



**2020**

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Statement on the  
nine months

# Summary

Solid development in Q3/2020: sales revenues increased approx. 10% to €227 million compared to the prior quarter. Operating recurring EBIT improved substantially to €15 million compared to the prior quarter which was weakened by the pandemic.

Group sales revenues in 9M/2020 declined by approx. 18% to €684 million, driven by a pandemic-related weaker business development, expected lower business in Battery & other Energy (GMS), as well as capacity adjustments in Textile Fibers (CFM). Group operating recurring EBIT reached €25 million (9M/2019: €54 million).

Current status of new 5 year plan requires impairment charge of €80-100 million in the business unit CFM in Q4/2020. In addition, a restructuring program with earnings improvement measures of more than €100 million until 2023 was resolved, associated with costs of €40 million, from today's perspective. A little more than 50% of the total amount will be recorded in Q4/2020 as restructuring expenses.

Outlook for Group sales and Group operating recurring EBIT for 2020 is confirmed. In contrast, outlook for Group net result reduced to minus €130 to €150 million.

Free cash flow at approx. €44 million in 9M/2020. With this, liquidity developed very positively to €167 million as of September 30, 2020, in light of the current economic environment, due to strict spend control and non-capital market related funding measures (year-end 2019: €137 million).

# Financial Highlights

€ million	Nine months		
	2020	2019	Change
Sales revenue	683.5	832.4	-17.9%
EBITDA before non-recurring items	86.0	107.2	-19.8%
Operating profit (EBIT) before non-recurring items (recurring EBIT)	33.9	54.2	-37.5%
Operating EBIT before non-recurring items <sup>1)</sup>	25.4	54.2	-53.1%
Return on sales (EBIT-margin) <sup>2)</sup>	5.0%	6.5%	-
Return on capital employed (ROCE <sub>EBIT</sub> ) <sup>3)</sup>	2.3%	4.7%	-
Operating loss/profit (EBIT)	24.8	-26.8	-
Consolidated net result (attributable to shareholders of the parent company)	-3.9	-74.5	94.8%

€ million	30. Sep. 20	31. Dec. 19	Change
Total assets	1,454.1	1,504.8	-3.4%
Equity attributable to the shareholders of the parent company	372.0	418.6	-11.1%
Net financial debt <sup>4)</sup>	262.4	288.5	-9.0%
Leverage ratio <sup>5)</sup>	2.66	2.40	-
Equity ratio <sup>6)</sup>	25.6%	27.8%	-

<sup>1)</sup> EBIT before non-recurring items and before positive one-time effects of €8.5 million in the first nine months of 2020

<sup>2)</sup> Ratio of EBIT before non-recurring items to sales revenue

<sup>3)</sup> EBIT before non-recurring items 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)

<sup>4)</sup> Financial liabilities (nominal amounts) less liquidity

<sup>5)</sup> Net financial debt divided by EBITDA before non-recurring items of the last 12 months

<sup>6)</sup> Equity attributable to the shareholders of the parent company divided by total assets

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# News from the Headquarters and the Businesses

## SGL Carbon

### February 2020

The supervisory board of SGL Carbon SE appointed Dr. Torsten Derr as Chief Executive Officer of SGL Carbon SE for the duration of five years effective July 1, 2020. Fortunately, Dr. Derr was able to take up his position already on June 1, 2020. Since 2016, Dr. Derr held the position of Managing Director of SALTIGO GmbH, Leverkusen, a subsidiary of LANXESS AG. Following his master degree and attainment of his PhD in chemistry at the University of Bremen, he began his professional career at Bayer AG in 1997 and at LANXESS AG in 2003.

### June 2020

Due to the corona-related social distancing requirements, the Annual General Meeting on June 16, 2020 took place virtually at the company's headquarters. The board members, a notary, Ms. Klatten as chairwoman of the supervisory board and Messrs. Denoke and Jodl as deputy chairmen of the supervisory board attended in person. The supervisory board members Mrs. Klatten, Mr. Denoke and Mr. Eichler were re-elected with high approval rates. Approximately 320 shareholders participated online.

### August 2020

During the meeting on August 17, 2020, the Supervisory Board of SGL Carbon SE appointed Thomas Dippold (48) as CFO and Member of the Board of Management for the duration of five years effective December 1, 2020. Mr. Dippold will succeed the long-standing CFO Dr. Michael Majerus, who will resign from his office as of November 30, 2020 by mutual amicable consent. Mr. Dippold has already taken up his position as member of the Board of Management of SGL Carbon SE effective October 15, 2020.

## Reporting segment Composites – Fibers & Materials (CFM)

### January 2020

SGL Carbon received a substantial contract from a North American automaker for the series production of the top and bottom layers for battery enclosures made of carbon and glass fiber reinforced composites.

At the beginning of this year, SGL Carbon started serial production of landing gears made from carbon fiber material, which will be installed in around 500 flight taxis worldwide over the next two years. The carbon fibers for the component are produced at the SGL Carbon plant in Muir of Ord, Scotland. The final component is being manufactured at the Innkreis site in Austria.

### April 2020

After prototypes for a Chinese automotive manufacturer, a major order from a North American automaker and yet another order from a European sports car manufacturer, SGL Carbon has now been nominated by BMW to serially produce a cover component for battery enclosures. This substantial multi-year order will include the production of an innovative glass-fiber-based cover plate for the battery housing. The component will be used in a future plug-in hybrid model.

### August 2020

The development of a new generation of thermal insulation for high temperature furnaces within the framework of the Aerofurnace consortium was the focus of a communication.

## Reporting segment Graphite Materials & Systems (GMS)

### January 2020

SGL Carbon has completed the modernization and expansion of its production capacities for specialty graphite automotive components at the Bonn site. Due to its durability, high strength, low friction behavior and high conductivity, the material is suitable for many different automotive applications. Examples include rotors and vanes in vacuum pumps for brake boosters, bearings for exhaust gas management, and sealing rings and bearings for seals in coolant pumps.

### February 2020

SGL Carbon reported on receiving the "Supplier of the Year 2019" award for excellence in quality management and contributions to strengthen the overall competitiveness of the Hyundai Motor Group related to the manufacturing and supply of fuel cell components.

### July 2020

The corporate magazine took a closer look at silicon carbide semiconductors and explained their highly attractive growth prospects. SGL Carbon supplies graphite components for the furnaces used to manufacture these semiconductors. These components must withstand temperatures of up to 2400 degrees Celsius and be of the highest purity.

### August 2020

SGL Carbon reports on a substantial order for 12 graphite based heat exchangers. The completely assembled systems will be used by the customer to expand their capacity for the production of phosphoric acid as one of the main raw materials to produce fertilizer for the agricultural sector worldwide. The delivery of the heat exchangers is planned for end of 2020.

# Interim Group Management Report

## Economic environment

In October 2020, the International Monetary Fund (IMF) revised the global growth forecast for the current year upwards by 0.8 percentage points to minus 4.4% mainly due to the faster than expected recovery of economic activity in the industrial nations compared to the IMF forecasts in June.

For the following year 2021, the IMF expects global growth of 5.2% and thus a significant recovery, albeit 0.2 percentage points below the last forecast from June 2020. The expected strong growth in 2021, however, is mainly the result of the low base due to the recessive quarters in 2020. Overall, the IMF continues to see considerable uncertainty regarding the forecast, the pandemic itself, its macroeconomic impact and the associated burdens on the financial and commodity markets.

For the euro area, the IMF expects economic output to decline by 8.3% in the current year, followed by a recovery of 5.2% in 2021. This means growth expectations have been increased by 1.9 percentage points for 2020 and decreased by 0.8 percentage points for 2021 compared to the IMF's June forecast. For Germany, minus 6.0% (1.8 percentage points higher than the June 2020 IMF forecast) is expected in 2020 and 4.2% (1.2 percentage points lower than the June 2020 IMF forecast) in the coming year.

