



2023 Results

Investor & Analyst Conference Call

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Thomas Dippold (CFO)

Wiesbaden | March 22, 2024



Agenda

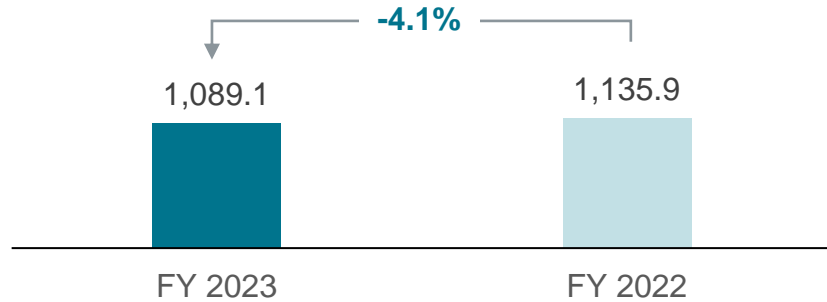
1. **Details on fiscal year 2023**
2. **Strategic Review Business Unit Carbon Fibers**
3. **Outlook 2024**
4. **Mid-term expectations**

1 Details on fiscal year 2023

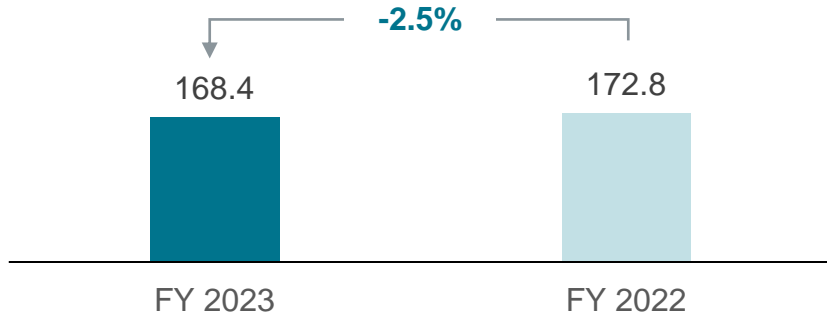
“Guidance 2023 reached”

SGL Carbon – Record performance in GS, PT & CS; weakness in CF

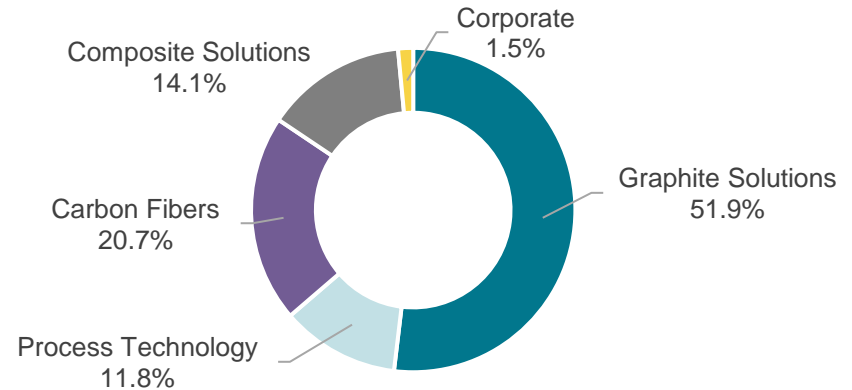
Sales (in mEUR)



EBITDApre (in mEUR)



Sales split (in %)

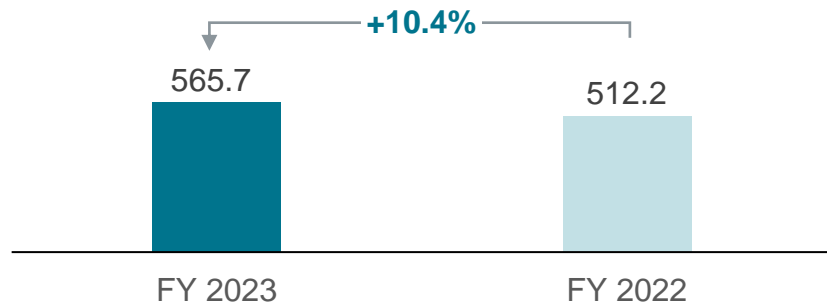


Key developments

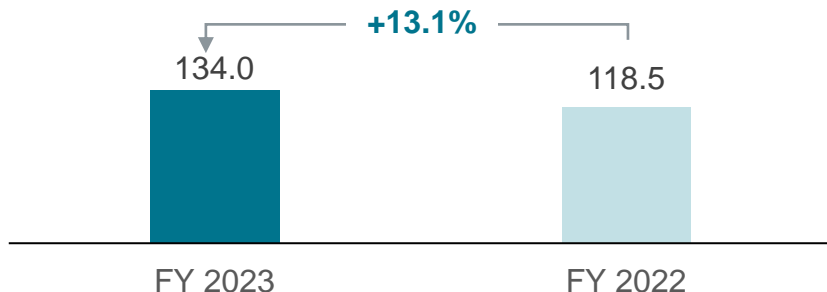
- Significant sales plus in GS (+53.5 mEUR), PT (+21.6 mEUR) and CS (+0.8 mEUR), despite challenging economic environment – but CF sales decline by -122.3 mEUR
- Slight decrease of Group EBITDApre of -4.4 mEUR due to weakness in CF

