

Siltronic – a leading producer of silicon wafers

Factbook
Investor Relations
August 2020

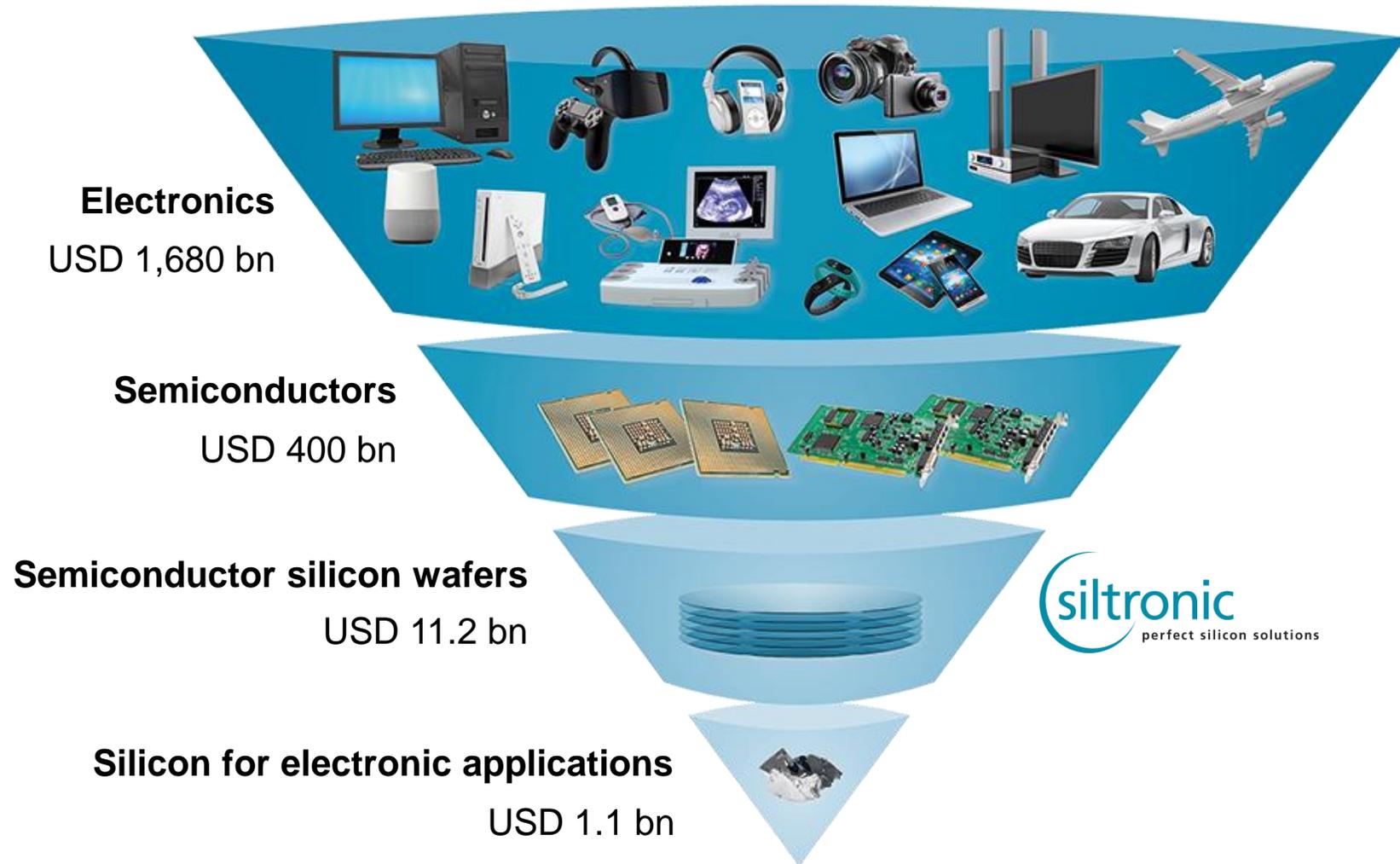


BUSINESS ENVIRONMENT

**...operating in a challenging
market environment...**

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

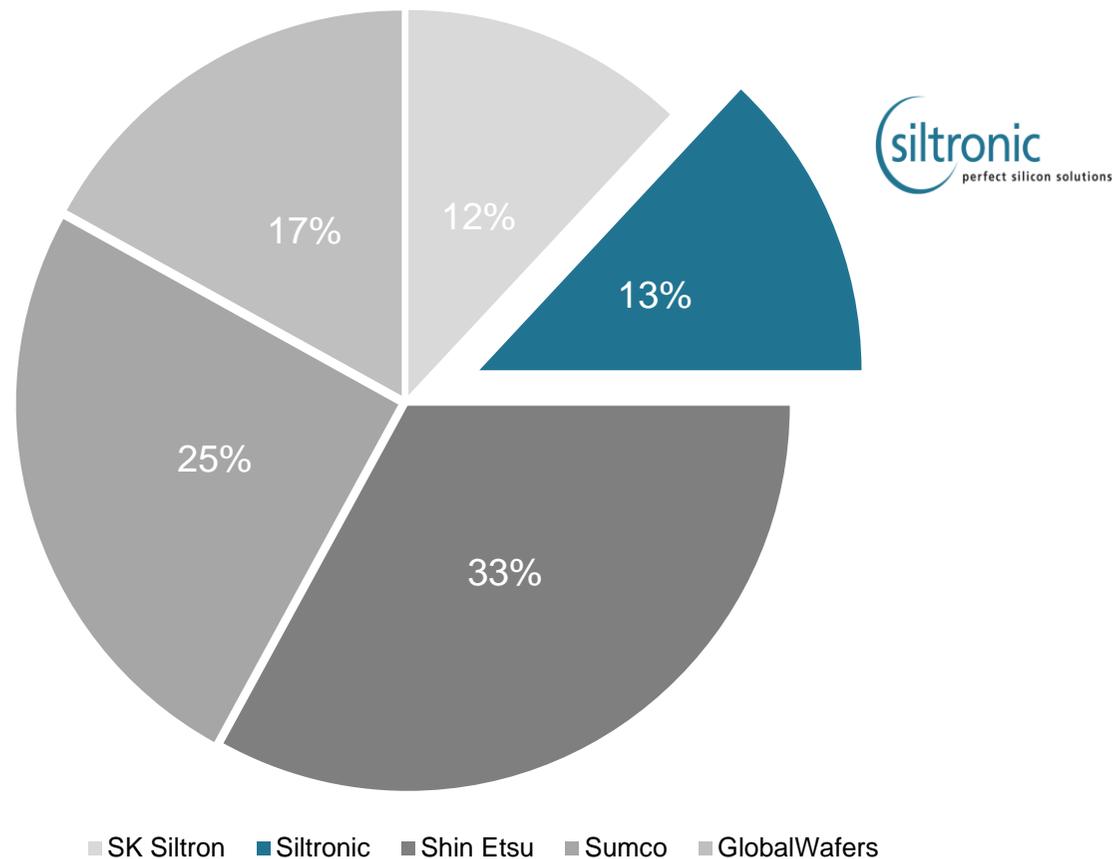
Electronics value chain 2019



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

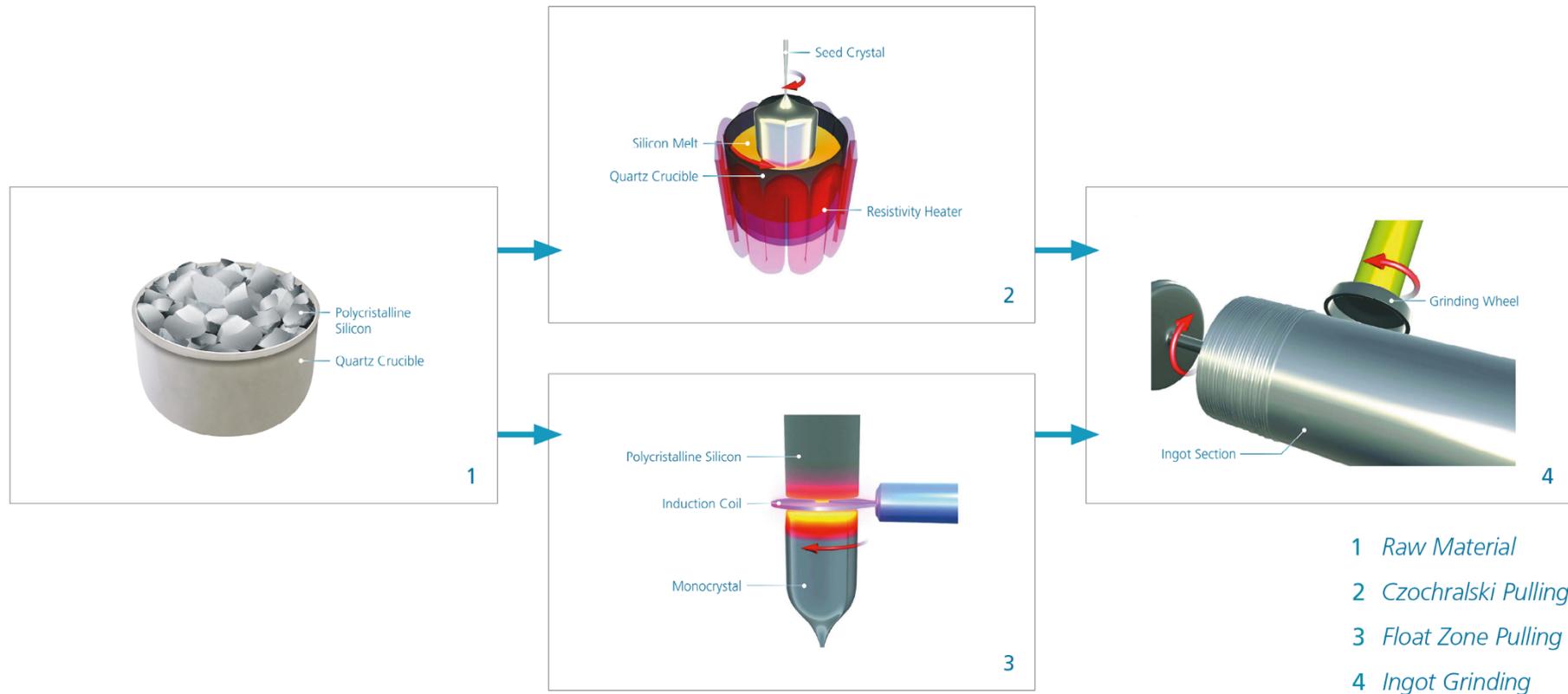
Siltronic has a relevant global market share...

