

January through March 2019

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Q1



Interim Report — January through March 2019

Group sales reach €1.24 billion in Q1 2019, up 2 percent year over year and 4 percent quarter over quarter

At €142 million, EBITDA declines 44 percent versus a year ago and 18 percent quarter over quarter, slowed by lower polysilicon prices, higher energy costs and a temporary outage at a silicone-rubber plant

Net result for Q1 2019 amounts to €–6 million

At €–135 million, net cash flow is clearly negative, due partly to higher capital expenditures and increased working capital

Full-year forecast confirmed: Group sales for 2019 expected to grow by a mid-single-digit percentage, with EBITDA likely to decline by 10 to 20 percent versus last year

Cover — WACKER presented many new products for paints, coatings, adhesives and construction applications at this year's European Coatings Show (ECS), held March 19–21 in Nuremberg, Germany. The ECS takes place every two years and is one of the world's leading tradeshows for coatings, sealants, adhesives and construction chemicals.

WACKER — At a Glance

€ million

	Q1 2019	Q1 2018	Change in %
Results/Return/Cash Flow			
Sales	1,235.7	1,217.6	1.5
EBITDA	142.0	254.5	-44.2
EBITDA margin (%)	11.5	20.9	-
EBIT	0.1	121.7	-99.9
EBIT margin (%)	-	10.0	-
Financial result			
Income before income taxes	-9.6	-17.6	-45.5
Income before income taxes	-9.5	104.1	n.a.
Net result for the period	-5.5	79.1	n.a.
Earnings per share			
(basic/diluted) (€)	-0.16	1.52	n.a.
Capital expenditures	97.7	69.2	41.2
Depreciation/amortization	141.9	132.8	6.9
Net cash flow	-135.0	148.7	n.a.

	March 31, 2019	March 31, 2018	Dec. 31, 2018
Financial Position			
Total assets	7,449.4	7,108.3	7,118.7
Equity	3,034.9	3,161.8	3,145.5
Equity ratio (%)	40.7	44.5	44.2
Financial liabilities	1,316.4	1,076.7	997.2
Net financial debt	886.4	302.4	609.7
Employees (number at end of period)	14,744	13,983	14,542

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Dear Shareholders,

The WACKER Group's business in Q1 2019 was characterized by volume growth, somewhat better prices for chemical products and persistently challenging conditions in the solar market. At our chemical divisions, aggregate sales continued climbing, while EBITDA contracted somewhat due to a plant outage that temporarily prevented deliveries of high-value silicone rubber. In our polysilicon business, sales and earnings slowed, burdened by prices, which remained extremely low, by inventory valuation adjustments and by higher energy costs. On balance, Group sales rose year over year. EBITDA, on the other hand, decreased markedly.

Apart from the unplanned plant stoppage, WACKER SILICONES' business continued to develop solidly. Our silicone product mix is of excellent quality with high-margin specialties, and we achieved somewhat higher prices here versus a year ago. The EBITDA margin of over 21 percent highlights our continuing profitability in this business.

WACKER POLYMERS generated further volume and sales growth in the first quarter compared with the same period last year. Additionally, prices for polymer products rose. Divisional earnings reflected these positive trends, with EBITDA climbing 6 percent compared with Q1 2018.

4 WACKER BIOSOLUTIONS likewise achieved noticeable sales gains, fueled above all by markedly higher biopharmaceutical sales. The fact that our Amsterdam facilities are underutilized at present is slowing earnings. But capacity utilization there is already significantly higher than a quarter ago thanks to new orders.

WACKER POLYSILICON currently faces very challenging market conditions. Many market observers expect the price level for solar-grade polysilicon to improve in the second half-year. But there were no signs of such a trend in the reporting quarter. In addition, electricity costs at our German sites have increased substantially within the space of a year. To counter price and cost pressure, the division is not only working on enhancing its production processes and thus reducing costs, but it is also striving to expand its market share of higher-margin business with its high-quality polysilicon for semiconductor applications and monocrystalline solar cells.

Even though we have headwinds rather than tailwinds, WACKER is, and will remain, in a good position to shape its future successfully. Demand for many of our products is very high, especially at our chemical divisions. Accordingly, our investing activities remain focused on expanding our facilities for intermediate and downstream products in our silicone business. Our aim here is to strengthen our specialties portfolio over the next few years. We think and act long-term to shape our future. And we will continue resolutely along this path.

Munich, April 25, 2019
Wacker Chemie AG's Executive Board

WACKER Stock

In Q1 2019, world stock markets were at times quite volatile, but the overall trend was positive. On the one hand, sentiment was clouded by downgraded economic-growth forecasts, cautious corporate guidance, and political uncertainties such as Brexit. On the other hand, investor confidence was buoyed by predominantly sound corporate figures and by continuing projections of sales and earnings growth in many industries. The European Central Bank maintained its zero-interest policy in the reporting quarter, amid rising concerns about the global economy. Similarly, the us Federal Reserve put further rate increases on hold.

