



Q2 2023 – Conference Call Note

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Front page:

WACKER Purchases ADL BioPharma in Spain, Strengthening Its Biotechnology Business. Additional fermentation capacities of roughly 2,000 cubic meters will serve as a basis for further growth in the field of sustainably produced food ingredients.

WACKER Q2 2023 Highlights

Financials



€1.75bn

Sales (-19% yoy)
Driven primarily by lower ASP and volumes

€256m

EBITDA
(Q2 2022 €626m)

14.6%

EBITDA Margin
(Q2 2022 28.8%)

€2.38

EPS
(Q2 2022 €7.67)

€270m

Net Debt
(-€409m 31.12.22)

Operations



Continued Headwinds

Chemicals held back by ongoing customer destocking, weak markets

Higher Solar Volumes but Lower Prices

Resilient Semi volumes and prices

High Energy and Raws

Delayed relief from hedging and inventories

Sustainability



2023 WACKER INNOVATION Prize

Optimized polysilicon deposition process increases efficiency, reduces costs

New “Smart Reactor” makes an important contribution to our CO₂ reduction targets

Diversified setup supports Q2 2023

Updated FY 2023 Guidance, Investments for Further Growth



FY 2023 Group Updated Guidance

- ▶ Sales at €6.5 – 6.8bn (previously €7.0 – 7.5bn)
- ▶ EBITDA at €0.8 – 1.0bn (previously €1.1 – 1.4bn)
- ▶ ROCE lower than cost of capital, other KPI's unchanged

WACKER Invests to Realize 2030 Growth Targets

- ▶ SILICONES expands sealant cartridge capacity in Nünchritz, Germany
- ▶ POLYMERS completes the capacity expansion for dispersions and powders in Nanjing, China
- ▶ BIOSOLUTIONS strengthens its Biotechnology Business with the acquisition of ADL BioPharma in León, Spain
- ▶ POLYSILICON expands semiconductor-grade polysilicon production capacity in Burghausen, Germany

WACKER Strengthens Its Biotechnology Business with Acquisition of ADL

Combination of WACKER & ADL creates one of the largest Biotech sites in Europe



- ▶ WACKER now owns the entire site in León, Spain
- ▶ Total fermentation capacities of ~3,000 m³
- ▶ Space for growth: 91.6k m² total area, of which 53.6k m² built-up area
- ▶ Unique set up from R&D >> Pilot Lines >> Commercial
- ▶ ~300 new highly skilled employees

Strong CMO¹ position and good set up for innovations in BioIngredients



- ▶ WACKER continues to service ADL customers & site has sufficient capacities for our future innovation projects
- ▶ Development at ADL has been very good, sales have grown considerably in food, pharma and consumer goods industries
- ▶ Purchase price over €100m for 100%

1) CMO= Contract Manufacturing Organization

Profit & Loss Statement

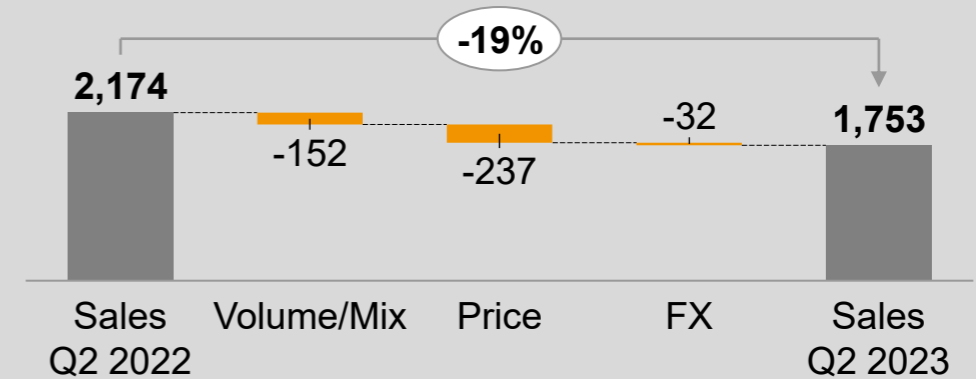
EBITDA of €256m in Q2 2023

Profit & Loss (€m)

	Q2 2023	Q2 2022
Sales	1,753	2,174
Gross profit from sales	326	646
Gross margin	18.6%	29.7%
EBITDA	256	626
EBITDA margin	14.6%	28.8%
EBIT	153	529
EBIT margin	8.7%	24.3%
Net income	119	391
EPS	2.38	7.67

