



9M 2022 Earnings Presentation

November 10, 2022

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Business Update

9M 2022

Highlights



ORDER INTAKE BACKLOG

Order Intake

- ⇒ Q3 2022: EUR 23.3m (+29% YoY)
- ⇒ 9M 2022: EUR 62.7m (+47% YoY)

Order Backlog

- ⇒ September 2022: EUR 50.8m (+49% YoY)
- ⇒ Largest order backlog position for the fourth consecutive quarter



REVENUE

- ⇒ Q3 2022: EUR 26.9m (+39% YoY)
- ⇒ 9M 2022: EUR 69.4m (+36% YoY)



PROFITABILITY (EBITDA)

- ⇒ Q3 2022: EUR 1.5m (+++ YoY*)
- ⇒ 9M 2022: EUR -1.5m (+80% YoY)

* Q3 2021: EUR -1.4m.



STRATEGIC BUSINESS UPDATES

- ⇒ Strategic partnership with Nikon Corporation including a capital increase reinforcing SLM's liquidity position.
- ⇒ Recently unveiled NXG XII 600E with a Z-height of 1.5M and +150% increase in build volume delivering up to twice as much productivity.
- ⇒ Continued success of the NXG XII 600 roll-out with intake of additional orders.
- ⇒ SLM Solutions to unveil multiple product launches at Formnext 2022.

Nikon Takeover Offer

Partnership with technology powerhouse

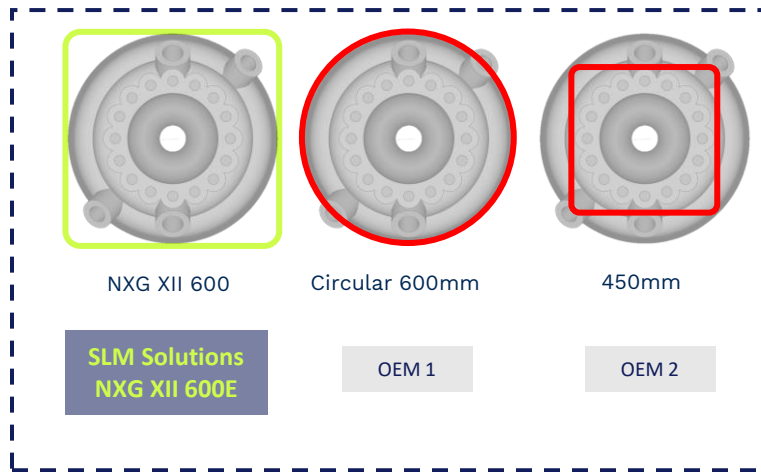


- ⇒ Acceptance rate of **74.48%** as of November 1, 2022, for the public offer for all outstanding shares.
- ⇒ As of November 1, 2022, Nikon Corporation has secured over **86.17%** of SLM's total share capital on a fully diluted basis¹.
- ⇒ Foreign investment control clearance received from Germany, United Kingdom, France, Canada.
- ⇒ Additional acceptance period of the Takeover Offer for two weeks from 05.11.2022, 00:00 hrs (local time Frankfurt am Main). Shareholders who have not yet accepted the Takeover Offer may still accept the Takeover Offer within this period.
- ⇒ **Final acceptance rate to be published following the end of the additional acceptance period.**

