

OUR PATH TO GROWTH AND VALUE CREATION

**Investor Presentation
December 2024**

SILTRONIC AT A GLANCE

4,500

employees
worldwide

4

world-class
production sites

1.5

billion EUR
sales in 2023

50+

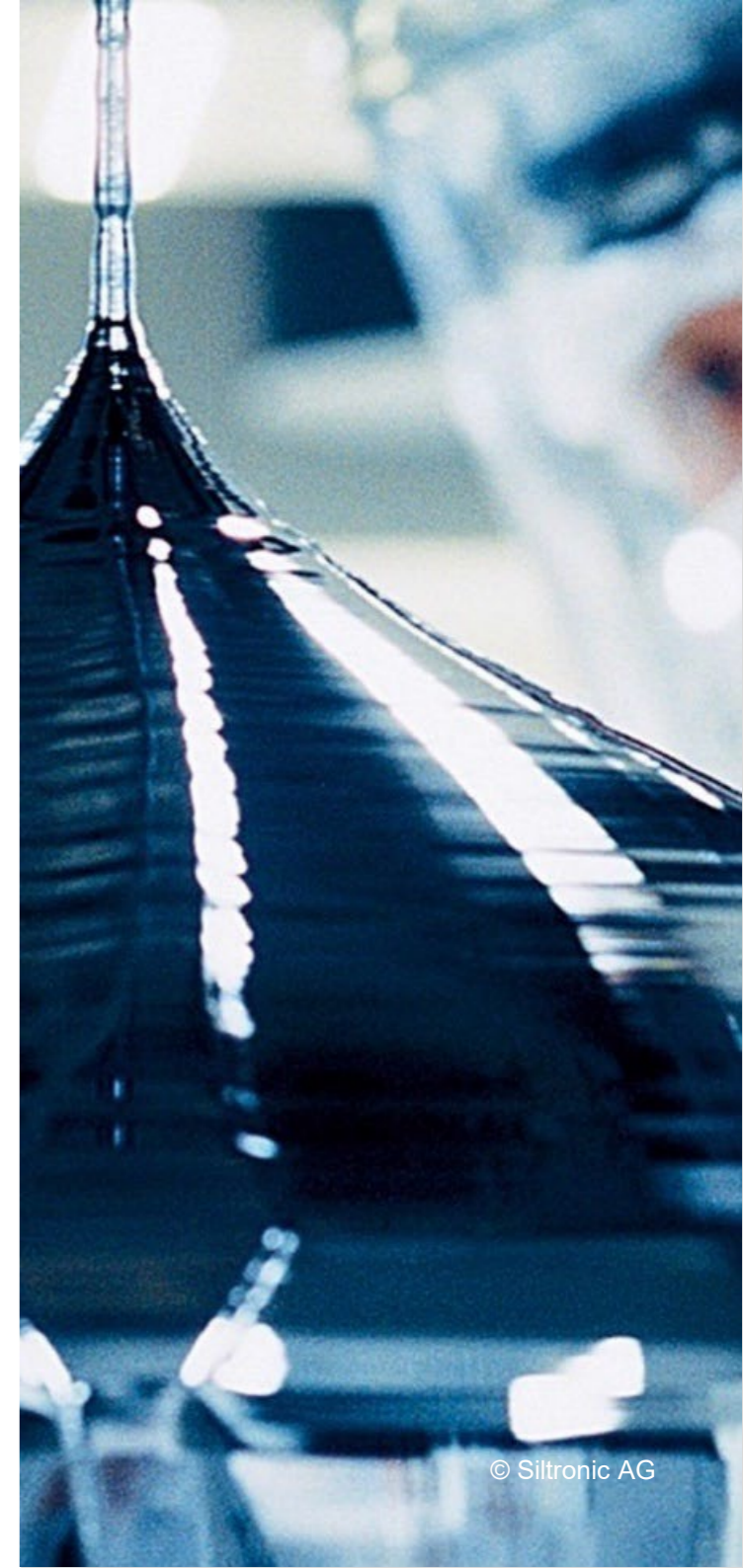
years of history
in silicon technologies

Supplier

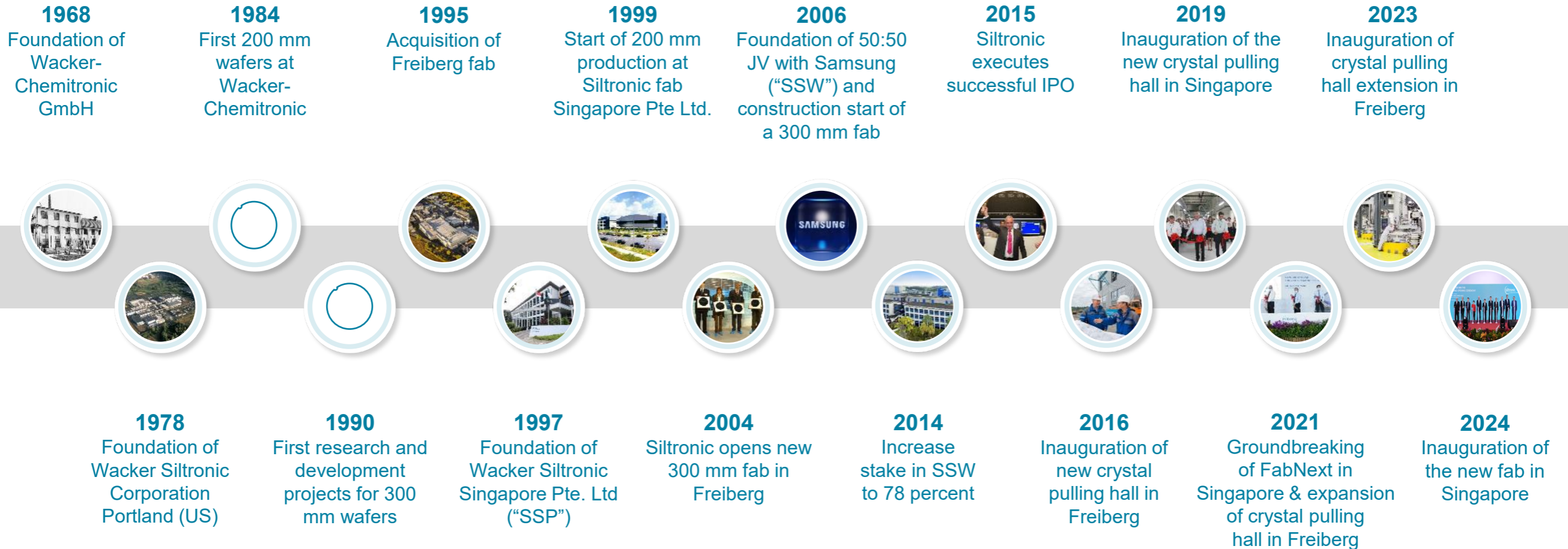
to top
semiconductor producers

29

percent
EBITDA margin in 2023



50+ YEARS OF HISTORY – A STORY OF SUCCESS AND INNOVATION



OUR INTERNATIONAL PRODUCTION NETWORK SERVES CUSTOMERS AROUND THE GLOBE

Singapore



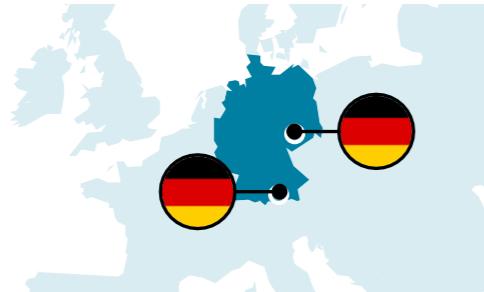
Singapore  

SSW **JV 22% Samsung**  **300 mm** SSP **200 mm**



300 mm
volume production in
Germany & Singapore

Germany



Germany (Burghausen, Freiberg)   


 **300 mm** ≤ 150 mm



R&D
hub in Burghausen

USA



USA (Portland / Oregon) 

200 mm



**Leading
Edge**
production

JV = Joint Venture
CP = Crystal Pulling
R&D = Research and Development

THE WAFER SUPPLIERS ARE FUELING THE WHOLE ELECTRONICS VALUE CHAIN

Electronics value chain (figures for 2023)

Silicon for electronic applications
USD 1.3 bn



Wacker Chemie, Tokuyama, Hemlock, REC, OCI

5

major suppliers

Semiconductor silicon wafers
USD 12.3 bn



5
major suppliers



Semiconductors device maker
USD 516 bn



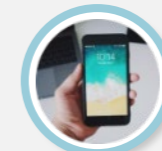
With fabs
Samsung, Infineon, TSMC, Intel, Micron, Hynix...



Design only
Nvidia, AMD, Qualcomm...

>1,300 fabs
and roughly **50** larger chip designers

End markets
USD >5,000 bn



Smartphones
Apple, Samsung...



Servers
Dell, Lenovo...



PCs
Lenovo, HP, Dell...



Automotive
Toyota, VW, BMW, Tesla...



Industrials
Siemens, GE...

