

PRESS RELEASE

Number 11

Wacker Chemie AG's Figures for Q1 2021 (unaudited)

WACKER's Sales and Earnings Rise in Q1 2021

- ◆ GROUP SALES FOR Q1 2021 REACH €1.36 BILLION, UP 14 PERCENT YEAR OVER YEAR AND 10 PERCENT QUARTER OVER QUARTER
- ◆ AT €246 MILLION, EBITDA IS UP 42 PERCENT YEAR OVER YEAR AND 26 PERCENT QUARTER OVER QUARTER, CHIEFLY DUE TO SUBSTANTIALLY HIGHER VOLUMES
- ◆ NET INCOME FOR Q1 AMOUNTS TO €107 MILLION
- ◆ NET CASH FLOW REACHES €131 MILLION
- ◆ FULL-YEAR FORECAST RAISED: GROUP SALES FOR 2021 EXPECTED TO GROW BY A LOW-DOUBLE-DIGIT PERCENTAGE, WITH EBITDA LIKELY TO RISE BY 15 TO 25 PERCENT VERSUS LAST YEAR

Munich, April 30, 2021 – Wacker Chemie AG finished Q1 2021 with significant growth in sales and earnings. The Munich-based chemical company generated sales of €1,359.6 million in the reporting quarter. That was 14 percent higher than in the same period last year (€1,197.5 million). Relative to the preceding quarter (€1,239.2 million), sales were up 10 percent, chiefly due to high demand in nearly all divisions. Business in construction materials and polysilicon, for example, was especially strong. Higher prices, particularly for solar-grade polysilicon, also lifted sales. On the other hand, exchange-rate effects resulting from the weaker US dollar year over year slowed sales somewhat.

In Q1 2021, WACKER posted EBITDA (earnings before interest, taxes, depreciation and amortization) of €246.4 million. That was 42 percent higher than in the same period last year (€174.1 million). Relative to the preceding quarter (€196.0 million), EBITDA climbed 26 percent. This strong growth stemmed from higher volumes and, in some segments, better prices, as well as from overall higher plant utilization rates. The Group's ongoing efficiency program reduced costs, which also had a positive impact on EBITDA. The company encountered headwinds, however, from markedly higher raw-material prices both year over year and quarter over quarter. The EBITDA margin for January through March 2021 was 18.1 percent, compared with 14.5 percent in the same period last year. In the prior quarter, the EBITDA margin was 15.8 percent.

Group earnings before interest and taxes (EBIT) also rose markedly year over year due to the factors already mentioned, coming in at €154.9 million (Q1 2020: €69.8 million). This was more than double the year-earlier figure and corresponded to an EBIT margin of 11.4 percent (Q1 2020: 5.8 percent). Net income totaled €106.6 million in the reporting quarter (Q1 2020: €68.9 million), corresponding to earnings per share of €2.06 (Q1 2020: €1.31).

WACKER revised upward the full-year 2021 forecast published in its Annual Report for 2020. Despite the continued risks connected with the coronavirus pandemic which are clearly evident in currently dynamic developments in India and Brazil, for example and even higher raw-material prices which are estimated to have a full-year impact of over €200 million, WACKER now expects to post somewhat stronger numbers than forecast at the beginning of the year. The company expects Group sales to exceed the previous year's figure of

€4,692.2 million by a low-double-digit percentage. WACKER had previously expected sales growth in the mid-single-digit percentage range. According to current projections, EBITDA is likely to increase by 15 to 25 percent versus last year's figure (€666.3 million). The company had expected growth of 10 to 20 percent when presenting its 2020 Annual Report.

"WACKER performed very well in Q1 2021," CEO Rudolf Staudigl said in Munich on Friday. "The best defenses against the coronavirus pandemic have proven to be our strong strategic focus on specialty chemical products that provide high added value for our customers, our quality leadership for polysilicon and the expansion of our biotechnology business. In particular, demand for polysilicon for solar and semiconductor applications has been on a very positive trajectory in the past months. Higher prices for solar-grade polysilicon have also helped our business. We expect prices to remain stable in the coming months."

The CEO was also positive about the chemical divisions, which struggled with higher raw-material prices in some cases: "In the silicones market there was strong demand for our products. Here we are benefiting in particular from our business in high-margin specialties, which we have been continuously expanding for several years. In the past months, we were able to achieve significantly higher volumes for polymer products, especially in Asia."

Bioengineered products had also performed well, according to Staudigl: "In this area we benefited above all from strong demand for biopharmaceuticals."

Regions

In Q1 2021, WACKER's sales in the Americas decreased to €203.8 million, 12 percent less than the same quarter last year (€231.1 million). In Asia, on the other hand, Group sales increased 39 percent in the reporting quarter to €536.0 million (Q1 2020: €385.8 million). Sales in Europe totaled €546.4 million (Q1 2020: €520.9 million), up 5 percent.

Capital Expenditures and Net Cash Flow

In Q1 2021, the Group's capital expenditures came in at €42.0 million (Q1 2020: €44.4 million), a decline of 5 percent year over year. The funds went primarily toward expanding capacities at the chemical divisions.

Net cash flow increased to €131.1 million in Q1 2021 (Q1 2020: €22.6 million). This was due primarily to earnings growth.

Employees

WACKER's global workforce increased slightly in the reporting quarter. The Group had 14,332 employees on March 31, 2021 (Dec. 31, 2020: 14,283). At the end of the quarter, 10,041 employees (Dec. 31, 2020: 10,096) worked at WACKER sites in Germany and 4,291 (Dec. 31, 2020: 4,187) at international locations.

