



2022 Results

Investor & Analyst Conference Call

Dr. Torsten Derr (CEO)
Thomas Dippold (CFO)

Wiesbaden | March 23, 2023



Agenda

1. Transformation successful – what we achieved in the last two years
2. Details on fiscal year 2022
3. Outlook 2023
4. Mid-term expectations
5. Summary
6. Backup

1 Transformation successful

“What we achieved in the last two years“

SGL Carbon – strong improvements in the last two years

+23.5% sales increase

-40.4% net debt reduction

+86.2% EBITDApre improvement

+21.0% equity ratio rise

+5.1% EBITDApre margin

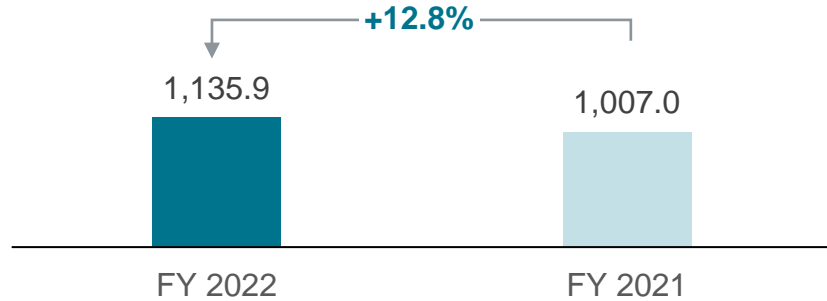
+9.5% ROCE improvement

2 Details on fiscal year 2022

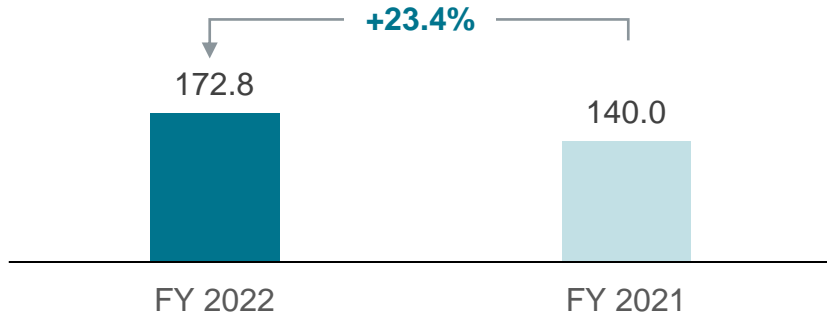
**“Successful year despite
challenging environment“**

SGL Carbon – Profitability growth exceeds sales increase

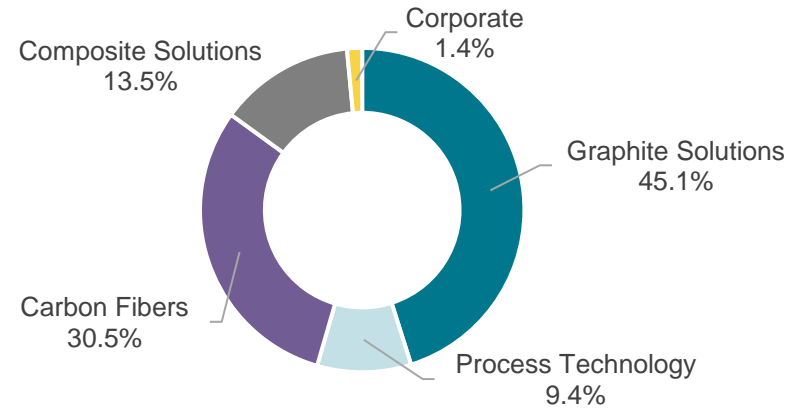
Sales (in mEUR)



EBITDApre (in mEUR)



Sales split (in %)

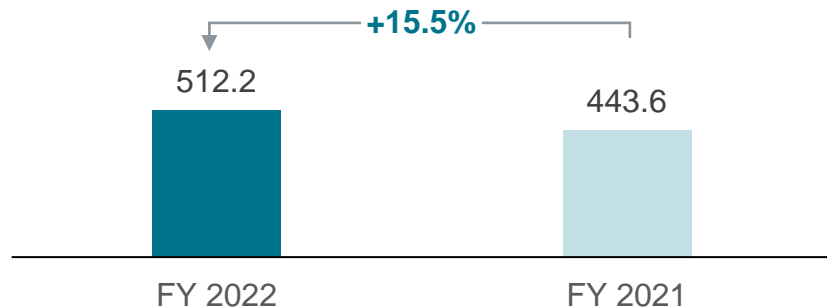


Key developments

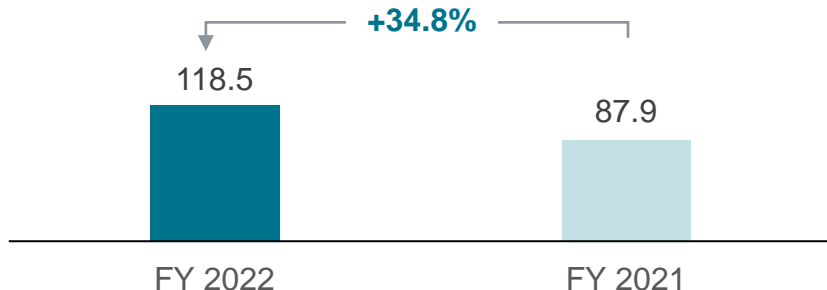
- Significant sales plus in GS (+68.6 mEUR), CS (+30.6 mEUR) and PT (+19.1 mEUR)
- Sales growth, higher utilization rates and successful pricing initiatives lead to strong earnings improvement

