



Investor & Analyst Conference Call

Wiesbaden
October 29, 2019

Dr. Michael Majerus (Speaker of the Board of Management)



- 1 Preliminary results 9M/2019**
- 2 Impairment charge
- 3 Revised guidance 2019
- 4 Initial view on 2020

Preliminary results 9M/2019 for the Group in line with recent expectations.

Recurring EBIT in € million (approx.)	9M/2019	9M/2018
CFM	~ -2	21
GMS	~ 71	60
Corporate	~ -15	-21
Group	~ 54	59

Recurring EBIT in € million (approx.)	Q3/2019	Q2/2019	Q1/2019
CFM	~ -5	2.4	0.4
GMS	~ 22	22.6	25.9
Corporate	~ -1	-5.9	-7.6
Group	~ 16	19.1	18.7

- Group Q3/2019 and thus 9M/2019 overall in line with full year guidance as revised in August 14, 2019 Ad-hoc notification; full interim report on first nine months 2019 will be published on November 5, 2019 as planned
- As presented in the August Ad-hoc notification, CFM showed a strong deterioration in Q3/2019 sequentially and YoY
- Corporate improved strongly sequentially in Q3/2019 mainly due to lower expenses for management incentives plans
- GMS on the whole is continuation of strong trends seen in first two quarters of this year

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Impairment relates only to one cash generating unit in CFM. Recently acquired assets of former JVs with BMW and Benteler not affected

Reporting segment CFM has three so-called cash generating units

CF/CM

Serves all market segments

Impairment requirement of €70-80m relating to reduced business expectations particularly in the market segment **Textile Fibers** and **Industrial Applications**

Former
SGL ACF

Serves primarily market segment **Automotive**

NO IMPAIRMENT
REQUIREMENT

Former
Benteler
SGL

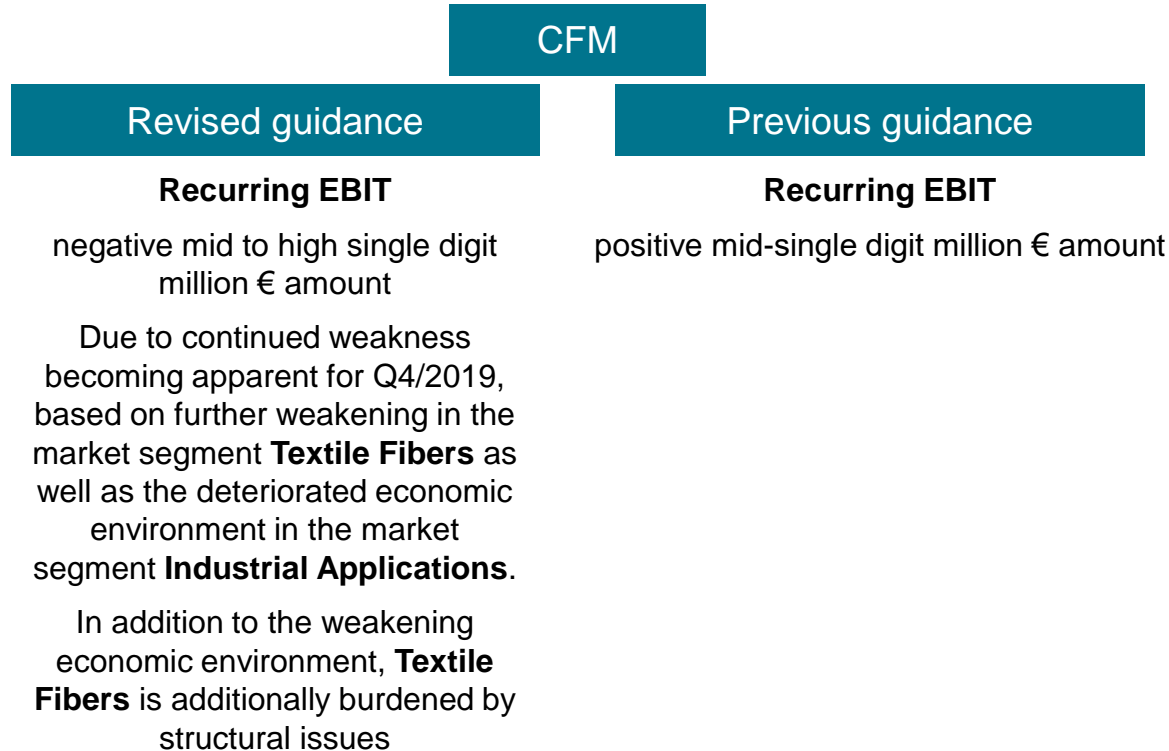
Serves primarily market segment **Automotive**

NO IMPAIRMENT
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Revised guidance 2019.

Reporting Segment CFM



Situation in CFM.

Strategic, higher-margin and higher-growth markets Automotive and Aerospace intact as well as certain attractive end markets within Industrial Applications

- **Automotive:** the growing number of projects bears proof that the company's strategy to develop complete composite-based components is beginning to take effect. Especially the increasing number of projects driven by electromobility will have a positive impact.
- **Aerospace:** we have increased our presence and expanded our product portfolio in recent months and plan to accelerate market access and growth in the higher-margin aerospace business.
- **Industrial Applications:** we will increase the share of certain attractive end markets (e.g. medtech)

These are the decisive markets for long term growth and performance of CFM

„Opportunistic“ markets Textiles Fibers (TF) and commoditized end markets within Wind Energy (WE) and Industrial Applications (IA)

- To gain attractive Aerospace/Automotive/IA contracts, we must prove capabilities along the entire value chain, i.e. also in precursor and carbon fiber (upstream capacities); but this business is not yet big enough to fully utilize our upstream capacities
- We therefore temporarily opportunistically serve commoditized markets in order to prevent underutilization of capital intensive capacities
- **TF** and commoditized end markets of **IA** currently under pressure due to weak economic environment and structural issues

These markets are NOT decisive for long term growth and performance of CFM

Recent earnings deterioration in CFM will be counteracted with various measures.

- **Targeted staff reduction** of around 3 percent in the business unit CFM; half of the reduction has already taken place. Expenses for these restructuring measures are included in the revised full year guidance for 2019.
- **Accelerated conversion of textile fiber** production lines **into precursor** production lines for carbon fiber production
- **Product mix improvements** in the **Industrial Applications** and **Textile Fibers** market segments
- Selective **price increases**
- **Accelerated implementation of Operational Excellence** programs and implementation beyond production functions
- **Growth in higher-margin Aerospace** business to be accelerated
- **Management changes** implemented

Outlook 2019.

Group

EBIT¹

Revised guidance
Approx. €45-50m

Previous guidance
Approx. €55m

Consolidated net results

Revised guidance
approximately minus €100 million due to

- reduced expectations at CFM
- impairment charge at CFM of €70-80m
- write-off DTA of up to €10m

Previous guidance high
single digit million loss

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Initial view on 2020. Group

Sales

Slightly below 2019 level

(2019 sales expected between
€1.05 and €1.1 bn)

EBIT¹

10 to 15 percent below the
expected 2019 level

(2019 EBIT¹ expected between
€45 and €50m)

Further details to follow in due course as we are still in the
process of finalizing the 2020 budget

Thank you for your attention !

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 related to SGL Group's cost savings programs. 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 may have on SGL Group's financial condition and results of operations 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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