



CREATING TOMORROW'S SOLUTIONS



WACKER Virtual CMD Series: SILICONES & POLYMERS

Wacker Chemie AG, December 17, 2020

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Agenda for Today

Agenda

10:00 - 11:00 AM CET POLYMERS & SILICONES

In between Q&A Sessions

Our Speakers



Tobias Ohler
CFO



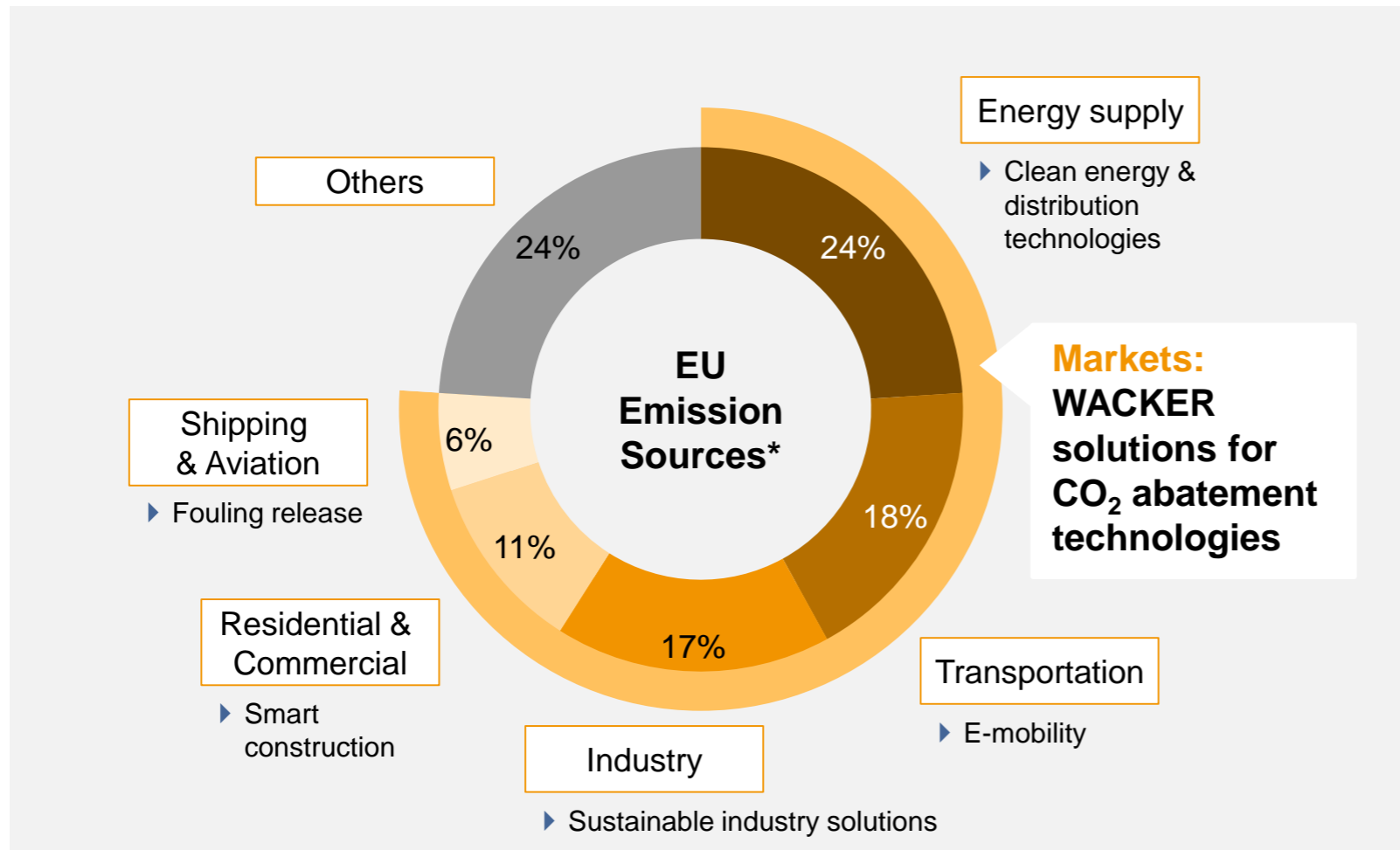
Peter Summo
President WACKER POLYMERS



Robert Gnann
President WACKER SILICONES

Global Climate Targets Act as a Catalyst for CO₂ Reduction Technologies

WACKER Technologies Help Abate CO₂ From Primary Emission Sources



Global Policy Update

- ▶ China Net Zero by 2060
 - ▶ 2,500 GW PV solar & 2,400 GW wind needed**
- ▶ EU Climate Neutral 2050
 - ▶ Double renovation rates
- ▶ UK Climate Neutral 2050
 - ▶ Phase out of ICE cars in 2030 planned
- ▶ Japan Net Zero by 2050

* Eurostat 2017 **China 2050-Fully Developed Rich Zero-Carbon Economy

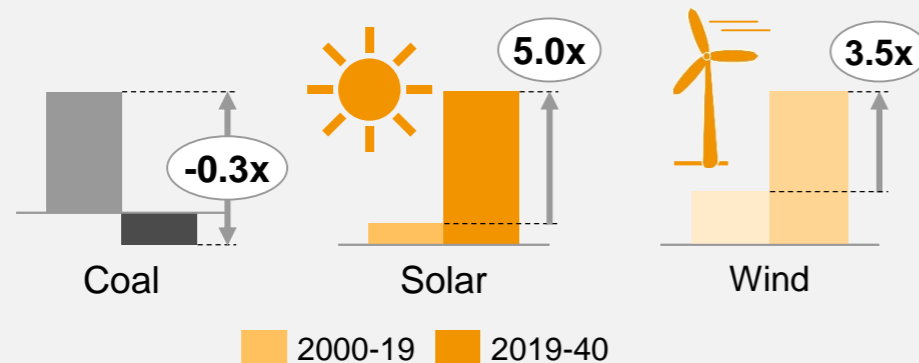
WACKER Enables Technologies for Clean Energy & Sustainable Mobility

Clean Energy

Share of renewables in the EU electricity production mix needs to double to at least 65% by 2030 to fulfill the targets laid out in the **EU Green Deal**.

Globally, renewable energy generation has expanded at unprecedented rates and new investments in solar and wind projects are forecasted to accelerate.

