

9M 2022 Results

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

Wiesbaden | November 3, 2022



Agenda

1. **Highlights 9M 2022**
2. **9M 2022 results**
3. **Outlook and challenges**
4. **Summary**
5. **Backup**

Our business model has proven to be resilient

Highlights 9M 2022

Double-digit Growth

Sales growth

+14.8%

EBITDApre
growth

+25.4%

Guidance increase

Sales 1.2 bnEUR

EBITDApre 170-190 mEUR

Successful Business

Positive development in all
business units

Strong pricing power

High capacity utilization

Strong Markets

Energy challenges
successfully managed

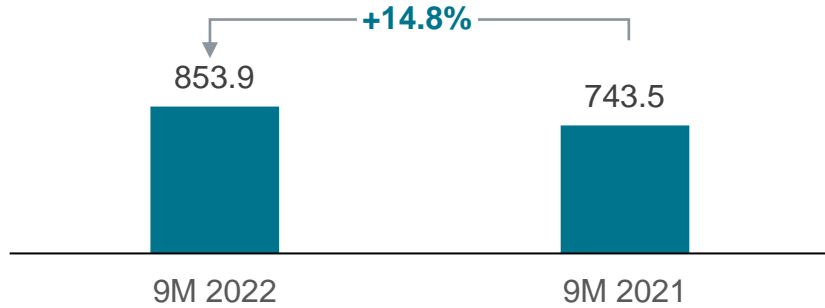
Focus on growth markets like
semiconductor, renewable
energy and e-mobility

2 9M 2022 Results

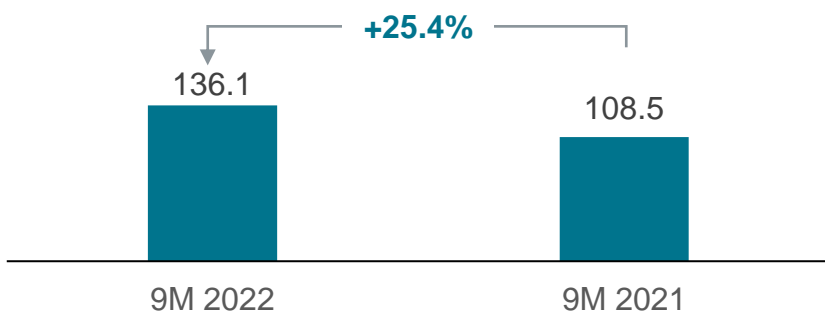
“Continuation of positive business development in Q3, driven by high demand and strong pricing power”

Profitability improvement exceeds sales growth

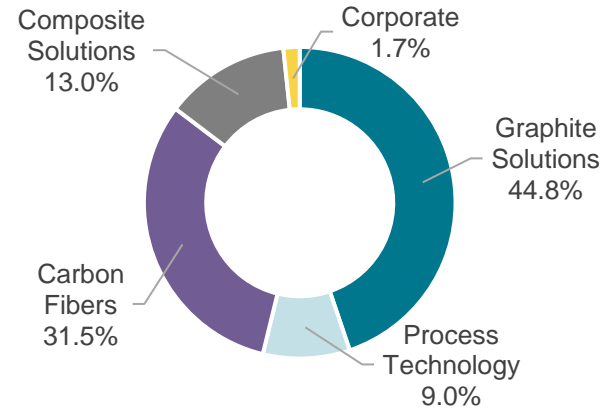
Sales (in mEUR)



EBITDApre (in mEUR)



Sales split (in %)

