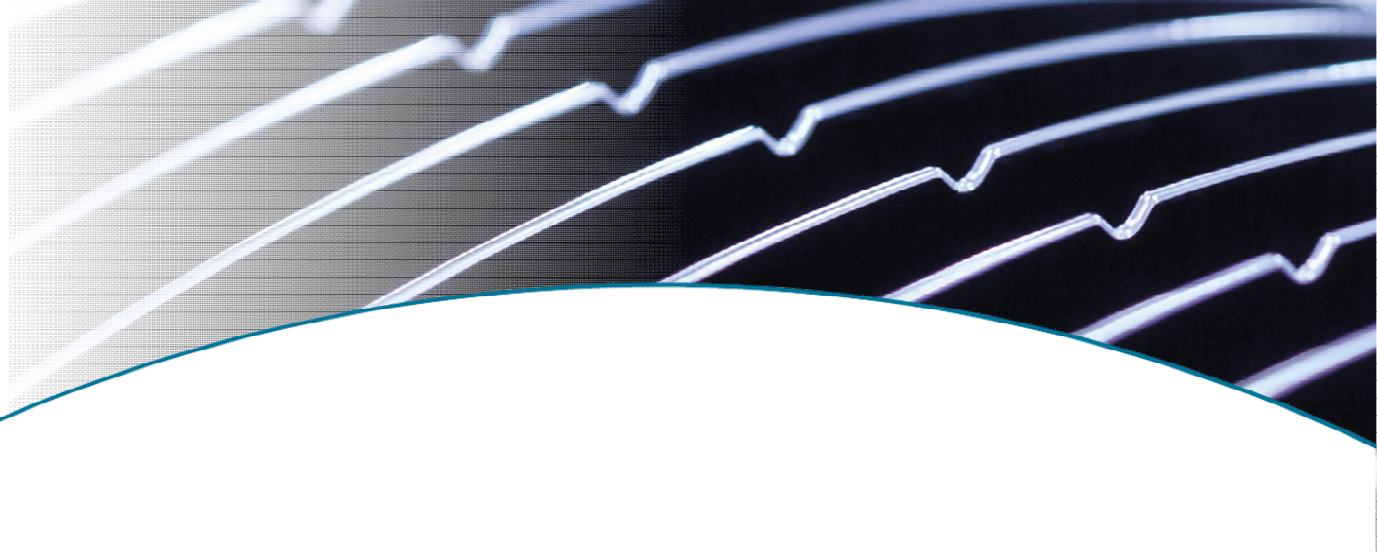

Siltronic – a leading producer of silicon wafers

Factbook

Investor Relations

June 2019

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BUSINESS ENVIRONMENT

…operating in a challenging market environment…

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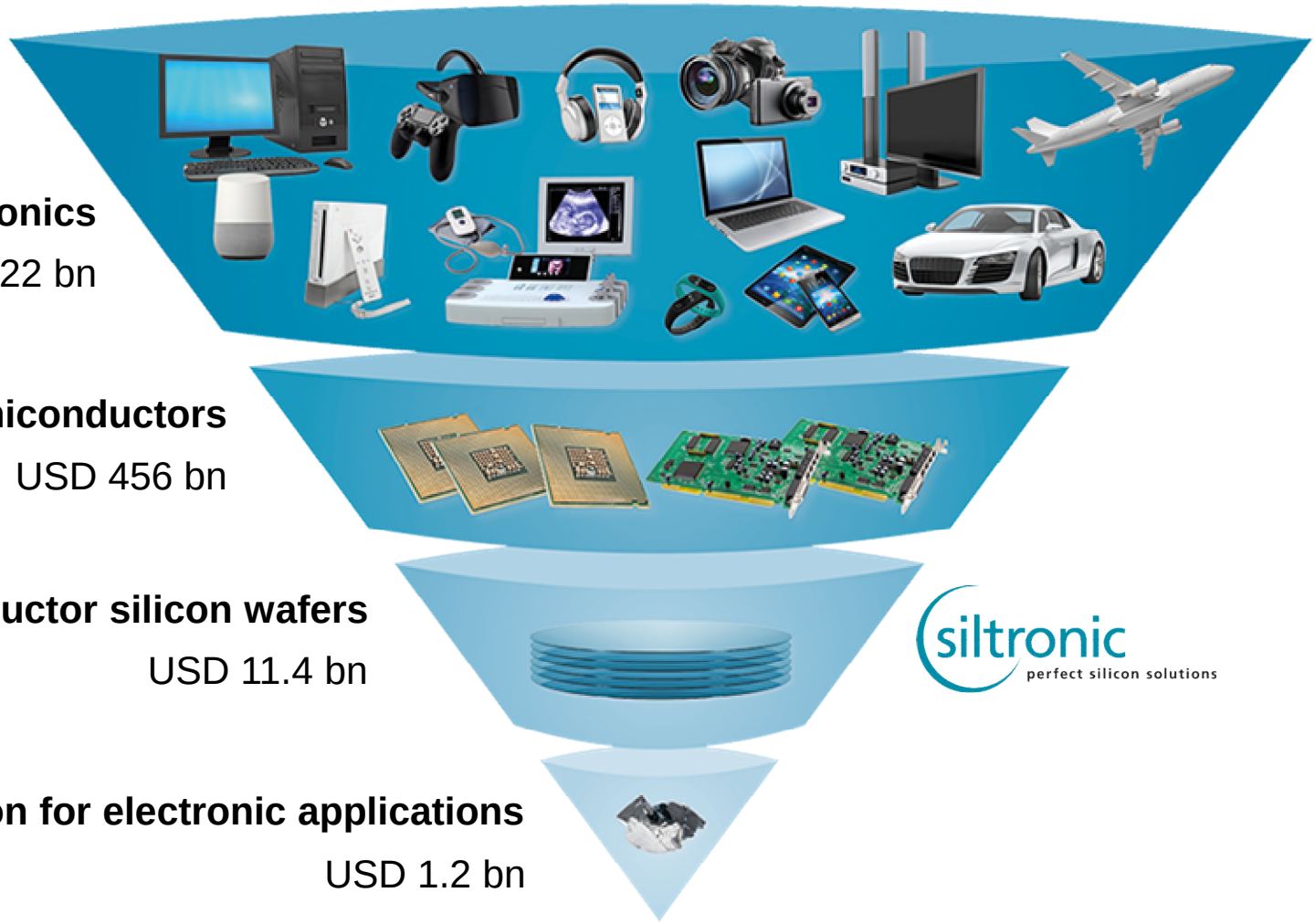
Increasing demand for electronic devices and new applications drive semiconductor growth, which in turn fuels silicon demand

