

- PCC Group starts fiscal 2024 with slight upturn but with results remaining below expectations, due primarily to prevailing economic conditions
- Consolidated sales for Q1/2024 at €241.7 million, 7.2% above Q4/2023 but well below level of prior-year Q1
- After just making break-even in January 2024, PCC's EBITDA improves to a total of 15.3 million in the course of the first quarter
- Project progress in the USA
- Redemption of maturing bond

Overall Business Development

After a very weak start in January, the PCC Group's business performance improved steadily on a monthly basis over the course of the first quarter of 2024. Overall, however, Group sales and earnings fell short of our expectations. Consolidated revenues amounted to €241.7 million, a plus of 7.2 % on the sales figure for the fourth quarter of 2023 (€225.6 million). By comparison, however, the extraordinarily successful first quarter of fiscal 2023 resulted in Group sales then amounting to €312.6 million. The main reasons for this year-on-year development were, in some cases, lower sales volumes compared to Q1/2023 and lower average selling prices as a result of the continued weaker demand emanating from many industrial sectors due to the prevailing economic situation. Gross profit for the first quarter of 2024 amounted to €75.5 million. Compared to the same quarter of the previous year (€111.8 million), this represents a decrease of almost a third, thus also falling below our expectations for the first quarter of 2024. This also applies to gross margin, although at 31.2 % as at March 31, 2024 this still came in above the 30 % mark (previous year: 35.8 %). Earnings before interest/financial result, taxes, depreciation and amortization (EBITDA) improved from break-even in January 2024 to a total of €15.3 million in the course of the period under review. This figure was therefore also significantly lower than that of the very good prior-year quarter (€53.8 million). Aside from the lower gross profit figure generated compared to the previous year, this also reflects the sharp rise in costs for personnel and external service providers, particularly from the second quarter of fiscal 2023. At the operating level (EBIT), the PCC Group posted an overall loss of €5.3 million in the first quarter of 2024. By contrast, an operating profit of €34.6 million was generated in the same quarter of the previous year. However, similar to EBITDA development, there was again a continuous improvement from month to month at the EBIT level through the first quarter of 2024, although the losses incurred during the very weak month of January 2024 in particular were not fully offset by the positive results

achieved in March. At pre-tax level (EBT), we had anticipated a loss in the high single-digit million range for the first quarter of 2024. At € –12.3 million, the Q1 loss was, however, slightly higher than expected. By contrast, the PCC Group closed the first quarter of the previous year with a profit of €18.1 million at the pre-tax level, benefiting in particular from the exceptionally strong performance of the Chlorine & Derivatives segment as a result of the still very high selling price levels prevailing at that time.

The business performance of the PCC Group in the first quarter of 2024 was again significantly impacted by persistently weak economic indicators, particularly in Germany, but also in the European Union as a whole, i.e. in our main sales markets. Added to this was the aggressive export policy of non-European countries already described in the previous quarterly report. Here, China and – with regard to silicon metal – Brazil are worthy of particular mention in this regard. In addition, ongoing geopolitical uncertainties such as the Russia-Ukraine war and the conflict in the Middle East continued to have a negative impact on the European economy in the first quarter of 2024.

Business performance by individual segment



Polyols & Derivatives

The Polyols & Derivatives segment recorded positive business development in the first quarter of 2024. Overall, sales volumes and revenues were somewhat weaker than anticipated in our budget for the current fiscal year. On the earnings side, however, both the positive prior-year figures and our expectations for the first quarter of 2024 were exceeded at all levels. The dominant entity in this segment is the Polyols business unit of PCC Rokita SA, Brzeg Dolny (Poland), with its polyether and polyester polyols. Demand for these polyols remained robust in the first quarter, while a temporary, force majeure-related plant shutdown at a European competitor led to a supply shortage with respect to polyether polyols. As a result, av-

