



Q1 2023 – Conference Call Note

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

April 28, 2023

Disclaimer

The information contained in this presentation is for background purposes only and is subject to amendment, revision and updating. Certain statements and information contained in this presentation may relate to future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. In addition to statements which are forward-looking by reason of context, including without limitation, statements referring to risk limitations, operational profitability, financial strength, performance targets, profitable growth opportunities, and risk adequate pricing, other words such as "may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, or continue", "potential, future, or further", and similar expressions identify forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changing business or other market conditions and the prospects for growth anticipated by the Company's management. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company does not undertake any obligation to update or revise any statements contained in this presentation, whether as a result of new information, future events or otherwise. In particular, you should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation.



Front page:

A Carpet Made of Grit and Gravel. With *SILRES*® BS 6920, WACKER offers a well-adhering and solvent-free binder for such floors.

WACKER Q1 2023 Highlights

Financials



€1.74bn

Sales (-16% yoy)
Driven primarily by lower volumes

€281m

EBITDA
(Q1 2022 €644m)

16.1%

EBITDA Margin
(Q1 2022 31.0%)

€2.90

EPS
(Q1 2022 €7.92)

€446m

Net Financial Assets
(€409m 31.12.22)

Operations



Chemicals Improve QoQ

Ongoing customer destocking led to much lower volumes yoy

Semi Polysilicon Strong

Segment held back by lower solar volumes, plant maintenance

Continued Headwinds

Energy costs remain elevated holding back all Segments

Sustainability



WACKER's 1st Carbon Footprint Conference¹

Key suppliers are now required to report the product carbon footprint for certain materials

WACKER aims to achieve Net Zero by 2045 by engaging our key suppliers

Solid
Q1 2023
in Adverse
Conditions

1) A recording of the event is available here: [Conference](#)

Profit & Loss Statement

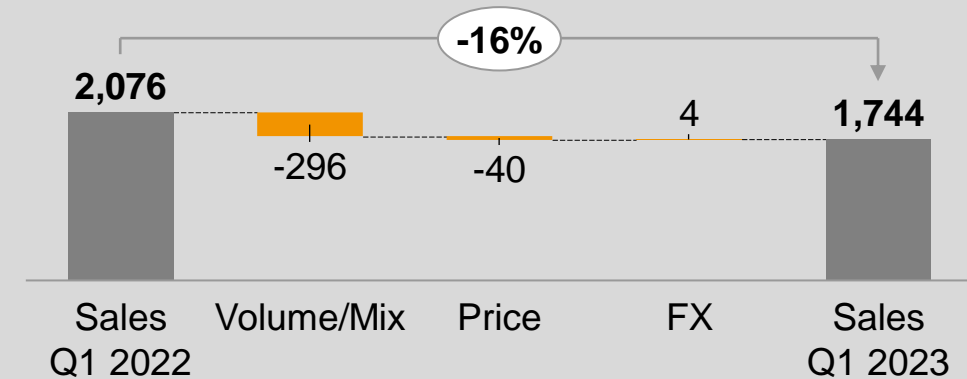
EBITDA of €281m in Q1 2023

Profit & Loss (€m)

| | Q1 2023 | Q1 2022 |
|-------------------------|---------|---------|
| Sales | 1,744 | 2,076 |
| Gross profit from sales | 329 | 668 |
| Gross margin | 18.9% | 32.2% |
| EBITDA | 281 | 644 |
| EBITDA margin | 16.1% | 31.0% |
| EBIT | 178 | 550 |
| EBIT margin | 10.2% | 26.5% |
| Net income | 147 | 403 |
| EPS | 2.90 | 7.92 |

