



Year-end 2019 Analyst Conference

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Spokesman of the Board of Management and CFO

Frankfurt am Main, 12 March 2020

Agenda.

- 1. Review 2019**
- 2. Detailed financials 2019**
- 3. Outlook 2020**
- 4. Forward strategy**
- 5. New mid term plan**
- 6. Summary**

1 Review 2019

Review fiscal year 2019.

Light and Shadow

- Contrasting developments in the two business units
- **GMS** with record sales and EBIT
- Disappointing development in **CFM** albeit in businesses that have limited strategic significance in the medium term – €75m impairment charge recorded in Q3/2019 relating to **Textile Fibers, Wind Energy** and **Industrial Applications** business
- While overall Group EBIT was substantially below our expectations, “**cash quality**” of **EBIT** and **operating cash flow strongly improved**
- **Free cash flow structurally positive** (adjusting for strong increase in capex to €95m)
- Refinancing measures in 2018 and 2019 **substantially improved maturity profile** – no maturities of financial instruments before September 2023

Review fiscal year 2019.

Light and Shadow

- Financial performance masks strategic advances in key markets **Automotive** and **Aerospace**
 - **GMS**: growth in key strategic markets and fuel cell components as new growth driver in **Battery & other Energy**
 - **CFM**: **globalization** of business model through new orders awarded and acceleration and market access in **Aerospace** through cooperation with Solvay
- **New CEO** Dr. Torsten Derr appointed to join July 1, 2020

2 Detailed financials 2019

CFM. Earnings impacted by structural declines in Textile Fibers and product mix effects in Wind Energy

| in € million | 2019 | 2018 |
|---------------------------------|-------|-------|
| Sales revenue | 431.6 | 422.5 |
| EBITDA ¹ | 25.1 | 54.2 |
| EBIT ¹ | -8.3 | 20.8 |
| EBIT-Margin ¹ (in %) | -1.9 | 4.9 |
| ROCE _{EBIT} (in %) | -1.3 | 3.2 |

- **Sales revenue** increased slightly by 2% (currency adjusted: unchanged)
 - Strong growth in **Wind Energy** (prior year impacted by sale of our share in SGL Kumpfers) offset by lower revenues in
 - **Aerospace** – due to postponement of invoicing a major order to 2020
 - **Textile Fibers** – impacted particularly by structural changes in demand resulting from substitution effects
 - **Industrial Applications** – due to economic sensitivity in the commoditized part of the business and
 - **Automotive** – slight decrease in the full year due to cancellations/lower demand for a single car model in Q4/2019
- **Sales revenue** of Ceramic Brake Discs (JV with Brembo, not included in CFM sales due to At-Equity accounting) stable despite downturn in automotive industry
- Negative recurring **EBIT** mainly due to structural declines in **Textile Fibers** and poor product mix effects (regional & value chain) in **Wind Energy**;
 - Profit revision in August and expected continued weakness in **Textile Fibers** and **Industrial Applications** triggered non-cash impairment charges of €74.7m in Q3/2019

¹before non-recurring items of minus €83.2 million in 2019 and €15.8 million in 2018

GMS. Record year in sales and EBIT based on strong growth in Semiconductors and Automotive

| in € million | 2019 ² | 2018 |
|---------------------------------|-------------------|-------|
| Sales revenue | 622.5 | 589.9 |
| EBITDA ¹ | 113.6 | 98.9 |
| EBIT ¹ | 85.5 | 76.0 |
| EBIT-Margin ¹ (in %) | 13.7 | 12.9 |
| ROCE _{EBIT} (in %) | 16.3 | 16.5 |

- **Sales revenue** increased 6 % (currency adjusted by 3%)
 - Strong double digit growth in **Semiconductors** and **Automotive & Transport**
 - Stable development in **Battery & other Energy, LED, Chemicals** and **Industrial Applications**
 - Again, sales to the **Solar** market segment was limited below the prior year level to prioritize sales to **Semiconductor** customers
- Recurring **EBIT** increased more than proportionately to sales by 13%
 - Main driver was strong growth in **Semiconductors**
 - **Battery & other Energy, LED** and **Industrial Applications** also contributed to improved earnings
 - Despite the strong sales growth, earnings in **Automotive & Transport** remained roughly on the prior year level due to high start-up costs in the first half of the year, which - as expected - were significantly reduced in the second half
 - In contrast, market segments **Chemicals** and **Solar** slightly below the prior year level

¹ before non-recurring items of €0.1 million in 2019 and €0.6 million in 2018;

²In 2019, GDL was retroactively reclassified to GMS (Battery & other Energy) from Corporate (Central Innovation) due to accelerated commercialization (major contract extension Hyundai)

Corporate.

Result improved strongly

in € million

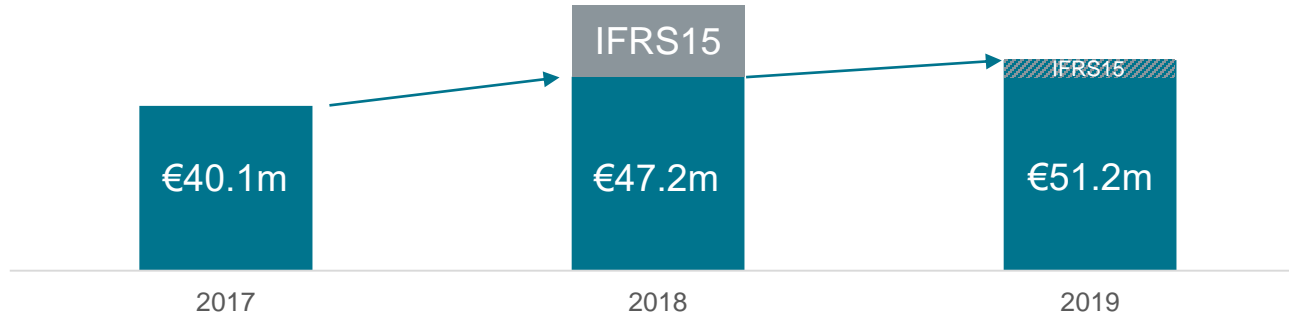
| | 2019 ² | 2018 |
|--|-------------------|-------|
| Sales revenue | 32.6 | 35.1 |
| EBITDA ¹ | -18.7 | -25.9 |
| EBIT ¹ | -28.8 | -32.2 |
| - of which for Central Innovation ² | -11.4 | -8.0 |

- **Sales revenue** declined slightly due to reclassification of GDL to GMS
- Recurring **EBIT** strongly improved compared to prior year level
 - Despite prior year benefiting from an approx. €4m gain from a land sale in Canada
 - Strong improvement in earnings primarily based on lower expenses for management incentive plans due to significant decline in earnings at CFM and thus also in the Group
 - Expenses for our central research activities were up on the previous year due to higher expenditure for the development of future businesses such as 3D printing and composite materials for medical technology

²In 2019, GDL was retroactively reclassified to GMS (Battery & other Energy) from Corporate (Central Innovation) due to accelerated commercialization (major contract extension Hyundai)

Group EBIT 2019 “cash quality” better than 2018. 2018 substantially benefited from IFRS15 effects

- 2018 significantly benefited from first-time adoption of IFRS 15
- Adjusted for this effect, and despite disappointing CFM development, 2019 Group EBIT even improved compared to 2018 (minus €2.8m IFRS 15 effect in 2019)
- IFRS 15 on EBIT has no cash impact as sales and earnings are only booked earlier – therefore “cash-quality” of 2019 EBIT is better than in 2018



