

19th of September 2024
Burghausen

CAPITAL MARKETS DAY 2024 CEO & CFO PRESENTATION

Wacker Chemie AG

Dr. Christian Hartel, CEO
Dr. Tobias Ohler, CFO

WACKER



CREATING
TOMORROW'S
OUR SOLUTIONS
MAKE A BETTER WORLD
FOR GENERATIONS

WELCOME

KEY MESSAGES FOR TODAY

We confirm our 2030 targets

Our strategy continues to evolve & adapt:
Clear focus on margins & profitable growth

Our industry growth trends are firmly intact

We invest in specialty growth & efficiency

We maintain strong, resilient financials



LOWER CHEMICAL PRODUCTION IN EUROPE & VOLUMES SHIFTED TO CHINA SINCE OUR CMD IN 2022

Geopolitical Tensions



Chemicals Recession



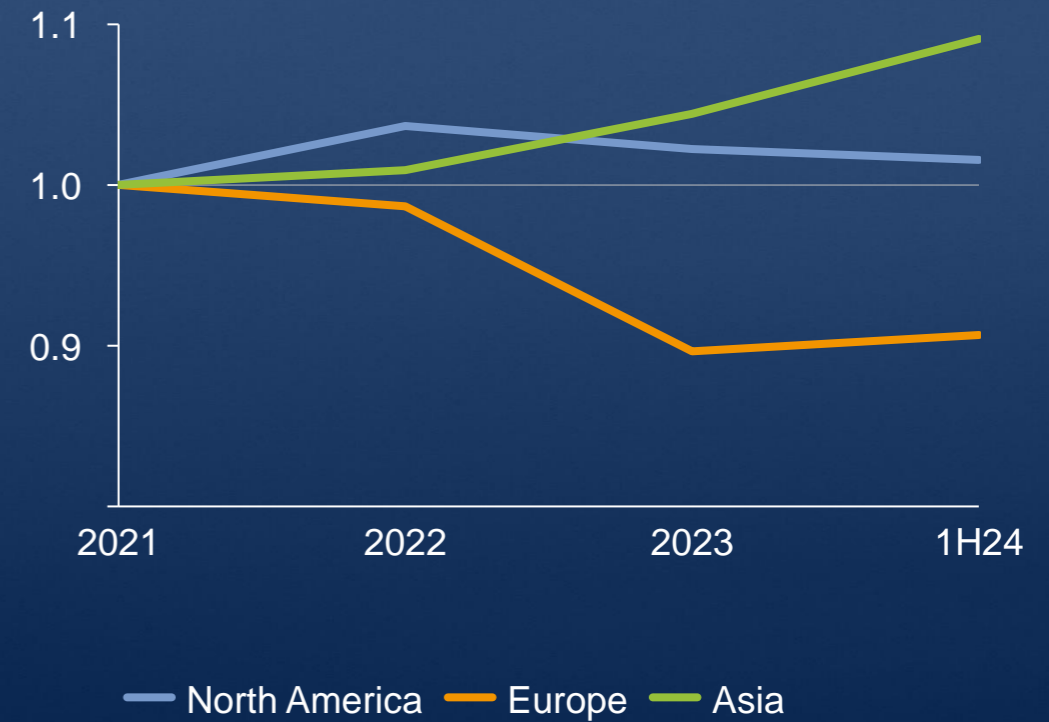
Supply Chain Disruptions



Biotech Funding Downturn



DEVELOPMENT OF CHEMICAL PRODUCTION



Source: ACC CPRI (American Chemistry Council, Chemical Production Regional Index, 2021 = 1.0)

DESPITE WEAK MARKET ENVIRONMENT, WE EXECUTED ALONG OUR STRATEGY – WE FOCUS ON 3 AREAS

**We Invested
In Growth &
Innovation**



**We Improved
Our Sustainability
Profile**



**We Improved
Our Resilience**

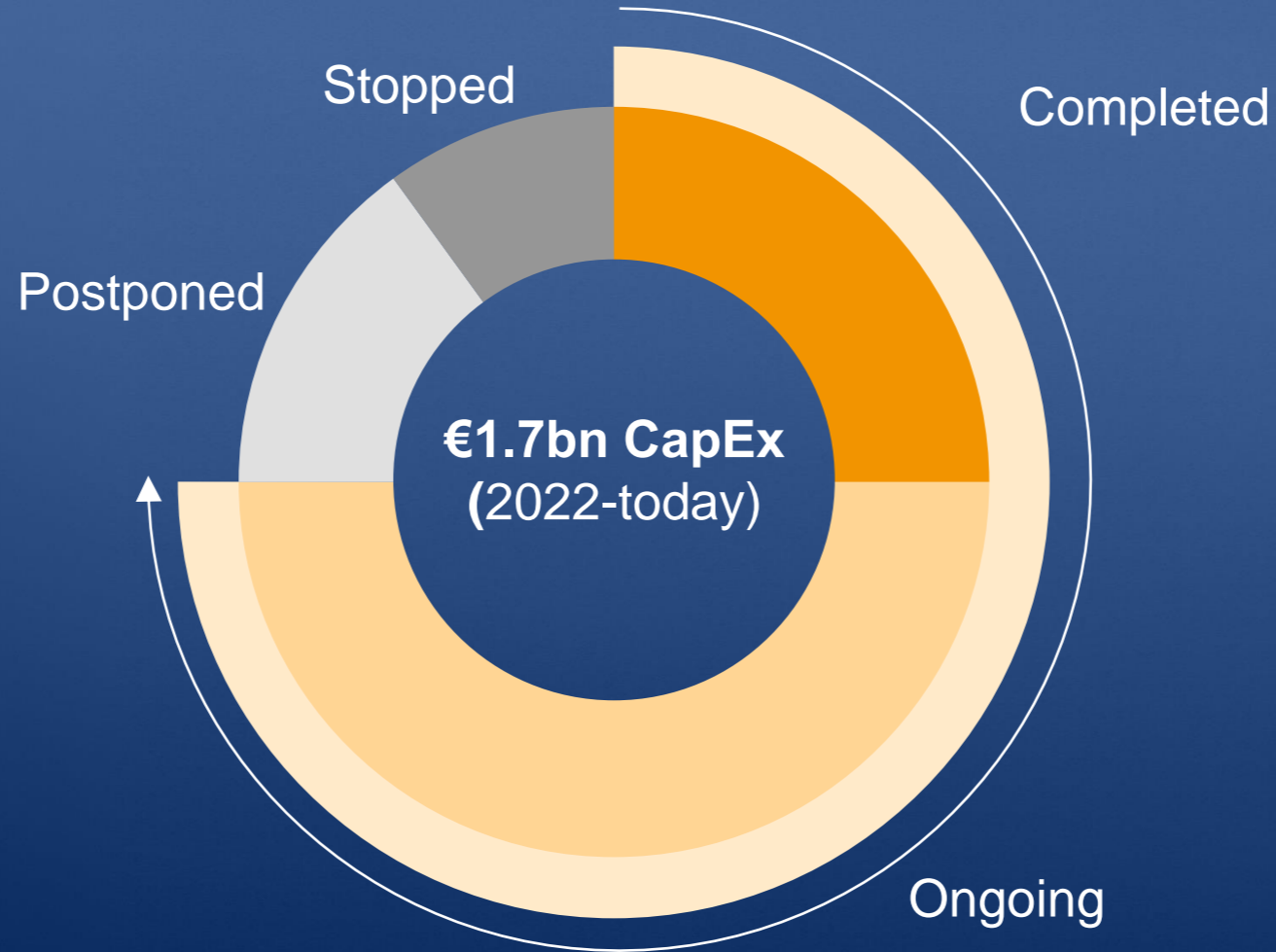


WE INVESTED IN GROWTH & INNOVATION



REVIEWING OUR 2022 MODULAR INVESTMENT STRATEGY

We adjusted & adapted our portfolio of growth projects



WE INVESTED IN GROWTH & INNOVATION

SILICONES: STRENGTHEN OUR LEADING GLOBAL SPECIALTIES BUSINESS



Hybrid Silicones, Nünchritz



New silane modified polymers site
for a wide range of specialties



1) OFS = Organofunctional Silanes



Innovation Center, Ann Arbor



High-margin innovations
for high-tech specialties
in key industries



SICO Performance Material, Jining



Expanding OFS¹ capacity to
provide key intermediates for
specialties in Asia



WE INVESTED IN GROWTH & INNOVATION

POLYMERS: STRENGTHEN #1 GLOBAL POSITION



VAE & DPP¹, Nanjing



Drive transformation of local
construction markets



- 1) VAE= Vinyl Acetate-Ethylene, DPP = Dispersible Polymer Powder
- 2) PVOH = Polyvinyl Alcohol

VAE, Calvert City



Drive substitution in construction
& binder markets



PVOH², Burghausen



Increase backward integration
in DPP & improve sustainability



WE INVESTED IN GROWTH & INNOVATION

BIOSOLUTIONS: SETTING THE FOUNDATION FOR FUTURE GROWTH



Biologics, Amsterdam



Capacities with broad technology platform to meet growing CDMO¹ demand



1) CDMO = Contract Development Manufacturing Organization

mRNA, Halle



Large-scale CDMO capacities (mRNA to formulation)



Precision Fermentation, León



Large-scale capacities for BioIngredients CDMO business & own product innovations



WE INVESTED IN GROWTH & INNOVATION

POLYSILICON: EXTEND #1 GLOBAL LEADERSHIP POSITION IN SEMICONDUCTOR



Semiconductor, Charleston



Ensure security of supply by increasing capabilities & capacities for semiconductor grade polysilicon

