

Full Year 2015 – Conference Call Note

Dr. Rudolf Staudigl (CEO), Dr. Tobias Ohler (CFO), March 17th, 2016

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Highlights 2015

Sales Surpass €5bn for the First Time

Strong result amid challenging environment: key targets set for 2015 achieved or exceeded

Financials

Record Sales of more than €5bn (+10%)

EBITDA excl. special income of €911m substantially above previous year

Siltronic IPO helped finance capital expenditure and maintain net debt level

Operations

Chemical business with particularly strong performance in 2015

Completion of largest investment in corporate history: new site in **Charleston, Tennessee, USA** with a 20kt POLYSILICON plant

Increasing customer demand met with capacity expansions

First Guidance FY 2016

CapEx to Drop by Half, Boosting Cash Flow

| | 2015 | Outlook 2016 |
|-------------------------|---------|--|
| Sales (€m) | 5,296.2 | Slight increase |
| EBITDA (€m) | 1,048.8 | Slight increase when adjusted for special income |
| EBITDA margin (%) | 19.8 | Somewhat lower |
| Group net income (€m) | 241.8 | Below 2014 |
| Net cash flow (€m) | 22.5 | Significantly positive |
| CapEx (€m) | 834.0 | About 425 |
| Net financial debt (€m) | 1,074.0 | On a par with the prior-year level |
| Depreciation (€m) | 575.1 | About 720 |
| ROCE (%) | 8.1 | Substantially lower |
| Tax Rate (%) | 40.5 | About 40% |

Profit & Loss Statement: Net Earnings Up 24%

WACKER P&L 2015 (€m)

| €m | 2015 | 2014 |
|-----------------------------------|----------------|----------------|
| Sales | 5,296.2 | 4,826.4 |
| Gross profit from sales | 1,129.1 | 844.2 |
| <i>Gross profit margin (in %)</i> | <i>21.3%</i> | <i>17.5%</i> |
| S,G&A and R&D | -623.5 | -587.5 |
| Other operating income | 377.4 | 365.1 |
| Other operating expenses | -412.7 | -181.6 |
| Operating result | 470.3 | 440.3 |
| EBIT | 473.4 | 443.3 |
| Interest result | -24.5 | -37.8 |
| Other financial result | -42.2 | -40.3 |
| Income before taxes | 406.7 | 365.2 |
| Income taxes | -164.9 | -169.8 |
| Net income for the period | 241.8 | 195.4 |
| EBIT | 473.4 | 443.3 |
| Depreciation/amortization | 575.4 | 599 |
| EBITDA | 1,048.8 | 1,042.3 |

