



Q2 2021 – Conference Call Note

Dr. Christian Hartel (CEO), Dr. Tobias Ohler (CFO)

August 5, 2021

Disclaimer

The information contained in this presentation is for background purposes only and is subject to amendment, revision and updating. Certain statements and information contained in this presentation may relate to future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. In addition to statements which are forward-looking by reason of context, including without limitation, statements referring to risk limitations, operational profitability, financial strength, performance targets, profitable growth opportunities, and risk adequate pricing, other words such as "may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, or continue", "potential, future, or further", and similar expressions identify forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changing business or other market conditions and the prospects for growth anticipated by the Company's management. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company does not undertake any obligation to update or revise any statements contained in this presentation, whether as a result of new information, future events or otherwise. In particular, you should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation.



Front page:

Manufacturing plasmid DNA (pDNA) at Wacker Biotech US in San Diego, California, USA. WACKER acquired this site in February 2021. pDNA can be used either directly for nucleic-acid-based gene therapies and for vaccines, or as a starting material for such innovative therapeutic agents. By providing expertise in pDNA technology, Wacker Biotech US Inc. is expanding WACKER's existing portfolio and creating the basis for further growth in the biopharmaceutical segment.

The picture shows platinum-cured wire-reinforced silicone hoses for biotechnological and pharmaceutical applications in use.

WACKER Q2 2021 Highlights

Financials



€1.5bn

Sales (+18% Q2'19, +40% Q2'20, +10% Q1'21)
Strong demand across the entire product portfolio

€327m

EBITDA
(+55% Q2'19, +210%
Q2'20, +33% Q1'21)

21.8%

EBITDA margin
(16.6% Q2'19, 9.8%
Q2'20, 18.1% Q1'21)

€68m

CapEx
(Q2'20 €40m)

€208m

Strong net cash flow
(Q2'20 €137m)

Operations



**Strong demand in
Chemicals**

Most plants fully loaded,
raw materials at very high levels,
pricing initiatives ongoing

Polysilicon stays tight

Low inventory levels for solar
grades,
strong demand from semiconductors

Sustainability



**2021
Responsible
Care® Prize**

Improved heat recovery
at Nünchritz saves
30,000 tons CO₂ p.a.

**Biodiversity
Alz canal**

WACKER provides
1.5km stretch of land to
restore fauna and flora

**FY 2021
Sales &
EBITDA
Guidance
Raised
Mid-June**

Leading Positions in Key Markets with a High Degree of Specialization

SILICONES



Key markets:

- ▶ Construction
- ▶ Industry & Automotive
- ▶ Additives
- ▶ Consumer
- ▶ Health & Care

POLYMERS



Key markets:

- ▶ Construction
- ▶ Consumer & Industrial

BIOSOLUTIONS



Key markets:

- ▶ BioPharma
- ▶ BioIngredients
- ▶ Life Sciences

POLYSILICON



Key markets:

- ▶ Semiconductor
- ▶ PV Solar



SILICONES

Silane-Modified Polymers: Adhesives with Great Performance & Substitution Drive

Increasing # of Applications

Parquet floor adhesives



High strength bonding



Paintable joints

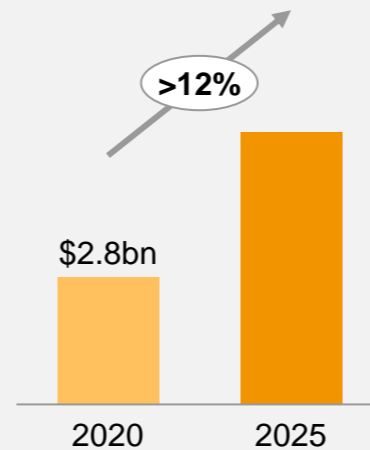


Water-proofing membranes



Performance Driven Growth

SMP Market¹



- ▶ Excellent adhesion & elasticity for nearly all materials
- ▶ Unique α -tech. enables tin-, plasticizer-, and isocyanate-free systems

Specialty Hybrids Expansion



Significant capacity increase for high-value specialty products in Nünchritz

- ▶ Mid double-digit € million range invest
- ▶ Good for order (GFO) in 2022
- ▶ Prepared for further capacity expansion

1) SMP = Silane-Modified Polymers, Source: LP Information Market, Study, April 2020, Global Hybrid Adhesive & Sealant Market Growth 2020 – 2025

POLYMERS

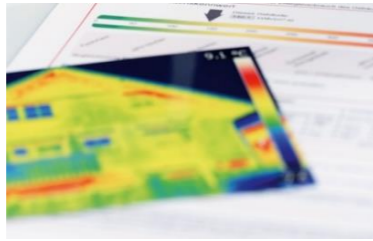
Climate Policies Drive Smart Construction

