



WACKER

CREATING TOMORROW'S SOLUTIONS

Q3 2023 – Conference Call Note

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Front page:

WACKER Expands Specialty Silicone Production in Zhangjiagang, China. Investments of some €150 million have been earmarked for the expansion project. The new facilities are scheduled to come on stream in the second half of 2025.

WACKER Q3 2023 Highlights

Financials



€1.52bn

Sales (-29% yoy)

Driven primarily by lower ASP and volumes

€152m

EBITDA

(Q3 2022 €457m)

10.0%

EBITDA Margin

(Q3 2022 21.4%)

€0.56

EPS

(Q3 2022 €5.08)

€164m

Net Debt

(-€409m 31.12.22)

Operations



Continued Headwinds

Chemicals held back by ongoing weak demand

Much Lower Solar-Grade Polysilicon ASP

Resilient Semi volumes and prices

High Energy and Trailing Raws

Continue to weigh on P&L

Sustainability



WACKER shortlisted for the German Sustainability Prize in 2023

Continued progress achieved towards ambitious Net Zero Target by 2045

Difficult markets in Q3 Persist

FY 2023 Guidance Confirmed at Lower Half of Prior Range



Updated FY 2023 Group Guidance

- ▶ Sales at about €6.5bn (previously €6.5 – 6.8bn)
- ▶ EBITDA at €0.8 – 0.9bn (previously €0.8 – 1.0bn)
- ▶ Other financial KPIs unchanged



WACKER Expands Specialty Silicone Production

- ▶ Investments of some €150m for the expansion in Zhangjiagang, China
- ▶ The new facilities are scheduled to come on stream in H2 2025

Profit & Loss Statement

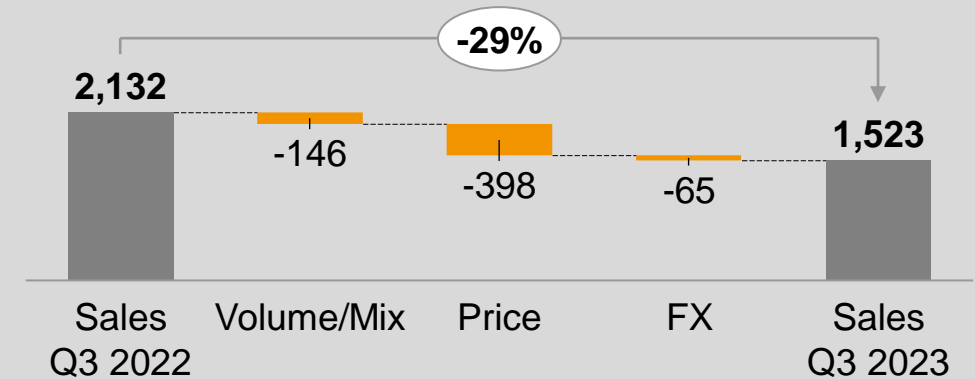
EBITDA of €152m in Q3 2023

Profit & Loss (€m)

	Q3 2023	Q3 2022
Sales	1,523	2,132
Gross profit from sales	198	488
Gross margin	13.0%	22.9%
EBITDA	152	457
EBITDA margin	10.0%	28.8%
EBIT	49	351
EBIT margin	3.2%	16.4%
Net income	34	259
EPS	0.56	5.08

