Press release

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Siltronic announces forecast for financial year 2024 and dividend proposal of EUR 1.20 for financial year 2023

- Group sales and EBITDA margin before ramp costs for 2024 expected in the region of previous year's level

- **Commissioning in Singapore leads to substantial ramp costs**

- No impact on medium-term targets: Sales to increase to more than EUR 2.2 billion and EBITDA margin in the high 30's, driven by megatrends

Munich, Germany, February 12, 2024 – Siltronic AG (MDAX/TecDAX: WAF) has just published its forecast for the financial year 2024 in an ad-hoc announcement. Due to the weakness in demand, as a result of elevated customer inventories and the associated further postponement of delivery volumes, the Executive Board expects sales for the current financial year to be in the region of the previous year. The first six months of the financial year 2024 are likely to be affected most by the postponement of delivery volumes, meaning that sales for this reporting period are expected to be at the level of H2 2023. The forecast is based on a Euro/US Dollar exchange rate of 1.10. On a positive note, average selling prices are expected to remain stable.

The EBITDA margin, before ramp costs, will also be in the region of the previous year. Due to the commissioning of our new state-of-the-art 300 mm fab in Singapore, the margin will be reduced by up to three percentage points compared to the previous year. Ramp costs primarily comprise energy, material and labor costs.

"Our strategic growth targets until 2028 remain unchanged. In the short-term, however, the continuing weakness in demand will weigh on the development in the financial year 2024. In addition, the expected ramp costs for our new 300 mm fab in Singapore will become noticeable. With the increase in production volume over the next few years, the fab will contribute significantly to the profitable growth of Siltronic. Therefore, we stick to our medium-term ambition and expect sales to grow to more than EUR 2.2 billion and an EBITDA margin in the high 30's until 2028," commented Dr. Michael Heckmeier, CEO of Siltronic AG.

The Executive Board expects a noticeable reduction in energy and material costs (before ramp costs) in 2024 compared to the previous year. However, the positive effect will roughly be compensated by rising labor tariffs and the lower currency hedging result compared to the previous year. The high level of capital expenditure in recent years will almost double depreciation and amortization compared to the previous year. As a result, the EBIT will be significantly lower than in the previous year.

As already announced, capital expenditure will be more than halved compared to the previous year's record level of EUR 1,316 million. Therefore, the company expects a significant improvement in net cash flow, although it will still remain significantly negative.

Growth targets until 2028 remain unchanged

As communicated in November 2023, significant sales growth to more than EUR 2.2 billion and an improvement of the EBITDA margin to the high 30's are expected until 2028. This confidence is driven by the increasing relevance of global megatrends such as artificial intelligence, digitalization and electromobility and will lead to a sharp rise in demand for semiconductors and therefore also for wafers. The increase in Group profitability will be primarily driven by expected volume growth and higher cost efficiency, which will be significantly above the expected inflation-related cost increases.

Future use of funds with focus on growth, innovation and debt reduction – Dividend proposal of EUR 1.20 for 2023 due to persistent weakness in demand

Siltronic will use the cash flows generated as a result of the above mentioned targets primarily for further organic growth, strengthening its innovative power and reducing debt. The latter had increased noticeably due to the high level of capital expenditure in the recent past. Nevertheless, Siltronic shareholders will continue to participate in the company's success through a dividend. In view of the current difficult market situation, the Executive Board will propose to the Annual General Meeting on May 13, 2024 the payment of a dividend of EUR 1.20 per share for the financial year 2023 and thus a payout ratio of around 20 percent of the Group profit attributable to Siltronic shareholders.

"As a company in a capital-intensive and cyclical industry, we know how important a solid balance sheet policy and a forward-looking liquidity management are. That is why we will put an even stronger focus on our costs and capex this year. In view of the upcoming refinancing needs, we are convinced that our dividend proposal of EUR 1.20 represents an appropriate balance between capital discipline on the one hand and dividend continuity for our shareholders on the other," explains Claudia Schmitt, CFO of Siltronic AG.

Despite this noticeable reduction compared to the previous year, Siltronic confirms its dividend policy for the future, according to which around 40 percent of the Group profit determined in accordance with IFRS principles, attributable to the shareholders of Siltronic AG, will be distributed. The upper limit remains unchanged at EUR 3.00 per dividend-bearing share.

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Company profile:

As one of the leading wafer manufacturers, Siltronic is globally oriented and operates production sites in Asia, Europe, and the USA. Silicon wafers are the foundation of the modern semiconductor industry and the basis for chips in all electronic applications – from computers and smartphones to electric cars and wind turbines. The international company is highly customer-oriented and focuses on quality, precision, innovation, and growth. Siltronic AG employs around 4,500 people worldwide and has been listed in the Prime Standard of the German Stock Exchange since 2015. Siltronic AG shares are included in both the MDAX and TecDAX stock market indices.

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.

This press release is a quarterly Group statement in accordance with Section 53 of the Exchange Rules for the Frankfurt Stock Exchange.