Comments

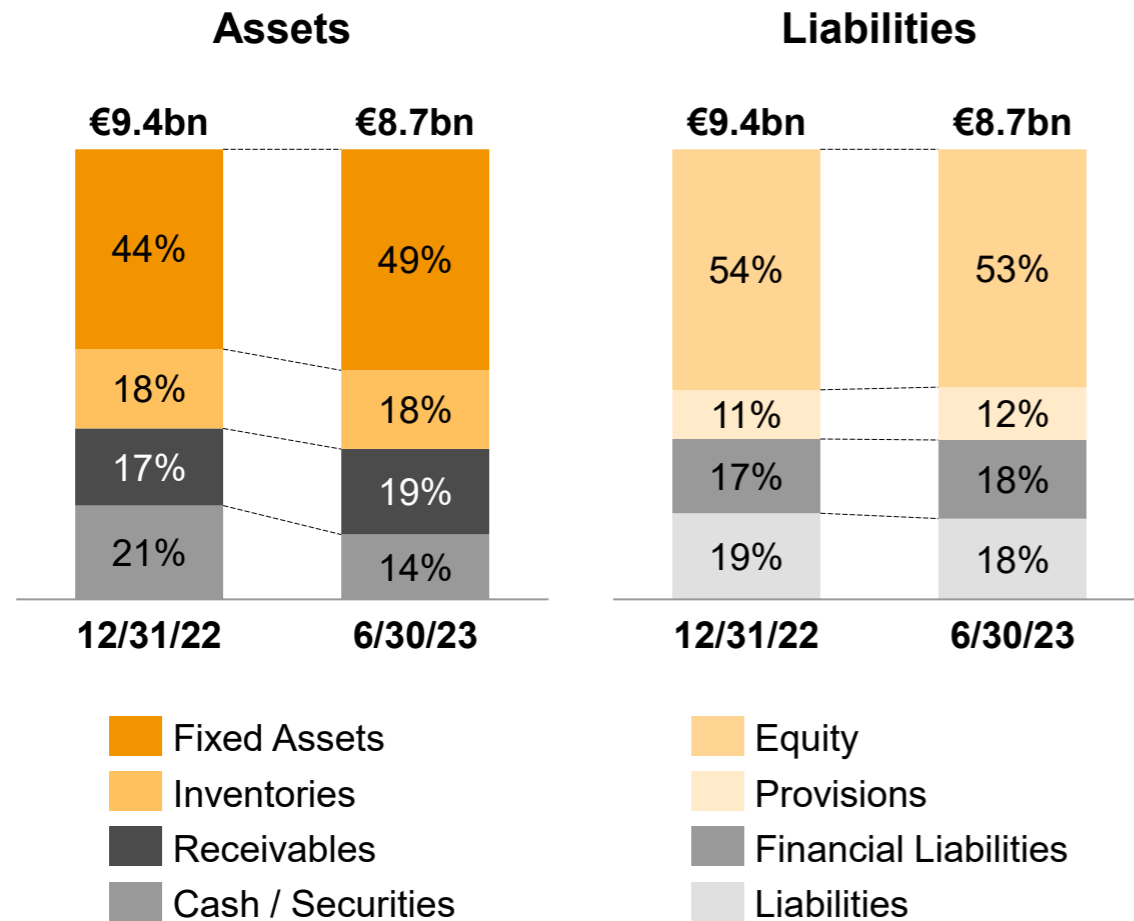
- ▶ Sales -19% yoy
Volume/Mix -7.0%, Price -10.9%, FX -1.5%
- ▶ EBITDA -59% yoy
Result defined by lower ASP & volumes, continued high energy costs



Balance Sheet Composition

Resilient Financials with €4.6bn in Equity and €1.3bn in Liquidity

Balance sheet (%)

