

Siltronic AG

Q3 2021 Conference Call Presentation

October 26, 2021

Update on GlobalWafers' tender offer

- ▶ Completion of merger likely to be delayed due to protracted discussions with authorities on regulatory clearances
- ▶ Constructive discussions with the authorities on the terms of the outstanding clearances continue

7 approvals received



- ▶ German Federal Cartel Office
- ▶ Austrian Federal Cartel Agency
- ▶ Korean Fair Trade Commission
- ▶ Taiwanese Fair Trade Commission
- ▶ Committee on Foreign Investment in the United States (CFIUS)
- ▶ Competition and Consumer Commission of Singapore
- ▶ US Federal Trade Commission (waiting periods pursuant to the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the regulations under this act have expired. Thus completion condition set out in Section 13.1.1 ("Merger control clearances") bullet (v) of the offer document has been fulfilled)

3 approvals pending



- ▶ Japanese Fair Trade Commission
- ▶ State Administration for Market Regulation of the People's Republic of China
- ▶ German Federal Ministry for Economic Affairs and Energy

Fab Next project well on track



- ▶ Groundwork and piling started
- ▶ Ground-breaking ceremony on October 26, 2021
- ▶ Customer demand higher than Fab Next capacity
- ▶ Additional LTAs for Fab Next capacity signed, on track to achieving high portion of additional volume

Picture Siltronic AG: image of the existing (right) and planned (left) Siltronic production facility at Tampines Wafer Fab Park

Strong end markets drove silicon wafer demand in Q3

Smartphones

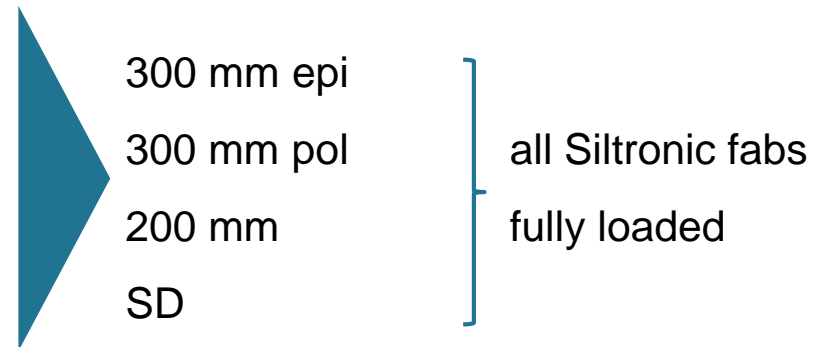
- ▶ Recovering unit sales, but impacted by chip shortages
- ▶ Ongoing trend to more cameras and memory per phone
- ▶ 5G roll out drives content growth

Industry / Auto

- ▶ Auto continues recovery but impacted by supply shortages
- ▶ xEVs share accelerating
- ▶ Industrial orders continue to be strong

Servers / PC

- ▶ Stable commercial PC demand
- ▶ Continued server growth (cloud services)
- ▶ High demand for gaming PCs / consoles
- ▶ Short term volatility due to part shortages



- ▶ ASP slightly up q-o-q

Highlights: Financial figures Q3 2021

Sales

– EUR 371.6m (Q2 2021: EUR 341.1m)

EBITDA

– EUR 122.9m (Q2 2021: EUR 108.0m)
– EBITDA margin: 33.1% (Q2 2021: 31.7%)

EBIT

– EUR 83.9m (Q2 2021: EUR 69.6m)
– EBIT margin: 22.6% (Q2 2021: 20.4%)

CapEx

– EUR 54.1m (Q2 2021: EUR 52.8m)

Net cash flow

– EUR 70.1m (Q2 2021: EUR 43.3m)