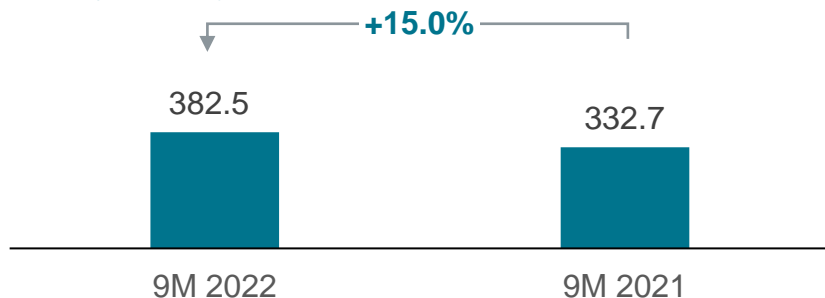


Key developments

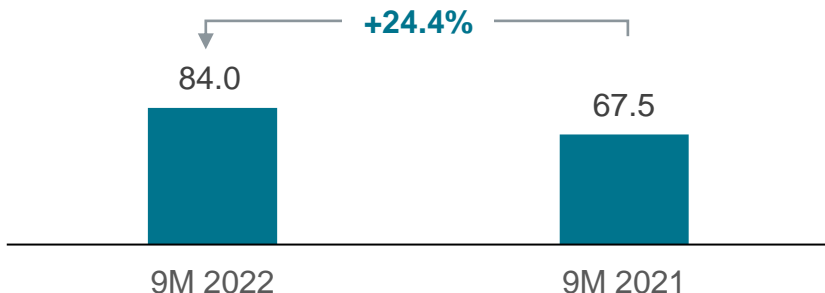
- Sales plus in all business units mainly driven by semiconductor business and industrial applications
- GS (+49.9 mEUR), CF (+24.4 mEUR), CS (+19.0 mEUR), and PT (+14.9 mEUR)
- EBITDApre also in all business units increasing (except CF due to one-time effect)

Graphite Solutions (GS) – Significant improvement

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

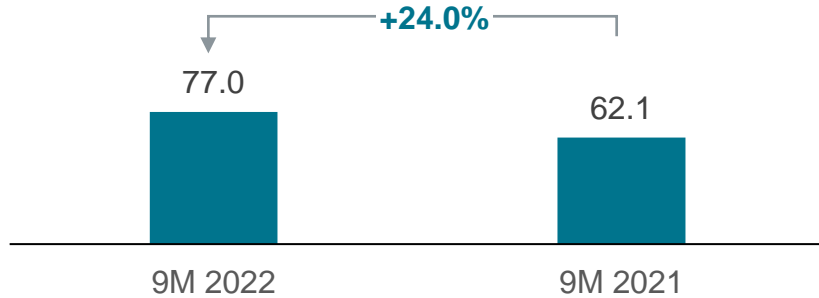
- Stable upward trend continues
- Semiconductor/LED sales increase more than 40% yoy
- Higher demand especially from high-performance silicon carbide semiconductors
- Industrial applications segment also growing strongly

EBITDApre

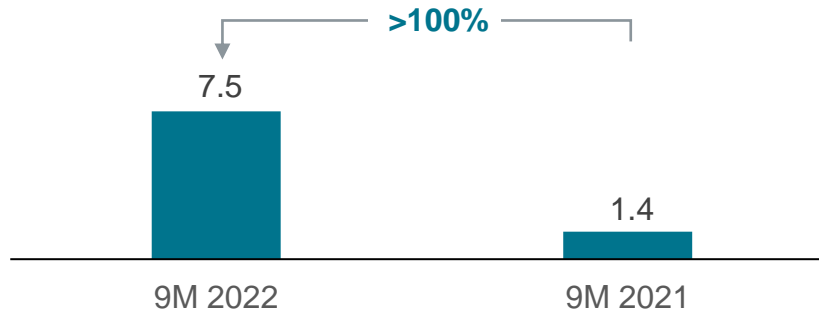
- Positive effects due to higher sales and related capacity utilization
- Higher raw material and energy costs overcompensated by price increases and cost savings

Process Technology (PT) – Full order book supporting improvement

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

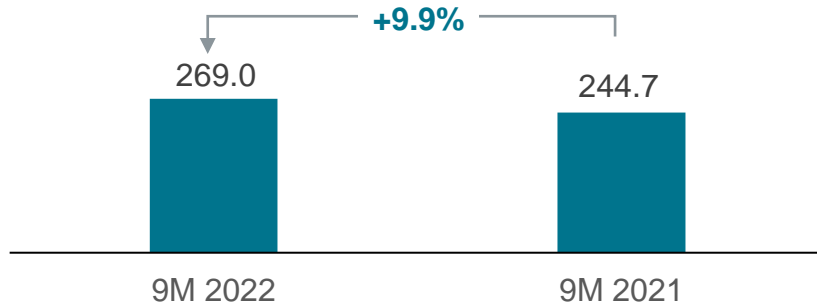
- Strong order intake of last nine to twelve months leads to strong sales increase
- Book-to-bill ratio 1.4 in 9M 2022 remains on high level