Growth Drivers

Regionalization



Sustainability



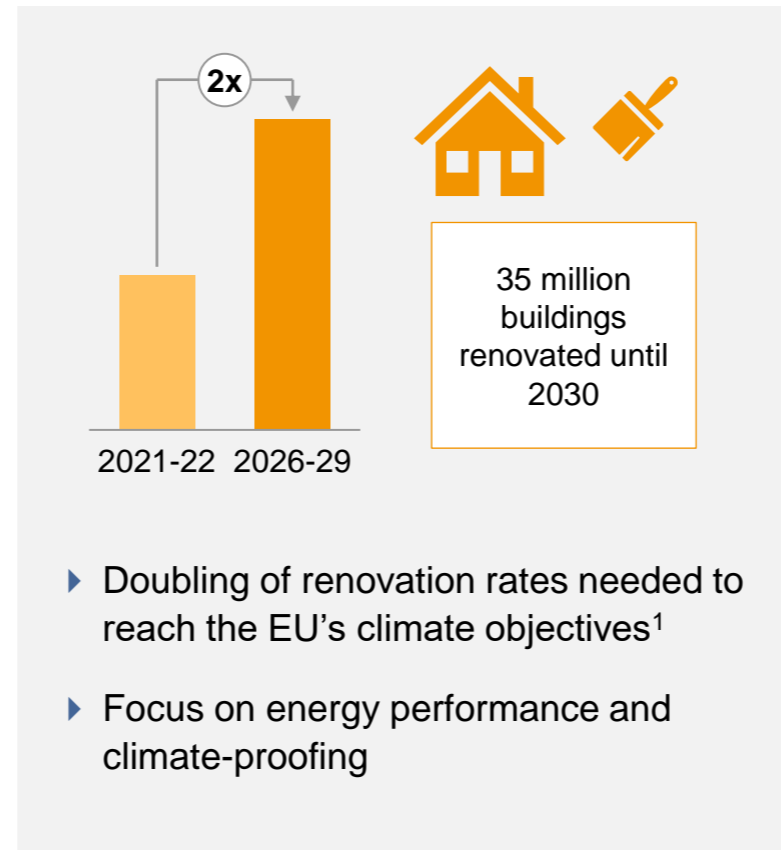
Substitution



Innovation



EU Renovation Wave



Regional Expansion



Doubling VAE and DPP² capacity in Nanjing, China

- ▶ Innovative VAE technology to increase through-put and lower energy consumption
- ▶ Investment of approx. \$100m
- ▶ Good for order (GFO) in 2022

1) Source: EU Commission: A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives 2) DPP = Dispersible Polymer Powder, VAE = Vinyl Acetate-Ethylene

Profit & Loss Statement

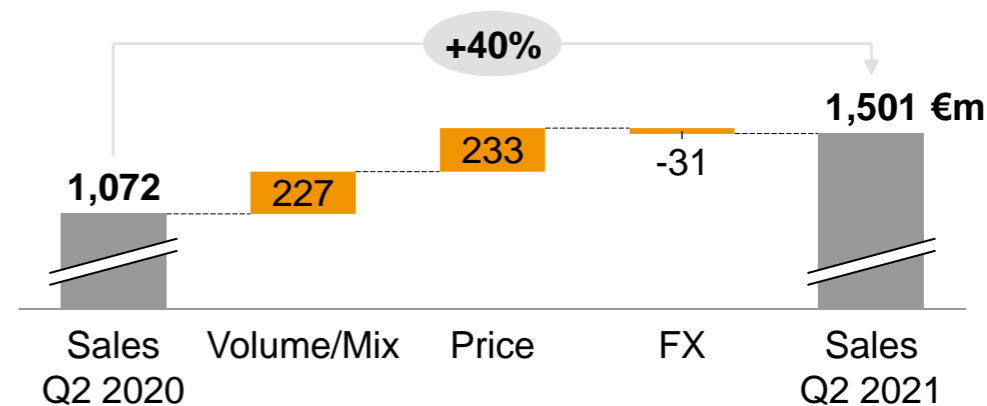
Q2 2021 EBITDA 3X Higher YoY and Well Ahead of Pre-Pandemic Levels in 2019

WACKER P&L Q2 2021 (€m)

€m	Q2 2021	Q2 2020
Sales	1,501.0	1,072.4
Gross profit from sales	373.8	134.7
<i>Gross profit margin (in %)</i>	<i>24.9%</i>	12.6%
S,G&A and R&D	-157.5	-143.1
Other operating income	11.4	23.5
Other operating expenses	-13.8	-25.5
Operating result	213.9	-10.4
Result from investments in joint ventures and associates	19.8	12.2
EBIT	233.7	1.8
Interest result	-3.9	-3.2
Other financial result	-6.5	-8.0
Profit before tax	223.3	-9.4
Income taxes	-44.5	13.9
Net income for the period	178.8	4.5
EPS (in €)	3.50	0.07
EBITDA	326.6	105.4
Depreciation/amortization	92.9	103.6
EBIT	233.7	1.8

Comments

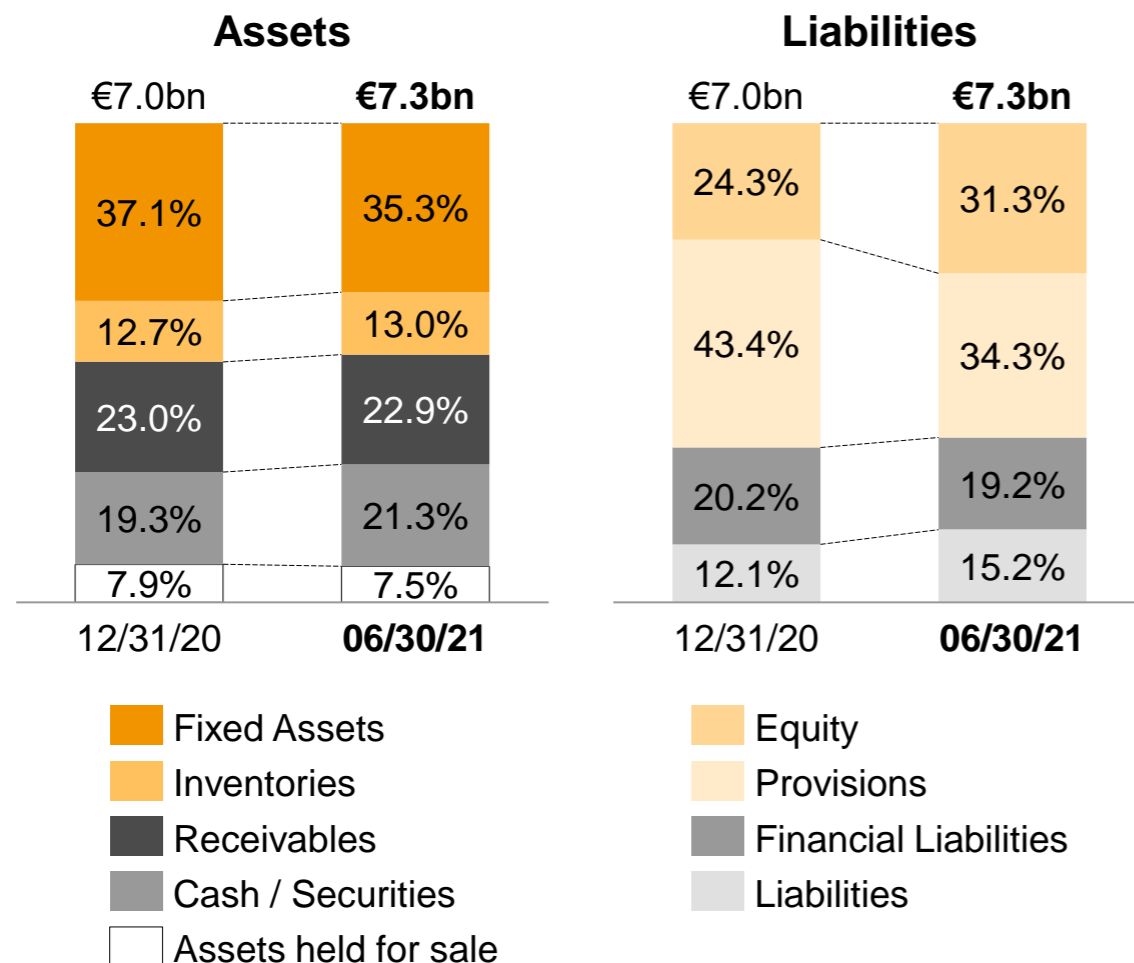
- ▶ Sales +40% yoy
Volume/Mix +21%, Price +22%, FX -3%
- ▶ Gross profit supported by strict cost discipline, reduction of discretionary expenses continues
- ▶ “Shape the future” on track: significant savings in indirect costs achieved, first personnel cost reductions showing
- ▶ Siltronic dividend now P&L relevant with at-equity accounting discontinued end of 2020



