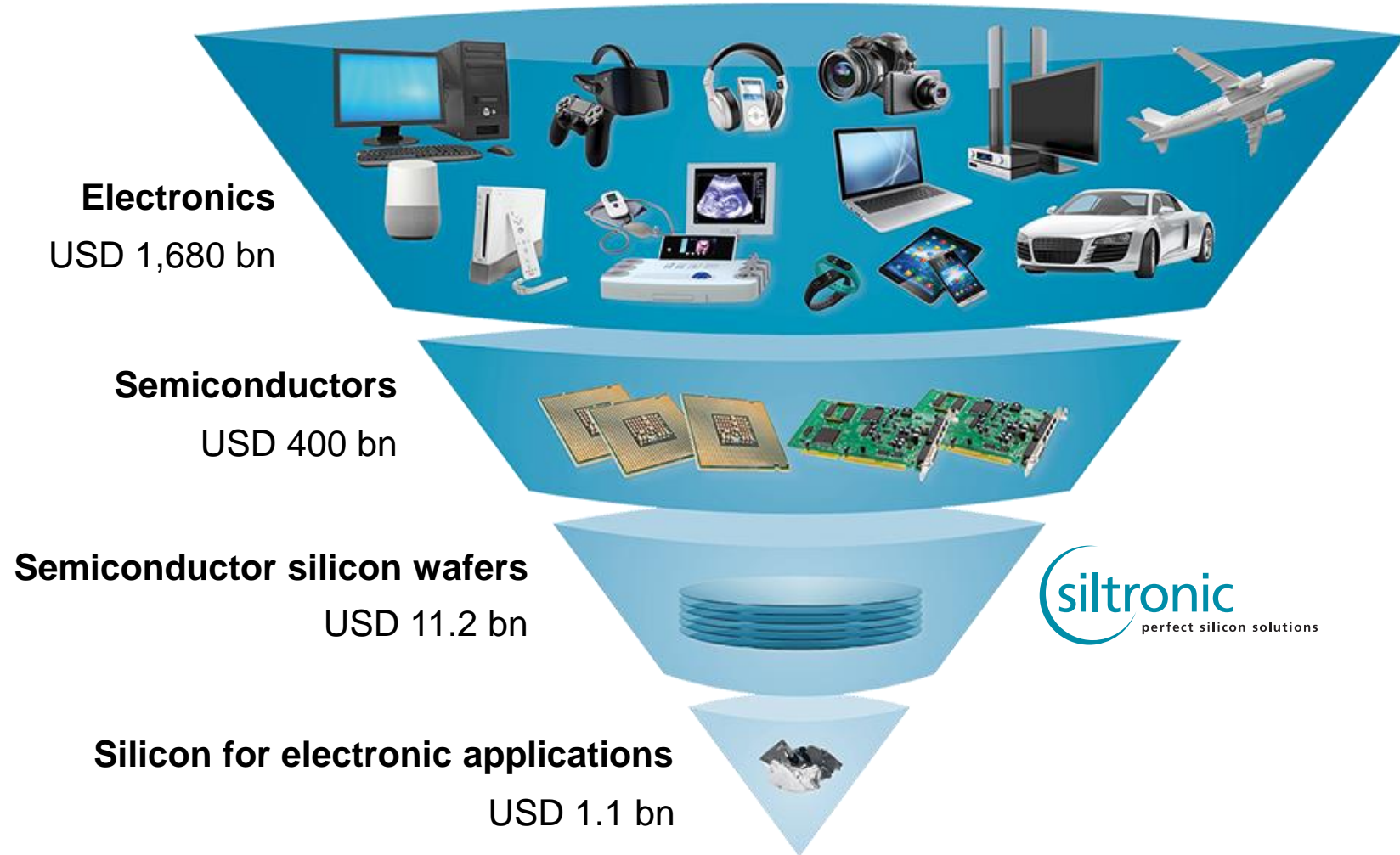


Siltronic AG Investor Presentation – Q3 2020

October 29, 2020

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

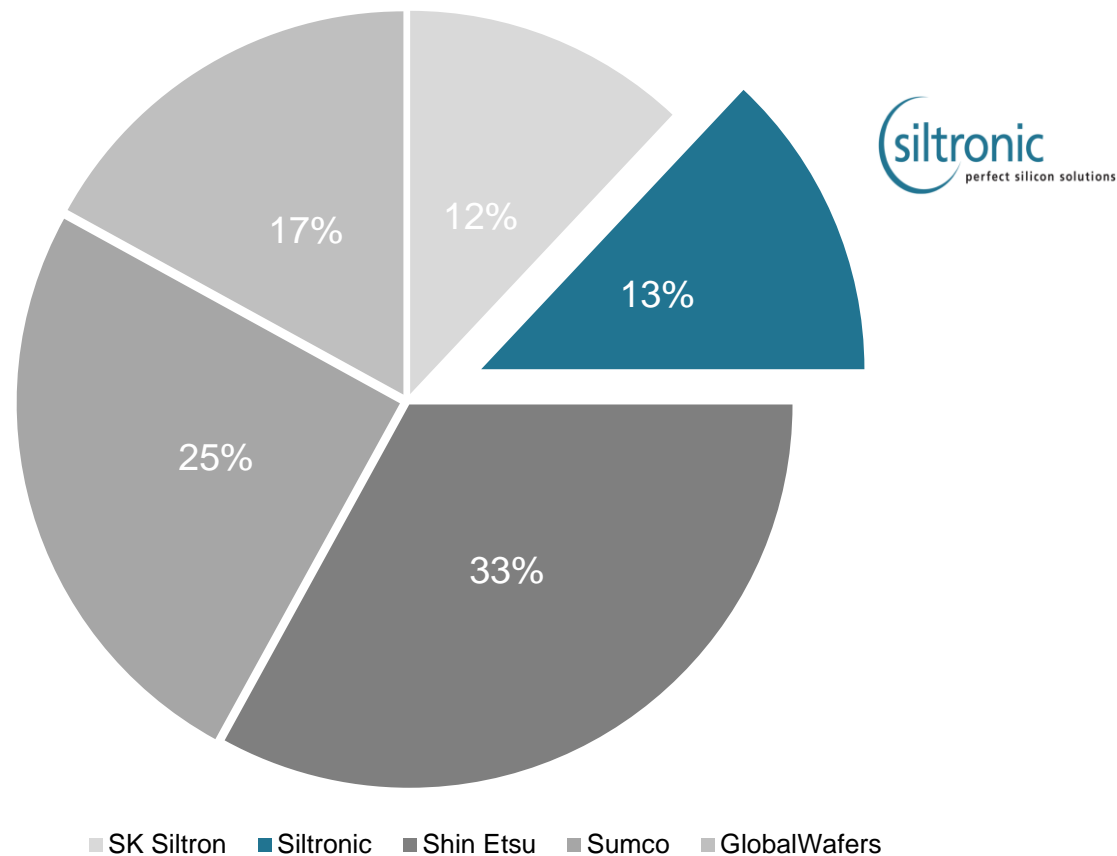
Electronics value chain 2019



Source: Electronics (IC Insights), Semiconductors (WSTS, only silicon-based), Silicon wafers (SEMI SMG), Electronic applications (estimate)

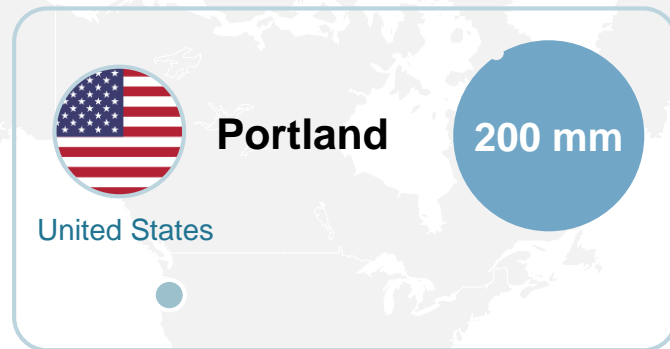
Siltronic has a relevant global market share...