Global Electricity Generation (TWh) in the Next 20 Years*

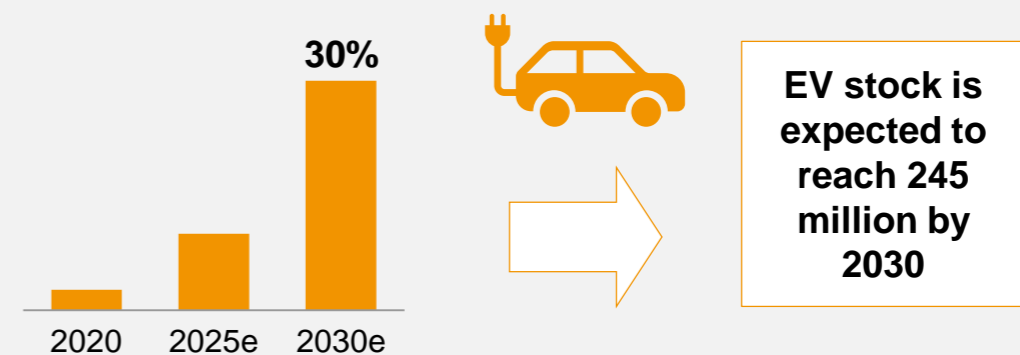


Sustainable Mobility

A 90% reduction in transport emissions is needed by 2050 to achieve climate neutrality in the EU.

Batteries and cables are the heart and arteries of EVs. As their capacities and voltage levels increase, thermal management and high-performance insulating materials are of utmost importance.

EV Share of Global New Car Sales**



*Source: IEA 2020 World Energy Outlook **IEA Global EV Outlook 2020 Sustainable Development Scenario

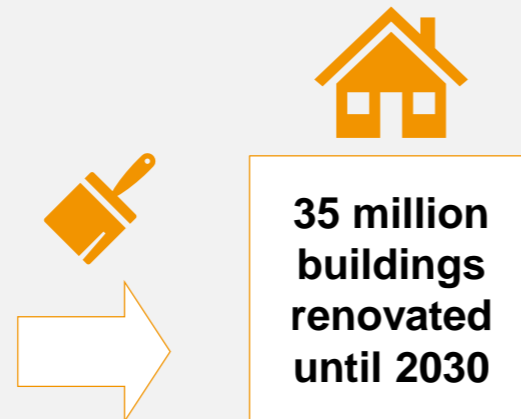
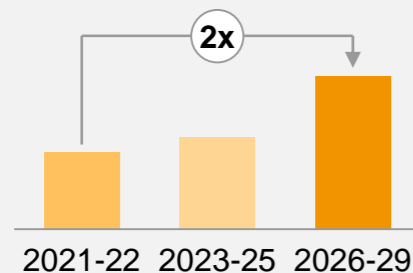
WACKER Enables Smart Construction Technologies and Raw Material Savings

Renovation Wave

Renovation rates will need to at least double to reach the EU's energy efficiency and climate objectives.

Around €275 billion of additional investment in building renovation is needed every year in Europe. Focus on energy performance of buildings, the circular economy, and climate-proofing of the building stock.

EU Renovation Rates

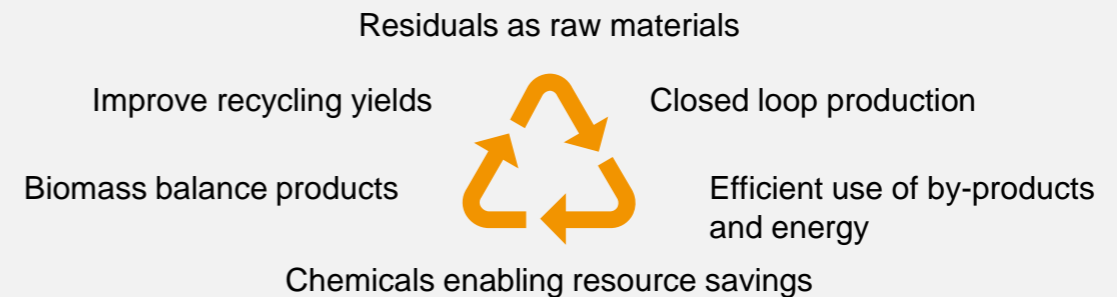


Resource Efficiency

50% of total GHG emissions and 90% of biodiversity loss and water stress come from resource extraction and processing in the EU.

The EU aims to boost sustainable growth and transition towards a more circular economy.

Contributing to the Circular Economy





CREATING TOMORROW'S SOLUTIONS



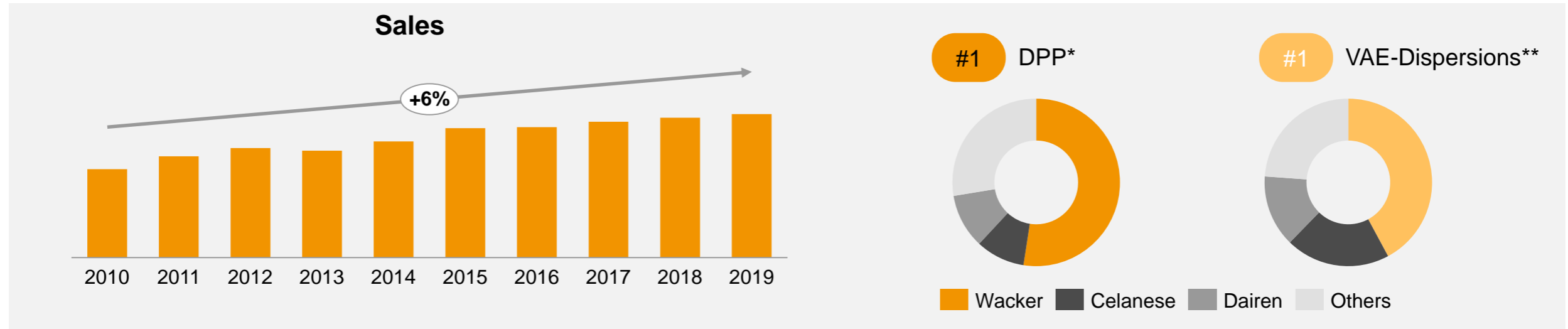
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POLYMERS

Peter Summo – President WACKER POLYMERS

Ticker: WCH
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POLYMERS at a Glance

Leading Market Positions and Long-Term Growth



Drivers for POLYMERS

Growth

- ▶ Intact growth drivers in key markets and broad scope of applications
- ▶ Diverse market & customer base
- ▶ Growth partner of our customers

Customer Focus

- ▶ Global presence with DPP+VAE tandem production sites and 16 technical centers
- ▶ Innovation and in-depth formulating expertise

Sustainability

- ▶ Enable CO₂ savings with smart construction
- ▶ Renewable raw materials solutions

*DPP = Dispersible Polymer Powder
 **VAE = Vinyl-Acetate-Ethylene based polymer dispersions incl. feed for DPP

