



Press release

Siltronic AG

Einsteinstrasse 172

81677 Munich

www.siltronic.com

Siltronic posts strong results for third quarter of 2022

- Continued high demand for wafers leads to full utilisation of production capacities
- Sales of EUR 474 million, 7 percent above Q2 2022 driven by strong US dollar
- EBITDA of EUR 170.5 million, 16 percent above Q2 2022 (EBITDA margin 36.0 percent)
- Net cash flow of EUR -63.6 million
- Expansion of factories in Singapore and Freiberg proceeding according to plan
- Sales guidance for 2022 raised to 26 to 30 percent due to continued positive currency effects
- EBITDA margin for 2022 between 36 and 38 percent expected
- Risks from geopolitical and economic developments remain high

Munich, Germany, October 28, 2022 - Siltronic AG's (MDAX/TecDAX: WAF) business performance continued to improve in the third quarter. Driven by a persistently strong US dollar, sales rose by 7.2 percent to EUR 474.0 million compared to the previous quarter. Compared to the previous year, sales in the 9-month period from January to September 2022 increased significantly by 29.6 percent and compared to the previous year a EUR 180.8 million higher EBITDA was generated.

"In the third quarter of 2022 a new sales record was achieved. Although external risks and uncertainties persist, we were able to increase sales and earnings significantly and achieved an EBITDA margin of 36 percent," said Dr. Christoph von Plotho, CEO of Siltronic AG.

Business Development in Q3 2022

		Q3 2022	Q2 2022	Q3 2021	Change		Q1-Q3 2022	Q1-Q3 2021	Change
					Q3 to Q2	Q3 to Q3			
Sales	In EUR million	474.0	442.2	371.6	31.9	102.4	1,333.2	1,028.8	304.4
	in %				7.2	27.6			29.6
Cost of sales	In EUR million	-309.8	-297.1	-252.6	-12.7	-57.2	-888.3	-716.0	-172.3
	in %				4.3	22.6			24.1
Gross profit	In EUR million	164.2	145.1	119.0	19.1	45.2	444.9	312.8	132.1
	in %				13.2	38.0			42.2
Gross margin	in %	34.6	32.8	32.0			33.4	30.4	
EBITDA	In EUR million	170.5	147.0	122.9	23.5	47.6	503.5	322.6	180.8
	in %				16.0	38.7			56.1
EBITDA margin	in %	36.0	33.2	33.1			37.8	31.4	
Depreciation, amortization and impairment less reversals thereof	In EUR million	-46.2	-44.2	-39.0	-2.0	-7.2	-132.7	-115.0	-17.6
EBIT	In EUR million	124.3	102.8	83.9	21.5	40.4	370.8	207.6	163.2
	in %				20.9	48.2			78.6
EBIT margin	in %	26.2	23.2	22.6			27.8	20.2	
Financial result	In EUR million	0.2	-3.1	0.0	3.3	0.2	-7.3	2.1	-9.4
Result before in- come taxes	In EUR million	124.5	99.7	83.9	24.8	40.6	363.5	209.7	153.8
	in %				24.8	48.4			73.3
Income taxes	In EUR million	-14.6	-8.6	-10.3	-6.0	-4.3	-47.7	-13.8	-33.9
Tax rate	in %	12	9	12			13	7	
Result for the period	In EUR million	109.9	91.1	73.6	18.8	36.3	315.8	195.9	119.9
	in %				20.6	49.3			61.2
Earnings per share	in EUR	3.32	2.66	2.15	0.66	1.17	9.46	5.65	3.81

Sales

Siltronic generated sales of EUR 474.0 million in Q3 2022, an improvement of 7.2 percent compared to Q2. The growth was driven by the strong US dollar and from price increases in invoicing currency.

In the first nine months of 2022, the company generated sales of EUR 1,333.2 million. This represents a significant year-on-year increase of 29.6 percent or EUR 304.4 million. The main drivers were both price increases in invoicing currency and the development of the US dollar. The higher wafer area sold supported the growth in sales.

