

Siltronic AG FY 2022 Conference Call Presentation

March 9, 2023

Highest sales and EBITDA in Siltronic's history

Full year 2022 comments

- ▶ Price increases due to shortages
- ▶ Overall positive FX impact
- ▶ Slight increase in output volume
- ▶ EUR 50 mn one-time income (Termination fee)
- ▶ Cost increase for energy, raw materials and supplies as well as higher depreciations
- ▶ Strategic projects
 - ▶ FabNext in Singapore on schedule and budget
 - ▶ First crystal will be pulled in March in the new hall in Freiberg
- ▶ Climate action program: Scope 1 and 2 emissions reduced by more than 10% (goal for 2022: 5,5%)

Highlights 2022: Financial figures FY 2022

Sales

EUR 1,805.3 mn (2021: EUR 1,405.4 mn)

EBITDA

EUR 671.6 mn (2021: EUR 466.4 mn)
EBITDA margin: 37.2% (2021: 33.2%)

EBIT

EUR 495.6 mn (2021: EUR 316.9 mn)
EBIT margin: 27.5% (2021: 22.5%)

CapEx

EUR 1,073.6 mn (2021: EUR 425.6 mn)

Net cash flow

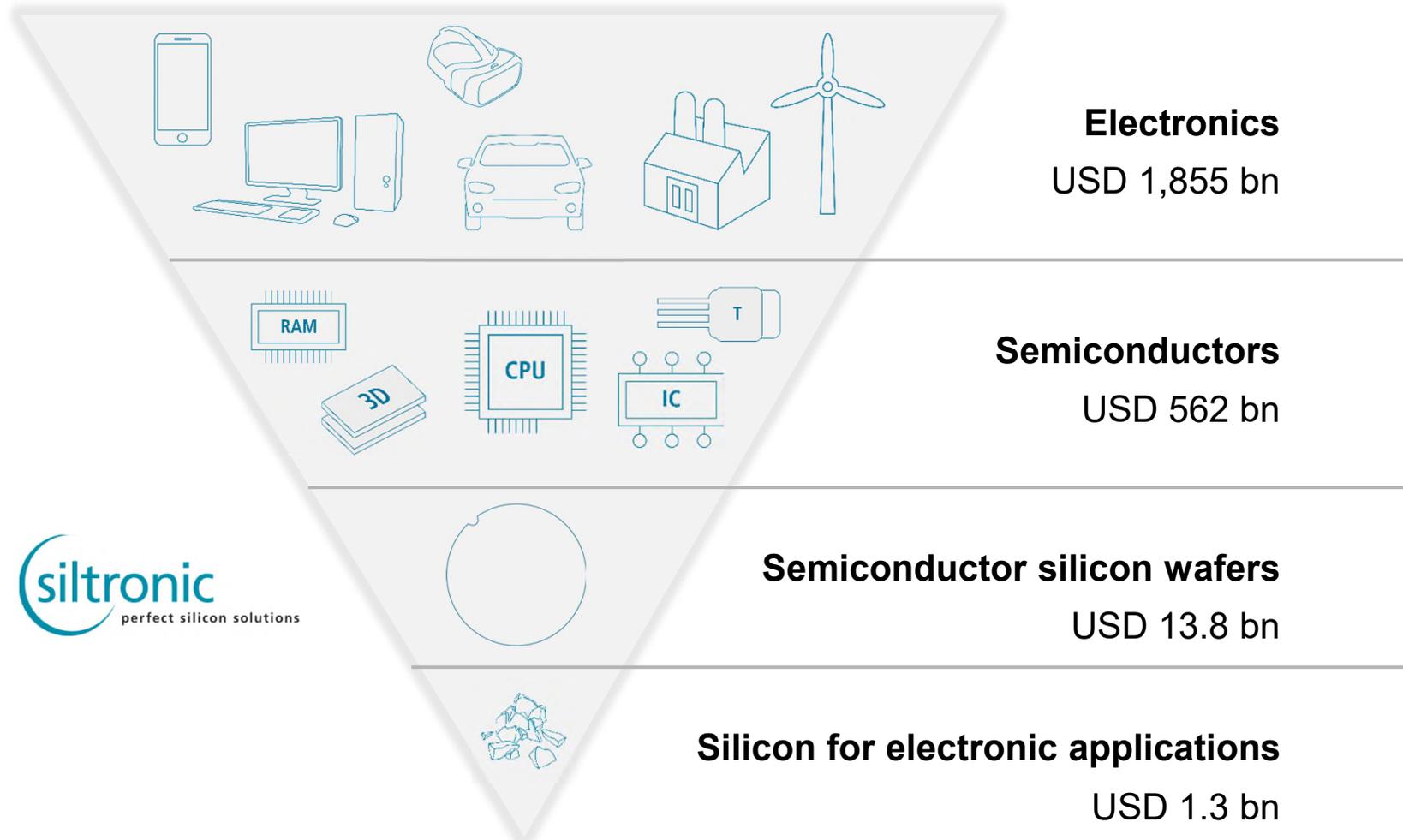
EUR –395.4 mn (2021: EUR 1.7 mn)

Net financial assets

EUR 373.6 mn (December 31, 2021: EUR 572.9 mn)

Electronics value chain continued to grow in 2022

Increasing demand for electronic devices and new applications drive semiconductor growth, which in turn fuels silicon demand



Sources: TechInsights, WSTS (Si based), SEMI SMG, Siltronic Marketing

FabNext in Singapore with significant upside for Siltronic



Technical

- ▶ State of the art plant
- ▶ Largest and most efficient Siltronic fab
- ▶ Very high degree of automation
- ▶ Ramp phase of several years with ~ 150 k additional wafer capacity per month every year during the ramp phase
- ▶ High share of epitaxy

Financial

- ▶ Most cost efficient Siltronic fab
- ▶ 80% of output during ramp phase secured with LTA's, partially until 2030
- ▶ Positive impact on Group EBITDA from 2024
- ▶ EBITDA Margin of >50%

Siltronic Climate Action Program on track – 10% reduction of Scope 1 and 2 emissions in 2022

Climate Action Program

Siltronic's commitment to Science Based Target initiative to limit global warming to 1.5°C:

- ▶ Goal until 2030: 50% CO₂ reduction (Scope 1 and 2)²
- ▶ Goal until 2045: net zero
- ▶ Three main levers:

