

Press Release

Wiesbaden, October 30, 2020

Ad hoc notification according to Art. 17 MAR
(Market Abuse Regulation N° 596/2014)

SGL Carbon SE: An impairment charge has become necessary based on the current status of the new 5 year plan. Board of Management resolves restructuring program

- Impairment loss amounting to €80-100 million in the fourth quarter 2020 in the business unit CFM
- Restructuring program resolved with savings target of more than €100 million until 2023
- Guidance 2020 for Group sales and operating recurring Group EBIT confirmed
- Guidance 2020 for net result reduced to minus €130-150 million

In the current status of the 5 year plan, which is at present under preparation, significant deviations have already become apparent today, particularly in the market segments Automotive, Aerospace and Wind Energy in the business unit Composites – Fibers & Materials (CFM). Partially also due to the pandemic, Automotive and Aerospace is developing slower than anticipated in the last 5 year plan. In contrast, business with Wind Energy is growing much stronger than previously planned. These changes in the product mix lead to lower mid-term earnings at CFM compared to the prior 5 year plan. Following these deviations from the last 5 year plan, an event-driven impairment test was undertaken. This results in a non-cash impairment charge amounting to €80-100 million, which will be recorded in the fourth quarter 2020.

The Board of Management of SGL Carbon SE today also resolved the implementation of a restructuring program, with which the Company is targeting savings of more than €100 million until 2023 (compared to the base year 2019). These savings consist of a planned socially compatible reduction in personnel of more than 500 employees and substantial reduction in indirect spend, particularly in the areas of travel, consulting and external services. Costs of approximately €40 million are anticipated for the implementation of this restructuring program. A little more than half of this is expected to be recorded as expenses in the fourth quarter 2020, while the associated cash outflows are mainly forecasted for 2021.

This requires a partial adjustment of the guidance for 2020. The solid operational development in the third quarter 2020 with Group sales between €220 and €230 million and operating recurring EBIT¹ between €13 and €15 million (plus approximately €9 million positive one-time effects) is within the framework of our expectations for the full year 2020. However, the Group net result is likely to develop below the prior year level of minus €90 million and reach approximately between minus €130 and €150 million due to the restructuring provisions as well as the impairment charge (prior guidance: improvement to a negative low double-digit million €

SGL Carbon SE
Corporate Communications, Media Relations
Soehnleinstrasse 8
65201 Wiesbaden/Germany
Phone +49 611 6029-100 | Fax +49 611 6029-101
press@sglcarbon.com | www.sglcarbon.com

amount).

With liquidity of €167 million as of September 30, 2020 (compared to €137 million at year-end 2019) and further cash inflows in the fourth quarter 2020 from successfully implemented additional funding measures, the Company's position is solid. This liquidity is more than sufficient for the payment of the purchase price for SGL Composites USA in the amount of USD 62 million at the end of 2020 as well as the restructuring-related cash outflows expected mainly in 2021. The Company continues to have access to the revolving credit facility (RCF) in the amount of €175 million, which remains undrawn.

The quarterly statement as of September 30, 2020 will be published on November 12, 2020 as scheduled. Further details on the new 5 year plan as well as the guidance on the fiscal year 2021 will be presented with the publication of the Annual Report 2020 on March 25, 2021.

¹The use of KPIs in this notification is aligned to the annual report 2019 and the interim report for the first half year 2020. There were no changes to the scope of consolidation or to valuation methods compared to the previous guidance.

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 and composites are used in industrial sectors that determine the future: automotive, aerospace, solar and wind energy, semiconductor 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.

In 2019, SGL Carbon SE generated sales of around 1.1 billion euros. The company has approx. 5,100 employees at 31 locations in Europe, North America, and Asia.

Materials, products and solutions from SGL Carbon are embedded in the major topics of the future: sustainable mobility, new energies and cross-industry digitization. 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.

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

Additional Information:

ISIN: DE0007235301 / DE000A2G8VX7

Listing: Amtlicher Markt / Prime Standard / Frankfurter Wertpapierbörse
(Official Market / Prime Standard / Frankfurt Stock Exchange)

OTC in Germany: Berlin, Düsseldorf, Hamburg, Hanover, Munich, Stuttgart, Tradegate Exchange

Company's seat: Wiesbaden

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
Raj Junginger – Head of Capital Markets & Communications
Soehnleinstrasse 8
65201 Wiesbaden/Germany

Telephone +49 611 6029-100
Fax +49 611 6029-101
press@sglcarbon.com
www.sglcarbon.com

 [LinkedIn](#)
 [Facebook](#)
 [Twitter](#)