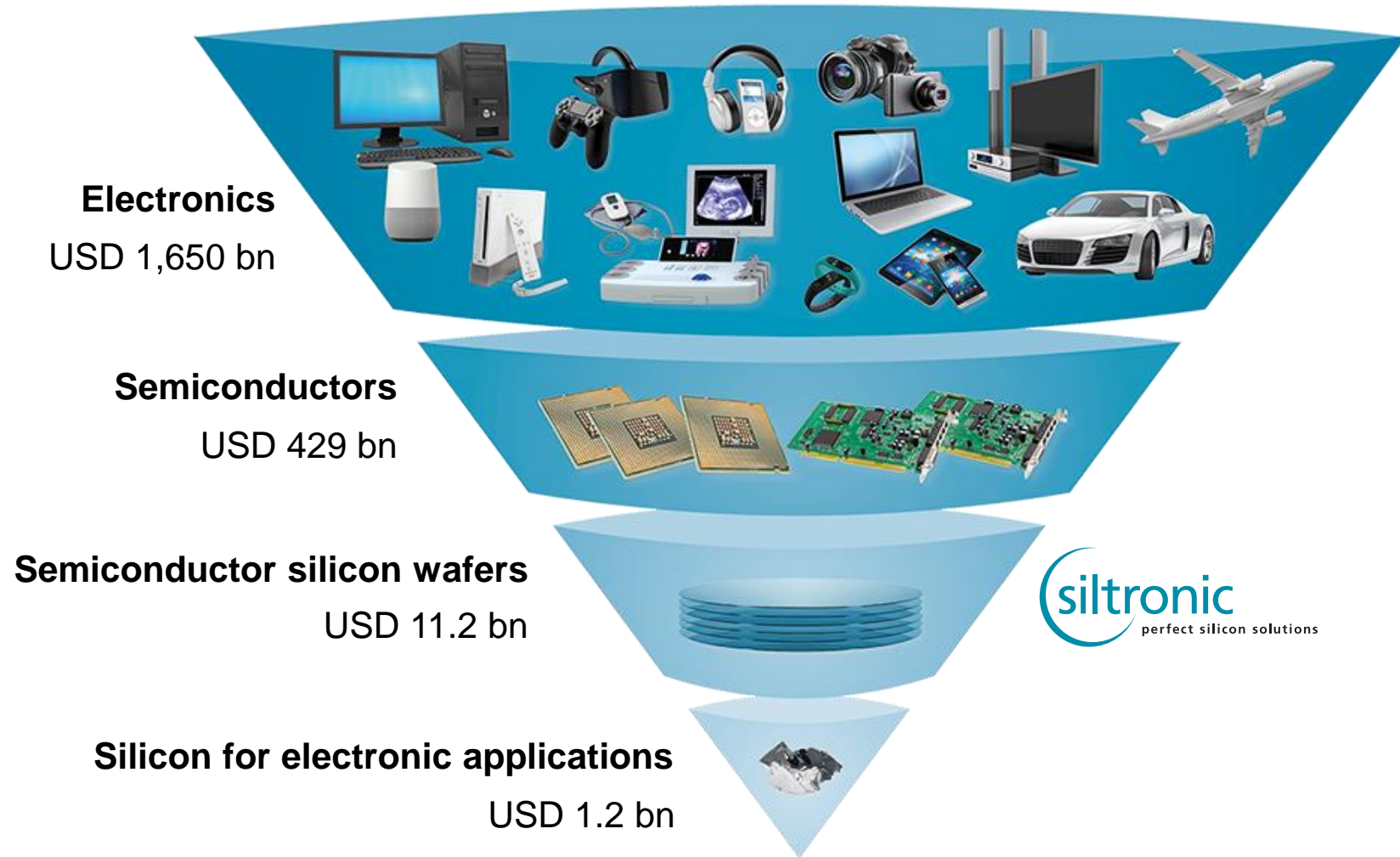


Siltronic AG Investor Presentation – FY 2020

March 9, 2021

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

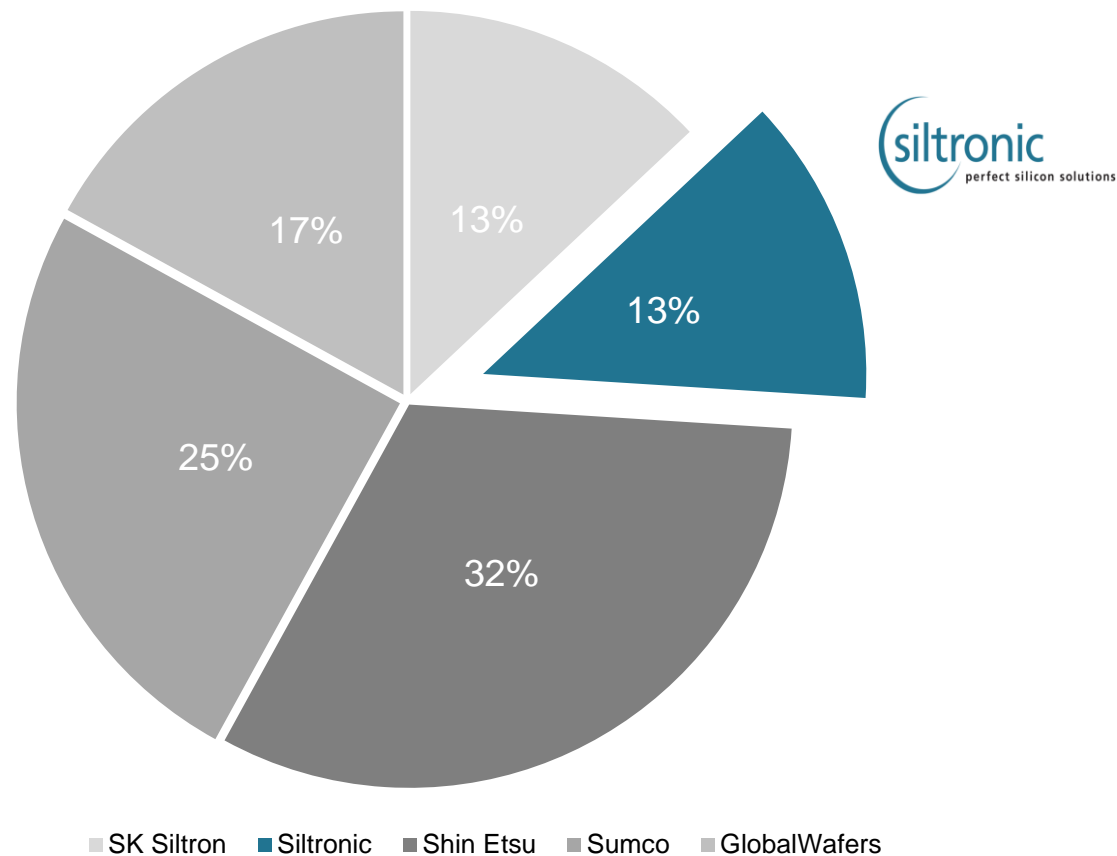
