



Q1 2022 Results

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

Wiesbaden | May 5, 2022



Agenda

1. Recent developments – impact Ukraine war
2. Q1 2022 results
3. Upcoming challenges and outlook
4. Summary
5. Backup

So far hardly any impact of Ukraine war on our business, but gas shutdown remains as a risk



SGL Carbon has no sites or employees neither in Russia nor Ukraine



Negligible sales with Russia, Ukraine and Belarus; less than 1% of Group sales



Partially disrupted transport routes can be replaced by alternative routes



Energy price increase covered by hedges - production and supply capability secured for 2022



Risk of energy availability due to shutdown of gas supply by Russia

Positive business development despite increasing challenges

Financials

270.9 mEUR
Group sales. 12.2% up
– driven by rising
demand in our key
markets

Equity Ratio
at **30.6%**
(31.12.2021:
27.0%)

Further
improvement of
EBITDApre with
increase of +11.5%
to **36.8** mEUR

**Moody's
upgrades**
Corporate Family
Rating from Caa1
to B3

Business

**Manageable
risks** caused
by the war in
Ukraine

Ongoing high
demand from LED /
semiconductors
business – industrial
applications with
upward trend

Energy price
increases -
production and
supply capability
secured by fixed
energy prices

**Corona
lockdown in
China** increases
risk of transport
disruptions

Outlook

Despite existing
challenges, **confirmation
of sales and earnings
forecast**

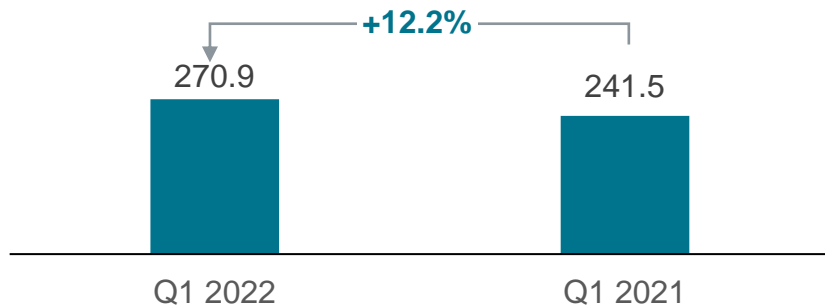
Guidance:
EBITDApre between 110 –
130 mEUR and **sales** of
approx. 1 bnEUR expected

2 Q1 2022 Results

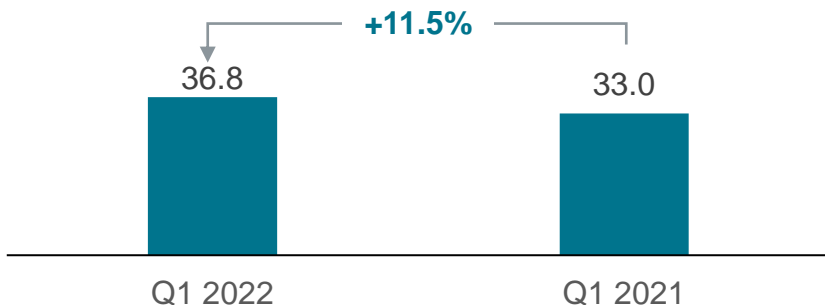
“Q1 with positive business development, but uncertainty resulting from the war in Ukraine“

Profitability improvement nearly in line with sales growth

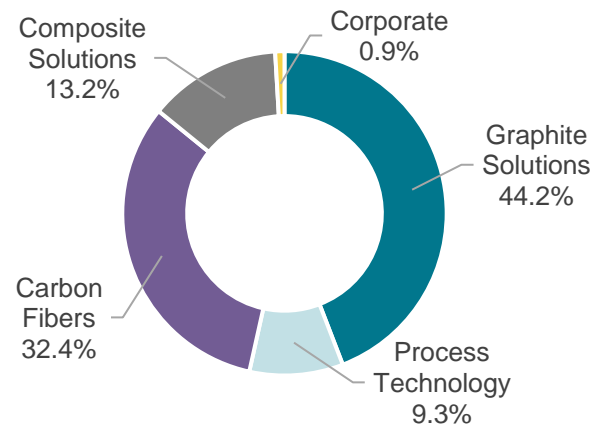
Sales (in mEUR)