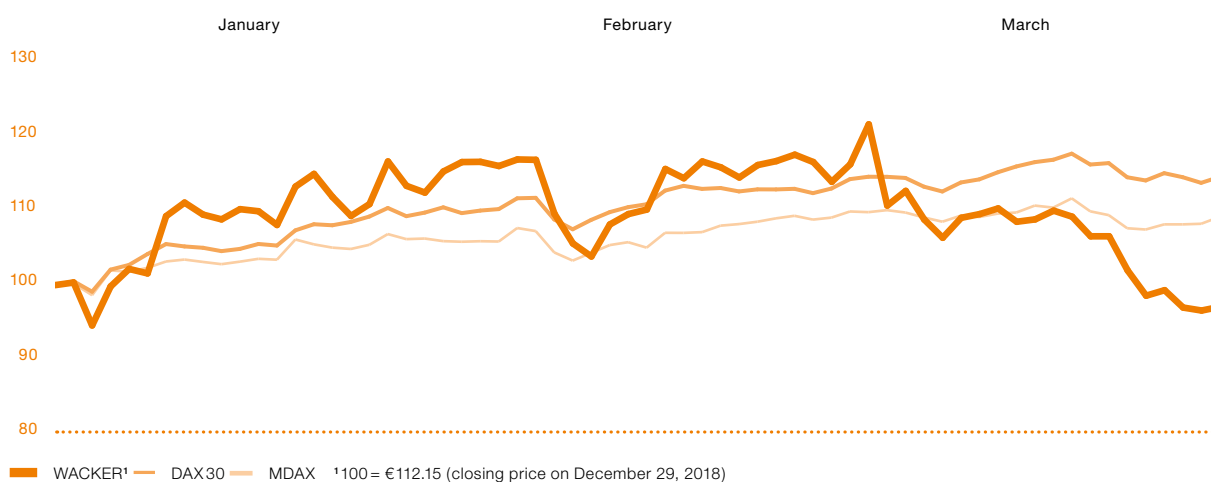
Germany's benchmark indices began the first quarter robustly, posting noticeable gains in January. After a brief reversal in early February, the DAX and MDAX regained ground. Both reached their reporting-quarter peaks in mid-March and then lost some ground in the weeks that followed. Overall, the DAX closed the first quarter 9 percent higher than at the end of December, while the MDAX gained around 15 percent.

WACKER stock started Q1 2019 at €79.10 (closing price on Dec. 28, 2018). After a pullback on January 3 to €74.82 (its reporting-quarter low), the stock outperformed the market initially. Then, in early February, the continuing us-China trade conflict, coupled with mounting growth concerns, briefly put stock markets under substantial pressure. Prices then recovered and WACKER stock rose to its reporting-quarter high of €96.16 on March 4. Following the publication of WACKER's guidance for this year on March 5, the stock gradually relinquished its previous gains, closing

the quarter at €76.80 on March 29. That was 3 percent lower than at the start of the quarter and corresponded to a market capitalization of €3.82 billion.

✂ Please refer to the 2018 Annual Report (pages 38 to 40) and the internet (www.wacker.com/investor-relations) for more details about WACKER stock.

WACKER Share Performance in Q1 2019 (indexed to 100)¹



Group Performance and Earnings

January 1 to March 31, 2019

Sales

€ million	Q1 2019	Q1 2018	Change in %
WACKER SILICONES	604.9	605.8	-0.1
WACKER POLYMERS	323.6	301.9	7.2
WACKER BIOSOLUTIONS	58.3	54.3	7.4
WACKER POLYSILICON	211.1	219.3	-3.7
Corporate functions/Other	43.1	42.6	1.2
Consolidation	-5.3	-6.3	-15.9
Group sales	1,235.7	1,217.6	1.5

EBITDA

€ million	Q1 2019	Q1 2018	Change in %
WACKER SILICONES	128.1	148.5	-13.7
WACKER POLYMERS	44.5	41.9	6.2
WACKER BIOSOLUTIONS	5.9	10.1	-41.6
WACKER POLYSILICON	-35.8	48.2	n.a.
Corporate functions/Other	0.3	6.7	-95.5
Consolidation	-1.0	-0.9	11.1
Group EBITDA	142.0	254.5	-44.2

EBIT

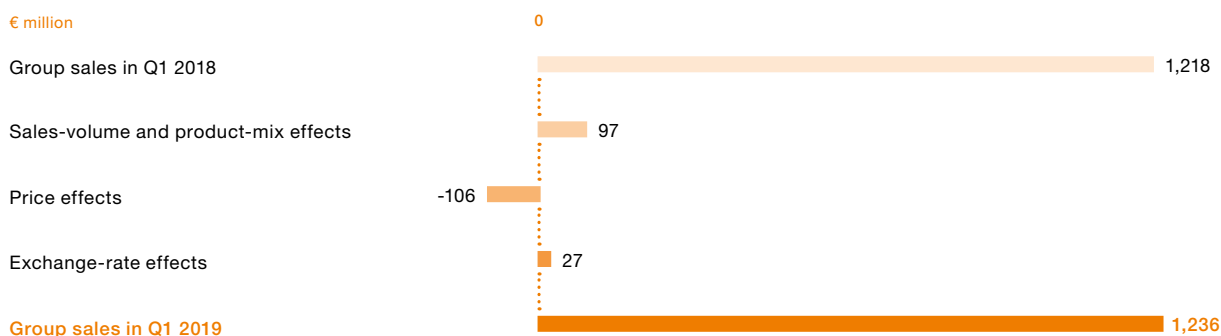
€ million	Q1 2019	Q1 2018	Change in %
WACKER SILICONES	105.9	128.7	-17.7
WACKER POLYMERS	34.1	32.5	4.9
WACKER BIOSOLUTIONS	1.7	7.3	-76.7
WACKER POLYSILICON	-118.3	-32.9	>100
Corporate functions/Other	-22.3	-13.0	71.5
Consolidation	-1.0	-0.9	11.1
Group EBIT	0.1	121.7	-99.9

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In Q1 2019, WACKER increased its sales year over year and quarter over quarter. From January through March, sales amounted to €1,235.7 million. That was 2 percent higher than the year-earlier figure (€1,217.6 million). Growth was fueled mainly by generally higher volumes and by somewhat improved prices for chemical products.