The increasingly consistent outlook for the second half of the year prompted us to reinstate guidance for 2020 on July 28, 2020 under certain assumptions. Even though risks associated with a second pandemic wave and an associated further decline in demand due to a recession has recently increased, the Company confirms its guidance for Group sales revenue and Group operating recurring EBIT for the full year 2020 based on the development in the first nine months 2020. In the medium term, a weaker development is seen particularly in the automobile and aerospace businesses compared to the prior expectations.

## Basis of preparation

The quarterly statement as of September 30, 2020 applies the same accounting principles and practices as those used in the 2019 annual financial statements.

## Key events of the business development

### Impacts and measures related to the Covid-19 pandemic

The Covid-19 pandemic affects the business operations of SGL Carbon. SGL Carbon has two clear priorities. Overriding target is to implement measures to protect the health of our employees, their families and our business partners. In addition, it is our responsibility to manage our Company in the best way and as unscathed as possible through these times. The board of management together with both business units and the central functions have put together a comprehensive package of measures. The implemented work and behavioral measures have contributed to the fact, that only very few employees have so far been positively tested for the new Corona virus.

In the reporting segment GMS, the Covid-19 crisis particularly affected the market segments Industrial Applications, Chemicals and Automotive & Transport. In contrast, the market segments Battery & other Energy, LED, Solar and Semiconductor were nearly able to maintain their plan level. In the CFM reporting segment, all market segments except for Wind Energy are affected by the decline in business volume due to Covid-19.

SGL Carbon is globally active with 29 production sites. Some countries or regional authorities had implemented comprehensive restrictions such as lockdowns, which have had direct impact on our business operations. The GMS sites in China, India, Italy and Spain were temporarily affected by these restrictions, which have been lifted in the meantime and the sites have resumed operations. Due to temporary customer production stops, the CFM sites in Wackersdorf (Germany) and Austria have scaled back their production and introduced short time work. This also applied to the two production sites of the Brembo SGL joint venture. Thanks to the measures taken, the remaining sites of SGL Carbon in Germany, USA, UK, France, Portugal and Poland were able to largely maintain production and distribution of products without interruption, but at different degrees of utilization.

To counter the effects of the partially massive interruptions in the supply chain and their resulting lost work time, SGL Carbon is utilizing short time work as well as reduction of vacation and overtime at the sites and businesses, that are particularly affected. On September 30 approx. 17% of SGL Carbon employees were in short-time work or similar measures. The majority of

short-time work measures are only used proportionally. Administrative employees and teams continued their activities largely from the home office.

## Agreement with Showa Denko on settlement payment

Following the decision by the Japanese company Showa Denko (SDK) to discontinue the graphite electrode production site in Meitingen (Germany), SGL Carbon und Showa Denko have agreed in July 2020 to amend, adjust and/or terminate all existing contractual relationships by mutual consent for a settlement payment in a low double digit € million amount to be made by SDK to SGL Carbon. The amount shall be paid in two tranches, in November 2020 and February 2021. Showa Denko had acquired the graphite electrode business from SGL Carbon in the year 2017. As the site operator, SGL Carbon had entered into a number of contracts (in addition to the rental contract regarding land and buildings), including service agreements and supply relationships. A portion of €8.5 million of the agreed settlement amount, related to the early termination of rental and service contracts, was therefore recorded in sales revenue and earnings in the third quarter of 2020. Along with the compensation for rental and service level agreements, the total settlement amount also covers decommissioning, dismantling and disposal of existing technical equipment and machinery of SDK at the site in Meitingen.

## Business development

### Segment Reporting

#### Reporting segment Composites – Fibers & Materials (CFM)

€ million	Nine months		
	2020	2019	Change
Sales revenue	283.4	328.6	-13.8%
EBITDA before non-recurring items <sup>1)</sup>	32.0	24.1	32.8%
EBIT before non-recurring items (recurring EBIT) <sup>1)</sup>	10.6	-1.8	-
Return on sales (EBIT-margin) <sup>1)</sup>	3.7%	-0.5%	-
Return on capital employed (ROCE <sub>EBIT</sub> ) <sup>2)</sup>	0.7%	-0.3%	-
Operating loss/profit (EBIT)	3.0	-82.8	-

<sup>1)</sup> Non-recurring items of minus €7.6 million and minus €81.0 million in the first nine months 2020 and 2019, respectively

<sup>2)</sup> EBIT before non-recurring items 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)

While the first quarter 2020 in the reporting segment Composites – Fibers & Materials (CFM) was still relatively unaffected by the Corona crisis, the effects were clearly visible in the second quarter 2020. Fortunately, the negative effects eased again in the third quarter, so that the development – particularly in earnings – was substantially better than expected at the half year mark. Accordingly, sales revenue in the third quarter 2020 only declined by approximately 11% year-over-year while recurring EBIT turned substantially positive (details on the quarterly development on page 23).

In the reporting period, sales revenue declined by approximately 14% (no meaningful currency effect) to €283.4 million from €328.6 million in the prior year period. The largest percentage decline was recorded in the loss-making market segment Textile Fibers. This is due to the fact that, as part of the earnings improvement measures, SGL Carbon had at the end of 2019 started to convert one acrylic fiber line to precursor and to idle two further lines. Corona-related declines were recorded in the market segments Automotive and Industrial Applications. In contrast, business with the wind energy industry increased by more than 60% and thus again developed more favorably than initially anticipated. The Aerospace business remained relatively stable compared to the prior year level.

Major investment accounted for At-Equity is the Ceramic Brake Discs business (Brembo SGL: development and production of carbon ceramic brake discs) which is allocated to the market segment Automotive and has two production sites in Meitingen (Germany) and Stezzano (Italy). Both sites had to stop production between end of March and end of April 2020, in Italy due to government regulations (lockdown) and in Germany due to production curtailments at important automotive customers. Accordingly, aggregated sales of the At-Equity accounted investments fell by approximately 20% to €152.5 million in the first nine months 2020 (9M/2019: €190.1 million, 100% values for companies). This sales revenue is not included in Group consolidated sales revenues.

Recurring EBIT improved from minus €1.8 million in the prior year period to €10.6 million in the first nine months 2020. The substantially improved results in the Wind Energy business and the positive effects from the earnings improvement measures implemented at the end of 2019 were only slightly offset by the weaker Automotive business and the approximately €4 million lower earnings contribution from At-Equity accounted investments. Accordingly, the EBIT margin improved from minus 0.5% to 3.7% in the reporting period.

After consideration of non-recurring items of minus €7.6 million, EBIT in the first nine months 2020 improved to €3.0 million (9M/2019: minus €82.8 million). Non-recurring items in the reporting period and in the prior year period mainly included the additional depreciation relating to the purchase price allocation from the acquisition of the shares in the SGL Composite companies as well as the impairment charge of €74.7 million in the prior year period.

## Reporting Segment Graphite Materials & Systems (GMS)

€ million	Nine months		
	2020	2019 <sup>1)</sup>	Change
Sales revenue	373.1	480.1	-22.3%
EBITDA	59.1	94.8	-37.7%
Operating profit (EBIT)	35.4	74.5	-52.5%
Return on sales (EBIT-margin)	9.5%	15.5%	-
Return on capital employed (ROCE EBIT) <sup>2)</sup>	8.7%	17.5%	-

<sup>1)</sup> Adjusted to reflect the reclassification of the business with gas diffusion layers from Corporate

<sup>2)</sup> EBIT before non-recurring items 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)

The effects from the Corona pandemic have further increased in the reporting segment Graphite Materials & Systems (GMS) in the third quarter 2020. This is mainly due to the late cyclical nature of the GMS business. Compared to the prior year quarter, sales declined by approximately 25% and EBIT by approximately 55% (details on the quarterly development on page 23).

In total, sales revenue in the reporting period declined by approximately 22% (no material currency impact) to €373.1 million from €480.1 million in the prior year period. This was driven by expected changes in the supply chain of our Li-ion battery business, as well as pandemic-related decrease of sales revenues in all market segments except Semiconductors, which grew by a low double-digit percentage.

