

Press Release

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WACKER expects to grow in all business divisions in 2025, despite headwinds

- Group sales down by 11 percent in 2024 to €5.7 billion, with EBITDA down 7 percent to €763 million
- Chemical divisions and biotechnology division perform in a weak market environment; positive development for semiconductor-grade polysilicon; downward trend for solar-grade polysilicon
- Net income of €261 million in 2024
- Dividend of €2.50 per share proposed
- Outlook for 2025: Group sales in the range of €6.1 billion to €6.4 billion, with EBITDA between €700 million and €900 million

Munich – With the presentation of its annual report today, Wacker Chemie AG reported that its 2024 sales and earnings fell versus the previous year due to persistently weak market conditions. WACKER's sales totaled €5.72 billion, 11 percent less than in 2023 (€6.40 billion). This development was driven primarily by lower prices and much lower volumes at the Polysilicon division. By contrast, sales in the chemical divisions matched the previous year's performance despite headwinds. The biotechnology division reported a year-over-year increase in sales.

The Group's EBITDA (earnings before interest, taxes, depreciation and amortization) amounted to €763 million in the reporting period (2023: €824 million), down 7 percent. This is due to lower prices, particularly for solar-grade polysilicon, but also to persistently high energy costs in Germany, coupled with lower plant-utilization rates in some cases as a result of the decline in volumes. Savings from ongoing efficiency measures buoyed earnings.

Due to the factors described above, EBIT (earnings before interest and taxes) decreased 28 percent to €290 million (2023: €405 million). Depreciation and

amortization came to €473 million, higher than in 2023 (€419 million) due to the commissioning of new production facilities in Germany and China. Net income for 2024 came in at €261 million (2023: €327 million).

WACKER's long-standing dividend policy is to distribute about 50 percent of net income for the year to shareholders. The Executive and Supervisory Boards will therefore propose a dividend of €2.50 per share at the Annual Shareholders' Meeting. Based on the number of dividend-bearing shares as per December 31, 2024, the cash dividend corresponds to a payout of €124 million.

2024: Good performance in a weak market environment

"2024 was a challenging year for the chemicals industry as a whole. We were faced with weak demand in many of our customer sectors, with many of our customers in the construction and automotive industries, in particular, curbing their production. WACKER performed well in this weak market environment," said President & CEO Christian Hartel on Wednesday in Munich. "Despite headwinds, our chemical divisions achieved sales at the previous year's level and earnings in total in these divisions even exceeded the prior-year figure. Sales and earnings in our biotech division were up year over year," he continued. "It was only the Polysilicon division that painted a mixed picture. Our solar-grade polysilicon business has declined primarily due to excess capacity in China. What is more, the debate in this area surrounding US anti-dumping tariffs on solar imports from Southeast Asia unsettled the markets considerably. By contrast, our hyperpure semiconductor-grade polysilicon business performed very well. This is an area in which we are the global market leader, and we are continuing to expand both our capabilities and our capacities."

2025: Business environment remains challenging, but WACKER remains on track

Regarding WACKER's expectations for the year ahead, Hartel explained: "The market environment will remain challenging. The weak economy is still impacting many customers' order trends, with ongoing reluctance to spend in the construction industry, for example. By contrast, demand for our silicones, especially for specialty products, and semiconductor-grade polysilicon continues to show a very positive development. We expect to see higher volumes in these areas this year."

Sales in the first two months of this year were roughly on a par with the previous year. In addition, WACKER expects to report Group sales at the prior-year level in the first quarter of the year (Q1 2024: €1.5 billion), while our polysilicon business will be lower than last year. The company expects to report EBITDA of around €135 million for the first quarter (Q1 2024: €172 million).

Looking at the year as a whole, WACKER expects its business to grow in all regions despite an ongoing challenging environment. Sales are forecast at

between €6.1 billion and €6.4 billion, while EBITDA should amount to between €700 million and €900 million. The company expects to see slightly lower selling prices and considerably higher volumes.

Hartel stressed that WACKER would continue to focus on cost discipline and on increasing efficiency given the sustained weak market environment. "We are driving forward a number of targeted projects to streamline structures and optimize processes. Digitalization and automation initiatives will help us to achieve this," explained the CEO.

