



WACKER

CREATING TOMORROW'S SOLUTIONS

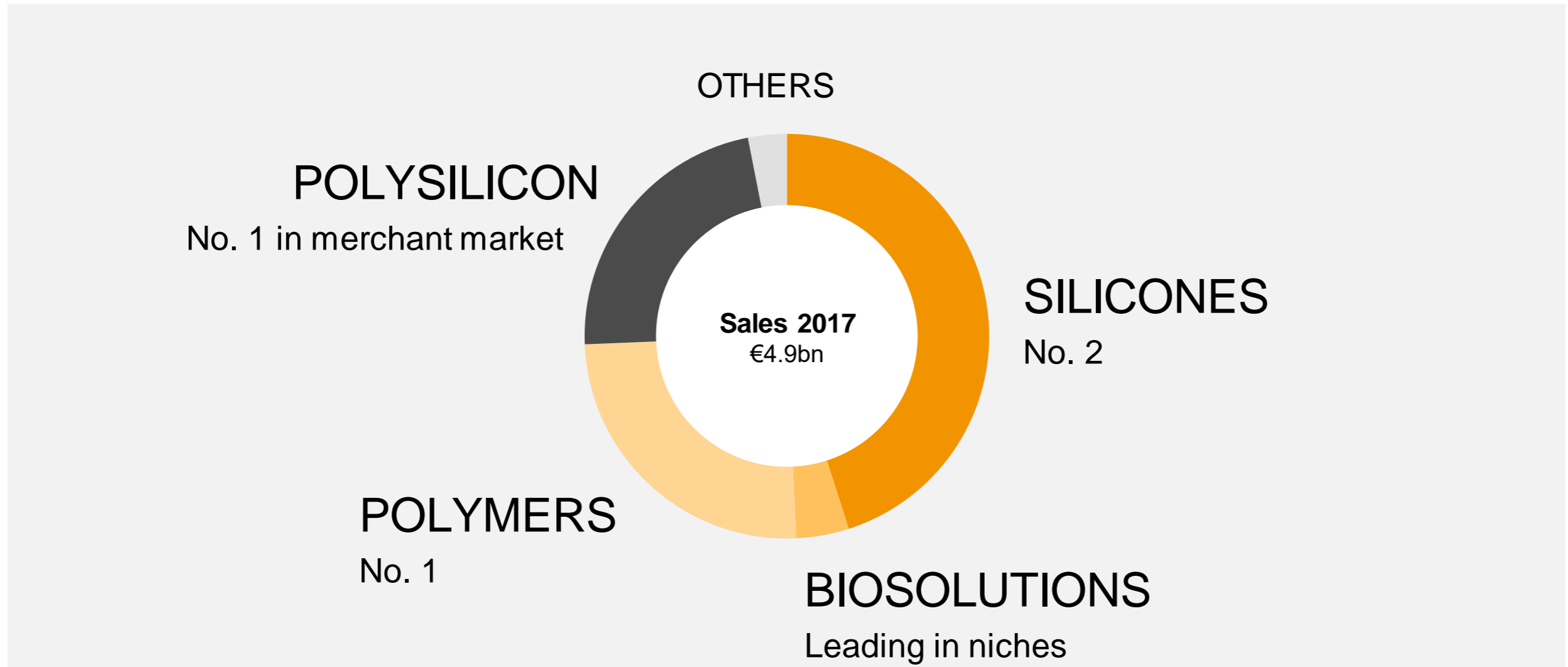
Managing for Growth and Cash

Tobias Ohler, CFO, Wacker Chemie AG

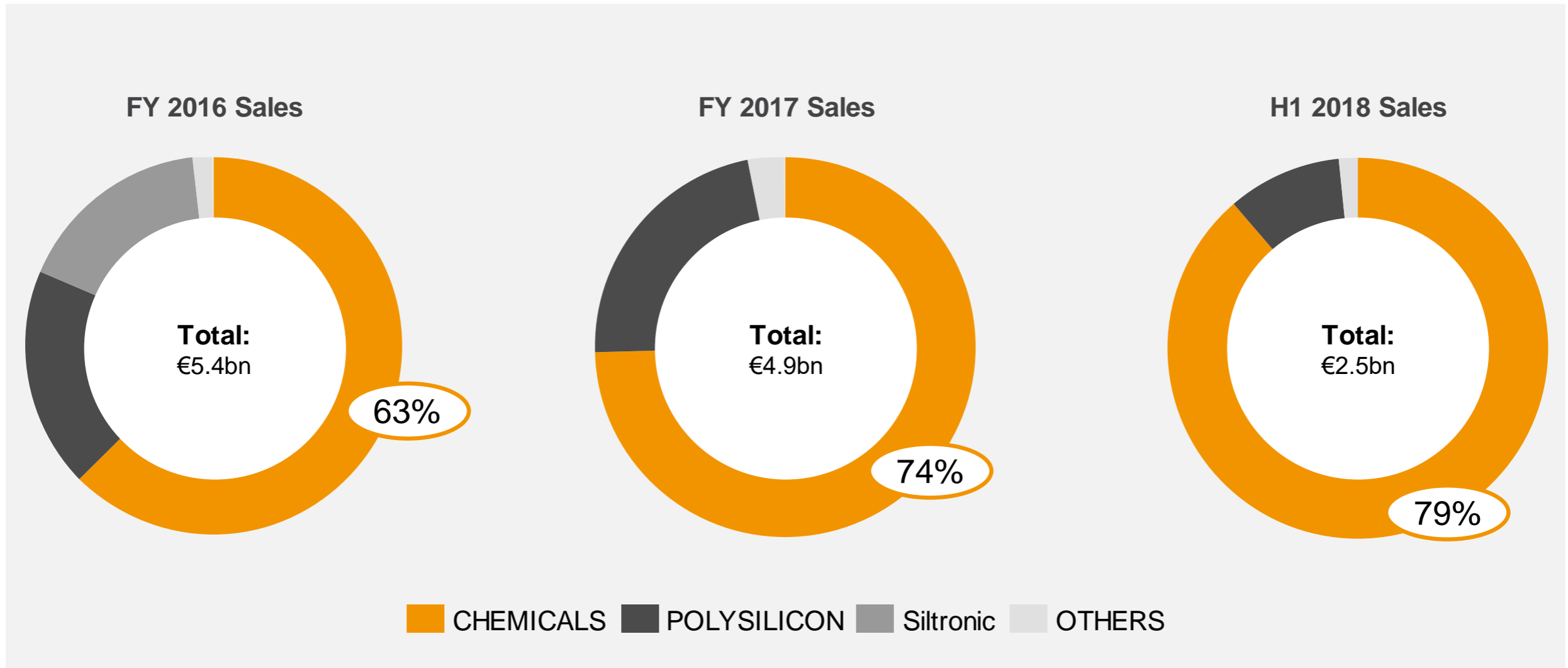
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WACKER: Well Positioned for Future Growth

