



**WACKER**

CREATING TOMORROW'S SOLUTIONS

## Q3 2023 – Conference Call Note

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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 Q3 2023 Highlights

## Financials



**€1.52bn**

**Sales** (-29% yoy)

Driven primarily by lower ASP and volumes

**€152m**

**EBITDA**

(Q3 2022 €457m)

**10.0%**

**EBITDA Margin**

(Q3 2022 21.4%)

**€0.56**

**EPS**

(Q3 2022 €5.08)

**€164m**

**Net Debt**

(-€409m 31.12.22)

## Operations



**Continued Headwinds**

Chemicals held back by ongoing weak demand

**Much Lower Solar-Grade Polysilicon ASP**

Resilient Semi volumes and prices

**High Energy and Trailing Raws**

Continue to weigh on P&L

## Sustainability



**WACKER shortlisted for the German Sustainability Prize in 2023**

Continued progress achieved towards ambitious Net Zero Target by 2045

**Difficult markets in Q3 Persist**

# FY 2023 Guidance Confirmed at Lower Half of Prior Range



## Updated FY 2023 Group Guidance

- ▶ Sales at about €6.5bn (previously €6.5 – 6.8bn)
- ▶ EBITDA at €0.8 – 0.9bn (previously €0.8 – 1.0bn)
- ▶ Other financial KPIs unchanged



## WACKER Expands Specialty Silicone Production

- ▶ Investments of some €150m for the expansion in Zhangjiagang, China
- ▶ The new facilities are scheduled to come on stream in H2 2025

# Profit & Loss Statement

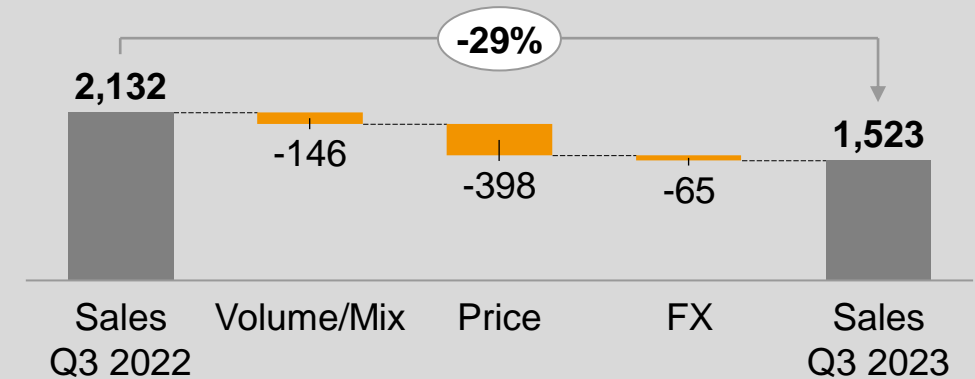
## EBITDA of €152m in Q3 2023

### Profit & Loss (€m)

	Q3 2023	Q3 2022
Sales	1,523	2,132
Gross profit from sales	198	488
Gross margin	13.0%	22.9%
EBITDA	152	457
EBITDA margin	10.0%	28.8%
EBIT	49	351
EBIT margin	3.2%	16.4%
Net income	34	259
EPS	0.56	5.08

