

Broad Base. Best Solutions.



SGL GROUP
THE CARBON COMPANY

Investor Relations Presentation

September 2016

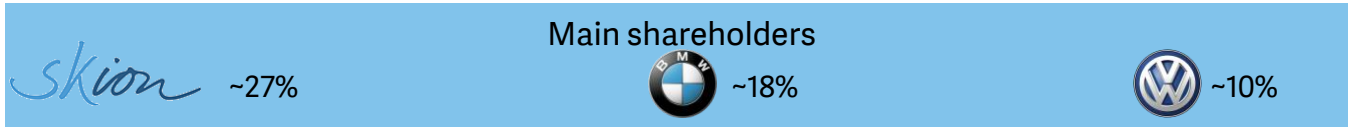
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Introduction to SGL Group's Businesses

Lean organization. Streamlined to two business units and a corporate office



Composites – Fibers & Materials (CFM)*

Carbon fibers
Fiber-based materials
Composite components

Graphite Materials & Systems (GMS)

Graphite based products and solutions
Process technology

Performance Products (PP)

Graphite electrodes
Cathodes
Furnace linings
Carbon electrodes

PP carve out finalized and classified as discontinued operations as of June 30, 2016

Corporate Office (T&I and Corporate)
Corporate Functions & Service Centers
Technology & Innovation (T&I)
SGL Excellence (SGL X)

*Includes stakes of 51% in JV with BMW (proportionally consolidated) and 50% each in JVs Ceramic Brake Discs and Automotive Components (at-equity).

Reporting Segment Composites – Fibers & Materials

(former name: Carbon Fibers & Materials)

Reporting Segment: Composites - Fibers & Materials (CFM).



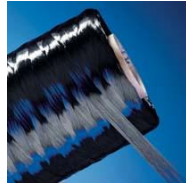
Activities	2015 Group sales	CFM sales – 2015
<ul style="list-style-type: none"> ▪ Carbon Fibers ▪ Composite Materials ▪ 51% SGL ACF (JVs with BMW) ▪ Ceramic Brake Discs ▪ Automotive Composites 	<p>2015 Group sales: €1.3bn</p> <p>CFM: 25%</p>	<p>CFM sales – 2015</p> <p>SGL ACF: 19%</p> <p>Carbon Fibers / Composite Materials: 81%</p>
Key industries served	Characteristics	Strategic priorities
<ul style="list-style-type: none"> ▪ Automotive ▪ Wind Energy ▪ Aerospace ▪ Industrial ▪ Pressure Vessels ▪ Textiles (Acrylic Fibers) 	<ul style="list-style-type: none"> ▪ New applications in automotive, wind energy, industrial ▪ High earnings improvement potential ▪ Complete value chain in house ▪ The only EU based carbon fiber company 	<ul style="list-style-type: none"> ▪ 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

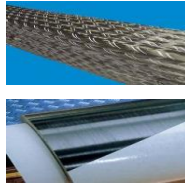
Carbon Fibers & Composite Materials



Raw
Material



Carbon
Fiber



Composite
Materials

PAN Precursor

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

Carbon Fiber

- **Prod. Capacity**
~ 4kt in UK
~ 2kt in USA
- **SGL ACF:** JV with BMW (51%)
- up to 9kt in USA

Prepreg Preform

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

Composite Components

Refocused on materials and automotive / industrial components

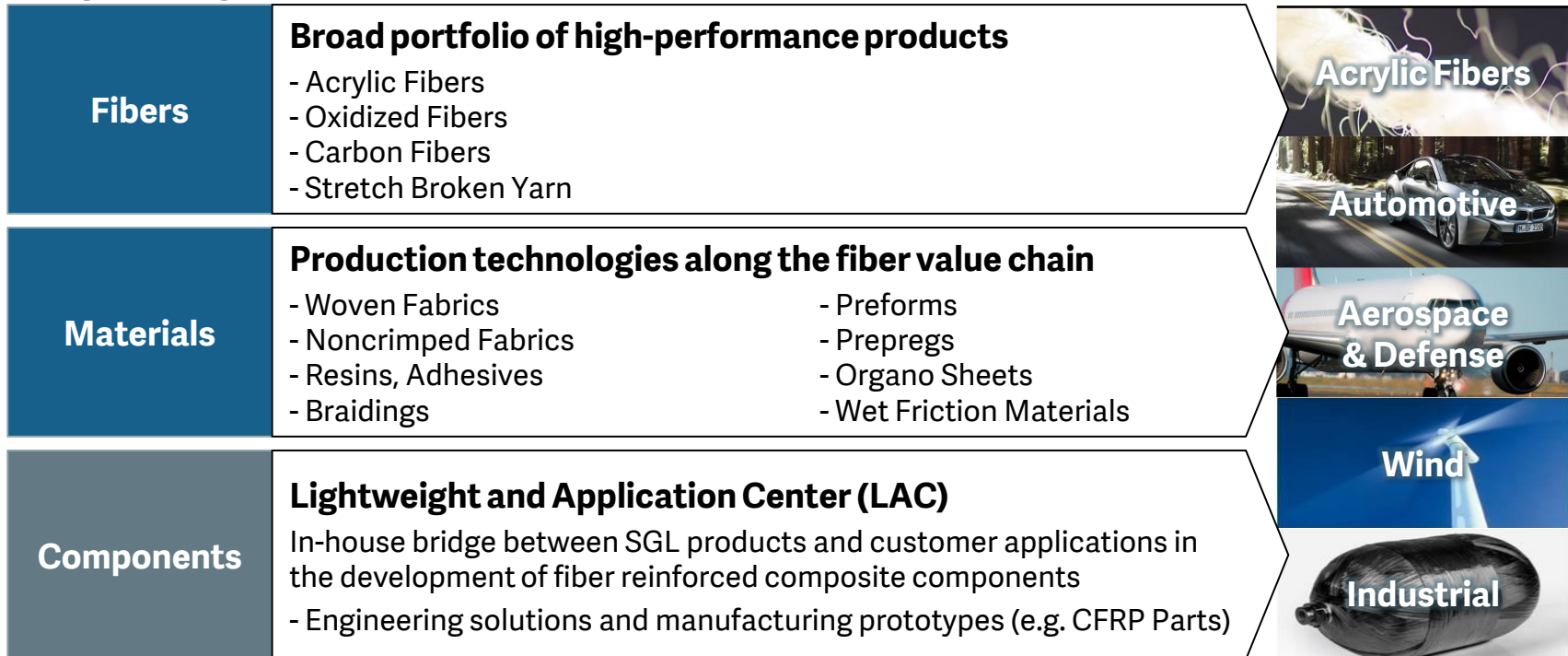
Automotive & industrial

- **Automotive Composites** (50% JV with Benteler)
- **Ceramic Brake Discs** (50% JV with Brembo)



Our solutions serve key markets.

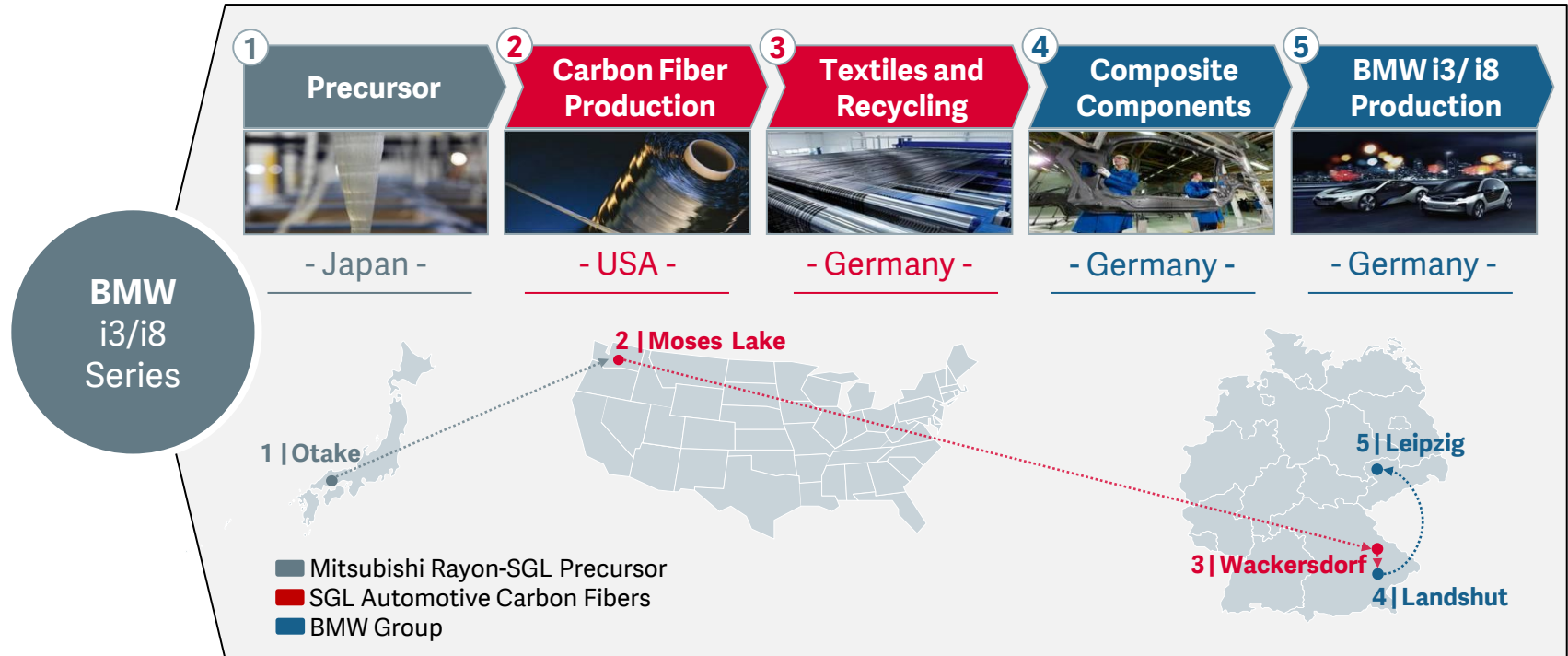
Unique integrated value chain



Our Composites in the Automotive Industry.

Lightweight expertise for the BMW Group

CFRP supply chain



Our Composites in the Automotive Industry.

Integral part of the material mix in series production

Rear bench for performance sports cars

Audi MSS Platform

- Structural Audi MSS (Modular Sportscar System) bodywork system
- The rear bench of the bodywork is made of carbon-fiber reinforced plastic
- Composite components includes all the connecting parts and elements



This platform is used for



Lamborghini Huracan
(Coupé & Spyder)

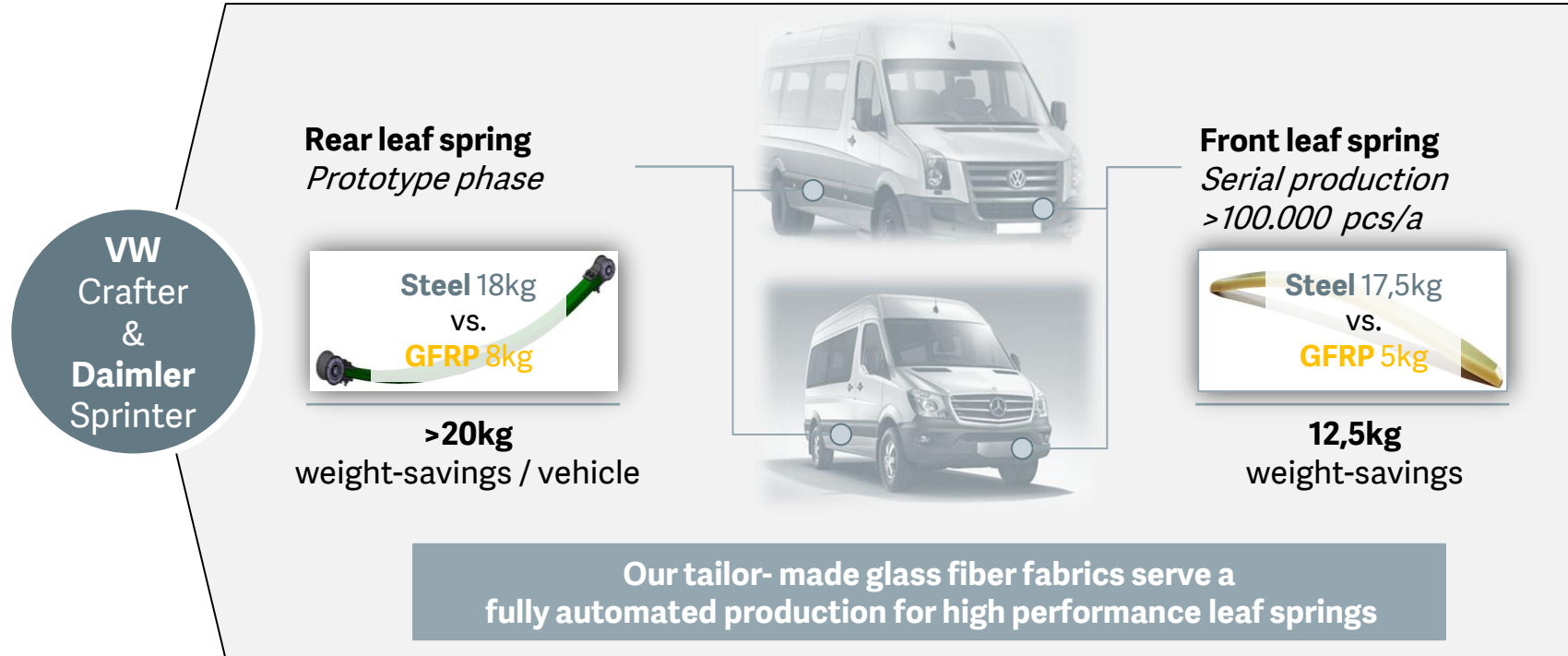


Audi R8
(Coupé & Spyder)

Our Composites in the Automotive Industry.

Leaf springs for suspension systems

Significant weight-savings through glass fiber based lightweight leaf spring



Our Composites in the Automotive Industry.