EBITDApre (in mEUR)



Sales split (in %)

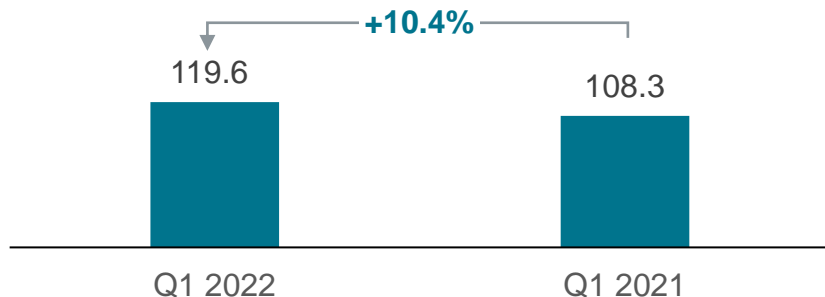


Key developments

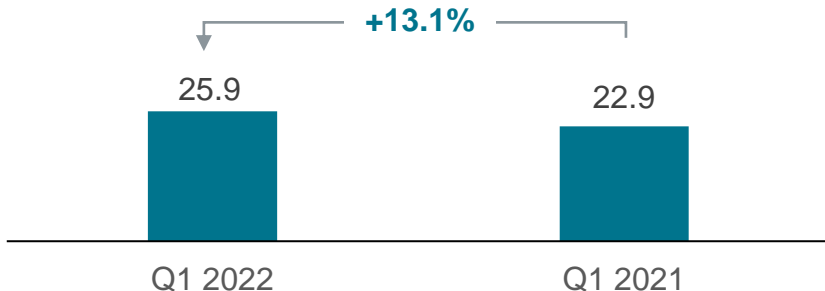
- Significant sales plus in all business units
GS (+11.3 mEUR), CS (+7.2 mEUR), CF (+6.6 mEUR)
and PT (+6.0 mEUR)

Graphite Solutions (GS) – Broad based improvement

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

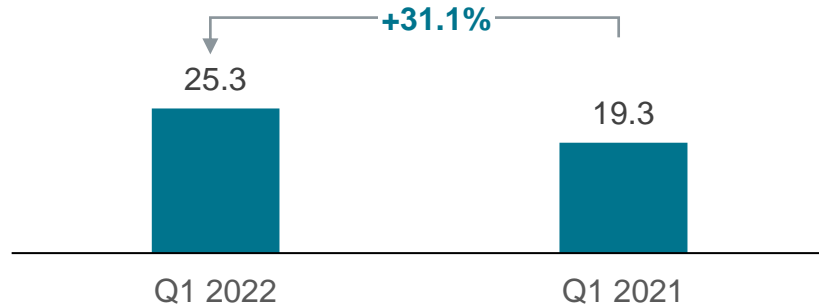
- Stable upward trend continues
- Semiconductor & LED sales increase by 50% yoy
- Industrial applications and chemicals also recovering

EBITDApre

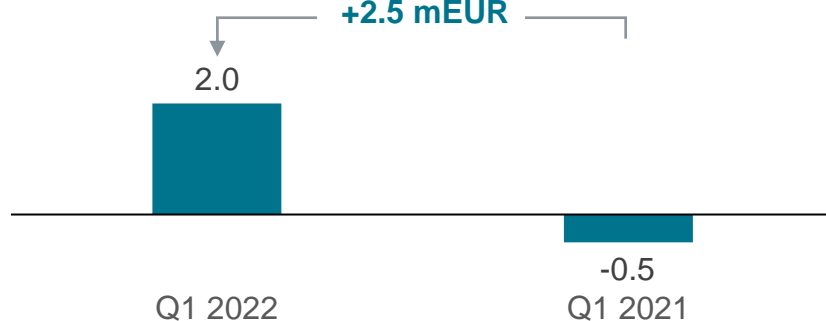
- Positive effects due to higher utilization and product mix benefits
- Higher raw material and energy costs overcompensated by cost savings and price increases

