



**WACKER**

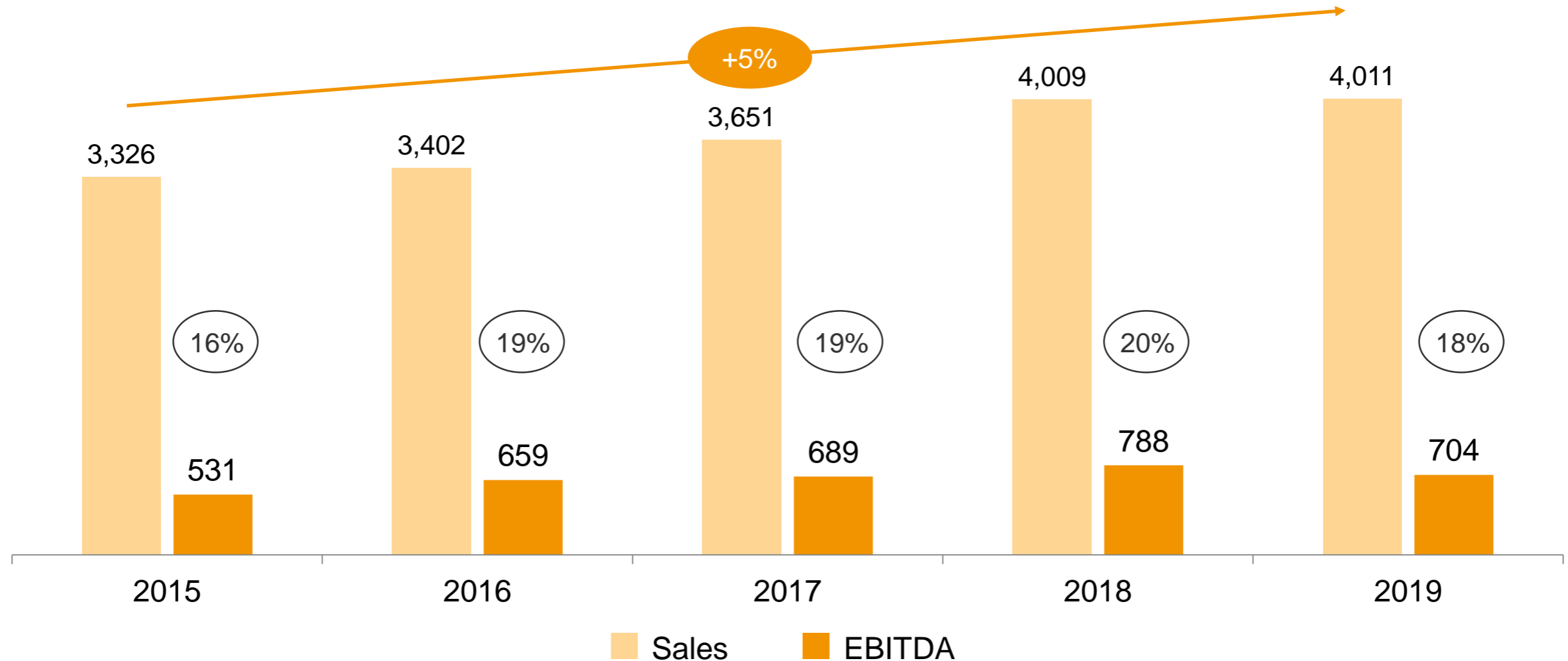
CREATING TOMORROW'S SOLUTIONS

## **ANNUAL PRESS CONFERENCE FOR 2019**

Dr. Rudolf Staudigl, President & CEO, March 17, 2020

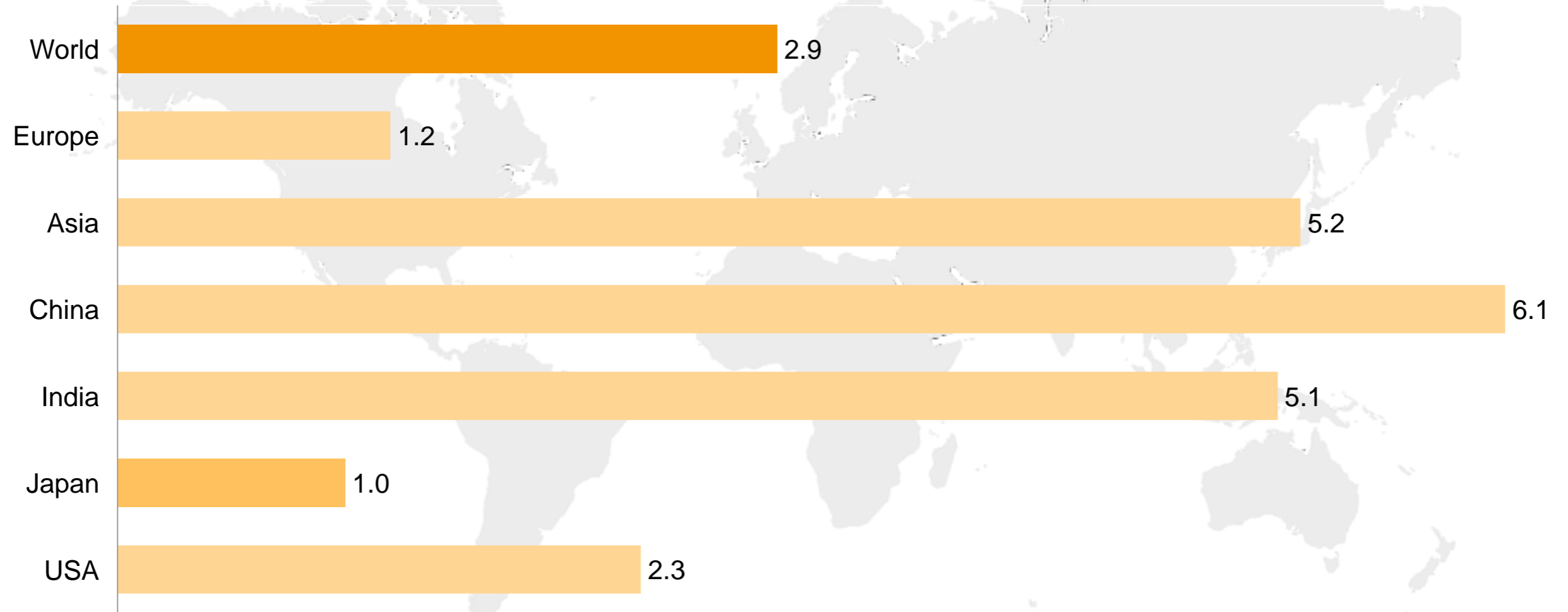
# WACKER's Chemical Business Generates Slight Growth and Good Margins

Chemical Divisions' Sales (€ million), EBITDA (€ million) and EBITDA margin (%)



