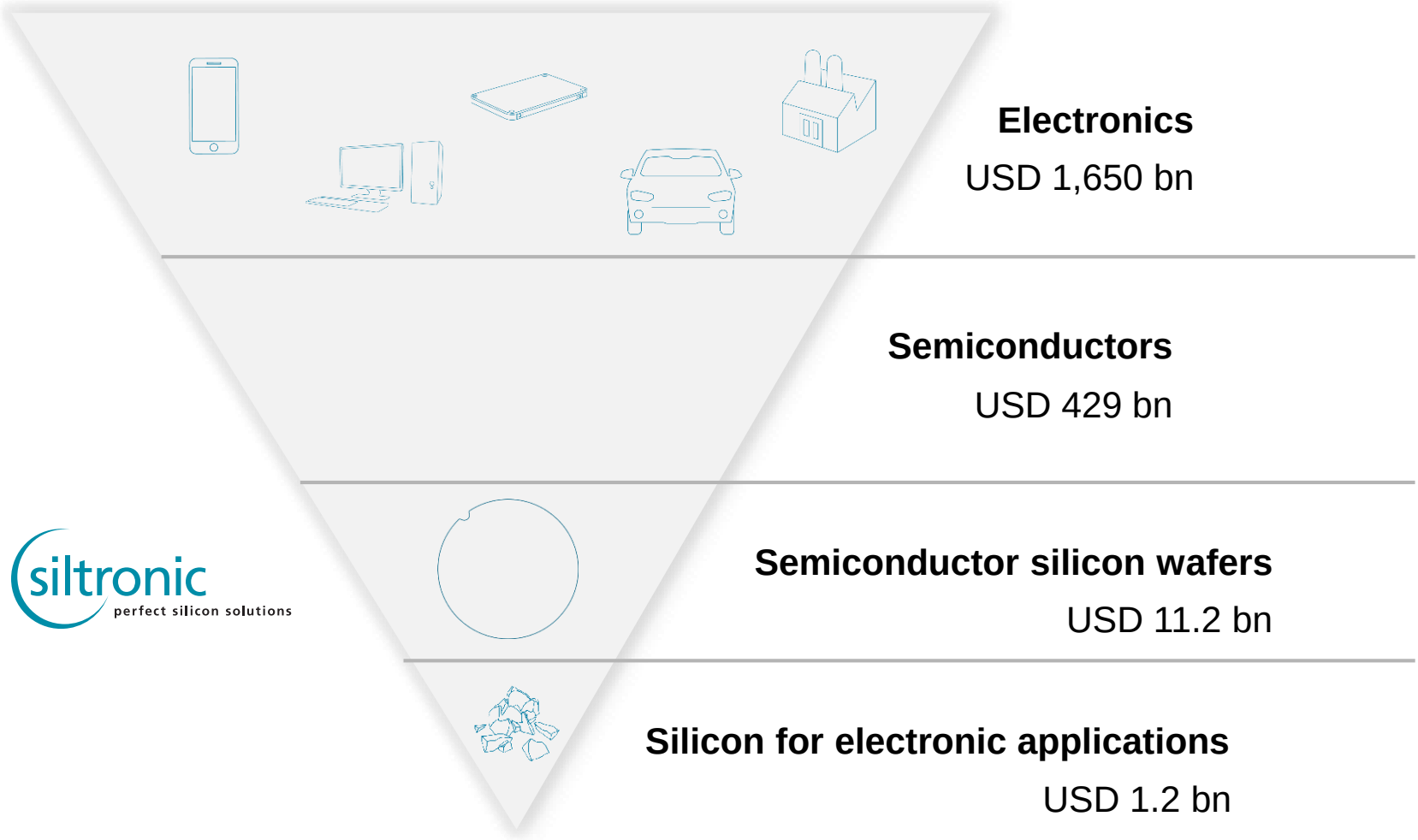
Siltronic AG
Investor Presentation – Q1 2021

May 7, 2021

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Electronics value chain 2020

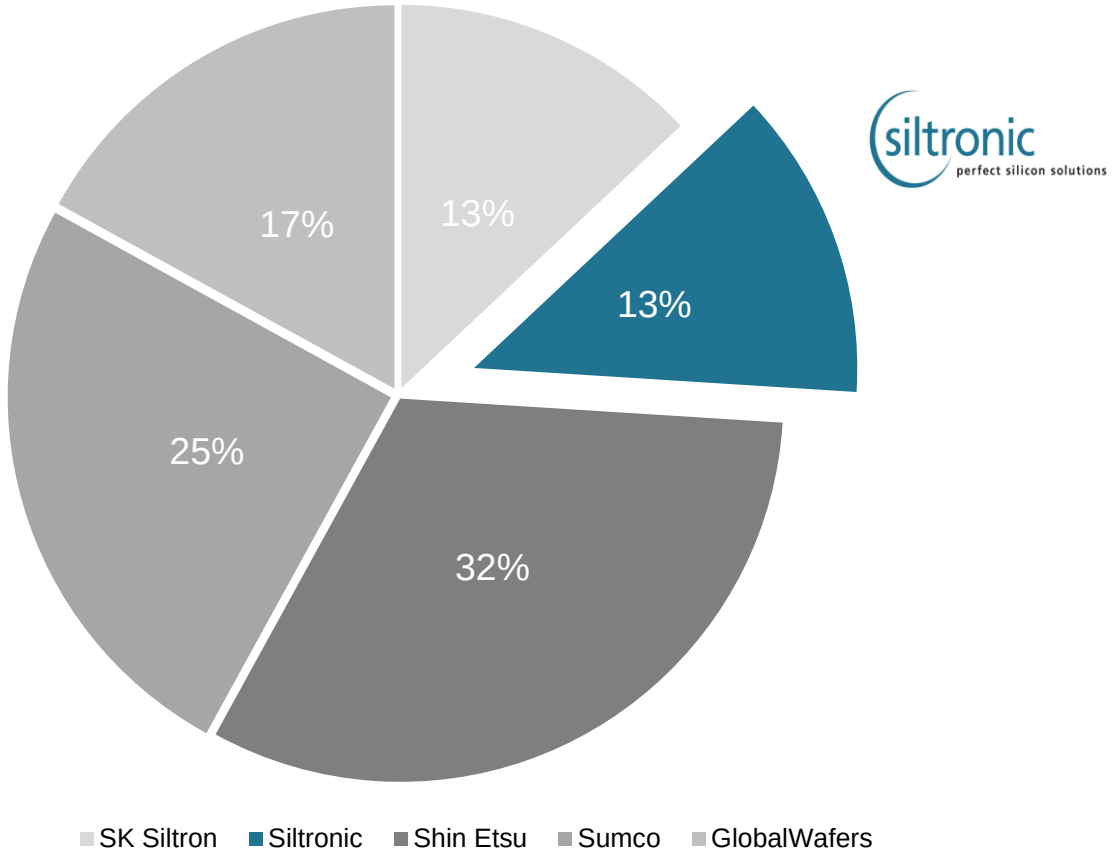
Increasing demand for electronic devices and new applications drive semiconductor growth, which in turn fuels silicon demand.



