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

1. **Right size**
   Disposal* of underperforming businesses and businesses 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

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*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

- Composites – Fibers & Materials (CFM)
  - Fibers and materials for composites

- Graphite Materials & Systems (GMS)
  - Graphite based technological solutions

Discontinued operations

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

- Sold to Showa Denko
- To be sold in 2017

- 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 with focus on:
Mobility, energy supply and digitization

34 SITES
100+ COUNTRIES
3,942 EMPLOYEES
50% REVENUE GROWTH BY 2020

Mobility
Energy
Digitization
Growing with global megatrends.
Carbon based solutions

<table>
<thead>
<tr>
<th>SGL Growth</th>
<th>Market growth, CAGR 2015 - 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CFM</strong> 10 %&lt;sup&gt;4&lt;/sup&gt;</td>
<td>Energy 10 %&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Wind Pressure vessels</td>
<td>Digitization 7 - 9 %&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>mobile 3C end devices</td>
</tr>
<tr>
<td><strong>GMS</strong> 6 - 8 %&lt;sup&gt;4&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Stationary energy storage Lithium-ion batteries</td>
<td></td>
</tr>
<tr>
<td>Solar, LED Nuclear, Polysilicon Stationary energy storage Heat recovery etc.</td>
<td>LED Semiconductor Sapphire glass</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>Mobility¹</th>
<th>Energy²</th>
<th>Digitization³</th>
<th>Industrial Applications</th>
<th>Chemical</th>
<th>Textile Fibers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>20 %</td>
<td>22 %</td>
<td>4 %</td>
<td>27 %</td>
<td>15 %</td>
<td>12 %</td>
</tr>
<tr>
<td>2015</td>
<td>18 %</td>
<td>20 %</td>
<td>4 %</td>
<td>27 %</td>
<td>17 %</td>
<td>14 %</td>
</tr>
</tbody>
</table>

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

Focus on customer requirements

Tailor-made solutions

Differentiation through integration

Focus on customer requirements

Tailor-made solutions

Differentiation through integration

Control over the entire value chain. Tailor-made solutions for all customers

Focus on customer requirements

Tailor-made solutions

Differentiation through integration
The two business units
## 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><strong>Sales</strong> 2016</td>
<td>29 %</td>
<td>7 %</td>
<td>15 %</td>
<td>21 %</td>
<td>28 %</td>
</tr>
<tr>
<td><strong>2015</strong></td>
<td>28 %</td>
<td>4 %</td>
<td>15 %</td>
<td>20 %</td>
<td>33 %</td>
</tr>
</tbody>
</table>

Composites – Fibers & Materials (CFM).
CFM: Our solutions serve key markets.

### Unique integrated value chain

<table>
<thead>
<tr>
<th>Fibers</th>
<th>Textile Fibers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad portfolio of high-performance products</td>
<td>Automotive</td>
</tr>
<tr>
<td>- Acrylic Fibers</td>
<td>Aerospace</td>
</tr>
<tr>
<td>- Oxidized Fibers</td>
<td>Wind Energy</td>
</tr>
<tr>
<td>- Carbon Fibers</td>
<td>Industrial</td>
</tr>
<tr>
<td>- Yarns</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Materials</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Production technologies along the fiber value chain</td>
<td></td>
</tr>
<tr>
<td>- Woven Fabrics</td>
<td>- Preforms</td>
</tr>
<tr>
<td>- Non-crimped Fabrics</td>
<td>- Prepregs</td>
</tr>
<tr>
<td>- Resins, Adhesives</td>
<td>- Organo Sheets</td>
</tr>
<tr>
<td>- Braidings</td>
<td>- Wet Friction Materials</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Components</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lightweight and Application Center (LAC)</td>
<td></td>
</tr>
<tr>
<td>In-house bridge between SGL products and customer applications in the development of fiber reinforced composite components</td>
<td></td>
</tr>
<tr>
<td>- Engineering solutions and manufacturing prototypes (e.g. CFRP Parts)</td>
<td></td>
</tr>
</tbody>
</table>
Graphite Materials & Systems (GMS).
New market segmentation

