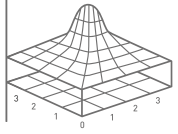


SLM
SOLUTIONS



**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



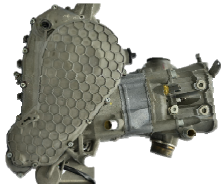
○ Metal-based additive manufacturing: industrial applications



SLM®800



SLM®500



SLM®280

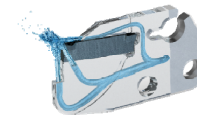
Audi
Hungaria



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

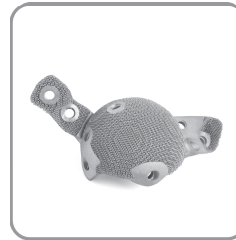
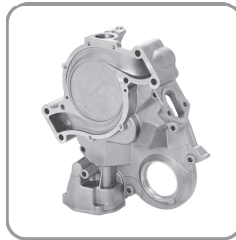
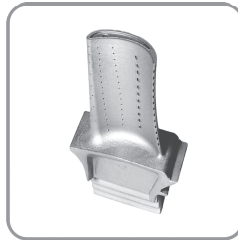
AUTOMOTIVE

TOOLING

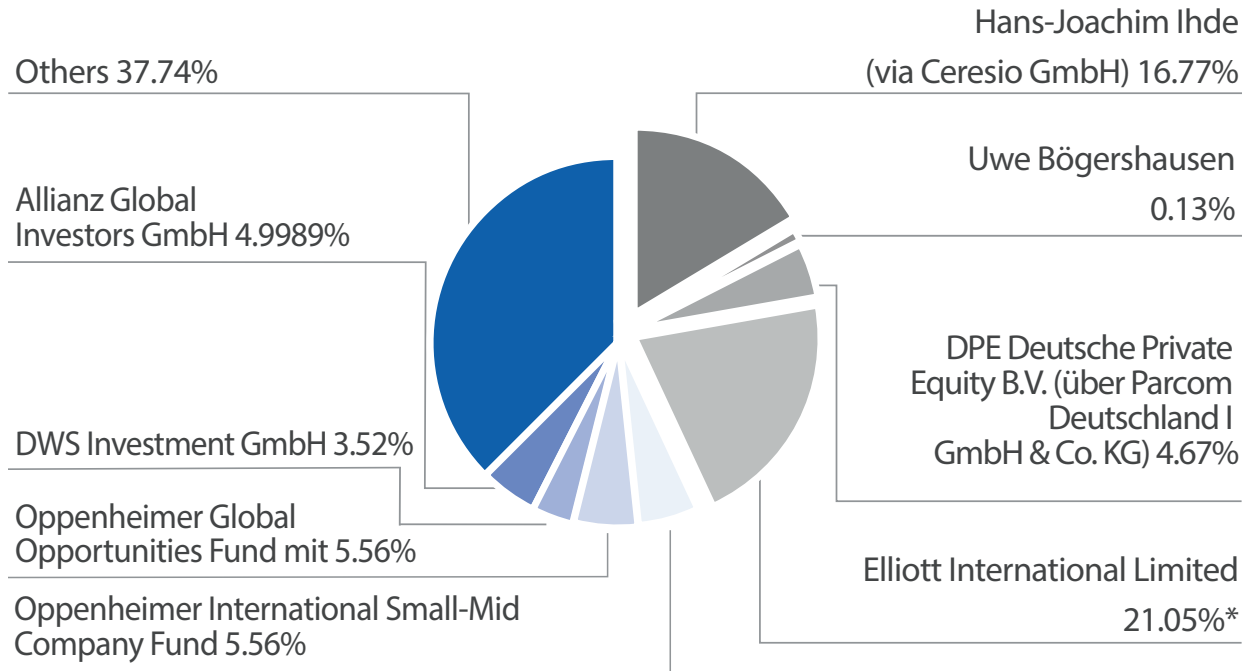
HEALTHCARE

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)



