

Quarterly Statement as of March 31, 2023



Highlights Q1 2023



Sales growth in Q1 2023 to €283.7 million (+4.7% compared to the same quarter of the previous year) driven in particular by increased demand for specialty graphite components for the semiconductor industry.

Adjusted EBITDA improved by 9.0% quarter-on-quarter to €40.1 million, also due to changes in the product mix in the Graphite Solutions business unit.

The equity ratio increased further to 39.5% (year-end 2022: 38.5%). Net debt increased slightly to €174.2 million (+2.0% compared to year-end 2022, -19.1% compared to the end of the prior-year quarter).

Confirmation of annual outlook for 2023

Financial Highlights Q1 2023

€ million	1st Quarter		Change
	2023	2022	
Sales revenue	283.7	270.9	4.7%
EBITDA pre ¹⁾	40.1	36.8	9.0%
EBITDA pre-margin	14.1%	13.6%	+0.5%-pts.
EBIT	25.7	31.2	-17.6%
Consolidated net result (attributable to shareholders of the parent company)	15.2	21.4	-29.0%
Free cash flow	10.4	1.5	>100%

€ million	Mar 31, 23	Dec 31, 22	Change
Total assets	1,458.4	1,480.3	-1.5%
Equity (attributable to the shareholders of the parent company)	576.5	569.3	1.3%
Net financial debt	174.2	170.8	2.0%
Return on capital employed (ROCE) ²⁾	11.5%	11.3%	+0.2%-pts.
Leverage ratio ³⁾	1.0	1.0	-
Equity ratio	39.5%	38.5%	+1.0%-pts.

Share price in €	1st Quarter 2023	Financial year 2022	Change
High	9.37	8.07	16.0%
Low	7.09	4.59	54.4%
Closing price at end of period	9.09	6.93	31.2%

¹⁾ Adjusted for one-off effects and non-recurring items. For more details, please refer to the business development section

²⁾ EBIT pre for the last twelve months to average capital employed (total of goodwill, other intangible assets, property, plant and equipment, investments accounted for At-Equity and working capital)

³⁾ Net financial debt divided by EBITDA pre of the last 12 months

Content

Highlights Q1 2023	2	Employees	12
Financial Highlights Q1 2023	3	Segment Reporting	12
Business Review	5	Opportunities and Risks.....	14
Basis of Preparation.....	5	Outlook.....	15
Key Events of the Business Development	5	Selected Financial Information	16
Business Development	6	Other Information	23
Group Business Development	6		
Balance Sheet Structure.....	10		

Business Review

Basis of Preparation

The accounting policies applied in this quarterly statement are unchanged compared with December 31, 2022.

Income taxes for the 1st quarter of 2023 were calculated during the year on the basis of a forecasted tax rate for the full year in the respective countries, which was applied to the pre-tax earnings of the interim financial statements.

Key Events of the Business Development

Sale of the operating business activities at the Gardena site (USA)

The assets and liabilities of the operating activities of SGL Composites Inc. at the Gardena site (USA), which were classified as held for sale as of December 31, 2022, were sold to an external buyer on February 16, 2023, and are therefore no longer included in the

consolidated financial statements. The income and expenses for the period from January 1, 2023 to closing are included in the segment reporting Corporate.

Early redemption of 3.0% convertible bonds (09/23)

On March 31, 2023, SGL Carbon SE prematurely repurchased convertible bonds that had their scheduled maturity in September 2023 at their total nominal amount of €31.6 million. This financial instrument has thus been repaid in full.

Business Development

Group Business Development

Condensed consolidated income statement

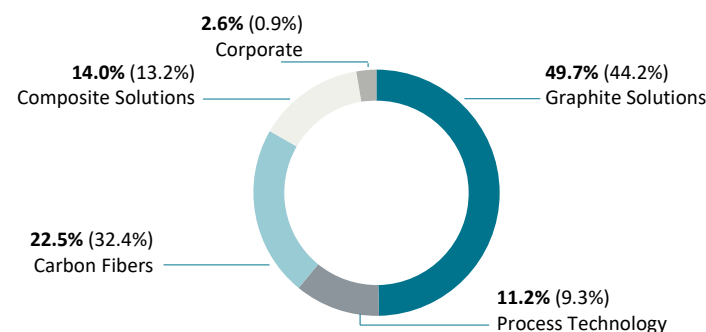
€ million	1st Quarter		
	2023	2022	Change
Sales revenue	283.7	270.9	4.7%
Cost of sales	-224.8	-214.8	4.7%
Gross profit	58.9	56.1	5.0%
Selling, administrative and R&D expenses	-42.7	-40.2	6.2%
Other operating income/expenses	4.4	2.6	69.2%
Result from investments accounted for At-Equity	5.2	4.2	23.8%
EBIT pre	25.8	22.7	13.7%
One-off effects/Non-recurring items	-0.1	8.5	-
EBIT	25.7	31.2	-17.6%

Graphite Solutions as driver of the 4.7% sales increase

SGL Carbon generated sales revenue of €283.7 million in Q1 2023 (Q1 2022: €270.9 million). This corresponds to an increase of €12.8 million or 4.7% compared to the prior-year period (4.6% adjusted for currency effects).

The largest share of Group sales compared to the same quarter of the previous year is attributable to the Graphite Solutions (GS) business unit with 49.7% (previous year: 44.2%) and Carbon Fibers (CF) with 22.5% (previous year: 32.4%). Composite Solutions (CS) and Process Technology (PT) contributed 14.0% (previous year: 13.2%) and 11.2% (previous year: 9.3%), respectively, to Group sales. Sales of the Corporate segment increased slightly to 2.6% (previous year: 0.9%).