 Energy efficiency

 Own generation of renewable energy

 Purchasing renewable energy

CSR Targets until 2030



Reduce specific energy consumption by 20%¹



Increase waste recycling by 25%¹



Reduce specific water usage by 20%¹



Increase water recycling by 25%¹



Reduce absolute greenhouse gas emissions by 50%²

¹) base year 2015

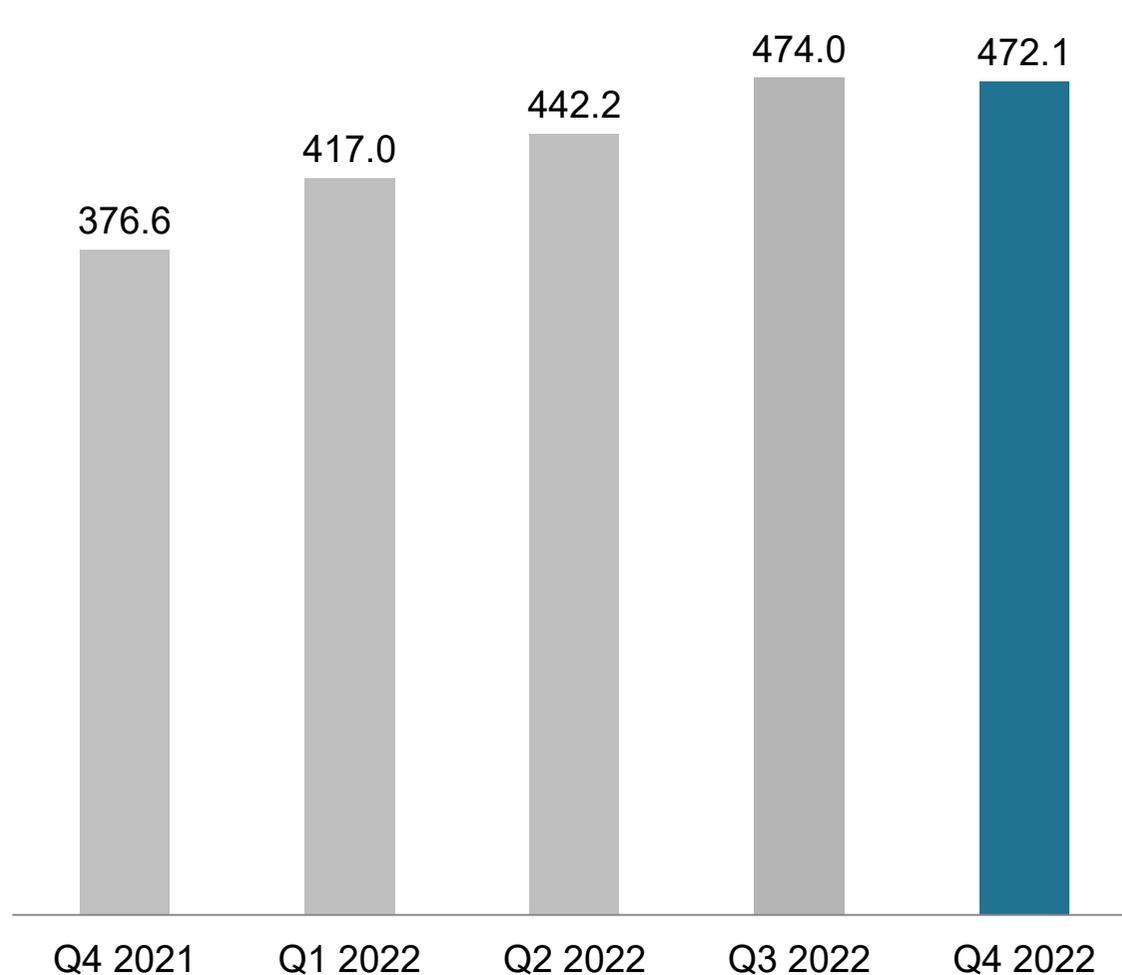
²) base year 2021



Financials 2022

Record sales due to higher prices and FX tailwind in 2022

Sales, in EUR mn



Ø FX rates	Q4 21	Q1 22	Q2	Q3	Q4
EUR / USD	1.14	1.12	1.07	1.01	1.02
EUR / JPY	130	130	138	139	144

