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## Annual Press Conference for 2025

Speech by  
Christian Hartel, President & CEO,  
&  
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Wacker Chemie AG

on March 11, 2026  
in Munich, Germany

Good morning, ladies and gentlemen.

I, too, would like to welcome you to our Annual Press Conference.

When we gathered here this time last year, I predicted that 2025 would be a challenging year for the chemical industry.

Unfortunately, my prediction was correct.

- Demand in many of our customer sectors was, and indeed remains, weak.
- The market is dominated by considerable uncertainty, sparked by trade conflicts and geopolitical crises,
- meaning that customers are reluctant to place orders and investments are being postponed.

This marks the continuation of a worrying trend, particularly in Europe and Germany. Chemical production in these regions has been in decline since 2022.

So what we're seeing is no longer just a temporary economic slump, but rather a process of structural change. In other words,

- fundamental shifts are emerging in the market.
- Growth is something that is happening in other regions.
- New competitors, mainly from Asia, are entering the market, with much better cost structures.
- At the same time, massive overcapacity in the market is sending prices plummeting, especially for standard chemical products.

Here are just two examples that affect WACKER: solar-grade polysilicon and siloxane.

- The solar-grade polysilicon market has been facing massive overcapacity since 2023. This is due to the heavily subsidized

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expansion of capacity in China, which has pushed prices down drastically.

- It's a similar story with siloxane, a precursor to silicones. This is another area in which massive capacity expansion in China has led to excess supply and falling prices on the global market.

We have responded to these developments – in the field of polysilicon with a clear focus on semiconductor applications.

Our response to the overcapacity in the siloxane market is our specialties strategy.

More about that later.

Ladies and gentlemen,

this all goes to show that the “rules of the game” in the market have changed fundamentally, and we need to take action.

The situation is exacerbated by structural disadvantages here in Europe, first and foremost, the persistently high energy prices.

Then, there is the excessive regulation in Germany and Europe that we ourselves are responsible for.

This puts us at a clear disadvantage compared to our competitors in the USA and Asia.

To ensure that the chemical industry here has a future, we urgently need a level playing field in the form of competitive conditions that are comparable across the globe.

Or, in other words:

nothing matters MORE than creating the right conditions for Germany and Europe as a center of business! This is something we continue to advocate.

But it is also clear that we have our own homework to do as well. And that is exactly what we are doing.

Before I go into greater detail on the steps we're taking, I'd like to take a look at the past fiscal year with you.

Like many other chemical companies, we had to adjust our original 2025 targets during the year due to the challenging market environment.

We ultimately closed the year with sales of 5.5 billion euros and EBITDA of 427 million euros. It is important to remember that our EBITDA includes special effects associated with our PACE cost-saving project.

More on that later.

These figures are in line with both our revised guidance and consensus expectations.

But obviously, we are not satisfied with this situation!

This is particularly true with regard to our net result for the year. Special effects and valuation adjustments meant that this result was clearly negative in 2025.

As such, it will likely come as no surprise for you to hear that the Executive and Supervisory Boards will be proposing to this year's Annual Shareholders' Meeting that no dividend be distributed for 2025.

If we look at the division results, we can see that sales and EBITDA were down in all segments in 2025, in the chemical divisions, as well as at Biosolutions and Polysilicon.

The Polysilicon division once again had mixed fortunes. The solar-grade polysilicon business remained challenging. By contrast, our semiconductor-grade polysilicon business performed very well.

We continued to create the foundation for future growth in 2025. Here are just a few examples:

- With our new production line for semiconductor-grade polysilicon, which went on stream in Burghausen in 2025, we have not only expanded our capacities, but also further improved the quality of the material we produce. It is here that the planet's purest material by far is being produced.
- In the biotechnology field, we expanded our research capacities in 2025 with the opening of the WACKER Biotechnology Center in Munich, strengthening our innovative capabilities. Our focus is primarily on biotechnological solutions for the pharmaceutical and food sectors.
- At the same time, we are accelerating our growth in our core business – the chemical divisions. With the commissioning of two new production facilities for silicones in Tsukuba, Japan, and Jincheon, South Korea, we have not only strengthened our position in key regional markets. The new facilities also enable us to continue to drive forward our specialties strategy.

With all of these investments, we have laid the foundation for a successful future. We are on track.

The same applies to our sustainability targets, which we remain firmly committed to, even in economically challenging times.

