



9M 2023 Results

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Wiesbaden | November 2, 2023



Agenda

1. Highlights
2. 9M 2023 Results
3. Deep dive GS/SiC
4. Summary

9M 2023: Still solid Group numbers – despite weakness in CF

Financials

821.7 mEUR

Group sales 3.8% down
– driven by decline in
Carbon Fibers other
BUs not able to fully
compensate

Equity Ratio
at **42.5%**
(31.12.2022:
38.5%)

EBITDApre
of **130.0**
mEUR despite
strong
deterioration in BU
Carbon Fibers.

Net financial debt
166.6 mEUR
and stable
leverage ratio of
1.0

Business

Increasing demand
from **semiconductor**
industry - especially
SiC-customers leads to
significant growth in **GS**

Strong
business
development
in **PT** and **CS**

CF burdened by
temporary
downturn in wind
industry resulting in
an **impairment** of
44.7 mEUR

One third higher
capex in 2023 to
increase
production
capacities in **GS**

Outlook

After 3 quarters in 2023:
confirmation of sales
and EBITDApre forecast
at the lower end of the
given range

Guidance 2023:

Sales: previous year
level

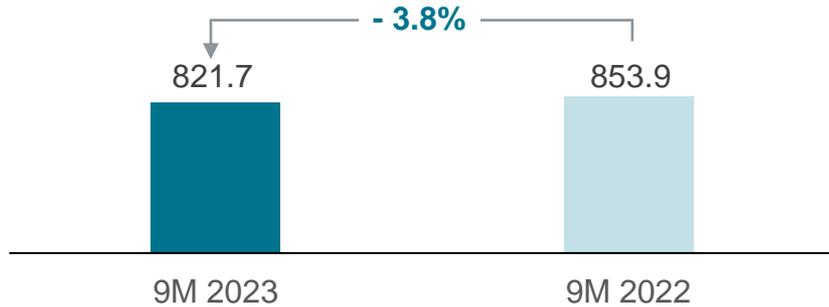
EBITDApre: between
160 – 180 mEUR

2 9M 2023 Results

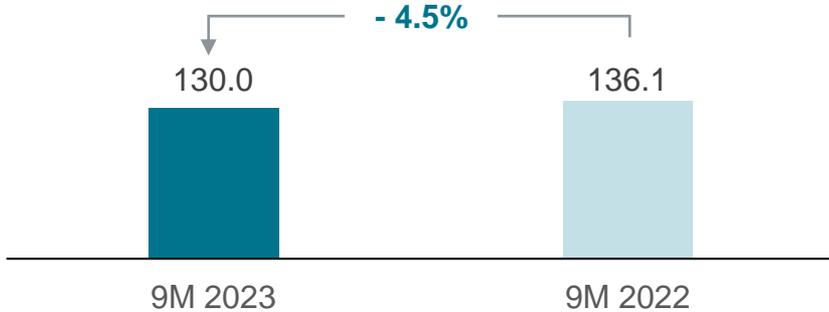
**“9M 2023 in line with expectations
on Group level”**

Trend in sales and EBITDApre confirm 2023 as stabilization year

Sales (in mEUR)



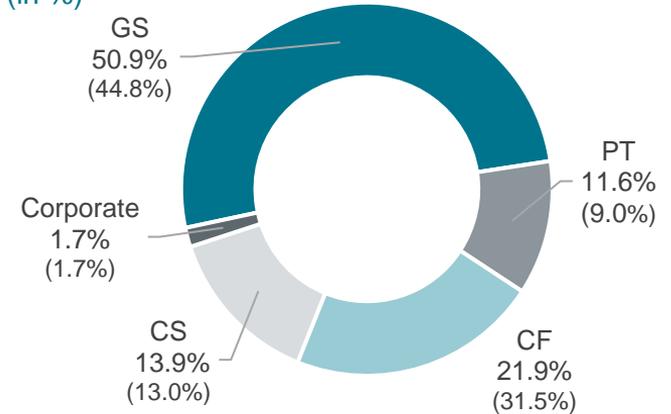
EBITDApre (in mEUR)



