

Siltronic AG

Q1 2022 Conference Call Presentation

May 10, 2022

Highlights: Strong growth in Q1 2022

Sales

– EUR 417.0 mn (Q4 2021: EUR 376.6 mn)

EBITDA

– EUR 186.0 mn (incl. 50 mn termination fee, Q4 2021: EUR 143.7 mn)
– EBITDA margin: 44.6 % (Q4 2021: 38.2 %)

EBIT

– EUR 143.7 mn (Q4 2021: EUR 109.2 mn)
– EBIT margin: 34.5 % (Q4 2021: 29.0 %)

CapEx

– EUR 205.7 mn (Q4 2021: EUR 281.8 mn)

Net cash flow

– EUR 36.9 mn (Q4 2021: EUR -139.6 mn)

Net financial assets

– EUR 709.0 mn (December 31, 2021: EUR 572.8 mn)

Solid demand from end markets led to strong wafer sales in Q1

Smartphones

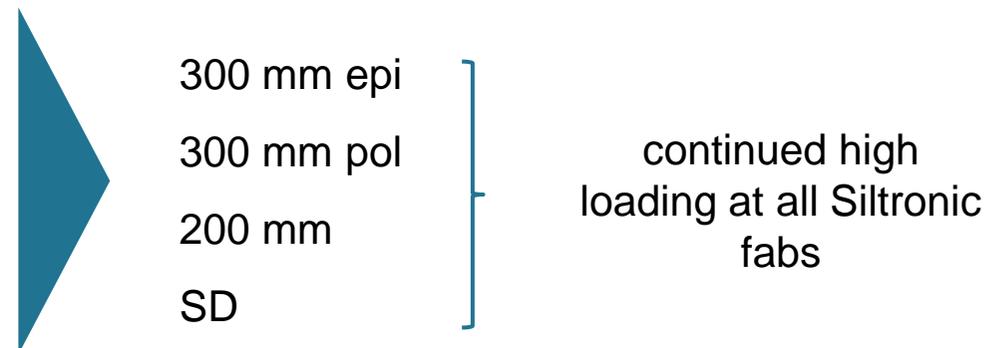
- ▶ Ongoing trend to more cameras and memory per phone
- ▶ 5G continues to drive content growth
- ▶ Lockdowns in China cause uncertainty on unit growth

Industry / Auto

- ▶ Auto even more impacted by supply chain disruptions
- ▶ Mix shifting to cars with more electronics
- ▶ xEV share continues to grow
- ▶ Industrial orders continue to be strong

Servers / PC

- ▶ Servers and cloud services show very strong growth
- ▶ PC units flattish with mix shifting to higher content models
- ▶ High demand for gaming PCs / consoles



- ▶ Significant ASP increase q-o-q and y-o-y

Expansion projects are proceeding according to plan



FabNext in Singapore



Project timeline and budget on track



Customer LTAs with pre-pay in place for 80 % of FabNext capacity throughout the ramp phase



