

Siltronic – Factbook

Investor Relations
March 2023

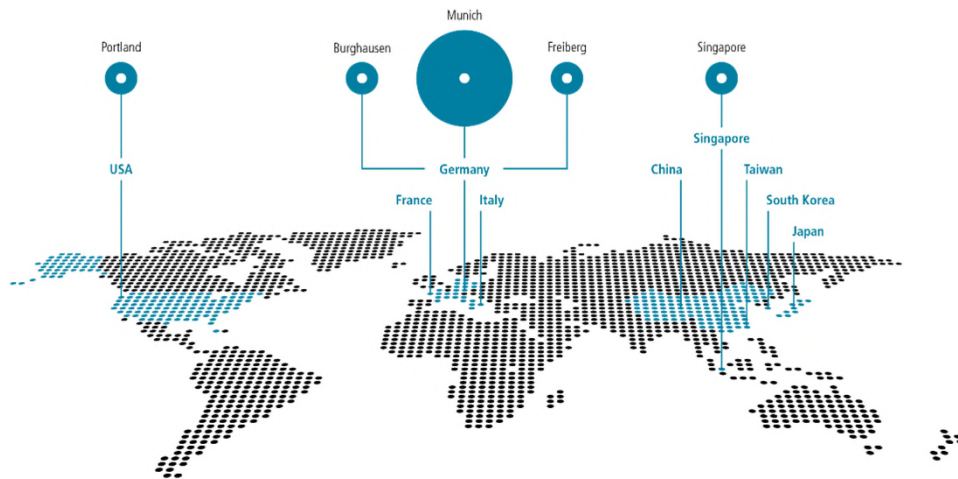
Content


- ▶ **Company and market overview**
- ▶ **Siltronic – one of the industry technology leaders**
- ▶ **Strategy**
- ▶ **Sustainability**
- ▶ **Employees**
- ▶ **Financials & investment rationale**
- ▶ **Siltronic share**
- ▶ **Corporate Governance**
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**COMPANY AND MARKET
OVERVIEW**

Siltronic at a glance



 4 world-class production sites


 ~ 4,500 employees

 global scale and reach

 50+ years of history in silicon technologies

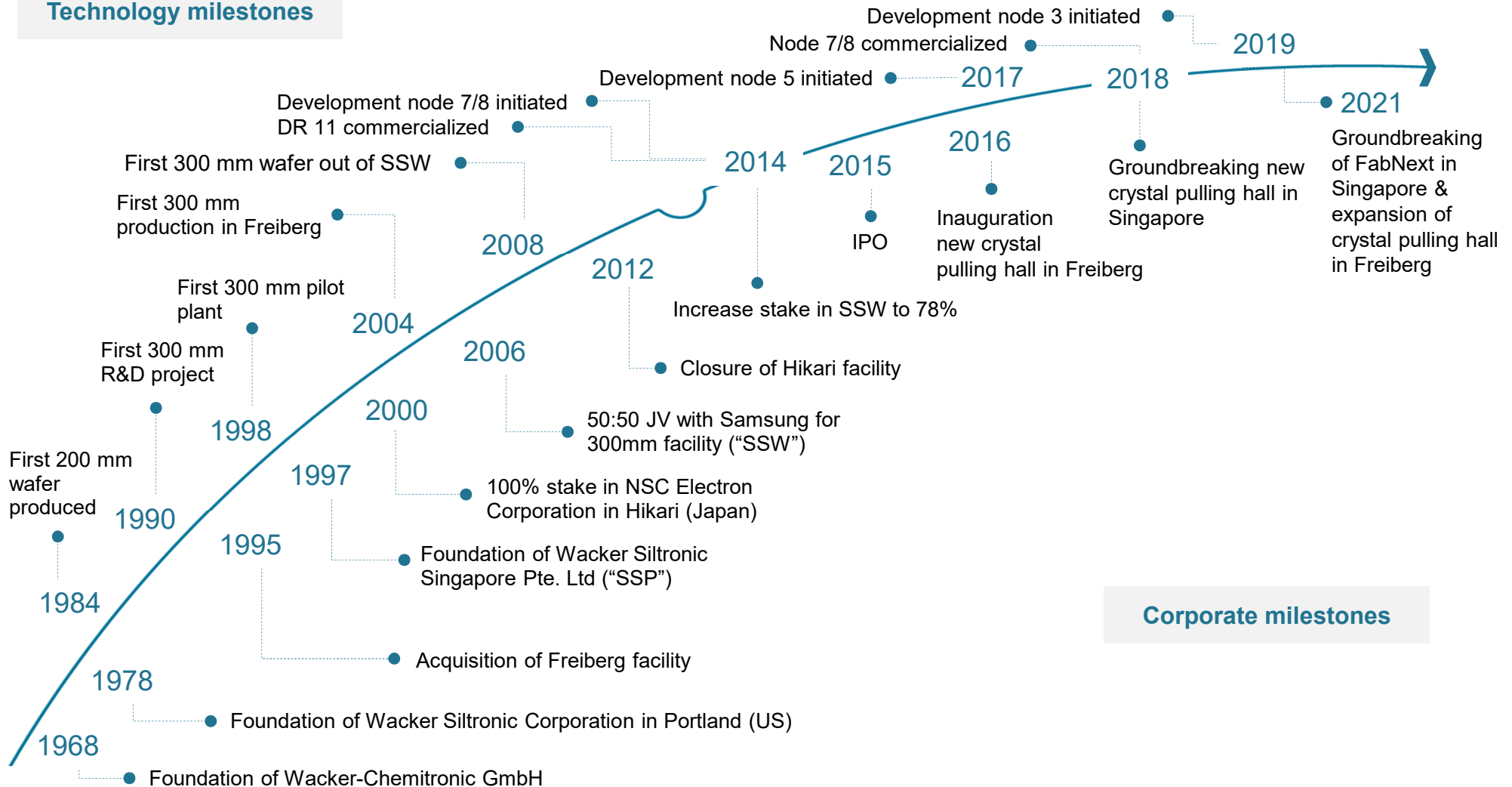
Key financial figures 2022

- ▶ Sales: EUR 1,805.3 million
- ▶ EBITDA: EUR 671.6 million
- ▶ EBITDA margin: 37.2%
- ▶ Net cashflow: EUR -395.4 million
- ▶ Net financial assets: EUR 373.6 million

 = Production sites, Headquarter in Munich

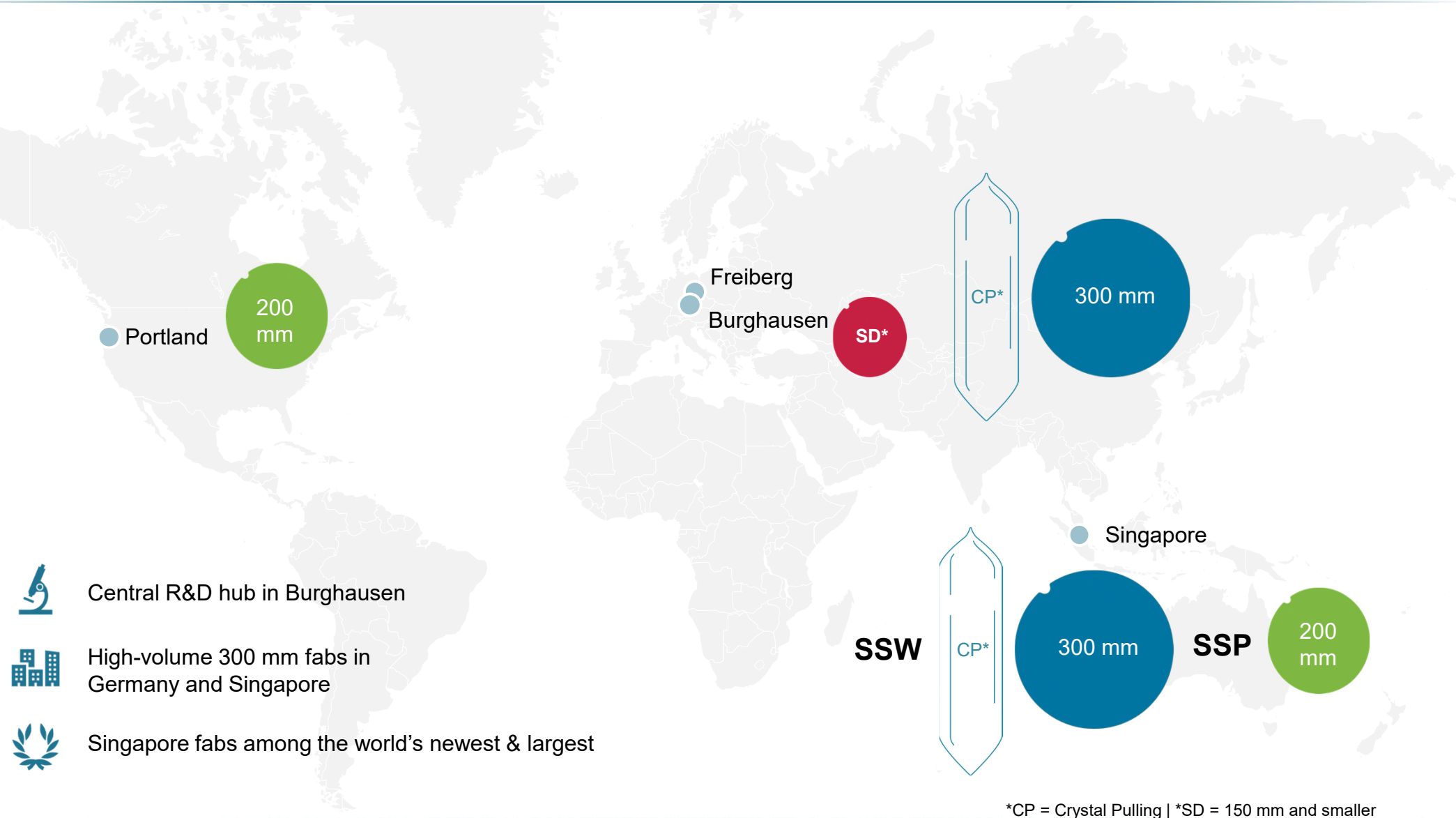
More than 50 years of experience in the semiconductor industry

Technology milestones



Corporate milestones

International manufacturing network supports strong market position and business focus