Key developments

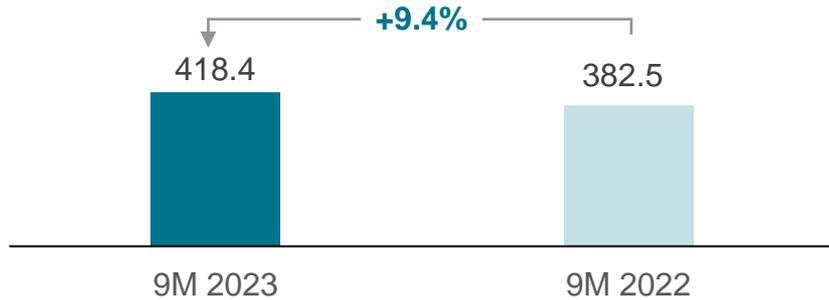
- Sales development: GS (+35.9 mEUR), PT (+18.7 mEUR) CS (+3.3 mEUR) and CF (-89.4 mEUR)
- Profitability deterioration in CF almost compensated by favorable product mix and volume changes in GS, PT and CS

Sales split (in %)

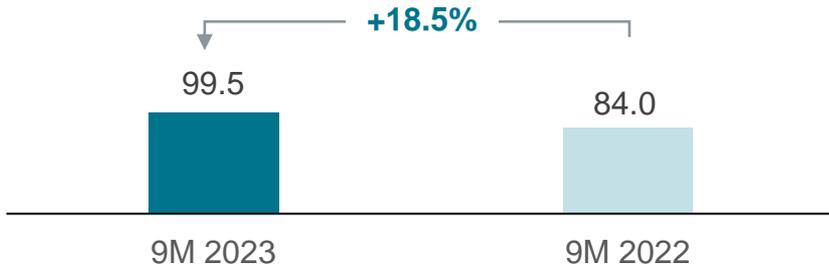


Graphite Solutions (GS) – SiC sales drive profitability

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

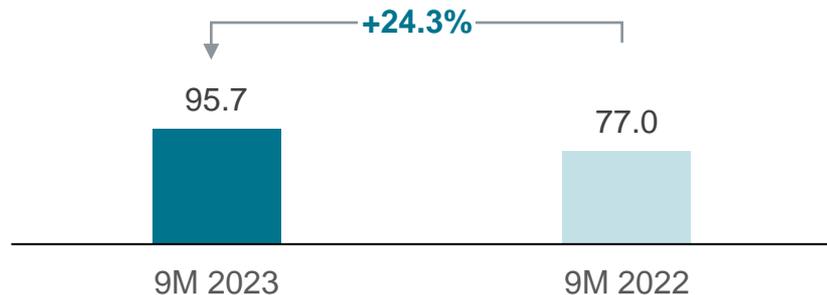
- Strong rise in semiconductor sales yoy (+38.5%)
- Full capacity utilization for graphite components for semiconductor industry
- Automotive and Industrial Applications stable
- Solar, Battery materials and Chemicals decreasing

EBITDApre

- Positive effects due to high utilization and product mix benefits
- Reallocation of capacity from solar to higher-margin semiconductor business
- Further margin increase to 23.8% (9M 2022: 22.0%)

Process Technology (PT) – Margin development above sales growth

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

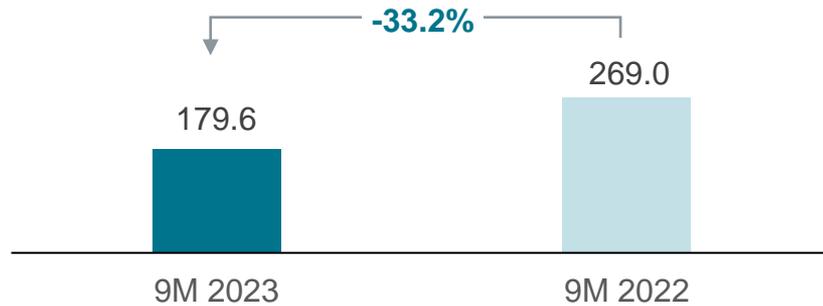
- Last year's order intake leads to strong sales increase
- Order book 9M 2023 remains on high level
- Growth in all three regions (Europe, Asia, America)