By 2030, we want to cut our absolute CO<sub>2</sub> emissions by 50 percent compared with the base year of 2020. By 2025, we had already achieved a reduction of 43 percent.

Although this is partly due to lower output, it is a huge success. We are aiming for our production operations to achieve net zero by 2045.

Green electricity made up a good third of our total energy consumption in 2025 and we are working to constantly increase this figure.

At some of our sites, for example in Holla, Norway, green electricity already covers 100 percent of our energy needs.

The Holla site produces metallurgical-grade silicon, the starting material for polysilicon and silicones. Production is particularly energy-intensive, and previously involved using bituminous coal as part of the reduction process.

Here, we started to gradually switch over to biogenic carbon in 2025. This allows us to further reduce our carbon footprint and brings us a considerable step closer to being able to produce “green silicon.”

In the CDP rating process, we once again scored top marks in the “climate” category in 2025. The sustainability rating agency EcoVadis awarded us another Gold label as well. This goes to show that the progress we are making in terms of sustainability is also visible to, and recognized by, external parties.

Ladies and gentlemen,

Before I move on to our expectations for the year ahead, I'd like to hand over to Tobias Ohler. He will take you through last year's facts and figures in more detail.

Thank you very much Christian.

Ladies and gentlemen, a warm welcome from me, too.

The challenging market environment meant that 2025 was another year in which sales and earnings declined.

Our sales dropped 4 percent to 5.5 billion euros. This was due primarily to weak demand, which led to low capacity utilization in all business divisions. In addition to lower volumes, lower prices in some cases and currency effects had a negative impact.

So what about EBITDA?

It came in at 427 million euros, down 43 percent year over year. It is, however, important to remember that earnings were impacted by special effects. These include a provision set up in connection with our ongoing PACE cost-saving project. This provision amounts to 103 million euros. This means that our EBITDA before special effects comes to 529 million euros, putting both our sales and our EBITDA before special effects in line with expectations.

Our earnings in 2025 were chiefly dampened by the sales decline. As a result, plant-capacity utilization dropped in all of our divisions. In contrast, fixed costs were too high.

High energy costs in Germany, furthermore, continued to have a negative impact.

By contrast, savings from ongoing cost-cutting and efficiency programs had a positive impact.

In October 2025, moreover, we launched a comprehensive cost-cutting and efficiency program that will have a major impact as early as this year.

Let's take a look at the regions.

WACKER is a global player.

We generated more than 80 percent of our sales outside of Germany in 2025. 60 percent was generated outside Europe.

While sales declined in Asia and the Americas, they remained stable in Europe.

Asia accounted for 35 percent of total sales. Europe was responsible for 40 percent. In the Americas, the figure was 19 percent.

The next chart shows trends for EBIT, depreciation and amortization, and our net result for the year.

First to EBIT: Earnings before interest and taxes were in negative territory at -180 million euros, mainly dampened by the substantial decline in EBITDA.

Depreciation and amortization of 606 million euros rose substantially compared with the year before, In this regard, a major factor was the impairment of goodwill, which likewise put pressure on the net result for the year.

This was mainly due to new production plants starting up in Germany and China.

The net result for 2025 was clearly negative at -805 million euros – due to special effects and valuation adjustments.

So why exactly did this happen?

In total, the valuation adjustments that took effect at the end of 2025 come to approximately 600 million euros.

- Of this amount, 308 million euros are attributable to an adjustment relating to the shares in Siltronic AG, whose share price was consistently below the carrying amount.
- 194 million euros relate to deferred tax assets in Germany, which are no longer recoverable.
- 89 million euros result from the impairment of goodwill associated with the acquisition of ADL Biopharma.

As you can see, these valuation adjustments were our response to adverse developments that are now reflected accordingly in our balance sheet.

Let's have a closer look at each business division.

First, our chemical divisions:

At Silicones, our biggest division, sales were down slightly, coming in at 2.7 billion euros,

3 percent less than a year earlier. This was due to weak demand from the automotive industry and the construction sector, among others.

Exchange-rate effects put pressure on the sales trend as well.

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EBITDA came in at 336 million euros, almost on par with the previous year's level. Earnings were impacted by negative volume/mix effects as well as by low plant-utilization rates. Negative currency effects had an impact too. This was something all of our divisions had to contend with.

Now to the Polymers division:

The ongoing construction-industry downturn – especially in China and western Europe – had a negative impact on business last year. Sales and EBITDA were below the previous year's figures. Sales fell by 6 percent to 1.4 billion euros. EBITDA was 158 million euros, down 19 percent. This can be explained primarily by lower volumes and lower selling prices, coupled with higher costs. A planned technical plant shutdown in the first half of the year had a negative impact as well.

