

# PRESS RELEASE

Number 12

*Wacker Chemie AG's Figures for Q1 2024 (unaudited)*

## WACKER Stays Below Prior-Year Figures Amid Lower Selling Prices in Q1

- ◆ GROUP SALES FOR Q1 2024 REACH €1.5 BILLION, DOWN 15 PERCENT YEAR OVER YEAR AND UP 8 PERCENT QUARTER OVER QUARTER
- ◆ EBITDA DECLINES 39 PERCENT TO €172 MILLION COMPARED WITH PREVIOUS YEAR DUE TO LOWER SELLING PRICES
- ◆ EARNINGS GENERATED BY OPERATING SEGMENTS TREND AS EXPECTED
- ◆ NET INCOME FOR Q1 TOTALS €48 MILLION
- ◆ PRESIDENT AND CEO CHRISTIAN HARTEL: "THE AMOUNT OF INCOMING ORDERS WAS HIGHER THAN LAST QUARTER. OUR CUSTOMERS HAVE STARTED TO REPLENISH THEIR INVENTORIES FROM THE RECENTLY VERY LOW LEVELS. BUT THIS CANNOT YET BE SEEN AS A DISTINCT SIGN OF A LASTING TURNAROUND."
- ◆ FULL-YEAR FORECAST CONFIRMED

**Munich, April 25, 2024** – Wacker Chemie AG closed Q1 2024 with lower sales and earnings than the strong prior-year quarter. The chemical group generated sales of around €1.5 billion in the reporting quarter, 15 percent less than a year earlier (€1.74 billion). This decrease was chiefly due to lower selling prices. By contrast, sales rose 8 percent compared with the preceding quarter (€1.38 billion).

In Q1 2024, WACKER posted EBITDA (earnings before interest, taxes, depreciation and amortization) of €172 million, 39 percent lower than in the same period last year (€281 million). Compared with the preceding quarter (€135 million), EBITDA rose 27 percent. The lower earnings year over year were primarily due to lower selling prices as well as negative exchange-rate effects. Compared with a quarter earlier, consistent cost-cutting measures had a positive impact on EBITDA. The earnings generated by the operating segments in Q1 trended as expected. The EBITDA margin was 11.6 percent for the period from January through March 2024 (Q1 2023: 16.1 percent), and 9.8 percent for the prior quarter.

Group earnings before interest and taxes (EBIT) declined markedly compared with the previous year as a result of the factors mentioned, totaling €63 million in the quarter under review. This represents 65 percent less than a year earlier (€178 million) and corresponds to an EBIT margin of 4.2 percent (Q1 2023: 10.2 percent). Net income for the reporting quarter totaled €48 million (Q1 2023: €147 million), equating to an earnings per share of €0.89 (Q1 2023: €2.90).

WACKER confirmed its forecast for 2024, in which it expects business to slow slightly compared to last year. Sales are forecast at between €6 billion and €6.5 billion. The chemical group expects EBITDA between €600 million and €800 million. At the same time, WACKER expects volume growth and lower selling prices.

“As expected, the ongoing economic downturn and lower selling prices are reflected in our figures,” said Group President & CEO Christian Hartel on Thursday in Munich. “Our sales and earnings were down on the strong prior-year quarter.” Compared with Q4 2023, the amount of incoming orders rose again. “Our customers

have started to replenish their inventories from the recently very low levels. The demand for silicones in particular trended upward in the first quarter,” said Hartel. “But this cannot yet be seen as a distinct sign of a lasting turnaround.”

WACKER is responding to the persistently weak market environment with consistent cost-cutting measures. “We will continue to pursue a restrictive personnel policy, streamline processes, and cut non-personnel costs,” explained Hartel. However, the CEO was confident about the medium to long term, adding that WACKER was well positioned strategically and financially. “We remain committed to our 2030 growth targets,” emphasized Hartel, saying that business would be driven by global megatrends such as renewable energy, electromobility, digitalization and biopharmaceuticals.

### **Regions**

Sales in Q1 2024 across all regions were lower than last year. Sales in Asia totaled €573 million, down 22 percent on the previous year (€733 million). The Americas saw sales decline 7 percent in the reporting quarter to €258 million (Q1 2023: €278 million). In Europe, sales amounted to €573 million (Q1 2023: €649 million), corresponding to a decline of 12 percent.

### **Capital Expenditures and Net Cash Flow**

At €117 million, the Group’s capital expenditures in Q1 2024 were 12 percent higher than a year earlier (€104 million). WACKER’s investment focus was on expanding capacity across its four business divisions in Europe, Asia and the USA. One of the projects, for example, involves the expansion of production capacity in Burghausen for semiconductor-grade polysilicon. In Calvert City,

USA, WACKER is increasing its polymer capacity. At the biotech site in Halle, an mRNA competence center is under construction and set to open in June 2024. In Karlovy Vary in the Czech Republic, WACKER is investing in a new production site for silicones which is scheduled to enter operation in 2025.

Net cash flow in Q1 2024 amounted to €-126 million, down significantly on the prior-year figure (€49 million).

### **Employees**

WACKER's global workforce increased slightly in the reporting quarter. The Group had 16,425 employees on March 31, 2024 (December 31, 2023: 16,378), of which 10,641 employees were at WACKER's sites in Germany (December 31, 2023: 10,621) and 5,784 at its international sites (December 31, 2022: 5,757).

