



Press release

Siltronic AG

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Siltronic reports very good Q1 and expects positive business development for 2022

- Revenue of EUR 417.0 million, up 10.7 percent compared to Q4 2021
- Termination fee from unsuccessful tender offer improves EBITDA and EBIT by EUR 50.0 million
- Excluding the effects of the tender offer, EBITDA increased by 3.5 percent q-o-q to EUR 135.9 million (EBITDA margin 32.6 percent)
- Business development in 2022 as expected so far, guidance confirmed, but ongoing geopolitical uncertainty leads to increased supply risks

Munich, Germany, May 10, 2022 – In Q1 2022, Siltronic AG (MDAX/TecDAX: WAF) recorded sales growth of 10.7 percent compared to Q4 2021. The increase resulted mainly from rising ASP.

"In Q1, our business performance continued to develop very positively. The driving force was higher selling prices. This will continue in the course of the year. However, rising prices are also offset by rising costs, particularly for energy, personnel, raw materials and supplies. This will burden our earnings growth," said Dr. Christoph von Plotho, CEO of Siltronic AG. "We continue to benefit from an environment of sustained high demand and extensive investments in digitalization."

Business Development in Q1 2022

		Q1 2022	Q4 2021	Q1 2021	Change	
					Q1 to Q4	Q1 to Q1
Sales	in EUR million	417.0	376.6	316.1	40.4	100.9
	in %				10.7	31.9
Cost of sales	in EUR million	-281.4	-248.2	-227.5	-33.2	-53.9
	in %				13.4	23.7
Gross profit	in EUR million	135.6	128.4	88.6	7.2	47.0
	in %				5.6	53.0
Gross margin	in %	32.5	34.1	28.0		
EBITDA	in EUR million	186.0	143.7	91.7	42.3	94.3
	in %				29.4	102.8
EBITDA margin	in %	44.6	38.2	29.0		
Depreciation, amortization and impairment less reversals thereof	in EUR million	-42.3	-34.5	-37.5	-7.8	-4.8
EBIT	in EUR million	143.7	109.2	54.2	34.5	89.5
	in %				31.6	165.1
EBIT margin	in %	34.5	29.0	17.2		
Financial result	in EUR million	-4.4	-0.6	0.7	-3.8	-5.1
Result before income taxes	in EUR million	139.3	108.6	54.9	30.7	84.4
	in %				28.3	153.7
Income taxes	in EUR million	-24.5	-14.9	3.5	-9.6	-28.0
Tax rate	in %	18	14	-6		
Result for the period	in EUR million	114.8	93.7	58.4	21.1	56.4
	in %				22.5	96.6
Earnings per share	in EUR	3.47	2.79	1.67	0.68	1.80

Siltronic generated sales of EUR 417.0 million in Q1 2022, an increase of 10.7 percent versus Q4 2021. The increase was primarily driven by higher average prices in invoice currency. A slight increase in wafer area sold and exchange rate developments supported the sales development.

Cost of sales increased by EUR 33.2 Millionen. In addition to higher wafer area sold, this was driven by cost increases for energy, personnel, raw materials and supplies.

With absolute revenue growth outpacing cost increases, gross profit grew by EUR 7.2 million or 5.6 percent q-o-q to EUR 135.6 million in Q1 2022. Gross margin decreased from 34.1 percent in Q4 to 32.5 percent in Q1 2022, as revenues increased at a higher rate than gross profit (10.7 percent vs. 5.6 percent).

As a result of the unsuccessful tender offer by GlobalWafers, Siltronic received a termination fee of EUR 50.0 million in Q1 2022. This is included in other operating income.

EBITDA in Q1 2022 was EUR 186.0 million, corresponding to an EBITDA margin of 44.6 percent.

Excluding the impact of the termination fee and other special effects from the tender offer, EBITDA would have been EUR 135.9 million in Q1 2022 and EUR 131.3 million in Q4. This corresponds to an increase of 3.5

percent. Also excluding the effects of these one-time items, the EBITDA margin in Q1 was 32.6 percent, compared to 34.9 percent in Q4.

EBIT reached EUR 143.7 million in Q1 2022 - including the special income in connection with the tender offer.

The decline in the financial result is due to the declining financial markets in Q1 2022.

Tax expenses increased due to the termination fee.

A net profit of EUR 114.8 million was achieved in Q1, compared to EUR 93.7 million in Q4. Of this amount, EUR 104.2 million is attributable to Siltronic AG shareholders. Earnings per share rose from EUR 2.79 in Q4 2021 to EUR 3.47 in Q1 2022.

Development of equity, net cash flow and net financial assets

In EUR million	Mar. 31, 2022	Dec. 31, 2021	Change
Equity	1,575.3	1,318.8	256.5
Pension provisions	288.4	404.8	-116.4
Customer prepayments	348.3	254.2	94.1
Lease liabilities	100.4	99.5	0.9
Other provisions and liabilities	68.4	70.7	-2.3
Non-current liabilities	805.5	829.2	-23.7

With equity of EUR 1,575.3 million at March 31, 2022, Siltronic AG's equity ratio was 55.9 percent compared to 53.7 percent at December 31, 2021. The increase in equity is based on the net income for the quarter of EUR 114.8 million and actuarial gains in the calculation of pension obligations of EUR 122.1 million.

