



SCI Engineered Materials, Inc.

OTCQB: SCIA

Rocky Mountain Microcap Conference IV

Denver, Colorado

May 7, 2019



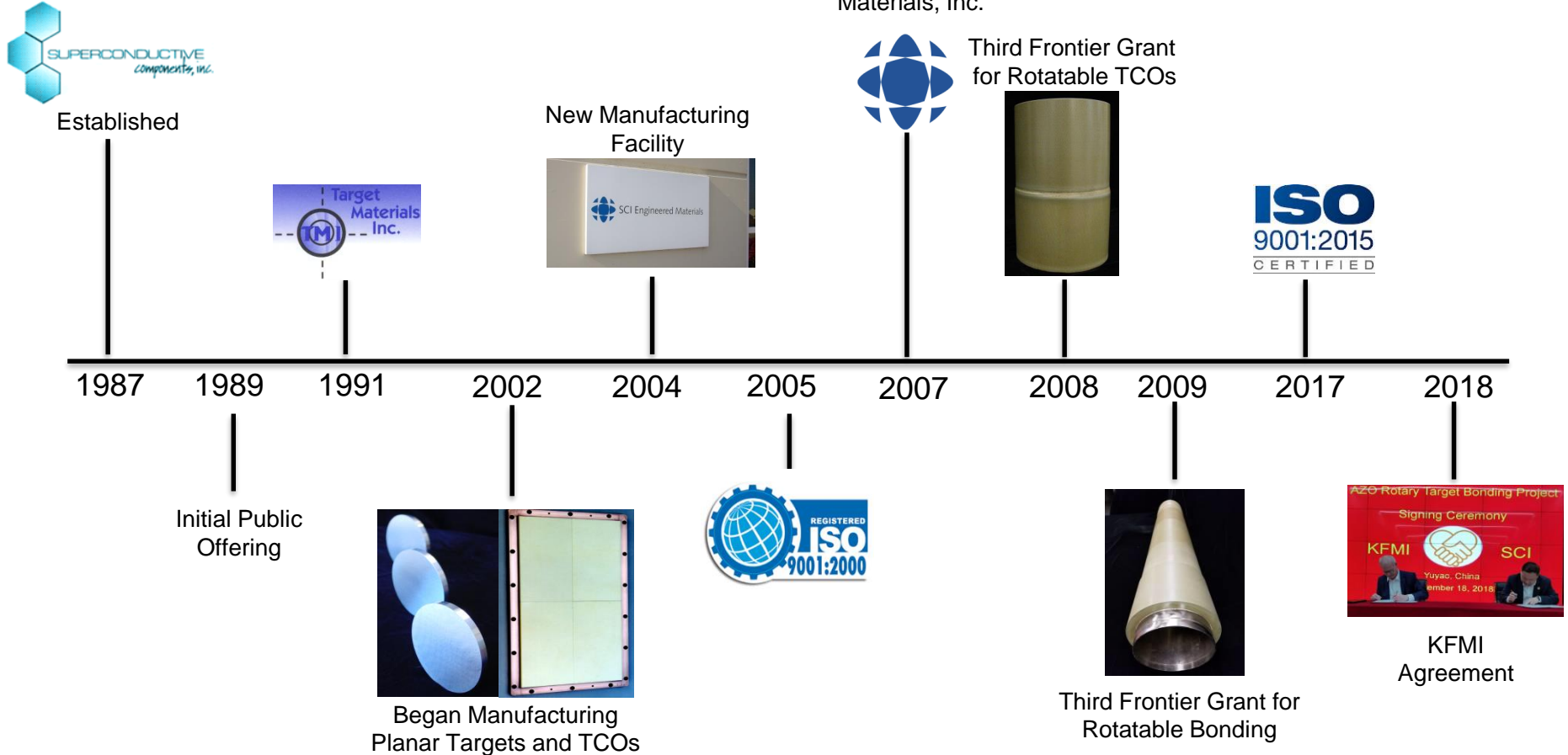


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This presentation and subsequent discussion may include certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Those statements include, but are not limited to, all statements regarding intent, beliefs, expectations, projections, customer guidance, forecasts, and plans of the Company and its management. These forward-looking statements involve numerous risks and uncertainties, including, without limitation, other risks and uncertainties detailed from time to time in the Company's Securities and Exchange Commission filings, including the Company's Annual Report on Form 10-K for the year ended December 31, 2018. One or more of these factors have affected, and could in the future affect, the Company's projections. Therefore, there can be no assurances that the forward-looking statements included in this press release will prove to be accurate. In light of the significant uncertainties in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company, or any other persons, that the objectives and plans of the company will be achieved. All forward-looking statements made in this presentation are based on information presently available to the management of the Company. The Company assumes no obligation to update any forward-looking statements.



Corporate Highlights





What We Do

- Manufacture and sell advanced material applications to global market niches:



Photonic



Thin Film Solar

