

OUR PATH TO GROWTH AND VALUE CREATION

Investor Presentation
March 2024

SILTRONIC AT A GLANCE

4,500

employees
worldwide

4

world-class
production sites

1.5

billion EUR
Sales for 2023

50+

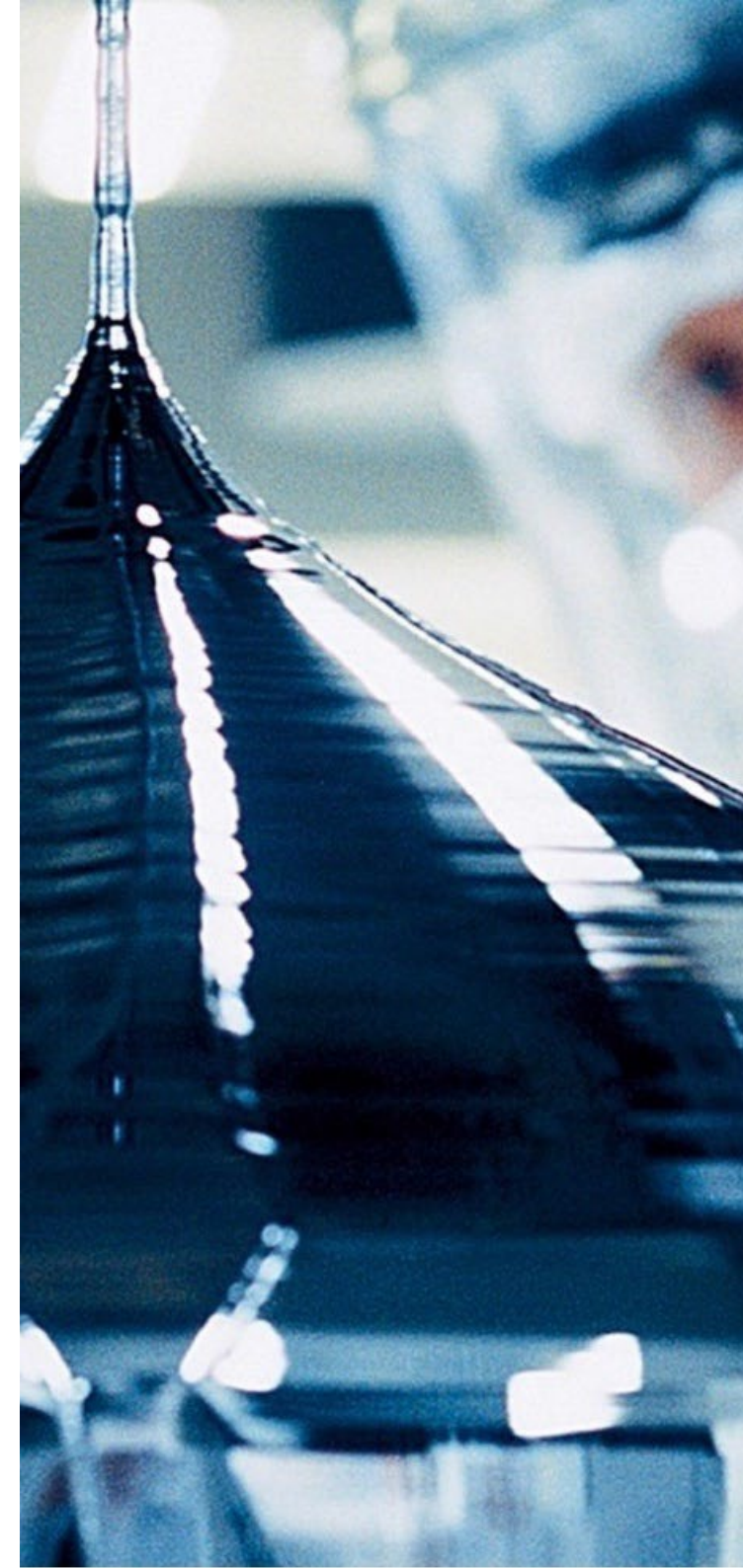
years of history
in silicon technologies

Supplier

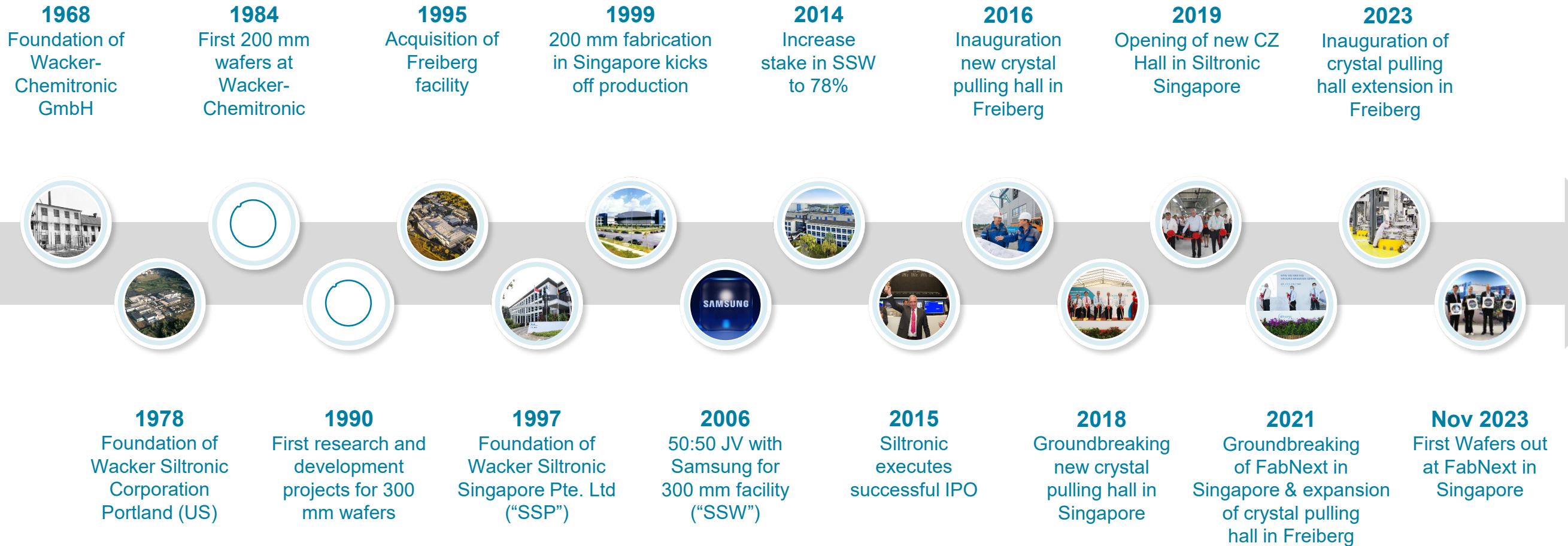
to top
semiconductor producers

29

percent
EBITDA-Margin



50 YEARS OF HISTORY – A STORY OF SUCCESS AND INNOVATION



INTERNATIONAL PRODUCTION NETWORK SERVES CUSTOMERS AROUND THE GLOBE

Singapore



Singapore  

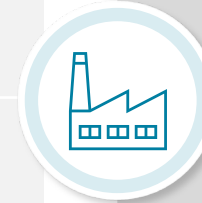
SSW



300 mm

SSP

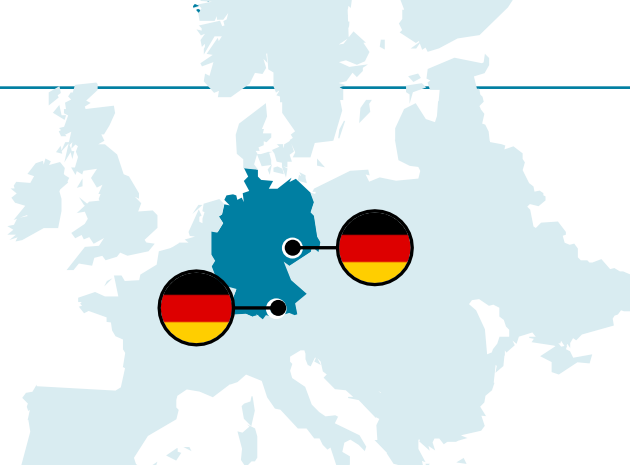
200 mm



300 mm

volume production in Germany & Singapore

Germany



Germany (Burghausen, Freiberg)  

CP*

300 mm

<150 mm



R&D

hub in Burghausen

USA



USA (Portland) 

200 mm



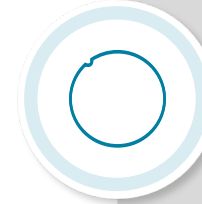
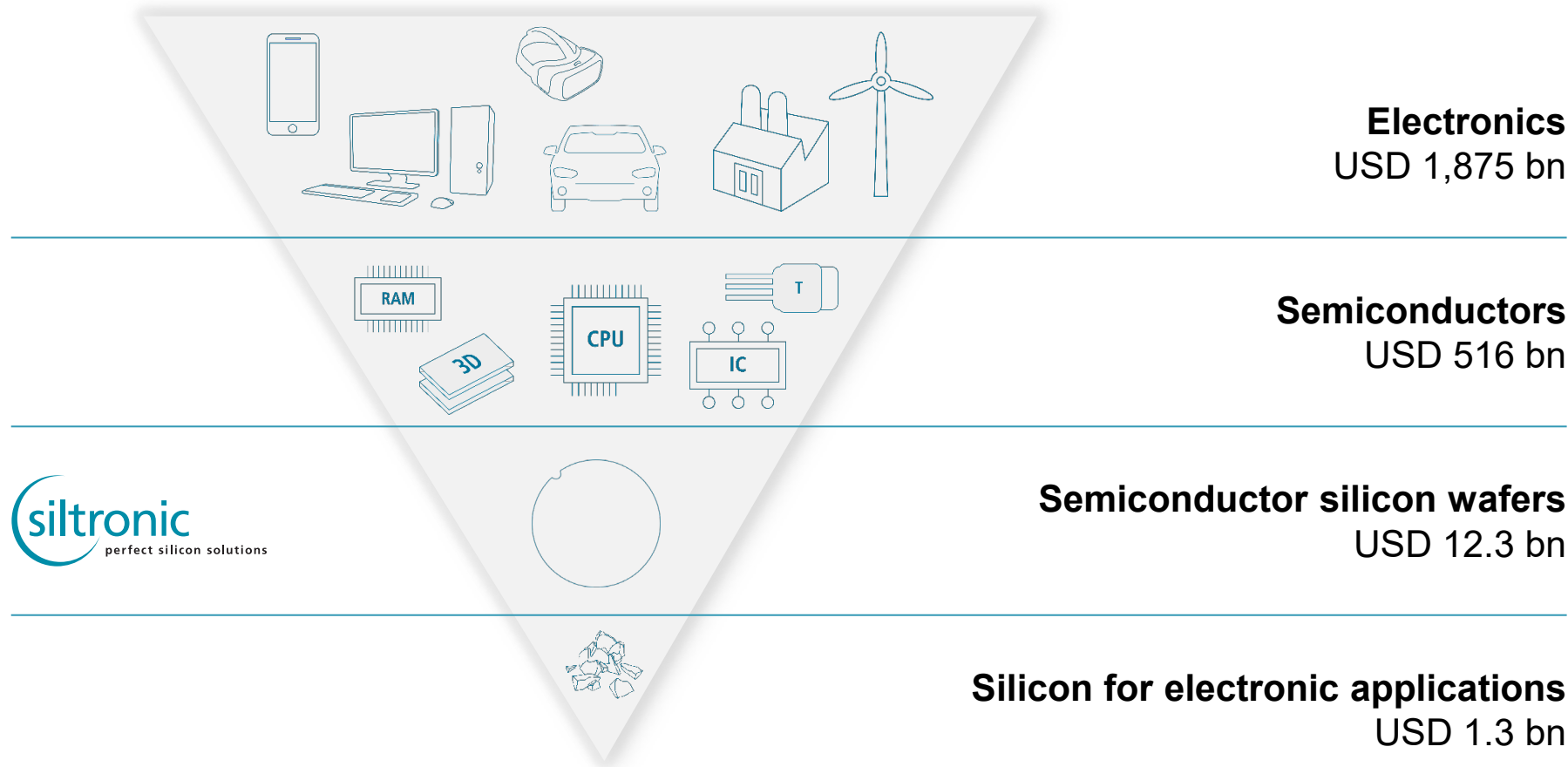
Leading Edge