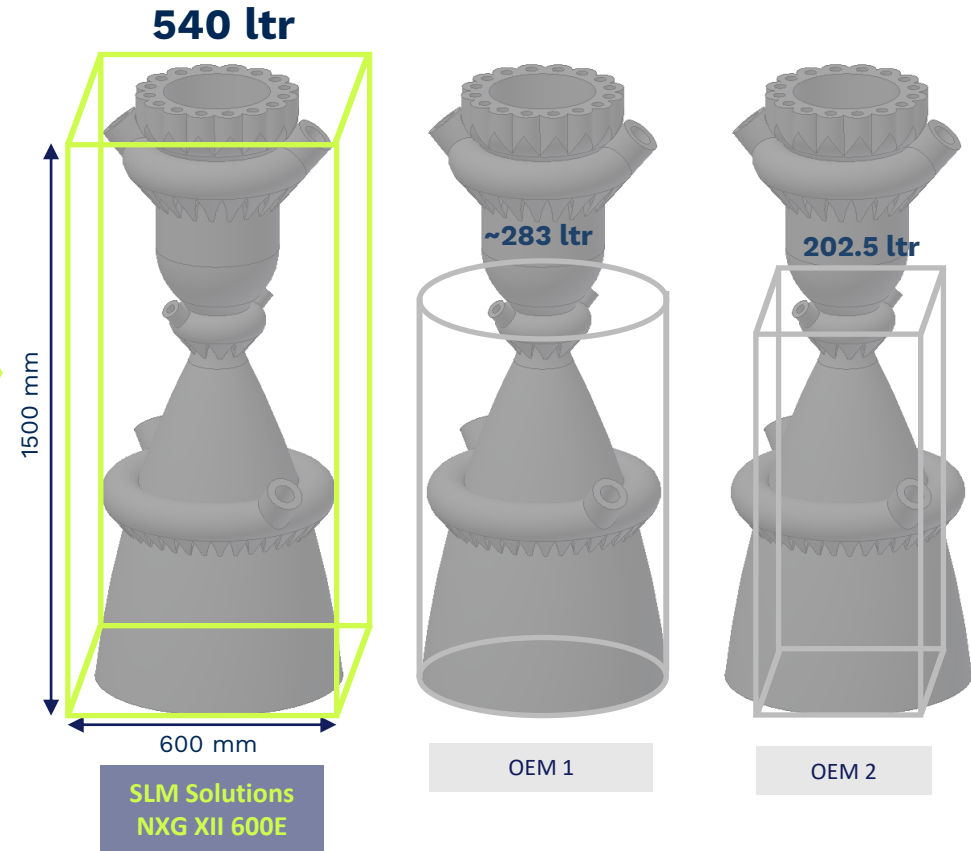
1. The number of fully diluted shares is calculated by adding the number of issued common shares, and the number of shares that may come into existence from the conversion of all Convertible Bonds Due 2026.

NXG XII 600E

Higher Productivity For Larger Build Sizes



Monolithic design of combustion chamber and nozzle in a rocket engine



Dimensions:

Diameter: Ø600mm (680mm at connection sockets)

Height: 1,500mm

Material: IN718 (Inconel Alloy)

SLM Solutions' NXG XII 600E provides **~2x the build volume** as compared to the current market offering, thereby delivering almost **twice the productivity**.

NXG XII 600E

Optimal Shape further enhancing productivity

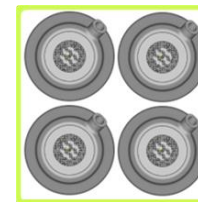
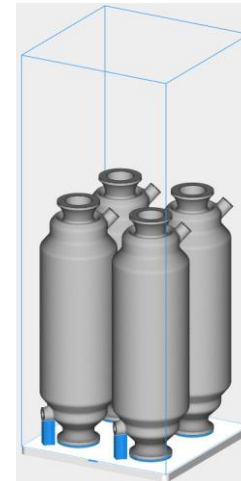
- ⇒ For parts with relatively lesser width, the square shaped build chamber enables **optimal utilization**.
- ⇒ This **drives further productivity gains** for customers
- ⇒ The NXG XII 600E **delivers 2x more parts per build** as compared to current market offering.



THE SQUARE MAKES THE DIFFERENCE

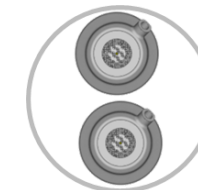
Heat Exchangers with complex internal structure to optimize heat transfer.