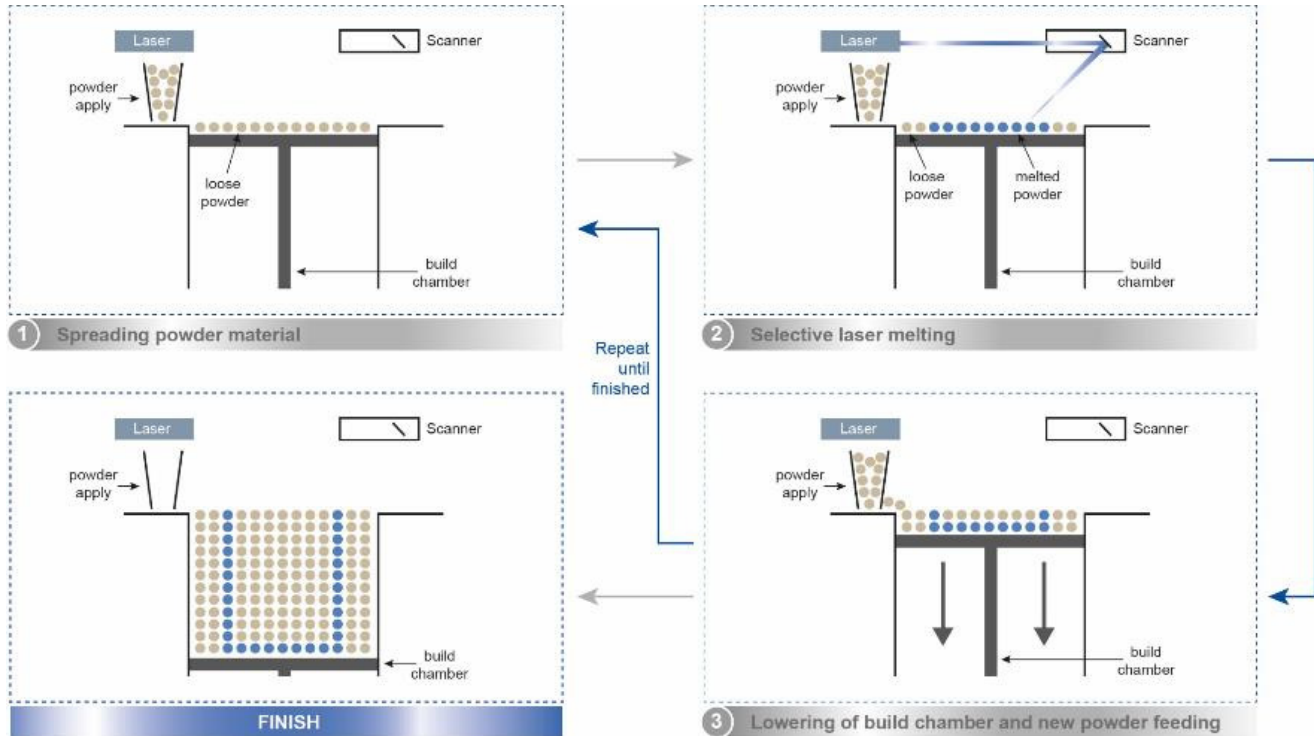
* To interpret the voting rights announcements: Shares attributed to Mr. Paul E. Singer from Elliott International Limited through the subsidiary Cornwall GmbH & Co. KG

















2

Technology

○ Metal-based additive manufacturing: how it works



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

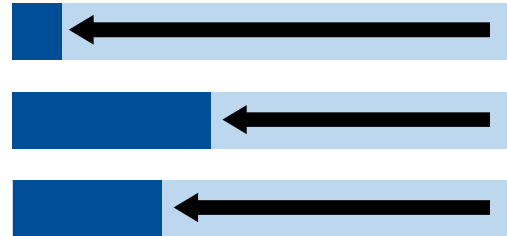
Metal technologies	Technology	Materials	Typical markets	Relevance for metal	Companies with this technology
	 Powder bed fusion <ul style="list-style-type: none"> Thermal energy selectively fuses regions of a powder bed Key technologies: Selective Laser 	Metals, polymers	Prototyping, direct part	77%(a)	SLM SOLUTIONS  Arcam AB, EOS, Concept Laser, Renishaw, Phenix Systems
	 Directed energy deposition <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
	 Sheet lamination <ul style="list-style-type: none"> Sheets of material are bonded to form an object 	Metals, paper	Prototyping, direct part		Mcor Technologies
	 Binder jetting <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
	 Material jetting <ul style="list-style-type: none"> Droplets of build material are selectively deposited 	Polymers, waxes	Prototyping, casting patterns		Others
	 Material extrusion <ul style="list-style-type: none"> Material is selectively dispensed through a nozzle or orifice 	Polymers	Prototyping		
	 Vat photopolymerization <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**