Electronics Value Chain 2018



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

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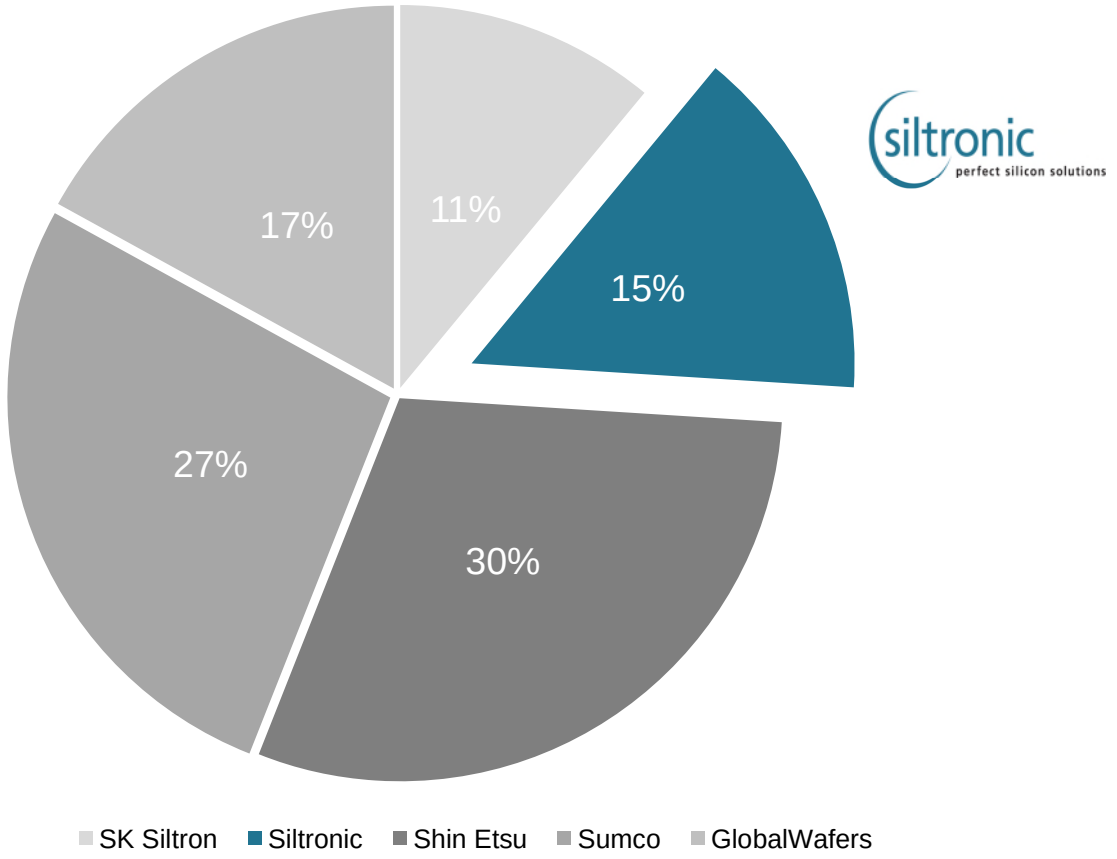
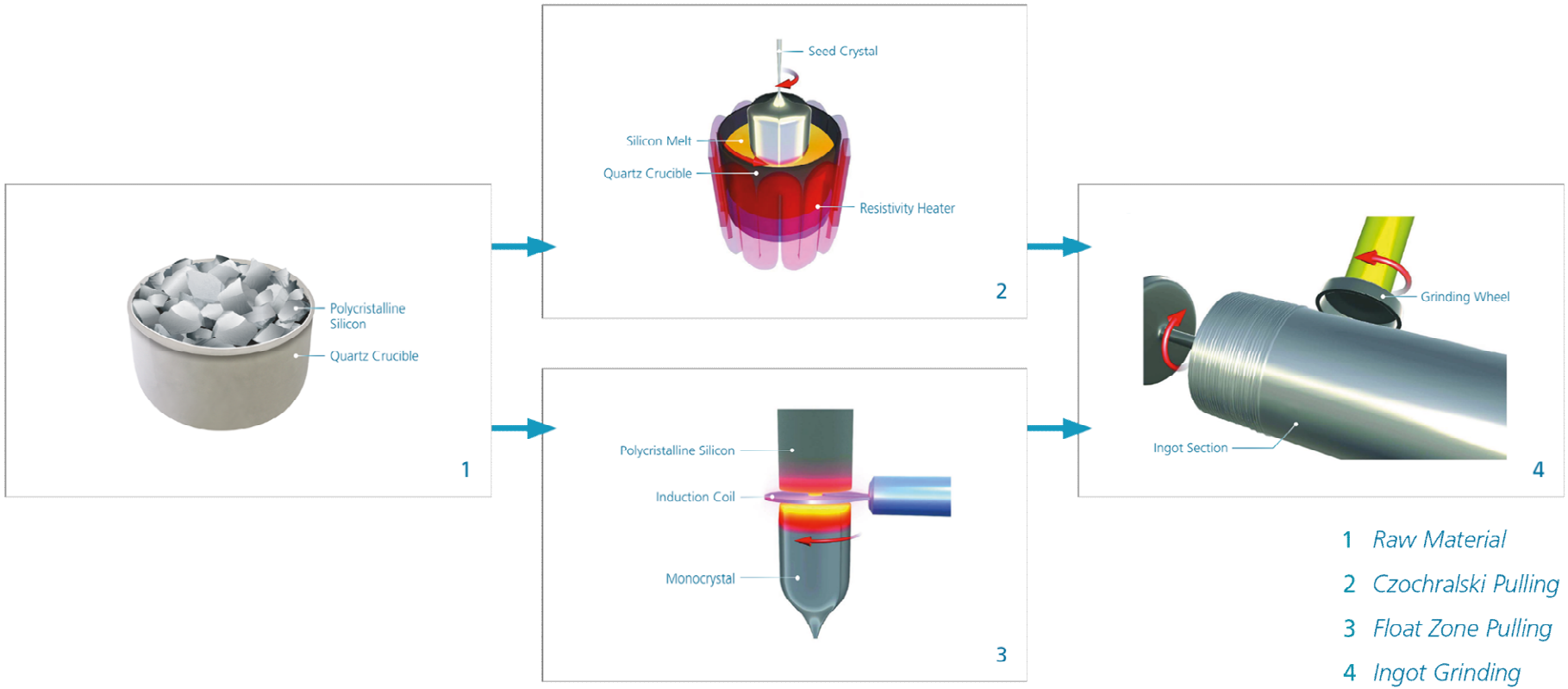
Siltronic is a strong wafer supplier with leading-edge technology

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



Sources: reported company revenues Q1-Q3 2018, converted to USD million

Production process - ingot growing



1 *Raw Material*
2 *Czochralski Pulling*
3 *Float Zone Pulling*
4 *Ingot Grinding*

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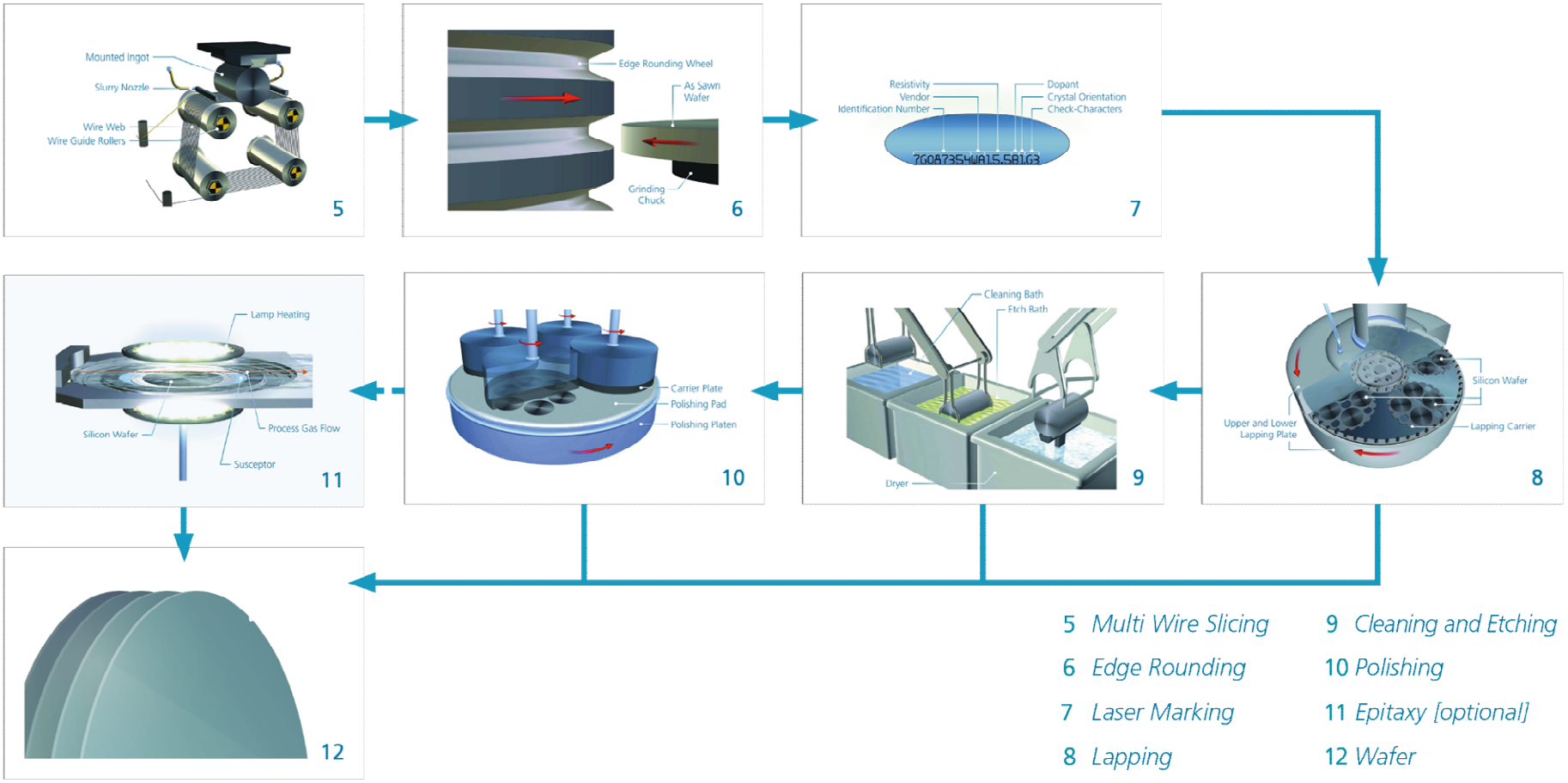
Production process - wafering



