

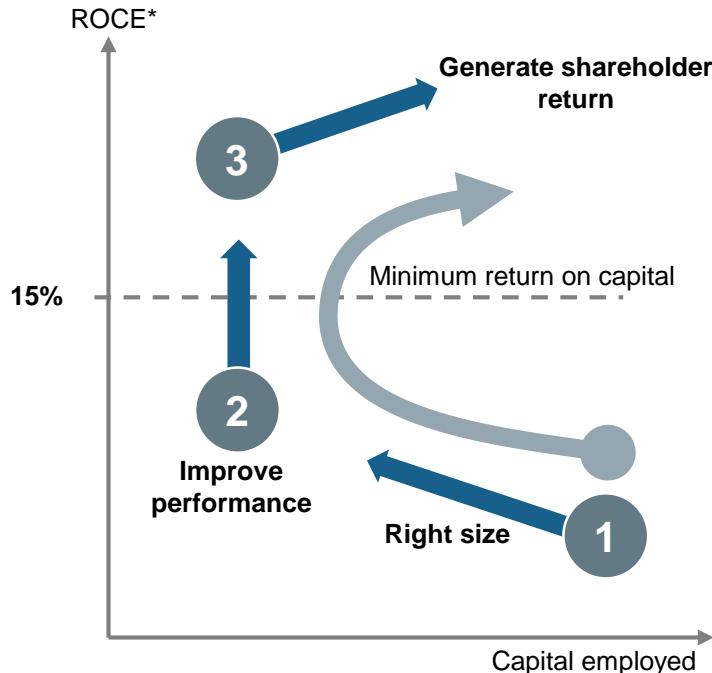
UniCredit, Kepler Cheuvreux 17th German Corporate Conference

Frankfurt, Germany

Dr. Michael Majerus, CFO

January 17, 2018

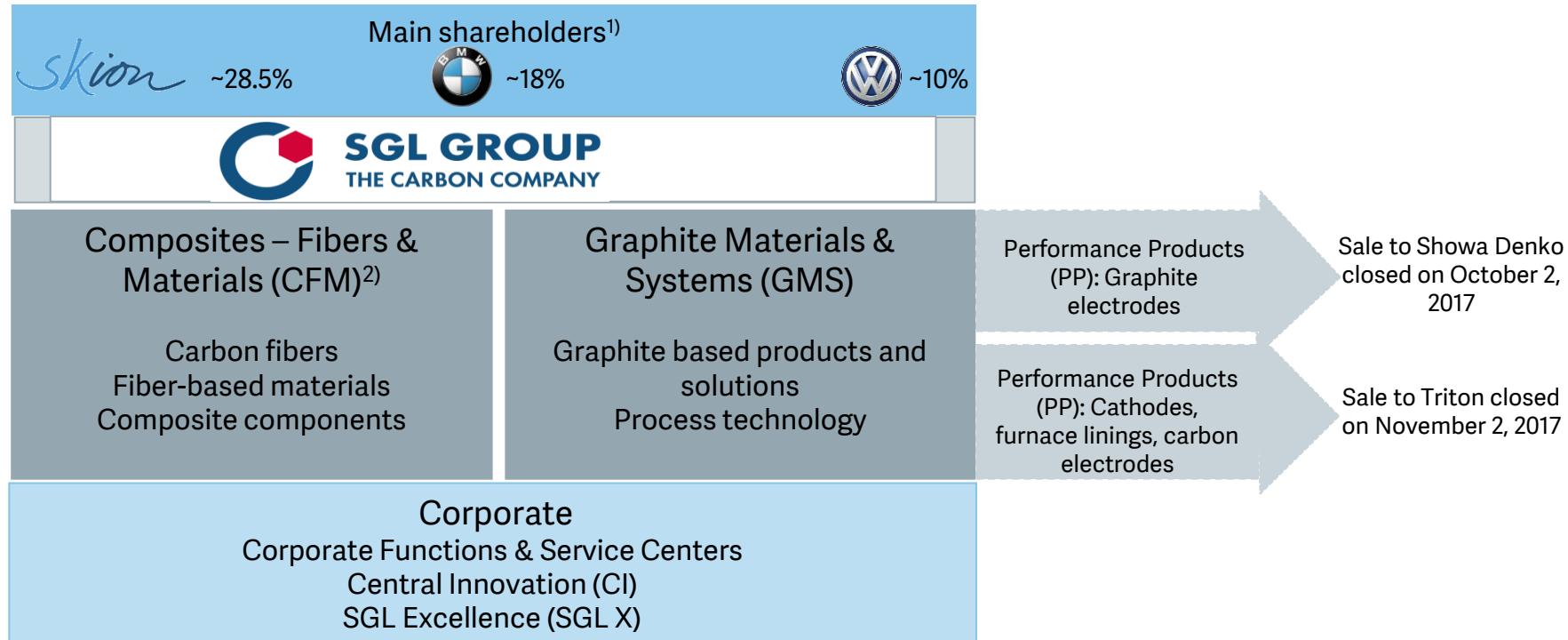
Fully on track. In achieving our strategic realignment



	Status
1) Right size	✓ ACHIEVED
Disposal Rotorblades	✓ ACHIEVED
Disposal HITCO	✓ ACHIEVED
Sale of GE	✓ ACHIEVED
Sale of CFL/CE	✓ ACHIEVED
2) Improve performance	✓ ACHIEVED
SGL2015**	✓ ACHIEVED
SGL Excellence	✓ ONGOING
BU streamlining	✓ ACHIEVED
Project CORE***	LAUNCHED
Deleveraging	ONGOING
3) Generate shareholder return with profitable growth	LAUNCHED
CFM: CFM 2020+	LAUNCHED
GMS: Growth strategy 2020	LAUNCHED

*EBITDA divided by capital employed; **At the end of Q3/2016, the cumulative savings of the SGL2015 cost saving program (launched in mid-2013) reached €228 million. Since the cumulative savings target of €240 million includes the incurred losses of €15 million in 2012 of the now disposed HITCO (aerostructures) and SGL Rotec (rotor blades), the target has now been reached; ***Savings target of €25 million is currently expected to be achieved by the end of 2018

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



¹⁾ according to their respective latest notifications (VW notification as of June 1, 2016; however VW did not participate in the December 2016 rights issue)

²⁾ Includes 51% of JV with BMW (proportionally consolidated up to 2017) and 50% each in JVs Ceramic Brake Discs (at-equity) and Automotive Components (at-equity up to 2017)

What SGL Group stands for in the future.

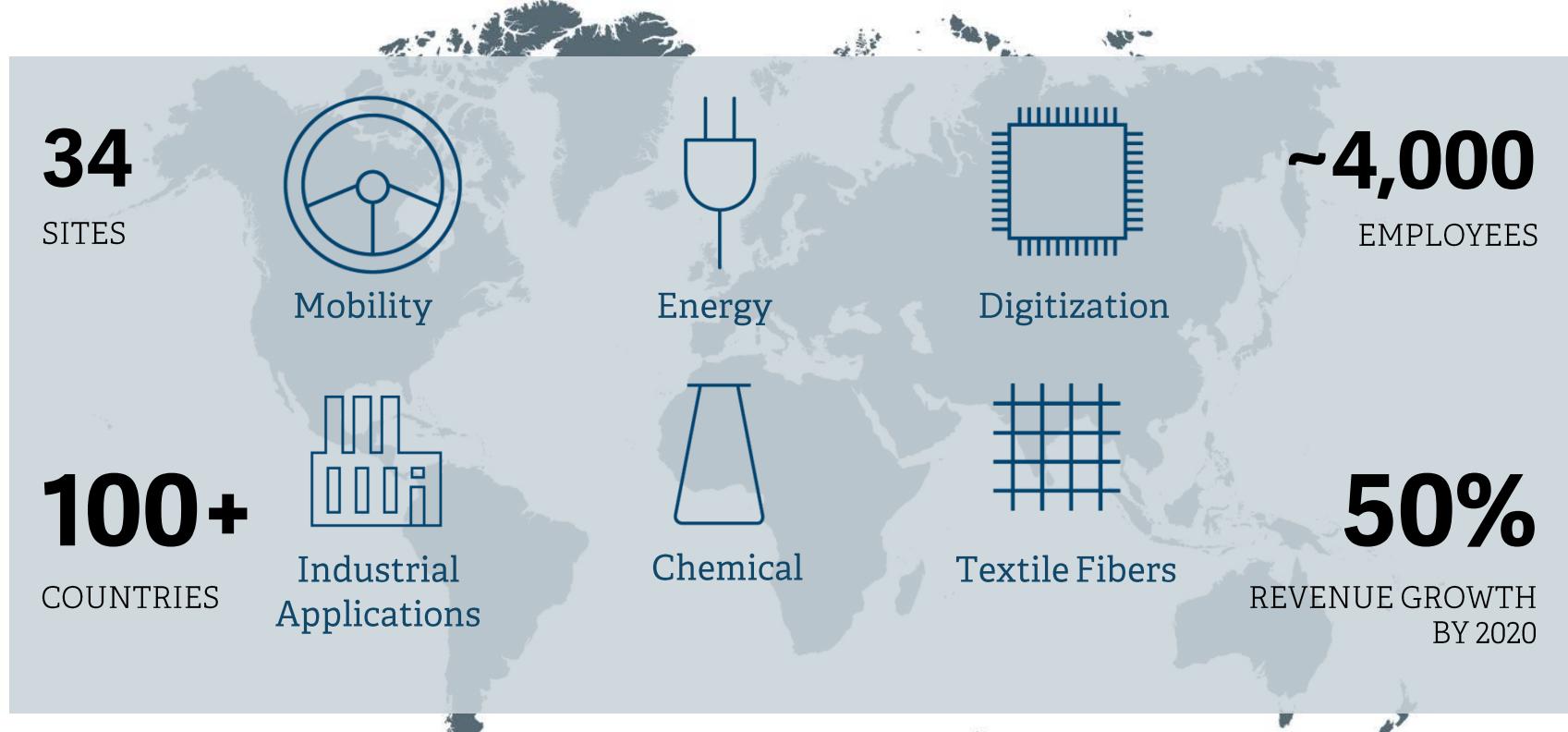
Smart solutions for more than 35 industries



- We specialize in **high-performance materials** based on **carbon** and **graphite**. We are among the **innovation leaders** in our markets being the **development partner** for **solutions** based on **carbon fibers, graphite** and **composite materials** worldwide
- Positioned along the **entire value chain**. Value creation by increasing focus on **downstream activities** in the future
- Our technologies enable **global megatrends** e.g. energy, mobility and digitization and contribute to organic growth of our revenue at 8-10% CAGR until 2020
- We are the **global market leader** in **graphite specialities** and in **composites** for **automotive serial production**
- Focus on CFM and GMS improves the balance between markets and industries, and thus **reduces volatility in our business**

New SGL Group: Innovation leader.