Source: Electronics (IC Insights), Semiconductors (WSTS, only silicon-based), Silicon wafers (SEMI SMG), Electronic applications (estimate)

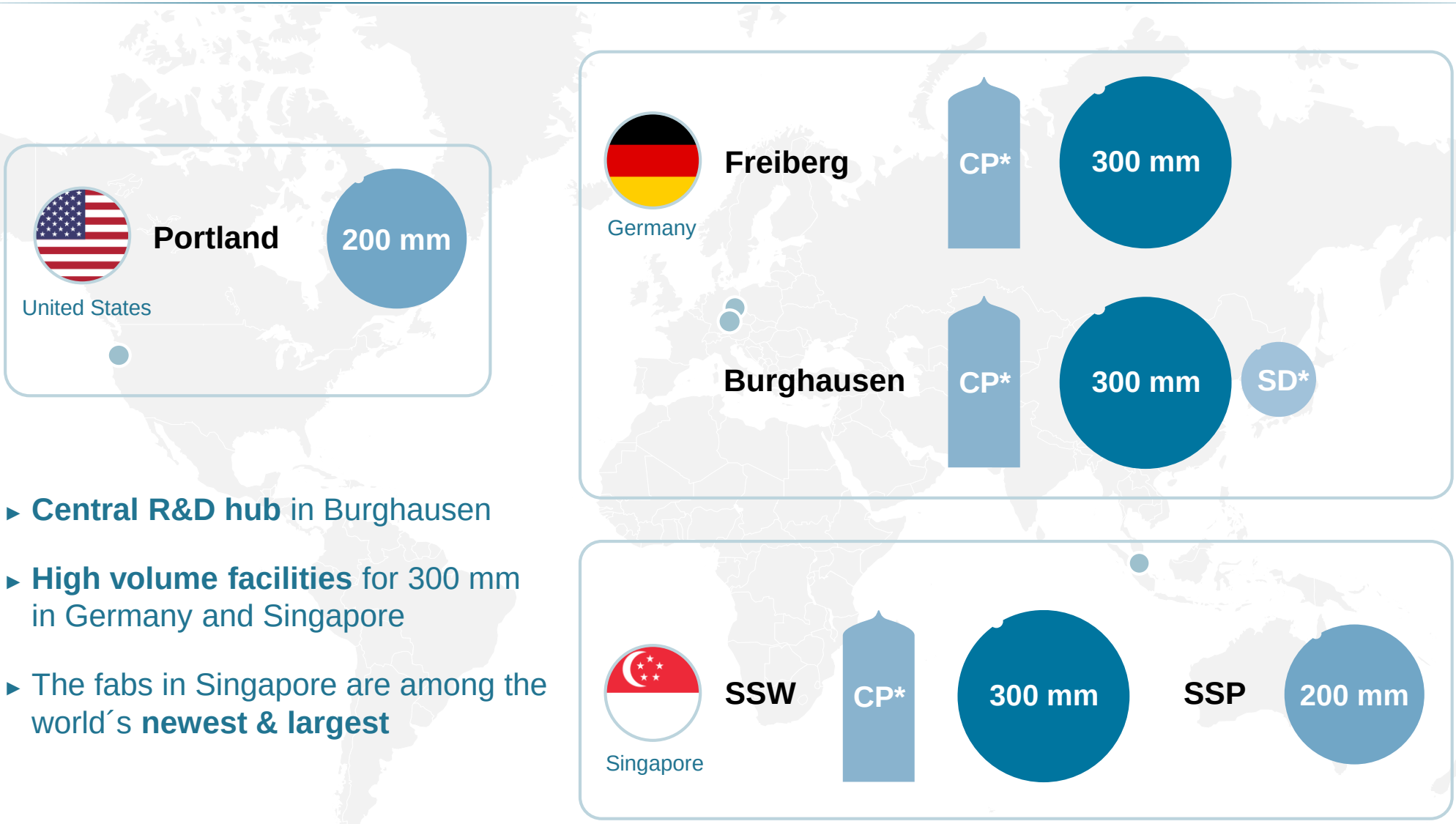
Siltronic has a relevant global market share…