Net financial assets

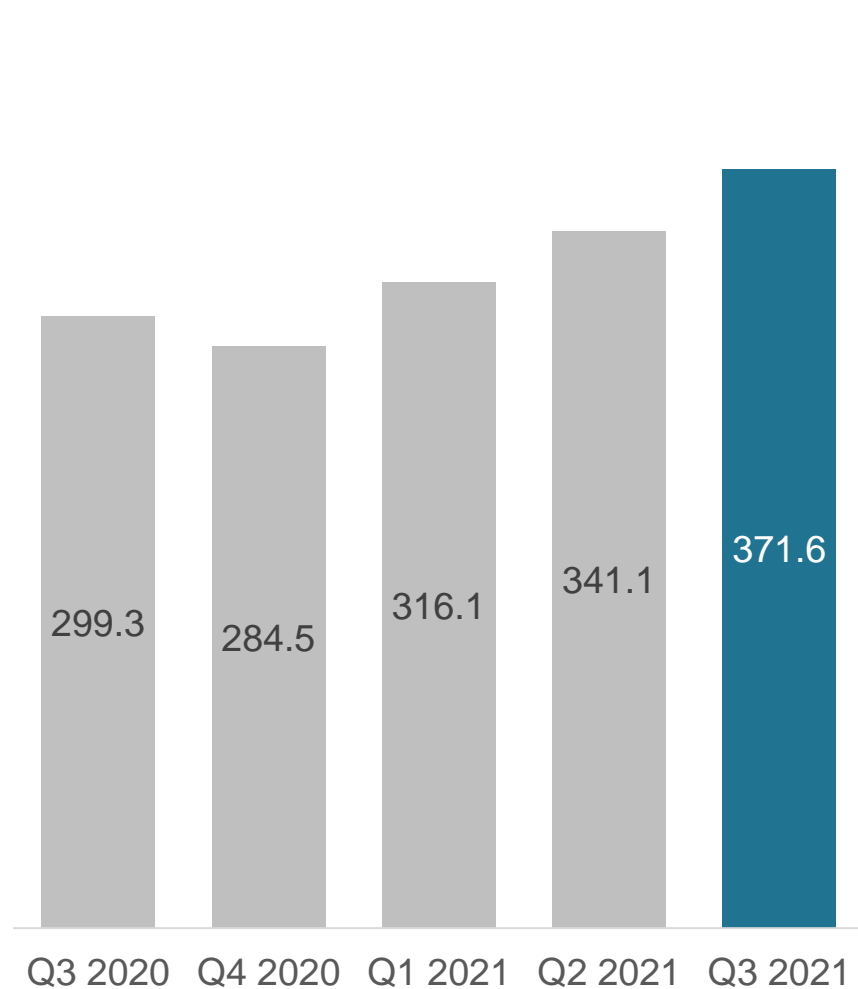
– EUR 605.3m (December 31, 2020: EUR 499.2m)



Financials Q3 2021

Strong sales growth based on higher wafer area sold and slightly increased ASP

Sales, in EUR m



| Ø FX rates | Q3/20 | Q4 | Q1/21 | Q2 | Q3 |
|------------|-------|------|-------|------|------|
| EUR / USD | 1.17 | 1.19 | 1.21 | 1.21 | 1.18 |
| EUR / JPY | 124 | 125 | 128 | 132 | 130 |

Comments

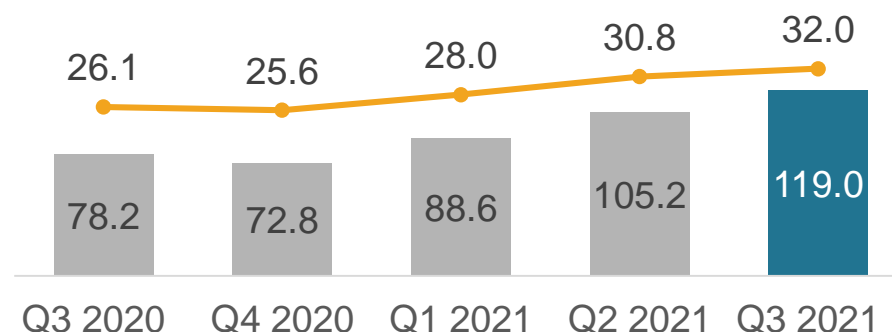
- ▶ Wafer area sold up q-o-q
- ▶ ASP slightly up q-o-q
- ▶ Favorable FX q-o-q

COGS up due to higher wafer area sold

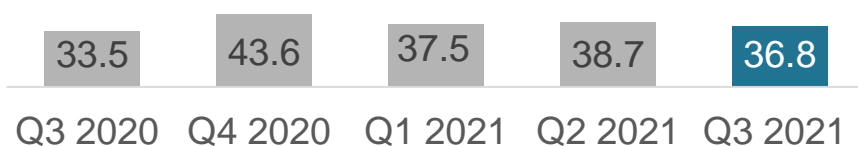
Cost of sales, in EUR m



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



Selling, general and admin expenses, in EUR m

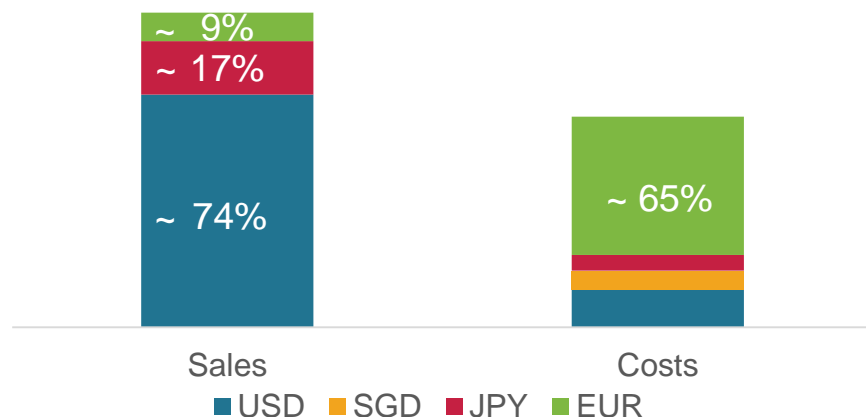


Comments

- ▶ Slight burden by higher energy costs starting in late Q3
- ▶ COGS up y-o-y due to higher wafer area sold
- ▶ Y-o-y cost per wafer area down in 9-months period due to fixed cost dilution and productivity improvements
- ▶ SG&A expenses in 9-months period burdened by EUR 6m for advisory services for GlobalWafers tender offer (EUR 12m in Q4 2020)