EBITDApre

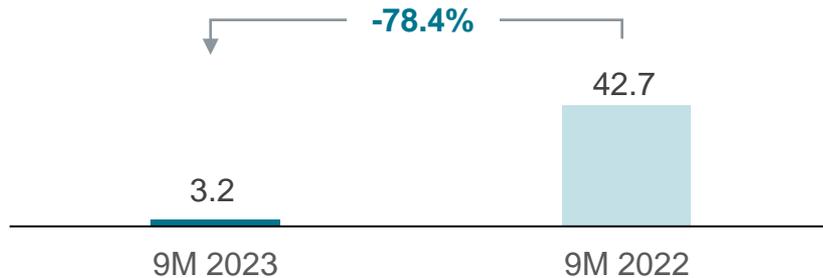
- Higher utilization rates and strict cost management
- Positive product mix effects
- EBITDApre margin nearly doubled to 18.3% (9M 2022: 9.7%)

Carbon Fibers (CF) – Wind industry demand remains insufficient

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

- Scheduled expiry of i3 supply contract in June 2022 affects yoy comparison
- Demand from wind energy customers remains very low, other market segments also unsatisfactory
- High carbon fiber inventories in the wind value chain

EBITDApre

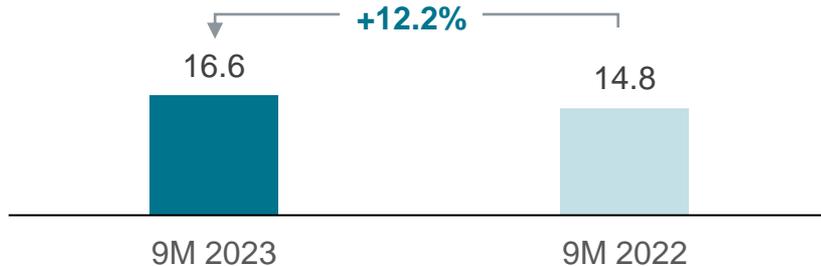
- Lower sales burden profitability
- Partial production shutdowns with nearly unchanged fixed costs also impact performance
- 14.1 mEUR at-equity result included in EBITDApre
- Impairment of 44.7 mEUR required due to temporary downturn in wind affects EBIT

Composite Solutions (CS) – positive business development continues

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

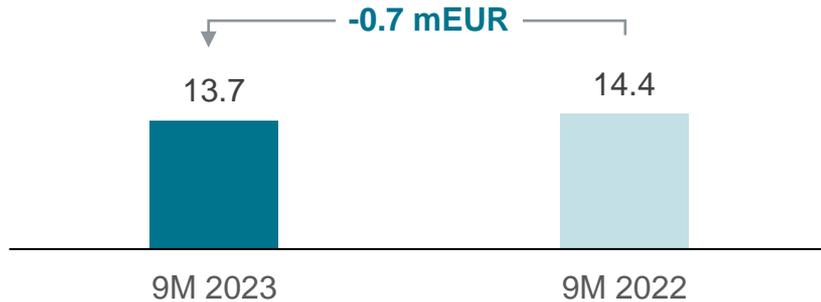
- Strong demand from automotive customers (large- and small-scale solutions)
- Negative effect from sale of Gardena business (USA site) in February 2023 already compensated

EBITDApre

- Strong performance with EBITDA margin increase from 13.3% to 14.5% after nine months 2023
- 9M 2022 positively affected by compensation payments from automotive customers of 3.7 mEUR
- Positive earnings performance mainly from strong growth of large series business

Corporate – One-time effects impact sales and earnings

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

- Sale of Gardena (USA) and Pune (India) site allocated to Corporate until divestment on February 16 and April 28, 2023
- Previous year affected by one-time effects of 6.6 mEUR

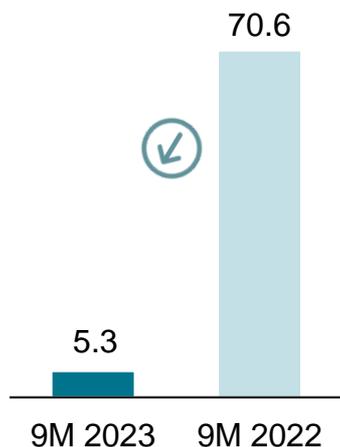
EBITDApre

- Results Gardena and Pune site allocated to Corporate
- Significantly lower provisions for variable compensation
- Higher service proceeds and continued strict cost management

