sgl carbon

H1 2022 Results

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

Wiesbaden I August 4, 2022

Agenda

1. Highlights H1 2022
2. H1 2022 results
3. Outlook and challenges
4. Summary
5. Backup

Our business model has proven to be resilient

Highlights H1 2022

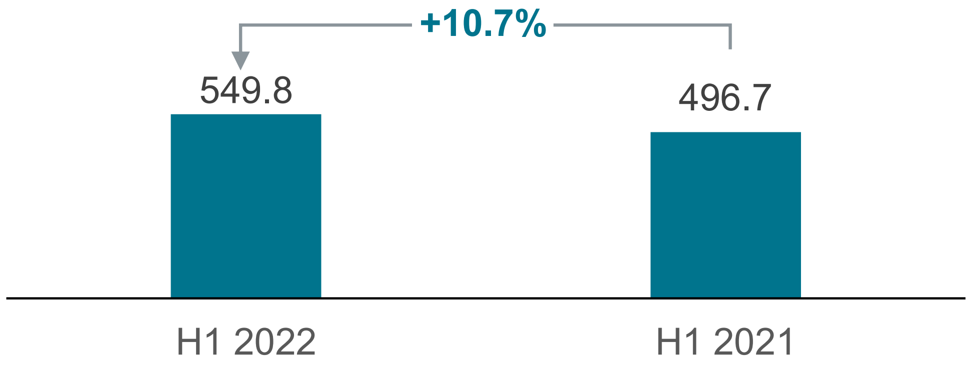
- Ongoing strong order situation
- Increasing demand from semiconductor esp. SiC sector
- Strong pricing power
- Increase in sales (+10.7%) and EBITDApre (+22.6%)
- Strengthening balance sheet - equity ratio 35.7% (+8.7 ppt)
- Guidance increase for 2022

2 H1 2022 Results

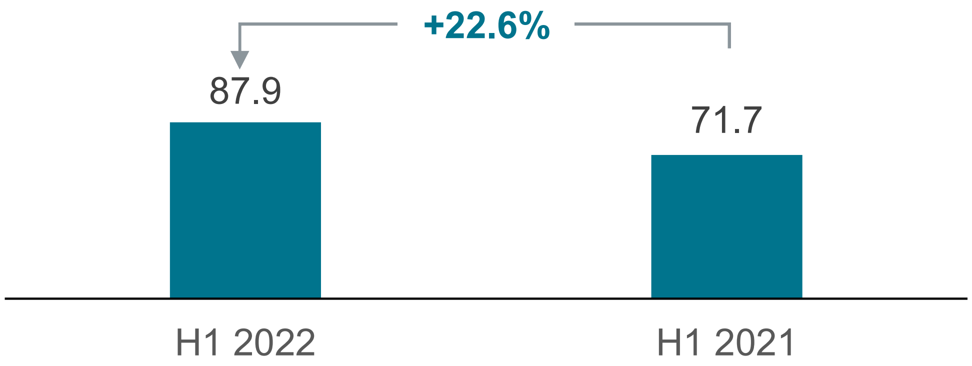
“H1 with positive business development, driven by high demand and strong pricing power“

Profitability improvement exceeded sales growth

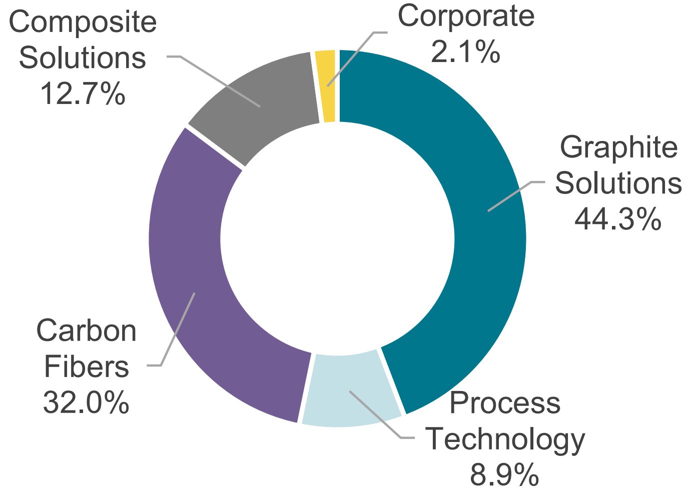
Sales (in mEUR)



