



Press release

Siltronic AG

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Siltronic closes 2022 with a record in sales and EBITDA

- **Price increases and a favorable exchange rate lead to significant increase in sales**
- **Sales of EUR 1,805.3 million significantly up year-on-year (2021: EUR 1,405.4 million)**
- **EBITDA increases to EUR 671.6 million, EBITDA margin of 37.2 percent (2021: EUR 466.4 million; 33.2 percent)**
- **Dividend of EUR 3.00 per share proposed for 2022**
- **Forecast for 2023: Sales significantly lower y-o-y due to lower volumes and exchange rate effects; slight price increases offset by rising unit costs due to inflation**
- **Capital expenditure slightly above 2022, no capital increase in 2023**

Munich, Germany, March 9, 2023 - Siltronic AG (MDAX/TecDAX: WAF) closed 2022 with the highest sales and EBITDA in its history. This excellent performance was primarily due to price increases and favorable exchange rate developments.

"Strong demand in 2022 resulted in highly utilized fabs as well as excellent sales and earnings. To meet the increasing demand in the medium- and long-term, our focus is on the construction of the new 300 mm fab in Singapore, which is progressing in great strides and according to plan", said Dr. Christoph von Plotho, CEO of Siltronic AG.

Business development in 2022

in EUR million		2022	2021	Q4 2022	Q3 2022	Q4 2021
Sales		1,805.3	1,405.4	472.1	474.0	376.6
Cost of sales		-1,189.9	-964.2	-301.5	-309.8	-248.2
Gross profit		615.4	441.2	170.5	164.2	128.4
Gross margin	in %	34.1	31.4	36.1	34.6	34.1
EBITDA		671.6	466.4	168.1	170.5	143.7
EBITDA margin	in %	37.2	33.2	35.6	36.0	38.2
Depreciation, amortization and impairment less reversals thereof		-176.0	-149.5	-43.3	-46.2	-34.5
EBIT		495.6	316.9	124.8	124.3	109.2
EBIT margin	in %	27.5	22.5	26.4	26.2	29.0
Financial result		-8.5	1.5	-1.2	0.2	-0.6
Result before income taxes		487.1	318.3	123.6	124.5	108.6
Income taxes		-52.7	-28.7	-5.0	-14.6	-14.9
Tax rate	in %	11	9	4	12	14
Result for the period		434.4	289.6	118.6	109.9	93.7
Earnings per share	in EUR	13.02	8.44	3.56	3.32	2.79

Siltronic AG's sales of EUR 1,805.3 million in 2022 were more than 28.5 percent up y-o-y (2021: EUR 1,405.4 million). Mainly price increases, but also a favorable exchange rate development of the US dollar, led to a significant increase of EUR 399.9 million. The development of sales was supported by a slight increase in volume, although the production capacities had already been highly utilized in the prior year.

Cost of sales increased by EUR 225.7 million to EUR 1,189.9 million, despite the fact that sales volumes only rose slightly. The drivers for the higher cost of sales were price increases for energy as well as raw materials and supplies, exchange rate effects, labor costs and higher depreciation. As sales increased more than the cost of sales, the gross margin increased from 31.4 percent to 34.1 percent y-o-y. Furthermore, the increased wafer area with hardly any increase in production capacities had a positive impact on the gross margin.

EBITDA of EUR 671.6 million was 44.0 percent higher y-o-y (2021: EUR 466.4 million). EBITDA margin reached 37.2 percent (2021: 33.2 percent). Again, the main reasons were higher prices and the favorable development of the US dollar exchange rate.

In addition, Siltronic received a compensation payment of EUR 50.0 million ("termination fee") as a result of the unsuccessful GlobalWafers tender offer in the reporting year. In the prior year, we recorded an income of EUR 6.3 million in connection with the tender offer. Excluding these effects, EBITDA for 2022 would have been EUR 621.6 million, compared to EUR 460.1 million for 2021. EBITDA margin would have climbed from 32.7 percent to 34.4 percent y-o-y.

EBIT significantly improved to EUR 495.6 million y-o-y (2021: EUR 316.9 million). The increase was dampened by higher depreciation. EBIT margin improved from 22.5 percent to 27.5 percent y-o-y.

The Group tax rate was 11 percent in the reporting year, compared to 9 percent in the prior year. In both years (2021 and 2022), Siltronic benefited from government programs to promote investment and create skilled jobs, which are supported by tax advantages.

The result for the period increased from EUR 289.6 million to EUR 434.4 million. Of this amount, EUR 390.6 million (2021: EUR 253.3 million) is attributable to Siltronic AG shareholders. Earnings per share were EUR 13.02, compared to EUR 8.44 in the prior year.

Development of net cash flow and net financial assets

In EUR million	2022	2021	Change
Cash flow from operating activities	804,5	501,1	303,4
Proceeds/payments for capital expenditure including intangible assets	-922,5	-392,5	-530,0
Free cash flow	-118,0	108,6	-226,6
Cash-effective change in prepayments	-277,4	-106,9	-170,5
Net cash flow	-395,4	1,7	-397,1

In 2022, Siltronic invested EUR 1,073.6 million (2021: EUR 425.6 million) in capital expenditure including intangible assets. This includes investments in the construction of the new 300 mm fab in Singapore, the expansion of the crystal pulling hall and epitaxy capacities in Freiberg, and in capabilities (equipment and production processes for future technical specifications). These extensive investments will secure and further expand Siltronic's position as a technology leader.