Leverage unique dual world-scale site setup



Etching Line Next, Burghausen



Extend leading position in quality, consistency & supply security

Expand etching capacity by >50%

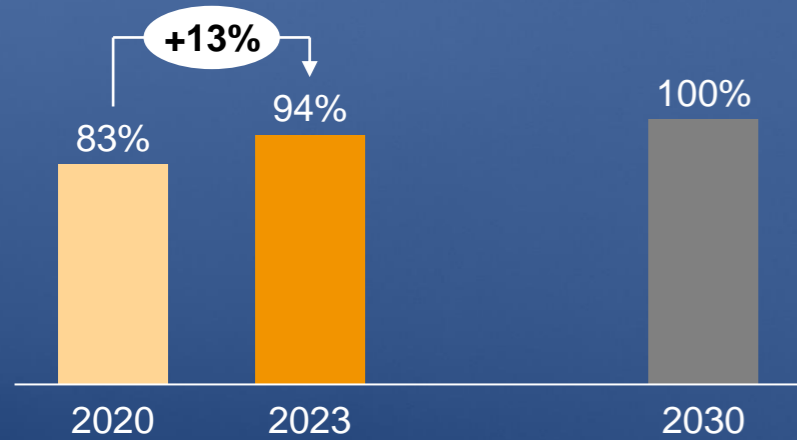




**WE IMPROVED OUR
SUSTAINABILITY PROFILE**

WE IMPROVED OUR SUSTAINABILITY PROFILE

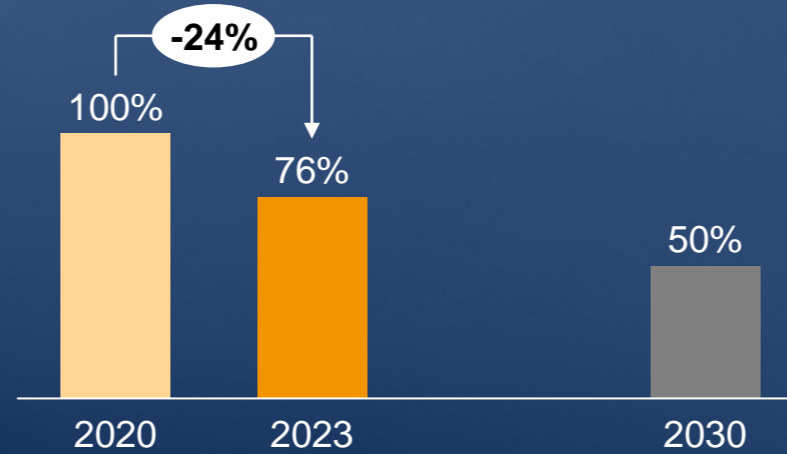
CLEAR PROGRESS TOWARDS 2030 TARGETS AND NET ZERO BY 2045



100% Sustainable Products

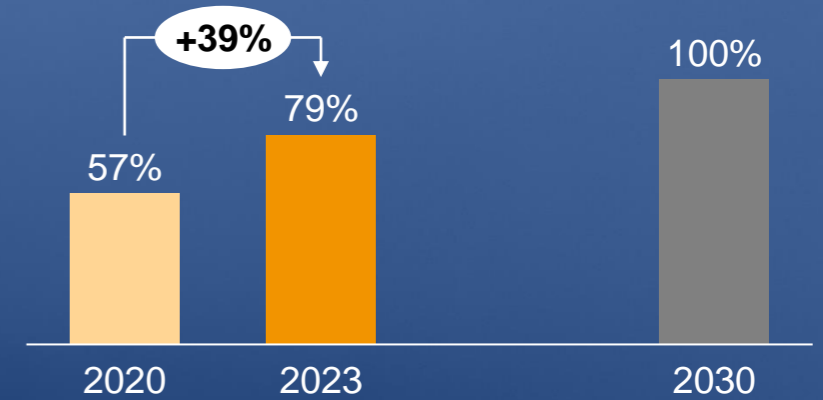
Improved product performance to meet higher customer, social & regulatory requirements

1) Scope 1+2 emissions 2) TfS = Together for Sustainability Initiative
3) EHS= Environmental, Health & Safety



Cut CO₂ Emissions¹ by 50%

Increased share of renewable energy in electricity mix



100% Sustainable Supplier

Worked within TfS² to improve EHS³ practices of suppliers

WE IMPROVED OUR SUSTAINABILITY PROFILE

ESG AGENCIES RANK WACKER WITH TOP RATINGS

Best practice management of climate related risks & opportunities



CDP:
A List 2023
Climate Change,
Supplier
Engagement
Leader

ISS ESG:
Prime, Rating B-

MSCI:
BBB rating

Ecovadis:
Top 4% of all
companies rated

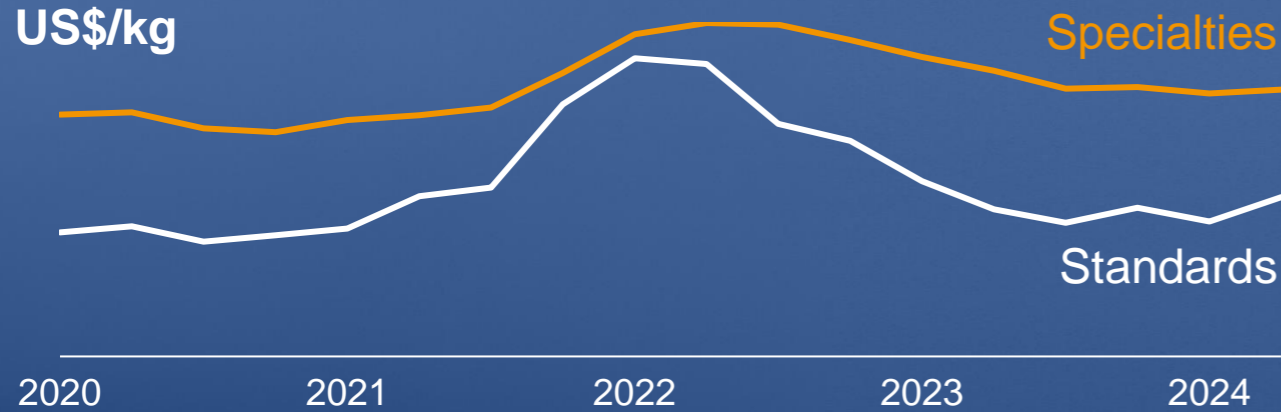
Sustainalytics:
“Management of
material ESG
issues is strong”



WE IMPROVED OUR RESILIENCE

WE IMPROVED OUR RESILIENCE

SALES RISK: ACTIVE PRICE MANAGEMENT TO CAPTURE VALUE OF SPECIALTY PRODUCTS



Focus on specialty silicones

SILICONES EBITDA clearly supported by specialties, despite unprecedented volatility in demand & raws

Specialty prices more resilient than standards



Focus on semi & outside China solar

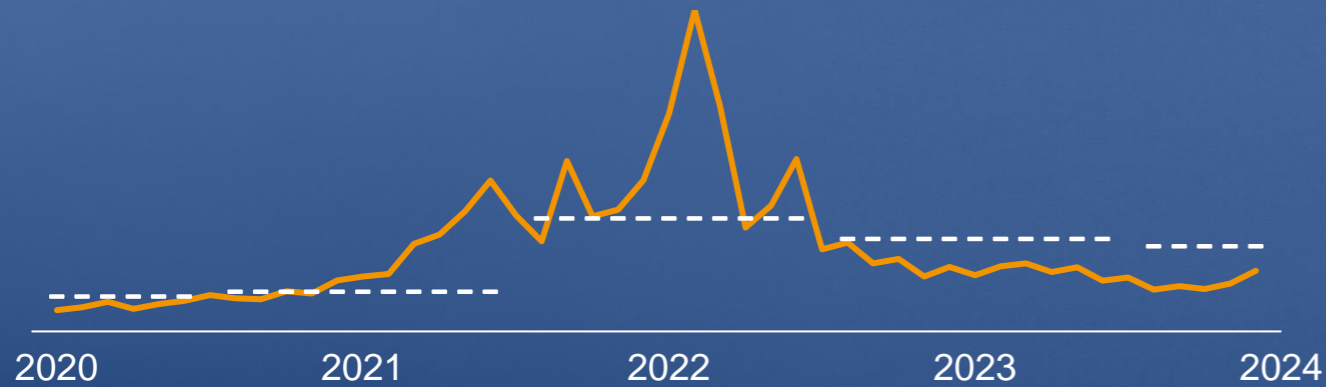
POLYSILICON EBITDA clearly supported by semi focus & solar mix improvement

Long-term semi contracts with attractive pricing

Achieved switch to outside China solar pricing

WE IMPROVED OUR RESILIENCE

SUPPLY RISK: ESTABLISHED HEDGING PROTECTS FROM ENERGY PRICE VOLATILITY



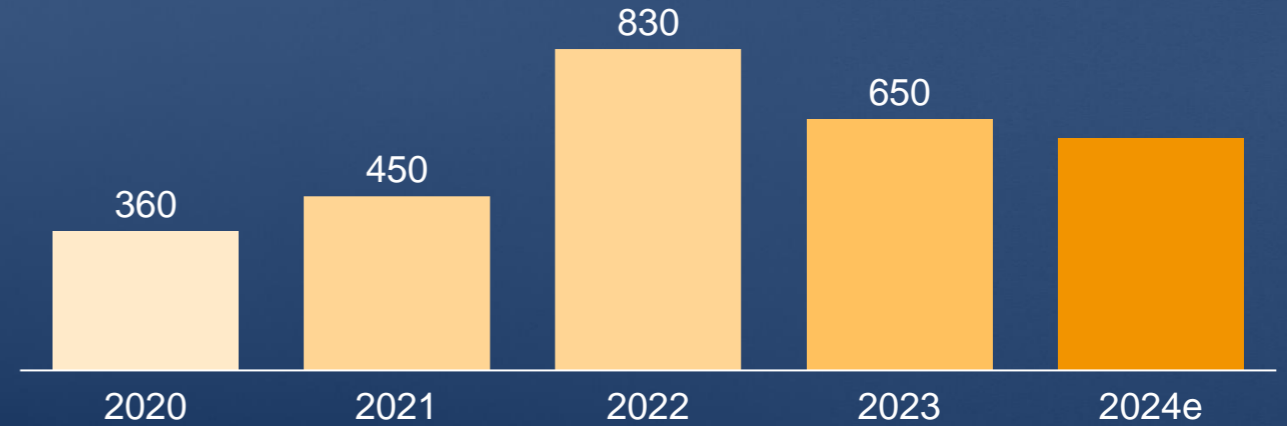
Spot electricity prices & hedges

Hedges provide protection, but delay exposure to current market prices

Hedges with net benefit of approx. €400m (2021-24 YTD)

— German Electricity (€/MWh) Spot - Ø Purchase Price

Source: EEX, internal



Total energy bill trending lower

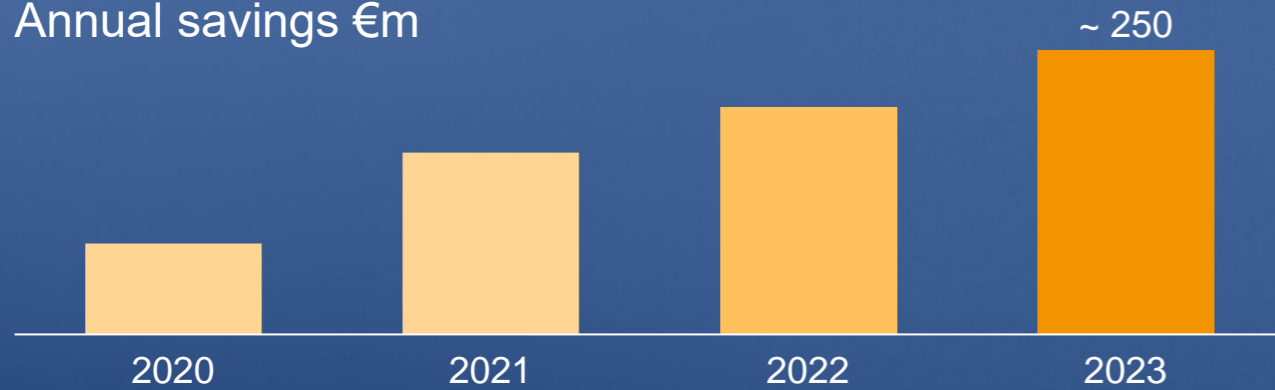
2024e power bill below 2023, but remains well above historic levels