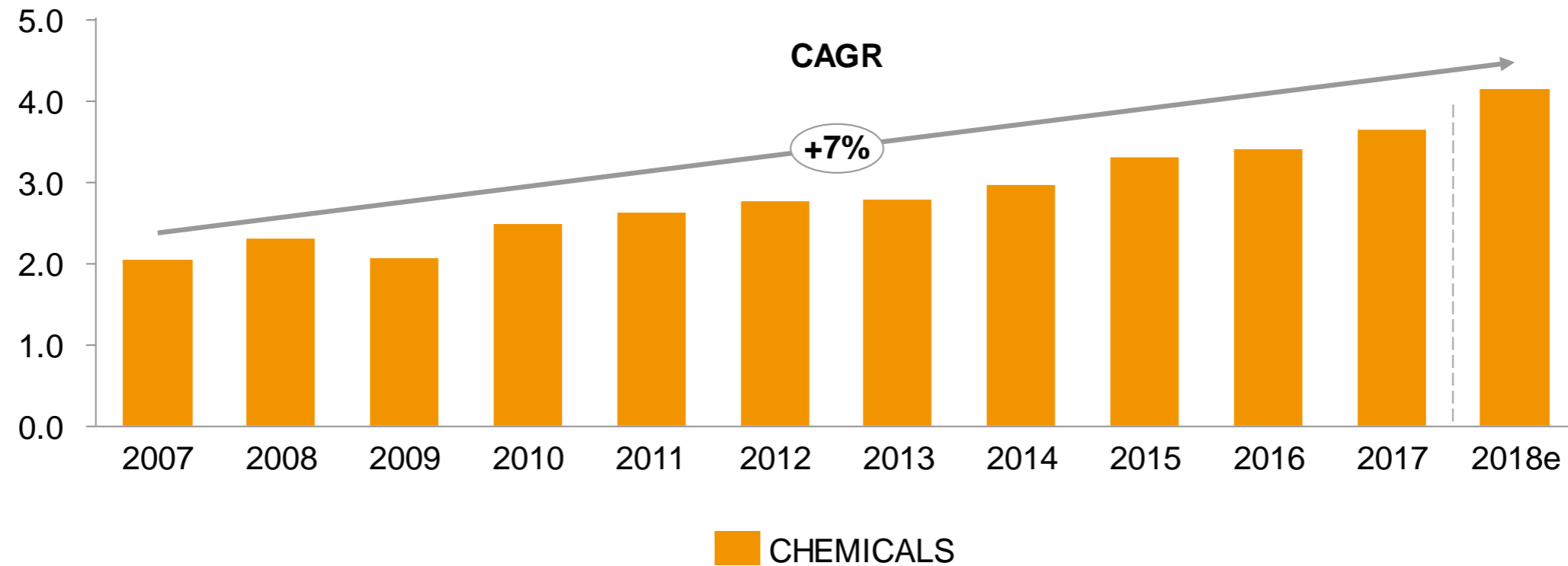


Effects of Siltronic Deconsolidation: Chemicals with Higher Share



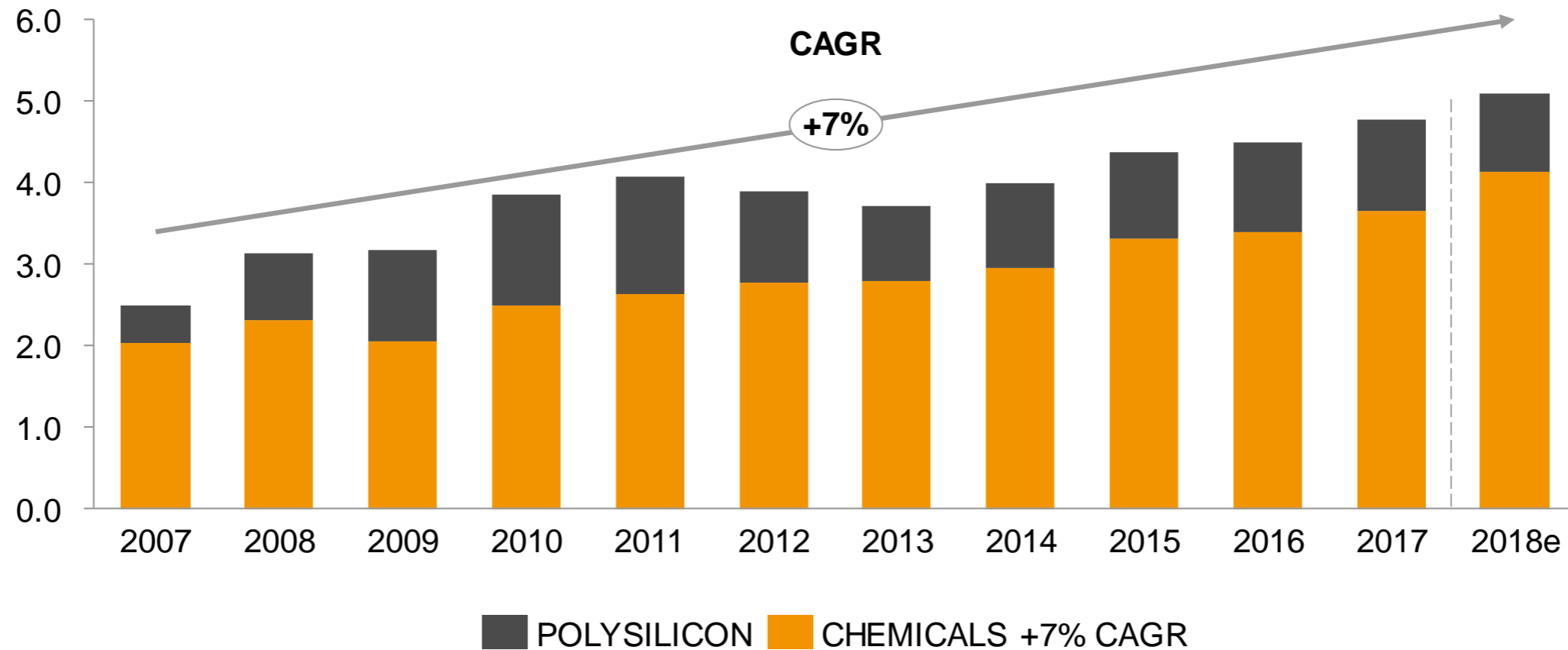
Solid and Steady Growth Driven By Chemicals

Development of WACKER Sales (€bn)



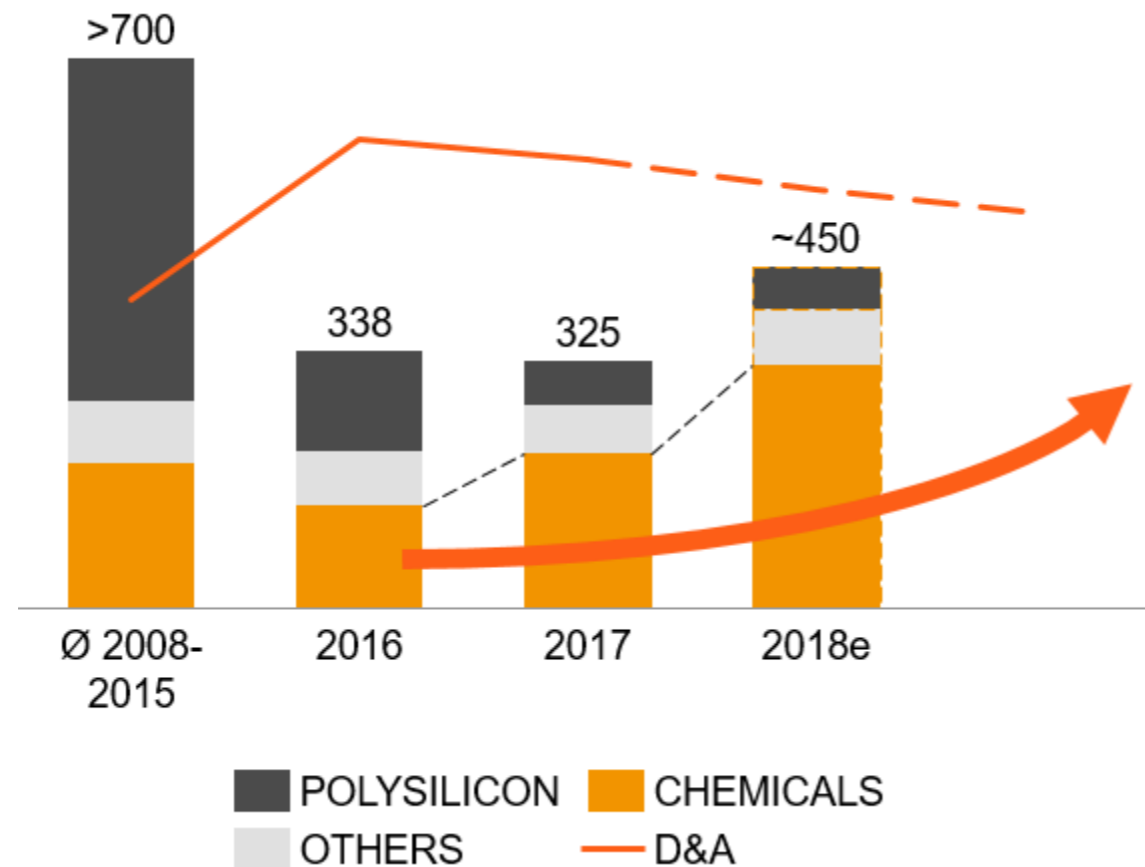
POLYSILICON on Top of it with Expanded Capacities

