



Q1 2021 – Conference Call Note

Dr. Rudolf Staudigl (CEO), Dr. Tobias Ohler (CFO)
April 30, 2021

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WACKER Q1 2021 Highlights

Financials



€1.4bn

Sales (+14% yoy, +10% qoq)
Strong demand across the entire product portfolio

€246m

EBITDA
(+42% yoy, +26% qoq)

€42m

CapEx
(-5% yoy)

18.1%

EBITDA margin
(PY 14.5%)

€131m

Strong net cash flow
(PY €23m)

Operations



Good cost performance in Chemicals

Unprecedented rise in raw materials and logistical challenges arising from strong end markets

Polysilicon demand recovery drives pricing higher

Lean inventory levels for solar grades; strong demand from semiconductors

Sustainability



RHYME

Project for generating green hydrogen and renewable methanol reaches next selection stage for EU funding

UN Global Compact 2021

Progress report confirms commitment to sustainability

**Raising
Sales &
EBITDA
Guidance
for 2021**

Profit & Loss Statement

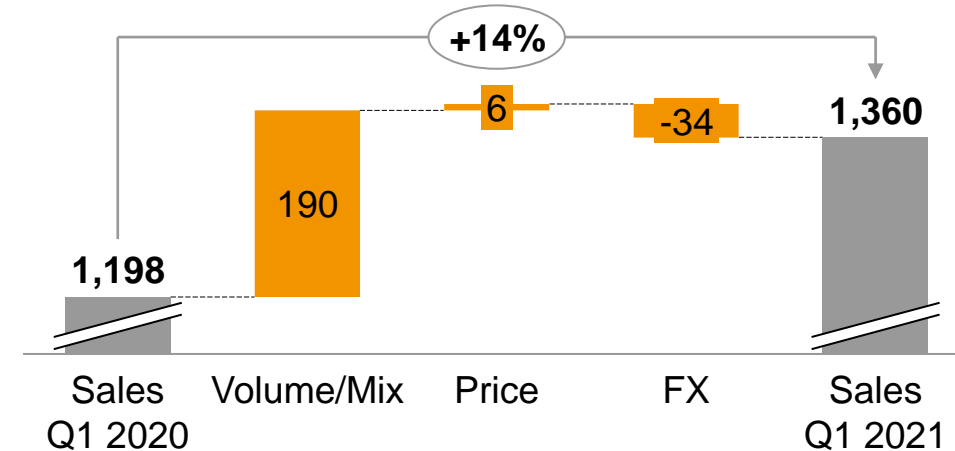
Operating Result Improved by €100m YoY, “Shape the Future” On Track

WACKER P&L Q1 2021 (€m)

€m	Q1 2021	Q1 2020
Sales	1,359.6	1,197.5
Gross profit from sales	299.9	221.6
<i>Gross profit margin (in %)</i>	<i>22.1%</i>	18.5%
S,G&A and R&D	-145.9	-153.5
Other operating income	21.7	24.0
Other operating expenses	-13.7	-30.0
Operating result	162.0	62.1
Result from investments in joint ventures and associates	-7.1	7.7
EBIT	154.9	69.8
Interest result	-4.9	-3.4
Other financial result	-4.8	-8.6
Profit before tax	145.2	57.8
Income taxes	-38.6	11.1
Net income for the period	106.6	68.9
EPS (in €)	2.06	1.31
EBITDA	246.4	174.1
Depreciation/amortization	91.5	104.3
EBIT	154.9	69.8

Comments

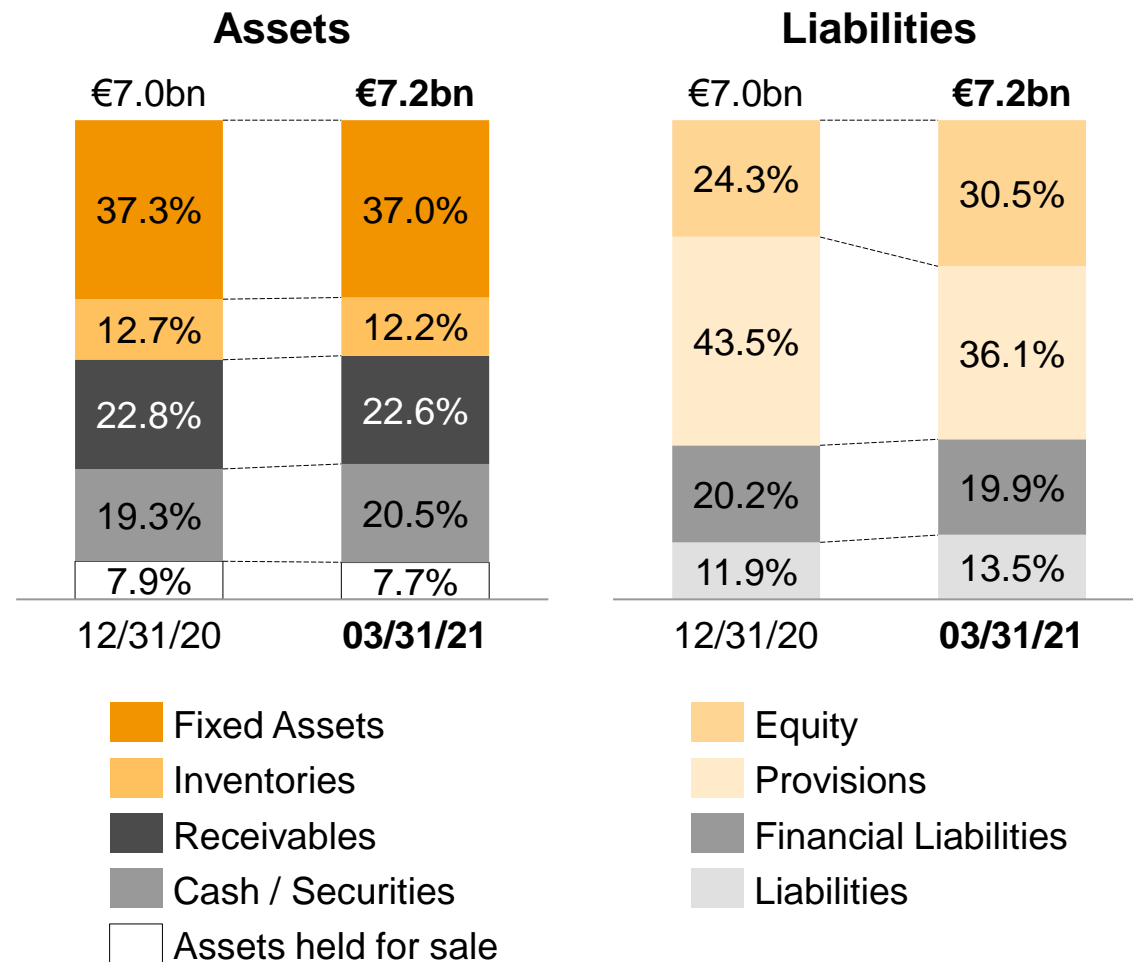
- ▶ Sales +14% yoy
Volume/Mix +16%, Price +1%, FX -3%
- ▶ Gross profit supported by strict cost discipline, reduction of discretionary expenses continues
- ▶ Making progress with “Shape the future”:
SG&A and R&D further reduced by -5% yoy
- ▶ Siltronic at-equity accounting discontinued end of 2020