In the reporting quarter, the Euro traded 5.4 percent weaker against the US dollar than in the previous quarter (1.01 in Q3 2022 versus 1.07 in Q2 2022). In the first nine months of 2022, the euro was around 11 percent weaker against the US dollar than in the same period of the previous year (1.07 in the reporting year versus 1.20 in the previous year).

Cost of sales and gross profit

In Q3 2022 cost of sales increased by 4.3 percent compared to the previous quarter and by 24.1 percent compared to the period January to September 2021. The higher cost of sales were more than offset by the sales increase (sales growth of 7.2 percent and 29.6 percent, respectively).

The main drivers behind the higher year-on-year cost of sales are (not in order of amount) the larger wafer area sold, exchange rate effects, price increases for energy as well as raw materials and supplies, and higher scheduled depreciation. The cost of sales per wafer area increased accordingly.

Gross profit improved by EUR 19.1 million compared to Q2 and by EUR 132.1 million compared to the previous year.

EBIT, EBITDA and earnings per share

As a result of the improved gross profit, EBITDA for the reporting quarter exceeded the previous quarter by EUR 23.5 million. EBITDA of EUR 170.5 million was achieved in the third quarter, which represents an EBITDA margin of 36.0 percent (Q2: 33.2 percent).

When comparing EBITDA in the reporting year with the previous year, it should be noted that Siltronic received a 'termination fee' of EUR 50.0 million in the first quarter of 2022 as a result of the unsuccessful tender offer by GlobalWafers. The EBITDA of EUR 503.5 million reported for the current year includes the termination fee. The EBITDA margin including the termination fee was 37.8 percent in the reporting period and 34.1 percent excluding the former. In the period January to September 2021, the EBITDA margin amounted to 31.4 percent.

EBIT in Q3 2022 increased by 20.9 percent or EUR 21.5 million to EUR 124.3 million compared to Q2. In the first nine months of 2022, EBIT reached EUR 370.8 million (Q1-Q3 2021: EUR 207.6 million) and thus improved by EUR 163.2 million (including termination fee).

Siltronic generated a net income of EUR 109.9 million in Q3 2022 (up EUR 18.8 million compared to Q2 2022). Earnings per share were EUR 3.32 compared to EUR 2.66 in Q2 2022.

Net income for the nine months period totalled EUR 315.8 million, of which EUR 283.8 million were attributable to Siltronic AG shareholders. Earnings per share after the first nine months of 2022 amounted to EUR 9.46 compared to EUR 5.65 in the previous year.

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

In EUR million	Sept. 30, 2022	Dec. 31, 2021	Change
Equity	1,962.9	1,318.8	644.1
Provisions for pensions	115.5	404.8	-289.3
Customer prepayments	424.6	254.2	170.4
Loan liabilities	366.4	–	366.4
Lease liabilities	108.6	99.5	9.1
Other provisions and liabilities	67.2	70.7	-3.5
Non-current liabilities	1,082.3	829.2	253.1

With equity of EUR 1,962.9 million on September 30, 2022, Siltronic AG's equity ratio was 56.8 percent compared to 53.7 percent on December 31, 2021. The EUR 644.1 million increase in equity is based on the net income of EUR 315.8 million for the current year less the dividend payment of EUR 90 million and an interest-related decrease in pension obligations of EUR 307.7 million. The change in exchange rates resulted in an improvement in equity of EUR 109.0 million.

The reason for the decrease in pension obligations was the interest rate development in Germany and the USA. As of September 30, 2022, provisions for pensions in Germany were discounted at 3.69 percent (December 31, 2021: 1.23 percent). In the USA, the interest rate rose from 2.51 percent to 4.85 percent.

To finance investments in production plants, Siltronic received further customer prepayments and two loans in the first nine months of the financial year.

In the first nine months of 2022, Siltronic paid EUR 585.6 million for capital expenditure including intangible assets. The focus was investments in the construction of a new 300mm plant in Singapore and the expansion of the crystal pulling hall in Freiberg.