Compared to the record earnings level in the prior year period (9M/2019: €74.5 million), recurring EBIT in the reporting period decreased by approximately 52% to €35.4 million. The IFRS 15 effect alone contributed €10 million to the earnings decline. The EBIT margin deteriorated to 9.5% (9M/2019: 15.5%). In line with the development in sales revenues, almost all market segments recorded an earnings decline compared to the prior year period. Only the market segments Semiconductors and

Automotive & Transport remained stable and close to the prior year level.

## Reporting segment Corporate

€ million	Nine months		
	2020	2019 <sup>1)</sup>	Change
Sales revenue	27.0	23.7	13.9%
thereof Central Innovation	1.1	0.7	57.1%
EBITDA	-5.1	-11.7	56.4%
EBIT before non-recurring items (recurring EBIT) <sup>2)</sup>	-12.1	-18.5	34.6%
Operating EBIT before non-recurring items <sup>3)</sup>	-20.6	-18.5	-11.4%
Operating loss (EBIT)	-13.6	-18.5	26.5%
thereof Central Innovation	-7.2	-7.5	4.0%

<sup>1)</sup> Adjusted to reflect the reclassification of the business with gas diffusion layers to the reporting segment GMS

<sup>2)</sup> Non-recurring items of minus €1.5 million in the first nine months of 2020

<sup>3)</sup> Operating EBIT before non-recurring items and before positive one-time effects of €8.5 million in the first nine months of 2020

Sales revenues in the reporting segment Corporate in the first nine months 2020 increased by approximately 14% (no currency effect) compared to the prior year level due to the agreement between SGL Carbon and SDK, which was concluded in July 2020 (see page 6 for further details). An amount of €8.5 million of the compensation was recorded as positive one-time effects in sales revenue and recurring EBIT in the third quarter 2020. Lower services provided to divested business units (former Business Unit Performance Products resp. PP) only partially offset this effect.

At minus €20.6 million, operating recurring EBIT in the reporting segment Corporate remained 11% below the prior year level (9M/2019: minus €18.5 million). Taking into consideration the positive one-time effect in the amount of €8.5 million and non-recurring items of minus €1.5 million, EBIT improved by approximately 27% to minus €13.6 million (9M/2019: minus €18.5 million). Non-recurring items in the reporting period mainly relate to restructuring expenses for consulting services.

## Group business development

### Condensed Consolidated Income Statement

€ million	Nine months		
	2020	2019	Change
<b>Sales revenue</b>	<b>683.5</b>	<b>832.4</b>	<b>-17.9%</b>
Cost of sales	-533.1	-654.2	18.5%
<b>Gross profit</b>	<b>150.4</b>	<b>178.2</b>	<b>-15.6%</b>
Selling, administrative and R&D expenses	-130.0	-139.1	6.5%
Other operating income/expenses	7.6	4.8	58.3%
Result from investments accounted for At-Equity	5.9	10.3	-42.7%
<b>Operating profit (EBIT) before non-recurring items (recurring EBIT)</b>	<b>33.9</b>	<b>54.2</b>	<b>-37.5%</b>
Impairment loss	-	-74.7	-
Other non-recurring items	-9.1	-6.3	-44.4%
<b>Operating loss/profit (EBIT)</b>	<b>24.8</b>	<b>-26.8</b>	<b>-</b>
<b>Operating EBIT<sup>1)</sup></b>	<b>25.4</b>	<b>54.2</b>	<b>-53.1%</b>
<b>EBITDA before non-recurring items</b>	<b>86.0</b>	<b>107.2</b>	<b>-19.8%</b>

<sup>1)</sup> EBIT before non-recurring items and before positive one-time effects of €8.5 million in the first nine months of 2020

Sales revenue of SGL Carbon fell significantly by almost 18% (no currency effect) to €683.5 million (9M/2019: €832.4 million). The decline in sales revenue is attributable to the developments described in the segment reporting. In contrast, the gross margin increased to 22.0% (9M/2019: 21.4%) in the reporting period mainly due to the proportional recognition of the settlement compensation from SDK, as mentioned above. In line with the reduced sales revenue, gross profit decreased to €150.4 million in the reporting period from €178.2 million in the prior year period. Selling, administrative and R&D costs were partially adjusted to the weaker business situation and decreased by 6.5% to €130.0 million (9M/2019: €139.1 million).

Accordingly, recurring EBIT in the reporting period fell by 38% to €33.9 million (9M/2019: €54.2 million). EBIT before non-recurring items and adjusted for the one-time settlement compensation [operating recurring EBIT] amounted to €25.4 million.

Non-recurring items of minus €9.1 million in the reporting period mainly include the additional amortization of identified assets and liabilities resulting from purchase price allocation (PPA) of the SGL Composites companies amounting to minus €7.6 million, as well as restructuring expenses of €1.5 million, particularly for consulting services. In the third quarter of the

last financial year, an impairment loss was recognized on other intangible assets, buildings, plant and machinery and other fixed assets at the cash generating unit CF/CM in the reporting segment CFM in the amount of €74.7 million. As a result, EBIT after non-recurring items increased from minus €26.8 million in the first nine months of 2019 to €24.8 million in the reporting period.

### Net financial result

€ million	Nine months		
	2020	2019	Change
Interest income	0.6	1.2	-50.0%
Interest expense	-13.1	-14.6	10.3%
Imputed interest convertible bonds (non-cash)	-2.0	-4.1	51.2%
Imputed interest finance lease (non-cash)	-2.2	-2.6	15.4%
Interest expense on pensions	-3.0	-4.7	36.2%
<b>Interest expense, net</b>	<b>-19.7</b>	<b>-24.8</b>	<b>20.6%</b>
Amortization of refinancing costs (non-cash)	-1.9	-2.7	29.6%
Foreign currency valuation of Group loans (non-cash)	-1.0	0.2	-
Other financial income/expenses	-0.8	-5.3	84.9%
<b>Other financial result</b>	<b>-3.7</b>	<b>-7.8</b>	<b>52.6%</b>
<b>Net financial result</b>	<b>-23.4</b>	<b>-32.6</b>	<b>28.2%</b>

Interest expenses include the cash interest components for the 2019/2024 corporate bond issued in April 2019 with an interest rate of 4.625% and the 2018/2023 convertible bond with an interest rate of 3.0%. The previous year's figure also included the interest expense for the financial liabilities of SGL Composites to BMW and for the 2015/2020 convertible bond (interest rate of 3.5%). The non-cash imputed interest on the convertible bond is recognized in order to adjust the coupon on the convertible bond to comparable interest rates at the time of its issuance.

Due to the absence of interest expenses for the 2015/2020 convertible bond included in the previous year and lower interest expenses for pensions in the current year, the net interest expense for the reporting period improved significantly from minus €24.8 million in the previous year to minus €19.7 million. The other financial result also improved year-on-year to minus €3.7 million (9M/2019: minus €7.8 million). Main driver of this development was a one-time negative earnings effect from the repurchase of the convertible bond 2015/2020 amounting to €6.3 million included in the third quarter of 2019.



In total, net financial result improved significantly to minus €23.4 million (9M/2019: minus €32.6 million).

## Condensed Consolidated Income Statement (continued)

€ million	Nine months		
	2020	2019	Change
<b>Operating loss/profit (EBIT)</b>	<b>24.8</b>	<b>-26.8</b>	-
Net financial result	-23.4	-32.6	28.2%
<b>Result from continuing operations before income taxes</b>	<b>1.4</b>	<b>-59.4</b>	-
Income tax expense	-4.5	-14.7	69.4%
<b>Result from continuing operations</b>	<b>-3.1</b>	<b>-74.1</b>	<b>95.8%</b>
Result from discontinued operations, net of income taxes	-0.1	-0.1	0.0%
<b>Net result for the period</b>	<b>-3.2</b>	<b>-74.2</b>	<b>95.7%</b>
Attributable to:			
Non-controlling interests	0.7	0.3	>100%
Consolidated net result (attributable to shareholders of the parent company)	-3.9	-74.5	94.8%
Earnings per share - basic and diluted (in €)	-0.03	-0.61	95.1%

## Result before income taxes and net result

Particularly due to the impairment loss of €74.7 million, the result from continuing operations before income taxes of the prior year period amounted to minus €59.4 million, compared to plus €1.4 million in the reporting period. Income tax expense of €4.5 million was characterized by current tax expenses on the positive earnings contributions of certain group companies. Income tax expense of the prior year period of €14.7 million was characterized by valuation allowances on deferred tax assets in the United Kingdom and in Germany in the amount of €7.4 million.