Group. Income Statement

in € million

| | 2019 | 2018 |
|---|--------------|--------------|
| Sales revenue | 1,086.7 | 1,047.5 |
| EBITDA before non-recurring items | 120.0 | 127.2 |
| EBIT before non-recurring items | 48.4 | 64.6 |
| ROCE _{EBIT} (in %) | 3.9 | 5.4 |
| Non-recurring items | -82.7 | 16.3 |
| EBIT | -34.3 | 80.9 |
| Net financing result | -38.9 | -29.6 |
| Results from continuing operations before income taxes | -73.2 | 51.3 |
| Income tax expense and non controlling interests | -16.7 | -1.0 |
| Result from discontinued operations, net of income taxes | -0.1 | -9.0 |
| Consolidated net result attributable to shareholders of parent company | -90.0 | 41.3 |

- Based on developments in the reporting segments, **Group sales revenue** increased by 4% and **recurring Group EBIT** declined by 25%; **non-recurring items** predominantly relate to impairment charges in CFM
- **Net financial result** impacted by refinancing measures – increased interest costs following issue of corporate bond in April 2019 and expenses associated with early repayment of convertible bond 2015/2020
- Substantially higher **tax expenses** resulting from non-cash value adjustments to deferred tax assets

Free cash flow.

| in € million (continuing operations) | 2019 | 2018 |
|---|-------|-------|
| Cash flow from operating activities | 61.9 | 23.6 |
| <i>Capital expenditures in property, plant, equipment and intangible assets</i> | -95.1 | -78.1 |
| <i>Cash flow from other investing activities¹</i> | 15.9 | -4.0 |
| Cash flow from investing activities | -79.2 | -82.1 |
| Free cash flow | -17.3 | -58.5 |
| Free cash flow from discontinued operations | -9.4 | 58.0 |

- **Cash flow from operating activities** improved significantly mainly due to the reduction in working capital
- Slightly lower **cash outflow from investing activities** despite substantially higher capex
 - Due to dividends from Brembo SGL and cash inflow from last installment of payment related to the sale of our share in SGL Kumpfers
 - Prior year included cash outflow of €23.1m for payment of the purchase price for SGL ACF Germany (Wackersdorf)
- **Free cashflow** was already **structurally positive** if capex had been on level of depreciation (€72m)
- **Free cash flow from discontinued operations** in the reporting period included final settlement payment for the sale of our Aerostructures business to Avcorp; prior year contained cash inflow from the final outstanding payments for the sale of former PP activities

¹ dividends received, payments for capital contributions in investments accounted for At-Equity and other financial assets, payments for acquiring remaining stakes in our joint ventures, proceeds from sale of intangible assets and property, plant and equipment

Balance sheet.

| in € million | 31.12.2019 | 31.12.2018 |
|----------------------------------|------------|------------|
| Equity ratio (in %) | 27.8 | 33.5 |
| Total liquidity | 137.1 | 181.6 |
| Net financial debt | 288.5 | 242.2 |
| Gearing (net debt/equity) | 0.69 | 0.46 |
| Leverage ratio (net debt/EBITDA) | 2.4 | 1.9 |

- **Equity ratio** decreased mainly due to the consolidated net loss of €90.0m
 - An additional factor was the adjustment to pension provisions in Germany and USA resulting from the lower interest rate environment, decreasing equity by €27m
- **Total liquidity** decreased primarily as a result of the negative free cash flow, the transaction costs paid for the corporate bond, and the final settlement regarding the sale of our Aerostructures business to Avcorp
- Resulting in higher **net financial debt**

3 Outlook 2020

Reporting segment outlook 2020.

CFM

- Excluding any potential impact from COVID-19
- **Stable sales revenue** approximately on prior year level expected only due to earnings improvement measures in **Textile Fibers**
 - Sales revenue decline of approximately 25% expected in **Textile Fibers**, as we are converting one line to precursor for carbon fiber production and have temporarily idled two lines to save costs
 - Sales revenue in the **Aerospace** segment should increase noticeably, also due to the postponement of the invoicing of orders from 2019 to 2020
 - Following solid growth seen in 2019, sales revenue from the **Wind Energy** industry should continue to increase, both in terms of prices and volumes
 - **Industrial Applications** also expected to show growth
 - Sales revenue from **Automotive** industry approximately on prior year level, as newly acquired projects will only have a gradual impact on sales revenues
- **Recurring EBIT expected to turnaround to slightly positive**
 - Due in particular to the implemented earnings improvement measures in the past year
 - But also based on selective price increases

Reporting segment outlook 2020.

GMS

- Excluding any potential impact from COVID-19
- Strong comparable base in 2019 with record levels in **sales revenue** and **recurring EBIT**
 - Excellent development of prior years temporarily interrupted due to changes in the supply chain of our Li-ion battery business (affecting part of market segment **Battery & other Energy**)
 - Interruption of growth path expected to be of a short-term nature only, as very robust growth in our business with fuel cell components, which is still only of limited importance today, will help the segment to grow once again
 - Furthermore, we are continuing to develop our anode material technology in order to attract new customers and open up new markets, focusing primarily on battery projects in the EU
- Primarily against this framework, we anticipate a high single digit percentage decline in **sales revenue**
 - Adjusting for the development in **Battery & other Energy**, however, sales revenue for GMS should remain approximately on the level of the previous year despite the overall subdued global economic outlook
 - Expected decline in sales revenue in the market segment **Industrial Applications** is expected to be mostly compensated by the ongoing growth in **Semiconductors**.
- Similarly, anticipated **recurring EBIT** decline of approx. 20% also exclusively related to development in market segment **Battery & other Energy**
 - Adjusted for that development, however, recurring EBIT would improve.
 - **EBIT-margin** should well exceed 10% once again underscoring that business model of GMS is stable even in a weak global economic environment.

Reporting segment outlook 2020.

Corporate

- Excluding any potential impact from COVID-19
- Expected substantial deterioration in **recurring EBIT** can mainly be attributed to the prior year benefiting from lower expenses for management incentive plans.

Group outlook 2020.

Confirmation of initial guidance in October 2019

- Excluding any potential impact from COVID-19
- Full year **Group sales** expected to slightly decline
- **Group recurring EBIT** expected 10-15% below prior year level
 - Note that previous year benefitted from lower expenses for management incentive plans

Group outlook 2020.

- Excluding any potential impact from COVID-19
- **Net result** expected to substantially improve to low double digit loss (2019: minus €90m)
- **Capex** to decrease to €70-80m (2019: €95m) and thus approximately on level of depreciation
 - Due to postponement of previously planned investments in the capital-intensive anode materials business for Li-ion batteries, in favor of growing the business with fuel cells, which has a much lower capital intensity
 - In addition, we intend to conservatively manage our free cash flow in light of the anticipated decrease in consolidated EBIT.
- Further improvement in **free cash flow** to approx. breakeven level expected mainly due to working capital improvement and lower capex
- **Net debt** at end 2020 to increase by a mid double-digit m€ amount
 - due largely to the payment of the purchase price for SGL Composites USA (the carbon fiber plant of our former joint venture with BMW in Moses Lake, Washington, US), in the amount of USD 62 million

Sneak preview on Q1/2020.