Central R&D hub in Burghausen



High-volume 300 mm fabs in Germany and Singapore

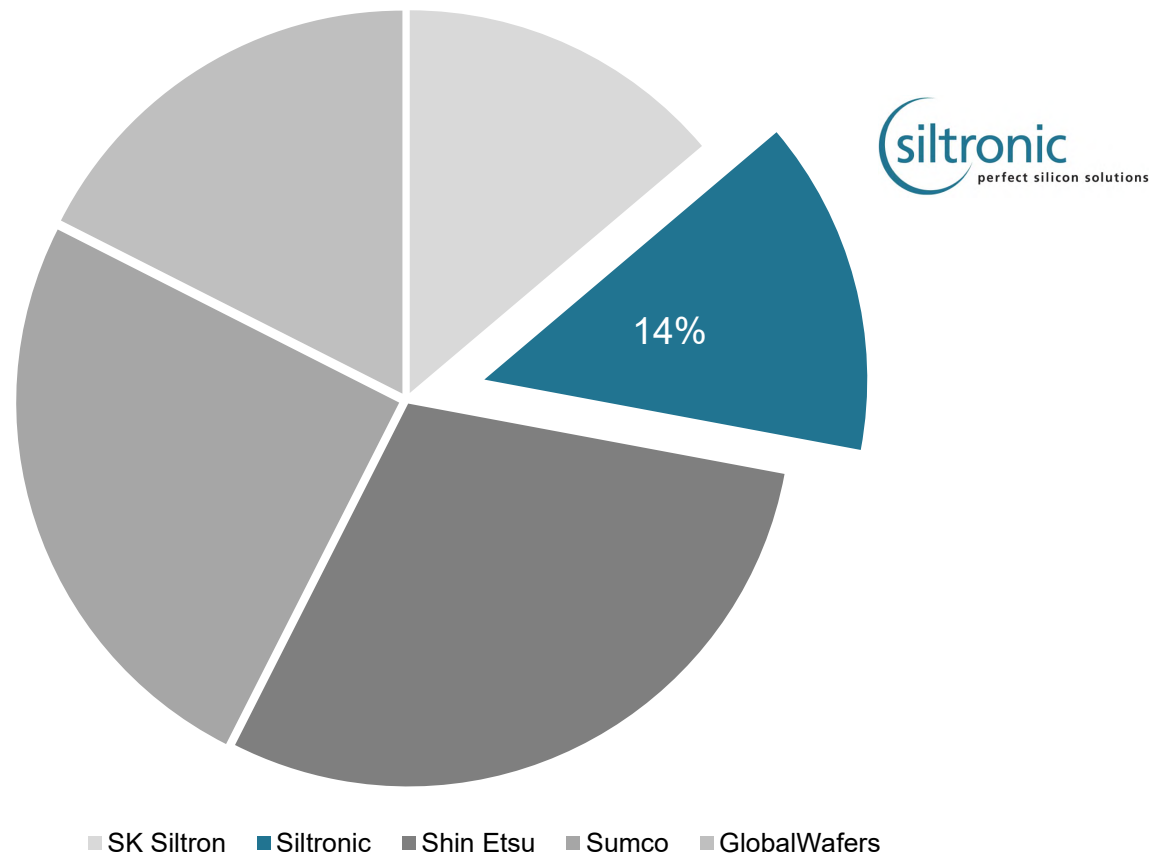


Singapore fabs among the world's newest & largest

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

Consolidated market with 5 major wafer manufacturers

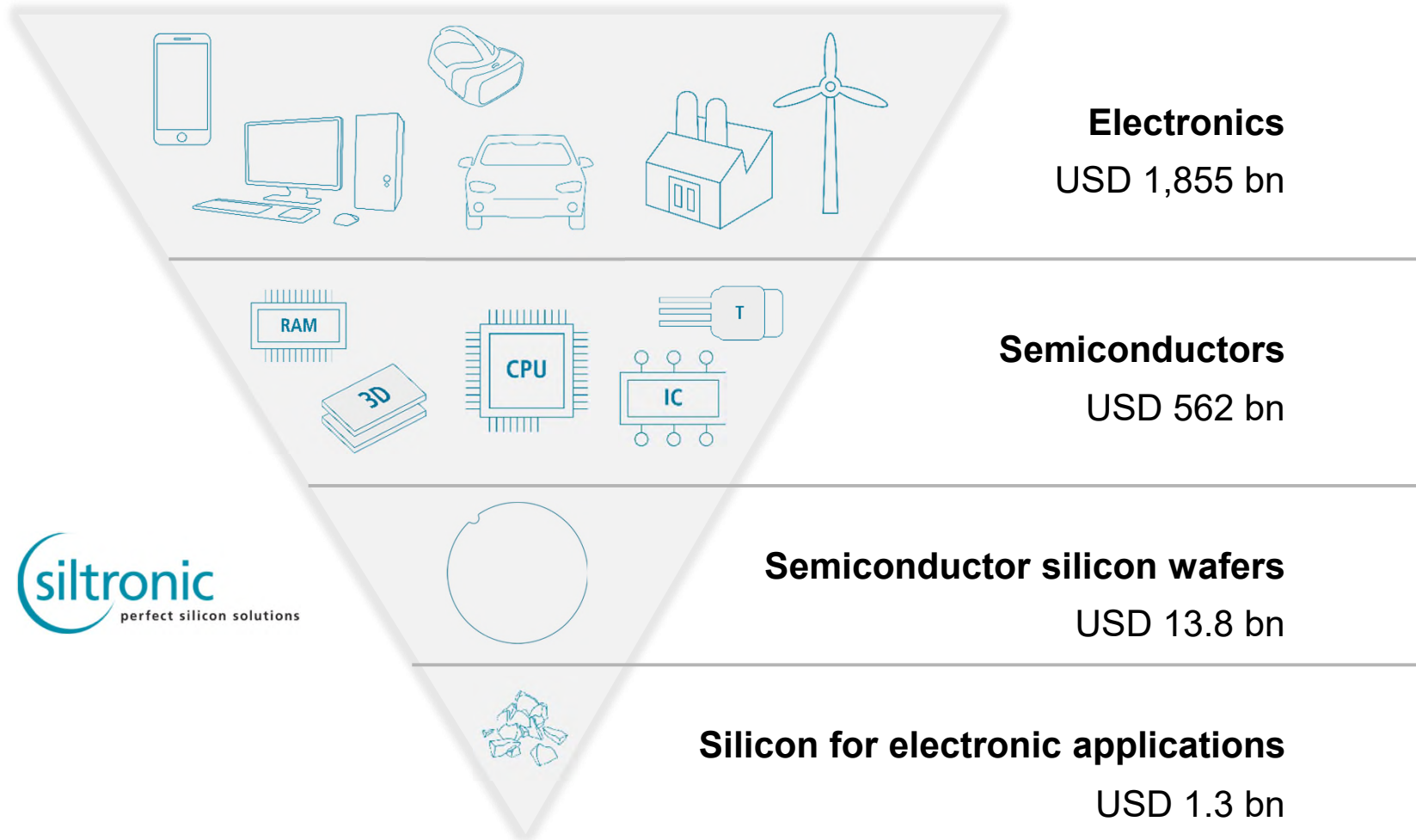
Top 5 wafer producers serve up to 90% of the market across all diameters



Source: Siltronic Marketing

Electronics value chain continued to grow in 2022

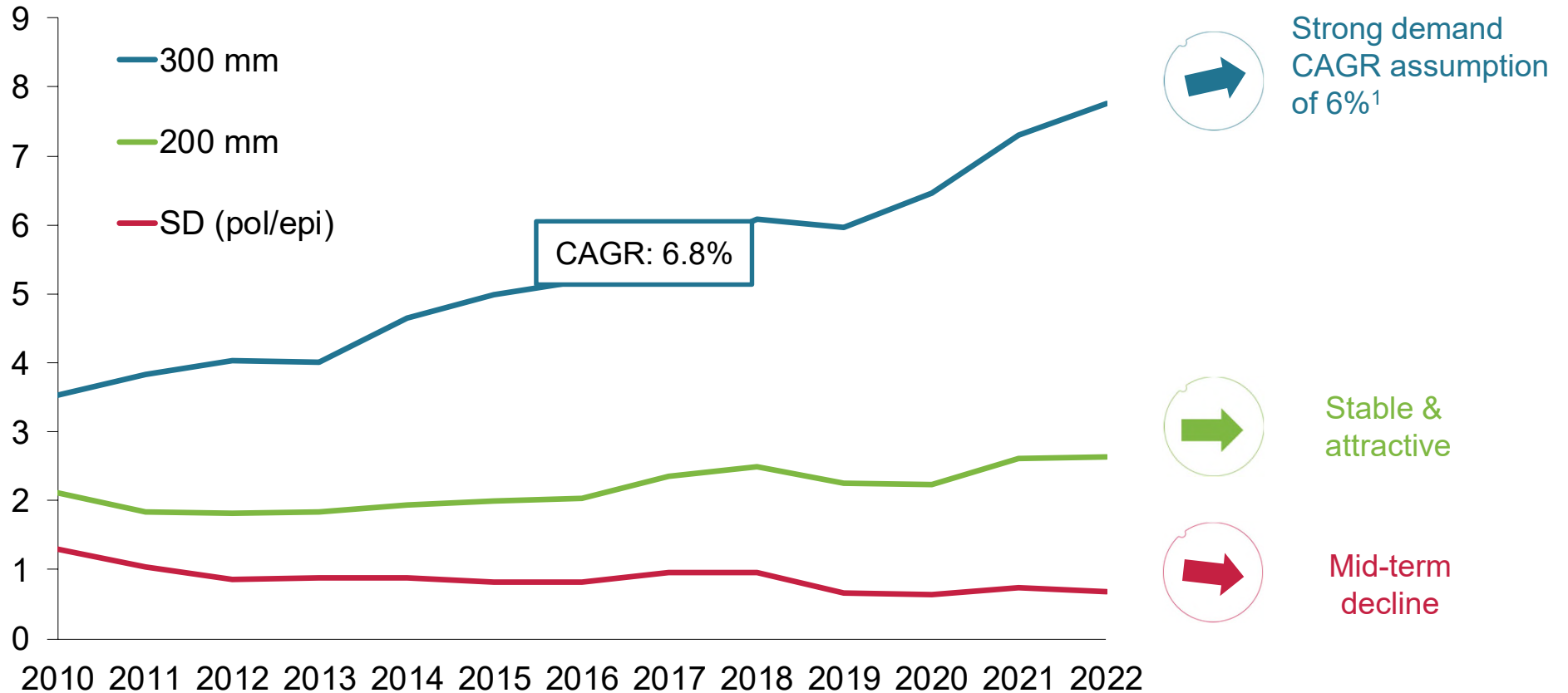
Increasing demand for electronic devices and new applications drive semiconductor growth, which in turn fuels silicon demand



Sources: TechInsights, WSTS (Si based), SEMI SMG, Siltronic Marketing

Siltronic is focused on growing 300 mm (6% in 2022) and attractive 200 mm business

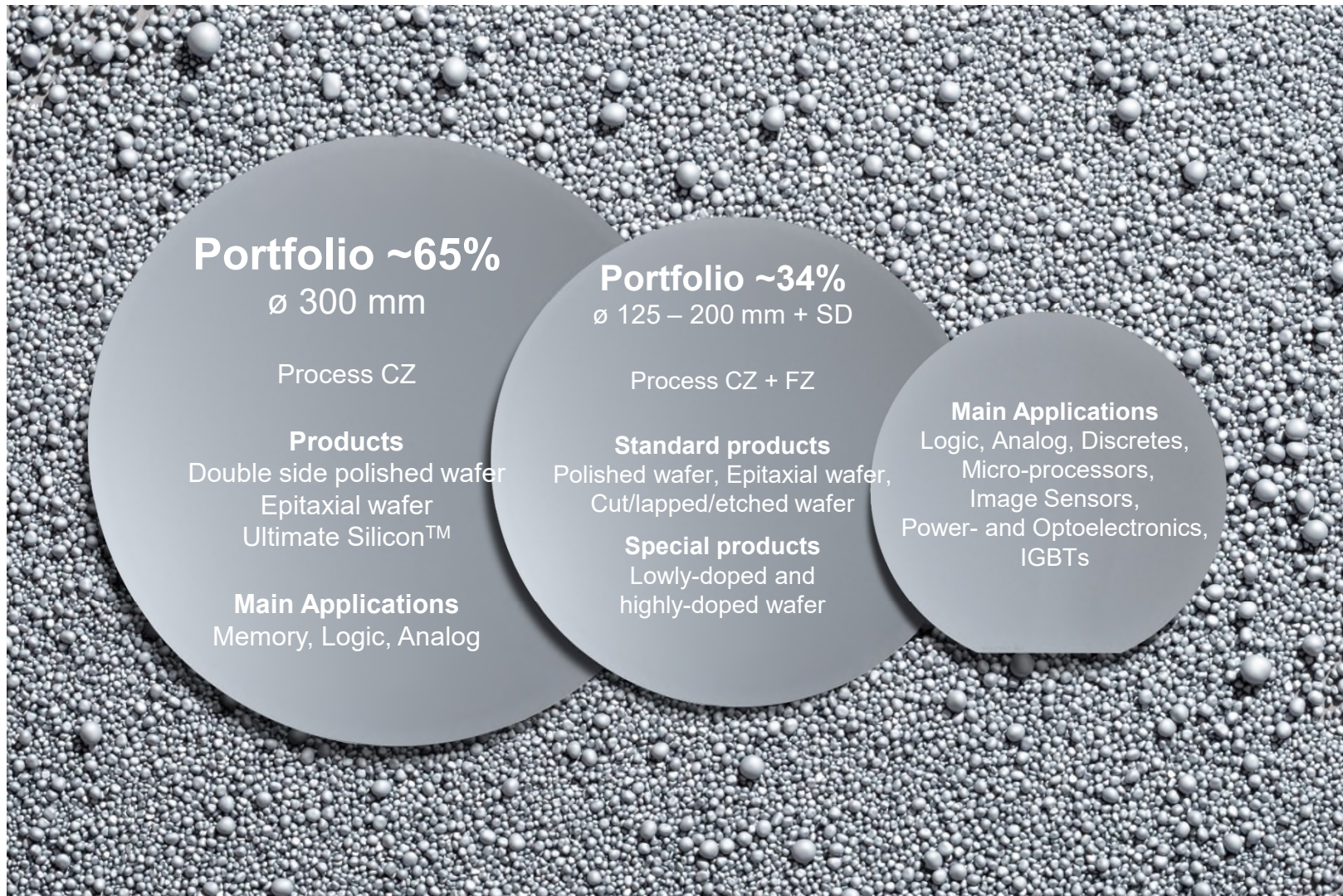
Development of Total Wafer Demand per Diameter, in mn 300 mm equivalents per month