Top 5 wafer producers serve more than 90% of market across all diameters

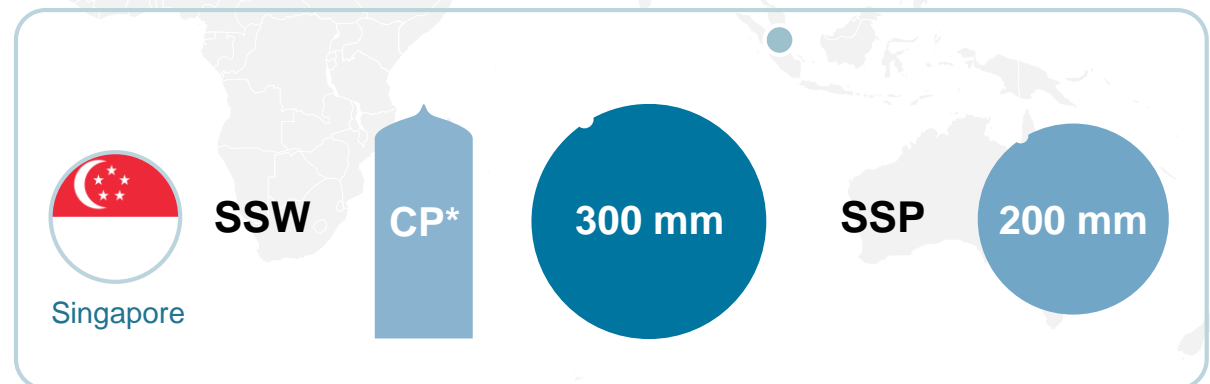
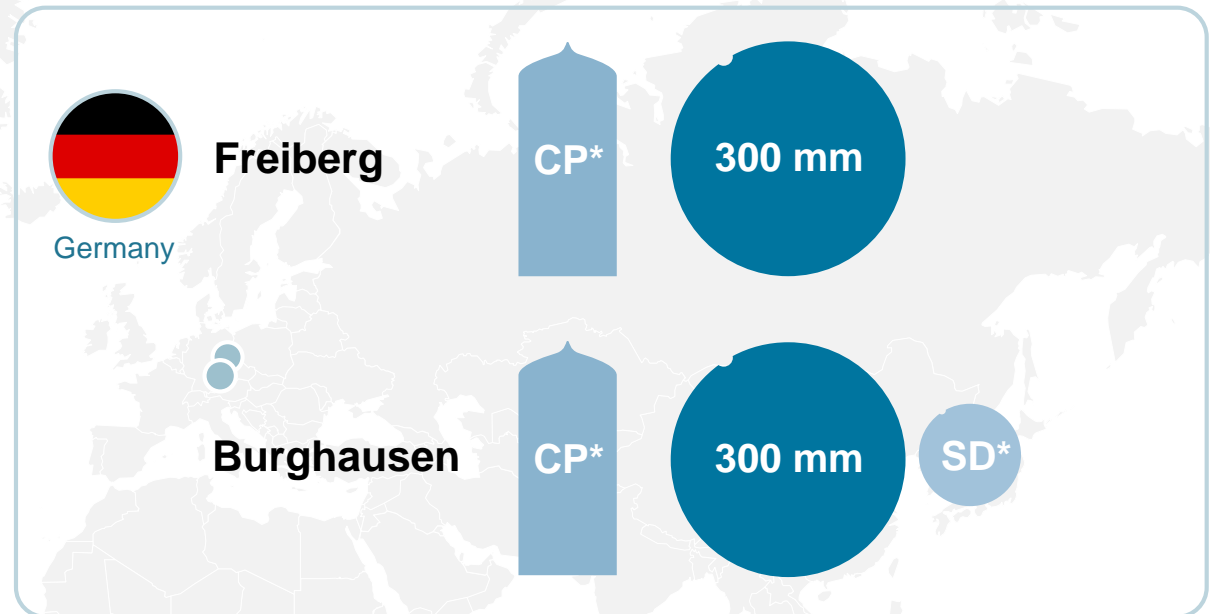


Sources: reported company revenues Q1 2020, converted to USD million

... and an international manufacturing network



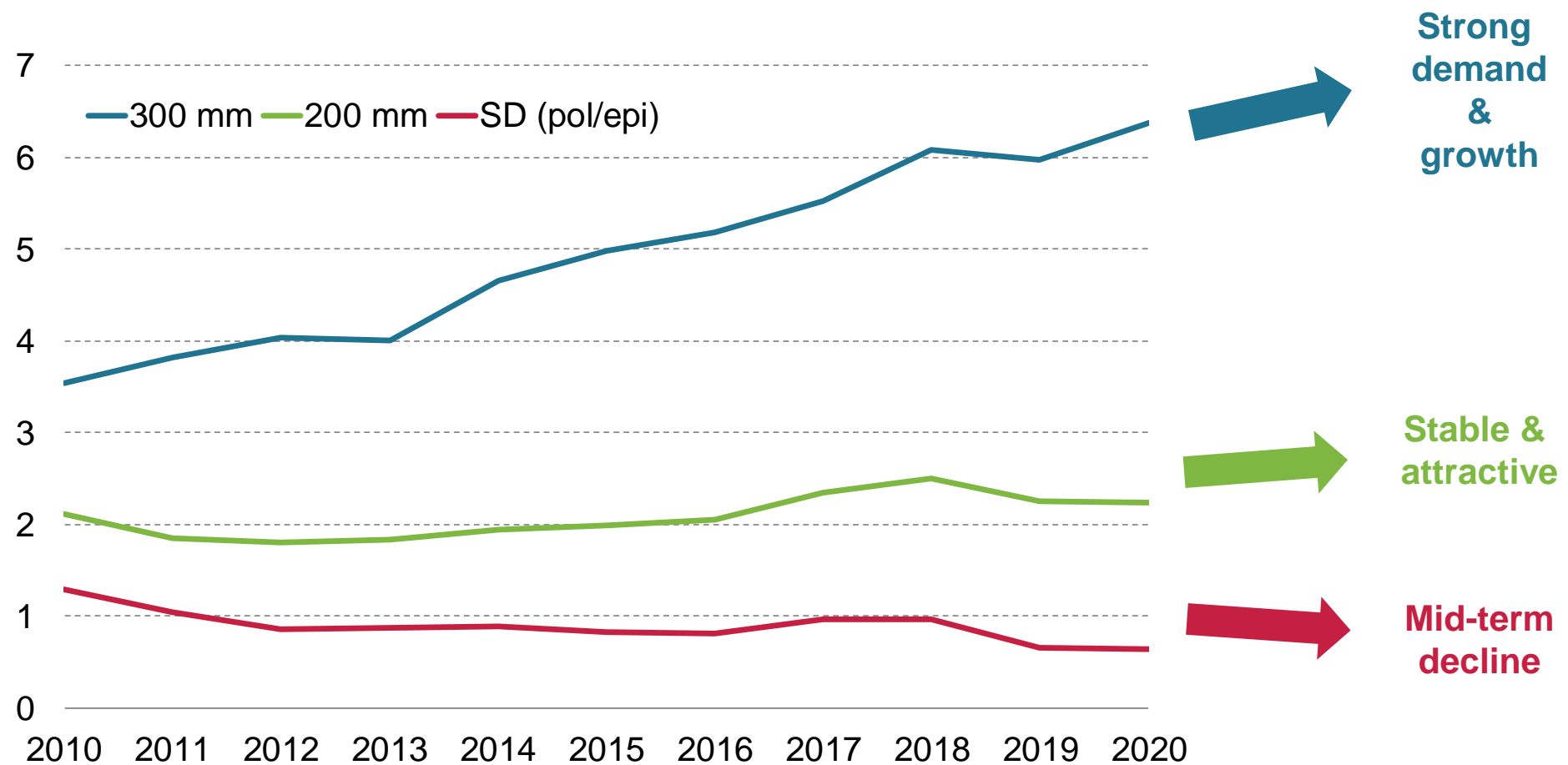
- ▶ **Central R&D hub** in Burghausen
- ▶ **High volume facilities** for 300 mm in Germany and Singapore
- ▶ Among world's **newest & largest fabs** in Singapore



*CP = Crystal Pulling | *SD = 150 mm and smaller

Siltronic is focused on growing 300 mm and attractive 200 mm business.

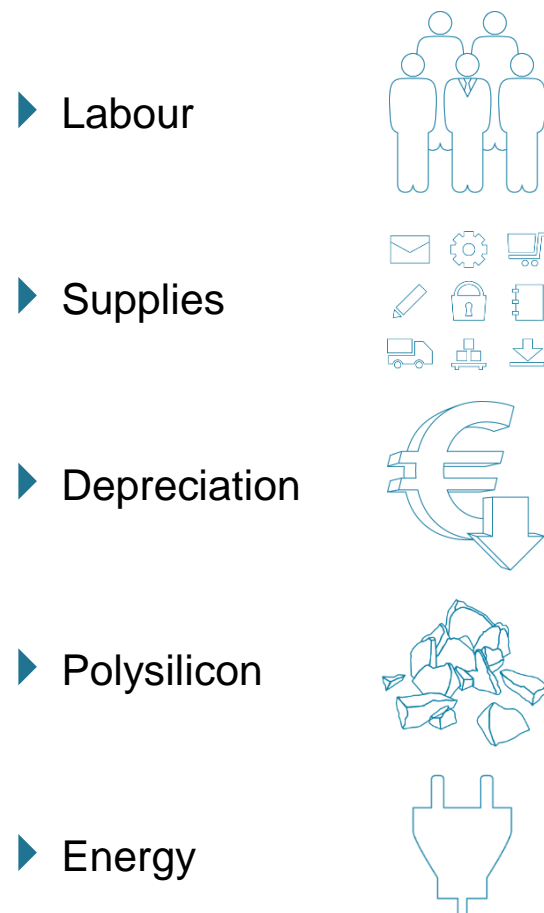
Development of Total Wafer Demand per Diameter, in mn 300 mm equivalents per month