Leaf springs for suspension systems

Significant weight-savings through glass fiber based lightweight leaf spring

**New
Volvo
XC 90**

- 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



Leaf spring



Volvo XC 90

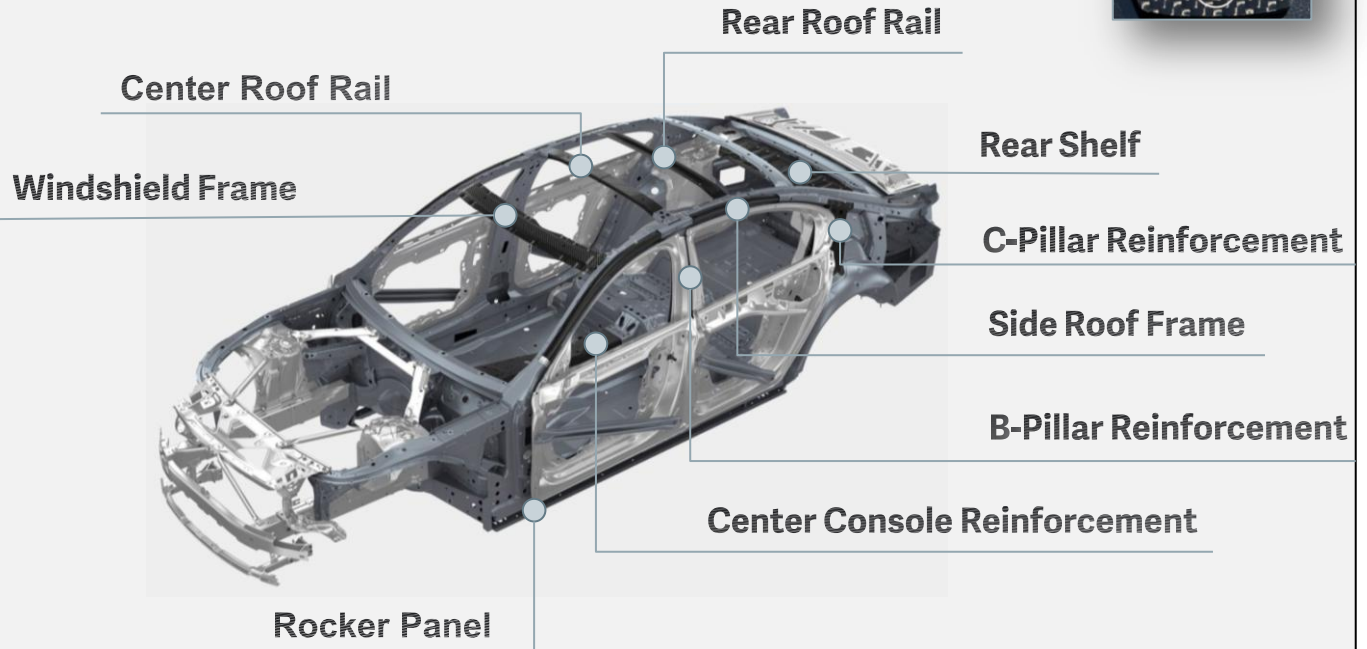
The next level of Carbon Fiber in Automotive.

New BMW 7 series

Significant weight-savings through lightweight chassis

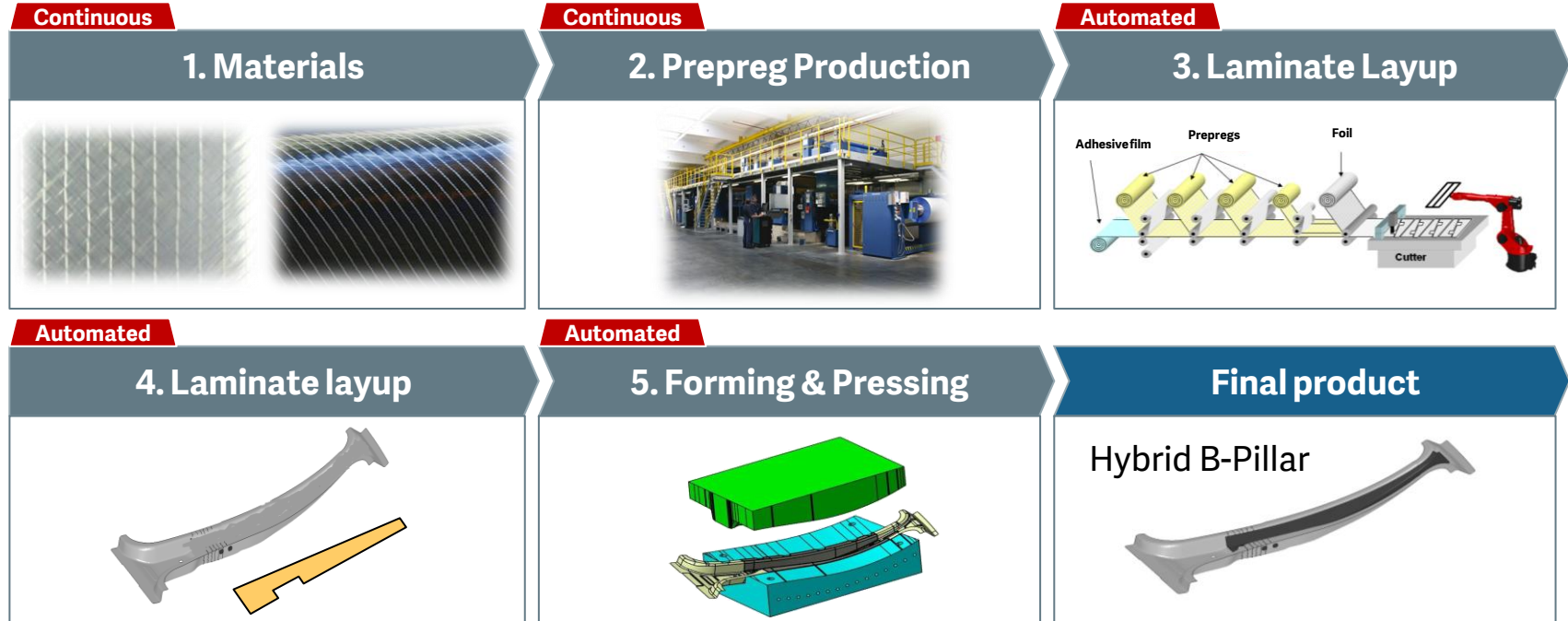


New
BMW
7 Series



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

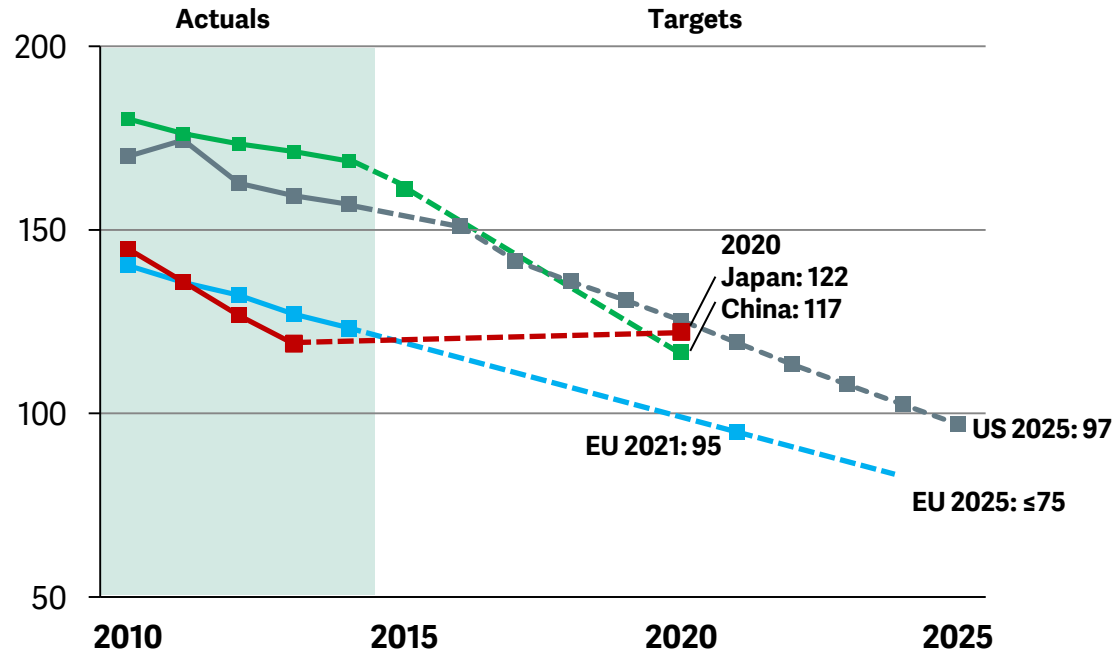
... Production system



Cycle times of < 50 seconds enable large series production (e.g. 150.000 pieces/a)

Carbon in Automotive. Stringent CO₂ emission restrictions globally

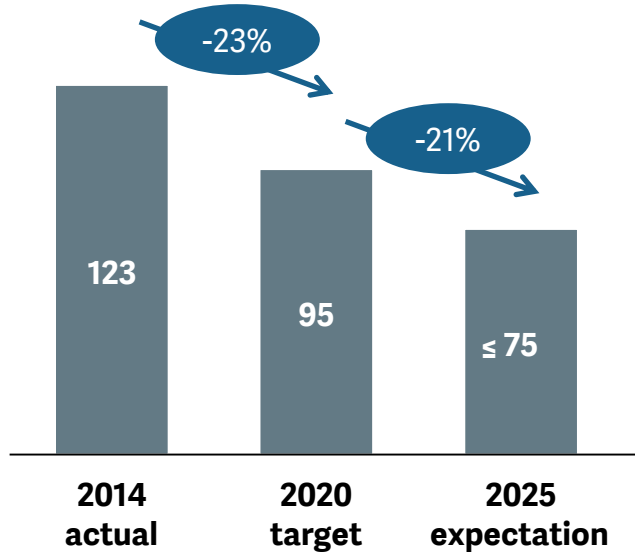
CO₂ emissions car fleet actual averages and targets [in g CO₂ per km, normalized to NEDC*]



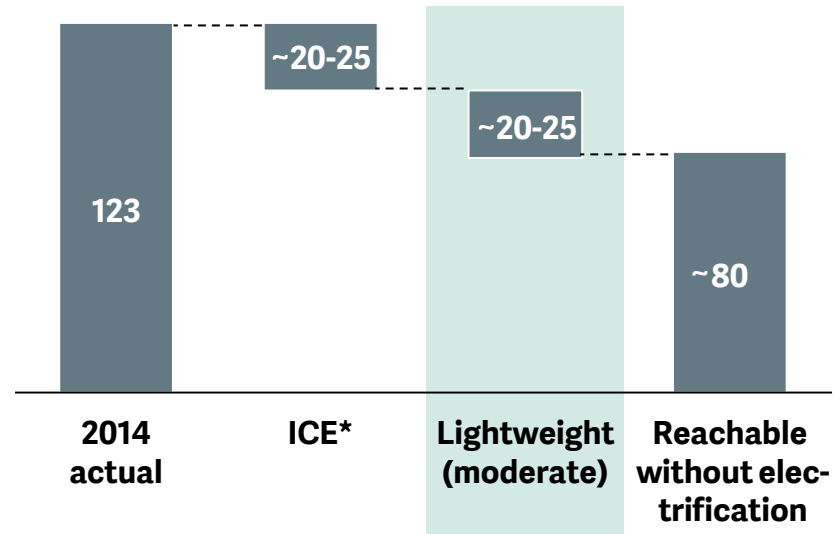
- Global approach to reduce CO₂ emissions
- Progressively more comfort and safety features on board
- Driver for lightweight

Example EU. CO₂ reduction targets can only be achieved with lightweight construction

OEM fleet target development (EU) [in g CO₂/km]



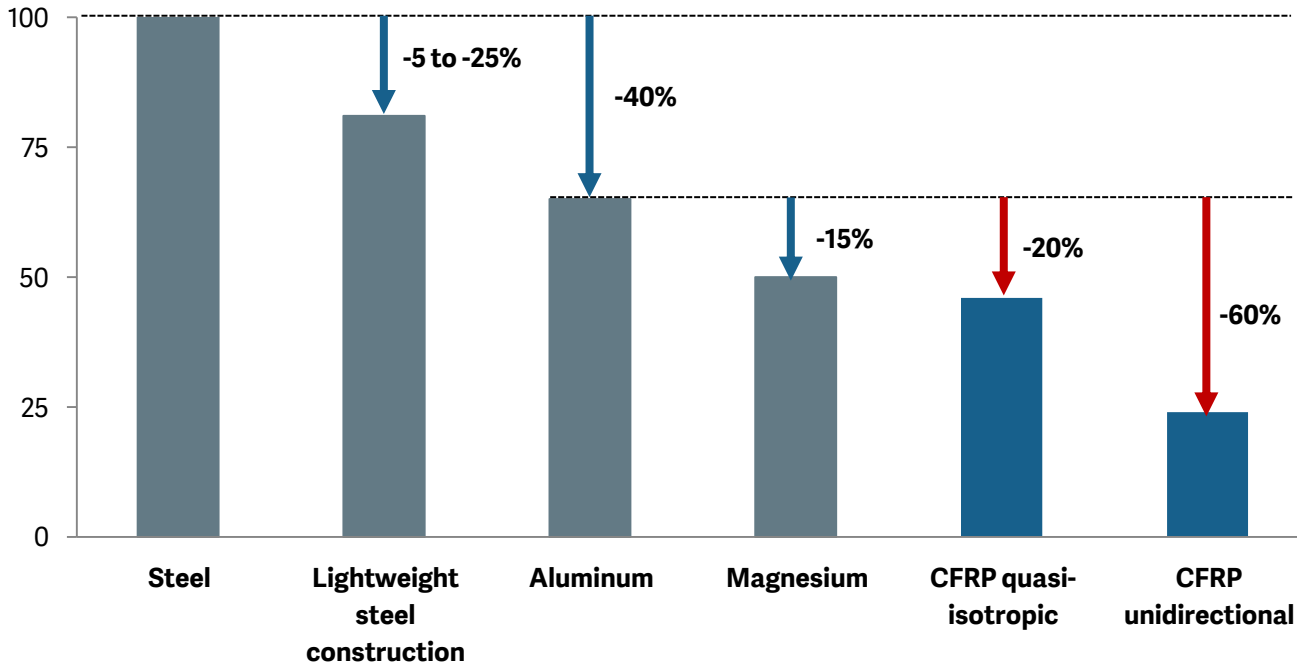
Only achievable with lightweight



Carbon in Automotive. Lightweight materials offer significant weight advantages – especially CFRP

Relative component weight (with the same functionality)

