



FY 2023 – Conference Call Note

Dr. Christian Hartel (CEO), Dr. Tobias Ohler (CFO)
March 12, 2024

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WACKER FY 2023 Highlights

Financials



€6.4bn

Sales (-22% yoy)

Driven primarily by lower ASPs and volumes

€824m

EBITDA

(2022 €2.08bn)

€84m

Net Debt

(-€409m 31.12.22)

€327m

Net Income

(2022 €1,282m)

€3.00

Dividend Proposal

(2022 €12 per share)

Operations



Continued Headwinds

Persistently high energy, raw material costs, reduced utilization, lower ASPs

Strong Focus on Costs

Ongoing efficiency programs support EBITDA

Investing in our Future

Higher CapEx to drive growth in Specialties & Biotech

Sustainability



CDP Rating: Top Score on Climate Change

WACKER rated with an A rating, confirming its leading role in climate & environmental protection

Committed to reach Net Zero emissions by 2045

EBITDA = Earnings before Interest, Depreciation and Amortization; ASP = Average Sales Price; CDP – Carbon Disclosure Project; CapEx = Capital expenditures

FY 2024 Group Guidance – Committed to 2030 Targets

Outlook for FY 2024



FY 2024 Group Guidance

- ▶ Sales of €6,000 – 6,500m
- ▶ EBITDA of €600 – 800m
- ▶ CapEx slightly below FY 2023

Investing in the Future: Committed to 2030 Targets

- ▶ Sales: > €10bn
- ▶ EBITDA Margin: >20%
- ▶ Volume/Mix CAGR: 1.5 – 2x Historic
- ▶ ROCE: 2x Cost of Capital
- ▶ CO₂e: -50% Emissions

ROCE = Return on Capital Employed

Strategic Investments for Future Growth Supported by Mega-Trends



SILICONES

Burghausen & Nünchritz

- ▶ Intermediates, Hybrids
- ▶ Completion: 2024-25

Karlovy Vary

- ▶ Specialties Facility
- ▶ Completion: 2025

Zhangjiagang

- ▶ Specialties Expansion
- ▶ Completion: 2025



POLYMERS

Calvert City:

- ▶ VAE Dispersions
- ▶ Completion: 2025



BIOSOLUTIONS

Halle:

- ▶ mRNA Competence Center
- ▶ Completion: 2024



POLYSILICON

Burghausen:

- ▶ Semiconductor Etching
- ▶ Completion: 2025

Investing in the Future: People, Markets, Molecules



People

- ▶ Employees are the foundation to our success
- ▶ Growth in the number of employees worldwide to 16,378, more than 1/3 outside Germany



Markets

- ▶ In the Regions for the Regions – operations in all growth markets around the world
- ▶ 27 Production sites (10 in Europe, 8 in America, 9 in Asia)
- ▶ 22 Technical Centers globally



Molecules

- ▶ Solutions for a better future – enabling resource saving technologies
- ▶ Bespoke, high-performance products for individual customer applications
- ▶ Clear specialties focus

Profit & Loss Statement

€824m in EBITDA in a Continued Weak Demand Environment

Profit & Loss (€m)

	FY 2023	FY 2022
Sales	6,402	8,209
Gross profit from sales	1,083	2,161
Gross margin	16.9%	26.3%
EBITDA	824	2,081
EBITDA margin	12.9%	25.4%
EBIT	405	1,679
EBIT margin	6.3%	20.5%
Net income	327	1,282
EPS	6.31	25.18

Sales Bridge (€m)