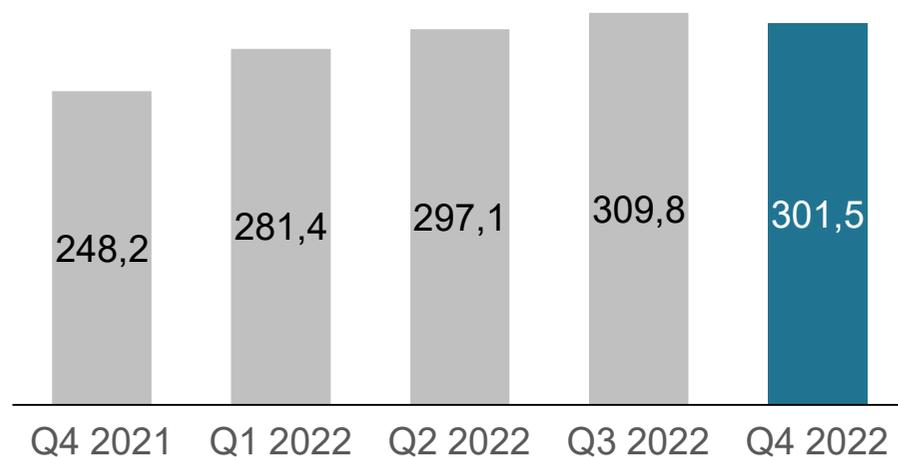
Comments

► Positive

- ASP in EUR up y-o-y
- Favorable FX y-o-y
- Wafer area sold slightly up y-o-y

Higher COGS due to FX, inflation and depreciation

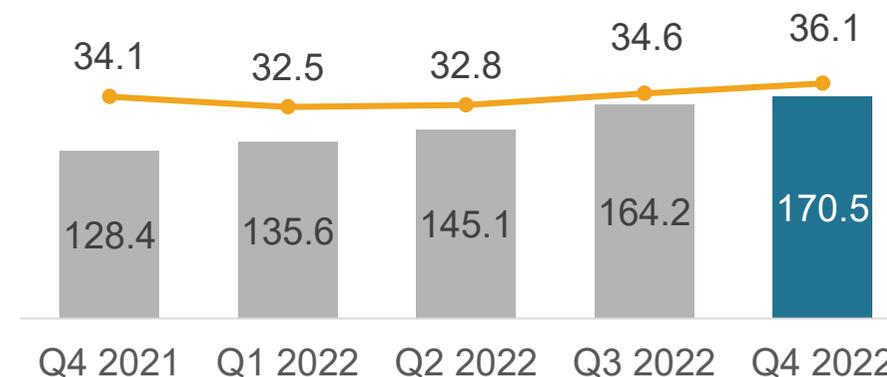
Cost of sales, in EUR mn



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



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

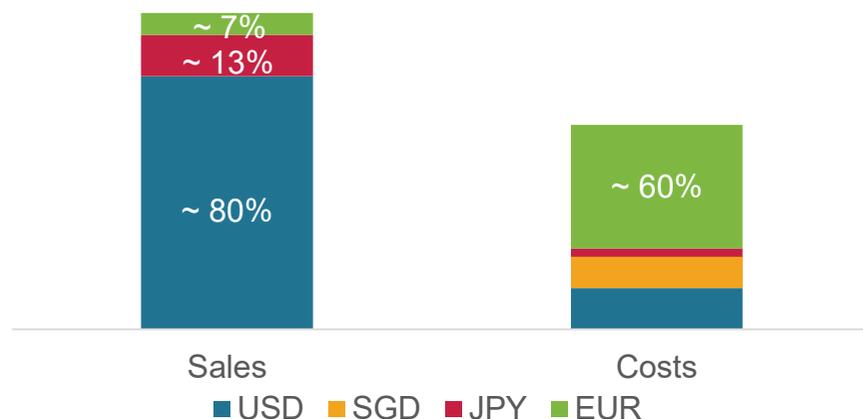


Comments

- ▶ COGS up y-o-y
 - ▶ Higher cost for energy and supplies
 - ▶ Higher labor cost
 - ▶ Higher depreciation
 - ▶ FX effects
 - ▶ Slight increase in wafer area sold

High US-Dollar and Japanese Yen exposure

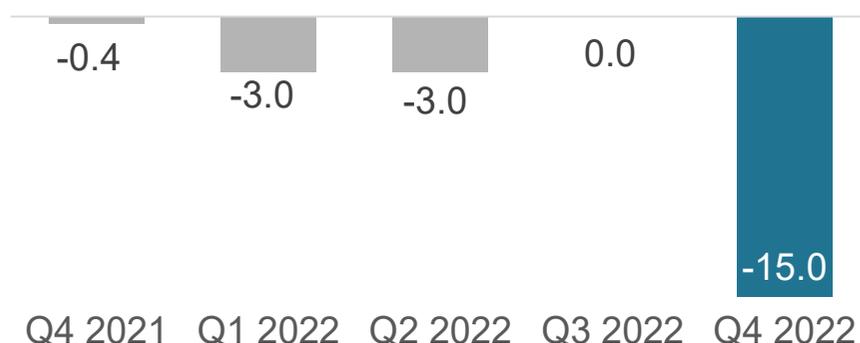
FX exposure, in %



FX sensitivity

	Sales	EBITDA Unhedged
1 USD-/SGD-cent change	~ EUR 13 mn	~ EUR 9 mn
1 JPY change	~ EUR 1.7 mn	~ EUR 1.3 mn

Other currency effects (mostly hedging), in EUR mn

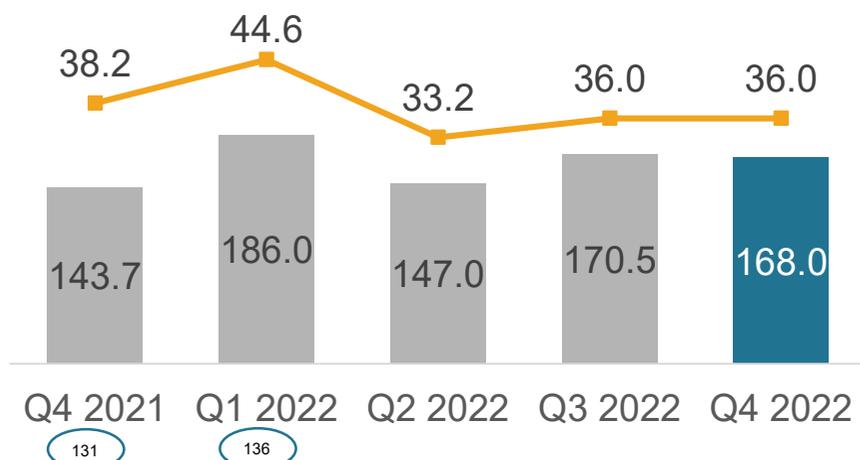


Comments

- ▶ Strong USD and SGD y-o-y
- ▶ Weakening of JPY y-o-y
- ▶ Increasing USD exposure during 2022
- ▶ Other currency effects in Q4 due to FX-valuation of receivables and payables and strategic hedging