Consolidated net result for the period amounted to minus €3.9 million compared to minus €74.5 million in the prior year period (after deduction of non-controlling interests in the reporting period of €0.7 million and in the first nine months of 2019 of €0.3 million, respectively).

## Balance sheet structure

ASSETS €m	30. Sep. 20	31. Dec. 19	Change
Non-current assets	781.2	820.9	-4.8%
Current assets	672.9	683.9	-1.6%
<b>Total assets</b>	<b>1,454.1</b>	<b>1,504.8</b>	<b>-3.4%</b>
<b>EQUITY AND LIABILITIES €m</b>			
Equity attributable to the shareholders of the parent company	372.0	418.6	-11.1%
Non-controlling interests	10.7	10.3	3.9%
<b>Total equity</b>	<b>382.7</b>	<b>428.9</b>	<b>-10.8%</b>
Non-current liabilities	818.9	796.0	2.9%
Current liabilities	252.5	279.9	-9.8%
<b>Total equity and liabilities</b>	<b>1,454.1</b>	<b>1,504.8</b>	<b>-3.4%</b>

Total assets as of September 30, 2020 of €1,454.1 million decreased by €50.7 million or 3% compared to December 31, 2019 at €1,504.8 million. Currency effects of €25.4 million, particularly from the weaker US Dollar have contributed to the reduction.

Non-current assets declined, because capital expenditure in property, plant and equipment and intangible assets of €33.2 million in the first nine months of 2020 was well below the level of depreciation and amortization of €60.2 million (including amortization of €8.1 million from purchase price allocation). In addition, currency effects of €15.1 million also contributed to this reduction. Due to the measures taken to optimize working capital as well as due to the Corona-related lower business development, current assets also fell by €11.0 million. This is mainly the result of the reduction in inventories by €25.0 million and other receivables and other assets by €8.9 million. This resulted in an increase in liquidity by €29.7 million, which was significantly increased to €166.8 million.

The increase in non-current liabilities of €22.9 million is essentially due to the increase in pension liabilities by €19.0 million, as the current long-term interest rate expectations in Germany and the US are below the interest rate level at the end of 2019. In addition, the acquisition of a building that was previously leased and that is now financed by a long term bank loan, has also contributed to the increase. Currency effects had an opposite effect. The significant reduction in current liabilities resulted in particular from the reduction in trade payables by €18.0 million as well as the repayment of leasing liabilities of €6.7 million following the acquisition of a building already mentioned.

## Working Capital

€ million	30. Sep. 20	31. Dec. 19	Change
Inventories	281.4	306.4	-8.2%
Trade accounts receivable and contract assets	202.3	209.1	-3.3%
Trade payables	-90.7	-108.7	16.6%
<b>Working Capital</b>	<b>393.0</b>	<b>406.8</b>	<b>-3.4%</b>

Working capital decreased by €13.8 million to €393.0 million as of September 30, 2020. The reduction was affected by currency effects in the amount of €6.5 million. The change in the balance sheet values results from the reduction of the reported inventories by €25.0 million as well as trade receivables and contract assets by €6.8 million. Trade payables were reduced by €18.0 million, thus partly offsetting this effect.

## Change in equity

As of September 30, 2020, equity attributable to the shareholders of the parent company decreased significantly by €46.6 million to €372.0 million (December 31, 2019: €418.6 million). On the one hand, the decrease is attributable to the negative effects of the adjustment to the lower pension discount rate environment in Germany and the USA by €23.0 million in total. On the other hand, negative foreign currency changes of €19.7 million and the net result of minus €3.9 million have also contributed to the decrease. Overall, the equity ratio decreased to 25.6% as of September 30, 2020 (27.8% as of December 31, 2019).

## Net financial debt

€ million	30. Sep. 20	31. Dec. 19	Change
Carrying amount of current and non-current financial liabilities	414.4	407.6	1.7%
Remaining imputed interest for the convertible bonds	8.7	10.7	-18.7%
Refinancing cost	6.1	7.3	-16.4%
<b>Total financial debt [nominal amount]</b>	<b>429.2</b>	<b>425.6</b>	<b>0.8%</b>
Liquidity	166.8	137.1	21.7%
<b>Net financial debt</b>	<b>262.4</b>	<b>288.5</b>	<b>-9.0%</b>

Financial debt mainly includes the corporate bond 2019/2024 of €250.0 million, the convertible bond 2018/2023 of

€159.3 million, liabilities to banks of €19.9 million (December 31, 2019: €16.3 million) and the remaining imputed interest components as well as the accrued refinancing costs.

As of September 30, 2020, net financial debt decreased by €26.1 million to €262.4 million. This development is primarily attributable to the positive free cash flow from continuing operations of €43.7 million, less the repayments for lease liabilities of €13.5 million and the payments for discontinued operations of €2.0 million.

## Free cash flow

€ million	Nine months	
	2020	2019
<b>Cash flow from operating activities</b>		
Result from continuing operations before income taxes	1.4	-59.4
Restructuring expenses	1.5	-0.2
Impairment loss	-	74.7
Depreciation/amortization expense	60.2	61.2
Changes in working capital	-1.4	-16.8
Miscellaneous items	7.1	-29.6
<b>Cash flow from operating activities</b>	<b>68.8</b>	<b>29.9</b>
<b>Cash flow from investing activities</b>		
Payments to purchase intangible assets and property, plant & equipment	-33.2	-50.7
Proceeds from the sale of intangible assets and property, plant & equipment	1.8	1.7
Dividend payments from investments accounted for At-Equity	6.3	6.9
Payments received for divestitures	-	2.6
<b>Cash flow from investing activities - continuing operations</b>	<b>-25.1</b>	<b>-39.5</b>
Cash flow from investing activities - discontinued operations	-2.0	-9.8
<b>Cash flow from investing activities - continuing and discontinued operations</b>	<b>-27.1</b>	<b>-49.3</b>
<i>Free cash flow <sup>1)</sup> - continuing operations</i>	<i>43.7</i>	<i>-9.6</i>
<i>Free cash flow <sup>1)</sup> - discontinued operations</i>	<i>-2.0</i>	<i>-9.8</i>

<sup>1)</sup> Defined as cash flow from operating activities minus cash flow from investing activities

Cash flow from operating activities in the first nine months of 2020 improved significantly by €38.9 million to €68.8 million, in particular because, in contrast to previous years, there was no significant increase in working capital in the first nine months of the year. In addition, cash flow from investing activities improved from minus €39.5 million in the prior year period to minus €25.1 million in the reporting period, mainly because of lower

capital expenditure in intangible assets and property, plant & equipment, which decreased significantly in the reporting period by approximately one third to €33.2 million (9M/2019: €50.7 million). The reporting period included cash inflows from dividend payments from a joint venture and an associate amounting to €6.3 million in total (prior year period: €6.9 million).

As a result of the above effects, free cash flow from continuing operations improved significantly to €43.7 million in the reporting period (9M/2019: minus €9.6 million).

Free cash flow from discontinued operations also improved significantly to minus €2.0 million in the reporting period after minus €9.8 million in the prior year period. In the reporting period, the figure primarily includes a tax payment for prior years for the former business unit PP, while the prior year figure includes a settlement payment to the acquirer of the Aerostructures business.