WACKER's polysilicon business saw strong volume growth, but average solar-grade polysilicon prices declined markedly versus a year ago. Changes in exchange rates had a positive impact on the year-over-year sales trend. Compared with the previous quarter (€1,188.6 million), sales were up 4 percent, mainly due to volume growth.

Year-over-Year Sales Comparison



Sales Growth Continues in the Americas

In Q1 2019, WACKER lifted its sales in the Americas, adding 12 percent year over year. Aside from volume growth, the fact that the euro was weaker versus a year ago benefited

the sales trend in this region. Sales in Europe and Asia were on par with the same period last year. Relative to Q4 2018, sales grew in every key region.

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Group Sales by Region

€ million	Q1 2019	Q1 2018	Change in %	% of Group sales
Europe	520.7	520.3	0.1	42
The Americas	226.7	201.7	12.4	18
Asia	432.5	432.7	-	35
Other regions	55.8	62.9	-11.3	5
Total sales	1,235.7	1,217.6	1.5	100

EBITDA at €142 Million, with EBITDA Margin at 11.5 Percent

WACKER generated EBITDA of €142.0 million in Q1 2019. That was 44 percent less than a year ago (€254.5 million). In addition to the substantial drop in average solar-grade polysilicon prices, earnings were slowed by higher energy prices and by a temporary outage at a silicone-rubber plant. Compared with a quarter ago (€173.3 million), EBITDA contracted 18 percent. This decline, too, was chiefly due to lower average polysilicon prices and higher energy prices. At €21.8 million, the result from investments in joint

ventures and associates was on par with a year earlier, but lower than in the preceding quarter (€57.4 million). The EBITDA margin for January through March 2019 was 11.5 percent, versus 20.9 percent a year earlier and 14.6 percent a quarter ago.

The cost-of-sales ratio came in at 88 percent in the reporting quarter. This increase of 8 percentage points over Q1 2018 was due to the above-mentioned factors.

EBIT Declines Markedly in the Reporting Quarter

Reconciliation of EBITDA to EBIT

€ million	Q1 2019	Q1 2018	Change in %
EBITDA	142.0	254.5	-44.2
Depreciation/ appreciation of fixed assets	141.9	132.8	6.9
EBIT	0.1	121.7	-99.9

Group EBIT (earnings before interest and taxes) declined markedly year over year. It amounted to €0.1 million for January through March 2019, after €121.7 million in the same period last year. That corresponds to an EBIT margin of 0.0 percent, after 10.0 percent a year ago. In Q4 2018, EBIT reached €36.4 million.

Aside from the factors already mentioned, higher year-over-year depreciation also reduced EBIT. Depreciation

rose from €132.8 million a year ago to €141.9 million in the reporting quarter, an increase of 7 percent. Relative to the preceding quarter (€136.9 million), depreciation was up 4 percent. One of the reasons for this increase was the application of IFRS 16, a new standard regulating the accounting of leases. It requires leases to be recognized as right-of-use assets, which improves EBITDA but also increases depreciation.

Reconciliation of EBIT to Net Result for the Period

€ million	Q1 2019	Q1 2018	Change in %
EBIT	0.1	121.7	-99.9
Financial result	-9.6	-17.6	-45.5
Income before income taxes	-9.5	104.1	n.a.
Income taxes	4.0	-25.0	n.a.
Net result for the period	-5.5	79.1	n.a.
Of which			
Attributable to Wacker Chemie AG shareholders	-8.0	75.3	n.a.
Attributable to non-controlling interests	2.5	3.8	-34.2
Earnings per share in € (basic/ diluted)	-0.16	1.52	n.a.
Average number of shares outstanding (weighted)	49,677,983	49,677,983	-

Result from Investments

In the reporting quarter, the balance of income from investments in joint ventures and associates and other investment income was €21.8 million, after €21.7 million in the same period last year. It mainly comprised income from Siltronic AG, which is accounted for using the equity method. In Q4 2018, the result from investments had amounted to €57.4 million.

Financial and Net Interest Result

As expected, WACKER's financial result for Q1 2019 improved versus the prior-year period. It reached €-9.6 million, after €-17.6 million a year ago. WACKER posted interest income of €2.1 million compared with last year's €2.4 million. Interest

expenses were lower at €4.6 million, down from €7.5 million a year ago. WACKER repaid financial liabilities, but also agreed new financing at favorable interest rates. The other financial result was €-7.1 million versus last year's €-12.5 million. 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. Exchange-rate effects from foreign-currency loans had a positive impact.

Income Taxes

In Q1 2019, income taxes were positive at €4.0 million, versus €-25.0 million a year ago. The reason was the proportionately high investment income from Siltronic,

which was recognized after tax. That resulted in a positive pre-tax component that is not subject to tax. Further, deferred tax assets resulted in positive income taxes. That is why the effective tax rate for the first three months of the year is not representative. A year ago, the effective tax rate was 24.5 percent.

Net Result for the Period

Due to the effects mentioned above, the net result for Q1 2019 totaled €-5.5 million, compared with €79.1 million in the same period last year.

