Transformation of SGL Group
Fully on track.
In achieving our strategic realignment

1. **Right size**
   Disposal* of businesses that are not performing or that no longer fit to the new SGL Group

2. **Improve performance**
   Cost savings and organizational streamlining**, as well as strengthening of capital structure***

3. **Generate shareholder return with profitable growth**
   CFM: CFM 2020+
   GMS: Growth strategy 2020

*includes Rotorblades, HITCO, and former business unit Performance Products (PP); ** Cost savings programs SGL 2015, CORE as well as SGLX; ***planned redemption of a €250m corporate bond and a €240m convertible bond with proceeds from PP disposal and December 2016 capital increase
**The transformation of SGL Group.**

We are implementing the announced strategy

- **Discontinued operations**
  - Performance Products (PP)
  - Graphite electrodes (GE)
  - Cathodes
  - Furnace linings
  - Carbon electrodes (CFL/CE)

- **Sold to**
  - Showa Denko
  - Triton

- **The disposal of the PP/GE business enables the new SGL Group to concentrate its resources on the growth areas CFM und GMS**
- **Focus on CFM and GMS improves the balance between markets and industries, and thus reduces volatility in our business**
The new SGL Group
What is the new SGL Group?

- Material competence based on **carbon***
- Commands **entire** carbon fiber and graphite **value chain**
- **High tech** carbon fiber & graphite based **solutions**
- **Sales growth** fueled by the **megatrends energy, mobility and digitization**
- **Earnings growth more than proportionate** to sales growth
- Servicing more than 35 industries with **lower volatility**

*Carbon refers to the chemical element - graphite and carbon fiber are forms of carbon
New SGL Group: Innovation leader.
Specialized on carbon- and graphite-based solutions

- 34 SITES
- Mobility
- ~4,000 EMPLOYEES
- Energy
- Digitization
- 100+ COUNTRIES
- Industrial Applications
- Chemical
- Textile Fibers
- 50% REVENUE GROWTH BY 2020
Growing with global megatrends.
Carbon based solutions

<table>
<thead>
<tr>
<th>Market growth, CAGR 2015 - 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy</strong></td>
</tr>
<tr>
<td>10 %(^1)</td>
</tr>
<tr>
<td>Wind</td>
</tr>
<tr>
<td>Pressure vessels</td>
</tr>
<tr>
<td><strong>SGL Growth</strong></td>
</tr>
<tr>
<td><strong>CFM</strong></td>
</tr>
<tr>
<td>10 %(^4)</td>
</tr>
<tr>
<td>Solar, LED</td>
</tr>
<tr>
<td>Nuclear, Polysilicon</td>
</tr>
<tr>
<td>Stationary energy storage</td>
</tr>
<tr>
<td>Lithium-ion batteries</td>
</tr>
<tr>
<td>Heat recovery etc.</td>
</tr>
</tbody>
</table>

\(^1\) Energy efficiency, storage and generation;\(^2\) CCeV, Technavio, GreenTech Media, Siemens;\(^3\) CCeV, Yole Développement, Avicenne Energy, \(^4\) own forecasts
**New Group Market Segmentation.** Reflects stronger orientation to customer and growth markets

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>Mobility&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Energy&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Digitization&lt;sup&gt;3&lt;/sup&gt;</th>
<th>Industrial Applications</th>
<th>Chemical</th>
<th>Textile Fibers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales 2016</strong></td>
<td>20 %</td>
<td>22 %</td>
<td>4 %</td>
<td>27 %</td>
<td>15 %</td>
<td>12 %</td>
</tr>
<tr>
<td><strong>2015</strong></td>
<td>18 %</td>
<td>20 %</td>
<td>4 %</td>
<td>27 %</td>
<td>17 %</td>
<td>14 %</td>
</tr>
</tbody>
</table>

<sup>1</sup>comprises automotive, aerospace and transport markets; <sup>2</sup>comprises battery, solar, wind and other energy markets; <sup>3</sup>comprises LED and semiconductor markets
## Control over the entire value chain.
Tailor-made solutions for all customers

<table>
<thead>
<tr>
<th>Raw materials</th>
<th>Intermediate stages</th>
<th>Semi finished products</th>
<th>Solutions / components</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFM</td>
<td>GMS</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Focus on customer requirements
- Tailor-made solutions
- Differentiation through integration
The two Business Units
## Composites – Fibers & Materials (CFM).