Comments

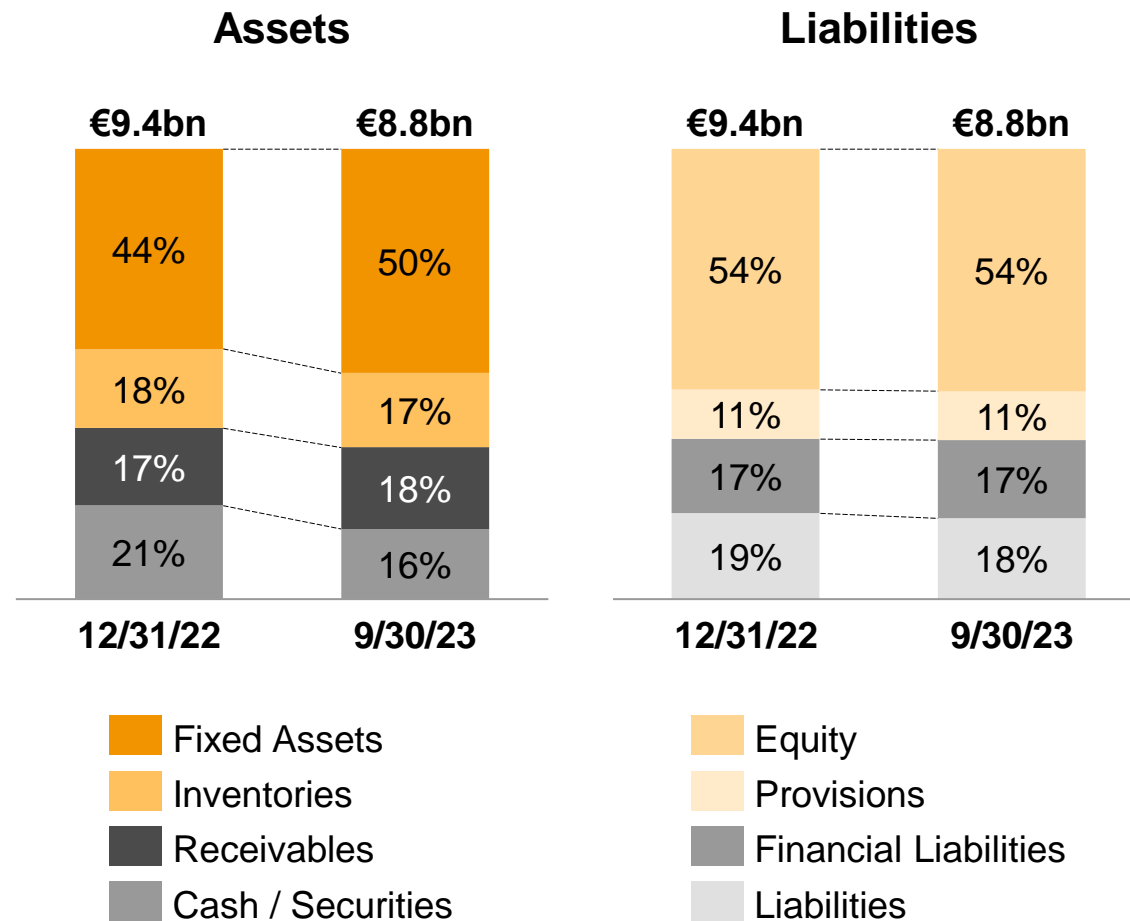
- ▶ Sales -29% yoy
Volume/Mix -7%, Price -19%, FX -3%
- ▶ EBITDA -67% yoy
Result primarily defined by lower ASPs and volumes



Balance Sheet Composition

Resilient Financials with €4.7bn in Equity and €1.4bn in Liquidity

Balance sheet (%)

