



## Press release

Siltronic AG

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### **Siltronic with strong Q3 2021**

- **Further increase in wafer area sold, fully loaded in all areas**
- **Sales of EUR 371.6 million, 9 percent above Q2 2021**
- **EBITDA of EUR 122.9 million, 14 percent above Q2 2021 (EBITDA margin 33.1 percent)**
- **Net cash flow of EUR 70.1 million**
- **Forecast for 2021 sales and EBITDA margin substantiated**

**Munich, Germany, October 26, 2021** - The business performance of Siltronic AG (SDAX/TecDAX: WAF) continued to improve in Q3. Wafer area sold exceeded the already high level of Q2 2021, with sales rising by 8.9 percent to EUR 371.6 million compared to Q2 2021. Sales in the 9-month period from January to September 2021 increased significantly by a good 11 percent compared to the prior year.

"The growth in wafer area in 2021 is exceptional. On the one hand, we see catch-up effects from 2020 and, at the same time, high investments in digitization. In addition, our market share is slightly increasing," said Dr. Christoph von Plotho, CEO of Siltronic AG.

## Business Development in Q3 2021

		Q3 2021	Q2 2021	Q3 2020	Change		Q1-Q3 2021	Q1-Q3 2020	Change
					Q3 to Q2	Q3 to Q3			
Sales	In EUR million	371.6	341.1	299.2	30.5	72.4	1,028.8	922.5	106.3
	in %				8.9	24.2			11.5
Cost of sales	In EUR million	-252.6	-235.9	-221.0	-16.7	-31.6	-716.0	-655.8	-60.2
	in %				7.1	14.3			9.2
<b>Gross profit</b>	<b>In EUR million</b>	<b>119.0</b>	<b>105.2</b>	<b>78.2</b>	<b>13.8</b>	<b>40.8</b>	<b>312.8</b>	<b>266.7</b>	<b>46.1</b>
	<b>in %</b>				<b>13.1</b>	<b>52.2</b>			<b>17.3</b>
Gross margin	in %	32.0	30.8	26.1			30.4	28.9	
<b>EBITDA</b>	<b>In EUR million</b>	<b>122.9</b>	<b>108.0</b>	<b>80.1</b>	<b>14.9</b>	<b>42.8</b>	<b>322.6</b>	<b>264.8</b>	<b>57.8</b>
	<b>in %</b>				<b>13.8</b>	<b>53.4</b>			<b>21.8</b>
EBITDA margin	in %	33.1	31.7	26.8			31.4	28.7	
Depreciation, amortization and impairment less reversals thereof	In EUR million	-39.0	-38.4	-36.5	-0.6	-2.5	-115.0	-101.0	-14.0
<b>EBIT</b>	<b>In EUR million</b>	<b>83.9</b>	<b>69.6</b>	<b>43.6</b>	<b>14.3</b>	<b>40.3</b>	<b>207.6</b>	<b>163.8</b>	<b>43.8</b>
	<b>in %</b>				<b>20.6</b>	<b>92.4</b>			<b>26.7</b>
EBIT margin	in %	22.6	20.4	14.6			20.2	17.8	
Financial result	In EUR million	-	1.4	-0.5	-1.4	0.5	2.1	-4.4	6.5
<b>Result before income taxes</b>	<b>In EUR million</b>	<b>83.9</b>	<b>71.0</b>	<b>43.1</b>	<b>12.9</b>	<b>40.8</b>	<b>209.7</b>	<b>159.4</b>	<b>50.3</b>
	<b>in %</b>				<b>18.2</b>	<b>94.7</b>			<b>31.6</b>
Income taxes	In EUR million	-10.3	-7.0	-4.0	-3.3	-6.3	-13.8	-13.5	-0.3
Tax rate	in %	12	10	9			7	8	
<b>Result for the period</b>	<b>In EUR million</b>	<b>73.6</b>	<b>64.0</b>	<b>39.1</b>	<b>9.6</b>	<b>34.5</b>	<b>195.9</b>	<b>145.9</b>	<b>50.0</b>
	<b>in %</b>				<b>15.0</b>	<b>88.2</b>			<b>34.3</b>
Earnings per share	in EUR	2.15	1.83	1.08	0.32	1.07	5.65	4.19	1.46

Siltronic generated sales of EUR 371.6 million in Q3 2021, an increase of 8.9 percent compared to Q2. The increase was driven by wafer area sold, but average selling price in invoice currency and the development of the euro/US dollar exchange rate also contributed to growth. In Q3, the euro averaged at 1.18 against the US dollar, around 2 percent weaker than in Q2 (1.21). Sales in Q1 and Q2 2021, had already exceeded the respective previous quarters significantly, mostly driven by the development of wafer area sold.

