

January through March 2018

Published on April 26, 2018

Q1



Interim Report — January through March 2018

Group sales for Q1 2018 reach €1.22 billion, on par with the year-earlier period and up 4 percent quarter over quarter

At €255 million, EBITDA is 11 percent higher than a year earlier and 9 percent more than a quarter ago

Net income for Q1 2018 amounts to €79 million

Net cash flow clearly positive at €168 million

Full-year forecast remains unchanged: Group sales for 2018 expected to grow by a low-single-digit percentage and EBITDA likely to rise by a mid-single-digit percentage

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Cover — WACKER is the first supplier worldwide to offer cosmetic-grade silicone fluids that are produced only from silicon and renewable raw materials. Silicone fluids in the BELSIL® eco product line have a more favorable carbon footprint than those produced using petroleum-derived methanol.

WACKER — At a Glance

€ million	Q1 2018	Q1 2017	Change in %
Results/Return/Cash Flow			
Sales	1,217.6	1,218.8	-0.1
EBITDA ¹	254.5	229.3	11.0
EBITDA margin ² (%)	20.9	18.8	-
EBIT ³	121.7	73.2	66.3
EBIT margin ² (%)	10.0	6.0	-
Financial result	-16.9	-23.6	-28.4
Income from continuing operations before income taxes	104.8	49.6	>100
Income from continuing operations	79.1	31.2	>100
Income from discontinued operations	-	634.7	-
Net income for the period	79.1	665.9	-88.1
Earnings per share from continuing operations (basic/diluted) (€)	1.52	0.59	>100
Earnings per share (basic/diluted) (€)	1.52	13.19	-88.5
Capital expenditures	69.2	46.7	48.2
Depreciation/amortization	132.8	156.1	-14.9
Net cash flow ⁴ from continuing operations	168.0	53.2	>100
	March 31, 2018	March 31, 2017	Dec. 31, 2017
Financial Position			
Total assets	7,108.3	7,369.0	6,835.7
Equity	3,161.8	3,220.1	3,169.3
Equity ratio (%)	44.5	43.7	46.4
Financial liabilities	1,076.7	1,426.6	1,001.6
Net financial debt ⁵	302.4	687.4	454.4
Employees (number at end of period)	13,983	13,594	13,811

¹ EBITDA is EBIT before depreciation and amortization.

² Margins are calculated based on sales.

³ EBIT is the result from continuing operations for the period before interest result and other financial result, and income taxes.

⁴ Sum of cash flow from operating activities (excluding changes in advance payments) and cash flow from long-term investing activities (before securities), including additions due to finance leases.

⁵ Sum of cash and cash equivalents, noncurrent and current securities, and noncurrent and current financial liabilities.

Dear Shareholders,

WACKER posted good results for the first quarter of 2018. Despite strong currency headwinds and markedly higher raw-material costs, we matched our good sales of a year ago and lifted our EBITDA. Versus a quarter ago, both sales and EBITDA grew.

Our chemical business performed robustly, with silicones experiencing especially strong demand. In this market environment, we achieved better prices.

For our polysilicon business, on the other hand, underlying conditions were difficult. We had much less polysilicon available for sale than a year ago, as production at Charleston was still shut down in the reporting quarter. That slowed the sales trend markedly. The cause of the Charleston incident has now been clarified and repair work on the affected plant sections has advanced to a stage where we can begin production. We are now starting the process of gradually ramping up the site. In the second quarter, we will again have polysilicon from Charleston available for sale.

The trade restrictions announced by the USA and China are certainly worrying, as global economic growth might slow noticeably. But, on balance, WACKER's prospects remain good.

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This positive outlook is particularly true of demand for our silicones. That is why we intend to focus investment spending on them this year, strengthening our position as the world's second-largest supplier. Over half of our planned capital expenditures for 2018 will support this business. But we will also continue increasing capacities at our other chemical divisions. For example, we are expanding our production facilities for dispersions and dispersible polymer powders at Ulsan in South Korea. And, in mid-April, we strengthened our biotech business by acquiring a Dutch production site for biologics.

Our focus on expanding our chemical activities is paying off. Their contribution to earnings has risen continuously over the last few years. The EBITDA margin for chemicals is now well above our target margin of 16 percent.