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

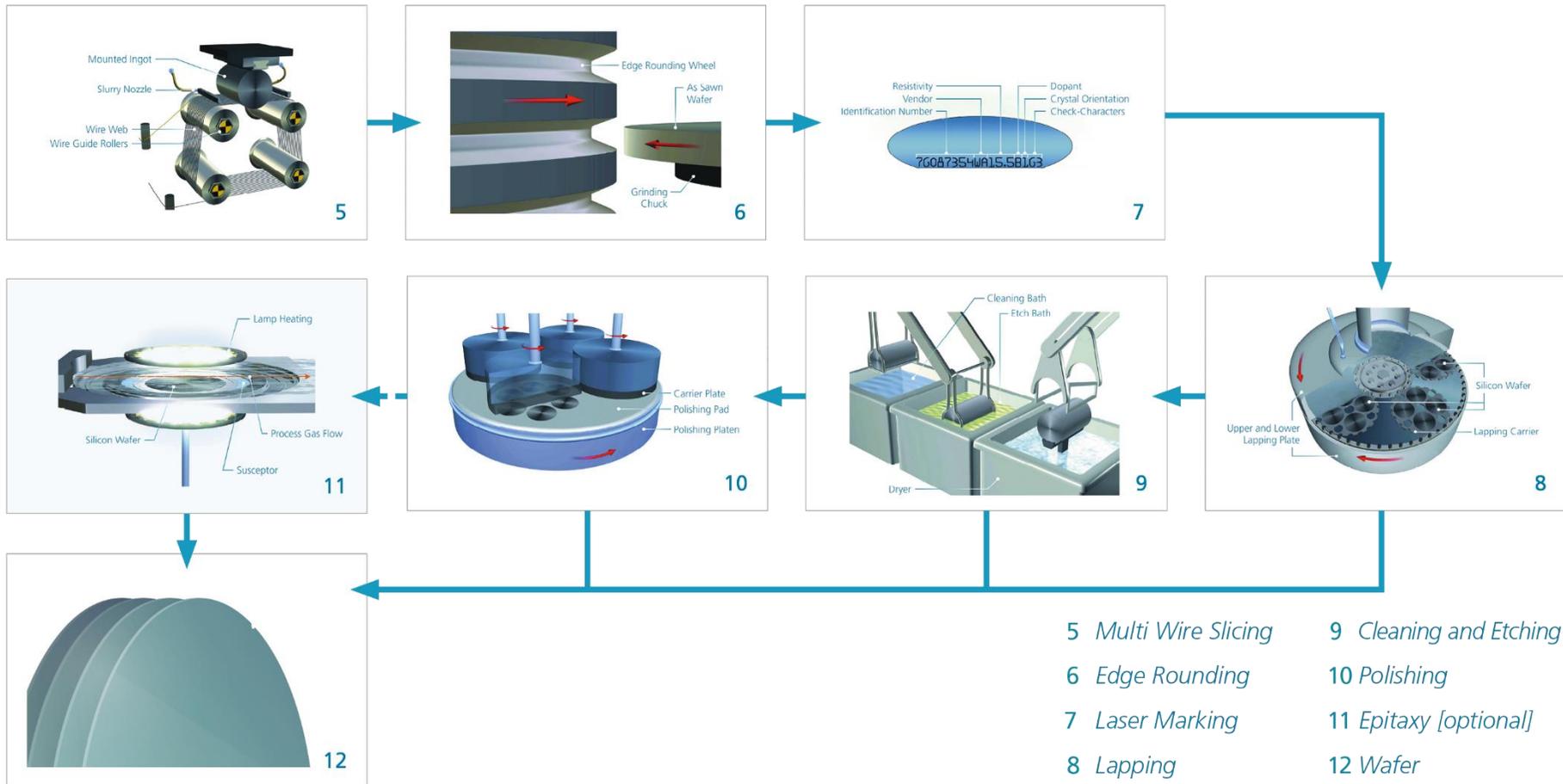


Sources: reported company revenues Q1 2020, converted to USD million

Production process - ingot growing



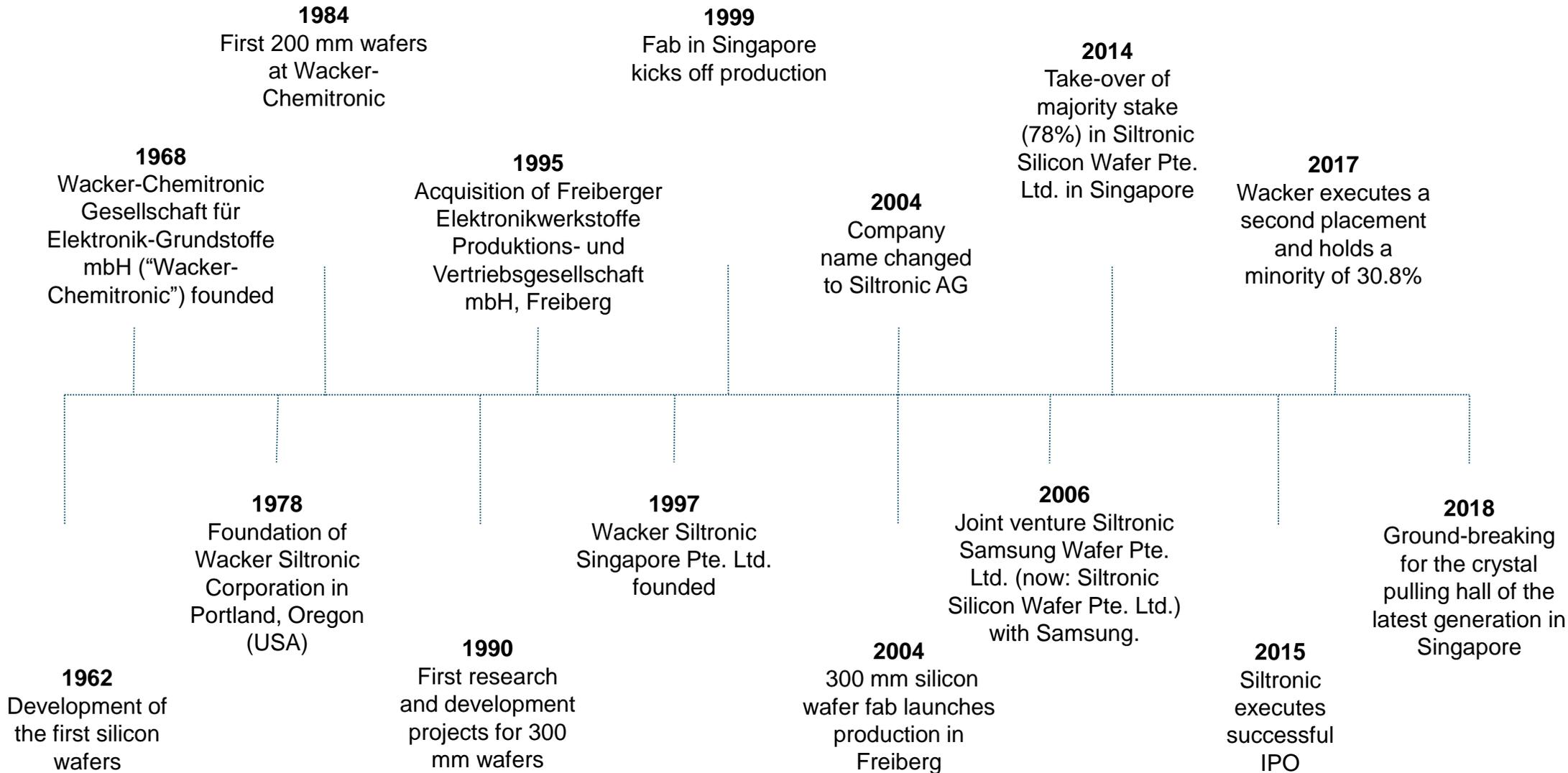