5 *Multi Wire Slicing*
6 *Edge Rounding*
7 *Laser Marking*
8 *Lapping*
9 *Cleaning and Etching*
10 *Polishing*
11 *Epitaxy [optional]*
12 *Wafer*

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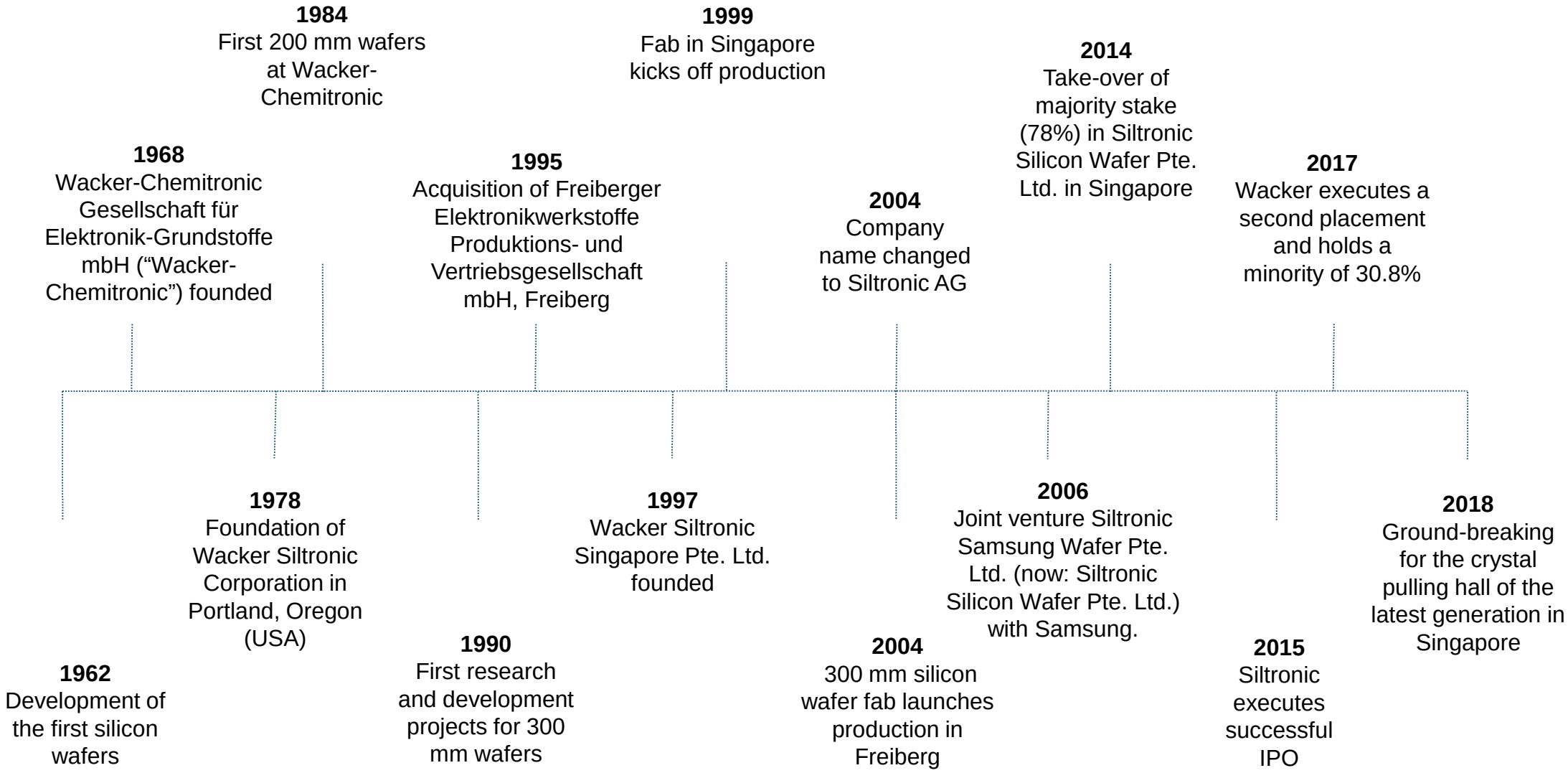
Siltronic – More than 50 years of experience in the semiconductor industry

Highlights of the history of Siltronic AG



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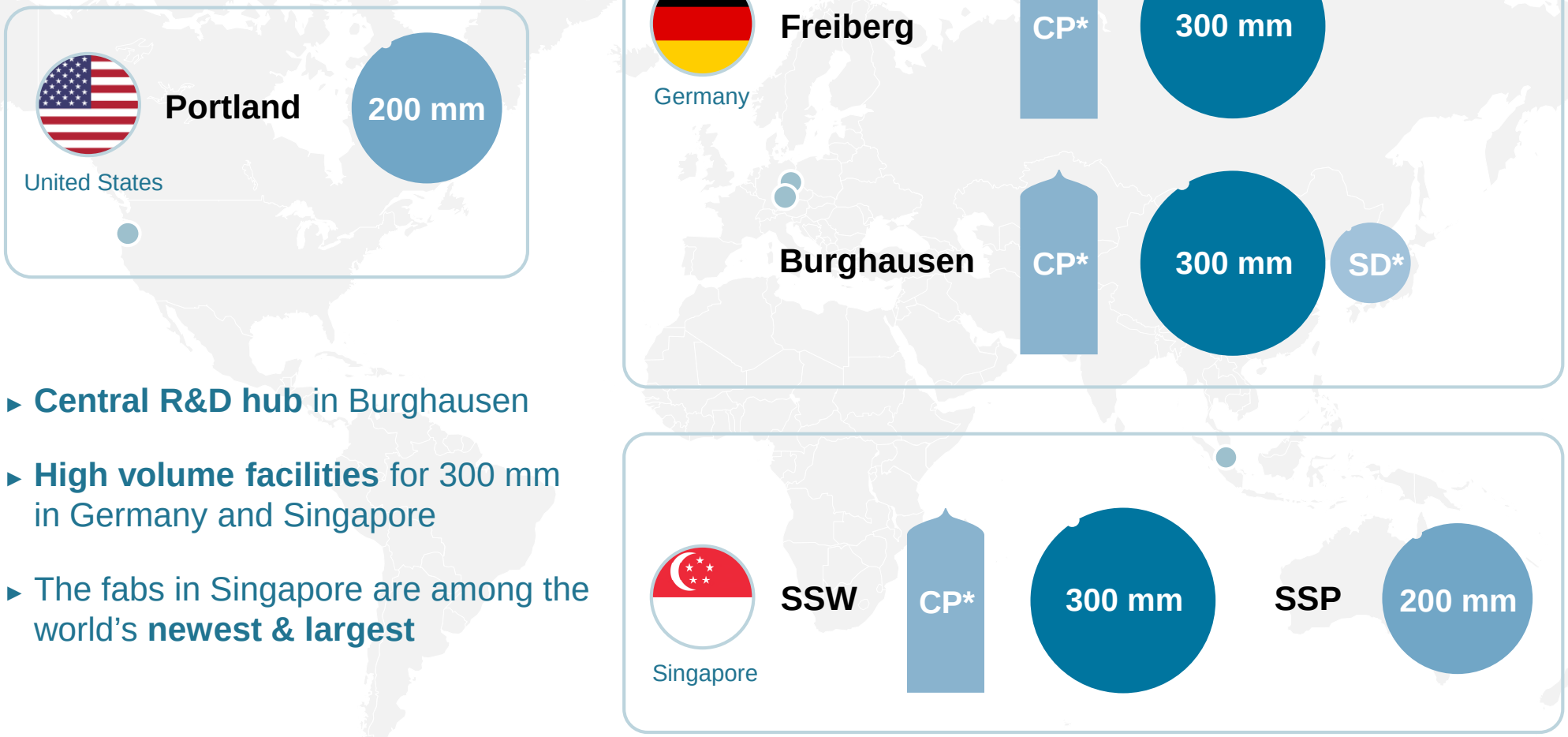
International manufacturing network supports market leadership and business focus