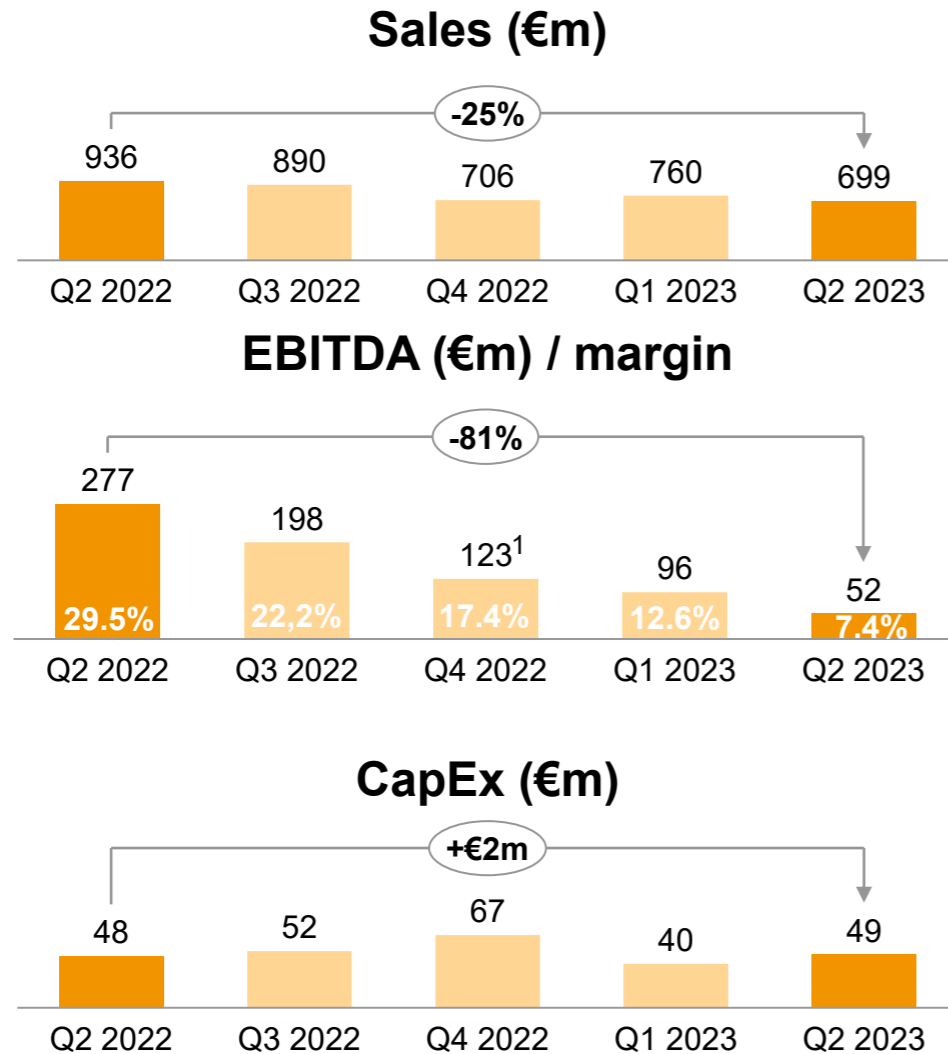


Characteristics 6/30/23

- ▶ Cash & Securities:
High level of liquidity at €1.3bn
- ▶ Net Working Capital:
Essentially unchanged at €1.7bn
- ▶ Pension Provisions:
Unchanged at €768m
- ▶ Shareholder Equity:
Lower to €4.6bn following €596m dividend paid in Q2

SILICONES

Weak Demand and Ongoing Customer Destocking



Highlights Q2

- ▶ Weak demand and ongoing customer destocking across all regions
- ▶ Pricing pressure on Standards remains high, Specialty volumes below prior year
- ▶ EBITDA held back by demand-driven adverse mix effects, low output, trailing higher raw material costs

