



WACKER – Accelerating Proven Successes

Wacker Chemie AG

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WACKER: At a Glance

Facts & Figures

€1.54bn
EBITDA in 2021

14,400
Employees

€6.21bn
Sales in 2021

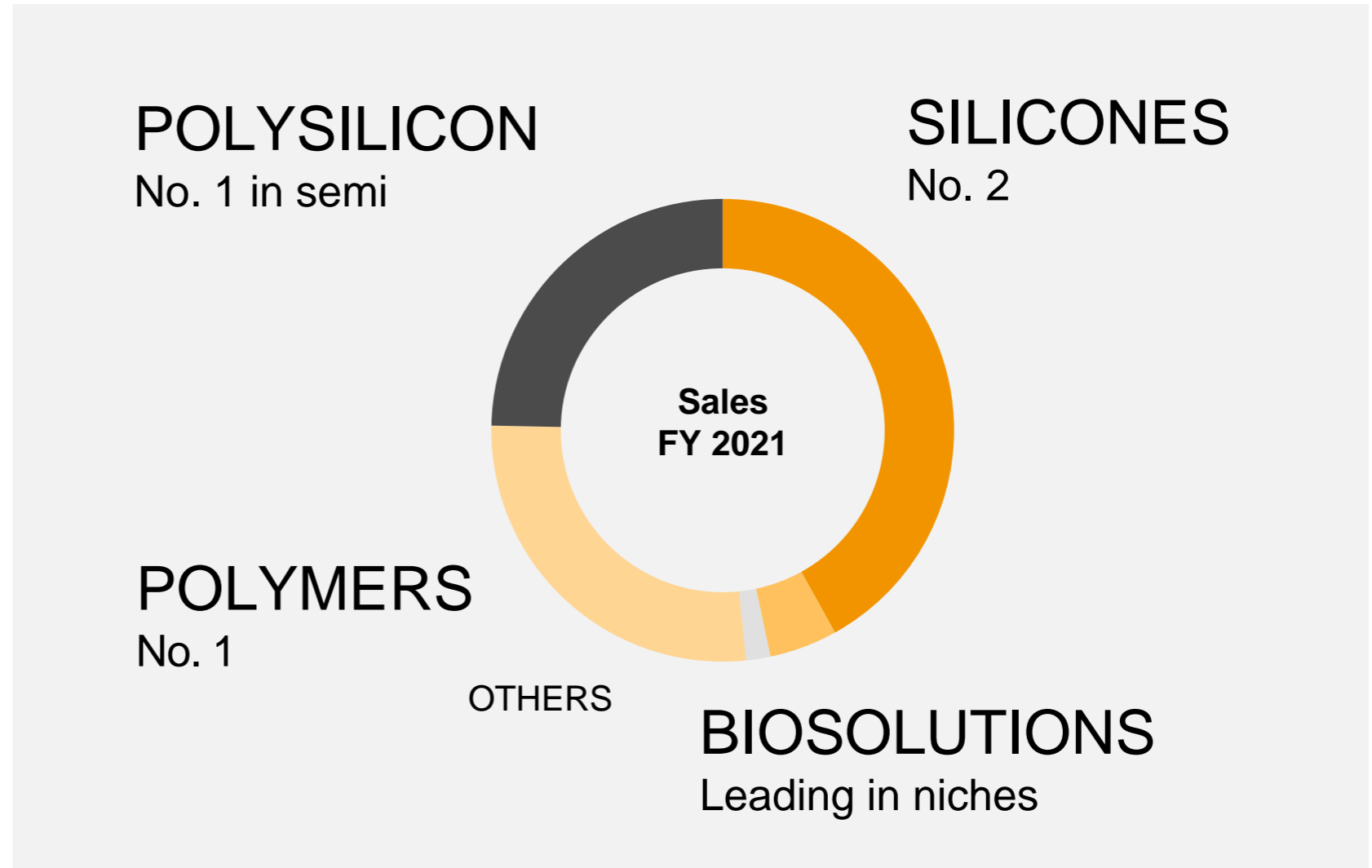
26
Production Sites

24.8%
EBITDA margin
in 2021

23
Technical Centers

4 Business
Segments

45 Scientific
collaborations



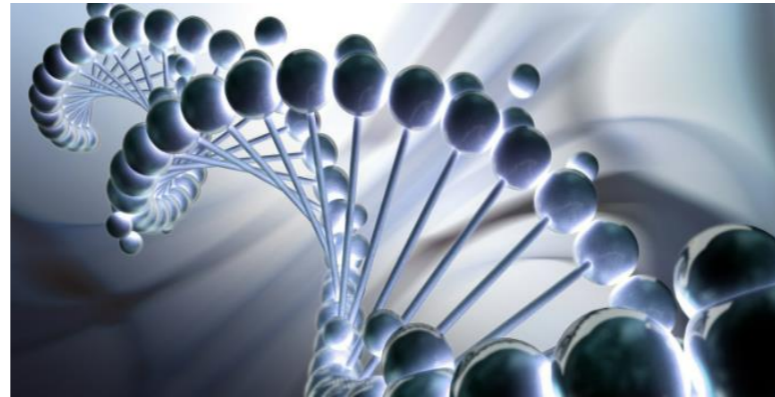
Transformation to Full Specialty Setup



CHEMICALS

Specialty transformation

- ▶ Strong profitability
- ▶ Regional expansion
- ▶ Focused investments



BIOSOLUTIONS

Biotechnology foundation

