



FY 2022 – Conference Call Note

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March 14, 2023

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WACKER FY 2022 Highlights

Financials



€8.21bn

Sales (+32% yoy)
Driven by pricing

€2.08bn

EBITDA
(FY 2021 €1.54bn)

€439m

Net Cash Flow
(FY 2021 €761m)

€25.18

EPS
(FY 2021 €16.24)

€12.00

Dividend proposal
(2021 €8.00)

Operations



Pricing Management

drives Chemicals EBITDA up 45%
yoy despite significant headwinds

Higher Polysilicon Prices

reflect strong demand, low
inventory levels throughout 2022

Shape the Future

restructuring on track, supports very
strong financial position

Sustainability



Progress Made to Net Zero

CO₂ emissions¹ 11%
lower yoy, renewable
power for silicon metal

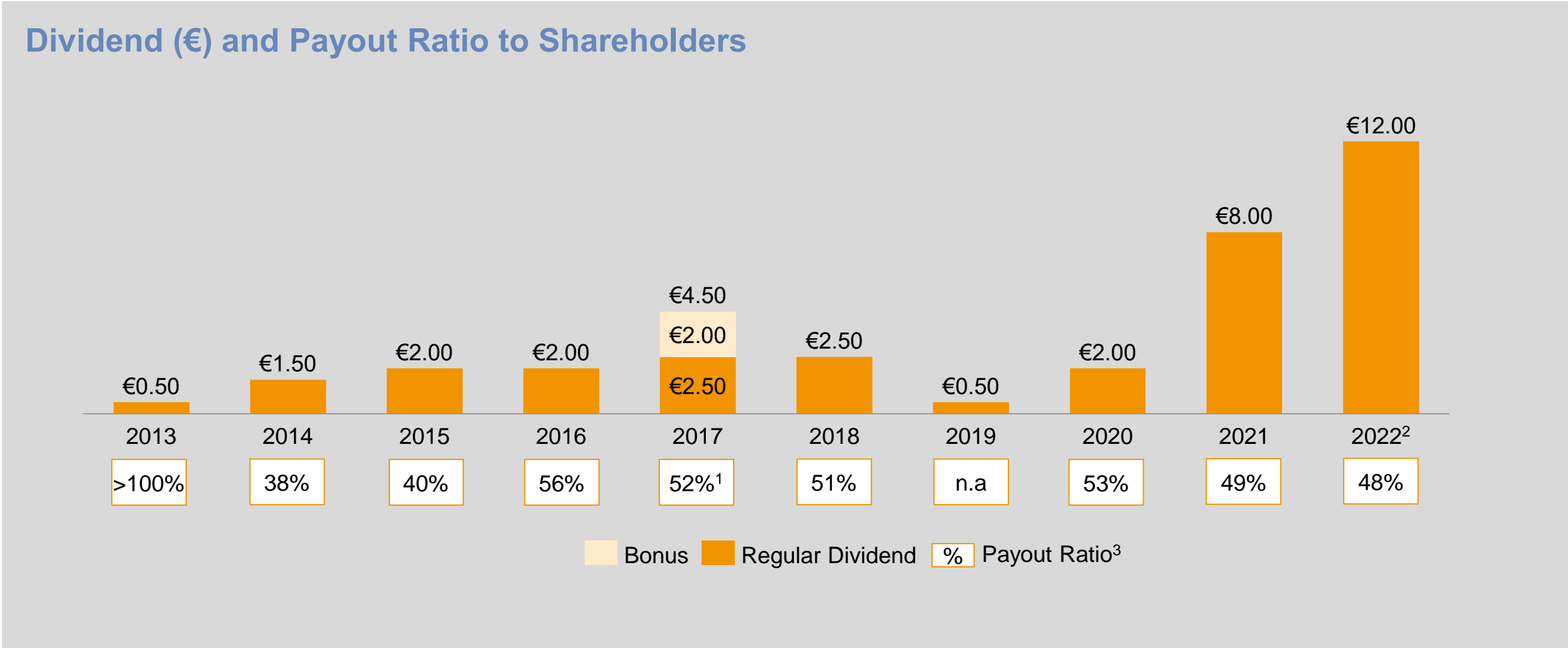
Sustainability Reporting

1st time integration into
Annual Report with
progress towards KPIs

**Record
FY 2022
Results
Achieved**

1) Scope 1 and Scope 2 emissions

Record High Dividend Proposed for FY 2022



1) Excluding Bonus 2) Dividend proposal 3) Payout ratio = dividend / net income attributable to shareholders of Wacker Chemie AG