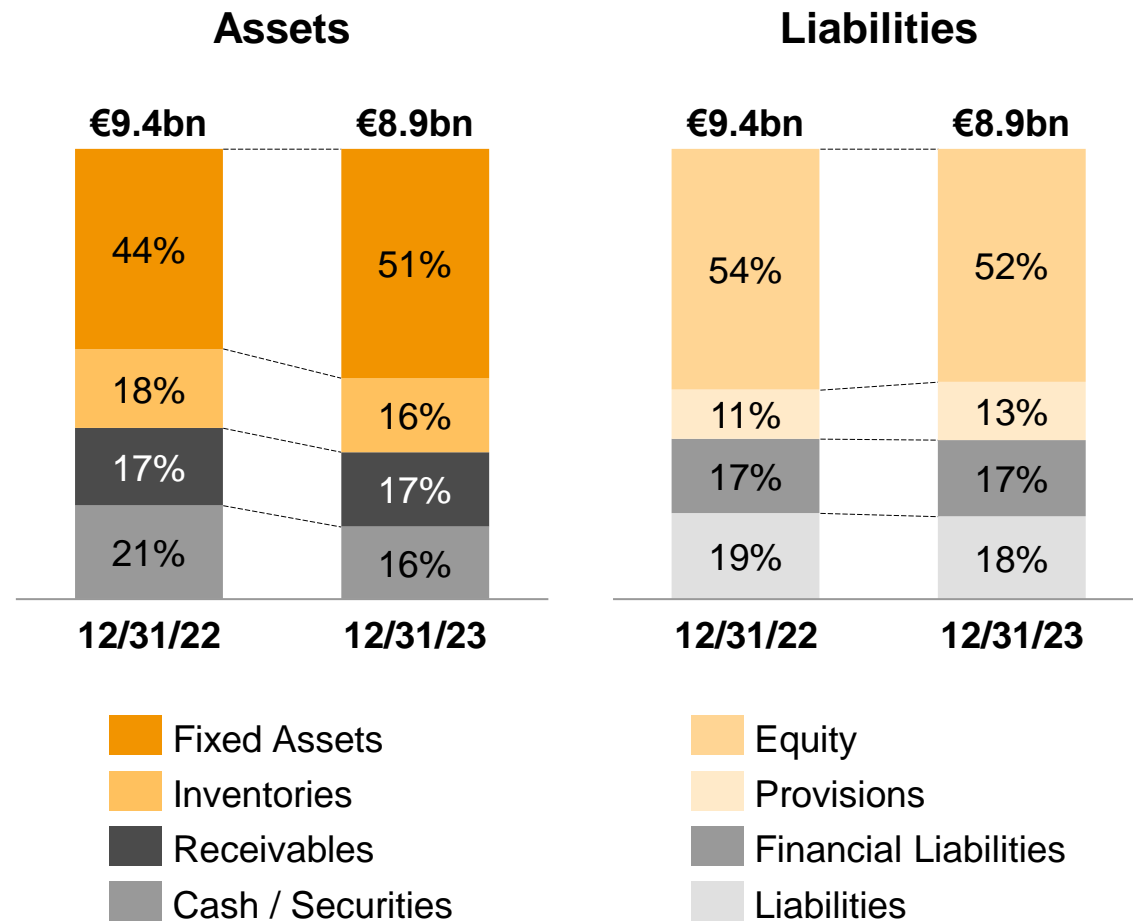
Comments

- ▶ EBITDA -60% yoy
Lower ASPs, high energy & raw material costs, and reduced utilization rates

Balance Sheet Composition

Resilient Financials with €4.6bn in Equity and €1.4bn in Liquidity

Balance sheet (%)



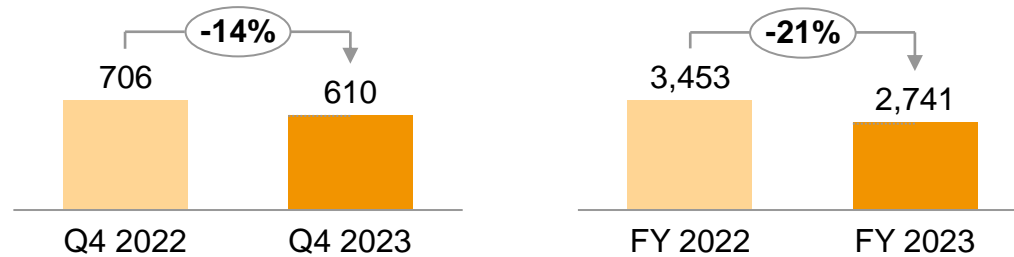
Characteristics 12/31/23

- ▶ Cash & Securities:
High level of liquidity at €1.4bn
- ▶ Working Capital:
-€330m lower yoy on release from inventories and receivables
- ▶ Pension Provisions:
Slightly higher yoy at €835m on lower discount rates
- ▶ Shareholder Equity:
-€450m lower yoy at €4.6bn after record dividend payment of €596m in 2023 and net income of €327m

