

Siltronic AG

Q1 2021 Conference Call Presentation

May 7, 2021

Update on tender offer from GlobalWafers

Approvals received

- ▶ German Federal Cartel Office
- ▶ Austrian Federal Cartel Agency
- ▶ Korean Fair Trade Commission
- ▶ Taiwanese Fair Trade Commission
- ▶ Committee on Foreign Investment in the United States (CFIUS)

Approvals pending

- ▶ Japanese Fair Trade Commission
- ▶ US Federal Trade Commission
- ▶ State Administration for Market Regulation of the People's Republic of China
- ▶ Competition and Consumer Commission of Singapore
- ▶ German Federal Ministry for Economic Affairs and Energy

Expect completion of transaction in H2 2021

Highlights: Financial figures Q1 2021

Sales

- EUR 316.1m (Q4 2020: EUR 284.5m)

EBITDA

- EUR 91.7m (Q4 2020: EUR 67.2m)
- EBITDA margin: 29.0% (Q4 2020: 23.6%)

EBIT

- EUR 54.2m (Q4 2020: EUR 28.4m)
- EBIT margin: 17.2% (Q4 2020: 10.0%)

CapEx

- EUR 36.9m (Q4 2020: EUR 58.2m)

Net cash flow

- EUR 27.9m (Q4 2020: EUR -18.9m)

Net financial assets

- EUR 538.1m (December 31, 2020: EUR 499.2m)

Silicon wafer area in Q1 2021 up q-o-q and y-o-y

Smartphones


- ▶ Recovery trend
- ▶ 5G: latest smartphone generation with growing content (cameras, memory)

Industry / Auto

- ▶ Auto: strong recovery
- ▶ Hybrid and electrical cars: share increasing
- ▶ Industry applications: improving

Servers / PC

- ▶ Servers showed a moderate growth
- ▶ PCs including Chromebooks growing



300 mm epi	on allocation
300 mm pol	strong
200 mm	strong
SD	improved

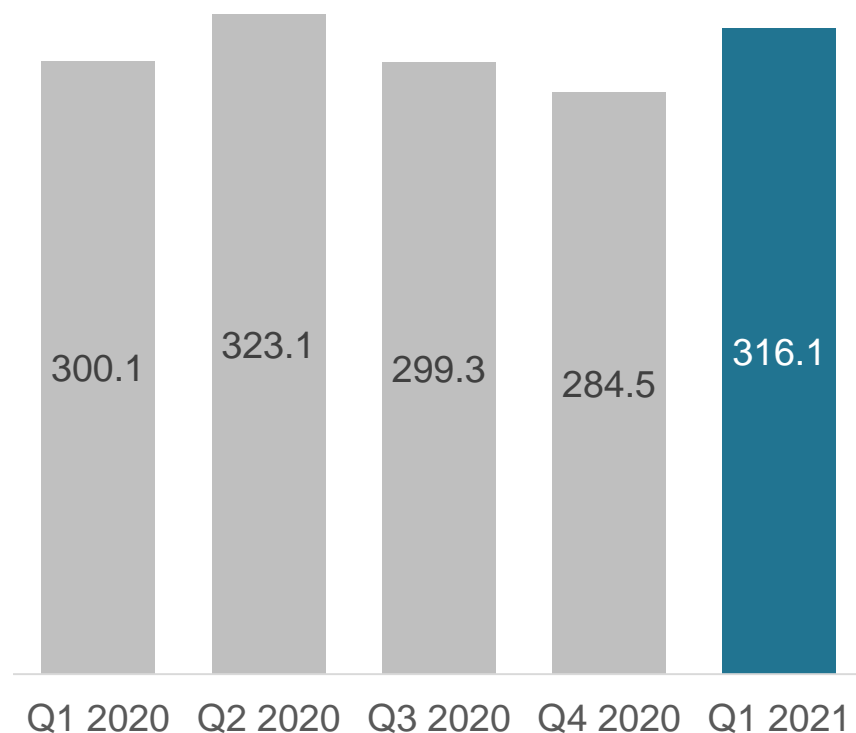
- ▶ Price trend flattish q-o-q



Financials Q1 2021

Sales up due to higher wafer area sold

Sales, in EUR m



Ø FX rates Q1/20 Q2 Q3 Q4 Q1/21

EUR / USD	1.10	1.10	1.17	1.19	1.21
-----------	------	------	------	------	------

EUR / JPY	120	118	124	125	128
-----------	-----	-----	-----	-----	-----

Comments

► Positive

- Wafer area sold up q-o-q and y-o-y
- Flattish price trend q-o-q
- Only minor FX impact q-o-q

