

**H1 2017  
Presentation**



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**At a glance**

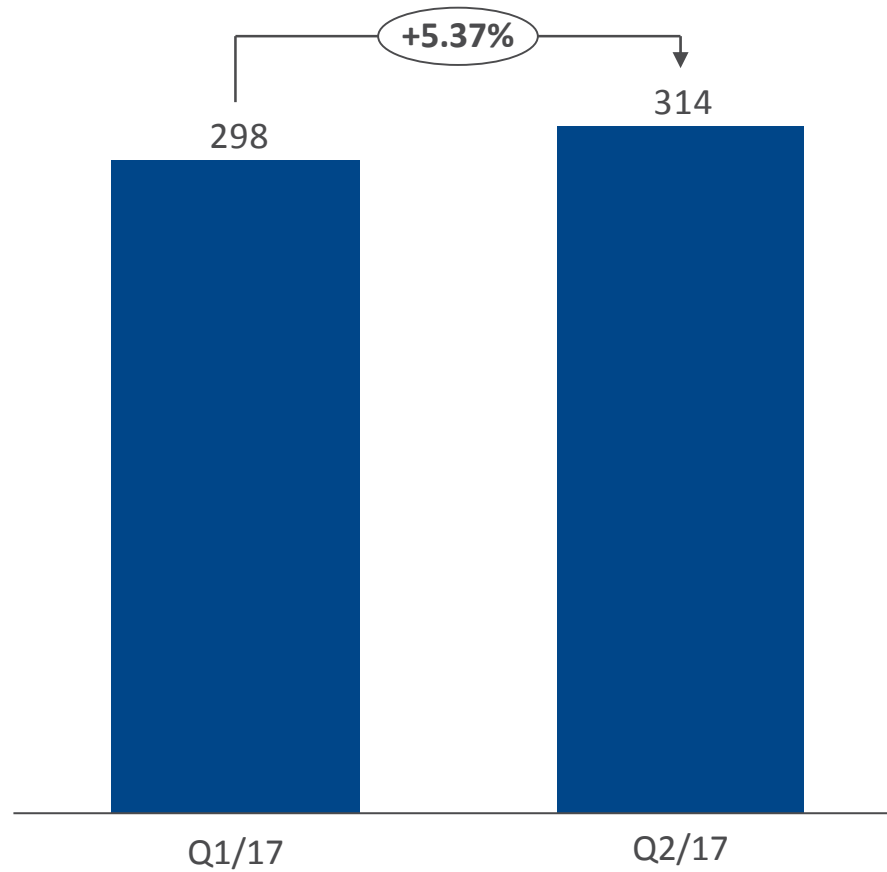
## ○ Overview H1 2017

- New order intake:  
YoY increase in value terms of 17.9 % to EUR 35.3 mn (H1/2016: EUR 30.0 mn);  
order intake in terms of machines down by 16.1 % to 47 (H1/2016: 56)
- Largest single order in the company's history received in June 2017
- First positive cash flow from operating activities since IPO in 2014  
(H1 2017: EUR 1.6 mn; H1 2016: EUR -12.8 mn)
- Increased order value due to large amount of production machines
- Strategic partnerships with customers like Divergent and BeamIT
- Not translated into revenue immediately:  
YoY revenue decline of 13.5 % to EUR 29.0 mn (H1/2016: EUR 33.5 mn); year still  
challenging, customers continue to stay in “wait and see mode”
- adjusted EBITDA<sup>1)</sup> margin of -15.6 % in H1/2017 (H1/2016: -2.9 %),  
mainly due to higher personnel cost
- Still challenging environment due to failed takeover approach