EBITDApre

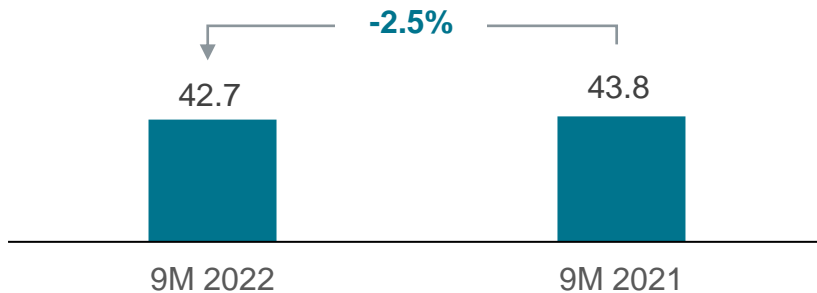
- Higher utilization rates
- Higher raw material costs passed on to customers
- Decreasing steel prices in Q3 2022

Carbon Fibers (CF) – Energy price hedging, lower raw material prices and good demand offset termination of i3 contract

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

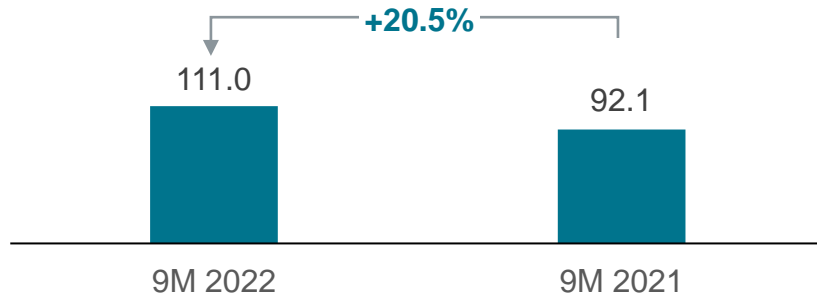
- Q3 above level of Q1 and Q2 showing compensation of BMW i3 contract by stronger wind business
- Good market situation with high customer demand and limited production capacities
- Higher final deliveries to BMW (i3) in H1 also supportive

EBITDApre

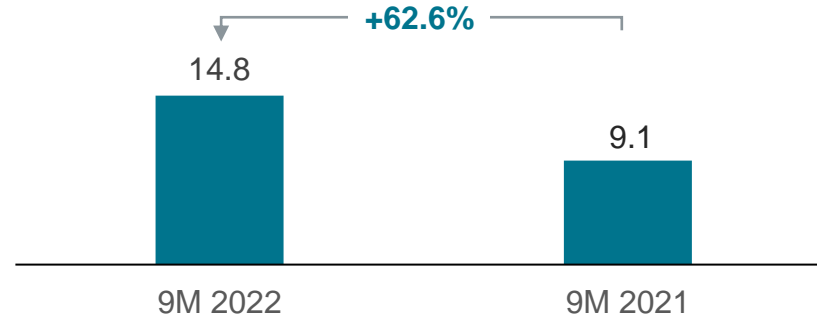
- EBITDApre negatively impacted in Q1 by a special effect from energy derivatives (-9.2 mEUR), but energy strategy secured production capabilities
- Tailwind from lower prices for acrylonitrile
- Earnings contribution from BSCCB joint venture 2.1mEUR higher than in previous year

Composite Solutions (CS) – Strong growth driven by automotive

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

- Volume growth driven by project ramp-ups with automotive customers
- Successful price initiatives

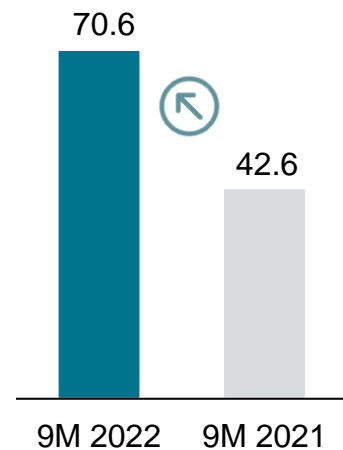
EBITDApre

- Higher capacity utilization, automatization and cost savings drive earnings
- Focus on higher margin products
- Positive EBITDA effect due to compensation payments from automotive customers of 3.7 mEUR in H1 2022

