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**Annual Press Conference
for 2022**

Speech by
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President & CEO,
and
Dr. Tobias Ohler,
CFO,
of Wacker Chemie AG, Munich,

on March 14, 2023,
in Munich, Germany

Good morning, ladies and gentlemen, and welcome to our Annual Press Conference.

Peace and freedom are the foundations for security and prosperity, and these foundations were thoroughly shaken by the Russian invasion of Ukraine on February 24, 2022. The war in Europe is an acid test for the entire world. And it has thrown the global economy off balance. We all know the consequences: exploding energy prices. Inflation rates the likes of which we have not seen in decades. And, on top of all that, government measures to curb the coronavirus pandemic have impacted supply chains worldwide.

Despite this difficult and unstable situation, we at WACKER were extremely successful in the past year. Group sales and earnings entered a new dimension: sales surpassed the eight-billion-euro mark for the first time. In another first, EBITDA exceeded two billion euros. In short, 2022 was by far the best year in our company's history.

This success is no accident. It is the result of a clear and consistent strategy – and of hard work, every day, by strong and motivated teams.

What makes a difference? What distinguishes us?

First: we have an attractive product portfolio. That enabled us to post substantial growth across all business divisions last year. Our silicones business grew by one-third. Sales at WACKER POLYMERS rose by 19 percent, at WACKER BIOSOLUTIONS by 12 percent, and at POLYSILICON by as much as 50 percent.

Second: With our production sites and technical competence centers, we are well-placed globally and close to our customers. In 2022, we significantly expanded our business in all regions. In Europe, we generated sales of almost 2.8 billion euros – 19 percent more than in the previous year. Sales in the Americas grew by some 44 percent – to 1.3 billion euros. The comparable figure in Asia was 3.7 billion euros – up 40 percent. We currently generate about 85 percent of our sales outside of Germany and over 60 percent outside of Europe.

Third: We have further enhanced our operational excellence. And by that I mean: working hard every day to make our production processes more efficient. But our recently completed Shape the Future efficiency program also helped us save a lot last year – more than 200 million euros – further strengthening our profitability. That also enabled us to

cushion, to some extent, the massive price increases for energy, materials and logistics. Our net income for 2022 reached around 1.3 billion euros. That, too, is a new record.

This record will also have a positive impact on our dividend. Our dividend policy is to distribute about 50 percent of net income to our shareholders. The Executive and Supervisory Boards will therefore propose a dividend of 12 euros per share at the Annual Shareholders' Meeting. That is above the average of recent years and corresponds to a payout of around 600 million euros.

Fourth: We are investing systematically in our future. Last year, our capital expenditures reached 550 million euros. Almost 60 percent more than in the previous year. I'll give you a few examples:

We commissioned new liquid-silicone-rubber production plants at Burghausen, our biggest site. Products like these are used, for example, in the automotive industry, mechanical and plant engineering, and electrical engineering. A similar expansion project is currently underway at our Adrian, Michigan site in the USA. Production there is set to commence in the course of the year.

In India, we commissioned another new production site at Panagarh, where we will produce specialty silicones that can be used, for instance, in the medical technology and electromobility fields.

At our polymers site in Nanjing, China, we are expanding our capacities for dispersions and dispersible polymer powders. A new dispersion reactor was already in operation there in 2022, while a spray dryer is to commence production this year.

Everything is pointing toward expansion in the biotechnology segment, too. We are transforming our site in Halle into a competence center for mRNA actives. A new biotechnology research facility is being built at Corporate R&D in Munich. And we are investing in facilities at WACKER POLYSILICON to produce particularly high-quality polysilicon for the semiconductor industry.

All this investment spending will serve to meet our customers' growing needs and drive our growth in the years ahead.

More business and higher capacities also meant we needed more personnel. WACKER currently has a total of some 15,700 employees worldwide. 10,400 work in Germany and 5,300 at international sites.

Our employees are the foundation for our success. So, at this point, allow me to expressly thank all our employees worldwide for their outstanding achievements in the past year.

Ladies and gentlemen,

Last year underscored yet again how well-placed WACKER is – both strategically and financially. Despite the many uncertainties in the economic environment, we clearly outperformed the market. There is enormous demand for many of our products.