1) adjusted for Retention Bonus in H1/2017 and H1/2016

# ○ Sales prospects further increased

**Leads value [EURm]**



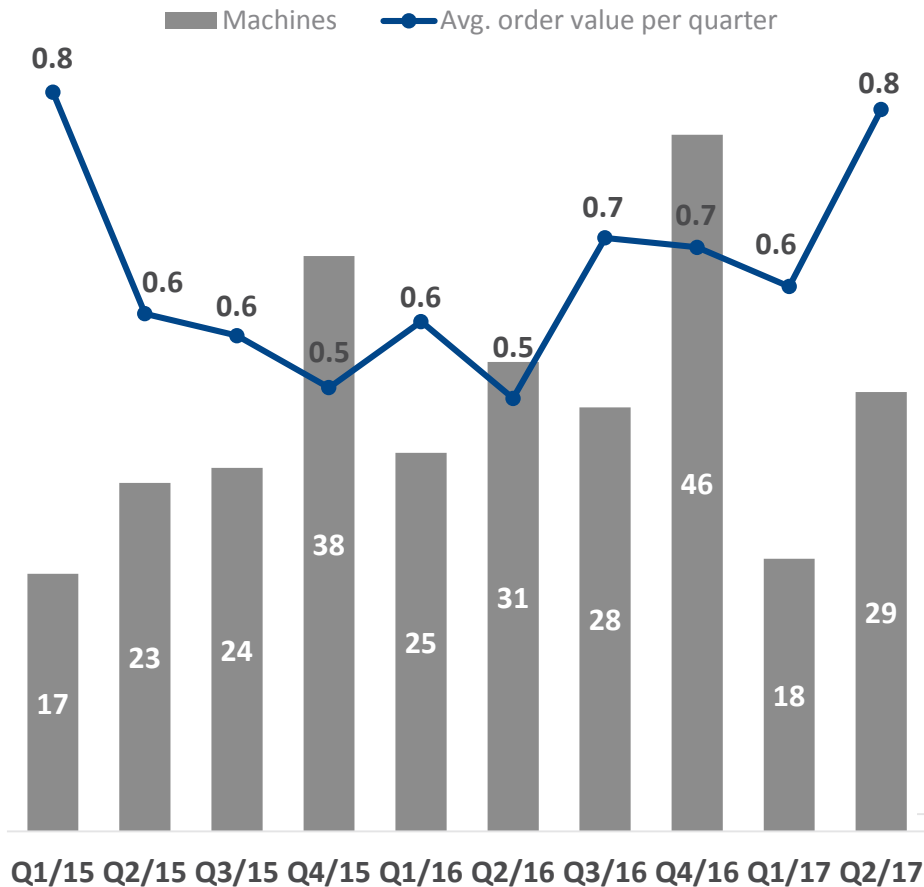


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# Financial Highlights

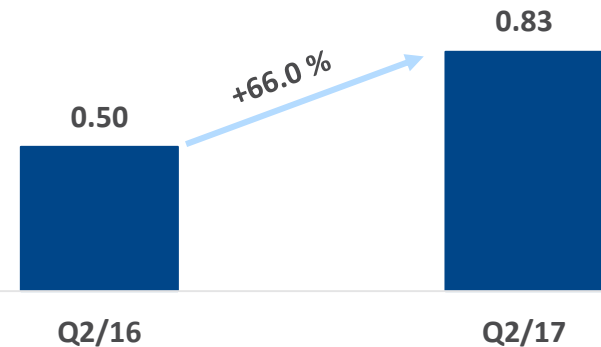
# ○ Increasing average order value

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



