



# **H1 2022 Earnings Presentation**

August 18, 2022

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# Business Update

H1 2022

# Highlights



## ORDER INTAKE BACKLOG

### Order Intake

- ⇒ Q2 2022: EUR 22.6m (+100% YoY)
- ⇒ H1 2022: EUR 39.4m (+59% YoY)

### Order Backlog

- ⇒ June 2022: EUR 49.1m (+62% YoY)



## REVENUE

- ⇒ Q2 2022: EUR 26.1m (+60% YoY)
- ⇒ H1 2022: EUR 42.5m (+34% YoY)

### ⇒ Record revenue for H1 2022 due to:

- Completion of initial NXG XII 600s
- Continued strength in the existing portfolio



## PROFITABILITY (EBITDA)

- ⇒ Q2 2022: EUR 1.3m# (+++ YoY\*)
- ⇒ H1 2022: EUR -3.0m (+51% YoY)

- ⇒ **STRONG PROFITABILITY PERFORMANCE** driven by solid operating leverage + focus on operational efficiency.



## STRATEGIC BUSINESS UPDATES

- ⇒ Successful NXG XII 600 roll-out with additional order intake of two NXG XII 600 systems in Q2 2022.
- ⇒ Received orders for two SLM@500s from Rolls Royce expanding their install base of SLM@500s as part of the pre-production ramp up to produce the Pearl@10X engine.
- ⇒ Management Board bolstered with the addition of Charles Grace as CCO.

# Q2 2022 EBITDA includes two favorable one-off items (EUR +1.7m), currency tailwinds and reversal of provisions not required.

\* Q2 2021: EUR -4.1m.

# First NXG XII 600 Shipments

Pivotal in disrupting the auto manufacturing sector



⇒ Large **install base of 16 SLM® systems**, including **5 NXG XII 600 systems**, with **more on order for delivery in 2022**.

⇒ The NXG XII 600 is a vital component of the Divergent Adaptive Production System (DAPS®) and **provides further enhanced productivity**.

⇒ As a result of the NXG XII 600:

*Sustainable volume manufacturing* ✓

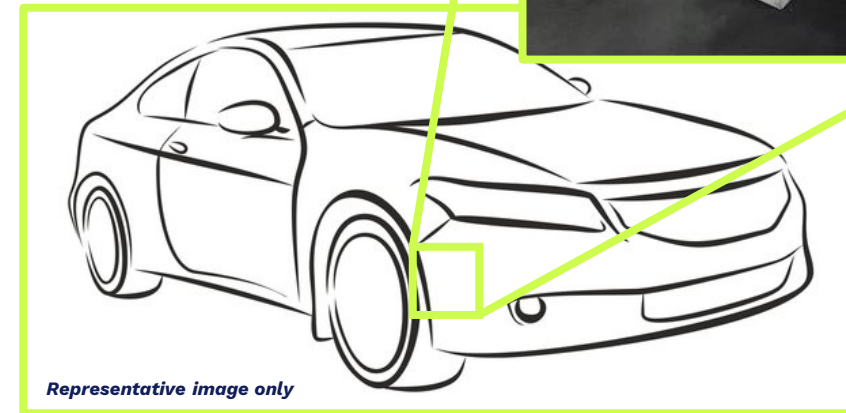
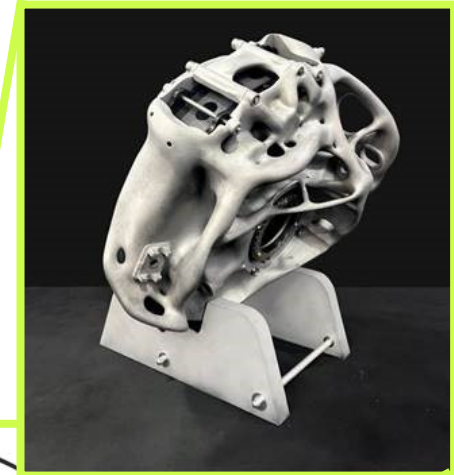
*Costly, traditional tooling and capital expenses* ✗

⇒ The NXG XII 600 systems are **currently being actively utilized** by Divergent Technologies, including for the purpose of meeting the **growing production demand from several major global carmaker (OEM) programs**

⇒ Since April 2022, **Divergent Technologies has raised \$240 million** in Series C funding, venture financing facilities and a revolving line of credit.