In EUR million	Q1-Q3 2022	Q1-Q3 2021	Change
Cash flow from operating activities	614.9	303.9	311.0
Proceeds/payments for capital expenditure including intangible assets	-585.6	-148.5	-437.1
Free cash flow	29.3	155.4	-126.1
Cash-effective change in prepayments	-179.3	-14.2	-165.1
Net cash flow	-150.0	141.2	-291.2
Proceeds/payments for capital expenditure including intangible assets	-585.6	-148.5	-437.1
Proceeds/payments for securities and fixed-term deposits	-446.3	-39.4	-406.9
Cash flow from investing activities	-1,031.9	-187.9	-844.0

In Q3 2022, net cash flow amounted to EUR -63.6 million (Q1 2022 EUR 36.9 million, Q2 2022 EUR -123.4 million). Given the high payments for capital expenditures including intangible assets of EUR 585.6 million, the net cash flow of EUR -150.0 million in the period from January to September 2022 was pleasing (Q1-Q3 2021: EUR 141.2 million). Customer prepayments generated an inflow of EUR 205.3 million in the first nine months of 2022.

In EUR million	Sept. 30, 2022	Dec. 31, 2021	Change
Cash and cash equivalents	306.2	424.3	-118.1
Financial investments	615.1	148.5	466.6
Loan liabilities	-368.0	-	-368.0
Net financial assets	553.3	572.8	-19.5

Despite the dividend payment of EUR 90 million and the payments for capital expenditure and intangible assets amounted to EUR 585.6 million, net financial assets decreased by only EUR 19.5 million. This is attributable to the strong cash flow from operating activities, which also includes the increase in customer prepayments.

Net financial assets amounted to EUR 553.3 million at the end of September; cash and cash equivalents and financial investments totaled EUR 921.3 million. The increase in cash and cash equivalents and financial investments is attributable to the proceeds of two loans.

Ongoing geopolitical and economic risks

The main risks are presented in the risk report in Siltronic's 2021 Annual Report. Changes in the risk assessment due to further developments can be found in the half-year report 2022. In the third quarter of 2022, the risk assessment has not changed.

Forecast for the full year 2022 raised

Demand for 200 and 300 mm diameter wafers remains strong. Demand for wafers with diameters of 150 mm and smaller has weakened slightly. Siltronic continues to enjoy high-capacity utilisation at all sites. Overall, the wafer area sold in the second half of the year will be roughly at the same level as in the first half, as already forecast.

Due to the persistently strong exchange rate of the US dollar against the euro, Siltronic has raised its sales guidance for the full year 2022 and specified the EBITDA margin guidance. Previously, the company assumed an increase in sales of 21 to 27 percent and an EBITDA margin of 34 to 37 percent compared to 2021. Sales are now expected to increase by 26 to 30 per cent and the EBITDA margin is at the upper end of the previous guidance at 36 to 38 per cent.

Unit cost increases for the current financial year are further expected to be around EUR 140 million. It is assumed that high inflation will also lead to significant cost increases in the coming year.



"We expect demand for 200 and 300 mm diameter wafers to remain strong in the fourth quarter, and we also see the growth drivers of the semiconductor industry continuing in force in the long term. Therefore, our focus remains on smooth operational performance," says Dr Christoph von Plotho.

"We are also continuing to work at full speed on the implementation of the expansion projects, as the new cost-effective facilities form the basis for a successful future for Siltronic," says von Plotho.

Overview of forecast changes

	Forecast March 9, 2022 (Annual Report)	Forecast July 29, 2022 (Q2 2022)	Forecast October 28, 2022 (Q3 2022)
Group sales	increase from 15 to 22 percent	increase from 21 to 27 percent	increase from 26 to 30 percent
EBITDA margin	34 to 37 percent	34 to 37 percent	36 to 38 percent
Depreciation and amortization	around EUR 185 million	around EUR 185 million	around EUR 185 million
EBIT	significant increase	significant increase	significant increase
Tax rate	10 to 15 percent	10 to 15 percent	10 to 15 percent
Capital expenditure	around EUR 250 million, mainly in epi reactors, capabilities and expansion of crystal pulling hall to replace older equipment	around EUR 1,100 million (2/3 for new factory in Singapore)	around EUR 1,100 million (2/3 for new factory in Singapore)
Net cash flow	significantly negative	significantly negative slightly positive, but significantly below prior year	significantly negative slightly positive, but significantly below prior year
Earnings per share	significant increase	significant increase	significant increase