- ▶ Innovation and technologies
- ▶ Bolt-on acquisitions
- ▶ Leading microbial and advanced medicines CDMO



POLYSILICON

High-end focus

- ▶ #1 in semi
- ▶ Improved mix
- ▶ Reduced costs

SILICONES: At a Glance



The Fully Integrated Specialty Supplier

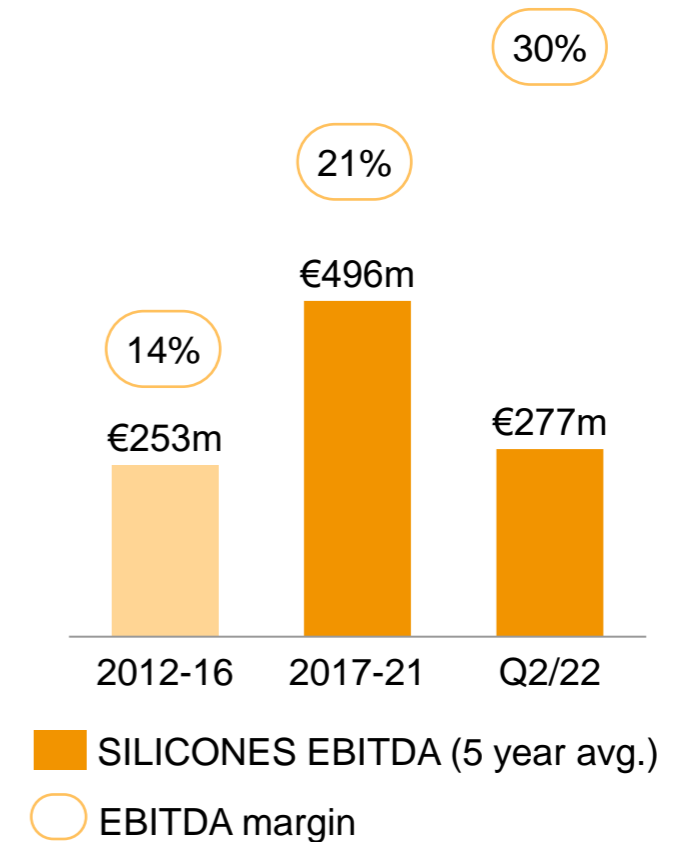
- ▶ Customer's first choice for innovative and customized solutions in all regions
- ▶ Benchmark production and service close to customers



Sustainability Pull For Specialty Solutions

- ▶ Silicones with unmatched performance & versatility
- ▶ Smart Construction, E-mobility, Renewable Energy, Sustainable Raw Materials