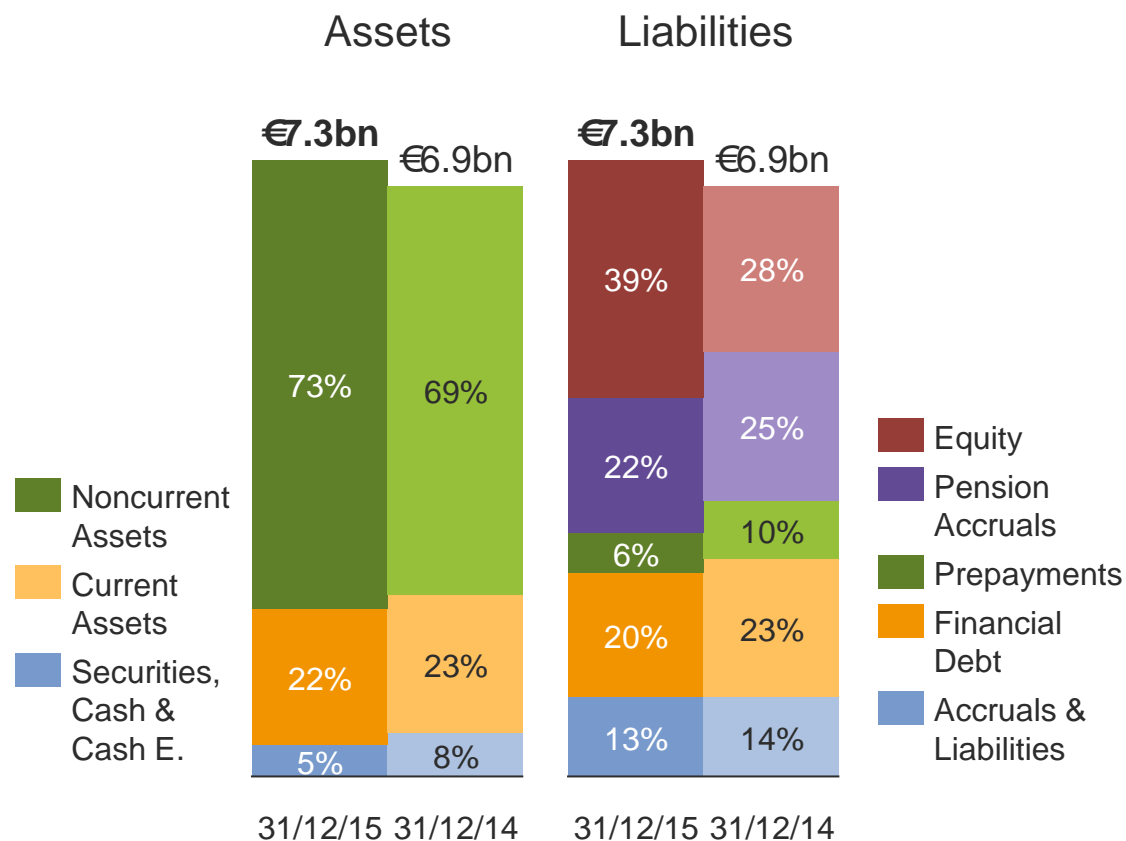
Comments

- ▶ Sales Growth at 9.7% yoy:
Volume/Mix +4.2%, Price -1.4%, FX 6.9%
- ▶ Gross profit increased by 34%
- ▶ Other operating income includes lower special income of €138m (2014: €206m)
- ▶ Other operating expenses: includes €115m relating to TN ramp-up (of this €90m cash effective)
- ▶ Interest result benefitted from capitalization of €18.6m (2014: €5.1m) borrowing costs
- ▶ Tax rate of 40.6% (2014: 46.5%)
- ▶ Depreciation at €575m below expectation, growing to €720m in 2016

Balance Sheet Composition

Effects from Siltronic IPO, Tennessee Build and Pension Liabilities

Balance Sheet (%)



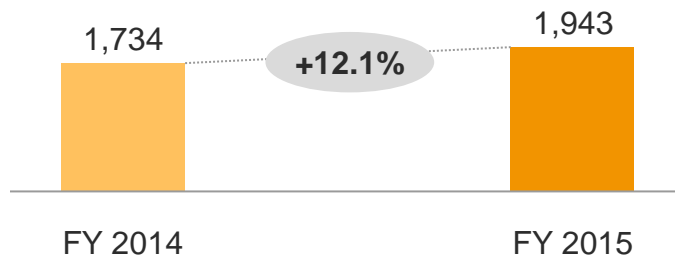
Characteristics 12/31/15

- ▶ Non current assets: €5,291m
- ▶ Securities, cash and cash equivalents: €381m
- ▶ Provisions for pensions: €1,612m
- ▶ Net financial debt: €1,074m
- ▶ Equity: €2,795m
- ▶ Prepayments level: €453m
- ▶ CapEx: €834m (Q4: €224m)

SILICONES

Stronger EBITDA Growth on Mix Improvement and FX

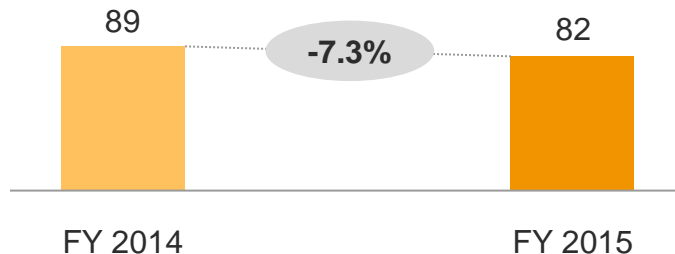
Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