Specialized on carbon- and graphite-based solutions

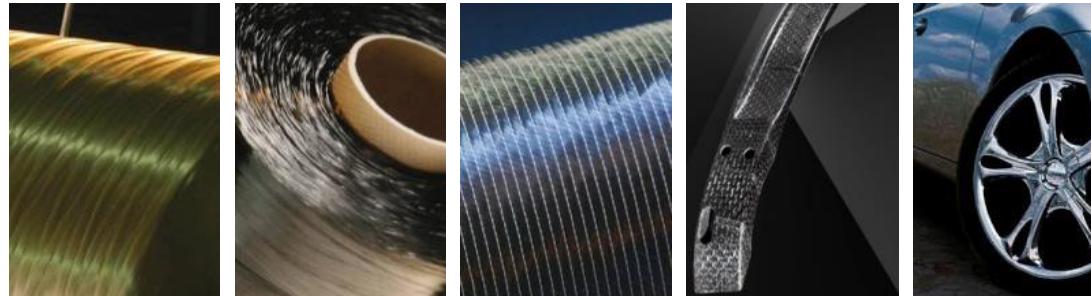


Composites – Fibers & Materials (CFM).

Solutions for the material mix of the future

- CFM is the expert for fibers, materials, and composites
- Technologically leading company with the development of a new generation of industrial carbon fibers

Value chain for lightweight construction materials based on carbon fibers



Raw material

Carbon fiber

Textile preforms

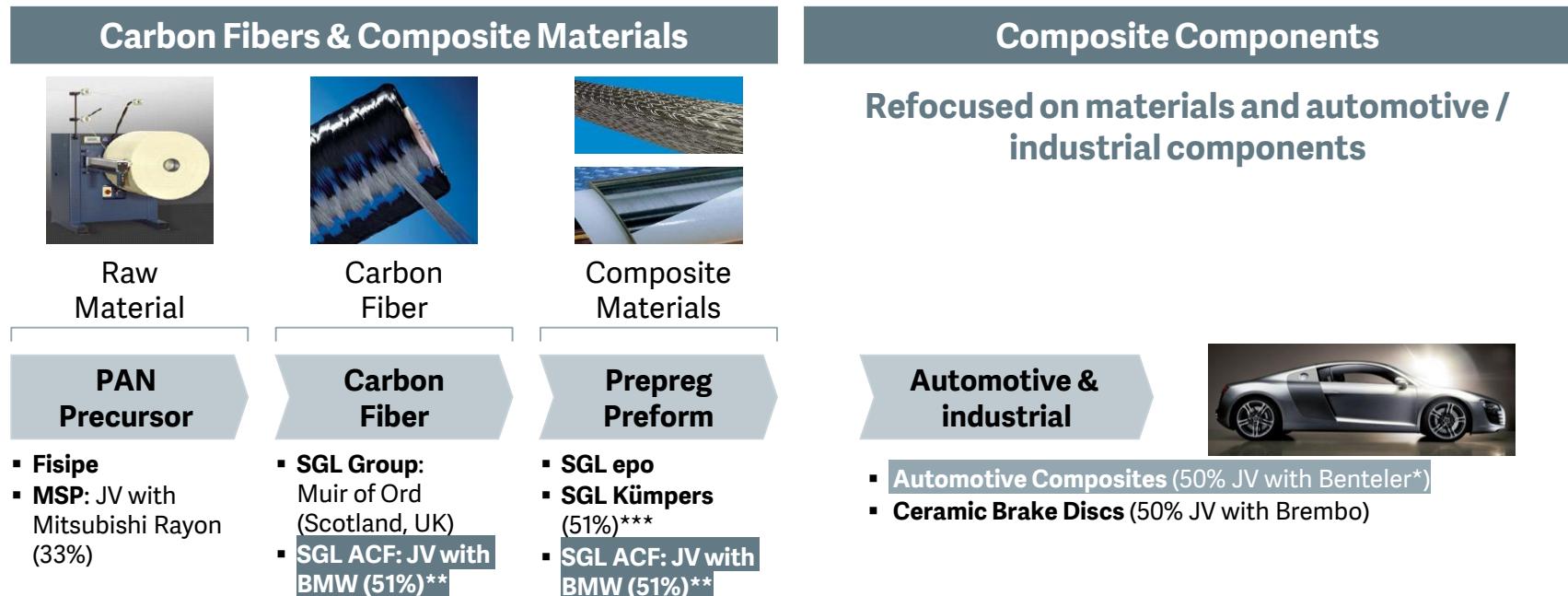
Components

Parts



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

Composites - Fibers & Materials (CFM). The only integrated carbon fiber & composites producer



*Acquisition of remaining 50% announced on November 8, 2017; **Acquisition of remaining 49% announced on November 24, 2017; ***Selling of 51% stake to Kümpers announced on January 10, 2018

Background & objectives

- SGL Group is the “natural owner” of the carbon fiber and composites value chain. Therefore, process and valuation methodology of taking over BMW’s share was already pre-defined in the joint venture agreement
- Initiate step-wise full integration of SGL ACF activities into business unit Composites – Fibers & Materials (CFM) while maintaining debt financing from BMW Group until end 2020
- Leverage SGL ACF’s capacities and capabilities for CFM growth strategy
- Gain operating degrees of freedom, e.g. growing main North American production hub in Moses Lake (Washington, USA)
- Attractive valuation metrics (high single digit EV/EBITDA) compared to other M&A transactions in the composites industry in recent years (double digit EV/EBITDA)

Background & objectives

- Acquisition of 50% share from Benteler Automobil Technik (BAT) in JV B-SGL to achieve 100% of control
- Complete integration of Benteler SGL into the business unit CFM will significantly strengthen the automotive activities of the business unit and provide synergies
- Privileged partnership with Benteler Automotive Technologies (BAT) in the area of composite leaf springs for chassis systems
- Continuation of the growth path in structural composite components
- Leverage synergies throughout the SGL value chain (i.e. captive use of carbon fibers)

Graphite Materials & Systems (GMS).

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 specific advantages of graphite is required. These include, e.g. heat and corrosion resistance and thermal and electrical conductivity
- GMS is a "hidden champion". In many areas, GMS occupies technological leading positions, e.g. in energy saving, SiC coatings and die-molded products



Energy storage

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



SiC coatings

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

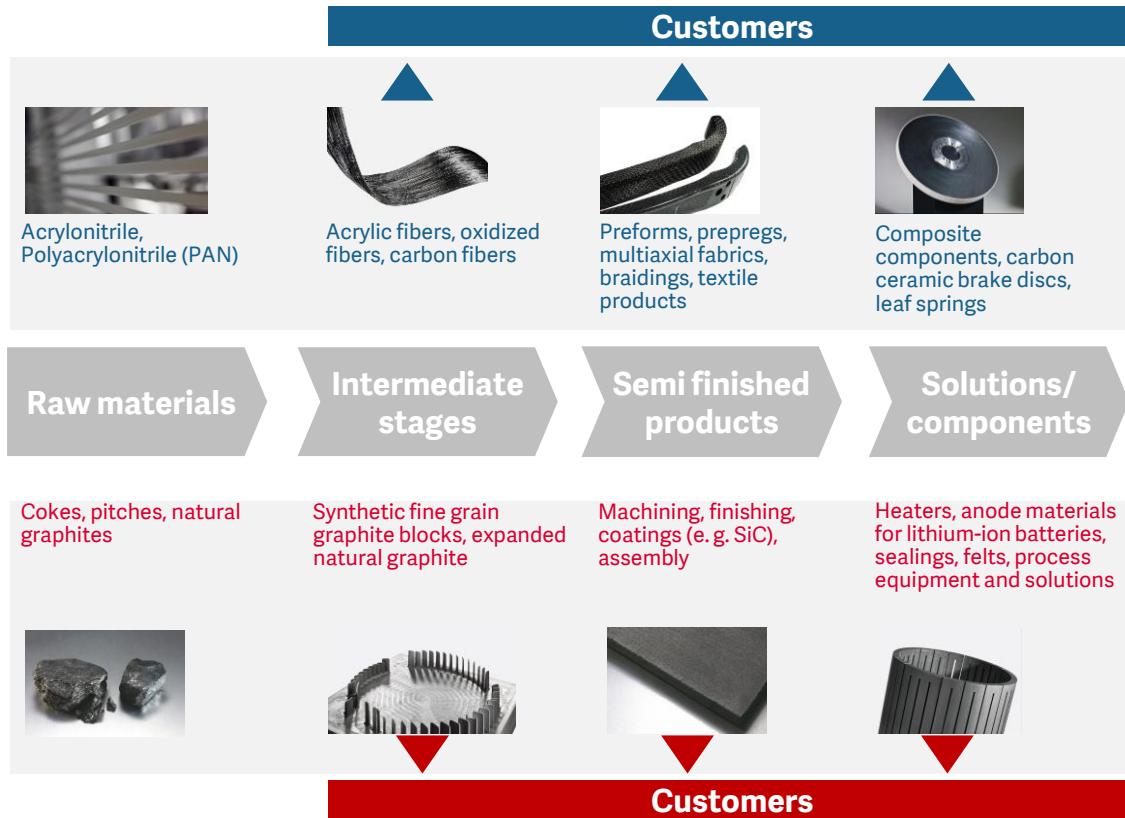


Die-molded products

One of the TOP suppliers of tailor-made carbon and graphite products for the automotive industry

Carbon and Graphite. Positioned along the entire value chain

CFM



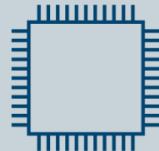
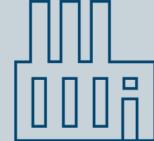
Control over the entire **value chain** enables product customization to customer requirements

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**

New Group Market Segmentation. Reflects stronger orientation to customer and growth markets



Market Segment						
Sales	Mobility ¹	Energy ²	Digitization ³	Industrial Applications	Chemical	Textile Fibers
2016	20 %	22 %	4 %	27 %	15 %	12 %
2015	18 %	20 %	4 %	27 %	17 %	14 %

¹comprises automotive, aerospace and transport markets; ²comprises battery, solar, wind and other energy markets; ³comprises LED and semiconductor markets

Growing with global megatrends.