### Comments

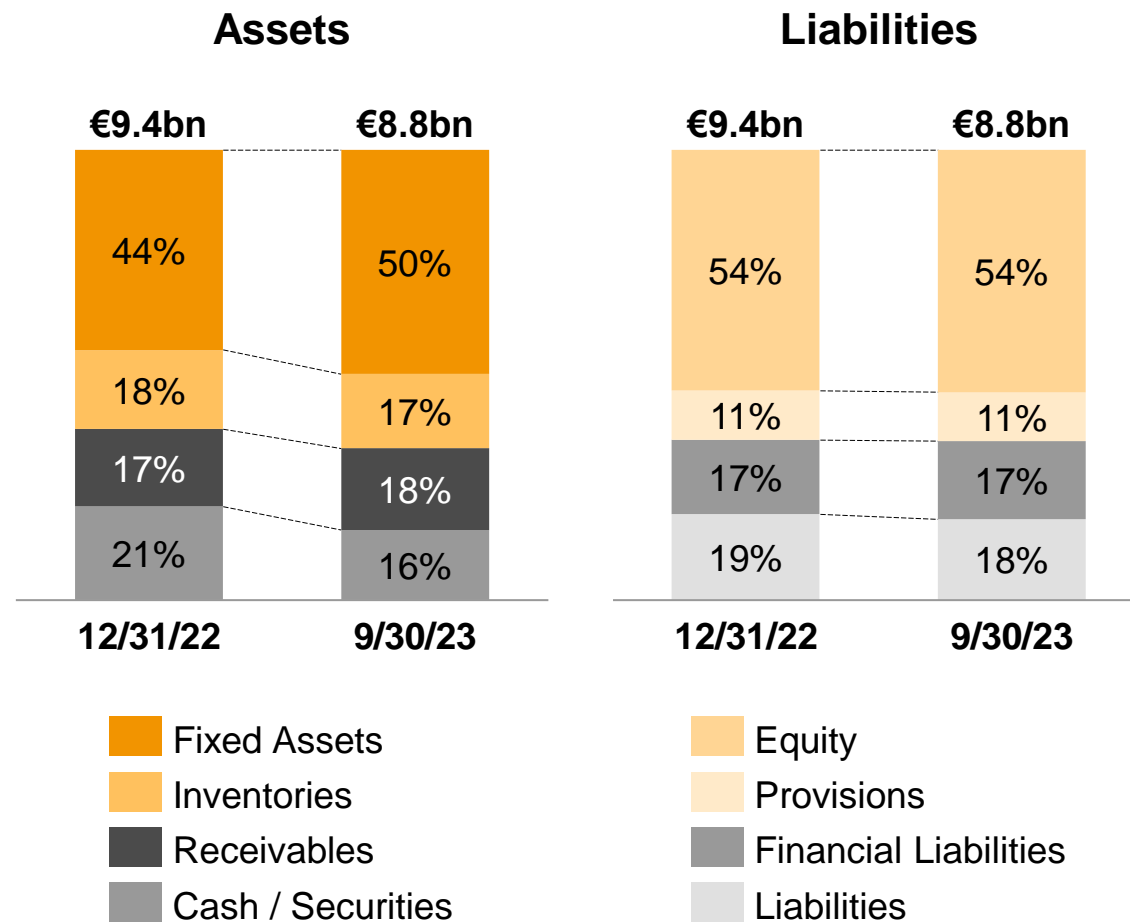
- ▶ Sales -29% yoy  
Volume/Mix -7%, Price -19%, FX -3%
- ▶ EBITDA -67% yoy  
Result primarily defined by lower ASPs and volumes