# Global Economic Growth Slowed Noticeably in 2019

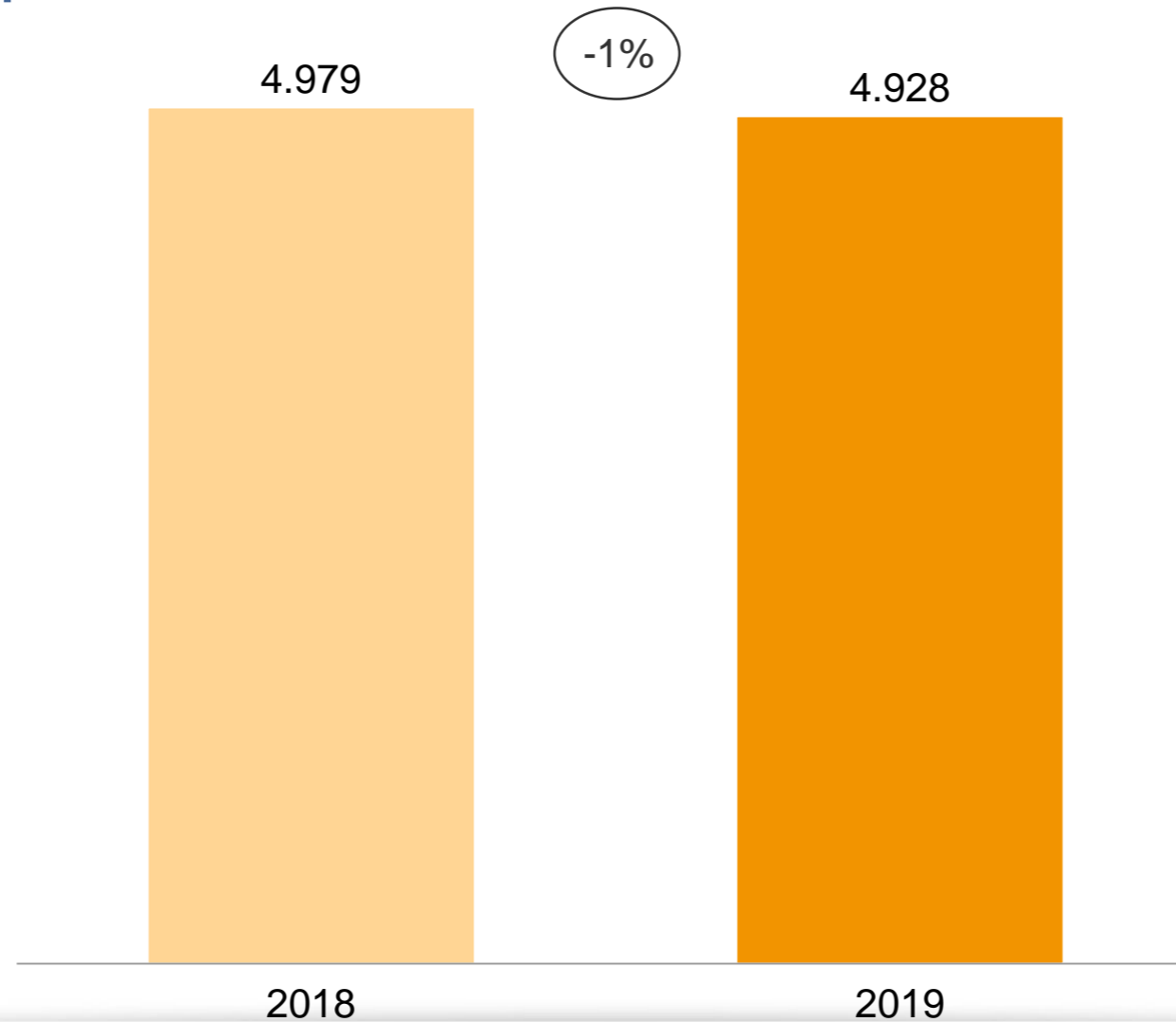
## Worldwide GDP Trend by Region – Actual Year-over-Year Change in %



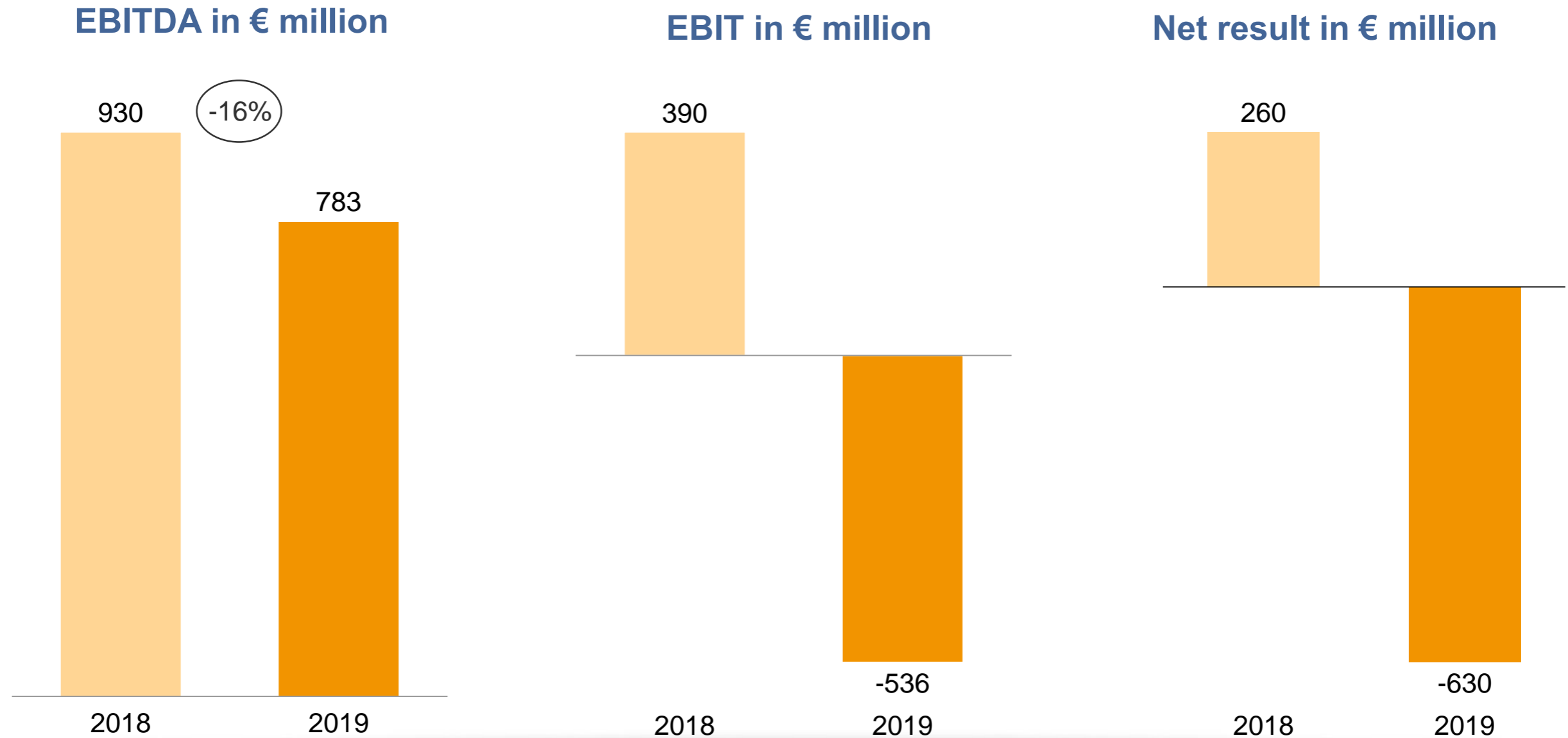
Sources – World: IMF; Europe: OECD; Asia: ADB; China: National Bureau of Statistics; India: ADB; Japan: OECD; USA: IMF