High US-Dollar and Japanese Yen exposure

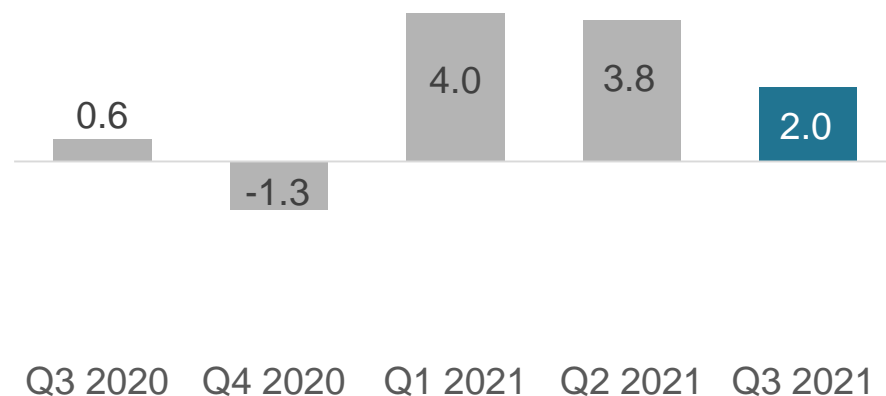
FX exposure, in %



FX sensitivity

| | Sales | EBITDA unhedged |
|-------------------|-------------------|-------------------|
| 1 USD-cent change | ~ EUR 8.5 million | ~ EUR 7 million |
| 1 JPY change | ~ EUR 1.8 million | ~ EUR 1.4 million |

Other currency effects (mostly hedging), in EUR m

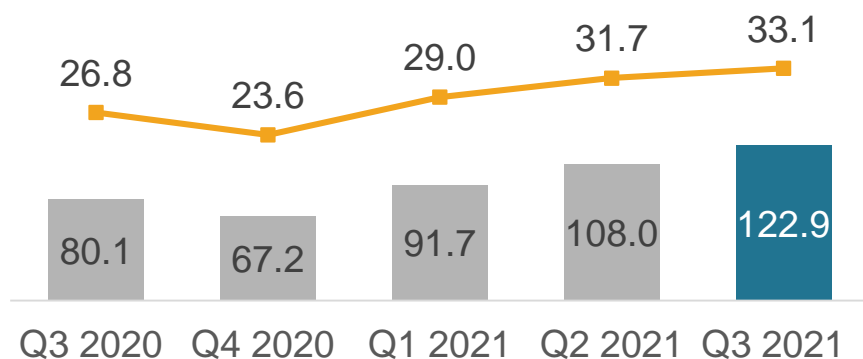


Comments

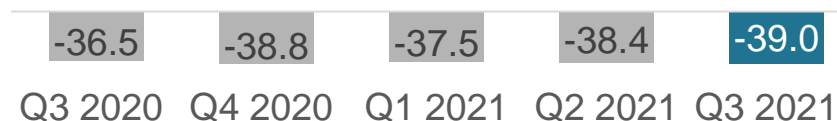
- ▶ Strong Euro y-o-y but weaker Euro q-o-q
- ▶ Other currency effects of EUR 2m in Q3 2021