Earnings per Share

In Q1 2019, earnings per share came in at €-0.16, after €1.52 a year ago.

Division Performance

WACKER SILICONES

€ million	Q1 2019	Q1 2018	Change in %
External sales	604.9	605.7	-0.1
Internal sales	-	0.1	-100.0
Total sales	604.9	605.8	-0.1
EBIT	105.9	128.7	-17.7
EBIT margin (%)	17.5	21.2	-
Depreciation	22.2	19.8	12.1
EBITDA	128.1	148.5	-13.7
EBITDA margin (%)	21.2	24.5	-
Capital expenditures	51.4	34.3	49.9
R&D expenses	17.9	15.2	17.8
As of	March 31, 2019	Dec. 31, 2018	
Employees (number)	5,258	5,114	2.8

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WACKER SILICONES achieved total sales of €604.9 million in Q1 2019, on par with the prior-year level (€605.8 million). Slightly higher prices for specialty products and exchange-rate effects had a positive impact on the sales trend. On the other hand, overall volumes were somewhat lower than a year ago. Areas that performed particularly well included silicone products for household and cosmetic applications, and pyrogenic silica. Compared with a quarter ago (€605.1 million), sales were almost unchanged, too.

WACKER SILICONES posted EBITDA of €128.1 million in the reporting quarter, 14 percent lower than a year ago (€148.5 million). The main reason for this decline was an outage at a production plant for high-consistency silicone rubber. As a result, deliveries of these specialty products were temporarily impeded. Compared with a quarter ago (€118.1 million), EBITDA climbed 8 percent. Earnings benefited from raw-material costs that were somewhat lower quarter over quarter and from high production output. Plant utilization averaged more than 90 percent during the reporting quarter. The EBITDA margin for Q1 2019 was 21.2 percent, after 24.5 percent in Q1 2018 and 19.5 percent a quarter ago.

WACKER SILICONES' capital expenditures amounted to €51.4 million in Q1 2019, after €34.3 million a year ago. Investment projects included construction of a new pyrogenic silica plant at Charleston (USA), the expansion of silicon-metal production at Holla (Norway), and new facilities for downstream silicone products at Burghausen (Germany) and Zhangjiagang (China).

WACKER POLYMERS

€ million	Q1 2019	Q1 2018	Change in %
External sales	318.3	295.7	7.6
Internal sales	5.3	6.2	-14.5
Total sales	323.6	301.9	7.2
EBIT	34.1	32.5	4.9
EBIT margin (%)	10.5	10.8	-
Depreciation	10.4	9.4	10.6
EBITDA	44.5	41.9	6.2
EBITDA margin (%)	13.8	13.9	-
Capital expenditures	19.7	8.8	>100
R&D expenses	9.0	7.4	21.6
As of	March 31, 2019	Dec. 31, 2018	
Employees (number)	1,607	1,600	0.4

Sales at WACKER POLYMERS totaled €323.6 million in the reporting quarter, 7 percent higher than a year ago (€301.9 million). This increase was the result of higher volumes, improved prices and positive exchange-rate effects. Compared with the preceding quarter (€298.4 million), sales grew 8 percent, chiefly due to higher volumes and prices.

In the reporting quarter, strong performances were delivered by dispersible polymer powders for construction and by dispersions for adhesives, coatings and carpet applications. WACKER POLYMERS' plant utilization averaged almost 90 percent from January through March.

The division's EBITDA amounted to €44.5 million in Q1 2019 after €41.9 million in the same period last year, an increase of 6 percent. Aside from higher sales, EBITDA was lifted by cost-saving and efficiency-enhancing measures. Moreover, a year ago, earnings had been slowed by higher raw-material costs. Relative to the preceding quarter (€26.3 million), EBITDA climbed 69 percent. The EBITDA margin was 13.8 percent in Q1 2019, after 13.9 percent a year earlier and 8.8 percent a quarter ago.

WACKER POLYMERS invested €19.7 million in the reporting quarter, compared with €8.8 million in the same period last year. Investment projects included the expansion of production capacity at Nanjing (China) and Ulsan (South Korea).

WACKER BIOSOLUTIONS

€ million	Q1 2019	Q1 2018	Change in %
External sales	58.3	54.3	7.4
Internal sales	–	–	–
Total sales	58.3	54.3	7.4
EBIT	1.7	7.3	-76.7
EBIT margin (%)	2.9	13.4	–
Depreciation	4.2	2.8	50.0
EBITDA	5.9	10.1	-41.6
EBITDA margin (%)	10.1	18.6	–
Capital expenditures	2.3	3.0	-23.3
R&D expenses	1.8	1.4	28.6
As of	March 31, 2019	Dec. 31, 2018	
Employees (number)	716	709	1.0

WACKER BIOSOLUTIONS reported total sales of €58.3 million in Q1 2019. That was 7 percent higher than last year (€54.3 million) and on par with a quarter ago (€58.2 million). Biologics and acetylacetone performed particularly well during the quarter, supporting sales through volume growth or improved prices. On balance, exchange-rate effects also had a positive effect on revenues.

Reporting-quarter EBITDA at WACKER BIOSOLUTIONS was €5.9 million, 42 percent lower than a year ago (€10.1 million). Reasons for this decline included higher raw-material costs and the fact that the new biologics plant in the Netherlands is underutilized at present. Versus the preceding quarter (€2.0 million), which was burdened by high integration costs, EBITDA almost tripled. The EBITDA margin was 10.1 percent, after 18.6 percent a year ago and 3.4 percent in Q4 2018.

