

PRESS RELEASE

Number 11

After Record Sales in 2021, WACKER Continues its Growth in 2022

- ◆ SALES GROW BY 32 PERCENT IN 2021 TO REACH €6.21 BILLION, WITH EBITDA MORE THAN DOUBLING TO €1.54 BILLION
- ◆ NET INCOME REACHES €828 MILLION
- ◆ DIVIDEND CLIMBS SUBSTANTIALLY TO €8.00 PER SHARE, EQUIVALENT TO A PAYOUT OF €397 MILLION
- ◆ WACKER EXPECTS TO POST GROUP SALES OF APPROXIMATELY €7 BILLION IN 2022
- ◆ EBITDA ANTICIPATED TO COME IN BETWEEN €1.2 BILLION AND €1.5 BILLION, WITH IMPACT OF HIGHER ENERGY AND RAW-MATERIAL COSTS AT AROUND €1 BILLION
- ◆ NET CASH FLOW PROJECTED TO BE CLEARLY POSITIVE AGAIN IN 2022, BUT SUBSTANTIALLY LOWER YEAR OVER YEAR
- ◆ GROUP NET INCOME WILL BE BELOW THE RECORD SET IN 2021

Munich, March 15, 2022 – As already reported, Wacker Chemie AG ended 2021 with new all-time highs for sales, earnings and net cash flow. Presenting its annual report today, the Munich-based chemical company posted Group sales of €6.21 billion in 2021 (2020: €4.69 billion), up 32 percent year over year. This strong rise was mainly due to higher selling prices and volume growth across every business

division. Exchange-rate effects, on the other hand, dampened sales somewhat.

At €1.54 billion, EBITDA (earnings before interest, taxes, depreciation and amortization) in 2021 was more than double the prior-year figure (2020: €666 million), yielding an EBITDA margin of 24.8 percent (2020: 14.2 percent). Operating performance was driven not only by higher prices and volumes, but also by cost savings from the Group's ongoing efficiency program. On the other hand, prices for some raw materials and energy were markedly higher, lowering EBITDA by about €500 million.

Group EBIT (earnings before interest and taxes) totaled €1.13 billion in the reporting year (2020: €263 million), resulting in an EBIT margin of 18.3 percent (2020: 5.6 percent). The strong year-over-year increase is chiefly attributable to the high EBITDA figure in combination with almost unchanged depreciation/amortization. Depreciation amounted to €404 million in 2021 (2020: €404 million). Net income for 2021 was €828 million (2020: €202 million).

WACKER is headed for a new record with its dividend. The Executive and Supervisory Boards will propose a dividend of €8.00 per share at the Annual Shareholders' Meeting. Accordingly, WACKER will be distributing roughly 50 percent of its net income for the year, in line with its dividend policy. Based on the number of shares entitled to dividends as of December 31, 2021, the total cash dividend corresponds to a payout of €397 million. Calculated in relation to WACKER's average share price in 2021, the dividend yield is 6.0 percent.

WACKER wants to accelerate its growth in the coming years. Sales for 2022 are targeted at €7 billion. Higher prices, higher volumes for chemical business and positive product-mix effects across all divisions

will be the main growth drivers. The Group's EBITDA for 2022 is likely to come in between €1.2 billion and €1.5 billion – which, on the high end, would be close to last year's figure. Higher energy and raw-material costs are likely to impact EBITDA by around €1 billion. However, a substantial share of these additional costs is planned to be passed on in the form of price increases. Savings from the ongoing efficiency programs at WACKER will have a positive impact on the earnings trend. Group net income will be substantially lower than last year's figure.

During the first two months of the current year, WACKER's business remained on a dynamic trajectory. Demand has been robust across all business divisions, with Group sales and EBITDA both clearly higher than last year. Overall, WACKER expects to post Group sales of about €2 billion in Q1 2022 (Q1 2021: €1.36 billion). Group EBITDA in Q1 2022 is also poised for substantial growth and will rise more strongly than sales year over year, chiefly due to higher selling prices as well as continued high demand. In addition, WACKER benefited at the beginning of the year from the raw materials and energy it had procured last year at more favorable conditions.

“Although we are exercising due caution in the face of the armed conflict in Ukraine and the ongoing pandemic, we are optimistic about 2022,” said CEO Christian Hartel in Munich on Tuesday. “We expect our chemical business to perform well during the rest of the year, and anticipate higher prices, volume growth and positive product-mix effects in this segment. In our polysilicon business, we also expect to see higher prices and a better product mix.”