The EUR 116.4 million decrease in pension obligations is due to higher interest rates. The interest rate in Germany rose from 1.23 percent at the end of 2021 to 1.86 percent at the end of Q1 2022. The interest rate in the USA rose from 2.51 percent to 3.22 percent in the same period.

In EUR million	Q1 2022	Q4 2021	Change
Cash flow from operating activities	273.7	197.0	76.7
Proceeds/payments for capital expenditure including intangible assets	-136.3	-244.0	107.7
Free cash flow	137.4	-47.0	184.4
Increase/decrease of prepayments received (customer prepayments)	-100.5	-92.6	-7.9
Net cash flow	36.9	-139.6	176.5

The free cash flow of EUR 137.4 million in Q1 2022 shows that Siltronic was able to finance the entire cash-flow for capex including intangible assets from operating activities without any problems.

The net cash flow of EUR 36.9 million shows Siltronic's cash surplus after the elimination of period shifts due to customer prepayments.

In EUR million	Mar. 31, 2022	Dec. 31, 2021	Change
Cash and cash equivalents	514.5	424.3	90.2
Financial investments	194.5	148.5	46.0
Net financial assets	709.0	572.8	136.2

The company had net financial assets of EUR 709.0 million at March 31, 2022.

Changes to the risk and opportunity report

The main risks are presented in our risk report in the Annual Report 2021. In Q1 2022 risk changes were identified due to the armed conflict in Ukraine and price increases on important procurement markets.

The escalation of the war in Ukraine is currently fueling political pressure to suspend natural gas supplies from Russia. On March 30, 2022 the German government declared the first of three warning levels of the gas emergency plan. Our experts at the German production sites in Freiberg and Burghausen are in close contact with our local energy suppliers and the relevant authorities. In addition, procurement is working with our suppliers who could be affected by trade embargoes, directly or indirectly. Our staff constantly assess the dynamic situation and adapt our precautionary measures and contingency plans as needed. The share of natural gas in our total energy consumption is low. In particular, it is needed at the Freiberg site for air conditioning the clean rooms. Furthermore, gas is used by many of our suppliers in their production, and for generation of electricity, which is important for us. Direct or indirect supply disruptions in the event of a trade embargo could potentially also affect these suppliers. An interruption of production in Germany due to a lack of natural gas supply could therefore have a significant negative impact on our sales and earnings.

In addition, we are seeing dynamic price increases that are becoming more permanent for many important operating materials and raw materials, extending beyond fiscal 2022. Unexpected price increases may have a negative impact on earnings, and qualification of new suppliers may take a longer time.

This environment has prompted us to raise our risk assessment for the procurement markets from medium to high.

Forecast update

The course of business in 2022 so far has been in line with expectations. Siltronic AG is therefore maintaining its forecast from March 9, 2022. The company expects sales to grow 15 to 22 percent year-on-year, mainly driven by higher selling prices. EBITDA margin for the full year is expected to be 34 to 37 percent, including the one-off effects of the termination fee.

"We expect a very positive business development in 2022 due to sustained high demand and rising prices," said Dr. Christoph von Plotho. "Siltronic is well positioned with a strong balance sheet and an excellent financial position. Our aim is not only to implement the strategic investment projects but also to maintain our good cost and high quality performance." von Plotho said.

Siltronic AG – Key figures Q1/2022

Profit and Loss statement				
In EUR million		Q1 2022	Q4 2021	Q1 2021
Sales		417.0	376.6	316.1
EBITDA		186.0	143.7	91.7
EBITDA margin	%	44.6	38.2	29.0
EBIT		143.7	109.2	54.2
EBIT margin	%	34.5	29.0	17.2
Result for the period		114.8	93.7	58.4
Earnings per share	EUR	3.47	2.79	1.67
Capital expenditure and net cash flow				
Capital expenditure in property, plant and equipment, and intangible assets		205.7	281.8	36.9
Net cash flow		36.9	-139.6	27.9

Statement of financial position		
In EUR million	Mar. 31, 2022	Dec. 31, 2021
Total assets	2,820.3	2,455.4
Equity	1,575.3	1,318.8
Equity ratio	% 55.9	53.7
Net financial assets	709.0	572.8

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 May 10, 2022 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 Q1 interim statement and the latest investor presentation are also published on the Siltronic website.

Other dates:

July 29, 2022	Interim Report 2022
October 28, 2022	Q3 2022 quarterly statement



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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 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 MDAX and TecDAX.