Process Technology (PT) – Rising order intake supported strong business improvement

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

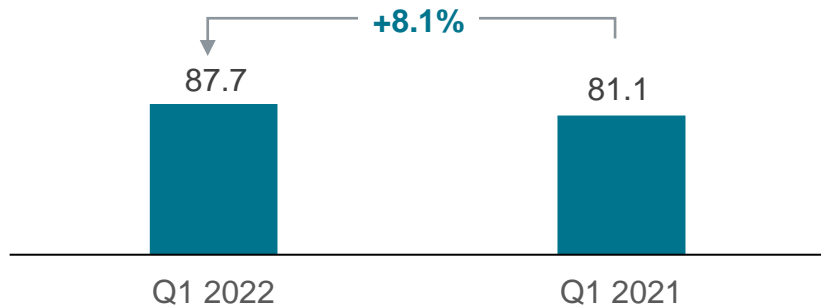
- Last year's order intake leads to strong sales increase
- Chemical industry orders remain on high level

EBITDApre

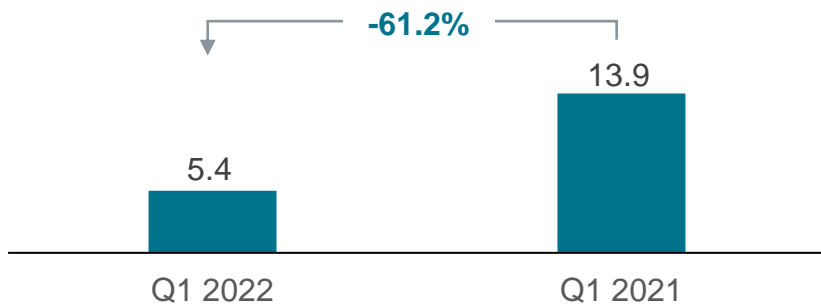
- Higher utilization rates
- Pass-over of higher raw material costs (e.g. steel) to customers mostly successful
- Further support from transformation savings

Carbon Fibers (CF) – Earnings burdened by costs for energy hedges

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

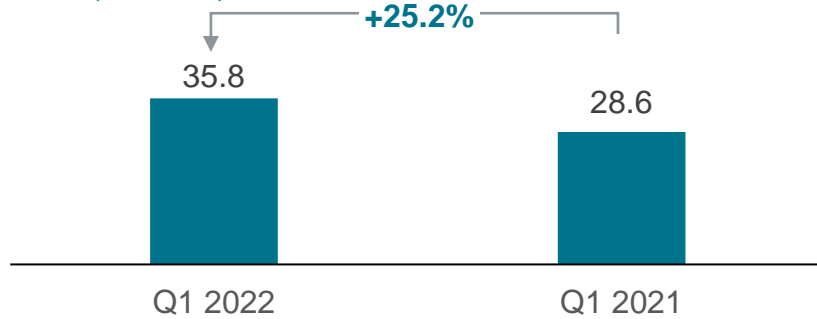
- Topline increase due to higher demand from automotive and industrial applications

EBITDApre

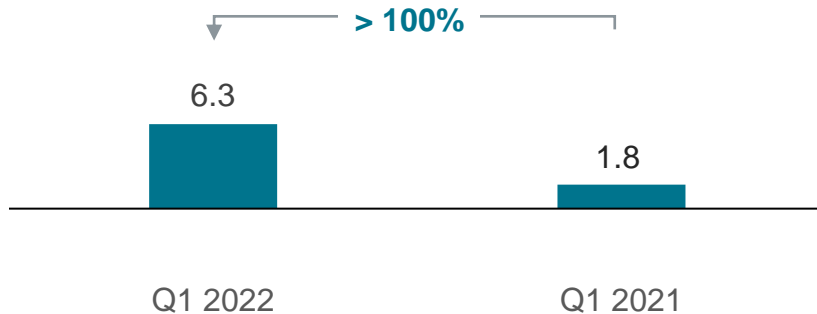
- EBITDApre down mainly as a result of costs related to energy transactions (9.2 mEUR)
- To secure our production and supply capability, we fixed energy prices to a large extent for full year 2022