Balance Sheet Composition

Strong Liquidity Position

Balance sheet (%)



Characteristics 03/31/21

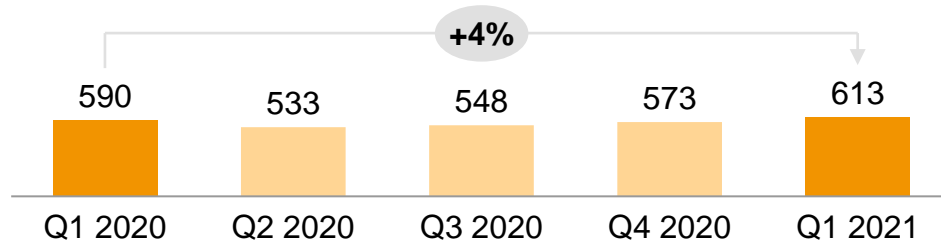
- ▶ Cash & securities of €1,470m (Dec 31, 2020: €1,338m)
- ▶ Provisions for pensions: €2,285m (Dec 31, 2020: €2,713m)
 - ▶ Discount rate in Germany at 1.13% (Dec 31, 2020: 0.70%)
 - ▶ DTA* relating to pensions about €496m
- ▶ Equity: €2,181m (Dec 31, 2020: €1,692m)
- ▶ Investment in Siltronic now classified as “Asset held for sale” (€550m)

* Deferred tax asset

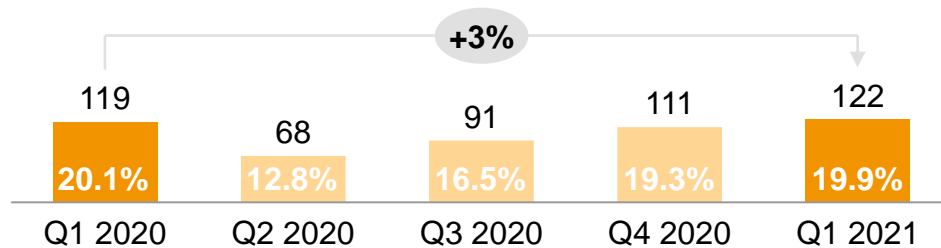
SILICONES

Strong Order Intake, Operating at Capacity Limits

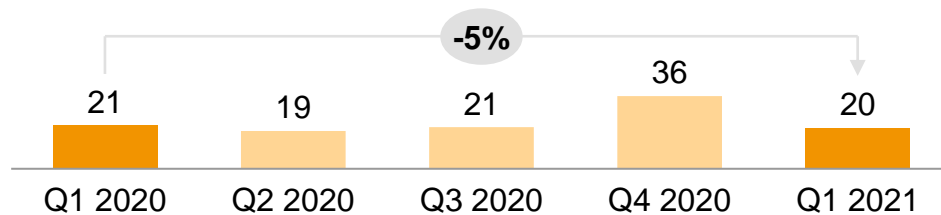
Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