Comments

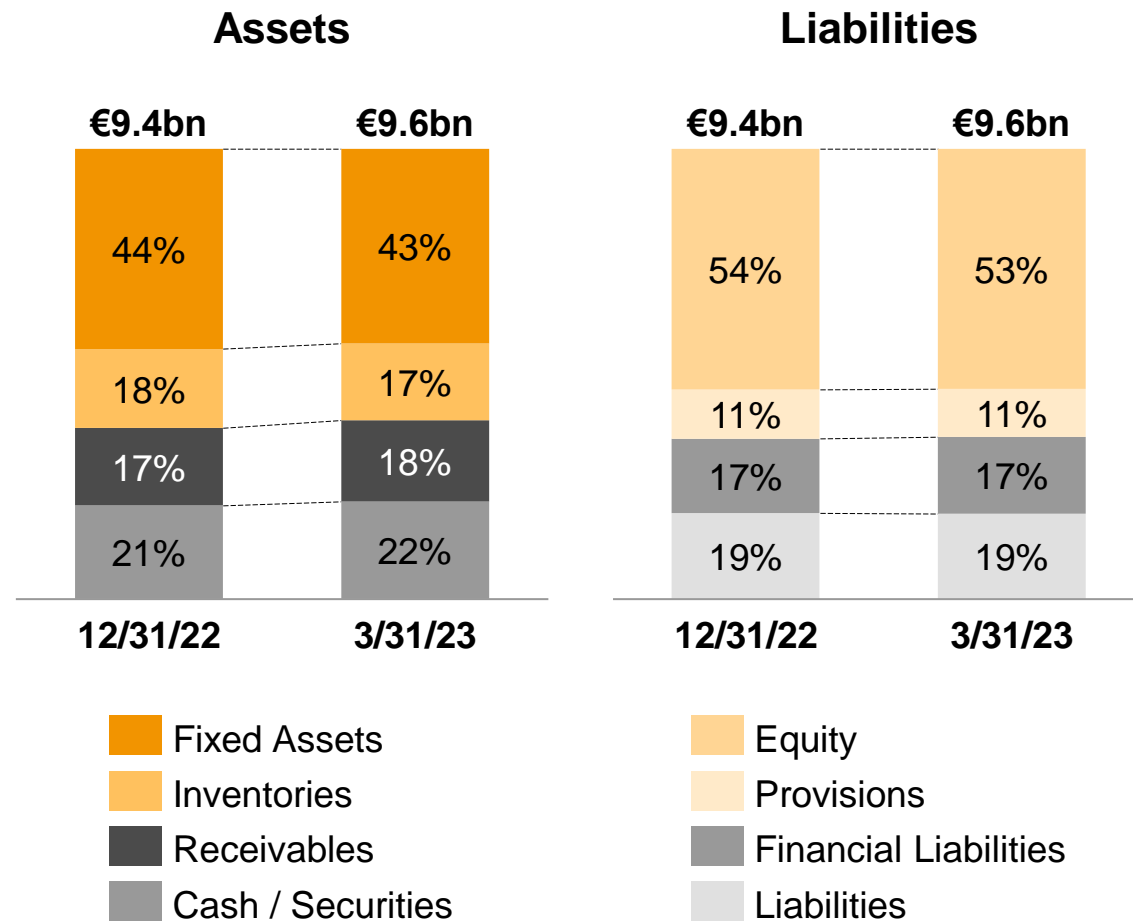
- ▶ Sales -16% yoy
Volume/Mix -14.3%, Price -1.9%, FX +0.2%
- ▶ EBITDA -56% yoy
Performance defined by lower volumes and high energy costs yoy. Chemicals result significantly higher qoq



Balance Sheet Composition

Resilient Financials with €5.1bn in Equity and €2.1bn in Liquidity

Balance sheet (%)