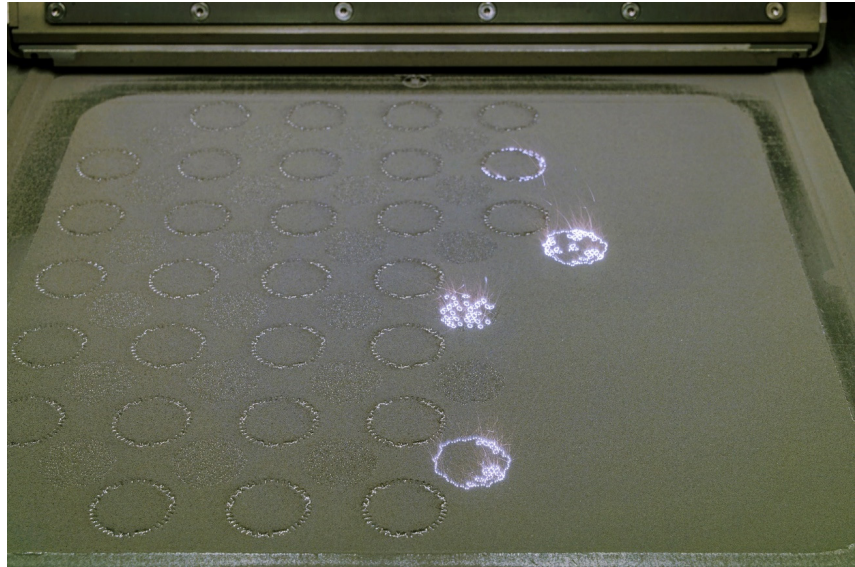
- **faster:** build time reduced by up to 90 %
- **more efficient:** “bionic geometry”, weight reduction by up to 60 %
- **more cost effective:** reduction of component costs by up to 70 %
- **more flexible:** “complexity comes for free”, decentralized “on demand” production



○ Multi-laser technology paves the way for industrial production

Reducing build part costs

- Combining high surface quality with faster build 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


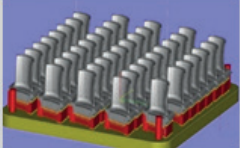
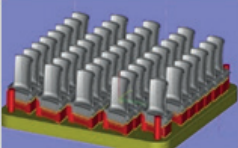
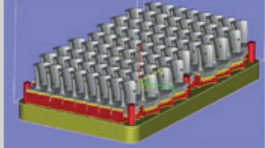