Highlights 2015

- ▶ FX, volume growth and ongoing efficiency measures positively affected EBITDA
- ▶ Growth in specialty markets (e.g.. automotive, medical, electronics) and emerging markets (e.g.. cosmetics)

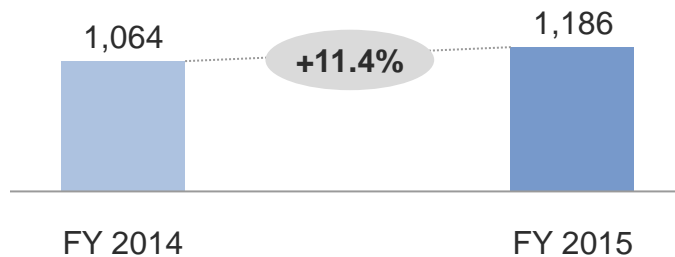
Outlook 2016

- ▶ Mid-single digit sales growth and significant EBITDA increase, targeting a 16% EBITDA margin in 2016
- ▶ Expect good product mix and cost performance

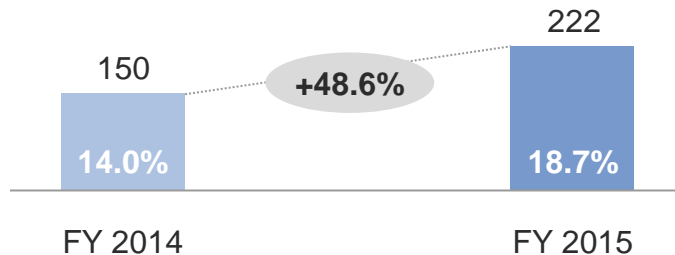
POLYMERS

Strong Demand and Efficiency Measures Support Record Results

Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



Highlights 2015

- ▶ Sales growth supported by FX and volume, particularly in dispersible powders
- ▶ Strong EBITDA improvement mainly due to volume increases and efficiency gains

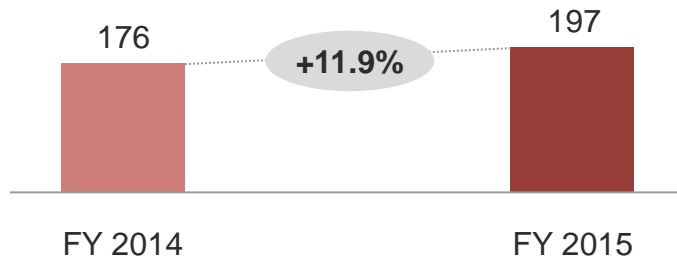
Outlook 2016

- ▶ Mid-single digit sales growth and slight EBITDA increase, targeting an EBITDA margin over 18%
- ▶ Expect strong growth in dispersions

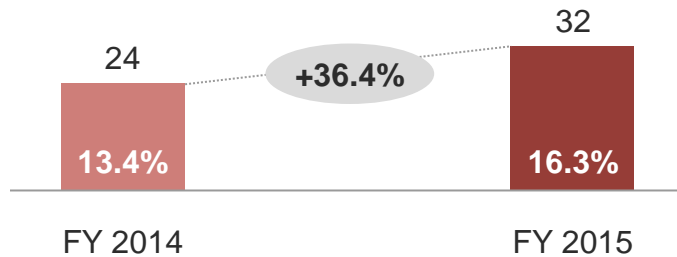
BIOSOLUTIONS

Positive Volume and FX Effects

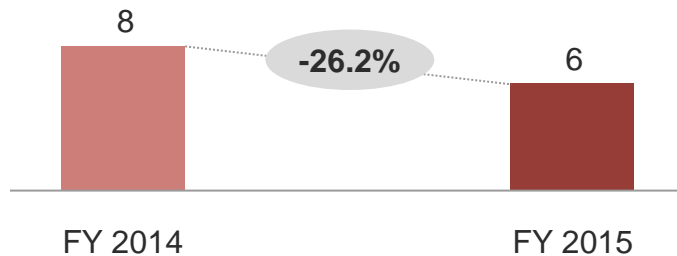
Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