In the first nine months of 2021, the company generated sales of EUR 1,028.8 million, an increase of 11.5 percent year-on-year. The growth in wafer area sold was so strong that the burden from the euro appreciation of around 7 percent against the US dollar was significantly overcompensated (average exchange rate 1.20 in Q1-Q3 compared to 1.12 in Q1-Q3 2020).

Cost of sales increased in Q3 2021 quarter-on-quarter due to the increase in sales volumes. However, this increase in cost of sales was significantly lower than the increase in wafer area sold. Depreciation had no significant impact on the development of cost of sales.

In the first nine months of 2021, cost of sales amounted to EUR 716.0 million, an increase of EUR 60.2 million compared to Q1-Q3 2020. The increase of EUR 60.2 million is primarily volume-related and secondly caused by higher planned depreciation of around EUR 13 million. Excluding depreciation, manufacturing costs per wafer area decreased significantly as a result of economies of scale and productivity increases, which typically coincide with increasing sales volume. This was accompanied by successful cost-cutting measures which reduced cost of sales along with positive exchange rate effects. Rising electricity prices increased costs slightly at the end of Q3.

Gross profit in Q3 2021 was EUR 119.0 million, 13.1 percent above Q2. Gross margin rose from 30.8 percent to 32.0 percent.

EBITDA increased by 13.8 percent quarter-on-quarter to EUR 122.9 million. EBITDA margin grew from 31.7 percent in Q2 to 33.1 percent in Q3.

On a nine-month comparison, EBITDA is 21.8 percent higher than last year. From January to September 2021, EBITDA added up to EUR 322.6 million. This includes additional expenses of around EUR 6 million due to the tender offer from GlobalWafers.

EBIT in Q3 increased by 20.6 percent to EUR 83.9 million compared with Q2. In the first nine months of 2021, EBIT reached EUR 207.6 million (Q1-Q3 2020: EUR 163.8 million).

Siltronic generated a net income of EUR 73.6 million in Q3 2021. Earnings per share were EUR 2.15 compared to EUR 1.83 in Q2 2021.

Net income for the nine months period was EUR 195.9 million, of which EUR 169.5 million were attributable to Siltronic AG shareholders. Earnings per share were EUR 5.65 compared to EUR 4.19 in 2020.

## Development of equity, capital expenditure, net cash flow and net financial assets

In EUR million	Sept. 30, 2021	Dec. 31, 2020	Change
<b>Equity</b>	<b>1,192.2</b>	<b>871.8</b>	<b>320.4</b>
Provisions for pensions	415.8	566.5	-150.7
Customer prepayments	130.4	137.4	-7.0
Lease liabilities	94.6	48.4	46.2
Other liabilities	71.8	76.1	-4.3
<b>Non-current liabilities</b>	<b>712.6</b>	<b>828.4</b>	<b>-115.8</b>

With equity of EUR 1,192.2 million at September 30, 2021, Siltronic AG's equity ratio was 54.9 percent compared to 45.4 percent at December 31, 2020. The EUR 320.4 million increase in equity is primarily attributable to the net income of EUR 195.9 million for the first nine months of 2021 less the dividend payment of EUR 60 million and the decrease in pension obligations of EUR 166.5 million.

The decrease in pension obligations was the result of interest rate developments in Germany and the USA. As of September 30, 2021, pension provisions in Germany were discounted at 1.19 percent (December 31, 2020: 0.69 percent). In the USA, the interest rate rose from 2.07 percent to 2.42 percent.