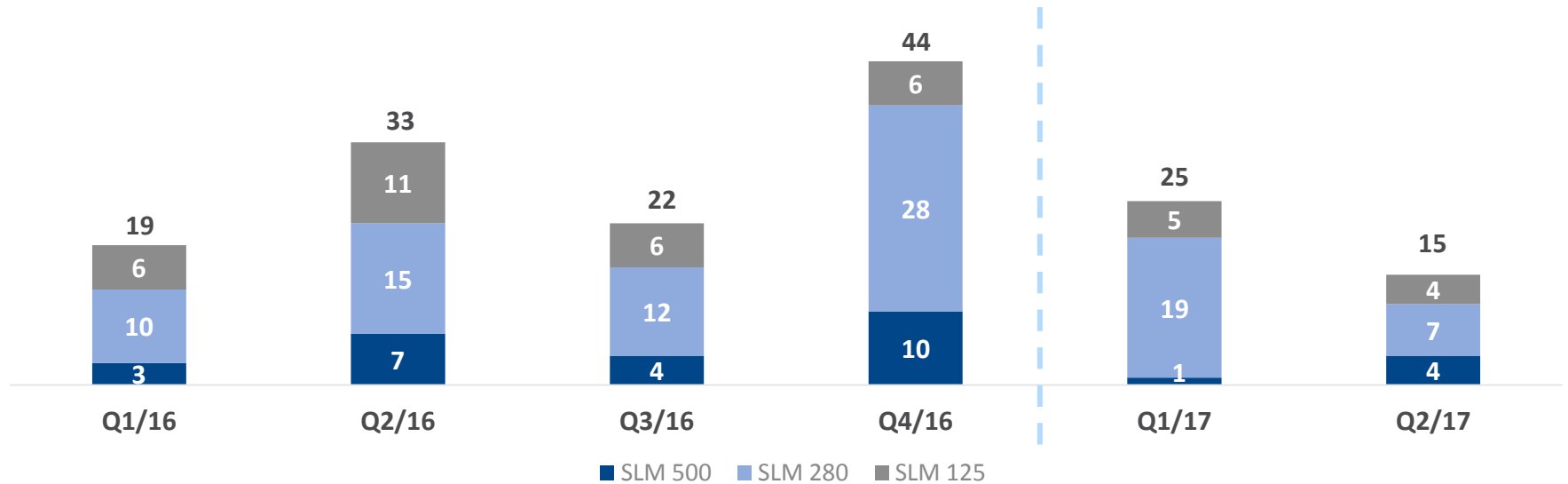
- SLM Solutions received orders for 29 machines in Q2/17 (Q2/16: 31)
- Thereof 62.1 % multi-laser machines (Q2/16: 28.7 %)
- Average order value in Q2/17 up to EUR 0.83 mn (Q2/16: EUR 0.50 mn)

## Average order value (EUR mn)



# ○ H1 2017 sales figures reflect valuable product mix

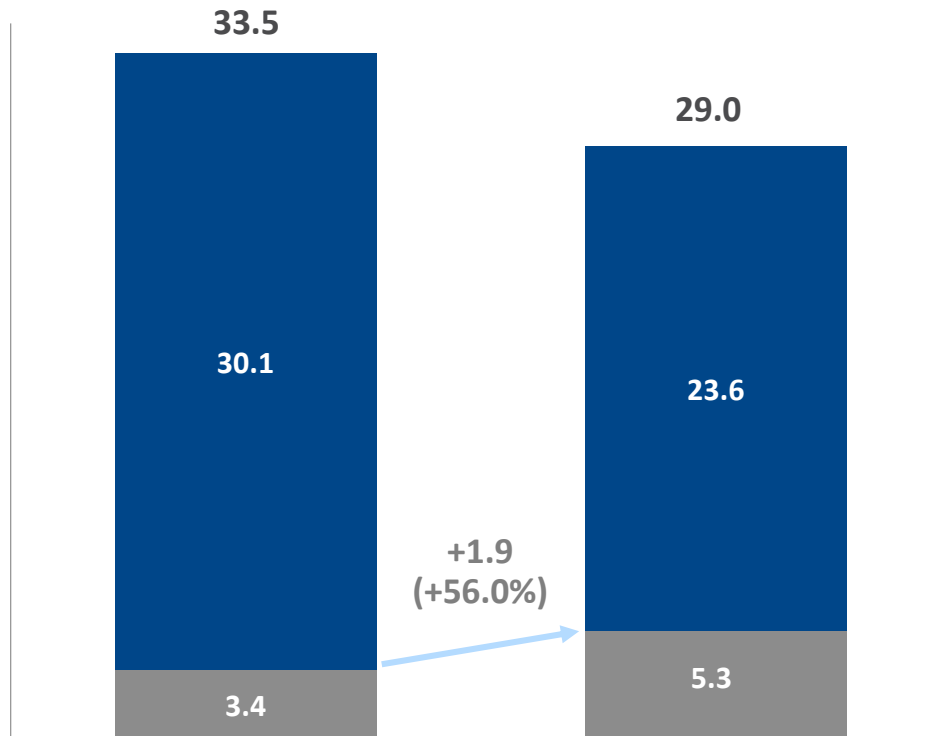
(# Machines)



