



WACKER

CREATING TOMORROW'S SOLUTIONS

WACKER – Accelerating Proven Successes

Wacker Chemie AG

November 2023

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Front page:

WACKER Expands Specialty Silicone Production in Zhangjiagang, China. Investments of some €150 million have been earmarked for the expansion project. The new facilities are scheduled to come on stream in the second half of 2025.

WACKER: At a Glance

Facts & Figures

€8.2bn
Sales in 2022

15,725
Employees

€2.1bn
EBITDA in 2022

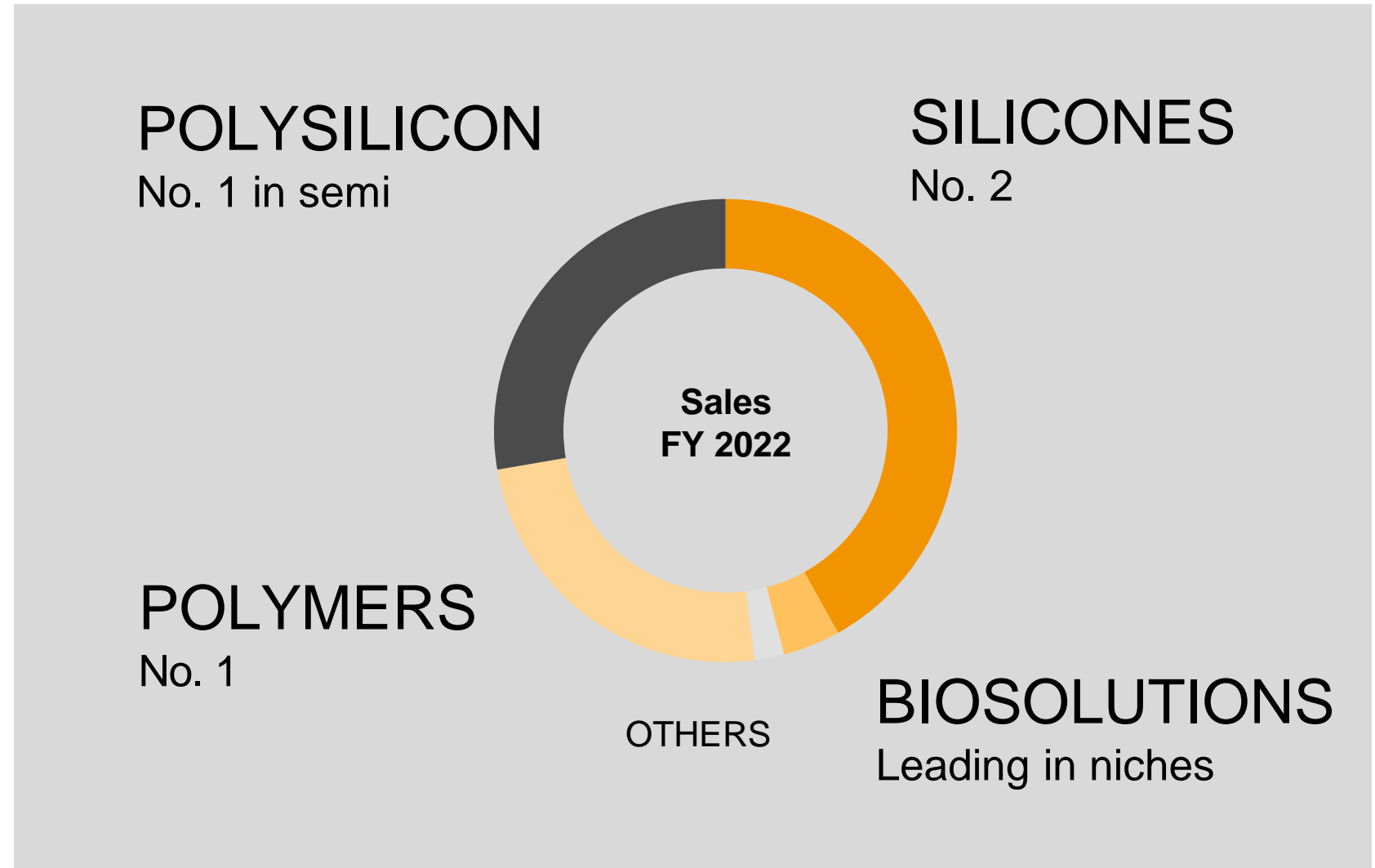
27
Production Sites

25%
EBITDA margin
in 2022

26
Technical Centers

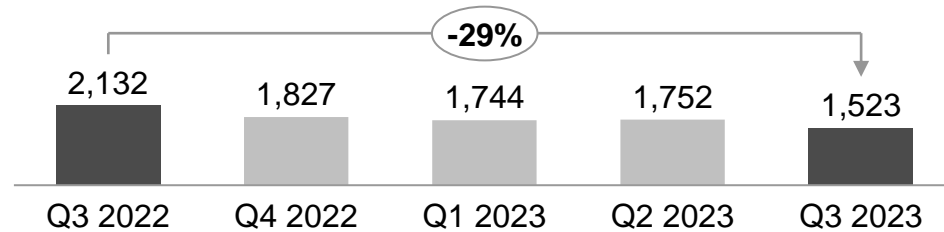