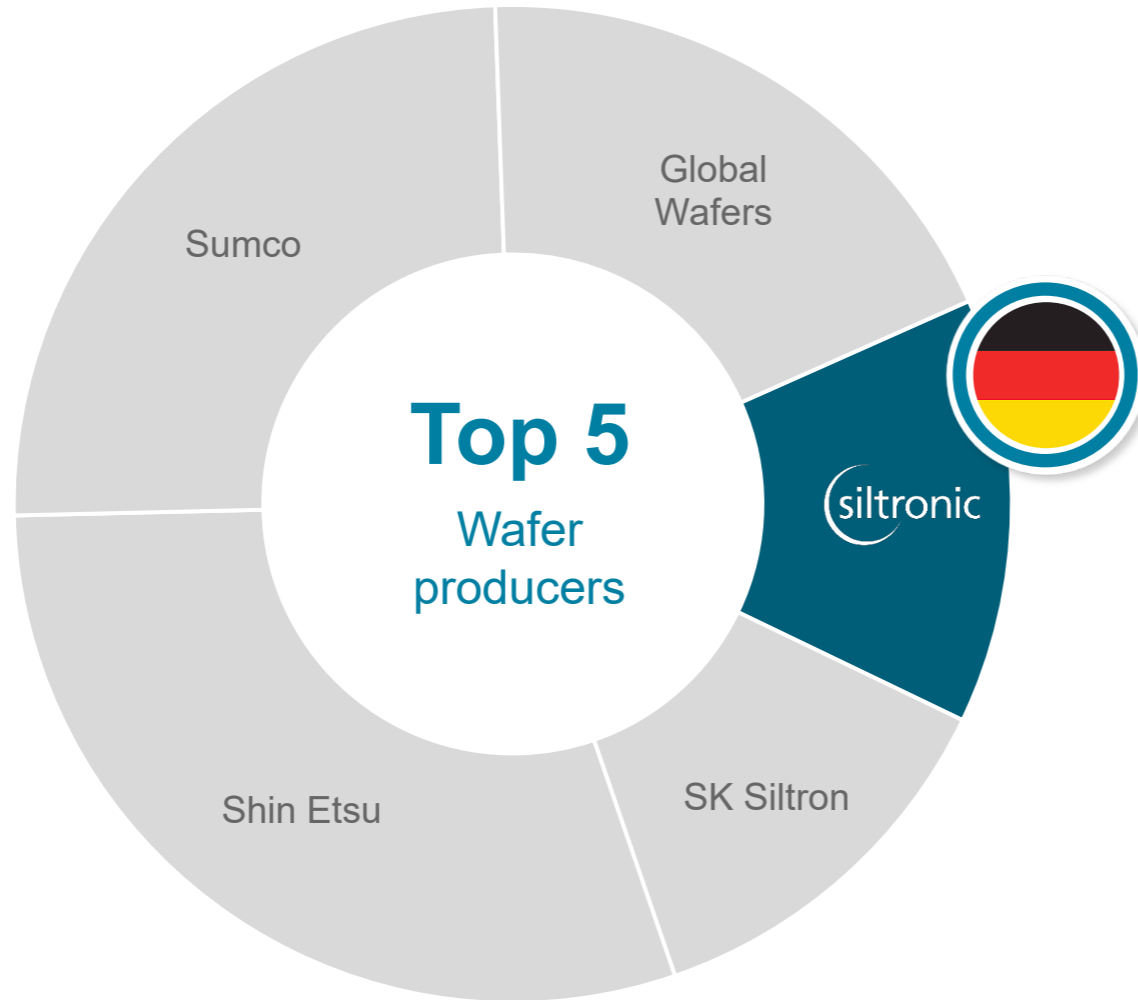


Others e.g.
Whitegoods, Gaming, Infrastructure

>10,000
companies

Source: TechInsights, WSTS (Silicon based), SEMI SMG, Siltronic Marketing

SILTRONIC IS WELL POSITIONED AS THE ONLY WESTERN-BASED WAFER MANUFACTURER



Around 85%
of the market is
served by the Top 5

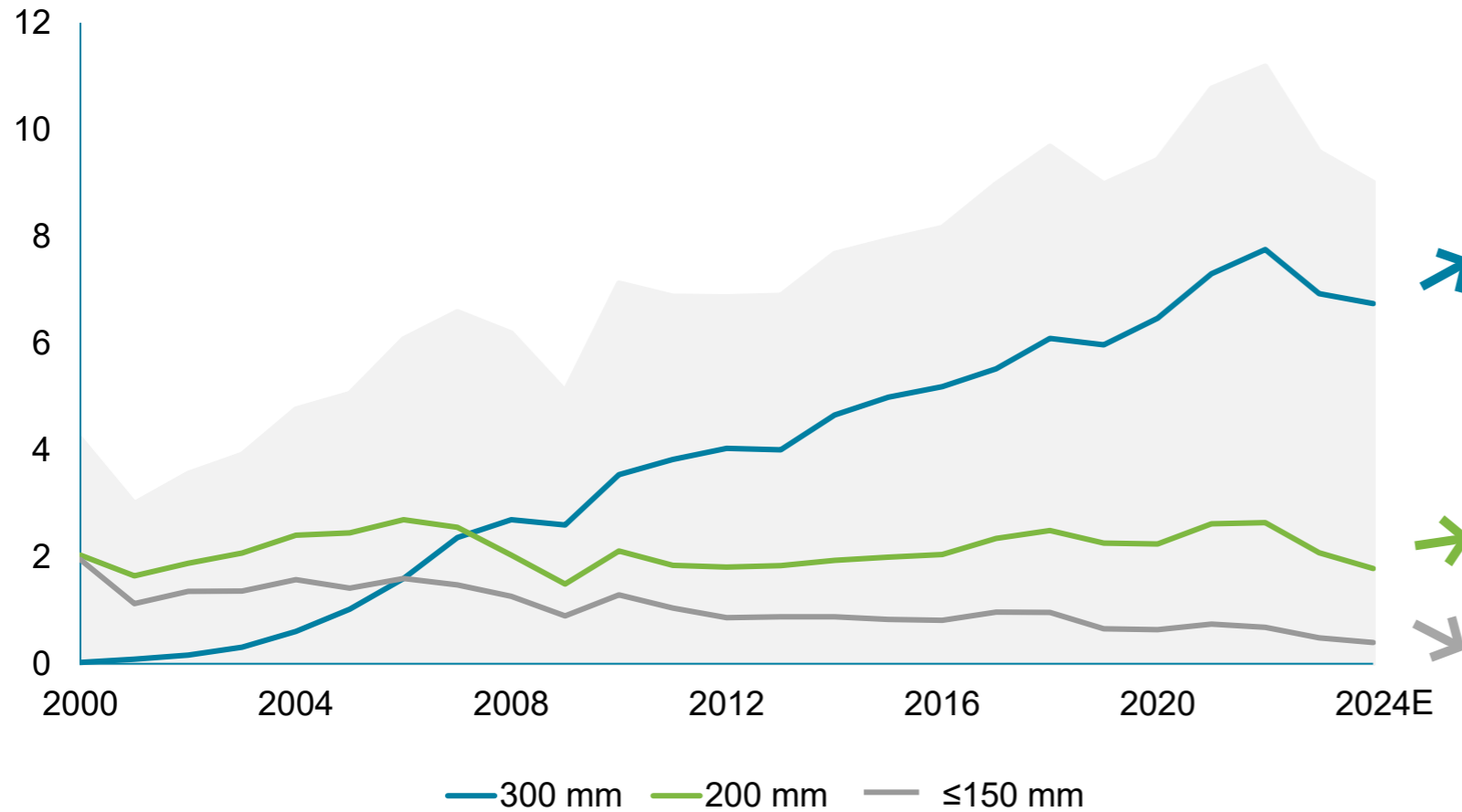


Only western
based wafer
manufacturer

Source: Siltronic estimate 2023, Quarterly reports of SEMI companies

WAFER DEMAND GROWTH EXPECTED TO CONTINUE (CAGR 4-5%), DRIVER 300 mm WAFER

Wafer Demand per Diameter
in mn 300 mm equivalents



Source: Siltronic estimates



CAGR 6%
for 300 mm



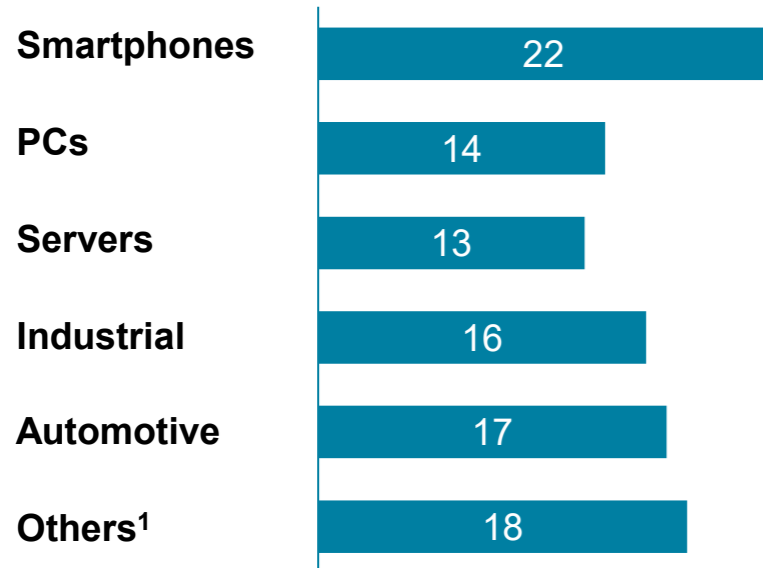
CAGR 1%
for 200 mm



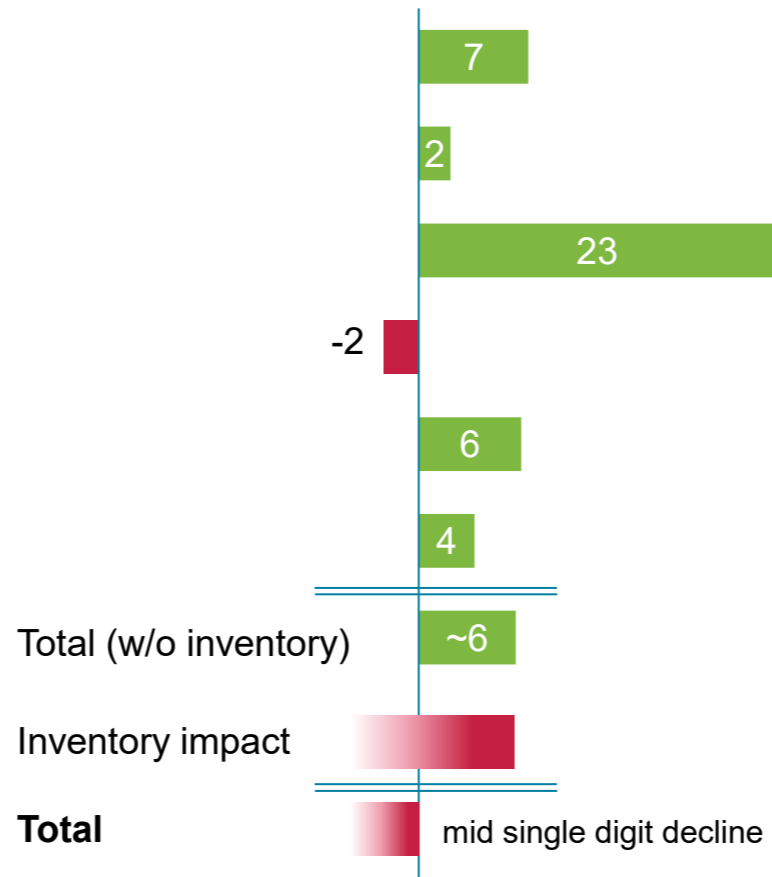
≤150 mm
Siltronic ending
production in 2025

END MARKET GROWTH STILL NEGATIVELY OVERCOMPENSATED BY EXCESS INVENTORY

Consumption of wafers by end use 2023, in %



Growth in demand for wafer area 2024 vs. 2023, in %



Server

Strong growth with AI pushing net content