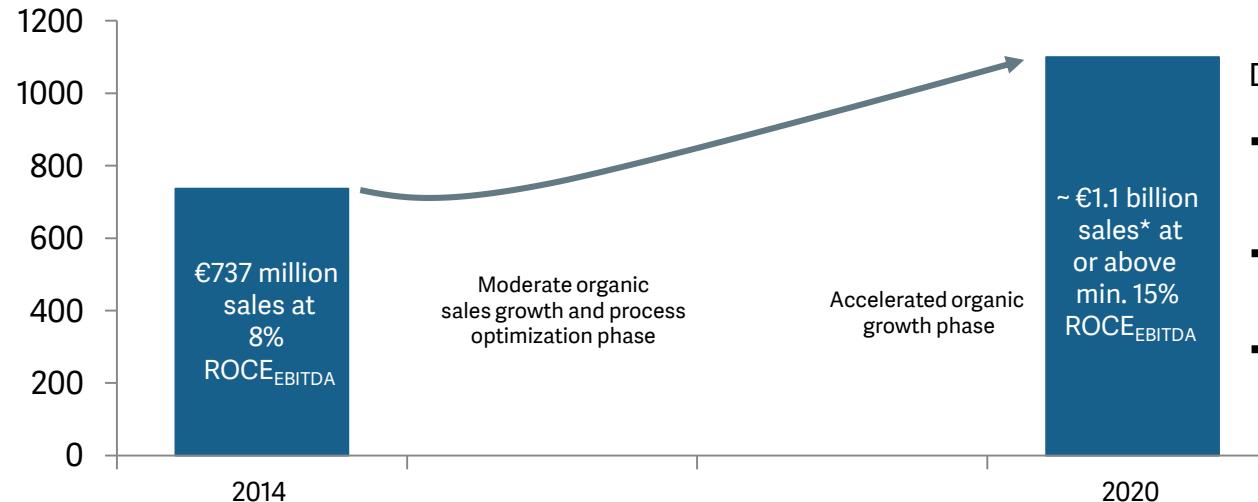
Carbon based solutions

Market growth, CAGR 2015 - 2020				
	 Energy 10 % ¹	 Digitization 7 - 9 % ²	 Mobility 3 - 5 % ³	
SGL Growth	CFM ~10 % ⁴	Wind Pressure vessels	mobile 3C end devices	Automotive Aerospace Pressure vessels
	Stationary energy storage Lithium-ion batteries		Lithium-ion batteries	
	GMS ~8 % ⁴	Solar, LED Nuclear, Polysilicon Stationary energy storage Heat recovery etc.	LED Semiconductor Sapphire glass	Automotive

¹ Energy efficiency, storage and generation; ²CCeV, Technavio, GreenTech Media, Siemens; ³CCeV, Yole Développement, Avicenne Energy, ⁴own forecasts

Target for GMS and CFM.

Profitable sales growth of 50%



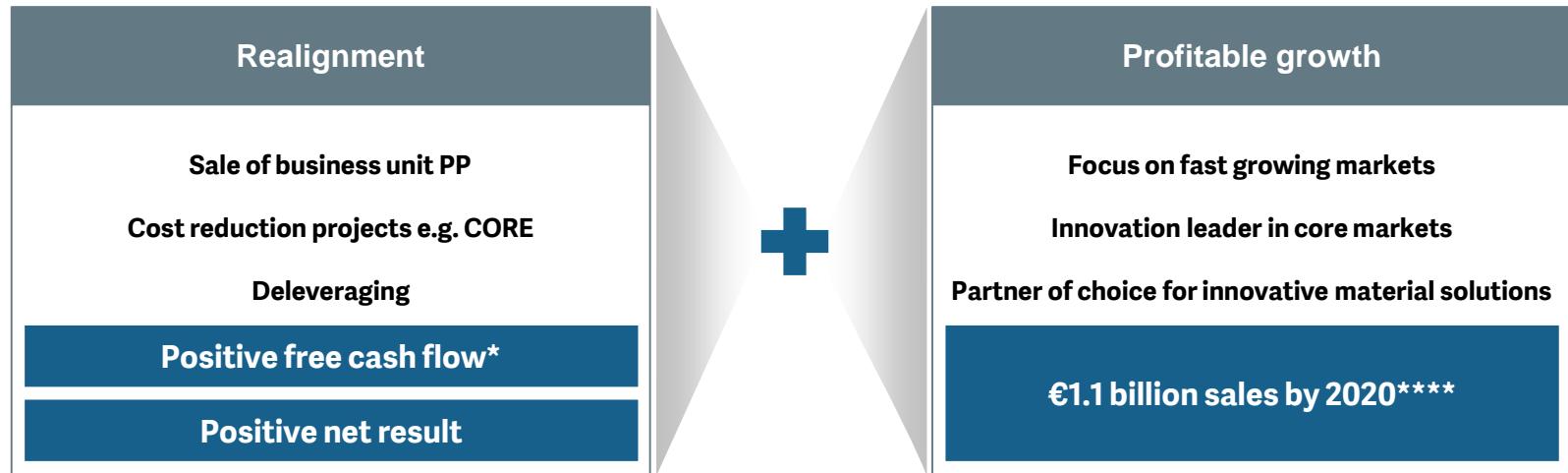
Drivers for **ROCE** improvement:

- 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.**

*like-for-like comparison, i.e. before changes in joint venture structures

Financial targets confirmed. We will continue to drive the transformation and the business forward



Net debt/EBITDA
< 2.5**

Gearing ~ 0.5

Equity ratio > 30%

ROCE ≥ 15%***

We believe to be able to achieve our financial targets in the medium to long term, with the announced realignment strategy and expected profitable growth in our core businesses GMS and CFM

* Excluding disposal proceeds; ** Excluding pensions; *** ROCE defined as EBITDA/Capital employed; ****organic, excluding changes in JV structures

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



- The majority of the current investors of SGL Group are more excited about the **innovation and growth businesses GMS and CFM**.
- **GMS and CFM materials and solutions enable several of the fastest growing economic trends** including energy storage, digitalization, 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.



Thank you !



Backup Outlook

Composites – Fibers & Materials (CFM)

- **Slight* increase in sales**
 - Particularly driven by higher carbon fiber demand for **industrial applications** and **automotive**
 - Slight increase in sales also in market segment **textile fibers**
 - Stable/slightly lower sales in **aerospace** (higher level of invoicing in US aerospace materials in prior year)
 - Lower sales in **wind energy** market segment
- **EBIT** close to 2016 level**
 - Operational improvements to be offset by ramp up of Lightweight and Application Center for new developments in automotive and aerospace applications
 - As in prior year, the first quarter was strongest in the course of the year (high Q1/2017 utilization rate not sustainable in full year; Q1/2016 benefited from very high invoicing levels in US aerospace materials)
- **Non-recurring effects**
 - Closure of Evanston sale on April 3, 2017 led to a negative earnings effect from attributable cumulative currency translation differences amounting to €6 million as well as a cash inflow on book value level in the second quarter 2017

Graphite Materials & Systems (GMS)

- Slightly above 10% increase in **sales** (2nd upward revision this year)
 - Growth in market segments **battery & other energy, LED, semiconductors, industrial applications, and automotive & transport**
 - Market segment **solar** to significantly increase sales due to improved positioning and product portfolio
 - Market segment **chemicals** to remain stable. After weakness in Q1 and Q2, Q3 showed a nice recovery
- Strong **EBIT*** improvement from higher capacity utilization and cost savings should allow GMS to reach Group minimum ROCE_{EBITDA} target of 15% also in the full year

Corporate:

- Higher expenses due to non-recurrence of positive one-time effects in Q4 of prior year
- Like-for-like flat development - higher expenses for Corporate Innovation to be compensated by CORE savings
- Initial expenses in Q4 possible due to the launch of the new "SGL Operations Management System"

Group outlook 2017.

Improvement in all major KPIs expected



- Approximately 10% growth in full year **Group sales**
- **Group recurring EBITDA* and EBIT*** to increase more than proportionately to sales due to expected volume increase and initial CORE savings - however EBIT in Q4 expected to be the lowest in the course of the year due to planned plant shutdowns/holidays
- **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 the early redemption of corporate bond (write-off of capitalized refinancing costs and acceleration fee)
- **Discontinued operations** to improve significantly**
 - Strong operational improvement in PP and non-recurrence of negative tax impact related to PP carve out and one-off effects in GE in prior year
 - Book profit of approx. €130 million from CFL/CE sale upon closing
 - Negative impact in Q4/2017 from disposal of GE and CFL/CE due to P&L accounting of accumulated FX adjustments of both entities, which should be mostly compensated by the reversal of impairment charges from the remeasurement of GE at fair value less costs to sell due to the better than anticipated operational performance

Group outlook 2017. (cont.)