EBITDApre (in mEUR)



Sales split (in %)

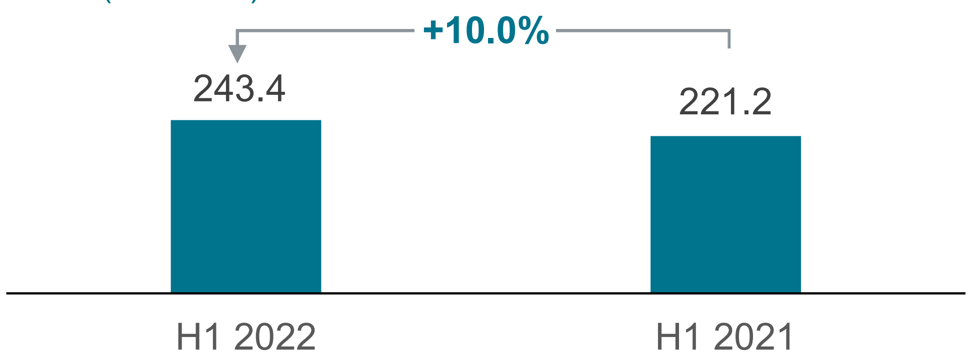


Key developments

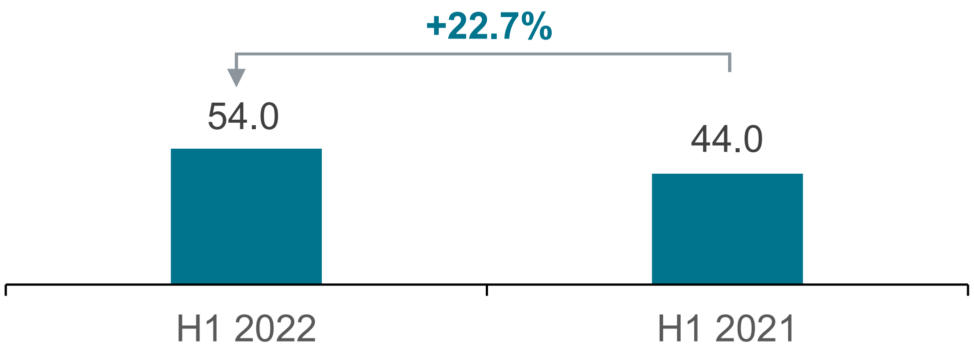
- Sales plus in all business units mainly driven by semiconductor, automotive and industrial applications
- GS (+22.2 mEUR), CF (+9.6 mEUR), CS (+9.4 mEUR), and PT (+8.4 mEUR)

Graphite Solutions (GS) – Broad based improvement

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

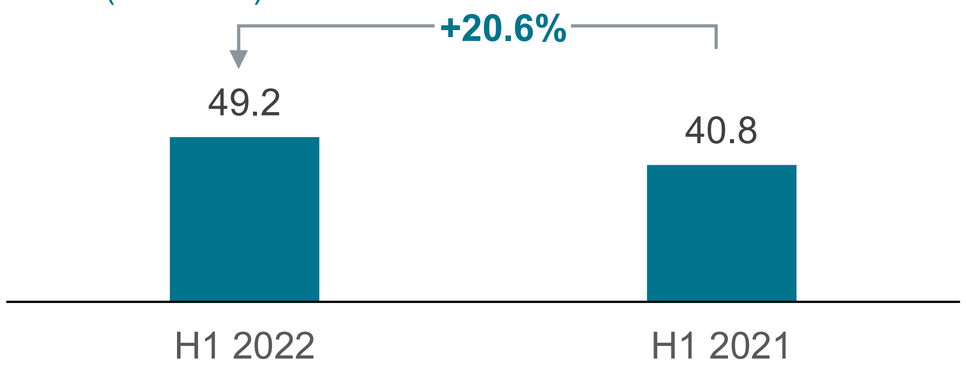
- Stable upward trend continues
- Semiconductor/LED sales increase more than 40% yoy
- Higher demand especially from high-performance silicon carbide semiconductors
- Industrial applications segment also growing