Development of WACKER Sales (€bn)



Target: Leverage Phase Extended with Investment Focus on Chemicals

CapEx vs. Depreciation Expense WACKER Group w/o Siltronic (€m)



Leverage Phase:

Group **CapEx < Depreciation**

Clear investment focus
on **Chemicals**

The “Magic of Silicon Chemistry” – Structural Variety as a Formula for Success

Silicone Fundamentals



Non organic silicon-oxygen (Si-O) backbone chain with **organic side groups** (CH₃)

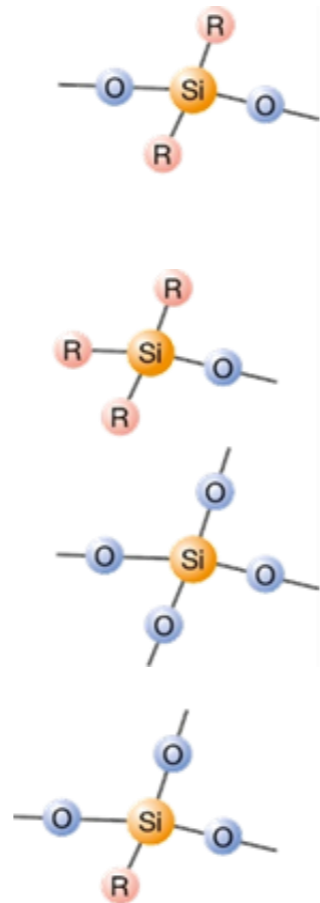
Extremely Stable

- ▶ Si-O molecule with very **high bonding energy**

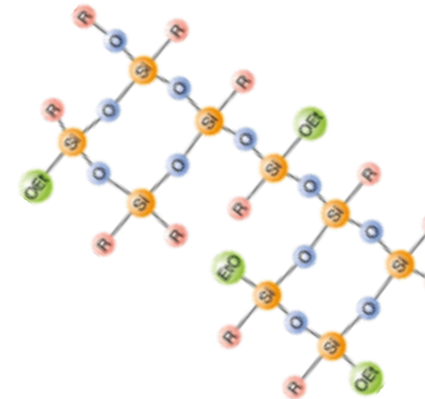
Extremely Versatile

- ▶ **Multiple ways to modify** structure, side groups and chain length

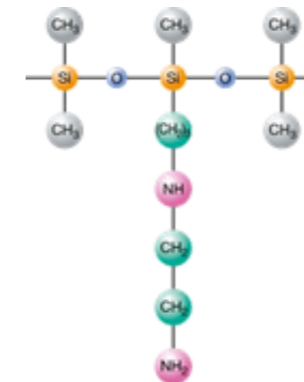
Building Blocks



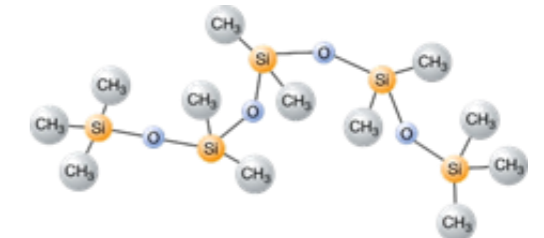
Silicones Examples



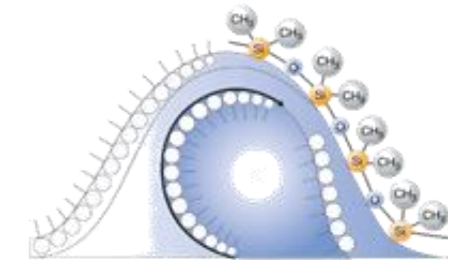
Resins



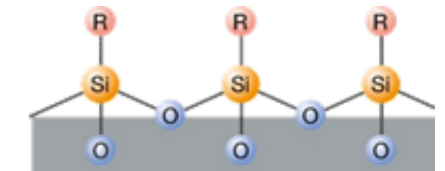
Textile finishes



Fluids



