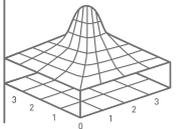


SLM
SOLUTIONS



**Company
Presentation**



Company

○ Success story of a technology pioneer



Development, assembly and sales of machines and integrated system solutions
in the field of **metal-based additive manufacturing**

Lübeck-rooted **German engineering** company with a global reach

More than 430 FTE in Germany, Austria, France, Italy, USA, Singapore,
Russia, India and China

IPO in 2014 at Frankfurt Stock Exchange (Prime Standard)

2017: revenues of EUR 82 million (2014: EUR 34 million);
revenues more than doubled since the year of the IPO

2018: revenues expected in the range between EUR 90 and 100 million

2017: successful placement of a convertible bond of EUR 58 million;
second major capital market transaction in the company's history

○ Metal-based additive manufacturing: industrial applications



SLM®800



SLM®500



SLM®280

Audi
Hungaria



SLM®500



Hirschvogel
Tech Solutions



SLM®280



ROSSWAG
engineering

○ Provider of integrated system solutions – product portfolio

Key products



SLM@280 Production Series



SLM@800



SLM@500



SLM@280



SLM@125

Other



○ SLM Solutions Group is already operating in key industries

AEROSPACE

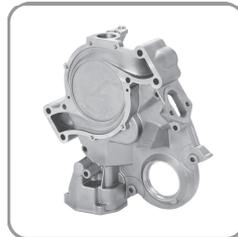
AUTOMOTIVE

TOOLING

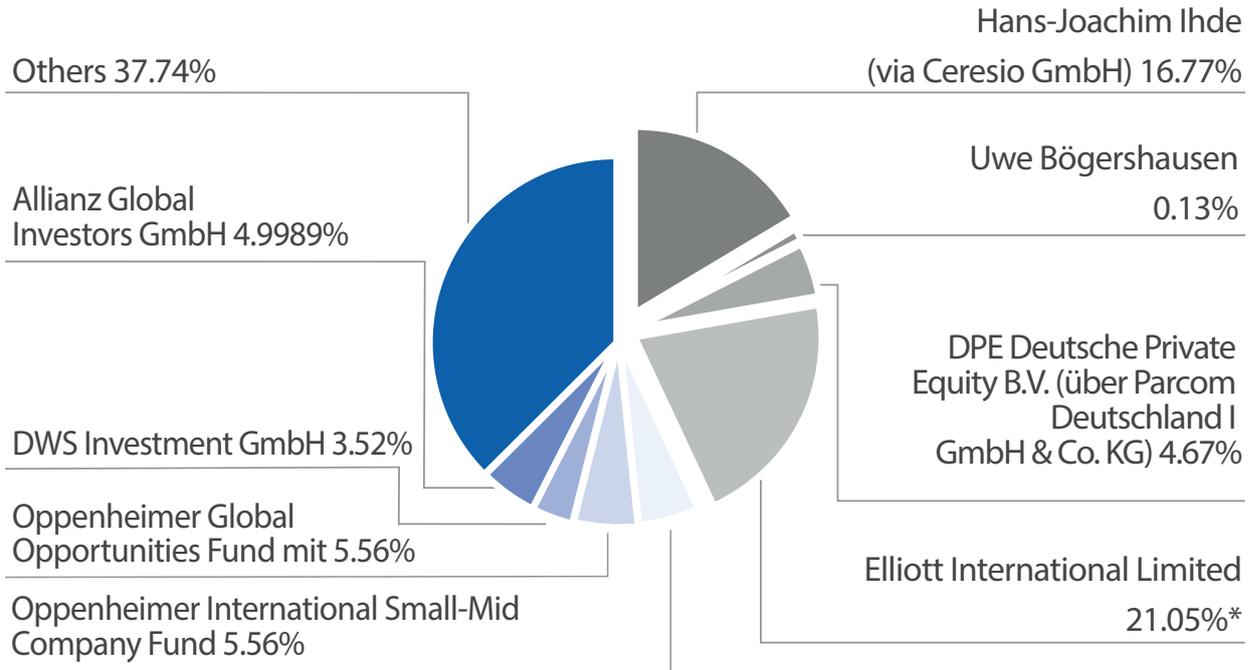
HEALTHCARE

ENERGY

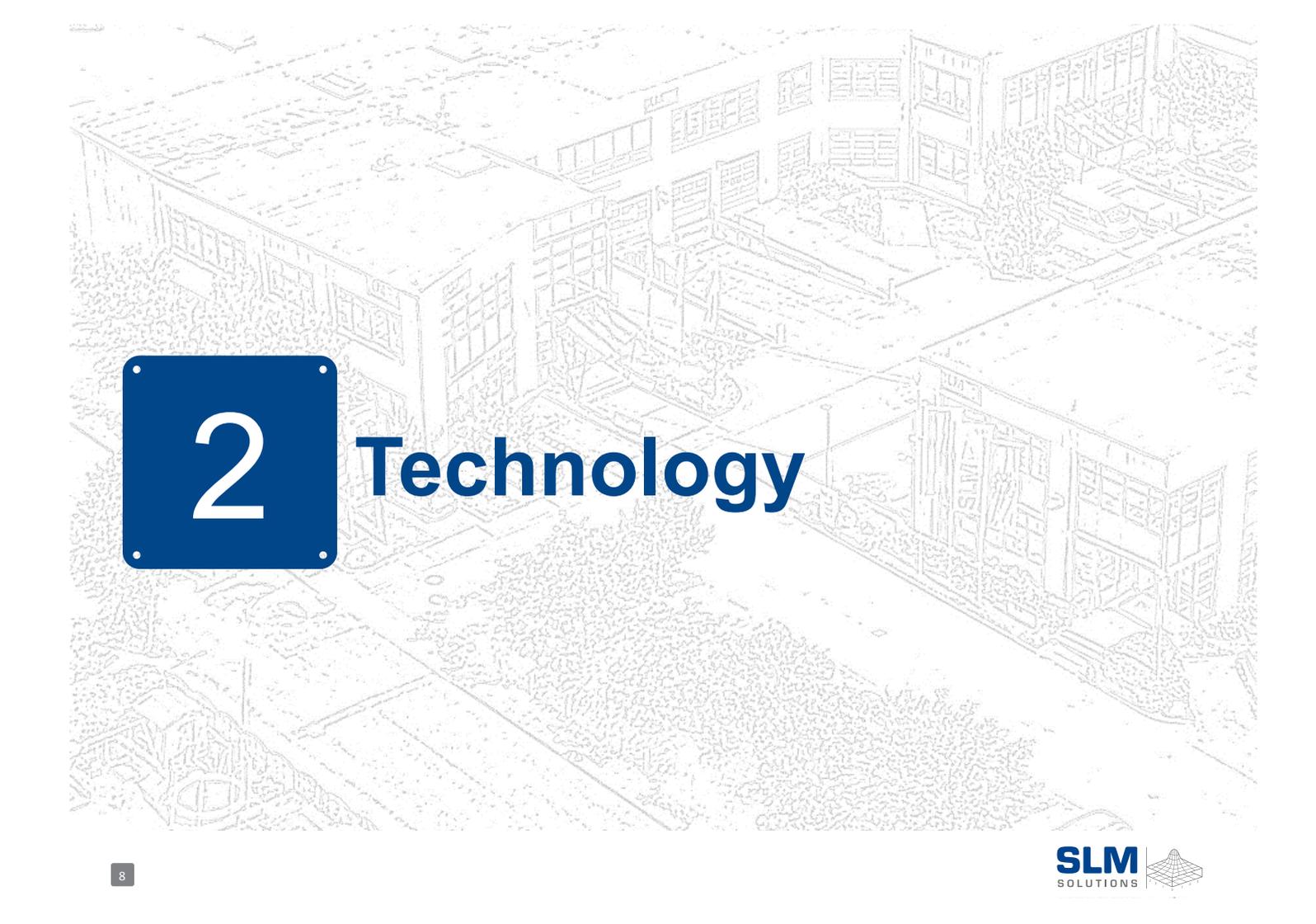
- SLM Solutions Group AG has exposure to attractive end markets and has longstanding relationships with blue chip customers
- The market continues the shift from rapid prototyping to industrial applications
- SLM Solutions is well positioned to capitalise on this trend given SLM Solutions' technology and customer base



○ Shareholder Structure (November 22, 2018)