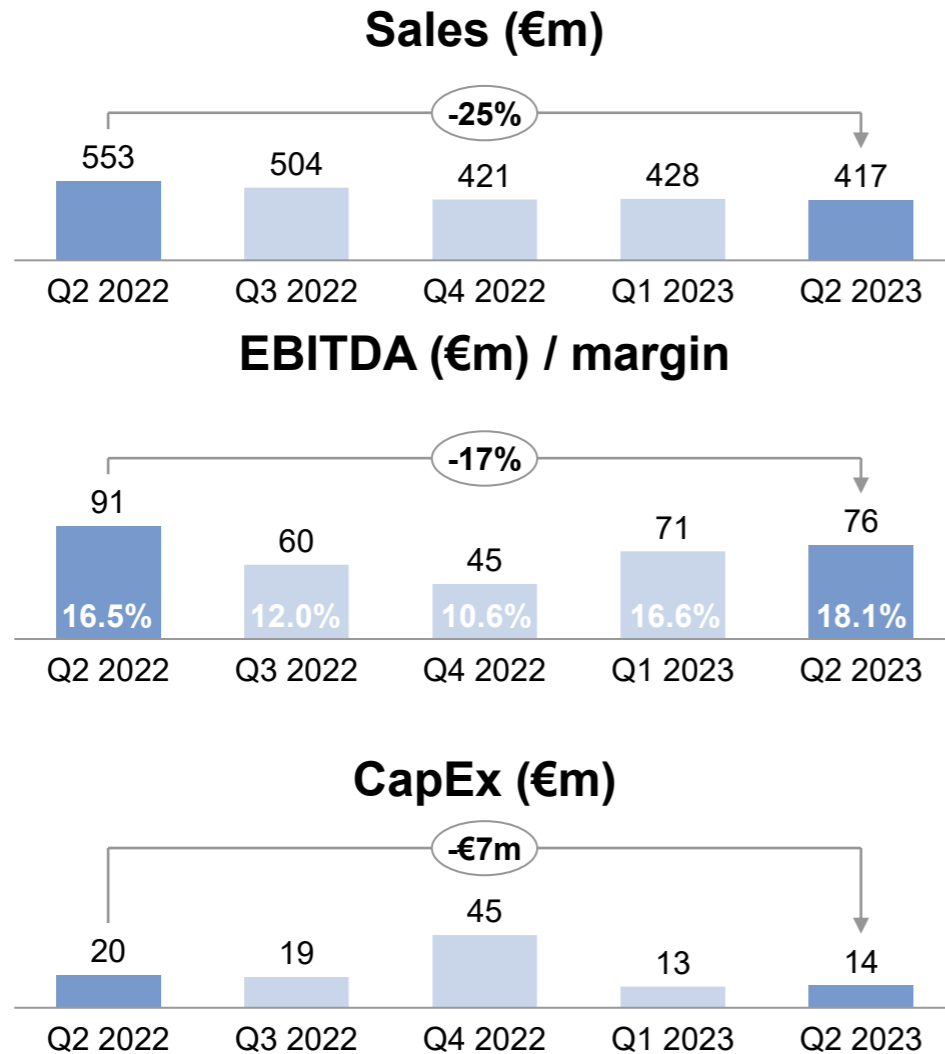
Updated Outlook 2023

- ▶ Sales of €2.7 – 2.9bn with an EBITDA margin of around 10%
- ▶ Lower volumes in Specialties, significantly lower ASP in Standards
- ▶ So far, no signs of a demand recovery in H2

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

POLYMERS

Defending Margins in a Weak Demand Environment



Highlights Q2

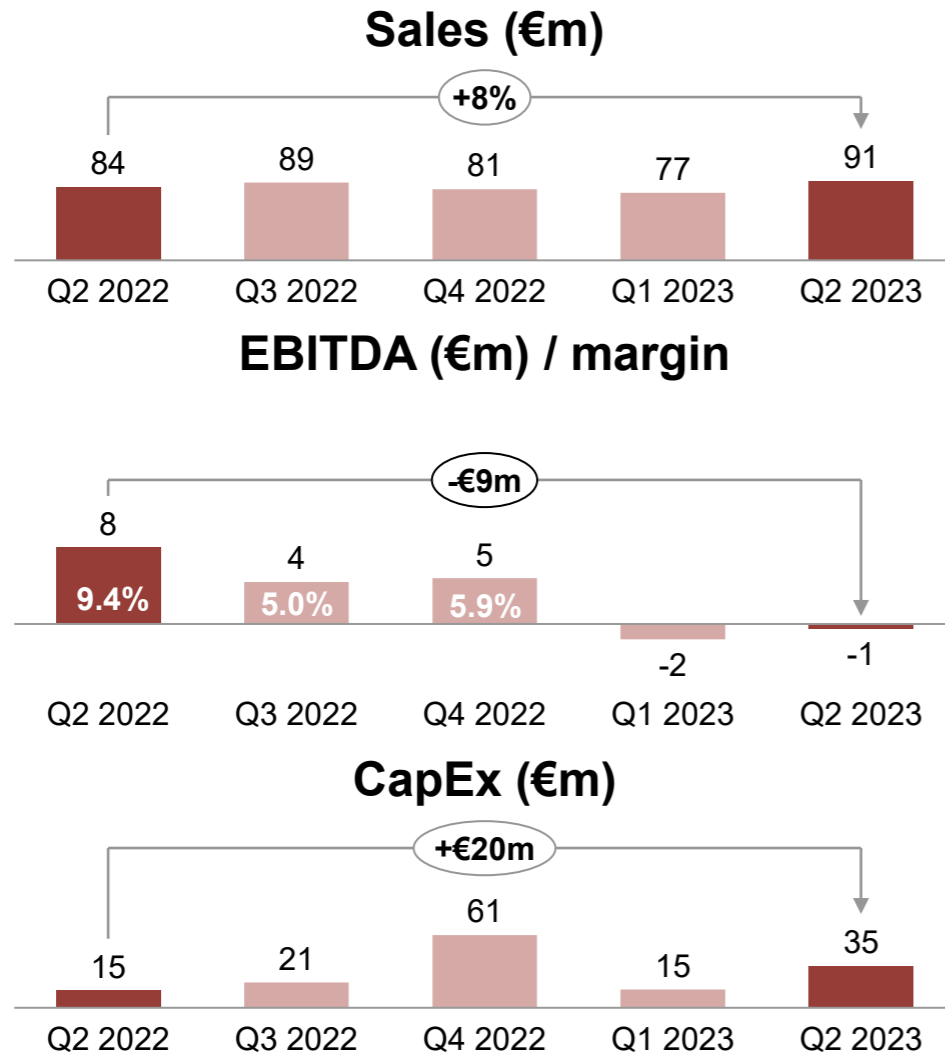
- ▶ Sales driven by seasonally higher volumes qoq, lower ASP
- ▶ General weak market demand particularly in Europe
- ▶ EBITDA margin higher yoy, mainly benefitting from declining raws