- Excluding any potential impact from COVID-19
- Q1/2020 expected to be **weakest quarter** both in terms of **sales revenue** as well as in **recurring EBIT** (particularly tough comparables at GMS as Q1/2019 was close to all-time record quarter at GMS)
- **Group sales** expected approx. €220-€240m
 - **CFM** below Q1/2019 level primarily due to lower sales revenue in Textile Fibers as one acrylic fiber line in conversion process to precursor for carbon fiber production and two lines temporarily idled to reduce costs
 - **GMS** below Q1/2019 level mainly due to lower overall demand and specifically relating to supply chain changes in **Battery & other Energy**
- **Group recurring EBIT** expected approx. mid to high single-digit m€ amount
 - **CFM** approx. on Q1/2019 level as earnings improvement measures to start benefiting following quarters
 - **GMS** substantially below Q1/2019 level due lower capacity utilization and a positive IFRS 15 effect in the prior year period

4 Forward strategy

Focus on key growth markets.

Mobility, Energy and Digitization

- Growth drivers are in particular e-mobility, fuel cell components, as well as trend toward silicon carbide semiconductors for high performance applications (among others, Internet of Things, autonomous driving, 5G mobile communications technology)

Two adjustments to our strategic direction

- Acceleration of market entry into **Aerospace** based on own large-tow intermediate modulus carbon fiber and through joint development agreement with Solvay; change from prior stand-alone strategy
- Previously planned investments into capital intensive business with graphite anode materials for li-ion batteries postponed in favor of lower capital intensive expansion of our **fuel cell components** activities

4 Forward strategy explained by examples

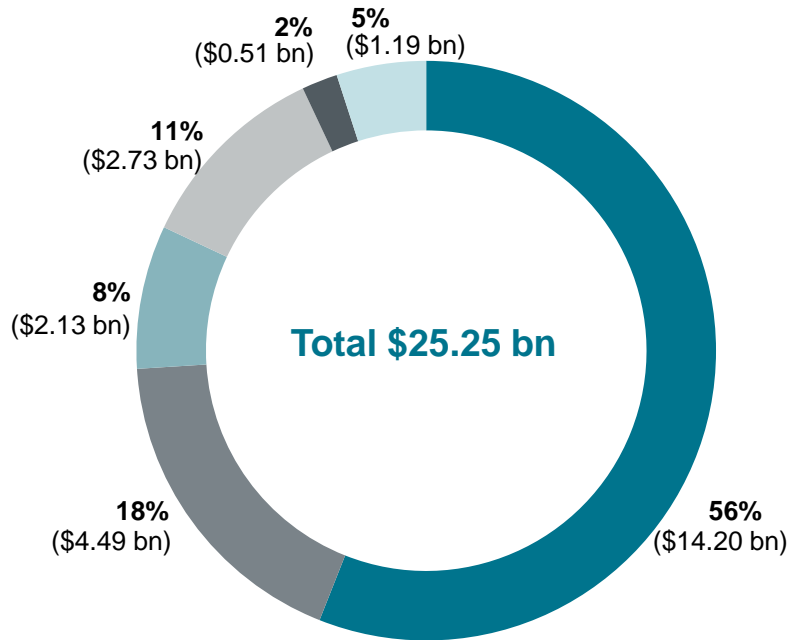
- Aerospace
- E-mobility
- Fuel cell components

Attainment of Group profitability targets depends on CFM.

Acceleration of market entry into Aerospace is decisive

- At 16.3% in fiscal year 2019, business unit GMS already exceeds Group ROCE targets
- To achieve Group ROCE target (9-10%), business unit CFM must increase its profitability
- This requires an improved product mix and – above all – a high capacity utilization of the capital intensive integrated carbon fiber value chain
- SGL Carbon is currently the only fully integrated carbon fiber player not involved in Aerospace in a larger scale
- Therefore the Aerospace market is potentially the strongest growth and profitability driver for CFM in the medium to long term

Aerospace is the largest and most profitable market for carbon fiber based composite materials.



■ Aerospace ■ Automotive ■ Wind energy ■ Leisure ■ Construction ■ Others

Established carbon fiber producers in Japan and USA generate sales revenues in the billions and high EBITDA-margins* in their Aerospace business:

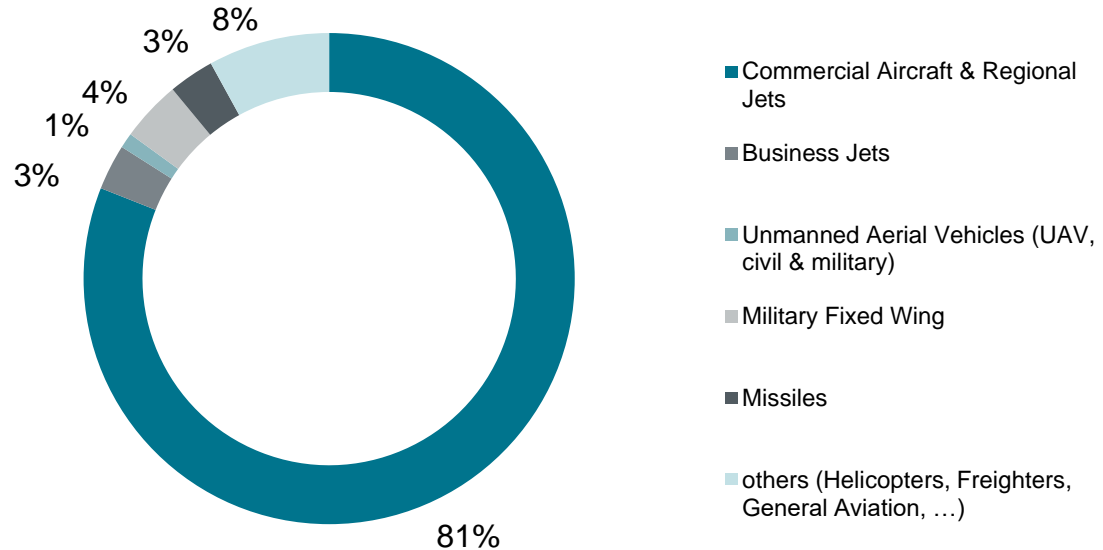
| | EBITDA in m€ | EBITDA-margin |
|--------|-----------------|---------------|
| Hexcel | 330 | 30% |
| Toray | 290 | 29% |
| Teijin | 188 | 28% |
| Solvay | 338 | 26% |

*Figures calculated based on annual reports 2018 and own market intelligence

Within Aerospace, commercial aircrafts and regional jets are the largest segments.

2018 CFRP Consumption in Aerospace

100% = 46.000 t



Our new 50k IM carbon fiber and partnership with Solvay enable market access to primary structures.

- We are the only European carbon fiber producer with a fully integrated value chain, but up to now without direct access to the market for primary aircraft structures (wings, empennage components, fuselage)
- New development of our unique 50k IM carbon fiber lays the foundation
- Advantage of our new 50k IM carbon fiber: more efficient carbon fiber production as well as scale effects along the entire value chain including the finished component
- Solvay Group commands the necessary expertise and experience in the subsequent production steps for aerospace materials: prepreg resin systems as well as know-how in qualification processes
- Together we want to develop and offer very competitive and advanced carbon fiber composite materials for primary structures
- These advanced materials address the requirements of next generation modern aircrafts: lower costs and CO₂ reduction as well as higher efficiency in production and fuel consumption

Higher built rates in the upcoming years require new material systems and process technologies.

