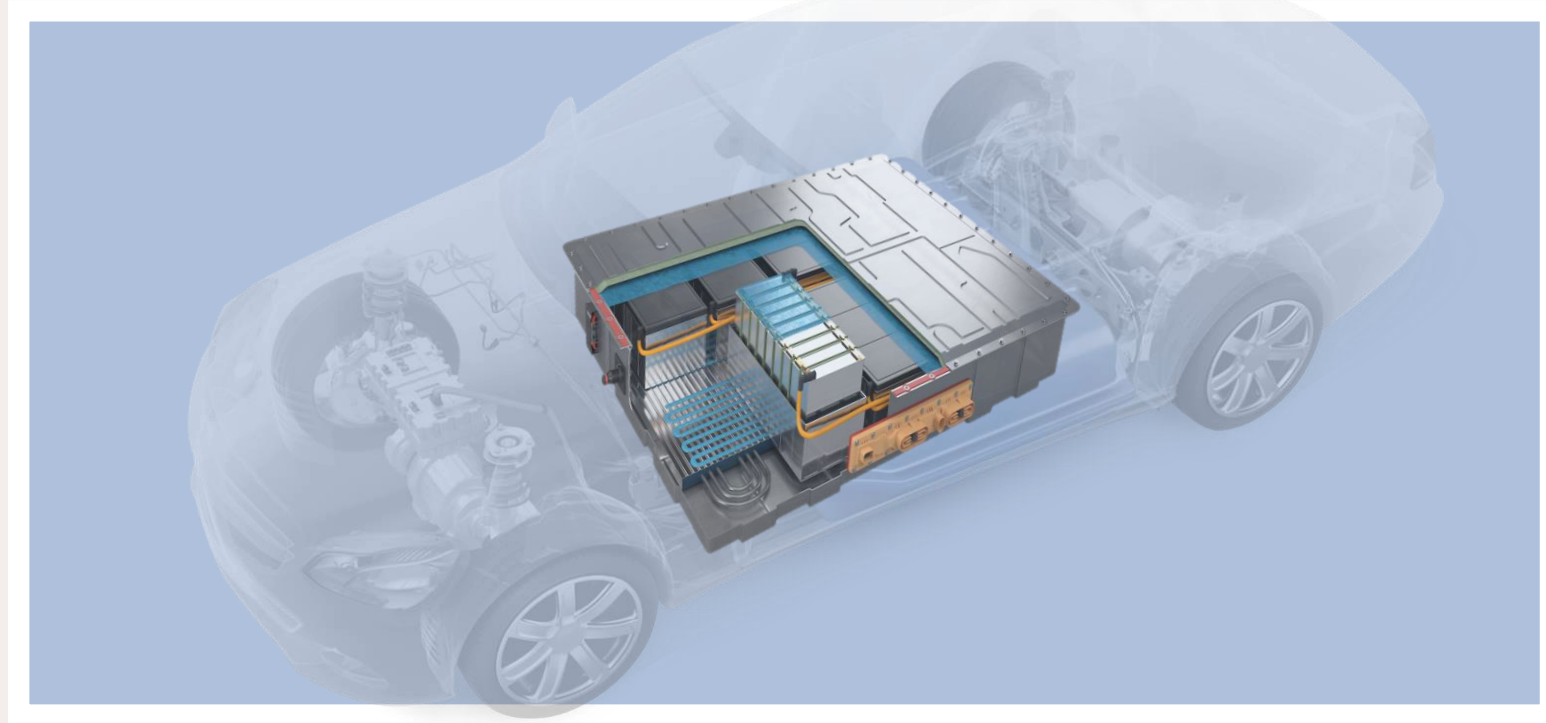




CREATING TOMORROW'S SOLUTIONS



WACKER – Accelerating Proven Successes

Wacker Chemie AG

October 28, 2022

Disclaimer

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Front page:

K-Fair 2022, WACKER presented a diverse portfolio of products for electromobility