**BRAKE ASSEMBLY  
CHASSIS STRUCTURE**

Layer Thickness: 90 µm  
Print Time: ~61 hours



*Representative image only*

# SLM®500 POWERING INNOVATIVE SOLUTIONS ...



- Major manufacturer of aero engines.
- **Ordered 2 more SLM®500s**, expanding their install base of SLM®500 systems.
- As seen in the video premiere<sup>1</sup> for the Falcon 10X business jet, powered by the Pearl®10X engine, the SLM®500 is utilized to print **complex combustor tiles achieving valuable weight and emission reduction.**
- The Pearl®10X boasts of a **5% increase in efficiency<sup>2</sup>** compared to its predecessor.

- Leading global supplier of **mobility solutions, industrial technology**, consumer goods, and energy and building technology.

- **Completed installation of 2 SLM®500s.**



**BOSCH**

- SLM®500s used to produce parts for its **powertrain technology**, including custom aluminum parts for **hydrogen technology** and **electric drive productions.**

1. [Falcon 10X Premiere video](#)  
2. [Rolls-Royce Pearl family continues to grow](#)

# Financial Overview

H1 2022

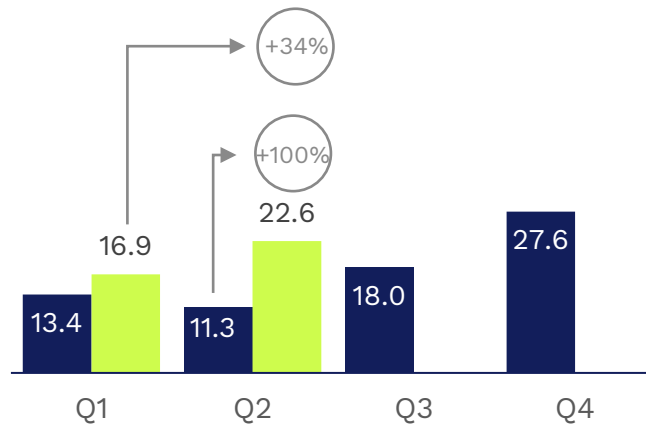


# Growing Topline

## Order Intake

in EUR m

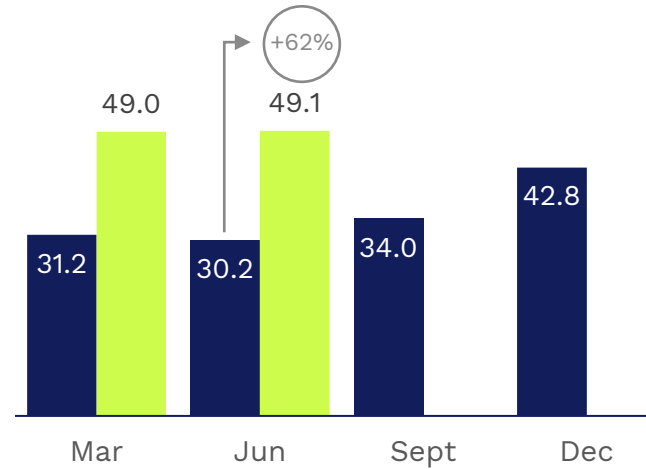
■ 2021 ■ 2022



## Backlog

in EUR m

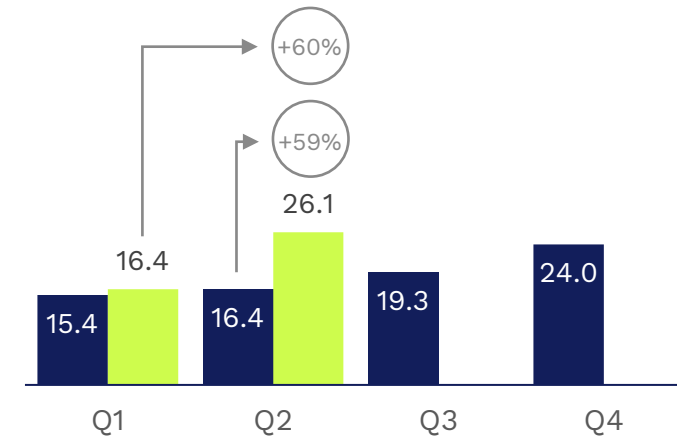
■ 2021 ■ 2022



## Revenue

in EUR m

■ 2021 ■ 2022