Graphite Solutions (GS) – a guarantor for growth and profitability

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

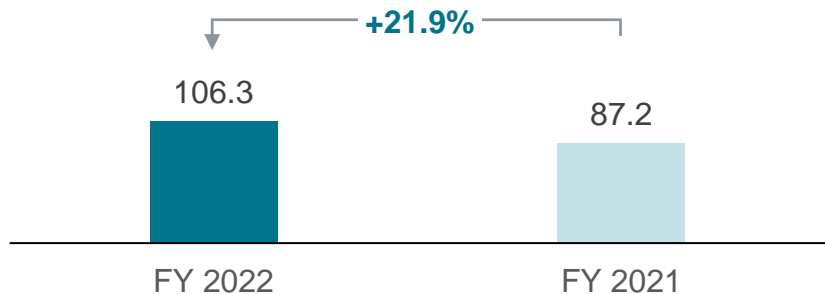
- Main driver: Semiconductor & LED sales increase by nearly 50% yoy
- Full utilization of production capacities
- Solar sales down by 23% as production capacities allocated to semiconductor segment

EBITDApre

- Positive effects due to higher volumes as well as product mix changes
- Successful pricing initiatives to pass-over higher raw material and energy costs
- EBITDApre margin increased from 19.8% to 23.1%

Process Technology (PT) – Strong demand enabled more than doubling of EBITDApre

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

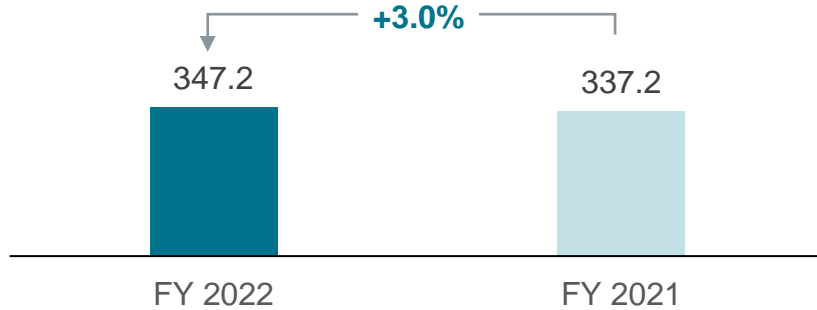
- Strong support from well-filled order book with main customers from chemical industry
- Catch-up effect after pandemic
- Sales growth in all regions, esp. in North America (+44%)

EBITDApre

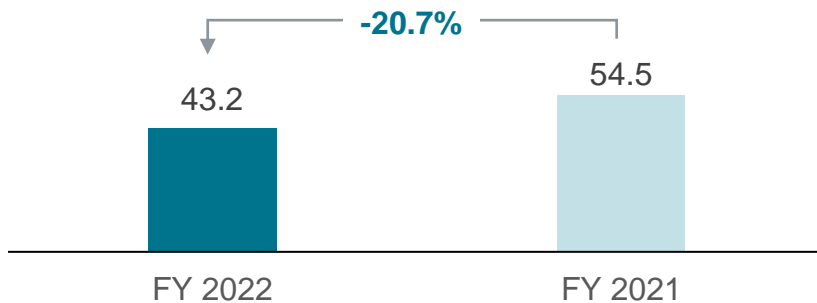
- Higher sales led to improved utilization rates
- Successful implementation of transformation resulted in a competitive cost structure
- Raw material cost increases passed on to customers

Carbon Fibers (CF) – High demand but with lower margin level

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

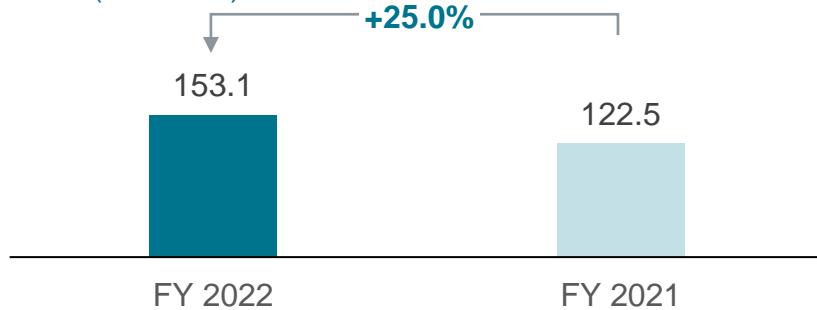
- Slight sales increase despite planned expiry of BMW i3 contract end of June 2022
- Compensated by stronger wind energy and industrial applications business

EBITDApre

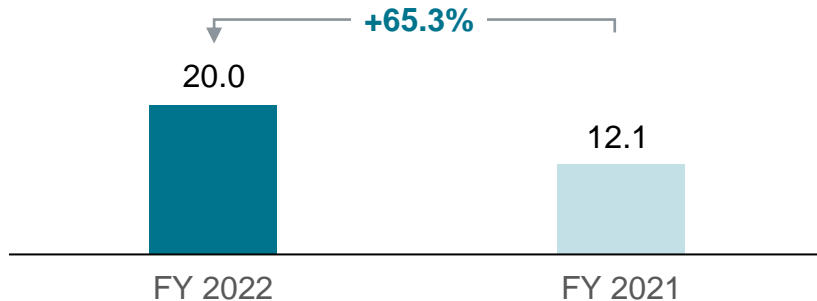
- Significant decline due to planned expiry of BMW i3
- Profitability in wind energy lower than automotive
- Energy price hedging impacted Q1 2022 by 9.2 mEUR
- Results BSCCB JV 16.3 mEUR (2021: 16.0 mEUR)