Source: SEMI up to Sep 2020

Cost-competitiveness a pre-requisite

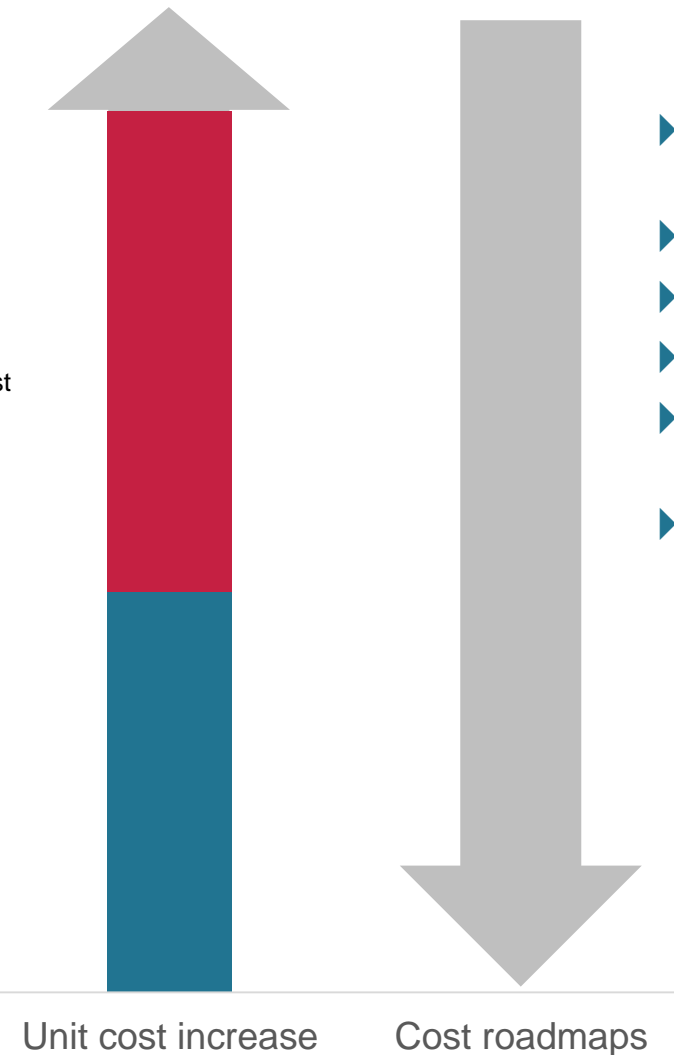
Major cost items



Cost development 2020

COLA (cost of living adjustment)

Freight Costs



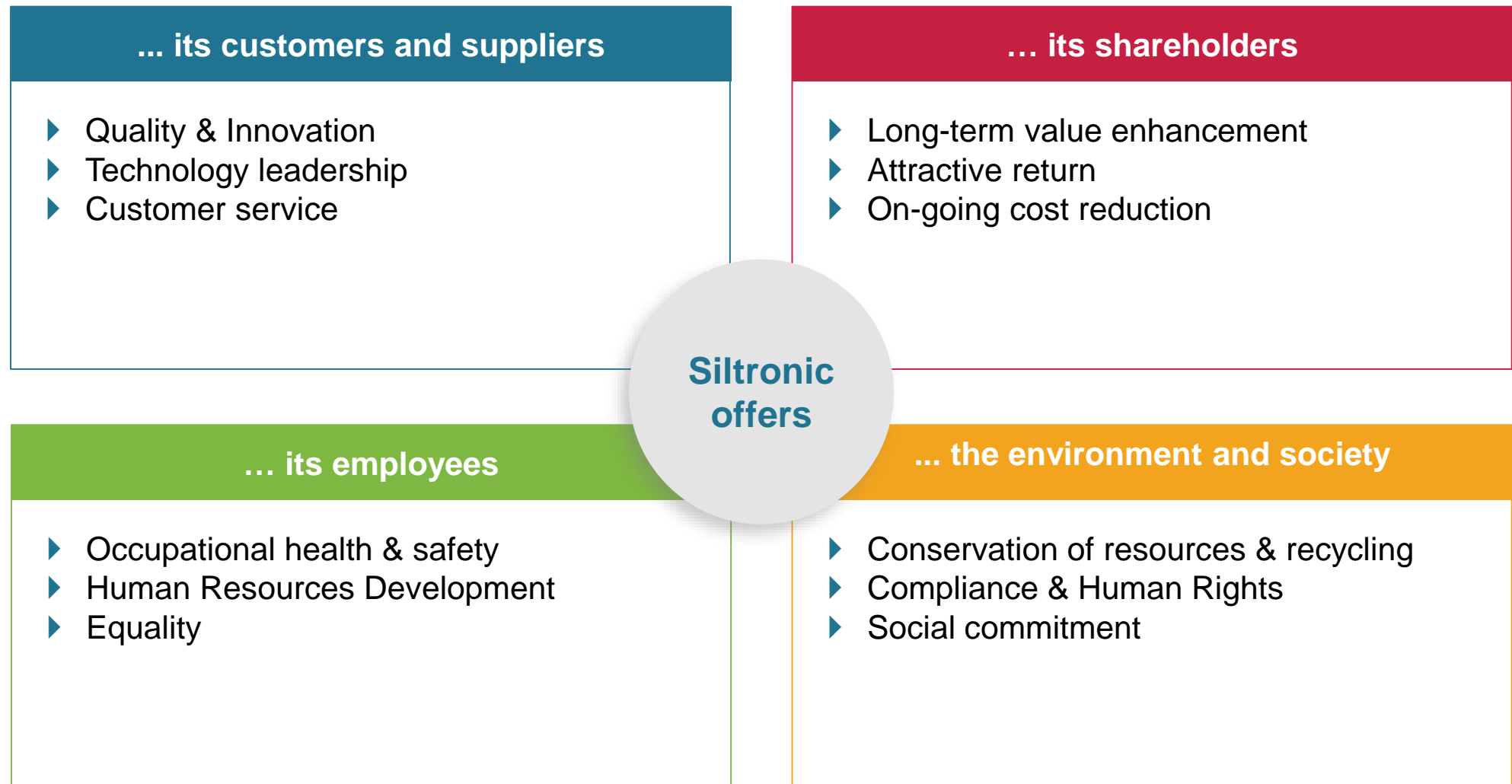
- ▶ Productivity improvement
- ▶ Supply savings
- ▶ Recycling
- ▶ Energy efficiency
- ▶ Lower success sharing
- ▶ Automation

Overview Financials

Adjusted financial figures (EUR million)	2016	2017	2018	2019	Q1-Q3 2020
Sales	933.4	1,177.3	1,456.7	1,270.4	922.5
EBIT	27.0	235.7	497.7	298.3	163.8
EBIT margin in %	2.9	20.0	34.2	23.5	17.8
EBITDA	146.0	353.1	589.3	408.7	264.8
EBITDA margin in %	15.6	30.0	40.5	32.2	28.7
Earnings per share	0.40	6.18	12.44	7.52	4.19
Capex	88.8	123.2	256.9	363.0	129.4
Free cash flow ¹	19.0	169.6	416.4	36.4	47.3
Net cash flow ¹	39.6	124.8	240.4	81.3	96.3
Dividend	-	75.0	150.0	90.0	-

¹ In 2018, Siltronic started reporting the key figure „net cash flow“ instead of „free cash flow“. Net cash flow represents free cash flow without the time shifts created by inflow and return of customer prepayments which, due to the size, impairs the meaningfulness of free cash flow.

Creating value for all stakeholders



Clear commitment to sustainability

Sustainability at Siltronic AG

- ▶ **Claim:** We understand sustainability not only as responsible action, but also want to generate competitive advantages through our sustainable actions.
- ▶ **Strategy:** We plan resource-saving right from the start, based on product and production safety as well as health and environmental protection.
- ▶ **Voluntary commitments:** We follow the principles of the Responsible Business Alliance (RBA) and Responsible Care initiatives and the United Nations Global Compact.
- ▶ **Goal:** We want to reconcile the effects of our business activities with the expectations and needs of society.

CDP: Siltronic has been evaluated by CDP since 2018; current evaluation results CDP Climate Change "B | Management" and Water Security "B- | Management"

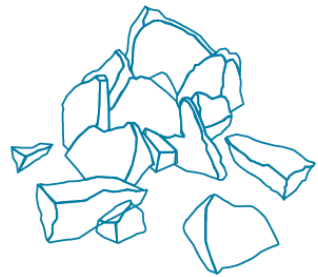
ISS-oekom: Siltronic has been evaluated by ISS-oekom since 2017. With the "Prime" rating, Siltronic is one of the leading companies in the semiconductor industry in the area of sustainability.