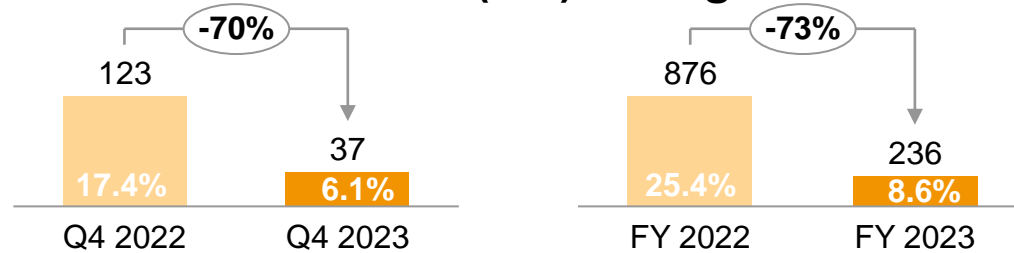
SILICONES

FY EBITDA of €236m, Driven by Weak Demand, Low Prices and Adverse Mix Effects

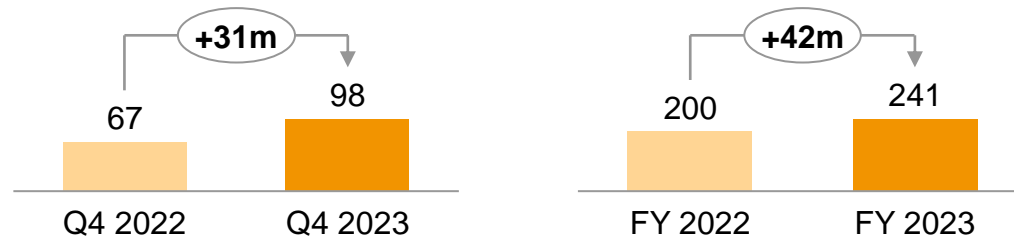
Sales (€m)



EBITDA¹ (€m) / margin



CapEx (€m)



2023 Comments

- ▶ Weak demand across all regions, with year-end seasonality
- ▶ Low specialty volumes
- ▶ Low standards prices, stabilizing at year-end
- ▶ EBITDA burdened by demand-driven adverse mix effects, low utilization rates, trailing higher raw material costs

Outlook 2024

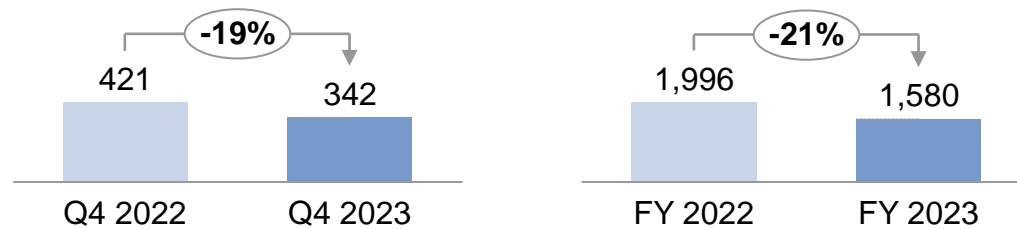
- ▶ Sales on PY level, with a mid-single-digit % EBITDA margin
- ▶ Sales in all regions at PY level
- ▶ Higher volumes in Specialties
- ▶ ASPs remain at Q4/23 exit rates
- ▶ Q1 with improved order intake, FY outlook still uncertain

1) 2022 EBITDA figures include +€72m from the revaluation of an at equity JV participation in China

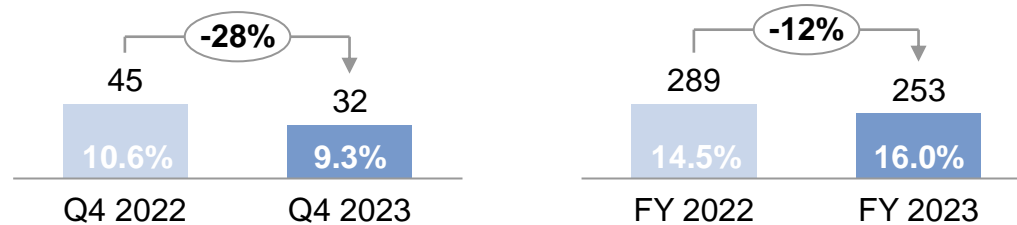
POLYMERS

FY EBITDA at €253m, Defending Margins in Weak Markets

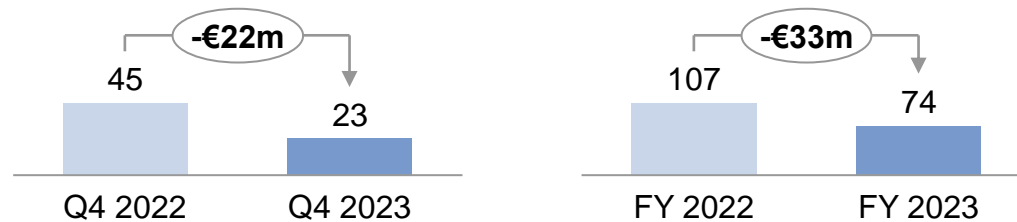
Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



2023 Comments

- ▶ Volumes below prior year level, with year-end seasonality
- ▶ ASP lower yoy following development of raws & long market
- ▶ Regions: Europe with weak market demand, Americas stable, Asia positive yoy
- ▶ EBITDA supported by positive net pricing benefits

