



SLM Solutions: Q2 order intake value above previous year's level; sales and first half 2019 EBITDA significantly below prior year

- **Value of order intake in Q2 2019 at EUR 17.3 million and above previous year (Q2 2018: EUR 14.4 Mio.)**
- **Sales in H1 2019 down by 44.8% to EUR 16.4 million compared to previous year (H1 2018: EUR 29.6 million)**
- **EBITDA in H1 2019 at EUR -18.9 million due to decline in sales (H1 2018: EUR -3.8 million)**
- **Operative cash flow in H1 2019 in the positive range at EUR 0.6 million despite clearly negative period result (H1 2018: EUR -6.0 million)**

Lübeck, August 8, 2019 – SLM Solutions Group AG (“Company” or “SLM”), a leading supplier of metal-based additive manufacturing technology, announced revenues of EUR 16.4 million for the first half of 2019. This is a decrease by 44.8% compared to the same period in 2018 (EUR 29.6 million). Earnings before interest, taxes, depreciation, and amortization (EBITDA) at EUR -18.9 million in the first half of 2019 was also significantly below the previous year (H1 2018: EUR -3.8 million).

Meddah Hadjar, CEO and Chairman of the Executive Board of SLM Solutions since May 1, 2019: “Looking at the revenue and the order numbers for the first half of 2019 and given our technology strength, we have not delivered. This result, however, is not a true reflection of the full potential of the company. In my first 100 days as CEO, I took immediate actions to address key gaps and drive the development of an organization that is capable of delivering to our shareholders and to our customers. We will continue to drive for improvements in all areas. Our immediate priorities are to grow the top line number, run the company better, and reposition our products. From my perspective, SLM Solutions Group AG is the leader in the area of multi-laser machines for metal-based 3D printing and we will get the company back on track for growth.”

New Order Intake in H1 of 2019 stood at 25 ordered machines, representing a decrease of 34.2% compared to the previous year (H1 2018: 38 machines). Order intake value was at EUR 20.8 million and down by 10.8% compared to the first half of 2018 (EUR 23.3 Mio.). The shortfall in order intake value is primarily due to the weak first quarter in the current financial year 2019. The value of orders received in Q2 2019 of EUR 17.3 million increased by 19.7% (Q2 2018: EUR 14.4 million).

As communicated with the forecast adjustment on July 26, 2019, the expectations for the orders from the Chinese framework agreements did not materialize as anticipated by the previous management team. Today’s management of SLM Solutions Group AG has decided to put off these framework agreements. Anticipated orders resulting from these framework contracts, which have previously been recognized as order intake, were completely eliminated from the order backlog in the second quarter of 2019. In total, 128 machines with a value of EUR 97.5 million were deleted.

Irrespective of the developments regarding the framework agreements, the relationships with the respective customers are still ongoing and any future purchase orders will be booked as new order intake in line with SLM's general practice. Order backlog as at June 30, 2019, was 17 machines at a value of EUR 14.6 million (June 30, 2018: 140 machines at a value of EUR 107.3 million).

Total operating revenue (the sum of consolidated revenue, inventory changes, and other own work capitalized) came in at EUR 18.3 million and 47.1% lower in the year-on-year comparison (H1 2018: EUR 34.7 million), due, in particular, to the decrease of revenues.

The **personnel cost ratio** (as a % of total operating revenue) rose from 40.7% in the first half of 2018 to 96.2% in the first half of 2019. The **cost of materials ratio** (as a % of total operating revenue) stood at 58.3% in the first six months of the current financial year, which was also higher than for the previous year (H1 2018: 51.0%). The development of these two key figures is also heavily influenced by the decrease in revenues.

The **consolidated net result** of EUR -30.8 million was significantly below the year-on-year result (H1 2018: EUR -6.3 million). This equates to undiluted and diluted **earnings per share** of EUR -1.56 (H1 2018: undiluted and diluted EUR -0.35).

At 40.2%, the company's **equity ratio** is below the previous year's level (June 30, 2018: 49.9%). Due to the capital increase of March 28, 2019, of about EUR 13 million, the company's cash on hand of EUR 30.4 million were slightly above the prior year's end value as at December 31, 2018 (EUR 27.8 million).

Despite the clearly negative result for the period, **operative cash flow** in H1 2019 is in the positive range at EUR 0.6 million and improved in the year-on-year comparison due to the reduction in trade receivables (H1 2018: EUR -6.0 million).

On July 26, 2019, the Management Board of SLM Solutions Group AG announced that the sales and earnings forecast originally issued by the previous Executive Board team for the financial year 2019 cannot be achieved. Originally, group sales of EUR 95 million and a break-even adjusted EBITDA margin were expected for the current fiscal year 2019. As communicated on July 26, 2019, the current year's group sales and adjusted EBITDA margin will fall significantly below the original forecast.

The SLM Solutions Group AG H1 2019 Report for the first six months of the fiscal year 2019 will be made available in the course of today in German and English at www.slm-solutions.com in the "Investor Relations" section.



About the company:

SLM Solutions Group AG from Lübeck, Germany, is a leading supplier of metal-based additive manufacturing technology. The company's shares are traded on the Prime Standard of the Frankfurt Stock Exchange. The company focuses on the development, assembly, and sale of machines and integrated system solutions in the field of Selective Laser Melting. SLM Solutions currently employs more than 400 people in Germany, France, Italy, the USA, Singapore, Russia, India, and China. The products are used worldwide by customers in the aerospace industry, the energy sector, healthcare, and the automotive sector.

Contact:

Georg Grießmann

cometis AG

Phone: 0049 611 20 58 55 61

E-mail: griessmann@cometis.de