### New market segmentation

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>Automotive</th>
<th>Aerospace</th>
<th>Wind Energy</th>
<th>Industrial Applications</th>
<th>Textile Fibers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>29 %</td>
<td>7 %</td>
<td>15 %</td>
<td>21%</td>
<td>28 %</td>
</tr>
<tr>
<td>2015</td>
<td>28 %</td>
<td>4 %</td>
<td>15 %</td>
<td>20%</td>
<td>33 %</td>
</tr>
</tbody>
</table>
Composites – Fibers & Materials (CFM). Solutions for the material mix of the future

- CFM is the expert for fibers, materials, and composites
- Technologically leading company with the development of a new generation of industrial carbon fibers. Such fibers offer at least the same qualities as other carbon fibers at lower manufacturing costs

Value chain for lightweight construction materials based on carbon fibers

- Carbon fiber reinforced plastic is 50% lighter compared to aluminum and 70% to steel
- Significantly lower fuel and kerosene consumption
- Driver for global CO₂-reduction
Graphite Materials & Systems (GMS). New market segmentation

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Battery &amp; other Energy</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>Solar</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>LED</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Semiconductor</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Automotive &amp; Transport</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Chemical</td>
<td>27%</td>
<td>30%</td>
</tr>
<tr>
<td>Industrial Applications</td>
<td>32%</td>
<td>31%</td>
</tr>
</tbody>
</table>
Why graphite? Specialty graphite materials required where other materials fail

Main properties of graphite:
- Thermal shock resistance
- Mechanical strength
- Resistance to high temperatures
- Purity
- Corrosion resistance
- Electrical and thermal conductivity

Properties can be tailored to specific requirements

Graphite is present in nearly every industrial application

SGL provides its graphite based solutions to more than 35 industries
GMS: Best solutions for our customers. We command the broadest graphite competence in the industry.

... in the Solar, Semiconductor and LED Industry

- SiC\(^1\) coated wafer carrier for LED\(^2\)/semi-conductor production
- C/C\(^3\) carrier frame for solar wafers

... in the Battery and Energy Storage Industry

- Meander heater for mono-silicon units
- Anode material for lithium-ion batteries
- Redox flow battery electrode consisting of battery felt and bipolar plate

... in the Chemical Industry

- Systems & equipment (e.g. syntheses, heat exchangers)
- Flexible graphite foil
- Reinforced graphite sealing sheet

\(^1\)Silicon Carbide; \(^2\)Light-Emitting Diodes; \(^3\)Carbon/carbon
Financial targets
Target for GMS and CFM.
Profitable sales growth of 50%

Drivers for ROCE improvement:
- Top line growth (benefiting from Megatrends) leading to higher capacity utilization
- Increasing share of innovative products bearing higher margins
- Efficiency improvement programs driving down costs

Augmented by potential selective and accretive bolt on acquisitions to complement our portfolio in terms of region, technology, etc.
### Financial targets confirmed. Completion of realignment will allow us to reach major targets

**Realignment**
- Sale of business unit PP
- Cost reduction projects
- Deleveraging
- Positive free cash flow*
- Positive net result

**Profitable growth**
- Focus on fast growing markets
- Innovation leader in core markets
- Partner of choice for innovative material solutions

<table>
<thead>
<tr>
<th>Net debt**/EBITDA</th>
<th>&lt; 2.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gearing</td>
<td>~ 0.5</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>&gt; 30%</td>
</tr>
<tr>
<td>ROCE ≥ 15%***</td>
<td></td>
</tr>
</tbody>
</table>

* Excluding disposal proceeds; ** Excluding pensions; *** ROCE defined as EBITDA/Capital employed

€1.1 billion sales by 2020
Clearly defined deleveraging building blocks. We are fully committed to reducing leverage.

Key observations
- Significant deleveraging at end of 2016 due to rights issue
- Further deleveraging expected as a result of disposal of former PP businesses
- SGL ACF debt provided by BMW shareholder loans; SGL ACF profitable since 2015 and subsequently reducing its net financial debt from its own cash flow

Usage of proceeds
- Call of high yield bond: €250m, 4.875%, maturity in Jan 2021
- Repayment of convertible bond: €240m, 2.75%, maturity in Jan 2018

All figures in € million

- SGL Group net financial debt excl. SGL ACF
- Net financial debt from proportional SGL ACF consolidation
Summary
The new SGL Group.

