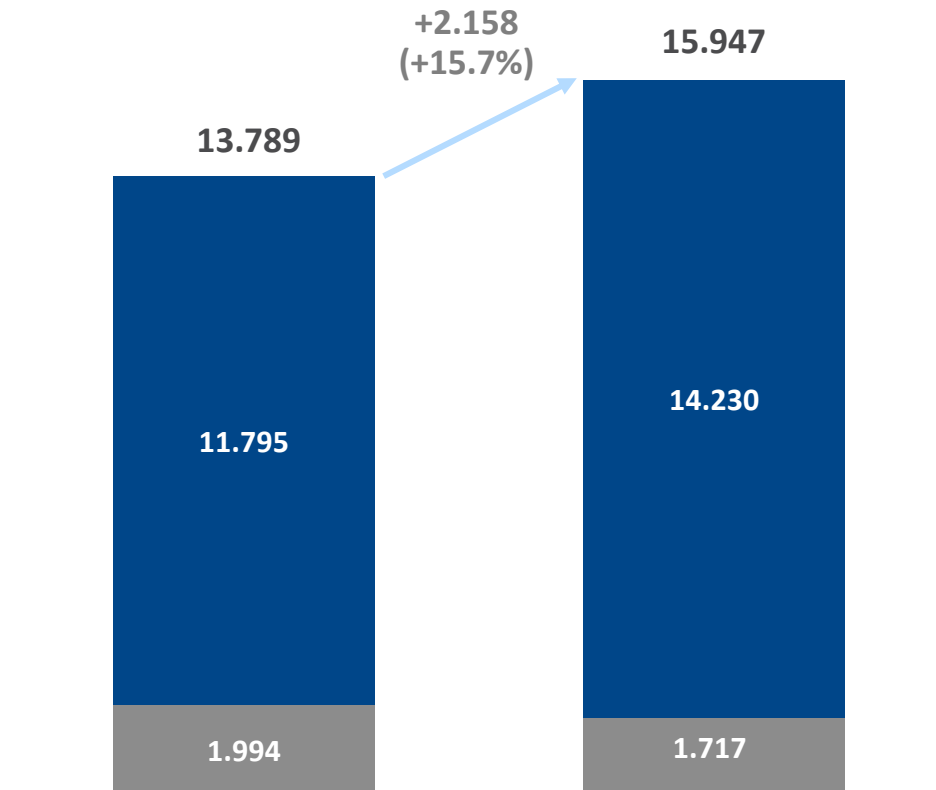
(machines)



- Robust SLM 280 „bread and butter“ business
- Multi-laser technology as a USP

○ “Machine Sales” with strong growth in first quarter 2017

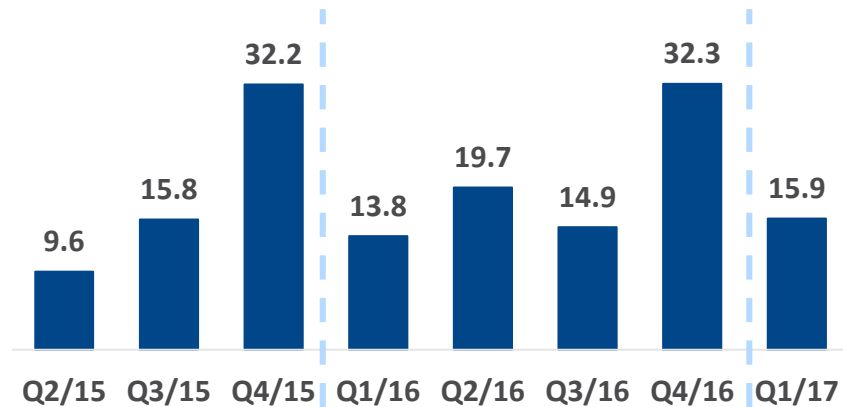
Consolidated revenue (by segments; EUR mn)