Financial information – pursuant to IFRS, unaudited

Siltronic AG – Consolidated Statement of Profit or Loss

In EUR million	Q1 2022	Q4 2021	Q1 2021
Sales	417.0	376.6	316.1
Cost of sales	-281.4	-248.2	-227.5
Gross profit	135.6	128.4	88.6
Selling expenses	-8.2	-8.9	-8.7
Research and development expenses	-22.0	-21.2	-19.3
General administration expenses	-8.7	-4.7	-9.5
Other operating income	74.9	35.4	27.9
Other operating expenses	-27.9	-19.8	-24.8
Operating result	143.7	109.2	54.2
Interest income	0.9	0.9	0.8
Interest expenses	-0.7	-1.0	-0.6
Other financial result	-4.6	-0.5	0.5
Financial result	-4.4	-0.6	0.7
Result before income taxes	139.3	108.6	54.9
Income taxes	-24.5	-14.9	3.5
Result for the period	114.8	93.7	58.4
<i>of which</i>			
<i>attributable to Siltronic AG shareholders</i>	<i>104.2</i>	<i>83.8</i>	<i>50.1</i>
<i>attributable to non-controlling interests</i>	<i>10.6</i>	<i>9.9</i>	<i>8.3</i>
Result per common share in EUR (basic/diluted)	3.47	2.79	1.67

Siltronic AG - Consolidated Statement of Financial Position

In EUR million	Mar. 31, 2022	Dec. 31, 2021
Non-current assets	1,656.3	1,460.8
Intangible assets	22.4	23.0
Property, plant and equipment	1,450.3	1,275.8
Right-of-use assets	103.7	103.5
Securities and fixed-term deposits	43.6	22.2
Other financial assets	0.3	0.2
Other non-financial assets	23.0	21.9
Deferred tax assets	13.0	14.2
Current assets	1,164.0	994.6
Total assets	2,820.3	2,455.4
Equity	1,575.3	1,318.8
Equity attributable to Siltronic AG shareholders	1,434.0	1,189.9
Equity attributable to non-controlling interests	141.3	128.9
Non-current liabilities	805.5	829.2
Current liabilities	439.5	307.4
Total equity and liabilities	2,820.3	2,455.4
Subscribed capital	120.0	120.0
Capital reserves	974.6	974.6
Retained earnings and net Group result	477.3	373.1
Other equity items	-137.9	-277.8
Pension provisions	288.4	404.8
Other provisions	58.1	60.2
Liabilities for income taxes	8.4	8.4
Deferred tax liabilities	1.8	2.0
Customer prepayments	348.3	254.2
Lease liabilities	100.4	99.5
Other financial liabilities	0.1	0.1
Other provisions	8.1	6.4
Liabilities for income taxes	50.7	28.8
Trade liabilities	247.8	164.3
Customer prepayments	38.8	33.1
Lease liabilities	6.4	6.3
Other financial liabilities	18.8	14.6
Other non-financial liabilities	68.9	53.9
Total liabilities	1,245.0	1,136.6

Siltronic AG - Consolidated Statement of Cash Flows

In EUR million	Q1 2022	Q4 2021	Q1 2021
Result for the period	114.7	93.7	58.4
Depreciation / amortization of non-current assets, including impairment losses and reversals thereof	42.3	34.5	37.5
Other non-cash expenses and income	9.4	2.6	-0.9
Result from disposal of non-current assets	0.5	0.6	0.7
Interest income	-0.2	0.1	-0.2
Interest paid	-0.4	-0.8	-0.4
Interest received	1.9	0.8	0.7
Tax result	24.5	14.9	-3.5
Taxes paid	-4.0	-4.2	-3.3
Changes in inventories	-15.3	-11.2	-12.1
Changes in trade receivables	-21.0	-2.6	-11.3
Changes in contract assets	-5.0	-0.2	2.0
Changes in other assets excluding prepayments made	-7.9	-0.5	-1.8
Changes in provisions	2.6	-6.7	3.5
Changes in trade liabilities	14.0	-15.2	-5.7
Changes in other liabilities	17.1	-1.4	11.3
Changes in prepayments	100.5	92.6	1.7
Cash flow from operating activities	273.7	197.0	76.6
Payments for capital expenditure (including intangible assets)	-136.3	-244.0	-47.1
Proceeds from the disposal of property, plant and equipment	-	-	0.1
Payments for securities and fixed-term deposits	-99.1	-6.0	-123.2
Proceeds from securities and fixed-term deposits	50.7	115.8	31.3
Cash flow from financing activities	-184.7	-134.2	-138.9
Repayment portion of lease liability	-1.0	-0.8	-1.5
Cash flow from financing activities	-1.0	-0.8	-1.5
Changes due to exchange-rate fluctuations	2.1	10.6	4.0
Changes in cash and cash equivalents	90.1	72.6	-59.8
at the beginning of the period	424.4	351.8	294.6
at the end of the period	514.5	424.4	234.8

Additional financial information

In EUR million	Q1 2022	Q4 2021	Q1 2021
Cash flow from operating activities	273.7	197.0	76.6
Cash-effective changes in customer prepayments	-100.5	-92.6	-1.7
Cash flow from investing activities	-136.3	-244.0	-47.0
Net cash flow	36.9	-139.6	27.9

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.