WACKER: At a Glance

Facts & Figures

€6.21bn
Sales in 2021

14,400
Employees

€1.54bn
EBITDA in 2021

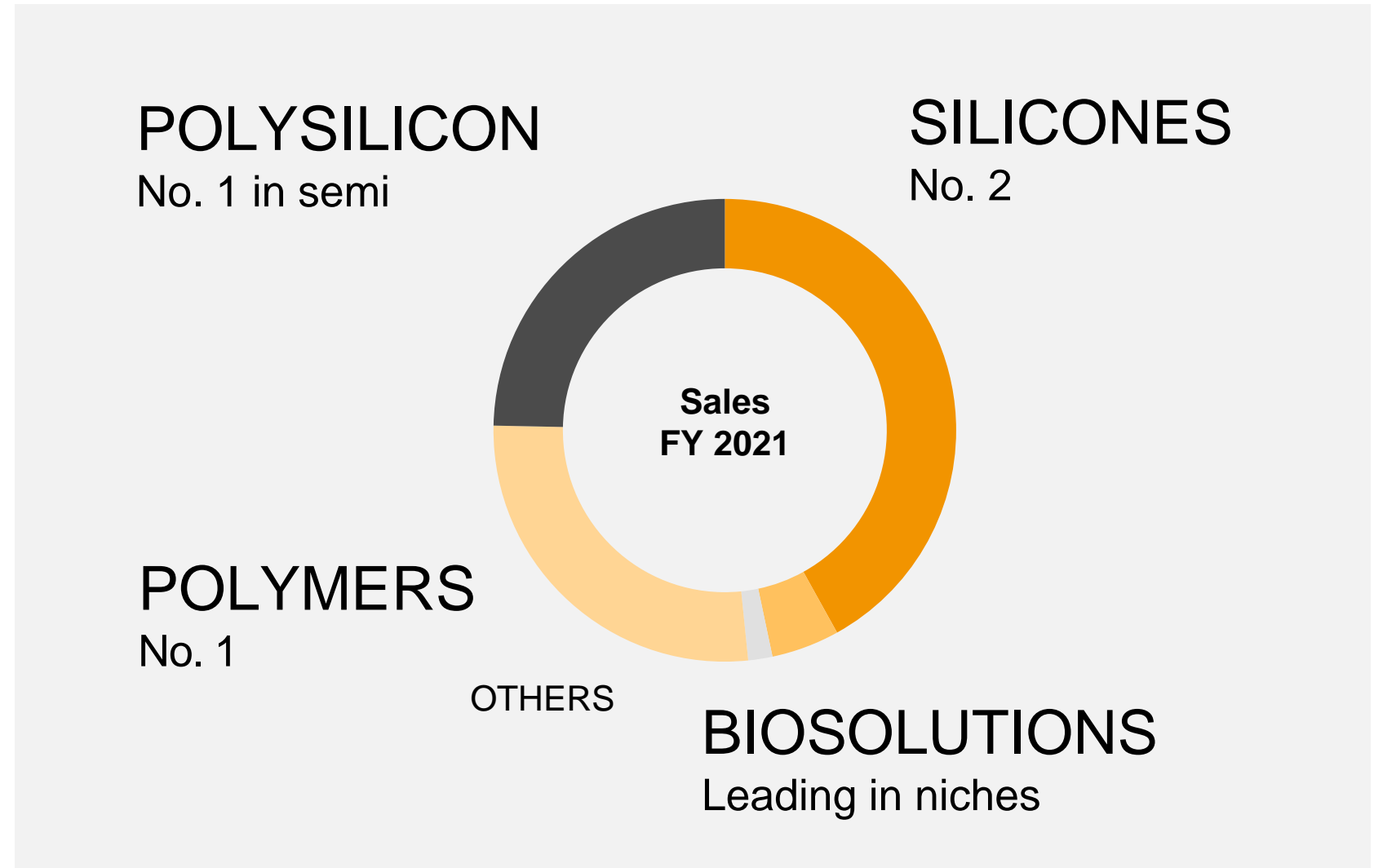
26
Production Sites

24.8%
EBITDA margin
in 2021

23
Technical Centers

4 Business
Segments

45 Scientific
collaborations



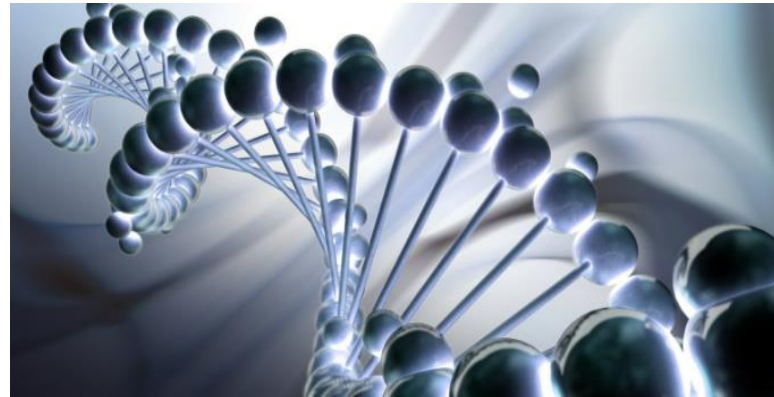
Transformation to Full Specialty Setup



CHEMICALS

Specialty transformation

- ▶ Strong profitability
- ▶ Regional expansion
- ▶ Focused investments



BIOSOLUTIONS

Biotechnology foundation

- ▶ Innovation and technologies
- ▶ Bolt-on acquisitions
- ▶ Leading microbial and advanced medicines CDMO