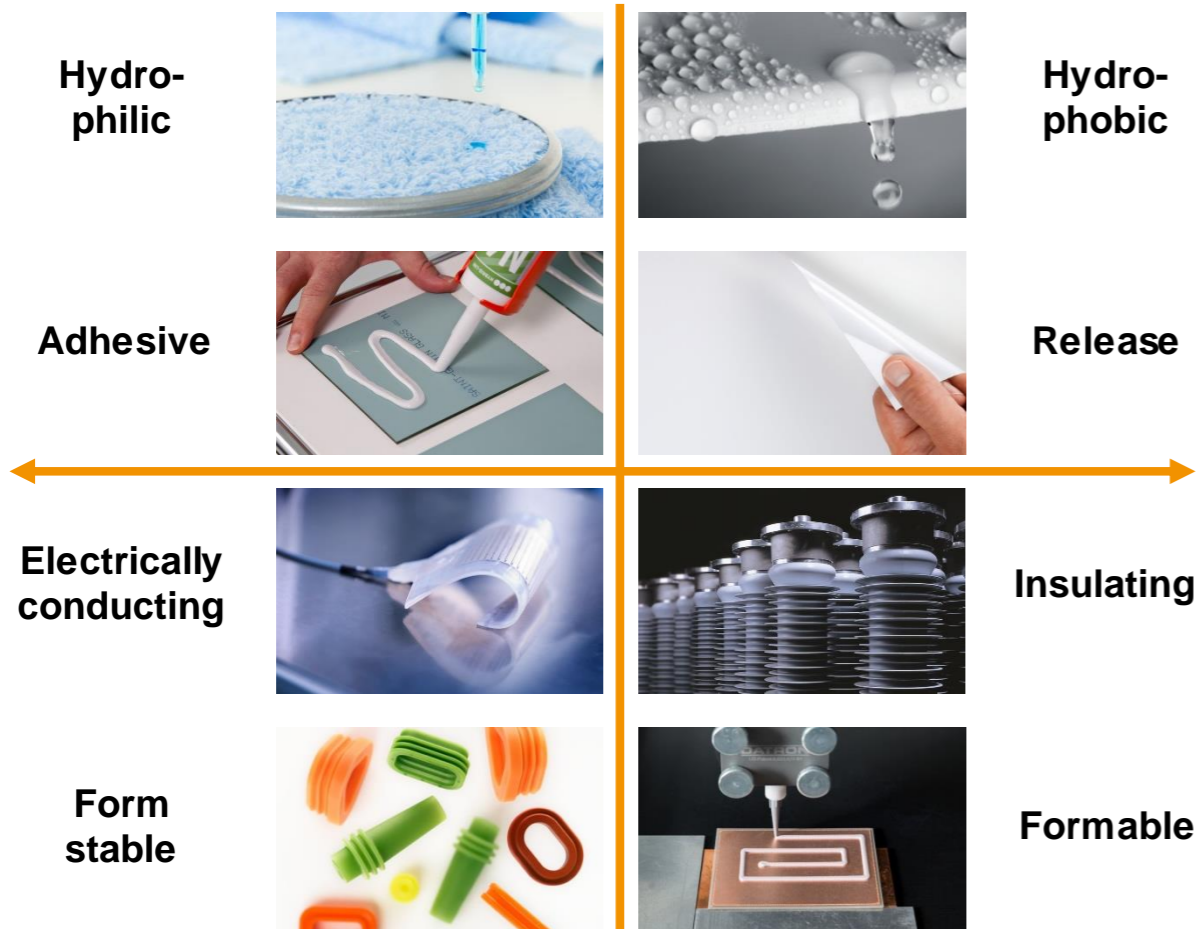
Antifoam agents



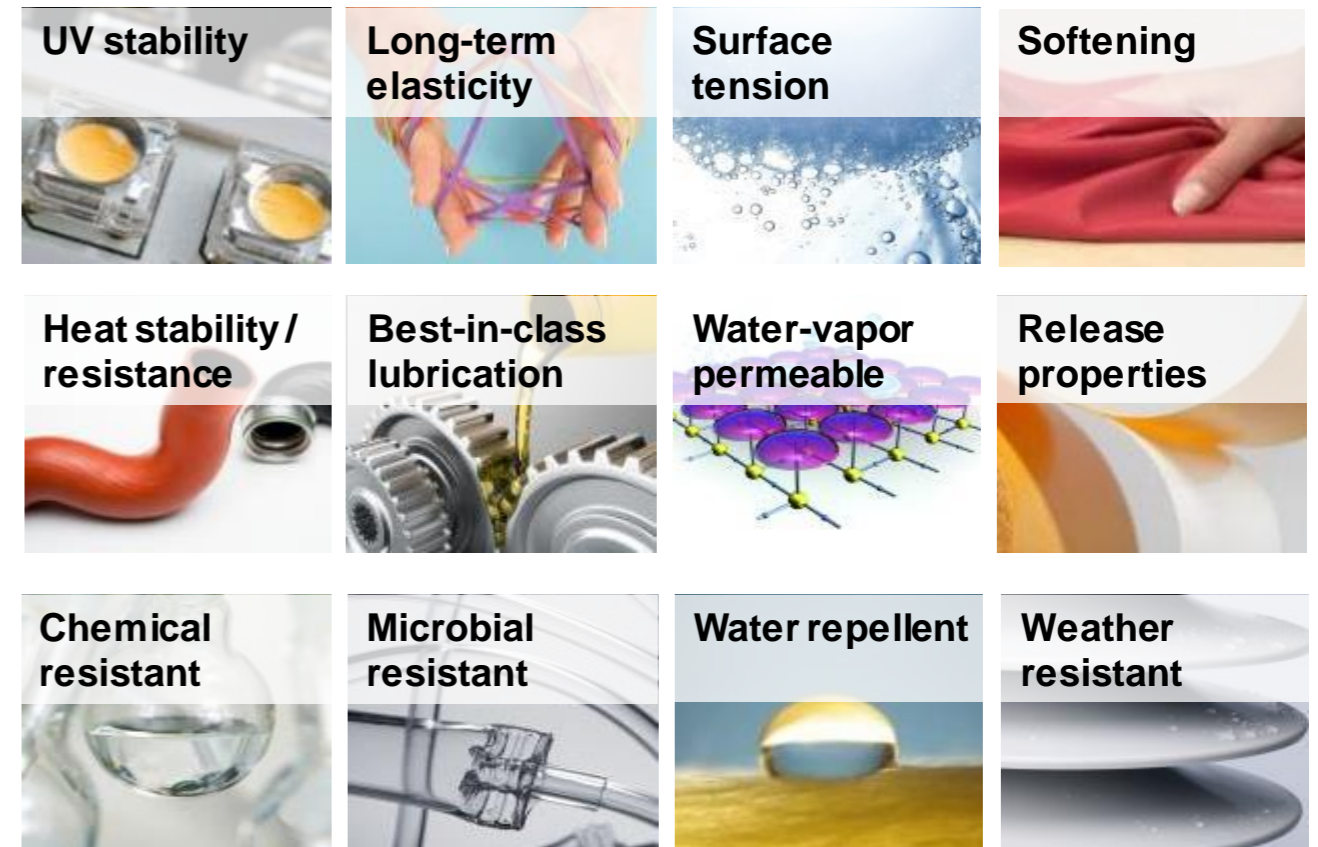
Masonry protection agents

Silicon Chemistry – A Basis for Unlimited Applications

Broad Spectrum of Adjustable Properties

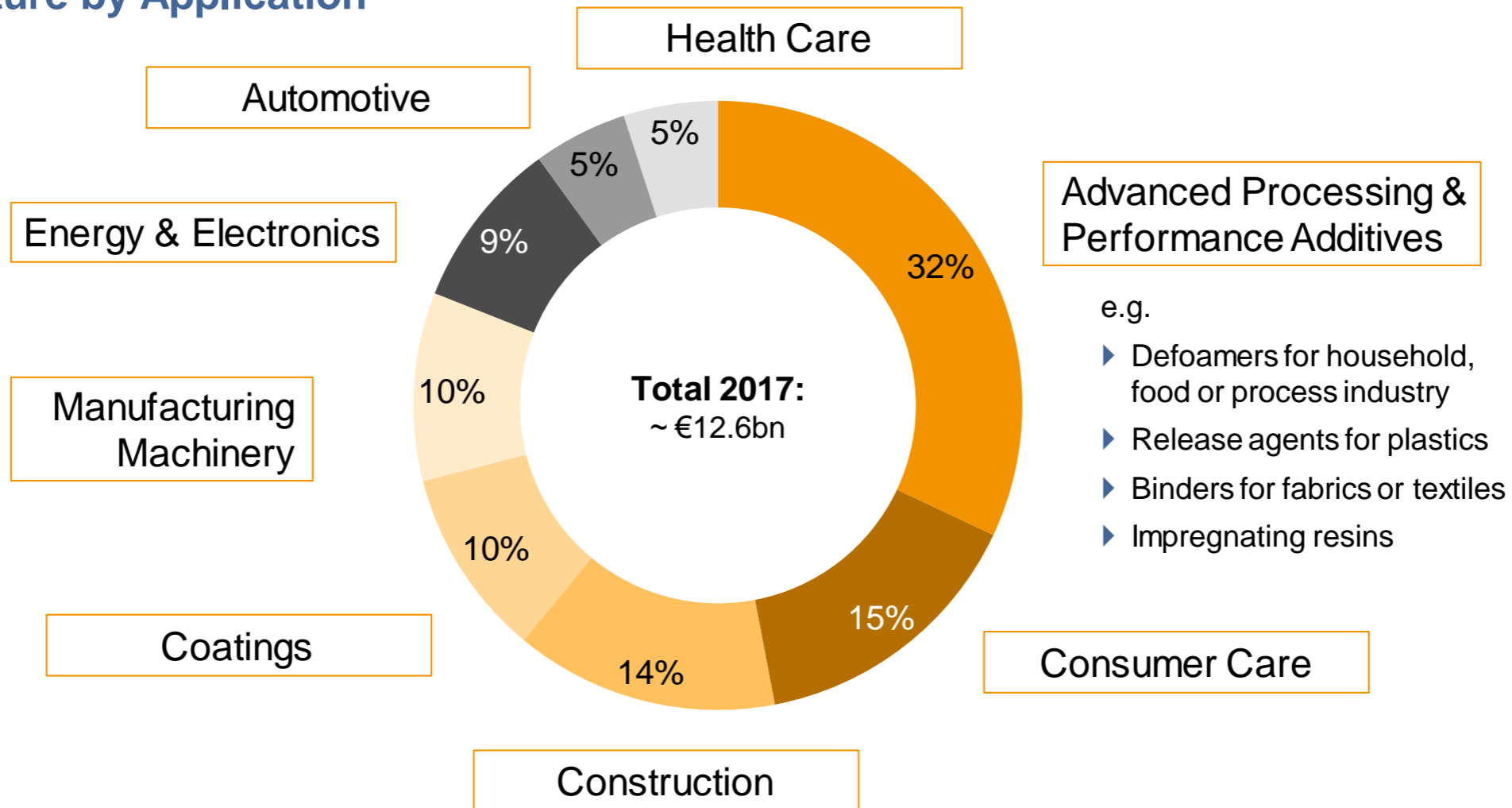


Customized Products with Unique Properties



Silicones Create Value in Many Industries

Market Structure by Application



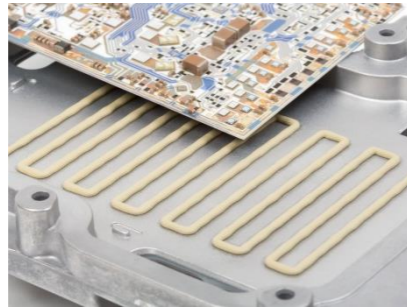
Source: Freedonia, Company Reports, WACKER Estimate

Improved Performance Opens Up Broader Markets for Specialties



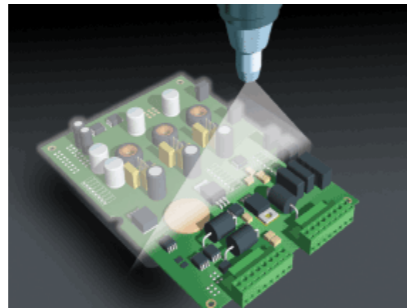
Break-Through Innovations Create New Markets for Specialties

Thermal Interface Materials



- ▶ Electronics
- ▶ Batteries
- ▶ Sensors

Novel Silicone Resins



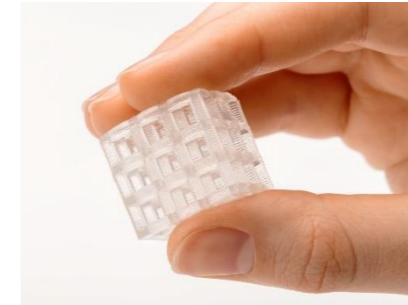
- ▶ Electrical Insulation
- ▶ High-Toughness Resins
- ▶ Binders for Composites

Adhesives



- ▶ Medical Adhesives
- ▶ Pressure Sensitive Adhesives for Electronics
- ▶ UV-Cure

