

Siltronic – Factbook

Investor Relations
July 2021

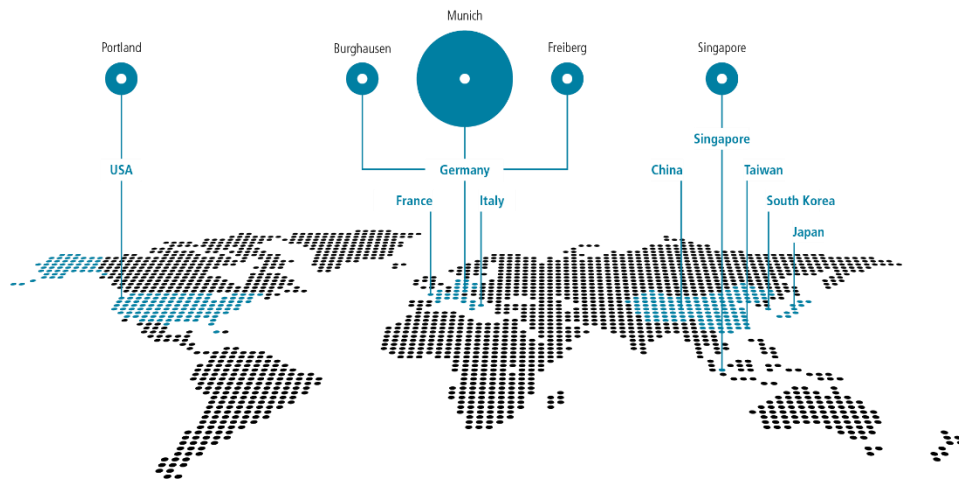
Content

- ▶ **Company and market overview**
- ▶ **Siltronic – one of the industry technology leaders**
- ▶ **Strategy**
- ▶ **Sustainability**
- ▶ **Employees**
- ▶ **Financials & investment rationale**
- ▶ **Siltronic share & tender offer of GlobalWafers**
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**COMPANY AND MARKET
OVERVIEW**

Siltronic at a glance



 4 world-class production sites


 ~ 3,800 employees

 global scale and reach

 50+ years of history in silicon technologies

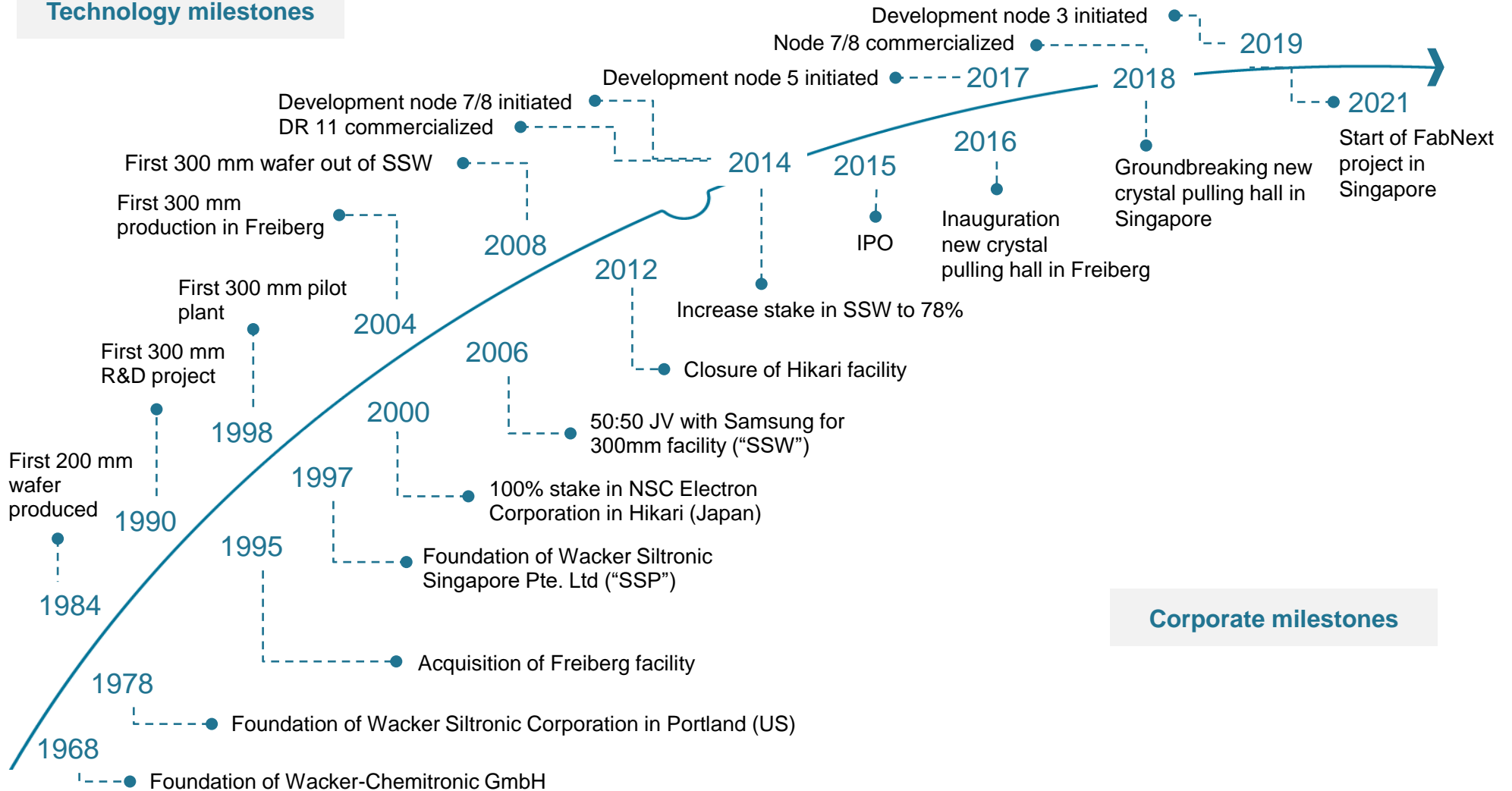
Key financial figures 2020

- ▶ Sales: EUR 1,207.0 million
- ▶ EBITDA: EUR 332.0 million
- ▶ EBITDA margin: 27.5%
- ▶ Net cashflow: EUR 77.4 million
- ▶ Net financial assets: EUR 499.2 million

 = Production sites, Headquarter in Munich

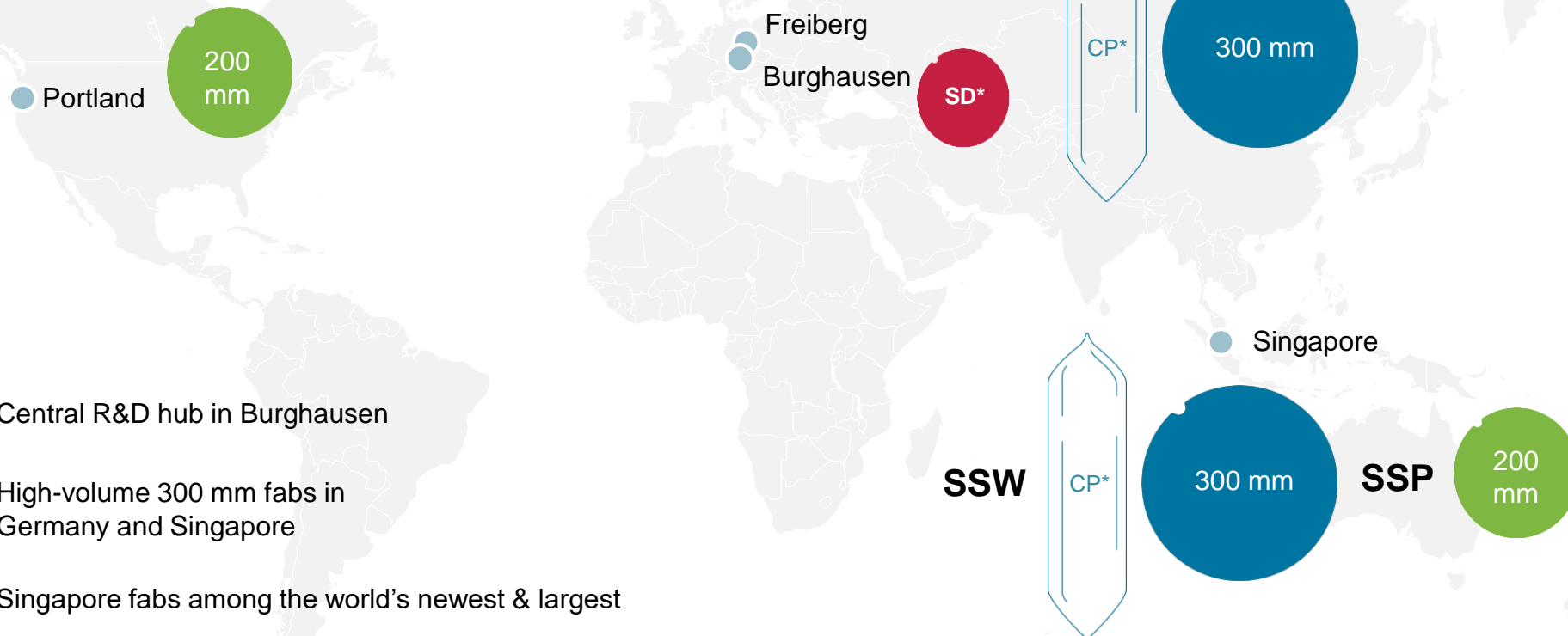
More than 50 years of experience in the semiconductor industry

Technology milestones



Corporate milestones

International manufacturing network supports strong market position and business focus