verage selling prices showed an upward trend in the first quarter, with a correspondingly positive impact on the sales and earnings performance of this business unit. At the Polish systems house PCC Prodex Sp. z o.o., Brzeg Dolny, the production portfolio of which includes spray foams for the insulation of roofs, the extremely encouraging business performance of the previous quarter continued through the first quarter of 2024. By contrast, the portfolio companies and business units pooled under the intermediate holding company PCC Insulations GmbH, which are active in the field of insulation and other building materials, ended the first quarter of 2024 with a loss, as had been expected. The Essen-based manufacturer of specialty foam blocks and polishing pads, PCC Prodex GmbH (Germany), also closed the first quarter of 2024 with a slight loss, having seen its numbers come in slightly worse than expected. However, the outlook for the following quarter is more optimistic due to the current order backlog. The ISO 9001:2015 certification awarded to PCC Prodex GmbH in the first quarter of 2024 should also have a positive impact. The start-up PolyU GmbH, Oberhausen (Germany), which develops specialty chemicals based on polyols, also remained slightly in deficit in the first quarter of 2024. However, the losses were much lower than expected and the current order situation also indicates a continuation of this encouraging trend at the company. PCC Synteza S.A., Kędzierzyn-Koźle (Poland), which in addition to contract manufacturing for PolyU GmbH also continues to operate its core business, namely the manufacture of alkylphenols, also remained in the red in the first quarter of 2024 due to continuing weak demand for these products.

Surfactants & Derivatives

The sales and earnings performance of the Surfactants & Derivatives segment was positive in the first quarter of 2024 and better than generally expected. Encouragingly, the largest affiliate in this segment, PCC Exol SA, Brzeg Dolny, succeeded in further increasing its sales volumes. However, average selling prices for surfactants remained under severe pressure. This was due not only to ongoing competition from China and India but also to the continuing aggressive pricing policy of a European supplier following the commissioning of its new production capacities. In this challenging market environment, PCC Exol SA was nevertheless able to successfully hold its ground and close the first quarter of 2024 with a clearly positive earnings result, although without matching the exceptionally good figures of the prior-year quarter. The US company PCC Chemax, Inc., Piedmont (SC), also ended the first quarter

of 2024 in positive territory in line with our expectations, with its figures actually coming in slightly better than in the prior-year quarter. The Consumer Products business, which is also managed under the Surfactants & Derivatives segment, was confronted by an increasingly aggressive price war for private-label products in the first quarter of 2024. Nevertheless, all PCC Group companies operating in this domain likewise closed the quarter with a successful set of results. At the largest affiliate in this business area, PCC Consumer Products Kosmet Sp. z o.o., Brzeg Dolny, the investments made in the previous year aimed at increasing production efficiency were also seen to have paid off.

Chlorine & Derivatives

The Chlorine & Derivatives segment closed the first quarter of 2024 in positive territory. However, sales and earnings fell short of our expectations and were significantly below the figures of the exceptionally good prior-year quarter, which remained characterized among other things by very high average selling prices for chlorine and chlorine derivatives. Since then, the price curve has shifted steadily downward, partly due to weakening economic parameters, although the average price level in the first quarter of 2024 was still above the long-term average. The Chlorine business unit of PCC Rokita SA was therefore able to close the first quarter with a clearly positive result in line with our expectations – despite the fact that electricity prices on the purchasing side had also risen in the period under review. The Phosphorus and Naphthalene Derivatives business unit of PCC Rokita SA likewise ended the first quarter of 2024 with a positive earnings result and numbers even better than expected. This is to be seen as a consequence of the positive decision by the EU Commission regarding the anti-dumping proceedings initiated by PCC Rokita SA together with the two other major European manufacturers of phosphorus-based flame retardants against cheap Chinese imports. As a result of these proceedings, European customers once again increased their purchases of flame retardants from local producers in the first quarter. By contrast, business performance at our monochloroacetic acid (MCAA) manufacturer PCC MCAA Sp. z o.o., Brzeg Dolny, was initially less encouraging in the first quarter of 2024: Due to a force majeure-related temporary shutdown of the production plant, sales volumes and revenues were significantly down on the levels of the previous year and below our expectations. The same applies to the company's earnings result. The force majeure was lifted again at the beginning of March 2024. Since then, production has been steadily ramped up with increasing stability.

