

January through June 2022

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**1st Half Year**



## Interim Report – January through June 2022

- Group sales for first half of 2022 total €4.25 billion, up 49 percent year over year
- At €1.27 billion, EBITDA more than doubles year over year due to substantially higher prices
- EBIT rises to €1.08 billion, while net income for the first half of 2022 comes to €794 million
- Net cash flow for the reporting period is €115 million due to sales-growth-related increase in working capital and the investment in specialty silanes manufacturer SICO
- Full-year forecast raised: Group sales projected at around €8–8.5 billion in 2022, with EBITDA expected to range between €1.8 billion and €2.3 billion

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Cover – WACKER is creating an mRNA competence center at its biotech site in Halle. As of 2024, the site will manufacture materials based on messenger RNA, for example mRNA vaccines for coronavirus. Production capacities at the Halle site will be expanded more than threefold and the number of employees will double. WACKER is investing over €100 million in construction of this new competence center.

# WACKER – at a Glance

€ million	6M 2022	6M 2021	Change in %
<b>Results / Return / Cash Flow</b>			
Sales	4,250.4	2,860.6	48.6
EBITDA	1,269.5	578.7	>100
EBITDA margin (%)	29.9	20.2	–
EBIT	1,078.0	394.3	>100
EBIT margin (%)	25.4	13.8	–
Financial result	–39.2	–20.1	95.0
Income before income taxes	1,038.8	374.2	>100
Net income for the period	793.5	291.1	>100
Earnings per share (basic/diluted) (€)	15.59	5.68	>100
Capital expenditures excluding acquisitions	183.5	110.2	66.5
Depreciation/amortization	191.5	184.4	3.9
Net cash flow	114.6	339.3	–66.2

Prior-year figures contain income from Siltronic following reversal of classification in accordance with IFRS 5

€ million	June 30, 2022	Dec. 31, 2021	Change in %
<b>Financial Position</b>			
Total assets	8,833.2	8,134.3	8.6
Equity	4,590.6	3,100.4	48.1
Equity ratio (%)	52.0	38.1	–
Financing liabilities	1,558.6	1,436.8	8.5
Net financial assets	119.0	546.5	–78.2
Employees (number at end of period)	15,250	14,406	5.9

## Dear Shareholders,

WACKER ended the first half of 2022 with very good results. Even though the global economy is currently facing a great deal of uncertainty and stress, customer demand for our products was consistently strong over the entire six-month period. We were largely able to offset the effects of substantially higher energy and raw-material costs by raising our prices. In addition, the effects of our ongoing efficiency programs are continually improving our cost position.

In view of our positive business performance in the first half of the year, we decided to raise our full-year sales and earnings forecast. We now expect to post Group sales of around €8–8.5 billion and EBITDA of between €1.8 billion and €2.3 billion. Our revised guidance takes into account that customer demand remains strong and our order books are full. However, we see growing challenges in the months ahead.

Our main concern is the unabated increase in energy and raw-material prices. Added to this is high inflation, which not only increases our own production costs but can also strongly influence customer demand – and, in turn, our business. In addition, substantial risks result from geopolitical conflicts – first and foremost the war in Ukraine – and from pandemic-related lockdowns in China, which are having an effect on global supply chains.

The German government has already invoked Phase 2 of its emergency gas plan. This has not affected our production as yet. However, we have been working on solutions for a variety of scenarios since February.

4 An important fact first: The highly efficient combined-cycle gas turbine power station that we operate at Burghausen, our biggest site, has been classified as system-relevant because it is used to ensure the stability of the entire power grid. For this reason, we assume that it would remain system-relevant even in the event of a more severe gas shortage and that we would be supplied with enough gas to operate our power plant.

Another aspect is that we use gas mainly to produce electricity and steam. This gives us a certain amount of flexibility. For example, in the event of a reduction in gas supplies, we could purchase larger amounts of electricity in the marketplace, reduce the amount of electricity we produce ourselves and use gas predominantly for generating process steam – because restrictions in process steam would directly affect our production. That is why we are also working on technical solutions that would quickly enable us, in an emergency, to partially substitute gas with heating oil.

To a certain extent, then, we have options for compensating the impact of reduced gas deliveries. However, it is also true that, in the event of major restrictions in the supply of natural gas, effects on our production cannot be ruled out, as is the case for many other industrial companies. For this reason, we have taken the precaution of factoring in a further €200–250 million in additional costs at the lower

end of our EBITDA forecast, on top of the energy and raw-material price increases already taken into account. Without this additional cost burden, we are confident that our divisions can achieve total EBITDA of between €2.0 billion and €2.3 billion.

So what does it all come down to? What can and must we do to tackle these challenges?

Important answers to these questions are to be found in our growth strategy, which we presented to the capital markets in London at the end of March. We want to increase our sales to over €10 billion by 2030, while still maintaining our high profitability. We are focusing on our specialty chemical products that deliver high value-added for our customers. We are stepping up expansion of our biotechnology activities. We are producing polysilicon of the highest quality for semiconductor and solar applications. All these aspects will be key factors in strengthening WACKER's resilience – which means making the company more robust in the face of macroeconomic challenges.

Future-proofing the company and enhancing its resilience are also key guiding principles for our focus on sustainability. The ongoing debate about Russian gas supplies makes dramatically clear how dependent we are on fossil fuels and raw materials. If we want to overcome this dependence, we have no alternative but to expand our renewable-energy supplies rapidly and resolutely, and to switch to non-fossil raw materials.

Our sustainable development goals are tackling precisely these challenges. For one thing, we are significantly improving our own ecological footprint and reducing our specific energy consumption. For another, we are offering our customers solutions that enable them to operate more sustainably and to market innovative products that save energy and resources.

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The coming months will be challenging. Scarce resources and precursors, supply chains under stress, rising energy prices – all this will put extreme pressure on the global economy and is likely to place great demands on WACKER as well. But we are convinced that our new goals for sustainable development and growth embody the sound, long-term, viable responses we need to meet these challenges.

Munich, July 28, 2022

The Executive Board of Wacker Chemie AG

# WACKER Stock

Global equity markets were volatile and performed inconsistently in the first half of 2022. All major stock market indices recorded significant losses. A whole range of factors contributed to the uncertainty in the markets. These included geopolitical risks such as the war in Ukraine and the effects of pandemic-related lockdowns in China on global supply chains. In Europe, high inflation dampened consumer sentiment during the reporting period. It also led to increased production costs for many manufacturing companies. To counteract this, central banks decided to tighten monetary policy and raise interest rates. This, however, put pressure on stock prices.

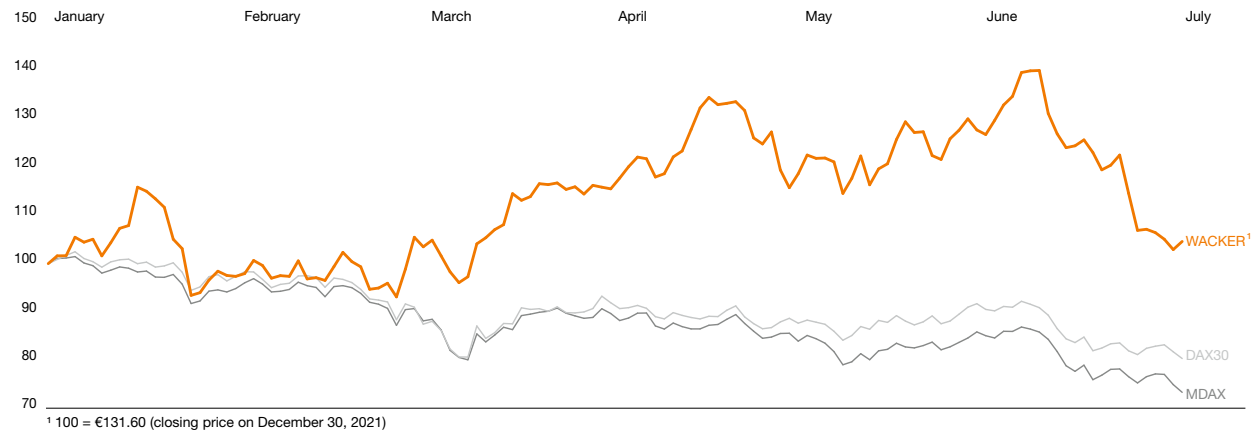
German benchmark indices also lost a lot of ground in the first half of 2022. As early as January, the DAX and MDAX began declining gradually and had reached new lows from the start of the Russian attack on Ukraine through to mid-March. In the weeks that followed, brief recoveries

alternated with new declines. The DAX closed the first half of 2022 around 20 percent lower than at the end of December. The MDAX lost around 26 percent during the same period.

WACKER stock fared considerably better than the overall market between January and the end of June. At the beginning of the year, the stock price was €131.60 (year-end closing price on Dec. 30, 2021). After a short peak in mid-January, the stock reached its low for the reporting period on February 24 (€122.60). In the following weeks, the stock price rose considerably, bucking the general market trend. On June 8, it reached its peak at €183.90. Then, in the last three weeks of June, WACKER stock dropped significantly in line with the overall market and ended trading on June 30 with a closing price of €137.60. That was around 5 percent higher than at the start of the reporting period and corresponded to a market capitalization of €6.84 billion.

► For more details about WACKER stock, please refer to the 2021 Annual Report (pages 44 to 46) and the internet ([www.wacker.com/investor-relations](http://www.wacker.com/investor-relations)).