Balance Sheet Composition

Equity Increases by €600m on Earnings and Lower Pension Provisions

Balance sheet (%)



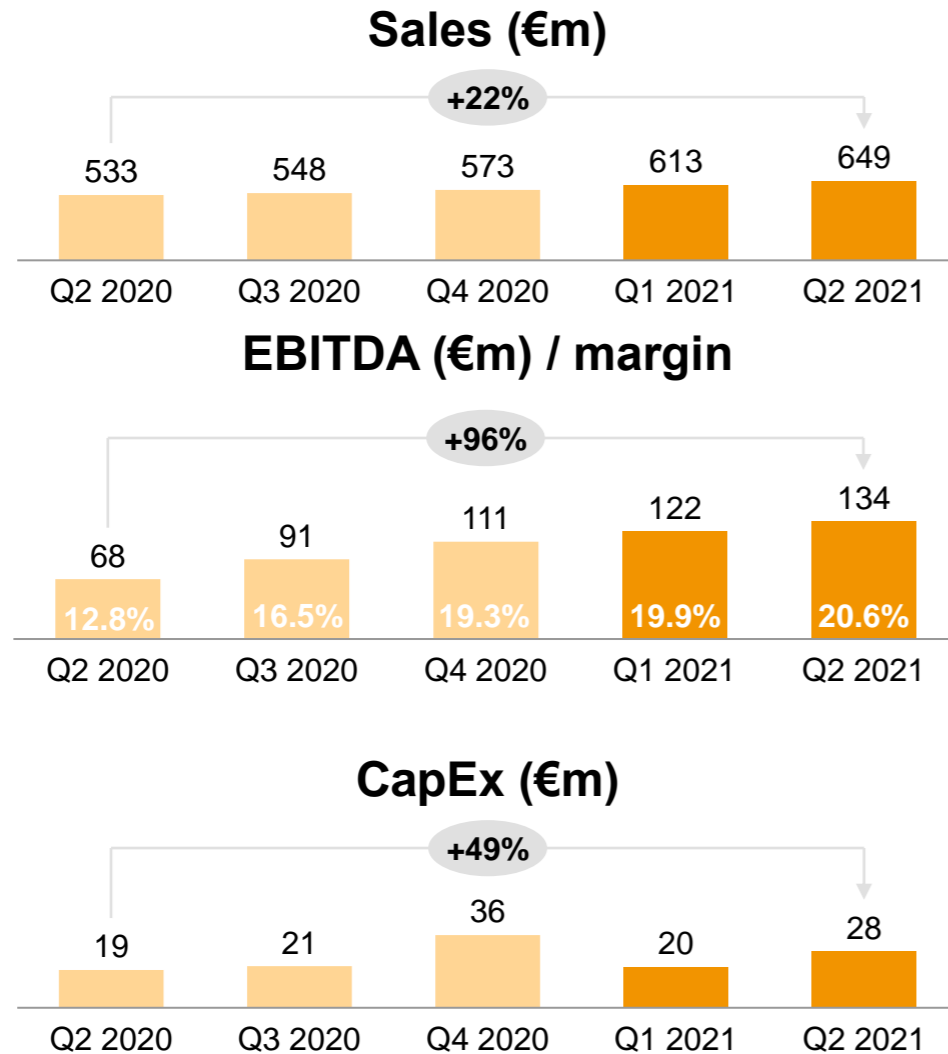
Characteristics 06/30/21

- ▶ Cash & securities of €1,558m (Dec 31, 2020: €1,338m)
- ▶ Provisions for pensions: €2,236m (Dec 31, 2020: €2,713m)
 - ▶ Discount rate in Germany at 1.16% (Dec 31, 2020: 0.70%)
 - ▶ DTA* relating to pensions about €480m
- ▶ Equity: €2,291m (Dec 31, 2020: €1,692m)
- ▶ Investment in Siltronic now classified as “Asset held for sale” (€550m)