Business Divisions

In Q1 2021, **WACKER SILICONES** generated total sales of €612.8 million. That was 4 percent higher than in the same period last year (€590.0 million). Higher volumes and an improved product mix had a positive impact on sales. Compared with a quarter earlier (€573.3 million), the division's sales rose 7 percent. EBITDA at

WACKER SILICONES reached €122.0 million in the reporting quarter, 3 percent higher than a year ago (€118.6 million). Relative to the preceding quarter (€110.6 million), EBITDA climbed 10 percent.

Reporting-quarter earnings were lifted not only by high volumes, but also by very high plant utilization rates. The EBITDA margin for Q1 2021 was 19.9 percent, after 20.1 percent in Q1 2020 and 19.3 percent in the preceding quarter.

Sales at **WACKER POLYMERS** totaled €350.1 million in the reporting quarter, 6 percent higher than a year earlier (€330.8 million). Higher volumes for dispersions and dispersible polymer powders, especially in Asia, were the main drivers of this growth. Sales were also up 6 percent relative to the preceding quarter (€329.8 million). The division's EBITDA came in at €49.5 million in Q1 2021, after €61.5 million a year earlier – a decline of 20 percent year over year. Higher raw-material prices were primarily responsible for this decrease. On the other hand, high plant utilization rates had a positive impact on EBITDA. Compared with the preceding quarter (€65.0 million), EBITDA decreased by 24 percent. Again, substantially higher raw-material prices were the main reason for this earnings decline. To counteract this trend, the business division raised its product prices worldwide in mid-March. The EBITDA margin was 14.1 percent in Q1 2021, after 18.6 percent a year earlier and 19.7 percent a quarter ago.

WACKER BIOSOLUTIONS posted total sales of €67.7 million in Q1 2021, up 7 percent over a year earlier (€63.3 million). Compared with the preceding quarter (€62.7 million), sales increased 8 percent. Cyclodextrins, cysteine and biopharmaceuticals performed particularly well during the quarter. WACKER BIOSOLUTIONS

posted EBITDA of €6.2 million in the reporting quarter, down 27 percent from a year earlier (€8.5 million). This decline was partly attributable to expenses for integrating the new biopharma site in San Diego that WACKER acquired in February, as well as start-up costs for vaccine production at WACKER's Amsterdam site. Compared with a quarter ago (€5.8 million), EBITDA increased 7 percent. The EBITDA margin was 9.2 percent, after 13.4 percent a year earlier and 9.3 percent in Q4 2020.

WACKER POLYSILICON generated total sales of €298.3 million in the reporting quarter. That was 62 percent more than a year ago (€184.3 million) and 22 percent higher versus the preceding quarter (€244.1 million). This strong growth was due primarily to increased volumes and higher average selling prices for solar-grade polysilicon. Reporting-quarter EBITDA at WACKER POLYSILICON came in at €51.0 million. That was €64.7 million more than in the same period last year (€-13.7 million). This increase was due not only to significantly higher sales, but also to further progress in reducing the cost of goods sold. Compared with a quarter earlier (€45.5 million), EBITDA increased 12 percent. Positive volume and price effects were still dampened in the reporting quarter by the negative impact of inventory reduction. The division's EBITDA margin was 17.1 percent for January through March 2021, after -7.4 percent in Q1 2020 and 18.6 percent in Q4 2020.

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 in the first quarter and its current business performance, WACKER has raised its annual forecast for sales and EBITDA. It aims

to lift its sales in 2021 by a low-double-digit percentage. WACKER had previously expected sales growth in the mid-single-digit percentage range. The Group's EBITDA is likely to rise 15 to 25 percent compared with 2020. When it presented its 2020 Annual Report, the company was expecting growth of 10 to 20 percent. The reasons for higher expectations are continued strong demand in nearly all product lines as well as the current positive trend in polysilicon prices. At the same time, however, even higher raw-material prices and negative exchange-rate effects are now likely to reduce full-year EBITDA by more than €200 million (previous forecast: more than €100 million). This has been factored into the current outlook. For all the other key financial performance indicators, the full-year forecast remains unchanged. Group net income is still expected to be substantially above last year's figure.




Key Figures for the WACKER Group

| € million | Q1 2021 | Q1 2020 | Change in % |
|--|----------------|----------------|------------------------|
| Sales | 1,359.6 | 1,197.5 | 13.5 |
| EBITDA | 246.4 | 174.1 | 41.5 |
| EBITDA margin (%) | 18.1 | 14.5 | – |
| EBIT | 154.9 | 69.8 | >100 |
| EBIT margin (%) | 11.4 | 5.8 | – |
| Financial result | -9.7 | -12.0 | -19.2 |
| Income before income taxes | 145.2 | 57.8 | >100 |
| Net income for the period | 106.6 | 68.9 | 54.7 |
| Earnings per share (€) | 2.06 | 1.31 | 57.3 |
| Capital expenditures | 42.0 | 44.4 | -5.4 |
| Depreciation, amortization and impairments | 91.5 | 104.3 | -12.3 |
| Net cash flow | 131.1 | 22.6 | >100 |

| € million | March 31, 2021 | March 31, 2020 | Dec. 31, 2020 |
|-------------------------------------|---------------------------|---------------------------|--------------------------|
| Total assets | 7,155.4 | 6,741.7 | 6,950.5 |
| Equity | 2,181.1 | 2,425.0 | 1,691.8 |
| Equity ratio (%) | 30.5 | 36.0 | 24.3 |
| Financing liabilities | 1,424.9 | 1,451.2 | 1,405.5 |
| Net financial assets | 44.8 | -701.6 | -67.5 |
| Employees (number at end of period) | 14,332 | 14,597 | 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