



Report on the  
first half year 2022

# Highlights H1 2022

SGL Carbon remains on growth track: significant sales growth in H1 2022 to €549.8 million (+10.7% compared to H1 2021) driven by all business units.

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Continued high sales to customers in the semiconductor and automotive industries supported the increase in sales.

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Both volume and price effects combined with continued strict cost management lead to a 22.6% increase in adjusted EBITDA to €87.9 million (H1 2021: €71.7 million).

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The equity ratio increased further to 35.7% (Q1 2022: 30.6%). Net debt increased slightly to €212.9 million (+3.2% compared to December 31, 2021, -13.7% compared to H1 of the previous year).

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After a strong Q2 2022, management expects to achieve the upper end of the updated guidance (sales: €1.1 billion | adjusted EBITDA €130-150 million | adjusted EBIT €70-90 million | ROCE 7%-9% | free cash flow significantly below prior year).

# Financial Highlights H1 2022

€ million	1st Half Year		
	2022	2021	Change
Sales revenue	549.8	496.7	10.7%
EBITDA pre <sup>1)</sup>	87.9	71.7	22.6%
EBITDA pre-margin	16.0%	14.4%	+1.6%-pts.
EBIT	69.6	38.3	81.7%
Consolidated net result (attributable to shareholders of the parent company)	48.8	17.9	>100%
Free cash flow	7.5	56.5	-86.7%

€ million	Jun 30, 22	Dec 31, 21	Change
Total assets	1,426.0	1,376.3	3.6%
Equity (attributable to the shareholders of the parent company)	509.2	371.5	37.1%
Net financial debt	212.9	206.3	3.2%
Return on capital employed (ROCE) <sup>2)</sup>	9.3%	8.0%	+1.3%-pts
Leverage ratio <sup>3)</sup>	1.4	1.5	-
Equity ratio	35.7%	27.0%	+8.7%-pts

Share price in €	1st Half Year 2022	Financial year 2021	Change
High	7.91	10.78	-26.6%
Low	4.78	3.76	27.1%
Closing price at end of period	5.99	7.69	-22.1%

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

<sup>2)</sup> 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)

<sup>3)</sup> Net financial debt divided by EBITDA pre of the last 12 months

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# Interim Group Management Report

## Economic Environment

Since the economic forecasts published in the spring, the global growth outlook has deteriorated. The main reasons for this are: (I) Russia's war of aggression on Ukraine and the related effects such as high energy and commodity prices, partly lack of availability of raw materials and supply chain problems, (II) ongoing constraints resulting from the COVID-19 pandemic, in particular the lockdowns in China, and (III) the high inflation rates worldwide, which required a faster monetary policy response than previously assumed. As a result, since April/May 2022, the leading economic research institutes as well as other organizations have adjusted their growth forecasts for 2022 downward - this especially for the Western industrialized countries, which are particularly suffering from the stress factors listed above. In particular, growth expectations for the USA have been revised significantly downward by 1.4 percentage points to 2.3% by the International Monetary Fund (IMF) for 2022. This means that the IMF's growth outlook for the USA is currently lower than that for the euro zone (2.6%).

Inflation rates in the major Western industrialized nations, which have risen to high single-digit levels, have prompted central banks to raise key interest rates. In the current year, for example, the US Federal Reserve has raised key interest rates in four steps by a total of 225 basis points. The ECB took the first step on July 21, 2022 with an interest rate increase of 50 basis points. Overall, the leading central banks expect further rate hikes over the course of the year in order to return inflation rates to normal in the medium to long term.

In its statement of July 26, 2022, the IMF made a further reduction in the global growth rate for 2022 - instead of 3.6% previously, only 3.2% is now expected. The aforementioned risks also remain for the 2nd half of 2022 and could intensify further - in particular if inflation persists or gas supplies in Europe are significantly reduced.

The growth rate in the euro zone for 2022 should be supported by the economic upturn of the past year and a slightly better-than-expected 1st quarter. The latest IMF data projects growth of 2.6%, around 0.2 percentage points lower than in the April forecast. In addition, increased and long-term gas shortages in Europe pose the risk of a significant economic slowdown.

For Germany, economic research institutes also expect a decline in economic output since the April/May forecasts. In its July update, for example, the IMF expects growth of only 1.2% in 2022, well below the April forecast (2.1%). The IMF's growth

rate is thus another 0.2 percentage points below the EU Commission's latest forecast. In view of Germany's relatively high dependence on Russian gas, a sudden supply stoppage represents a significant risk as it could severely impact production capability in key industrial sectors.

The growth rates given above for Europe and Germany in particular take into account the above-mentioned stress factors and lower gas supply volumes, but do not reflect a complete supply freeze of Russian gas. A further increase in gas prices could additionally drive up inflation up further and slow growth.

## Key Events of the Business Development

### Termination of the heritable building right at the former plant in Griesheim

At the end of the 1st quarter of 2022, an agreement was already concluded on the cancellation of a heritable building right to a plot of land at the Frankfurt-Griesheim site that is not required for operations. In addition to the cancellation of the heritable building right, the agreement provides for, among other things, the clearing of the land and the dismantling of the facilities. The SGL site in Frankfurt-Griesheim was shut down in 2016.

The termination agreement will result in a one-off effect on income in 2022 totaling around €27 million due to the release of provisions and liabilities and the mutual payment obligations, as well as a cash outflow for the dismantling of the facilities totaling around €6 million over the next three to four years. In the 1st half of 2022, €11.7 million was recognized in income. This resulted on the one hand from the release of provisions no longer required, among other things for dismantling obligations, in the amount of €13.6 million, and on the other hand from a write-down of €1.9 million on the right to use the land.

Upon cancellation of the ground lease by entry in the land register, which is expected to take place in the course of the year, the remaining current lease liability of €15.6 million will be derecognized and a net amount of €1.0 million will be paid out. In return, the previous charge from the ground lease of around €1 million per year will no longer apply.

## Status of the transformation

The restructuring and transformation process initiated at the end of 2020 has made a significant contribution to the Group's positive sales and earnings performance. As of June 30, 2022, the vast majority of the planned initiatives had been implemented. The cost savings targets of more than €100 million per year and the associated reduction of over 500 jobs were already more than achieved by the end of 2021.

## Business Development

### Group business development

#### Condensed Consolidated Income Statement

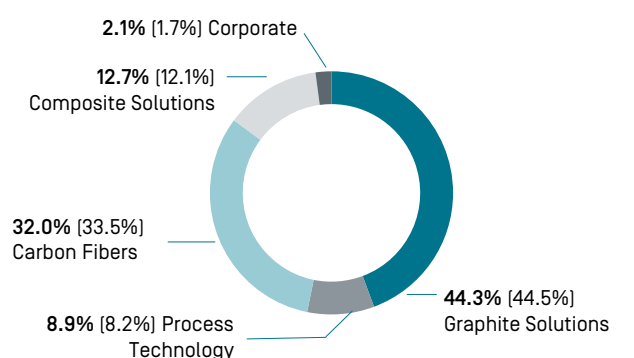
€ million	1st Half Year		
	2022	2021	Change
<b>Sales revenue</b>	<b>549.8</b>	<b>496.7</b>	<b>10.7%</b>
Cost of sales	-419.6	-381.5	10.0%
<b>Gross profit</b>	<b>130.2</b>	<b>115.2</b>	<b>13.0%</b>
Selling, administrative and R&D expenses	-85.4	-83.0	2.9%
Other operating income/expenses	4.7	2.9	62.1%
Result from investments accounted for At-Equity	9.5	8.4	13.1%
<b>EBIT pre</b>	<b>59.0</b>	<b>43.5</b>	<b>35.6%</b>
One-off effects/Non-recurring items	10.6	-5.2	-
<b>EBIT</b>	<b>69.6</b>	<b>38.3</b>	<b>81.7%</b>

After €270.9 million in Q1 2022, SGL Carbon was able to increase consolidated sales to €278.9 million in Q2. Consequently, sales in the first six months increased by €53.1 million or 10.7% to a total of €549.8 million (H1 2021: €496.7 million). Adjusted for foreign exchange [translational effects], the increase was 7.6%.

All business units contributed to this development, with the result that the breakdown of sales by business unit remained almost unchanged compared with the 1st half of the previous

year. The largest share of Group sales was contributed by the business units Graphite Solutions with 44.3% and Carbon Fibers with 32.0%. Composite Solutions and Process Technology each contributed 12.7% and 8.9% respectively to Group sales. Corporate sales increased slightly to a share of 2.1%.

