



Press release

Siltronic AG

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Siltronic closes Q3 2024 in line with expectations

- Sales in the first nine months of 2024 declined 9.1 percent compared to the previous year; Q3 increased 1.7 percent q-o-q to EUR 357.3 million
- EBITDA margin remains solid at 25.7 percent after nine months (Q3 2024: 25.0 percent)
- Guidance for 2024 confirmed: Sales in the high single-digit percentage range below previous year; delayed customer qualifications for the new fab in Singapore lead to a slight adjustment of the EBITDA margin to a range of 24 to 26 percent

Munich, Germany, October 24, 2024 – As expected, the business performance of Siltronic AG (MDAX/TecDAX: WAF) in Q3 2024 was characterized by subdued demand from the semiconductor industry.

“In a persistently challenging market environment, we have delivered solid quarterly results. Consequently, we can confirm our guidance for the full year 2024. However, it remains uncertain when chip manufacturers' inventories will return to normal levels,” commented Dr. Michael Heckmeier, CEO of Siltronic AG on the developments.

Business Development in Q3 2024

					Change		Q1-Q3 2024	Q1-Q3 2023	Change
		Q3 2024	Q2 2024	Q3 2023	Q3 to Q2	Q3 to Q3			
Sales	In EUR million	357.3	351.3	349.1	6.0	8.2	1,052.2	1,157.2	-105.0
	in %				1.7	2.3			-9.1
Cost of sales	In EUR million	-288.1	-280.7	-273.4	-7.4	-14.7	-842.3	-864.2	21.9
	in %				2.6	5.4			-2.5
Gross profit	In EUR million	69.2	70.6	75.7	-1.4	-6.5	209.9	293.0	-83.1
	in %				-2.0	-8.6			-28.4
Gross margin	in %	19.4	20.1	21.7			20.0	25.3	
EBITDA	In EUR million	89.4	90.6	99.1	-1.2	-9.7	270.7	342.8	-72.1
	in %				-1.4	-9.8			-21.0
EBITDA margin	in %	25.0	25.8	28.4			25.7	29.6	
Depreciation, amortization and impairment less reversals thereof	In EUR million	-60.5	-57.6	-52.7	-2.8	-7.8	-172.9	-148.3	-24.7
EBIT	In EUR million	28.9	33.0	46.4	-4.1	-17.5	97.8	194.5	-96.7
	in %				-12.4	-37.7			-49.7
EBIT margin	in %	8.1	9.4	13.3			9.3	16.8	
Financial result	In EUR million	-6.6	-6.8	-1.7	0.2	-4.9	-16.5	1.7	-18.2
Result before income taxes	In EUR million	22.3	26.2	44.7	-3.9	-22.4	81.3	196.2	-114.9
	in %				-14.8	-50.1			-58.6
Income taxes	In EUR million	-3.5	-3.8	-9.6	0.3	6.1	-12.5	-27.2	14.7
Tax rate	in %	16	15	21			15	14	
Result for the period	In EUR million	18.8	22.4	35.1	-3.6	-16.3	68.8	169.0	-100.2
	in %				-16.0	-46.4			-59.3
Earnings per share	in EUR	0.60	0.73	1.10	-0.13	-0.50	2.19	5.13	-2.94

Siltronic generated sales of EUR 357.3 million in Q3 2024, an increase of 1.7 percent compared to the previous quarter (Q2 2024: EUR 351.3 million). This is due to an increase in wafer area sold, which was partially offset by opposing product mix effects. After nine months, the company reported sales of EUR 1,052.2 million, a decrease of 9.1 percent year-on-year (Q1-Q3 2023: EUR 1,157.2 million). This was mainly due to the lower wafer area sold. In addition, product mix-, price- and FX effects also had a slightly negative impact.

Cost of sales increased by 2.6 percent in Q3 2024 compared to the previous quarter, mainly due to higher wafer area sold and a moderate increase in depreciation. For the first nine months of 2024, cost of sales decreased by 2.5 percent compared to the same period in 2023. The disproportionate decline compared to sales is primarily due to a reduced dilution of fixed costs and higher depreciation.

As a result, the gross profit fell by EUR 1.4 million compared to the previous quarter and from January to September 2024 by EUR 83.1 million compared to the previous year. The gross margin fell from 25.3 percent to 20.0 percent year-on-year.

EBITDA in Q3 was EUR 89.4 million and thus on the level of the previous quarter (Q2 2024: EUR 90.6 million). The EBITDA margin remained at a solid level of 25.0 percent (Q2 2024: 25.8 percent). After nine months, Siltronic reported an EBITDA of EUR 270.7 million (Q1-Q3 2023: EUR 342.8 million) and an EBITDA margin of 25.7 percent (Q1-Q3 2023: 29.6 percent).

