Broad Base. Best Solutions.

SGL GROUP
THE CARBON COMPANY

Annual General Meeting 2016

Our path forward

Wiesbaden
May 18, 2016

Dr. Jürgen Köhler
CEO

2015: Restructuring largely completed.
Focus on realignment

- Completion of SGL2015
- Sale of HITCO Aerostructures
- Refinancing of a convertible bond
- Strategic realignment

2015: Positive operational results in all business units.
Turnaround CFM, GMS solid, PP burdened by GE

	Carbon Fibers & Materials (CFM) *		Graphite Materials & Systems (GMS)		Performance Products (PP)	
in € million	2015	2014	2015	2014	2015	2014
Sales revenue	327.3	296.4	453.5	440.4	533.4	588.2
EBIT before non-recurring charges	9.3	-22.5	34.1	40.0	19.4	26.0

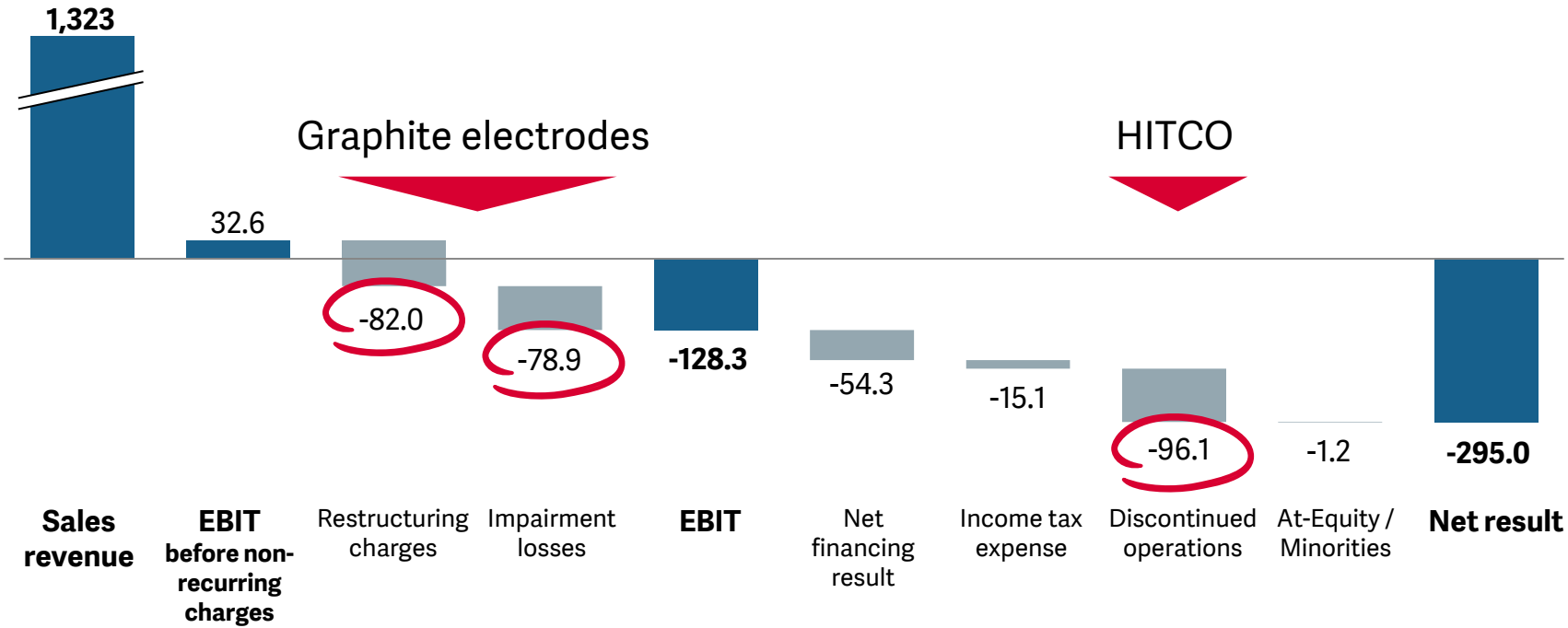
*as of January 1, 2016: Composites – Fibers & Materials

2015: Non-recurring effects heavily weigh on earnings.

Significant increase of EBIT before non-recurring charges

SGL GROUP
THE CARBON COMPANY

in € million



2015: Changes in balance sheet KPIs.
Sufficient liquidity

in € million	December 31, 2015	December 31, 2014
Equity ratio (in %)	15.6	26.2
Total liquidity	250.8	347.5
Net financial debt	534.2	389.9
Gearing (net debt/equity)	1.85	0.69

2015: "Recurring" free cash flow positive

Operational businesses are earning money

Continuing operations in € million	2015	2014
Cash flow from operating activities	-11.5	17.4
Free cash flow	-74.9	-121.3

in €m

Reported free cash flow	**-75 million**
Unwinding of USD hedges (related to HITCO)	35 million
Tax settlement	35 million
SGL 2015 cash out	13 million
"Recurring" free cash flow	**8 million**

2016: Outlook.

