

Investor Relations Presentation

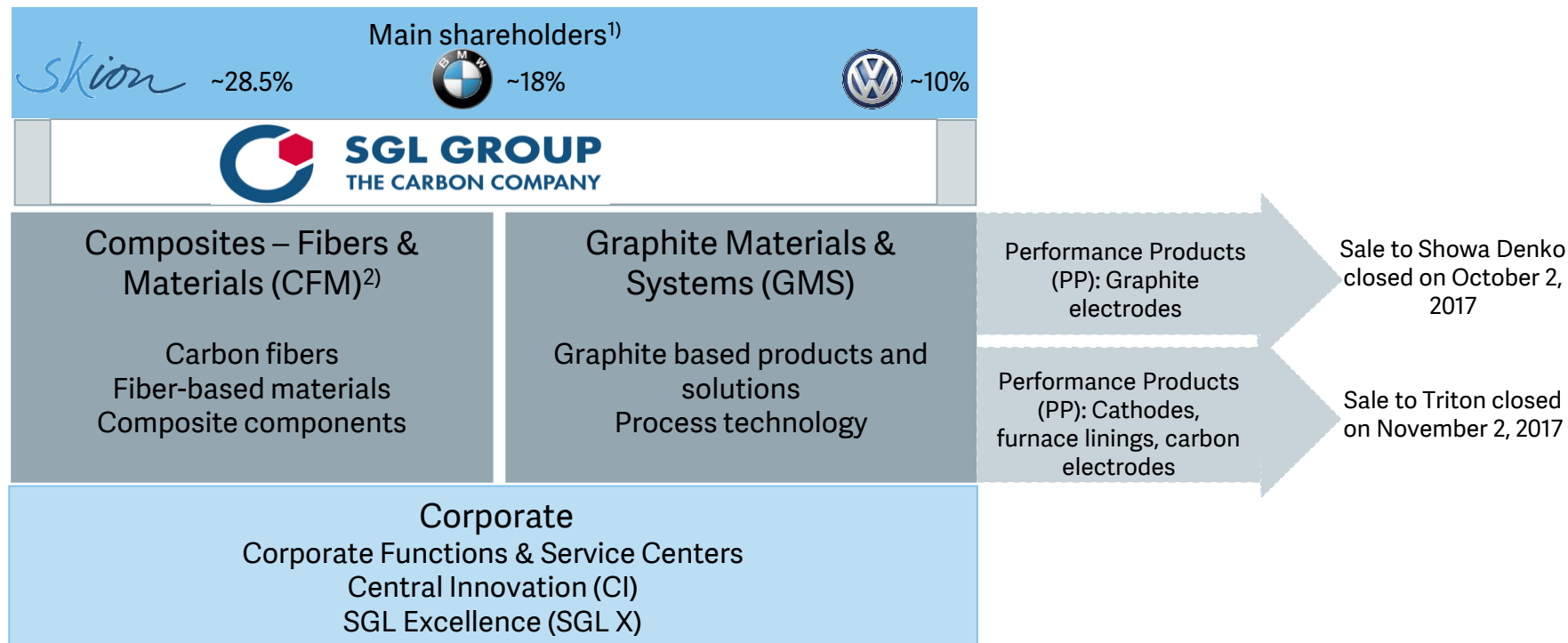
February 2018

Table of Contents.

Introduction to SGL Group's businesses	Page 3
- Reporting segment Composites - Fibers & Materials (CFM)	Page 5
- Project Highlights CFM	Page 22
- Acquisition of SGL ACF	Page 27
- Acquisition of Benteler SGL	Page 35
- Reporting segment Graphite Materials & Systems (GMS)	Page 43
- Project Highlights GMS	Page 45
- SGL Group Innovation	Page 57
Transformation of SGL Group	Page 60
Efficiency enhancing and cost cutting programs	Page 71
Latest Financials 9M72017	Page 76
Outlook	Page 84
Appendix	Page 92

Introduction to SGL Group's Businesses

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



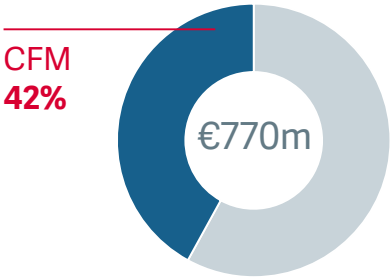
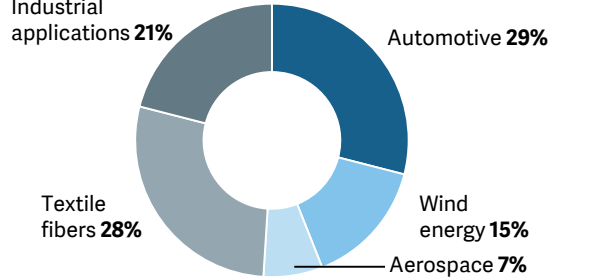
¹⁾ according to their respective latest notifications (VW notification as of June 1, 2016; however VW did not participate in the December 2016 rights issue)

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)

Reporting Segment Composites – Fibers & Materials (CFM)

Reporting Segment.

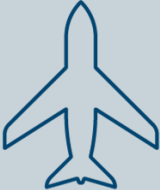
Composites - Fibers & Materials (CFM)

Activities	Group sales 2016	CFM sales 2016
- Carbon Fibers - Composite Materials 51% SGL ACF (JVs with BMW)* - Ceramic Brake Discs - Automotive Composites	 CFM 42% €770m	 Automotive 29% Industrial applications 21% Textile fibers 28% Wind energy 15% Aerospace 7%
Key industries served	Characteristics	Strategic priorities
- Automotive - Wind energy - Aerospace - Industrial (e.g. Pressure Vessels) - Textile fibers	- New applications in automotive, wind energy, industrial - High earnings improvement potential - Complete value chain in house - The only EU based carbon fiber company	- 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

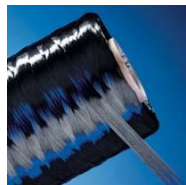
Market Segment					
Sales	Automotive	Aerospace	Wind Energy	Industrial Applications	Textile Fibers
2016	29 %	7 %	15 %	21 %	28 %
2015	28 %	4 %	15 %	20 %	33 %

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

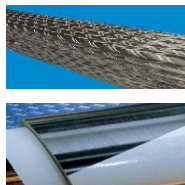
Carbon Fibers & Composite Materials



Raw
Material



Carbon
Fiber



Composite
Materials

PAN Precursor

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

Carbon Fiber

- **SGL Group:** Muir of Ord (Scotland, UK)
- **SGL ACF:** JV with BMW (51%)**

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- **SGL epo**
- **SGL Kumpers** (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)

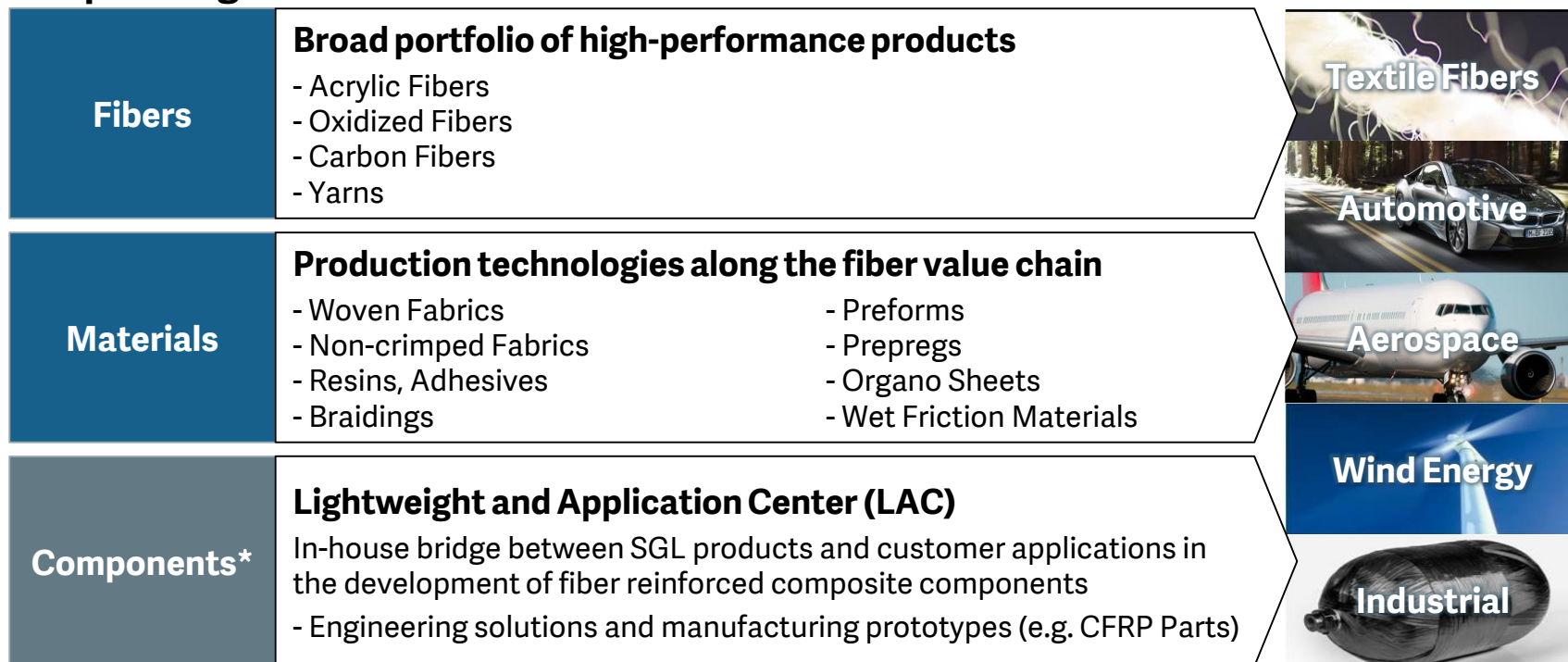


*Acquisition of remaining 50% announced on November 8, 2017; **Acquisition of remaining 49% announced on November 24, 2017; ***Selling of 51% stake to Kumpers

announced on January 10, 2018

CFM: Our solutions serve key markets.