- **High-tech growth** company
- **Material expertise** in carbon fiber and graphite
- Providing **smart solutions** along the **entire value chain**
- **Above average growth** potential in **high growth markets** serving the **megatrends energy, mobility, and digitization**
- Exposure to >35 industries **reduces volatility**
Thank you for your attention!
We look forward to your questions
Backup
Outlook
Business Unit outlook 2017. CFM

Composites – Fibers & Materials (CFM)

- Slight* increase in sales
  - Particularly driven by higher carbon fiber demand for industrial applications and higher prices in textile fibers
  - Slight increase in sales also in market segments automotive
  - Partially offset by lower sales with aerospace (higher level of invoicing in US aerospace materials in prior year) and wind energy market segment

- EBIT** close to 2016 level
  - Operational improvements to be offset by ramp up of Lightweight and Application Center for new developments in automotive and aerospace applications
  - As in prior year, the first quarter will be strongest in the course of the year (high Q1/2017 utilization rate not sustainable in full year; Q1/2016 benefited from very high invoicing levels in US aerospace materials)

- Non-recurring effects
  - Closure of Evanston sale on April 3, 2017 led to a negative earnings effect from attributable cumulative currency translation differences amounting to €6 million as well as a cash inflow on book value level in the second quarter 2017

**"Slight" relates to variances up to 10%; "significant" relates to variances of more than 10%  **before non-recurring items
Business Unit outlook 2017. GMS and Corporate

Graphite Materials & Systems (GMS)

- Approx. 10% increase in sales
  - Growth in market segments battery & other energy, LED, semiconductors, and industrial applications
  - Market segment solar to significantly increase sales due to improved positioning and product portfolio
  - Partially offset by market segment chemicals as capex in chemical industry expected to stay subdued

- Strong EBIT* improvement from higher capacity utilization and cost savings should allow GMS to reach Group minimum ROCE\(_{\text{EBITDA}}\) target of 15% also in the full year

Corporate:

- Higher expenses due to non-recurrence of positive one-time effects in Q4 of prior year
- Like-for-like flat development - discontinuation of services to GE and CFL/CE to be compensated by CORE savings

*before non-recurring items
Group outlook 2017.
Improvement in all major KPIs expected

- High single digit percentage growth in full year **Group sales**

- **Group recurring EBITDA* and EBIT*** to increase more than proportionately to sales due to expected volume increase and initial CORE savings

- **Net result – continuing operations** close to prior year level at a mid double digit million Euro loss
  - Prior year result included positive effect from sale of Evanston site
  - Higher net financing result in 2017 relating to planned early redemption of corporate bond (write-off of capitalized refinancing costs and acceleration fee)

- **Discontinued operations** to improve significantly** by
  - Strong operational improvement in PP
  - Non-recurrence of negative tax impact related to PP carve out and one-off effects in GE in prior year
  - Book profit of approx. €130 million from CFL/CE sale upon closing

*before non-recurring items  
***Slight*** relates to variances up to 10%; ***significant*** relates to variances of more than 10%
Group outlook 2017. (cont.)
Improvement in all major KPIs expected

- **Capex** to increase significantly* compared to prior year and potentially slightly exceed depreciation should we bring forward some investments to realize additional growth opportunities

- **Free cash flow (continued operations)** expected more or less break even in remaining 2017

- **Net debt** at end 2017 to be substantially reduced due to expected cash proceeds from sale of GE and CFL/CE

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*“Slight” relates to variances up to 10%; “significant” relates to variances of more than 10%*
Backup
Latest Results H1/2017
Composites - Fibers & Materials. Strong sales growth partially raw material cost driven

<table>
<thead>
<tr>
<th>in € million</th>
<th>H1/2017</th>
<th>H1/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>176.2</td>
<td>156.5</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>22.9</td>
<td>22.0</td>
</tr>
<tr>
<td>ROCE_{EBITDA} (in %)</td>
<td>10.8</td>
<td>9.9</td>
</tr>
<tr>
<td>EBIT*</td>
<td>12.4</td>
<td>12.2</td>
</tr>
<tr>
<td>EBIT-Margin* (in %)</td>
<td>7.0</td>
<td>7.8</td>
</tr>
</tbody>
</table>

- **Sales revenue** increased by 13% (no currency impact)
  - Higher sales in the market segments **industrial applications** (esp. carbon fibers for injection molding applications), **textile fibers** (driven by higher oil based raw material prices with initial positive effect on selling prices) and **automotive**
  - Sales in the market segments **aerospace** and **wind energy** below prior year level

- **As expected, stable EBIT despite**
  - Improved profitability esp. in market segment **industrial applications** due to higher utilization rates in our carbon fiber plant in Scotland
  - Higher earnings in market segments **automotive** esp. as a result of higher profit contributions from our investments accounted for At-Equity Ceramic Brake Discs and Automotive Composites, and **aerospace** (despite lower sales)
  - Offset by
    - Lower earnings contribution from **textile fibers** (higher energy and raw material costs not yet fully passed on to customers)
    - Higher expenses relating to the buildup of the **Lightweight and Application Center**

* Before non-recurring items of minus €6.0 million in H1/2017 and €0.0 million in H1/2016
Graphite Materials & Systems. Stronger demand in nearly all market segments except chemicals