Financial Performance



POLYMERS: At a Glance



VAE/DPP Capacity Leader with World Class Tandems

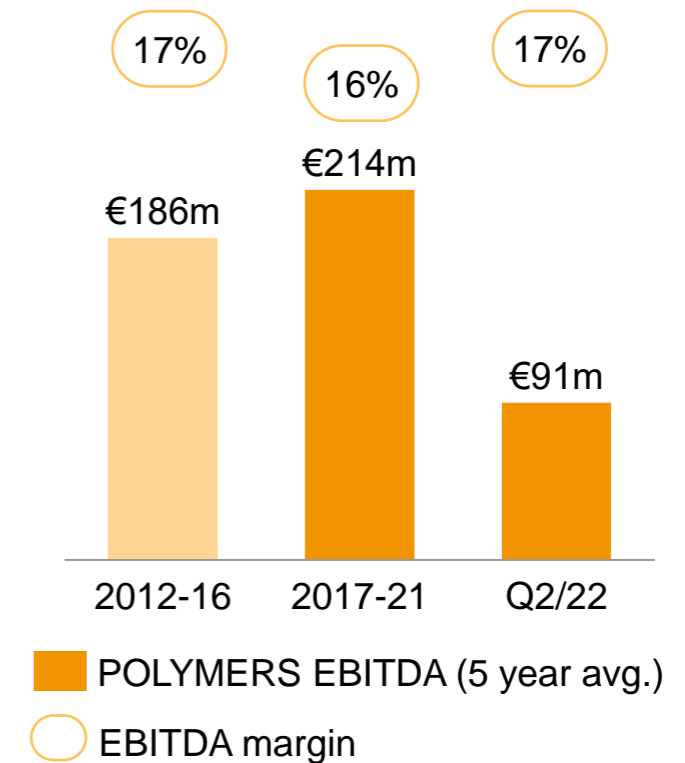
- ▶ Customized service to key accounts and local champions in the regions
- ▶ Addressing individual market requirements
- ▶ Innovation and in-depth formulating expertise



Pull from Sustainability and Smart Construction

- ▶ Performance-based substitution in construction and binder markets
- ▶ Lead transformation to high construction standards
- ▶ Sustainability driven “plastic to paper” trend

Financial Performance



1) DPP = Dispersible Polymer Powders VAE= Vinyl acetate-ethylene

BIOSOLUTIONS: At a Glance



Fast Growing Biotechnology Business

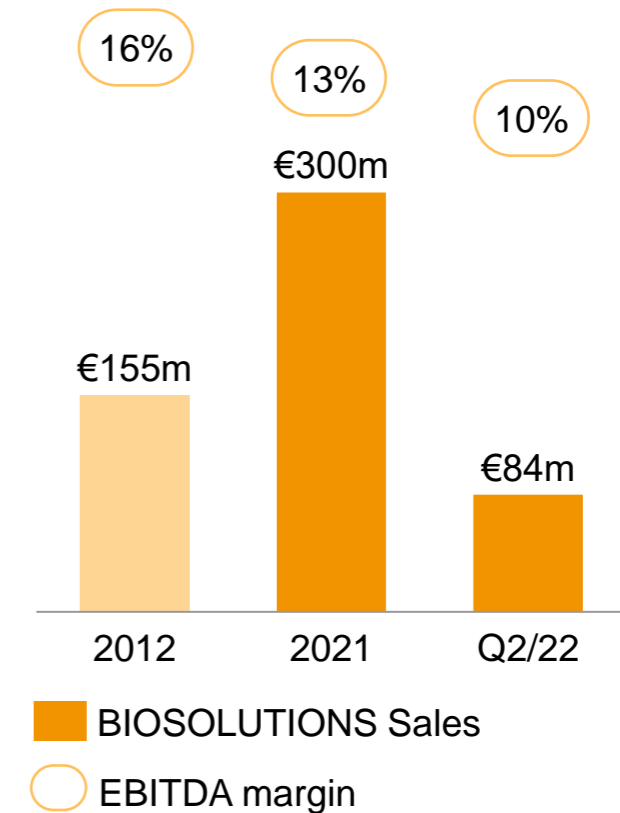
- ▶ Leading microbial manufacturing technologies
- ▶ Jump-started into advanced medicines (mRNA, pDNA)
- ▶ Successfully acquired and integrated 4 biotech sites



Pull from Advanced Medicine and Clean Food

- ▶ CDMO outsourcing trend with high potential
- ▶ Consumer focus on health and well being trend