Top 5 wafer producers serve more than 90% of market across all diameters



Sources: reported company revenues Q1-Q4 2020, converted to USD million

... and an international manufacturing network

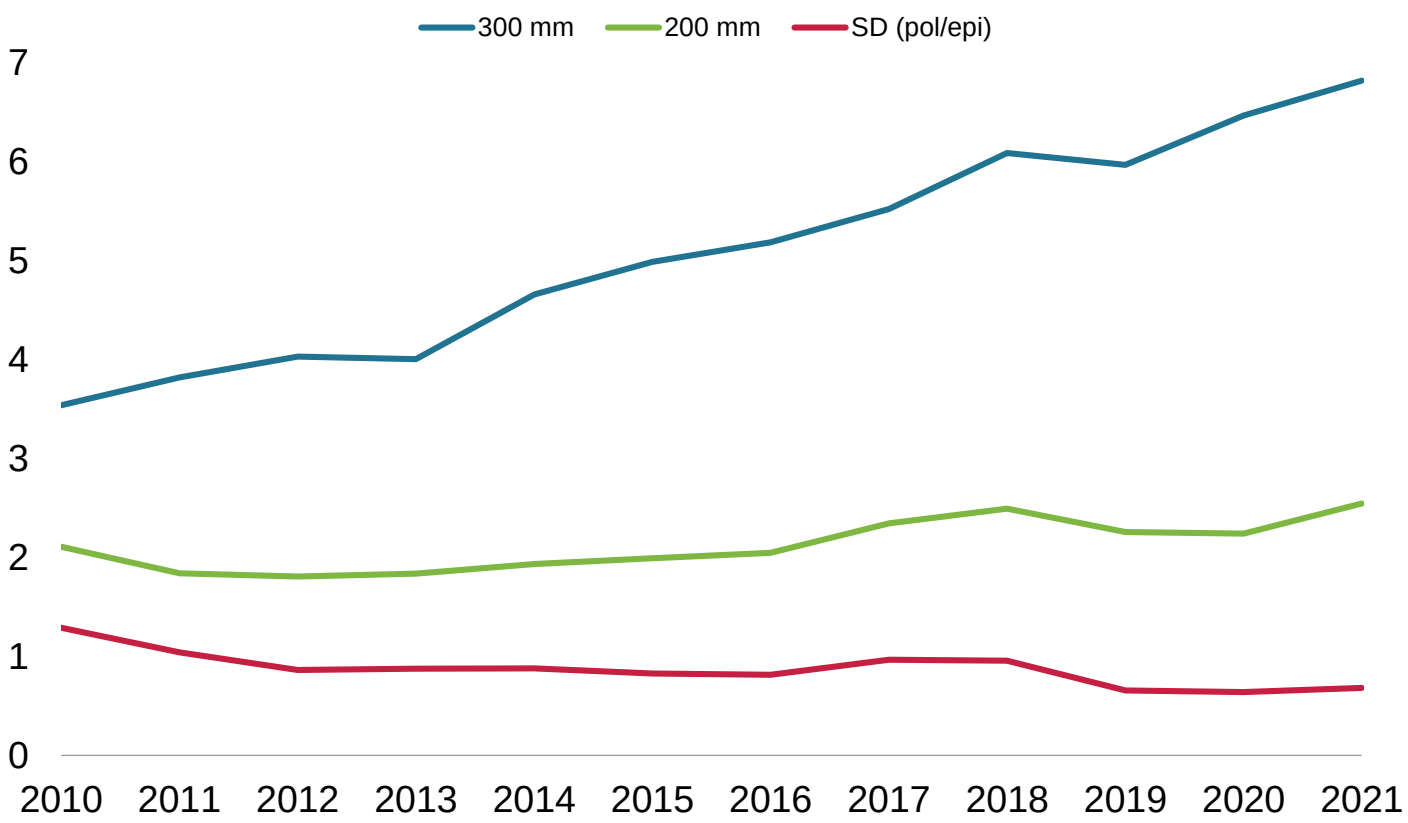


- **Central R&D hub** in Burghausen
- **High volume facilities** for 300 mm in Germany and Singapore
- The fabs in Singapore are among the world´s **newest & largest**

*CP = Crystal Pulling | *SD = 150 mm and smaller

Siltronic is focused on growing 300 mm and attractive 200 mm business.

Development of total wafer demand per diameter, in mn 300 mm equivalents per month



Strong demand & growth

Stable & attractive

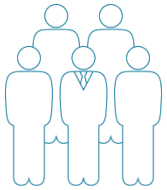
Mid-term decline

Source: SEMI up to Mar 2021

Cost-competitiveness a pre-requisite

Major cost items

- Labour



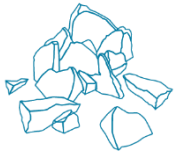
- Supplies



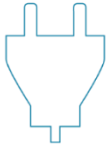
- Depreciation



- Polysilicon



- Energy



Cost development 2021

- COLA
- Commodity Prices





- Productivity improvement
- Supply savings
- Recycling
- Energy efficiency
- Automation
- Cash cost development

Overview Financials

Adjusted financial figures (EUR million)	2017	2018	2019	2020	Q1 2021
Sales	1,177.3	1,456.7	1,270.4	1,207.0	361.1
EBIT	235.7	497.7	298.3	192.2	54.2
EBIT margin in %	20.0	34.2	23.5	15.9	17.2
EBITDA	353.1	589.3	408.7	332.0	91.7
EBITDA margin in %	30.0	40.5	32.2	27.5	29.0
Earnings per share	6.20	12.40	7.52	5.36	1.67
Capex	123.2	256.9	363.0	187.6	36.9
Free cash flow [1]	169.6	416.4	36.4	32.0	29.6
Net cash flow [1]	124.8	240.4	81.3	77.4	27.9
Dividend	75.0	150.0	90.0	60.0	

1 In 2018, Siltronic started reporting the key figure „net cash flow“ instead of „free cash flow“. Net cash flow represents free cash flow without the time shifts created by inflow and return of customer prepayments which, due to the size, impairs the meaningfulness of free cash flow.

Creating value for all stakeholders

... its customers and suppliers

- Quality & Innovation
- Technology leadership
- Customer service

… its shareholders

- Long-term value enhancement
- Attractive return
- On-going cost reduction

Siltronic offers

… its employees

- Occupational health & safety
- Human Resources Development
- Equality

... the environment and society

- Conservation of resources & recycling
- Compliance & Human Rights
- Social commitment

Clear commitment to sustainability

Sustainability at Siltronic AG

- **Claim**: We understand sustainability not only as responsible action, but also want to generate competitive advantages through our sustainable actions.
- **Strategy:** We plan resource-saving right from the start, based on product and production safety as well as health and environmental protection.
- **Voluntary commitments:** We follow the principles of the Responsible Business Alliance (RBA) and the United Nations Global Compact.
- **Goal:** We want to reconcile the effects of our business activities with the expectations and needs of society.

CDP: Siltronic has been evaluated by CDP since 2018; current evaluation results CDP Climate Change "B | Management" and Water Security "B | Management“

ISS-oekom: Siltronic has been evaluated by ISS-oekom since 2017. With the "Prime" rating, Siltronic is one of the leading companies in the semiconductor industry in the area of sustainability.

Environment - Efficiency as a success factor

Selection of non-financial performance indicators in 2020

GHG emissions

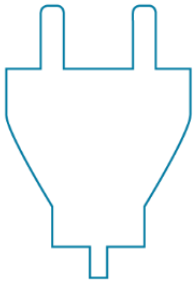


Scope 1 and 2 absolute annual reduction by

2.2%

since 2015

Energy

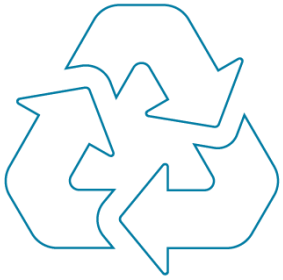


Energy efficiency savings (GWh)

7.1

in 2020

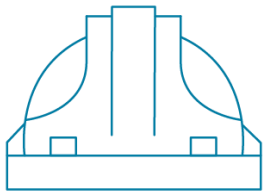
Waste Recycling



Waste Recycling Ratio

70%

Occupational Safety



Working accidents with lost days per 1 million working hours (LTIF)

2.1

CSR targets until 2030

Consistently sustainable action secures long-term competitive advantages for Siltronic



- Reduce specific greenhouse gas emissions by 20%[1]
- Reduce specific energy consumption by 20%[1]
- Reduce specific water consumption by 20%[1]
- Increase water recycling by 25%[1]
- Increase waste recycling by 25%[1]

[1] base value 2015

Siltronic strategy - capitalize on market opportunities while focusing on 300 mm & technological leadership

Optimize returns, stay ahead in technology and grow with the market

Strategic Focus

Grow
with the market

Ensure
technology & quality leadership

Improve
financial performance & cash flow

Execute
cost reduction roadmaps & debottlenecking concepts

We continuously increase the value for our stakeholders by providing best-in-class wafers at competitive costs.