Source: SEMI up to Dec 2022

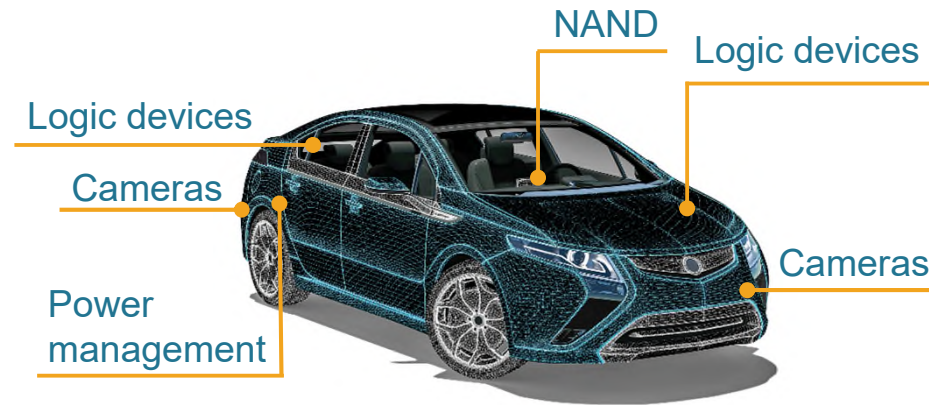
1) mid- and long term CAGR assumption, current 2023 market estimates below 6%

A broad product portfolio covers standard and leading-edge requirements of the customers



Note: CZ: Czochralski crystal growing, FZ: float zone technology

Electronic equipment contains multiple devices built on tailormade silicon substrates



Pictures: AdobeStock_181844841; AdobeStock_55587517; AdobeStock_218649399

New applications for electronic devices and the infrastructure to support them continue to drive silicon demand

Current growth drivers include

Data explosion: connected devices, data transport and storage, big data, logic/AI

Power: renewable energy, smart grid, battery chargers

Automotive: ADAS, infotainment, electro mobility



Pictures: coolhand118/stock.adobe.com, tippapatt/stock.adobe.com, monsitj/stock.adobe.com, Wellnhofer Designs/stock.adobe.com, 安琦 王/stock.adobe.com, AdobeStock_101580295

Global megatrends drive sustained increase in wafer area

Devices become increasingly intelligent and see continuous improvement in functionality and energy efficiency

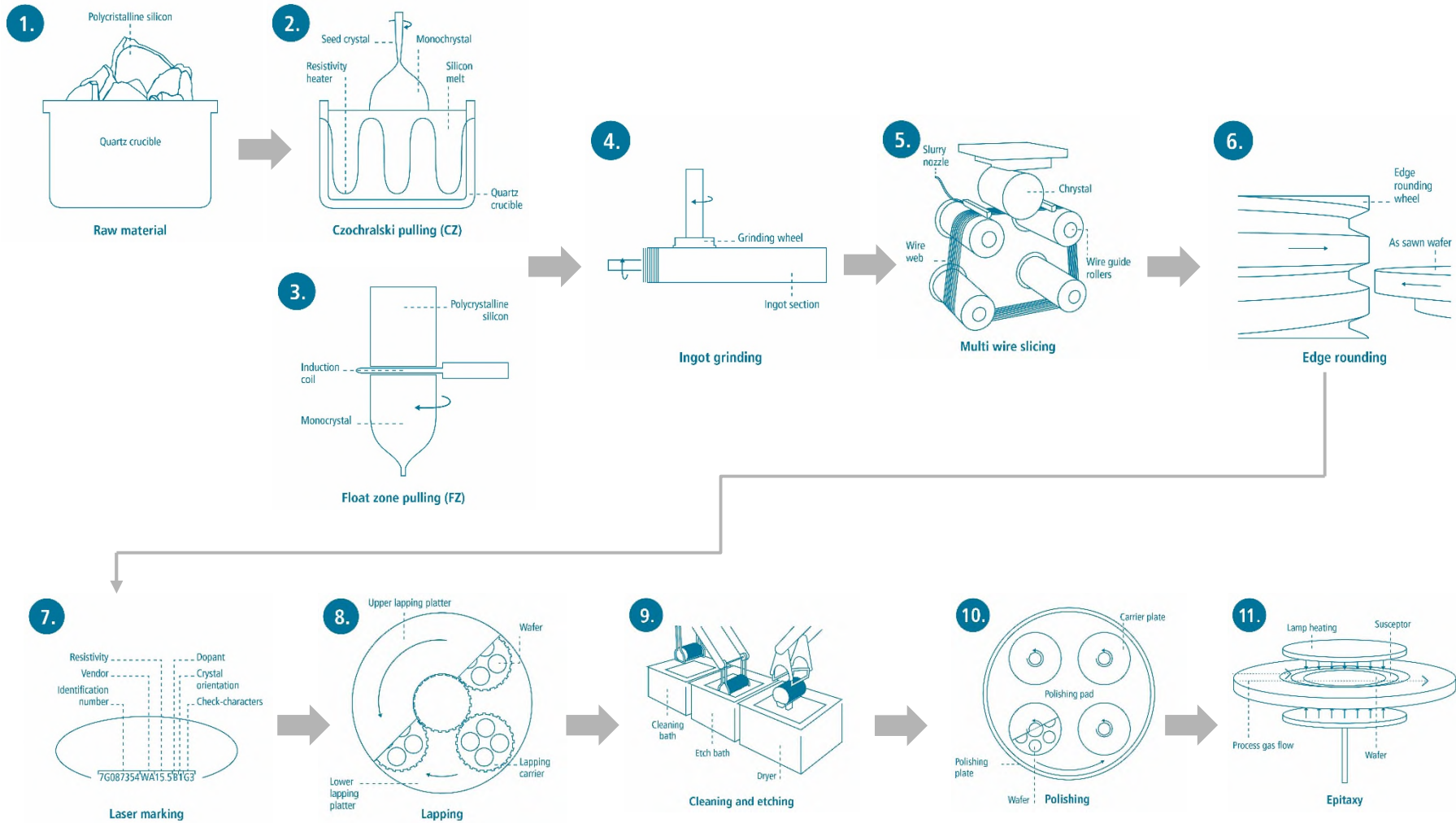


*assistance system

A person wearing a white cleanroom suit and a clear face shield is working in a cleanroom. They are focused on a large, highly reflective, metallic object that is suspended by a thin wire. The object has a conical top and a rounded bottom, and its surface is highly polished, reflecting the surrounding environment. The background is a cleanroom with various pieces of equipment and a bright, sterile atmosphere. A large, semi-transparent teal circle is overlaid on the left side of the image, containing the text.

**SILTRONIC - ONE OF THE
INDUSTRY TECHNOLOGY
LEADERS**

Wafer production process



Top technology position complemented with a high level of quality

A leading position in wafer technology

- ▶ Commercialization of 3 nm node started in 2022
- ▶ Development of 2 nm node started in 2021 (commercialization expected to start in 2024)
- ▶ Concurrently optimizing on 50+ wafer parameters of each design rule
- ▶ Single wafer traceability for 300 mm
- ▶ Standardized processes across sites enabling “copy exactly” at product level

R&D expenditure, in EUR mn (% of sales)



>400 R&D employees worldwide



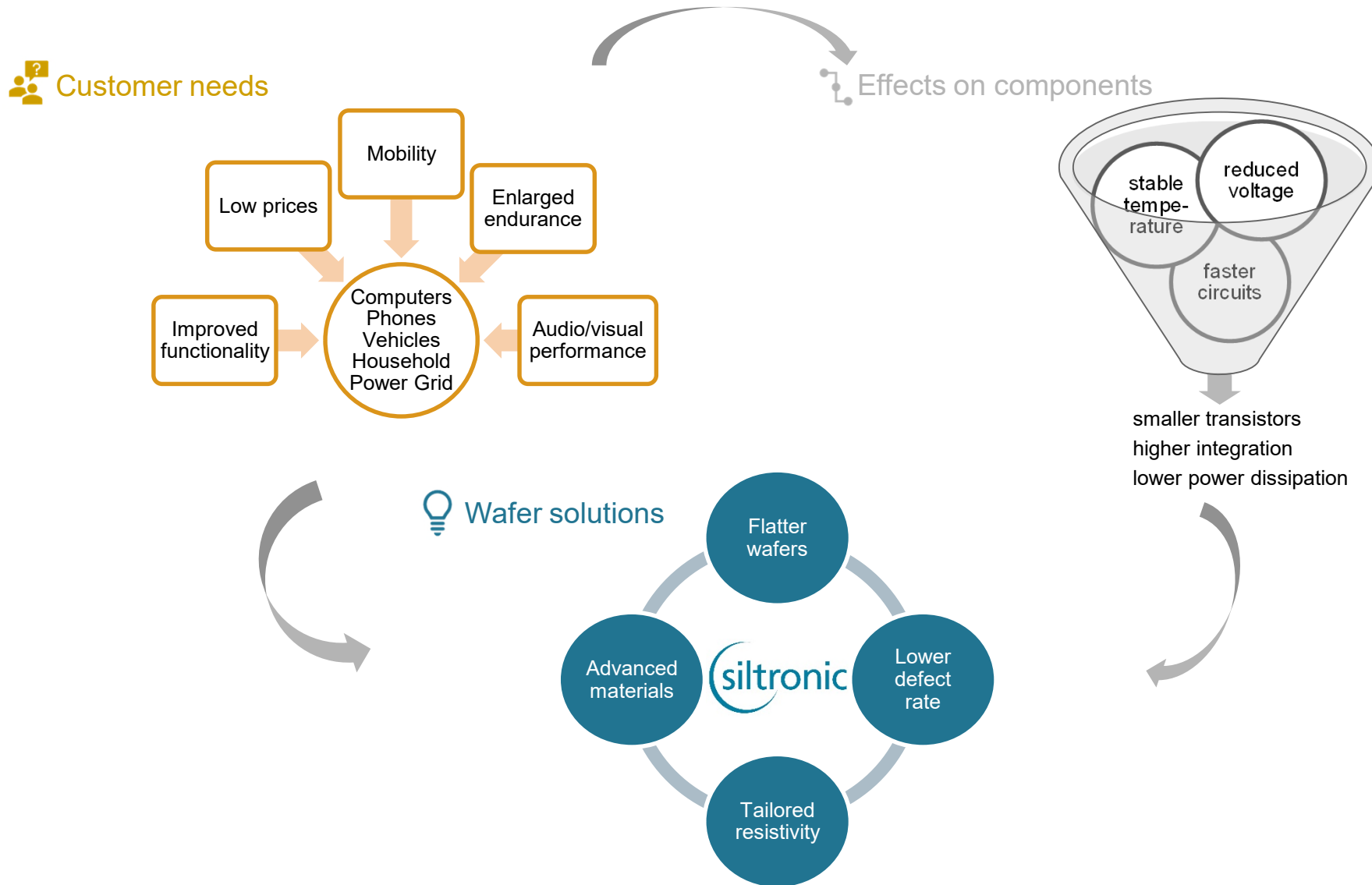
Approximately 1,890 pending and active patents in almost 350 patent families*