Due to the lower EBITDA and higher depreciation, EBIT amounted to EUR 28.9 million in Q3 (Q2 2024: EUR 33.0 million) and to EUR 97.8 million after the first nine months (Q1-Q3 2023: EUR 194.5 million). Net profit for the quarter was EUR 18.8 million (Q2 2024: EUR 22.4 million) and earnings per share were EUR 0.60 (Q2 2024: EUR 0.73). Net income for the period from January to September was EUR 68.8 million (Q1-Q3 2023: EUR 169.0 million) and earnings per share of EUR 2.19 after EUR 5.13 in the same period of the previous year.

Investment activity continues to shape assets and financial position; successful refinancing attracts strong investor interest

In EUR million	Sep. 30, 2024	Dec. 31, 2023	Change
Equity	2,191.1	2,099.7	91.4
Provisions for pensions	138.9	146.0	-7.1
Customer prepayments	503.7	542.5	-38.8
Loan liabilities	996.2	785.1	211.1
Lease liabilities	132.7	109.5	23.2
Other provisions and liabilities	215.0	184.2	30.8
Non-current liabilities	1,986.5	1,767.3	219.2

With an equity ratio of 47.1 percent as of September 30, 2024 (December 31, 2023: 46.6 percent), Siltronic continues to maintain a good balance sheet quality. Loan liabilities increased mainly due to the partial draw of a loan. Additionally a promissory note loan was successfully placed in September and paid out in early October. At roughly EUR 370 million, the original issue volume was significantly exceeded.

“We are pleased with the high level of interest in this transaction. The strong demand is a demonstration of the promissory note loan investors' trust in the company” adds Claudia Schmitt, CFO of Siltronic AG.

In EUR million	Q1-Q3 2024	Q1-Q3 2023	Change
Cash flow from operating activities	241.0	324.3	-83.3
Proceeds/payments for capital expenditure including intangible assets, incl. Investment Grants	-565.1	-904.6	339.5
Free cash flow	-324.1	-580.3	256.2
Cash-effective change in prepayments	6.4	-51.0	57.4
Net cash flow	-317.7	-631.3	313.6
Proceeds/payments for capital expenditure including intangible assets, incl. Investment Grants	-565.1	-904.6	339.5
Proceeds/payments for securities and fixed-term deposits	-54.8	499.4	-554.2
Cash flow from investing activities	-619.9	-405.2	-214.7

Cash flow from operating activities for the period January to September 2024 decreased by EUR 83.3 million compared to the previous year. This was mainly due to the lower EBITDA and the change in prepayments. In the same period of the previous year, there was a significant net inflow, while in the first nine months of the financial year there was a net outflow of prepayments.

Despite a noticeable reduction in capex during the year, cash outflows for capex remained at a high level of EUR 565.1 million, mainly due to the construction of the new 300 mm fab in Singapore. Accordingly, net cash flow, which excludes cash inflows and outflows from prepayments, was negative as expected at EUR -317.7 million (Q1-Q3 2023: EUR -631.3 million).

In EUR million	Sep. 30, 2024	Dec. 31, 2023	Change
Cash and cash equivalents	-164.9	-386.2	221.3
Financial investments	-125.8	-72.9	-52.9
Restricted long-term securities	2.5	2.2	0.3
Nominal value of loan liabilities including interest	1,027.3	812.6	214.7
Net financial debt	739.1	355.7	383.4

As a result, cash and cash equivalents and financial investments decreased by EUR 168.4 million to EUR 290.7 million in the first nine months of 2024. Siltronic thus reported net financial debt of EUR 739.1 million at the end of September 2024.

Guidance 2024 confirmed

As already communicated in the half-year report 2024, Siltronic AG's Executive Board expects sales to be in the high single-digit percentage range below the previous year. This is primarily due to the lower wafer area sold, as well as each slightly negative FX rate (EUR/USD 1.10), price- and product mix effects.

The customer qualifications that are decisive for the start of depreciation of the new fab in Singapore have been delayed from the fourth quarter of 2024 into next year. As a result, depreciation of the new fab and other ramp costs that impact earnings will occur over the course of 2025. Accordingly, the full-year EBITDA margin guidance is adjusted to 24 to 26 percent. Depreciation and amortization for 2024 will therefore be lower and is expected to be between EUR 230 million and EUR 250 million. Capex including intangible assets remains unchanged and will be in the range of EUR 500 million to EUR 530 million.