- ⇒ **Order intake during Q2 2022** of EUR 22.6m, **twice the level of the Q2 2021**. Strong order intake performance driven by all product lines.
  - ⇒ Order intake for Q2 2022 **includes two orders for the NXG XII 600**.
  - ⇒ Strong performance from core portfolio including orders for **two SLM@500s from Rolls Royce**.
- ⇒ **Order Backlog at the end of June 2022** of EUR 49.1m **up 62% YoY**, and marginally higher as compared to the end of March 2022.
- ⇒ **Record revenue for H1 2022** of EUR 42.5m, **up 34% YoY**, driven by a **record performance in Q2 2022** of EUR 26.1m, **up 60% YoY**.



# Selected Financials

## as per Cost of Sales Accounting

<i>In EUR m</i>	<b>Q2 2022</b>	<b>Δ (in %)</b>	<b>Q2 2021</b>	<b>H1 2022</b>	<b>Δ (in %)</b>	<b>H1 2021</b>
Revenue	26.1	60%	16.4	42.5	34%	31.7
<b>Machine Sale</b>	<b>20.6</b>	<b>70%</b>	<b>12.1</b>	<b>32.0</b>	<b>37%</b>	<b>23.4</b>
<b>After Sales</b>	<b>5.4</b>	<b>29%</b>	<b>4.2</b>	<b>10.5</b>	<b>25%</b>	<b>8.4</b>
Costs of goods sold	(15.4)	57%	(9.8)	(26.2)	43%	(18.3)
<b>Gross profit</b>	<b>10.7</b>	<b>63%</b>	<b>6.6</b>	<b>16.3</b>	<b>22%</b>	<b>13.4</b>
<i>Gross Profit Margin</i>	41%	+1 pp	40%	38%	-4 pp	42%
<b>EBITDA</b>	<b>1.3</b>	n/a	<b>(4.1)</b>	<b>(3.0)</b>	<b>51%</b>	<b>(6.2)</b>
<b>Operating cash flow</b>	<b>(2.9)</b>	<b>52%</b>	<b>(6.1)</b>	<b>(10.5)</b>	<b>5%</b>	<b>(11.1)</b>
Working capital	37.0	17%	31.7			
Cash and cash equivalents	37.1	140%	15.5			