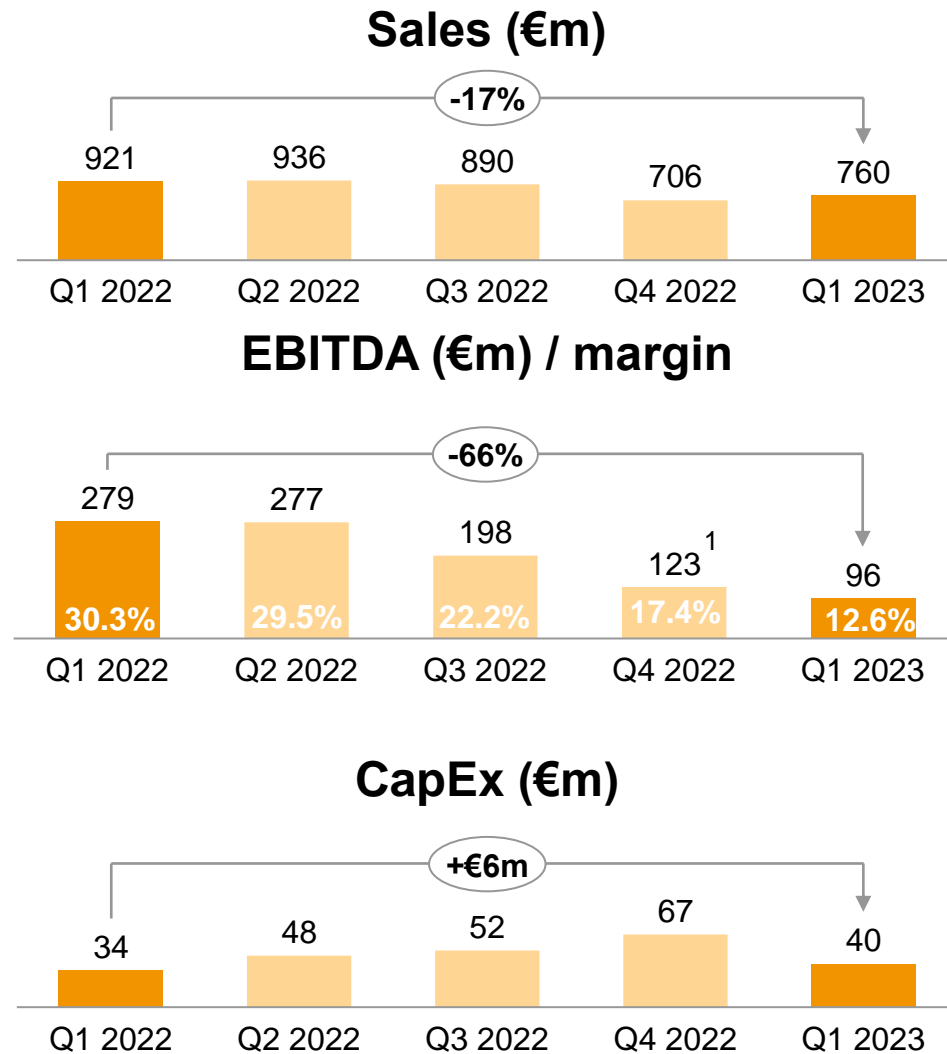


Characteristics 3/31/23

- ▶ Cash & Securities:
High level of liquidity at €2.1bn
- ▶ Working Capital:
€109m higher YTD
- ▶ Pension Provisions:
Unchanged at approx. €770m
- ▶ Shareholder Equity:
Slightly higher to €5.1bn on higher earnings

SILICONES

Sequential Improvement in Sales and EBITDA¹



Highlights Q1

- ▶ Sequential improvements in volumes, but overall utilization remains low as customer destocking is not over yet
- ▶ Pricing pressure on Standards remains high
- ▶ EBITDA held back by low utilization rates and trailing higher raw material costs

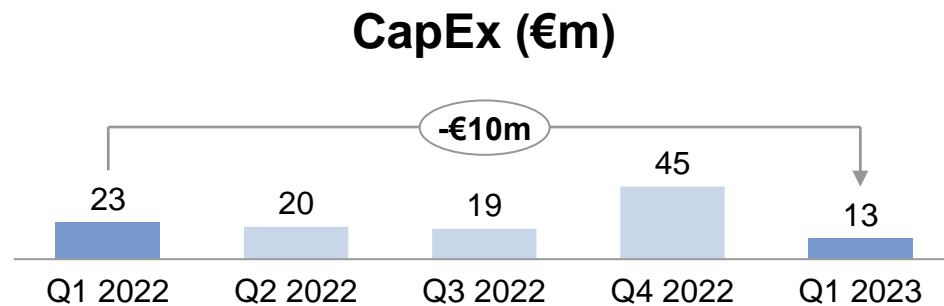
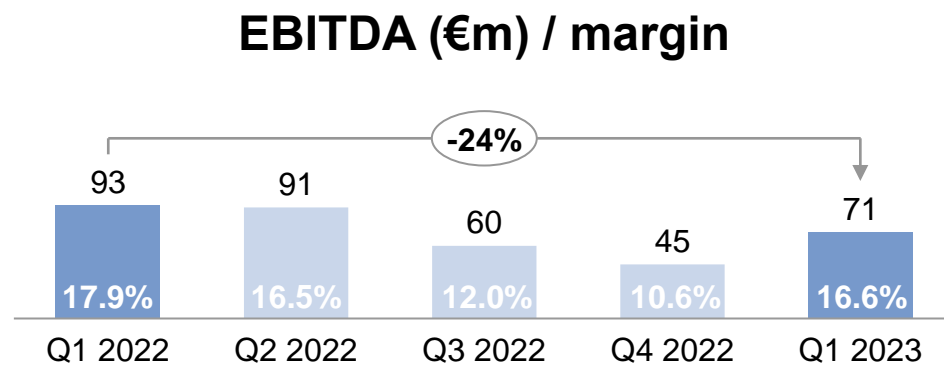
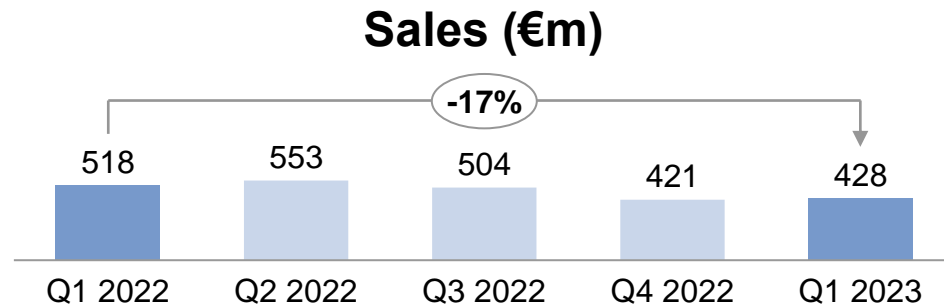
Outlook 2023

