

## Press release

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### **Siltronic defines profitable growth plan until 2028**

- **Group sales to increase to over EUR 2.2 billion and EBITDA margin in the high 30's percentage area**
- **Megatrends such as artificial intelligence (AI), digitalization and electromobility as drivers for higher wafer demand**
- **Increase in profitability through volume growth and improved cost efficiency**
- **Generated cash flows to be channelled into future organic growth, securing leading technology position and sustainable improvement in balance sheet quality**

**Munich, Germany, November 30, 2023** – The Executive Board of Siltronic AG (SDAX/TecDAX: WAF) expects a significant improvement in sales and EBITDA by 2028. Thus, the Group sales are expected to exceed EUR 2.2 billion by 2028 and the EBITDA margin to reach the high 30's percentage area. Based on the Group sales forecast for 2023, this corresponds to an increase in sales of more than 40 percent. The EBITDA margin will also improve significantly compared to the 28 to 30 percent forecast for 2023. The targets are based on stable overall price and exchange rate developments (EUR/USD: 1.10).

For the upcoming year 2024, Siltronic expects that at least the first half of the year will still be burdened by high inventories at chip manufacturers and their customers. On the earnings side, the start-up costs of the new production site in Singapore will have a negative impact on the company's margin in 2024.

The confidence until 2028 is supported by the increasing relevance of global megatrends such as artificial intelligence, digitalization and electromobility. This will lead to a strong increase in demand

for semiconductors and therefore also for wafers. For example, the wafer area required to manufacture an AI-compatible server is up to eight times larger than that required for a conventional server. The wafer area required for electric vehicles is also 60 to 100 percent higher than for conventional combustion vehicles.

The increase in Group profitability will mainly be driven by the expected volume growth and higher cost efficiency, which will be significantly higher than the expected inflation-related cost increases.

### **Above-average growth in Siltronic's focus activities**

The company expects wafer demand to grow by an average of four to five percent per year until at least 2028 and a positive trend in all segments: Memory, Logic and Power. Growth is expected to be particularly strong for 300 mm wafers, especially in the leading edge area, as well as for wafers for Power applications. Siltronic should be able to benefit from these trends in particular thanks to its good market positions. The company has made systematic preparations for the expected growth phase with high investments, especially for the construction of a new production fab for 300 mm wafers in Singapore (FabNext) and the improvement of the product mix in Freiberg, Saxony. At the beginning of November 2023, the first wafers were produced in Singapore - slightly earlier than planned. Production will be gradually ramped from the beginning of 2024. In view of the high level of automation and efficient cost structure, Siltronic is aiming for EBITDA margins of more than 50 percent for FabNext in the mid-term.

Siltronic is already characterized by a high level of resilience, which is reflected in its consistently solid margins even in difficult economic times. In addition to its high cost sensitivity, this is primarily due to its close customer relationships. The company has entered into long-term agreements with many of its customers, securing around two thirds of its sales.

"In view of the expected next growth phase driven by megatrends, we have defined medium-term targets for Siltronic up to 2028 against which we will be measured. Group sales are expected to increase to more than EUR 2.2 billion and the EBITDA margin to the high 30's. Among other things, we will benefit from our new, highly efficient fab in Singapore, our technological leading position and our strength in the Power segment," commented Dr. Michael Heckmeier, CEO of Siltronic AG, on the development.

## **Future use of capital focused on securing further growth opportunities, strengthening technology leadership and reducing debt**

Siltronic will make investments of around EUR 1.3 billion for the above-mentioned projects in 2023. However, as of September 30, 2023, the company maintains a robust financial position with an equity ratio of 49 percent and holds in excess of EUR 500 million in cash and cash equivalents, along with financial assets. This reflects a sound and secure financial and balance sheet structure. After reaching the peak of investment activity in 2023, expenditures are expected to noticeably decrease again by more than 50 percent in 2024 alone compared to the previous year. Siltronic will consistently invest the cash flows generated in the course of the planned targets in securing organic growth opportunities, expanding automation and digitalization, strengthening its leading technology position and further improving the quality of its balance sheet, including reducing debt. This also includes a continued strong focus on research and development (R&D) in order to continue to utilize technology-driven competitive advantages in the future. In the medium term, between four and five percent of Group sales are to be invested in R&D activities.

"Despite the peak of our investments in 2023, we are in a very solid position with an equity ratio of almost 50 percent and a high liquidity reserve. From 2024, our capex will fall noticeably, but organic growth with the expansion of FabNext remains our top priority. In addition, we will use the expected cash flows from our growth plan until 2028 to strengthen our leading technology position and improve the quality of our balance sheet. This will create sustainable value for all our stakeholders," adds Claudia Schmitt, CFO of Siltronic AG.

At today's Capital Markets Day in London, Siltronic will present the company's growth plan until 2028. The presentations as well as the Executive Board speeches (in English only) will be available on the Siltronic website under <https://www.siltronic.com/en/investors/capital-markets-day.html> after the end of the event.

**Upcoming events:**

February 1, 2024	Preliminary financial figures 2023
March 12, 2024	Annual Report 2023
May 2, 2024	Quarterly Statement Q1 2024
May 13, 2024	Annual General Meeting
July 25, 2024	Half Year Report 2024
October 24, 2024	Quarterly Statement Q3 2024

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**Company profile:**

Siltronic is one of the world's largest manufacturers of hyperpure silicon wafers and partner to many leading semiconductor companies. The company operates production sites in Asia, Europe and the USA. Siltronic develops and manufactures silicon wafers in diameters of up to 300 mm. Silicon wafers form the basis for modern microelectronics and nanoelectronics and are a key component in semiconductor chips driving computers, smartphones, navigation systems and many other applications. Siltronic AG employs around 4,500 people worldwide and has been a stock-listed company in Germany (Prime Standard) since 2015. The Siltronic AG stock is listed on both the SDAX and TecDAX.

**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.*