A New Phase with New Group Targets for 2030



Faster Growth, Bolder Moves, High Profitability

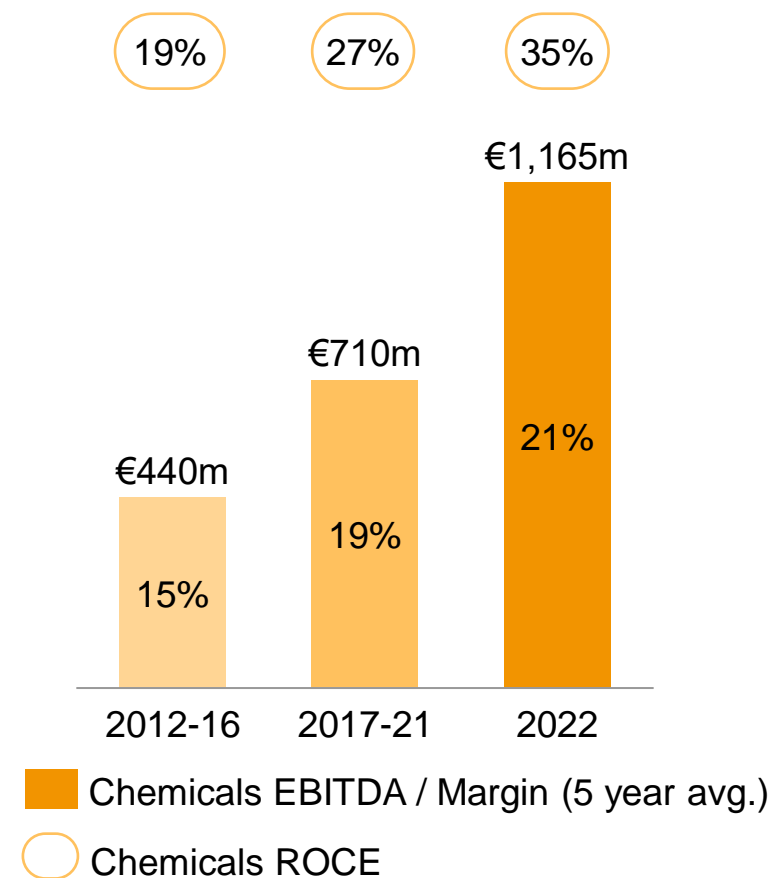
- ▶ SALES: >€10bn
- ▶ EBITDA Margin: >20%
- ▶ VOLUME/MIX CAGR: 1.5 – 2x historic
- ▶ ROCE: 2x Cost of Capital



Strategic Growth Projects

- ▶ SILICONES: Specialties
- ▶ POLYMERS: Tandems (VAE+DPP)
- ▶ BIOSOLUTIONS: Biologics
- ▶ POLYSILICON: Semi

Chemicals Financial KPIs



Strategic Investments for Future Growth



SILICONES

Burghausen & Nünchritz

- ▶ CapEx: >€100m
- ▶ Completion: 2023-24

Panagarh, India

- ▶ CapEx: <€100m
- ▶ Completion: 2023

Charleston

- ▶ CapEx: >€100m
- ▶ Completion: 2025



POLYMERS

Nanjing

- ▶ CapEx: >€100m
- ▶ Completion: 2023



BIOSOLUTIONS

Halle: mRNA Competence Center

- ▶ CapEx: >€100m
- ▶ Completion: 2024

Munich: Biotech Research Center

- ▶ CapEx: <€100m
- ▶ Completion: 2024



POLYSILICON

Burghausen: semiconductor

- ▶ CapEx: >€100m
- ▶ Completion: 2023-26

Our Growth Formula: Specialties, Resilience and Sustainability

Outlook for 2023



FY 2023 Group Guidance

- ▶ Sales of €7.0 – 7.5bn
- ▶ EBITDA of €1.1 – 1.4bn
- ▶ CapEx of around €650m

Q1 Trading Update

- ▶ Sales of about €1.7bn with EBITDA in the range of €250 – 280m
- ▶ Sequentially, Chemicals EBITDA¹ higher, Polysilicon substantially lower

1) Chemicals EBITDA higher excluding the +€72m from the revaluation of an at equity JV participation (SILICONES) in Q4

Profit & Loss Statement

Record EPS with Pricing Offsetting Unprecedented Headwinds

Profit & Loss (€m)

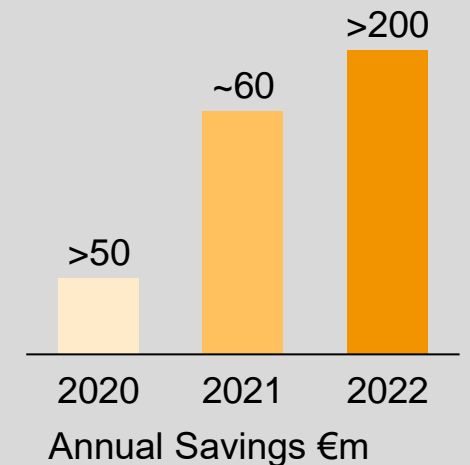
	FY 2022	FY 2021
Sales	8,209	6,208
Gross profit from sales	2,161	1,673
Gross margin	26.3%	26.9%
EBITDA	2,081	1,539
EBITDA margin	25.3%	24.8%
EBIT	1,679	1,134
EBIT margin	20.4%	18.3%
Net income	1,282	828
EPS	25.18	16.24

Comments

- ▶ Sales +32% yoy
Volume/Mix -1%, Price +29%, FX +4%
- ▶ EBITDA +35% yoy
Record result despite unprecedented rise in raw materials, energy and logistics costs +€1.3bn yoy