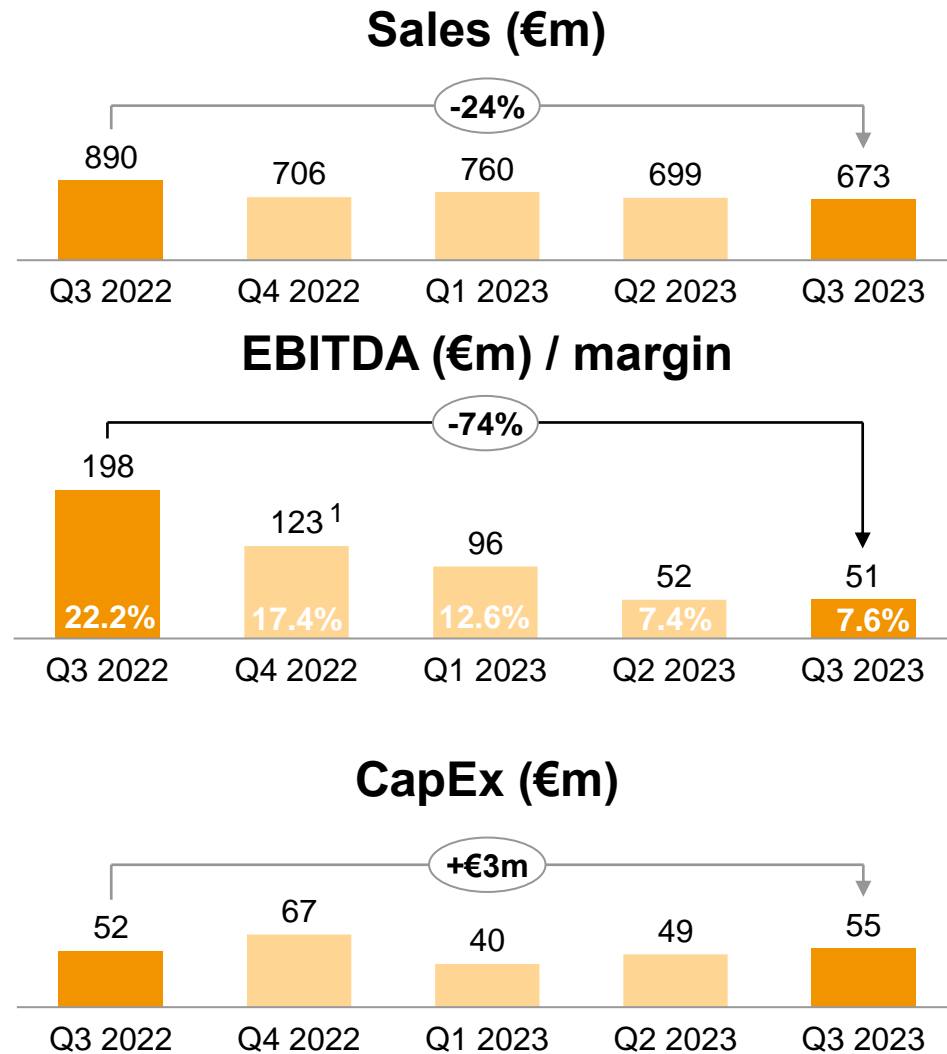


Characteristics 9/30/23

- ▶ Cash & Securities:
High level of liquidity at €1.4bn
- ▶ Net Working Capital:
Lower by €100m to €1.6bn
- ▶ Pension Provisions:
Lower by €70m to €700m
- ▶ Shareholder Equity:
Lower to €4.7bn following €596m dividend paid in Q2

SILICONES

No Demand Recovery



Highlights Q3

- ▶ Weak demand across all regions
- ▶ Prices under pressure for Standards, some negative pricing effects from Specialties
- ▶ EBITDA burdened by demand-driven adverse mix effects, low output, trailing higher raw material costs