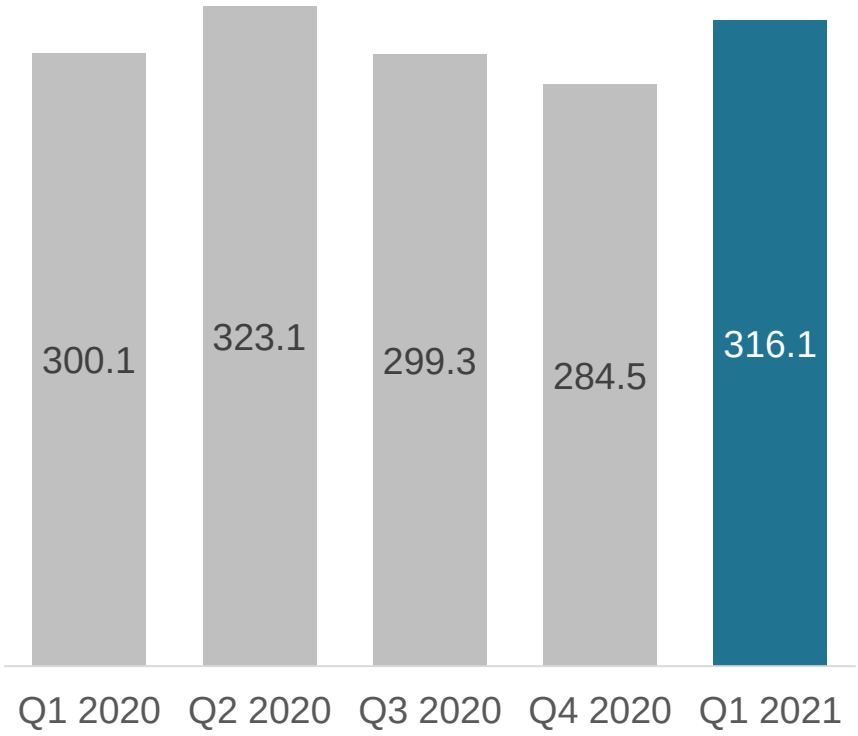


Financials Q1 2021

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Sales up due to higher wafer area sold

Sales, in EUR m



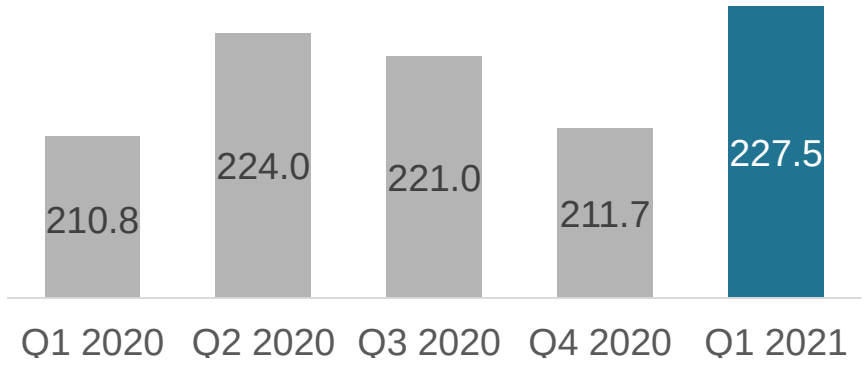
Ø FX rates	Q1/20	Q2	Q3	Q4	Q1/21
EUR / USD	1.10	1.10	1.17	1.19	1.21
EUR / JPY	120	118	124	125	128

Comments

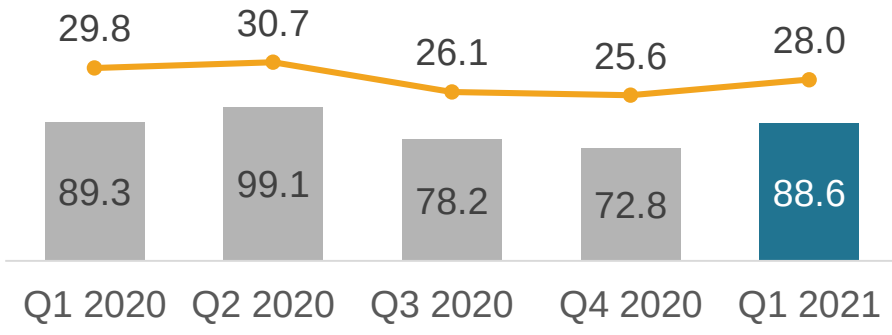
- **Positive**
  - Wafer area sold up q-o-q and y-o-y
  - Flattish price trend q-o-q
  - Only minor FX impact q-o-q
- **Negative**
  - Continuing headwind from strong Euro y-o-y

COGS up due to higher wafer area sold
COGS per wafer area down

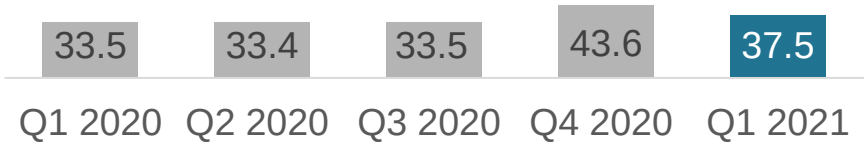
Cost of sales, in EUR m



Gross profit, in EUR m / **Gross margin**, in %



Selling, R&D and admin expenses, in EUR m

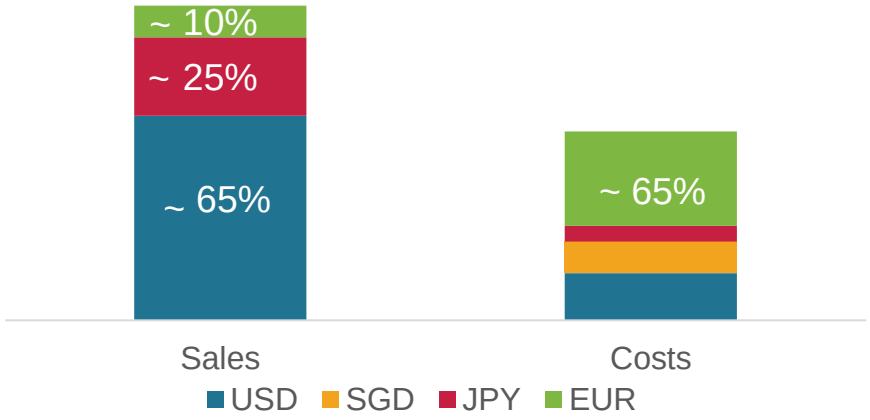


Comments

- COGS underproportionally up q-o-q compared to higher wafer area sold
- Cost per wafer area down due to fix cost dilution
- Administration expenses influenced by costs for external advisors on GlobalWafers' tender offer
  - Q4 2020: EUR 12m
  - Q1 2021: EUR 2m

High US-Dollar and Japanese Yen exposure

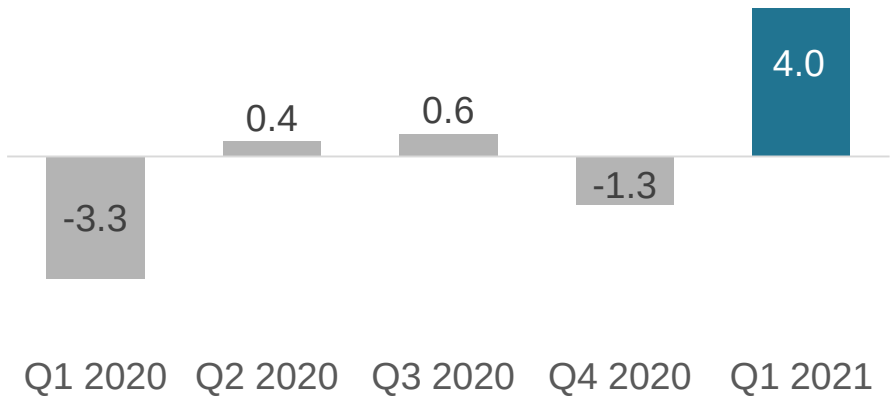
FX exposure, in %



FX sensitivity

	Sales	EBITDA unhedged
1 USD-cent change	~ EUR 6 million	~ EUR 4.5 million
1 JPY change	~ EUR 2.5 million	~ EUR 2 million