Production process - wafering



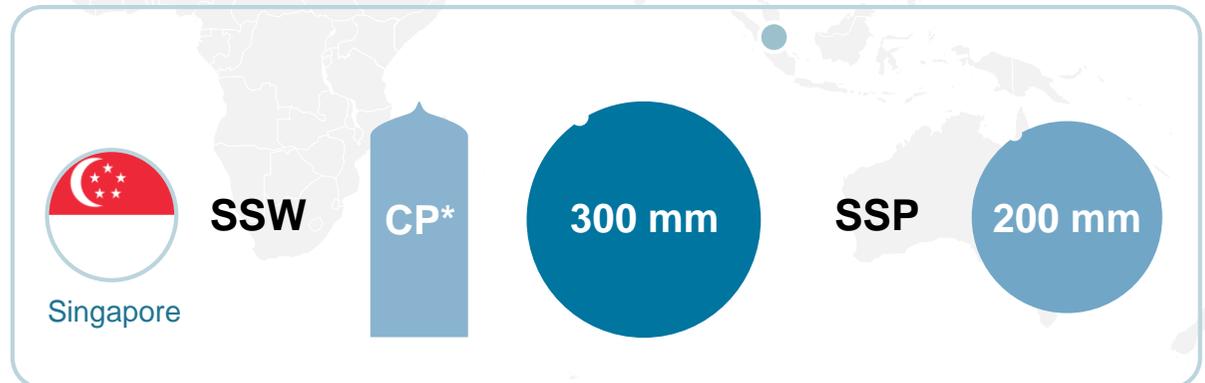
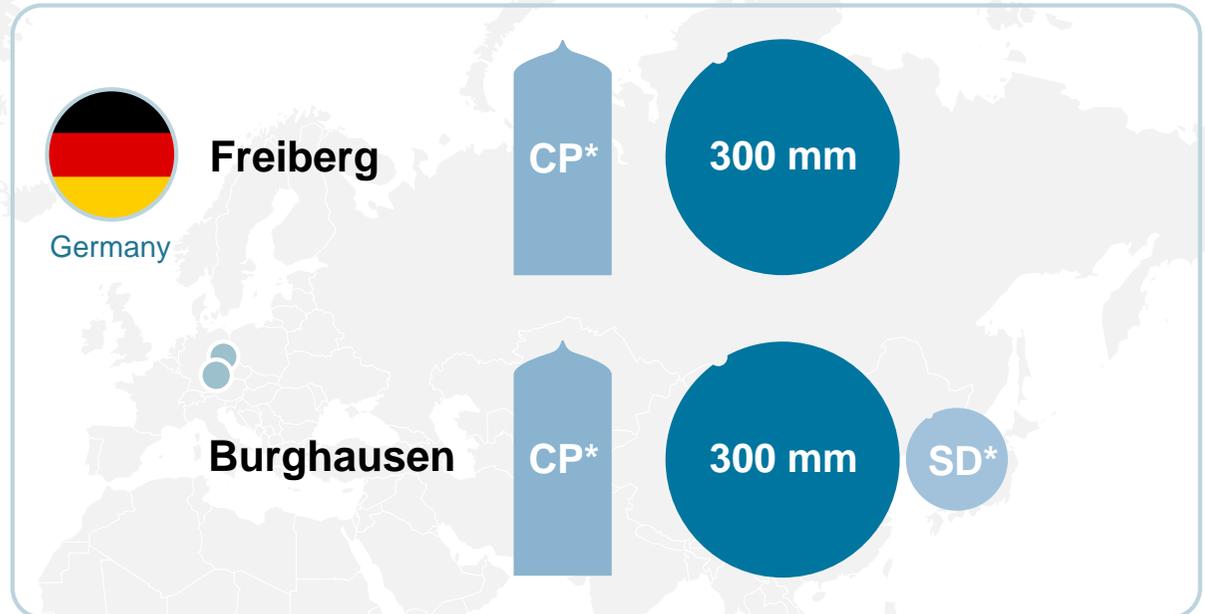
- 5 Multi Wire Slicing
- 6 Edge Rounding
- 7 Laser Marking
- 8 Lapping
- 9 Cleaning and Etching
- 10 Polishing
- 11 Epitaxy [optional]
- 12 Wafer