Highlights 2015

- ▶ Noticeable sales growth based on higher sales volume and FX

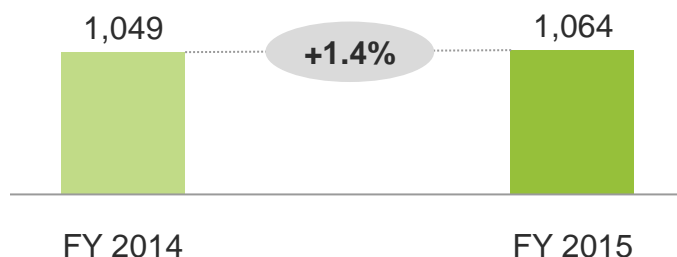
Outlook 2016

- ▶ Mid-single digit sales growth with EBITDA at the level of previous year
- ▶ Significant growth expected for biopharmaceuticals and nutrition

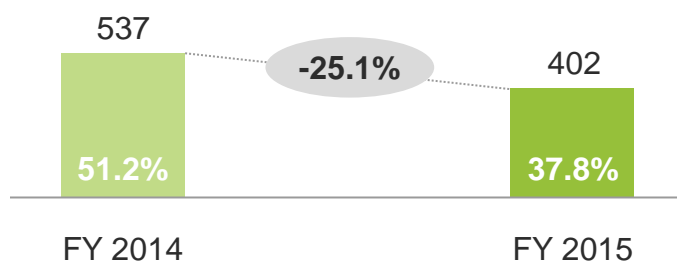
POLYSILICON

EBITDA Affected by Tennessee Pre-Ops

Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



Highlights 2015

- ▶ Shipped 56kt, fully utilized
- ▶ EBITDA below previous year due to lower special income (€138m, 2014: €206m) and pre-op costs (€90m, 2014: €40m)
- ▶ Operating margin ex specials/pre-ops: 33%

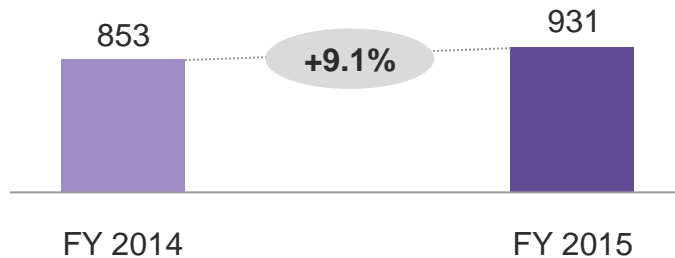
Outlook 2016

- ▶ Low prices/ramp costs weigh on H1 results
- ▶ Ramp cost effect in Q1 expected at €30m
- ▶ Polysilicon pricing shows signs of stabilization
- ▶ Expect to ship close to 70KT
- ▶ Continued focus on cost reduction

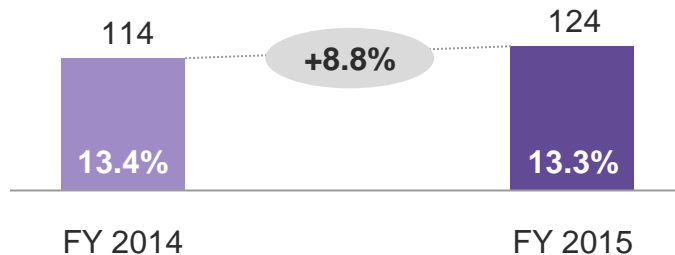
Siltronic

EBITDA Margin Stable Despite Challenges

Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



Highlights 2015

- ▶ Sales and EBITDA increase strongly amid challenging environment
- ▶ Cost reductions and productivity improvements lifted EBITDA despite FX hedging headwinds

