PRESS RELEASE

Number  17

WACKER ACHIEVES Q1 2018 SALES ON PAR WITH A YEAR EARLIER AND SUBSTANTIALLY INCREASES EARNINGS

- GROUP SALES FOR Q1 2018 REACH €1.22 BILLION, UP 4 PERCENT QUARTER OVER QUARTER AND ON PAR WITH THE YEAR-AGO LEVEL
- AT €255 MILLION, EBITDA IS 11 PERCENT HIGHER THAN A YEAR EARLIER AND 9 PERCENT MORE QUARTER OVER QUARTER
- NET INCOME FOR THE PERIOD AMOUNTS TO €79 MILLION
- NET CASH FLOW CLEARLY POSITIVE AT €168 MILLION
- FULL-YEAR FORECAST REMAINS UNCHANGED: GROUP SALES FOR 2018 EXPECTED TO GROW BY A LOW-SINGLE-DIGIT PERCENTAGE AND EBITDA LIKELY TO RISE BY A MID-SINGLE-DIGIT PERCENTAGE

Munich, April 26, 2018 – Wacker Chemie AG’s Q1 2018 sales were on par with a year ago, while its earnings before interest, taxes, depreciation and amortization (EBITDA) were substantially higher year over year. The Munich-based chemical company posted sales of €1,217.6 million in the reporting quarter (Q1 2017: €1,218.8 million). Better prices, especially for silicone products, and an improved product mix in chemicals were the main sales drivers. On the other hand, negative exchange-rate effects – due to a stronger euro both quarter over quarter and year over year – noticeably dampened the sales trend. In addition, WACKER had much less polysilicon available
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for sale than a year ago, as the production shutdown at Charleston continued during the quarter. That also weighed on sales. Compared with Q4 2017 (€1,175.5 million), Group sales climbed by 4 percent.

In Q1 2018, WACKER posted earnings before interest, taxes, depreciation and amortization (EBITDA) of €254.5 million. That was 11 percent higher than last year (€229.3 million) and 9 percent more than in Q4 2017 (€233.4 million). Primary drivers of this robust growth were better prices for chemical products and higher income from the stake in Siltronic. As a result, WACKER more than compensated for the marked year-over-year and quarter-over-quarter increase in raw material costs. Earnings also benefited from strong plant utilization in the reporting quarter. The WACKER Group’s EBITDA margin from January through March 2018 was 20.9 percent (Q1 2017: 18.8 percent). A quarter ago, it was 19.9 percent. Group EBIT (earnings before interest and taxes) totaled €121.7 million in the reporting quarter (Q1 2017: €73.2 million). That was a year-over-year increase of 66 percent and yielded an EBIT margin of 10.0 percent (Q1 2017: 6.0 percent).

Net income totaled €79.1 million in the reporting quarter (Q1 2017: €665.9 million). The high year-ago figure included net income of €634.7 million from discontinued operations in connection with the deconsolidation of Siltronic as a WACKER segment. Income from continuing operations, on the other hand, more than doubled at €79.1 million (Q1 2017: €31.2 million). Earnings per share came in at €1.52 in the reporting quarter (Q1 2017: €13.19).

The full-year 2018 forecast as published in the Annual Report for 2017 remains unchanged. WACKER still expects Group sales to increase by a low-single-digit percentage relative to last year (€4,924.2 million). EBITDA is anticipated to rise by a mid-single-digit
percentage compared with last year (€1,014.1 million). WACKER expects Group net income from continuing operations to rise markedly.

“WACKER performed well in Q1 2018,” said CEO Rudolf Staudigl in Munich on Thursday. “Despite strong currency headwinds, we matched our good sales of a year ago. At the same time, we achieved a substantial increase in EBITDA in spite of markedly higher raw-material prices and ongoing costs at our Charleston, Tennessee site, where production was still shut down in the first quarter. We are now starting the process of gradually ramping up the site. This means that we will again have polysilicon from Charleston available for sale in the second quarter. Our chemical business performed robustly in the reporting quarter, with silicones experiencing especially strong demand. In this market environment, we achieved substantial price increases. Provided this trend continues, and no unexpected events impact the global economy, we may even exceed our current full-year earnings forecast.”