- Actively collaborate with customers to develop innovative and custom material solutions.
- Conduct internal R&D to accelerate time-to-market for next generation applications and increase intellectual property portfolio.



Diversified Growth Strategy

- Utilize expertise in metals and ceramics to develop innovative applications.
- Selectively expand into niches of photonics market.
- Aggressively pursue thin film solar opportunities, especially in Asia.
- Develop new materials for emerging applications including solar layers, decorative coatings, solid state memory and precious metal alloys for optics.



Niche Manufacturer of Photonics Applications

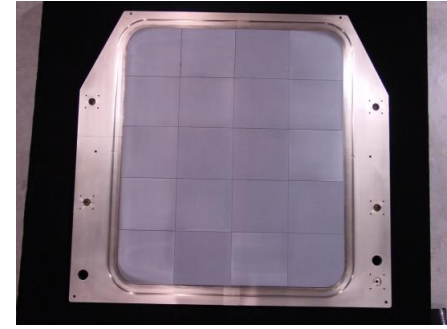
Photonics involves the science and technology of generating, controlling and detecting particles of light. Most applications are within the range of visible and near-infrared light.

- A multi-billion global industry with a number of attractive growth markets, including optics and automotive applications.
- Annual industry growth forecasted at nearly 8% through 2023⁽¹⁾.
- SCI serves significant customers in multiple industry segments who have leading market shares and are growing their product lines.

⁽¹⁾
2019 Global Photonics Markets Report



Cylinders & Targets Are Used in a Wide Range of Applications



E Glass



Interactive Displays

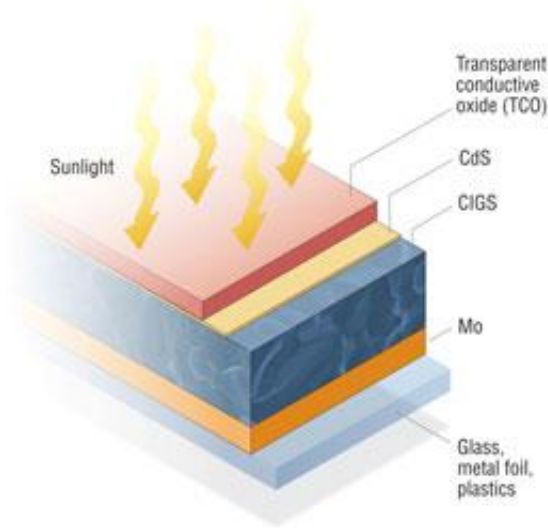


Optical

Note: No copyright infringement is intended



Advantages of CIGS* Thin Film Solar Technology



*Copper Indium Gallium Selenide technology is utilized in thin film solar cells to convert sunlight into electric power.