EBITDApre

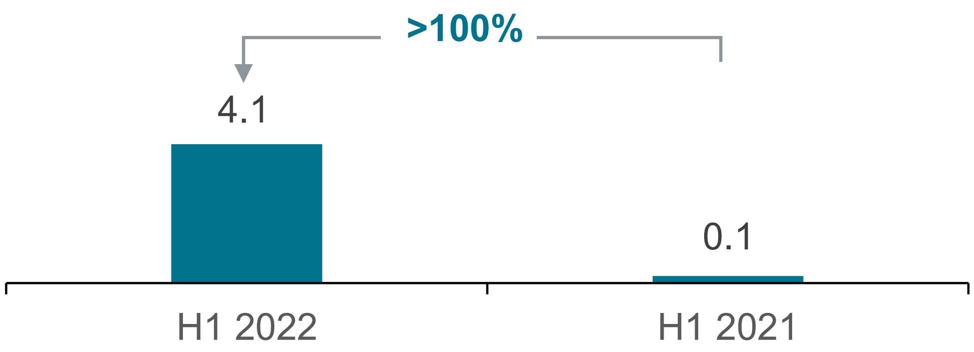
- Positive effects due to higher sales and related capacity utilization
- Higher raw material and energy costs overcompensated by price increases and cost savings

Process Technology (PT) – Full order book supporting improvement

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

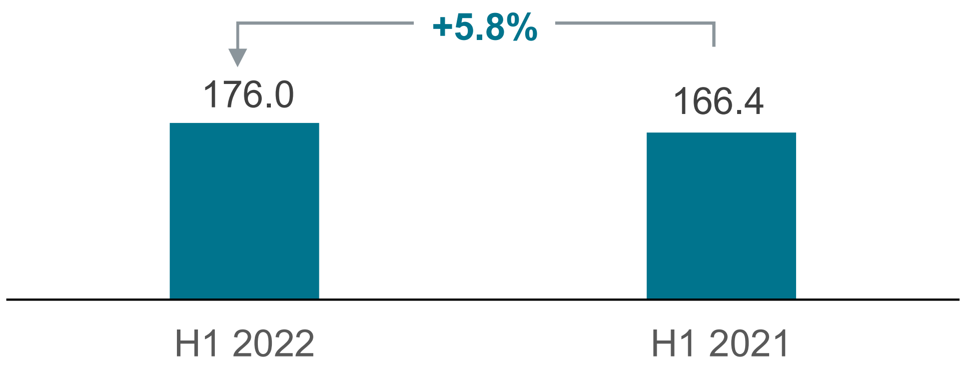
- Strong order intake of the last six to nine months leads to strong sales increase
- Book-to-bill ratio 1.6 in H1 2022
- Chemical industry orders remain on high level

EBITDApre

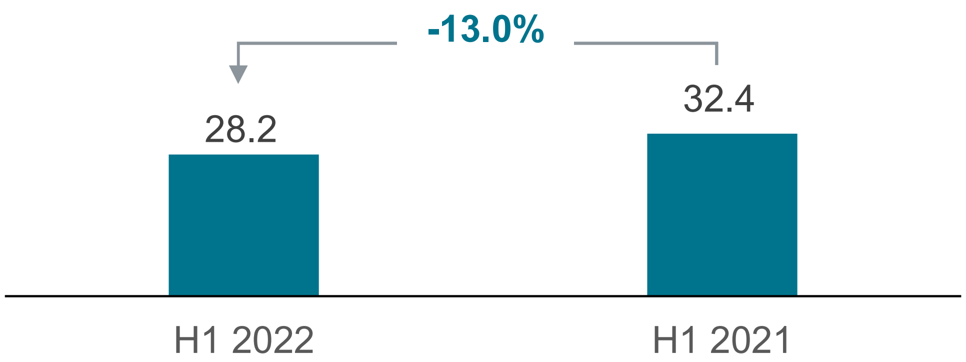
- Higher utilization rates
- Raw material costs passed on to customers mostly successful
- Further support from transformation savings

Carbon Fibers (CF) – Q2 with strong high margin automotive sales

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

- Increased demand from nearly all market segments
- Higher final deliveries to BMW (i3) than expected