Highlights Q1

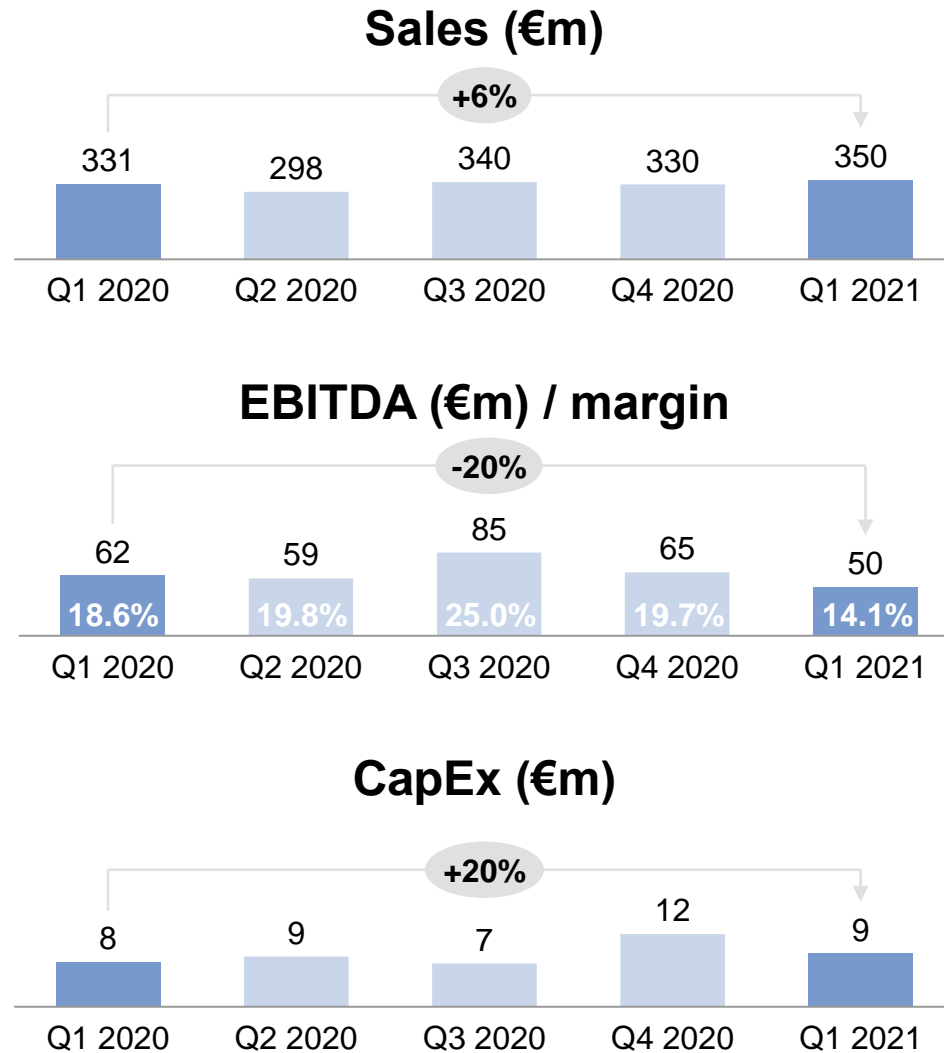
- ▶ Strong demand for specialties, tight standards market
- ▶ Construction, automotive & industrial with high demand
- ▶ Feedstock supply and logistics hold back volume growth
- ▶ Headwinds from raw material inflation and currencies

Outlook 2021

- ▶ Upgraded FY outlook to high-single-digit % sales growth and low-double-digit % EBITDA growth yoy
- ▶ Continued specialties growth supported by mid- and downstream investments
- ▶ Increasing headwinds from external cost developments (raw materials, logistics, etc.)

POLYMERS

Massive Surge in Raw Material Costs, Strong Efforts to Increase Sales Prices



Highlights Q1

- ▶ Strong demand growth in DPP¹ and Adhesives
- ▶ Price increases and temporary surcharges to address fast rising raw material costs
- ▶ Order intake substantially higher than last year

Outlook 2021

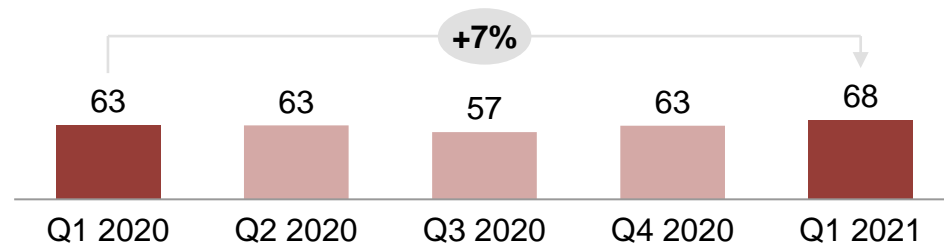
- ▶ Raw material inflation accelerates beyond levels seen by mid-March, very strong impact on Q2
- ▶ Adjusted FY outlook to high-single-digit % sales growth yoy, but EBITDA margin below target

¹⁾ DPP=Dispersible Polymer Powder

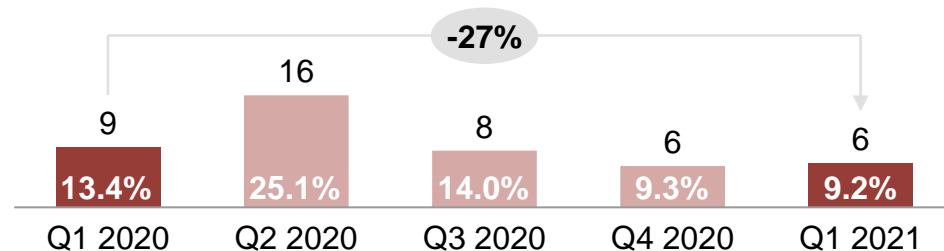
BIOSOLUTIONS

Strong Growth With BioPharma Products

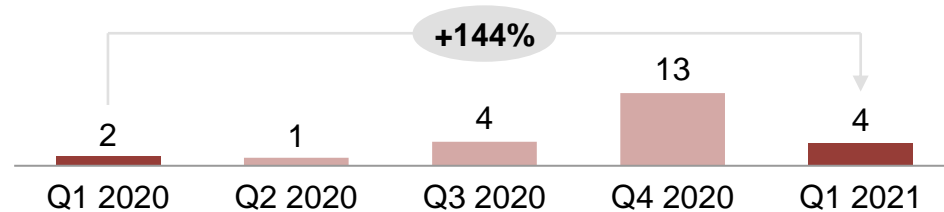
Sales (€m)