Tandem Sites and Tech Centers Enhance POLYMERS' Global Reach

Serving Customers in All Key Markets



Addressing Individual Regional Market Requirements

Emerging

- ▶ Higher building standards
- ▶ Technology transformation
- ▶ Growing incomes
- ▶ Urbanization

Developing

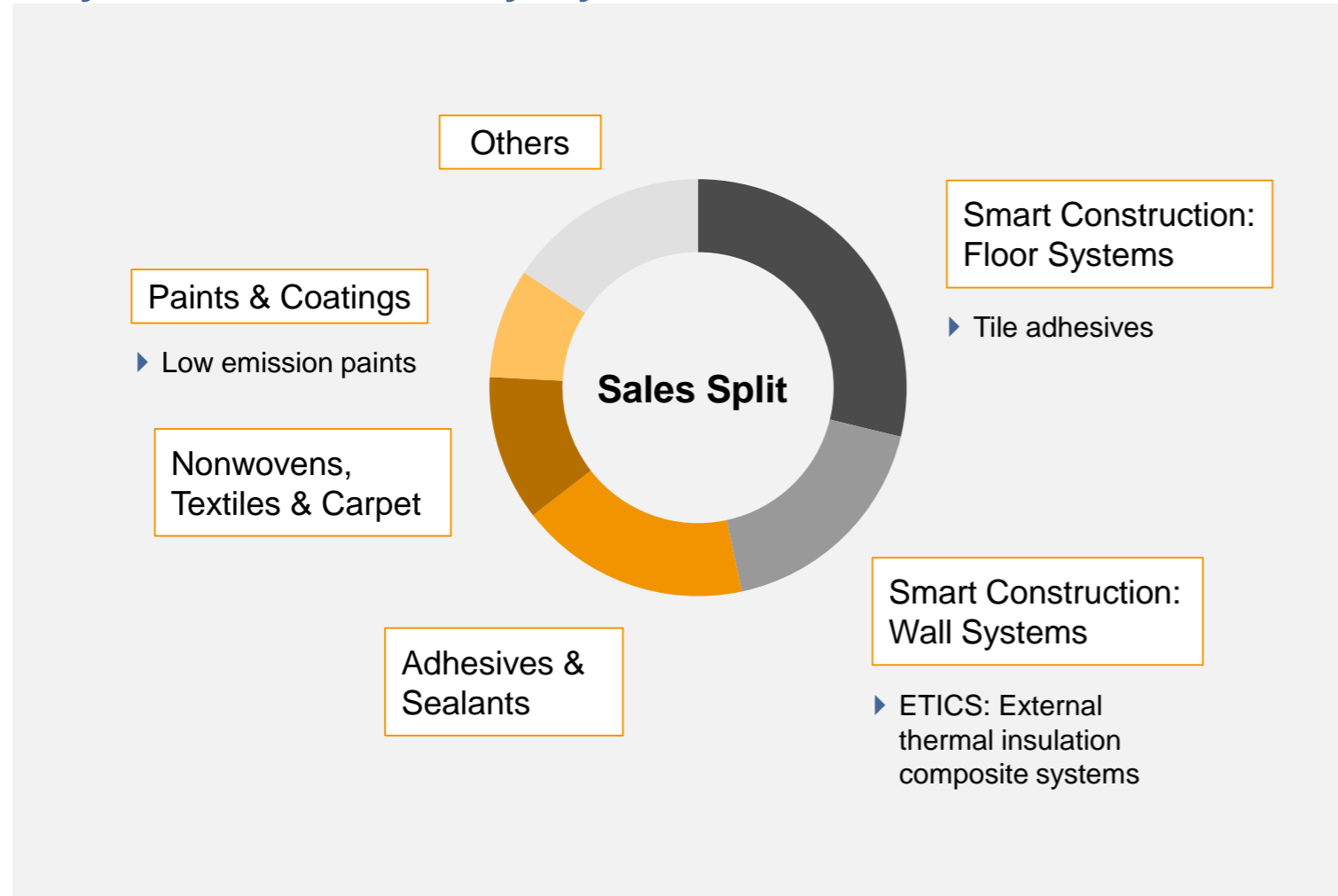
- ▶ Material savings & labor productivity
- ▶ Increasing quality awareness
- ▶ Local technical support for local markets
- ▶ Value chain education

Developed

- ▶ Advanced technical product requirements
- ▶ Renovation
- ▶ Value based replacement
- ▶ Sustainable products

Intact Fundamental Market Drivers Offer Growth Potential for POLYMERS

Polymer Binders in Everyday Life



Market Drivers



- ▶ DPP ↔ Smart and sustainable construction, urbanization and renovation



- ▶ Dispersions ↔ Growth based on performance benefits and higher incomes

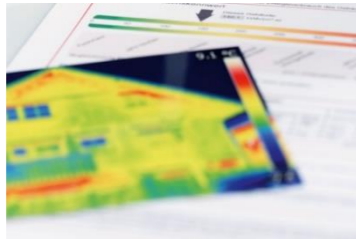
DPP Technology Provides Answers to Market Requirements in Construction

Growth Drivers

Urbanization



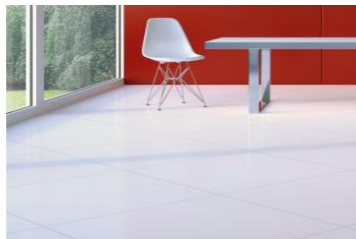
Energy efficiency



Productivity



Architectural Trends

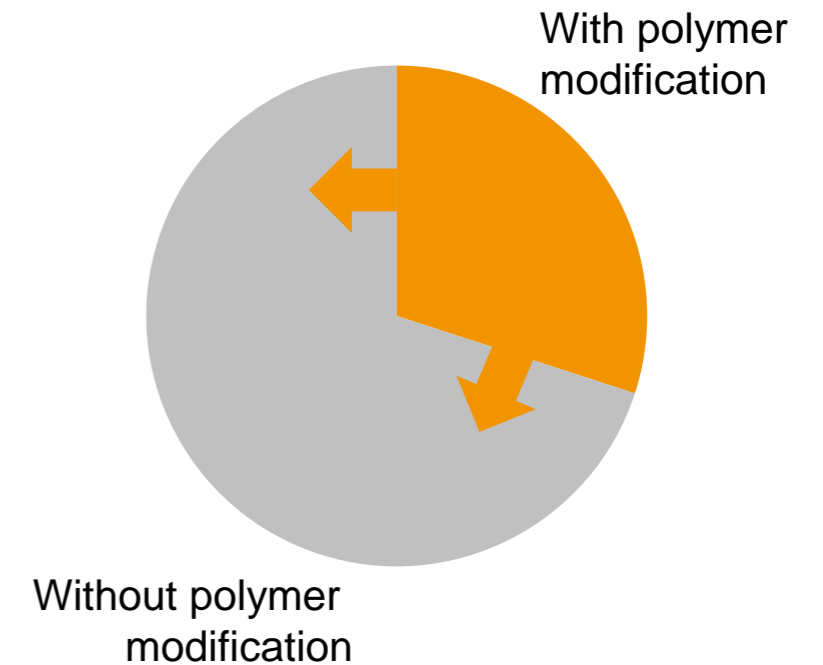


Performance Benefits

- ▶ Good adhesion
- ▶ Flexibility
- ▶ Open time
- ▶ Material savings
- ▶ CO₂ savings