In the first nine months of 2021, Siltronic invested EUR 143.8 million in property, plant and equipment and intangible assets (addition to fixed assets). These investments mainly relate to epitaxy capacity, capabilities and the expansion of the crystal pulling hall in Freiberg. In Q3 2021, Siltronic entered into a long-term lease agreement for a piece of land for the new 300 mm fab in Singapore. The present value of the expected lease payments is included in the balance sheet items "Right-of-use asset" and "Lease liability" at approximately EUR 47 million each.

In EUR million	Q3 2021	Q2 2021	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Cash flow from operating activities	122.8	104.7	18.1	303.9	205.2	98.7
Proceeds/payments for capital expenditure including intangible assets	-51.1	-50.5	-0.6	-148.5	-157.9	9.4
<b>Free cash flow</b>	<b>71.7</b>	<b>54.2</b>	<b>17.5</b>	<b>155.4</b>	<b>47.3</b>	<b>108.1</b>
Increase/decrease of prepayments received (customer prepayments)	-1.6	-10.9	9.3	-14.2	49.0	-63.2
<b>Net cash flow</b>	<b>70.1</b>	<b>43.3</b>	<b>26.8</b>	<b>141.2</b>	<b>96.3</b>	<b>44.9</b>

In Q3 2021, net cash flow amounted to EUR 70.1 million (Q2 2021: EUR 43.3 million). In the first nine months of 2021, net cash flow was EUR 141.2 million (Q1-Q3 2020: EUR 96.3 million). In terms of customer prepayments, inflows exceeded repayments by EUR 14.2 million..

In EUR million	Sept. 30, 2021	Dec. 31, 2020	Change
Cash and cash equivalents	351.8	294.6	57.2
Financial investments	253.5	204.6	48.9
<b>Net financial assets</b>	<b>605.3</b>	<b>499.2</b>	<b>106.1</b>

Net financial assets increased by EUR 106.1 million. Main influences were the inflow from the positive free cash flow of EUR 155.4 million and the outflow from the dividend payment of EUR 60.0 million to the shareholders of Siltronic AG.

### **Finalization of international plans for global minimum taxation lead to further risks**

In the Siltronic Annual Report 2020, the main risks are presented in the Risk Report (pp. 48 to 57). Siltronic has listed significant changes to the risk assessment due to the announced new 300mm fab in Singapore in the H1 report.

In Q3 2021, further risks surfaced from the specification of international plans for global minimum taxation. In particular, an agreement was reached by 136 countries on October 8, 2021 to introduce new tax frameworks for international enterprises. The taxation principles in almost all countries are to be adjusted by the end of 2023 in such a way that tax benefits due to investments will become much smaller than before. Due to Siltronic's high level of investment activity, the company receives tax benefits. If the tax benefits decrease to a significant extent, the tax rate will rise.

There are currently no known risks that could endanger the continued existence of the Company.

### **Forecast for 2021 substantiated**

Demand for wafers of all diameters continues to be strong. Siltronic is running at full capacity in all lines. Overall, wafer area sold in H2 will exceed the level of H1, as already forecast.

Siltronic has substantiated its full-year guidance for 2021 for sales and EBITDA margin. Previously, the company assumed a sales increase of more than 10 percent compared to 2020 and an EBITDA margin of 30 to 32 percent. Sales are now expected to increase by a good 15 percent and the EBITDA margin at around 32 percent, which is at the upper end of the forecast.

"Currently we do not see any surprises in terms of wafer area sold in Q4. The euro is trending slightly weaker against the US dollar and will have less of an impact on sales and EBITDA in H2 than initially assumed. However, for the full year 2021, the strong euro will have a negative impact compared to 2020. The construction of our new 300 mm factory in Singapore kicked off. With this fab, we are supporting our customers' expansion plans and, by investing in this cost-efficient fab, we are setting the course for Siltronic's continued successful future," said von Plotho.

The investment of around EUR 2 billion until the end of 2024 for the construction of the new fab in Singapore is the largest investment in Siltronic's history. A large part of the investment will be made in 2022 and thus in an early phase of the project. The new 300 mm fab will be the most modern fab in the Siltronic Group and will produce monocrystals as well as polished and epitaxial wafers. With the new leading-edge production capacities, the company will further strengthen its position as one of the technology leaders.

