

Quarterly Statement as of March 31, 2024



Highlights Q1 2024



Sales in the first quarter of 2024 fell by 3.9% to €272.6 million compared to the same quarter of the previous year, in particular due to the decline in demand in the Carbon Fibers business unit.

Adjusted EBITDA improved by 5.0% quarter-on-quarter to €42.1 million despite weaker business development in Carbon Fibers, primarily due to changes in the product mix in the Graphite Solutions business unit.

The equity ratio increased slightly compared to the end of the previous financial year from 41.1% to 42.0%, while net debt rose slightly by 1.2% to €117.2 million (-32.7% compared to the end of the same quarter of the previous year).

Confirmation of the 2024 annual outlook

Financial Highlights Q1 2024

€ million	1st Quarter		Change
	2024	2023	
Sales revenue	272.6	283.7	-3.9%
EBITDA pre ¹⁾	42.1	40.1	5.0%
EBITDA pre-margin	15.4%	14.1%	+1.3%-points
EBIT	26.6	25.7	3.5%
Consolidated net result (attributable to shareholders of the parent company)	12.6	15.2	-17.1%
Free cash flow	5.9	10.4	-43.3%

€ million	Mar 31, 24	Dec 31, 23	Change
Total assets	1,489.6	1,472.6	1.2%
Equity (attributable to the shareholders of the parent company)	625.4	605.3	3.3%
Net financial debt	117.2	115.8	1.2%
Return on capital employed (ROCE) ²⁾	11.4%	11.3%	+0.1%-points
Leverage ratio ³⁾	0.7	0.7	-
Equity ratio	42.0%	41.1%	+0.9%-points

Share price in €	1st Quarter 2024	Financial Year 2023	Change
High	7.20	9.36	-23.1%
Low	5.86	5.72	2.4%
Closing price at end of period	6.96	6.51	6.9%

¹⁾ Adjusted for one-off effects and non-recurring items. For more details, please refer to the business development section

²⁾ EBIT pre 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)

³⁾ Net financial debt divided by EBITDA pre of the last 12 months

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Business Review

Basis of Preparation

The accounting policies applied in this quarterly statement have remained unchanged compared to December 31, 2023.

Income taxes during the year were calculated on the basis of a planned tax rate for the full year in the respective countries, which was applied to the pre-tax result in the interim financial statements.

The Carbon Fibers sales share in Q1 2024 corresponded to 21.1% of SGL Carbon's consolidated sales (Q1 2023: 22.5%). EBITDA pre for the business unit (excluding the pro rata At-Equity result of Brembo SGL Carbon Ceramic Brakes) amounted to minus €9.8 million in the reporting period (Q1 2023: minus €0.9 million). Due to the persistently unsatisfactory demand from wind industry customers and the associated deterioration in the earnings situation at Carbon Fibers, the Executive Board initiated a restructuring program in this business unit to achieve material and personnel savings in order to improve earnings. In the first quarter of 2024, a total of €1.8 million for personnel measures was recognized as restructuring expenses in the consolidated income statement.

Key Events of the Business Development

SGL Carbon evaluates strategic options for the business unit Carbon Fibers

The Board of Management of SGL Carbon SE decided on February 23, 2024, to evaluate various strategic options for the second largest business unit Carbon Fibers. These also include a possible partial or complete divestment of the business unit.

Business Development

Group Business Development

Condensed consolidated income statement

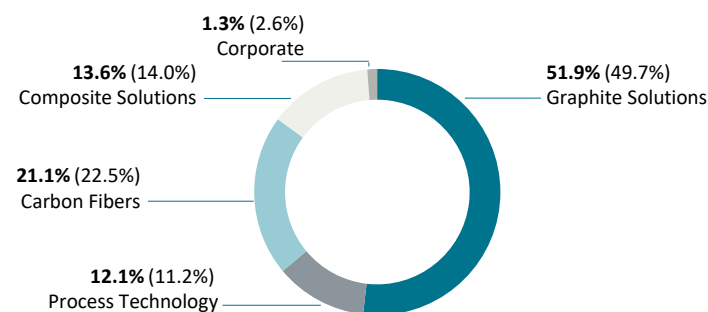
€ million	1st Quarter		
	2024	2023	Change
Sales revenue	272.6	283.7	-3.9%
Cost of sales	-209.6	-224.8	-6.8%
Gross profit	63.0	58.9	7.0%
Selling, administrative and R&D expenses	-40.5	-42.7	-5.2%
Other operating income/expenses	2.2	4.4	-50.0%
Result from investments accounted for At-Equity	4.4	5.2	-15.4%
EBIT pre	29.1	25.8	12.8%
One-off effects/Non-recurring items	-2.5	-0.1	-
EBIT	26.6	25.7	3.5%

Weak demand for carbon fibers dominates sales development

SGL Carbon generated consolidated sales revenue of €272.6 million in the first quarter of 2024 (Q1 2023: €283.7 million). This corresponds to a slight decline of €11.1 million or minus 3.9% compared to the prior-year period (currency-adjusted minus 2.7%). Adjusted for the activities sold in Gardena, USA and Pune, India in 2023 and currency effects, the decline in sales amounted to € 2.6 million or 0.9%.

The business units with the largest share of Group sales are Graphite Solutions with 51.9% (previous year: 49.7%) and Carbon Fibers with 21.1% (previous year: 22.5%). The Composite Solutions and Process Technology business units contributed 13.6% (previous year: 14.0%) and 12.1% (previous year: 11.2%) respectively to Group sales. Sales in the Corporate segment fell to 1.3% (previous year: 2.6%).