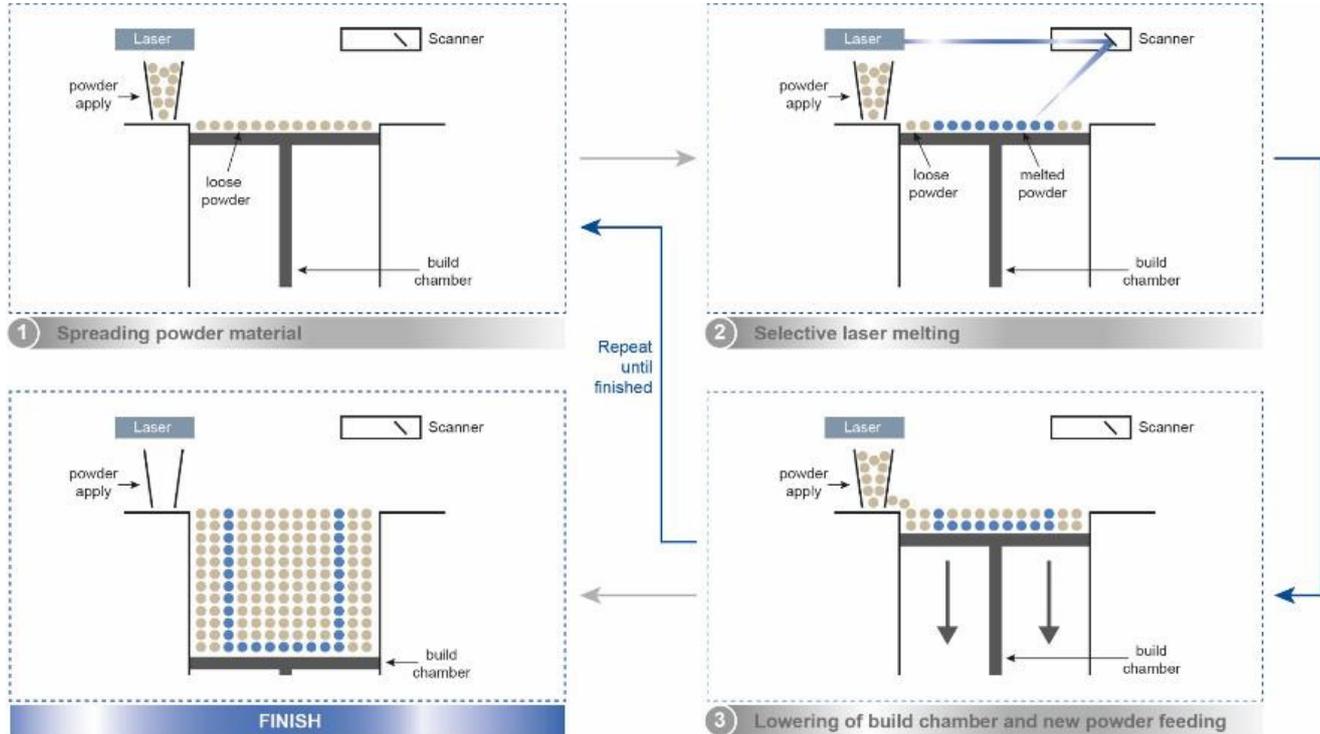
* To interpret the voting rights announcements: Shares attributed to Mr. Paul E. Singer from Elliott International Limited through the subsidiary Cornwall GmbH & Co. KG



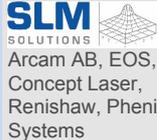
2

Technology

○ Metal-based additive manufacturing: how it works



Powder Bed Fusion technology is most relevant for metal 3D printing

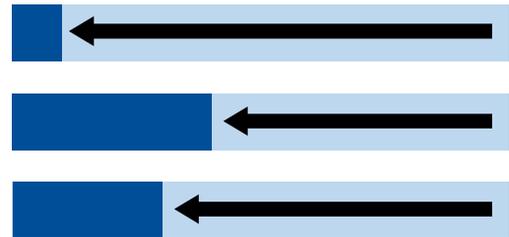
	Technology	Materials	Typical markets	Relevance for metal	Companies with this technology
Metal technologies	 <p>Powder bed fusion</p> <ul style="list-style-type: none"> Thermal energy selectively fuses regions of a powder bed Key technologies: Selective Laser 	Metals, polymers	Prototyping, direct part	77% ^(a)	 <p>SLM SOLUTIONS Arcam AB, EOS, Concept Laser, Renishaw, Phenix Systems</p>
	 <p>Directed energy deposition</p> <ul style="list-style-type: none"> Focused thermal energy is used to fuse materials by melting as the material is deposited 	Metals	Direct part, repair		TRUMPF, Optomec, DMG Mori
	 <p>Sheet lamination</p> <ul style="list-style-type: none"> Sheets of material are bonded to form an object 	Metals, paper	Prototyping, direct part		Mcor Technologies
	 <p>Binder jetting</p> <ul style="list-style-type: none"> Liquid bonding agent is selectively deposited to join powder material 	Metals, polymers, foundry sand	Prototyping, direct part, casting molds		Voxeljet ExOne
	 <p>Material jetting</p> <ul style="list-style-type: none"> Droplets of build material are selectively deposited 	Polymers, waxes	Prototyping, casting patterns		} Others
	 <p>Material extrusion</p> <ul style="list-style-type: none"> Material is selectively dispensed through a nozzle or orifice 	Polymers	Prototyping		
	 <p>Vat photopolymerization</p> <ul style="list-style-type: none"> Liquid photopolymer in a vat is selectively cured by light-activated polymerization 	Photopolymers	Prototyping		

(a) Powder bed fusion technology accounting for 77% of metal based 3D systems sold as per CODEX Partners analysis
Source: ASTM International Committee F42 on Additive Manufacturing Technologies; Roland Berger, CODEX Partners

