

**SGL Carbon - Q3 2021 also confirms the encouraging upward trend**

- Sales increase of 8.8% to €743.5 million compared to the same period of the previous year
- EBITDApre improves by 59.1% to €108.5 million
- Despite burdens from higher raw material and energy prices, stable revenue and earnings expected for Q4 2021

Following consolidated sales of €241.5 million in Q1 2021 and €255.2 million in Q2 2021, Q3 2021 confirms SGL Carbon's encouraging sales performance with €246.8 million. Due to increasing demand from almost all market segments, Group sales increased to a total of €743.5 million in the first nine months of the fiscal year (9M 2020: €683.5 million). This corresponds to an increase of 8.8% compared to the same period of the previous year.

Almost all business units contributed to the positive sales development. As largest business unit with a 44.7% share of Group sales, **Graphite Solutions (GS)** contributed €332.7 million to Group sales in the first nine months of 2021 (9M 2020: €308.0 million). The sales increase of 8.0% is based in particular on the positive development of the important market segments Semiconductor & LED as well as Automotive & Transportation. The business units **Carbon Fibers** and **Composite Solutions** contributed €244.7 million (9M 2020: €223.4 million) and €92.1 million (9M 2020: €60.7 million), respectively, to Group sales and benefited primarily from increased demand from the automotive industry. Compared to the previous year, sales increased by 9.5% in Carbon Fibers and by 51.7% in Composite Solutions. Only the **Process Technology** business unit, with sales down 4.9% to €62.1 million, was not yet able to participate in the general economic upward trend.

**Results situation:**

SGL Carbon's EBITDApre improved by 59.1% year-on-year to €108.5 million in the first nine months (9M 2020: €68.2 million). Increased sales in almost all business units, the associated higher capacity utilization and new high-margin orders from the automotive industry in the Composite Solutions business unit contributed to the improvement in earnings. The cost savings achieved as a result of the transformation initiated at the end of 2020 also had a positive earnings impact. However, negative effects from significantly higher raw material and energy prices weighed on EBITDApre, especially in the isolated third quarter of 2021.

EBITDApre does not include non-recurring effects and special items totaling €6.2 million. These consist of non-recurring effects of €21.7 million, mainly from the proceeds generated by

the sale of two properties not required for operations, netted against negative special items totaling €15.5 million.

EBIT also increased significantly to €71.8 million in the first nine months of 2021 compared to €24.8 million in the same period of the previous year. In addition to the positive effects mentioned above, the EBIT increase also results from the €9.2 million decrease in depreciation and amortization to €42.9 million (9M 2020: €52.1 million) due to the impairment carried out at the end of 2020.

Based on the positive business development, the successes of the transformation as well as one-off effects of € 21.7 million, thereof € 19.5 million from the sale of two properties, the consolidated net income after nine months in 2021 amounts to €42.6 million (9M 2020: minus €3.9 million).

#### **Net financial debt and equity:**

SGL Carbon's net financial debt decreased by 33.1% to €191.6 million as of September 30, 2021 compared to year-end 2020. This development was mainly due to the increase in cash and cash equivalents by €95.0 million to €236.8 million (December 31, 2020: €141.8 million). This is primarily based on a positive free cash flow, which increased significantly by €60.1 million to €122.5 million (9M 2020: €62.4 million) as a result of the positive business performance and the mentioned one-off effects (€30.6 million).

Equity attributable to equity holders of the parent company amounted to €308.4 million as at September 30, 2021, up 39.7% compared with the end of the last financial year (December 31, 2020: €220.7 million). Accordingly, the equity ratio increased to 22.7% (December 31, 2020: 17.5%).

#### **Transformation Program:**

The restructuring and transformation process initiated at SGL Carbon at the end of 2020 has made a significant contribution to the Company's positive sales and earnings performance. In the third quarter of the current fiscal year, increased prices for raw materials, energy, and transport and logistics reduced the savings achieved, as these could only be passed on to customers in part and/or with time lags.

#### **Outlook:**

For the remaining months of fiscal year 2021, we see only limited market risks, also due to the order intake already received. We also consider the negative impact on the communicated sales and earnings forecast for 2021 due to increased raw material, energy and transport costs to be limited from today's perspective. We do not anticipate any renewed deterioration in the general conditions due to the Corona pandemic.

According to the explanations given above, we confirm the revenue and earnings guidance for fiscal 2021 provided on July 13, 2021.

Further details on business development and outlook can be found in the quarterly statement on the first nine months of 2021.

## Key figures 9M 2021

(in € million)	9M 2021	9M 2020	Change	Change in %
<b>Group sales</b>	<b>743.5</b>	<b>683.5</b>	<b>60.0</b>	<b>8.8%</b>
Graphite Solutions	332.7	308.0	24.7	8.0%
Process Technology	62.1	65.3	-3.2	-4.9%
Carbon Fibers	244.7	223.4	21.3	9.5%
Composite Solutions	92.1	60.7	31.4	51.7%
Corporate	11.9	26.1	-14.2	-54.4%
<b>EBITDApre*</b>	<b>108.5</b>	<b>68.2</b>	<b>40.3</b>	<b>59.1%</b>
Graphite Solutions	67.5	49.5	18.0	36.4%
Process Technology	1.4	1.8	-0.4	-22.2%
Carbon Fibers	43.8	28.4	15.4	54.2%
Composite Solutions	9.1	-5.0	14.1	-
Corporate	-13.3	-6.5	-6.8	> -100%
Group result	42.6	-3.9	46.5	-
Free cash flow	122.5	62.4	60.1	96.3%

	Sept. 30, 2021	Dec. 31, 2020	Change	Change in %
Equity ratio (in %)	22.7	17.5		+5.2%-points
Net financial debt (in € million)	191.6	286.5	-94.9	-33.1%

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

## About SGL Carbon

SGL Carbon is a technology-based and global leader in the development and production of carbon-based solutions. Its high-quality materials and products made of specialty graphite and composites are used in future-oriented industries: automotive, aerospace, semiconductor technology, solar and wind energy, LED as well as in the production of lithium-ion batteries, fuel cells and other energy storage systems. In addition, we develop solutions for the fields of chemistry and industrial applications.

**In 2020, SGL Carbon SE generated sales of over €900 million. The company employs around 4,800 people at 31 sites in Europe, North America and Asia.**

SGL Carbon's materials, products and solutions are integrated into the major topics of the future: sustainable mobility, new energies and cross-industry digitalization. Further developments in these areas require more intelligent, interconnected, efficient and sustainable solutions. This is where SGL Carbon's entrepreneurial vision comes in: to contribute to a smarter world.

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

### Important Notice:

To the extent that our press release contains forward-looking statements, they are based on currently available information and our current forecasts and assumptions. By their nature, forward-looking statements involve known and unknown risks and uncertainties that could cause actual developments and results to differ materially from the forward-looking estimates. The forward-looking statements are not to be understood as guarantees. Rather, future developments and results depend on a variety of factors, they involve various risks and uncertainties and are based on assumptions that may not prove to be accurate. These include, for example, unforeseeable changes in political, economic, legal and social conditions, particularly in the environment of our main customer industries, the competitive situation, interest rate and currency developments, technological developments and other risks and imponderables. We see further risks, among other things, in price developments, unforeseeable events in the environment of acquired companies and at Group companies, and in the ongoing cost-saving programs. SGL Carbon does not assume any obligation and does not intend to adjust or otherwise update these forward-looking statements.

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