Financial Performance



POLYSILICON: At a Glance



Leadership in High End Applications Established

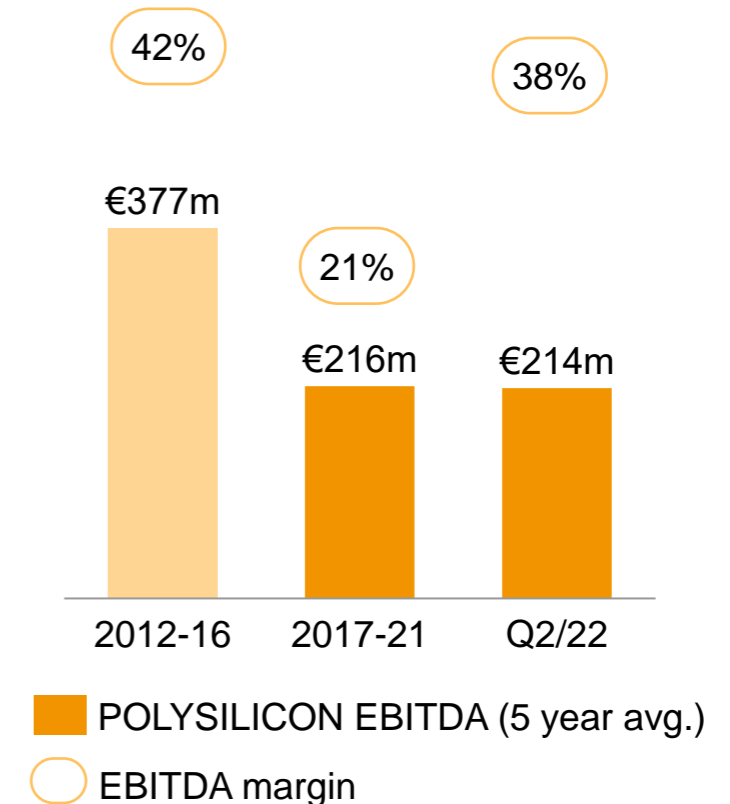
- ▶ #1 Position in Semi – doubled volumes sold in past 5 years
- ▶ Market leader for high-end n-type solar
- ▶ Strong long-standing cooperation with customers



Pull from Rapidly Growing Semi and Solar Markets

- ▶ Strong growing chip demand
- ▶ High efficiency modules require high quality polysilicon
- ▶ Best-in-class sustainability

Financial Performance



Entering a New Phase with New Group Targets & Ambitions for 2030



Faster Growth, Bolder Moves, Higher Profitability

- ▶ SALES: > 10 bn EUR
- ▶ EBITDA Margin: > 20%
- ▶ VOLUME/MIX CAGR: 1.5 – 2 x Historic
- ▶ ROCE: 2x Cost of Capital

Addressing Customer Demand – Segment Strategies and 2030 Targets

CHEMICALS

Accelerate Growth

- ▶ Demand pull from sustainability
- ▶ First choice for innovative and customized solutions
- ▶ Further expansion of global presence, close to customers

Chemicals 2030 targets

- ▶ Volume/Mix CAGR: 6-10%
- ▶ EBITDA Margin: >20%
- ▶ ROCE: >2x Cost of Capital

BIOSOLUTIONS

Incubate, Innovate, Grow

- ▶ Demand pull from advanced medicine and clean food
- ▶ Strong investments in innovation
- ▶ Bolt-on acquisitions

Biosolutions 2030 targets

- ▶ Sales of €1bn by 2030
- ▶ EBITDA Margin: >25%
- ▶ ROCE: >>1x Cost of Capital

POLYSILICON

Strengthen Semi Position

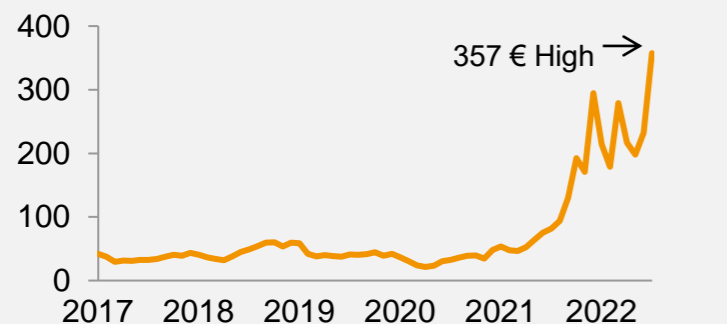
- ▶ Demand pull from rapidly growing semi/solar markets
- ▶ Strong long-standing cooperation with customers
- ▶ Best-in-class sustainability