○ Advantages of SLM® technology

Particularly in the production with complex geometries of components **additive manufacturing is**

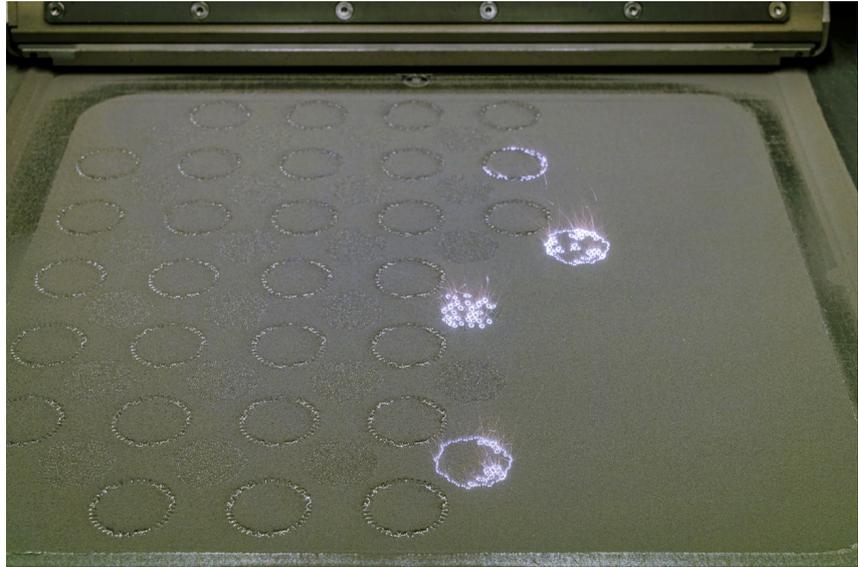
- **faster:** build time reduced by up to 90 %
- **more efficient:** “bionic geometry”, weight reduction by up to 60 %
- **more cost effective:** reduction of component costs by up to 70 %
- **more flexible:** “complexity comes for free”, decentralized “on demand” production



○ Multi-laser technology paves the way for industrial production

Reducing build part costs

- Combining high surface quality with faster builder speed (getting rid of the trade-off)
- Component costs on large SLM[®] machines can be reduced by two thirds compared with smaller machines
- Trend toward multi-machine orders

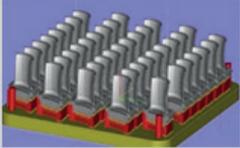
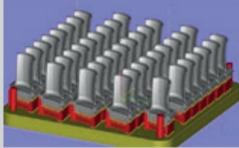
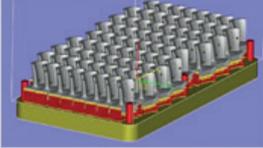


○ Demo Turbine Blade Inc 718

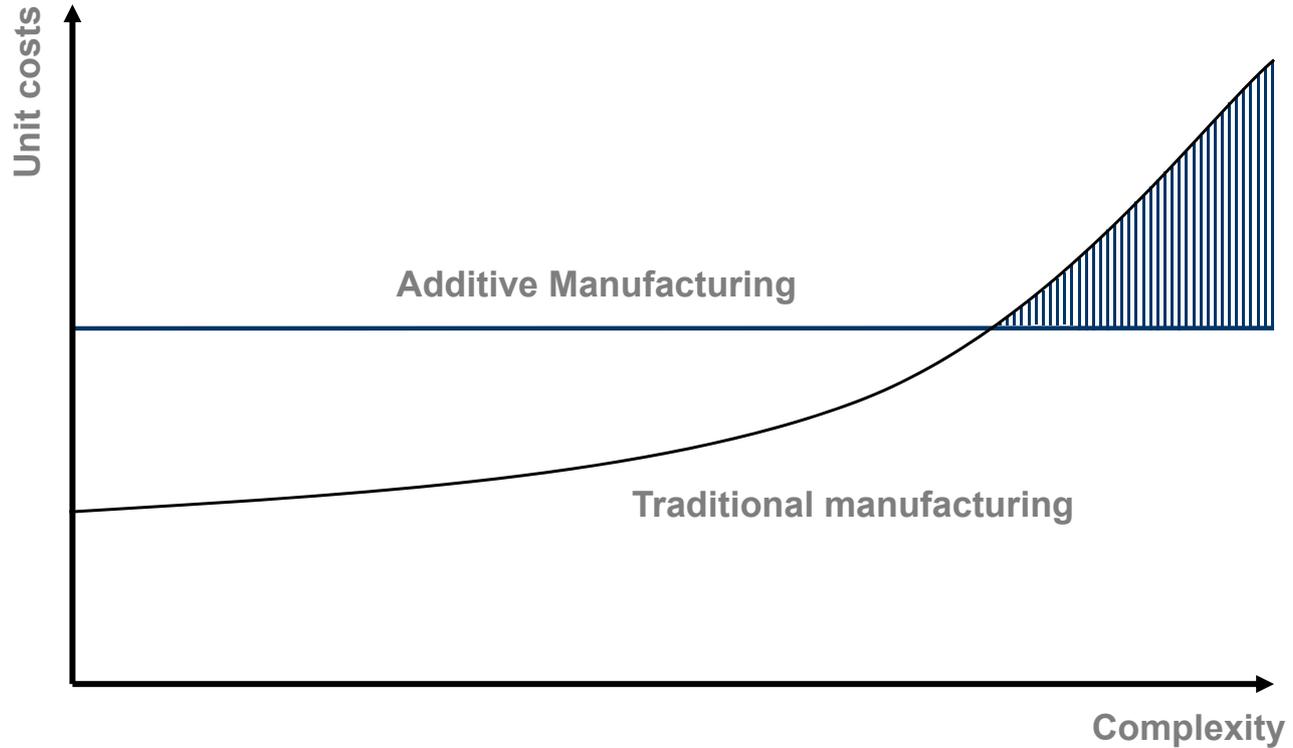
- Material: Inc 718
- Height: 75 mm
- Volume: 22.772 ccm
- Weight: 187g
- Industry: Energy
Aerospace



