

Ad hoc release

Wiesbaden, October 24, 2024

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

Impairment in the Carbon Fibers business unit. SGL Carbon SE reports preliminary nine-month figures and confirms guidance for the year 2024

With the publication of the half-yearly figures for 2024, SGL Carbon already announced that the company expects to achieve its adjusted EBITDA guidance for fiscal year 2024 at the lower end of the range of €160 to 170 million. Based on the preliminary figures for the first nine months of the fiscal year 2024, SGL Carbon confirms this statement.

According to preliminary figures, Group sales of SGL Carbon for the first nine months of fiscal year 2024 decreased by 4.8% year on year to €781.9 million (9M 2023: €821.7 million). Preliminary adjusted EBITDA, on the other hand, remained at a comparable level to the prior-year period, at €127.6 million (9M 2023: €130.0 million). Despite the slight sales decline, the adjusted EBITDA margin improved to 16.3% after nine months in 2024 (9M 2023: 15.8%). The reasons for the improved adjusted EBITDA margin are, in particular, product mix effects in the Graphite Solutions and Process Technology business units. By contrast, the ongoing weakness in demand for carbon and textile fiber products in the Carbon Fibers business unit and the early termination of a customer contract at Composite Solutions weighed on the Group's sales and earnings development.

The business unit Carbon Fibers manufactures carbon and textile fibers for the wind and automotive industries as well as various industrial applications. As expected by the Company for the fiscal year 2024, demand for carbon fibers from the wind and automotive industries remains weak. In addition, there is increasing competitive and price pressure due to global overcapacity for both carbon fibers and textile fibers. The company does not expect demand to recover in the coming months and the realizable prices for these products will remain at a low level beyond 2025. Furthermore, SGL Carbon expects that the anticipated improvement in sales and earnings for the Carbon Fibers business unit will be delayed and is revising its existing medium-term planning for Carbon Fibers.

Due to the associated expected deviation an event-driven impairment test is currently being carried out. This indicates a non-cash impairment charge of €60–80 million, which will be recorded in the fourth quarter of 2024. The impairment relates exclusively to Carbon Fibers; the operating business of the other business units is not affected.

SGL Carbon's equity ratio after the impairment is approx. 40% (September 30, 2024: 43.3% according to preliminary figures).

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The review of all strategic options for the Carbon Fibers business unit, which was announced by SGL Carbon on February 23, 2024, and has already begun, remains unaffected by the impairment and is currently continuing.

Further information on the first nine months of the 2024 fiscal year can be found in the quarterly statement, which will be published on November 7, 2024.

¹The use of key figures in this release is in line with the definition in the Annual Report 2023.

SGL Carbon SE
Claudia Kellert – Head of Investor Relations,
Communications and Corporate Sustainability
Soehnleinstrasse 8
65201 Wiesbaden/Germany

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