Unique integrated value chain

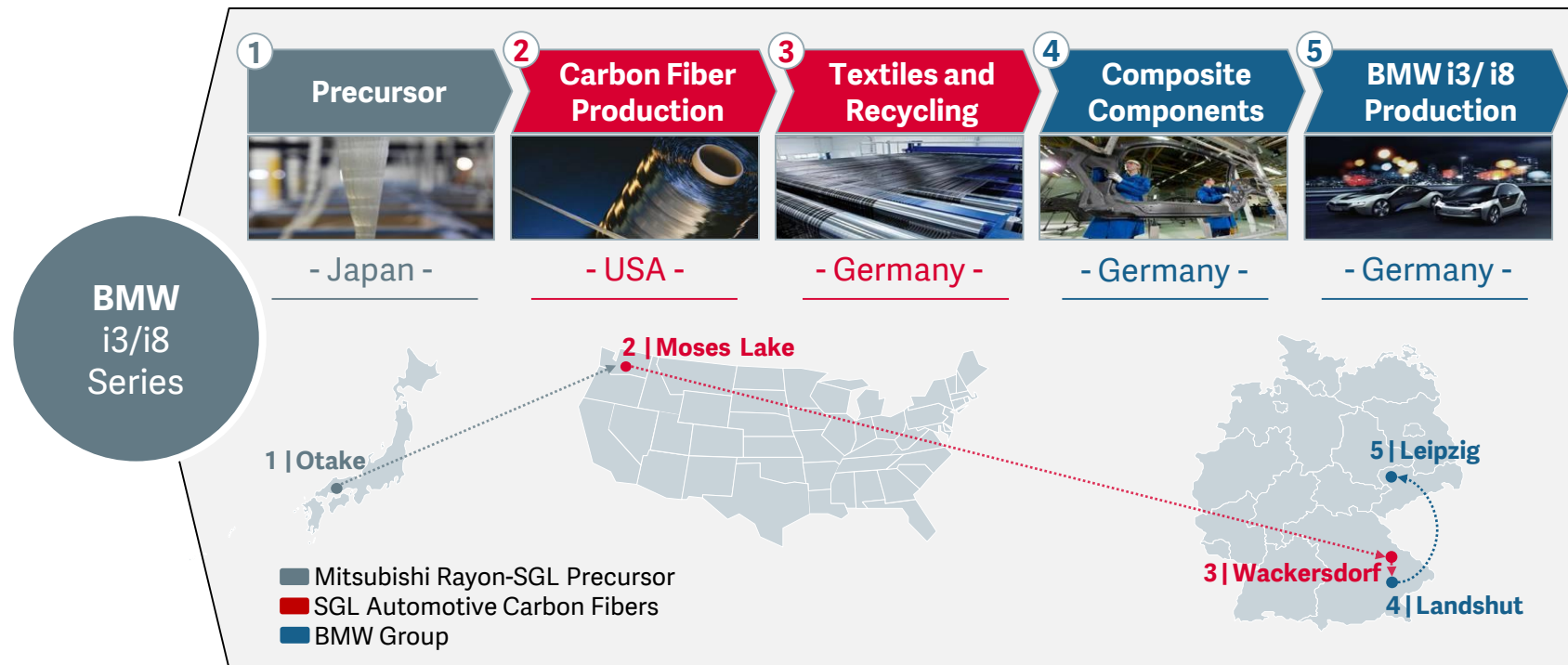


*Agreement to fully acquire Benteler SGL, one of the leading composites parts producers, signed on November 8, 2017

Our Composites in the Automotive Industry.

Lightweight expertise for the BMW Group

CFRP supply chain



Source: BMW, SGL Automotive Carbon Fiber

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 body work is made of carbon-fiber reinforced plastic
- Composite components includes all the connecting parts and elements



This platform is used for



Lamborghini Huracan
(Coupe & Spyder)

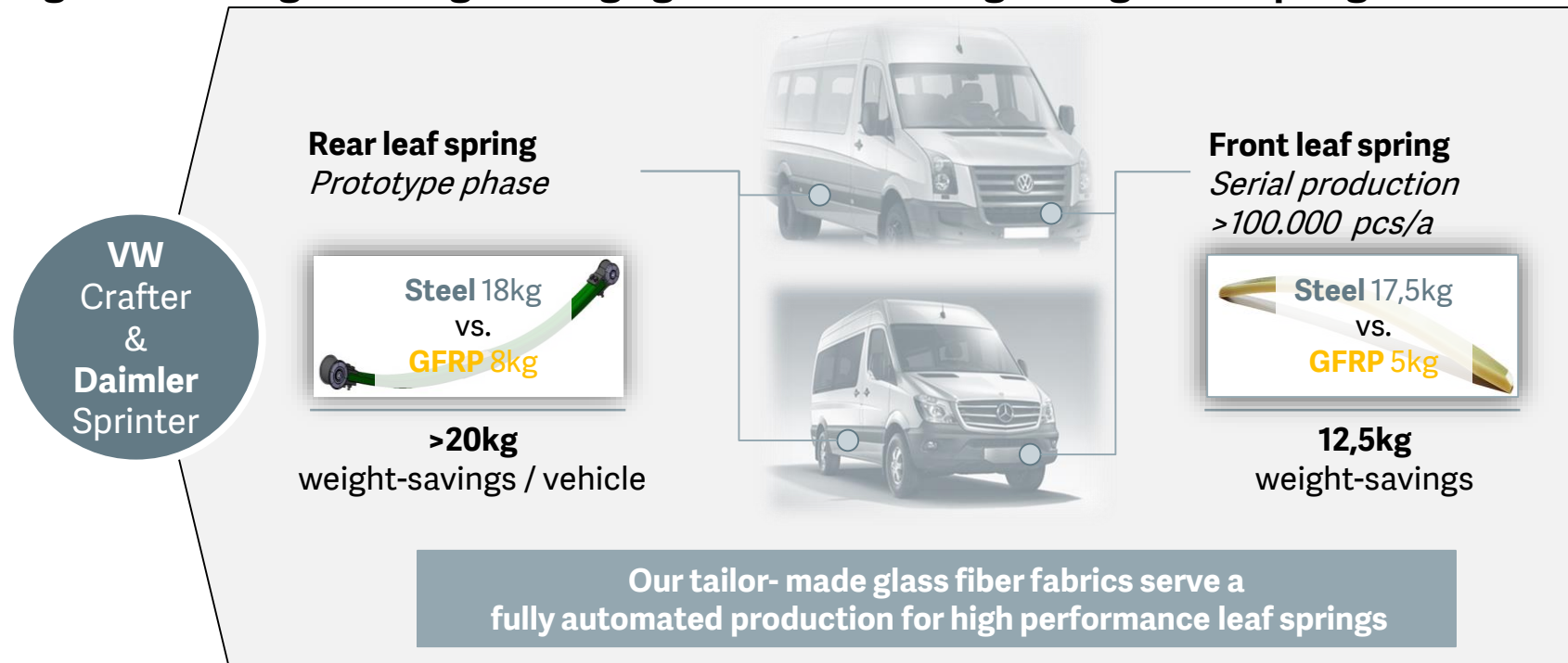


Audi R8
(Coupe & Spyder)

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

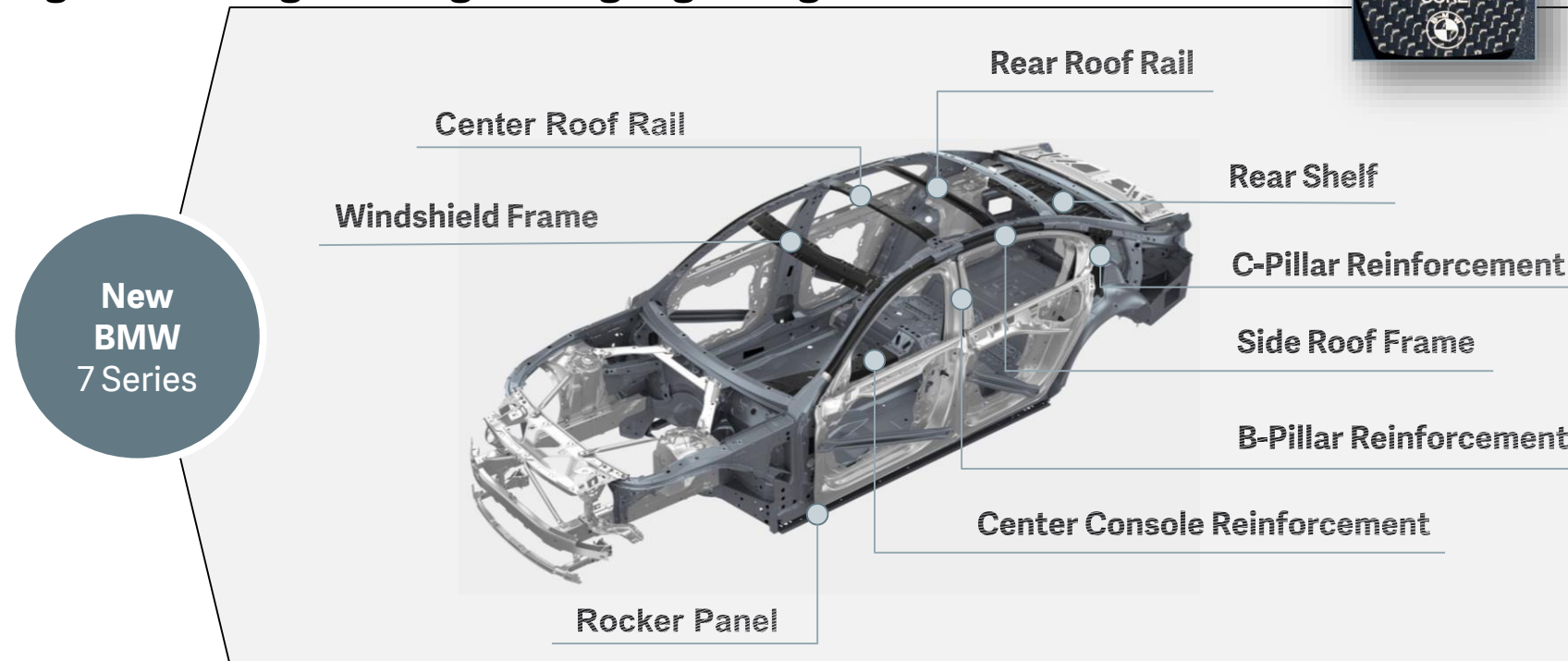


Volvo XC 90

The next level of Carbon Fiber in Automotive.