Central R&D hub in Burghausen



High-volume 300 mm fabs in Germany and Singapore

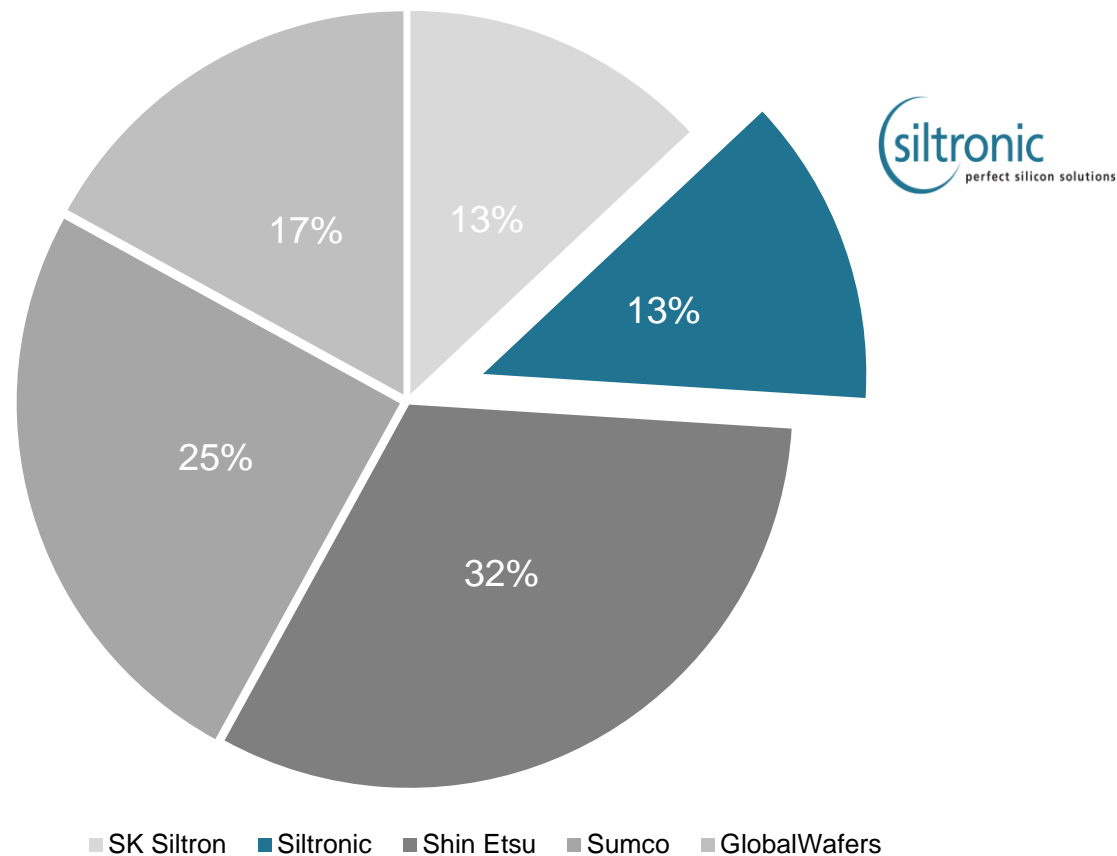


Singapore fabs among the world's newest & largest

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

Consolidated market with 5 major wafer manufacturers

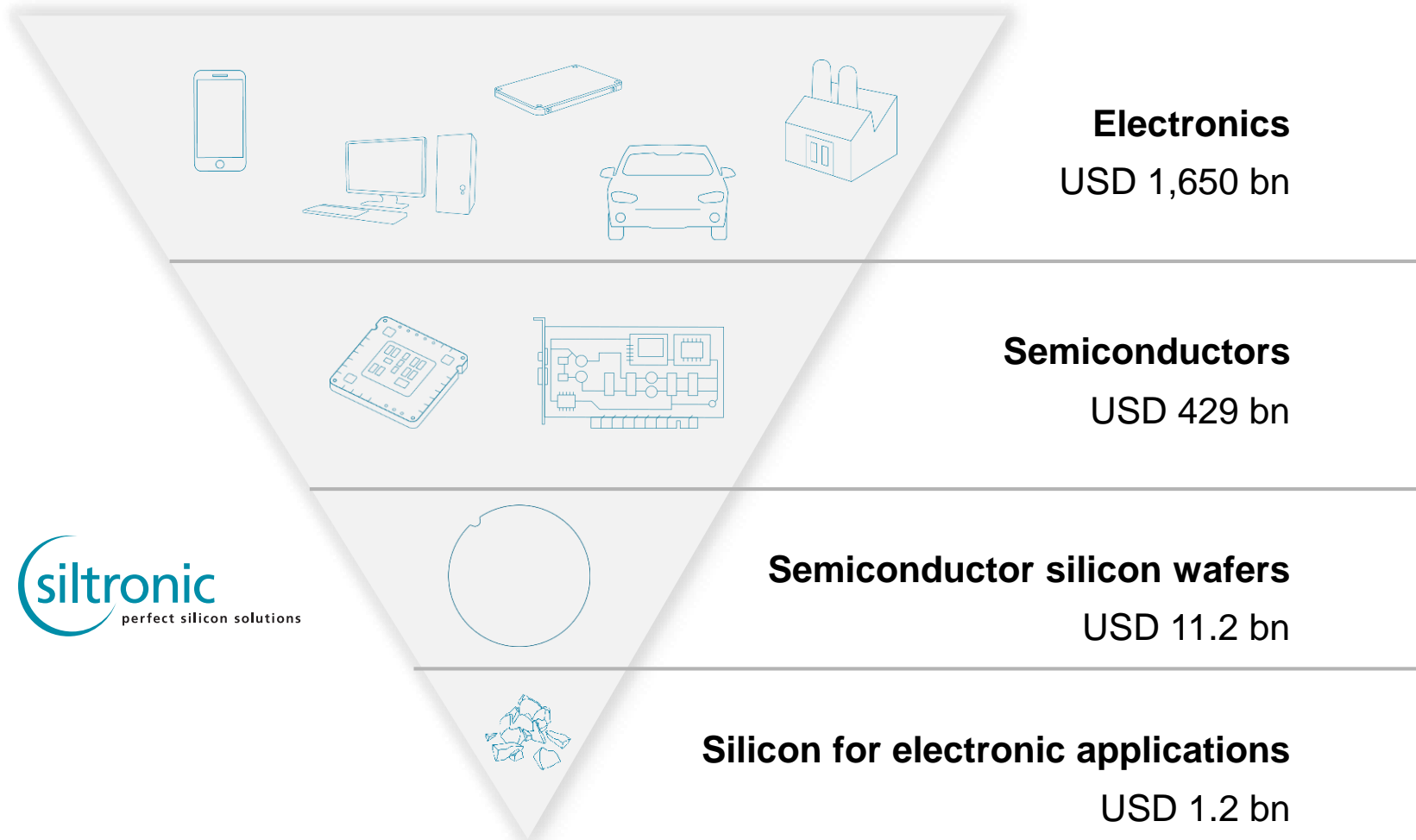
Top 5 wafer producers serve more than 90% of market across all diameters



Sources: reported company revenues Q1-Q4 2020, converted to USD million

Electronics value chain 2020

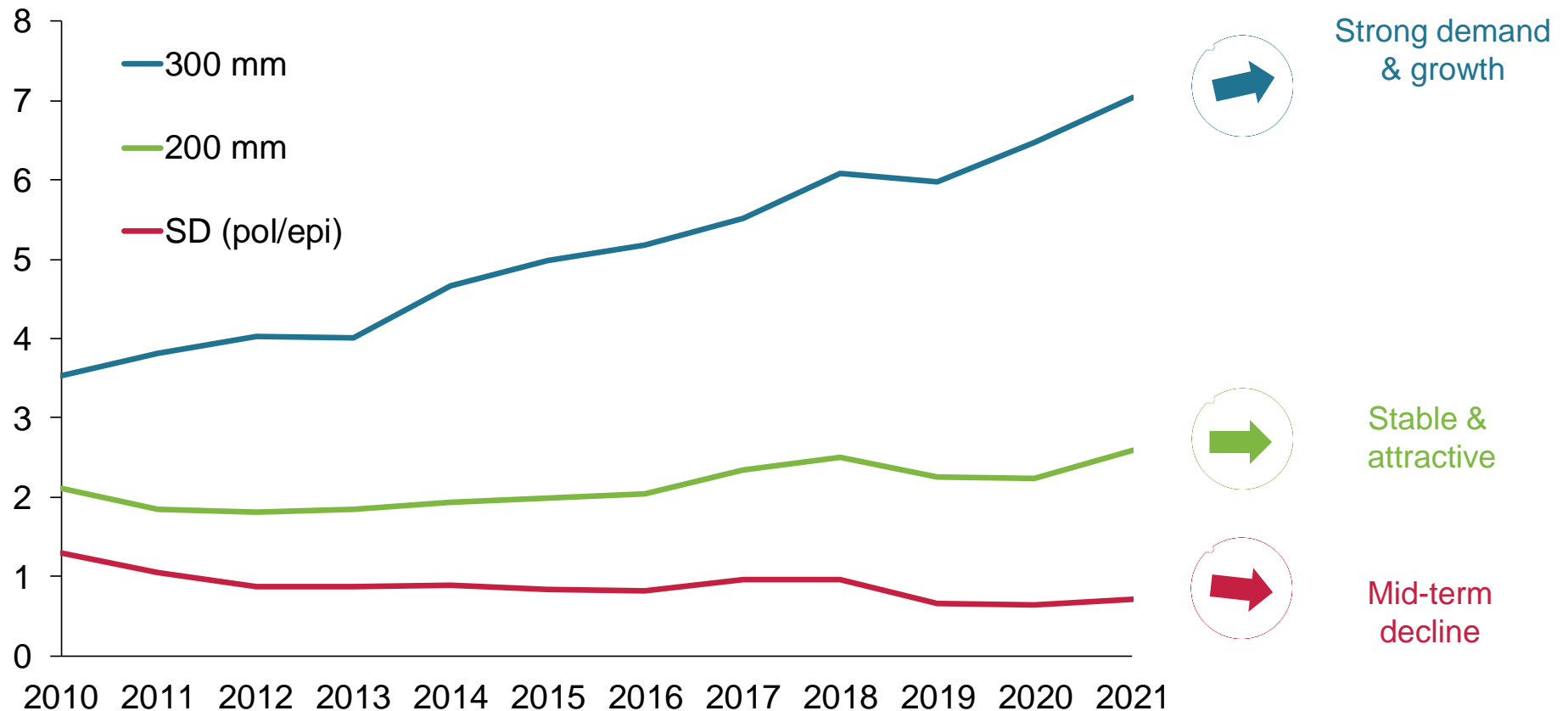
Increasing demand for electronic devices and new applications drive semiconductor growth, which in turn fuels silicon demand



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

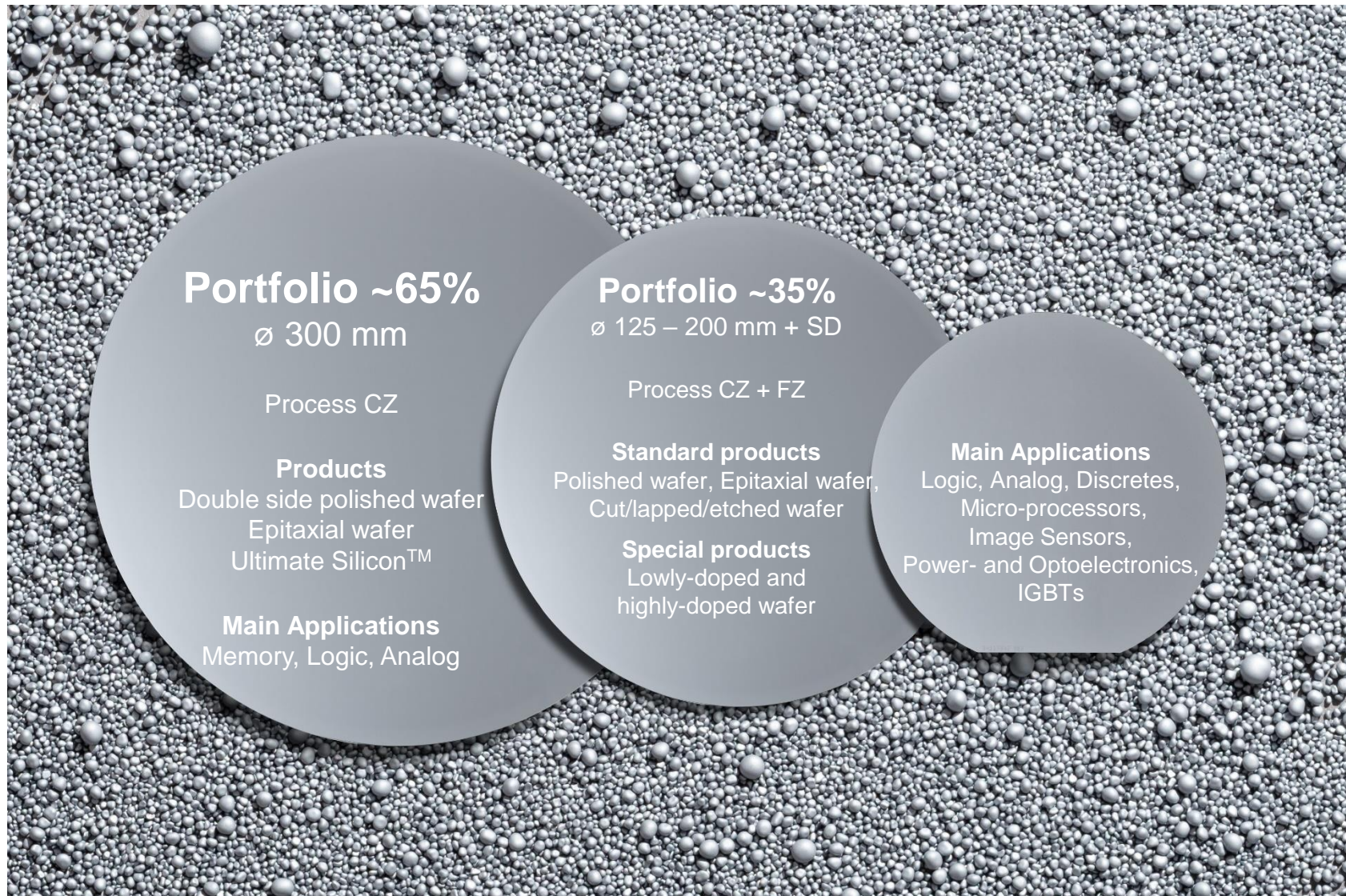
Siltronic is focused on growing 300 mm and attractive 200 mm business.