EBITDA increased EUR 205 million in 2022

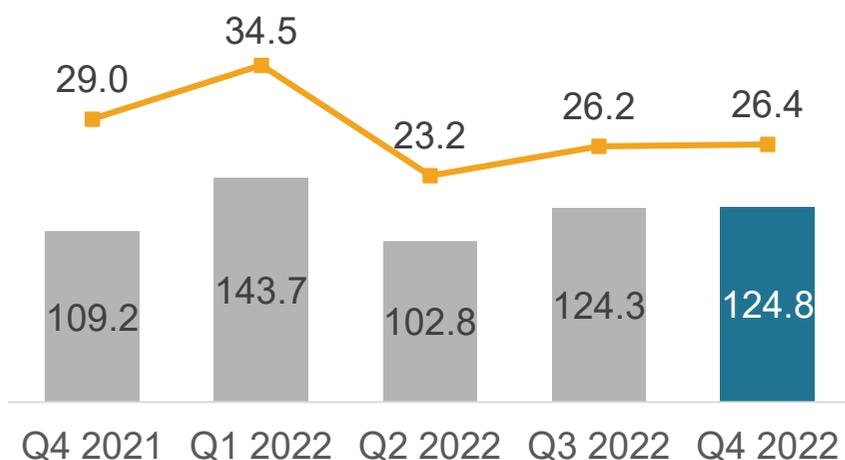
EBITDA, in EUR mn / EBITDA margin, in %



Depreciation, in EUR mn



EBIT, in EUR mn / EBIT margin, in %



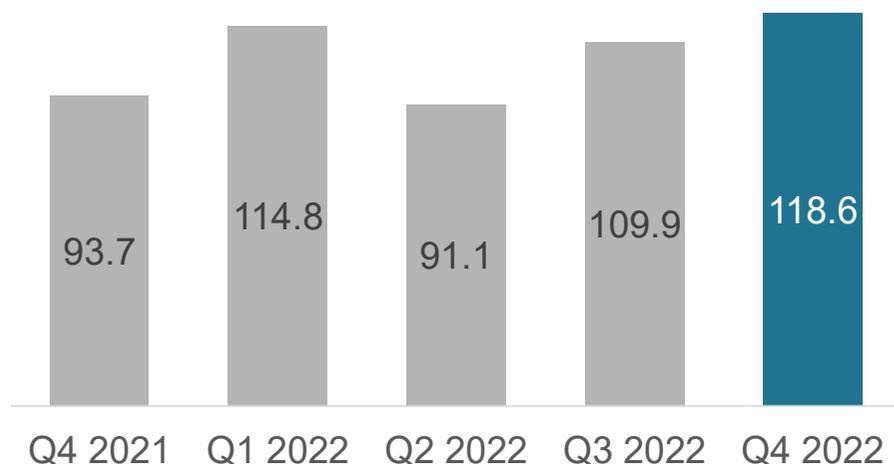
Comments

- ▶ **Positive**
 - ▶ ASP in Euro up y-o-y
 - ▶ Overall favorable FX y-o-y
 - ▶ EUR 50 mn one-time income in Q1 (Termination fee)
- ▶ **Negative**
 - ▶ Cost increases for energy, raw materials and supplies

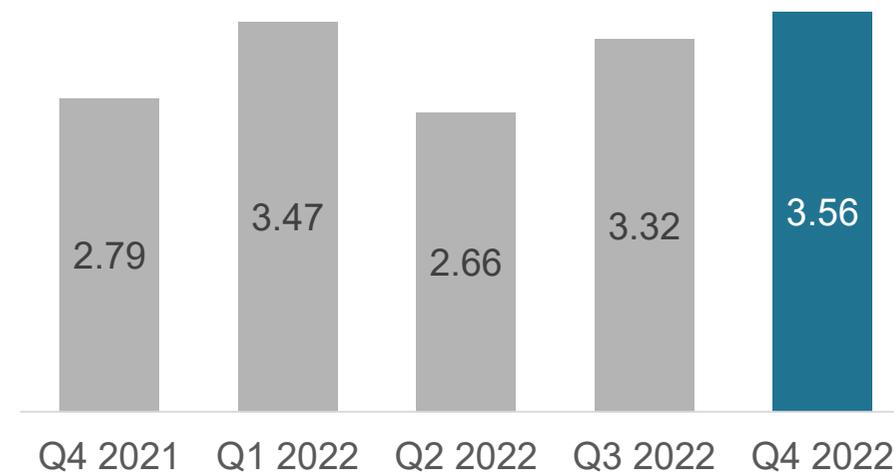
○ EBITDA excluding effects by GlobalWafers tender offer

Net profit of EUR 434 million in 2022

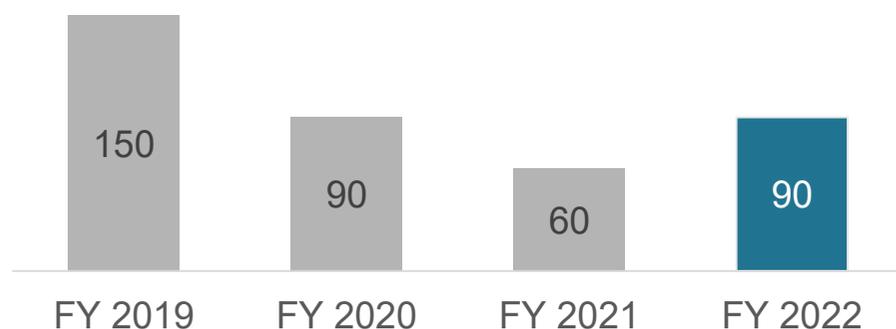
Net profit, in EUR mn



EPS, in EUR



Dividend payment, in EUR mn

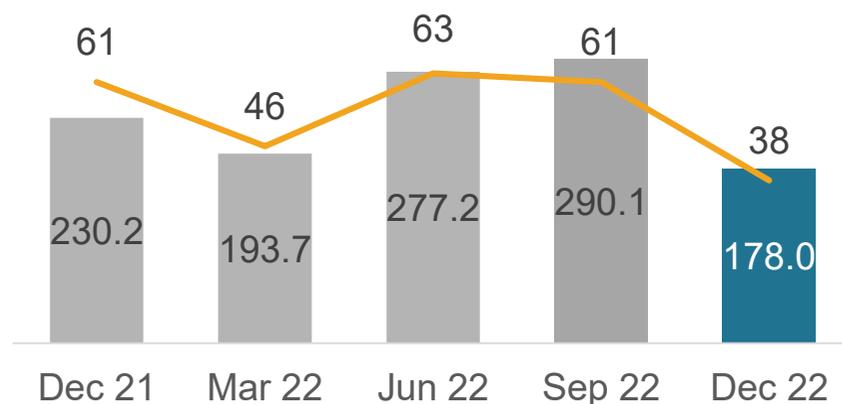


Comments

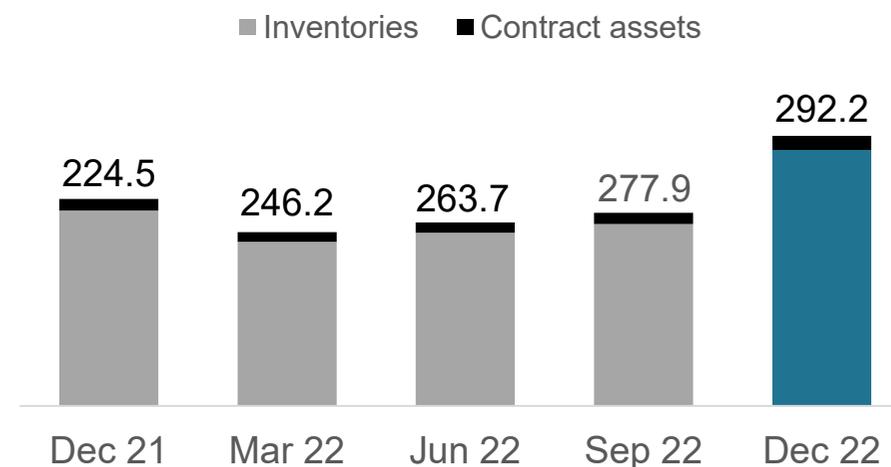
- ▶ Net profit of EUR 434 mn in 2022; thereof EUR 391 mn attributable to Siltronic shareholders
- ▶ Dividend proposal of EUR 3.00 per share = EUR 90 mn dividend payout in May 2023