POLYSILICON

High-end focus

- ▶ #1 in semi
- ▶ Improved mix
- ▶ Reduced costs

SILICONES: At a Glance



The Fully Integrated Specialty Supplier

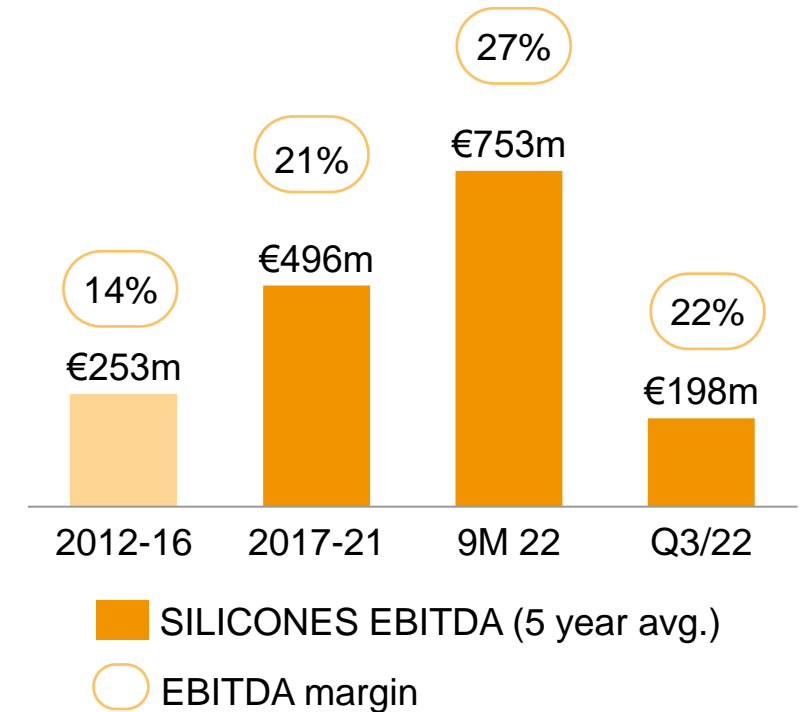
- ▶ Customer's first choice for innovative and customized solutions in all regions
- ▶ Benchmark production and service close to customers



Sustainability Pull For Specialty Solutions

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

Financial Performance



POLYMERS: At a Glance



VAE/DPP Capacity Leader with World Class Tandems

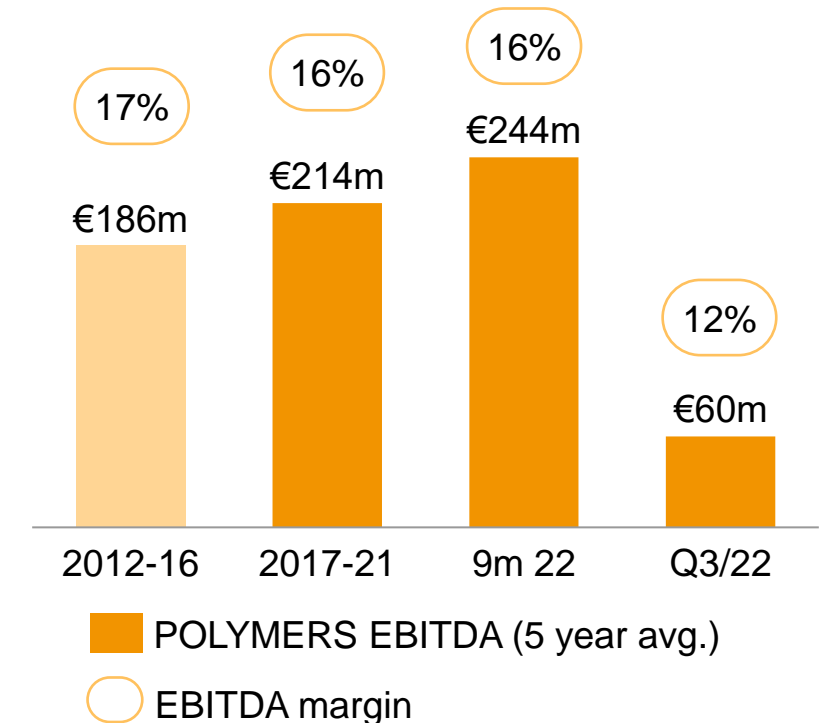
- ▶ Customized service to key accounts and local champions in the regions
- ▶ Addressing individual market requirements
- ▶ Innovation and in-depth formulating expertise



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

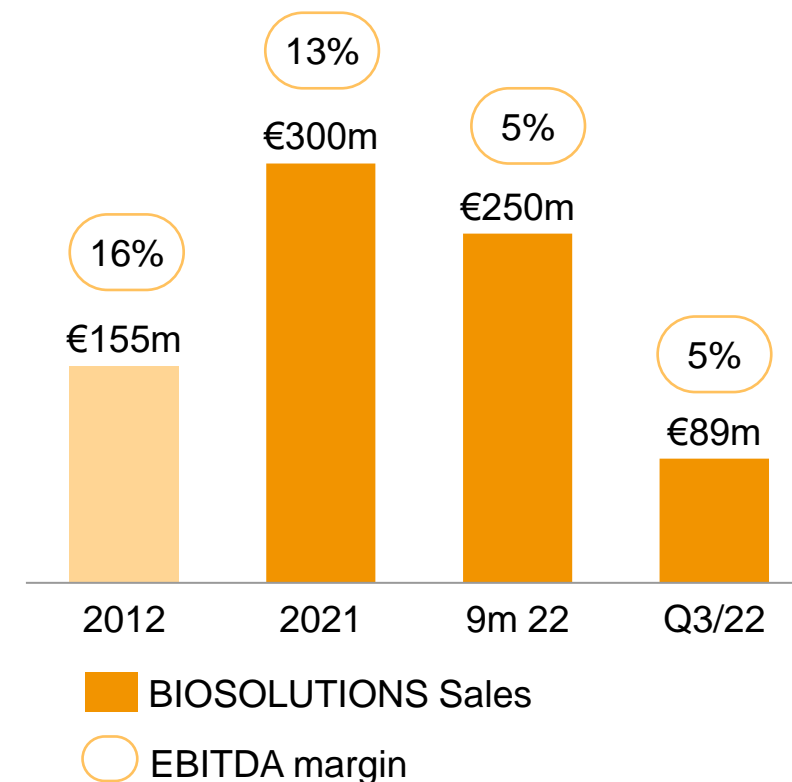
- ▶ Leading microbial manufacturing technologies
- ▶ Jump-started into advanced medicines (mRNA, pDNA)
- ▶ Successfully acquired and integrated 4 biotech sites



