



Press Release

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Siltronic with strong growth in fiscal year 2021

- Increase in wafer area sold leads to strong sales growth
- Preliminary 2021 sales of EUR 1,405 million up 16 percent y-o-y (2020: EUR 1,207 million)
- Preliminary EBITDA grows to EUR 466 million and EBITDA margin to 33 percent (2020: EUR 332 million; 28 percent)
- Preliminary EBIT of around EUR 317 million and EBIT margin of 23 percent significantly above prior year (2020: EUR 192 million; 16 percent)
- Material increase in capital expenditure starting capacity expansion projects
- Significant increase in both, prices and costs, expected for 2022

Munich, Germany, February 2, 2022 – Siltronic AG (SDAX/TecDAX: WAF) recorded a significant increase in sales and earnings in 2021. This excellent development is primarily based on a strong increase in wafer area sold.

Not all required regulatory clearances for the voluntary public takeover offer by GlobalWafers had been granted by January 31, 2022. As a result, the transaction could not be completed as planned. The Executive Board and Supervisory Board of Siltronic regret this. Nevertheless, Siltronic is looking forward to a successful future after an excellent year 2021.

2021 was characterized by strong customer demand due to catch-up effects from 2020, continued high investments in digitization and increasing penetration of semiconductor components in more and more applications. In H2, significantly rising sales volumes, slightly increasing prices and a stronger US dollar had a positive impact on sales and earnings. However, these positive effects were partially offset by cost increases, mainly in energy and shipping costs.

The highlight of 2021 was the kick-off for the construction of the new 300 mm factory at the Singapore site. With this investment in a state-of-the-art, highly cost-efficient plant, Siltronic is supporting its customers' expansion plans and setting the course for the company's further growth. Most of the additional production capacity has already been secured through long-term agreements with customers.

"We proudly look back to an excellent 2021, driven by strong demand and full capacity utilization. The groundbreaking ceremony for our new factory in Singapore was a true highlight. This project is setting the course for the successful future of Siltronic. The new factory will enable us to grow and strengthen our position as one of the technology leaders," said Dr. Christoph von Plotho, CEO of Siltronic AG. "We regret that the tender offer by GlobalWafers could not be completed as not all regulatory clearances were obtained. This was not in our hands. However, we now see ourselves in a strong position to remain successful as an independent company," von Plotho continued.

Sales in 2021 rose significantly compared to 2020 driven by a strong increase in wafer area sold. This volume increase overcompensated the negative impact of the appreciation of the euro against the US dollar. Average selling prices (ASP) in euros decreased y-o-y due to the weaker US dollar.

Siltronic AG's preliminary and still unaudited sales of EUR 1,405 million in 2021 were 16 percent higher than in the year before (EUR 1,207.0 million).

The absolute cost of sales increased due to the higher sales volume. However, the increase in cost of sales was significantly lower than the volume increase compared to 2020. Rising electricity prices and a weaker euro had a negative impact in H2. Economies of scale and productivity gains led to a significant decrease in cost of sales per wafer area.

EBITDA reached EUR 466 million, up 41 percent y-o-y (2020: EUR 332.0 million). The EBITDA margin was 33 percent (2020: 27.5 percent).

GlobalWafers tender offer had a EUR 6 million positive effect on EBITDA in 2021, while in 2020 there was a negative effect of EUR 12 million. Excluding these effects, EBITDA for 2021 would have been EUR 460 million, compared to EUR 344 million for 2020. The EBITDA margin would have increased from 28.5 percent in 2020 to 32.8 percent in 2021, which corresponds to an increase of 4 percentage points.

Preliminary earnings before interest and taxes (EBIT) increased significantly y-o-y to around EUR 317 million (2020: EUR 192.2 million), slightly weakened by higher scheduled depreciation. The EBIT margin was around 23 percent in 2021, compared with 15.9 percent in 2020.

In 2021, Siltronic invested around EUR 426 million in property, plant and equipment and intangible assets. The largest investment was for the construction of the new 300 mm fab in Singapore, which is mainly reflected in Q4. Further investments in epitaxy capacities, capabilities and the expansion of the crystal pulling hall in Freiberg are also included.