Smartphones

Modest recovery



Industrial & Automotive

Automotive forecast lowered based on weaker outlook

Source: Siltronic estimates, ¹ Infrastructure Telecommunications, game consoles, consumer electronics such as televisions, white goods such as refrigerators. Chart not to scale.

TOTAL INVENTORIES FOR MEMORY AND LOGIC PEAKED IN 2023, POWER STILL INCREASING

Semiconductor inventories per sector¹

Memory



Inventory levels decreasing slowly; High End DRAM improved due to HBM, other DRAM and NAND still elevated (customer dependent)

Logic



Different inventory levels of customers, overall decreasing slowly

Power/Others



Power inventories based on newest data points further increased



Customers

Vary significantly – most positive results value and not volume driven



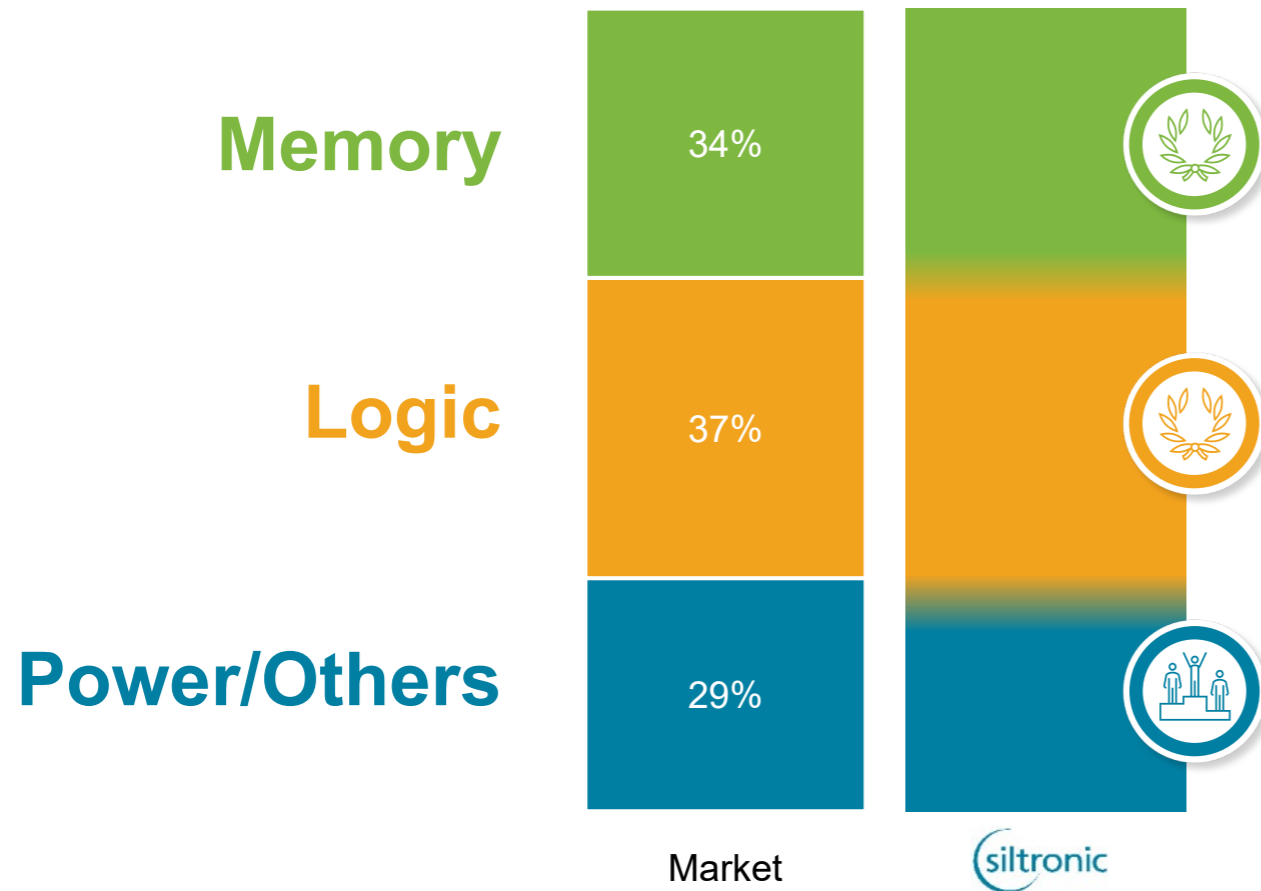
Siltronic

Impact depends on customer exposure

¹ Source: Siltronic estimates and respective company data up to Q2 2024 including finished goods, work in progress and raw materials