Low working capital due to high capex-related trade liabilities in Q4

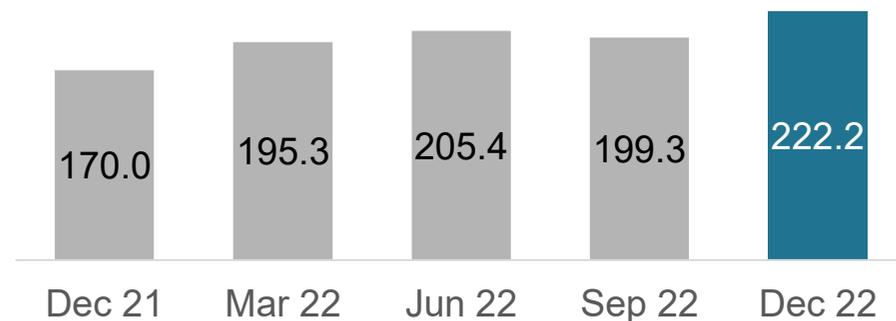
Working capital, in EUR mn,
Working capital ratio to quarterly sales, in %



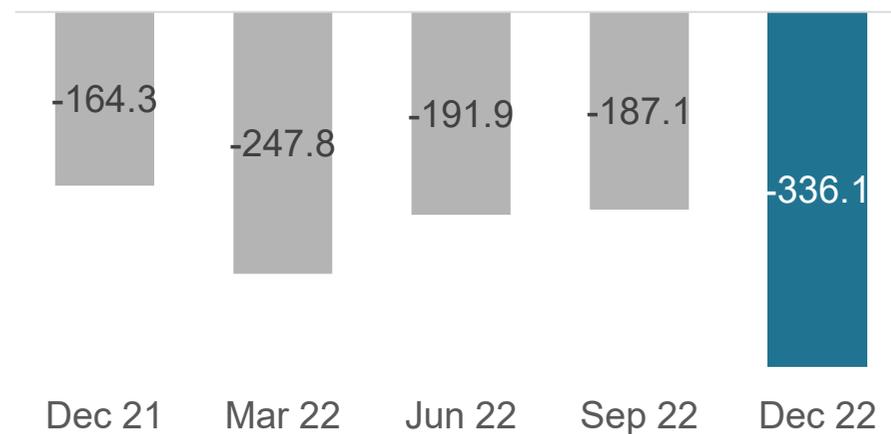
Inventories and contract assets, in EUR mn



Trade receivables, in EUR mn

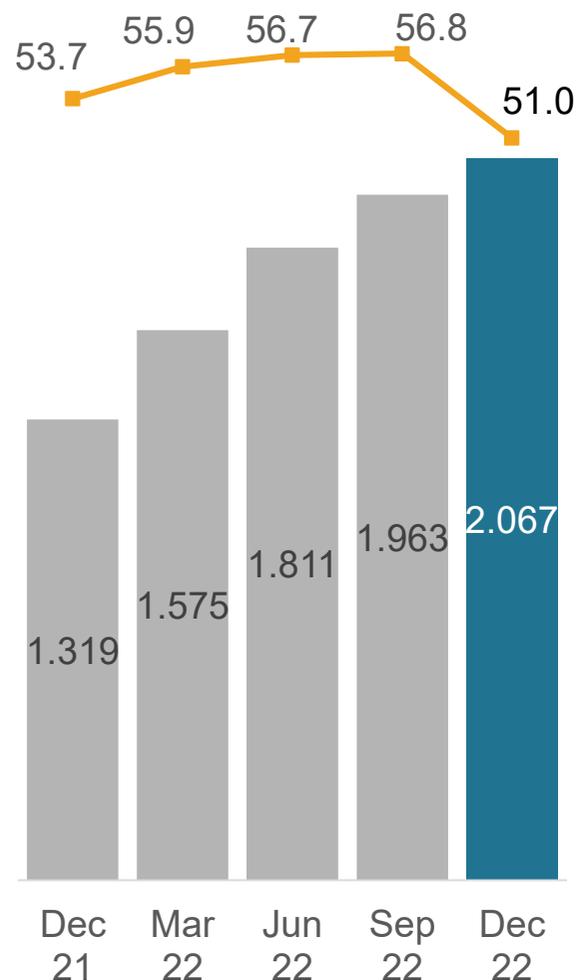


Trade liabilities, in EUR mn



Equity exceeds EUR 2.0 bn, with equity ratio of 51%

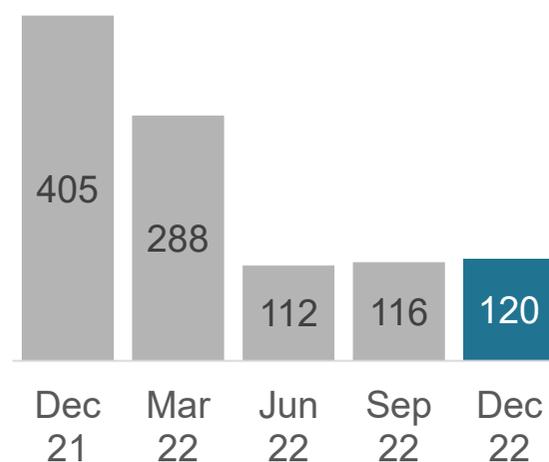
Equity, in EUR mn
Equity ratio, in %



Provisions for pensions, in EUR mn

Interest rates IFRS

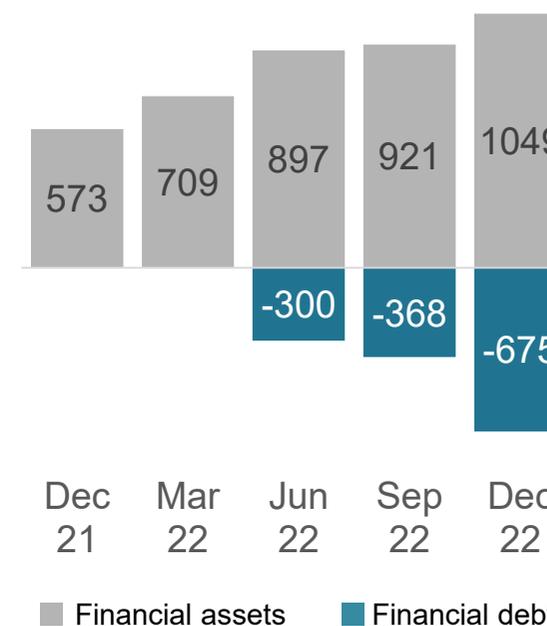
USA	2.51%	3.22%	4.16%	4.85%	4.90%
Germany	1.23%	1.86%	3.30%	3.69%	3.72%