Munich, April 26, 2018
Wacker Chemie AG's Executive Board

WACKER Stock

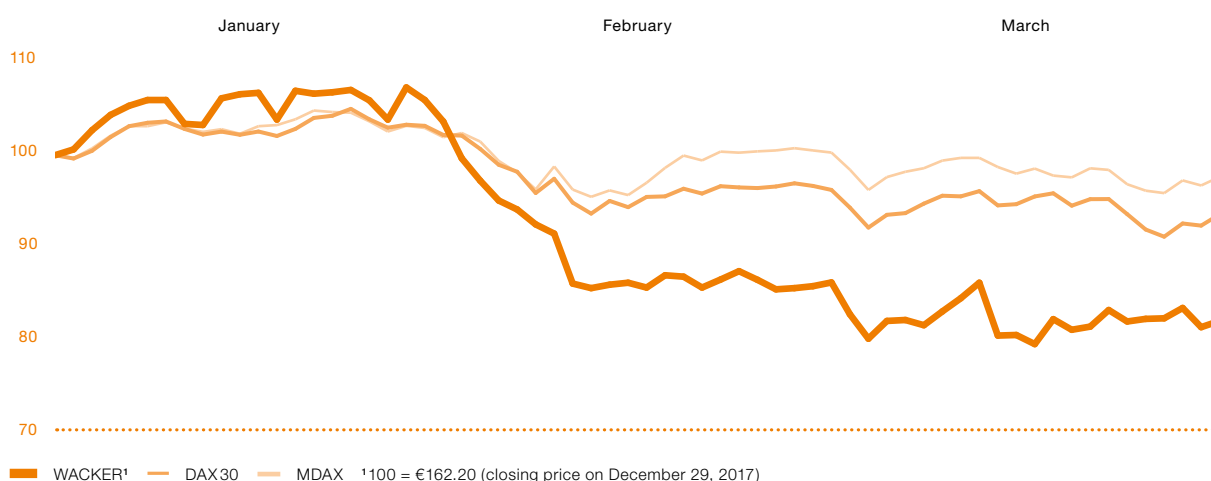
In Q1 2018, global stock markets were volatile. Overall, they reported noticeable declines for the quarter. This was primarily due to mounting concerns among market participants about a global trade war. The us administration imposed punitive tariffs on a number of foreign products. In response, several Asian countries and the European Union announced retaliatory measures. At the same time, the world's leading central banks continued to prepare financial markets for an end to accommodative monetary policies. The us Federal Reserve, for instance, raised the federal funds rate by another 0.25 percentage points in late March to a current target range of 1.50 to 1.75 percent.

After getting off to a good start in 2018, Germany's benchmark indices came under substantial pressure as of late January. The DAX, for example, was at times down by more than 12 percentage points compared with its peak for the quarter. Only towards the end of March did stock markets begin to regain some ground. In total, the DAX lost more than 6 percent in the reporting quarter, while the MDAX lost over 2 percent.

WACKER stock started Q1 2018 at €162.20 (closing price on Dec. 29, 2017) and initially delivered substantial gains. After reaching a high of €174.00 on January 26, the stock then came under pressure as a result of the general market trend. Additional factors included market participants' concerns about the effects of rising raw-material prices, the stronger euro and lower market prices for solar silicon. The stock declined gradually and reached its reporting-quarter low of €129.30 on March 15. It recovered somewhat in the last two weeks of March, closing the quarter at €133.35 on March 29. That was 18 percent lower than at the start of the quarter and corresponded to a market capitalization of €6.62 billion.

✂ Please refer to the 2017 Annual Report (pages 36 to 40) and the internet (www.wacker.com/investor-relations) for more details about WACKER stock.

WACKER Share Performance in Q1 2018 (indexed to 100)¹



Group Performance and Earnings

January 1 to March 31, 2018

Sales

€ million	Q1 2018	Q1 2017	Change in %
WACKER SILICONES	605.8	555.6	9.0
WACKER POLYMERS	301.9	306.8	-1.6
WACKER BIOSOLUTIONS	54.3	51.4	5.6
WACKER POLYSILICON	219.3	268.1	-18.2
Corporate functions/Other	42.6	41.8	1.9
Consolidation	-6.3	-4.9	28.6
Group sales	1,217.6	1,218.8	-0.1

EBITDA

€ million	Q1 2018	Q1 2017	Change in %
WACKER SILICONES	148.5	107.4	38.3
WACKER POLYMERS	41.9	52.3	-19.9
WACKER BIOSOLUTIONS	10.1	10.6	-4.7
WACKER POLYSILICON	48.2	70.5	-31.6
Corporate functions/Other	6.7	-12.7	n.a.
Consolidation	-0.9	1.2	n.a.
Group EBITDA	254.5	229.3	11.0

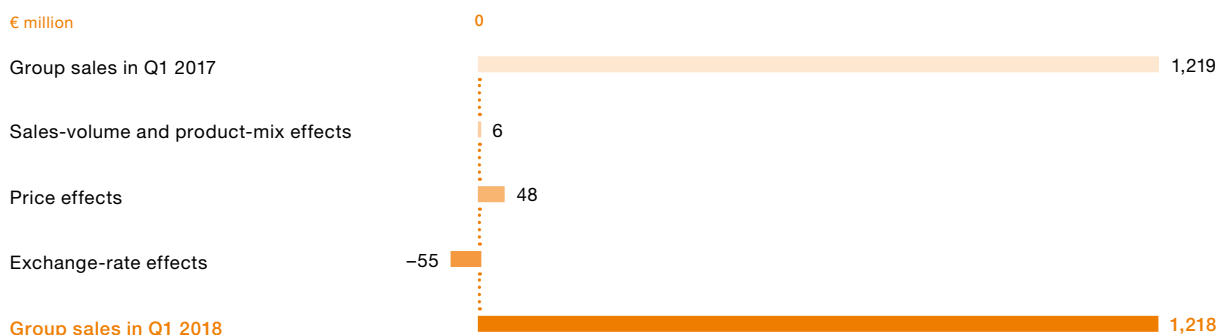
EBIT

€ million	Q1 2018	Q1 2017	Change in %
WACKER SILICONES	128.7	86.7	48.4
WACKER POLYMERS	32.5	42.7	-23.9
WACKER BIOSOLUTIONS	7.3	7.7	-5.2
WACKER POLYSILICON	-32.9	-31.7	3.8
Corporate functions/Other	-13.0	-33.4	-61.1
Consolidation	-0.9	1.2	n.a.
Group EBIT	121.7	73.2	66.3