SILTRONIC HAS A WELL-DIVERSIFIED AND RESILIENT PRODUCT MIX IN ALL THREE SEMI-SEGMENTS

Demand by segments in % of total demand in 2023



Roughly 1/3
as a rule of thumb is
the split between the
three segments



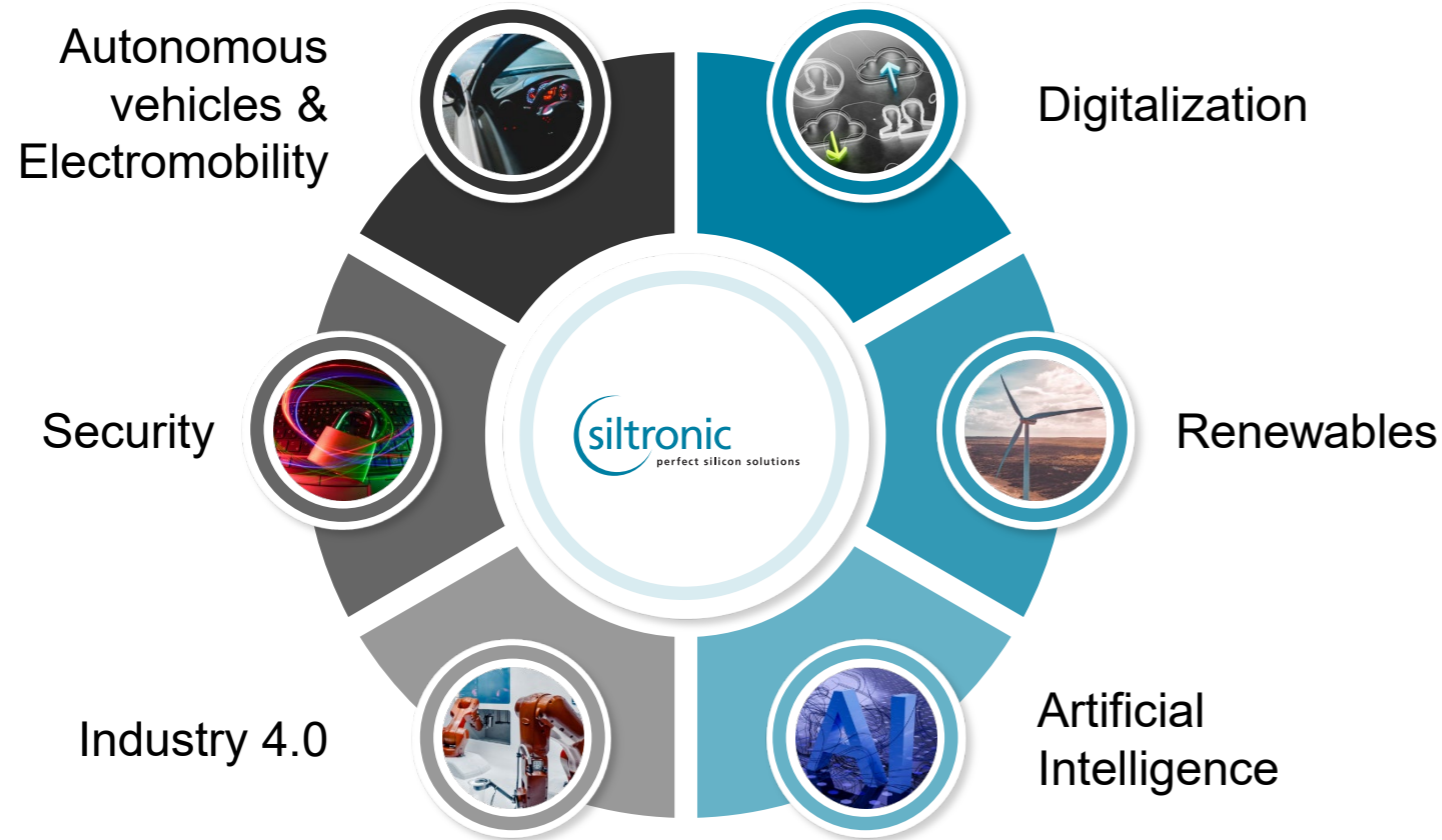
Leading Edge
supplier



Power
leading position

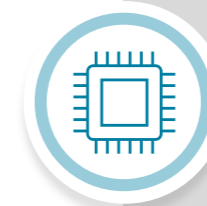
Source: Siltronic Marketing

MEGATRENDS WILL DRIVE WAFER DEMAND



Siltronic

well positioned to support each megatrend



All segments

will participate and Power with over proportional growth

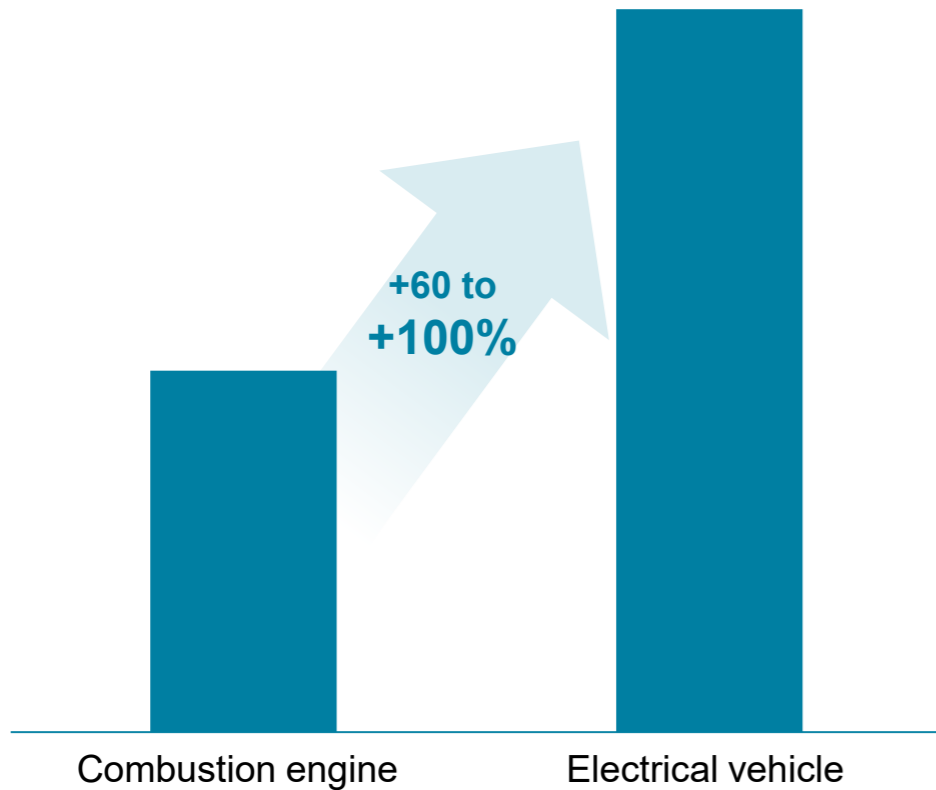


Key benefits

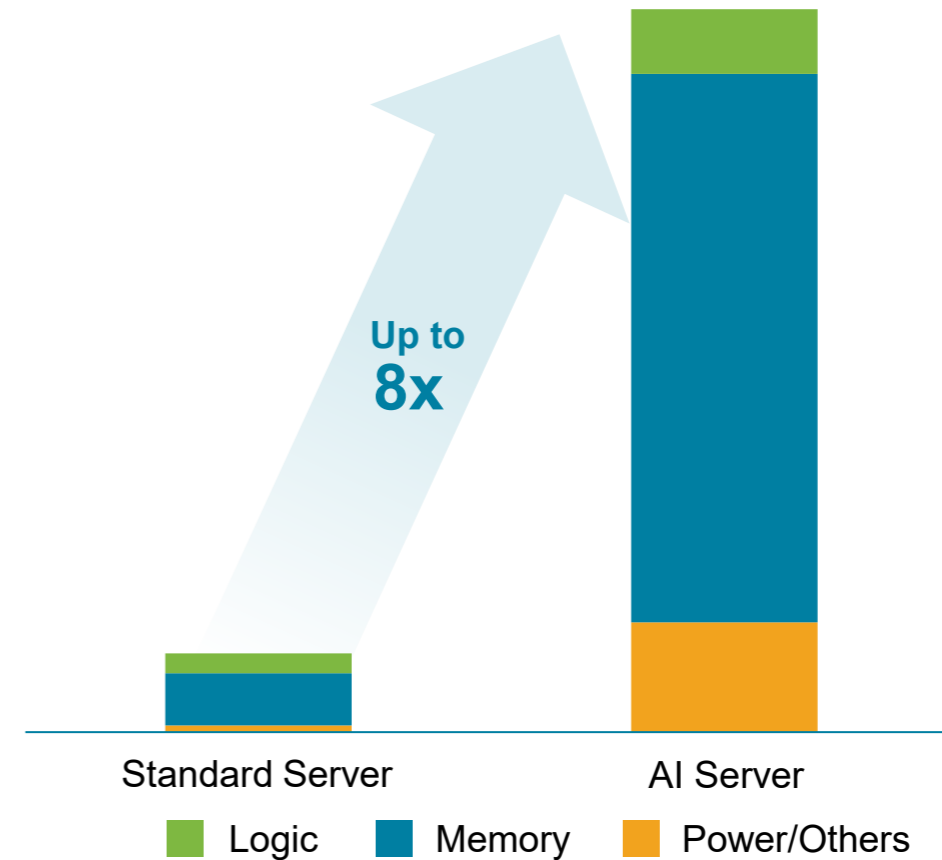
from strategic focus on Leading Edge and Power market

FOR EXAMPLE: ELECTROMOBILITY AND AI ARE PUSHING WAFER DEMAND

Silicon content between combustion engine and electrical vehicle in cm² per car



Silicon content between standard server vs. AI server in cm² per server



Source: BS Sept. 2023 Global I/O Semiconductors; UBS May 2023; Omdia Q4 2022; Siltronic Marketing estimates