Successful Restructuring

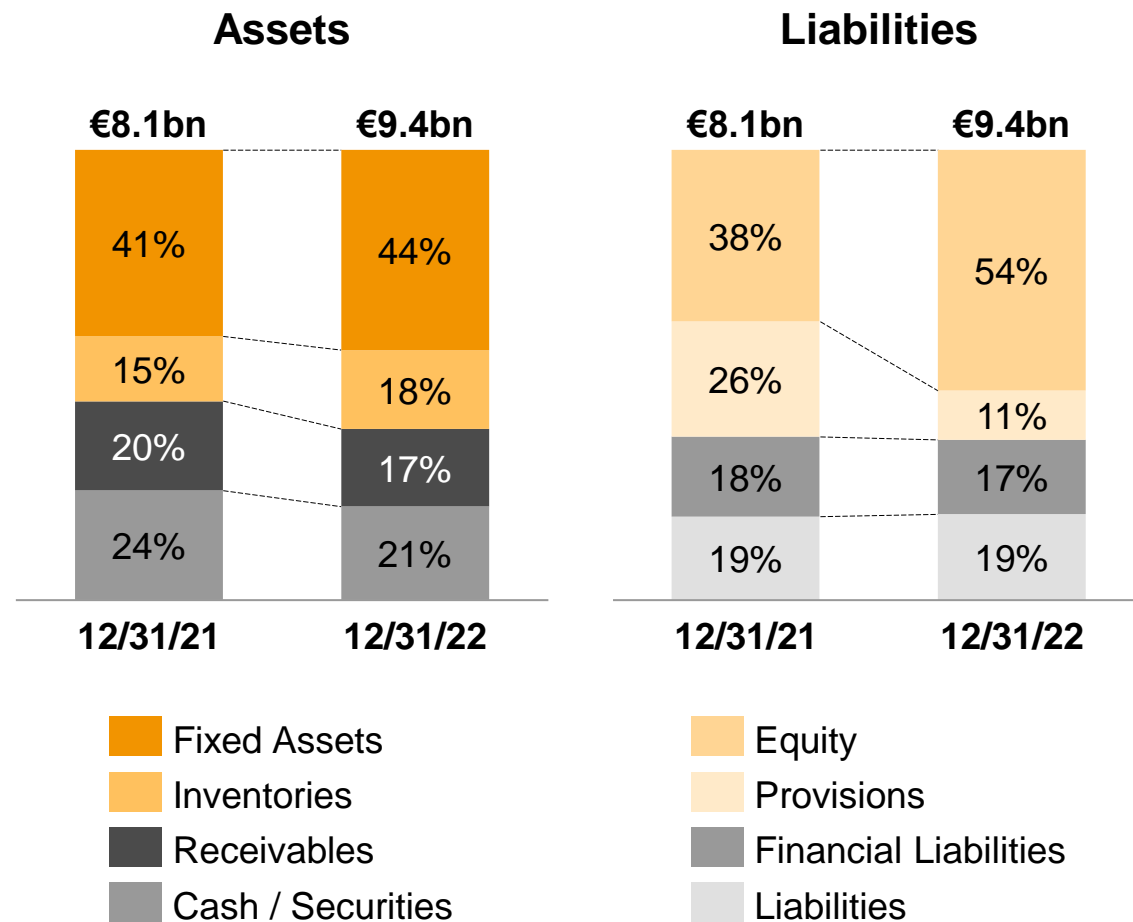
- ▶ “Shape the Future” program on track to meet €250m saving in 2023
- ▶ Leaner organization and strengthened customer focus



Balance Sheet Composition

Resilient Financials with €5bn in Equity and €2bn in Liquidity

Balance sheet (%)



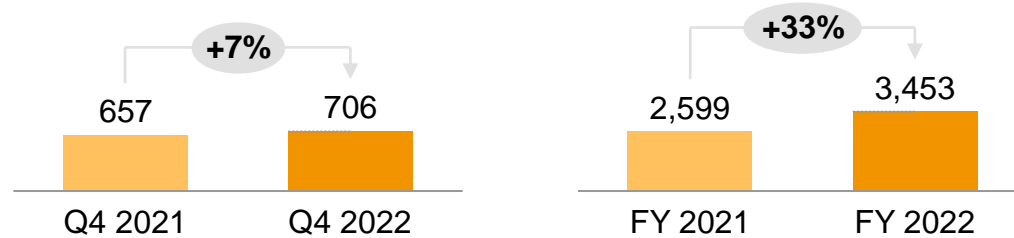
Characteristics 12/31/22

- ▶ Cash & Securities:
High level of liquidity at €2.0bn unchanged yoy
- ▶ Working Capital:
+€450m yoy on higher sales / unprecedented raws
- ▶ Pension Provisions:
€1.0bn lower yoy to €769m on higher discount rates
- ▶ Shareholder Equity:
+€1.9bn yoy to €5.0bn on record earnings / lower pensions

SILICONES

FY EBITDA +59% YoY to €876m, Driven by Strong Demand, Mix and Pricing

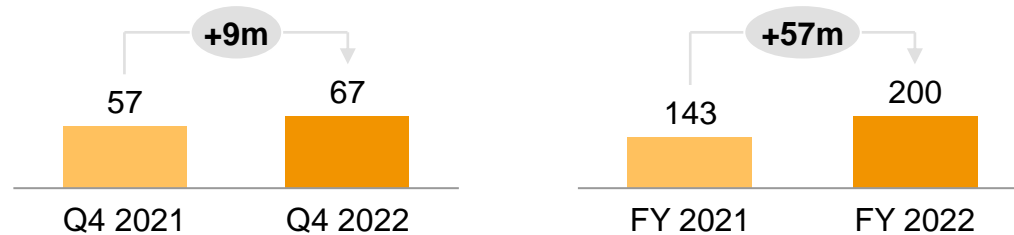
Sales (€m)