New Business Fields



- ▶ 3D Printing

- ▶ Electroactive Silicones

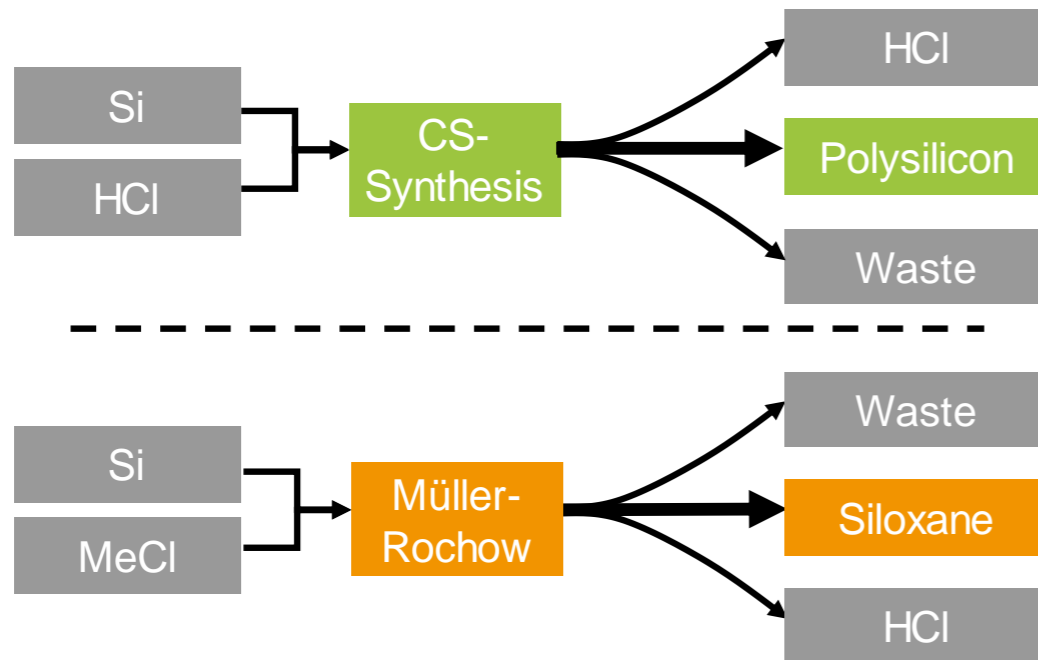


- ▶ Reinforced Concrete

WACKER with Highest Level of Integration in the Industry

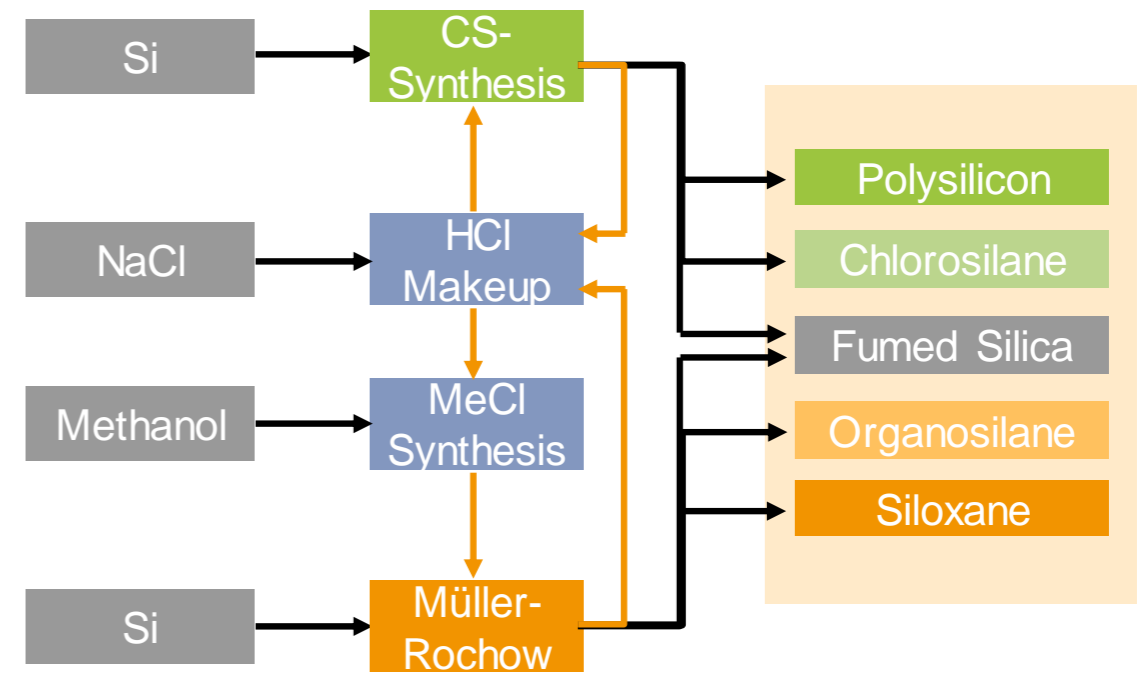