○ Demo Turbine Blade Inc 718

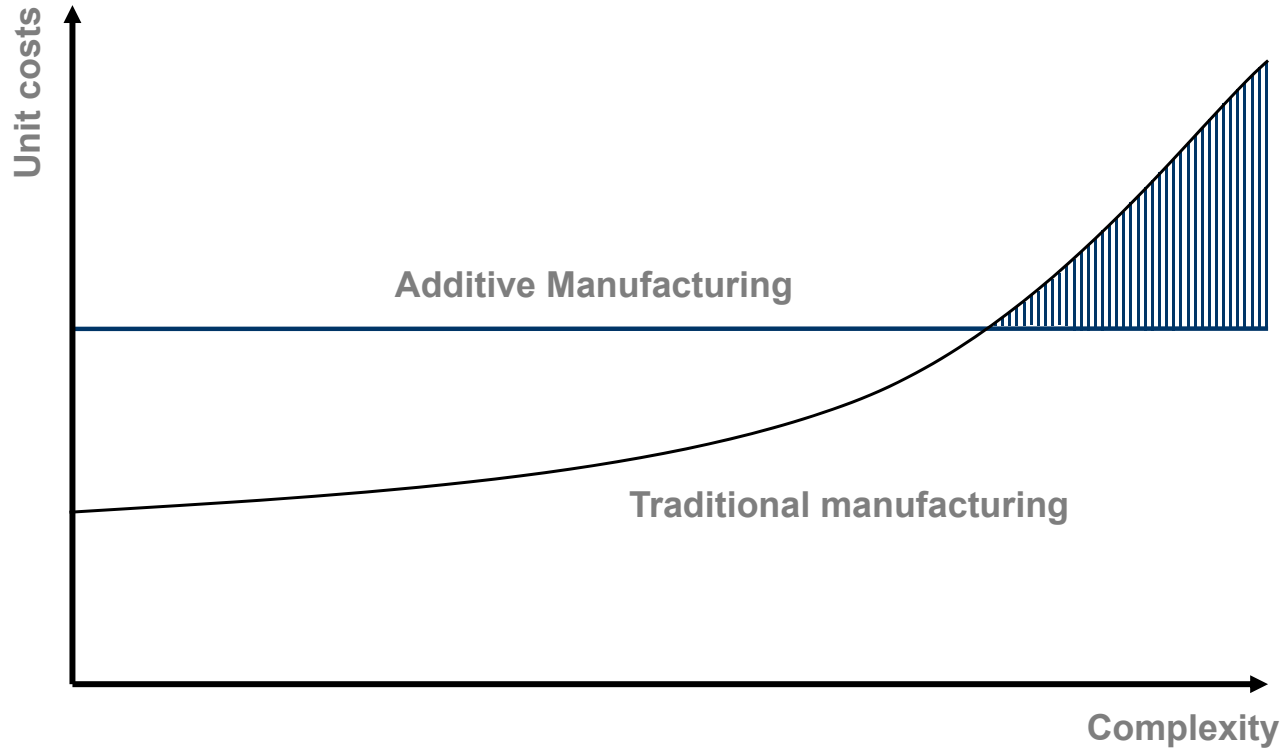
- Material: Inc 718
- Height: 75 mm
- Volume: 22.772 ccm
- Weight: 187g
- Industry: Energy
Aerospace



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“



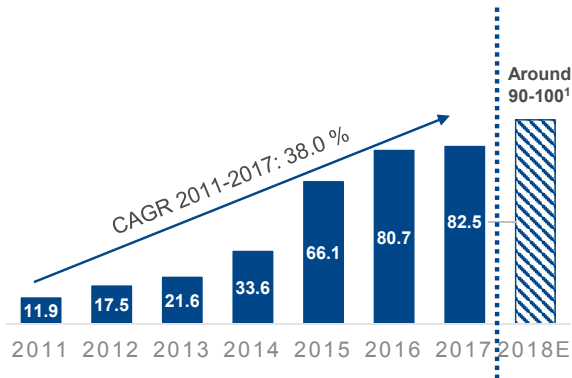


3

Financial Highlights

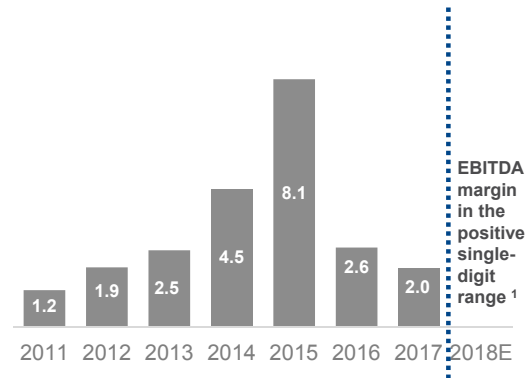
○ Profitable growth since IPO

Revenue (EUR million)



→ Strong top line growth

Adj. EBITDA (EUR million)



