

Siltronic – Factbook

Investor Relations
March 2022

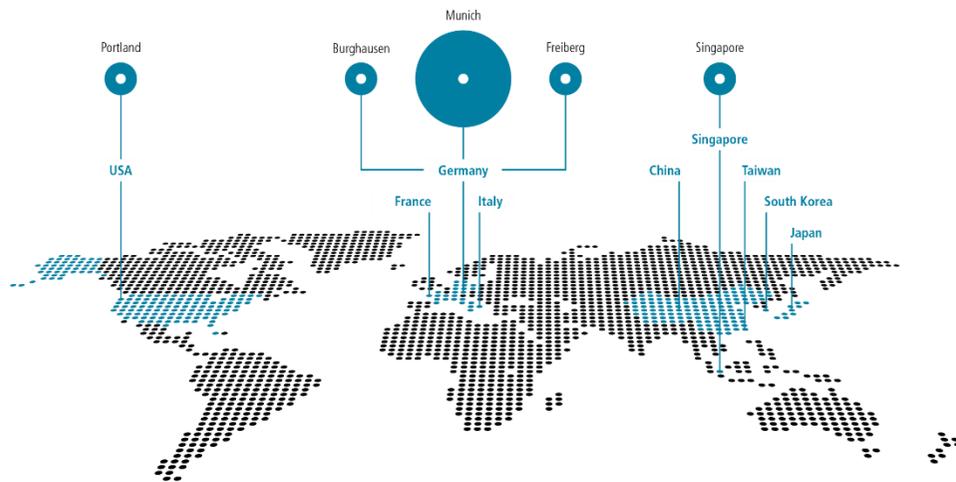
Content

- ▶ **Company and market overview**
- ▶ **Siltronic – one of the industry technology leaders**
- ▶ **Strategy**
- ▶ **Sustainability**
- ▶ **Employees**
- ▶ **Financials & investment rationale**
- ▶ **Siltronic share & tender offer of GlobalWafers**
- ▶ **Corporate Governance**
- ▶ **General information**



**COMPANY AND MARKET
OVERVIEW**

Siltronic at a glance



4 world-class production sites



~ 4,100 employees



global scale and reach



50+ years of history in silicon technologies

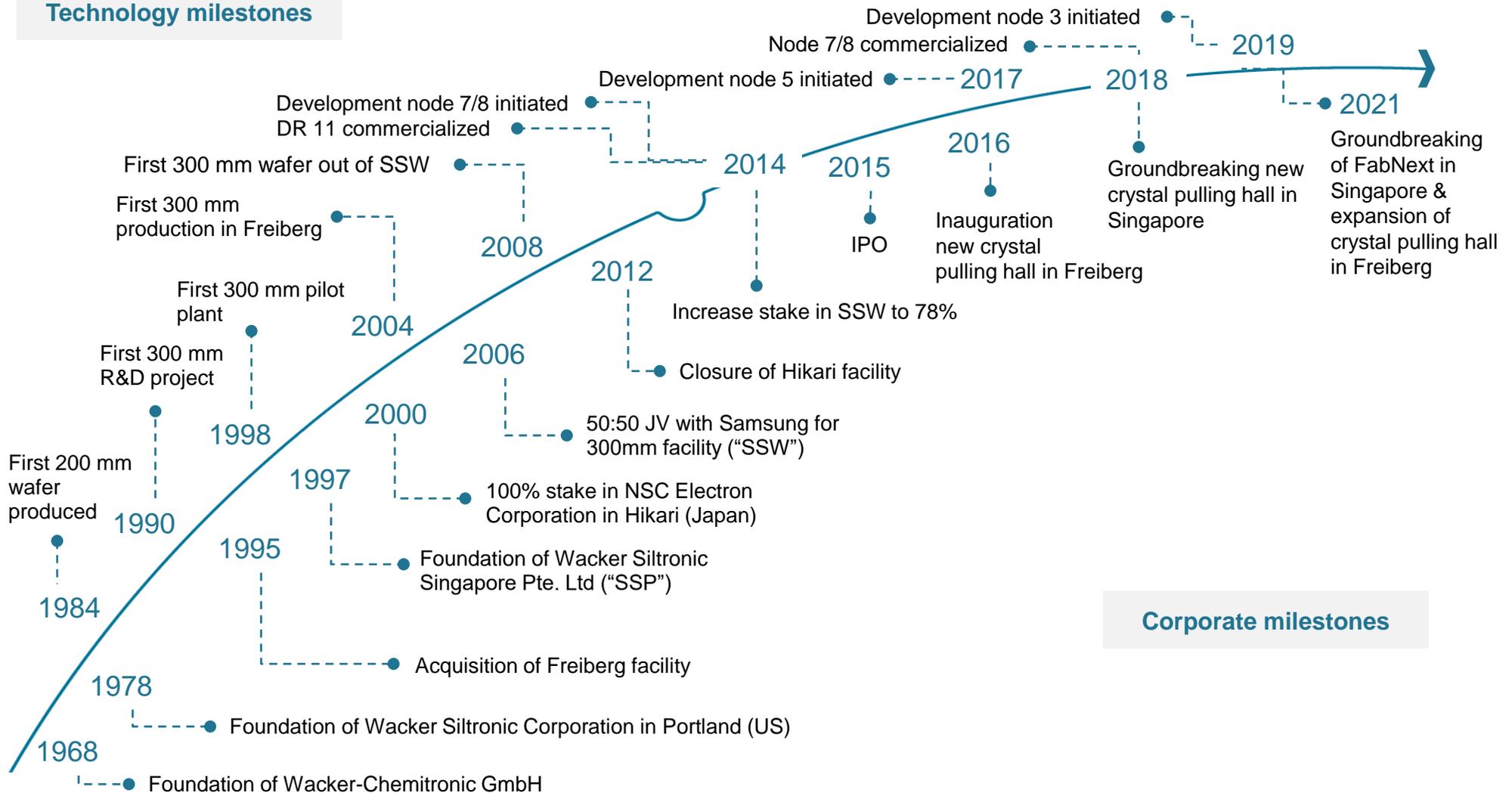
Key financial figures 2021

- ▶ Sales: EUR 1,405.4 million
- ▶ EBITDA: EUR 466.4 million
- ▶ EBITDA margin: 33.2%
- ▶ Net cashflow: EUR 1.7 million
- ▶ Net financial assets: EUR 572.9 million

 = Production sites, Headquarter in Munich

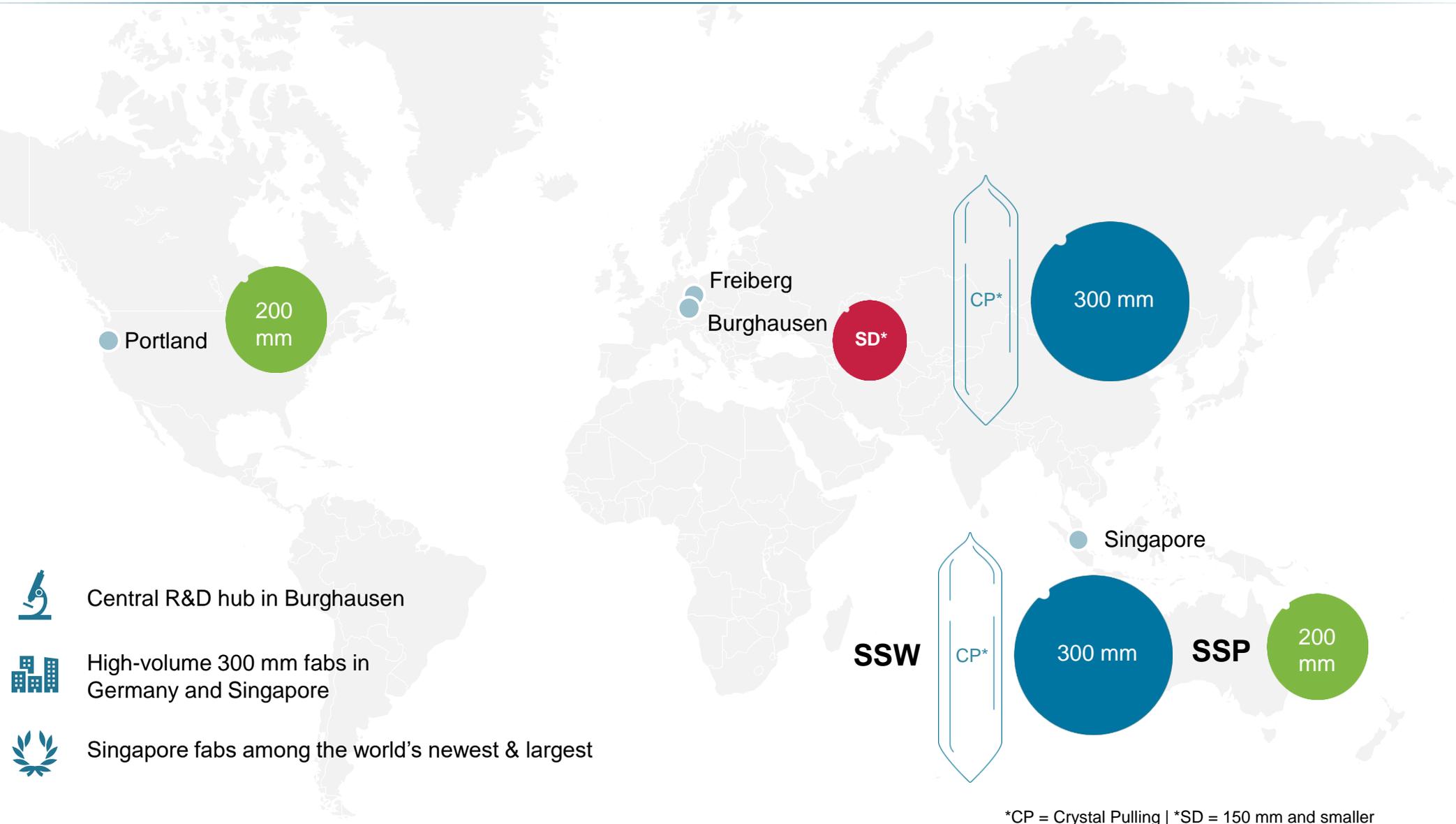
More than 50 years of experience in the semiconductor industry