Improvement in all major KPIs expected



- **Capex** to increase significantly* compared to prior year, but remain approx. on the level of depreciation
- **Free cash flow (continued operations)** in Q4/2017 to be impacted by back-end loaded capex and effects from closing and deconsolidation of GE and CFL/CE (will reverse in 2018)
- **Net debt** at end 2017 to be substantially reduced due to cash proceeds from sale of GE and CFL/CE and despite a mid double-digit million euro impact from acquisition of remaining 50% stake in Benteler SGL
- **Discontinued operations** to receive a further mid double-digit million euro payment in Q1/2018 from the GE sale based on current assumptions and following the mutual agreement on the closing balance sheet

Sneak preview on 2018.



- **Positive market trends** seen in 2017 to **continue in 2018** – in some cases to strengthen even further e.g. **anode materials for lithium ion batteries**
- **Foreign currency exchange rates moving in an unfavorable direction:** 2017 benefited from favorable currency hedging transactions; this tailwind is not repeatable in 2018
- **Overall costs** expected to be impacted by
 - Higher wages for employees expected esp. in Germany (particularly relating to the metalworking trade union)
 - Expiration of service level agreements with former PP activities following their disposal
 - Anticipated higher raw material costs e.g. acrylonitrile in CFM and raw materials in GMS
- **Detailed outlook to be presented on March 14, 2018 with publication of our annual report**



Backup Acquisition of SGL ACF (former JV with BMW Group)

Taking full ownership of SGL ACF. Main cornerstone for CFM's mid- to long-term growth perspective



Key value driver 1: i- and 7-series project with BMW

- Contractually agreed take-or-pay mechanism ensures a good profitability level until end of production of BMW i3
- The i-series project is the foundation of an excellent supplier relationship with BMW

Key value driver 2: SGL ACF's capabilities beyond existing BMW projects

- Full ownership enables CFM to utilize the sites in Moses Lake (USA) and Wackersdorf (D) as additional hubs not just for the automotive industry but also for energy, aerospace and civil engineering
- Developed knowledge and available capacities can also be leveraged for other automotive OEMs
- Development, production and marketing of new generation carbon fiber technology

Taking full ownership of SGL ACF. Main cornerstone for CFM's mid- to long-term growth perspective (cont.)



Key value driver 3: Synergies

- The site in Moses Lake (USA) will be CFM's main hub for all North American activities
- Potential for reduced capex
- SGL ACF's existing site overhead functions can be leveraged for CFM (avoided headcount increase)

Acquisition of SGL ACF.

Two-step transaction structure



Innovative transaction structure limits near term cash outflow

- Agreement includes full acquisition of both Wackersdorf and Moses Lake sites
- Closing of Wackersdorf acquisition will be pursued immediately and is expected in Q1/2018 – leading to cash outflow of purchase price relating to Wackersdorf
- Closing of Moses Lake site acquisition (incl. payment of related purchase price) can be pursued at any time until the end of 2020 – BMW Group will continue to provide debt financing until then
- However, agreement does lead to full consolidation of the total SGL ACF debt (excl. purchase price for Moses Lake) as of January 1, 2018 (see next page)

Acquisition of SGL ACF.

Financial Impact on 2018



Financial impact on KPIs in 2018 (based on expected closing in Q1/2018)

- Additional turnover: mid double digit million € (change from proportionate to full consolidation)
- Additional EBITDA: low double digit million € (change from proportionate to full consolidation)
- Net income: small positive impact as higher depreciation related to purchase price allocation and higher interest expenses (due to full consolidation of SGL ACF debt) to partially offset higher EBITDA contribution
- Purchase price:
 - approx. €24 million for Wackersdorf (payable upon expected closing Q1/2018)
 - approx. USD 62 million for Moses Lake (payable upon closing end of 2020 at the latest)
- Net debt effect: approximately €100-150 million increase (full consolidation of SGL ACF debt and purchase price Wackersdorf)

Acquisition of SGL ACF.

Mid term targets continue to be valid



Financial impact on mid term targets

- Min. 15% ROCE_{EBITDA} ✓
- Net debt/EBITDA < 2.5 ✓
- Gearing ~ 0.5 ✓
- Equity ratio >30% ✓

No impact on €1.1 bn sales revenue target as target based on organic growth



Backup Acquisition of Benteler SGL

Acquisition of Benteler SGL. Provides the right component platform for the business unit CFM



Leading large-scale serial manufacturer for automotive composite parts

Business process competencies	+	Technology competencies
<ul style="list-style-type: none">▪ Strong automotive mind-set▪ Proximity to automotive customers▪ Process capabilities and systems to handle quotations, automotive logistics, and development projects▪ Supporting quality management and tools incl. ISO/TS 16949▪ Experienced team (commercial, engineering, and technical)		<ul style="list-style-type: none">▪ Development and prototyping capabilities▪ Pilot line equipment (close to serial production equipment)▪ Track record in the industrialization of large scale production processes incl. automation▪ Existing technologies (wet press, RTM) can serve as basis for future modification/ expansion

Acquisition of Benteler SGL. An attractive investment case for SGL Group



- **Long-term market growth** is expected to continue (CAGR 2017-2026 >10% p.a.) driven by **major automotive technology trends** incl. battery electric mobility, lightweight, multi material design concepts and local composite reinforcements
- **Key value driver 1: Sustainable mid-term growth.** Benteler SGL's leading technology positions and project portfolio allow growth with or above market rate. Structural parts and leaf springs as two complementary business segments. Established partnerships with OEMs incl. privileged partnership with BAT (leaf springs/suspension systems). Upside from offering technology to other industries
- **Key value driver 2: Long-term growth perspective.** Leverage technology platform and manufacturing experience to establish CFM as leading 1st tier supplier. Several project/program discussions are related to SOPs beyond five years planning horizon

Acquisition of Benteler SGL. An attractive investment case for SGL Group (cont.)



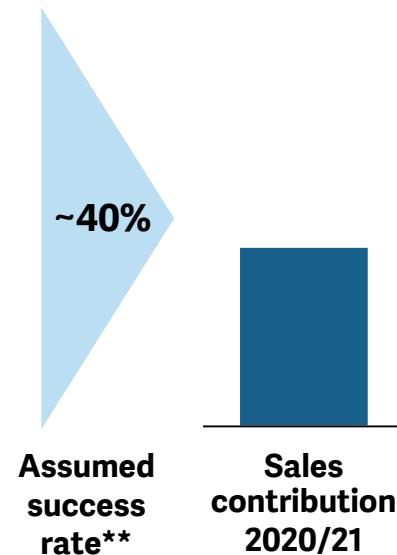
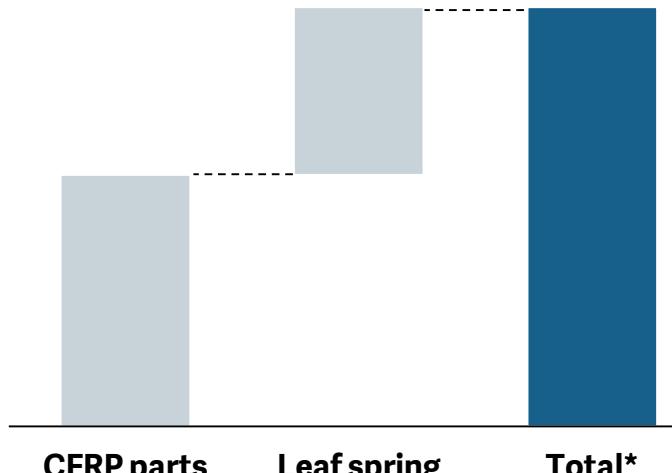
- **Key value driver 3: Enabling of CFM projects.** Customers/partners expect SGL Group to demonstrate and guide how to design and develop solutions and how to industrialize manufacturing. Already today, Benteler SGL serves as an important partner in particular for OEMs who are less experienced with composites, e.g. Asian car producers
- **Key value driver 4: Synergies from the integration into the business unit CFM.** Shared resources in business development, sales, engineering, industrialization, quality management, and usage of pre-materials from the SGL Group value chain incl. gross margin and working capital benefits. Benteler SGL has appropriate business process and technology competencies and the team can make a strong nucleus for automotive business within CFM

Acquisition of Benteler SGL. Current JV project pipeline



Benteler SGL project pipeline analysis

Annual sales in m€



Current JV project pipeline expected to generate additional low to mid double digit million euro sales by 2020/21

Financial impact on KPIs (based on expected closing mid-December)

- Sales FY 2017 Negligible
- EBITDA FY 2017 Negligible
- Net debt at end 2017 mid double-digit million euro increase
- Sales FY 2018 Additional sales (low to mid-double digit million euro amount)
- EBITDA FY 2018 Small positive impact

Backup

Latest Results 9M/2017

Review. Strategic realignment largely completed



- As the final step in the disposal process of our former business unit Performance Products (PP), we closed the sale of the CFL/CE business to Triton on November 2, 2017. Based on an enterprise value (cash and debt free) of €250 million, cash proceeds amounted to approx. €230 million after deduction of standard debt-like items (mainly pension provisions) as well as other customary adjustments. The final proceeds will be determined based on the balance sheet as of October 31, 2017
- With this transaction, the former business unit Performance Products (PP) has been sold at a total Enterprise Value of approx. €600 million and at approx. €130 million above its book value on June 30, 2016, the date as of which the business was classified as held for sale
- Early redemption of the €250 million corporate bond was completed on October 30, 2017 with proceeds from the sale of the graphite electrode (GE) business (after SGL Group closed the GE sale to Showa Denko on October 2, 2017) and the December 2016 rights issue. The redemption will result in annual savings of approx. €13 million from 2018 onwards due to the absence of interest expenses and refinancing costs
- The convertible bond with an original nominal of €240 million will be redeemed at maturity in January 2018 with the proceeds from the sale of the CFL/CE business. The redemption of this convertible bond will result in annual savings of approx. €12 million from 2018 onwards due to the absence of interest expenses, imputed interest components, and refinancing costs