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

Main properties of graphite

- Resistance to high temperatures
- Mechanical strength
- Electrical and thermal conductivity
- Corrosion resistance
- Thermal shock resistance
- Purity

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\(^2\)/semiconductor production
- C/C\(^3\) carrier frame for solar wafers
- Meander heater for mono-silicon units

... in the Battery and Energy Storage Industry

- SiC\(^1\) coated wafer carrier for LED\(^2\)/semiconductor production
- C/C\(^3\) carrier frame for solar wafers
- Meander heater for mono-silicon units
- Redox flow battery electrode consisting of battery felt and bipolar plate
- Anode material for lithium-ion batteries

... 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
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

- €1.1 billion sales by 2020

**Financial targets**

- Net debt***/EBITDA < 2.5
- Gearing ~ 0.5
- Equity ratio > 30%
- ROCE ≥ 15%***

---

* Excluding disposal proceeds; ** Excluding pensions; *** ROCE defined as EBITDA/Capital employed
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
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.
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
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
  - Slight increase in sales also in market segments automotive and textile fibers
  - Partially to be offset by lower sales with aerospace market segment (higher level of invoicing in US aerospace materials in prior year)
  - Upside potential possible in textile fiber sales driven by oil based higher raw material costs – no EBIT impact

- EBIT* close to 2016 level
  - Positive impact of higher capacity utilization to be offset by ramp up of Lightweight and Application Center for new developments in automotive and aerospace applications and higher depreciation resulting from conversion of precursor line
  - As in prior year, the first quarter will be strongest in the course of the year (Q1/2017: high utilization rate will not continue over the course of the year; Q1/2016: effect from higher invoicing level in US aerospace materials)

- **Non-recurring effects**
  - Closure of Evanston sale on April 3, 2017 will lead to a negative earnings effect from attributable cumulative currency translation differences amounting to approx. €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)

- Slight** 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 (despite subdued market outlook for 2017)
  - 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 – getting very close, maybe even achieving our Group minimum ROCE_{EBITDA} target of 15%

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

***“Slight” relates to variances up to 10%; “significant” relates to variances of more than 10%***

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

- Full year **Group sales** to increase high single digit in percentage terms
- **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)
- **Capex** to increase compared to prior year but at the most at D&A level
- **Discontinued operations** to improve significantly driven by
  - Operational improvement in CFL/CE (operational improvement in GE not reflected in P&L as expected cash losses already provisioned in 2016 at time of sale agreement to Showa Denko)
  - Non-recurrence of tax impact related to PP carve out and one-off effects in GE in prior year
- **Free cash flow** 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 potentially CFL/CE (depending on timing of transaction/closing)

**“Slight” relates to variances up to 10%; “significant” relates to variances of more than 10% **before non-recurring items
Backup
PP disposal
Transaction details of announced Graphite Electrodes sale.

- **Transaction scope**
  - Transaction scope is 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 in mid 2017 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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Successful disposal of the loss-making GE business is a major step forward with regard to our strategic realignment

(1) Griesheim, Lachute site, and Narni
Sale process of CFL/CE business ongoing.
Profitable business with leading market position

<table>
<thead>
<tr>
<th>CFL/CE key highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong end market dynamics supported by global mega trends – population growth, urbanization and further global industrialization</td>
</tr>
<tr>
<td>Technological and innovation leadership – solution provider focused on customer value creation</td>
</tr>
<tr>
<td>#1 Global #1 cathode supplier by deliveries(^{(1)}) – A leading global player in furnace linings and carbon electrodes</td>
</tr>
<tr>
<td>Highly cost competitive production facilities in Poland with high levels of utilization</td>
</tr>
<tr>
<td>Strong and trusted relationships with customers on a global basis</td>
</tr>
<tr>
<td>Highly experienced management team with proven track record in cost and performance leadership</td>
</tr>
</tbody>
</table>

Source: Company Information

\(^{(1)}\) Bottom blocks; excluding supplies to Chinese market. Market share based on total delivery volumes of 150kmt (all cathode grades)
Update on PP disposal process.