Development of total wafer demand per diameter, in mn 300 mm equivalents per



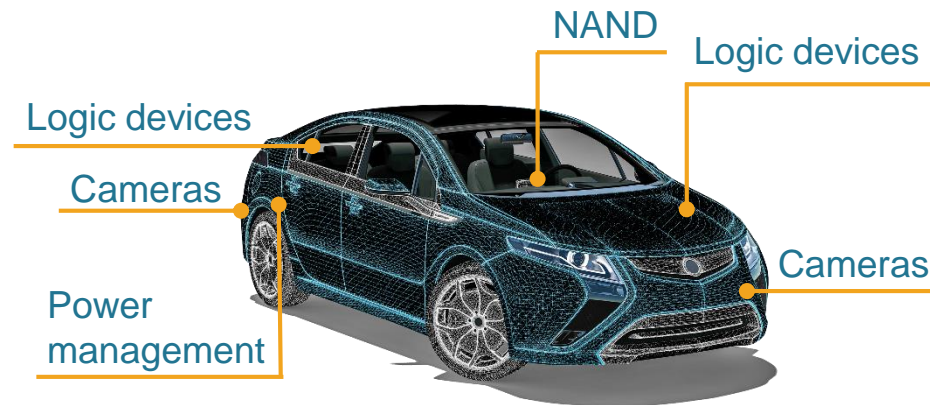
Source: SEMI up to June 2021

A broad product portfolio covers standard and leading-edge requirements of the customers



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

Electronic equipment contains multiple devices built on tailormade silicon substrates



Pictures: AdobeStock_181844841; AdobeStock_55587517; AdobeStock_218649399

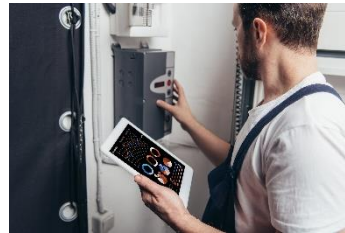
Industrial semiconductor segment comprises a wide range of applications

Medical



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

Building & Home



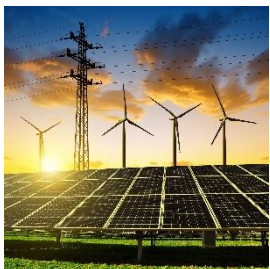
- ▶ built in climate control
- ▶ lighting
- ▶ safety & security equipment

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

Pictures: appliedmaterials.com; [AdobeStock_356279818](https://www.adobe.com/stock/356279818); [AdobeStock_240858509](https://www.adobe.com/stock/240858509); [AdobeStock_101580295](https://www.adobe.com/stock/101580295); [AdobeStock_216164502](https://www.adobe.com/stock/216164502); [AdobeStock_282814163](https://www.adobe.com/stock/282814163)

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

Current growth drivers include

Data explosion: connected devices, data transport and storage, big data, logic/AI

Power: renewable energy, smart grid, battery chargers

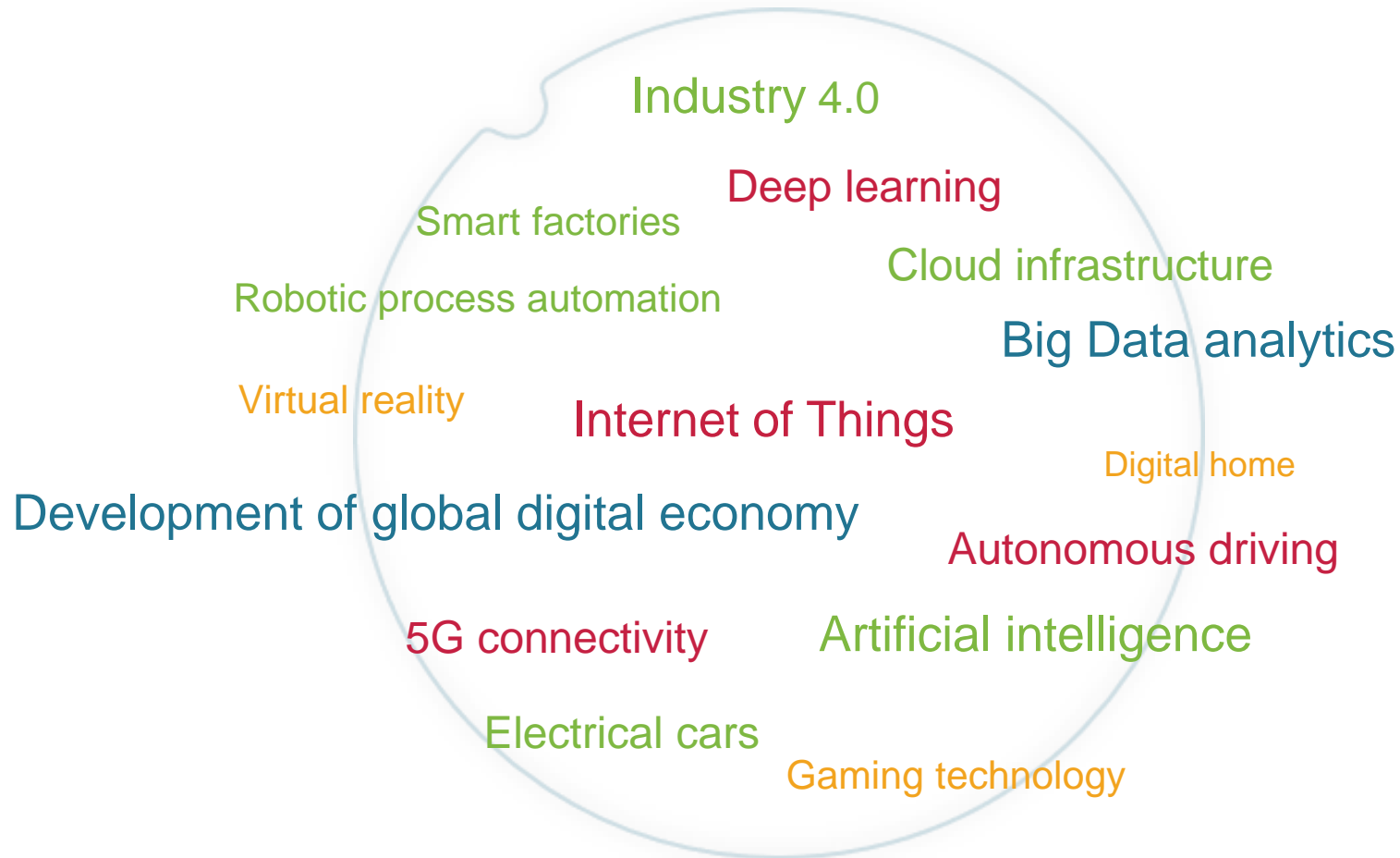
Automotive: ADAS, infotainment, electro mobility



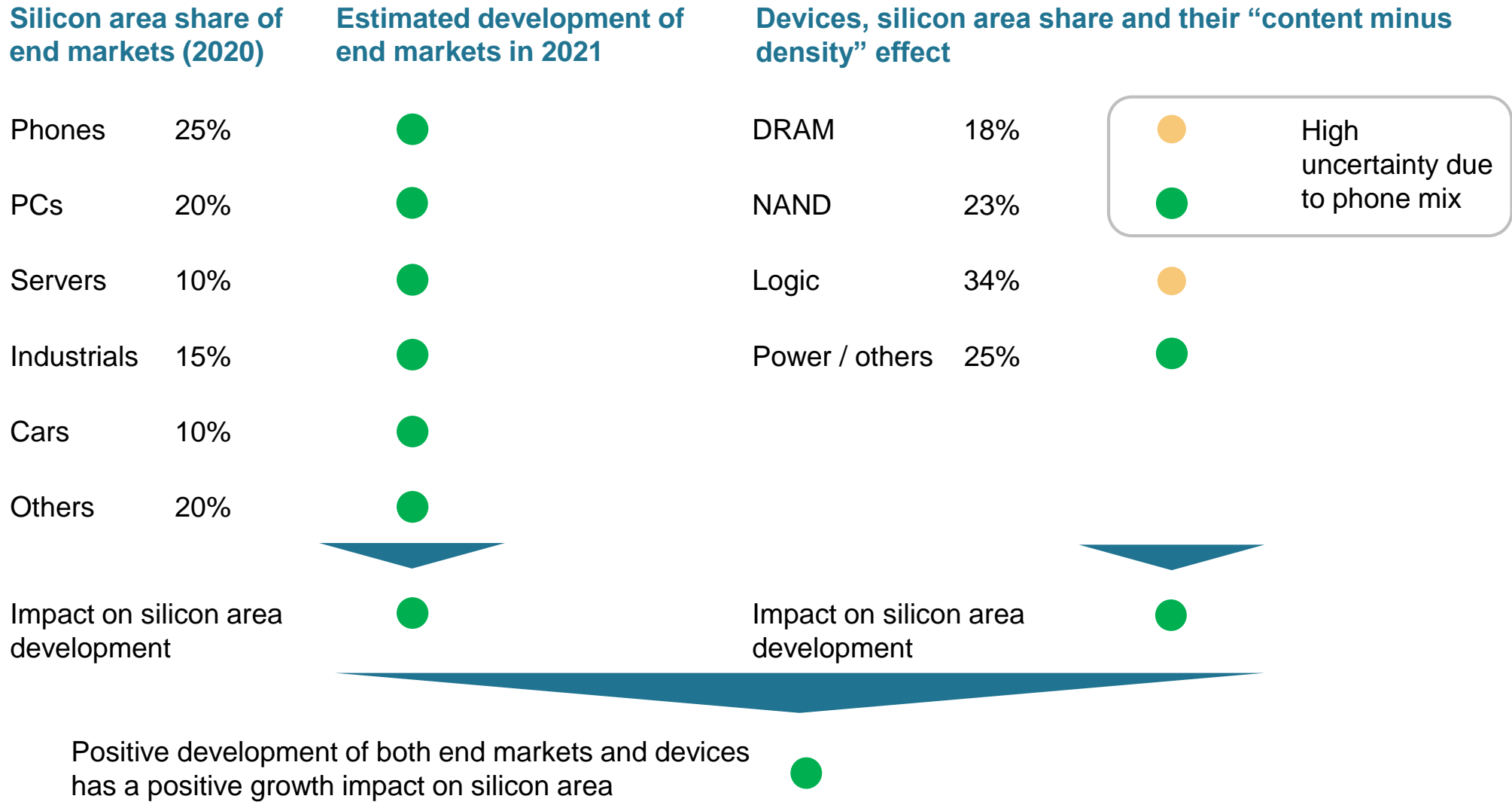
Pictures: coolhand118/stock.adobe.com, tippapatt/stock.adobe.com, monsitj/stock.adobe.com, Wellnhofer Designs/stock.adobe.com, 安琦 王/stock.adobe.com, AdobeStock_101580295

Global megatrends drive sustained increase in wafer area

Devices become increasingly intelligent and see continuous improvement in functionality and energy efficiency



Estimated silicon area market development in 2021

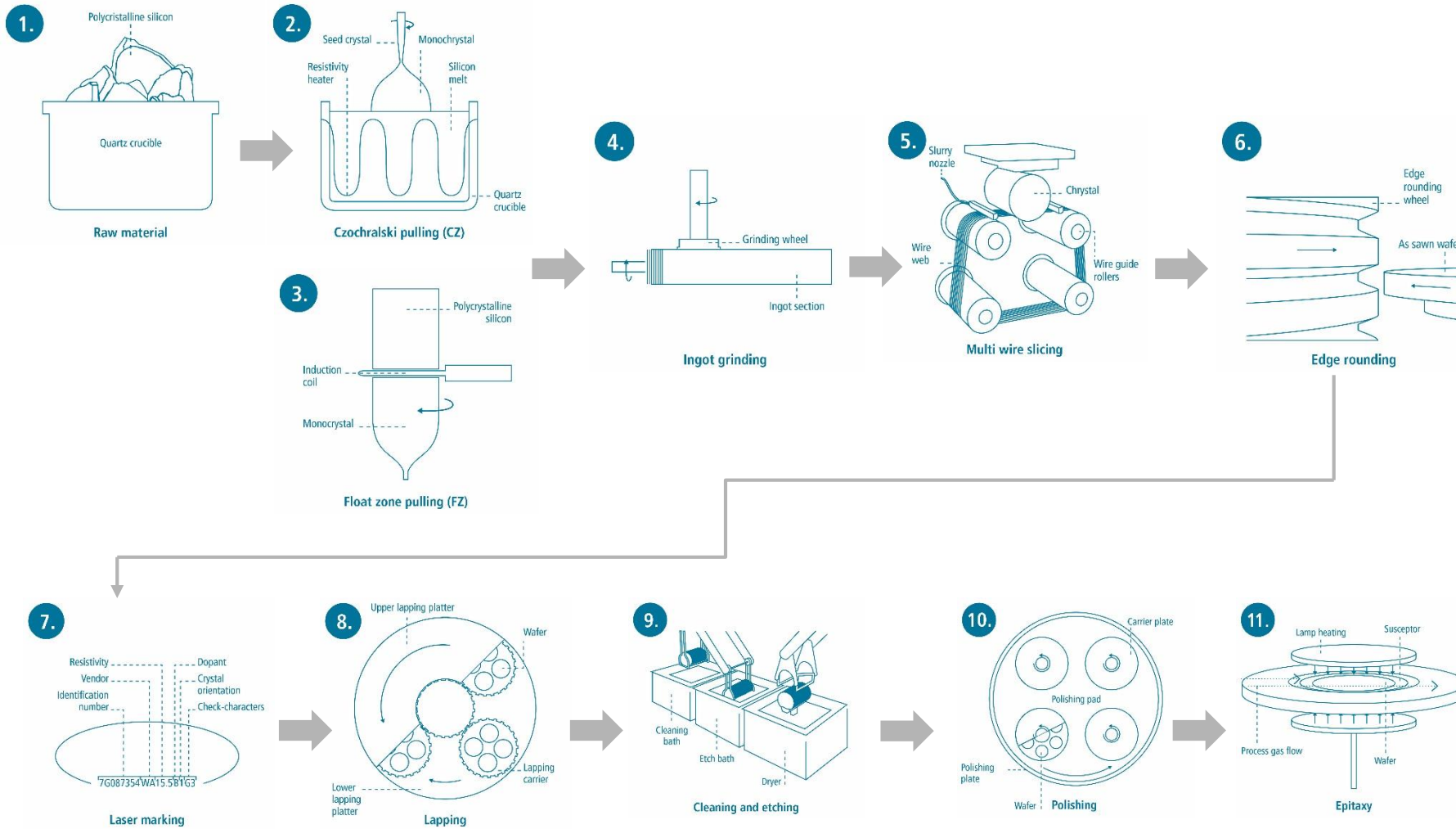


Source: Siltronic Marketing April.2021



**SILTRONIC - ONE OF THE
INDUSTRY TECHNOLOGY
LEADERS**

Wafer production process



Top technology position complemented with a high level of quality

A leading position in wafer technology

- ▶ First supplier to ship 300 mm wafers
- ▶ Development of 3 nm design rule started in 2019 (commercialization expected to start in 2022)
- ▶ Concurrently optimizing on 50+ wafer parameters of each design rule
- ▶ Single wafer traceability for 300 mm
- ▶ Standardized processes across sites enabling “copy exactly” at product level



