

SGL Carbon delivers strong first half of 2021 – transformation program and improving order situation show first successes

- Sales up 8.8% to €496.7 million compared with first half of previous year
- Adjusted EBITDA improves by 70.7% to €71.7 million
- Positive business development led to forecast increase on July 13, 2021

While the past fiscal year 2020 was still characterized by a Corona-related slump in orders in many business areas of SGL Carbon, demand picked up again in the first six months of 2021. Accordingly, Group sales increased by 8.8% to €496.7 million in H1 2021 (H1 2020: €456.5 million).

The Carbon Fibers and Composite Solutions Business Units particularly contributed to the €40.2 million increase in sales. Carbon Fibers contributed €166.4 million to Group sales, especially benefiting from increased demand from the automotive market segment. In the Composite Solutions Business Unit, the increase in sales of 52.4% to €60.2 million was also primarily based on the recovering demand from the automotive industry.

With sales of €221.2 million, the Graphite Solutions business area contributed around 44.5% of SGL Group sales. The 3.8% increase in the division's sales was particularly due to the positive development in the important markets of the LED, semiconductor and automotive industries.

Earnings situation:

SGL Carbon's adjusted EBITDA (adjusted for one-off effects and non-recurring items) improved by 70.7% to €71.7 million in the half-yearly comparison (H1 2020: €42.0 million). The improvement in earnings was due to higher capacity utilization as a result of higher sales and, in particular, the savings already achieved under the transformation program. However, higher purchase prices for raw materials, energy as well as transport and logistics had a negative impact on earnings, which could be compensated by savings resulting from other areas.

Adjusted EBITDA does not include one-off effects and non-recurring totaling minus €5.2 million. EBIT has also increased significantly to €38.3 million in the first half of 2021 compared to €5.7 million in the prior-year period. Apart from the positive effects mentioned above, the EBIT increase also results from the € 5.1 million decrease in depreciation and amortization to €28.2 million (H1 2020: €33.3 million) due to the impairments carried out at the end of 2020.

In consideration of the slightly improved financial result of minus €14.0 million (H1 2020: minus €15.8 million), the consolidated result for the first six months of the current financial year was positive at €17.9 million, compared with minus €13.8 million in the same period of the previous

year (in each case after deduction of non-controlling interests of €0.2 million). Therefore, positive earnings per share of €0.15 could be reported again in the first half of 2021.

Net financial debt and equity:

SGL Carbon's net financial debt decreased by €39.8 million or 13.9% to €246.7 million as of June 30, 2021. Main reason for this development was the increase in liquidity by €42.5 million mainly based on the positive free cash flow of €56.5 million.

As of June 30, 2021, equity attributable to equity holders of the parent company increased by €56.1 million (+25.4%) to €276.8 million (December 31, 2020: €220.7 million). Accordingly, the equity ratio increased to 20.8% as of June 30, 2021 (December 31, 2020: 17.5%).

Transformation program:

The restructuring and transformation process initiated at SGL Carbon made a significant contribution to the Company's positive sales and earnings performance. In addition to leaner and more efficient structures as well as a reorganization of the business units with responsibility for results, a large number of improvements and cost initiatives in all business units and sites have contributed to the success of the ongoing transformation program.

Forecast increase:

Due to pleasing business development in the first half of the year as well as transformation successes, SGL Carbon raised its forecast for fiscal year 2021 on July 13, 2021. For the financial year 2021, the company now expects consolidated sales of around €1.0 billion (previously: €920 - 970 million). In line with developments in the first half of 2021 and the results from the transformation, adjusted EBITDA for 2021 is expected to be between €130 - 140 million (previously: €100 - 120 million). Accordingly, a slightly positive net profit is now forecasted for fiscal year 2021 (previously: €-20 million to €0).

Further details on business development and outlook can be found in the Group's interim report for the first half of 2021.

Key figures for the first half of 2021

in € million	H1 2021	H1 2020	Changes	Changes in %
Group Sales	496.7	456.5	40.2	8.8%
Graphite Solutions	221.2	213.2	8.0	3.8%
Process Technology	40.8	44.9	-4.1	-9.1%
Carbon Fibers	166.4	146.6	19.8	13.5%
Composites Solutions	60.2	39.5	20.7	52.4%
Corporate	8.1	12.3	-4.2	-34.1%
EBITDA pre*	71.7	42.0	29.7	70.7%
Graphite Solutions	44.0	36.2	7.8	21.5%
Process Technology	0.1	1.1	-1.0	-90.9%
Carbon Fibers	32.4	15.5	16.9	>100%
Composites Solutions	5.7	-5.5	11.2	--
Corporate	-10.5	-5.3	-5.2	98.1%
EBITDA pre margin (in%)	14.4%	9.2%		+5.2%-points
Consolidated net profit	17.9	-13.8	31.7	--
Free Cashflow	56.5	36.3	20.2	55.6%
	30.06.2021	31.12.2020	Change	Change in %
Equity ratio (in %)	20.8%	17.5%		+ 3,3%-points
Net financial debt (in € million)	246.7	286.5	-39.8	-13.9%

* EBITDA pre: EBITDA adjusted for one-off effects and non-recurring 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 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 2020, SGL Carbon SE generated sales of more than 900 million euros. The company has approx. 4,800 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.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.

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