Open Loop Silicones & Poly Production

Standard Processes

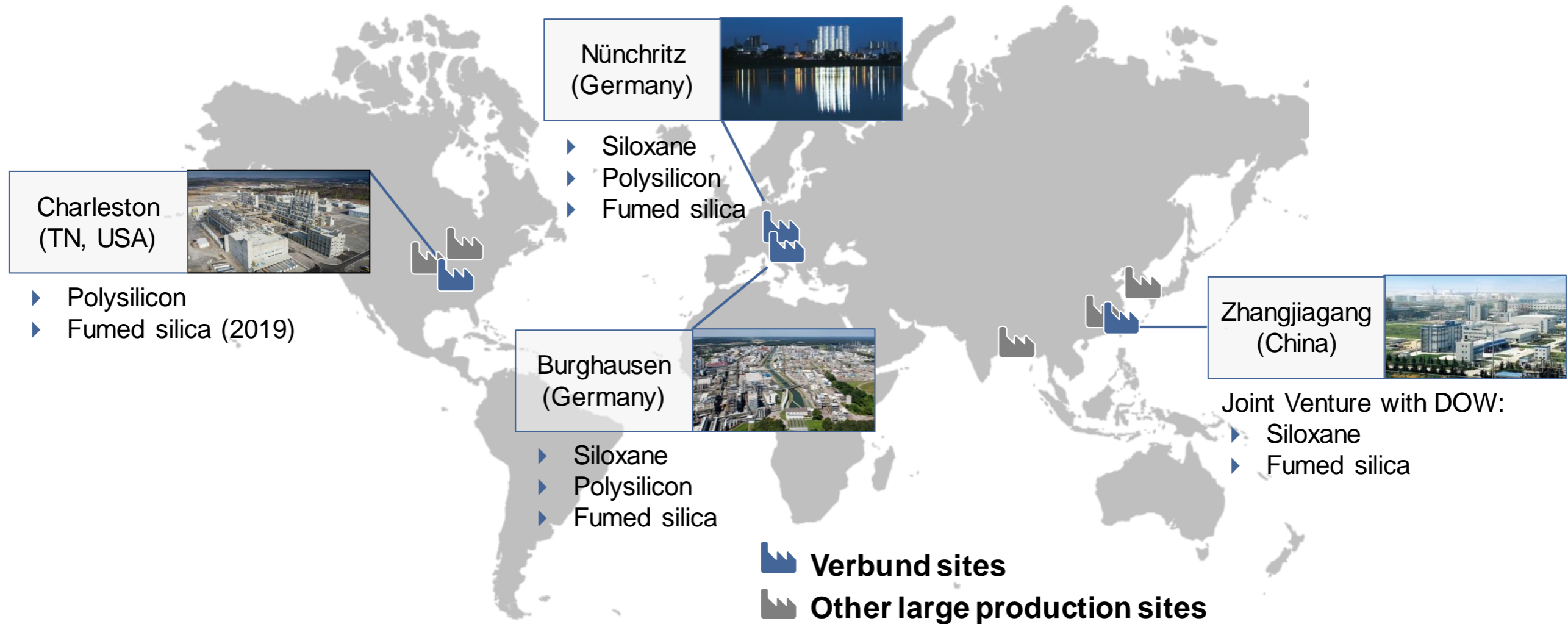


Unique Silane-Silicone-Silica Loop

WACKER



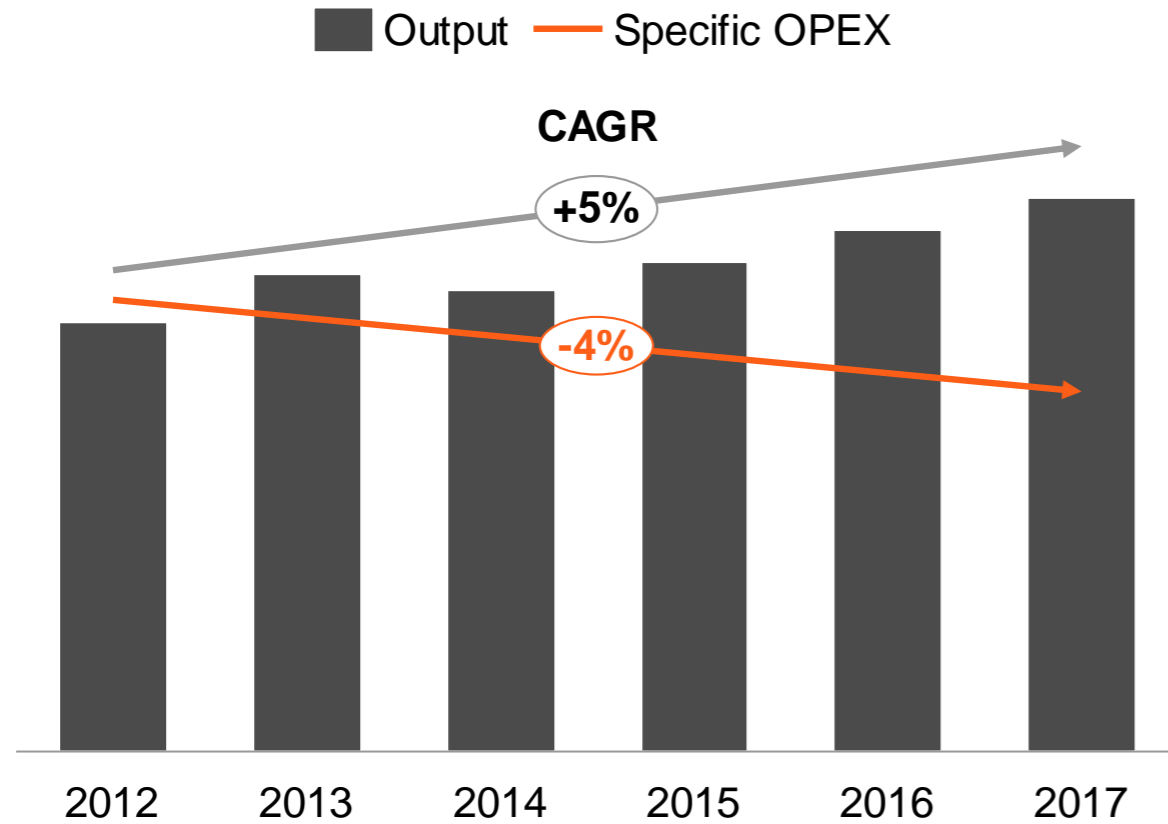
“WACKER Silicon Verbund” Enables Highly Competitive Cost Position