4 Business
Segments

45 Scientific
collaborations

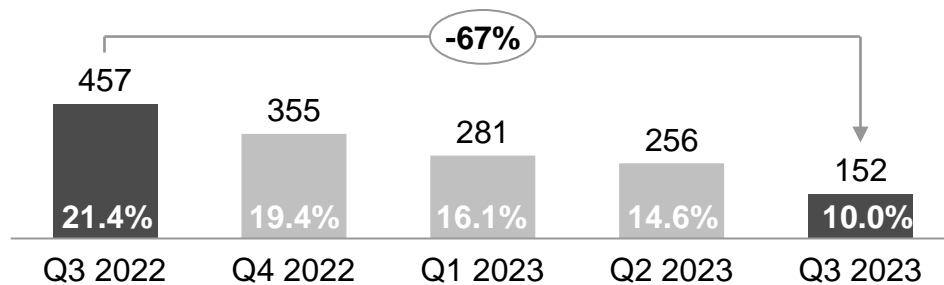


WACKER GROUP: Difficult Markets Persist Since End of Last Year

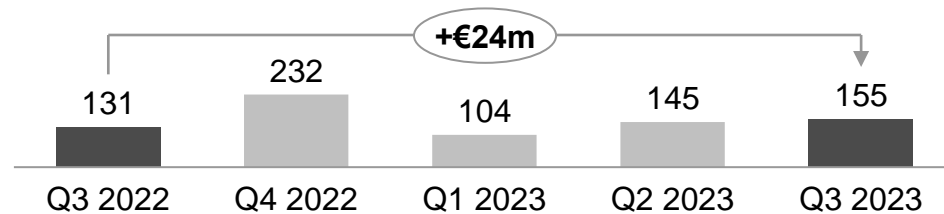
Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



Highlights Q3

- ▶ Sales lower primarily due to lower prices as well as volumes
- ▶ EBITDA affected by low volumes, lower ASPs and trailing raw materials
- ▶ Investments to support the long-term growth strategy

Outlook 2023

- ▶ Sales of approx. €6.5bn with an EBITDA of €0.8 – 0.9bn
- ▶ Low utilization rates, weak demand in Chemicals, and intensive price pressure in POLYSILICON
- ▶ Year-end seasonality