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

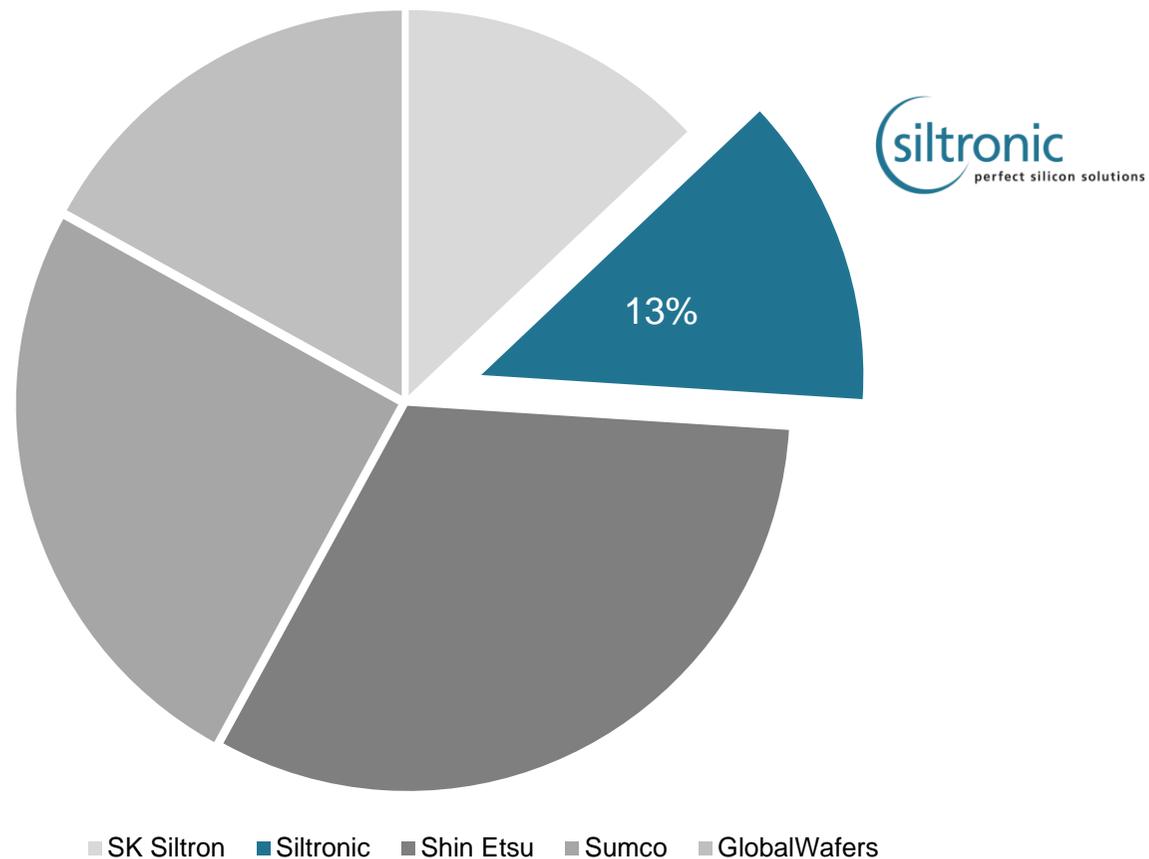


Singapore fabs among the world's newest & largest

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

Consolidated market with 5 major wafer manufacturers

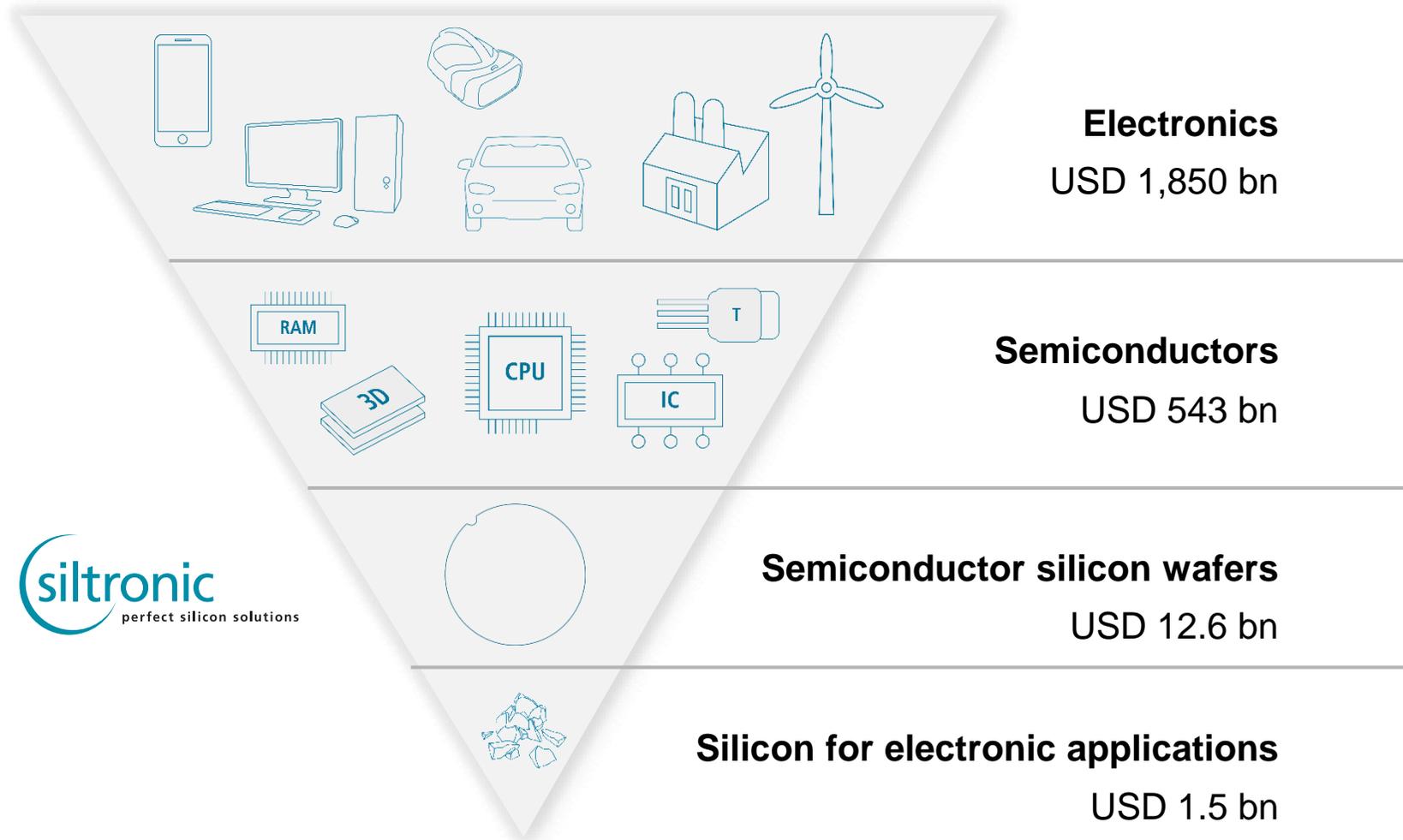
Top 5 wafer producers serve more than 90% of the market across all diameters



Sources: Siltronic, SEMI SMG

Electronics value chain continued to grow in 2021

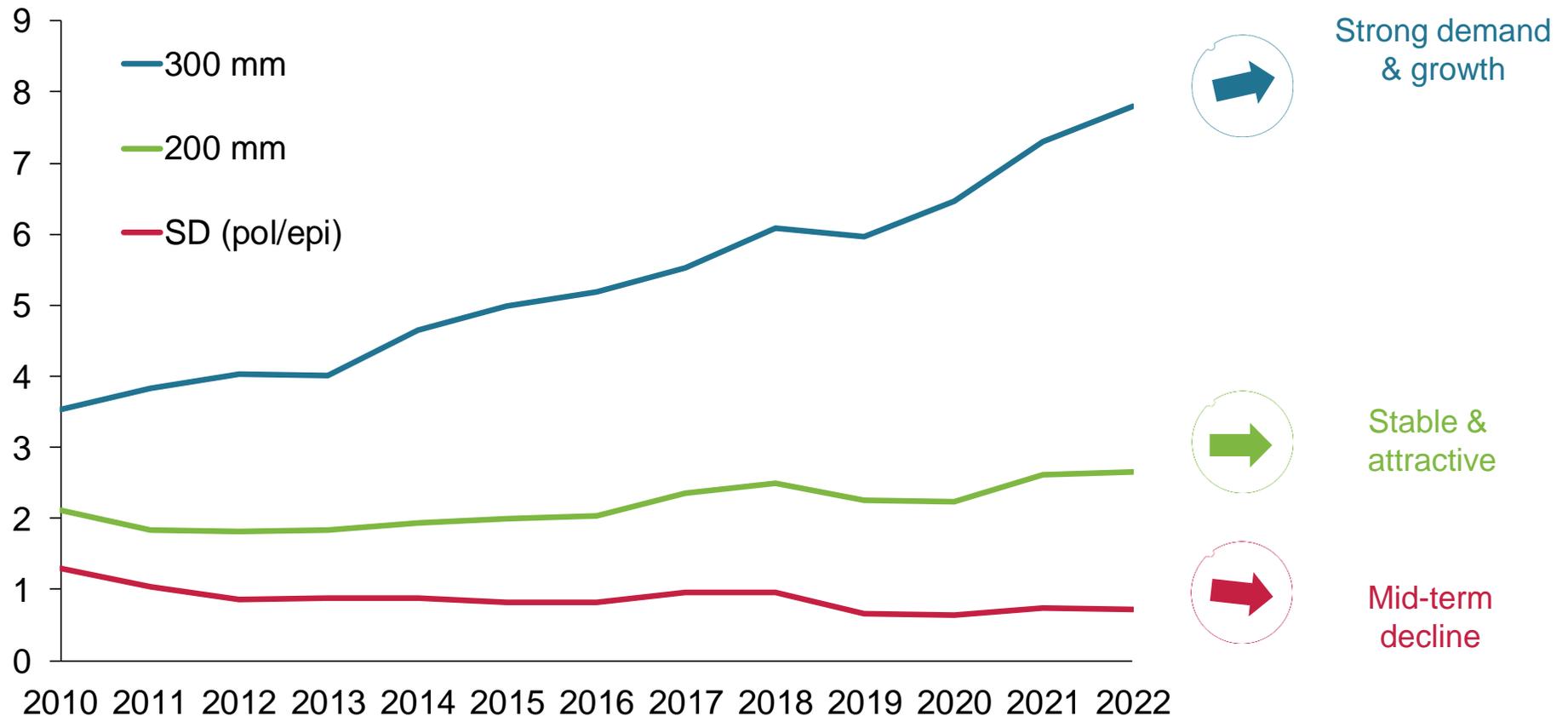
Increasing demand for electronic devices and new applications drive semiconductor growth, which in turn fuels silicon demand



Sources: IC Insights, WSTS, SEMI SMG, Siltronic Marketing

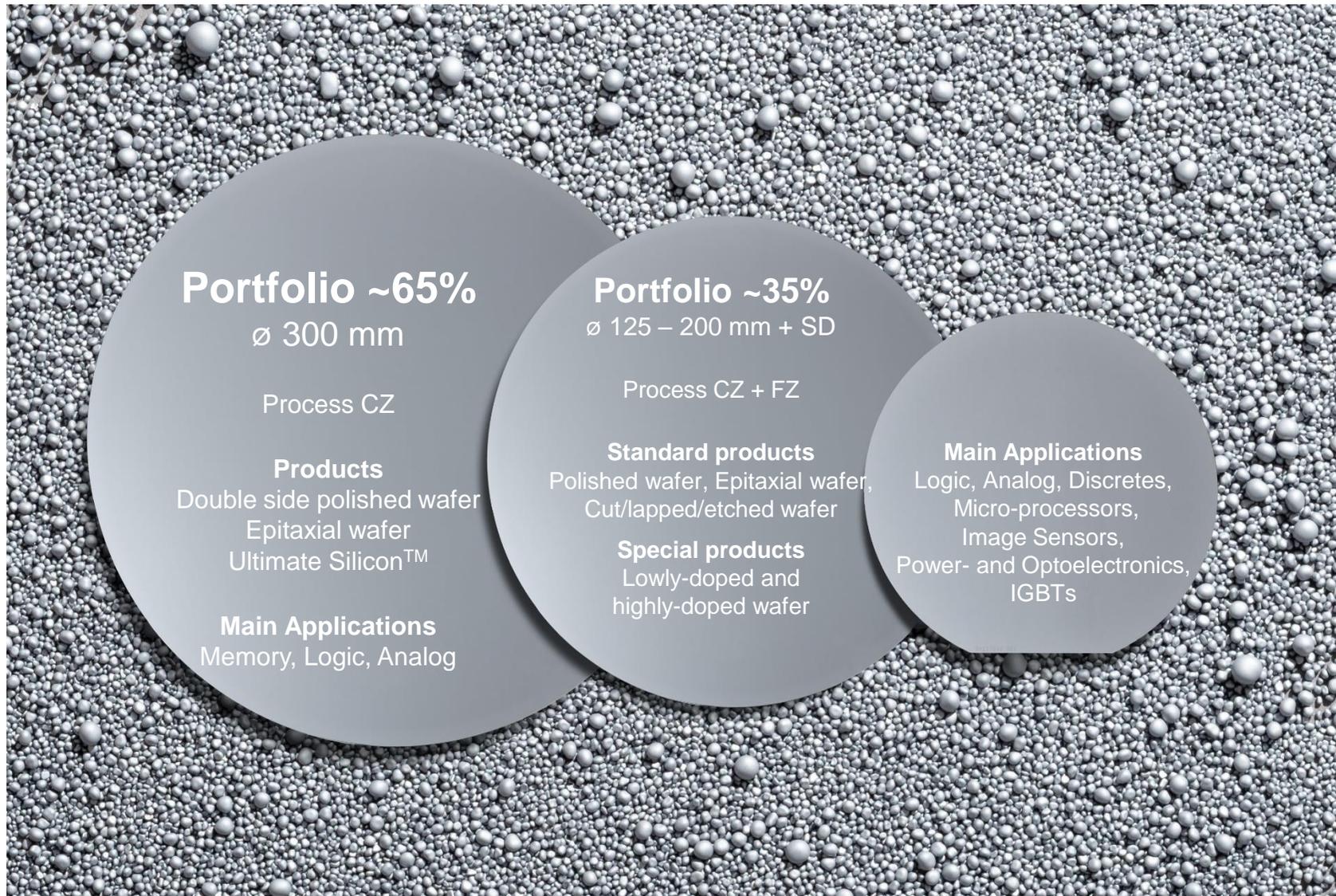
Siltronic is focused on growing 300 mm and attractive 200 mm business.