Height: 912mm | Width: ~280mm



NXG XII 600E
4 parts

SLM Solutions
NXG XII 600E



Circular
600mm
2 parts

OEM 1



Square
450mm
1 part

OEM 2

Financial Overview

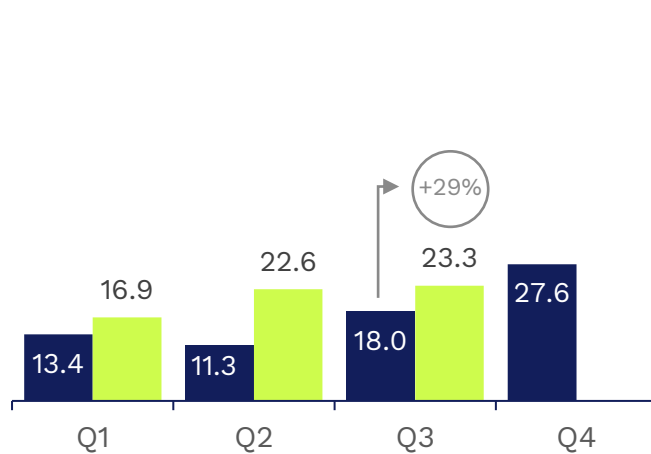
9M 2022

Robust topline growth

Order Intake

in EUR m

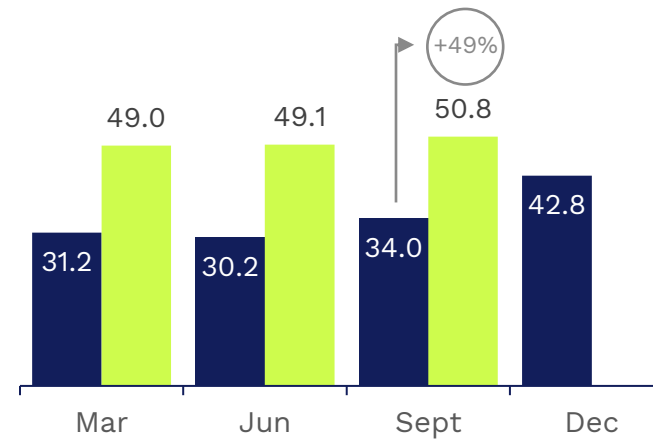
■ 2021 ■ 2022



Backlog

in EUR m

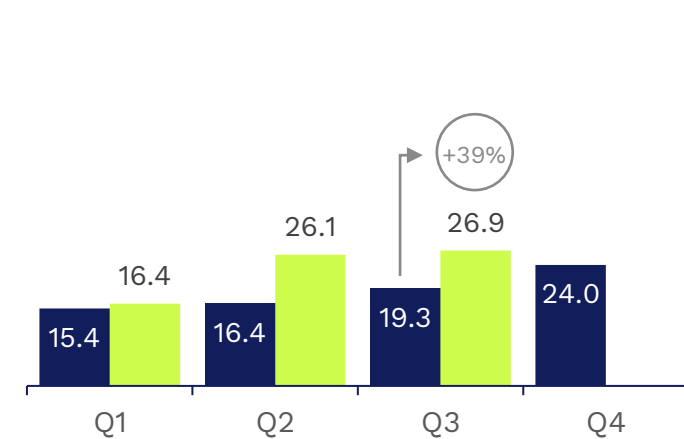
■ 2021 ■ 2022



Revenue

in EUR m

■ 2021 ■ 2022



- ⇒ **Order intake of EUR 23.3m** during Q3 2022 , **up 29% YoY**. Positive traction from both existing and new customers reflecting the growing adoption of additive manufacturing across industries.
- ⇒ **Order Backlog of EUR 50.8m** as of September 2022, **up 49% YoY**, driven by successful roll-out of NXG XII 600 as well as orders from a broad spectrum of industries.
- ⇒ Continued strength in revenue recognition, **delivering best-ever 9M performance** with **revenues of EUR 69.4 for 9M 2022**.