EBITDA (€m) / margin



CapEx (€m)



Highlights Q1

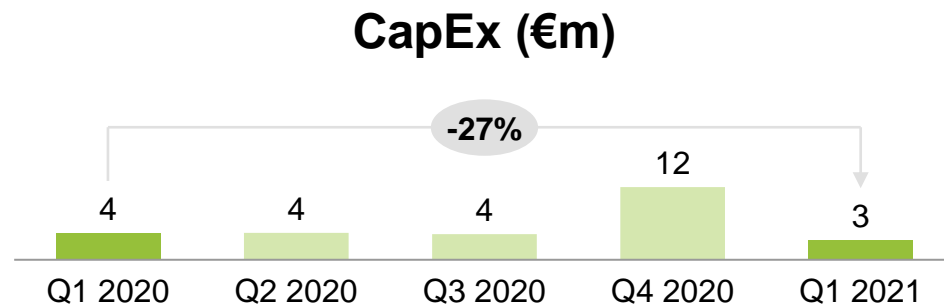
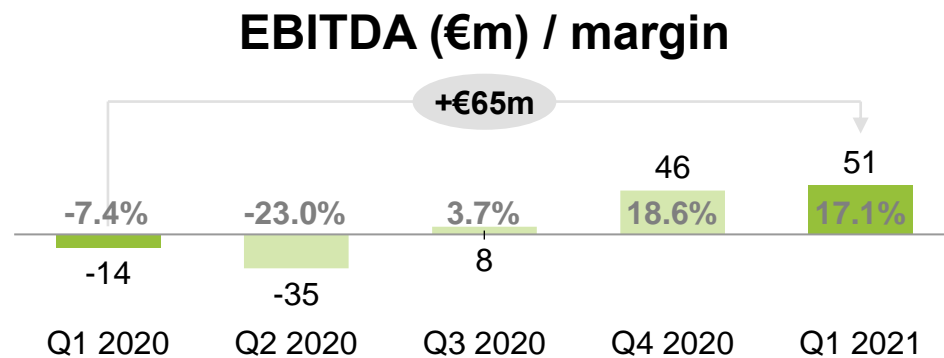
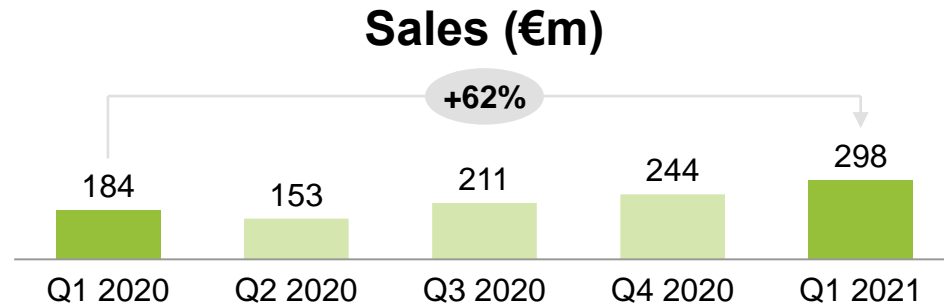
- ▶ Strong growth in BioPharma sales
- ▶ VAM inflation affects gum base business
- ▶ Acquisition of Genopsis, a US-based pDNA specialist
- ▶ Vaccine ramp and US integration costs weigh on results

Outlook 2021

- ▶ Low-double-digit % sales growth
- ▶ BioPharma continues strong, but significant ramp and integration costs in H1 following Amsterdam expansion & acquisition of pDNA specialist Genopsis
- ▶ EBITDA slightly above PY, margin at PY level

POLYSILICON

Strong Demand Drives Sales and EBITDA



Highlights Q1

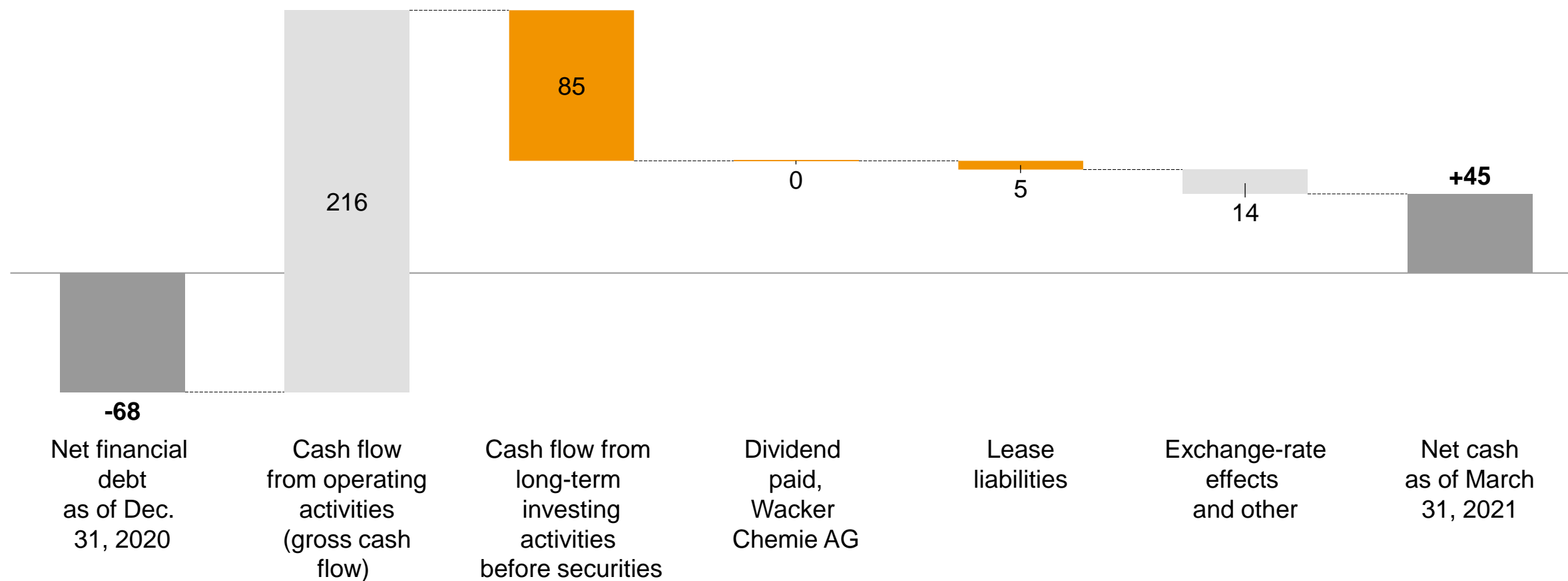
- ▶ Strong solar volumes and increasingly higher prices
- ▶ Inventory at very low level due to strong demand
- ▶ Inventory draw down weighs on Q1 profitability
- ▶ Continued good operating cost performance