- Status of closing proceedings of **GE sale to Showa Denko**
  - Antitrust approval received from respective authorities in Germany, Japan, and Russia
  - Merger clearance process in US ongoing
  - Execution of step plan between signing and closing progressing as scheduled
  - We remain confident to close the transaction in mid 2017

- Status of **sales process of CFL/CE**
  - Detailed information package distributed to mid double digit number of interested parties
  - Low double digit number of indicative bids received until early May
  - Phase 2 of the divestment process* will be started soon with selected bidders
  - We continue to expect a signing in second half of 2017

*Includes management presentations, site visits and due diligence
Backup Group
Carbon and Graphite.
Positioned along the entire value chain

Control over the entire value chain enables product customization to customer requirements

Customers receive tailor made solutions from every step of the value chain

Forward integration in finishing technologies (GMS) and CFRP-components (CFM) including application know how are essential for differentiation
Backup
CFM
CFM: Composite Specialist.
Solutions for future material mixes

- CFM is an innovation leader for composites and possesses comprehensive competence for fibers, materials and applications.
- CFM’s materials are stronger and lighter. They save energy where mass is in motion. As a lightweight specialist, CFM benefits from the megatrends mobility and CO₂ reduction.
- CFM of SGL Group is the only European company that covers the entire carbon fiber value chain. This allows us to control quality and costs.
CFM Example: Strong position in the automotive industry. Transfer existing know how industry wide

- Automobile manufacturers have to design **lighter cars**, driven by global regulations limiting CO\(_2\) emissions and the resulting trend towards alternative drive trains.
  - In Europe, car manufacturers could be required to reduce the average CO\(_2\) **emissions** of their car fleet to below 75g/km until 2025 – this can only be done with lightweight construction.
  - The weight of hydrogen tanks or lithium ion batteries can be **offset with lighter materials**.
- CFM has an **innovation lead** of several years in lightweight technologies. Our competencies, which until now were dedicated to BMW Group, can now be offered to the entire industry.

- **Extend offering of innovative fiber materials and composites** as showcased by the “Carbon Core” body of the new BMW 7 series where composites were used for the first time in **large scale automotive production**
- **Investment into the Lightweight and Applications Center in Meitingen (Germany)**, e.g. for the simulation and production of prototypes and small scale series
- **New projects** with non-German car makers
CFM Example: Expansion into other industries.
Exploit material competence in aviation sector

- CFM will transfer its lightweight competence from the automotive industry increasingly into the aviation sector with a new generation of industrial carbon fibers.
  - Our high tow carbon fibers provide better performance at the same high quality standard – at lower production costs.
  - The surface of our carbon fibers bonds exceptionally well with other composite materials.
- These materials show particular potential for secondary structures such as floor panels, cowlings, and landing gear doors.

Aviation

- Dedicated development and marketing activities for the aviation industry, particularly for commercial aircrafts
- Serial delivery to Airbus for its A350 model
Backup
GMS
GMS: Development partner for our customers.
Graphite based solutions

- GMS is the development partner – “enabler” – of our customers for graphite based advanced technological solutions.
- Offering products and solutions to more than 35 industries, the business unit is grounded on a broad base. GMS has leading market positions in many areas, providing stability.
- GMS benefits from the megatrends energy supply and digitalization. GMS will continue to widen its technological portfolio and capture new regions.
GMS Example: Energy supply as growth driver. Reinforcement of leading position

- Our graphite solutions are used in **energy applications**. We participate in the rising usage of new battery generations.
  - Our graphite anode materials are employed in **lithium-ion-batteries**, among others for **electric cars**. The market for alternative drive trains will grow strongly over the next years.
- GMS is a globally leading development partner for **the solar and photovoltaic industry**.
  - Our isostatic graphite is required in the value chain of the photovoltaic industry. Dynamic growth continues to be expected for this industry – approx. 12% for 2016.*