<table>
<thead>
<tr>
<th>in € million</th>
<th>H1/2017</th>
<th>H1/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>255.1</td>
<td>218.9</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>35.1</td>
<td>24.4</td>
</tr>
<tr>
<td>ROCE&lt;sub&gt;EBITDA&lt;/sub&gt; (in %)</td>
<td>15.2</td>
<td>13.0</td>
</tr>
<tr>
<td>EBIT*</td>
<td>23.9</td>
<td>13.5</td>
</tr>
<tr>
<td>EBIT-Margin* (in %)</td>
<td>9.4</td>
<td>6.2</td>
</tr>
</tbody>
</table>

- **Sales revenue** up 17% (currency adjusted 15%)
  - Higher demand for graphite anode materials for lithium ion battery industry in the market segment *battery & other energy*
  - Improved sales in the market segments *industrial applications* as well as in *solar, semiconductor, LED, automotive*
  - Partially offset by weaker business in the market segment *chemicals* which continues to be impacted by low capex spending in the chemical industry

- Recurring **EBIT** increased substantially by 77%
  - Significantly higher result in the market segments *battery & other energy* as well as *industrial applications*
  - Higher earnings contributions also from the market segments *semiconductor, automotive & transport, and solar*
  - Partially offset by lower earnings contributions from the market segment *chemicals* due to lower business volume

* Before non-recurring items of €0.0 million in H1/2017 and minus €0.4 million in H1/2016
Corporate. Lower expenses driven primarily by cost savings from project CORE

<table>
<thead>
<tr>
<th>in € million</th>
<th>H1/2017</th>
<th>H1/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>-10.9</td>
<td>-12.8</td>
</tr>
<tr>
<td>EBIT*</td>
<td>-13.8</td>
<td>-16.1</td>
</tr>
</tbody>
</table>

- Recurring **EBIT** improved by 14% due to cost savings from project CORE (COorporate REstructuring)
- The name of the former reporting segment T&I and Corporate was simplified to Corporate

*before non-recurring items of minus €0.8 million in H1/2017 and €0.4 million in H1/2016*
Group. Improvement driven by GMS, Corporate and discontinued operations.

<table>
<thead>
<tr>
<th>in € million</th>
<th>H1/2017</th>
<th>H1/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>435.3</td>
<td>379.4</td>
</tr>
<tr>
<td>EBITDA before non-recurring charges</td>
<td>47.1</td>
<td>33.6</td>
</tr>
<tr>
<td>ROCE_{EBITDA} (in %)</td>
<td>9.8</td>
<td>8.3</td>
</tr>
<tr>
<td>EBIT before non-recurring charges</td>
<td>22.5</td>
<td>9.6</td>
</tr>
<tr>
<td>Non-recurring charges</td>
<td>-6.8</td>
<td>0.0</td>
</tr>
<tr>
<td>EBIT</td>
<td>15.7</td>
<td>9.6</td>
</tr>
<tr>
<td>Net financing result</td>
<td>-26.2</td>
<td>-25.9</td>
</tr>
<tr>
<td>Results from continuing operations before income taxes</td>
<td>-10.5</td>
<td>-16.3</td>
</tr>
<tr>
<td>Income tax expense and non controlling interests</td>
<td>-7.0</td>
<td>-7.5</td>
</tr>
<tr>
<td>Result from discontinued operations, net of income taxes</td>
<td>13.9</td>
<td>-49.4</td>
</tr>
<tr>
<td>Consolidated net result attributable to shareholders of parent company</td>
<td>-3.6</td>
<td>-73.2</td>
</tr>
</tbody>
</table>

- **Net financing result** includes accelerated write off of remaining capitalized refinancing costs relating to the €250 million corporate bond with 2021 maturity as we will redeem it early following the closing of the GE sale to Showa Denko.

- **Discontinued operations** significantly improved due to further operational improvement in CFL/CE and €4 million reversal of impairment losses from the remeasurement of the GE business at fair value less costs to sell in the reporting period; prior year period included negative tax impact related to PP carve out and restructuring charges in GE.
Free cash flow. Still negative but improved

<table>
<thead>
<tr>
<th>in € million (continuing operations)</th>
<th>H1/2017</th>
<th>H1/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>-36.8</td>
<td>-36.0</td>
</tr>
<tr>
<td>Capital expenditures in property, plant and equipment and intangible assets</td>
<td>-14.7</td>
<td>-9.2</td>
</tr>
<tr>
<td>Cash flow from other investing activities*</td>
<td>21.8</td>
<td>-1.3</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>-29.7</td>
<td>-46.5</td>
</tr>
<tr>
<td>Free cash flow from discontinued operations</td>
<td>-0.9</td>
<td>-38.0</td>
</tr>
</tbody>
</table>

- **Cash flow from operating activities** remained stable despite the increase in net working capital, which offset the improved result from continuing operations.