>400 engineers worldwide



Approximately 1,850 pending and active patents in almost 370 patent families*

Quality awards from several top semiconductor customers received over the years

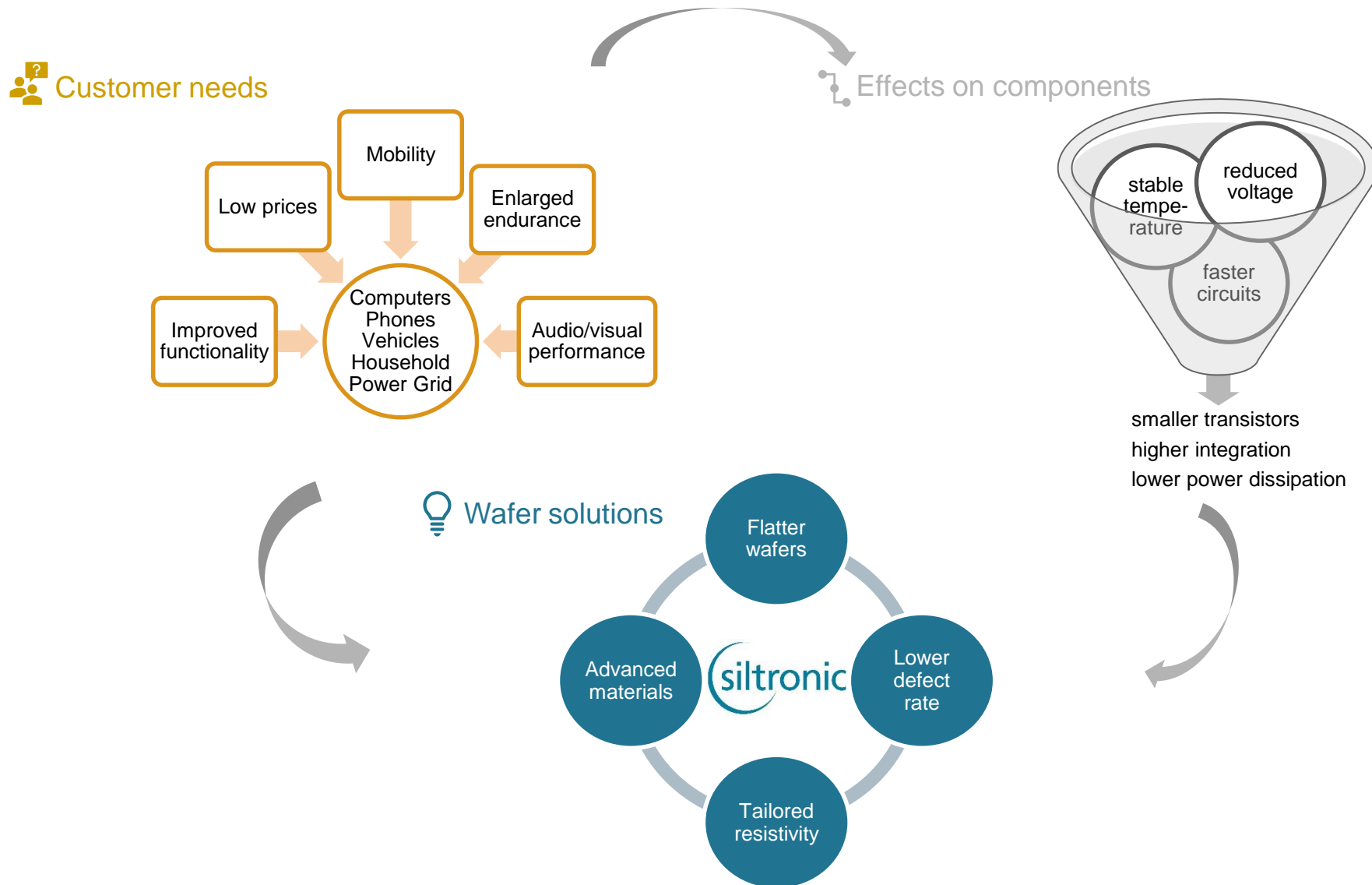


R&D expenditure, in EUR million (% of sales)



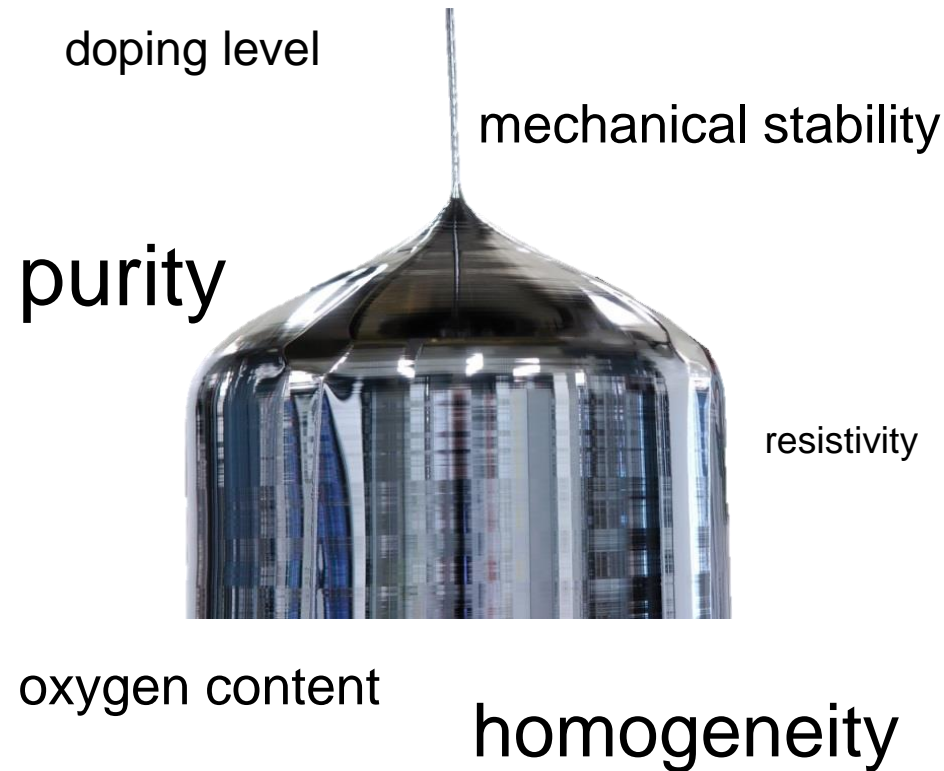
*as of December 31, 2020

Siltronic is continuously improving its wafer solutions to match customer needs

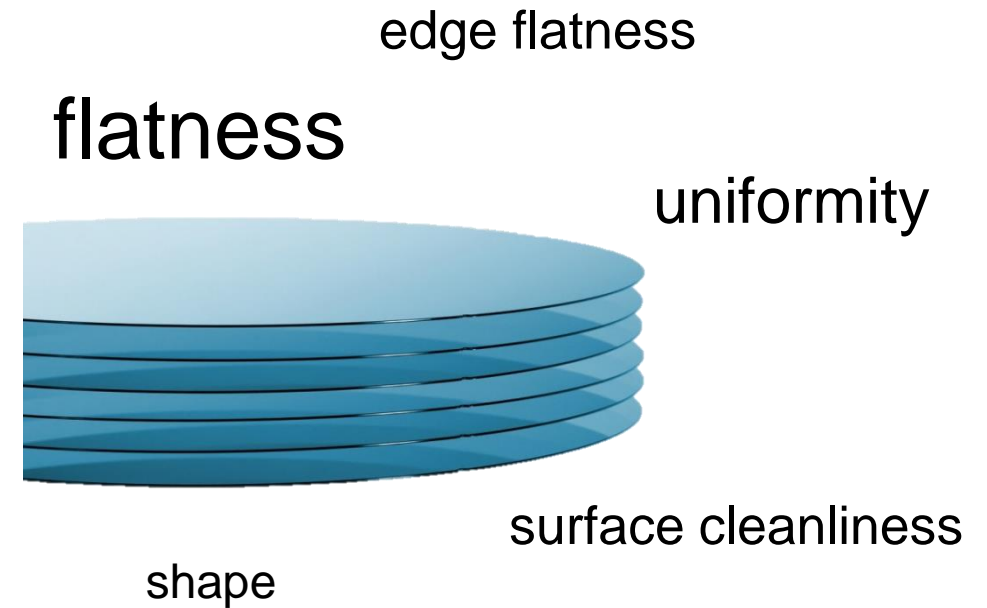


A number of key ingot & wafer properties define the wafer specification and its further use by the customer

Ingot



Wafer



2 key requirements – purity and flatness

Purity of 1 ppt “parts per trillion” prerequisite for semi applications



1 ppt = 3 – 4 dissolved sugar cubes
(~ 10 grams of sugar)

Flatness of a wafer – another key requirement

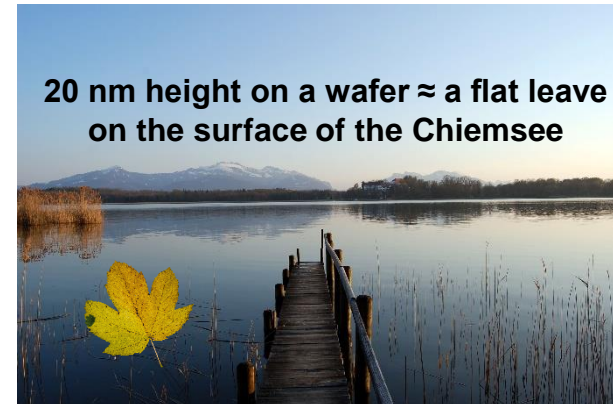
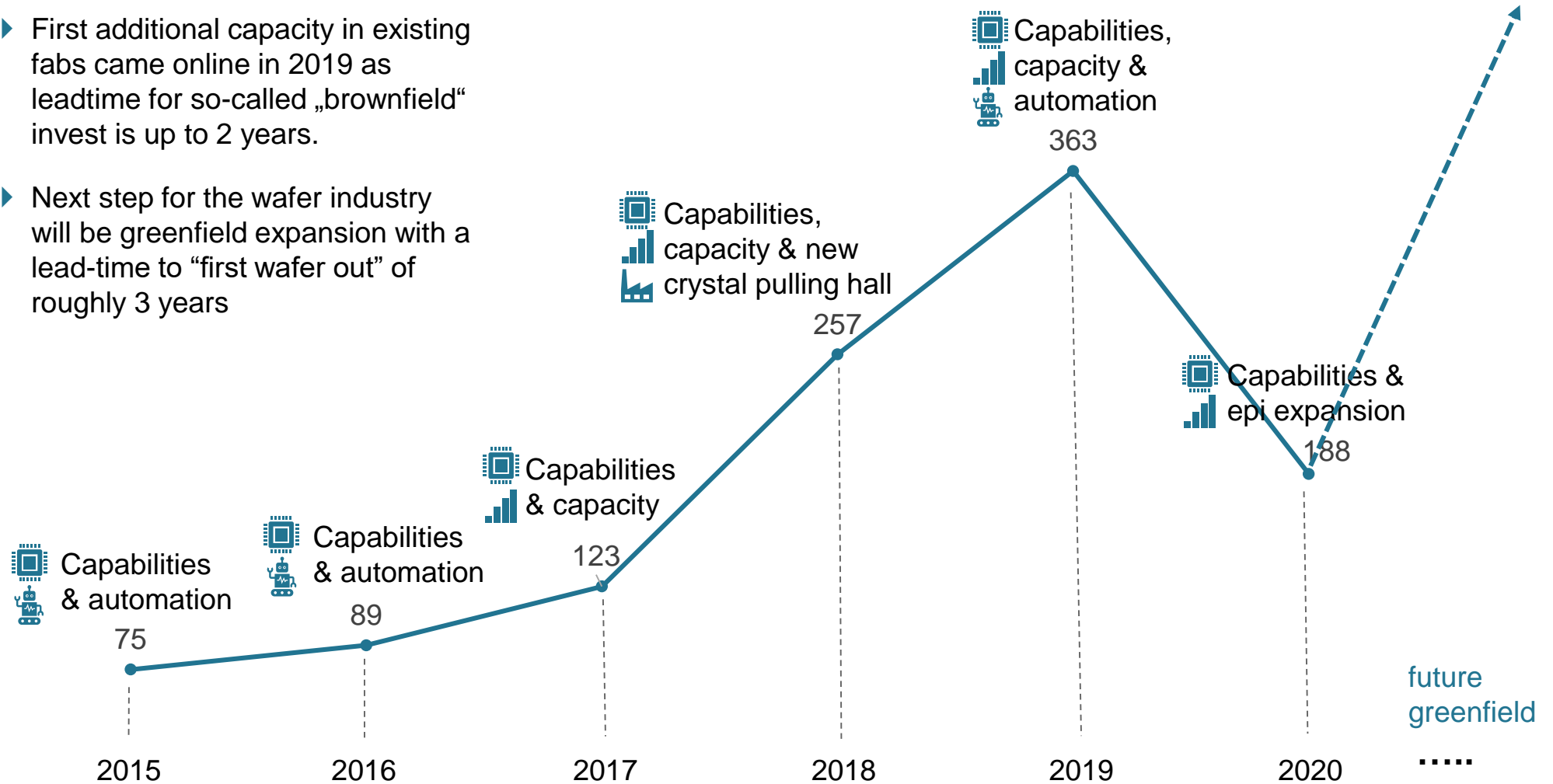


Image source: AdobeStock_13405644; AdobeStock_242331781; AdobeStock_242331781; adrian-infernus-jzfoklaRIw-unsplash

Capital-intensive industry with capex mainly in capabilities and cost savings but also in some capacity over the cycle

Siltronic Capex, in EUR million

- ▶ First additional capacity in existing fabs came online in 2019 as leadtime for so-called „brownfield“ invest is up to 2 years.
- ▶ Next step for the wafer industry will be greenfield expansion with a lead-time to “first wafer out” of roughly 3 years



The background features a series of concentric, glowing blue circular lines that create a sense of depth and motion. A large, semi-transparent teal circle is positioned on the left side of the frame. Inside this teal circle, the word "STRATEGY" is written in a clean, white, sans-serif font. A thin white arc is visible, partially overlapping the teal circle and extending towards the right side of the image.