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

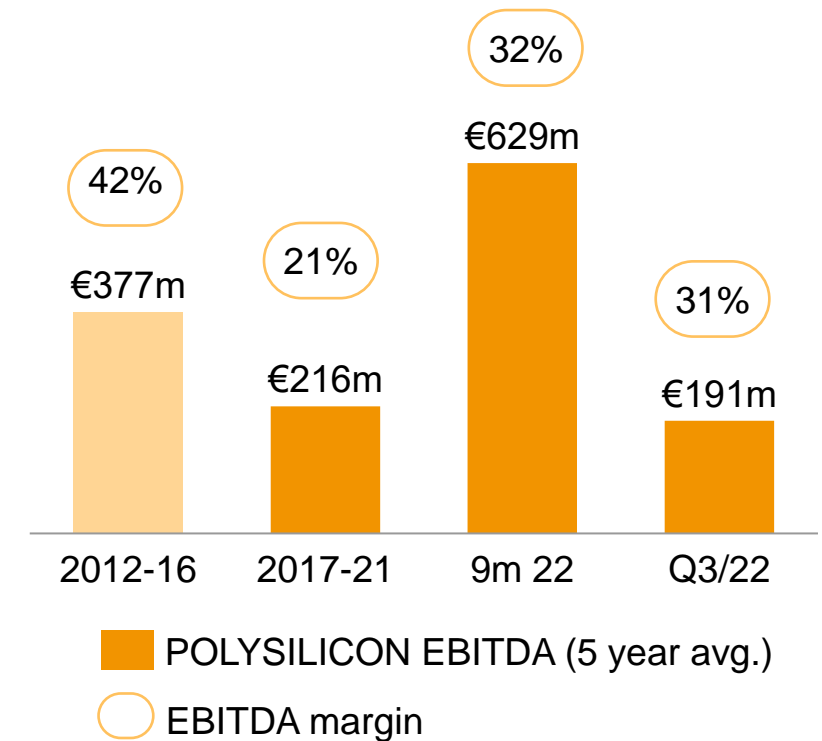
- ▶ #1 Position in Semi – doubled volumes sold in past 5 years
- ▶ Market leader for high-end n-type solar
- ▶ Strong long-standing cooperation with customers



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



Entering a New Phase with New Group Targets & Ambitions for 2030



Faster Growth, Bolder Moves, Higher Profitability

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

Addressing Customer Demand – Segment Strategies and 2030 Targets

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

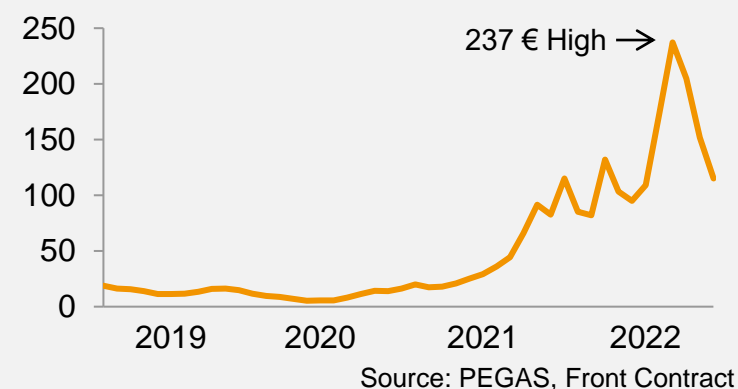
- ▶ Demand pull from rapidly growing semi/solar markets
- ▶ Strong long-standing cooperation with customers
- ▶ Best-in-class sustainability

Polysilicon 2030 targets

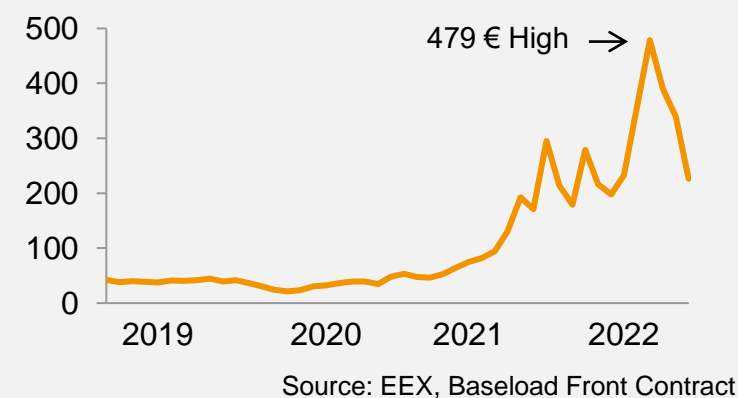
- ▶ Double semi volumes sold by 2030
- ▶ EBITDA Margin: >30%
- ▶ ROCE: >2x Cost of Capital

WACKER is Taking Actions for Power and Gas Challenges

Nat. Gas (€/MWh, Germany)