production

R&D = Research and Development
CP = Crystal Pulling

EXPANSION OF ELECTRONICS VALUE CHAIN WILL DRIVE SEMICONDUCTOR AND WAFER GROWTH

Electronics value chain (figures for 2023)⁽¹⁾



99%

of the semiconductor value chain is based on silicon



USD 1 tn

semi sales at the end of this decade⁽²⁾

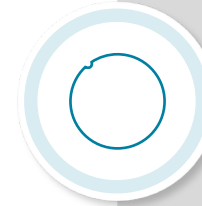
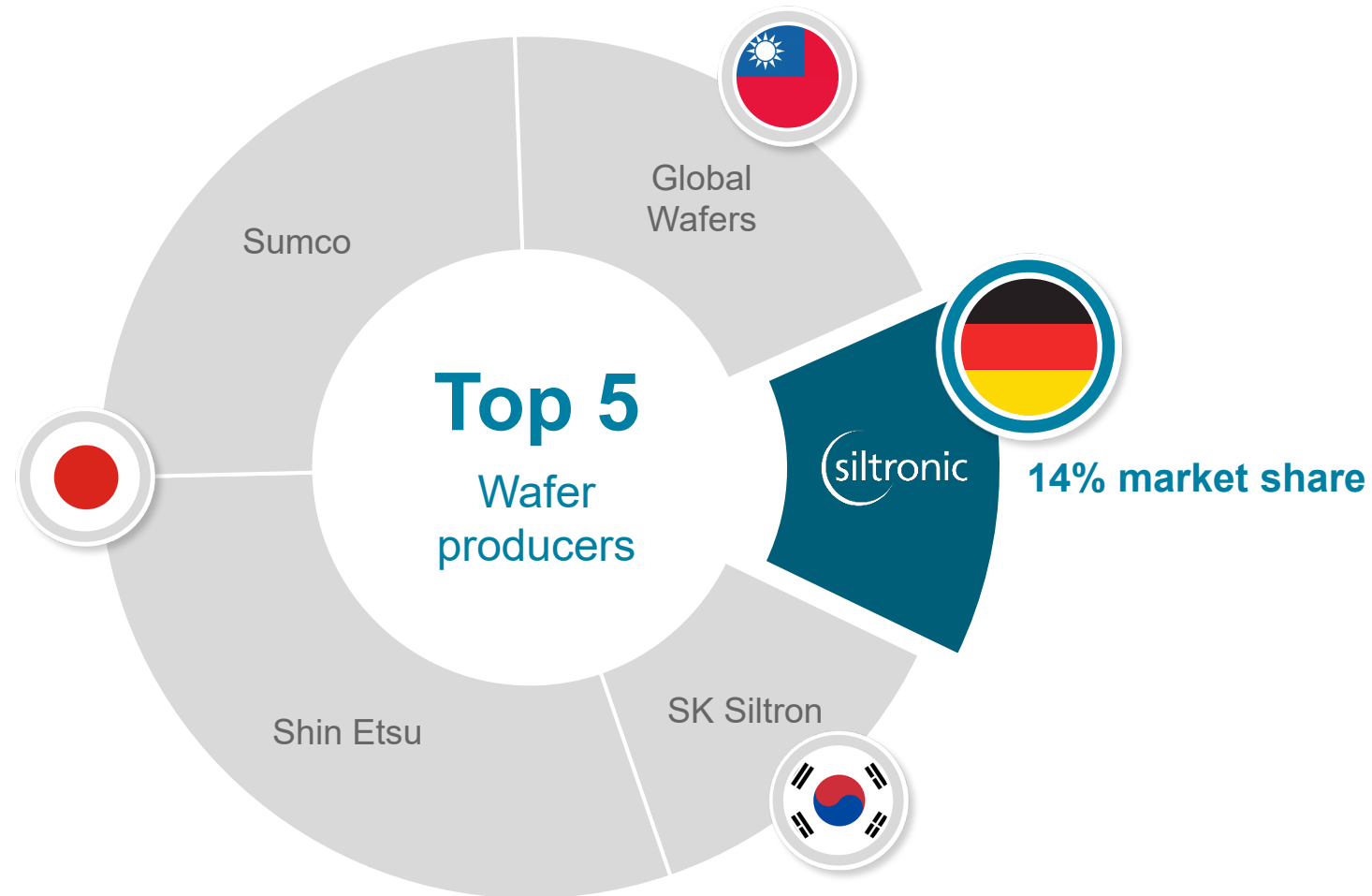


Crucial

for the whole value chain

Source: 1 TechInsights, WSTS (Silicon based), SEMI SMG, Siltronic Marketing | 2 McKinsey

WELL POSITIONED IN A CONSOLIDATED MARKET AS THE ONLY WESTERN-BASED MANUFACTURER



Up to 90%
are served by the top
5 wafer manufacturers



Only western
based wafer
manufacturer

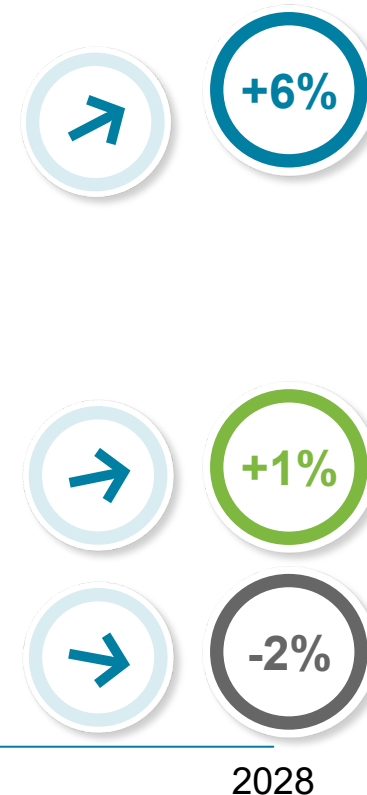
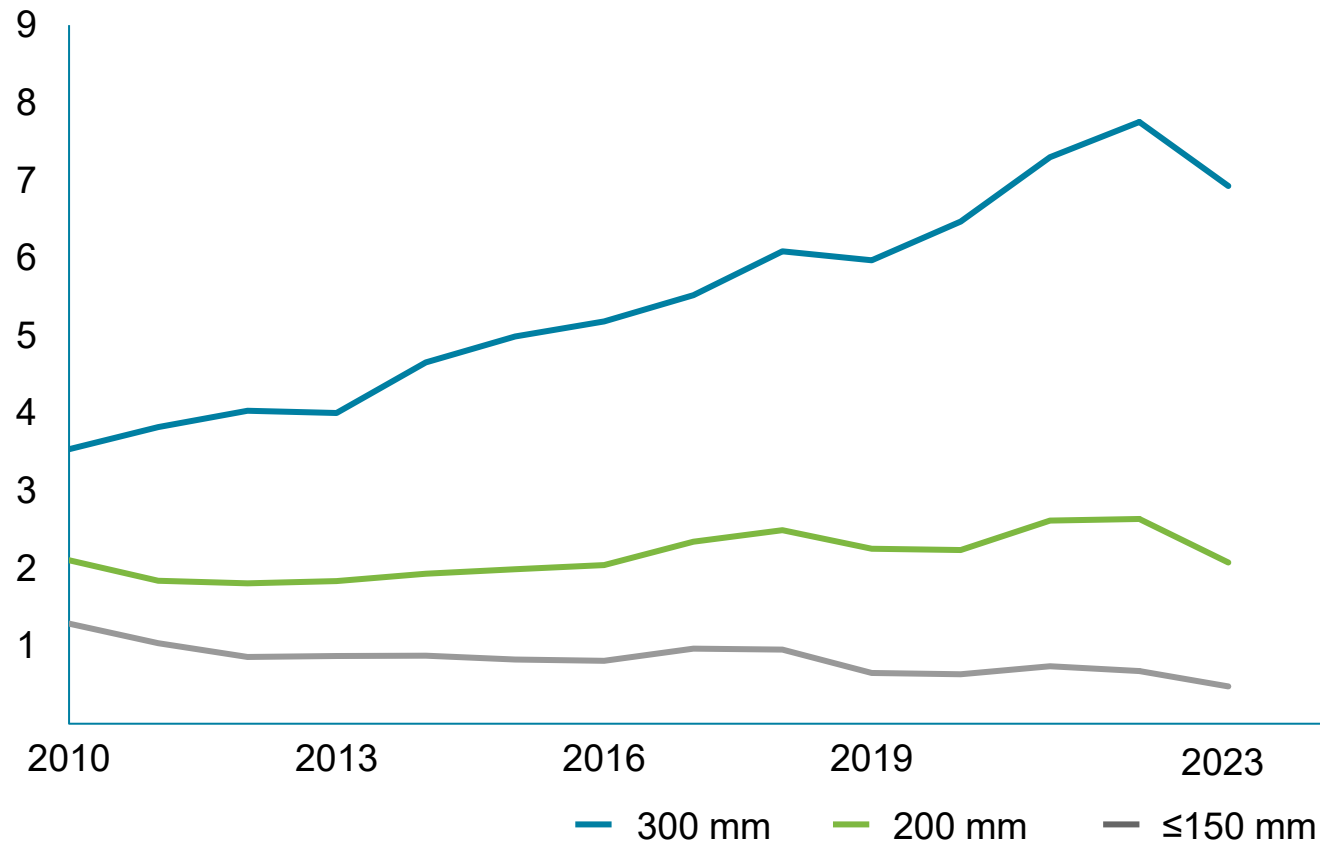