- ▶ Sales of €3.1 – 3.3bn with an EBITDA margin of around 15%
- ▶ Higher Specialties volumes, lower ASP in Standards
- ▶ EBITDA held back by trailing higher raw material costs
- ▶ Q2: Order intake in April doesn't show stronger demand yet, EBITDA affected by plant maintenance

1) Q4 2022 EBITDA includes +€72m from the revaluation of an at equity JV participation in China

POLYMERS

Strong Sequential Improvement in EBITDA



Highlights Q1

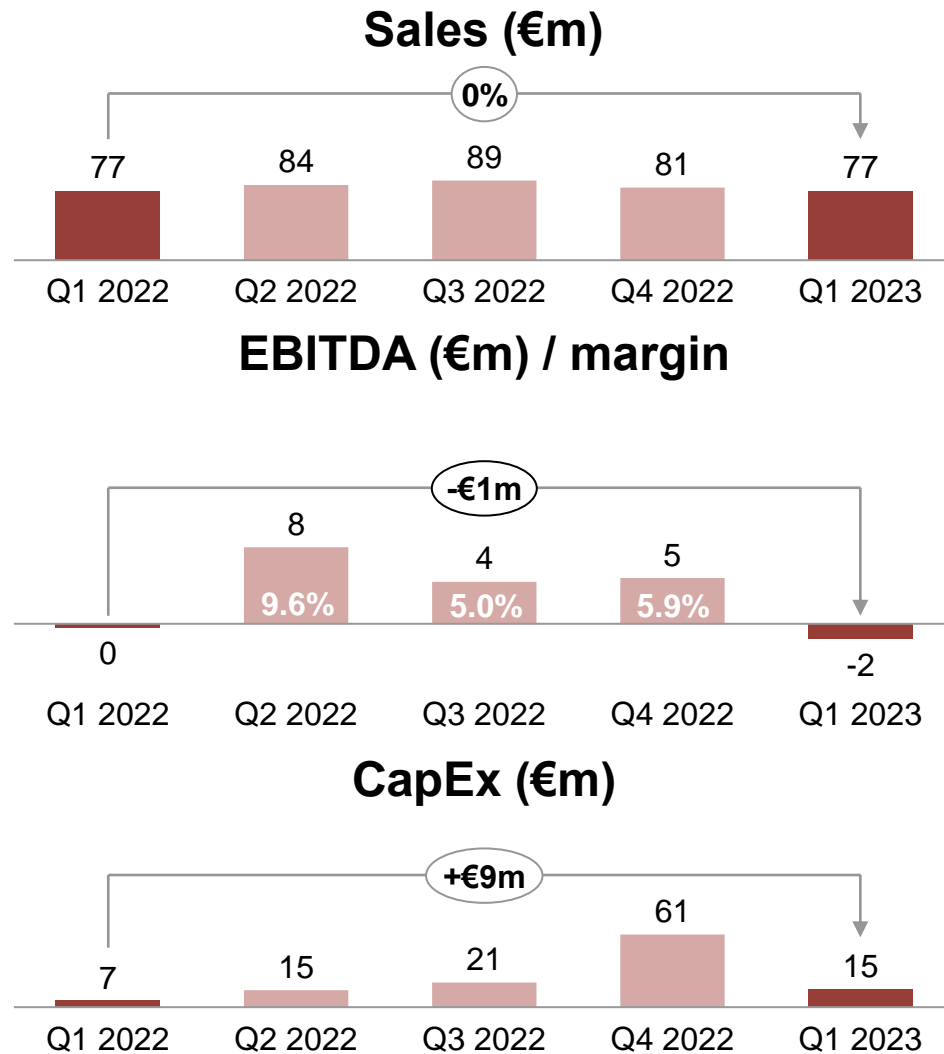
- ▶ Q1 volumes sequentially better, but much lower compared to very strong PY volumes
- ▶ EBITDA margin stable yoy, sales prices trailing raws with a delay

Outlook 2023

- ▶ Sales of approx. €1.8bn with an EBITDA margin slightly above PY
- ▶ Positive mix effects, lower ASP and volumes yoy
- ▶ Q2: Moderate start into the quarter