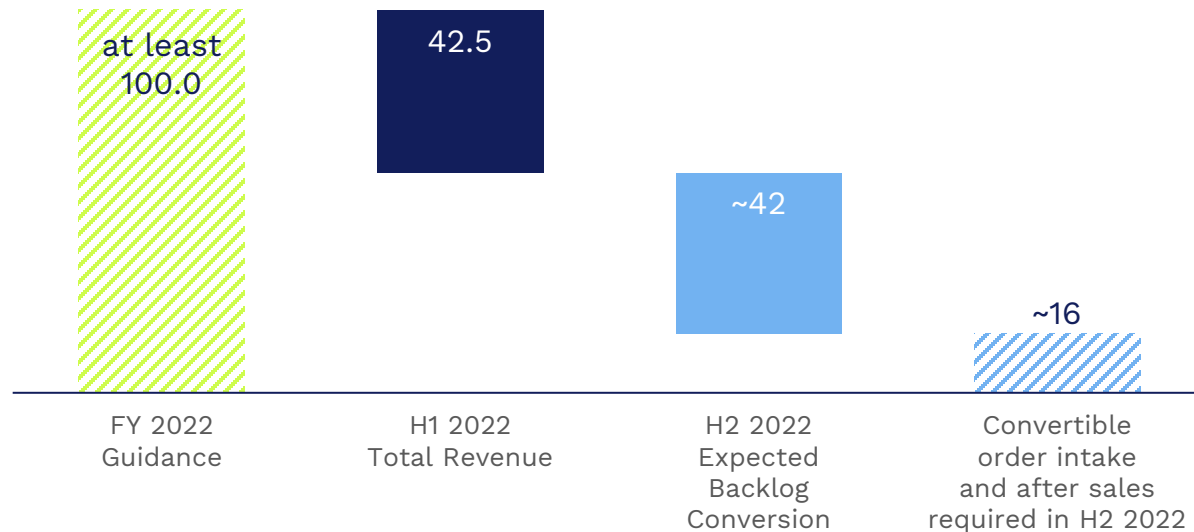
- ⇒ **Machine Revenue:** Driven by continuous strength of core portfolio and shipment of first NXG XII 600s, further acceleration expected in 2H22.
- ⇒ **After-Sales Revenue:** Fueled by growth of machine business and improvement of service quality over the last two years, signed multiple multi-year service agreements in the first half.
- ⇒ **Gross Profit Margin:** Impacted by low productivity of production personnel due to part shortages partially offset by positive product mix (NXG XII 600), low productivity expected to continue in 2H22
- ⇒ **EBITDA:** Impacted by two favorable one-off items (EUR +1.7m), favorable FX impacts and reversal of a legacy accrual.
- ⇒ **Operating cash flow:** Negatively impacted by continuous build up of inventory for NXG XII 600 ramp up, and other supply chain related working capital constraints.