WACKER's sales for Q1 2018 rose versus a quarter ago and matched the year-earlier level. Sales came in at €1,217.6 million in the reporting quarter, after €1,218.8 million in the same period last year. Better prices, especially for silicone products, and an improved product mix in chemicals were the main sales drivers. On the other hand, negative exchange-rate effects – due to the euro's strength both

quarter over quarter and year over year – noticeably dampened sales growth. In addition, WACKER had much less polysilicon available for sale than a year ago, as the production shutdown at Charleston continued during the quarter. That also weighed on sales. Compared with a quarter ago (€1,175.5 million), Group sales climbed by 4 percent.

Year-over-Year Sales Comparison



Sales in Europe Rise Year Over Year

In Q1 2018, WACKER lifted its sales in Europe, adding 5 percent versus the year-ago period. In the Americas and Asia, on the other hand, sales were lower than in Q1 2017, decreasing by 8 and 3 percent respectively, mainly due to exchange-rate effects. Compared with Q4 2017, every region generated growth, except for Asia. Sales there contracted by 7 percent, partly because of lower polysilicon volumes.

and 9 percent more than in the last quarter (€233.4 million). Primary drivers of this robust growth were better prices for chemical products and higher income from the stake in Siltronic. As a result, WACKER more than compensated for the marked year-over-year and quarter-over-quarter increase in raw-material costs. Earnings also benefited from strong plant utilization in the reporting quarter.

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The Group's EBITDA margin for January through March 2018 was 20.9 percent, compared with 18.8 percent a year earlier. A quarter ago, it was 19.9 percent.

Group Sales by Region

€ million	Q1 2018	Q1 2017	Change in %	% of Group sales
Europe	520.3	497.2	4.6	42
The Americas	201.7	219.8	-8.2	17
Asia	432.7	444.6	-2.7	36
Other regions	62.9	57.2	10.0	5
Total sales	1,217.6	1,218.8	-0.1	100

The cost-of-sales ratio in the reporting quarter was 80 percent, down 2 percentage points from Q1 2017.

EBIT and Net Income Rise Markedly Year over Year and Quarter over Quarter

Reconciliation of EBITDA to EBIT

€ million	Q1 2018	Q1 2017	Change in %
EBITDA	254.5	229.3	11.0
Depreciation / appreciation of fixed assets	-132.8	-156.1	-14.9
EBIT	121.7	73.2	66.3

EBITDA at €255 Million, with EBITDA Margin at 20.9 Percent

In Q1 2018, WACKER posted EBITDA (earnings before interest, taxes, depreciation and amortization) of €254.5 million. That was 11 percent higher than a year ago (€229.3 million)

Group EBIT (earnings before interest and taxes) totaled €121.7 million from January through March 2018, after €73.2 million in the same period last year. That was an increase of 66 percent and yielded an EBIT margin of 10.0 percent, versus 6.0 percent a year ago. Compared with Q4 2017 (€93.3 million), EBIT grew by 30 percent.

A key reason for the strong rise in EBIT, alongside the factors already mentioned, was that depreciation was lower due to the expiry of depreciation periods. Depreciation amounted to €132.8 million in the reporting quarter, after €156.1 million a year ago. That was a decline of 15 percent. Relative to the preceding quarter (€140.1 million), depreciation was down 5 percent.

Reconciliation of EBIT to Net Income for the Period

€ million	Q1 2018	Q1 2017	Change in %
EBIT	121.7	73.2	66.3
Financial result	-16.9	-23.6	-28.4
Income from continuing operations before income taxes	104.8	49.6	>100
Income taxes	-25.7	-18.4	39.7
Income from continuing operations after income taxes	79.1	31.2	>100
Income from discontinued operations after income taxes	-	634.7	-
Net income for the period	79.1	665.9	-88.1
Of which			
Attributable to Wacker Chemie AG shareholders	75.3	655.3	-88.5
Attributable to non-controlling interests	3.8	10.6	-64.2
Earnings per share in € (basic/diluted)	1.52	13.19	-88.5
Average number of shares outstanding (weighted)	49,677,983	49,677,983	-

Result from Investments

Due to income from Siltronic AG, the result from investments in joint ventures and associates rose markedly. It reached €21.7 million, after €0.1 million a year

ago. WACKER gave up majority ownership of Siltronic AG at the end of Q1 2017 through the sale of shares and, since then, has accounted for the company using the equity method.

Financial and Net Interest Result

WACKER's financial result improved year over year in line with expectations. It amounted to €-16.9 million, after €-23.6 million a year ago. WACKER posted higher interest income of €2.4 million from fixed-term foreign-currency deposits, up from €1.6 million a year ago. In addition, interest expenses were lower at €7.5 million, down from €10.3 million a year ago. WACKER reduced its financial liabilities, while refinancing at more-favorable interest rates. The other financial result was €-11.8 million, after €-14.9 million last year. It includes not only the interest-rate effects of provisions for pensions and other provisions, but also the costs of derivative financial instruments used to hedge Group loans.