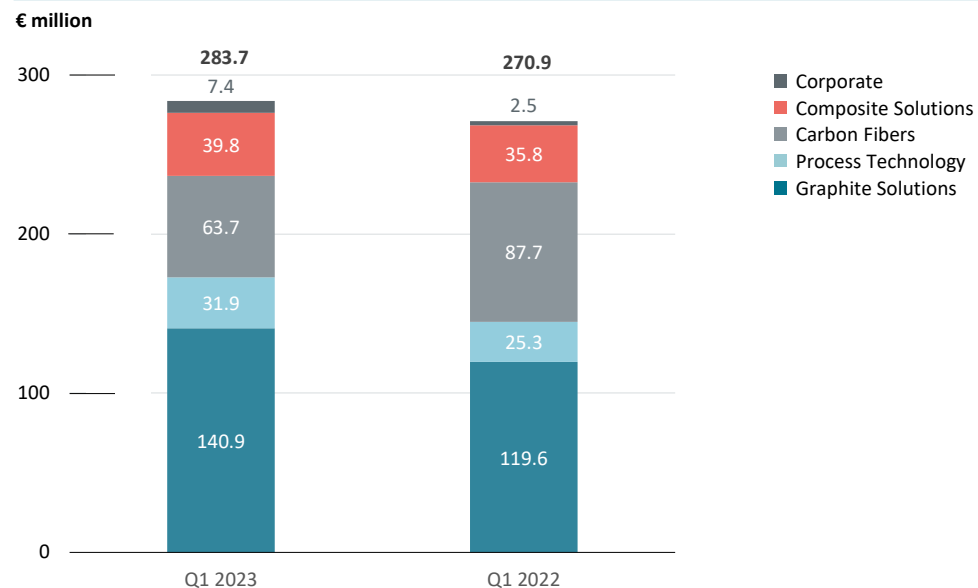
Group sales by reporting segments Q1 2023 (Q1 2022)



Particularly noteworthy is the increase in sales of the largest business unit, Graphite Solutions, which rose from €119.6 million to €140.9 million in a quarter-on-quarter comparison. This corresponds to an increase of €21.3 million or 17.8%. The two business units Process Technology (+€6.6 million or 26.1%) and Composite Solutions (+€4.0 million or 11.2%) also developed positively. The increase in sales of the three business units is based on both price and volume effects. In particular, sales to customers in the semiconductor industry contributed to the positive sales development. This also resulted in the Digitization market segment now representing 22.1% of Group revenues (Q1 2022: 15.1%).

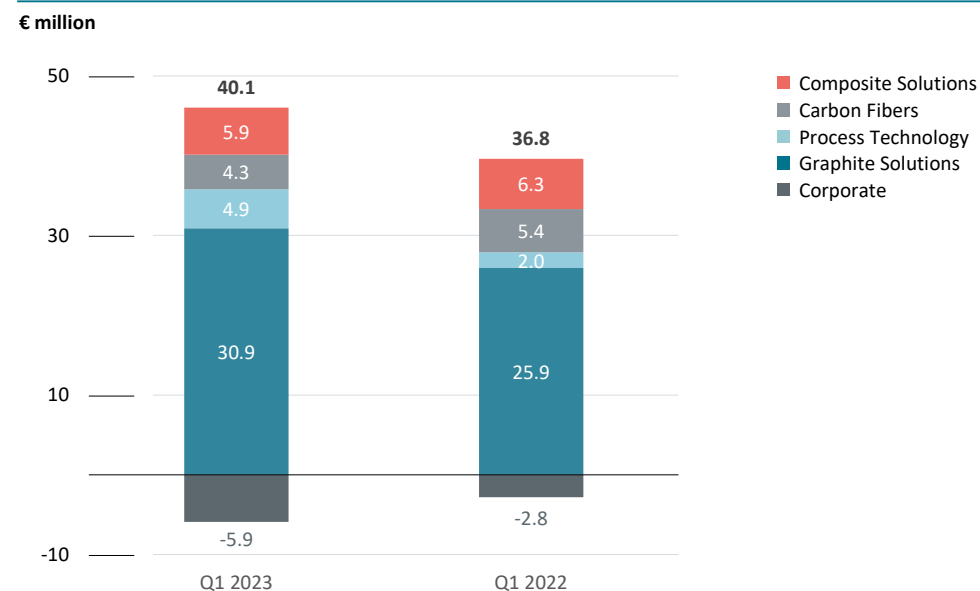
By contrast, sales of the Carbon Fibers business unit decreased by 27.4% to €63.7 million in Q1 2023 (Q1 2022: €87.7 million). This was mainly due to the expiry of the attractive supply contract for the BMW i3, which ended as scheduled end of June 2022. Freed-up production capacities were compensated for in the 2nd half of 2022 by new orders from customers in the wind power industry. Due to the currently unsatisfactory market situation for the approval and construction of new wind turbines in Europe, sales with these customers decreased significantly in Q1 2023. While sales to wind customers were still €27.2 million in Q4 2022, they fell to €14.1 million in Q1 2023. Further details on the sales performance of the business units can be found in the segment reporting in this quarterly statement.

Group sales development



Earnings situation of the Group

Results development – EBITDA pre



In conjunction with the positive sales development, SGL Carbon's adjusted EBITDA also increased by 9.0% to €40.1 million (Q1 2022: €36.8 million). Accordingly, the adjusted EBITDA margin improved from 13.6% to 14.1%. It should be noted that the prior-year quarter was burdened by price hedging transactions in the CF business unit in the amount of €9.2 million.

In line with the sales growth, the GS business unit in particular contributed to the development of adjusted EBITDA. After €25.9 million in the 1st quarter of 2022, GS generated adjusted EBITDA of €30.9 million in the reporting quarter. This corresponds to an increase of €5.0 million or 19.3%. In contrast, CF's adjusted EBITDA decreased from €5.4 million to €4.3 million. This is attributable in particular to lower volumes. As already described in the section on sales development, the business unit had to cope with the

scheduled expiry of the BMW-i3 supply contract and the current low demand from the wind power industry. Further information on the development of adjusted EBITDA in all four operating business units can be found in the segment reporting section of this quarterly statement.