[in %]

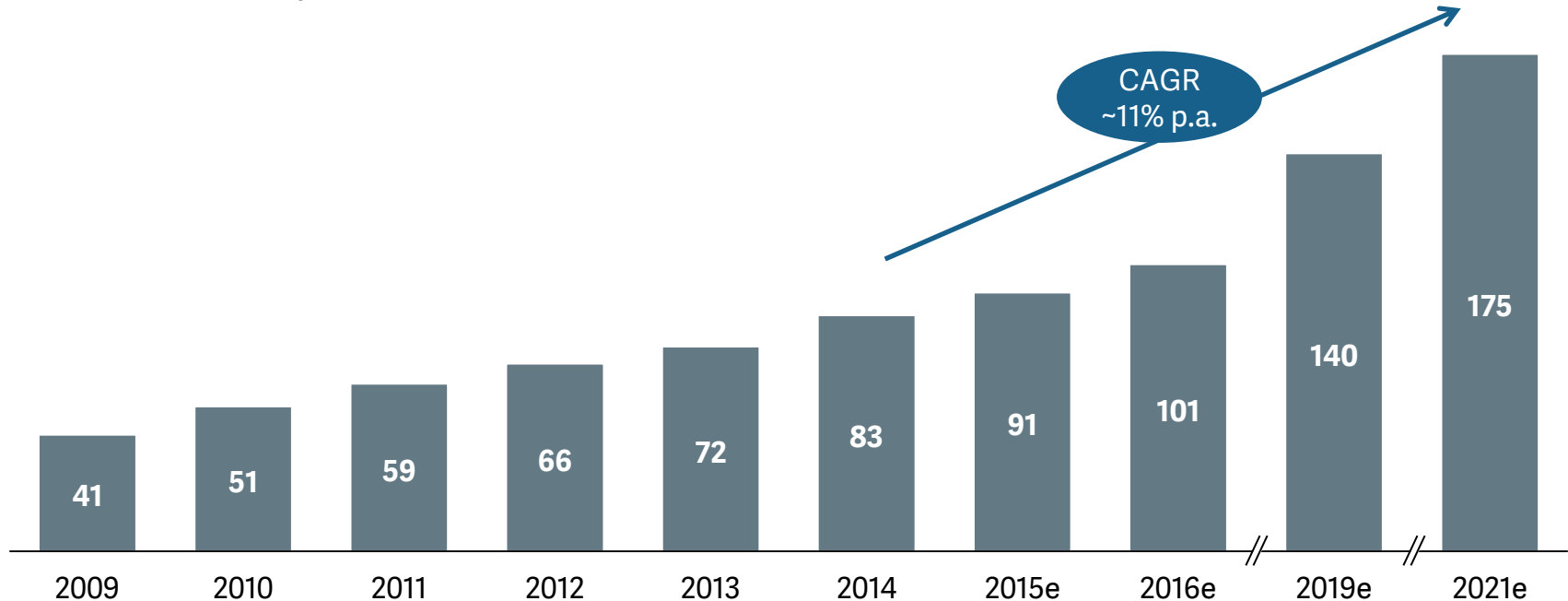


Source: N/EK-L; EKP

Carbon fibers and composite materials. Strong demand growth anticipated



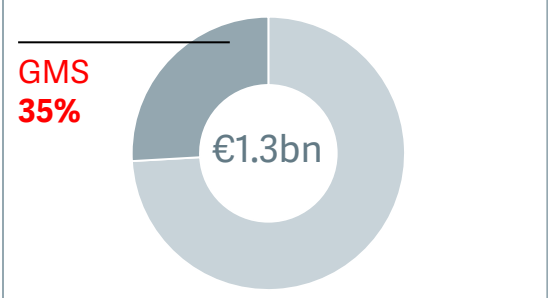
Global Carbon Fiber Reinforced Plastics (CFRP) Demand [in thousand mt p.a.]



Source: CCEV (September 2015)

Reporting Segment Graphite Materials & Systems

Reporting Segment: Graphite Materials & Systems (GMS).

Activities	2015 Group sales	Key industries served
<ul style="list-style-type: none">▪ Anode materials▪ Isostatic▪ Fiber Materials▪ Extruded▪ Die molded▪ Expanded▪ Process Technology	 <p>2015 Group sales: €1.3bn GMS: 35%</p>	<ul style="list-style-type: none">▪ Energy – Solar / Battery▪ Semiconductor▪ LED▪ High-temperature processes▪ Metallurgy▪ Tool manufacturing▪ Automotive▪ Chemical▪ Mining
Characteristics	Strategic priorities	
<ul style="list-style-type: none">▪ Higher value-added products (machining, coating) 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	<ul style="list-style-type: none">▪ Focus on forward integration▪ Combine material-Know-how and engineering competence▪ Advanced material, equipment, and process solutions in close cooperation with customers▪ Global competence and presence▪ Improve cost competitiveness▪ Target new market segments	

Best solutions for our customers. We command the broadest graphite competence in the industry

... in the PV, Semiconductor, and LED Industry



Meander heater for CZ units



SiC coated wafer carrier for LED chip production



C/C carrier frame for solar wafers

... in the Battery and Energy Storage Industry



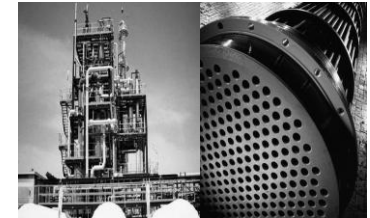
Anode material for lithium-ion batteries

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

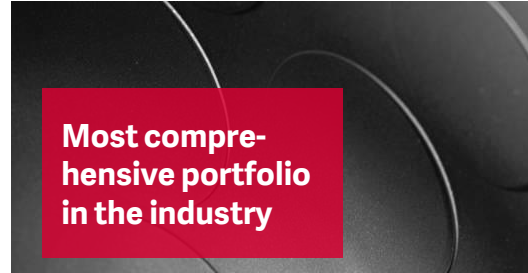


Integrated value chain and broad materials portfolio.

Allow us to serve a wide range of industrial applications



- Feedstock
- Machining
- Purification
- Impregnation & coating
- Global production: America, Asia / Pacific and Europe



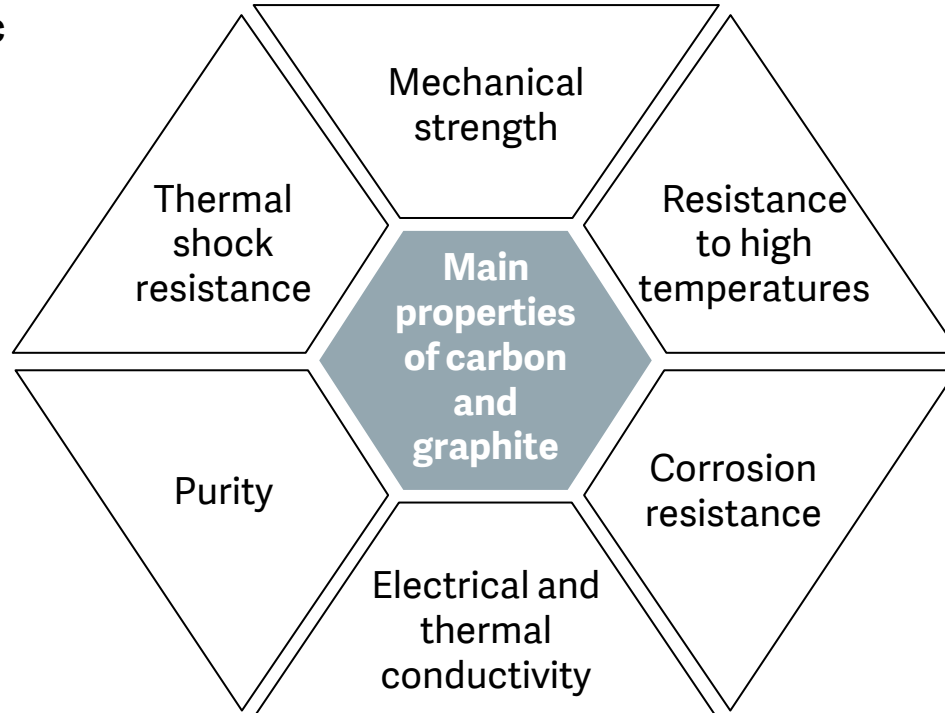
- Isostatic
- Extruded
- Vibro molded
- Die molded
- Expanded
- Carbon fiber reinforced carbon
- Soft & rigid felt
- SiC coating
- Syntheses & heat exchangers



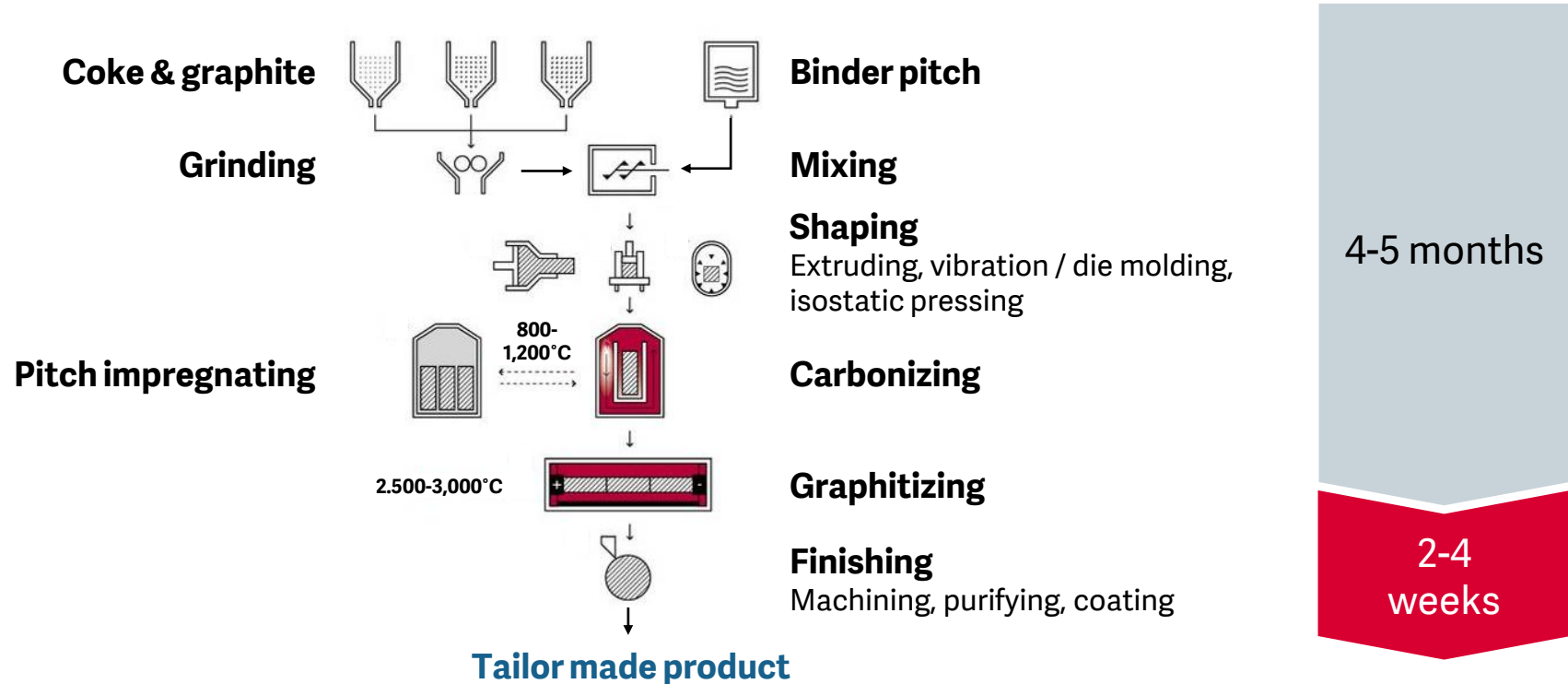
- Chemical
- Lithium ion battery
- Polysilicon, photovoltaic & semiconductor
- LED & sapphire
- Heat treatment
- Sealings & gaskets
- EDM
- Glass & refractories
- Mechanical engineering

Specialty graphite materials required where other materials fail.

Properties can be tailored to specific customer requirements



Production of specialty graphite is complex and requires up to six months.



Process Technology. Process solution provider for chemical and related industries

Product portfolio



Systems

- Syntheses
- Distillation, purification, concentration, dilution
- Absorption, desorption
- Reactors & converters
- Steel pickling



Equipment

- Heat exchangers
- Reactors and internals
- Quenchers and vessels
- Pumps and piping
- Accessories

After sales services

- Spare parts
- Maintenance / Repairs
- Training



Core industries served

- Chemicals
- Pharma
- Metals & Mining
- Energy
- Solar
- Environmental



Core applications

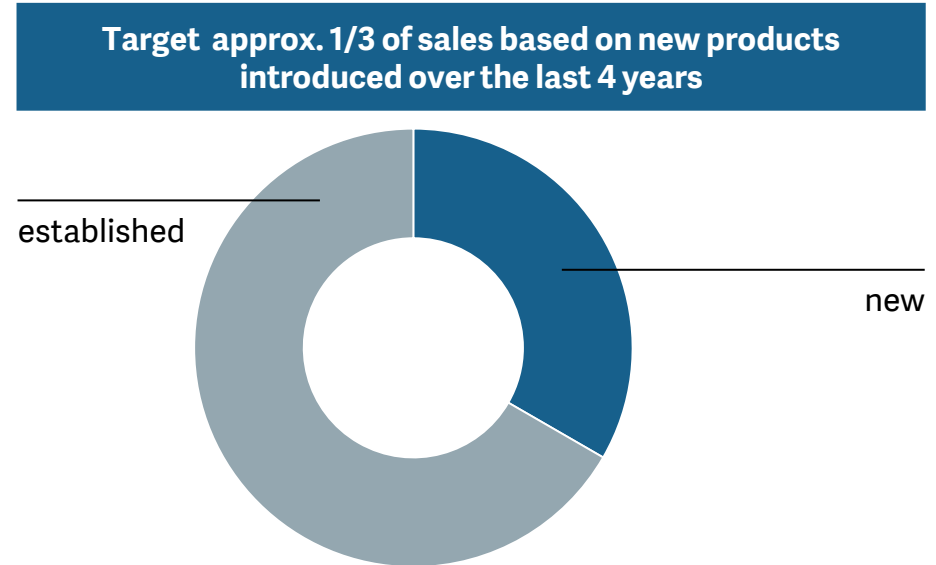
- Hydrochloric acid (HCl)
- Phosphoric acid (H₃PO₄)
- Sulfuric acid (H₂SO₄)
- Hydrofluoric acid (HF)
- Oxidizing acids
- Isocyanates
- Epichlorohydrine (EPC)
- Vinyl chloride (VCM)
- Polysilicon



Graphite materials enable innovation.