Environment - Efficiency as a success factor

Selection of non-financial performance indicators in 2019

Raw Material



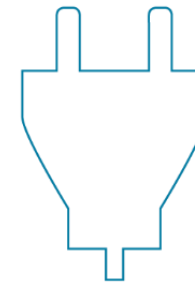
Silicon yield improved by

4%

vs. 2018



Energy



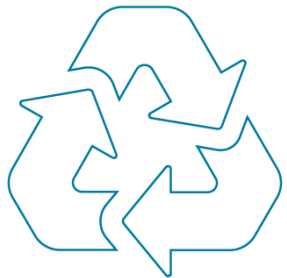
Energy efficiency savings (GWh)

4.5

in 2019



Waste Recycling

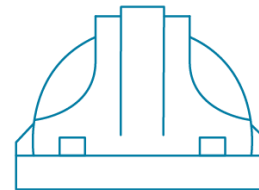


Waste Recycling Ratio

69%



Occupational Safety



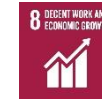
Working accidents with lost days per 1 million working hours (LTIF)

2.5



CSR targets until 2030

Consistently sustainable action secures long-term competitive advantages for Siltronic



Reduce specific greenhouse gas emissions by 20%¹

Reduce specific energy consumption by 20%¹

Reduce specific water consumption by 20%¹

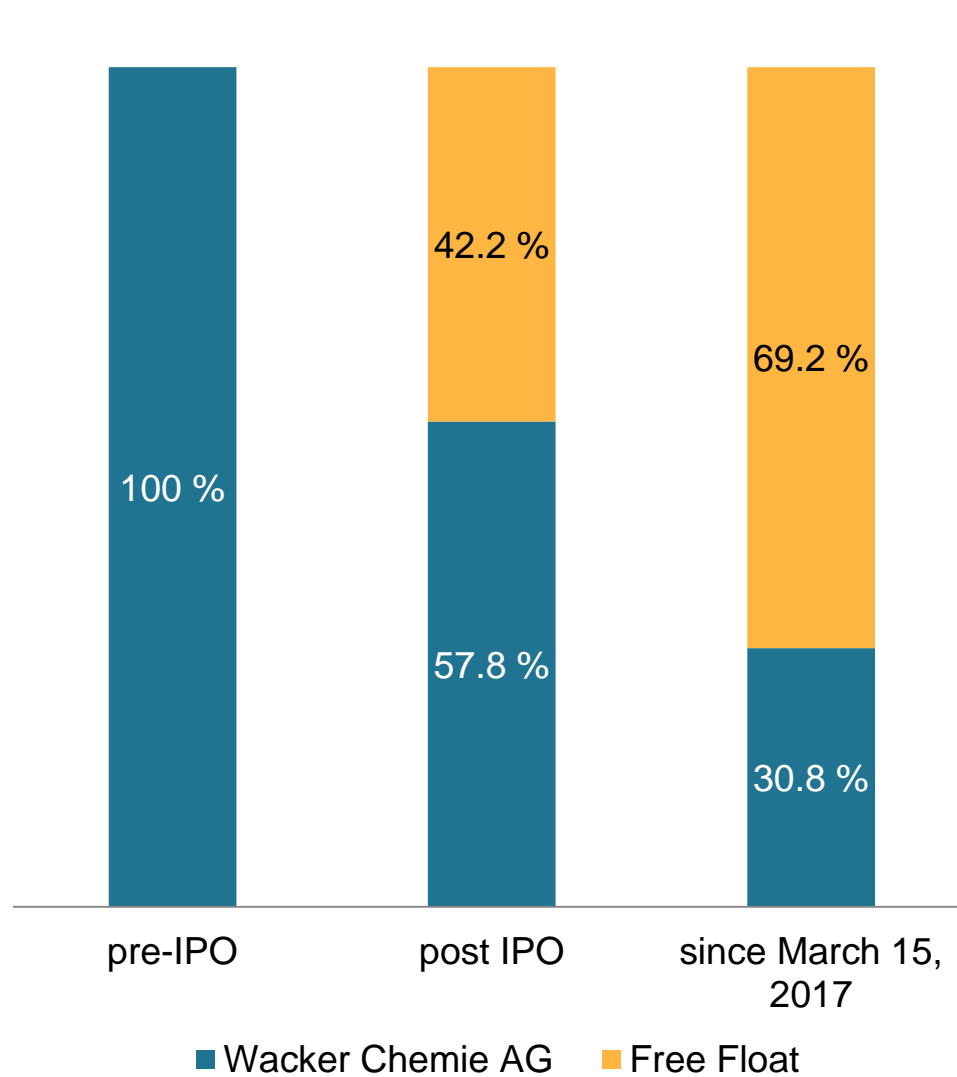
Increase water recycling by 25%¹

Increase waste recycling by 25%¹

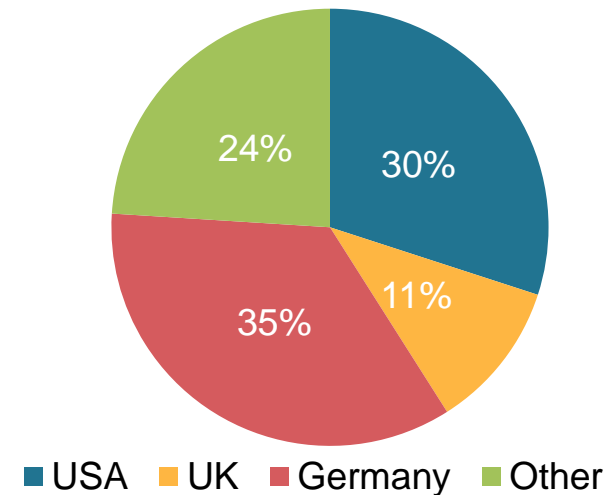


¹ base value 2015

Investor structure well diversified with a strong anchor shareholder



Identified free float by region
(as of August 2020)



Significant notifications of voting rights
(as of October 27, 2020)

Allianz Global Investors	5.13%
State of Norway	4.93%
BlackRock	3.85%
Goldman Sachs	3.62%
DWS	3.23%
Capital Group	3.01%

Siltronic strategy - capitalize on market opportunities while focusing on 300 mm & technological leadership



**Optimize returns,
stay ahead in technology and
grow with the market**

Strategic Focus

Grow

with the market

Ensure

technology &
quality leadership

Improve

financial performance
& cash flow

Execute

cost reduction
roadmaps &
debottlenecking
concepts

We continuously increase the value for our stakeholders by providing best-in-class wafers at competitive costs.

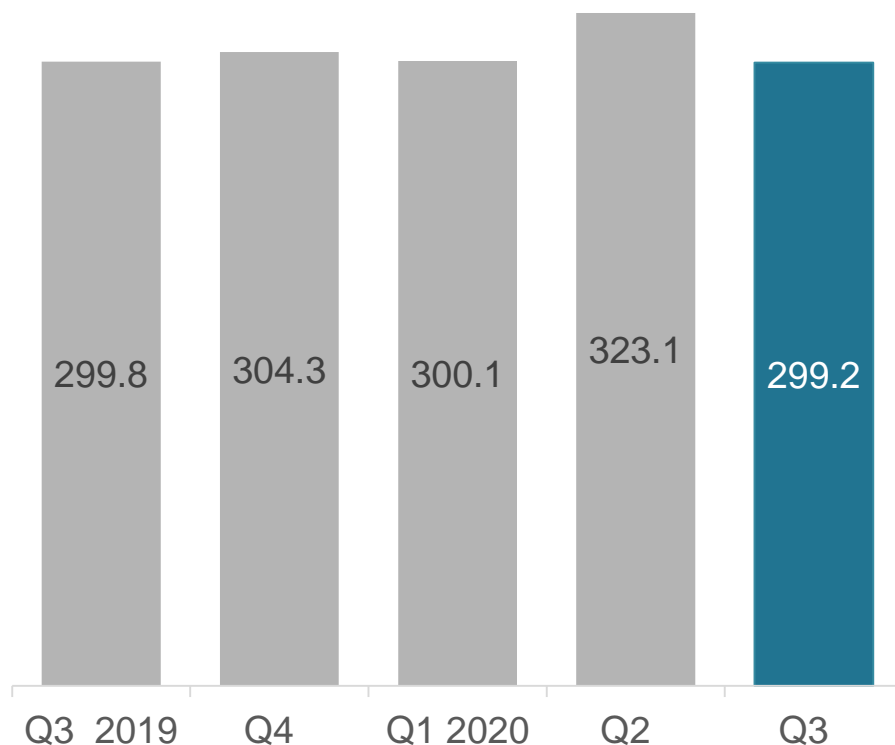


FINANCIALS

Q3 2020

Q3 sales down due to FX and product mix

Sales, in EUR m



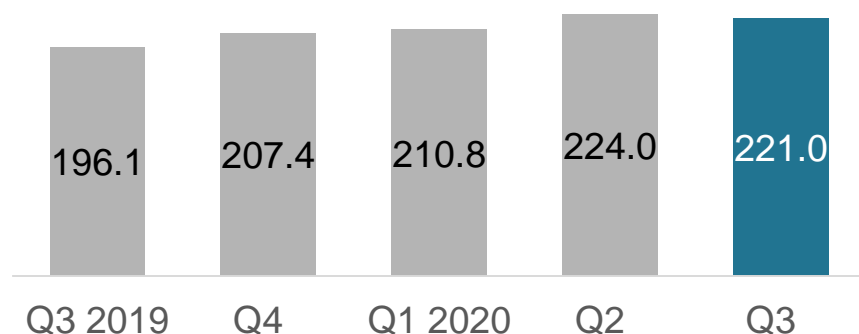
Ø FX rates	Q3/19	Q4	Q1/20	Q2	Q3
EUR / USD	1.11	1.11	1.10	1.10	1.17
EUR / JPY	119	120	120	118	124