Composite Solutions (CS) – Strong growth driven by automotive

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

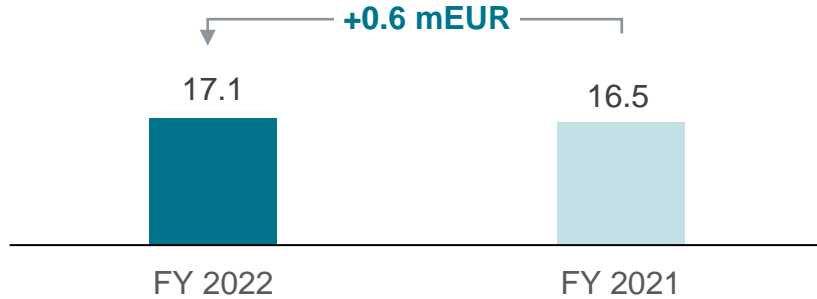
- Automotive nearly 80% of BU sales
- Ramp-up of projects for battery cases and other car composite components boost sales

EBITDApre

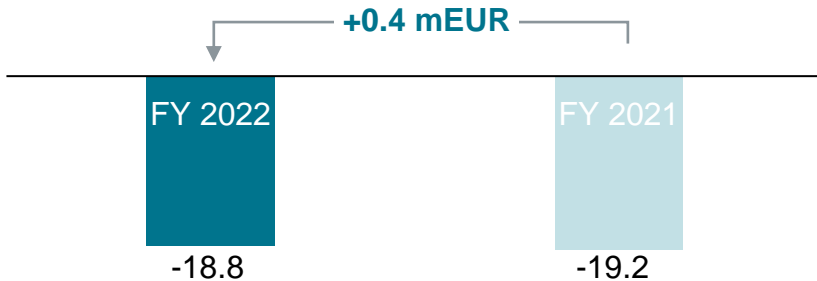
- Higher capacity utilization, automation and cost savings drive earnings
- Focus on high margin products
- Successful implementation of price initiatives
- Further support from positive effects in H1 2002 due to compensation payments of 3.7 mEUR

Corporate – Focus on continued strict cost management

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

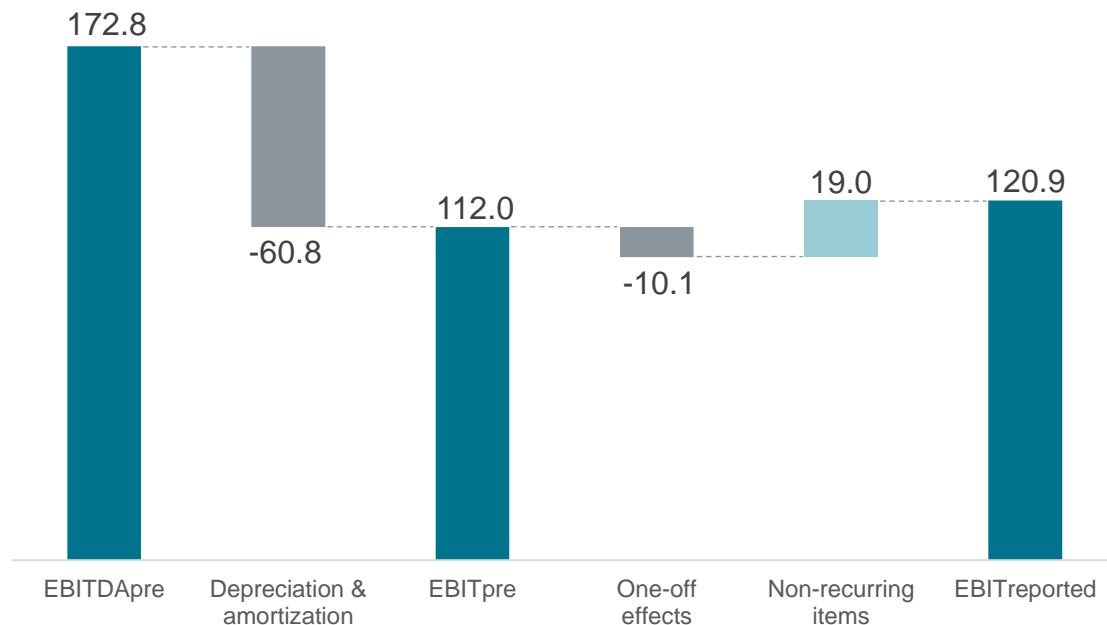
- Services for third parties and rentals of real estate

EBITDApre

- Slight improvement due to ongoing strict cost management as a result of the transformation program

Reconciliation between EBITDApre and EBIT

Non-recurring items and one-off effects 2022 (in mEUR)



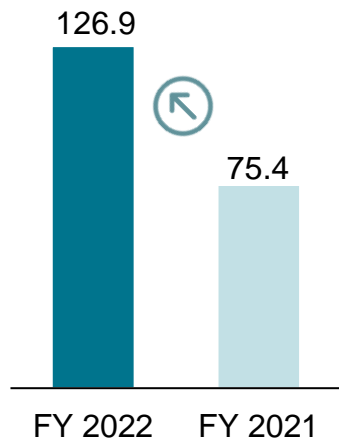
In fiscal year 2022, non-recurring items and one-off effects totalled 8.9 mEUR

	in mEUR
Restructuring incl. Griesheim sale	24.7
PPA and other impairments	-5.7
Non-recurring items	19.0
Effects from divestments	-8.9
Pension obligations	-5.5
Others	-1.4
Termination lease contract Showa Denko	+5.7
One-off effects	-10.1

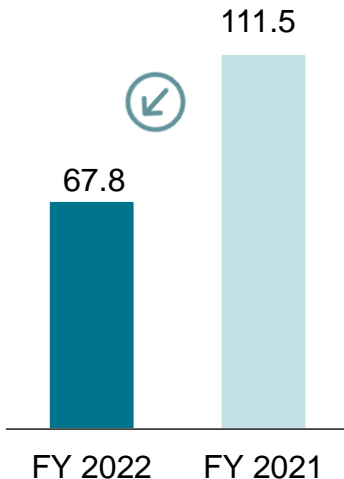
Focus on bottom line and debt reduction

Key figures (in mEUR)