Electronics Value Chain 2020



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

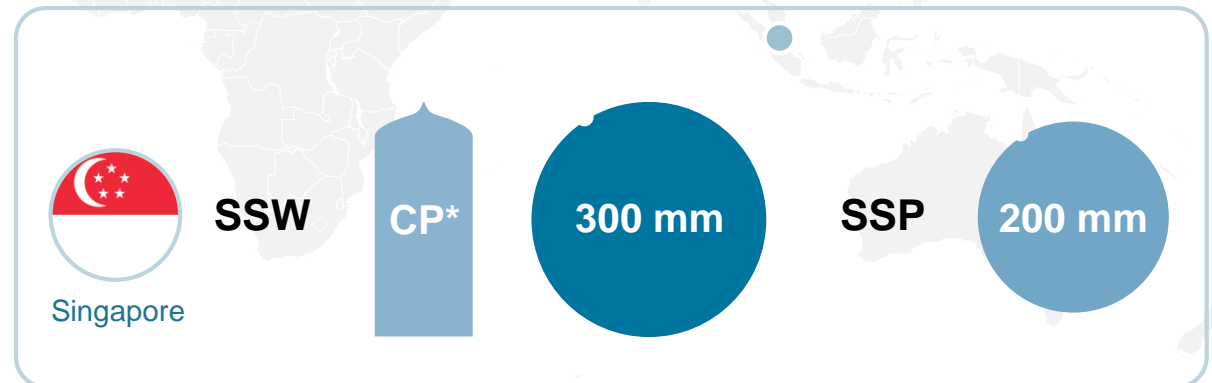
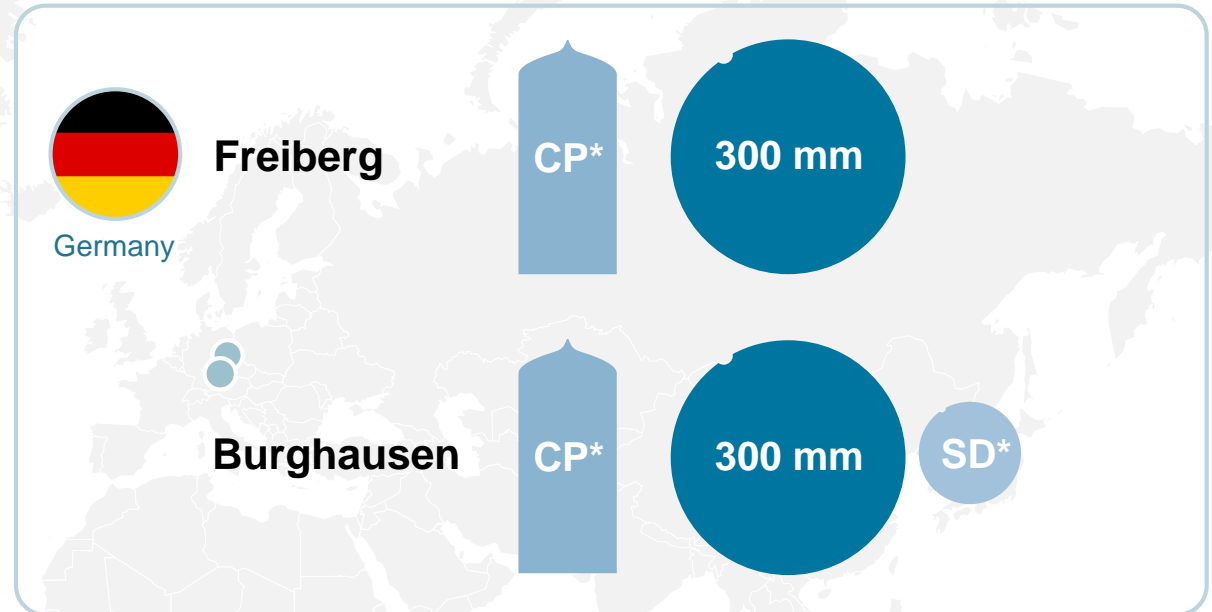
Siltronic has a relevant global market share...