CFM and GMS on track, GE remains under pressure

- **CFM** with a strong improvement of EBIT before non-recurring charges
- **GMS** with an increase of EBIT before non-recurring charges
- **PP** with a negative EBIT in the mid-double-digit million range due to pricing pressure in the graphite electrode business
- Substantial decrease of **Group EBIT before non-recurring charges**, solely caused by graphite electrode business
- **Net result** improved, yet still in negative territory

2016: The strategic realignment is on track.
Focus on growth industries

SGL GROUP
THE CARBON COMPANY

Composites – Fibers & Materials **(CFM)**

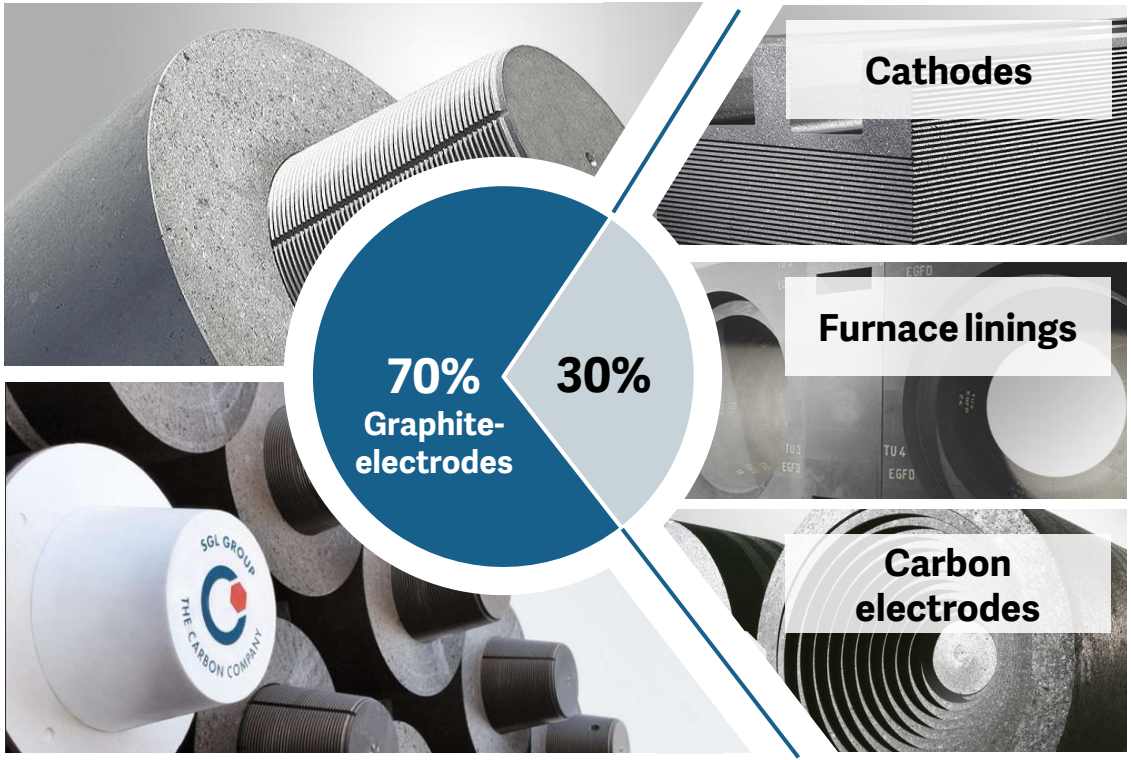
Graphite Materials & Systems **(GMS)**

Growing with **markets** and **customers**

Performance Products **(PP)**

Readjusting to new **market conditions** and reviewing **strategic options**

2016: Carve-out of PP on schedule.
Additional strategic options



2016: Our path forward.
Growing with the megatrends

SGL GROUP
THE CARBON COMPANY

Mobility: Cars have to become lighter.
CFM is a specialist for composite materials (CFRP)