Updated Outlook 2023

- ▶ Sales between €1.6 – 1.7bn with an EBITDA margin around 17%
- ▶ Lower ASP and volumes yoy
- ▶ So far, no signs of a demand recovery in H2

BIOSOLUTIONS

Results Held Back by Upfront Costs



Highlights Q2

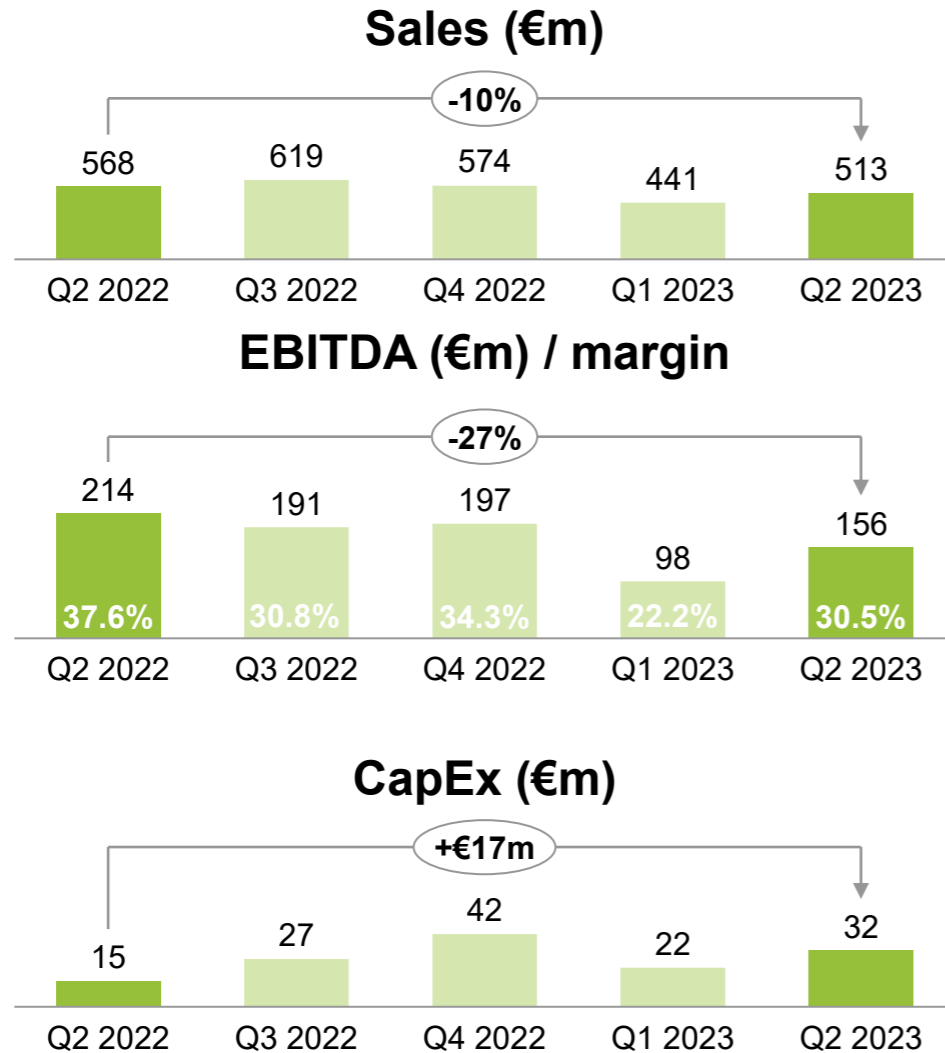
- ▶ Strong BioPharma sales growth yoy
- ▶ Weaker demand for some established products, as with chemicals
- ▶ EBITDA burdened by upfront costs related to the German pandemic preparedness plan and digitalization
- ▶ 3x increase in fermentation capacity with ADL acquisition

