

PRESS RELEASE

Number 25

WACKER publishes preliminary figures for Q2 2023 and lowers annual forecast

Munich, July 18, 2023 – Today, Wacker Chemie AG published its preliminary figures for Q2 2023. The company now expects to post second-quarter Group sales of €1.75 billion. EBITDA amounts to €255 million. Based on current estimations, WACKER has modified its forecast for 2023. Accordingly, the company expects that Group sales are likely to come in between €6.5 billion and €6.8 billion (previous guidance: between €7 billion and €7.5 billion). Full-year EBITDA for 2023 is now expected to be between €800 million and €1.0 billion (previous guidance: between €1.1 billion and €1.4 billion). These figures are below current average market expectations, with Group sales reaching €7.0 billion and EBITDA €1.1 billion (source: Vara Research, July 12, 2023). ROCE is projected to be below the cost of capital (previous guidance: above the cost of capital, substantially lower than last year).

“Our expectations have declined primarily due to ongoing weak customer demand in a large number of industries, continuing inventory-reduction measures by customers and the lower year-over-year prices for many of our products,” said Christian Hartel, President and CEO of WACKER. “Numerous market experts anticipated stronger demand in the second half-year – an assumption that was reflected in our previous forecast.” However, WACKER, like so many other chemical companies, has yet to see a recovery.

Changes to the forecast for 2023 are mainly driven by performance at the WACKER SILICONES and WACKER POLYSILICON business divisions.

According to preliminary figures, sales at WACKER SILICONES came in at €700 million, down by 25 percent year over year. Second-quarter EBITDA is expected to amount to €50 million (previous year: €277 million). WACKER expects full-year sales for the division to come in between €2.7 billion and 2.9 billion (previous guidance: between €3.1 billion and €3.3 billion). The EBITDA margin is projected to be around 10 percent (previous guidance: approximately 15 percent).

Based on preliminary figures, WACKER POLYMERS generated sales of €415 million in the second quarter, down 25 percent compared with the same period last year. EBITDA is anticipated to come in at €75 million, down 17 percent year over year. WACKER now projects full-year sales for the division to range between €1.6 billion and €1.7 billion (previous guidance: €1.8 billion). The EBITDA margin is expected to be approximately 17 percent (previous guidance: slightly above the prior-year level).

According to preliminary figures, WACKER POLYSILICON achieved sales of €515 million during the second quarter. Although sales declined by 10 percent year over year, growth of 16 percent was registered compared with the first quarter. Second-quarter EBITDA is expected to amount to €155 million (previous year: €214 million). WACKER expects full-year sales for the division to range between

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€1.6 billion and €1.7 billion (previous guidance: between €1.6 billion and €1.8 billion). EBITDA is likely to come in between €300 million and €400 million (previous guidance: between €300 million and €500 million).

Based on preliminary figures, WACKER BIOSOLUTIONS generated sales in the amount of €90 million during the second quarter, a slight increase year over year. EBITDA is likely to come in at €0.5 million (previous year: €8.1 million). WACKER now expects full-year sales for the division to grow by high-single-digit percentage (previous guidance: sales growth by low-double-digit percentage). EBITDA is projected to be below the prior-year level (previous guidance: significantly higher than last year).

WACKER will publish its interim report for the first half of 2023 on July 27, 2023.

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

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The Company in Brief:

WACKER is a global chemical company with some 15,700 employees and annual sales of around €8.21 billion (2022). WACKER has a global network of 27 production sites, 26 technical competence centers and 50 sales offices.

WACKER SILICONES

Silicone fluids, emulsions, rubber grades and resins; silanes; pyrogenic silicas; thermoplastic silicone elastomers

WACKER POLYMERS

Polyvinyl acetates and vinyl acetate copolymers and terpolymers in the form of dispersible polymer powders, dispersions, solid resins and solutions

WACKER BIOSOLUTIONS

Biotech products such as cyclodextrins, cysteine and biologics, as well as fine chemicals and PVAc solid resins

WACKER POLYSILICON

Polysilicon for the semiconductor and photovoltaic industries