## Employees

The following tables provide information on the headcount development according to reporting segments and to geographic regions:

Headcount	30. Sep. 20	31. Dec. 19	Change
Composites - Fibers & Materials	1.614	1.698	-4.9%
Graphite Materials & Systems	3.088	3.141	-1.7%
Corporate	246	288	-14.6%
<b>Total SGL Carbon</b>	<b>4.948</b>	<b>5.127</b>	<b>-3.5%</b>

Headcount	30. Sep. 20	31. Dec. 19	Change
Germany	2.300	2.341	-1.8%
Europe excluding Germany	1.359	1.461	-7.0%
USA	766	829	-7.6%
Asia	523	496	5.4%
<b>Total SGL Carbon</b>	<b>4.948</b>	<b>5.127</b>	<b>-3.5%</b>

The reduction in the number of employees in the Corporate reporting segment is due to the lower level of services to the divested PP business unit. The decrease in the number of employees in Europe (excluding Germany) and the USA is primarily attributable to pandemic-driven personnel adjustments.

## Opportunities and Risks

Regarding existing opportunities and risks, we refer to the detailed statements in the annual report for the financial year ended December 31, 2019.

In the annual report we had already referred to the risks arising from possible effects from the corona virus on the economic environment. The global economy has shrunk significantly in recent months as a result of the pandemic that has been spreading since mid-March, the accompanying lockdowns and weaker consumer spending. The effects of the current developments are reflected in the guidance. These, too, are still subject to uncertainties. The extent and duration of the effects of the increasing measures (subsequent to the balance sheet date) to tackle the pandemic on the global economy and thus on the business activities of SGL Carbon cannot be fully assessed. For the current year, we only see limited market risks within the reporting segments, provided there will be no pandemic-related shutdown of industries as during the first half year.

On the basis of the preliminary mid-term planning prepared subsequent to the balance sheet date, we adjusted our expectations, especially as we see a weaker environment in the automotive as well as the aerospace sector. As a result, a non-cash impairment charge of €80-100 million in the reporting segment CFM became apparent, which will be recognized in profit and loss during the fourth quarter of 2020. With this, the respective risk materialized in the fourth quarter.

Further business risks may have a negative impact on the financial position. With liquidity of more than €160 million at the end of the third quarter, we consider ourselves well positioned in the current environment. In addition, we continue to have access to the syndicated loan facility, which is still undrawn.

On the basis of the information currently available, it is our opinion that no individual material risks exist – neither presently nor in the foreseeable future – that could jeopardize the business as a going concern. Even if the individual risks are viewed on an aggregate basis, they do not threaten SGL Carbon as a going concern.

## Outlook

### Financial targets for the reporting segments

€m	KPI	Actuals 2019	Outlook 2020 <sup>1)</sup>
CFM	Sales revenue	431.6	Decline by approx. 10%
	Operating EBIT <sup>2)3)</sup>	-8.3	Slightly positive result
GMS	Sales revenue	622.5	Decline by approx. 20 %
	Operating EBIT <sup>2)3)</sup>	85.5	Decline by at least 50 %
Corporate	Operating EBIT <sup>2)3)</sup>	-28.8	Significant decline

<sup>1)</sup> "significant" indicates a variation of more than 10%

<sup>2)</sup> before non-recurring items

<sup>3)</sup> before positive one-time effects

In light of the uncertainties surrounding the further development, the duration as well as the impacts of the Covid-19 pandemic, on April 1, 2020, the Board of Management of SGL Carbon SE decided to suspend the guidance for the fiscal year 2020 as published in the Annual Report 2019.

While the global economic backdrop continued to remain fragile and dominated by Covid-19, a Group outlook for the fiscal year 2020 based on specific assumptions was once again presented on July 28, 2020, as the outlook for the second half of the year was becoming more and more consistent. Even though the uncertainty has recently increased regarding a second pandemic wave and an associated further decline in demand due to a recession, we are able to confirm our guidance for Group sales and Group operating recurring EBIT for the fiscal year 2020.

For the business unit CFM we continue to anticipate sales revenues to decline by approximately 10%. Declining sales in the market segment Textile Fibers, which is mainly the result of our capacity adjustments, as well as the Covid-19 related demand decline in the automotive industry, is unlikely to be compensated by the strong growth in the wind energy business. For operating recurring EBIT we now anticipate a slightly positive result, because we expect to be able to limit the negative earnings effects of the pandemic-driven lower sales revenues with personnel measures such as short-time work as well as various spending reductions and postponements. Additionally, earnings improvement measures implemented in the Textile Fibers business in the second half of 2019 as well as price increases in the wind energy business implemented early 2020 will contribute to the earnings improvement compared to the prior year.

In the business unit GMS we still expect sales revenues to decline by approximately 20% due to the reduced business volume in all market segments expect Semiconductors, which

is expected to grow slightly. For the operating recurring EBIT we also continue to anticipate a decline by at least 50% based on the reduced sales revenue expectations and the resulting significantly lower capacity utilization.

In the reporting segment Corporate we continue to expect a substantial deterioration in the operating recurring EBIT, due to expected higher consulting costs in the reporting period as well as a result of the prior year benefiting from one-time gains from services provided to the buyer of the former PP-activities.

### Group financial targets

€m	Actuals 2019	Outlook 2020
Sales revenue	1,086.7	Decline by 15 % to 20 %
Operating EBIT <sup>1) 2)</sup>	48.4	Slightly positive result
Consolidated net result – continuing operations	-89.9	Minus €130m to €150m
Net financial debt	288.5	Mid double-digit €m increase

<sup>1)</sup> before non-recurring items

<sup>2)</sup> before positive one-time effects

Based on the expected developments in the reporting segments as described above, we continue to expect full year 2020 Group sales revenues to decline by 15% to 20%. Group operating recurring EBIT is anticipated to record a slightly positive result.

As already communicated since the beginning of this year, we have been working on various additional funding options independent from the capital markets. These have increased Group recurring EBIT by €8.5 million in the third quarter 2020, in the form of one-time effects.

Due to restructuring provisions and impairment charges, which will be recorded in the fourth quarter 2020, Group net result from continuing operations is likely to be substantially below our prior guidance (improvement to a negative low double-digit million € amount) and below the prior year result of minus €90 million. We now expect a result in the magnitude of minus €130 to €150 million.

To take into account the reduced operating earnings expectations and in the context of a conservative free cash flow management, we had reduced capital expenditures in the current year to approx. €60 million. Investment focus in the business unit CFM is on the market segment Automotive (primarily to execute on the new battery casings orders). In addition, we have invested into the conversion of another textile acrylic fiber line to precursor to supply our carbon fiber

production. At GMS, investment focus is on the market segment Battery & other Energy (fuel cell components).

Thanks to the successful execution of additional non-capital market related funding options mentioned above, the March 2020 guidance of a mid double-digit million € increase in net debt at year-end 2020 compared to year-end 2019 can be more or less confirmed despite substantially lower operating earnings expectations. The increase in net debt can largely be attributed to the payment of the purchase price for SGL Composites USA (the carbon fiber plant of our former joint venture with BMW in Moses Lake, Washington, U.S.), in the amount of 62 million U.S. Dollar, which is due at the end of this year.

Accordingly, we continue to expect a comfortable liquidity position due to the good liquidity as of September 30, 2020, further cash inflows from the measures described above and despite the purchase price payment planned in the fourth quarter 2020 as well as the upcoming cash outflows for restructuring measures. In addition, the syndicated loan in the amount of €175 million continues to remain available and undrawn.

## Subsequent events

Mr. Thomas Dippold has assumed office of his mandate as member of the Board of Management of SGL Carbon SE already effective October 15, 2020, also to prepare for the planned assumption of the CFO position. As previously reported, and effective December 1, 2020, Mr. Dippold is succeeding the long-standing CFO Dr. Michael Majerus, who is resigning from his office effective November 30, 2020 by mutual amicable consent. As planned, Dr. Stephan Bühler resigned from his office as Member of the Board of Management effective October 15, 2020.

On the basis of the preliminary status of the new 5-year plan, significant deviations became apparent compared to the last 5-year plan, particularly due to the persisting weakness in the market segments Automotive and Aerospace of the CFM reporting segment. This triggered impairment tests relating to goodwill and property, plant & equipment for each of the cash generating units that are part of CFM. As a result of the updated preliminary analyses, an impairment loss was assessed for goodwill and property, plant & equipment in the amount of €80-100 million, which will be recognized in profit and loss during the fourth quarter of 2020.