Key financials by segment	(per IFRS)	Polyols & Derivatives			Surfactants & Derivatives			Chlorine & Derivatives			Silicon & Derivatives		
		Q1/2024	3M/2024 ⁵	3M/2023	Q1/2024	3M/2024	3M/2023	Q1/2024	3M/2024	3M/2023	Q1/2024	3M/2024	3M/2023
Sales ¹	€ million	46.5	46.5	54.1	56.5	56.5	57.5	52.6	52.6	101.6	21.2	21.2	28.9
EBITDA ²	€ million	4.5	4.5	3.3	6.0	6.0	8.3	10.3	10.3	50.2	-10.3	-10.3	-10.6
EBIT ³	€ million	3.0	3.0	1.9	4.9	4.9	7.3	5.2	5.2	44.7	-14.6	-14.6	-15.0
EBT ⁴	€ million	2.6	2.6	1.3	3.4	3.4	5.8	3.8	3.8	42.9	-13.4	-13.4	-21.5
Employees	(at March 31)	352	352	393	498	498	509	430	430	469	210	210	219

Notes: Consolidation effects not separately shown. Rounding differences possible. Quarterly and cumulative figures unaudited. Subject to change without notice. | 1 The sales indicated relate exclusively to net external sales; consolidation procedures have already been taken into account. | 2 EBITDA (earnings before interest/financial result, taxes, depreciation and amortization) | 3 EBIT (earnings before interest/financial result and taxes) = Operating profit = EBITDA – depreciation and amortization | 4 EBT (earnings before taxes) = Pre-tax profit = EBIT – interest/financial result | 5 "M" = months



Sulfonation plant 2 of PCC Exol SA in Brzeg Dolny. The surfactant manufacturer of the PCC Group saw sales volumes increase in the first quarter of 2024.



Silicon & Derivatives

The Silicon & Derivatives segment recorded further losses in the first quarter of 2024. These resulted in part from the restart of the second furnace of PCC BakkiSilicon hf., Húsavík (Iceland), in January 2024. In addition, selling prices for silicon metal tended to move “sideways” in the first quarter and, due to ongoing competition from China and, in particular, Brazil, initially remained at a level below that required to cover costs. However, the cost position of PCC BakkiSilicon hf. has further improved as a result of its now two-furnace operations, with its fixed costs having increased only marginally following the restart of the second furnace. Moreover, additional reductions were achieved on the raw material purchasing

side in the first quarter. The raw material input factors were also further optimized and the silicon metal yield increased again. Work likewise continued on the development of higher-quality grades. Although demand for these is lower, they are also subject to less intense price competition. In the long term, the marketing of these higher-value products should have a positive effect on the economic situation of PCC BakkiSilicon hf. The affiliate PCC Silicium S.A., Zagórze (Poland), which is also managed under the Silicon & Derivatives segment, generated a positive operating result in the first quarter of 2024, with earnings coming in significantly higher than in the prior-year quarter. This positive development was due not only to increased quartzite deliveries to Iceland but also to higher sales to the ferroalloy industry.

Key financials by segment	(per IFRS)	Trading & Services			Logistics			Holding & Projects			PCC Group totals		
		Q1/2024	3M/2024 ⁵	3M/2023	Q1/2024	3M/2024	3M/2023	Q1/2024	3M/2024	3M/2023	Q1/2024	3M/2024	3M/2023
Sales ¹	€ million	27.0	27.0	37.0	37.5	37.5	33.0	0.5	0.5	0.5	241.7	241.7	312.6
EBITDA ²	€ million	2.9	2.9	-2.1	5.7	5.7	5.1	-2.6	-2.6	-0.6	15.3	15.3	53.8
EBIT ³	€ million	-0.6	-0.6	-4.9	1.2	1.2	1.4	-3.1	-3.1	-0.9	-5.3	-5.3	34.6
EBT ⁴	€ million	-1.5	-1.5	-5.9	0.3	0.3	-0.9	-6.4	-6.4	-3.9	-12.3	-12.3	18.1
Employees	(at March 31)	1,041	1,041	1,078	638	638	656	99	99	91	3,268	3,268	3,415

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Trading & Services

At €27.0 million, sales in the Trading & Services segment remained flat in the first quarter of 2024. However, the revenue figure once again fell well short of that of the corresponding quarter of the previous year and also below our expectations for the current period. The main reason for this is lower sales in the trading business of the PCC Group, a consequence of the lower average selling price levels prevailing for many chemical commodities. The largest trading company of the PCC Group, PCC Trade & Services GmbH, Duisburg (Germany), and the Turkish sales company PCC Exol Kimya, Istanbul, nevertheless closed the first quarter of 2024 with a positive pre-tax result. The trading business of the Czech company PCC Morava-Chem s.r.o., Český Těšín, at least succeeded in breaking even. By contrast, the online platform distripark.com, Brzeg Dolny, posted a marginal loss in the first quarter of 2024. The first quarter was particularly encouraging for our Polish energy utility PCC Energetyka Blachownia Sp. z o.o., Kędzierzyn-Koźle. Due to increasing sales to newly established customers in the local industrial estate, this company achieved a much better result than originally expected. In addition to PCC Energetyka Blachownia Sp. z o.o., the Trading & Services segment also includes other service companies and business units providing mainly internal services, for example in the fields of energy supply, information technology, environmental protection, site management, engineering and maintenance, and finance.