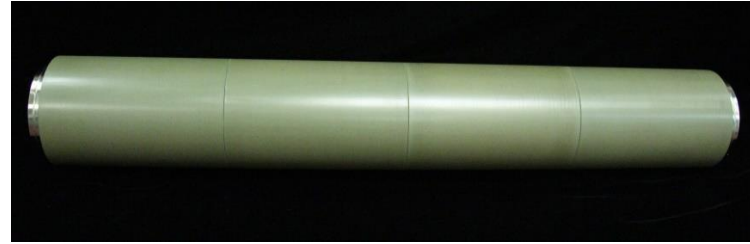
- Cleaner production methods result in lower CO₂ emissions.
- Energy efficiency approaching 18% in full production with further upside opportunities identified.
- Lightweight, flexible modules expand types of industrial and consumer applications.
- Can be coated on glass, plastic and other substrates.



Cylinders Are Also Used to Manufacture Thin Film Solar Applications



10" – 12" Cylinder



Cylinder assemblies range from
 $\frac{1}{2}$ meter to nearly 4 meters



Flexible residential &
industrial roof panels



Residential Roof Tiles



Solar Backpacks

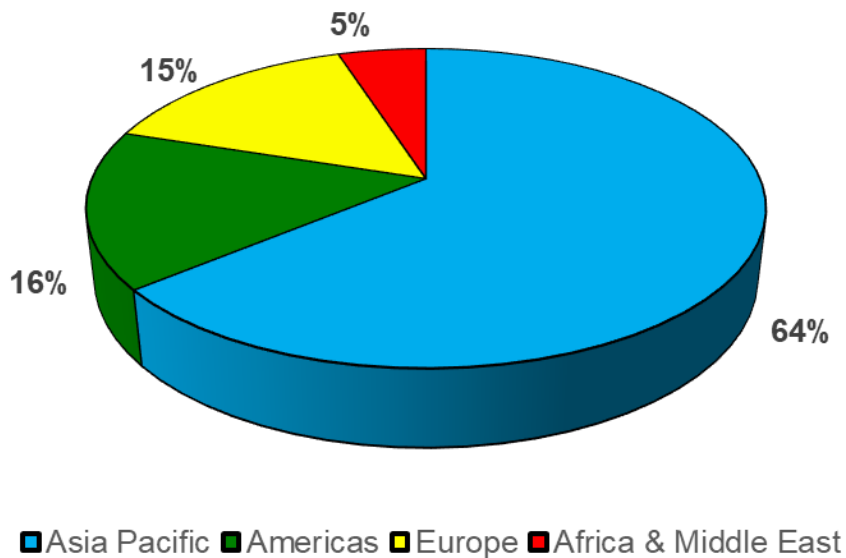


Scooters

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2019 Forecast of Global Solar PV Installations



- Global solar PV market forecasted to grow 17% to 25% in 2019.
- China is expected to continue being the world leader for installed PV solar capacity.
- Majority of China's growth in 2019 is expected during second half.
- New support policy for solar PV is pending in China.
- Tariffs are temporarily impacting TFS order rates and deliveries.

Source: April 5, 2019 IHS Markit (PV installations Tracker)