Comments

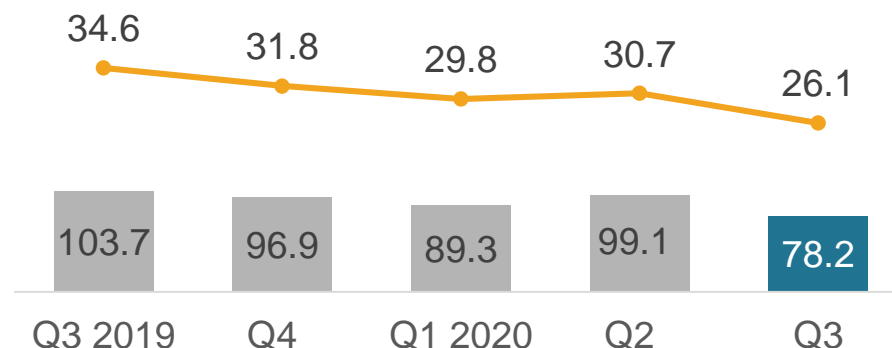
- ▶ Wafer area up q-o-q and y-o-y
- ▶ Flattish price trend q-o-q
- ▶ Strong headwind from:
 - ▶ EUR strength (negative EUR 16m impact q-o-q)
 - ▶ Negative impact from product mix in Q3
- ▶ ASP down y-o-y, stable q-o-q

Positive cost trend per wafer area despite higher depreciation

Cost of sales, in EUR m



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



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

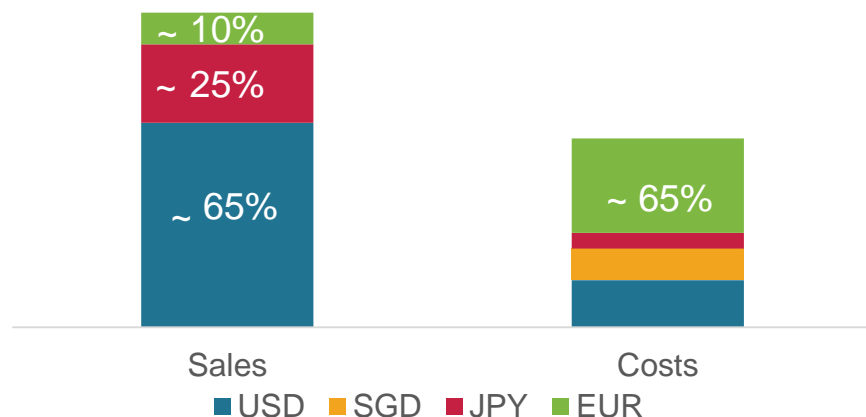


Comments

- ▶ COGS slightly down
 - ▶ Less FX effect than on sales q-o-q
 - ▶ Good progress on cost savings including profitability despite higher scheduled depreciation
- ▶ Q3 gross margin down due to FX and negative product mix

High US-Dollar and Japanese Yen exposure

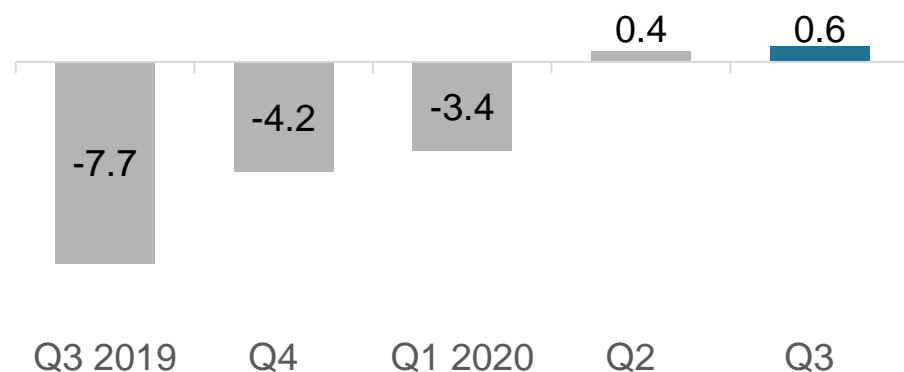
FX exposure, in %



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

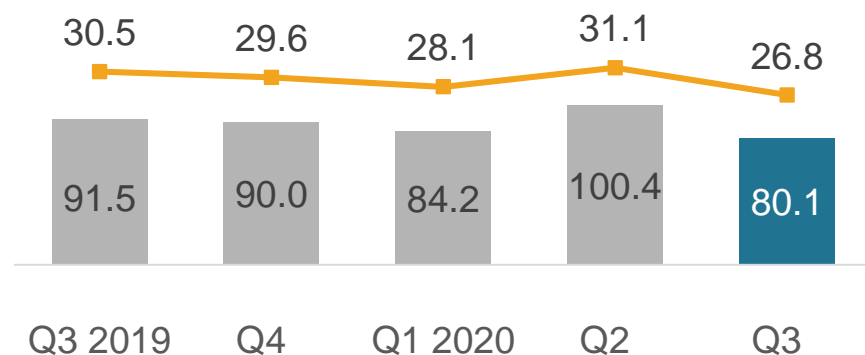


Comment

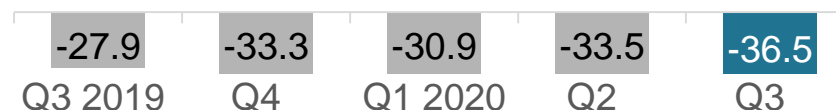
- ▶ Positive currency effect 2020 vs. 2019
 - ▶ Q1-Q3 2019: expense of EUR 22.8m
 - ▶ Q1-Q3 2020: expense of EUR 2.4m

Strong Euro and change in product mix negative for earnings

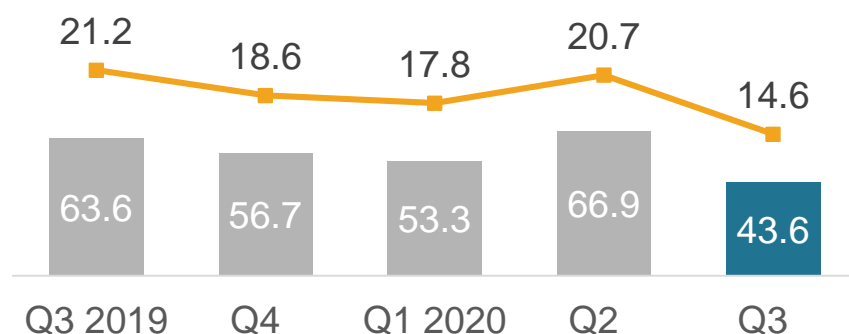
EBITDA, in EUR m / EBITDA margin, in %



Depreciation, in EUR m



EBIT, in EUR m / EBIT margin, in %

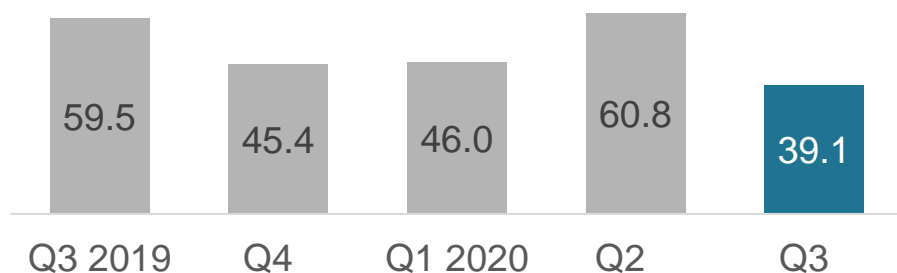


Comments

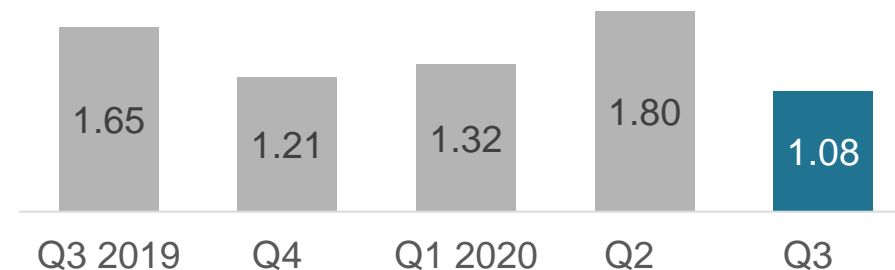
- ▶ Strong headwind from EUR strength
- ▶ Negative impact from product mix in Q3
- ▶ Depreciation increased as scheduled q-o-q