# Backlog Conversion

## Solid base to achieve guidance

### Expected order backlog conversion by quarter

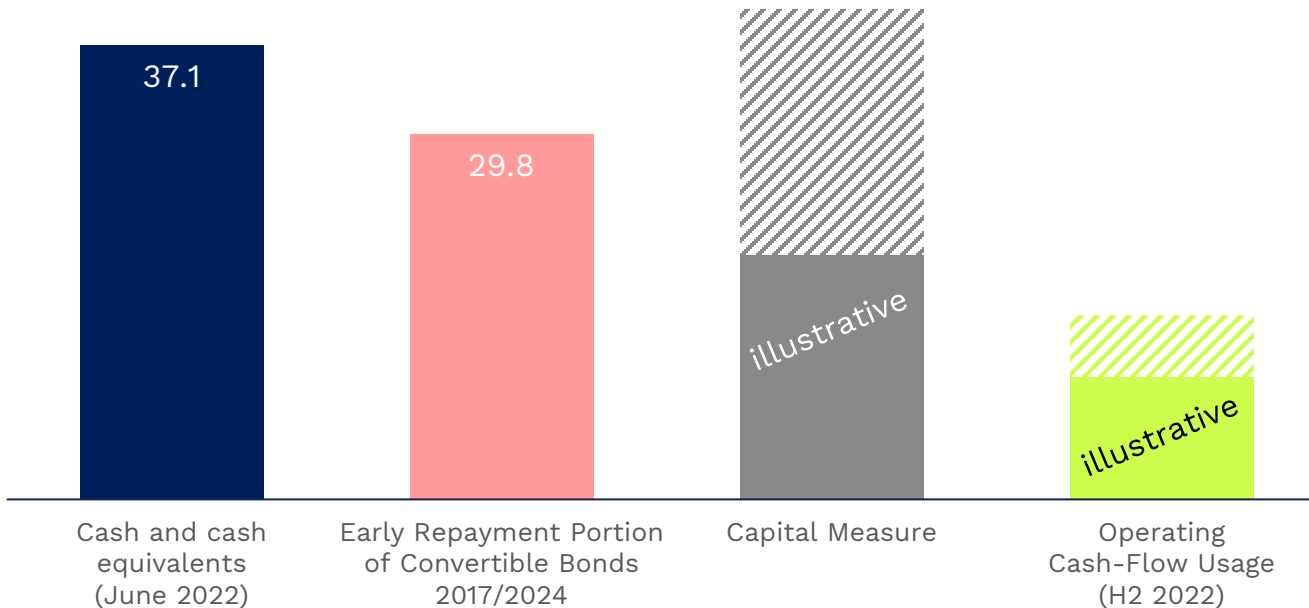
in EUR m



- ⇒ Pace of NXG XII 600 deliveries expected to accelerate in the second half of 2022
- ⇒ Excludes After-Sales Business revenue
- ⇒ Robust level of customer demand along with growth in order intake expected to continue in the coming periods

- ⇒ Availability of certain critical parts, especially electronic components, remains constrained and therefore may hinder us to convert all convertible backlog in the second half of 2022.

# Capital Management



- ⇒ As of June 2022, the Company had a liquidity position of EUR 37.1m in cash and cash equivalents
- ⇒ SLM Solutions' liquidity position supported by proceeds from the issuance of the third tranche of the convertible bonds 2020/2026.
- ⇒ Management Board is evaluating financing options
- ⇒ More details to be shared in the coming weeks

# Guidance & long-term view

Reiterating FY 2022 and long-term guidance

## GUIDANCE

	2022E	2026E
<b>Sales</b>	At least EUR 100 m	~5x revenue growth vs 2021 guidance (~EUR 350 m)
<b>EBITDA</b>	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

## Well positioned for growth



SLM Solutions' product offerings are driving innovations across industries, redefining manufacturing.



Demand environment for additive manufacturing remains strong resulting in continued growth in order intake YoY.



Record revenues for H1 2022 are taking the business to new heights.



Further improvements in profitability achieved with a clear path to our goals.



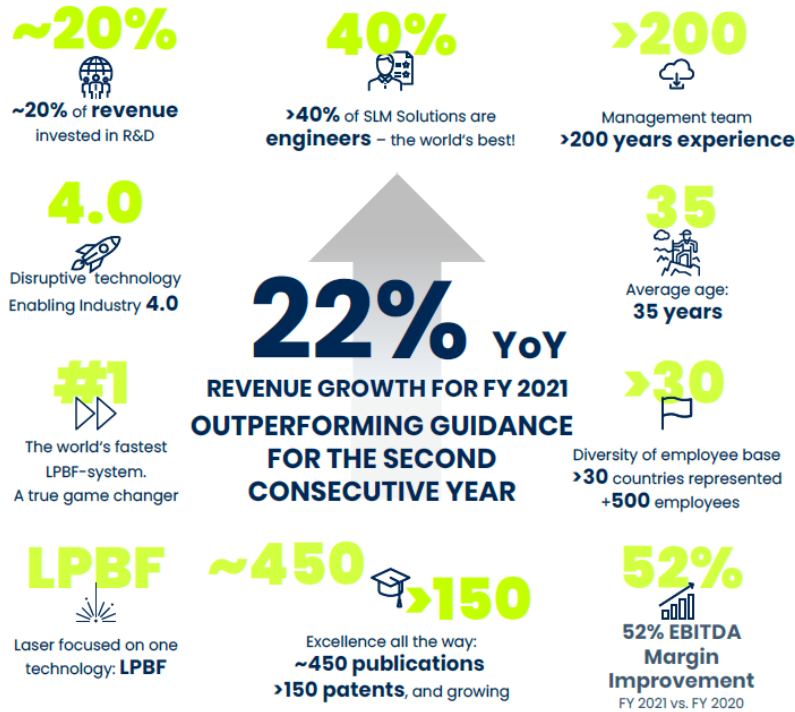
Solid order backlog position of EUR 49.1m provides a strong foundation to achieve guidance for FY 2022.