First shipments to customers in early 2024

New crystal pulling hall in Freiberg



Project is proceeding well



Construction on track for completion in late 2022

Top: FabNext construction in Singapore, bottom: CZ expansion in Freiberg

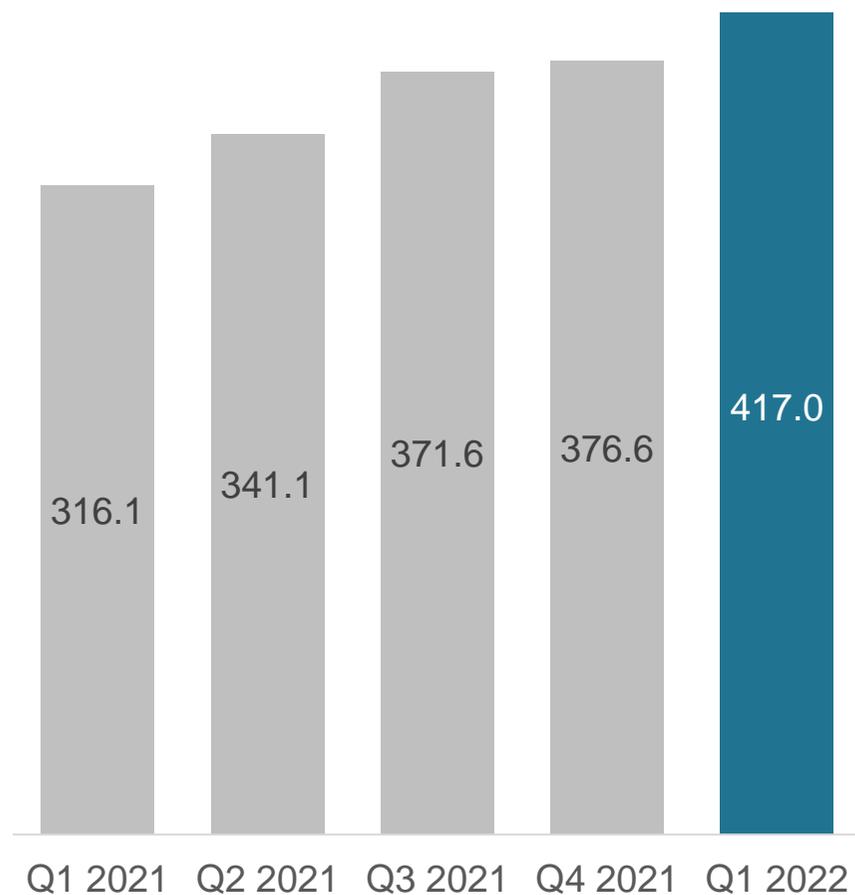
Source: Siltronic AG



Financials Q1 2022

Strong sales growth driven by significantly higher ASP

Sales, in EUR m



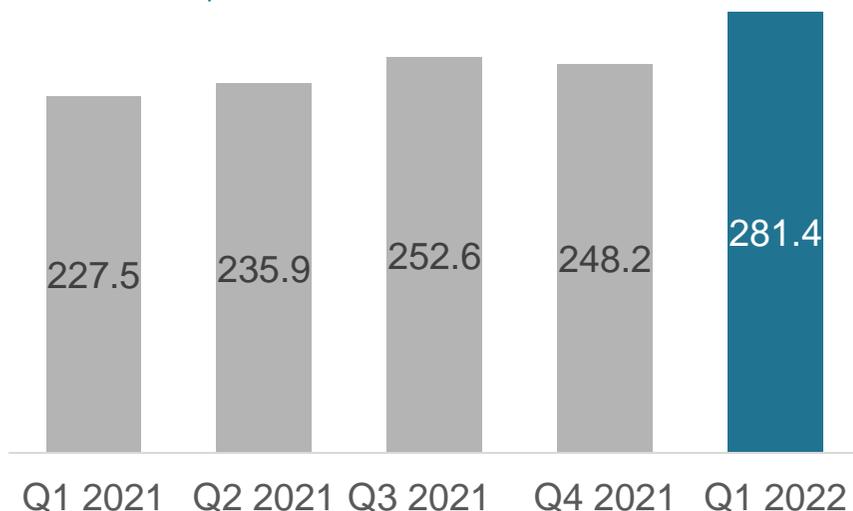
Ø FX rates	Q1/21	Q2	Q3	Q4	Q1/22
EUR / USD	1.21	1.21	1.18	1.14	1.12
EUR / JPY	128	132	130	130	130

Comments

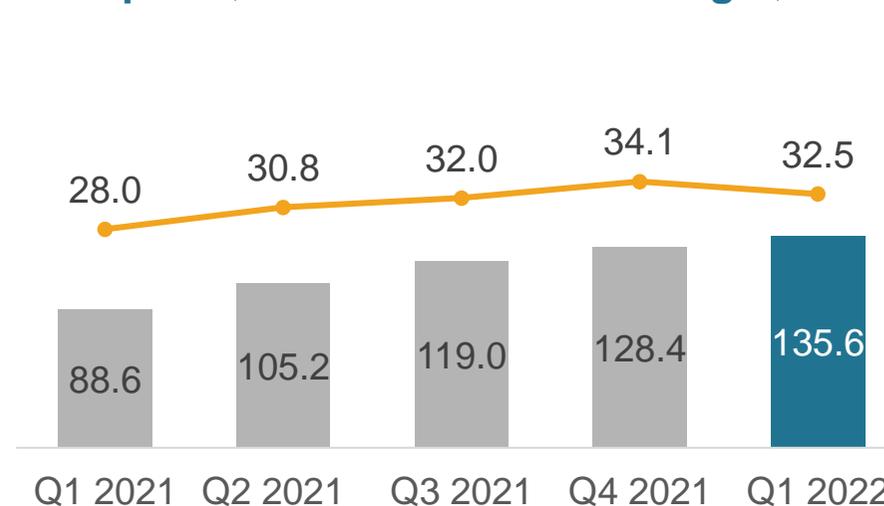
- ▶ Wafer area sold only slightly up q-o-q
- ▶ ASP significantly up q-o-q
- ▶ Favorable FX q-o-q

Higher COGS due to inflation

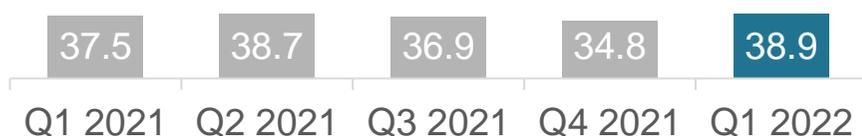
Cost of sales, in EUR mn



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



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

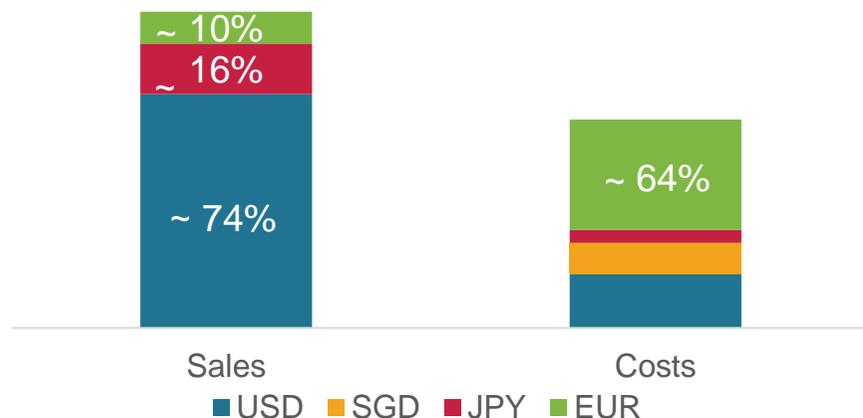


Comments

- ▶ COGS up y-o-y
 - ▶ Slightly higher wafer area sold
 - ▶ Higher costs, especially for electricity and supplies
 - ▶ FX effects
- ▶ Gross margin was burdened q-o-q due to unit cost increases

High US-Dollar and Japanese Yen exposure

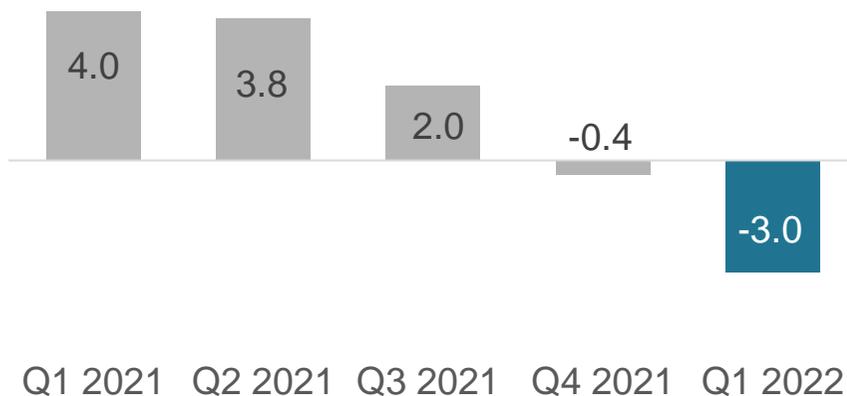
FX exposure, in %



FX sensitivity

	Sales	EBITDA Unhedged
1 USD-/SGD-cent change	~ EUR 10.5 mn	~ EUR 7.5 mn
1 JPY change	~ EUR 2.0 mn	~ EUR 1.7 mn