BIOSOLUTIONS

Upfront Costs Continue to Burden Results



Highlights Q1

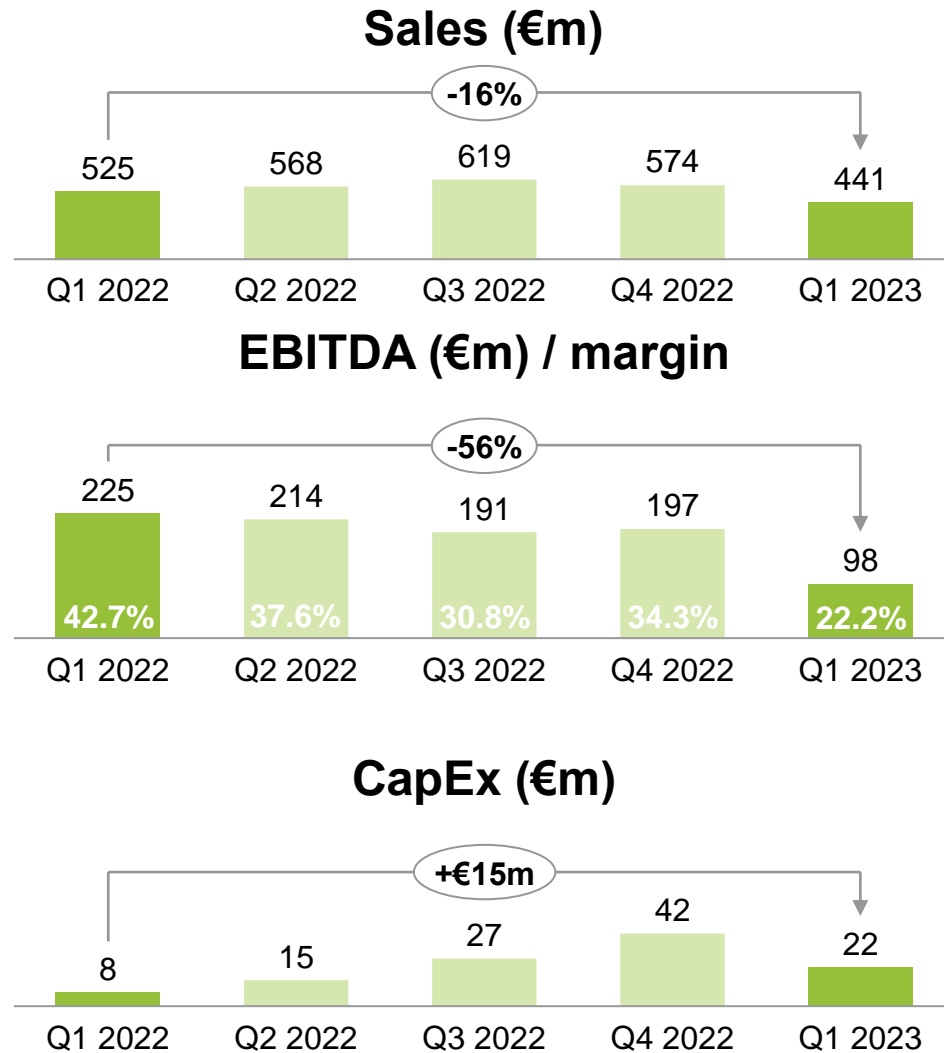
- ▶ Q1 as expected with low BioPharma sales with projects leading to later revenue recognition
- ▶ EBITDA burdened by upfront costs related to the German pandemic preparedness plan

Outlook 2023

- ▶ Low-double-digit % sales growth with continued growth in biologics, especially BioPharma
- ▶ EBITDA significantly higher than PY

POLYSILICON

Semi Continues Strong, Lower Volumes in Solar



Highlights Q1

- ▶ Higher Semi prices and volumes yoy and qoq
- ▶ Solar ASP higher yoy, stable qoq
- ▶ Significantly lower solar volumes, driven by a slow start at customers at the beginning of 2023 due to volatile polysilicon prices & maintenance-related plant shutdown
- ▶ Energy costs still elevated