Supply chain disruptions, a key risk for the business, being effectively managed on a day-to-day basis with several mitigatory measures in play to limit its impacts.

# Q&A

## SLM SOLUTIONS - SET FOR GROWTH



## DIVERSE PORTFOLIO & INDUSTRY COVERAGE

SERVICES	SOFTWARE	MATERIALS	APPLICATIONS

## WORLD LEADER IN LPBF A HISTORY OF FIRSTS



**SLM SOLUTIONS**

**DELIVERING THE FUTURE OF MANUFACTURING**



# Appendix



# Income Statement

## Total cost accounting

<i>In EUR m</i>	H1 2022	H1 2021	Q2 2022	Q2 2021
Revenue	42.5	31.7	26.1	16.4
Increase/decrease of finished and unfinished stock on hand	8.4	3.9	2.7	2.7
Other activated contributions	3.5	3.2	1.9	1.8
<b>Total output</b>	<b>54.4</b>	<b>38.9</b>	<b>30.7</b>	<b>20.8</b>
Cost of material	(27.5)	(18.1)	(14.1)	(10.2)
<b>Gross profit</b>	<b>26.9</b>	<b>20.7</b>	<b>16.5</b>	<b>10.6</b>
Payroll	(22.8)	(19.3)	(11.9)	(10.2)
Other operating income	2.0	0.8	1.7	0.2
Other operating expenses	(9.1)	(8.5)	(5.0)	(4.6)
<b>EBITDA</b>	<b>(3.0)</b>	<b>(6.2)</b>	<b>1.3</b>	<b>(4.1)</b>
Depreciation & amortization	(3.8)	(3.7)	(1.9)	(1.8)
<b>Earnings before interest and taxes (EBIT)</b>	<b>(6.8)</b>	<b>(10.0)</b>	<b>(0.5)</b>	<b>(5.9)</b>
Interest and similar expenses	(2.5)	(2.6)	(1.3)	(1.4)
Interest & Other Income	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>(9.3)</b>	<b>(12.5)</b>	<b>(1.8)</b>	<b>(7.3)</b>
Tax payable	0.2	0.3	0.1	0.1
<b>Result for the period</b>	<b>(9.1)</b>	<b>(12.3)</b>	<b>(1.7)</b>	<b>(7.1)</b>

# Pro Forma Income Statement

Cost of sales method of accounting

<i>In EUR m</i>	H1 2022	H1 2021	Q2 2022	Q2 2021
Revenue	42.5	31.7	26.1	16.4
Costs of goods sold	(26.2)	(18.3)	(15.4)	(9.8)
<b>Gross profit</b>	<b>16.3</b>	<b>13.4</b>	<b>10.7</b>	<b>6.6</b>
<i>Gross Profit Margin</i>	38%	42%	41%	40%
Sales costs	(8.7)	(8.3)	(4.8)	(4.6)
Administration costs	(10.8)	(11.5)	(5.2)	(5.8)
Research & Development costs	(5.4)	(4.4)	(2.8)	(2.2)
Other operating income	2.0	1.3	1.7	0.3
Other operating expenses	(0.3)	(0.4)	(0.1)	(0.2)
<b>Earnings before interest and taxes (EBIT)</b>	<b>(6.8)</b>	<b>(10.0)</b>	<b>(0.5)</b>	<b>(5.9)</b>
Interest and similar expenses	(2.5)	(2.6)	(1.3)	(1.4)
Interest & Other Income	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>(9.3)</b>	<b>(12.5)</b>	<b>(1.8)</b>	<b>(7.3)</b>
Income Tax	0.2	0.3	0.1	0.1
<b>Result for the period</b>	<b>(9.1)</b>	<b>(12.3)</b>	<b>(1.7)</b>	<b>(7.1)</b>
<b>Earnings before interest and taxes (EBIT)</b>	<b>(6.8)</b>	<b>(10.0)</b>	<b>(0.5)</b>	<b>(5.9)</b>
Depreciation	3.8	3.7	1.9	1.8
<b>EBITDA</b>	<b>(3.0)</b>	<b>(6.2)</b>	<b>1.3</b>	<b>(4.1)</b>