Financial assets and debt, in EUR mn

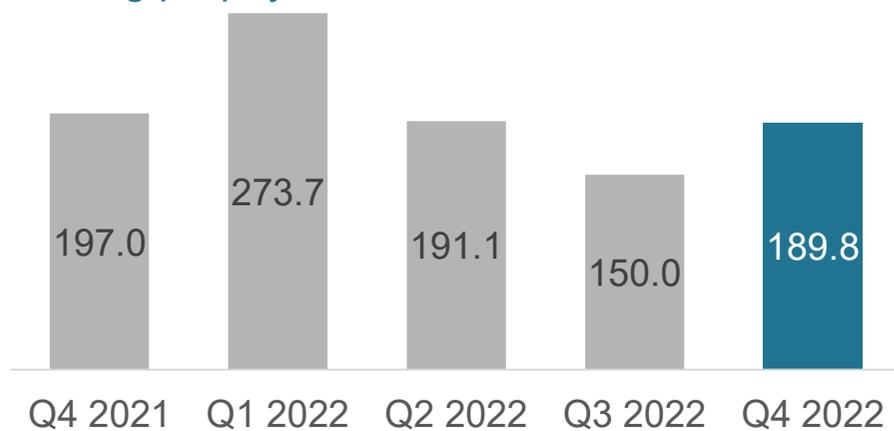
Net financial assets, in EUR mn

573 709 597 553 374

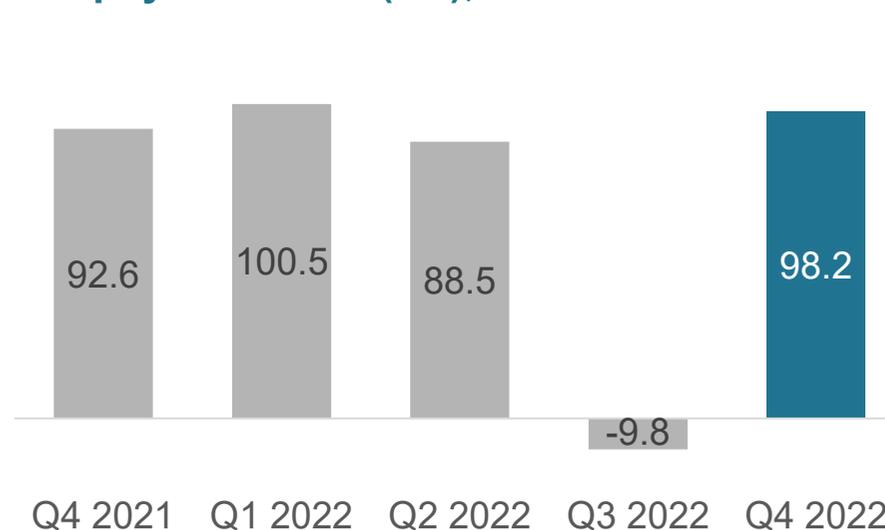


Net cash flow significantly negative due to ongoing invest projects

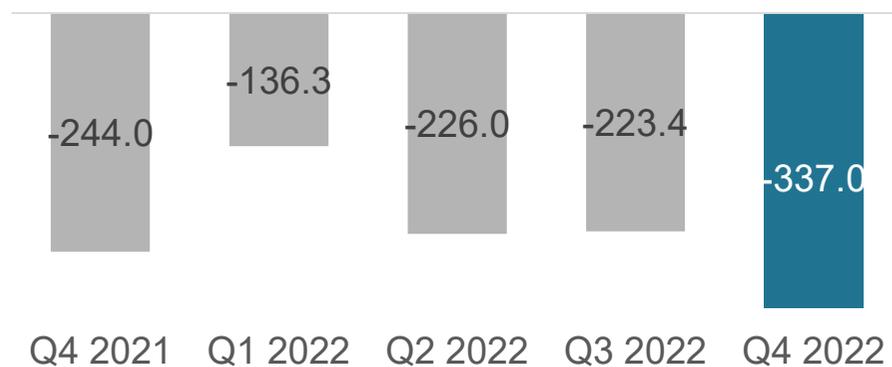
Operating cash flow (OCF), in EUR mn including prepayments