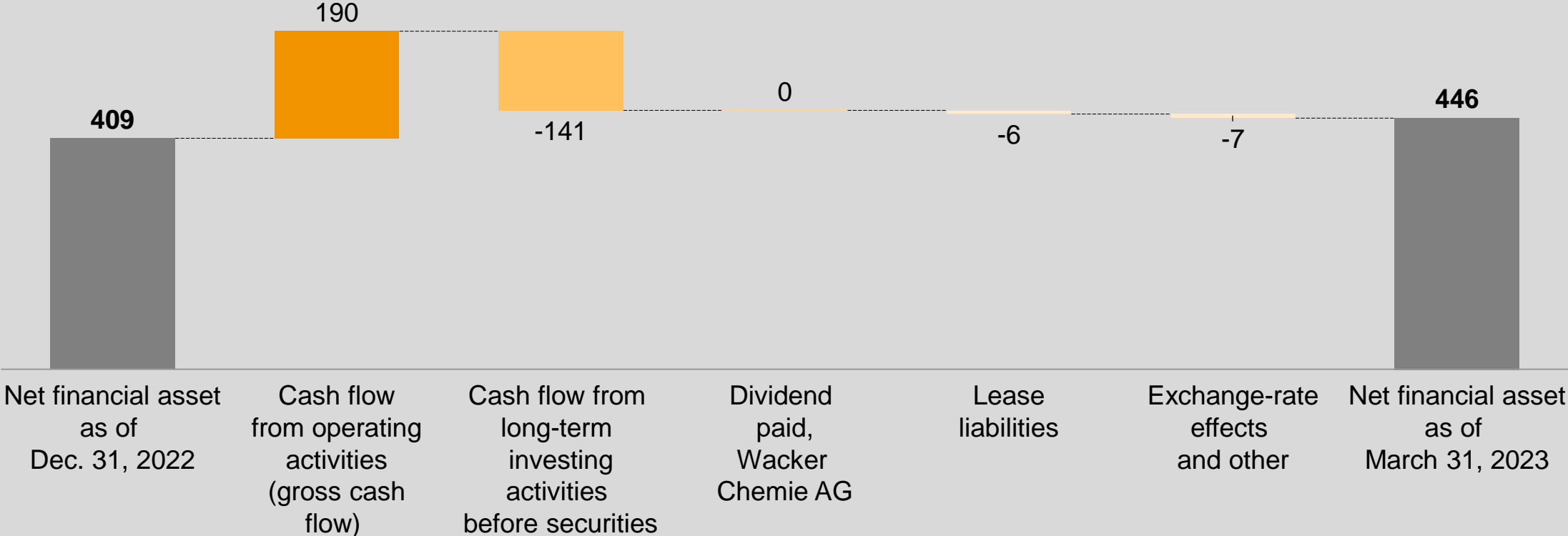
Outlook 2023

- ▶ Sales of €1.6 – 1.8bn with an EBITDA between €300 – 500m
- ▶ Lower solar ASP, continued high energy costs in Germany
- ▶ Lower volumes from plant maintenance in Q1 and Semi shift

Net Financial Position

Strong Net Financial Assets of €446m

Net Financial Position Bridge per 3/31/2023 (€m)



Q1 2023 – Q&A Session

WACKER



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

Appendix

WACKER Carbon Footprint Conference

The screenshot shows a presentation slide for the WACKER Carbon Footprint Conference. On the left, the WACKER logo is at the top, followed by the title 'WACKER Carbon Footprint Conference'. Below the title is an agenda list: 'WACKER Sustainability Targets', 'TfS Support for the PCF Guideline Implementation', 'Introduction to the TfS PCF Guideline', 'Process for collection of PCF data by WACKER', and 'Q&A, Panel discussion'. Underneath the agenda is 'Organizational information' which states the event will be recorded and that a chat function is available for questions. On the right side of the slide, there is a 'Webinar speakers' section with four portraits and names: Dr. Martin Wagner (Vice President Global Procurement), Waltraud Haas (Head of Supplier & Sustainability Management), Vera Pirkelner (Category Manager General Procurement), and Melanie Talsch (Senior Manager Sustainability Polymers). A '+5' icon is visible at the bottom right of the slide area.

WACKER Carbon Footprint Conference

Agenda

- > WACKER Sustainability Targets
- > TfS Support for the PCF Guideline Implementation
- > Introduction to the TfS PCF Guideline
- > Process for collection of PCF data by WACKER
- > Q&A, Panel discussion

Organizational information

- This event will be recorded
- Feel free to use the chat function in case you have any questions. The Q&A session will be used to answer your questions.

Webinar speakers

- Dr. Martin Wagner
Vice President Global Procurement
- Waltraud Haas
Head of Supplier & Sustainability Management
- Vera Pirkelner
Category Manager General Procurement
- Melanie Talsch
Senior Manager Sustainability Polymers

WACKER Carbon Footprint Conference

We recommend watching the video of the "WACKER Carbon Footprint Conference" held on Feb. 28, 2023. In this conference, we informed our suppliers about WACKER's sustainability targets, the introduction of the TfS PCF Guideline and the process for WACKER's PCF data collection.

1) A recording of the event is available here: [Conference](#)

Appendix

ECS 2023 – WACKER Presents an Exciting Range of Innovative Products¹



SILRES® Silicone additives for high-performance coatings



SILRES® Silicone-based admixtures prevent water ingress



VINNAPAS® Polymer binders for recycled concrete / time adhesives



GENIOSIL® SMP-based waterproofing systems

1) Presentations from European Coatings Show (ECS) available here: [Conference](#)

Appendix

Guidance FY 2023

| In €m | FY 2022 | Outlook 2023 |
|----------------------|---------|---|
| Sales | 8,209 | €7,000 – 7,500m |
| EBITDA | 2,081 | €1,100 – 1,400m |
| 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 | Higher than cost of capital, substantially lower than last year |
| Tax Rate (%) | 20.7 | Around 20% |