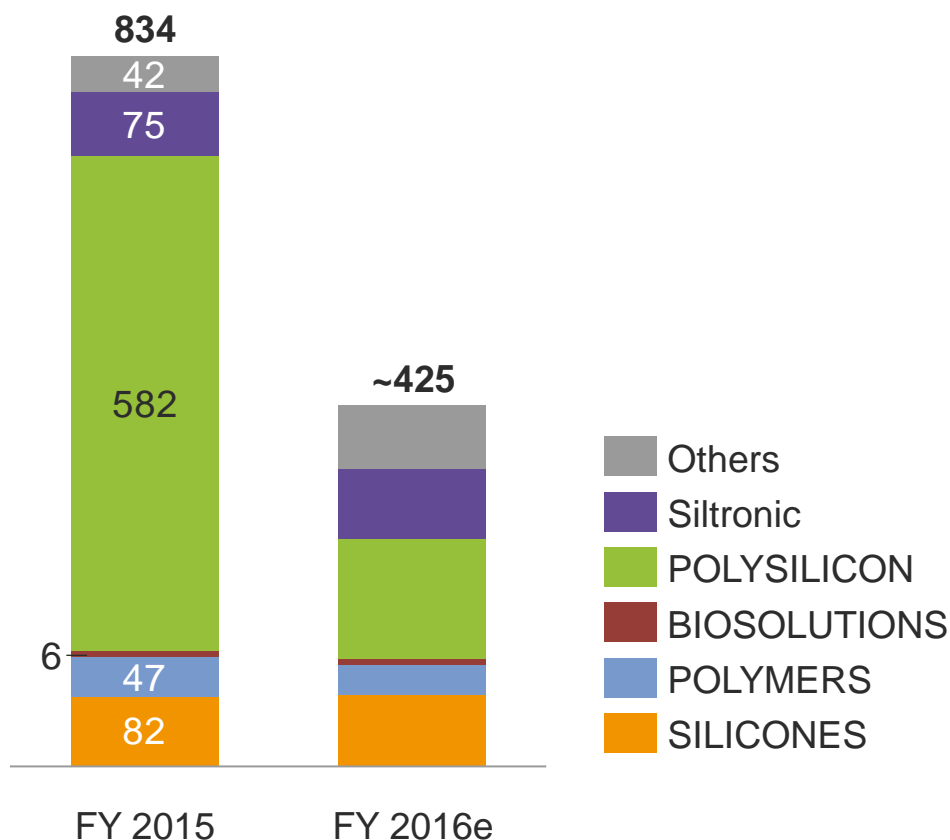
Outlook 2016

- ▶ Price pressure due to slow growth in PC and smartphones
- ▶ Slight improvement in EBITDA margin on cost reductions and lower FX hedging costs
- ▶ Distinctly positive free cash flow but below 2015

CapEx Profile

Down From €834m to €425m, Below Depreciation For Next Years

Capital Budget 2015 and 2016e (€m)