Looking at the income statement of SGL Carbon, the following developments can be seen:

- The cost of sales rose by 4.7% and thus in proportion to the increase in sales to €224.8 million (Q1 2022: €214.8 million), mainly due to higher energy and personnel costs. Accordingly, the gross margin was almost unchanged at 20.8% in the three-months comparison (Q1 2022: 20.7%).
- Selling, administrative and R&D expenses increased by 6.2% to €42.7 million. In particular, selling and administrative expenses were impacted by significantly higher transport and personnel expenses in the 1st quarter of 2023.
- Other operating income in the 1st quarter of 2023 includes a significant increase in government grants totaling €3.6 million, mainly from compensation for increased energy costs and from the subsidy program under the second European IPCEI program.
- Income from investments accounted for At-Equity improved significantly quarter-on-quarter to €5.2 million (Q1 2022: €4.2 million).

The reconciliation from adjusted EBITDA to EBIT is shown in the following table:

€ million	1st Quarter		Change
	2023	2022	
EBITDA pre	40.1	36.8	9.0%
Depreciation and amortization	-14.3	-14.1	1.4%
EBIT pre	25.8	22.7	13.7%
One-off effects/Non-recurring items	-0.1	8.5	-
EBIT	25.7	31.2	-17.6%

One-off effects and non-recurring items not included in adjusted EBITDA or adjusted EBIT amounted to a net total of minus €0.1 million (Q1 2022: €8.5 million). The effects from the amortization of the purchase price allocations of the SGL Composites companies of minus €0.3 million (Q1 2022: minus €2.6 million) had a negative impact, but these were partially offset by positive one-time effects of €0.2 million (Q1 2022: minus €0.4 million). The prior-year quarter mainly included income of €11.7 million from the cancellation of the heritable building right in Frankfurt-Griesheim.

EBIT decreased significantly to €25.7 million in the 1st quarter of 2023 compared with €31.2 million in the prior-year period due to the positive non-recurring item from the cancellation of the heritable building right (€11.7 million) included in the prior-year figure.

Financial result

€ million	1st Quarter		
	2023	2022	Change
Interest income	0.8	0.2	>100%
Interest on financial liabilities and other interest expense	-4.5	-4.4	2.3%
Imputed interest convertible bond	-0.9	-0.8	12.5%
Imputed interest on lease liabilities and other financial liabilities	-0.4	-0.4	0.0%
Interest component of additions to provisions for pensions	-1.7	-0.7	>100%
Interest expense, net	-6.7	-6.1	9.8%
Amortization of refinancing costs	-0.6	-0.6	0.0%
Foreign currency valuation of intercompany loans	-0.7	-0.3	>100%
Other operating expense/income	0.2	-0.5	-
Other financial result	-1.1	-1.4	-21.4%
Financial result	-7.8	-7.5	4.0%

Financial result amounted to minus €7.8 million in the first quarter of 2023, a slight increase by 4.0% compared with the prior year period. This resulted in particular from higher net interest expenses of minus €7.5 million (Q1 2022: minus €6.3 million), as a consequence of increased expenses for pension interest, partly offset by higher interest income. Other financial result improved to minus €1.1 million (Q1 2022: minus €1.4 million).

Condensed consolidated income statement (continued)

€ million	1st Quarter		
	2023	2022	Change
EBIT	25.7	31.2	-17.6%
Financial result	-7.8	-7.5	4.0%
Result from continuing operations before income taxes	17.9	23.7	-24.5%
Income tax expense	-2.6	-2.2	18.2%
Result from continuing operations	15.3	21.5	-28.8%
Net result for the period	15.3	21.5	-28.8%
Attributable to:			
Non-controlling interests	0.1	0.1	0.0%
Consolidated net result (attributable to shareholders of the parent company)	15.2	21.4	-29.0%
Earnings per share - basic and diluted (in €)	0.12	0.18	-33.3%

Result before income taxes and net result

Due to the lower EBIT, result before income taxes decreased from €23.7 million in the prior-year period to €17.9 million. Income tax expense amounted to €2.6 million (Q1 2022: €2.2 million) and was determined for Q1 2023 on the basis of an estimate of the weighted average annual income tax rate in the respective countries, which was applied to the pre-tax result for the interim period.

After taxes, the consolidated net result for the reporting period was positive at €15.2 million, compared to €21.4 million in the prior-year period. Accordingly, a lower positive earnings per share of €0.12 is reported for Q1 2023 (Q1 2022: €0.18).

Balance Sheet Structure

ASSETS € million	Mar 31, 23	Dec 31, 22	Change
Non-current assets	696.7	693.0	0.5%
Current assets	759.4	776.0	-2.1%
Assets held for sale	2.3	11.3	-79.6%
Total assets	1,458.4	1,480.3	-1.5%
EQUITY AND LIABILITIES € million			
Equity attributable to the shareholders of the parent company	576.5	569.3	1.3%
Non-controlling interests	9.4	9.3	1.1%
Total equity	585.9	578.6	1.3%
Non-current liabilities	595.5	600.8	-0.9%
Current liabilities	276.7	298.1	-7.2%
Liabilities in connection with assets held for sale	0.3	2.8	-89.3%
Total equity and liabilities	1,458.4	1,480.3	-1.5%

Total assets decreased slightly by €21.9 million or 1.5% to €1,458.4 million as of March 31, 2023, compared to December 31, 2022. The slight decrease resulted from lower cash and cash equivalents as a result of the repayment of financial debt of €35.4 million. In addition, currency effects, in particular from the weaker US dollar, contributed €5.0 million to the decrease of balance sheet items. The increase in inventories had an offsetting impact (+€26.0 million).