WACKER Share Performance in First Half of 2022 (indexed to 100)<sup>1</sup>



# Interim Group Management Report

## Overall Economic Situation, Economic Outlook and State of the Industry

### War in Ukraine Dampens the Economy

The war in Ukraine has slowed down economic recovery from the pandemic and steered the global economy toward lower growth and higher inflation. The International Monetary Fund (IMF) estimates that global economic growth in 2022 will slow to 3.2 percent.<sup>1</sup>

In its economic outlook, the Organisation for Economic Co-operation and Development (OECD) also expects global growth to drop to 3.0 percent in 2022 and to 2.8 percent in 2023. According to the OECD, China's zero-Covid policy and the war in Ukraine have together set the global economy on a path of slower growth and rising inflation, a situation not seen since the 1970s. Rising inflation, due largely to increases in energy and food prices, is causing distress for people with low incomes and will lead to serious food security risks in the world's poorest economies. As regards energy imports and the influx of refugees, Europe is particularly affected by the war's economic and social impacts, according to the economic experts.<sup>2</sup>

WACKER expects global economic output to weaken in 2022, based on current economic forecasts.

### GDP Trend<sup>1</sup>

%	2021	Outlook for 2022
<b>World</b>	6.1	3.2
Advanced economies	5.2	2.5
Developing and emerging economies	6.8	3.6
<b>Eurozone</b>	5.4	2.6
Germany	2.9	1.2
<b>Asia</b>	7.3	4.6
China	8.1	3.3
India	8.7	7.4
<b>USA</b>	5.7	2.3

### Increased Insecurity in Chemical Markets

The global chemical and pharmaceutical industries had an overall positive start to 2022, but the outlook for growth has meanwhile taken a significant turn for the worse, due to the war in Ukraine. The German Chemical Industry Association (VCI) expects only a 4.1 percent increase in full-year global production output for the chemical industry – after 6.8 percent in 2021. According to the VCI, a number of factors are having a negative impact on the chemical markets. Higher energy and raw-material prices are continuing to drive inflation. This is leading to lower real wages and declining purchasing power. The central banks' interest rate hikes are dampening investment spending. At the same time, disruptions to global supply chains are negatively impacting transportation times and production. In this environment, according to the VCI, the European chemical industry in particular is increasingly encountering problems.<sup>3</sup>

<sup>1</sup> International Monetary Fund, World Economic Outlook Update, July 2022: Gloomy and More Uncertain, Washington, July 26, 2022

<sup>2</sup> Organisation for Economic Co-operation and Development (OECD), OECD Economic Outlook, Volume 2022 Issue 1: Preliminary Version, Paris, June 8, 2022

<sup>3</sup> VCI (German Chemical Industry Association), The business situation of the global chemical industry in Q1 2022: Increased insecurity on global chemical markets, Frankfurt am Main, June 2, 2022

German chemical companies also wrestled in the first half of 2022 with increased energy and raw-material costs, disruptions to supply chains, high freight costs and bottlenecks for precursors. In this difficult environment, the chemical and pharmaceutical industries were able to grow their production only slightly year over year, as the vci's half-yearly report shows. Without pharmaceuticals, production even dropped by 3 percent. The vci now projects that full-year production in Germany in 2022 will decline by 1.5 percent, assuming price-intensive but sufficient supplies of energy and raw materials. It expects a decline of 4 percent for the chemical segment alone.<sup>4</sup>

#### Selected Key Indicators by Industry

%	Growth in 2021	Growth outlook for 2022
<b>Chemical Industry</b>		
Production, worldwide <sup>3</sup>	6.8	4.1
Production, EU <sup>3</sup>	5.9	0.5
Production, Germany <sup>3,4</sup>	5.1	-4.0
<b>Photovoltaics</b>		
Newly installed photovoltaic capacity, worldwide <sup>5</sup>	21	36

Industry experts expect the photovoltaics (PV) segment to continue growing in 2022. Declining levelized costs for solar power are making PV more competitive compared with other energy sources. Both the cost effectiveness of PV and the political goal of keeping global warming below 2 °C are instrumental in opening up new markets.

Market experts at SolarPower Europe, an industry association, expect the expansion in photovoltaics to continue to accelerate. According to the association's mid-range projection scenario, around 228 gigawatts of new photovoltaic capacity will be installed globally in 2022, up 36 percent year over year.<sup>5</sup>

On the basis of its own market surveys and external market studies, WACKER expects newly installed global PV capacity to amount to between 220 and 260 gigawatts this year.

<sup>4</sup> VCI (German Chemical Industry Association), Half-yearly report of the German chemical-pharmaceutical industry for 2022: Germany's competitiveness increasingly challenged, Frankfurt am Main, July 6, 2022

<sup>5</sup> SolarPower Europe, Global Market Outlook For Solar Power 2022–2026, Brussels, May 11, 2022



# Group Performance and Earnings

January 1 to June 30, 2022

## Sales

€ million	6M 2022	6M 2021	Change in %
WACKER SILICONES	1,857.2	1,261.5	47.2
WACKER POLYMERS	1,070.8	753.6	42.1
WACKER BIOSOLUTIONS	161.1	138.7	16.1
WACKER POLYSILICON	1,093.5	651.2	67.9
Corporate functions / Other	79.8	62.6	27.5
Consolidation	-12.0	-7.0	71.4
<b>Group sales</b>	<b>4,250.4</b>	<b>2,860.6</b>	<b>48.6</b>

## EBITDA

€ million	6M 2022	6M 2021	Change in %
WACKER SILICONES	555.8	255.6	>100
WACKER POLYMERS	183.8	101.7	80.7
WACKER BIOSOLUTIONS	7.7	17.4	-55.7
WACKER POLYSILICON	438.3	199.7	>100
Corporate functions / Other	82.3	4.4	>100
Consolidation	1.6	-0.1	n.a.
<b>Group EBITDA</b>	<b>1,269.5</b>	<b>578.7</b>	<b>&gt;100</b>

## EBIT

€ million	6M 2022	6M 2021	Change in %
WACKER SILICONES	499.6	201.1	>100
WACKER POLYMERS	158.8	78.8	>100
WACKER BIOSOLUTIONS	-2.8	9.3	n.a.
WACKER POLYSILICON	378.8	135.9	>100
Corporate functions / Other	42.0	-30.7	n.a.
Consolidation	1.6	-0.1	n.a.
<b>Group EBIT</b>	<b>1,078.0</b>	<b>394.3</b>	<b>&gt;100</b>

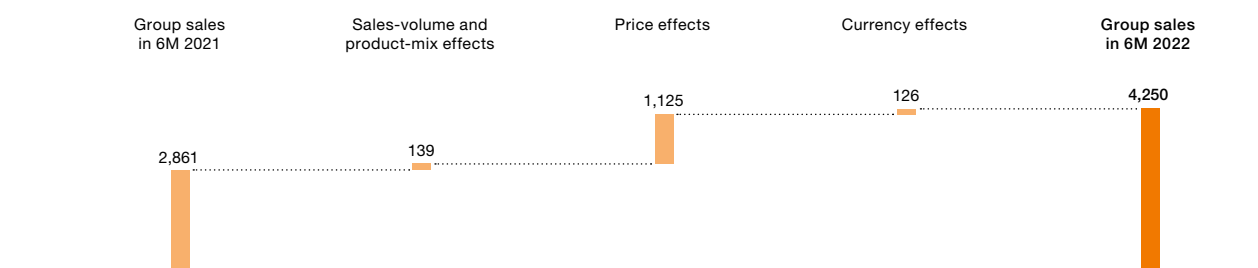
WACKER Group sales grew substantially during the reporting period compared with the same period last year. Sales in the period from January through June 2022 came in at €4,250.4 million, after €2,860.6 million a year earlier. That was an increase of 49 percent.

This growth was chiefly due to higher prices. Sales also benefited from product-mix and volume effects, as well as from the year-over-year rise in the us dollar.

All four business divisions contributed to sales growth. Polysilicon performed particularly well, with sales increasing by 68 percent year over year, due to higher prices. The two chemical divisions – WACKER SILICONES and WACKER POLYMERS – each grew by more than 40 percent. Demand was particularly strong, for example, for products used in adhesives and industrial coatings. Business in biotechnological products and fine chemicals also showed solid growth, with sales up by 16 percent.

### Year-over-Year Sales Comparison

€ million



### Substantial Sales Growth in all Regions

From January through June 2022, Group sales increased in all regions, mainly due to price effects. The strongest increase was in Asia, but all other regions

reported solid double-digit growth rates as well. Overall, sales in Asia grew by 58 percent in the period January through June 2022. Sales increased by 57 percent in the Americas and by 36 percent in Europe.

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### Group Sales by Region

€ million	6M 2022	6M 2021	Change in %	% of Group sales
Europe	1,556.9	1,141.3	36.4	37
The Americas	652.7	415.1	57.2	15
Asia	1,830.9	1,156.4	58.3	43
Other regions	209.9	147.8	42.0	5
<b>Total sales</b>	<b>4,250.4</b>	<b>2,860.6</b>	<b>48.6</b>	<b>100</b>

**EBITDA at €1,270 Million, with EBITDA Margin of 30 Percent**

In the reporting period, WACKER generated EBITDA of €1,269.5 million, more than double the figure of a year earlier (€578.7 million). This growth was primarily due to higher prices and product-mix effects. Very high

plant-utilization rates also had a positive impact on EBITDA. On the other hand, significantly higher energy and raw-material prices had a negative effect, reducing reporting-period EBITDA by about €600 million. The Group's EBITDA margin for the six months from January to June 2022 was 29.9 percent, after 20.2 percent a year earlier.