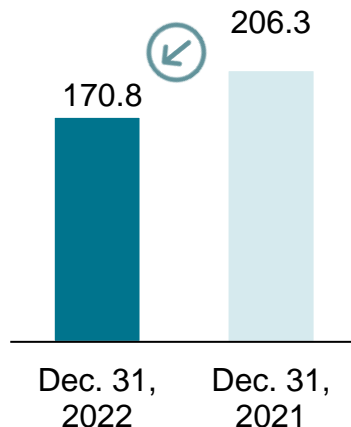
Net result*



Free cash flow (FCF)



Net financial debt



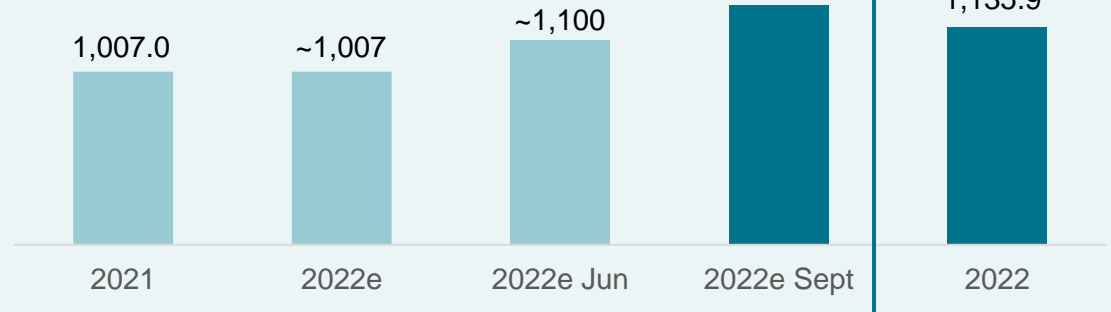
Key developments

- **Net result***: significant improvement, affected by valuation adjustments of deferred tax assets (41.8 mEUR)
- **FCF** decreased by 43.7 mEUR
 - op. CF at 94.4 mEUR (-20.0 mEUR)
 - inv. CF at -26.6 mEUR (-23.7 mEUR) (prior year benefited from land sales)
- **Net financial debt** decreased by -17.2%
- **Equity ratio** increased by 11.5 ppt to 38.5%
- **ROCE** with 11.3% significantly improved (2021: 8.0%)

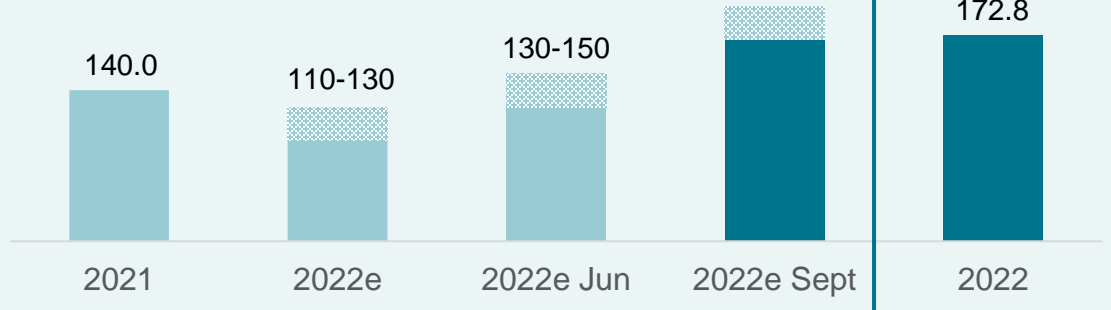
* attributable to parent company shareholders

Targets for 2022 achieved despite challenging environment

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

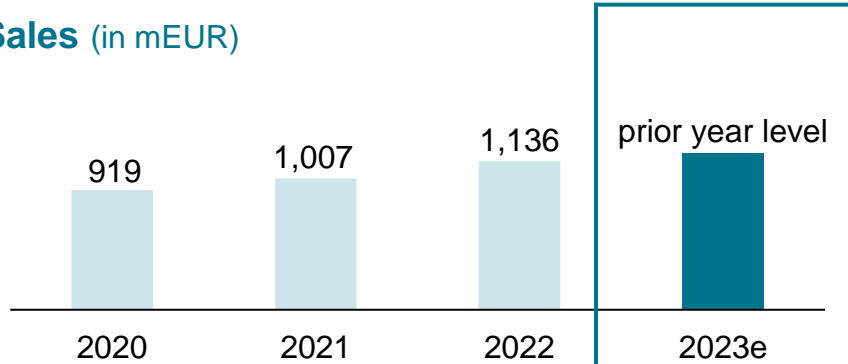
- Fundamentally strong demand in all business units, esp. from semiconductor industry
- CF was able to compensate termination of attractive automotive contract by new wind customers
- Q1 2022 affected by energy price hedging costs of 9.2 mEUR
- Q3 2022 positive impact, as CF's competitors had to shut down production due to high energy prices
- Slightly weaker Q4 2022 also due to extended site shutdowns for maintenance

3 Outlook 2023

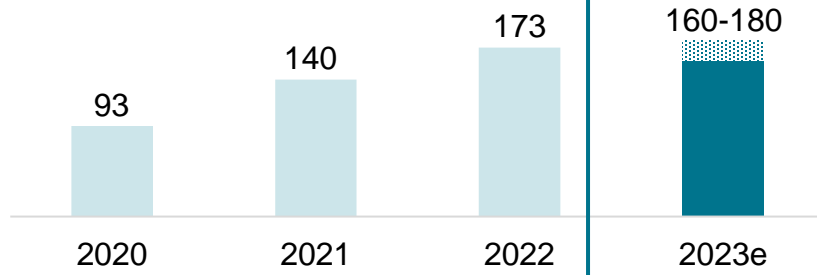
“Stabilization of achieved level and investments in capacity expansion to meet rising demand from SiC semiconductor industry”