Updated Outlook 2023

- ▶ High-single-digit % sales growth with continued growth in biologics, driven by BioPharma and ADL acquisition
- ▶ EBITDA below prior year following upfront and digitalization

POLYSILICON

Strong Performance in Q2, Volumes Firm but Price Pressure Increasing



Highlights Q2

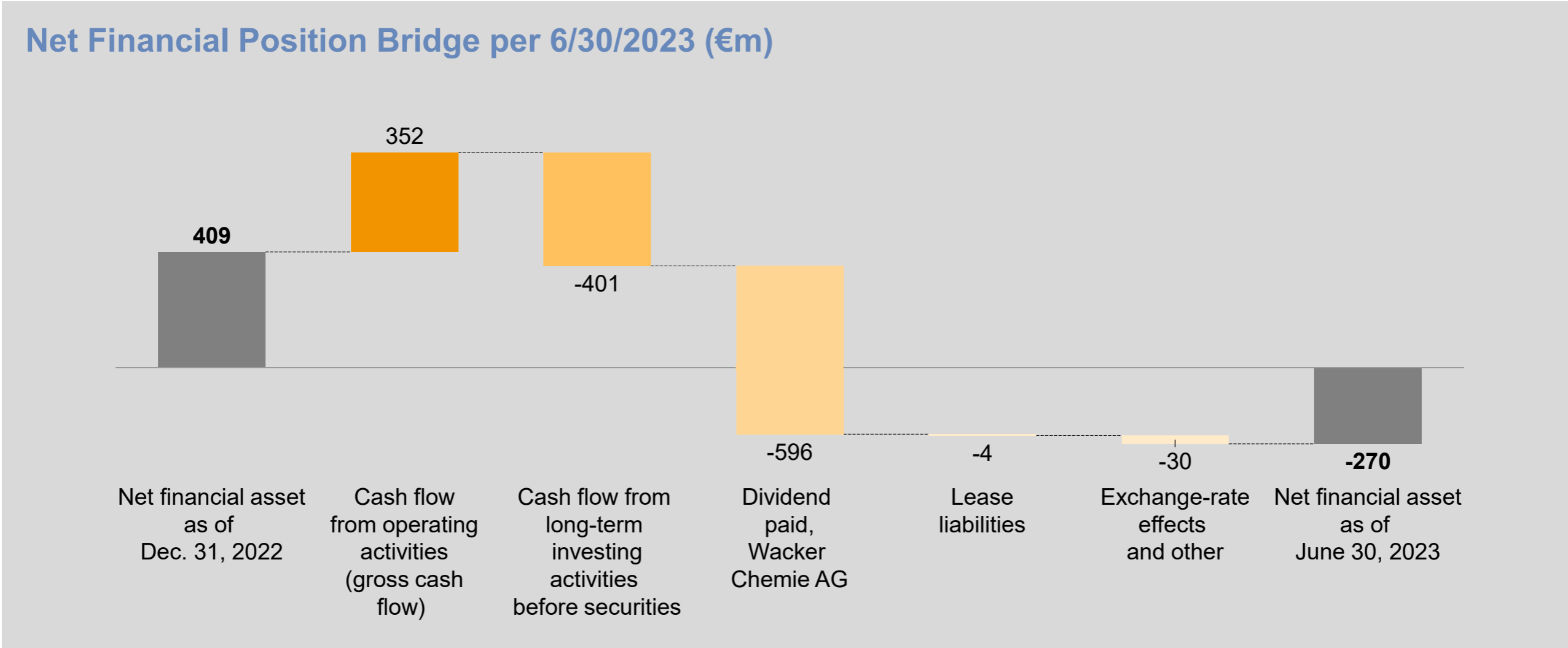
- ▶ Semi volumes and prices resilient, Solar ASP lower
- ▶ EBITDA qoq higher primarily on higher volumes, lower factor costs
- ▶ Solar market differentiates on regions and quality