Referring to the developments in Eastern Europe, Hartel expressed his shock and concern: “Our thoughts and sympathy are with those suffering from the fighting in Ukraine.”

At this time, there is no way of estimating reliably what additional political and economic consequences could arise from Russia's invasion of Ukraine, said Hartel. The direct impact on the volume side would be limited, as Hartel explained: "All of the CIS states combined make up less than 2 percent of Group sales." On the other hand, the sharp rise in gas and electricity prices in particular are a source of concern.

Capital Expenditures

In 2021, the Group's capital expenditures amounted to €344 million (2020: €224 million), up 53 percent year over year.

Investing activities last year continued to focus on capacity expansion at WACKER's chemical divisions. At its site in Nanjing, China, WACKER is currently building a new dispersion reactor as well as a spray dryer for dispersible polymer powders. The dispersion reactor is scheduled to come on stream in the second half of the year, while the spray dryer is to enter production in 2023.

At its site in Amsterdam, the company invested in expanding its capacities for the manufacture of vaccines and in production facilities for biologics.

WACKER also invested funds in several small- and medium-scale projects for intermediates and downstream products, and in infrastructure measures at its sites in Burghausen and Nünchritz.

Employees

The number of Group employees increased by 123 in 2021. As of December 31, 2021, WACKER had 14,406 employees worldwide (Dec. 31, 2020: 14,283). This included 10,006 employees at its German sites (Dec. 31, 2020: 10,096) and 4,400 at its international sites (Dec. 31, 2020: 4,187).

Net Cash Flow, Net Financial Debt and Equity Ratio

WACKER's net cash flow totaled €761 million in 2021 (2020: €698 million), growing by another 9 percent compared with the very strong previous year. High cash inflows from operating activities were the main reason for this increase. At the same time, payments to a contractual trust arrangement to partially finance WACKER's pension obligations from direct commitments lowered reported net cash flow by €250 million. This payment involves those 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. These provisions totaled €1.81 billion at year-end 2021 (Dec. 31, 2020: €2.71 billion), also due to higher discount rates. "The new plan assets will ease the future burden from pension commitments. That, in turn, will have a positive impact on key figures in the statement of financial position and statement of cash flows," as CEO Christian Hartel pointed out.

The high cash inflows from operating activities also had a positive impact on the Group's net financial position. As of December 31, 2021, WACKER recognized net financial assets of €547 million (Dec. 31, 2020: net financial debt of €68 million).

WACKER's total assets amounted to €8.13 billion as of December 31, 2021 (Dec. 31, 2020: €6.95 billion), up 17 percent. The biggest changes related to liquidity. As of December 31, 2021, WACKER recognized liquid assets of €1.98 billion (Dec. 31, 2020: €1.34 billion), which were chiefly attributable to high cash inflows from operating activities and to advance payments received for future polysilicon deliveries. On the equity and liabilities side, Group equity increased markedly. As of the reporting date, equity amounted to €3.10 billion

(Dec. 31, 2020: €1.69 billion). The corresponding equity ratio was 38 percent (Dec. 31, 2020: 24 percent).

Business Divisions

In 2021, **WACKER SILICONES**' sales grew by 16 percent, coming in at €2.60 billion (2020: €2.24 billion). The increase was attributable to higher selling prices, volume growth and product-mix effects. EBITDA grew even more strongly, rising by 43 percent to €553 million (2020: €388 million) due to higher prices and volumes.

WACKER POLYMERS' sales were markedly higher in 2021, up 29 percent to €1.67 billion (2020: €1.30 billion). Significantly higher prices, higher volumes and product-mix effects were the growth drivers. At €253 million, EBITDA was down 7 percent year over year (2020: €271 million). The division could nearly offset surging raw-material prices through higher prices and volumes.

WACKER BIOSOLUTIONS increased its sales by 20 percent in 2021 to €296 million (2020: €246 million), mainly due to better prices and volume growth in biopharmaceuticals and cyclodextrins. EBITDA of €39 million (2020: €38 million) was up slightly year over year, with expenses for integrating the new site in San Diego having an impact on earnings.

WACKER POLYSILICON's sales in 2021 were almost twice as high as a year earlier, rising 93 percent to €1.53 billion (2020: €792 million). This was primarily due to markedly higher prices, especially for solar-grade polysilicon, and to volume growth. EBITDA rose even faster, increasing many times over from €5 million in 2020 to €657 million. This earnings growth was due chiefly to significantly higher prices, to volume growth – especially for product for the semiconductor sector – and to further improvements in the cost of goods sold.