Consolidated
market leads to high
transparency and
predictability

Source: Siltronic estimate 2023, Quarterly reports of SEMI companies

CAGR OF 4–5% EXPECTED ON AVERAGE WITH HIGHEST GROWTH IN 300 MM

Development of total wafer demand per diameter in mn 300 mm equivalents per month¹ and CAGR per diameter in %²

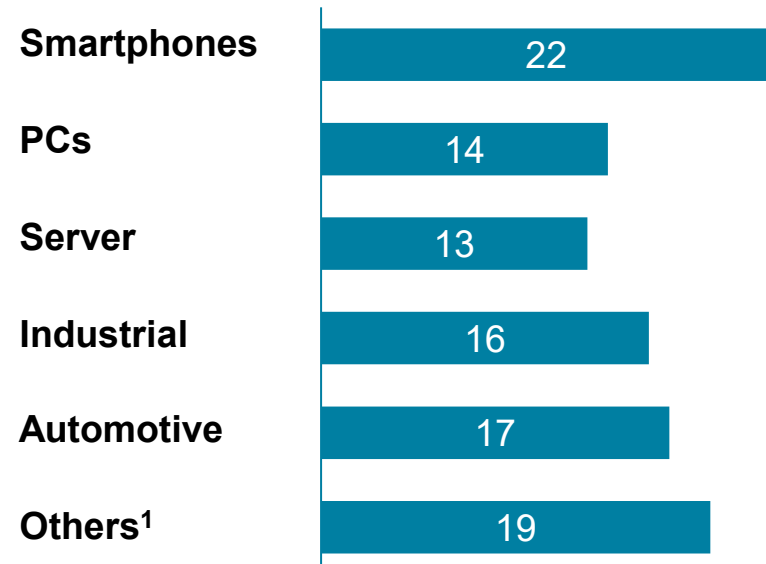


- 
300 mm
strong growth
- 
200 mm
slightly increasing
- 
≤150 mm
decreasing

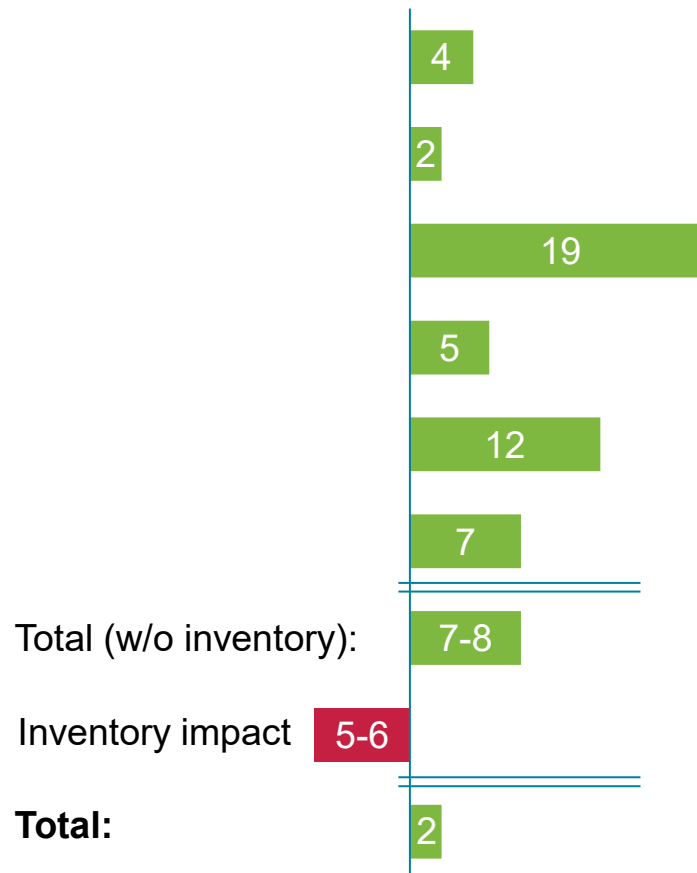
¹ Source: SEMI up to Dec 2023; ² Siltronic CAGR expectation until 2028 (base year 2022) - the actual CAGR may deviate from expectations

SLIGHT INCREASE IN WAFER DEMAND EXPECTED FOR 2024

Consumption of wafers by end use 2023, in %



Growth in demand for wafer area 2024 vs. 2023, in %



AI Server

up to 8x more wafer area



EV

60-100% more wafer area



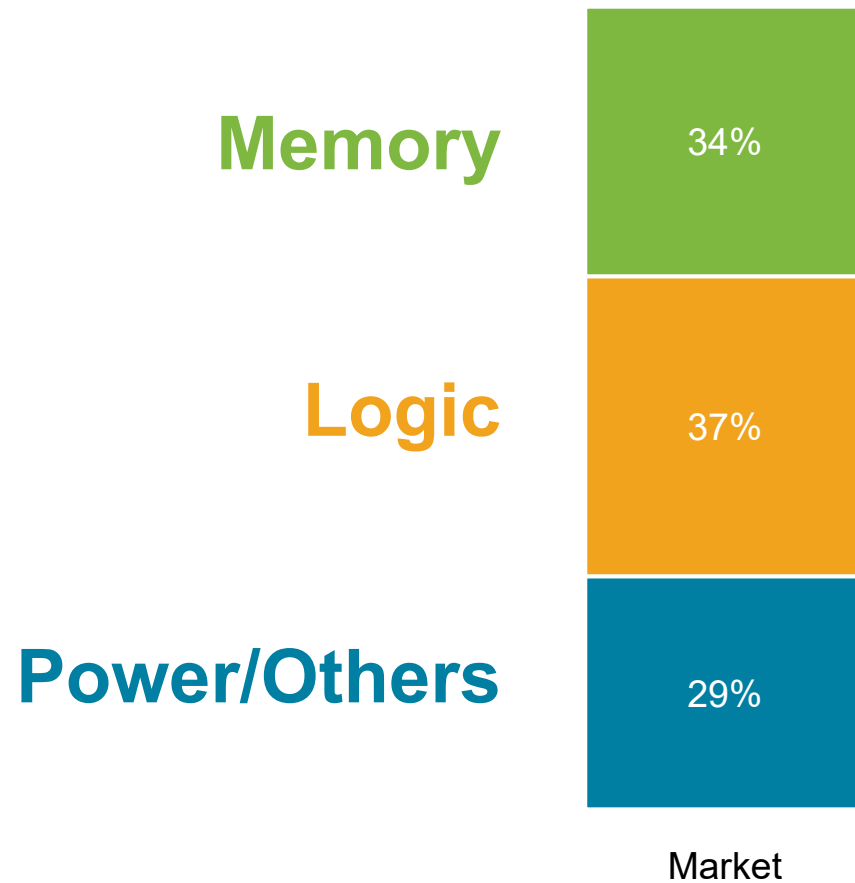
Digitization

will further increase wafer demand

Source: Siltronic estimates, ¹ Infrastructure Telecommunications, game consoles, consumer electronics such as televisions, white goods such as refrigerators

TOTAL INVENTORIES FOR MEMORY AND LOGIC HAVE PEAKED IN 2023, POWER INCREASING

Demand by segments in % of total demand in 2023¹



Semiconductor inventories per sector²



Inventory levels decreasing slowly; DRAM better than NAND



Inventories still elevated but closer to normal levels



Power inventories increasing



Roughly 1/3

as a rule of thumb is the split between the three segments

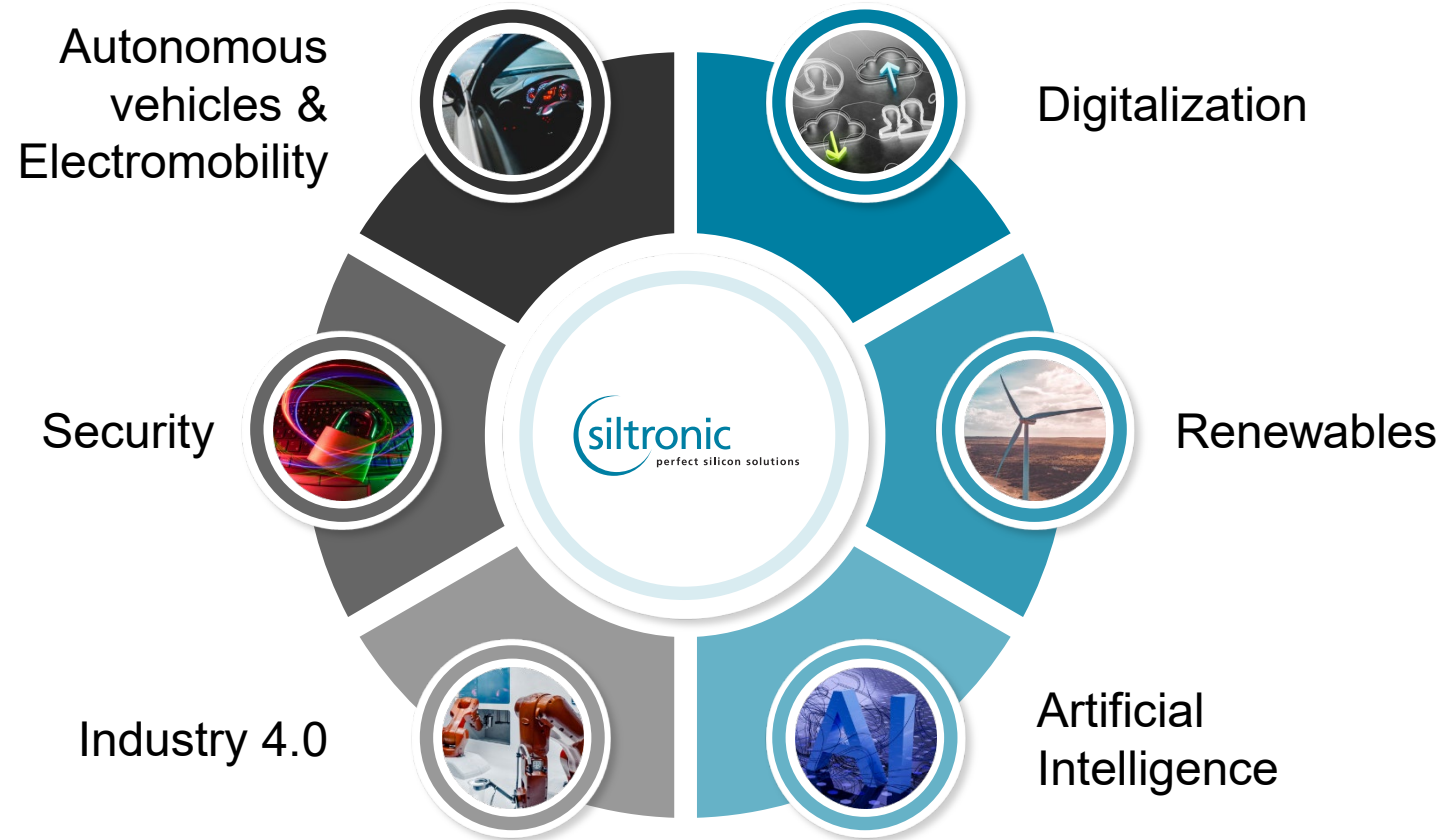


Siltronic

split between the segments is similar to the market

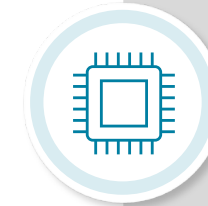
¹ Source: Siltronic estimates ² Source: Respective company data up to Q4 2023 including finished goods, Work-in Progress and raw materials