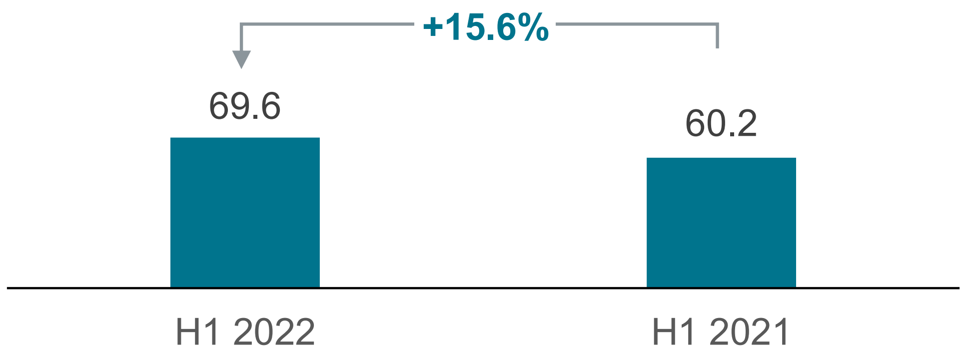
EBITDApre

- EBITDApre negatively impacted in Q1 by a special effect from energy derivatives (-9.2 mEUR) to secure our production capabilities

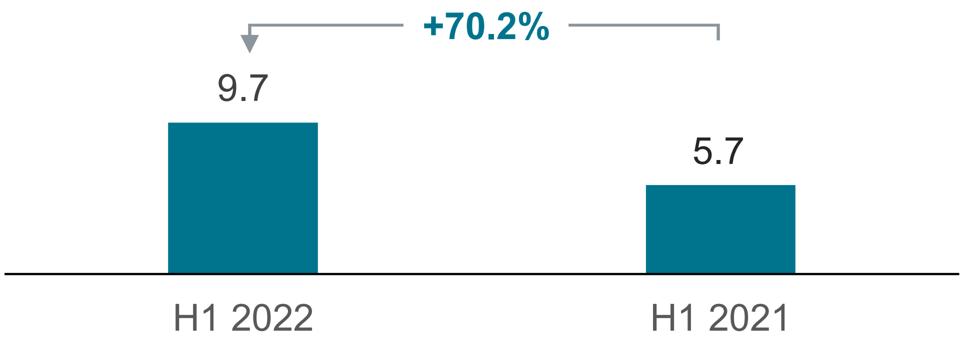
sgl carbon

Composite Solutions (CS) – Strong growth driven by automotive

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

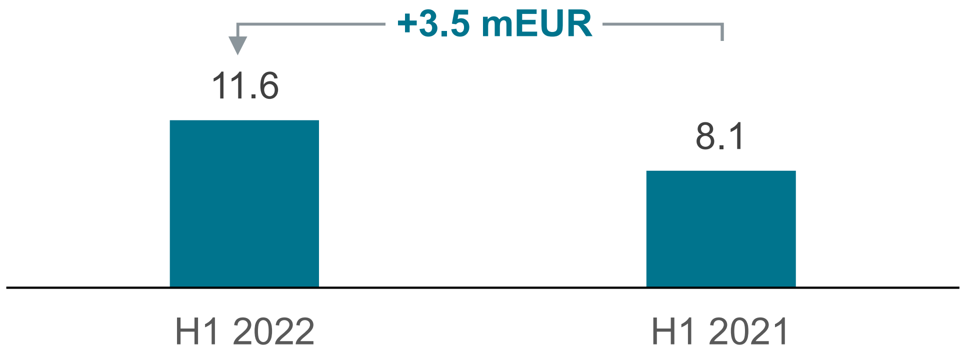
- Upward trend confirmed
- Demand from automotive in H1 2022 overall not affected by supply bottlenecks due to Ukraine war

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

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 the termination of a lease agreement with the former tenant Showa Denko in Meitingen (2020)