Selected Financials

as per Cost of Sales Accounting

<i>In EUR m</i>	Q3 2022	Δ (in %)	Q3 2021	9M 2022	Δ (in %)	9M 2021
Revenue	26.9	39%	19.3	69.4	36%	51.1
Machine Sale	21.9	52%	14.4	53.9	43%	37.7
After Sales	5.0	1%	5.0	15.5	16%	13.3
Costs of goods sold	(15.2)	52%	(10.0)	(41.4)	46%	(28.3)
Gross profit	11.7	25%	9.3	28.0	23%	22.7
<i>Gross Profit Margin</i>	43%	-5pp	48%	40%	-4pp	45%
EBITDA	1.5	n/a	(1.4)	(1.5)	80%	(7.6)
Operating cash flow	(2.5)	65%	(7.1)	(13.0)	29%	(18.2)
Working capital	42.2	33%	31.7			
Cash and cash equivalents	75.9	160%	29.1			

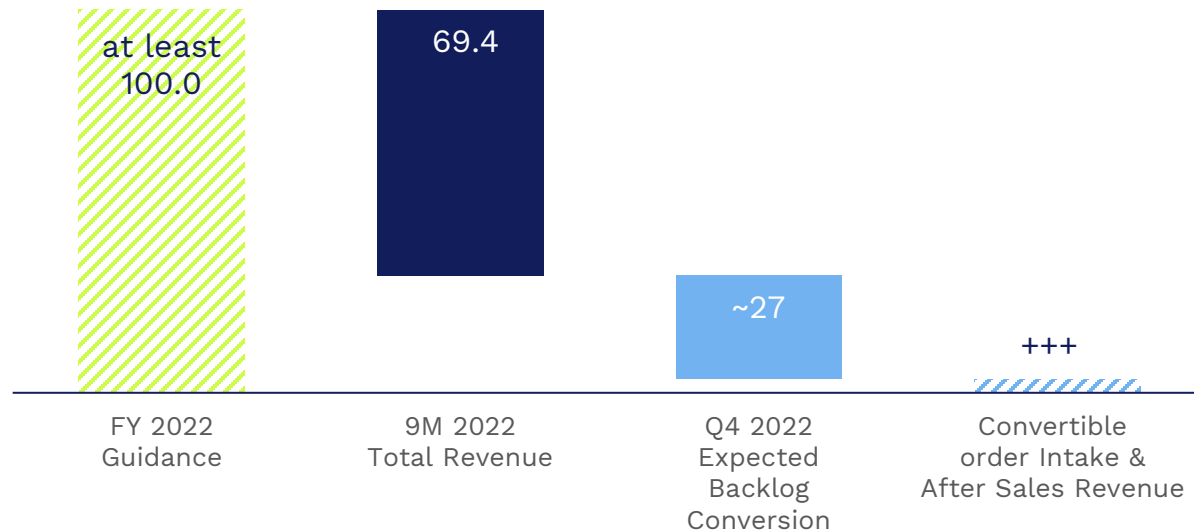
- ⇒ **Machine Revenue:** Increase mainly driven by NXG XII 600, benefiting from USD strength, few machines slipped to Q4
- ⇒ **Gross Profit Margin:** Still impacted by material shortages → increased prices & low productivity
- ⇒ **EBITDA:** Improvement driven by higher revenues & positive FX impact
- ⇒ **Operating CF & Working Capital:** Negatively impacted by inventory build-up, improvement in Q4 expected
- ⇒ **Cash and cash equivalents:** Solid cash position after receipt of 3rd tranche of 2020 convertible and equity increase as part of Nikon transaction

Backlog Conversion

On track to achieve guidance

Expected order backlog conversion by quarter

in EUR m



- ⇒ Deliveries of NXG XII 600 proceeding on track and expected to continue in Q4 2022.
- ⇒ As is typical, Q4 2022 expected to be a strong quarter.

- ⇒ Supply of select components, especially electronic components remain constrained.
- ⇒ While SLM is taking several steps to ensure any impact is minimized, this risk remains and could result in a lower level of backlog conversion

Guidance & long-term view

Reaffirming guidance for FY 2022 and onwards

GUIDANCE

	2022E	2026E
Sales	At least EUR 100 m	~5x revenue growth vs 2021 guidance (~EUR 350 m)
EBITDA	Break-even on quarterly basis in second half	+++

Key Assumptions

2022E: No significant disruptions in supply chain constraints during the second half of 2022, no significant COVID-19 restrictions in key markets, successful NXG XII 600 ramp up, no severe economic slowdown due to Ukraine-Russia crisis

2026E: Ramp-up in serial production of key industries as expected in market forecasts, no significant economic events

KEY LEVERS OF GROWTH

GROWING TAM

MARKET SHARE GROWTH OF
EXISTING PORTFOLIO

THE NXG XII 600

STEADY GROWTH IN
AFTER SALES REVENUE

Summary

Laser focused on delivering the future of manufacturing



Relentless innovators delivering improved productivity to customers.