Other currency effects (mostly hedging), in EUR mn

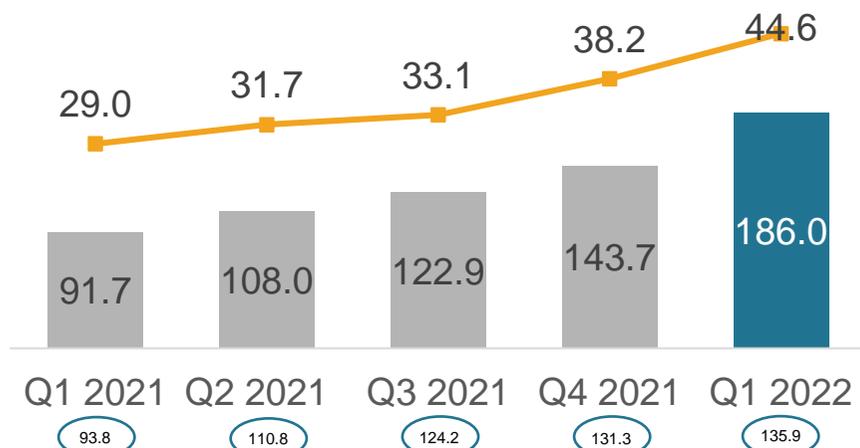


Comments

- ▶ Weaker Euro q-o-q in Q1
- ▶ High exposure to USD (higher sales) and SGD (higher cost)
- ▶ USD invoicing close to 75%
- ▶ Tailwind on top line
- ▶ Negative hedging result in Q1

Strong EBITDA, supported by the termination fee

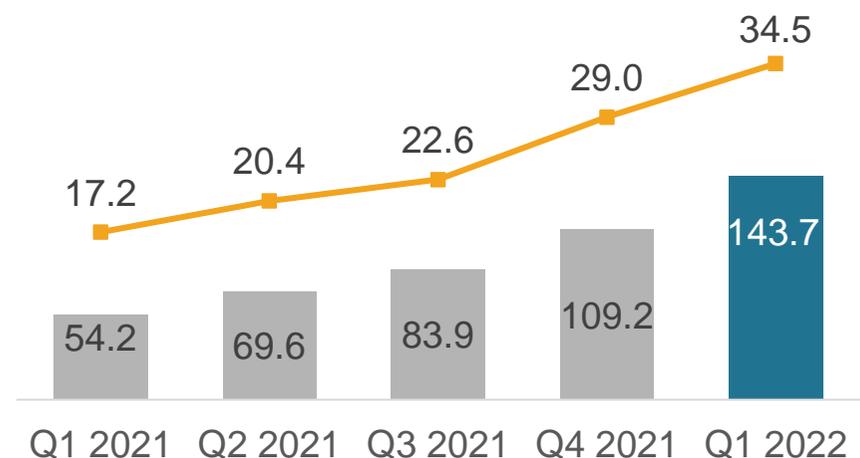
EBITDA, in EUR mn / EBITDA margin, in %



Depreciation, in EUR mn



EBIT, in EUR mn / EBIT margin, in %



Comments

Positive

- ▶ Wafer area sold significantly up y-o-y
- ▶ ASP per wafer area up q-o-q
- ▶ Favorable FX trend in Q1
- ▶ EBITDA includes EUR 50 mn termination fee from GlobalWafers

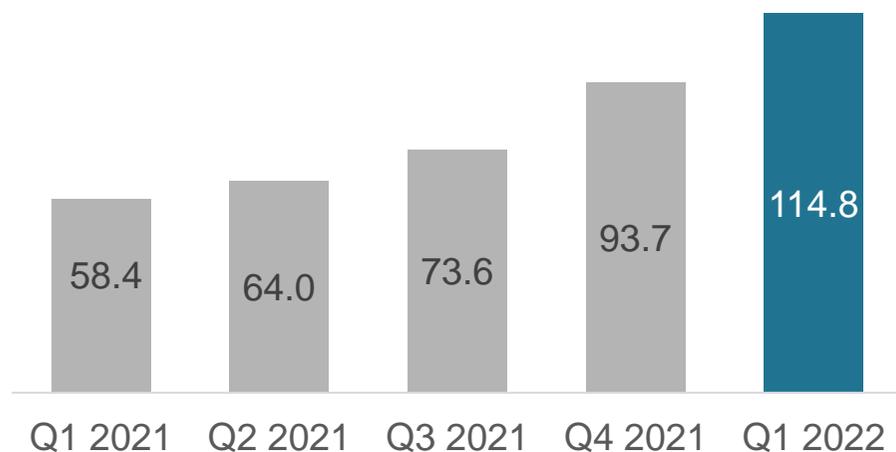
Negative

- ▶ Cost increases since late Q3

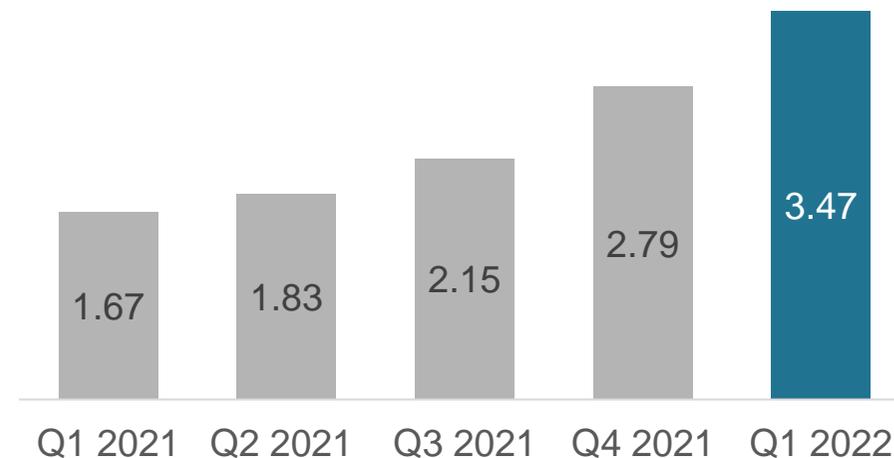
○ EBITDA excluding effects related to GlobalWafers tender offer