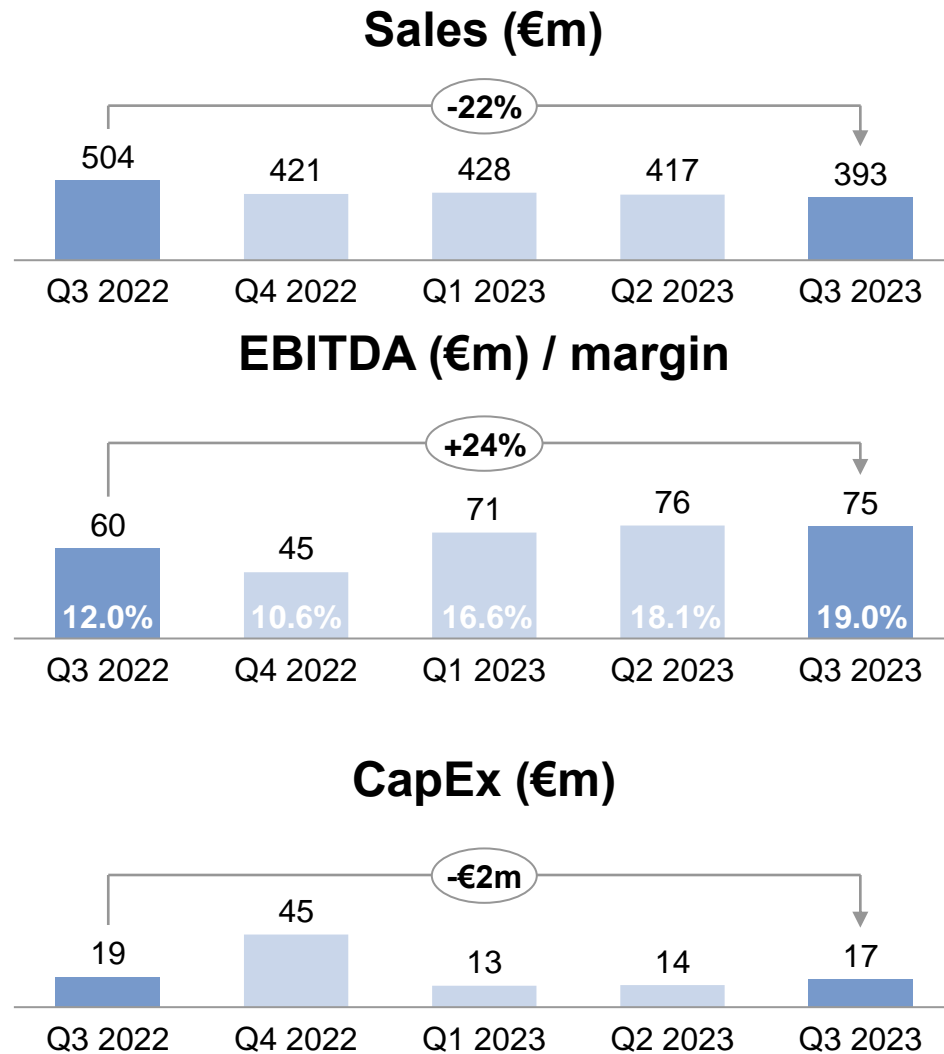
Updated Outlook 2023

- ▶ Sales of €2.7 – 2.8bn with an EBITDA margin of around 8%
- ▶ Lower volumes in Specialties, significantly lower ASP in Standards
- ▶ Year-end seasonality

1) Q4 2022 EBITDA includes +€72m from the revaluation of an at equity JV participation in China

POLYMERS

Defending Margins in a Weak Demand Environment



Highlights Q3

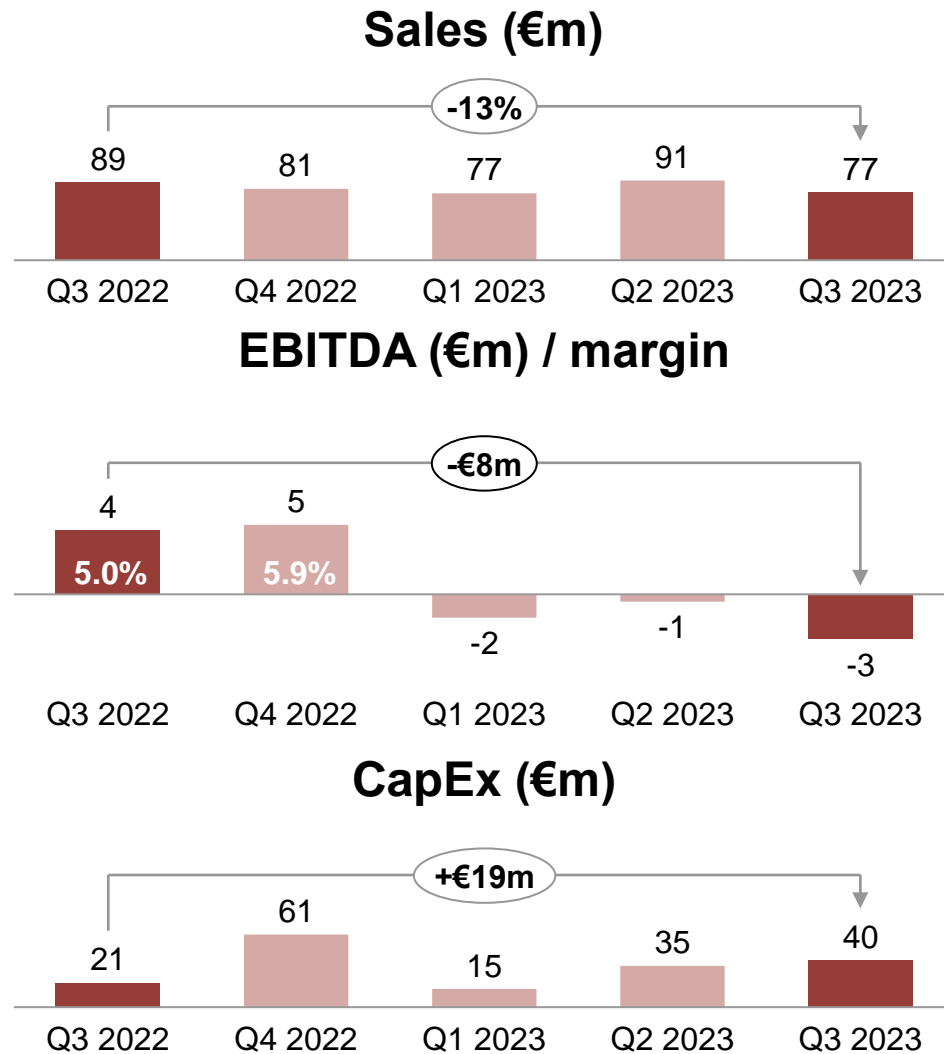
- ▶ Volumes yoy & qoq comparable, lower ASP drives sales development
- ▶ Weak market demand particularly in Europe
- ▶ EBITDA higher yoy, mainly from positive net pricing benefits and PY plant turnaround