Examples:

- Graphite anode material for lithium-ion batteries
- Graphite foils and felts for stationary energy storage
- 3D filament wound susceptors for semiconductor industry
- Extra large carriers for photovoltaic
- Advanced silicon carbide coated carriers for LED
- CFRC charging carriers for high- temperature applications
- Extra large reactors for polysilicon production
- Material solutions for sapphire glass production



Graphite Materials & Systems.

Major customer industries and market shares 2015



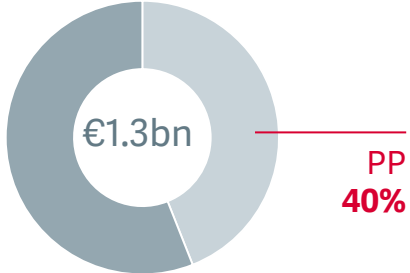
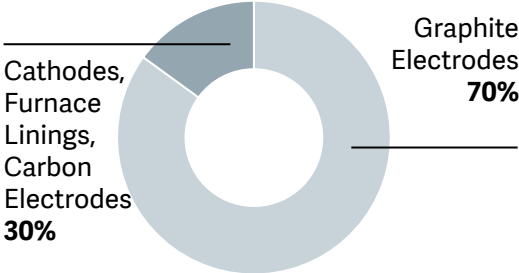
	% of total GMS sales 2015	Global market share 2015
Chemicals	29%	35%
Energy: Batteries & Nuclear	13%	35%
Energy: Solar (including Polysilicon)	13%	15%
Semiconductor (incl. LED)	8%	15%
Metallurgical applications	8%	20%
Tool manufacturing	6%	10%
Automotive & Transportation	5%	15%
High-temperature processes	4%	15%
Other industrial applications	14%	-

Source: SGL Group's own estimates

Reporting Segment Performance Products

(classified as discontinued operations at the
end of Q2/2016)

Reporting Segment: Performance Products (PP).

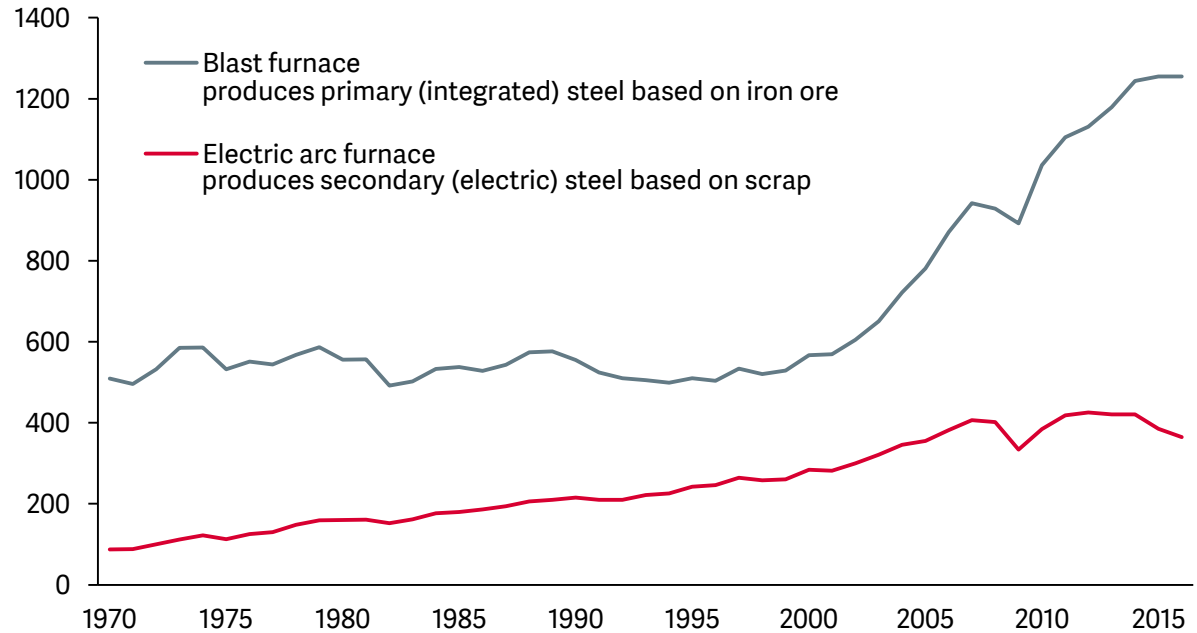
Activities	2015 Group sales	PP sales - 2015
<ul style="list-style-type: none"> ▪ Graphite Electrodes (GE) ▪ Cathodes ▪ Furnace Linings ▪ Carbon Electrodes 	 <p>€1.3bn</p> <p>PP 40%</p>	 <p>Graphite Electrodes 70%</p> <p>Cathodes, Furnace Linings, Carbon Electrodes 30%</p>
Key industries served	Characteristics	Strategic priorities
<ul style="list-style-type: none"> ▪ Steel ▪ Aluminum ▪ Ferrous and non-ferrous metals 	<ul style="list-style-type: none"> ▪ Key supplier for steel and aluminum markets ▪ Leading competitive position ▪ Historically solid ROS & ROCE ▪ Historically strong cash flow 	<ul style="list-style-type: none"> ▪ Align infrastructure with market development (swing capacities) ▪ Reduce unit costs by optimized production set up ▪ Increase customer value with product quality and consistency

Graphite Electrodes.

Steel production in EAFs

- **Growth in steel production** 2000ff fuelled by infrastructure demand from emerging countries
- In recent years, **Chinese steel exports** inhibits EAF growth in most regions, **iron ore price decline** lowered production cost of blast furnace steel
- Significantly higher steel consumption 2000ff will lead to **higher scrap availability** and lower price, favoring again EAF steel production
- **GE critical to EAF furnace efficiency** but only ~3% of steel-making conversion cost

Worldwide steel production [in million t p.a.]



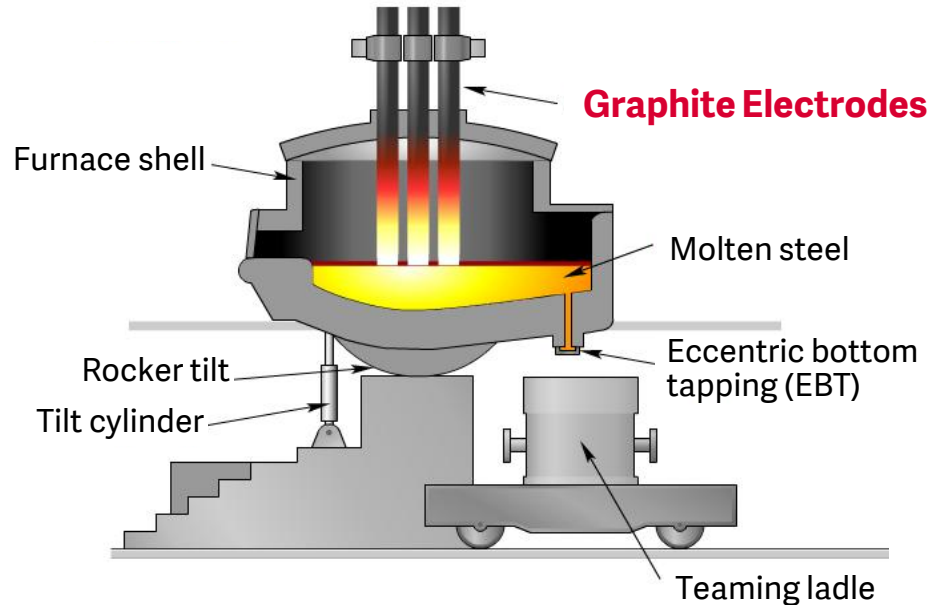
Source: WSD, IISI, own estimate

Graphite Electrodes.

Essential consumable for electric steel production

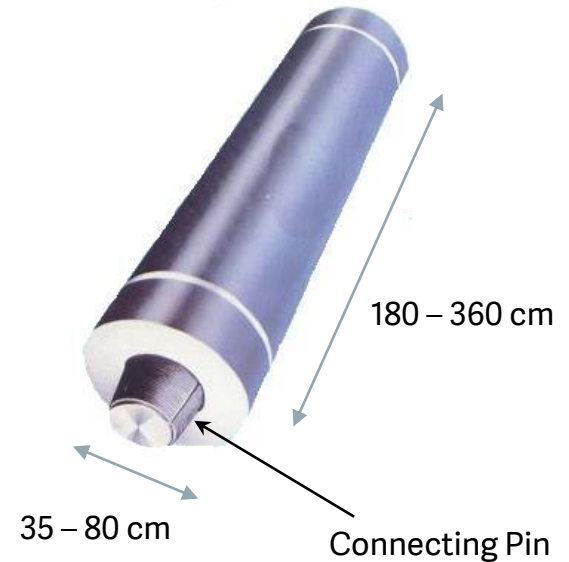
Steelmaking in an electric arc furnace (EAF)

Section view through EAF



Graphite electrode

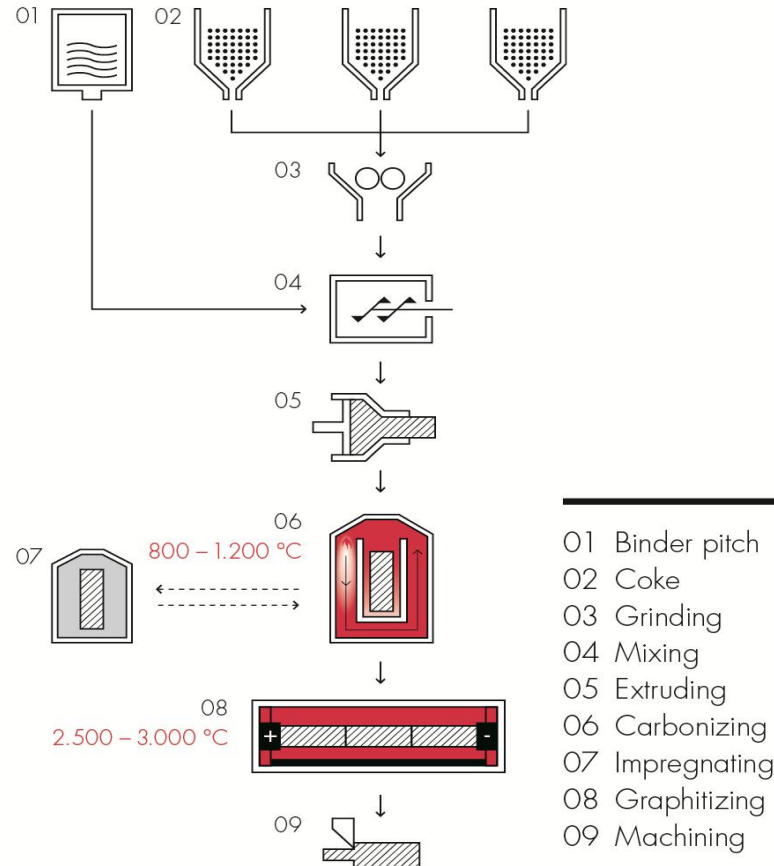
Consumed after 5-8 hours



Source: steeluniversity.org

Graphite Electrodes. Production process

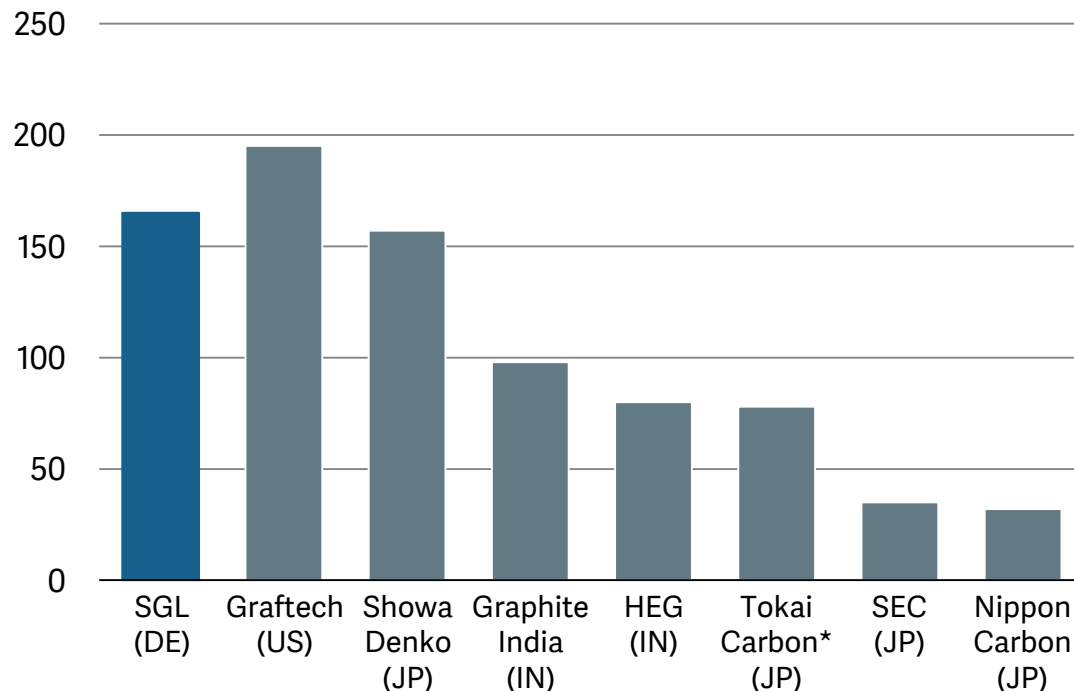
- Production process takes up to 3 months
- Needle coke (key raw material) requirements sourced on basis of multiyear contracts



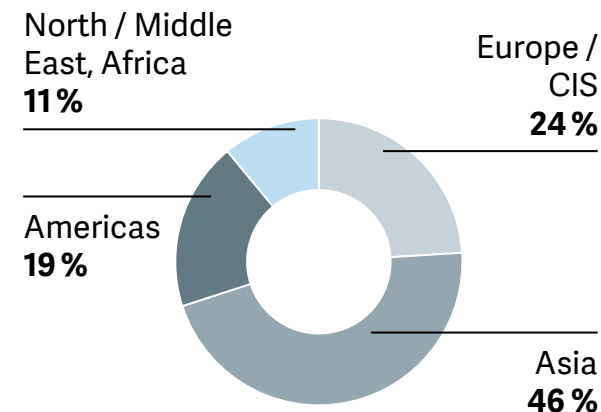
Graphite Electrodes.