Other currency effects (mostly hedging), in EUR m

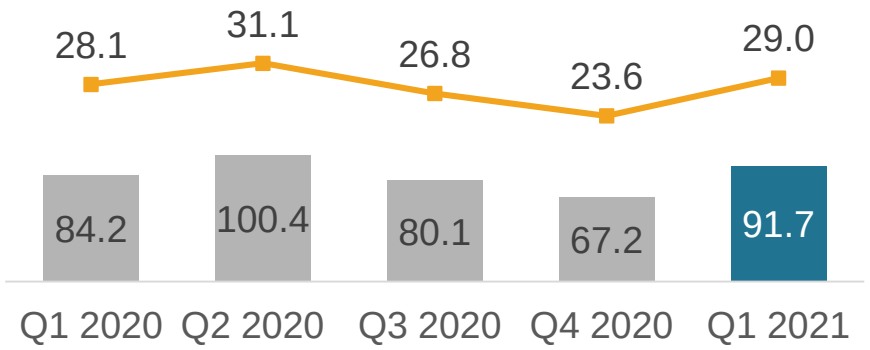


Comments

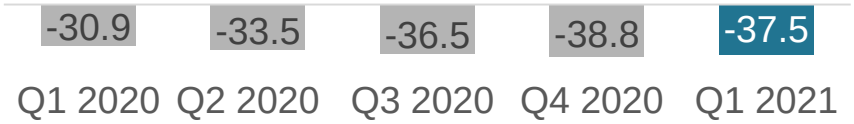
- Continuing strong Euro
- Other currency effects of EUR 4m in 2020
- Financial result improved

Higher wafer area sold leads to higher EBITDA and EBIT

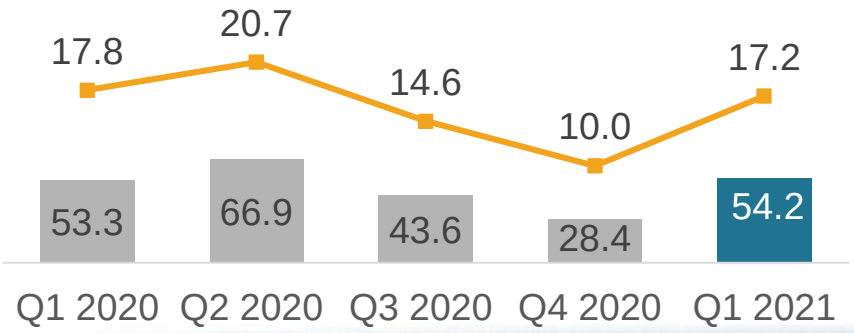
EBITDA, in EUR m / **EBITDA margin**, in %



Depreciation, in EUR m



EBIT, in EUR m / **EBIT margin**, in %

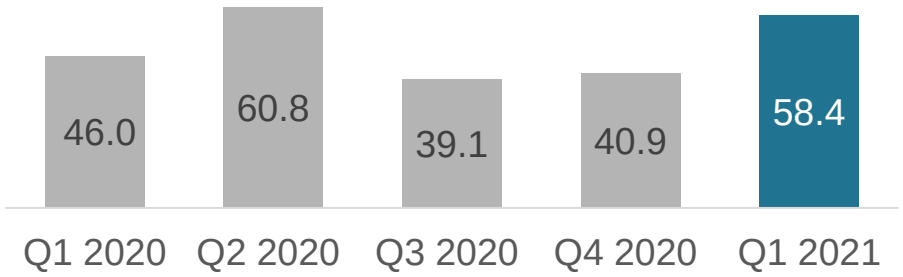


Comments

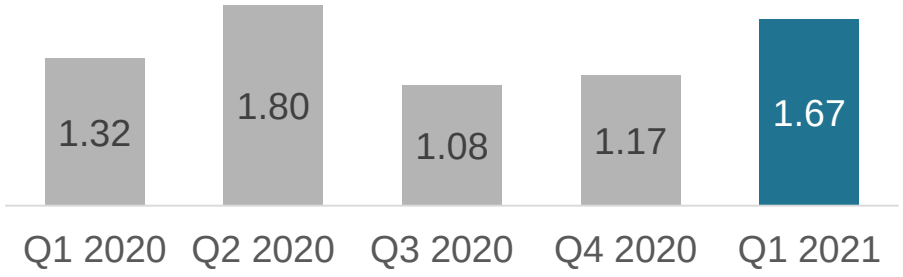
- **Positive**
  - Wafer area sold up q-o-q and y-o-y
  - Prices stable q-o-q
  - ASP down y-o-y
  - Advisory costs relating to GlobalWafers' tender offer down q-o-q
  - Only minor FX impact q-o-q
- **Negative**
  - FX impact y-o-y due to strong Euro

