

PRESS RELEASE

Number 34

Wacker Chemie AG's Figures for Q3 2021 (not audited)

WACKER Ends Q3 2021 With Strong Sales And Earnings Growth

- ◆ GROUP SALES FOR Q3 2021 REACH €1.66 BILLION, UP 40 PERCENT YEAR OVER YEAR
- ◆ EBITDA MORE THAN DOUBLES YEAR OVER YEAR TO €434 MILLION AMID SIGNIFICANTLY HIGHER VOLUMES AND IMPROVED PRICES
- ◆ NET INCOME FOR Q3 AMOUNTS TO €249 MILLION
- ◆ AT €426 MILLION, NET CASH FLOW IS UP 44 PERCENT YEAR OVER YEAR
- ◆ FULL-YEAR FORECAST FOR 2021 CONFIRMED: WACKER EXPECTS GROUP SALES OF AROUND €6 BILLION AND EBITDA OF BETWEEN €1.2 BILLION AND €1.4 BILLION

Munich, October 28, 2021 – Wacker Chemie AG ended Q3 2021 with strong growth in sales and earnings thanks to continued high customer demand across all business divisions. Group sales totaled €1,658.6 million from July through September. That is 40 percent more than a year earlier (€1,183.1 million) and 11 percent higher versus the preceding quarter (€1,501.0 million). Whereas the coronavirus pandemic still had a negative economic impact on WACKER's business in Q3 2020, volumes grew significantly in all of the company's key customer industries in the reporting quarter. Positive product-mix effects, higher prices – especially for solar-grade polysilicon – and exchange-rate effects also lifted sales. In the first

nine months of the year, Group sales came in at €4,519.2 million (9M 2020: €3,453.0 million), up 31 percent year over year.

WACKER posted EBITDA of €433.7 million in Q3 2021. The operating result was more than double last year's figure (€190.8 million). Compared with the prior quarter (€326.6 million), EBITDA increased 33 percent. In addition to higher volumes and increased prices, cost savings from the Group's ongoing efficiency program had a positive effect on operating performance. On the other hand, a marked rise in prices for energy and certain raw materials dampened EBITDA. The Group's EBITDA margin was 26.1 percent for the three months from July through September 2021. A year earlier, the figure was 16.1 percent, while the prior quarter's EBITDA margin was 21.8 percent. In the first nine months of the fiscal year, Group EBITDA came to €1,006.7 million and was thus more than twice as high as the same period last year (€470.3 million).

Group EBIT (earnings before interest and taxes) more than tripled year over year. EBIT for July through September 2021 came in at €342.6 million (Q3 2020: €90.6 million). The EBIT margin was 20.7 percent (Q3 2020: 7.7 percent). Compared with Q2 2021 (€233.7 million), EBIT grew 47 percent. Net income for the quarter amounted to €248.7 million (Q3 2020: €67.7 million) and earnings per share came in at €4.90 (Q3 2020: €1.30).

WACKER confirmed its full-year forecast, which it raised on September 15. Full-year sales are expected to reach around €6 billion (2020: €4.69 billion) and EBITDA is likely to be between €1.2 billion and €1.4 billion (2020: €666 million). Continued high polysilicon prices and ongoing very strong demand in the chemical divisions are the reasons for these higher expectations. At the same time, higher raw-

material prices and negative exchange-rate effects are dampening EBITDA. WACKER now expects this to have a negative effect of more than €400 million (previously: €300 million), which has been factored into the current outlook.

“WACKER is on a very good course. We achieved record sales in the third quarter and I expect 2021 to be an excellent year for the company,” said Group CEO Christian Hartel in Munich on Thursday. According to Hartel, all divisions contributed to the good Q3 figures. “Our polysilicon business has performed very well in recent months. With more and more photovoltaic installations coming on stream worldwide, demand is growing for the polysilicon we produce for highly efficient solar cells. On top of that, rising prices for solar-grade polysilicon have been beneficial for our business. Demand remains robust in the semiconductor industry as well. Today, our hyperpure polysilicon can be found in nearly half the computer chips being installed across the globe. We intend to continue building on our market position in this field. WACKER delivers the high-quality material needed for powerful solar modules and semiconductors.”

Hartel went on to say that, in recent months, demand had grown in the chemical divisions as well. “For years, our strategy with silicones has been to expand our range of specialty products, and that is paying off more and more. In the past quarter, we posted double-digit growth rates for silicones in all application fields, with our specialty silicones offering multiple indispensable properties,” explained Hartel. “As for polymers, our position as market leader also means we are profiting from high construction activity worldwide. Our polymer products are an indispensable base material for innovative building solutions.” Hartel also noted that bioengineered products were

performing well. “Biotechnology is a particularly promising field for WACKER. Biologics, for example, is one segment where sales growth has been especially strong recently. Our cyclodextrins business has also expanded. These special properties of these molecules open up a wide variety of new applications. Cyclodextrins can improve the bioavailability of drugs, for instance, by enhancing their solubility.”