#### Group sales revenue by reporting segments H1 2022 (H1 2021)

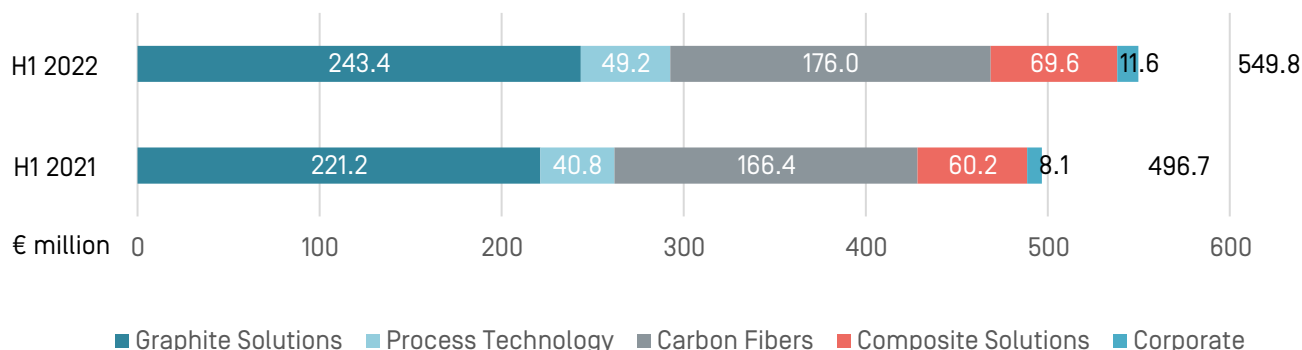


The Graphite Solutions (GS) business unit contributed almost half of the sales growth in the 1st half of the year. GS increased its sales by €22.2 million or 10.0% to €243.4 million compared to the 1st half of the previous year. However, the other three business units also increased their sales compared to the 1st half of the previous year: Carbon Fibers (+€9.6 million or +5.8%), Composite Solutions (+€9.4 million or +15.6%) and Process Technology (+€8.4 million or +20.6%).

In particular, orders from customers in the semiconductor industry and the significant recovery in the industrial applications segment contributed to the sales growth of SGL Carbon as a whole, with increases of €24.4 million [+41.7%] and €30.9 million [+30.5%], respectively. Sales in the Mobility [+€14.5 million or +9.2%] and Chemical Industry [+€11.5 million or +21.5%] market segments also developed well.

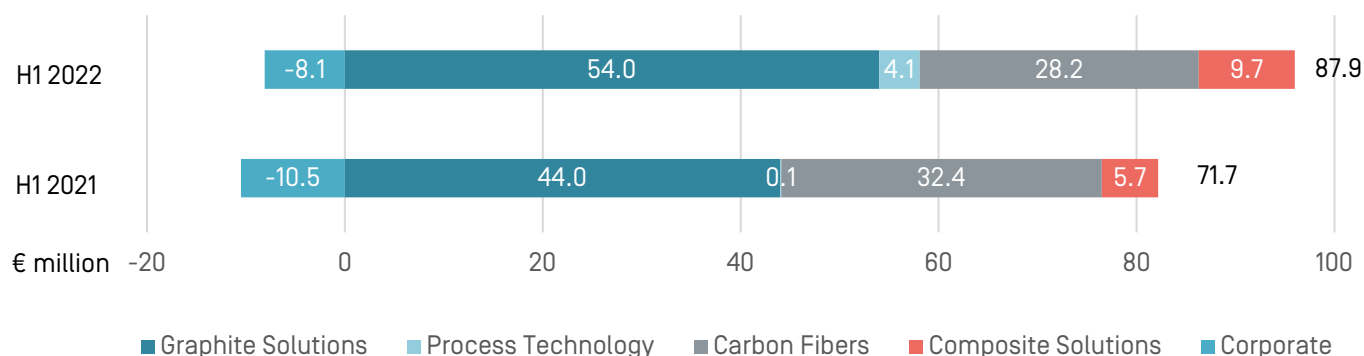
A detailed presentation of the sales performance of the individual business units can be found in the segment information [see pages 11 ff as well as 28 ff].

## Group sales development



## Earnings situation of the Group

### Earnings development – EBITDA pre



In H1 2022, SGL Carbon generated adjusted EBITDA (EBITDA pre) of €87.9 million. This corresponds to a significant improvement of €16.2 million or 22.6% compared to the prior-year period (H1 2021: €71.7 million). Accordingly, the adjusted EBITDA margin (EBITDA pre-margin) increased from 14.4% to 16.0% in a half-year comparison.

The 1st half of 2022 was characterized by an increasingly challenging environment. The impact of the Ukraine war led to significant price increases for raw materials, electricity and gas, and for transportation and logistics costs. Temporarily disrupted supply chains also led to delays in procurement and transportation. The situation was exacerbated by the corona-

related lockdowns in China. Through multiple and flexible procurement channels, we were able to ensure production and delivery capability despite the aforementioned constraints.

The main drivers of the good earnings performance in the 1st half of 2022 were higher capacity utilization from increased demand in almost all market segments by maintaining production capability at all sites and the largely successful passing on of cost increases to our customers. The cost savings already implemented as a result of the transformation and the continuation of strict cost management had a supporting effect. On the other hand, earnings were negatively impacted by the fact that factor cost increases could not be passed on completely or only with a time lag. The Carbon Fibers business unit was

particularly affected by energy price developments. A one-off expense in cost of sales - amounting to €9.2 million in connection with energy derivatives burdened this business unit in Q1 2022. Overall, more than 90 % of the energy requirements of the entire SGL Carbon for fiscal year 2022 are covered by price hedges. The earnings contribution of the individual business units can be found in the segment reporting in this half-year report.

The trends presented are also reflected in the Group's income statement:

- Cost of sales increased by 10.0 % to €419.6 million in the 1st half of 2022, slightly less than the 10.7 % increase in sales. Gross margin developed positively accordingly at 23.7 % in the 1st half of 2022 and was above the prior-year figure of 23.2 %.
- Selling, general and administrative and R&D expenses increased slightly by 2.9 % year-on-year to €85.4 million (H1 2021: €83.0 million). This was mainly due to higher selling expenses as a result of significantly increased transportation costs. By contrast, strict cost discipline and continued savings led to an easing of administrative expenses.
- Result from investments accounted for At-Equity improved by 13.1 % to €9.5 million (H1 2021: €8.4 million). This is attributable in particular to the proportionate earnings from our BSCCB joint venture.

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

€ million	1st Half Year		
	2022	2021	Change
<b>EBITDA pre</b>	<b>87.9</b>	<b>71.7</b>	<b>22.6%</b>
Depreciation and amortization	-28.9	-28.2	2.5%
<b>EBIT pre</b>	<b>59.0</b>	<b>43.5</b>	<b>35.6%</b>
One-off effects/Non-recurring items	10.6	-5.2	-
<b>EBIT</b>	<b>69.6</b>	<b>38.3</b>	<b>81.7%</b>

Positive effects not included in adjusted EBITDA or adjusted EBIT amounted to a net total of €10.6 million. This mainly includes income of €11.7 million from the agreed termination of the ground lease in Frankfurt-Griesheim and a one-off effect of

€5.7 million from compensation payments received in previous years for dismantling and disposal costs for the terminated lease agreement by Showa Denko, as contract costs were lower than planned. Amortization on the amounts capitalized or recognized as liabilities in connection with the purchase price allocations of the SGL Composites companies of €5.2 million and further restructuring expenses as well as one-off effects totaling €1.6 million had a negative impact. In the prior-year period, one-off effects and non-recurring items totaling minus €5.2 million were incurred. With the scheduled termination of a major supply contract at the end of the 1st half of the year, the amortization from the purchase price allocation will decrease significantly in the further course of the year.

In line with the general improvement in earnings, combined with a virtually stable cost structure and the positive one-off effects outlined above, EBIT increased significantly to €69.6 million in the 1st half of 2022 compared with €38.3 million in the prior-year period.

## Financial result

€ million	1st Half Year		
	2022	2021	Change
Interest income	0.3	0.2	50.0%
Interest on financial liabilities and other interest expense	-8.6	-9.4	-8.5%
Imputed interest convertible bond	-1.4	-1.5	-6.7%
Imputed interest on lease liabilities and other financial liabilities	-0.8	-0.8	0.0%
Interest component of additions to provisions for pensions	-1.4	-1.2	16.7%
<b>Interest expense, net</b>	<b>-11.9</b>	<b>-12.7</b>	<b>-6.3%</b>
Amortization of refinancing costs	-1.1	-1.8	-38.9%
Foreign currency valuation of intercompany loans	-2.3	0.3	-
Other operating expense/income	-1.3	0.2	-
<b>Other financial result</b>	<b>-4.7</b>	<b>-1.3</b>	<b>&gt;100%</b>
<b>Financial result</b>	<b>-16.6</b>	<b>-14.0</b>	<b>18.6%</b>

The financial result increased to minus €16.6 million in the 1st half of 2022 (H1 2021: minus €14.0 million). This is attributable to the other financial result of minus €4.7 million (H1 2021: minus €1.3 million), in particular as a consequence of the foreign currency valuation of intercompany loans. Furthermore, net interest expense decreased from €12.7 million to €11.9 million as a result of lower interest expenses due to the repurchase of convertible bond certificates by the company.