Let's now turn our attention to Biosolutions:

Once again, sales and EBITDA declined.

Sales fell 4 percent to 360 million euros. EBITDA came to 21 million euros, substantially lower than a year earlier. The decline in sales was largely attributable to lower volumes of established products such as cysteine, which is used in flavorings, among other things. The lower EBITDA can also be explained by lower CDMO customer offtake for the BioPharma and BioIngredients sectors, as well as lower plant-utilization rates.

And now to Polysilicon:

The division's semiconductor-grade polysilicon business did very well. We strengthened the percentage of this hyperpure semiconductor-grade

polysilicon in our total volumes. Sales volumes in our business with solar-grade polysilicon, on the other hand, fell again. Sales at Polysilicon fell by a total of 7 percent to 883 million euros. EBITDA dropped 50 percent to 96 million euros. We struggled, here, with very low plant-utilization rates and the persistently high energy prices in Germany.

Ladies and gentlemen,

That ends my review of divisional trends. I'd now like to return to the consolidated financial statements and look at key data from the statement of cash flows.

Last year, we invested 466 million euros, significantly less than a year before; but it is, nonetheless, a consistent investment in our future. Christian Hartel has already given you a few examples.

This slide shows one of our biggest projects at the moment: our new production site in Karlovy Vary, Czech Republic, where room-temperature-curing high-performance silicones will be produced in the future. Silicones like these play a particularly important role in electromobility and renewable energy applications.

The facility has already been constructed and spans an area of around 25,000 square meters, the equivalent of 2.5 soccer fields. The interior finishing is currently being completed and production is gradually being ramped up. We will open the site officially in mid-2026.

Now, let's look at net cash flow.

Last year, it was virtually balanced at -4 million euros. An achievement, in spite of our weaker operating activities. In addition to lower capital

expenditures, the main reason for this balanced cash flow is a significant reduction in inventories.

This was a fantastic achievement by the team.

After all, unsold goods tie up capital that could be used elsewhere.

And we are still working on the topic of “cash.”

Our net financial debt came to around 886 million euros as of December 31, 2025.

Ladies and gentlemen,

WACKER remains well positioned financially. That is reflected in our strong statement of financial position.

Our liquidity remains high.

As of December 31, 2025, we posted cash and cash equivalents of 1.5 billion euros.

Our total assets stand at 8.4 billion euros. The decline of 11 percent is due primarily to the decline in investments in joint ventures and associates accounted for using the equity method and to a decrease in inventories.

On the equity and liabilities side, equity is lower. As of the reporting date, it amounted to 3.8 billion euros. This can be explained first and foremost by the negative net result and negative currency effects.

This brings our equity ratio to its current level of around 45 percent.

Ladies and gentlemen,

I have completed my review of last year. Allow me to hand back to Christian Hartel, who will present our expectations for the current year.

Many thanks, Tobias.

Ladies and gentlemen,

The market environment will remain challenging in 2026.

We have not identified any signs of a turnaround yet.

Across the globe, the growth in chemical production will slow further.

Production levels in Germany remain in negative territory.

In other words, the chemical industry in Germany will produce even less than in 2025, which was itself a weak year.

This is reflected in our figures.

Sales in the first two months of this year were below last year's level.

Economic weakness continues to impact the ordering behavior of many customers. Caution is still the dominant attitude in numerous customer sectors, such as the construction and automotive sectors. In the Polysilicon division, business with solar-grade polysilicon remains extremely challenging.

We expect sales of approximately 1.35 billion euros for the first quarter, a year-over-year decline, which is mainly due to negative currency effects.

In contrast, we expect EBITDA to increase compared to the previous year. We anticipate an amount between 140 million and 160 million euros. Here, cost savings have a positive impact.

What are our expectations for the full year?

We expect to see slight growth in 2026 despite a market environment that remains challenging.

As a result, we predict low single-digit percentage growth in sales, driven by Polysilicon and Biosolutions. We expect sales at our chemical divisions to be at the prior-year level despite negative currency effects.

Our EBITDA is likely to range between 550 and 700 million euros in 2026.

The EBITDA margin is expected to be in the low double-digit range.

Our guidance does not include any possible impact from current developments in the Middle East.

Ladies and gentlemen,

I mentioned earlier on that the chemical industry is in a phase of fundamental transformation.