Siltronic – More than 50 years of experience in the semiconductor industry

Highlights of the history of Siltronic AG



International manufacturing network supports market leadership and business focus

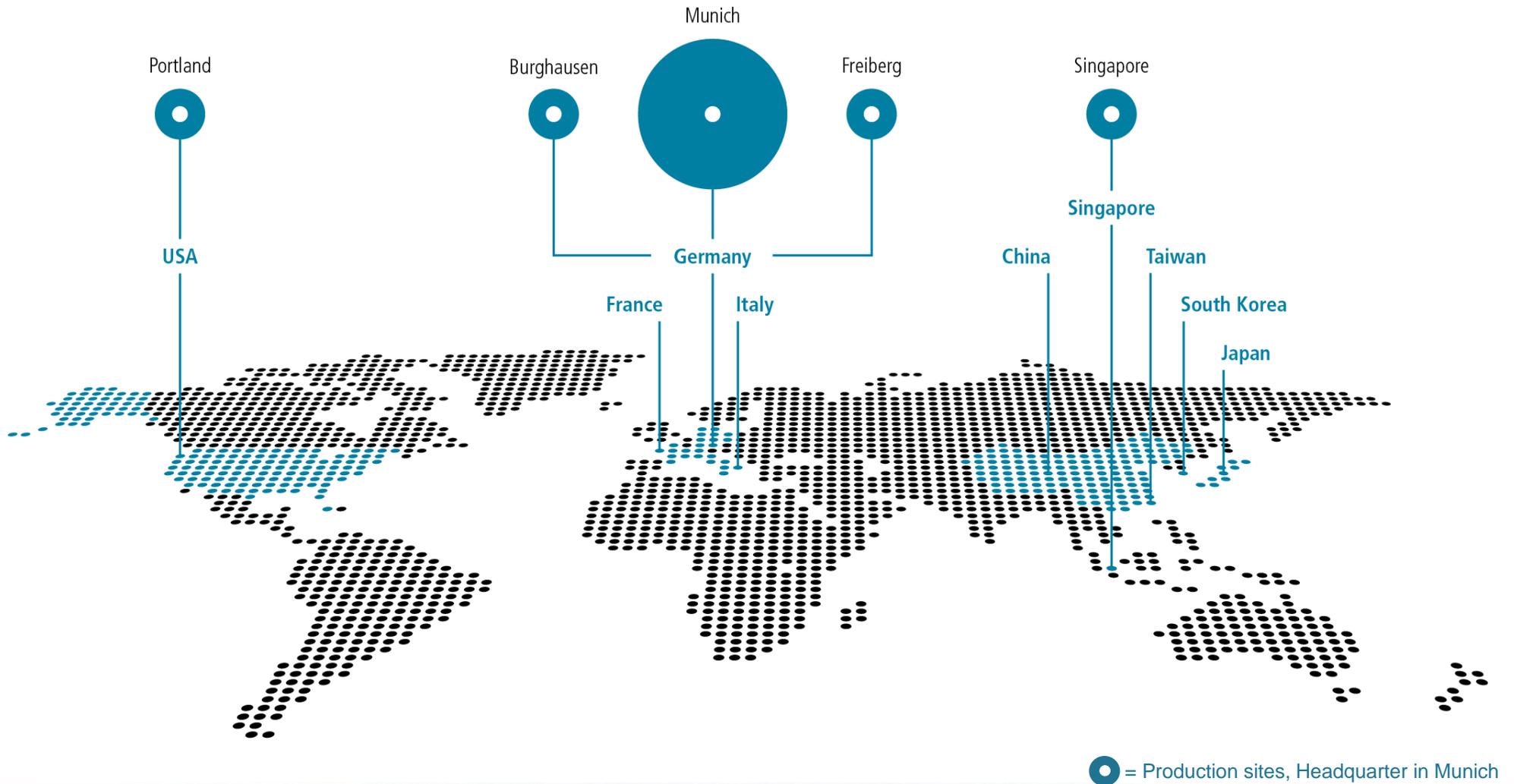


- ▶ **Central R&D hub** in Burghausen
- ▶ **High volume facilities** for 300 mm in Germany and Singapore
- ▶ The fabs in Singapore are among the world's **newest & largest**

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

Global network for customer-oriented service

Siltronic production and sales locations





**SILTRONIC - AN INDUSTRY
TECHNOLOGY LEADER**

**...Technological leadership -
a constant race for
improvement...**

Siltronic offers a broad product portfolio

Portfolio ~60%

Ø 300 mm

Process CZ

Products

Double side polished wafer

Epitaxial wafer

Ultimate Silicon™

Main Applications

Memory, Logic, Analog

Portfolio ~40%

Ø 125 – 200 mm + SD

Process CZ + FZ

Standard products

Polished wafer, Epitaxial wafer,

Cut/lapped/etched wafer

Special products

Lowly-doped and highly-doped wafer

Main Applications

Logic, Analog, Discretes, Micro-processors, Image Sensors, Power- and Optoelectronics, IGBTs