Graphite electrode market

Capacity by competitor in 2015 – UHP / HP-quality [in tmt]**



Regional demand in 2015



*Announcement on August 5, 2015: graphite electrode capacity reduction by 22kt (Japan).

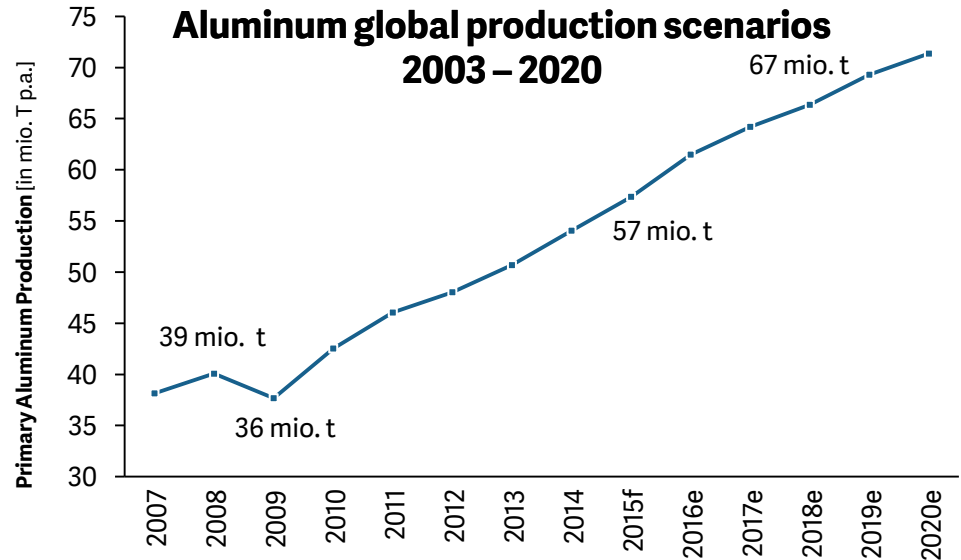
**Russia and China: Potential UHP capacity dependent on equipment, technical capability and needle coke availability.

Source: SGL Group's own estimates (as of March 2016)

Cathodes.

Participates in aluminum industry growth

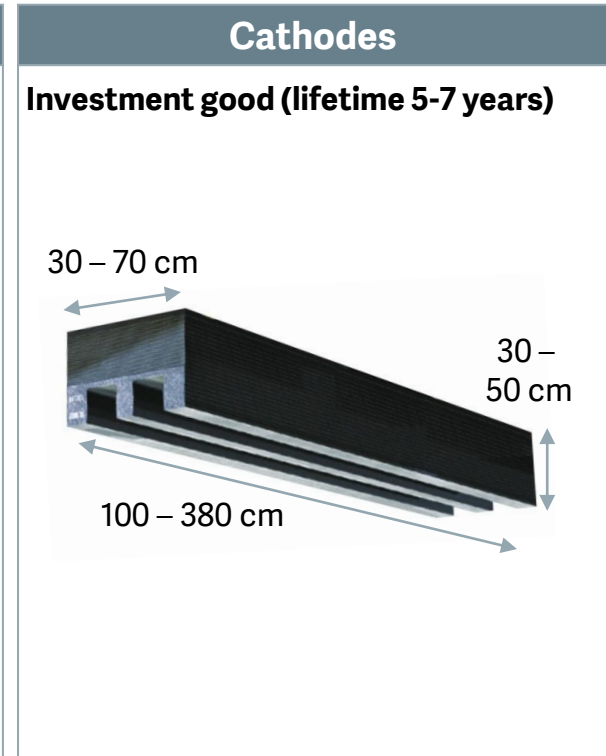
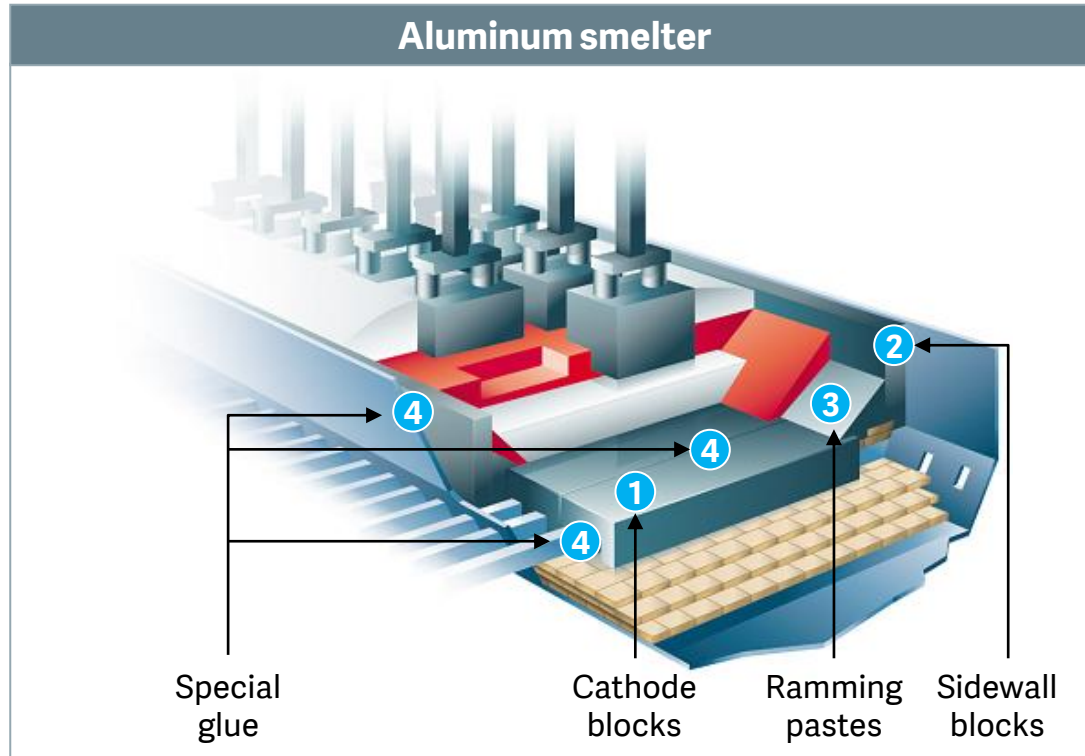
- **Aluminum demand** driven by:
 - Population growth and urbanization
 - Further industrialization of emerging countries
 - Weight/strength/cost advantages
- **Cathodes essential** to aluminum smelters
 - Relining of existing smelters
 - New smelter construction leading first to project demand and long-term to higher relining demand
 - Comprehensive product portfolio to cope with all technology trends in the AL industry



- Solid fundamentals for **aluminum production growth**
- **Various new projects** under construction, additional feasibility studies for capacity increases underway

Cathodes.

Investment good for the aluminum industry

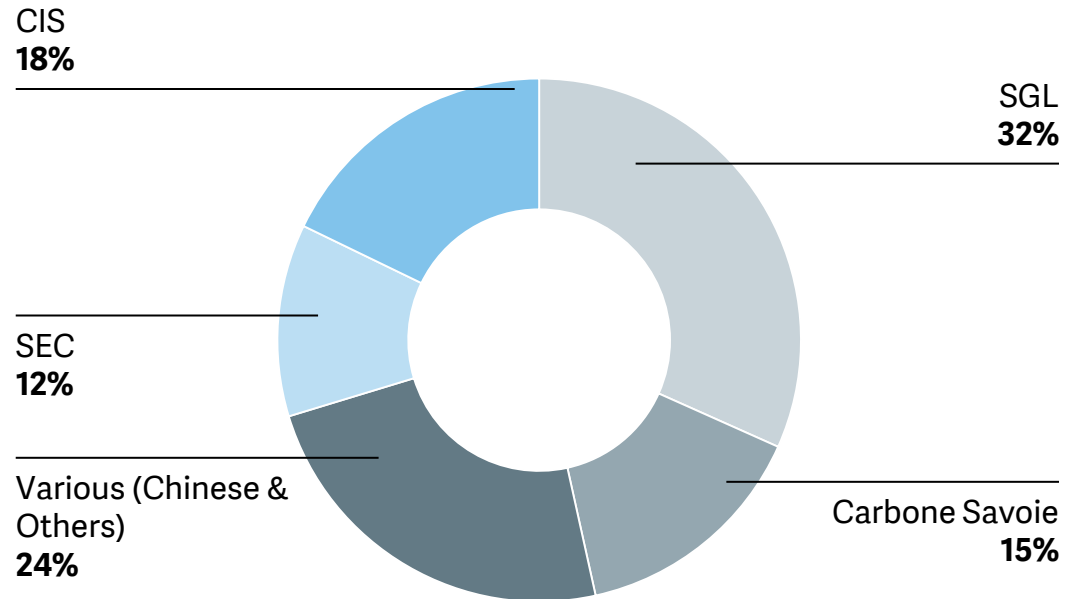


Cathodes.

Market shares in cathodes

- Increasing cathode demand due to new projects.
- High level of plant utilization
- Prepared to supply all regional growth markets
- Balanced product portfolio enabling participation in all technological developments

Market shares in cathodes 2015

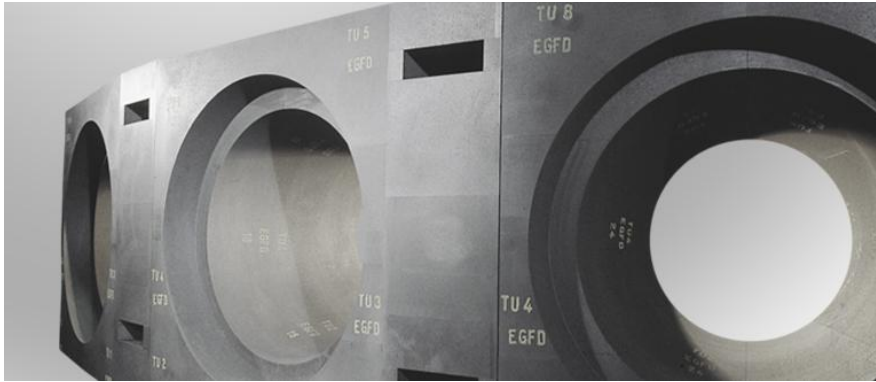


Source: SGL Group's own estimates, market shares based on volume (excl. China domestic)

Various (Chinese & others): various cathode producers combined in this number, none of them exceeding 5% market share

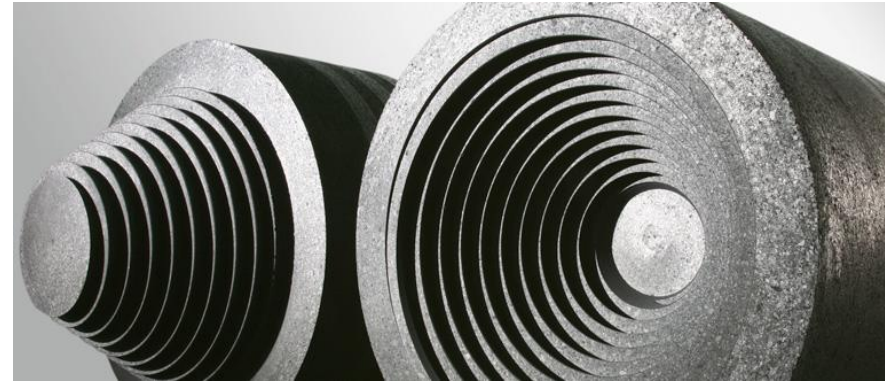
Furnace linings and carbon electrodes.

Provide cash flow for PP



Furnace linings

- Investment good (8-10 year replacement cycle)
- Used to line furnace walls in blast furnaces
- Co-leading supplier of furnace linings with full product range serving all technical solutions



Carbon electrodes

- Consumable
- Used in smelting processes of other metallurgical applications (silicon metal, phosphorous, etc.)
- Leading supplier of carbon electrodes with a market share of > 20%

Technology & Innovation

Technology & Innovation.

Foundation for profitable growth



Technology & Innovation: SGL Group's centralized R&D organization

- Market driven R&D ensures best-in-class support for current and future customers.
- Industry networks with suppliers and customers are an essential part of our development strategy thus ensuring close contacts to our markets.
- Global networks with leading universities cover the basic research.
- Material, process and application know-how is the platform for our development clusters dedicated to Business Units and Future Growth Areas.
- Strategic IP management safeguards our products and processes and is a driver of our long term market success.



Technology & Innovation.

Activity areas of T&I in 2015



Strengthen carbon fiber based value chain

- Operate carbon fiber pilot line and improve carbon fiber production processes.
- Develop new carbon fiber grades based on own precursor.
- Develop new composite systems based on thermoplastic matrix as well as SnapCure thermoset resins for automotive applications.

New graphite specialties products

- Low cost graphite based anode materials for lithium-ion batteries.
- New carbon & graphite based composite anode materials with enhanced energy density for 3rd generation lithium-ion batteries.
- Development of thermal management solutions in automotive applications based on expanded graphite.

Future Growth Areas

- Material and product development for additive manufacturing “3D-Printing” processes
- Advanced gas diffusion layers for PEM fuel cells for automotive and stationary applications.

Raw materials & synthetic graphite development for steel and aluminum industry

- Reduce graphite electrode consumption in EAF by optimizing raw materials and GE-joint.
- Increase customer value for aluminum smelters by developing improved cathode designs.
- New furnace linings materials for increased lifetime.