Sales by reporting segment Q1 2024 (Q1 2023)



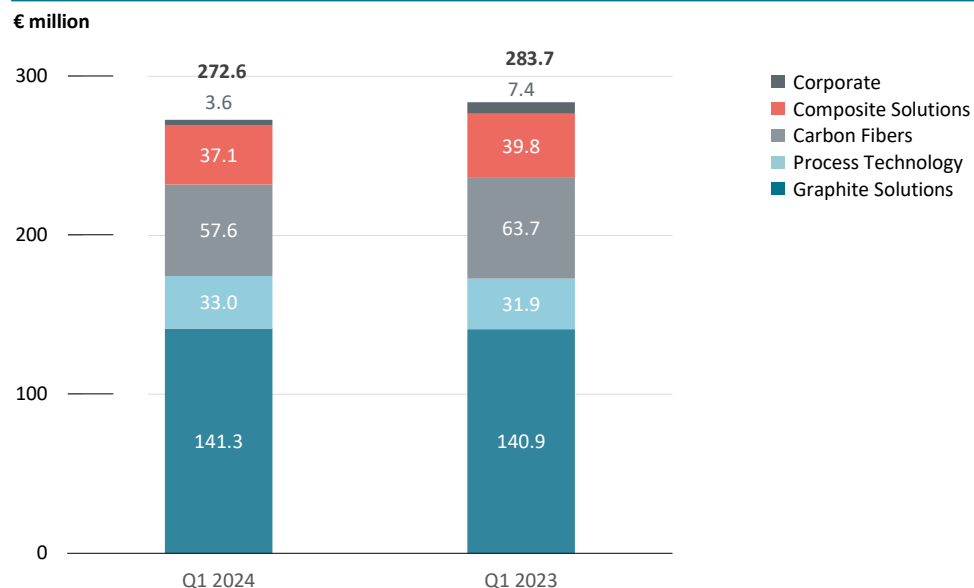
Group sales were negatively impacted above all by the weak demand in almost all market segments in the business unit Carbon Fibers. As a result, sales fell by 9.6% or € 6.1 million in Carbon Fibers. In addition, sales in the reporting segments Corporate and Composite Solutions also declined quarter-on-quarter by €3.8 million (-51.4%) and €2.7 million (-6.8%) respectively. In contrast, Process Technology (€+1.1 million or 3.4%) and Graphite Solutions (€+0.4 million or 0.3%) were able to slightly increase their sales compared to the first quarter of 2023.

The decline in Group sales is mainly due to negative volume and currency effects. Looking at the individual market segments, sales with customers from the semiconductor industry continued to rise. This also meant that the digitization market segment now represents 26.6% of Group revenue (Q1 2023: 22.1%). The other market segments in Graphite Solutions were unable to escape the weak market growth and indicated significant declines in some cases. This also affected the business with anode materials for the battery industry as well as the business with components for fuel cells.

Sales in the Carbon Fibers business unit fell by 9.6% to € 57.6 million in the first quarter of 2024 (Q1 2023: € 63.7 million). This is mainly due to the weak demand in many of the market segments supplied by Carbon Fibers.

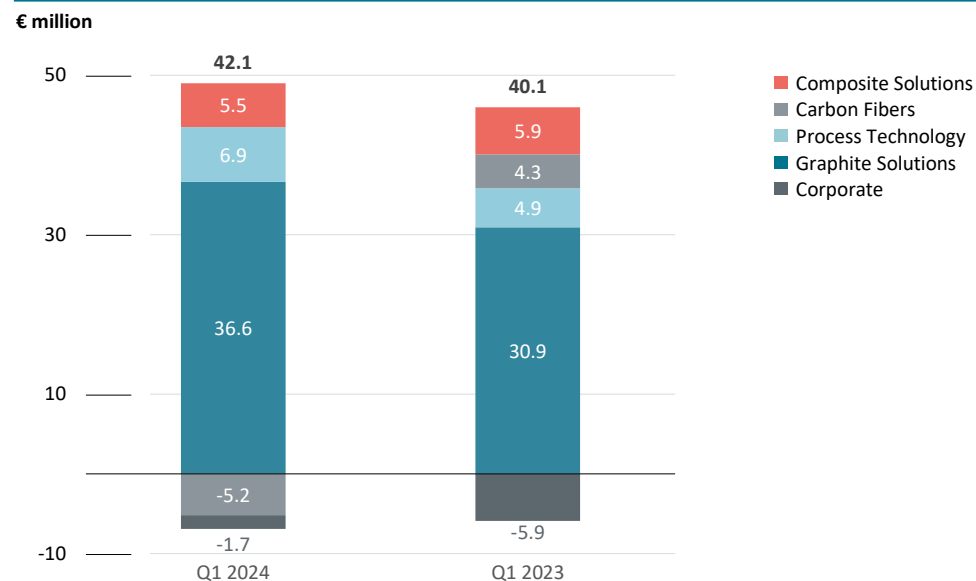
Further details on the sales performance of the business units can be found in the segment reporting in this quarterly statement.

Group sales development



Earnings situation of the Group

Earnings performance - EBITDA pre



Despite the slight decline in sales, SGL Carbon's adjusted EBITDA increased by 5.0% to €42.1 million (Q1 2023: €40.1 million). The adjusted EBITDA margin improved accordingly from 14.1% to 15.4%.

The Graphite Solutions business unit made the largest contribution to the Group's adjusted EBITDA growth. After €30.9 million in Q1 2023, adjusted EBITDA of €36.6 million was achieved in the quarter under review. This corresponds to an increase of €5.7 million or 18.4% and is in particular due to an improved product mix. The positive earnings trend also continued in the Process Technology business unit. Process Technology significantly increased adjusted EBITDA by €2.0 million to €6.9 million in the first quarter of 2024, which corresponds to an increase of 40.8% (Q1 2023: €4.9 million). In contrast, the adjusted EBITDA of Carbon Fibers decreased from €4.3 million in Q1 2023 to minus €5.2 million in

the quarter under review. This is in particular due to lower prices (also due to lower raw material prices for acrylonitrile) as well as lower volumes. The expiry of a project-related supply contract with an automotive customer of Composite Solutions had a negative impact on both sales and EBITDA. In a quarter-on-quarter comparison, adjusted EBITDA fell by 6.8% to €5.5 million (Q1 2023: €5.9 million). Further information on the development of adjusted EBITDA for all four operating business units can be found in the segment reporting in this quarterly statement.