New BMW 7 series

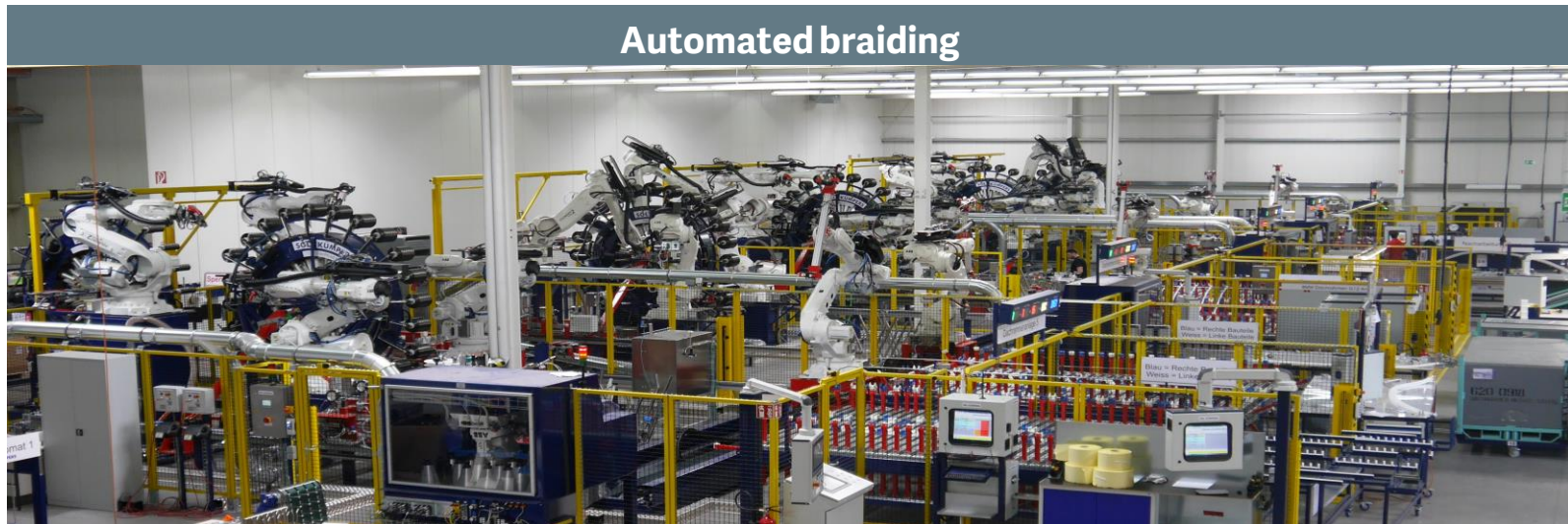
Significant weight-savings through lightweight chassis



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

... Production system

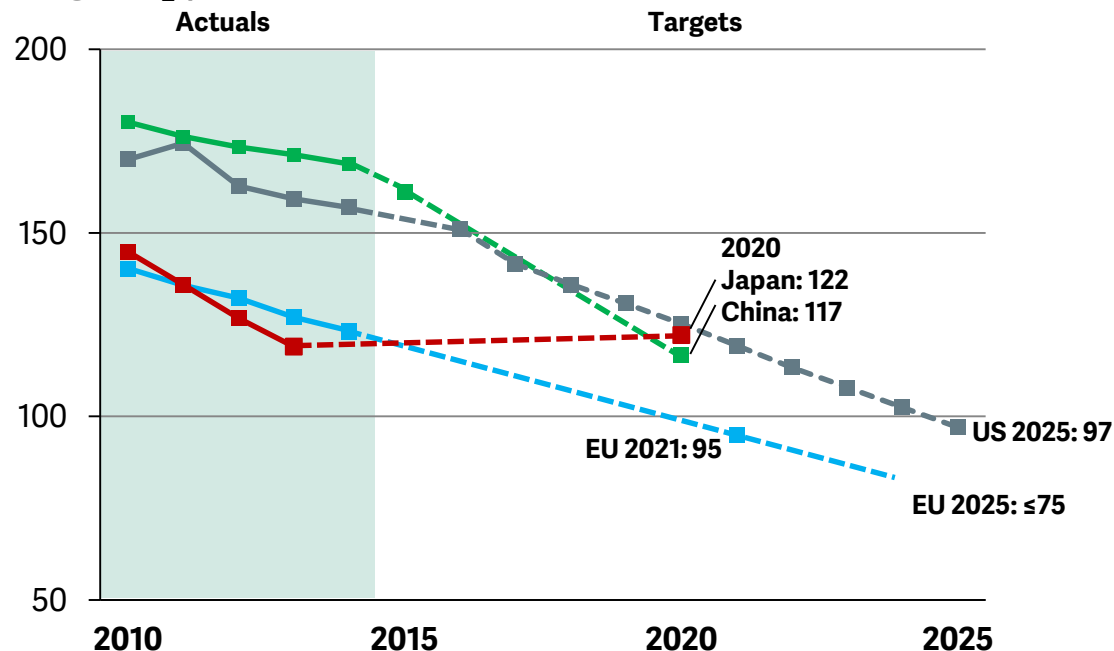


Cycle times of < 50 seconds enable large series production (e.g. 150.000 pieces/a)

Carbon in Automotive. Stringent CO₂ emission restrictions globally

CO₂ emissions car fleet actual averages and targets

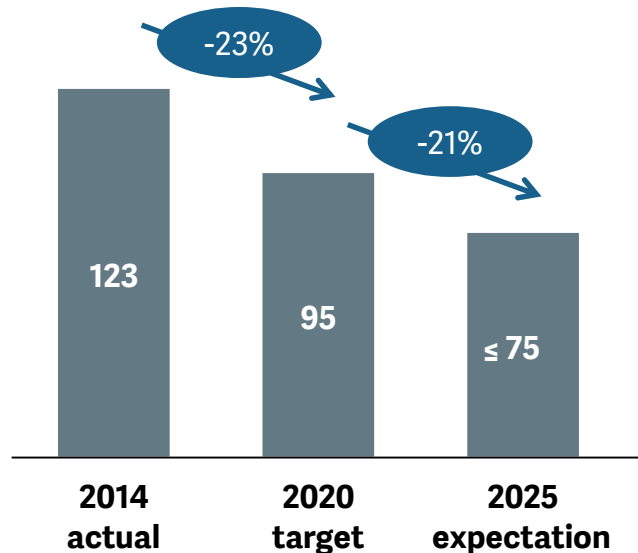
[in g CO₂ per km, normalized to NEDC*]



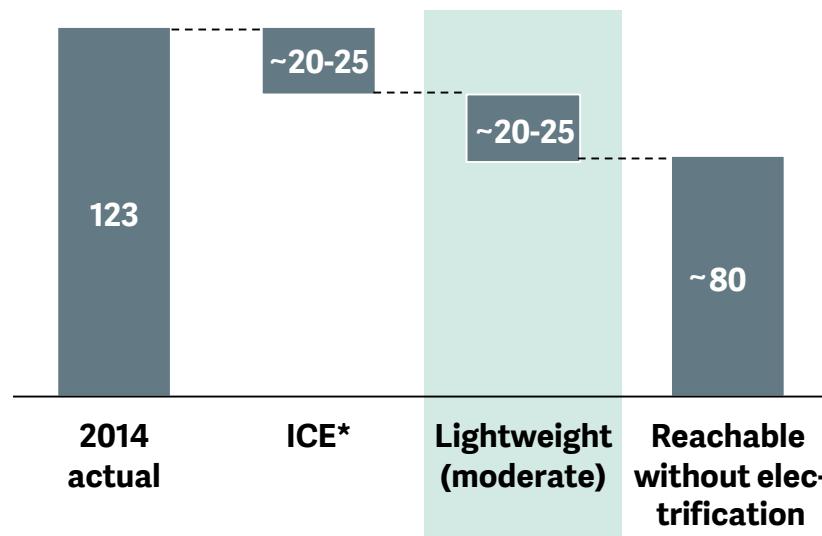
- Global approach to reduce CO₂ emissions
- Progressively more comfort and safety features on board
- Driver for lightweight