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

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

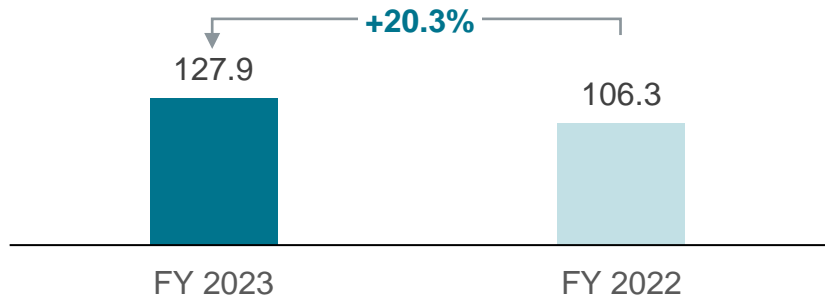
- Main driver: Semiconductor & LED increase by 40% yoy
- Full utilization of production capacities
- Customer down payments of approx. 70 mEUR in 2023 to expand production capacities in semiconductor

EBITDApre

- Positive effects due to higher volumes as well as product mix changes
- Strong pricing power
- EBITDApre margin increased from 23.1% to 23.7%

Process Technology (PT) – Strong demand and “big” projects enabled more than doubling of EBITDApre

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

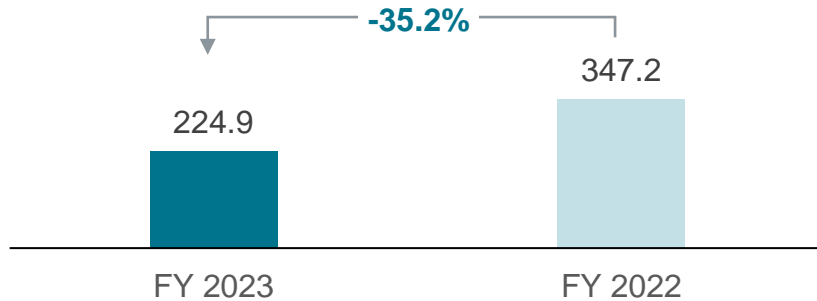
- Strong support from well-filled order book
- Success in 2023 shaped by large-scale projects and strong growth of service business
- Sales growth in all regions, esp. in North America and Asia (+29% | +25%)

EBITDApre

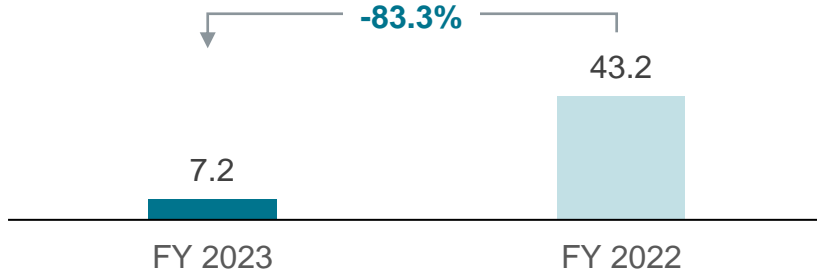
- Stronger share of higher margin service business (preventive maintenance at customer sites)
- Raw material cost increases passed on to customers, positive product mix effects

Carbon Fibers (CF) – Low demand from wind resulted in idling of capacities

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

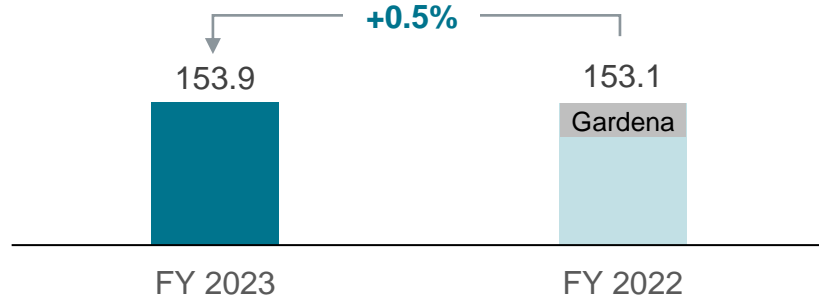
- Strong decrease as a result of demand collapse in wind industry
- Market segments acrylic fibers & industrial declining due global economic conditions and commodity nature

EBITDApre

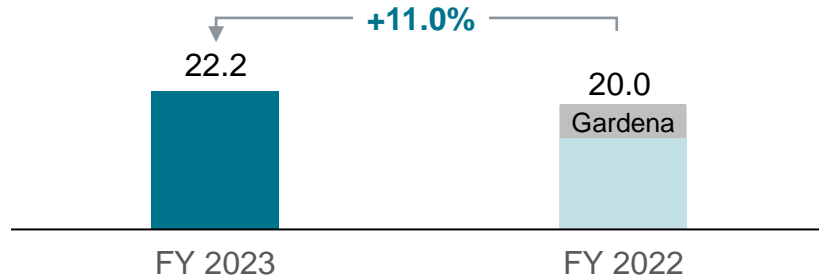
- Low demand resulting in utilization drop and shutdowns of fiber lines; lower fixed cost absorption
- Results BSCCB JV 18.1 mEUR (2022: 16.3 mEUR)
- Loss making operative Carbon Fibers business (EBITDApre: -10.9 mEUR)

