

WACKER 2024 Annual Shareholders' Meeting

Speech Given by President & CEO Dr. Christian Hartel

Dear Shareholders,

Ladies and Gentlemen,

Welcome to the 18th Annual Shareholders' Meeting of Wacker Chemie AG.

Today, our meeting is virtual. Since everything is becoming more digital, faster and more sustainable. You have already had multiple physical encounters with WACKER today. Your toothpaste almost certainly contained pyrogenic silica from WACKER. In the bathroom, it is our polymers that ensure your tiles stick to the wall. And our silicones seal the joints. Your hair's shiny softness could well come from WACKER silicones in the shampoo. It's also highly probable that your soft, absorbent towel contains our silicones. If you've taken the car or train today – they also have WACKER inside. Right now as well: there is a strong chance that you are online with an end device – whether computer, tablet or smartphone – that contains a microchip made from WACKER polysilicon.

I could cite lots of other examples. As you can see: WACKER is everywhere. Our products are used in all areas of life. Because they help us. Starting with small everyday aspects, right through to the big challenges of our time: change, digitalization, mobility and health. Our products deliver the answers. They create added value for current and future generations. This is what drives us. This is our Purpose: *Our solutions make a better world for generations. We work toward this every single day at WACKER.*

How do we do it?

You all know our formula for success: people, markets and molecules. Nothing has changed. These three pillars are a well-proven combination.

At the center are always people – our customers and their needs. But it is not just about satisfying needs. We want to inspire our customers – with innovative ideas, with top service.

WE – meaning more than 16,000 WACKER employees around the world. Last year, the global WACKER team grew further. For example, by acquiring Spain's ADL BioPharma, with some 300 employees. Highly qualified colleagues. We strengthened other areas, too: for example, in Halle, in eastern Germany. Within the space of two years, we hired more than 100 biotech experts there. They will be producing tomorrow's medicines at our new mRNA competence center. A milestone for WACKER. More about that later.

The WACKER team again performed outstandingly last year. Despite all the challenges. So, let me take this opportunity to express my gratitude. A big thank-you to every colleague! Worldwide. For your commitment. For your hard work. For your creativity. WACKER would be nothing without you.

Ladies and gentlemen,

Our success is anchored in our motivated team of specialists. So, we continuously invest in our workforce.

Success is also about creating optimum working conditions. That is why we will soon be moving into new headquarters here in Munich. WACKER House. Starting from the end of May. WACKER House is not only an attractive new building in one of Munich's most vibrant districts. It is also a new working world. More modern, more open, more flexible. A world that cultivates networking and dialogue. A place for creativity and innovation. A welcoming new home. And not only that: It is also cost-efficient. In short: a step into the future.

Optimum working conditions are one key aspect. Another is the expertise of our employees. Especially at a time when life is accelerating, knowledge is expanding fast and new abilities and skills are needed. That's why we steadily invest in training and qualifications. In 2023, we again stepped up the pace here. Globally, some 120,000 advanced training measures were held at our sites last year. An increase of over 50 percent.

As you can see, we constantly look ahead to the future. And we need to. Given the demographic changes. As a result, our training programs also target young people. Across more than 20 professions. We currently have over 570 apprentices – a high number.

Ladies and Gentlemen,

We are WACKER. We are a strong team. Ranging from young to old. International. Experienced. A vibrant mix. The same applies to our team of leaders. One in five is a woman. One in three works at an international site. That's quite good. But we can do even better. Become even more diverse. By 2030, one in three leadership positions is to be held by a woman, and one in two by an international executive. Because we know: diversity makes us stronger, more creative and innovative, and ultimately more effective and successful.

It is for this conviction that we take an active stand. Both within our company and beyond. It is especially important now – with populist solutions on the rise. And this is why I firmly stress here and now: WACKER stands for diversity, openness and tolerance. We reject any form of discrimination. At our German sites alone, we employ people from over 50 nations. Diversity is an asset that we aim to preserve and protect. Intolerance has no place with us.