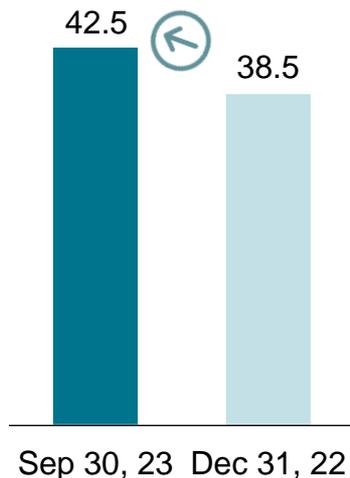
CF impairment burdens net result

Key figures (in mEUR)

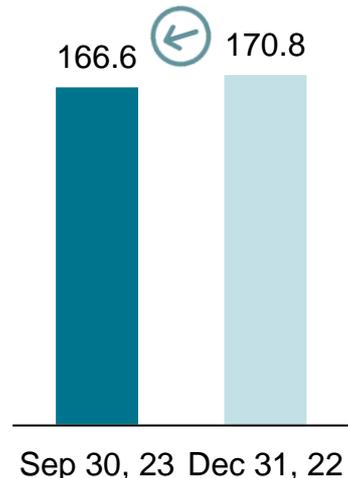
Net result



Equity ratio (in %)



Net financial debt



Key developments

Net result decreased to 5.3 mEUR 9M 2023 due to impairment loss of 44.7 mEUR in CF and lower one-offs

Capex of 59.1 mEUR mainly used to increase production capacity in GS (9M 2022: 31.8 mEUR)

Net financial debt decreased slightly by 2.5% compared to Dec. 31, 2022

Equity ratio up by 4.0 ppt to 42.5%

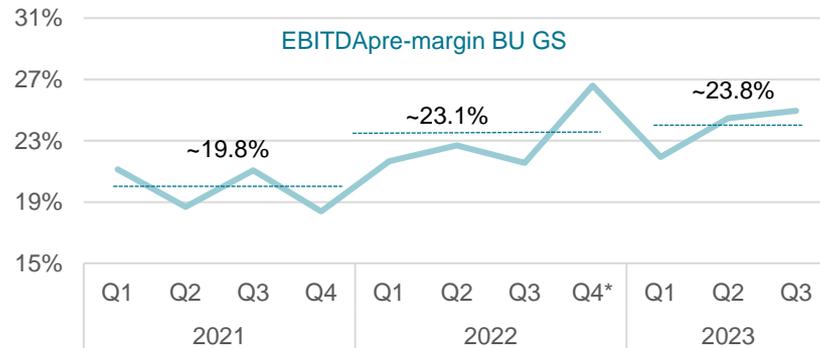
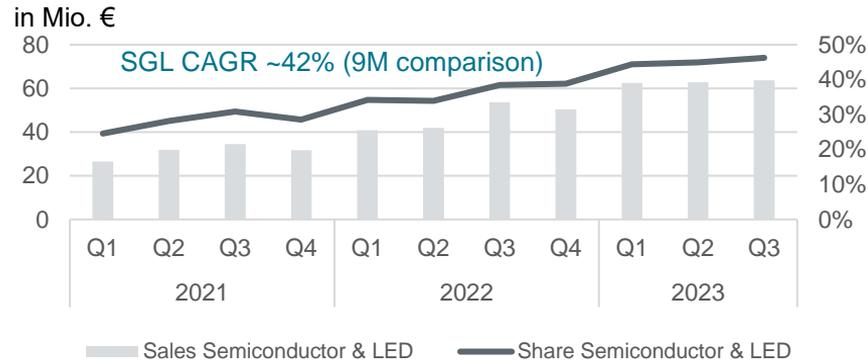
ROCE with 10.2% decreased by 1.1 ppt (FY 2022: 11.3%)

3 Deep dive GS/SiC

“Portfolio shift to semiconductor pays off”