Despite the challenging market environment, the company anticipates a significant growth potential in the medium and long term. Key drivers of this growth are megatrends such as Artificial Intelligence, Digitization, and Electromobility. With its investments in expanding production capacity and improving the product mix, Siltronic is well-positioned to profitably support this growth.

Overview of guidance changes

	Guidance March 12, 2024 (Annual Report)	Guidance April 26, 2024 (Ad-hoc)	Guidance July 25, 2024 (Q2 2024)	Guidance October 24, 2024 (Q3 2024)
EBITDA margin	before ramp costs, in the region of the previous year; ramp costs will reduce the EBITDA margin by up to 3 percentage points compared to the previous year	between 21 and 25 percent	between 23 and 25 percent	between 24 and 26 percent
EBIT	significant decline	significant decline	significant decline	significant decline
Net cash flow	will significantly improve compared to previous year, but remains significantly negative	will significantly improve compared to previous year, but remains significantly negative	will significantly improve compared to previous year, but remains significantly negative	will significantly improve compared to previous year, but remains significantly negative
Sales	in the region of the previous year	roughly 10 percent below previous year	in the high single-digit percentage range below previous year	in the high single-digit percentage range below previous year
Depreciation and amortization	almost doubled compared to the previous year	below EUR 300 million	below EUR 300 million	between EUR 230 and 250 million
Investments	below EUR 600 million	slightly below EUR 550 million	between EUR 500 and 530 million	between EUR 500 and 530 million

Siltronic AG – Key financial figures Q3 2024

Profit and Loss statement

In EUR million		Q1-Q3 2024	Q1-Q3 2023	Q3 2024	Q2 2024	Q1 2024	Q3 2023
Sales		1,052.2	1,157.2	357.3	351.3	343.5	349.1
EBITDA		270.7	342.8	89.4	90.6	90.8	99.1
EBITDA margin	%	25.7	29.6	25.0	25.8	26.4	28.4
EBIT		97.8	194.5	28.9	33.0	36.0	46.4
EBIT margin	%	9.3	16.8	8.1	9.4	10.5	13.3
Result for the period		68.8	169.0	18.8	22.4	27.7	35.1
Earnings per share	EUR	2.19	5.13	0.60	0.73	0.86	1.10

Capital expenditure and net cash flow

Capital expenditure including intangible assets		407.1	943.7	93.5	140.6	173.0	317.5
Net cash flow		-317.7	-631.3	-65.0	-94.9	-157.9	-215.3

Statement of financial position

In EUR million		Sep. 30, 2024	Dec. 31, 2023
Total assets		4,649.5	4,504.9
Equity		2,191.1	2,099.7
Equity ratio	%	47.1	46.6
Net financial debt		739.1	355.7



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 24, 2024 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 current investor presentation and the quarterly statement are also published on the Siltronic website.

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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 4,500 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 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Sales	357.3	349.1	1,052.2	1,157.2
Cost of sales	-288.1	-273.4	-842.3	-864.2
Gross profit	69.2	75.7	209.9	293.0
Selling expenses	-7.9	-8.3	-24.4	-26.1
Research and development expenses	-19.7	-21.4	-63.4	-64.3
General administration expenses	-8.1	-8.4	-26.4	-26.0
Other operating income	13.8	30.1	63.0	101.0
Other operating expenses	-18.4	-21.3	-60.9	-83.1
Operating result	28.9	46.4	97.8	194.5
Interest income	2.5	6.3	8.8	18.7
Interest expenses	-7.6	-6.7	-20.2	-15.1
Other financial result	-1.5	-1.3	-5.1	-1.9
Financial result	-6.6	-1.7	-16.5	1.7
Result before income tax	22.3	44.7	81.3	196.2
Income taxes	-3.5	-9.6	-12.5	-27.2
Result for the period	18.8	35.1	68.8	169.0
<i>of which</i>				
<i>attributable to Siltronic AG shareholders</i>	17.9	33.1	65.4	154.1
<i>attributable to non-controlling interests</i>	0.9	2	3.4	14.9
Earnings per share in EUR (basic/diluted)	0.60	1.10	2.19	5.13