For us, this conviction is both fundamental and unalterable. WACKER is at home all over the world. Our products are in demand worldwide. That is why we are and aim to be present in all of the world's key chemical markets. This brings us to the second pillar in our success formula “People, Markets and Molecules”: namely markets.

In 2023, we generated more than 85 percent of our sales outside Germany. To be precise: 43 percent in Asia, 16 percent in the Americas and 21 percent in Europe, excluding Germany. Our success depends on always being close to customers. This is reflected in our motto: “In the Region for the Region.” Today, our network comprises 27 production locations around the world. We maintain integrated sites on all three continents. Importantly, these plants use efficient, interconnected material loops – right from starting material to end product. That is a key factor in our success. Because this is truly a hard act to follow.

That is why we continuously invest in our global network. Here are just a few examples:

In 2023, we concluded our polymer capacity expansion in China, the world's largest chemical market. There, at Nanjing, we produce high-quality dispersions and dispersible polymer powders, primarily for the construction industry. We have now more than doubled our capacity there. As a result, we are well equipped to participate in further growth. Because high-quality and resource-saving construction is a real success factor in China.

We are also expanding our polymer capacities in the USA. At Calvert City, a new dispersions plant is taking shape. Close to customers. In the USA for the USA here as well: driven by sustainable solutions.

Back to Asia. Apart from China, our key Asian markets are India, South Korea and Japan. In Tsukuba, Japan, for instance, we are building a production facility for silicone-based thermal interface materials. The target customer here is the Japanese electric-car industry.

We also invest in Europe. At Burghausen, Germany, our largest location, we are expanding our semiconductor-grade polysilicon production facilities. In 2023, we held the topping-out ceremony at the construction site there. WACKER's polysilicon is the purest man-made material. With the new plant, we will be able to produce the world's best semiconductor-grade polysilicon – primarily for use in artificial intelligence.

We are also in the process of building a new production site in Europe. Located in Karlovy Vary in the Czech Republic, it is expected to start up in 2025. Its production focus will be on silicone specialties, mainly for megatrends, such as electromobility and renewable energies.

In addition, we are expanding our production facilities for biopharmaceuticals in Europe – at Halle and at our site in Amsterdam.

Ladies and Gentlemen: These are just a few examples of many that show we are growing our global market presence. A stronger presence is a key criterion for further growth. Because we want to do both: seize regional growth opportunities with products tailored to local markets.

AND provide solutions for the global megatrends worldwide. In other words: Think globally, act locally. This is what we aspire towards.

This brings us to the third pillar of our formula for success: molecules.

Do you know what this is?

At first glance, just a normal liquid. But if you examined it under an electron microscope, you would see tiny fat globules at the molecular level. So-called lipid nanoparticles. These particles swim in the liquid and are designed to encapsulate something very valuable, called mRNA. You probably know this type of active ingredient quite well. As a vaccine, it saved millions of lives during the Covid pandemic. And not just that: mRNA can do much more. The technology supports the development of novel, innovative medications for treating cancer and autoimmune diseases.

We are not the developers of the active ingredient. There are other specialists for that. We are the experts who can manufacture it. Not just on a small scale in the laboratory, but reliably in large-scale production – should another pandemic strike, for example. This involves a lot of know-how. And we have it – at sites like Halle, where we are opening our new mRNA competence center in a few weeks.

A milestone. Not just for WACKER, but for Germany. In the event of a pandemic, we have contractually agreed to make available part of our capacities for the production of mRNA actives at the request of the German government.

Allow me to add a personal comment here: setting up a high-tech facility for mRNA pharmaceuticals for the German government in the open countryside in less than two years - to me, that is true "German speed". I would therefore like to thank all those involved. This pace is good for the country. And we urgently require more of it.

Another big topic that concerns us all is climate change. Ultimately, it is about molecules, too. About CO₂ to be precise. How can we humans reduce emissions? The answer is clear: in power generation, in the transport sector, in construction and in the home. Across every area, in fact.

At WACKER, we have the answers. Answers that are again based on molecules. Look at our polysilicon – the starting material for solar cells. It makes us enablers of the energy transition.