Outlook 2024

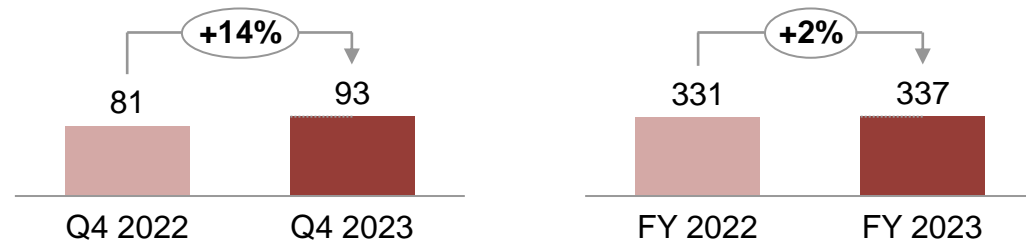
- ▶ Sales lower (high-single-digit %) than PY with an EBITDA margin of around 15%
- ▶ Lower ASP at slightly higher volumes in Dispersions and stable volumes in DPP, regional dynamics unchanged to PY
- ▶ No clear signs of a pronounced demand recovery so far

DPP = Dispersible Polymer Powder

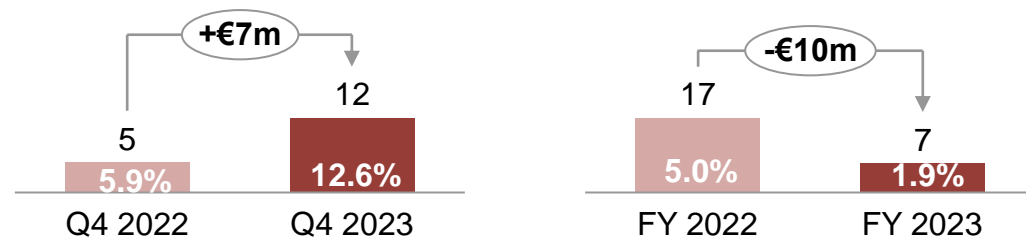
BIOSOLUTIONS

FY EBITDA at €7m, Burdened by Upfront Costs

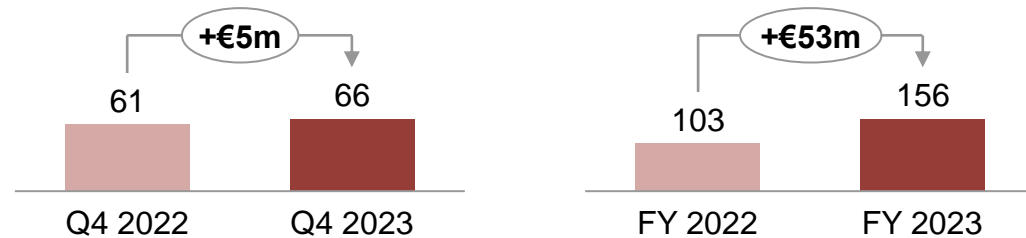
Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



2023 Comments

- ▶ Strong growth in BioPharma sales
- ▶ EBITDA with upfront costs for the mRNA facility in Halle, integration costs from ADL acquisition
- ▶ Peak in CapEx driven by mRNA facility
- ▶ Continued weak demand and lower prices in established products

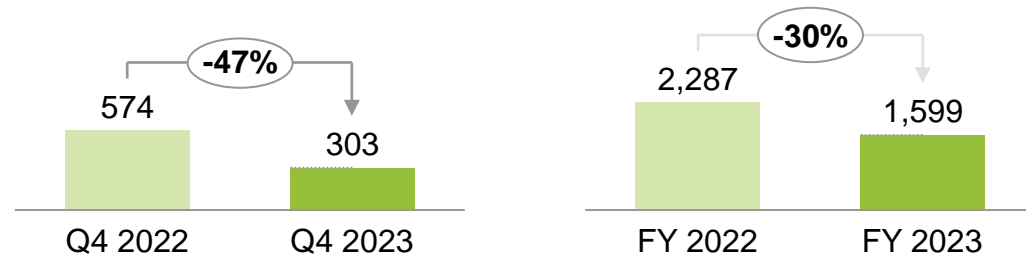
Outlook 2024

- ▶ Sales approx. 10% higher than PY with a significantly higher EBITDA
- ▶ Sales growth driven by BioPharma and BioIngredients
- ▶ mRNA facility scheduled for completion by mid-year