Outlook 2023

- ▶ Sales between €1.6 – 1.7bn with an EBITDA margin around 17%
- ▶ Lower ASP and volumes yoy
- ▶ Year-end seasonality

BIOSOLUTIONS

Weaker Demand than Expected



Highlights Q3

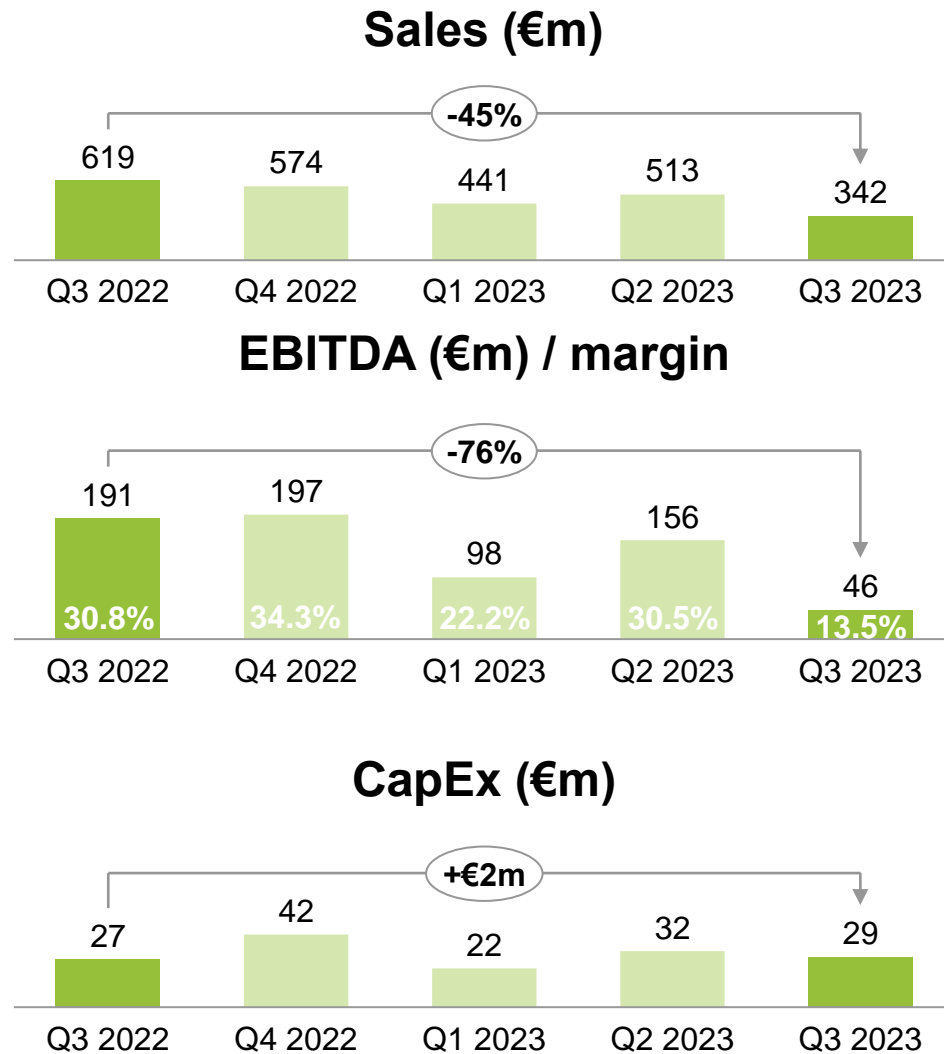
- ▶ Continued weaker demand for established products
- ▶ EBITDA burdened by upfront costs related to the German pandemic preparedness plan and digitalization
- ▶ ADL integration on track