Polysilicon 2030 targets

- ▶ Double semi volumes sold by 2030
- ▶ EBITDA Margin: >30%
- ▶ ROCE: >2x Cost of Capital

WACKER is Taking Actions for Power and Gas Challenges

Electricity (€/MWh, Germany)

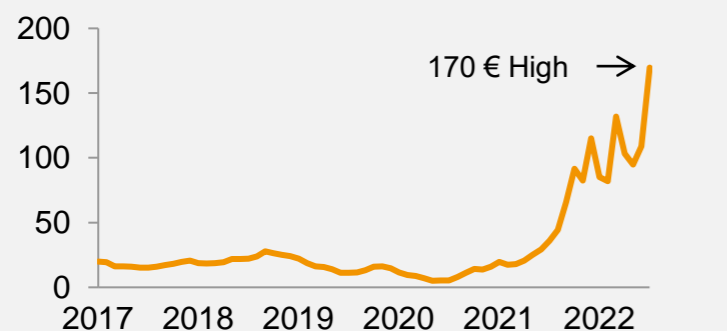


Source: EEX, Baseload Front Contract

German Energy Prices Escalate due to Reduced Gas Flows

- ▶ 2nd level in the German gas emergency plan triggered at the end of June
- ▶ Production and hedges are unaffected
- ▶ Natural gas supply via Nordstream 1 partially resumed on July 21

Nat. Gas (€/MWh, Germany)



Source: PEGAS, Front Contract

WACKER is Taking Action and is Prepared

- ▶ Operational = task forces have been established
- ▶ Technical = alternative production processes for steam generation
- ▶ Strategic = long-term hedging policy, largely hedged in 2022, about 2/3 for 2023
- ▶ Burghausen CHP is “system relevant” for regional high-voltage electricity grid

Updated Guidance FY 2022

In €m	FY 2021	Outlook 2022
Sales	6,208	€8.0 – 8.5bn (Previously: €7.5bn)
EBITDA	1,539	€1.8 – 2.3bn¹ (Previously: €1.2 – 1.5bn)
EBITDA margin (%)	24.8%	On a par with last year (Previously: Substantially lower than last year)
Net cash flow	761	Clearly positive, substantially lower than last year
CapEx	344	€550 – 600m
Net financial debt	-547	Positive net financial assets
Net Income	828	Substantially higher than last year (Previously: Markedly lower than last year)
Depreciation	404	Around €400m
ROCE (%)	28.3%	Substantially higher than the cost of capital
Tax Rate (%)	24.3%	Approximately 25%

BOLD = New Guidance 1) Lower end provisioning for potential gas shortages on Group level (€200 – 250m)

Appendix:

Q2 2022 Results – P&L

In €m	Q2 2022	Q2 2021	% YoY	Q1 2022	% QoQ
Sales	2,174	1,501	45%	2,076	5%
EBITDA	626	321	95%	644	-3%
EBITDA margin	28.8%	21.4%	-	31.0%	-
EBIT	529	228	>100%	550	-4%
EBIT margin	24.3%	15.2%	-	26.5%	-
Net income for the period	391	173	>100%	403	-3%
EPS in €	7.67	3.39	>100%	7.92	-3%
Capital expenditures	100	68	46%	84	19%
Depreciation / amortization	97	93	5%	94	3%
Net cash flow	96	208	-54%	18	>100%

Appendix:

Q2 2022 Results – Breakdown by Business

In €m / %	Sales					EBITDA					EBITDA Margin (%)		
	Q2 2022	Q2 2021	% YoY	Q1 2022	% QoQ	Q2 2022	Q2 2021	% YoY	Q1 2022	% QoQ	Q2 2022	Q2 2021	Q1 2022
Chemicals	1,490	1,052	42%	1,438	4%	368	186	98%	372	-1%	24.7	17.7	25.9
SILICONES	936	649	44%	921	2%	277	134	>100%	279	-1%	29.5	20.6	30.3
POLYMERS	553	404	37%	518	7%	91	52	75%	93	-2%	16.5	12.9	17.9
BIOSOLUTIONS	84	71	18%	77	9%	8	11	-28%	0	n.a.	9.6	15.8	n.a.
POLYSILICON	568	353	61%	525	8%	214	149	44%	225	-5%	37.6	42.1	42.7
Others	40	29	38%	40	-2%	37	-26	n.a.	45	-18%	93.9	n.a.	112.2
Consolidation	-7	-4	89%	-5	50%	-1	1	n.a.	3	-136%	12.5	n.a.	n.a.
WACKER Group	2,174	1,501	45%	2,076	5%	626	321	95%	644	-3%	28.8	21.4	31.0