* Deferred tax asset

SILICONES

Strong Growth in Specialty Volumes, Downstream CapEx Underway



Highlights Q2

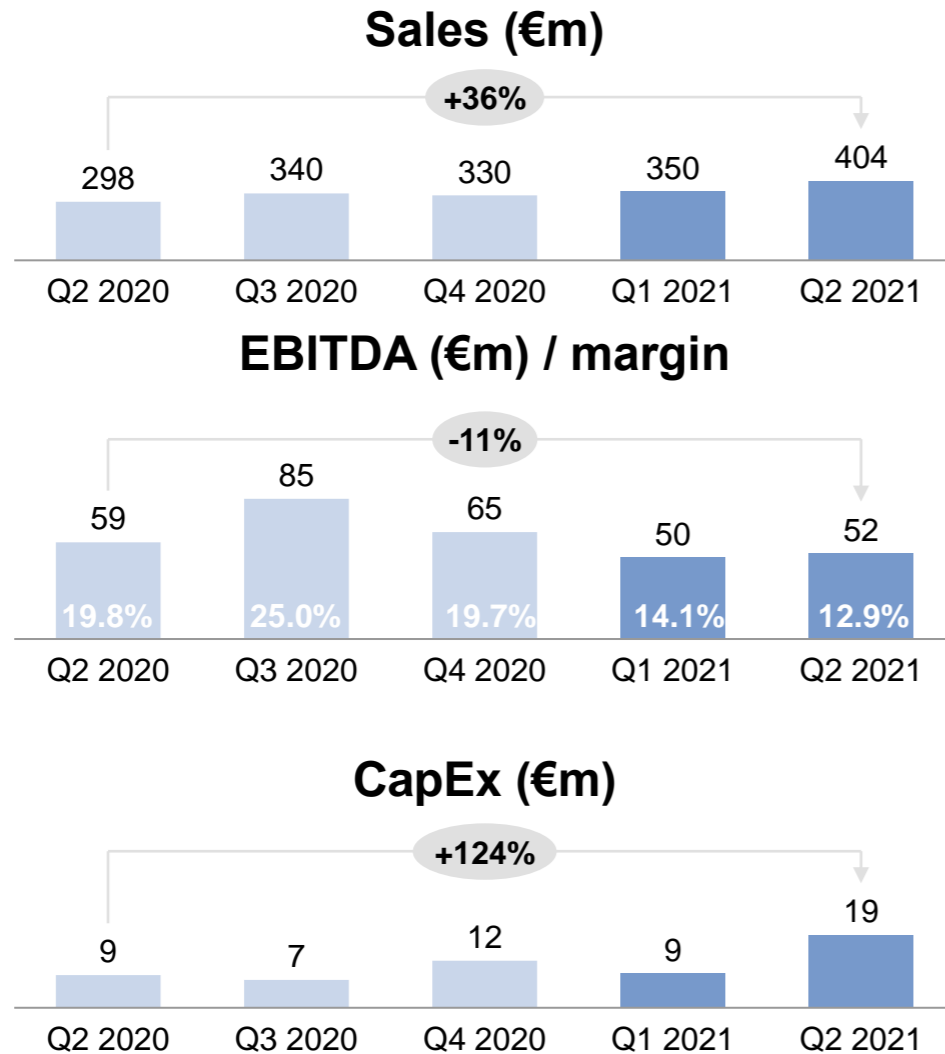
- ▶ Strong growth in Specialty volumes
- ▶ Most plants fully loaded with record production
- ▶ Order intake at a high level
- ▶ EBITDA increase driven by better Volume / Mix

Outlook 2021

- ▶ Upgraded FY outlook to low-double-digit % sales growth and EBITDA margin over prior year
- ▶ Continued Specialty growth supported by mid- and downstream investments
- ▶ Supply challenges continue throughout portfolio

POLYMERS

Strong Volume Growth Continues, Surcharges Addressing Raw Materials Surge



Highlights Q2

- ▶ Continued strong demand growth in DPP¹ and VAE²
- ▶ Focus growth regions with mid-double digit % sales growth
- ▶ EBITDA supported by global surcharges addressing unprecedented rise in raw materials