**Reconciliation of EBITDA to EBIT**

€ million	6M 2022	6M 2021	Change in %
<b>EBITDA</b>	<b>1,269.5</b>	<b>578.7</b>	<b>&gt;100</b>
Depreciation, amortization and (reversals of) impairments of fixed assets	-191.5	-184.4	3.9
<b>EBIT</b>	<b>1,078.0</b>	<b>394.3</b>	<b>&gt;100</b>

**EBIT More than Doubles Year Over Year**

Group earnings before interest and taxes (EBIT) totaled €1,078.0 million in the reporting period, versus €394.3 million a year earlier. That is more than double the figure for the comparable period last year and equivalent to an EBIT margin of 25.4 percent, after 13.8 percent a year earlier. The increase was primarily due to the above-mentioned factors.

The cost-of-sales ratio was 69 percent in the reporting period, down 7 percentage points compared with the same period last year. This improvement was due chiefly to substantially higher sales, although markedly higher energy and raw-material prices did increase the cost of goods sold. The latter is benefiting from the cost-saving measures implemented under the ongoing efficiency programs of the Group and the business divisions.

Depreciation and amortization came to €191.5 million in the reporting period, after €184.4 million a year earlier. That was an increase of 4 percent year over year.

**Reconciliation of EBIT to Net Income for the Period**

€ million	6M 2022	6M 2021	Change in %
<b>EBIT</b>	<b>1,078.0</b>	<b>394.3</b>	<b>&gt;100</b>
Financial result	-39.2	-20.1	95.0
<b>Income before income taxes</b>	<b>1,038.8</b>	<b>374.2</b>	<b>&gt;100</b>
Income taxes	-245.3	-83.1	>100
<b>Net income for the period</b>	<b>793.5</b>	<b>291.1</b>	<b>&gt;100</b>
Of which			
Attributable to Wacker Chemie AG shareholders	774.4	282.1	>100
Attributable to non-controlling interests	19.1	9.0	>100
<b>Earnings per share in € (basic/diluted)</b>	<b>15.59</b>	<b>5.68</b>	<b>&gt;100</b>
Average number of shares outstanding (weighted)	49,677,983	49,677,983	-

### Result from Investments

The result from investments in joint ventures and associates amounted to €59.8 million in the reporting period, after €18.4 million a year earlier. It was driven by the high profits posted by Siltronic AG, in which WACKER holds a 30.8 percent stake.

### Financial and Net Interest Result

WACKER's financial result amounted to €-39.2 million, after €-20.1 million a year earlier. WACKER posted interest income of €2.4 million, versus €2.9 million a year earlier. Interest expenses were €13.2 million, versus €11.7 million.

The other financial result amounted to €-28.4 million in the reporting period, after €-11.3 million a year earlier. It included 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. The negative trend in the other financial result was due to remeasurement losses on securities and to exchange-rate losses triggered by the rise in value of the us dollar against the euro.

### Income Taxes

In the first six months of 2022, tax expense was €245.3 million, versus tax expense of €83.1 million a year earlier. The reported tax rate for the reporting period was 23.6 percent, after 22.2 percent a year earlier.

### Net Income for the Period

Due to the effects mentioned above, net income for the reporting period amounted to €793.5 million, compared with €291.1 million in the same period last year.

### Earnings per Share

In the reporting period from January to June 2022, earnings per share came in at €15.59, after €5.68 a year earlier.

# Division Performance

## WACKER SILICONES

€ million	6M 2022	6M 2021	Change in %
External sales	1,857.1	1,261.5	47.2
Internal sales	0.1	–	–
<b>Total sales</b>	<b>1,857.2</b>	<b>1,261.5</b>	<b>47.2</b>
<b>EBIT</b>	<b>499.6</b>	<b>201.1</b>	<b>&gt;100</b>
EBIT margin (%)	26.9	15.9	–
Depreciation/amortization	56.2	54.5	3.1
<b>EBITDA</b>	<b>555.8</b>	<b>255.6</b>	<b>&gt;100</b>
EBITDA margin (%)	29.9	20.3	–
Capital expenditures	81.4	48.2	68.9
R&D expenses	34.0	33.8	0.6

As of	June 30, 2022	Dec. 31, 2021	Change in %
Employees (number)	5,898	5,211	13.2

Sales at WACKER SILICONES totaled €1,857.2 million in the first half of 2022, up 47 percent from a year earlier (€1,261.5 million). This growth was due chiefly to higher prices and an improved product mix, attributable to a higher share of high-margin specialty silicones in the portfolio. Exchange-rate effects also had a positive impact on sales, which increased substantially year over year across virtually all application areas. Growth was especially pronounced, for example, with silicones for adhesives applications, for coatings and for consumer applications.

At €555.8 million, WACKER SILICONES' EBITDA from January through June 2022 was more than double the level of a year earlier (€255.6 million). In addition to sales growth, higher plant-utilization rates year over year had a positive impact on earnings. On the other hand, substantially higher energy and raw-material prices increased the cost of goods sold, diminishing EBITDA. The EBITDA margin was 29.9 percent in the first half of the year, after 20.3 percent a year earlier.

Capital expenditures at WACKER SILICONES rose considerably year over year, totaling €81.4 million in the reporting period, after €48.2 million a year earlier. Investment projects included expanding production capacity for liquid silicone rubber at the Burghausen and Adrian (USA) sites, and for high-temperature vulcanizing solid silicone rubber at the new site in Panagarh (India). The plants at Plzeň (Czechia) and Tsukuba (Japan) are also being extended. These expenditures are in line with WACKER's new growth targets announced in late March.

In early May, the division completed its acquisition of a 60-percent stake in sico Performance Material Co., Ltd., Jining, a Chinese manufacturer of specialty silanes. The purchase price payment was around €165 million. Please refer to the Notes to the Consolidated Financial Statements for more information on this transaction. The investment in sico is a further step in expanding WACKER SILICONES' portfolio of high-quality specialty products in Asia.

## WACKER POLYMERS

€ million	6M 2022	6M 2021	Change in %
External sales	1,058.9	746.6	41.8
Internal sales	11.9	7.0	70.0
<b>Total sales</b>	<b>1,070.8</b>	<b>753.6</b>	<b>42.1</b>
<b>EBIT</b>	<b>158.8</b>	<b>78.8</b>	<b>&gt;100</b>
EBIT margin (%)	14.8	10.5	–
Depreciation/amortization	25.0	22.9	9.2
<b>EBITDA</b>	<b>183.8</b>	<b>101.7</b>	<b>80.7</b>
EBITDA margin (%)	17.2	13.5	–
Capital expenditures	43.4	28.5	52.3
R&D expenses	17.0	17.7	–4.0

As of	June 30, 2022	Dec. 31, 2021	Change in %
Employees (number)	1,590	1,595	–0.3

Sales at WACKER POLYMERS totaled €1,070.8 million in the reporting period, 42 percent higher than a year earlier (€753.6 million). Higher prices were the main growth driver, but somewhat higher volumes, a better product mix and exchange-rate effects were further positive factors. WACKER POLYMERS' plant-utilization rates averaged over 90 percent from January through June.

The division's EBITDA totaled €183.8 million in the reporting period, after €101.7 million a year earlier. That was an increase of 81 percent. In addition to price increases, the very high plant-utilization rates had a positive effect on

EBITDA. On the other hand, sharp increases in energy and raw-material costs as well as substantially higher freight costs dampened earnings growth quite markedly. The EBITDA margin was 17.2 percent in the reporting period, after 13.5 percent a year earlier.

From January through June 2022, WACKER POLYMERS' capital expenditures totaled €43.4 million, versus €28.5 million a year earlier. These funds went, for example, toward construction of a new dispersion reactor and spray dryer at the Nanjing site in China.

**WACKER BIOSOLUTIONS**

€ million	6M 2022	6M 2021	Change in %
External sales	161.1	138.7	16.1
Internal sales	-	-	-
<b>Total sales</b>	<b>161.1</b>	<b>138.7</b>	<b>16.1</b>
<b>EBIT</b>	<b>-2.8</b>	<b>9.3</b>	<b>n.a.</b>
EBIT margin (%)	-1.7	6.7	-
Depreciation/amortization	10.5	8.1	29.6
<b>EBITDA</b>	<b>7.7</b>	<b>17.4</b>	<b>-55.7</b>
EBITDA margin (%)	4.8	12.5	-
Capital expenditures	21.1	11.3	86.7
R&D expenses	2.9	3.2	-9.4

As of	June 30, 2022	Dec. 31, 2021	Change in %
Employees (number)	767	751	2.1

WACKER BIOSOLUTIONS reported total sales of €161.1 million in the reporting period, up 16 percent from €138.7 million a year earlier. This increase was due primarily to improved prices and to volume growth. Cyclodextrins, for instance, performed particularly well in the reporting period. Changes in exchange rates also had a positive effect on revenue.

EBITDA at WACKER BIOSOLUTIONS came in at €7.7 million in the first six months of 2022, down 56 percent versus a year earlier (€17.4 million). The reasons for this decline

included the temporary outage of a production facility in Burghausen, higher energy and raw-material prices, and integration costs at the San Diego site. The EBITDA margin was 4.8 percent in the first half of the year, after 12.5 percent a year earlier.

WACKER BIOSOLUTIONS' capital expenditures came to €21.1 million in the reporting period, versus €11.3 million a year earlier. Investment projects included expansion of the Amsterdam and Halle sites.