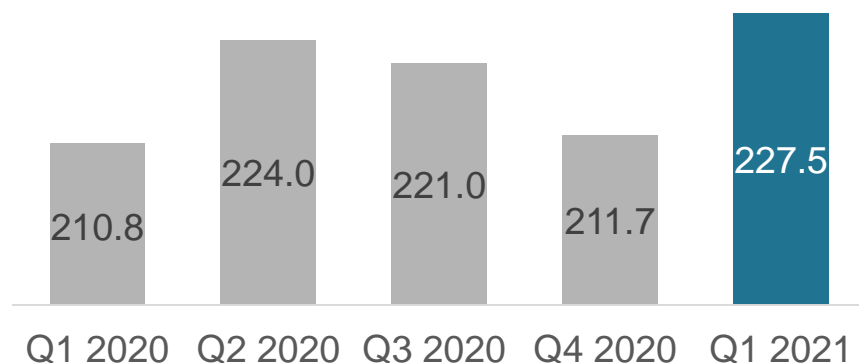
► Negative

- Continuing headwind from strong Euro y-o-y

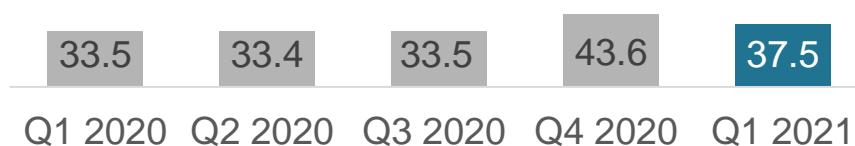
COGS up due to higher wafer area sold

COGS per wafer area down

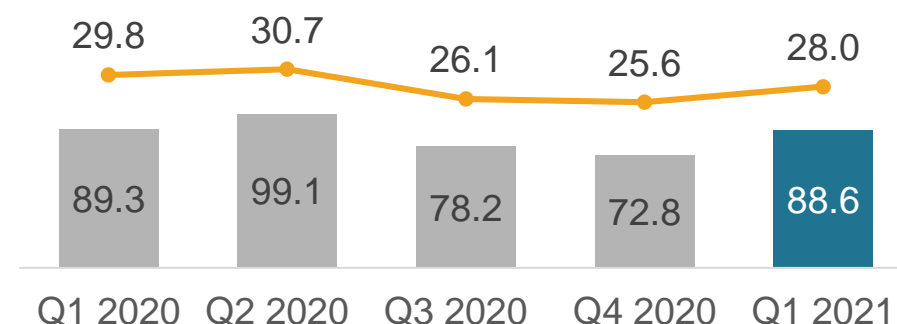
Cost of sales, in EUR m



Selling, R&D and admin expenses, in EUR m



Gross profit, in EUR m / Gross margin, in %

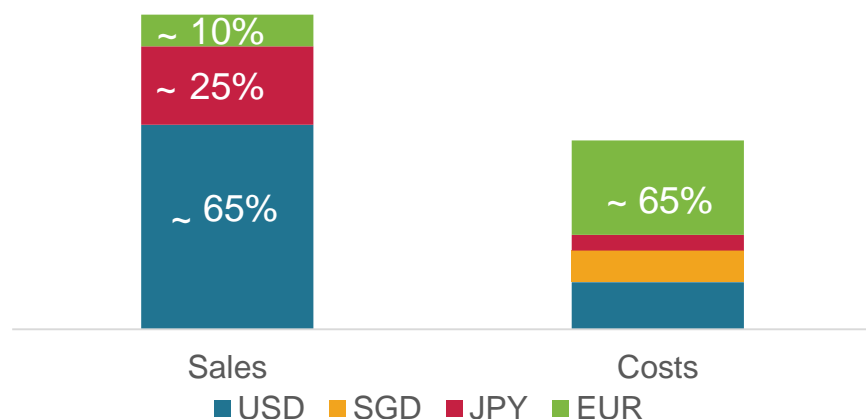


Comments

- ▶ COGS underproportionally up q-o-q compared to higher wafer area sold
- ▶ Cost per wafer area down due to fix cost dilution
- ▶ Administration expenses influenced by costs for external advisors on GlobalWafers' tender offer
 - ▶ Q4 2020: EUR 12m
 - ▶ Q1 2021: EUR 2m

High US-Dollar and Japanese Yen exposure

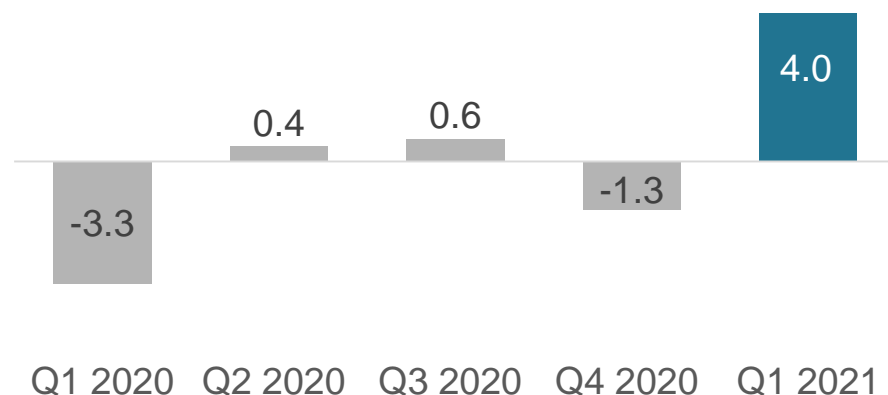
FX exposure, in %



FX sensitivity

	Sales	EBITDA unhedged
1 USD-cent change	~ EUR 6 million	~ EUR 4.5 million
1 JPY change	~ EUR 2.5 million	~ EUR 2 million