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

# ○ Challenging market environment affects “Machine Sales” segment

## Consolidated revenue (by segments; EUR mn)

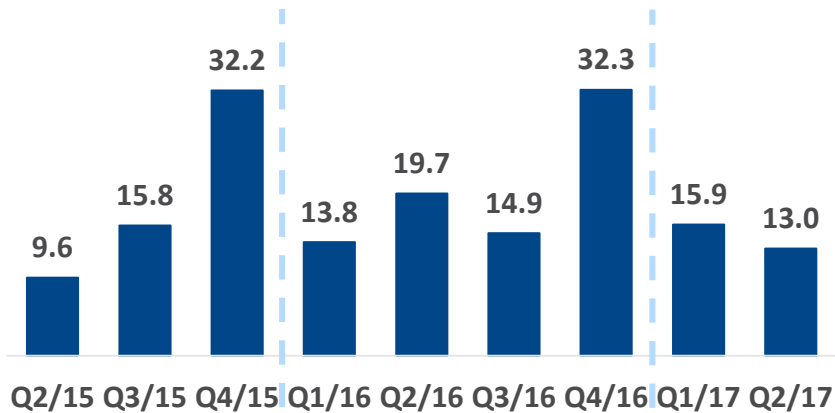


- 81.6 % of H1/17 revenues were generated by machine sales (including sale of machines and accessories), down 21.4%
- 18.4 % of H1/17 revenues were generated by after sales (including service revenue, replacement parts sales and merchandise sales), up EUR 1.9 mn (+56.0%)
- Growth potential of after sales business clearly visible



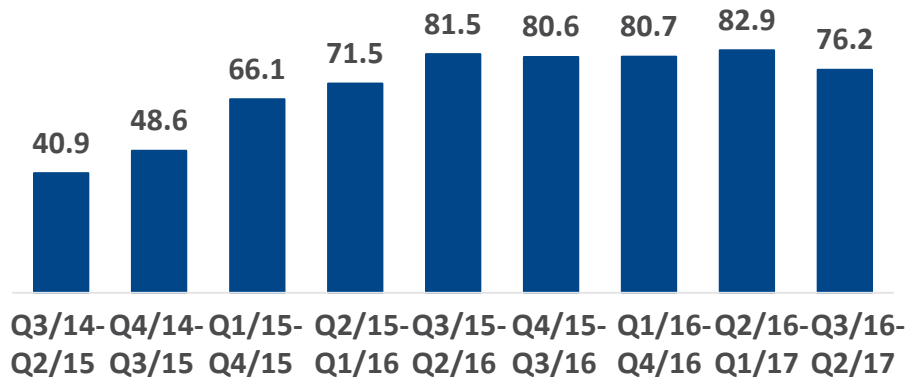
# ○ High dependency on 4<sup>th</sup> quarter

## Revenue development (EUR mn)



Q2 2017 revenue down YoY due to customers continuing to stay in a “wait and see mode”

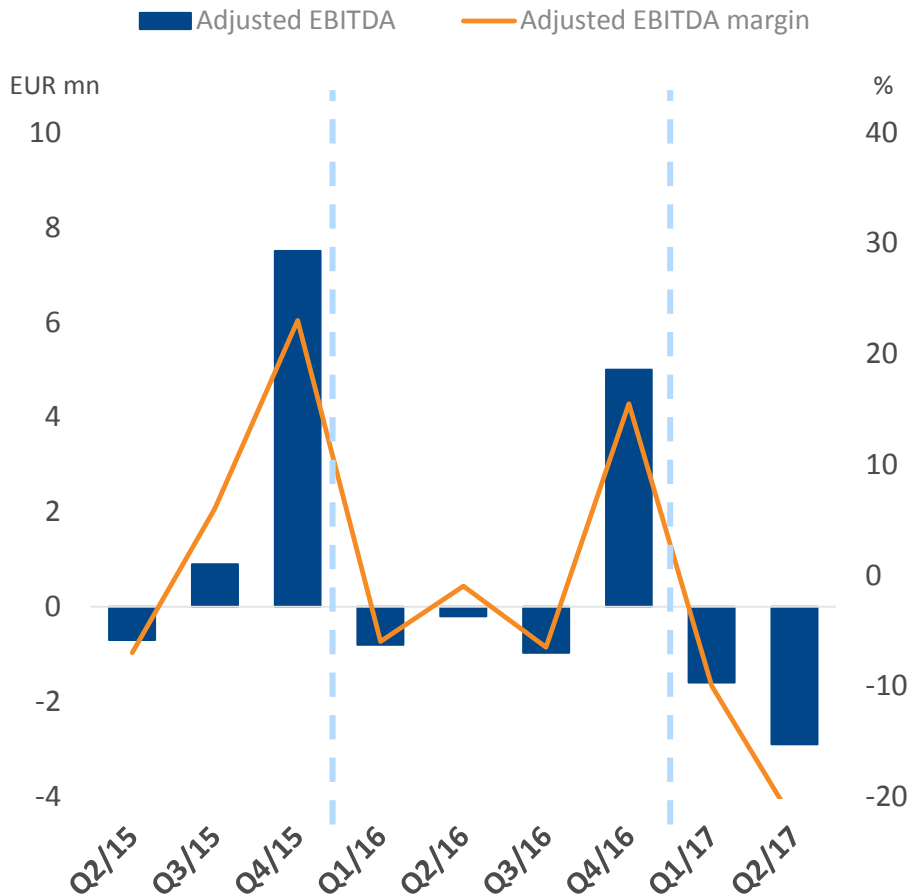
## Revenue of the last twelve months (EUR mn)