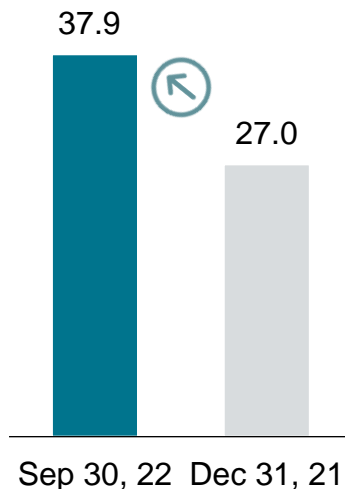
Strong bottom line improvement – strengthened balance sheet

Key figures (in mEUR)

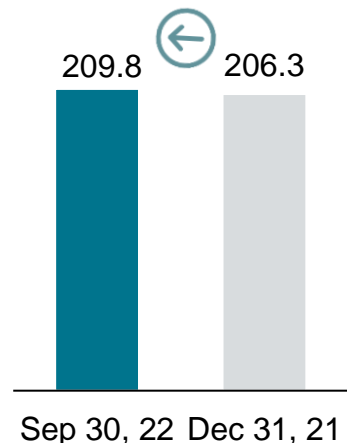
Net result



Equity ratio (in %)



Net financial debt



Key developments

Net result increased by 28.0 mEUR – positively affected by operating improvement and by one-off effects of 7.8 mEUR (9M 2021: 6.2 mEUR)

Equity ratio up by 10.9 ppt to 37.9 %

Net financial debt increased slightly by 1.7% compared to Dec. 31, 2021

Leverage ratio at 1.3 improved due to higher EBITDApre (FY 2021: 1.5)

ROCE with 10.3% also improved (FY 2021: 8.0%)

3 Outlook and challenges

“Strong operating 9M, focus on growing markets”

Energy challenges successfully managed



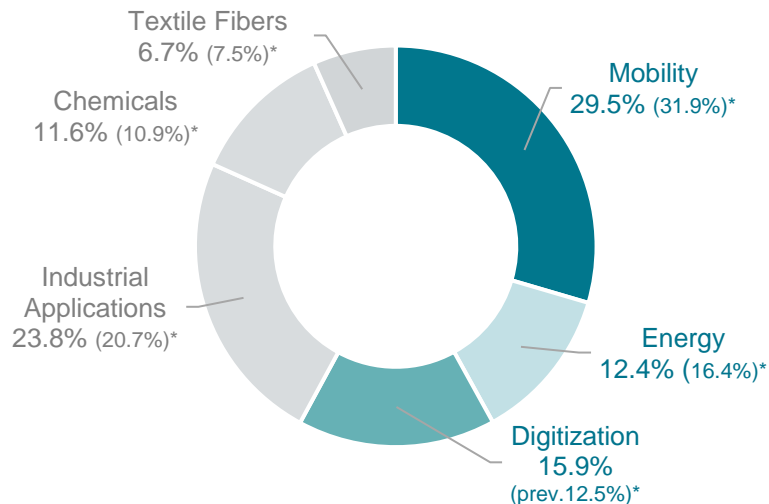
Current Situation

- No shortage on natural gas & electricity so far
- Reduced gas allocation would mainly affect German sites, but contingency measures in place
- Energy clause added to most new contracts
- Expected relief from gas price cap planned by the German government



Access to fast growing markets providing stronger resilience for SGL

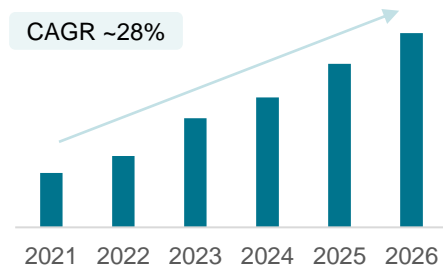
SGL sales split by market segments



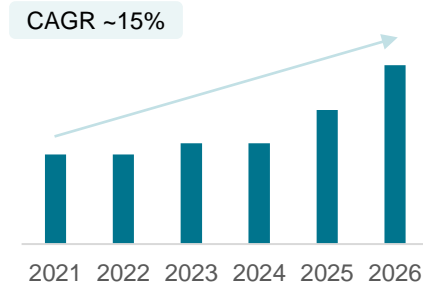
* Previous year numbers

Sources: ¹ BNEF 2022, global passenger EVs (BEV & PHEV); ² Yole Développement SA 2022; ³ IEA Renewables 2022; ⁴ IEA Renewables December 2021