SILICONES: At a Glance



The Fully Integrated Specialty Supplier

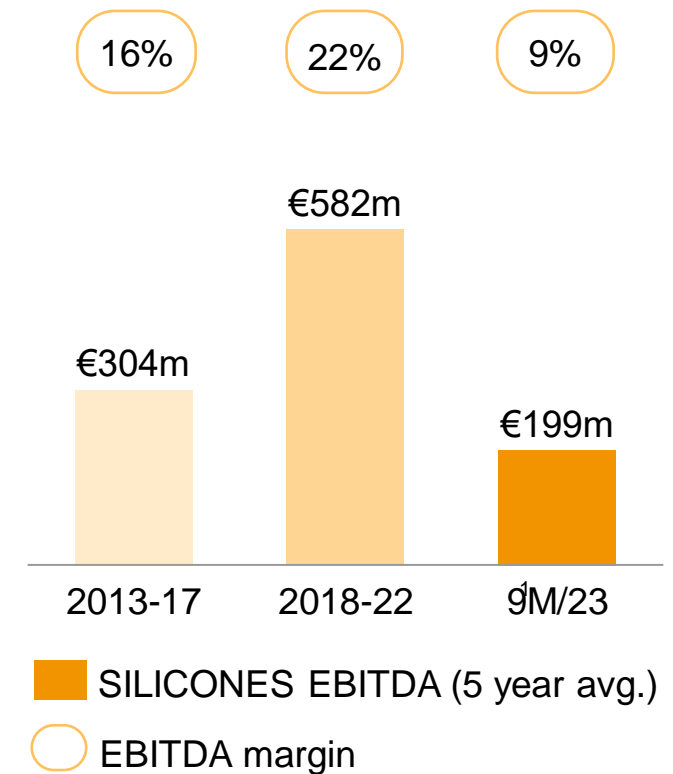
- ▶ Customer's first choice for innovative and customized solutions in all regions
- ▶ Benchmark production and service close to customers



Sustainability Pull For Specialty Solutions

- ▶ Silicones with unmatched performance & versatility
- ▶ Smart Construction, E-mobility, Renewable Energy, Sustainable Raw Materials

Financial Performance



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

POLYMERS: At a Glance



VAE/DPP¹ Capacity Leader with World Class Tandems

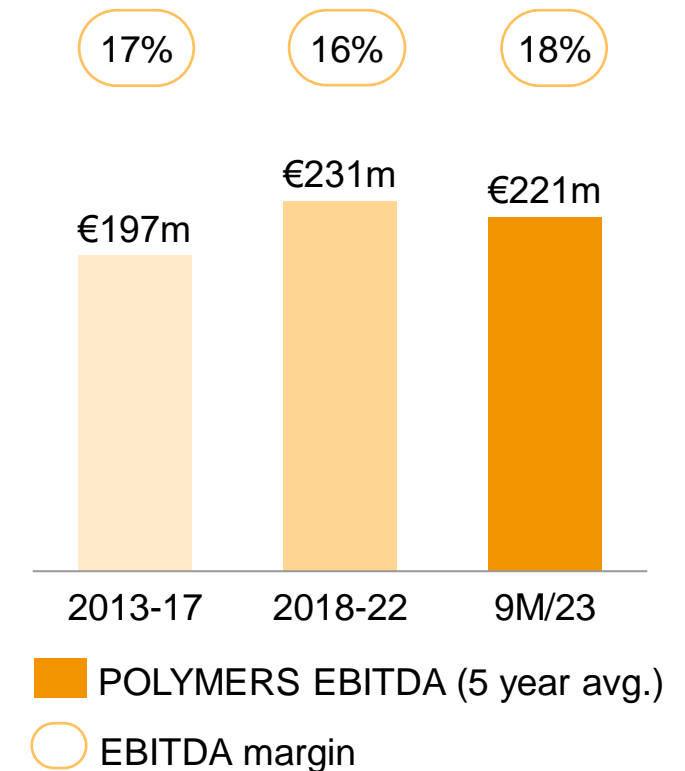
- ▶ Customized service to key accounts and local champions in the regions
- ▶ Addressing individual market requirements
- ▶ Innovation and in-depth formulating expertise



Pull from Sustainability and Smart Construction

- ▶ Performance-based substitution in construction and binder markets
- ▶ Lead transformation to high construction standards
- ▶ Sustainability driven “plastic to paper” trend