■ Total group energy bill €m

WE IMPROVED OUR RESILIENCE

COST POSITION: STRONG FOCUS ON CONTINUOUS IMPROVEMENTS TO DRIVE PRODUCTIVITY

Annual savings €m



“Shape the Future” program completed

Strengthened customer focus & lean cost structure



Wacker Operating System (WOS)

Continuous productivity management program

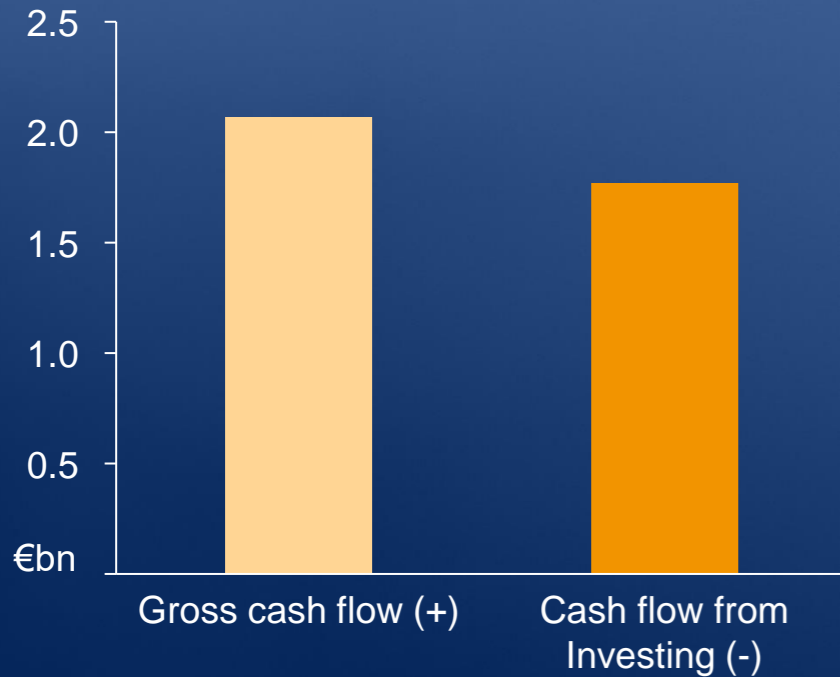
Focus on productivity, yields and specific costs

In 2023: 900 measures implemented with net savings of €40m

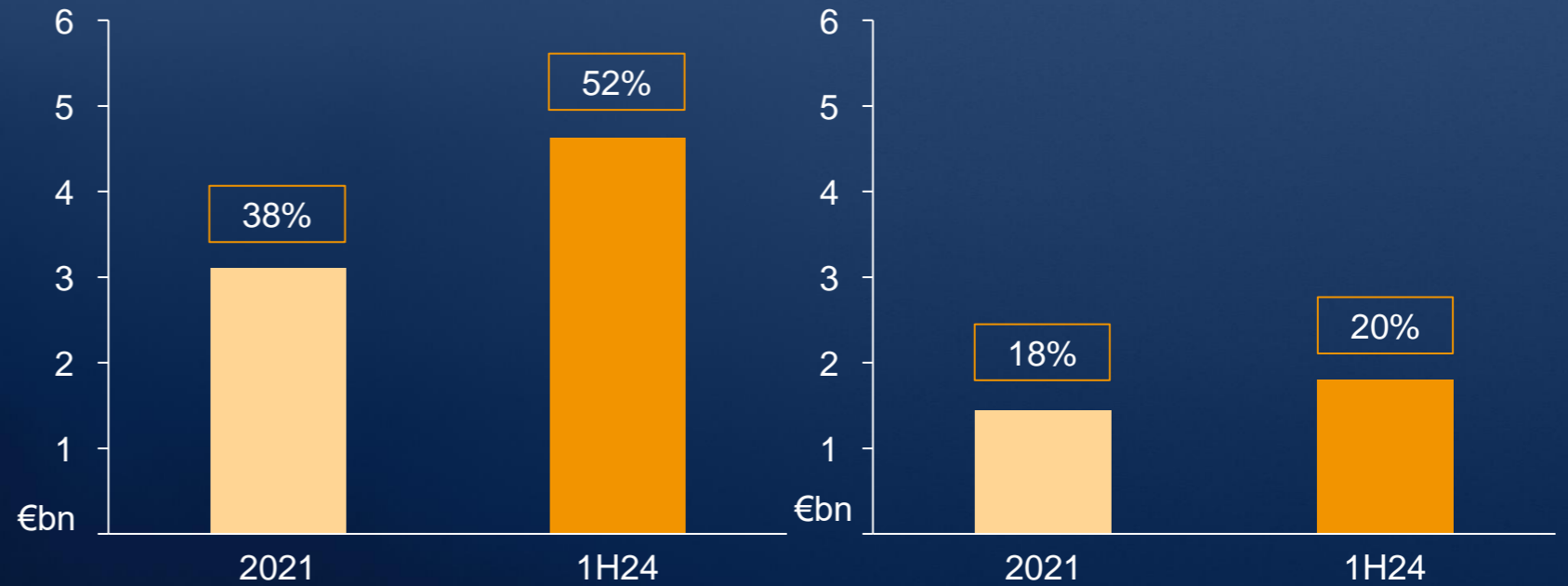
WE IMPROVED OUR RESILIENCE

MAINTAINED SOLID FINANCIALS IN ADVERSE MARKET CONDITIONS

CapEx & acquisitions funded by gross cash flow 2022-1H24



High level of shareholder equity at €4.6bn & low debt



Shareholder equity Equity ratio

Financial Liabilities % of Balance Sheet

**DESPITE VOLATILE MARKETS,
WE STAY THE COURSE
TO OUR 2030 TARGETS**



WE CONFIRM OUR 2030 TARGETS

REFINING OUR STRATEGY TO ADAPT TO CHANGING MARKET CONDITIONS



Group 2030 Targets

Sales: > €10bn



Focus on margin/mix over volume

ROCE: 2x cost of capital



EBITDA margin: > 20%



CO₂e: -50% emissions



CHEMICALS

Grow high-margin specialties

EBITDA margin: > 20%

ROCE: > 2x cost of capital

POLYSILICON

Expand semi position

EBITDA Margin: > 30%

ROCE: > 2x cost of capital

BIOSOLUTIONS

Leverage expanded foundation

EBITDA margin: > 25%

ROCE: >> 1x cost of capital

PATH TO €10BN IN SALES IN 2030: KEY DRIVERS ALONG 4 FOCUS AREAS

Megatrends

Pull from: Sustainability, Smart Construction, Health & Wellbeing, Digitalization



Portfolio management

Focus on high-value-add specialty solutions



Innovation

Bespoke solutions for existing, new and future customer applications



Regionalization

Global production and technical center setup



SUSTAINABILITY DRIVES DEMAND ACROSS ALL SEGMENTS

Product portfolio

2/3 of sales with resource saving technologies



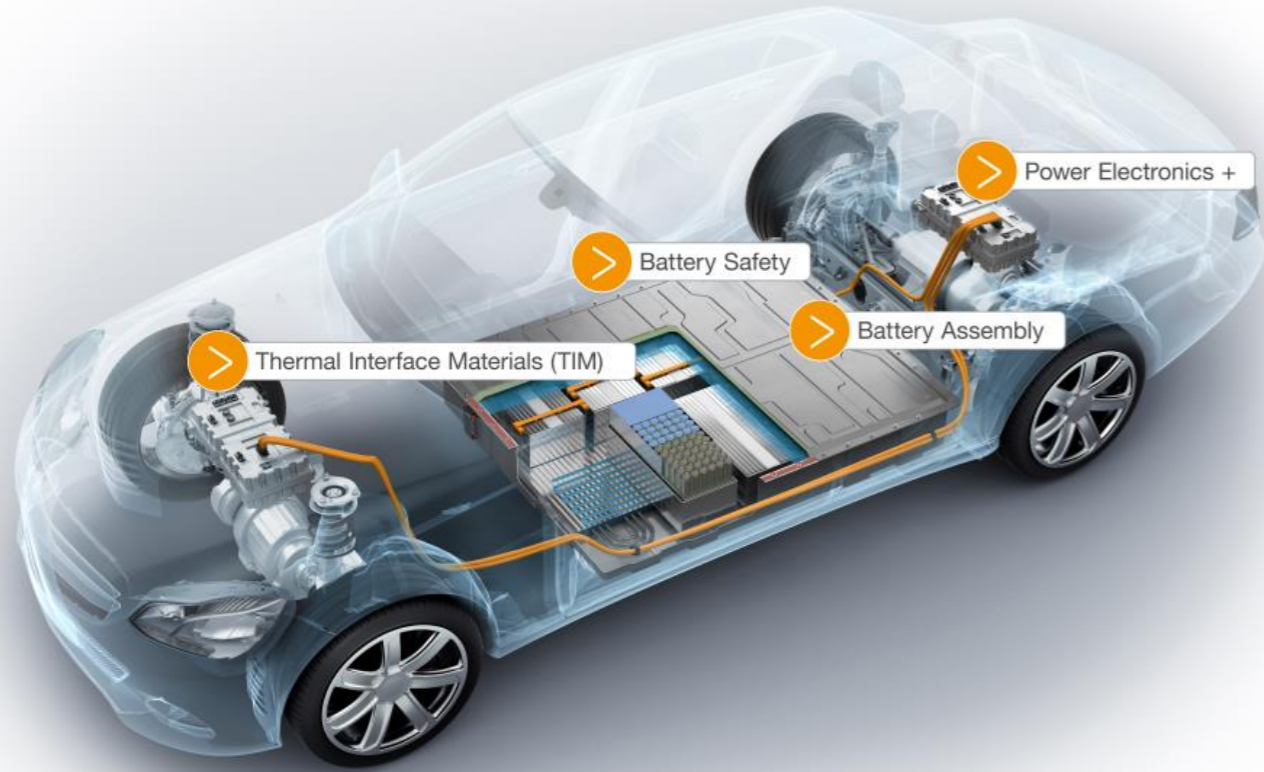
We enable customers to develop sustainable products