Composite Solutions (CS) – Strong growth driven by automotive

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

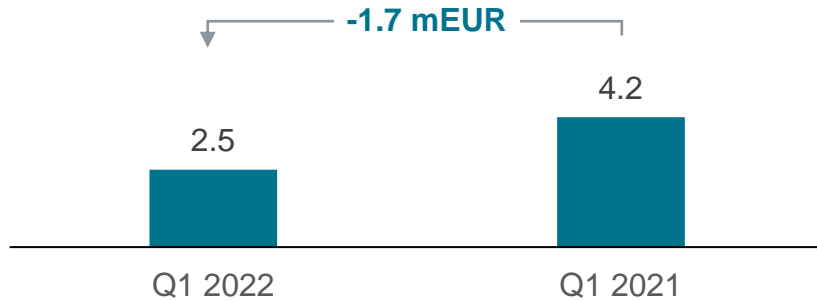
- Upward trend confirmed
- Demand from automotive customers in Q1 2022 not affected by supply bottlenecks due to the Ukraine war

EBITDApre

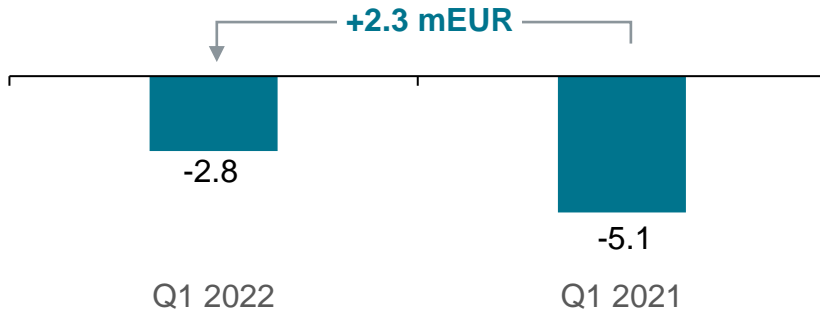
- Higher capacity utilization, automatization and cost savings drive earnings
- Focus on high margin products
- Positive EBITDA effect due to compensation payments from automotive customers of 2.4 mEUR

Corporate – Transformation into a lean internal service provider

Sales (in mEUR)



EBITDApre (in mEUR)



Key developments

Sales

- As expected, lower services to divested businesses and decreased rental income due to sale of properties not used for operations

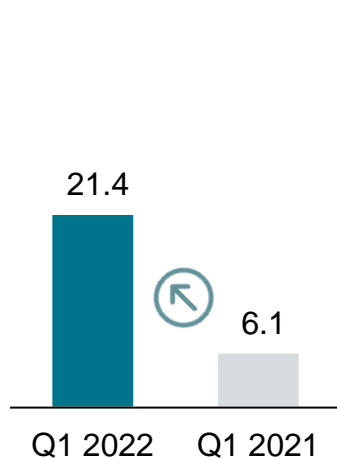
EBITDApre

- Lower personnel and administration costs

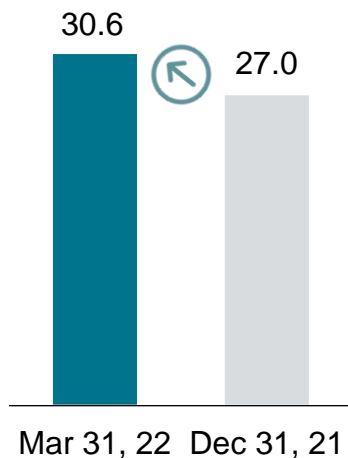
Strong bottom line improvement – strengthened balance sheet

Key figures (in mEUR)

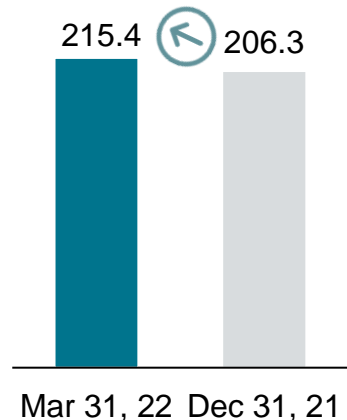
Net result



Equity ratio (in %)