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



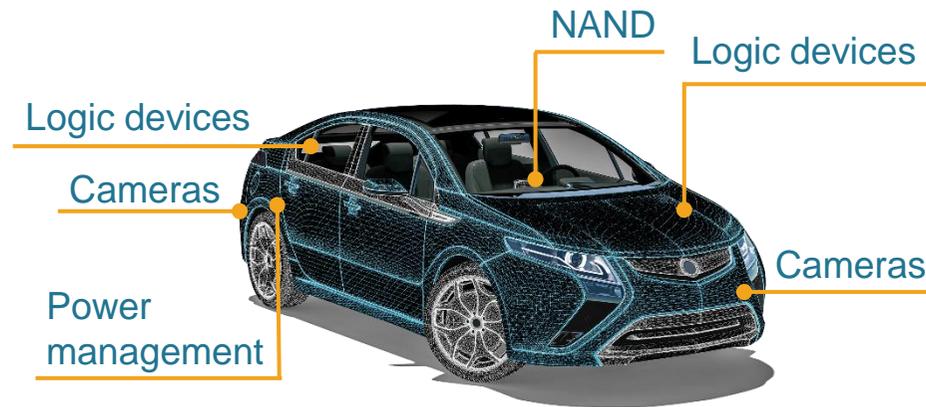
Source: SEMI up to Jan 2022

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



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

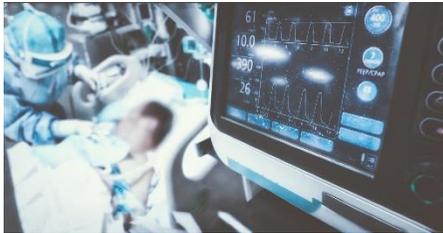
Electronic equipment contains multiple devices built on tailormade silicon substrates



Pictures: AdobeStock_181844841; AdobeStock_55587517; AdobeStock_218649399

Industrial semiconductor segment comprises a wide range of applications

Medical



- ▶ diagnostics and control
- ▶ imaging equipment
- ▶ laboratory test
- ▶ patient monitoring

Building & Home



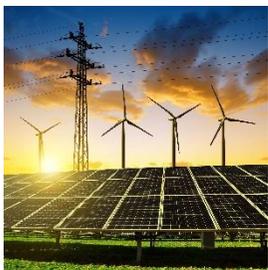
- ▶ built in climate control
- ▶ lighting
- ▶ safety & security equipment

Manufacturing



- ▶ manufacturing equipment
- ▶ robotics
- ▶ process control equipment
- ▶ measurement instruments
- ▶ motor controls

Power & Energy



- ▶ equipment for energy production and distribution
- ▶ industrial power supplies
- ▶ energy meters

Aerospace & Military



- ▶ aircraft systems
- ▶ radar, sonar, avionics
- ▶ missile guidance
- ▶ military grade computers

Other Industrial



- ▶ power tools
- ▶ ATMs
- ▶ ships, golf cars, electric bikes and trains

Pictures: appliedmaterials.com; [AdobeStock_356279818](https://www.adobe.com/stock/356279818); [AdobeStock_240858509](https://www.adobe.com/stock/240858509); [AdobeStock_101580295](https://www.adobe.com/stock/101580295); [AdobeStock_216164502](https://www.adobe.com/stock/216164502); [AdobeStock_282814163](https://www.adobe.com/stock/282814163)

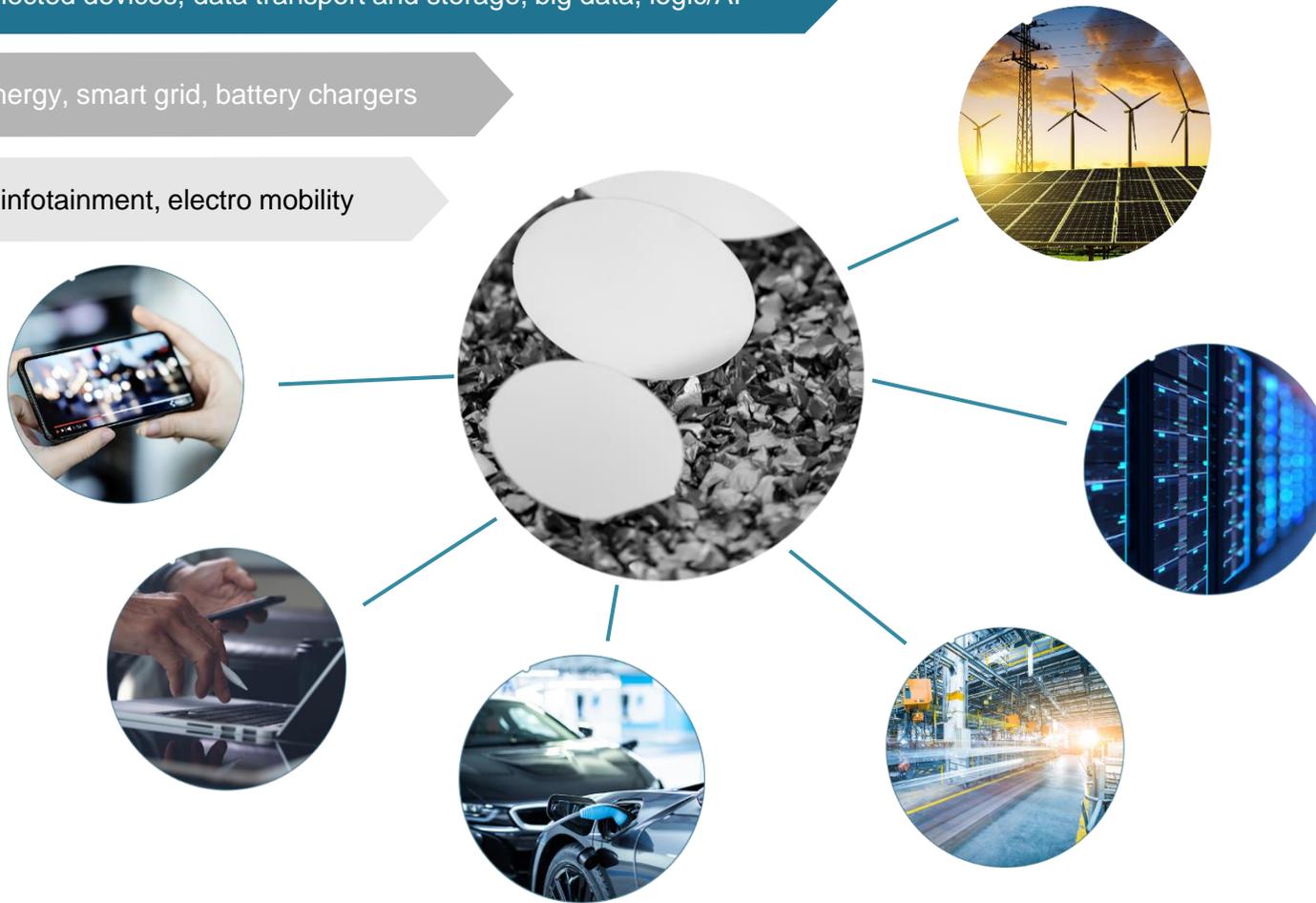
New applications for electronic devices and the infrastructure to support them continue to drive silicon demand

Current growth drivers include

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

Power: renewable energy, smart grid, battery chargers

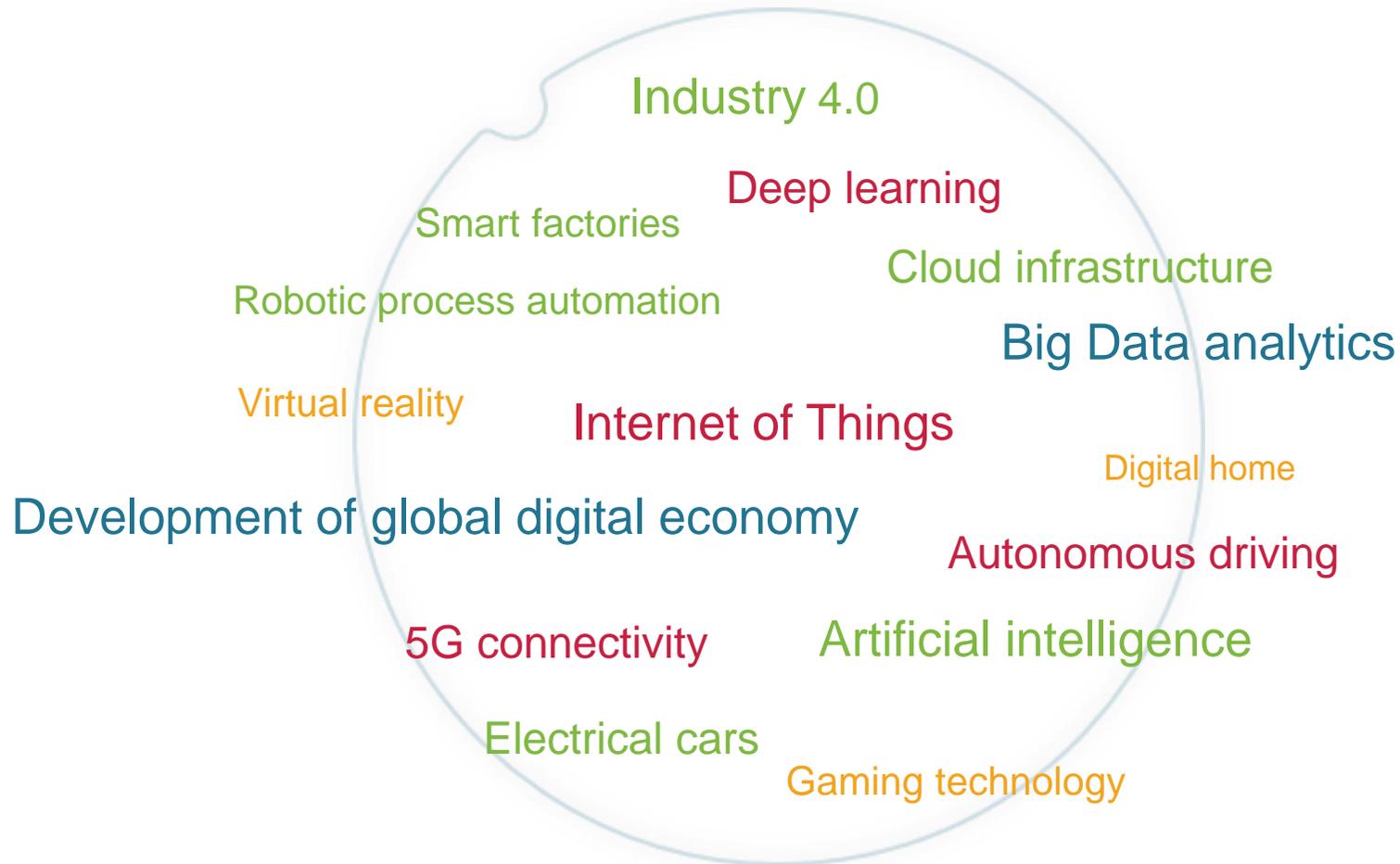
Automotive: ADAS, infotainment, electro mobility



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

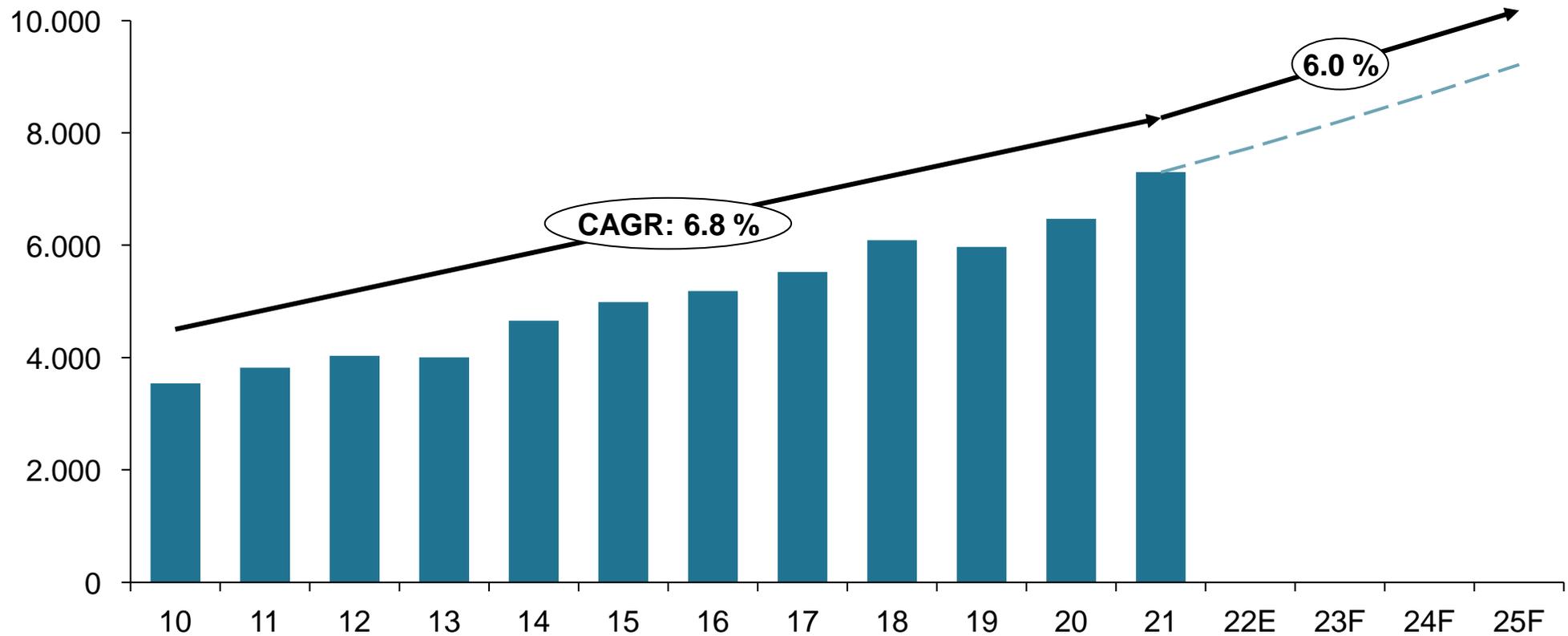
Global megatrends drive sustained increase in wafer area

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



300 mm demand expected to follow its historical growth trajectory after 12.8% growth in 2021.