Comparison of Demo Turbine Blade Inc 718

Data	SLM®280 Single 400W	SLM®280 Twin 400W	SLM®500 Quad 400W
			
Parts/Job	43	43	78
Time (h)	77:42	41:50	41:28
Job cost (€)	3.192 €	2.098 €	3.469 €
Part build time (min)	109	59	32
Part cost (€)	74,23 €	48,81 €	44,47 €
Build Rate (cm ³ /h)	12,6	21,8	42,9

○ “Complexity comes for free“



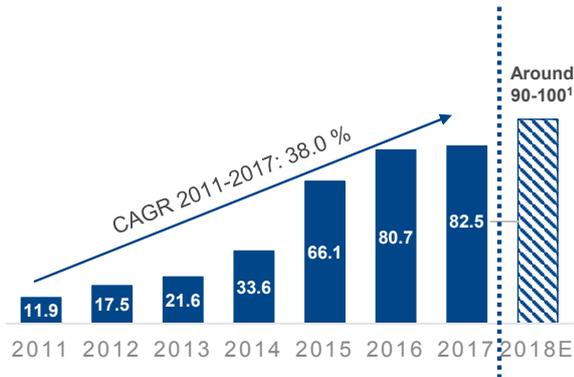


3

Financial Highlights

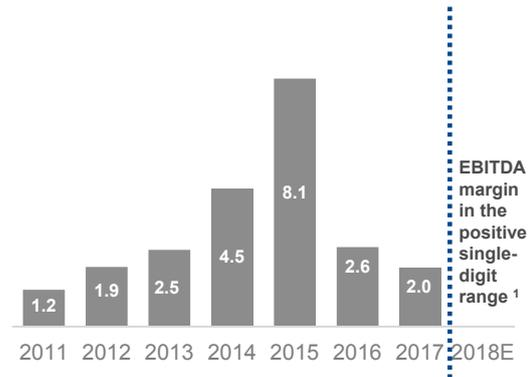
○ Profitable growth since IPO

Revenue (EUR million)



→ Strong top line growth

Adj. EBITDA (EUR million)



→ Maintaining Profitability

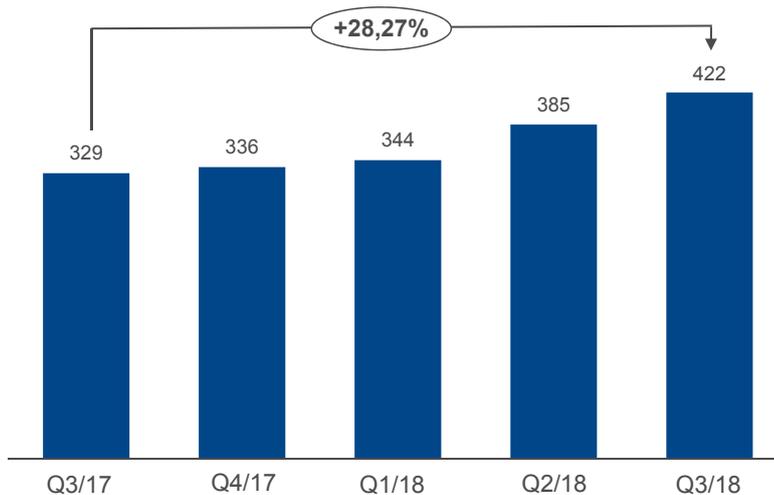
¹ According to the adjusted forecast of November 08, 2018