Regions

In Q3 2021, Group sales rose substantially year over year in every region. The biggest increase was in Asia, where sales climbed 59 percent to €707.5 million (Q3 2020: €444.1 million). Sales in Europe reached €638.2 million, up 34 percent from €476.9 million a year earlier. In the Americas, sales rose 18 percent to €237.5 million (Q3 2020: €200.8 million). Across all regions, sales grew relative to the prior quarter as well.

Capital Expenditures and Net Cash Flow

In Q3 2021, the Group’s capital expenditures came in at €86.3 million (Q3 2020: €45.4 million), up 90 percent year over year. The investment focus was on expanding capacity for silicone and polymer products.

Net cash flow amounted to €425.9 million in Q3 2021 (Q3 2020: €295.5 million). Substantially higher cash inflows from operating activities were the main factor in this 44-percent increase.

Employees

WACKER’s global workforce contracted slightly in the reporting quarter. The Group had 14,324 employees on September 30, 2021 (June 30, 2021: 14,345). At the end of the quarter, 9,948 employees

(June 30, 2021: 10,002) worked at WACKER sites in Germany and 4,376 (June 30, 2021: 4,343) at international locations.

Business Divisions

In Q3 2021, **WACKER SILICONES** generated total sales of €680.2 million (Q3 2020: €547.7 million), up 24 percent year over year. While volume growth was the main factor in this rise, higher selling prices also had a positive impact on the sales trend. The division posted double-digit growth rates in all its application fields. Compared with the preceding quarter (€648.7 million), sales grew 5 percent. EBITDA at WACKER SILICONES reached €160.5 million in the reporting quarter, 77 percent higher than a year earlier (€90.5 million). The division surpassed its prior-quarter figure of €133.6 million by 20 percent. The EBITDA margin for Q3 2021 was 23.6 percent, after 16.5 percent in Q3 2020 and 20.6 percent in Q2 2021. In early October, the division announced an average global price increase of 30 percent for silicone products. This was due to significantly higher costs for strategic raw materials, especially silicon metal, as well as for logistics services and packaging material.

Sales at **WACKER POLYMERS** totaled €468.8 million in the reporting quarter, 38 percent higher than a year earlier (€340.3 million). This growth was driven by significantly higher volumes – especially for dispersible polymer powders – and higher average prices for polymer products. Changes in exchange rates were another factor with a positive impact on sales. Compared with the preceding quarter (€403.5 million), sales grew 16 percent. WACKER POLYMERS reported Q3 EBITDA of €84.5 million, versus €85.2 million a year earlier. Despite a massive increase in raw-material prices, which WACKER POLYMERS is responding to with a

substantial increase in its selling prices, earnings remained on par with a year earlier. Relative to the preceding quarter (€52.2 million), EBITDA climbed 62 percent. The EBITDA margin was 18.0 percent in the reporting quarter, compared with 25.0 percent a year earlier and 12.9 percent in the preceding quarter. Amid persistently rising energy, raw-material and logistics costs, the division announced in mid-October that it would raise the prices of its polymer dispersions, dispersible polymer powders and solid resins by up to 20 percent.

WACKER BIOSOLUTIONS posted total sales of €78.0 million in Q3 2021, up 36 percent versus the same period last year (€57.2 million). Contract manufacturing of biologics performed particularly well, as did the cyclodextrins segment. Compared with the preceding quarter (€71.0 million), the division's sales were up 10 percent. EBITDA at WACKER BIOSOLUTIONS reached €11.4 million in the reporting quarter, up 43 percent versus a year earlier (€8.0 million). This growth was attributable not only to higher sales, but also to higher average selling prices for certain products and to the division's good cost structure. Compared with Q2 2021 (€11.2 million), EBITDA increased 2 percent. The EBITDA margin was 14.6 percent, compared with 14.0 percent a year earlier and 15.8 percent in the prior quarter.

WACKER POLYSILICON generated total sales of €408.9 million in the reporting quarter, up 94 percent over the same period last year (€211.3 million). This substantial growth was due chiefly to much higher average prices for solar-grade polysilicon. Relative to the preceding quarter (€352.9 million), sales increased 16 percent. WACKER POLYSILICON's reporting-quarter EBITDA came in at €200.8 million. That was €192.9 million more than in the same period

last year (€7.9 million). This strong increase was driven mainly by higher prices for solar-grade polysilicon, but the division's good cost performance and higher plant utilization rates also had a positive impact on the earnings trend. Relative to the preceding quarter (€148.7 million), EBITDA rose 35 percent. In the reporting quarter, the division's EBITDA margin was 49.1 percent, after 3.7 percent in Q3 2020 and 42.1 percent in Q2 2021.