## Condensed Consolidated Income Statement (continued)

€ million	1st Half Year		
	2022	2021	Change
<b>EBIT</b>	<b>69.6</b>	<b>38.3</b>	<b>81.7%</b>
Financial result	-16.6	-14.0	18.6%
<b>Result from continuing operations before income taxes</b>	<b>53.0</b>	<b>24.3</b>	<b>&gt;100%</b>
Income tax expense	-5.2	-6.2	-16.1%
<b>Result from continuing operations</b>	<b>47.8</b>	<b>18.1</b>	<b>&gt;100%</b>
Result from discontinued operations, net of income taxes	1.3	0.0	-
<b>Net result for the period</b>	<b>49.1</b>	<b>18.1</b>	<b>&gt;100%</b>
Attributable to:			
Non-controlling interests	0.3	0.2	50.0%
Consolidated net result (attributable to shareholders of the parent company)	48.8	17.9	>100%
Earnings per share - basic and diluted (in €)	0.40	0.15	>100%

### Result before taxes and net result

As a result of the improved earnings situation and the positive one-off effects amounting to €10.6 million, earnings before income taxes increased significantly from €24.3 million in the prior-year period to €53.0 million. The income tax expense amounts to €5.2 million in the 1st half of 2022 and was determined on the basis of an estimate of the weighted average annual income tax rate in the respective countries, which was applied to the pre-tax result for the interim period.

After taxes and minority interests, consolidated net income for the 1st half of 2022 amounted to €48.8 million, compared with €17.9 million in the prior-year period. Accordingly, earnings per share improved to €0.40 compared to €0.15 in the prior-year period.

## Balance sheet structure

ASSETS € million	Jun 30, 22	Dec 31, 21	Change
Non-current assets	684.1	666.6	2.6%
Current assets	741.9	709.7	4.5%
<b>Total assets</b>	<b>1,426.0</b>	<b>1,376.3</b>	<b>3.6%</b>
EQUITY AND LIABILITIES € million			
Equity attributable to the shareholders of the parent company	509.2	371.5	37.1%
Non-controlling interests	9.2	9.3	-1.1%
<b>Total equity</b>	<b>518.4</b>	<b>380.8</b>	<b>36.1%</b>
Non-current liabilities	613.8	742.3	-17.3%
Current liabilities	293.8	253.2	16.0%
<b>Total equity and liabilities</b>	<b>1,426.0</b>	<b>1,376.3</b>	<b>3.6%</b>

Total assets increased by €49.7 million or 3.6% to €1,426.0 million as of June 30, 2022, compared to December 31, 2021. The increase resulted from changes in current assets [+€32.2 million], especially inventories [+€73.9 million], and from the increase in investments accounted for At-Equity by €19.0 million within non-current assets. The decrease in cash and cash equivalents [-€35.6 million] had a opposite effect. Currency translation effects, in particular from the stronger US dollar, contributed €29.8 million to an increase in total assets.

The significant decrease in non-current liabilities of €128.5 million was mainly due to pension provisions. As a result of an increase in the discount rates in Germany by 2.1 percentage points to 3.2% and in the USA by 1.7 percentage points to 4.7%, pension provisions decreased by €59.0 million to €188.1 million. Further details can be found in the notes to the condensed interim consolidated financial statements (see page 24). In addition, the contractually agreed termination of an existing heritable building right on a non-operational property in Frankfurt-Griesheim led to a reduction of €29.3 million in other provisions and a reclassification of €15.6 million from other financial liabilities to current liabilities. The €40.6 million rise in current liabilities is mainly due to the €29.0 million increase in trade payables and contract liabilities and the €16.0 million increase in other current financial liabilities. The heritable building right of €15.6 million previously reported under non-current liabilities is now classified as a current lease liability, as this item will be derecognized in profit or loss in the further course of the financial year following the legal transfer.

## Working Capital

€ million	Jun 30, 22	Dec 31, 21	Change
Inventories	347.7	273.8	27.0%
Trade receivables and contract assets	177.6	182.6	-2.7%
Trade payables and contract liabilities	-144.2	-115.2	25.2%
<b>Working Capital</b>	<b>381.1</b>	<b>341.2</b>	<b>11.7%</b>

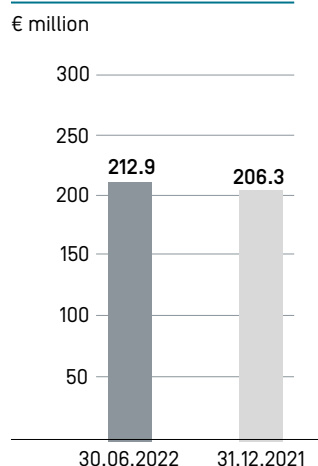
Working capital increased by €39.9 million [+11.7%] to €381.1 million as of June 30, 2022. Changes resulted in particular from higher inventories (+€73.9 million), which were offset by an increase in trade payables and contract liabilities (+€29.0 million) and a decrease in trade receivables and contract assets (-€5.0 million). The increase in inventories is due to a targeted build-up of stocks of critical raw materials as a result of disruptions to transport routes and the renewed corona lockdown in Shanghai.

## Increase in equity

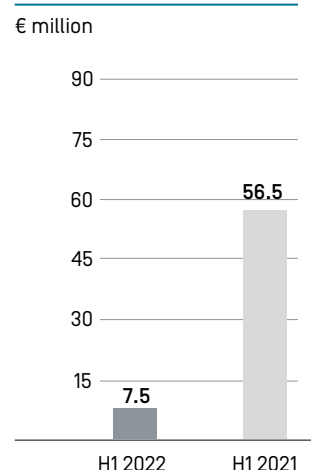
As of June 30, 2022, equity attributable to shareholders of the parent company increased significantly by €137.7 million [+37.1%] to €509.2 million [December 31, 2021: €371.5 million]. In addition to the positive consolidated net income attributable to the shareholders of the parent company amounting to €48.8 million, this development is attributable in particular to actuarial gains from the increased discount rates for pension provisions and to positive translation effects from the stronger US dollar. As a result, the equity ratio increased significantly to 35.7% as of June 30 [December 31, 2021: 27.0%].

## Net financial debt / Free cash flow

### Net financial debt



### Free cash flow



€ million	Jun 30, 22	Dec 31, 21	Change
Carrying amount of current and non-current financial liabilities	392.5	418.4	-6.2%
Remaining imputed interest for the convertible bond	2.6	4.8	-45.8%
Accrued refinancing cost	3.1	4.0	-22.5%
<b>Financial debt</b>	<b>398.2</b>	<b>427.2</b>	<b>-6.8%</b>
Cash and cash equivalents	185.3	220.9	-16.1%
<b>Net financial debt</b>	<b>212.9</b>	<b>206.3</b>	<b>3.2%</b>

SGL Carbon's net financial debt increased by €6.6 million [+3.2%] to €212.9 million as of June 30, 2022. This rise is based on the significantly lower free cash flow compared with the 1st half of the previous year of €7.5 million less interest payments of €9.4 million and lease payments of €4.8 million. Together with the repayment of financial debt totaling €28.9 million, this resulted in a decrease in cash and cash equivalents of €35.6 million to €185.3 million.

€ million	1st Half Year	
	2022	2021
EBIT	69.6	38.8
Depreciation and amortization of fixed assets	28.9	28.2
Changes in working capital	-26.7	-4.0
Miscellaneous items	-46.3	2.9
<b>Cash flow from operating activities</b>	<b>25.5</b>	<b>65.9</b>
Payments to purchase intangible assets and property, plant & equipment	-18.3	-15.2
Proceeds from the sale of intangible assets and property, plant & equipment	0.3	0.8
Dividend payments from investments accounted for At-Equity	0.0	5.0
<b>Cash flow from investing activities</b>	<b>-18.0</b>	<b>-9.4</b>
<b>Free cash flow</b>	<b>7.5</b>	<b>56.5</b>

On the one hand, cash flow from operating activities reflects the strong operating earnings performance in the 1st half of 2022, but was negatively impacted by the increased build-up of working capital and significantly higher payments of variable compensation components due to the high level of target achievement in the past financial year 2021. As a result, cash flow from operating activities decreased by €40.4 million to €25.5 million.

Cash flow from investing activities changed from minus €9.4 million of the previous year period to minus €18.0 million in the reporting period. This was mainly due to the dividend payment of €5.0 million received in the prior-year period and slightly higher capital expenditure.

Despite the positive business performance, free cash flow decreased significantly by €49.0 million to €7.5 million (H1 2021: €56.5 million) due to the above-mentioned effects.

## Employees

At the end of the 1st half of 2022, the number of employees worldwide was 4,695 (Dec. 31, 2021: 4,680) and thus remained almost constant.