Strategic Realignment

Transformation of SGL Group. Guided by clearly defined targets



Capital increase 2014 and refinancing of convertible bond 2015 created flexibility for restructuring and repositioning

Stop loss makers and cash drainers by restructuring or disposing

Capex for selective growth opportunities subject to minimum hurdle rates

Return on capital is key management principle for strategic realignment and future investment

Gearing ~ 0.5
Equity ratio > 30%

Net debt/EBITDA
< 2.5
Positive net result

Positive free cash flow*

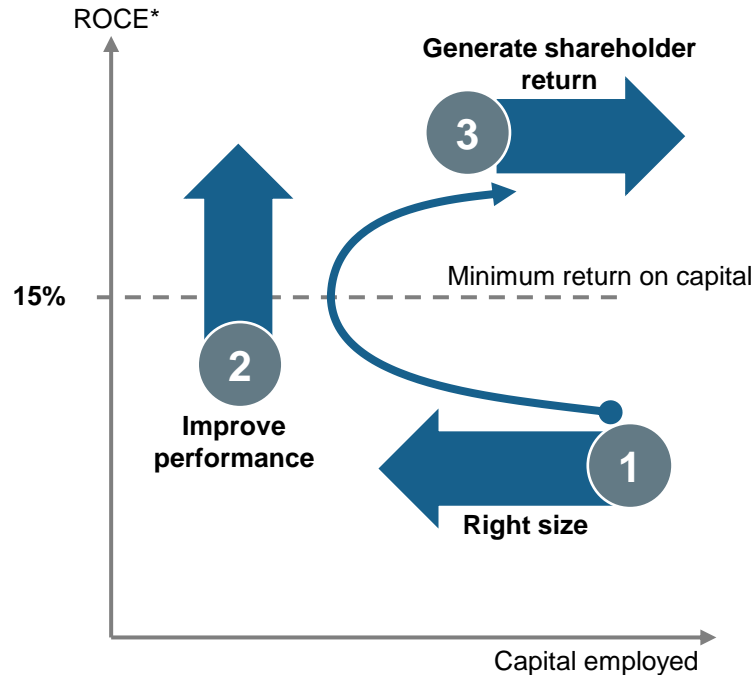
ROCE ≥ 15%**

* Excluding disposal proceeds

** ROCE defined as EBITDA/Capital employed

How we want to achieve our targets.

Cornerstones of strategic realignment

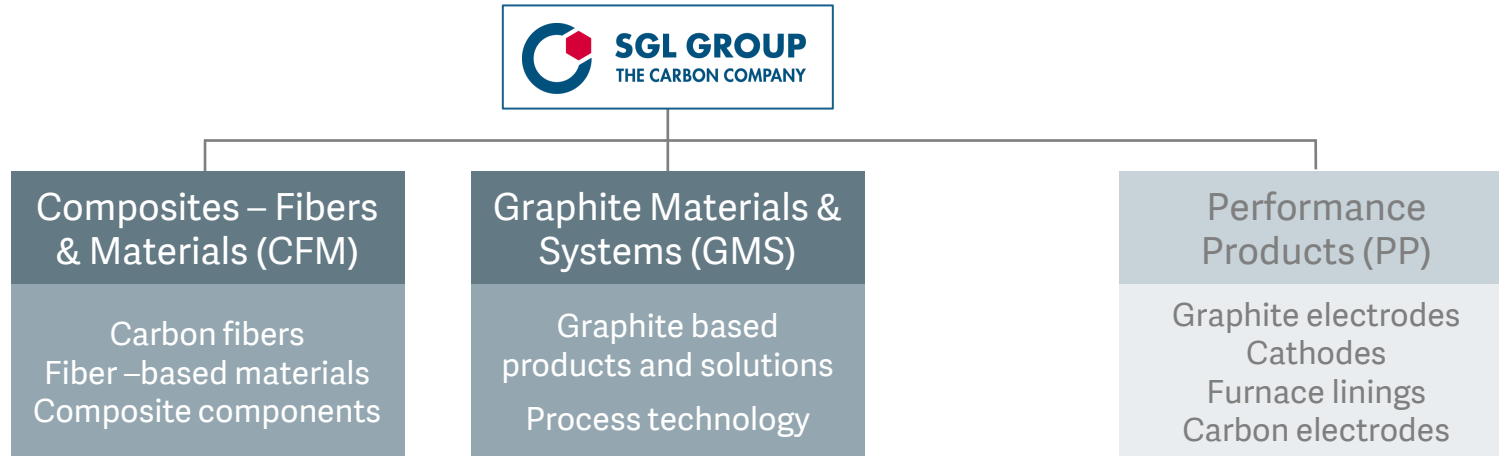


- 1) Right size**
SGL2015 asset and portfolio restructuring
- 2) Improve performance**
SGL2015 organizational restructuring
SGL Excellence savings
BU streamlining
Process excellence initiatives
- 3) Generate shareholder return**
Define selective growth areas

*EBITDA divided by capital employed

Strategic Repositioning.

Foundation for sustainable profitable growth



- We want to organically grow our **sales** by more than 50% to above €1.1 billion until 2020 with CFM and GMS.
- Simultaneously, **EBITDA** will grow more than proportionately to sales with a **ROCE** of at least 15%.
- **Legal separation of PP finalized early June 2016.** Prerequisite to flexibly exploit all strategic options.
- At the same time we are **adjusting** the **GE business model** to commodity markets.
- **Discontinued operations** since June 30, 2016, as divestment process progressing as planned

PP: Steel environment continues to be difficult.

Recent stabilization but no near term recovery

- **Chinese steel overcapacities** exported overseas substantially **reduced electric arc steel production** in rest of world.
- However, **Chinese exports recently seem to be stabilizing** at high year end 2015 levels.
- EU, USA, and other countries have introduced import duties against Chinese steel and are exploring further measures.
- Chinese government planning to shut down 100-150 million tons of old steel capacity in next five years.

Chinese steel exports
[in million tons]

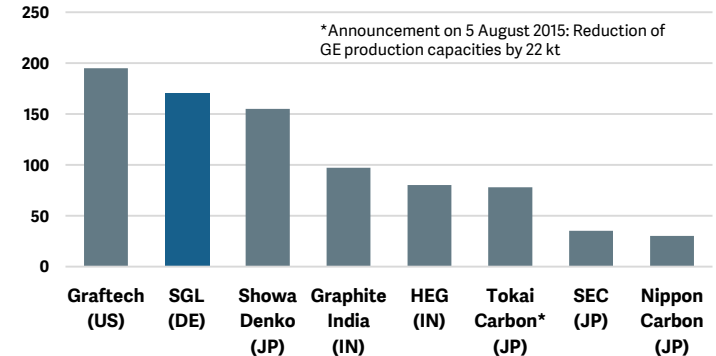


PP: Current global steel situation problematic for GE.

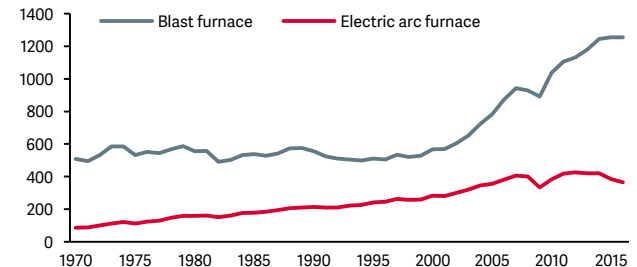
However, long-term, there is value in the business

- Graphite electrodes are essential for the production of electric steel (steel scrap recycling).
- GE business of SGL Group is a **global market leader**
- Only producer with a **manufacturing footprint** on the three major continents.
- Thanks to this leading market position and the adjusted business model, GE business of SGL Group will more than proportionately benefit from the **recovery in electric steel** markets.
- **Closure of Frankfurt-Griesheim site** and **adapting the business model** to yield nearly €30 million savings per annum from 2018 onwards – of which approx. half will already be effective in 2016
- Increased steel scrap availability will lead to **significant long-term growth in graphite electrodes**.
- We will complete the legal separation of PP by mid 2016 – the prerequisite to **flexibly execute on the best strategic option**.

Market position SGL Group in GE
[2015 in kt, UHP and HP, Status March 2016]



Global steel production [in million t]

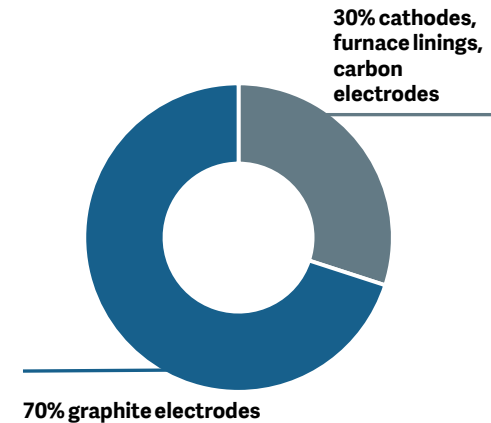


PP: Broad product portfolio.

Carve out within PP carve out

- Aside from graphite electrodes, PP also produces **cathodes**, **furnace linings** and **carbon electrodes**.
 - **Cathodes** are required in aluminum production (investment good). Thanks to its low weight, demand for this lightweight metal is continuously growing for energy efficient applications. With its broad product portfolio, SGL Group can equip every aluminum smelter in the world. Cathodes is a profitable business.
 - **Furnace linings** are used in blast furnaces for primary steel production (investment good) and is a solid business.
 - **Carbon electrodes** (consumable) are used in melting processes of other metallurgical applications (silicon metal, phosphorous). This business also delivers positive returns.
- To **maximize** our **options** for these profitable businesses, we have carved these out into a legally separate company within PP.

PP sales split 2015



Status of PP transaction.



We are confident about a transaction in H2/2016

- Detailed **information package** was sent to numerous interested parties at the end of April after signing respective NDAs
- Access to **data room, management presentations, site visits** for selected interested parties
- Based on discussions with both **strategic** and **financial** interested parties, we believe that a new owner for PP is the best way forward for both SGL Group and PP
- We are confident to **sign** a transaction in H2/2016

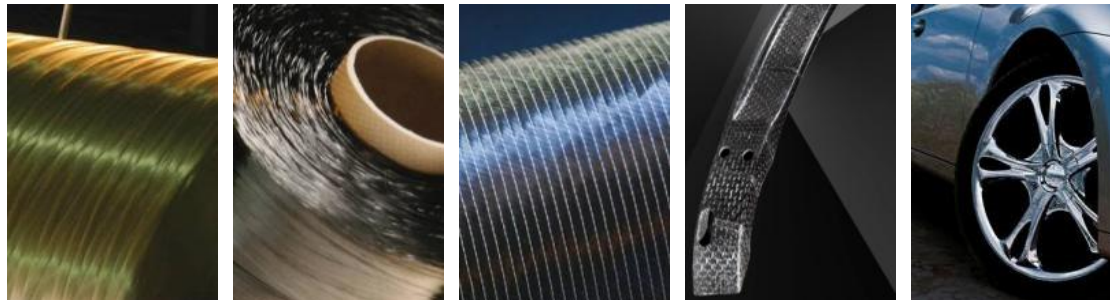
CFM: Specialist for Composites.

Solutions for the material mix of the future



- CFM is the expert for fibers, fiber-based materials, and for composite components. We are the only European carbon fiber products supplier, active along the entire value chain
- With the development of a new generation of industrial carbon fibers we became the technologically leading company. Such fibers offer the same or even higher qualities as other carbon fibers at lower manufacturing costs

Value chain for lightweight construction materials based on carbon fibers



Raw material
(PAN
precursor)

Carbon fiber

Textile
preforms

Components

Parts



- Carbon fiber reinforced plastic is 50 % lighter compared to aluminum and 70% compared to steel
- Significantly lower fuel and kerosene consumption
- Driver for global CO₂-reduction

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 CO₂ emissions and the resulting trend towards alternative drive trains.
 - In Europe, car manufacturers could be required to reduce the average **CO₂ 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.

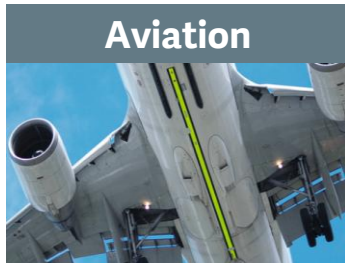


- **Extend offering of innovative fiber materials and composites** as showcased by the “Carbon Core” body of the new BMW 7 series where composites were used for the first time in **large scale automotive production**
- **Investment into the Lightweight and Applications Center in Meitingen (Germany)**, 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.



- **Dedicated development and marketing activities** for the aviation industry, particularly for commercial aircrafts
- **Serial delivery** to Airbus for its A350 model

GMS: Development partner for our customers.

Solutions based on carbon and graphite

- GMS is a development partner for high-quality graphite based technological solutions. We offer more than 10,000 products and solutions to over 6,000 customers in 35 industries
- Our material is used where the specific advantages of graphite are required. These include, e.g. heat and corrosion resistance and thermal and electrical conductivity
- GMS is a "hidden champion". In many areas, GMS occupies leading technology positions, e.g. in energy saving, ceramic surface coating and sealing materials



Energy storage

Largest manufacturer of synthetic graphite for the production of lithium-ion batteries



Ceramic surface coating

One of the leading suppliers in the semiconductor industry for graphite based solutions along the entire semiconductor production chain



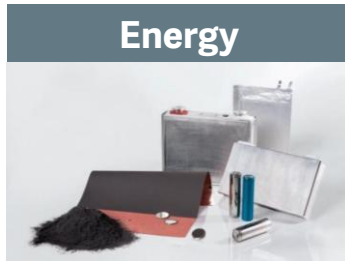
Sealing materials

World market leader in expanded graphite for companies in the chemical industry

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.*



- 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

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.