Logistics

At €37.5 million, sales in the Logistics segment in the first quarter of 2024 were in line with our expectations. The corresponding prior-year figure (€33.0 million) was exceeded by 13.5%. The earnings trend was positive and also better than in the same quarter of the previous year. However, our expectations for the current period were likewise not met in this segment due to a very weak start to the year. Demand for intermodal transportation was at a low level, particularly in January 2024. At the same time, competitive pressure from road haulage remained high. PCC Intermodal S.A., Gdynia (Poland), the dominant company in the Logistics segment of the PCC Group, nevertheless maintained its regular transportation services, including on the route from and to Rotterdam, which increasingly paid dividends in the following months as orders rose. The German subsidiary of PCC Intermodal S.A., PCC Intermodal GmbH, Duisburg, put its own locomotives into operation at the beginning of 2024 for transportation operations at the terminal in Frankfurt

(Oder) and from there to the transborder bridge into Poland. In the long term, these transport services are to be further expanded so as to generate additional growth in the Logistics segment. For the tanker haulage company PCC Autochem Sp. z o.o., Brzeg Dolny, the results of the first quarter of 2024 were positive, but also below expectations.



Holding & Projects

As expected, the Holding & Projects segment posted a negative earnings result in the first quarter of 2024. However, this will reverse in the second quarter with the distribution of dividends by various affiliated companies to the intermediate holding company PCC Chemicals GmbH, Duisburg, as well as directly to PCC SE. Eliminated in consolidation, this dividend income will have no influence on Group earnings in 2024. The first quarter of 2024 saw PCC SE continue to receive monthly loan repayments from its Russian affiliates AO PCC Rail, Moscow, and DME Aerosol, Pervomaysky. In addition, the Bosnian company GRID BH, PCC HYDRO DOOEL, North Macedonia, and distripark.com also made regular loan repayments. The special focus in the Holding & Projects segment in the first quarter of 2024 was again on the commissioning of our production plant for oxyalkylates, which we are operating together with our joint venture partner, PETRONAS Chemicals Group Berhad, in Kerteh in the state of Terengganu in Malaysia. The first ethylene oxide-based products have now been manufactured and delivered to potential customers for qualification purposes. However, the start of production of propylene oxide-based commodities has been delayed beyond the end of the quarter, as the PO tank to be built by the port company has not yet been completed. In addition, the plant constructor still has to carry out improvements to the ethylene oxide pipeline. A further focus in the first quarter was on the expansion of our core business in the US market. Here, a second project company was established in Wilmington (DE) in the form of PCC GulfChem Corporation, which, together with PCC SE, will examine the possibility of commencing its own chlorine production in the USA.

Redemption of maturing bond

On April 2, 2024, PCC SE redeemed the 4.00% bullet bond ISIN DE000A2NBFT4 issued in October 2018. The redemption volume amounted to €21.1 million.

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Note: The consolidated financial statements of PCC SE and also the annual financial statements of PCC SE (holding company) and its subsidiaries are audited once a year as of December 31 by an appropriately appointed auditor / certified public accountant. Interim figures are not audited. **Disclaimer:** This quarterly report contains forward-looking statements based on the current planning, estimates and forecasts of the management of PCC SE and its subsidiaries, and other information currently available. Forward-looking statements should not be regarded as guarantees of the future developments or results referred to therein. All such future developments and results are dependent on a large number of different factors and are accompanied by various risks and uncertainties. They are based on assumptions which may prove to be inaccurate. PCC SE neither undertakes nor intends to adapt such forward-looking statements to future results or developments, nor does it plan to update them as new information comes to light. PCC SE publishes its latest financial information on the internet at www.pcc-financialdata.eu / www.pcc-finanzinformationen.eu.