The Board of Management of SGL Carbon also resolved the implementation of a restructuring program. Compared to the base year 2019, earnings improvement measures totaling more than €100 million until 2023 are planned, consisting of a reduction in personnel of more than 500 employees and substantial reduction in indirect spend. Costs of approx. €40 million are anticipated for the implementation of the restructuring program (incl. costs for an external consultant), of which a little more than half is expected to be recognized in profit and loss in the fourth quarter of 2020.

Wiesbaden, November 12, 2020

SGL Carbon SE

The Board of Management

Dr. Torsten Derr   Thomas Dippold   Dr. Michael Majerus

# Consolidated Financial Statements

## Consolidated Income Statement

€ million	3rd Quarter			Nine months		
	2020	2019	Change	2020	2019	Change
<b>Sales revenue</b>	<b>227.0</b>	<b>270.9</b>	<b>-16.2%</b>	<b>683.5</b>	<b>832.4</b>	<b>-17.9%</b>
Cost of sales	-172.8	-219.3	21.2%	-540.7	-660.7	18.2%
<b>Gross profit</b>	<b>54.2</b>	<b>51.6</b>	<b>5.0%</b>	<b>142.8</b>	<b>171.7</b>	<b>-16.8%</b>
Selling expenses	-20.1	-27.4	26.6%	-68.9	-81.0	14.9%
Research and development costs	-7.4	-9.5	22.1%	-25.4	-27.0	5.9%
General and administrative expenses	-12.7	-7.3	-74.0%	-35.7	-31.1	-14.8%
Other operating income	6.7	1.9	>100%	13.1	8.7	50.6%
Other operating expenses	-3.6	0.9	-	-5.5	-3.9	-41.0%
Result from investments accounted for At-Equity	3.5	4.0	-12.5%	5.9	10.3	-42.7%
Restructuring expenses	-1.5	0.2	-	-1.5	0.2	-
Impairment loss	-	-74.7	-	-	-74.7	-
<b>Operating loss/profit</b>	<b>19.1</b>	<b>-60.3</b>	<b>-</b>	<b>24.8</b>	<b>-26.8</b>	<b>-</b>
Interest income	0.2	0.1	100.0%	0.6	1.2	-50.0%
Interest expense	-6.7	-7.4	9.5%	-20.3	-26.0	21.9%
Other financial result	-1.1	-6.6	83.3%	-3.7	-7.8	52.6%
<b>Result from continuing operations before income taxes</b>	<b>11.5</b>	<b>-74.2</b>	<b>-</b>	<b>1.4</b>	<b>-59.4</b>	<b>-</b>
Income tax expense	-1.1	-10.4	89.4%	-4.5	-14.7	69.4%
<b>Result from continuing operations</b>	<b>10.4</b>	<b>-84.6</b>	<b>-</b>	<b>-3.1</b>	<b>-74.1</b>	<b>95.8%</b>
Result from discontinued operations, net of income taxes	0.0	0.0	-	-0.1	-0.1	0.0%
<b>Net result for the period</b>	<b>10.4</b>	<b>-84.6</b>	<b>-</b>	<b>-3.2</b>	<b>-74.2</b>	<b>95.7%</b>
Thereof attributable to:						
Non-controlling interests	0.5	0.0	-	0.7	0.3	>-100%
Consolidated net result (attributable to shareholders of the parent company)	9.9	-84.6	-	-3.9	-74.5	94.8%
Earnings per share, basic and diluted, (in€)	0.08	-0.69	-	-0.03	-0.61	95.1%

## Consolidated Statement of Comprehensive Income

€ million	3rd Quarter		Nine months	
	2020	2019	2020	2019
<b>Net result for the period</b>	<b>10.4</b>	<b>-84.6</b>	<b>-3.2</b>	<b>-74.2</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Cash flow hedges <sup>1)</sup>	0.0	0.3	0.0	0.6
Currency translation <sup>2)</sup>	-15.3	14.1	-19.7	16.3
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Actuarial gains/losses on pensions and similar obligations <sup>3)</sup>	-20.5	-21.6	-23.0	-59.8
<b>Other comprehensive income</b>	<b>-35.8</b>	<b>-7.2</b>	<b>-42.7</b>	<b>-42.9</b>
<b>Comprehensive income</b>	<b>-25.4</b>	<b>-91.8</b>	<b>-45.9</b>	<b>-117.1</b>
Thereof attributable to:				
Non-controlling interests	0.6	0.0	0.7	0.2
Consolidated net result (attributable to shareholders of the parent company)	-26.0	-91.8	-46.6	-117.3

<sup>1)</sup> Includes tax effects of €0.0 million and €0.1 million in the nine months of 2020 and 2019, respectively

<sup>2)</sup> Includes tax effects of €0.0 million and €0.0 million in the nine months of 2020 and 2019, respectively

<sup>3)</sup> Includes tax effects of €0.5 million and €0.0 million in the nine months of 2020 and 2019, respectively

## Consolidated Balance Sheet

ASSETS €m	30. Sep. 20	31. Dec. 19	Change
<b>Non-current assets</b>			
Goodwill	40.9	41.7	-1.9%
Other intangible assets	35.6	45.0	-20.9%
Property, plant and equipment	639.2	669.6	-4.5%
Investments accounted for At-Equity	56.1	56.7	-1.1%
Other non-current assets	7.2	7.0	2.9%
Deferred tax assets	2.2	0.9	>100%
	<b>781.2</b>	<b>820.9</b>	<b>-4.8%</b>
<b>Current assets</b>			
Inventories	281.4	306.4	-8.2%
Trade receivables and contract assets	202.3	209.1	-3.3%
Other receivables and other assets	22.4	31.3	-28.4%
Liquidity	166.8	137.1	21.7%
<i>Time deposits</i>	-	4.0	-
<i>Cash and cash equivalents</i>	166.8	133.1	25.3%
	<b>672.9</b>	<b>683.9</b>	<b>-1.6%</b>
<b>Total assets</b>	<b>1,454.1</b>	<b>1,504.8</b>	<b>-3.4%</b>



EQUITY AND LIABILITIES €m	30. Sep. 20	31. Dec. 19	Change
<b>Equity</b>			
Issued capital	313.2	313.2	0.0%
Capital reserves	1,041.6	1,041.6	0.0%
Accumulated losses	-982.8	-936.2	-5.0%
<b>Equity attributable to the shareholders of the parent company</b>	<b>372.0</b>	<b>418.6</b>	<b>-11.1%</b>
Non-controlling interests	10.7	10.3	3.9%
<b>Total equity</b>	<b>382.7</b>	<b>428.9</b>	<b>-10.8%</b>
<b>Non-current liabilities</b>			
Provisions for pensions and similar employee benefits	337.7	318.7	6.0%
Other provisions	33.3	31.4	6.1%
Interest-bearing loans	410.7	404.4	1.6%
Other financial liabilities	30.6	34.2	-10.5%
Other liabilities	4.9	5.3	-7.5%
Deferred tax liabilities	1.7	2.0	-15.0%
	<b>818.9</b>	<b>796.0</b>	<b>2.9%</b>
<b>Current liabilities</b>			
Other provisions	66.0	67.1	-1.6%
Current portion of interest-bearing loans	3.7	3.2	15.6%
Trade payables	90.7	108.7	-16.6%
Other financial liabilities	61.3	73.4	-16.5%
Other liabilities	30.8	27.5	12.0%
	<b>252.5</b>	<b>279.9</b>	<b>-9.8%</b>
<b>Total equity and liabilities</b>	<b>1,454.1</b>	<b>1,504.8</b>	<b>-3.4%</b>

