

## Press release

Wiesbaden, August 4, 2022

### **SGL Carbon remains on track**

- Sales increase of 10.7% to €549.8 million in the first half of 2022
- EBITDApre improves by 22.6%, higher than the increase in sales, to €87.9 million
- Positive business development, price increases and strict cost management led to forecast increase on June 7, 2022

Despite uncertain general conditions in the first six months 2022, SGL Carbon's business model is proving its resilience. After €270.9 million in Q1 2022, SGL Carbon was able to increase sales to €278.9 million in Q2. Accordingly, sales for the first half of 2022 amount to €549.8 million, which corresponds to a sales plus of €53.1 million or 10.7% compared to the same period of the previous year.

The increase in sales was driven in particular by customers in the semiconductor industry and growth in the industrial applications market segment. Demand from the automotive and chemical industries was also encouraging.

EBITDApre, as one of the Group's key performance indicators, improved by €16.2 million (+22.6%) to €87.9 million (H1 2021: €71.7 million). Consequently, the EBITDApre margin increased from 14.4% to 16.0%. In addition to the higher utilization of production capacities due to higher sales, the improvement in earnings was also driven by the largely successful passing-on of higher raw material and energy costs to customers as well as savings from the transformation program.

EBITDApre does not include positive one-off effects and non-recurring items totaling €10.6 million (H1 2021: minus €5.2 million). As a result, EBIT in H1 2022 increased significantly from €38.3 million to €69.6 million. Taking into account the financial result of minus €16.6 million (H1 2021: minus €14.0 million), consolidated net income for the first six months of the current fiscal year amounted to €48.8 million, compared to €17.9 million in the prior-year period.

## Business Units

With an increase in sales of €22.2 million (+10.0%) to €243.4 million, the **Graphite Solutions** (GS) business unit made a major contribution to SGL Carbon's sales growth. In particular, continued high demand from customers in the semiconductor sector, which represents approximately one third of the segment's sales, led to the positive business development in GS. As a result of the predominantly high-margin business, EBITDApre at GS improved by 22.7% to €54.0 million.

The **Process Technology** (PT) business unit benefited from the good order situation in the chemical industry in H1 2022 and consequently increased sales to €49.2 million (H1 2021: €40.8 million). EBITDApre also improved from €0.1 million in the prior year's first half to €4.1 million in H1 2022.

The **Carbon Fibers** (CF) business unit benefited in the 1st half 2022 from final deliveries to a major automotive manufacturer whose contract expired as scheduled on June 30, 2022. Segment sales increased by 5.8% year-on-year to €176.0 million. In contrast, EBITDApre at CF decreased by €4.2 million to €28.2 million despite the good order situation and successful price increases. It should be noted that CF was impacted by a special effect from energy derivatives for price hedging in the amount of €9.2 million in the first quarter of 2022.

With an increase in sales of 15.6% to €69.6 million, the **Composite Solutions** (CS) business unit continued its upward trend. The specialist for customized component solutions for the automotive industry improved its EBITDApre from €5.7 million in the first half of 2021 to the current €9.7 million, based in particular on price and volume effects.

## Balance sheet figures

Working capital rose by 11.7% to €381.1 million as of June 30, 2022. This was mainly due to higher inventories (€ +73.9 million) and an offsetting increase in trade payables (€ +29.0 million). A targeted build-up of inventories in critical raw materials due to disruptions in transport routes and the recent Covid lockdown in Shanghai were some of the reasons for the higher inventory levels.

SGL Carbon's net financial debt slightly increased by €6.6 million to €212.9 million as of June 30, 2022 (Dec. 31, 2021: €206.3 million), which was due to a lower free cash flow of €7.5 million for H1 2022 (H1 2021: €56.6 million).

## Guidance increase

On June 7, 2022, SGL Carbon raised its sales and earnings guidance for fiscal year 2022. The company now expects sales of €1.1 billion (previously: around €1.0 billion) and EBITDApre of €130 - 150 million (previously: €110 - 130 million). Based on the pleasing business development, realized price increases, a stringent cost management, and taking into account the currently known risks, SGL's management expects to achieve the earnings forecast for

2022 at the upper end of the stated range.

Further details on business development and outlook can be found in the Group's interim report for the first half 2022.