Net profit of EUR 114.8 million in Q1 2022

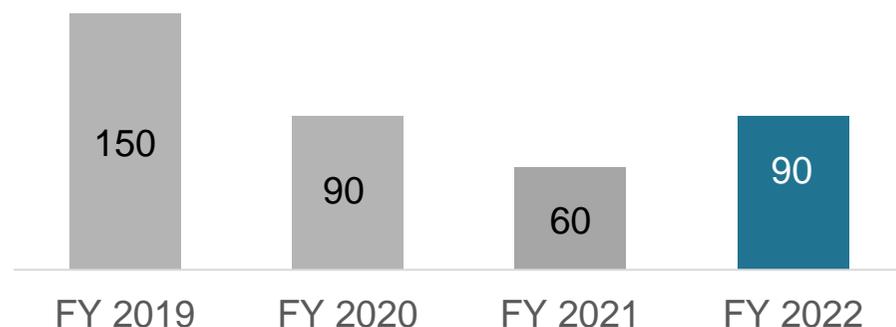
Net profit, in EUR mn



EPS, in EUR



Dividend payment, in EUR mn

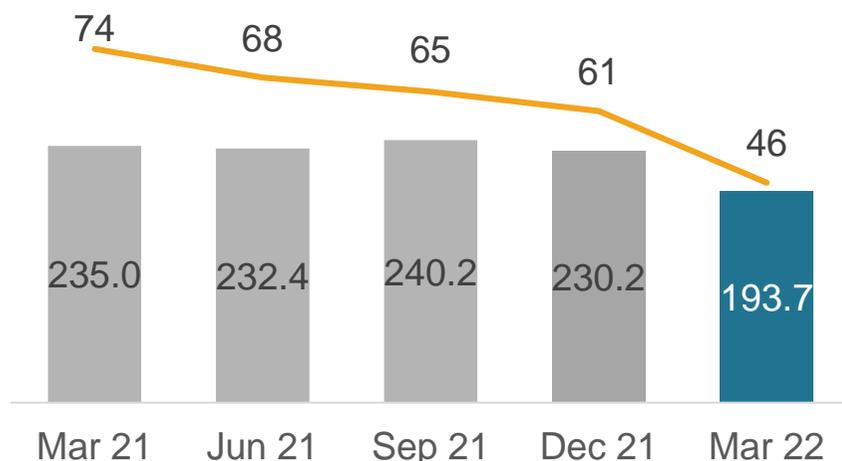


Comments

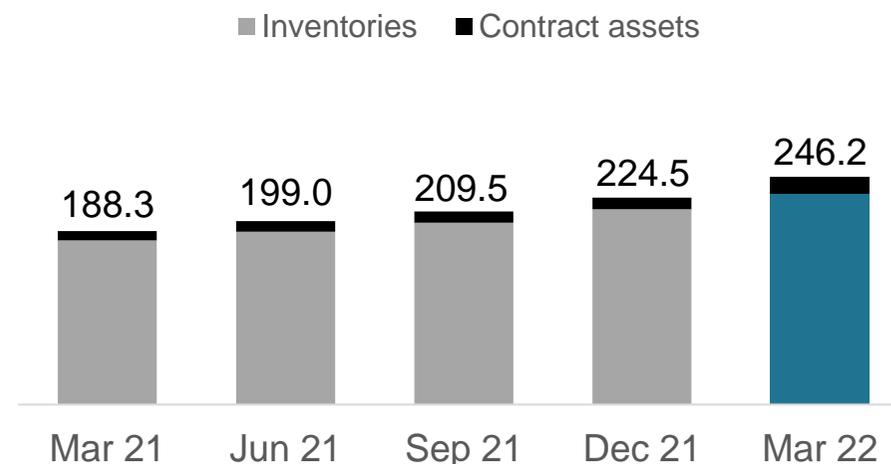
- ▶ Higher tax rate in Q1: Break fee fully taxable in Germany
- ▶ Net profit of EUR 114.8 mn in Q1 2022; thereof EUR 105 mn attributable to Siltronic shareholders
- ▶ Dividend of EUR 3.00 per share = EUR 90 mn dividend payout in May 2022

Increased trade liabilities (high Capex) reduce working capital

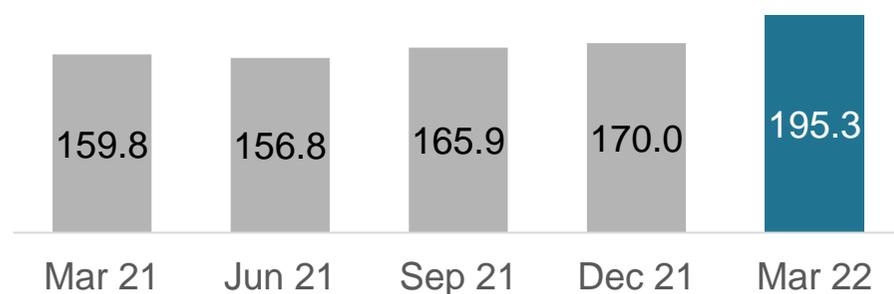
Working capital, in EUR mn,
Working capital ratio to quarterly sales, in %



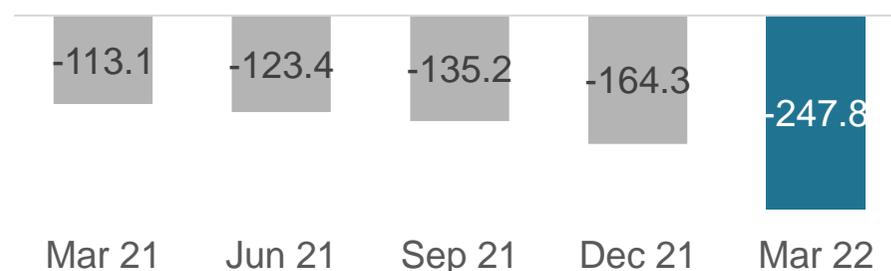
Inventories and contract assets, in EUR mn