Outlook 2021

- ▶ Upgraded FY outlook to sales growth over 25% and EBITDA margin over 20%
- ▶ Strong pricing for PV solar grades expected in H1
- ▶ Modelling with increased volatility in solar pricing in H2
- ▶ Continued strong demand from semiconductors

Strong Cash Flows Result in Net Cash Position

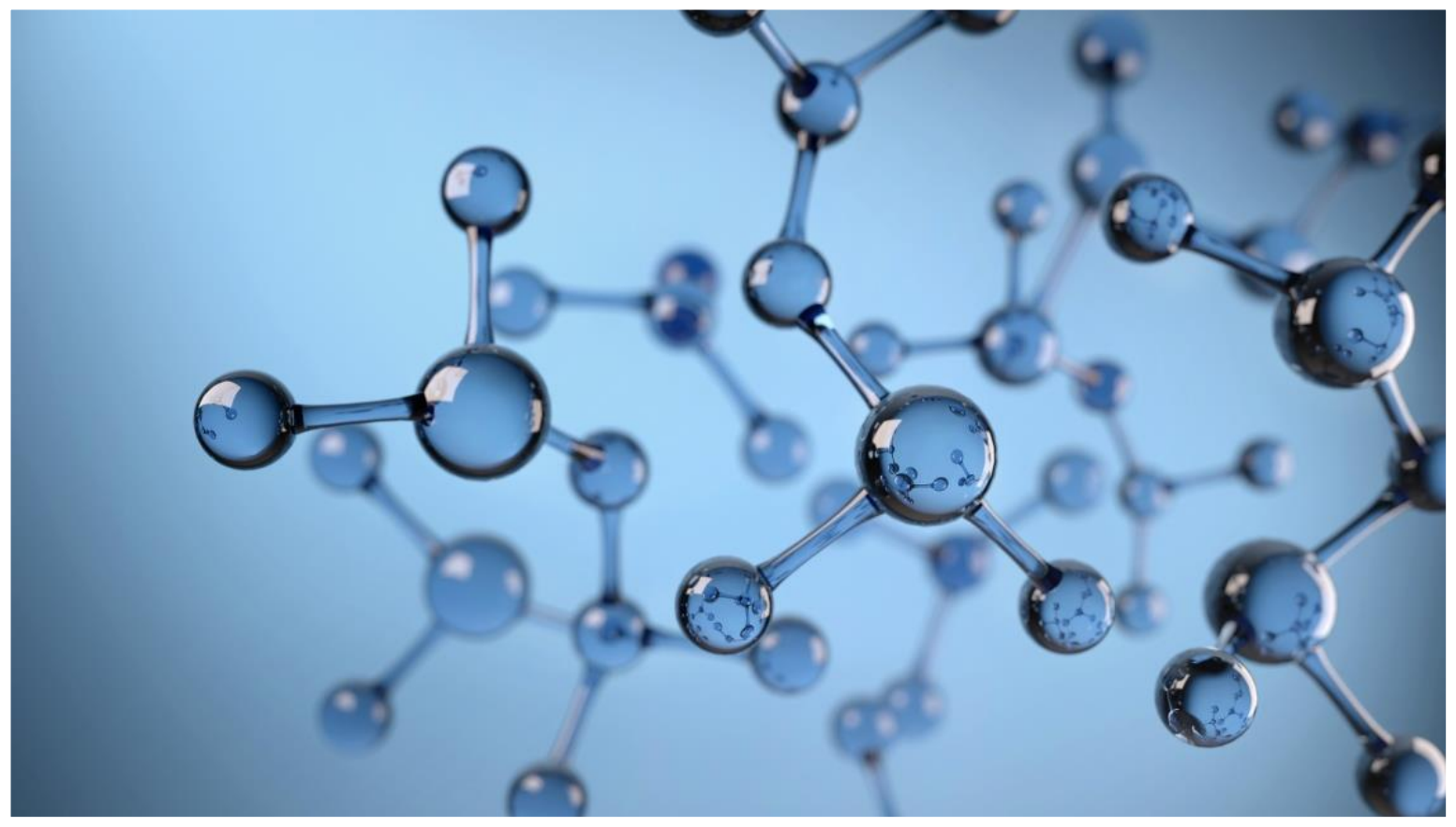
Net Cash Bridge per 03/31/2021 (€m)