Non-current liabilities decreased slightly by €5.3 million. This resulted on the one hand from the reclassification of non-current to current provisions in the amount of €6.6 million. In addition, pension provisions decreased by €5.1 million to €197.2 million compared with fiscal year end 2022, in particular due to the one-time payment of the present value of the defined benefit obligation to a former member of the board of management. On the other hand, non-current advance payments for customer orders (contract liabilities) increased by €7.8 million.

The decrease of €21.4 million in current liabilities is mainly due to the repayment of interest bearing loans of €35.4 million. On the other side, trade payables and contract liabilities increased by €6.5 million and other liabilities by €5.2 million.

Working Capital

€ million	Mar 31, 23	Dec 31, 22	Change
Inventories	350.0	324.0	8.0%
Trade receivables and contract assets	185.9	182.4	1.9%
Trade payables and contract liabilities	-175.4	-161.1	8.9%
Working Capital	360.5	345.3	4.4%

Working capital rose to €360.5 million (+4.4%) as of March 31, 2023. Changes resulted in particular from the increase in inventories (+€26.0 million) and in trade receivables and contract assets (+€3.5 million), which was offset by an increase in trade payables and contract liabilities (+€14.3 million). The increase in customer prepayments of €5.9 million included in contract liabilities counteracted the increase in working capital.

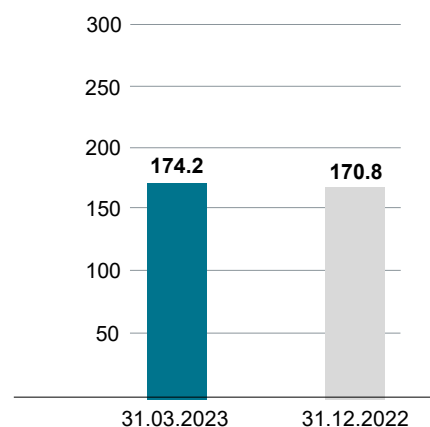
Increase in equity

As of March 31, 2023, equity attributable to shareholders of the parent company increased by €7.2 million (+1.3%) to €576.5 million (December 31, 2022: €569.3 million). The increase is mainly attributable to the positive consolidated net result of €15.2 million. In contrast, negative currency translation effects, mainly from the weaker US dollar, led to a reduction of €6.2 million. As a result, the equity ratio increased to 39.5% as of March 31, 2023 (December 31, 2022: 38.5%) and is thus above the target value of $\geq 30\%$.

Net financial debt / Free cash flow

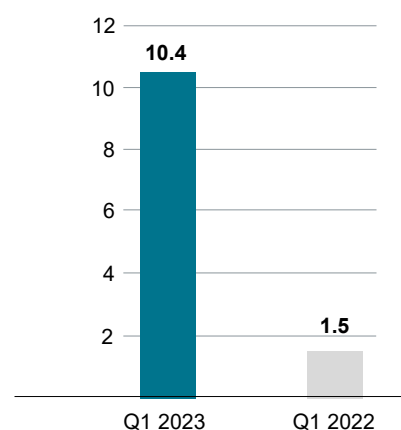
Net financial debt

€ million



Free cash flow

€ million



Net financial debt

€ million

	Mar 31, 23	Dec 31, 22	Change
Carrying amount of current and non-current financial liabilities	343.7	377.4	-8.9%
Remaining imputed interest for the convertible bond	15.9	17.0	-6.5%
Accrued refinancing cost	3.2	3.7	-13.5%
Total financial debt (nominal amount)	362.8	398.1	-8.9%
Cash and cash equivalents	188.6	227.3	-17.0%
Net financial debt	174.2	170.8	2.0%

SGL Carbon's net financial debt increased by €3.4 million (+2.0%) to €174.2 million as of March 31, 2023. The increase is based on the significantly improved free cash flow of €10.4 million compared to the prior-year quarter, less interest payments of €9.6 million, lease

payments of €2.0 million and payments for the extension of the syndicated credit facility of €1.7 million. A total of €35.4 million was paid for the early repurchase of the remaining outstanding amounts from the 2018/2023 convertible bond and other financial debt.

On February 6, 2023, the rating agency Moody's raised the corporate family rating of SGL Carbon SE and the rating of the corporate bond (due 09/2024) from B3 to B2. The outlook remains unchanged at stable. On March 23, 2023, Standard & Poor's (S&P) also raised its long-term rating for SGL Carbon from B- to B and at the same time upgraded the rating for the bond from B to B+.

Free cash flow

€ million	1st Quarter	
	2023	2022
EBIT	25.7	31.2
Depreciation/amortization expense	14.3	14.1
Changes in working capital	-12.4	3.8
Changes in provisions	-15.6	-23.7
Miscellaneous items	4.9	-16.9
Cash flow from operating activities	16.9	8.5
Payments to purchase intangible assets and property, plant & equipment	-19.0	-7.0
Proceeds from the sale of intangible assets and property, plant & equipment	5.0	0.0
Dividend payments from investments accounted for At-Equity	7.5	0.0
Cash flow from investing activities	-6.5	-7.0
Free cash flow	10.4	1.5

Cash flow from operating activities reflects the positive operating earnings performance in the first three months of 2023 and was impacted in Q1 2023 compared to the prior-year quarter by significantly lower payments for variable compensation and accordingly improved by €8.4 million to €16.9 million.

Cash flow from investing activities improved from minus €7.0 million of the previous year period to minus €6.5 million in the reporting period. Despite the significant increase in capital expenditures, the cash outflow decreased due to the purchase price payment

received for the Gardena site (USA) and the dividend received from the BSCCB joint venture in the amount of €7.5 million. The capital expenditures mainly relate to the GS business unit in the amount of €11.6 million, primarily for the capacity expansions for SiC semiconductor customers in the US and in Germany, and to the CF business unit in the amount of €5.7 million, there mainly for the construction of a biomass plant for steam generation in Portugal.

Free cash flow improved by €8.9 million to €10.4 million (Q1/2022: €1.5 million) due to the above-mentioned effects.