Strong EBITDA and EBIT driven by wafer area, ASP and FX

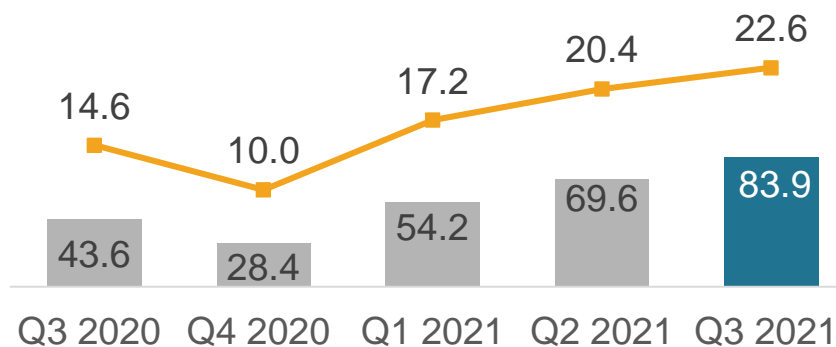
EBITDA, in EUR m / EBITDA margin, in %



Depreciation, in EUR m



EBIT, in EUR m / EBIT margin, in %

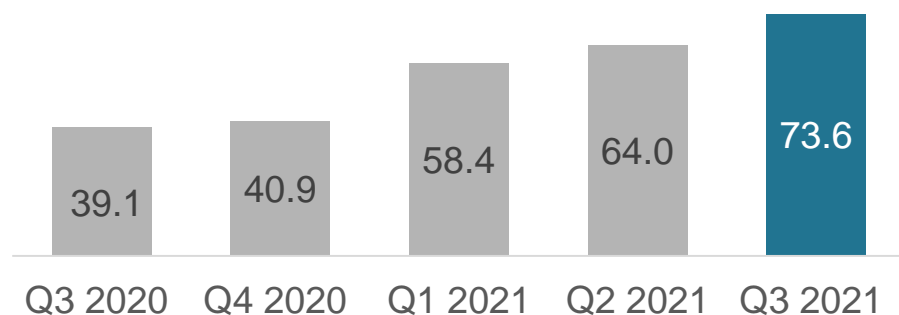


Comments

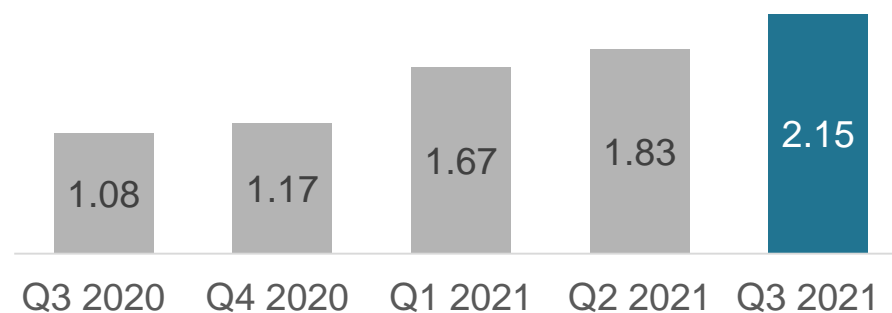
- ▶ **Positive**
 - ▶ Wafer area sold up y-o-y
 - ▶ ASP slightly up q-o-q
 - ▶ Favorable FX q-o-q