**WACKER POLYSILICON**

€ million	6M 2022	6M 2021	Change in %
External sales	1,093.5	651.2	67.9
Internal sales	–	–	–
<b>Total sales</b>	<b>1,093.5</b>	<b>651.2</b>	<b>67.9</b>
<b>EBIT</b>	<b>378.8</b>	<b>135.9</b>	<b>&gt;100</b>
EBIT margin (%)	34.6	20.9	–
Depreciation/amortization	59.5	63.8	–6.7
<b>EBITDA</b>	<b>438.3</b>	<b>199.7</b>	<b>&gt;100</b>
EBITDA margin (%)	40.1	30.7	–
Capital expenditures	22.8	10.5	>100
R&D expenses	12.9	10.5	22.9

As of	June 30, 2022	Dec. 31, 2021	Change in %
Employees (number)	2,175	2,219	–2.0

In the first half of 2022, WACKER POLYSILICON posted total sales of €1,093.5 million, up 68 percent from €651.2 million a year earlier. The main driver of this increase was significantly higher average prices for solar-grade silicon. On the other hand, somewhat reduced volumes year over year were a minor brake on sales growth. One reason for this was that polysilicon inventories were reduced in the first half of 2021, which was not possible in the reporting period. Prices for semiconductor-grade silicon also rose year over year, while the share of semiconductor-grade silicon in the total sales volume grew further.

At €438.3 million, WACKER POLYSILICON's reporting-period EBITDA was more than double the level of a year earlier (€199.7 million). This strong growth was due chiefly to substantially higher prices. Production-efficiency measures as well as further progress in reducing the cost of goods sold also had a positive effect on EBITDA. Higher energy and raw-material prices, however, significantly diminished the division's EBITDA. The EBITDA margin from January through June 2022 was 40.1 percent, compared with 30.7 percent a year earlier.

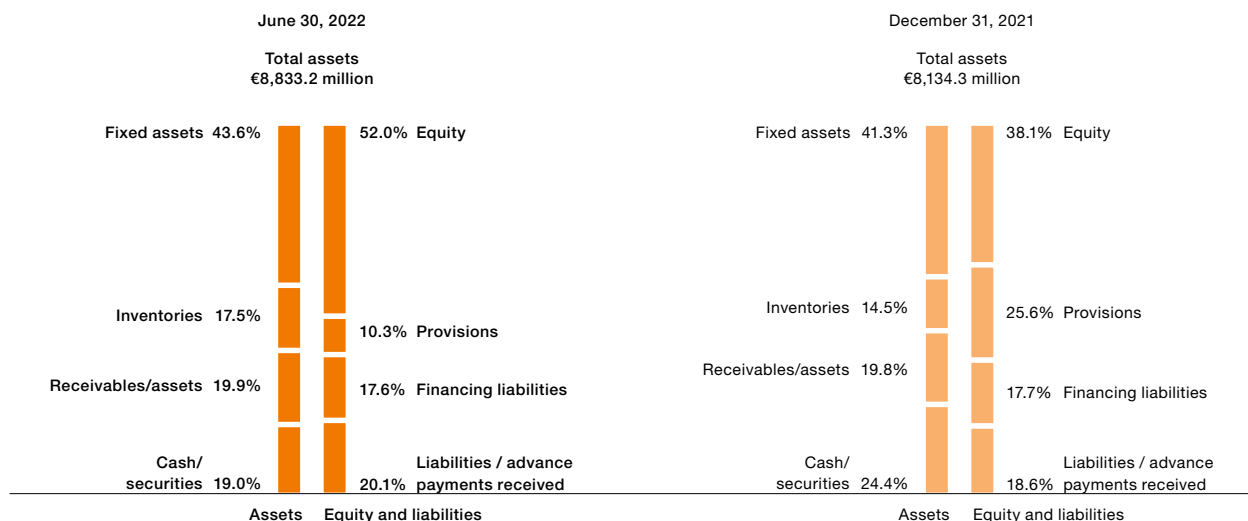
WACKER POLYSILICON's capital expenditures came to €22.8 million in the reporting period, versus €10.5 million a year earlier.



# Net Assets and Financial Position

June 30, 2022

## Asset and Capital Structure



WACKER's total assets amounted to €8.83 billion as of June 30, 2022, after €8.13 billion as of December 31, 2021. This was mainly attributable to growth in fixed assets, but working capital also increased, rising by 50 percent compared with year-end 2021.

### Fixed Assets Rise Substantially

Relative to the end of last year, fixed assets (including equity-accounted investments) increased significantly due to higher capital expenditures and to exchange-rate effects, amounting to €3.85 billion (Dec. 31, 2021: €3.36 billion). Right-of-use assets under new leasing agreements increased fixed assets by €120 million. Furthermore, there was a difference of €123 million between the purchase price and the proportional share in net assets from the acquisition of a 60-percent stake in sico Performance Material Co., Ltd., Jining (China). Investments in joint ventures and associates accounted for using the equity method increased by €146.9 million. This rise was attributable

both to strong earnings at Siltronic AG and to the positive effects of remeasurement gains on provisions for pensions at Siltronic, which is accounted for using the equity method. Depreciation and amortization of €191.5 million – versus €184.4 million a year earlier – reduced the carrying amount of property, plant and equipment. Capital expenditures added €183.5 million to fixed assets.

### Working Capital Grows

Working capital climbed by 50 percent to €1.86 billion (Dec. 31, 2021: €1.24 billion). Trade receivables grew by 46 percent amid higher selling prices and strong customer demand. Inventories increased by 32 percent in line with business levels and also due to strained supply chains and higher raw-material prices. At the same time, trade payables went up by 17 percent. This, too, was attributable to the increased business volume as well as to higher prices for all major raw materials.

### Change in Working Capital

€ million	June 30, 2022	Dec. 31, 2021	Change in %
Trade receivables	1,201.0	824.8	45.6
Inventories	1,549.3	1,177.0	31.6
Trade payables	-891.1	-761.9	17.0
<b>Working capital</b>	<b>1,859.2</b>	<b>1,239.9</b>	<b>49.9</b>

### Liquidity Decreases Due to Dividend Payments and to Acquisition of Stake in sico

As of June 30, 2022, WACKER recognized liquid assets (current and noncurrent securities, cash and cash equivalents) of €1.68 billion (Dec. 31, 2021: €1.98 billion), down by 15 percent.

### Provisions for Pensions Decline Significantly Due to Higher Discount Rates

As of the reporting date, provisions for pensions came to €663.6 million (Dec. 31, 2021: €1.81 billion), down by €1.15 billion. The discount rates applied were 3.30 percent in Germany (Dec. 31, 2021: 1.24 percent) and 4.46 percent in the USA (Dec. 31, 2021: 2.66 percent).

### Equity Ratio at 52 Percent

Group equity increased compared with year-end 2021 and amounted to €4.59 billion as of June 30, 2022 (Dec. 31, 2021: €3.10 billion). The corresponding equity ratio was 52.0 percent (Dec. 31, 2021: 38.1 percent). The main factors in this were excellent net income for the period, changes in provisions for pensions, and exchange-rate differences. The adjustment in provisions for pensions, which was recognized in other comprehensive income, increased equity by €936.7 million. Exchange-rate effects lifted equity by €136.3 million. The dividend paid by Wacker Chemie AG lowered equity by €397.4 million.

### Net Cash Flow

€ million	6M 2022	6M 2021	Change in %
Cash flow from operating activities (gross cash flow)	456.2	490.9	-7.1
Cash flow from long-term investing activities before securities	-341.6	-151.6	>100
<b>Net cash flow</b>	<b>114.6</b>	<b>339.3</b>	<b>-66.2</b>

### Gross Cash Flow

Cash flow from operating activities (gross cash flow) totaled €456.2 million from January through June 2022 (compared with €490.9 million a year earlier). It mainly comprised net income before depreciation and amortization of €985.0 million, versus €475.5 million a year earlier. Changes to working capital had a major effect on gross cash flow, in contrast with the same period last year. They amounted to €554.3 million, versus €0.6 million a year earlier.

### Cash Flow from Investing Activities

From January through June 2022, cash flow from investing activities came to €-341.6 million, up from the year-earlier figure of €-151.6 million. It mainly comprised ongoing capital expenditures for the chemical divisions and cash outflows for the acquisition of a 60-percent stake in sico Performance Materials Co., Ltd., Jining, China.

### Net Cash Flow

Due to the effects described above, net cash flow in the first six months of 2022 amounted to €114.6 million, compared with €339.3 million a year earlier.

### Cash Flow from Financing Activities

Cash flow from financing activities totaled €–433.1 million in the reporting period (versus €–134.6 million a year earlier) and mainly comprised the dividend of €397.4 million paid by Wacker Chemie AG.