Outlook

WACKER aims to accelerate the pace of growth in the coming years and is making appropriate plans.

“The first highlight is the new, ambitious sustainability goals we presented last year,” explained CEO Christian Hartel. In his words, sustainability has two aspects for WACKER: “First, we are going to significantly improve our own ecological footprint. By 2030, we aim to reduce our absolute greenhouse gas emissions by 50 percent. Second, the growing importance of sustainability in all areas of life is opening up attractive business opportunities for us.”

With its products and applications, Hartel continued, the Munich-based chemical company offers its customers a multitude of solutions that enable them to achieve their own sustainability goals. “More than two-thirds of our product portfolio already contributes to this value driver,” Hartel emphasized.

The CEO also referred to the new growth targets that WACKER aims to reach by 2030: “Our unique, diverse and solution-driven product portfolio offers us additional profitable business opportunities – opportunities we intend to make the most of. That is precisely what our customers and the markets expect of us. We have already received a lot of positive feedback from our customers in this regard. We will continue to strengthen our focus on customers. It is the key to our long-term success.” WACKER will present its new growth targets on March 29 at a Capital Market Day.

WACKER expects to post Group sales of approximately €7 billion in 2022. EBITDA is expected to be between €1.2 billion and €1.5 billion. At the same time, energy and raw-material costs are likely to impact EBITDA by around €1 billion. However, a substantial share of these additional costs is to be passed on in the form of price increases. The

EBITDA margin is likely to decline substantially versus last year. At between €550 million and €600 million, capital expenditures will be substantially higher year over year. They will also be clearly higher than depreciation/amortization, which will amount to about €400 million. Group net income for the year will be markedly lower than last year. Net cash flow should be clearly positive, but substantially lower than last year. Net financial assets are likely to be significantly lower than last year, but still in positive territory.

WACKER sees good opportunities to continue growing its chemical sales this year. WACKER SILICONES expects to post sales of around €3 billion and WACKER POLYMERS approximately €2 billion. Both divisions' EBITDA margins are anticipated to match last year's level.

WACKER BIOSOLUTIONS also expects to see sales growth, likely in the low double-digit percentage range. EBITDA should be slightly lower than last year, one reason being higher expenses for digitalization of the biologics segment.

WACKER POLYSILICON expects to post sales of around €1.6 billion in 2022. Higher average prices and further improvements in the product mix will drive this trend. EBITDA is likely to come in between €330 million and €500 million.

Information for editorial offices: The 2021 Annual Report is available for download on the WACKER website (www.wacker.com) under Investor Relations.

Due to the pandemic, Wacker Chemie AG's Annual Press Conference will be held as a hybrid event this year. You can follow the event online starting 10:30 via the following link: www.wacker.com/press

Key Figures for the WACKER Group

€ million	2021	2020	Change in %
Results/Return			
Sales	6,207.5	4,692.2	32.3
EBITDA ¹	1,538.5	666.3	>100
EBITDA margin ² (%)	24.8	14.2	n.a.
EBIT ³	1,134.3	262.8	>100
EBIT margin ² (%)	18.3	5.6	n.a.
Financial result	-40.7	-44.9	-9.4
Income before income taxes	1,093.6	217.9	>100
Net income for the year	827.8	202.3	>100
Earnings per share (€)	16.24	3.81	>100
ROCE (%)	28.3	5.6	>100
Financial Position / Cash Flow			
Total Balance Sheet	8,134.3	6,950.5	17.0
Equity	3,100.4	1,691.8	83.3
Equity ratio (%)	38.1	24.3	n.a.
Financing liabilities	1,436.8	1,405.5	2.2
Net financial assets / net financial debt ⁴	-546.5	67.5	n.a.
Capital expenditures ⁵	343.8	224.4	53.2
Depreciation/amortization	-404.2	-403.5	0.2
Net cash flow ⁶	760.8	697.7	9.0
Research and Development			
R&D expenses	164.2	156.6	4.9
Employees			
Personnel expenses	1,475.1	1,329.4	11.0
Employees (number as of December 31)	14,406	14,283	0.9

¹ EBITDA is EBIT before depreciation and amortization.

² Margins are calculated based on sales.

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

⁴ Sum of cash and cash equivalents, noncurrent and current securities, and noncurrent and current financial liabilities

⁵ Intangible assets, property, plant and equipment, investment property, excluding right-of-use assets

⁶ Sum of cash flow from operating activities and cash flow from long-term investing activities (before securities)

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 14,400 employees and annual sales of around €6.21 billion (2021).
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