Financial Performance



1) DPP = Dispersible Polymer Powders VAE= Vinyl acetate-ethylene

BIOSOLUTIONS: At a Glance



Fast Growing Biotechnology Business

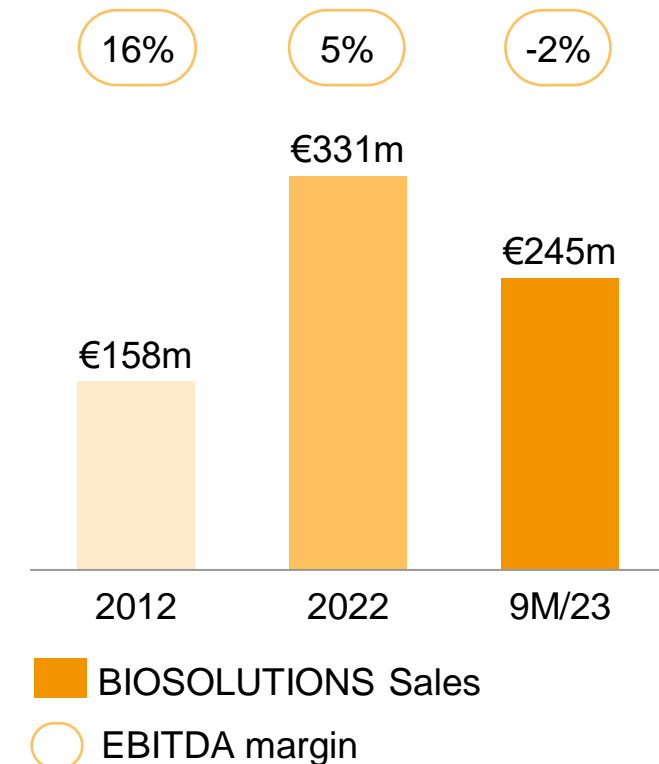
- ▶ Leading microbial manufacturing technologies
- ▶ Jump-started into advanced medicines (mRNA, pDNA)
- ▶ Successfully acquired and integrated 4 biotech sites



Pull from Advanced Medicine and Clean Food

- ▶ CDMO outsourcing trend with high potential
- ▶ Consumer focus on health and well being trend

Financial Performance



POLYSILICON: At a Glance



Leadership in High End Applications Established

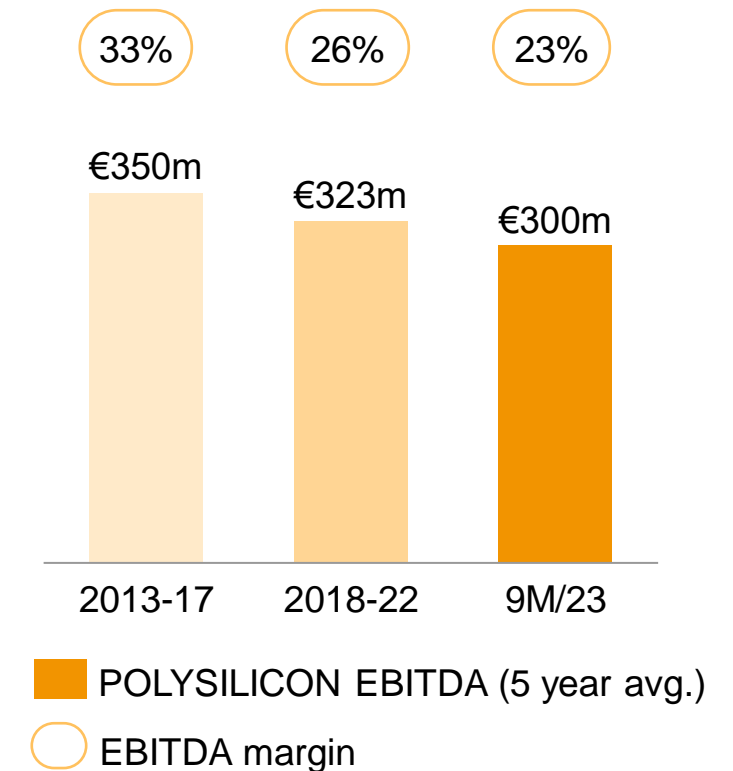
- ▶ #1 Position in Semi – doubled volumes sold in past 5 years
- ▶ Market leader for high-end n-type solar
- ▶ Strong long-standing cooperation with customers



Pull from Rapidly Growing Semi and Solar Markets

- ▶ Strong growing chip demand
- ▶ High efficiency modules require high quality polysilicon
- ▶ Best-in-class sustainability