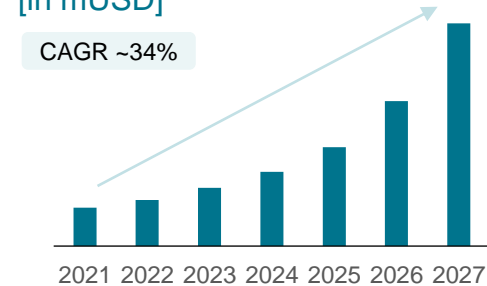
EVs¹ [in Mio. cars]



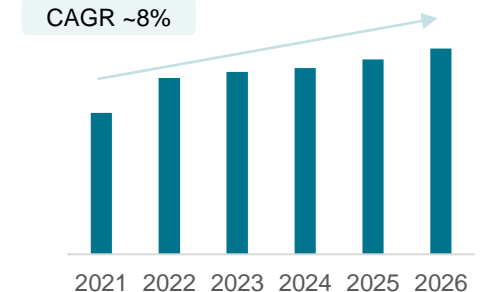
Off-shore Wind Energy³ [in GW]



SiC Semiconductors² [in mUSD]



Photovoltaic⁴ [in GW]



SGL products in fast growing markets

Electromobility



- Battery cases
- Leaf springs
- Brake discs
- ...

Renewable Energy



- Graphite felts
- High-purity fine grain graphite components



- Components for wind rotor blades



- Fuel Cell Components

Semiconductor



- Equipment Semiconductor production



- LED

Other Industries

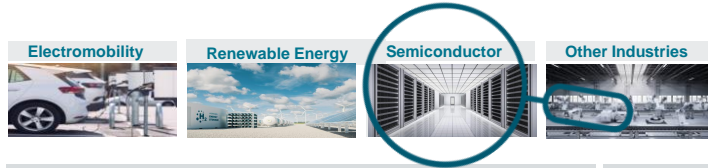


- Automation



- Aerospace

Silicon Carbide (SiC) power electronics - nothing works without them



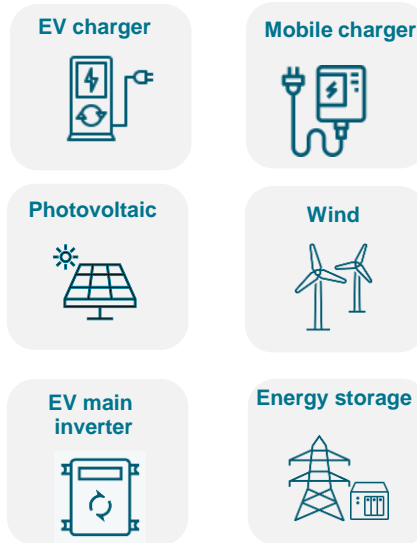
SiC power electronics

SiC substitutes silicon in power electronics

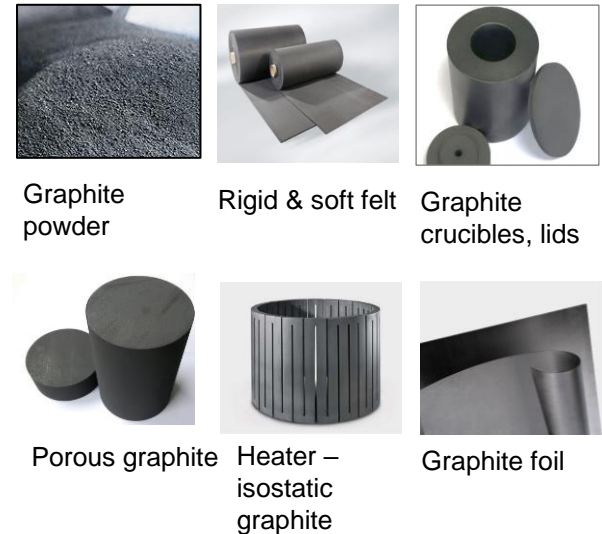
- better efficiency
- reduced power loss
- less weight
- reduced size
- less cooling requirements

SiC market growth
CAGR ~34%

SiC markets



SiC equipment - one-stop-shop for SiC equipment



4 Summary

“SGL is well prepared despite the uncertainties“

SGL is well prepared despite the uncertainties

External factors



- Overall market conditions with low visibility going forward
- Energy prices in Europe stay at a high level, but countermeasures initiated by governments
- Availability of gas in Germany still uncertain
- Recession partly expected in Europe