Income Taxes

The effective tax rate for the first three months of the year was 24.5 percent, after 37.1 percent a year earlier. This decrease was due, on the one hand, to high investment income from Siltronic, which was recognized after tax and formed part of pre-tax income. On the other, the year-ago figure reflected low pre-tax income as well as non-deductible expenses.

Net Income for the Period

Net income totaled €79.1 million in Q1 2018, compared with €665.9 million a year ago. As a result of the effects described above, income from continuing operations rose from €31.2 million to €79.1 million. Last year's net income still included income of €634.7 million from discontinued operations relating to the deconsolidation of the Siltronic segment.

Earnings per Share

Earnings per share came in at €1.52 in Q1 2018, after €13.19 the year before. The year-ago figure included earnings per share of €12.60 attributable to discontinued operations in connection with the deconsolidation of Siltronic as a WACKER segment.

Division Performance

WACKER SILICONES

€ million	Q1 2018	Q1 2017	Change in %
External sales	605.7	555.5	9.0
Internal sales	0.1	0.1	–
Total sales	605.8	555.6	9.0
EBIT	128.7	86.7	48.4
EBIT margin (%)	21.2	15.6	–
Depreciation	19.8	20.7	–4.3
EBITDA	148.5	107.4	38.3
EBITDA margin (%)	24.5	19.3	–
Capital expenditures	34.3	16.4	>100
R&D expenses	15.2	14.9	2.0
As of	March 31, 2018	Dec. 31, 2017	Change in %
Employees (number)	4,838	4,737	2.1

In Q1 2018, WACKER SILICONES generated total sales of €605.8 million, 9 percent more than a year ago (€555.6 million). The increase was prompted mainly by higher prices for silicone products and by a better product mix. As a result, the division more than offset the negative currency effects of a stronger euro. Compared with a quarter ago (€536.6 million), sales rose 13 percent.

At most WACKER SILICONES business units, volumes and sales were higher on balance than a year earlier and a quarter ago. Business was especially robust, for instance, in silicones for construction applications and for the electronics industry.

WACKER SILICONES' reporting-quarter EBITDA of €148.5 million was 38 percent above the year-earlier figure (€107.4 million). Versus a quarter ago (€98.7 million), the gain was 50 percent. Profitability benefited not only from sales growth, but also from product-mix effects and high

production output. The division more than compensated for the year-over-year and quarter-over-quarter increase in raw-material costs. Production plants operated at their capacity limits during the quarter. The EBITDA margin improved to 24.5 percent in Q1 2018, after 19.3 percent a year earlier and 18.4 percent a quarter ago.

WACKER SILICONES invested €34.3 million in the reporting quarter, versus €16.4 million in the same period last year. Investment projects included construction of a new pyrogenic silica plant at Charleston in the USA and new plants for silicone products in South Korea and India.

WACKER POLYMERS

€ million	Q1 2018	Q1 2017	Change in %
External sales	295.7	302.0	–2.1
Internal sales	6.2	4.8	29.2
Total sales	301.9	306.8	–1.6
EBIT	32.5	42.7	–23.9
EBIT margin (%)	10.8	13.9	–
Depreciation	9.4	9.6	–2.1
EBITDA	41.9	52.3	–19.9
EBITDA margin (%)	13.9	17.0	–
Capital expenditures	8.8	8.1	8.6
R&D expenses	7.4	8.5	–12.9
As of	March 31, 2018	Dec. 31, 2017	Change in %
Employees (number)	1,545	1,539	0.4

Sales at WACKER POLYMERS totaled €301.9 million in the reporting quarter, 2 percent lower than the year-earlier figure (€306.8 million), but 6 percent higher than a quarter ago (€285.1 million). The negative exchange-rate effects of a stronger euro were the main cause of this slight year-over-year decline. Higher volumes of dispersible polymer powders and better prices for polymer products did not fully offset the currency headwinds.

Polymer products for construction and coatings delivered a good quarterly performance. Plant utilization at WACKER POLYMERS averaged around 90 percent during the quarter.

The division's reporting-quarter EBITDA totaled €41.9 million, after €52.3 million a year ago. This 20 percent decline stemmed mainly from a substantial year-over-year increase in raw-material costs. To counter this development, the division is raising the prices of its products. Compared with a quarter ago (€33.9 million), EBITDA was up 24 percent, with seasonal effects playing a role in this increase. The quarterly EBITDA margin was 13.9 percent, after 17.0 percent a year earlier and 11.9 percent a quarter ago.

From January through March 2018, WACKER POLYMERS' capital expenditures totaled €8.8 million, compared with €8.1 million a year earlier. Investment projects included the expansion of production capacity at Ulsan in South Korea.

WACKER BIOSOLUTIONS

€ million	Q1 2018	Q1 2017	Change in %
External sales	54.3	51.4	5.6
Internal sales	–	–	–
Total sales	54.3	51.4	5.6
EBIT	7.3	7.7	-5.2
EBIT margin (%)	13.4	15.0	–
Depreciation	2.8	2.9	-3.4
EBITDA	10.1	10.6	-4.7
EBITDA margin (%)	18.6	20.6	–
Capital expenditures	3.0	2.0	50.0
R&D expenses	1.4	1.5	-6.7

As of	March 31, 2018	Dec. 31, 2017	Change in %
Employees (number)	566	533	6.2

WACKER BIOSOLUTIONS generated total sales of €54.3 million from January through March 2018, up 6 percent versus a year ago (€51.4 million). This growth was mainly fueled by higher volumes and, in a number of cases, by somewhat better prices. Negative exchange-rate effects, on the other hand, slowed sales. Business in cyclodextrins and acetylacetone was especially good versus the year-ago period. Compared with Q4 2017 (€49.9 million), the division lifted its sales by 9 percent.

