

SLM Solutions: Despite reticent market sentiment in H1 2017 value of new order intake up 17.9% compared to H1 2016

- Value of new order intake up 17.9% year-on-year to EUR 35.3 million
- Revenue of EUR 29.0 million 13.5% below H1 2016
- First positive cash flow from operating activities since IPO in 2014
- H1 2017 adjusted EBITDA at EUR -4.5 million, amongst others due to higher personnel-to-sales ratio
- Largest single order in the company's history received in June 2017

Lübeck, 10 August 2017 – SLM Solutions Group AG ("SLM Solutions"), a leading provider of metal-based additive manufacturing technology, reports revenue down 13.5% in the first half of 2017 to EUR 29.0 million (H1 2016: EUR 33.5 million). New order intake, which grew 17.9% to EUR 35.3 million (H1 2016: EUR 30.0 million) on a reduction in machines ordered to 47 (H1 2016: 56 units), shows a positive trend towards growth in the level of sales of higher-performance, and consequently higher-value, machines.

Uwe Bögershausen, Member of the Executive Board of SLM Solutions Group AG, comments: "Additive manufacturing is becoming increasingly accepted and has meanwhile achieved strategic importance for major industrial companies. We are benefiting from this trend and booked our largest individual order in the company's history in June 2017. We continue to experience major interest in our systems. We aim to move forward in further developing and adapting our systems to meet a wide variety of production requirements through the partnerships we have entered into over the past months, amongst others with Divergent in the USA and BeamIT in Italy. Partially due to some customers' wait-and-see attitude, the interest in our machines cannot be translated immediately into deliveries. We assume, however, that this trend is temporary and as we did in the past we will continue to focus on promoting strategic partnerships with our customers."

Total operating revenue (the sum of sales revenue, inventory changes and other own work capitalised) of EUR 29.5 million in the first half of 2017 was down 29.4% year-on-year (H1 2016: EUR 41.7 million), mainly reflecting a decrease in new order intake compared with the first half of the year. The cost of materials diminished significantly – faster than the rate of reduction in total operating revenue – and dropped 48.4% to EUR 12.7 million (H1 2016: EUR 24.6 million), mainly because of the sale of finished machines from stock as well as a stringent purchasing management. Accordingly, the **cost of materials ratio** (in relation to total operating revenue) of 43.05% was significantly below the previous year (H1 2016: 58.9%). The **adjusted personnel cost ratio** (in relation to total operating revenue) rose to 48.3% due to the hiring to a total of 346 full-time equivalents (FTEs) as of 30 June 2017 (30 June 2016: 287 FTEs; H1 2016 adjusted personnel ratio: 27.6%). **Adjusted EBITDA** (earnings before interest, tax, depreciation and amortisation) for the first half of 2017 amounted to EUR -4.5 million (H1 2016: EUR -1.0 million). The adjusted EBITDA margin (in relation to consolidated revenue) stood at -15.6% (H1 2016: -2.9%). Unadjusted EBITDA decreased year-on-year to EUR -4.6 million (H1 2016: EUR -1.3 million).

The **consolidated net result for the period** was recorded at EUR -5.9 million in the first half of 2017 (H1 2016: EUR -2.3 million), corresponding to undiluted (basic) and diluted earnings per share of EUR -0.33 (H1 2016: EUR -0.13). SLM Solutions continues to report a high **equity ratio** of 74.8% as of 30 June 2017 (30 June 2016: 83.6%).

Mainly thanks to consequent and successful reduction of receivables, a positive **cash flow from operating activities** was generated for the first time since the IPO in 2014 of EUR 1.6 million in the first half of 2017 (H1 2016: EUR -12.8 million).

As targets for the year, the Management Board confirms consolidated revenue in a range between TEUR 110,000 and TEUR 120,000, and an EBITDA margin (on consolidated revenue) between 10% and 13%. These targets are achievable, but as in the previous year depend to a particularly significant extent on the course of the fourth quarter, which includes, among other events, the important sector trade fair formnext in Frankfurt.

The SLM Solutions Group AG report on the first half of 2017 is available from today in both German and English from www.slm-solutions.com under the "Investor Relations" menu option.

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 340 members of staff in Germany, 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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