MEGATRENDS WILL DRIVE WAFER DEMAND



Siltronic

well positioned to support each megatrend



All segments

will participate and Power with over proportional growth

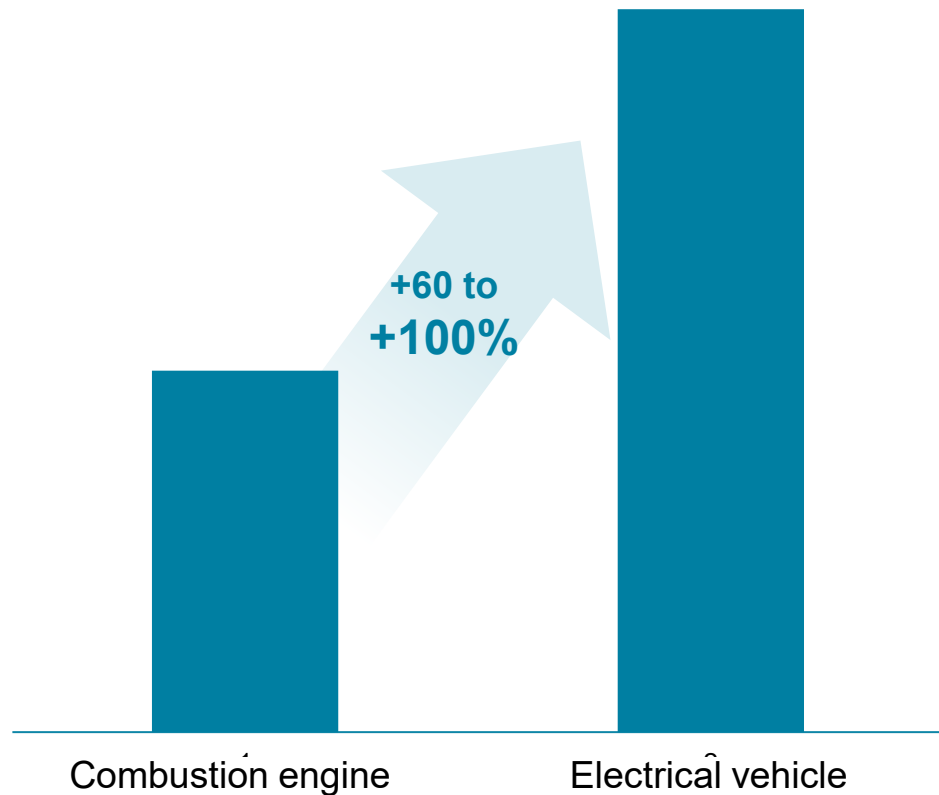


Key benefits

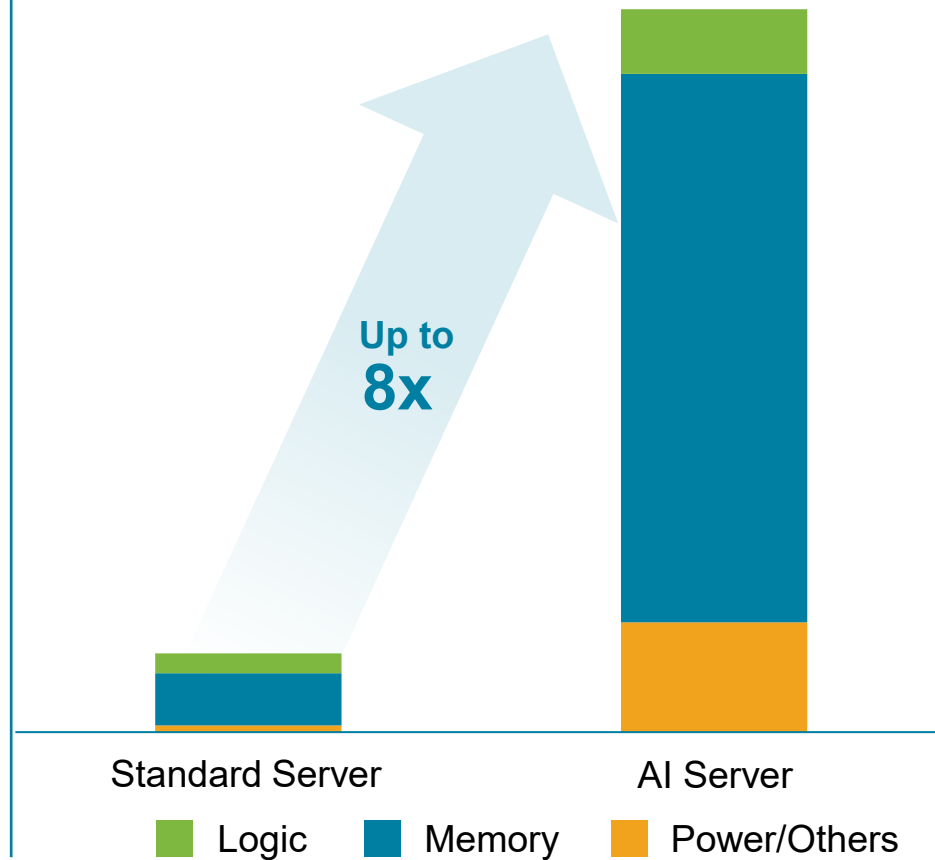
from strategic focus on Leading Edge and Power market

FOR EXAMPLE: ELECTROMOBILITY AND AI ARE PUSHING WAFER DEMAND

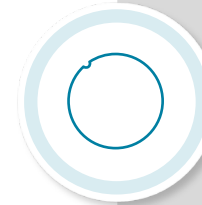
Silicon content between combustion engine and electrical vehicle in cm² per car



Silicon content between standard server vs. AI server in cm² per server



~40%
of light vehicles expected to be EV's by 2028



>70,000 m²
Siltronic wafers in xEV's in 2028 will drive Power wafer demand



AI server
Will grow with a CAGR of >30%, strong need for leading edge wafers

Source: BS Sept. 2023 Global I/O Semiconductors; UBS May 2023; Omdia Q4 2022; Siltronic Marketing estimates

INVESTMENT PEAK FABNEXT BEHIND US

Project Status



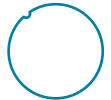
On track, on budget



Focus on qualifying customers



Ramp speed for 2024 as communicated, further decision with lead time of 18 – 24 months



Commissioning started in early 2024, depreciation to start in Q2 2024

Commercial Facts



Advantages:
High automation, high epi share, economies of scale, state of the art



High LTA share



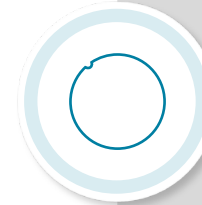
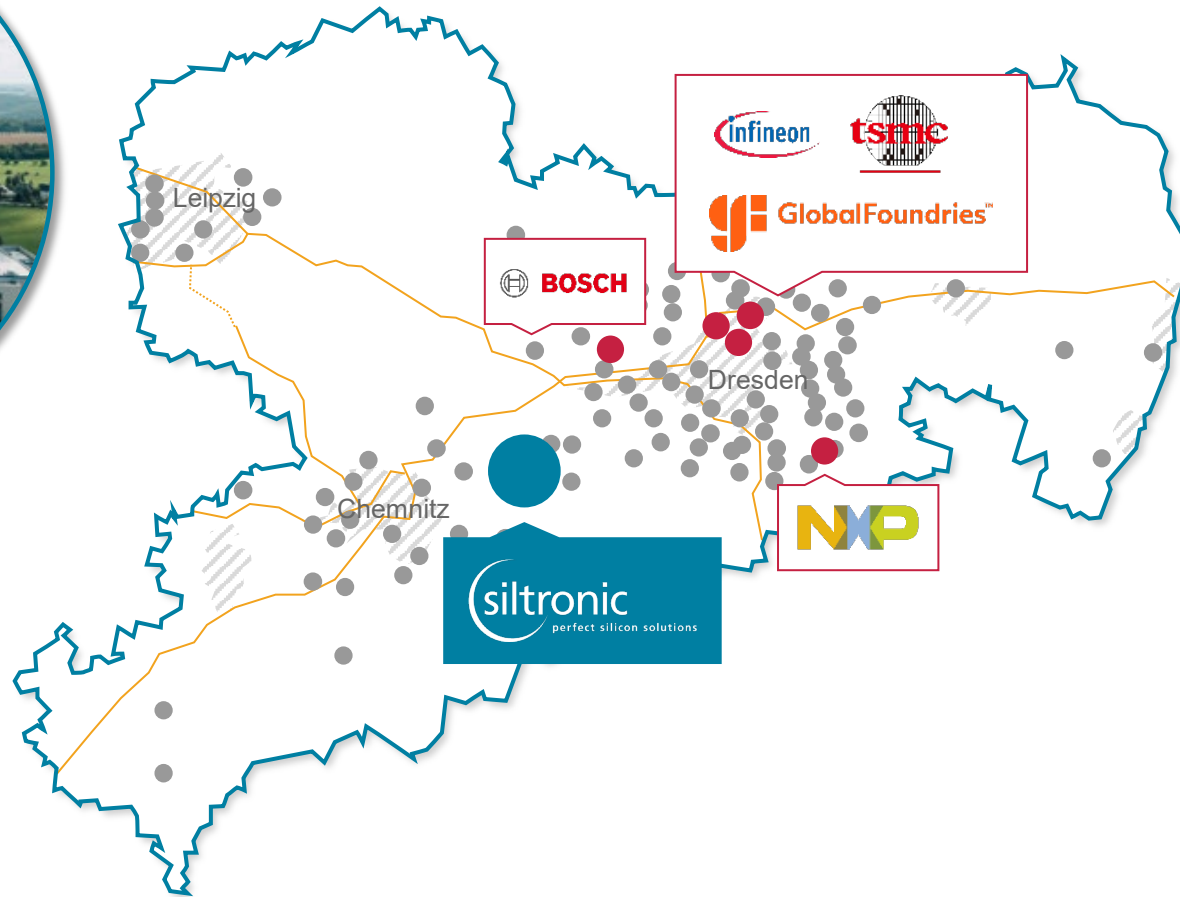
Ramp costs will burden profitability by up to 3%–points (mainly labor, material, energy)