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

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



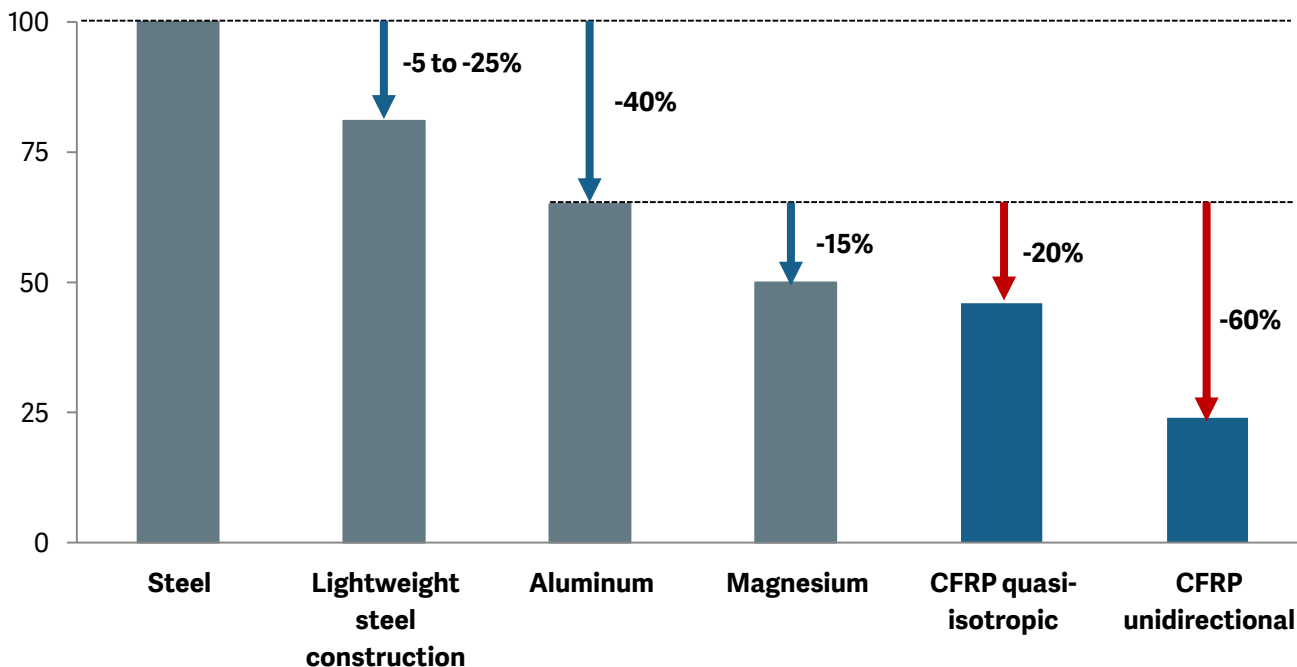
Only achievable with lightweight



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

Relative component weight (with the same functionality)

[in %]

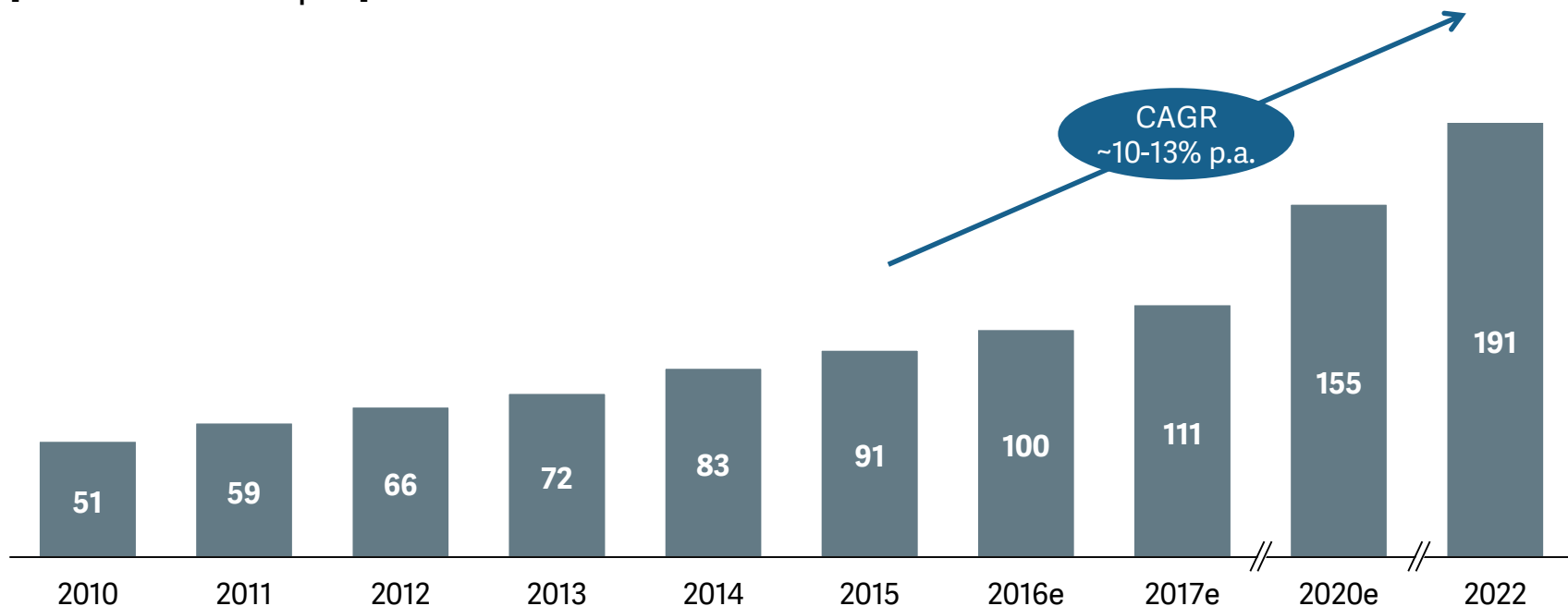


Source: N/EK-L; EKP

Carbon fibers and composite materials. Strong demand growth anticipated



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



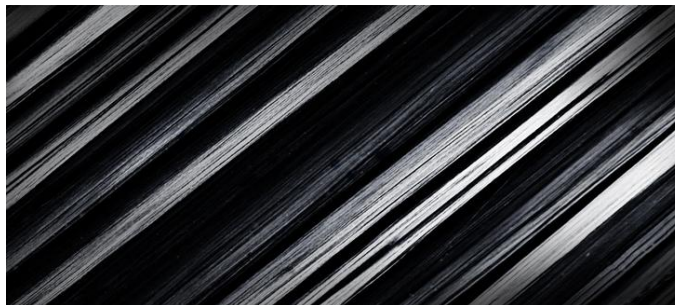
Source: CCeV (November 2016)

Project Highlights CFM

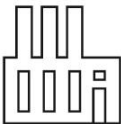
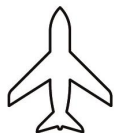
Optimizing the CFM value chain.

Fibers, composite materials and production

- Commissioning and inauguration of the new precursor production line in Portugal
 - Precursor being the raw material for carbon fibers
 - Completion of the value chain
 - Total investment amounting to €30 million
- Concentration of carbon fiber production at two sites
 - Evanston site sold
 - Enhanced efficiency of the production network through concentration at two sites in Moses Lake (USA) and Muir of Ord (UK)
- Construction and launch of the Lightweight and Application Center (LAC)
 - At Meitingen site
- Full ownership of Benteler SGL agreed on November 8, 2017
 - Allowing us to fully control and further develop our composite part marking capabilities



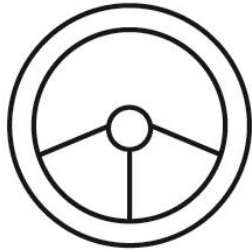
Launch of Lightweight and Application Center (LAC). For serial lightweight construction



- Tailor made solutions for serial production of fiber reinforced plastics
- Initial focus on automotive industry, solutions for aerospace, wind energy and other industries to follow
- Cooperation between CAD engineers, production technicians, experts for production methods and automation technologies on 1,000 square meters
- From feasibility study to prototype manufacturing
- Already several development projects



Developed customized solutions. Serial production of structural parts and gear box applications

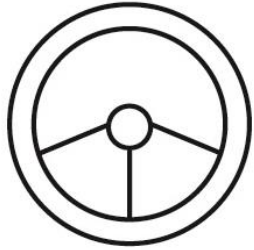


- 500,000 leaf springs p.a. from 2020 onwards based on composite materials for the models S60, S90, V60, V90 and XC60
 - Project with highest production volume of a composite component in the industry
- CFRP back wall and top B-pillar for the Audi MSS platform (Audi R8, Lamborghini Huracán)
- Close and intensive cooperation with BMW in various additional projects beyond the i3, i8 and 7 series models
- 50% sales increase in high performance wet friction material based on carbon components (e.g. duplex gear clutch)



Initiated development projects globally.

For material mix solutions in passenger cars

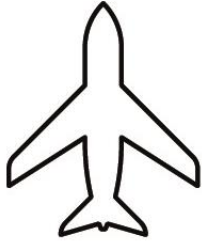


- Jaguar Land Rover
 - Cooperation with British research institutes and OEMs under SGL Group leadership
 - Development of new composite materials structures and manufacturing prototypes for structural parts of existing car models
- Daimler
 - Carbon fiber supply for CFRP stiffeners (manufactured with pultrusion technology)
 - Development projects for various components with new SGL Group materials
- Two Asian OEMs



Ready for lift-off.

Contract extension and various development projects



- Extension of contract with Airbus-subsidiary Elbe Flugzeugwerke (pre-impregnated carbon fiber textiles for Airbus A350 floor panels)
- Planned increase in vertical integration with an aerospace industry supplier for secondary structural parts
- Development project with aircraft supplier for cabin interior parts
- Product developments with the large aircraft manufacturers for the adoption of our industrial fiber (50k) in components



Photography source: istockphoto Foto 1-3 f.l.t.r.