EBITDA¹ (€m) / margin



CapEx (€m)



Highlights

- ▶ Specialties pricing largely stable, standards under pressure towards year-end
- ▶ Strong demand / very high utilization in H1 shifted to lower utilization rates in Q4 on customer destocking
- ▶ Increased CapEx to meet customer pull for Specialties

Outlook 2023

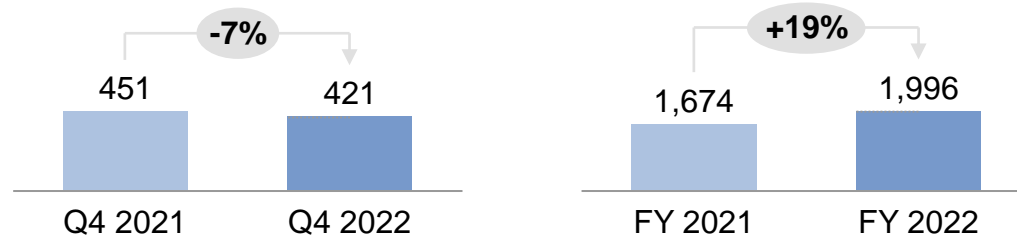
- ▶ Sales of €3.1 – 3.3bn with an EBITDA margin of around 15%
- ▶ Higher Specialties volumes, lower ASP in standards
- ▶ EBITDA held back by trailing higher raw material costs

1) 2022 EBITDA figures include +€72m from the revaluation of an at equity JV participation in China

POLYMERS

FY EBITDA +14% YoY to €289m, Despite Unprecedented Raw Material Headwinds

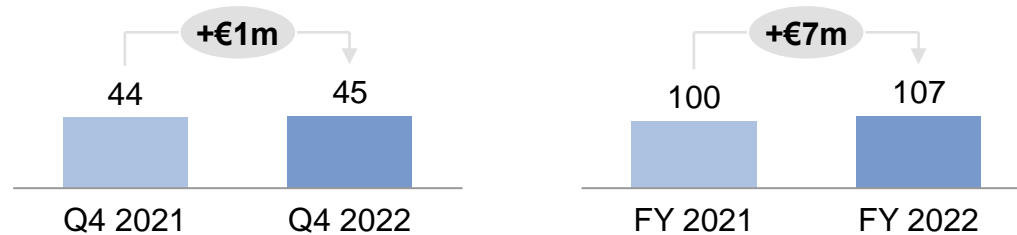
Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



Highlights

- ▶ Sales supported by higher prices and strong demand in H1
- ▶ H2 with low utilization rates, low order intake due to destocking and seasonality in construction
- ▶ Responsive pricing actions stabilize margin and help drive absolute EBITDA growth despite raw material inflation
- ▶ New capacities in Nanjing to support regional growth and capacity leadership

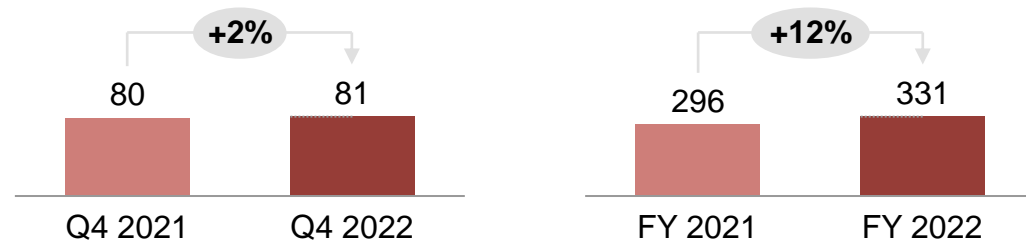
Outlook 2023

- ▶ Sales of approx. €1.8bn with an EBITDA margin slightly above PY
- ▶ Positive mix effects, lower ASP and volumes yoy

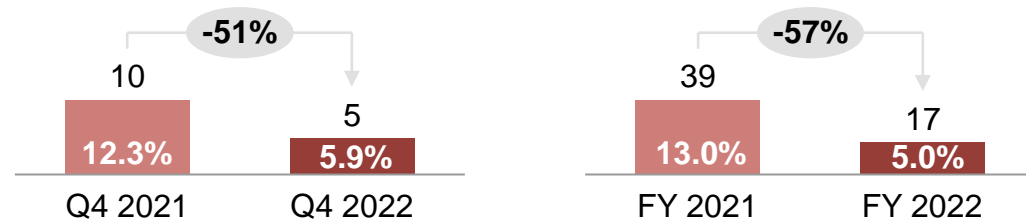
BIOSOLUTIONS

FY Sales Growth Driven by BioIngredients, EBITDA Burdened by Upfront Costs

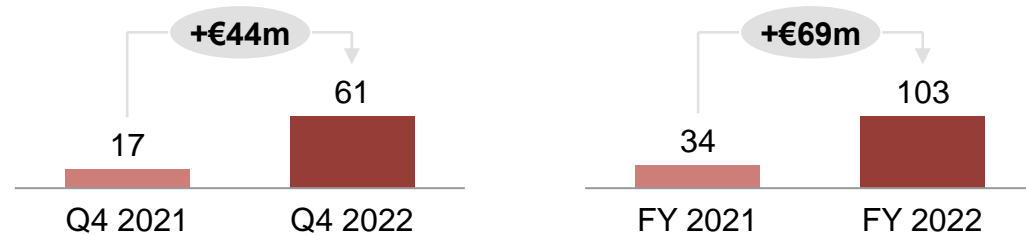
Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