Updated Outlook 2023

- ▶ Low-single-digit % sales growth with continued growth in biologics, driven by BioPharma and ADL acquisition
- ▶ EBITDA below prior year following upfront, integration, and digitalization costs

POLYSILICON

Significantly Lower Prices for Solar-Grade Polysilicon



Highlights Q3

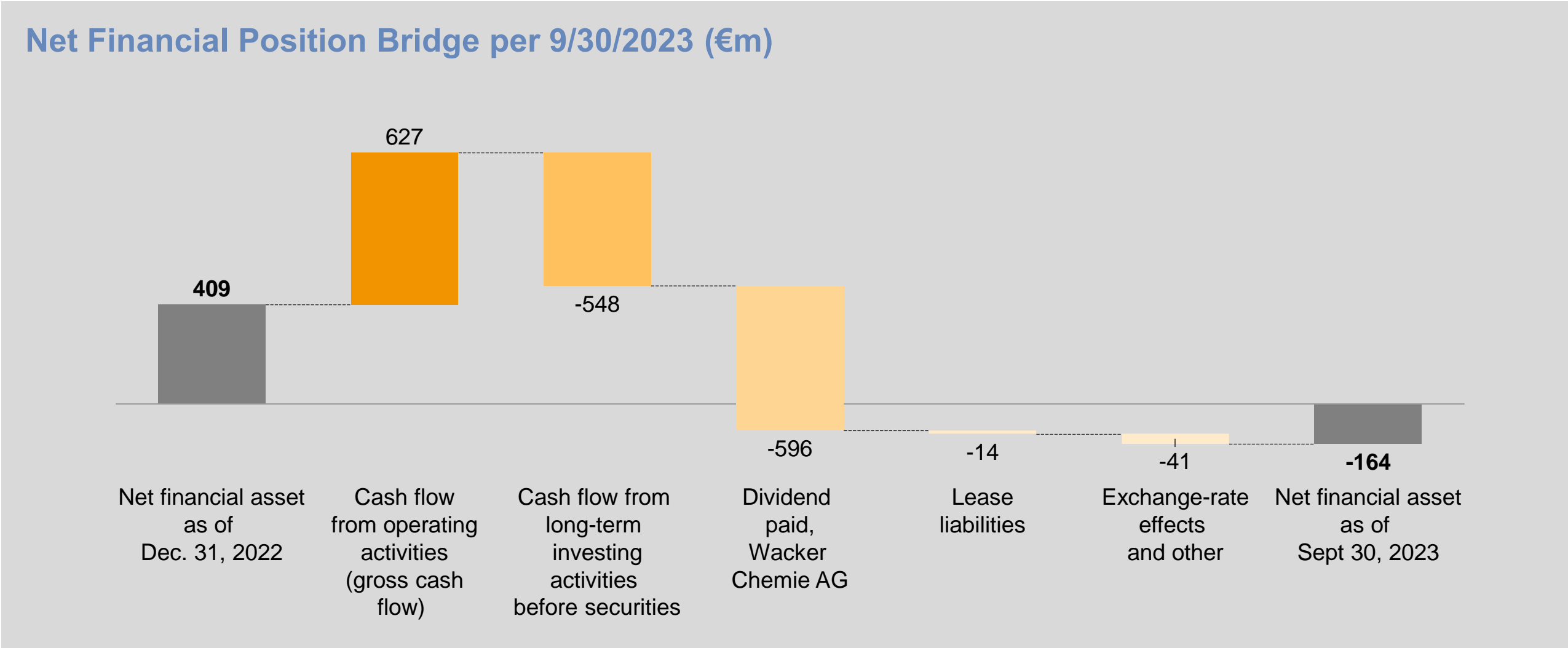
- ▶ Sequential EBITDA declines mainly due to lower prices
- ▶ Lower production volumes due to plant maintenance
- ▶ Ongoing solar market price differentiation

Updated Outlook 2023

- ▶ Sales of €1.6bn with an EBITDA between €300 – 350m
- ▶ Significantly lower solar ASP YoY

Net Financial Position

Strong Cash Conversion in Q3 as Working Capital Unwinds



Appendix

Guidance FY 2023 Confirmed, Sales & EBITDA Expected in Lower Half of Prior Range

In €m	FY 2022	Outlook 2023
Sales	8,209	At about €6.5bn (previously: €6.5 – 6.8bn)
EBITDA	2,081	€0.8 – 0.9bn (previously: €0.8 – 1.0bn)
EBITDA margin (%)	25.4	Substantially lower than last year
Net cash flow	439	Positive, substantially lower than last year
CapEx	547	Around €650m
Net financial Assets	409	Low net financial debt
Net Income	1,282	Markedly lower than last year
Depreciation	402	Around €450m
ROCE (%)	34.7	Lower than cost of capital
Tax Rate (%)	20.7	Around 20%