Airbus monthly production volume forecast



| | 2016 | 2020 |
|----------------------------|------|------|
| A350 (wide body) | 4 | 10 |
| A320 (single aisle) | 46 | 60+ |

Boeing monthly production volume forecast



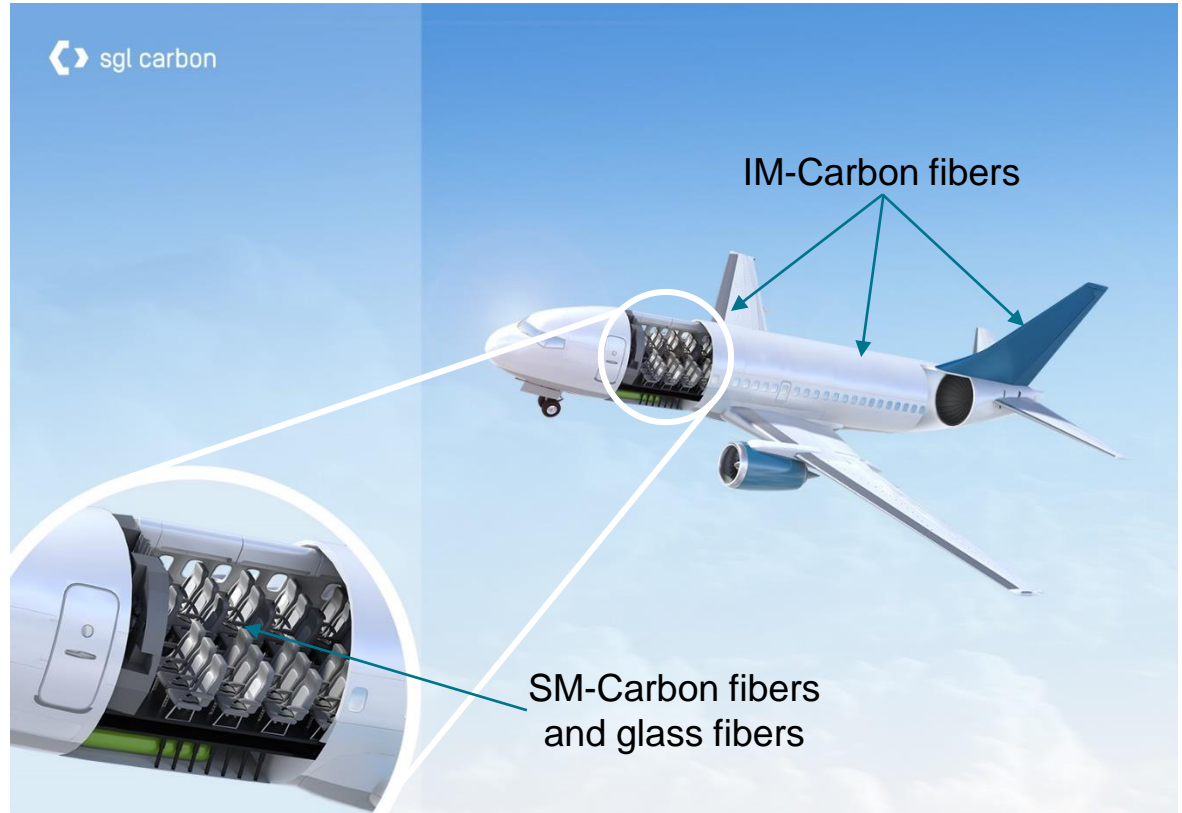
| | 2016 | 2020 |
|----------------------------|------|------|
| B787 (wide body) | 11 | 12 |
| B737 (single aisle) | 42 | 58 |

Remark: "Single aisle" typically describes single aisle aircrafts, "wide body" aircrafts with double aisles.

Source: Airbus, Boeing

Different carbon fiber grades address various structural components.

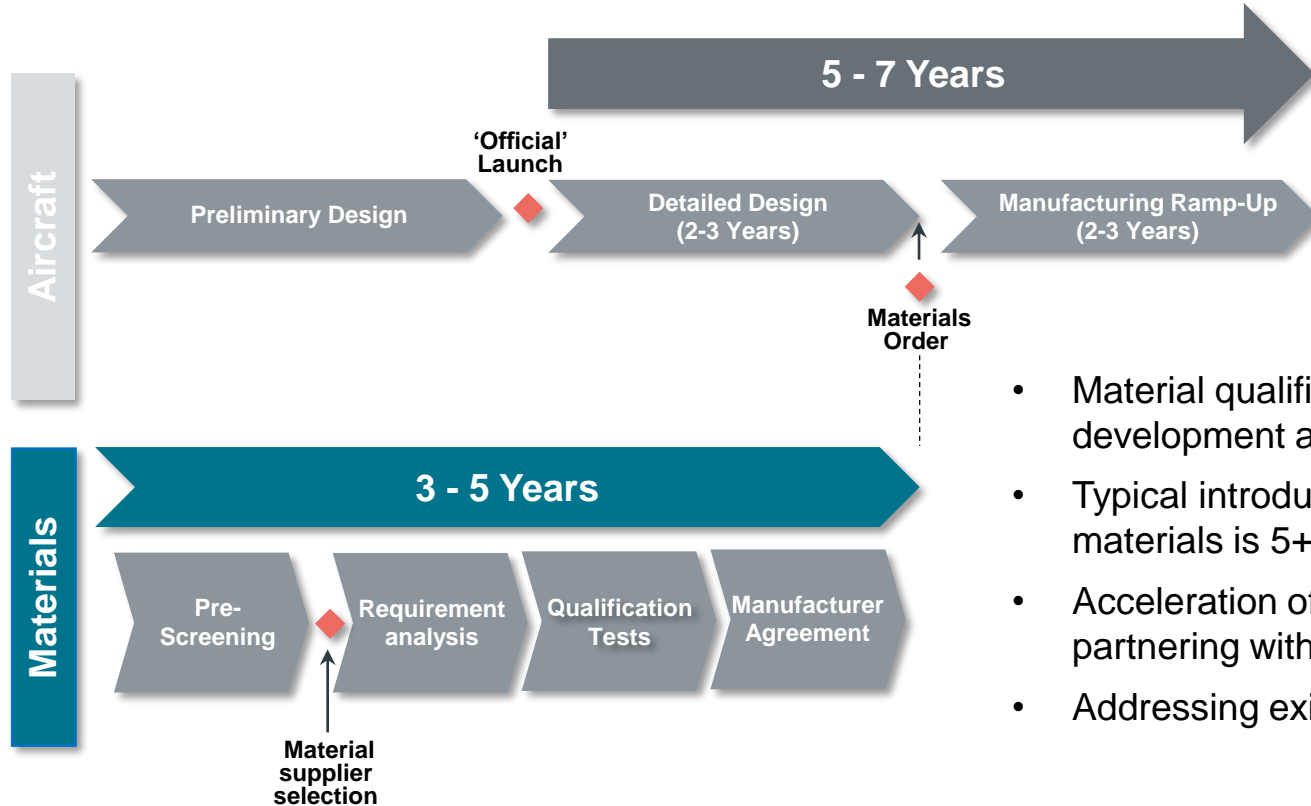
- Standard modulus (SM) carbon fibers and glass fibers are predominantly used in secondary structures.
- Intermediate modulus (IM) carbon fibers are predominantly used in primary structures like wings or empennage components.