EBITDA-margin above 50% mid-term



FURTHER IMPROVED PRODUCT MIX FUELED BY INVESTMENTS (E.G. FREIBERG)



**Every
3rd to 2nd**
semiconductor in the
EU is from this region



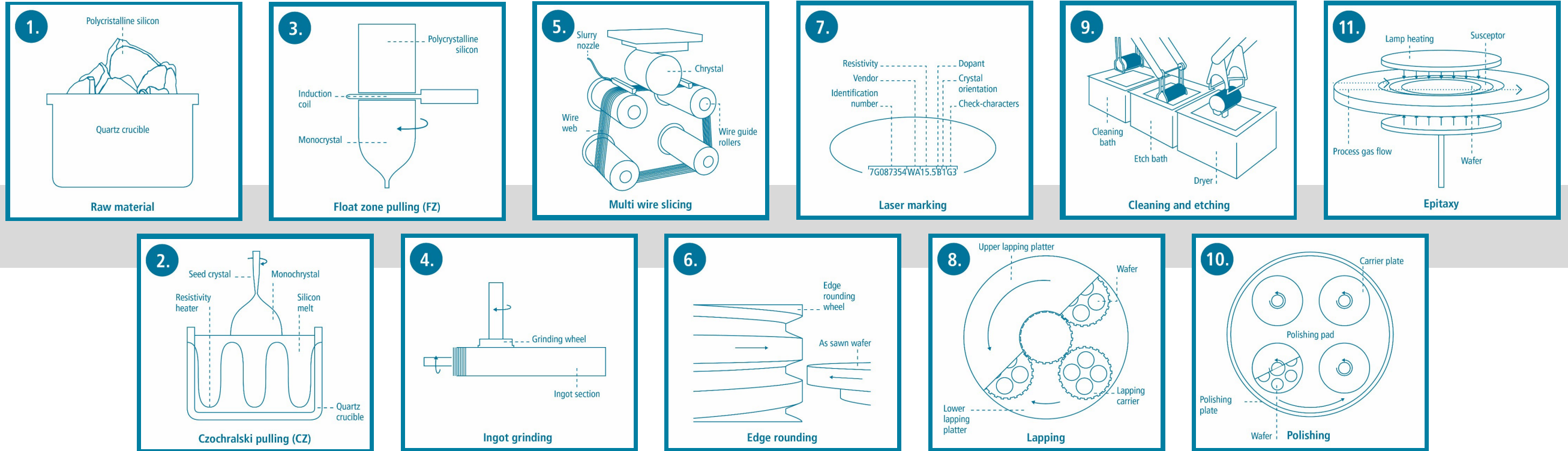
Investments
of more than EUR 1 bn
since 1995 by Siltronic



#1 customers
in Logic, Memory and
Power served from
Freiberg

Source: Siltronic; Silicon Saxony/Wirtschaftsförderung Sachsen

WAFER PRODUCTION PROCESS



OUR UNIQUE R&D AND INNOVATION FOCUS IS ANOTHER IMPORTANT GROWTH DRIVER

R&D

hub in Germany



450

R&D employees



1,900

patents



4–5%

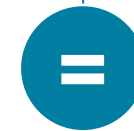
of sales planned
as R&D spendings



Partnering with leading innovation platforms and joint development projects with customers



Leibniz Institute
for high
performance
microelectronics



R&D Innovation Strategy

Stay one generation ahead
as a technology leader

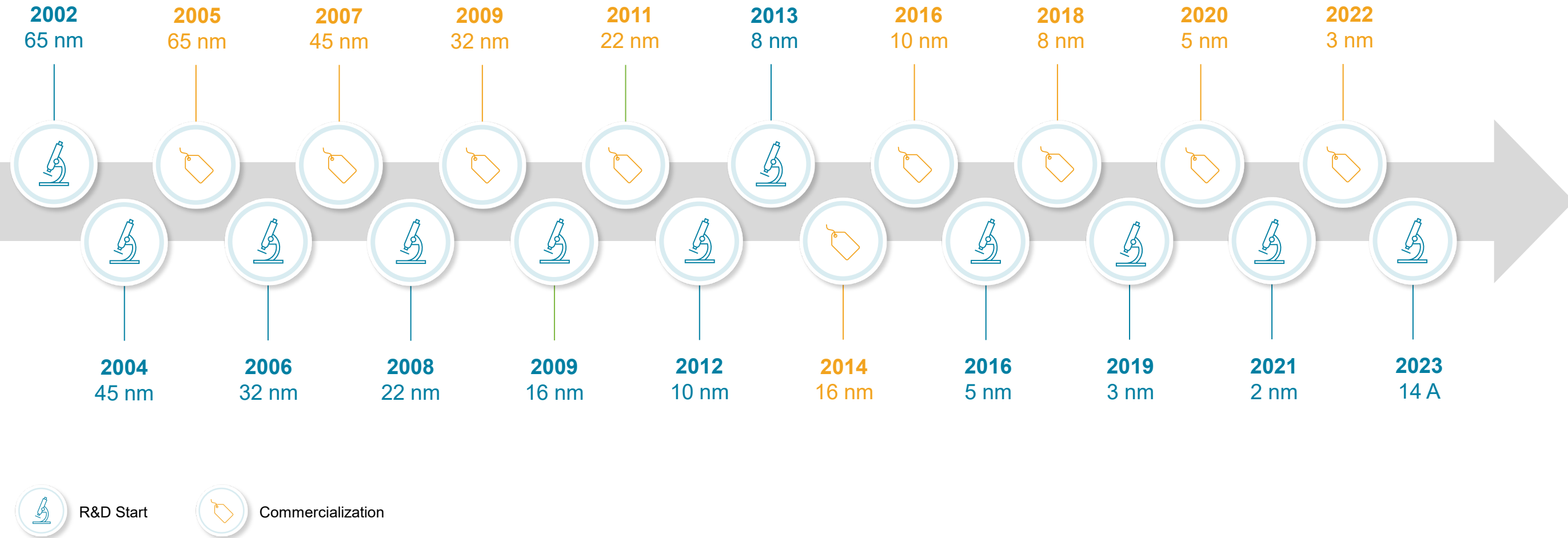
Focus on Leading Edge and Power

Strengthen and expand our product
portfolio

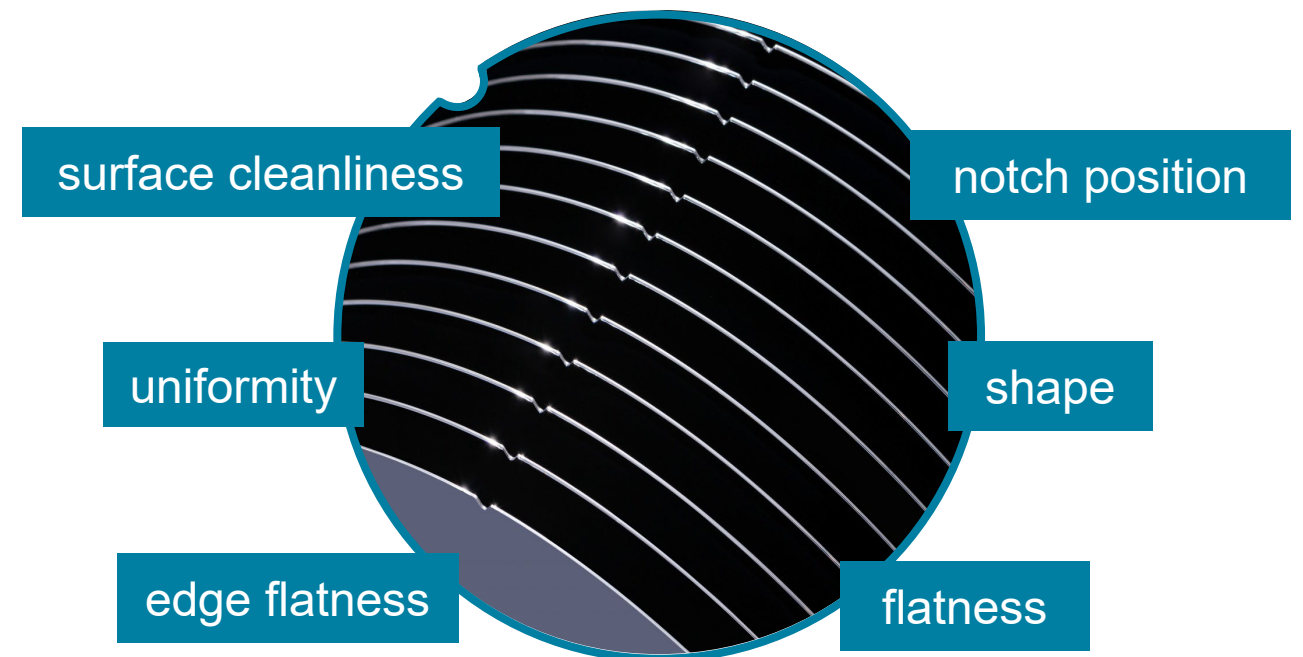
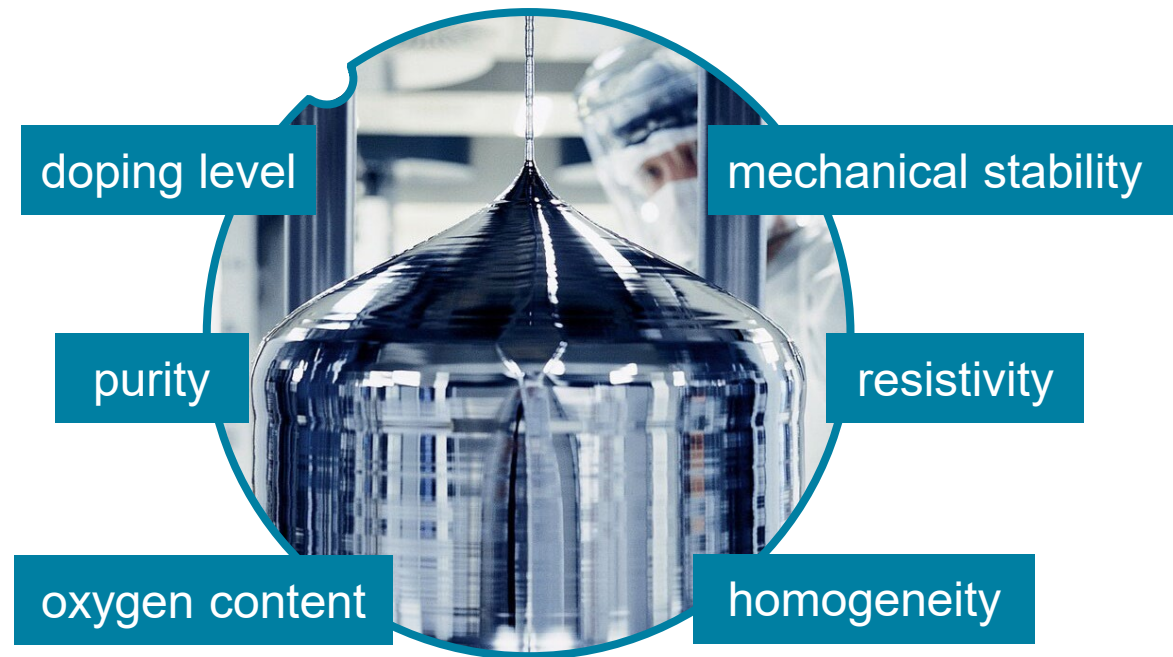
Further improve our technology
and processes

Find new business opportunities

SILTRONIC HAS A PROVEN TRACK RECORD



A NUMBER OF KEY INGOT & WAFER PROPERTIES DEFINE THE WAFER SPECIFICATION AND ITS FURTHER USE BY THE CUSTOMER



PURITY AND FLATNESS REQUIREMENTS FOR WAFERS ARE EXTREME, AS SCALING THEM INTO THE MACRO WORLD SHOWS

Particles

Particle size specified in the nm range. Requirements are equivalent to a maximum of 10 grains of sand distributed over the city of Munich - and no pebble or rock



Flatness

20 nm on a wafer are equivalent to the height of a leaf on the surface of Lake Chiemsee – or a single bacteria on a tennis court.