Siltronic AG – Key financial figures Q3 2021

Profit and Loss statement

In EUR million		Q1-Q3 2022	Q1-Q3 2021	Q3 2022	Q2 2022	Q1 2021	Q3 2021
Sales		1,333.2	1,028.8	474.0	442.2	417.0	371.6
EBITDA		503.5	322.6	170.5	147.0	186.0	122.9
EBITDA margin	%	37.8	31.4	36.0	33.2	44.6	33.1
EBIT		370.8	207.6	124.3	102.8	143.7	83.9
EBIT margin	%	27.8	20.2	26.2	23.2	34.5	22.6
Result for the period		315.8	195.9	109.9	91.1	114.8	73.6
Earnings per share	EUR	9.46	5.65	3.32	2.66	3.47	2.15

Capital expenditure and net cash flow

Capital expenditure including intangible assets		596.7	143.8	226.0	165.0	205.7	54.1
Net cash flow		-150.0	141.2	-63.6	-123.4	36.9	70.1

Statement of financial position

In EUR million		Sept. 30, 2022	Dec. 31, 2021
Total assets		3,454.5	2,455.4
Equity		1,962.9	1,318.8
Equity ratio	%	56.8	53.7
Net financial assets		553.3	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 October 28, 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 Q3 interim statement and the latest investor presentation are also published on the Siltronic website.

Contact:

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

Company profile:

Siltronic AG is one of the world's leading producers of hyperpure silicon wafers and has been a partner to many major semiconductor manufacturers for decades. 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 4,300 people worldwide and has been listed in the Prime Standard of the German Stock Exchange since 2015. Siltronic AG shares are included in both the MDAX and TecDAX stock market indices.

Financial information – pursuant to IFRS, unaudited

Siltronic AG – Consolidated Statement of Profit or Loss

In EUR million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021
Sales	474.0	371.6	1,333.2	1,028.8
Cost of sales	-309.8	-252.6	-888.3	-716.0
Gross profit	164.2	119.0	444.9	312.8
Selling expenses	-8.9	-8.8	-25.1	-26.0
Research and development expenses	-22.2	-19.7	-66.5	-59.2
General administration expenses	-8.4	-8.3	-25.9	-27.8
Other operating income	55.3	14.1	170.7	53.2
Other operating expenses	-55.7	-12.4	-127.3	-45.4
Operating result	124.3	83.9	370.8	207.6
Interest income	3.9	1.0	5.9	2.9
Interest expenses	-2.2	-0.7	-3.6	-1.8
Other financial result	-1.5	-0.3	-9.6	1.0
Financial result	0.2	0.0	-7.3	2.1
Result before income tax	124.5	83.9	363.5	209.7
Income taxes	-14.6	-10.3	-47.7	-13.8
Result for the period	109.9	73.6	315.8	195.9
<i>of which</i>				
<i>attributable to Siltronic AG shareholders</i>	<i>99.7</i>	<i>64.5</i>	<i>283.8</i>	<i>169.5</i>
<i>attributable to non-controlling interests</i>	<i>10.2</i>	<i>9.1</i>	<i>32.0</i>	<i>26.4</i>
Profit per share in EUR (basic/diluted)	3.32	2.15	9.46	5.65