Stabilization at prior year level

Sales (in mEUR)



EBITDApre (in mEUR)



Key drivers and effects


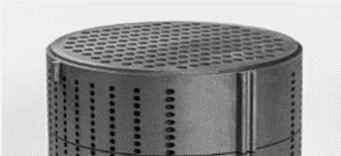

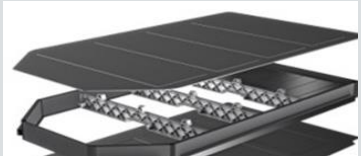
Sales

- Focus on established business in growth markets such as semiconductors, electromobility and renewable energies
- Selective expansions in our core segments
- Slight negative sales impact due to Gardena business sale (~30 mEUR) as well as BMW i3 full year effect

EBITDApre

- Margin over volume strategy
- 2023 to be the first year with full impact of expiry of attractive BMW i3 contract in mid of 2022
- Factor costs on high level

Outlook 2023 on Business Unit level

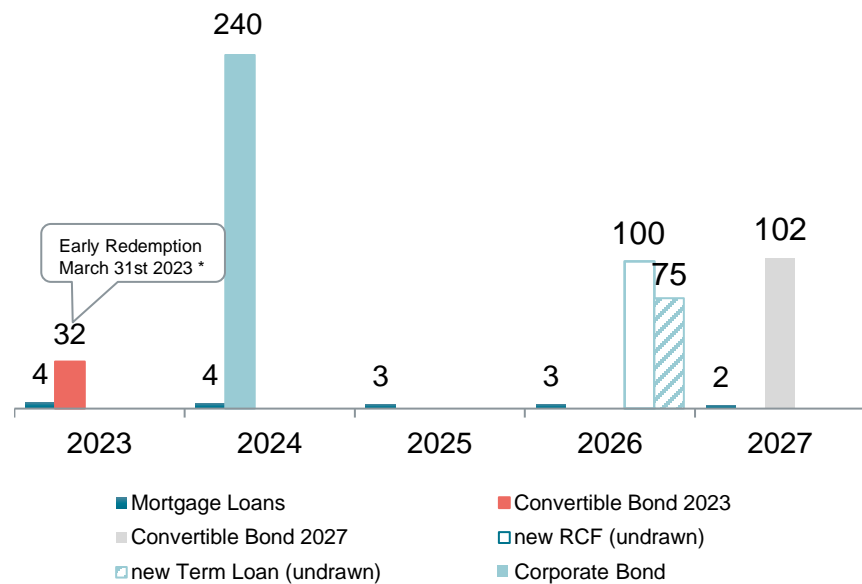
	Graphite Solutions	Process Technology	Carbon Fibers	Composite Solutions
				
Sales	slight increase	slight increase	slight decrease	stable
EBITDApre	significant increase	significant increase	slight decrease	significant decrease
Growth & profitability drivers	<ul style="list-style-type: none"> • Special graphite components for SiC-based semiconductors • Renewable energy and LED • Local supply of critical components and technology 	<ul style="list-style-type: none"> • Benefitting from well-filled order book • Expanding its technological leadership role and optimizing its cost position 	<ul style="list-style-type: none"> • Full year effect automotive contract termination • Wind energy sales with margins on lower levels • Focus on development of attractive niches e.g. pressure vessels 	<ul style="list-style-type: none"> • Growth with new automotive programs, high level of automation and enlarging regional footprint (USA)

“Slight change” means ≤ 10% | “Significant change” means > 10%

Successful refinancing of RCF with new ESG linked instruments (100 mEUR Revolving Credit Facility & 75 mEUR Term Loan Facility)

Maturity Profile after successful RCF Refinancing

in mEUR



* Repayment of remaining outstanding amount initiated under Clean-Up Clause of Convert T&C's

Two ESG KPIs included in new Credit Facilities



ENVIRONMENTAL

Reduction of CO₂ emissions intensity (in kt CO₂e, Scope 1 and 2, per 1 mEUR sales)



SOCIAL

Reduction of Lost Time Injury (LTI) frequency rate per 1 million working hours

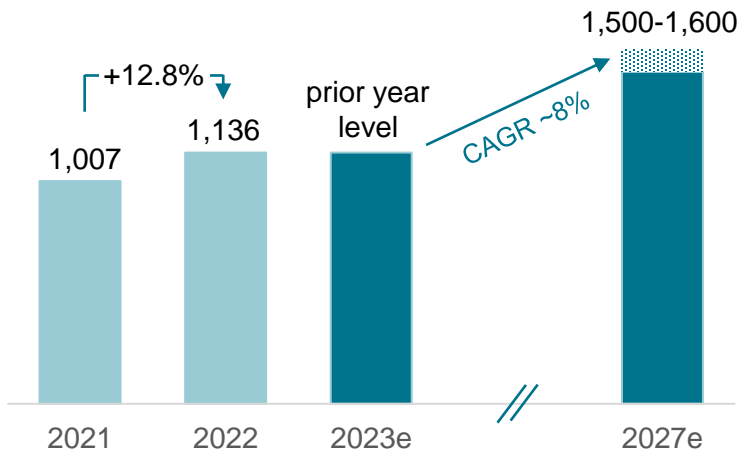
4 Mid-term expectations

“Mid-term planning updated”