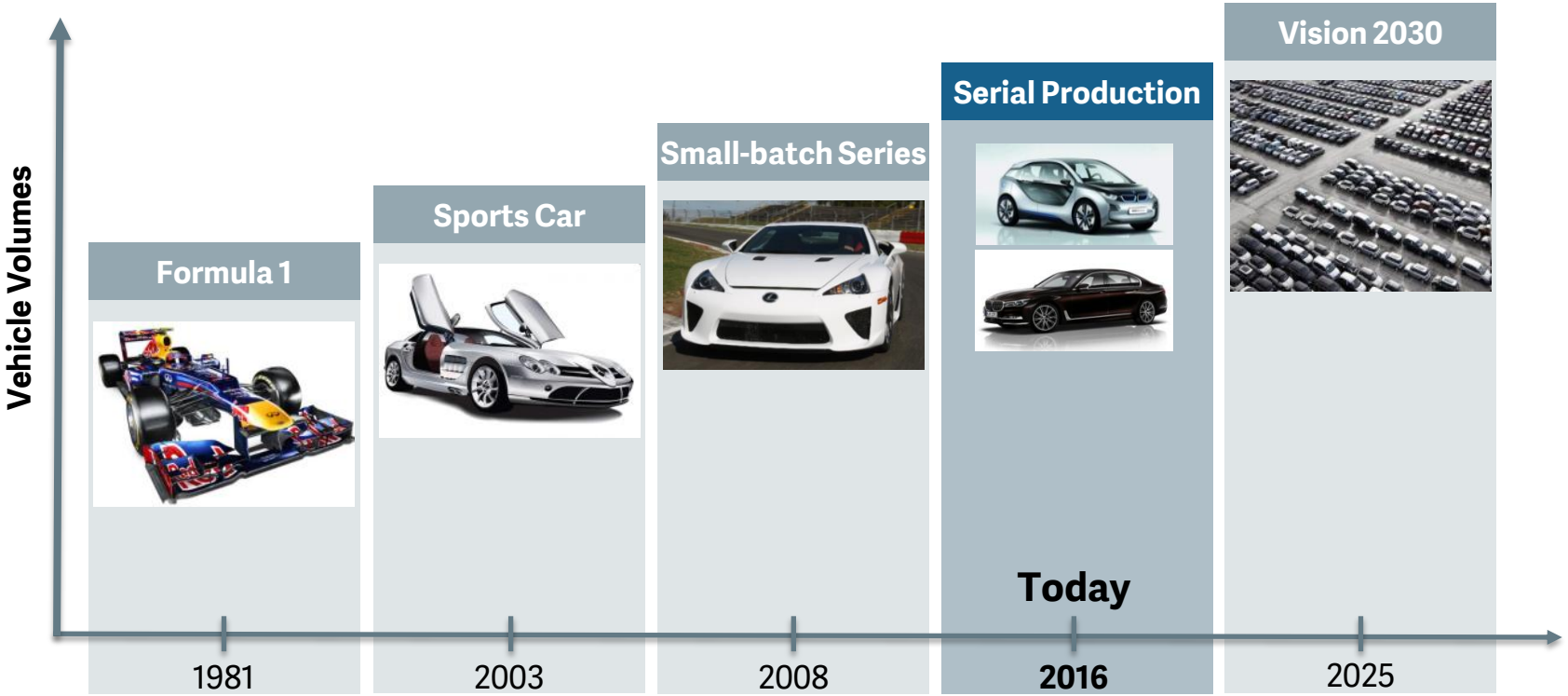
SGL GROUP
THE CARBON COMPANY

Innovation lead in lightweight construction

Source: BMW Group

- **Legal regulations concerning CO_2 emissions**
- **Trend towards alternative drive trains**

Mobility: From niche to mass production.
Offering CFRP competencies industry-wide



Sources: RedBull F1, Daimler AG, Toyota AG, BMW Group

Mobility: Material competence for aviation.
High potential for non-structural components

Serial production for the A350

- **New generation of industrial carbon fibers**
- **Used for floor panels, cladding, gear doors**

Intensify the use of composite materials.
Establishing the Lightweight and Application Center