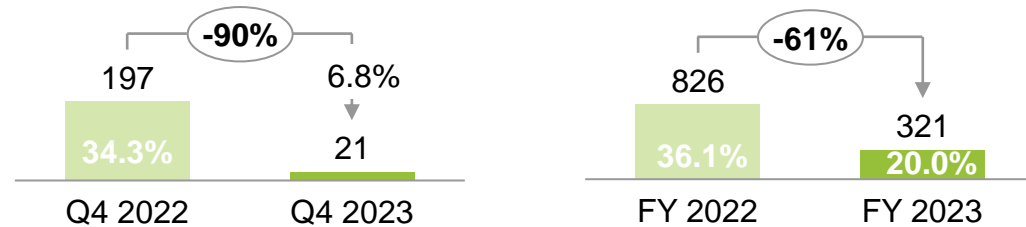
POLYSILICON

FY EBITDA at €321m, Solar With Significantly Lower Prices

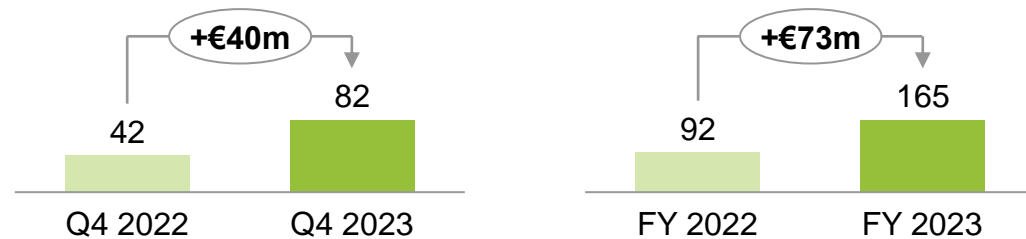
Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



2023 Comments

- ▶ Significantly lower solar ASPs and production-related volume declines
- ▶ Resilient Semi volumes with higher prices
- ▶ Ongoing solar price differentiation
- ▶ High energy costs in Germany

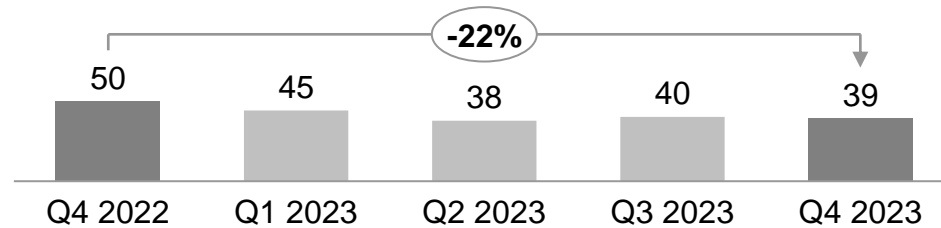
Outlook 2024

- ▶ Sales in the range of €1.3 – 1.6bn, with an EBITDA in the range of €200 – 400m
- ▶ Volumes above PY level, with solar ASP below PY
- ▶ Mix improvement and continued cost reductions

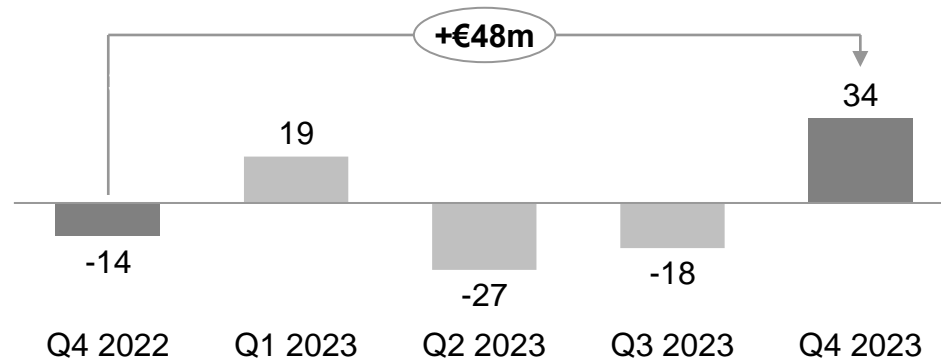
OTHERS

Quarterly EBITDA Strongly Influenced by CO₂ Compensation

Sales (€m)



EBITDA (€m)



