

SLM Solutions: Customer interest in SLM machines has increased significantly, not yet fully visible in revenues

- Sales Opportunities on record level with a total value of 422 Mio. Euro (+28.27% compared to Q3/2017)
- Order Intake (adjusted by Frame Agreements signed in 9M/2017) increased by TEUR 4,720 to a total value of TEUR 41,277, Current Order Intake (01 January to 07 November 2018, adjusted by Frame Agreements signed in 2017) even increased by TEUR 5,656 (+14.8%) compared to the same period in 2017
- Revenue for the first nine months 2018 of TEUR 48,337 was 3.6% down compared y-o-y (9M/2017: TEUR 50,163), EBITDA at TEUR -4,329 improved by around 10% compared to 9M/2017 (TEUR -4,756)
- Postponements on Call-Off's from Frame Agreements as main factor have led to adjustments on Revenue Guidance for FY2018 on 01 November to a corridor between 90 Mio. and 100 Mio. Euro with a positive EBITDA margin in the single-digit range

Luebeck, 08 November 2018 – SLM Solutions Group AG („Company“ or „SLM“), a leading provider of metal-based additive manufacturing technology, generated revenues of TEUR 48,337 in the first nine months 2018 and recorded an EBITDA of TEUR -4,329. New Order Intake (adjusted by Frame Agreements signed in 9M/2017) increased by around 13% or TEUR 4,720, compared y-o-y. Current Order Intake (01 January to 07 November 2018, adjusted by Frame Agreements signed in 2017) significantly increased to TEUR 43,907, resp. 73 Units (9M/2017: 64 Units, TEUR 38,251). The Executive Board of SLM has adjusted its Revenue and Earnings Guidance for FY2018 on 01 November 2018 due to postponements of Call-Off's from the Frame Agreement for the delivery of 20 Units of the type SLM®800 signed in November 2017. SLM now expects Revenues in the range of 90 Mio. to 100 Mio. Euro and a positive EBITDA-margin in the single-digit range.

Dr. Axel Schulz, CSO of the Company: "Unfortunately, on 01 November, we had to adjust the Sales and Earnings Forecast for the 2018 Financial Year due to a customer-driven shift of Call-Off's from a Frame Agreement. We are now focusing on our business. Next week, the formnext, the most important industry fair in the world of additive manufacturing, takes place. We are launching a new concept there: Not so much focus on our machines, but more focus on the success of our customers, when using our SLM-Technology for the production of functional parts in a series production environment."

SLM had to adjust the Revenue and Earnings Guidance for FY2018 on November 01 after a customer informed SLM that he will most probably not call-off any more SLM®800 machines from the Frame Agreement signed in November 2017. "Due to the damage of a machine caused by the customer resp. his representative, with which reference components should be built for the acceptance of the equipment, the further Call-Off's will be postponed into the year 2019. We have advised our customer to order a new machine. Our customer agreed to this procedure, but would like have the current damage settled through his insurance company first", explains Dr. Gereon Heinemann, CTO of SLM.

New Order Intake of SLM, adjusted by Framework Agreements signed in 9M/2017, increased by TEUR 4,720 to TEUR 41,277 compared to the same period in 2017. The number of ordered machines, also adjusted by Framework Agreements signed in 9M/2017, has increased from 60 to 67 machines. Uwe Bögershausen, CFO and Speaker of the Board of SLM, comments: "Although we lost 3.6% in Revenues compared to the previous year, the Order Intake for the period January 01 to November 07, which increased by around 15% resp. almost 5.7 million Euro develops into the right direction. We have also continued our work on the cost structure. We were able to reduce the personnel cost ratio by around 10% and improved our EBITDA. The increase of 3.3 percentage-points in the cost of materials ratio is mainly related to the build-up of inventories: Machines that are produced and can be sold in 2018 or at the beginning of 2019."

Dr. Axel Schulz adds: "What is of highest importance to us is that the current Sales Opportunities with a total value of 422 million Euro are at a higher level than ever before. As Executive Board it is our task to further develop our strategy in such a way that for the future we can use the huge potential of this growing market, short- and long-term, even better than in the past. This also includes rethinking and, if necessary, refining our sales channels in Europe, Asia and North America as well as making our systems even more user-friendly to make sure our machines are able to best serve our customers' multi-machine-requirements in serial production environments. We continue on our path towards becoming a comprehensive solution provider in the field of additive manufacturing."

New order intake in 9M/2018 came in at 67 ordered machines. This represents a decrease of 44.2 % compared to the previous year (9M/2017: 120 machines). Order intake value with TEUR 41,277 was down by 45.8% compared to 9M/2017 (TEUR 76,216). Adjusted by the Frame Agreements signed in the first nine months of 2017 (60 machines) the new order intake of 9M/2018 was TEUR 4,720 higher compared y-o-y.

Current new order intake (01 January to 07 November 2018, adjusted by Frame Agreements signed in 2017) increased significantly compared y-o-y, value wise as well as in total number of machines. SLM came to a total order intake value of TEUR 43,907 (Base: 07 November 2018), which represents an increase of 14.8% compared y-o-y. The number of machines ordered also increased: From 64 Units to 73 Units.

Total operating revenue (the sum of consolidated revenue, inventory changes and other own work capitalised) of TEUR 59,395 was up by 15.5 % year on year (previous year: TEUR 51,412), mainly due to a continued increase of stocks. This is also visible in the **Working Capital**, which increased by around 18% to TEUR 62,708.

The **personnel cost ratio** (in relation to the total operating revenue) decreased from 40.7% in 9M/2017 to 36.7% in 9M/2018.

The **cost of materials ratio** (as % of total operating revenue) came in at 50.0% due to increase of stocks, which was higher compared to the previous year (9M/2017: 46.8%), but was improved by 6.4% comparing Q3/2017 with Q3/2018 .

EBITDA (earnings before interest, taxes, depreciation and amortisation) was recorded at TEUR -4,329 in the reporting period, which was better compared with 9M/2017 (adjusted: TEUR -4,756).

The **consolidated net result** totalled TEUR -8,366, slightly down compared year over year (9M/2017: TEUR -7,931). This corresponds with basic and diluted **earnings per share** of EUR -0.47 per share (previous year: EUR -0.44, basic and diluted).

The **Company's equity ratio** was reduced from 67.3% to 49.5%. 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 Executive Board concretizes revenue guidance for FY2018 to a corridor between 90 Mio. and 100 Mio. Euro with a positive EBITDA margin in the single-digit range.

The SLM Solutions Group AG Report for the first nine months of the financial year 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. 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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