○ Overview 9M 2018

- **YoY revenue slightly decreased** by 3.6% to EUR 48.34 mn (9M/2017: EUR 50.16 mn)
- **Total Operating Revenue increased** by 15.5% to EUR 59.40 mn (9M/2017: EUR 51.41 mn)
- **New order intake in value terms** (adjusted by Frame Agreements signed in 9M/2017) **increased** by almost 13% (EUR 4.72 mn) to EUR 41.28 mn (9M/2017: EUR 36.56 mn), order intake without adjustments down by 45.8% compared y-o-y
- **Current adjusted order intake** (01 January to 07 November 2018) in value terms increased by 14.8% to EUR 43.91 mn
- **EBITDA** improved by around 10% to EUR -4.33 mn (9M/2017: EUR -4.76 mn), personnel cost ratio decreased from 40.7% to 36.7% compared y-o-y
- **New record on sales prospects/leads: EUR 422 mn (28.27% up compared y-o-y)**
- Thanks to its advanced technology, **SLM Solutions is very well positioned** to participate in the near- and long-term growth opportunities

○ Sales prospects further increased

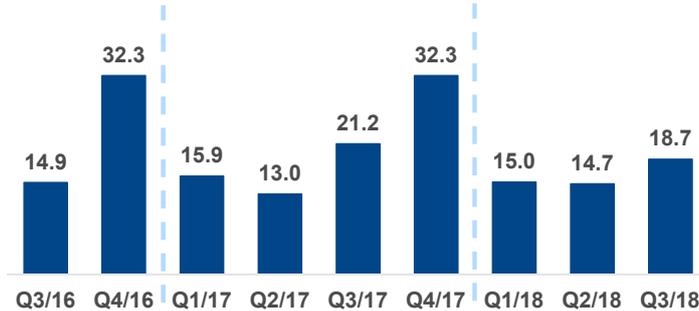
Leads value [EURm]



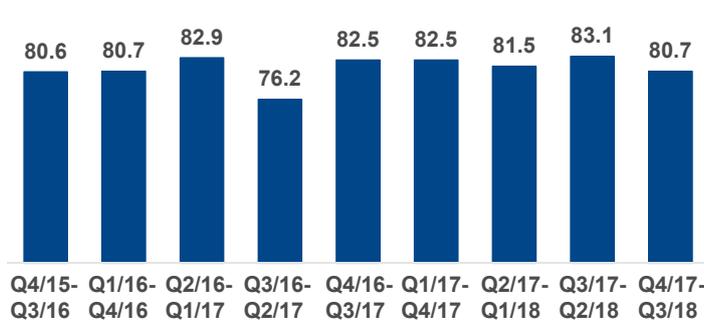
- Sales leads/potential business on record level
- Further momentum driven by large industrial companies
- Existing SLM Solutions' customers starting to heavily adopt AM in its industrial production processes
- Well-prepared with production-oriented machine portfolio
- Solutions-based approach combines machines, software, consulting and consumables

○ High dependency on 4th quarter

Revenue development (EUR mn)



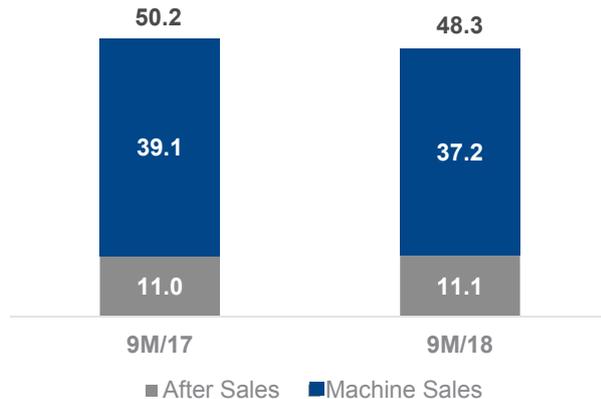
Revenue of the last twelve months (EUR mn)



- Revenue in Q3/2018 increased by 27.5% compared to Q2/2018, but decreased by 11.7% compared y-o-y
- Achievement of overall guidance depends highly on the fourth quarter
- Rolling observation of a full year period more meaningful: cumulative **sales revenues for twelve months regularly above EUR 80 mn**