Highlights

- ▶ BioIngredients sales growth driven by strong demand for cyclodextrins and cysteine
- ▶ BioPharma lower due to ongoing effects of a former customer not servicing their contractual obligations
- ▶ EBITDA with upfront costs related to the German pandemic preparedness plan, digitalization and Force Majeure in H1

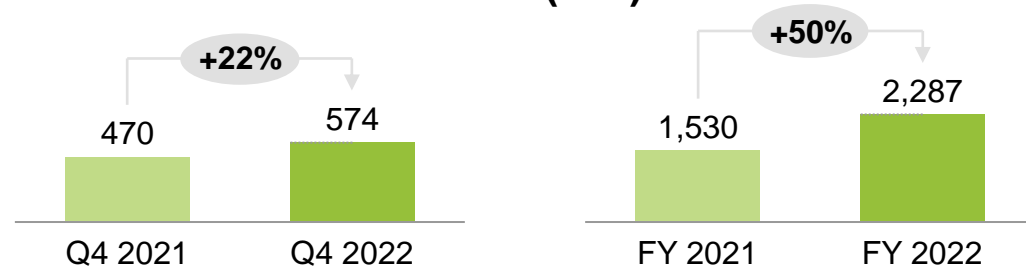
Outlook 2023

- ▶ Low-double-digit % sales growth with continued growth in biologics, especially BioPharma
- ▶ EBITDA significantly higher than PY

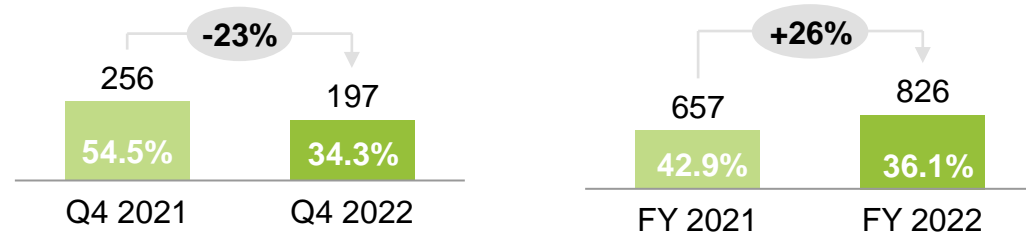
POLYSILICON

FY EBITDA +26% YoY to €826m on Strong Pricing and Higher Semi Volumes

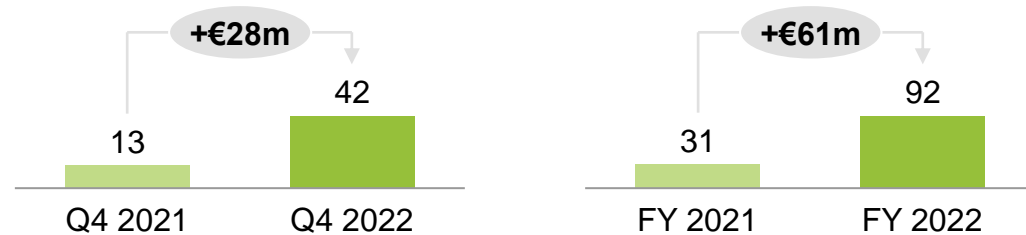
Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