# Group Sales for 2019 Decline Slightly Due to Price Effects

Group sales in € million

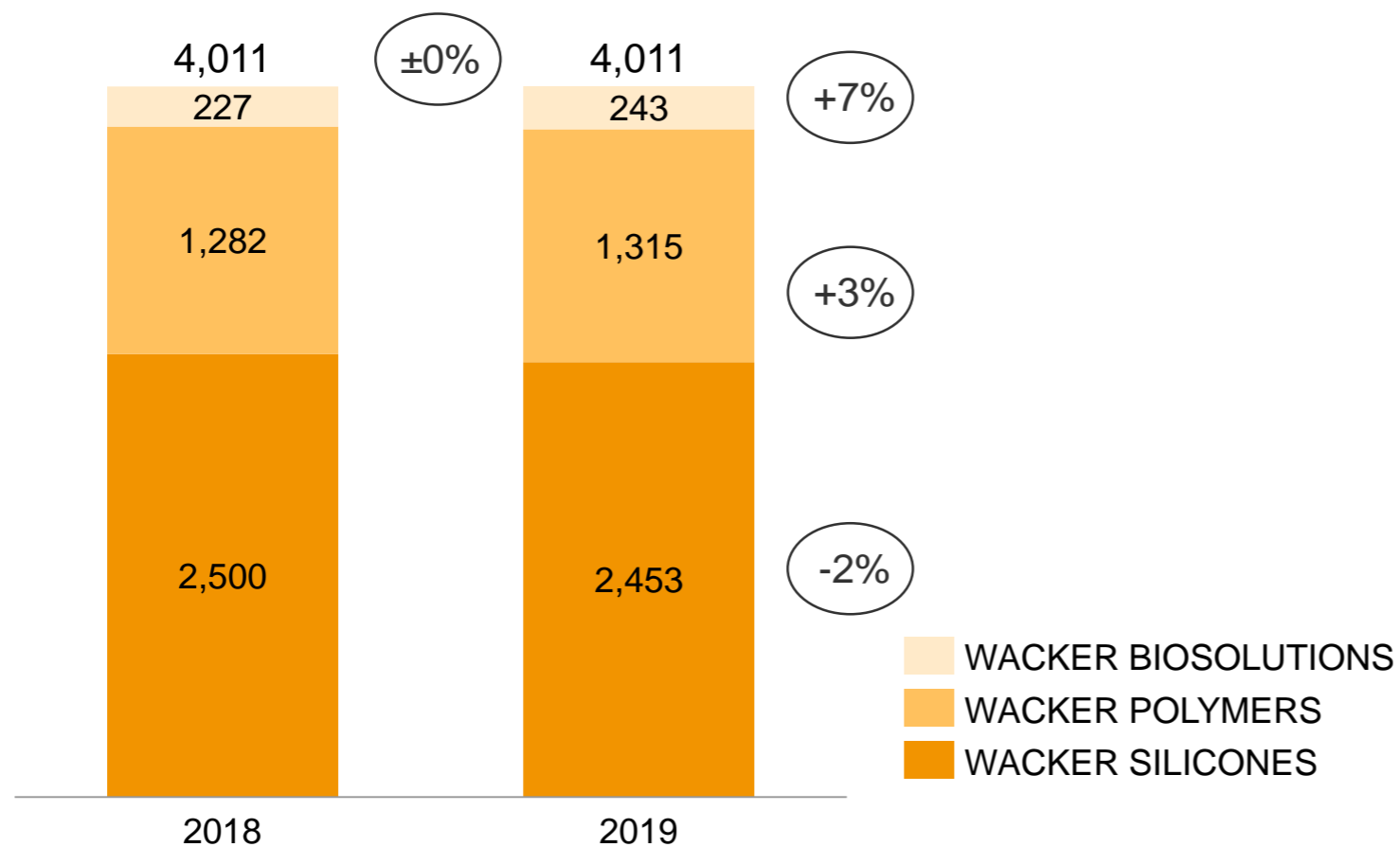


# Impairment of €760 Million Reflected in EBIT and Net Result

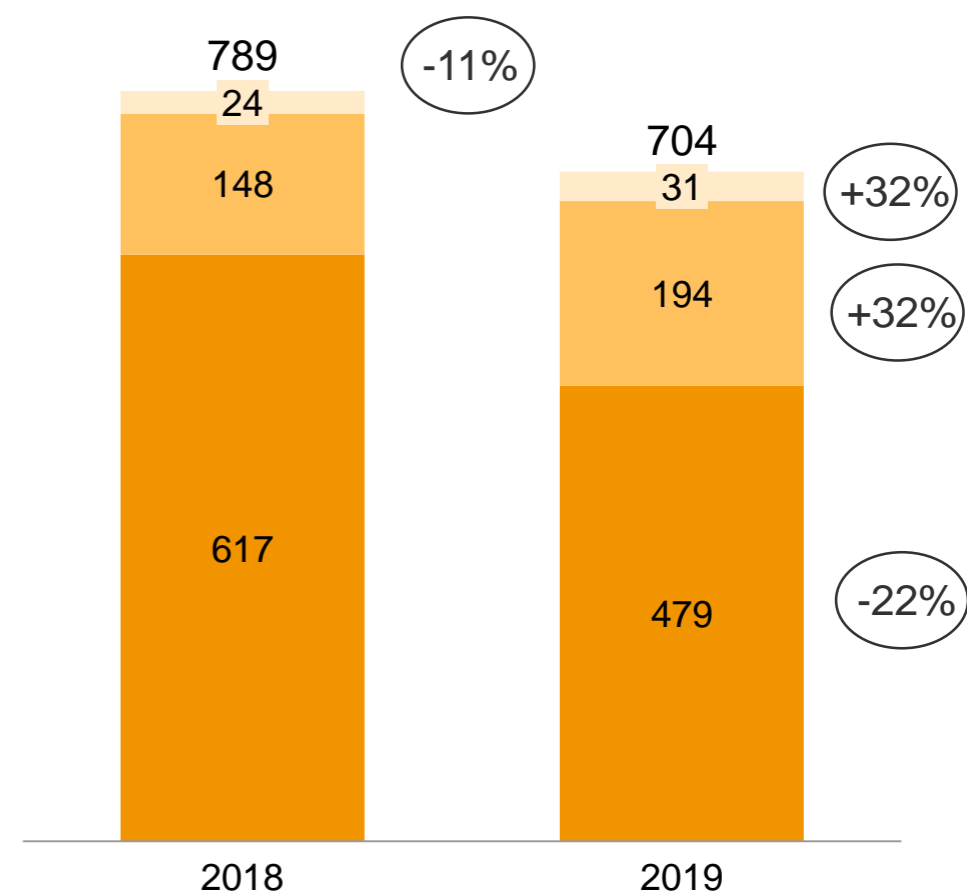


# Chemical Sales at Year-Earlier Level, with EBITDA 11 Percent Lower

Sales in € million