### Overview of forecast changes

	Forecast March 1, 2021 (Annual Report)	Forecast April 20, 2021 (ad-hoc)	Forecast July 27, 2021 (ad-hoc)	Forecast October 26, 2021 (Q3 2021)
Group sales	mid to high single-digit percent increase	increase of at least 10 percent	increase of at least 10 percent	a good 15 percent
EBITDA margin	slight increase	30 to 32 percent	30 to 32 percent	approximately 32 percent
Depreciation and amortization	around EUR 155 million to EUR 160 million	around EUR 155 million to EUR 160 million	around EUR 155 million to EUR 160 million	around EUR 155 million to EUR 160 million
EBIT	significant increase	significant increase	significant increase	significant increase
Tax rate	significantly below 10 percent	significantly below 10 percent	significantly below 10 percent	significantly below 10 percent
Capital expenditure	around EUR 250 million, mainly in epi reactors, capabilities and expansion of crystal pulling hall to replace older equipment	around EUR 250 million, mainly in epi reactors, capabilities and expansion of crystal pulling hall to replace older equipment	around EUR 400 million for epi capacity, first investments in new 300 mm fab, capabilities and expansion of crystal pulling hall	around EUR 400 million for epi capacity, first investments in new 300 mm fab, capabilities and expansion of crystal pulling hall
Net cash flow	slight improvement	significant improvement	significant improvement slightly positive, but significantly below prior year	significant improvement, slightly positive, but significantly below prior year
Earnings per share	slight increase	significant increase	significant increase	significant increase

### Completion of merger with GlobalWafers likely to be delayed due to protracted discussions with authorities on regulatory clearances

As published in the ad-hoc announcement on October 22, 2021, Siltronic expects that the merger with GlobalWafers will likely not be completed in the current financial year due to protracted discussions regarding regulatory clearances. GlobalWafers and Siltronic continue to discuss constructively with the authorities on the terms of the outstanding clearances.

## Siltronic AG – Key financial figures Q3 2021

### Profit and Loss statement

In EUR million		Q1-Q3 2021	Q1-Q3 2020	Q3 2021	Q2 2021	Q1 2021	Q3 2020
Sales		1,028.8	922.5	371.6	341.1	316.1	299.2
EBITDA		322.6	264.8	122.9	108.0	91.7	80.1
EBITDA margin	%	31.4	28.7	33.1	31.7	29.0	26.8
EBIT		207.6	163.8	83.9	69.6	54.2	43.6
EBIT margin	%	20.2	17.8	22.6	20.4	17.1	14.6
Result for the period		195.9	145.9	73.6	64.0	58.5	39.1
Earnings per share	EUR	5.65	4.19	2.15	1.83	1.67	1.08

### Capital expenditure and net cash flow

Capital expenditure in property, plant and equipment, and intangible assets		143.8	129.4	54.1	52.8	36.9	35.1
Net cash flow		141.2	96.3	70.1	43.3	27.9	28.6

### Statement of financial position

In EUR million		Sept. 30, 2021	Dec. 31, 2020
Total assets		2,171.0	1,919.4
Equity		1,192.2	871.8
Equity ratio	%	54.9	45.4
Net financial assets		605.3	499.2



## **Conference call for analysts and investors**

The Executive Board of Siltronic AG will hold a conference call with analysts and investors (in English only) on October 26, 2021 at 10:00 am (CEST). This call will be streamed via the Internet. The audio webcast will be available live as well as on demand on Siltronic's website.

The Q3 interim statement and the latest investor presentation are also published on the Siltronic website.

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## **Company profile:**

Siltronic is one of the world's largest manufacturers of hyperpure silicon wafers and partner to many leading semiconductor companies. The company operates production sites in Asia, Europe and the USA. Siltronic develops and manufactures silicon wafers in diameters of up to 300 mm. Silicon wafers form the basis for modern microelectronics and nanoelectronics and are a key component in semiconductor chips driving computers, smart phones, navigation systems and many other applications. Siltronic AG employs around 3,900 people and has been a stock-listed company in Germany (Prime Standard) since 2015. The Siltronic AG stock is listed on both the SDAX and TecDAX.