Other currency effects (mostly hedging), in EUR m

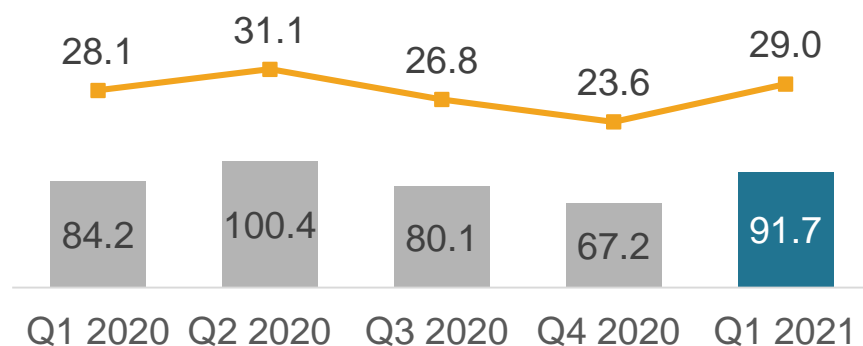


Comments

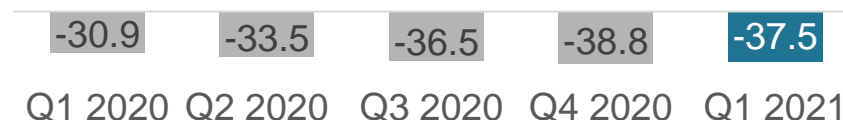
- ▶ Continuing strong Euro
- ▶ Other currency effects of EUR 4m in 2020
- ▶ Financial result improved

Higher wafer area sold leads to higher EBITDA and EBIT

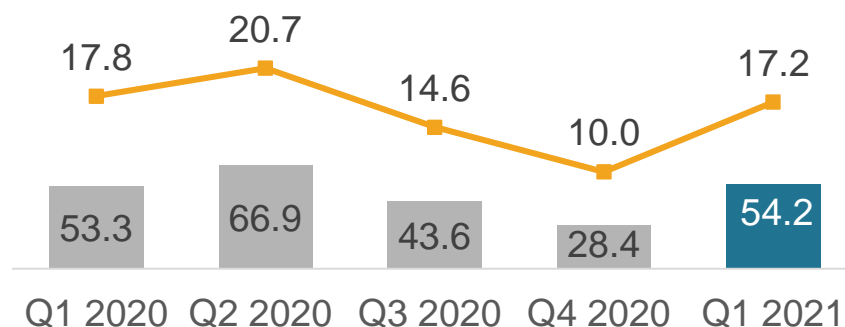
EBITDA, in EUR m / EBITDA margin, in %



Depreciation, in EUR m



EBIT, in EUR m / EBIT margin, in %



Comments

Positive

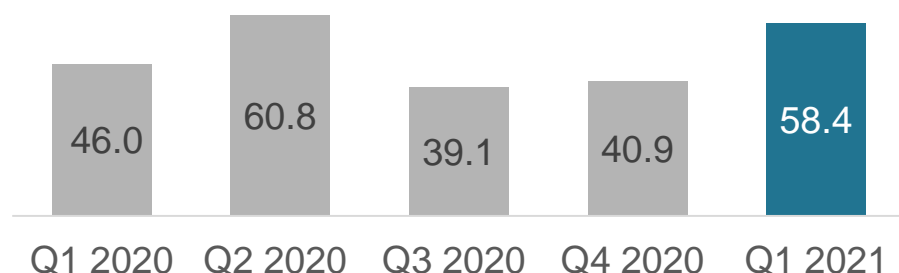
- ▶ Wafer area sold up q-o-q and y-o-y
- ▶ Prices stable q-o-q
- ▶ ASP down y-o-y
- ▶ Advisory costs relating to GlobalWafers' tender offer down q-o-q
- ▶ Only minor FX impact q-o-q