STRATEGY

Strategy based on four pillars

Continuously increasing
the value for our stakeholders



Grow

by optimizing
product mix and
increase
capacities when
needed



Ensure

top technology
position &
highest quality



Improve

financial
performance &
cash flow

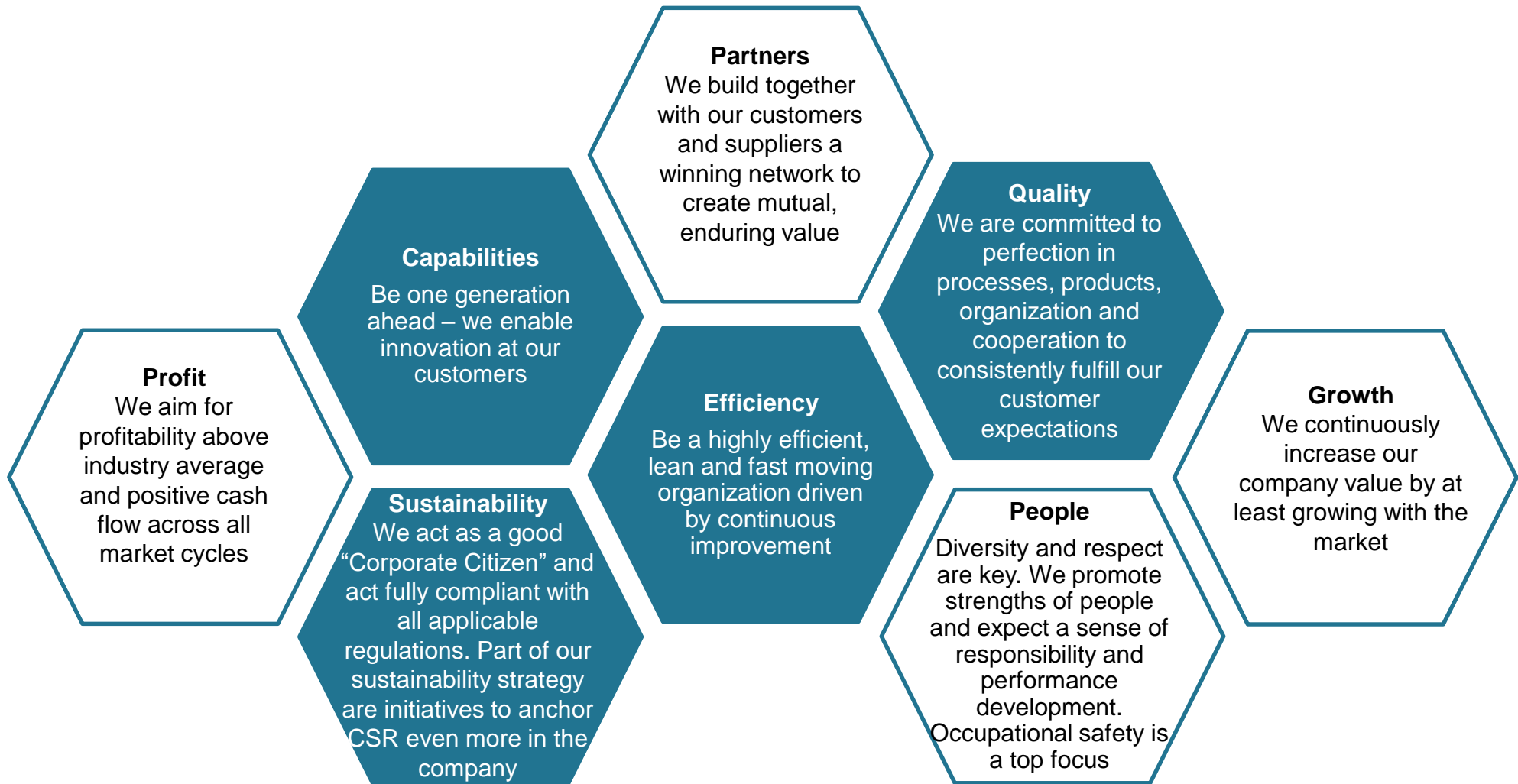


Execute

cost reduction
roadmaps &
debottlenecking
concepts

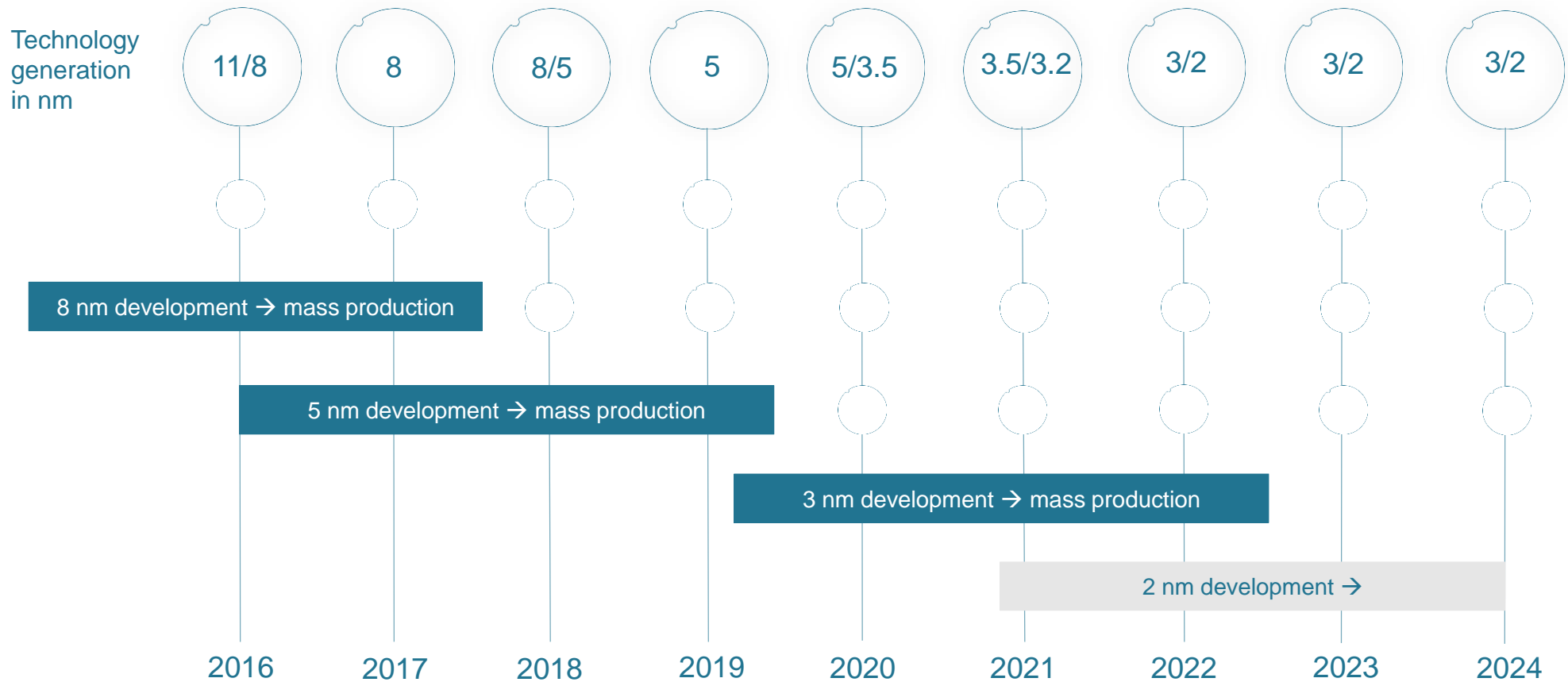
Optimize returns, stay ahead in technology and grow with the market

Our objectives and values



Short innovation cycles characterize the semiconductor industry

Siltronic wants to take advantage of growth opportunities by focusing on innovative solutions that add value and thereby help to meet customers' new requirements



Cost-competitiveness a pre-requisite in the wafer industry

Major cost items



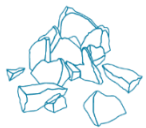
Labor



Supplies



Depreciation

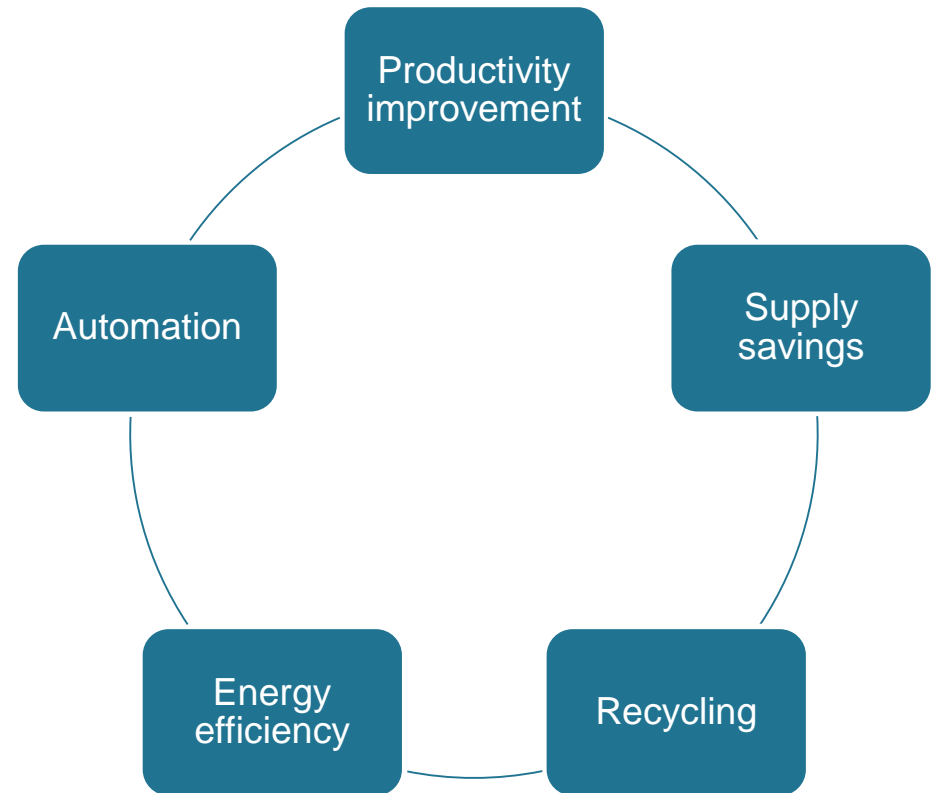


Polysilicon



Energy

Continuous cost roadmaps to counter unit cost increases





SUSTAINABILITY

Sustainability at Siltronic

Clear commitment to sustainability

- ▶ **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 the United Nations Global Compact.
- ▶ **Goal:** We want to reconcile the effects of our business activities with the expectations and needs of society.