300 mm market and demand forecast in k wafers per month

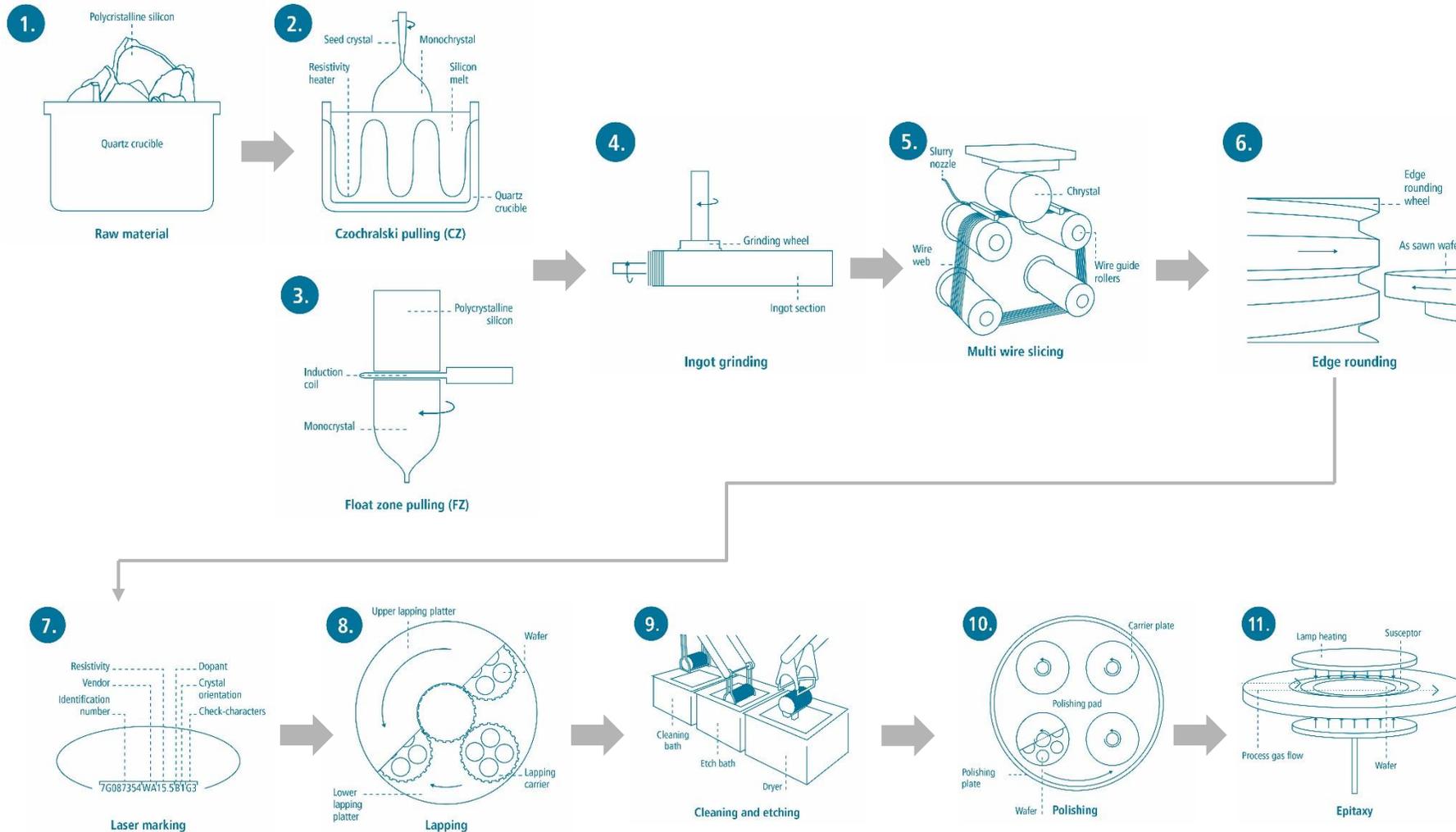


Source: Siltronic Marketing Feb 2022



**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

- ▶ First supplier to ship 300 mm wafers
- ▶ Development of 3 nm design rule started in 2019 (commercialization expected to start in 2022)
- ▶ 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



>400 engineers worldwide



Approximately 1,870 pending and active patents in almost 360 patent families*

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

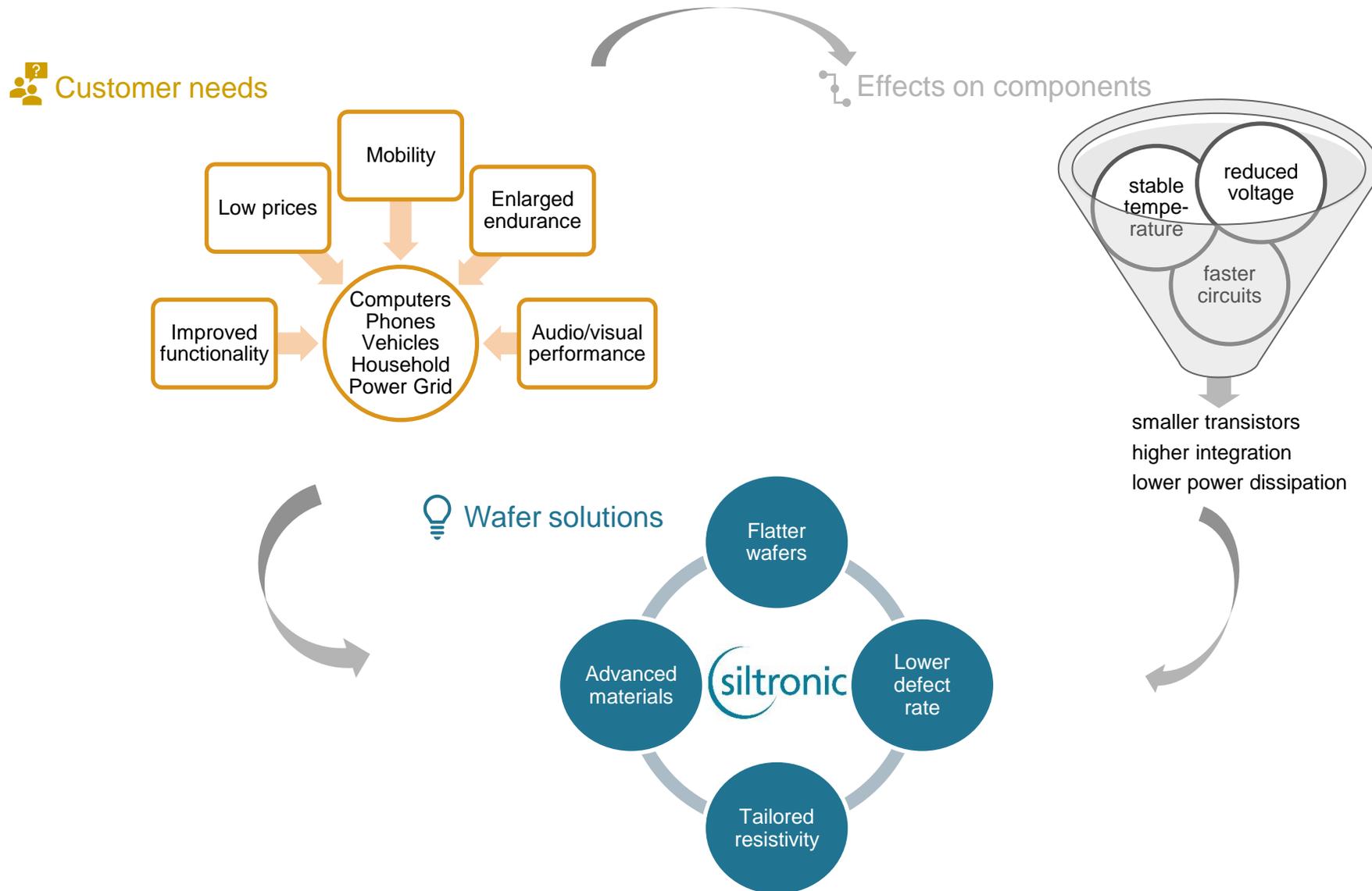


Quality awards from several top semiconductor customers received over the years



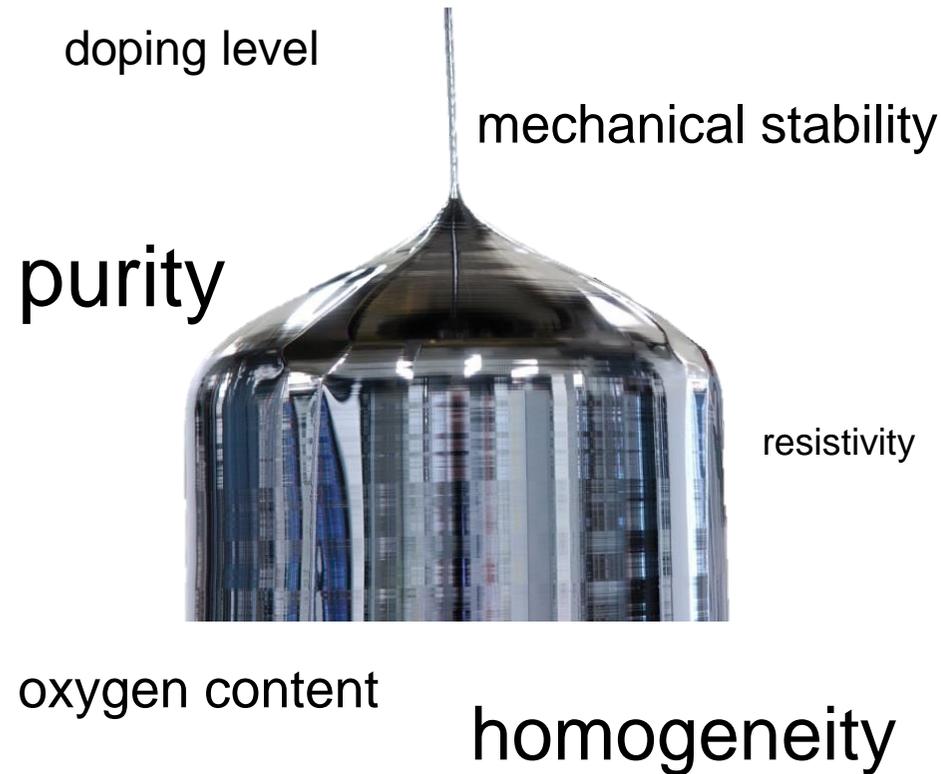
*as of December 31, 2021

Siltronic is continuously improving its wafer solutions to match customer needs

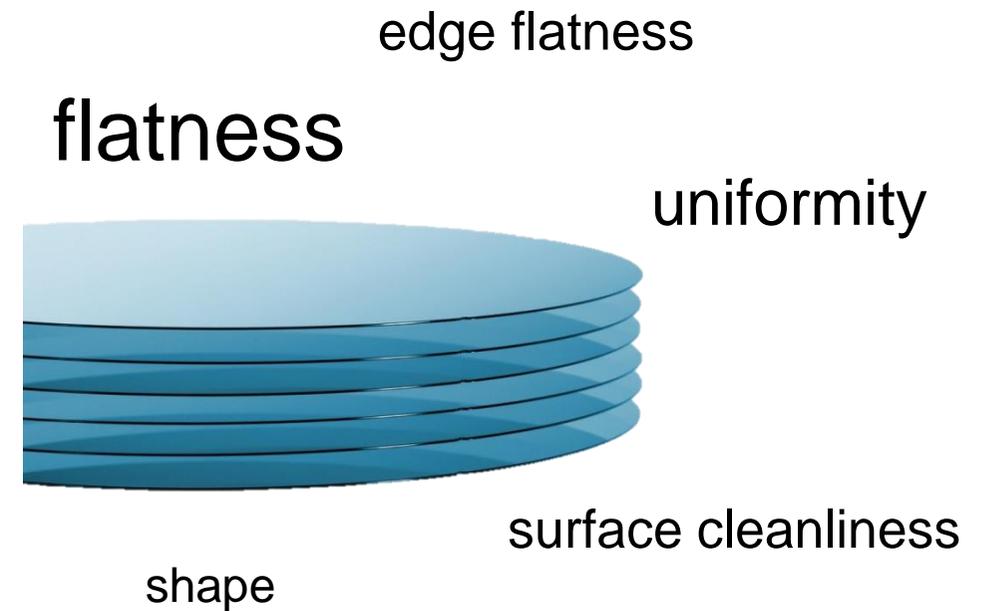


A number of key ingot & wafer properties define the wafer specification and its further use by the customer