Net profit of EUR 58.4 million in Q1 2021

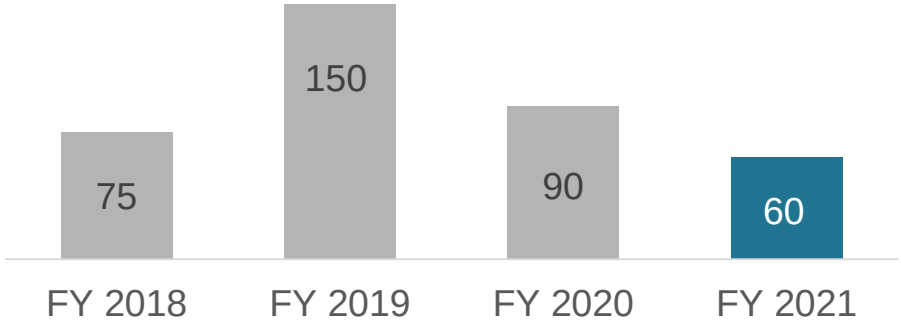
Net profit, in EUR m



EPS, in EUR



Dividend payment, in EUR m

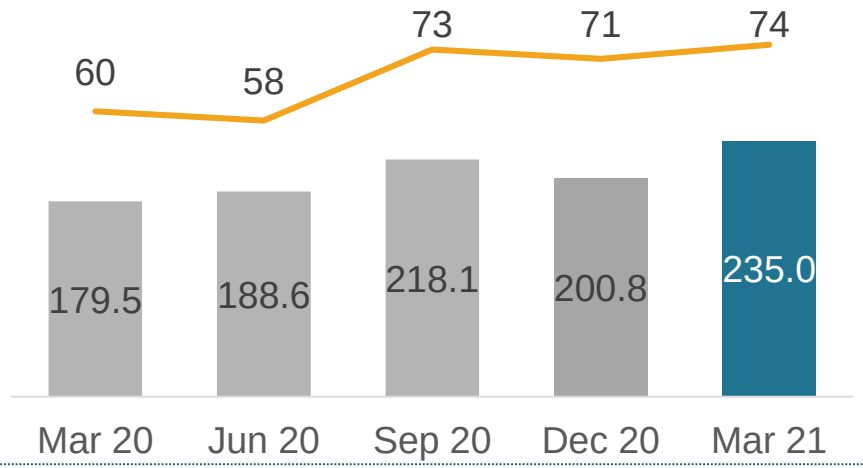


Comments

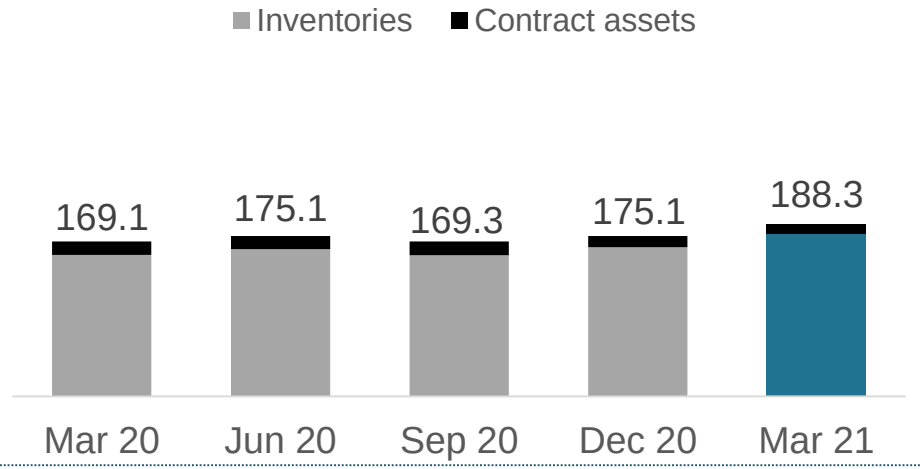
- Net profit of EUR 58.4 million in Q1 2021; thereof EUR 50.1m attributable to Siltronic shareholders
- Tax income based on low effective tax expense and (higher) deferred tax income (due to impoved business outlook)
- Dividend of EUR 2.00 per share = EUR 60m dividend payout in 2021

Trade receivables and inventories increased due to higher demand

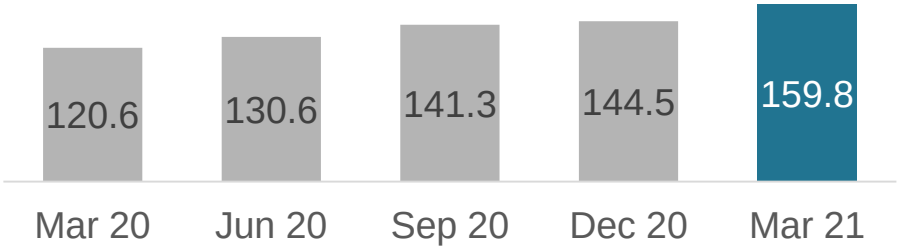
Working capital, in EUR m,
Working capital ratio to quarterly sales, in %



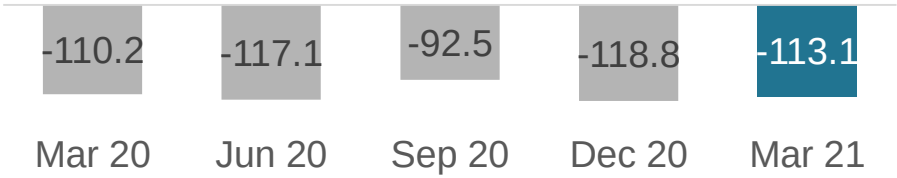
Inventories and contract assets, in EUR m