- **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

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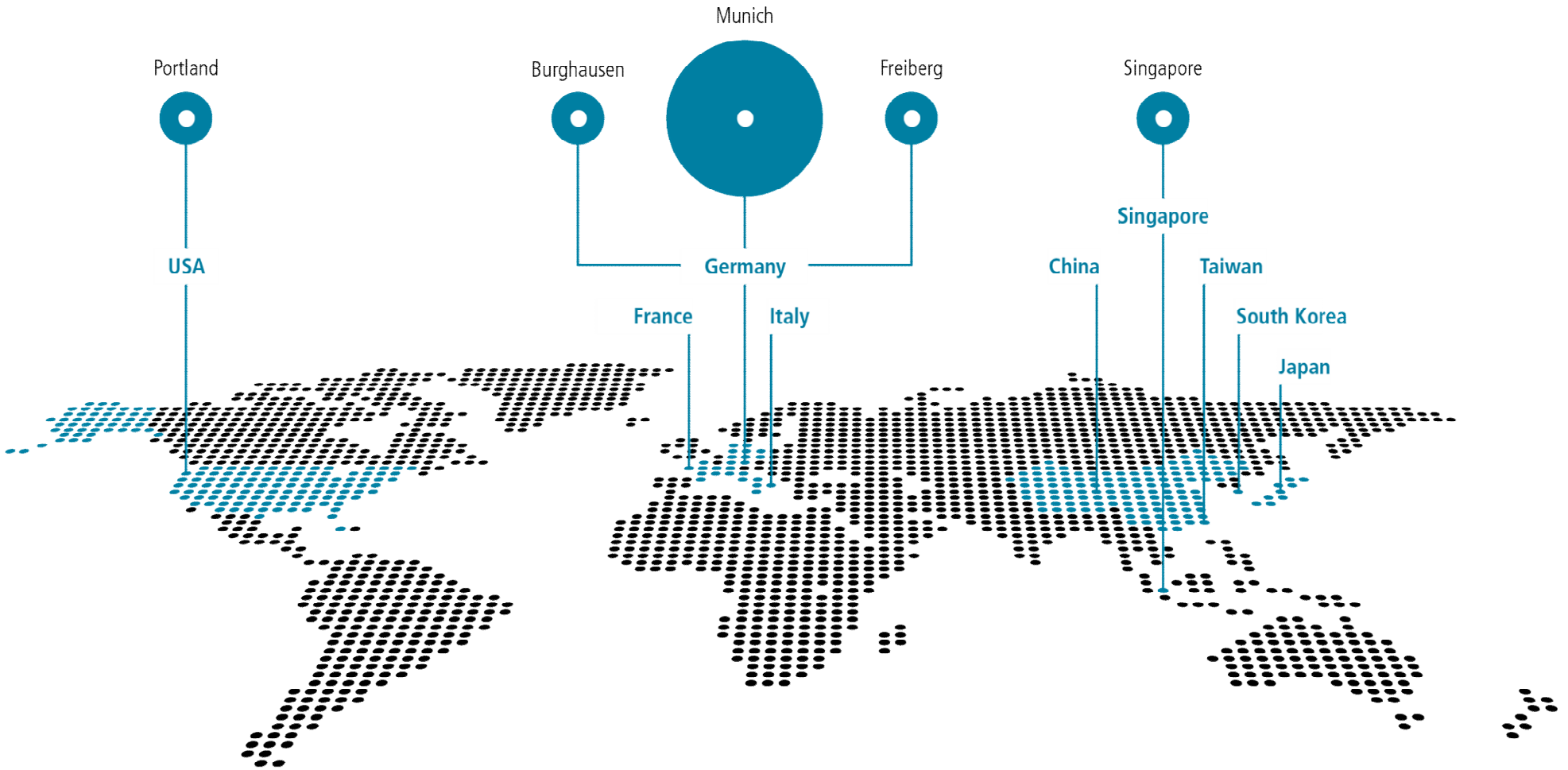
Global network for customer-oriented service

Siltronic production and sales locations



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Customer base well diversified across all major semiconductor silicon wafer consumers

Siltronic is a supplier to all top 20 Silicon wafer consumers

GLOBALFOUNDRIES, TOWERJAZZ, infineon, intel, Micron, NXP, ON Semiconductor, Powerchip 力晶科技, RENESAS, ROHM SEMICONDUCTOR, SAMSUNG, SK hynix, SMIC, SONY, life.augmented, Texas Instruments, TOSHIBA, tsmc, UMC, EPISIL

Siltronic **well positioned at all major** Silicon **consumers**

Top 10 customers represent **~75%** of 2018 **revenues**

Source: Company Information, Siltronic

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SILTRONIC - AN INDUSTRY TECHNOLOGY LEADER

…Technological leadership - a constant race for improvement…

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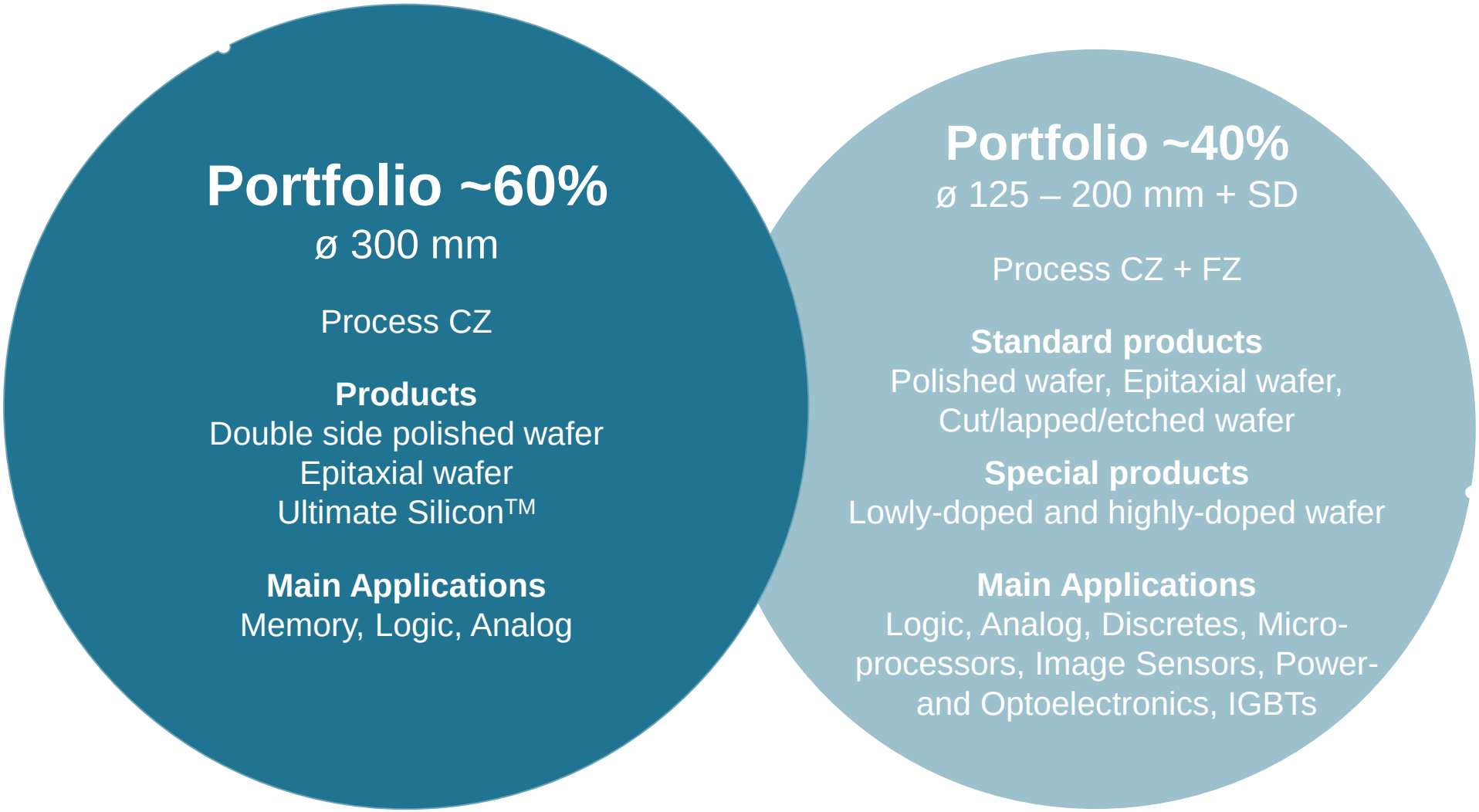
Siltronic offers a broad product portfolio