Net profit of EUR 74 million in Q3 2021

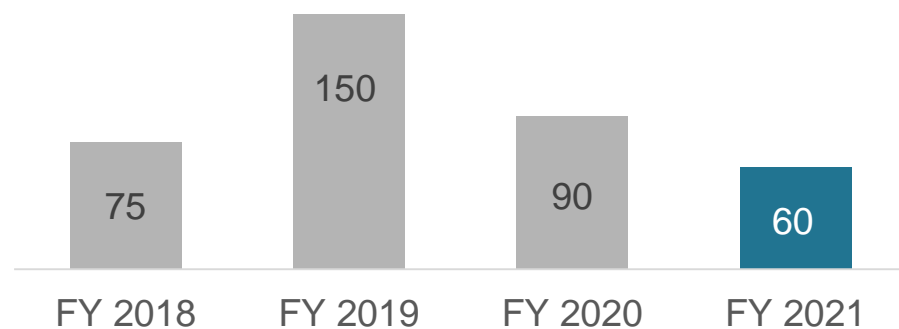
Net profit, in EUR m



EPS, in EUR



Dividend payment, in EUR m

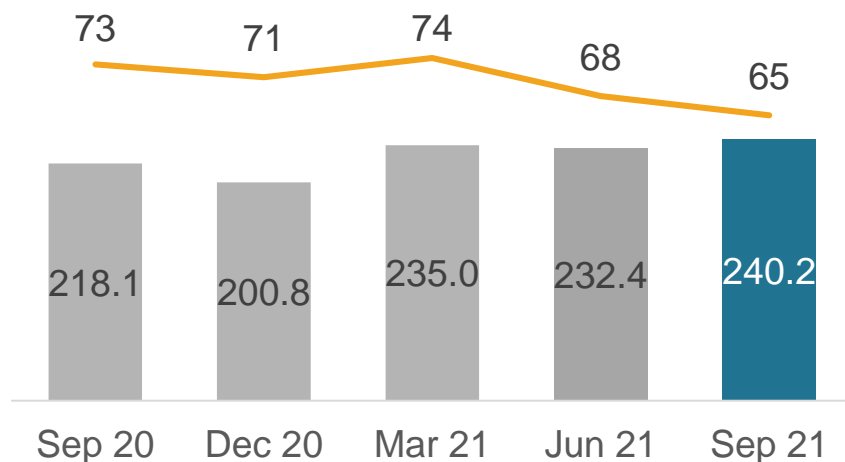


Comments

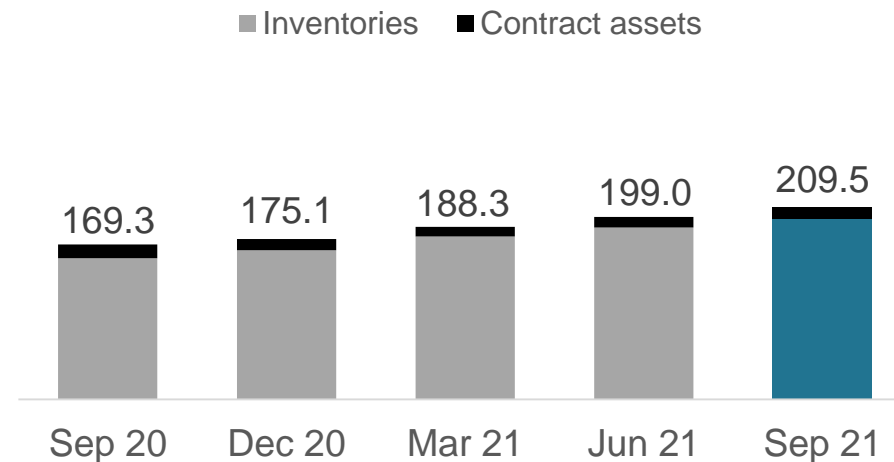
- ▶ Net profit of EUR 73.6 million in Q3 2021; thereof EUR 64.5m attributable to Siltronic shareholders
- ▶ Dividend of EUR 2.00 per share = EUR 60m paid in May 2021

Trade receivables and inventories high due to increased demand

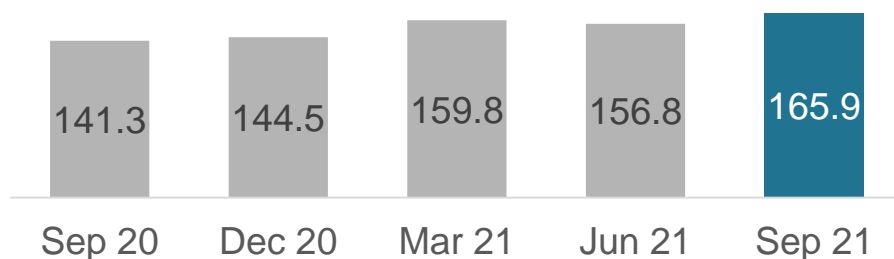
Working capital, in EUR m,
Working capital ratio to quarterly sales, in %