Preliminary net cash flow in 2021 was positive at around EUR 2 million, in line with expectations, but significantly below prior year (2020: EUR 77.4 million).

Preliminary net financial assets increased to EUR 573 million (2020: EUR 499.2 million) despite the investments in the new factory and despite a dividend payment of EUR 60 million. This was mostly due to the very good cash flow from operating activities. Net customer pre-payments increased by EUR 123 million in Q4.

Business development in Q4 2021

Preliminary sales of around EUR 377 million in Q4 2021 were slightly above Q3 (EUR 371.6 million). This is primarily due to the exchange rate development of the euro against the US dollar. Production capacities continued to be fully utilized.

Preliminary EBITDA of EUR 144 million in Q4 2021 exceeded Q3 by around EUR 21 million. The increase of around EUR 12 million is attributable to positive effects (release of provisions) from the tender offer by GlobalWafers. Excluding the impact of the tender offer, the EBITDA margin would have reached 35 percent.

EBIT was also up compared to Q3 at a preliminary EUR 109 million (Q3 2021: EUR 83.9 million). EBIT margin increased from 22.6 percent to around 29 percent. The above-mentioned special effect contributed significantly to the improvement in earnings.

2022 will be shaped by continuing demand trends, but also by ongoing uncertainty

Ongoing uncertainties for 2022 continue to include geopolitical and global economic developments, as well as the further course of the Covid pandemic.

We continue to assume that the megatrends in the semiconductor industry will increase demand in the mid and long term. However, growth may also be subject to certain fluctuations due to external influences such as the current disruptions in global supply chains. Siltronic continues to record high demand and is planning with high capacity utilization.

The company expects a positive market environment and significant price increases in 2022. However, significantly rising costs due to inflation will have a negative impact on earnings.

Overall, the company expects a good start of 2022.

Siltronic AG – Preliminary Figures 2021¹⁾

Profit and loss statement							
EUR million		Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	2020
Sales		377	371.6	341.1	316.1	284.5	1,405
EBITDA		144	122.9	108.0	91.7	67.2	466
EBITDA margin	%	38	33.1	31.7	29.0	23.6	33
EBIT		109	83.9	69.6	54.2	28.4	317
EBIT margin	%	29	22.6	20.4	17.1	10.0	23

Capital expenditure and Net Cash Flow

Capital expenditure in property, plant and equipment and intangible assets		282	54.1	52.8	36.9	58.2	426
Net cash flow		-140	70.1	43.3	27.9	-18.9	2

Statement of financial position

EUR million	Dec. 31, 2021	Dec. 31, 2020
Net financial assets	573	499.2

1) *The results in this document for Q4 2021 and Full Year 2021 are preliminary and have not yet been approved by the Supervisory Board or audited by an external auditor. All preliminary figures have been rounded to the nearest million.*

Other dates

A comprehensive reporting with detailed disclosures will be provided on March 9, 2022 when the final results for 2021 will be published. The Executive Board of Siltronic AG will conduct a conference call with analysts and investors (in English only) on that day at 10:00 am (CET). This call will be streamed via Internet. The audio webcast will be available live as well as on demand on Siltronic's website.

March 9, 2022	Publication of Annual Report 2021
May 5, 2022	Ordinary Annual General Meeting
May 10, 2022	Q1 2022 Quarterly Statement

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Company profile:

As one of the leading wafer manufacturers, Siltronic is globally oriented and operates production facilities in Asia, Europe and the USA.

Silicon wafers are the foundation of the modern semiconductor industry and the basis for chips in all electronic applications - from computers and smartphones to electric cars and wind turbines. The international company is highly customer-oriented and focused on quality, precision, innovation and growth. Siltronic AG employs around 3,900 people in 10 countries and has been listed in the Prime Standard of the German Stock Exchange since 2015. Siltronic AG shares are included in both the SDAX and Tec DAX stock market indices.

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.