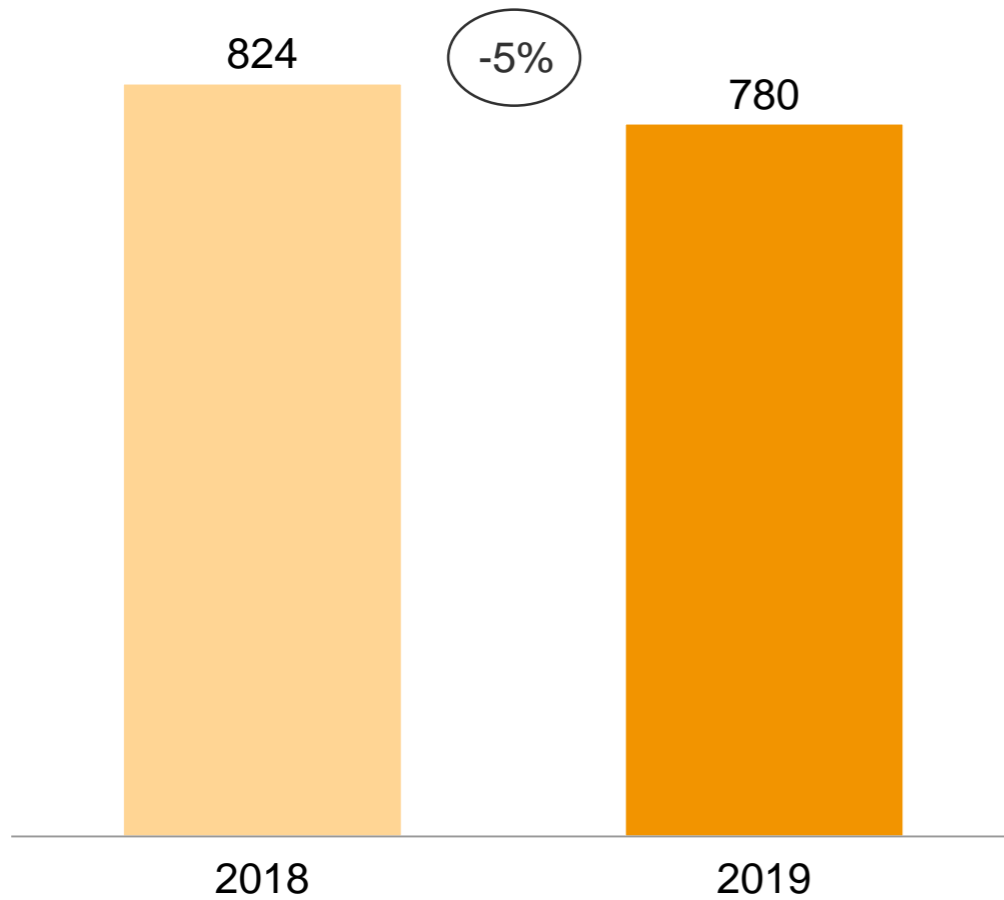


EBITDA in € million

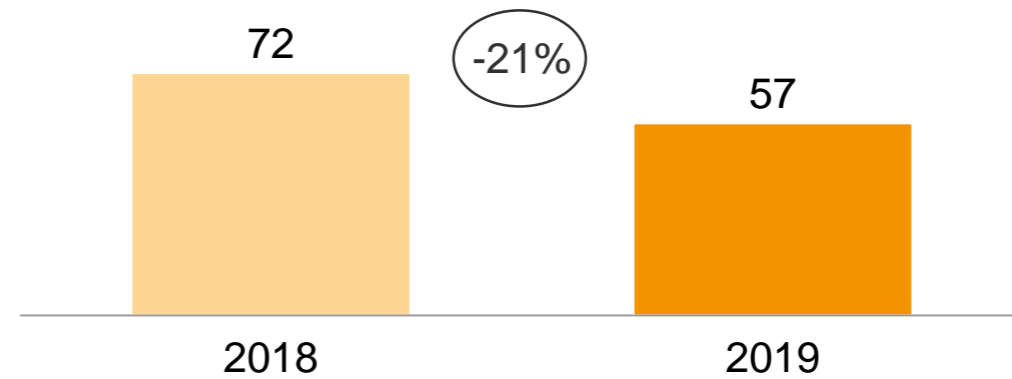


# WACKER POLYSILICON's Sales and EBITDA Decline YoY Due to Price Effects

Sales in € million

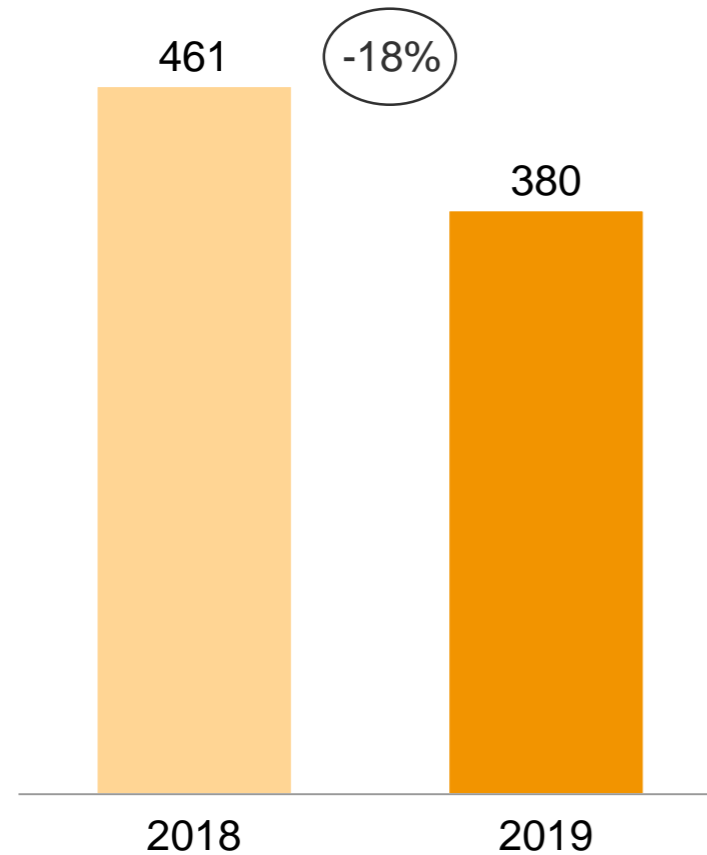


EBITDA in € million

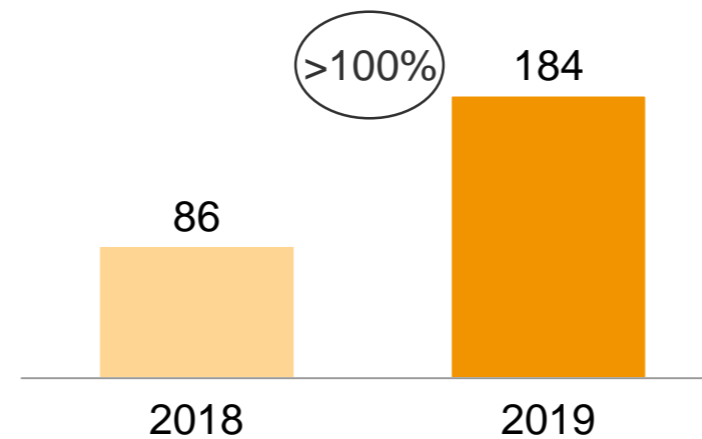


# Net Cash Flow Grows Strongly – IFRS 16 Increases Net