Updated Outlook 2023

- ▶ Sales of €1.6 – 1.7bn with an EBITDA between €300 – 400m
- ▶ Lower solar ASP, continued high energy costs in Germany
- ▶ Lower volumes yoy from plant maintenance in Q1

Net Financial Position

Low Net Financial Debt of €270m following Dividend Payment & Acquisition



Q2 2023 – Q&A Session

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	€6.5 – 6.8bn (Previously €7.0 – 7.5bn)
EBITDA	2,081	€0.8 – 1.0bn (Previously €1.1 – 1.4bn)
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	Lower than cost of capital (Previously: Above cost of capital, substantially lower than last year)
Tax Rate (%)	20.7	Around 20%

Appendix

WACKER Q2 2023 Results

In €m	Q2 2023	Q2 2022	% YoY
Sales	1,753	2,174	-19%
EBITDA reported	256	626	-59%
EBITDA-Margin	14.6%	28.8%	
EBIT	153	529	-71%
EBIT-Margin	8.7%	24.3%	
Net income for the period	119	391	-70%
EPS	2.38	7.67	-69%
CapEx	145	100	46%
Net Cash Flow	-99	96	n.a.
Net Debt Position	270	-119	n.a.

Appendix

Q2 2023 Results – Breakdown by Business

In €m / %	Sales					EBITDA					EBITDA Margin (%)		
	Q2/23	Q2/22	% YoY	Q1/23	% QoQ	Q2/23	Q2/22	% YoY	Q1/23	% QoQ	Q2/23	Q2/22	Q1/23
Chemicals	1,115	1,490	-25%	1,188	-6%	128	368	-65%	167	-23%	11.4	24.7	14.0
SILICONES	699	936	-25%	760	-8%	52	277	-81%	96	-46%	7.4	29.5	12.6
POLYMERS	417	553	-25%	428	-3%	76	91	-17%	71	7%	18.1	16.5	16.6
BIOSOLUTIONS	91	84	8%	77	19%	-1	8	n.a.	-2	-69%	-0.6	9.4	-2.1
POLYSILICON	513	568	-10%	441	16%	156	214	-27%	98	60%	30.5	37.6	22.2
Others	38	40	-4%	45	-15%	-27	37	n.a.	19	n.a.	-71.6	93.9	42.3
Consolidation	-4	-7	-46%	-7	-42%	-1	-1	-44%	-1	-17%	12.8	12.5	9.0
WACKER Group	1,753	2,174	-19%	1,744	1%	256	626	-59%	281	-9%	14.6	28.8	16.1

Appendix

Strong Growth of Global PV Markets in 2023 Expected

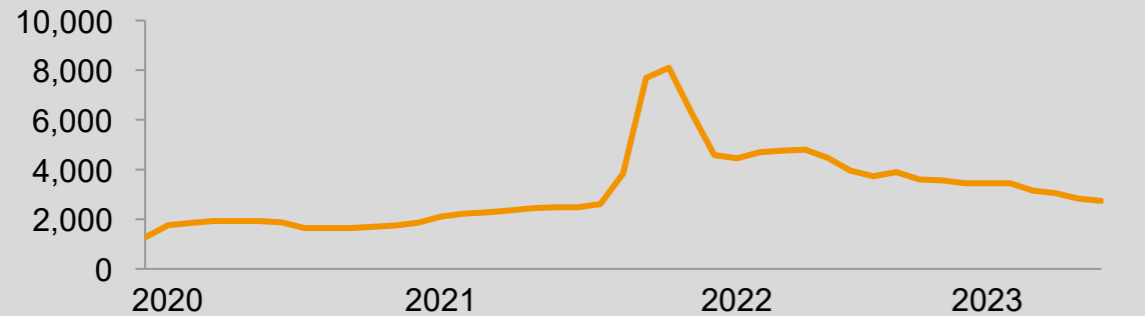
Country	2019	2020	2021	2022	2023e
Germany	4.0	4.8	5.3	7.9	7-10
Spain	4.7	2.6	3.8	7.5	7-10
Europe other	13.0	13.0	19.9	29.6	36-40
Europe total	21.7	21.2	29.0	45.0	50-60
USA	13.3	19.2	25	18.6	25-30
Japan	7.5	8.2	7.5	6.5	6-8
China	30.1	48.2	54.9	87.4	100-120
India	7.3	3.5	12.0	14.0	15-20
Rest of World	34.1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