Responsible Business Alliance
Formerly the Electronic Industry Citizenship Coalition
Advancing Sustainability Globally



CSR targets until 2030



Reduce specific energy consumption by 20%¹



Increase waste recycling by 25%¹



Reduce specific water consumption by 20%¹



Increase water recycling by 25%¹



Reduce specific greenhouse gas emissions by 20%¹

Ratings













Climate Change "B | Management"
Water Security "B | Management"



„Prime“ rating

¹ base value 2015

CSR track record 2020

CSR topic	Target 2020	Status	Notes
	Reduce energy intensity by 1.5%	✓	 Energy consumption reduced by 7.1 GWh in 2020 with energy efficiency program
	Increase waste recycling ratio by 1.5%	✓	 With a waste recycling ratio of 70.3% target for 2020 was reached. Since base year 2015 recycling ratio has increased >10%
	Reduce specific water usage in production by 1.5%	✓	 Specific water consumption decreased by 5.4% in 2020
	Increase water reuse ratio by 1.5%	✗	 Slight decrease of water reuse ratio in 2020; however increase of > 10% since base year 2015
	Reduce CO ₂ emission intensity by 1.5%	✓	 Reduction of absolute Scope 1 and 2 emissions by 2.2% p.a. compared with base year 2015

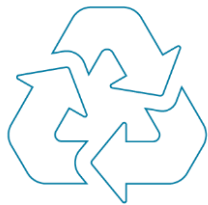
Siltronic enables technologies for a sustainable future

Resource efficiency

Innovation driver for environmentally friendly and resource-saving technologies

Industrial automation and smart factories

Increasing wafer content



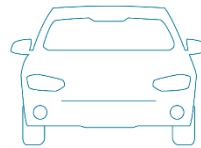
- Raw materials
- Energy consumption
- Water recycling
- Emissions

Sustainable mobility

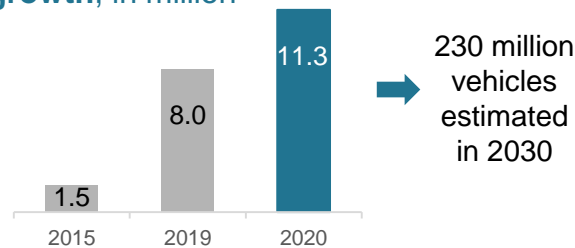
Reduction of transport emissions and carbon footprint to achieve climate targets

Increasing safety and efficiency

EV's with substantially higher wafer content



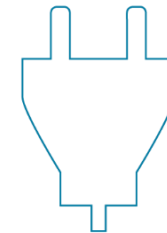
Global EV growth, in million



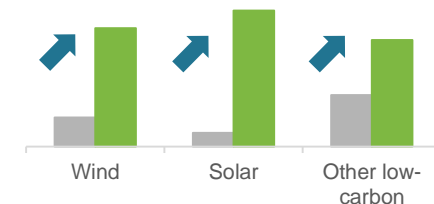
Clean energy

Wafer as a foundation for semiconductors enable clean, renewable energy sources and improving energy efficiency

Renewable energy needs more and more wafer content



Change in global electricity, 2000 - 2019 vs. 2019 - 2040



Source: IEA Global EV Outlook 2021; IEA 2020 World Energy Outlook



Employees

HR Strategy

Global HR strategy supported by decentralized organization



Attractive remuneration

Basic salary with vacation and Christmas bonuses and additional variable compensation components



Personnel development opportunities

Education, training and support programs



Diversity and equal opportunity

Diverse workforce with a wide range of skills and talents



Global HR Strategy



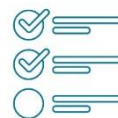
Occupational safety, plant safety, health

Extensive preventive measures and high safety standards;
Employee health prevention programs



Contemporary working models

Flexible working hours and home office



Various social benefits

Insurance, healthcare and pension offers

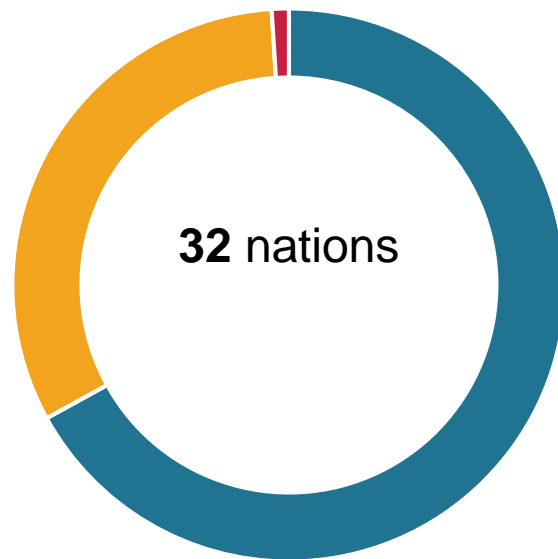


Work-Life balance

Various support options (like extra vacation for parents) to combine work and personal life planning



Diversity at Siltronic

International staff at German sites




■ Burghausen ■ Freiberg ■ Munich

Share of women to increase further

		
Total staff in Germany	21%	79%
1st management level below Executive Board	14%	86%
2nd management level below Executive Board	9%	91%

Target until 2023

	
1st management level below Executive Board	at least 21,5%
2nd management level below Executive Board	at least 11,4%

The many faces of diversity



~8 % employment rate of people with disabilities

significantly exceeds the statutory employment rate of 5% in Germany



Workforce by age group shows the challenges of the demographic change

Up to 30 years	16 %
31 – 50 years	48 %
over 50 years	36 %

all figures relate to FY 2020

Occupational health and safety is a key focus

Responsibility towards the entire workforce plays a major role within the Siltronic organization

Occupational safety

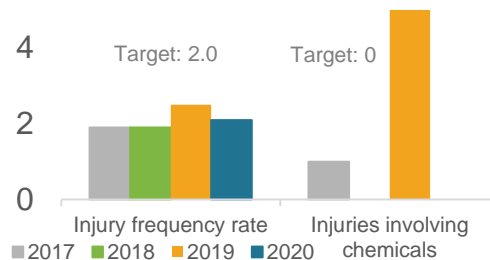
- ▶ Continuously improving safety standards

Key Measures:

- ▶ Safety officers, safety inspection tours, training courses, emergency drills

Working accidents

- ▶ Regularly reported with special focus on injuries involving chemicals
- ▶ No fatal accidents occurred in the last few years
- ▶ Global system to report near-miss incidents



Health protection

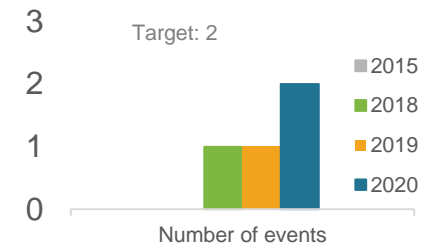
- ▶ Company programs for health prevention of our employees
- ▶ Various healthcare offers for employees

Plant safety

- ▶ Safe operation of our production facilities
- ▶ No event in 2020 was classified as an incident or as a hazardous incident ordinance
- ▶ Systematic safety analyses to determine risks

Corona Pandemic

- ▶ Successful hygiene measures meeting legal requirements; home office, adapted shift models and video conferences
- ▶ Vaccination and testing
- ▶ No severe cases at Siltronic