The income statement of SGL Carbon shows the following developments:

- Cost of sales fell by 6.8% to €209.6 million (Q1 2023: €224.8 million), which was disproportionately high compared to the decline in sales, mainly due to lower factor costs (in particular raw materials and energy) at Graphite Solutions. The gross margin improved accordingly from 20.8% in Q1 2023 to 23.1% in the reporting period.
- Selling, administrative and R&D costs fell by 5.2% to €40.5 million, which is also a disproportionately large reduction compared to the sales trend. In particular, selling expenses fell due to lower delivery volumes in the Carbon Fibers business unit.
- The balance of other operating income and expenses halved in a three-month comparison from €4.4 million to €2.2 million in Q1 2024. This was due to lower government grants totaling €1.5 million (Q1 2023: €3.6 million) as a result of the expiry of the electricity price cap in Germany.
- The result from investments accounted for using the at equity method decreased quarter-on-quarter to €4.4 million (Q1 2023: €5.2 million) due to lower earnings contributions from all three companies.

The reconciliation of adjusted EBITDA to EBIT is shown in the following table:

€ million	1st Quarter		Change
	2024	2023	
EBITDA pre	42.1	40.1	5.0%
Depreciation and amortization	-13.0	-14.3	-9.1%
EBIT pre	29.1	25.8	12.8%
One-off effects/Non-recurring items	-2.5	-0.1	-
EBIT	26.6	25.7	3.5%

One-off effects and non-recurring items that are not included in adjusted EBITDA or adjusted EBIT amounted to a total of minus €2.5 million (Q1 2023: minus €0.1 million). The one-off effects and non-recurring items in Q1 2024 resulted primarily from the restructuring measures initiated in the Carbon Fibers business unit. In addition, the effects from the amounts capitalized as part of the purchase price allocations of the SGL Composites companies of minus €0.3 million (Q1 2023: minus €0.3 million) and non-recurring items of minus €0.4 million for consulting expenses from a strategy project (Q1 2023: €0.2 million) had a negative impact.

Overall, EBIT improved by 3.5% to € 26.6 million in the reporting period (Q1 2023: € 25.7 million).

Financial result burdened by higher interest rates

€ million	1st Quarter		
	2024	2023	Change
Interest income	1.4	0.8	75.0%
Interest on financial liabilities and other interest expense	-5.0	-4.5	11.1%
Imputed interest convertible bond	-1.4	-0.9	55.6%
Imputed interest on lease liabilities/contract liabilities	-2.1	-0.4	>100%
Interest component of additions to provisions for pensions	-1.7	-1.7	0.0%
Interest expense, net	-8.8	-6.7	31.3%
Amortization of refinancing costs	-0.4	-0.6	-33.3%
Foreign currency valuation of intercompany loans	0.1	-0.7	-
Other operating expense/income	0.0	0.2	-
Other financial result	-0.3	-1.1	-72.7%
Financial result	-9.1	-7.8	16.7%

The financial result amounted to minus €9.1 million in Q1 2024 and worsened by 16.7% compared to the same period of the previous year. This was in particular due to the deterioration in net interest expense of minus €8.8 million (Q1 2023: minus €6.7 million) as a result of increased imputed interest expenses of customer deposits recognized as contract liabilities and the higher imputed interest component for the convertible bonds. Higher interest income from the investment at short-term interest rates compensated for the increase in interest expenses for financial liabilities. The other financial result improved significantly to minus €0.3 million due to better foreign currency valuation effects (Q1 2023: minus €1.1 million).

Condensed consolidated income statement (continued)

€ million	1st Quarter		
	2024	2023	Change
EBIT	26.6	25.7	3.5%
Financial result	-9.1	-7.8	16.7%
Result before income taxes	17.5	17.9	-2.2%
Income tax expense	-4.6	-2.6	76.9%
Net result for the period	12.9	15.3	-15.7%
Attributable to:			
Non-controlling interests	0.3	0.1	>100%
Consolidated net result (attributable to shareholders of the parent company)	12.6	15.2	-17.1%
Earnings per share - basic and diluted (in €)	0.10	0.12	-16.7%

Earnings before income taxes and consolidated net result

The slight improvement in EBIT (€+0.9 million) was offset by the deterioration in the financial result (€1.3 million), meaning that the result before income taxes also decreased slightly from €17.9 million in Q1 2023 to €17.5 million in the reporting period. Income tax expenses amounted to €4.6 million (Q1 2023: €2.6 million) and resulted from the increased positive operating earnings contributions of some Group companies, particularly in China.

After taxes, the consolidated net result amounted to €12.6 million in Q1 2024 compared to €15.2 million in the same period of the previous year. Accordingly, lower positive earnings per share of €0.10 are reported in the first quarter of 2024 (Q1 2023: €0.12).

Balance Sheet Structure

ASSETS € million	Mar 31, 24	Dec 31, 23	Change
Non-current assets	729.0	715.6	1.9%
Current assets	760.6	757.0	0.5%
Total assets	1,489.6	1,472.6	1.2%

EQUITY AND LIABILITIES € million	Mar 31, 24	Dec 31, 23	Change
Equity attributable to the shareholders of the parent company	625.4	605.3	3.3%
Non-controlling interests	9.6	9.6	0.0%
Total equity	635.0	614.9	3.3%
Non-current liabilities	590.7	583.3	1.3%
Current liabilities	263.9	274.4	-3.8%
Total equity and liabilities	1,489.6	1,472.6	1.2%

At March 31, 2024, total assets increased slightly by €17.0 million or 1.2% to €1,489.6 million compared to December 31, 2023. The increase in total assets is in particular due to capital expenditure (€23.9 million) exceeding depreciation on property, plant and equipment (€13.3 million), higher trade receivables and contract assets (€+9.7 million) and positive currency effects of €12.7 million, particularly from the stronger US dollar. In contrast, investments accounted for At-Equity decreased by €5.7 million due to the dividend from Brembo SGL Carbon Ceramic Brakes.

Non-current liabilities also increased slightly by €7.4 million, mainly due to a €6.7 million increase in non-current deposits for customer-specific orders (contract liabilities).

The €10.5 million decrease in current liabilities is on one hand due to the reduction in other provisions as a result of the payment of the STI plan in the amount of €7.7 million, which was partially offset by the addition to the provision for vacation not taken in the amount of €4.7 million. On the other hand, trade payables decreased mainly due to the decline in production activities at Carbon Fibers.