Financial Performance



A New Phase with New Group Targets for 2030



Faster Growth, Bolder Moves, High Profitability

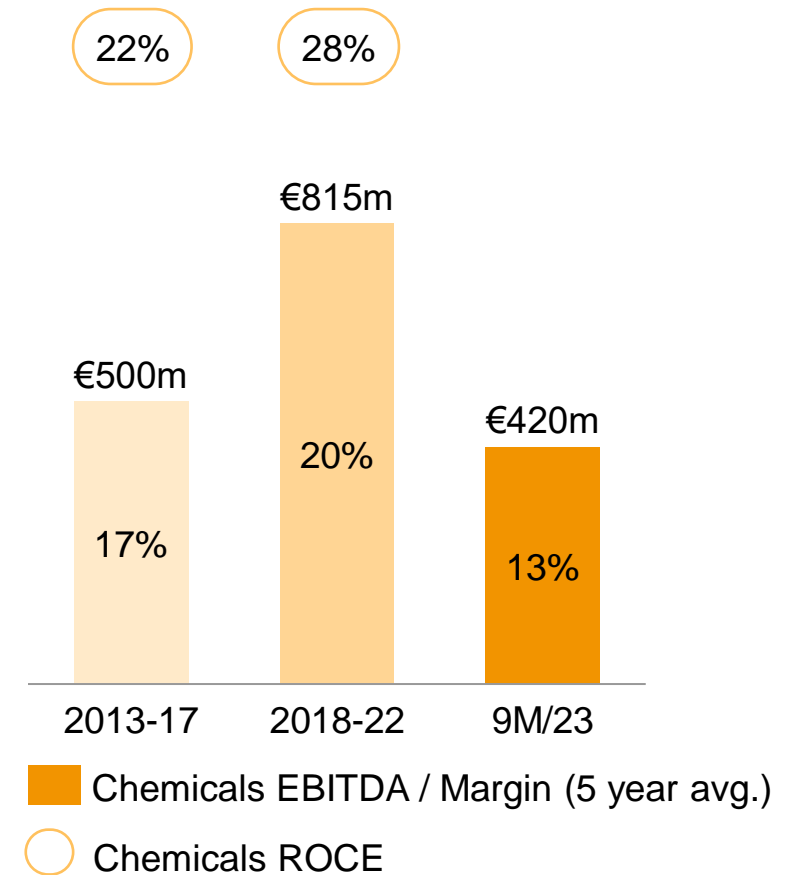
- ▶ SALES: >€10bn
- ▶ EBITDA Margin: >20%
- ▶ VOLUME/MIX CAGR: 1.5 – 2x historic
- ▶ ROCE: 2x Cost of Capital



Strategic Growth Projects

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

Chemicals Financial KPIs



2030 Targets - Accelerating for our Customers' Growth

CHEMICALS

Accelerate Growth

- ▶ Demand pull from sustainability
- ▶ First choice for innovative and customized solutions
- ▶ Further expansion of global presence, close to customers

Chemicals 2030 targets

- ▶ Volume/Mix CAGR: 6-10%
- ▶ EBITDA Margin: >20%
- ▶ ROCE: >2x Cost of Capital

BIOSOLUTIONS

Incubate, Innovate, Grow

- ▶ Demand pull from advanced medicine and clean food
- ▶ Strong investments in innovation
- ▶ Bolt-on acquisitions

Biosolutions 2030 targets

- ▶ Sales of €1bn by 2030
- ▶ EBITDA Margin: >25%
- ▶ ROCE: >>1x Cost of Capital

POLYSILICON

Strengthen Semi Position

- ▶ Demand pull from rapidly growing semi/solar markets
- ▶ Strong long-standing cooperation with customers
- ▶ Best-in-class sustainability

Polysilicon 2030 targets

- ▶ Double semi volumes sold by 2030
- ▶ EBITDA Margin: >30%
- ▶ ROCE: >2x Cost of Capital

2030 Targets - Capital Allocation Priorities

GROWTH

CapEx and M&A

High-Return Growth CapEx

- ▶ Accelerate chemical capacities in all regions, diversified portfolio of downstream projects
- ▶ Early-stage assets, create synergies in BIOSOLUTIONS; strengthen market position, extend value chain in CHEMICALS

1

SHAREHOLDER RETURNS

Dividends

Strong Commitment to Shareholders

- ▶ Continued policy of ~50% payout of net income from continuing operations
- ▶ For FY 2022, dividend of €12 per share (~€600m payout) in-line with policy

