

SLM Solutions Group AG
Eigenkapitalforum
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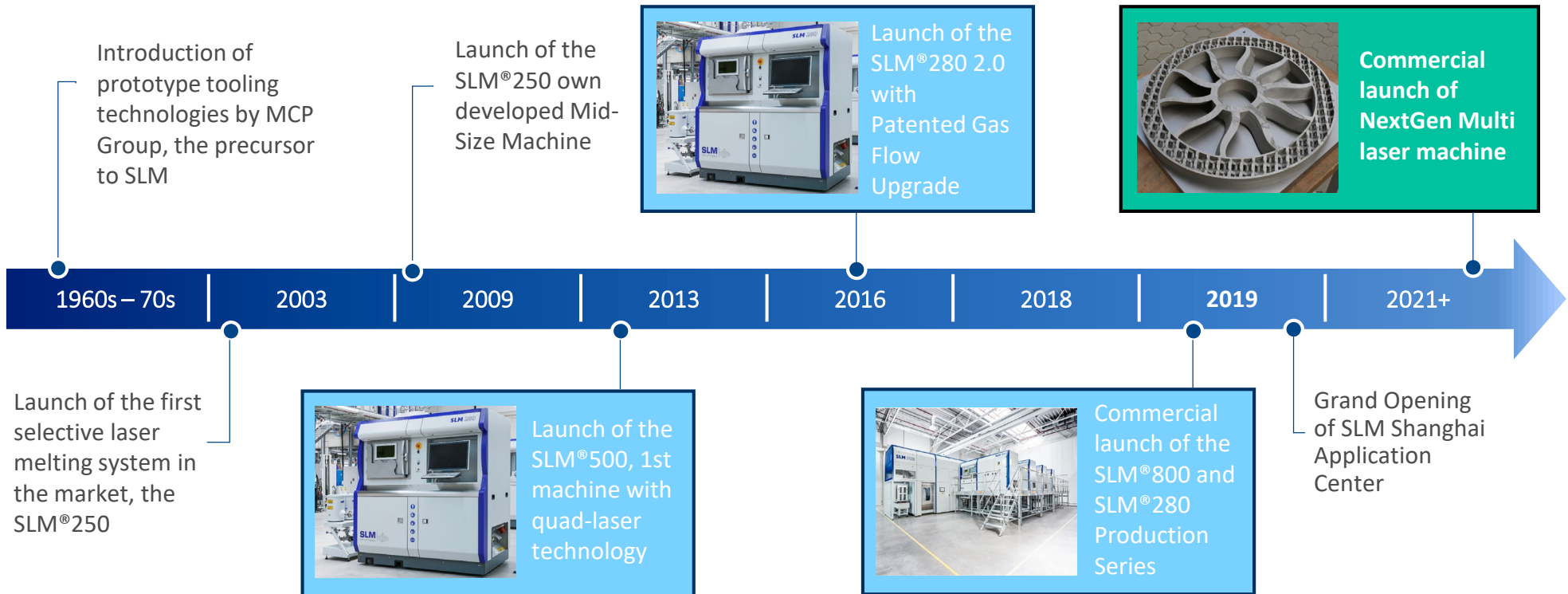
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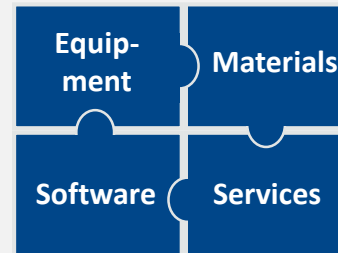
SLM is a Pioneer of the Additive Manufacturing Industry



SLM is Well Positioned in Key Industries and Highly Valued by Its Longstanding Customers

Aerospace	<i>Rolls Royce, Airbus Group, Sintavia</i>
Automotive	<i>Volkswagen Group, BMW, Ford</i>
Tooling	<i>ABB, Rosswag, Oskar Frech</i>
Healthcare	<i>Broad range of leading medical equipment provider</i>
Energy	<i>Emerson, Baker Hughes, Engie</i>

Integrated approach



R&D capabilities

- Leader in R&D and innovation
- Close interaction with R&D teams of customers

Best-in-class machine portfolio

SLM®125



SLM®280



SLM®500



SLM®800



Flexibility

- Open system with adaptable build parameters
- Optionality to use third-party powder

SLM has a proven track record with blue-chip customers in the most relevant industries. Customers especially value SLM's superior technological capabilities

SLM Continues to be at the Forefront of AM Technology Innovation

SLM as a technology pioneer...