Note: CZ: Czochralski crystal growing, FZ: float zone technology

The flatness of the wafer - just one of many requirements of our customers

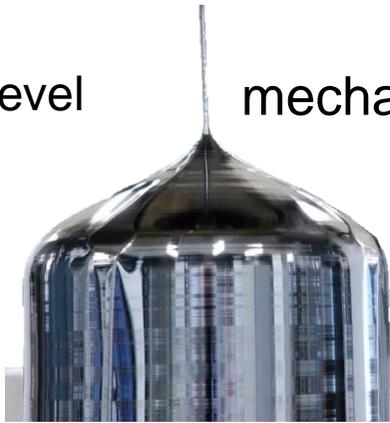
Ingots

doping level

mechanical stability

purity

resistivity



oxygen content

homogeneity

Wafer

flatness

edge flatness

uniformity



shape

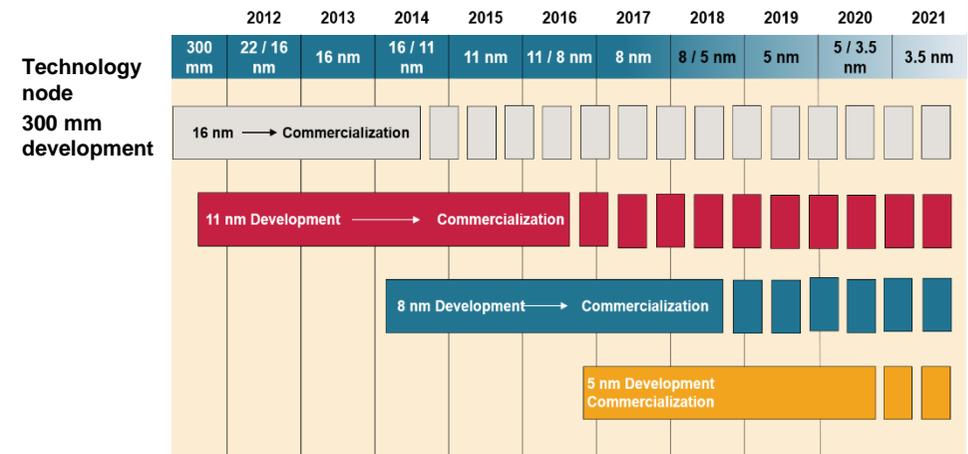
surface cleanliness

How flat are 20 nanometers?

20 nm on a wafer \approx a flat sheet on the water surface of Lake Chiemsee



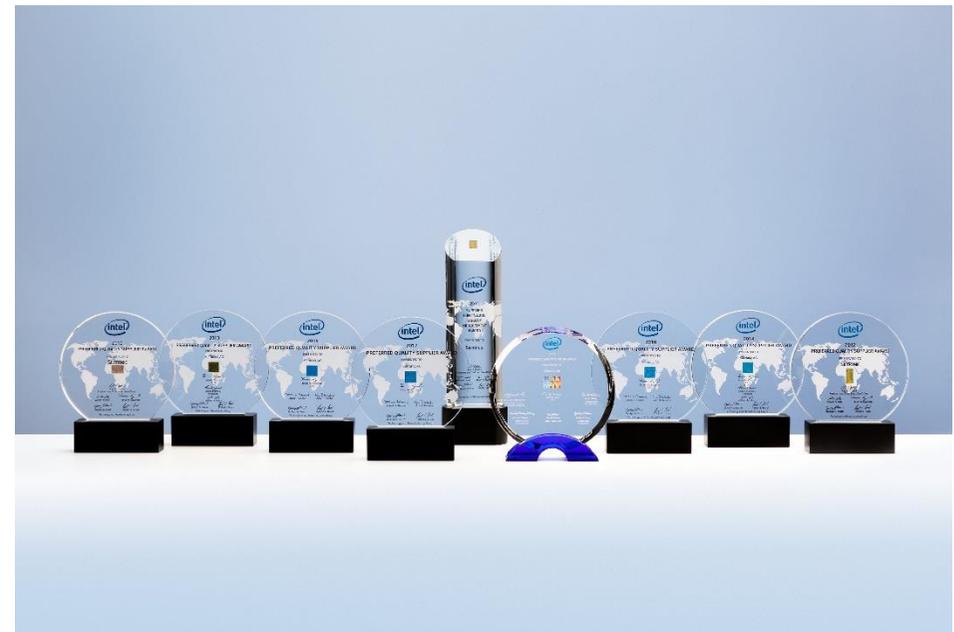
Siltronic Design Rule Roadmap



Siltronic is a leader in wafer technology and quality

Technology leadership complemented with the highest level of quality

- ▶ First supplier to ship 300 mm wafers
 - ▶ Development of 8 nm design rule started in 2013 (commercialization 2017)
 - ▶ Concurrently optimizing on 50+ wafer parameters of each design rule
 - ▶ >400 engineers worldwide
 - ▶ Approximately 1,850 patents issued and pending (as of Dec. 31, 2019)
 - ▶ Single wafer traceability for 300 mm
 - ▶ Standardized processes across sites enabling “copy exactly” at product level
- ▶ Quality awards from several top semiconductor players



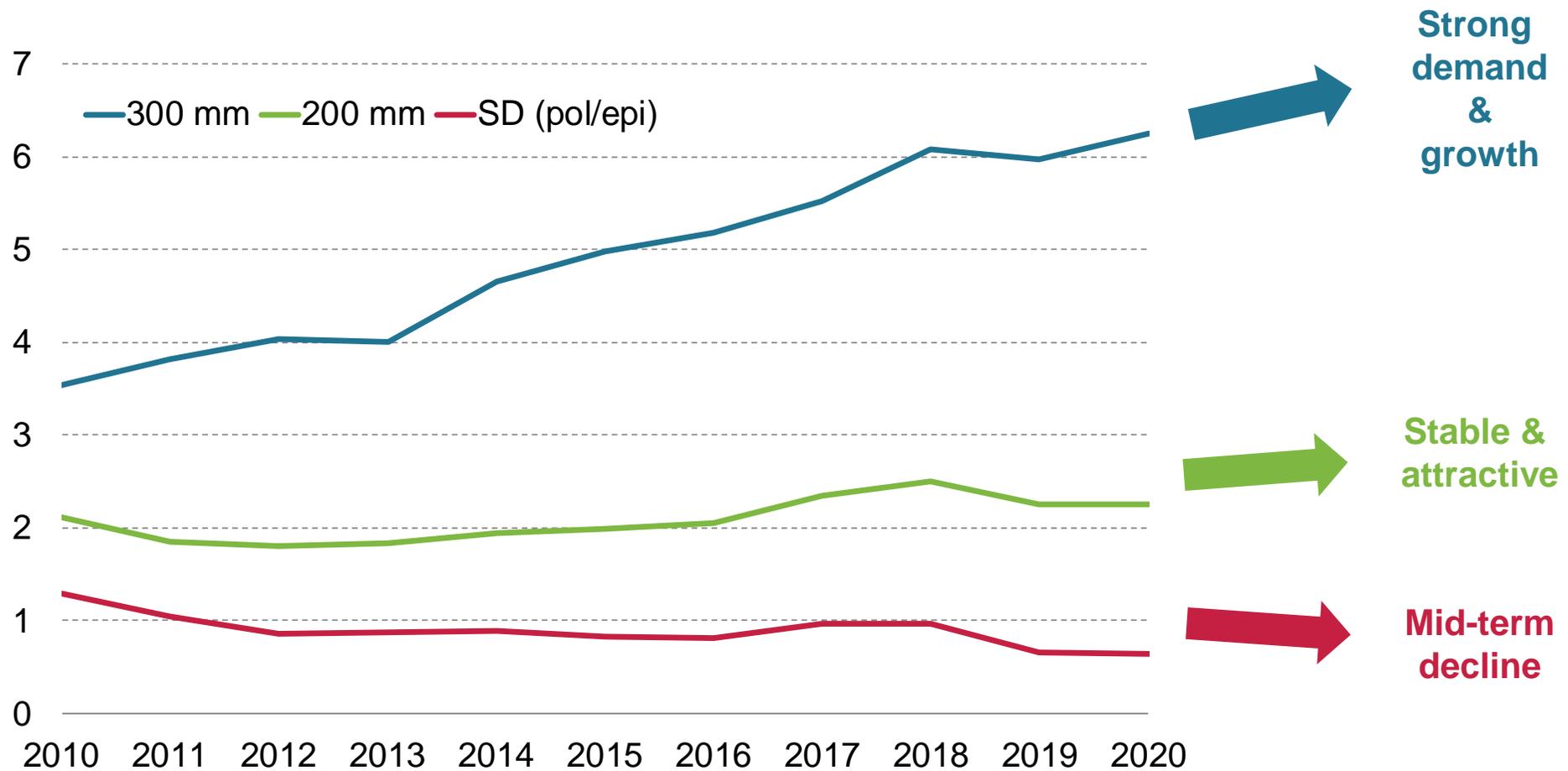


SILTRONIC PERFORMANCE

**...well prepared to gain from
future growth...**

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 June 2020

Ever new applications for electronic devices and the infrastructure to support them continue to drive silicon demand