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

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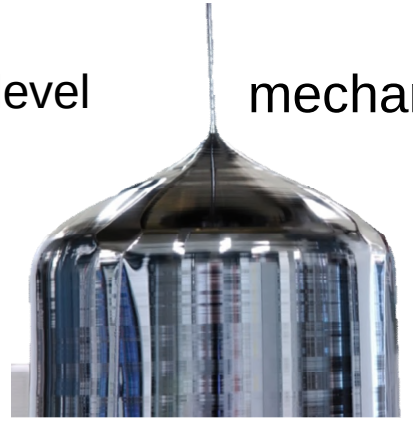
The flatness of the wafer - just one of many requirements of our customers

Ingot

doping level

mechanical stability



purity

resistivity

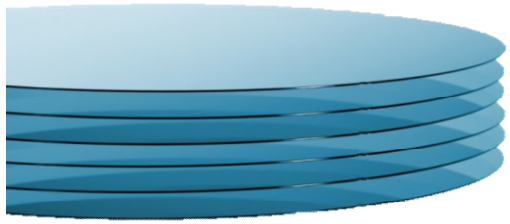
oxygen content

homogeneity

Wafer

flatness

edge flatness

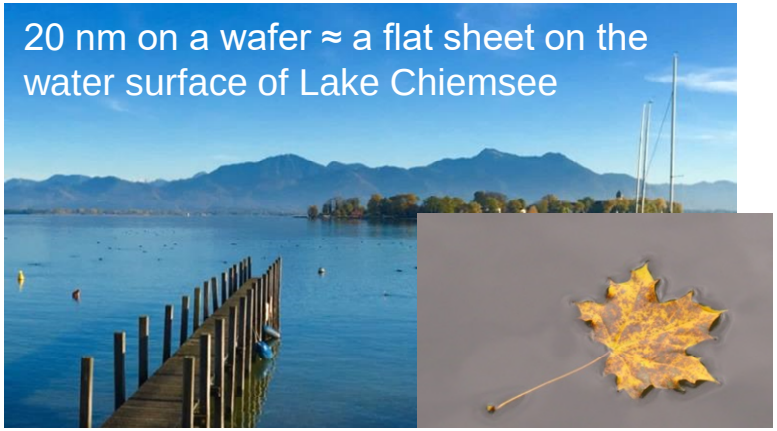


uniformity

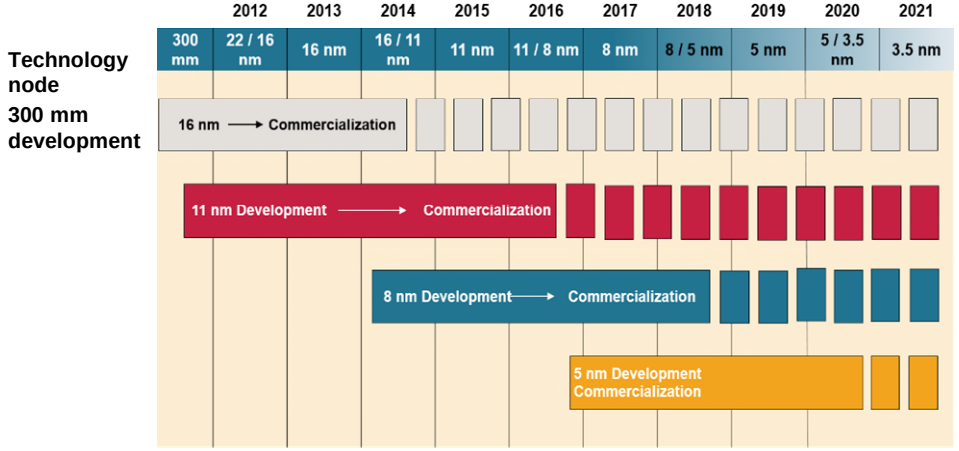
surface cleanliness

shape

How flat are 20 nanometers?



Siltronics Design Rule Roadmap



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Siltronic is a leader in wafer technology and quality

Technology leadership complemented with the highest level of quality

- First supplier to ship 300 mm wafers
- Development of 8 nm design rule started in 2013 (commercialization 2017)
- Concurrently optimizing on 50+ wafer parameters of each design rule
- >400 engineers worldwide
- Approximately 1,770 patents issued and pending (as of Dec. 31, 2018)
- Single wafer traceability for 300 mm
- Standardized processes across sites enabling “copy exactly” at product level

- Quality awards from several top semiconductor players

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SILTRONIC PERFORMANCE

…well prepared to gain from future growth…

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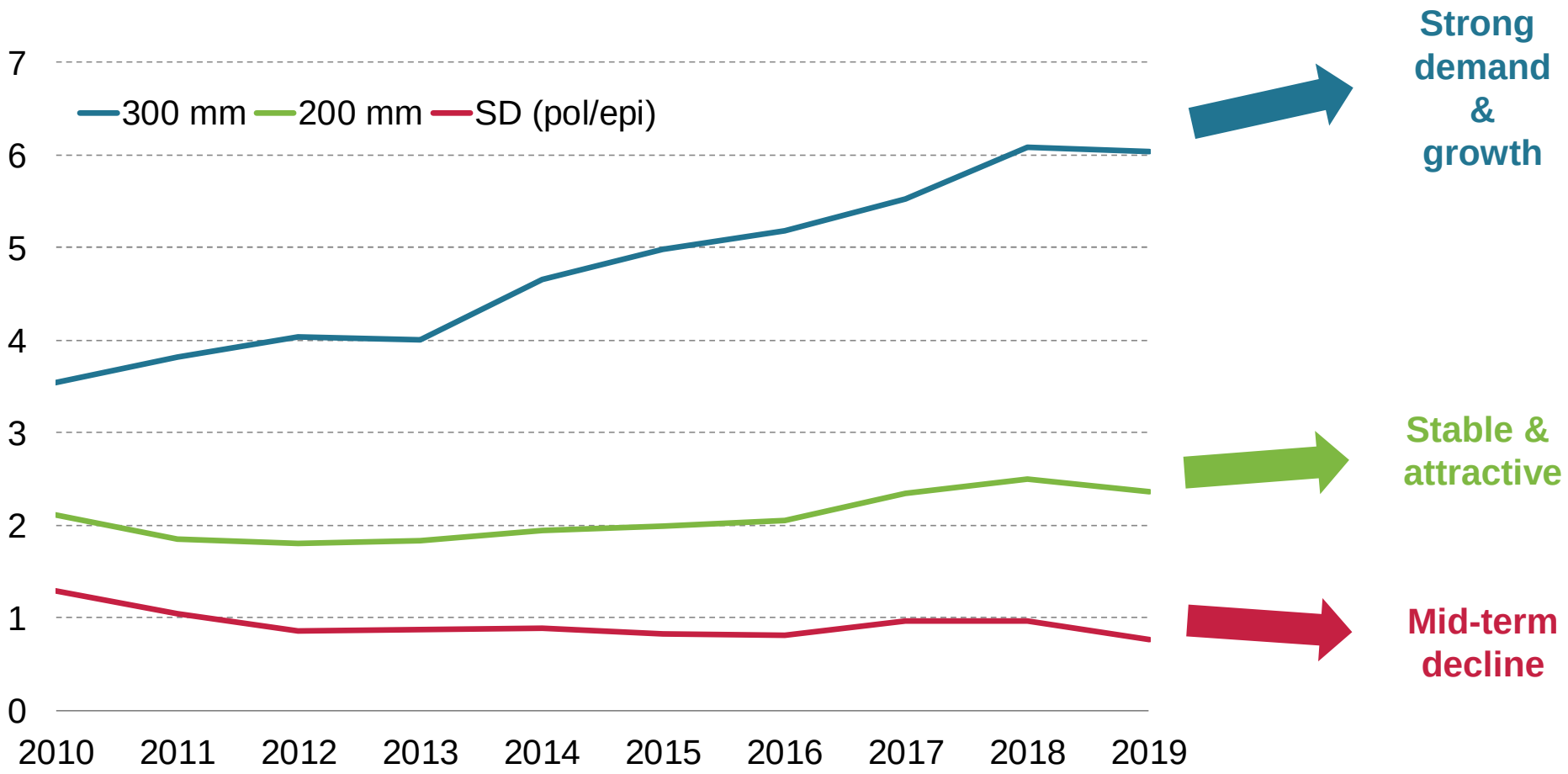
Siltronic is focused on growing 300 mm and attractive 200 mm business