- 89.2 % of Q1/17 revenues were generated by machine sales (including sale of machines and accessories), up 20.6%
- 10.8 % of Q1/17 revenues were generated by after sales (including service revenue, replacement parts sales and merchandise sales), down EUR 0.3 mn due to seasonality and volatility of revenues at current overall level
- After sales business with further growth potential

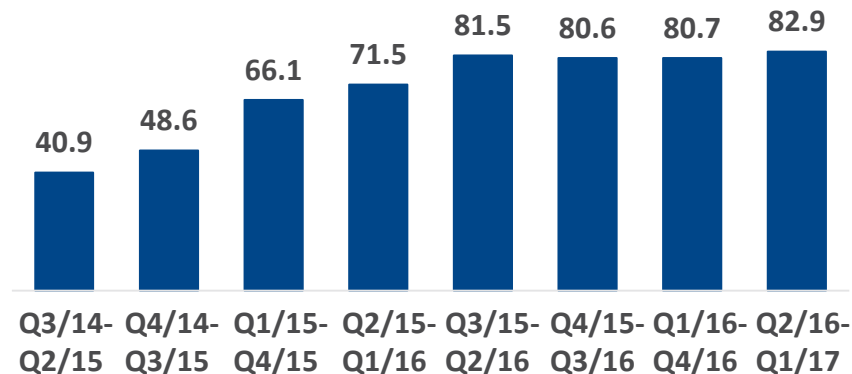
○ High dependency on 4th quarter

Revenue development (EUR mn)



Q1 2017 revenue slightly up YoY

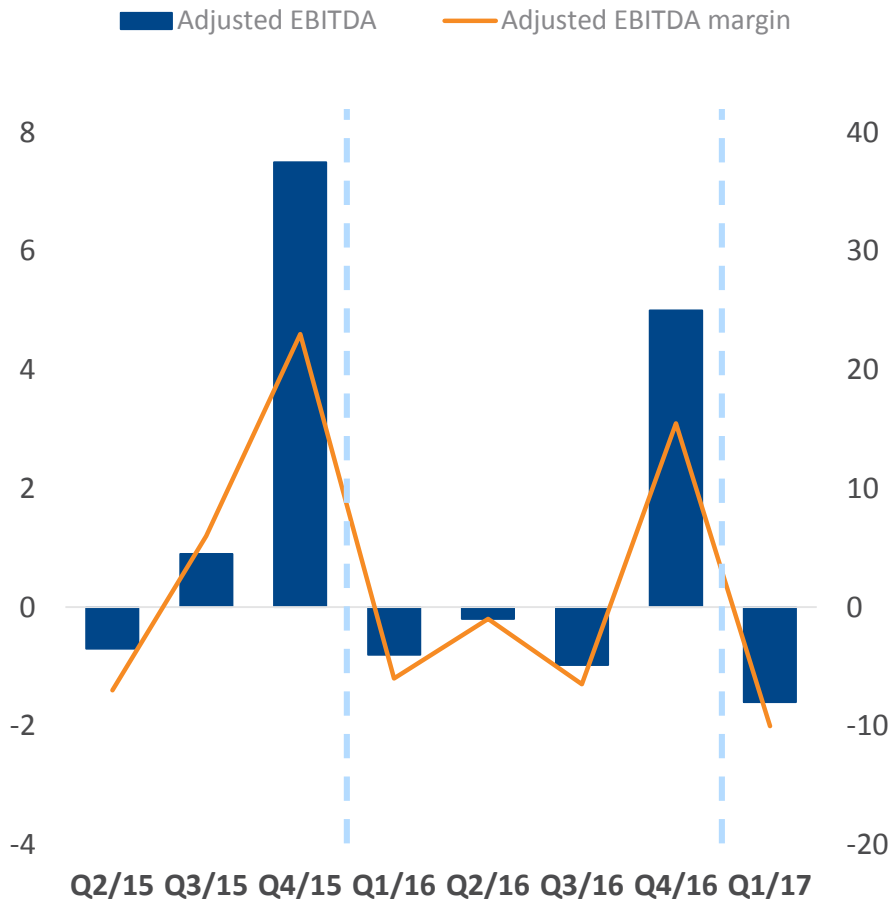
Revenue of the last twelve months (EUR mn)



