



CREATING TOMORROW'S SOLUTIONS



WACKER Virtual CMD Series: POLYSILICON and SUSTAINABILITY

Wacker Chemie AG, Dec 16, 2021

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WACKER

Virtual CMD Series Roadmap

June 2020

WACKER Strategy Update - Delivering on our 5 Targets



Dec 2020

SILICONES & POLYMERS - Specialties Growth & Performance Based Substitution



June 2021

BIOSOLUTIONS and R&D - Accelerated Growth with Cutting-Edge Technologies



Today

POLYSILICON and SUSTAINABILITY - Semi Focus and Net Zero



Q1 2022

WACKER Strategy Update - Entering a New Phase with New Group Targets & Ambitions



Agenda for Today

Agenda

10:00 - 11:00 AM CET

POLYSILICON / SUSTAINABILITY

Our Speakers



Christian Hartel
CEO



Tobias Brandis
President
POLYSILICON



CREATING TOMORROW'S SOLUTIONS



POLYSILICON
Tobias Brandis

POLYSILICON

The Market Leader in Semiconductor and High-End Solar

Business card

High-End Strategy

Clear #1 market position in semiconductor polysilicon and n-type mono for solar

Industry Benchmark

WACKER quality and process stability set industry benchmarks

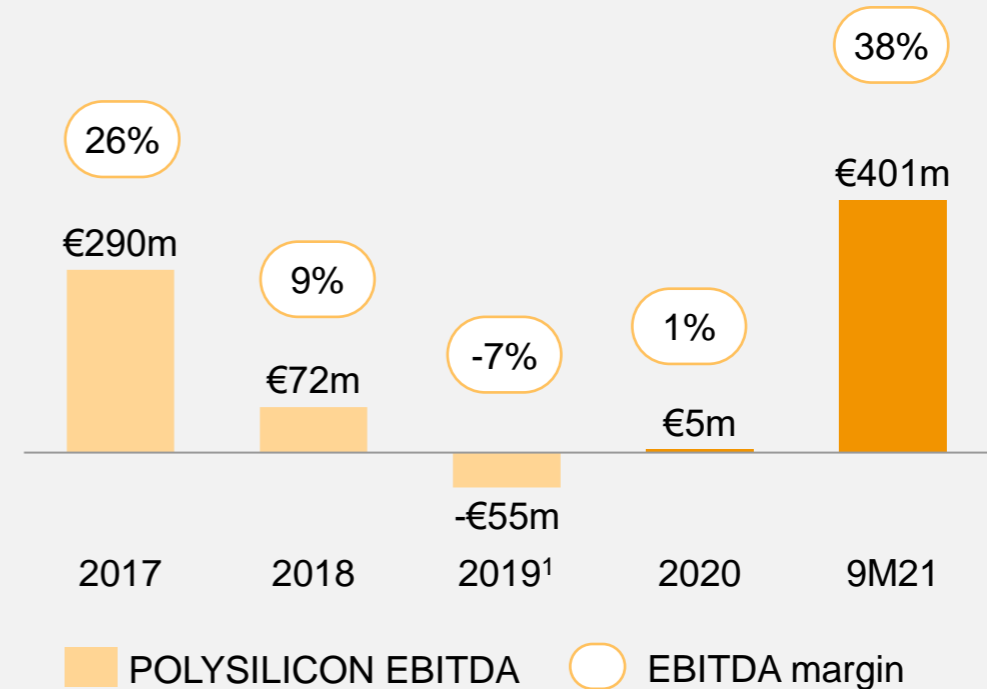
Cost Roadmaps

Continued aggressive cost reductions at all sites

Customer Focus

Fully committed to support customers as long-term partners

Financial Performance

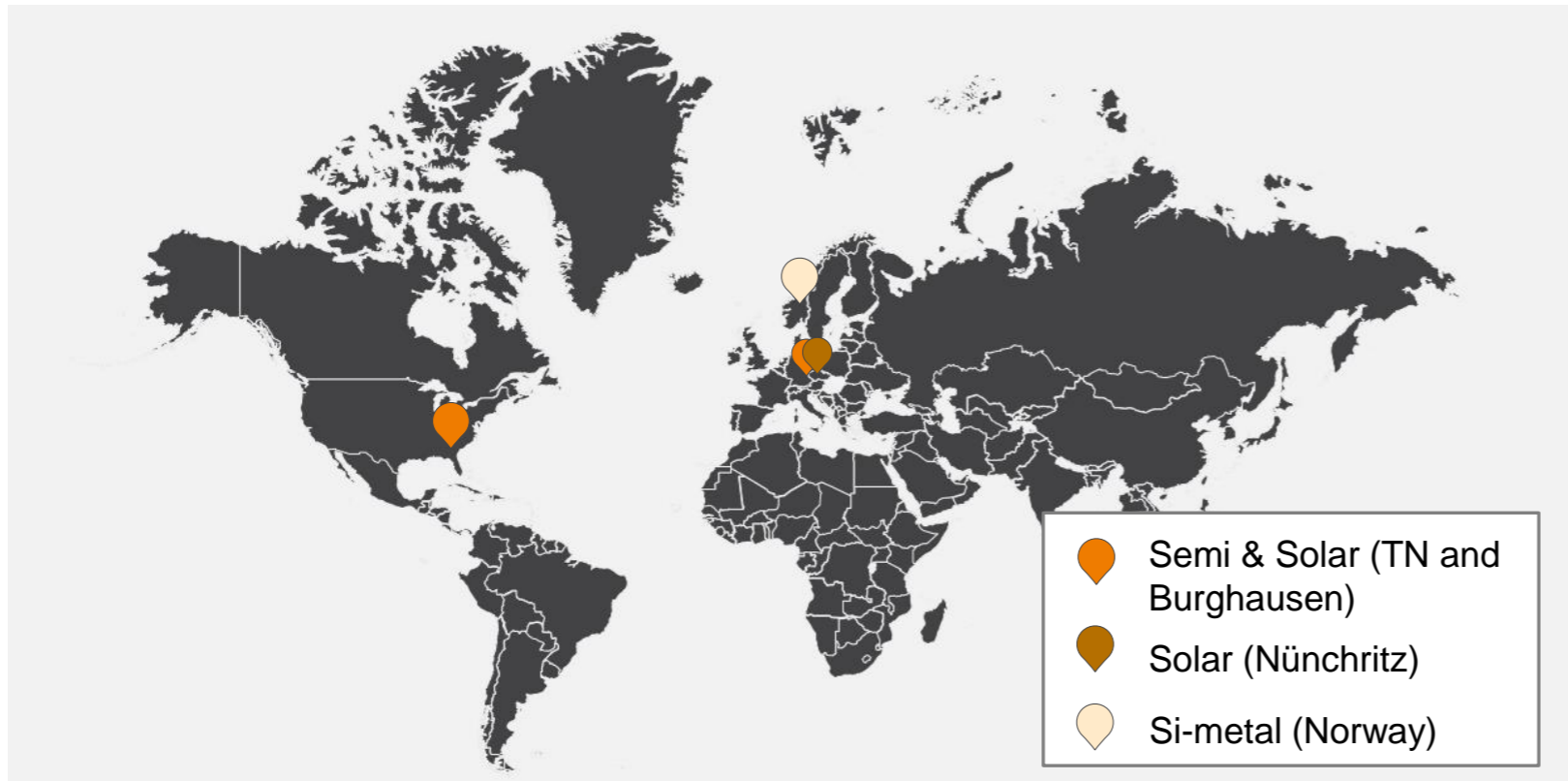


1) EBITDA excludes insurance compensation of €112.5m

POLYSILICON

World Class Supply Chain and Efficiency

WACKER POLYSILICON at a glance



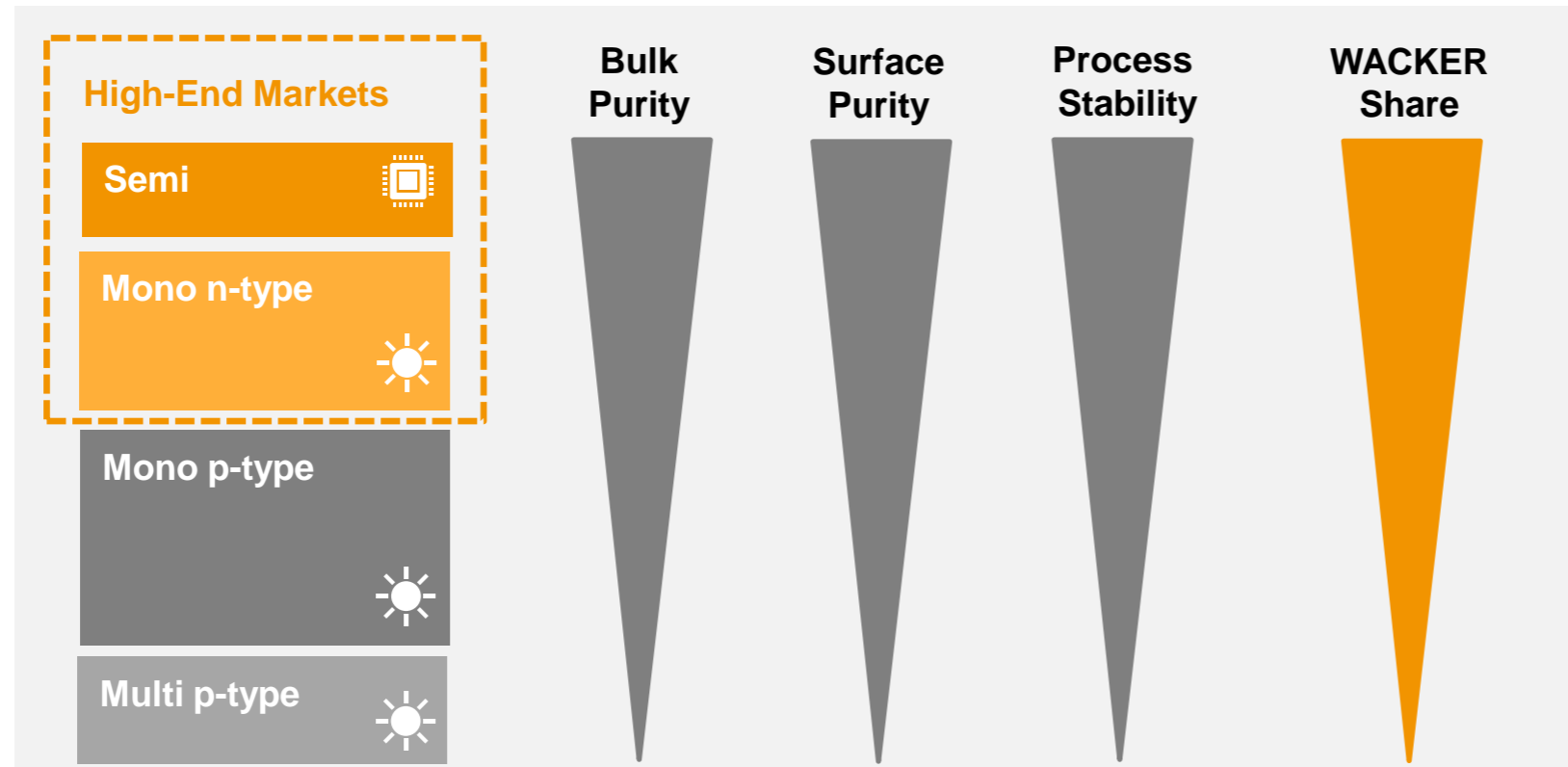
Fully integrated production

- ▶ Benchmark for energy consumption and carbon-footprint
- ▶ Innovative closed recycling loops of by-products
- ▶ Backward integrated in Si-metal (Norway) and strong sourcing in Europe and Americas

POLYSILICON

World Class Quality for High-End Markets

Strategic markets and competitive edge

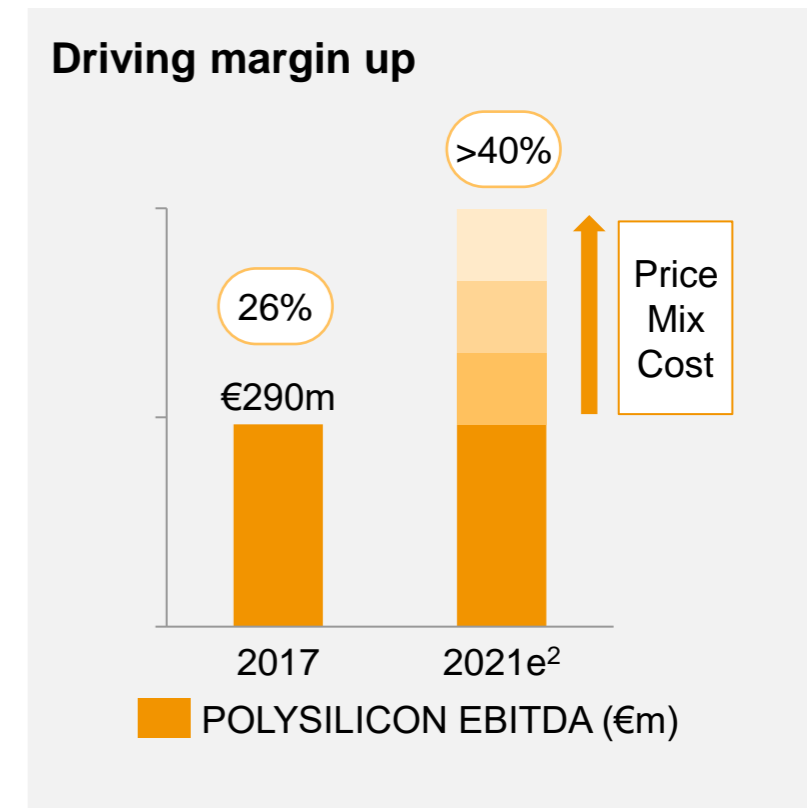
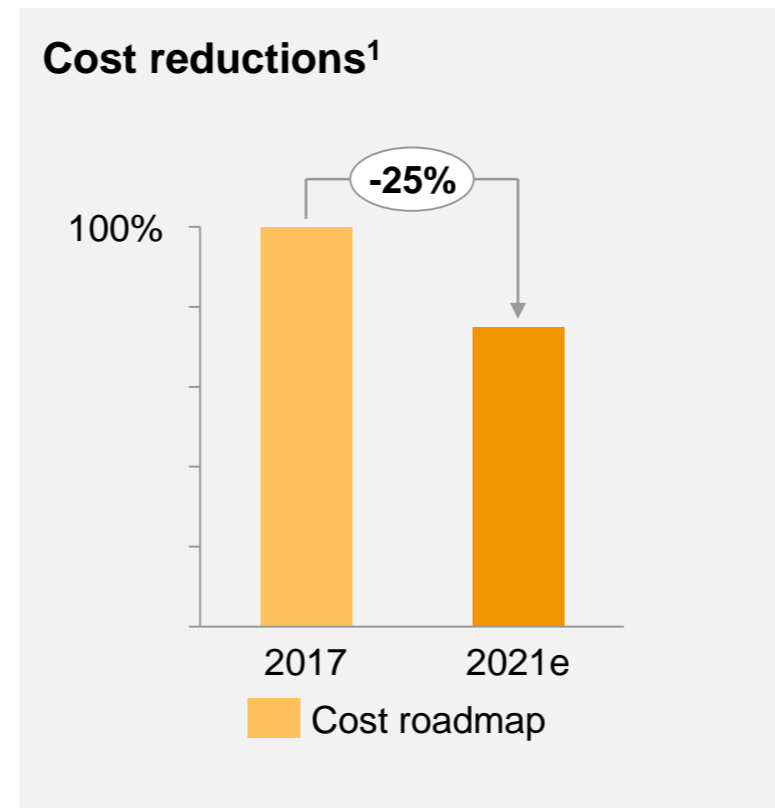
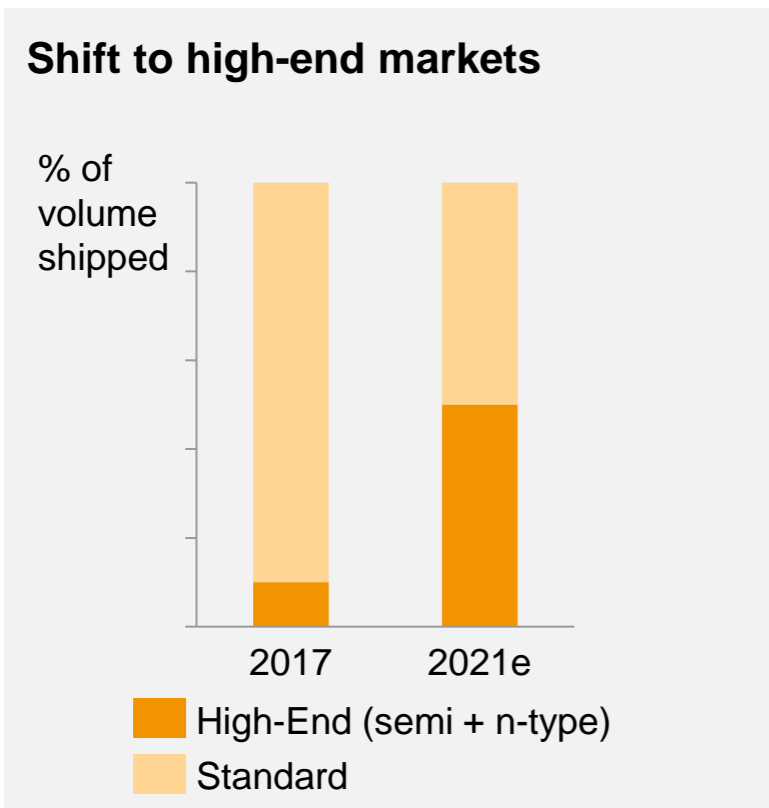