Innovative solutions that improve the performance of key CO₂ saving technologies in:

- Smart construction
 - E-mobility
 - Wind & solar renewable energy
 - Bioingredients
 - Digitalization
-

We enable customers to achieve their own sustainability goals

SILICONES: TAILOR-MADE, SPECIALTY SOLUTIONS FOR NEW ENERGY VEHICLES (NEV)



Silicones are essential to a range of key NEV components

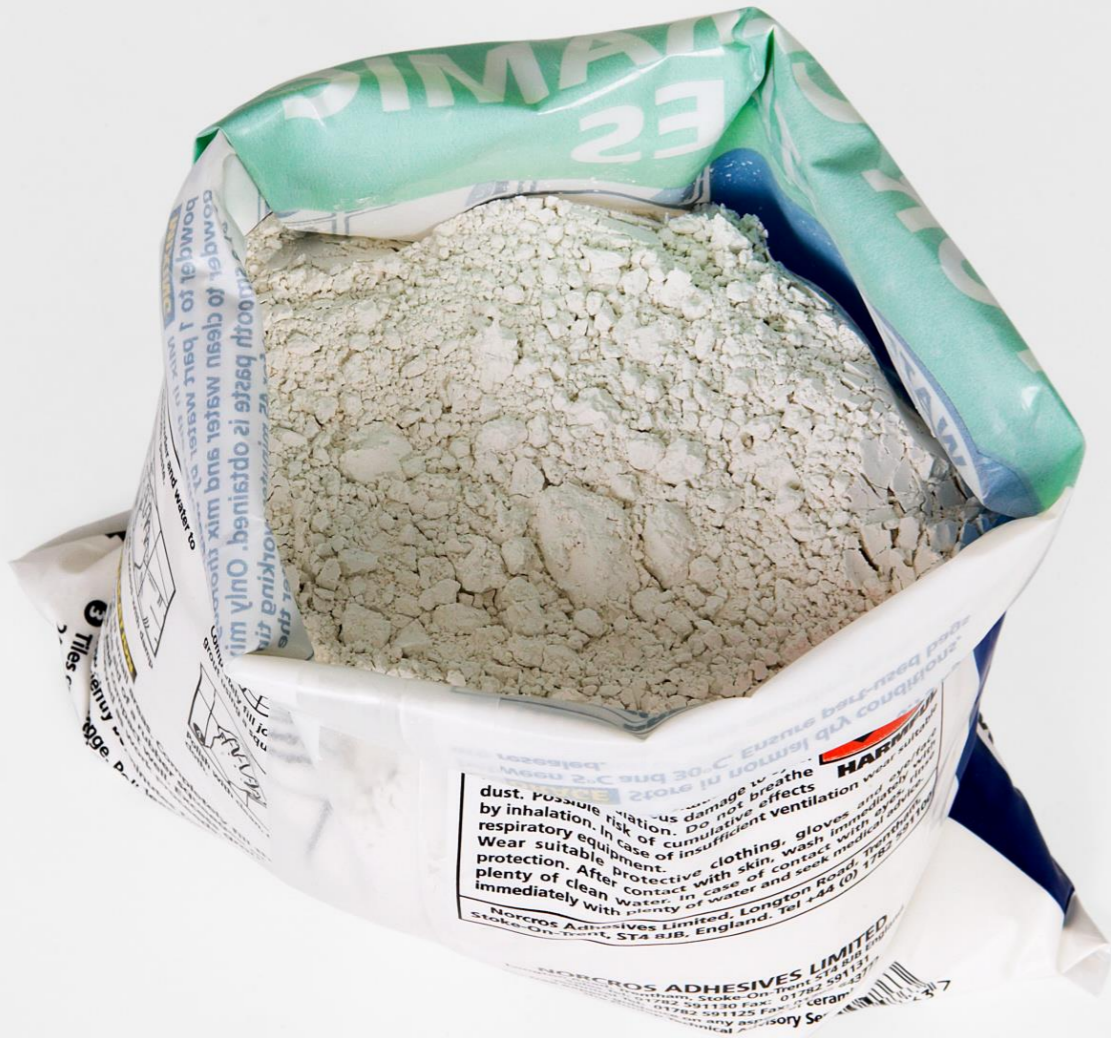
Great performance under demanding conditions

EV's with up to 4x higher silicone content per vehicle

Market outlook

Rapid EV growth needed to meet global climate targets

POLYMERS: DPP ENABLES DRY MIX MORTAR PERFORMANCE & CO₂ SAVINGS



Sustainable solutions needed for cement industry

New, lower CO₂ emission composite cements affect dry mix mortar performance

Additional customer support with formulation know-how required

Market outlook

Cement industry CO₂ reduction targets drive switch to composite cements

SILICONES: BROAD RANGE OF SPECIALTIES FOR BEST-IN-CLASS BUILDING MATERIALS



Hybrid silicones

Continuous development to address new applications

Elastic sealants & adhesives with clear performance benefits

Market outlook

Transformation, substitution & easy formulation drives 10% market growth¹ p.a.

1) Markets and Markets

2) European Commission's Renovation Wave Strategy



Silicone resin emulsion paints

Solutions for long-lasting, energy-saving façades

Water repellent, breathable & UV stable define high-performance advantages

Market outlook

EU Green Deal² as catalyst for renovation rates: up 2x in 2030 vs. 2020

POLYMERS: ENABLING NEW CONSTRUCTION TRENDS WITH HIGH PERFORMANCE SOLUTIONS



Tile adhesives

Transformation from thick-bed
to thin-bed CTA¹



Skim coat

High quality, long lasting &
easy-to-apply finishes



3D printing concrete

Printing buildings or
construction components

Market outlook

Transformation, substitution & sustainability drive demand above global construction growth rates

1) CTA = Cementitious Tile Adhesive

BIOSOLUTIONS: CUTTING-EDGE TECHNOLOGIES FOR NEXT-GENERATION MEDICINES



CDMO with a proven record:

Technologies for recombinant proteins, live microbials, pDNA, mRNA and LNP formulation

Part of German Pandemic Preparedness Program



Market outlook

1,000's of advanced therapies currently in clinical development

BIOSOLUTIONS: PRECISION FERMENTATION FOR SUSTAINABLE PRODUCTS



From pilot to commercial scale production

Serving customers as CDMO and commercializing our own products

Addressing multiple end markets
(food, personal care, flavors and fragrances)

Market outlook

7x increase of precision fermentation market
until 2040¹

1) BCG, „Breaking Cost Barrier in Biomanufacturing“

SILICONES: ADHESIVES FOR HEALTHCARE APPLICATIONS



The preferred solution for advanced wound care

Skin friendly, breathable & atraumatic removal promotes faster wound healing

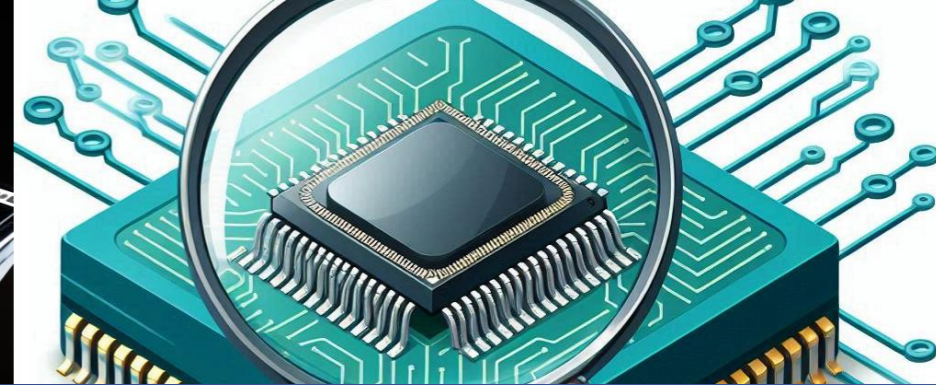
Solutions for existing, new & emerging healthcare applications

Market outlook

Ageing population (> 2bn above 60 by 2050)

Strong growth in new wearables & biomedical device applications

SILICONES: ENABLING VIBRANT DISPLAYS & ADVANCED CHIP MANUFACTURING



Dome encapsulants

New solutions for premium high-resolution mini-LED TVs

Market outlook

6x increase in mini-LED TV sales until 2030 forecasted¹

1) Source: Omdia

Optical bonding

Superior optical stability for automotive & wearable displays

Market outlook

Growth in auto & substitution in wearables drive demand

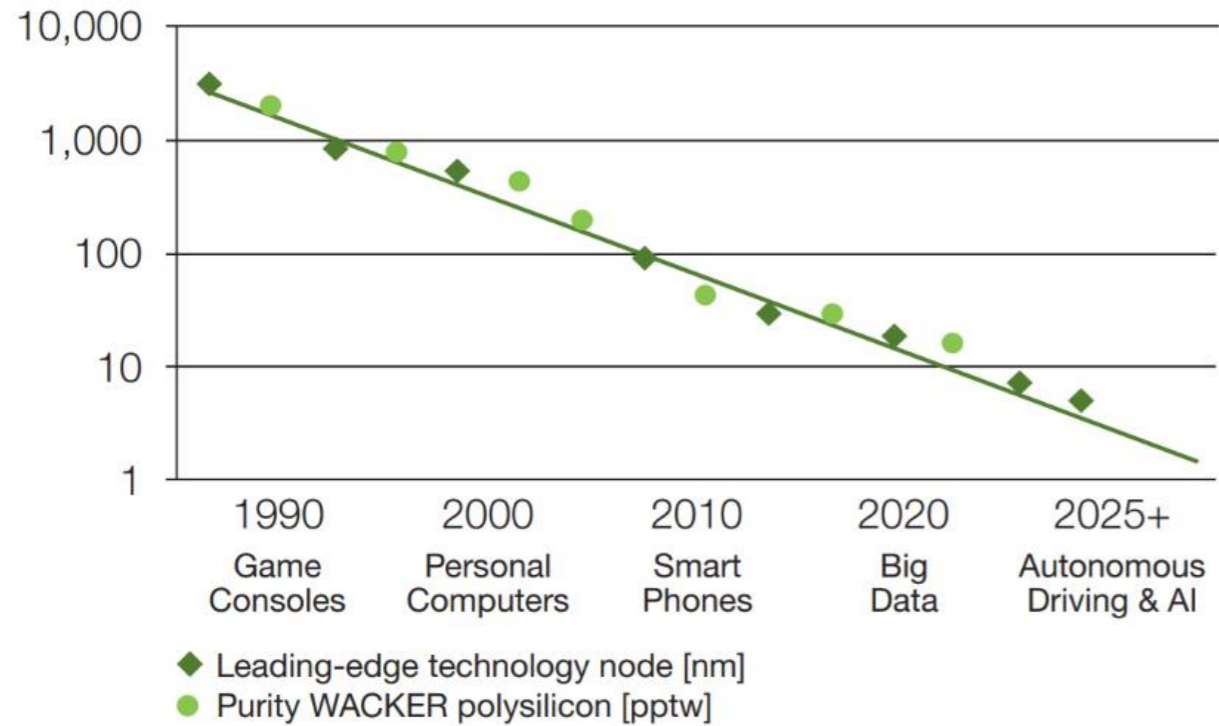
Electronic chemicals

High-purity chemicals essential for high-performance chips

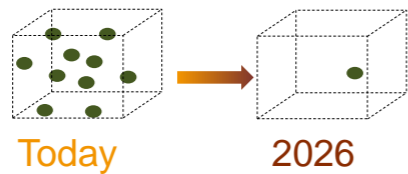
Market outlook

Growth driven by AI & Internet of Things

POLYSILICON: BENCHMARK QUALITY & PROCESS ENABLE LEADING EDGE DESIGN RULES



10x purity, e.g. Iron



Polysilicon requirements constantly higher

Very high requirements = very high barriers to entry

Entirely new, smart advanced reactor control approach drives process excellence

Market outlook

Demand from rapidly growing semi markets: 300mm wafer market 8% CAGR¹ (2022-27)