→ Maintaining Profitability

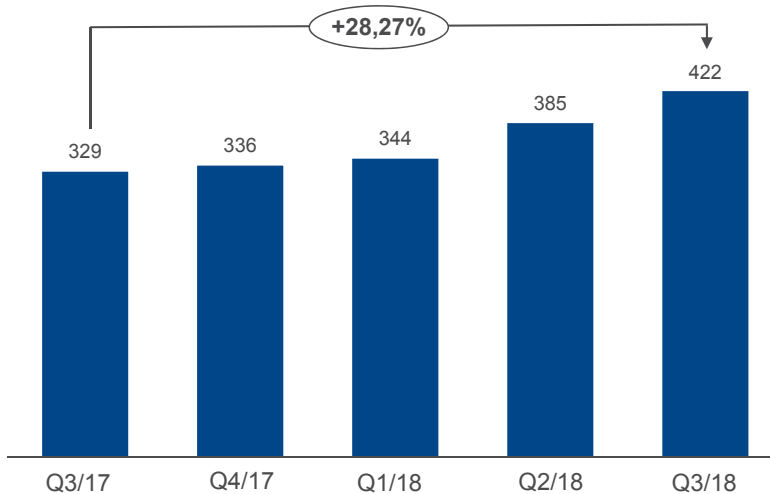
¹ According to the adjusted forecast of November 08, 2018

○ 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

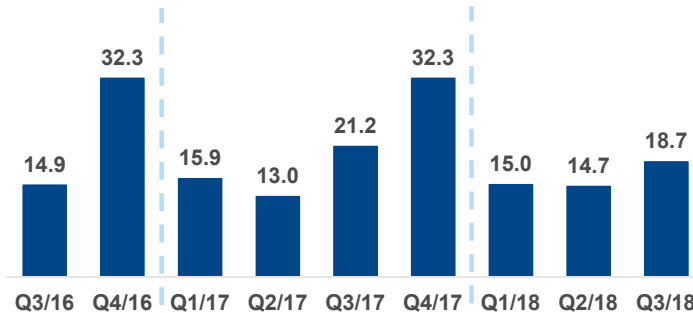
Leads value [EURm]



- 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

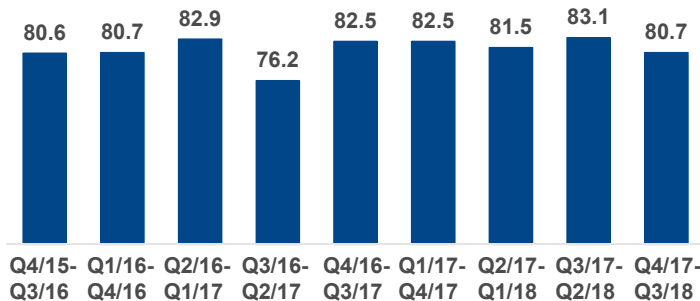
○ High dependency on 4th quarter

Revenue development (EUR mn)



- Revenue 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

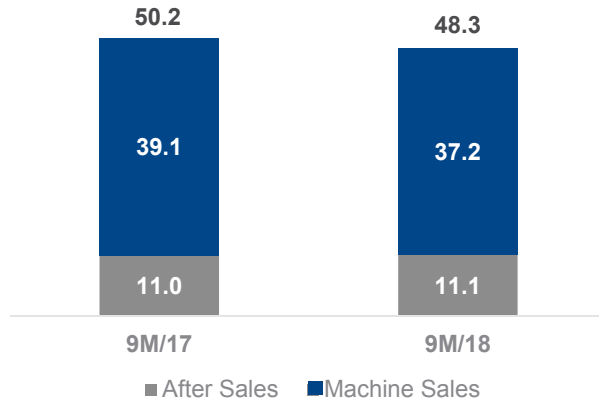
Revenue of the last twelve months (EUR mn)