Working Capital

€ million	Mar 31, 24	Dec 31, 23	Change
Inventories	373.0	373.6	-0.2%
Trade receivables and contract assets	160.6	150.9	6.4%
Trade payables and contract liabilities	-214.3	-218.5	-1.9%
Working Capital	319.3	306.0	4.3%

Working capital increased to €319.3 million (+4.3%) at March 31, 2024, in particular due to higher trade receivables and contract assets (€9.7 million). A slight increase in the existing factoring volume had the opposite effect in this context. The increase in trade receivables relates in particular to Carbon Fibers and reflects a higher sales volume due to inventory reduction in Q1 2024 compared to a very weak Q4 2023. The decrease in trade payables reflects the reduced production activity at Carbon Fibers and was only partially offset by the increase in customer deposits at Graphite Solutions.

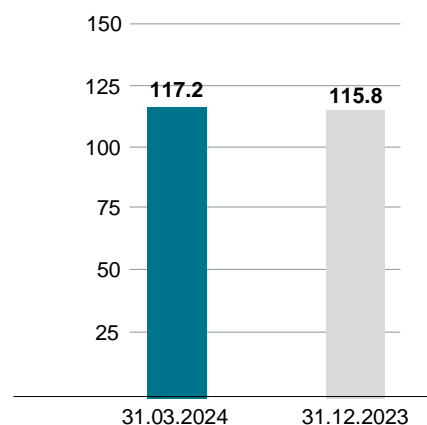
Increase in equity

At March 31, 2024, the equity attributable to shareholders of the parent company increased by €20.1 million (+3.3%) to €625.4 million (December 31, 2023: €605.3 million). The increase is mainly due to the positive consolidated net income of €12.6 million. There were also positive currency effects, which led to an increase of €8.7 million. As a result, the equity ratio increased to 42.0% at March 31, 2024 (December 31, 2023: 41.1%).

Net financial debt/Free cash flow

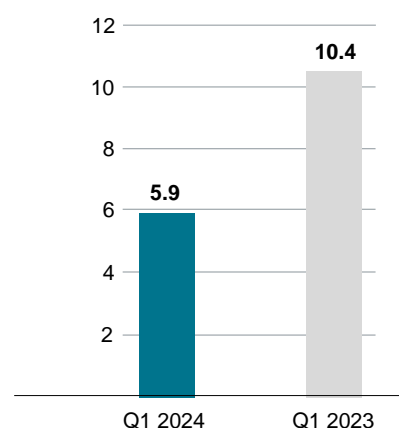
Net financial debt

€ million



Free cash flow

€ million



Net financial debt

€ million	Mar 31, 24	Dec 31, 23	Change
Carrying amount of current and non-current financial liabilities	283.8	282.8	0.4%
Remaining imputed interest for the convertible bonds	26.4	27.8	-5.0%
Accrued refinancing cost	4.2	4.6	-8.7%
Total financial debt (nominal amount)	314.4	315.2	-0.3%
Time deposits	65.0	65.0	0.0%
Cash and cash equivalents	132.2	134.4	-1.6%
Total liquidity	197.2	199.4	-1.1%
Net financial debt	117.2	115.8	1.2%

SGL Carbon's net financial debt increased slightly by €1.4 million (+1.2%) to €117.2 million as of March 31, 2024. This increase is mainly due to the positive free cash flow of €5.9 million less interest payments of €5.5 million and lease payments of €2.2 million.

Free cash flow

€ million	1st Quarter	
	2024	2023
EBIT	26.6	25.7
Depreciation/amortization expense	13.0	14.3
Changes in working capital	-10.3	-12.4
Changes in provisions	-7.2	-15.6
Miscellaneous items	-2.3	4.9
Cash flow from operating activities	19.8	16.9
Payments to purchase intangible assets and property, plant & equipment	-23.9	-19.0
Proceeds from the sale of intangible assets and property, plant & equipment	0.0	5.0
Dividend payments from investments accounted for At-Equity	10.0	7.5
Cash flow from investing activities	-13.9	-6.5
Free cash flow	5.9	10.4

Cash flow from operating activities reflects the positive operating earnings performance in the first three months of 2024 and improved by €2.9 million, from €16.9 million in the same quarter of the previous year to €19.8 million.

Cash flow from investing activities deteriorated from minus €6.5 million in the same period of the previous year to minus €13.9 million in the reporting period, primarily due to increased capital expenditure in property, plant and equipment. This was offset by the €2.5 million increase in cash inflows from a dividend received from the joint venture Brembo SGL Carbon Ceramic Brakes compared to the same period of the previous year. The prior-year period also included cash inflows of €5.0 million from the sale of the operating activities at the Gardena site (USA).

Adjusted for the positive effect from the Gardena purchase price payment in Q1 2023, free cash flow for the reporting period improved slightly from €5.4 million to €5.9 million also due to the positive business performance.

Employees

At March 31, 2024, the number of employees worldwide was 4,753, a decrease on the previous year (December 31, 2023: 4,808). Due to the restructuring measures initiated at Carbon Fibers, the number of employees was reduced by around 50 in the first quarter of 2024, particularly at the Muir of Ord site (Scotland). In contrast, the high order backlog in the Graphite Solutions business unit led to an increase in the number of employees at the sites in the USA and Germany.

Headcount	Mar 31, 24	Dec 31, 23	Change
Graphite Solutions	2,699	2,686	0.5%
Process Technology	489	493	-0.8%
Carbon Fibers	1,003	1,057	-5.1%
Composite Solutions	441	437	0.9%
Corporate	121	135	-10.4%
Total SGL Carbon	4,753	4,808	-1.1%

Headcount	Mar 31, 24	Dec 31, 23	Change
Germany	2,092	2,100	-0.4%
Europe excluding Germany	1,335	1,388	-3.8%
USA	777	762	2.0%
Asia	549	558	-1.6%
Total SGL Carbon	4,753	4,808	-1.1%

Segment Reporting

Reporting segment Graphite Solutions

€ million	1st Quarter		Change
	2024	2023	
Sales revenue	141.3	140.9	0.3%
EBITDA pre	36.6	30.9	18.4%
EBITDA pre-margin	25.9%	21.9%	+4.0%-points
EBIT	29.0	24.2	19.8%

The **Graphite Solutions** business unit reported sales of €141.3 million in the first quarter of 2024, which was almost on a par with the same quarter of the previous year (Q1 2023: €140.9 million). The continued positive sales trend with customers from the semiconductor industry was almost completely offset by the decline in demand in the business unit's other market segments.