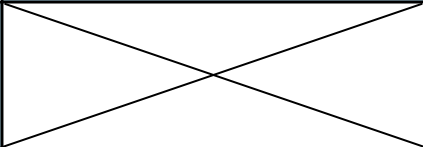


- **Close cooperation** with our customers in the further development of purified surface coatings for the LED and the semiconductor industries
- Expanding **coating technologies and capacities**
- **Strengthening regional and application competences**

*Source: IHS, World Semiconductor Trade Statistics

GMS and CFM. Both units serve a broad range of fast growing segments linked to global megatrends

Growth opportunities

	Energy*	Digital Lifestyle	Mobility
GMS anode materials >10%	Stationary energy storage ~10%*	Lithium ion batteries 7-9% 3-5%	
CFM carbon fibers/materials 6-8%	Wind, Pressure vessels	Mobile 3C devices	Aerospace, Automotive, Pressure vessels
GMS high growth** ~6%	Solar, Polysilicon, LED	LED, Semiconductor	
GMS medium growth*** 3-5%	Solar, Nuclear, Stationary energy storage, Heat recovery, etc.	Sapphire glass	Exhaust gas recirculation, Brake assistant pumps

% **Approx. market growth, CAGR 2015-2020**

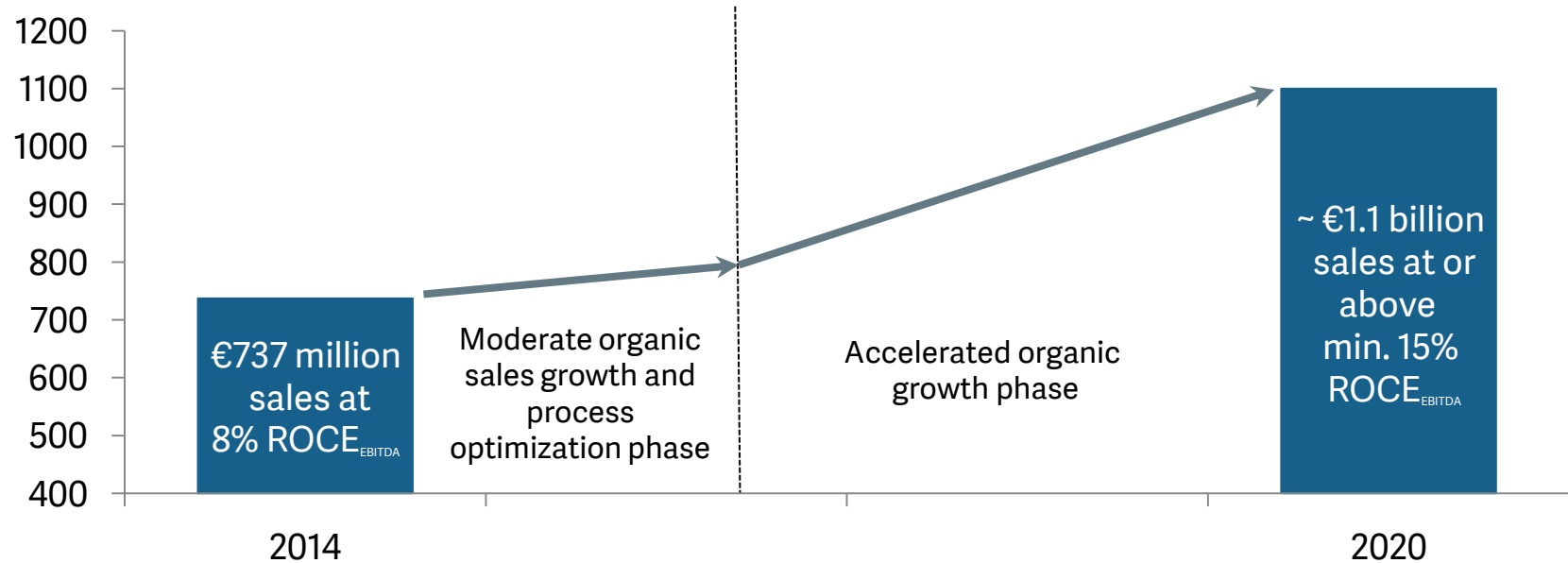
Market potential 2015: < € 50 mill. > € 50 mill. > € 100 mill.

* Energy efficiency, storage, reversal of energy generation and climate change (10% growth rate represents renewable energy);

** Product Groups: Isostatic, Fiber materials; *** Product Groups: Extruded/Vibro, DieMolded, Expanded, Process technology

Target for GMS and CFM.

Profitable organic sales growth of 50% by 2020



Augmented by potential selective and accretive bolt-on acquisitions to complement our portfolio in terms of region, technology, etc.

Business Units GMS and CFM are the basis of an innovation driven, high growth SGL Group.



- **GMS and CFM materials and solutions enable several of the fastest growing economic trends** including energy storage, digitization, mobility and urbanization.
- Based on strong positions, **GMS and CFM target to further improve their position in the value chain** with particular emphasis on innovation, high value-add products, services and engineered solutions.
- **Until 2020**, GMS and CFM together aim to **increase their sales revenue by 50%** through **profitable, organic growth** – potentially augmented by **selective and accretive bolt-on acquisitions**.
- EBITDA level is expected to increase significantly, **exceeding the minimum EBITDA ROCE margin** of 15%.
- Organic growth can be financed by own operating cash flow.

Summary: Our course is set.

We are pursuing a clear strategy



- With the PP carve out and its planned divestment we are creating the **prerequisite for a sustainable future** for SGL Group and the business unit.
- The carve out of the profitable business with cathodes, furnace linings, and carbon electrodes in a separate legal entity within PP creates additional options.
- With our focus on CFM and GMS, our **portfolio is better balanced** between markets and industries, thus **reducing the volatility in our business**.
- We command the **technologies and innovations** to benefit from the global megatrends mobility, energy, and digitalization.
- SGL Group fulfills all requirements to achieve the targets for 2020: **strong market positions, leading technologies, and committed employees**.

Implementation is of highest priority in 2016 !

SGL Excellence

SGL2015

Business Process Excellence

SGL Excellence.

Drives efficiency and customer focus



SGL X is more than savings:

- started in 2002
- ongoing and company wide program
- integral part of our culture
- continuously questioning the status quo
- strives for sustainable improvements
- provides the right mind and tool set
- important cornerstone in the development of our people
- empowers our employees with skills and tools:
 - > 190 trained Black Belts
 - > 200 trained Champions
 - > 900 trained Green Belts
 - majority of employees SIX SIGMA trained

Innovation Excellence

New ideas and solutions for profitable growth

Operational Excellence

Continuous improvement of our manufacturing, administrative and supply chain processes

Commercial Excellence

Sustainable partnerships with our customers to secure our future

People Excellence

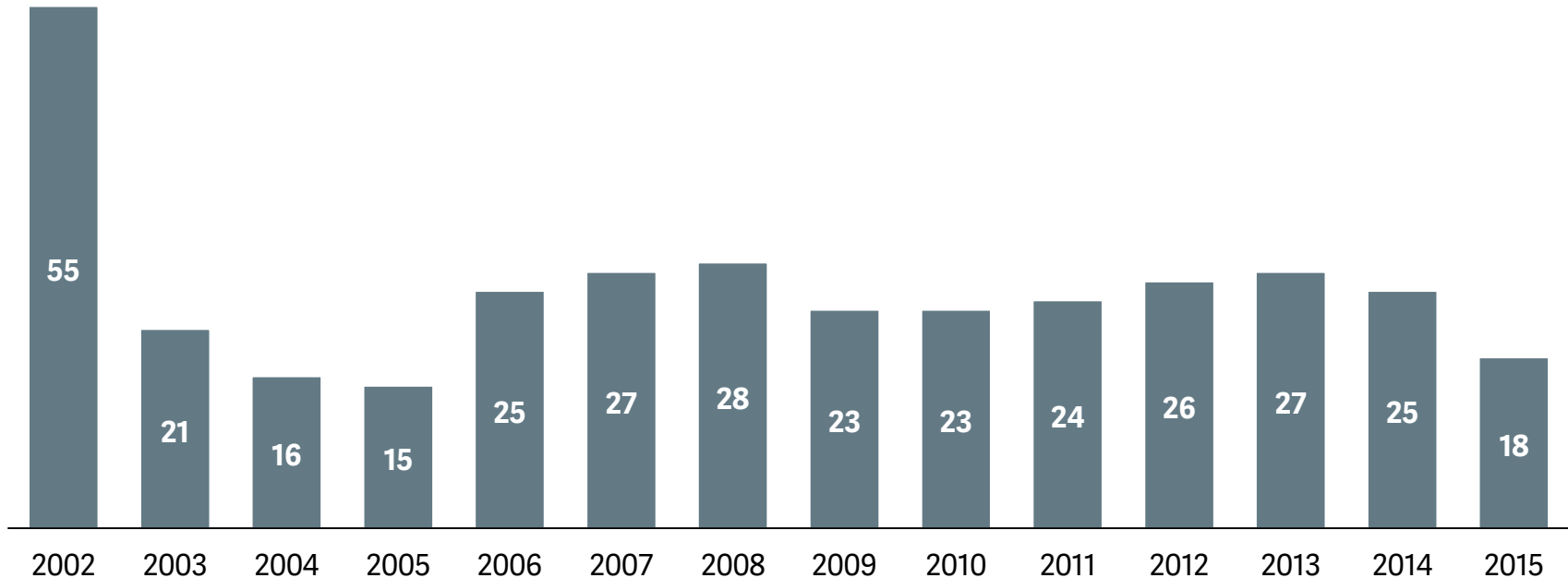
Well educated employees as foundation of our success

New: **Business Process Excellence**

Streamline and standardize processes

SGL Excellence savings. Since 2002 continuous cost reduction of €353 million in total

Annual Net Savings (€m)



SGL2015 cost savings program. Target savings increased twice to €240 million

Organizational Restructuring

Simplify processes and **streamline** management structures

- Review all workstreams and identify redundancies
- Adjust organizations and Corporate and Service Functions
- Reduce personnel costs and indirect spend

Asset Restructuring

Adjust asset base to changes in market demand

- Optimize global production network, relocate production
- Improve capacity utilization
- Reduce fix costs
- Use synergies between the Business Units
- Consolidate sites

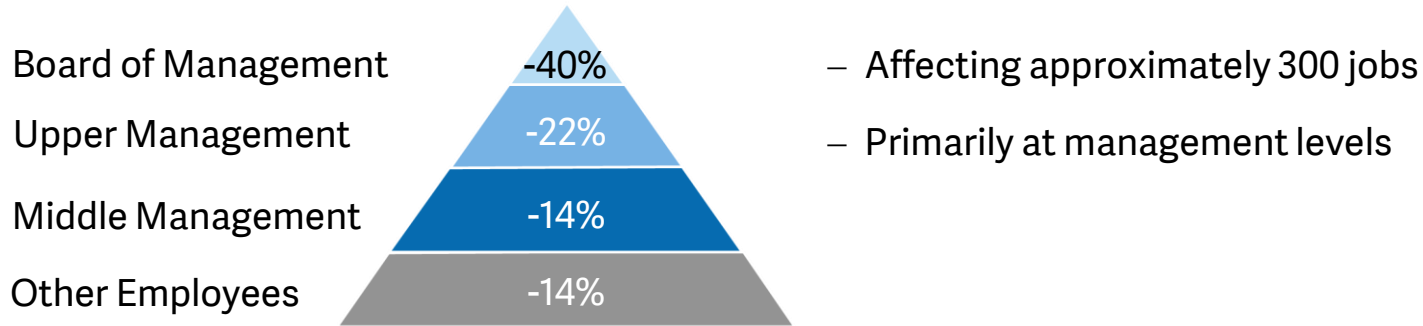
Portfolio Restructuring

Carbon fiber business: **focus** on materials competence

- Analyze our business portfolio
- Concentrate portfolio on core activities
- Investigate options for businesses

Already €218 million savings by June 30, 2016 – remainder to follow by mid 2016

A Reducing personnel costs by streamlining corporate and service functions



B Substantial reduction in indirect spend



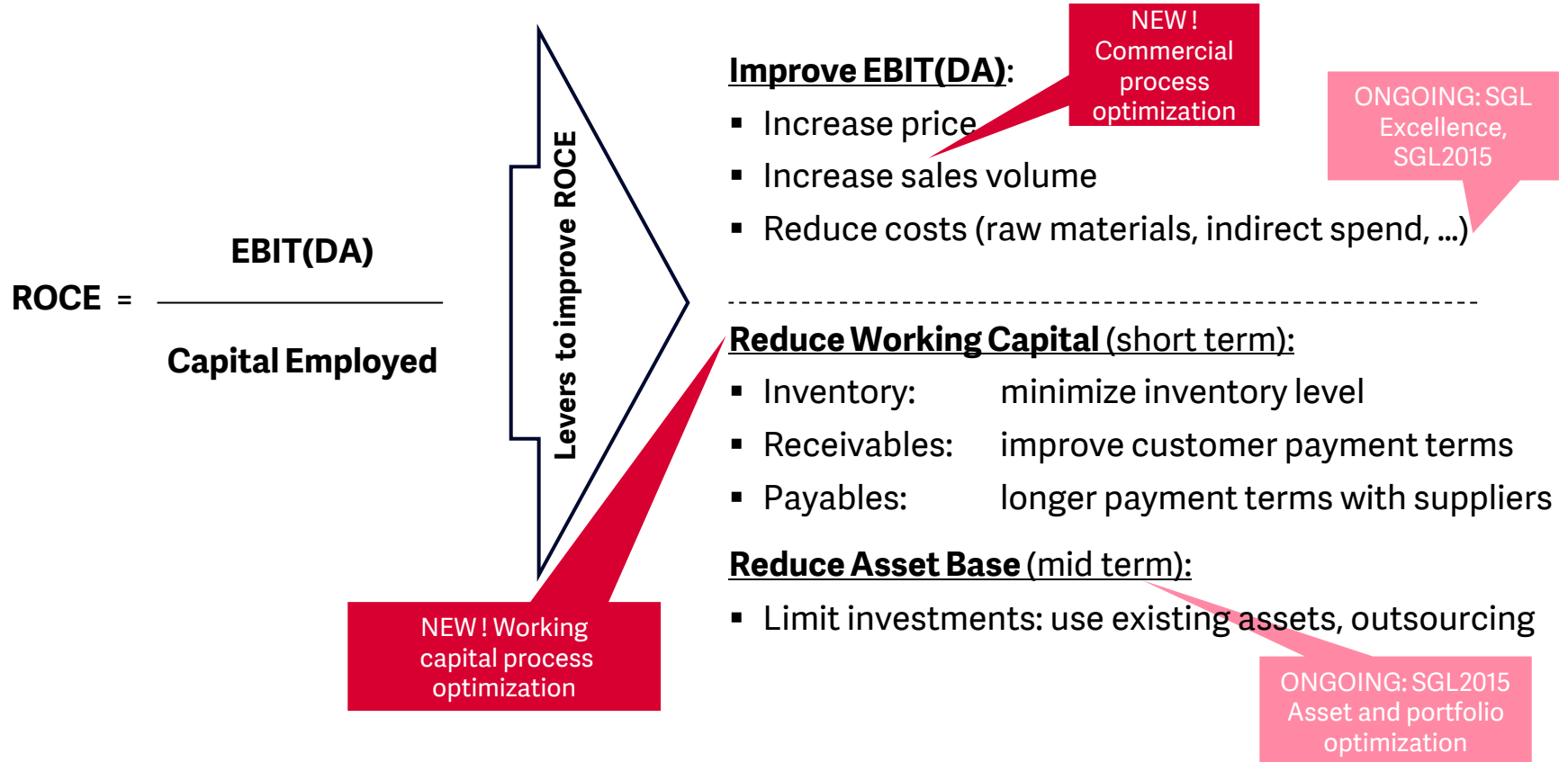
Adjusting production network to changed demand and market environment

- Closure of **Canadian** facility in Lachute completed end Q1-2014
 - Reduced 30,000 t graphite electrode capacity
 - 110 jobs cut
- Discontinuation of our graphite electrode production in **Italian** facility in Narni
 - Production discontinued in H2-2014
 - Reduced 30,000 t graphite electrode capacity
 - Dismissal agreement signed by unions – all employment contracts (~120) terminated in December 2014
- Termination of **German** graphite electrode production facility in Frankfurt-Griesheim in 2016
 - Reduced 30,000 t graphite electrode capacity
 - Headcount reduction by 150 until end of April, 2016

Focusing our business on core competencies and target return on capital

- Disposal of unprofitable rotor blade activities
 - Turnover of €109 million and headcount of 339 (FY 2013)
- Sale of loss-making aerostructures business of HITCO closed in December 2015
 - Turnover of €68 million, headcount of 400 (FY 2015)
- Termination of JV with Lindner Group in 2015
- Next steps
 - Focus on core competence material development and production

Challenge. Levers to improve ROCE



Business Process Excellence (BPX).