Trade receivables, in EUR m

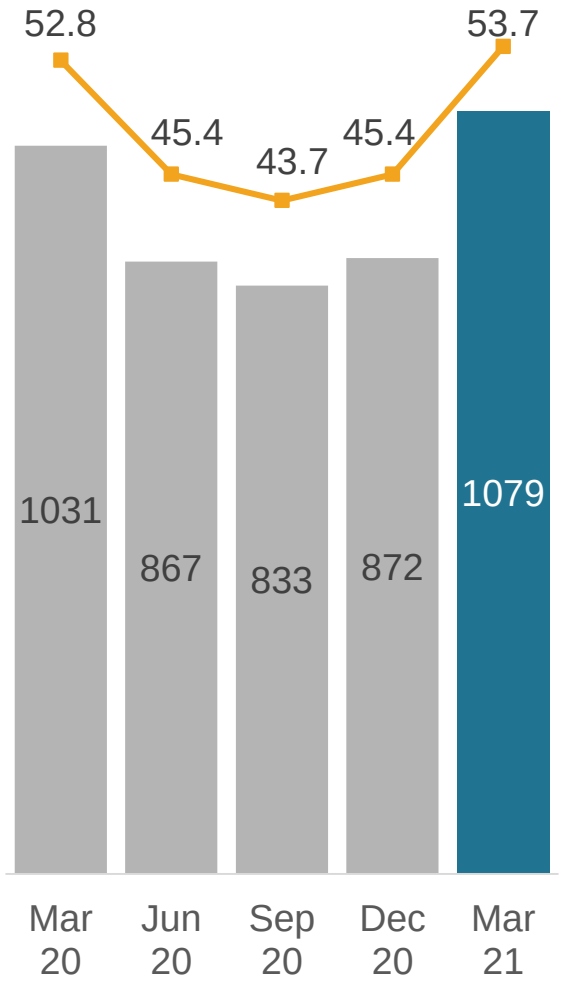


Trade liabilities, in EUR m



Strong equity ratio and solid net financial assets

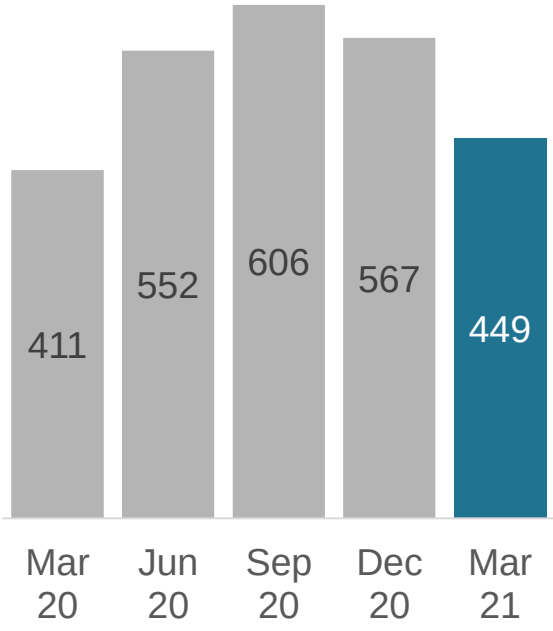
Equity, in EUR m
Equity ratio, in %



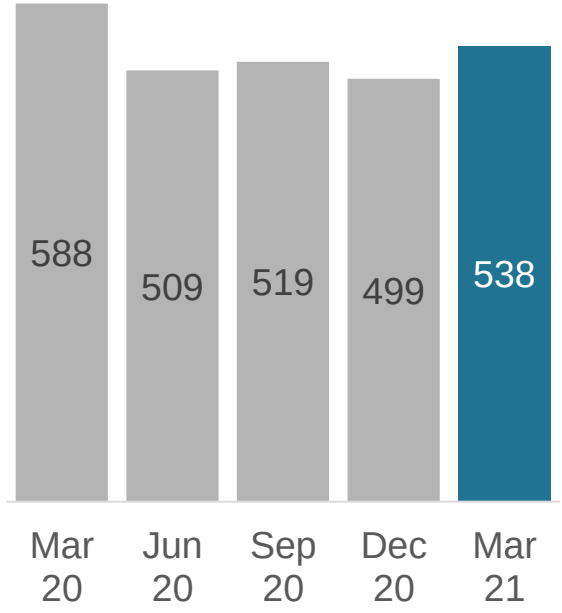
Provisions for pensions, in EUR m

Interest rates IFRS

	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21
USA	2.88%	2.46%	2.41%	2.07%	2.77%
Germany	1.92%	1.23%	0.95%	0,69%	1.11%

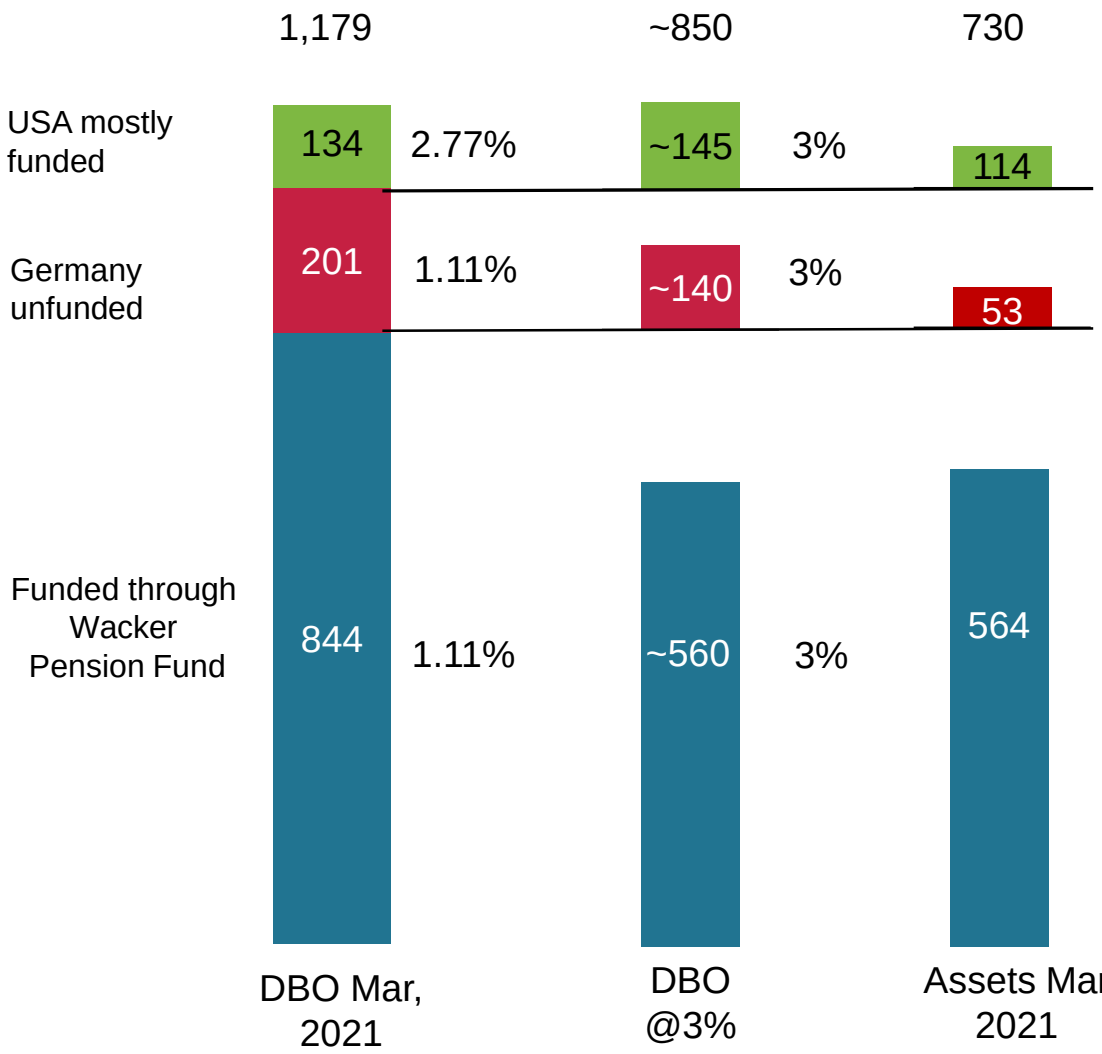


Net financial assets, in EUR m



Pension reserves decreased mainly due to higher IFRS interest rates in Q1

DBO and pension reserves, in EUR m



Comment

- DBO of EUR 1,179 million – assets of EUR 730 million = EUR 449 million
- Pension reserves @3% = DBO of EUR ~850 million – assets EURO 730 million = EUR 120 million
- IFRS interest uses bond yields only, assets include bonds, equity, real estate + derivatives
- Wacker pension fund
  - fully funded under German pension fund regulations using 3.23% interest rate
  - asset liability study: probability of return in next 20 years:

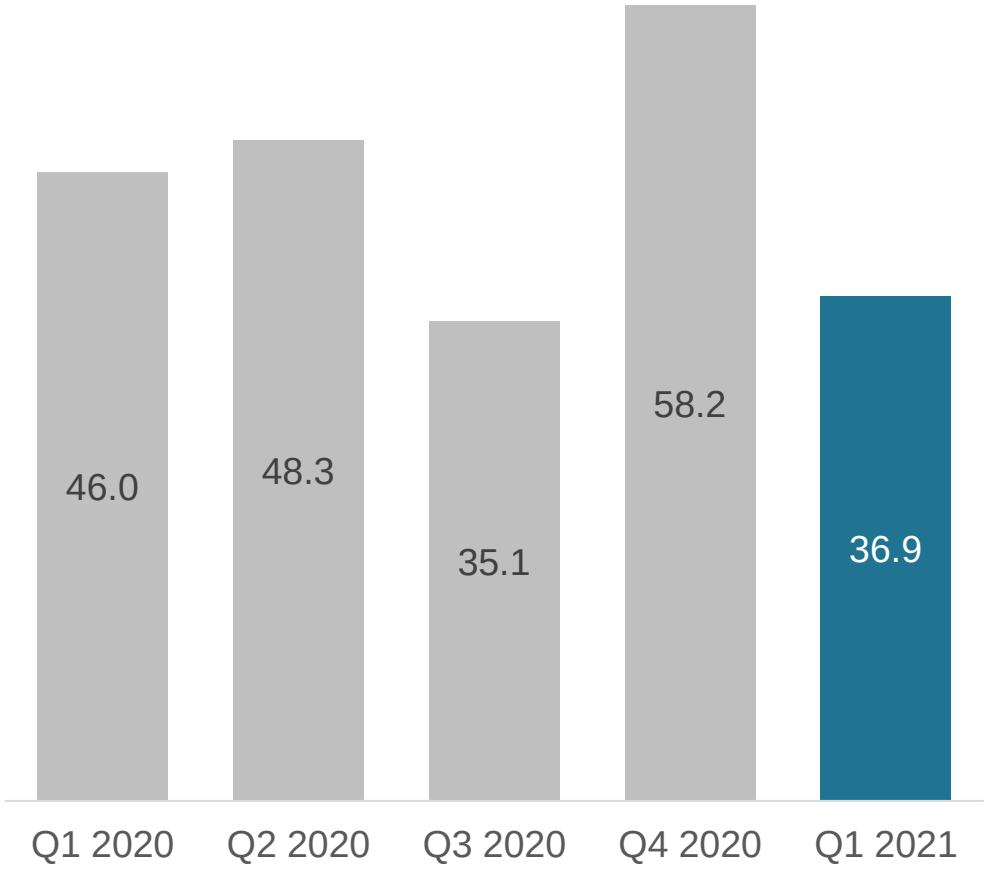
    ≥3.5% 59%

    ≥3.0% 75%

    ≥2.5% 87%

Capex Q1 2021 significantly down vs. Q4 2020

Investment, in EUR m

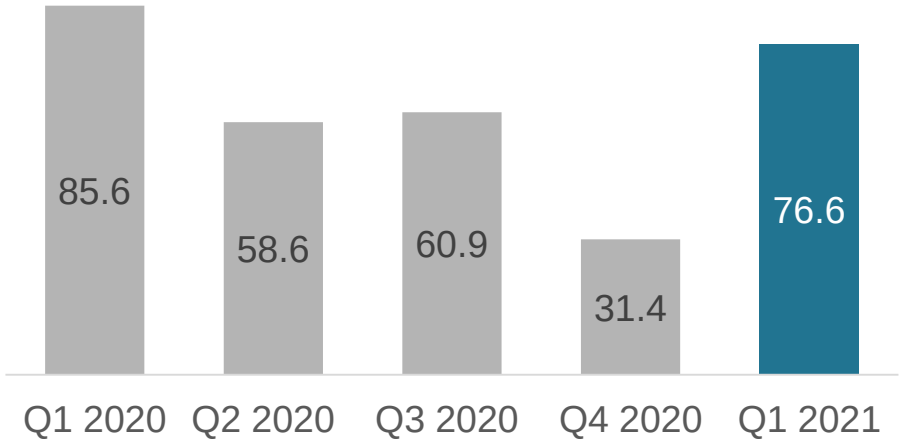


Comments

- Capex 2021 of around EUR 250m, mainly in
  - 300 mm epi
  - capabilities
  - expansion of crystal pulling hall to replace older equipment

Strong net cash flow

Operating cash flow (OCF), in EUR m



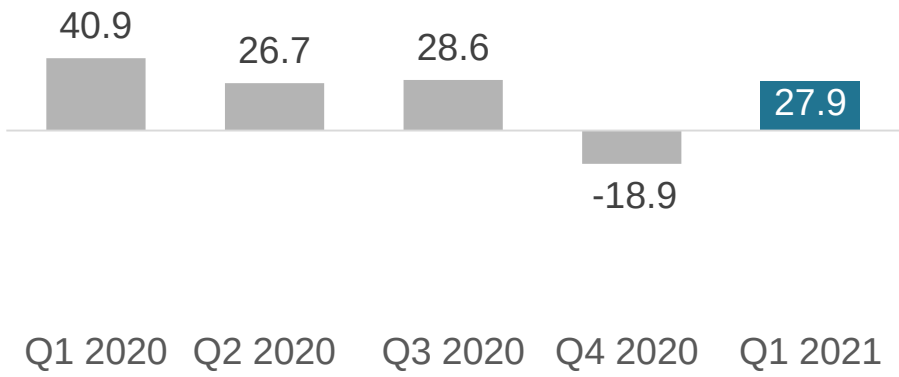
Customer prepayments net (PP), in EUR m



CF Capex, in EUR m



Net cash flow (NCF), in EUR m



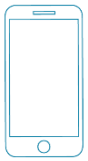
NCF= OCF-PP+CF Capex

Outlook 2021



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Optimistic outlook for 2021 with some risks but even more opportunities



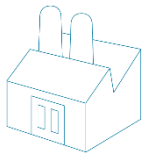
Smartphones are recovering with China showing growth. Continuous 5G phone releases increase especially DRAM and CIS demand due to more cameras.



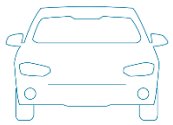
PCs booming: continuous home office could push PC demand strongly in 2021. Large part of the growth is from Chromebooks (less NAND content). At the same time high-end Gaming PCs and consoles are practically sold out for 2021.



Servers with some uncertainty for memory demand. Expected uptick could depend on Intel's CPU release or might be impacted by server customers still digesting capacities.



Industrial recovers strongly but is still highly mixed across product categories (e.g. robots up, aerospace down) and regions (e.g. China up, Europe still down, US in-between).



Cars: automotive semiconductor companies and OEMs are bullish for production despite chip shortage talk. Risk for inventory built up. Trend towards xEV and assistant driving systems unbroken.

Estimated silicon area market development

Silicon area share of end markets (2020)		Estimated development of end markets in 2021
Phones	25%	●
PCs	20%	●
Servers	10%	●
Industrials	15%	●
Cars	10%	●
Others	20%	●
Impact on silicon area development		●

Devices, silicon area share and their “content minus density” effect		
DRAM	18%	●
NAND	23%	●
Logic	34%	●
Power / others	25%	●
Impact on silicon area development		●

High uncertainty due to phone mix

Positive development of both end markets and devices has a positive growth impact on silicon area ●

Source: Siltronic Marketing April.2021

Siltronic Outlook 2021 (as of April 20, 2021)

Sales	– at least 10 percent above 2020	+
EBITDA margin	– between 30 and 32 percent	+
Depreciation	– around EUR 155m to EUR 160m	=
EBIT	– significant increase	=
Tax rate	– significantly below 10%	=
CapEx	– around EUR 250m (mainly in 300 mm epi, capabilities and expansion of crystal pulling hall to replace older equipment)	=
Net cash flow	– significant improvement	+
Earnings per share	– significant increase	+

Contact and Additional Information

Issuer and Contact

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Additional Information

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WKN:	WAF300
Deutsche Börse:	WAF
Listing:	Frankfurt Stock Exchange Prime Standard

Financial Calendar 2021

Q2 Interim Report	July 28, 2021
Q3 Quarterly Statement	October 26, 2021









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