2023 Comments

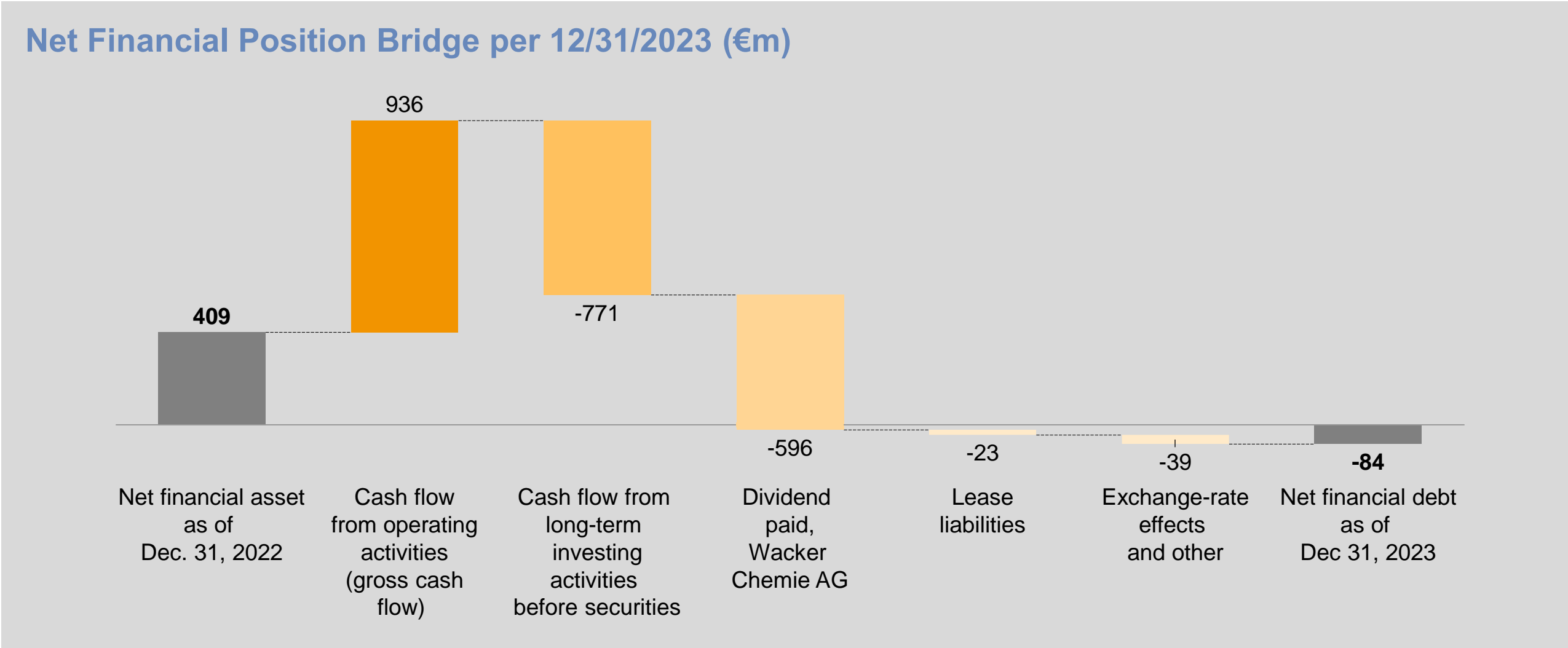
- ▶ In Q4/23, CO₂ compensation for the FY 2023 of approx. €100m was received and recognized as income in the OTHERS segment

Modeling Help

- ▶ To ensure a true and fair view on segment performance, we credit the expected annual CO₂ compensation quarterly to the segments, debiting Others
- ▶ Total CO₂ compensation in 2024 will be higher than in 2023
- ▶ Model the FY 2024 OTHERS segment EBITDA with - €20m. Q1-Q3 negative EBITDA, Q4 positive
- ▶ Consensus for Siltronic (WAF) indicates no meaningful contribution to equity income in 2024

Net Financial Position

€936m Gross Cash Flow Supported By Release from Working Capital



Q1 Trading Update

Sales of about €1.5bn with an EBITDA at the Level of Q4/23 at about €135m

SILICONES

- ▶ Sales and EBITDA sequentially higher
- ▶ Continued low ASP for Standards
- ▶ Improved order intake so far
- ▶ Preparations underway for turnaround in Q2

POLYMERS

- ▶ Sales and EBITDA sequentially higher
- ▶ Q1 benefits from seasonality
- ▶ Demand from construction with a slow start to the year

BIOSOLUTIONS

- ▶ Profitability in Q1/24 still burdened by upfront costs for future growth
- ▶ Biopharma with sequentially lower customer project finalizations
- ▶ Growth in sales and earnings in H2/24

POLYSILICON

- ▶ Sales comparable, EBITDA sequentially higher
- ▶ Benefits from lower energy costs

WACKER



CREATING
TOMORROW'S
OUR SOLUTIONS
MAKE A BETTER WORLD
FOR GENERATIONS

Appendix

Guidance FY 2024

In €m	FY 2023	Outlook 2024
Sales	6,402	€6,000 – 6,500m
EBITDA	824	€600 – 800m
EBITDA margin (%)	12.9	Substantially lower than last year
Net cash flow	166	Negative, substantially lower than last year
CapEx	710	Slightly lower than last year
Net Debt	84	Higher than last year
Net Income	327	Substantially lower than last year
Depreciation	419	Around €450m
ROCE (%)	6.9	Substantially lower than last year
Tax Rate (%)	15.4	Around 20%