Trade receivables, in EUR mn

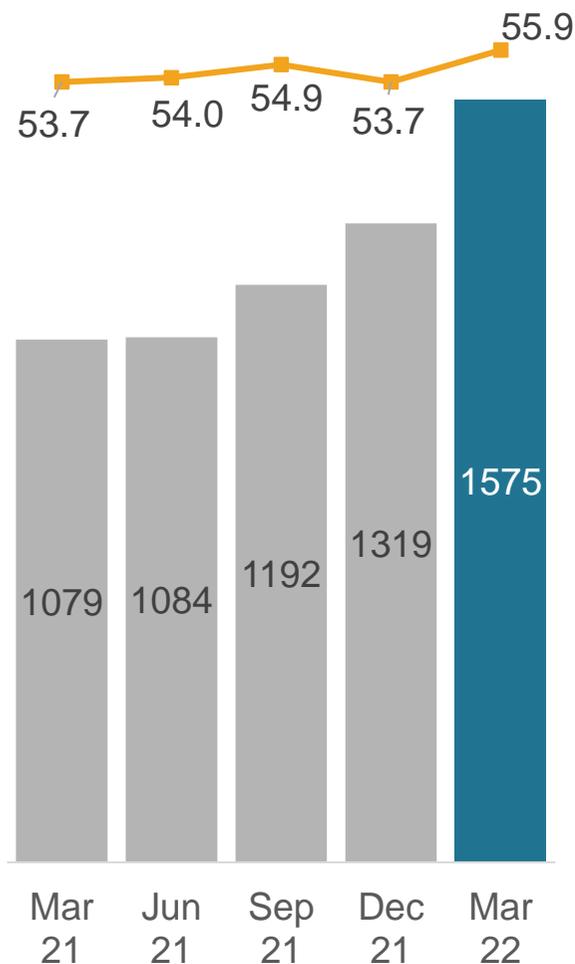


Trade liabilities, in EUR mn



Equity ratio grew to 56%, strong increase in net financial assets

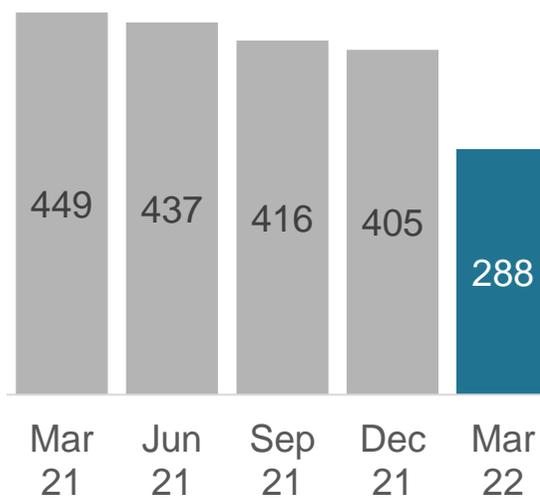
Equity, in EUR mn
Equity ratio, in %



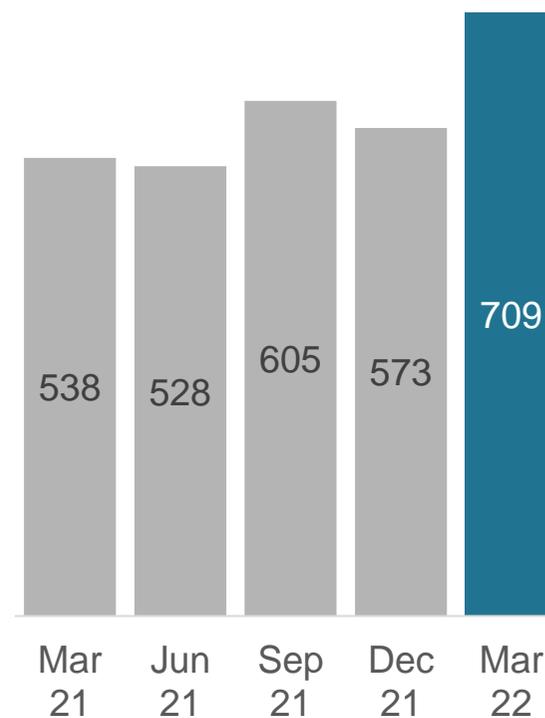
Provisions for pensions,
in EUR mn

Interest rates IFRS

USA	2.77%	2.39%	2.42%	2.51%	3.22%
Germany	1.11%	1.14%	1.19%	1.23%	1.86%

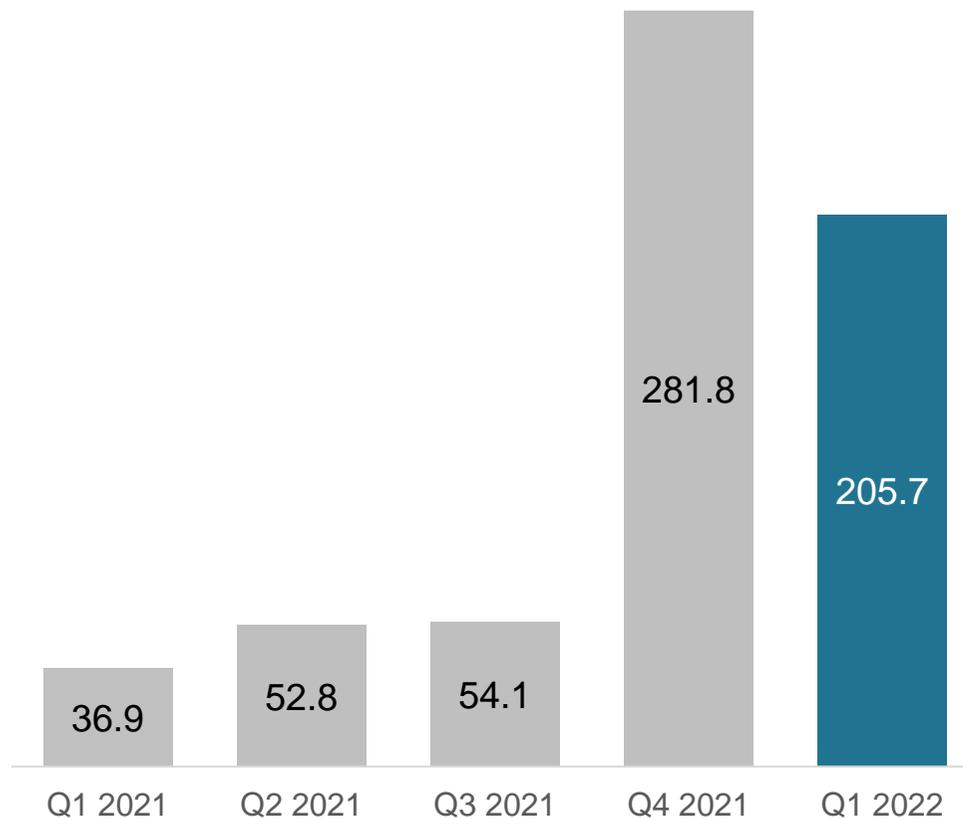