Projects 2015

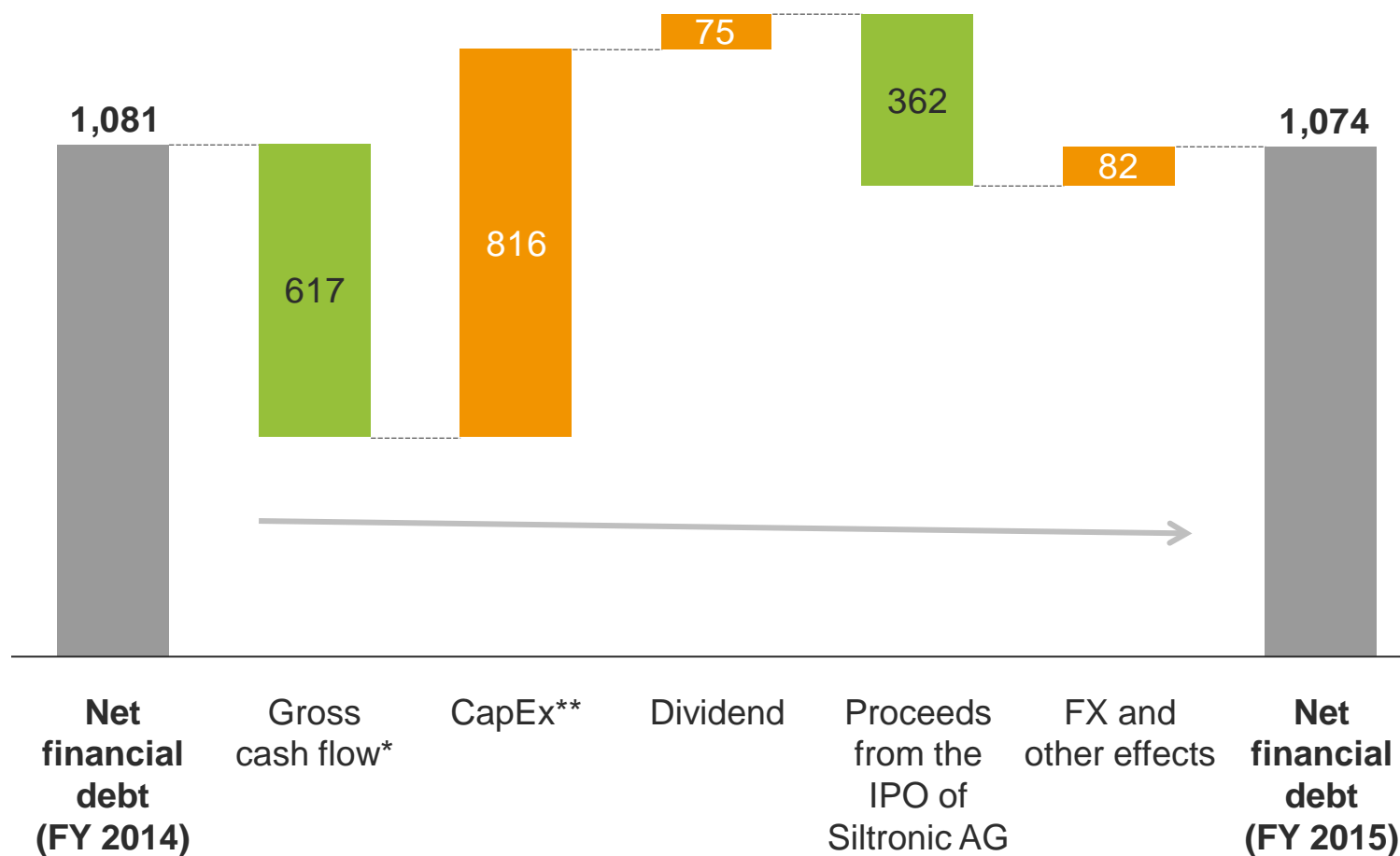
- ▶ New POLYSILICON production site in Charleston, Tennessee, USA
- ▶ New plant for vinyl acetate-ethylene (VAE) copolymer dispersions (+85kt), Calvert City, USA
- ▶ New dryer for dispersible polymer powders (+50kt), Burghausen
- ▶ Expansion of production of functional silicone fluids, Burghausen

Projects 2016

- ▶ Completion of new POLYSILICON production site in Charleston, Tennessee, USA
- ▶ Add cyclodextrin capacity, Eddyville, USA
- ▶ HTV silicone compounds, Burghausen
- ▶ Crystal-growing facilities, Freiberg

Net Financial Debt 2015 on Same Level as 2014

Net Financial Debt Bridge 2015 (€m)



*) includes change in prepayments of €238m and financial leases €-17m, **) includes financial investments

Q1 Trading Update

Solid Volume Start, EBITDA Affected by Prices and Ramp-up

Chemical business

- ▶ Order intake and volumes over last year
- ▶ Good cost performance

POLYSILICON

- ▶ Strong volumes and full utilization
- ▶ TN plant has begun production, €30m ramp costs affect EBITDA in Q1

Siltronic

- ▶ Q1 similar to Q4
- ▶ Good progress on cost reductions

Q1 2016 Outlook:

- ▶ Expect Q1 Group sales at around €1.3bn
- ▶ EBITDA below Q1 2015

FY2015 Conference Call: Q&A Session

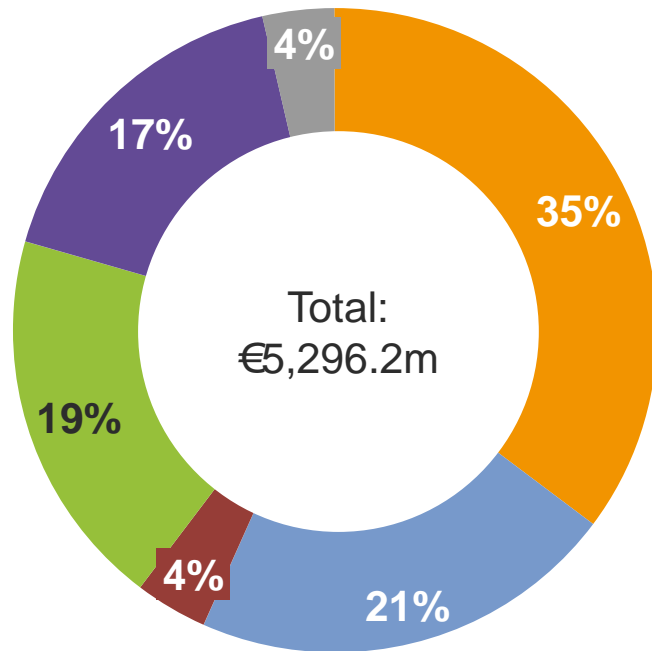
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Appendix

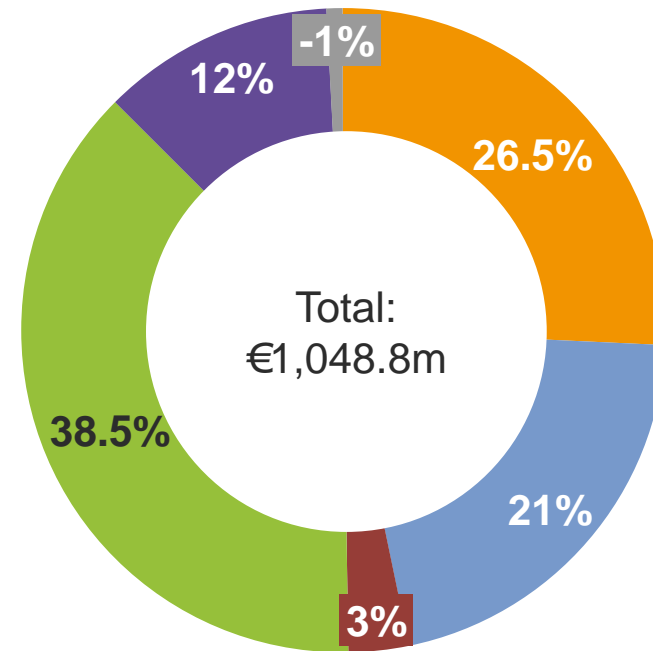
Full-Year Results 2015

Sales and EBITDA Breakdown

FY 2015 Sales¹



FY 2015 EBITDA



Siltronic

WACKER BIOSOLUTIONS

WACKER SILICONES

WACKER POLYSILICON

WACKER POLYMERS

Others

¹based on external sales

Full-Year Results 2015

FY and Q4 P&L

| in €m | FY 2015 | FY 2014 | % YoY | Q4 2015 | Q4 2014 | % YoY |
|------------------------------|---------|---------|-------|---------|---------|-------|
| Sales | 5,296.2 | 4,826.4 | 9.7 | 1,232.9 | 1,194.5 | 3.2 |
| EBITDA | 1,048.8 | 1,042.3 | 0.6 | 188.4 | 180.1 | 4.6 |
| EBITDA margin | 19.8% | 21.6% | - | 15.3% | 15.1% | - |
| EBIT | 473.4 | 443.3 | 6.8 | 33.7 | 31.1 | 8.4 |
| EBIT margin | 8.9% | 9.2% | - | 2.7% | 2.6% | - |
| Result for the period | 241.8 | 195.4 | 23.7 | 4.8 | -17.2 | n.a. |
| EPS in € | 4.97 | 4.10 | 21.2 | 0.13 | -0.32 | n.a. |