Appendix

WACKER Q3 2023 Results

In €m	Q3 2023	Q3 2022	% YoY
Sales	1,523	2,132	-29%
EBITDA reported	152	457	-67%
EBITDA-Margin	10.0%	21.4%	
EBIT	49	351	-86%
EBIT-Margin	3.2%	16.4%	
Net income for the period	34	259	-87%
EPS	0.56	5.08	-89%
CapEx	155	131	18%
Net Cash Flow	128	296	-57%
Net Debt	164	-394	n.a.

Appendix

Q3 2023 Results – Breakdown by Business

In €m / %	Sales					EBITDA					EBITDA Margin (%)		
	Q3/23	Q3/22	% YoY	Q2/23	% QoQ	Q3/23	Q3/22	% YoY	Q2/23	% QoQ	Q3/23	Q3/22	Q2/23
Chemicals	1,066	1,394	-23%	1,115	-4%	126	258	-51%	128	-1%	11.8	18.5	11.4
SILICONES	673	890	-24%	699	-4%	51	198	-74%	52	-1%	7.6	22.2	7.4
POLYMERS	393	504	-22%	417	-6%	75	60	24%	76	-1%	19.0	12.0	18.1
BIOSOLUTIONS	77	89	-13%	91	-15%	-3	4	n.a.	-1	n.a.	-4.0	5.0	-0.6
POLYSILICON	342	619	-45%	513	-33%	46	191	-76%	156	-70%	13.5	30.8	30.5
Others	40	41	0%	38	6%	-18	4	n.a.	-27	-33%	-45.3	9.6	-71.6
Consolidation	-4	-10	-65%	-4	-10%	1	0	n.a.	-1	n.a.	-25.7	0.0	12.8
WACKER Group	1,523	2,132	-29%	1,753	-13%	152	457	-67%	256	-41%	10.0	21.4	14.6

Appendix

Strong Growth of Global PV Markets in 2023 Expected

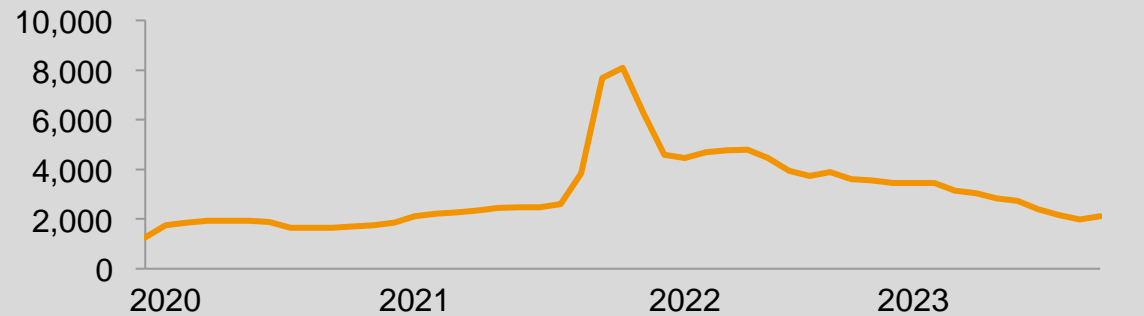
Country	2019	2020	2021	2022	2023e
Germany	4.0	4.8	5.3	7.3	10 – 13
Spain	4.7	2.6	3.8	6.9	7 – 10
Europe other	13.0	13.0	19.9	28.8	33 – 37
Europe total	21.7	21.2	29.0	43.0	50 – 60
USA	13.3	19.2	25	20.2	30 – 35
Japan	7.5	8.2	7.5	6.5	6 – 8
China	30.1	48.2	54.9	87.4	140 – 160
India	7.3	3.5	12.0	14.0	10 – 15
Rest of World	34.1	40.7	41.6	78.9	94 – 102
Total	118 GW	140 GW	170 GW	250 GW	330 – 380 GW

