Capital Markets Day
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Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.
Successful transformation of SGL Carbon.
Carbon and graphite for Megatrends

1878

Lighting

Steel, Aluminum

Mobility, Energy, Digitization

SGL Carbon | Capital Markets Day | October 11, 2018
The transformation of SGL Group.
We have implemented the announced strategy

✓ Disposal of the PP business to concentrate our resources on the growth areas CFM and GMS
✓ Focus on CFM and GMS improves the balance between markets and industries, and thus reduces volatility in our business
New SGL Carbon.
Specialized on carbon- and graphite-based solutions

- 34 Sites
- ~4,800 Employees
- 100+ Countries
- €860m Revenue

Mobility
Energy
Digitization
Industrial Applications
Chemical
Textile Fibers

1 Status 2017
Global presence.
SGL Carbon worldwide sites
Group market segmentation.
Stronger orientation to customer and growth markets

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>Sales ¥ million</th>
<th>Mobility</th>
<th>Energy</th>
<th>Digitization</th>
<th>Industrial Applications</th>
<th>Chemical</th>
<th>Textile Fibers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>860</td>
<td>19%</td>
<td>22%</td>
<td>5%</td>
<td>29%</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>2016</td>
<td>770</td>
<td>20%</td>
<td>22%</td>
<td>4%</td>
<td>27%</td>
<td>15%</td>
<td>12%</td>
</tr>
</tbody>
</table>

1 Figures do not reflect full consolidation of SGL ACF and Benteler SGL as well as disposal of SGL Kümpers
2 comprises automotive, aerospace and transport markets; 3 comprises battery, solar, wind and other energy markets; 4 comprises LED and semiconductor markets
Commanding the entire value chain.
Advantages in cost, quality and differentiation

CFM

- Focus on customer requirements
- Tailor-made solutions
- Differentiation through integration

GMS

Raw materials | Intermediate stages | Semi finished products | Solutions & components
SGL Innovation.
Refocused on future growth markets

SGL Innovation

GMS Application & Technology
- Graphite anode materials for lithium-ion batteries
- Isostatic and extruded graphite
- Coated graphite for semiconductors
- Carbon and graphite felts
- Thermal management solutions
- Sealing materials
- Equipment for chemical industry
- Die mold materials for automotive

CFM Technology
- Textile and carbon fibers
- Textile materials
- Pre-impregnated materials
- Thermoplastic materials
- Wet friction materials
- Lightweight solutions & prototypes

Central Innovation
- Strategic scouting
- Advanced & future carbon fibers
- Future composites
- Future coatings
- 3D printed materials
- Next generation materials for lithium-ion batteries
- C/ SiC$^1$ ceramics
- Gas diffusion layers for fuel cells

$^1$C/SiC: Carbon/Silicon Carbide
SGL Central Innovation – future growth areas.
From research and development to profitable business

**Startups:** Develop business with profitable growth

**Development:** Products & technology in cooperation with customers and partners

**Future growth areas:** Defined by analysis of markets and Megatrends in technology

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**Research**

**Development**

**Commercialization**

**Future coating**

Scouting: Medtec, water treatment, etc.

**Future carbon fibers & textiles**

Future carbon fibers & textiles

**Future composites**

Future composites

**3D printing**

Nanoparticle Si/C for next generation lithium-ion batteries

**C/SiC ceramics**

C/SiC² ceramics

GDL for fuel cell

**Si/C:** Silicon/Carbon

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1GDL: Gas diffusion layer; ²C/SiC: Carbon/Silicon carbide; ³Si/C: Silicon/Carbon
Targets for 2020 remain valid, we introduced new mid-term targets. Market trends and business positioning drive accelerated growth.

Additional 2022 targets:

- Net profit margin: ~6-7%
- Free cash flow margin: ~5%

Over the entire guidance period:

- Equity ratio: ≥30%
- Leverage ratio: ≤2.5
- Gearing: ≤0.5

Driver for ROCE improvement: Top line growth, higher margin products, efficiency improvements

1. Like-for-like comparison, i.e. before changes in joint venture structures; 2. EBIT before non-recurring items
SGL Carbon – our growth path.
Different mid-term growth patterns expected in GMS and CFM

- Well developed material
- Well established markets and businesses
- “Linear” growth expected

- Young material
- Breakthrough in composites today
- We have to develop our markets
- Project-driven growth expected, back-end loaded

Graphs for illustrative purposes; not to scale
The new SGL Carbon.
In a nutshell:

- Material competence based on **carbon** and **high temperature processes**
- Commands **entire** carbon fiber and graphite **value chain**
- **High tech** carbon fiber & graphite based **engineered solutions**
- **Diversified customer base** – servicing more than 35 industries
- **Sales growth** fueled by the **megatrends energy, mobility and digitization**
- Targeting **earnings growth more than proportionate** to sales growth

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1 Carbon refers to the chemical element – graphite and carbon fiber are forms of carbon
Welcome to Meitingen.
A large center of innovation

- Home to our **Central Innovation** department
- Both Business Units are present with activities
- **CFM**: Carbon fiber pilot plant as well as Lightweight and Application Center
- **GMS**: Battery lab and Application & Technology team
Agenda

1. Welcome address and introduction  
   - Jürgen Köhler, CEO

2. Meitingen – site transformation  
   - Markus Partik, Site Manager

3. Composites – Fibers & Materials (CFM)  
   - Andreas Wüllner, Head of BU CFM

4. Lunch:  
   - LAC tour
   - Show & tell booths
   - Andreas Wüllner, Andreas Wöginger (CFM)
   - Tilo Hauke, Oswin Öttinger (Central Innovation)

5. Graphite Materials & Systems (GMS)  
   - Burkhard Straube, Head of BU GMS

6. Safeguarding planned profitable growth  
   - Michael Majerus, CFO

7. Thank you and farewell  
   - Jürgen Köhler, CEO

Please save your questions for the end of each presentation