



PRESS RELEASES

After Strong Q4, WACKER Closes 2014 Ahead of Expectations

- > SALES OF €1.19 BILLION IN Q4 2014 ARE ALMOST 10 PERCENT HIGHER THAN IN THE PRIOR-YEAR PERIOD, WITH EBITDA RISING 14 PERCENT TO €180 MILLION IN THE FINAL QUARTER
- > AT €4.83 BILLION, FULL-YEAR 2014 SALES GROW 8 PERCENT THANKS TO HIGHER VOLUMES AND PRICES
- > EBITDA UP 53 PERCENT TO €1.04 BILLION AMID GOOD BUSINESS TREND AND POSITIVE NON-RECURRING EFFECTS
- > FULL-YEAR EBIT OF €443 MILLION ALMOST QUADRUPLED, WITH NET INCOME FOR THE YEAR AT €195 MILLION
- > NET CASH FLOW FOR 2014 AMOUNTS TO €216 MILLION

Munich, Jan 29, 2015

Wacker Chemie AG has slightly surpassed its own sales and earnings expectations for full-year 2014, following a strong fourth quarter. According to preliminary calculations, the Munich-based chemical group achieved total sales of €4.83 billion in 2014 (2013: €4.48 billion), 8 percent above the prior-year figure. The main reasons for this increase were volume gains at all business divisions and better prices for polysilicon.

According to preliminary figures, the Group's earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to €1.04 billion (2013: €679 million), a year-on-year increase of 53 percent. In addition to the positive operating performance, EBITDA was also driven higher by special income arising from terminated and restructured contracts with solar-industry customers. These items came to roughly €206 million in full-year 2014 (2013: €78 million). In semiconductors, the integration of Siltronic Silicon Wafer in Singapore had a positive impact on the sales and EBITDA of Siltronic. The Group's 2014 earnings before interest and taxes (EBIT) reached €443 million (2013: €114 million) according to preliminary calculations – an almost fourfold year-on-year increase. The WACKER Group's net income for 2014 is €195 million (2013: €6 million).

“Our business developed robustly in the fourth quarter,” said CEO Rudolf Staudigl in Munich on Thursday. “Year-end customer demand at all divisions was substantially higher than usual. Our overall result for the final quarter is the second-best for the period in the company's history. In my view, this is a solid starting point for the new fiscal year.”

Investments, Net Cash Flow and Net Financial Debt

WACKER's capital expenditures amounted to €572 million in 2014 (2013: €504 million) according to preliminary figures – a project-related increase of more than 13 percent over a year earlier. Depreciation totaled €599 million in 2014 (2013: €564 million). Most of the investment spending went toward ongoing construction at the new polysilicon site in Charleston, Tennessee (USA). Other funds were used for expanding production capacity for dispersible polymer powders in Germany and China.

The Group's net cash flow grew strongly in 2014, to €216 million (2013: €110 million) – 96 percent more than a year earlier. The main reason for the increase is the higher net income for the year. Net financial debt at the Group rose by nearly €300 million, as expected, and amounted to €1.08 billion as of December 31, 2014 (Dec. 31, 2013: €792 million).

“We have met, and in some cases exceeded, our annual forecasts for all of our key performance indicators,” said CFO Joachim Rauhut. “As announced, we kept our capital expenditures below the level of depreciation, which had a positive impact on our cash flow. Through the year, all our businesses trended up, especially in semiconductors, with Siltronic improving to an EBITDA margin of 17 percent in Q4.”

Business Performance in Q4 2014

The WACKER Group closed the fourth quarter of 2014 with substantial growth in sales and earnings. Group sales from October through December 2014 totaled roughly €1.19 billion (Q4 2013: €1.09 billion), up almost 10 percent. EBITDA growth was even stronger, coming in at €180 million in Q4 2014 (Q4 2013: €158 million) – 14 percent more than a year earlier.

Vigorous customer demand lifted sales above the comparative Q4 2013 figures at all business divisions. At the same time, prices were higher than a year ago not only for polysilicon, but also for polymer products. Favorable exchange-rate effects resulting from a year-on-year weakening of the euro also added to earnings in Q4 2014.

WACKER's three chemical divisions substantially increased their sales between October and December 2014 to a total of €716 million for the quarter (Q4 2013: €656 million). This rise of 9 percent stemmed primarily from year-on-year volume gains for dispersions and dispersible polymer powders, while silicones business was more subdued. Better prices for polymer products also had a favorable influence on the sales trend. EBITDA at the chemical divisions, however, declined relative to the final quarter of 2013. It came in at €62 million in Q4 2014 (Q4 2013: €79 million) – down 22 percent from a year earlier. The main reasons for this decline were the planned shutdown of a major production facility and a non-recurring effect in the previous year. The reversal of provisions recognized in the past for contingent losses from future purchase obligations from the joint venture with Dow Corning in China had raised the EBITDA of the chemical divisions by €14 million in Q4 2013.

WACKER POLYSILICON increased its sales in Q4 2014, thanks mainly to solar-silicon prices that were noticeably higher than in the year-earlier quarter. From October through December 2014, the business division had total sales of €262 million (Q4 2013: €250 million), a 5-percent increase. EBITDA growth was much stronger, coming in at €89 million in the final quarter of 2014 (Q4 2013: €71 million) – a rise of 25 percent. The main reason for the higher earnings was the year-on-year improvement in prices for solar silicon. To meet strong and sustained customer demand, the business division continued to run its production facilities at full capacity

in the final quarter. That provided for good coverage of fixed costs, which also favorably influenced earnings. There was no special income from retained advance payments and damages relating to terminated customer contracts in Q4 2014. WACKER POLYSILICON had posted roughly €8 million in such income in the final quarter of 2013.

Amid robust customer demand, Siltronic increased sales and EBITDA between October and December 2014 relative to both the previous year's final quarter and the third quarter of 2014. Siltronic's total sales amounted to €223 million in Q4 2014 (Q4 2013: €175 million), a year-on-year increase of 27 percent. Substantially higher volumes more than offset the lower prices for semiconductor wafers. Wafer prices remained largely unchanged quarter on quarter. EBITDA grew even more strongly than sales. It more than tripled year on year to come in at €38 million in Q4 2014 (Q4 2013: €11 million). Both Siltronic Silicon Wafer's consolidation and Siltronic's measures to increase productivity and reduce costs had a favorable influence on earnings.

WACKER's Preliminary Key Figures

€ million	2014e	2013	Change in %
Sales	4,826	4,479	8
EBITDA	1,042	679	53
EBITDA margin (%)	22	15	-
EBIT	443	114	> 100
EBIT margin (%)	9	3	-
Net income for the year	195	6	> 100
Capital expenditures (including financial assets)	572	504	13
Net cash flow	216	110	96

The Q4 and fiscal 2014 figures and forecasts in this press release are preliminary. Wacker Chemie AG will publish its Q4 Report and Annual Report 2014 on March 17, 2015.

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