H1 2017 Presentation
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\(^1\) 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]

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Value [EURm]</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/17</td>
<td>298</td>
<td>+5.37%</td>
</tr>
<tr>
<td>Q2/17</td>
<td>314</td>
<td></td>
</tr>
</tbody>
</table>
2

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

- 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\textsuperscript{th} quarter

Revenue development (EUR mn)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (EUR mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/15</td>
<td>9.6</td>
</tr>
<tr>
<td>Q3/15</td>
<td>15.8</td>
</tr>
<tr>
<td>Q4/15</td>
<td>32.2</td>
</tr>
<tr>
<td>Q1/16</td>
<td>13.8</td>
</tr>
<tr>
<td>Q2/16</td>
<td>19.7</td>
</tr>
<tr>
<td>Q3/16</td>
<td>14.9</td>
</tr>
<tr>
<td>Q4/16</td>
<td>32.3</td>
</tr>
<tr>
<td>Q1/17</td>
<td>15.9</td>
</tr>
<tr>
<td>Q2/17</td>
<td>13.0</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Period</th>
<th>Revenue (EUR mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3/14-Q2/15</td>
<td>40.9</td>
</tr>
<tr>
<td>Q4/14-Q3/15</td>
<td>48.6</td>
</tr>
<tr>
<td>Q1/15-Q4/15</td>
<td>66.1</td>
</tr>
<tr>
<td>Q2/15-Q1/16</td>
<td>71.5</td>
</tr>
<tr>
<td>Q3/15-Q2/16</td>
<td>81.5</td>
</tr>
<tr>
<td>Q4/15-Q3/16</td>
<td>80.6</td>
</tr>
<tr>
<td>Q1/16-Q4/16</td>
<td>80.7</td>
</tr>
<tr>
<td>Q2/16-Q1/17</td>
<td>82.9</td>
</tr>
<tr>
<td>Q3/16-Q2/17</td>
<td>76.2</td>
</tr>
</tbody>
</table>

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 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 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 %)
3 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 4th 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)
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%)
Disclaimer

This Presentation has been produced by SLM Solutions Group AG (the “Company”) and no one else and is furnished to you solely for your information.

This document contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which the Company operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes,” “expects,” “predicts,” “intends,” “projects,” “plans,” “estimates,” “aims,” “foresees,” “anticipates,” “targets,” and similar expressions. The forward-looking statements, including assumptions, opinions and views of the Company or cited from third party sources, contained in this Presentation are solely opinions and forecasts which are uncertain and subject to risks. A multitude of factors can cause actual events to differ significantly from any anticipated development. None of the Company or any other person guarantees that the assumptions underlying such forward-looking statements are free from errors nor do they accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company or any other person or any of its parent or subsidiary undertakings or any of such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.

By reviewing this Presentation you acknowledge that you will be solely responsible for your own assessment of the Company, the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.

This publication constitutes neither an offer to sell nor an invitation to buy securities.

This Presentation speaks as of 10-August-17. Nothing shall under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

This presentation is not for publication or distribution, directly or indirectly, in or into the United States of America. This presentation is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States. No offer or sale of transferable securities is being, or will be, made to the public outside Germany and Luxembourg. Offers in Germany and Luxembourg will be made exclusively by means of and on the basis of a prospectus that will be published and will be available free of charge inter alia at the Company.