Composite Solutions (CS) – Strong growth driven by automotive

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

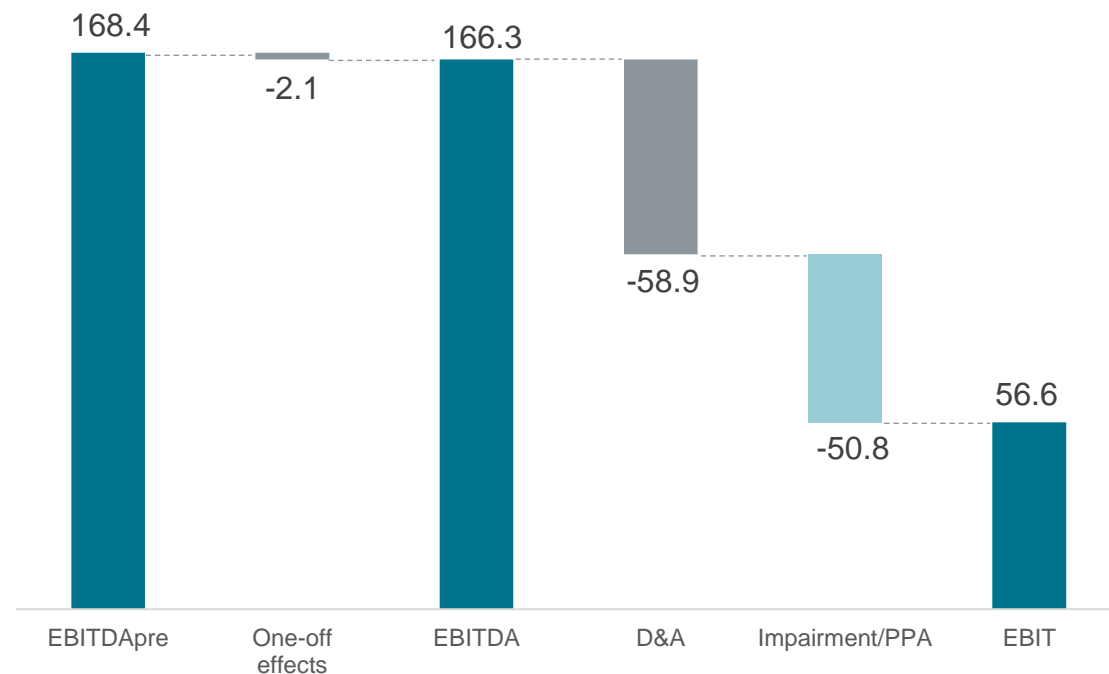
- Automotive around 95% BU sales
- Ramp-up of running projects for small- and large-scale car components boost sales
- Full compensation of Gardena site disposal in 2023 (approx. 30 mEUR sales in 2022)

EBITDApre

- Sale of Gardena site more than compensated (5 mEUR)
- Higher capacity utilization, automation and cost savings drive earnings
- Focus on high margin products and price initiatives

Reconciliation between EBITDApre and EBIT

Non-recurring items and one-off effects 2023 (in mEUR)



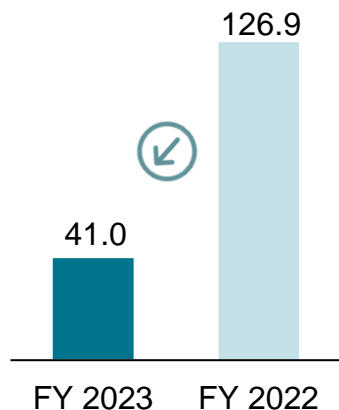
In fiscal year 2023, non-recurring items and one-off effects totaled -52.9 mEUR

	in mEUR
Impairment CF	-44.7
Others	-6.1
Non-recurring items	-50.8
Effects from divestments (Gardena, Pune)	-1.6
Others	-0.5
One-off effects	-2.1

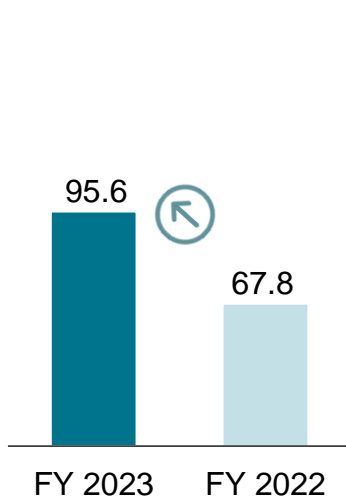
Focus on cash flow and debt reduction

Key figures (in mEUR)