Growth Potential

Global Dry Mortar Market



Source: WACKER estimates

EU Green Deal New Catalyst for Growth in Europe for Renovation & Construction

Good Adhesion and Flexibility Enable ETICS' Success

~70%

of ETICS* used
in renovation

~25%

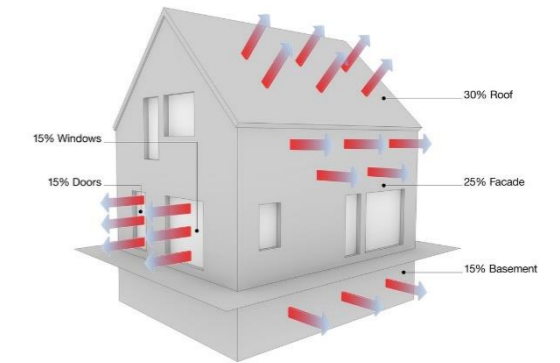
energy loss of a heated
building through facade

~90%

of today's buildings
will still be in use by 2050

35 million

inefficient buildings in the
EU to be renovated until
2030



*ETICS = External thermal insulation composite systems; Source: European Commission: A Renovation Wave for Europe

Resource Efficient Solutions with a Low CO₂ Footprint are Required in all Regions

Transformation Enables Material Saving, CO₂ Emission Reductions and Higher Productivity

~-60%

less sand and cement used in thin bed vs. thick bed application of CTA

~12 million mt

CO₂ equivalent avoided per year by using thin-bed CTA* compared to thick-bed

Local solutions

Enable high quality CTA formulations despite varying cement qualities

>-50%

Reduced time for tile applicator from Ø 30 min/m² down to Ø 15 min/m²



*CTA = Ceramic Tile Adhesive, WACKER estimates

Substitution Drives VAE Growth in Consumer & Industrial Applications

Growth Drivers

Higher Incomes



Environmental Awareness



Productivity



Resource Efficiency

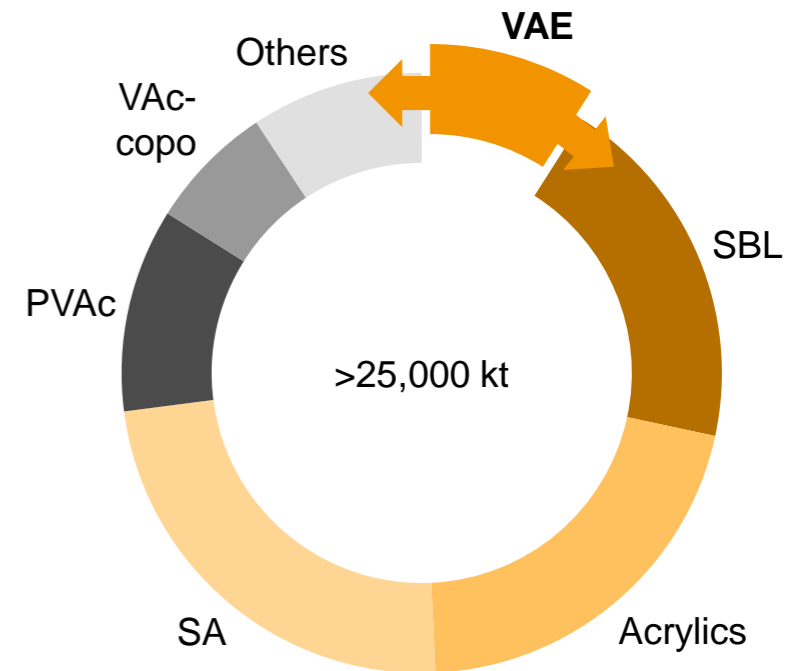


Performance Benefits

- ▶ Adhesion-cohesion balance
- ▶ Excellent machinability
- ▶ Low VOC emissions and low odor
- ▶ Low flammability
- ▶ Access to renewable raw material base

Growth Potential

Global Synthetic Polymer Latex Market 2019*



SA = Styrene Acrylics, VAc-copo = Vinyl Acetate Co-Polymers, PVAc = Polyvinyl Acetate, SBL = Styrene Butadiene Latex/
*Source: Kline 2020 / incl. Feed

New Solutions Are Developed to Meet Changing Market Requirements

VINNAPAS[®], PRIMIS[®] and NEXIVA[®] – Solutions for Paints and Coatings Applications

