

SLM Solutions: Strong second quarter leads to solid first half of the year, guidance for the 2018 financial year further concretized

- Revenue for H1 2018 of TEUR 29,643 around 2.3% up compared y-o-y (H1 2017: TEUR 28,987), Q2 2018 revenues of TEUR 14,662 even 12% higher compared with Q2 2017 (TEUR 13,040)
- EBITDA at TEUR -3,814 million, improved by 15.6% compared to H1 2017 (TEUR -4,518)
- Current order intake (01 January to 08 August 2018, adjusted by Frame Agreements signed in H1 2017) increased by 5 Units (+12%) resp. TEUR 4,241 (+16%) compared to the same period in 2017
- Part of the Call-Off's from Frame Agreements signed in 2017 could shift, but as of now customers already fulfilled 12% of the Frame Agreements, which have a term of 2 to 3 years (18 of 151 machines) and are in line with plan
- Management Board concretizes revenue guidance for FY2018 to a corridor between TEUR 115,000 and TEUR 125,000 with a positive EBITDA margin of 11 to 13%

Luebeck, 09 August 2018 – SLM Solutions Group AG („Company“ oder „SLM“), a leading provider of metal-based additive manufacturing technology, generated revenues of TEUR 29,643 in H1 2018 and recorded an EBITDA of TEUR -3,814. New order intake (adjusted by Frame Agreements signed in 2017) increased by TEUR 700, compared y-o-y. Current order intake (01 January to 08 August 2018, adjusted by Frame Agreements signed in H1 2017) significantly increased to 48 Units, resp. TEUR 30,373 (H1 2017: 43 Units, TEUR 26,132). Customers already called-off machines from the Frame Agreements totalling to a value of TEUR 12,534, representing 11% of the total value of the Frame Agreements. Further Call-Offs are scheduled for the second half of 2018.

Uwe Bögershausen, CFO and Speaker of the Management Board of the Company, about H1 2018: "After having slightly lost revenues in Q1 2018 compared to Q1 2017, we are now able to show growth thanks to a strong second quarter. We have been able to fully catch up on the decline in revenues. The view on the current order intake is even better: Here, we can show growth in new order intake value of around 16% compared to the previous year. We also worked intensively on the cost structure. As a result, we were able to reduce the personnel expense ratio by around 8% and have significantly improved our EBITDA."

So far, Call-Off's were made from the Framework Agreements concluded with Asian customers in 2017, worth a total of around TEUR 12,534 (18 machines), all in line with planning. Value wise this corresponds to almost 11% of the total framework value of around TEUR 110,000. Dr. Axel Schulz, as Member of the Board responsible for Sales: "Some Call-Off's from the frame agreements could be postponed by the customers. Overall, the framework agreement customers have committed themselves to further Call-Offs for 30 machines with a turnover of around TEUR 30,000 this year. More important: We are currently in very positive negotiations with customers from Europe and North America, who are fully committed to SLM Solutions as their exclusive supplier and partner. Although

the negotiations are already well advanced, we will probably see them in revenue in 2019 and beyond."

New order intake in H1 2018 came in at 38 ordered machines. This represents a decrease of 19.1 % compared to the previous year (H1 2017: 47 machines). Order intake value with TEUR 23,288 was down by 34% compared to H1 2017 (TEUR 35,309). Adjusted by the Frame Agreement signed in the first half of 2017 (TEUR 12,700 and 10 machines) the new order intake of H1 2018 was TEUR 700 higher compared y-o-y.

Current new order intake (01 January to 08 August 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 30,373 (Base: 08 August 2018), which represents an increase of 16% compared y-o-y. The number of machines ordered also increased: From 43 Units to 48 Units.

Total operating revenue (the sum of consolidated revenue, inventory changes and other own work capitalised) of TEUR 34,662 was up by 17.7 % year on year (previous year: TEUR 29,452), mainly due to an increase of stocks. This is also visible in the **Working Capital**, which increased by around 35% to TEUR 56,332. On the other side, the Working Capital between Q1 2018 and Q2 2018 decreased from TEUR 58,307 to TEUR 56,332.

The **personnel cost ratio** (in relation to the total operating revenue) decreased from 48.3% in H1 2017 to 40.7% in H1 2018.

The **cost of materials ratio** (as % of total operating revenue) came in at 51%, which was higher compared to the previous year (H1 2017: 43.1%), due to an increase in inventories.

EBITDA (earnings before interest, taxes, depreciation and amortisation) was recorded at TEUR -3,814 in the reporting period, which was significantly better compared with H1 2017 (TEUR -4,518).

The **consolidated net result** totalled TEUR -6,267, slightly down compared year over year (H1 2017: TEUR -5,946). This corresponds with basic and diluted **earnings per share** of EUR -0.35 per share (previous year: EUR -0.33, basic and diluted).

The **Company's equity ratio** was reduced from 74.8% to 49.9%. 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 concretizes revenue guidance for FY2018 to a corridor between TEUR 115,000 and TEUR 125,000 with a positive EBITDA margin of 11 to 13%.

The SLM Solutions Group AG Report for the first half 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 380 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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