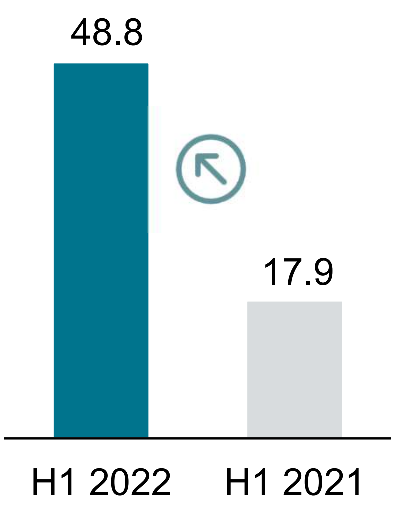
EBITDApre

- Lower personnel and administration costs

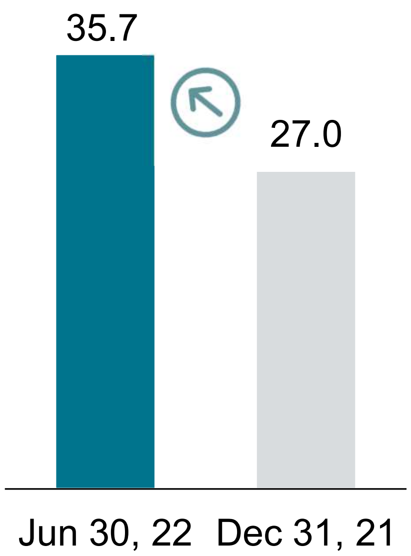
Strong bottom line improvement – strengthened balance sheet

Key figures (in mEUR)

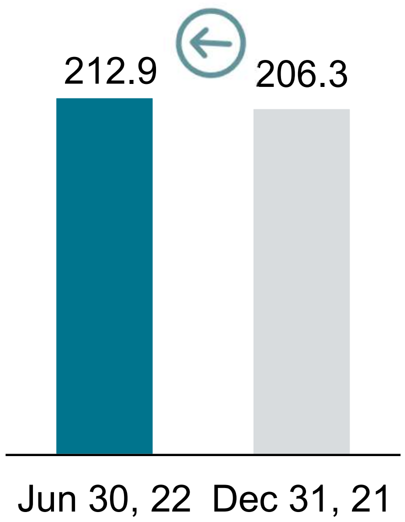
Net result



Equity ratio (in %)



Net financial debt



Key developments

Net result increased by 30.9 mEUR – positively affected by operating improvement and by one-off effects of 10.6 mEUR (H1 2021: -5.2 mEUR)

Equity ratio up by 8.7 ppt to 35.7%

Net financial debt increased slightly by 3.2% compared to Dec. 31, 2021 (yoy: minus 13.7%)

ROCE with 9.3% also improved (FY 2021: 8.0%)

3 Outlook and challenges

“Strong operating H1, focus on growing markets, but increasing uncertainties from gas availability “

Energy situation and SGL measures to reduce gas demand

Current Situation

- No shortage on natural gas & electricity so far
- Hedging status Europe 2022
  - electricity ~90%
  - natural gas ~90%
- Reduced gas allocation, would mainly affect German sites Bonn and Meitingen (gas demand ~100 GWh p.a.)
- Applications under European energy subsidy programs

Contingency measures

- Where technically feasible, preparations to substitute natural gas by oil or liquid gas
- Installation of photovoltaic systems in verification
- 28 energy saving projects defined
- Scenario development to optimize capacities of plants outside Germany

SGL Carbon - Contingency measures prepared and in place

Contingency measures - examples

- Meitingen, Germany
  Storage infrastructure reactivated and filled with 1.5 million liters heating oil
- Bonn, Germany
  Purchase of burners enabling switch from gas to oil & reactivation of 100,000 liters storage initiated
- Adjustment of new sales contracts (e.g. force majeure)
- Energy clause added to most contracts

SGL is well prepared despite the uncertainties

External factors

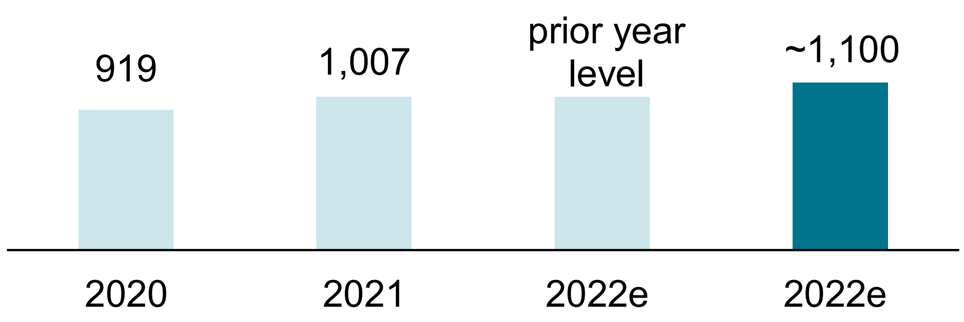
- Overall market conditions with low visibility going forward
- Uncertainty from Ukraine war and China's zero Covid policy
- Energy prices will stay high
- Availability of gas in Germany uncertain