**Financial information – pursuant to IFRS, unaudited**

Siltronic AG – Consolidated Statement of Profit or Loss

In EUR million	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Sales	371.6	299.2	1,028.8	922.5
Cost of sales	-252.6	-221.0	-716.0	-655.8
<b>Gross profit</b>	<b>119.0</b>	<b>78.2</b>	<b>312.8</b>	<b>266.7</b>
Selling expenses	-8.8	-8.2	-26.0	-24.3
Research and development expenses	-19.7	-18.1	-59.2	-54.6
General administration expenses	-8.3	-7.3	-27.8	-21.6
Other operating income	14.1	19.0	53.2	45.4
Other operating expenses	-12.4	-20.0	-45.4	-47.8
<b>Operating result</b>	<b>83.9</b>	<b>43.6</b>	<b>207.6</b>	<b>163.8</b>
Interest income	1.0	1.0	2.9	4.9
Interest expenses	-0.7	-0.6	-1.8	-1.9
Other financial result	-0.3	-0.9	1.0	-7.4
<b>Financial result</b>	<b>0.0</b>	<b>-0.5</b>	<b>2.1</b>	<b>-4.4</b>
Result before income tax	83.9	43.1	209.7	159.4
Income taxes	-10.3	-4.0	-13.8	-13.5
<b>Result for the period</b>	<b>73.6</b>	<b>39.1</b>	<b>195.9</b>	<b>145.9</b>
<i>of which</i>				
<i>attributable to Siltronic AG shareholders</i>	64.5	32.3	169.5	125.8
<i>attributable to non-controlling interests</i>	9.1	6.8	26.4	20.1
Result per common share in EUR (basic/diluted)	2.15	1.08	5.65	4.19

Siltronic AG - Consolidated Statement of Financial Position

In EUR million	Sept. 30, 2021	Dec. 31, 2020
<b>Non-current assets</b>	<b>1,169.8</b>	<b>1,095.3</b>
Intangible assets	22.9	23.5
Property, plant and equipment	1,008.8	961.7
Right-of-use assets	97.9	51.2
Securities and fixed-term deposits	21.5	46.7
Other financial assets	–	0.1
Other non-financial assets	5.5	2.0
Deferred tax assets	13.2	10.1
<b>Current assets</b>	<b>1,001.2</b>	<b>824.1</b>
<b>Total assets</b>	<b>2,171.0</b>	<b>1,919.4</b>
<b>Equity</b>	<b>1,192.2</b>	<b>871.8</b>
Equity attributable to Siltronic AG shareholders	1,077.2	786.1
Equity attributable to non-controlling interests	115.0	85.7
<b>Non-current liabilities</b>	<b>712.6</b>	<b>828.4</b>
<b>Current liabilities</b>	<b>266.2</b>	<b>219.2</b>
<b>Total equity and liabilities</b>	<b>2,171.0</b>	<b>1,919.4</b>
Subscribed capital	120.0	120.0
Capital reserves	974.6	974.6
Retained earnings and net Group result	289.4	179.8
Other equity items	–306.8	–488.3
Provisions for pensions	415.8	566.5
Other provisions	58.8	62.3
Provisions for income taxes	10.4	10.7
Deferred tax liabilities	2.3	3.1
Customer prepayments	130.4	137.4
Lease liabilities	94.6	48.4
Other financial liabilities	0.3	–
Other provisions	8.5	7.3
Provisions and liabilities for income tax	15.3	16.8
Trade liabilities	135.2	118.8
Customer prepayments	37.3	23.6
Lease liabilities	4.8	4.0
Other financial liabilities	12.2	3.9
Other non-financial liabilities	52.9	44.8
Total liabilities	978.8	1,047.6