Appendix

Progress Made on Achieving Ambitious Group Sustainability Targets

	2020	2021	2022	2023	2030 Target
Net Zero	100%	93%	87%	72%	100% reduction by 2045
Value Up					
Sustainable products	83%	89%	90%	94%	100% of products meet defined sustainability criteria
Diversity: Woman in management	17%	19%	21%	21%	33% of management positions held by woman
Regionalization: Management	27%	29%	30%	32%	50% management positions outside Germany
Footprint Down					
CO ₂ e (Scope 1+2) emissions	100%	101%	89%	86%	50% reduction in absolute CO ₂ e emissions
Energy consumption	100%	98%	99%	103%	15% reduction in specific energy consumption
Water withdrawal	100%	98%	102%	104%	15% reduction in specific water withdrawal
Collaboration Beyond					
CO ₂ e (Scope 3) emissions	100%	86%	80%	62%	25% reduction in absolute CO ₂ e emissions
Sustainable supply chain	57%	60%	72%	79%	100% of key suppliers meet defined TfS criteria
Health & Safety					
Chemical accidents with missed workdays ¹	3	4	10	2	0 days – reoccurring annual target
Severe process safety incidents	1	3	3	0	0 incidents – reoccurring annual target

1) 2023: incidents per million work hours: 3.3 Target: <2

Appendix

FY 2023 Results – Breakdown by Business

In €m / %	FY 2023			FY 2022			Q4 2023			Q4 2022		
	SALES	EBITDA	EBITDA MARGIN	SALES	EBITDA	EBITDA MARGIN	SALES	EBITDA	EBITDA MARGIN	SALES	EBITDA	EBITDA MARGIN
Chemicals	4,321	490	11.3	5,449	1,165	21.4	952	69	7.3	1,128	168	14.9
SILICONES	2,741	236	8.6	3,453	876 ¹	25.4	610	37	6.1	706	123 ¹	17.4
POLYMERS	1,580	253	16.0	1,996	289	14.5	342	32	9.3	421	45	10.6
BIOSOLUTIONS	337	7	1.9	331	17	5.0	93	12	12.6	81	5	5.9
POLYSILICON	1,599	321	20.0	2,287	826	36.1	303	21	6.8	574	197	34.3
Others	162	8	4.6	171	73	42.7	39	34	87.1	50	-14	-
Consolidation	-18	-1	-	-29	1	-	-4	0	-	-7	-1	-
WACKER Group	6,402	824	12.9	8,209	2,081¹	25.4	1,383	135	9.8	1,827	355¹	19.4

1) includes €72m exceptional non-cash revaluation of JV in China (SILICONES)

Appendix

Strong Growth of Global PV Markets in 2024 Expected

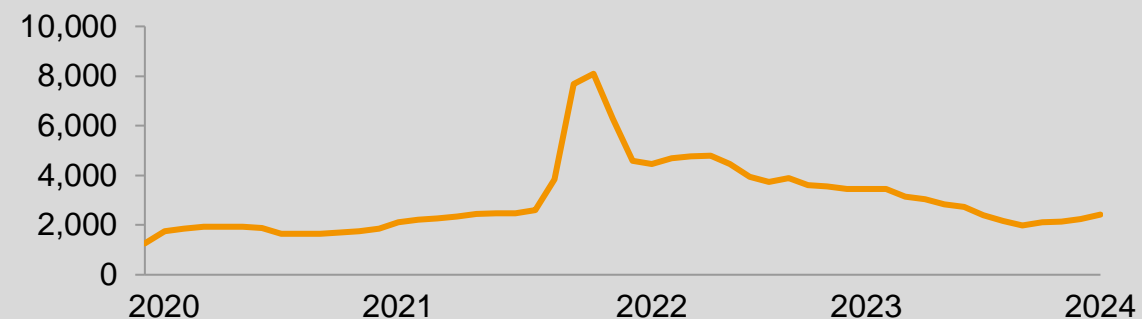
Country	2020	2021	2022	2023	2024
Germany	5	5	8	14	14 - 18
Spain	3	4	8	8	8 - 10
Europe other	13	20	30	35	38 - 52
Europe total	21	29	45	57	60 - 80
USA	19	25	19	33	35 - 55
Japan	8	8	7	7	6 - 8
China	48	55	87	217	230 - 250
India	4	12	14	10	15 - 20
Rest of World	41	42	79	86	104 - 117
Total	140 GW	170 GW	250 GW	410 GW	450 - 530 GW