Product innovations and next generation technologies pivotal for increased customer adoption.



Robust top line growth combined with improving operational profitability resulting in SLM posting its best-ever 9M performance.



Strong order backlog position of EUR 50.8m, driven by robust & industry-agnostic order intake performance.



Reinforced liquidity position combined with a strong partner in Nikon positions SLM strategically to accelerate along its growth path.



Supply chain constraints continue, but are being effectively managed.

DIVERSE PORTFOLIO & INDUSTRY COVERAGE

SERVICES

SOFTWARE

MATERIALS

APPLICATIONS



WORLD LEADER IN LPBF A HISTORY OF FIRSTS

NEXT GENERATION AM SOLUTIONS

<1CC/H



2003

First Laser System
Build Rate: Up to 3 CC/H



2011

First Dual Laser System
Build Rate: Up to 88 CC/H



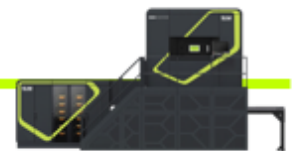
2013

First Quad Laser System
Build Rate: Up to 171 CC/H



2020

First 12 Laser System
Build Rate: >1000 CC/H



2022

World's Largest Build Envelope
Build Rate: >1000 CC/H

Appendix

Income Statement

Total cost accounting

<i>In EUR m</i>	9M 2022	9M 2021	Q3 2022	Q3 2021
Revenue	69.4	51.1	26.9	19.3
Increase/decrease of finished and unfinished stock on hand	12.4	5.7	3.9	1.8
Other activated contributions	5.4	4.5	1.9	1.3
Total output	87.2	61.3	32.8	22.4
Cost of material	(42.7)	(27.6)	(15.2)	(9.4)
Gross profit	44.5	33.7	17.6	13.0
Payroll	(34.6)	(29.1)	(11.8)	(9.8)
Other operating income	3.3	1.3	1.2	0.4
Other operating expenses	(14.7)	(13.4)	(5.5)	(4.9)
EBITDA	(1.5)	(7.6)	1.5	(1.4)
Depreciation & amortization	(5.6)	(5.6)	(1.8)	(1.9)
Earnings before interest and taxes (EBIT)	(7.1)	(13.2)	(0.3)	(3.2)
Interest and similar expenses	(4.2)	(4.0)	(1.7)	(1.4)
Interest & Other Income	0.0	0.0	0.0	0.0
Earnings before taxes	(11.3)	(17.2)	(2.0)	(4.7)
Tax payable	(0.2)	1.2	(0.4)	0.9
Result for the period	(11.6)	(16.0)	(2.5)	(3.7)

Pro Forma Income Statement

Cost of sales method of accounting

<i>In EUR m</i>	9M 2022	9M 2021	Q3 2022	Q3 2021
Revenue	69.4	51.1	26.9	19.3
Costs of goods sold	(41.4)	(28.3)	(15.2)	(10.0)
Gross profit	28.0	22.7	11.7	9.3
<i>Gross Profit Margin</i>	40%	45%	43%	48%
Sales costs	(14.1)	(12.7)	(5.4)	(4.4)
Administration costs	(16.1)	(17.4)	(5.3)	(5.9)
Research & Development costs	(7.6)	(7.1)	(2.2)	(2.7)
Other operating income	3.3	1.8	1.2	0.5
Other operating expenses	(0.7)	(0.5)	(0.4)	(0.1)
Earnings before interest and taxes (EBIT)	(7.1)	(13.2)	(0.3)	(3.2)
Interest and similar expenses	(4.2)	(4.0)	(1.7)	(1.4)
Interest & Other Income	0.0	0.0	0.0	0.0
Earnings before taxes	(11.3)	(17.2)	(2.0)	(4.7)
Income Tax	(0.2)	1.2	(0.4)	0.9
Result for the period	(11.6)	(16.0)	(2.5)	(3.7)
Earnings before interest and taxes (EBIT)	(7.1)	(13.2)	(0.3)	(3.2)
Depreciation	5.6	5.6	1.8	1.9
EBITDA	(1.5)	(7.6)	1.5	(1.4)