Mid-term: Faster organic growth of EBITDApre compared to sales from 2023 onwards

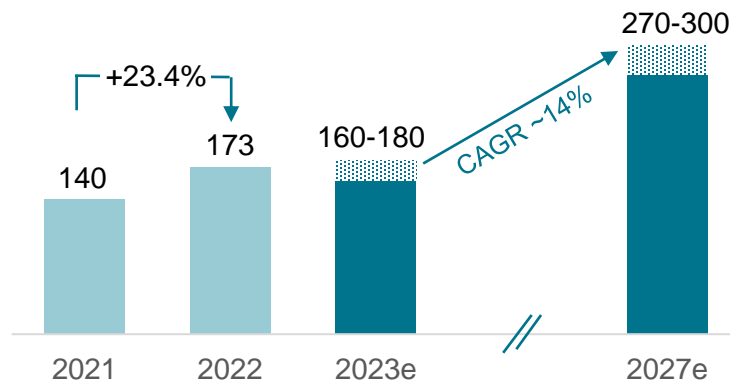
Group sales 2021 – 2027

in mEUR



EBITDApre and -margin 2021-2027

in mEUR



EBITDApre-margin

13.9%	15.2%	~15%	18-19%
-------	-------	------	--------

SGL Carbon on profitable growth path

1. Factor costs on high level. Decreasing price elasticity on customer side
2. All business units will benefit from megatrends: digitalization, renewable energies and climate-friendly mobility
3. Well established market position, excellent market reputation and competitive cost structure
4. Increasing demand for special graphite components for SiC-based semiconductor industry in Europe and USA
5. Higher investments to increase production capacities

5 Summary

**“Excellent growth perspectives,
stable cost basis and solid financial
structure“**

Q&A

We are looking forward to your questions

Financial calendar and IR contact details

Financial calendar

May 5, 2023

- Quarterly statement as of March 31, 2023
- Conference call for analysts and investors

May 9, 2023

- Annual General Meeting

August 3, 2023

- Report on the first half year 2023
- Conference call for analysts and investors

November 2, 2023

- Quarterly statement as of September 30, 2023
- Conference call for analysts and investors

Contact

Investor Relations

SGL Carbon SE

Söhnleinstrasse 8

65201 Wiesbaden/Germany

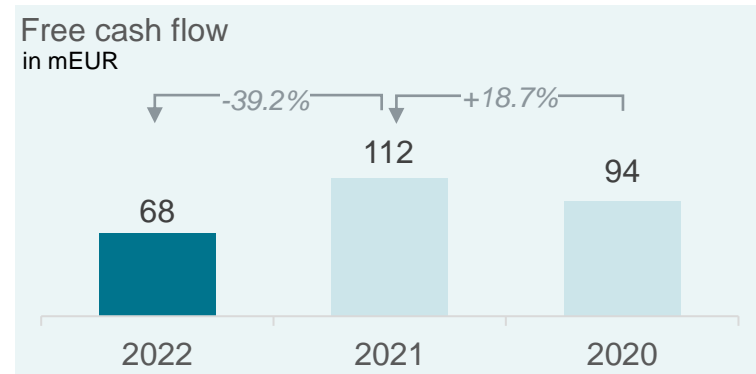
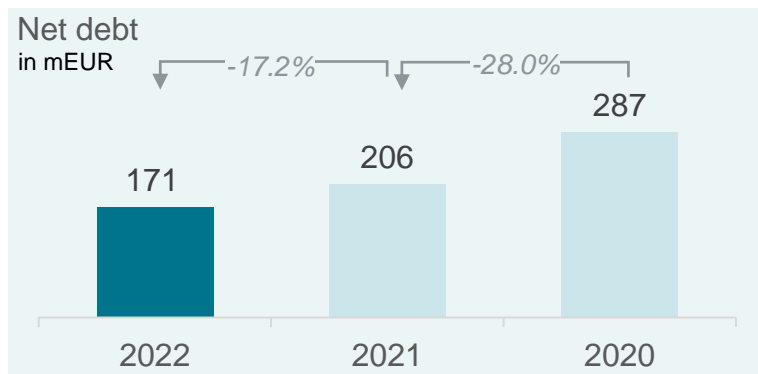
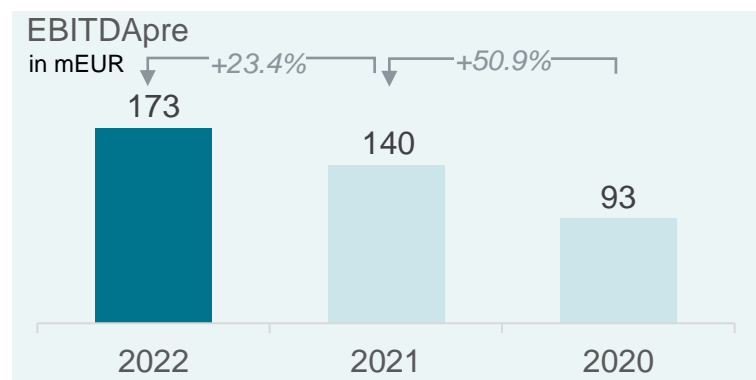
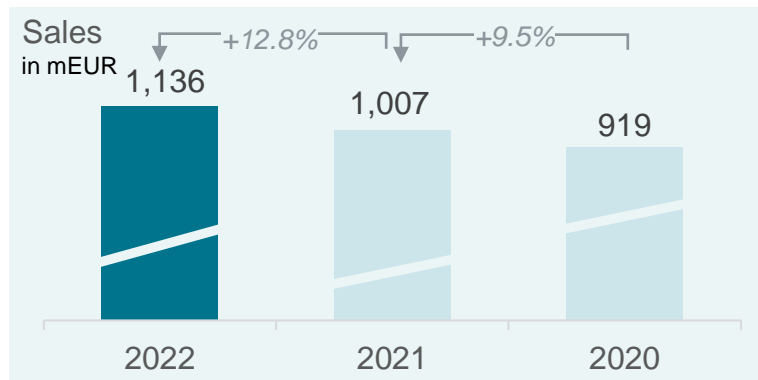
Phone: +49 611 6029-103