Impurity

„parts per trillion“ (ppt) is equivalent to a sugar cube diluted in a small lake – or a single grain of salt in a tank truck



COST-COMPETITIVENESS A PREREQUISITE IN THE WAFER INDUSTRY

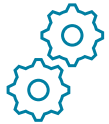
Major cost items 2023



Labor



Depreciation



Supplies

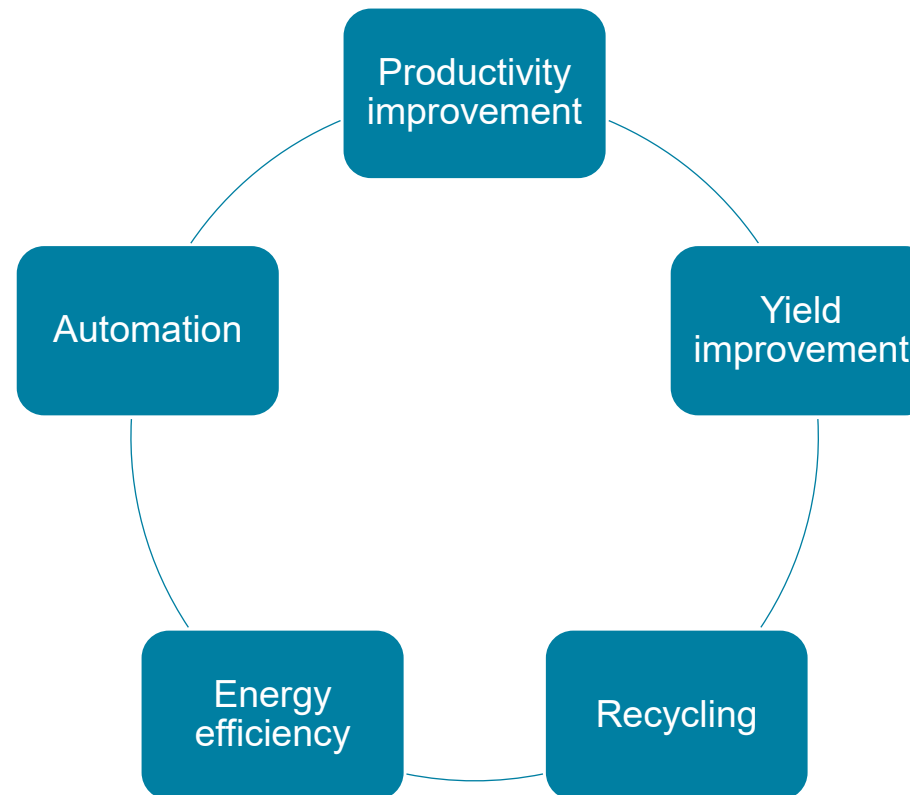


Energy



Polysilicon

Continuous cost roadmaps to counter unit cost increases



Costs

are monitored on an ongoing basis



Labor & Depreciation

are the two largest cost items

OUTLOOK AND FINANCIAL STRENGTH

Our ambitions until 2028

OUTLOOK 2024 - HIGH INVENTORIES BURDEN BUSINESS DEVELOPMENT

Sales

In the region of 2023
EUR/USD: 1.10, stable ASP's

EBITDA Margin

In the region of 23 w/o ramp cost,
burdened by up to 3%-points ramp cost

Depreciation

Nearly doubled vs. 2023

EBIT

Significantly below 2023

Capex

below EUR 600 mn

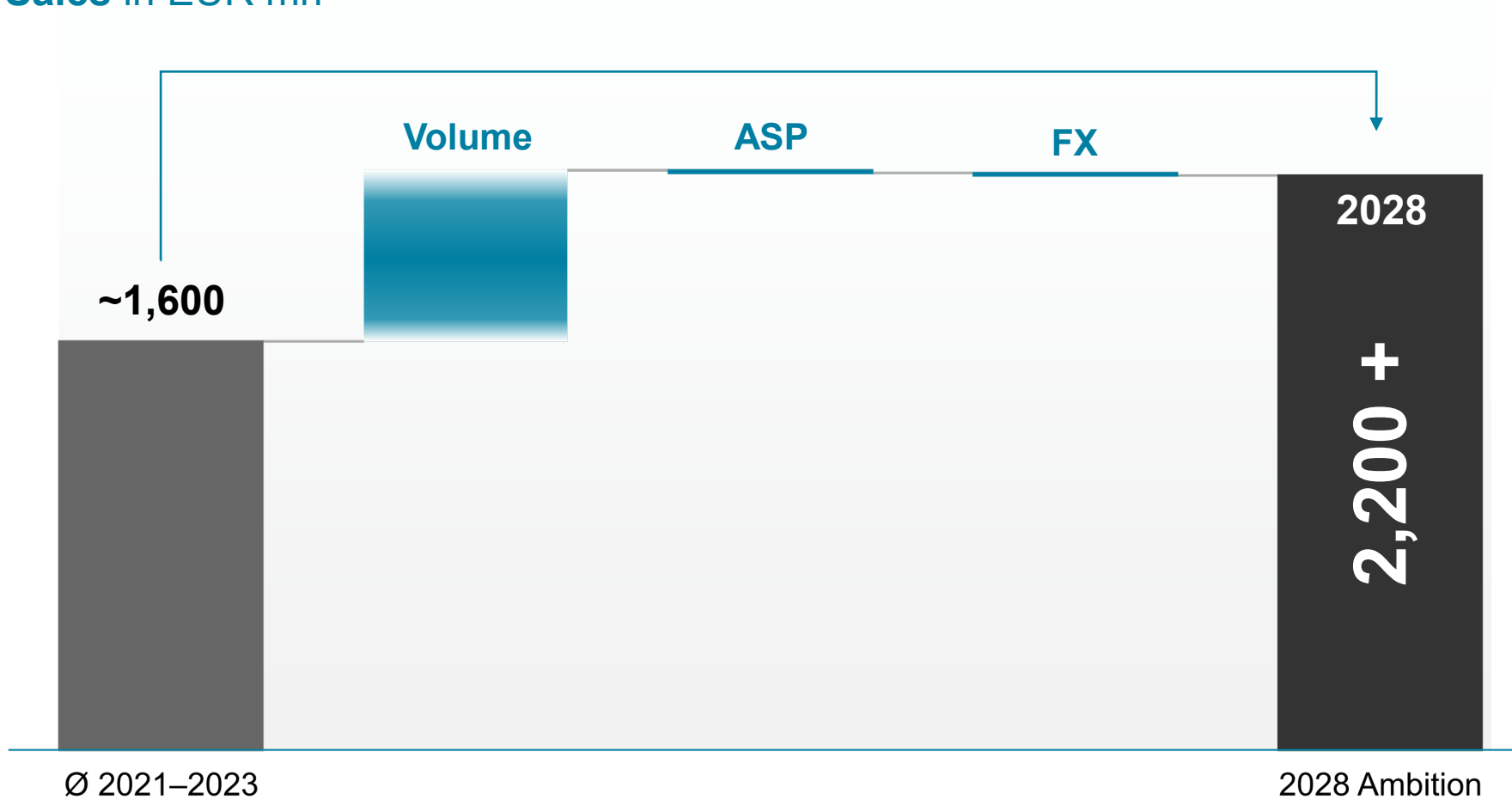
Net cash flow

Above 2023 but still negative



BY 2028 OUR SALES AMBITION IS >EUR 2.2 BN DRIVEN BY VOLUME AND CAPACITY EXPANSION

Sales in EUR mn



Volume effect

Assumed volume growth
2028 vs. 2022

- Total CAGR 4–5%
- 300 mm CAGR 6%

Capacity expansion
FabNext along with market
growth



ASP effect

Overall stable



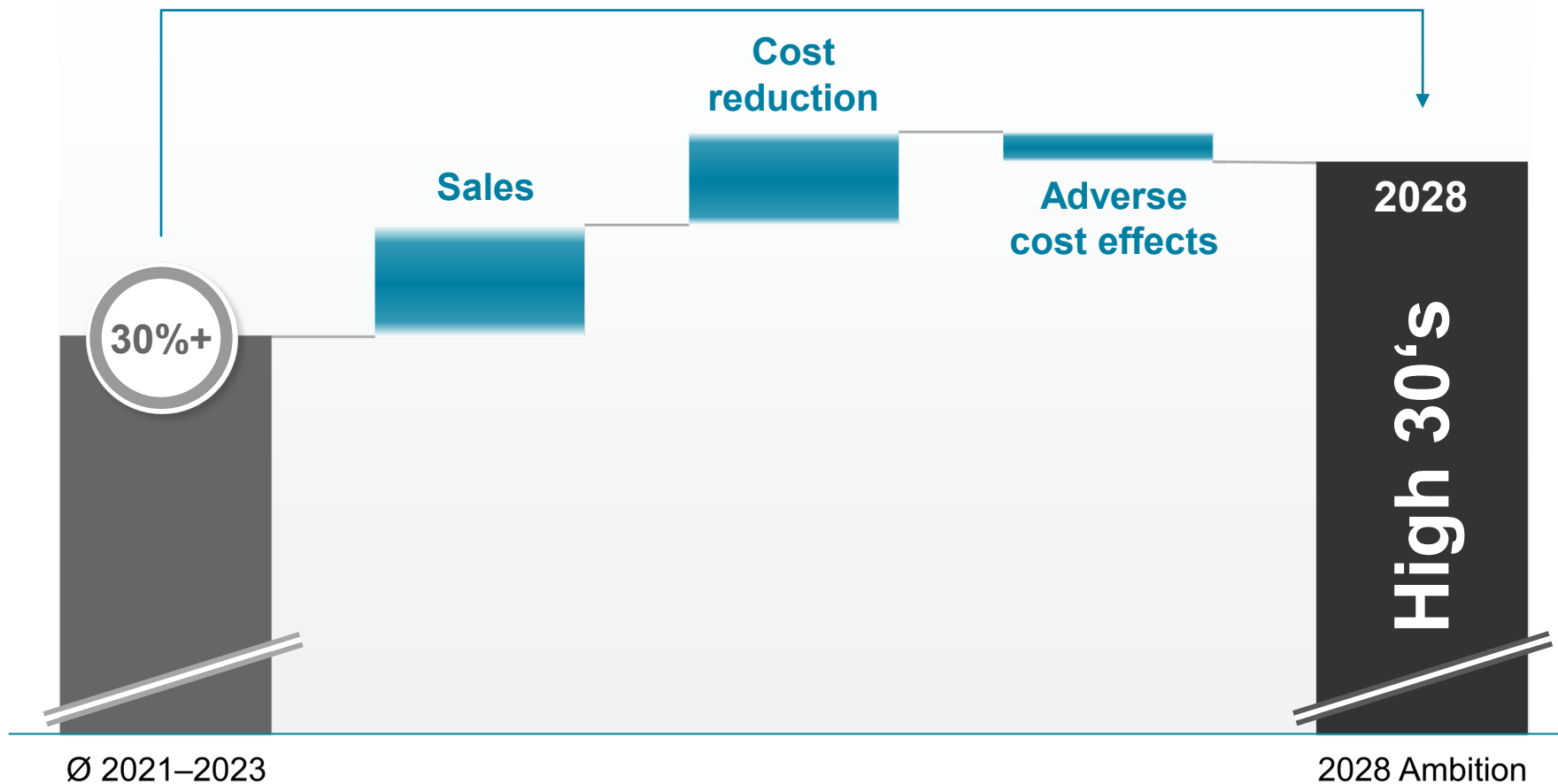
FX effect

stable, EUR/USD 1.10

Charts not to scale