Guidance FY 2021

In €m	FY 2020	Outlook 2021
Sales	4,692	Low-double-digit % increase¹
EBITDA	666	15 to 25% higher than last year
EBITDA margin (%)	14.2%	Slightly higher than last year
Net cash flow	698	Clearly positive, substantially lower than last year
CapEx	224	Around 350
Net financial debt	68	Positive net financial assets
Net Income	202	Markedly above last year's level
Depreciation	404	Around 400
ROCE (%)	5.6%	Substantially higher than last year
Tax Rate (%)	7.1%	Around 25% of taxable income

¹⁾ **BOLD** = New Guidance

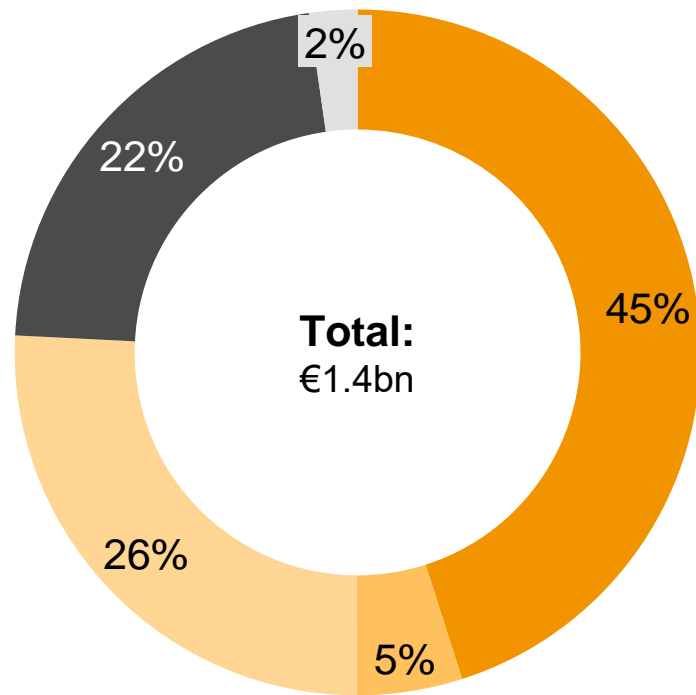


Q1 2021 – Q&A Session

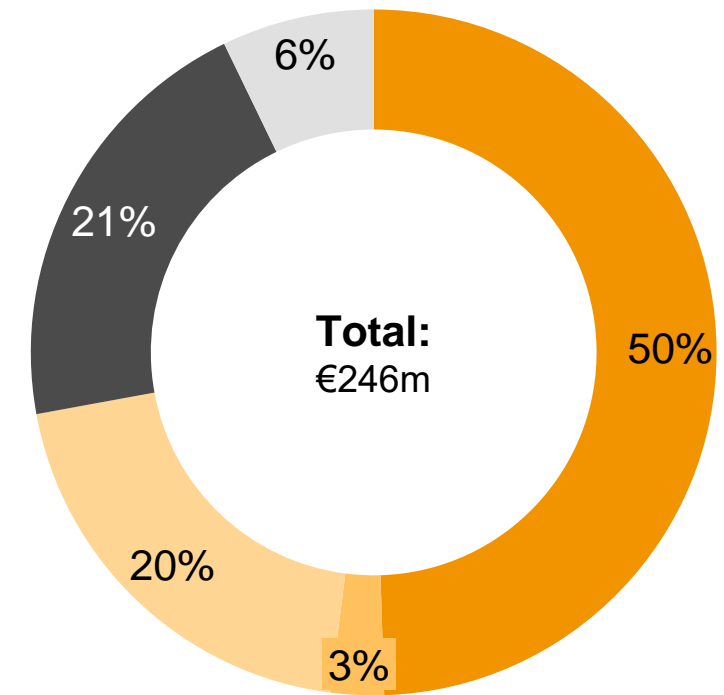
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Q1 2021 Results – Sales and EBITDA Breakdown

Q1 2021 Sales



Q1 2021 EBITDA



■ SILICONES ■ BIOSOLUTIONS ■ POLYMERS ■ POLYSILICON ■ OTHERS / CONSOLID.

Q1 2021 Results – P&L

In €m	Q1 2021	Q1 2020	% YoY	Q4 2020	% QoQ
Sales	1,360	1,198	+14	1,239	+10
EBITDA	246	174	+42	196	+26
EBITDA margin	18.1%	14.5%	-	15.8%	-
EBIT	155	70	>100	101	+54
EBIT margin	11.4%	5.8%	-	8.1%	-
Net income for the period	107	69	+55	61	+74
EPS in €	2.06	1.31	+57	1.13	+83
Capital expenditures	42	44	-5	95	-56
Depreciation / amortization	92	104	-12	95	-4
Net cash flow	131	23	>100	243	-46