# Balance Sheet Composition

## Resilient Financials with €4.7bn in Equity and €1.4bn in Liquidity

### Balance sheet (%)

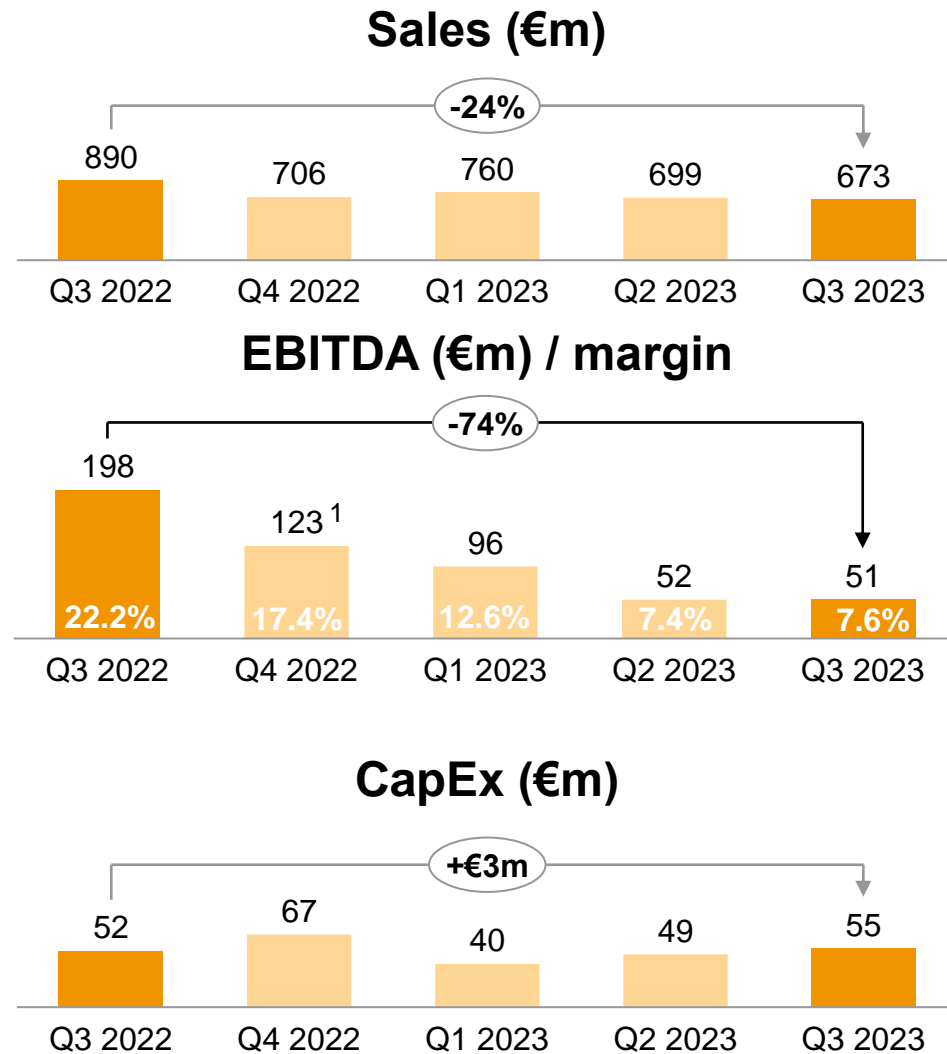


### Characteristics 9/30/23

- ▶ Cash & Securities:  
High level of liquidity at €1.4bn
- ▶ Net Working Capital:  
Lower by €100m to €1.6bn
- ▶ Pension Provisions:  
Lower by €70m to €700m
- ▶ Shareholder Equity:  
Lower to €4.7bn following €596m dividend paid in Q2

# SILICONES

## No Demand Recovery



### Highlights Q3

- ▶ Weak demand across all regions
- ▶ Prices under pressure for Standards, some negative pricing effects from Specialties
- ▶ EBITDA burdened by demand-driven adverse mix effects, low output, trailing higher raw material costs