Quality awards from several top semiconductor customers received over the years



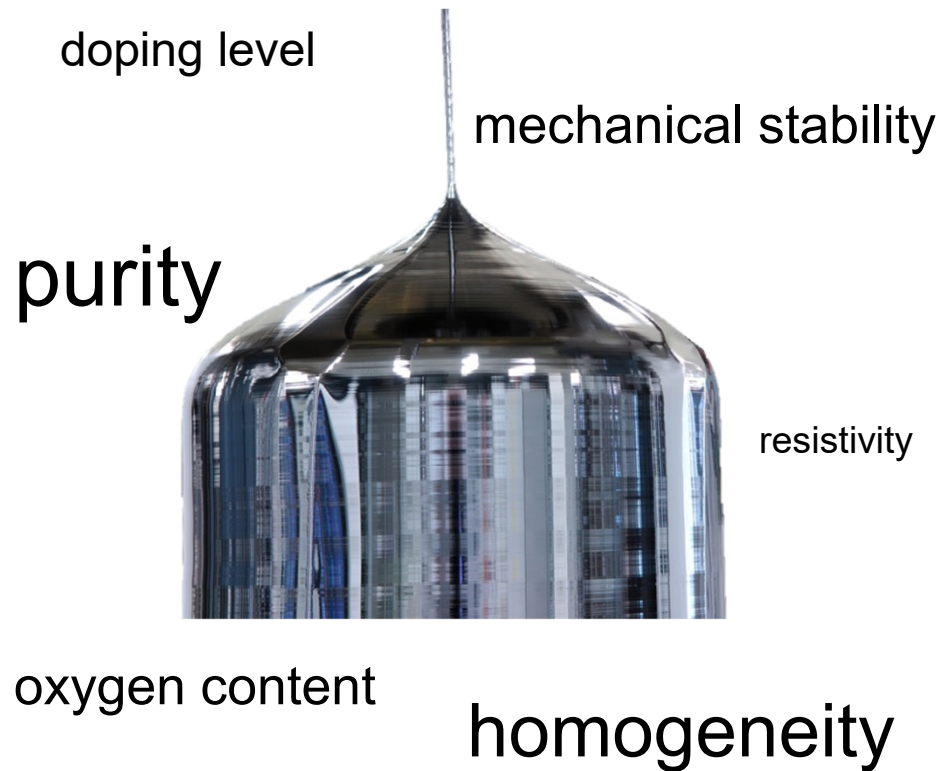
*as of December 31, 2022

Siltronic is continuously improving its wafer solutions to match customer needs

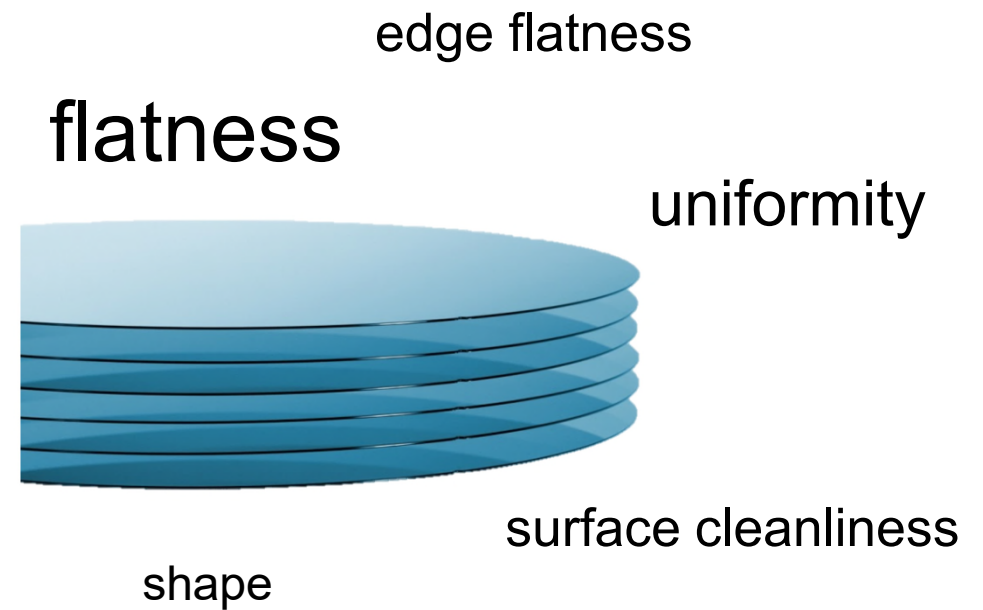


A number of key ingot & wafer properties define the wafer specification and its further use by the customer

Ingot



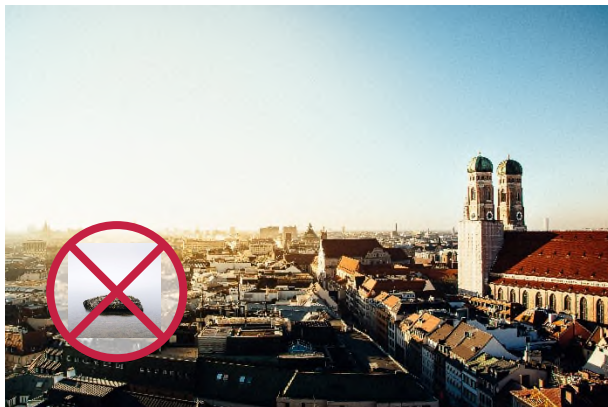
Wafer



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 - and no pebble or rock



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.



Impurity

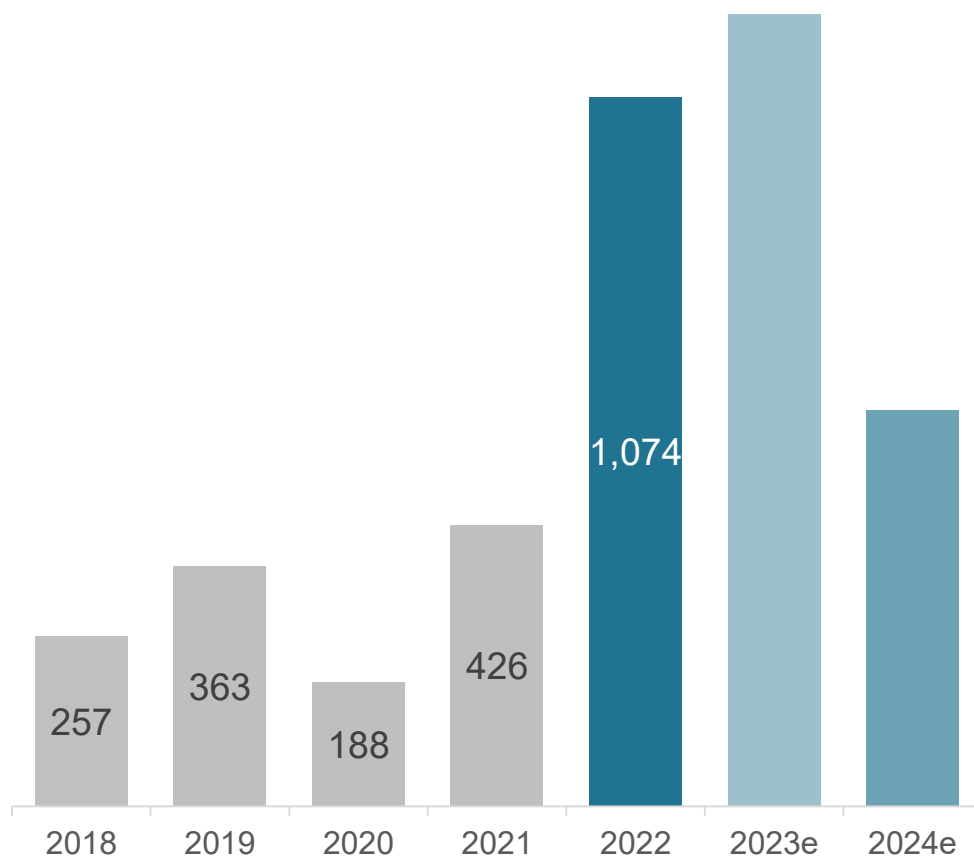
- ▶ „parts per trillion“ (ppt) is equivalent to a sugar cube diluted in a small lake – or a single grain of salt in a tank truck



Source: Adrian Infernus jzfokclRIw/Stock.adobe.com, ChrisF/Stock.adobe.com, mw-luftbild.de/Stock.adobe.com, Yeti Studio /Stock.adobe.com; dave-hoefler_VIKL1IKXAI-unsplash; philipp-bachhuber-dgWlxsytiYA-unsplash ;

Major Capex in 2023 mostly for FabNext

Investment, in EUR mn



Comments

- ▶ Capex guidance 2023 slightly above 2022
 - ▶ Mostly for FabNext
 - ▶ Completion of Freiberg crystal pulling hall
 - ▶ Capabilities for future design rules
- ▶ Capex guidance 2024 will decrease materially
- ▶ Conservative financing approach of high investments
 - ▶ Existing cash and future operating cash flows
 - ▶ Customer prepayments
 - ▶ Loans
 - ▶ Dividend policy amended to 40 percent of the consolidated net profit attributable to shareholders, capped at max. EUR 3 per share
- ▶ No capital increase in 2023

FabNext in Singapore with significant upside for Siltronic



Technical

- ▶ State of the art plant
- ▶ Largest and most efficient Siltronic fab
- ▶ Very high degree of automation
- ▶ Ramp phase of several years with ~ 150 k additional wafer capacity per month every year during the ramp phase
- ▶ High share of epitaxy

Financial

- ▶ Most cost efficient Siltronic fab
- ▶ 80% of output during ramp phase secured with LTA's, partially until 2030
- ▶ Positive impact on Group EBITDA from 2024
- ▶ EBITDA Margin of >50%

The background features a series of concentric, curved lines in shades of blue and black, creating a sense of depth and motion. A large, semi-transparent teal circle is positioned on the left side of the frame. The word "STRATEGY" is written in white, bold, uppercase letters within this circle.