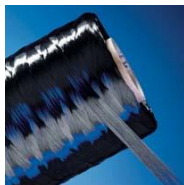
Acquisition of SGL ACF (former JV with BMW Group)

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

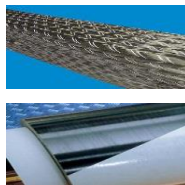
Carbon Fibers & Composite Materials



Raw
Material



Carbon
Fiber



Composite
Materials

PAN Precursor

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Composite Components

Refocused on materials and automotive / industrial components

Automotive & industrial

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



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

Taking full ownership of SGL ACF. Rationale

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)

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

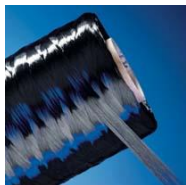
Acquisition of Benteler SGL

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

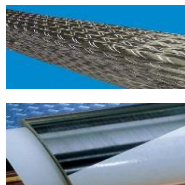
Carbon Fibers & Composite Materials



Raw
Material



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PAN Precursor

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Carbon Fiber

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Composite Components

Refocused on materials and automotive / industrial components

Automotive & Industrial



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announced on January 10, 2018

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
▪ 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)	▪ 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

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)

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.)

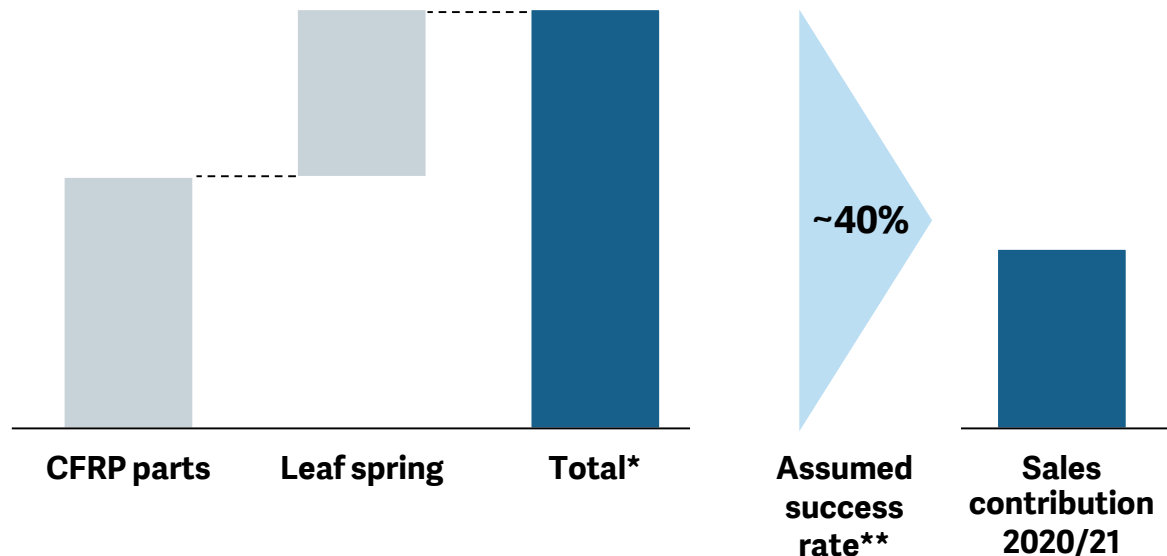


- **Key value driver 3: Enabling of CFM projects .** Customers/partners expect SGL Group to demonstrate and guide how to design and develop solutions and how to industrialize manufacturing. Already today, Benteler SGL serves as an important partner in particular for OEMs who are less experienced with 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

Acquisition of Benteler SGL. Financial impact



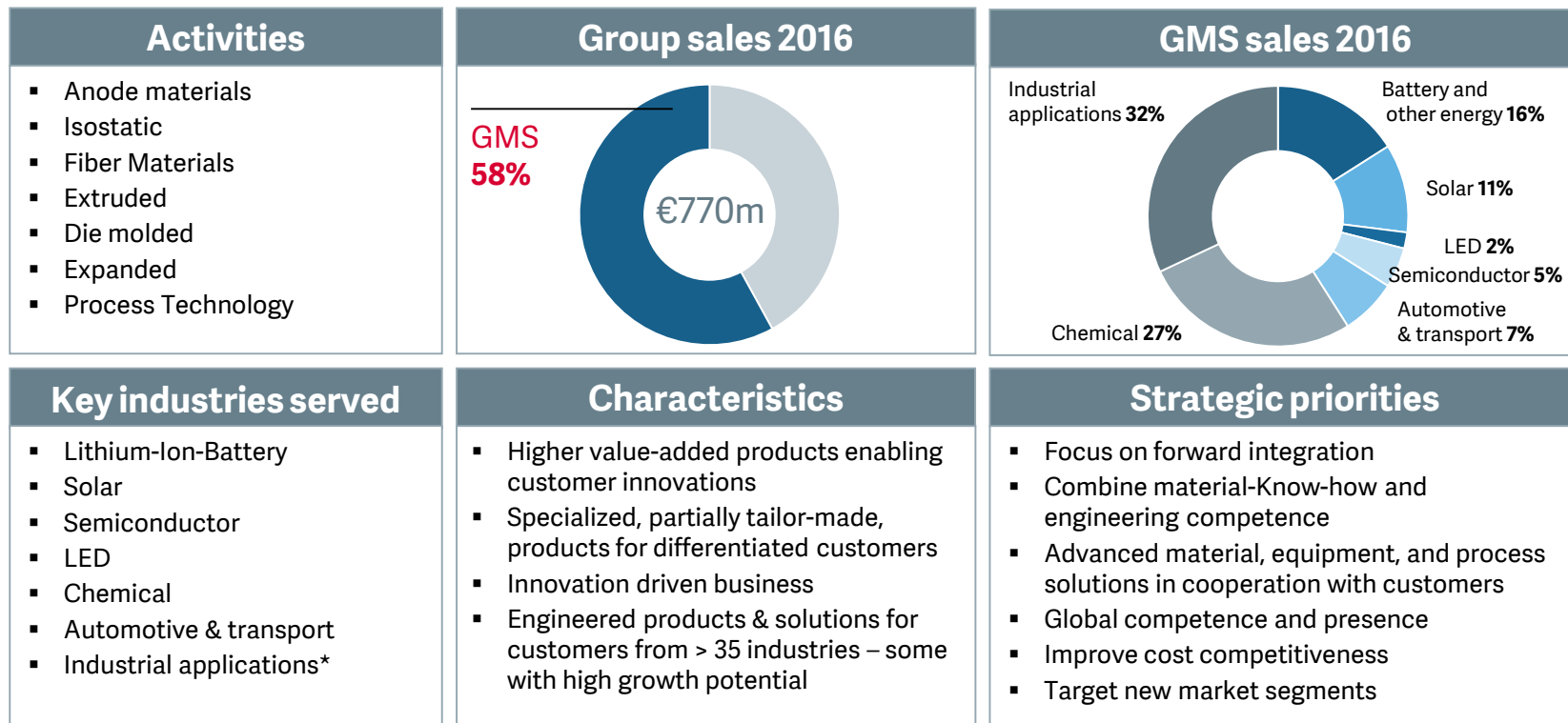
Financial impact on KPIs (based on expected closing mid-December)

- | | |
|------------------------|--|
| ▪ 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 |

Reporting Segment Graphite Materials & Systems (GMS)

Reporting Segment.

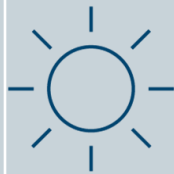
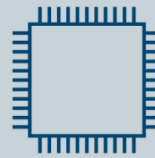
Graphite Materials & Systems (GMS)



*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 %

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



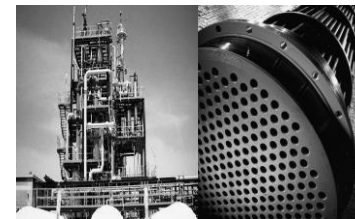
Anode material for lithium-ion batteries

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

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



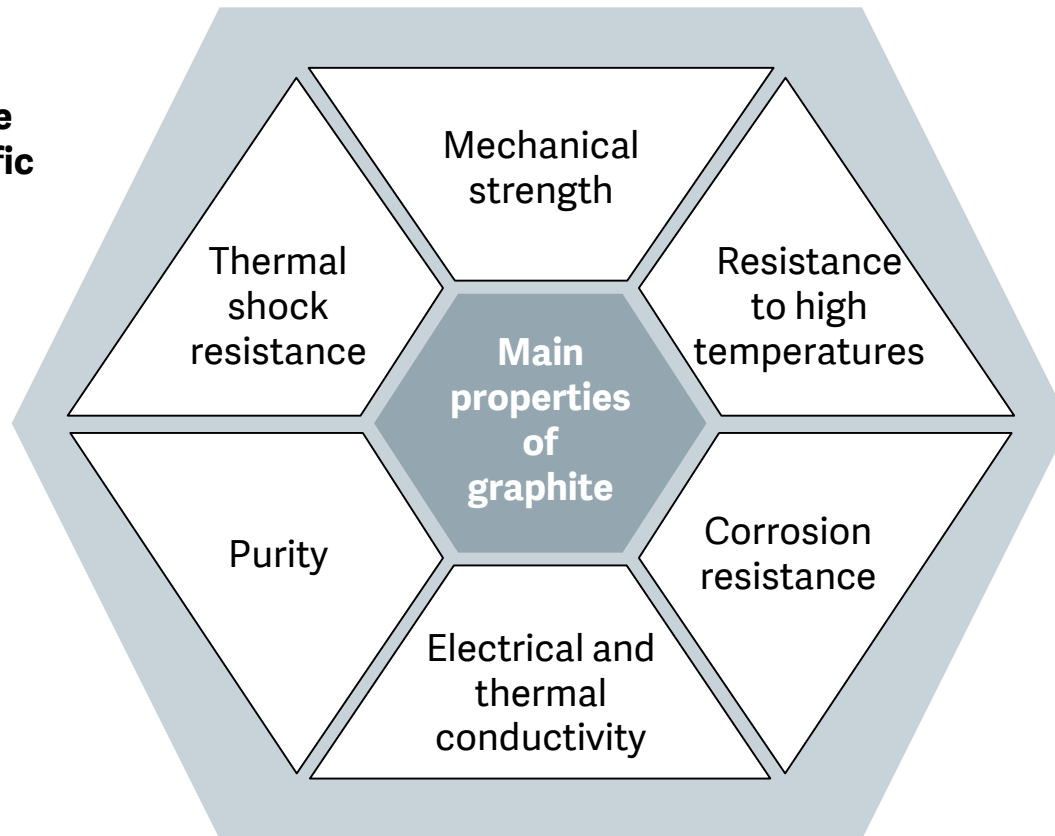
- Isostatic
- Extruded
- Vibro molded
- Die molded
- Expanded
- Carbon fiber reinforced carbon
- Soft & rigid felt
- SiC coating
- Syntheses & heat exchangers



