

SLM Solutions: Presentation of figures for the financial year 2018 and guidance 2019; continued technological leadership, but challenging year 2018

- Order Intake (adjusted for Framework Agreements signed in FY2017) of EUR 56 m compared to EUR 54 m in FY2017
- In line with guidance published on December 20, 2018, FY2018 Revenue of EUR 71.7 was down 13.1% compared to previous year (FY2017: EUR 82.5 m), adjusted EBITDA at EUR -7.0 m significantly down compared to FY2017 (EUR 2.0 m)
- Postponement of call-offs from Framework Agreements primary factor for revenue reduction in FY2018
- New CEO appointed, effective May 01, 2019

Luebeck, March 28, 2019 – SLM Solutions Group AG („Company“ or „SLM“), a leading provider of metal-based additive manufacturing technology, has generated Revenue of EUR 71.7 m and recorded an adjusted EBITDA of EUR -7.0 m in FY2018. Both figures are in-line with the updated guidance published on December 20, 2018. Order Intake (adjusted for Framework Agreements signed in FY2017) was slightly above Order Intake of FY2017.

Dr. Axel Schulz, Chief Sales Officer of the Company states: “Although already expected at the end of 2018, we are disappointed with these results. For the first time, SLM has generated less revenue than in the previous year. However, despite the weaker performance in 2018 we are encouraged by very good sales opportunities, which we are seeing in the market and from our customers. In 2019, we will focus on better positioning the company to participate in the growing market for 3D metal-based additive manufacturing solutions. For 2019 we expect revenues of approximately EUR 95 m with a break-even adjusted EBITDA.”

The Company announced on March 27, 2019, that the same day the Supervisory Board resolved to appoint Mr. Meddah Hadjar as the Company's CEO. Mr. Hadjar brings a wealth of international experience in product management, additive manufacturing and engineering. For over two decades, Mr. Hadjar served in key leadership roles at the US-company General Electric in the business units GE Aviation, GE Oil & Gas as well as GE Power & Energy. Since July 2017, Mr. Hadjar has been based in Germany, serving as General Manager of GE Additive's Laser Products business and overseeing Concept Laser.

Hans-Joachim Ihde, Chairman of the Supervisory Board of SLM Solutions states: „We are very happy to have signed a new CEO, Mr. Hadjar, who will be able to bring SLM Solutions back on its growth track. The Supervisory Board strongly believes that Mr. Hadjar, due to his broad and deep experience, is ideally suited to lead SLM Solutions as CEO.”



New Order Intake. 92 machines were ordered in FY2018, representing a 61.8 % decline from the previous year (FY2017 incl. Framework Agreements: 241 machines). Order Intake value of EUR 56.0 m was down 66.9% compared to FY2017 (EUR 169.2 m incl. Framework Agreements, EUR 54.0 m excl. Framework Agreements).

Total Operating Revenue (the sum of consolidated revenue, inventory changes and other own work capitalised) of EUR 84.4 m increased by 1.3 % compared to FY2017 (previous year: EUR 83.3 m), mainly due to a continued increase of inventory. This is also visible in the **Working Capital**, which increased by approximately 11.6% to EUR 61.7 m (2017: EUR 55.3 m).

The unadjusted **personnel cost ratio** (as % of Total Operating Revenue) increased from 32.0% in 2017 to 35.3% in 2018.

The **cost of materials ratio** (as % of Total Operating Revenue) increased from 46.3% in 2017 to 53.1% in 2018 due to an increase of inventory.

Adjusted **EBITDA** (earnings before interest, taxes, depreciation and amortisation) was recorded at EUR -7.0 m in the reporting period compared to EUR 2.0 m in FY2017.

The **consolidated net result** of EUR -13.4 m declined significantly compared to the previous year (FY2017: EUR -3.7 m). This corresponds with basic and diluted **earnings per share** of EUR -0.74 per share (previous year: EUR -0.21 per share, basic and diluted).

The **Company's equity ratio** decreased from 49.4% to 46.5%. As of 31 December 2018, the Company's gross cash-position stood at EUR 27.8 m (31 December 2017: EUR 63.7 m).

For **FY2019**, the Executive Board expects Revenue to be approximately EUR 95 m and adjusted EBITDA to be approximately break-even. Although the anticipated revenue increase is not yet fully visible in Q1/19, the Executive Board expects a positive development of the ordering behaviour in the remaining 9 months of FY2019. The increase in Revenue is anticipated to be evenly driven by an increase in sales of the SLM®125, 280 and 500 series as well as low double-digit machine sales of the SLM®800 series. The Company also expects to improve free cash flow generation by continuing its transition to a build-to-order production strategy. A key assumption for the Company's outlook is that the significant number of deliveries in the Company's order book under existing Framework Agreements primarily from customers in Asia materialize in FY2019.

The final figures and the SLM Solutions Group AG Report for the financial year 2018 (German and English) will be made available in the course of the day in the "Investor Relations" section of www.slm-solutions.com.



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. 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 400 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.

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