Rolling observation of a full year period more meaningful: cumulative sales revenues for twelve months with a slight drop to EUR 76.2 mn

# ○ Historic adjusted EBITDA

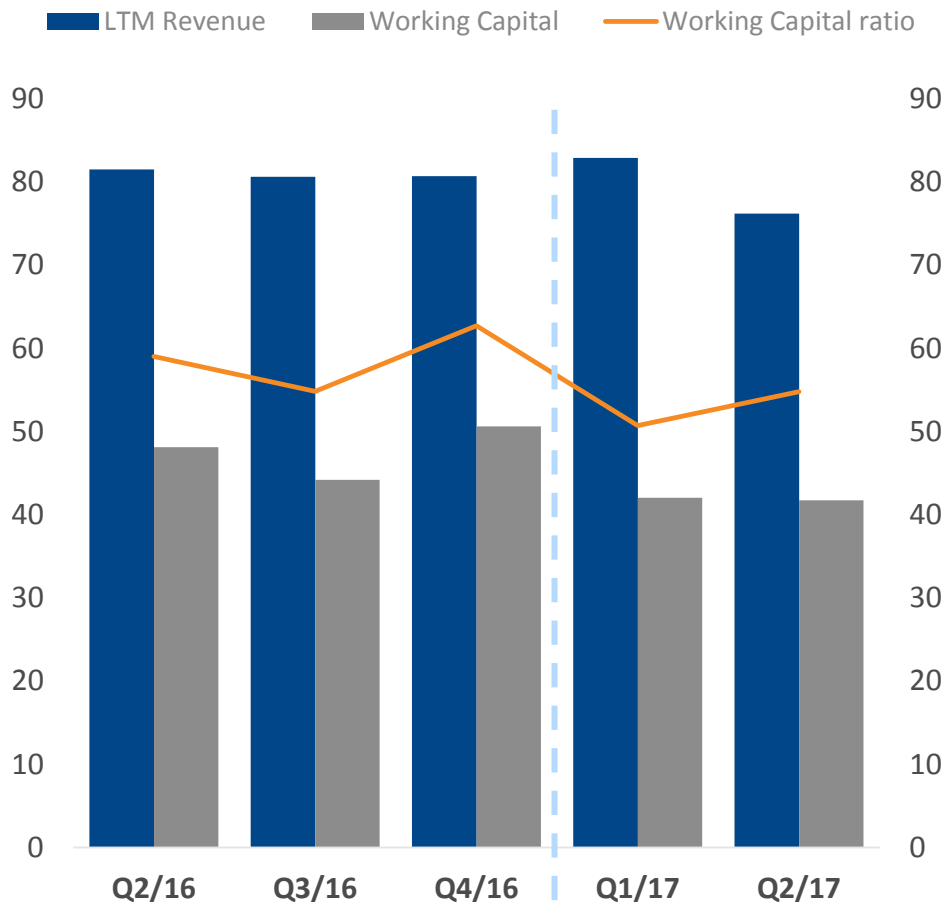
## Adjusted EBITDA (EUR mn / %)