Negative

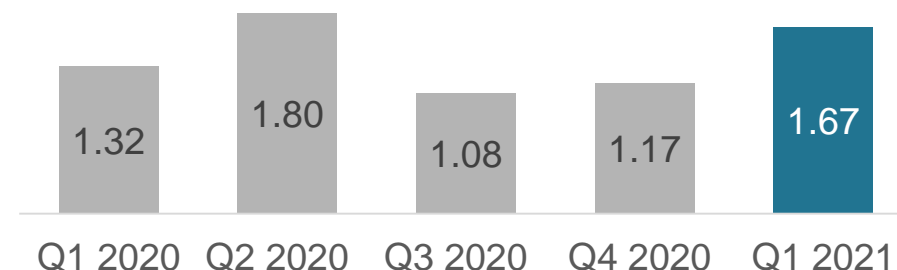
- ▶ FX impact y-o-y due to strong Euro

Net profit of EUR 58.4 million in Q1 2021

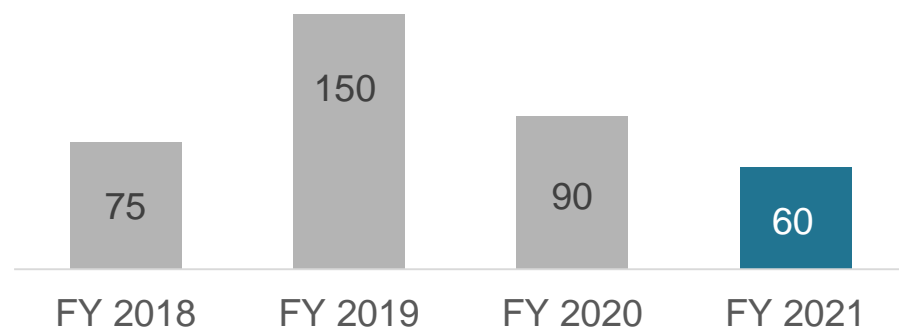
Net profit, in EUR m



EPS, in EUR



Dividend payment, in EUR m

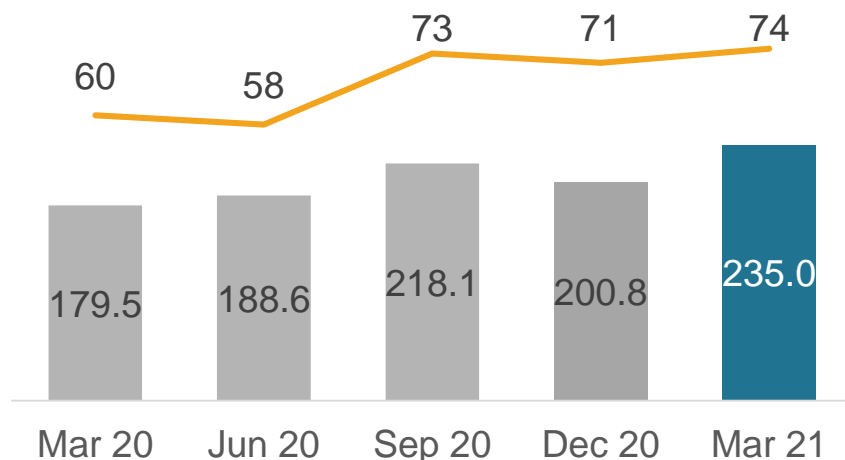


Comments

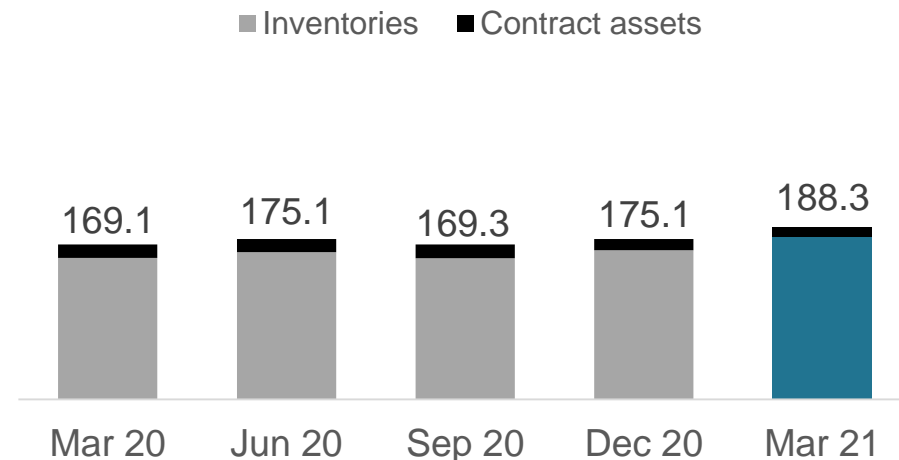
- ▶ Net profit of EUR 58.4 million in Q1 2021; thereof EUR 50.1m attributable to Siltronic shareholders
- ▶ Tax income based on low effective tax expense and (higher) deferred tax income (due to improved business outlook)
- ▶ Dividend of EUR 2.00 per share = EUR 60m dividend payout in 2021

Trade receivables and inventories increased due to higher demand

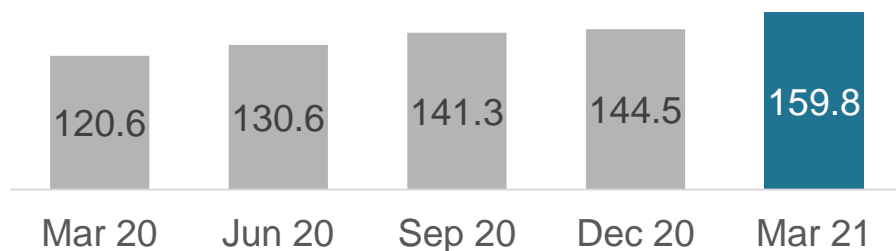
Working capital, in EUR m,
Working capital ratio to quarterly sales, in %



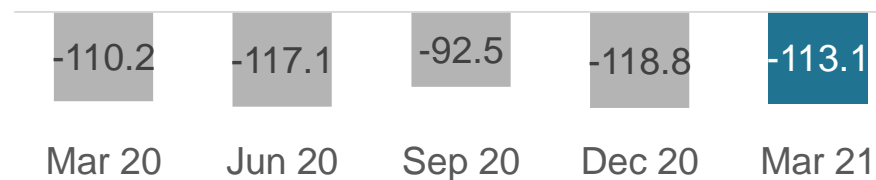
Inventories and contract assets, in EUR m