EBITDA at WACKER BIOSOLUTIONS was €10.1 million in the reporting quarter, down 5 percent from a year ago

(€10.6 million). Factors in this decrease included product-mix effects and integration costs for the new site at León in Spain. The division outperformed the preceding quarter's figure (€7.5 million) by 35 percent. The EBITDA margin was 18.6 percent, after 20.6 percent last year and 15.0 percent in Q4 2017.

WACKER BIOSOLUTIONS invested €3.0 million in the reporting quarter, versus €2.0 million in the same period last year.

On April 16, 2018, after the reporting quarter, WACKER acquired a Dutch production plant for biologics from SynCo Bio Partners Luxembourg S.à r.l. – along with the associated business portfolio.

WACKER POLYSILICON

€ million	Q1 2018	Q1 2017	Change in %
External sales	219.3	245.4	-10.6
Internal sales	–	22.7	–
Total sales	219.3	268.1	-18.2
EBIT	-32.9	-31.7	3.8
EBIT margin (%)	-15.0	-11.8	–
Depreciation	81.1	102.2	-20.6
EBITDA	48.2	70.5	-31.6
EBITDA margin (%)	22.0	26.3	–
Capital expenditures	14.1	12.9	9.3
R&D expenses	8.4	6.9	21.7

As of	March 31, 2018	Dec. 31, 2017	Change in %
Employees (number)	2,539	2,538	–

WACKER POLYSILICON achieved total sales of €219.3 million in the reporting quarter. That was 18 percent less than both a year ago (€268.1 million) and a quarter ago (€267.5 million). The marked decrease was primarily due to lower volumes. The division had much less polysilicon available for sale than a year ago as a result of the production shutdown at Charleston. In general, polysilicon prices were largely unchanged year over year and quarter over quarter.

WACKER POLYSILICON's reporting-quarter EBITDA came in at €48.2 million. That was 32 percent below the year-earlier figure (€70.5 million) and 24 percent less than a quarter ago (€63.6 million). Alongside lower sales, the decline was

caused by ongoing costs at Charleston. Progress made in lowering specific production costs, on the other hand, had a positive impact on earnings. No insurance compensation for the business interruption loss at Charleston was booked in the reporting quarter. The division's EBITDA margin was 22.0 percent, after 26.3 percent in Q1 2017 and 23.8 percent in Q4 2017.

WACKER POLYSILICON invested €14.1 million in the reporting quarter, compared with €12.9 million a year ago.

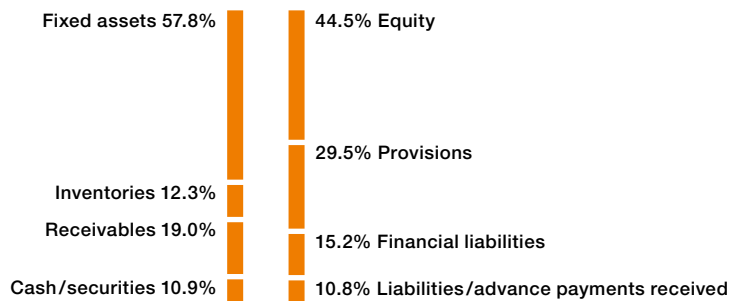
Net Assets and Financial Position

March 31, 2018

Asset and Capital Structure

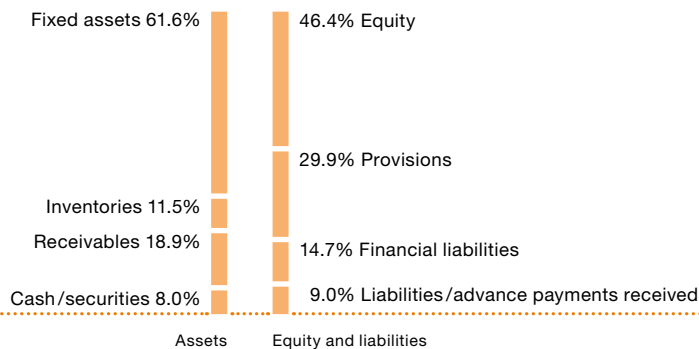
March 31, 2018

Balance Sheet Total € 7,108.3 million



Dec. 31, 2017

Balance Sheet Total € 6,835.7 million



WACKER's balance sheet totaled €7.11 billion as of March 31, 2018, after €6.84 billion on December 31, 2017. On the assets side, this increase was chiefly due to substantially higher

working capital and liquidity. On the equity and liabilities side, provisions for pensions and other liabilities rose.

Fixed Assets Decrease Due to Exchange-Rate Effects and Depreciation

Relative to the end of last year, fixed assets (including equity-accounted investments) declined by €132.8 million due to depreciation. They amounted to €4.00 billion (Dec. 31, 2017: €4.11 billion). Capital expenditures lifted fixed assets only slightly, by €69.2 million, while changes in exchange rates lowered them by €57.7 million.