Full-Year Results 2015

Sales Breakdown by Business, FY and Q4

| Sales in €m | FY 2015 | FY 2014 | %YoY | Q4 2015 | Q4 2014 | %YoY |
|----------------------------|----------------|----------------|-------------|----------------|----------------|-------------|
| CHEMICALS | 3,325.9 | 2,974.2 | 11.8 | 778.2 | 715.5 | 8.8 |
| WACKER SILICONES | 1,943.3 | 1,733.6 | 12.1 | 460.3 | 419.6 | 9.7 |
| WACKER POLYMERS | 1,185.5 | 1,064.4 | 11.4 | 273.3 | 252.2 | 8.4 |
| WACKER BIOSOLUTIONS | 197.1 | 176.2 | 11.9 | 44.6 | 43.7 | 2.1 |
| WACKER POLYSILICON | 1,063.6 | 1,049.1 | 1.4 | 241.5 | 261.5 | -7.6 |
| Siltronic | 931.3 | 853.4 | 9.1 | 215.3 | 223.2 | -3.5 |
| Others | 197.5 | 165.9 | 19.0 | 49.2 | 46.2 | 6.5 |
| Consolidation | -222.1 | -216.2 | 2.7 | -51.3 | -51.9 | -1.2 |
| | 5,296.2 | 4,826.4 | 9.7 | 1,232.9 | 1,194.5 | 3.2 |

Full-Year Results 2015

EBITDA Breakdown by Business, FY and Q4

| EBITDA in €m | FY 2015 | FY 2014 | %YoY | Q4 2015 | Q4 2014 | %YoY |
|----------------------------|----------------|----------------|--------------|--------------|--------------|--------------|
| CHEMICALS | 530.6 | 382.9 | 38.6 | 97.1 | 62.0 | 56.6 |
| WACKER SILICONES | 276.2 | 209.8 | 31.6 | 49.6 | 33.8 | 46.7 |
| WACKER POLYMERS | 222.2 | 149.5 | 48.6 | 40.8 | 23.6 | 72.9 |
| WACKER BIOSOLUTIONS | 32.2 | 23.6 | 36.4 | 6.7 | 4.6 | 45.7 |
| WACKER POLYSILICON | 402.4 | 537.0 | -25.1 | 70.5 | 88.8 | -20.6 |
| Siltronic | 124.0 | 114.0 | 8.8 | 23.2 | 37.7 | -38.5 |
| Others | -8.9 | 12.7 | n.a. | -4.0 | -4.7 | -14.9 |
| Consolidation | 0.7 | -4.3 | n.a. | 1.6 | -3.7 | n.a. |
| | 1,048.8 | 1,042.3 | 0.6 | 188.4 | 180.1 | 4.6 |

Special EBITDA Effects

€138m Impact

| Special Income (in €m) | 2014 | | | | | 2015 | | | | |
|--|-------|----|------|----|--------------|------|------|------|------|--------------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | Q3 | Q4 | FY |
| Polysilicon: Retained prepayments & damages from cancelled contracts | 114.0 | - | 92.3 | - | 206.3 | 4.7 | 86.7 | 17.8 | 28.4 | 137.6 |

WACKER: Issuer, Contact and Additional Information

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Financial Calendar

- 04/28/16 – Q1 Results 2016
- 05/20/16 – Annual Shareholders' Meeting
- 07/28/16 – Q2 Results 2016
- 10/10/16 – Capital Market Day
- 10/27/16 – Q3 Results 2016

Additional Information

| | |
|-------------------|---|
| ISIN: | DE000WCH8881 |
| WKN: | WCH888 |
| Deutsche Börse: | WCH |
| Ticker Bloomberg: | CHM/WCH:GR |
| Ticker Reuters: | CHE/WCHG.DE |
| Listing: | Frankfurt Stock Exchange Prime Standard |