Trade receivables, in EUR m

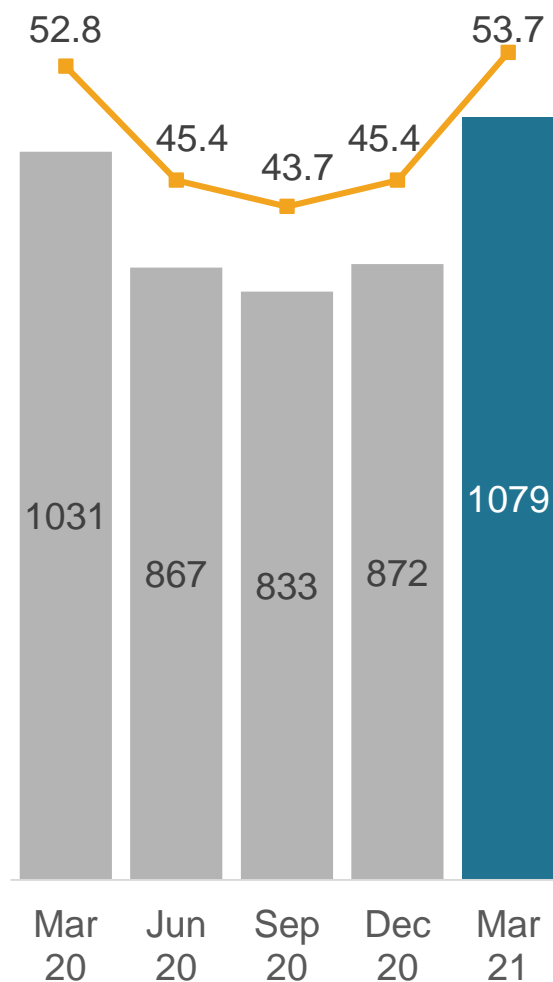


Trade liabilities, in EUR m



Strong equity ratio and solid net financial assets

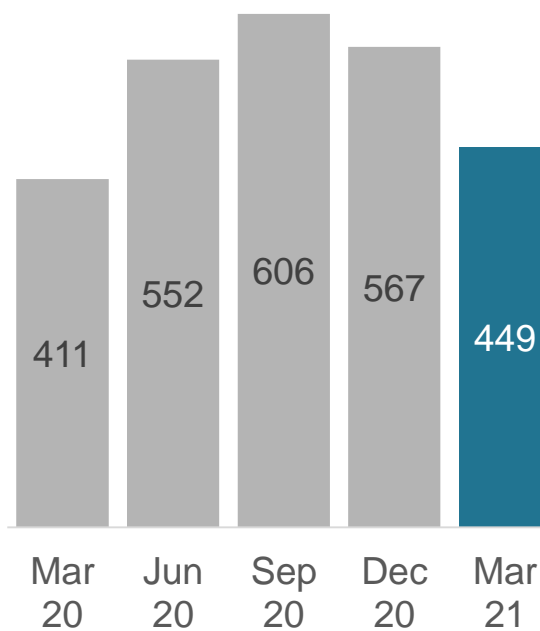
Equity, in EUR m
Equity ratio, in %



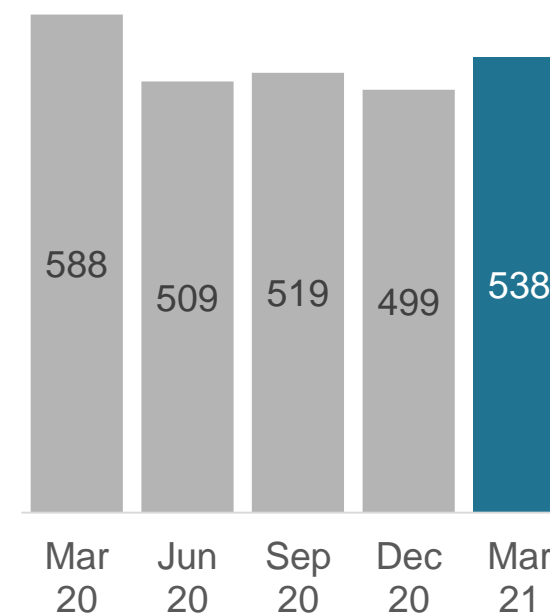
Provisions for pensions, in EUR m

Interest rates IFRS

USA	2.88%	2.46%	2.41%	2.07%	2.77%
Germany	1.92%	1.23%	0.95%	0.69%	1.11%

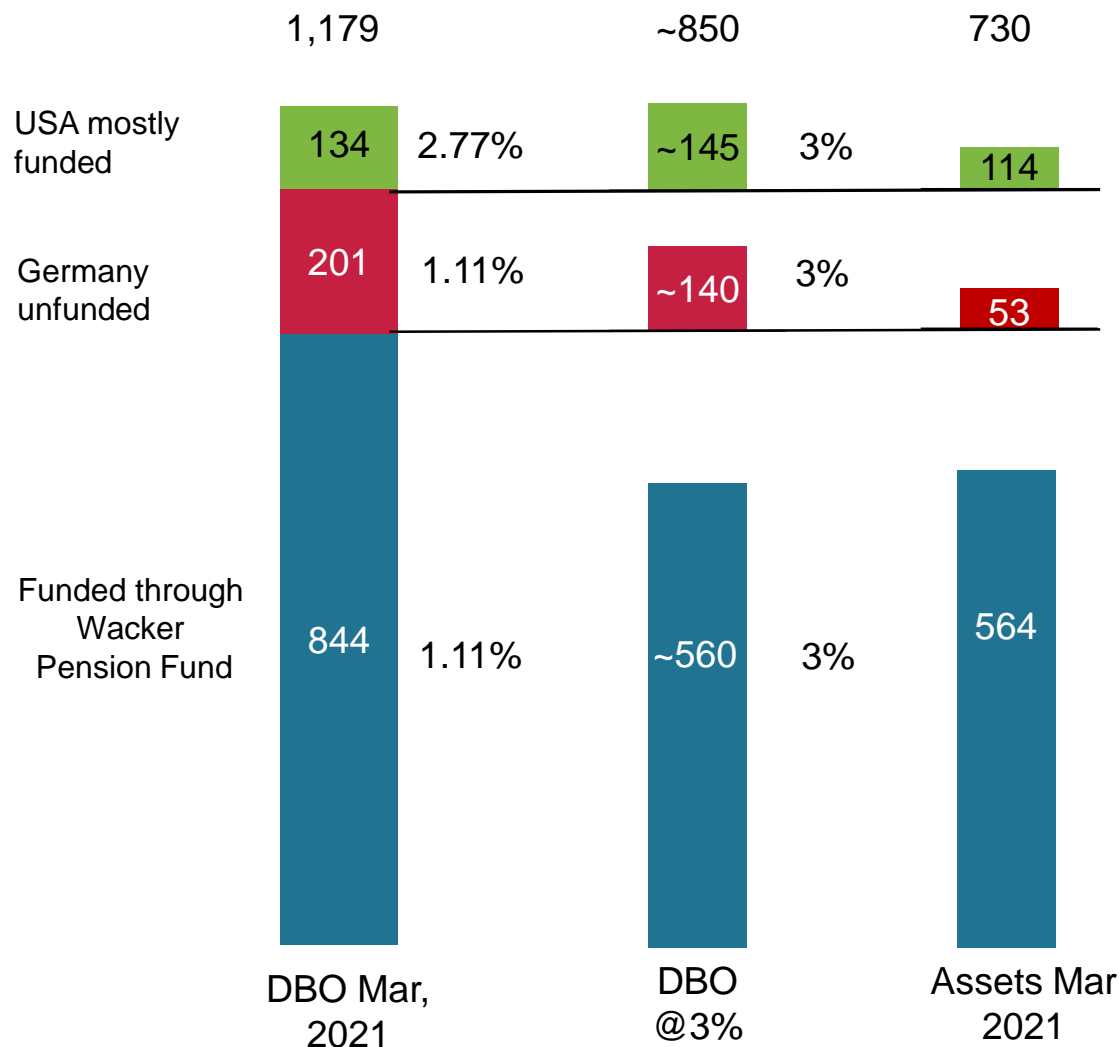


Net financial assets, in EUR m



Pension reserves decreased mainly due to higher IFRS interest rates in Q1