Composites - Fibers & Materials. Sales growth driven in particular by industrial applications and automotive



in € million	9M/2017	9M/2016
Sales revenue	253.9	234.5
EBITDA*	32.8	32.5
ROCE _{EBITDA} (in %)	10.6	9.4
EBIT*	17.2	16.8
EBIT-Margin* (in %)	6.8	7.2

- **Sales revenue** increased by 8% (currency adjusted by 10%)
 - Higher sales in the market segments **industrial applications** (esp. carbon fibers for injection molding applications), **automotive**, **aerospace**, and **textile fibers** (driven by higher oil based raw material prices at the start of the year)
 - Sales in the market segment **wind energy** below prior year level
- As expected, stable **EBIT** despite
 - Improved profitability esp. in market segment **industrial applications** due to higher utilization rates in our carbon fiber plant in Scotland
 - Higher earnings in market segments **automotive** esp. as a result of higher profit contribution from Automotive Composites (investment accounted for At-Equity)
 - Slightly higher earnings in **aerospace** and stable earnings in **wind**
 - Offset by
 - Lower earnings contribution from **textile fibers** (higher energy and raw material costs)
 - Higher expenses relating to the buildup of the **Lightweight and Application Center**

Graphite Materials & Systems. Stronger demand in nearly all market segments



in € million	9M/2017	9M/2016
Sales revenue	381.5	321.4
EBITDA*	54.4	35.3
ROCE _{EBITDA} (in %)	17.4	12.0
EBIT*	37.5	18.8
EBIT-Margin* (in %)	9.8	5.8

- **Sales revenue** up 19 % (no currency impact)
 - Higher demand for graphite anode materials for lithium ion battery industry in the market segment **battery & other energy** and from customers from the **LED** industry
 - Improved sales also in the market segments **solar, semiconductor, automotive & transport** as well as in **industrial applications**
 - After two quarters with decreasing sales resulting from low capex spending in the chemical industry, performance in Q3 improved significantly in the market segment **chemicals**
- Recurring **EBIT** doubled
 - Significantly higher result in the market segments **battery & other energy** as well as **industrial applications**
 - Higher earnings contributions also from the market segments **semiconductor, automotive & transport, solar, and chemicals**

* Before non-recurring items of €1.0 million in 9M/2017 and minus €0.5 million in 9M/2016

Corporate. Lower expenses driven primarily by cost savings from project CORE



in € million	9M/2017	9M/2016
Sales revenue	6.7	6.2
EBITDA*	-17.1	-18.8
EBIT*	-21.7	-22.8

- Recurring **EBIT** improved by 5% due to cost savings from project CORE (COrporate REstructuring) which offset higher expenses for Corporate Innovation
- The name of the former reporting segment T&I and Corporate was simplified to Corporate

Group. Improvement driven by GMS, Corporate and discontinued operations.



in € million	9M/2017	9M/2016
Sales revenue	642.1	562.1
EBITDA before non-recurring charges	70.1	49.0
ROCE _{EBITDA} (in %)	10.7	7.8
EBIT before non-recurring charges	33.0	12.8
Non-recurring charges	-5.0	-0.6
EBIT	28.0	12.2
Net financing result	-38.6	-38.7
Results from continuing operations before income taxes	-10.6	-26.5
Income tax expense and non controlling interests	-9.6	-2.9
Result from discontinued operations, net of income taxes	25.5	-94.7
Consolidated net result attributable to shareholders of parent company	5.3	-124.1

- **Net financing result** includes accelerated write off of remaining capitalized refinancing costs relating to the €250 million corporate bond with 2021 maturity which was redeemed early on October 30, 2017
- **Discontinued operations** significantly improved due to further operational improvement in CFL/CE and approx. €7 million reversal of impairment losses from the remeasurement of the GE business at fair value less costs to sell in the reporting period; prior year period included negative tax impact related to PP carve out and impairment loss relating to sale of GE

Free cash flow.

Still negative but improved



in € million (continuing operations)	9M/2017	9M/2016
Cash flow from operating activities	-27.2	-50.9
<i>Capital expenditures in property, plant, equipment and intangible assets</i>	-30.3	-22.0
<i>Cash flow from other investing activities*</i>	20.1	-1.5
Cash flow from investing activities	-10.2	-23.5
Free cash flow	-37.4	-74.4
Free cash flow from discontinued operations	4.1	-16.0

- **Cash flow from operating activities** improved significantly, driven by the improved result from continuing operations and despite the increase in net working capital
- **Cash flow from investing activities** substantially improved despite increased capital expenditures due to the cash inflow from the sale of the Evanston site, a land sale in Banting (Malaysia), as well as higher dividend payments from at equity accounted investments
- **Free cash flow from discontinued operations** clearly improved and turned slightly positive mainly driven by an improvement in operating cash flows of former business unit PP and the absence of restructuring cash-outs

*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 and corporate bond redemption to be visible in Q4/2017

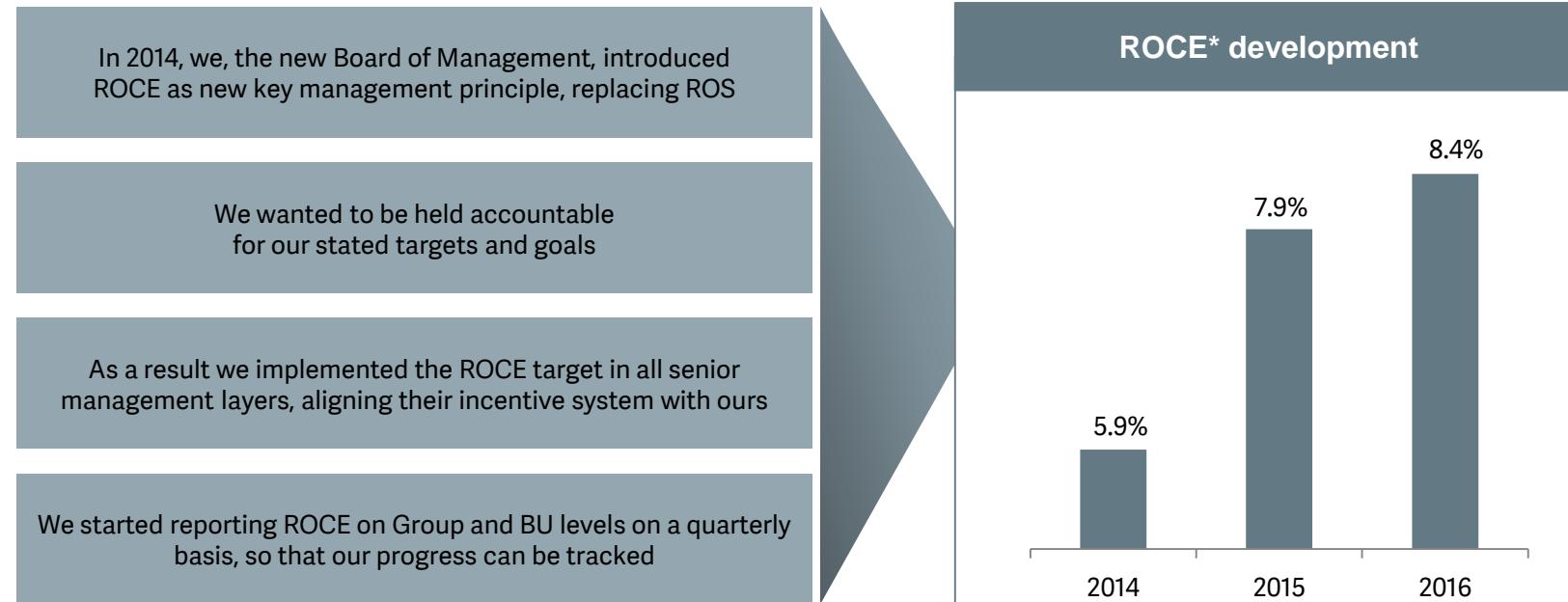


in € million	30.09.2017	31.12.2016
Equity ratio (in %)	17.6	17.5
Total liquidity (incl. discontinued operations)	292.6	333.0
Net financial debt	477.3	449.4
Gearing (net debt/equity)	1.47	1.35

- **Equity ratio** improved slightly by 10bps mainly as a result of the decrease in total assets and despite the slight decrease in equity
- With proceeds of more than €230 million at closing of the GE sale, we **exercised our call on the €250 million corporate bond which was redeemed on October 30, 2017**. Remaining cash and proceeds from sale of CFL/CE more than sufficient to **meet the January 2018 maturity of the convertible bond issued in 2012**
- Higher **net financial debt** reflects mainly the reduced liquidity, resulting primarily from the buildup of working capital, and the final installment of €9 million of the negative purchase price to the buyer of HITCO's aerostructures activities

Backup Miscellaneous

ROCE. Remains key management principle for managing the business



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

* ROCE defined as EBITDA/Capital employed

Transaction details of Graphite Electrodes sale.



Transaction scope	<ul style="list-style-type: none">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	<ul style="list-style-type: none">Enterprise Value of €350 million (cash and debt free) translates into expected cash proceeds of at least €230 million (after deduction of standard debt-like items such as pension and restructuring provisions)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	<ul style="list-style-type: none">Closed on October 2, 2017Limited SGL Group guarantees towards buyer for potential environmental liabilitiesRepresentation & warranty package is capped at low double digit millions

Successful disposal of the loss-making GE business is a major step forward with regard to our strategic realignment

Transaction details of CFL/CE sale.