Siltronic AG - Consolidated Statement of Financial Position

In EUR million	Sep. 30, 2024	Dec. 31, 2023
Intangible assets	31.3	22.2
Property, plant and equipment	3,598.8	3,318.8
Right-of-use assets	142.0	120.3
Securities and fixed-term deposits	2.5	2.2
Other financial assets	0.2	0.6
Other non-financial assets	14.0	17.2
Deferred tax assets	22.3	18.0
Non-current assets	3,811.1	3,499.3
Inventories	304.6	300.8
Trade receivables	165.6	162.4
Contract assets	12.4	12.2
Securities and fixed-term deposits	123.3	70.7
Other financial assets	17.7	18.9
Other non-financial assets	47.6	52.2
Income tax receivables	2.3	2.2
Cash and cash equivalents	164.9	386.2
Current assets	838.4	1,005.6
Total assets	4,649.5	4,504.9
Subscribed capital	120.0	120.0
Capital reserves	974.6	974.6
Retained earnings and net Group result	797.6	768.1
Other equity items	96.3	41.7
Equity attributable to Siltronic AG shareholders	1,988.5	1,904.4
Equity attributable to non-controlling interests	202.6	195.3
Equity	2,191.1	2,099.7
Provisions for pensions	138.9	146.0
Other provisions	64.3	65.7
Liabilities for income taxes	2.6	2.6
Deferred tax liabilities	3.4	2.5
Customer prepayments	503.7	542.5
Loan liabilities	996.2	785.1
Lease liabilities	132.7	109.5
Other financial liabilities	0.5	0.1
Other non-financial liabilities	144.2	113.3
Non-current liabilities	1,986.5	1,767.3
Other provisions	9.5	8.3
Liabilities for income taxes	14.7	21.7
Trade liabilities	253.5	452.5
Customer prepayments	71.2	46.3
Loan liabilities	11.6	3.9
Lease liabilities	6.7	6.1
Other financial liabilities	51.6	44.6
Other non-financial liabilities	53.1	54.5
Current liabilities	471.9	637.9
Total liabilities	2,458.4	2,405.2
Total equity and liabilities	4,649.5	4,504.9

Siltronic AG - Consolidated Statement of Cash Flows

In EUR million	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Result for the period	18.8	35.1	68.8	169.0
Depreciation / amortization of non-current assets, including impairment losses and reversals thereof	60.5	52.6	172.9	148.3
Other non-cash expenses and income	-1.4	2.7	-6.7	1.1
Result from disposal of non-current assets	0.4	1.1	1.2	2.0
Interest income	5.1	0.4	11.4	-3.6
Interest paid	-7.4	-3.4	-26.6	-18.3
Interest received	2.4	6.0	20.2	19.6
Tax expense	3.5	9.6	12.5	27.2
Taxes paid	-1.4	-7.7	-10.8	-37.7
Changes in inventories	1.9	-6.9	-2.2	-28.0
Changes in trade receivables	-20.4	-20.2	-0.6	2.1
Changes in contract assets	3.8	3.6	-0.1	2.1
Changes in other assets	16.1	0.7	-4.2	-22.5
Changes in provisions	5.6	3.4	22.4	7.1
Changes in trade liabilities	-4.2	0.3	-10.2	0.1
Changes in other liabilities	5.6	23.7	-0.6	4.8
Changes in customer prepayments	-19.3	-7.9	-6.4	51.0
Cash flow from operating activities	69.6	93.1	241.0	324.3
Payments for capital expenditure (including intangible assets)	-154.0	-316.4	-597.5	-904.7
Proceeds from the disposal of property, plant and equipment	0.1	0.1	0.4	0.1
Proceeds from Investment Grants	-	-	32.0	-
Payments for securities and fixed-term deposits	-66.9	-14.3	-222.2	-164.4
Proceeds from securities and fixed-term deposits	57.0	89.3	167.4	663.8
Cash flow from investing activities	-163.8	-241.3	-619.9	-405.2
Dividends	-	-	-36.0	-90.0
Repayment portion of lease liability	-1.8	-1.6	-5.6	-4.6
Proceeds from loans	50.0	139.1	200.0	139.1
Cash flow from financing activities	48.2	137.5	158.4	44.5
Changes due to exchange-rate fluctuations	-0.7	3.0	-0.8	-2.8
Changes in cash and cash equivalents	-46.7	-7.7	-221.3	-39.2
at the beginning of the period	211.6	457.2	386.2	488.7
at the end of the period	164.9	449.5	164.9	449.5

Additional financial information

In EUR million	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Cash flow from operating activities	69.6	93.1	241.0	324.3
Cash-effective changes in prepayments	19.3	7.9	6.4	-51.0
Proceeds/ payments for capital expenditure (including intangible assets and Investments Grants)	-153.9	-316.3	-565.1	-904.6
Net cash flow	-65.0	-215.3	-317.7	-631.3

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.