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

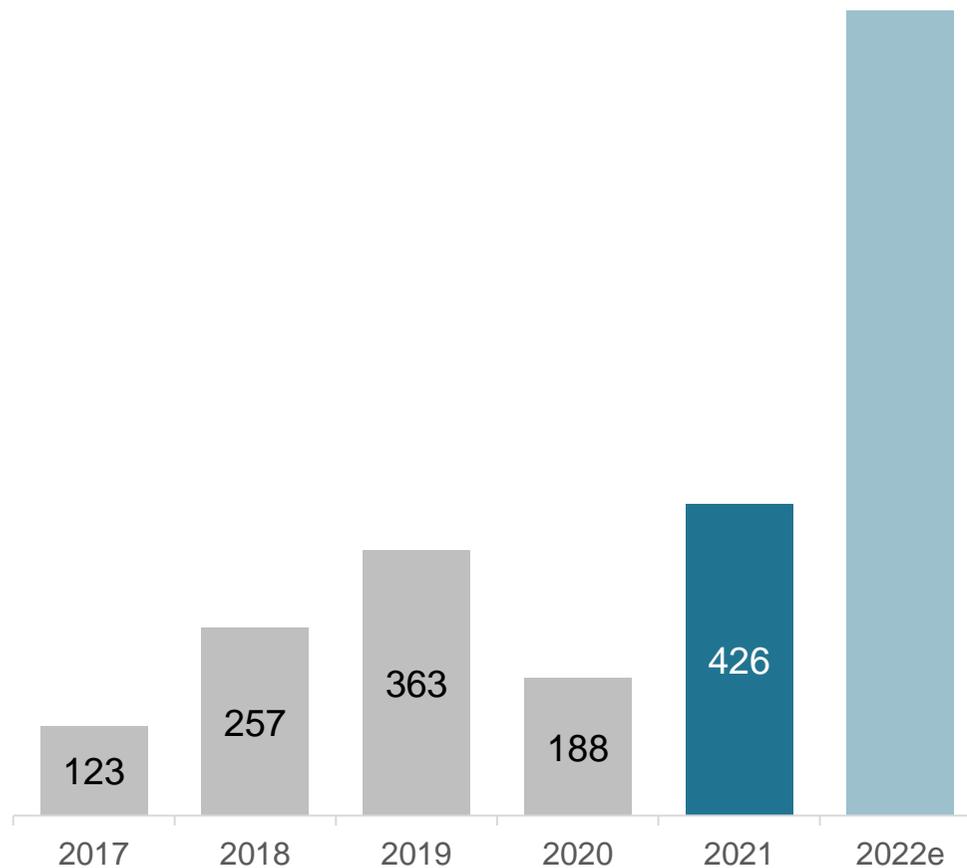
- ▶ „parts per trillion“ (ppt) is equivalent to a sugar cube diluted in a small lake – or a single grain of salt in a tank truck



Source: Adrian Infernus jzfoklaRIw/Stock.adobe.com, ChrisF/Stock.adobe.com, mw-luftbild.de/Stock.adobe.com, Yeti Studio /Stock.adobe.com; dave-hoefler_VikL1IKXAI-unsplash; philipp-bachhuber-dgWixsytiYA-unsplash ;

Capital-intensive industry with high capex in 2022 mostly for expansion projects

Investment, in EUR mn



Comments

- ▶ Capex guidance 2022 EUR 1,100 mn
 - ▶ 2/3 of capex allocated to FabNext
 - ▶ 300 mm epi capacity
 - ▶ capabilities for future design rules
 - ▶ expansion of crystal pulling hall in Freiberg
- ▶ Conservative financing approach for FabNext in Singapore
 - ▶ existing liquidity and future cashflows
 - ▶ net debt of around 0.5 x EBITDA
 - ▶ no capital increase in 2022

The background features a series of concentric, glowing blue and white curved lines that create 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

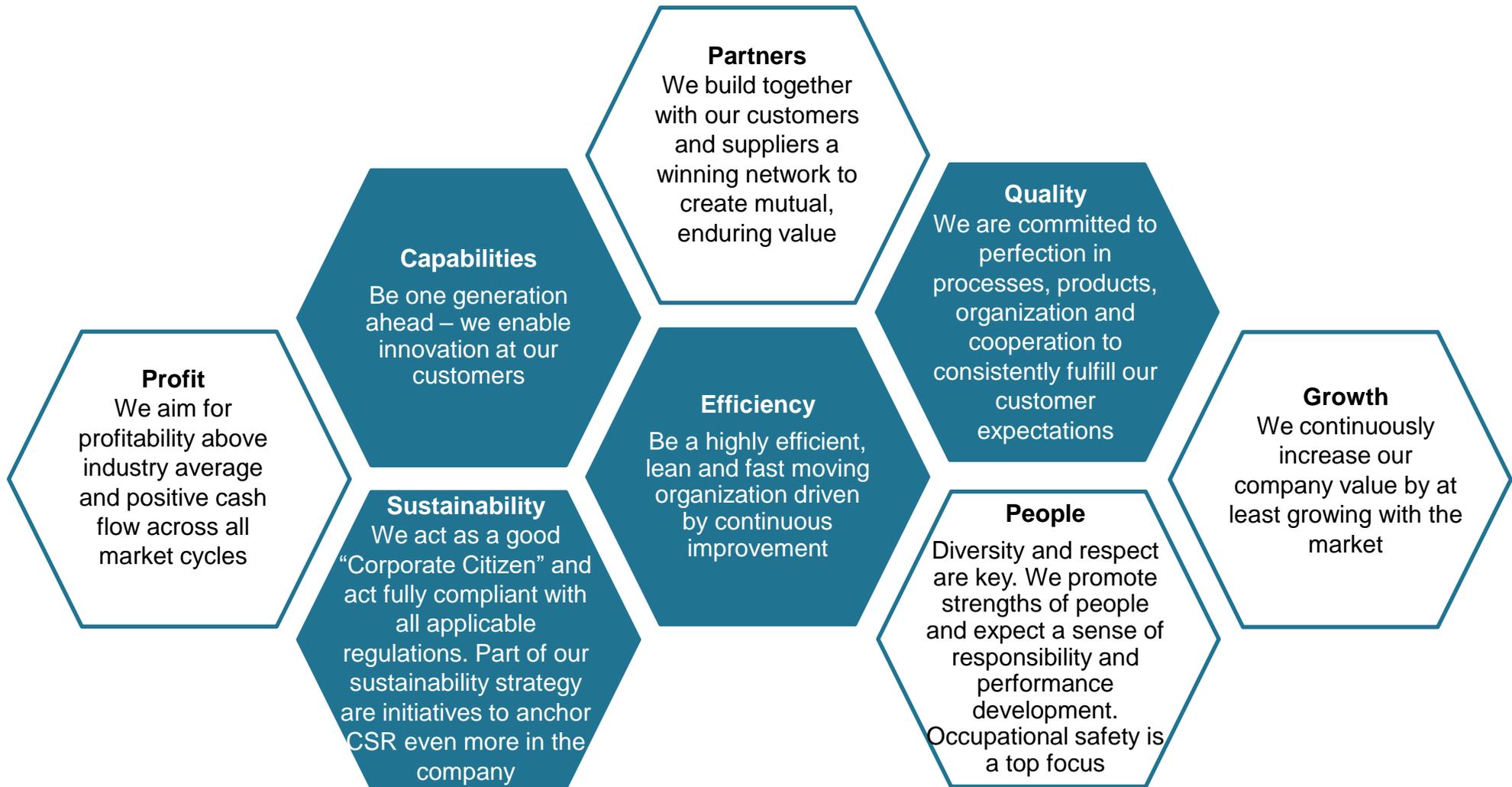


Execute

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



Supplies



Depreciation

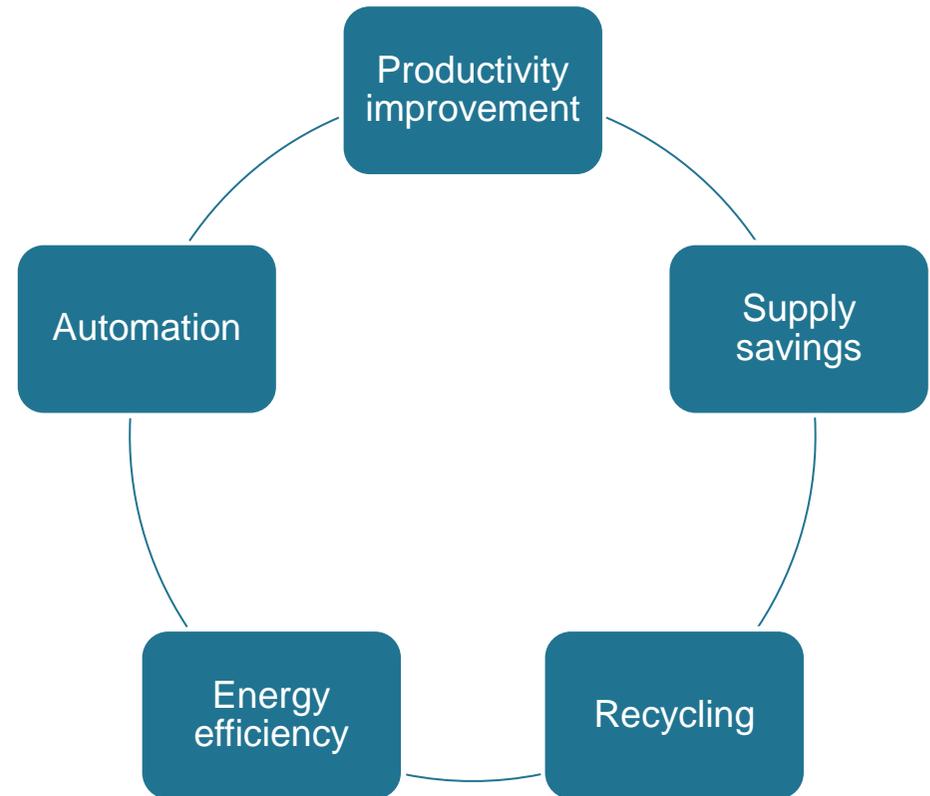


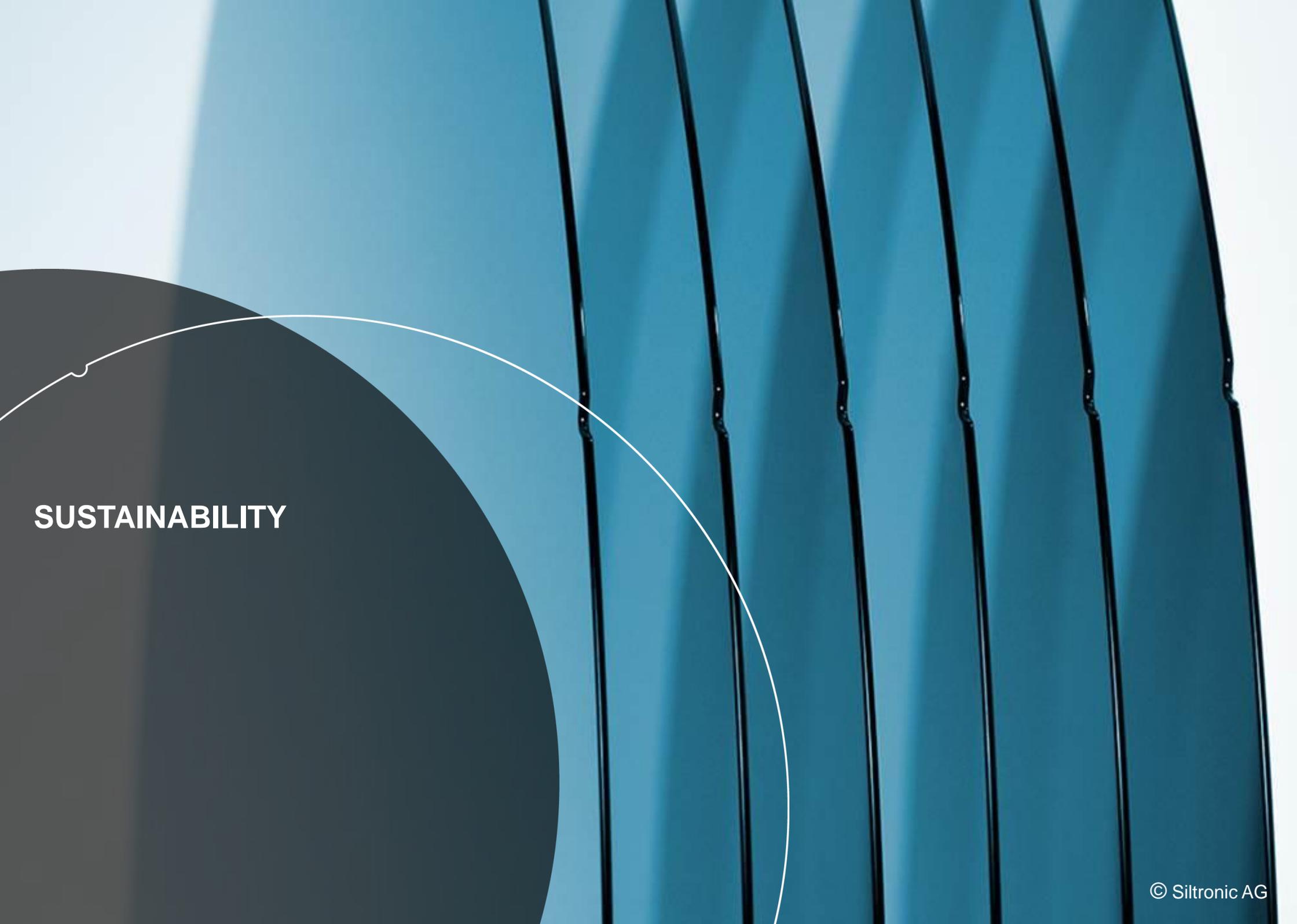
Energy



Polysilicon

Continuous cost roadmaps to counter unit cost increases





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



Responsible Business Alliance
Formerly the Electronic Industry Citizenship Coalition
Advancing Sustainability Globally