FLAGSHIP PROJECT: INAUGURATION OF OUR NEW 300 mm FAB IN SINGAPORE TOOK PLACE IN JUNE

Facts



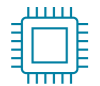
EUR 2 billion capex until 2024



2024 focus on customers qualifications



Group EBITDA margin above 50%+ mid-term



First time 300 mm epi in Singapore



Up to 80% LTA share with high prepayments



Ramp over several years – 100k+ wafers per months at the end of 2024

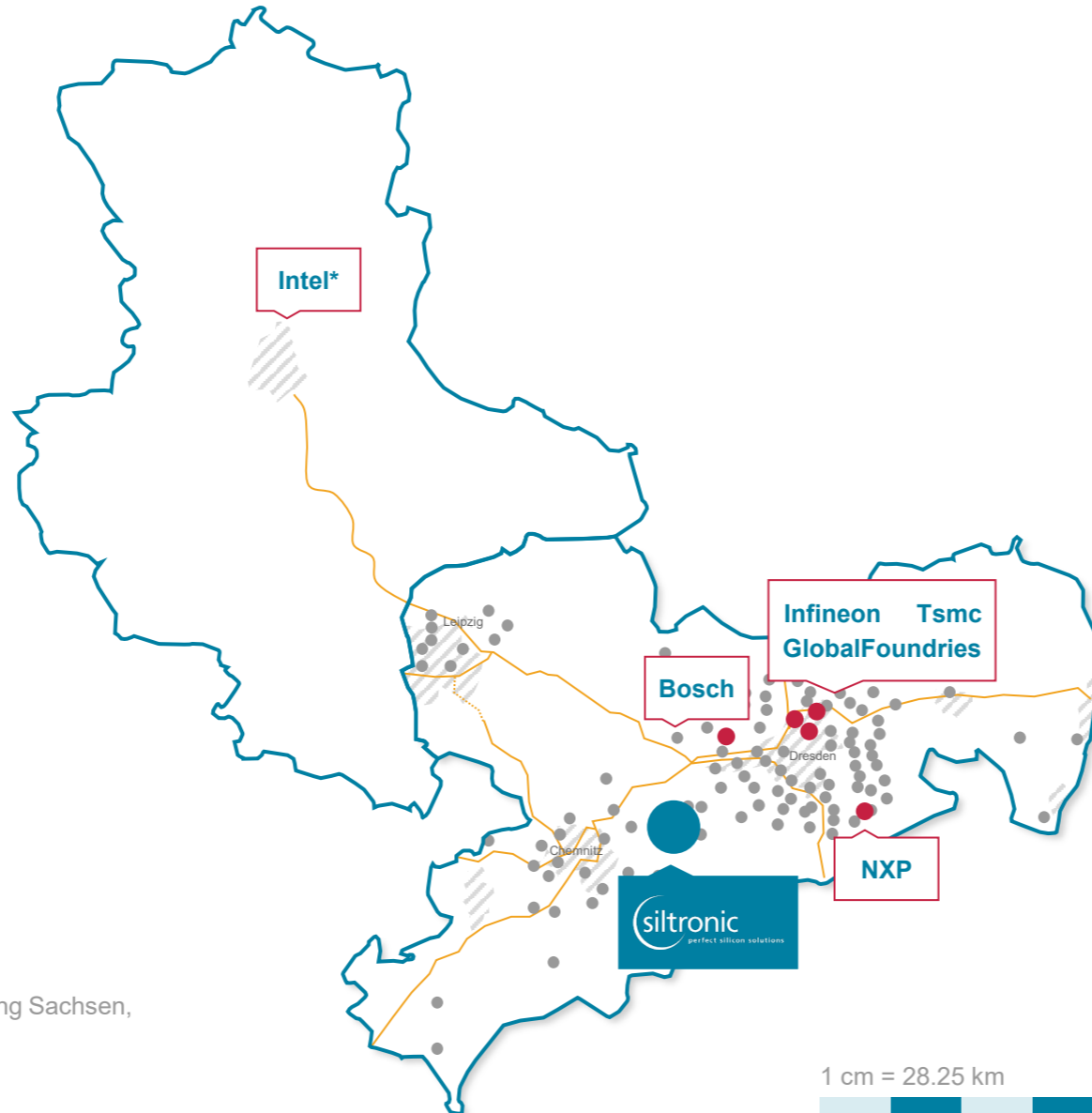


Highly automated and high economies of scale



LTA = Long Term Agreement; epi = epitaxial wafers (mostly used for the logic industry)

IN FREIBERG WE FURTHER IMPROVED PRODUCT MIX FUELED BY INVESTMENTS



Every 3rd to 2nd semiconductor in the EU is from this region



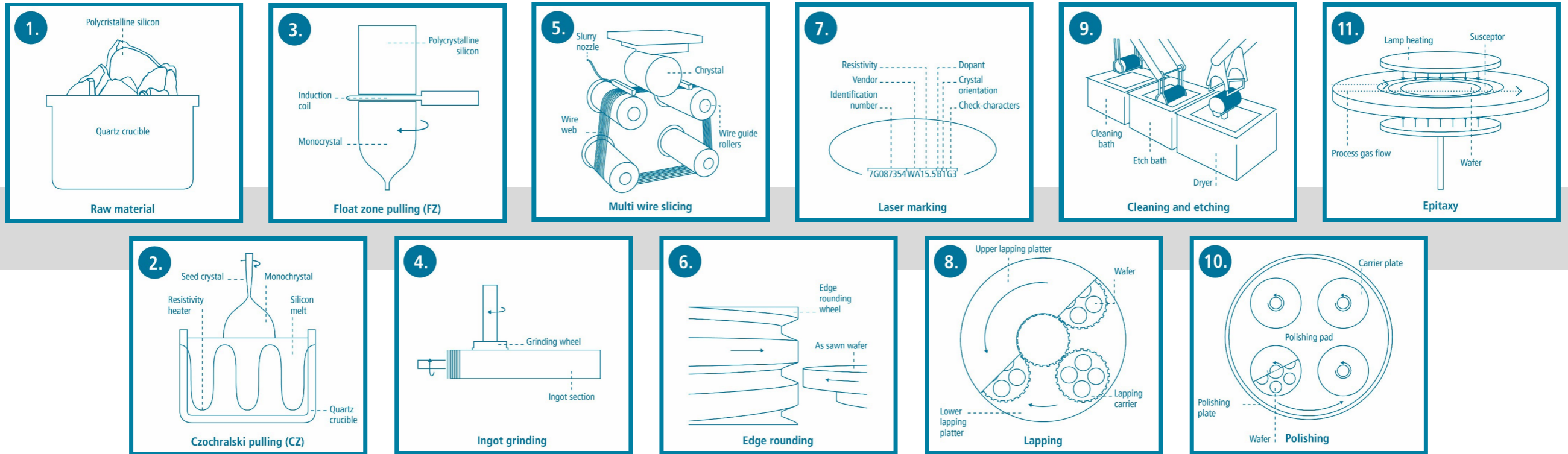
Investments of more than EUR 1 bn since 1995 by Siltronic



First-class geographical position in light of EU ambitions

Source: Siltronic; Silicon Saxony/Wirtschaftsförderung Sachsen, *delayed by at least 2 years

WAFER PRODUCTION PROCESS



STRONG FOCUS ON GROWTH DRIVERS R&D AND INNOVATION

R&D

hub in Burghausen

450

R&D employees

1,900

patents

4-5%

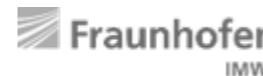
of sales planned
as R&D spendings



Partnering with leading innovation platforms



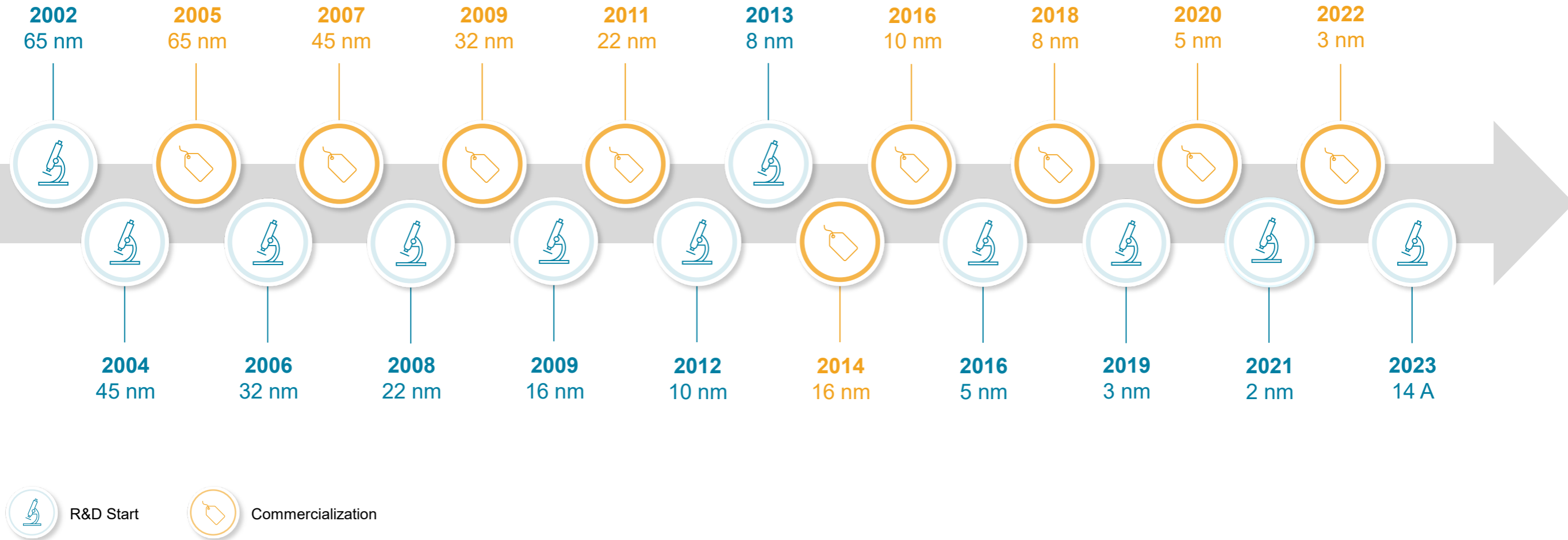
Leibniz Institute
for high
performance
microelectronics



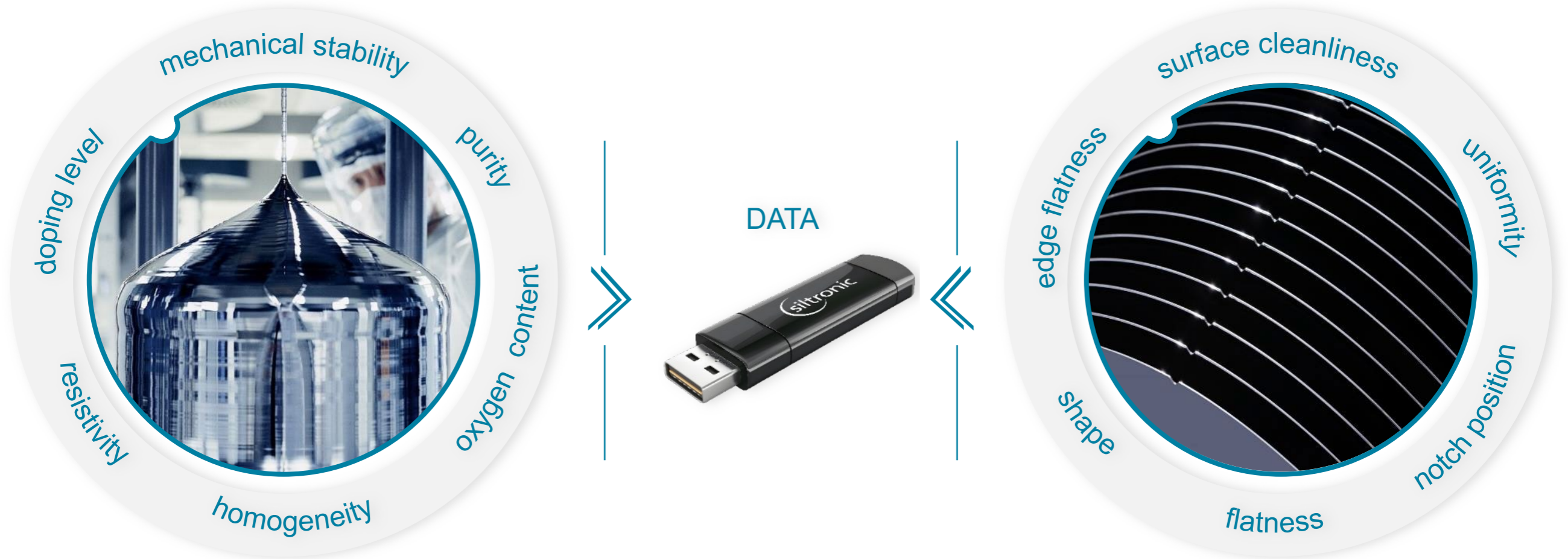
R&D Innovation Strategy

- Stay one generation ahead as a **Technology Leader**
- Focus on **Leading Edge** and **Power**
- Find new business opportunities and **expand** our product **portfolio**