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



Sources: reported company revenues Q1-Q3 2020, converted to USD million

... and an international manufacturing network

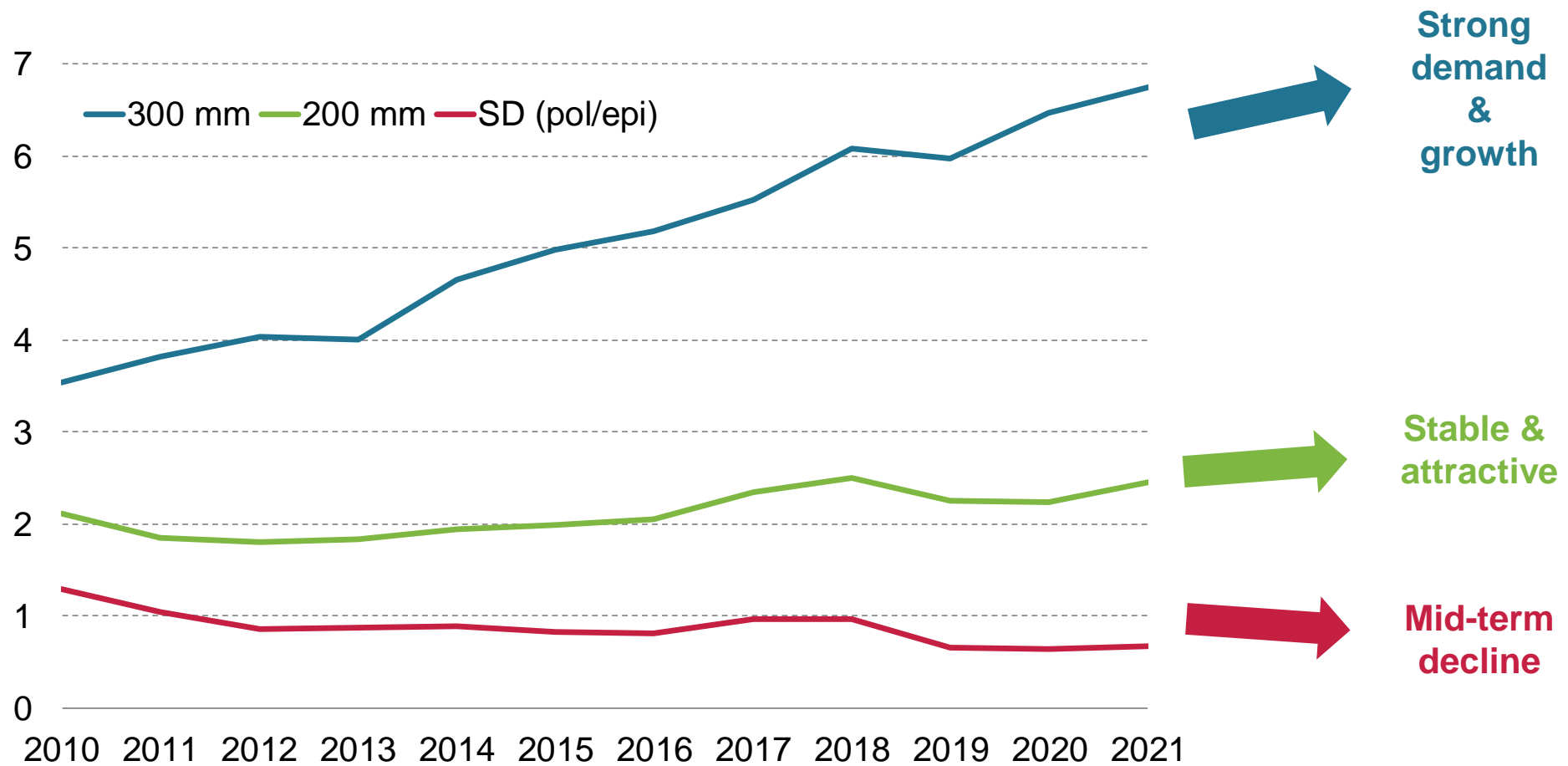


- ▶ **Central R&D hub** in Burghausen
- ▶ **High volume facilities** for 300 mm in Germany and Singapore
- ▶ Among world's **newest & largest fabs** in Singapore

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

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

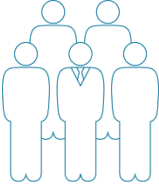


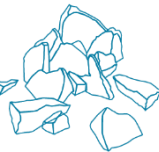
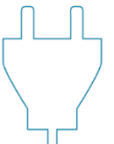
Development of Total Wafer Demand per Diameter, in mn 300 mm equivalents per month