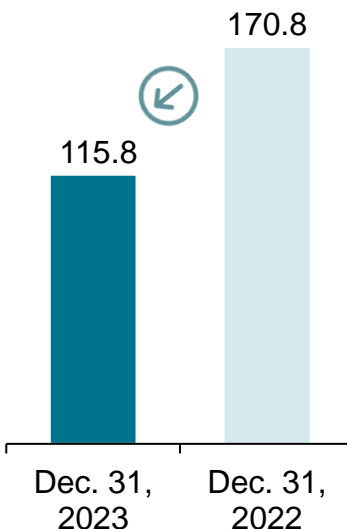
Net result*



Free cash flow (FCF)



Net financial debt



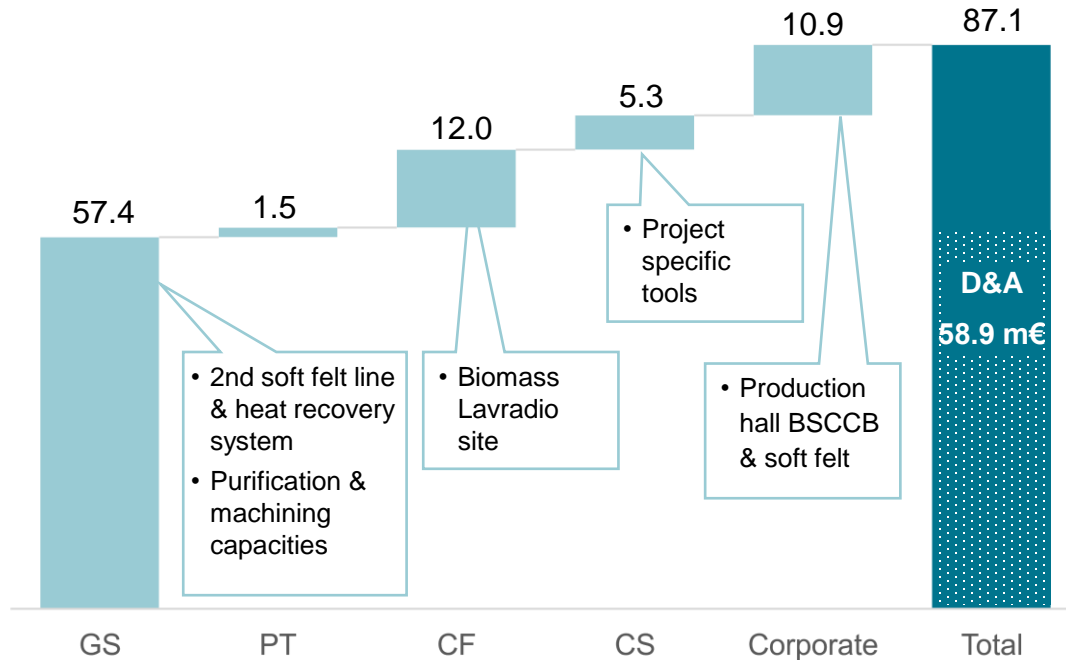
Key developments

- **Net result***:
 - significant decrease due to CF-impairment 44.7 mEUR
- **FCF** increased by 27.8 mEUR
- **Net financial debt** decreased by 32.2%; **leverage ratio**: 0.7
- **Equity ratio** increased by 2.6 ppt to 41.1%
- **ROCE** with 11.3% unchanged

* attributable to parent company shareholders

Higher capex to increase GS production capacity

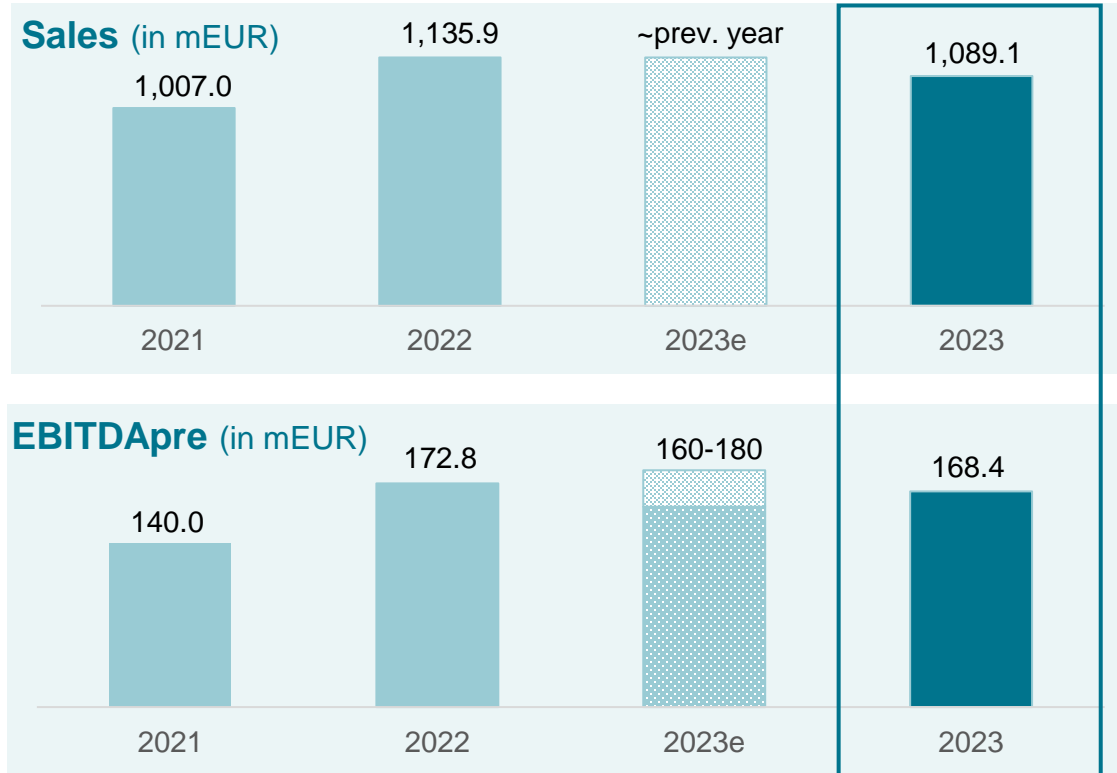
Capex per business unit (in mEUR)