- | | |
|-----------------------|--------------------------|
| ▪ Lithium-ion battery | ▪ Sapphire |
| ▪ Chemical | ▪ Heat treatment |
| ▪ Solar | ▪ Sealing & gaskets |
| ▪ Semi-conductor | ▪ EDM |
| ▪ LED | ▪ Glass & refractory |
| ▪ Automotive | ▪ Mechanical engineering |
| ▪ Transport | |
| ▪ Polysilicon | |

Why graphite ? Specialty graphite materials required where other materials fail

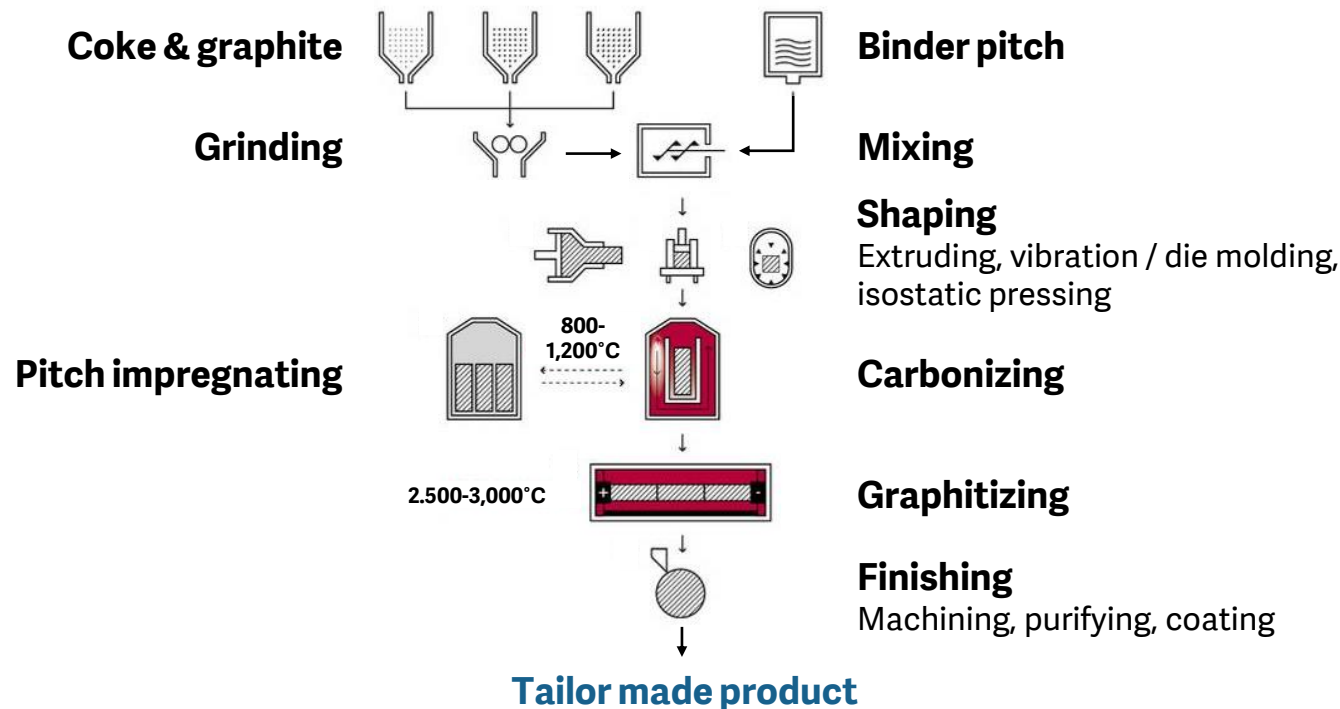
Properties can be tailored to specific requirements



Graphite is present in nearly every industrial application

SGL provides its graphite based solutions to more than 35 industries

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



4-5 months

2-4
weeks

Source: GMS Production

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 (H_3PO_4)
- Sulfuric acid (H_2SO_4)
- Hydrofluoric acid (HF)
- Oxidizing acids
- Isocyanates
- Epichlorohydrine (EPC)
- Vinyl chloride (VCM)
- Polysilicon

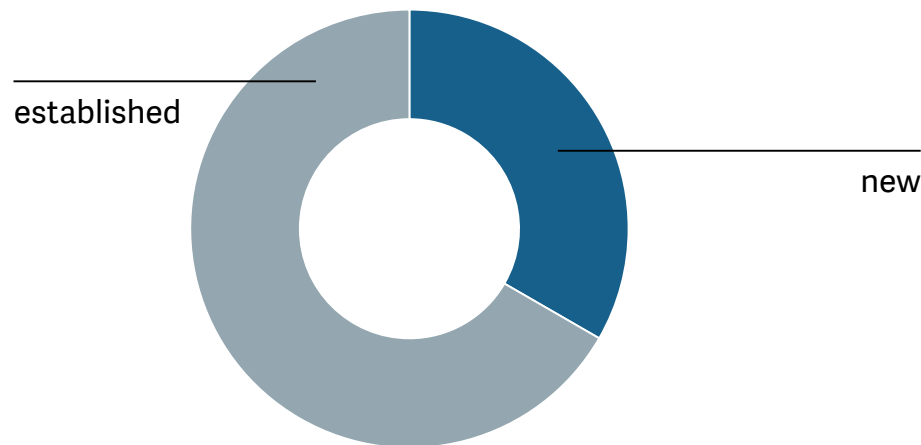


Graphite materials enable innovation.

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

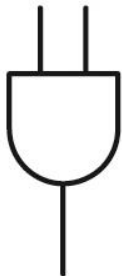
Global markets shares 2016

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

Project Highlights GMS

Strengthened position in lithium-ion battery industry.

Expansion of business opportunities

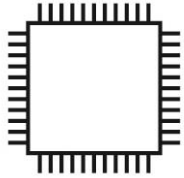


- Synthetic anode material qualified with further cell manufacturers
 - Cooperation intensified with long-standing partner Hitachi Chemicals
- Development of next generation lithium-ion batteries with higher storage density
 - Together with research institute ZSW and supported with research grants
- Bundling of competencies for battery development in Germany
 - Cooperation with leading German companies

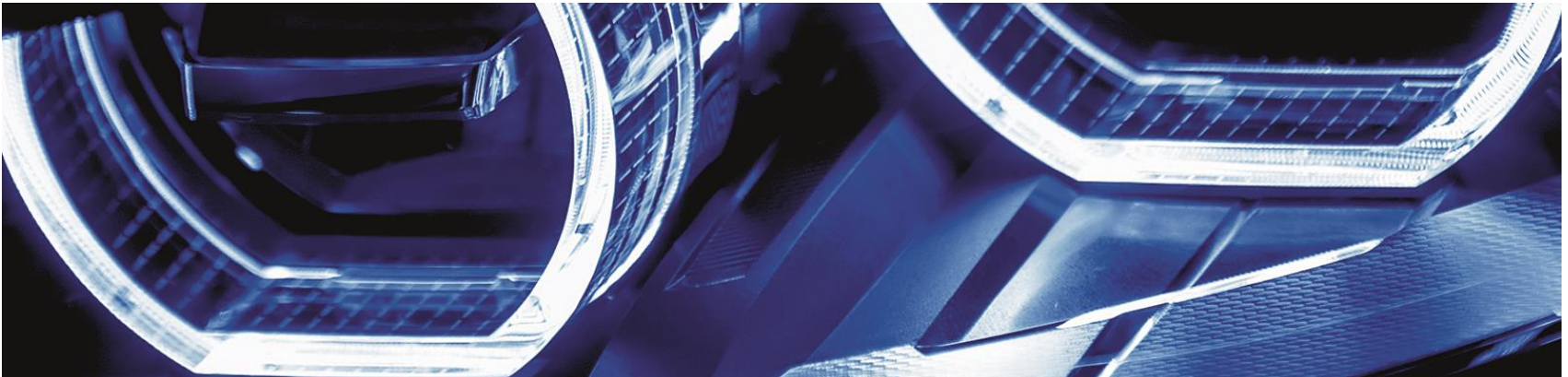


Capacity increase in the USA.