Headcount	Jun 30, 22	Dec 31, 21	Change
Graphite Solutions	2,484	2,444	1.6%
Process Technology	513	531	-3.4%
Carbon Fibers	1,137	1,108	2.6%
Composite Solutions	424	416	1.9%
Corporate	137	181	-24.3%
<b>Total SGL Carbon</b>	<b>4,695</b>	<b>4,680</b>	<b>0.3%</b>

Headcount	Jun 30, 22	Dec 31, 21	Change
Germany	2,054	2,092	-1.8%
Europe excluding Germany	1,356	1,318	2.9%
USA	762	750	1.6%
Asia	523	520	0.6%
<b>Total SGL Carbon</b>	<b>4,695</b>	<b>4,680</b>	<b>0.3%</b>

## Segment Reporting

### Reporting segment Graphite Solutions (GS)

€ million	1st Half Year		
	2022	2021	Change
Sales revenue	243.4	221.2	10.0%
EBITDA pre	54.0	44.0	22.7%
EBITDA pre-margin	22.2%	19.9%	+2.3%-pts.
EBIT	40.0	34.0	17.6%

The business unit **Graphite Solutions** increased its sales significantly by €22.2 million or 10.0% to €243.4 million in H1 2022, thus confirming its stable upward trend (H1 2021: €221.2 million). As in the previous quarters, the increase in sales is based in particular on the continued high demand from the important Semiconductor & LED market segment, which accounts for around one-third of the business unit's total sales. Compared to the prior-year quarter, sales to customers in the semiconductor & LED industry increased by around 40%. Order intake in the first six months of 2022 from this segment also confirms the continued positive outlook, especially for the silicon carbide-based semiconductor market for higher-performance applications. Sales in the Industrial Applications market segment

also account for around one-third of total sales, also rising strongly by 26%. Here, too, the positive trend of recent months was confirmed.

As a result of the sales increase, combined with higher capacity utilization and price increase initiatives, adjusted EBITDA for the GS business unit increased significantly by 22.7% to €54.0 million (H1 2021: €44.0 million). The adjusted EBITDA margin improved accordingly from 19.9% to 22.2% year-on-year in the 1st half. By contrast, cost increases in raw material and energy procurement impacted earnings at GS, but were largely offset by price adjustments and cost savings from the transformation.

## Reporting segment Process Technology (PT)

€ million	1st Half Year		
	2022	2021	Change
Sales revenue	49.2	40.8	20.6%
EBITDA pre	4.1	0.1	>100%
EBITDA pre-margin	8.3%	0.2%	+8.1%-pts.
EBIT	3.1	-0.3	-

The improved order situation in the **Process Technology** business unit since the middle of last year continued in the 1st half of 2022. Accordingly, sales of the business unit rose by 20.6% year-on-year to €49.2 million (H1 2021: €40.8 million). It should be noted that due to longer order processing times, especially for customer-specific plant engineering, the increase in sales in the 1st half of 2022 is partly based on orders received in 2021.

While Process Technology was only just able to achieve positive adjusted EBITDA of €0.1 million in the 1st half of 2021, the increase in the reporting period to €4.1 million reflects the pleasing sales performance. Higher raw material prices, in particular for steel, were almost fully passed on to customers or offset by the cost savings already implemented.

## Reporting segment Carbon Fibers (CF)

€ million	1st Half Year		
	2022	2021	Change
Sales revenue	176.0	166.4	5.8%
EBITDA pre	28.2	32.4	-13.0%
EBITDA pre-margin	16.0%	19.5%	-3.5%-pts.
EBIT	15.1	20.3	-25.6%

In the first six months of the current fiscal year, sales of the **Carbon Fibers** business unit increased by €9.6 million or 5.8% to €176.0 million (H1 2021: €166.4 million).

The most important industrial sector of the business unit is the automotive industry, which accounts for around 40% of segment sales. Despite customers postponing orders to the 2nd half of 2022, sales to automotive customers increased further in H1 2022 (+14.4%). This was due in particular to deliveries to a major automotive customer with whom the contract expired as agreed at the end of June 2022 due to the discontinuation of the vehicle model. The capacities released as a result are to be utilized in the future by orders from the wind energy sector. Sales to customers in the Industrial Applications segment were also encouraging, with a strong increase of 33.4%.

While the Carbon Fibers business unit's 1st quarter of 2022 was burdened by a special effect of €9.2 million from energy derivatives for price hedging, the business unit significantly improved its earnings situation in the 2nd quarter of 2022. After €5.4 million in the 1st quarter of 2022, adjusted EBITDA amounted to €22.8 million in the 2nd quarter. In a half-year comparison, adjusted EBITDA decreased by €4.2 million to €28.2 million (H1 2021: €32.4 million).

Volume effects with customers in the automotive industry had a positive impact on adjusted EBITDA. High capacity utilization and improved plant efficiency in the precursor business also contributed to this development. The earnings situation of the business unit was negatively impacted by the significant increase in energy and raw material costs, which could not be passed on to customers in full or only with a time lag.

## Reporting segment Composite Solutions (CS)

€ million	1st Half Year		
	2022	2021	Change
Sales revenue	69.6	60.2	15.6%
EBITDA pre	9.7	5.7	70.2%
EBITDA pre-margin	13.9%	9.5%	+4.4%-pts.
EBIT	6.3	2.7	>100%

In the 1st half of 2022, the **Composite Solutions** business unit confirmed the upward trend started in 2021 with an increase in sales of €9.4 million or 15.6% to €69.6 million.

Composite Solutions' most important customer segment is the automotive industry in Europe and North America. The business unit develops and produces components made of various composite materials tailored to the respective vehicle model. Sales to automotive customers increased by €9.3 million or 19.9% in the 1st half of 2022, making a significant contribution to the increase in Composite Solutions' sales.

Adjusted EBITDA of the Composite Solutions business unit increased significantly year-on-year from €5.7 million to €9.7 million. The adjusted EBITDA margin improved accordingly from 9.5% to 13.9%.

This pleasing earnings performance is attributable not only to sales growth combined with increased capacity utilization, but also to cost savings from the transformation program. It should also be noted that adjusted EBITDA in the 1st half of 2022 was positively impacted by compensation of €3.7 million received from automotive customers for early project terminations.

## Reporting segment Corporate

€ million	1st Half Year		
	2022	2021	Change
Sales revenue	11.6	8.1	43.2%
EBITDA pre	-8.1	-10.5	-22.9%
EBIT	5.1	-18.4	-

Sales in the **Corporate** reporting segment rose from €8.1 million in the 1st half of 2021 to €11.6 million. The increase in sales is due in particular to the partial realization of an advance payment of €6.6 million received in previous years for completed dismantling work at the Meitingen site in connection with the

termination of a lease agreement by Showa Denko. As the contract costs were lower than planned, this part of the advance payments received, which were recognized as a liability, was recognized in income. In this context, accrued dismantling costs of €0.9 million were recognized as an expense in the 1st half of 2022. Due to the classification as a one-off effect, there is no impact on the adjusted EBITDA of the reporting segment in this respect.

Adjusted EBITDA in the Corporate unit improved slightly year-on-year from minus €10.5 million to minus €8.1 million. This development is attributable in particular to lower administrative expenses.

## Opportunities and Risks

With regard to existing opportunities and risks, we refer to the detailed statements made in the Annual Report 2021.

Based on developments since the publication of the Annual Report, we have updated our risk assessment. We see changes in the risk situation in the raw material and energy markets. These risks are still classified as high risks, but their probability of occurrence has increased further. The ongoing war in Ukraine combined with the continuing impact from the Covid 19 pandemic has increased the tension in global supply chains as well as high inflation. The likelihood of an impending energy supply shortfall in Europe has increased again since gas supplies from Russia declined and Germany declared a gas emergency plan alert on June 23, 2022.

The impact on our business of a curtailment of gas supply through to a complete outage varies by region. The biggest immediate impact would be on our production sites in Germany, while the remaining European sites depend on Russian gas only in negligible quantities. By contrast, our plants in Asia and North America would not be affected by a direct Russian gas supply freeze to Europe.

In addition to direct effects on our production and supply capabilities, a gas shortage could have indirect effects on our business, for example if price hedges are no longer effective and energy suppliers are entitled to pass on sudden increases in gas prices to their customers.

We continuously monitor the situation on the energy markets through an energy crisis team set up specifically for this purpose. Appropriate contingency plans have been drawn up at the sites concerned in the event of a shortage of gas supply. The implementation of the measures, including their prioritization, is currently being reviewed. Countermeasures already initiated include a targeted energy procurement strategy to stabilize costs in the medium term and the examination of government support programs for energy-intensive companies in various countries.

Further changes in the risk situation occurred in the area of production risks. For example, the risk of unexpected plant breakdowns is now classified as low (previously: medium) after preventive maintenance has been carried out.

In addition, the risks from raw material availability and from volume and price developments are classified as low for the remainder of the fiscal year (previously: medium). This is due to targeted measures in the area of procurement and logistics to ensure sufficient raw material availability, as well as the successful price increase initiatives to date, which also include the implementation of energy cost surcharges in customer contracts.