- Adjusted EBITDA of -15.6% in H1/2017, significantly influenced by increased number of staff (H1/2016: -2.9%)
- Higher adjusted personnel cost ratio of 48.3% (H1/2016: 27.6%)
- Significantly lower cost of materials ratio of 43.05% (H1/2016: 58.9%) due to sale of warehoused machines and less preproduction

# Working Capital

## Working Capital (EUR mn / % of LTM revenue)



- **Working Capital of EUR 41.7 mn as of June 30, 2017, slightly down 0.7 % from March 31, 2017 (EUR 42.0 mn), mostly due to reduced receivables**
- **Reduction of Working Capital by EUR 6.4 mn (13.3 %) Y-o-Y (Q1/16: EUR 48.1 mn)**
- **Increase in Working Capital intensity by 4.1 pts. during Q2/17 to 54.8 % (Q1/17: 50.7 %)**
- **Working Capital intensity down by 4.2 pts. to 54.8 % Y-o-Y (Q2/16: 59.0 %)**



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# Outlook

# ○ Strategic guidelines for 2017/2018

- **Customer-centric organization:**

More **long-term strategic partnerships** with customers

Intensified support for customers who want to enter **serial production**

- **BOM-oriented R&D**

## ○ Expectations for 2017 highly depending on 4<sup>th</sup> quarter

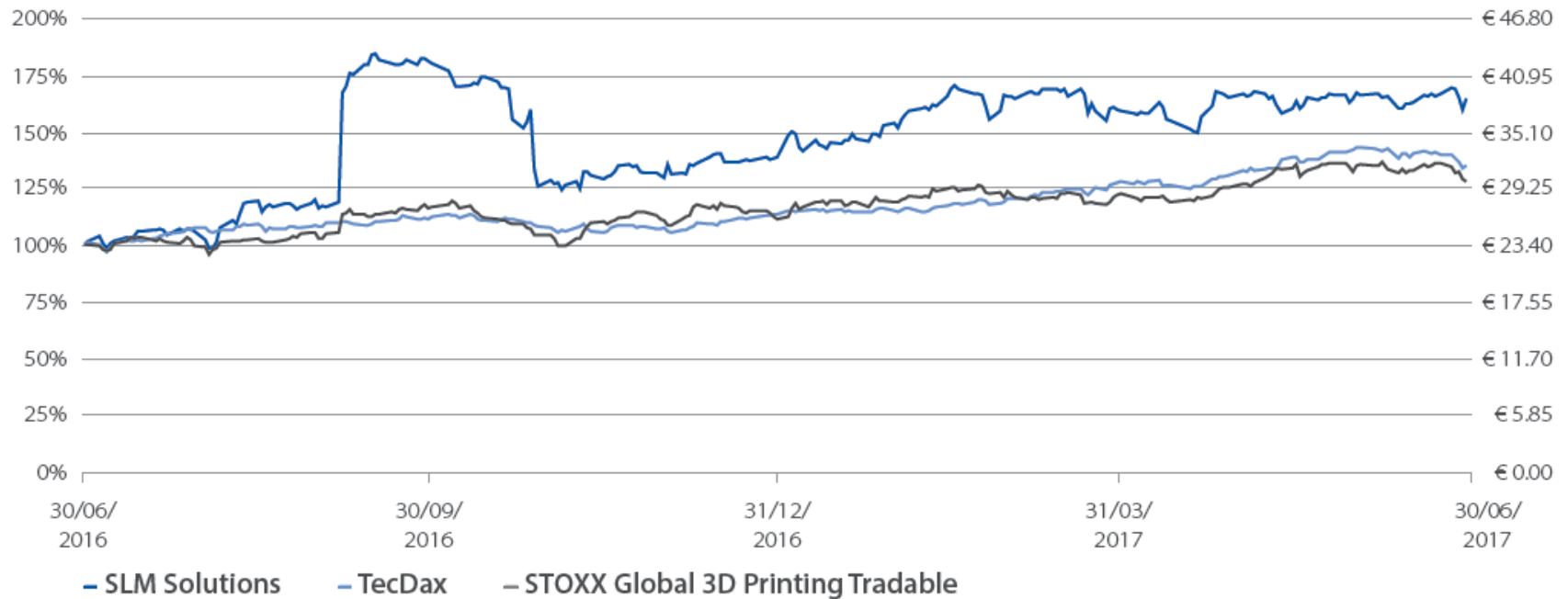
- Estimates relating to additive manufacturing market and target regions' economic trends remain unchanged
- Revenues expected in a **range of EUR 110.0 mn to EUR 120.0 mn, highly depending on Q4**
- Product mix will include **more production-oriented machines**
- **Adjusted EBITDA margin of 10 to 13 % expected (roughly EUR 11.0 mn to EUR 15.0 mn)**
- Cost ratios depend highly on revenues achieved – **realizing economies of scale**
- Results more depending on H2 than the years before