SGL Outlook



- Restructuring program accomplished successfully by end of 2022
- Focus on growth markets such as SiC-based semiconductors, renewable energies and electromobility
- Capacity expansion only in fast growing markets where we have a strong foothold
- Financial basis strengthened (convertible bond refinanced)

Q&A

We are looking forward to your questions

Financial calendar and IR contact details

Financial calendar 2023

March 23, 2023

- Report on fiscal year 2022
- Conference call for analysts and investors

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

5 Backup

Net result improved strongly – partly driven by positive exceptionals

Group income statement (in mEUR)

	9M 2022	9M 2021
Sales	853.9	743.5
EBITDApre	136.1	108.5
EBITpre	92.2	65.6
Exceptionals	7.8	6.2
EBIT	100.0	71.8
Financial result	-22.7	-18.9
Results before income taxes	77.3	50.3
Income tax expense, discontinued and non controlling interests	-6.7	-7.7
Net result attributable to shareholders	70.6	42.6

Key developments

- Sales +14.8%
 - Positive development in all business units
 - Focus on future-oriented markets (semiconductor, e-mobility; renewable energy)
- EBITDApre +25.4%
 - Higher capacity utilization
 - Increased raw material and energy costs
 - Strong pricing power
- Net result improved significantly

Getting better and better step-by-step

Key figures and ratios (in mEUR)

	Sept. 30, 2022	Dec. 31, 2021
Equity ratio (in %)	37.9	27.0
Total liquidity	202.7	220.9
Net financial debt	209.8	206.3
Leverage ratio (net fin. debt/EBITDA _{pre})	1.3	1.5
ROCE _{EBIT_{pre}} (in %)	10.3	8.0

Cash flow (in mEUR)

	9M 2022	9M 2021
Cash flow from operating activities	54.0	101.3
<i>Capex</i>	-31.8	-25.4
Cash flow from investing activities	-31.3	21.2
Free cash flow	22.7	122.5

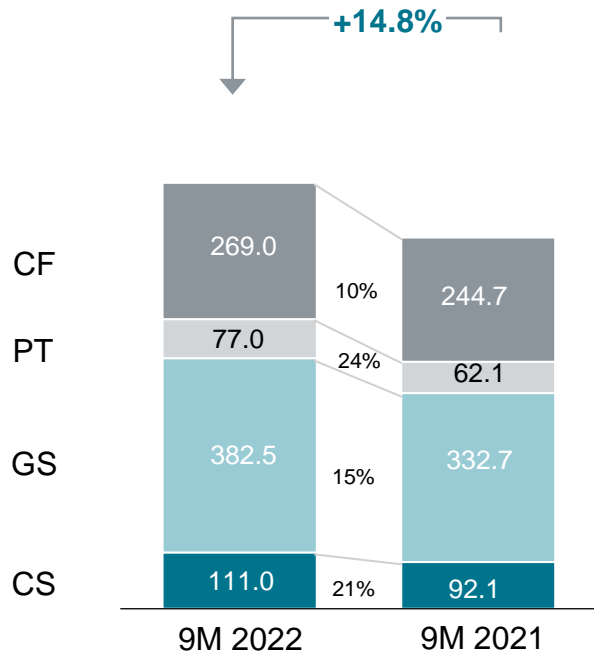
Key developments

- Balance sheet solid
- Net financial debt increased slightly due to a negative balance between positive FCF and interest/lease payments
- Equity ratio increases by 10.9 ppt
- ROCE significantly improved

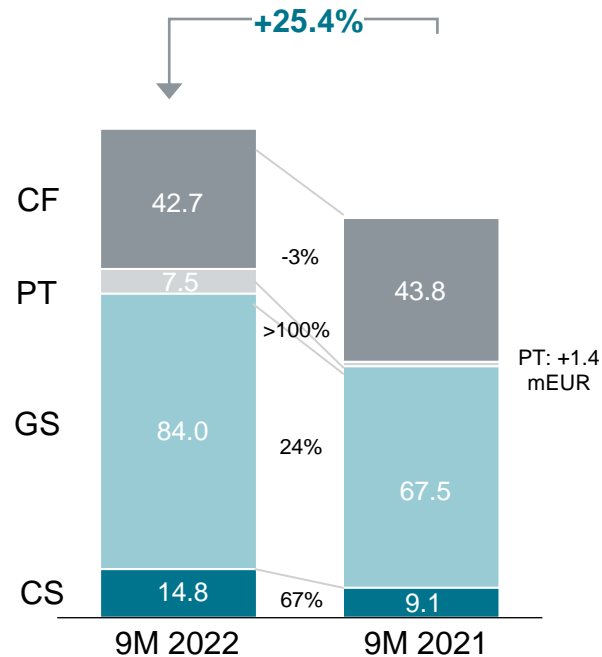
- Capex above prior year level
- FCF as expected lower