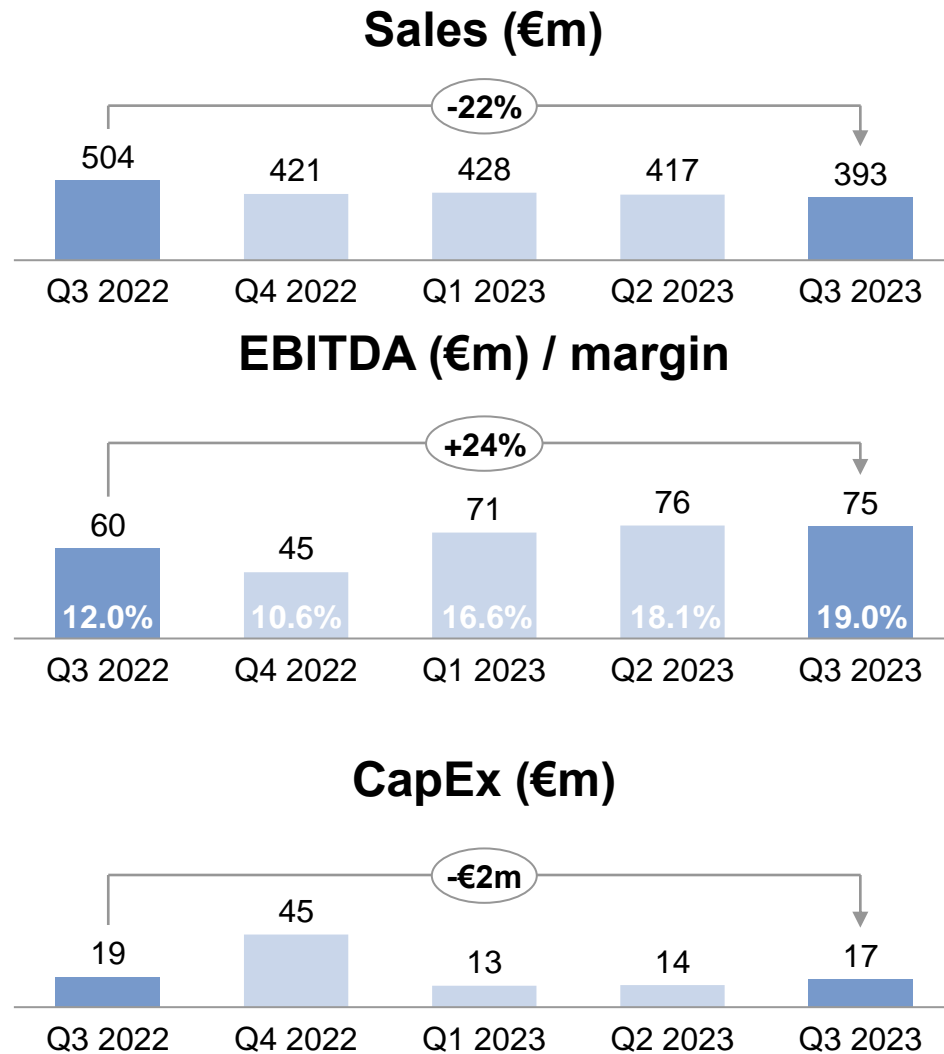
### Updated Outlook 2023

- ▶ Sales of €2.7 – 2.8bn with an EBITDA margin of around 8%
- ▶ Lower volumes in Specialties, significantly lower ASP in Standards
- ▶ Year-end seasonality

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 Q3

- ▶ Volumes yoy & qoq comparable, lower ASP drives sales development
- ▶ Weak market demand particularly in Europe
- ▶ EBITDA higher yoy, mainly from positive net pricing benefits and PY plant turnaround