Even though we currently face economic headwinds rather than tailwinds, we look to the future with optimism. WACKER has the creativity and the skills to keep coming up with the new ideas and solutions that will secure its strong position going forward. True to our motto: Creating Tomorrow's Solutions.

Our strategy provides us with clear goals: faster growth, high profitability and better resilience in times of constant change. More about that later. But first, my colleague Tobias Ohler will run you through last year's facts and figures.

Ladies and gentlemen,

Global economic growth slowed noticeably last year.

The causes are clear: the Ukraine war, high energy prices, inflation and pandemic measures. Gross domestic product did continue to grow in all regions. But growth rates were substantially lower than in 2021. Overall, GDP was up by 3 percent globally.

Amid these conditions, WACKER fared substantially better than the market as a whole. We generated sales of 8.2 billion euros in 2022, a year-over-year increase of 32 percent. Higher selling prices were the main reason for this strong growth. Exchange-rate effects also had a positive impact on sales. EBITDA grew by 35 percent year over year to reach around 2.1 billion euros. That corresponds to an EBITDA margin of over 25 percent.

This significant earnings growth was shaped by two opposing trends. On the one hand, our profitability was enhanced not only by higher selling prices, but also by substantial cost savings. Our now completed Shape the Future efficiency program alone helped us

save more than 200 million euros in 2022. And this year we will reach our full 250-million-euro target. The ongoing cost-cutting programs within our business divisions added to these savings. Higher prices for raw materials, energy and logistics, on the other hand, had a negative impact, diminishing our EBITDA by roughly 1.3 billion euros last year.

EBIT came in at almost 1.7 billion euros. This reflects, above all, the significant increase in EBITDA, coupled with virtually unchanged depreciation and amortization. As in the previous year, depreciation and amortization amounted to roughly 400 million euros. Our net income for the year grew by more than 50 percent. We posted a profit of 1.28 billion euros for 2022.

Ladies and gentlemen,

Sales at all divisions were markedly higher in 2022 than in the previous year.

Silicones, our largest business division, recorded annual sales of around 3.5 billion euros, up 33 percent. Earnings grew even faster. EBITDA climbed by 59 percent to some 875 million euros. Higher selling prices were the main reason for this strong growth. In addition, the reversal of an impairment loss on a joint venture in China increased the division's EBITDA by 70 million euros.

Our polymers business also performed well. WACKER POLYMERS generated sales of around 2 billion euros in 2022 – up 19 percent year over year. Here, too, significantly higher selling prices were the main growth driver. EBITDA came in at around 290 million euros. This means that, despite the sharp rise in energy, raw-material and logistics costs, we again exceeded the previous year's high figure – this time by 14 percent.

WACKER BIOSOLUTIONS further increased its sales in 2022 – by 12 percent to around 330 million euros – due to higher selling prices. At 17 million euros, EBITDA came in significantly lower than in the prior year. Integration costs for our site in San Diego, California and upfront costs for the establishment of our new mRNA Competence Center in Halle slowed earnings growth.

Sales and earnings at WACKER POLYSILICON surged. There are several reasons for this. First – significantly higher selling prices, especially in the solar segment. Last year, the industry had trouble meeting the burgeoning demand in this segment with our available capacities. Second – a higher proportion of electronic-grade silicon. We are by far the Number 1 in the market for this particularly high-quality product. Nearly half of all

semiconductor chips worldwide are made with polysilicon supplied by WACKER. And third – we continue to reduce our costs. Nevertheless, very high energy and raw-material costs were the dominant factor last year.

The Polysilicon division generated full-year sales of 2.3 billion euros, up 50 percent. EBITDA increased significantly as well, rising to over 820 million euros last year. That was a year-over-year increase of 26 percent. Substantially higher polysilicon prices were the main reason for this growth.

Ladies and gentlemen, I have completed my review of divisional trends. Now, I would like to return to the Group's financial statements and look at key data from the statement of cash flows.

In line with our growth strategy, we significantly increased our capex budget last year. At around 550 million euros, capital expenditures were almost 60 percent higher year over year. In addition, our acquisition of Chinese specialty-silane manufacturer SICO led to an outflow of 170 million euros.