Net financial debt



Key developments

Increase net result of 15.3 mEUR – positively affected by one-time effects of 8.5 mEUR

Net financial debt increased slightly by 4.4% compared to Dec. 31, 2012 (yoy: minus 20.7%)

Equity ratio up by 3.6 ppt to 30.6%

ROCE with 8.3% improved (FY 2021: 8.0%)

3 Upcoming challenges and outlook

**“Operational challenges
manageable, geopolitical effects
difficult to predict“**

Stable drivers and increasing challenges - SGL is well prepared

Stable drivers

- Strong demand in all market segments and full order books
- Growth potential in semiconductor and renewable energy industry
- Ramp-up of high margin automotive contracts
- Successful price initiatives to pass on price increases to customers
- Cost savings from transformation

Drivers intact

Manageable risks

- Raw material prices & availability
(Mitigation: multiple sourcing) ✓
- Energy price development
(Mitigation: costs 85% hedged) ✓
- Expiry BMW i3 contract 6/2022
(Mitigation: shift of capacities to wind energy) ✓

Major risks mitigated

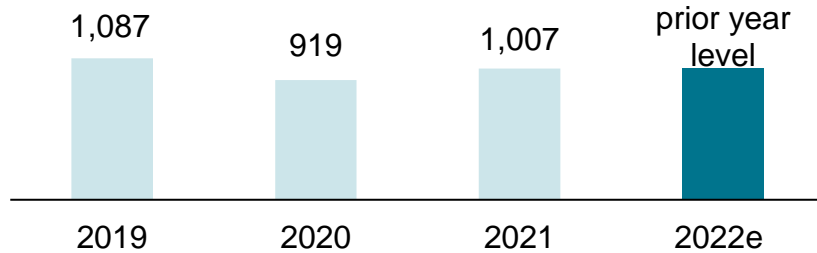
Potential upcoming risks

- *Shutdowns on customer side*
- *Transport disruptions due to lockdowns in China*
- *Gas supply cut-off from Russia*

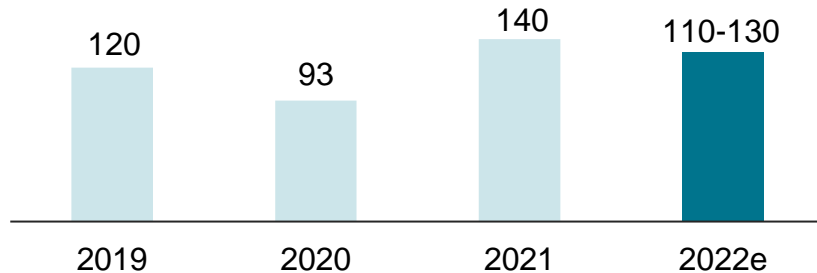
Not materialized

Considering all currently known risks, we are committed to our 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
- Availability of raw materials and logistic services
- Potential shutdowns on customer side and slowdown of world economy not considered

EBITDApre

- Margin over volume strategy
- Expiry of BMW i3 contract mid of 2022 and compensation by lower margin wind energy
- Cost pressure due to higher prices for raw materials
- Higher energy prices, but secured

4 Summary

“Resilient in increasing headwinds“

Summary of the first three months 2022

1. Influence of geopolitical upheavals on Q1 low – strong sales and results
2. Ongoing good order situation, especially from semiconductor and LED customers
3. Higher prices for raw materials, energy and transport. Production and supply secured by fixed energy prices to a large extent for full year 2022 (one-off burden in Q1 for EBITDA in BU CF)
4. Price increases can be passed on to customers to a large extent
5. Despite challenging times, guidance 2022 confirmed – SGL Carbon is well prepared

Q&A

We are looking forward to your questions

Financial calendar and IR contact details

Financial calendar

May 17, 2022

- Annual General meeting

August 4, 2022

- Report on the first Half Year 2022
- Conference call for analysts and investors