- **Cash flow from other investing activities** improved significantly despite higher capital expenditures due to the cash inflow from the sale of the Evanston site, a land sale in Banting (Malaysia), as well as higher dividend payments from at equity accounted investments.

- **Free cash flow from discontinued operations** nearly broke even mainly driven by an improvement in operating cash flows of former business unit PP and despite higher capital expenditures and the final installment of $9 million of the negative purchase price to the buyer of HITCO’s aerostructures activities.

*Dividends received, payments for capital contributions in investments accounted for At-Equity and other financial assets, proceeds from sale of intangible assets and property, plant and equipment.*
**Balance sheet.** Positive impact from PP disposals yet to come

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity ratio (in %)</td>
<td>17.7</td>
<td>17.5</td>
</tr>
<tr>
<td>Total liquidity (incl. discontinued operations)</td>
<td>293.2</td>
<td>333.0</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>477.0</td>
<td>449.4</td>
</tr>
<tr>
<td>Gearing (net debt/equity)</td>
<td>1.46</td>
<td>1.35</td>
</tr>
</tbody>
</table>

- **Equity ratio** improved slightly by 20bps mainly as a result of the decrease in total assets and despite the slight decrease in equity by 2%

- **Liquidity at end of H1/2017 more than sufficient** to cover expected operational cash outflow in 2017 – with expected proceeds of more than €200 million at closing of the GE sale we intend to **exercise our call on the €250 million corporate bond.** Remaining cash and proceeds from sale of CFL/CE will be more than sufficient to **meet the January 2018 maturity of the convertible bond issued in 2012**

- Early repayment of the corporate bond will make a **further €100 million available under the syndicated loan** which could be used for the repayment of the convertible bond (in case the CFL/CE sale closes after the maturity date of the convertible bond)

- Higher **net financial debt** reflects mainly the reduced liquidity, resulting primarily from the buildup of working capital (decrease in trade payables and increase in trade receivables), and the final installment of €9 million of the negative purchase price to the buyer of HITCO’s aerostructures activities
Backup
Miscellaneous
Lean organization. Streamlined to two business units and a corporate office

Main shareholders¹)

- Skion ~28.5%
- BMW ~18%
- VW ~10%

Composites – Fibers & Materials (CFM)²)
- Carbon fibers
- Fiber-based materials
- Composite components

Graphite Materials & Systems (GMS)
- Graphite based products and solutions
- Process technology

Performance Products (PP):
- Graphite electrodes³)
- Cathodes, furnace linings, carbon electrodes⁴)

Corporate
- Corporate Functions & Service Centers
- Innovation Management
- SGL Excellence (SGL X)

¹) according to their respective latest notifications (VW notification as of June 1, 2016; however VW did not participate in the December 2016 rights issue)
²) Includes stakes of 51% in JV with BMW (proportionally consolidated) and 50% each in JVs Ceramic Brake Discs and Automotive Components (at-equity)
³) Agreement signed on October 20, 2016 to sell to Showa Denko, closing targeted H2/2017
⁴) Agreement signed on August 08, 2017 to sell to Triton, closing targeted in Q4/2017

PP carve out finalized and classified as discontinued operations as of June 30, 2016
ROCE. Remains key management principle for managing the business

In 2014, we, the new Board of Management, introduced ROCE as new key management principle, replacing ROS

We wanted to be held accountable for our stated targets and goals

As a result we implemented the ROCE target in all senior management layers, aligning their incentive system with ours

We started reporting ROCE on Group and BU levels on a quarterly basis, so that our progress can be tracked

While we are not yet where we want to be, we have made substantial progress toward our targeted ROCE ≥ 15%*

* ROCE defined as EBITDA/Capital employed
Transaction details of announced Graphite Electrodes sale.

- **Transaction scope**: The entire GE business, except for certain legacy assets\(^{(1)}\)
- GE business represents ~70% of Performance Product (PP) division and ~28% of total SGL Group (of 2015A sales)

- **Valuation & financial impact**
  - Enterprise Value of €350 million (cash and debt free) translates into expected cash proceeds of at least €200 million (after deduction of standard debt-like items such as pension and restructuring provisions)
  - The sale resulted in impairment charges of €18 million in 2016, which are related to transaction costs and the continuation of the GE business until closing
  - The cash proceeds equal the book value as of September 30, 2016. Thus, the transaction does not trigger any write-downs on the book value in the GE business

- **Terms & conditions**
  - Closing expected latest early Q4 and mainly subject to merger clearance
  - Limited SGL Group guarantees towards buyer for potential environmental liabilities
  - Representation & warranty package is capped at low double digit millions

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\(^{(1)}\) Griesheim, Lachute site, and Narni

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Successful disposal of the loss-making GE business is a major step forward with regard to our strategic realignment
Transaction details of announced CFL/CE sale.