WACKER BIOSOLUTIONS invested €2.3 million in the reporting quarter, after €3.0 million a year ago.

WACKER POLYSILICON

€ million	Q1 2019	Q1 2018	Change in %
External sales	211.1	219.3	-3.7
Internal sales	-	-	-
Total sales	211.1	219.3	-3.7
EBIT	-118.3	-32.9	>100
EBIT margin (%)	-56.0	-15.0	-
Depreciation	82.5	81.1	1.7
EBITDA	-35.8	48.2	n.a.
EBITDA margin (%)	-17.0	22.0	-
Capital expenditures	9.3	14.1	-34.0
R&D expenses	8.8	8.4	4.8
As of	March 31, 2019	Dec. 31, 2018	
Employees (number)	2,539	2,549	-0.4

WACKER POLYSILICON generated total sales of €211.1 million in the reporting quarter, 4 percent less than a year ago (€219.3 million). The decline was mainly due to substantially lower average solar-grade polysilicon prices. This was not fully offset by strong, year-over-year volume growth. Compared with the preceding quarter (€188.6 million), sales rose 12 percent, primarily thanks to higher volumes. The division's production plants ran at full capacity during the quarter.

EBITDA at WACKER POLYSILICON came in at €-35.8 million in the reporting quarter. That was €84 million less than a year ago (€48.2 million). Lower sales and substantially higher energy prices both weighed on earnings. Relative to the preceding quarter's figure (€-19.2 million), EBITDA was down by about €17 million. In addition to the drop in average polysilicon prices and inventory write-downs, quarter-over-quarter EBITDA was dampened by higher energy prices. To counter price and cost pressure, the division is not only working on enhancing its production processes and lowering its costs, but is also striving to expand its market share of higher-margin business with its high-quality polysilicon for semiconductor applications and monocrystalline solar cells. The division's EBITDA margin for January through March 2019 was -17.0 percent, after 22.0 percent in Q1 2018 and -10.2 percent in Q4 2018.

WACKER POLYSILICON's capital expenditures amounted to €9.3 million in the reporting quarter, compared with €14.1 million a year ago.

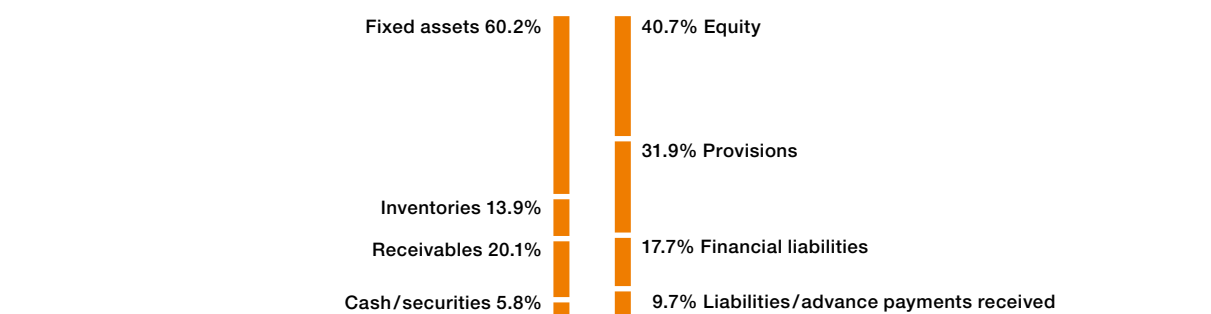
Net Assets and Financial Position

March 31, 2019

Asset and Capital Structure

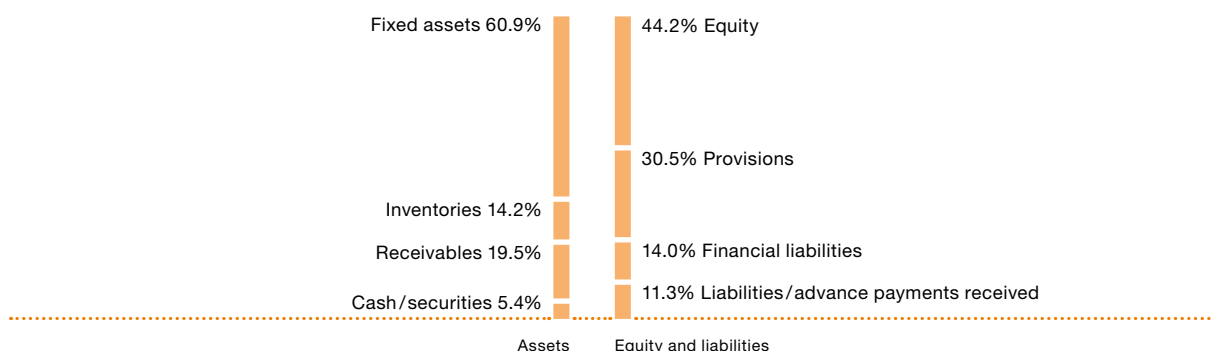
March 31, 2019

Total Balance Sheet €7,449.4 million



Dec. 31, 2018

Total Balance Sheet €7,118.7 million



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WACKER's balance sheet totaled €7.45 billion as of March 31, 2019, after €7.12 billion as of December 31, 2018. This increase was chiefly due to significantly higher working capital and liquidity. On the assets side, a total of €140.0 million in right-of-use assets from leases was posted for the first time. Financial liabilities from leases rose to €152.2 million at the same time. On the equity and liabilities side, provisions for pensions increased due to lower discount rates.