The fact that we are spending a lot of money to expand our capacities is also evident in our net cash flow, which totaled around 440 million euros in 2022. This is clearly positive, in line with expectations, but 42 percent lower year over year.

Due to high cash inflows from operating activities, we again reported net financial assets in the triple-digit millions in 2022. The exact figure as of December 31 exceeded 400 million euros.

Ladies and gentlemen,

A glance at our statement of financial position also shows how well WACKER performed in 2022. Total assets grew 16 percent year over year – to 9.4 billion euros. Liquidity remained virtually constant despite the significant increase in capital expenditures. As of December 31, 2022, we had cash and cash equivalents of just under 2 billion euros.

Equity increased substantially, to 5 billion euros. Our equity ratio now stands at more than 50 percent. There are two main reasons for this increase: On the one hand, our excellent net income for the year, which added almost 1.3 billion euros to retained earnings. On the other, our pension provisions decreased markedly – by more than 1 billion euros. This was due to the significantly higher discount rates applied to our pension obligations.

Ladies and gentlemen,

So much for last year. Now to our expectations for 2023, which Christian Hartel will present to you.

Ladies and gentlemen,

2023 will not be an easy year. The global economy faces considerable risks – above all due to the war in Ukraine, persistently very high energy prices in Europe, rising interest rates and rampant inflation.

Economic researchers are forecasting the global economy to grow in 2023, but at a much lower rate than last year. That applies in particular to Europe, but the USA and Japan are also likely to see only moderate increases in economic output. The strongest growth is expected in Asia, above all in India.

For this reason, we will not be able to repeat our record figures of 2022 this year. Already since the fourth quarter of last year, we have noticed how the weakening economy has been impacting customer demand in numerous application areas. We see signs of a slowdown, particularly in the construction industry, but also with silicones in other industries. Many customers are currently reducing their inventories. They are cautious at the moment, even though they expect demand to pick up in the course of the year.

Group sales in the first two months of this year were thus noticeably lower compared with last year. Overall, we expect to generate first-quarter Group sales of around 1.7 billion euros. Q1 EBITDA is also likely to be lower and we expect it to come in between 250 and 280 million euros. In addition to lower sales volumes, declining prices are also making themselves felt in some cases.

Our customers are still adjusting their silicone product inventories and tend to place orders at very short notice. At WACKER POLYSILICON, demand for solar-grade silicon dropped markedly at the start of this year, due to a spike in Covid infections and to the Chinese New Year holiday.

Against this backdrop, we currently expect business to remain fairly subdued in the first half of the year. But we are somewhat more optimistic as regards full-year 2023 and our expectations are as follows: We expect to post Group sales of between 7 and 7.5 billion euros. We anticipate EBITDA coming in between 1.1 and 1.4 billion euros. The EBITDA margin will decline significantly year over year. This also applies to net cash flow, net

Check against delivery.

financial assets and Group net income. The bottom line is: Lower selling prices and stubbornly high energy costs are having an effect. Our cash flow will also be shaped by significantly higher capital expenditures, which will amount to 650 million euros.

Energy prices in Germany, in particular, continue to cause us considerable problems. Although they have declined from their record highs of last year, they are still at very high levels compared with the period before the war in Europe.

Our production is very energy-intensive. Why is that? You know that WACKER is the biggest producer of polysilicon in the western world. Polysilicon is the purest man-made material. It cannot function as a semiconductor material for solar cells and computer chips unless it is hyperpure.

This process is extremely energy-intensive. Silicon metal is transformed into liquid silane and subsequently distilled for the purification process. The now hyperpure silane is then heated to 1,000 degrees Celsius in reactors, during which process hyperpure polysilicon is deposited.

If you will, we are taking molecules apart in this process and putting them back together. The molecular bonds cannot be undone without an enormous amount of energy. It is simply a law of nature: there are no shortcuts. Therefore, we work every day on making our processes as efficient as possible. Already today, our processes are considered the most energy-efficient and therefore most resource-efficient in the world. We have this under our control. However, competitive energy costs are also important.

That is precisely why we've been advocating for years for an internationally competitive industrial electricity price. Yet we have to pay an electricity price that is much higher than what our competitors in other parts of the world pay. Greater efficiency alone will not close that price gap, especially since we are already among the global leaders with respect to efficient processes.