Source: WACKER

POLYSILICON

Focus on High-End Markets and Costs Down Improves Earnings

Progress achieved



1) Cash Cost Road Map (Index = 100) 2) Q3 2021 Earnings Call Presentation, POLYSILICON 2021 Guidance €1.5bn Sales and >40% EBITDA Margin

POLYSILICON

Nearly Half of all Computer Microchips Contain WACKER Polysilicon

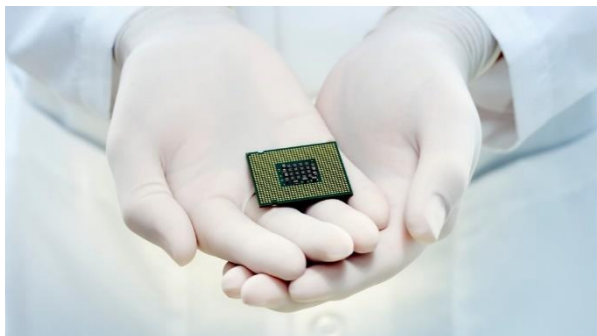
Semiconductor market growth



Connectivity



Industry 4.0

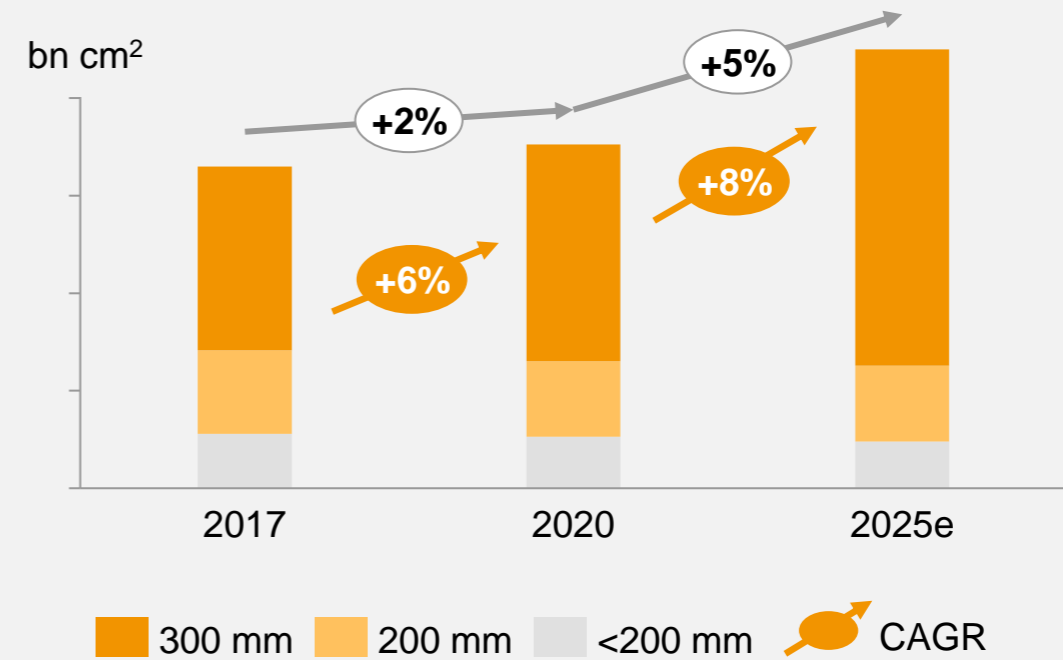


Artificial Intelligence



E-mobility

Strong and continued growth in 300mm¹ wafer



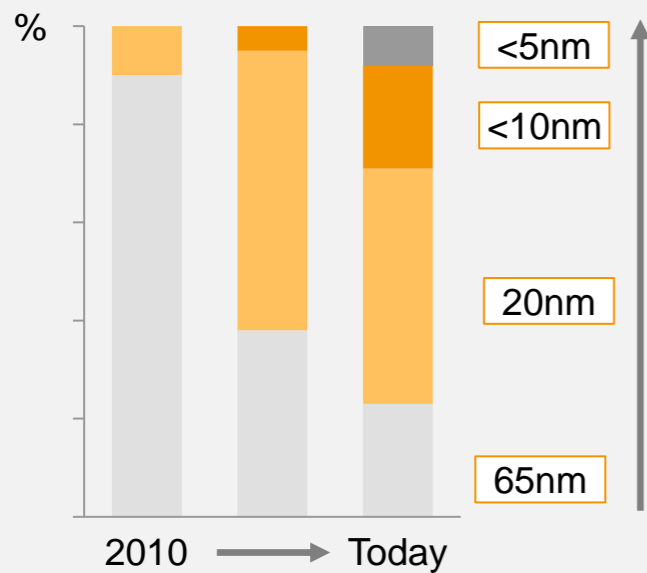
Source: 1) WACKER estimates

POLYSILICON

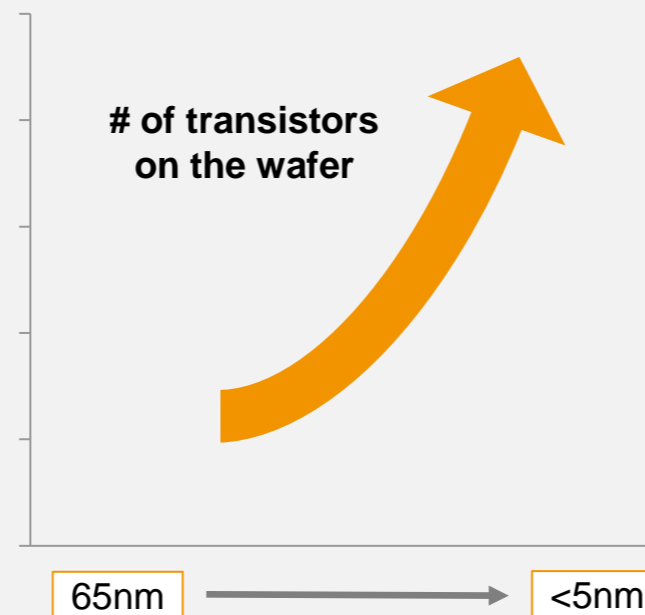
Growth Driver 300mm Wafer Relies on Highest Quality Polysilicon

Demanding design rules on 300 mm

Shift to smaller nodes¹



Fast & power efficient transistors



High barriers to entry