Key developments

- **Capex:**
Driven by higher capex in GS to increase production capacities of graphite components for semiconductor industry
- **Depreciation & amortization** with 58.9 mEUR nearly on previous year level (2022: 60.8 mEUR)
- **Customer down payments** of 70 mEUR in 2023 (2022: 33 mEUR)

SGL business model demonstrated resilience in 2023 and focus on investments for future growth



Key developments

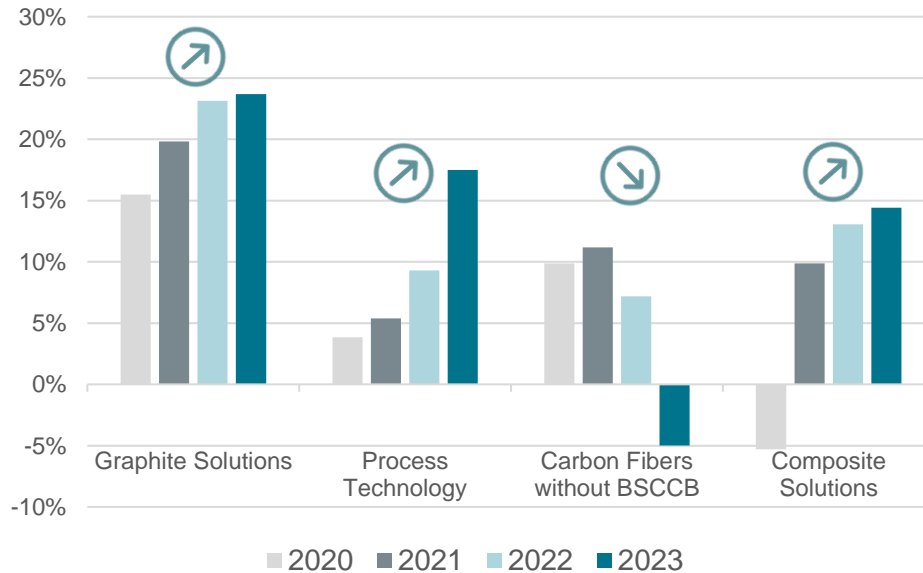
- Strong sales and EBITDApre development in 3 out of 4 business units (GS, PT, CS)
- Margin driver: SiC products as well as PT and CS
- CF operative loss burdens success of the other 3 Business Units
- Lower fixed cost absorption in CF due to idled fiber lines

2 Strategic Review Business Unit Carbon Fibers

“Downturn in wind market led to a review of strategic options for CF”

Preparing SGL Carbon for the next step of profitable growth

EBITDApre margins (in %)



SGL Carbon business portfolio

- Focus on innovative and customized products
- Attractive markets with growth potential in which SGL Carbon has a leading market position
- Clear profitability targets

CF business development

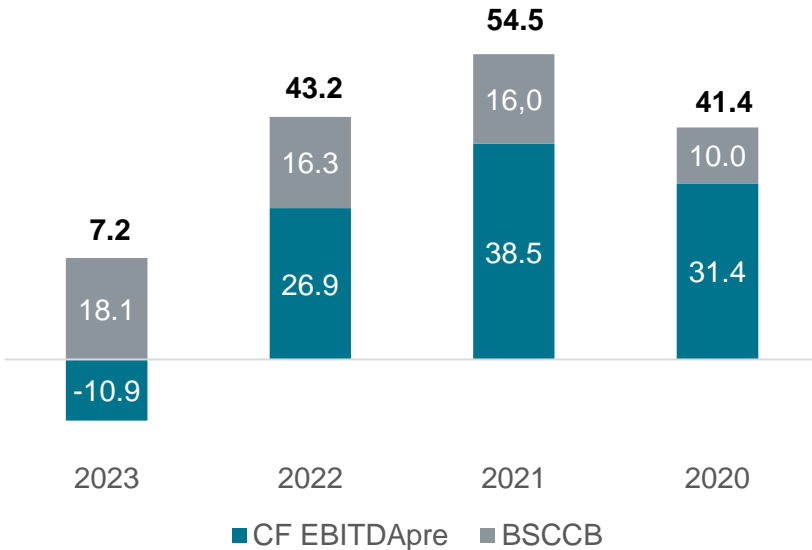
- Current main market wind industry (commodity)
- Specialization in attractive niche markets - shifting away from commodity applications
- New investor could provide necessary resources to further develop the business and to exploit market opportunities