Outlook

WACKER detailed its projections for the Group's performance this year in the Outlook section of its 2020 Annual Report.

In view of the positive business trend, the company had already revised its sales and earnings forecast upward when it presented its figures for Q1 2021 and did so again on June 16. WACKER once again raised its full-year forecast on September 15, 2021, and now expects sales of around €6 billion for full-year 2021 (2020: €4.69 billion). The company had previously expected to post full-year sales of about €5.5 billion. Full-year EBITDA for 2021 is likely to come in between €1.2 billion and €1.4 billion. Previously, WACKER had expected EBITDA of between €900 million and €1.1 billion. Continued high polysilicon prices and ongoing very strong demand in the chemical divisions are the reasons for WACKER's higher business expectations for the remainder of the year. At the same time, the company anticipates that higher raw-material prices and negative exchange-rate effects will dampen EBITDA this year. WACKER now believes this will have a negative effect of more than €400 million (previously: €300 million), which has been factored into the current outlook. The company currently expects net cash flow to be clearly

positive and higher than last year (previous guidance: clearly positive, on par with last year's level).

The company most recently revised its full-year estimates for the EBITDA margin, ROCE and net cash flow on June 16, when it expected the full-year EBITDA margin to be substantially higher than last year and ROCE to be substantially higher than the cost of capital.

Guidance for the remaining financial KPIs remains unchanged versus the forecasts made in the 2020 Annual Report.

Key Figures for the WACKER Group

€ million	Q3 2021	Q3 2020	Change in %	9M 2021	9M 2020	Change in %
Sales	1,658.6	1,183.1	40.2	4,519.2	3,453.0	30.9
EBITDA	433.7	190.8	>100	1006.7	470.3	>100
EBITDA margin (%)	26.1	16.1	-	22.3	13.6	-
EBIT	342.6	90.6	>100	731.2	162.2	>100
EBIT margin (%)	20.7	7.7	-	16.2	4.7	-
Financial result	-10.5	-12.0	-12.5	-30.6	-35.2	-13.1
Income before income taxes	332.1	78.6	>100	700.6	127.0	>100
Net income for the period	248.7	67.7	>100	534.1	141.1	>100
Earnings per share (€)	4.90	1.30	>100	10.47	2.68	>100
Capital expenditures	86.3	45.4	90.1	196.5	129.6	51.6
Depreciation/amortization	91.1	100.2	-9.1	275.5	308.1	-10.6
Net cash flow	425.9	295.5	44.1	765.2	454.9	68.2

€ million	September 30, 2021	September 30, 2020	December 31, 2020
Total assets	7,789.8	6,822.2	6,950.5
Equity	2,634.3	1,770.6	1,691.8
Equity ratio (%)	33.8	26.0	24.3
Financing liabilities	1,441.7	1,414.8	1,405.5
Net financial assets	538.4	-308.8	-67.5
Employees (number at end of period)	14,324	14,340	14,283

This press release contains forward-looking statements based on assumptions and estimates of WACKER's Executive Board. Although we assume the expectations in these forward-looking statements are realistic, we cannot guarantee they will prove to be correct. The assumptions may harbor risks and uncertainties that may cause the actual figures to differ considerably from the forward-looking statements. Factors that may cause such discrepancies include, among other things, changes in the economic and business environment, variations in exchange and interest rates, the introduction of competing products, lack of acceptance for new products or services, and changes in corporate strategy. WACKER does not plan to update its forward-looking statements, nor does it assume the obligation to do so.

For further information, please contact:

Wacker Chemie AG
Media Relations & Information
Christof Bachmair
Tel. +49 89 6279-1830
christof.bachmair@wacker.com
www.wacker.com
follow us on:   

The company in brief:

WACKER is a global chemical company with some 14,300 employees and annual sales of around €4.69 billion (2020).
WACKER has a global network of 26 production sites, 23 technical competence centers and 52 sales offices.

WACKER SILICONES

Silicone fluids, emulsions, rubber grades and resins; silanes; pyrogenic silicas; thermoplastic silicone elastomers

WACKER POLYMERS

Polyvinyl acetates and vinyl acetate copolymers and terpolymers in the form of dispersible polymer powders, dispersions, solid resins and solutions

WACKER BIOSOLUTIONS

Biotech products such as cyclodextrins, cysteine and biologics, as well as fine chemicals and PVAc solid resins

WACKER POLYSILICON

Polysilicon for the semiconductor and photovoltaic industries