Substantial Increase in Working Capital

Working capital climbed 9 percent to €1.28 billion (Dec. 31, 2017: €1.17 billion), with trade receivables as well as inventories and trade payables rising. These effects stemmed primarily from good business performance in the reporting quarter.

Change in Working Capital

€ million	March 31, 2018	March 31, 2017	Change in %	Dec. 31, 2017	Change in %
Trade receivables	726.8	756.3	-3.9	655.7	10.8
Inventories	876.3	736.9	18.9	783.6	11.8
Trade payables	-327.0	-299.1	9.3	-268.5	21.8
Working capital	1,276.1	1,194.1	6.9	1,170.8	9.0

Advance payments received, which have been recognized as contract liabilities since January 1, 2018, amounted to €155.0 million (Dec. 31, 2017: €174.3 million). Contract liabilities also include bonus payment obligations to customers.

effects from provisions for pensions were the chief factors here. Net income increased equity by €79.1 million, while the changes in provisions for pensions recognized in other comprehensive income reduced equity by €49.5 million. Exchange-rate effects lowered equity by €39.0 million.

Higher Liquidity Partly Reflects Insurance Payment

As of March 31, 2018, WACKER posted liquid assets (current and noncurrent securities, cash and cash equivalents) of €774.3 million (Dec. 31, 2017: €547.2 million). That was an increase of 42 percent and included an advance payment of us\$ 100 million in insurance compensation for the loss event at the Charleston, Tennessee site. The disbursement of €300 million in connection with a new promissory note (German Schuldschein) in January 2018 also increased liquid assets. At the same time, WACKER repaid debt prematurely.

Gross Cash Flow

Cash flow from operations (gross cash flow) totaled €207.4 million in Q1 2018, after €95.9 million a year ago. This substantial increase was due to improved net income for the period and to an advance payment of us\$ 100 million in insurance compensation for the loss event at the Charleston, Tennessee site, which was recognized under non-financial liabilities. Net income for the period included non-cash depreciation of €132.8 million, compared with €156.1 million a year ago. Changes to working capital had a negative effect of €116.1 million on cash flow from operations.

Provisions for Pensions Up Slightly as a Result of Lower Discount Rates

Provisions for pensions amounted to €1.69 billion as of the reporting date (Dec. 31, 2017: €1.62 billion), up €73.5 million. The discount rates were 2.01 percent in Germany (Dec. 31, 2017: 2.09 percent) and 3.86 percent in the USA (Dec. 31, 2017: 3.5 percent).

Cash Flow from Investing Activities

At €58.7 million, cash flow from investing activities in Q1 2018 was on par with a year ago (€59.4 million) due to lower capital expenditures. These expenditures chiefly comprised current investments in the chemical divisions.

Equity Ratio at 44.5 Percent

Group equity was almost unchanged versus year-end 2017. It came in at €3.16 billion (Dec. 31, 2017: €3.17 billion). The resulting equity ratio was 44.5 percent (Dec. 31, 2017: 46.4 percent). Positive net income for the period and

Net Cash Flow

€ million	Q1 2018	Q1 2017	Change in %
Cash flow from operating activities (gross cash flow)	207.4	95.9	>100
Change in advance payments received	19.3	16.7	15.6
Cash flow from long-term investing activities before securities	-58.7	-59.4	-1.2
Additions from finance leases	-	-	-
Net cash flow from continuing operations	168.0	53.2	>100

Net Cash Flow

Due to the effects described above, net cash flow in the first three months of 2018 amounted to €168.0 million, versus €53.2 million a year ago.

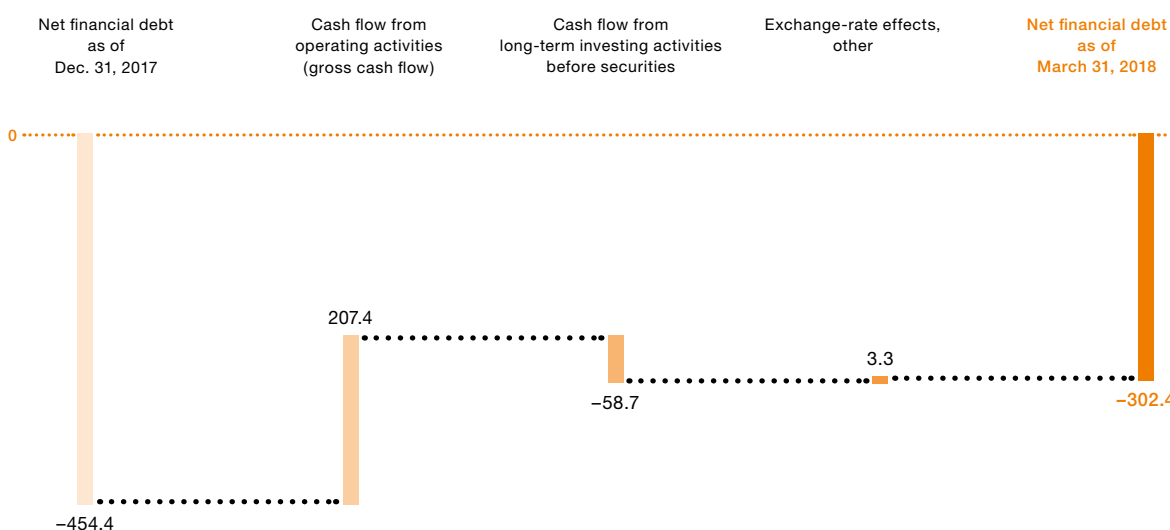
Cash Flow from Financing Activities

Cash flow from financing activities was €88.5 million in Q1 2018, after €102.8 million a year earlier. It mainly comprised