Our BSCCB joint venture remains an important part of SGL Carbon



2023 EBITDApre CF incl. BSCCB result

(in mEUR)

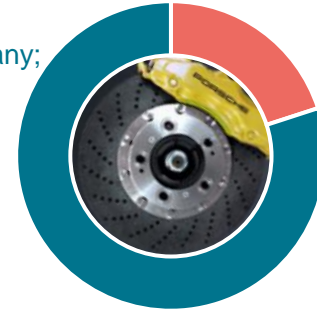


BSCCB expansion of production capacities

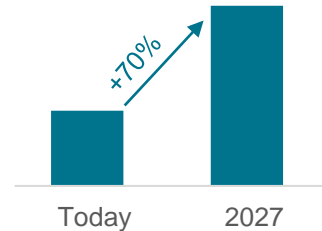
Investment volume by sites

Meitingen, Germany;
120 mEUR
(Equipment +
production facility)

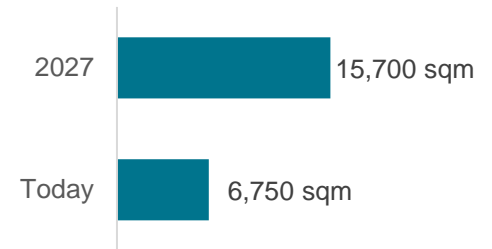
Stezzano, Italy;
30 mEUR
(Equipment)




Capacity expansion



Production space SGL-Meitingen



Attractive opportunity to participate in a fully integrated carbon fiber business



Carbon Fibers

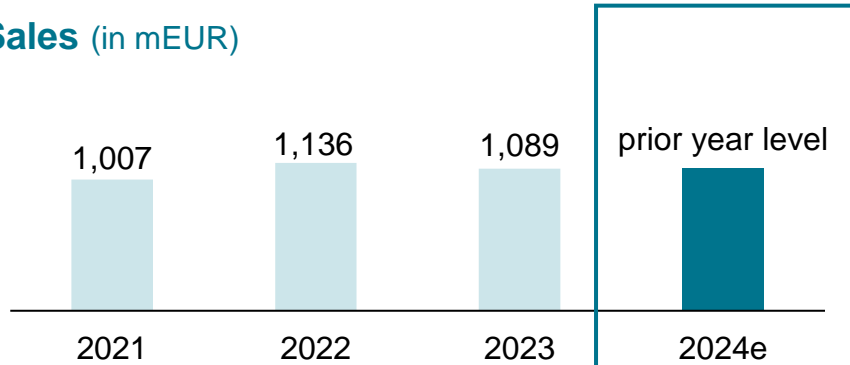
- 1 Highly attractive platform in an increasingly important material
- 2 Carbon Fiber can support global mega trends like renewable energy or climate friendly transport
- 3 Diversified, blue-chip customer base with long-standing relationships
- 4 Global, integrated platform to serve customers locally
- 5 Well-established innovation platform to continuously optimize product features and production processes
- 6 Attractive sustainability profile accelerating customer decarbonization
- 7 Clear roadmap with identified operational improvement initiatives

3 Outlook 2024

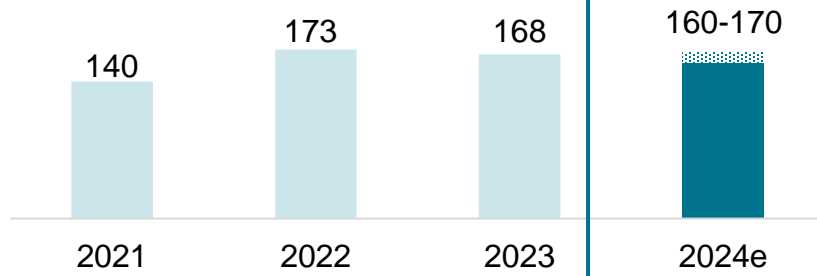
“Secure future growth by expanding strong-margin segments”

Stabilization at prior year level and focus on capex in GS business to secure future growth

Sales (in mEUR)



EBITDApre (in mEUR)



Key drivers and effects

Sales

- Focus on established growth markets such as semiconductors, electromobility and renewable energies
- Growth driver remains semiconductor industry
- CF sales on low 2023 level due to ongoing crisis in the wind industry