Rolling observation of a full year period more meaningful: cumulative sales revenues for twelve months up again to EUR 82.9 mn

○ Historic adjusted EBITDA

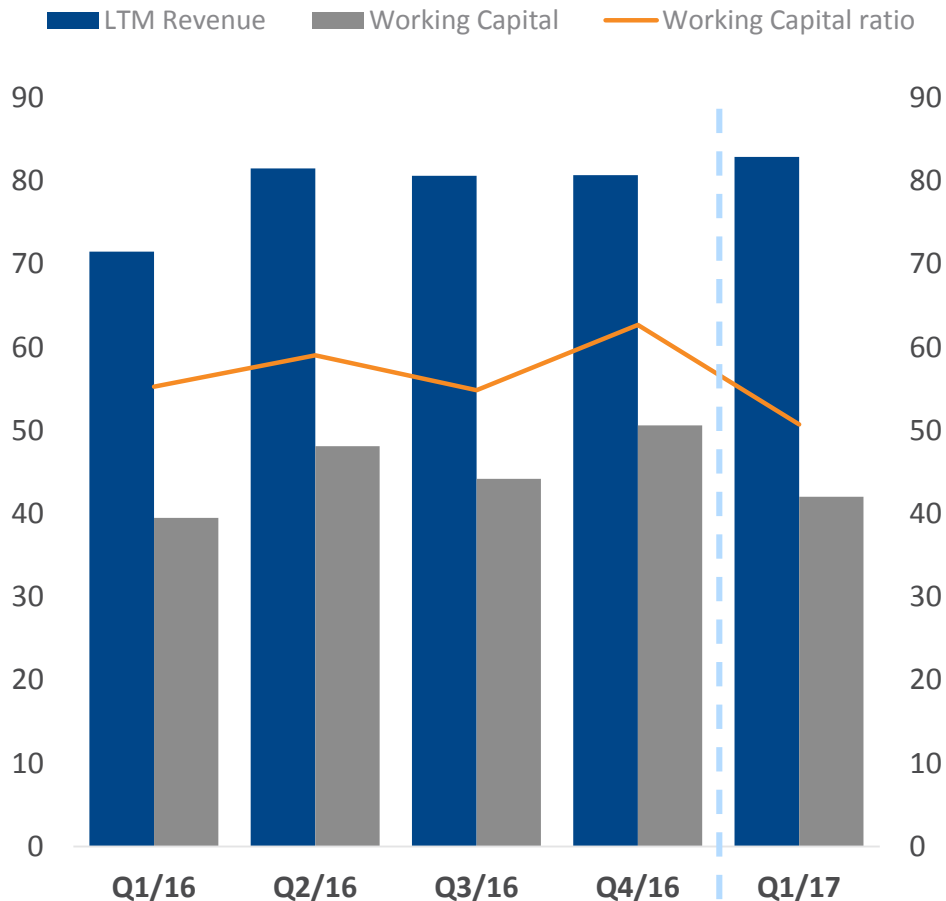
Adjusted EBITDA (EUR mn / %)



- Adjusted EBITDA in Q1/2017 of -10.0% significantly influenced by increased number of staff (Q1/2016: -5.5%)
- Higher adjusted personnel cost ratio of 52.8% (Q1/2016: 29.5%)
- Significantly lower cost of materials ratio of 37.0% (Q1/2016: 55.2%) due to sale of warehoused machines and less preproduction

○ Strong improvement of Working Capital

Working Capital (EUR mn / % of LTM revenue)