Financial Debt

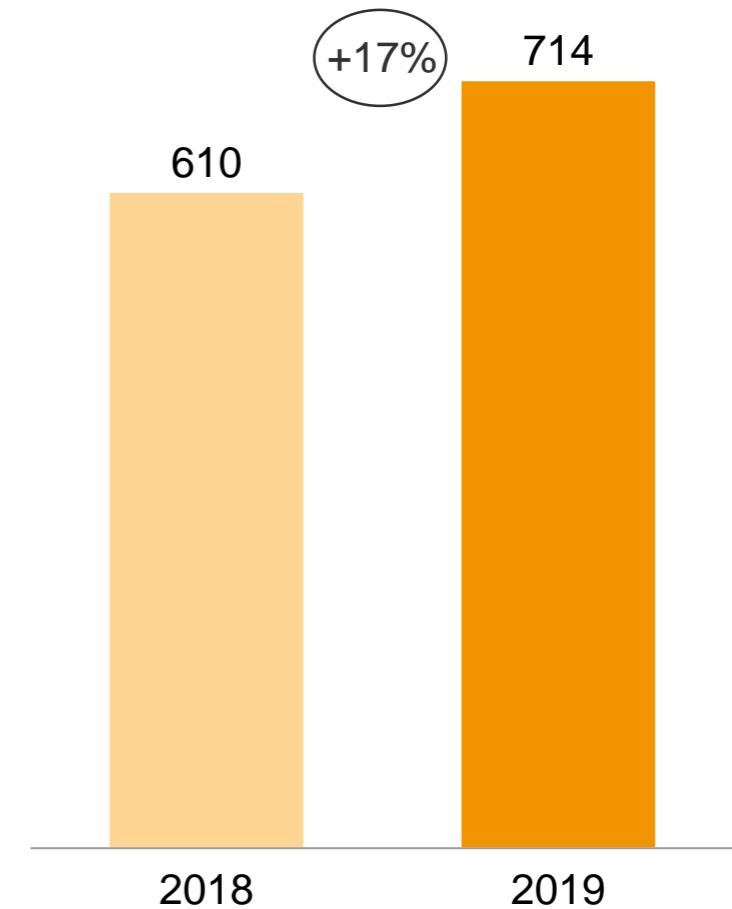
CAPEX in € million



Net cash flow\* in € million

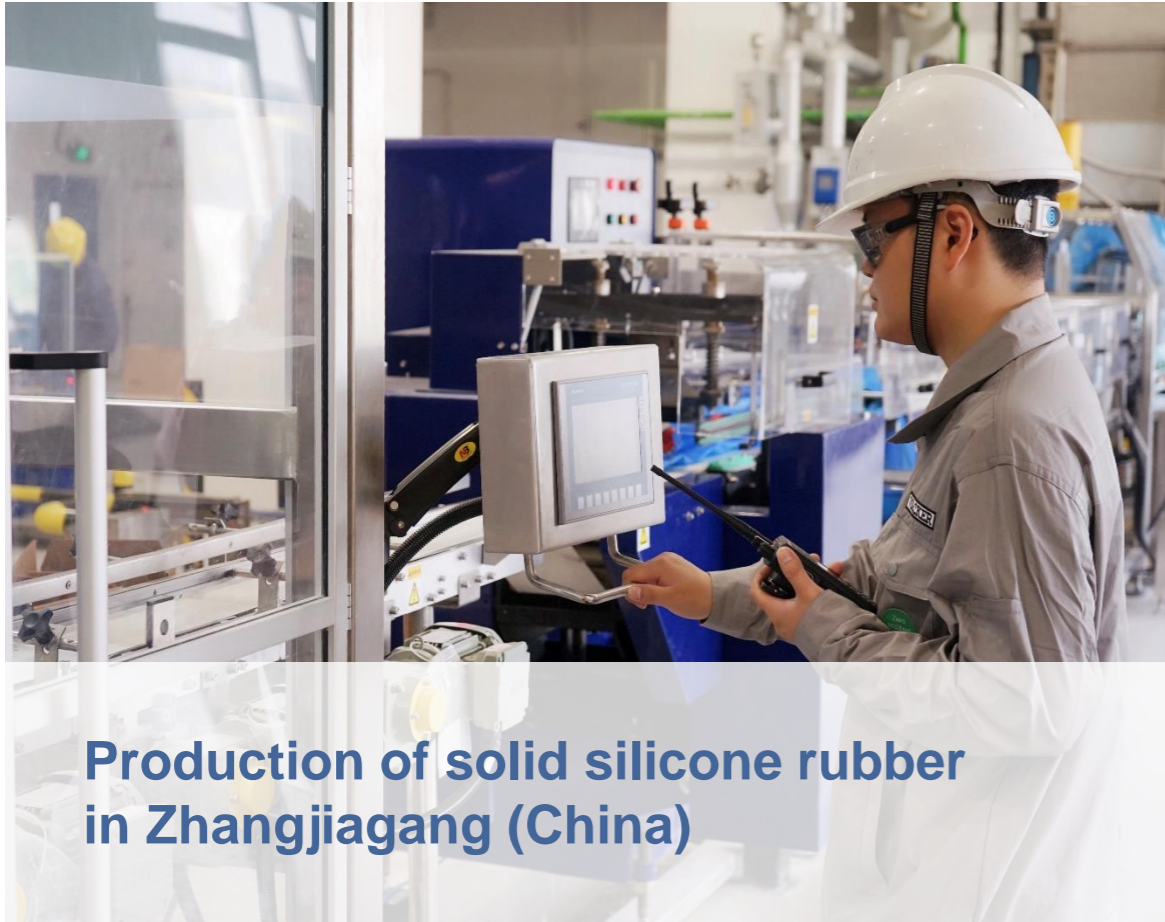


Net financial debt in € million





# WACKER Expands Capacity at Chemical Divisions



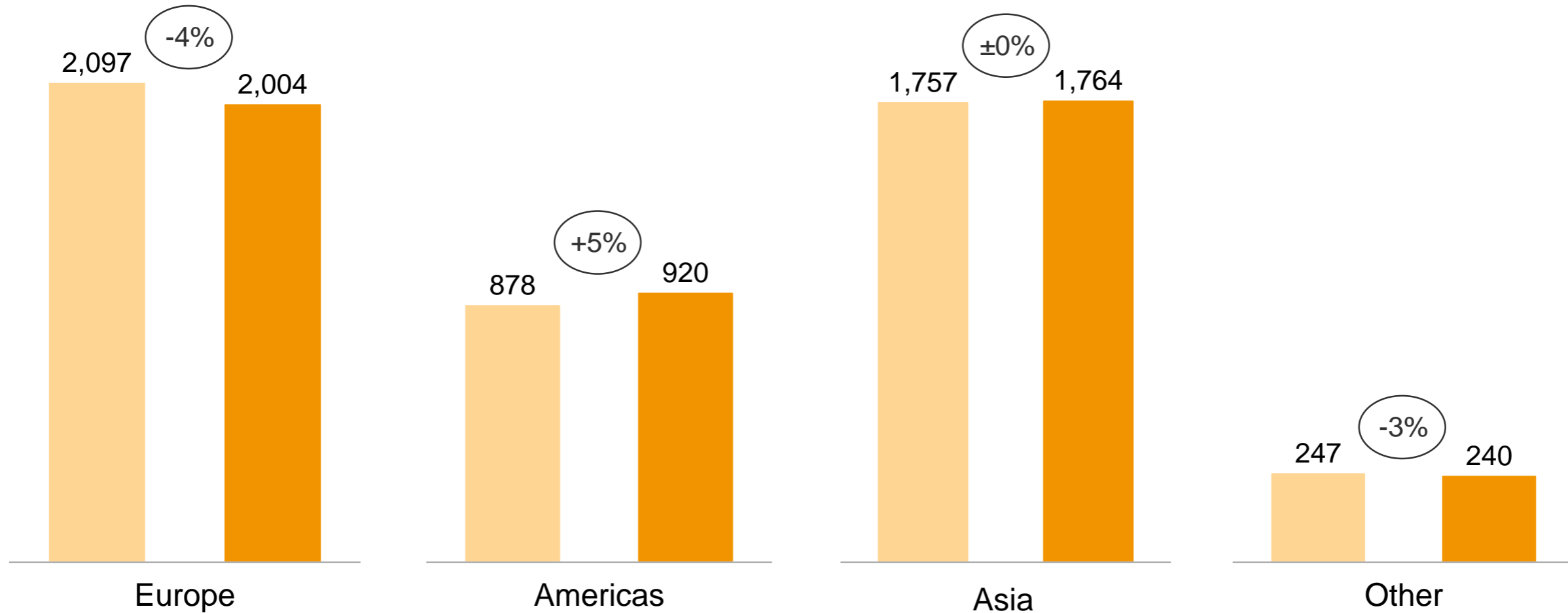
**Production of solid silicone rubber  
in Zhangjiagang (China)**