E-mail: Investor-Relations@sglcarbon.com

www.sglcarbon.com

6 Backup

Continued operating improvement supported by balance sheet strengthening



%-changes based on exact figures

Strong earnings development

Group income statement (in mEUR)

	FY 2022	FY 2021
Sales	1,135.9	1,007.0
EBITDApre	172.8	140.0
EBITpre	112.0	79.7
Exceptionals	8.9	30.7
EBIT	120.9	110.4
Financial result	-26.3	-28.3
Results from continuing operations before income taxes	94.6	82.1
Income tax expense and non controlling interests	30.8	-6.7
Net result – continued operations	125.4	75.4
Result from discontinued activities	1.5	-
Net result attributable to shareholders	126.9	75.4

Key developments

- Sales +12.8%
 - Recovery of demand in key markets
- EBITDApre +23.4%
 - Higher sales, higher utilization
 - Product mix
 - Successful pricing initiatives to pass-over higher costs
- EBITpre +40.5%
- Net result improved further mainly due to positive tax effects

Getting better and better step-by-step

Key figures and ratios (in mEUR)

	31.12.2022	31.12.2021
Total liquidity	227.3	220.9
Net financial debt	170.8	206.3
Leverage ratio (net debt/EBITDApre)	1.0	1.5
Equity ratio (in %)	38.5	27.0
	FY 2022	FY 2021
ROCE _{EBITpre} (in %)	11.3	8.0

Cash flow (in mEUR)

	FY 2022	FY 2021
Cash flow from operating activities	94.4	114.4
<i>Capex</i>	-52.9	-50.0
Cash flow from investing activities	-26.6	-2.9
Free cash flow	67.8	111.5

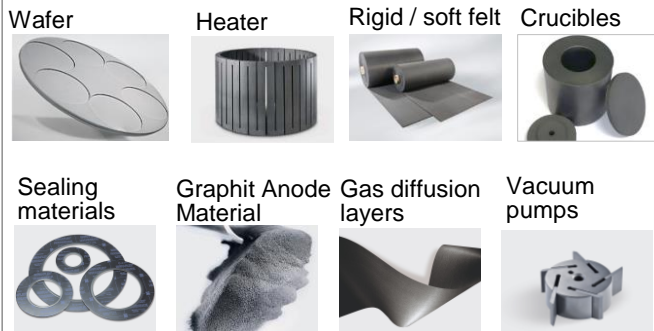
Key developments

- Balance sheet further improved
- Decreased net financial debt in combination with higher EBITDApre led to improved leverage ratio
- Equity ratio increases by 11.5 ppt
- ROCE improved significantly

- Capex slightly higher
- FCF as expected lower, as prior year supported by land sales (30.6 mEUR)

Graphite Solutions: strong growth potential in fast growing markets

Selected products



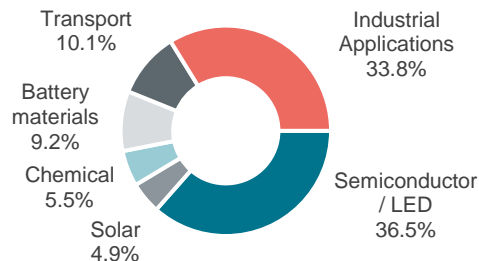
Financials

in million €	2022	2021	2020
Sales	512.2	443.6	407.5
EBITDApre	118.5	87.9	63.1
EBITDApre margin	23.1%	19.8%	15.5%

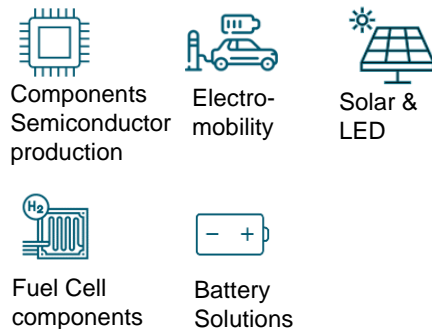
Strategy and Outlook

- Well established technology leader in fast growing markets, esp. SiC-based semiconductor
- Strong local/regional supply of critical components and technology
- Intense investment program to enlarge production capacity to fulfill market demand
- **2023e: Slight sales increase, but significant EBITDApre growth expected**

Split market segments



Focus markets



Slight change means ≤ 10% | significant change means > 10%

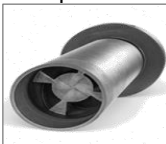
Process Technology: Engineering competence enabling business performance

Selected products

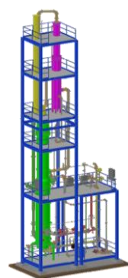
Heat exchanger



Components



Column constructions



Column equipment



Financials

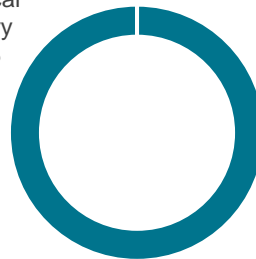
in million €	2022	2021	2020
Sales	106.3	87.2	88.2
EBITDApre	9.9	4.7	3.4
EBITDApre margin	9.3%	5.4%	3.9%

Strategy and Outlook

- Striving for growth based on comprehensive product portfolio and service offerings
- Focus on expanding its technological leadership role while continuously optimizing its cost position
- **2023e: Slight increase in sales and significant increase in EBITDApre expected**