Co-inventor of Selective Laser Melting base patent in 1996

Build on consensus of technical capability advantage to be the market leader for customers in serial production

First to the market with twin (2011) and quad (2013) laser technology

Expand multi-laser technology to consistently increase productivity and remain the market leader

Industry-leading closed-loop powder handling

Focus on occupational health and safety for our employees and our customers

...has allowed us to offer adopters a best-in-class machine portfolio

SLM®125

Versatile small platform with powerful production results

8%

SLM®280

Trusted, industry-leading quality and reliability, offering 30% more productivity

44%

SLM®500/
800

Production-ready with multi-laser optics and low cost of ownership
Best in class aluminium parts

48%

NextGen

Large-format, multi-laser setup increasing productivity by over 300%
(Commercial launch 2021)

To come

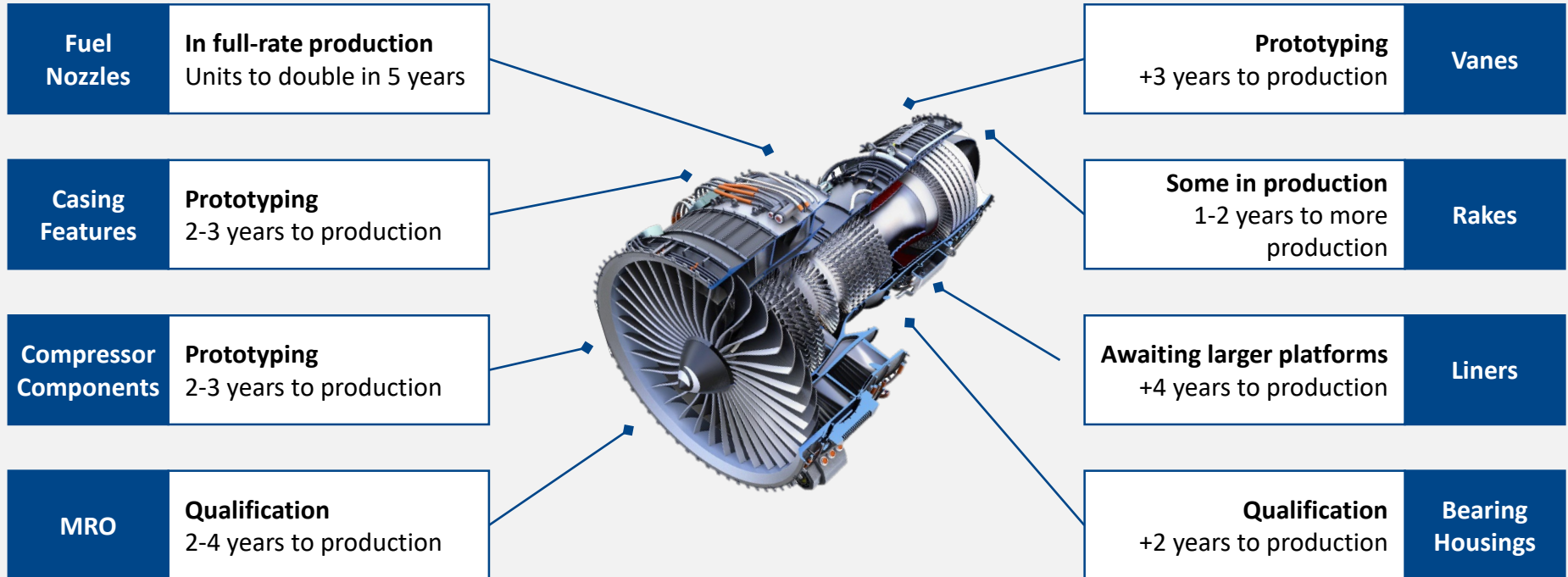
● % of total machine sales¹

First manufacturer with a multi-laser system, significantly improving the productivity and running costs for our customers. Holder of more than 50 relevant patents

¹ Machine sales in last 12 months.