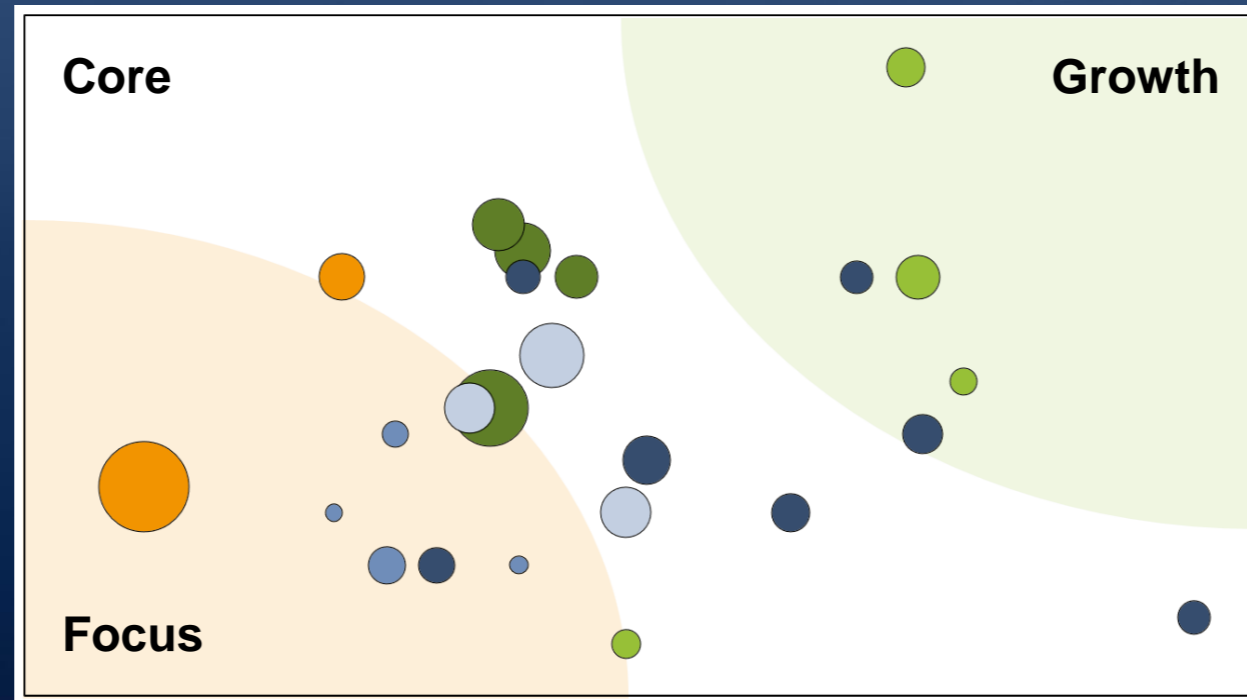
1) WACKER estimates

SILICONES: DIFFERENTIATED FOCUS ON SPECIFIC, HIGH-PRICED SPECIALTY END MARKETS

Looking within Specialties at a granular level with a focus on market attractiveness & ability to win

Core: Differentiated growth approach based on market outlook

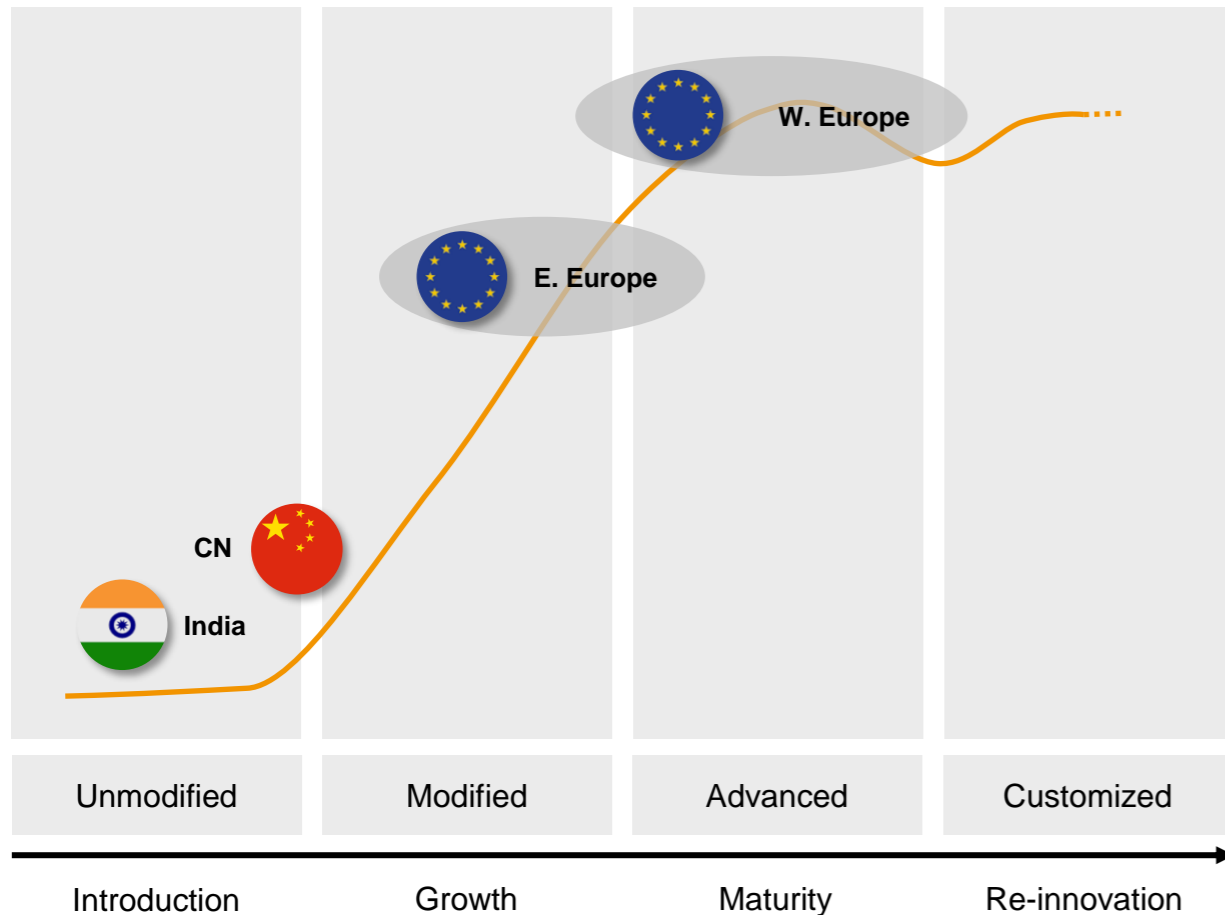
Focus: Profitability improvement & portfolio measures – limited volume growth



Growth: Invest in capacities & capabilities to significantly outgrow market

POLYMERS: FOCUS ON PROFITABILITY & PORTFOLIO EXPANSION

Regional life cycle for CTA (growth rates)



Differentiated strategy to capture specific regional opportunities

Introduction – Transform via market education & technical support

Growth – Increase market penetration via portfolio offering & innovation

Maturity & beyond: Develop markets to higher performance & customized products (e.g. hydrophobicity, rheology)

Leverage diverse, sustainable portfolio to meet specific customer needs (e.g. composite cement)

A GLOBAL NETWORK: PROJECTING R&D INTO THE REGIONS

22 technical competence centers
close to customers

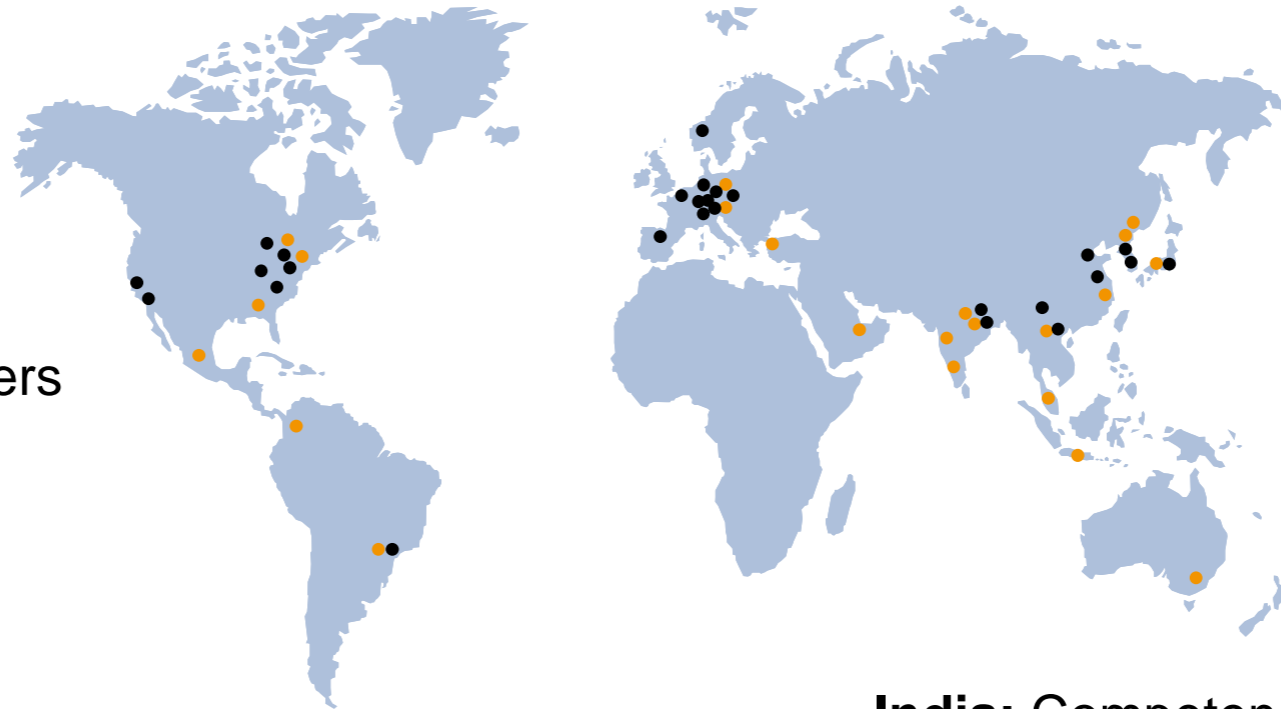
USA: Regional innovation centers
for silicones & polymers