- **Transaction scope**
  - Transaction scope is the remaining part of the PP division, i.e. **Cathodes, Furnace Linings and Carbon Electrodes** business
  - CFL/CE represents ~30% of **Performance Product (PP) division** and ~20% of total **SGL Group** (of 2015A sales)

- **Valuation & financial impact**
  - **Enterprise Value of €250 million** (cash and debt free) translates into expected **cash proceeds of at least €230 million** (after deduction of standard debt-like items i.e. mainly pension provisions and other customary adjustments)
  - The sale will result in a **book profit of approx. €130 million** after closing in FY2017

- **Terms & conditions**
  - **Closing expected in Q4/2017** and mainly subject to antitrust approval

**Successful disposal of the profitable CFL/CE business in a short period of time is a further major step forward with regard to our strategic realignment**
Reporting Segment.
Composites - Fibers & Materials (CFM)

Activities
- Carbon Fibers
- Composite Materials
- 51% SGL ACF (JVs with BMW)
- Ceramic Brake Discs
- Automotive Composites

Group sales 2016
- CFM 42%
- €770m

Key industries served
- Automotive
- Wind energy
- Aerospace
- Industrial (e.g. Pressure Vessels)
- Textile fibers

Characteristics
- New applications in automotive, wind energy, industrial
- High earnings improvement potential
- Complete value chain in house
- The only EU based carbon fiber company

CFM sales 2016
- Automotive 29%
- Wind energy 15%
- Aerospace 7%
- Textile fibers 28%
- Industrial applications 21%

Strategic priorities
- Strengthen capabilities to safeguard globally leading position
- Develop products and production technologies for innovative customer solutions
- Exploit synergies across the value chain
Composites - Fibers & Materials (CFM). The only integrated European carbon fiber & composites producer

Carbon Fibers & Composite Materials

- PAN Precursor
  - Fisipe
  - MSP: JV with Mitsubishi Rayon (33%)

- Carbon Fiber
  - SGL Group: Muir of Ord (Scotland, UK)
  - SGL ACF: JV with BMW (51%) Moses Lake (WA, USA)

- Composite Materials

Prepreg Preform

- SGL epo
- SGL Kümpers (51%)
- SGL ACF: JV with BMW (51%)

Composite Components

- Refocused on materials and automotive / industrial components

Automotive & industrial

- Automotive Composites (50% JV with Benteler)
- Ceramic Brake Discs (50% JV with Brembo)
Our Composites in the Automotive Industry.
Leaf springs for suspension systems

Significant weight-savings through glass fiber based lightweight leaf spring

- Structural component for axle module, from simulation-assisted product design up to parts delivery in large series
- Fully automated production lines
- Peak volume over 550,000 pieces/a
- Weight saving combined with dynamic driving advantages

New Volvo XC 90

Source: Benteler SGL
The next level of Carbon Fiber in Automotive.
New BMW 7 series

Significant weight-savings through lightweight chassis
Key differentiator in automotive.
Focus on industrializing carbon fiber usage

- Key to **increased usage of carbon fiber in automotive** is the ability to produce in **serial scale** and to provide **cost competitiveness** to other materials taking into account the substantial benefits of composite materials.
- Name of the game is **automation**
  - We command a carbon fiber technology which is **ideally suited for use in automated processes**
  - We possess **technologies for automated processing of materials and production of components**

**Automated braiding**
New hybrid materials manufactured with automated production systems. Example B-Pillar

1. Materials
2. Prepreg Production
3. Laminate Layup
4. Laminate layup
5. Forming & Pressing

Final product

Cycle times of < 50 seconds enable large series production (e.g. 150,000 pieces/a)

Source: SGL Group
Carbon in Automotive. Stringent CO₂ emission restrictions globally

CO₂ emissions car fleet actual averages and targets
[in g CO₂ per km, normalized to NEDC*]

- Global approach to reduce CO₂ emissions
- Progressively more comfort and safety features on board
- Driver for lightweight

*New European Driving Cycle
Source: ICCT
Example EU. CO₂ reduction targets can only be achieved with lightweight construction

**OEM fleet target development (EU)**

<table>
<thead>
<tr>
<th></th>
<th>2014 actual</th>
<th>2020 target</th>
<th>2025 expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>123</td>
<td>95</td>
<td>≤ 75</td>
</tr>
</tbody>
</table>

