

Press release

Siltronic AG

Einsteinstr. 172

81677 Munich

www.siltronic.com

Siltronic closes fiscal 2021 with strong earnings - dividend of EUR 3.00 per share proposed

- **Volume increase triggers significant rise in sales and margins**
- **Sales of EUR 1,405.4 million significantly up year-on-year (2020: EUR 1,207.0 million)**
- **EBITDA jumps to EUR 466.4 million, with EBITDA margin of 33.2 percent (2020: EUR 332.0 million; 27.5 percent)**
- **Dividend of EUR 3.00 per share proposed for financial year 2021**
- **Forecast for 2022 – slight volume increase; significant price increases, but also cost increases of approx. EUR 120 million, mostly for energy**
- **Capital expenditures of around EUR 1,100 million, no capital increase in 2022**

Munich, Germany, March 9, 2022 - Siltronic AG (SDAX/TecDAX: WAF) closed fiscal 2021 with a significant increase in sales and earnings. This excellent development is primarily based on a strong increase in wafer area sold.

"Strong volume growth led to fully utilized factories and excellent sales and earnings in 2021. To support long-term demand growth, we started construction of our new 300 mm fab in Singapore in 2021 - the largest investment in Siltronic's history", said Dr. Christoph von Plotho, CEO of Siltronic AG. "As the planned merger with GlobalWafers was unfortunately not completed due to a lack of regulatory approvals, we will remain an independent company. After an excellent year, Siltronic is looking ahead to a successful future."

Business development in 2021

		2021	2020	Change			Change		
				Q4 2021	Q3 2021	Q4 2020	Q4 to Q3	Q4 to Q4	
Sales	in EUR million	1,405.4	1,207.0	198.4	376.6	371.6	284.5	5.0	92.1
	in %			16.4				1.3	32.4
Cost of sales	in EUR million	964.2	867.5	96.7	248.2	252.6	211.7	-4.4	36.5
	in %			11.1				-1.7	17.2
Gross profit	in EUR million	441.2	339.5	101.7	128.4	119.0	72.8	9.4	55.6
	in %			30.0				7.9	76.4
Gross margin	in %	31.4	28.1		34.1	32.0	25.6		
EBITDA	in EUR million	466.4	332.0	134.4	143.7	122.9	67.2	20.8	76.5
	in %			40.5				16.9	113.8
EBITDA margin	in %	33.2	27.5		38.2	33.1	23.6		
Depreciation, amortization and impairment less reversals thereof	in EUR million	149.5	139.8	9.7	-34.5	-39.0	-38.8	4.5	4.3
EBIT	in EUR million	316.9	192.2	124.7	109.2	83.9	28.4	25.3	80.8
	in %			64.9				30.2	284.5
EBIT margin	in %	22.5	15.9		29.0	22.6	10.0		
Financial result	in EUR million	1.5	-3.0	4.5	-0.6	-	1.4	-0.6	-2.0
Result before income taxes	in EUR million	318.3	189.2	129.1	108.6	83.9	29.8	24.7	78.8
	in %			68.2				29.4	264.4
Income taxes	in EUR million	-28.7	-2.4	-26.3	-14.9	-10.3	11.1	-4.6	-26.0
Tax rate	in %	9	1		14	12	-37		
Result for the period	in EUR million	289.6	186.8	102.8	93.7	73.6	40.9	20.1	52.8
	in %			55.0				27.3	129.1
Earnings per share	in EUR	8.44	5.36	3.08	2.79	2.15	1.17	0.64	1.63

Siltronic AG's sales of EUR 1,405.4 million in 2021 were more than 16 percent up on the previous year (2020: EUR 1,207.0 million). Strong demand and persistently high investment in digitization as well as catch-up effects from 2020 led to a significant increase in wafer area sold. This strong volume growth more than offset the negative impact of the euro's appreciation against the US dollar. Cost increases, particularly for energy and freight, dampened these positive effects in H2 2021.

Cost of sales increased to EUR 964.2 million due to the larger sales volume. However, the increase of EUR 96.7 million over the previous year was well below the volume increase. In addition, higher scheduled depreciation and rising electricity prices and a weaker euro had a negative impact in H2 2021. Cost reduction programs helped to contain these cost increases.

Consequently, gross margin increased from 28.1 percent in 2020 to 31.4 percent.

EBITDA of EUR 466.4 million was 40.5 percent higher than in the previous year (EUR 332.0 million). EBITDA margin reached 33.2 percent (2020: 27.5 percent). Again, the main reasons were the significant increase in wafer area sold and reduced manufacturing costs per wafer area.

EBITDA in 2021 was reduced by a net EUR 6.3 million resulting from the non-execution of the tender offer by GlobalWafers, while EBITDA for the prior year was reduced by a net EUR 12.1 million. Disregarding these effects, EBITDA for 2021 would have been EUR 460 million, compared to EUR 344 million for 2020. EBITDA margin would have climbed from 28.5 percent in the prior year to 32.7 percent in 2021, equivalent to an increase of 4 percentage points.

Earnings before interest and taxes (EBIT), at EUR 316.9 million improved significantly compared to the previous year (2020: EUR 192.2 million). This was also due to higher scheduled depreciation. There was also a write-up on a production building, which is included in other operating income.

The Group tax rate in 2021 was 9 percent, compared to 1 percent in 2020. In both years (2020 and 2021), Siltronic benefited from government programs to promote investment and the creation of skilled jobs, which are linked to tax advantages.