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



Source: SEMI up to Mar 2019

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

Electronic equipment contains multiple devices built on tailormade Si substrates

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END MARKETS

… are much more diverse nowadays…

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All electronics are based on silicon

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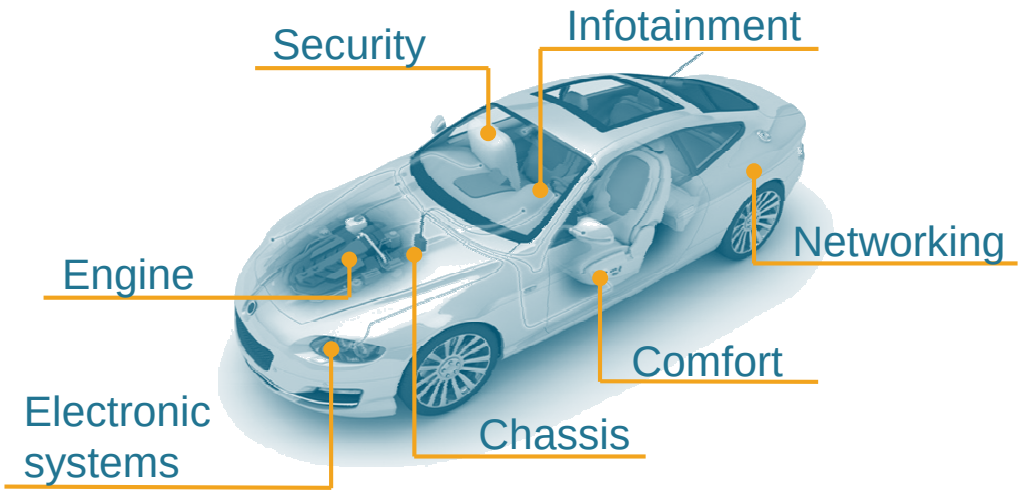
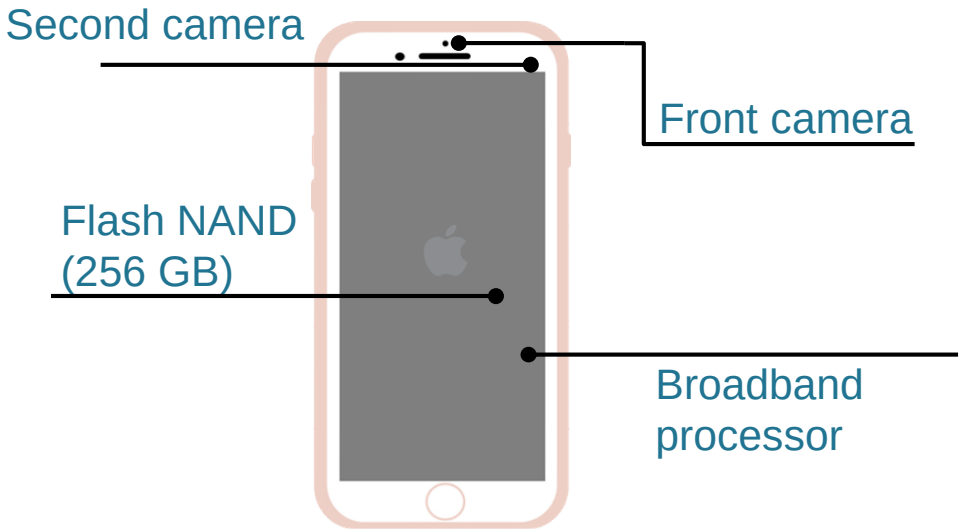
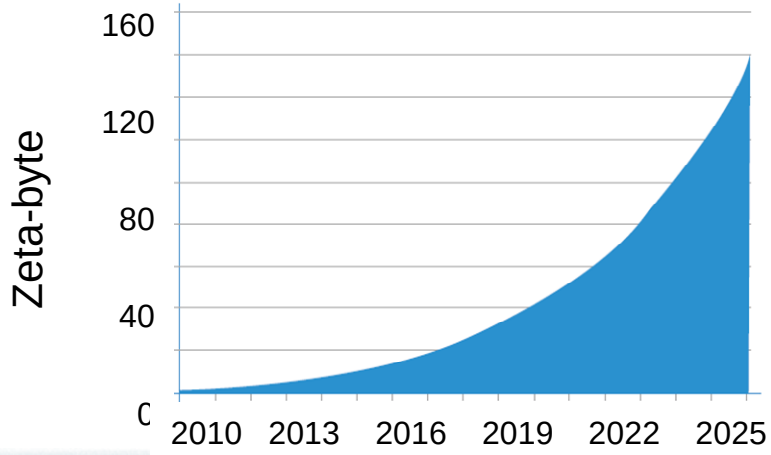
Data storage, networking and digitalization





7 billion networked devices will collect around 60 ZB of data in 2021



Source: CISCO VNI Forecast, IDC Data Age 2025; Siltronic estimates

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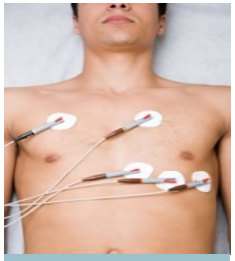
Industrial semiconductor segment comprises a wide range of applications



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

Source: appliedmaterials.com

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STAKEHOLDERS‘ BENEFITS

…shareholders to benefit from improved financials…

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Financials improved strongly over the last years

Adjusted[1] financial figures (EUR million)	2014	2015	2016	2017	2018
Sales	853.4	931.3	933.4	1,177.3	1,457.7
EBIT	(31.6)	2.7	27.0	235.7	497.7
EBIT margin in %	(3.7)	0.3	2.9	20.0	34.2
EBITDA	117.7	124.0	146.0	353.1	589.3
EBITDA margin in %	13.8	13.3	15.6	30.0	40.5
Earnings per share	(0.64)	(0.50)	0.40	6.18	12.44
CapEx	40.7	75.0	88.8	123.2	256.9
Free cash flow [2]	86.3	37.4	19.0	169.6	-
Net cash flow [2]	-	-	39.6	124.8	240.4

1 Figures 2014 adjusted for consolidation effects resulting from acquisition of SSW and restructuring.
2 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.