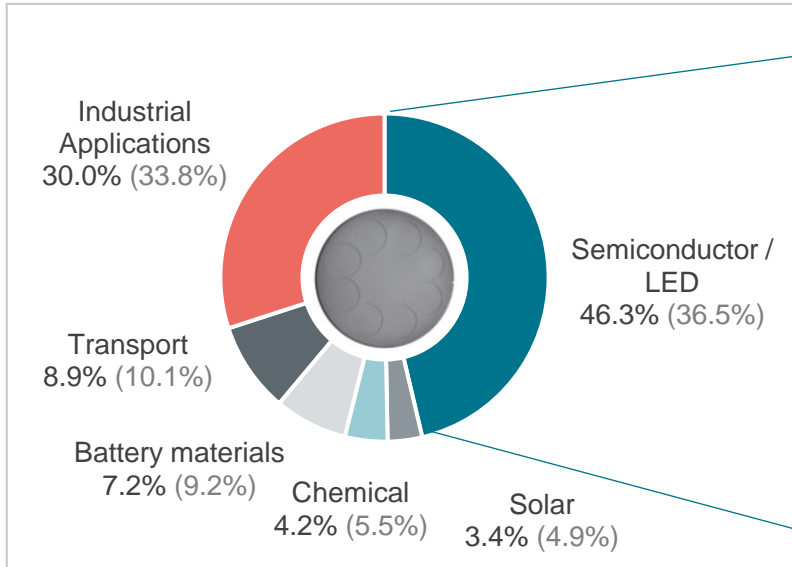
EBITDApre

- Positive effects from product mix and increasing capacity for special graphite products
- CF with negative impact on 2024 profitability
- Expectations EBITDApre without negative CF impact between 180 – 190 mEUR

Semiconductor with growing impact on SGL's growth & profitability

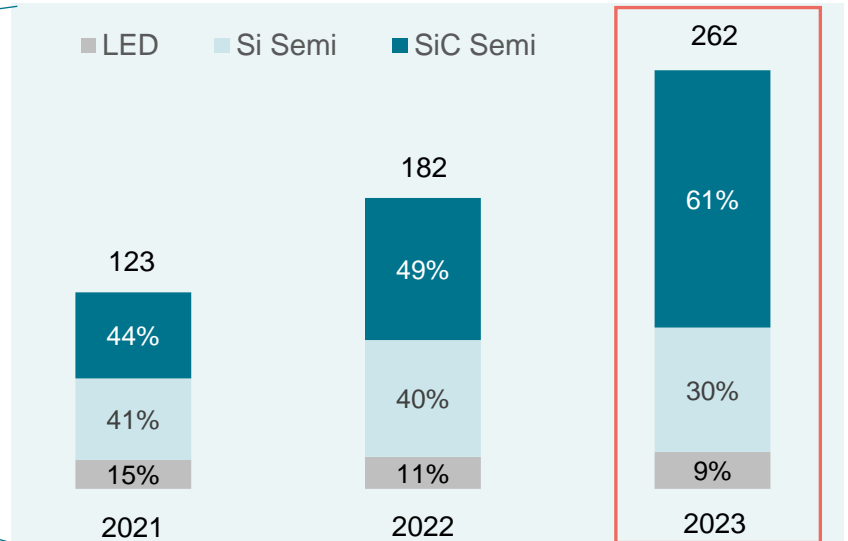
Sales split GS by market segment in 2023

(in %)