- ▶ Reliability of polysilicon quality essential for increasingly demanding design rules
- ▶ Zero tolerance for inconsistent polysilicon quality from wafer customers & chip producers
- ▶ Very challenging qualification

Source: 1) Wafer Industry sources

POLYSILICON

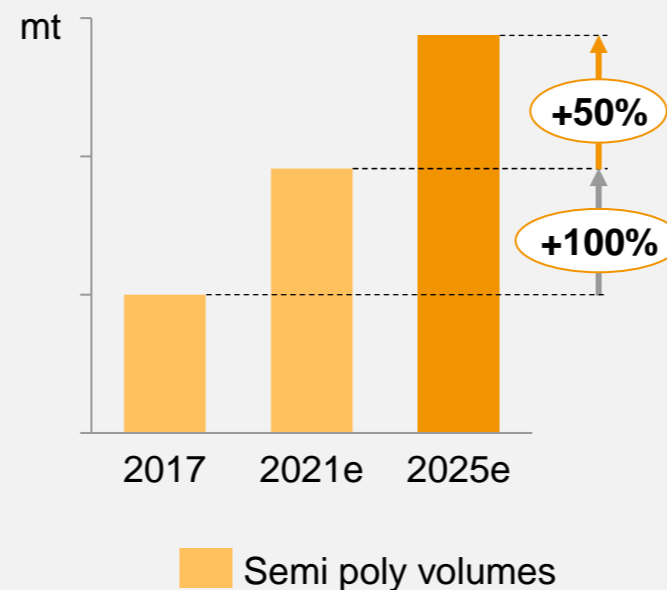
Strengthen #1 Position in Semi

Investing in capacities and capabilities

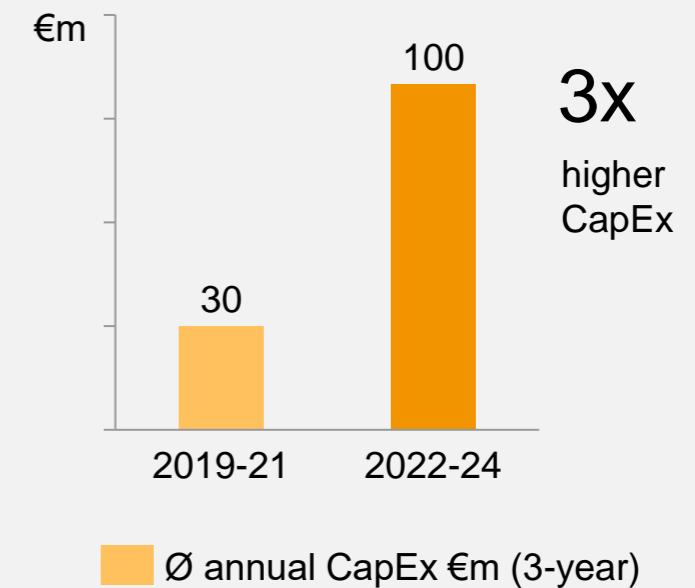
Semi-market characteristics

- ▶ Attractive business with stable pricing and growing volumes
- ▶ 3 major semi polysilicon suppliers into 300 mm
- ▶ WACKER supplies all leading wafer manufacturers
- ▶ Long term supply agreements in place for 5+ years

Strong volume growth



Targeted CapEx for semi

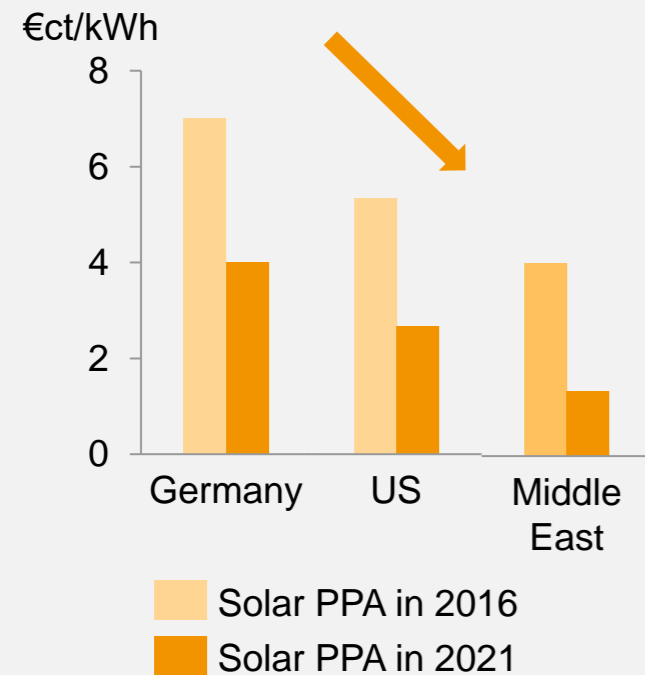


POLYSILICON

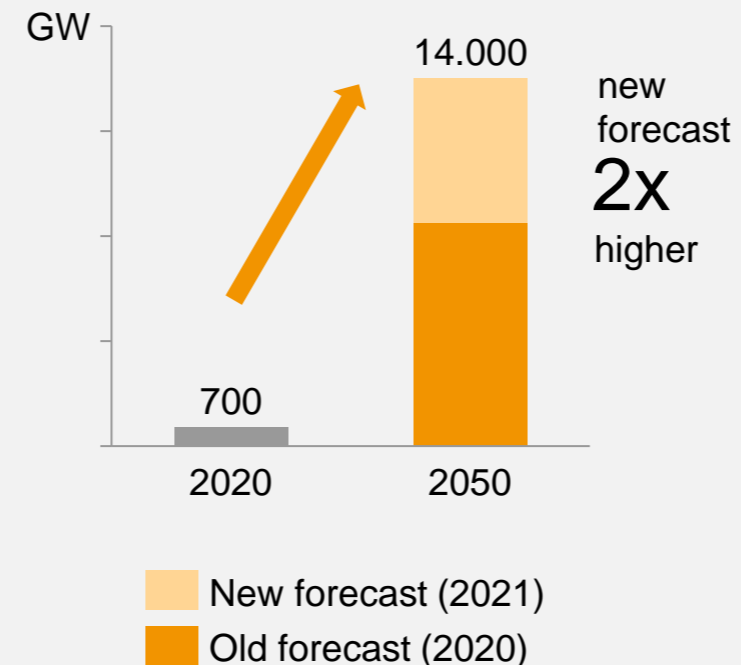
Strong Solar Market Growth due to Lowest Cost and Sustainability