STRATEGY

Strategy based on four pillars

Continuously increasing
the value for our stakeholders



Grow

by optimizing
product mix and
increase
capacities when
needed



Ensure

top technology
position &
highest quality



Improve

financial
performance &
cash flow

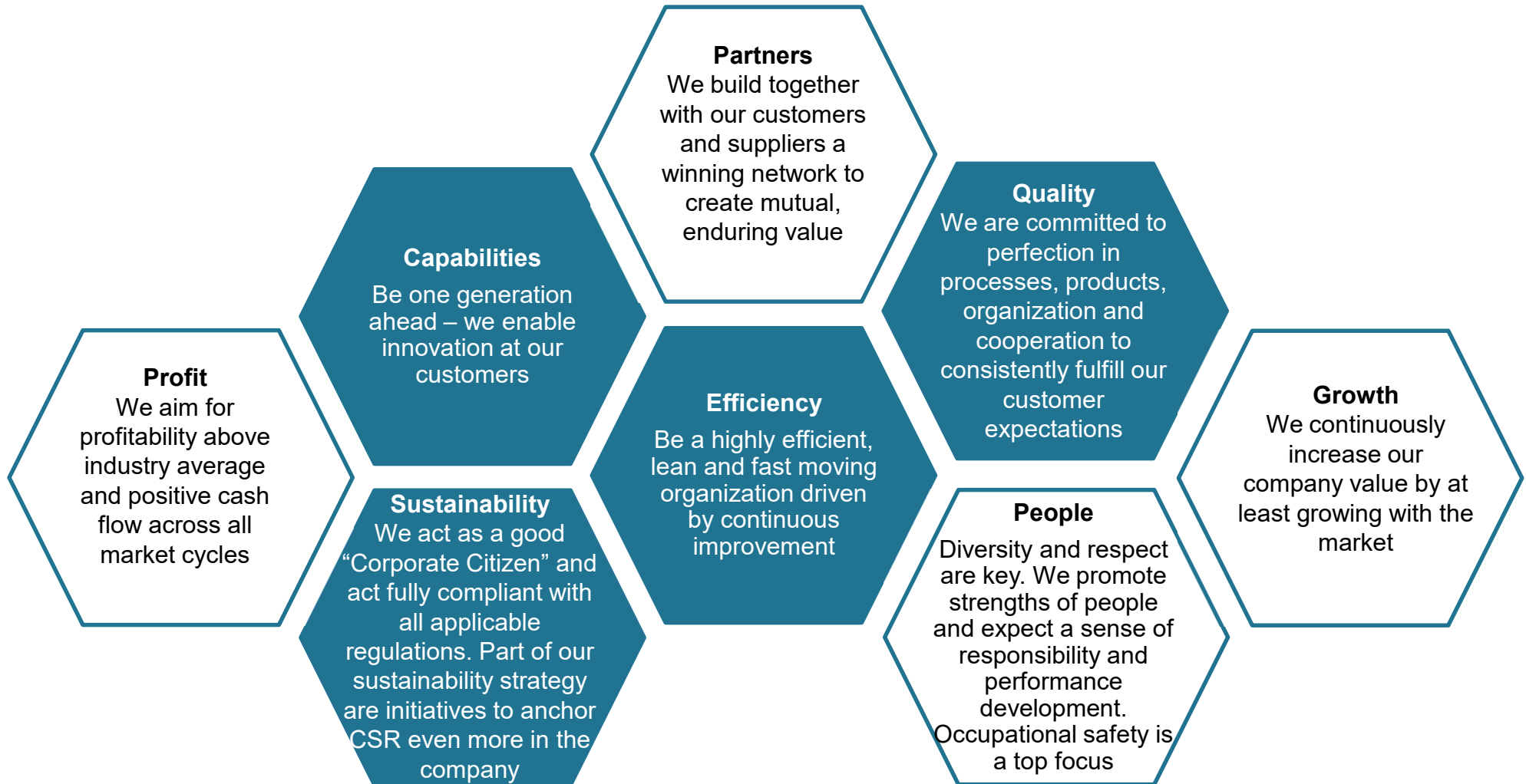


Execute

cost reduction
roadmaps &
debottlenecking
concepts

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

Our objectives and values



Cost-competitiveness a pre-requisite in the wafer industry

Major cost items



Labor



Depreciation



Supplies

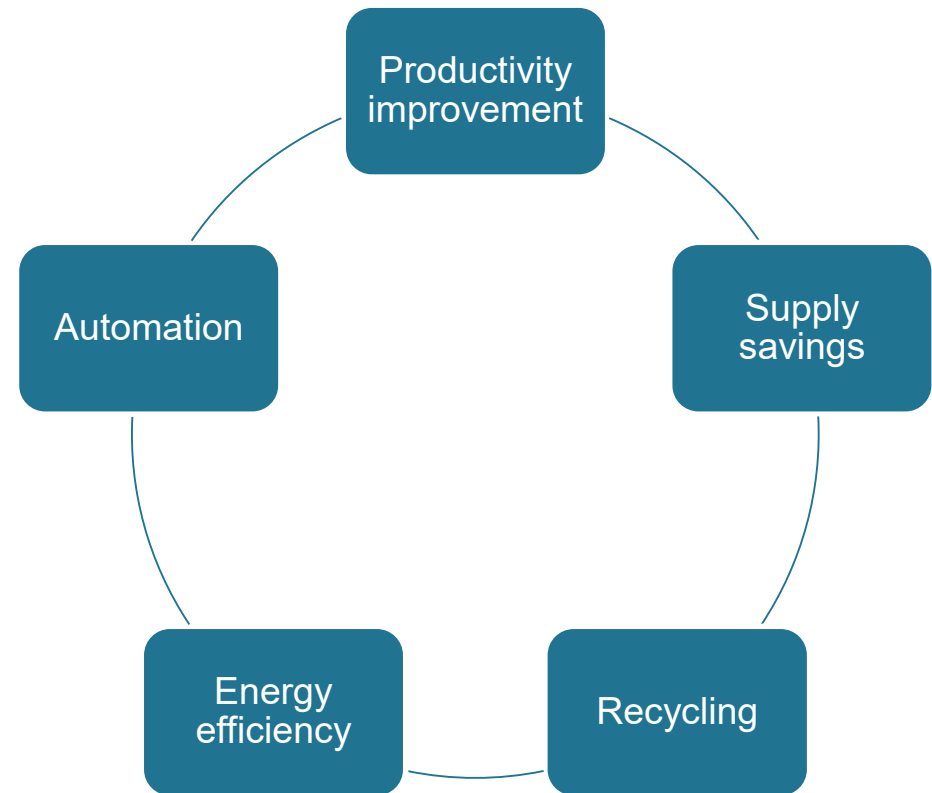


Energy



Polysilicon

Continuous cost roadmaps to counter unit cost increases



The background features a series of vertical teal stripes of varying widths, creating a textured effect. On the left side, there is a large, dark grey circular shape. A thin white line curves across the image, starting from the left edge and ending near the center.

SUSTAINABILITY

Sustainability at Siltronic

Clear commitment to sustainability

- ▶ **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. We committed to the Science Based Targets initiative (SBTi)
- ▶ **Goal:** We want to reconcile the effects of our business activities with the expectations and needs of society.

Partnerships



Ratings




Siltronic Climate Action Program on track – 10% reduction of Scope 1 and 2 emissions in 2022

Climate Action Program

Siltronic's commitment to Science Based Target initiative to limit global warming to 1.5°C:

- ▶ Goal until 2030: 50% CO₂ reduction (Scope 1 and 2)²
- ▶ Goal until 2045: net zero
- ▶ Three main levers:

 Energy efficiency

 Own generation of renewable energy

 Purchasing renewable energy

CSR Targets until 2030



Reduce specific energy consumption by 20%¹



Increase waste recycling by 25%¹



Reduce specific water usage by 20%¹



Increase water recycling by 25%¹













Reduce absolute greenhouse gas emissions by 50%²

¹) base year 2015

²) base year 2021

Environmental track record 2022

CR topic	Target 2022	Status	Notes
	Reduce energy intensity by average of 1.5% (longterm goal 2015-2030)	✓	 Energy intensity was reduced by 2,8% in 2022; incl. energy savings of 16.9 GWh. Since base year -13.7% (-1.7% per year)
	Increase waste recycling ratio by average of 1.5% (longterm goal 2015-2030)	✗	 Waste recycling ratio was reduced by 2.4% in 2022. Since base year +10.7% (+1.3% per year)
	Reduce specific water usage in production by 1.5% (longterm goal 2015-2030)	✓	 Specific water usage consumption decreased by -3% in 2022. Since base year -13.8% (-2.0% per year)
	Increase water reuse ratio by average of 1.5% (longterm goal 2015-2030)	✗	 Water reuse ratio was increased by 0.9% in 2022. Since base year +8.2% (+1.0% per year)
	Reduce CO ₂ emission absolute by 5.5% (mid-term goal 2021-2030)	✓	 Absolute Scope 1+2 market based emissions were reduced by 10.1%.

Siltronic enables technologies for a sustainable future

Resource efficiency

Innovation driver for environmentally friendly and resource-saving technologies

Industrial automation and smart factories

Increasing wafer content



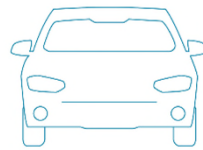
- Raw materials
- Energy consumption
- Water recycling
- Emissions

Sustainable mobility

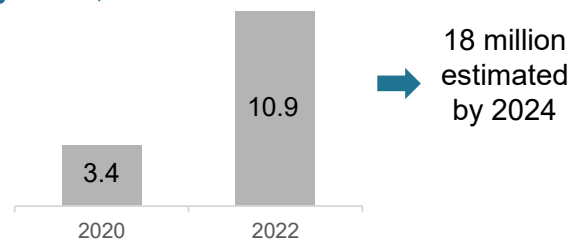
Reduction of transport emissions and carbon footprint to achieve climate targets

Increasing safety and efficiency

EV's with substantially higher wafer content



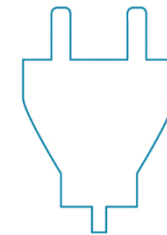
Global EV growth, in million



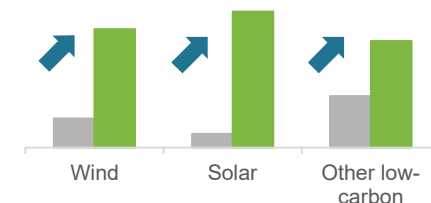
Clean energy

Wafer as a foundation for semiconductors enable clean, renewable energy sources and improving energy efficiency

Renewable energy needs more and more wafer content



Change in global electricity, 2000 - 2019 vs. 2019 - 2040



Source: Bank of America Feb 8, 2023; IEA 2022 World Energy Outlook



Employees

HR Strategy

Global HR strategy supported by decentralized organization



Attractive remuneration

Salary package including vacation pay Christmas bonus and additional variable compensation components



Personnel development opportunities

Trainings/Curriculums, E-learnings and individual actions for growth



Diversity and equal opportunity

Diverse workforce with a wide range of skills and talents



Global HR Strategy



Occupational safety, plant safety, health

Extensive preventive measures and high safety standards; Health prevention programs



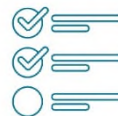
Contemporary working models

Flexible working hours and home office



Work-Life balance

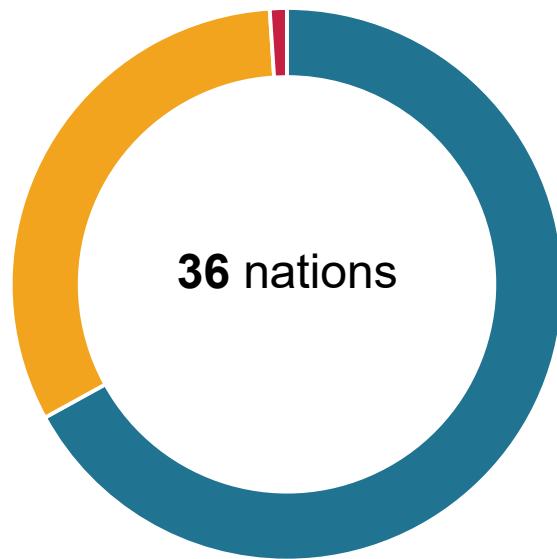
Various options: e.g. additional vacation days for parents to combine work and personal life planning