Ultra Low VOC

water borne paints based on VINNAPAS[®] products with VOC content <1g/L

Easy-to-Clean

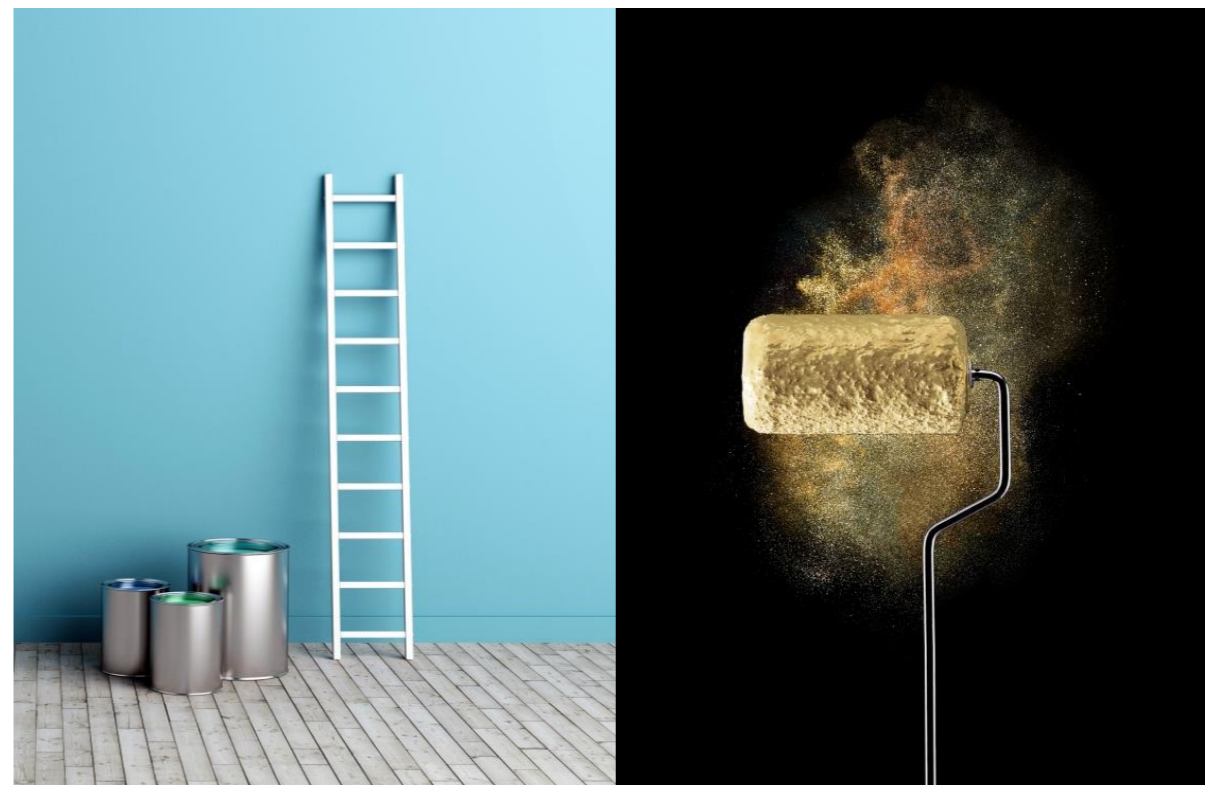
PRIMIS[®] as co-binder improves scrub resistance of paints

Biocide-Free

dry binder solution based on NEXIVA[®] dispersible polymer powders

Positive Outlook

of major architectural paint producers for 2021



Providing Sustainable Solutions for our Customers with Bio-Based Products

VINNECO® Binders Produced Using Renewables Offering Smart Access to Sustainable Solutions

25%

is the 2030 aspirational target for bio-based feedstock in the EU chemicals production

1:1

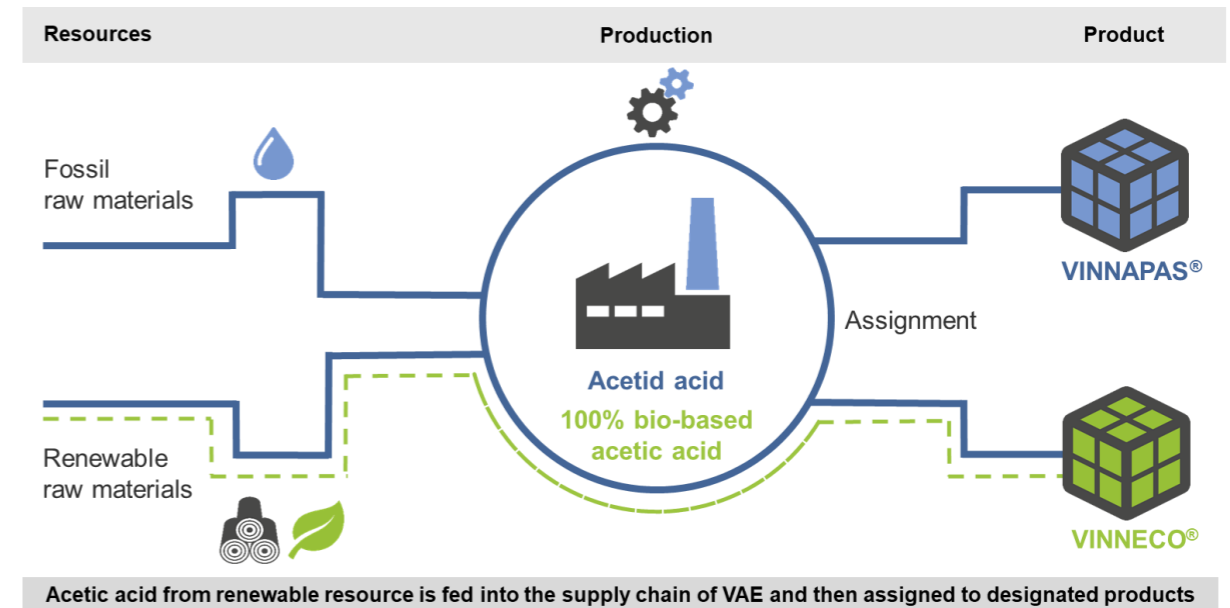
drop-in solution without the need of reformulation

>85%

reduction of carbon footprint of raw material compared to fossil base

60%-100%

fossil-free products are offered via mass balance



Sources: RoadToBio project funded by the EU under the Horizon 2020 program, Bio-based Industries Consortium (BIC), Supplier information for 100% bio-based acetic acid

POLYMERS

Sustainable Binder Solutions

Sources of Growth

Customer Focus

- ▶ Global presence with production and technical centers
- ▶ Continuously expanding our production footprint to enable customer's growth potential



Substitution by Innovation

- ▶ Performance driven substitution
- ▶ Transformation towards higher building standards