Inventories and contract assets, in EUR m



Trade receivables, in EUR m

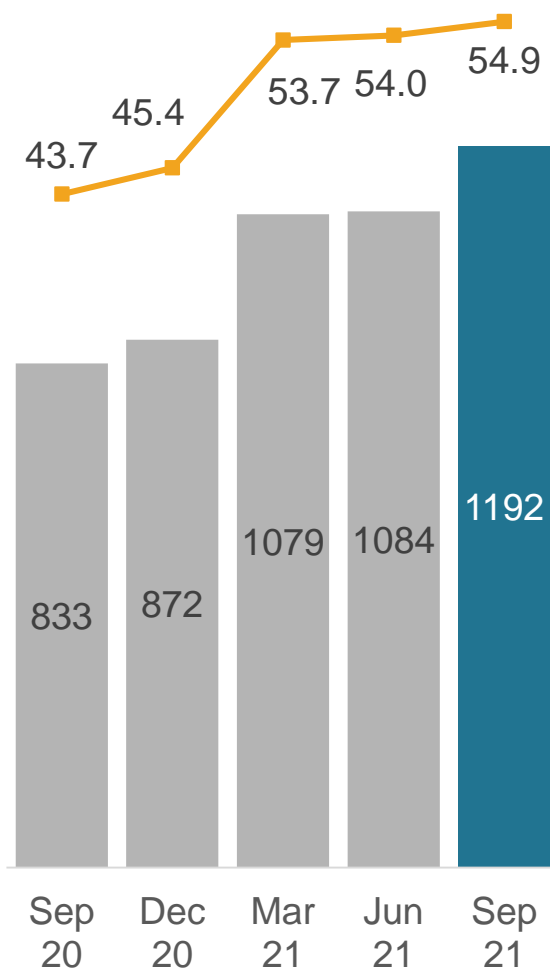


Trade liabilities, in EUR m



Strong equity ratio and strong net financial assets

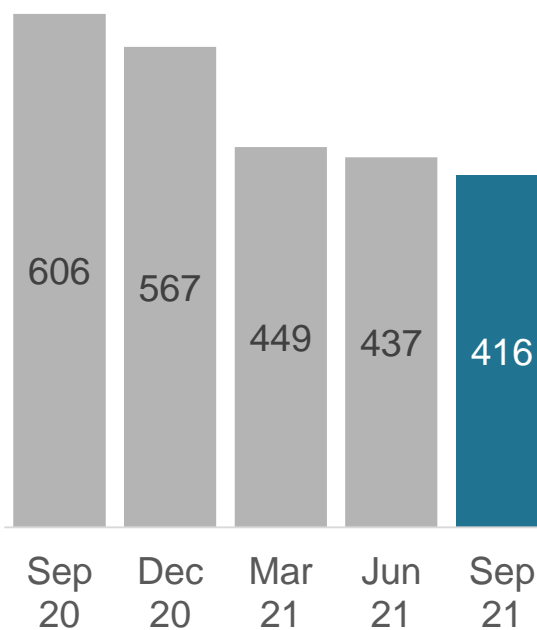
Equity, in EUR m
Equity ratio, in %



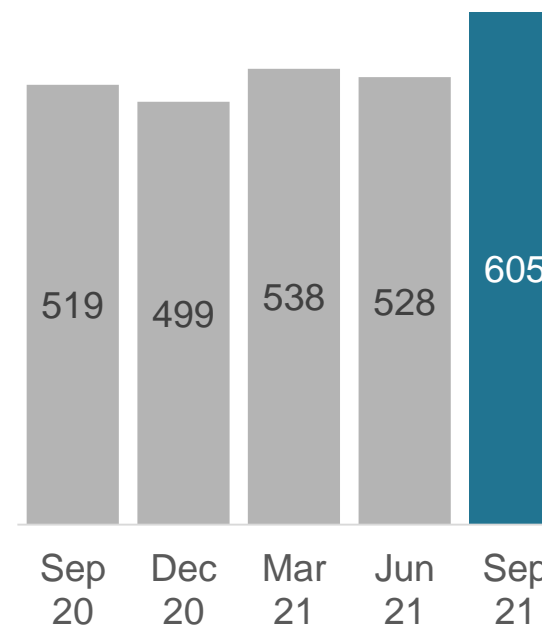
Provisions for pensions,
in EUR m

Interest rates IFRS

| | | | | | |
|-----|-------|-------|-------|-------|-------|
| USA | 2.41% | 2.07% | 2.77% | 2.39% | 2.42% |
| GER | 0.95% | 0.69% | 1.11% | 1.14% | 1.19% |

