

# PRESS RELEASE

Number 3

## Preliminary Figures: WACKER Closes 2023 Below Previous Year Amid Weak Market Environment

- ◆ PRELIMINARY SALES FIGURE AT €6.4 BILLION
- ◆ EBITDA FALLS 60 PERCENT TO €824 MILLION
- ◆ EBIT AT AROUND €405 MILLION
- ◆ CAPITAL EXPENDITURES UP 30 PERCENT AT €710 MILLION
- ◆ NET INCOME FOR 2023 AT €330 MILLION
- ◆ POSITIVE NET CASH FLOW OF AROUND €166 MILLION

Munich, January 29, 2024 – Wacker Chemie AG saw its year-over-year sales and earnings decline significantly in 2023 due to the ongoing weak market environment. According to preliminary figures, the chemical group's sales totaled around €6.40 billion last year, 22 percent lower than in 2022 (€8.21 billion). This decline was prompted primarily by lower prices and volumes. Negative exchange-rate effects also impacted the development of sales.

The Group's preliminary earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to €824 million for 2023 (2022: €2.08 billion), down 60 percent. This was due to lower prices along with persistently high energy costs and reduced plant-utilization rates as a result of the decline in sales volumes. Savings from the Group's ongoing efficiency measures positively supported the development of earnings.

Due to the factors described above, preliminary earnings before interest and taxes (EBIT) dropped 76 percent to around €405 million

(2022: €1.68 billion). Depreciation and amortization amounted to around €418 million, up slightly on the previous year (€402 million). Net income for 2023 was roughly €330 million (2022: €1.28 billion).

“The global industrial engine began to stutter in 2023 and many companies felt the impact, as did we at WACKER,” said president and CEO Christian Hartel. “Price pressure was high, and the recovery in customer demand that was hoped for at the beginning of the year did not materialize. Persistently high energy prices in Germany further impacted our business. As a result, we could not post sales and earnings similar to the record figures WACKER achieved in 2022.” According to Hartel, a recovery in demand is currently not in view.

WACKER has been meeting the challenges of the ongoing weak market environment by increasing its focus on efficiency and cost discipline. The CEO remains optimistic about the company’s long-term prospects: “As great as the current challenges may be, we will continue to benefit from global megatrends in the medium and long term. Digitalization, renewable energies, electromobility, and energy conservation are among the key drivers of our business,” he emphasized. “Strategically speaking, we are well positioned and remain committed to our 2030 growth targets. We invest systematically in our future. Today’s investments are the foundation for tomorrow’s growth.”

#### **Capital Expenditures, Net Cash Flow and Net Financial Assets**

According to preliminary figures, WACKER’s capital expenditures came in at €710 million in 2023 (2022: €547 million), a year-over-year increase of 30 percent. The investment focus was on expanding capacity in all four business divisions.

Net cash flow for 2023 totaled some €166 million (2022: €439 million). The main reasons for this 62-percent decline were lower earnings and higher capital expenditures.

As of December 31, 2023, WACKER reported net financial debt of about €84 million (December 31, 2022: net financial assets of €409 million).

### **Business Divisions**

WACKER sales declined year over year in 2023 due to the persistently weak market environment in its chemical segments. In its polysilicon business, the decline was particularly pronounced.

According to preliminary figures, WACKER SILICONES generated annual sales of €2.74 billion, down 21 percent on the previous year (€3.45 billion). WACKER POLYMERS generated sales of €1.58 billion in 2023 (2022: €2.00 billion), which was likewise a drop of 21 percent. At WACKER BIOSOLUTIONS, sales in 2023 of €337 million matched the prior-year level (2022: €331 million). At €1.60 billion, WACKER POLYSILICON's sales in 2023 fell 30 percent year over year (2022: €2.29 billion).

EBITDA declined across all business divisions compared with 2022 and was markedly lower year over year at WACKER SILICONES, WACKER BIOSOLUTIONS, and WACKER POLYSILICON. The chemical company also recorded declines in its polymers business. Cost savings from the Group's ongoing efficiency measures strengthened EBITDA in every division.

WACKER SILICONES generated EBITDA of €236 million in 2023 (2022: €876 million), which represents a decrease of 73 percent. In addition to lower prices particularly for standard products and lower

volumes of specialty products, reduced plant-utilization rates impacted EBITDA.

At WACKER POLYMERS, EBITDA amounted to €253 million (2022: €289 million). This decrease of 12 percent was chiefly due to the significant year-over-year decline in selling prices and volumes. Lower raw-material prices had a positive impact on the division's EBITDA.

WACKER BIOSOLUTIONS generated EBITDA of €7 million last year (2022: €17 million), a year-over-year decline of 59 percent. This decrease was mainly attributable to integration and upfront costs at the León and Halle sites.

WACKER POLYSILICON's EBITDA fell 61 percent in 2023 to €321 million (2022: €826 million). This decline was primarily prompted – for production-related reasons – by lower volumes and prices for solar-grade polysilicon. Ongoing high energy prices in Germany also had a negative impact. The share of semiconductor-grade polysilicon to total volumes grew further in 2023.

**Preliminary Key Figures for the WACKER Group**

€ million	<b>2023e</b>	<b>2022</b>	<b>Change in %</b>
Sales	6,402	8,210	-22
EBITDA	824	2,081	-60
EBITDA margin (%)	13	25	–
EBIT	405	1,679	-76
EBIT margin (%)	6	21	–
Net income for the year	330	1,282	-74
Capital expenditures	710	547	30
Net cash flow	166	439	-62

***The figures and forecasts for 2023 in this press release are preliminary and unaudited. Wacker Chemie AG will publish its 2023 Annual Report on March 12, 2024.***

*This press release contains forward-looking statements based on assumptions and estimates of WACKER's Executive Board. Although we assume the expectations in these forward-looking statements are realistic, we cannot guarantee they will prove to be correct. The assumptions may harbor risks and uncertainties that may cause the actual figures to differ considerably from the forward-looking statements. Factors that may cause such discrepancies include, among other things, changes in the economic and business environment, variations in exchange and interest rates, the introduction of competing products, lack of acceptance for new products or services, and changes in corporate strategy. WACKER does not plan to update the forward-looking statements, nor does it assume the obligation to do so.*

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**The Company in Brief:**

WACKER is a global chemical company with some 15,700 employees and annual sales of around €8.21 billion (2022).  
WACKER has a global network of 27 production sites, 26 technical competence centers and 50 sales offices.

**WACKER SILICONES**

Silicone fluids, emulsions, rubber grades and resins; silanes; pyrogenic silicas; thermoplastic silicone elastomers

**WACKER POLYMERS**

Polyvinyl acetates and vinyl acetate copolymers and terpolymers in the form of dispersible polymer powders, dispersions, solid resins and solutions

**WACKER BIOSOLUTIONS**

Biotech products such as cyclodextrins, cysteine and biologics, as well as fine chemicals and PVAc solid resins

**WACKER POLYSILICON**

Polysilicon for the semiconductor and photovoltaic industries