**Silicon-metal production site  
in Holla (Norway)**

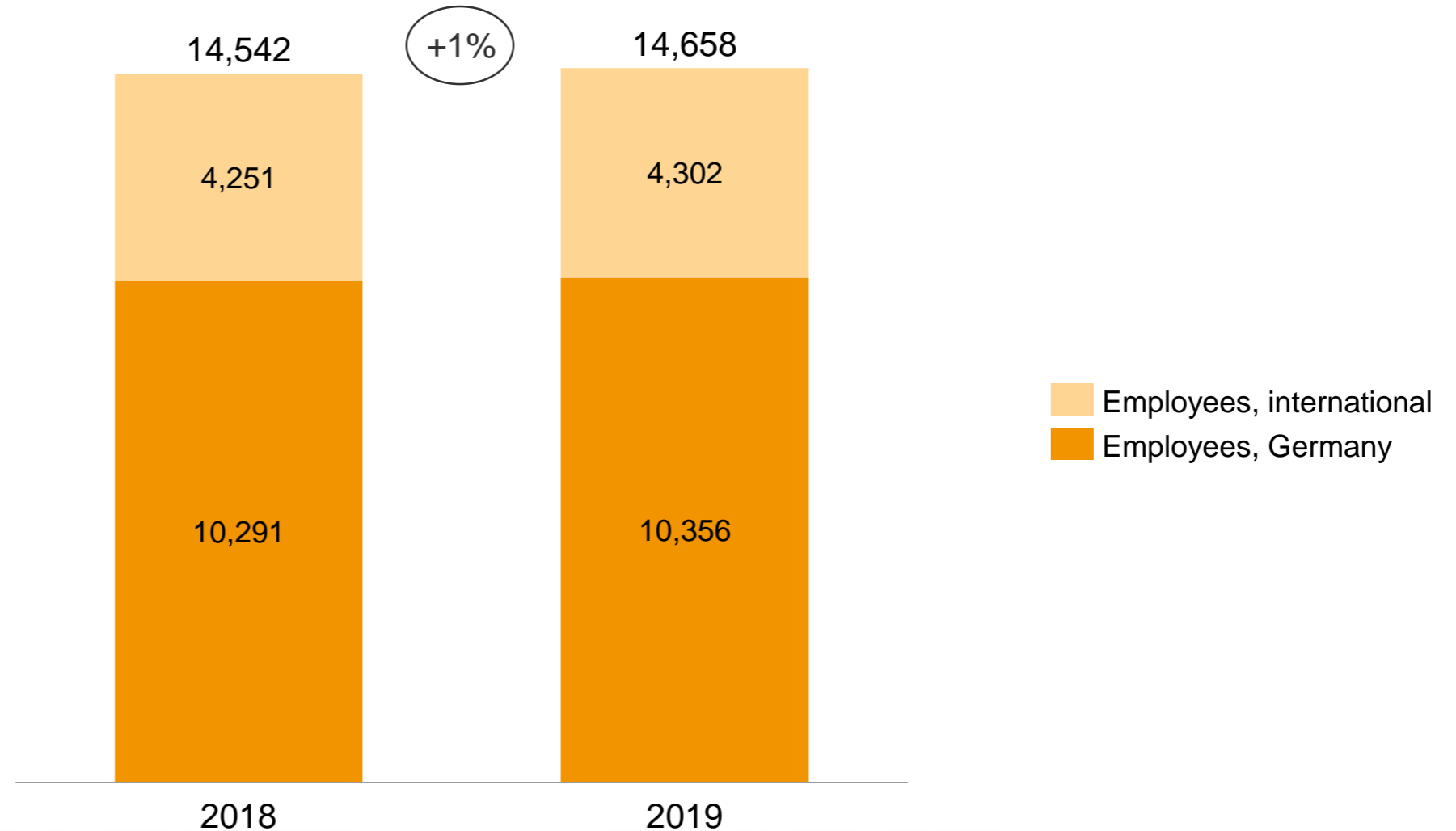
# Sales Higher in the Americas and Stable or Slightly Lower in Other Regions