Employees

As of March 31, 2023, the number of employees worldwide was 4,790 (Dec. 31, 2022: 4,760), a slight increase on the previous year. Due to the sale of the operating business at the Gardena site (USA), the number of employees decreased by 50 in the 1st quarter of 2023. On the other hand, employees were increased at the sites in the USA and Germany due to the high order backlog of the business unit Graphite Solutions.

Headcount	Mar 31, 23	Dec 31, 22	Change
Graphite Solutions	2,611	2,527	3.3%
Process Technology	523	517	1.2%
Carbon Fibers	1,108	1,131	-2.0%
Composite Solutions	418	454	-7.9%
Corporate	130	131	-0.8%
Total SGL Carbon	4,790	4,760	0.6%

Headcount	Mar 31, 23	Dec 31, 22	Change
Germany	2,087	2,051	1.8%
Europe excluding Germany	1,384	1,375	0.7%
USA	756	781	-3.2%
Asia	563	553	1.8%
Total SGL Carbon	4,790	4,760	0.6%

Segment Reporting

Reporting segment Graphite Solutions

€ million	1st Quarter		Change
	2023	2022	
Sales revenue	140.9	119.6	17.8%
EBITDA pre	30.9	25.9	19.3%
EBITDA pre-margin	21.9%	21.7%	+0.2%-pts.
EBIT	24.2	19.0	27.4%

The business unit **Graphite Solutions (GS)** increased its sales in Q1 2023 to €140.9 million (Q1 2022: €119.6 million). This corresponds to a sales increase of €21.3 million or 17.8% quarter-on-quarter.

With a revenue increase of 53.1% compared to the same period of the previous year, the "LED and Semiconductor" market segment in particular contributed to the positive development and now accounts for around 40% of GS' total revenue (Q1 2022: around 30%). By contrast, the share of sales with customers from the solar industry decreased from around 6% to 3%. This is due to the reallocation of production capacities from the Solar segment to the increased and higher-margin demand for components for the semiconductor industry. The Industrial Applications market segment, from which graphite products are supplied to a wide variety of industries, remains GS' second largest market segment with around 30%.

Due to the increase in sales, combined with higher capacity utilization and changes in the product mix, adjusted EBITDA of the GS business unit increased significantly by 19.3% quarter-on-quarter to €30.9 million (Q1 2022: €25.9 million). Adjusted EBITDA was negatively impacted by higher repair and maintenance costs and increased personnel expenses to compensate for capacity utilization peaks. The adjusted EBITDA margin improved slightly to 21.9% (Q1 2022: 21.7%).

Reporting segment Process Technology

€ million	1st Quarter		
	2023	2022	Change
Sales revenue	31.9	25.3	26.1%
EBITDA pre	4.9	2.0	>100%
EBITDA pre-margin	15.4%	7.9%	+7.5%-pts.
EBIT	4.5	1.6	>100%

With an increase in sales of 26.1% to €31.9 million (Q1 2022: €25.3 million), the **Process Technology (PT)** business unit confirmed the positive development of the past year. Sales of this business unit are generated predominantly with customers from the chemical industry. Q1 2023 was again characterized by a good order situation, so we expect the business unit's utilization to remain good in the subsequent months.

The positive development of PT is also reflected in adjusted EBITDA. This increased from €2.0 million in the prior-year period to €4.9 million. Higher capacity utilization and positive product mix effects led to an improvement in the adjusted EBITDA margin from 7.9% in the prior-year quarter to 15.4% after three months in 2023.

Reporting segment Carbon Fibers

€ million	1st Quarter		Change
	2023	2022	
Sales revenue	63.7	87.7	-27.4%
EBITDA pre	4.3	5.4	-20.4%
EBITDA pre-margin	6.8%	6.2%	+0.6%-pts.
EBIT	0.2	-1.0	-

Sales of the **Carbon Fibers (CF)** business unit amounted to €63.7 million in the 1st quarter of 2023, significantly (-27.4%) below the figure of €87.7 million in the prior-year quarter. The decline is due in particular to the expiry of an attractive supply contract for the BMW i3, which ended as scheduled end of June 2022. Accordingly, the Automotive market segment's share of CF's sales fell from over 40% to 28%, but still remains CF's largest market segment.

The freed-up production capacities were offset by new customer orders from the wind industry. The construction of wind turbines is currently faltering in Germany as well as in the rest of Europe. In 2022, less than half of the planned energy output was realized. The reasons for the delays include regulatory obstacles and a significant increase in manufacturing costs for wind turbines due to high energy and raw material prices. In line with the developments described, demand from our wind industry customers was significantly lower than in the two previous quarters. The share of sales accounted for by the wind energy market segment therefore decreased from just over 30% in Q3 and Q4 2022 to 22% in Q1 2023. However, we expect the construction of wind farms to pick up again with falling energy prices and simplified approval procedures.

Adjusted EBITDA of the CF business unit decreased by €1.1 million or 20.4% quarter-on-quarter to €4.3 million (Q1 2022: €5.4 million). Lower sales in almost all market segments, product mix effects due to the expiry of the high-margin i3 supply contract, and falling selling prices weighed on adjusted EBITDA in Q1 2023. In a year-on-year comparison, it should be noted that adjusted EBITDA in the 1st quarter of 2022 included a negative one-time effect of €9.2 million from energy price hedging transactions.

Reporting segment Composite Solutions

€ million	1st Quarter		
	2023	2022	Change
Sales revenue	39.8	35.8	11.2%
EBITDA pre	5.9	6.3	-6.3%
EBITDA pre-margin	14.8%	17.6%	-2.8%-pts.
EBIT	4.2	4.7	-10.6%

The **Composite Solutions (CS)** business unit continued its positive sales development. Sales increased by 11.2% to €39.8 million in the first three months of 2023 (Q1 2022: €35.8 million). The increase is based in particular on stronger customer demand from the automotive sector, CS' most important and largest market segment. The business unit develops and produces, among other things, customized vehicle components made of various composite materials for customers in Europe and North America. The sale of the operating business of the Gardena site (USA) in Q1 2023, which had contributed sales of around €30 million in the full fiscal year 2022, had a negative impact on sales. In the future, the CS business unit will operate its North American business from the Arkadelphia (USA) site, which is being expanded as a hub for the production of composite components, particularly for large-volume orders from North American automotive customers.