SILTRONIC HAS A PROVEN TRACK RECORD AS A TECHNOLOGY LEADER



A NUMBER OF KEY INGOT AND WAFER PROPERTIES DEFINE THE WAFER SPECIFICATION AND ITS FURTHER USE BY THE CUSTOMER



PURITY AND FLATNESS REQUIREMENTS FOR WAFERS ARE EXTREME, AS SCALING THEM INTO THE MACRO WORLD SHOWS

Particles

Particle size specified in the nm range. Requirements are equivalent to a maximum of 10 grains of sand distributed over the city of Munich.



nm = nanometer

Flatness

20 nm on a wafer are equivalent to the height of a leaf on the surface of Lake Chiemsee – or a single bacteria on a tennis court.



OUTLOOK AND FINANCIAL STRENGTH

Our ambitions until 2028

2024 GUIDANCE SLIGHTLY ADJUSTED

Sales

High single digit percent below prior year

EBITDA Margin

Between 24% and 26%

Depreciation

Between EUR 230 and 250 mn

EBIT

Significant decline

Capex

Between EUR 500 and 530 mn

Net cash flow

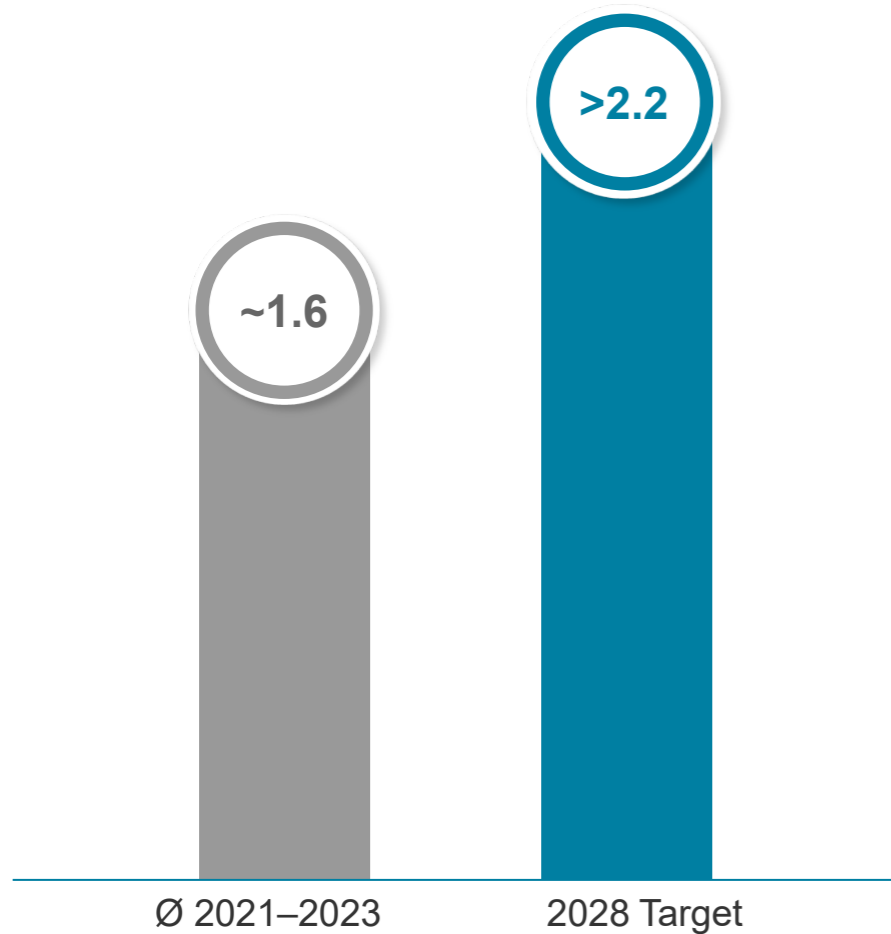
Improved compared to previous year, but remains significantly negative

Assumption for Q4: FX rate EUR/USD 1,10

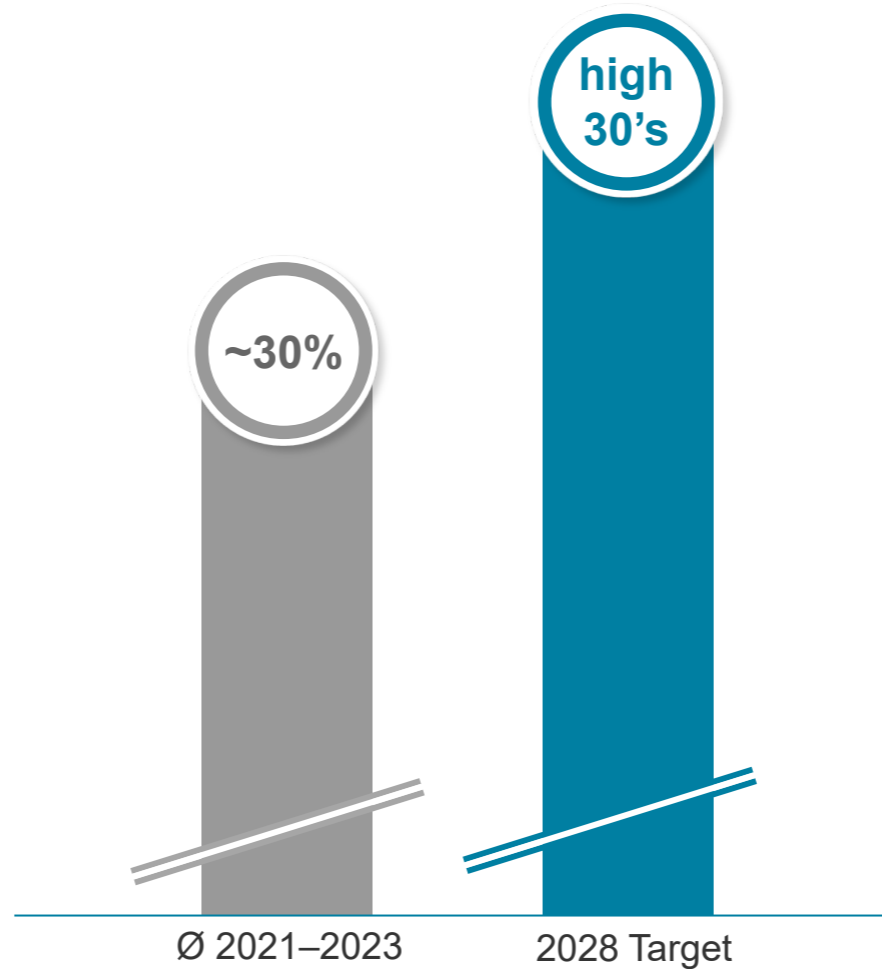


PROFITABLE GROWTH AMBITION FOR 2028

Sales, in EUR billion



EBITDA margin, in %



Volume growth

of 4-5% per year
(on average)



Stable

average prices



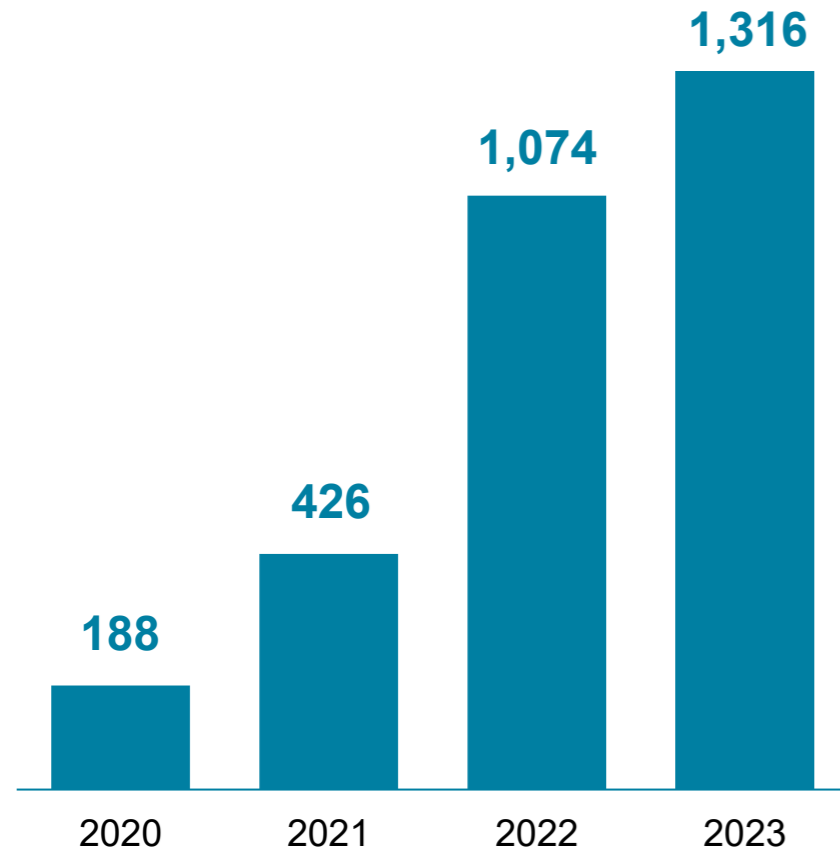
Higher

cost efficiency

Status: Capital Markets Day November 2023; Charts not to scale

TOP PRIORITY: INVESTMENTS IN ORGANIC GROWTH

Capital expenditure
in EUR mn



Capital expenditure
until 2028 in EUR mn

500 - 530



2024

New Singapore fab
capex depending on
ramp speed

+

Steady state capex

Ø 2024–2028

EUR 200 mn p.a.