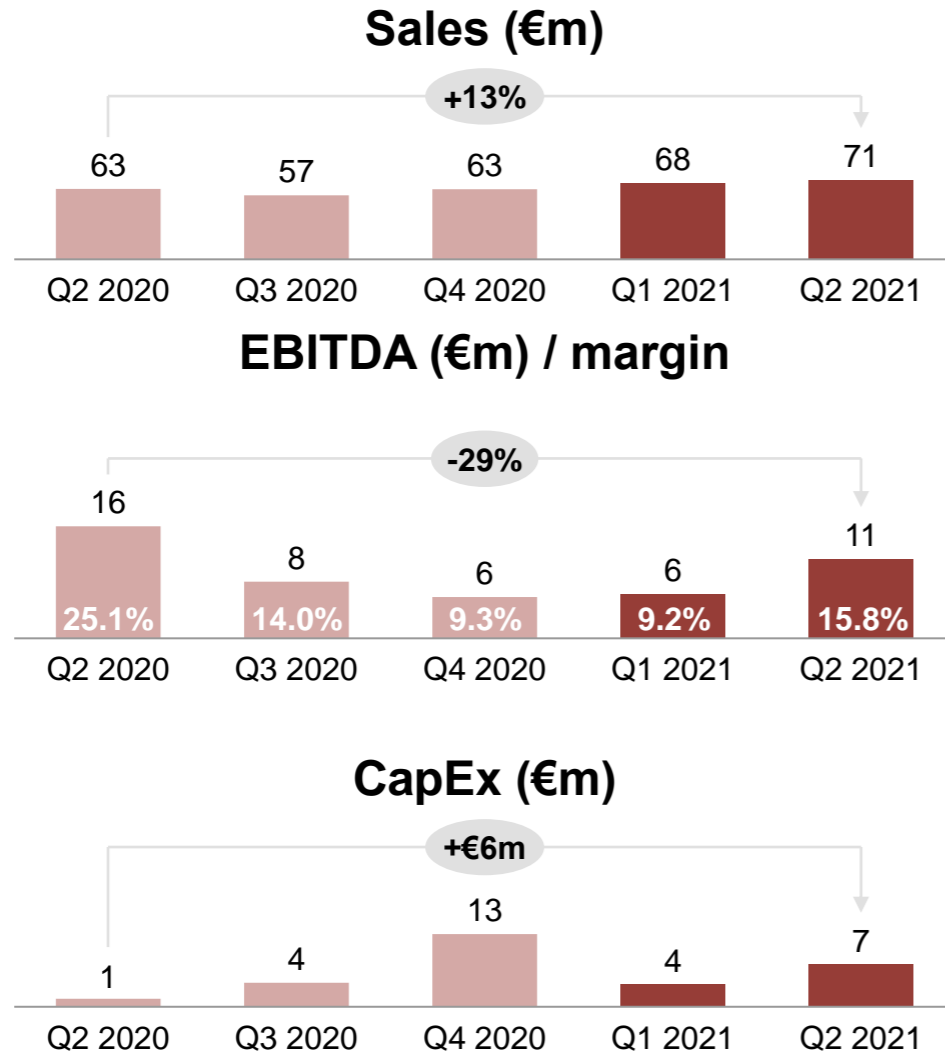
Outlook 2021

- ▶ Upgraded FY sales outlook to low-double-digit % growth yoy
- ▶ Unchanged EBITDA margin outlook: below target due to raw material inflation
- ▶ Continued investments support strong regional growth

1) DPP=Dispersible Polymer Powder 2) VAE = Vinyl Acetate-Ethylene

BIOSOLUTIONS

Strong Sales Growth in BioPharma



Highlights Q2

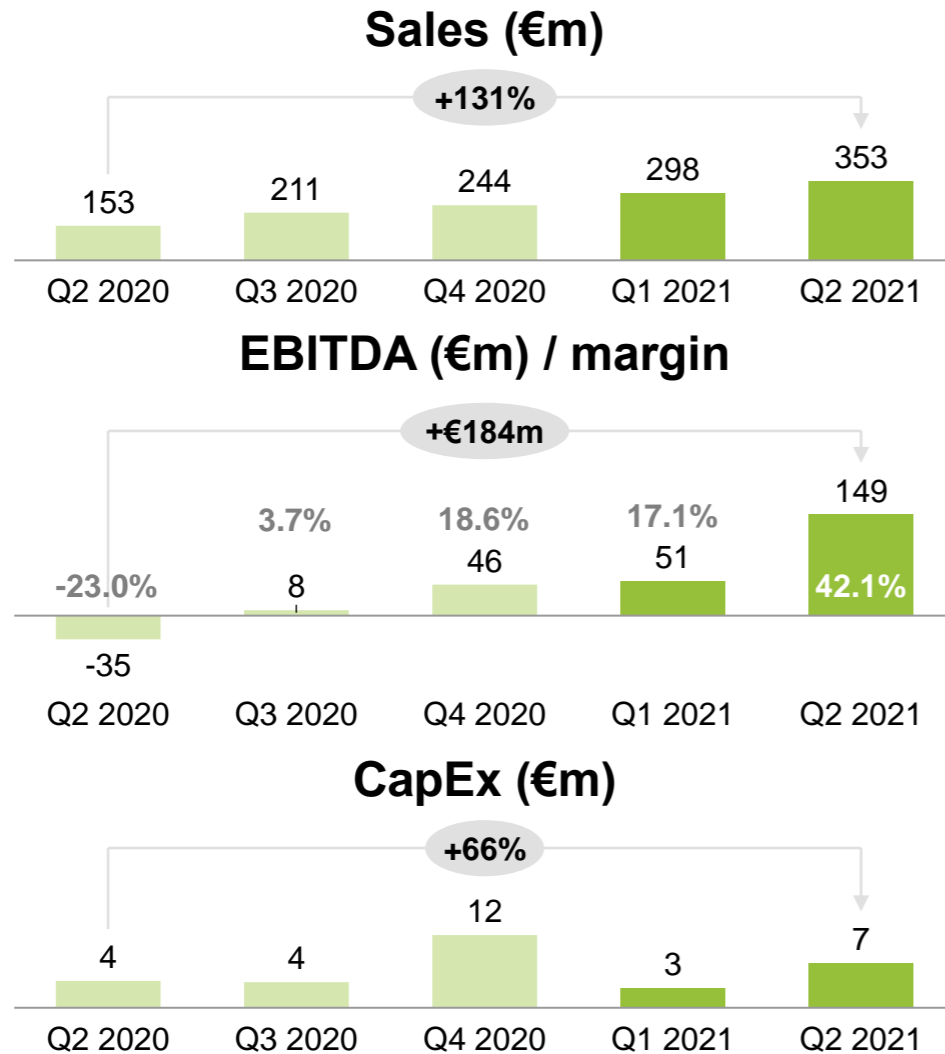
- ▶ High demand in BioPharma and BioIngredients
- ▶ EBITDA with significant ramp and integration costs
- ▶ CMD BIOSOLUTIONS: New target of €1bn in Sales with >25% EBITDA margin by 2030

Outlook 2021

- ▶ Guidance unchanged
- ▶ Low-double-digit % sales growth
- ▶ EBITDA slightly above PY, margin at PY level