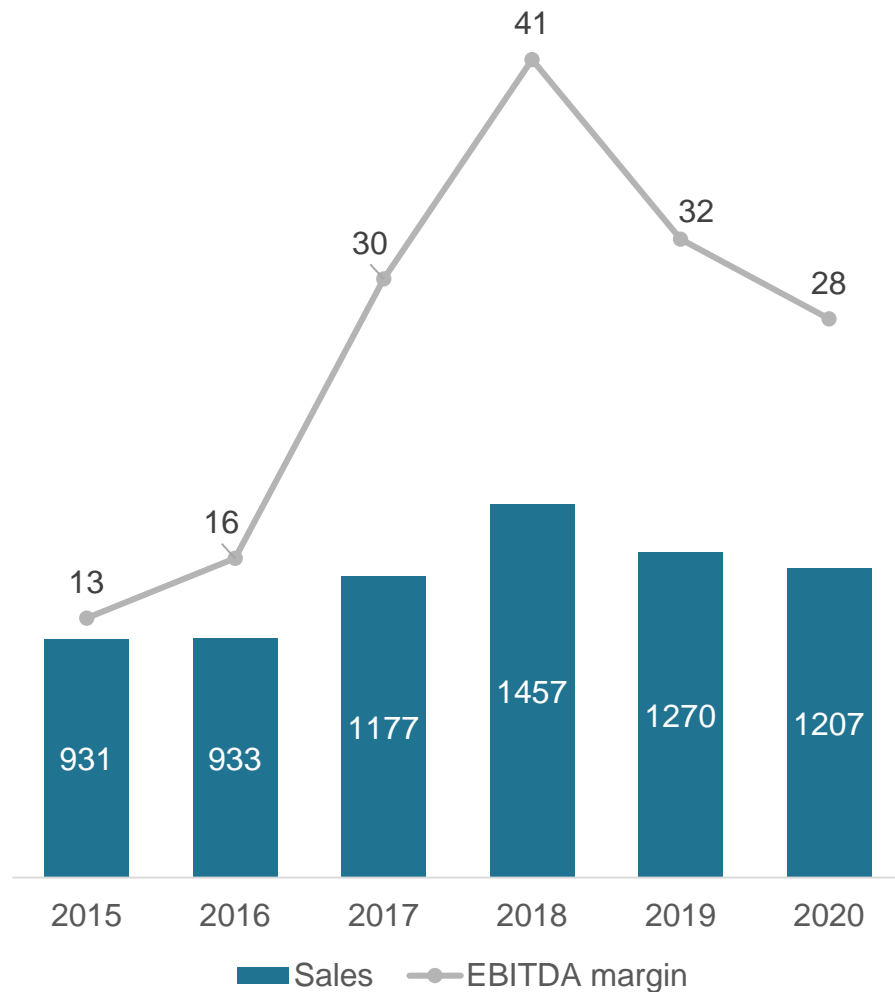




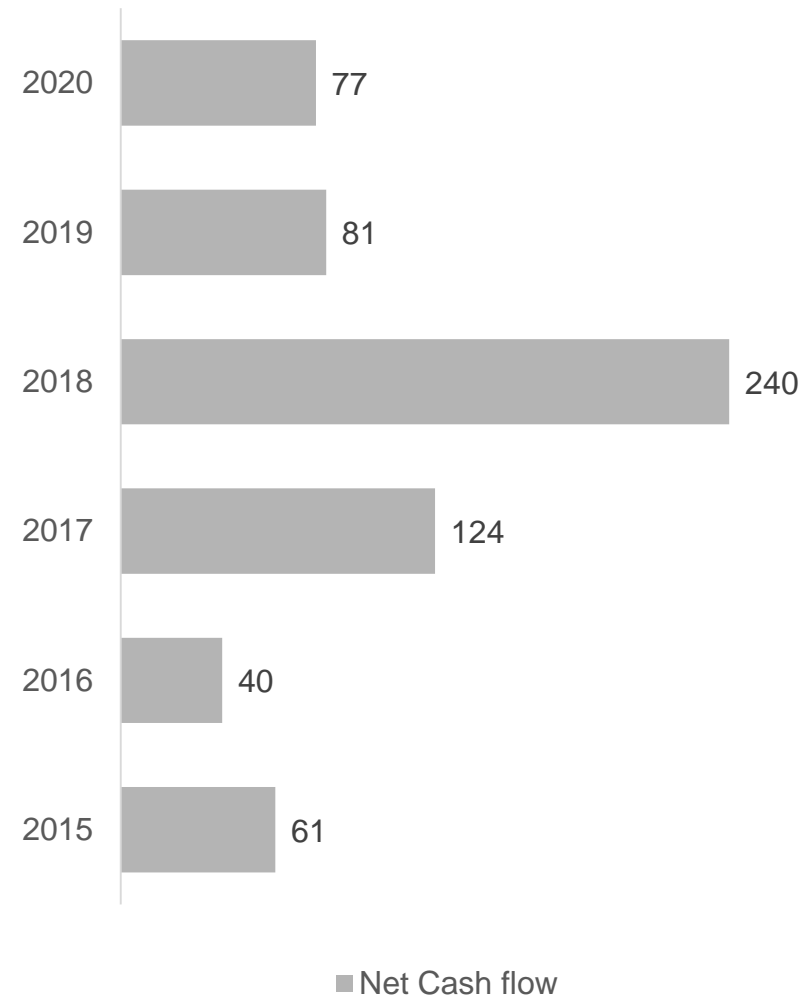
**FINANCIALS &
INVESTMENT RATIONALE**

Attractive margins and strong cash flows through the cycle

Sales, in EUR million / EBITDA margin, in %

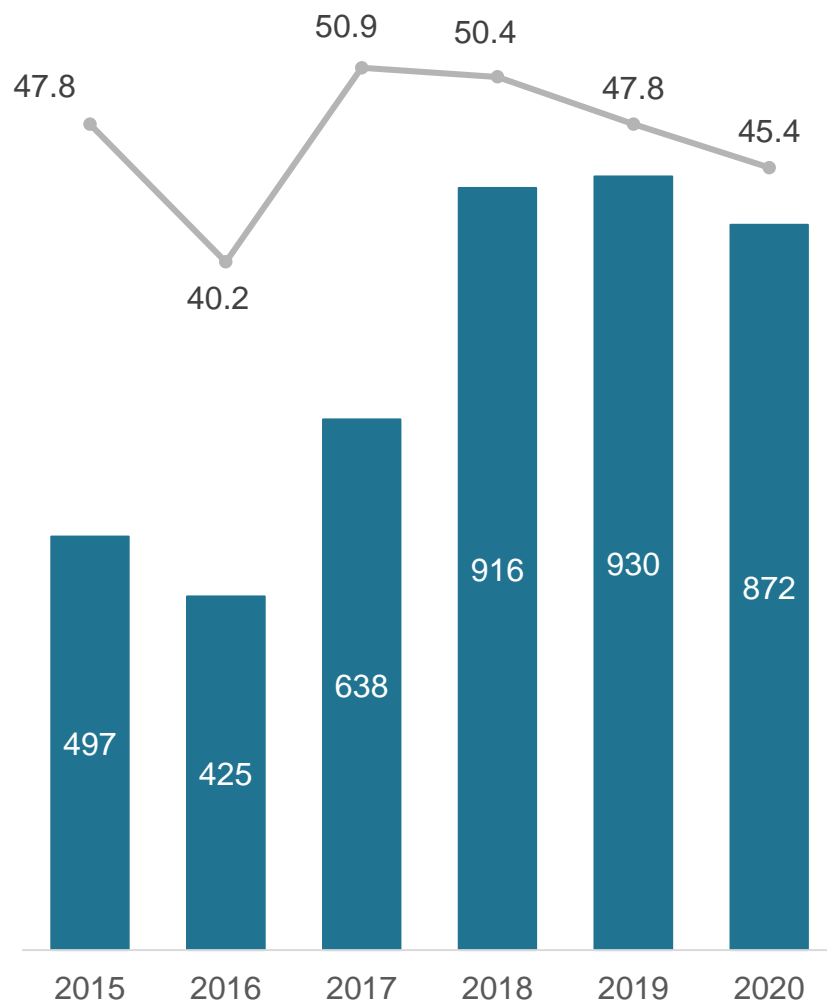


Cash flow, in EUR million

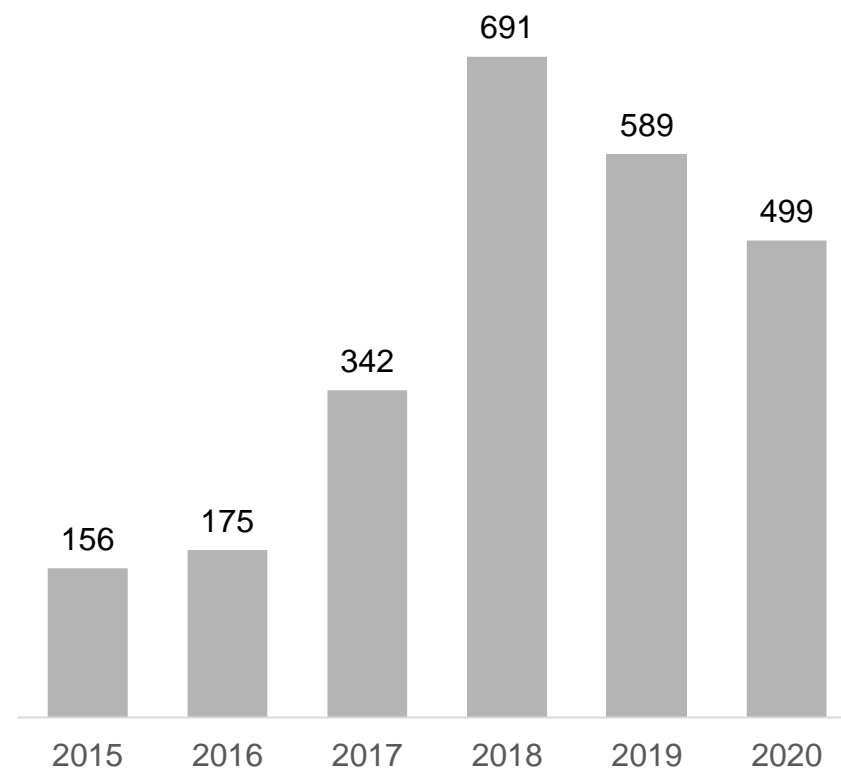


Strong equity ratio and solid net financial assets

Equity, in EUR m
Equity ratio, in %



Net financial assets,
in EUR m



Key investment highlights

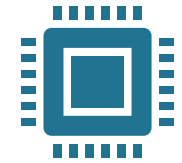
Market Position

- ▶ Strong market position in the semiconductor and wafer industry



Strategy

- ▶ Best-in-class technology and quality



Customers

- ▶ Supplier to all top 20 silicon wafer consumers



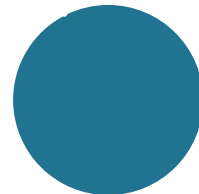
Financials

- ▶ Profitable sales increase and on-going efficiency improvement



Products

- ▶ High-quality wafers made of hyper pure silicon

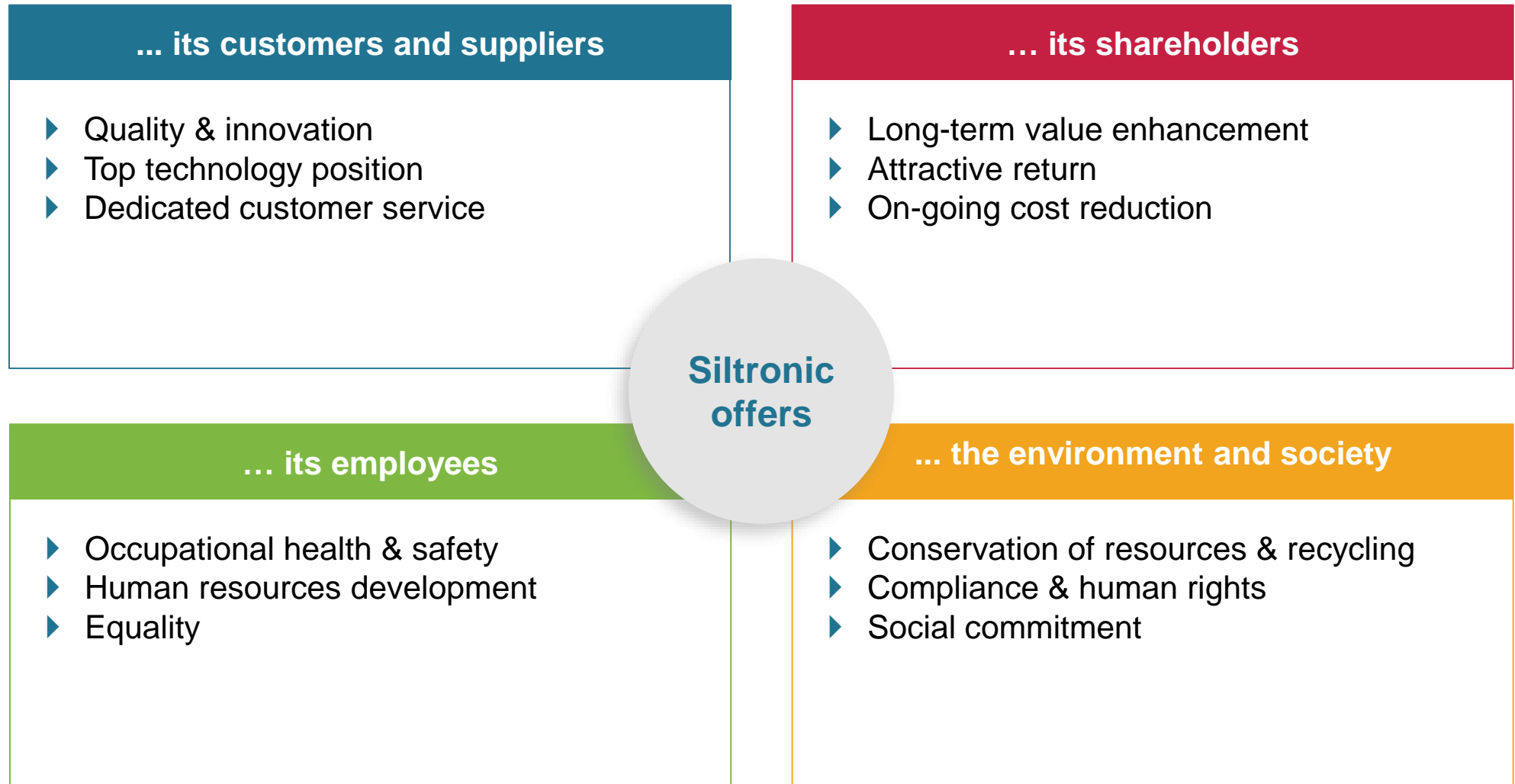


Management

- ▶ Experienced management team and highly skilled workforce



Creating value for all stakeholders





**SILTRONIC SHARE &
TENDER OFFER OF
GLOBALWAFERS**

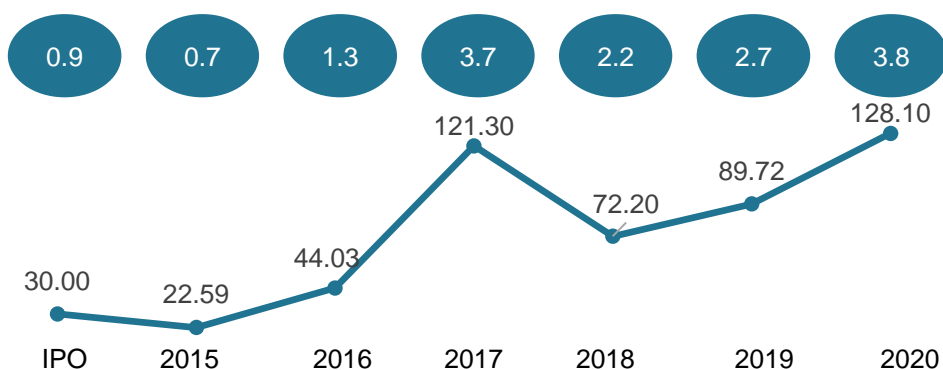
Siltronic shares at a glance

Coverage

Broker	Analyst
Berenberg	Gustav Froberg
Citigroup	Amit Harchandani
Commerzbank	Florian Treisch
Deutsche Bank	Rob Sanders
Jefferies	Constantin Hesse
Kepler Cheuvreux	Martin Jungfleisch
Stifel	Jürgen Wagner
Nord LB	Thorsten Strauß
Oddo BHF	Stephane Hourri
UBS	Francois-Xavier Bouvignies

Share price more than quadrupled since IPO

Year end closing share price, in EUR; Market cap in EUR billion



Consensus

Our full consensus is available here:

[Information on the share – Siltronic / perfect silicon solutions](#)

Share information

ISIN / Symbol: DE000WAF3001 / WAF300

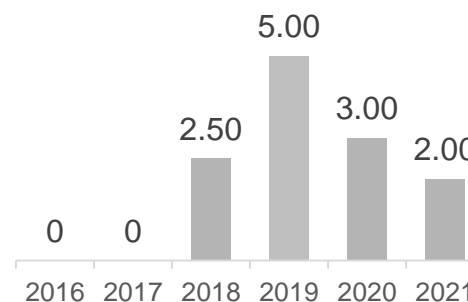
ISIN tendered shares / Symbol: DE000WAF3019 / WAF301

Trading platform: Prime Standard - Xetra, Frankfurt

Indices: SDAX, TecDAX

No. of shares: 30.000.000.000 (registered shares; one share = one vote)

Dividend payment per share, in EUR



General dividend policy established in 2017: payout ratio = around 40% of net income attributable to Siltronic shareholders

Executive Board and Supervisory Board welcome the tender offer of GlobalWafers

Industry Strategy

- Create one of the leading players in the industry with a comprehensive and technologically sophisticated product portfolio for customers worldwide
- Expanded production and technology capabilities to satisfy growing demand
- Allow combined business to expand capacity at the right time
- Significantly increased financial and operational capabilities

Shareholders

- EUR 145 per share in cash
- Wacker Chemie tendered its entire stake of approx. 30.8%

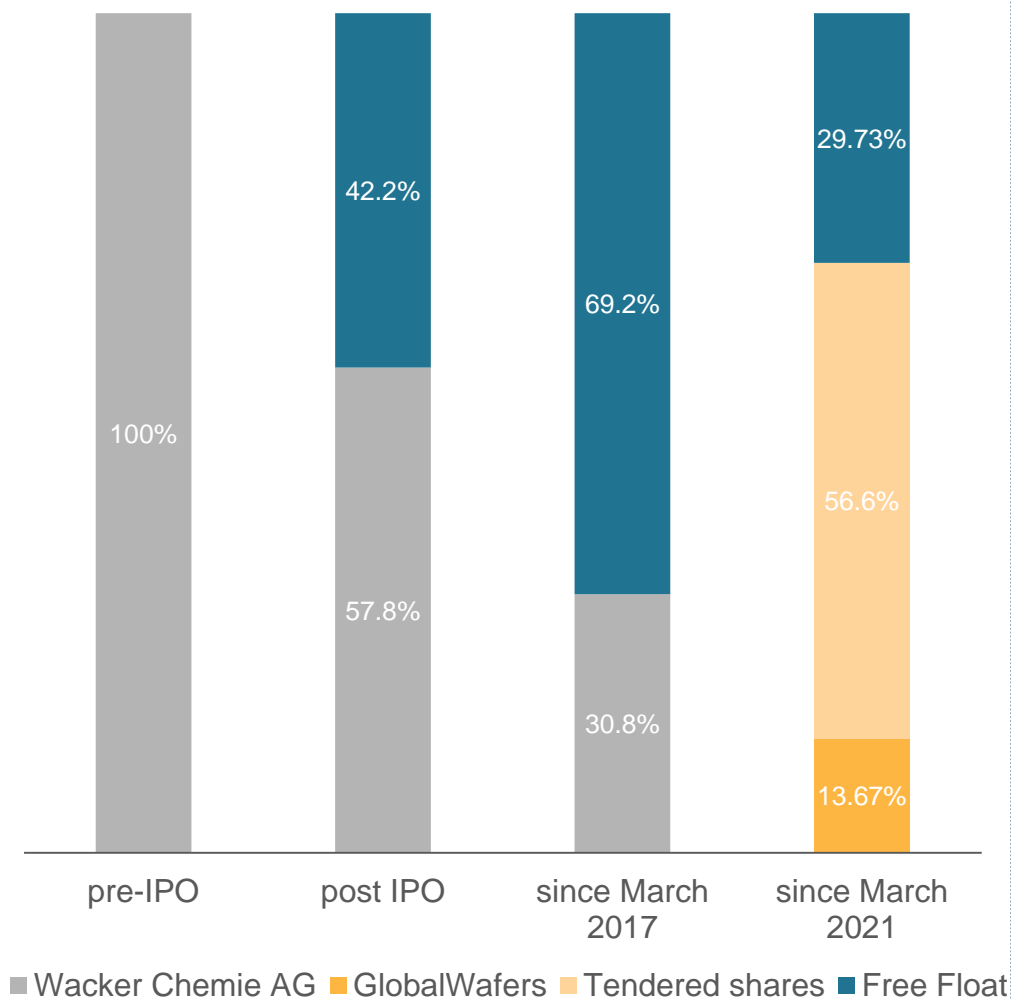
Siltronic

- Burghausen site to remain Siltronic R&D hub
- Sufficient investment budgets to maintain and further develop existing production capacities
- Continue Siltronic under existing name and preserve Siltronic brand