Highlights

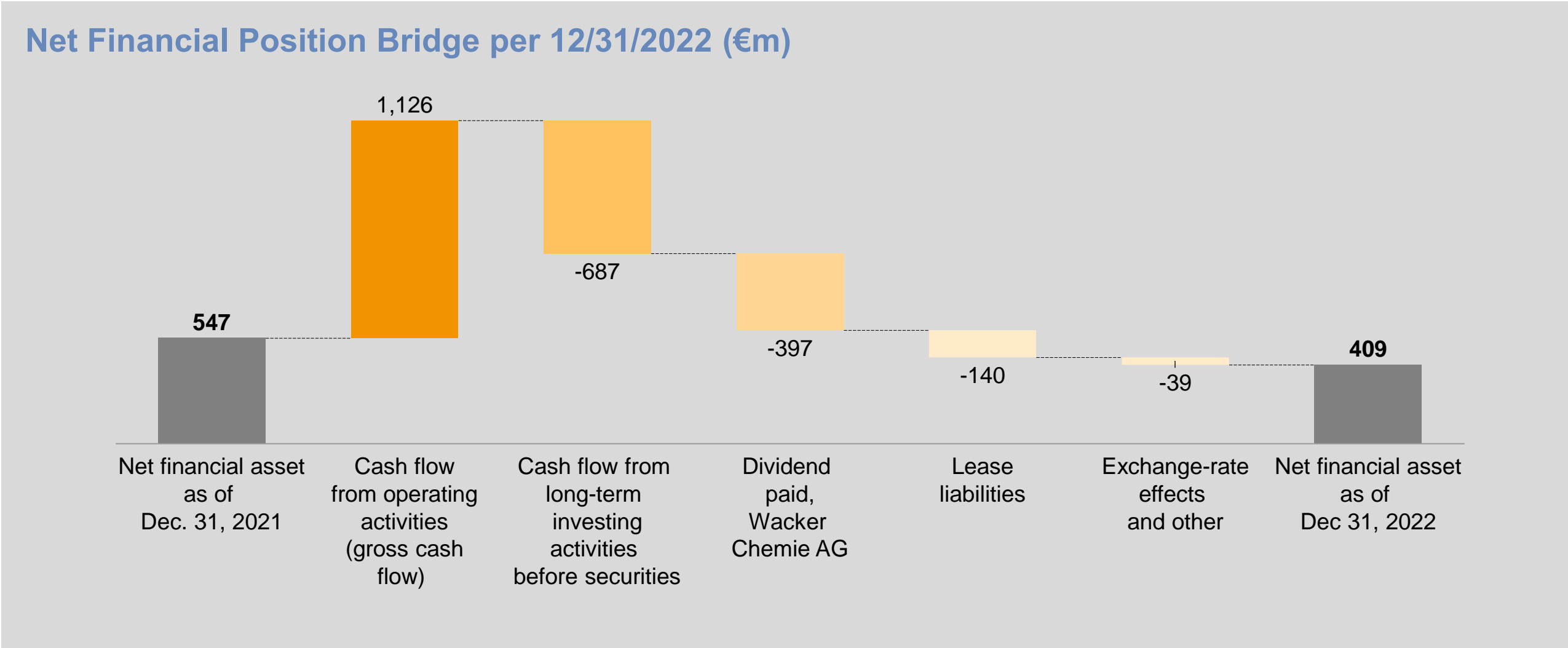
- ▶ Strong demand and very good solar ASP
- ▶ Continued mix improvements with higher Semi volumes & prices
- ▶ EBITDA with significantly higher costs for energy yoy
- ▶ Higher CapEx to support Semi customer's growth

Outlook 2023

- ▶ Sales of €1.6 – 1.8bn with an EBITDA between €300 – 500m
- ▶ Lower solar ASP, continued high energy costs in Germany
- ▶ Lower volumes from plant maintenance and Semi shift

Net Financial Position

Record Gross Cash Flow Supports Step-Up in Growth CapEx and Dividends



Q1 Trading Update

Sales of about €1.7bn with EBITDA in the Range of €250 – 280m

SILICONES

- ▶ Sales and EBITDA sequentially higher excluding revaluation effects in Q4¹
- ▶ EBITDA held back by continued low utilization rates and trailing raw material costs

POLYMERS

- ▶ Sales at Q4 level with EBITDA sequentially higher
- ▶ Demand from Construction with a slow start to the year

BIOSOLUTIONS

- ▶ Profitability in 2023 still burdened by upfront costs for future growth
- ▶ 2023 with strong growth in sales and earnings in H2

POLYSILICON

- ▶ Sales and EBITDA substantially lower sequentially
- ▶ Lower solar volumes due to plant maintenance and lower contract volumes

1) 2022 Q4 EBITDA includes +€72m from the revaluation of an at equity JV participation in China

WACKER



CREATING
TOMORROW'S
OUR SOLUTIONS
MAKE A BETTER WORLD
FOR GENERATIONS

Appendix

Guidance FY 2023

In €m	FY 2022	Outlook 2023
Sales	8,209	€7,000 – 7,500m
EBITDA	2,081	€1,100 – 1,400m
EBITDA margin (%)	25.4	Substantially lower than last year
Net cash flow	439	Positive, substantially lower than last year
CapEx	547	Around €650m
Net financial Assets	409	Low net financial debt
Net Income	1,282	Markedly lower than last year
Depreciation	402	Around €450m
ROCE (%)	34.7%	Higher than cost of capital, substantially lower than last year
Tax Rate (%)	20.7%	Around 20%

Appendix

WACKER FY 2022 Results

In €m	FY 2022	FY 2021	% YoY
Sales	8,209	6,208	32
EBITDA reported	2,081 ¹	1,539	35
EBITDA-Margin	25.4%	24.8%	-
EBIT	1,679	1,134	48
EBIT-Margin	20.4%	18.3%	-
Net income for the period	1,282	828	55
CapEx	547	344	59
Net cash flow	439	761	-42
Net Asset Position	409	547	-25

1) includes €72m exceptional non-cash revaluation of JV in China and the €30m collectively agreed one-off inflation payment

Appendix

FY 2022 Results – Breakdown by Business

In €m / %	FY 2022			FY 2021			Q4 2022			Q4 2021		
	SALES	EBITDA	EBITDA MARGIN	SALES	EBITDA	EBITDA MARGIN	SALES	EBITDA	EBITDA MARGIN	SALES	EBITDA	EBITDA MARGIN
Chemicals	5,449	1,165	21.4	4,273	806	18.9	1,128	168	14.9	1,109	203	18.3
SILICONES	3,453	876	25.4	2,599	553	21.3	706	123	17.4	657	137	20.8
POLYMERS	1,996	289	14.5	1,674	253	15.1	421	45	10.6	451	66	14.7
BIOSOLUTIONS	331	17	5.0	296	39	13.0	81	5	5.9	80	10	12.3
POLYSILICON	2,287	826	36.1	1,530	657	42.9	574	197	34.3	470	256	54.5
Others	171	73	42.7	129	39	29.8	50	-14	n.a.	36	42	>100
Consolidation	-29	1	n.a.	-20	-1	n.a.	-7	-1	n.a.	-6	-1	n.a.
WACKER Group	8,209	2,081¹	25.4	6,208	1,539	24.8	1,827	355¹	19.4	1,688	510	30.2