So what is our response at WACKER?

We are strengthening our competitiveness to consolidate our position as a world-leading specialties manufacturer.

How will we go about this?

- We are working on our costs and our structures.
- We are elevating our business model.
- And we are continuing to invest in our team.

To get WACKER back on track for success, we launched PACE in October 2025, the largest cost-cutting project in WACKER's history.

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As the name “PACE” suggests, speed plays a major role in this project. We need to become faster as an organization. We need to set a “new beat.” And we have to be quick when it comes to implementation. The competition never sleeps.

The clear aim of PACE is to significantly reduce our costs and strengthen our competitiveness to lasting effect.

In particular, we want to use PACE to reduce our production-related and administrative costs by over 300 million euros per year.

PACE will also involve a reduction in job positions. More than 1,500 jobs will be reduced worldwide, most of which will be at our German sites.

So what is the current status of this project?

A large number of measures have already been implemented in China and the US. By way of example, around 200 jobs have been reduced in production and administration in China since early 2025. In the US, preparations are underway to close our silicone site in Chino, California. Going forward, our customers will be supplied from our sites in North Canton, Ohio, and Adrian, Michigan.

We have also already implemented measures at our Norwegian site in Holla, where structures have been streamlined, potential for more efficiency has been leveraged, and positions have been reduced.

So where do things stand in Germany?

Here, too, we have defined a great many measures as part of PACE.

I am proud of the measures devised, because it was our own team that came up with them. Overall, in the course of PACE, more than 100 experienced WACKER employees have submitted ideas, examined their pros and cons, and worked out the details. That was an impressive

achievement and I would like to express my sincere gratitude to the team for their work.

In Germany, discussions are currently underway with the employee representatives. The question as to when we can release details on, and start implementing, the measures for Germany will depend on the progress of these discussions. We are confident that we will be able to agree on solutions very soon, especially as the measures have been devised within the company.

PACE is also about unleashing the potential of our structures and processes to make them even faster and more efficient. This also involves leveraging the opportunities that digitalization, automation and AI offer us.

Two examples:

- First, there is our “Silicon Eye”:  
here, our colleagues generated a live image from the inside of a silicon-melting furnace at our production site in Holla for the first time. In this furnace, quartz is reduced to metallurgical-grade silicon at temperatures of 1,800 °C. The stable positioning of infrared cameras under the most demanding conditions was a huge achievement, but it wasn’t the only one. The fact that the images are processed using various AI applications is also unique. This allows additional parameters that are important for more efficient operation to be calculated based on what is initially purely thermal data. The innovation allows us to better control reactions in the furnace. This makes our production efficient and saves money.
- Second, the virtual commissioning of our new cleaning line for hyperpure polysilicon in Burghausen using a digital twin.

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I have already mentioned the investment. At around 300 million euros, this was one of the largest single investments in WACKER's history. A virtual model of the new facility enabled comprehensive testing of all IT systems and components in advance. This allowed us to identify and resolve problems related to the interaction between hardware and software before the facility had even been built. This meant that the plant was actually commissioned several months ahead of schedule, so that we were able to produce and sell the material sooner.

Further projects are currently being implemented.

For example, we are working systematically on processes such as our innovation process.

The idea is to accelerate the process from the initial idea to a marketable product. A clear process helps us reach our goals faster, more efficiently, and, most importantly, as smoothly as possible. AI serves as a catalyst: for example, lab data is systematically digitalized and interconnected so that it can be used for AI and automation.

This brings us to the second lever we are using to strengthen our competitiveness:

we are elevating our business model.

In our chemical divisions, our focus is on specialties. These are solutions that are often developed on a customer-specific basis, have a greater depth of added value and also achieve higher margins.

- In the Polysilicon division, we are concentrating on the semiconductor market.
- In our life sciences division, Biosolutions, the focus is on innovative biotech solutions.

Our specialties in the Silicones and Polymers divisions offer solutions for major trends such as renewable energies, electromobility, electronics, smart construction, healthcare and medical technology.

Our high-tech silicones are used, for example, in electric motors, in high-voltage connectors and cables, in sensors and displays, and in batteries. They make electric vehicles more reliable, more efficient and safer.

Our polymers are used in numerous construction applications, for example, to make thermal insulation composite systems more stress-resistant and durable. This results in robust and energy-efficient systems that reduce heating and cooling costs and improve the carbon footprint of buildings.