# ○ 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

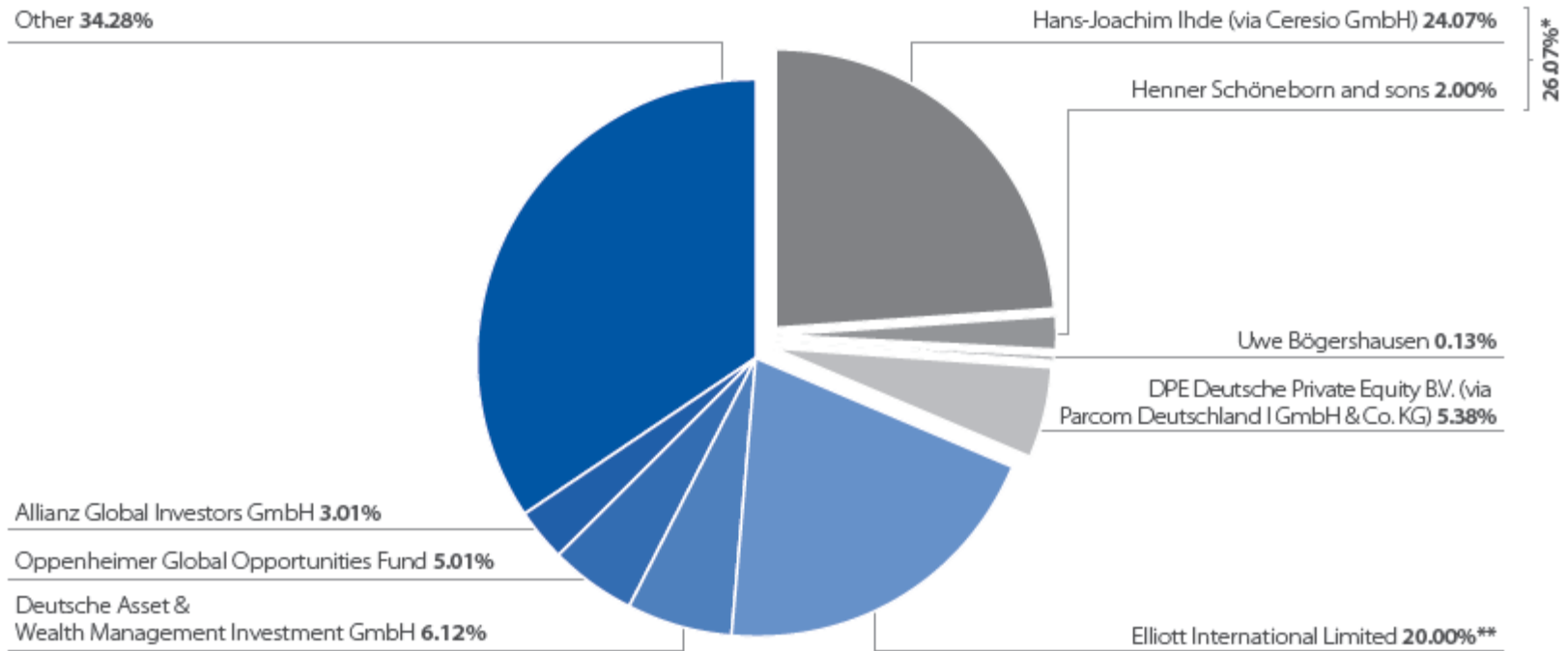
# ○ Development of our share price: +64.5% LTM (June 30, 2017)

Share price performance (as of: 30 June 2017)



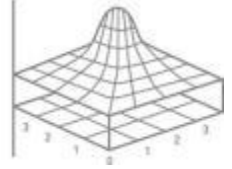


# ○ Shareholder Structure (June 30, 2017)



\* 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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