Various social benefits
e.g. healthcare offers and pension plan



Diversity at Siltronic

Overview on international staff at German sites




■ Burghausen ■ Freiberg ■ Munich

Percentage of women to be increased further

		
Total staff	23%	77%
1st management level below Executive Board ¹	20%	80%
2nd management level below Executive Board ¹	15%	85%

Target until 2023

	
1st management level below Executive Board ¹	at least 21.4%
2nd management level below Executive Board ¹	at least 11.4%

Faces of diversity



~6% employment rate of people with disabilities¹

significantly exceeds the statutory employment rate of 5% in Germany



Workforce by age group shows the challenges due to demographic changes

Up to 30 years	19%
31 – 50 years	49%
over 50 years	32%

Figures relate to 2022, ¹relates to Germany

Occupational health and safety is a key focus



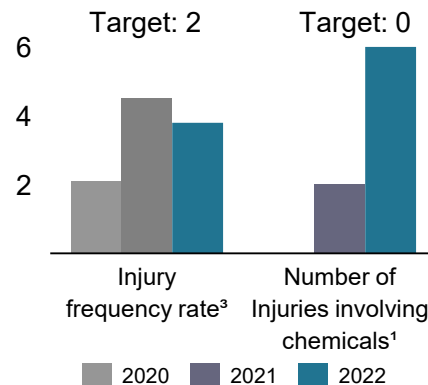
Responsibility towards the entire workforce plays a major role within the Siltronic organization

Occupational safety

- Continuously improving safety standards
- Key measures: Safety officers, safety inspection tours, training courses, emergency drills

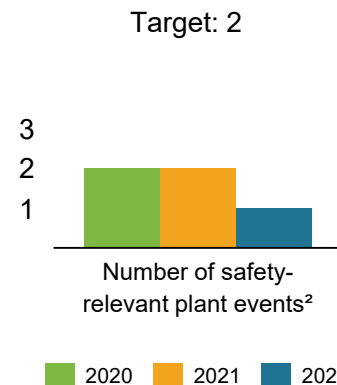
Working accidents

- Regularly reported with special focus on injuries involving chemicals
- There were no fatal occupational accidents in Siltronic's area of responsibility
- Global system to report near-miss incidents



Plant safety

- No event in 2022 was classified as an incident or as a reportable event according to the hazardous incident ordinance.
- Systematic safety analyses to determine risks



Health protection

- Company programs for health prevention of our employees
- Various healthcare offers for employees

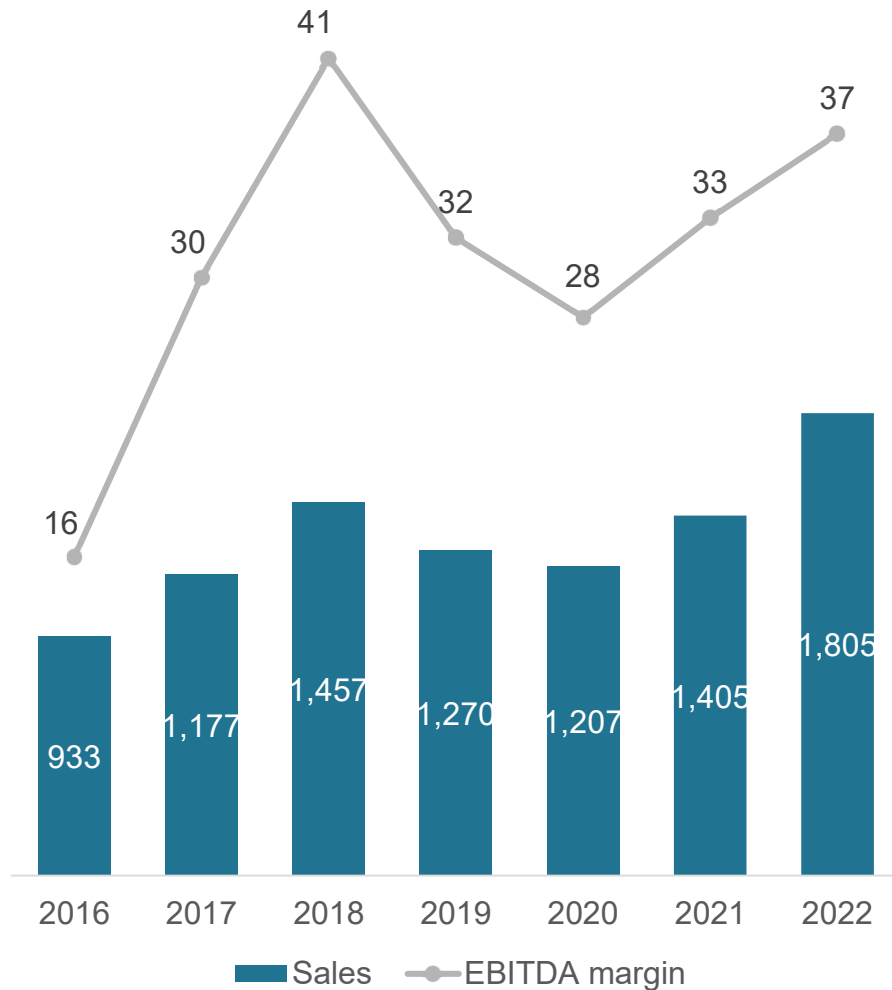
¹ with lost time involving chemicals,
² PSI-Process Safety Incident according to CEFIC and ICCA definition,
³ Number of injuries (employees and temporary workers) with lost time per 1 million working hours