Despite increasing geopolitical and economic uncertainties since the start of the war in Ukraine, we continue to pursue our short- and medium-term growth targets and invest in those markets where we see the greatest growth potential. In particular, this includes capacity expansion to serve increased demand in the areas of high-performance silicon carbide semiconductors, electromobility and renewable energies.

Opportunities could arise for the remainder of the fiscal year if SGL Carbon benefits from government subsidies as a result of the recent sharp rise in energy prices. In several European countries, support programs have been initiated to compensate energy-intensive companies for the burdens resulting from the high energy prices since the outbreak of the Ukraine war. These programs include temporary caps on electricity and gas prices.

Based on the information currently available, we do not believe that there are any significant individual risks neither at present nor in the foreseeable future that could jeopardize the Company as a going concern. Even the cumulative view of the current individual risks does not jeopardize the continued existence of SGL Carbon.

## Outlook

The increase in our revenue and earnings guidance for fiscal year 2022 on June 7, 2022, and the figures for the 1st half of 2022 confirm the stable demand from our market segments and the high capacity utilization. In particular, orders with customers in the semiconductor and LED industry as well as from the Industrial Applications market segment have characterized the increase in sales and earnings in the first six months of 2022. It should be noted that for some product segments it can take up to six months from order intake to revenue recognition.

Although the 1st half of 2022 was characterized by stable and in some cases even increased order intake, we cannot rule out a decline or postponement of orders in the coming months. Increasing uncertainty regarding sufficient energy supplies in Europe, especially with gas, and a slowdown in the global economy may have a negative impact on our net assets, financial position and results of operations. Bottlenecks in gas supplies may impair our ability to produce and deliver. A large part of our expected electricity and gas requirements for the current fiscal year are secured by price hedges. However, these assume that sufficient energy volumes will also be available in the 2nd half of 2022 and that the contractual conditions concluded will remain valid.

For the 2nd half of 2022 we also expect continued volatile raw material prices, which overall will be significantly higher than in 2021. We will compensate fluctuations in the availability of raw materials and services through our diversified supplier network. We were able to pass on most of the increase in factor costs to our customers in the first six months of fiscal 2022.

Even if inflation rates remain high, we expect the majority of costs to be passed on to our customers.

We have assessed the uncertainties mentioned and included them in our updated forecast, as well as the significant impact on sales and earnings from the expiry of a supply contract with a major automotive customer at the end of June 2022.

Based on the positive business performance in the 1st half of the year and assuming that the general conditions for our business remain unchanged, we currently expect to achieve the guidance given at the upper end of the range. An overview of the key forecast figures can be found in the following table:

€ million	Actual 2021	Original outlook <sup>1)</sup>	Updated outlook <sup>1)</sup>
Sales revenue	1,007.0	At prior year level	ca. 1,100
EBITDA pre	140.0	110 - 130	130 - 150
EBIT pre	79.7	50 - 70	70 - 90
ROCE EBIT pre	8.0%	5% - 7%	7% - 9%
Free cash flow	115.5	Significant below prior year	Significant below prior year

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

Wiesbaden, August 4, 2022

SGL Carbon SE

The Board of Management

Dr. Torsten Derr

Thomas Dippold

# Condensed Consolidated Financial Statements

## Condensed Consolidated Income Statement

€ million	2nd Quarter			1st Half Year		
	2022	2021	Change	2022	2021	Change
<b>Sales revenue</b>	<b>278.9</b>	<b>255.2</b>	<b>9.3%</b>	<b>549.8</b>	<b>496.7</b>	<b>10.7%</b>
Cost of sales	-202.2	-196.6	2.8%	-419.6	-386.6	8.5%
<b>Gross profit</b>	<b>76.7</b>	<b>58.6</b>	<b>30.9%</b>	<b>130.2</b>	<b>110.1</b>	<b>18.3%</b>
Selling expenses	-26.9	-22.8	18.0%	-51.4	-45.8	12.2%
Research and development costs	-6.7	-8.9	-24.7%	-14.3	-16.8	-14.9%
General and administrative expenses	-11.6	-9.4	23.4%	-19.7	-20.4	-3.4%
Other operating income	5.3	6.7	-20.9%	9.1	13.7	-33.6%
Other operating expenses	-3.5	-3.0	16.7%	-5.1	-5.5	-7.3%
Result from investments accounted for At-Equity	5.3	3.9	35.9%	9.5	8.4	13.1%
Restructuring income/expenses	-0.2	-3.8	-94.7%	11.3	-5.4	-
<b>Operating profit</b>	<b>38.4</b>	<b>21.3</b>	<b>80.3%</b>	<b>69.6</b>	<b>38.3</b>	<b>81.7%</b>
Interest income	0.1	0.1	0.0%	0.3	0.2	50.0%
Interest expense	-5.9	-6.7	-11.9%	-12.2	-12.9	-5.4%
Other financial result	-3.3	-1.0	>100%	-4.7	-1.3	>100%
<b>Result from continuing operations before income taxes</b>	<b>29.3</b>	<b>13.7</b>	<b>&gt;100%</b>	<b>53.0</b>	<b>24.3</b>	<b>&gt;100%</b>
Income tax expense	-3.0	-1.8	66.7%	-5.2	-6.2	-16.1%
<b>Result from continuing operations</b>	<b>26.3</b>	<b>11.9</b>	<b>&gt;100%</b>	<b>47.8</b>	<b>18.1</b>	<b>&gt;100%</b>
Result from discontinued operations, net of income taxes	1.3	0.0	-	1.3	0.0	-
<b>Net result for the period</b>	<b>27.6</b>	<b>11.9</b>	<b>&gt;100%</b>	<b>49.1</b>	<b>18.1</b>	<b>&gt;100%</b>
Thereof attributable to:						
Non-controlling interests	0.2	0.1	100.0%	0.3	0.2	50.0%
Consolidated net result (attributable to shareholders of the parent company)	27.4	11.8	>100%	48.8	17.9	>100%
Earnings per share, basic and diluted, (in€)	0.22	0.10	>100%	0.40	0.15	>100%



## Condensed Consolidated Statement of Comprehensive Income

€ million	2nd Quarter		1st Half Year	
	2022	2021	2022	2021
<b>Net result for the period</b>	<b>27.6</b>	<b>11.9</b>	<b>49.1</b>	<b>18.1</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Share of investments accounted for At-Equity in other comprehensive income	2.0	-	9.7	-
Cash flow hedges <sup>1)</sup>	-0.4	0.3	-1.2	0.0
Currency translation <sup>1)</sup>	18.4	-1.9	23.8	10.7
<b>Items that will not be reclassified to profit or loss</b>				
Actuarial gains/losses on pensions and similar obligations <sup>1)</sup>	39.1	-3.5	57.1	27.7
<b>Other comprehensive income</b>	<b>59.1</b>	<b>-5.1</b>	<b>89.4</b>	<b>38.4</b>
<b>Comprehensive income</b>	<b>86.7</b>	<b>6.8</b>	<b>138.5</b>	<b>56.5</b>
Thereof attributable to:				
Non-controlling interests	0.1	0.0	0.3	0.3
Consolidated net result (attributable to shareholders of the parent company)	86.6	6.8	138.2	56.2

<sup>1)</sup> Includes tax effects of €0.0 million (H1 2021: €0.0 million)

## Condensed Consolidated Balance Sheet

ASSETS € million	Jun 30, 22	Dec 31, 21	Change
Goodwill	23.5	22.1	6.3%
Other intangible assets	15.5	20.5	-24.4%
Property, plant and equipment	563.1	558.3	0.9%
Investments accounted for At-Equity	73.5	54.5	34.9%
Other non-current assets	6.0	6.6	-9.1%
Deferred tax assets	2.5	4.6	-45.7%
<b>Total non-current assets</b>	<b>684.1</b>	<b>666.6</b>	<b>2.6%</b>
Inventories	347.7	273.8	27.0%
Trade receivables and contract assets	177.6	182.6	-2.7%
Other receivables and other assets	31.3	32.4	-3.4%
Cash and cash equivalents	185.3	220.9	-16.1%
<b>Total current assets</b>	<b>741.9</b>	<b>709.7</b>	<b>4.5%</b>
<b>Total assets</b>	<b>1,426.0</b>	<b>1,376.3</b>	<b>3.6%</b>