Operational Excellence is Key

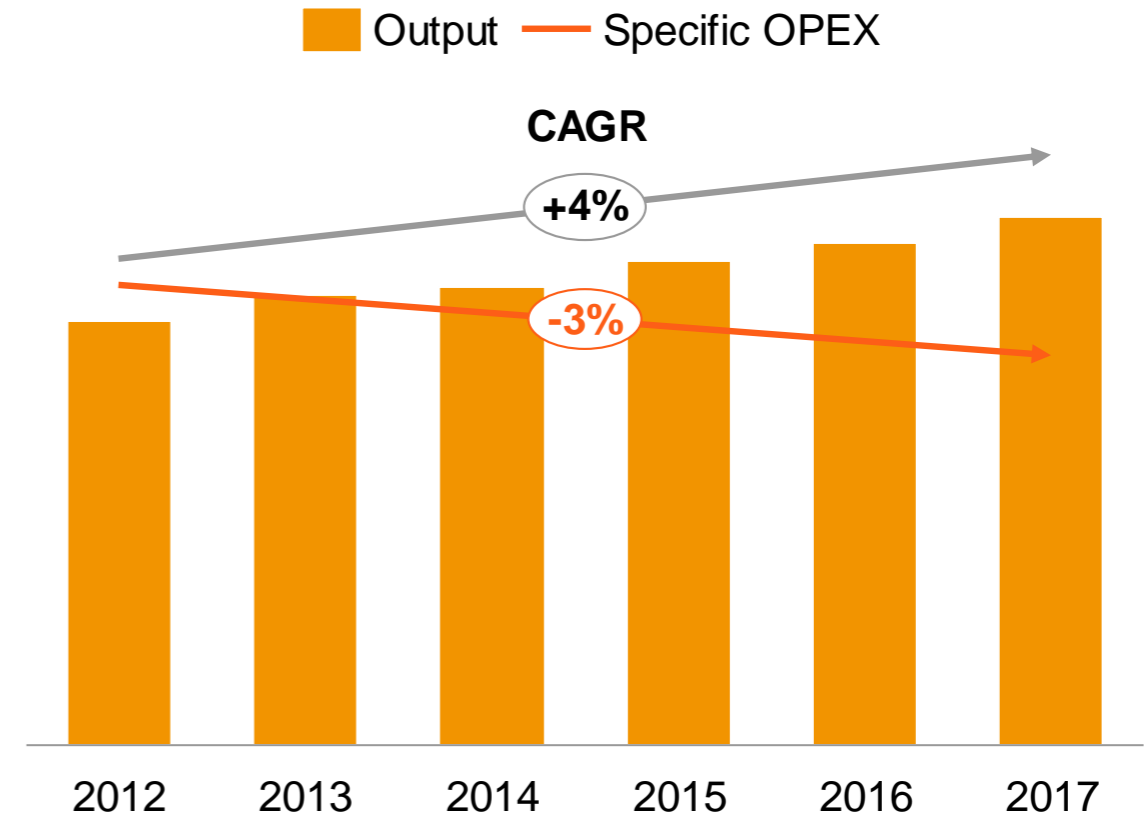
Siloxane

Index 2012 = 100%



Fumed Silica

Index 2012 = 100%



SILICONES: Strong Chemistry, Innovation Potential and Set Up



A World of Unlimited Potential

**High
performance
products for
future growth
markets**



Innovative Specialty Portfolio

**Growth
with focus on
specialties**

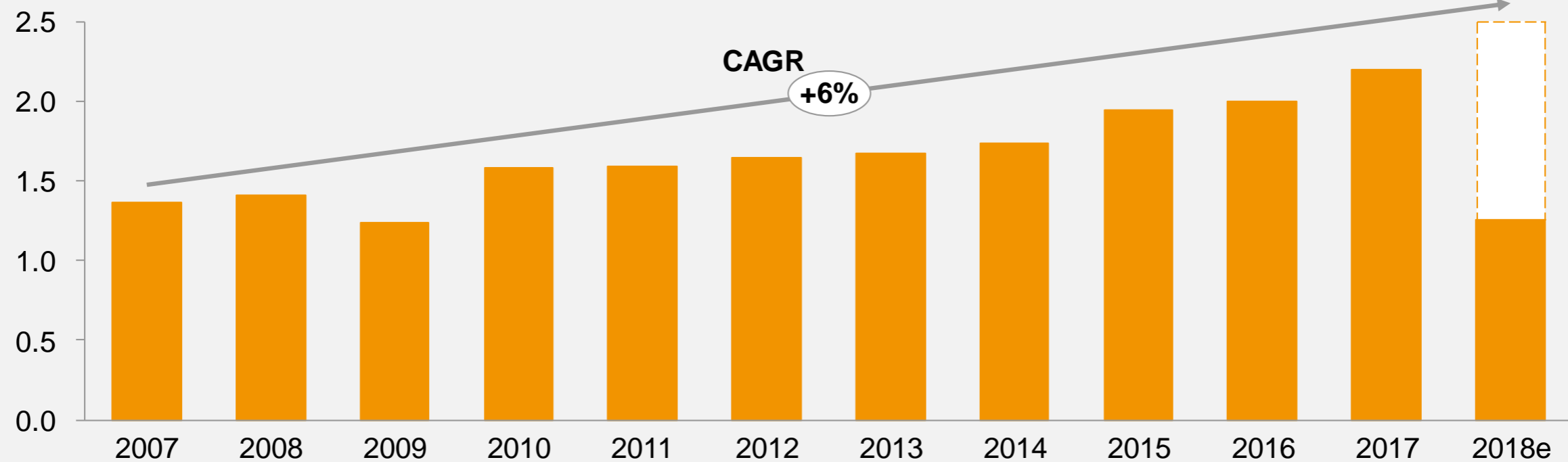


Unique Silicon Verbund

**Full portfolio
provider with
benchmark costs**

SILICONES: Strong Growth Trajectory

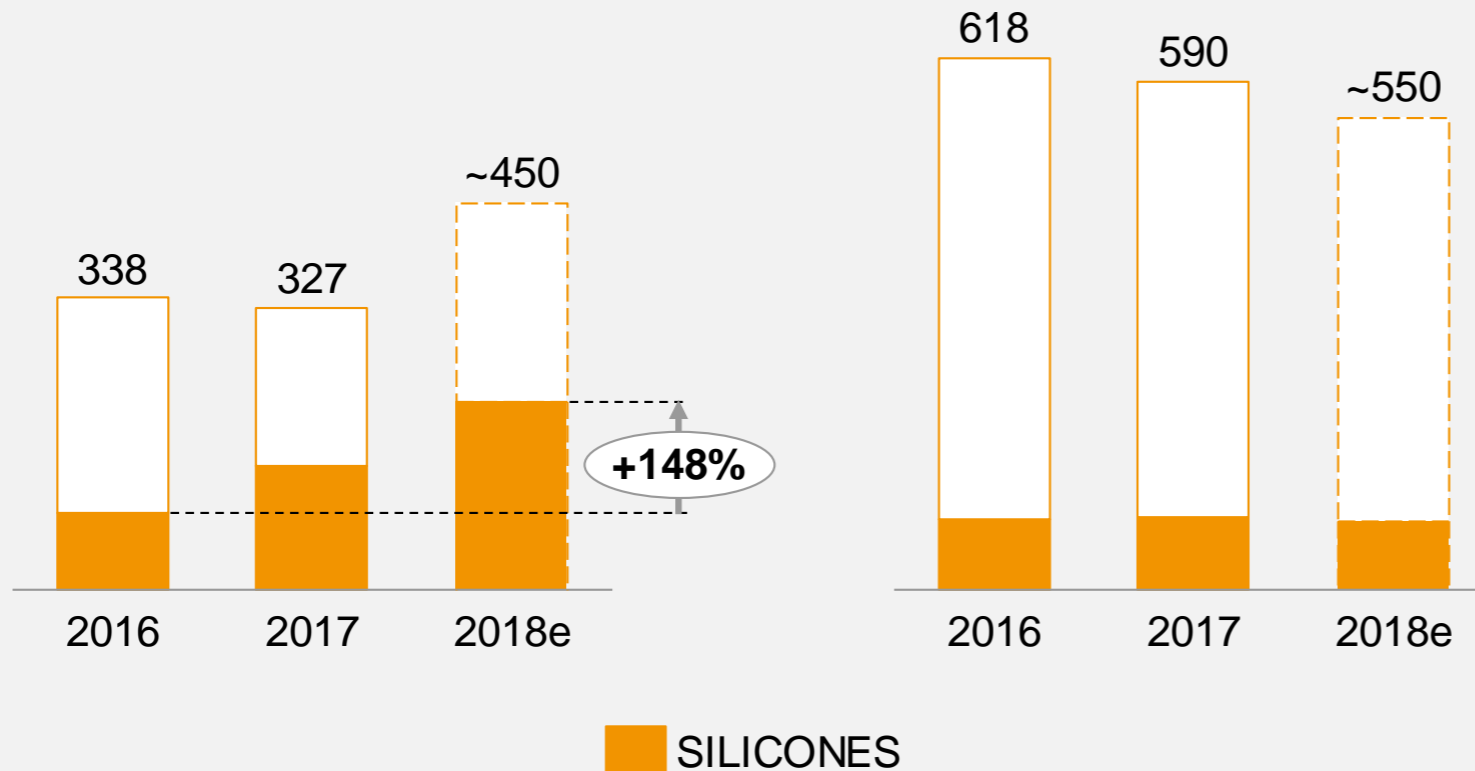
Development of WACKER SILICONES Revenue (€bn)