Electricity (€/MWh, Germany)



Gas Curtailment in 2022 is Not the Lead Scenario

- ▶ Gas storage target of 95% achieved in October, ahead of November deadline
- ▶ Gas levy dropped; in addition, newly proposed energy price caps (power & gas)
- ▶ Gas consumption in Germany needs to be cut by ~20% to avoid potential energy crunch – current situation relaxed due to mild autumn weather

WACKER is Taking Action and is Prepared

- ▶ Operational = task forces have been established
- ▶ Technical = alternative production processes for steam generation
- ▶ Strategic = long-term hedging policy, largely hedged in 2022, about 2/3 for 2023

Updated Guidance FY 2022

In €m	FY 2021	Outlook 2022
Sales	6,208	€8.0 – 8.5bn
EBITDA	1,539	€2.1 – 2.3bn at current conditions in the energy markets (Previously: €1.8 –2.3bn)
EBITDA margin (%)	24.8%	Slightly higher than last year (Previously: on par with last year)
Net cash flow	761	Clearly positive, substantially lower than last year
CapEx	344	Around €550m (Previously: €550 – 600m)
Net financial debt	-547	Positive net financial assets
Net Income	828	Substantially higher than last year
Depreciation	404	Around €400m
ROCE (%)	28.3%	Substantially higher than the cost of capital
Tax Rate (%)	24.3%	Approximately 25%

BOLD = New Guidance

Appendix:

Q3 2022 Results – P&L

In €m	Q3 2022	Q3 2021	% YoY	Q2 2022	% QoQ
Sales	2,132	1,659	29%	2,174	-2%
EBITDA	457	450	2%	626	-27%
EBITDA margin	21.4%	27.1%	-	28.8%	-
EBIT	351	359	-2%	529	-34%
EBIT margin	16.4%	21.6%	-	24.3%	-
Net income for the period	259	265	-2%	391	-34%
EPS in €	5.08	5.22	-3%	7.67	-34%
Capital expenditures	131	86	52%	100	32%
Depreciation / amortization	106	91	16%	97	9%
Net cash flow	296	426	-31%	96	>100%

Appendix:

Q3 2022 Results – Breakdown by Business

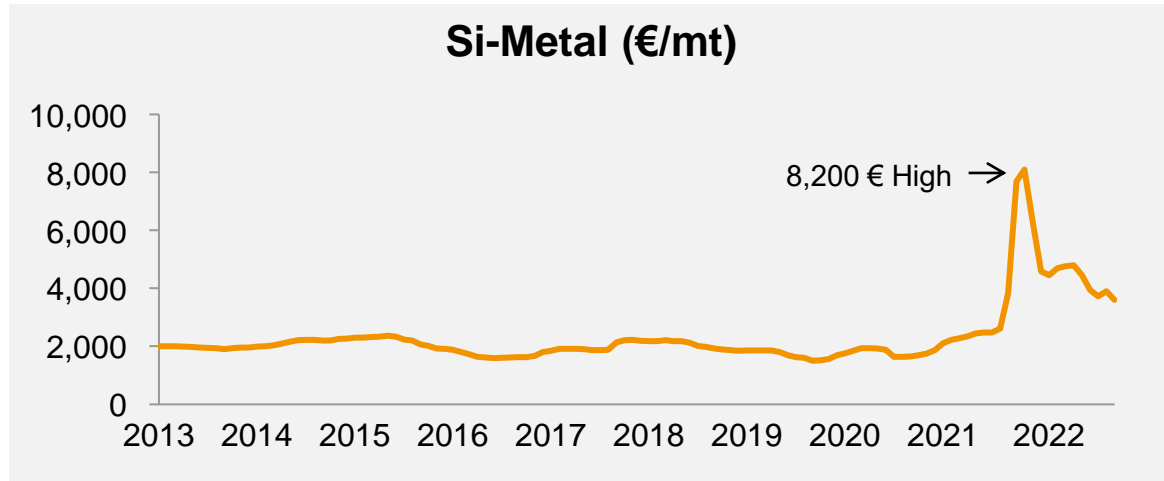
In €m / %	Sales					EBITDA					EBITDA Margin (%)		
	Q3 2022	Q3 2021	% YoY	Q2 2022	% QoQ	Q3 2022	Q3 2021	% YoY	Q2 2022	% QoQ	Q3 2022	Q3 2021	Q2 2022
Chemicals	1,394	1,149	21%	1,490	-6%	258	245	5%	368	-30%	18.5	21.3	24.7
SILICONES	890	680	31%	936	-5%	198	161	23%	277	-29%	22.2	23.6	29.5
POLYMERS	504	469	8%	553	-9%	60	85	-29%	91	-34%	12.0	18.0	16.5
BIOSOLUTIONS	89	78	14%	84	5%	4	11	-61%	8	-46%	5.0	14.6	9.6
POLYSILICON	619	409	51%	568	9%	191	201	-5%	214	-11%	30.8	49.1	37.6
Others	41	30	35%	40	3%	4	-8	na	37	-89%	9.6	-26.8	93.9
Consolidation	-10	-7	39%	-7	39%	0	0	na	-1	na	0.0	-5.6	12.5
WACKER Group	2,132	1,659	29%	2,174	-2%	457	450	2%	626	-27%	21.4	27.1	28.8