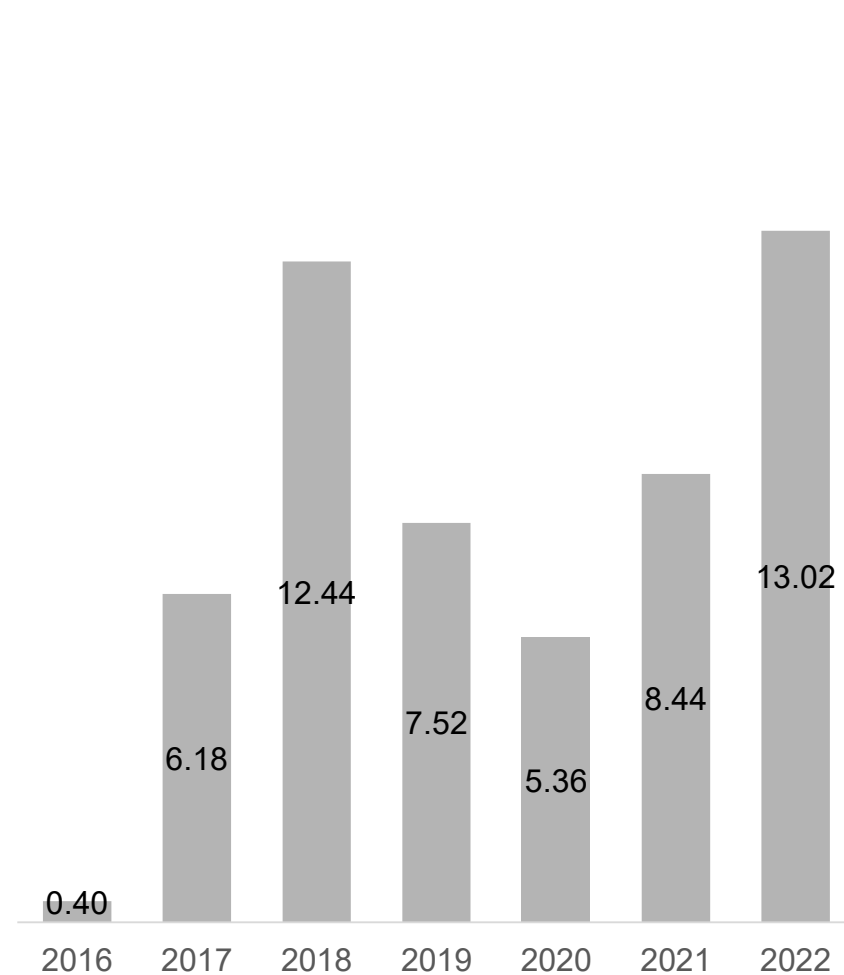
**FINANCIALS &
INVESTMENT RATIONALE**

Attractive margins and earnings per share

Sales, in EUR mn / EBITDA margin, in %

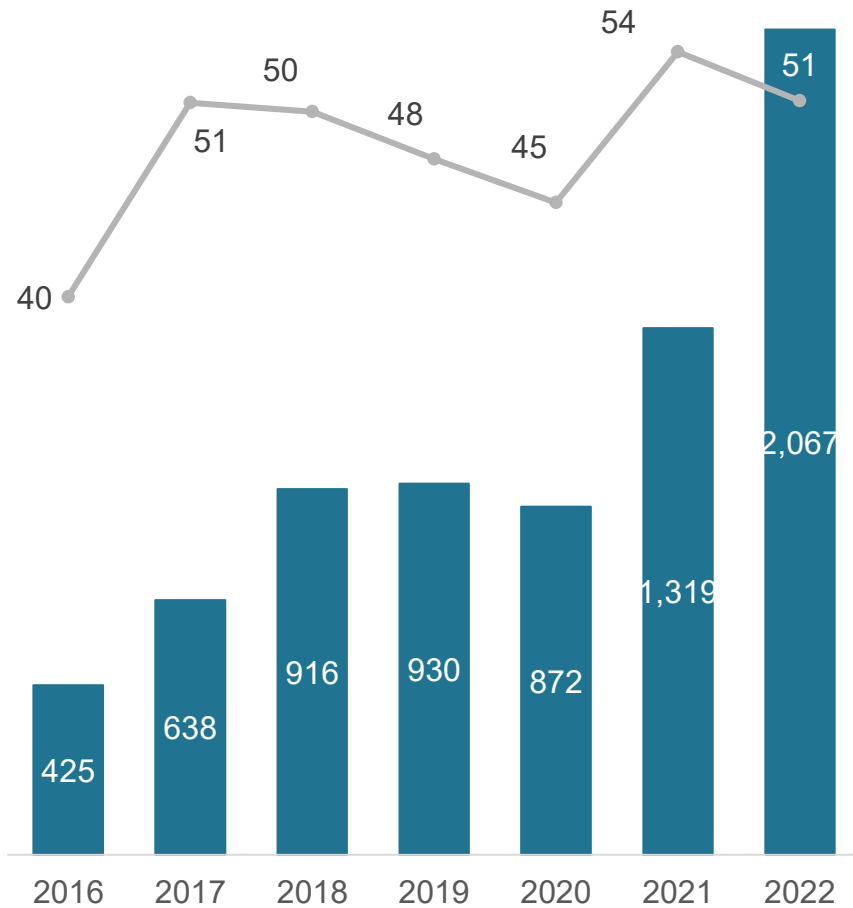


Earnings per share, in EUR mn

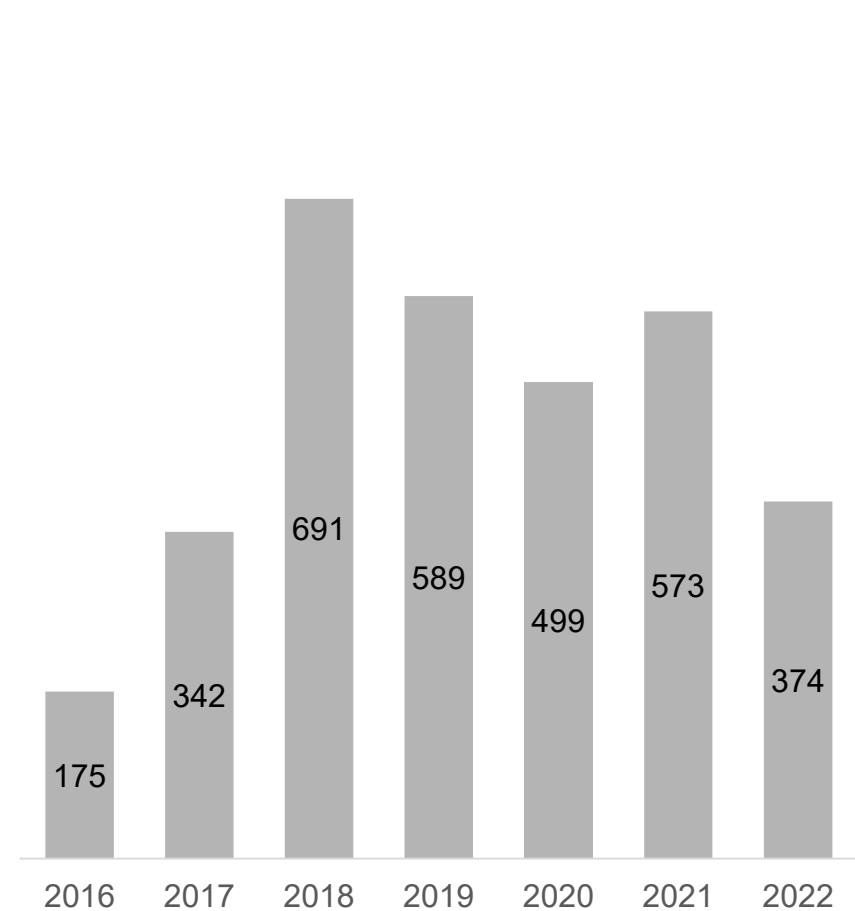


Strong equity ratio and solid net financial assets

Equity, in EUR mn
Equity ratio, in %



Net financial assets,
in EUR mn



Key investment highlights

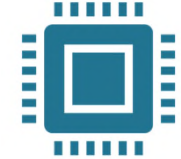
Market Position

- ▶ Strong market position in the semiconductor and wafer industry



Strategy

- ▶ Best-in-class technology and quality



Customers

- ▶ Supplier to all top 20 silicon wafer consumers



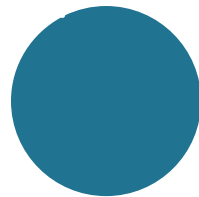
Financials

- ▶ Profitable sales increase and on-going efficiency improvement



Products

- ▶ High-quality wafers made of hyper pure silicon

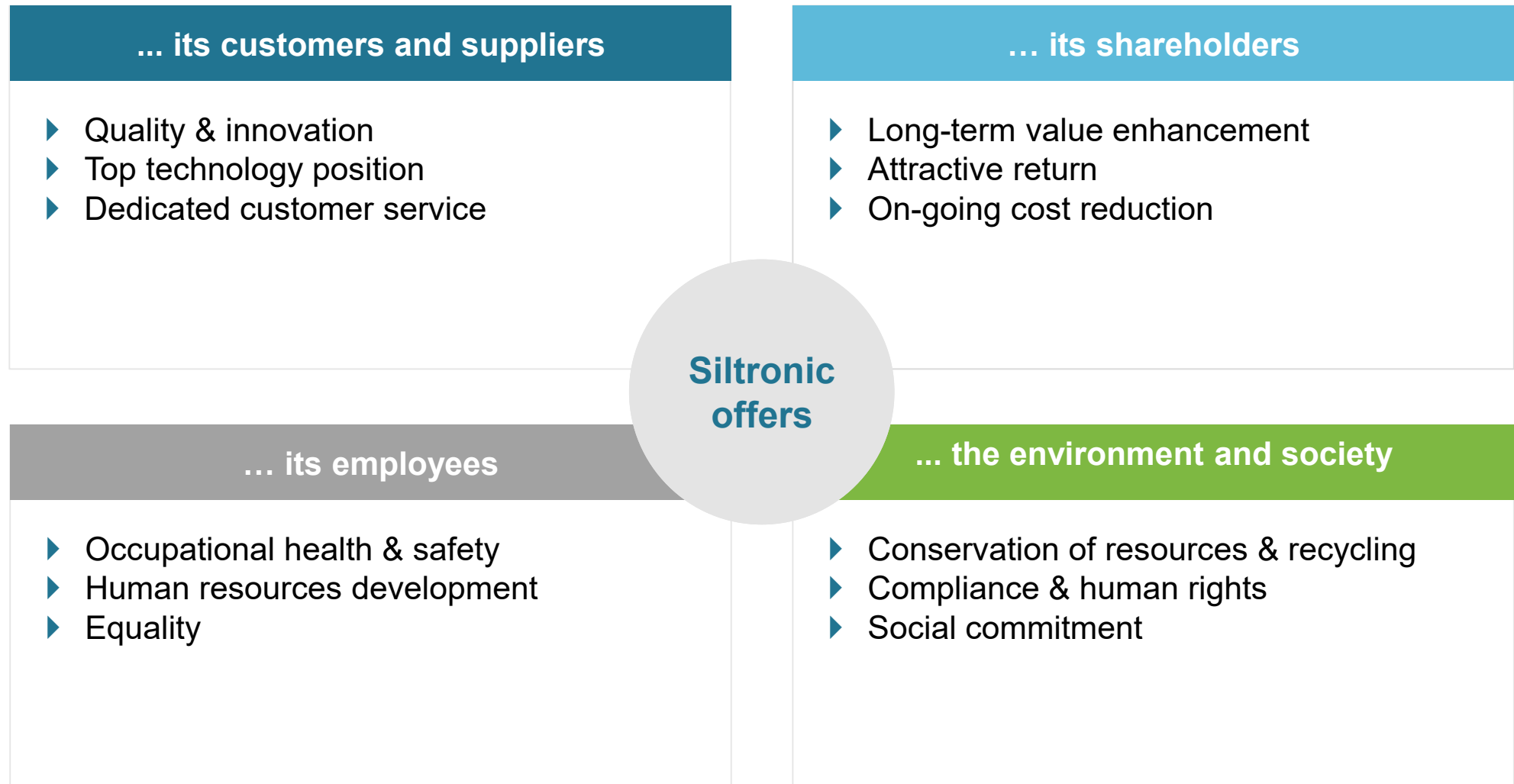


Management

- ▶ Experienced management team and highly skilled workforce



Creating value for all stakeholders





SILTRONIC SHARE

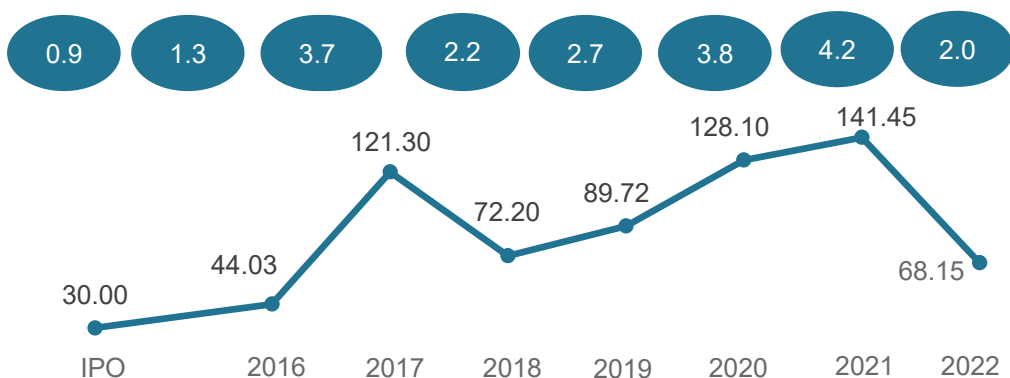
Siltronic shares at a glance

Coverage

Broker	Analyst
Alpha Value	Martin Schnee
Bank of America	Adam Angelov
Berenberg	Gustav Froberg
Citigroup	Amit Harchandani
Deutsche Bank	Rob Sanders
Exane BNP Paribas	Martin Jungfleisch
Jefferies	Constantin Hesse
ODDO BHF	Maissa Kekes
Stifel	Jürgen Wagner
UBS	Francois-Xavier Bouvignies

Share price development since IPO

Year end closing share price, in EUR; Market cap in EUR billion



Consensus

Our full consensus is available here:

[Information on the share – Siltronic / perfect silicon solutions](#)

Share information

Symbol: WAF300

ISIN: DE000WAF3001

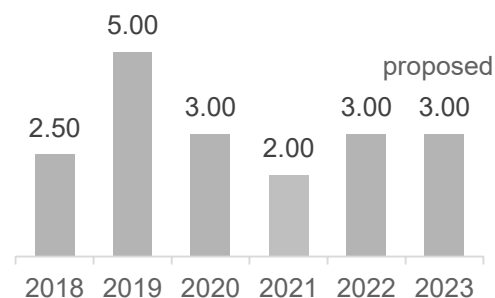
Trading platform: Prime Standard - Xetra, Frankfurt

Indices: MDAX, TecDAX

No. of shares: 30.000.000

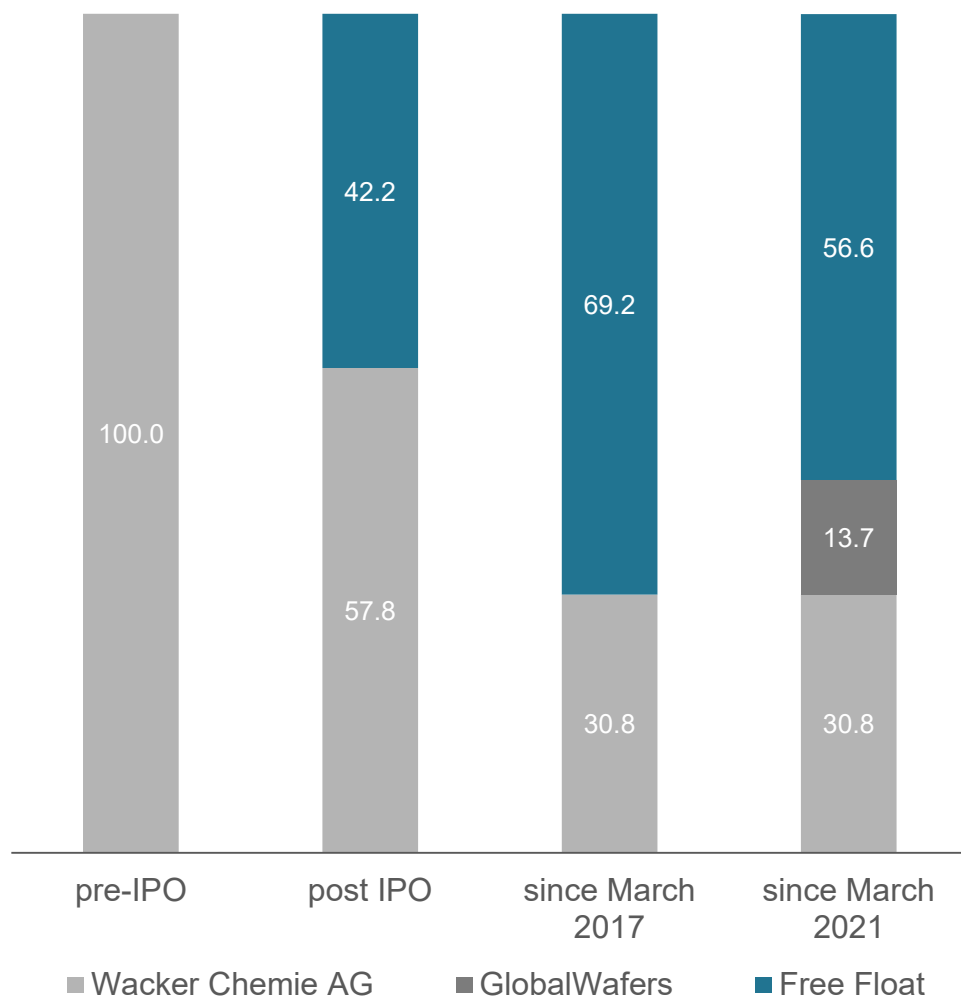
(registered shares; one share = one vote)