Development cooperation with Solvay. Competitive products for carbon fiber based composite materials in aerospace primary structures

- Cooperation based on our **newly developed 50k Intermediate Modulus (IM)** carbon fiber
- **Solvay** composite materials are used in **current aerospace programs**; high degree of **expertise in resin systems**
- Development of first composite materials based on 50k carbon fibers, which address the **requirements of future aircraft programs**
- Improved **costs**
 - Improved **efficiency of production processes**
 - Reduced **CO₂ emissions**
 - Higher **fuel efficiency**
- **First step** in a long term partnership
- **Status**
 - Project start in November 2019
 - Screening of factors which influence the fiber-resin-interdependency
 - Initial parameters of the composite materials defined and compared to customer requirements and specifications

Usually 5+ years required for the introduction of new materials. This can be accelerated via partnering with established supplier



- Material qualification in parallel to aircraft development and design process
- Typical introduction phase for new materials is 5+ years
- Acceleration of time to market by partnering with established supplier
- Addressing existing and new programs

Our key aerospace markets.

Materials for commercial aerospace



Airbus



Boeing



Embraer

Components for UAMs* and others



Volocopter

4 Forward strategy explained by examples

- Aerospace
- E-mobility
- Fuel cell components

Automotive is second largest market for composite materials.

E-mobility drives growth

- Automotive is second largest market for composite materials after Aerospace
- Following initial high expectations with the launch of BMW i3 with an entire carbon composites chassis, the number and scope of carbon composite automotive projects developed more slowly than expected
- Reasons are, amongst others, young/unknown material, cost-benefit-analyses, serial production competence
- We are currently experiencing a marked acceleration in the number of composite projects driven by e-mobility
- High battery weight requires lightweight construction for optimizing reach
- E-mobility industry increasingly characterized by start-up companies
- These have higher degree of autonomy regarding selection of materials and production processes

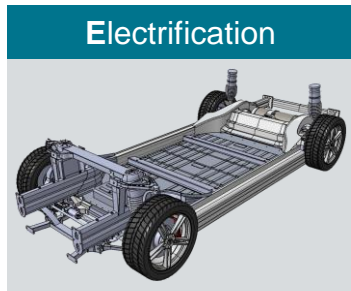
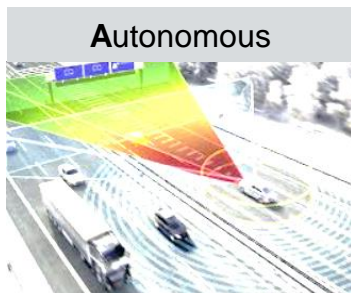
Major projects won for composite battery cases.

Customized solutions and serial production competence

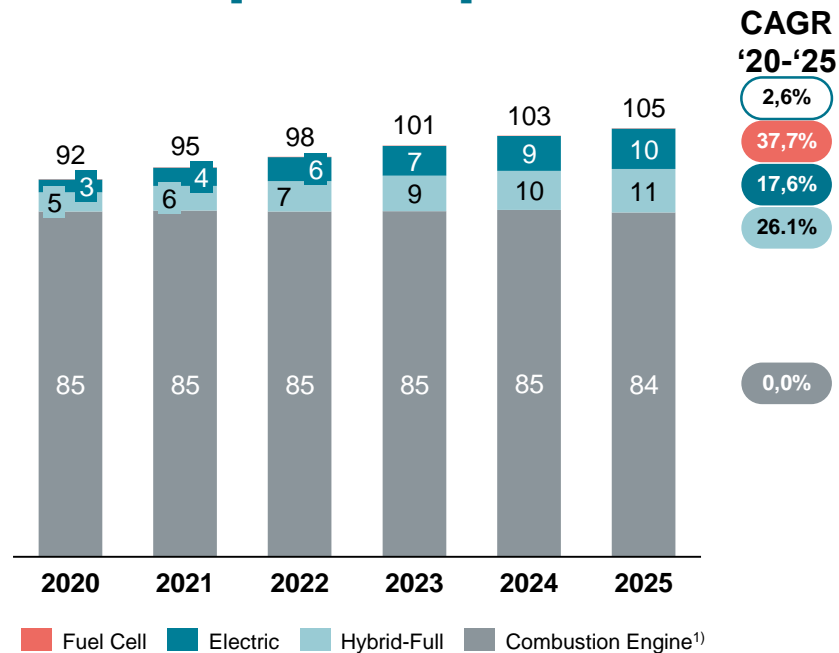
- Battery cases based on composite materials address weight aspects as well as specific requirements
- These in particular include: high stiffness to support driving dynamics, underbody protection from external impact, optimized thermal management and protection against fire
- Due to this combination of advantages, composite battery cases are perfectly suited for demanding and highly flexible skateboard platforms for a wide variety of electric vehicles
- Our composite battery cases thus offer superior performance compared to established materials at competitive costs
- We won new contracts from three customers within the last 12 months, including a major contract from a North American OEM
- We can offer our customers tailor-made solutions which can be serially produced in large quantities due to our integrated value chain

Total number of combustion engine vehicles produced globally stagnates but electric vehicles will increase significantly

Automotive Megatrends – MADE



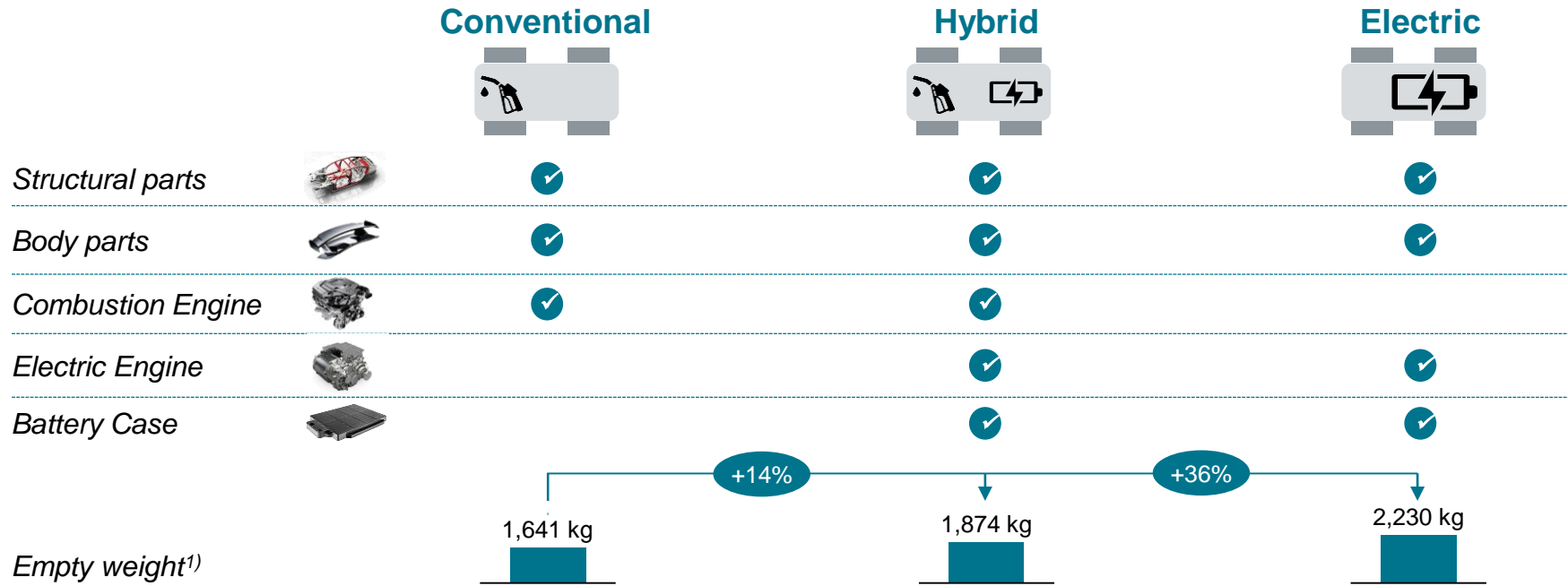
Global vehicle production by engine type, 2020-2025 [m vehicles]