For WACKER, and the chemical industry as a whole, the path to climate neutrality involves the electrification of production processes. High electricity prices are hindering this transformation and destroying the competitiveness of an internationally leading industry. WACKER is way out in front in an industry comparison when it comes to electrifying its production processes. But the fact is that, for years, energy prices in Germany have been far too high by international standards. What energy-intensive

businesses like ours need is an electricity price for the green transformation – now, not in 2030.

As far as our role in the transformation to climate neutrality is concerned, we are the only European company left among global leaders in the market for polysilicon, the base material for solar cells and semiconductors. That is why we are key to the success of the RePowerEU program – the European Union’s endeavor to ensure an affordable, stable and sustainable supply of renewable energy for Europe.

German and European politicians want to rebuild photovoltaics, a key industry, in Europe. But to achieve this, we must first eliminate the structural disadvantage of high electricity prices in this country. There is no way around that.

Ladies and gentlemen,

What are our expectations for each of our business divisions?

Sales at WACKER SILICONES are projected to come in between 3.1 and 3.3 billion euros in 2023. This decline in sales is due to lower average selling prices, especially for standard silicones. We expect specialty-silicone volumes to increase in the course of the year as our new production capacities come on stream. At the same time, high energy and raw-material prices continue to impact the cost of manufacturing our products. That is why we expect the EBITDA margin to be around 15 percent.

The strategic focus of our silicones business is clear: We will further increase the share of high-margin specialty products in our portfolio. We will push the development of new products in order to open up new markets and fields of application. And we will continue to expand our capacities in all regions – right where our customers are.

In recent years, we’ve made significant progress in expanding our portfolio of specialty products. This focus has proven its worth, especially in last year’s challenging economic environment. Promising products are, for example, our electroactive silicone laminates for touchscreens and printable, elastic electrode materials for the sensors used, for instance, in sports applications. And, together with companies from the automotive industry, we are developing silicone-based fiber composites for vehicle production. These materials meet increasingly stringent fire-protection requirements.

These are just three examples of hundreds that I could name. Silicones are truly multi-talented because their characteristics can be customized. The applications for which they can be used are accordingly highly diverse.

At WACKER POLYMERS, we expect to post sales of around 1.8 billion euros. We anticipate lower selling prices as additional raw-material costs, which we pass on to our customers, will also decline. We do not expect the construction sector to grow in 2023, but industrial and consumer applications are likely to post an increase. This growth, along with product-mix effects, will have a positive effect on sales. The EBITDA margin is expected to be slightly higher than last year.

The division remains focused on supplying polymeric binders for sophisticated construction, coating and bonding applications. In this area, customer demand for sustainable, environmentally compatible solutions is rising. We are actively seizing these market opportunities, developing appropriate product lines and sustainable formulations together with our customers. For example, we offer VAE dispersions that use renewable raw materials, including bio-acetic acid. We market these dispersions under the VINNAPAS® eco brand. Sustainability is an integral part of our business model.

At WACKER BIOSOLUTIONS, we expect sales to grow by a low-double-digit percentage, with growth fueled by bioengineered products, particularly biologics. EBITDA is expected to be stronger, especially in the second half of the year, and significantly higher overall than last year.

The division will benefit from growth potential in the food and pharmaceutical markets. As a contract development and manufacturing organization for biologics, we are meeting growing demand through our sites in Jena, Halle, Amsterdam and San Diego.

In the biologics segment, we are systematically expanding our mRNA-based therapeutics. A key project in this area is underway at our site in Halle, which we are expanding to create an mRNA Competence Center. We have been participating in Germany's pandemic preparedness program since April of last year. Together with our partner CordenPharma, we will produce vaccines on demand in Halle from 2024 onwards. But mRNA actives can be used for more than just vaccines. This technology also enables completely new treatment options, for example, in cancer therapy. We see a lot of potential here and, going forward, want to serve the increasing demand for mRNA actives from Halle.

At WACKER POLYSILICON, we expect to post sales between 1.6 billion and 1.8 billion euros in 2023. We have a clear strategy: We want to continue expanding our market position, especially in the semiconductor sector. Today, polysilicon from WACKER can already be found in nearly half the computer chips installed worldwide. That is why we are systematically strengthening our focus on the production of hyperpure material, primarily for semiconductor applications, but also for highly efficient monocrystalline solar cells. To a certain extent, the highest quality is achieved at the expense of production volumes. As a result of this change in the product mix, volumes this year are therefore expected to be lower than last year. EBITDA should range between 300 and 500 million euros, with very high energy prices, especially at the company's sites in Germany, having an impact.