until 2028



Maintenance
of business



Capability
enhancement “staying
one generation ahead”



Product mix
ongoing improvement

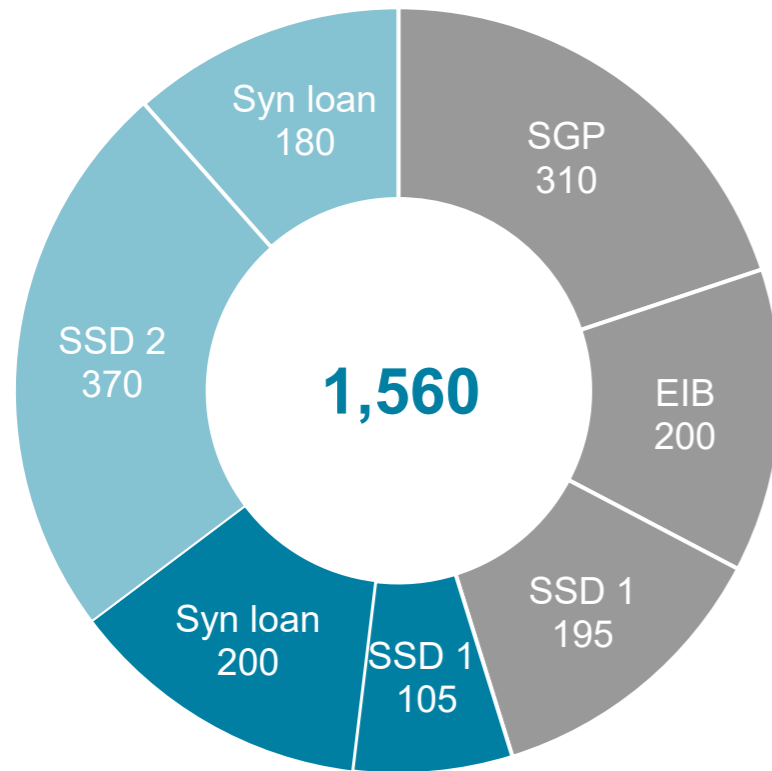


Cost efficiency
e.g. automation

Charts not to scale

SUCCESSFUL PLACEMENT OF PROMISSORY NOTE LOAN IN SEPTEMBER

Debt financing instruments¹, in EUR million



- Fixed loans, drawn
- Variable loans, drawn
- Syn loan / SSD 2, not drawn yet



Promissory note loan 2

Placed in September, payout in October

Maturities:
3.5, 5 and 7 years



Syn loan

EUR 200 mn drawn in Q1-Q3 2024

Figures rounded


SSD=Schuldscheindarlehen (Promissory Note Loan), ¹ as of October 2024


CONTINUOUSLY INCREASING THE COST EFFICIENCY – AND A SPECIAL FOCUS IN THE CURRENT DEMAND WEAKNESS


Major cost items 2024

	Labor
	Depreciation
	Supplies
	Energy
	Polysilicon

Cash and Cost reduction measures


 **Production**
focus on productivity and efficiency

 **Labor**
adjusted to reduced output + qualified hiring freeze in overhead areas

 **Working Capital**
effective management with regard to capital commitment

 **Capex**
restrictive approval of investments

 **Dividend**
reduced to EUR 1.20 per share for 2023

 **Other Costs**
even more intensified emphasis

CORPORATE TAX RATE WILL INCREASE

Singapore



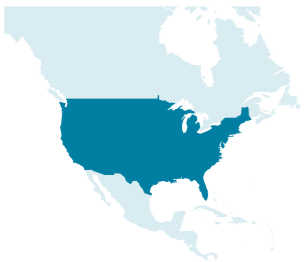
~15–17%
effective tax rate

Germany



~30%
effective tax rate

USA



~25%
effective tax rate



~20%
Tax rate
including deferred taxes



Pioneer status

until March 2024 in
Singapore for SSW



Minimum

effective tax rate in
Singapore from 2025
acc. to OECD Pillar 2

ESG @ SILTRONIC

Clear commitment to an emission-free future



AMBITIOUS TARGETS AND GLOBAL COMMITMENTS KEEP US GOING



Climate – Scope 1+2 CO₂ emissions

2030: -42%¹

2045: Net zero²

Status 2023: -22%



Energy – renewable

2030: 60% share

2045: 100% share

Status 2023: 5% share³



Siltronic supports the 10 principles of the UN Global Compact.

We contribute to the sustainable development goals of the UN.

As a supplier to the electronics industry, Siltronic is a “Regular” member of the Responsible Business Alliance (RBA).

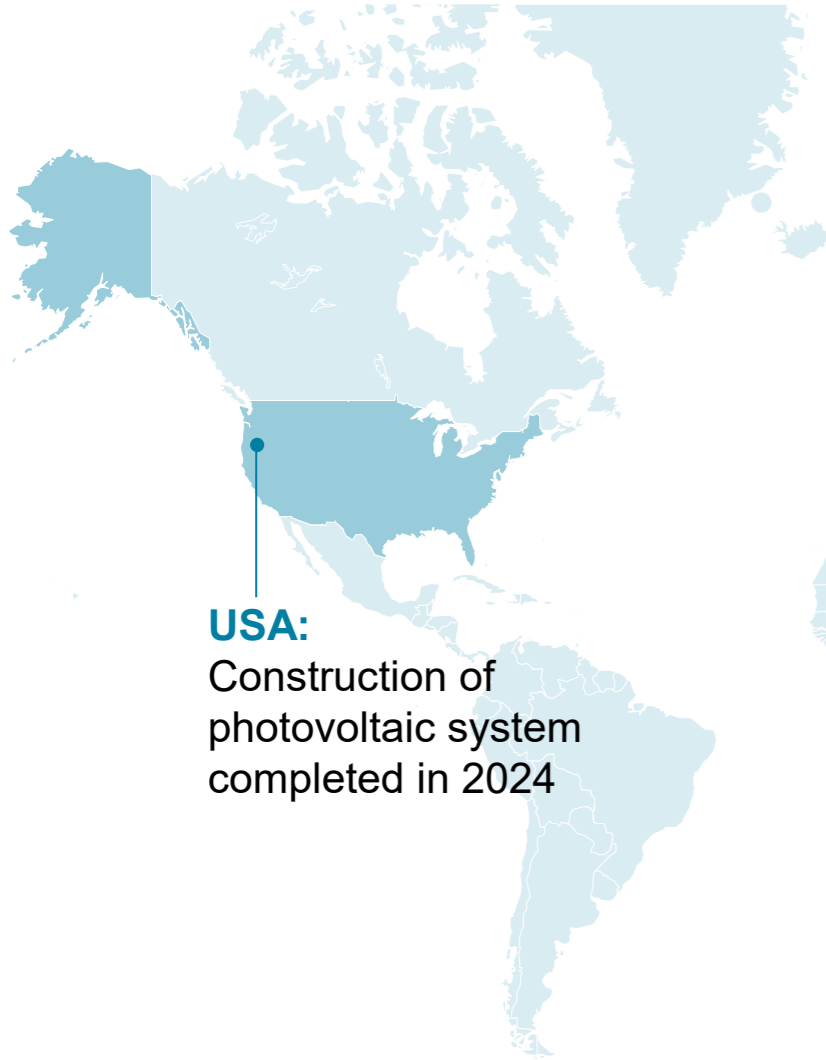
Siltronic participates in CDP Climate change and Water security evaluations.

With our membership at RE100, we are dedicated to make our contribution to global decarbonization.