Bonding Agreement in China



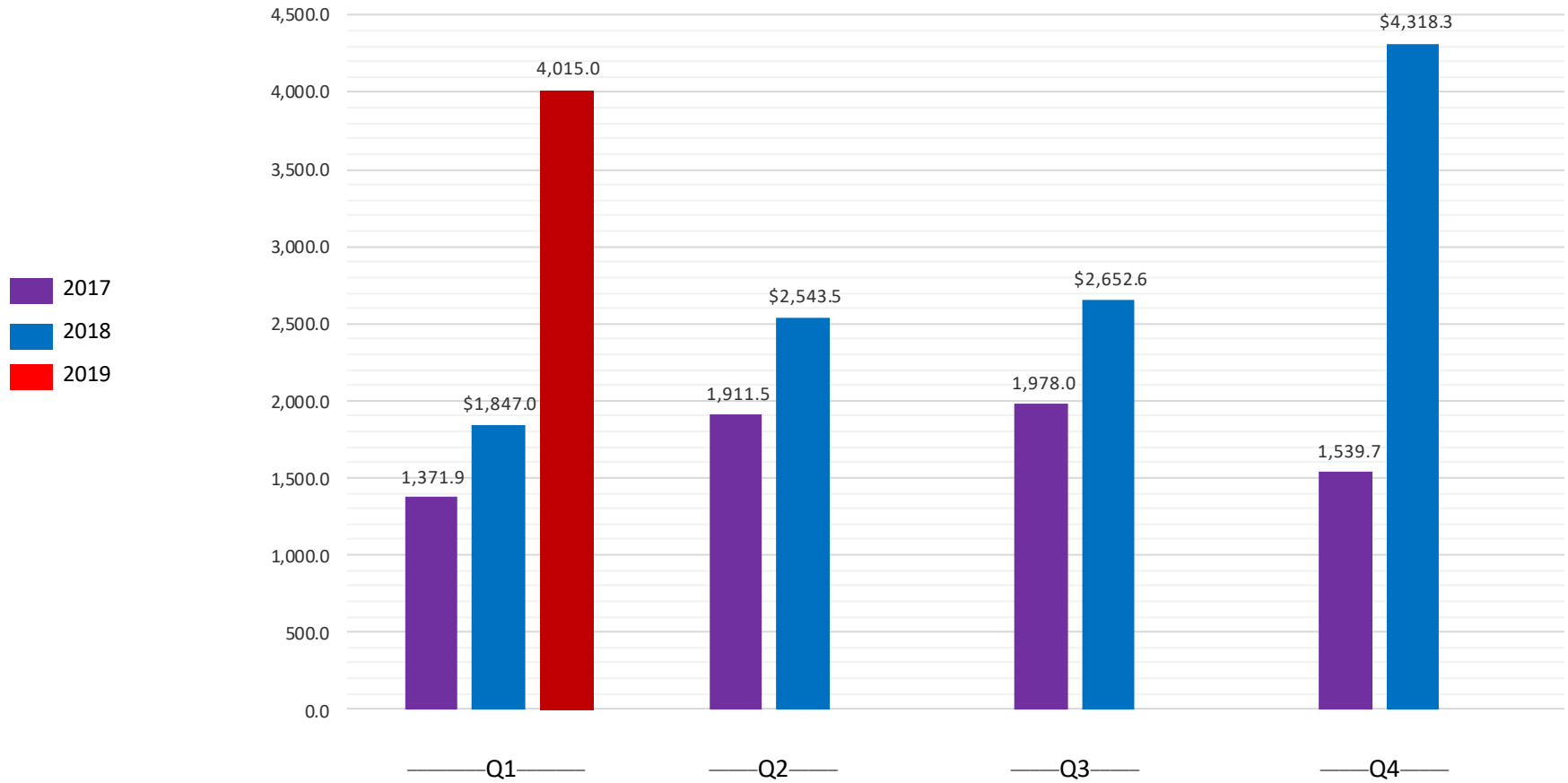
KFMI HQ Facility

- Operation anticipated to begin mid-year 2019.
- Konfoong Materials International Co., LTD (SZSE: 300666) is a strong strategic fit that serves the semiconductor and integrated circuit industries.
- Rotatable thin film solar AZO cylinders produced in Columbus, Ohio will be bonded for customers in China at this facility.
- Benefits include: lower transportation costs for certain bonded products, less time to ship finished products to customers in China; and lower tariffs.
- Opportunities to further accelerate SCI's presence in China.