1) includes €72m exceptional non-cash revaluation of JV in China (SILICONES) and the €30m collectively agreed one-off inflation payment

Appendix

Progress Made on Achieving Ambitious Group Sustainability Targets

	2020	2021	2022	2030 Target
Net Zero by 2045				
Value Up				
Sustainable products	83%	89%	90%	100% of products meet defined sustainability criteria
Diversity: Woman in management	17%	19%	21%	33% of management positions held by woman
Regionalization: Management	27%	29%	30%	50% management positions outside Germany
Footprint Down				
CO ₂ e (Scope 1+2) emissions	100%	101%	89%	50% reduction in absolute CO ₂ e emissions
Energy consumption	100%	98%	99%	15% reduction in specific energy consumption
Water withdrawal	100%	98%	102%	15% reduction in specific water withdrawal
Collaboration Beyond				
CO ₂ e (Scope 3) emissions	100%	86%	80%	25% reduction in absolute CO ₂ e emissions
Sustainable supply chain	57%	60%	72%	100% of key suppliers meet defined TfS criteria
Health & Safety				
Chemical accidents with missed workdays ¹	3	4	10	0 days – reoccurring annual target
Severe process safety incidents			3	0 incidents – reoccurring annual target

1) 2022: incidents per million work hours: 3.5

Appendix

Strong Growth of Global PV Markets in 2023 Expected

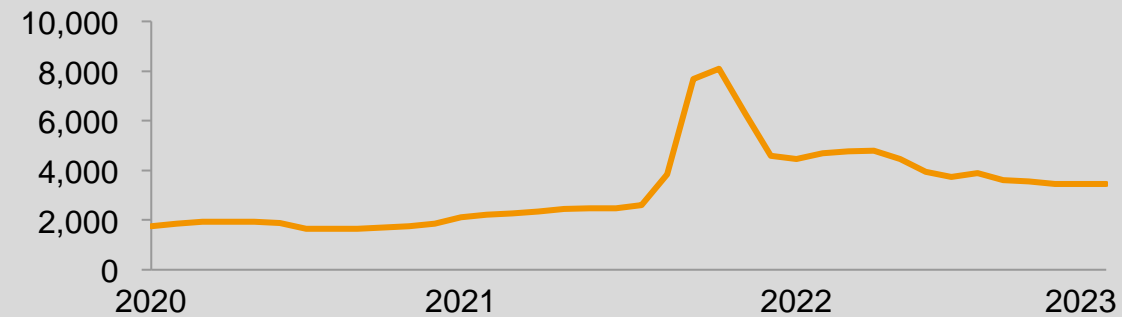
Country	2019	2020	2021	2022	2023e
Germany	4.0	4.8	5.3	7.9	7-10
Spain	4.7	2.6	3.8	7.5	7-10
Europe other	13.0	13.0	19.9	29.6	36-40
Europe total	21.7	21.2	29.0	45.0	50-60
USA	13.3	19.2	25	18.6	25-30
Japan	7.5	8.2	7.5	6.5	6-8
China	30.1	48.2	54.9	87.4	100-120
India	7.3	3.5	12.0	14.0	15-20
Rest of World	34.1	40.7	41.6	78.5	104-112
Total	118 GW	140 GW	170 GW	250 GW	300-350 GW

Sources: market surveys, industry announcements, WACKER estimates

Appendix

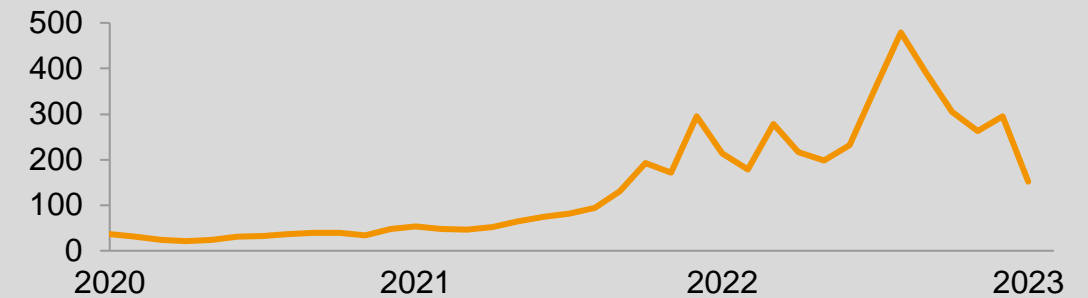
Key Raw Materials, Power and Gas

Si-Metal (€/mt)