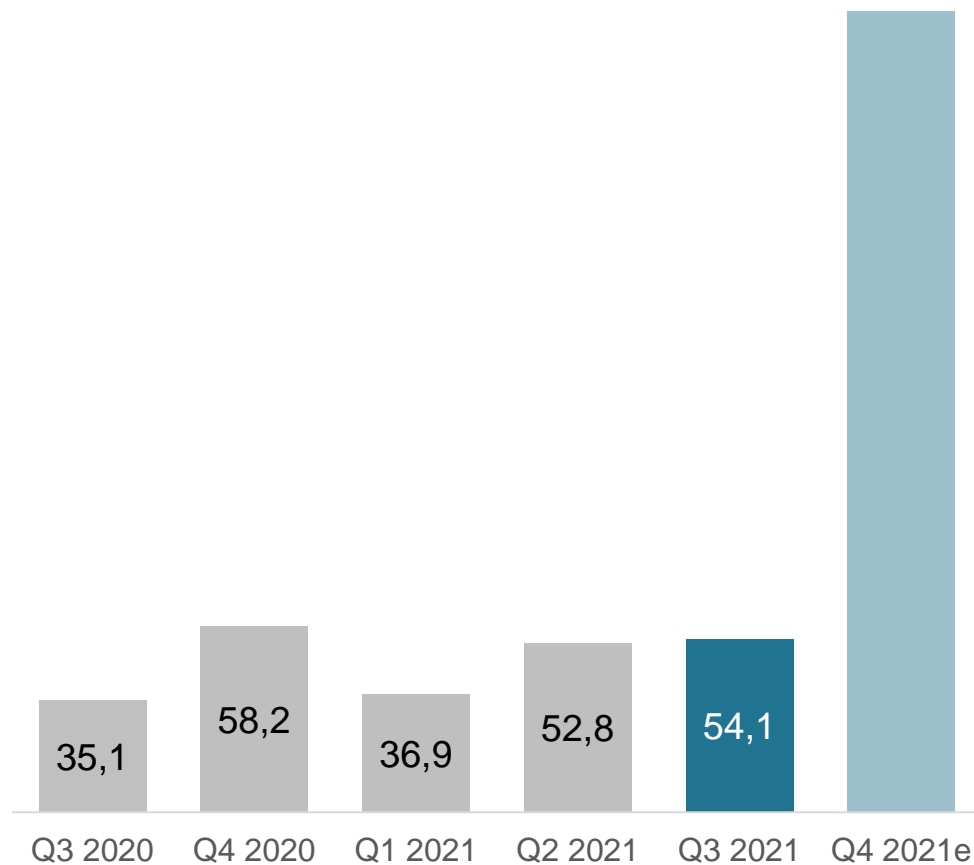


Net financial assets,
in EUR m



Largest portion of planned capex in 2021 to be spent in Q4

Investment, in EUR m

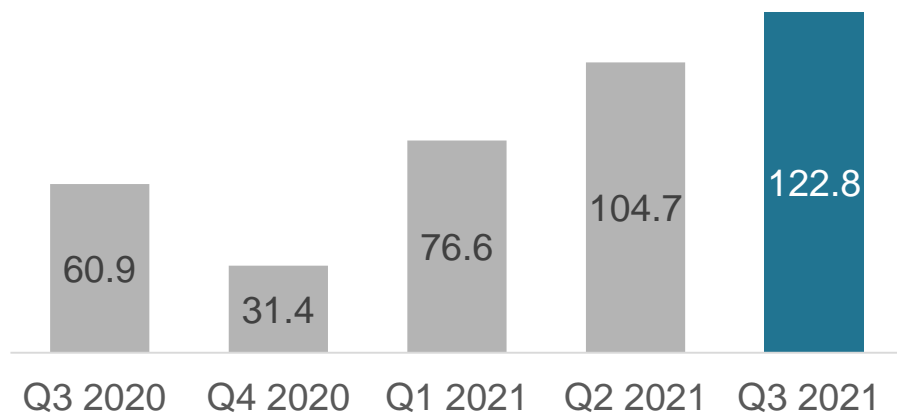


Comments

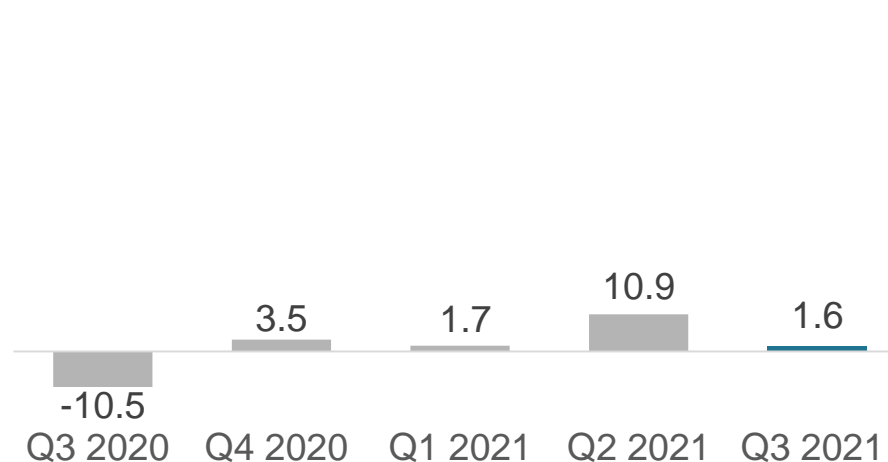
- ▶ Capex guidance 2021 EUR 400m
- ▶ Project-related high capex in Q4 2021
 - ▶ 300 mm epi capacities
 - ▶ capabilities
 - ▶ expansion of crystal pulling hall in Freiberg
 - ▶ Fab Next in Singapore