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



charta der vielfalt
Für Diversity in der Arbeitswelt



Ratings



Climate Change "B | Management"
Water Security "B | Management"



„Prime“ rating

Siltronic Climate Action Program - aligned with Paris agreement to limit global warming to 1.5°C

Siltronic Climate Action Program

▶ Siltronic commits to Science Based Target initiative to limit global warming to 1.5°C:

- ▶ **mid-term goal:** 50% CO₂ reduction (Scope 1 + 2) until 2030¹
- ▶ **long-term goal:** net zero until 2045

▶ **Three main levers:**

-  Energy efficiency
-  Own generation of renewable energy
-  Purchasing renewable energy



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 specific greenhouse gas emissions by 50%²

¹) base year 2015

²) base year 2021

CR track record 2021

CR topic	Target 2021	Status	Notes
	Reduce energy intensity by 1.5%	✓	 Energy efficiency was reduced by 4.8 GWh per year
	Increase waste recycling ratio by 1.5%	✓	 With a waste recycling ratio of 72.4% target for 2021 was reached. Since base year 2015 recycling ratio has increased >13%
	Reduce specific water usage in production by 1.5%	✓	 Specific water consumption decreased by 9.7% in 2021
	Increase water reuse ratio by 1.5%	✗	 35.6% water reuse ratio in 2021; however increase of > 10% since base year 2015
	Reduce CO ₂ emission intensity by 1.5%	✓	 Reduction of absolute Scope 1 and 2 emissions by 4.6% p.a. compared with base year 2015

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



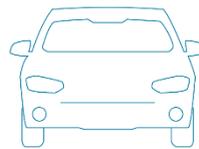
- Raw materials
- Energy consumption
- Water recycling
- Emissions

Sustainable mobility

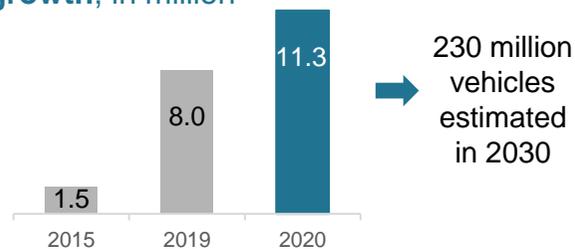
Reduction of transport emissions and carbon footprint to achieve climate targets

Increasing safety and efficiency

EV's with substantially higher wafer content



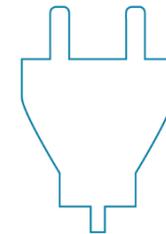
Global EV growth, in million



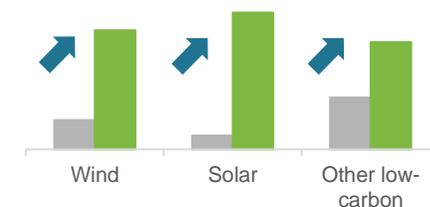
Clean energy

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: IEA Global EV Outlook 2021; IEA 2020 World Energy Outlook



Employees

HR Strategy

Global HR strategy supported by decentralized organization



Attractive remuneration

Basic salary with vacation and Christmas bonuses and additional variable compensation components



Personnel development opportunities

Education, training and support programs



Diversity and equal opportunity

Diverse workforce with a wide range of skills and talents



Global HR Strategy



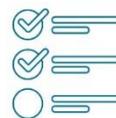
Occupational safety, plant safety, health

Extensive preventive measures and high safety standards;
Employee health prevention programs



Contemporary working models

Flexible working hours and home office



Various social benefits

Insurance, healthcare and pension offers

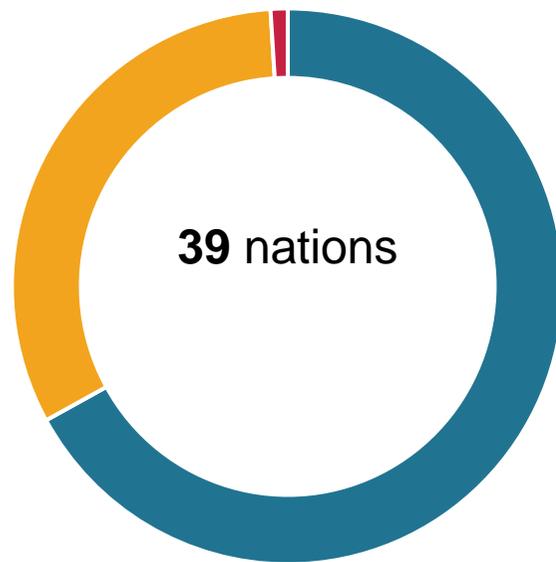


Work-Life balance

Various support options (like extra vacation for parents) to combine work and personal life planning

Diversity at Siltronic

International staff at German sites



■ Burghausen ■ Freiberg ■ Munich

Share of women to increase further

		
Total staff	24%	76%
1st management level below Executive Board	7%	93%
2nd management level below Executive Board	10%	90%

Target until 2023

	
1st management level below Executive Board	at least 21,4%
2nd management level below Executive Board	at least 11,4%

The many faces of diversity



~7 % employment rate of people with disabilities

significantly exceeds the statutory employment rate of 5% in Germany



Workforce by age group shows the challenges of the demographic change

Up to 30 years	17 %
31 – 50 years	48 %
over 50 years	35 %

all figures relate to FY 2021

Occupational health and safety is a key focus

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

Occupational safety

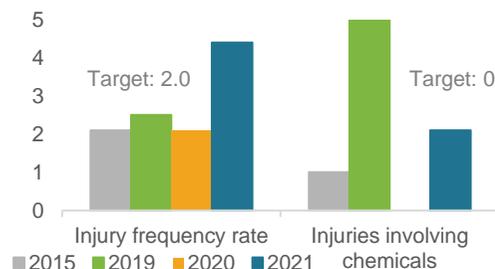
- ▶ Continuously improving safety standards

Key Measures:

- ▶ Safety officers, safety inspection tours, training courses, emergency drills

Working accidents

- ▶ Regularly reported with special focus on injuries involving chemicals
- ▶ No fatal accidents occurred in the last few years
- ▶ Global system to report near-miss incidents



Health protection

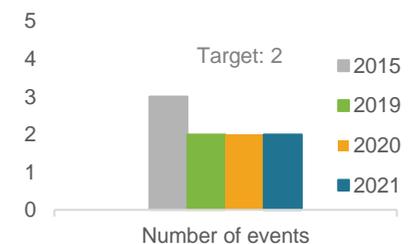
- ▶ Company programs for health prevention of our employees
- ▶ Various healthcare offers for employees

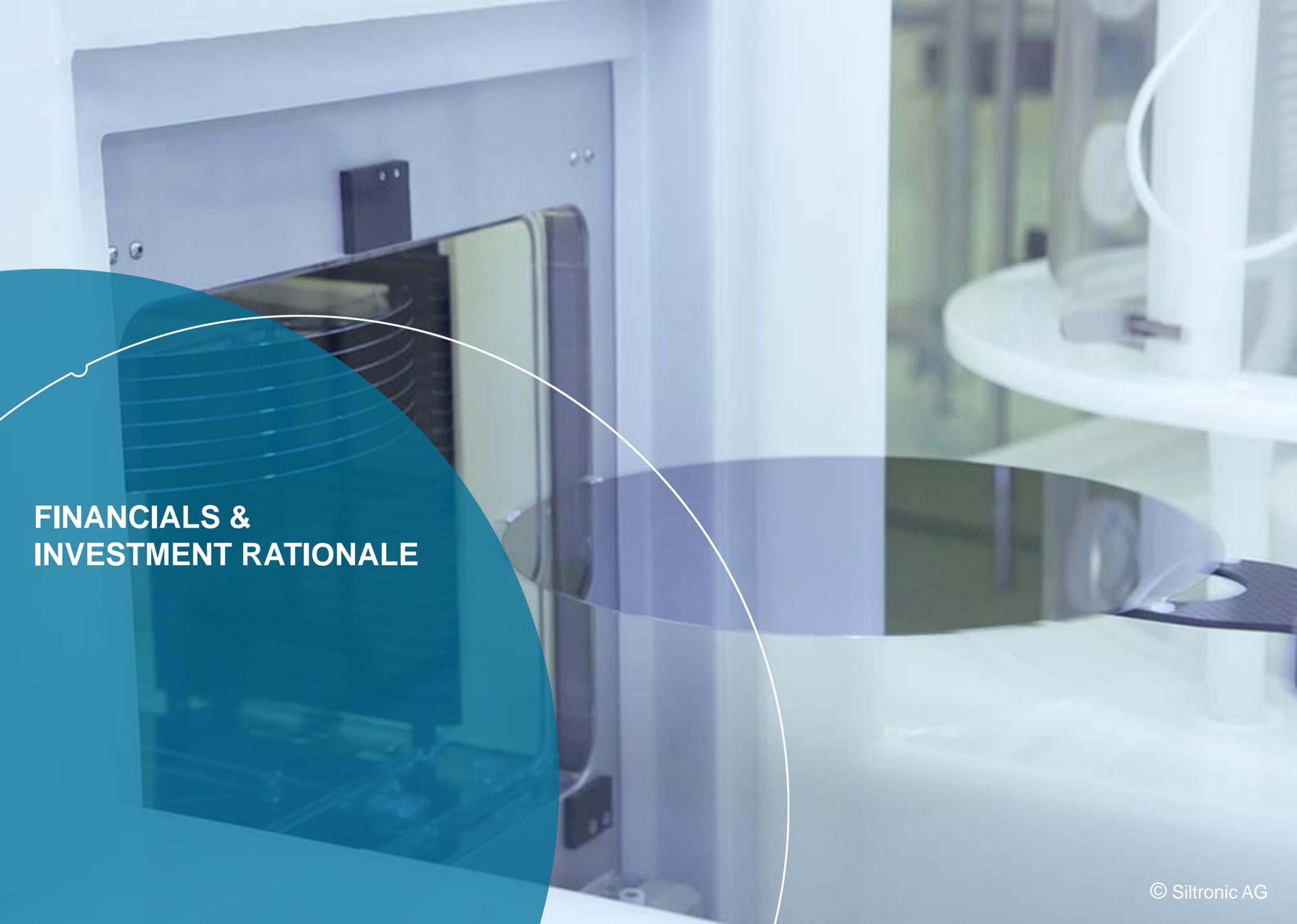
Plant safety

- ▶ Safe operation of our production facilities
- ▶ No event in 2021 was classified as an incident or as a hazardous incident ordinance
- ▶ Systematic safety analyses to determine risks

Corona Pandemic

- ▶ Successful hygiene measures meeting legal requirements; home office, adapted shift models and video conferences
- ▶ Vaccination and testing
- ▶ No severe cases at Siltronic