Only achievable with lightweight

<table>
<thead>
<tr>
<th></th>
<th>2014 actual</th>
<th>ICE*</th>
<th>Lightweight (moderate)</th>
<th>Reachable without electrification</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>123</td>
<td>~20-25</td>
<td>~20-25</td>
<td>~80</td>
</tr>
</tbody>
</table>

-23% -21%

*Internal combustion engine
Source: ICCT, McKinsey, SGL estimates
Carbon in Automotive. Lightweight materials offer significant weight advantages – especially CFRP

Relative component weight (with the same functionality) [in %]

<table>
<thead>
<tr>
<th>Material</th>
<th>Weight Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel</td>
<td>100%</td>
</tr>
<tr>
<td>Lightweight steel</td>
<td>-5 to -25%</td>
</tr>
<tr>
<td>construction</td>
<td>-40%</td>
</tr>
<tr>
<td>Aluminum</td>
<td>-15%</td>
</tr>
<tr>
<td>Magnesium</td>
<td>-20%</td>
</tr>
<tr>
<td>CFRP quasi-isotropic</td>
<td>-60%</td>
</tr>
<tr>
<td>CFRP unidirectional</td>
<td></td>
</tr>
</tbody>
</table>

Source: N/EK-L; EKP
Reporting Segment
Graphite Materials & Systems
Reporting Segment.
Graphite Materials & Systems (GMS)

Activities
- Anode materials
- Isostatic
- Fiber Materials
- Extruded
- Die molded
- Expanded
- Process Technology

Key industries served
- Lithium-Ion-Battery
- Solar
- Semiconductor
- LED
- Chemical
- Automotive & transport
- Industrial applications*

Characteristics
- Higher value-added products enabling customer innovations
- Specialized, partially tailor-made, products for differentiated customers
- Innovation driven business
- Engineered products & solutions for customers from > 35 industries – some with high growth potential

GMS sales 2016
- €770m
- GMS 58%

GMS sales 2016
- Industrial applications 32%
- Battery and other energy 16%
- Solar 11%
- LED 2%
- Semiconductor 5%
- Automotive & transport 7%
- Chemical 27%

Strategic priorities
- Focus on forward integration
- Combine material-Know-how and engineering competence
- Advanced material, equipment, and process solutions in cooperation with customers
- Global competence and presence
- Improve cost competitiveness
- Target new market segments

*e.g. electric discharge machining (EDM), oil and gas, glass, high temperature applications, metallurgy
Graphite materials enable innovation.

Examples:
- Advanced graphite anode materials for lithium-ion batteries
- Graphite foils and felts for stationary energy storage
- Additives for lead acid batteries
- 3D filament wound susceptors for semiconductors
- Advanced silicon carbide coated carriers for LED
- CFRC charging racks carriers for high-temperature applications
- Extra large reactors for polysilicon production
- CFRC column internals for chemical processes

Target approx. 1/3 of sales based on new products introduced over the last 4 years
**Graphite Materials & Systems.**
Leading market shares in major end markets

<table>
<thead>
<tr>
<th>Global markets shares 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
</tr>
<tr>
<td>Batteries &amp; other energy</td>
</tr>
<tr>
<td>Solar</td>
</tr>
<tr>
<td>Semiconductor</td>
</tr>
<tr>
<td>LED</td>
</tr>
<tr>
<td>Automotive &amp; transportation</td>
</tr>
<tr>
<td>Industrial applications</td>
</tr>
</tbody>
</table>

Source: SGL Group’s own estimates
Global presence.
Continued operations

<table>
<thead>
<tr>
<th>8 production sites</th>
<th>19 production sites</th>
<th>7 production sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>Europe</td>
<td>Asia</td>
</tr>
</tbody>
</table>

- **North America**: 8 production sites
- **Europe**: 19 production sites
- **Asia**: 7 production sites
## Shares in issue and shareholder structure.

### Basic shares

<table>
<thead>
<tr>
<th>Basic shares</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Identification Number</td>
<td>723530</td>
</tr>
<tr>
<td>ISIN Number</td>
<td>DE0007235301</td>
</tr>
<tr>
<td>Cusip Number</td>
<td>784 188 203</td>
</tr>
<tr>
<td>Number of Shares (as at July 31, 2017)</td>
<td>122,341,478</td>
</tr>
<tr>
<td>Free float</td>
<td>~ 45%</td>
</tr>
</tbody>
</table>

### Reported shareholdings according to §§ 21 f. WpHG

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Date</th>
<th>Shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>SKion GmbH</td>
<td>(Oct 15, 2014)</td>
<td>27.46%*</td>
</tr>
<tr>
<td>BMW AG</td>
<td>(Oct 15, 2014)</td>
<td>18.44%</td>
</tr>
<tr>
<td>Volkswagen AG</td>
<td>(Jun 1, 2016)</td>
<td>9.82%**</td>
</tr>
</tbody>
</table>

*In December 2016, SKion GmbH purchased additional shares of SGL Carbon SE, resulting in their holding increasing to ~28.5%.