Solar market dynamics

Solar PPAs at grid parity¹



Strong growth necessary²



- ▶ >500 GWs of annual installations needed to fulfil Paris Climate Agreement
- ▶ Solar is a low cost CO₂ abatement technology

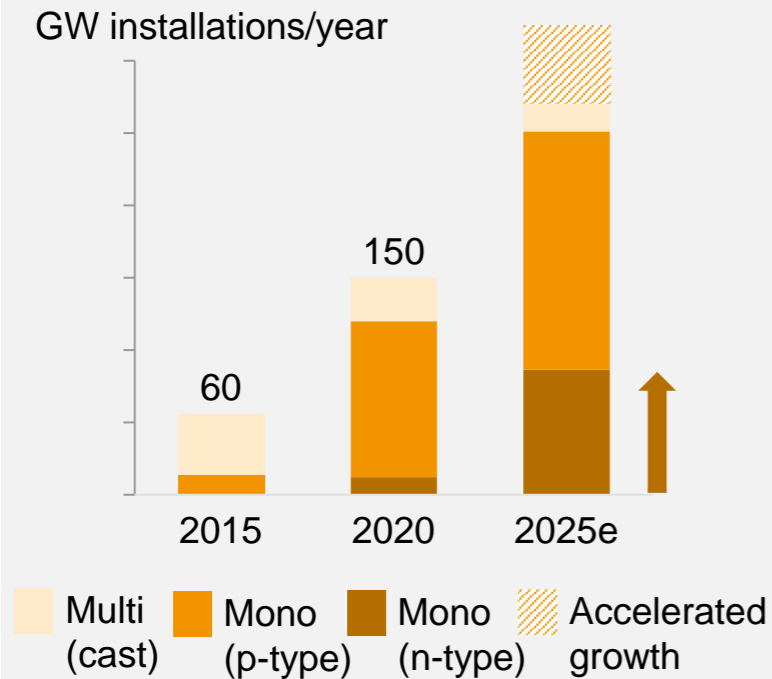
Source: 1) PPA: Power Purchase Agreement, Industry announcements 2) PV installations needed to fulfil 1.5C Climate Goal, IRENA World Transition Outlook 2021

POLYSILICON

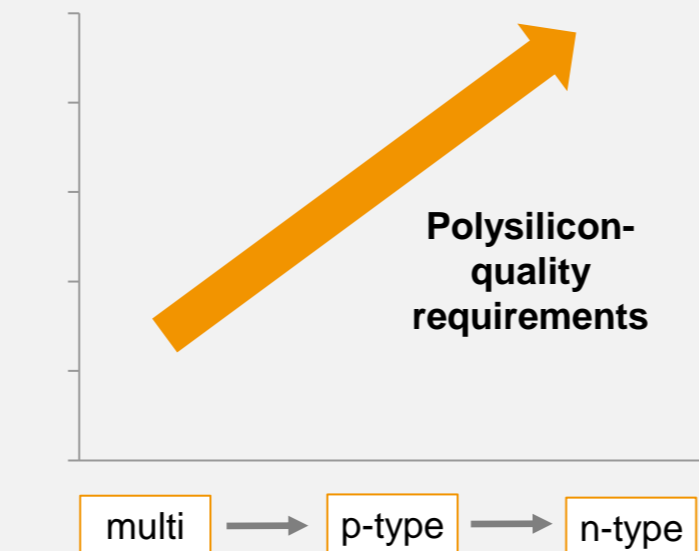
WACKER Leveraging Benchmark Quality and Process Stability

Rapid shift to high performance n-type

Shift to high-performance¹



Increasing poly requirements



Leverage solar capacities

- ▶ Fully invested in solar
- ▶ No future growth CapEx currently planned for solar
- ▶ Additional solar capacities only with a compelling business case

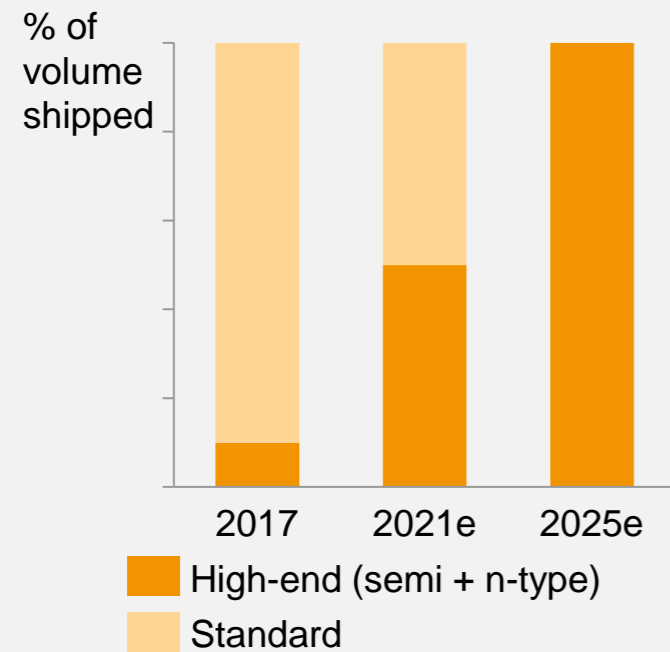
Source:1) ITRPV Roadmap, 12th edition, 2021, WACKER estimates

POLYSILICON

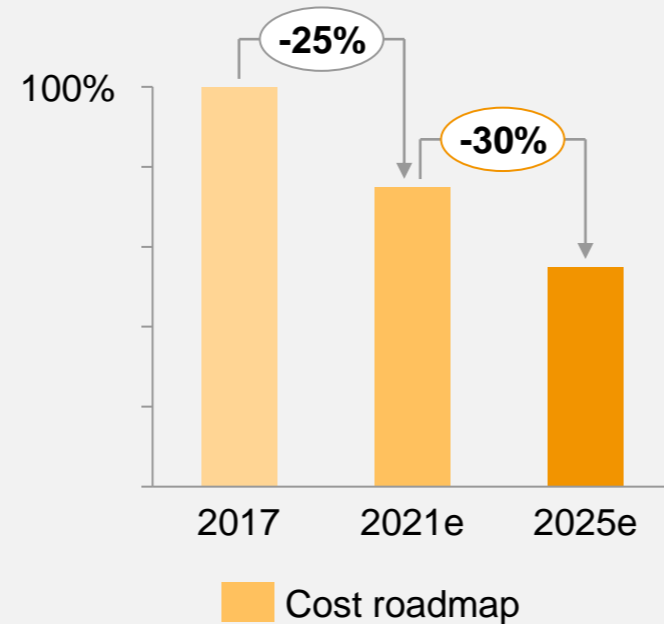
Clear Strategy: High-End, Costs Down and Focused CapEx