Appendix: Strong Growth of Global PV Markets in 2022 Expected

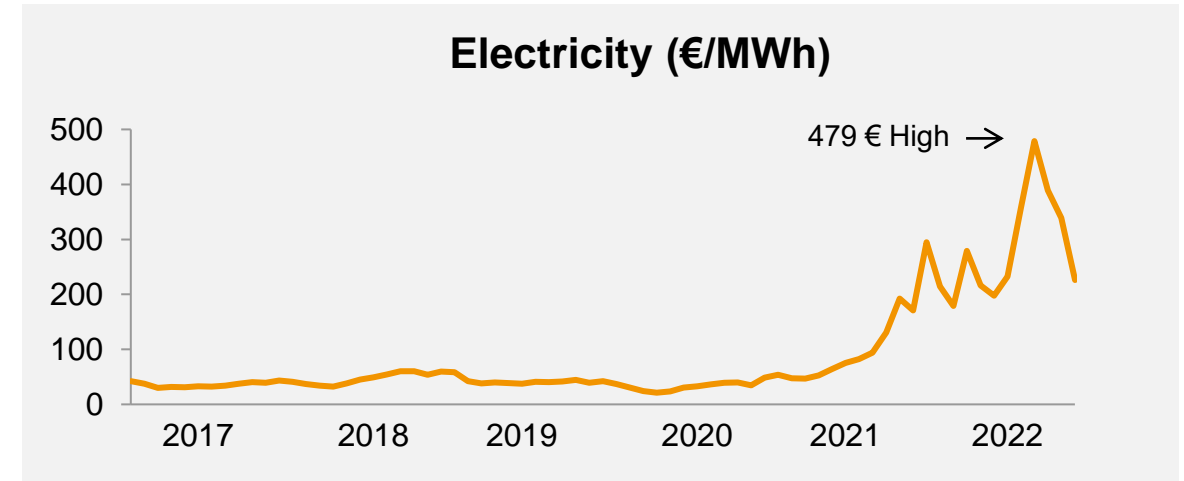
Country	2017	2018	2019	2020	2021	2022e
Germany	1.8	3.0	4.0	4.9	5.3	6.0 – 8.0
Spain	0.1	0.4	4.7	3.3	4.9	6.0 – 9.0
Europe other	4.9	8.1	13.0	13.0	19.8	25.0 – 28.0
Europe total	6.8	11.5	21.7	21.2	30.0	37.0 – 45.0
Australia	1.3	3.8	4.4	5.1	5.2	4.0 – 5.0
China	52.8	44.3	30.1	48.2	54.9	95.0 – 110.0
India	9.6	8.5	7.3	3.2	12.0	11.0 – 14.0
Japan	7.4	7.0	7.5	8.2	6.5	6.0 – 8.0
USA	10.6	10.6	13.3	19.2	23.6	20.0 – 25.0
Rest of Americas	3.4	6.0	8.0	6.0	8.4	17.0 – 19.0
Rest of World	8.1	13.3	26.0	28.9	29.4	40.0 – 44.0
Total	100 GW	105 GW	118 GW	140 GW	170 GW	230 – 270 GW

Sources: market surveys, industry announcements, WACKER estimates

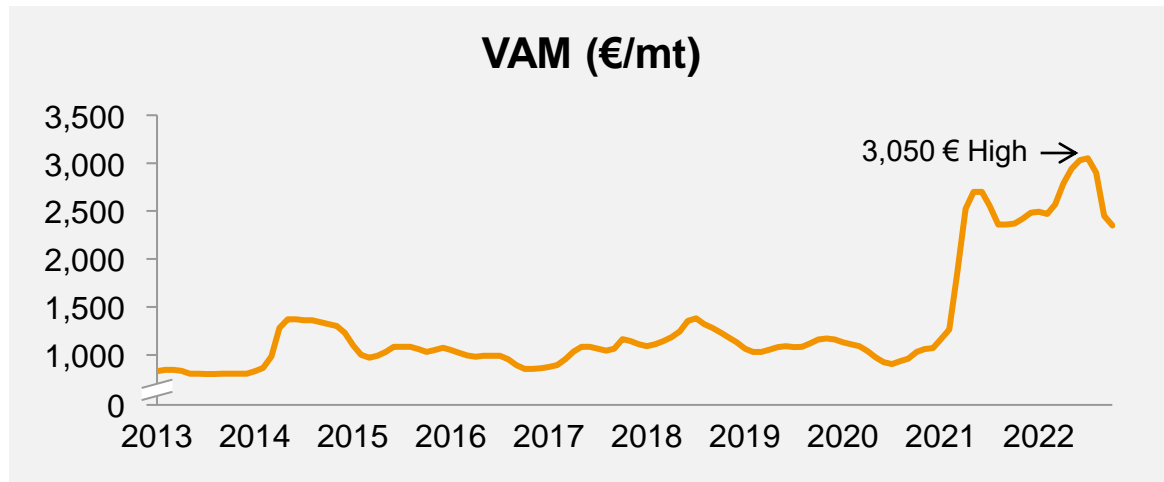
Appendix: Raw Materials, Power and Gas Show Strong Price Inflation