PROFITABLE GROWTH UNTIL 2028 IS SUPPORTED BY VOLUME GROWTH AND COST ADVANTAGES

EBITDA-Margin in %



Sales

ASP/FX flat

Additional volume mainly from FabNext (with fix cost build-up)



Cost reduction

Cost reduction programs

Invest in new equipment and automation

Shift towards Singapore with cost advantage



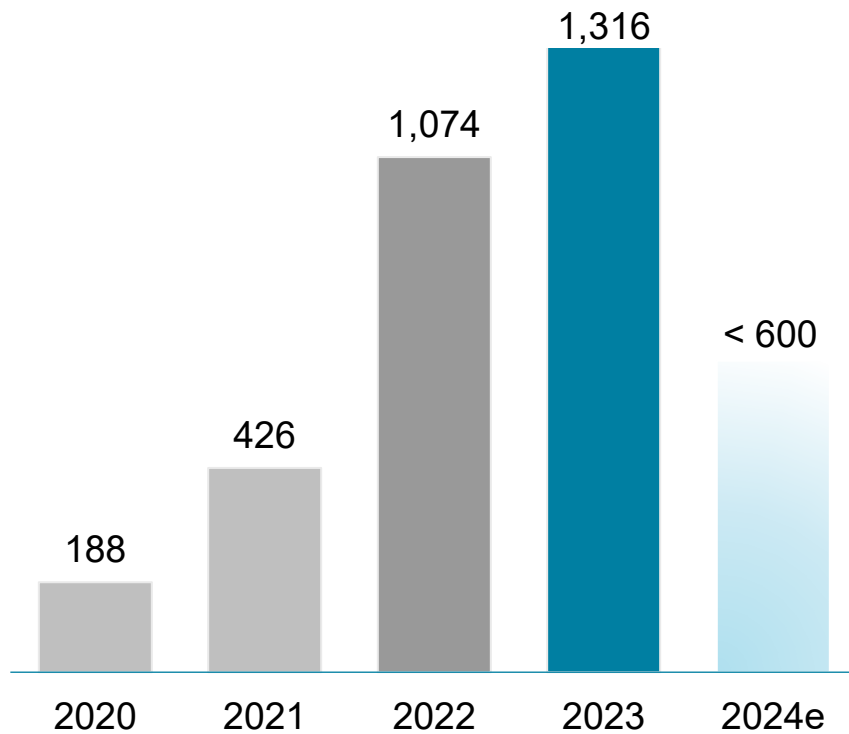
Adverse cost effects

Inflation

Charts not to scale

TOP PRIORITY: INVESTMENTS IN ORGANIC GROWTH

Capital expenditure
in EUR mn



Capital expenditure
until 2028 in EUR mn

FabNext
capex depending on
ramp speed



Steady state capex

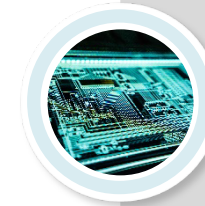
Ø 2024–2028

EUR 200 mn p.a.

until 2028



Maintenance
of business



Capability
enhancement “staying
one generation ahead”



Product mix
ongoing improvement

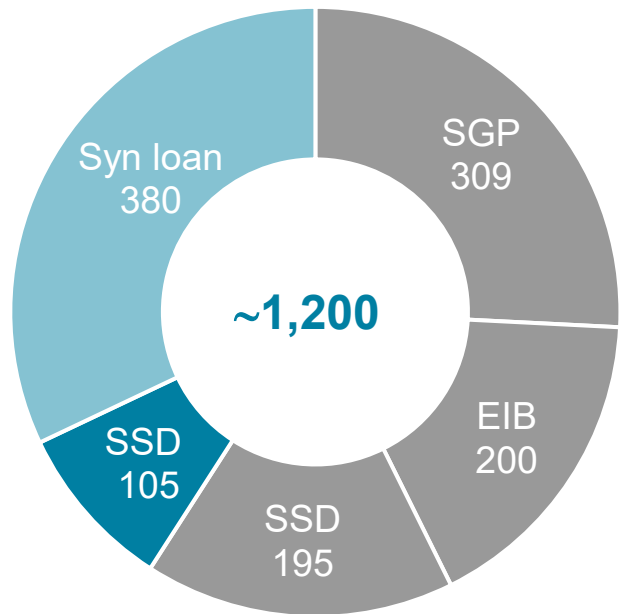


Cost efficiency
e.g. automation

Charts not to scale

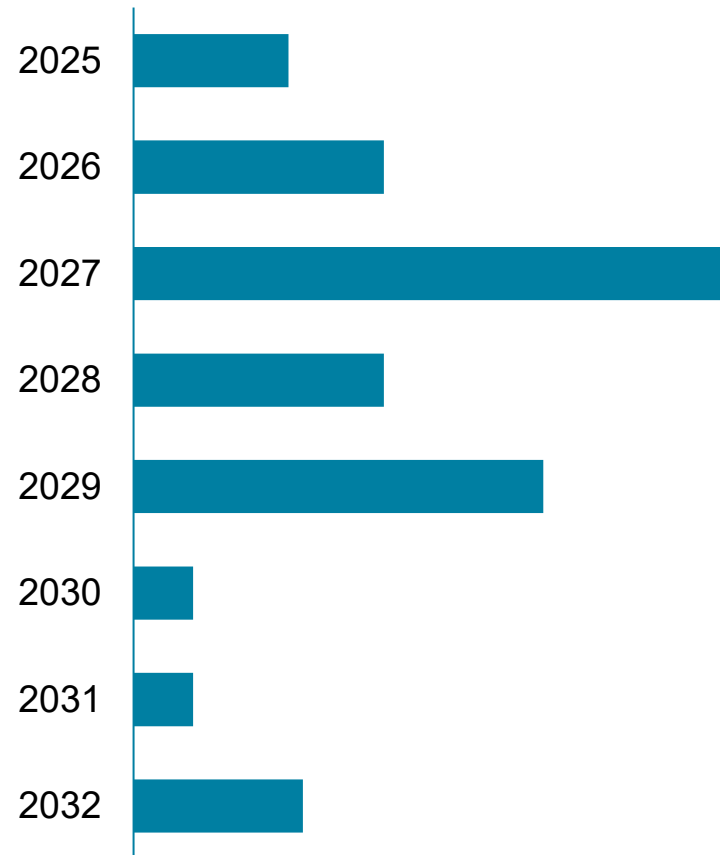
OPTIONS FOR REFINANCING TO BE EXAMINED

Debt financing instruments in place in EUR mn



- Term loan and revolver not drawn yet
- Variable loan fully drawn
- Fixed loan fully drawn

Duration profile of debt financing without Syn loan



Repayment

of customer prepayments from 2024 and of debt starting from 2025 onwards



Equity ratio

Ambition >50% in 2028



Net leverage

Ambition <1.0x in 2028 (Net debt/EBITDA)