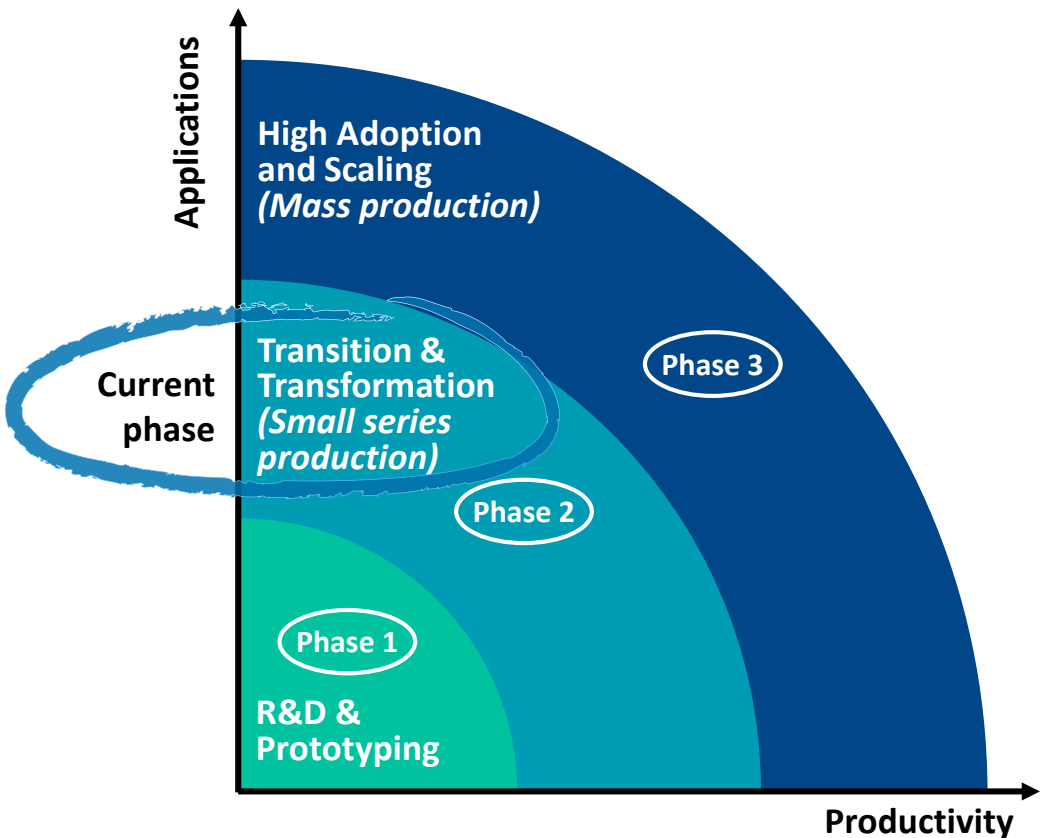
Significant AM Industry Growth Will be Driven by Applications Transitioning From Prototyping to Large Scale Production

Example: Metal additive manufacturing applications in the Aero Engine sector



Adoption of metal additive manufacturing is expanding and is being integrated into the design process of new engine programs, creating a growing number of applications for selective laser melting


While Industrialization is the Natural Evolution of the AM Industry, Timing of Broad-based Adoption is Still Uncertain



	AM adopters	AM suppliers
Phase 1	<ul style="list-style-type: none"> Proof of concept Building up of internal knowledge 	<ul style="list-style-type: none"> Strong focus on R&D Academic centric Modalities identification
Phase 2	<ul style="list-style-type: none"> Parts selection and qualification / certification Part for part replacement still limiting scale First business cases for industrial production 	<ul style="list-style-type: none"> Improvements of machines quality and reliability Strong productivity improvements e.g. through multi-laser technology
Phase 3	<ul style="list-style-type: none"> Full integration of additive in manufacturing chain Additively designed products 	<ul style="list-style-type: none"> Industrialized machines and standard configuration Full automation, integration and ease of use