Split Semi/LED market segment

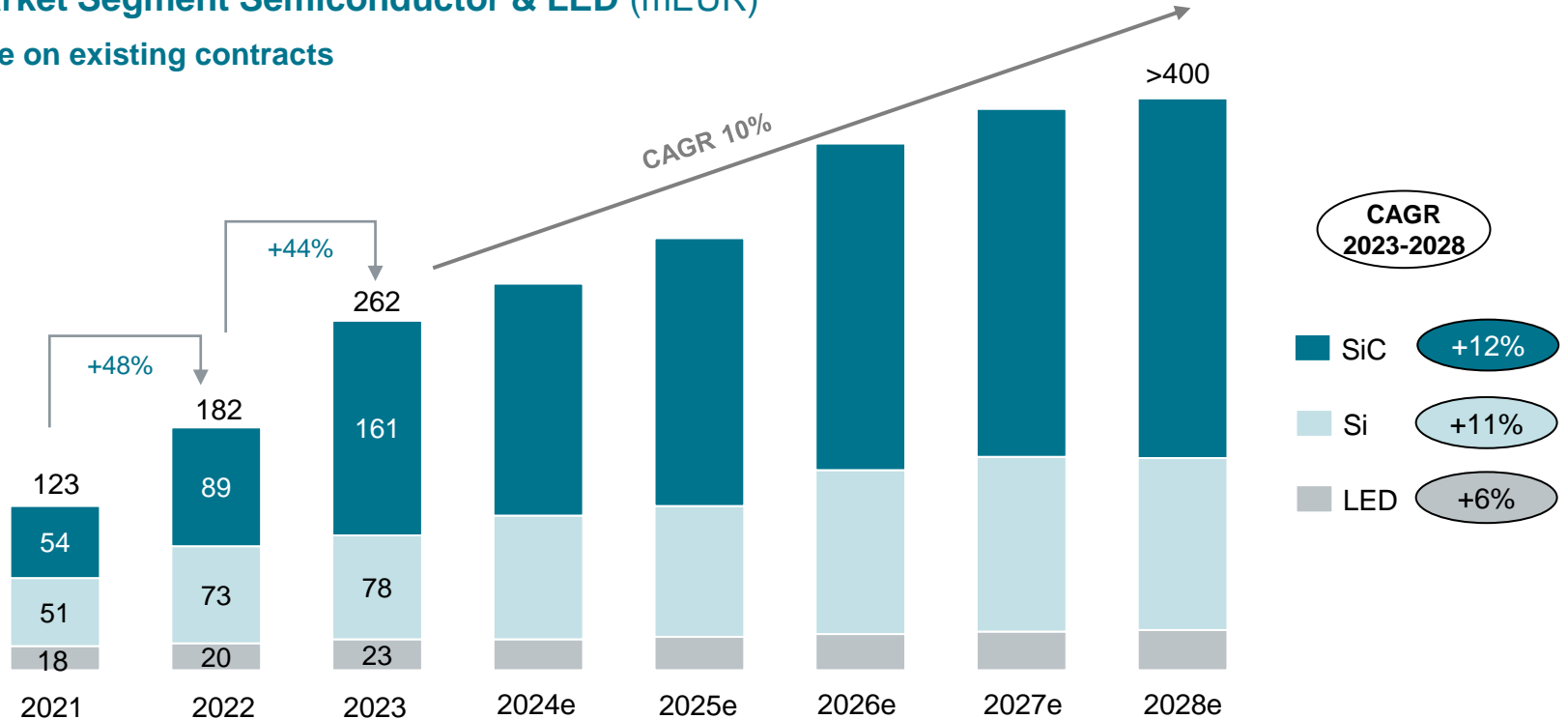
mEUR



SiC sales will dominate future semiconductor sales with CAGR of 12%

Split Market Segment Semiconductor & LED (mEUR)

Base case on existing contracts



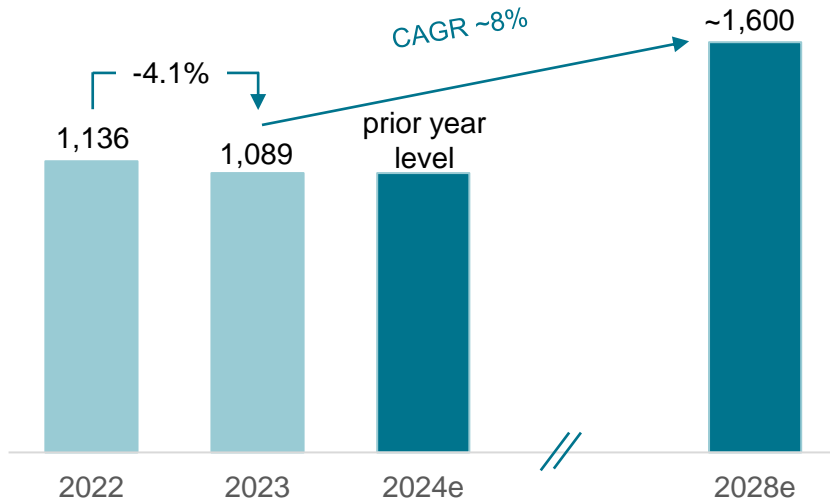
4 Mid-term expectations

“Updated medium-term planning including all four business units“

Mid-term: Faster organic growth of EBITDApre compared to sales from 2024 onwards

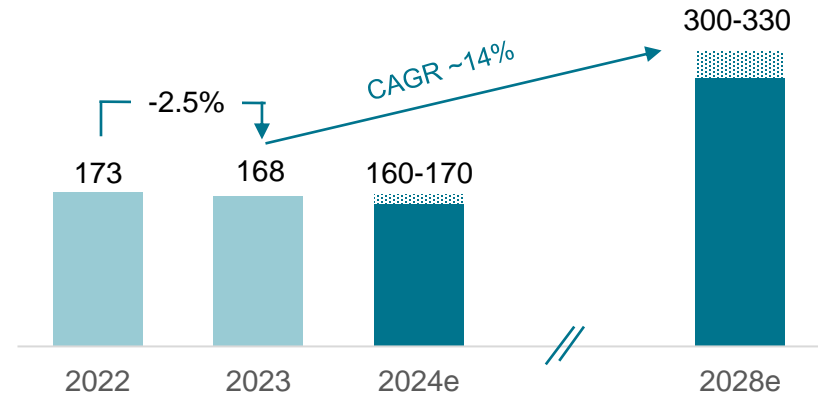
Group sales 2022 – 2028

in mEUR



EBITDApre and -margin 2022-2028

in mEUR



EBITDApre-margin

15.2%	15.5%	~15%	19-21%
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SGL Carbon mid-term growth path on track

1. All business units will benefit from megatrends: digitization, renewable energies and climate-friendly mobility
2. Ongoing high demand for special graphite components for SiC-based semiconductor industry
3. High investments to increase production capacities for high margin products
4. Focus on innovative and customized products in growth markets where we have an established market position
5. Build a profitability-driven portfolio company for advanced materials



Q&A

We are looking forward to your questions

Financial calendar and IR contact details

Financial calendar

May 8, 2024

- Statement on the First Quarter 2024
- Conference call for analysts and investors

May 23, 2024

- Annual General Meeting (virtual)

August 8, 2024

- Report on the First Half Year 2024
- Conference call for investors and analysts

November 7, 2024

- Statement on the First Nine Months 2024
- Conference call for investors and analysts

Contact

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SGL Carbon to report EBIT / EBITDApre (exceptionals)

Definition of exceptionals (for 2023/2022)

- 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.