SGL semiconductor sales development exceeds market trend

GS market segment semiconductor & LED over time



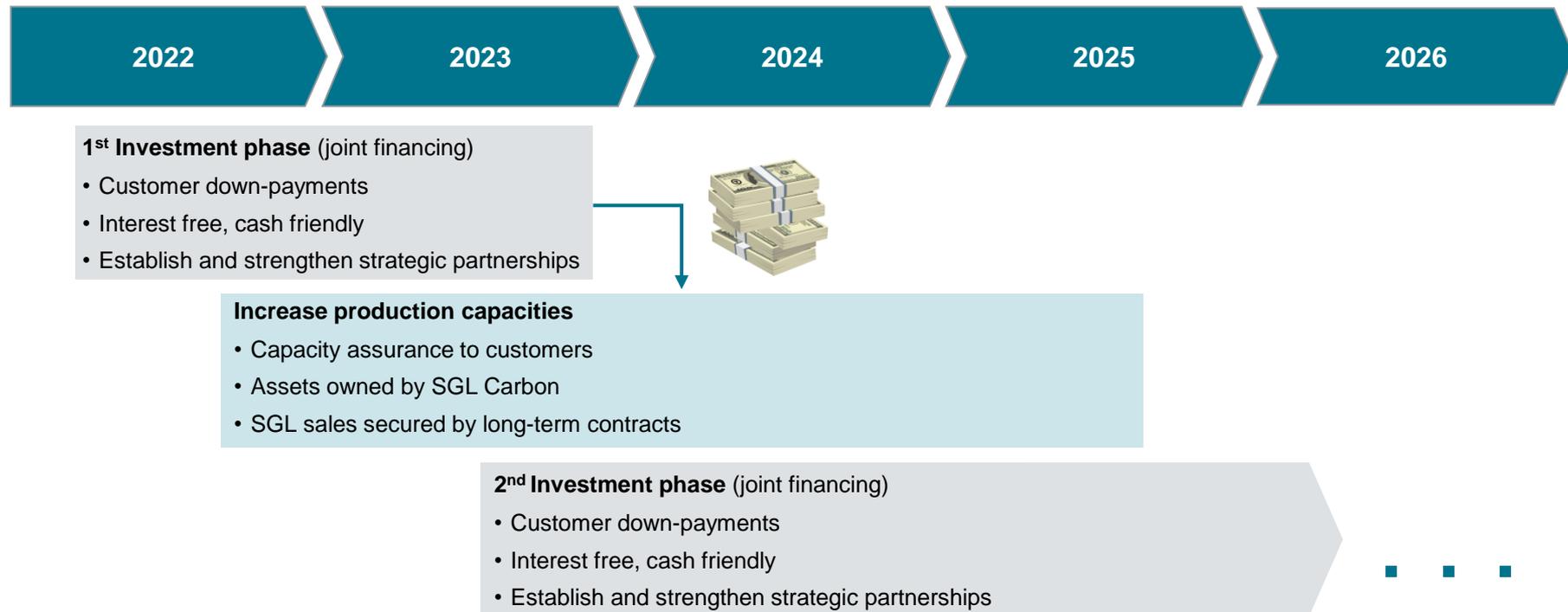
Q4* = one-time-effect insurance payment & reversal of provisions

Drivers of portfolio shift

- 34% SiC market growth (CAGR 2021-2027 Yole Research)
- 42% SGL's Semiconductor & LED sales growth (CAGR 2021-2023) while SGL SiC sales growth even outperforming
- Focus on market segments with most attractive margins and growth potential
- Full capacity utilization for isostatic and porous graphite
- Expansion of SGL production capacities
- Customer down-payments of 27 mEUR in 2022 and 40 mEUR after 9M 2023 to invest in new production capacities to meet customer demand