Electronic equipment contains multiple devices built on tailormade Si substrates





END MARKETS

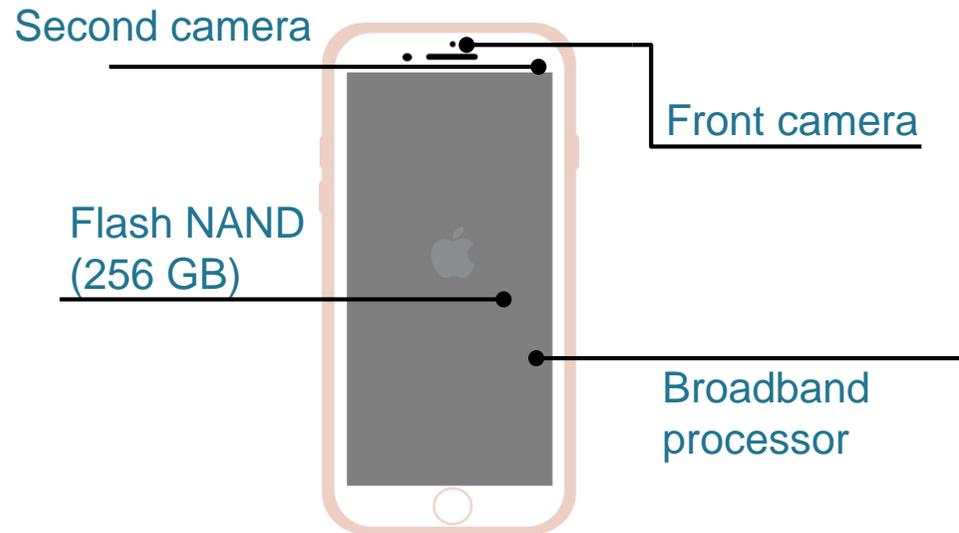
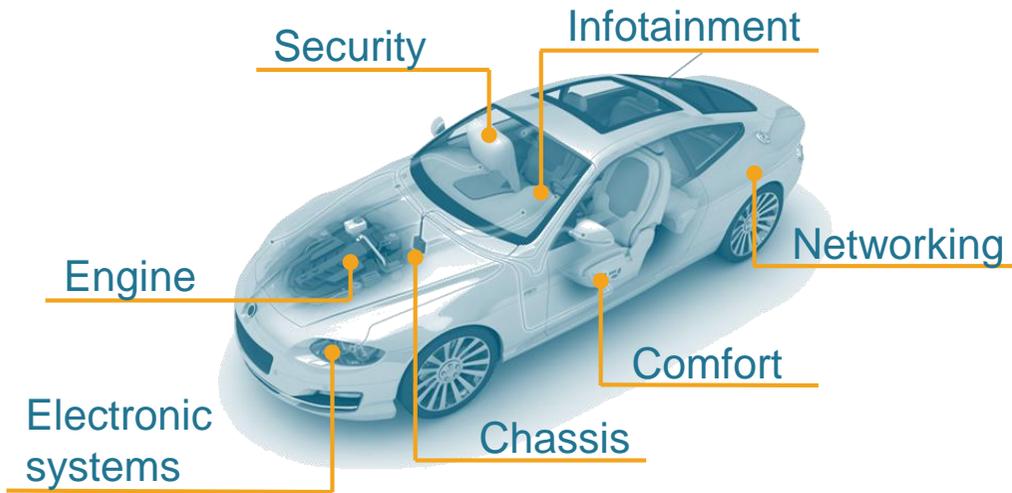
... are much more diverse
nowadays...

All electronics are based on silicon

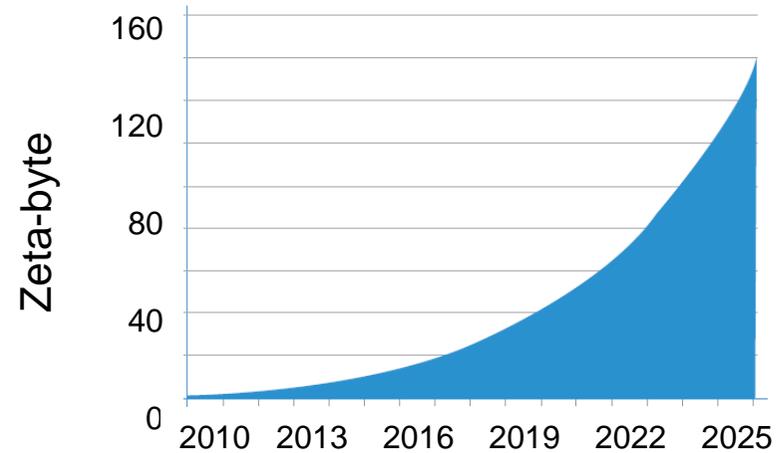


Self-driving cars
Computers
Smartphones
Cloud services
Siltronic is a
Tablets
High speed networks
leader in Silicon
Electric cars
Smart cities
wafer technology
Appliances
Industry 4.0
Smart lighting

Data storage, networking and digitalization



7 billion networked devices will collect around 60 ZB of data in 2021



Source: CISCO VNI Forecast, IDC Data Age 2025; Siltronic estimates

Industrial semiconductor segment comprises a wide range of applications



Medical

- ▶ diagnostics and control
- ▶ imaging equipment
- ▶ laboratory test
- ▶ patient monitoring



Building & Home

- ▶ built in climate control
- ▶ lighting
- ▶ safety & security equipment



Manufacturing

- ▶ manufacturing equipment
- ▶ robotics
- ▶ process control equipment
- ▶ measurement instruments
- ▶ motor controls



Power & Energy

- ▶ equipment for energy production and distribution
- ▶ industrial power supplies
- ▶ energy meters



Aerospace & Military

- ▶ aircraft systems
- ▶ radar, sonar, avionics
- ▶ missile guidance
- ▶ military grade computers



Other Industrial

- ▶ power tools
- ▶ ATMs
- ▶ ships, golf cars, electric bikes and trains

Source: appliedmaterials.com



STAKEHOLDERS' BENEFITS

...shareholders to benefit
from improved financials...