---

**Energy**

- Development of **next generation synthetic graphite anode materials** - higher storage capacity to increase range of electric cars
- Exploiting the **expanded isostatic graphite production center** (completed in 2014) in Bonn

*Source: IHS*
GMS Example: Digitization and graphite.
LED and semiconductor industry drive demand

- GMS specializes in **surface coating technologies**. These are required in equipment for manufacturing polysilicon, LEDs, and semiconductors.
  - Polysilicon demand for the semiconductor industry is expected to grow 11% per annum until 2017.*
  - Industry service provider „LED Insight“ expects annual growth of 10% for the LED industry due to the strong demand for lighting applications.
- Due to increasing requirements regarding size, quality, and supplier reliability, GMS is a **dependable supplier of key components** for new generation polysilicon production equipment.

LED

- Close cooperation with our customers in the further development of purified surface coatings for the LED and the semiconductor industries
- Expanding **coating technologies and capacities**
- Strengthening regional and application competences

*Sources: IHS, World Semiconductor Trade Statistics
Backup
Latest Financials Q1/2017
Composites - Fibers & Materials. Strong sales growth partially raw material cost driven

<table>
<thead>
<tr>
<th></th>
<th>Q1/2017</th>
<th>Q1/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>93.6</td>
<td>82.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>13.3</td>
<td>12.7</td>
</tr>
<tr>
<td>ROCE&lt;sub&gt;EBITDA&lt;/sub&gt; (in %)</td>
<td>10.6</td>
<td>10.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>7.9</td>
<td>7.8</td>
</tr>
<tr>
<td>EBIT-Margin (in %)</td>
<td>8.4</td>
<td>9.5</td>
</tr>
</tbody>
</table>

- **Sales revenue** increased by 14% (no currency impact) due to
  - Higher sales in the market segments **industrial applications** (esp. carbon fibers for composites) and **textile fibers** (driven by higher oil based raw material prices with initial positive effect on selling prices)
  - Slightly higher sales in the market segments **automotive** and **wind energy**; sales in the market segment **aerospace** below high prior year level

- As expected, stable **EBIT** due to
  - Improved profitability esp. in market segment **industrial applications** due to higher utilization rates in our carbon fiber plants
  - Higher earnings in market segment **automotive** esp. as a result of higher profit contributions from our At-Equity investments Ceramic Brake Discs and Automotive Composites
  - Offset by
    - Lower earnings contributions from market segments **textile fibers** (time lag in fully passing over higher raw material costs) and **aerospace** (high base from last years higher invoicing in US materials business)
    - Higher expenses relating to the buildup of the **Lightweight and Application Center**
Graphite Materials & Systems. Stronger demand in nearly all market segments except chemicals

<table>
<thead>
<tr>
<th>in € million</th>
<th>Q1/2017</th>
<th>Q1/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>121.4</td>
<td>103.0</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>14.1</td>
<td>12.4</td>
</tr>
<tr>
<td>ROCE_{EBITDA} (in %)</td>
<td>12.9</td>
<td>13.0</td>
</tr>
<tr>
<td>EBIT*</td>
<td>8.5</td>
<td>7.0</td>
</tr>
<tr>
<td>EBIT-Margin* (in %)</td>
<td>7.0</td>
<td>6.8</td>
</tr>
</tbody>
</table>

- **Sales revenue** up 18 % (currency adjusted 17%)
  - Higher demand for graphite anode materials for lithium ion battery industry in the market segment **battery & other energy**
  - Improved sales in the market segments **solar, semiconductor, LED** as well as in **industrial applications**
  - 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 by 21%
  - Significantly higher result in the market segment **battery & other energy**
  - Higher earnings contributions also from the market segments **LED, automotive & transport, solar, and industrial applications**
  - Partially offset by lower earnings contributions from the market segment **chemicals** due to lower business volume

* Before non-recurring charges of €0.0 million in Q1/2017 and €0.2 million in Q1/2016
Corporate. Lower expenses driven primarily by cost savings from project CORE

<table>
<thead>
<tr>
<th>in € million</th>
<th>Q1/2017</th>
<th>Q1/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>1.3</td>
<td>2.2</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>-5.4</td>
<td>-6.7</td>
</tr>
<tr>
<td>EBIT*</td>
<td>-6.8</td>
<td>-8.4</td>
</tr>
</tbody>
</table>

- Recurring EBIT improved by 19% due to
  - Cost savings as a result of project CORE (COrporate REstructuring)

- The name of the former reporting segment T&I and Corporate was simplified to Corporate.