**Degree of technological complexity led to longer than expected evolutionary phases.
Wide range of technologies and applications discussed; few have reached readiness for industrialization**

SLM's Next Generation Machine Will be a Key Enabler for the Industrialisation of the Metal AM Industry



	SLM®280 Single Laser (400W)	SLM®280 Twin Laser (400W)	SLM®500 Quad Laser (400W)	NextGen
Parts / job	17	17	31	80-100
Build time (hours)	45:32	25:15	24:30	~
Time / part (min)	160	89	47	<15
Reduction (%)		44%	47%	>66%

~300% productivity increase

Next generation release incorporates key capabilities for large scale production

- Larger capacity to target key markets
- Achieve productivity gains up to 300%
- Best in class for cost per part
- Focus on productivity, efficiency, quality, robustness, scalability and capabilities
- Expansion of technology leadership vs. our competitors

SLM has historically proven its ability to significantly increase the productivity of its machines. Our next generation machine will be the first machine to offer the necessary productivity to enable large scale industrialized production

Financial Highlights

	Unit	9M/2019	2018	2017	2016
Revenue	kEUR	33,436	71,659	82,494	80,707
Cost of materials	kEUR	-16,796	-44,805	-38,575	-49,246
<i>Cost of materials ratio (in % of total operating revenue)</i>	%	49.4	53.1	46.3	54.4
Personnel expenses ¹	kEUR	-25,249	-29,811	-26,597	-23,328
(Adjusted) EBITDA²	kEUR	-19,680	-7,027	1,965	2,588
<i>(Adjusted) EBITDA margin² (in % of revenue)</i>	%	-58.9	-9.8	2.4	3.2
Consolidated net result	kEUR	-34,653	-13,382	-3,741	-3,483
Earnings per share ³	EUR	-1.75	-0.74	-0.21	-0.19
Order intake	Number of units	49	92	241	130
Order intake	kEUR	38,169	56,025	169,164	79,992
		09/30/2019	12/31/2018	12/31/2017	12/31/2016
Non-current assets	kEUR	64,843	67,202	55,276	40,789
Current assets	kEUR	85,421	102,723	133,101	83,043
<i>Equity ratio</i>	%	38.3	46.5	49.4	76.9
Total assets	kEUR	150,264	169,925	188,377	123,833

1 Not adjusted in 9M/2019 and 2018, in 2017 adjusted by a retention bonus of kEUR 94, in 2016 adjusted by a retention bonus of kEUR 465

2 Not adjusted in 9M/2019; in 2018 adjusted by out-of-period expenses for the import of machines to the US for periods from 2014 to 2017, included, totaling kEUR 1,013; in 2017 adjusted by a retention bonus of kEUR 94, in 2016 adjusted by a retention bonus (see ¹) and transaction costs of kEUR 564

3 Basic (undiluted), calculated based on 19,778,953 shares for 9M/2019 (previous years: 17,980,867 shares)

Immediate Steps Taken and Near-term Priorities

Actions completed

Organizational set-up

- ✓ CFO & COO hired
- ✓ North America leadership team built up
- ✓ Head of Human Resources, Head of Program Management, Head of Quality Management hired

Continued strong customer interaction resulting in strengthened order book and improving visibility

- ✓ Order backlog increased by 51% Y-o-Y (9 months)
- ✓ Improvement in quality and number of sales leads
- ✓ Two SLM®800s sold to an aerospace company in North America

Near-term focus

1 Get new leadership team up and running

2 Continue to build strong pipeline

3 Improve machine reliability as key enabler for industrialisation

4 Deliver on product development milestones for NextGen machine

5 Further strengthen the SLM brand

Key to deliver growth in 12-24 months.

Summary

1

Metal AM market is at the early stage of industrialization

2

SLM's technological fundamentals remain strong - we will continue to invest in our technological leadership

3

SLM's next generation machine will be a key enabler for vast adoption

4

2019/20 are transition years to reset SLM on a path to growth

5

Near-term strategic focus is on topline growth and driving market share gains

6

Motivated workforce complemented by new leadership talent