Ladies and gentlemen,

That concludes my review of our expectations for the current year.

Overall, we can say that WACKER remains on a good trajectory despite the challenging economic environment. After two consecutive years of record sales and earnings, we will not be able to post similar figures this year. But that does not alter our growth prospects or targets for the medium term: we are and will continue to be optimistic about the future.

In March last year, we presented our new medium-term targets to the capital markets. The key points of our strategy are:

First – accelerate growth. Our aim is to grow our sales through higher volumes and a better product mix. We expect to see a growth rate that is higher, by a factor of 1.5 to 2, than our historical annual rate of four to five percent. We want sales to exceed 10 billion euros in 2030.

Second – enhance profitability. Chemical-division EBITDA margins are to exceed 20 percent by 2030. WACKER BIOSOLUTIONS' EBITDA margin should be over 25 percent, with a figure of over 30 percent for WACKER POLYSILICON.

Third – increase capital expenditures. We are intensifying our investment in capacity expansion to meet strong demand from our customers. To this end, we will systematically pursue our specialty chemicals strategy in the chemical divisions. We are doubling our investment spending there. We are also considerably increasing our capex at WACKER BIOSOLUTIONS and WACKER POLYSILICON.

And fourth – focus on sustainability. More than two-thirds of our product portfolio is already based on sustainable solutions. Increasing demand in this area is creating additional growth opportunities, and we want to make the most of this. We offer our customers products for key technologies in the climate protection sector. And for solutions that allow them to attain their own sustainability goals.

For example, our dispersions and dispersible polymer powders that are indispensable for energy-saving building insulation. Or our thermally conductive silicones used in electric vehicles for controlling battery heat. And naturally, our polysilicon, the most essential base material for solar cells.

We also have our own sustainability in mind. We are systematically improving our ecological footprint. The most important point here is our goal to halve our absolute greenhouse gas emissions by 2030 – in absolute terms and regardless of volume growth. We came a good deal closer to achieving this goal last year. Compared with the previous year, we succeeded in reducing our carbon emissions by 11 percent.

Our silicon metal production in Holla, Norway, is playing a special role in this. Last year, we switched the energy supply there to 100 percent certified green electricity – from wind and hydropower. But specific individual measures also contributed to this success. For example, we optimized operation of our gas turbine at the Burghausen site. That saved us 45,000 metric tons of CO₂ last year, which is equivalent to the annual emissions of almost 30,000 cars.

We will resolutely continue down this path in the coming years. One of our next steps, for example, is to gradually replace the coal we use as a reducing agent in the production of silicon metal in Holla with renewable materials – like biocarbon from sustainable forestry. And we have many more ideas that we want to implement in the coming years.

Ladies and gentlemen,

We face considerable challenges in the year ahead. Like the persistently very high energy prices, especially in Europe. Another challenge this year will be the recessionary economic environment. Of course, we cannot completely decouple ourselves from these trends.

Nevertheless, our outlook for 2023 is positive. The most important thing is that we are very well-placed. This is most obvious when you look at our financial figures. We have

generated high net cash flow. In the last three years, this amounted to a total of around 2 billion euros. And we are free of debt. This is an important factor in our company's resilience. But what is just as important is that we have the right strategy and the right team. We will successfully continue on our chosen path because we are well-positioned: With our high-quality products. With our strong presence in all regions of the world, close to our customers. And with our outstanding workforce.

We are scaling up our capital expenditures. Higher investments are an important stepping stone towards achieving our goals. We have the necessary financial scope to add sustainable value. We are focused on sustainability, which means we are doing our homework and leveraging our expertise in sustainable products and solutions to ensure the future success of our business.

All these factors are creating many possibilities and opportunities for us to continue growing profitably – and we will make systematic use of these. We remain the architect of our own success and will rely on our spirit, speed and confidence.

Ladies and gentlemen, that wraps up what I wanted to say. We now look forward to your questions.

Thank you.