Source: SEMI up to Jan 2021

Cost-competitiveness a pre-requisite

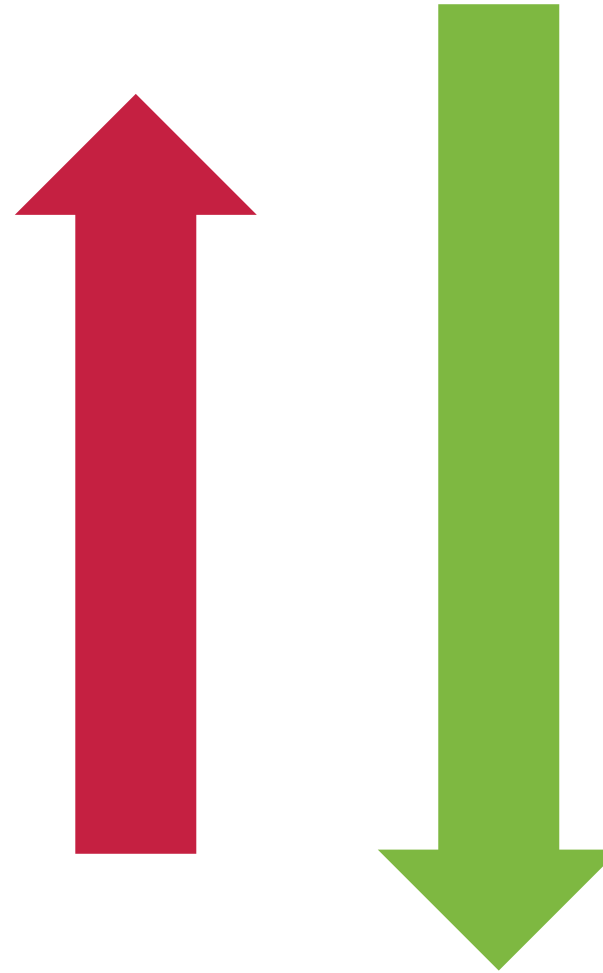
Major cost items

- ▶ Labour 
- ▶ Supplies 
- ▶ Depreciation 
- ▶ Polysilicon 
- ▶ Energy 

Cost development 2021

- ▶ COLA
- ▶ Commodity Prices

- ▶ Productivity improvement
- ▶ Supply savings
- ▶ Recycling
- ▶ Energy efficiency
- ▶ Automation
- ▶ Cash cost development