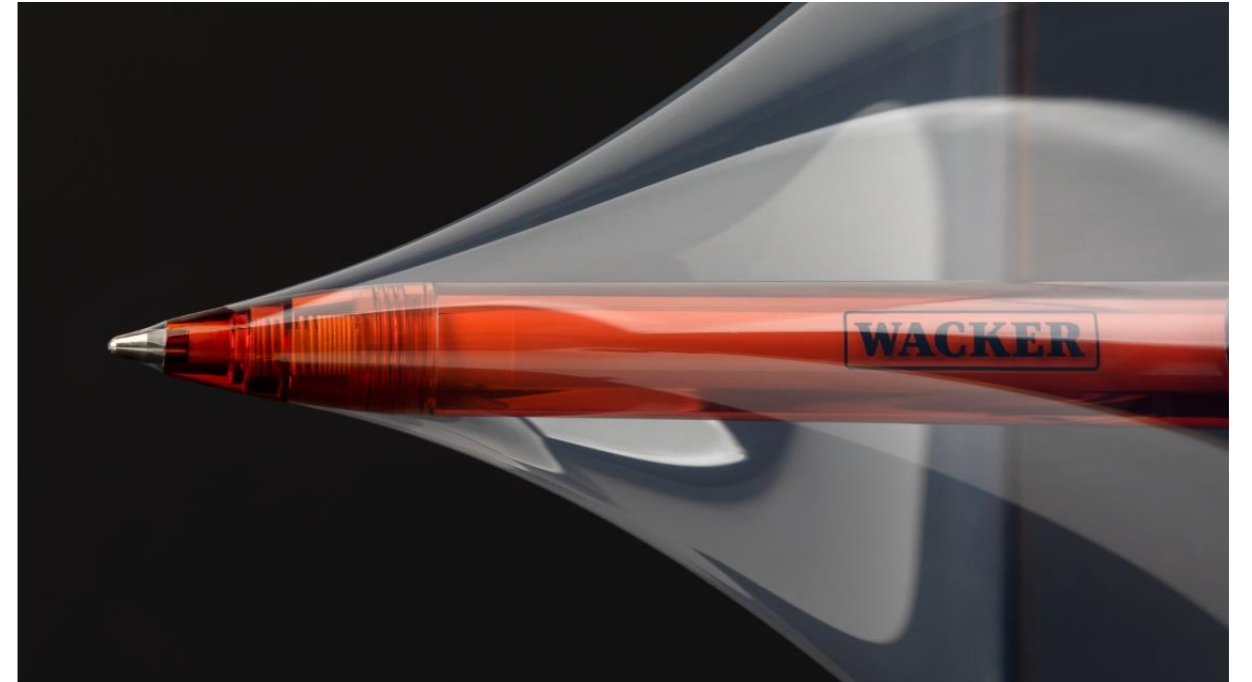
Sustainability

- ▶ New product releases based on renewable raw materials
- ▶ CO₂ savings with smart construction demonstrated





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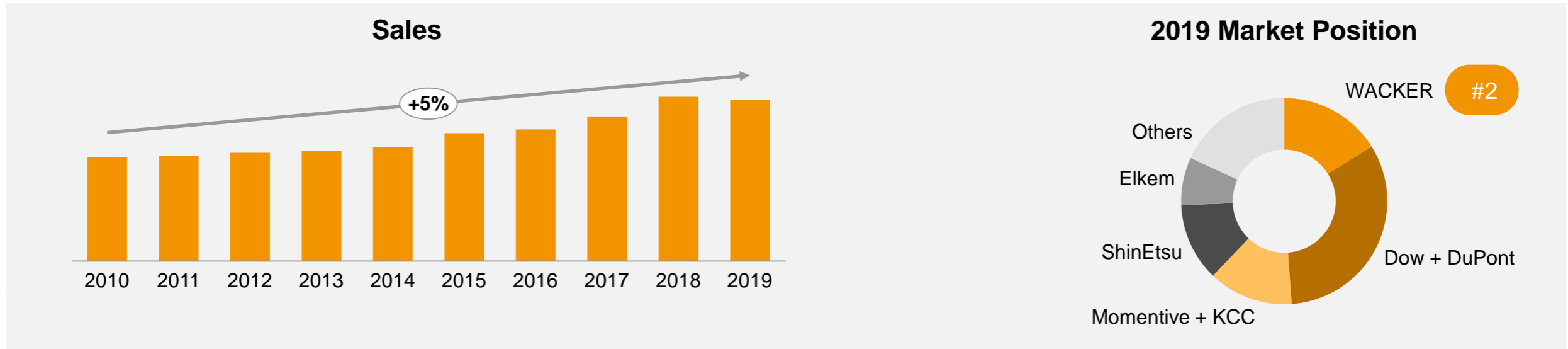
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SILICONES

Dr. Robert Gnann – President WACKER SILICONES

Ticker: WCH
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SILICONES at a Glance

Excellent Performance Characteristics & Specialty Focus Drives Growth



Drivers for SILICONES

Growth Drivers

- ▶ Versatile chemistry with excellent performance characteristics and strong substitution drive
- ▶ Catch-up demand in developing countries

Performance

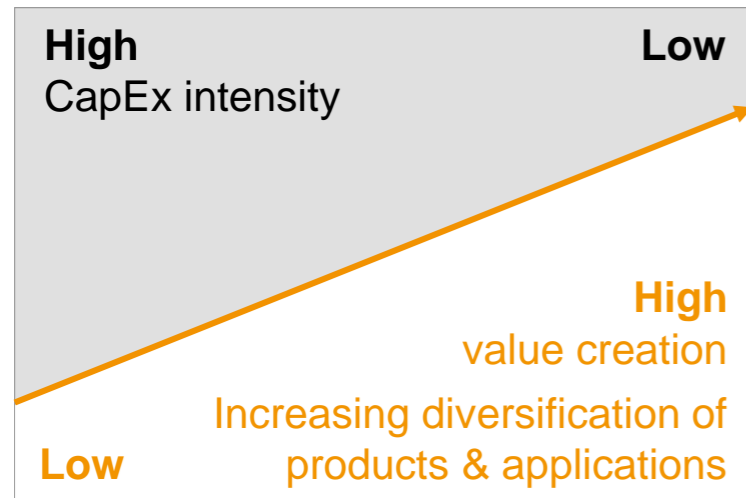
- ▶ Investment focus on specialties
- ▶ Focus on cost and efficiency
- ▶ Intensive knowledge / best practice sharing between regional competence centers

Sustainability

- ▶ Silicones are key components in leading CO₂ abatement technology

Substantial Investments in Downstream Capacities Fostering Specialties Growth

Full Portfolio – Specialty Focus



Standards

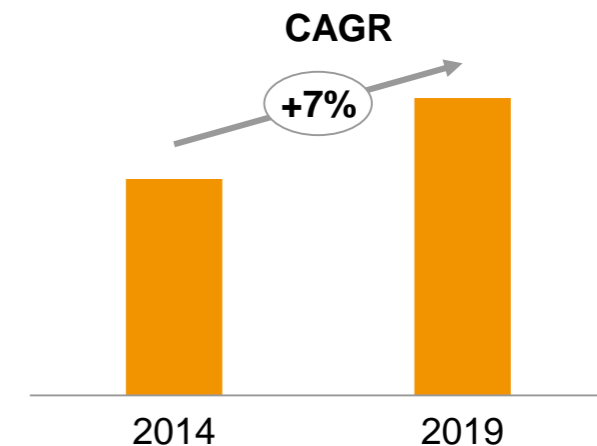
Specialties

Success Factors

- ▶ Localization of service and downstream production close to our customers
- ▶ Preferred development partner
- ▶ Sufficient Sx volumes at benchmark cost to support specialties growth without upstream investments

Mix Shift Towards Specialties

Siloxane consumed by Specialties (volumes, in kt)