Net financial assets,
in EUR mn



High CAPEX in Q1 mostly related to expansion projects

Investment, in EUR m

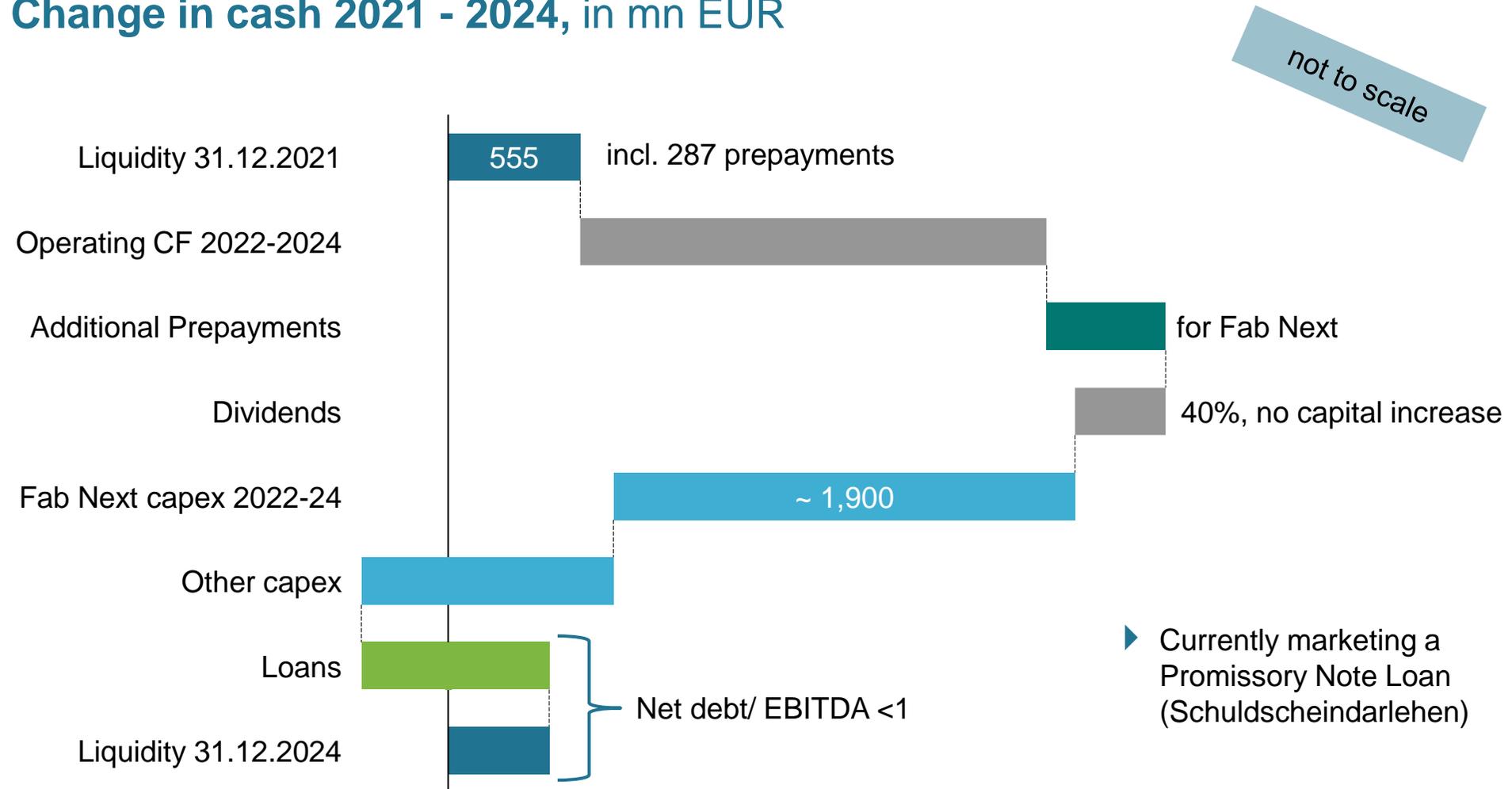


Comments

- ▶ Capex guidance 2022 EUR 1.100 mn
- ▶ Project-related high capex in Q1 2022
 - ▶ major share of capex allocated to FabNext
 - ▶ 300 mm epi capacity
 - ▶ capabilities for future design rules
 - ▶ expansion of crystal pulling hall in Freiberg
- ▶ Higher Capex expected in Q2-Q4