Net profit of EUR 39 million

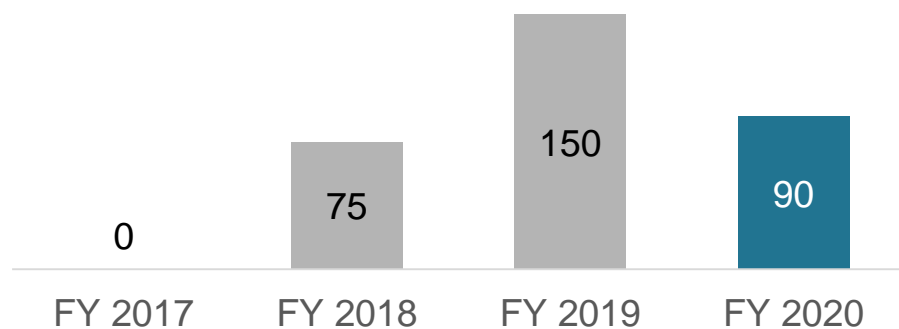
Net profit, in EUR m



EPS, in EUR



Dividend payment, in EUR m



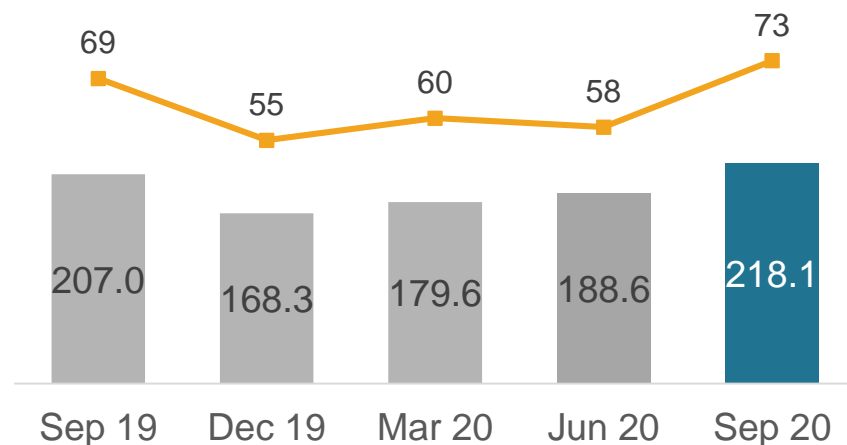
Comments

- ▶ Net profit of EUR 39m in Q3
- ▶ Q3 tax rate of 9%
- ▶ Q1-Q3 tax rate down from 12% to 8% y-o-y

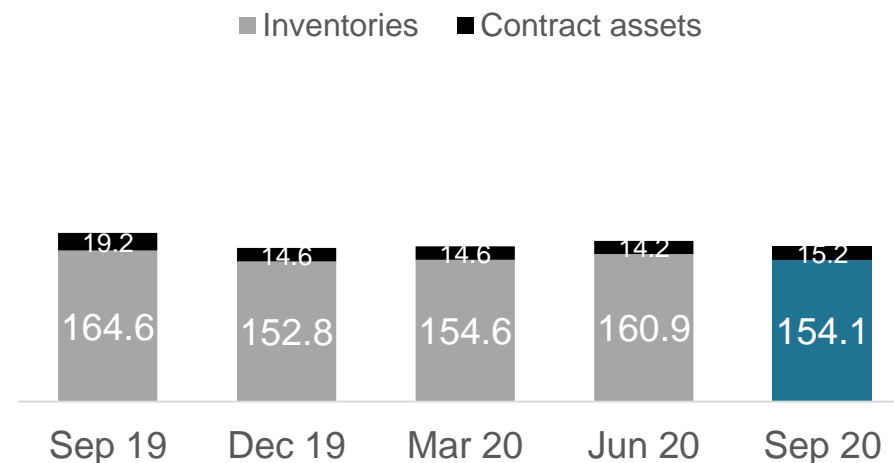
Working capital significantly up due to higher trade receivables and lower trade liabilities

Working capital, in EUR m

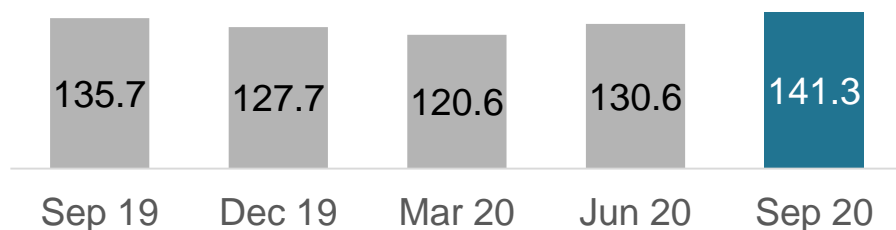
Working capital ratio to quarterly sales, in %



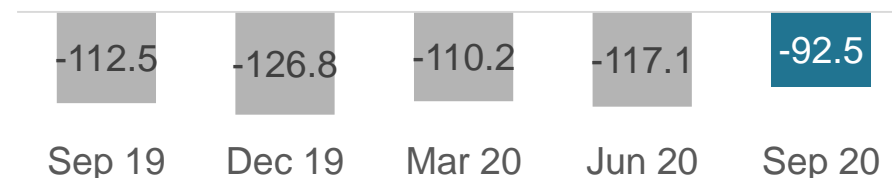
Inventories and contract assets, in EUR m



Trade receivables, in EUR m

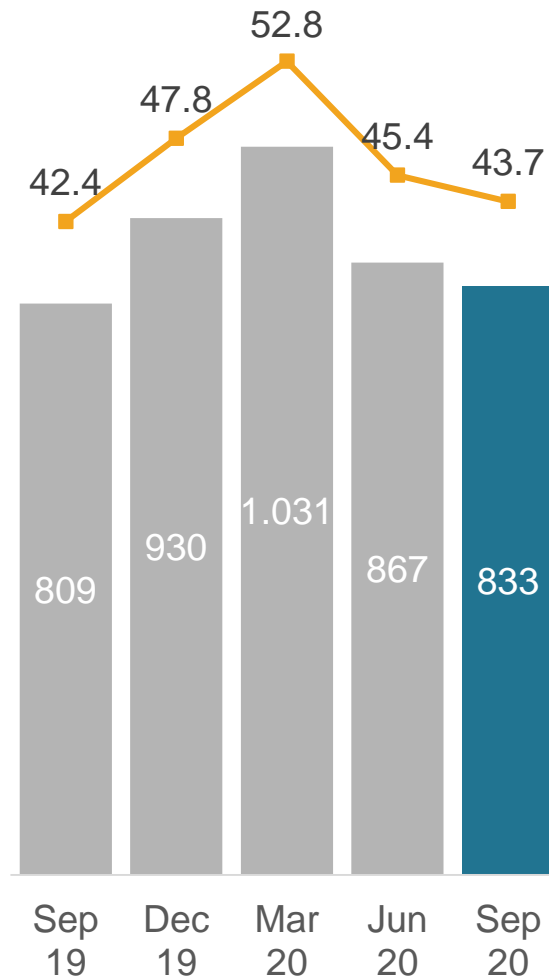


Trade liabilities, in EUR m



Equity decreased due to dividend payment and higher interest-related pension obligations