- 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

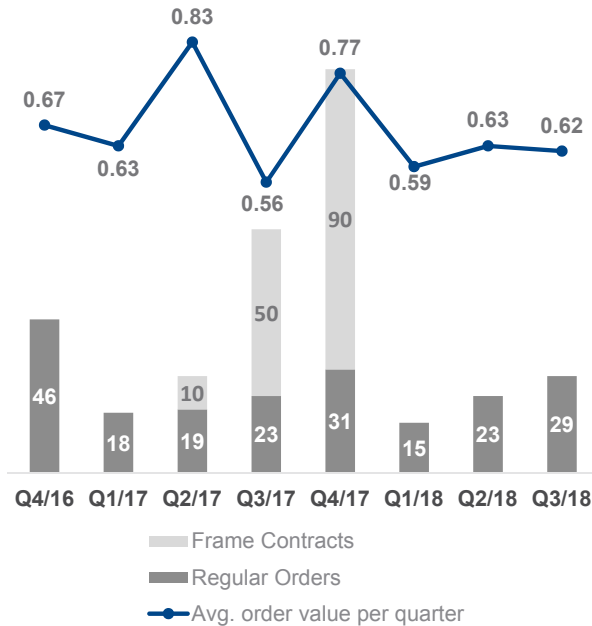
Consolidated revenue (by segments; EUR mn)



- **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)

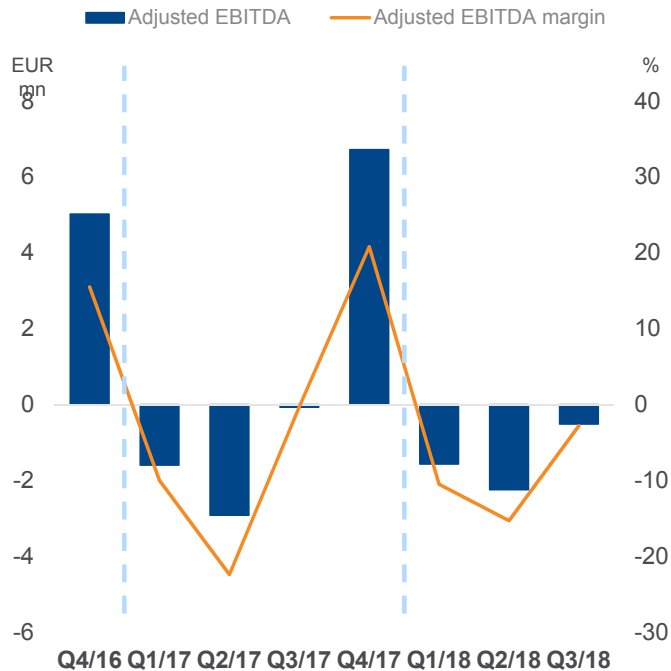
Per-quarter order entry (machines)
and average order value (EUR mn)



- 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 / %)

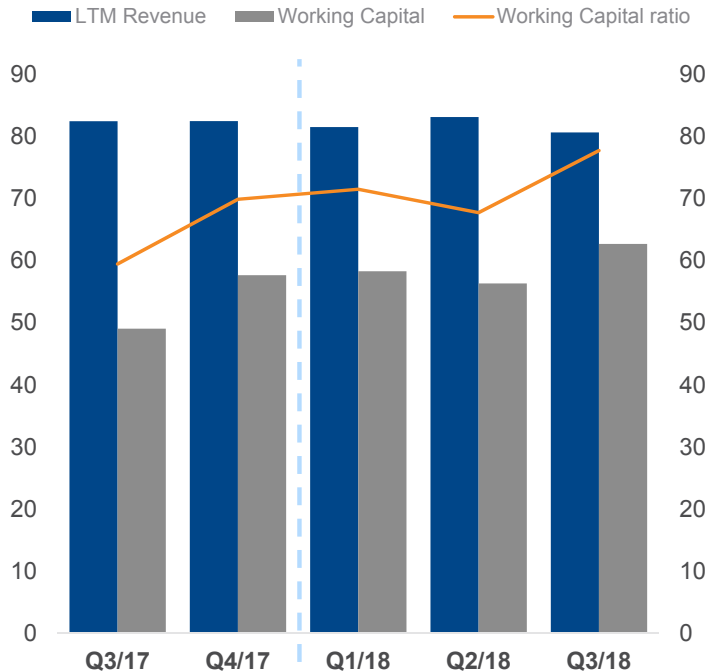


- **EBITDA margin 9M/2018 with -9.0% improved compared to 9M/2017* with -9.5%**
- Lower personnel cost ratio due to continuous process improvement
- Higher cost of materials ratio due to stock-building in preparation of a strong 4th quarter

*adjusted in 2017 for Retention Bonus

Working Capital

Working Capital (EUR mn / % of LTM revenue)