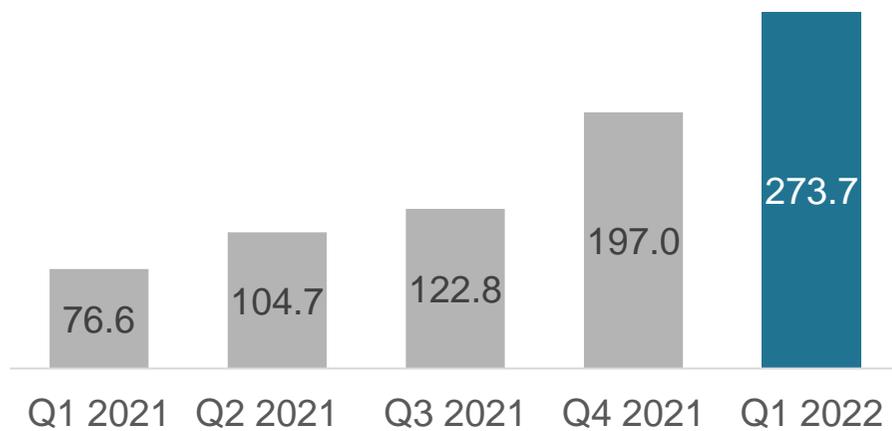
Financing plan predicts a low leverage throughout the expansion projects