Germany: Consortium
corporate R&D

China: Competence
center for cement &
concrete

Korea: Center of
excellence electronics

India: Competence center
for personal care & textiles



● Production:
(Europe 10 | America 8 | Asia 9)

● Technical Competence Centers
(Europe 3 | America 6 | Asia 13)

A GLOBAL NETWORK: WACKER ACADEMIES CLOSE TO CUSTOMERS



14 academies



500+ experts/trainers

Since 2021:



2,300+
events



33,000+
participants



The ACADEMY is a key differentiator

Combining product, application & service to keep and win customers

Equipped for in-person & virtual trainings

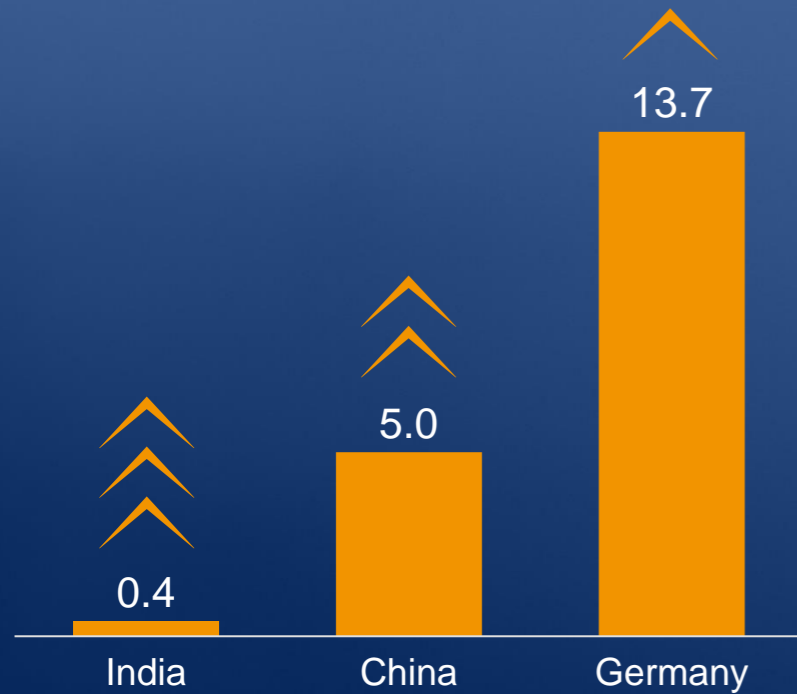
Drive value-based substitution, transformation

SILICONES: Accelerate innovation with bespoke, industry specific solutions

POLYMERS: Individual service to support & educate customers: global key accounts to local champions

SILICONES: CATCH UP DRIVES GROWTH IN CHINA & INDIA

Silicones Consumption €/capita¹



 Growth rate (CAGR)

1) The Freedonia Group

China

Market driven by economic growth & higher purchasing power

Strong focus on high-end specialties to counter competitive environment

Site extension at Zhangjiagang & leverage SICO JV to benefit from regional growth

Employees: ~ 1,200

India

Up and coming market driven by rise of the middle-class

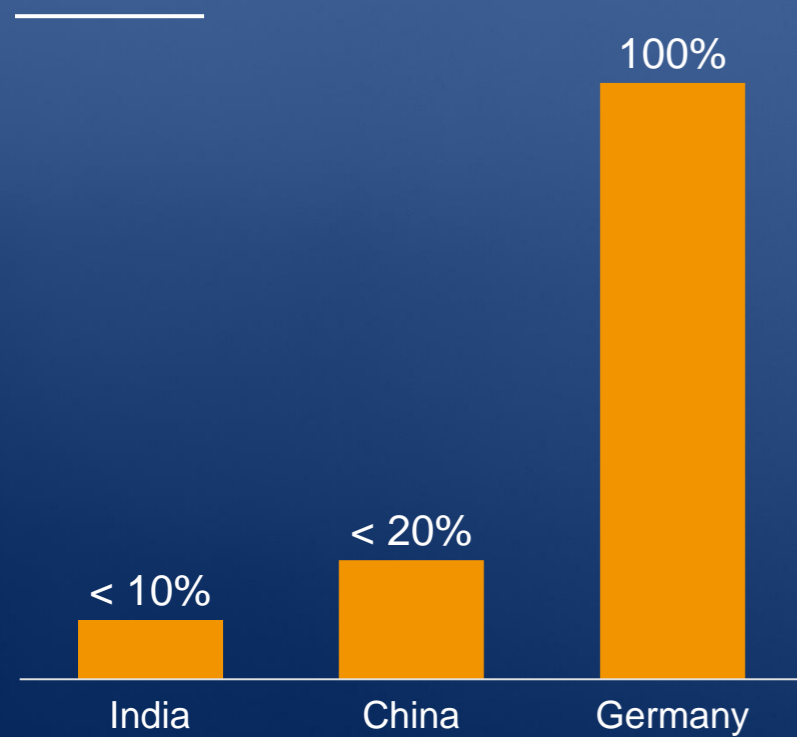
Build on #1 position, with strong local partner Wacker Metroark Chemicals

Increase asset base at new site in Panagarh

Employees: ~ 300

POLYMERS: CAPTURE CATCH-UP OPPORTUNITY IN CHINA & INDIA

Polymer-modified CTA penetration¹



■ % Ceramic tile adhesive (CTA) polymer modified

1) FRCST2022mecs, Markets and Markets, and WACKER estimates. Tiles considered only

China

Growth driven by growing middle-class, higher building standards & efficiency

Doubled Nanjing capacities to support domestic market in 2023

Employees: 200

India

Growth driven by urbanization, high building rates & establishment of standards

Doubled capacity in Korea to support Asian markets (e.g. India) in 2019

Employees: 50

Transform markets & expand customer portfolio via technical support & market education

IN SUMMARY

We confirm our 2030 targets

Our strategy continues to evolve & adapt:
Clear focus on margins & profitable growth