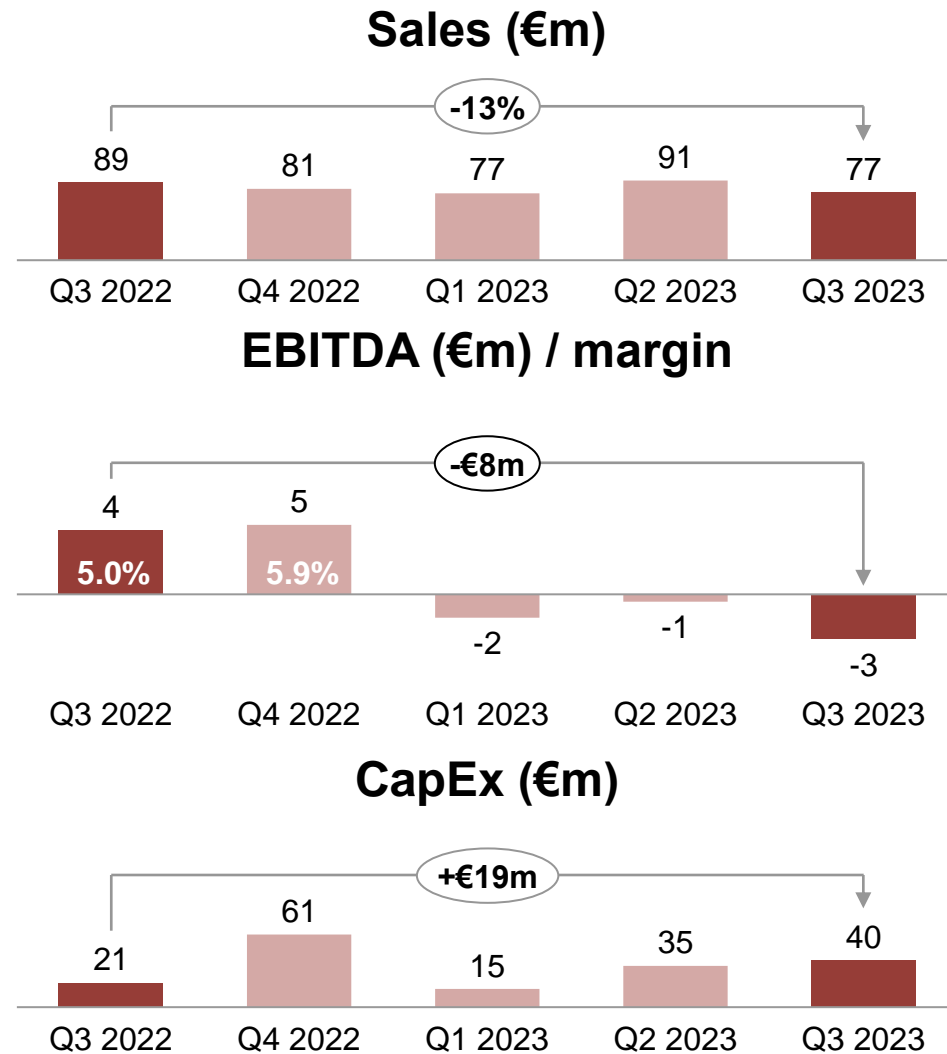
### Outlook 2023

- ▶ Sales between €1.6 – 1.7bn with an EBITDA margin around 17%
- ▶ Lower ASP and volumes yoy
- ▶ Year-end seasonality



# BIOSOLUTIONS

## Weaker Demand than Expected



### Highlights