- Working Capital as of March 31, 2017 of EUR 42.0 mn, down 17.0 % from Dec. 31, 2016 (EUR 50.6 mn), mostly due to reduced receivables and lower inventory build-up
- Decrease in Working Capital intensity by 12.0 pts. YoY to 50.7 % (Q4/16: 62.7 %)

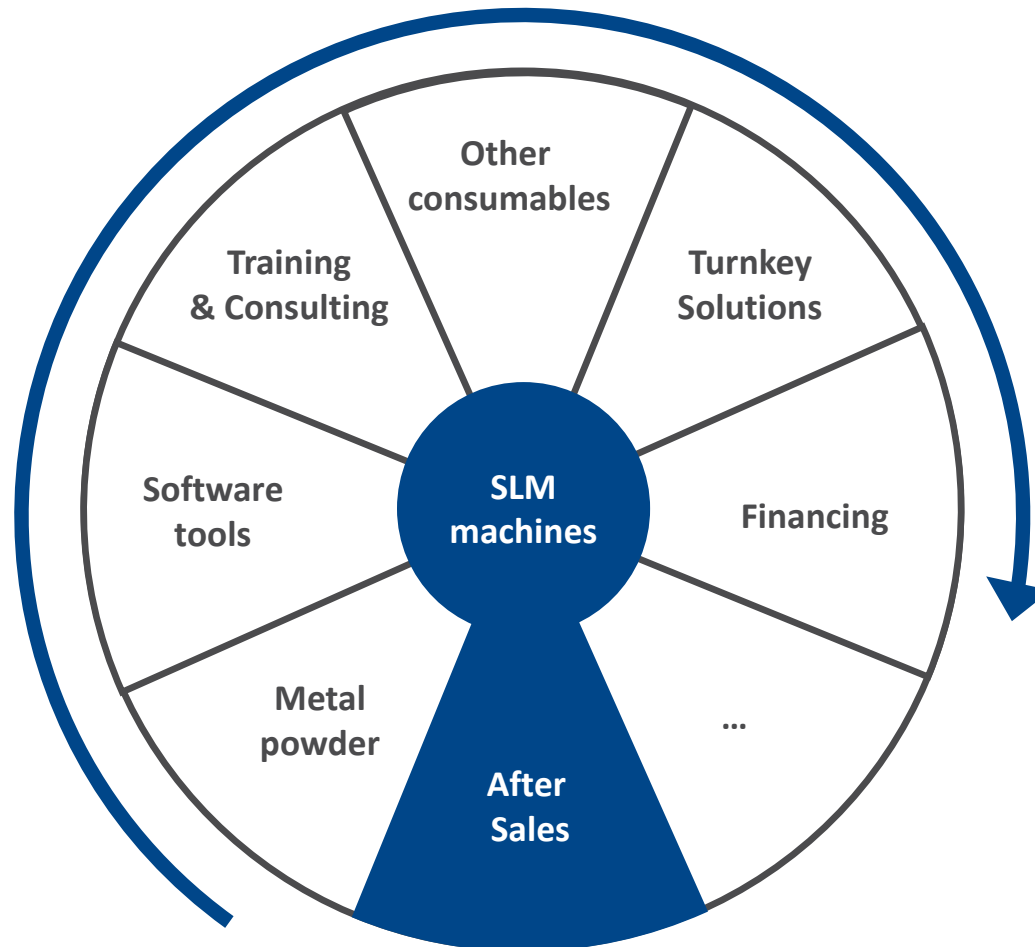


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Strategic Outlook

○ Well-positioned for further growth on an independent basis

“Turning the key to growth.”