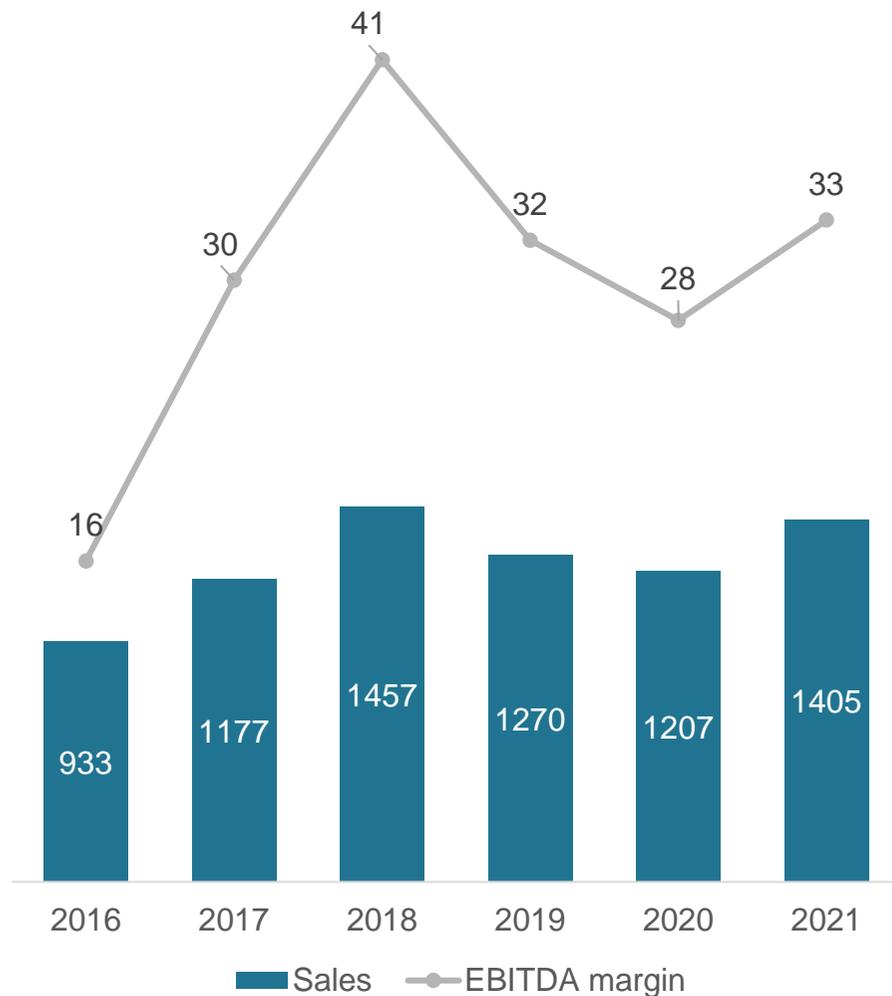




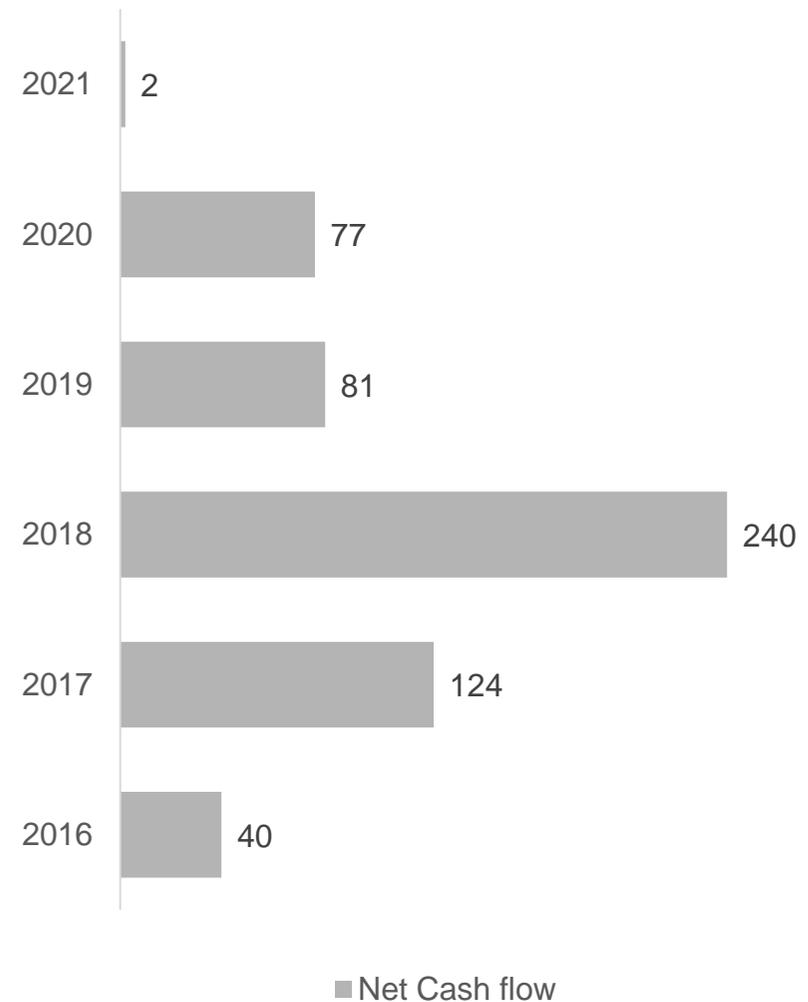
**FINANCIALS &
INVESTMENT RATIONALE**

Attractive margins and strong cash flows through the cycle

Sales, in EUR million / EBITDA margin, in %

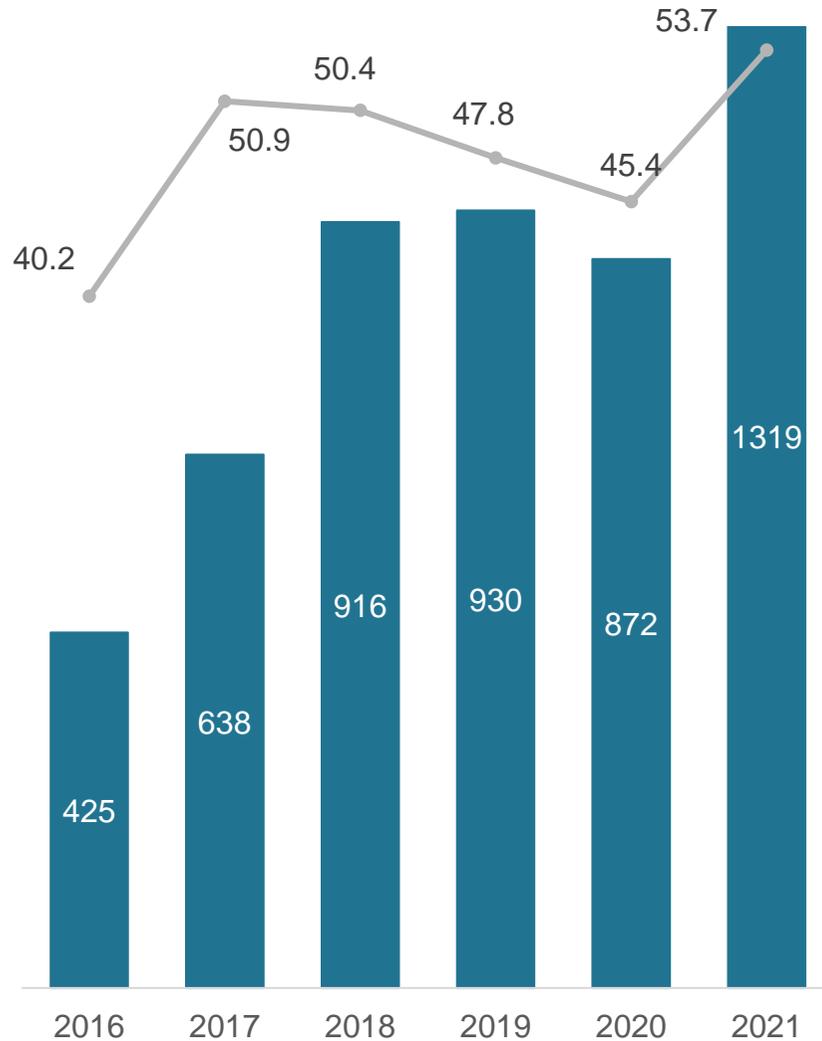


Net Cash flow, in EUR million

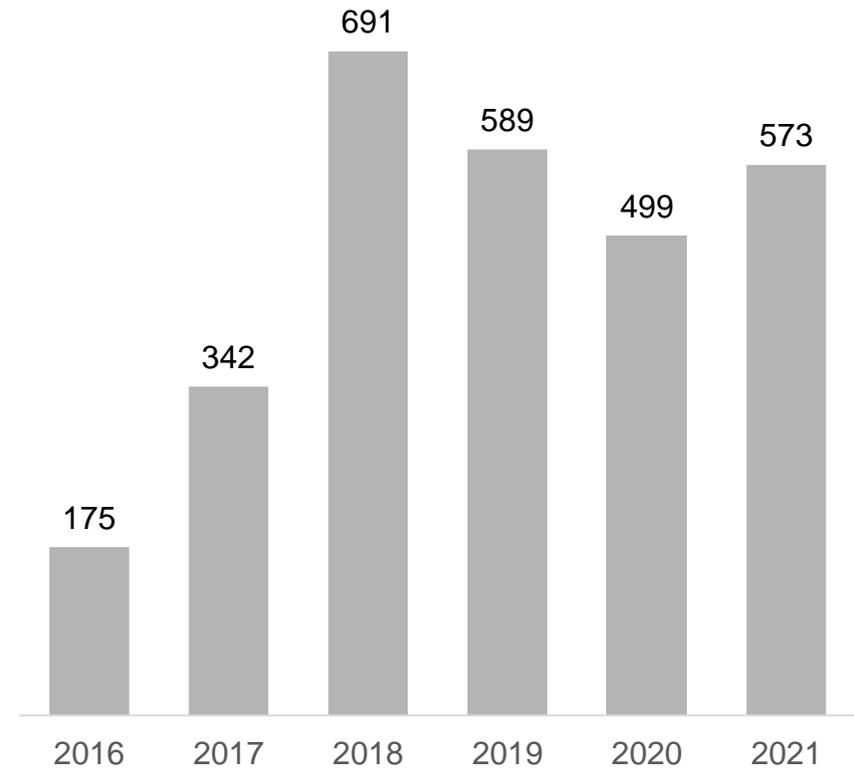


Strong equity ratio and solid net financial assets

Equity, in EUR m
Equity ratio, in %



Net financial assets,
in EUR m



Key investment highlights

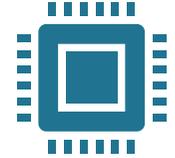
Market Position

- ▶ 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



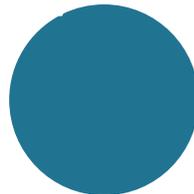
Financials

- ▶ Profitable sales increase and on-going efficiency improvement



Products

- ▶ High-quality wafers made of hyper pure silicon

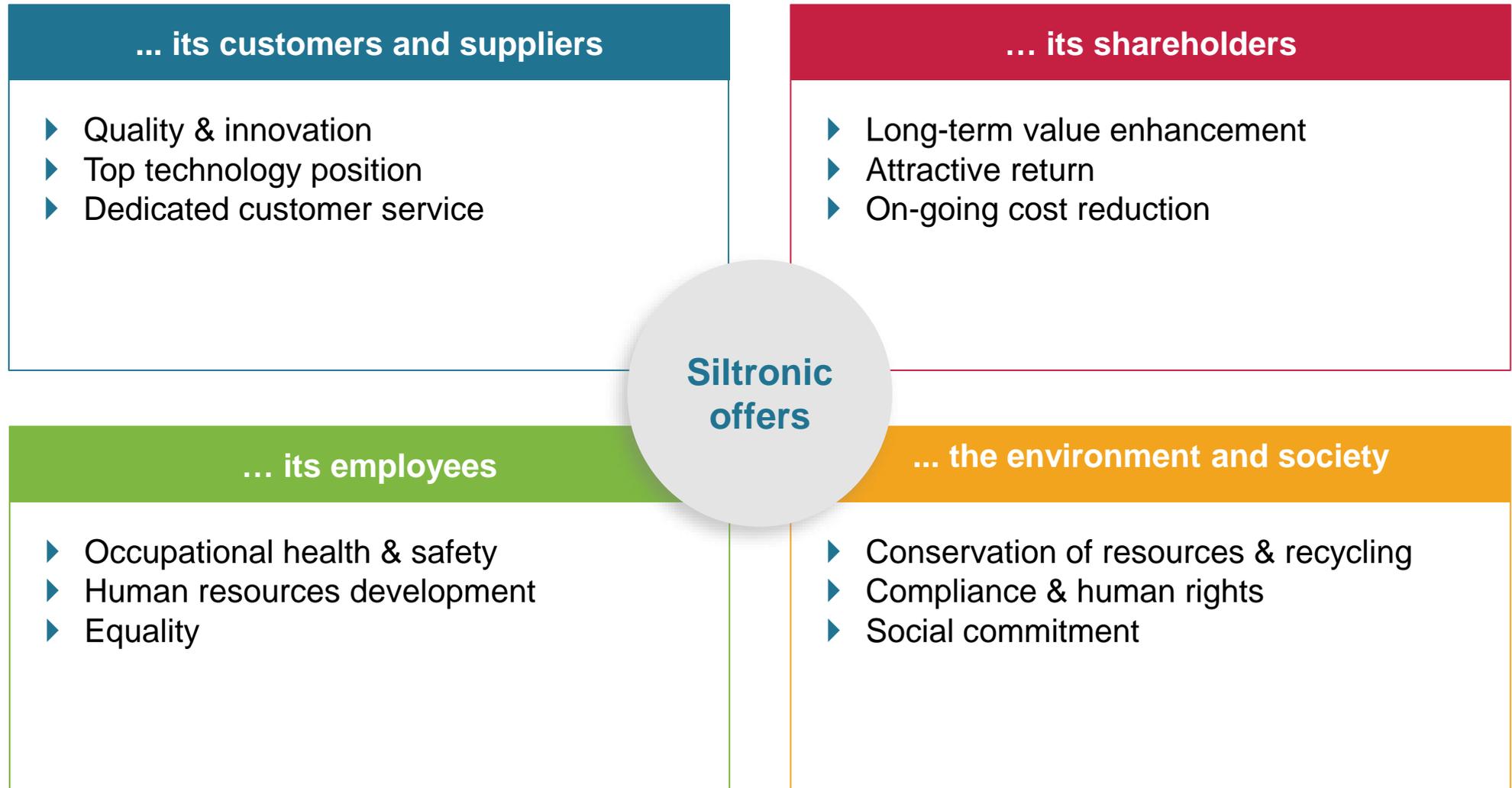


Management

- ▶ Experienced management team and highly skilled workforce



Creating value for all stakeholders





**SILTRONIC SHARE &
TENDER OFFER OF
GLOBALWAFERS**

Siltronic shares at a glance

Coverage

Broker	Analyst
Berenberg	Gustav Froberg
Citigroup	Amit Harchandani
Deutsche Bank	Rob Sanders
Jefferies	Constantin Hesse
Kepler Cheuvreux	Martin Jungfleisch
Stifel	Jürgen Wagner
Oddo BHF	Stephane Hourri
UBS	Francois-Xavier Bouvignies