### **Business Divisions**

In Q1 2024, **WACKER SILICONES** generated total sales of €710 million, 7 percent lower than in the same period last year (€760 million). The decline was mainly due to lower prices. Compared with a quarter ago (€610 million), however, the division's sales rose 17 percent, reflecting the improvement in customer demand as against the previous quarter. At €81 million, WACKER SILICONES saw its EBITDA decline 15 percent compared with the previous year (€96 million) but more than double compared with the preceding quarter (€37 million). This was due to higher sales as well as higher plant-utilization rates, lower raw-material prices, and positive investment income. The EBITDA margin for Q1 2024 was 11.4 percent, after 12.6 percent in Q1 2023 and 6.1 percent in Q4 2023.

Total sales at **WACKER POLYMERS** amounted to €372 million in the reporting quarter, 13 percent lower than a year earlier (€428 million). This was chiefly due to lower prices. By contrast, sales increased 9 percent compared with the preceding quarter (€342 million). In Q1 2024, EBITDA amounted to €56 million, down 21 percent on the previous year (€71 million). This decrease is due to lower selling prices with slightly higher volumes. Compared with a quarter earlier (€32 million), EBITDA increased 75 percent driven primarily by higher sales and increased plant utilization rates. In Q1 2024, the EBITDA margin amounted to 15.0 percent, after 16.6 percent in the previous year and 9.3 percent in the previous quarter.

**WACKER BIOSOLUTIONS** generated total sales in Q1 2024 of €72 million, slightly lower than a year earlier (€77 million). Compared with the preceding quarter (€93 million), sales decreased 23 percent, chiefly due to lower volumes. EBITDA reached €4.6 million in the reporting quarter, up significantly on last year (€-1.6 million), due to a better product and contract mix in the biopharmaceutical business. Compared with a quarter earlier (€11.7 million), this corresponds to a decrease of 61 percent. The EBITDA margin was 6.4 percent after -2.1 percent in the previous year and 12.6 percent in Q4 2023.

**WACKER POLYSILICON** posted total sales of €300 million in the reporting quarter down 32 percent year over year (€441 million). Compared with the preceding quarter (€303 million), sales remained stable. This year-over-year decrease was primarily due to significantly lower prices for solar-grade polysilicon. WACKER POLYSILICON's reporting-quarter EBITDA amounted to €43 million, decreasing 56 percent as against the previous year (€98 million) owing again to the price trend. Compared with a quarter earlier (€21 million), EBITDA

more than doubled. Among other items, lower energy prices had a positive impact here. In addition, prior-quarter earnings were impacted by year-end effects. The division's EBITDA margin was 14.5 percent for the period from January through March 2024, after 22.2 percent in Q1 2023 and 6.8 percent in Q4 2023.

**Outlook**

WACKER detailed its projections for the Group's performance this year in the Outlook section of its 2023 Annual Report. The company has now confirmed this forecast. WACKER expects business to be slightly down in 2024, given the persistently weak market environment. Its sales guidance is in the range of €6 billion to €6.5 billion. EBITDA is predicted at between €600 million and €800 million. The EBITDA margin is likely to be markedly lower than last year, with capital expenditures slightly below the prior-year figure. Investments will far exceed the level of depreciation and amortization, which is expected at €450 million in 2024. WACKER expects net income to be substantially lower year over year. Net financial debt is projected to be higher. Net cash flow is likely to be negative in 2024 and significantly below last year's figure.





**Key Figures for the WACKER Group**

€ million	<b>Q1 2024</b>	<b>Q1 2023</b>	<b>Change in %</b>
Sales	1,489.5	1,744.0	-14.6%
EBITDA	172.1	281.0	-38.8%
EBITDA margin (%)	11.6	16.1	–
EBIT	63	178.1	-64.6%
EBIT margin (%)	4.2	10.2	–
Financial result	-1.1	-6.0	-81.7%
Income before income taxes	61.9	172.1	-64.0%
Net income for the period	48.4	147.2	-67.1%
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Earnings per share (€)	0.89	2.90	-69.3%
Capital expenditures	117.2	104.1	12.6%
Depreciation/amortization	109.1	102.9	6.0%
Net cash flow	-126.4	49.4	>100

€ million	<b>March 31, 2024</b>	<b>March 31, 2023</b>	<b>December 31, 2023</b>
Total assets	9,020.1	9,593.9	8,854.4
Equity	4,714.2	5,118.3	4,579.9
Equity ratio (%)	52.3	53.3	51.7
Financing liabilities	1,561.8	1,632.0	1,505.6
Net financial assets / net financial debt	-307.5	445.6	-83.7
Employees (number at end of period)	16,425	15,877	16,378

*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 its forward-looking statements, nor does it assume the obligation to do so.*

**For further information, please contact:**

Wacker Chemie AG  
Media Relations  
Manuela Dollinger  
Tel. +49 89 6279-1629  
[Manuela.Dollinger@wacker.com](mailto:Manuela.Dollinger@wacker.com)  
[www.wacker.com](http://www.wacker.com)  
Follow us on:    

**The Company in Brief:**

WACKER is a global company with state-of-the-art specialty chemical products found in countless everyday items, with applications ranging from tile adhesives to computer chips. It has a worldwide network of 27 production sites, 22 technical competence centers and 48 sales offices with some 16,400 employees and annual sales of around €6.4 billion (2023).

WACKER operates through four business divisions. The chemical divisions WACKER SILICONES and WACKER POLYMERS supply products (silicones, polymeric binders) for the automotive, construction, chemical, consumer goods and medical technology industries. WACKER BIOSOLUTIONS, the life sciences division, specializes in bioengineered products such as biopharmaceuticals and food additives. WACKER POLYSILICON produces hyperpure polysilicon for the semiconductor and photovoltaic industries.