the disbursement of €300 million in connection with a new promissory note (German Schuldschein) and early repayment of a loan of us\$ 250 million. In the year-ago period, cash flow from financing activities also included a cash inflow of €87.6 million from the sale of a 6 percent stake in Siltronic.

Net Financial Debt

€ million

**Financial Liabilities Unchanged**

Current and noncurrent financial liabilities were roughly unchanged at the reporting date. They amounted to €1.08 billion (Dec. 31, 2017: €1.00 billion). Alongside the financing measures already mentioned, exchange-rate effects had a negative impact of €16.3 million on financial liabilities.

Net Financial Debt Continues to Decline

Net financial debt – the balance of noncurrent and current financial liabilities and liquid assets – declined markedly, from €454.4 million as of December 31, 2017 to €302.4 million as of the reporting date. This decrease was attributable not only to positive operating performance, but also to the cash inflow from the advance payment of insurance compensation received for the loss event at the Charleston, Tennessee site.

Opportunities and Risks

Assessments of Opportunities and Risks Remain Essentially Unchanged

The key risk areas that might adversely affect our business situation, net assets, financial position and earnings in 2018 were explained in detail in our 2017 Annual Report, as were the main opportunities for our business and the nature of our risk management system.

☞ See pages 82 to 97

The statements and assessments made there did not change in the reporting period. Nor have we identified any further significant risks or opportunities that go beyond what we described in the 2017 Annual Report.

Outlook Update

Group's Full-Year Forecast Is Unchanged

We described in detail our projections for the Group's performance this year in the Outlook section of our 2017 Annual Report.

☞ See pages 98 to 104

On balance, the statements made there regarding our expectations for the year did not change in the reporting period.

Statement of Income

January 1 to March 31, 2018

€ million	Q1 2018	Q1 2017	Change in %
Sales	1,217.6	1,218.8	-0.1
Cost of goods sold	-974.7	-1,004.8	-3.0
Gross profit from sales	242.9	214.0	13.5
Selling expenses	-72.7	-70.6	3.0
Research and development expenses	-41.7	-42.5	-1.9
General administrative expenses	-37.2	-37.9	-1.8
Other operating income	26.0	25.3	2.8
Other operating expenses	-17.3	-15.2	13.8
Operating result	100.0	73.1	36.8
Result from investments in joint ventures and associates	21.7	0.1	>100
EBIT (earnings before interest and taxes)	121.7	73.2	66.3
Interest income	2.4	1.6	50.0
Interest expenses	-7.5	-10.3	-27.2
Other financial result	-11.8	-14.9	-20.8
Financial result	-16.9	-23.6	-28.4
Income from continuing operations before income taxes	104.8	49.6	>100
Income taxes	-25.7	-18.4	39.7
Income from continuing operations after income taxes	79.1	31.2	>100
Income from discontinued operations after income taxes	-	634.7	-
Net income for the period	79.1	665.9	-88.1
Of which			
Attributable to Wacker Chemie AG shareholders	75.3	655.3	-88.5
Attributable to non-controlling interests	3.8	10.6	-64.2
Earnings per share			
Net income from continuing operations	1.52	0.59	>100
Net income from discontinued operations	-	12.60	-
Earnings per share in € (basic/diluted)	1.52	13.19	-88.5
Average number of shares outstanding (weighted)	49,677,983	49,677,983	-