Strong net cash flow year to date

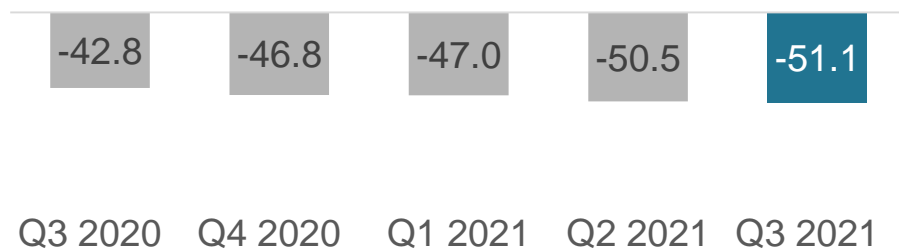
Operating cash flow (OCF), in EUR m



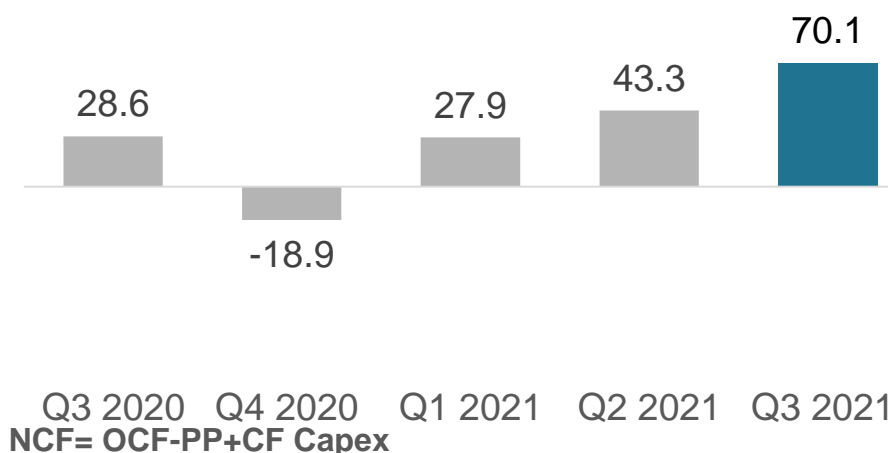
Customer prepayments net (PP), in EUR m



CF Capex, in EUR m



Net cash flow (NCF), in EUR m

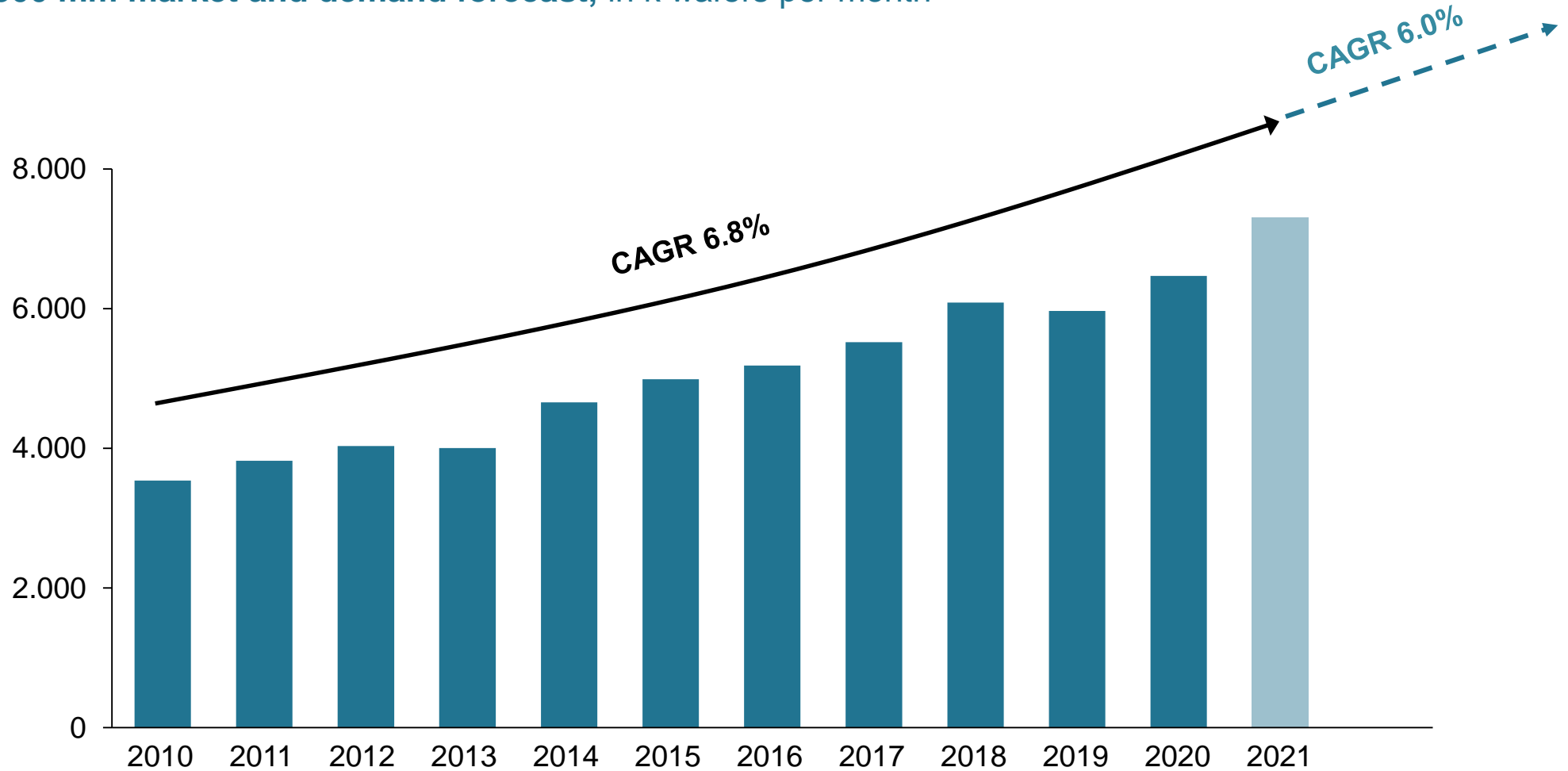




Outlook 2021

300 mm demand in 2021 is back on its historical growth trajectory

300 mm market and demand forecast, in k wafers per month



Source: Siltronic estimate

Siltronic Outlook 2021 (as of October 26, 2021)

| | | |
|--------------------|---|---|
| Sales | – a good 15 percent above 2020 | + |
| EBITDA margin | – approximately 32 percent | + |
| Depreciation | – around EUR 155m to EUR 160m | = |
| EBIT | – significant increase | = |
| Tax rate | – significantly below 10% | = |
| CapEx | – around EUR 400m (mainly in 300 mm epi, capabilities and expansion of crystal pulling hall to replace older equipment, Fab Next) | = |
| Net cash flow | – slightly positive, but significantly below prior year | = |
| Earnings per share | – significant increase | = |

Contact and Additional Information

Issuer and Contact

Siltronic AG
Einsteinstraße 172
D-81677 München

Investor Relations:

Dr. Rupert Krautbauer
email: investor.relations@siltronic.com
Tel. +49 89 8564-3133

Additional Information

| | |
|-----------------|--|
| ISIN: | DE000WAF3001 |
| WKN: | WAF300 |
| Deutsche Börse: | WAF |
| Listing: | Frankfurt Stock Exchange Prime Standard |

Financial Calendar 2022

| | |
|------------|------------------------------------|
| January 26 | Preliminary financial figures 2021 |
| March 9 | Annual Report 2021 |



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SILTRONIC AG |

Einsteinstrasse 172
81677 Munich
Germany