### Financing Liabilities Increase

Noncurrent and current financing liabilities increased as of June 30, 2022, and amounted to €1.56 billion (Dec. 31, 2021: €1.44 billion). The increase was chiefly attributable to higher lease liabilities in connection with commissioning of the new Innovation Center in the USA. In May 2022, WACKER

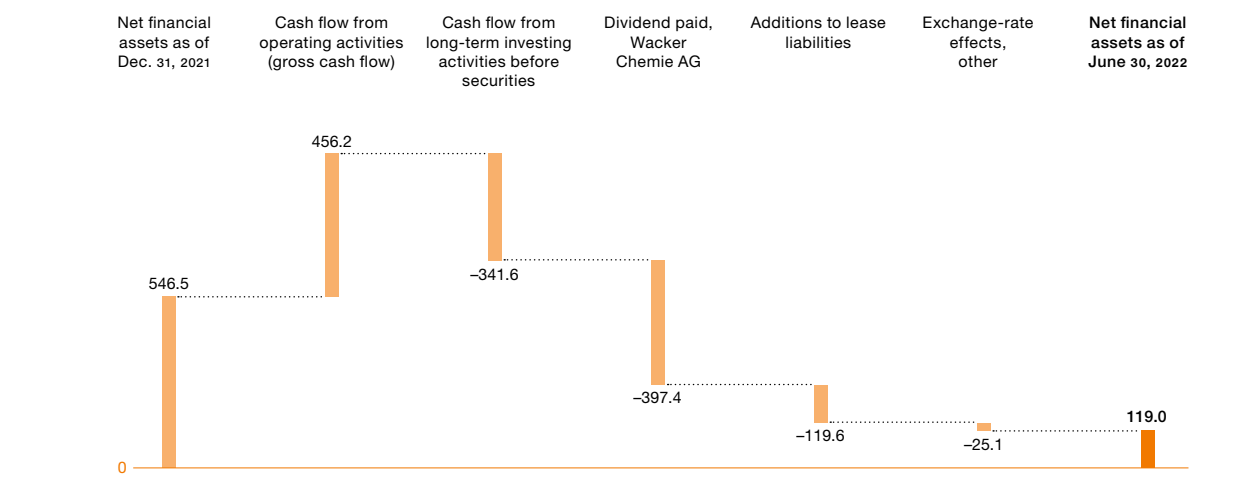
took out a new long-term fixed-interest loan in the amount of €290 million. Prior to this, the company repaid €300 million in financial liabilities. Changes in exchange rates impacted financing liabilities in the amount of €25 million.

### Net Financial Assets of €119 Million

Net financial assets – the balance of noncurrent and current financing liabilities and liquid assets – declined markedly. As of June 30, 2022, WACKER recognized net financial assets of €119.0 million (Dec. 31, 2021: net financial assets of €546.5 million). This decrease was due to higher capital expenditures and the strongly negative cash flow from financing activities.

### Net Financial Assets

€ million



# Opportunities and Risks

## Assessments of Opportunities and Risks Remain Unchanged

The key risk areas that might adversely affect our business situation, net assets, financial position and earnings in 2022 were explained in detail in our 2021 Annual Report, as were the main opportunities for our business and the nature of our risk management system.

» See 2021 Annual Report, pages 87 to 100

The statements and assessments made there did not change materially in the reporting period.

The risks from higher energy and raw-material prices, from the war in Ukraine and its consequences, and from rising inflation in many countries remain a cause of considerable uncertainty in markets. At the moment, it is not possible to estimate with any accuracy what repercussions these risks could have for the economy and for WACKER during the rest of this year.

The lower end of our projected range for full-year EBITDA – at €1.8 billion – takes into account any negative impacts that could result from the natural gas supply situation. We are currently reckoning with additional costs of €200–250 million in this context. If this scenario does not materialize, it is possible that full-year EBITDA will be correspondingly higher.

Apart from that, we have not identified any further significant risks or opportunities that go beyond what we described in the 2021 Annual Report. We can never rule out that there may be other business-related risks and opportunities of which we are currently unaware or currently consider to be insignificant. But we do not expect risks to occur which, either in isolation or in combination with other risks, might endanger the continued existence of WACKER as a going concern.

# Outlook Update

## Full-Year Forecast Raised

We detailed our projections for the Group's performance this year in the Outlook section of our 2021 Annual Report.

» See 2021 Annual Report, pages 101 to 106

In view of the positive business trend, we had already revised our sales forecast upward when we presented our figures for Q1 2022. On June 13, 2022, we announced that, based on our then-current estimates, we expected to post EBITDA of around €600 million and sales of around €2.1 billion in Q2 2022. We also announced that we would revise upward our guidance for full-year 2022.

We now expect to post full-year sales of around €8.0 billion to €8.5 billion (previous guidance: €7.5 billion). Full-year EBITDA is likely to come in between €1.8 billion and €2.3 billion (previous guidance: between €1.2 billion and €1.5 billion).

These higher expectations are the result of the continuing positive trend in the selling prices of our products and unabated strong demand in numerous customer sectors. Higher energy and raw-material costs are likely to impact EBITDA by somewhere around €1.5 billion (previous guidance: €1.1 billion). Our current forecast takes this into account. However, a substantial portion of these additional costs is to be passed on in the form of price increases.

The lower end of our projected range for EBITDA of between €1.8 billion and €2.3 billion takes into account additional risks that could arise from the natural gas supply situation. We have taken the precaution of factoring in a further €200–250 million in additional costs, on top of the energy and raw-material price increases already taken into account. Without this additional cost burden, we are confident that our divisions can achieve total EBITDA of between €2.0 billion and €2.3 billion.

The new forecast for EBITDA also changes our estimate for the full-year EBITDA margin, which we now expect to be roughly on par with last year (previous guidance: substantially lower than last year). Group net income for the year is now expected to be substantially higher than last year (previous guidance: substantially lower than last year). The guidance for our remaining financial KPIs is unchanged versus the forecasts made in our 2021 Annual Report.

# Statement of Income

January 1 to June 30, 2022

€ million	6M 2022	6M 2021	Change in %
<b>Sales</b>	<b>4,250.4</b>	<b>2,860.6</b>	<b>48.6</b>
Cost of goods sold	-2,936.6	-2,186.9	34.3
<b>Gross profit from sales</b>	<b>1,313.8</b>	<b>673.7</b>	<b>95.0</b>
Selling expenses	-160.3	-144.5	10.9
Research and development expenses	-84.9	-84.1	1.0
General administrative expenses	-85.3	-74.8	14.0
Other operating income	85.3	33.1	>100
Other operating expenses	-51.1	-27.5	85.8
<b>Operating result</b>	<b>1,017.5</b>	<b>375.9</b>	<b>&gt;100</b>
Result from investments in joint ventures and associates <sup>1</sup>	59.8	18.4	>100
Other investment income	0.7	-	n.a.
<b>EBIT (earnings before interest and taxes)</b>	<b>1,078.0</b>	<b>394.3</b>	<b>&gt;100</b>
Interest income	2.4	2.9	-17.2
Interest expenses	-13.2	-11.7	12.8
Other financial result	-28.4	-11.3	>100
<b>Financial result</b>	<b>-39.2</b>	<b>-20.1</b>	<b>95.0</b>
<b>Income before income taxes</b>	<b>1,038.8</b>	<b>374.2</b>	<b>&gt;100</b>
Income taxes	-245.3	-83.1	>100
<b>Net income for the period</b>	<b>793.5</b>	<b>291.1</b>	<b>&gt;100</b>
Of which			
Attributable to Wacker Chemie AG shareholders	774.4	282.1	>100
Attributable to non-controlling interests	19.1	9.0	>100
<b>Earnings per common share (basic/diluted) (€)</b>	<b>15.59</b>	<b>5.68</b>	<b>&gt;100</b>
Average number of shares outstanding (weighted)	49,677,983	49,677,983	-

<sup>1</sup> Prior-year figures for investments in joint ventures and associates contain income from Siltronic following reversal of classification in accordance with IFRS 5

# Statement of Comprehensive Income

January 1 to June 30, 2022

€ million	6M 2022	6M 2021
<b>Net income for the period<sup>1</sup></b>	<b>793.5</b>	<b>291.1</b>
<b>Items not subsequently reclassified to the statement of income</b>		
Remeasurement of defined benefit plans <sup>1</sup>	936.7	410.8
Of which income tax effects	-340.8	-148.1
<b>Sum of items not reclassified to the statement of income</b>	<b>936.7</b>	<b>410.8</b>
Of which result from investments accounted for using the equity method	94.1	43.2
<b>Items subsequently reclassified to the statement of income<sup>1</sup></b>		
Difference from foreign currency translation adjustment	136.3	67.7
Of which recognized in profit or loss	-	-
Changes in fair value of securities (FVOCI)	-7.5	-
Of which income tax effects	3.0	-
Of which recognized in profit or loss	-	-
Changes in fair value of derivative financial instruments (cash flow hedge)	0.2	-9.3
Of which income tax effects	-0.1	3.7
Of which recognized in profit or loss	9.2	-4.3
<b>Sum of items reclassified to the statement of income</b>	<b>129.0</b>	<b>58.4</b>
Of which result from investments accounted for using the equity method	20.8	4.5
<b>Income and expenses recognized in equity</b>	<b>1,065.7</b>	<b>469.2</b>
Of which		
Attributable to Wacker Chemie AG shareholders	1,065.0	467.7
Attributable to non-controlling interests	0.7	1.5
<b>Total income and expenses reported</b>	<b>1,859.2</b>	<b>760.3</b>
Of which		
Attributable to Wacker Chemie AG shareholders	1,839.4	749.8
Attributable to non-controlling interests	19.8	10.5

<sup>1</sup> Prior-year figures contain income from Siltronic following reversal of classification in accordance with IFRS 5