2

PENSIONS

Reform

Initiatives Underway to Reduce Pension Deficit

- ▶ Modernization of our system to a fully funded defined contribution system, relevant for all new employees and everybody willing to switch over to it
- ▶ Pension liability could reduce from introduction of new payout option (~ €200m)

3

Ambitious Sustainability Targets for 2030



Value Up

100% Products meet sustainability criteria



Footprint Down

50% Reduction in absolute GHG¹ emissions (vs. 2020)

15% Reduction in specific water withdrawal (vs. 2020)

15% Reduction in specific energy consumption (vs. 2020)

0 Accidents



Collaboration Beyond

100% Key suppliers meet sustainability standards

25% Reduction in absolute upstream GHG emissions (vs. 2020)

Extend World-class “Verbund” sites and circular economy



Clear Commitment to 1.5°C Paris Agreement



Net Zero

1) GHG = Greenhouse gas

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

Guidance FY 2023

In €m	FY 2022	Outlook 2023
Sales	8,209	At about €6.5bn (previously: €6.5 – 6.8bn)
EBITDA	2,081	€0.8 – 0.9bn (previously: €0.8 – 1.0bn)
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
Tax Rate (%)	20.7	Around 20%

Appendix

WACKER Q3 2023 Results

In €m	Q3 2023	Q3 2022	% YoY
Sales	1,523	2,132	-29%
EBITDA reported	152	457	-67%
EBITDA-Margin	10.0%	21.4%	
EBIT	49	351	-86%
EBIT-Margin	3.2%	16.4%	
Net income for the period	34	259	-87%
EPS	0.56	5.08	-89%
CapEx	155	131	18%
Net Cash Flow	128	296	-57%
Net Debt	164	-394	n.a.