Employees

- Comprehensive protection clauses for employees and sites in Germany
- Corporate co-determination remains unchanged
- Existing pension plans remain unchanged

Tender offer of GlobalWafers changed shareholder structure



Significant notifications of voting rights (>3%) (as of June 18, 2021)

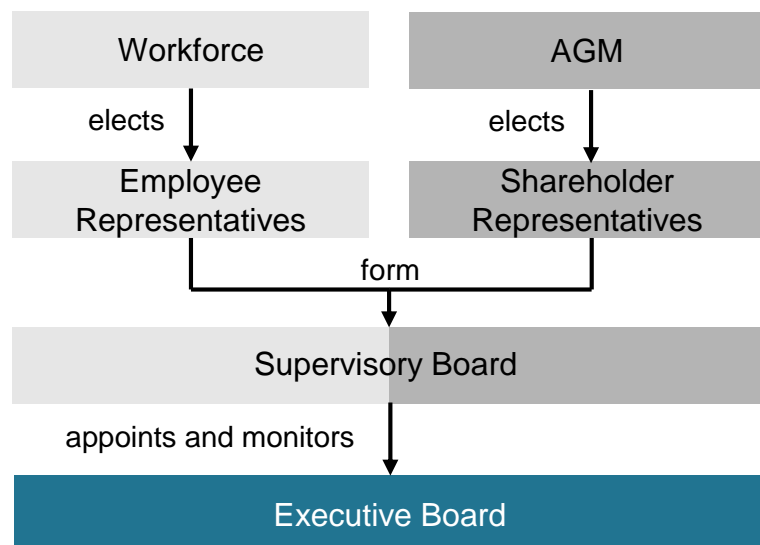
Sino-American Silicon Products	13.67%
JP Morgan Chase & Co.	6.50%
Goldman Sachs	4.86%
UBS Group AG	4.18%
Bank of America Corporation	4.01%
Morgan Stanley	4.07%
BlackRock	3.85%
Alex Litowitz (Magnetar)	3.84%
Capital Group	3.03%



**CORPORATE
GOVERNANCE**

Dual management system with a balanced Supervisory Board

Two-tier system



Dual Board

In accordance with German Corporate Law (co-determination) and Corporate Governance Code 2020 both bodies cooperate closely and in a spirit of trust in managing and overseeing the company.

Supervisory Board composition

Shareholder representatives: 4 male & 2 female members

Employee Representatives: 4 male & 2 female members

Independence: At least 4 shareholder representatives within the meaning of the German Corporate Governance Code.

Preparation of Supervisory Board Meetings: Separate preparatory meetings of the shareholder and employee representatives

Supervisory Board committees

Audit Committee	prepares Supervisory Board decisions on financial reporting and deals with issues concerning risk management & compliance
Executive Committee	deals with personnel matters of the Executive Board and its compensation
Nomination Committee	responsible for proposing suitable candidates to be elected as shareholder representatives on the Supervisory Board
Conciliation Committee	formed pursuant to German Co-determination Act

Skilled Supervisory Board with majority of shareholder representatives being independent

Shareholder representatives

<p>Dr. Tobias Ohler Member of the Executive Board of Wacker Chemie AG</p> <p><i>Since 2013 (Chair since 2015) until 2023</i></p> <p><i>Conciliation Committee (Chair), Audit Committee, Executive Committee, Nomination Committee (Chair)</i></p>	<p>Prof Dr. Gabrijela Dreo Rodosek Executive Director of CODE research institute and Chair for Communication Network Security at Universität der Bundeswehr</p> <p><i>Since 2018 until 2023</i></p> <p><i>independent</i></p>
<p>Sieglinde Feist Head of Sales & Distribution Wacker Chemie AG</p> <p><i>Since 2014 until 2023</i></p> <p><i>Conciliation Committee</i></p>	<p>Dr. Hermann Gerlinger Managing Partner of GeC GmbH</p> <p><i>Since 2011 until 2023</i></p> <p><i>Executive Committee (Chair), Nomination Committee</i></p> <p><i>independent</i></p>
<p>Michael Hankel former member of the Executive Board of ZF Friedrichshafen AG</p> <p><i>Since 2018 until 2023</i></p> <p><i>Executive Committee</i></p> <p><i>independent</i></p>	<p>Bernd Jonas Independent Lawyer</p> <p><i>Since 2015 until 2023</i></p> <p><i>Audit Committee (Chair)</i></p> <p><i>independent</i></p>

Employee representatives

<p>Gebhard Fraunhofer Chairman of Siltronic AG General Works Council of Siltronic AG</p> <p><i>Since 2016 until 2023</i></p> <p><i>Conciliation Committee, Audit Committee</i></p>	<p>Johann Hautz Exempted works council of Siltronic AG, Burghausen</p> <p><i>Since 2003 (Deputy chair since 2016) until 2023</i></p> <p><i>Conciliation Committee, Executive Committee</i></p>
<p>Mandy Breyer Deputy chairman of General Works Council of Siltronic AG, Freiberg</p> <p><i>Since 2018 until 2023</i></p>	<p>Klaus-Peter Estermaier Head of Supply Chain Management Siltronic AG</p> <p><i>Since 2018 until 2023</i></p>
<p>Lina Ohlmann Specialized Secretary of Mining, Chemical and Energy Industrial Union (IG BCE), Union Pay Policies Department</p> <p><i>Since 2021 until 2023</i></p>	<p>Markus Hautmann District Manager of Mining, Chemical and Energy Industrial Union (IG BCE) Altötting</p> <p><i>Since 2021 until 2023</i></p>

Highly experienced Executive Board

Dr. Christoph von Plotho CEO

Born:
October 16, 1955, Beuel/Bonn
German

Professional Career

Since October 2010:
Siltronic AG Executive Board Chair
Appointed until December 31, 2023

2005: Head of WACKER SILICONES business unit
2003: Head of WACKER SPECIALTIES business unit
2000: Business Unit Head Fluids; Emulsions at
WACKER SILICONES
1999: Management Spokesperson at Elektroschmelzwerk
Kempten GmbH
1996: Business Unit Head of Elastomers at Wacker Silicones
Corporation, Adrian, USA
1995: Direttore Tecnico at Silmix SpA, Peschiera, Italy
1994: Project Supervision – Silmix SpA; Peschiera, Italy
1992: Directeur Technique et Chef de Marche at Wacker Chimie
S.A., Lyon
1984: Initial position as laboratory director at
Wacker Chemie GmbH



Rainer Irle CFO

Born:
March 17, 1970, Bergneustadt
German

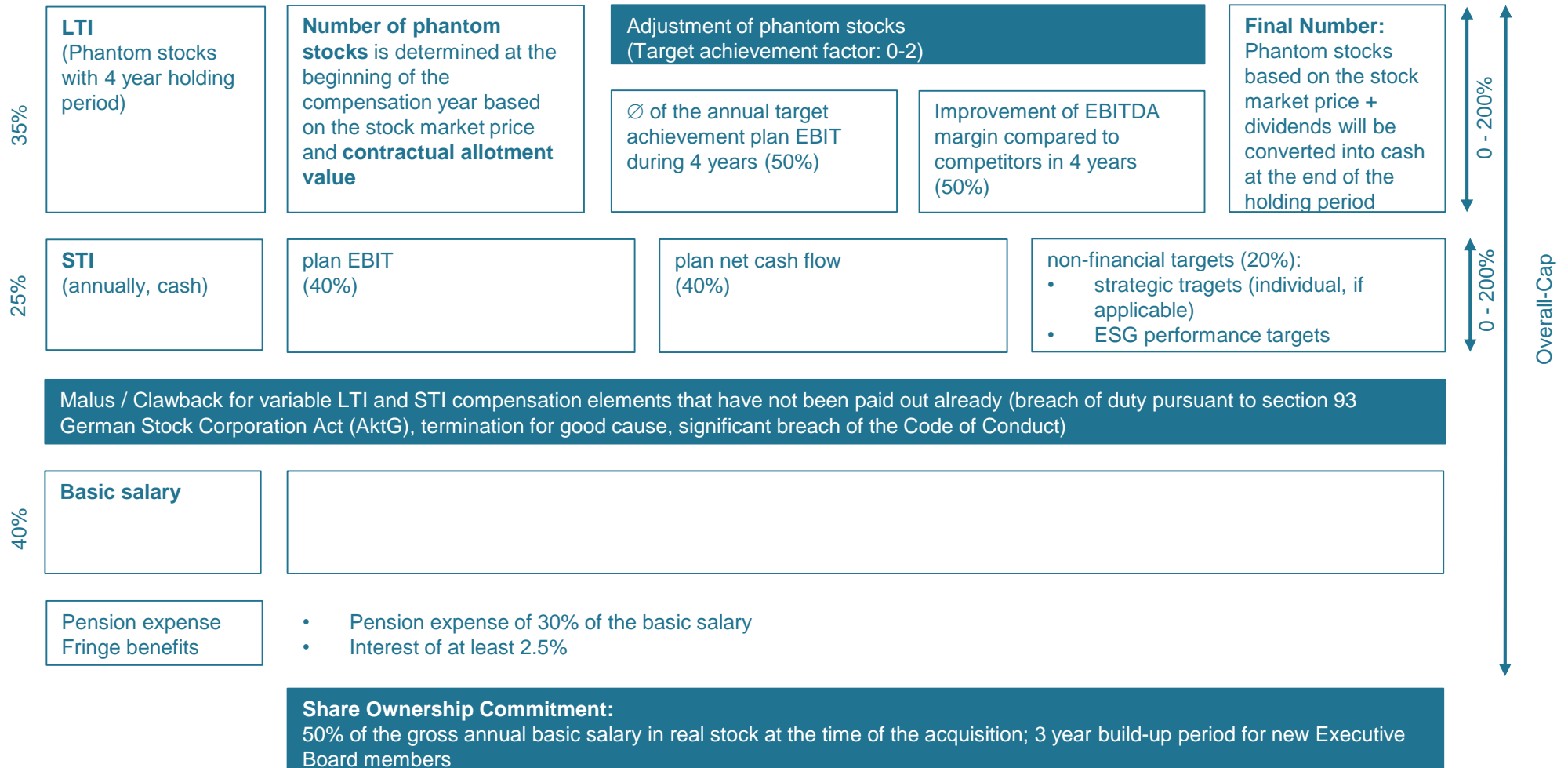
Professional Career

Since January 2013:
Chief Financial Officer in Siltronic AG
Executive Board
Appointed until December 31, 2025

2008: Head of Corporate Controlling, Wacker Chemie AG, Munich
2006: Chief Financial Officer at Siltronic Corporation, Portland,
USA
2003: Joined Wacker Siltronic AG as Director Strategic Planning
1997: Management consultant at A.T. Kearney GmbH, Düsseldorf
1989: Trainee at Deutsche Bank

Siltronic incentivizes the Executive Board appropriately and with long-term and ESG orientation

Compensation system of Executive Board has received high approval from shareholder with 98.8% majority in AGM 2020



Contact and Additional Information

Issuer and Contact

Siltronic AG
Einsteinstraße 172
D-81677 München

Investor Relations:
email: investor.relations@siltronic.com

Additional Information

ISIN:	DE000WAF3001
WKN:	WAF300
Deutsche Börse:	WAF
Listing:	Frankfurt Stock Exchange Prime Standard

Financial Calendar 2021

Q2 Interim Report	July 28, 2021
Q3 Quarterly Statement	October 26, 2021



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Einsteinstraße 172
81677 Munich
Germany