SILICONES: Investing Into the Future

WACKER Group CapEx (€m)

Group D&A (€m)



Challenges:

- Payback <5 years
- Complex engineering

WACKER Group Highlights H1 2018

Financials



€2.5bn

Sales (+5% yoy)

€515m

EBITDA (+7% yoy)

€640m

Net financial debt
after €224m dividend payout in Q2

Operations



Good Performance

Price and product mix drive earnings growth, but FX headwinds and higher raw material prices yoy

Strong Operations

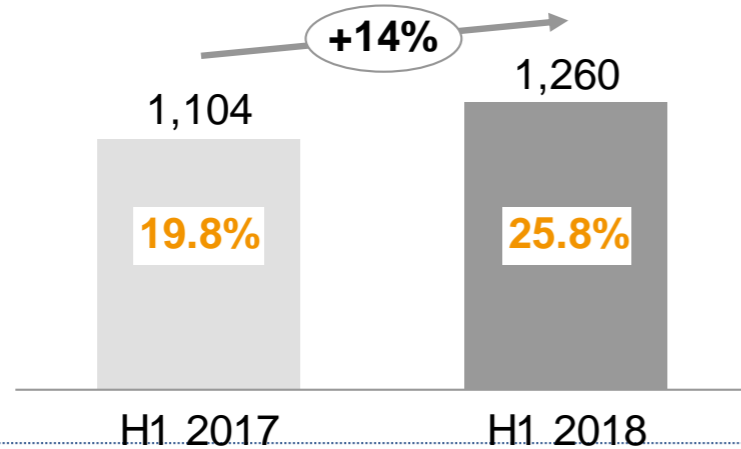
High utilization across all segments, POLYSILICON US plant ramping

Solid performance in
H1 2018.

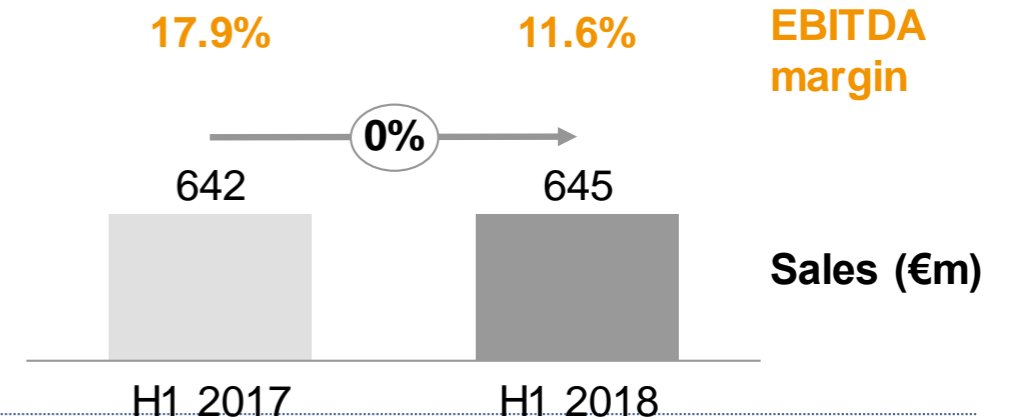
Strong growth in
SILICONES continues

WACKER Segments H1 2018

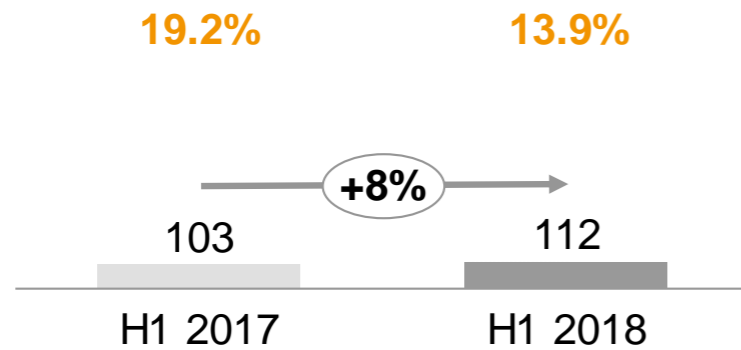
SILICONES



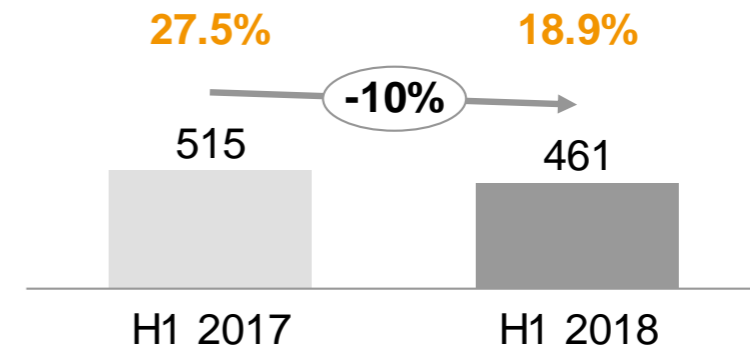
POLYMERS



BIOSOLUTIONS



POLYSILICON



WACKER Group Guidance FY 2018

In €m	FY 2017	Outlook 2018
Sales	4,924	Low-single-digit % increase
EBITDA	1,014	Mid-single-digit % increase
EBITDA margin (%)	20.6	Slightly higher than a year ago
Net cash flow	358	Clearly positive, substantially below last year's figure
CapEx	327	Around 450
Net financial debt	454	About 500
Income from continuing operations	250	Substantially higher than last year
Depreciation	590	Around 550
ROCE (%)	7.5	Substantially above the prior-year level
Tax Rate (cont. operations) (%)	25.3	Stable

WACKER: Issuer, Contact and Additional Information

Issuer and Contact

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Financial Calendar

10/25/18

Q3 Results 2018

04/30/19

Capital Market Day

Additional Information



ISIN

DE000WCH8881

Deutsche Börse

WCH

WKN

WCH888

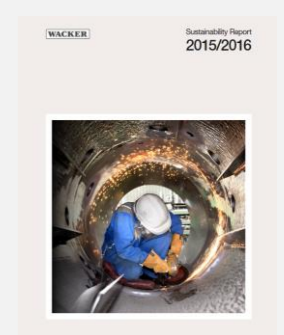
Publications



CUSTOMER
MAGAZINE



FACTBOOK



SUSTAINABILITY
REPORT