Hartel remains optimistic as regards the company's medium and long-term development. "We have confirmed our strategy. We are in a strong financial position and are benefiting from global megatrends. Whether it is renewable energy, electromobility or digitalization, these trends will continue to drive our business." He added that going forward, WACKER would be focused more on improving margins than on volume growth. "Specifically, this means concentrating more on our efficiency and driving the expansion of our specialty business. By specialty business, we mean products and solutions that offer our customers clear added value thanks to their outstanding properties. They are generally developed on a customer-specific basis, have a greater depth of added value and achieve higher margins," he explained.

Business trends in 2024

Regions

In 2024, WACKER generated 84 percent of its sales outside Germany and 16 percent in Germany. Sales declined in Asia and Europe, while they increased in the USA. Sales in Asia amounted to €2.11 billion (2023: €2.75 billion), down 23 percent. In Europe, WACKER posted sales of €2.21 billion (2023: €2.30 billion), a decline of 4 percent. In the Americas, sales rose by 2 percent to €1.07 billion (2023: €1.04 billion).

Capital expenditures (CapEx)

Capital expenditures totaled €666 million in 2024, a year-over-year decline of 6 percent (2023: €710 million). WACKER's investment focus was on expanding capacity in its four business divisions across the globe. In Silicones, it increased its capacities in Zhangjiagang, China. The company is also creating a new site in Karlovy Vary, Czech Republic, to increase production capacities for specialty silicones. The new site is scheduled to come on stream at the end of 2025. At the Polymers division, one of the capacity-expansion projects is for VAE dispersions in Calvert City, USA. In the Polysilicon division, WACKER is increasing its production capacities for semiconductor-grade polysilicon at Burghausen, Germany. The new facility will open in 2025. The Biosolutions division opened a new mRNA Competence Center in Halle in 2024, making WACKER part of Germany's pandemic-preparedness plan.

Employees

The number of employees increased by 259 in 2024. As of December 31, 2024, WACKER had 16,637 employees worldwide (December 31, 2023: 16,378). As of the reporting date, this included 10,657 employees at its sites in Germany (2023: 10,621) and 5,980 at its sites elsewhere (2023: 5,757).

Net cash flow, net financial debt and equity ratio

At €-326 million, net cash flow was negative in 2024 (2023: €166 million). The marked drop reflected lower earnings and an increase in working capital.

As of December 31, 2024, WACKER reported net financial debt of around €691 million (December 31, 2023: €84 million).

The Group's total assets amounted to €9.41 billion as of December 31, 2024 (December 31, 2023: €8.85 billion), up 6 percent, due primarily to the increase in inventories and fixed assets. As of December 31, 2024, WACKER posted liquid assets of €1.26 billion (December 31, 2023: €1.42 billion).

Equity, too, was up by 6 percent. As of the reporting date, equity amounted to €4.84 billion (December 31, 2023: €4.58 billion). The equity ratio of 51.4 percent was on par with the previous year (2023: 51.7 percent).

Business divisions

The **Silicones** division increased its sales and EBITDA in 2024. Sales came to €2.81 billion, up 2 percent year over year (2023: €2.74 billion). EBITDA was €347 million (2023: €236 million), 47 percent more than a year earlier. This positive development was driven by an improved product mix, with a significantly higher proportion of specialty products, and better plant utilization rates.

Sales and EBITDA at **Polymers** were down year over year. Sales decreased 7 percent to €1.46 billion (2023: €1.58 billion). EBITDA came in at €194 million, down 23 percent year over year (2023: €253 million), mainly due to a year-over-year decline in selling prices. The division slightly increased its volumes in a weak market environment thanks to strong demand for products used to formulate adhesives and coatings.

Biosolutions outperformed the prior-year figures for both sales and EBITDA in 2024. Sales increased by 11 percent and reached €375 million (2023: €337 million). At €35 million, EBITDA was significantly higher year over year (2023: €7 million). The positive trend was bolstered primarily by growth in its biopharmaceutical business.