Q3

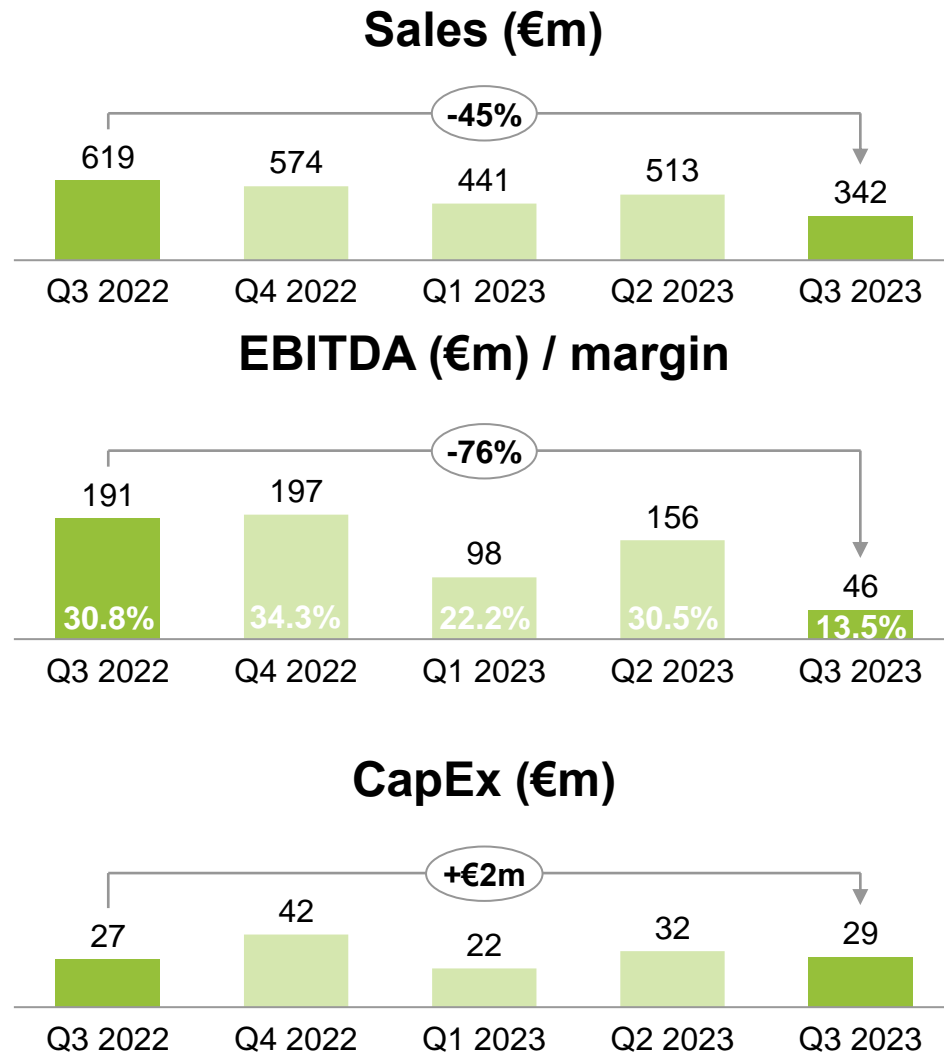
- ▶ Continued weaker demand for established products
- ▶ EBITDA burdened by upfront costs related to the German pandemic preparedness plan and digitalization
- ▶ ADL integration on track