**Volkswagen AG did not participate in the December 2016 rights issue.
## Debt market instruments.

### Corporate bond

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coupon</td>
<td>4.875%</td>
</tr>
<tr>
<td>Principal Amount</td>
<td>€ 250 million</td>
</tr>
<tr>
<td>Issue Date</td>
<td>12 December 2013</td>
</tr>
<tr>
<td>Date of Maturity</td>
<td>15 January 2021</td>
</tr>
</tbody>
</table>

### Convertible notes 2012/2018

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coupon</td>
<td>2.75%</td>
</tr>
<tr>
<td>Principal Amount</td>
<td>€ 240 million</td>
</tr>
<tr>
<td>Adjusted Conversion Price</td>
<td>€ 37.5067</td>
</tr>
<tr>
<td>Conversion Right</td>
<td>6.39 million shares</td>
</tr>
<tr>
<td>(as at July 31, 2017)</td>
<td></td>
</tr>
<tr>
<td>Issue Date</td>
<td>25 April 2012</td>
</tr>
<tr>
<td>Date of Maturity</td>
<td>25 January 2018</td>
</tr>
</tbody>
</table>

### Convertible notes 2015/2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coupon</td>
<td>3.5%</td>
</tr>
<tr>
<td>Principal Amount</td>
<td>€ 167 million</td>
</tr>
<tr>
<td>Conversion Price</td>
<td>€ 17.0732</td>
</tr>
<tr>
<td>Conversion Right</td>
<td>9.78 million shares</td>
</tr>
<tr>
<td>(as at July 31, 2017)</td>
<td></td>
</tr>
<tr>
<td>Issue Date</td>
<td>14 September 2015</td>
</tr>
<tr>
<td>Date of Maturity</td>
<td>30 September 2020</td>
</tr>
</tbody>
</table>
Important note:

This presentation contains statements relating to certain projections and business trends that are forward-looking, including statements with respect to SGL Group’s outlook and business development, including developments in SGL Group’s Composites - Fibers & Materials and Graphite Materials & Systems businesses, expected customer demand, expected industry trends and expected trends in the business environment, statements with respect to the sale of the graphite electrodes (GE) business and the expected sale of the cathodes, furnace linings, and carbon electrodes (CFL/CE) businesses, statements related to SGL Group’s cost savings programs and statements with respect to the intention to conduct a share capital increase. You can generally identify these statements by the use of words like “may”, “will”, “could”, “should”, “project”, “believe”, “anticipate”, “expect”, “plan”, “estimate”, “forecast”, “potential”, “intend”, “continue” and variations of these words or comparable words. These statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about SGL Group’s businesses and future financial results, and readers should not place undue reliance on them. Forward-looking statements do not guarantee future performance and involve risks and uncertainties. These risks and uncertainties include, without limitation, changes in political, economic, legal and business conditions, particularly relating to SGL Group’s main customer industries, competitive products and pricing, the ability to achieve sustained growth and profitability in SGL Group’s Composites - Fibers & Materials and Graphite Materials & Systems businesses, the impact of any manufacturing efficiencies and capacity constraints, widespread adoption of carbon fiber products and components in key end-markets of the SGL Group, including the automotive and aviation industries, the inability to execute additional cost savings or restructuring measures, availability of raw materials and critical manufacturing equipment, trade environment, changes in interest rates, exchange rates, tax rates, and regulation, available cash and liquidity, SGL Group’s ability to refinance its indebtedness, development of the SGL Group’s pension obligations, share price fluctuation, the satisfaction of the closing conditions for the disposition of the graphite electrodes (GE) business, including obtaining relevant regulatory approvals, the possibility that the length of time necessary to consummate the disposition of the graphite electrodes (GE) business may be longer than anticipated, the achievement of the expected benefits of the disposition of the graphite electrodes (GE) business, the possibility that the SGL Group may suffer as a result of uncertainty surrounding the disposition of the graphite electrodes (GE) business, the anticipated effect of the disposition of the graphite electrodes (GE) business may have on SGL Group’s financial condition and results of operations, the ability to sell the cathodes, furnace linings, and carbon electrodes (CFL/CE) businesses at a price satisfactory to SGL Group or at all and other risks identified in SGL Group’s financial reports. These forward-looking statements are made only as of the date of this document. SGL Group does not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

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