Slight Increase in Fixed Assets

Relative to the end of last year, fixed assets (including equity-accounted investments) increased slightly, rising to €4.37 billion (Dec. 31, 2018: €4.22 billion). A total of €140.0 million in right-of-use assets from leases was reported for the first time. Investments in joint ventures and associates accounted for using the equity method rose by €12.6 million. In contrast with the positive result of Siltronic AG, higher pension provisions, recognized in other

comprehensive income, had a negative impact on the carrying amount of investments in joint ventures and associates. Depreciation and amortization amounted to €141.9 million (versus €132.8 million a year ago) and mainly reduced the carrying amount of property, plant and equipment. Capital expenditures lifted fixed assets by €97.7 million, while changes in exchange rates added around €53 million.

Substantial Increase in Working Capital

Working capital climbed 19 percent to €1.45 billion (Dec. 31, 2018: €1.22 billion). Trade receivables and inventories combined rose by 6 percent. At the same time, trade payables fell by a substantial 27 percent.

Change in Working Capital

€ million	March 31, 2019	March 31, 2018	Change in %	Dec. 31, 2018	Change in %
Trade receivables	762.9	726.8	5.0	681.9	11.9
Inventories	1,032.8	876.3	17.9	1,010.7	2.2
Trade payables	-342.3	-327.0	4.7	-470.6	-27.3
Working capital	1,453.4	1,276.1	13.9	1,222.0	18.9

Liquidity Rises Due to New Financial Liabilities

As of March 31, 2019, WACKER posted liquid assets (current and noncurrent securities, cash and cash equivalents) of €430.0 million (Dec. 31, 2018: €387.5 million). This increase of 11 percent was due to new bank loans of €200 million taken out in March 2019.

Lower Discount Rates Increase Provisions for Pensions

As of the reporting date, provisions for pensions climbed to €2.0 billion (Dec. 31, 2018: €1.80 billion), a rise of €214.0 million. The discount rates were 1.67 percent in Germany (Dec. 31, 2018: 1.98 percent) and 3.72 percent in the USA (Dec. 31, 2018: 4.12 percent).

Equity Ratio at 40.7 Percent

Compared with year-end 2018, Group equity decreased. It amounted to €3.03 billion as of March 31, 2019 (Dec. 31, 2018: €3.15 billion). The corresponding equity ratio was 40.7 percent (Dec. 31, 2018: 44.2 percent). It chiefly reflected the effects from provisions for pensions. The change in provisions for pensions, which was recognized in other comprehensive income, reduced equity by €161.2 million. Exchange-rate effects lifted equity by €56.7 million.

Gross Cash Flow

Cash flow from operations (gross cash flow) totaled €0.2 million in Q1 2019, after €207.4 million a year ago. This marked decline was attributable mainly to the negative result for the period. Another factor was that the advance insurance-compensation payments of US\$ 100 million received last year for the loss event at the Charleston (USA) plant were reported under other non-financial liabilities. The result for the period included non-cash depreciation

and amortization of €141.9 million (versus €132.8 million last year). Changes to working capital had a negative effect of €198.6 million on cash flow from operations (versus a negative effect of €116.1 million a year ago).

Cash Flow from Investing Activities

At €-135.2 million, cash flow from investing activities in Q1 2019 exceeded the year-earlier figure (€-58.7 million) due to increased capital expenditures, chiefly for ongoing investments in the chemical divisions.

Net Cash Flow

Due to the effects described above, net cash flow in Q1 2019 amounted to €-135.0 million, compared with €148.7 million a year ago. WACKER changed its definition of net cash flow as of Q1 2019. Now, the change in advance payments received is no longer eliminated from gross cash flow. The comparative figure for Q1 2018 was adjusted accordingly and is thus €19.3 million lower.

Net Cash Flow

€ million	Q1 2019	Q1 2018	Change in %
Cash flow from operating activities (gross cash flow)	0.2	207.4	-99.9
Cash flow from long-term investing activities before securities	-135.2	-58.7	>100
Net cash flow	-135.0	148.7	n.a.

Cash Flow from Financing Activities

Cash flow from financing activities was €176.8 million in Q1 2019, after €88.5 million a year earlier, reflecting primarily the taking out of new bank loans in the amount of €200 million. In the year-ago period, promissory notes (German Schuldscheine) of €300 million were issued and a loan of US\$ 250 million repaid prematurely. Lease liabilities of €8.3 million (as per the new IFRS 16 standard for leases) were repaid.