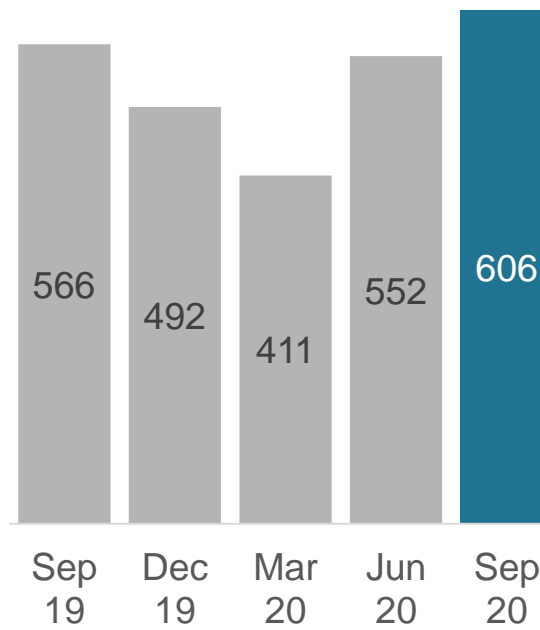
Equity, in EUR m
Equity ratio, in %



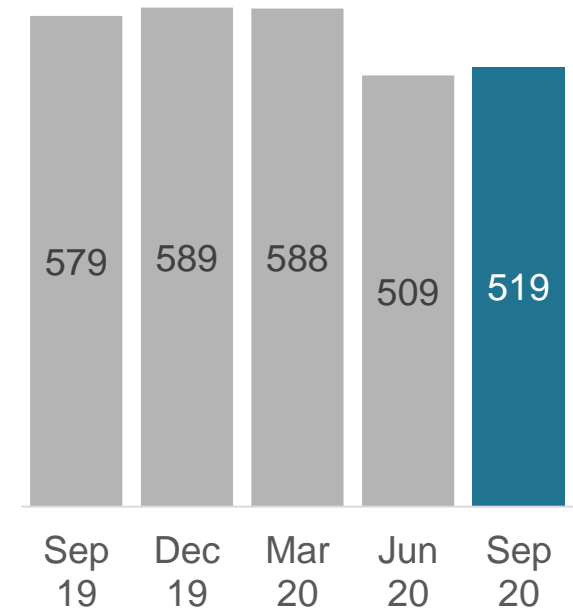
Provisions for pensions, in EUR m

Interest rates IFRS

USA	2.99%	2.98%	2.88%	2.46%	2.41%
Germany	0.97%	1.24%	1.92%	1.23%	0.95%

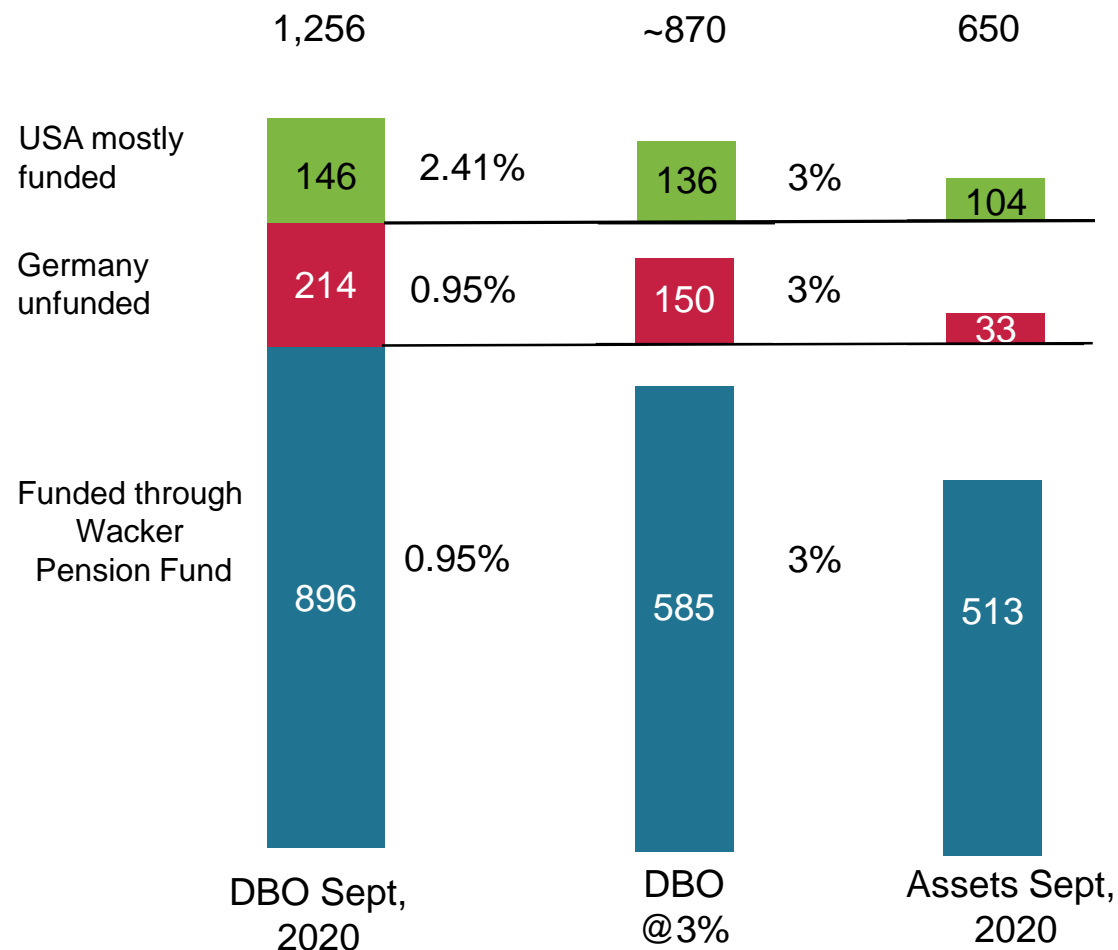


Net financial assets, in EUR m



Pension reserves up due to lowest IFRS interest rate in Germany in Siltronic history

DBO and pension reserves, in EUR m

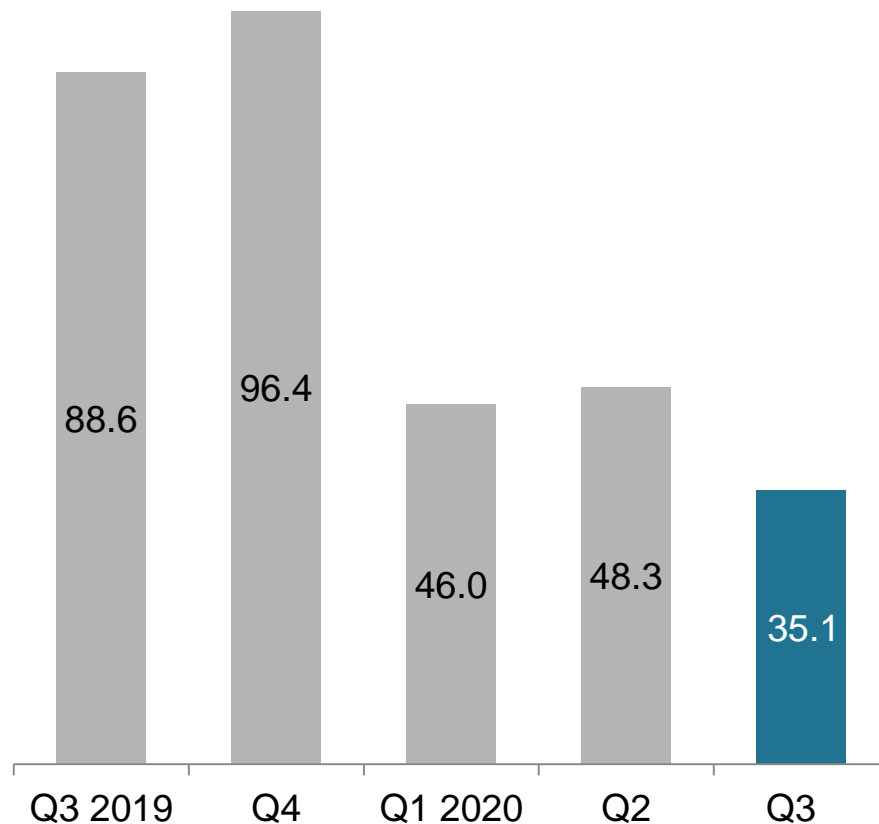


Comment

- ▶ DBO of EUR 1,256m ./ assets of EUR 650m = EUR 606m
- ▶ Pension reserves @3% = DBO of EUR ~870m ./ assets EUR 650m = EUR ~220m
- ▶ IFRS interest uses bond yields only; assets include bonds, equity, real estate + derivatives
- ▶ Wacker pension fund
 - ▶ fully funded under German pension fund regulations using 3.54% interest rate
 - ▶ asset liability study: probability of return in next 20 years:
 - ≥3.75% 56%
 - ≥3.0% 80%
 - ≥2.5% 91%

Capex 2020 significantly down vs. 2019

Investment, in EUR m

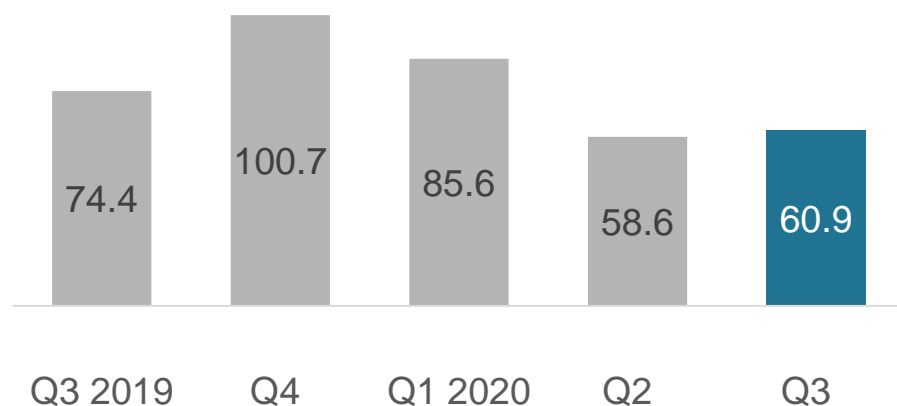


Comment

- ▶ Q1 included some roll-over from 2019 projects
- ▶ Planned capability and capacity expansion projects should be mostly completed by year-end
- ▶ Epi expansion in H2 to accommodate demand and market growth

Net cash flow clearly positive

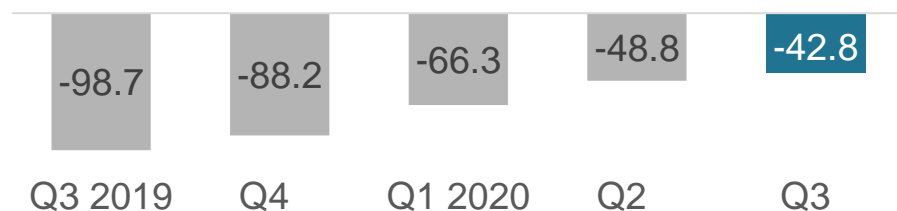
Operating cash flow (OCF), in EUR m



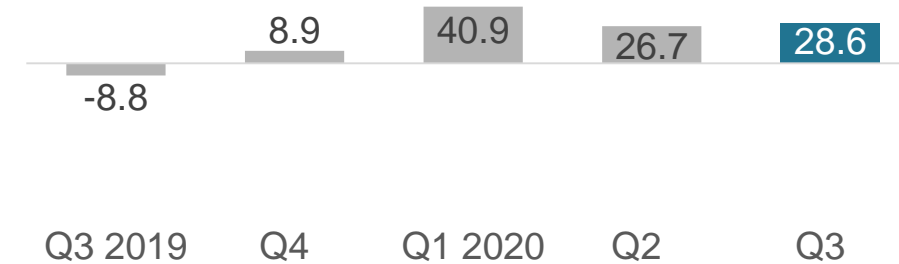
Customer prepayments net (PP), in EUR m



CF Capex, in EUR m



Net cash flow (NCF), in EUR m



$NCF = OCF - PP + CF \text{ Capex}$



OUTLOOK

Siltronic Outlook 2020 (as of July 21, 2020) - unchanged

Sales

– mid-single digit %-range below 2019 with a slight sequential decrease in H2 vs. H1