POLYSILICON

Significantly Improved FY Outlook due to Ongoing Solid Demand and High Prices



Highlights Q2

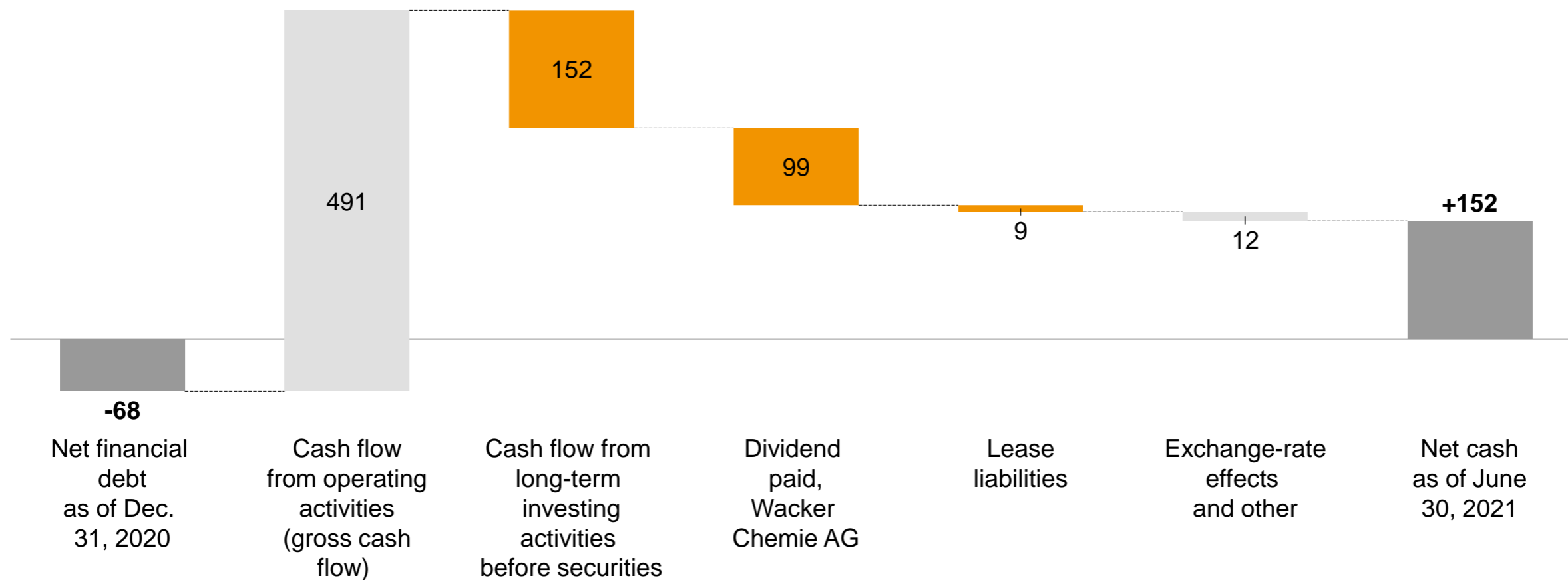
- ▶ Strong solar volumes, lean inventory levels, increasingly higher prices
- ▶ Strong demand from semiconductors
- ▶ EBITDA supported by continuing cost reductions and product-mix shift towards semi-grades

Outlook 2021

- ▶ Upgraded FY outlook: Sales growth over 50% yoy and an EBITDA margin over 30%
- ▶ Continued strong demand from semiconductors and high-end solar

Net Cash Position Increases by €107m Sequentially Over Q1

Net Cash Bridge per 06/30/2021 (€m)



Updated Guidance FY 2021

In €m	FY 2020	Outlook 2021
Sales	4,692	About €5.5bn
EBITDA	666	Between €900m and €1.1bn
EBITDA margin (%)	14.2%	Significantly higher than last year
Net cash flow	698	Clearly positive, at last year's level
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%	Clearly above cost of capital²
Tax Rate (%)	7.1%	Around 25% of taxable income

1) **BOLD** = New Guidance 2) Pre-tax cost of capital in 2020 10.1%



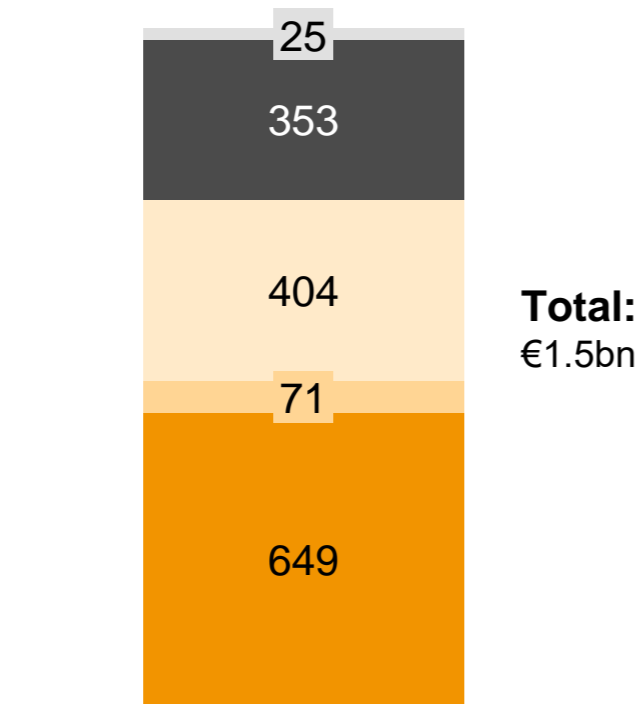
Q2 2021 – Q&A Session

Dr. Christian Hartel (CEO), Dr. Tobias Ohler (CFO)

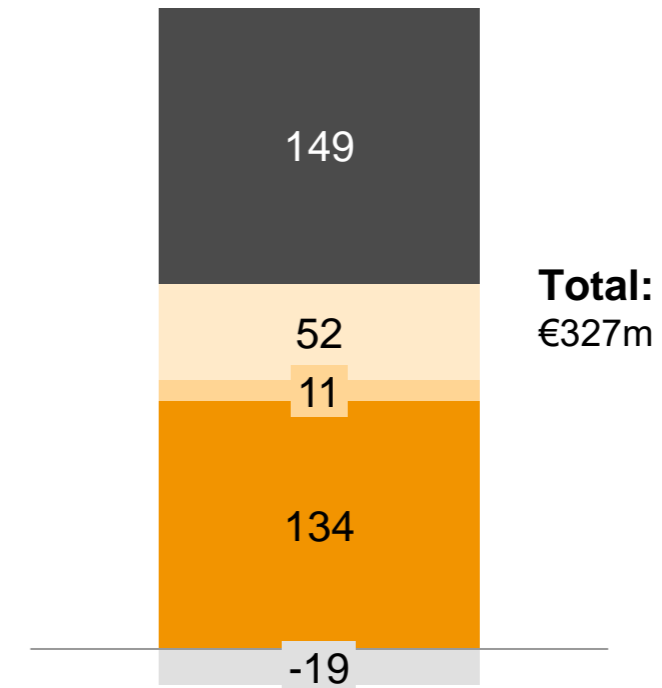
August 5, 2021

Q2 2021 Results – Sales and EBITDA Breakdown

Q2 2021 Sales



Q2 2021 EBITDA (m€)