Regions
In Q1 2018, WACKER lifted its sales in Europe to €520.3 million, up 5 percent versus a year ago (€497.2 million). Group sales in Asia amounted to €432.7 million in the reporting quarter, down 3 percent over last year (€444.6 million). Sales declined by 8 percent in the Americas, mainly due to exchange-rate effects, and amounted to €201.7 million (Q1 2017: €219.8 million).

Capital Expenditures and Net Cash Flow
In Q1 2018, the Group’s capital expenditures came in at €69.2 million (Q1 2017: €46.7 million). That was a year-over-year increase of
48 percent. Investments focused mainly on expanding capacity for silicone and polymer products.

Net cash flow from continuing operations amounted to €168.0 million in Q1 2018 (Q1 2017: €53.2 million). The main factors in this strong rise were good business performance and an advance payment of insurance compensation for the loss event in Tennessee.

**Employees**

WACKER’s global workforce edged up in the reporting quarter. The Group had 13,983 employees as of March 31, 2018 (Dec. 31, 2017: 13,811). At the end of the reporting quarter, 10,076 employees (Dec. 31, 2017: 9,984) worked at WACKER sites in Germany and 3,907 (Dec. 31, 2017: 3,827) at international locations.

**Business Divisions**

In Q1 2018, **WACKER SILICONES** generated total sales of €605.8 million, up 9 percent compared with a year ago (€555.6 million). The increase was prompted mainly by higher prices for silicone products and by a better product mix. Compared with a quarter ago (€536.6 million), sales rose 13 percent. **WACKER SILICONES**’ reporting-quarter EBITDA of €148.5 million was 38 percent above the year-earlier figure (€107.4 million). Versus a quarter ago (€98.7 million), the gain was 50 percent. Profitability benefited not only from sales growth, but also from product-mix effects and high production output. The EBITDA margin improved to 24.5 percent in Q1 2018, after 19.3 percent a year earlier and 18.4 percent a quarter ago.

Sales at **WACKER POLYMERS** totaled €301.9 million in the reporting quarter, 2 percent lower than a year earlier (€306.8 million), but 6 percent higher than a quarter ago (€285.1 million). The negative exchange-rate effects of a stronger euro were the main cause of this
slight year-over-year decline. Higher volumes of dispersible polymer powders and better prices for polymer products did not fully offset the currency headwinds. The division’s reporting-quarter EBITDA came in at €41.9 million (Q1 2017: €52.3 million). This 20 percent decline stemmed mainly from a substantial year-over-year increase in raw-material costs. To counter this development, the division is raising the prices of its products. Compared with a quarter earlier (€33.9 million), EBITDA was up 24 percent, with seasonal effects playing a role in this increase. The reporting-quarter EBITDA margin was 13.9 percent, after 17.0 percent a year earlier and 11.9 percent a quarter ago.

**WACKER BIOSOLUTIONS** generated total sales of €54.3 million from January through March 2018, up 6 percent versus a year ago (€51.4 million). This growth was mainly fueled by higher volumes and, in some cases, by somewhat better prices. Compared with Q4 2017 (€49.9 million), the division lifted its sales by 9 percent. EBITDA at WACKER BIOSOLUTIONS was €10.1 million in the reporting quarter, down 5 percent from a year ago (€10.6 million). Factors in this decrease included product-mix effects and integration costs for the new site at León in Spain. On the other hand, the division outperformed the preceding quarter’s figure (€7.5 million) by 35 percent. The EBITDA margin was 18.6 percent, after 20.6 percent last year and 15.0 percent in Q4 2017.