Source: Roland Berger; SGL Carbon

Source: IHS Automotive; market information; SGL Carbon 1) incl. Mild-Hybrid

Battery makes electrified vehicles ~30% heavier than their combustion engine counterparts. Lightweight construction increases reach



*„We invest in affordable lightweight construction instead of expensive battery cells“
Ludger Lührmann – Head of Body Development at Volkswagen*

1) Analysis of 15 vehicles based on the same platform and available in all three different types of engines

Our Composite Battery Cases.

Superior performance to established materials at competitive costs

Environment & Energy



- ▶ **Up to 50% weight saving**
compared to conventional steel and aluminum construction methods
- ▶ **Optimized thermal management**
low energy consumption for heating/cooling the battery due to good thermal insulation
- ▶ **Higher specific battery capacities**
less installation space due to higher specific stiffness
- ▶ **Positive secondary effects**
down-sizing potential with other components (e.g. brakes, springs etc.)

Safety



- ▶ **Excellent fire protection**
due to high heat resistance and low thermal conductivity as well as flame retardant material modification
- ▶ **Very good protection against underbody impact**
through adjustable material parameters

Economic Efficiency



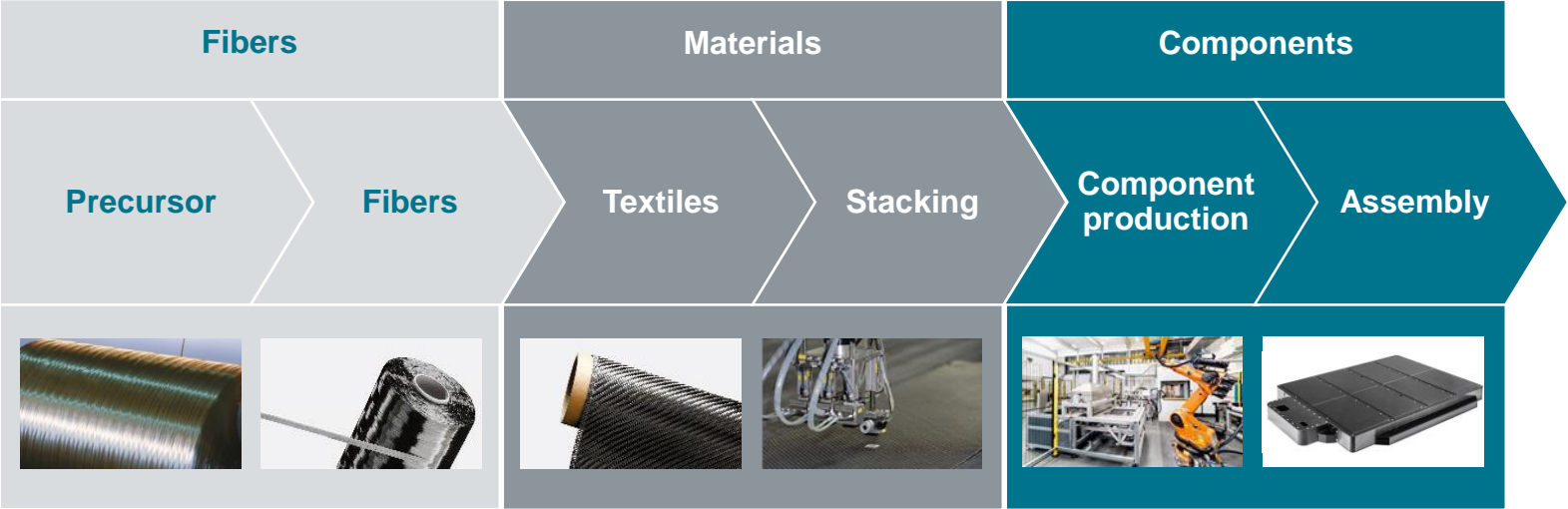
- ▶ **Attractive lightweight costs**
up to cost-neutral substitution of aluminum with a superior product
- ▶ **Stable long-term quality**
no additional measures necessary for corrosion protection

Consumer Advantages



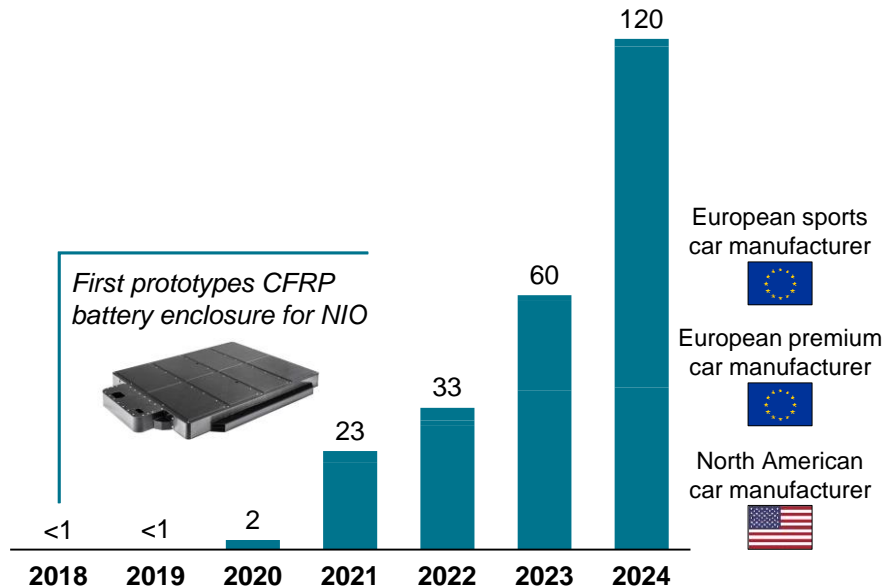
- ▶ **Lower energy consumption and higher range**
due to low weight and high battery capacities
- ▶ **Dynamic driving experience**
due to low weight and high rigidity
- ▶ **Safety: impact, crash**
due to improved impact behavior and excellent mechanical properties
- ▶ **Safety: fire protection**
special composite solutions with increased fire resistance delay the spread of fire: occupants and rescue services gain valuable time to evacuate the vehicle in the event of a fire

For composite battery cases, we are able to fully leverage our carbon fiber value chain.