SGL Outlook

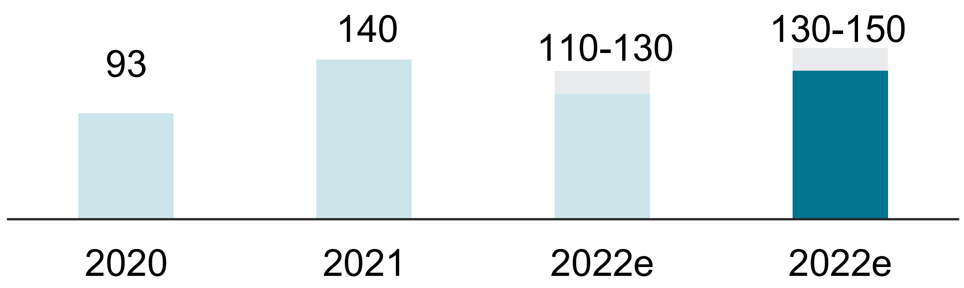
- Currently no production restrictions due to lack of raw materials and energy
- Continued good order situation, but termination of BMW i3-contract end of June 2022
- Strong pricing power in nearly all segments
- **New guidance 2022 confirmed with a view to the upper end of EBITDApre**

Considering all currently known risks, we look to the upper end of our new guidance

Sales (in mEUR)



EBITDApre (in mEUR)



Key drivers and effects

Sales

- Focus on existing business in growth markets such as semiconductors, electromobility and renewable energies
- Sufficient availability of raw materials and energy
- Potential shutdowns on customer side and slowdown of world economy not considered

EBITDApre

- 60% of expected earnings generated in H1 2022
- H2 burdened by end of BMW i3 contract and increased factor costs. Also, uncertainties concerning the energy supply in Germany

Earnings expected at the upper end of guidance

4 Summary

“SGL is well prepared despite uncertainties“

Summary of the first six months 2022

1. Influence of geopolitical developments on H1 lower than expected – strong operating performance
2. Overproportional increase in EBITDApre (+22.6%) compared to sales (+10.7%)
3. Ongoing good order situation. Price increases can be passed on to customers to a large level
4. Strong balance sheet: equity ratio of 35.7% and leverage ratio of 1.4
5. Earnings expectations at the upper end of the given guidance

Q&A

We are looking forward to your questions

Financial calendar and IR contact details

Financial calendar

November 3, 2022

- Statement on the nine months 2022
- 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)

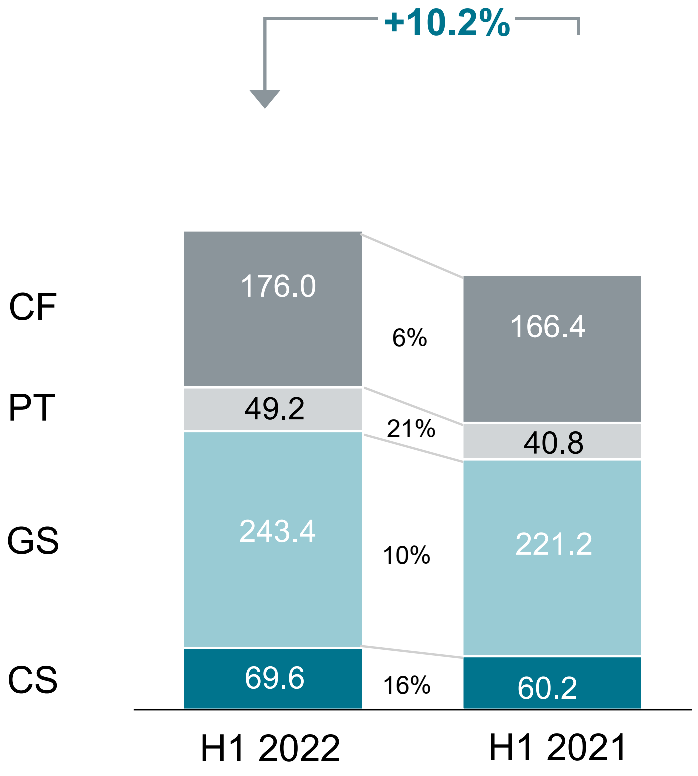
	H1/2022	H1/2021
Sales	549.8	496.7
EBITDApre	**87.9**	**71.7**
EBITpre	**59.0**	**43.5**
Exceptionals	10.6	-5.2
EBIT	**69.6**	**38.3**
Financial result	-16.6	-14.0
Results before income taxes	**53.0**	**24.3**
Income tax expense discontinued and non controlling interests	-4.2	-6.4
Net result attributable to shareholders	**48.8**	**17.9**