To meet increased demand for LEDs



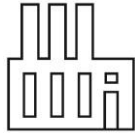
- Construction of a new state-of-the-art production line for the coating of graphite carrier plates (wafer carriers) in the USA
 - Total investment of €7.5 million
 - Completion 2017
 - SGL Group technology provides critical contribution to LED quality
 - Supporting customers in furthering technical developments of LED production processes



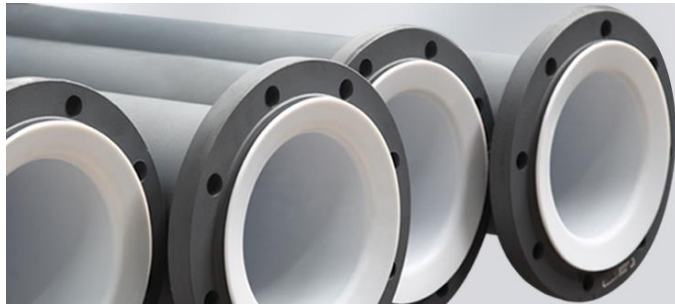
Photography source : istockphoto

Large orders and portfolio extension.

Continued industrialization in China



- Largest order ever in China for PTFE coated pipes for a recycling facility for hydrochloric acid (photovoltaic industry)
- Large order from Sabic Cartagena (Spain) for pipes for treatment of process waste water
- Extension of product portfolio and first successful application of carbon fiber reinforced carbon (CFRC) for distillation apparatus in the Chinese chemical industry
- Construction of an additional hard felt production in China. This high performance graphite based insulation material is used in high temperature furnaces



SGL Group Innovation

SGL Group Innovation

Foundation for profitable growth



SGL Group Innovation: our 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.



SGL Group Innovation

Activity areas in 2016



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
- Carbon fiber materials for Civil Engineering .
- Advanced gas diffusion layers for fuel cells for automotive and stationary applications.

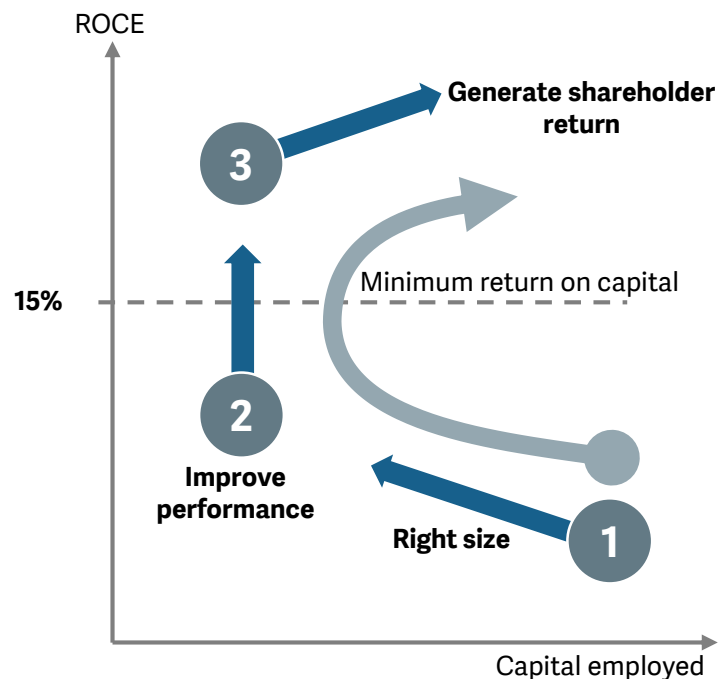
Raw materials & synthetic graphite development for aluminum industry

- Increase customer value for aluminum smelters by developing improved cathode designs.
- New furnace linings materials for increased lifetime.

Transformation of SGL Group

Fully on track.

In achieving our strategic realignment



- 1. Right size**
Disposal* of businesses that are not performing or that no longer fit to the new SGL Group
- 2. Improve performance**
Cost savings and organizational streamlining**, as well as strengthening of capital structure***
- 3. Generate shareholder return with profitable growth**
CFM: CFM 2020+
GMS: Growth strategy 2020

*includes Rotorblades, HITCO, and former business unit Performance Products (PP); ** Cost savings programs SGL 2015, CORE as well as SGLX; ***early redemption of the €250m corporate bond on October 30, 2017 and repayment of the €240m convertible bond on January 25, 2018 with proceeds from PP disposal and December 2016 capital increase

ROCE. Remains key management principle for managing the business

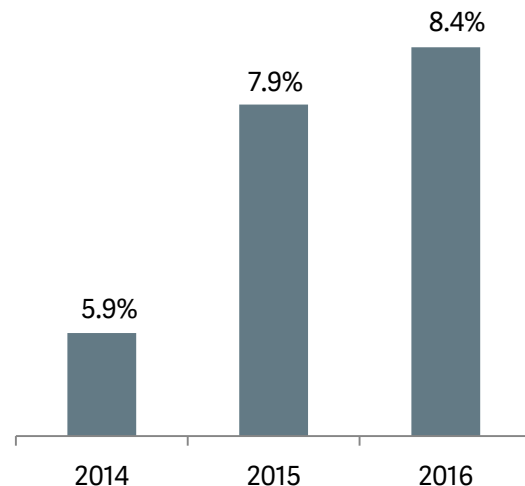
In 2014, we, the new Board of Management, introduced ROCE as new key management principle, replacing ROS

We wanted to be held accountable for our stated targets and goals

As a result we implemented the ROCE target in all senior management layers, aligning their incentive system with ours

We started reporting ROCE on Group and BU levels on a quarterly basis, so that our progress can be tracked

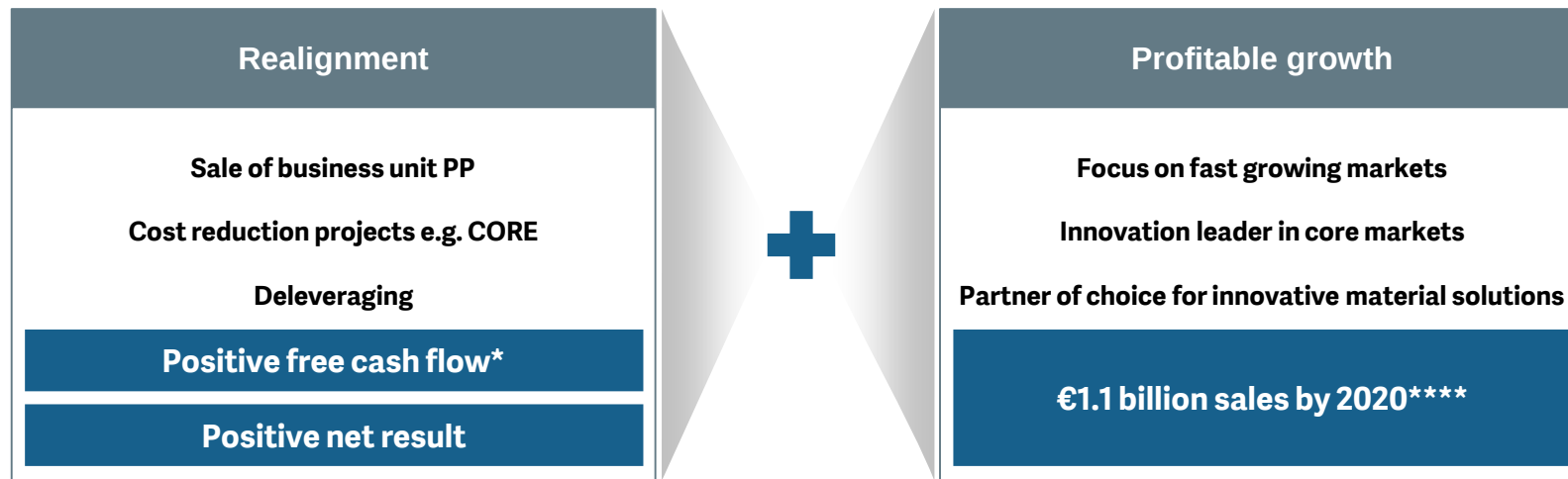
ROCE* development



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

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%

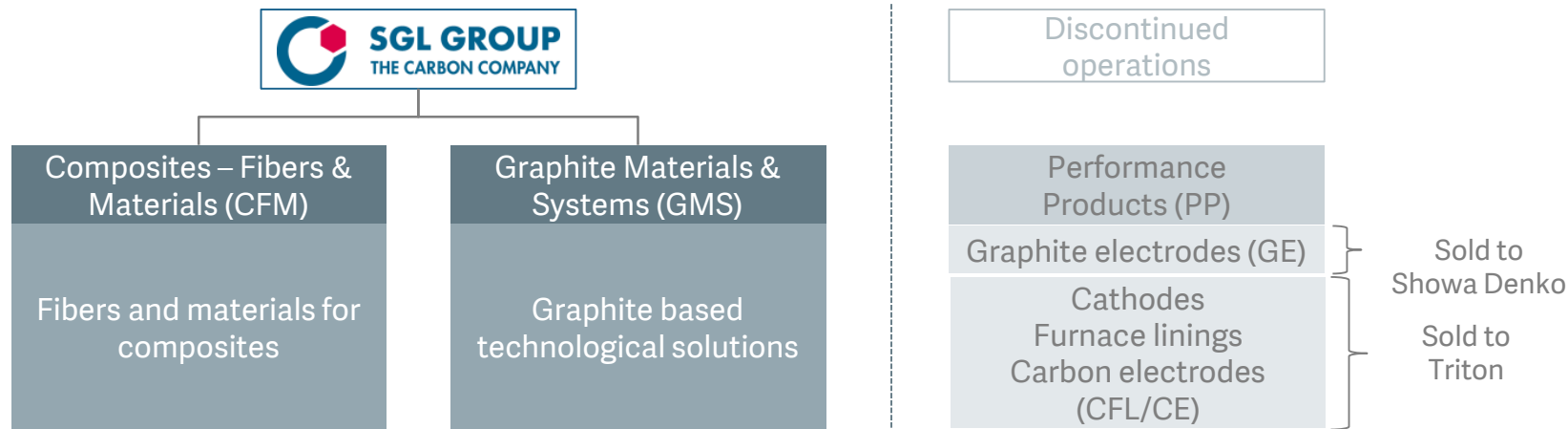
ROCE ≥ 15%***

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 business GMS and CFM

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

The transformation of SGL Group.