Q1 2021 Results – Overview by Business

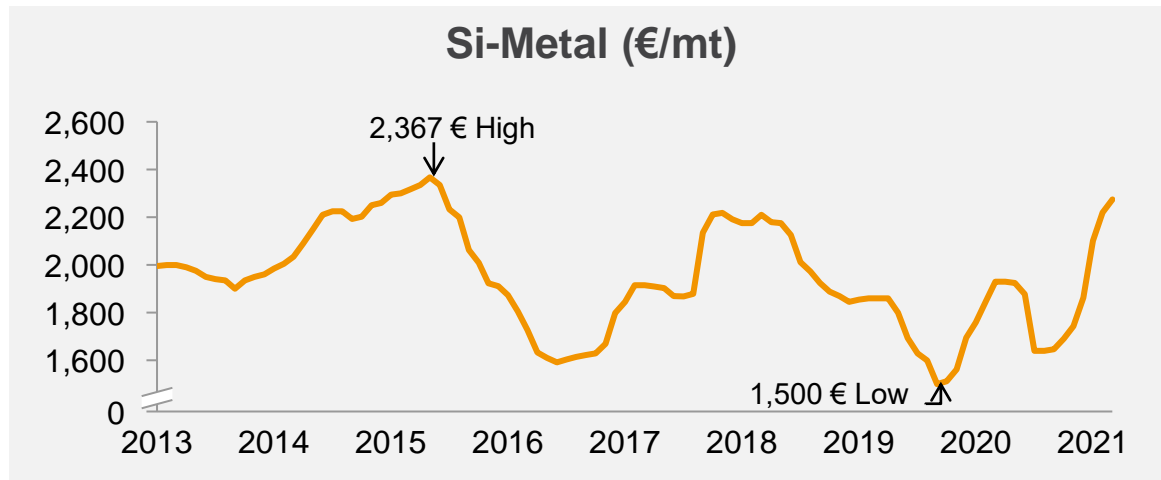
In €m / %	Sales					EBITDA					EBITDA Margin (%)		
	Q1 2021	Q1 2020	% YoY	Q4 2020	% QoQ	Q1 2021	Q1 2020	% YoY	Q4 2020	% QoQ	Q1 2021	Q1 2020	Q4 2020
Chemicals	1,031	984	+5	966	+7	178	189	-6	181	-2	17.2	19.2	18.8
SILICONES	613	590	+4	573	+7	122	119	+3	111	+10	19.9	20.1	19.3
POLYMERS	350	331	+6	330	+6	50	62	-20	65	-24	14.1	18.6	19.7
BIOSOLUTIONS	68	63	+7	63	+8	6	9	-27	6	+7	9.2	13.4	9.3
POLYSILICON	298	184	+62	244	+22	51	-14	n.a.	46	+12	17.1	-7.4	18.6
Others	34	35	-4	33	+3	19	0	>100	-32	n.a.	54.6	-0.9	n.a.
Consolidation	-3	-6	-48	-4	-14	-1	-1	+60	1	n.a.	n.a.	n.a.	n.a.
WACKER Group	1,360	1,198	+14	1,239	+10	246	174	+42	196	+26	18.1	14.5	15.8

Strong Growth of Global PV Markets in 2021 Expected

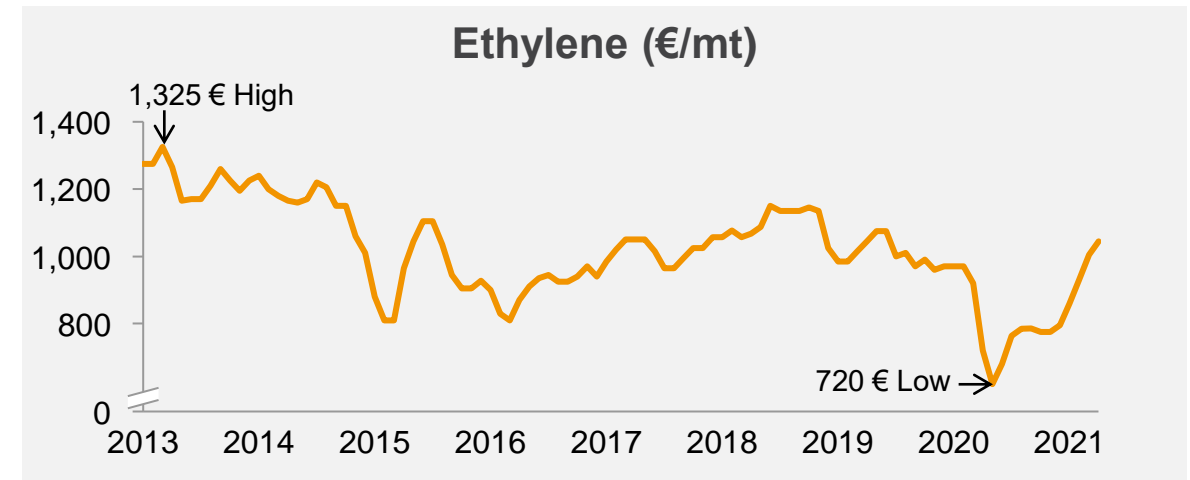
Country	2016	2017	2018	2019	2020	2021e
Germany	1.5	1.8	3.0	4.0	4.9	4.0 – 6.0
Spain	0.1	0.1	0.4	4.7	3.3	4.0 – 5.0
Europe other	4.8	4.9	8.1	13.0	12.0 – 13.0	14.0 – 17.0
Europe total	6.4	6.8	11.5	21.7	20.0 – 21.0	22.0 – 28.0
Australia	0.8	1.3	3.8	4.4	4.0 – 5.0	4.0 – 6.0
China*	32.5	52.8	44.3	30.1	48.2	50.0 – 60.0
India	4.3	9.6	8.5	7.3	3.2	4.0 – 7.0
Japan	8.4	7.4	7.0	7.5	8.2	7.0 – 8.0
USA	14.8	10.6	10.6	13.3	19.2	22.0 – 24.0
Rest of Americas	3.0	3.4	6.0	8.0	5.0 – 6.0	8.0 – 11.0
Rest of World	7.7	8.1	13.3	26.0	27.0 – 29.0	33.0 – 36.0
Total	78 GW	100 GW	105 GW	118 GW	130 – 140 GW	150 – 180 GW

Sources: SPE, IHS, industry announcements, WACKER estimates; *China official data adjusted for installed/not connected capacity