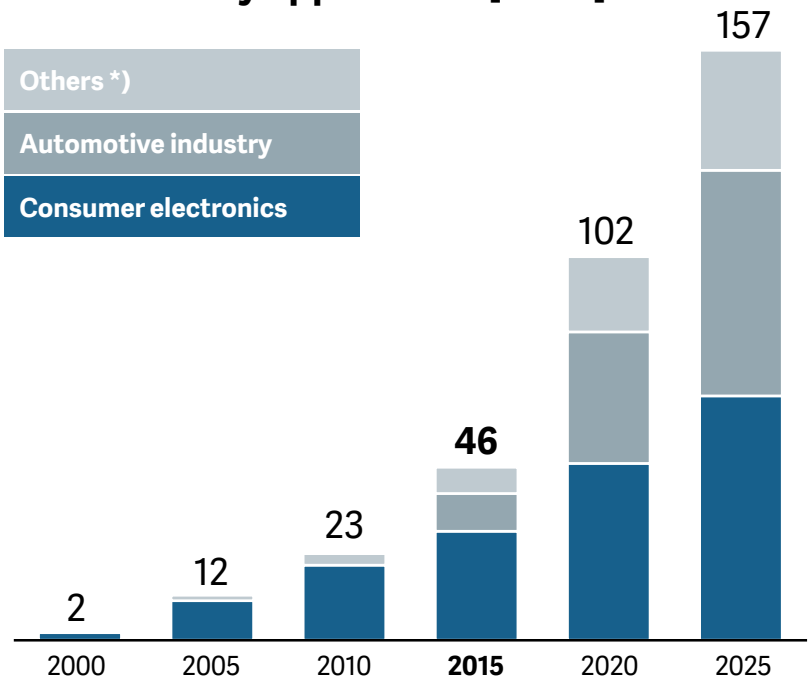
SGL GROUP
THE CARBON COMPANY

Location Meitingen

- **CFRP concepts**
- **Design**
- **Simulation**
- **Prototypes**
- **Small-batch series**

Mobility and energy supply.
Increasing demand for lithium-ion-batteries

LIB-market by application [GWh]



Source: Avicenne Energy Analysis, 2015
*) Power tools, e-bikes, forklifts, stationary energy supply, etc.

Market drivers

E-mobility

Stationary energy storage

Consumer electronics

Sources: BMW Group, Fotolia

Energy: Anode material for storage systems.
GMS is the only supplier in the western world

SGL GROUP
THE CARBON COMPANY

Anode material for lithium-ion-batteries

- **Next generation of anode material**
- **Increase in storage density**
- **Cooperation with renowned OEMs**

Energy: Solutions for the solar industry.
GMS is globally leading development partner

SGL GROUP
THE CARBON COMPANY

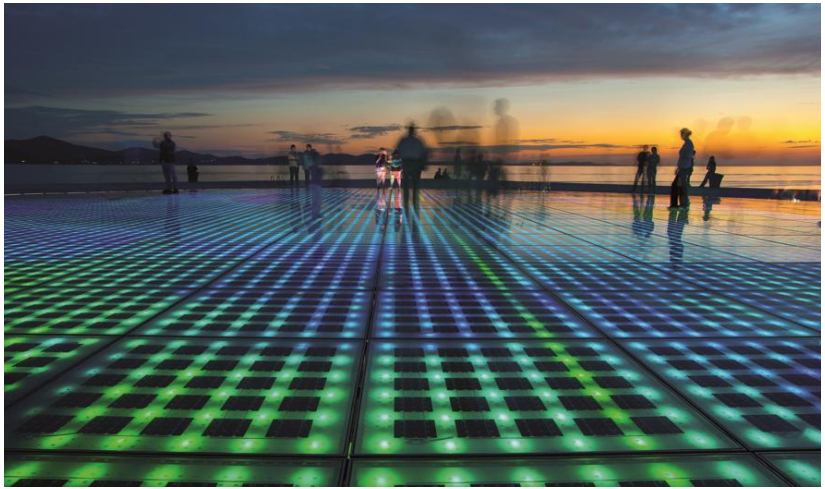
Isostatic graphite for the production of silicium

- **New production and technology center in Bonn**
- **High dynamics in the market for photovoltaics**

In the age of digitization.
LEDs and semiconductors drive demand

SGL GROUP
THE CARBON COMPANY

Specialist for surface coatings



- **Strengthening the cooperation with customers in the LED and semiconductor industries**
- **Further development of surface coatings**

2016: Our path forward.
Focused. Sustainable. Committed.

SGL GROUP
THE CARBON COMPANY

SGL GROUP
THE CARBON COMPANY

Thank you!

Important note:

This presentation contains forward looking statements based on the information currently available to us and on our current projections and assumptions. By nature, forward looking statements are associated with known and unknown risks and uncertainties, as a consequence of which actual developments and results can deviate significantly from the assessment published in this presentation. Forward looking statements are not to be understood as guarantees. Rather, future developments and results depend on a number of factors; they entail various risks and unanticipated circumstances and are based on assumptions which may prove to be inaccurate. These risks and uncertainties include, for example, unforeseeable changes in political, economic, legal and business conditions, particularly relating to our main customer industries, such as electric steel production, to the competitive environment, to interest rate and exchange rate fluctuations, to technological developments, and to other risks and unanticipated circumstances. Other risks that may arise in our opinion include price developments, unexpected developments associated with acquisitions and subsidiaries, and unforeseen risks associated with ongoing cost savings programs. SGL Group assumes no responsibility in this regard and does not intend to adjust or otherwise update these forward looking statements.
.

© Copyright SGL CARBON SE

® Registered trademarks of SGL CARBON SE