## Consolidated Cash Flow Statement

€ million	Nine months	
	2020	2019
<b>Cash flow from operating activities</b>		
Result from continuing operations before income taxes	1.4	-59.4
Adjustments to reconcile the result to cash flow from operating activities:		
Interest expense (net)	19.7	24.8
Change in value of contract assets (IFRS 15)	8.8	-1.3
Result from the disposal of property, plant and equipment	-0.5	-0.3
Depreciation/amortization expense	60.2	61.2
Impairment loss	-	74.7
Restructuring expenses	1.5	-0.2
Result from investments accounted for At-Equity	-5.9	-10.3
Amortization of refinancing costs	1.9	2.7
Interest received	0.6	1.7
Interest paid	-18.7	-18.7
Income taxes paid	-2.9	-4.1
Changes in provisions, net	-4.8	-24.5
Changes in working capital		
Inventories	30.6	-6.0
Trade receivables and contract assets	-16.0	-15.0
Trade payables	-16.0	4.2
Changes in other operating assets/liabilities	8.9	0.4
<b>Cash flow from operating activities</b>	<b>68.8</b>	<b>29.9</b>

€ million	Nine months	
	2020	2019
<b>Cash flow from investing activities</b>		
Payments to purchase intangible assets and property, plant & equipment	-33.2	-50.7
Proceeds from the sale of intangible assets and property, plant & equipment	1.8	1.7
Dividend payments from investments accounted for At-Equity	6.3	6.9
Payments received for divestitures	-	2.6
<b>Cash flow from investing activities - continuing operations</b>	<b>-25.1</b>	<b>-39.5</b>
Changes in time deposits	4.0	54.1
<b>Cash flow from investing and cash management activities - continuing operations</b>	<b>-21.1</b>	<b>14.6</b>
Cash flow from investing activities and cash management activities - discontinued operations	-2.0	-9.8
<b>Cash flow from investing activities and cash management activities - continuing and discontinued operations</b>	<b>-23.1</b>	<b>4.8</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of financial liabilities	6.7	257.4
Repayment of financial liabilities	-3.1	-256.3
Payments in connection with financing activities	-0.9	-8.7
Payments for the redemption portion of lease liabilities	-13.5	-7.1
Other financing activities	-0.4	-0.3
<b>Cash flow from financing activities</b>	<b>-11.2</b>	<b>-15.0</b>
Effect of foreign exchange rate changes	-0.8	0.5
<b>Net change in cash and cash equivalents</b>	<b>33.7</b>	<b>20.2</b>
Cash and cash equivalents at beginning of period	133.1	122.5
Cash and cash equivalents at end of period	166.8	142.7
Time deposits at end of period	-	4.0
<b>Liquidity</b>	<b>166.8</b>	<b>146.7</b>

## Condensed Consolidated Statement of Changes in Equity

€ million	Nine months 2020		
	Equity attributable to the shareholders of the parent company	Non-controlling interests	Total equity
<b>Balance as of December 31</b>	<b>418.6</b>	<b>10.3</b>	<b>428.9</b>
<b>Dividends</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.3</b>
Net result for the period	-3.9	0.7	-3.2
Other comprehensive income	-42.7	-	-42.7
<b>Comprehensive income</b>	<b>-46.6</b>	<b>0.7</b>	<b>-45.9</b>
<b>Balance at September 30</b>	<b>372.0</b>	<b>10.7</b>	<b>382.7</b>

€ million	Nine months 2019		
	Equity attributable to the shareholders of the parent company	Non-controlling interests	Total equity
<b>Balance as of December 31</b>	<b>531.6</b>	<b>10.7</b>	<b>542.3</b>
Cumulative adjustment on initial application of IFRS 16	0.1	-	0.1
<b>Balance as of January 1</b>	<b>531.7</b>	<b>10.7</b>	<b>542.4</b>
<b>Equity component of the convertible bonds<sup>1)</sup></b>	<b>-5.0</b>	<b>0.0</b>	<b>-5.0</b>
<b>Dividends</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.3</b>
Net result for the period	-74.5	0.3	-74.2
Other comprehensive income	-42.8	-0.1	-42.9
<b>Comprehensive income</b>	<b>-117.3</b>	<b>0.2</b>	<b>-117.1</b>
Other changes in equity	-	-0.5	-0.5
<b>Balance at September 30</b>	<b>409.4</b>	<b>10.1</b>	<b>419.5</b>

<sup>1)</sup> Effects in connection with the early redemption of the convertible bond 2015/2020

## Segment information

€ million	CFM	GMS	Corporate	Consolidation adjustments	SGL Carbon
<b>First nine months 2020</b>					
<b>Sales revenue by customer industry</b>					
Mobility	144.1	36.8	7.2	0.0	188.1
Energy	56.8	68.8	-	0.0	125.6
Industrial Applications	39.1	112.3	19.8	0.0	171.2
Chemicals	-	83.9	-	0.0	83.9
Digitization	-	71.3	-	0.0	71.3
Textile Fibers	43.4	-	-	0.0	43.4
<b>Total sales revenue</b>	<b>283.4</b>	<b>373.1</b>	<b>27.0</b>	<b>0.0</b>	<b>683.5</b>
Operating profit (EBIT) before non-recurring items (recurring EBIT)	10.6	35.4	-12.1	0.0	33.9
Non-recurring items <sup>1)</sup>	-7.6	0.0	-1.5	0.0	-9.1
Operating profit/loss (EBIT)	3.0	35.4	-13.6	0.0	24.8
Capital expenditures <sup>2)</sup>	10.4	18.8	4.0	0.0	33.2
Earnings before interest, taxes, depreciation and amortization (EBITDA) before non-recurring items	32.0	59.1	-5.1	0.0	86.0
Amortization/depreciation on intangible assets and property, plant and equipment before non-recurring items	21.4	23.7	7.0	0.0	52.1
Working Capital <sup>3)</sup>	162.3	245.8	-15.1	0.0	393.0

<sup>1)</sup> Non-recurring items comprise the carryforward of hidden reserves realized as part of the purchase price allocation of SGL Composites DE and US as well as SGL Composites AT totaling minus €7.6 million and restructuring expenses of € 1.5 million

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

<sup>3)</sup> Defined as sum of inventories, trade receivables and contract assets less trade payables

Sales revenue with one customer of the reporting segment CFM amount to approx. €74 million of total SGL Carbon sales revenue [9M/2019: €96 million].

€ million	CFM	GMS <sup>4)</sup>	Corporate <sup>4)</sup>	Consolidation adjustments	SGL Carbon
<b>First nine months 2019</b>					
<b>Sales revenue by customer industry</b>					
Mobility	180.1	46.5	6.4	0.0	233.0
Energy	33.9	118.8	-	0.0	152.7
Industrial Applications	45.5	140.8	17.3	0.0	203.6
Chemicals	-	106.4	-	0.0	106.4
Digitization	-	67.6	-	0.0	67.6
Textile Fibers	69.1	-	-	0.0	69.1
<b>Total sales revenue</b>	<b>328.6</b>	<b>480.1</b>	<b>23.7</b>	<b>0.0</b>	<b>832.4</b>
Operating profit/loss (EBIT) before non-recurring items (recurring EBIT)	-1.8	74.5	-18.5	0.0	54.2
Non-recurring items <sup>1)</sup>	-81.0	-	-	0.0	-81.0
Operating profit/loss (EBIT)	-82.8	74.5	-18.5	0.0	-26.8
Capital expenditures <sup>2)</sup>	15.5	27.7	7.5	0.0	50.7
Earnings before interest, taxes, depreciation and amortization (EBITDA) before non-recurring items	24.1	94.8	-11.7	0.0	107.2
Amortization/depreciation on intangible assets and property, plant and equipment	25.9	20.3	6.8	0.0	53.0
Working Capital (31.12.) <sup>3)</sup>	157.0	269.7	-19.9	0.0	406.8

<sup>1)</sup> Non-recurring items comprise the impairment loss of €74.7 million as well as the carryforward of hidden reserves realized as part of the purchase price allocation of SGL Composites DE and US and SGL Composites AT totaling minus €6.5 million, and income from the release of restructuring provisions of €0.2 million

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

<sup>3)</sup> Defined as sum of inventories, trade receivables and contract assets less trade payables

<sup>4)</sup> Adjusted to reflect the reclassification of the business with gas diffusion layers for fuel cells from Corporate to the reporting segment GMS