**WACKER POLYSILICON** achieved total sales of €219.3 million in the reporting quarter. That was 18 percent less than both a year ago (€268.1 million) and a quarter ago (€267.5 million). The marked decrease was primarily due to lower volumes. As a result of the production shutdown at Charleston, the division had much less polysilicon available for sale than a year ago. WACKER POLYSILICON’s
reporting-quarter EBITDA came in at €48.2 million. That was 32 percent below the year-earlier figure (€70.5 million) and 24 percent less than a quarter ago (€63.6 million). Alongside lower sales, the decline was caused by ongoing costs at the Charleston site. No insurance compensation for the business interruption loss at Charleston was booked in the reporting quarter. The EBITDA margin was 22.0 percent in the quarter, after 26.3 percent in Q1 2017 and 23.8 percent in the preceding quarter.

**Outlook**

WACKER described in detail its projections for the Group’s performance this year in the Outlook section of its 2017 Annual Report. On balance, the statements made there regarding the company’s expectations for the year did not change in the reporting period.

WACKER anticipates that business will experience higher raw-material costs and headwinds from a stronger euro against the US dollar in 2018. Given these underlying conditions, Group sales are expected to increase by a low-single-digit percentage. EBITDA growth should continue – increasing by a mid-single-digit percentage versus last year. WACKER expects its EBITDA margin to be slightly higher than a year ago. At around €470 million, capital expenditures will rise substantially year over year, with the main focus on supporting growth at WACKER SILICONES. Depreciation of about €550 million will be significantly lower than a year ago. WACKER expects Group net income from continuing operations to rise markedly. Net cash flow is forecast to be clearly positive, but substantially below last year’s figure, due to higher capital expenditures. Net financial debt will remain on par with last year.
Key Figures of the WACKER Group

<table>
<thead>
<tr>
<th>€million</th>
<th>Q1 2018</th>
<th>Q1 2017</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,217.6</td>
<td>1,218.8</td>
<td>-0.1</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td>254.5</td>
<td>229.3</td>
<td>11.0</td>
</tr>
<tr>
<td>EBITDA margin² (%)</td>
<td>20.9</td>
<td>18.8</td>
<td>-</td>
</tr>
<tr>
<td>EBIT³</td>
<td>121.7</td>
<td>73.2</td>
<td>66.3</td>
</tr>
<tr>
<td>EBIT margin² (%)</td>
<td>10.0</td>
<td>6.0</td>
<td>-</td>
</tr>
</tbody>
</table>

Financial result
-16.9 -23.6 -28.4
Income from continuing operations before income taxes 104.8 49.6 >100
Income from continuing operations 79.1 31.2 >100
Income from discontinued operations - 634.7 -
Net income for the period 79.1 665.9 -88.1

Earnings per share from continuing operations (€) 1.52 0.59 >100
Earnings per share (€) 1.52 13.19 -88.5
Capital expenditures 69.2 46.7 48.2
Depreciation / amortization 132.8 156.1 -14.9
Net cash flow⁴ from continuing operations 168.0 53.2 >100

<table>
<thead>
<tr>
<th>€million</th>
<th>March 31, 2018</th>
<th>March 31, 2017</th>
<th>Dec. 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>7,108.3</td>
<td>7,369.0</td>
<td>6,835.7</td>
</tr>
<tr>
<td>Equity</td>
<td>3,161.8</td>
<td>3,220.1</td>
<td>3,169.3</td>
</tr>
<tr>
<td>Equity ratio (%)</td>
<td>44.5</td>
<td>43.7</td>
<td>46.4</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>1,076.7</td>
<td>1,426.6</td>
<td>1,001.6</td>
</tr>
<tr>
<td>Net financial debt⁵</td>
<td>302.4</td>
<td>687.4</td>
<td>454.4</td>
</tr>
</tbody>
</table>

Employees (number at end of period) 13,983 13,594 13,811

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 result and other financial result, and income taxes.
⁴ Sum of cash flow from operating activities (excluding changes in advance payments) and cash flow from long-term investing activities (before securities), including additions due to finance leases.
⁵ Sum of cash and cash equivalents, noncurrent and current securities, and noncurrent and current financial liabilities.

Information for editorial offices: the Q1 2018 report is available for download on the WACKER website (www.wacker.com) under Investor Relations.
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 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 globally-active chemical company with some 13,800 employees and annual sales of around €4.9 billion (2017). WACKER has a global network of 23 production sites, 21 technical competence centers and 50 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