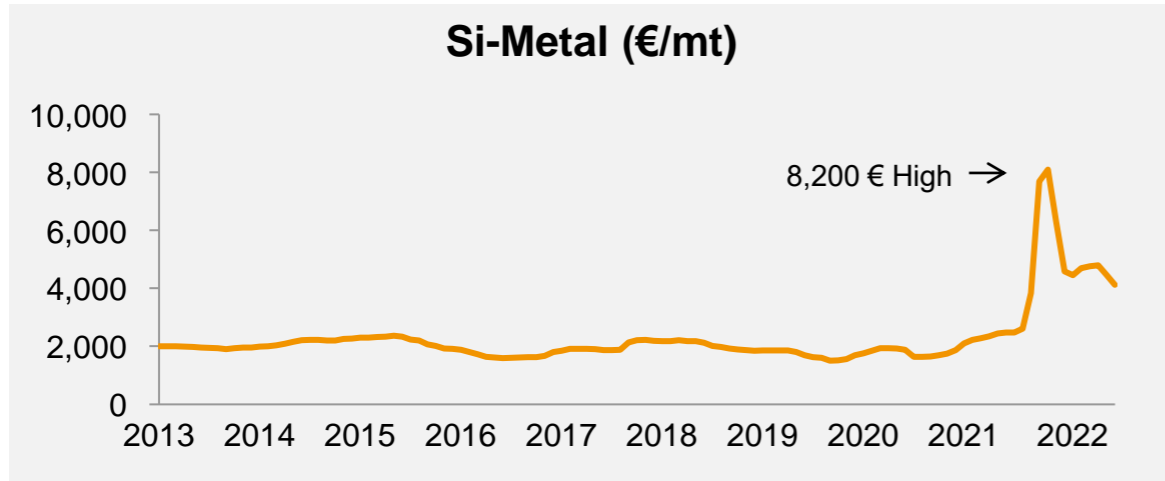
Appendix:

Strong Growth of Global PV Markets in 2022 Expected

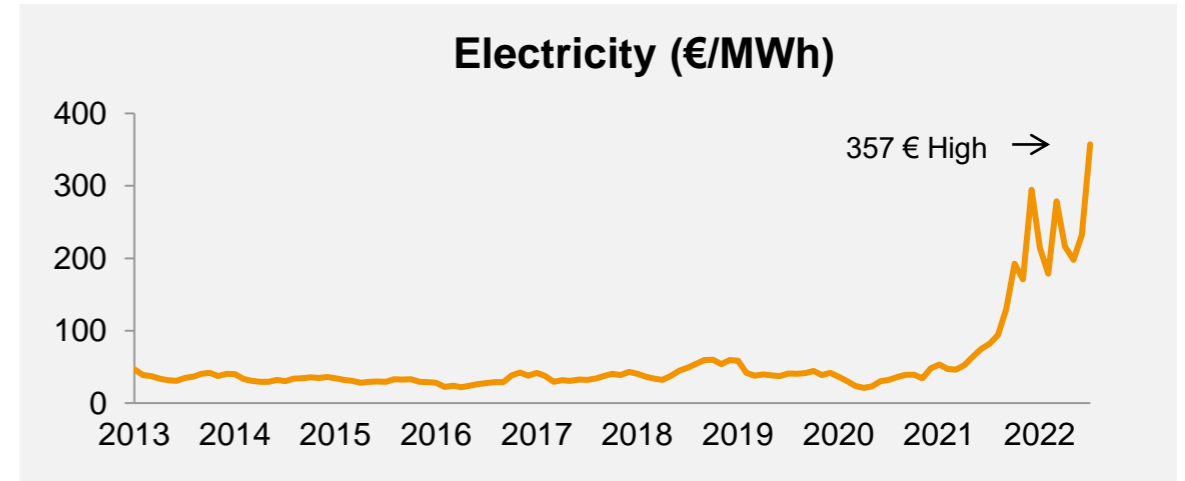
Country	2017	2018	2019	2020	2021	2022e
Germany	1.8	3.0	4.0	4.9	5.3	6.0 – 8.0
Spain	0.1	0.4	4.7	3.3	4.9	4.0 – 6.0
Europe other	4.9	8.1	13.0	13.0	19.8	22.0 – 26.0
Europe total	6.8	11.5	21.7	21.2	30.0	32.0 – 40.0
Australia	1.3	3.8	4.4	5.1	5.2	4.0 – 5.0
China	52.8	44.3	30.1	48.2	54.9	95.0 – 110.0
India	9.6	8.5	7.3	3.2	12.0	11.0 – 14.0
Japan	7.4	7.0	7.5	8.2	6.5	6.0 – 8.0
USA	10.6	10.6	13.3	19.2	23.6	20.0 – 25.0
Rest of Americas	3.4	6.0	8.0	6.0	8.4	12.0 – 14.0
Rest of World	8.1	13.3	26.0	28.9	29.4	40.0 – 44.0
Total	100 GW	105 GW	118 GW	140 GW	170 GW	220 – 260 GW