Sales in € million

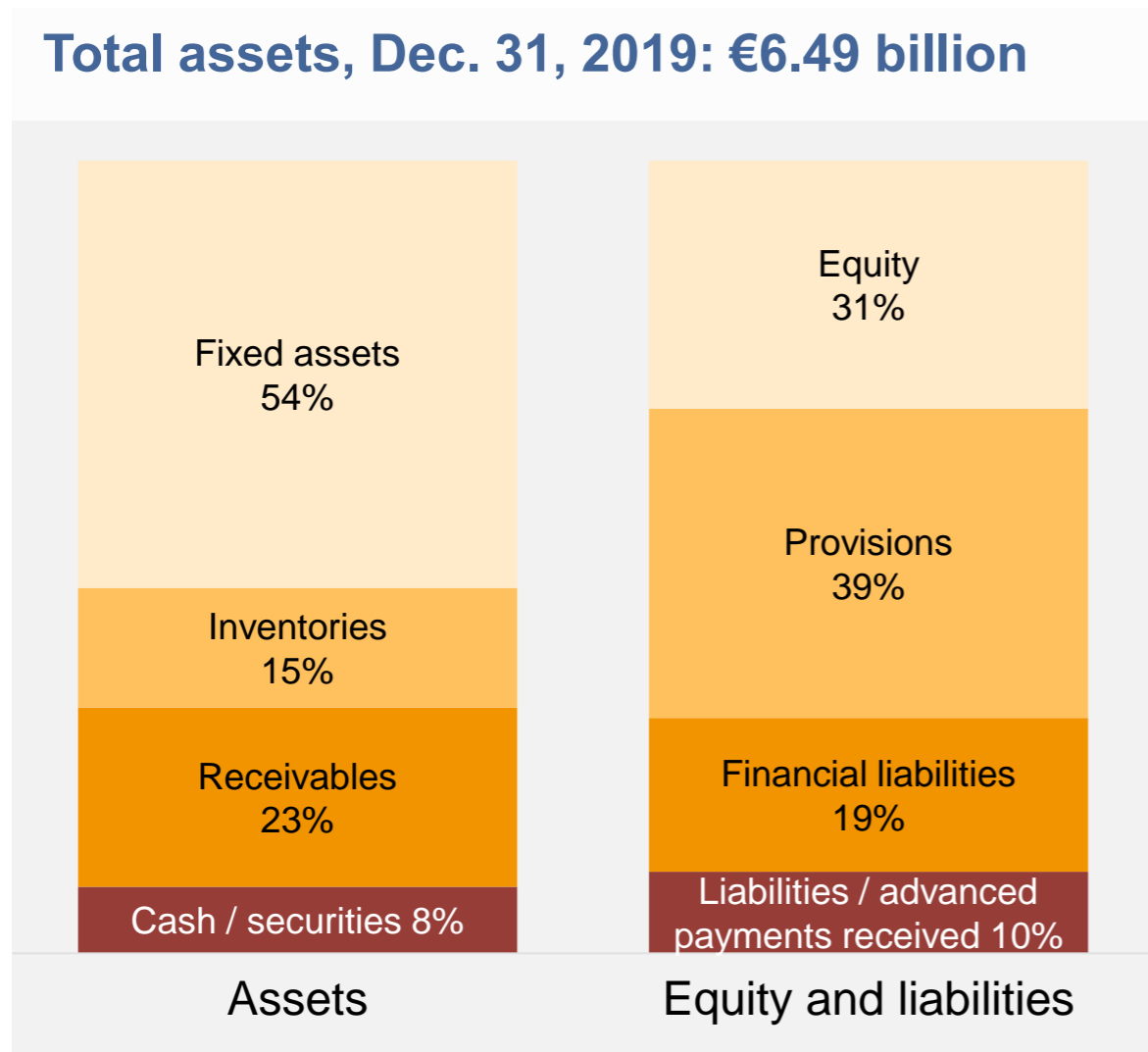


# Number of Employees Increases by Some 120 in 2019

Employee numbers, as of December 31 for each year



# Group's Net Assets and Financial Position Remain Sound



## Highlights

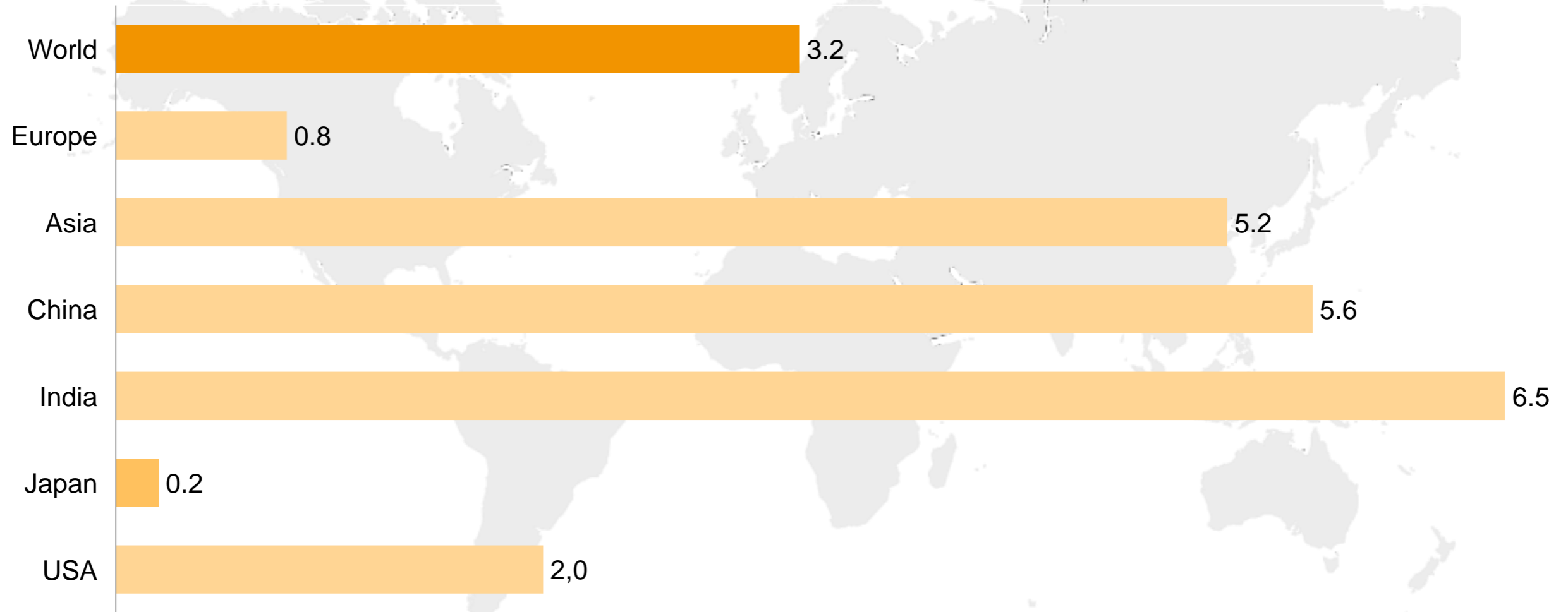
Liquidity of €545 million

Unused lines of credit of around €600 million

Equity ratio at 31 Percent

# Economists See Major Risks to Global Economic Growth in 2020

## Worldwide GDP Trend by Region – Actual Year-over-Year Change in %



Sources – World: IMF; Europe: OECD; Asia: ADB; China: IMF; India: ADB; Japan: OECD; USA: IMF