Split market segments

Chemical industry
100%



Focus markets



Chemical industry

Slight change means $\leq 10\%$ | significant change means $> 10\%$

Carbon Fibers: Engineering competence enabling business performance

Selected products

Carbon fibers



Oxidized PAN fibers



Textile fibers



Pre-impregnated material



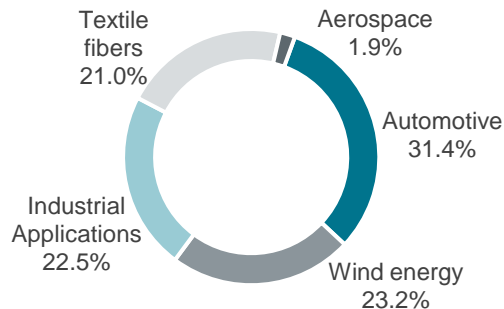
Strategy and Outlooks

- Focus on growing markets like wind industry and attractive niche markets like pressure vessels
- Ongoing demand from automotive and aerospace industry as well as textile applications
- **2023e: Slight decrease in sales and EBITDApre expected due to full year effect of termination of an attractive automotive contract mid of 2022**

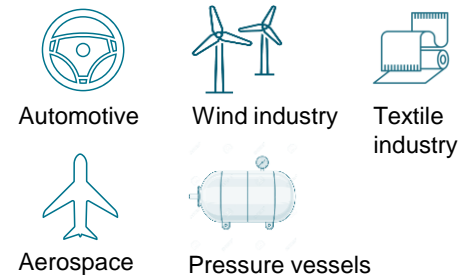
Financials

in million €	2022	2021	2020
Sales	347.2	337.2	303.9
EBITDApre	43.2	54.5	41.4
EBITDApre margin	12.4%	16.2%	13.6%

Split market segments



Focus markets

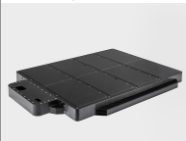


Slight change means $\leq 10\%$ | significant change means $> 10\%$

Composite Solutions: excellent technology reputation in supplying high-volume solutions lead to growth perspectives

Selected products

Battery cases



Leaf springs



Car body components



Structural components



Wet friction materials



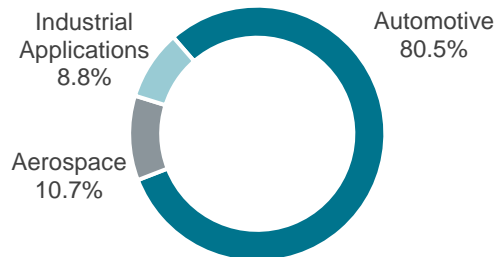
Strategy and Outlook

- Benefits from increasing number of new BEV and PHEV
- Growth with new automotive vehicle programs, high level of automation and by enlarging regional footprint (USA)
- **2023e: stable sales, but significant decrease in EBITDApre due to positive effects in previous year 2022 (3.7 mill. €)**

Financials

in million €	2022	2021	2020
Sales	153.1	122.5	88.6
EBITDApre	20.0	12.1	-4.7
EBITDApre margin	13.1%	9.9%	-5.3%

Split market segments



Focus markets



Electromobility



Automotive



Aerospace

Slight change means ≤ 10% | significant change means > 10%

BEV= Battery Electric Vehicle | PHEV = Plug-in Hybrid Electric Vehicle

Summary 2022 and look into the future

Financials	Business	Outlook	
<p>1,135.9 mEUR Group sales. 12.8% up – driven by rising demand and higher prices in key markets</p>	<p>Equity Ratio at 38.5% (31.12.2021: 27.0%)</p>	<p>Transformation program successfully finalized end of 2022</p> <p>Successful price initiatives to pass-over higher raw materials and energy costs</p>	<p>Guidance 2023: Sales on previous year level EBITDApre between 160 – 180 mEUR</p>
<p>Significant improvement of EBITDApre 23.4% to 172.8 mEUR</p>	<p>170.8 mEUR net financial debt. Further reduction by 17.2% since YE 2021</p>	<p>Encouraging development in SiC- based semiconductor business. Focus on growth markets like semiconductor, renewable energy and e-mobility</p>	<p>Mid-term plan: Increasing demand for graphite components for SiC- based semiconductor industry Higher investments to increase production capacities 2027 EBITDApre margin target ~18%-19%</p>

SGL Carbon to report EBIT / EBITDApre (exceptionals)

Definition of exceptionals (for 2022/2021)

- Depreciation in accordance with IFRS:
 - effects of impairment (IAS 36)
 - purchase price allocations (IFRS 3)
 - effects on assets held for sale in accordance with IFRS 5
- Restructuring expenses
- Proceeds from the sale of land and buildings
- Proceeds from insurance claims, provided they are not counterbalanced by any offsetting items during the reporting period
- Other material one-off effects which are not reflecting the underlying business development

Important Note

This presentation contains statements relating to certain projections and business trends that are forward-looking, including statements with respect to SGL Carbon's outlook and business development, including developments in SGL Carbon's Graphite Solutions (GS), Process Technology (PT), Carbon Fibers (CF) and Composite Solutions (CS) businesses, expected customer demand, expected industry trends and expected trends in the business environment, statements related to SGL Carbon'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 no historical facts, but rather based on current expectations, estimates, assumptions and projections about SGL Carbon'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 Carbon's main customer industries, competitive products and pricing, the ability to achieve sustained growth and profitability in SGL Carbon's Graphite Solutions (GS), Process Technology (PT), Carbon Fibers (CF) and Composite Solutions (CS) businesses, the impact of any manufacturing efficiencies and capacity constraints, widespread adoption of carbon fiber products and components in key end-markets of SGL Carbon, including the automotive and aerospace 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 Carbon's ability to refinance its indebtedness, development of the SGL Carbon pension obligations, share price fluctuation may have on SGL Carbon's financial condition and results of operations and other risks identified in SGL Carbon's financial reports. These forward-looking statements are made only as of the date of this document. SGL Carbon does not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.