Financial Liabilities Rise 32 Percent

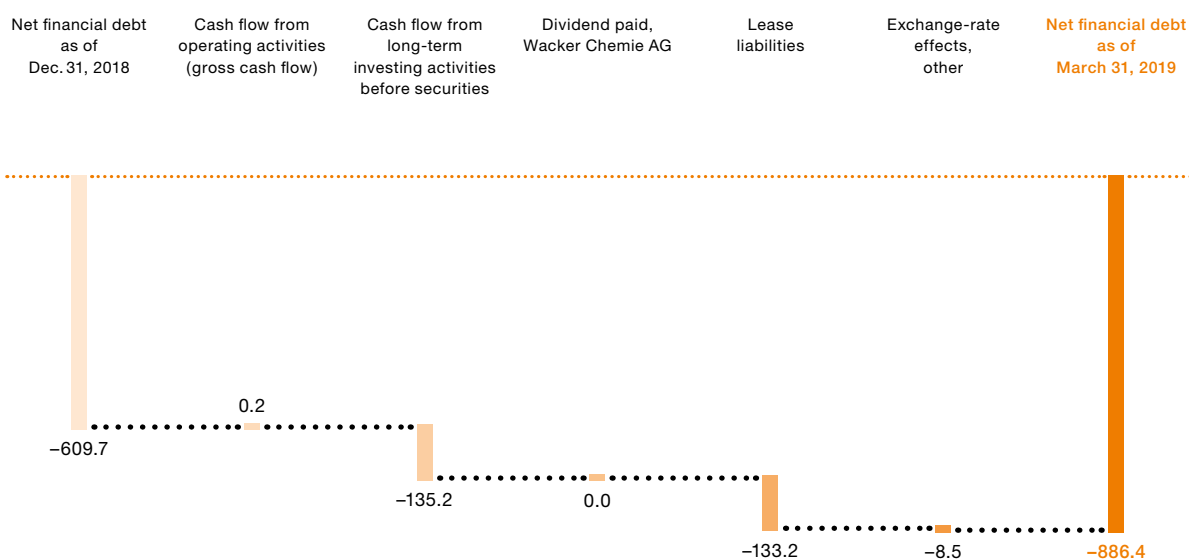
Current and noncurrent financial liabilities were substantially higher as of the reporting date, amounting to €1.32 billion (Dec. 31, 2018: €997.2 million). Exchange-rate effects had a negative impact of around €8 million on financial liabilities. In Q1 2019, WACKER took out loans totaling €200 million at favorable conditions. Application of the new accounting standard for leases (IFRS 16) resulted in an increase of €133.2 million in lease liabilities as of the reporting date, which further increased financial liabilities.

Net Financial Debt Higher

Net financial debt – the balance of noncurrent and current financial liabilities and liquid assets – rose markedly, from €609.7 million to €886.4 million. This increase was due not only to cash outflows for operating activities, but also to the increase of €133.2 million in lease liabilities in accordance with IFRS 16.

Net Financial Debt

€ 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 2019 were explained in detail in our 2018 Annual Report, as were the main opportunities for our business and the nature of our risk management system.

↗ See pages 81 to 96

The statements and assessments made there did not change in the reporting period. Nor have we identified any further significant risks or opportunities that go beyond what we described in the 2018 Annual Report. We can never rule out the existence of other business-related risks and opportunities that we are currently unaware of 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

Group's Full-Year Forecast Unchanged

We described in detail our forecast for the Group's performance this year in the Outlook section of our 2018 Annual Report.

↗ See pages 97 to 102

The statements made there regarding our expectations for the year did not change in the reporting period.

Statement of Income

January 1 to March 31, 2019

€ million	Q1 2019	Q1 2018*	Change in %
Sales	1,235.7	1,217.6	1.5
Cost of goods sold	-1,086.4	-974.7	11.5
Gross profit from sales	149.3	242.9	-38.5
Selling expenses	-78.9	-72.7	8.5
Research and development expenses	-48.1	-41.7	15.3
General administrative expenses	-40.0	-37.2	7.5
Other operating income	16.5	26.0	-36.5
Other operating expenses	-20.5	-17.3	18.5
Operating result	-21.7	100.0	n.a.
Result from investments in joint ventures and associates	21.8	21.7	0.5
Other investment income	-	-	-
EBIT (earnings before interest and taxes)	0.1	121.7	-99.9
Interest income	2.1	2.4	-12.5
Interest expenses	-4.6	-7.5	-38.7
Other financial result	-7.1	-12.5	-43.2
Financial result	-9.6	-17.6	-45.5
Income before income taxes	-9.5	104.1	n.a.
Income taxes	4.0	-25.0	n.a.
Net result for the period	-5.5	79.1	n.a.
Of which			
Attributable to Wacker Chemie AG shareholders	-8.0	75.3	n.a.
Attributable to non-controlling interests	2.5	3.8	-34.2
Earnings per share in € (basic / diluted)	-0.16	1.52	n.a.
Average number of shares outstanding (weighted)	49,677,983	49,677,983	-

* The items "other financial result" and "income taxes" have been adjusted on the basis of the ASCG (Accounting Standards Committee of Germany) Interpretation 4 (IFRS) Accounting for Interest and Penalties Related to Income Taxes under IFRSs.