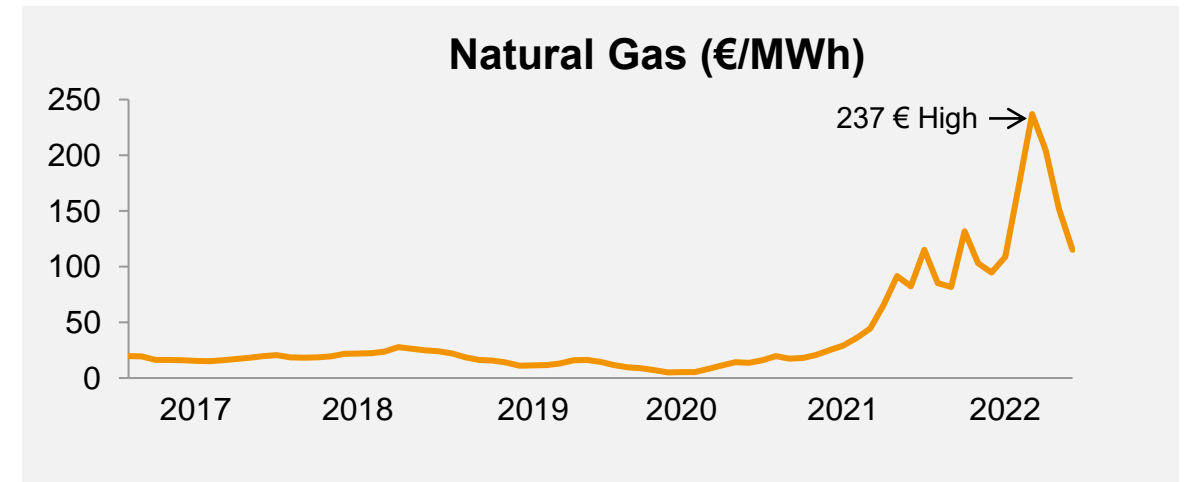
Source: CRU, Si-Metal Spot FD Europe



Source: EEX, Baseload Front Contract



Source: ICIS, Contract FD NWE



Source: PEGAS, Front Contract

Appendix: Maintaining Resilience

Sourcing Initiatives

- ▶ Long-term strategies and short-term actions to mitigate price volatility

Selective backward integration

- ▶ Continuous modernization and expansion of silicon metal in Holla
- ▶ Supply chain stability, margin stabilization

Pricing Power

- ▶ Successful pricing initiatives
- ▶ Stable financial performance allows for continuous CapEx to serve customer needs

POLYMERS

- ▶ Several price increases and temporary surcharges

SILICONES

- ▶ Active pricing initiatives started to address surging silicon metal in Q4/2021

Lean Cost Structure

- ▶ **Overall cost “Shape the future” 2022e savings €200m**
 - ▶ creating a faster and leaner organization
 - ▶ addressing all indirect/non-operative functions
 - ▶ reducing personnel expenses and indirect spend
- ▶ **Operational efficiency avg savings p.a. 2017-21 €75m**
 - ▶ Continuous improvement
 - ▶ Cost roadmaps

▶ **Strong Balance Sheet: Resilience for Growth**

Appendix: Capital Allocation Priorities

GROWTH

CapEx and M&A

High-Return Growth CapEx

1

- ▶ 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

SHAREHOLDER RETURNS

Dividends

Strong Commitment to Shareholders

2

- ▶ Continued policy of ~50% payout of net income from continuing operations
- ▶ For 2021, proposed dividend of 8 EUR per share (~400 m€ payout) in-line with policy

PENSIONS

Reform

Initiatives Underway to Reduce Pension Deficit

3

- ▶ 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 (~ 200 €m) and with sensitivity of interest rate (+0.5%-point: ~ 400 €m)