<b>EQUITY AND LIABILITIES € million</b>	<b>Jun 30, 22</b>	<b>Dec 31, 21</b>	<b>Change</b>
Issued capital	313.2	313.2	0.0%
Capital reserves	1,041.1	1,041.5	0.0%
Accumulated losses	-845.1	-983.2	-14.0%
<b>Equity attributable to the shareholders of the parent company</b>	<b>509.2</b>	<b>371.5</b>	<b>37.1%</b>
Non-controlling interests	9.2	9.3	-1.1%
<b>Total equity</b>	<b>518.4</b>	<b>380.8</b>	<b>36.1%</b>
Provisions for pensions and similar employee benefits	188.1	247.1	-23.9%
Other provisions	16.2	43.4	-62.7%
Interest-bearing loans	388.2	413.7	-6.2%
Other financial liabilities	15.0	32.0	-53.1%
Other liabilities	4.8	4.6	4.3%
Deferred tax liabilities	1.5	1.5	0.0%
<b>Total non-current liabilities</b>	<b>613.8</b>	<b>742.3</b>	<b>-17.3%</b>
Other provisions	84.1	85.8	-2.0%
Current portion of interest-bearing loans	4.3	4.7	-8.5%
Trade payables and contract liabilities	144.2	115.2	25.2%
Other financial liabilities	29.7	13.7	>100%
Other liabilities	31.5	33.8	-6.8%
<b>Total current liabilities</b>	<b>293.8</b>	<b>253.2</b>	<b>16.0%</b>
<b>Total equity and liabilities</b>	<b>1,426.0</b>	<b>1,376.3</b>	<b>3.6%</b>

## Condensed Consolidated Cash Flow Statement

€ million	1st Half Year	
	2022	2021
Result from continuing operations before income taxes	53.0	24.3
Adjustments to reconcile the result from continuing operations to cash flow from operating activities:		
Interest expense (net)	11.9	12.7
Changes in the value of contract assets (IFRS 15)	-5.7	3.9
Depreciation/amortization expense	34.1	33.5
Restructuring income/expenses	-11.3	5.4
Result from investments accounted for At-Equity	-9.5	-8.4
Amortization of refinancing costs	1.1	1.8
Interest received	0.3	2.1
Income taxes paid	-7.0	-8.2
Changes in provisions, net	-21.9	11.5
Changes in net working capital		
Inventories	-78.1	0.3
Trade receivables	25.1	-32.3
Trade payables	26.3	28.0
Changes in other operating assets/liabilities	7.2	-8.7
<b>Cash flow from operating activities</b>	<b>25.5</b>	<b>65.9</b>

€ million	1st Half Year	
	2022	2021
Payments to purchase intangible assets and property, plant & equipment	-18.3	-15.2
Proceeds from the sale of intangible assets and property, plant & equipment	0.3	0.8
Dividend payments from investments accounted for At-Equity		5.0
<b>Cash flow from investing activities</b>	<b>-18.0</b>	<b>-9.4</b>
Proceeds from issuance of financial liabilities	0.0	13.0
Repayment of financial liabilities	-28.9	-10.3
Redemption payments for lease liabilities	-4.8	-4.4
Interest paid	-9.4	-9.8
Other financing activities	-0.4	-3.0
<b>Cash flow from financing activities</b>	<b>-43.5</b>	<b>-14.5</b>
Effect of foreign exchange rate changes	0.4	0.5
<b>Net change in cash and cash equivalents</b>	<b>-35.6</b>	<b>42.5</b>
Cash and cash equivalents at beginning of period	220.9	141.8
<b>Cash and cash equivalents at end of period</b>	<b>185.3</b>	<b>184.3</b>

## Condensed Consolidated Statement of Changes in Equity

€m	Equity attributable		
	Issued capital	Capital reserves	Accumulated profit/loss
<b>Balance at Dec 31, 21</b>	<b>313.2</b>	<b>1,041.5</b>	<b>-940.8</b>
Net result for the year			48.8
Other comprehensive income			57.1
<b>Comprehensive income</b>			<b>105.9</b>
Dividends			
Equity component of convertible bonds		-0.5	
Other changes in equity			
<b>Balance at Jun 30, 22</b>	<b>313.2</b>	<b>1,041.0</b>	<b>-834.9</b>
<b>Balance at Dec. 31, 20</b>	<b>313.2</b>	<b>1,041.6</b>	<b>-1,069.2</b>
Net result for the year			17.9
Other comprehensive income			27.7
<b>Comprehensive income</b>			<b>45.6</b>
Dividends			
Equity component of convertible bond		-0.1	
<b>Balance at Jun 30, 21</b>	<b>313.2</b>	<b>1,041.5</b>	<b>-1,023.6</b>

to the shareholders of the parent company

	Accumulated losses		Accumulated other comprehensive income		Equity attributable to the shareholders of the parent company	Non-controlling interests	Total equity
	Currency translation	Cashflow hedges [net]	Investments accounted for At-Equity	Accumulated losses			
	-38.7	-0.2	-3.5	-983.2	371.5	9.3	380.8
				48.8	48.8	0.3	49.1
	23.8	-1.2	9.7	89.4	89.4		89.4
	23.8	-1.2	9.7	138.2	138.2	0.3	138.5
				0.0	0.0	-0.4	-0.4
				0.0	-0.5		-0.5
				0.0	0.0		0.0
	-14.9	-1.4	6.2	-845.0	509.2	9.2	518.4
	-64.9	0.0	0.0	-1,134.1	220.7	12.2	232.9
				17.9	17.9	0.2	18.1
	10.6	0.0		38.3	38.3	0.1	38.4
	10.6	0.0	0.0	56.2	56.2	0.3	56.5
				0.0	0.0	-3.0	-3.0
					-0.1		-0.1
	-54.3	0.0	0.0	-1,077.9	276.8	9.5	286.3

# Notes to the Condensed Consolidated Interim Financial Statements

## Basis of Preparation

The Condensed Consolidated Interim Financial Statements of SGL Carbon have been prepared in accordance with International Financial Reporting Standards (IFRS) applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and as adopted by the European Union (EU) and should be read in conjunction with the SGL Carbon Consolidated Financial Statements as of December 31, 2021. The Condensed Consolidated Interim Financial Statements as of June 30, 2022, apply the same accounting principles and practices as well as the same estimates and assumptions as those used in the 2021 annual financial statements.

The results achieved in the interim reporting period are not necessarily indicative of the development of the further course of business.

Income tax expense for the 1st half of 2022 was calculated in accordance with the provisions of IAS 34 on the basis of the projected effective tax rate for the full year in the respective countries, which was applied to the earnings before taxes for the interim reporting period. In the prior-year period, income tax expense was determined on the basis of the actual figures for the interim reporting period, in particular the pre-tax earnings, balance sheet differences and off-balance sheet effects available at the reporting date. The change in method did not have any material effect.

The Condensed Consolidated Interim Financial Statements have not been audited. They were authorized for issue by the Board of Management on August 4, 2022.

## Other disclosures

### Provisions for pensions and similar employee benefits

During the reporting period, SGL Carbon increased the pension discount rate used to calculate the estimated present value of the pension plans in Germany and the US by 2.1%-points and 1.7%-points, respectively, as a consequence of changed long-term interest rate levels. As of June 30, 2022, the discount rates are 3.2% in Germany (Dec 31, 2021: 1.1%) and 4.7% in USA

(Dec 31, 2021: 3.0%). For the pension plans in Germany, the projected pension increase rate was also increased by 0.25% points to 1.5% points. The discount rate adjustment, the projected pension increase rate and the revaluation of the plan assets resulted in actuarial gains of €57.1 million (without tax effect) which have been included in other comprehensive income, thereby increasing equity in its full amount.

### Other provisions

Other non-current provisions decreased to €16.2 million in the 1st half of 2022 (Dec. 31, 2021: €43.4 million) due to the termination of the heritable building right in Frankfurt-Griesheim. Further explanations can be found in the Interim Group Management Report.

### Investments accounted for At-Equity

The main joint venture accounted for At-Equity is Brembo SGL Carbon Ceramic Brakes S.p.A. (Ceramic Brake Discs), Stezzano, Italy (BSCCB), which is operated together with Brembo and produces and further develops carbon ceramic brake discs. The share of SGL Carbon in the net assets and the share in the net result of the period are allocated to the segment CF. The table below provides the result of operations and the financial position of BSCCB, as reported in its financial statements (taking into account IFRS 15 effects).



€ million	1st Half Year	
	2022	2021
Ownership interest	50%	50%
<b>Income statement</b>		
Sales revenue (100 %)	113.3	100.0
Operating profit	24.4	22.2
Financial result	-0.2	-0.2
Net result for the period (100 %)	17.6	16.0
Share of SGL Carbon in the net result for the period (50 %)	8.8	8.0
<b>Balance Sheet</b>		
	Jun 30, 22	Dec 31, 21
Non-current assets	60.7	60.2
Current assets	107.3	84.0
<i>Thereof cash and cash equivalents</i>	37.5	25.5
Non-current liabilities	22.2	22.0
<i>Thereof financial liabilities</i>	12.2	0.0
Current liabilities	40.7	34.6
<i>Thereof financial liabilities</i>	2.2	0.0
<b>Net assets (100%)</b>	<b>105.1</b>	<b>87.6</b>
Share of SGL Carbon in net assets (50 %) incl. IFRS 15 effects)	52.6	43.8
Goodwill	3.6	3.6
<b>Carrying amount of material joint ventures (incl. IFRS 15 effects)</b>	<b>56.2</b>	<b>47.4</b>

The carrying amount of remaining investments accounted for At-Equity was €17.3 million (Dec. 31, 2021: €7.1 million) and their contribution to the result from investments accounted for At-Equity during the 1st half of 2022 was €0.7 million (H1 2021: €0.4 million), and €9.7 million (H1 2021: €0.0 million) to the change in other comprehensive income in H1 2022.