Cost Reconciliation – 2021

Total Cost Accounting vs Cost of Sales

FY 2021	Increase/decrease of finished and unfinished stock on hand	Other activated contributions	Cost of material	Payroll	Other operating income	Other operating expenses	Depreciation & amortization	Allocations	Total
In EUR m									
Costs of goods sold	1.6	0.0	(32.9)	(10.1)	0.0	(2.1)	(0.9)	0.1	(44.2)
Sales costs	(0.0)	0.0	(1.2)	(9.7)	0.0	(7.1)	(0.5)	0.8	(17.7)
Administration costs	0.0	0.0	(2.5)	(10.8)	0.0	(7.8)	(3.2)	1.0	(23.2)
Research & Development costs	0.0	6.3	(0.6)	(8.4)	0.0	(1.5)	(3.1)	(1.9)	(9.2)*
Other operating income	0.0	0.0	0.0	0.0	2.7	0.7	0.0	0.0	3.4
Other operating expenses	0.0	0.0	0.0	0.0	0.0	(0.7)	0.0	0.0	(0.7)
Total	1.6	6.3*	(37.0)	(39.0)	2.7	(18.6)	(7.7)	0.0	

9M 2021	Increase/decrease of finished and unfinished stock on hand	Other activated contributions	Cost of material	Payroll	Other operating income	Other operating expenses	Depreciation & amortization	Allocations	Total
In EUR m									
Costs of goods sold	5.7	0.3	(25.1)	(7.2)	0.0	(1.6)	(0.6)	0.2	(28.3)
Sales costs	(0.0)	0.0	(0.7)	(7.2)	0.0	(4.9)	(0.3)	0.5	(12.7)
Administration costs	(0.0)	0.0	(1.3)	(8.5)	0.0	(5.9)	(2.3)	0.6	(17.4)
Research & Development costs	0.0	4.1	(0.5)	(6.2)	0.0	(1.0)	(2.3)	(1.2)	(7.1)
Other operating income	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	1.8
Other operating expenses	0.0	0.0	0.0	0.0	0.0	(0.5)	0.0	0.0	(0.5)
Total	5.7	4.5	(27.6)	(29.1)	1.8	(14.0)	(5.6)	(0.0)	

*Internal reclassification as a result of change to cost of sales method of accounting

Cost Reconciliation – 2022

Total Cost Accounting vs Cost of Sales

9M 2022	Increase/decrease of finished and unfinished stock on hand	Other activated contributions	Cost of material	Payroll	Other operating income	Other operating expenses	Depreciation & amortization	Allocations	Total
In EUR m									
Costs of goods sold	12.4	0.0	(41.1)	(9.9)	0.0	(2.1)	(0.6)	0.1	(41.4)
Sales costs	(0.0)	0.0	(0.9)	(8.7)	0.0	(4.9)	(0.4)	0.7	(14.1)
Administration costs	(0.0)	0.0	(0.2)	(8.5)	0.0	(5.9)	(2.6)	1.1	(16.1)
Research & Development costs	0.0	5.4	(0.4)	(7.6)	0.0	(1.2)	(2.0)	(1.9)	(7.6)
Other operating income	0.0	0.0	0.0	0.0	3.3	0.0	0.0	0.0	3.3
Other operating expenses	0.0	0.0	(0.1)	0.0	0.0	(0.6)	0.0	0.0	(0.7)
Total	12.4	5.4	(42.7)	(34.6)	3.3	(14.7)	(5.6)	(0.0)	