*before non-recurring charges of €0.6 million in Q1/2017 and plus €0.4 million in Q1/2016
**Group. Improvement driven by GMS, Corporate and discontinued operations.**

<table>
<thead>
<tr>
<th>in € million</th>
<th>Q1/2017</th>
<th>Q1/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>216.3</td>
<td>187.5</td>
</tr>
<tr>
<td><strong>EBITDA before non-recurring charges</strong></td>
<td>22.0</td>
<td>18.4</td>
</tr>
<tr>
<td><strong>ROCE______EBITDA (in %)</strong></td>
<td>8.6</td>
<td>8.5</td>
</tr>
<tr>
<td><strong>EBIT before non-recurring charges</strong></td>
<td>9.6</td>
<td>6.4</td>
</tr>
<tr>
<td>Non-recurring charges</td>
<td>-0.6</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>9.0</td>
<td>6.6</td>
</tr>
<tr>
<td>Net financing result</td>
<td>-14.1</td>
<td>-15.3</td>
</tr>
<tr>
<td>Results from continuing operations before income taxes</td>
<td>-5.1</td>
<td>-8.7</td>
</tr>
<tr>
<td>Income tax expense and non controlling interests</td>
<td>-1.7</td>
<td>-7.9</td>
</tr>
<tr>
<td>Result from discontinued operations, net of income taxes</td>
<td>6.5</td>
<td>-9.8</td>
</tr>
<tr>
<td><strong>Consolidated net result attributable to shareholders of parent company</strong></td>
<td>-0.3</td>
<td>-26.4</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 because we intend to redeem early the corporate bond following the closing of the GE sale to Showa Denko.
- Improvement in **income tax expense** mainly driven by non-recurrence of write off of deferred tax assets in prior year period.
- **Discontinued operations** achieved turnaround due to operational improvement in CFL/CE and non-recurrence of tax impact related to PP carve out and restructuring charges in GE in prior year period; current operational performance of GE not reflected in P&L as provisions were made in 2016 for expected cash losses until closing following disposal agreement with Showa Denko.
Free cash flow.
Still negative but improved

<table>
<thead>
<tr>
<th></th>
<th>Q1/2017</th>
<th>Q1/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>-31.8</td>
<td>-45.1</td>
</tr>
<tr>
<td>Capital expenditures in property, plant and equipment and intangible assets</td>
<td>-4.9</td>
<td>-4.2</td>
</tr>
<tr>
<td>Cash flow from other investing activities*</td>
<td>5.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>-31.5</td>
<td>-48.1</td>
</tr>
<tr>
<td>Free cash flow from discontinued operations</td>
<td>0.7</td>
<td>-10.8</td>
</tr>
</tbody>
</table>

- **Cash flow from operating activities** improved by more than €13 million due to the higher result from continuing operations before taxes and a VAT repayment received in Q1/2017

- **Free cash flow from discontinued operations** reached break even mainly driven by an improvement of operating cash flows of former business unit PP only partially offset by cash flow from investing activities and includes 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>18.0</td>
<td>17.5</td>
</tr>
<tr>
<td>Total liquidity (incl. discontinued operations)</td>
<td>297.4</td>
<td>333.0</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>482.5</td>
<td>449.4</td>
</tr>
<tr>
<td>Gearing (net debt/equity)</td>
<td>1.42</td>
<td>1.35</td>
</tr>
</tbody>
</table>

- **Equity ratio** improved slightly to 18% mainly due to positive FX translation effects resulting from the stronger Polish zloty.
- **Liquidity at end of Q1/2017 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.
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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