The construction of the new fab in Singapore is financed to a large extent by existing liquidity, future cash flows and prepayments from important customers. In addition, a promissory note loan and two loans were drawn in 2022. In addition, it is planned to conclude a term loan in combination with a revolving credit facility in the amount of EUR 300 million in preparation for the next expansion stage of the new fab in Singapore in 2023. The term loan will be drawn, if at all, in 2024 and the revolving credit facility will only serve as an additional liquidity reserve. There will be no capital increase in 2023.

Net cash flow in 2022 was significantly negative at EUR -395.4 million and significantly below prior year due to high capex and amounted to EUR 1.7 million.

Net financial assets decreased by only EUR 199.3 million to EUR 373.6 million in 2022, despite the very high cash outflows for capex of EUR 922.7 million and the dividend paid of EUR 90.0 million. This is mainly due to the very pleasing cash flow from operating activities.

Dividend proposal of EUR 3.00 per share

Based on the business results achieved, the Executive Board and Supervisory Board of Siltronic AG will propose to the Annual General Meeting on May 5, 2023, a dividend of EUR 3.00 per share for the financial year 2022. This corresponds to a dividend payment of EUR 90 million.

Forecast 2023

The start into 2023 was rather muted. Due to inventory corrections at the chip manufacturers and their customers, Siltronic expects temporary market weakness in the coming quarters. For H1 2023, several customers have asked Siltronic to postpone delivery volumes. As a result, during Q1 2023, monthly sales volumes have decreased significantly, and sales are forecast to be approximately 15 percent below Q4 2022 and nearly 5 percent below Q1 2022. The Q1 2023 EBITDA margin is still expected to be a solid 30 to 33 percent.

The duration of the inventory corrections and the consequences on Siltronic's sales volumes are difficult to estimate for 2023. The decisive factor for the course of the financial year will be the timing of the market recovery, expected by many experts for H2 2023. In addition, uncertainties due to geopolitical and global economic developments remain. These aspects make it difficult to release a forecast for 2023.

The Executive Board currently expects sales in 2023 to be significantly lower than in 2022. In addition to the reduced volumes for H1 2023, negative currency effects from the weakening US dollar will also contribute to this. An average exchange rate of the euro against the US dollar of 1.10 (planned rate in 2023) instead of 1.05 (average for 2022) would therefore reduce sales by around EUR 65 million in 2023. This is offset by slightly rising selling prices.

The EBITDA margin is also expected to decline significantly. Rising unit costs of around EUR 50 million will contribute to this, along with declining volumes due to inventory corrections by customers and exchange rate effects. In addition, a one-off termination fee of EUR 50 million was received in 2022.

Due to investments depreciation and amortization will increase to around EUR 220 million. In addition to the above-mentioned effects on EBITDA, these factors will lead to an EBIT that is expected to be significantly lower y-o-y.

The tax rate is expected to be in the mid-single-digit percentage range. Earnings per share will be significantly lower.

For 2023, the company plans capital expenditures slightly above the prior-year level. The majority of this will go into the construction of the new fab in Singapore. Other key areas are the completion of the expansion of

the crystal pulling hall and epitaxy capacities in Freiberg, as well as measures to improve the capabilities for new design rules.

Due to the high level of investment, net cash flow is expected to be significantly lower y-o-y.

"Geopolitical problems and the consequences of inventory corrections at the chip manufacturers and their customers make it particularly difficult to issue a forecast for 2023. However, we are convinced of the medium- and long-term growth trends of the semiconductor industry due to the wide range of end applications such as 5G, artificial intelligence, electromobility and digitalization," von Plotho said.

Siltronic AG – Financial figures 2022

Profit and loss statement							
In EUR million	2022	2021	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Sales	1,805.3	1,405.4	472.1	474.0	442.2	417.0	376.6
EBITDA	671.6	466.4	168.1	170.5	147.0	185.9	143.7
EBITDA margin	%	33.2	35.6	36.0	33.2	44.6	38.2
EBIT	495.6	316.9	124.8	124.3	102.8	143.7	109.2
EBIT margin	%	22.5	26.4	26.2	23.2	34.5	29.0
Result for the period	434.4	289.6	118.6	109.9	91.1	114.7	93.7
Earnings per share	EUR	8.44	3.56	3.32	2.66	3.47	2.79
Capital expenditure and net cash flow							
Capital expenditure in property, plant and equipment, and intangible assets	1,073.6	425.6	476.9	226.0	165.0	205.7	281.8
Net cash flow	-395.4	1.7	-245.4	-63.6	-123.4	37.0	-139.6

Statement of financial position		
In EUR million	Dec. 31, 2022	Dec. 31, 2021
Total assets	4,050.7	2,455.4
Equity	2,067.1	1,318.8
Equity ratio	%	53.7
Net financial assets	373.6	572.9

Conference call for analysts and investors

The Executive Board of Siltronic AG will hold a conference call with analysts and investors on March 9, 2023 at 10:00 a.m. (CET). The conference will be streamed on the Internet. The audio webcast will be available on Siltronic's website as live stream and on-demand.

The current investor presentation, the annual report 2022 and the press release are also published on the Siltronic website.

**Financial Calendar:**

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

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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, smart phones, 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 MDAX 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.