Sources: market surveys, industry announcements, WACKER estimates

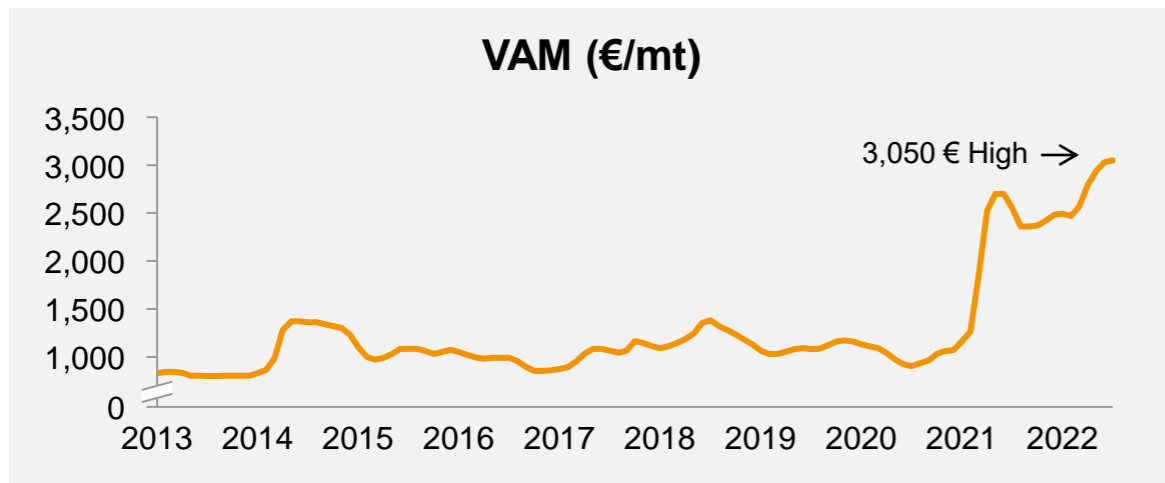
Appendix: Raw Materials, Power and Gas Show Strong Price Inflation