○ After Sales Business with further growth potential

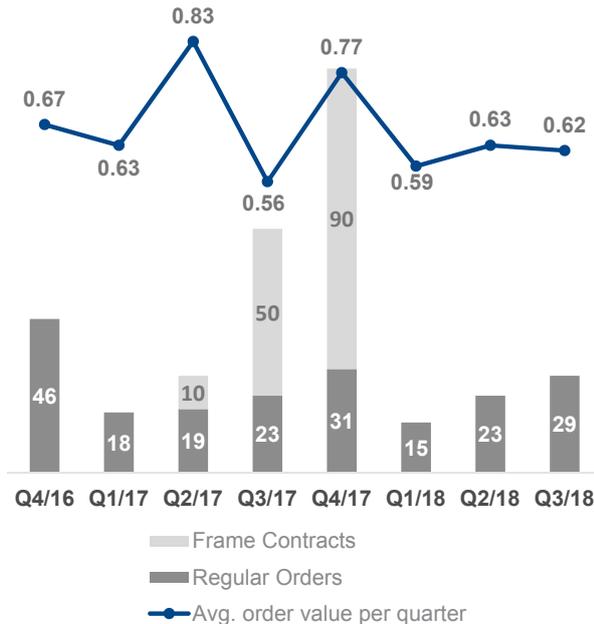
Consolidated revenue (by segments; EUR mn)



- **77% of 9M/2018 revenues were generated by machine sales** compared to 78% in 9M/2017
- **23% of 9M/2018 revenues were generated by after sales** (including service revenue, replacement parts sales and merchandise sales)
- After sales business with further **growth potential**

Growth on Order Intake in Q3/2018 (adjusted by Frame Agreements signed in 2017)

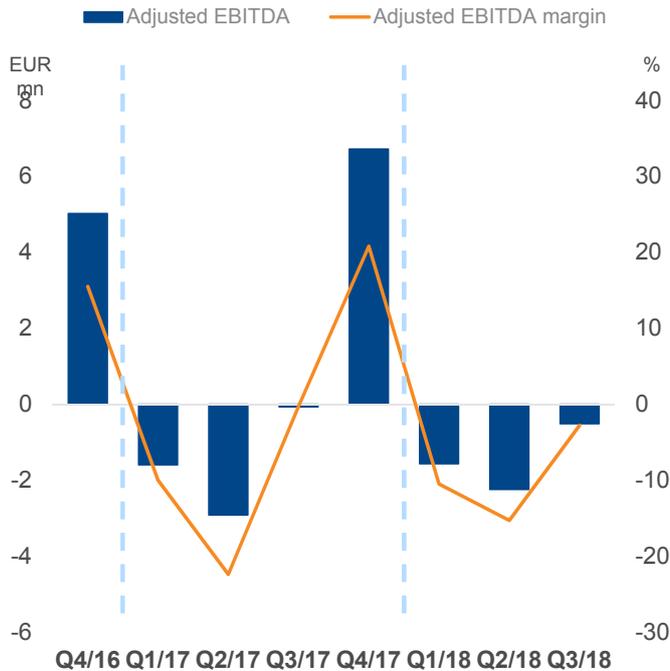
Per-quarter order entry (machines)
and average order value (EUR mn)



- SLM Solutions received orders for **67 machines in 9M/18** (9M/17: 120, adjusted by Frame Agreements: 60)
- Thereof 62.7 % **multi-laser machines** (9M/17: 53.3%)
- **Current order intake** (Basis: 07 November 2018, adjusted by Frame Agreements) is at EUR 43.91 mn resp. 73 machines vs. EUR 38.25 mn resp. 64 machines compared y-o-y
- Average order value remains on higher level

EBITDA improved y-o-y

Adjusted EBITDA (EUR mn / %)

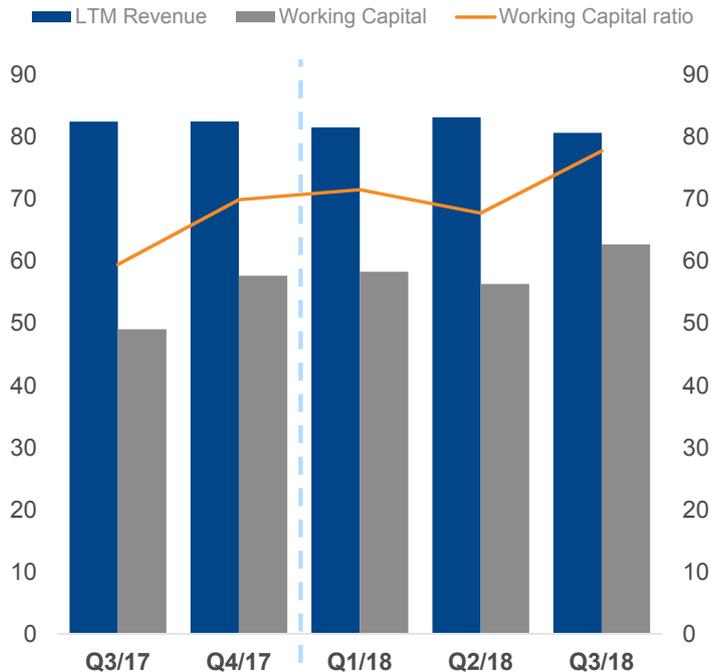


- **EBITDA margin 9M/2018 with -9.0% improved compared to 9M/2017* with -9.5%**
- Lower personnel cost ratio due to continuous process improvement
- Higher cost of materials ratio due to stock-building in preparation of a strong 4th quarter