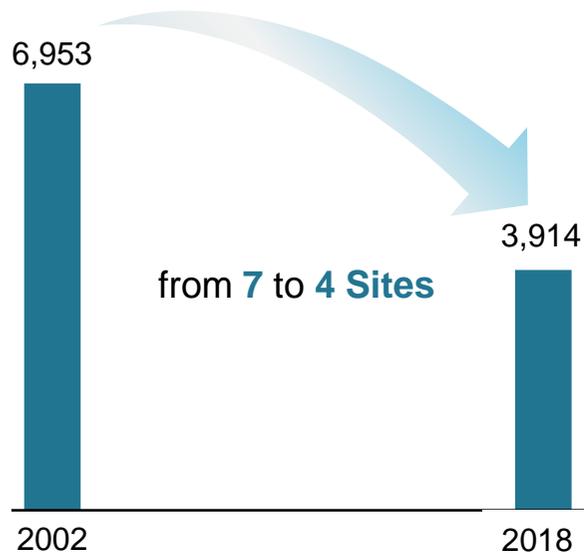
Overview Financials

Adjusted financial figures (EUR million)	2015	2016	2017	2018	2019
Sales	931.3	933.4	1,177.3	1,456.7	1,270.4
EBIT	2.7	27.0	235.7	497.7	298.3
EBIT margin in %	0.3	2.9	20.0	34.2	23.5
EBITDA	124.0	146.0	353.1	589.3	408.7
EBITDA margin in %	13.3	15.6	30.0	40.5	32.2
Earnings per share	(0.50)	0.40	6.18	12.44	7.52
Capex	75.0	88.8	123.2	256.9	363.0
Free cash flow ¹	37.4	19.0	169.6	416.4	36.4
Net cash flow ¹	-	39.6	124.8	240.4	81.3
Dividend	-	-	75.0	150.0	90

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.

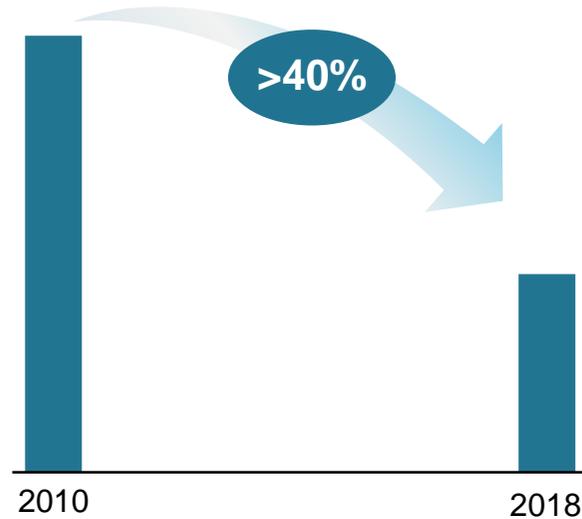
Outstanding cost reduction and efficiency improvement track record

Number of employees



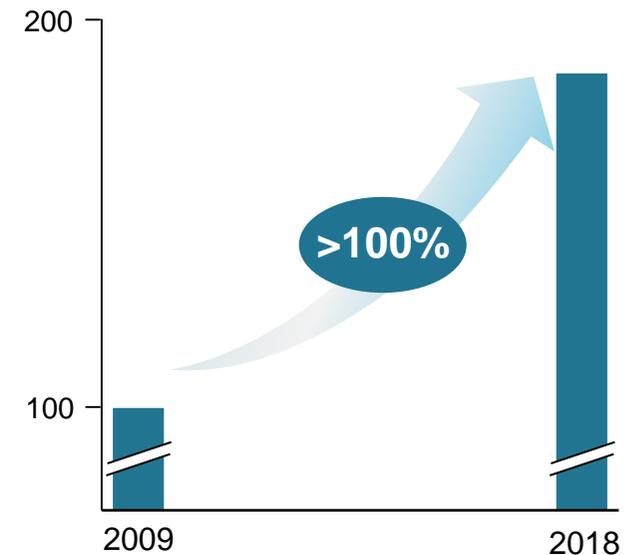
Successful restructuring including Germany

Variable costs of 300 mm wafer (Germany), in EUR / Wafer



More than 40% reduction of the variable unit costs in 300 mm wafer

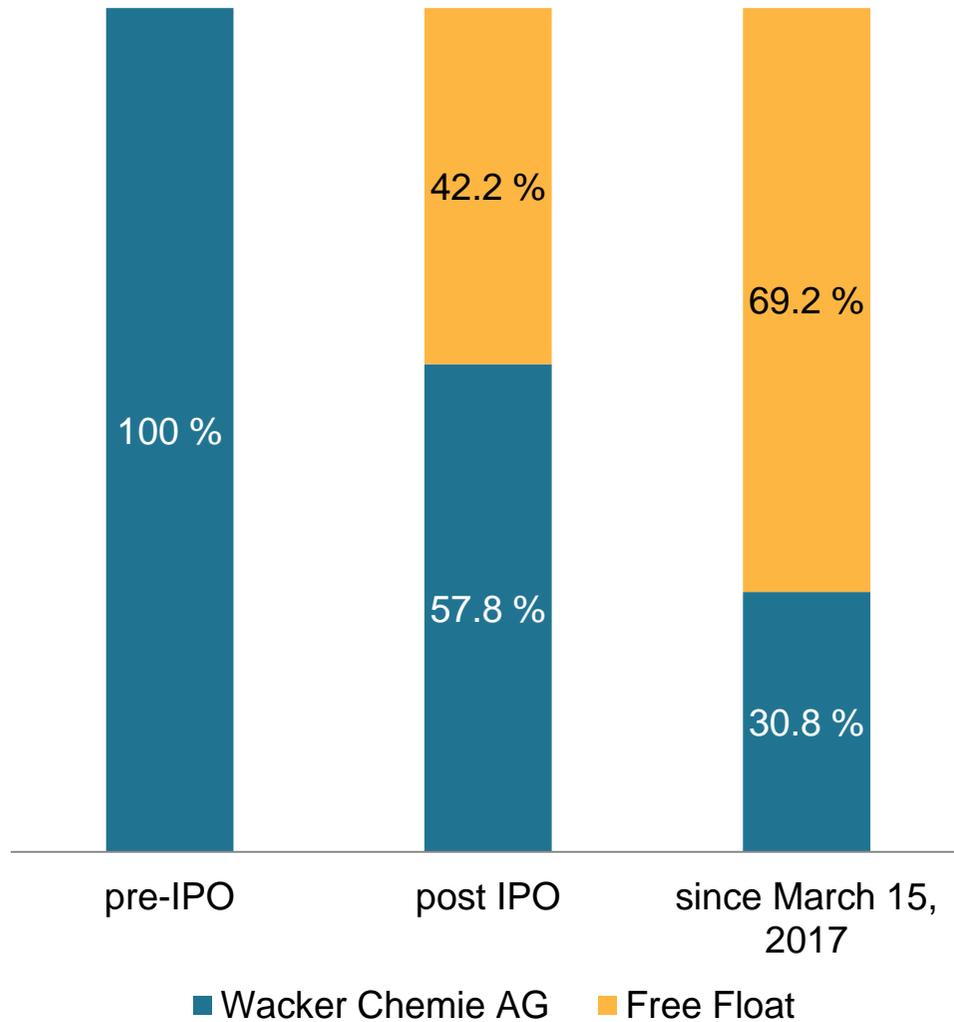
300 mm Productivity¹ (Germany)