Business unit performance 9M 2022 vs. 9M 2021

Sales* (in mEUR)



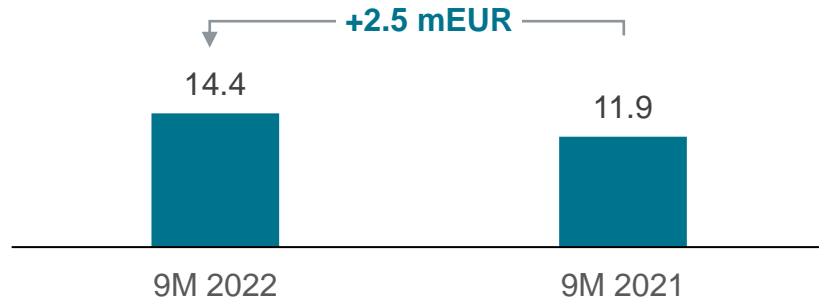
EBITDApre* (in mEUR)



*Without Corporate reporting segment

Corporate – Transformation into a lean internal service provider

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

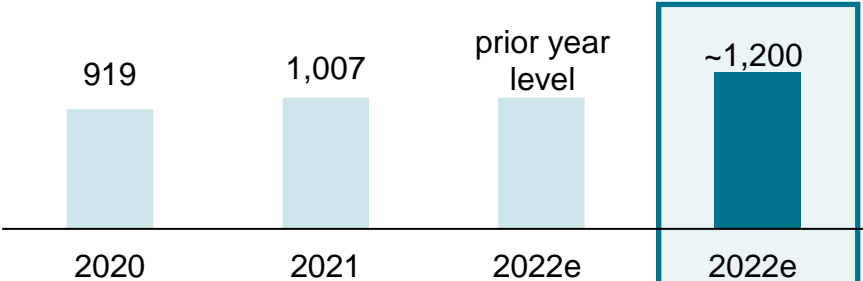
- Sales impact of 6.6 mEUR in context of termination of a lease agreement with the former tenant Showa Denko in Meitingen (2020)

EBITDApre

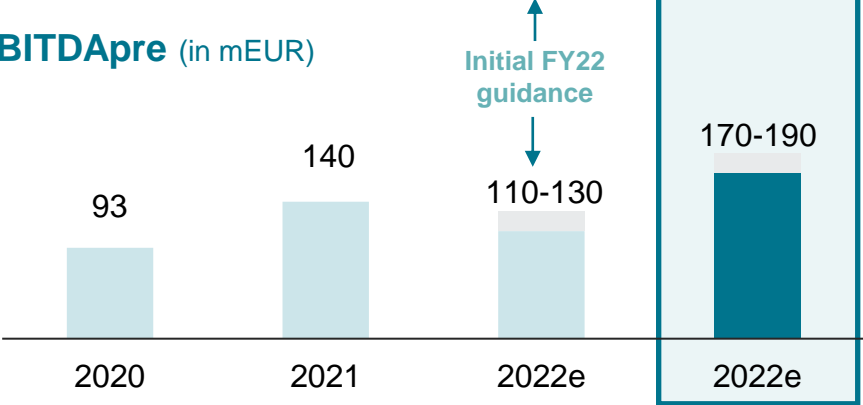
- Lower personnel and administration costs

We confirm our updated guidance for 2022


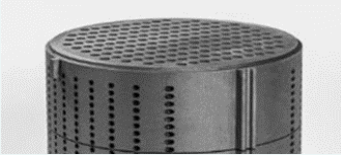


Sales (in mEUR)
















EBITDApre (in mEUR)