With an increase in sales of €9.8 million or 15.7% compared to the same period of the previous year, the "LED and Semiconductors" market segment in particular contributed to the positive development and now accounts for around 51% of Graphite Solutions' total sales (Q1 2023: around 44%). The most important sales segment are customers from the silicon carbide-based semiconductor sector, which recorded an increase of more than 30% in Q1 2024 and now represent almost two thirds of sales in the "LED and semiconductors" market segment. The utilization of production capacities and the associated product mix change led to a corresponding decline in sales with LED customers. The same applies to the "Solar" market segment. Due to the similarity of the production processes, we have also increasingly utilized production capacities for the higher demand in the semiconductor segment. Graphite Solutions' second largest market segment, "Industrial Applications", supplies a wide range of graphite products for a variety of industries. Due to the current difficult economic situation in many of our sales markets, sales to these customers decreased slightly, meaning that this market segment's share of sales fell to 28% (Q1 2023: around 30%). Within the "Battery materials" market segment, revenue from both graphite

anode material (GAM) and the production of components for fuel cells fell by around 25% compared to the same period of the previous year.

Despite virtually unchanged sales, Graphite Solutions' adjusted EBITDA rose by 18.4% quarter-on-quarter to €36.6 million (Q1 2023: €30.9 million). This was due to volume increases and the higher capacity utilization in high-margin market segments as well as lower energy and raw material costs. Adjusted EBITDA was negatively impacted by higher repair and maintenance costs as well as a slight increase in personnel expenses due to the higher number of employees. The adjusted EBITDA margin improved significantly in the three-month comparison to 25.9% (Q1 2023: 21.9%).

Reporting segment Process Technology

€ million	1st Quarter		
	2024	2023	Change
Sales revenue	33.0	31.9	3.4%
EBITDA pre	6.9	4.9	40.8%
EBITDA pre-margin	20.9%	15.4%	+5.5%-points
EBIT	6.6	4.5	46.7%

With an increase in sales of 3.4% to €33.0 million (Q1 2023: €31.9 million), the **Process Technology** business unit confirmed the positive development of the previous year. Sales in this business unit are primarily generated with customers from the chemical industry. Process Technology benefits from its global customer base. The first quarter of 2024 was once again characterized by a good order situation, so we expect the business unit's capacity utilization to remain good in the following months.

The positive development of Process Technology is also reflected in the adjusted EBITDA. This increased from €4.9 million in the same period of the previous year to €6.9 million. Higher capacity utilization and positive product mix effects led to an improvement in the adjusted EBITDA margin from 15.4% in the first quarter of 2023 to 20.9% after three months in 2024.

Reporting segment Carbon Fibers

€ million	1st Quarter		Change
	2024	2023	
Sales revenue	57.6	63.7	-9.6%
EBITDA pre	-5.2	4.3	-
EBITDA pre-margin	-9.0%	6.8%	-15.8%-pts.
EBIT	-9.0	0.2	-

Revenue in the **Carbon Fibers** business unit amounted to €57.6 million in the first quarter of 2024, and was therefore below the previous year's figure of €63.7 million. The decline is in particular due to the continued weak demand from the wind industry and the associated capacity adjustment in the carbon fiber business. In the first quarter of 2024, the market segments Textile Fibers, Industrial Applications and Automotive also recorded a low double-digit percentage decline in revenue, while the Aerospace segment remained stable.

In the first quarter of 2024, wind energy accounted for around 20% of Carbon Fibers' sales. Due to the diversity of applications, Industrial Applications is Carbon Fibers' largest market segment with a revenue share of around 29%, followed by customers from the automotive sector with around 27%. Overcapacities in almost all product areas combined with high price pressure for these commodity products are putting increasing pressure on the Carbon Fibers business unit.

We have responded to the ongoing weakening of demand for carbon fibers for the wind industry and adjusted our production capacities from the second half of 2023. The closure of production lines is reflected in particular in the earnings performance of Carbon Fibers.

Adjusted EBITDA in the Carbon Fibers business unit fell by €9.5 million quarter-on-quarter to minus €5.2 million (Q1 2023: €4.3 million). The lack of fixed cost absorption due to the temporary shutdown of production lines led to high idle capacity costs and had a corresponding negative impact on adjusted EBITDA. The activities accounted for using the at-equity method (primarily BSCCB, the joint venture with Brembo for the production of carbon ceramic brake discs) contributed €4.4 million to the adjusted EBITDA of the Carbon Fibers reporting segment in the first quarter of 2024 (Q1 2023: €5.2 million). Without the

earnings contribution from Brembo SGL Carbon Ceramic Brakes, which is accounted for at equity, Carbon Fiber's adjusted EBITDA would be minus €9.8 million (Q1 2023: minus €0.9 million).

As demand from the wind industry is not expected to recover in the coming months, we have launched a restructuring program for Carbon Fibers in addition to reducing production capacity. The restructuring measures initiated led to expenses of €1.8 million in the first quarter of 2024, which were classified as a non-recurring item. Taking into account the non-recurring items and lower depreciation and amortization (minus €2.2 million) based on the impairment carried out in the 2023 financial year, EBIT for the first quarter amounted to minus €9.0 million (Q1 2023: €0.2 million).

Developments in the markets in which Carbon Fibers is active led to the decision at the end of February 2024 to review all strategic options for the business unit. These include a possible partial or complete sale of the business unit.

Reporting segment Composite Solutions

€ million	1st Quarter		Change
	2024	2023	
Sales revenue	37.1	39.8	-6.8%
EBITDA pre	5.5	5.9	-6.8%
EBITDA pre-margin	14.8%	14.8%	0.0%-points
EBIT	3.6	4.2	-14.3%

At €37.1 million, sales in the **Composite Solutions** business unit declined slightly in the first quarter of 2024 (Q1 2023: €39.8 million; -6.8%). The decline is in particular due to the expiry of a project-related supply contract with an automotive customer. Among other things, the business unit develops and produces customized vehicle components made from various composite materials for customers in Europe and North America.

The Automotive market segment is the dominant customer segment, accounting for 94% of Composite Solutions' quarterly sales.