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

Q2 2021 Results – P&L

In €m	Q2 2021	Q2 2020	% YoY	Q1 2021	% QoQ
Sales	1,501	1,072	+40	1,360	+10
EBITDA	327	105	+210	246	+33
EBITDA margin	21.8%	9.8%	-	18.1%	-
EBIT	234	2	>100	155	+51
EBIT margin	15.6%	0.2%	-	11.4%	-
Net income for the period	179	5	>100	107	+68
EPS in €	3.50	0.07	>100	2.06	+68
Capital expenditures	68	40	+71	42	+62
Depreciation / amortization	93	104	-10	92	+2
Net cash flow	208	137	+52	131	+59

Q2 2021 Results – Overview by Business

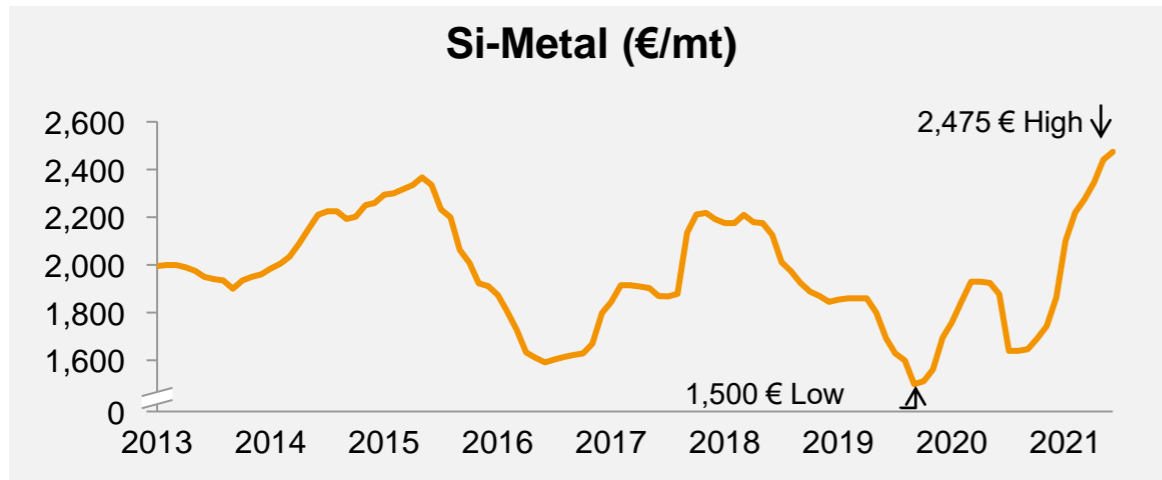
In €m / %	Sales					EBITDA					EBITDA Margin (%)		
	Q2 2021	Q2 2020	% YoY	Q1 2021	% QoQ	Q2 2021	Q2 2020	% YoY	Q1 2021	% QoQ	Q2 2021	Q2 2020	Q1 2021
Chemicals	1,123	894	26	1,031	9	197	143	38	178	11	17.5	16.0	17.2
SILICONES	649	533	22	613	6	134	68	96	122	10	20.6	12.8	19.9
POLYMERS	404	298	36	350	15	52	59	-11	50	5	12.9	19.8	14.1
BIOSOLUTIONS	71	63	13	68	5	11	16	-29	6	81	15.8	25.1	9.2
POLYSILICON	353	153	131	298	18	149	-35	n.a.	51	192	42.1	-23.0	17.1
Others	29	31	-6	34	-15	-20	-2	>100	19	n.a.	-68.9	-6.5	54.6
Consolidation	-4	-4	-	-3	-	1	0	n.a.	-1	n.a.	-	-	-
WACKER Group	1,501	1,072	40	1,360	10	327	105	210	246	33	21.8	9.8	18.1

Strong Growth of Global PV Markets in 2021 Expected

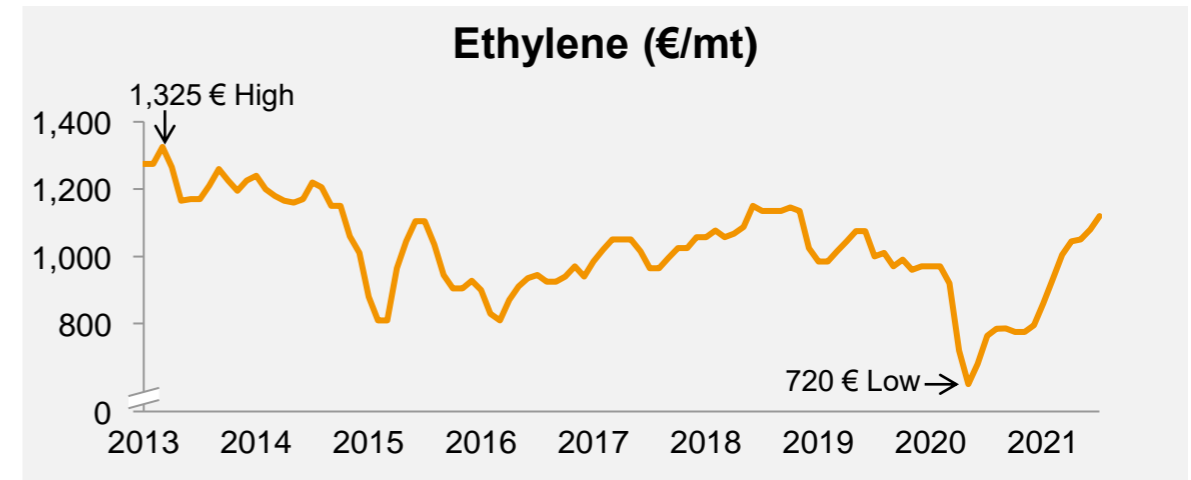
Country	2016	2017	2018	2019	2020	2021e
Germany	1.5	1.8	3.0	4.0	4.9	4.0 – 6.0
Spain	0.1	0.1	0.4	4.7	3.3	4.0 – 5.0
Europe other	4.8	4.9	8.1	13.0	13.0	14.0 – 17.0
Europe total	6.4	6.8	11.5	21.7	21.2	22.0 – 28.0
Australia	0.8	1.3	3.8	4.4	5.1	4.0 – 6.0
China*	32.5	52.8	44.3	30.1	48.2	50.0 – 60.0
India	4.3	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	6.0	8.0 – 11.0
Rest of World	7.7	8.1	13.3	26.0	28.9	33.0 – 36.0
Total	78 GW	100 GW	105 GW	118 GW	140 GW	150 – 180 GW