Sources: market surveys, industry announcements, WACKER estimates

Appendix

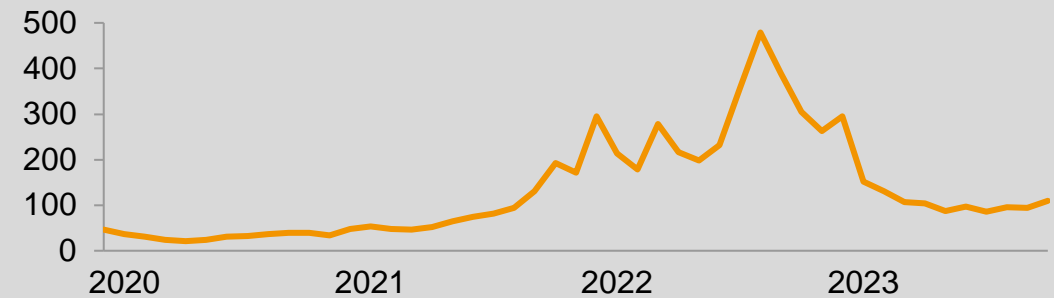
Key Raw Materials, Power and Gas

Si-Metal (€/mt)



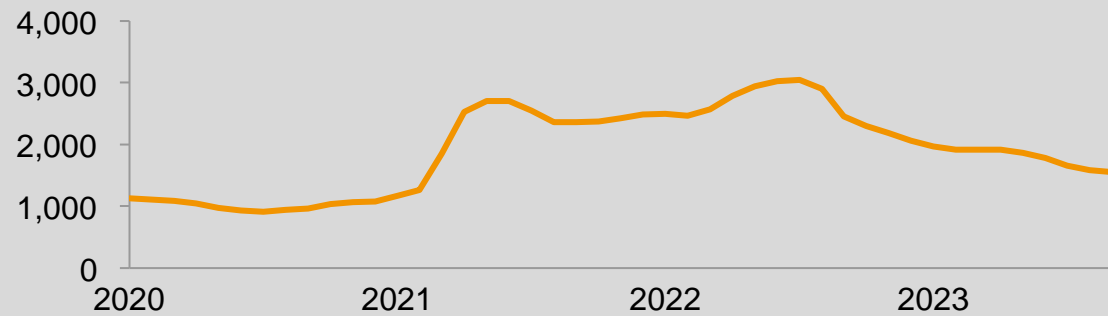
Source: CRU, Si-Metal Spot FD Europe

Electricity (€/MWh)



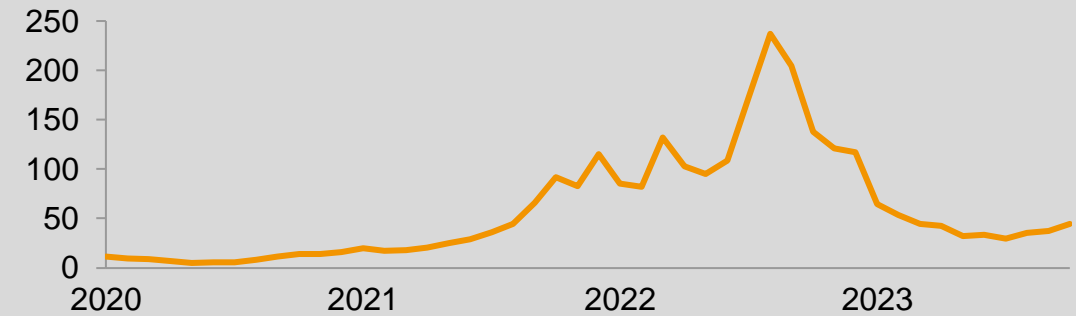
Source: EEX, Baseload Front Contract Avg. Month

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

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Additional Information



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Deutsche Börse	WCH

Financial Calendar

03/12/24	FY 2023 Results
04/25/24	Q1 2024 Results
05/08/24	Annual General Meeting, Munich
06/11-12/24	Capital Market Day, Burghausen
07/26/24	Q2 2024 Results
10/29/24	Q3 2024 Results

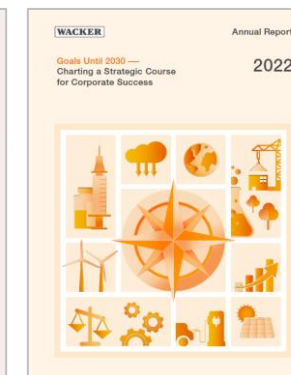
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