Outlook 2022 on Business Unit level

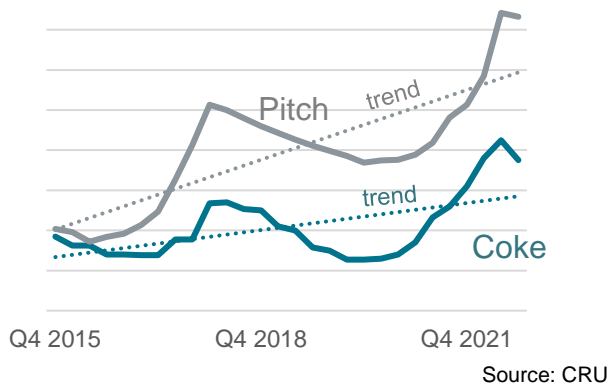
	Graphite Solutions	Process Technology	Carbon Fibers	Composite Solutions
				
Sales	significant increase	significant increase	slight increase	significant increase
EBITDApre	significant increase	significant increase	significant decrease	significant increase
Growth & profitability driver	<ul style="list-style-type: none"> • Semiconductors (SiC-based) • LED • Industrial applications 	<ul style="list-style-type: none"> • Catch-up of demand in the chemical industry • Recovery of order intake 	<ul style="list-style-type: none"> • Expiry of BMW i3 mid 2022 • Wind energy • Industrial applications 	<ul style="list-style-type: none"> • Automotive • Electromobility

SGL Carbon – focus on growing markets with future potential

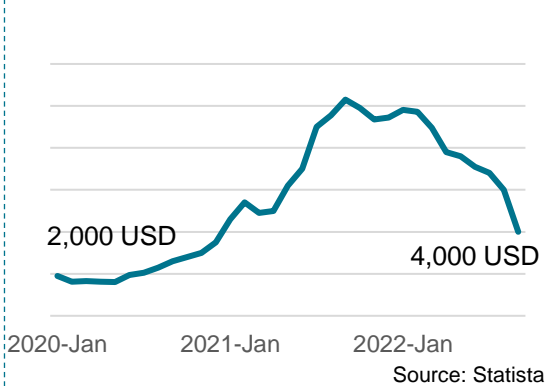
Graphite Solutions	Process Technology	Carbon Fibers	Composite Solutions
<p> Semiconductor High demand – strong growth potential esp. in silicon carbide high-performance applications</p> <p> Automotive & Transport Satisfactory demand</p> <p> Battery Materials Dynamic market expectations – mid-term potential</p> <p> Solar Opportunistically declining</p> <p> Industrial Applications Strong growth but difficult to predict due to increasing global uncertainties</p>	<p> Chemicals Strong order intake from chemical industry. Uncertainties due to increasing global uncertainties</p>	<p> Automotive Satisfactory demand but FY2022 down due to end of BMW i3 contract.</p> <p> Wind energy Growth in H2 as capacities will be switched from automotive to wind. High growth potential.</p> <p> Textile Fibers Stable sales but opportunistic</p> <p> Industrial Applications Strong increase in demand</p>	<p> Automotive Dynamic growth and increasing potential for large scale solutions</p> <p> Aerospace Still difficult industry situation</p> <p> Industrial Applications Strong increase</p>

Input costs with declining trend

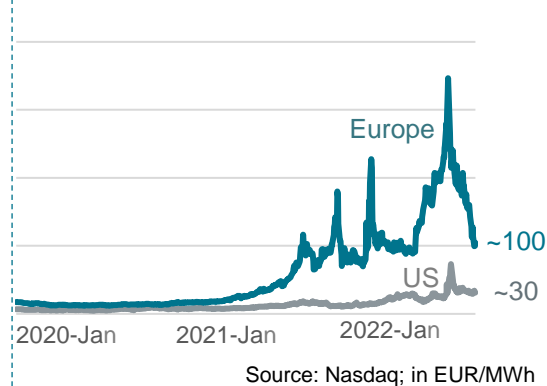
Raw material costs (e.g. Pitch/Coke)



Global container freight rates



Natural gas price



Key developments

- Higher raw material prices
- Risk of supply chain disruption
- SGL benefits from long-term contracts

- Container rates decreasing since early 2022
- Availability volatile

- Significant gas price volatility in Europe
- Gas availability uncertain

SGL Carbon to report EBIT / EBITDApre (exceptionals)

Definition of exceptionals (for 2022)

- Depreciation in accordance with IFRS:
 - effects of impairment (IAS 36)
 - purchase price allocations (IFRS 3)
 - depreciation 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 not 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.