*adjusted in 2017 for Retention Bonus

Working Capital

Working Capital (EUR mn / % of LTM revenue)



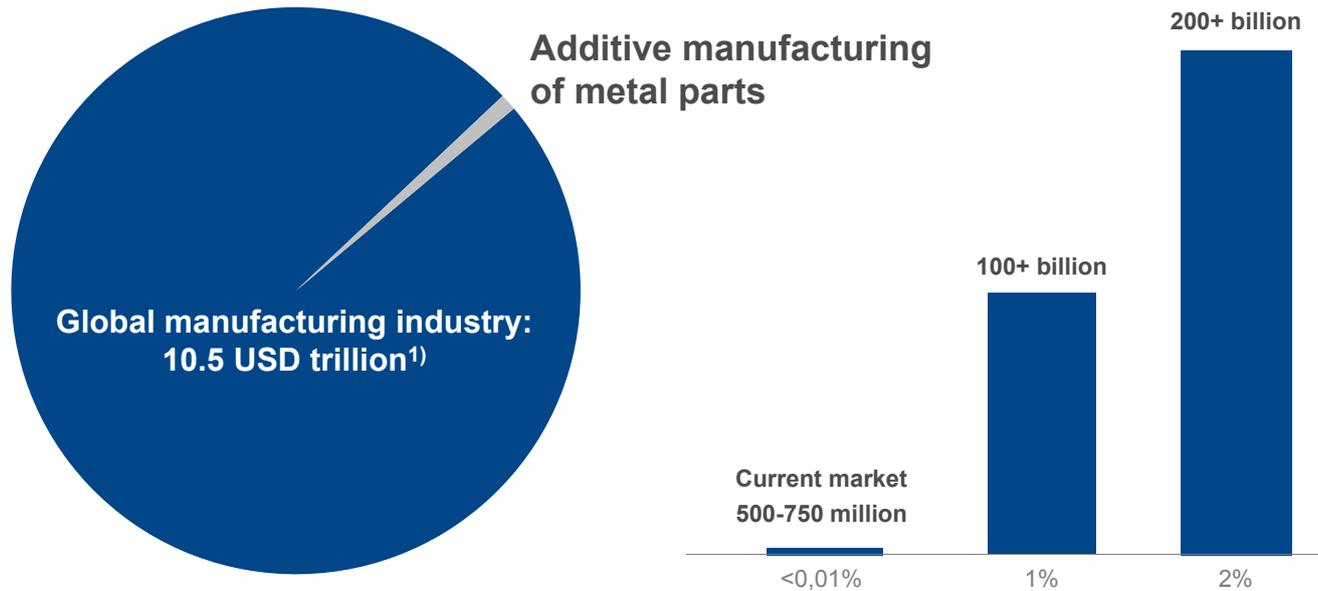
- Working Capital significantly increased in Q3/2018: EUR 62.71 mn
- **Increase in Working Capital intensity** by 18.2 pts. y-o-y to 77,7% (Q3/2017: 59.5%)
- Main reason for increase of Working Capital: Increase of inventories from EUR 34.0 mn in Q3/2017 to EUR 38.0 mn in Q3/2018 and decrease of payables from EUR 11.4 (Q3/2017) to EUR 5.9 mn (Q3/2018)



4

Outlook

○ Huge market potential...



1) 2012, Wohlers Associates

○ Adoption barriers for further growth and how we overcome them

BARRIERS

- Missing Know-How in Additive Manufacturing
- Learning curve in using laser melting systems
- New part design – know how, habits, tools
- Certification and quality assurance
- Complexity of machines and solutions
- Learning curve in implementing in production process chain

SOLUTIONS



○ Management outlook 2018 further detailed

- Revenues expected of around **EUR 90 mn to EUR 100 mn**, **highly depending on Q4**
- **Positive single-digit EBITDA margin** expected
- Pursuing **multiple leads** on new customers and multi-machine orders **to capture the momentum**

- Long-term Vision of **EUR 500 mn** with a positive EBITDA-Margin of around 20% by year 2022 confirmed, but strategy to be reviewed
- Focus remains on **long-term frame contracts** and collaboration agreements; overall: “tight” and long-term relationship with customers
- Product mix will include **more production-oriented machines**

○ 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 Long-term strategic guideline: Profitable growth above market growth
- 7 Clear growth strategy: full-service provider for additive manufacturing

○ Disclaimer

This Presentation has been produced by SLM Solutions Group AG (in the course of formation) (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 22-November-18. 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.