Until 2024, SGL will increase the volume of composite battery cases to 120.000 p.a. Significant potential for additional business

Booked composite battery case volumes, 2018-2024 ['000 sets]



Upside potential for SGL Carbon's battery case business

1

More than 500 new electric vehicle models planned to be launched until 2025 by nearly all OEMs

2

Insight into the development of battery cases of all major **OEMs in Europe, North America and Asia**

3

Increasing evolution in predevelopment, simulation, calculation and automated production **capabilities**

4

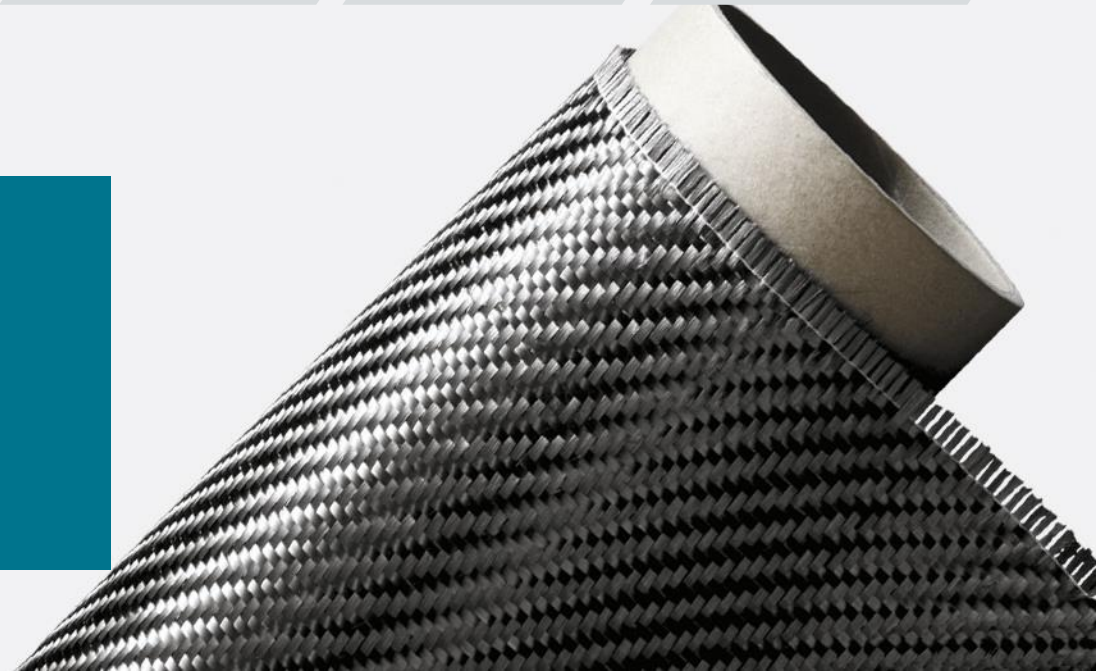
Active influence on selection of **materials** and **designs** of the next generation of battery cases

Increasing number of projects in Automotive.

Driven by new automobile designs for electric vehicles



- Leaf springs
- Trunk lids
- Stiffening elements
- Battery cases
- Preforms



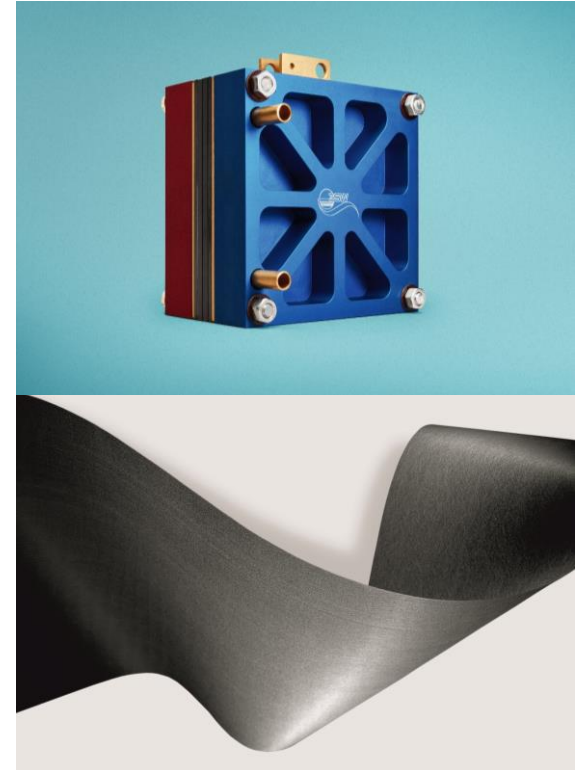
*Start of production; **Status: March 2020 (compared to March 2019)

4 Forward strategy explained by examples

- Aerospace
- E-mobility
- Fuel cell components

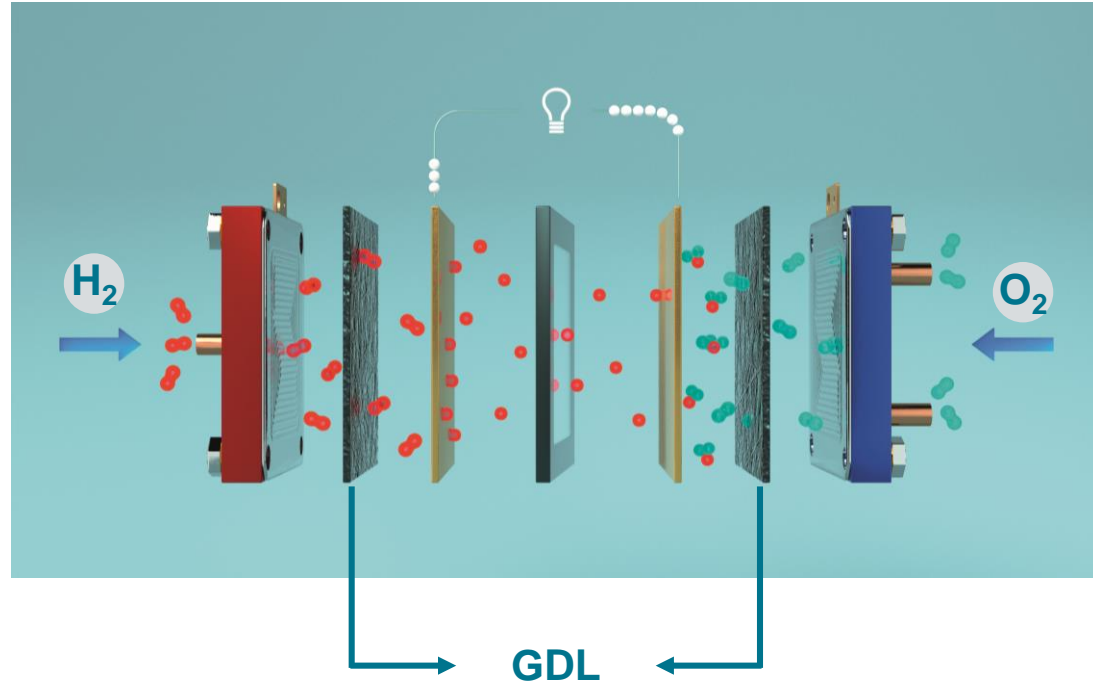
New growth driver in GMS market segment Battery & other Energy. Sales revenue of fuel cell components to quintuple

- Global sales revenue of the entire fuel cell market to double to more than \$7bn until 2025 (base year 2018)*
- Extension of the long-standing cooperation with Hyundai Motor Group with the long term supply agreement signed in 2019
- We supply approx. 200 customers with our gas diffusion layers
- Industrial scale production of the high-quality component
- Sales revenue of fuel cell components to more than quintuple in the medium term – too approx. €100m p.a.



Gas diffusion layers (GDL) are critical for the power density and the efficiency of the fuel cell.