# Statement of Financial Position

As of June 30, 2022

€ million	June 30, 2022	Dec. 31, 2021	Change in %
<b>ASSETS</b>			
Intangible assets	173.9	45.9	>100
Property, plant and equipment	2,572.1	2,466.9	4.3
Right-of-use assets	246.9	138.8	77.9
Investment property	1.5	2.3	-34.8
Investments in joint ventures and associates accounted for using the equity method	855.8	708.9	20.7
Securities	184.2	318.5	-42.2
Other financial assets	22.1	18.8	17.6
Other receivables and assets	16.2	16.5	-1.8
Deferred tax assets	239.8	569.7	-57.9
<b>Noncurrent assets</b>	<b>4,312.5</b>	<b>4,286.3</b>	<b>0.6</b>
Inventories	1,549.3	1,177.0	31.6
Trade receivables	1,201.0	824.8	45.6
Other financial assets	29.5	33.4	-11.7
Other receivables and assets	209.7	118.1	77.6
Income tax receivables	37.8	29.9	26.4
Securities and fixed-term deposits	634.5	738.2	-14.0
Cash and cash equivalents	858.9	926.6	-7.3
<b>Current assets</b>	<b>4,520.7</b>	<b>3,848.0</b>	<b>17.5</b>
<b>Total assets</b>	<b>8,833.2</b>	<b>8,134.3</b>	<b>8.6</b>



€ million	June 30, 2022	Dec. 31, 2021	Change in %
<b>EQUITY AND LIABILITIES</b>			
Subscribed capital of Wacker Chemie AG	260.8	260.8	–
Capital reserves of Wacker Chemie AG	157.4	157.4	–
Treasury shares	–45.1	–45.1	–
Retained earnings	3,810.5	3,433.5	11.0
Other equity items	276.9	–788.1	n.a.
<b>Equity attributable to Wacker Chemie AG shareholders</b>	<b>4,460.5</b>	<b>3,018.5</b>	<b>47.8</b>
Non-controlling interests	130.1	81.9	58.9
<b>Equity</b>	<b>4,590.6</b>	<b>3,100.4</b>	<b>48.1</b>
Provisions for pensions	663.6	1,813.4	–63.4
Other provisions	223.0	247.7	–10.0
Financing liabilities	1,095.1	1,064.0	2.9
Other financial liabilities	12.0	13.4	–10.4
Income tax liabilities	123.5	117.5	5.1
Contract liabilities	176.1	56.3	>100
Other liabilities	1.3	–	n.a.
Deferred tax liabilities	9.9	9.7	2.1
<b>Noncurrent liabilities</b>	<b>2,304.5</b>	<b>3,322.0</b>	<b>–30.6</b>
Other provisions	22.4	21.8	2.8
Financing liabilities	463.5	372.8	24.3
Trade payables	891.1	761.9	17.0
Other financial liabilities	41.0	30.5	34.4
Income tax liabilities	164.4	69.0	>100
Contract liabilities	94.6	168.3	–43.8
Other liabilities	261.1	287.6	–9.2
<b>Current liabilities</b>	<b>1,938.1</b>	<b>1,711.9</b>	<b>13.2</b>
<b>Liabilities</b>	<b>4,242.6</b>	<b>5,033.9</b>	<b>–15.7</b>
<b>Total equity and liabilities</b>	<b>8,833.2</b>	<b>8,134.3</b>	<b>8.6</b>

# Statement of Cash Flows

January 1 to June 30, 2022

€ million	6M 2022	6M 2021	Change in %
<b>Net income for the period<sup>1</sup></b>	<b>793.6</b>	<b>291.1</b>	<b>&gt;100</b>
Depreciation/amortization of fixed assets	191.5	184.4	3.9
Result from disposal of fixed assets	2.0	2.6	-23.1
Other non-cash expenses and income	16.7	-89.9	n.a.
Result from equity accounting <sup>1</sup>	-59.8	-18.4	>100
Net interest income	10.8	8.8	22.7
Interest paid	-15.5	-15.6	-0.6
Interest received	3.0	2.1	42.9
Income tax expense	245.3	83.1	>100
Taxes paid	-157.3	-25.0	>100
Dividends received	27.7	23.0	20.4
Change in inventories	-344.0	21.7	n.a.
Change in trade receivables	-338.7	-194.0	74.6
Change in trade liabilities	128.4	171.7	-25.2
Change in non-financial assets	-78.8	-35.4	>100
Change in financial assets	7.0	9.0	-22.2
Change in provisions	16.4	3.6	>100
Change in non-financial liabilities	-28.7	66.0	n.a.
Change in financial liabilities	-6.8	-4.8	41.7
Change in contract liabilities	43.4	6.9	>100
<b>Cash flow from operating activities (gross cash flow)</b>	<b>456.2</b>	<b>490.9</b>	<b>-7.1</b>
Cash payments and receipts for investments	-212.8	-124.0	71.6
Proceeds from the disposal of fixed assets	1.2	2.5	-52.0
Cash payments for acquisitions	-130.0	-30.1	>100
<b>Cash flow from long-term investing activities before securities</b>	<b>-341.6</b>	<b>-151.6</b>	<b>&gt;100</b>
Cash payments and receipts for the acquisition/disposal of securities and fixed-term deposits	236.5	226.4	4.5
<b>Cash flow from investing activities</b>	<b>-105.1</b>	<b>74.8</b>	<b>n.a.</b>
Dividends paid	-406.6	-110.4	>100
Change in financing liabilities	-10.2	-8.3	22.9
Lease liabilities repaid	-16.3	-15.9	2.5
<b>Cash flow from financing activities</b>	<b>-433.1</b>	<b>-134.6</b>	<b>&gt;100</b>
Change due to exchange-rate fluctuations	14.4	14.5	-0.7
<b>Change in cash and cash equivalents</b>	<b>-67.7</b>	<b>445.6</b>	<b>n.a.</b>
At the beginning of the period	926.6	626.0	48.0
At the end of the period	858.9	1,071.6	-19.8

<sup>1</sup> Prior-year figures contain income from Siltronic following reversal of classification in accordance with IFRS 5

# Statement of Changes in Equity

January 1 to June 30, 2022

€ million	Subscribed capital	Capital reserves	Treasury shares	Retained earnings	Other equity items	Total	Non-controlling interests	Total
Jan. 1, 2021	260.8	157.4	-45.1	2,726.0	-1,473.9	1,625.2	66.6	1,691.8
Net income for the period	-	-	-	282.1	-	282.1	9.0	291.1
Income and expenses recognized in equity	-	-	-	-	467.7	467.7	1.5	469.2
Total comprehensive income	-	-	-	282.1	467.7	749.8	10.5	760.3
Dividends paid	-	-	-	-99.4	-	-99.4	-11.0	-110.4
June 30, 2021	260.8	157.4	-45.1	2,908.7	-1,006.2	2,275.6	66.1	2,341.7
Jan. 1, 2022	260.8	157.4	-45.1	3,433.5	-788.1	3,018.5	81.9	3,100.4
Net income for the period	-	-	-	774.4	-	774.4	19.1	793.5
Income and expenses recognized in equity	-	-	-	-	1,065.0	1,065.0	0.7	1,065.7
Total comprehensive income	-	-	-	774.4	1,065.0	1,839.4	19.8	1,859.2
Dividends paid	-	-	-	-397.4	-	-397.4	-9.2	-406.6
Addition	-	-	-	-	-	-	37.6	37.6
June 30, 2022	260.8	157.4	-45.1	3,810.5	276.9	4,460.5	130.1	4,590.6

Prior-year figures contain income from Siltronic following reversal of classification in accordance with IFRS 5

# Reconciliation of Other Equity Items

January 1 to June 30, 2022

€ million	Changes in fair value of securities – FVOCI	Impairments of securities – FVOCI	Difference from foreign currency translation adjustment	Changes in fair value of derivative financial instruments (cash flow hedge)	Remeasurement of defined benefit plans	Effects of net investments in foreign operations	Total
<b>Attributable to Wacker Chemie AG shareholders</b>							
Jan. 1, 2021	–	–	19.3	11.0	–1,500.5	–3.7	–1,473.9
Changes recognized in equity	–	–	–	–5.0	410.8	–	405.8
Reclassification to the statement of income	–	–	–	–4.3	–	–	–4.3
Changes in exchange rates	–	–	66.2	–	–	–	66.2
June 30, 2021	–	–	85.5	1.7	–1,089.7	–3.7	–1,006.2
Jan. 1, 2022	–1.2	0.1	188.2	–4.9	–966.6	–3.7	–788.1
Changes recognized in equity	–7.5	–	–	–9.0	936.7	–	920.2
Reclassification to the statement of income	–	–	–	9.2	–	–	9.2
Changes in exchange rates	–	–	135.6	–	–	–	135.6
June 30, 2022	–8.7	0.1	323.8	–4.7	–29.9	–3.7	276.9
<b>Attributable to non-controlling interests</b>							
Jan. 1, 2021	–	–	–10.7	–	–	–	–10.7
Changes in exchange rates	–	–	1.5	–	–	–	1.5
June 30, 2021	–	–	–9.2	–	–	–	–9.2
Jan. 1, 2022	–	–	–5.3	–	–	–	–5.3
Changes in exchange rates	–	–	0.7	–	–	–	0.7
June 30, 2022	–	–	–4.6	–	–	–	–4.6

Prior-year figures contain income from Siltronic following reversal of classification in accordance with IFRS 5

# Notes to the Consolidated Financial Statements

January 1 to June 30, 2022

## Accounting and Valuation Methods

The consolidated interim financial statements of Wacker Chemie AG as of June 30, 2022, have been prepared in accordance with the provisions of International Accounting Standard (IAS) 34 and presented in condensed form on the basis of the International Financial Reporting Standards (IFRS) – as issued by the International Accounting Standards Board, London, endorsed by the European Union and applicable on the closing date – and on the basis of the interpretations of the IFRS Interpretations Committee. The accounting and valuation methods applicable in 2021 have been supplemented by the new accounting standards to be applied for the first time in 2022. There were no material changes to WACKER's accounting and valuation methods in 2022. Apart from that, the accounting and valuation methods remained unchanged.