Appendix

WACKER Q1 2023 Results

| In €m | Q1 2023 | Q1 2022 | % YoY |
|---------------------------|---------|---------|-------|
| Sales | 1,744 | 2,076 | -16% |
| EBITDA reported | 281 | 644 | -56% |
| EBITDA-Margin | 16.1% | 31.0% | |
| EBIT | 178 | 550 | -68% |
| EBIT-Margin | 10.2% | 26.5% | |
| Net income for the period | 147 | 403 | -63% |
| EPS | 2.90 | 7.92 | -63% |
| CapEx | 104 | 84 | 24% |
| Net Cash Flow | 49 | 18 | >100 |
| Net Asset Position | 446 | 521 | -15% |

Appendix

Q1 2023 Results – Breakdown by Business

| In €m / % | Sales | | | | | EBITDA | | | | | EBITDA Margin (%) | | |
|---------------------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------------------|-------|-------|
| | Q1/23 | Q1/22 | % YoY | Q4/22 | % QoQ | Q1/23 | Q1/22 | % YoY | Q4/22 | % QoQ | Q1/23 | Q1/22 | Q4/22 |
| Chemicals | 1,188 | 1,438 | -17% | 1,128 | 5% | 167 | 372 | -55% | 168 | -1% | 14.0 | 25.9 | 14.9 |
| SILICONES | 760 | 921 | -17% | 706 | 8% | 96 | 279 | -66% | 123 | -22% | 12.6 | 30.3 | 17.4 |
| POLYMERS | 428 | 518 | -17% | 421 | 2% | 71 | 93 | -24% | 45 | 58% | 16.6 | 17.9 | 10.6 |
| BIOSOLUTIONS | 77 | 77 | 0% | 81 | -5% | -2 | 0 | - | 5 | - | -1.6 | -0.5 | 5.9 |
| POLYSILICON | 441 | 525 | -16% | 574 | -23% | 98 | 225 | -56% | 197 | -50% | 22.2 | 42.7 | 34.3 |
| Others | 45 | 40 | 11% | 50 | -11% | 19 | 45 | -58% | -14 | - | 42.3 | >100 | - |
| Consolidation | -7 | -5 | - | -7 | - | -1 | 3 | - | -1 | - | - | - | - |
| WACKER Group | 1,744 | 2,076 | -16% | 1,827 | -5% | 281 | 644 | -56% | 355 | -21% | 16.1 | 31.0 | 19.4 |

Appendix

Strong Growth of Global PV Markets in 2023 Expected

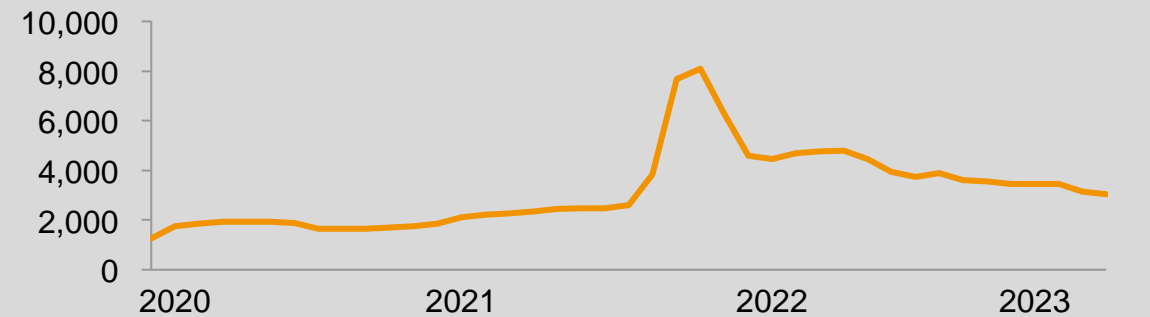
| Country | 2019 | 2020 | 2021 | 2022 | 2023e |
|---------------------|---------------|---------------|---------------|---------------|-------------------|
| Germany | 4.0 | 4.8 | 5.3 | 7.9 | 7-10 |
| Spain | 4.7 | 2.6 | 3.8 | 7.5 | 7-10 |
| Europe other | 13.0 | 13.0 | 19.9 | 29.6 | 36-40 |
| Europe total | 21.7 | 21.2 | 29.0 | 45.0 | 50-60 |
| USA | 13.3 | 19.2 | 25 | 18.6 | 25-30 |
| Japan | 7.5 | 8.2 | 7.5 | 6.5 | 6-8 |
| China | 30.1 | 48.2 | 54.9 | 87.4 | 100-120 |
| India | 7.3 | 3.5 | 12.0 | 14.0 | 15-20 |
| Rest of World | 34.1 | 40.7 | 41.6 | 78.5 | 104-112 |
| Total | 118 GW | 140 GW | 170 GW | 250 GW | 300-350 GW |