Our industry growth trends are firmly intact

We invest in specialty growth & efficiency

We maintain strong, resilient financials





**WE MAINTAIN STRONG,
RESILIENT FINANCIALS**

WE CONFIRM OUR 2030 TARGETS

REFINING OUR STRATEGY TO ADAPT TO CHANGING MARKET CONDITIONS



Group 2030 Targets

Sales: > €10bn



Focus on margin/mix over volume

ROCE: 2x Cost of Capital



EBITDA Margin: > 20%



CO2e: -50% Emissions



EBITDA: DRIVE GROUP MARGINS TO >20% BY 2030



CHEMICALS

Grow high-margin specialties & capitalize on regional opportunities

EBITDA margin: > 20%

ROCE: > 2x cost of capital

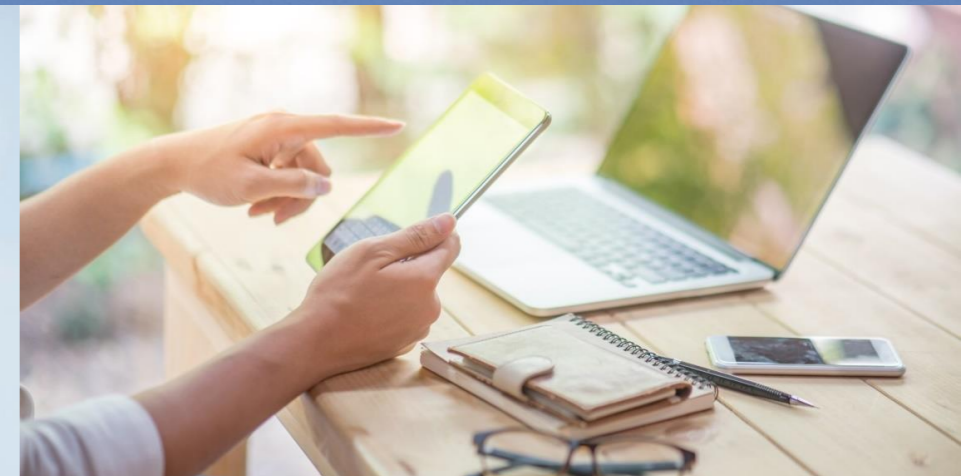


BIOSOLUTIONS

Leverage technology and fill new capacities

EBITDA margin: > 25%

ROCE: >> 1x cost of capital



POLYSILICON

Continue semi expansion & capitalize on regional solar prices

EBITDA margin: > 30%

ROCE: > 2x cost of capital

MAINTAINING RESILIENCE

WELL POSITIONED FOR DYNAMIC MARKETS: CLEAR FOCUS ON 4 AREAS

Sales Risk



Supply Risk



Cost Risk



Financial Position



SALES RISK: ADDRESSED BY PRICING INITIATIVES AND PORTFOLIO MANAGEMENT

Successful pricing initiatives

POLYMERS

Established playbook to address volatility in raw material prices

Clauses protecting against inflation

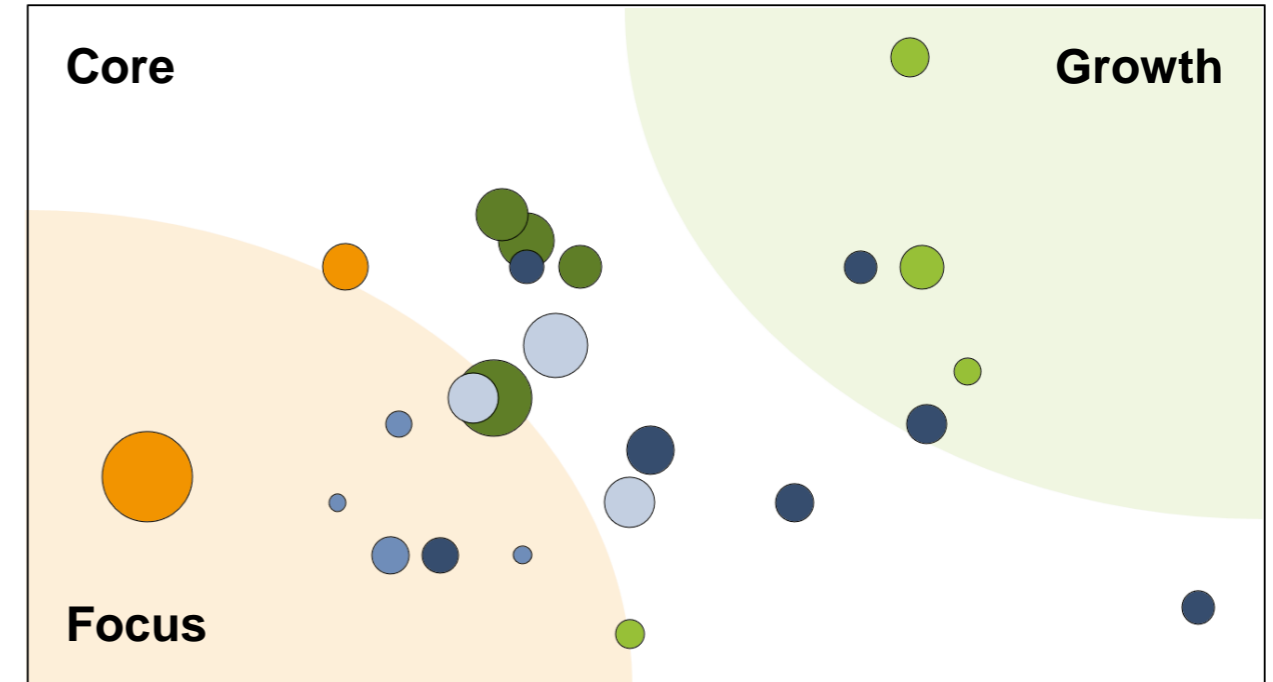
SILICONES specialties

Higher stability and predictability of sales

Customer benefit enables value-add pricing

Price adjustments over contract duration

Stringent Portfolio Management



Looking within specialties at a granular level with a focus on market attractiveness & ability to win

SUPPLY RISK: SOURCING INITIATIVES TO MITIGATE PRICE VOLATILITY & RISKS

Long-term strategies



LTAs, selective backward integration



Diversified supplier portfolio



Staggered contract portfolio



Hedging strategies



Climate related risks

Short-term actions



Tactical buying to exploit pricing volatility



Further expanding supplier portfolio



E-auctions



Adjusting hedging strategies

SUPPLY RISK: MITIGATING CO₂ EMISSION RISKS FROM SILICON METAL IN NORWAY



The Challenge

Silicon metal smelter generates unavoidable CO₂ emissions of ~ 400,000t p.a.

1) Financial risk based on EUA ETS prices (e) & hypothetical zero free carbon credit allocation, Statista.com

Growing financial risk¹ due to higher CO₂ prices



The Solution

Secured green electricity with long-term PPAs

Substitute coal with biobased reductants

COST RISK:

CLEAR FOCUS ON COST & EFFICIENCY MEASURES



SAVINGS
> €100m p.a.



SAVINGS
> €75m p.a.



SAVINGS
> €25m p.a.