Accelerating Revenue

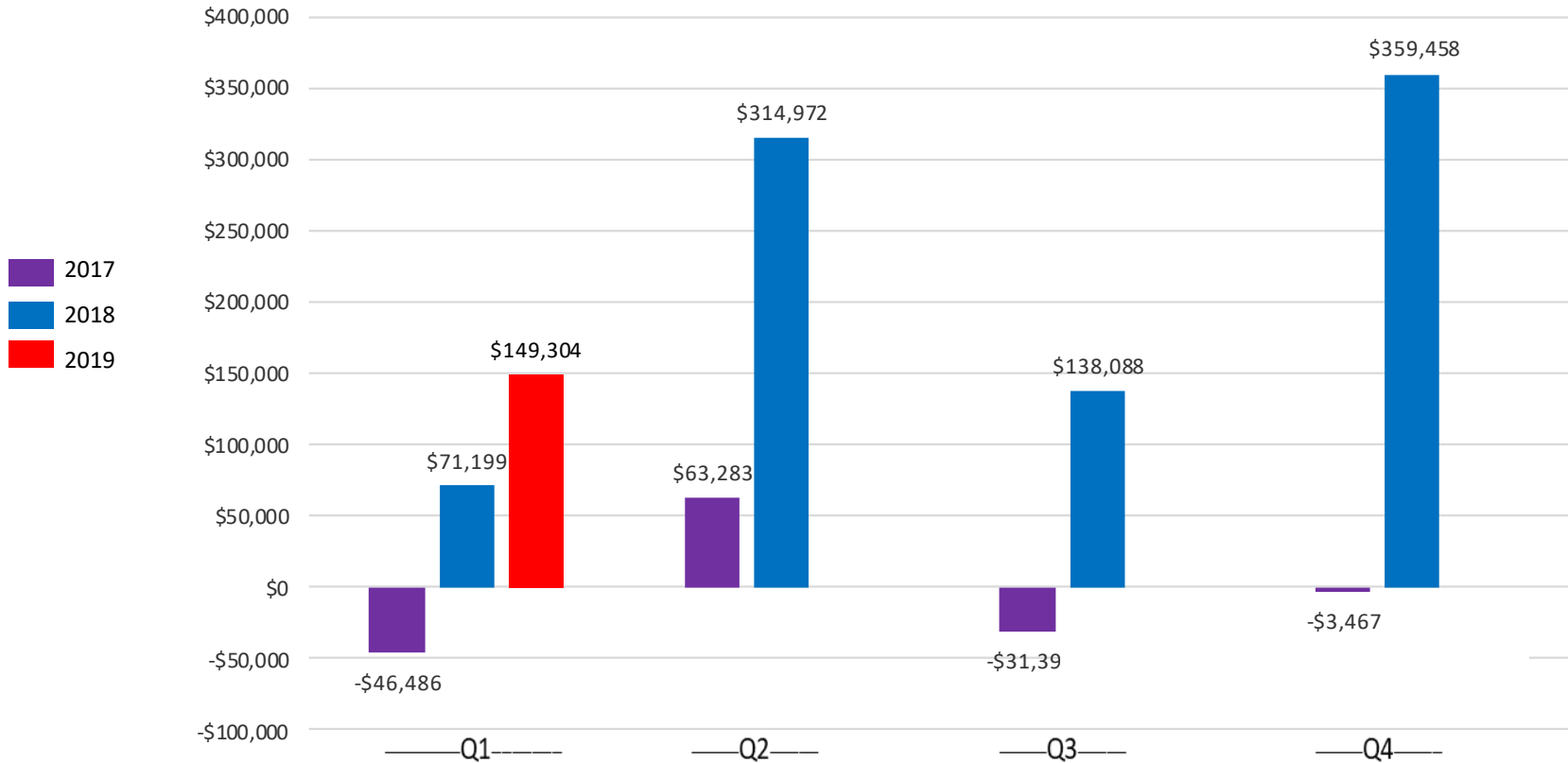
\$000s





...and Increased Income Applicable to Common Shares

Dollars





Financial Profile

Trailing Twelve Months (3/31/2019)

(\$ millions)

Revenue	\$13.53
Income applicable to common shares	\$ 0.96
Fully-diluted Earnings per Share (\$)	\$ 0.22
EBITDA	\$ 1.45

At March 31, 2019

Debt Outstanding (\$M)	\$ 0.22
Debt/Equity (%)	6.00
# Shares Outstanding (M)	4.35
Share Price (at 5/1/19)	\$ 3.20
P/E Multiple (times)	14.5



Why Invest in SCI?

- Technology-driven niches served are achieving solid annual growth and markets are expanding.
- Well-positioned to participate in global alternative energy megatrend.
- Strong balance sheet and financial flexibility to manage long-term growth.
- Profitable company operating in growth markets trading below industry and market multiples.



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