Or take our silicones. Not only are they used in wind turbines, but also in insulators and power cables. Which means we are helping to generate green electricity efficiently AND ensuring that it gets from A to B. Let's go further down the chain. Some of you will already have electric cars. Our high-tech silicones ensure that their batteries function reliably. And since we're already in your home: our polymer solutions make buildings more energy-efficient, more economical and thus more sustainable.

All these examples highlight one fact in particular: For us, sustainability is not just a matter of the heart, it is also an opportunity – a business case. Over two thirds of our products already contribute towards sustainability.

We are also working constantly on our own CO₂ footprint. As you know: by 2030, we aim to halve our absolute CO₂ emissions compared with 2020. We want to reach net zero by 2045 at the latest.

And we are on track. We have already saved about a quarter of our CO₂ emissions. Partly because we have invested in new plants and processes. Our new distillation column in Burghausen, for instance, saves about 10,000 metric tons of CO₂ a year. As much as the annual emissions of about 6,000 cars.

Our strong progress toward climate neutrality has been certified externally, too. The independent Science Based Targets initiative (SBTi) validated our net zero target early this year. This means: our greenhouse-gas reduction path helps limit global

warming to 1.5 degrees Celsius. It shows we are “in line” with the Paris Agreement targets. Worldwide, only 16 chemical companies have achieved this validation so far.

To cite another example of our pioneering role: WACKER was one of only a handful of companies worldwide to be awarded the top score in the Climate Protection category by CDP (Carbon Disclosure Project), a key sustainability assessment indicator.

All this shows: WACKER is part of the solution. We assume responsibility and actively work for more sustainability.

Ladies and gentlemen,

People, markets and molecules is our success formula. But we do not operate in a vacuum. There is a business environment out there. And conditions were not easy last year.

In 2023, the global industrial engine began to stutter. The chemical industry was especially hard hit. In many sectors customers were reluctant to place orders. Demand was widely expected to pick up in the second half of the year. But this didn't happen. At the same time, price pressures intensified. In addition, the chemical industry was burdened by high raw-material costs and Germany's high energy prices. In other words, the chemical industry faced strong headwinds last year. And so did WACKER.

This is reflected in our figures. Group sales fell by 22 percent last year, coming in at 6.4 billion euros. EBITDA dropped 60 percent to 824 million euros. Our net income was 327 million euros.

Let's take a look at the divisions: Almost every business division posted lower sales and earnings last year. The segments were affected to varying degrees by the decline in prices as well as by inventory-reduction measures by customers.

Given the weak market environment, we did not match 2022's record figures. But we want you, our shareholders, to participate in the Group's success. So, the Executive

and Supervisory Boards will propose a dividend of 3 euros per share for 2023 at the Annual Shareholders' Meeting. This means we will be distributing around 50 percent of our net income, in line with our proven dividend policy.

Ladies and Gentlemen,

Despite market headwinds, WACKER remains in good financial shape.

- In 2023, our net cash flow of 166 million euros was clearly positive.
- Our net financial debt was very low at 84 million euros on December 31.
- Our liquidity remains high. At year end, we posted cash and cash equivalents of around 1.4 billion euros.
- Our equity ratio has stayed above 50 percent.

On this basis, we again invested a substantial amount in 2023. 710 million euros. In people, markets and molecules. That is 30 percent more than in 2022. We are thus laying the foundation for tomorrow's growth.

Let's look ahead to tomorrow. The market is not showing any signs of a lasting upturn at present. In other words: conditions will remain harsh for the chemical industry and hence for WACKER as well.

This is reflected in our figures for Q1 2024, which we recently published. Sales fell 15 percent year over year, with EBITDA down almost 40 percent. These figures are hardly surprising. Especially as the prior-year quarter was comparatively strong.

The good news is that we increased sales and earnings compared with Q4 2023. Our customers have started replenishing their inventories from the recently very low levels. At this point, though, it might be appropriate to say: one swallow does not make a summer. 2024 will remain challenging.