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: SDAX, TecDAX

No. of shares: 30.000.000 (registered shares; one share = one vote)

Share price development since IPO

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

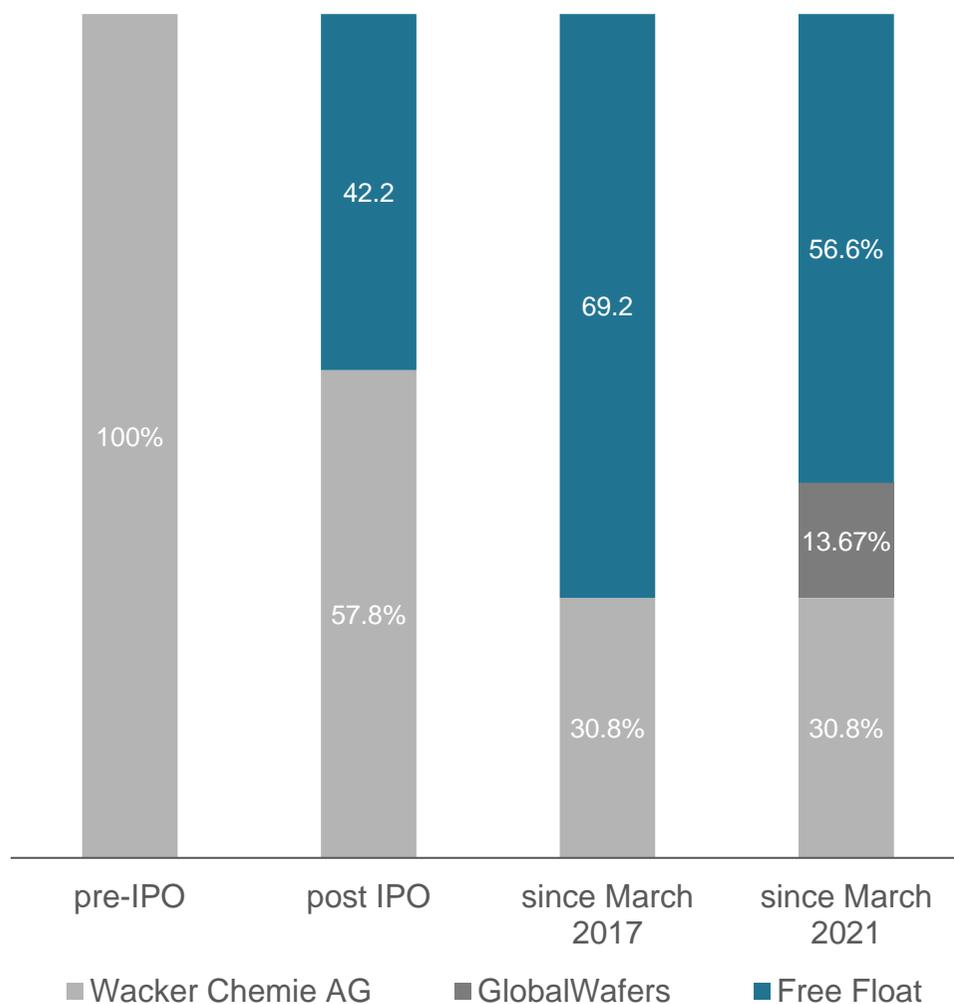


Dividend payment per share, in EUR



General dividend policy established in 2017:
payout ratio = around 40% of net income attributable to Siltronic shareholders

Shareholder structure



Significant notifications of voting rights (>3%) (as of December 31, 2021)

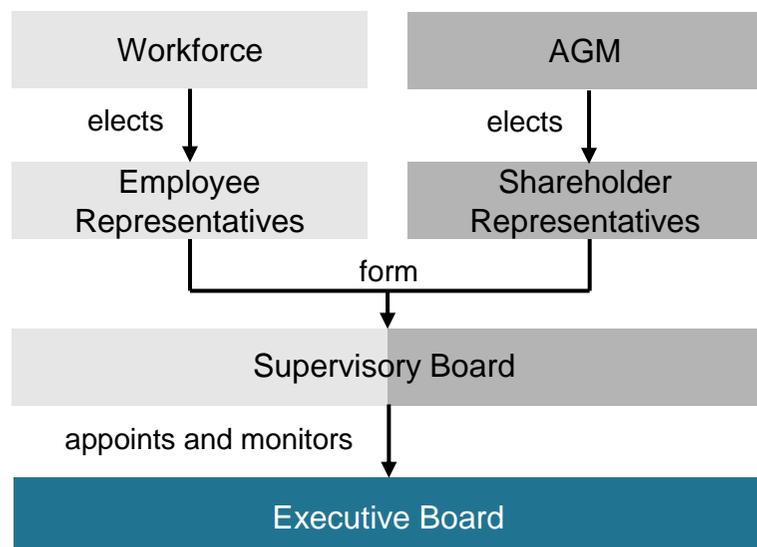
Wacker Chemie AG	30.83%
Sino-American Silicon Products	13.67%
Goldman Sachs	8.67%
JP Morgan Chase & Co.	6.50%
UBS Group AG	4.18%
Bank of America Corporation	4.07%
BlackRock	3.85%
Alex Litowitz (Magnetar)	3.85%
Morgan Stanley	3.57%



**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 Executive 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 Partner 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 Siltronic AG General Works Council of Siltronic AG</p> <p><i>Since 2003 (Chair since 2022) until 2023</i></p> <p><i>Conciliation Committee, Executive Committee</i></p>	<p>Volker Stapfer Deputy chairman of General Works Council of Siltronic AG</p> <p><i>Since 2016 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 Mining, Chemical and Energy Industrial Union (IG BCE), Union Pay Policies Department</p> <p><i>Since 2021 until 2023</i></p>	<p>Markus Hautmann District Manager of Mining, Chemical and Energy Industrial Union (IG BCE) Altötting</p> <p><i>Since 2021 until 2023</i></p>

Highly experienced Executive Board

Dr. Christoph von Plotho CEO

Born:
October 16, 1955, Beuel/Bonn
German

Professional Career

Since October 2010:
Siltronic AG Executive Board Chair
Appointed until December 31, 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 at 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



Rainer Irle CFO

Born:
March 17, 1970, Bergneustadt
German

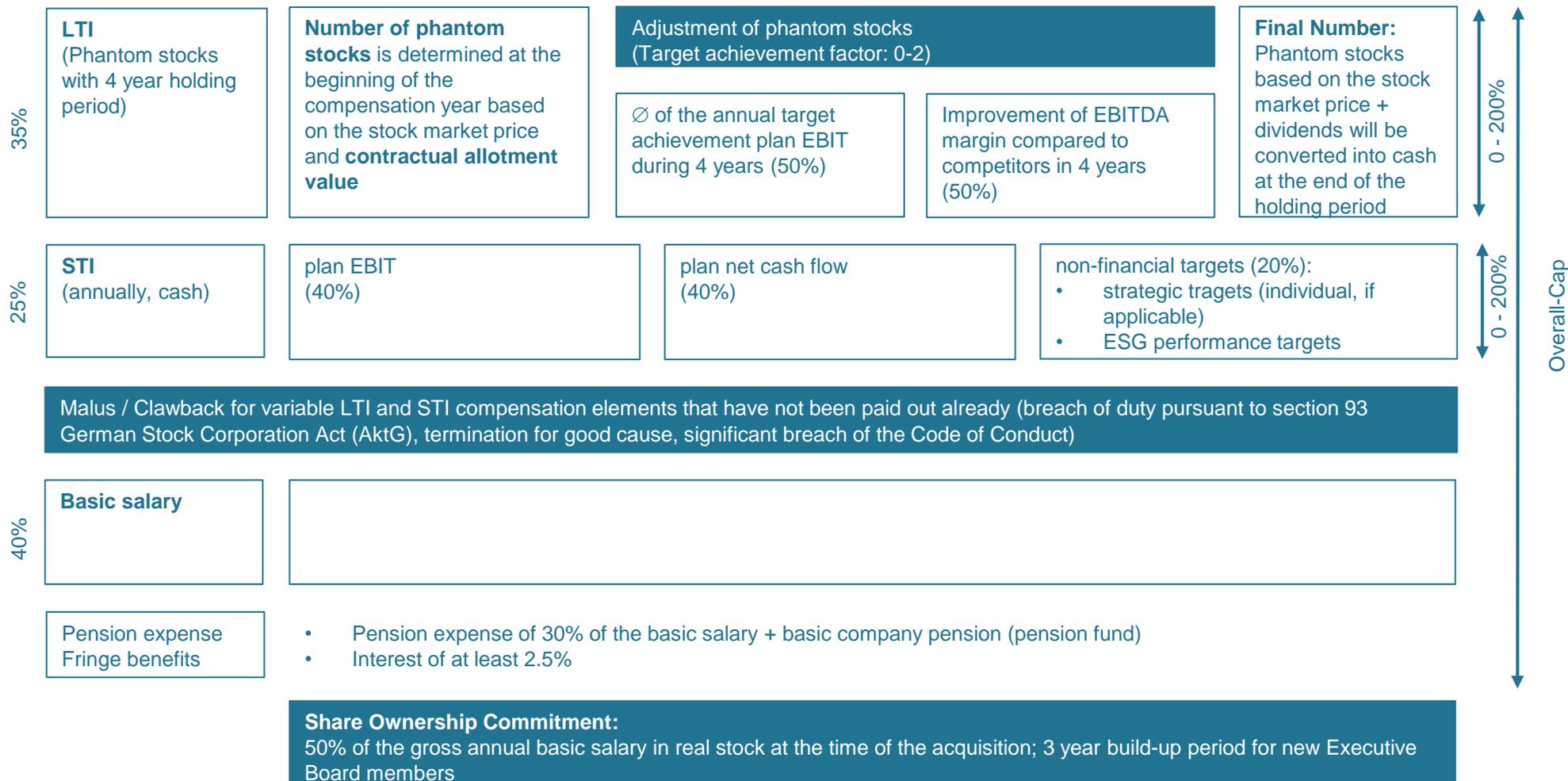
Professional Career

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

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

Compensation system of Executive Board has received high approval from shareholder with 98.8% majority in AGM 2020



Contact and Additional Information

Issuer and Contact

Siltronic AG
Einsteinstraße 172
D-81677 München

Investor Relations:

email: investor.relations@siltronic.com

Additional Information

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

Financial Calendar 2022

Annual General Meeting	May 5, 2022
Q1 Quarterly Statement	May 10, 2022
Q2 Interim Report	July 29, 2022
Q3 Quarterly Statement	October 28, 2022



Disclaimer

The information contained in this presentation is for background purposes only and is subject to amendment, revision and updating. Certain statements contained in this presentation may be statements of future expectations, future financial performance and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. In addition to statements which are forward-looking by reason of context, including without limitation, statements referring to risk limitations, operational profitability, financial strength, performance targets, profitable growth opportunities and risk adequate pricing, words such as "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "continue", "projects" or "seeks", "potential", "future", or "further" and similar expressions may identify forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changing business or other market conditions, currency and interest fluctuations, introduction of competitive products, poor acceptance of new products and services, change of the corporate strategy and the prospects for growth anticipated by the management. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Siltronic AG does not undertake and does not intend to undertake any obligation to update or revise any statements contained in this presentation, whether as a result of new information, future events or otherwise. In particular, you should not place any reliance on forward-looking statements which speak only as of the date of this presentation.

SILTRONIC AG |

Einsteinstraße 172
81677 Munich