Sources: market surveys, industry announcements, WACKER estimates

Appendix

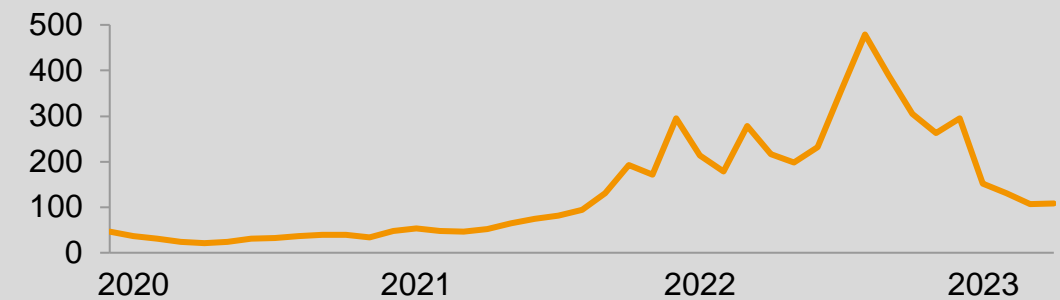
Key Raw Materials, Power and Gas

Si-Metal (€/mt)



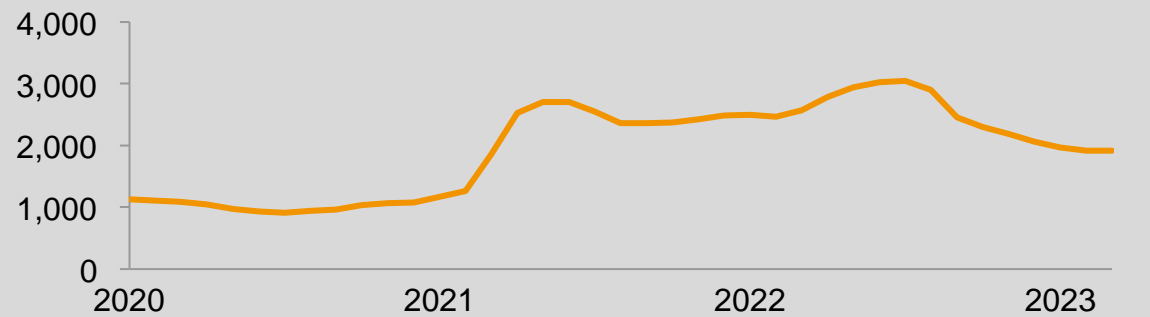
Source: CRU, Si-Metal Spot FD Europe

Electricity (€/MWh)



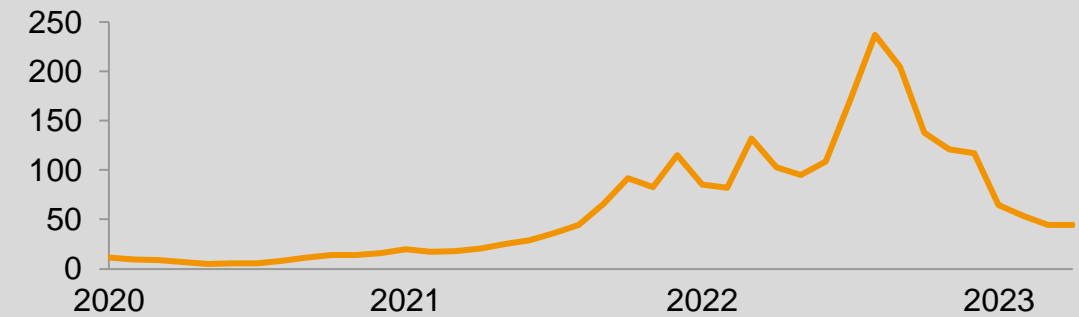
Source: EEX, Baseload Front Contract Avg. Month

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

INVESTOR RELATIONS CONTACTS

Joerg Hoffmann, CFA

Tel. +49 89 6279 1633 | joerg.hoffmann@wacker.com

Scott McCollister

Tel. +49 89 6279 1560 | scott.mccollister@wacker.com

Wacker Chemie AG
Hanns-Seidel-Platz 4, D-81737 Munich
investor.relations@wacker.com

Additional Information

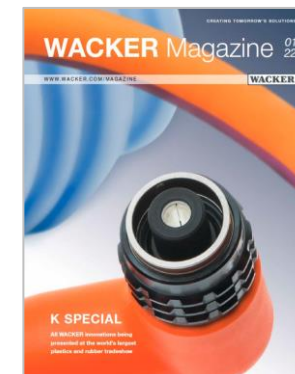


| | |
|-----------------------|--------------|
| ISIN | DE000WCH8881 |
| WKN | WCH888 |
| Deutsche Börse | WCH |

Financial Calendar

| | |
|-----------------|-----------------|
| 05/17/23 | AGM |
| 07/27/23 | Q2 2023 Results |
| 10/26/23 | Q3 2023 Results |

Publications



CUSTOMER
MAGAZINE



FACTBOOK



SUSTAINABILITY
REPORT



SQUARE
APP