# WACKER SILICONES Expects 2020 Sales Gains, with EBITDA at Last Year's Level



**Silane-based cement additives make concrete water-repellent**

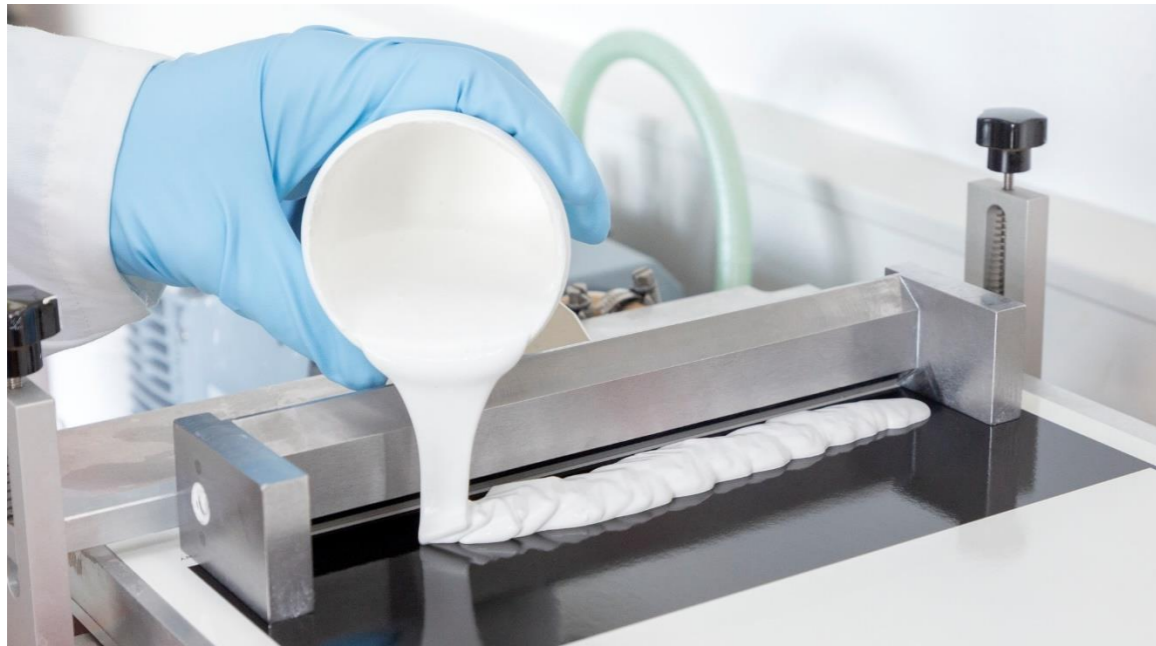
## Strategic Focus

Value creation: strengthening the proportion of high-margin specialties

Innovation: tapping new markets and applications

Costs: continuous improvements, with plant utilization held at high level

# WACKER POLYMERS in 2020: Sales Growth and EBITDA Slightly Above Prior Year



**Testing an interior paint, where the dispersion is partially based on renewable raw materials**

## Strategic Focus

Transformation: promoting trend for higher-value construction products

Substitution: replacing conventional products in existing applications

Innovation: developing new products and tapping further applications

# WACKER BIOSOLUTIONS to Grow Sales and EBITDA Markedly



## Strategic Focus

Market share: pushing growth of biotechnology business

Innovation: spurring commercialization of newly developed products

Costs: enhancing productivity and efficiency in supply chains



## Photovoltaic Market to Grow Further in 2020

Development of newly installed PV capacity in megawatts	2019	2020
Germany	4,000	3,500 – 4,500
Rest of Europe	17,700	17,500 – 21,500
USA	13,000	15,000 – 19,000
Japan	7,500	7,000 – 8,000
China	30,200	35,000 – 40,000
India	8,500	11,000 – 14,000
Other regions	39,100	46,000 – 48,000
<b>Total</b>	<b>120,000</b>	<b>135,000 – 155,000</b>

Sources: Germany's Federal Network Agency, Commissariat Général au Développement Durable, IHS, SEIA, RTS, Bridge to India, China's National Energy Agency, Ministry of New and Renewable Energy, market studies, WACKER's own market research

# WACKER POLYSILICON with Sales Growth and Adjusted EBITDA at Year-Earlier Level



Section of polysilicon production plant  
in Nünchritz (Germany)

## Strategic Focus

Efficiency: increasing output of existing plants through process improvements

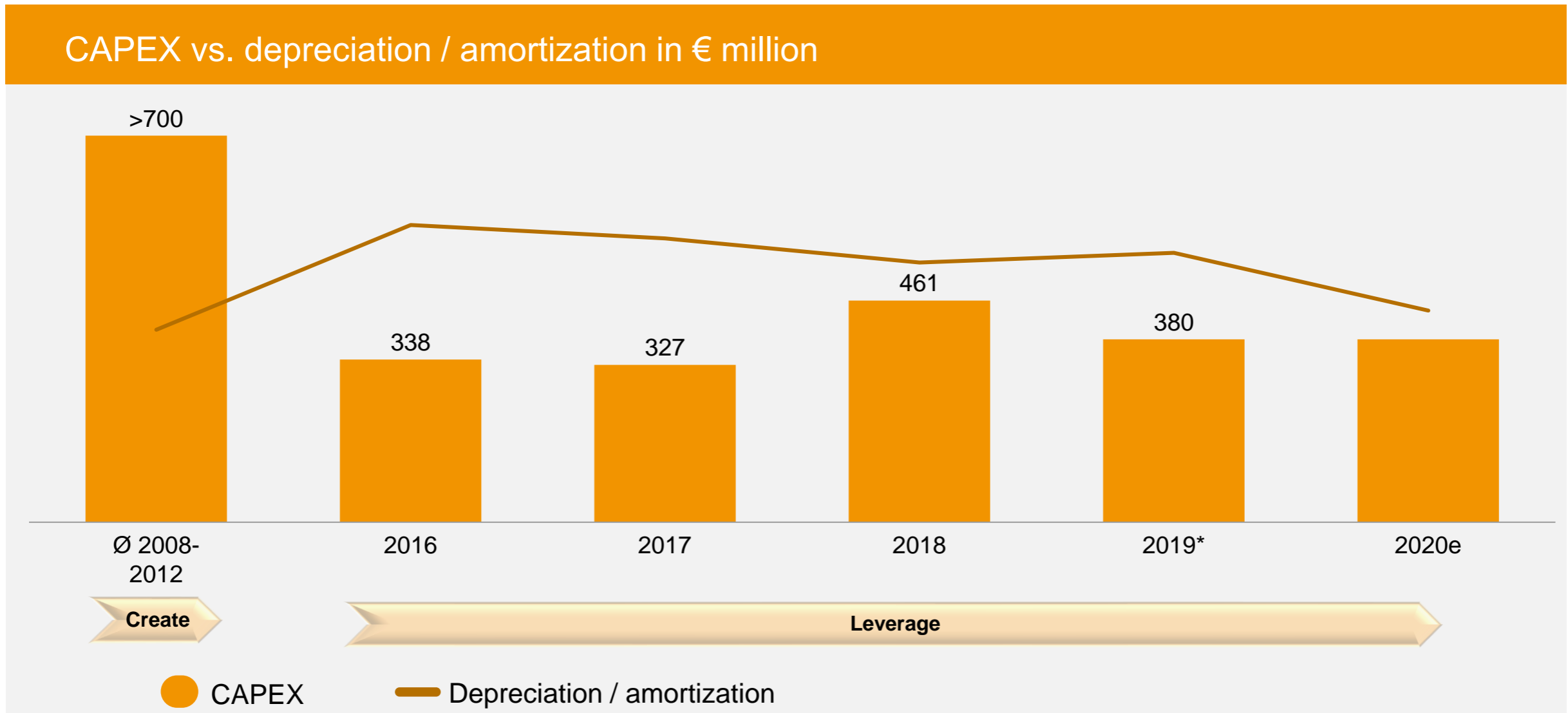
Costs: further energy and raw-material cuts and reduction of production costs

Quality: retaining quality leadership in polysilicon production

## Group Sales for 2020 Expected to Grow Further, with EBITDA Below Last Year

Outlook for 2020	Reported for 2019	Outlook 2020
Sales (€ million)	4,928	Low-single-digit percentage increase
EBITDA (€ million) <i>Without insurance compensation</i>	783 671	Adjusted for insurance compensation in 2019 mid-single-digit percentage lower than last year
EBITDA margin (%)	15.9	Somewhat lower than last year
Capital expenditures (€ million)	380	Around 350
Depreciation / amortization (€ million)	1,320	Around 425
Net cash flow (€ million)	184	Clearly positive, substantially higher than last year
Net financial debt (€ million)	714	Substantially lower than last year
Net result (€ million)	-630	Substantially higher than last year

# Focus Is on Targeted Investments at Chemical Divisions





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