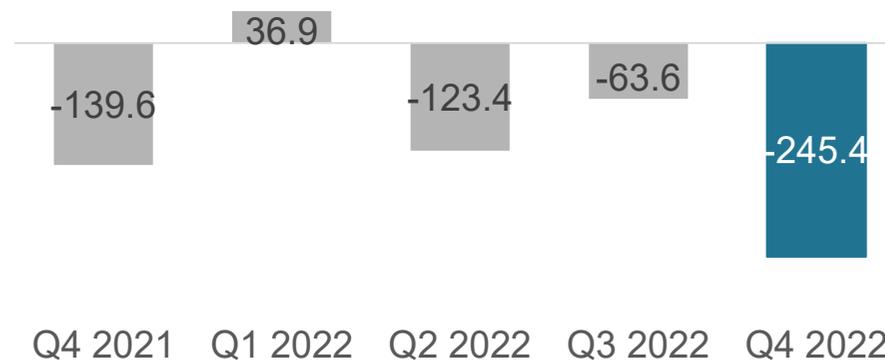
Prepayments net (PP), in EUR mn



CF Capex, in EUR mn



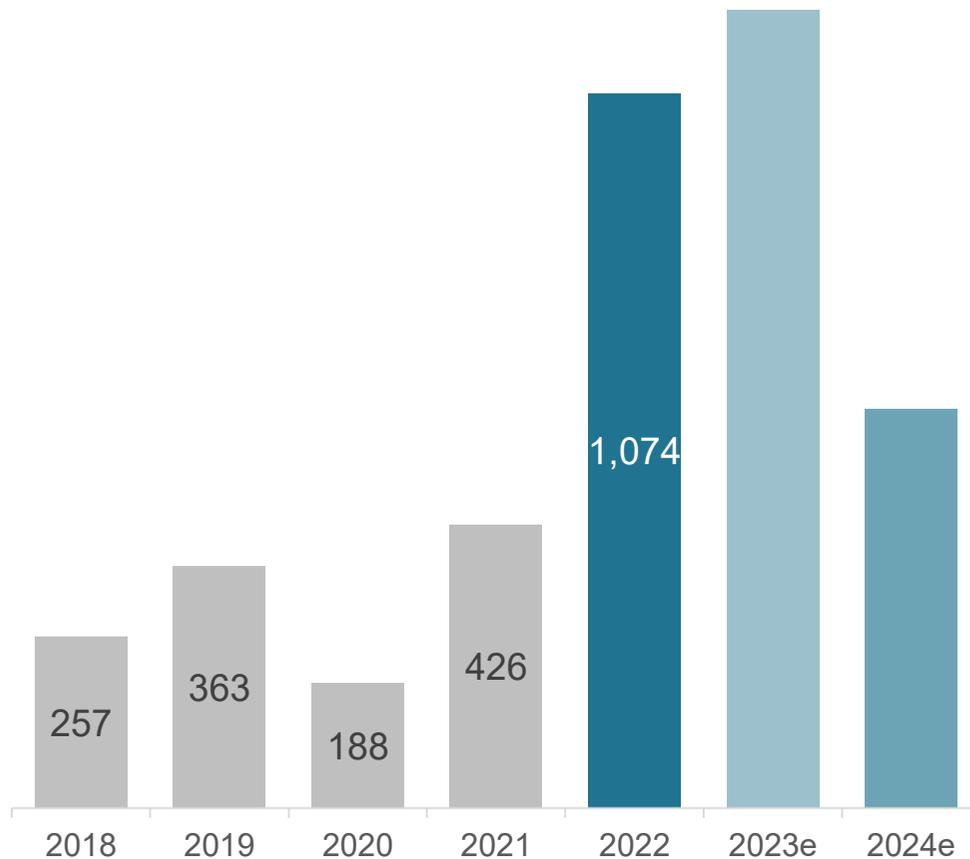
Net cash flow (NCF), in EUR mn excluding prepayments



NCF= OCF-PP+CF Capex

Major Capex in 2023 mostly for FabNext

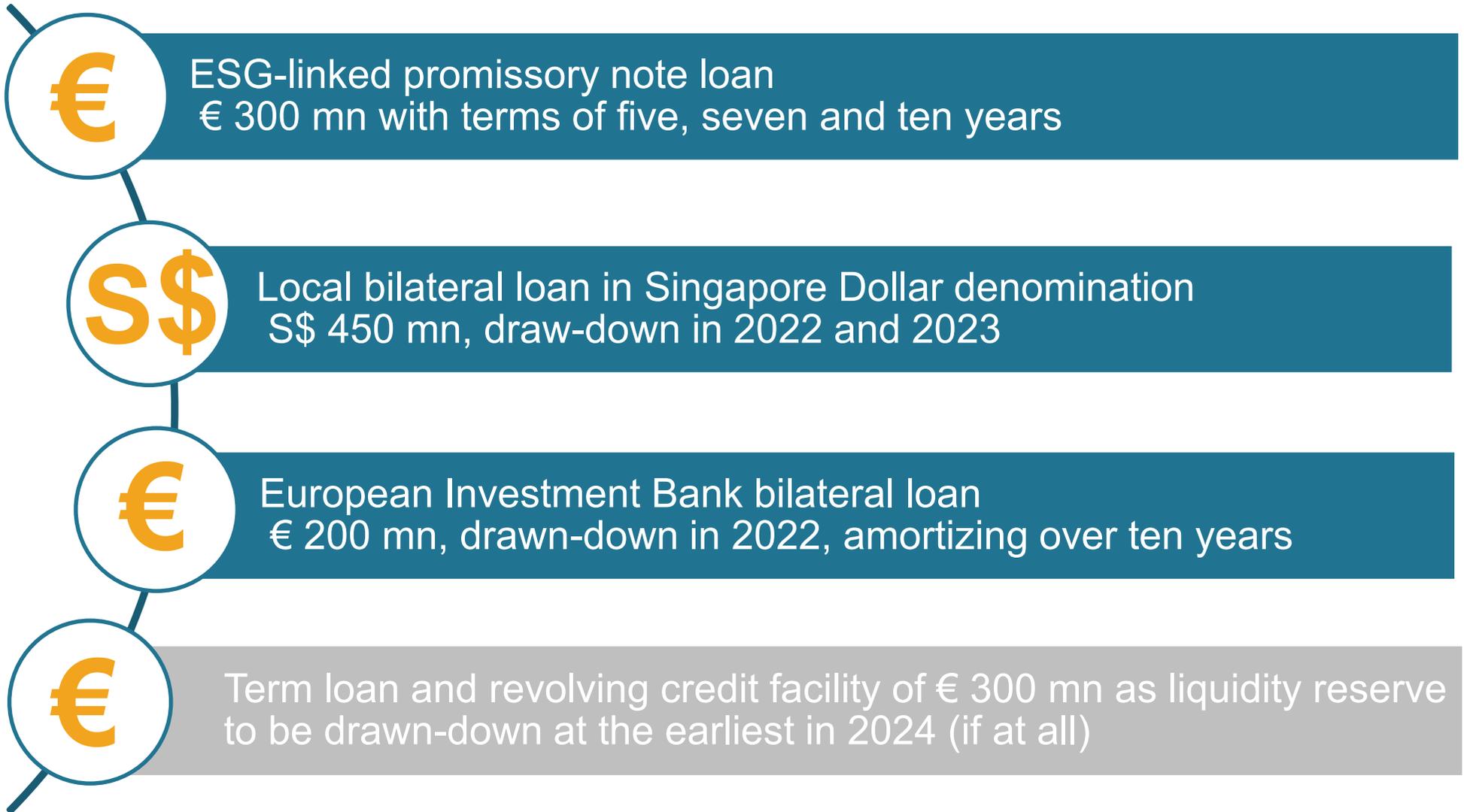
Investment, in EUR mn



Comments

- ▶ Capex guidance 2023 slightly above 2022
 - ▶ Mostly for FabNext
 - ▶ Completion of Freiberg crystal pulling hall
 - ▶ Capabilities for future design rules
- ▶ Capex guidance 2024 will decrease materially
- ▶ Conservative financing approach of high investments
 - ▶ Existing cash and future operating cash flows
 - ▶ Customer prepayments
 - ▶ Loans (see next slide)
 - ▶ Dividend policy amended to 40 percent of the consolidated net profit attributable to shareholders, capped at max. EUR 3 per share
- ▶ No capital increase in 2023