DBO and pension reserves, in EUR m



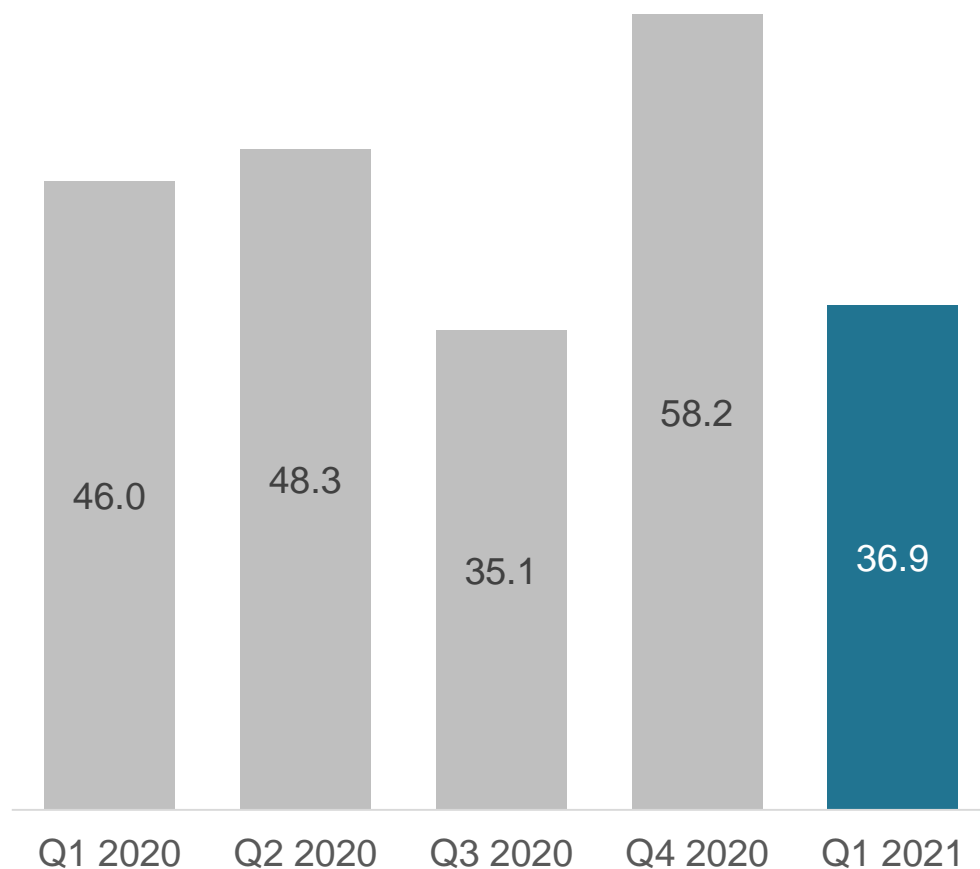
Comment

- ▶ DBO of EUR 1,179 million – assets of EUR 730 million = EUR 449 million
- ▶ Pension reserves @3% = DBO of EUR ~850 million – assets EURO 730 million = EUR 120 million
- ▶ IFRS interest uses bond yields only, assets include bonds, equity, real estate + derivatives
- ▶ Wacker pension fund
 - ▶ fully funded under German pension fund regulations using 3.23% interest rate
 - ▶ asset liability study: probability of return in next 20 years:

≥3.5%	59%
≥3.0%	75%
≥2.5%	87%

Capex Q1 2021 significantly down vs. Q4 2020

Investment, in EUR m

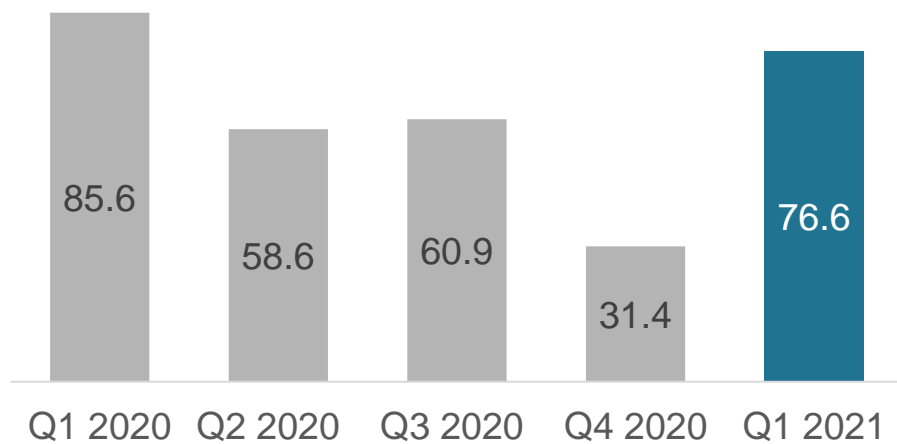


Comments

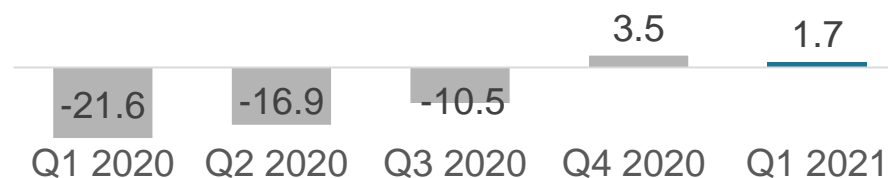
- ▶ Capex 2021 of around EUR 250m, mainly in
 - ▶ 300 mm epi
 - ▶ capabilities
 - ▶ expansion of crystal pulling hall to replace older equipment

Strong net cash flow

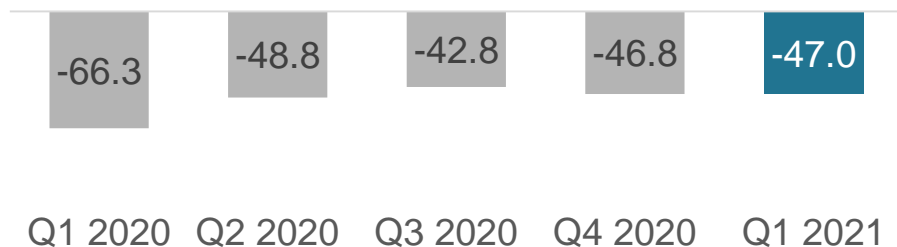
Operating cash flow (OCF), in EUR m



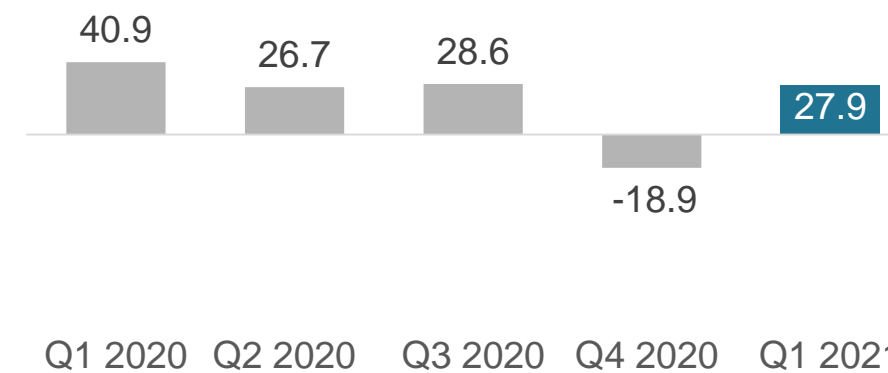
Customer prepayments net (PP), in EUR m



CF Capex, in EUR m



Net cash flow (NCF), in EUR m

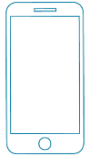


NCF= OCF-PP+CF Capex

The background features a series of concentric, slightly curved lines in shades of blue and white, creating a sense of depth and motion. A large, solid teal circle is positioned on the left side, partially overlapping the curved lines. The text "Outlook 2021" is written in white, bold, sans-serif font within this teal circle.

Outlook 2021

Optimistic outlook for 2021 with some risks but even more opportunities



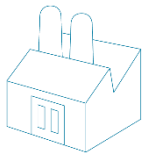
Smartphones are recovering with China showing growth. Continuous 5G phone releases increase especially DRAM and CIS demand due to more cameras.



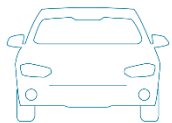
PCs booming: continuous home office could push PC demand strongly in 2021. Large part of the growth is from Chromebooks (less NAND content). At the same time high-end Gaming PCs and consoles are practically sold out for 2021.



Servers with some uncertainty for memory demand. Expected uptick could depend on Intel's CPU release or might be impacted by server customers still digesting capacities.