## Additional disclosures on financial instruments

The following table assigns the individual balance sheet items for the financial instruments to classes and measurement categories:

€ million	Measurement category under IFRS 9	Carrying amount Jun 30, 22	Carrying amount Dec 31, 21
<b>Financial assets</b>			
Cash and cash equivalents	1)	185.3	220.9
Trade receivables	1)	100.5	105.8
Trade receivables	2)	1.1	13.1
Marketable securities and similar investments	2)	5.3	5.6
Other financial assets	1)	0.0	0.0
<b>Derivative financial assets</b>			
Derivatives without a hedging relationship	3)	0.4	1.3
Derivatives with a hedging relationship	n.a.	0.0	0.0
<b>Financial liabilities</b>			
Corporate bond	4)	250.0	250.0
Convertible bonds	4)	123.7	146.5
Bank loans, overdrafts and other financial liabilities	4)	21.9	25.9
Refinancing costs	4)	-3.1	-4.0
Lease liabilities	n.a.	38.4	40.9
Trade payables	4)	114.1	85.1
Miscellaneous other financial liabilities	4)	4.1	4.5
<b>Derivative financial liabilities</b>			
Derivatives without a hedging relationship	5)	0.8	0.1
Derivatives with a hedging relationship	n.a.	1.4	0.2
<b>Thereof aggregated by measurement category in accordance with IFRS 9</b>			
1) Financial assets measured at amortized costs		285.8	326.7
2) Financial assets measured at fair value through profit and loss		6.4	18.7
3) Other financial assets measured at fair value through profit and loss		0.4	1.3
4) Financial liabilities measured at amortized costs		510.7	508.0
5) Financial liabilities measured at fair value through profit and loss		0.8	0.1

n.a. = not applicable

The following table shows the breakdown of the assets and liabilities measured at fair value into the three levels of fair value hierarchy in accordance with IFRS 13:

€ million	Jun 30, 22			Total
	Level 1	Level 2	Level 3	
Marketable securities and similar investments	5.3			5.3
Trade receivables			1.1	1.1
Derivative financial assets		0.4		0.4
Derivative financial liabilities		2.2		2.2

€ million	Dec 31, 21			Total
	Level 1	Level 2	Level 3	
Marketable securities and similar investments	5.6			5.6
Trade receivables			13.1	13.1
Derivative financial assets		1.3		1.3
Derivative financial liabilities		0.3		0.3

As of June 30, 2022, the market value of the exchange listed corporate bond was €237.4 million (December 31, 2021: €254.9 million). The fair value was derived from stock market prices as of June 30 and corresponds to Level 1 of the fair value hierarchy of IFRS 13.

In the reporting period, SGL Carbon acquired convertible bonds with a total nominal amount of €25.0 million before maturity. The acquisition was made in seven tranches at prices below par, plus accrued interest in each case. The repurchase of the bonds was financed with cash. The consideration paid for the acquisition was allocated to the liability and equity components of the instrument at the time of the respective transactions. The loss relating to the liability components or the amount of the consideration relating to the equity components totaled minus €0.5 million.

The fair market value of the convertible bond 2018/2023 as of June 30, 2022, was €121.0 million with an outstanding nominal volume of €126.3 million (December 31, 2021: €150.7 million with an outstanding nominal volume of €151.3 million). As the fair value is derived from quoted prices in active markets, these financial instruments are allocated to Level 1.

#### Receivables management

Factoring concluded in the reporting period reduced the carrying amount of trade receivables. The volume of sales of receivables on the balance sheet date was €46.2 million (December 31, 2021: €16.4 million).

### Seasonality of operations

Customer order patterns within the segments primarily follow overall global trends (e. g. for lightweight materials) and depend on the availability and the pricing of such materials. The overall economic environment is usually a first indicator for any developments in the customers' demand. In addition, individual large projects can significantly impact the business development and overlap regular seasonality.

### Other additional information

Issued capital as of June 30, 2022, remained unchanged to December 31, 2021, at €313.2 million and is divided into 122,341,478 no-par value ordinary bearer shares at €2.56 per share. During

the 1st half of 2022, no new shares were issued from the authorized capital. As of June 30, 2022, there were 517,840 Stock Appreciation Rights (SARs) outstanding. SGL Carbon SE held a total of 70,501 of its own shares (treasury shares) as of June 30, 2022. Based on an average number of 122.3 million shares, basic earnings per share amounted to €0.40 (H1 2021: €0.15).

The calculation of diluted earnings per share assumes the conversion of outstanding debt securities (convertible bonds) to shares or exercise of other contracts for the issue of common shares such as stock appreciation rights. The above mentioned potentially dilutive financial instruments are only taken into account in the calculation of diluted earnings per share, if these instruments would have a dilutive effect. Accordingly, EPS diluted is unchanged and amounts to €0.40 (H1 2021: €0.15).

### Termination of the heritable building right at the former plant in Griesheim

On March 30, 2022, an agreement was concluded on the cancellation of a heritable building right to a plot of land at the Frankfurt-Griesheim site that is not required for operations.

The termination agreement will result in a one-time effect on income in 2022 totaling around €27 million due to the release of provisions and liabilities and the mutual payment obligations, as well as a cash outflow for the dismantling of the facilities totaling around €6 million over the next three to four years. In the 1st half of 2022, the agreement resulted in income of €11.7 million, which is recognized as restructuring income in the consolidated income statement.

### Result from discontinued operations

The income of €1.3 million reported in the consolidated income statement for the 1st half of 2022 relates to the reversal of provisions due to non-materialized tax risks from business activities in the USA sold in previous years.

## Segment information

€ million	Graphite Solutions	Process Technology	Carbon Fibers	Composite Solutions	Corporate	Consoli- dation	SGL Carbon
<b>1st Half Year 2022</b>							
External sales revenue	243.4	49.2	176.0	69.6	11.6	0.0	549.8
Intersegment sales revenue	3.2	1.2	6.3	0.1	16.7	-27.5	0.0
<b>Total sales revenue</b>	<b>246.6</b>	<b>50.4</b>	<b>182.3</b>	<b>69.7</b>	<b>28.3</b>	<b>-27.5</b>	<b>549.8</b>
<b>Timing of revenue recognition</b>							
Products transferred at point in time	233.9	42.9	178.4	66.4	5.0	0.0	526.6
Products and services transferred over time	9.5	6.3	-2.4	3.2	6.6	0.0	23.2
<b>Total sales revenue</b>	<b>243.4</b>	<b>49.2</b>	<b>176.0</b>	<b>69.6</b>	<b>11.6</b>	<b>0.0</b>	<b>549.8</b>
<b>Sales revenue by customer industry</b>							
Mobility	25.3	-	77.6	63.3	5.0	0.0	171.2
Energy	34.1	-	23.9	-	-	0.0	58.0
Industrial Applications	85.2	-	33.9	6.3	6.6	0.0	132.0
Chemicals	15.9	49.2	-	-	-	0.0	65.1
Semiconductor & LED	82.9	-	-	-	-	0.0	82.9
Textile Fibers	-	-	40.6	-	-	0.0	40.6
<b>Total sales revenue</b>	<b>243.4</b>	<b>49.2</b>	<b>176.0</b>	<b>69.6</b>	<b>11.6</b>	<b>0.0</b>	<b>549.8</b>
EBITDA pre <sup>1)</sup>	54.0	4.1	28.2	9.7	-8.1	0.0	87.9
Amortization/depreciation on intangible assets and property, plant and equipment	14.0	0.8	8.2	2.9	3.0	0.0	28.9
EBIT pre	40.0	3.3	20.0	6.8	-11.1	0.0	59.0
One-off effects/Non-recurring items	0.0	-0.2	-4.9	-0.5	16.2	0.0	10.6
EBIT	40.0	3.1	15.1	6.3	5.1	0.0	69.6
Capital expenditure <sup>2)</sup>	10.9	0.2	2.6	3.2	1.4	0.0	18.3
Result from investments accounted for At-Equity	-	-	9.5	-	-	0.0	9.5
Working Capital <sup>3)</sup>	243.1	20.5	134.5	41.4	-58.4	0.0	381.1
Capital employed <sup>4)</sup>	512.7	31.8	371.3	107.5	33.4	0.0	1,056.7
Cash Generation <sup>5)</sup>	-2.3	9.9	6.3	-0.5	16.4	0.0	29.8