# Cost Reconciliation – 2021

## Total Cost Accounting vs Cost of Sales

<i>FY 2021</i>	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
<i>In EUR m</i>									
Costs of goods sold	1.6	0.0	(32.9)	(10.1)	0.0	(2.1)	(0.9)	0.1	<b>(44.2)</b>
Sales costs	(0.0)	0.0	(1.2)	(9.7)	0.0	(7.1)	(0.5)	0.8	<b>(17.7)</b>
Administration costs	0.0	0.0	(2.5)	(10.8)	0.0	(7.8)	(3.2)	1.0	<b>(23.2)</b>
Research & Development costs	0.0	6.3	(0.6)	(8.4)	0.0	(1.5)	(3.1)	(1.9)	<b>(9.2)*</b>
Other operating income	0.0	0.0	0.0	0.0	2.7	0.7	0.0	0.0	<b>3.4</b>
Other operating expenses	0.0	0.0	0.0	0.0	0.0	(0.7)	0.0	0.0	<b>(0.7)</b>
<b>Total</b>	<b>1.6</b>	<b>6.3*</b>	<b>(37.0)</b>	<b>(39.0)</b>	<b>2.7</b>	<b>(18.6)</b>	<b>(7.7)</b>	<b>0.0</b>	

<i>H1 2021</i>	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
<i>In EUR m</i>									
Costs of goods sold	3.9	0.2	(16.4)	(4.7)	0.0	(1.0)	(0.4)	0.1	<b>(18.3)</b>
Sales costs	(0.0)	0.0	(0.4)	(4.8)	0.0	(3.2)	(0.2)	0.3	<b>(8.3)</b>
Administration costs	0.0	0.0	(1.0)	(5.7)	0.0	(3.7)	(1.5)	0.4	<b>(11.5)</b>
Research & Development costs	0.0	3.0	(0.3)	(4.1)	0.0	(0.6)	(1.6)	(0.8)	<b>(4.4)</b>
Other operating income	0.0	0.0	0.0	0.0	1.3	0.0	0.0	0.0	<b>1.3</b>
Other operating expenses	0.0	0.0	0.0	0.0	0.0	(0.4)	0.0	0.0	<b>(0.4)</b>
<b>Total</b>	<b>3.9</b>	<b>3.2</b>	<b>(18.1)</b>	<b>(19.3)</b>	<b>1.3*</b>	<b>(8.9)*</b>	<b>(3.7)</b>	<b>0.0</b>	

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

# Cost Reconciliation – 2022

## Total Cost Accounting vs Cost of Sales

<i>H1 2022</i>	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
<i>In EUR m</i>									
Costs of goods sold	8.4	0.0	(26.4)	(6.5)	0.0	(1.3)	(0.4)	0.1	<b>(26.2)</b>
Sales costs	0.0	0.0	(0.5)	(5.6)	0.0	(2.8)	(0.2)	0.4	<b>(8.7)</b>
Administration costs	(0.0)	0.0	(0.2)	(5.7)	0.0	(4.0)	(1.6)	0.7	<b>(10.8)</b>
Research & Development costs	(0.0)	3.5	(0.4)	(5.1)	0.0	(0.8)	(1.5)	(1.2)	<b>(5.4)</b>
Other operating income	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	<b>2.0</b>
Other operating expenses	0.0	0.0	0.0	0.0	0.0	(0.3)	0.0	0.0	<b>(0.3)</b>
<b>Total</b>	<b>8.4</b>	<b>3.5</b>	<b>(27.5)</b>	<b>(22.8)</b>	<b>2.0</b>	<b>(9.1)</b>	<b>(3.8)</b>	<b>0.0</b>	