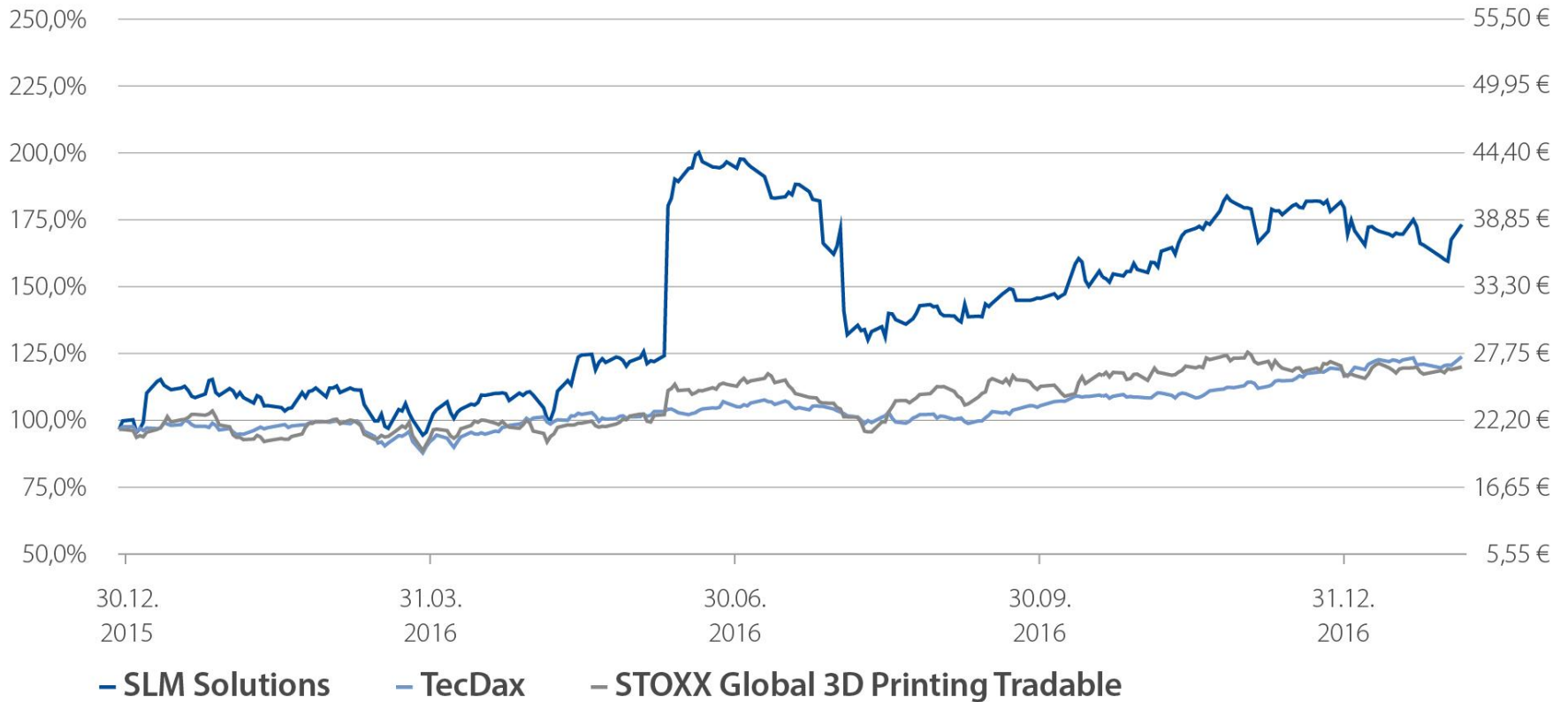
○ First quarter confirms management expectation for 2017

- Estimates relating to additive manufacturing market and target regions' economic trends remain unchanged
- 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**

