

# PRESS RELEASE

Number 19

## Annual Shareholders' Meeting 2020: WACKER Expects Declines in Sales and Earnings Due to Coronavirus Pandemic

- ◆ WACKER HOLDS ITS FIRST-EVER ENTIRELY VIRTUAL ANNUAL SHAREHOLDERS' MEETING
- ◆ 2020 ANNUAL SHAREHOLDERS' MEETING ADOPTS PROPOSALS OF EXECUTIVE AND SUPERVISORY BOARDS BY LARGE MAJORITIES
- ◆ DIVIDEND OF €0.50 FOR 2019
- ◆ WACKER EXPECTS FULL-YEAR 2020 SALES AND EARNINGS TO BE BELOW PRIOR YEAR DUE TO THE CORONAVIRUS PANDEMIC, WITH HIGHER NET CASH FLOW FORECAST

Munich, August 4, 2020 – This year was the first time that Wacker Chemie AG's Annual Shareholders' Meeting took place as an entirely online event without shareholders having to attend in person. Due to the coronavirus pandemic, German legislation now makes it possible to hold virtual meetings. The virtual Annual Shareholders' Meeting has enabled WACKER to protect the health of shareholders, while minimizing the risks for all participants as far as possible.

Rudolf Staudigl, President and CEO of the Munich-based chemical group, discussed the pandemic's economic effects in his speech, which had been published in advance on the WACKER website and delivered live to shareholders during the

virtual meeting. “The coronavirus struck the economy without warning, and with full impact. The costs are expected to surpass anything ever before seen in the economic and financial crises of recent decades,” he explained. “WACKER immediately went all-out to decisively counter the pandemic’s impact. Our top priority was to protect employees and their health, keep production up and running, and secure our company for the long term.”

The economic downturn in the wake of the pandemic left its mark on WACKER’s operating activities. “Since the start of the second quarter, we have been clearly noticing the economic standstill caused by the pandemic. Incoming orders are down, as are sales,” he added. “At present, we cannot reliably estimate how long the pandemic’s effects will last.” Consequently, WACKER still cannot make a detailed forecast for the 2020 fiscal year. The company had already refrained from making a forecast for 2020 in its interim report for Q1. As a result of the pandemic, WACKER currently expects its sales, EBITDA and EBITDA margin for this year to be below last year’s level. With net cash flow, the company anticipates a higher figure than a year ago.

“WACKER’s chemical business is expected to stabilize during the second half of the year – so long as a second wave of infection does not once more shut down public life around the world,” he went on to explain in his speech. “As for our polysilicon business, the solar market has borne the brunt of the coronavirus pandemic. The addition of new PV installations

declined considerably at times. At the same time, the price level remains low.”

Nonetheless, a rise in prices has recently been observed on the market. One reason may well be the production outage at a major Chinese competitor. As regards WACKER, this outage has caused customers to demand additional quantities and opened a window of opportunity for higher prices. In WACKER’s view, the positive impact on the company’s solar-grade silicon business is likely to be felt temporarily. Demand for semiconductor-grade polysilicon remains stable. WACKER expects this good market trend to continue in the second half of the year.

Staudigl was optimistic about the company’s long-term future: “We have laid the groundwork for emerging from the pandemic with renewed strength: We have the right products and maintain close relations with our customers. We hold leading positions in all our key markets and are continually developing innovative new products and technologies. We are placing greater emphasis on sustainable solutions – as concerns not only our products, but also our production processes and supply chains. What’s more, we stand on stable financial foundations.”

WACKER is distributing a total of €24.8 million in dividends to its shareholders for 2019. The dividend per dividend-bearing share is €0.50. The Executive and Supervisory Boards’ other proposals were also adopted by large majorities.

**Resolutions and Voting Results**

At today's Annual Shareholders' Meeting, 40,821,062 voting shares were represented – 78.27 percent of all eligible shares (number of shares outstanding: 49,677,983). The voting results were as follows for agenda items 2 through 7:

**Item 2: Resolution on the Appropriation of Net Retained Profit**

The Executive and Supervisory Boards proposed that the retained profit for 2019 of €1.33 billion be appropriated as follows: €24.8 million to be distributed to shareholders and €1.30 billion to be carried forward to new account. The proposal was adopted. The result was:

- 39,592,910 Yes votes (98.01 percent)
- 803,136 No votes

**Item 3: Resolution on the Ratification of the Actions of the Executive Board**

The proposal of the Executive and Supervisory Boards to ratify the actions of the members of Wacker Chemie AG's Executive Board during 2019 was adopted. The result was:

- 40,245,623 Yes votes (98.80 percent)
- 488,627 No votes

**Item 4: Resolution on the Ratification of the Actions of the Supervisory Board**

The Executive and Supervisory Boards' proposal to ratify the actions of the members of Wacker Chemie AG's Supervisory Board during 2019 was adopted. The result was:

- 37,663,247 Yes votes (95.52 percent)
- 1,766,511 No votes

**Item 5: Appointment of Auditor**

The Supervisory Board's proposal that KPMG AG be appointed as the auditor of both the Annual Financial Statements and the Consolidated Financial Statements for fiscal 2020, as well as for any reviews of interim financial reports for fiscal 2020, was adopted. The result was:

- 39,183,920 Yes votes (95.99 percent)
- 1,636,443 No votes

**Item 6: Resolution on the Authorization to Acquire and Utilize Treasury Shares, and on the Exclusion of Preemptive and Tender Rights**

The Executive and Supervisory Boards' proposal to authorize the Executive Board to acquire treasury shares representing up to 10 percent of the current capital stock, excluding preemptive and tender rights, was adopted. The result was:

- 39,673,205 Yes votes (97.20 percent)
- 1,144,376 No votes

**Items 7a to e: Resolution on Amendments to Section 14 of the Articles of Association**

The Executive and Supervisory Boards' proposals to amend the provisions of the second EU Shareholder Rights Directive in Germany ("ARUG II"), to amend the Articles of Association to make it possible to continue to hold online annual shareholders' meetings, and to amend the Articles of Association to enable postal vote by shareholders were each adopted by more than 97 percent of the votes.

**Note to editors: All documents relating to Wacker Chemie AG's 2020 Annual Shareholders' Meeting can be downloaded from WACKER's website ([www.wacker.com](http://www.wacker.com)) under Investor Relations.**

*This press release contains statements about the resolutions of the 2020 Annual Shareholders' Meeting. Said statements are not binding and serve the sole purpose of providing an overview. They may not always correspond to the exact wording and full extent of the resolutions adopted at the Annual Shareholders' Meeting.*

*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, 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.*

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**The company in brief:**

WACKER is a globally active chemical company with some 14,700 employees and annual sales of around € 4.93 billion (2019).  
WACKER has a global network of 24 production sites, 23 technical competence centers and 51 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