## Key figures for the first half of 2022

in € million	H1 2022	H1 2021	Change	Change in %
<b>Group sales</b>	<b>549.8</b>	<b>496.7</b>	<b>53.1</b>	<b>10.7 %</b>
Graphite Solutions	243.4	221.2	22.2	10.0 %
Process Technology	49.2	40.8	8.4	20.6 %
Carbon Fibers	176.0	166.4	9.6	5.8 %
Composites Solutions	69.6	60.2	9.4	15.6 %
Corporate	11.6	8.1	3.5	43.2 %
<b>EBITDApre*</b>	<b>87.9</b>	<b>71.7</b>	<b>16.2</b>	<b>22.6 %</b>
Graphite Solutions	54.0	44.0	10.0	22.7 %
Process Technology	4.1	0.1	4.0	>100 %
Carbon Fibers	28.2	32.4	-4.2	-13.0 %
Composites Solutions	9.7	5.7	4.0	70.2 %
Corporate	-8.1	-10.5	2.4	-22.9 %
EBITDApre margin* (in %)	16.0%	14.4%		+1.6%-pts
<b>Net result</b> (attributable to shareholders of the parent company)	<b>48.8</b>	<b>17.9</b>	<b>30.9</b>	<b>&gt;100%</b>
Free cash flow	7.5	56.5	-49.0	-86.7%
	<b>June 30, 2022</b>	<b>Dec. 31, 2021</b>	<b>Change</b>	<b>Change in %</b>
Equity ratio (in %)	35.7%	27.0%		+8.7%-pts
Net financial debt (in € million)	212.9	206.3	6.6	3.2%
ROCE (EBITpre) (in %)	9.3%	8.0%		+1.3%-pts

\* EBITDApre (adjusted EBITDA): Earnings before interest, taxes, depreciation and amortization adjusted for one-time effects and special items.

## About SGL Carbon

SGL Carbon is a technology-based company and world leader in the development and production of carbon-based solutions. Its high-quality materials and products made from specialty graphite, carbon fibers and composites are used in industrial sectors that determine the future: automotive, aerospace, solar and wind energy, semiconductors, and LEDs as well as in the production of lithium-ion batteries, fuel cell and other energy storage systems. In addition, SGL Carbon develops solutions for chemical and industrial applications. Further developments in these areas demand more intelligent, more efficient, networked and sustainable solutions. This is where the entrepreneurial vision of SGL Carbon evolves around: contributing to a smarter world.

**In 2021, SGL Carbon SE generated sales of approx. 1 billion euros. The company has approx. 4,700 employees at 31 locations in Europe, North America, and Asia.**

Further information on SGL Carbon can be found at [www.sglcarbon.com/press](http://www.sglcarbon.com/press).

### Important note:

To the extent that our press release contains forward-looking statements, the latter are based on information that is available at present and on our current forecasts and assumptions. Forward-looking statements, by their very nature, entail known as well as unknown risks and uncertainties that may lead to actual developments and events differing substantially from the forward-looking assessments. Forward-looking statements must not be understood to be guarantees. Instead, future developments and events depend on a large number of factors; they comprise various risks and imponderables and are based on assumptions that may possibly turn out not to be appropriate. These include unforeseeable changes to fundamental political, economic, legal and societal conditions, particularly in the context of our main customers' industries, the competitive situation, interest and exchange rate trends, technological developments as well as other risks and uncertainties. We perceive additional risks e.g. in pricing developments, unforeseeable events in the environment of companies acquired and Group member companies as well as in current cost savings programs from time to time. The SGL Carbon assumes no obligation and does not intend to adjust or otherwise update these forward-looking statements either.

### **Philipp Stieffenhofer – Senior Manager Corporate Communications & Marketing**

Söhnleinstraße 8

65201 Wiesbaden/Germany

Phone +49 611 6029-104

[\*\*philipp.stieffenhofer@sglcarbon.com\*\*](mailto:philipp.stieffenhofer@sglcarbon.com)

### **Claudia Kellert – Head of Capital Markets & Communications**

Söhnleinstraße 8

65201 Wiesbaden/Germany

Phone +49 611 6029-106

[\*\*claudia.kellert@sglcarbon.com\*\*](mailto:claudia.kellert@sglcarbon.com)

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

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