Despite the volume-driven increase in sales, CS' adjusted EBITDA decreased by €0.4 million or 6.3% quarter-on-quarter to €5.9 million (Q1 2022: €6.3 million). This is mainly attributable to the sale of the Gardena business described above and to compensation received from automotive customers for early project terminations in the 1st quarter of the previous year in the amount of €2.4 million. Accordingly, the adjusted EBITDA margin decreased from 17.6% in the comparative quarter to 14.8% in the 1st quarter of 2023.

Reporting segment Corporate

€ million	1st Quarter		
	2023	2022	Change
Sales revenue	7.4	2.5	>100%
EBITDA pre	-5.9	-2.8	>100%
EBIT	-7.4	6.9	-

Sales in the **Corporate** reporting segment increased quarter-on-quarter from €2.5 million to €7.4 million. It should be noted that the sales of the Gardena (USA) and Pune (India) sites held for sale were no longer presented in the respective business units in the 1st quarter of 2023, but were allocated to the Corporate reporting segment. The operating activities of the Gardena (USA) site were sold on February 16, 2023. The Pune site (India) was sold on April 28, 2023.

Adjusted EBITDA at Corporate deteriorated year-on-year from minus €2.8 million to minus €5.9 million. Among other things, this is attributable to the above-mentioned allocation of the sites held for sale. Added to this were higher costs for energy, personnel and IT.

Opportunities and Risks

With regard to existing opportunities and risks, we refer to the detailed statements made in the Annual Report 2022. There have been no significant changes since then.

Based on the information currently available, we do not believe that there are any significant individual risks either at present or in the foreseeable future that could jeopardize the Company as a going concern. Even the cumulative view of the current individual risks does not jeopardize the continued existence of SGL Carbon.

Outlook

Compared with the 1st quarter of the prior year, we further improved both sales and operating earnings in the reporting period. This was due in particular to increasing demand for specialty graphite components from the semiconductor industry. We also expect a significant expansion of business in this area in the coming quarters.

Specialty graphite components are indispensable in the production of wafers for the semiconductor industry, especially in the production of silicon carbide (SiC) based semiconductors. According to studies, the demand for silicon carbide-based semiconductors will grow by more than 30% per year on average over the next few years. SiC semiconductors are more powerful, smaller and more efficient than cheaper semiconductors made of silicon. Therefore, SiC semiconductors are particularly needed in electric vehicles or other high-performance applications. SGL Carbon is one of the few suppliers worldwide that can produce graphite components with the required purity and properties for the SiC semiconductor industry. We therefore want to grow further in this high-margin market in particular.

Together with our customers, we will invest in the expansion of our production capacities. We will therefore increase the capex volume in 2023 to €80-90 million (2022: €52.9 million). The investment amount exceeding our depreciation and amortization is to be financed primarily by advance payments from customers under long-term supply contracts. By expanding capacity, our customers are securing production capacity to ensure their own growth. SGL Carbon benefits from the production expansion and long-term supply contracts, which enable future profitable growth.

Following the conclusion of the 1st quarter of 2023, we confirm the sales and earnings forecast for fiscal 2023 given on March 23, 2023.

For the financial year 2023, the company expects consolidated sales at the prior-year level and adjusted EBITDA of between €160 million and €180 million. Taking into account depreciation and amortization, adjusted EBIT is forecast to be between €100 - 120 million. We also expect free cash flow at the end of fiscal 2023 to be level with the prior year. With regard to return on capital employed, we expect ROCE to be between 10% and 12%.

Financial Group targets

€m	Actual 2022	Outlook 2023
Sales revenue	1,135.9	At prior year level
EBITDA pre	172.8	160 - 180
Return on capital employed (ROCE _{EBIT})	11.3%	10% - 12%
Free cash flow	67.8	At prior year level

Wiesbaden, May 5, 2023

SGL Carbon SE

The Board of Management

Dr. Torsten Derr

Thomas Dippold

Selected Financial Information

Consolidated Income Statement

€ million	1st Quarter		Change
	2023	2022	
Sales revenue	283.7	270.9	4.7%
Cost of sales	-225.1	-217.4	3.5%
Gross profit	58.6	53.5	9.5%
Selling expenses	-25.9	-24.5	5.7%
Research and development costs	-7.0	-7.6	-7.9%
General and administrative expenses	-9.8	-8.1	21.0%
Other operating income	7.1	3.8	86.8%
Other operating expenses	-2.5	-1.6	56.3%
Result from investments accounted for At-Equity	5.2	4.2	23.8%
Restructuring income	0.0	11.5	-100%
Operating profit	25.7	31.2	-17.6%
Interest income	0.8	0.2	>100%
Interest expense	-7.5	-6.3	19.0%
Other financial result	-1.1	-1.4	-21.4%
Result from continuing operations before income taxes	17.9	23.7	-24.5%
Income tax expense	-2.6	-2.2	18.2%
Result from continuing operations	15.3	21.5	-28.8%
Net result for the period	15.3	21.5	-28.8%
Thereof attributable to:			
Non-controlling interests	0.1	0.1	0.0%
Consolidated net result (attributable to shareholders of the parent company)	15.2	21.4	-29.0%
Earnings per share, basic and diluted, (in €)	0.12	0.18	-33.3%