Key developments

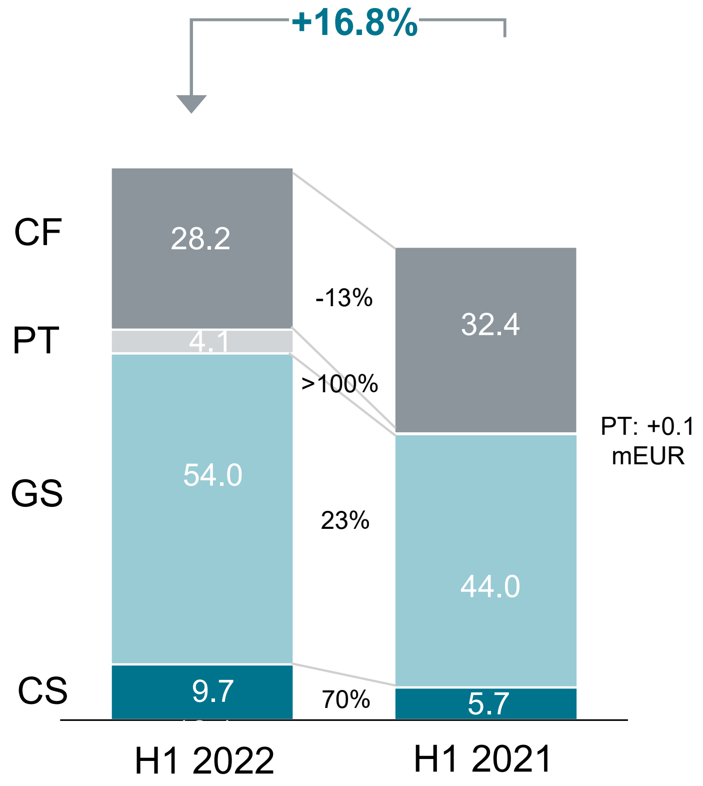
- Sales +10.7%
  - Growing demand in key markets
  - Focus on future-oriented markets (semiconductor, e-mobility; renewable energy)
- EBITDApre +22.6%
  - Higher sales, higher capacity utilization
  - Strong pricing power
  - Higher raw material and energy costs
- Net result improved significantly

Business unit performance H1 2022 vs. H1 2021

Sales* (in mEUR)



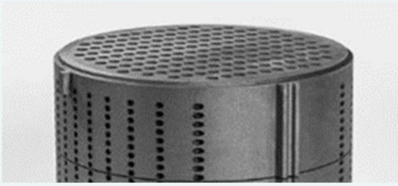
EBITDApre* (in mEUR)



*Without Corporate reporting segment

sgl carbon

Outlook 2022 on Business Unit level - NEU

	Graphite Solutions	Process Technology	Carbon Fibers	Composite Solutions
				
Sales	signifcant increase	significant increase	slight increase	significant increase
EBITDApre	significant increase	significant increase	significant decrease	significant increase
Growth & profitability driver	▪ Automotive ▪ Semiconductors ▪ LED	▪ Catch-up of demand in the chemical industry ▪ Recovery of order intake	▪ Expiry of BMW i3 mid 2022 ▪ Wind energy ▪ Industrial applications	▪ Automotive ▪ Electromobility

Getting better and better step-by-step

Key figures and ratios (in mEUR)

	30.06.2022	31.12.2021
Equity ratio (in %)	35.7	27.0
Total liquidity	185.3	220.9
Net financial debt	212.9	206.3
Leverage ratio (net fin. debt/EBITDApre)	1.4	1.5
ROCE $_{EBITpre}$ (in %)	9.3	8.0