EBITDA margin

– mid-single digit percentage points below 2019

Depreciation

– around EUR 140m

EBIT

– significantly below 2019 due to higher depreciation

Tax rate

– below 10%

Capex

– around EUR 200m

Net cash flow

– slightly below 2019

Earnings per share

– significantly below 2019

Positive development of wafer volume in Q4 2020

300 mm

- Strong foundry and logic business
- Uncertainty due to US-China trade tensions might lead to elevated inventories
- Digestion of server components

200 mm

- High exposure to automotive and industry where end markets are mixed
- Assume some inventory digestion

SD

- Some recovery from a low base

What to expect in the short-term and medium-term

Short-term development

- ▶ Foundry and logic business to stay strong
- ▶ In memory, server-related inventories seem to be in a digestion phase
- ▶ Smartphones should see a recovery driven by 5G
- ▶ Server market seems to be softening
- ▶ Demand from automotive industry in recovery mode but under Corona uncertainty

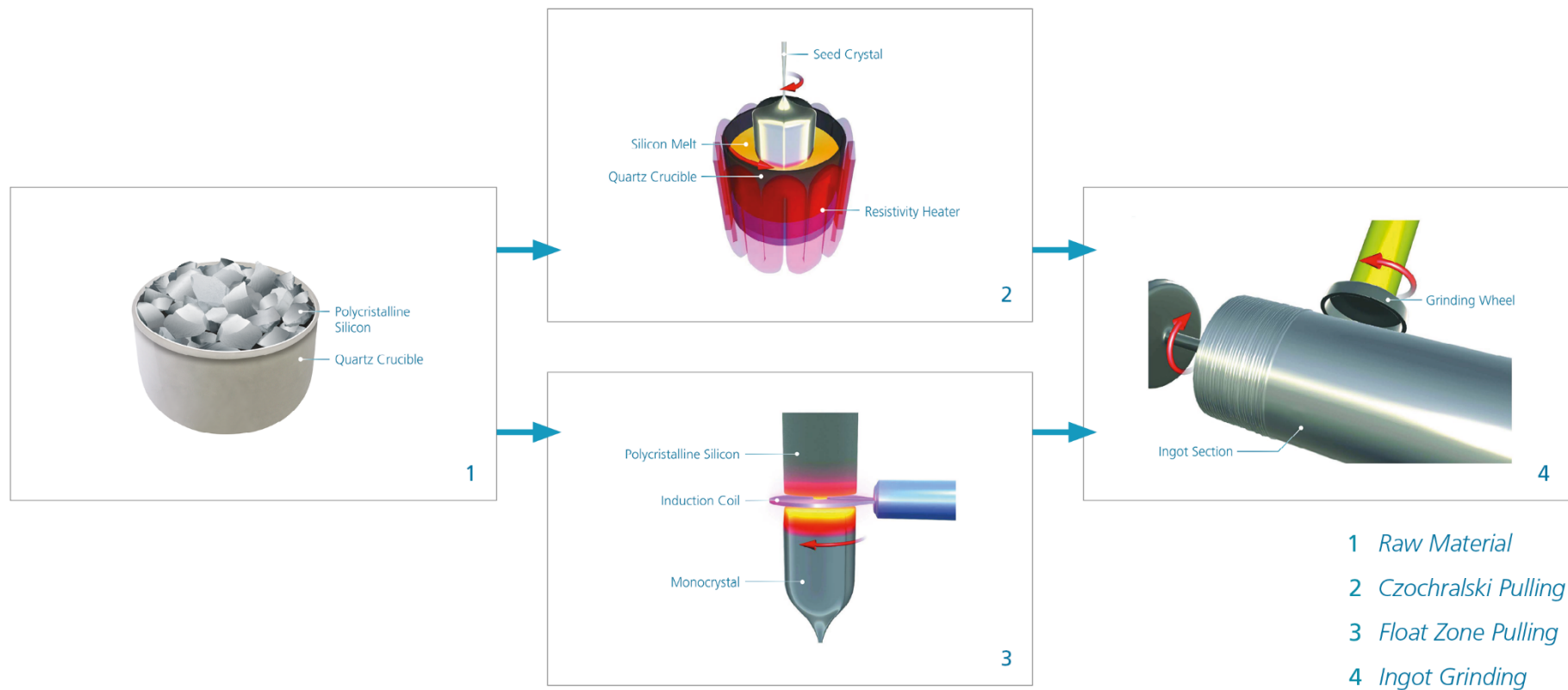
Mid-term growth drivers for wafer volumes intact

- ▶ Smartphone recovery and content growth intact
- ▶ Notebooks and Chromebooks stronger driver for PC growth than desktop PCs
- ▶ Server market more driven by cloud servers with higher silicon content
- ▶ Auto units expected to recover with higher silicon content (ADAS) and more xEV

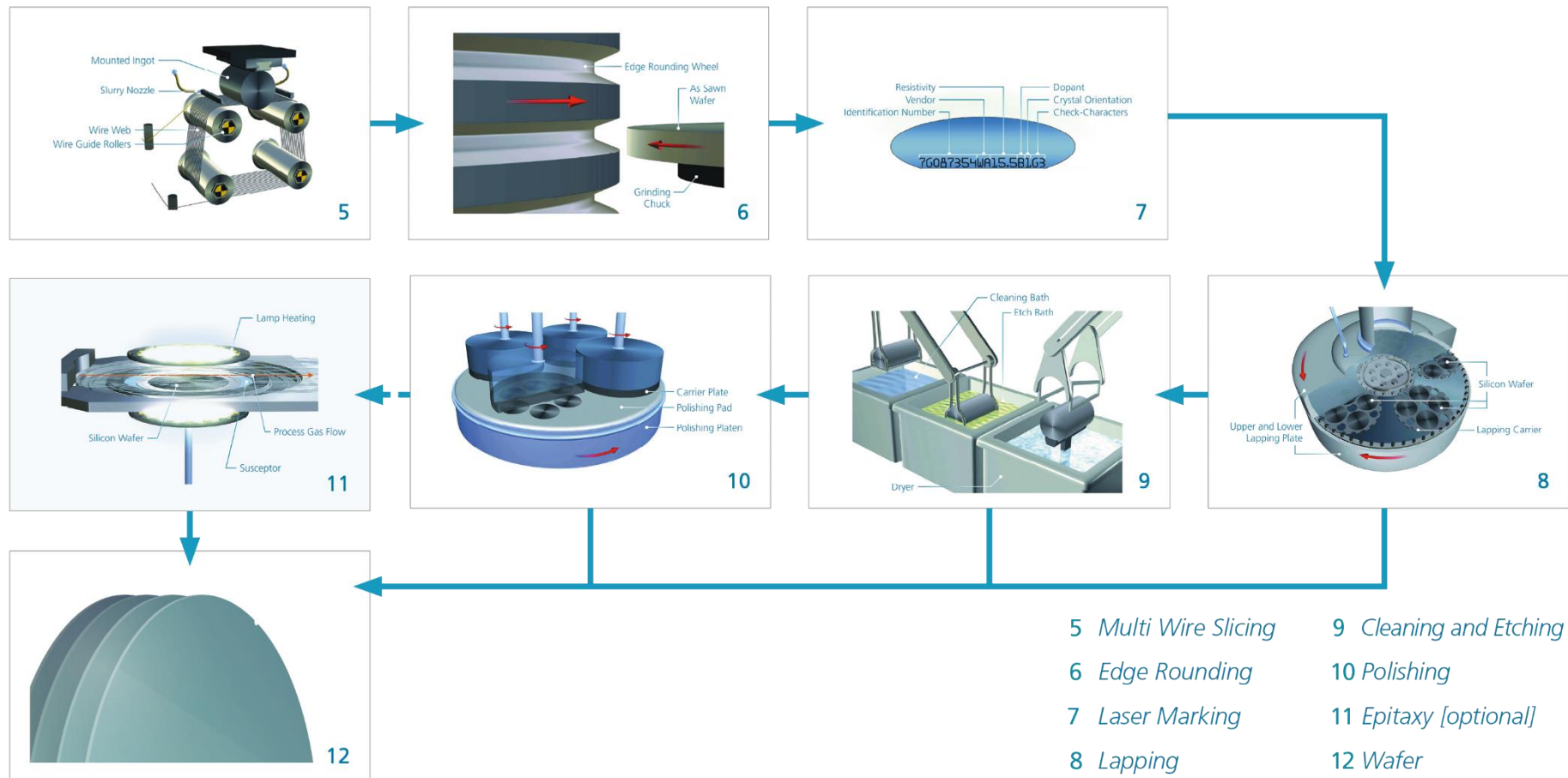


APPENDIX

Production process - ingot growing



Production process - wafering



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

Financial Calendar 2020

Preliminary Figures 2020 January 29, 2021



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