Statement of Financial Position

As of March 31, 2018

€ million	March 31, 2018	March 31, 2017	Change in %	Dec. 31, 2017	Change in %
Assets					
Intangible assets	38.7	43.0	-10.0	41.5	-6.7
Property, plant and equipment	3,380.6	3,928.4	-13.9	3,500.4	-3.4
Investment property	1.3	1.4	-7.1	1.3	-
Investments in joint ventures and associates accounted for using the equity method	582.4	529.8	9.9	564.6	3.2
Securities	82.1	33.9	>100	42.1	95.0
Other financial assets	107.3	108.7	-1.3	106.8	0.5
Other receivables and other assets	5.3	5.7	-7.0	3.8	39.5
Deferred tax assets	473.7	428.2	10.6	452.6	4.7
Noncurrent assets	4,671.4	5,079.1	-8.0	4,713.1	-0.9
Inventories	876.3	736.9	18.9	783.6	11.8
Trade receivables	726.8	756.3	-3.9	655.7	10.8
Other financial assets	48.3	16.5	>100	78.3	-38.3
Other receivables and other assets	80.0	56.2	42.3	86.0	-7.0
Income tax receivables	13.3	18.7	-28.9	13.9	-4.3
Securities and fixed-term deposits held to maturity	395.0	269.7	46.5	218.2	81.0
Cash and cash equivalents	297.2	435.6	-31.8	286.9	3.6
Current assets	2,436.9	2,289.9	6.4	2,122.6	14.8
Total assets	7,108.3	7,369.0	-3.5	6,835.7	4.0
Equity and Liabilities					
Subscribed capital of Wacker Chemie AG	260.8	260.8	-	260.8	-
Capital reserves of Wacker Chemie AG	157.4	157.4	-	157.4	-
Treasury shares	-45.1	-45.1	-	-45.1	-
Retained earnings	3,380.8	3,191.9	5.9	3,303.9	2.3
Other equity items	-645.1	-396.3	62.8	-557.8	15.7
Equity attributable to Wacker Chemie AG shareholders	3,108.8	3,168.7	-1.9	3,119.2	-0.3
Non-controlling interests	53.0	51.4	3.1	50.1	5.8
Equity	3,161.8	3,220.1	-1.8	3,169.3	-0.2
Provisions for pensions	1,691.8	1,604.2	5.5	1,618.3	4.5
Other provisions	232.5	207.8	11.9	231.6	0.4
Income tax provisions	49.0	76.3	-35.8	46.7	4.9
Financial liabilities	874.0	958.7	-8.8	800.4	9.2
Other financial liabilities	0.6	1.6	-62.5	0.5	20.0
Contract liabilities	95.4	148.2	-35.6	112.5	-15.2
Other liabilities	-	-	n.a.	0.1	-
Deferred tax liabilities	4.5	3.9	15.4	4.2	7.1
Noncurrent liabilities	2,947.8	3,000.7	-1.8	2,814.3	4.7
Other provisions	50.2	67.7	-25.8	46.0	9.1
Income tax provisions	79.5	25.0	>100	83.7	-5.0
Financial liabilities	202.7	467.9	-56.7	201.2	0.7
Trade payables	327.0	299.1	9.3	268.5	21.8
Other financial liabilities	14.4	25.4	-43.3	15.0	-4.0
Income tax liabilities	0.6	0.7	-14.3	0.8	-25.0
Contract liabilities	67.9	88.1	-22.9	78.3	-13.3
Other liabilities	256.4	174.3	47.1	158.6	61.7
Current liabilities	998.7	1,148.2	-13.0	852.1	17.2
Liabilities	3,946.5	4,148.9	-4.9	3,666.4	7.6
Total equity and liabilities	7,108.3	7,369.0	-3.5	6,835.7	4.0

Statement of Cash Flows

January 1 to March 31, 2018

€ million	Q1 2018	Q1 2017	Change in %
Net income for the period	79.1	665.9	-88.1
Income from discontinued operations	-	-634.7	-
Depreciation/appreciation of fixed assets	132.8	156.1	-14.9
Result from disposal of fixed assets	0.5	-2.1	n.a.
Other non-cash expenses and income	10.3	11.0	-6.4
Result from equity accounting	-21.7	-0.1	>100
Net interest income	5.1	8.7	-41.4
Interest paid	-4.6	-3.6	27.8
Interest received	1.5	1.0	50.0
Income tax expense	25.7	18.4	39.7
Taxes paid	-30.5	-25.6	19.1
Dividends received	-	-	-
Change in inventories	-92.9	-38.5	>100
Change in trade receivables	-74.2	-73.4	1.1
Change in non-financial assets	4.0	-2.1	n.a.
Change in financial assets	32.9	-4.0	n.a.
Change in provisions	17.6	16.1	9.3
Change in non-financial liabilities	98.7	49.7	98.6
Change in financial liabilities	50.6	-22.3	n.a.
Change in contract liabilities	-27.5	-24.6	11.8
Cash flow from operating activities (gross cash flow) – continuing operations	207.4	95.9	>100
Cash flow from operating activities (gross cash flow) – discontinued operations	-	44.1	-
Cash flow from operating activities (gross cash flow)	207.4	140.0	48.1
Cash receipts and payments for investments	-60.3	-65.1	-7.4
Proceeds from the disposal of fixed assets	1.6	5.7	-71.9
Cash flow from long-term investing activities before securities – continuing operations	-58.7	-59.4	-1.2
Cash receipts and payments for the acquisition/ disposal of securities and fixed-term deposits	-219.5	-200.6	9.4
Cash flow from investing activities – continuing operations	-278.2	-260.0	7.0
Cash receipts from deconsolidation of Siltronic segment, less divested cash	-	191.8	-
Cash flow from investing activities – discontinued operations	-	-26.0	-
Cash flow from investing activities	-278.2	-94.2	>100
Cash receipts from the change in ownership interests in Siltronic AG	-	87.6	-
Change in financial liabilities	88.5	15.2	>100
Cash flow from financing activities – continuing operations	88.5	102.8	-13.9
Cash flow from financing activities	88.5	102.8	-13.9
Change due to exchange-rate fluctuations	-7.4	3.5	n.a.
Total change in cash and cash equivalents	10.3	152.1	-93.2
At the beginning of the period	286.9	283.5	1.2
At the end of the period	297.2	435.6	-31.8

2018 — Financial Calendar



Annual Shareholders' Meeting



Interim Report on the 2nd Quarter of 2018



Interim Report on the 3rd Quarter of 2018

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Due to rounding, numbers presented throughout this and other reports may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

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