## Siltronic AG - Consolidated Statement of Cash Flows

In EUR million	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Result for the period	73.6	39.1	195.9	145.9
Depreciation / amortization of non-current assets, including impairment losses and reversals thereof	39.1	36.5	115.0	101.0
Other non-cash expenses and income	1.3	-4.5	-1.9	-7.3
Result from disposal of non-current assets	0.6	0.2	2.2	1.3
Interest income	-0.3	-0.4	-1.1	-3.0
Interest paid	-0.6	-0.4	-1.4	-1.4
Interest received	1.4	0.8	3.5	5.6
Tax expense	10.3	4.0	13.8	13.5
Taxes paid	-3.8	-4.2	-9.2	-6.0
Changes in inventories	-7.9	4.2	-30.8	-6.3
Changes in trade receivables	-7.7	-6.5	-18.2	-1.7
Changes in contract assets	-0.8	-1.3	-	-0.9
Changes in other assets	-4.3	4.3	-9.5	-6.5
Changes in provisions	4.7	1.5	10.7	13.8
Changes in trade liabilities	5.4	-10.6	9.7	3.9
Changes in other liabilities	10.2	8.7	11.0	2.3
Changes in customer prepayments	1.6	-10.5	14.2	-49.0
<b>Cash flow from operating activities</b>	<b>122.8</b>	<b>60.9</b>	<b>303.9</b>	<b>205.2</b>
Payments for capital expenditure (including intangible assets)	-51.1	-42.8	-148.7	-157.9
Proceeds from the disposal of property, plant and equipment	-	-	0.2	-
Payments for securities and fixed-term deposits	-85.6	-15.0	-300.2	-122.3
Proceeds from securities and fixed-term deposits	183.1	47.7	260.8	271.6
<b>Cash flow from financing activities</b>	<b>46.4</b>	<b>-10.1</b>	<b>-187.9</b>	<b>-8.6</b>
Dividends	-	-	-60.0	-90.0
Repayment portion of lease liability	-1.1	-1.6	-3.6	-3.9
<b>Cash flow from financing activities</b>	<b>-1.1</b>	<b>-1.6</b>	<b>-63.6</b>	<b>-93.9</b>
Changes due to exchange-rate fluctuations	2.4	-2.2	4.8	-8.4
<b>Changes in cash and cash equivalents</b>	<b>170.5</b>	<b>47.0</b>	<b>57.2</b>	<b>94.3</b>
at the beginning of the period	181.3	248.0	294.6	200.7
<b>at the end of the period</b>	<b>351.8</b>	<b>295.0</b>	<b>351.8</b>	<b>295.0</b>

### Additional financial information

In EUR million	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Cash flow from operating activities	122.8	60.9	303.9	205.2
Cash-effective changes in customer prepayments	-1.6	10.5	-14.2	49.0
Cash flow from investing activities	-51.1	-42.8	-148.5	-157.9
<b>Net cash flow</b>	<b>70.1</b>	<b>28.6</b>	<b>141.2</b>	<b>96.3</b>

**Disclaimer**

*This press release contains forward-looking statements based on assumptions and estimates made by the Executive Board of Siltronic AG. These statements can be identified by wording such as "expect", "want", "anticipate", "intend", "plan", "believe", "strive", "estimate", and "will" or similar terms. Although we assume that the expectations contained in these forward-looking statements are realistic, we cannot guarantee that they will prove to be correct. These assumptions may contain risks and uncertainties that could cause the actual figures to differ considerably from the forward-looking statements. Factors that can cause such discrepancies include changes in the macroeconomic and business environment, changes in exchange rates and interest rates, the introduction of products that compete with our own products, a lack of acceptance of new products or services, and changes in corporate strategy. Siltronic does not intend to update these forward-looking statements, nor does it assume any responsibility to do so.*

*This press release includes supplementary financial indicators that either are or may be so-called alternative performance indicators that are not clearly defined in the relevant financial reporting framework. In assessing the financial position and performance of Siltronic, these supplementary financial indicators should not be used in isolation or as an alternative to those presented in the consolidated financial statements and determined in accordance with the relevant financial reporting framework. Other companies that present or report alternative performance indicators with similar names may calculate them differently. Explanations of the key financial figures used are available in the Annual Report of Siltronic AG.*

*Due to rounding, some of the figures presented in this press release as well as in other reports may not add up exactly to the stated totals and percentages presented may not accurately reflect the absolute values to which they relate.*

***This press release is a quarterly Group statement in accordance with Section 53 of the Exchange Rules for the Frankfurt Stock Exchange.***