

SGL Carbon continues dynamic business development in Q1 2022

- Low impact of Ukraine war on business performance in 1st quarter
- 12.2% increase in sales to €270.9 million based on growth in all four business units
- Adjusted EBITDA improves by 11.5% to €36.8 million

SGL Carbon generated consolidated sales of €270.9 million in Q1 2022 (Q1 2021: €241.5 million). This corresponds to an increase of €29.4 million or 12.2% compared to the same period of the prior year. All four business units contributed to the pleasing increase in sales. In parallel, adjusted EBITDA improved by 11.5% to €36.8 million in the reporting period.

Sales development

In the first three months of fiscal 2022, the sales increase of €29.4 million was driven by all four operating business units: Graphite Solutions (+€11.3 million), Carbon Fibers (+€6.6 million), Composite Solutions (+€7.2 million) and Process Technology (+€6.0 million).

In particular, sales to customers in the automotive and semiconductor industries and a significant recovery in the industrial applications segment were key factors in the increase in sales. Sales of the Process Technology business unit to customers in the chemical industry also developed pleasingly. The effects of the war in Ukraine, which has been ongoing since the end of February 2022, had only a little impact on SGL Carbon's sales performance in the 1st quarter.

Earnings development

Despite the increasingly difficult market environment in the course of Q1 2022, associated with temporary supply and production bottlenecks at our customers, temporarily interrupted transport routes, and significantly higher energy prices, SGL Carbon was able to keep the adjusted EBITDA margin almost stable year-on-year at 13.6%.

Adjusted EBITDA increased by 11.5% to €36.8 million in the reporting period. Higher capacity utilization in the business units and product mix effects contributed to the improvement in earnings, together with the cost savings achieved as a result of the transformation. By contrast, higher raw material, energy and logistics costs as of end of February 2022 had a negative impact on earnings. The Carbon Fibers business unit was particularly affected by the energy price increases. One-time expenses of €9.2 million in conjunction with energy transactions

burdened the Carbon Fibers business unit in the 1st quarter of 2022.

To secure our production and delivery capabilities, around 85% of the energy requirements of the entire SGL Carbon for 2022 are price-hedged.

Adjusted EBITDA and EBIT do not include in total positive one-time effects and special items of €8.5 million, among other things from the termination of a heritable building right to a site no longer in use. Taking into account the one-time effects and special items presented as well as depreciation and amortization of €14.1 million, reported EBIT increased by 83.5% to €31.2 million (Q1 2021: €17.0 million). The net profit for the period developed correspondingly and more than tripled from €6.1 million to €21.4 million in a quarter-on-quarter comparison.

Outlook

The sales and earnings figures for the 1st quarter 2022 confirm the stable demand from our market segments. Price increases and volatility in the availability of raw materials, transportation services and energy were largely offset by savings from the transformation program and pricing initiatives at our customers.

For 2022, we continue to expect volatile raw material and energy prices, which were included in our forecast for 2022 at the time of planning. However, there are uncertainties about the extent and duration to which we and our customers will be affected by the impact of the war in Ukraine or temporary supply chain disruptions due to the lockdowns in China. Therefore, our outlook for fiscal 2022 does not include supply and/or production interruptions at our customers or the impact of a possible energy embargo that cannot be estimated at this time.

Our forecast also implies that factor cost increases can be at least partially passed on to our customers through pricing initiatives. We have also included the revenue and earnings impact from the expiry of a supply contract with a major automobile manufacturer at the end of June 2022 in our forecast.

"Thanks to the success of our transformation with leaner structures, clear responsibility for sales and earnings of the business units, an increased customer and market focus, and the sustainable cost savings achieved, we are now significantly more resilient and better prepared to master the current challenges," emphasizes Dr. Torsten Derr, CEO of SGL Carbon SE.

In line with the comments made above, we confirm the sales and earnings guidance. For fiscal year 2022, consolidated sales are expected to be at the prior year's level and adjusted EBITDA between €110 - 130 million. Taking into account depreciation and amortization, adjusted EBIT is forecast to be between €50 - 70 million. Furthermore, free cash flow at the end of fiscal 2022 is expected to be significantly below the prior-year level and return on capital employed (ROCE) between 5% and 7%.

Further details on business performance in the 1st quarter of 2022 can be found in the quarterly statement.

Key figures Q1 2022

(in € million)	Q1 2022	Q1 2021	Change	Change in %
Group sales	270.9	241.5	29.4	12.2%
Graphite Solutions	119.6	108.3	11.3	10.4%
Process Technology	25.3	19.3	6.0	31.1%
Carbon Fibers	87.7	81.1	6.6	8.1%
Composite Solutions	35.8	28.6	7.2	25.2%
Corporate	2.5	4.2	-1.7	-40.5%
EBITDApre*	36.8	33.0	3.8	11.5%
Graphite Solutions	25.9	22.9	3.0	13.1%
Process Technology	2.0	-0.5	2.5	--
Carbon Fibers	5.4	13.9	-8.5	-61.2%
Composite Solutions	6.3	1.8	4.5	>100%
Corporate	-2.8	-5.1	2.3	-45.1%
EBITDApre-margin* (in %)	13.6%	13.7%		-0.1%-points
Net result (attributable to shareholders of the parent company)	21.4	6.1	15.3	>100%
Free cash flow	1.5	25.3	-23.8	-94.1%

	Mar. 31, 2022	Dec. 31, 2021	Change	Change in %
Equity ratio (in %)	30.6%	27.0%		+3.6%-points
Net financial debt (in € million)	215.4	206.3	9.1	4.4%
ROCE (EBITpre) (in %)	8.3%	8.0%		+0.3%-points

* EBITDApre (adjusted EBITDA): Earnings before interest, taxes, depreciation and amortization adjusted for one-time effects and special items.

About SGL Carbon

SGL Carbon is a technology-based company and world leader in the development and production of carbon-based solutions. Its high-quality materials and products made from specialty graphite, carbon fibers and composites are used in industrial sectors that determine the future: automotive, aerospace, solar and wind energy, semiconductors, and LEDs as well as in the production of lithium-ion batteries, fuel cell and other energy storage systems. In addition, SGL Carbon develops solutions for chemical and industrial applications. Further developments in these areas demand more intelligent, more efficient, networked and sustainable solutions. This is where the entrepreneurial vision of SGL Carbon evolves around: contributing to a smarter world.

In 2021, SGL Carbon SE generated sales of approx. 1 billion euros. The company has approx. 4,700 employees at 31 locations in Europe, North America, and Asia.

Further information on SGL Carbon can be found at www.sglcarbon.com/press.

Important note:

To the extent that our press release contains forward-looking statements, the latter are based on information that is available at present and on our current forecasts and assumptions. Forward-looking statements, by their very nature, entail known as well as unknown risks and uncertainties that may lead to actual developments and events differing substantially from the forward-looking assessments. Forward-looking statements must not be understood to be guarantees. Instead, future developments and events depend on a large number of factors; they comprise various risks and imponderables and are based on assumptions that may possibly turn out not to be appropriate. These include unforeseeable changes to fundamental political, economic, legal and societal conditions, particularly in the context of our main customers' industries, the competitive situation, interest and exchange rate trends, technological developments as well as other risks and uncertainties. We perceive additional risks e.g. in pricing developments, unforeseeable events in the environment of companies acquired and Group member companies as well as in current cost savings programs from time to time. The SGL Carbon assumes no obligation and does not intend to adjust or otherwise update these forward-looking statements either.

SGL Carbon SE

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