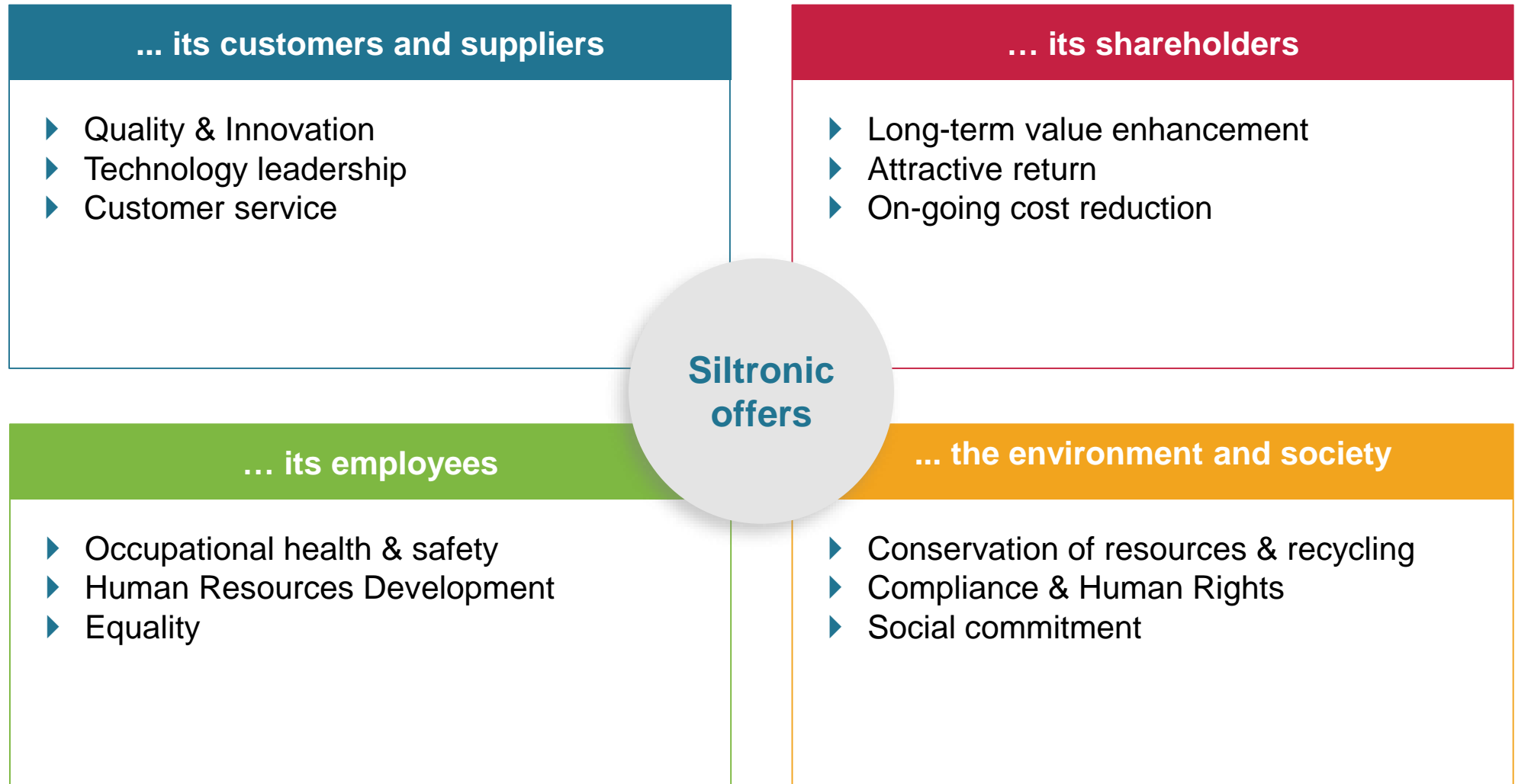
Overview Financials

Adjusted financial figures (EUR million)	2016	2017	2018	2019	2020
Sales	933.4	1,177.3	1,456.7	1,270.4	1,207.0
EBIT	27.0	235.7	497.7	298.3	192.2
EBIT margin in %	2.9	20.0	34.2	23.5	15.9
EBITDA	146.0	353.1	589.3	408.7	332.0
EBITDA margin in %	15.6	30.0	40.5	32.2	27.5
Earnings per share	0.40	6.18	12.44	7.52	5.36
Capex	88.8	123.2	256.9	363.0	187.6
Free cash flow ¹	19.0	169.6	416.4	36.4	32.0
Net cash flow ¹	39.6	124.8	240.4	81.3	77.4
Dividend	-	75.0	150.0	90.0	60.0 ²

¹ In 2018, Siltronic started reporting the key figure „net cash flow“ instead of „free cash flow“. Net cash flow represents free cash flow without the time shifts created by inflow and return of customer prepayments which, due to the size, impairs the meaningfulness of free cash flow.