Appendix: New and More 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



1) GHG = Greenhouse gas

Appendix: Enabling Innovative Solutions in E-Mobility with Silicones



Power Conversion

Sealing, bonding,
potting, thermal
management



Battery Assembly & Safety

Sealing, bonding,
potting, thermal
management



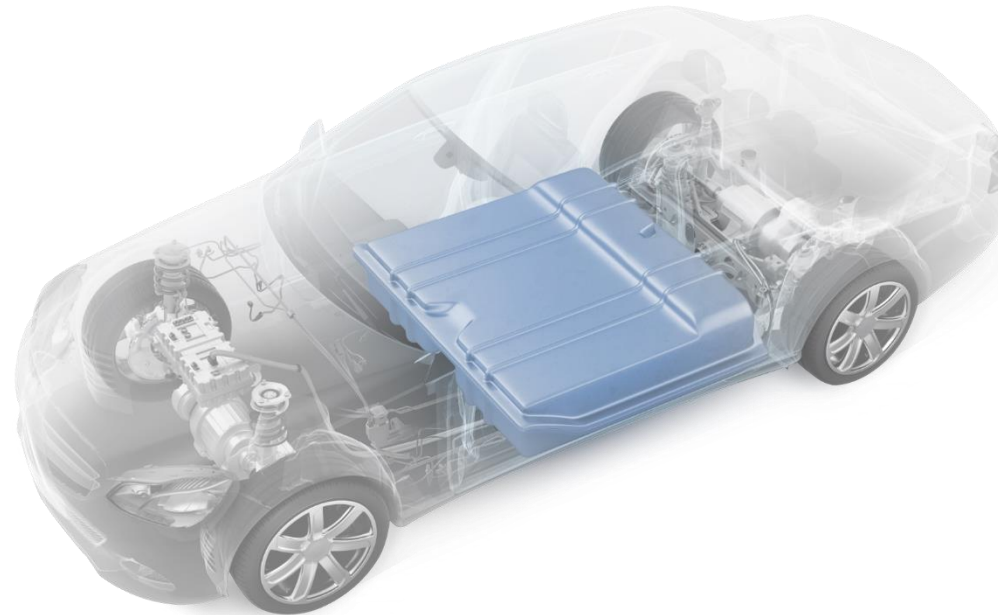
Fuel Cell

Sealing bipolar plates,
potting control units



Sensor / ECU

Potting/encapsulation,
sealing, bonding



High Voltage Cables

Electrical insulation –
heat and flame
retardance



Display

Optical bonding –
sealing, potting

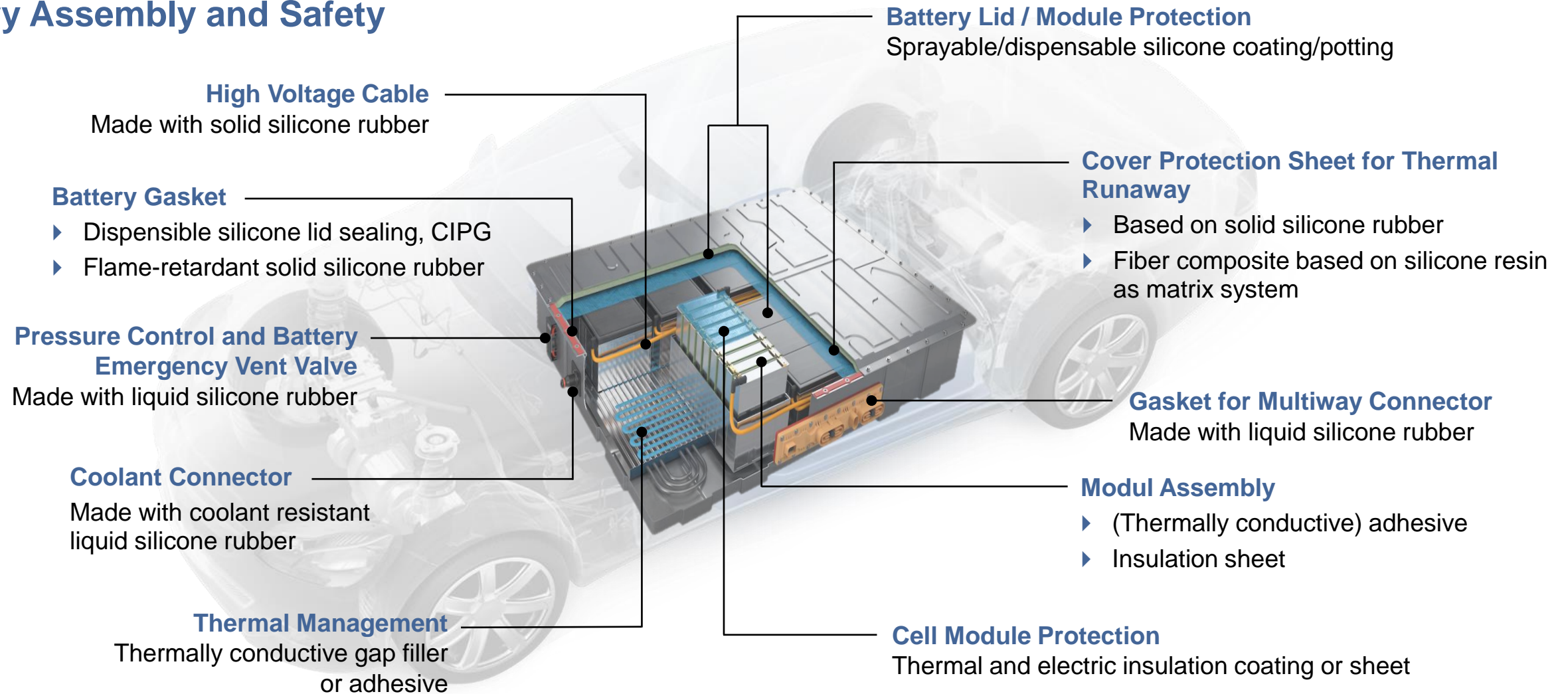


High Voltage Connector

Sealing and electrical
insulation

Appendix: Silicones for Battery Assembly and Battery Safety

Battery Assembly and Safety



WACKER: Issuer, Contact and Additional Information

Issuer and Contact

INVESTOR RELATIONS CONTACTS

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Additional Information



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WCH888
WCH

Financial Calendar

03/14/23	FY 2022 Results
04/28/23	Q1 2023 Results
05/17/23	AGM
07/27/23	Q2 2023 Results
10/26/23	Q3 2023 Results

Publications



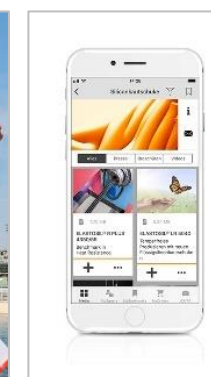
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