Three pillars of debt financing for capex projects including FabNext

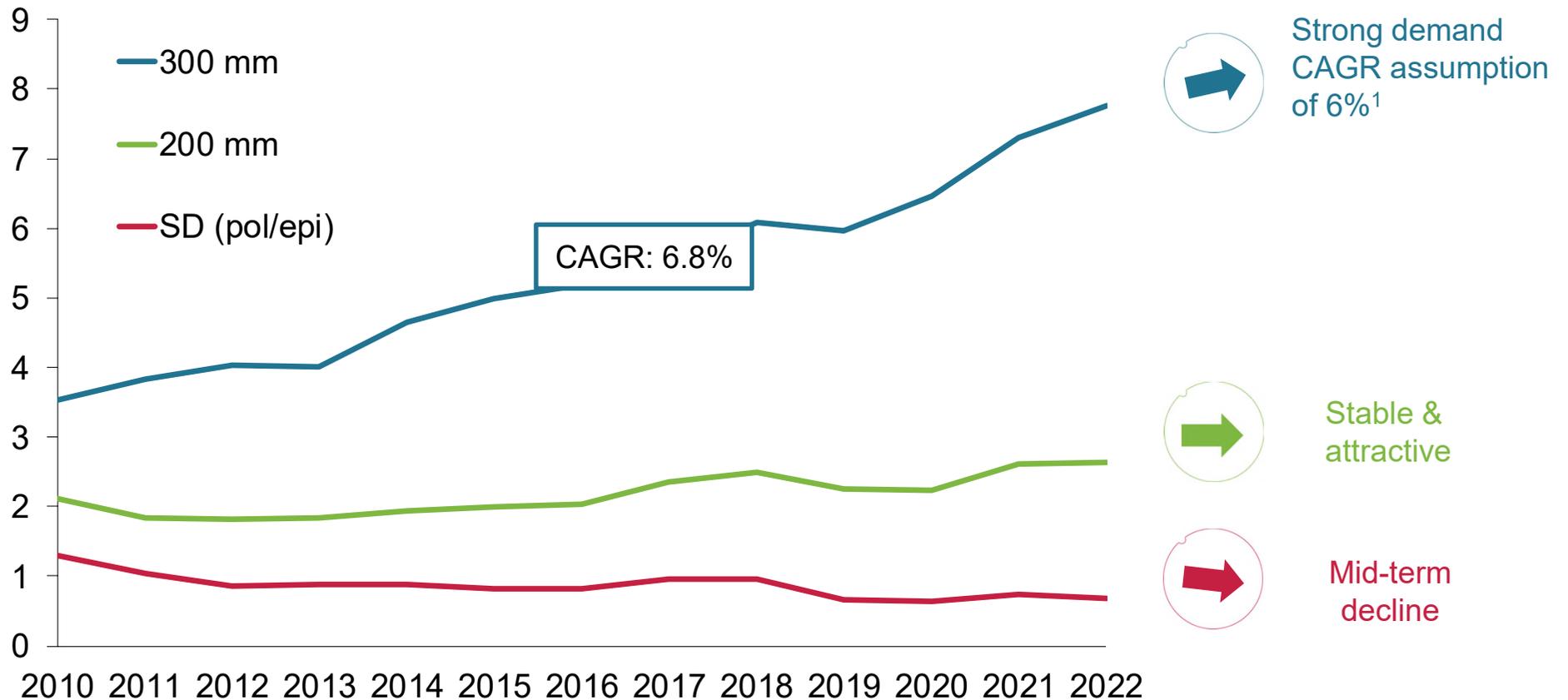


A person wearing a white cleanroom suit and a clear face shield is working in a cleanroom. They are positioned behind a large, highly reflective, metallic object that is suspended by a thin wire. The object has a conical top and a rounded bottom, resembling a large, polished metal component or a piece of equipment. The background is a cleanroom environment with various pieces of equipment and a bright, sterile atmosphere. A large, semi-transparent teal circle is overlaid on the left side of the image, containing the text "Outlook 2023".

Outlook 2023

Siltronic is focused on growing 300 mm (6% in 2022) and attractive 200 mm business

Development of Total Wafer Demand per Diameter, in mn 300 mm equivalents per month



Source: SEMI up to Dec 2022

1) mid- and long term CAGR assumption, current 2023 market estimates below 6%

Silicon end markets driven by server content growth and automotive

Smartphones (22%)¹

- ▶ Softer y-o-y, but expected to improve sequentially
- ▶ 5G drives content growth

Industry (16%)¹ / Automotive (14%)¹

- ▶ Industrial mixed by application and region
- ▶ Auto expected to grow with increasing digitalization content
- ▶ xEV expected to be strong

Servers (11%)¹ / PC (17%)¹

- ▶ Server units stable and PCs softer
- ▶ Artificial Intelligence / Machine Learning driving server content

Others (20%)¹

- ▶ Consumer electronics considered to be softer (TV, consoles and wearables)
- ▶ Infrastructure for 5G stable
- ▶ White goods under uncertainty

1) Wafer demand by application in % from total in 2022

Siltronic Outlook 2023 (as of March 9, 2023)

Sales	significantly below prior year (Q1 2023: ~ 15 percent below Q4 2022)
EBITDA margin	significantly below prior year (Q1 2023: 30 to 33 percent)
Depreciation	around EUR 220 mn
EBIT	significant decrease
Tax rate	mid single-digit percentage range
CapEx	slightly above prior year
Net cash flow	significantly below prior year due to high investments
Earnings per share	significantly lower

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

Financial Calendar 2023

May 5	Annual General Meeting
May 11	Q1 2023 Quarterly Statement
July 27	H1 2023 Interim Report
October 26	Q3 2023 Quarterly Statement



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