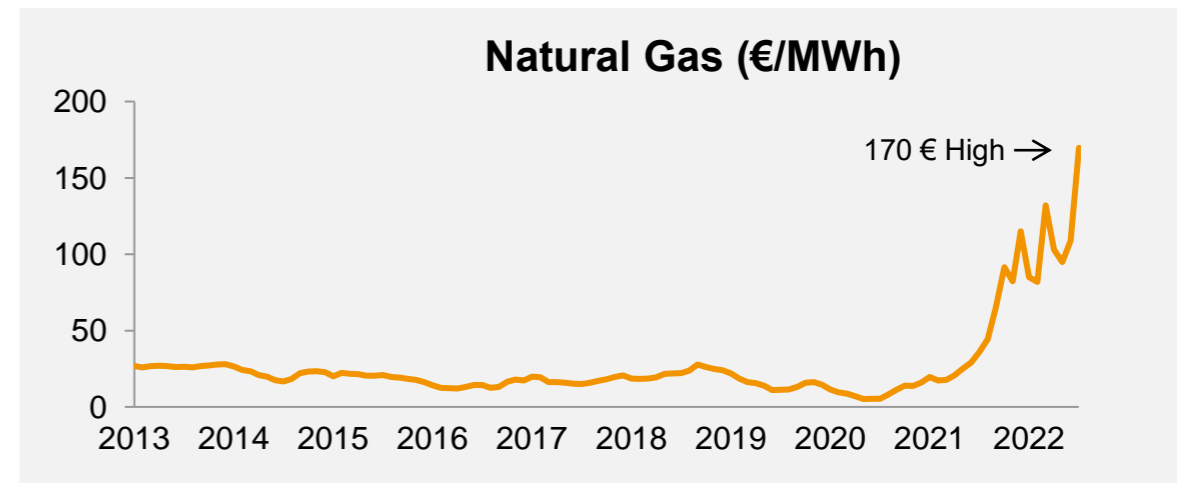
Source: CRU, Si-Metal Spot FD Europe



Source: EEX, Baseload Front Contract



Source: ICIS, Contract FD NWE



Source: PEGAS, Front Contract

CMD 2022

Maintaining Resilience

Sourcing Initiatives

- ▶ Long-term strategies and short-term actions to mitigate price volatility

Selective backward integration

- ▶ Continuous modernization and expansion of silicon metal in Holla
- ▶ Supply chain stability, margin stabilization

Pricing Power

- ▶ Successful pricing initiatives
- ▶ Stable financial performance allows for continuous CapEx to serve customer needs

POLYMERS

- ▶ Several price increases and temporary surcharges

SILICONES

- ▶ Active pricing initiatives started to address surging silicon metal in Q4/2021

Lean Cost Structure

- ▶ **Overall cost “Shape the future” 2022e savings €200m**
 - ▶ creating a faster and leaner organization
 - ▶ addressing all indirect/non-operative functions
 - ▶ reducing personnel expenses and indirect spend
- ▶ **Operational efficiency avg savings p.a. 2017-21 €75m**
 - ▶ Continuous improvement
 - ▶ Cost roadmaps

▶ **Strong Balance Sheet: Resilience for Growth**

Appendix: Capital Allocation Priorities

GROWTH

CapEx and M&A

High-Return Growth CapEx

1

- ▶ Accelerate chemical capacities in all regions, diversified portfolio of downstream projects
- ▶ Early-stage assets, create synergies in BIOSOLUTIONS; strengthen market position, extend value chain in CHEMICALS

SHAREHOLDER RETURNS

Dividends

Strong Commitment to Shareholders

2

- ▶ Continued policy of ~50% payout of net income from continuing operations
- ▶ For 2021, proposed dividend of 8 EUR per share (~400 m€ payout) in-line with policy

PENSIONS

Reform

Initiatives Underway to Reduce Pension Deficit

3

- ▶ Modernization of our system to a fully funded defined contribution system, relevant for all new employees and everybody willing to switch over to it
- ▶ Pension liability could reduce from introduction of new payout option (~ 200 €m) and with sensitivity of interest rate (+0.5%-point: ~ 400 €m)

Appendix: New and More Ambitious Sustainability Targets for 2030



Value Up

100% Products meet sustainability criteria



Footprint Down

50% Reduction in absolute GHG¹ emissions (vs. 2020)

15% Reduction in specific water withdrawal (vs. 2020)

15% Reduction in specific energy consumption (vs. 2020)

0 Accidents



Collaboration Beyond

100% Key suppliers meet sustainability standards

25% Reduction in absolute upstream GHG emissions (vs. 2020)



Extend World-class “Verbund” sites and circular economy



Clear Commitment to 1.5°C Paris Agreement



1) GHG = Greenhouse gas

WACKER: Issuer, Contact and Additional Information

Issuer and Contact

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Additional Information



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WCH888
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Financial Calendar

10/27/22 Q3 2022 Results

Publications



CUSTOMER
MAGAZINE



FACTBOOK



SUSTAINABILITY
REPORT



SQUARE
APP