Sales and EBITDA in **Polysilicon**, in contrast, declined. Sales dropped 41 percent to €949 million (2023: €1.60 billion). EBITDA contracted 40 percent to €193 million (2023: €321 million) due to lower prices and volumes for solar-grade polysilicon. Ongoing high energy prices in Germany had a negative impact, too.

The total share of hyperpure polysilicon volumes for the semiconductor industry grew further in 2024.

Outlook for 2025

WACKER expects to see slightly lower selling prices on average in 2025.

Volumes look set to increase considerably – particularly for specialty products in the chemical divisions and at Polysilicon. Changes in exchange rates are likely to have a positive effect on sales. Overall, WACKER expects Group sales to range between €6.1 billion and €6.4 billion, increasing in all regions and business divisions.

EBITDA is predicted to come to between €700 million and €900 million, with an EBITDA margin at the prior-year level. Capital expenditures will likely be considerably below the prior-year level, and will slightly exceed depreciation and amortization. Depreciation and amortization is expected to total just over €500 million.

Net financial debt is expected to be at the prior-year level. Net cash flow will be positive and significantly higher than last year's figure.

Sales at Silicones are expected to rise by around 10 percent. Growth will be driven primarily by higher volumes, especially for specialty products. The EBITDA margin should be slightly above last year.

The Polymers division expects sales to rise by a low-single-digit percentage. WACKER is forecasting slight growth in volumes for dispersions and dispersible polymer powders, with slightly lower selling prices. The EBITDA margin is expected to be on a par with the previous year.

Sales at Biosolutions are expected to come to around €400 million. The company is not expecting to see any major recovery in the market environment, and the project business will remain challenging. The EBITDA margin is likely to be slightly higher than the prior-year figure.

The Polysilicon division expects to post sales of between €1.0 billion and €1.3 billion in 2025. Volumes of semiconductor-grade polysilicon are likely to increase considerably, while the solar-grade polysilicon business will remain challenging. EBITDA should range between €100 million and €250 million.

Note: The Annual Report for 2024 is available for download on the WACKER website (www.wacker.com) under Investor Relations.

Key figures for the WACKER Group for 2024

€ million	2024	2023	Change in %
Sales	5721.8	6402.2	-10.6
EBITDA ¹	762.8	823.6	-7.4
EBITDA margin ² (%)	13.3	12.9	N/A
EBIT ³	290.1	404.9	-28.4
EBIT margin ² (%)	5.1	6.3	N/A
Financial result	-31.7	-17.9	77.1
Income before income taxes	258.4	387.0	-33.2
Net income for the year	260.7	327.3	-20.3
Earnings per share (€)	4.85	6.31	-23.1
ROCE (%)	5.0	6.9	-27.5
Financial position/cash flow			
Total assets	9409.9	8854.4	6.3
Equity	4837.0	4579.9	5.6
Equity ratio (%)	51.4	51.7	N/A
Liquidity	1256.1	1421.9	-11.7
Financing liabilities	1946.7	1505.6	29.3
Net financial debt ⁴	-690.6	-83.7	N/A
Capital expenditures (CapEx) ⁵	666.0	709.6	-6.1
Depreciation/amortization	-472.7	-418.7	12.9
Net cash flow ⁶	-326.0	165.6	N/A
Research and development			
Research and development expenses	203.7	184.1	10.6
Employees			
Personnel expenses	1579.8	1479.6	6.8
Employees (number as of December 31)	16637	16378	1.6

This report 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

¹ EBITDA is EBIT before depreciation and amortization.

² Margins are calculated based on sales.

³ EBIT is the result from continuing operations for the period before interest result and other financial result, and income taxes.

⁴ Securities, fixed-term deposits, cash and cash equivalents

⁵ Sum of cash and cash equivalents, noncurrent and current securities, and noncurrent and current financial liabilities.

⁶ Intangible assets, property, plant and equipment, investment property, excluding right-of-use assets.

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.

Additional information

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The company in brief

WACKER is a global company with state-of-the-art specialty chemical products found in countless everyday items, ranging from tile adhesives to computer chips. The company has a global network of 27 production sites, 21 technical competence centers and 46 sales offices with some 16,600 employees and annual sales of around €5.7 billion (2024).

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

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