We are implementing the announced strategy



- ✓ The disposal of the PP/GE business enables the new SGL Group to **concentrate** its resources on the **growth areas CFM und GMS**
- ✓ Focus on CFM and GMS improves the balance between markets and industries, and thus **reduces volatility in our business**

Transaction details of Graphite Electrodes sale.

Transaction scope

- Transaction scope is the **entire GE business**, except for certain legacy assets⁽¹⁾
- **GE business represents ~70% of Performance Product (PP) division** and **~28% of total SGL Group** (of 2015A sales)

Valuation & financial impact

- **Enterprise Value of €350 million** (cash and debt free) translates into expected **cash proceeds of at least €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

- **Closed on October 2, 2017**
- **Limited SGL Group guarantees towards buyer** for potential environmental liabilities
- Representation & 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

- 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

- **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

- **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

New SGL Group: Innovation leader.

Specialized on carbon- and graphite-based solutions



34

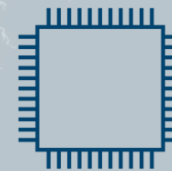
SITES



Mobility



Energy



Digitization

~4,000

EMPLOYEES

100+

COUNTRIES



Industrial
Applications



Chemical



Textile Fibers

50%

REVENUE GROWTH
BY 2020

Growing with global megatrends.

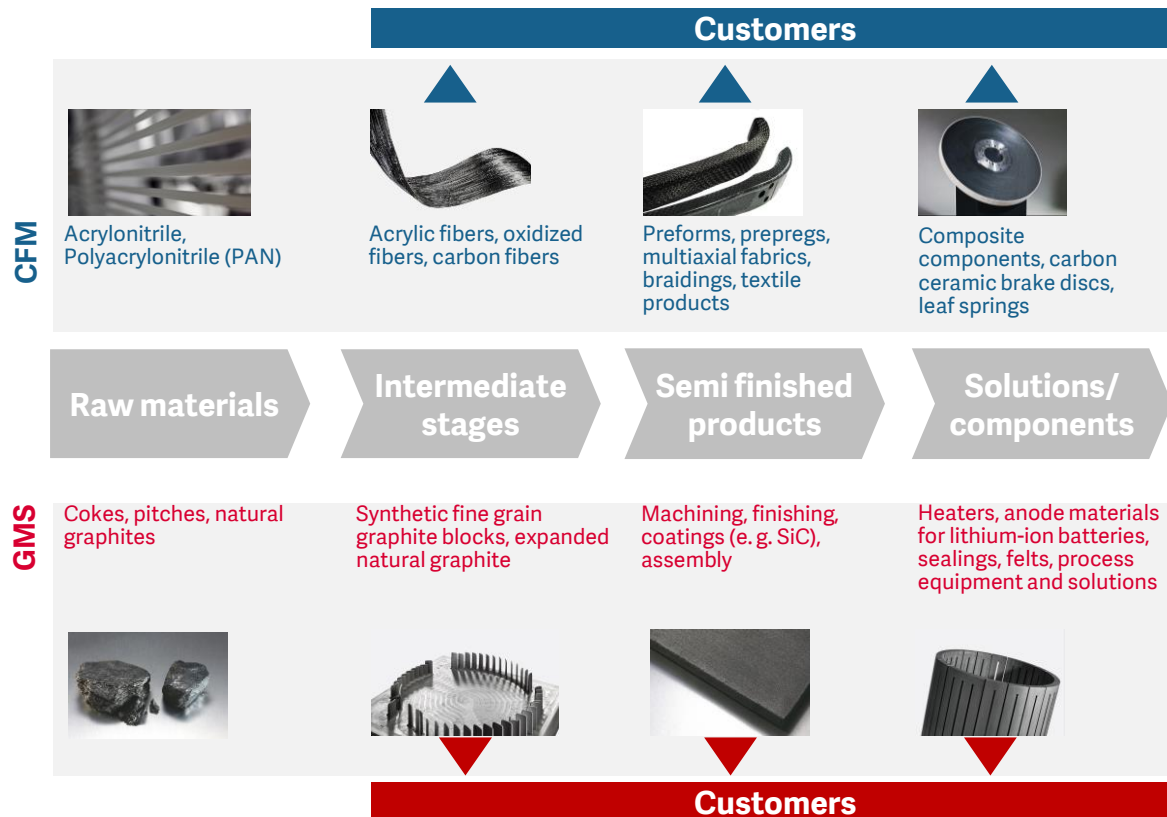
Carbon based solutions

		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
	GMS ~8 %⁴	Stationary energy storage Lithium-ion batteries	Lithium-ion batteries	
		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

Carbon and Graphite.

Positioned along the entire value chain

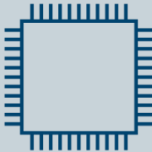


Control over the entire **value chain** enables product customization to customer requirements

Customers receive **taylor 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

Efficiency enhancing and cost cutting programs

Project CORE. Transforms the „new“ SGL Group“ to a growth business model



Business Units will be refocused to concentrate purely on activities that generate growth: **Development, Production, Marketing & Sales**

All **administrative tasks** will be streamlined and **concentrated in the corporate functions**

Savings potential of **€25 million until the end of 2018**
(base year: 2015) identified

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

Business Process Excellence (BPX). Group wide program introduced in 2015 and reinforced in 2017



- 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**

SGL2015 cost savings program successfully concluded.



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

Total savings at end Q3/16 €228 million since inception of the SGL2015 program. Target of €240 million included €15 million losses of disposed HITCO and Rotec therefore SGL2015 successfully completed

Latest Financials

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**

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

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



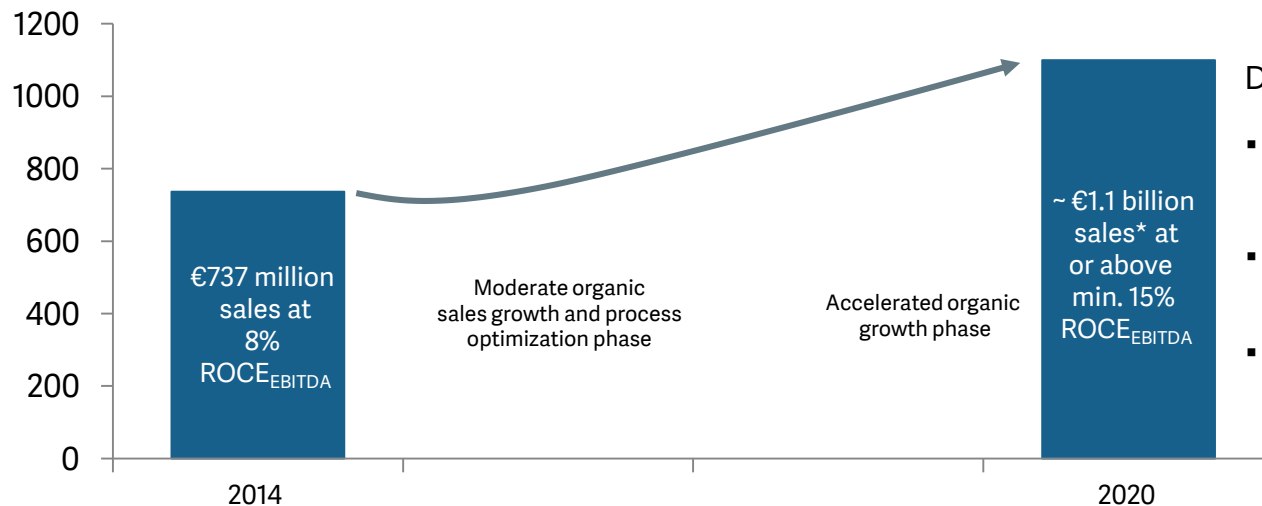
- **Capex** to increase significantly* compared to prior year, but remain approx. on the level of depreciation
- **Free cash flow (continued operations)** in Q4/2017 to be impacted by back-end loaded capex and effects from closing and deconsolidation of GE and CFL/CE (will reverse in 2018)
- **Net debt** 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**

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

Strategic realignment of SGL Group.

2017: Focus on growth

- Achieve prerequisites for returning to **sustainable profitable growth**
 - Closing of sale of graphite electrode business to Showa Denko
 - Closing of sale of cathode, furnace lining and carbon electrode business
 - Early repayment of corporate bond
- Implement **project CORE** to further **enhance profitability** and to **align and adapt the organization to the growth targets**
- Consistently **pursue and execute growth projects**
 - Support growth through targeted investments (e.g. capacity increase anode materials for lithium-ion batteries)
- Drive forward cultural change in the **new SGL Group**

Appendix

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 January 31, 2018)	122,341,478
Free float	~ 45%

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%**

*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 repaid on maturity date

Coupon	2.75%
Principal Amount	€ 240 million
Adjusted Conversion Price	€ 37.5067
Conversion Right (as at January 31, 2018)	6.39 million shares
Issue Date	25 April 2012
Date of Maturity	25 January 2018

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

Convertible notes 2015/2020

Coupon	3.5%
Principal Amount	€ 167 million
Conversion Price	€ 17.0732
Conversion Right (as at January 31, 2018)	9.78 million shares
Issue Date	14 September 2015
Date of Maturity	30 September 2020

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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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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