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

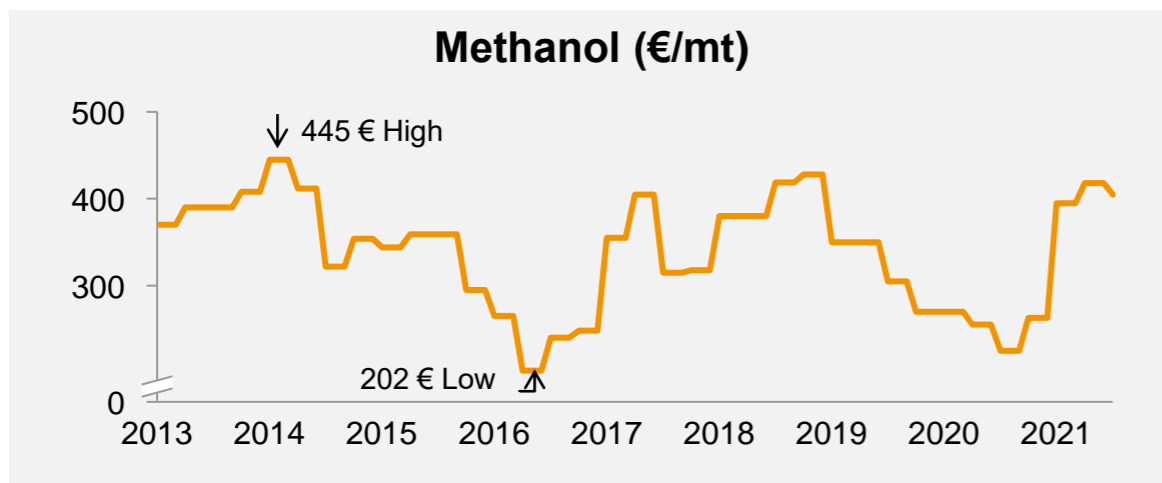
Raw Materials Show Strong Price Inflation



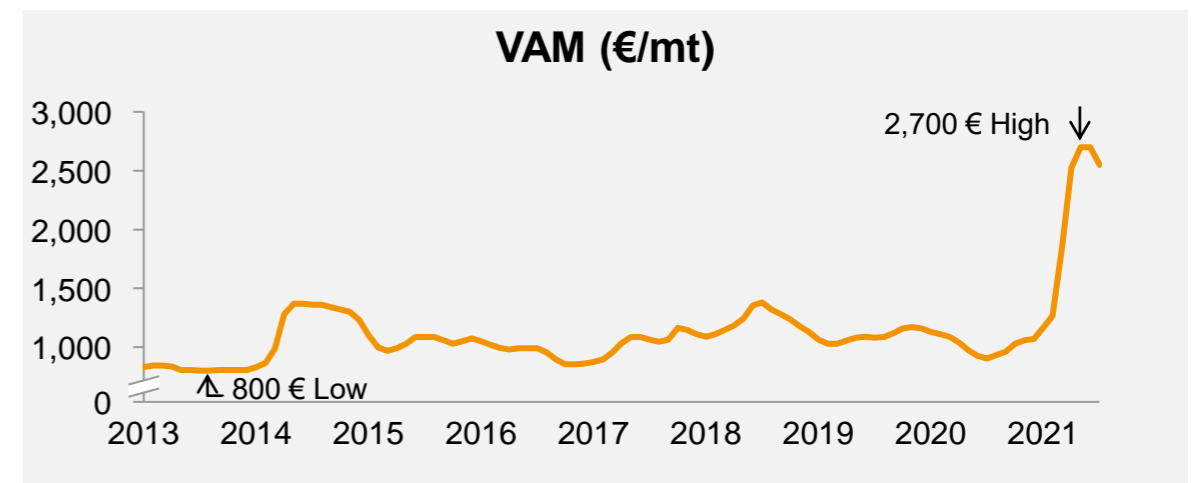
Source: CRU, Si-Metal Spot FD Europe



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 of €18.5m recorded in “Other income from associates” in Q2
- ▶ 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

INVESTOR RELATIONS CONTACTS

Joerg Hoffmann, CFA

Tel. +49 89 6279 1633 | joerg.hoffmann@wacker.com

Scott McCollister

Tel. +49 89 6279 1560 | scott.mccollister@wacker.com

Wacker Chemie AG

Hanns-Seidel-Platz 4, D-81737 Munich

investor.relations@wacker.com

Additional Information



ISIN
WKN
Deutsche Börse

DE000WCH8881
WCH888
WCH

Financial Calendar

- 10/28/21** Q3 Results 2021
- 12/17/21** Virtual CMD Series: POLYSILICON & ESG

Publications



CUSTOMER
MAGAZINE



FACTBOOK



SUSTAINABILITY
REPORT



SQUARE
APP