Digitalization & automatization

Automation of production processes

Advanced process control and machine learning

Specific initiatives 2024-26

Focus on maintenance spend & processes

Reduce technical & indirect expenditures

Regionalization as cost & efficiency driver

Excellence Hub, Czech Republic centralize support services

Silicones site, Czech Republic efficient production setup

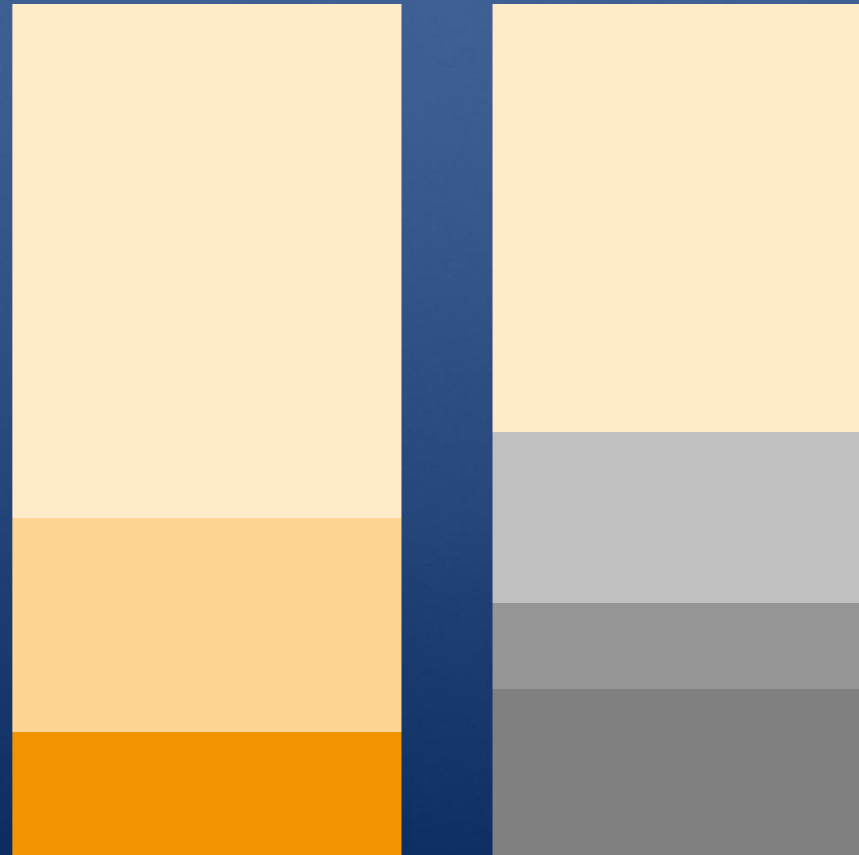
FINANCIAL POSITION: MAINTAIN SOLID CAPITAL STRUCTURE

Group balance sheet – target structure

Non-current assets
CapEx > depreciation

Working capital
DIO: ~ 70 - 80 days
DSO: ~ 50 days

Liquidity min. 1x annual CapEx



Equity
Equity ratio ~ 50%
Dividend policy: ~ 50% of net income

Financial debt: NFD/EBITDA:
allowing for flexibility around ~ 1.0x

Provisions for pensions

Liabilities/other accruals
DPO: ~ 60 days



**CAPITAL
ALLOCATION
PRIORITIES**

SOLID FINANCIAL FOUNDATION SUPPORTS GROWTH & SHAREHOLDER RETURNS

1. Growth



CapEx: CapEx > Depreciation

M&A: Earnings-accretive / early-stage bolt-ons

2. Shareholder returns



Dividend policy unchanged

~ 50% of net income from continuing operations

Foundation: Strong balance sheet with solid capital structure

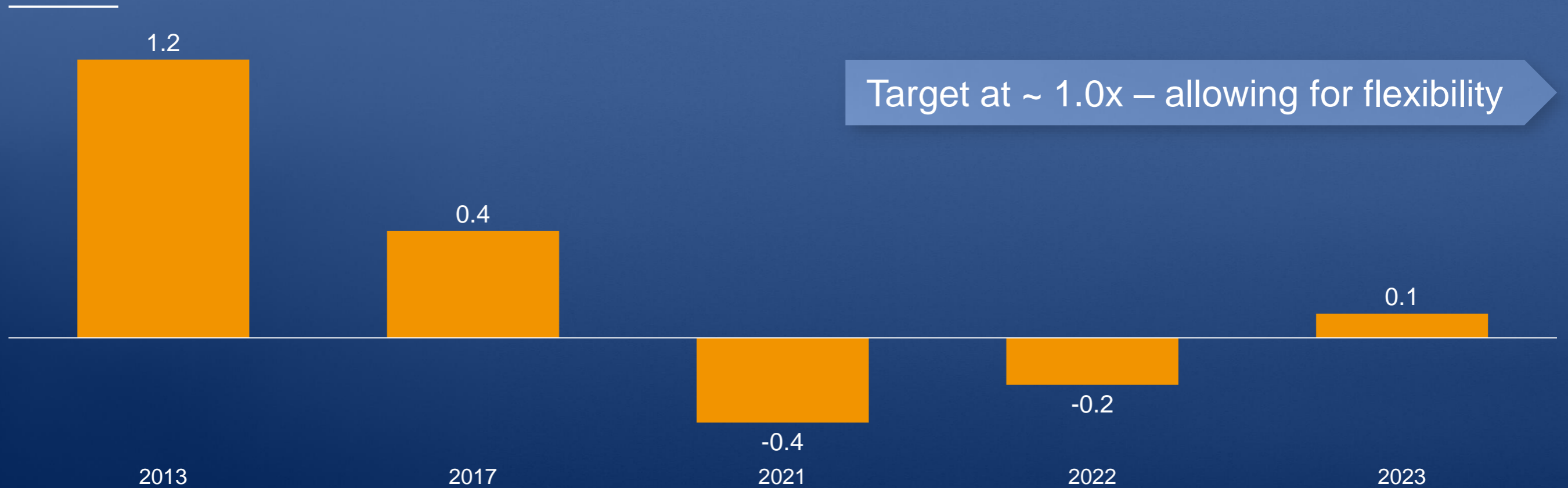
Financial flexibility

Net financial debt / EBITDA target at ~ 1.0x



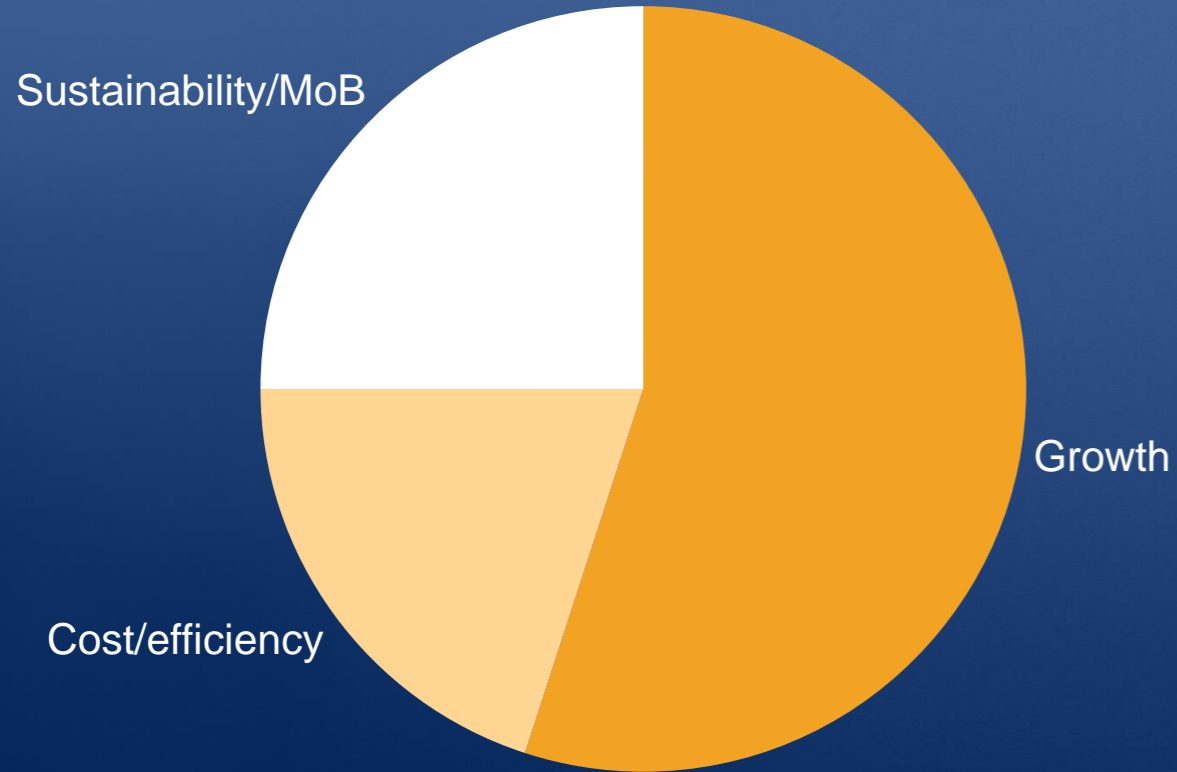
LOW FINANCIAL LEVERAGE ALLOWS FOR FLEXIBILITY IN EXECUTING OUR GROWTH STRATEGY

Financial leverage (net financial debt/EBITDA)

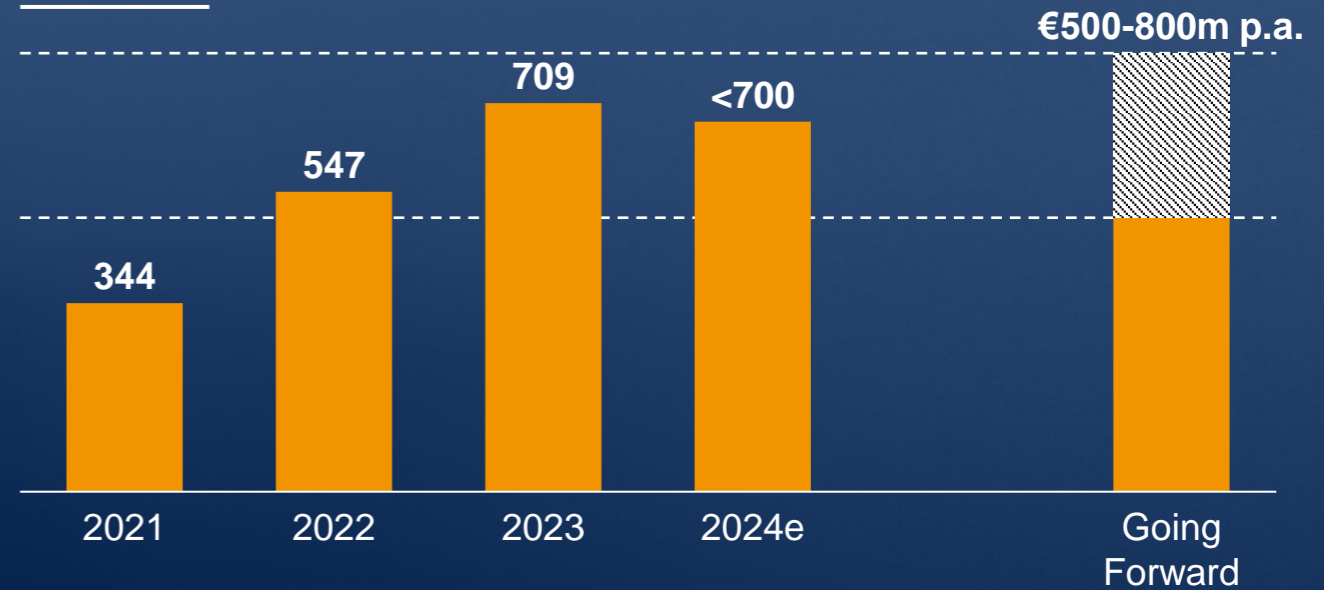


CAPEX WITH FOCUS ON HIGHLY PROFITABLE GROWTH

Target CapEx split 2025-26



Flexible CapEx program



Investments according to market environment

Diversified portfolio of downstream projects

CLEAR INVESTMENT FOCUS 2024-2026



CHEMICALS

Focus on high-value add specialties & regionalization

Earnings-accretive bolt-ons

CapEx: €250 – 425m p.a.



BIOSOLUTIONS

Upgrade facilities & capabilities

CapEx: €40 – 75m p.a.



POLYSILICON

Expand semi technology leadership & capabilities

Investments across all 3 sites

CapEx: €80 – 150m p.a.



INFRASTRUCTURE

Optimize site infrastructure & logistics

CapEx: €80 – 150m p.a.

SIGNIFICANT PROGRESS ON DIVERSIFIED CAPEX PORTFOLIO SINCE 2022

Update on 40 projects highlighted at last CMD

Completed: 25%

On-going: 50%

Postponed: 15%
Stopped: 10%

New projects

BIOSOLUTIONS (Halle)
mRNA



POLYSILICON (BGH)
Etching capacity



SILICONES (ZJG)
Site expansion



POLYMERS
Tandem Asia



SILICONES (BGH)
Midstream



SILICONES (Nünchritz)
Hybrid plant



POLYMERS (CTY)
VAE expansion



POLYSILICON (CHA)
Semi Capacity



RHYME (BGH)
Carbon Capture Use

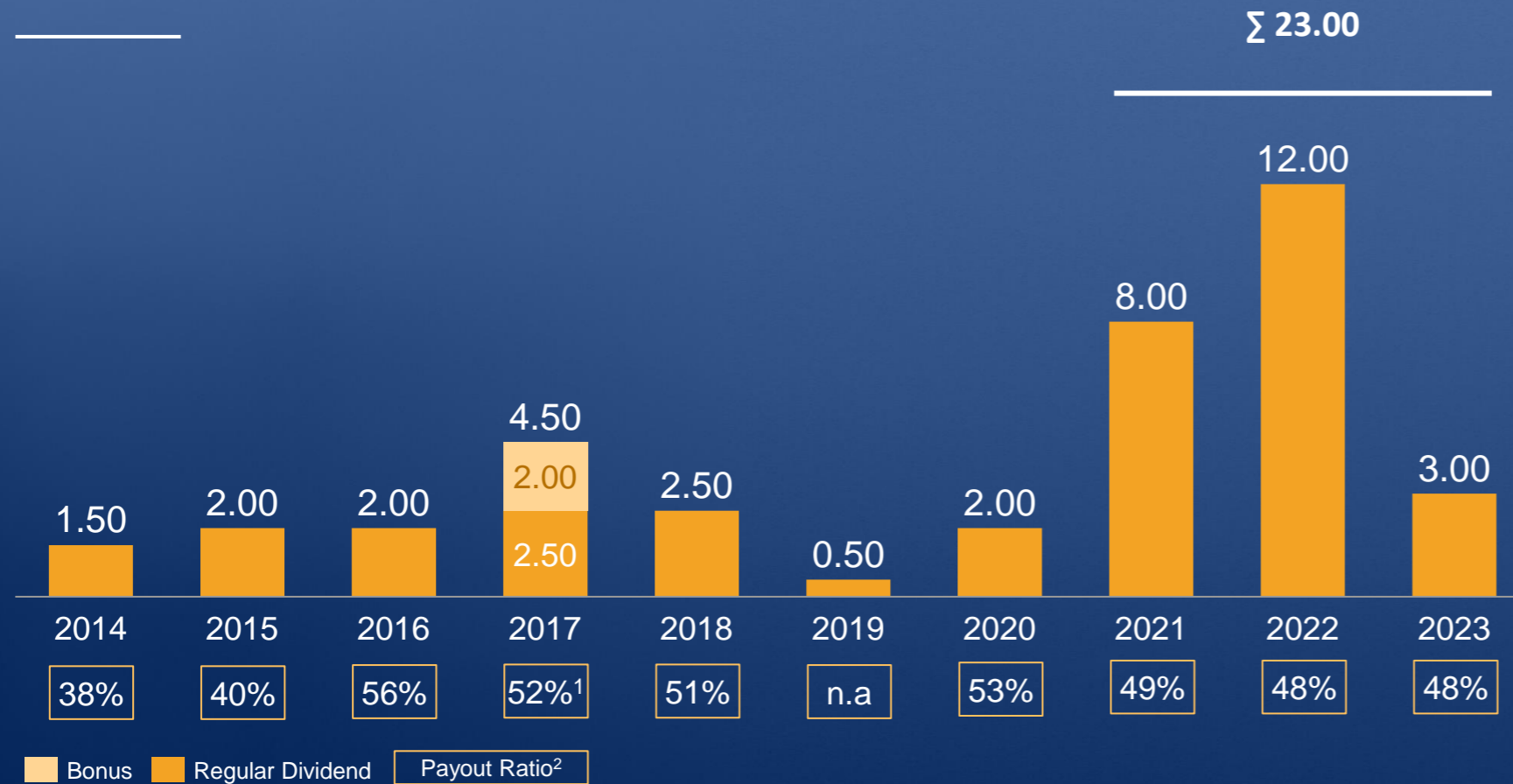


BIOSOLUTIONS (LEN)
BioIngredients



CONSISTENT DIVIDEND POLICY: PAYOUT MATCHES PERFORMANCE

Dividend (€)



Dividend policy:

Unchanged: ~ 50% of net income from continuing operations
Tied to market conditions

Boundary conditions:

Overall business conditions
Financial status
Approval of AGM

**Total payout 2021-2023:
~ €1.1bn**

1) Excluding Bonus 2) Payout ratio = dividend/net income attributable to shareholders of Wacker Chemie AG

Q3 TRADING UPDATE

GROUP EBITDA AT Q2 LEVEL – NO FY GUIDANCE CHANGE

SILICONES

Sales similar to Q2, EBITDA slightly higher

Order intake softer during summer

No turnaround in Q3

POLYMERS

Sales slightly weaker than Q2, EBITDA flat

Consumer with good demand

Construction markets stay weak

BIOSOLUTIONS

Sales at Q2 level

Q3 EBITDA at low-double-digit million

POLYSILICON

Sales and EBITDA below Q2 on lower volumes

Solar: Uncertainty from US anti-dumping proceeding

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Financial Calendar

09/18+19/24 CMD Burghausen

10/29/24 Q3 2024 Results

Additional Information



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