Group wide program introduced in 2015



- Target is to **streamline** and **standardize** cross-BU processes
- Utilization of **standardized IT solutions** (SAP)
- Initial focus on **procurement, supply chain** and **sales processes**
 - **Procurement** – ongoing procurement optimization project launched under SGL2015. *Target: reduce procurement costs and improve profitability*
 - **Supply chain** – improve alignment between all stages of the supply chain, from sales to procurement to production, etc. *Target: improve supply chain process to further reduce net working capital*
 - **Sales organization** – implementation of uniform CRM system, development of new group wide standards and best practices for optimized customer and market approach. *Target: generate additional, profitable sales, optimize pricing*
- External consultant appointed for “outside-in” view and for project set up phase
- Recently implemented: **more stringent investment process**

Latest Financials

H1 2016

Composites - Fibers & Materials. Highest result since inception

in € million	H1/2016	H1/2015
Sales revenue	156.5	161.0
EBITDA*	22.0	14.6
ROCE _{EBITDA} (in %)	10.5	3.8
EBIT*	12.2	3.9
EBIT*-Margin (in %)	7.8	2.4

- **Sales revenue** decreased mainly due to raw material driven sales decline in textile acrylic fibers, where pricing is based on acrylonitrile/crude oil price development
- Significant increase in recurring **EBIT**
 - Completion of ramp up at SGL ACF (joint ventures with BMW Group)
 - Higher volumes and thus better capacity utilization in our own carbon fiber facilities
 - Low single digit million € profit contribution from HITCO materials business due to finalization of two large orders (not to be extrapolated to full year)
 - Improved result from At-Equity investments (now reported in CFM EBIT)
 - SGL Excellence savings of €1.6 million

Graphite Materials & Systems. Higher EBIT after adjustment of positive one-time effects in H1/2015



in € million	H1/2016	H1/2015
Sales revenue	218.9	219.0
EBITDA before non-recurring charges*	24.4	27.7
ROCE _{EBITDA} (in %)	13.0	12.6
EBIT before non-recurring charges*	13.5	16.6
EBIT-Margin before non-recurring charges* (in %)	6.2	7.6
EBIT	13.1	16.0

- **Stable sales revenue** (no currency impact)
 - Higher sales from solar, semiconductor, and LED industries
 - Offset by weaker North American business which was negatively impacted by reduced demand from energy related industries due to the low crude oil price
 - Demand for graphite (anode) materials for lithium ion battery industry continued at expected stable levels
- Recurring **EBIT** declined 19% primarily due to non-recurrence of positive one-off effects from last year (gain from land sale and insurance compensations). Adjusted for these one-off effects, the operating result improved by €2 million in the first half year 2016
- **SGL Excellence savings** €4.4 million

T&I and Corporate. Significantly lower expenses than prior year period



in € million	H1/2016	H1/2015
Sales revenue	4.0	5.3
EBITDA before non-recurring charges*	-12.8	-19.0
EBIT before non-recurring charges*	-16.1	-22.4
EBIT	-15.7	-23.0

- Recurring **EBIT** improved by 28% due to
 - lower provisions resulting from changed variable management remuneration components
 - general cost savings

Group. Strong EBIT improvement driven by CFM, despite non-recurrence of positive one time effects in GMS



in € million	H1/2016	H1/2015
Sales revenue	379.4	385.3
EBITDA before non-recurring charges	33.6	23.3
ROCE _{EBITDA} (in %)	8.7	3.1
EBIT before non-recurring charges	9.6	-1.9
Non-recurring charges	0.0	-1.4
EBIT	9.6	-3.3
Net financing result	-25.9	-23.2
Results from continuing operations before income taxes	-16.3	-26.5
Income tax expense and non controlling interests	-6.7	-1.3
Discontinued operations	-49.4	-55.9
Consolidated net result attributable to the shareholders of the parent company	-73.2	-85.0

- **Cost savings** from continuing operations of €6 million from SGL2015 in H1/2016, entirely attributable to SGL Excellence. Cost savings incl. discontinued operations reached €16 million in the reporting period and €218 million since inception of the SGL2015 program

Free cash flow. Improvement compared to prior year period in free cash flow from continuing activities



in € million (continuing activities)	H1/2016	H1/2015
Cash flow from operating activities	-36.0	-103.8
Capital expenditures in property, plant and equipment and intangible assets	-9.2	-22.2
- thereof SGL ACF	-0.8	-8.7
- thereof SGL Group excluding SGL ACF	-8.4	-13.5
Cash flow from other investing activities*	-1.3	9.3
Free cash flow	-46.5	-116.7
Free cash flow from discontinued operations	-40.0	-7.5

- **Cash flow from operating activities** improved strongly by more than €60 million as a result of a higher result from continuing operations before taxes, the reduced working capital buildup in the reporting period, and the non-recurrence of negative cash effects from the termination of USD hedges in the previous year
- **Free cash flow from discontinued operations** included approx. €20 million cash-out for restructuring, particularly relating to the closure of the GE plant in Frankfurt-Griesheim, approx. €6 million for strategic projects (carve out, etc.) as well payments of approx. €16 million in connection with the disposal of HITCO's aerostructures activities

*Dividends received, payments for capital contributions in At-Equity accounted investments and other financial assets, proceeds from sale of intangible assets and property, plant and equipment

Balance sheet. Sufficient liquidity despite deteriorated ratios

in € million	30.06.2016	31.12.2015
Equity ratio (in %)	9.9	15.6
Total liquidity (incl. discontinued activities)	161.5	250.8
Net financial debt	619.9	534.2
Gearing (net debt/equity)	3.61	1.85

- **Equity ratio** declined due to the net loss of €73 million as well as the further adjustment of pension liabilities in Germany and the US based on lower long-term interest rates (impact on equity: minus €38 million after taxes)
- Higher **net financial debt** reflects mainly the reduced liquidity, resulting primarily from the buildup of working capital, as well as to one-time cash outflows in connection with the closure of the graphite electrode plant in Frankfurt-Griesheim and payments relating to the sale of HITCO's aerostructures business
- **Liquidity** at end of H1/2016 sufficient to more than cover expected operational cash outflow in 2016
- €200 million **syndicated loan** available and undrawn
- No **maturities** of any of our **financial debt** instruments until **January 2018** (convertible bond 2012/2018)

Outlook

Composites – Fibers & Materials.

New name for a new, integrated strategy



- As of January 1, 2016, **all carbon fiber related activities**, i.e.
 - former BU Carbon Fibers & Composite Materials
 - our shares in SGL ACF (joint ventures with BMW Group)
 - our shares in CFM related At-equity joint ventures - mainly Ceramic Brake Discs (Brembo SGL) and Automotive Composites (Benteler SGL)

were combined into **one business unit under one management**

- To reflect the new strategy of an integrated, composite materials oriented approach, the name was changed from Carbon Fibers & Materials to **Composites – Fibers & Materials**
- From 2016 on, **EBIT of BU CFM** will also include the materials business of former HITCO and our share in the At-equity result of the CFM joint ventures (consisting mainly of Ceramic Brake Discs and Automotive Composites)

Business unit outlook 2016. Strong EBIT improvement in CFM accompanied by a stable trend in GMS



- **Composites – Fibers & Materials (CFM):** Close to stable sales and strong EBIT* improvement. Higher sales with fibers and materials for composites to be offset by crude oil based pricing of textile acrylic fibers business. EBIT* improvement based on higher volumes and cost savings. H1/2016 not to be extrapolated to full year as positively impacted by non-recurring high invoicing in HITCO's materials business during Q1/2016
- **Graphite Materials & Systems (GMS):** Stable sales and stable EBIT*. Weaker demand from energy-related industries particularly in North America and a general economic uncertainty to be compensated by higher demand from solar, semiconductor, and LED industries and continued stable demand from lithium ion battery industry. EBIT* to remain stable despite non-recurrence of positive one-time effects of the prior year due to anticipated higher volume in certain industries and cost savings. $ROCE_{EBITDA}$ should continue to be close to our min. 15% Group target
- **T&I and Corporate:** Slightly higher expenses due to non-recurrence of positive one-off effects of the prior year

*before non-recurring effects

Group outlook 2016. Group KPIs partially benefitting from new group structure

- Full year **Group sales** slightly lower
- **Group recurring EBITDA* and EBIT***: Slight increase. Adjusted for positive one-time effects from previous year, EBIT expected to increase significantly
- **Net result** to improve due to lower restructuring and other non recurring expenses but remaining in negative territory
- **Capex** substantially below prior year level and again significantly below D&A of approx. €50 million
- **Free cash flow**: expected on prior year level
 - Improved free cash flow from continuing operations due to better operational result and lower capex as well as non-recurrence of cash out for termination of USD-hedges in prior year
 - Offset by higher cash out for discontinued operations mainly driven by restructuring cash out for discontinued business unit PP
- **ROCE** to improve in line with EBIT and EBITDA development

2016 negative free cash flow more than proportionately skewed to H1.

- H1 showed a typical seasonal working capital buildup plus a scheduled payment to Avcorp (buyer of HITCO's aerostructure activities) in January 2016 as well as expected restructuring cash out related to Frankfurt-Griesheim site closure in Q2
- Operationally, as expected, free cash flow started to improve from Q2 onwards

Appendix

Global presence

11 production sites
North America

21 production sites
Europe

8 production sites
Asia



Shares in issue and shareholder structure.



Basic shares

Security Identification Number	723530
ISIN Number	DE0007235301
Cusip Number	784 188 203
Number of Shares (as at August 31, 2016)	92,341,478
Free float	~ 37%

Reported shareholdings according to §§ 21 f. WpHG

SKion GmbH	(Oct 15, 2014)	27.46%
BMW AG	(Oct 15, 2014)	18.44%
Volkswagen AG	(Jun 1, 2016)	9.82%

Furthermore, and based on the respective voting rights announcements we received, Voith GmbH, Heidenheim, currently holds more than 5% of the voting rights of SGL Carbon SE.

Debt market instruments.

Corporate bond

Coupon	4.875%
Principal Amount	€ 250 million
Issue Date	12 December 2013
Date of Maturity	15 January 2021

Convertible notes 2012/2018

Coupon	2.75%
Principal Amount	€ 240 million
Adjusted Conversion Price	€ 40.9598
Conversion Right (as at August 31, 2016)	5.86 million shares
Issue Date	25 April 2012
Date of Maturity	25 January 2018

Convertible notes 2015/2020

Coupon	3.5%
Principal Amount	€ 167 million
Conversion Price	€ 18.6451
Conversion Right (as at August 31, 2016)	8.96 million shares
Issue Date	14 September 2015
Date of Maturity	30 September 2020

Financial calendar / contact details.



Financial calendar 2016

March 23, 2016	Annual Report 2015
May 12, 2016	Report on the first quarter 2016
May 18, 2016	Annual General Meeting
August 11, 2016	Report on the first half year 2016
November 10, 2016	Report on the first nine months 2016

Contact

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Performance Products. Reclassified to discontinued operations as of June 30, 2016

in € million	H1/2016	H1/2015
Sales revenue	208.6	269.8
EBITDA before non-recurring charges*	-5.5	37.8
EBIT before non-recurring charges*	-19.8	16.9
EBIT-Margin before non-recurring charges* (in %)	-9.5	6.3
EBIT	-24.9	12.7

- Lower **sales revenue** (-23%) due to
 - price decline in graphite electrodes
 - more than offsetting improvement in remaining PP businesses (cathodes, furnace linings, and carbon electrodes)
 - on the encouraging side, volumes in GE stabilized at low levels and even showed a slight increase compared to the prior year period
- **EBIT** declined to minus €19.8 million from €16.9 million in the prior year period mainly due to
 - renewed price pressure on graphite electrodes
 - cost savings from both raw material price developments as well as from SGL Excellence and other projects (€10.0 million) were unable to compensate for the GE price effect

Analysis of non-recurring effects. Excluding one-off effects related to GE and HITCO net loss only €47 million



in € million	2015	2014
EBIT before non-recurring charges	32.6	2.7
Non-recurring charges	-160.9	-51.2
- thereof restructuring (€73 million related GE measures, e.g. closure Griesheim)	-82.0	-40.6
- thereof impairment (in 2015 related entirely to graphite electrodes)	-78.9	-10.6
Net result continuing activities	-198.9	-127.8
Net result discontinued activities (HITCO)	-96.1	-119.2
- thereof operational losses	-30.6	-36.7
- thereof impairment and disposal losses	-65.5	-82.5
Consolidated net result attributable to the shareholders of the parent company	-295.0	-247.0

- **GE related measures** (mainly the **closure** of the **production facility** in Frankfurt-Griesheim, Germany) and the **GE fixed and other intangible asset impairment** lead to €152 million of **non-recurring charges** in 2015
- **Net result discontinued activities** of €96 million relates to **HITCO**, which was sold in December 2015
- Therefore, of the total net loss of €295 million in 2015, €248 million alone relate to a business that has been sold, and a business, where we are currently exploring “strategic options”
- In other words, **excluding HITCO and the graphite electrodes business**, we would have been able to significantly reduce our **net loss to €47 million**, bringing us a big step forward to positive net results

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.