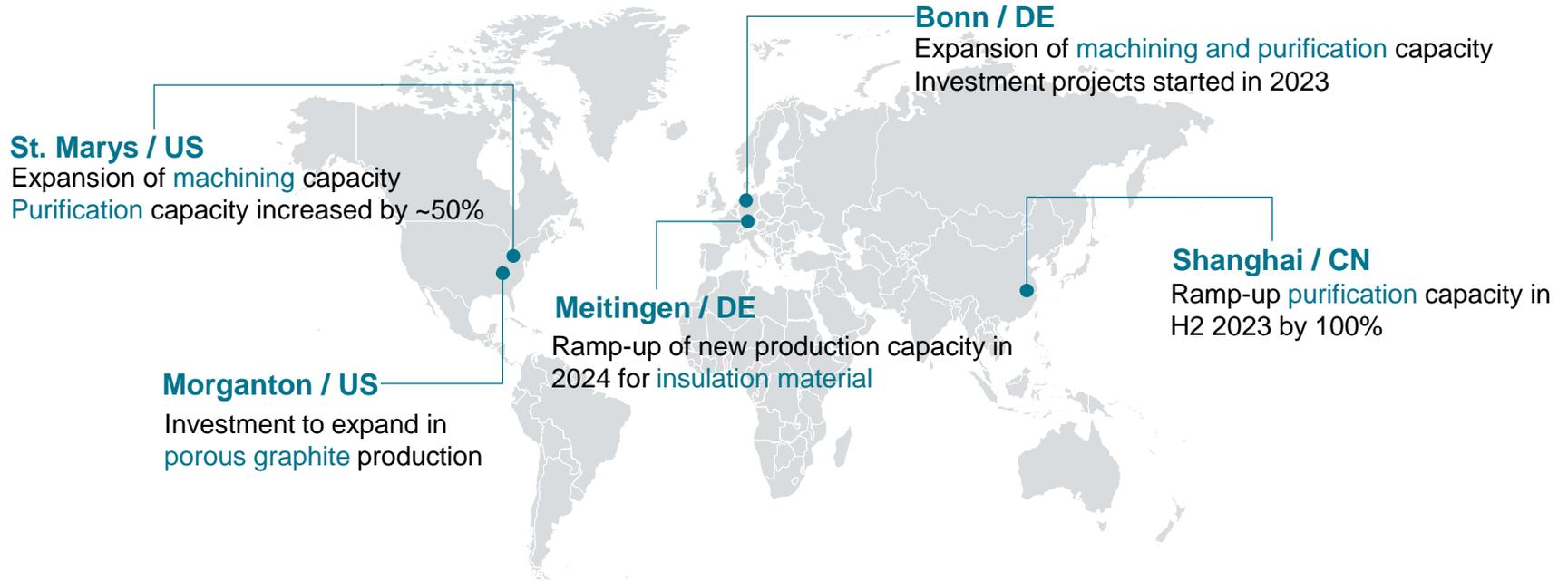
Joint financing to increase production capacities

Win-win situation for SGL and our customers (illustrative)



Capex 59.1 mEUR mainly used to increase production capacity in GS (9M 2022: 31.8 mEUR)

New investments in the high double-digit million range ensure expanded capacities



4 Summary

“Expected strong GS, extraordinarily positive development in PT & CS, downturn in CF”

Summary: Guidance confirmed - 3 of 4 Business Units at all time high

	Graphite Solutions	Process Technology	Carbon Fibers	Composite Solutions
Performance	 	 		 
Situation & Market	<ul style="list-style-type: none"> ▪ Growth in Silicon Carbide (SiC) intact and increasing ▪ Automotive stable ▪ Graphite running at full capacity 	<ul style="list-style-type: none"> ▪ Systems as well as parts & services at all time high ▪ Chemical projects lower than previous year ▪ Healthy order backlog 	<ul style="list-style-type: none"> ▪ Wind energy crisis = low utilization of assets ▪ Long-term trends confirmed ▪ European Union “Wind Power Action Plan”* 	<ul style="list-style-type: none"> ▪ Good utilization ▪ Luxury & sports car segment expanding
Way forward at SGL Carbon	<ul style="list-style-type: none"> ▪ Follow growth path ▪ Expand capacity ▪ GS is growth driver of SGL 	<ul style="list-style-type: none"> ▪ Continue quality leader and high margin strategy 	<ul style="list-style-type: none"> ▪ Capacities partly idled ▪ Cost-cutting ▪ Focus alternative markets e.g. pressure vessels 	<ul style="list-style-type: none"> ▪ Continue current strategy ▪ Promising project pipeline 

* Wind Power Action Plan: [COM_2023_669_1_EN_ACT_part1_v8.pdf \(europa.eu\)](#)

Q&A

We are looking forward to your questions

SGL Carbon to report EBIT / EBITDApre (exceptionals)

Definition of exceptionals (for 2023)

- 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

Financial calendar and IR contact details

Financial calendar

March 22, 2024

- Publication of the Annual Report 2023
- Conference call for investors and analysts

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

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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 not historical facts, but rather are 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.