

## SLM Solutions: Strong revenue performance despite challenging market environment

- Revenue for Q1 2020 more than doubled year-on-year to EUR 17.8 million (Q1 2019: EUR 7.3 million) driven by a strong existing order backlog at year end
- EBITDA in Q1 2020 improved to EUR –3.0 million (Q1 2019: EUR –8.1 million)
- Order intake in Q1 2020 with EUR 2.9 million below Q1 2019 (EUR 3.5 million) due to COVID19 related restrictions and global economic slowdown
- Dirk Ackermann to join as Chief Financial Officer effective 1 June 2020

**Lübeck, 7 May 2020** – SLM Solutions Group AG (“Company” or “SLM”), a leading supplier of metal-based additive manufacturing technology, recognised revenues of EUR 17.8 million in the first quarter of the 2020 financial year, recording EBITDA of around EUR –3.0 million. Both figures improved significantly compared to the same quarter of the previous year.

In the second half of 2019, SLM made good progress on the sales side and significantly improved order intake, which allowed the Company to start the fiscal year 2020 with a much better order backlog. SLM was able to successfully convert a significant share of the new orders into revenue in the first quarter of 2020, resulting in the best first quarter revenue performance in the Company’s history.

However, while the COVID19 pandemic had no significant impact on revenue and EBITDA development in the recent quarter, it negatively affected SLM’s order intake. Several core markets have slowed down and customers were only selectively available in recent weeks due to the contact restrictions imposed by governments. In these times, SLM is stepping up its digital sales activities to maintain strong dialogue with new customers and to continuously support its existing customers.

Meddah Hadjar, CEO of SLM Solutions: “Our first quarter results reaffirm that we are taking the right steps towards a successful future for SLM once the economic environment normalizes. Despite the overall uncertainty around the implications of the COVID19 situation, we see evidence that the increased focus on de-risking global supply chains elevates the importance of the Additive Manufacturing technology in global manufacturing.”

**New Order Intake** of 7 machines in the first quarter of 2020 was flat year-on-year (Q1 2019: 7 machines) due to the impact of the COVID19 pandemic on customer availability and the decline of the economic environment. The value of orders received declined by 16% to EUR 2.9 million compared to the same period in the previous year (Q1 2019: EUR 3.5 million). The total **Order Backlog** as per 31 March 2020 comprised 29 machines with a value of EUR 23.7 million.

**Revenue** increased by 143% to EUR 17.8 million compared to the first quarter of last year (Q1 2019: EUR 7.3 million) on the back of the strong order backlog at the end of 2019. **Total Output** (sum of sales revenues, inventory increases and other own work capitalized) came in at EUR 18.5 million (Q1 2019: EUR 9.0 million).

The **personnel cost ratio** (as a % of total output) decreased from 93 % in the first quarter of 2019 to 53 % in the first quarter of 2020. The **cost of materials ratio** (as a % of total output) stood at 43 % in the first three months of the current financial year (Q1 2020: 61 %). The improvement of both figures is largely driven by the increase in sales.

**EBITDA** (earnings before interest, taxes, depreciation and amortisation) in the reporting period improved to EUR –3.0 million (Q1 2019: EUR –8.1 million) due to the increase in revenue.

The **consolidated net result** amounted to EUR –6.1 million (Q1 2019: EUR –7.7 million). This equates to basic and diluted **earnings per share** of EUR –0.31 (Q1 2019: basic and diluted EUR –0.39).

The **equity ratio** declined to 27% due to the negative result for the period (31 December 2019: 33%).

Prior to the outbreak of the COVID19 pandemic, SLM's Executive Board had expected a positive development in the financial year 2020 with a significant sales growth in the mid double-digit percentage range and a negative but improved EBITDA in the upper single-digit million Euro range. But, as announced on March 26, 2020, the global economic slowdown as a result of COVID19 has drastically limited the Executive Board's visibility, in particular as it relates to the timing of orders. Therefore, and as announced on March 26, 2020, SLM's Executive Board has decided not to offer a full year guidance at this point. However, the Company will present such guidance as soon as the impact of COVID19 can be accurately factored in.

SLM is pleased to announce that Dirk Ackermann will join SLM as CFO on June 1, 2020. Previously, he worked for General Electric as Senior Finance Manager in the Corporate Audit Staff. "Dirk is yet another great addition to the senior leadership team at SLM. He will help us, among others, to further drive cost control and cash management in the Group", commented Meddah Hadjar.

SLM Solutions Group AG's report on the first three months of the financial year 2020 will be made available in the course of today at [www.slm-solutions.com](http://www.slm-solutions.com) in the "Investor Relations" section 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, 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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