Consolidated Statement of Comprehensive Income

€ million	1st Quarter	
	2023	2022
Net result for the period	15.3	21.5
Items that may be reclassified subsequently to profit or loss		
Share of investments accounted for At-Equity in other comprehensive income	-1.7	7.7
Cash flow hedges	0.2	-0.8
Currency translation	-6.2	5.4
Items that will not be reclassified to profit or loss		
Actuarial gains/losses on pensions and similar obligations	0.0	18.0
Other comprehensive income	-7.7	30.3
Comprehensive income	7.6	51.8
Thereof attributable to:		
Non-controlling interests	0.1	0.2
Consolidated net result (attributable to shareholders of the parent company)	7.5	51.6

Consolidated Balance Sheet

ASSETS € million	Mar 31, 23	Dec 31, 22	Change	EQUITY AND LIABILITIES € million	Mar 31, 23	Dec 31, 22	Change
Goodwill	22.7	23.0	-1.3%	Issued capital	313.2	313.2	0.0%
Other intangible assets	14.3	14.9	-4.0%	Capital reserves	1,053.3	1,053.5	0.0%
Property, plant and equipment	552.3	545.0	1.3%	Accumulated losses	-790.0	-797.4	-0.9%
Investments accounted for At-Equity	56.5	60.7	-6.9%	Equity attributable to the shareholders of the parent company	576.5	569.3	1.3%
Other non-current assets	7.6	5.5	38.2%	Non-controlling interests	9.4	9.3	1.1%
Deferred tax assets	43.3	43.9	-1.4%	Total equity	585.9	578.6	1.3%
Total non-current assets	696.7	693.0	0.5%	Provisions for pensions and similar employee benefits	197.2	202.3	-2.5%
Inventories	350.0	324.0	8.0%	Other provisions	11.6	18.2	-36.3%
Trade receivables and contract assets	185.9	182.4	1.9%	Interest-bearing loans	339.5	342.5	-0.9%
Other receivables and other assets	34.9	42.3	-17.5%	Contract liabilities	25.2	17.4	44.8%
Cash and cash equivalents	188.6	227.3	-17.0%	Other financial liabilities	16.5	14.5	13.8%
Total current assets	759.4	776.0	-2.1%	Other liabilities	4.3	4.5	-4.4%
Assets held for sale	2.3	11.3	-79.6%	Deferred tax liabilities	1.2	1.4	-14.3%
Total assets	1,458.4	1,480.3	-1.5%	Total non-current liabilities	595.5	600.8	-0.9%
				Other provisions	72.3	74.8	-3.3%
				Current portion of interest-bearing loans	4.2	34.9	-88.0%
				Trade payables and contract liabilities	150.2	143.7	4.5%
				Other financial liabilities	10.8	10.7	0.9%
				Other liabilities	39.2	34.0	15.3%
				Total current liabilities	276.7	298.1	-7.2%
				Liabilities in connection with assets held for sale	0.3	2.8	-89.3%
				Total equity and liabilities	1,458.4	1,480.3	-1.5%

Consolidated Cash Flow Statement

€ million	1st Quarter		€ million	1st Quarter	
	2023	2022		2023	2022
Result from continuing operations before income taxes	17.9	23.7	Payments to purchase intangible assets and property, plant & equipment	-19.0	-7.0
Adjustments to reconcile the result from continuing operations to cash flow from operating activities:			Proceeds from the sale of intangible assets and property, plant & equipment	5.0	0.0
Interest expense (net)	6.7	6.1	Dividend payments from investments accounted for At-Equity	7.5	0.0
Changes in the value of contract assets (IFRS 15)	-5.2	-2.8	Cash flow from investing activities	-6.5	-7.0
Depreciation/amortization expense	14.5	16.7	Repayment of financial liabilities	-35.4	-1.2
Restructuring income	0.0	-11.5	Payments in connection with financing activities	-1.7	-
Result from investments accounted for At-Equity	-5.2	-4.2	Redemption payments for lease liabilities	-2.0	-2.3
Amortization of refinancing costs	0.6	0.6	Interest paid	-9.6	-8.7
Interest received	0.6	0.0	Cash flow from financing activities	-48.7	-12.2
Income taxes paid	-3.5	-3.7	Effect of foreign exchange rate changes	-0.4	0.3
Changes in provisions, net	-15.6	-23.7	Net change in cash and cash equivalents	-38.7	-10.4
Changes in net working capital			Cash and cash equivalents at beginning of period	227.3	220.9
Inventories	-34.6	-24.8	Cash and cash equivalents at end of period	188.6	210.5
Trade receivables	6.9	17.6			
Trade payables and contract liabilities	15.3	11.0			
Changes in other operating assets/liabilities	18.5	3.5			
Cash flow from operating activities	16.9	8.5			

Condensed Consolidated Statement of Changes in Equity

€ million	1st Quarter 2023		
	Equity attributable to the shareholders of the parent company	Non-controlling interests	Total equity
Balance at December 31	569.3	9.3	578.6
Equity component convertible bonds	-0.3		-0.3
Net result for the period	15.2	0.1	15.3
Other comprehensive income	-7.7		-7.7
Comprehensive income	7.5	0.1	7.6
Balance at March 31	576.5	9.4	585.9

€ million	1st Quarter 2022		
	Equity attributable to the shareholders of the parent company	Non-controlling interests	Total equity
Balance at December 31	371.5	9.3	380.8
Net result for the period	21.4	0.1	21.5
Other comprehensive income	30.3		30.3
Comprehensive income	51.7	0.1	51.8
Balance at March 31	423.2	9.4	432.6