Roadmap defined

Target: 100% high-end



Further cost reductions¹



Strategic focus

1. Focus on high-end markets (semi and n-type solar)
2. Increasing CapEx in Semi
3. Continue cost reductions
4. Leverage leading sustainability position

1) Cash Cost Road Map (Index = 100)



CREATING TOMORROW'S SOLUTIONS



SUSTAINABILITY
Christian Hartel

SUSTAINABILITY @ WACKER

**COMMITMENT
&
VALUE DRIVER**

Sustainability @ WACKER: A 100+ Year Success Story

...where it all started



Hydropower based production in Burghausen



World-Class integrated „Verbund“ sites



Technology leadership enabling CO₂ abatement and resource saving



Sustainability Has Two Dimensions for WACKER

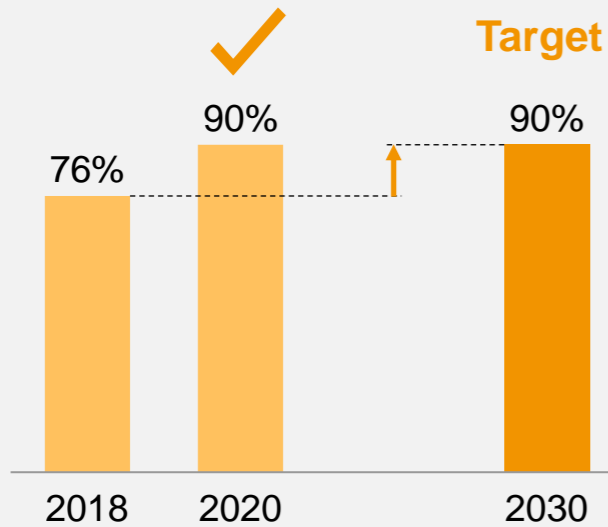


Well On-Track to Meet Existing Sustainability Targets



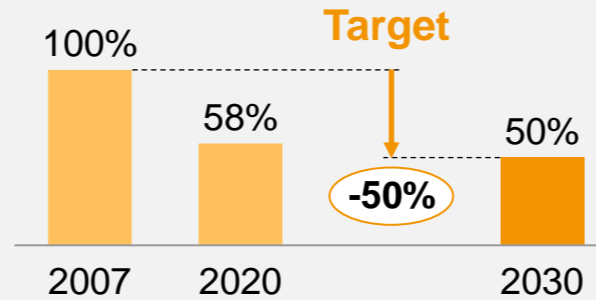
Value Up

Products meet sustainability criteria

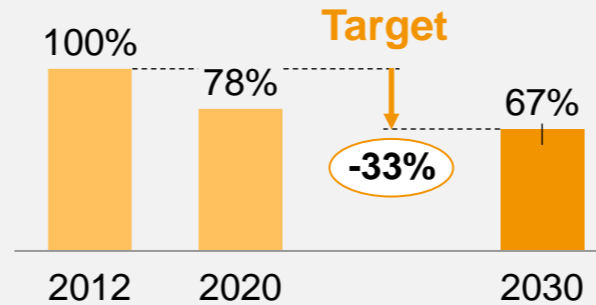


Footprint Down

Specific energy consumption

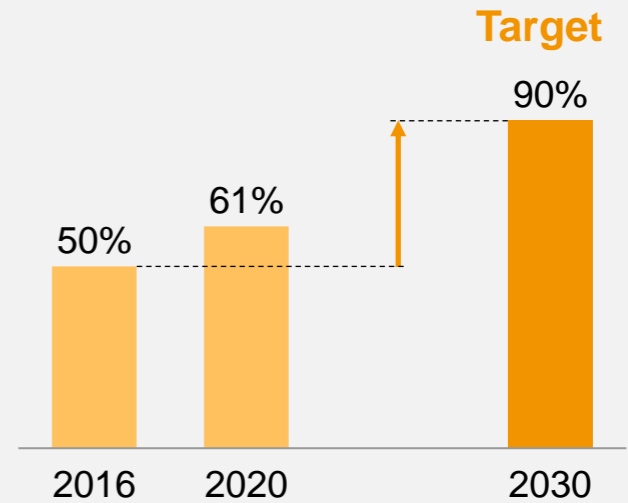


Specific CO₂ emissions



Collaboration Beyond

Key suppliers meet sustainability standards



Setting New and More Ambitious Targets for 2030



Value Up

100% Products meet sustainability criteria



Footprint Down

50% Reduction in absolute GHG¹ emissions (vs. 2020)

15% Reduction in specific water withdrawal (vs. 2020)

15% Reduction in specific energy consumption (vs. 2020)

0 Accidents



Collaboration Beyond

100% Key suppliers meet sustainability standards

25% Reduction in absolute upstream GHG emissions (vs. 2020)



