

SLM Solutions: FY 2018 outlook confirmed after positive start into the year

- Q1 2018 revenue slightly down compared year on year (Q1 2018: TEUR 14,980, Q1 2017: TEUR 15,947), but in line with plan
- Total operating revenue increased by 34.8%, mainly due to increase of stocks in preparation of the move into new facilities at the beginning of May 2018
- Adjusted EBITDA of TEUR -1,569 comparable with Q1 2017 (TEUR -1,599)
- Net result improved by 17.9% (Q1 2018: TEUR -3,124, Q1 2017: TEUR -3,803)
- Q1 2018 order intake down by TEUR 2,410 resp. 3 pieces compared to Q1 2017
- Increase of current order intake (01 January to 08 May 2018) by 6 pieces (+31.6%) resp. TEUR 4,067 (+34.3%) compared year on year

Lübeck, 09 May 2018 – SLM Solutions Group AG (“company” or “SLM”), a leading provider of metal-based additive manufacturing technology, generated revenues of TEUR 14,980 in Q1 2018 and recorded an adjusted EBITDA of TEUR -1,569. Order intake in the first Quarter 2018 decreased by TEUR 2,410 resp. 3 machines compared year on year. Current order intake on the other side (01 January to 08 May 2018) is at TEUR 15,944 resp. 25 pieces and therefore highly up compared year on year (Basis 08 May 2017: TEUR 11,877 resp. 19 pieces). The frame agreements signed in 2017, totalling to a value of 100 Million Euro, which otherwise would have been placed as single-orders throughout the course of 2018, provide a solid base of planning for SLM.

Uwe Bögershausen, CFO and Speaker of the Management Board of the Company, about Q1 2018: “In the first quarter of 2018 we were highly involved in the execution of the Frame Agreements signed in 2017. One of the tasks was to further drive the SLM®800 into serial production stage. Next to this we have had many very promising conversations with new and existing customers regarding Frame Agreements, where we can now see the results in the positive development of order intake based on May 2018. This is in line with our strategy of establishing long-term collaborations with our customers”.

Dr. Axel Schulz, CSO and amongst others responsible for sales adds: “After I started with SLM in February this year, I now had a chance to get a complete picture: I can say that I am excited and highly impressed by the power of innovation of the company and its employees. I had a chance to meet numerous customers and get Feedback regarding our machines and the technology. I am confident that I can deliver input on how to support our customers in getting into serial production of parts with our technology based on what I have learned over the past months and my general experience.”

Henner Schöneborn, CTO of SLM till 30 June this year: “The development of our SLM Cube machine with a build chamber of 600x600 mm and a minimum of 12 Lasers is on track. We are still confident that we will be able to present this machine in November 2019. Next to this we are especially working on further integrating our machines into the production-processes of our customers, in order to ease our customer’s process of producing parts in a serial production environment. I personally see the

company technologically very well positioned and leave SLM with a smile in the one eye and a tear in the other eye to address new challenges after 25 years with the company”.

New order intake in Q1 2018 came in at 15 ordered machines. This represents a decrease of around 16.7 % compared to the previous year (18 machines). Order intake value with TEUR 8.854 was slightly down by 21.3% compared to Q1 2017 (TEUR 11.264).

Current new order intake (01 January to 08 May 2018) on the other side increased significantly compared year on year, value wise as well as in total number of machines. SLM came to a total order intake value of TEUR 15,944, which represents an increase of 34.3% compared year on year. The number of machines ordered also increased: From 19 pieces to 25 pieces.

Total operating revenue (the sum of consolidated revenue, inventory changes and other own work capitalised) of TEUR 18,551 was up by 34.8 % year on year (previous year: TEUR 13,766), mainly due to an increase of stocks as preparation in view of the company moving into its new facilities in the beginning of May 2018. This is also visible in the **Working Capital**, which increased by 38.8% to TEUR 58,300.

The **personnel cost ratio** (in relation to the total operating revenue) decreased from 52.8% in Q1 2017 to 37.7% in Q1 2018.

The **cost of materials ratio** (as % of total operating revenue) came in at 51.6%, which was higher compared to the previous year (Q1 2017: 37.0%), due to an increase in inventories.

Adjusted **EBITDA** (earnings before interest, taxes, depreciation and amortisation) was recorded at TEUR -1,569 in the reporting period, which was the same level as Q1 2017 (TEUR -1,599).

The **consolidated net result** totalled TEUR -3,124, which represents a significant improvement compared with the previous year (Q1 2017: TEUR -3,803). This corresponds with basic and diluted **earnings per share** of EUR -0.17 per share (previous year: EUR -0.21, basic and diluted).

The Company's **equity ratio** was reduced from 80.0% to 49.6%. The main reason of the decrease is the successful placement of a convertible bond in the fourth Quarter 2017 and long-term debt for investments into the new facilities in Luebeck-Genin.

The Management Board anticipates consolidated revenue of around TEUR 125,000 for 2018 fiscal year. If the forecast revenue is achieved, the Management Board anticipates an adjusted EBITDA margin (in relation to consolidated revenue) in the two-digit range.

The SLM Solutions Group AG Report for the first Quarter 2018 will be published during the course of today in the "Investor Relations" section of www.slm-solutions.com in German and English.



About the company:

Lübeck-based SLM Solutions Group AG is a leading provider of metal-based additive manufacturing technology. The company's shares are traded in the Prime Standard of the Frankfurt Stock Exchange. The stock has been listed in the TecDAX index since March 21, 2016. SLM Solutions focuses on the development, assembly and sale of machines and integrated system solutions in the field of selective laser melting. SLM Solutions currently employs over 370 members of staff in Germany, Austria, France, Italy, the USA, Singapore, Russia, India and China. The products are utilised worldwide by customers in particular from the aerospace, energy, healthcare and automotive industries.

Contact:

Dennis Schaefer

Director Legal, Compliance & Investor Relations

Telephone: 0049 451 4060 4307

eMail: dennis.schaefer@slm-solutions.com