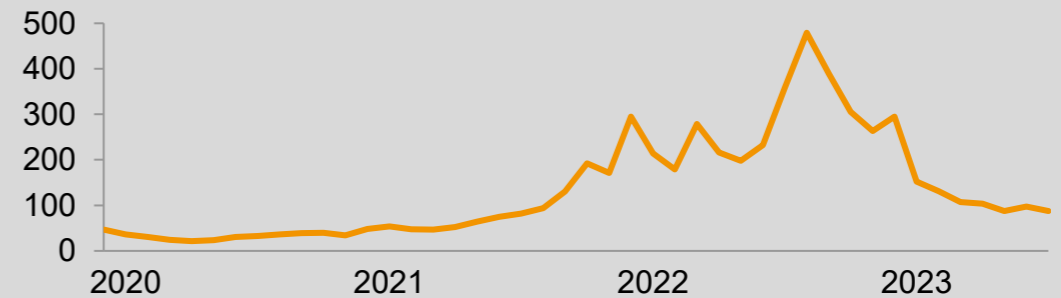
Key Raw Materials, Power and Gas

Si-Metal (€/mt)



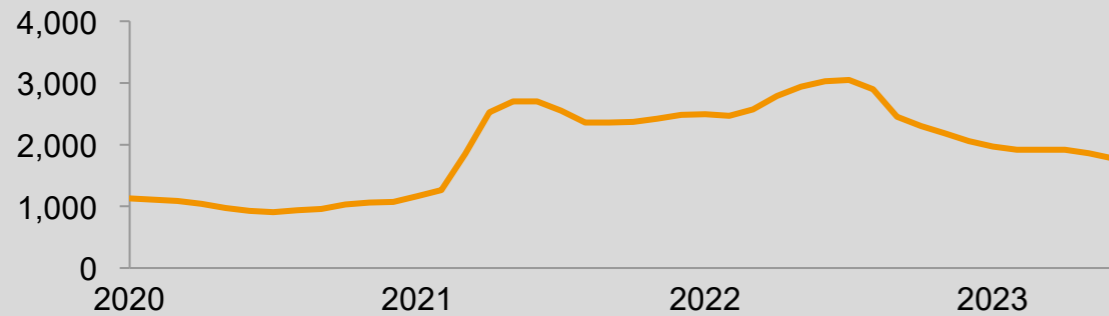
Source: CRU, Si-Metal Spot FD Europe

Electricity (€/MWh)



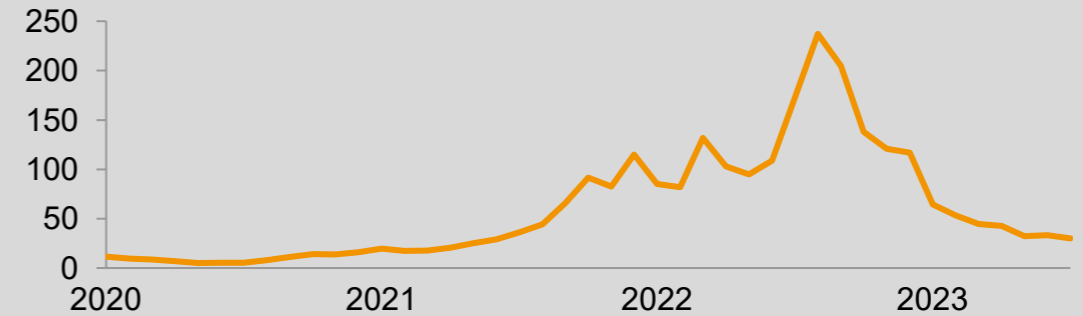
Source: EEX, Baseload Front Contract Avg. Month

VAM (€/mt)



Source: ICIS, Contract FD NWE

Natural Gas (€/MWh)



Source: PEGAS, Front Contract Avg. Month

WACKER: Issuer, Contact and Additional Information

Issuer and Contact

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Financial Calendar

10/26/23

Q3 2023 Results

Publications



CUSTOMER
MAGAZINE



FACTBOOK



ANNUAL REPORT &
ESG DISCLOSURES



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