Extend World-class “Verbund” sites and circular economy



Clear Commitment to 1.5°C Paris Agreement

Net Zero

1) GHG = Greenhouse gas

Clear Pathway to Net Zero while Capitalizing on Growth Opportunities



Footprint Down

Benchmark operations with integrated production processes

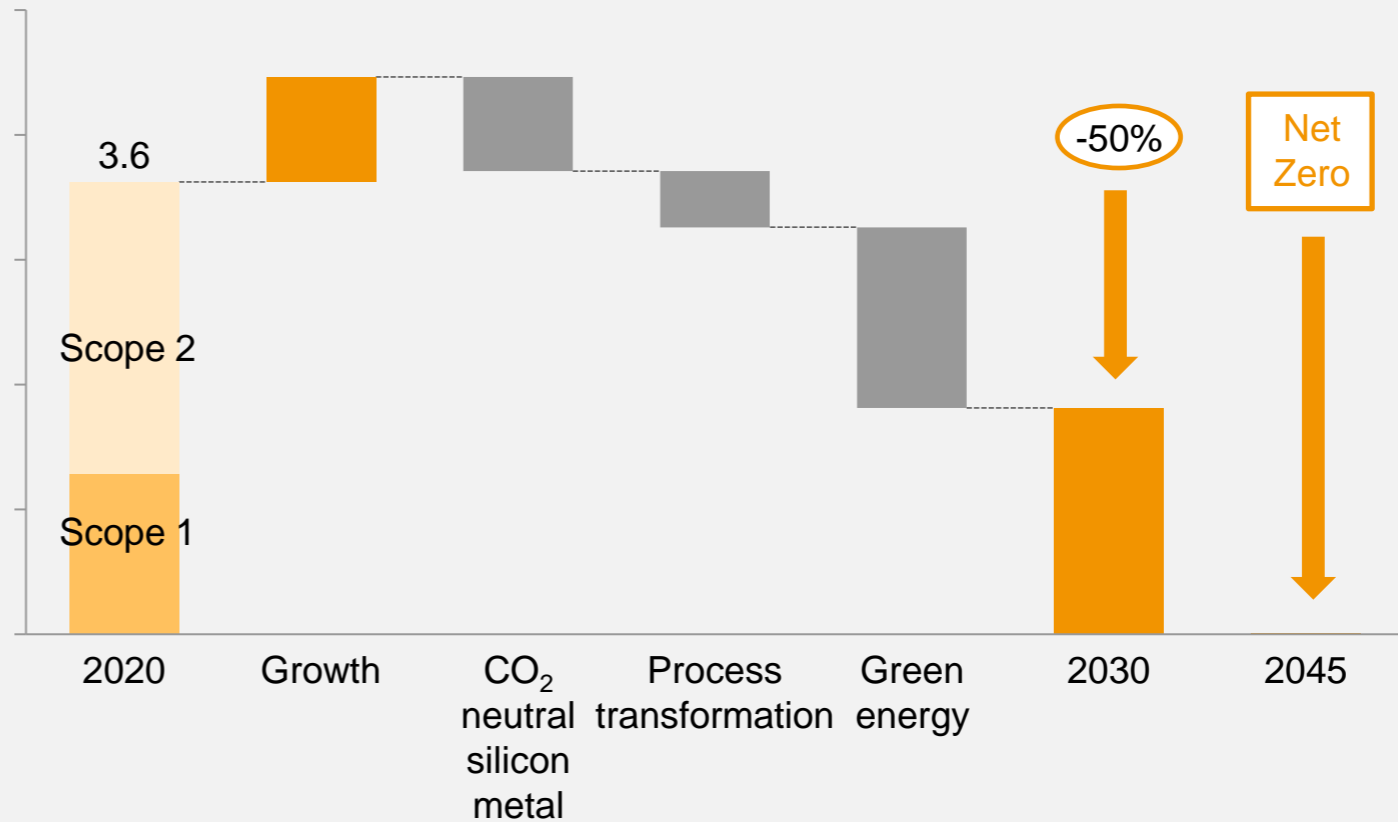


Science Based Target¹: -50%

Reduction in absolute GHG emissions² by 2030 (vs. 2020)



Growing with lower absolute emissions (m t CO₂e)



1) Submitted for validation by Science based target initiative 2) acc. to Scope 1 & 2 GHG emissions

Defined CO₂ Reduction Projects to Reduce GHG Emissions by 50%



CO₂ neutral silicon metal

- ▶ Biocarbon & biomass utilization
- ▶ Explore carbon capture and utilization (CCU) & carbon capture storage (CCS)



Process transformation

- ▶ RHYME Bavaria: CO₂-to-methanol¹
- ▶ Energy efficiency and CO₂-reduction
- ▶ Increase electrification level (e.g. Power to Heat)



Green energy

- ▶ Leverage high electrification ratio
- ▶ Green energy procurement

1) RHYME Bavaria – Renewable Hydrogen and Methanol Bavaria

Suppliers to Follow the Same Corporate Responsibility Guidelines as We Do



Collaboration Beyond

Working within Together for Sustainability (TfS) to improve ESG performance of suppliers

Together for Sustainability

16,000 suppliers evaluated with questionnaires and/or on-site audits by independent bodies



Target 100%

Key suppliers² meet sustainability standards

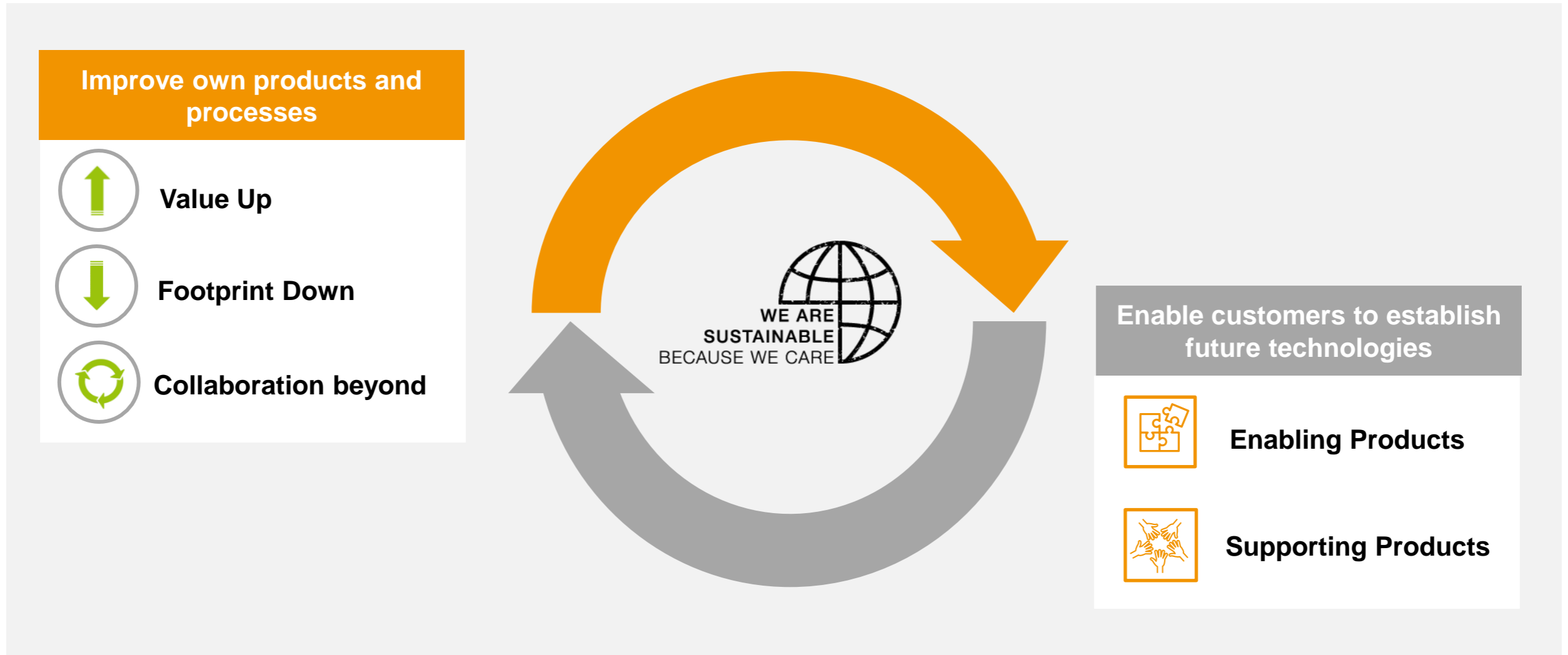
New Supplier Code of Conduct

Well prepared for German supply chain law effective in 2023








1) Together for Sustainability 2) Key suppliers covering >90% of total procurement spend

Sustainability Has Two Dimensions for WACKER



WACKER Products and Technologies Enable Customers to Reduce CO₂ and Save Resources



Primary sources CO ₂	% of global emissions ¹
 Buildings	18%
 Transport	16%
 Energy	24%
 Industry	5%
 Agriculture	18%

WACKER products for CO₂ abatement technologies



Enabling Products

Products that enable new technologies



Supporting Products

Products that support new technologies and make them even better

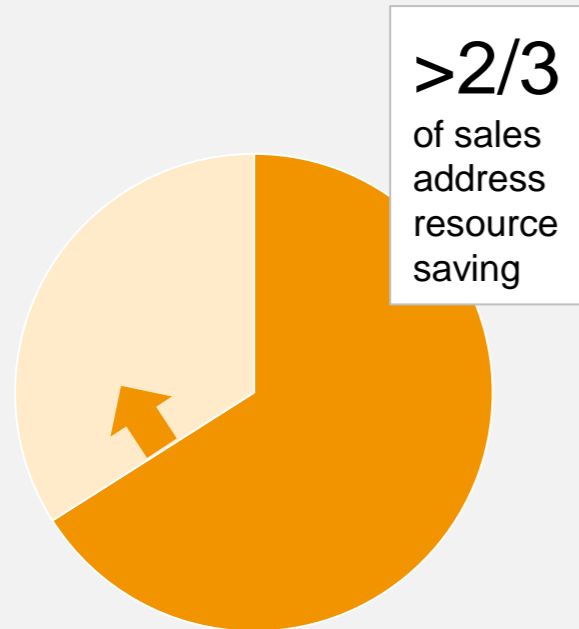


1) Source: <https://ourworldindata.org/emissions-by-sector>

Strong Portfolio to Enable and Support Resource Saving Technologies



WACKER GROUP



>2/3
of sales
address
resource
saving

■ Sales addressing resource saving technologies (incl. CO₂ abatement)