- Fuel cells require only hydrogen and oxygen to produce electricity
- Inflow of H_2 and O_2 via bipolar plates and GDL
- Carbon fiber based GDL act as buffer between bipolar plate and catalytic converter
- GDL regulates the transport of gas as well as the removal of water and heat
- We possess the competency to manufacture GDL in industrial scale

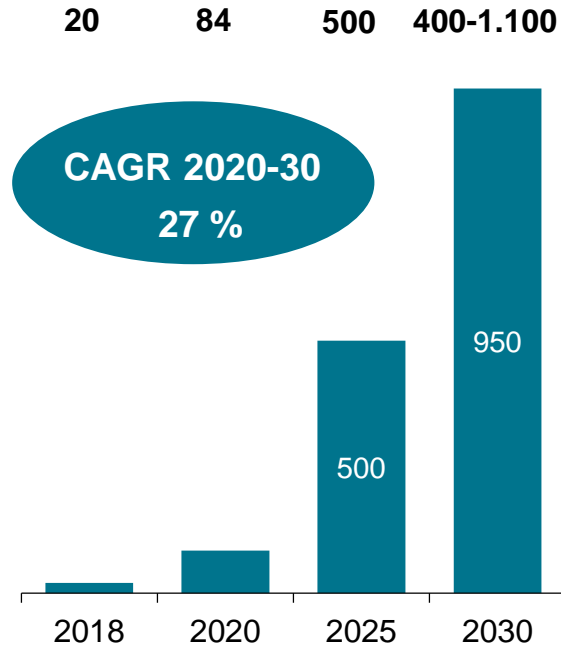


The GDL market is expected to reach 500 m€ in 2025.

Long term it might exceed 1 bn€

Total market value GDL in transportation*

[m€]



* Source: SGL Carbon own research based on governmental targets

Main applications and market trends

- Fuel cell growth driven by trend to zero emission vehicles and transformation to renewable energy
- Major transport applications:
 - Passenger cars still dominating growth
 - Trucks & buses getting more attractive
 - Fork lifts, submarines as niche markets
- Growth in fuel cell car production still driven by Asian OEMs Toyota, Hyundai, Honda
- Deployment of fuel cell cars driven by Asia and California, Europe starting up
- More (German) OEMs & Tier-1 entering cooperations
 - BMW/Audi/Daimler & Bosch/ElringKlinger

Expansion of fuel cell components activities and focus on technology advancement of graphite anode materials for li-ion batteries

- Postponement of previously planned investments for capital intensive anode materials business for li-ion batteries in favor of less capital intensive expansion of our activities for fuel cell components
- Strategy in li-ion battery business: focus on technology advancement of our own graphite anode material for the European battery value chain
- European battery projects steadily increasing, e.g. Northvolt, CATL, LG Chem, PSA Saft, Tesla
- Participation in second alliance for battery cell production in Europe (Autumn IPCEI) to receive subsidies for the technology advancement of graphite anode materials in Europe (for SGL Carbon sites in German and Poland)

5 New mid term plan

Growth path intact in new mid term plan. Lower starting point due to 2019 setback in CFM and temporary decline in GMS in 2020

| Financial targets in the new mid term plan | |
|--|--------------------------|
| ROCE ¹ | ≥ 9-10% |
| Leverage ratio ² | ≤ 2.5 |
| Equity ratio | ≥ 30% |
| Sales growth CAGR ³ | Mid to high single digit |
| Consolidated net result (cont. operations) | Positive |
| Free cash flow | Positive |
| ROS Business Units | ≥ 12% |

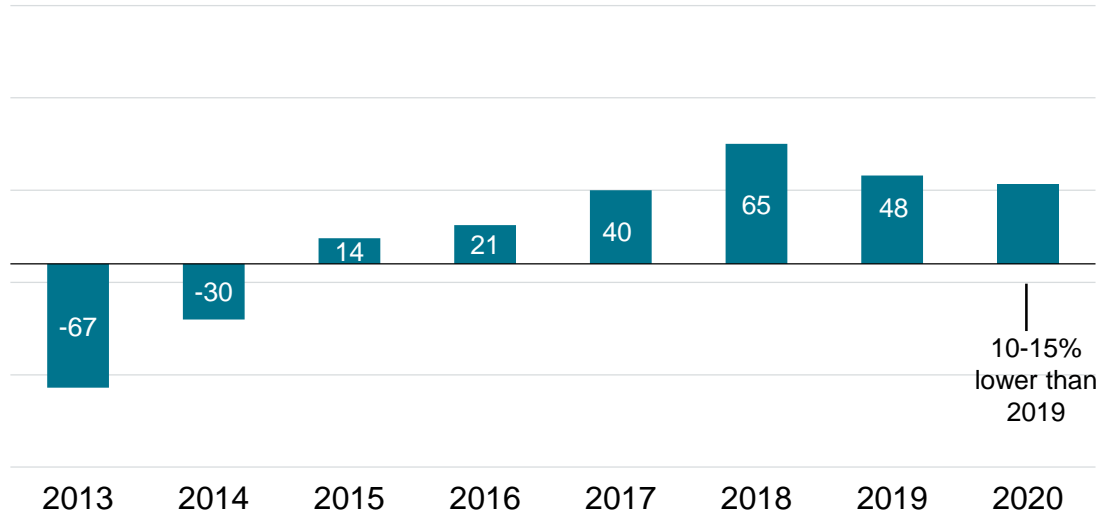
 **New growth drivers GDL and Aerospace support growth path in new mid term plan**

¹based on recurring EBIT; ²Net financial debt to recurring EBITDA; ³Based on the period 2020-2024

EBIT¹ improvement will continue after 2020.

New mid term outlook with stronger product pipeline than 12 months ago

in €m



- >€120m EBIT¹ improvement from 2013 to 2018
- Temporary dip in 2019 (CFM) and 2020 (GMS)
- Growth trajectory will resume from 2021 onwards
- Based on recent contract wins and new cooperations, product pipeline is stronger than 12 months ago, supporting anticipated growth

¹ EBIT before non-recurring items; for comparison EBIT 2013-2017 is adjusted excluding the discontinued segment Performance Products (PP) and including At-Equity result

5 Summary

Summary.

- 2019 was a decisive year for the execution of the **long term growth strategy** of SGL Carbon
 - Despite operational disappointments in Textile Fibers, Wind Energy and Industrial Applications at CFM
 - Record year in sales revenue and earnings at GMS
 - Joint development agreement with Solvay potentially grants us faster access to Aerospace - the largest and most profitable carbon fiber composites market
 - Major contract won for composite battery cases for EVs
 - Repositioning of graphite anode materials business leads to temporary dent in GMS development – strong expected growth in gas diffusion layers for fuel cell cars will allow GMS to resume growth path
- Growth path intact in **new mid term plan** based on a **stronger product pipeline** than 12 months ago
 - albeit with lower starting point due to CFM setback in 2019 and temporary decline in GMS in 2020

Q&A

Appendix

Financial calendar/contact details.

Financial calendar 2020

| | |
|-------------------|--------------------------------------|
| March 12, 2020 | Annual Report 2019 |
| April 22, 2020 | Annual General Meeting |
| May 14, 2019 | Report on the first quarter 2020 |
| August 13, 2020 | Report on the first half year 2020 |
| November 12, 2020 | Report on the first nine months 2020 |

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Important note.

Important note:

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