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 turned positive

Group income statement (in mEUR)

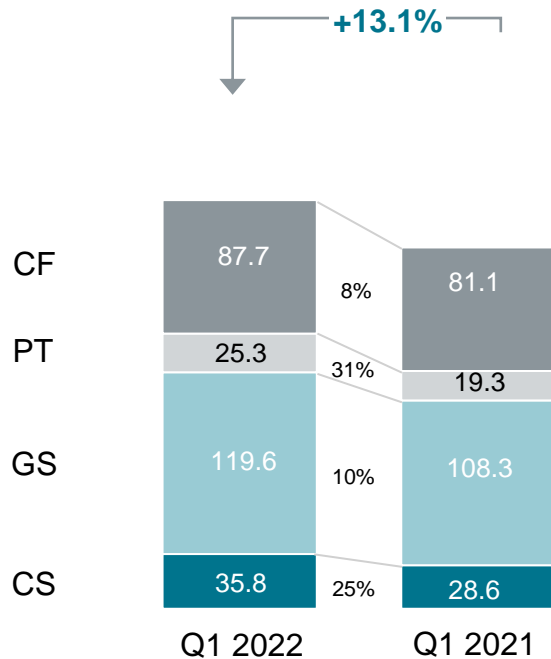
	Q1/2022	Q1/2021
Sales	270.9	241.5
EBITDApre	36.8	33.0
EBITpre	22.7	19.2
Exceptionals	8.5	-2.2
EBIT	31.2	17.0
Financial result	-7.5	-6.4
Results before income taxes	23.7	10.6
Income tax expense and non controlling interests	-2.3	-4.5
Net result attributable to shareholders	21.4	6.1

Key developments

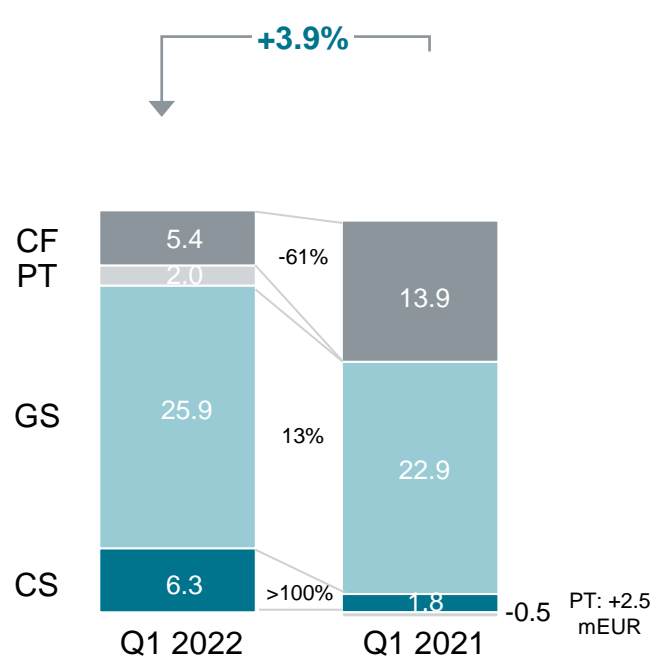
- Sales +12.2%
 - Recovery of demand in key markets
- EBITDApre +11.5%
 - Higher sales, higher utilization
 - Product mix
 - Higher raw material and energy costs
- Net result improved significantly

Business unit performance Q1 2022 vs. Q1 2021

Sales* (in mEUR)


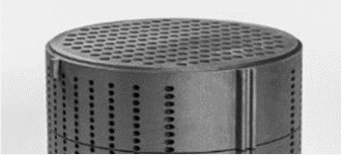




EBITDApre* (in mEUR)



*Without Corporate Business Unit

Outlook 2022 on Business Unit level

	Graphite Solutions	Process Technology	Carbon Fibers	Composite Solutions
				
Sales	slight increase	significant increase	stable	slight increase
EBITDApre	significant increase	significant increase	significant decrease	stable
Growth & profitability driver	<ul style="list-style-type: none"> Automotive Semiconductors Graphite for Lithium-ion batteries 	<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 Uncertainties energy price development 	<ul style="list-style-type: none"> Automotive Electromobility