As a result of the slightly lower volumes, the adjusted EBITDA of Composite Solutions decreased by €0.4 million or 6.8% to €5.5 million (Q1 2023: €5.9 million). Higher costs for salaries and raw materials were offset by slightly lower energy and freight costs. The adjusted EBITDA margin remained unchanged year-on-year at 14.8%.

Reporting segment Corporate

€ million	1st Quarter		Change
	2024	2023	
Sales revenue	3.6	7.4	-51.4%
EBITDA pre	-1.7	-5.9	-71.2%
EBIT	-3.6	-7.4	-51.4%

Sales in the **Corporate** reporting segment fell by 51.4% from €7.4 million in the first quarter of 2023 to €3.6 million in the reporting period. This decline is mainly due to the sale of the Gardena (USA) and Pune (India) locations, which impacted the first quarter of 2023. The sales of the two locations were no longer reported in the respective business units in the first quarter of 2023, but were allocated to the Corporate reporting segment. The operating activities of the Gardena site (USA) were sold on February 16, 2023. The Pune (India) site was sold on April 28, 2023.

Adjusted EBITDA in the Corporate reporting segment improved from minus €5.9 million in the same period of the previous year to minus €1.7 million. This improvement of €4.2 million in a three-month comparison is in particular due to the following effects: lower provisions for variable salary components and the absence of negative operating earnings contributions from the divested activities in Gardena and Pune.

Opportunities and risks

With regard to existing opportunities and risks, we generally refer to the detailed statements made in the 2023 Annual Report, which we supplement as follows.

The possible partial or complete sale of the Carbon Fibers business unit may have a significant impact on the valuation of assets and the level of consolidated net income and cash flow, depending on the sales price achieved.

In addition, the slightly weaker growth in the semiconductor market could have a negative impact on the Graphite Solutions business unit.

There have been no other significant changes.

Based on the information currently available, we do not believe that there are any significant individual risks that could jeopardize the company as a going concern, either now or in the foreseeable future. Even the cumulative consideration of the current individual risks does not jeopardize the continued existence of SGL Carbon.

Outlook

Compared to the first quarter of the previous year, sales fell slightly in the reporting period, but the operating result improved. The improvement in earnings is in particular due to the increasing demand for specialty graphite components from the semiconductor industry. We expect further business expansion in this area in the coming quarters.

Components made of specialty graphite are indispensable in the manufacture of wafers for the semiconductor industry, especially in the production of silicon carbide (SiC)-based semiconductors. According to studies, the demand for silicon carbide-based semiconductors will grow by an average of more than 30% per year over the next few years. SiC semiconductors are more powerful, smaller and more efficient than cheaper silicon semiconductors. SiC semiconductors are therefore particularly needed in electric vehicles and other high-performance applications. SGL Carbon is one of the few suppliers worldwide that can produce graphite components with the required purity and properties for the SiC semiconductor industry. We therefore want to continue to grow in this high-margin market in particular.

Together with our customers, we will invest in the expansion of our production capacities. We will therefore increase the investment volume in the 2024 financial year to up to €150 million (2023: €87.1 million). Around two thirds of this is planned for expansions in Graphite Solutions. The investment volume exceeding our depreciation and amortization will primarily be financed by customer prepayments under long-term supply contracts. SGL Carbon received around €70 million in customer prepayments in fiscal year 2023, followed by a further €8 million in the first quarter of 2024. By expanding capacity, our customers are securing production capacity to ensure their own growth. SGL Carbon benefits from the expansion of production and long-term supply contracts that enable future profitable growth.

Following the end of the first quarter of 2024, we confirm the revenue and earnings forecast for the 2024 financial year issued on March 22, 2024.

For the 2024 financial year, the company expects consolidated sales at the previous year's level and adjusted EBITDA of between €160 million and €170 million. We also assume that free cash flow at the end of the 2024 financial year will be significantly below the previous

year's level. In terms of return on capital employed, we anticipate a ROCE of between 10% and 11%.

Group financial targets

€ million	Actual 2023	Outlook 2024
Sales revenue	1,089.1	At prior year level
EBITDA pre	168.4	160 - 170
Return of capital employed (ROCE _{EBIT})	11.3%	10% - 11%
Free cash flow	95.6	Significantly below prior year level

Wiesbaden, May 8, 2024

SGL Carbon SE

The Board of Management

Dr. Torsten Derr

Thomas Dippold

Selected Financial Information

Consolidated Income Statement

€ million	1st Quarter		Change
	2024	2023	
Sales revenue	272.6	283.7	-3.9%
Cost of sales	-209.9	-225.1	-6.8%
Gross profit	62.7	58.6	7.0%
Selling expenses	-23.8	-25.9	-8.1%
Research and development costs	-7.6	-7.0	8.6%
General and administrative expenses	-9.1	-9.8	-7.1%
Other operating income	3.5	7.1	-50.7%
Other operating expenses	-1.7	-2.5	-32.0%
Result from investments accounted for At-Equity	4.4	5.2	-15.4%
Restructuring expenses	-1.8	0.0	-
Operating profit	26.6	25.7	3.5%
Interest income	1.4	0.8	75.0%
Interest expense	-10.2	-7.5	36.0%
Other financial result	-0.3	-1.1	-72.7%
Result before income taxes	17.5	17.9	-2.2%
Income tax expense	-4.6	-2.6	76.9%
Net result for the period	12.9	15.3	-15.7%
Thereof attributable to:			
Non-controlling interests	0.3	0.1	>100%
Consolidated net result (attributable to shareholders of the parent company)	12.6	15.2	-17.1%
Earnings per share, basic and diluted (in€)	0.10	0.12	-16.7%

Consolidated Statement of Comprehensive Income

€ million	1st Quarter	
	2024	2023
Net result for the period	12.9	15.3
Items that may be reclassified subsequently to profit or loss		
Share of investments accounted for At-Equity in other comprehensive income		-1.7
Cash flow hedges ¹⁾	-1.2	0.2
Currency translation ¹⁾	8.7	-6.2
Items that will not be reclassified to profit or loss		
Actuarial gains/losses on pensions and similar obligations ¹⁾	0.0	0.0
Other comprehensive income	7.5	-7.7
Comprehensive income	20.4	7.6
Thereof attributable to:		
Non-controlling interests	0.3	0.1
Consolidated net result (attributable to shareholders of the parent company)	20.1	7.5