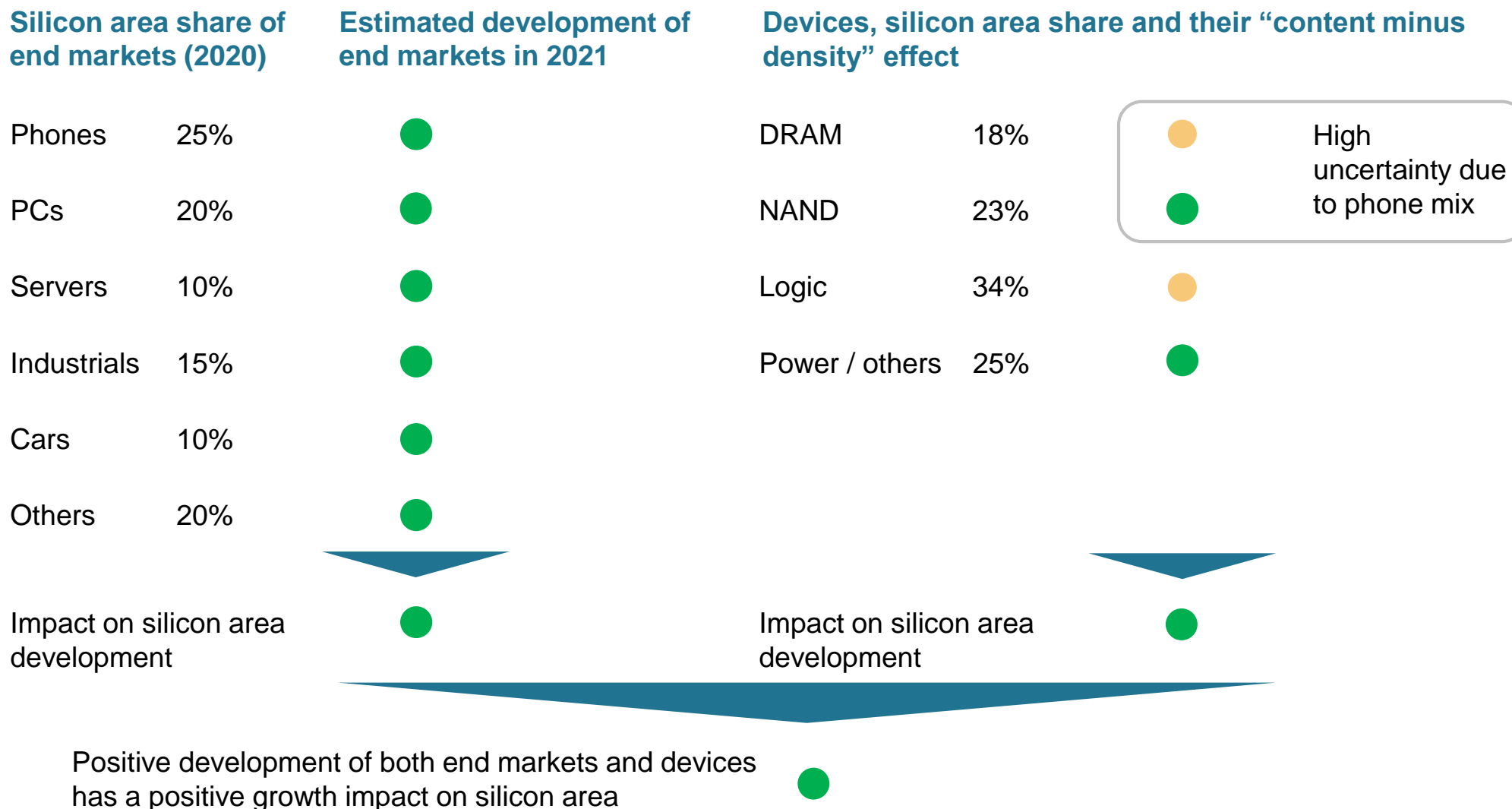


Industrial recovers strongly but is still highly mixed across product categories (e.g. robots up, aerospace down) and regions (e.g. China up, Europe still down, US in-between).



Cars: automotive semiconductor companies and OEMs are bullish for production despite chip shortage talk. Risk for inventory built up. Trend towards xEV and assistant driving systems unbroken.

Estimated silicon area market development



Source: Siltronic Marketing April.2021

Siltronic Outlook 2021 (as of April 20, 2021)

Sales	– at least 10 percent above 2020	+
EBITDA margin	– between 30 and 32 percent	+
Depreciation	– around EUR 155m to EUR 160m	=
EBIT	– significant increase	=
Tax rate	– significantly below 10%	=
CapEx	– around EUR 250m (mainly in 300 mm epi, capabilities and expansion of crystal pulling hall to replace older equipment)	=
Net cash flow	– significant improvement	+
Earnings per share	– significant increase	+

Contact and Additional Information

Issuer and Contact

Siltronic AG
Einsteinstraße 172
D-81677 München

Investor Relations:

Petra Mueller
email: investor.relations@siltronic.com
Tel. +49 89 8564-3133

Additional Information

ISIN:	DE000WAF3001
WKN:	WAF300
Deutsche Börse:	WAF
Listing:	Frankfurt Stock Exchange Prime Standard

Financial Calendar 2021

Q2 Interim Report	July 28, 2021
Q3 Quarterly Statement	October 26, 2021



Disclaimer

The information contained in this presentation is for background purposes only and is subject to amendment, revision and updating. Certain statements contained in this presentation may be statements of future expectations, future financial performance and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. In addition to statements which are forward-looking by reason of context, including without limitation, statements referring to risk limitations, operational profitability, financial strength, performance targets, profitable growth opportunities and risk adequate pricing, words such as "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "continue", "projects" or "seeks", "potential", "future", or "further" and similar expressions may identify forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changing business or other market conditions, currency and interest fluctuations, introduction of competitive products, poor acceptance of new products and services, change of the corporate strategy and the prospects for growth anticipated by the management. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Siltronic AG does not undertake and does not intend to undertake any obligation to update or revise any statements contained in this presentation, whether as a result of new information, future events or otherwise. In particular, you should not place any reliance on forward-looking statements which speak only as of the date of this presentation.

SILTRONIC AG |

Einsteinstrasse 172
81677 Munich
Germany