Cash flow (in mEUR)

	H1 2022	H1 2021
Cash flow from operating activities	**25.5**	**65.9**
Capex	*-18.3*	*-15.2*
Cash flow from investing activities	**-18.0**	**-9.4**
Free cash flow (continuing operations)	**7.5**	**56.5**

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 8.7 ppt
- ROCE significantly improved

- Capex above prior year level
- FCF as expected lower

SGL Carbon – focus on growing markets with future potential

Graphite Solutions

Semiconductor
High demand – strong growth potential esp. in silicon carbid high-perfonance applications

Automotive & Transport
Satisfactory demand

Battery Materials
Dynamic market development – mid-term potential

Solar
Opportunistically declining

Industrial Applications
Strong growth but difficult to predict due to increasing global uncertainties

Process Technology

Chemicals
Strong order intake from chemical industry. Uncertainties due to energy price increases

Carbon Fibers

Automotive
Satisfactory demand but FY2022 down due to end of BMW i3 contract.

Wind energy
Growth in H2 as capacities will be switched from automotive to wind. High growth potential.

Textile Fibers
Strong sales increase driven by prices

Industrial Applications
Increase in demand

Composite Solutions

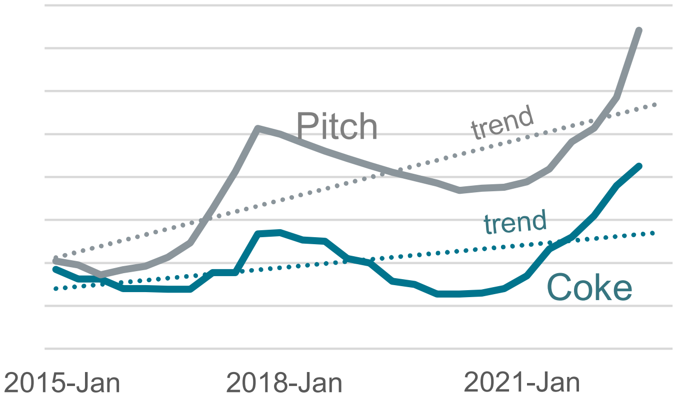
Automotive
Dynamic growth and increasing potential for large scale solutions

Aerospace
Still difficult industry situation

Industrial Applications
Strong increase

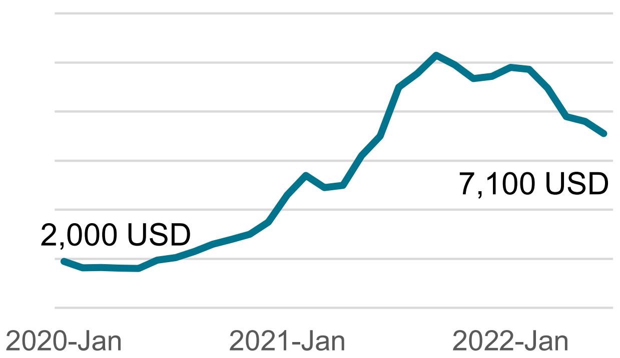
Input costs rising strongly

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



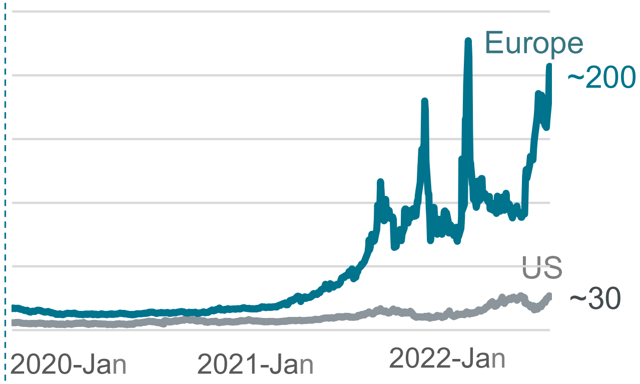
Source: CRU

Global container freight rates



Source: Statista

Natural gas price



Source: Nasdaq; in EUR/MWh

Key developments

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

- Container rates more than trippled since end of 2020
- Availability volatile

- Significant gas price volatility in Europe
- Gas availability uncertain

sgl carbon

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 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.