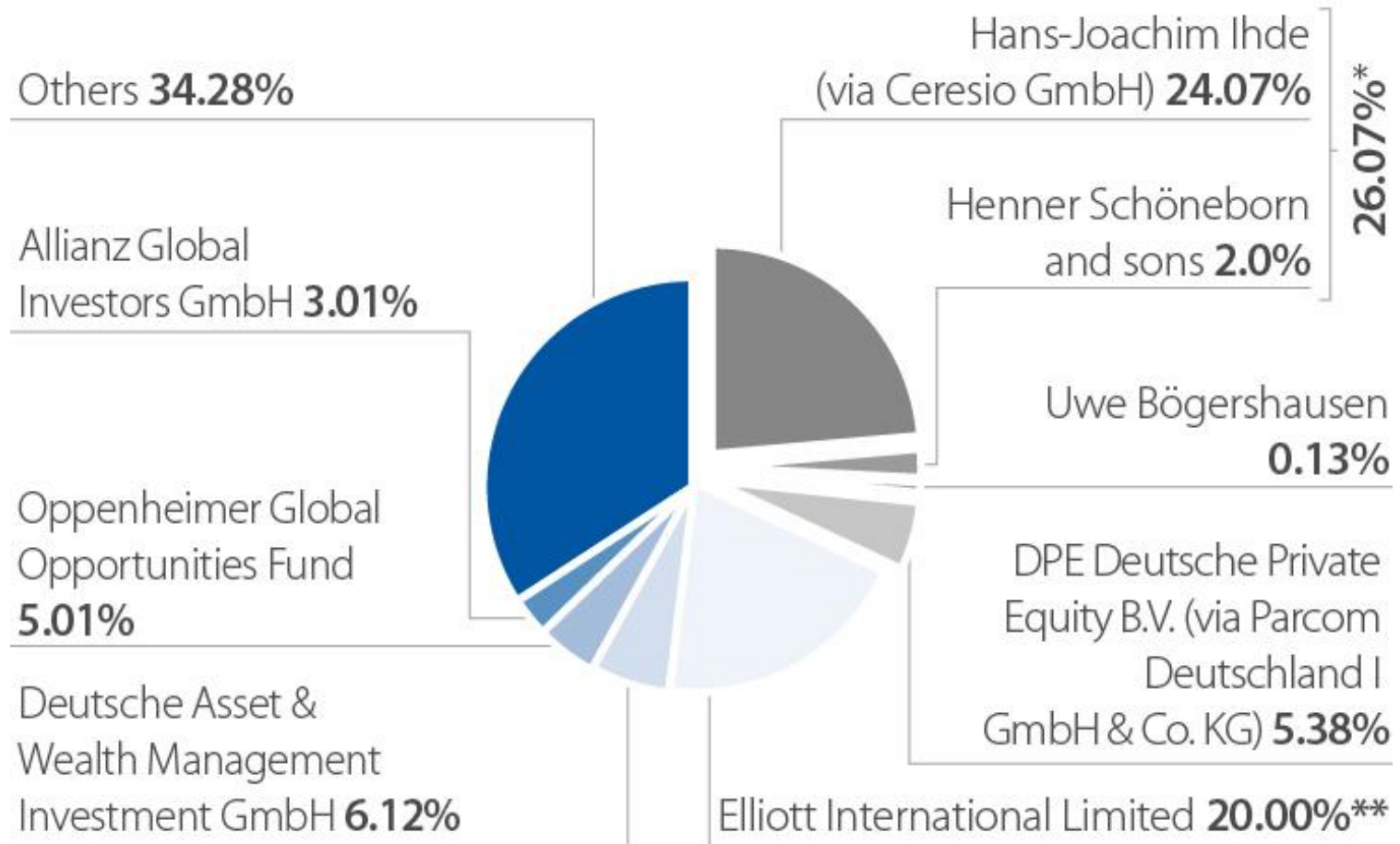
○ Investment Highlights

- 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: +68% LTM (March 31, 2017)

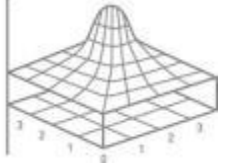


○ Shareholder Structure (May 5, 2017)



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

** Voting rights are attributed by subsidiary Cornwall GmbH & Co. KG (20.001%)



Q&A



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