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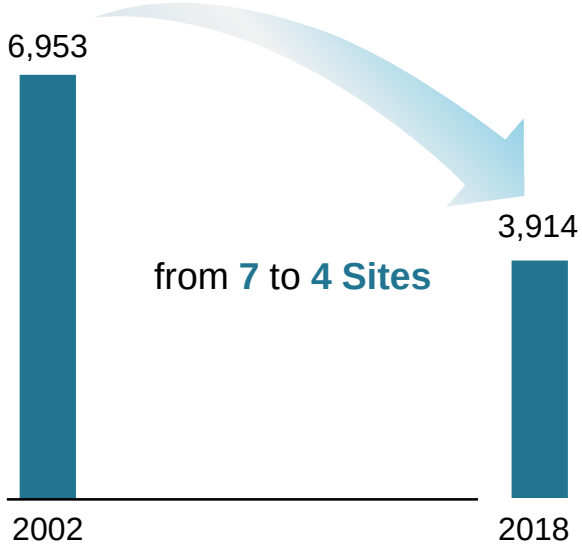
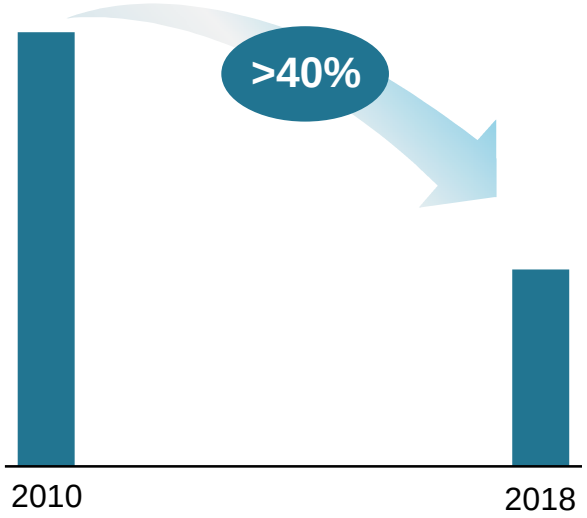
Outstanding cost reduction and efficiency improvement track record

Number of employees



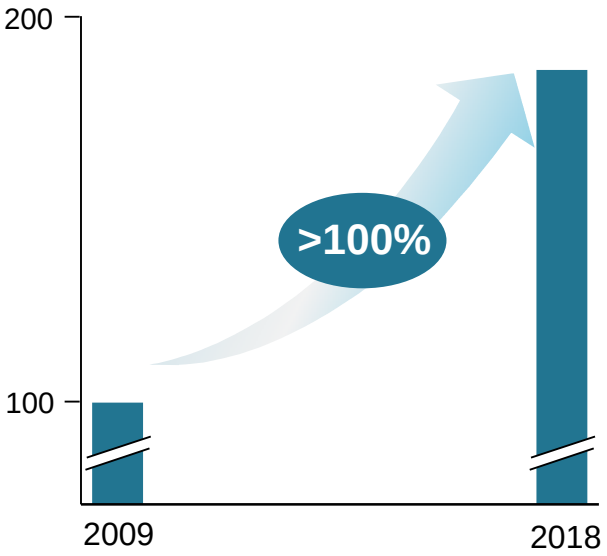
Successful restructuring including Germany

Variable costs of 300 mm wafer (Germany), in EUR / Wafer



More than 40% reduction of the variable unit costs in 300 mm wafer

300 mm Productivity[1] (Germany)



Almost 100% increase of employee productivity in 300 mm wafer

[1] Delivered wafer / paid hours (2009 = 100)

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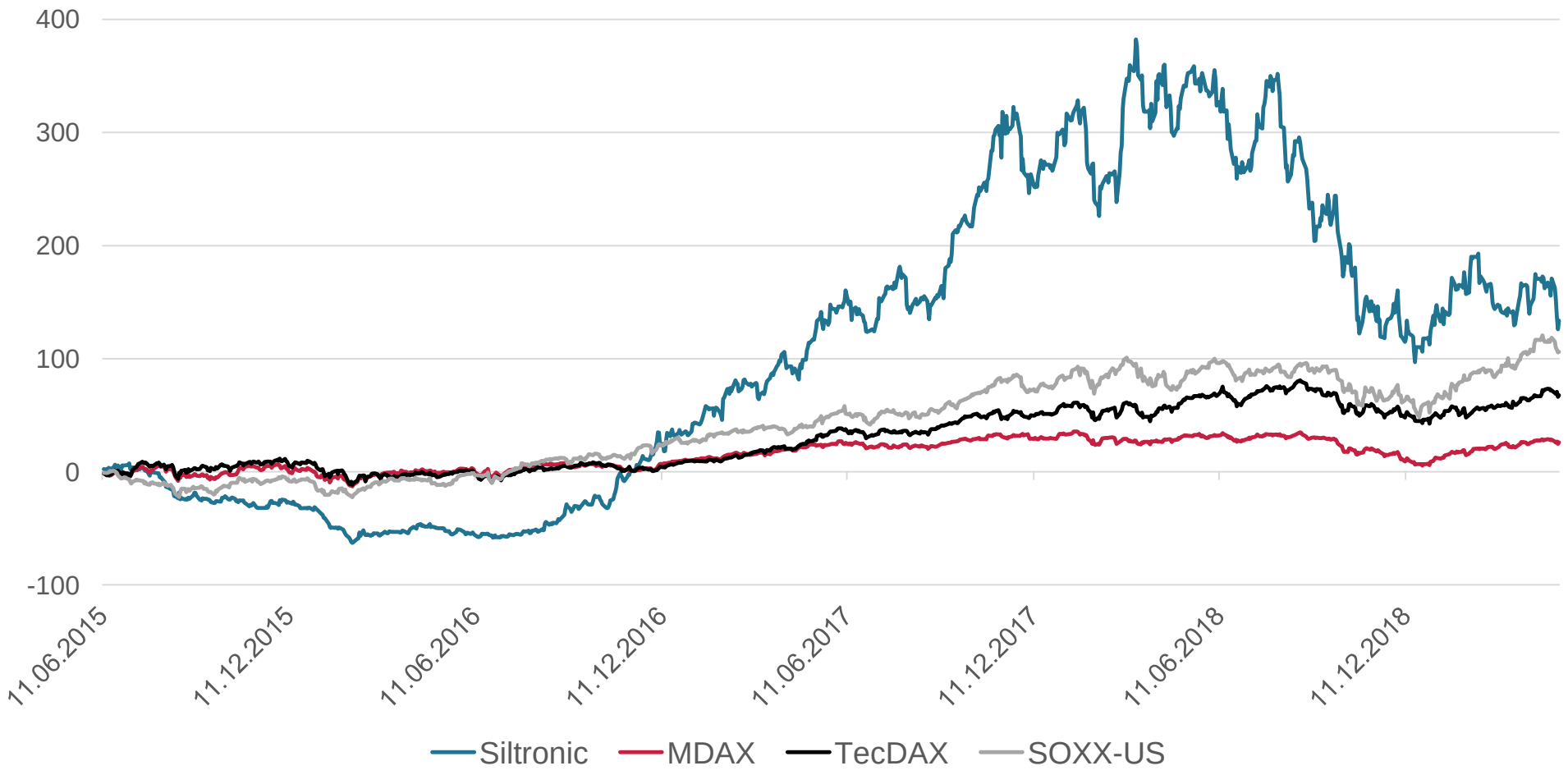
Siltronic outperformed indices since IPO