Transaction scope	<ul style="list-style-type: none">▪ Transaction scope is the remaining part of the PP division, i.e. Cathodes, Furnace Linings and Carbon Electrodes business▪ CFL/CE represents ~30% of Performance Product (PP) division and ~20% of total SGL Group (of 2015A sales)
Valuation & financial impact	<ul style="list-style-type: none">▪ Enterprise Value of €250 million (cash and debt free) translates into expected cash proceeds of approx. €230 million (after deduction of standard debt-like items i.e. mainly pension provisions and other customary adjustments)▪ The sale will result in a book profit of approx. €130 million in Q4/2017
Terms & conditions	<ul style="list-style-type: none">▪ Closed on November 2, 2017

Successful disposal of the profitable CFL/CE business in a short period of time is a further major step forward with regard to our strategic realignment

Global presence. Continued operations

8 production sites
North America



17 production sites
Europe



7 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 December 31, 2017)	122,341,478
Free float	~ 45%

Reported shareholdings according to §§ 21f. WpHG

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

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

**Volkswagen AG did not participate in the December 2016 rights issue

Debt market instruments.



Convertible notes 2012/2018

Coupon	2.75%
Principal Amount	€ 240 million
Adjusted Conversion Price	€ 37.5067
Conversion Right (as at December 31, 2017)	6.39 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	€ 17.0732
Conversion Right (as at December 31, 2017)	9.78 million shares
Issue Date	14 September 2015
Date of Maturity	30 September 2020

Corporate bond redeemed early on October 30, 2017

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

Financial calendar / contact details.



Financial calendar 2018

March 14, 2018	Annual Report 2017
May 8, 2018	Report on the first quarter 2018
May 29, 2018	Annual General Meeting
August 7, 2018	Report on the first half year 2018
November 6, 2018	Report on the first nine months 2018

Contact

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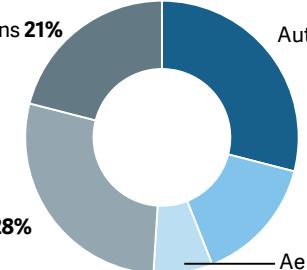


Reporting Segment

Composites - Fibers & Materials

Reporting Segment.

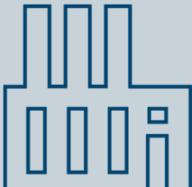
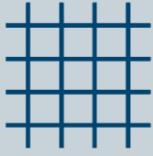
Composites - Fibers & Materials (CFM)

Activities	Group sales 2016	CFM sales 2016
<ul style="list-style-type: none"> ▪ Carbon Fibers ▪ Composite Materials ▪ 51% SGL ACF (JVs with BMW)* ▪ Ceramic Brake Discs ▪ Automotive Composites 	<p>CFM 42%</p>  <p>€770m</p>	<p>Industrial applications 21%</p> <p>Automotive 29%</p> <p>Textile fibers 28%</p> <p>Wind energy 15%</p> <p>Aerospace 7%</p> 
Key industries served	Characteristics	Strategic priorities
<ul style="list-style-type: none"> ▪ Automotive ▪ Wind energy ▪ Aerospace ▪ Industrial (e.g. Pressure Vessels) ▪ Textile 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

*Acquisition of remaining 49% announced on 24 November 2017

Composites – Fibers & Materials (CFM).

New market segmentation

Market Segment					
Sales	Automotive	Aerospace	Wind Energy	Industrial Applications	Textile Fibers
2016	29 %	7 %	15 %	21 %	28 %
2015	28 %	4 %	15 %	20 %	33 %

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

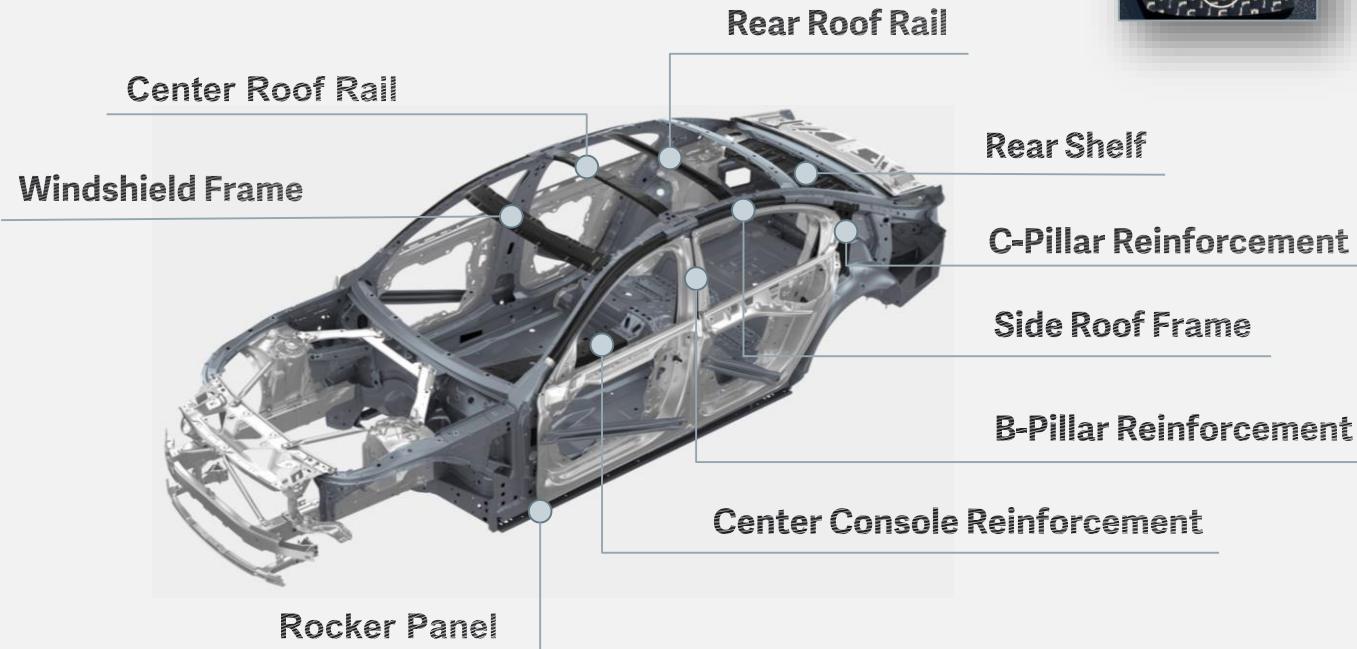
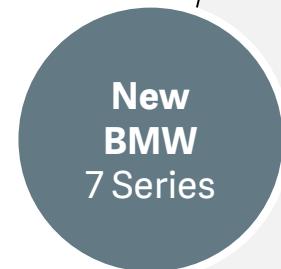