### Updated Outlook 2023

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

# POLYSILICON

## Significantly Lower Prices for Solar-Grade Polysilicon



### Highlights Q3

- ▶ Sequential EBITDA declines mainly due to lower prices
- ▶ Lower production volumes due to plant maintenance
- ▶ Ongoing solar market price differentiation

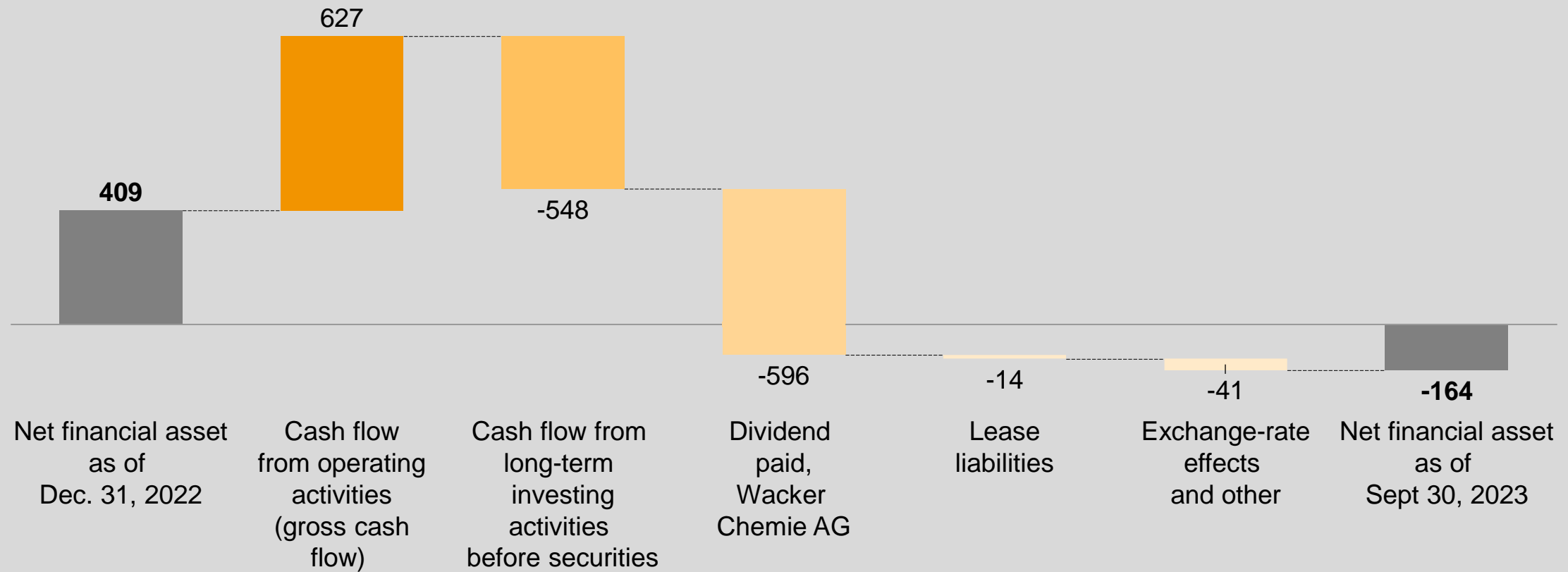
### Updated Outlook 2023

- ▶ Sales of €1.6bn with an EBITDA between €300 – 350m
- ▶ Significantly lower solar ASP YoY

# Net Financial Position

## Strong Cash Conversion in Q3 as Working Capital Unwinds

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



# Appendix

## Guidance FY 2023 Confirmed, Sales & EBITDA Expected in Lower Half of Prior Range

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
<b>Chemicals</b>	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
<b>BIOSOLUTIONS</b>	77	89	-13%	91	-15%	-3	4	n.a.	-1	n.a.	-4.0	5.0	-0.6
<b>POLYSILICON</b>	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
<b>WACKER Group</b>	1,523	2,132	-29%	1,753	-13%	152	457	-67%	256	-41%	10.0	21.4	14.6

# Appendix

## Strong Growth of Global PV Markets in 2023 Expected

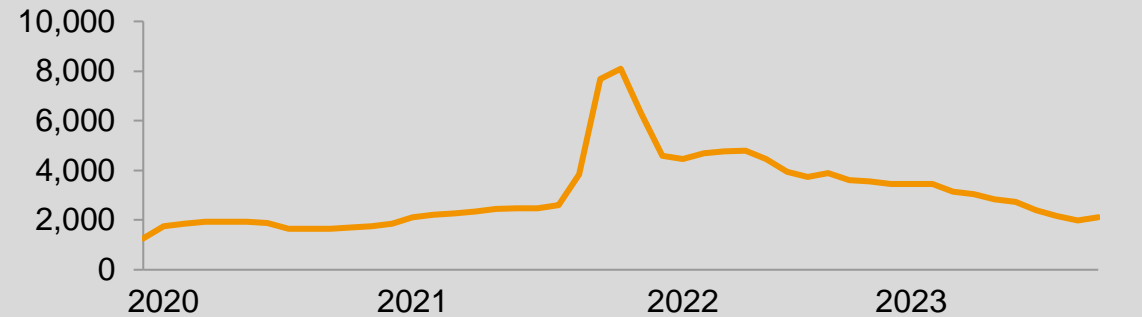
Country	2019	2020	2021	2022	2023e
Germany	4.0	4.8	5.3	7.3	10 – 13
Spain	4.7	2.6	3.8	6.9	7 – 10
Europe other	13.0	13.0	19.9	28.8	33 – 37
<b>Europe total</b>	<b>21.7</b>	<b>21.2</b>	<b>29.0</b>	<b>43.0</b>	<b>50 – 60</b>
USA	13.3	19.2	25	20.2	30 – 35
Japan	7.5	8.2	7.5	6.5	6 – 8
China	30.1	48.2	54.9	87.4	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
<b>Total</b>	<b>118 GW</b>	<b>140 GW</b>	<b>170 GW</b>	<b>250 GW</b>	<b>330 – 380 GW</b>