Siltronic AG - Consolidated Statement of Financial Position

In EUR million	Sept. 30, 2022	Dec. 31, 2021
Intangible assets	21.8	23.0
Property, plant and equipment	1,824.1	1,275.8
Right-of-use assets	110.0	103.5
Securities and fixed-term deposits	13.7	22.2
Other financial assets	0.1	0.2
Other non-financial assets	21.3	21.9
Deferred tax assets	17.1	14.2
Non-current assets	2,008.1	1,460.8
Inventories	259.1	211.8
Trade receivables	199.3	170.0
Contract assets	18.8	12.7
Securities and fixed-term deposits	603.3	128.5
Other financial assets	19.8	6.8
Other non-financial assets	39.0	40.5
Income tax receivables	0.9	–
Cash and cash equivalents	306.2	424.3
Current assets	1,446.4	994.6
Total assets	3,454.5	2,455.4
Subscribed capital	120.0	120.0
Capital reserves	974.6	974.6
Retained earnings and net Group result	566.9	373.1
Other equity items	128.1	–277.8
Equity attributable to Siltronic AG shareholders	1,789.6	1,189.9
Equity attributable to non-controlling interests	173.3	128.9
Equity	1,962.9	1,318.8
Provisions for pensions	115.5	404.8
Other provisions	55.8	60.2
Liabilities for income taxes	4.2	8.4
Deferred tax liabilities	1.0	2.0
Customer prepayments	424.6	254.2
Lease liabilities	108.6	99.5
Loan liabilities	366.4	–
Other financial liabilities	2.3	0.1
Other non-financial liabilities	3.9	–
Non-current liabilities	1,082.3	829.2
Other provisions	11.3	6.4
Liabilities for income tax	36.5	28.8
Trade liabilities	187.1	164.3
Customer prepayments	50.3	33.1
Lease liabilities	6.2	6.3
Loan liabilities	1.6	–
Other financial liabilities	50.2	14.6
Other non-financial liabilities	66.1	53.9
Current liabilities	409.3	307.4
Total liabilities	1,491.6	1,136.6
Total equity and liabilities	3,454.5	2,455.4

Siltronic AG - Consolidated Statement of Cash Flows

In EUR million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021
Result for the period	109.9	73.6	315.8	195.9
Depreciation / amortization of non-current assets, including impairment losses and reversals thereof	46.2	39.1	132.7	115.0
Other non-cash expenses and income	-14.2	1.3	6.0	-1.9
Result from disposal of non-current assets	0.8	0.6	1.9	2.2
Interest income	-1.7	-0.3	-2.3	-1.1
Interest paid	-0.5	-0.6	-1.4	-1.4
Interest received	3.9	1.4	10.6	3.5
Tax expense	14.6	10.3	47.7	13.8
Taxes paid	-4.4	-3.8	-35.7	-9.2
Changes in inventories	-6.7	-7.9	-35.8	-30.8
Changes in trade receivables	13.7	-7.7	-9.1	-18.2
Changes in contract assets	-2.5	-0.8	-5.8	-
Changes in other assets	2.5	-4.3	2.8	-9.5
Changes in provisions	2.9	4.7	6.4	10.7
Changes in trade liabilities	-16.4	5.4	-7.8	9.7
Changes in other liabilities	11.7	10.2	9.6	11.0
Changes in customer prepayments	-9.8	1.6	179.3	14.2
Cash flow from operating activities	150.0	122.8	614.9	303.9
Payments for capital expenditure (including intangible assets)	-223.4	-51.1	-586.0	-148.7
Proceeds from the disposal of property, plant and equipment	-	-	0.4	0.2
Payments for securities and fixed-term deposits	-130.5	-85.6	-582.1	-300.2
Proceeds from securities and fixed-term deposits	20.8	183.1	135.8	260.8
Cash flow from investing activities	-333.1	46.4	-1,031.9	-187.9
Dividends	-	-	-90.0	-60.0
Repayment portion of lease liability	-1.2	-1.1	-3.4	-3.6
Proceeds from loans	70.3	-	370.3	-
Cash flow from financing activities	69.1	-1.1	276.9	-63.6
Changes due to exchange-rate fluctuations	7.8	2.4	21.9	4.8
Changes in cash and cash equivalents	-106.2	170.5	-118.2	57.2
at the beginning of the period	412.4	181.3	424.4	294.6
at the end of the period	306.2	351.8	306.2	351.8

Additional financial information

In EUR million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021
Cash flow from operating activities	150.0	122.8	614.9	303.9
Cash-effective changes in prepayments	9.8	-1.6	-179.3	-14.2
Proceeds/ payments for capital expenditure (including intangible assets)	-223.4	-51.1	-585.6	-148.5
Net cash flow	-63.6	70.1	-150.0	141.2

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.