Source: Benteler SGL

The next level of Carbon Fiber in Automotive. New BMW 7 series



Significant weight-savings through lightweight chassis

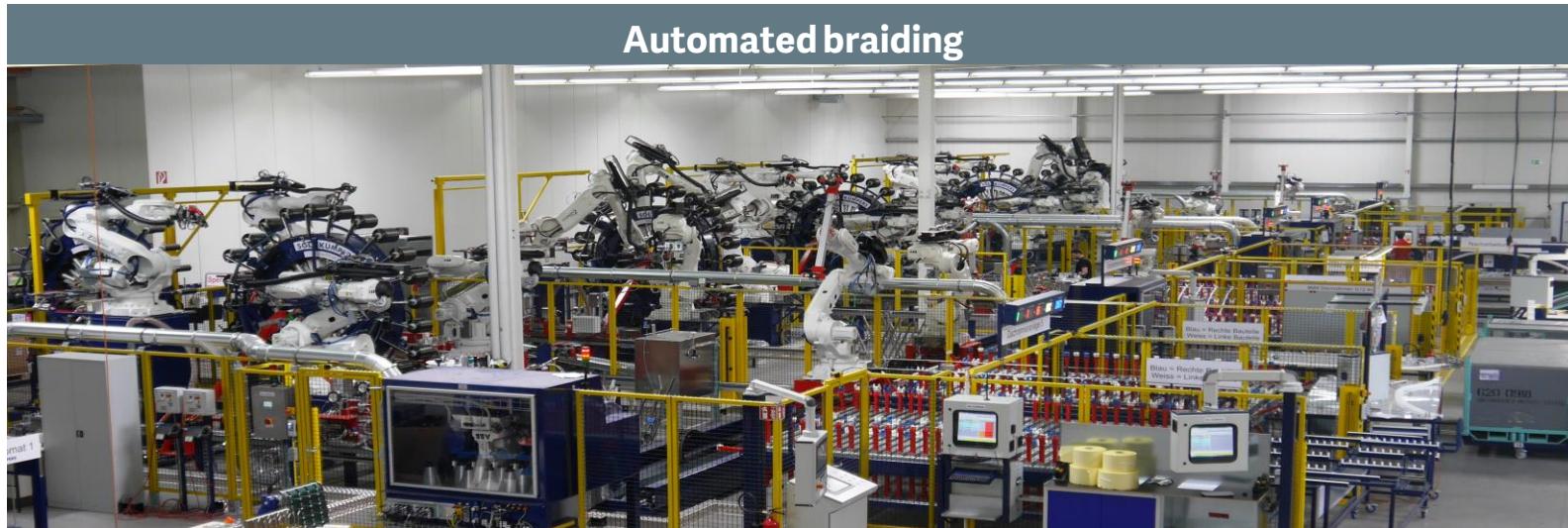


Source: BMW

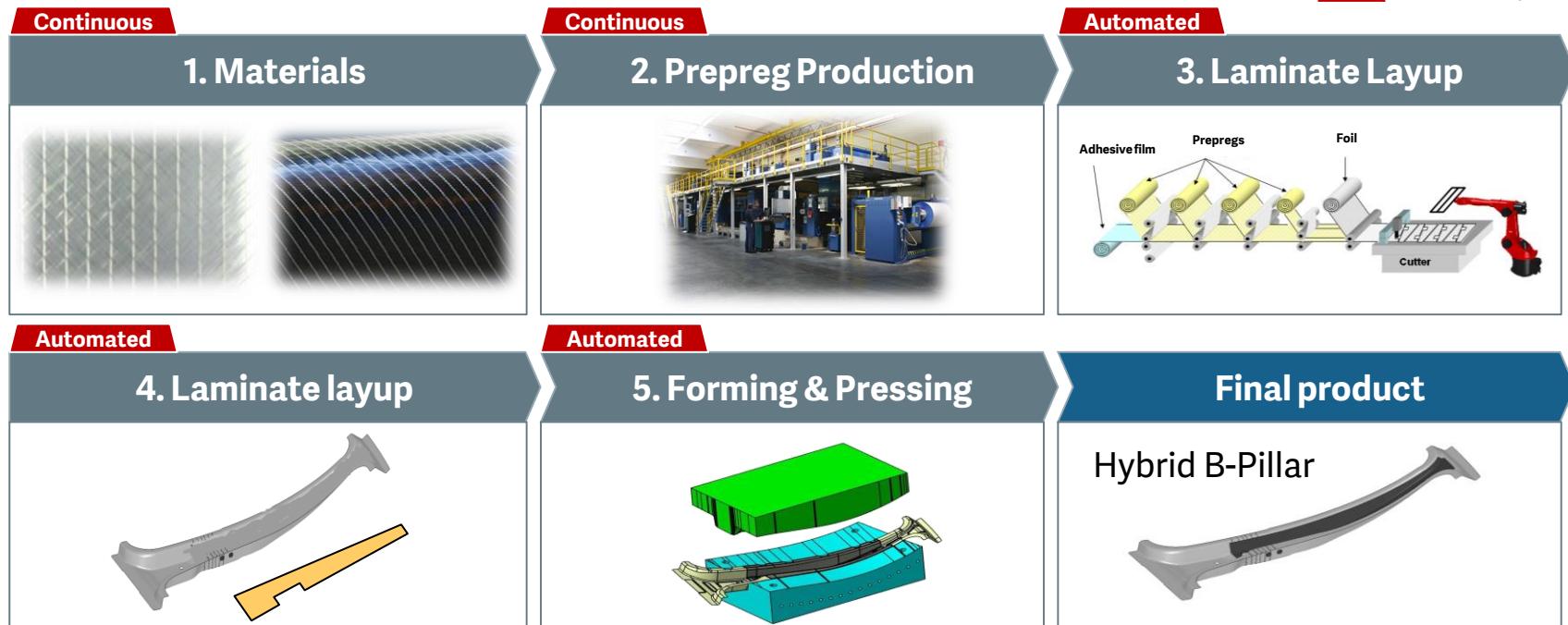
Key differentiator in automotive.

Focus on industrializing carbon fiber usage

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



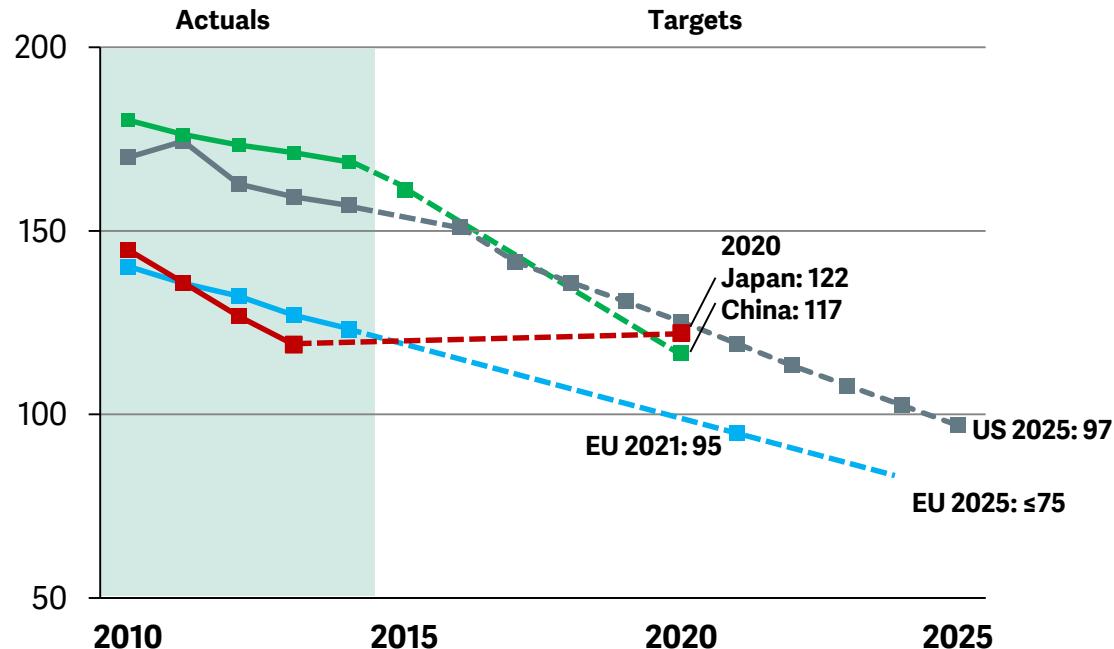
New hybrid materials manufactured with automated production systems. Example B-Pillar



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

Carbon in Automotive. Stringent CO₂ emission restrictions globally

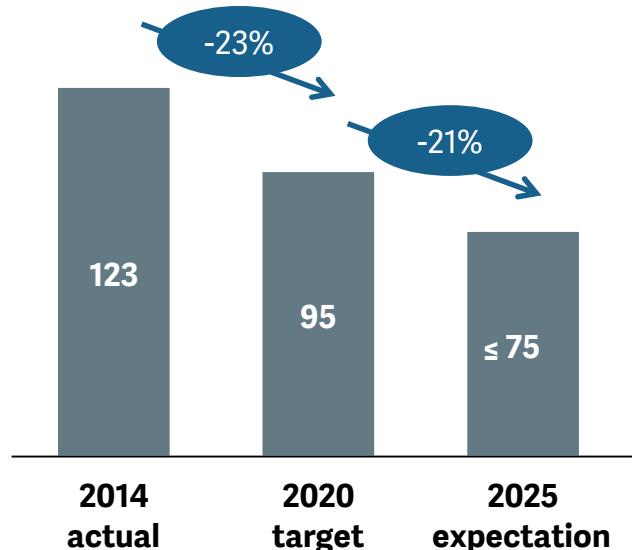
CO₂ emissions car fleet actual averages and targets [in g CO₂ per km, normalized to NEDC*]



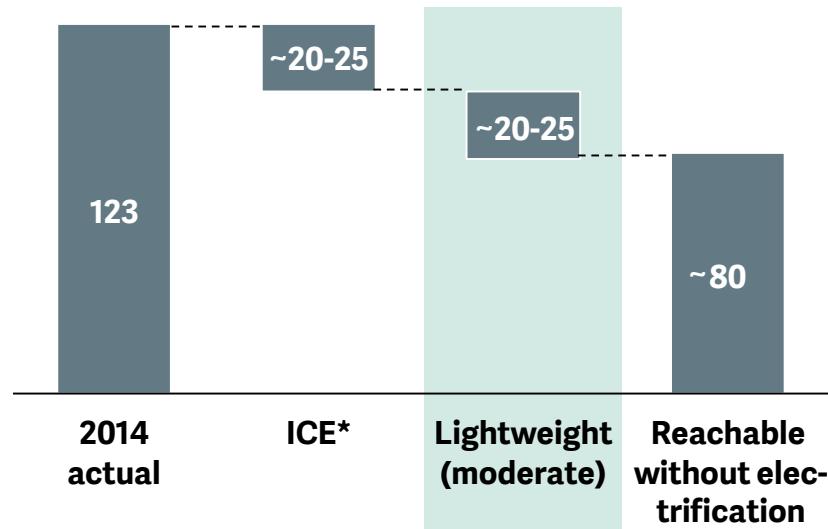
- Global approach to reduce CO₂ emissions
- Progressively more comfort and safety features on board
- Driver for lightweight

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



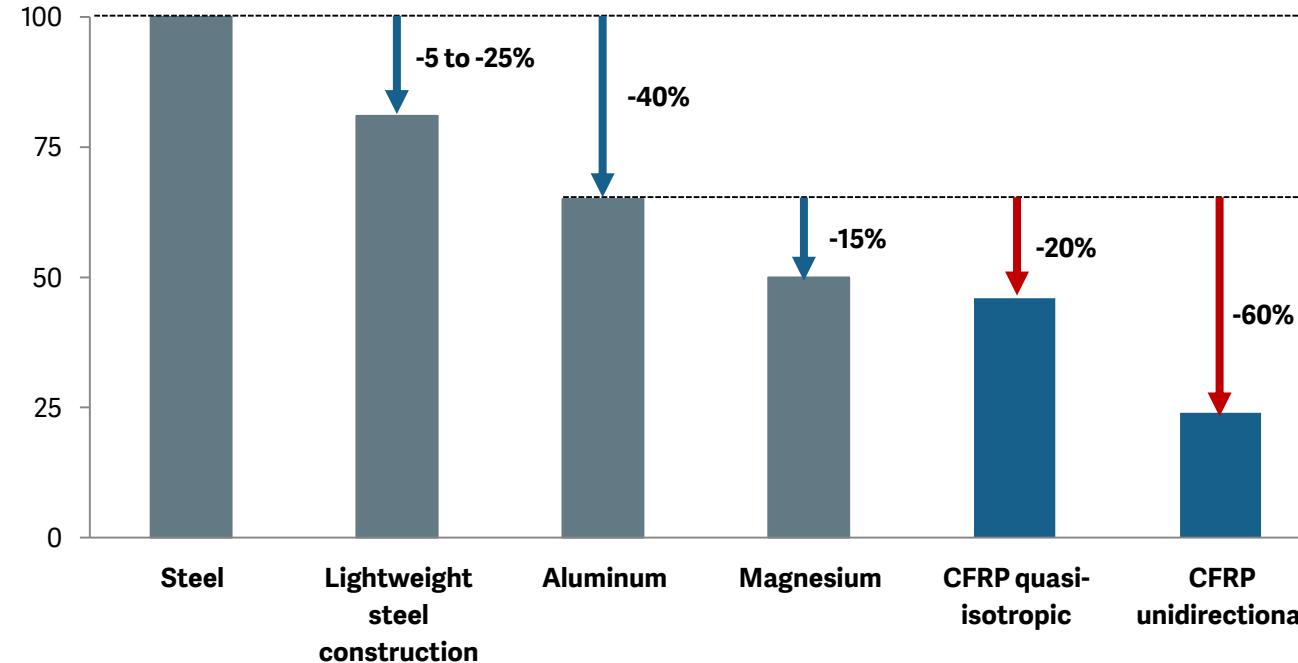
*Internal combustion engine

Source: ICCT, McKinsey, SGL estimates

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

Relative component weight (with the same functionality)