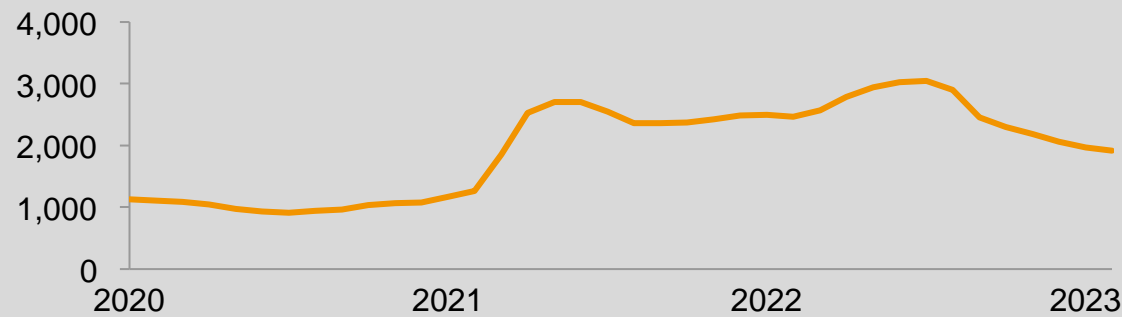
Source: CRU, Si-Metal Spot FD Europe

Electricity (€/MWh)



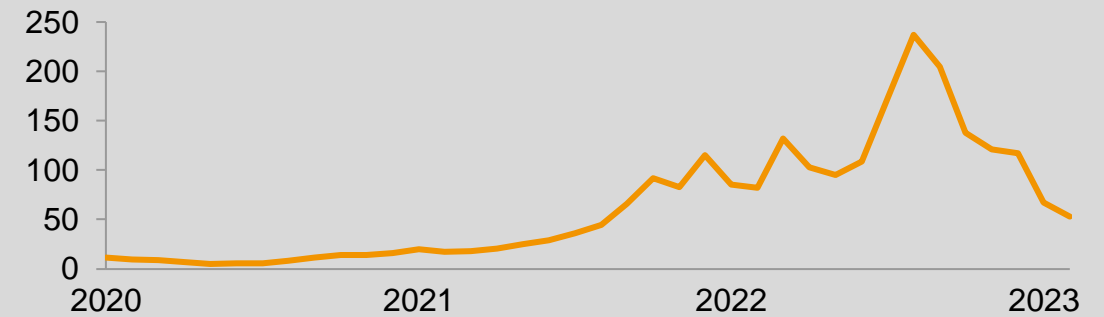
Source: EEX, Baseload Front Contract Avg. Month

VAM (€/mt)



Source: ICIS, Contract FD NWE

Natural Gas (€/MWh)



Source: PEGAS, Front Contract Avg. Month

Appendix

Modelling Help

Siltronic AG

- ▶ Investment income is reported in WACKER income statement (P&L)
- ▶ Investment income equals 30.8% of the net income attributable to the shareholders of Siltronic less the PPA (approx. €4-5m per quarter).

Others Segment

- ▶ Model with -€20m EBITDA for 2023 before Siltronic

Appendix

ROCE

EBIT (€M)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Chemicals (SILICONES + POLYMERS)	217	264	248	379	505	530	645	529	506	620	991
BIOSOLUTIONS	18	17	14	21	26	26	10	14	22	21	-5
POLYSILICON	201	0	305	163	-117	-88	-257	-1.013	-148	529	705
Group	258	114	443	473	366	424	390	-536	263	1,134	1,571
Capital Employed											
Chemicals (SILICONES + POLYMERS)	1,584	1,587	1,614	1,766	1,773	1,815	2,028	2,306	2,183	2,149	2,817
BIOSOLUTIONS	98	107	125	147	143	145	172	204	201	243	340
POLYSILICON	1,989	2,247	2,281	2,736	2,965	2,743	2,264	2,140	1,199	967	947
Group (till 2016 incl. Siltronic)	4,979	5,238	5,261	5,875	6,018	5,138	4,915	5,183	4,111	3,782	4,527
ROCE*											
Chemicals (SILICONES + POLYMERS)	14%	17%	15%	21%	28%	29%	32%	23%	23%	29%	35%
BIOSOLUTIONS	18%	16%	11%	14%	18%	18%	6%	7%	11%	9%	-1%
POLYSILICON	10%	0%	13%	6%	-4%	-3%	-11%	-47%	-12%	55%	74%
Group	5.2%	2.2%	8.4%	8.1%	6.1%	7.5%	5.9%	-11.3%	5.6%	28.3%	35%

*EBIT (from 2017 excl. Siltronic / Capital Employed)

WACKER: Issuer, Contact and Additional Information

Issuer and Contact

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Additional Information

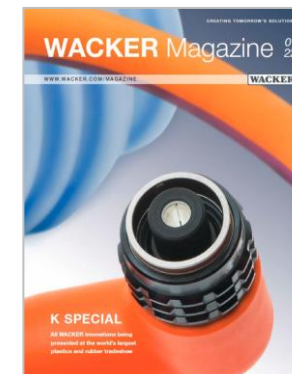


ISIN	DE000WCH8881
WKN	WCH888
Deutsche Börse	WCH

Financial Calendar

04/28/23	Q1 2023 Results
05/17/23	AGM
07/27/23	Q2 2023 Results
10/26/23	Q3 2023 Results

Publications



CUSTOMER
MAGAZINE



FACTBOOK



SUSTAINABILITY
REPORT



SQUARE
APP