¹⁾ Includes tax effects in Q1 2024 of €0.0 million (Q1 2023: €0.0 million)

Consolidated Balance Sheet

ASSETS € million	Mar 31, 24	Dec 31, 23	Change	EQUITY AND LIABILITIES € million	Mar 31, 24	Dec 31, 23	Change
Goodwill	22.8	22.4	1.8%	Issued capital	313.2	313.2	0.0%
Other intangible assets	12.6	13.0	-3.1%	Capital reserves	1,067.8	1,067.8	0.0%
Property, plant and equipment	549.4	532.2	3.2%	Accumulated losses	-755.6	-775.7	-2.6%
Investments accounted for At-Equity	62.5	68.2	-8.4%	Equity attributable to the shareholders of the parent company	625.4	605.3	3.3%
Other non-current assets	6.9	6.6	4.5%	Non-controlling interests	9.6	9.6	0.0%
Deferred tax assets	74.8	73.2	2.2%	Total equity	635.0	614.9	3.3%
Total non-current assets	729.0	715.6	1.9%				
				Provisions for pensions and similar employee benefits	204.9	206.1	-0.6%
Inventories	373.0	373.6	-0.2%	Other provisions	13.4	12.5	7.2%
Trade receivables and contract assets	160.6	150.9	6.4%	Interest-bearing loans	280.8	279.8	0.4%
Other receivables and other assets	29.8	33.1	-10.0%	Contract liabilities	70.9	64.2	10.4%
Liquidity	197.2	199.4	-1.1%	Other financial liabilities	18.7	18.8	-0.5%
<i>Time deposits</i>	65.0	65.0	0.0%	Deferred tax liabilities	2.0	1.9	5.3%
<i>Cash and cash equivalents</i>	132.2	134.4	-1.6%	Total non-current liabilities	590.7	583.3	1.3%
Total current assets	760.6	757.0	0.5%				
				Other provisions	76.4	79.1	-3.4%
Total assets	1,489.6	1,472.6	1.2%	Current portion of interest-bearing loans	3.0	3.0	0.0%
				Trade payables and contract liabilities	143.4	154.3	-7.1%
				Other financial liabilities	10.1	11.7	-13.7%
				Other liabilities	31.0	26.3	17.9%
				Total current liabilities	263.9	274.4	-3.8%
				Total equity and liabilities	1,489.6	1,472.6	1.2%

Consolidated Cash Flow Statement

€ million	1st Quarter	
	2024	2023
Result before income taxes	17.5	17.9
Adjustments to reconcile the result before taxes for the period to cash flow from operating activities:		
Interest expense (net)	8.8	6.7
Changes in the value of contract assets (IFRS 15)	-1.7	-5.2
Result from the disposal of property, plant and equipment	0.1	0.0
Depreciation/amortization expense	13.3	14.5
Restructuring expenses	1.8	0.0
Result from investments accounted for At-Equity	-4.4	-5.2
Other financial result	0.3	1.1
Interest received	0.8	0.6
Income taxes paid	-2.8	-3.5
Changes in provisions, net	-7.2	-15.6
Changes in net working capital		
Inventories	-2.7	-34.6
Trade receivables	0.3	6.9
Trade payables and contract liabilities	-7.9	15.3
Changes in other operating assets/liabilities	3.6	18.0
Cash flow from operating activities	19.8	16.9

€ million	1st Quarter	
	2024	2023
Payments to purchase intangible assets and property, plant & equipment	-23.9	-19.0
Proceeds from the sale of intangible assets and property, plant & equipment	0.0	5.0
Dividend payments from investments accounted for At-Equity	10.0	7.5
Cash flow from investing activities	-13.9	-6.5
Repayment of financial liabilities	-0.7	-35.4
Payments in connection with financing activities	0.0	-1.7
Redemption payments for lease liabilities	-2.2	-2.0
Interest paid	-5.5	-9.6
Other financing activities	-0.3	0.0
Cash flow from financing activities	-8.7	-48.7
Effect of foreign exchange rate changes	0.6	-0.4
Net change in cash and cash equivalents	-2.2	-38.7
Cash and cash equivalents at beginning of period	134.4	227.3
Cash and cash equivalents at end of period	132.2	188.6
<i>Time deposits at end of period</i>	<i>65.0</i>	
Total liquidity	197.2	188.6

Consolidated Statement of Changes in Equity

€m	Equity attributable to the shareholders of the parent company							Equity attributable to the shareholders of the parent company	Non-controlling interests	Total equity
	Issued capital	Capital reserves	Accumulated profit/loss	Currency translation	Cashflow hedges (net)	Investments accounted for At-Equity	Accumulated losses			
Balance at Dec 31, 23	313.2	1,067.8	-736.1	-41.0	1.4	0.0	-775.7	605.3	9.6	614.9
Net result for the period			12.6				12.6	12.6	0.3	12.9
Other comprehensive income			0.0	8.7	-1.2		7.5	7.5		7.5
Comprehensive income			12.6	8.7	-1.2	0.0	20.1	20.1	0.3	20.4
Dividends								0.0	-0.3	-0.3
Balance at Mar 31, 24	313.2	1,067.8	-723.5	-32.3	0.2	0.0	-755.6	625.4	9.6	635.0
Balance at Dec 31, 22	313.2	1,053.5	-767.8	-29.9	0.5	-0.2	-797.4	569.3	9.3	578.6
Net result for the period			15.2				15.2	15.2	0.1	15.3
Other comprehensive income			0.0	-6.2	0.2	-1.7	-7.7	-7.7		-7.7
Comprehensive income			15.2	-6.2	0.2	-1.7	7.5	7.5	0.1	7.6
Equity component of convertible bond		-0.3					0.0	-0.3		-0.3
Balance at Mar 31, 23	313.2	1,053.2	-752.6	-36.1	0.7	-1.9	-789.9	576.5	9.4	585.9