Sources: market surveys, industry announcements, WACKER estimates

# Appendix

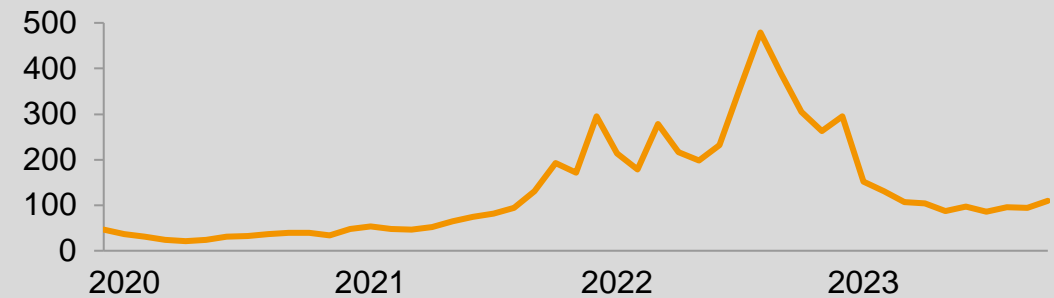
## Key Raw Materials, Power and Gas

### Si-Metal (€/mt)



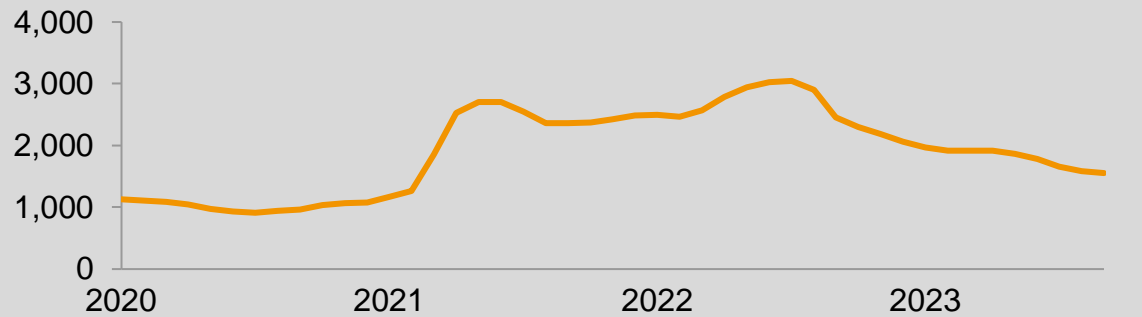
Source: CRU, Si-Metal Spot FD Europe

### Electricity (€/MWh)



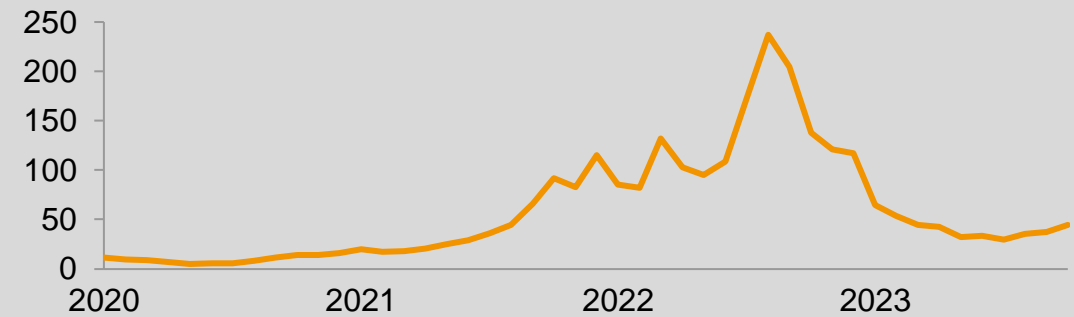
Source: EEX, Baseload Front Contract Avg. Month

### 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



<b>ISIN</b>	DE000WCH8881
<b>WKN</b>	WCH888
<b>Deutsche Börse</b>	WCH

## Financial Calendar

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

## Publications



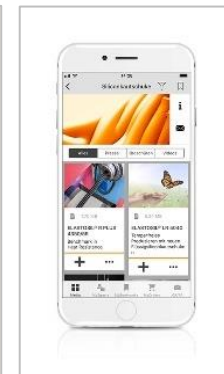
CUSTOMER  
MAGAZINE



FACTBOOK



ANNUAL REPORT &  
ESG DISCLOSURES



SQUARE  
APP