Statement of Financial Position

As of March 31, 2019

€ million	March 31, 2019	March 31, 2018*	Change in %	Dec. 31, 2018	Change in %
Assets					
Intangible assets	35.9	38.7	-7.2	38.3	-6.3
Property, plant and equipment	3,512.2	3,380.6	3.9	3,525.5	-0.4
Right-of-use assets	140.0	-	n.a.	-	n.a.
Investment property	8.5	1.3	>100	1.5	>100
Investments in joint ventures and associates accounted for using the equity method	670.9	582.4	15.2	658.3	1.9
Securities	4.1	82.1	-95.0	4.4	-6.8
Other financial assets	113.6	107.3	5.9	109.3	3.9
Other receivables and assets	8.6	5.3	62.3	5.3	62.3
Deferred tax assets	590.4	473.7	24.6	520.9	13.3
Noncurrent assets	5,084.2	4,671.4	8.8	4,863.5	4.5
Inventories	1,032.8	876.3	17.9	1,010.7	2.2
Trade receivables	762.9	726.8	5.0	681.9	11.9
Other financial assets	14.8	48.3	-69.4	30.1	-50.8
Other receivables and assets	105.6	80.0	32.0	85.4	23.7
Income tax receivables	23.2	13.3	74.4	64.0	-63.8
Securities and fixed-term deposits	22.4	395.0	-94.3	42.0	-46.7
Cash and cash equivalents	403.5	297.2	35.8	341.1	18.3
Current assets	2,365.2	2,436.9	-2.9	2,255.2	4.9
Total assets	7,449.4	7,108.3	4.8	7,118.7	4.6
Equity and Liabilities					
Subscribed capital of Wacker Chemie AG	260.8	260.8	-	260.8	-
Capital reserves of Wacker Chemie AG	157.4	157.4	-	157.4	-
Treasury shares	-45.1	-45.1	-	-45.1	-
Retained earnings	3,320.4	3,380.8	-1.8	3,328.0	-0.2
Other equity items	-721.0	-645.1	11.8	-613.9	17.4
Equity attributable to Wacker Chemie AG shareholders	2,972.5	3,108.8	-4.4	3,087.2	-3.7
Non-controlling interests	62.4	53.0	17.7	58.3	7.0
Equity	3,034.9	3,161.8	-4.0	3,145.5	-3.5
Provisions for pensions	2,009.0	1,691.8	18.7	1,795.0	11.9
Other provisions	223.8	234.3	-4.5	220.1	1.7
Income tax provisions	75.0	50.3	49.1	88.3	-15.1
Financial liabilities	1,180.0	874.0	35.0	894.7	31.9
Other financial liabilities	0.5	0.6	-16.7	0.4	25.0
Contract liabilities	57.7	95.4	-39.5	64.1	-10.0
Other liabilities	0.1	-	n.a.	-	n.a.
Deferred tax liabilities	10.5	4.5	>100	9.8	7.1
Noncurrent liabilities	3,556.6	2,950.9	20.5	3,072.4	15.8
Other provisions	36.1	60.5	-40.3	36.0	0.3
Income tax provisions	35.3	66.1	-46.6	21.7	62.7
Financial liabilities	136.4	202.7	-32.7	102.5	33.1
Trade payables	342.3	327.0	4.7	470.6	-27.3
Other financial liabilities	20.9	14.4	45.1	23.3	-10.3
Income tax liabilities	0.3	0.6	-50.0	0.2	50.0
Contract liabilities	81.1	67.9	19.4	86.8	-6.6
Other liabilities	205.5	256.4	-19.9	159.7	28.7
Current liabilities	857.9	995.6	-13.8	900.8	-4.8
Liabilities	4,414.5	3,946.5	11.9	3,973.2	11.1
Total equity and liabilities	7,449.4	7,108.3	4.8	7,118.7	4.6

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*The items "other provisions" (noncurrent and current) and "income tax provisions" (noncurrent and current) have been adjusted on the basis of the ASCG (Accounting Standards Committee of Germany) Interpretation 4 (IFRS) Accounting for Interest and Penalties Related to Income Taxes under IFRSs.

Statement of Cash Flows

January 1 to March 31, 2019

€ million	Q1 2019	Q1 2018	Change in %
Net result for the period	-5.5	79.1	n.a.
Depreciation/ amortization of fixed assets	141.9	132.8	6.9
Result from disposal of fixed assets	2.2	0.5	>100
Other non-cash expenses and income	12.7	10.3	23.3
Result from equity accounting	-21.8	-21.7	0.5
Net interest income	2.5	5.1	-51.0
Interest paid	-3.9	-4.6	-15.2
Interest received	1.0	1.5	-33.3
Income tax expense	-4.0	25.0	n.a.
Taxes paid	33.9	-30.5	n.a.
Dividends received	-	-	-
Change in inventories	-30.8	-92.9	-66.8
Change in trade receivables	-74.8	-74.2	0.8
Change in non-financial assets	-22.1	4.0	n.a.
Change in financial assets	16.2	32.9	-50.8
Change in provisions	15.2	18.3	-16.9
Change in non-financial liabilities	44.7	98.7	-54.7
Change in financial liabilities	-94.9	50.6	n.a.
Change in contract liabilities	-12.3	-27.5	-55.3
Cash flow from operating activities (gross cash flow)	0.2	207.4	-99.9
Cash receipts and payments for investments	-135.6	-60.3	>100
Proceeds from the disposal of fixed assets	0.4	1.6	-75.0
Cash flow from long-term investing activities before securities	-135.2	-58.7	>100
Cash receipts and payments for the acquisition/ disposal of securities and fixed-term deposits	19.9	-219.5	n.a.
Cash flow from investing activities	-115.3	-278.2	-58.6
Dividends paid	-	-	-
Change in financial liabilities	185.1	88.5	>100
Change in lease liabilities	-8.3	-	n.a.
Cash flow from financing activities	176.8	88.5	99.8
Change due to exchange-rate fluctuations	0.7	-7.4	n.a.
Total change in cash and cash equivalents	62.4	10.3	>100
At the beginning of the period	341.1	286.9	18.9
At the end of the period	403.5	297.2	35.8

2019 — Financial Calendar



Annual Shareholders' Meeting



Interim Report on the 2nd Quarter of 2019



Interim Report on the 3rd Quarter of 2019

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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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