Segment Information

€ million	Graphite Solutions	Process Technology	Carbon Fibers	Composite Solutions	Corporate	SGL Carbon
1st Quarter 2024						
Sales revenue by customer industry						
Mobility	13.6		17.1	35.9	3.1	69.7
Energy	10.5		11.4			21.9
Industrial Applications	39.0		16.6	1.2	0.5	57.3
Chemicals	5.8	33.0				38.8
Digitization	72.4					72.4
Textile Fibers			12.5			12.5
Total sales revenue	141.3	33.0	57.6	37.1	3.6	272.6
EBITDA pre ¹⁾	36.6	6.9	-5.2	5.5	-1.7	42.1
Amortization/depreciation on intangible assets and property, plant and equipment	7.6	0.3	1.9	1.6	1.6	13.0
EBIT pre	29.0	6.6	-7.1	3.9	-3.3	29.1
One-off effects/Non-recurring items	0.0	0.0	-1.9	-0.3	-0.3	-2.5
EBIT	29.0	6.6	-9.0	3.6	-3.6	26.6
Capital expenditure ²⁾	14.8	0.1	0.8	2.0	6.2	23.9
Result from investments accounted for At-Equity			4.4			4.4
Working Capital ³⁾	190.9	21.6	134.6	41.0	-68.8	319.3

€ million	Graphite Solutions	Process Technology	Carbon Fibers ⁴⁾	Composite Solutions	Corporate	SGL Carbon
1st Quarter 2023						
Sales revenue by customer industry						
Mobility	13.8		19.6	38.1	2.5	74.0
Energy	14.0		8.0			22.0
Industrial Applications	43.6		20.5	1.7	4.9	70.7
Chemicals	6.9	31.9				38.8
Digitization	62.6					62.6
Textile Fibers			15.6			15.6
Total sales revenue	140.9	31.9	63.7	39.8	7.4	283.7
EBITDA pre ¹⁾	30.9	4.9	4.3	5.9	-5.9	40.1
Amortization/depreciation on intangible assets and property, plant and equipment	6.7	0.4	4.1	1.5	1.6	14.3
EBIT pre	24.2	4.5	0.2	4.4	-7.5	25.8
One-off effects/Non-recurring items	0.0	0.0	0.0	-0.2	0.1	-0.1
EBIT	24.2	4.5	0.2	4.2	-7.4	25.7
Capital expenditure ²⁾	11.6	0.3	5.7	0.9	0.5	19.0
Result from investments accounted for At-Equity			5.2			5.2
Working Capital (31.12.) ³⁾	181.6	21.8	127.5	44.0	-68.9	306.0

¹⁾ EBITDA adjusted by one-off effects and non-recurring items

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

³⁾ Defined as sum of inventories, trade receivables and contract assets less trade payables and contract liabilities

⁴⁾ In the business unit Carbon Fibers, the allocation of sales to the market segments Energy and Industrial Applications was adjusted at the end of 2023. The previous product group allocation was replaced by a customer allocation. As a result, sales in the two market segments for the period 2023 have been adjusted for reasons of comparability.

Subsequent events

None.

Wiesbaden, May 8, 2024

SGL Carbon SE
The Board of Management of SGL Carbon SE

Dr. Torsten Derr

Thomas Dippold

Other Information

Quarterly Sales Revenue and EBITDA pre by Reporting Segment

€ million	Q1	Q2	Q3	Q4	2023 Full Year	2024 Q1
Sales revenue						
Graphite Solutions	140.9	139.7	137.8	147.3	565.7	141.3
Process Technology	31.9	32.5	31.3	32.2	127.9	33.0
Carbon Fibers	63.7	61.4	54.5	45.3	224.9	57.6
Composite Solutions	39.8	39.8	34.7	39.6	153.9	37.1
Corporate	7.4	3.4	2.9	3.0	16.7	3.6
SGL Carbon	283.7	276.8	261.2	267.4	1,089.1	272.6

€ million	Q1	Q2	Q3	Q4	2023 Full Year	2024 Q1
EBITDA pre						
Graphite Solutions	30.9	34.2	34.4	34.5	134.0	36.6
Process Technology	4.9	7.0	5.6	4.9	22.4	6.9
Carbon Fibers	4.3	1.8	-2.9	4.0	7.2	-5.2
Composite Solutions	5.9	6.4	4.3	5.6	22.2	5.5
Corporate	-5.9	-1.5	0.6	-10.6	-17.4	-1.7
SGL Carbon	40.1	47.9	42.0	38.4	168.4	42.1

Quarterly Consolidated Income Statement

€ million					2023	2024
	Q1	Q2	Q3	Q4	Full Year	Q1
Sales revenue	283.7	276.8	261.2	267.4	1,089.1	272.6
Cost of sales	-224.8	-211.6	-201.2	-214.7	-852.3	-209.6
Gross profit	58.9	65.2	60.0	52.7	236.8	63.0
Selling, administrative, R&D and other operating income/expense	-38.3	-37.9	-35.3	-34.1	-145.6	-38.3
Result from investments accounted for At-Equity	5.2	5.8	3.1	4.2	18.3	4.4
EBIT pre	25.8	33.1	27.8	22.8	109.5	29.1
One-off effects/Purchase price allocation effects	-0.1	-2.1	-0.3	-0.9	-3.4	-0.7
Restructuring income/expenses/impairment losses	0.0	-44.7	0.0	-4.8	-49.5	-1.8
EBIT	25.7	-13.7	27.5	17.1	56.6	26.6
Financial result	-7.8	-8.0	-8.9	-9.5	-34.2	-9.1
Result before income taxes	17.9	-21.7	18.6	7.6	22.4	17.5
Income tax expense	-2.6	-3.3	-3.1	28.3	19.3	-4.6
Net result for the period	15.3	-25.0	15.5	35.9	41.7	12.9
Thereof attributable to:						
Non-controlling interests	0.1	0.2	0.2	0.2	0.7	0.3
Consolidated net result (attributable to shareholders of the parent company)	15.2	-25.2	15.3	35.7	41.0	12.6

Financial Calender

May 29, 2024

- Annual General Meeting (virtual)

August 3, 2024

- Report on the First Half Year 2024
- Conference call for analysts and investors

November 7, 2024

- Statement on the First Nine Months 2024
- Conference call for analysts and investors

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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 Graphite Solutions, Process Technology, Carbon Fibers and Composite Solutions 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 Graphite Solutions, Process Technology, Carbon Fibers and Composite Solutions businesses, the impact of any manufacturing efficiencies and capacity constraints, widespread adoption of carbon fiber products and components in key end-markets of SGL Carbon, including the automotive and aerospace 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 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.

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