The preparation of the interim financial statements necessitates assumptions and estimates affecting the amounts and the reporting of the recognized assets and liabilities, income and expenses, and contingent liabilities. All assumptions and estimates are based on projections that were valid on the reporting date. The actual values may differ from these assumptions and estimates if the economic conditions referred to do not develop in line with the expectations as of the reporting date. Taxes are calculated in the same manner as at year-end, namely by determining the tax expenses as of the interim reporting date. The option pursuant to IAS 34 of making an estimate is not exercised.

As of each reporting date, the net defined benefit obligation must be reassessed and the discount factor newly determined. Net pension provisions were determined as of June 30, 2022, using discount factors of 3.30 percent in Germany and 4.46 percent in the USA (June 30, 2021: 1.16 percent in Germany and 2.66 percent in the USA). As of December 31, 2021, the discount factors were 1.24 percent in Germany and 2.66 percent in the USA. The assumed annual pension growth rate in Germany was adjusted from last year's rate of 1.8 percent to 2.0 percent.

The interim report is an information tool that builds on the consolidated financial statements at year-end. The accounting, valuation and consolidation methods used and the exercising of options contained in the IFRSs are explained in detail in the Notes.

The Group's parent company, Wacker Chemie AG, is a listed stock corporation under the laws of the Federal Republic of Germany and has its headquarters in Munich (entered in Munich's commercial register under HRB 159705). Its registered office is at Hanns-Seidel-Platz 4, 81737 Munich, Germany.

## Seasonal Influences

Sales of polymer and silicone products to the construction industry are subject to seasonal fluctuations over the year. Volumes are higher in the summer months than in the winter, when the construction industry slows down. Overseas sales can mitigate this effect. Sales, particularly for the WACKER POLYMERS segment, are usually lower in Q1 and Q4 than in Q2 and Q3.

## Revenue from Contracts with Customers

At WACKER, the sales revenue per segment corresponds to the Group's different product categories. The differences between chemical products, and also between market and customer groups, are evident in the segments. The particular region to which WACKER supplies its products also has a major impact on revenue. WACKER recognizes the majority of its sales at specific delivery dates. In the case of customer-specific orders at WACKER BIOSOLUTIONS, sales are recognized over time. The following table shows the disaggregation of revenue in accordance with IFRS 15.

### Disaggregation of Revenue in Accordance with IFRS 15: January 1 to June 30, 2022

€ million	WACKER SILICONES		WACKER POLYMERS		WACKER BIOSOLUTIONS		WACKER POLYSILICON		Other/ consolidation		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Revenue by region</b>												
Europe	842.5	604.7	485.4	355.4	71.4	64.1	90.1	61.9	67.5	55.2	1,556.9	1,141.3
The Americas	318.1	201.3	262.4	164.1	54.4	42.9	17.7	6.8	0.1	–	652.7	415.1
Asia	576.8	375.3	242.3	179.4	26.1	25.7	985.7	575.6	–	0.4	1,830.9	1,156.4
Other regions	119.8	80.2	80.7	54.7	9.2	6.0	–	6.9	0.2	–	209.9	147.8
<b>Total</b>	<b>1,857.2</b>	<b>1,261.5</b>	<b>1,070.8</b>	<b>753.6</b>	<b>161.1</b>	<b>138.7</b>	<b>1,093.5</b>	<b>651.2</b>	<b>67.8</b>	<b>55.6</b>	<b>4,250.4</b>	<b>2,860.6</b>
Of which outside the scope of IFRS 15	–	–	–	–	–	–	–	–	1.6	2.3	1.6	2.3
<b>Time of revenue recognition</b>												
Point in time	1,857.2	1,261.5	1,070.8	753.6	134.4	96.0	1,093.5	651.2	67.8	55.6	4,223.7	2,817.9
Over time	–	–	–	–	26.7	42.7	–	–	–	–	26.7	42.7
<b>Total</b>	<b>1,857.2</b>	<b>1,261.5</b>	<b>1,070.8</b>	<b>753.6</b>	<b>161.1</b>	<b>138.7</b>	<b>1,093.5</b>	<b>651.2</b>	<b>67.8</b>	<b>55.6</b>	<b>4,250.4</b>	<b>2,860.6</b>

### Other Financial Obligations

For information on disclosures of other financial obligations, please refer to the Notes to the Consolidated Financial Statements in the 2021 Annual Report. During the reporting period, there was a decline in noncurrent obligations because several procurement contracts expired.

### Changes in the Scope of Consolidation

As of June 30, 2022, the scope of consolidation comprised 50 companies (including Wacker Chemie AG) and a special fund, which is included in the consolidated financial statements as a structured entity and to which Wacker Chemie AG has contributed assets (Sondervermögen). The interim financial statements comprised 46 fully consolidated companies. The scope of consolidation changed compared with December 31, 2021.

Wacker Chemicals (China) Co., Ltd., Shanghai, China, signed a share purchase agreement on October 27, 2021, to acquire a stake of 60 percent in sico Performance Material Co., Ltd., Jining, China. The transaction closed on May 1, 2022. sico is a leading manufacturer in China of organofunctional silanes, an important component

in high-performance adhesives, sealants, coatings and composites. The purchase price was €178 million, of which €165 million was paid entirely in cash. As of the quarterly reporting date, a liability of €6 million was recognized for purchase price adjustments. This liability was settled in July. WACKER will pay 5 percent of the purchase price (equivalent to €7 million) in three years.

WACKER acquired assets in the amount of €113 million and liabilities of €21 million. Cash and cash equivalents accounted for €36 million of the acquired assets. The 40-percent non-controlling interest in net assets amounted to €37 million. The difference of €123 million between the purchase price and the proportional share in net assets (reported as goodwill) mainly comprises intangible assets, property, plant and equipment, and goodwill. No purchase price allocation had been conducted as of the publication of this report. The costs of the transaction were expensed and were insignificant. Since being acquired, the company has posted sales of €23 million and recognized positive EBITDA of €8 million. If the acquisition had taken place at the start of the year, sales would have amounted to €78 million and EBITDA to €25 million.

### Reconciliation of Segment Results

€ million	6M 2022	6M 2021	Change in %
EBIT of reporting segments	1,034.4	425.1	>100
Corporate functions / Other	42.0	-30.7	n.a.
Consolidation	1.6	-0.1	n.a.
<b>Group EBIT</b>	<b>1,078.0</b>	<b>394.3</b>	<b>&gt;100</b>
Financial result	-39.2	-20.1	95.0
<b>Income before income taxes</b>	<b>1,038.8</b>	<b>374.2</b>	<b>&gt;100</b>
Income taxes	-245.3	-83.1	>100
<b>Net income for the period</b>	<b>793.5</b>	<b>291.1</b>	<b>&gt;100</b>

Prior-year figures contain income from Siltronic following reversal of classification in accordance with IFRS 5

### Segment Reporting

Please refer to the Division Performance section of the interim management report for the required information on segments.

### Information on Fair Value

The fair value of a financial instrument is the price that would be achieved in the sale of an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The following table shows the carrying amounts and fair values of the Group's financial assets and liabilities.

WACKER measured equity instruments not held for trading in the amount of €12.5 million (versus €12.2 million a year earlier) at fair value pursuant to IFRS 9 and allocated these to Level 3 of the fair value hierarchy. The equity instruments concerned are small, regional investments in non-profit companies that operate infrastructure facilities.

The special fund that is consolidated as a structured entity contains exchange-traded fixed-interest securities that were allocated to the “held-to-collect and for sale” category. Fair value adjustments are recognized in other comprehensive income. WACKER also allocated exchange-traded fixed-interest securities to the category “held-to-collect, measured at amortized cost” as these are held to maturity. The securities are measured using the effective interest method.

### Carrying Amounts and Fair Values of Financial Instruments (IFRS 7)

€ million	June 30, 2022		Dec. 31, 2021	
	Fair value	Carrying amount	Fair value	Carrying amount
Trade receivables	1,201.0	1,201.0	824.8	824.8
Other financial assets	51.6	51.6	52.2	52.2
Loans and sundry other financial assets (measured at amortized cost)	31.9	31.9	38.3	38.3
Investments in equity instruments (FVPL)	12.5	12.5	12.2	12.2
Derivatives that do not qualify for hedge accounting (FVPL)	2.4	2.4	0.3	0.3
Derivatives that qualify for hedge accounting <sup>1</sup>	4.8	4.8	1.4	1.4
Securities and fixed-term deposits	815.7	818.7	1,055.8	1,056.7
Securities and fixed-term deposits (measured at amortized cost)	341.2	344.2	590.3	591.2
Securities (FVPL)	294.2	294.2	271.7	271.7
Securities (FVOCI)	180.3	180.3	193.8	193.8
Cash and cash equivalents (measured at amortized cost)	858.9	858.9	926.6	926.6
<b>Total financial assets</b>	<b>2,927.2</b>	<b>2,930.2</b>	<b>2,859.4</b>	<b>2,860.3</b>
Financing liabilities	1,541.4	1,558.6	1,444.6	1,436.8
Financing liabilities (measured at amortized cost)	1,270.9	1,288.1	1,284.5	1,276.7
Financing liabilities (measured at fair value)	6.2	6.2	6.4	6.4
Liabilities from lease obligations	264.3	264.3	153.7	153.7
Trade payables (measured at amortized cost)	891.1	891.1	761.9	761.9
Other financial liabilities	53.0	53.0	43.9	43.9
Financial liabilities (measured at amortized cost)	32.6	32.6	31.7	31.7
Derivatives that do not qualify for hedge accounting (FVPL)	9.9	9.9	5.4	5.4
Derivatives that qualify for hedge accounting <sup>1</sup>	10.5	10.5	6.8	6.8
<b>Total financial liabilities</b>	<b>2,485.5</b>	<b>2,502.7</b>	<b>2,250.4</b>	<b>2,242.6</b>

<sup>1</sup> Derivatives that qualify for hedge accounting are not covered by IFRS 9, but are reported as such to reconcile the figures to the total shown in the statement of financial position.