Appendix

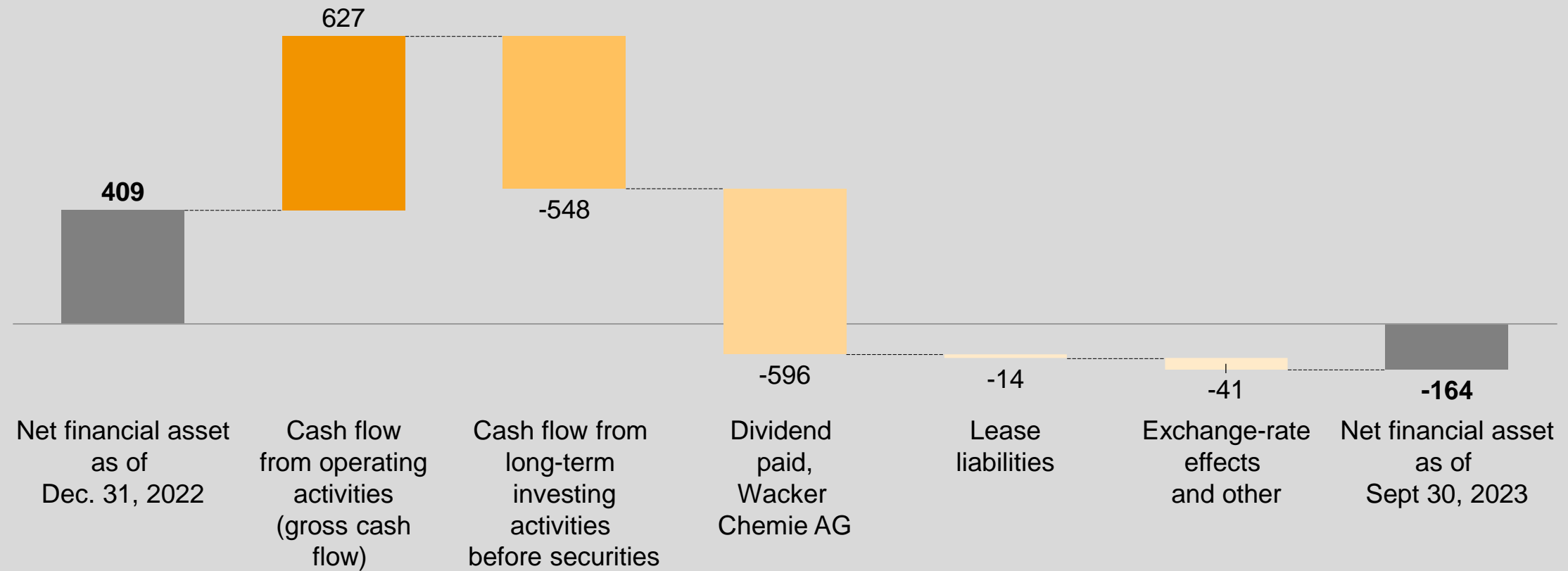
Q3 2023 Results – Breakdown by Business

In €m / %	Sales					EBITDA					EBITDA Margin (%)		
	Q3/23	Q3/22	% YoY	Q2/23	% QoQ	Q3/23	Q3/22	% YoY	Q2/23	% QoQ	Q3/23	Q3/22	Q2/23
Chemicals	1,066	1,394	-23%	1,115	-4%	126	258	-51%	128	-1%	11.8	18.5	11.4
SILICONES	673	890	-24%	699	-4%	51	198	-74%	52	-1%	7.6	22.2	7.4
POLYMERS	393	504	-22%	417	-6%	75	60	24%	76	-1%	19.0	12.0	18.1
BIOSOLUTIONS	77	89	-13%	91	-15%	-3	4	n.a.	-1	n.a.	-4.0	5.0	-0.6
POLYSILICON	342	619	-45%	513	-33%	46	191	-76%	156	-70%	13.5	30.8	30.5
Others	40	41	0%	38	6%	-18	4	n.a.	-27	-33%	-45.3	9.6	-71.6
Consolidation	-4	-10	-65%	-4	-10%	1	0	n.a.	-1	n.a.	-25.7	0.0	12.8
WACKER Group	1,523	2,132	-29%	1,753	-13%	152	457	-67%	256	-41%	10.0	21.4	14.6

Appendix

Strong Cash Conversion in Q3 as Working Capital Unwinds

Net Financial Position Bridge per 9/30/2023 (€m)



Appendix

Strong Growth of Global PV Markets in 2023 Expected

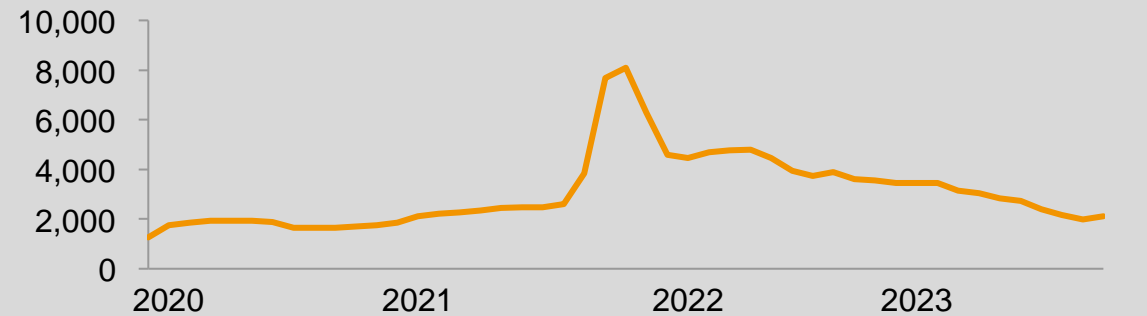
Country	2019	2020	2021	2022	2023e
Germany	4.0	4.8	5.3	7.3	10 – 13
Spain	4.7	2.6	3.8	6.9	7 – 10
Europe other	13.0	13.0	19.9	28.8	33 – 37
Europe total	21.7	21.2	29.0	43.0	50 – 60
USA	13.3	19.2	25	20.2	30 – 35
Japan	7.5	8.2	7.5	6.5	6 – 8
China	30.1	48.2	54.9	87.4	140 – 160
India	7.3	3.5	12.0	14.0	10 – 15
Rest of World	34.1	40.7	41.6	78.9	94 – 102
Total	118 GW	140 GW	170 GW	250 GW	330 – 380 GW