Getting better and better step-by-step

Key figures and ratios (in mEUR)

	31.03.2022	31.12.2021
Equity ratio (in %)	30.6	27.0
Total liquidity	210.5	220.9
Net financial debt	215.4	206.3
Leverage ratio (net fin. debt/EBITDApre)	1.5	1.5
ROCE _{EBITpre} (in %)	8.3	8.0

Cash flow (in mEUR)

	Q1 2022	Q1 2021
Cash flow from operating activities	8.5	31.6
<i>Capex</i>	-7.0	-6.9
Cash flow from investing activities	-7.0	-6.3
Free cash flow (continuing operations)	1.5	25.3

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 3.6 ppt
- ROCE improved

- Capex around prior year level
- FCF as expected lower

SGL Carbon – Recovery in most of our key markets

Graphite Solutions



Semiconductor

Continued high demand – strong growth potential



Automotive & Transport

Satisfactory demand



Battery Materials

Dynamic market development – mid-term potential



Solar

Opportunistically declining



Industrial Applications

Strong recovery due to late cyclical nature

Process Technology



Chemicals

Late cyclical recovery. Strong order intake

Carbon Fibers



Automotive

Recovering demand and stable sales q-o-q despite production slowdowns at customer level



Wind energy

Lower due to opportunistic sales of carbon fibers to other market segments, but high growth potential.



Textile Fibers

Sales decline



Industrial Applications

Strong increase in demand

Composite Solutions



Automotive

Dynamic growth and increasing potential for large scale solutions



Aerospace

Slightly above expectations, but still difficult industry situation

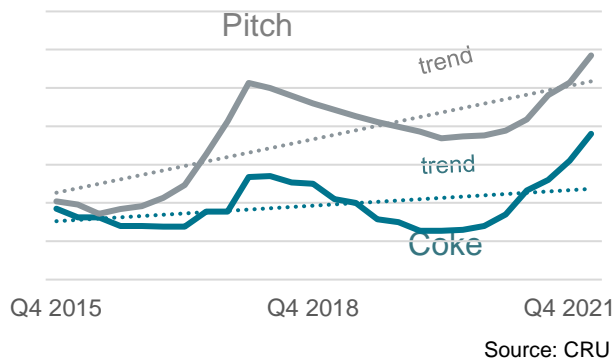


Industrial Applications

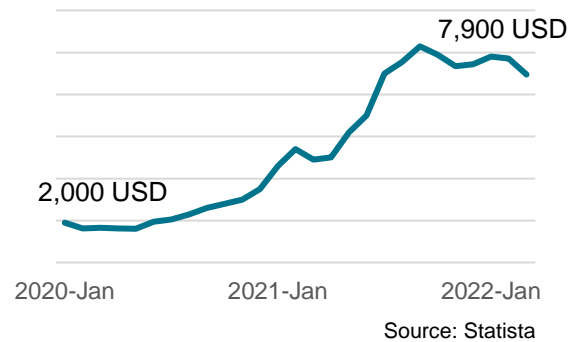
Strong increase

Input costs rising strongly

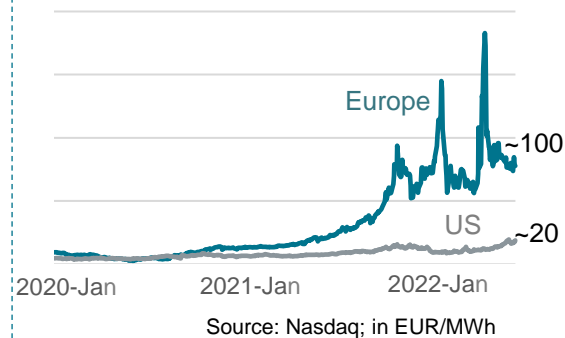
Raw material costs (e.g. Pitch/Coke)



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 more than doubled since end of 2020
- Availability volatile

- Significant gas price volatility in Europe due to Ukraine war
- Strong efforts to pass over to customers

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.