The financial assets and liabilities measured at fair value in the financial statements were allocated to one of three categories in accordance with the fair value hierarchy described in IFRS 13. Allocation to these categories reveals which of the fair values reported were settled through market transactions and the extent to which the measurement was based on models in the absence

of observable market transactions. Please refer to the Financial Instruments section of the Notes to the Consolidated Financial Statements in the 2021 Annual Report for a definition of the fair value hierarchy and the allocation of financial assets and liabilities to the categories in this hierarchy.



The following table shows the fair-value-hierarchy classification of financial assets and liabilities:

### Fair Value Hierarchy

€ million	June 30, 2022				Dec. 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Fair value through profit or loss								
Derivatives that do not qualify for hedge accounting (FVPL)	-	2.4	-	2.4	-	0.3	-	0.3
Securities – trading (FVPL)	294.2	-	-	294.2	271.7	-	-	271.7
Investments in equity instruments – trading (FVPL)	-	-	12.5	12.5	-	-	12.2	12.2
Fair value through other comprehensive income								
Derivatives that qualify for hedge accounting	-	4.8	-	4.8	-	1.4	-	1.4
Securities (FVOCI)	180.3	-	-	180.3	193.8	-	-	193.8
<b>Total</b>	<b>474.5</b>	<b>7.2</b>	<b>12.5</b>	<b>494.2</b>	<b>465.5</b>	<b>1.7</b>	<b>12.2</b>	<b>479.4</b>
<b>Financial assets (measured at amortized cost)</b>								
Loans – held-to-collect	-	-	-	-	-	-	-	-
Securities and fixed-term deposits (measured at amortized cost)	341.2	-	-	341.2	590.3	-	-	590.3
<b>Total</b>	<b>341.2</b>	<b>-</b>	<b>-</b>	<b>341.2</b>	<b>590.3</b>	<b>-</b>	<b>-</b>	<b>590.3</b>
<b>Financial liabilities (measured at fair value)</b>								
Fair value through profit or loss								
Derivatives that do not qualify for hedge accounting (FVPL)	-	9.9	-	9.9	-	5.4	-	5.4
Financing liabilities (FVPL)	-	-	6.2	6.2	-	-	6.4	6.4
Fair value through other comprehensive income								
Derivatives that qualify for hedge accounting	-	10.5	-	10.5	-	6.8	-	6.8
<b>Total</b>	<b>-</b>	<b>20.4</b>	<b>6.2</b>	<b>26.6</b>	<b>-</b>	<b>12.2</b>	<b>6.4</b>	<b>18.6</b>
<b>Financial liabilities (measured at amortized cost)</b>								
Financing liabilities	-	1,270.9	-	1,270.9	-	1,284.5	-	1,284.5
<b>Total</b>	<b>-</b>	<b>1,270.9</b>	<b>-</b>	<b>1,270.9</b>	<b>-</b>	<b>1,284.5</b>	<b>-</b>	<b>1,284.5</b>

The market value determined in Level 1 is based on quoted, unadjusted prices in active markets for these assets and liabilities or identical ones. The financial instruments allocated to Level 2 are measured using methods based on parameters that are either directly or indirectly derived from observable market parameters. These include hedging and non-hedging derivative financial instruments, loans and financial liabilities.

In Level 3, the market value is determined on the basis of parameters for which no observable prices are available. This level includes WACKER investments not held for

trading as well as earn-out liabilities from corporate acquisitions. The earn-out liabilities are measured at fair value and recognized under financial liabilities. At the respective reporting date of each quarter, WACKER reviews whether its financial instruments are still allocated to the appropriate levels of the fair value hierarchy. As was the case in the consolidated financial statements for 2021, no reclassifications were carried out between the levels of the fair value hierarchy in the first six months of 2022.

In the period under review, no non-recurring fair value measurements were carried out.

### Related Party Disclosures

IAS 24 stipulates that a person or entity which controls, or is controlled by, Wacker Chemie AG must be disclosed unless the party in question is already included in Wacker Chemie AG's consolidated financial statements as a consolidated company. If a shareholder has more than half of the voting rights in Wacker Chemie AG or, by virtue of provisions in the Articles of Association or contractual arrangements, has the possibility of controlling the financial and business policy of the WACKER Group's Executive Board, that shareholder is deemed to have control.

In the current reporting year, the WACKER Group is affected by the disclosure obligations under IAS 24 with respect to the business relations with Wacker Chemie AG's major shareholders and its Executive Board and Supervisory Board members. The principles of IAS 24 also apply to all transactions with non-consolidated subsidiaries, associates and joint ventures, since Wacker Chemie AG exercises significant influence over them.

The WACKER Group is controlled by its majority shareholder, Dr. Alexander Wacker Familiengesellschaft mbH, which holds over 50 percent of the voting shares in Wacker Chemie AG.

The provision of services between Wacker Chemie AG and its majority shareholder, Dr. Alexander Wacker Familiengesellschaft mbH, as well as with the shareholders of Dr. Alexander Wacker Familiengesellschaft mbH and their close family members, is of subordinate importance. It concerns the renting of office space and the exchange of services, and is of a limited extent. These transactions are conducted at arm's length.

Wacker Chemie AG's pension fund (Pensionskasse der Wacker Chemie VVaG) is also considered a related party pursuant to IAS 24. Provision of services takes place between the two entities in the area of the company pension plan. WACKER makes payments to plan assets to cover pension obligations. Wacker Chemie AG also rents the headquarters building and the land on which it stands from a subsidiary of the pension fund. As of June 30, 2022, lease liabilities totaled €6.7 million (Dec. 31, 2021: €8.7 million). Additional liabilities of €1.5 million (Dec. 31, 2021: €2.5 million) related mainly to outstanding contributions.

Further, WACKER Group companies have not conducted any material transactions with members of Wacker Chemie AG's Executive or Supervisory Boards or with any other key management personnel or with companies of whose executive or supervisory bodies these persons are members. The same applies to close family members of the aforementioned persons.

Business with joint ventures and associates, the pension fund, and non-consolidated subsidiaries is conducted under conditions that are customary between outside third parties (arm's length transactions). Contractually agreed transfer-price formulas have been defined for joint-venture and associated-company product shipments.

The table below shows the volume of supply and service activities with the above-mentioned related parties.

### Related Party Disclosures

€ million	6M 2022		June 30, 2022		6M 2021		Dec. 31, 2021	
	Income	Expenses	Receivables	Liabilities	Income	Expenses	Receivables	Liabilities
Associates	99.6	104.6	22.1	41.1	77.1	59.4	12.7	43.1
Joint ventures	2.0	0.7	0.8	0.2	2.2	1.1	1.2	0.1

## Exchange Rates

	Exchange rate as of		Average exchange rate	
	June 30, 2022	Dec. 31, 2021	6M 2022	6M 2021
USD	1.04	1.13	1.09	1.21
CNY	6.99	7.20	7.08	7.80

### Major Events during the Period

Events during the reporting period that are considered significant in terms of their impact, nature or frequency are described in the interim group management report.

### Events after the Reporting Date

No major events subject to reporting requirements occurred between the closing date (June 30, 2022) and the date of authorization of the half-yearly financial statements (July 27, 2022).

There were no material or fundamental changes in the WACKER Group's overall economic and business environment.

The Group's legal and organizational structure remained unchanged.

Munich, July 27, 2022

Wacker Chemie AG

Christian Hartel

Auguste Willems

Tobias Ohler

Angela Wörl

# Responsibility Statement

We assure to the best of our knowledge that, in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the Group's earnings, net assets and financial position, and the Group's interim management report provides both a fair review of the development and performance of the Group's business and of its situation as well as a description of the principal opportunities and risks associated with the Group's expected development for the remaining months of the fiscal year.

Munich, July 27, 2022

The Executive Board of Wacker Chemie AG

Christian Hartel

Auguste Willems

Tobias Ohler

Angela Wörl

# Review Report

To Wacker Chemie AG, Munich

We have reviewed the condensed interim consolidated financial statements of Wacker Chemie AG – comprising the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the statement of changes in equity and selected explanatory notes – together with the interim group management report of Wacker Chemie AG, for the period from January 1 through, June 30, 2022, that are part of the semi annual financial report according to § 115 WpHG [“Wertpapierhandelsgesetz”: “German Securities Trading Act”]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Munich, July 27, 2022

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Original German version signed by:

Huber-Straßer

Wirtschaftsprüferin

[German Public Auditor]

Prof. Dr. Grottel

Wirtschaftsprüfer

[German Public Auditor]

## 2022 Financial Calendar



Interim Report on the 3rd Quarter of 2022

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This Interim Report 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.

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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