Change in cash 2021 - 2024, in mn EUR

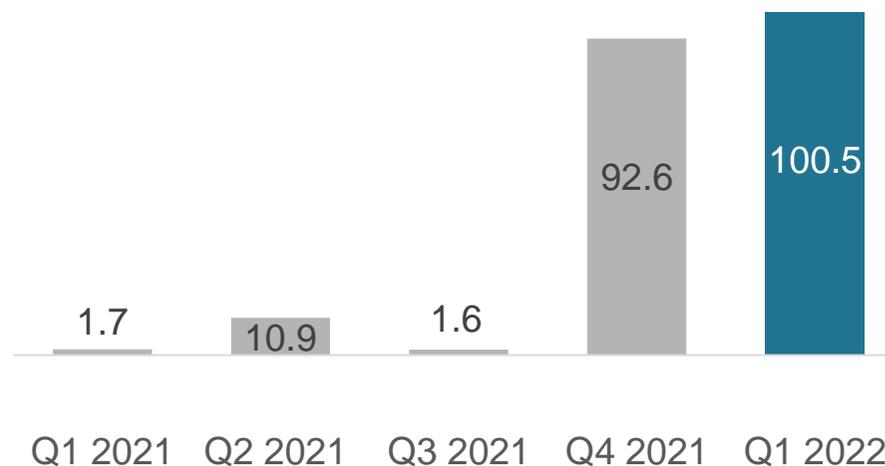


Strong OCF, Net cash flow in line with expectation

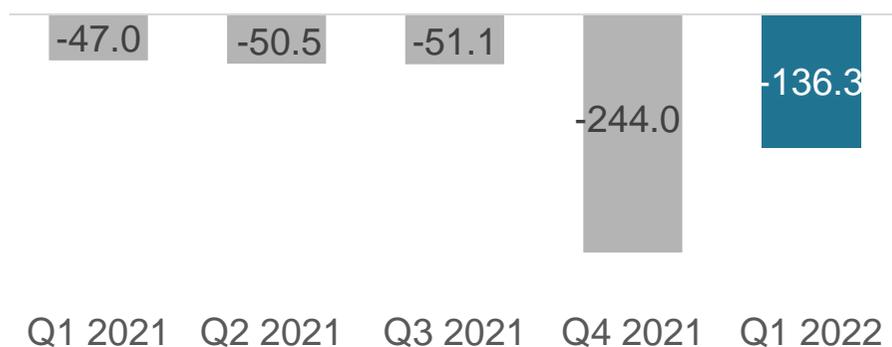
Operating cash flow (OCF), in EUR mn



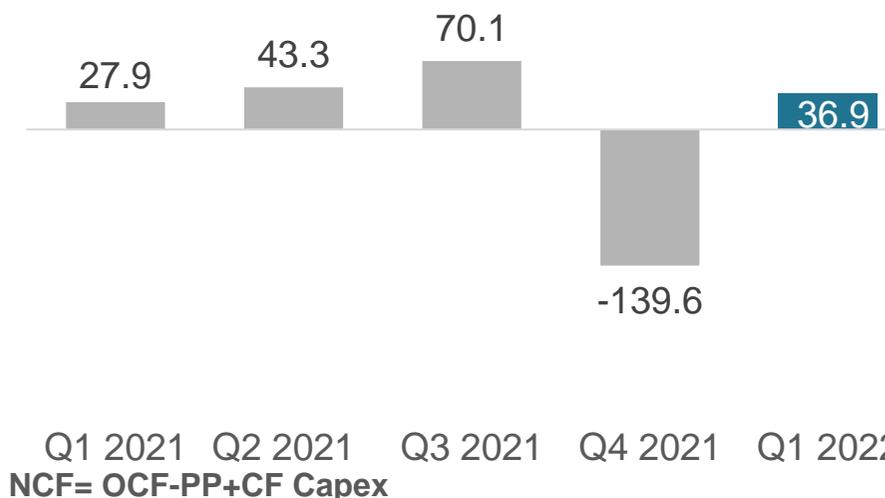
Prepayments net (PP), in EUR mn

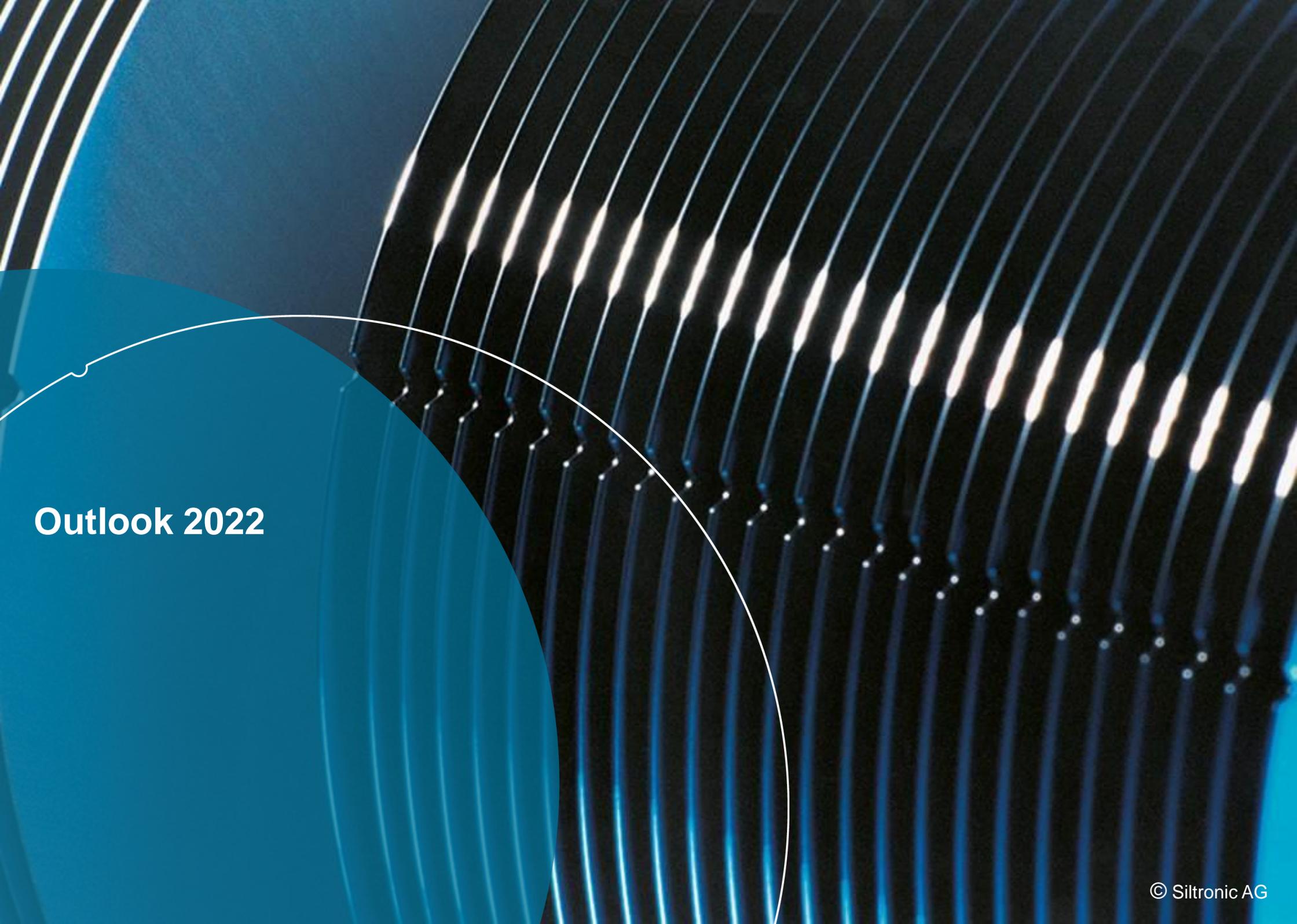


CF Capex, in EUR mn



Net cash flow (NCF), in EUR mn

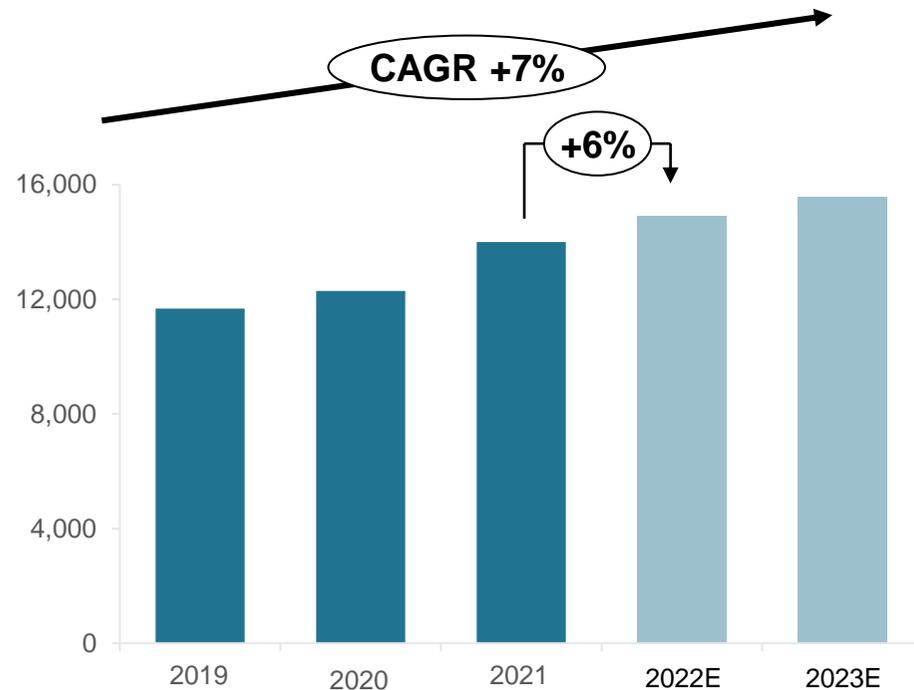




Outlook 2022

Siltronic's strategy is aligned with global demand growth

Expected Global Silicon Wafer Area Demand in mn inch²



Silicon demand growth in advanced technologies



Innovation to keep top position in leading-edge technology



Efficiency programs and cost roadmaps



Smooth execution of expansion projects

Source: Siltronic Marketing, SEMI SMG forecast for 2022 and 2023;

Siltronic Outlook 2022 (unchanged, as of March 9, 2022)

Sales

- 15 to 22 percent increase

EBITDA margin

- increase to 34 to 37 percent (incl. termination fee)

Depreciation

- around EUR 185 mn

EBIT

- significant increase

Tax rate

- between 10 to 15 percent

CapEx

- around EUR 1,100 mn (2/3 allocated to the construction of FabNext)

Net cash flow

- significantly negative due to high investments

Earnings per share

- significant increase

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Additional Information

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Deutsche Börse: WAF
Listing: Frankfurt Stock Exchange
Prime Standard

Financial Calendar 2022

Q2 Interim Report	July 29, 2022
Q3 Quarterly Statement	October 28, 2022



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