This goes to show that our products also help our customers to meet their sustainability targets.

Since last year, we have also been providing our customers with comprehensive data on the sustainability of our products. This information is based on “cradle-to-gate” production and emission data for everything WACKER produces.

Dedicated software uses this data to calculate the specific and comparable carbon footprint for each product.

This is a service that our customers greatly value.

Now to polysilicon.

With our clear focus on hyperpure semiconductor-grade polysilicon, we contribute to making digitalization and AI possible in the first place.

WACKER is one of the few companies worldwide that can deliver the required quality. Because the higher the quality – or purity – of polysilicon, the more powerful the semiconductor.

Our material is thus vital for developments that need very high computing power.

The best examples are applications in the field of artificial intelligence.

The demands here are constantly increasing.

We have further enhanced the purity of our material with our new cleaning line in Burghausen.

I think we can proudly say

that purest polysilicon in the world today comes from Burghausen.

In our smallest division, Biosolutions, we are focusing on biotech solutions for the medicines and food of tomorrow.

First, we are contributing to the development of advanced therapies in the biopharmaceutical sector. As a contract manufacturer, we produce biopharmaceuticals for our customers in the pharmaceutical industry.

Bioengineered drugs are considered the medicines of the future. We have already acquired a great deal of expertise in this area over the past few years, particularly when it comes to advanced technologies such as mRNA and pDNA.

We are forging ahead with our research at our new WACKER

Biotechnology Center in Munich. This field offers a lot of growth potential that we intend to leverage.

Second, we offer solutions for the food and dietary supplement sector.

One example is cultivated meat. We launched a new product in this area in 2025, a growth factor that allows meat to be grown in the laboratory.

This is our way of contributing to a sustainable alternative to conventional meat production.

This brings us to the third lever:

we continue to invest in our employees, namely in their abilities and skills. A strong WACKER team lays the foundation for our future success.

Especially in today's world, where everything is becoming faster and more digital, it is essential to invest systematically in training and continuing professional development.

And that is exactly what we are doing.

On average, every employee worldwide received three days of training last year.

At the same time, we provide young people with tailored vocational training. In Germany alone, we cover more than 20 vocations. Around 650 apprentices and management trainees were prepared for their future jobs last year at our sites worldwide. Furthermore, we cooperate closely with higher education and research institutions.

Ladies and gentlemen,

Our strategy and the measures we have taken will take effect and put WACKER back on the road to success.

In its more than 100-year history, WACKER has repeatedly proven that it can successfully adapt to new circumstances.

That is why I am confident that we will also successfully shape the transformation that lies ahead of us.

Because we not only have the right products and solutions for the future,

but also the right team to master the challenges.

On behalf of the entire Executive Board, I would like to take this opportunity to thank our employees worldwide for their dedication and commitment, especially in these turbulent times.

Circumstances will remain challenging in 2026. It is therefore all the more important that we continue to consistently pursue the path we have taken.

After all, the market waits for no one.

Speed is increasingly becoming a key differentiating factor.

This also means that we should avoid “putting any spokes in our own wheel” here in Germany and Europe.

I mentioned earlier on that

nothing matters MORE than creating the right conditions for Germany and Europe as a center of business!

We need an environment in both Germany and Europe that allows us to compete with other regions.

The issues at stake are on the table:

- We need internationally competitive energy prices: electricity for industry costing 4 cents per kilowatt hour, including all additional costs – and without investment constraints that immediately tie up the savings and rob companies of their competitiveness.
- We need a reform of the European emissions trading system. Not an abolition, but an intelligent reform. We have to make the ETS future-proof. Among other things, this means: No further tightening of the free allocation of carbon certificates. Not in the

current economic climate, which is already compounded by high energy prices. Otherwise, we might nip any possible economic recovery in the bud and continue to lose competitiveness.

In addition, the linear reduction path of available certificates must be adapted to the EU's 2050 climate target. This path must be flattened. If not, the pressure on industry and the energy sector will be increased, because they will be required to achieve climate neutrality sooner than other sectors and Europe as a whole.

- Third, we need less bureaucracy – and, instead, more confidence in good ideas and entrepreneurial thinking. Some excess red tape can be eliminated without being replaced. The EU Taxonomy is a good example.

Ladies and gentlemen,

We need to create the right conditions now to safeguard our future as an industrial hub, and in doing so, also secure the future of the chemical industry in Germany and Europe.

We have no time to lose.

We need to take action now!

That's all from us.

We look forward to your questions.