- ▶ Targeted investments to support downstream growth

Versatility and High-Performance Drive Growth in New Applications

Broad Spectrum of Adjustable Properties

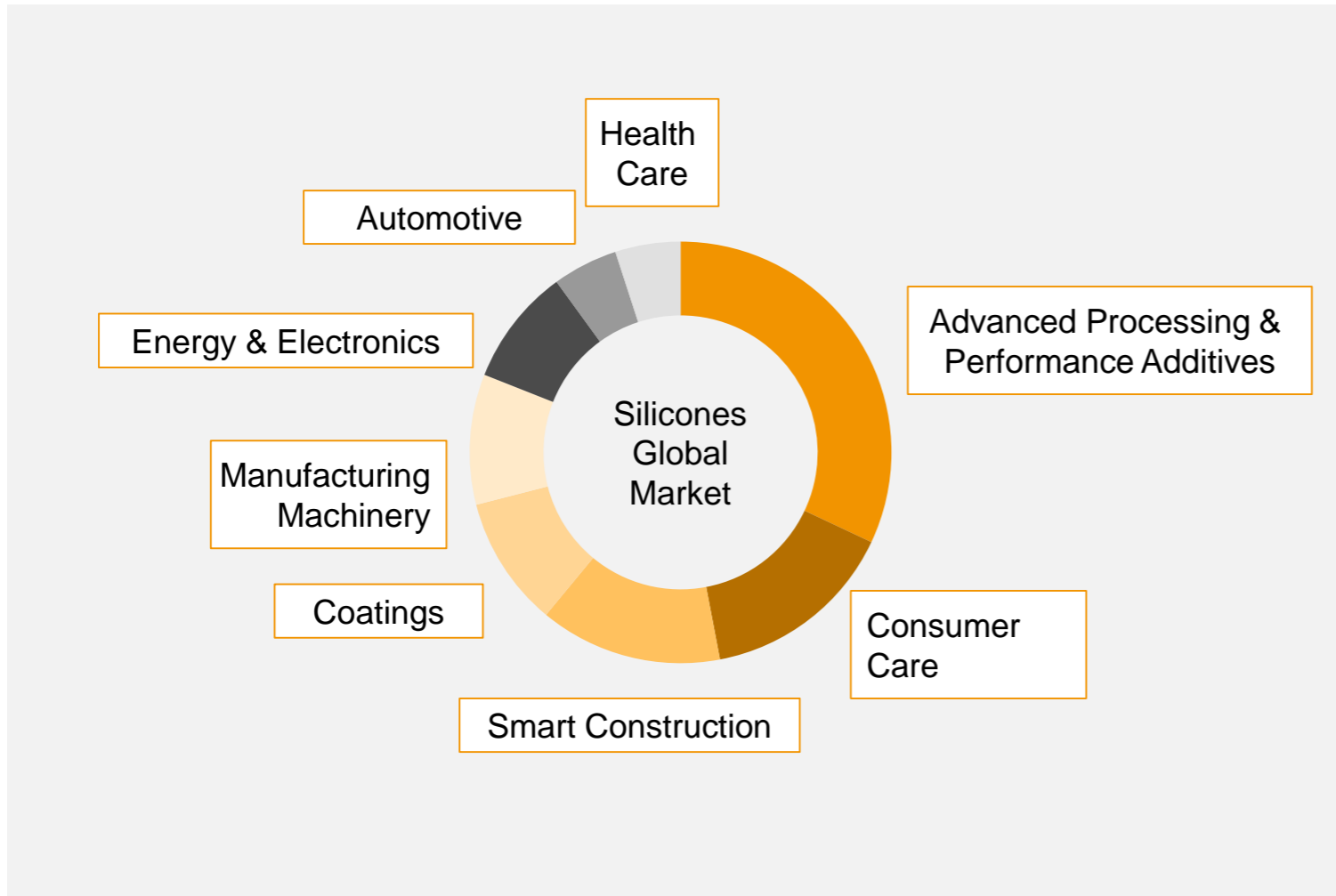


Performance Benefits

- ▶ Durability, longevity
- ▶ Heat stability
- ▶ UV, chemical & microbial resistant
- ▶ Water repellent & water vapor permeable

SILICONES Serve Diversified End Markets

Broad Market Penetration and a Wide Customer Base



Climate Policy Drivers

- ▶ Energy ↔ Renewables and Grids
- ▶ Automotive ↔ E-Mobility
- ▶ Construction ↔ Renovation
- ▶ Sustainability ↔ Resource Efficiency

Industry Split; Source: Freedonia

Wind Energy with Continued Growth on the Back of Clean Energy Policies

HDK®: Enabling Longer and Stronger Rotor Blades with Fumed Silica Bonding Pastes

30%

of the future electricity demand in the EU will be supplied by offshore wind*

Performance

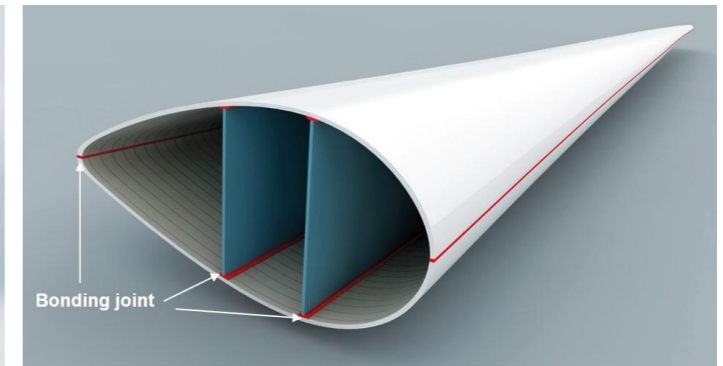
requirements increase with longer and heavier rotor blades

20% CAGR

~50 GW of offshore wind energy installed globally over next 5 years**

Bonding matters

Huge forces in harsh environment for >25 years



*Source: European Commission: EU strategy on offshore renewable energy; **GWEC Global Wind Report 2019; March 2020

Growing Silicones Content due to E-Mobility, Autonomous Driving & Connectivity

Silicones Protect and Enable Critical Components in Hybrids, Electric and Hydrogen-Fuel Vehicles

90%

reduction of greenhouse gas emissions targeted in the European transport sector by 2050*

Essential

in batteries, sensors, power conversion, e-motors, cables, fuel cells and displays

Silicones

ensure top performance, functionality and long service life under extreme conditions

Up to 4x

higher silicone content in EV vs. ICE cars

Battery



Sensor ECU



Power Conversion



Displays



e-Motor



Fuel cell



*Source: European Commission: The European Green Deal – Sustainable mobility

Construction Related Applications Benefit From EU Renovation Wave

Silane Modified Polymers: Advanced Adhesives with Excellent Performance & Substitution Drive