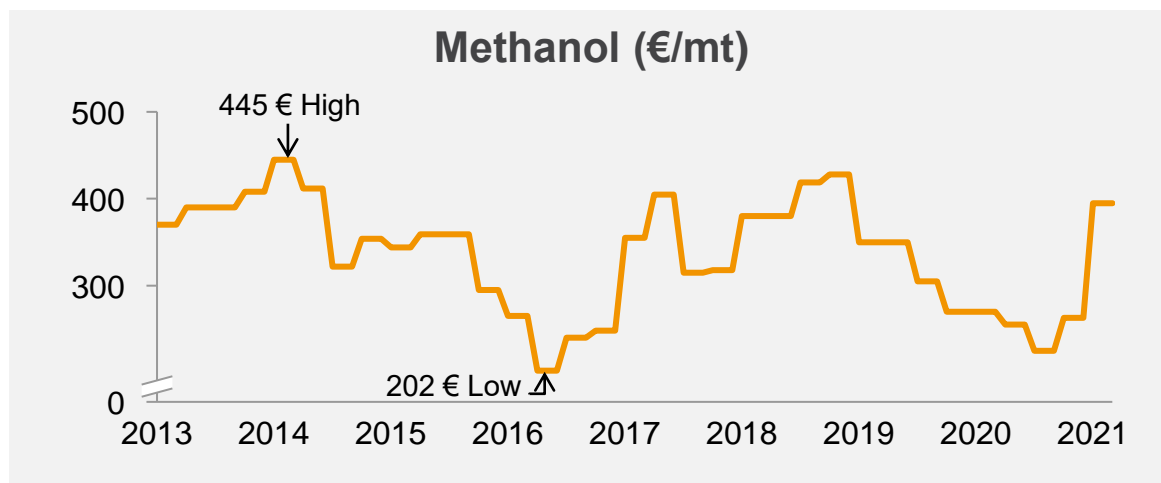
Raw Materials Show Strong Price Inflation Recently



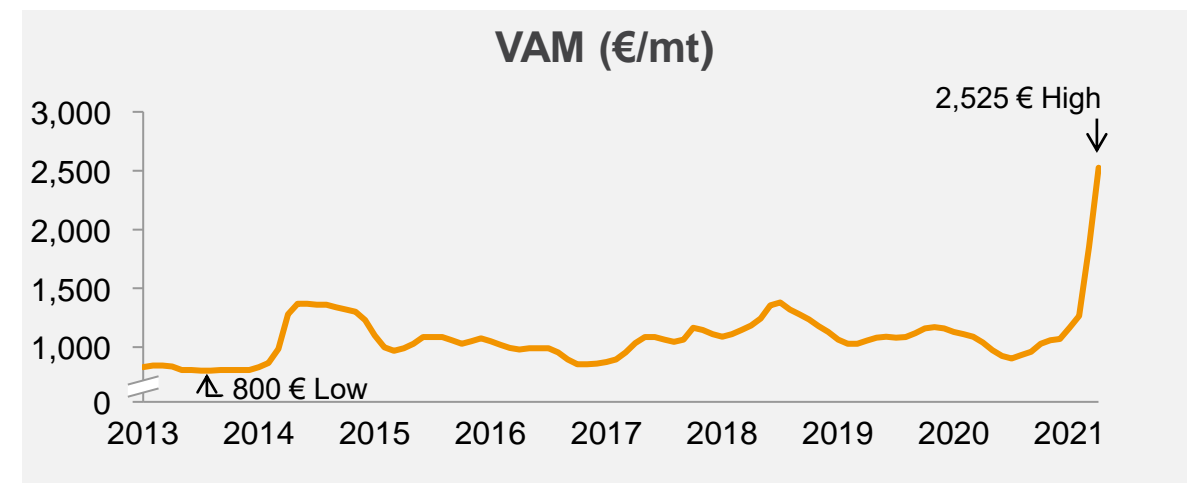
Source: CRU, Si-Metal Spot FD Europe



Source: ICIS, EN Contract FD NWE



Source: ICIS, MeOH Contract, FOB RDM



Source: ICIS, VAM Contract FD NWE

Modelling Help

“Shape the Future”

- ▶ **P&L:** Ongoing restructuring expenses booked directly into the businesses (low-double-digit m€ in 2021)
- ▶ **Cash flow:** 2021 impacted by payout of one-time restructuring expenses

Siltronic AG

- ▶ At-equity accounting discontinued end of 2020
- ▶ Until successful closing of transaction:
 - ▶ The carrying amount of the investment in Siltronic AG (€550m) will be classified as “Asset held for sale”
 - ▶ Investment income will no longer be reported in WACKER income statement (P&L)
 - ▶ Dividend will be recorded in “Other income from associates”
- ▶ With the successful closing of transaction: WACKER reported EBITDA will increase by €780m and net cash flow will increase by €1.3bn

Others Segment

- ▶ Model with -€20m EBITDA for 2021

WACKER: Issuer, Contact and Additional Information

Issuer and Contact

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Additional Information



ISIN	DE000WCH8881
WKN	WCH888
Deutsche Börse	WCH

Financial Calendar

05/12/21	Annual Shareholders' Meeting
06/24/21	Virtual CMD Series: BIOSOLUTIONS & R&D
08/05/21	Q2 Results 2021
10/28/21	Q3 Results 2021

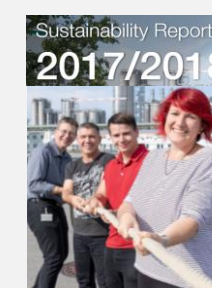
Publications



CUSTOMER
MAGAZINE



FACTBOOK



SUSTAINABILITY
REPORT



SQUARE
APP