Sources: market surveys, industry announcements, WACKER estimates

Appendix

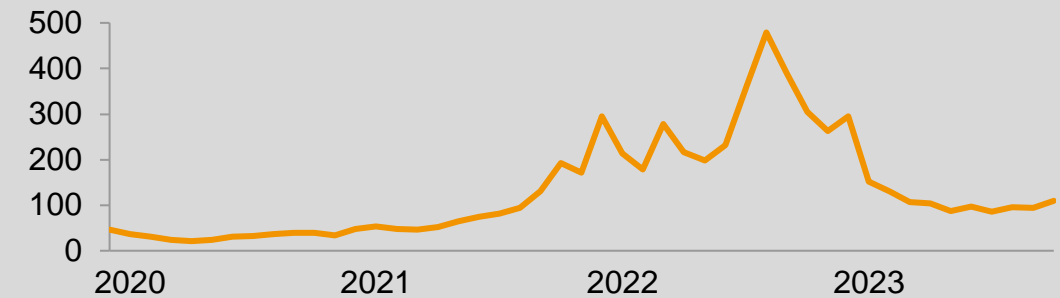
Key Raw Materials, Power and Gas

Si-Metal (€/mt)



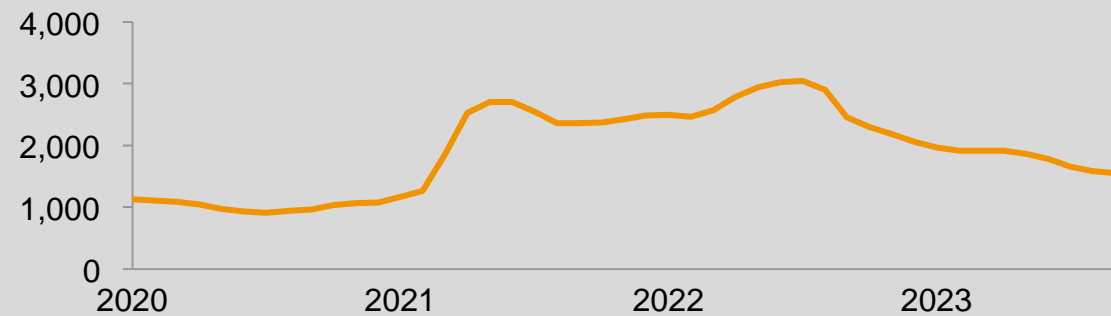
Source: CRU, Si-Metal Spot FD Europe

Electricity (€/MWh)



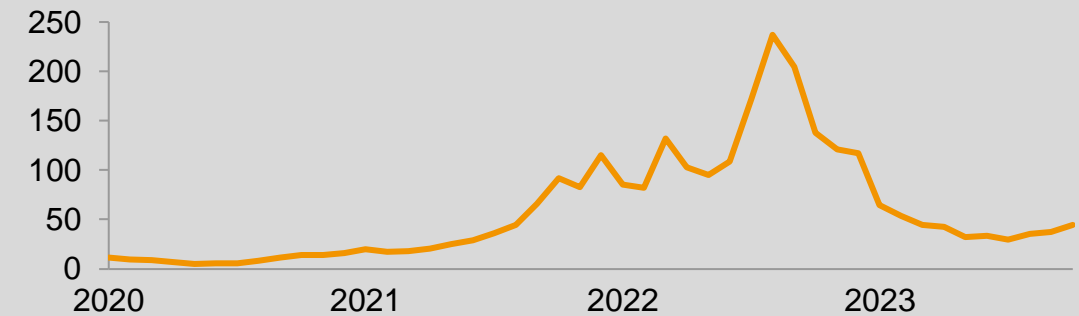
Source: EEX, Baseload Front Contract Avg. Month

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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Additional Information



ISIN DE000WCH8881
WKN WCH888
Deutsche Börse WCH

Financial Calendar

03/12/24	FY 2023 Results
04/25/24	Q1 2024 Results
05/08/24	Annual General Meeting, Munich
07/26/24	Q2 2024 Results
10/29/24	Q3 2024 Results

Publications



CUSTOMER
MAGAZINE



FACTBOOK



ANNUAL REPORT &
ESG DISCLOSURES



SQUARE
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