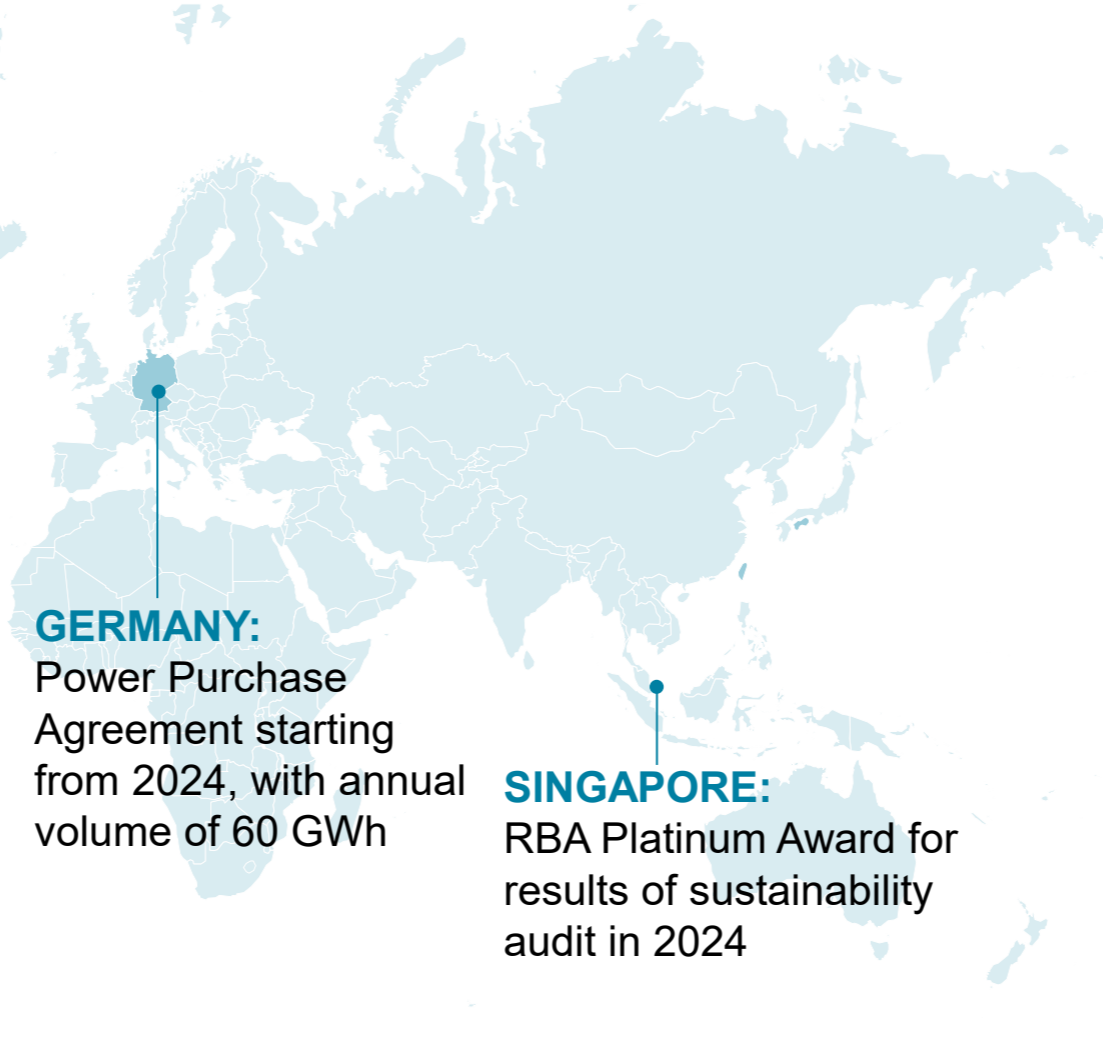
(1) absolute reduction, base year 2021, (2) Net zero: GHG emissions released into the atmosphere equal the amount removed

(3) based on RE100 criteria

SUSTAINABILITY HIGHLIGHTS



USA:
Construction of photovoltaic system completed in 2024



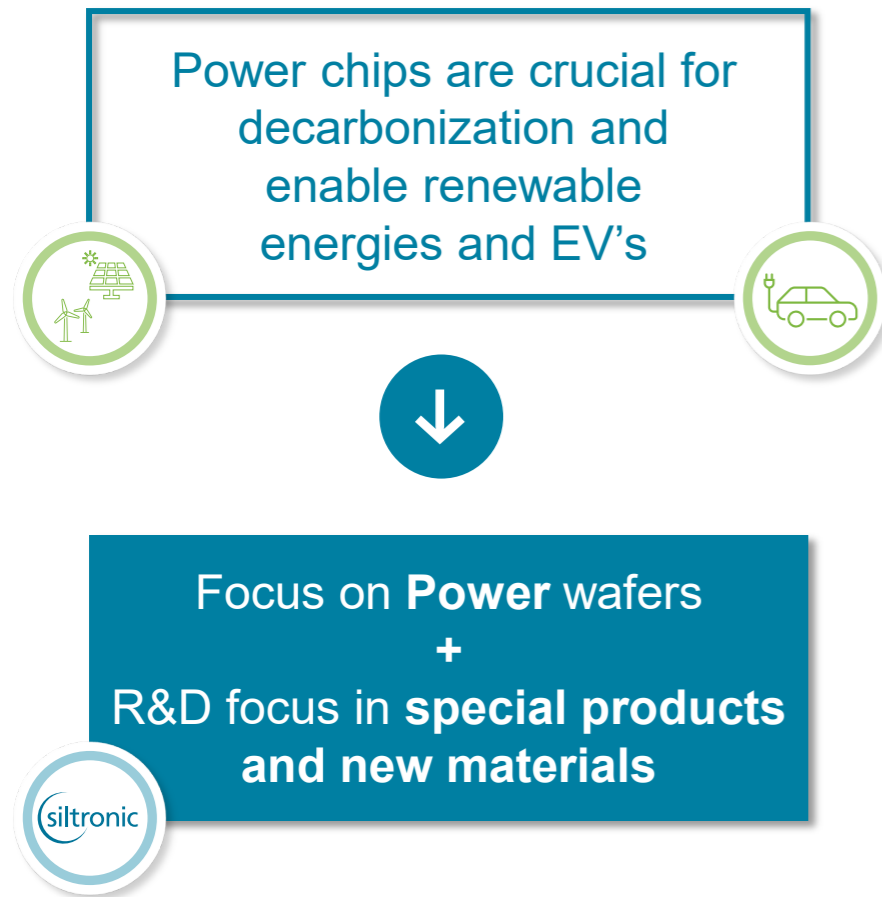
GERMANY:
Power Purchase Agreement starting from 2024, with annual volume of 60 GWh

SINGAPORE:
RBA Platinum Award for results of sustainability audit in 2024

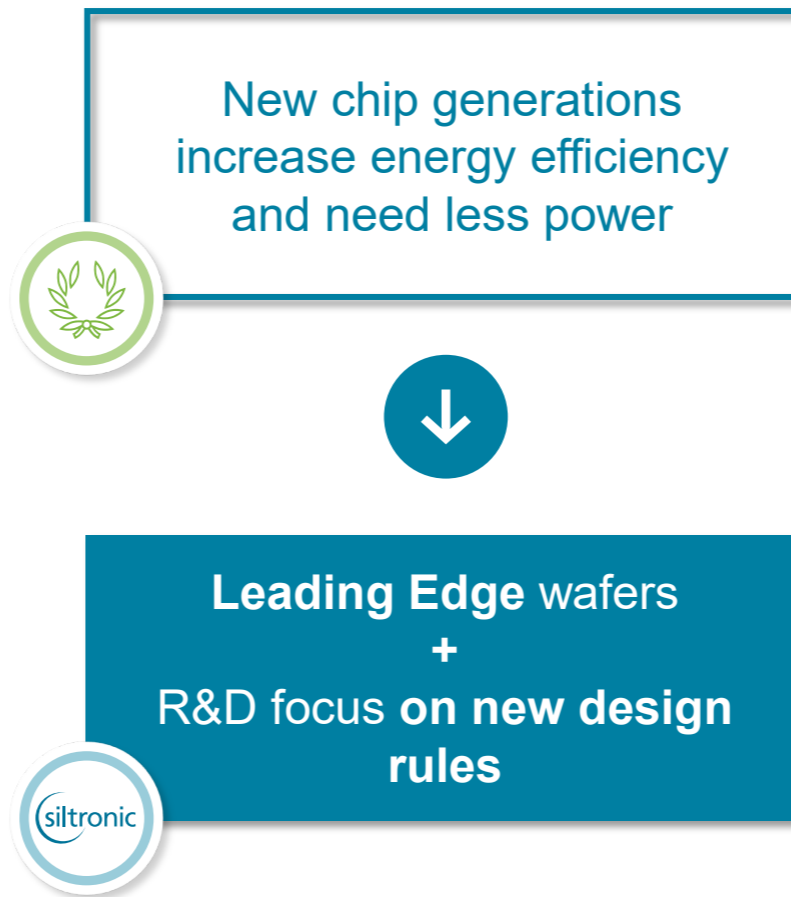


SILTRONIC IS ENABLING TECHNOLOGIES FOR A SUSTAINABLE FUTURE

Power focus



Leading Edge focus



Strategy

on leading edge and power wafers supports sustainability strategy



Investments

needed to keep our equipment state of the art for leading edge wafers



R&D focus

is crucial for sustainability strategy

THE SILTRONIC EXECUTIVE BOARD



Dr. Michael Heckmeier
CEO

- CEO since May 2023
- 25 years at Merck
- Studied physics and mathematics, PHD in physics
- MBA, general management



Claudia Schmitt
CFO

- CFO since July 2023
- 15 years at Siltronic
- 11 years at Wacker Chemie AG
- Studied business administration



Klaus Buchwald
COO

- COO since June 2024
- 21 years at Infineon
- 4 years at Rohde & Schwarz
- Studied mechanical and industrial engineering

EXECUTIVE SUMMARY

KEY TAKEAWAYS – CLEAR COMMITMENT TO PROFITABLE GROWTH AS A TECHNOLOGY LEADER

Proven success in a cyclical industry with strong **mid-term ambition** for profitable growth



Megatrends **AI, Digitalization, and Electromobility** will drive wafer demand to new levels



Investing in **new fab** and **product mix** will improve our position and drive growth



Clear commitment to **R&D, Sustainability** and **Innovation** to stay ahead of the curve



Financial Calendar and Events

Dec 2, 2024
**Berenberg Pennyhill
Conference, London**

Dec 5, 2024
**Bofa virtual Tech
Fieldtrip**

Jan 9, 2025
ODDO BHF, Lyon

Jan 14, 2025
**Bofa virtual SMID
Conference**

Jan 21, 2025
**Kepler German
Corporate Conference,
Frankfurt**

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