

PRESS RELEASE

Number 4

WACKER Posts New All-Time Highs for Sales, Earnings and Net Cash Flow in 2021

- ◆ GROUP SALES OF €6.20 BILLION UP BY A THIRD VERSUS A YEAR EARLIER
- ◆ AT €1.5 BILLION, EBITDA MORE THAN DOUBLES YEAR OVER YEAR
- ◆ EBIT COMES IN AT AROUND €1.09 BILLION
- ◆ NET INCOME FOR 2021 AMOUNTS TO €780 MILLION
- ◆ NET CASH FLOW OF €760 MILLION BEATS STRONG PRIOR-YEAR FIGURE

Munich, January 26, 2022 – Wacker Chemie AG ended 2021 with new all-time highs for sales, earnings and net cash flow. According to preliminary figures, the Munich-based chemical group posted total sales of €6.20 billion in the reporting year. That was 32 percent more than in 2020 (€4.69 billion). This strong rise was mainly due to volume growth and higher selling prices across every business division. Exchange-rate effects, on the other hand, dampened sales somewhat.

The Group's preliminary EBITDA (earnings before interest, taxes, depreciation and amortization) reached €1.50 billion in 2021 (2020: €666 million), more than double the year-earlier figure. Operating performance was lifted not only by higher volumes and prices, but also by cost savings from the Group's ongoing efficiency program. On the other hand, some prices for raw-materials and energy were markedly higher, reducing EBITDA by about €500 million.

Due to the effects mentioned above, EBIT (earnings before interest and taxes) increased to about €1.09 billion (2020: €263 million). Depreciation and amortization came in at around €400 million, essentially on par with the previous year's €404 million. Net income reached some €780 million in 2021 (2020: €202 million).

“All our business divisions contributed to last year's strong sales growth,” said CEO Christian Hartel. “Demand remained robust throughout the year in most of our customer sectors. We also achieved substantially higher prices for our products than in 2020, helping us compensate for the strong increase in some raw-material prices. Demand remains high as we enter 2022, underscoring the excellent growth prospects of our business portfolio.”

Investments, Net Cash Flow and Net Financial Assets

According to preliminary figures, WACKER's capital expenditures reached €340 million in 2021 (2020: €224 million), up 52 percent versus a year earlier. The investment focus was on expanding capacity for silicone and polymer products.

Net cash flow totaled some €760 million in 2021 (2020: €698 million), up 9 percent year over year. This increase was fueled mainly by cash inflows from operating activities. Payments to a trust company to partially finance WACKER's pension obligations from direct commitments lowered reported net cash flow by about €250 million. This arrangement concerns the company pension benefits that go beyond the basic pension provided by Pensionskasse der Wacker Chemie VVaG. The above-mentioned figure was recognized as pension plan assets in WACKER's statement of financial position, lowering pension provisions by the same amount. Also due to higher discount rates, pension provisions totaled € 1.8 billion at year-end

2021 (Dec. 31, 2020: € 2.71 billion). WACKER expects the return on the new plan assets to ease the future burden from pension commitments. That, in turn, will have a positive impact on key items in the statement of financial position and statement of cash flows.

As of December 31, 2021, WACKER reported net financial assets of about €550 million (Dec. 31, 2020: net financial debt of €68 million).

Business Divisions

In 2021, all of WACKER's business divisions posted substantial sales gains due to volume growth and better prices. Polysilicon activities performed particularly well.

WACKER SILICONES generated annual sales of €2.60 billion, beating its prior-year figure (€2.24 billion) by 16 percent. Sales at WACKER POLYMERS reached €1.67 billion in 2021 (2020: €1.30 billion), an increase of 28 percent. WACKER BIOSOLUTIONS lifted its sales by 20 percent to €295 million (2020: €246 million). At €1.53 billion, WACKER POLYSILICON's sales were almost twice as high versus the previous year (€792 million).

Individual business segments' EBITDA developed unevenly in 2021. WACKER posted substantial gains for polysilicon and silicones, while EBITDA from bioengineered products edged up. On the other hand, EBITDA for dispersions and dispersible polymer powders declined somewhat amid much higher raw-material prices. Cost savings from the Group's ongoing efficiency program strengthened EBITDA at every division.

WACKER SILICONES generated EBITDA of €555 million in 2021 (2020: €388 million). That was an increase of 43 percent. Alongside volume growth and better prices for silicones, the division mainly

benefited from the growing share of higher-margin specialties in its portfolio.

At WACKER POLYMERS, EBITDA came in at €255 million (2020: €271 million). The main reason for this 6-percent decline was the substantial year-over-year rise in raw-material prices. However, volume growth and price increases almost offset this effect.

WACKER BIOSOLUTIONS generated EBITDA of €40 million (2020: €38 million), an increase of 5 percent.

In 2021, WACKER POLYSILICON benefited from volume growth and, above all, from markedly higher prices for solar-grade polysilicon. The division increased its EBITDA to €655 million (2020: €5 million). The focus on high-quality polysilicon for semiconductor applications and further improvements in production costs also had a positive effect on the operating result.




WACKER's Key Preliminary Figures

€ million	2021e	2020	Change in %
Sales	6,200	4,692	32
EBITDA	1,500	666	>100
EBITDA margin (%)	24	14	–
EBIT	1,090	263	>100
EBIT margin (%)	18	6	–
Net income for the year	780	202	>100
Capital expenditures	340	224	52
Net cash flow	760	698	9

The figures and forecasts for 2021 in this press release are preliminary and unaudited. Wacker Chemie AG will publish its 2021 Annual Report on March 15, 2022.

This press release contains forward-looking statements based on assumptions and estimates of WACKER's Executive Board. Although we assume the expectations in these forward-looking statements are realistic, we cannot guarantee they will prove to be correct. The assumptions may harbor risks and uncertainties that may cause the actual figures to differ considerably from the forward-looking statements. Factors that may cause such discrepancies include, among other things, changes in the economic and business environment, variations in exchange and interest rates, the introduction of competing products, lack of acceptance for new products or services, and changes in corporate strategy. WACKER does not plan to update its forward-looking statements, nor does it assume the obligation to do so.

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The Company in Brief:

WACKER is a global chemical company with some 14,300 employees and annual sales of around €4.69 billion (2020).
WACKER has a global network of 26 production sites, 23 technical competence centers and 52 sales offices.

WACKER SILICONES

Silicone fluids, emulsions, rubber grades and resins; silanes; pyrogenic silicas; thermoplastic silicone elastomers

WACKER POLYMERS

Polyvinyl acetates and vinyl acetate copolymers and terpolymers in the form of dispersible polymer powders, dispersions, solid resins and solutions

WACKER BIOSOLUTIONS

Biotech products such as cyclodextrins, cysteine and biologics, as well as fine chemicals and PVAc solid resins

WACKER POLYSILICON

Polysilicon for the semiconductor and photovoltaic industries