# Other Information

## Sales revenue and Operating Profit/Loss by Reporting Segment

€ million	Nine months			€ million	Nine months		
	2020	2019 <sup>1)</sup>	Change		2020	2019 <sup>1)</sup>	Change
<b>Sales revenue</b>				<b>EBIT before non-recurring items (recurring EBIT) <sup>2)</sup></b>			
Composites - Fibers & Materials	283.4	328.6	-13.8%	Composites - Fibers & Materials	10.6	-1.8	-
Graphite Materials & Systems	373.1	480.1	-22.3%	Graphite Materials & Systems	35.4	74.5	-52.5%
Corporate	27.0	23.7	13.9%	Corporate	-12.1	-18.5	34.6%
<b>SGL Carbon</b>	<b>683.5</b>	<b>832.4</b>	<b>-17.9%</b>	<b>SGL Carbon</b>	<b>33.9</b>	<b>54.2</b>	<b>-37.5%</b>

<sup>1)</sup> Adjusted to reflect the reclassification of the business with gas diffusion layers for fuel cells from Corporate to the reporting segment GMS  
<sup>2)</sup> Non-recurring items of minus €9.1 million in the first nine months 2020 (9M/19: minus €81.0 million)

## Quarterly Sales revenue, Operating Profit/Loss (EBIT) by Reporting Segment

€ million					2019 <sup>1)</sup>		2020		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q1-Q3
<b>Sales revenue</b>									
Composites - Fibers & Materials	115.0	104.4	109.2	103.0	431.6	104.5	81.2	97.7	283.4
Graphite Materials & Systems	166.4	159.4	154.3	142.4	622.5	134.6	123.4	115.1	373.1
Corporate	7.4	8.9	7.4	8.9	32.6	7.7	5.1	14.2	27.0
<b>SGL Carbon</b>	<b>288.8</b>	<b>272.7</b>	<b>270.9</b>	<b>254.3</b>	<b>1,086.7</b>	<b>246.8</b>	<b>209.7</b>	<b>227.0</b>	<b>683.5</b>

€ million					2019 <sup>1)</sup>		2020		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q1-Q3
<b>EBIT before non-recurring items (recurring EBIT) <sup>2)</sup></b>									
Composites - Fibers & Materials	0.4	2.4	-4.6	-6.5	-8.3	3.7	-1.9	8.8	10.6
Graphite Materials & Systems	26.5	23.5	24.5	11.0	85.5	11.9	12.4	11.1	35.4
Corporate	-8.2	-6.8	-3.5	-10.3	-28.8	-6.6	-8.7	3.2	-12.1
<b>SGL Carbon</b>	<b>18.7</b>	<b>19.1</b>	<b>16.4</b>	<b>-5.8</b>	<b>48.4</b>	<b>9.0</b>	<b>1.8</b>	<b>23.1</b>	<b>33.9</b>

<sup>1)</sup> Adjusted to reflect the reclassification of the business with gas diffusion layers for fuel cells from Corporate to the reporting segment GMS

<sup>2)</sup> Non-recurring items of minus €82.7 million in 2019 and minus €9.1 million in the first nine months of 2020

## Quarterly Consolidated Income Statement

€ million	2019					2020			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q1-Q3
<b>Sales revenue</b>	<b>288.8</b>	<b>272.7</b>	<b>270.9</b>	<b>254.3</b>	<b>1,086.7</b>	<b>246.8</b>	<b>209.7</b>	<b>227.0</b>	<b>683.5</b>
Cost of sales	-226.5	-210.6	-217.1	-216.0	-870.2	-195.8	-167.0	-170.3	-533.1
<b>Gross profit</b>	<b>62.3</b>	<b>62.1</b>	<b>53.8</b>	<b>38.3</b>	<b>216.5</b>	<b>51.0</b>	<b>42.7</b>	<b>56.7</b>	<b>150.4</b>
Selling, administrative, R&D and other operating income/expense	-47.2	-45.7	-41.4	-49.2	-183.5	-42.8	-42.5	-37.1	-122.4
Result from investments accounted for At-Equity	3.6	2.7	4.0	5.1	15.4	0.8	1.6	3.5	5.9
<b>Operating profit (EBIT) before non-recurring items (recurring EBIT)</b>	<b>18.7</b>	<b>19.1</b>	<b>16.4</b>	<b>-5.8</b>	<b>48.4</b>	<b>9.0</b>	<b>1.8</b>	<b>23.1</b>	<b>33.9</b>
Impairment loss/Effects from purchase price allocations	-2.6	-1.7	-76.9	-2.2	-83.4	-2.6	-2.5	-2.5	-7.6
Restructuring expenses	0.2	-0.2	0.2	0.5	0.7	0.0	0.0	-1.5	-1.5
<b>Operating profit/loss (EBIT)</b>	<b>16.3</b>	<b>17.2</b>	<b>-60.3</b>	<b>-7.5</b>	<b>-34.3</b>	<b>6.4</b>	<b>-0.7</b>	<b>19.1</b>	<b>24.8</b>
Net financial result	-6.2	-12.5	-13.9	-6.3	-38.9	-9.4	-6.4	-7.6	-23.4
<b>Result from continuing operations before income taxes</b>	<b>10.1</b>	<b>4.7</b>	<b>-74.2</b>	<b>-13.8</b>	<b>-73.2</b>	<b>-3.0</b>	<b>-7.1</b>	<b>11.5</b>	<b>1.4</b>
Income tax expense	-1.1	-3.2	-10.4	-1.5	-16.2	-1.2	-2.2	-1.1	-4.5
<b>Result from continuing operations</b>	<b>9.0</b>	<b>1.5</b>	<b>-84.6</b>	<b>-15.3</b>	<b>-89.4</b>	<b>-4.2</b>	<b>-9.3</b>	<b>10.4</b>	<b>-3.1</b>
Result from discontinued operations, net of income taxes	0.0	-0.1	0.0	0.0	-0.1	0.0	-0.1	0.0	-0.1
<b>Net result for the period</b>	<b>9.0</b>	<b>1.4</b>	<b>-84.6</b>	<b>-15.3</b>	<b>-89.5</b>	<b>-4.2</b>	<b>-9.4</b>	<b>10.4</b>	<b>-3.2</b>
Thereof attributable to:									
Non-controlling interests	0.1	0.2	0.0	0.2	0.5	0.1	0.1	0.5	0.7
Consolidated net result (attributable to shareholders of the parent company)	8.9	1.2	-84.6	-15.5	-90.0	-4.3	-9.5	9.9	-3.9



## Financial Calendar 2021

### March 25, 2021

- Publication of Annual Report 2020
- Annual Press Conference
- Investor and analyst meeting (including conference call)

### May 12, 2021

- Statement on the First Quarter 2021
- Conference call for investors and analysts

### May 21, 2021

- Annual General Meeting

### August 12, 2021

- Report on the First Half Year 2021
- Conference call for investors and analysts

### November 11, 2021

- Statement on the First Nine Months 2021
- Conference call for investors and analysts

## Investor Relations Contact

### **SGL CARBON SE**

Head Office | Investor Relations

Söhnleinstrasse 8

65201 Wiesbaden (Germany)

Telephone: 49 611 6029-103

Telefax: 49 611 6029-101

E-Mail: [Investor-Relations@sglcarbon.com](mailto:Investor-Relations@sglcarbon.com)

**[www.sglcarbon.com](http://www.sglcarbon.com)**

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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 Composites - Fibers & Materials and Graphite Materials & Systems 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 Composites - Fibers & Materials and Graphite Materials & Systems businesses, the impact of any manufacturing efficiencies and capacity constraints, widespread adoption of carbon fiber products and components in key end-markets of the SGL Carbon, including the automotive and aviation 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's 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.

**SGL Carbon SE**

Head Office | Investor Relations

Söhnleinstrasse 8

65201 Wiesbaden / Germany

Phone +49 611 6029-103

Fax +49 611 6029-101

[investor-relations@sglcarbon.com](mailto:investor-relations@sglcarbon.com)

[www.sglcarbon.com](http://www.sglcarbon.com)