Performance

Excellent adhesion, easy to apply, formulation freedom

Outgrow market

proven track record by technology lead in SMP*

Environment

benefits from WACKER's unique α -technology, enabling tin-, plasticizer-, and isocyanate-free systems

\$2.8bn

SMP market** with >12% CAGR



Paintable joints



High strength bonding



Parquet floor adhesives



Water-proofing membranes

Source: European Commission: A Renovation Wave for Europe – Greening our buildings, creating jobs, improving lives;

*SMP = silane modified polymer; **Source: LP Information Market, Study, April 2020, Global Hybrid Adhesive & Sealant Market Growth 2020 – 2025

Setting the Industry Benchmark for Non Post-Cure Liquid Silicone Rubber

Low Volatile LSR Combining Performance with Excellent Productivity and a Sustainable Industry

Energy savings

and increased productivity by avoiding post-curing

>80%

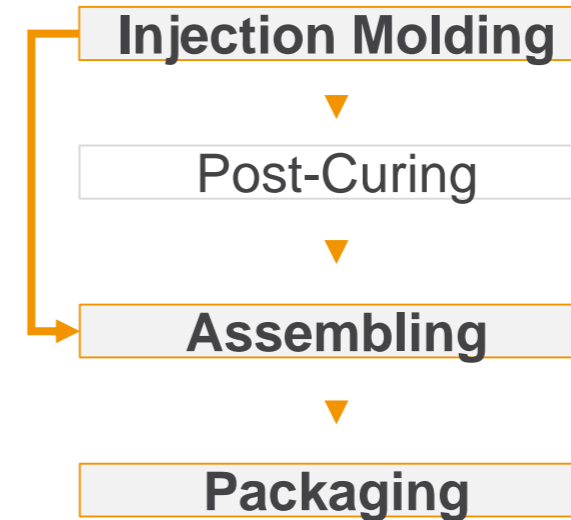
reduction of volatiles in non post-cured state

Environment

benefits from emission reduction

Low volatile

content designed for sensitive applications: food, baby care, medical and automotive



Baby care



Automotive wire seals

Source: European Commission: The European Green Deal – Sustainable Industry & Eliminating Pollution

Innovation Ahead – Huge Energy Savings with Leading Edge EAP* Technology

Electro-Active Laminates Supports EU Principle “Energy Efficiency First”

99.5%

energy saving vs.
comparable solenoid
actuator

Best-in-class

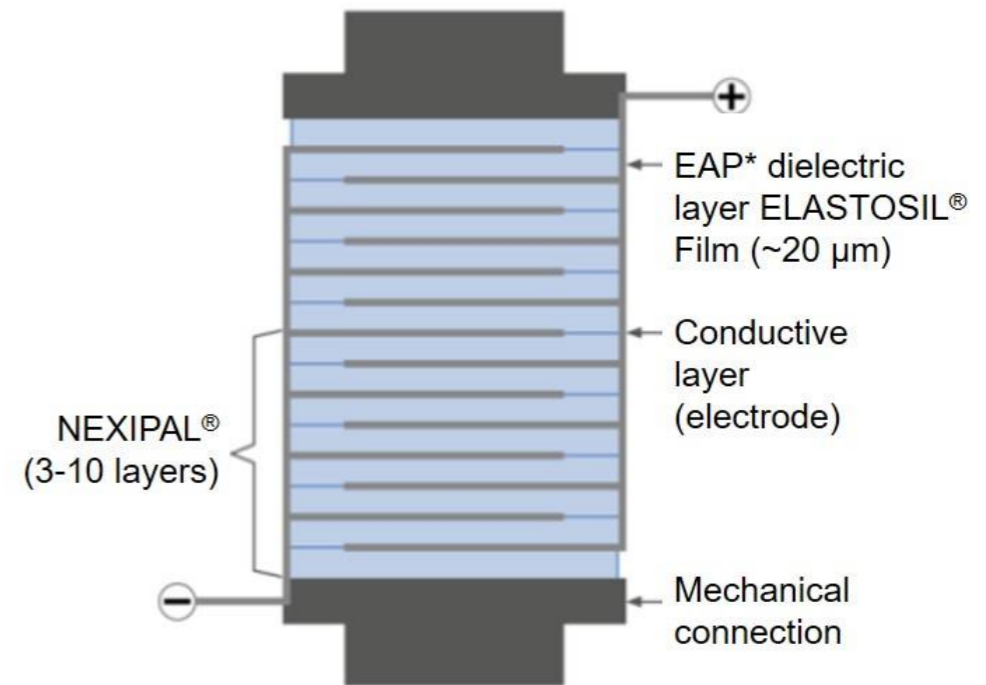
Silicone-based EAPs*
with unlimited charge &
recovery cycles

50-80%

weight reduction vs.
comparable solenoid
actuator

€40bn

actuators market**
with 8.6% CAGR



*EAP = Electro-Active-Polymers

Source: European Commission: Energy Efficiency in the context of the European Green Deal

**Source: Marketsandmarkets „Actuators Market by Actuation, Type, Application, Vertical, and Region – Global Forecast to 2024“, 2019

SILICONES

Global Climate Policies Drive Demand for Silicone Specialties

Growth Focus

Innovation

- ▶ Extend our global competence network and grow local markets
- ▶ Preferred innovation partner of our customers



Value Creation

- ▶ Focus on downstream projects to support our customers' specialty applications
- ▶ Lower capital intensity with higher return on capital



Sustainability

- ▶ Enabling leading CO₂ abatement technologies across diversified industries
- ▶ Driving production to reduced emissions including CO₂



WACKER: Virtual CMD Series

June 2020

WACKER Strategy Update

TODAY

SILICONES & POLYMERS

Q2 2021



R&D and BIOSOLUTIONS

Q4 2021



Sustainability, ESG & POLYSILICON

We are looking forward to welcoming you to our next event!

WACKER: Issuer, Contact and Additional Information

Issuer and Contact

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Additional Information



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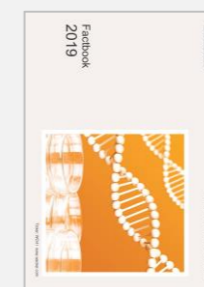
Financial Calendar

03/16/21	FY 2020 Results
04/29/21	Q1 Results 2021
05/12/21	Annual Shareholders' Meeting
07/29/21	Q2 Results 2021
10/28/21	Q3 Results 2021

Publications



CUSTOMER
MAGAZINE



FACTBOOK



SUSTAINABILITY
REPORT



SQUARE
APP