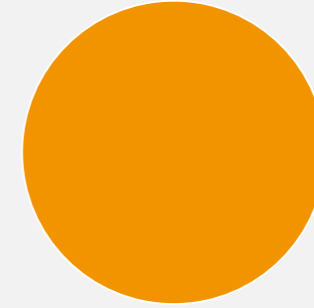
SILICONES



POLYMERS



POLYSILICON



BIOSOLUTIONS



SILICONES

Pioneering Sustainability Across the Value Chain



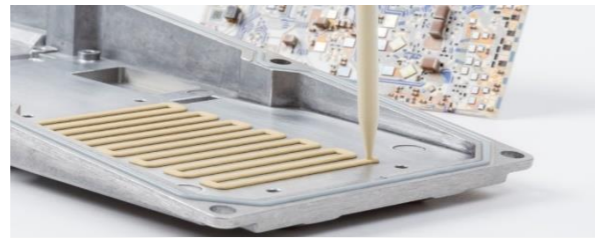
Buildings



Durable facade coatings



Transport



Gap fillers for thermal mgmt



Energy



Insulators and cables



Industry



Pulp & paper defoamers



Strong adhesives



Housing control units



Bonding pastes for windmills



Water and surfactant savings



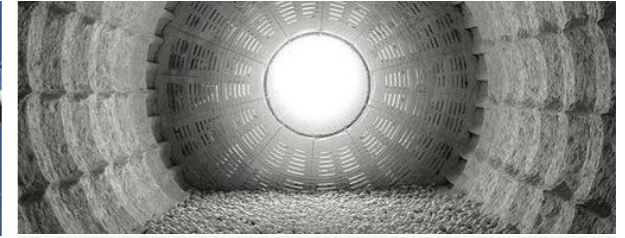
Renewables-based sealants



Highly resistant cables



Heat transfer fluids



Silanes for cement production

POLYMERS

Building a Sustainable Tomorrow



Buildings



Adhesives for ETICS



Durable concrete additives



Binders for mineral insulation



Buildings



Powder paints



Thin-bed tile adhesives



Waterproofing membranes



Industry



Additives for biodegradables



Binders based on renewables



Adhesives for plastic to paper

POLYSILICON

Enabling Photovoltaics and Microelectronic Applications



Transport



Semi for efficient cars



Energy



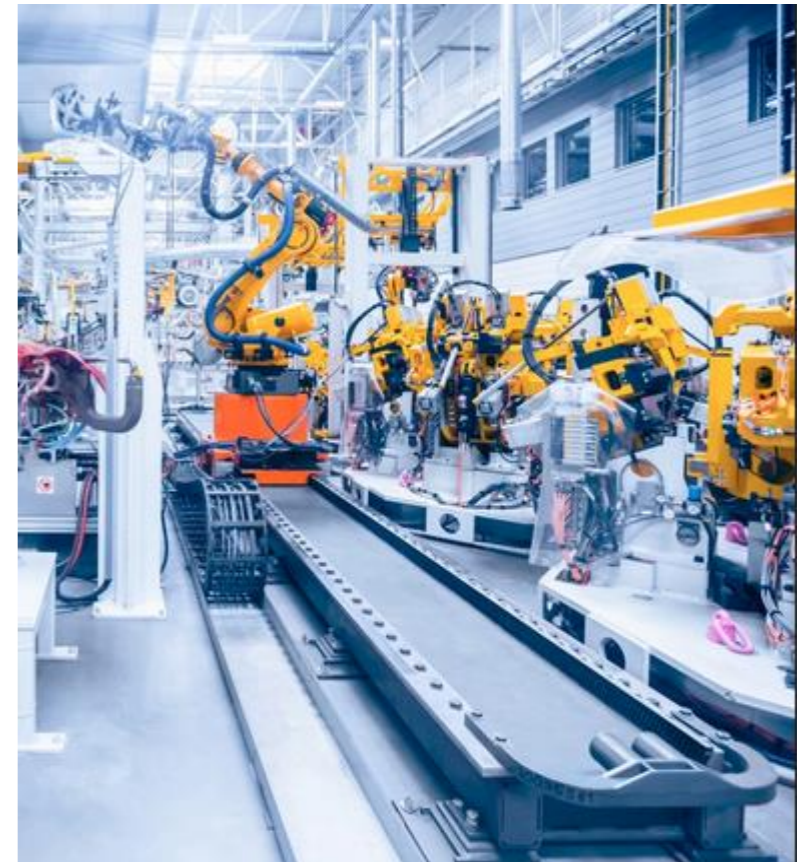
Polysilicon for solar cells



Semi for grid optimization



Industry



Semi for Automation

BIOSOLUTIONS

Innovative Partner in Life Science



Accelerated growth with biotechnology based on bio-based raw materials

BioPharma



- ▶ Biologics
- ▶ Vaccines
- ▶ mRNA / pDNA

BioIngredients



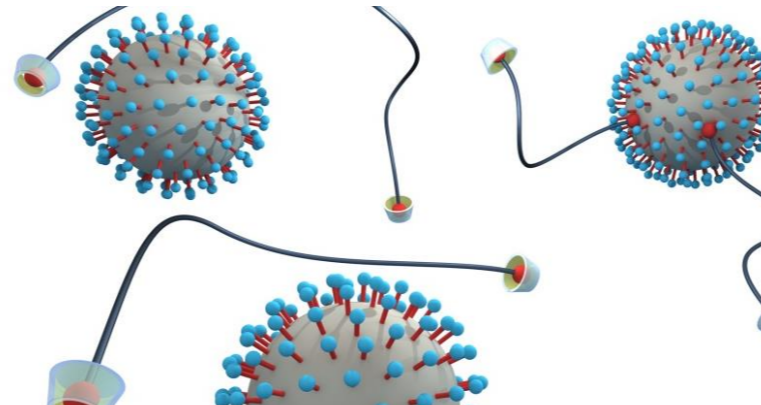
- ▶ Nutraceuticals
- ▶ Cysteine
- ▶ Cyclodextrins



Industry



Fruit-ripening control



VOC-free rheology modifiers



Agriculture / Pharma



Building blocks for Agro



Building blocks for Pharma

Sustainability as a Key Value Driver for WACKER



Q&A

Key take-aways:

POLYSILICON

1. Focus on high-end markets (semi and n-type solar)
2. Increasing CapEx in Semi
3. Continue cost reductions
4. Leverage leading sustainability position

Sustainability

1. Sustainability is a key value driver for WACKER
2. WACKER products and technologies enable customers to reduce CO₂ and save resources
3. Clear pathway to Net Zero while capitalizing on growth opportunities

Q&A



New Sustainability Webpage



WACKER: Issuer, Contact and Additional Information

Issuer and Contact

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Additional Information



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Financial Calendar

03/15/22	Annual Report 2021
03/29/22	Virtual CMD: Strategy Update
04/28/22	Q1 2022 Results
05/20/22	Annual General Meeting
07/28/22	Q2 2022 Results

Publications



CUSTOMER
MAGAZINE



FACTBOOK



SUSTAINABILITY
REPORT



SQUARE
APP