Sources: market surveys, industry announcements, WACKER estimates

Appendix

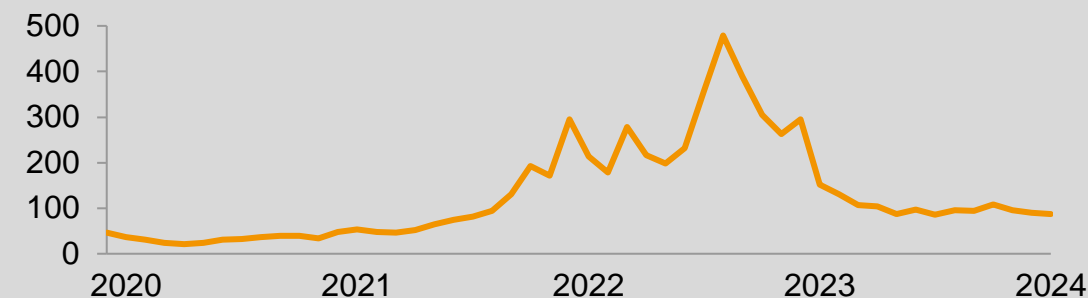
Key Raw Materials, Power and Gas

Si-Metal (€/mt)



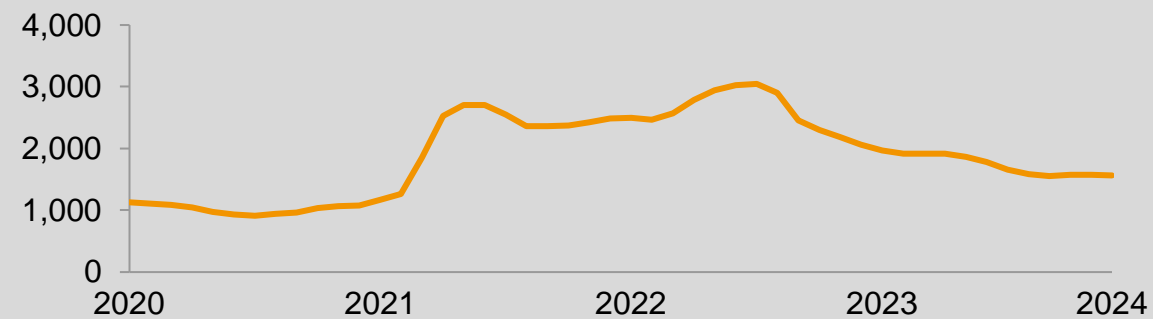
Source: CRU, Si-Metal Spot FD Europe

Electricity (€/MWh)



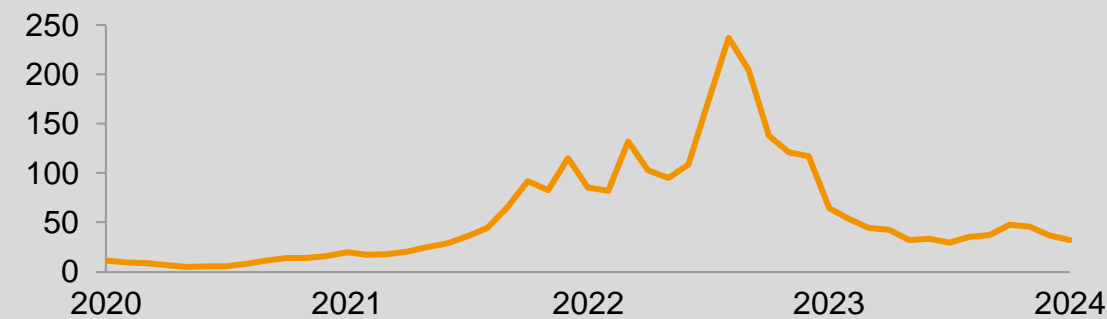
Source: EEX, Baseload Front Contract Avg. Month

VAM (€/mt)



Source: ICIS, Contract FD NWE

Natural Gas (€/MWh)



Source: PEGAS, Front Contract Avg. Month

WACKER: Issuer, Contact and Additional Information

Issuer and Contact

INVESTOR RELATIONS CONTACTS

Joerg Hoffmann, CFA

Tel. +49 89 6279 1633 | joerg.hoffmann@wacker.com

Scott McCollister

Tel. +49 89 6279 1560 | scott.mccollister@wacker.com

Wacker Chemie AG
Hanns-Seidel-Platz 4, D-81737 Munich
 investor.relations@wacker.com

Additional Information



ISIN	DE000WCH8881
WKN	WCH888
Deutsche Börse	WCH

Financial Calendar

04/25/24	Q1 2024 Results
05/08/24	Annual General Meeting, Munich
07/26/24	Q2 2024 Results
09/18+19/24	CMD Burghausen
10/29/24	Q3 2024 Results

Publications



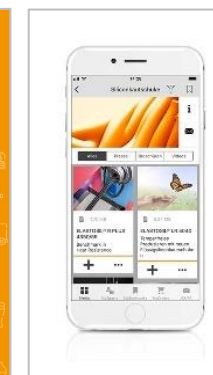
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