Result for the period increased from EUR 186.8 million to EUR 289.6 million. Of this amount, 253.3 million euros (2020: 160.8 million euros) is attributable to Siltronic AG shareholders. Earnings per share were EUR 8.44, compared with EUR 5.36 in the previous year.

Development of net cash flow and net financial assets

In EUR million	2021	2020	Change
Cash flow from operating activities	501,1	236,7	264,4
Proceeds/payments for capital expenditure including intangible assets	-392,5	-204,7	-187,8
Free cash flow	108.6	32.0	76.6
Cash-effective change in customer prepayments	-106.9	45.4	-152.3
Net cash flow	1.7	77.4	-75.7

In 2021, Siltronic invested EUR 425.6 million in property, plant and equipment and intangible assets. This includes investments in epitaxy capacities, capabilities (equipment and production processes for future technical specifications), the expansion of the crystal pulling hall in Freiberg and the construction of the new 300 mm factory in Singapore. These extensive investments will strengthen Siltronic's position as one of the technology leaders.

The construction of the new factory in Singapore will be financed to a large extent by existing liquidity, future cash flows and prepayments from important customers. In addition, loans and bonds will be placed on a manageable scale. There will be no capital increase in 2022.

Net cash flow in 2021 was positive at EUR 1.7 million, but significantly below the prior year amount of EUR 77.4 million, and thus in line with expectations.

Net financial assets increased to EUR 572.9 million (2020: EUR 499.2 million) due to the very favorable cash flow from operating activities and the receipt of customer prepayments despite the dividend payment of EUR 60 million.

Dividend of EUR 3.00 per share proposed

Based on the business results, the Executive Board and Supervisory Board of Siltronic AG will propose a dividend of EUR 3.00 per share for 2021 to the Annual General Meeting on May 5, 2022. This corresponds to a dividend payment of 90 million euros and a payout ratio of almost 40 percent.

Forecast 2022 - persistently strong demand and lingering uncertainty

Siltronic AG had a very good start into 2022. The company is experiencing high wafer demand and continues to plan for very high utilization of production capacity.

Persisting uncertainties due to geopolitical and global economic developments, most notably the current events in Ukraine and the ongoing effects of the Corona pandemic, make it difficult to issue a forecast for Siltronic AG, as macroeconomic effects associated with these developments are still difficult to assess.

The company currently anticipates a slight increase in sales volumes of less than 4 percent in 2022, with continued high utilization of production capacities. Significantly rising sales prices in invoice currency are offset by significant inflation-related cost increases of about 120 million euros, which cannot be mitigated by cost-cutting programs.

Assuming significantly rising prices in invoice currency, we expect sales to rise by 15 to 22 percent compared to the previous year.

EBITDA margin is expected to improve to approximately 34 to 37 percent. Rising unit costs, especially for electricity, raw materials and supplies, will have a negative impact on EBITDA margin.

Despite higher depreciation, Siltronic expects a significant increase in EBIT.

The tax rate is expected between 10 and 15 percent. Earnings per share should increase significantly.

The company plans to invest around 1,100 million euros in 2022. Around two thirds of this will go into the construction of the new factory in Singapore. Other key areas will be the expansion of the crystal pulling hall and epitaxy capacity in Freiberg, as well as measures to improve capability for new design rules.

In view of the substantial capital expenditures, net cash flow is expected to be significantly negative. Depreciation will rise to around EUR 185 million.

"Geopolitical issues, persistent disruptions in global supply chains, and the further development of the Corona pandemic continue to present uncertainties, which are difficult to forecast in terms of their economic impact. However, looking at the continuing megatrends in the semiconductor industry, we expect demand for

silicon wafers to rise in the medium and long term, although growth may be subject to fluctuations. For 2022, we expect demand to stay strong and we plan for high production utilization," says von Plotho.

Siltronic AG – Financial figures 2021

Profit and loss statement

In EUR million	2021	2020	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Sales	1,405.4	1,207.0	376.6	371.6	341.1	316.1	284.5
EBITDA	466.4	332.0	143.7	122.9	108.0	91.7	67.2
EBITDA margin	% 33.2	27.5	38.2	33.1	31.7	29.0	23.6
EBIT	316.9	192.2	109.2	83.9	69.6	54.2	28.4
EBIT margin	% 22.5	15.9	29.0	22.6	20.4	17.2	10.0
Result for the period	289.6	186.8	93.7	73.6	64.0	58.4	40.9
Earnings per share	EUR 8.44	5.36	2.79	2.15	1.83	1.67	1.17

Capital expenditure and net cash flow

Capital expenditure in property, plant and equipment, and intangible assets	425.6	187.6	281.8	54.1	52.8	36.9	58.2
Net cash flow	1.7	77.4	-139.6	70.1	43.3	27.9	-18.9

Statement of financial position

In EUR million	Dec. 31, 2021	Dec. 31, 2020
Total assets	2,455.4	1,919.4
Equity	1,318.8	871.8
Equity ratio	% 53.7	45.4
Net financial assets	572.9	499.2

Conference call for analysts and investors

The Executive Board of Siltronic AG will hold a conference call with analysts and investors on March 9, 2022 at 10:00 a.m. (CET). The conference will be streamed on the Internet. The audio webcast will be available on Siltronic's website as live stream and on-demand.

The current investor presentation, the annual report 2021 and the press release are also published on the Siltronic website.

Financial Calendar:

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



Contact:

Dr. Rupert Krautbauer
Head of Investor Relations & Communications
Tel.: +49 (0)89 8564 3133
Email: investor.relations@siltronic.com

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 4,100 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.

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.