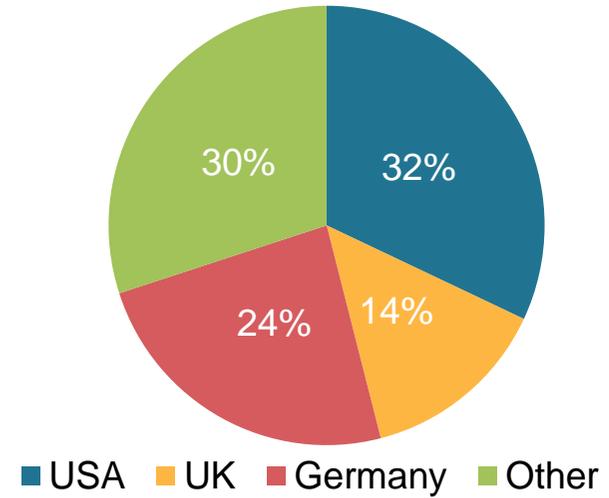
Almost 100% increase of employee productivity in 300 mm wafer

¹ Delivered wafer / paid hours (2009 = 100)

Investor structure well diversified with a strong anchor shareholder



Identified free float by region
(as of June 2020)



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

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

Investment Highlights – Siltronic Strengths

Market position

- Strong market position in the semiconductor and wafer industry

Strategy

- Technology and quality leadership

Customers

- Supplier to all top 20 silicon wafer consumers

Financials

- Profitable sales increase and on-going efficiency improvement

Products

- High-quality wafers made of hyperpure silicon

Management

- Experienced management team and highly skilled workforce



STRATEGY

...no change in our proven strategy while enjoying improving returns...

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

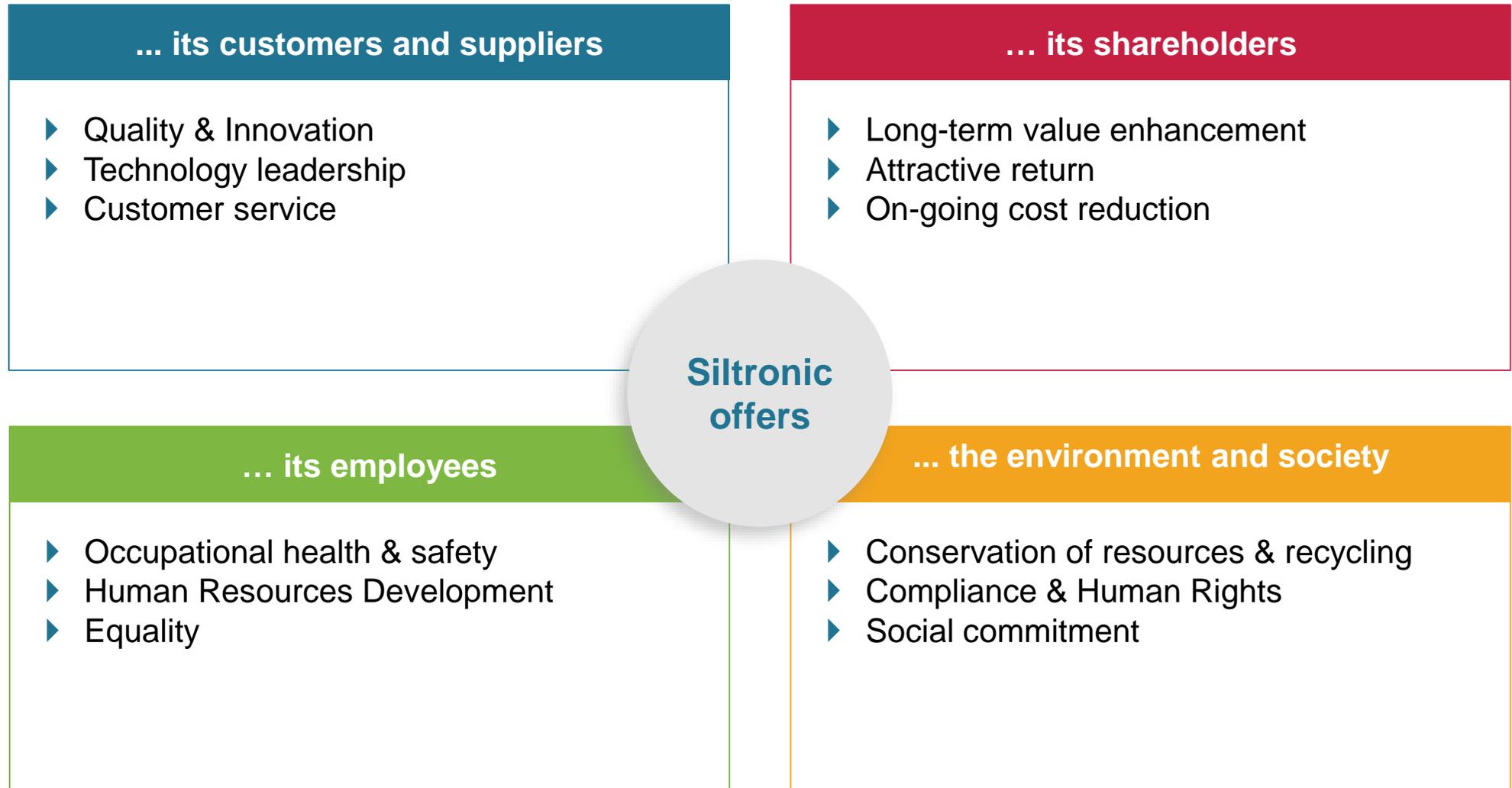
We continuously increase the value for our stakeholders by providing best-in-class wafers at competitive costs.



SUSTAINABILITY

...We plan resource-saving
right from the start, based on
product and production
safety as well as health and
environmental protection...

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"

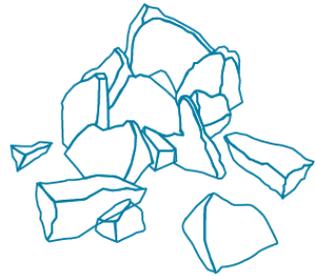
ISS-oekom: Siltronic has been evaluated by ISS-oekom since 2017. With the "Prime" rating, Siltronic is one of the leading companies in the semiconductor industry in the area of sustainability.



Environment - Efficiency as a success factor

Selection of non-financial performance indicators in 2019

Raw Material



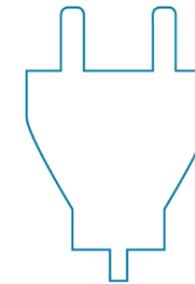
Silicon yield improved by

4%

vs. 2018



Energy



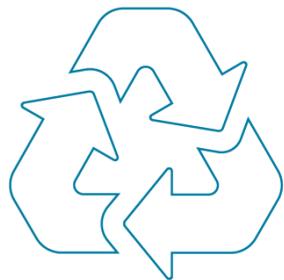
Energy consumption per wafer area decreased by

4.5%

vs. 2018



Recycling

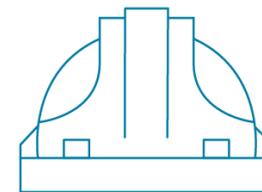


The share of returnable packaging per wafer area was

69%



Occupational Safety



The number of accidents at work per 1 million hours worked was

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

Contact and Additional Information

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Additional Information

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

Financial Calendar 2020

Q3 Quarterly Statement	October 29, 2020
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