Dividend payment per share, in EUR



General dividend policy: payout ratio = around 40% of net income attributable to Siltronic shareholders but capped at a maximum of EUR 3.00 per share

Shareholder structure



Significant notifications of voting rights (>3%) (as of December 31, 2022)

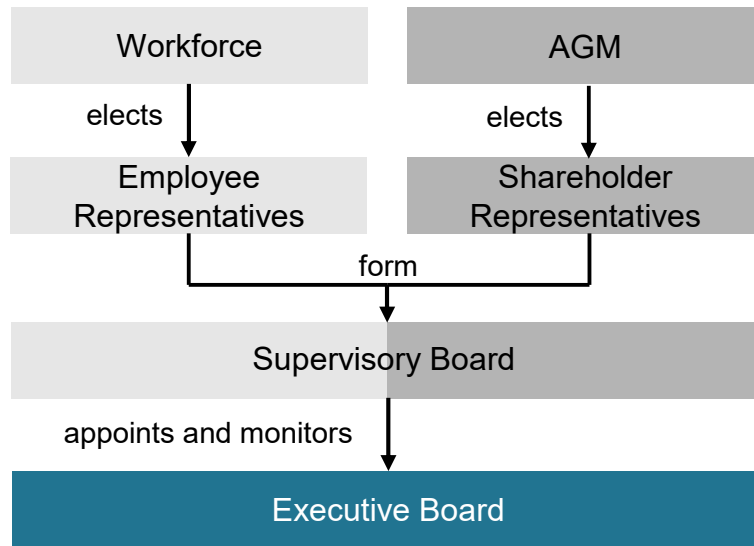
Wacker Chemie (Munich)	30.83%
Sino American Silicon Products (Tapei)	13.67%
DWS Investment GmbH	5.27%



**CORPORATE
GOVERNANCE**

Dual management system with a balanced Supervisory Board

Two-tier system



Dual Board

In accordance with German Corporate Law (co-determination) and Corporate Governance Code 2020 both bodies cooperate closely and in a spirit of trust in managing and overseeing the company.

Supervisory Board composition

Shareholder representatives: 4 male & 2 female members
Employee Representatives: 4 male & 2 female members

Independence: At least 4 shareholder representatives within the meaning of the German Corporate Governance Code.

Preparation of Supervisory Board Meetings: Separate preparatory meetings of the shareholder and employee representatives

Supervisory Board committees

Audit Committee	prepares Supervisory Board decisions on financial reporting and deals with issues concerning risk management & compliance
Executive Committee	deals with personnel matters of the Executive Board and its compensation
Nomination Committee	responsible for proposing suitable candidates to be elected as shareholder representatives on the Supervisory Board
Conciliation Committee	formed pursuant to German Co-determination Act

Skilled Supervisory Board with majority of shareholder representatives being independent

Shareholder representatives

<p>Dr. Tobias Ohler Member of the Executive Board of Wacker Chemie AG</p> <p><i>Since 2013 (Chair since 2015) until 2023</i></p> <p><i>Conciliation Committee (Chair), Audit Committee, Executive Committee, Nomination Committee (Chair)</i></p>	<p>Prof Dr. Gabrijela Dreo Rodosek Founding Director of CODE research institute and Chair for Communication Network Security at Universität der Bundeswehr</p> <p><i>Since 2018 until 2023</i></p> <p><i>independent</i></p>
<p>Sieglinde Feist Head of Sales & Distribution Wacker Chemie AG</p> <p><i>Since 2014 until 2023</i></p> <p><i>Conciliation Committee</i></p>	<p>Dr. Hermann Gerlinger Managing Director of GeC GmbH</p> <p><i>Since 2011 until 2023</i></p> <p><i>Executive Committee (Chair), Nomination Committee</i></p> <p><i>independent</i></p>
<p>Michael Hankel former member of the Executive Board of ZF Friedrichshafen AG</p> <p><i>Since 2018 until 2023</i></p> <p><i>Executive Committee</i></p> <p><i>independent</i></p>	<p>Bernd Jonas Independent Lawyer</p> <p><i>Since 2015 until 2023</i></p> <p><i>Audit Committee (Chair)</i></p> <p><i>independent</i></p>

Employee representatives

<p>Johann Hautz Chairman of General Works Council of Siltronic AG</p> <p><i>Since 2003 (Co-Chair since 2016) until 2023</i></p> <p><i>Conciliation Committee, Executive Committee, Audit Committee</i></p>	<p>Volker Stapfer Deputy Chairman of General Works Council of Siltronic AG</p> <p><i>Since 2022 until 2023</i></p> <p><i>Conciliation Committee, Audit Committee</i></p>
<p>Mandy Breyer Deputy Chairman of General Works Council of Siltronic AG, Freiberg</p> <p><i>Since 2018 until 2023</i></p>	<p>Klaus-Peter Estermaier Head of Supply Chain Management Siltronic AG</p> <p><i>Since 2018 until 2023</i></p>
<p>Lina Ohlmann Specialized Secretary of the Industrial Union (IG-BCE), Union Pay Policies Department</p> <p><i>Since 2021 until 2023</i></p>	<p>Markus Hautmann District Manager of the Industrial Union (IG-BCE) Altötting</p> <p><i>Since 2021 until 2023</i></p>

Highly experienced Executive Board

Rainer Irle CFO

Born:
March 17, 1970, Bergneustadt
German

Professional Career

Since January 2013:
Chief Financial Officer
in Siltronic AG Executive Board
Appointed until December 31, 2025

2008: Head of Corporate Controlling, Wacker Chemie AG, Munich
2006: Chief Financial Officer at Siltronic Corporation, Portland,
USA
2003: Joined Wacker Siltronic AG as Director Strategic Planning
1997: Management consultant at A.T. Kearney GmbH, Düsseldorf
1989: Trainee at Deutsche Bank



Dr. Christoph von Plotho CEO

Born:
October 16, 1955, Beuel/Bonn
German

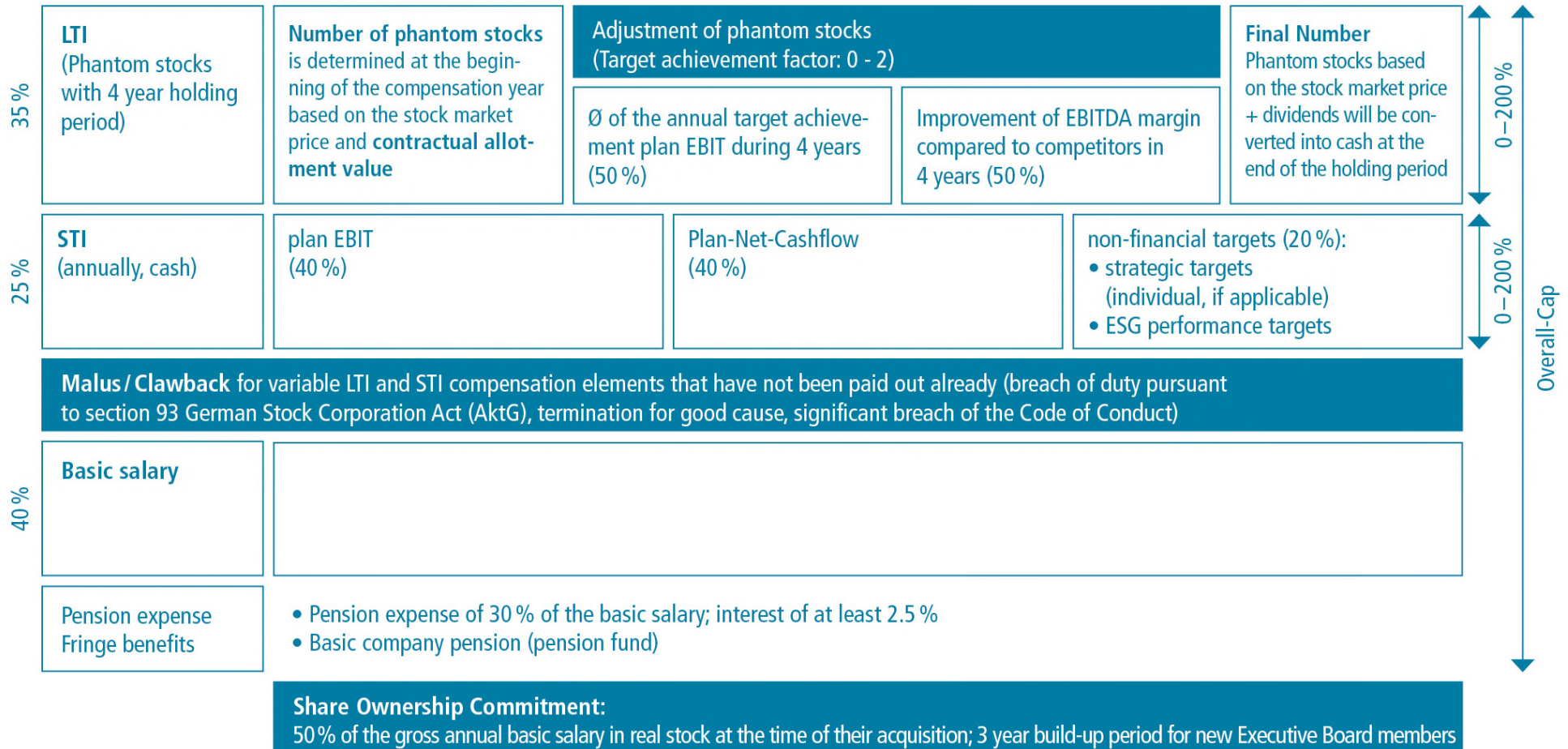
Professional Career

Since October 2010:
Siltronic AG Executive Board Chair
Appointed until May 5, 2023

2005: Head of WACKER SILICONES business unit
2003: Head of WACKER SPECIALTIES business unit
2000: Business Unit Head Fluids; Emulsions at
WACKER SILICONES
1999: Management Spokesperson at Elektroschmelzwerk
Kempten GmbH
1996: Business Unit Head of Elastomers as Wacker Silicones
Corporation, Adrian, USA
1995: Direttore Tecnico at Silmix SpA, Peschiera, Italy
1994: Project Supervision – Silmix SpA; Peschiera, Italy
1992: Directeur Technique et Chef de Marche at Wacker Chimie
S.A., Lyon
1984: Initial position as laboratory director at
Wacker Chemie GmbH

Siltronic incentivises the Executive Board appropriately and with long-term and ESG orientation

Model compensation system



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Additional Information

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

Financial Calendar 2023

May 5	Annual General Meeting
May 11	Q1 2023 Quarterly Statement
July 27	H1 2023 results
October 26	Q3 2023 results



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