As is reflected in our guidance, for full-year 2024, we expect sales of between 6.0 billion and 6.5 billion euros, with EBITDA between 600 million and 800 million euros.

Ladies and gentlemen,

The market environment is what it is - and it is set to remain challenging. WACKER cannot change them. But that does not mean we are just sitting back. Quite the contrary: We are doing our homework to keep WACKER on course.

First, we are working hard on further intensifying our sales activities despite today's weak market environment. Right now, it is more important than ever to be close to customers. With good products and the required information. With first-class service. With innovations. And that's exactly what we are doing. Worldwide.

Second, we are cutting back. We are scrutinizing all our non-personnel costs. Our motto in the current situation is to intensify our focus on the essentials. On what is absolutely necessary. Whether in logistics, IT, or with regard to business trips, external events or training measures; this also applies to marketing and sales. We are leaving no stone unturned.

Third: We are taking a measured approach to new hires. In every region. Especially for indirect functions – which means all our non-manufacturing areas. At locations in our production network, we are mainly guided by plant-utilization rates. Customer demand is our key parameter here.

Fourth, we are examining our processes. Where can we simplify? How can we achieve our goals more efficiently? One example is plant maintenance: We are systematically analyzing our maintenance processes to optimize them so that we become even better – even more efficient.

Fifth, we will continue to demand better business conditions at political and regulatory levels. Whether in Germany, Europe or worldwide. High energy prices are still a major obstacle in Germany. Although the phase of extreme price peaks is over, prices remain much higher than in China and the USA, where our biggest competitors are based. That is why we continue to advocate a bridge electricity price. Until the time Germany has adequately affordable green energies in large quantities. We need them. Not least because, as decarbonization progresses, our energy requirements will grow further. Because more and more processes are being electrified - in industry and mobility, as well as in buildings - everywhere. Electrification is THE key to a carbon-neutral transformation of society. However,

without competitive prices and availability for green energy, the transformation cannot take place.

In Germany and Europe, we urgently need a master plan for competitiveness and for net-zero transformation. As such, we have united with many other companies to support the Antwerp Declaration for a European Industrial Deal. We need a clear focus on reducing bureaucracy, on investment, innovation and open markets – that's the message. Politicians must tackle the underlying business conditions. The big picture: competitive electricity prices, powerful electricity grids and a modern infrastructure.

Allow me to make another personal comment at this point to make it unmistakably clear: I am not talking about conventional subsidies. Certainly not indefinitely. On the contrary: WACKER is driven through and through by a spirit of entrepreneurship - yesterday, today and in the future. What we need and demand are predictable framework conditions. It's not just us who are demanding this, but many other companies - from SMEs to global corporations. Because we are all convinced of the fundamental advantages offered by our home base. But the negative underlying conditions should not be permitted to gain the upper hand.

We believe in a successful business case for Germany - with the right underlying conditions, and that's what we're standing up for.

But this also requires that politicians act. Their task is to focus on the central framework conditions instead of getting lost in the minutiae and micro-management. This should be left to the entrepreneurs, who generally have a better understanding of the topic and are better at it - this is something that we truly believe in.

Ladies and gentlemen,

Although current market conditions are difficult, WACKER is on course. Our strategy is right. It is tomorrow's megatrends – from electromobility and energy transition to digitalization, health and nutrition – that will continue to drive our business in the years ahead.

We remain firmly committed to our 2030 growth targets: By 2030, our sales should exceed 10 billion euros. At the same time, we want to strengthen our profitability. We are aiming for an EBITDA margin of over 20 percent across the Group. As regards capital employed, we want to earn twice our cost of capital.

Ladies and Gentlemen,

We have set our course for the future. WACKER is ideally positioned - strategically, financially and on the personnel front. We have everything to successfully shape our future.

We hope that you, our shareholders, will continue to accompany us on this path. I would like to take this opportunity to sincerely thank you for the confidence you have placed in us so far. "Many thanks" – from me and the entire Executive Board.

You can be sure: We will use our potential. We will continue working on tomorrow's solutions. With expertise, customer proximity and innovative strength – for WACKER and for a more sustainable future.