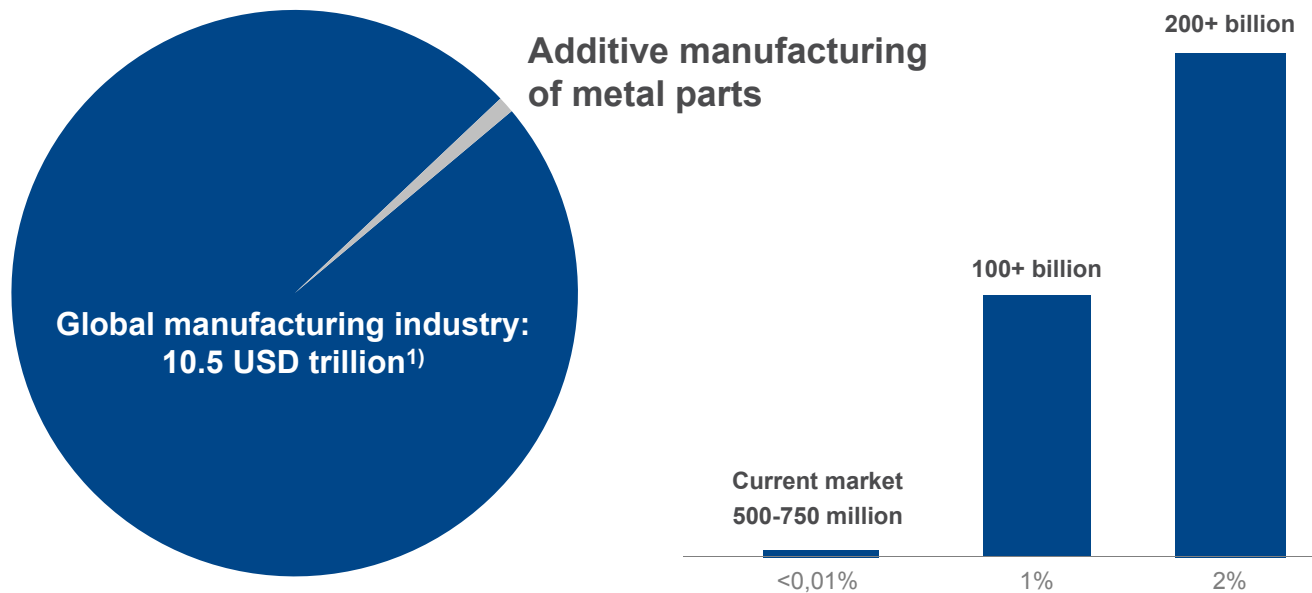
- Working Capital significantly increased in Q3/2018: EUR 62.71 mn
- **Increase in Working Capital intensity** by 18.2 pts. y-o-y to 77,7% (Q3/2017: 59.5%)
- Main reason for increase of Working Capital: Increase of inventories from EUR 34.0 mn in Q3/2017 to EUR 38.0 mn in Q3/2018 and decrease of payables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



4

Outlook

○ Huge market potential...



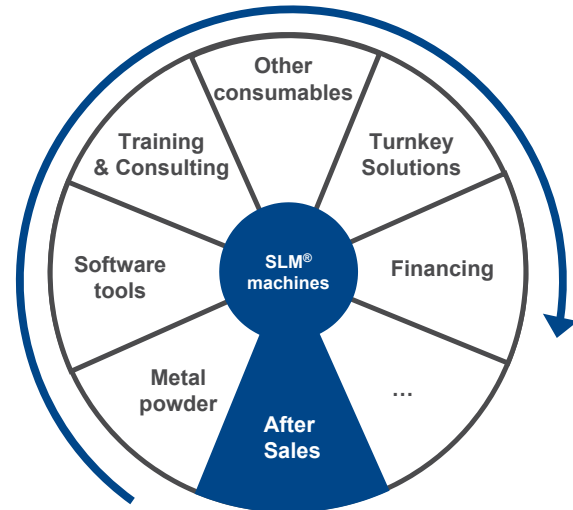
1) 2012, Wohlers Associates

○ 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



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