€ million	Graphite Solutions	Process Technology	Carbon Fibers	Composite Solutions	Corporate	Consolidation	SGL Carbon
<b>1st Half Year 2021</b>							
External sales revenue	221.2	40.8	166.4	60.2	8.1	0.0	496.7
Intersegment sales revenue	4.9	0.9	4.7	0.2	18.0	-28.7	0.0
<b>Total sales revenue</b>	<b>226.1</b>	<b>41.7</b>	<b>171.1</b>	<b>60.4</b>	<b>26.1</b>	<b>-28.7</b>	<b>496.7</b>
<b>Timing of revenue recognition</b>							
Products transferred at point in time	227.7	42.9	165.7	60.3	8.1	0.0	504.7
Products and services transferred over time	-6.5	-2.1	0.7	-0.1	0.0	0.0	-8.0
<b>Total sales revenue</b>	<b>221.2</b>	<b>40.8</b>	<b>166.4</b>	<b>60.2</b>	<b>8.1</b>	<b>0.0</b>	<b>496.7</b>
<b>Sales revenue by customer industry</b>							
Mobility	29.0	-	67.5	55.7	4.5	0.0	156.7
Energy	53.4	-	34.3	-	-	0.0	87.7
Industrial Applications	67.5	-	25.4	4.5	3.6	0.0	101.0
Chemicals	12.8	40.8	-	-	-	0.0	53.6
Semiconductor & LED	58.5	-	-	-	-	0.0	58.5
Textile Fibers	-	-	39.2	-	-	0.0	39.2
<b>Total sales revenue</b>	<b>221.2</b>	<b>40.8</b>	<b>166.4</b>	<b>60.2</b>	<b>8.1</b>	<b>0.0</b>	<b>496.7</b>
EBITDA pre <sup>1)</sup>	44.0	0.1	32.4	5.7	-10.5	0.0	71.7
Amortization/depreciation on intangible assets and property, plant and equipment	13.5	0.8	7.7	2.7	3.5	0.0	28.2
EBIT pre	30.5	-0.7	24.7	3.0	-14.0	0.0	43.5
One-off effects/Non-recurring items	3.5	0.4	-4.4	-0.3	-4.4	0.0	-5.2
EBIT	34.0	-0.3	20.3	2.7	-18.4	0.0	38.3
Capital expenditure <sup>2)</sup>	8.3	0.1	1.8	4.1	0.9	0.0	15.2
Result from investments accounted for At-Equity	-	-	8.4	-	-	-	8.4
Working Capital (31.12.) <sup>3)</sup>	197.7	26.5	115.1	34.4	-32.5	0.0	341.2
Capital employed (31.12.) <sup>4)</sup>	461.6	38.3	332.8	100.3	63.6	0.0	996.6
Cash Generation <sup>5)</sup>	29.1	-0.2	33.5	-2.7	-7.8	0.0	51.9

<sup>1)</sup> EBITDA adjusted by one-off effects and non-recurring items

<sup>2)</sup> Defined as total of capital expenditures 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 and contract liabilities

<sup>4)</sup> Defined as the sum of goodwill, other intangible assets, property, plant and equipment, investments accounted for At-Equity, and working capital

<sup>5)</sup> Defined as total of EBITDA pre plus change in working capital minus capital expenditure

EBITDA pre is calculated by adjusting H1 2022 earnings before interest, taxes, depreciation and amortization for income from the termination of the heritable building right in Griesheim amounting to €11.7 million (H1 2021: €0.0 million), other restructuring expenses of minus €0.4 million (H1 2021: minus €5.4 million) and effects from the carryforward of the purchase price allocations of the SGL Composites companies of minus €5.2 million (H1 2021: minus €5.1 million). In addition, the one-off effects in H1 2022 include income from advanced payments received in previous years for dismantling and disposal costs in the amount of €5.7 million, as contract costs were lower than planned, as well as other material one-off effects on earnings totaling minus €1.2 million, mainly for external consulting

costs (H1 2021: €5.3 million, mainly from insurance benefits and reversals of provisions).

Revenue from one customer in the reporting segment CF accounts for approximately €66 million of the Group's total revenue (H1 2021: €56 million).

## Subsequent events

None.

Wiesbaden, August 4, 2022

SGL Carbon SE

The Board of Management

Dr. Torsten Derr

Thomas Dippold

# Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Wiesbaden, August 4, 2022

SGL Carbon SE

The Board of Management

Dr. Torsten Derr

Thomas Dippold

# Other Information

## Quarterly Sales Revenue and EBITDA pre by Reporting Segment

€ million	2021					2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	1st Half
<b>Sales revenue</b>								
Graphite Solutions	108.3	112.9	111.5	110.9	443.6	119.6	123.8	243.4
Process Technology	19.3	21.5	21.3	25.1	87.2	25.3	23.9	49.2
Carbon Fibers	81.1	85.3	78.3	92.5	337.2	87.7	88.3	176.0
Composite Solutions	28.6	31.6	31.9	30.4	122.5	35.8	33.8	69.6
Corporate	4.2	3.9	3.8	4.6	16.5	2.5	9.1	11.6
<b>SGL Carbon</b>	<b>241.5</b>	<b>255.2</b>	<b>246.8</b>	<b>263.5</b>	<b>1,007.0</b>	<b>270.9</b>	<b>278.9</b>	<b>549.8</b>

€ million	2021					2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	1st Half
<b>EBITDA pre</b>								
Graphite Solutions	22.9	21.1	23.5	20.4	87.9	25.9	28.1	54.0
Process Technology	-0.5	0.6	1.3	3.3	4.7	2.0	2.1	4.1
Carbon Fibers	13.9	18.5	11.4	10.7	54.5	5.4	22.8	28.2
Composite Solutions	1.8	3.9	3.4	3.0	12.1	6.3	3.4	9.7
Corporate	-5.1	-5.4	-2.8	-5.9	-19.2	-2.8	-5.3	-8.1
<b>SGL Carbon</b>	<b>33.0</b>	<b>38.7</b>	<b>36.8</b>	<b>31.5</b>	<b>140.0</b>	<b>36.8</b>	<b>51.1</b>	<b>87.9</b>



## Quarterly Consolidated Income Statement

€ million	2021					2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	1st Half
<b>Sales revenue</b>	<b>241.5</b>	<b>255.2</b>	<b>246.8</b>	<b>263.5</b>	<b>1,007.0</b>	<b>270.9</b>	<b>278.9</b>	<b>549.8</b>
Cost of sales	-187.4	-194.1	-187.6	-215.0	-784.1	-214.8	-204.8	-419.6
<b>Gross profit</b>	<b>54.1</b>	<b>61.1</b>	<b>59.2</b>	<b>48.5</b>	<b>222.9</b>	<b>56.1</b>	<b>74.1</b>	<b>130.2</b>
Selling, administrative, R&D and other operating income/expense	-39.4	-40.7	-41.4	-38.7	-160.2	-37.6	-43.1	-80.7
Result from investments accounted for At-Equity	4.5	3.9	4.3	4.3	17.0	4.2	5.3	9.5
<b>EBIT pre</b>	<b>19.2</b>	<b>24.3</b>	<b>22.1</b>	<b>14.1</b>	<b>79.7</b>	<b>22.7</b>	<b>36.3</b>	<b>59.0</b>
One-off effects/Purchase price allocation effects/Impairment losses	-0.6	0.8	13.9	16.4	30.5	-3.0	2.3	-0.7
Restructuring income/expenses	-1.6	-3.8	-2.5	8.1	0.2	11.5	-0.2	11.3
<b>EBIT</b>	<b>17.0</b>	<b>21.3</b>	<b>33.5</b>	<b>38.6</b>	<b>110.4</b>	<b>31.2</b>	<b>38.4</b>	<b>69.6</b>
Financial result	-6.4	-7.6	-7.5	-6.8	-28.3	-7.5	-9.1	-16.6
<b>Result from continuing operations before income taxes</b>	<b>10.6</b>	<b>13.7</b>	<b>26.0</b>	<b>31.8</b>	<b>82.1</b>	<b>23.7</b>	<b>29.3</b>	<b>53.0</b>
Income tax expense	-4.4	-1.8	-1.1	1.1	-6.2	-2.2	-3.0	-5.2
Result from discontinued operations, net of income taxes							1.3	1.3
<b>Net result for the period</b>	<b>6.2</b>	<b>11.9</b>	<b>24.9</b>	<b>32.9</b>	<b>75.9</b>	<b>21.5</b>	<b>27.6</b>	<b>49.1</b>
Thereof attributable to:								
Non-controlling interests	0.1	0.1	0.2	0.1	0.5	0.1	0.2	0.3
Consolidated net result (attributable to shareholders of the parent company)	6.1	11.8	24.7	32.8	75.4	21.4	27.4	48.8

## Financial Calendar 2022

### November 3, 2022

- Statement on the First Nine Months 2022
- Conference call for investors and analysts

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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 (GS), Process Technology (PT), Carbon Fibers (CF) and Composite Solutions (CS) 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 (GS), Process Technology (PT), Carbon Fibers (CF) and Composite Solutions (CS) 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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