Siltronic share price vs. indices since IPO, in %



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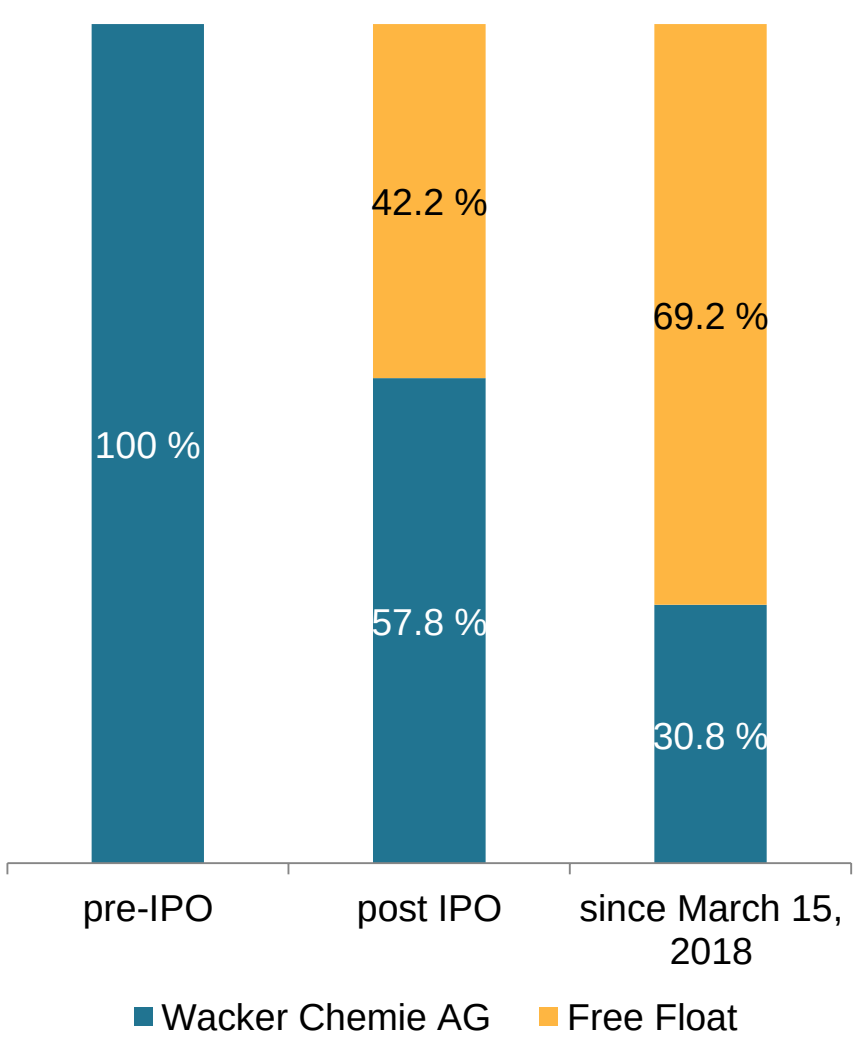
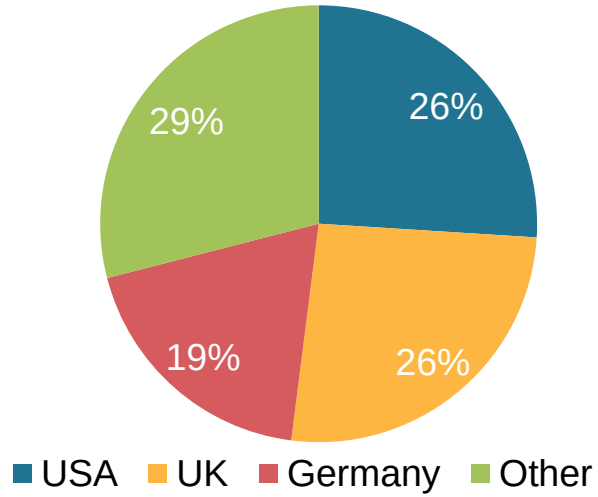
Shareholder structure



Identified free float by region

(State: December 31, 2018)



Significant notifications of voting rights

(State: March 31, 2019)

BlackRock, Inc.	4.59 %
State of Norway	4.93 %
Morgan Stanley	3.20 %
J.P.Morgan	3.27 %

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Investment Highlights – Siltronic Strengths

Market position	– Strong market position in the semiconductor and wafer industry
Strategy	– Technology and quality leadership
Customers	– Supplier to all top 20 silicon wafer consumers
Financials	– Profitable sales increase and on-going efficiency improvement
Products	– High-quality wafers made of hyperpure silicon
Management	– Experienced management team and highly skilled workforce

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STRATEGY

…no change in our proven strategy while enjoying improving returns…

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

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.

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SUSTAINABILITY

…We plan resource-saving right from the start, based on product and production safety as well as health and environmental protection…

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Clear commitment to sustainability

Sustainability at Siltronic AG

- **Claim**: We understand sustainability as responsible action for society and want to generate competitive advantages through sustainable action.
- **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 Sustainable Development Goals, the United Nations Global Compact, and the Responsible Care and Responsible Business Alliance initiative.
- **Goal:** We want to reconcile the effects of our business activities with the expectations and needs of society.

Investor-Rating: Since 2018, we have been analyzed by ISS-oekom, one of the world's leading rating agencies for sustainable investments, and assessed with regard to the ESG criteria (Environment, Social, Governance). Right from the start, we were awarded ‘Prime’ status for our sustainability activities.

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Environment - Efficiency as a success factor

Selection of non-financial performance indicators in 2018

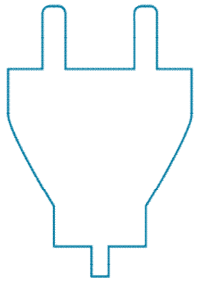
Raw Material

Silicon yield improved by

1%

vs. 2017

Energy

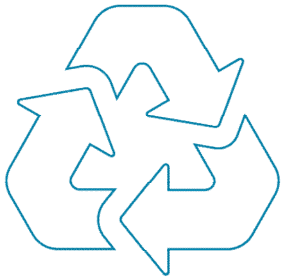


Energy consumption per wafer area decreased by

3 %

vs. 2017

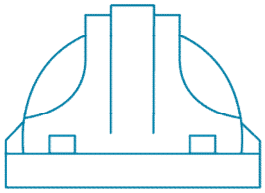
Recycling



The share of returnable packaging per wafer area was

32 %

Occupational Safety



The number of accidents at work per 1 million hours worked was

1.9

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Creating value for key stakeholders

… its customers and suppliers

- Quality & innovation
- Technology leadership
- Customer service

… its shareholders

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

Siltronic offers …

… its employees

- Occupational safety & health protection
- Personnel development & satisfaction
- Diversity & equal treatment

… society

- Conservation of resources & recycling
- Compliance & human rights
- Social commitment

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Contact and additional information

Issuer and contact

Siltronic AG
Hanns-Seidel-Platz 4
D-81737 Munich

Investor Relations:
Petra Mueller
email: petra.mueller@siltronic.com
Tel. +49 89 8564-3133

Additional information

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

Financial calendar

Half Year Report	July 25, 2019
Q3 Quarterly Statement	October 24, 2019

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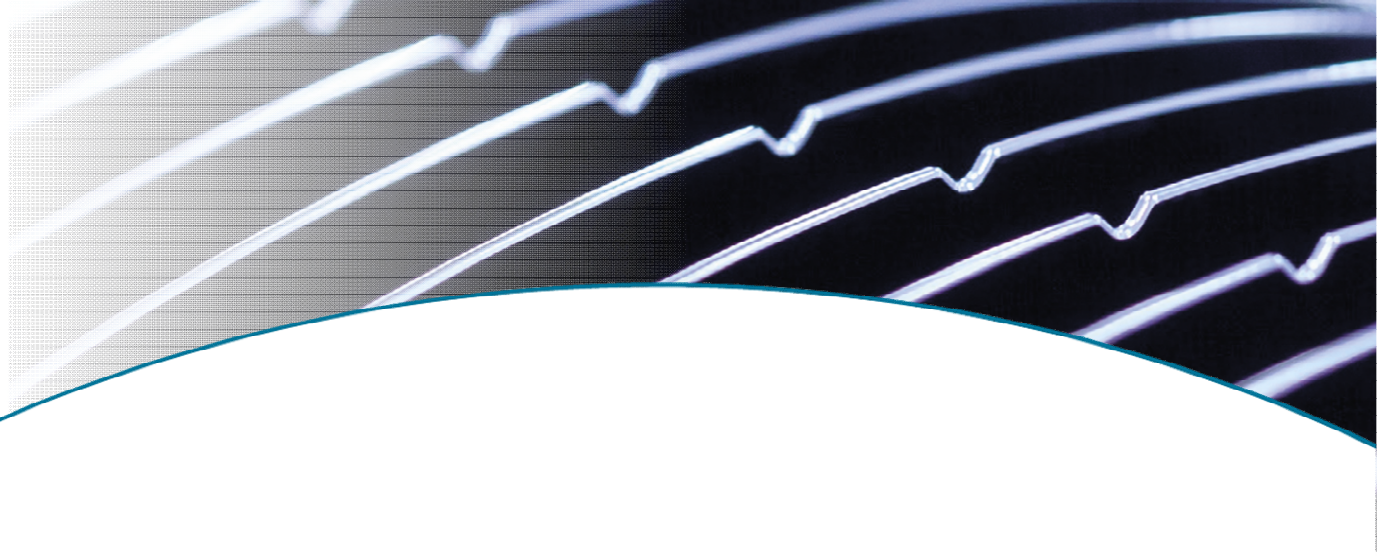

SILTRONIC AG

Hanns-Seidel-Platz 4
81737 Munich
Germany

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