[in %]



Source: N/EK-L; EKP

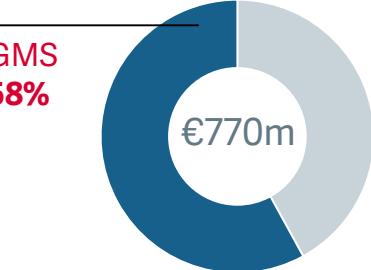
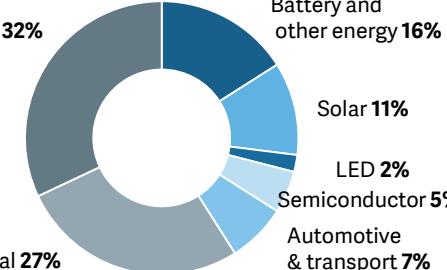


Reporting Segment

Graphite Materials & Systems

Reporting Segment.

Graphite Materials & Systems (GMS)

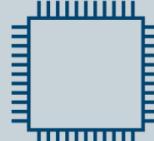
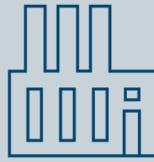
<h3>Activities</h3> <ul style="list-style-type: none"> Anode materials Isostatic Fiber Materials Extruded Die molded Expanded Process Technology 	<h3>Group sales 2016</h3>  <p>GMS 58% €770m</p>	<h3>GMS sales 2016</h3>  <table border="1"> <thead> <tr> <th>Industry</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Industrial applications</td> <td>32%</td> </tr> <tr> <td>Chemical</td> <td>27%</td> </tr> <tr> <td>Battery and other energy</td> <td>16%</td> </tr> <tr> <td>Solar</td> <td>11%</td> </tr> <tr> <td>LED</td> <td>2%</td> </tr> <tr> <td>Semiconductor</td> <td>5%</td> </tr> <tr> <td>Automotive & transport</td> <td>7%</td> </tr> </tbody> </table>	Industry	Percentage	Industrial applications	32%	Chemical	27%	Battery and other energy	16%	Solar	11%	LED	2%	Semiconductor	5%	Automotive & transport	7%
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<h3>Key industries served</h3> <ul style="list-style-type: none"> Lithium-Ion-Battery Solar Semiconductor LED Chemical Automotive & transport Industrial applications* 	<h3>Characteristics</h3> <ul style="list-style-type: none"> Higher value-added products enabling customer innovations Specialized, partially tailor-made, products for differentiated customers Innovation driven business Engineered products & solutions for customers from > 35 industries – some with high growth potential 	<h3>Strategic priorities</h3> <ul style="list-style-type: none"> Focus on forward integration Combine material-Know-how and engineering competence Advanced material, equipment, and process solutions in cooperation with customers Global competence and presence Improve cost competitiveness Target new market segments 																

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

Graphite Materials & Systems (GMS).

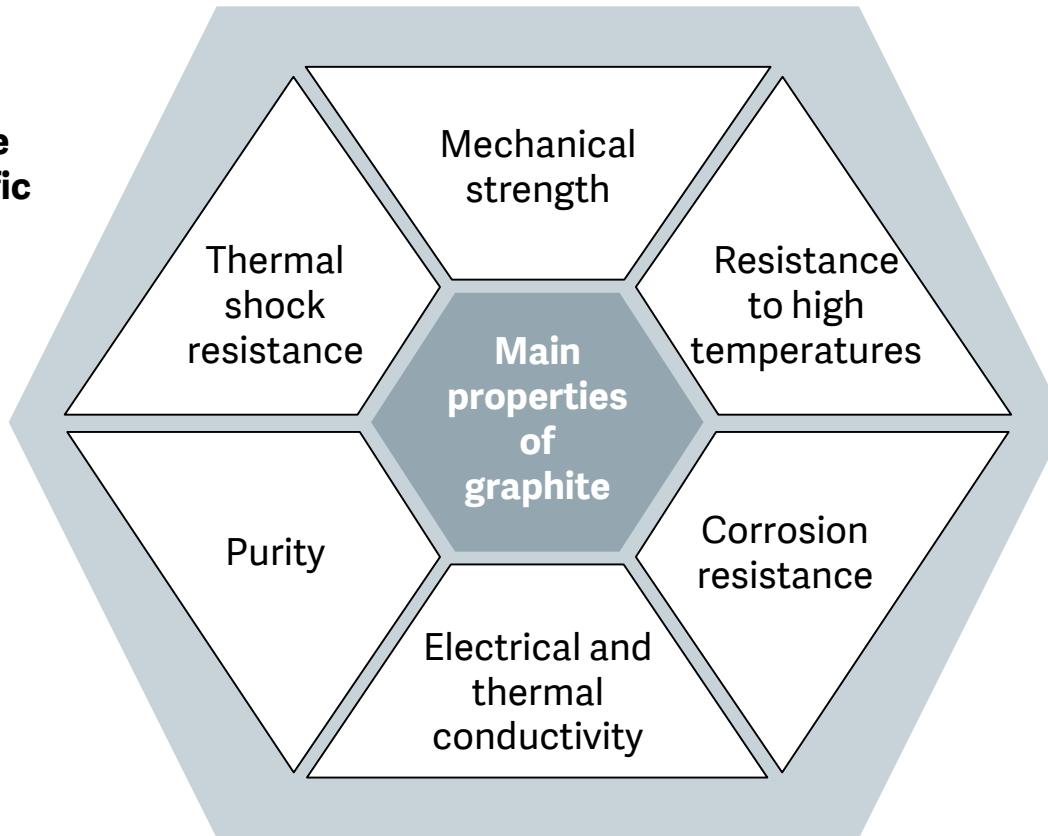
New market segmentation



Market Segment							
Sales	Battery & other Energy	Solar	LED	Semi-conductor	Automotive & Transport	Chemical	Industrial Applications
2016	16 %	11 %	2 %	5 %	7 %	27 %	32 %
2015	14 %	10 %	3 %	5 %	7 %	30 %	31 %

Graphite Materials & Systems. Specialty graphite materials required where other materials fail

Properties can be tailored to specific requirements



Graphite is present in nearly every industrial application

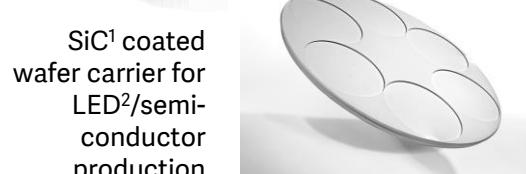
SGL provides its graphite based solutions to more than 35 industries

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

... in the Solar, Semiconductor and LED Industry



Meander heater for mono-silicon units



SiC¹ coated wafer carrier for LED²/semiconductor production

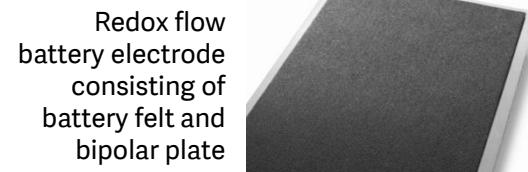


C/C³ carrier frame for solar wafers

... in the Battery and Energy Storage Industry



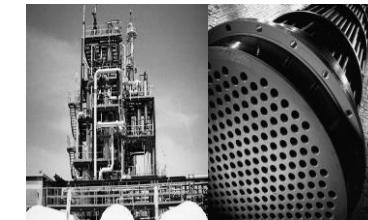
Anode material for lithium-ion batteries



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

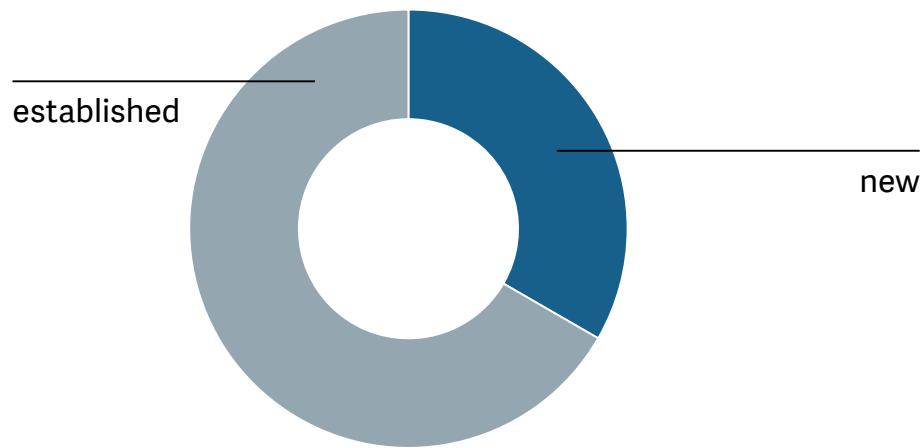
¹Silicon Carbide; ²Light-Emitting Diodes; ³Carbon/carbon

Graphite materials enable innovation.

Examples:

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

Target approx. 1/3 of sales based on new products introduced over the last 4 years



Graphite Materials & Systems.

Leading market shares in major end markets



Global markets shares 2016

Chemicals	35%
Batteries & other energy	35%
Solar	15%
Semiconductor	15%
LED	10%
Automotive & transportation	15%
Industrial applications	10%-50%

Source: SGL Group's own estimates

Important note.



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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