Segment information

€ million	Graphite Solutions	Process Technology	Carbon Fibers	Composite Solutions	Corporate	SGL Carbon
1st Quarter 2023						
Sales revenue by customer industry						
Mobility	13.8		19.6	38.1	7.4	78.9
Energy	14.0		14.1			28.1
Industrial Applications	43.6		14.4	1.7		59.7
Chemicals	6.9	31.9				38.8
Digitization	62.6					62.6
Textile Fibers			15.6			15.6
Total sales revenue	140.9	31.9	63.7	39.8	7.4	283.7
EBITDA pre ¹⁾	30.9	4.9	4.3	5.9	-5.9	40.1
Amortization/depreciation on intangible assets and property, plant and equipment	6.7	0.4	4.1	1.5	1.6	14.3
EBIT pre	24.2	4.5	0.2	4.4	-7.5	25.8
One-off effects/Non-recurring items	0.0	0.0	0.0	-0.2	0.1	-0.1
EBIT	24.2	4.5	0.2	4.2	-7.4	25.7
Capital expenditure ²⁾	11.6	0.3	5.7	0.9	0.5	19.0
Result from investments accounted for At-Equity			5.2			5.2
Working Capital ³⁾	211.2	20.2	132.5	40.7	-44.1	360.5

€ million	Graphite Solutions	Process Technology	Carbon Fibers	Composite Solutions	Corporate	SGL Carbon
1st Quarter 2022						
Sales revenue by customer industry						
Mobility	11.2		40.8	32.8	2.5	87.3
Energy	18.1		15.5			33.6
Industrial Applications	41.4		13.6	3.0		58.0
Chemicals	8.0	25.3				33.3
Digitization	40.9					40.9
Textile Fibers			17.8			17.8
Total sales revenue	119.6	25.3	87.7	35.8	2.5	270.9
EBITDA pre ¹⁾	25.9	2.0	5.4	6.3	-2.8	36.8
Amortization/depreciation on intangible assets and property, plant and equipment	6.9	0.4	4.0	1.3	1.5	14.1
EBIT pre	19.0	1.6	1.4	5.0	-4.3	22.7
One-off effects/Non-recurring items	0.0	0.0	-2.4	-0.3	11.2	8.5
EBIT	19.0	1.6	-1.0	4.7	6.9	31.2
Capital expenditure ²⁾	4.0	0.0	1.2	0.9	0.9	7.0
Result from investments accounted for At-Equity			4.2			4.2
Working Capital (31.12.) ³⁾	209.2	15.7	119.4	32.6	-31.5	345.4

¹⁾ EBITDA adjusted by one-off effects and non-recurring items

²⁾ Defined as total of capital expenditure in other intangible assets and property, plant and equipment

³⁾ Defined as sum of inventories and trade receivables and contract asset less trade payables and contract liabilities

Subsequent events

The sale of SGL CARBON INDIA Pvt. Ltd., Maharashtra (Pune, India) was completed on April 28, 2023. The currency translation effects in the amount of approximately €2 million, which were previously recognized directly in equity, will be expensed at the time of disposal.

Wiesbaden, May 5, 2023

SGL Carbon SE
The Board of Management

Dr. Torsten Derr

Thomas Dippold

Other Information

Quarterly Sales Revenue and EBITDA pre by Reporting Segment

€ million	Q1	Q2	Q3	Q4	2022 Full Year	2023 Q1
Sales revenue						
Graphite Solutions	119.6	123.8	139.1	129.7	512.2	140.9
Process Technology	25.3	23.9	27.8	29.3	106.3	31.9
Carbon Fibers	87.7	88.3	93.0	78.2	347.2	63.7
Composite Solutions	35.8	33.8	41.4	42.1	153.1	39.8
Corporate	2.5	9.1	2.8	2.7	17.1	7.4
SGL Carbon	270.9	278.9	304.1	282.0	1,135.9	283.7

€ million	Q1	Q2	Q3	Q4	2022 Full Year	2023 Q1
EBITDA pre						
Graphite Solutions	25.9	28.1	30.0	34.5	118.5	30.9
Process Technology	2.0	2.1	3.4	2.4	9.9	4.9
Carbon Fibers	5.4	22.8	14.5	0.5	43.2	4.3
Composite Solutions	6.3	3.4	5.1	5.2	20.0	5.9
Corporate	-2.8	-5.3	-4.8	-5.9	-18.8	-5.9
SGL Carbon	36.8	51.1	48.2	36.7	172.8	40.1

Quarterly Consolidated Income Statement

€ million	Q1	Q2	Q3	Q4	2022 Full Year	2023 Q1
Sales revenue	270.9	278.9	304.1	282.0	1,135.9	283.7
Cost of sales	-214.8	-204.8	-230.4	-225.3	-875.3	-224.8
Gross profit	56.1	74.1	73.7	56.7	260.6	58.9
Selling, administrative, R&D and other operating income/expense	-37.6	-43.1	-45.8	-40.3	-166.8	-38.3
Result from investments accounted for At-Equity	4.2	5.3	5.3	3.4	18.2	5.2
EBIT pre	22.7	36.3	33.2	19.8	112.0	25.8
One-off effects/Purchase price allocation effects	-3.0	2.3	-2.7	-12.4	-15.8	-0.1
Restructuring income/expenses	11.5	-0.2	-0.1	13.5	24.7	0.0
EBIT	31.2	38.4	30.4	20.9	120.9	25.7
Financial result	-7.5	-9.1	-6.1	-3.6	-26.3	-7.8
Result from continuing operations before income taxes	23.7	29.3	24.3	17.3	94.6	17.9
Income tax expense	-2.2	-3.0	-2.6	39.1	31.3	-2.6
Result from discontinued operations, net of income taxes		1.3	0.2		1.5	0.0
Net result for the period	21.5	27.6	21.9	56.4	127.4	15.3
Thereof attributable to:						
Non-controlling interests	0.1	0.2	0.1	0.1	0.5	0.1
Consolidated net result (attributable to shareholders of the parent company)	21.4	27.4	21.8	56.3	126.9	15.2

Financial Calendar

May 9, 2023

- Annual General Meeting (virtual)

August 3, 2023

- Report on the First Half Year 2023
- Conference call for investors and analysts

November 2, 2023

- Statement on the First Nine Months 2023
- Conference call for investors and analysts

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Important Note

This interim report 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.

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