CORPORATE TAX RATE WILL INCREASE

Singapore



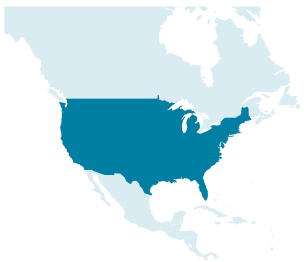
~15–17%
effective tax rate

Germany



~30%
effective tax rate

USA



~25%
effective tax rate



~20%
Tax rate
including deferred taxes



Pioneer status

until March 2024 in
Singapore for SSW



Minimum

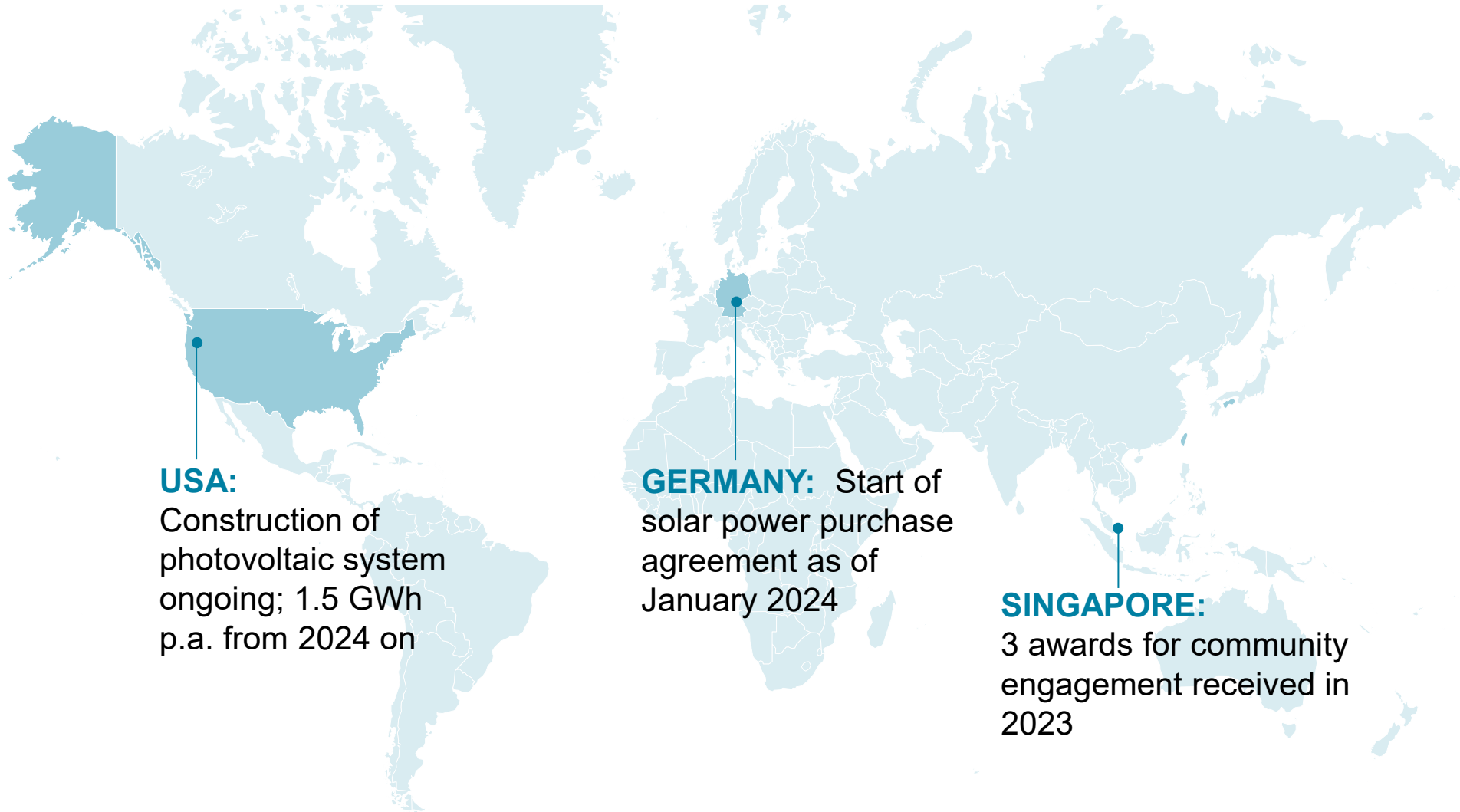
effective tax rate in
Singapore from 2025
acc. to OECD Pillar 2

ESG @ SILTRONIC

Clear commitment to an emission-free future



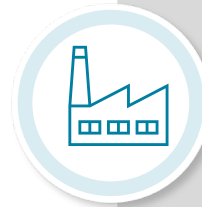
SUSTAINABILITY HIGHLIGHTS



USA:
Construction of photovoltaic system ongoing; 1.5 GWh p.a. from 2024 on

GERMANY: Start of solar power purchase agreement as of January 2024

SINGAPORE:
3 awards for community engagement received in 2023



-22%
absolute CO₂ emissions scope 1+2 in 2023 compared to 2021



12%
increase in waste recycling ratio compared to 2015



300 mn EUR
Siltronic AG issued its first ESG-linked promissory note loan in 2022

(1) Scope 1 and 2 emissions per wafer area produced

SUSTAINABILITY: CORPORATE RESPONSIBILITY AND COMPETITIVE ADVANTAGE

Strategy

we plan sustainability right from the start



Top level

priority and responsibility



All stakeholders

included



Fast

response to changing requirements



Key Performance Indicators

Climate

2030 -42% CO₂ emissions⁽¹⁾

60% renewable energy

2045 Net zero⁽¹⁾

100% renewable energy



Resources

Energy

2030 -20% energy intensity^(2,3)

Water

2030 -20% water intensity^(2,3)

Waste

2030 +25% recycling rate⁽²⁾

Safety

LTIF⁽⁴⁾ ≤2.0 | zero chemical accidents

Voluntary Commitments



WE SUPPORT



Responsible Business Alliance
Formerly the Electronic Industry Citizenship Coalition
Advancing Sustainability Globally



Monitoring ESG performance



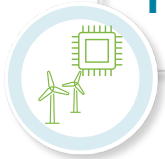
Responsible Business Alliance
Formerly the Electronic Industry Citizenship Coalition
Advancing Sustainability Globally

(1) Scope 1 and 2 | base year 2021 (2) 2030 vs. base year 2015 (3) Consumption per wafer area (4) Lost Time Injury Frequency per one million working hours

SILTRONIC ENABLES TECHNOLOGIES FOR A SUSTAINABLE FUTURE

Power focus

Power chips are crucial for **decarbonization**, they enable **renewable energy** and **EV's**



Focus on **Power** wafers
+
R&D focus on **special products**
and **new materials**



Leading edge focus

New chip generations increase **energy efficiency** and need **less power**



Focus on **Leading Edge** wafers
+
R&D focus on **new design rules**



Strategy
on Leading Edge and Power wafers support sustainability strategy



Investments
needed to keep our equipment state of the art for Leading Edge wafers



R&D focus
is crucial for our sustainability strategy

EV = Electric Vehicle

THE SILTRONIC EXECUTIVE BOARD



Dr. Michael Heckmeier
CEO

Born: November 26, 1967, Titisee-Neustadt Germany

Professional Career

Since May 2023: CEO
Appointed until May 5, 2026

2018: Executive Vice President, Global Head of Business Unit Display Solutions, Merck KGaA, Darmstadt
2017: Executive Vice President, Global Head of Business Unit Display Materials, Merck KGaA
2015: Senior Vice President, Global Head of Business Unit Pigments and Functional Materials, Merck KGaA
2010: Senior Vice President of Liquid Crystal Research and Development, Merck KGaA
1998 - 2006: Various senior positions at Merck



Claudia Schmitt
CFO

Born: October 31, 1971, Mannheim Germany


Professional Career

Since July 2023: CFO
Appointed until June 30, 2026


2017: Head of Corporate Controlling & Finance, Siltronic AG, Munich
2009: Head of Corporate Controlling, Siltronic AG
2004: Team lead Corporate Controlling, Wacker Chemie AG
1998: Corporate Controlling, Wacker Chemie AG


EXECUTIVE SUMMARY


SILTRONIC IS...


 ...a global and on the same time the only western based player in a market crucial for future economic growth.

 ...a technological leader with the proven track record to stay ahead of the curve.

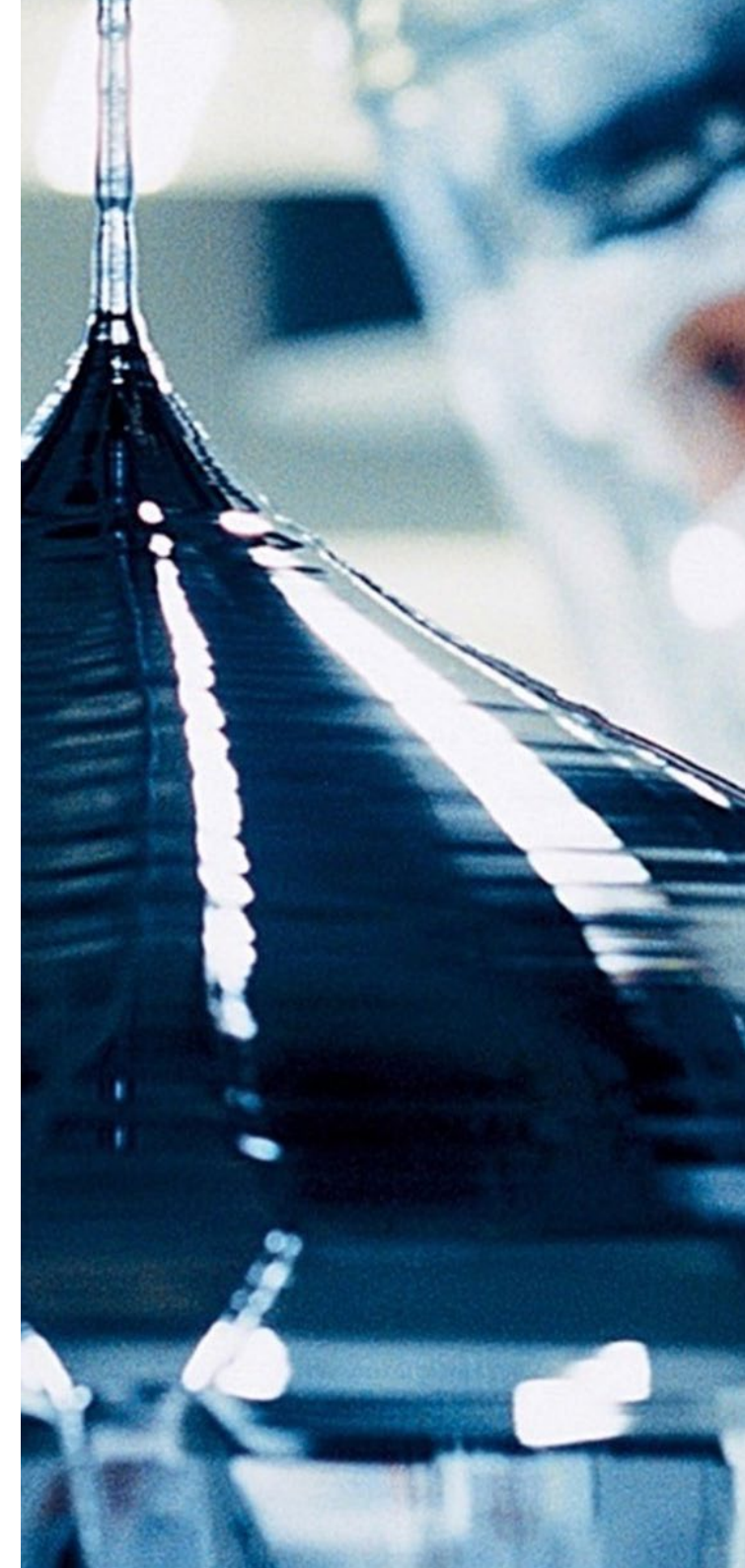
 ...excellently prepared to leverage the great potential from the numerous megatrends thanks to our expansion of global capacities.

 ...well positioned in activities which promise the greatest growth potential: Power, Leading Edge and 300 mm.

 ...strong financials and has a good balance sheet quality.

 ...growing profitably until 2028:

- Sales > 2.2 bn
- EBITDA ratio in the high 30s



Financial Calendar and Events

March 19, 2024	May 02, 2024	May 13, 2024	May 15, 2024	May 22-23, 2024
Jefferies Pan-European Mid-Cap Conference, London, UK	Quarterly Statement Q1 2024	Annual General Meeting	Stifel German Corporate Conference, Frankfurt	US Roadshow & Berenberg European Conference, New York, USA

Investor Relations Contacts



Verena Stütze

investor.relations@siltronic.com
Tel. +49 89 8564-3133



Stephanie Malgara

investor.relations@siltronic.com
Tel. +49 89 8564-3133

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