² Dividend proposal of EUR 2.00 per share to AGM on April 29, 2021

Creating value for all stakeholders



Clear commitment to sustainability

Sustainability at Siltronic AG

- ▶ **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.

CDP: Siltronic has been evaluated by CDP since 2018; current evaluation results CDP Climate Change "B | Management" and Water Security "B | Management"

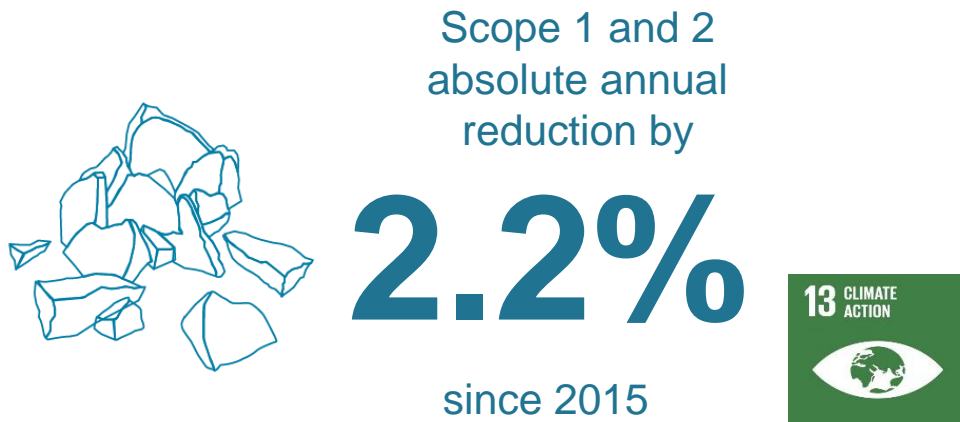
ISS-oekom: Siltronic has been evaluated by ISS-oekom since 2017. With the "Prime" rating, Siltronic is one of the leading companies in the semiconductor industry in the area of sustainability.



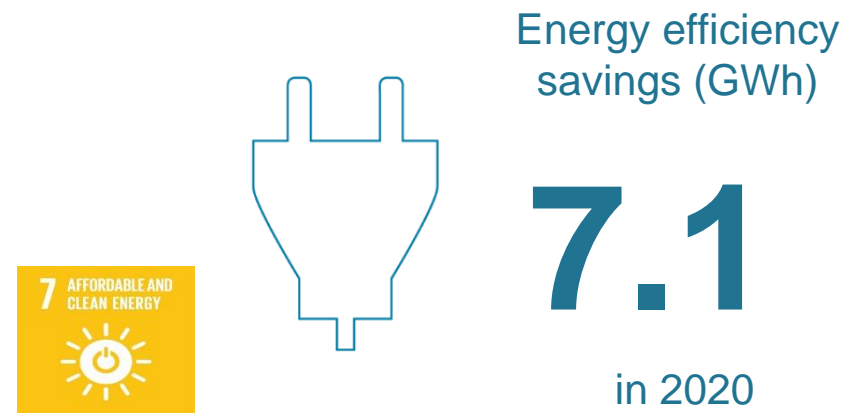
Environment - Efficiency as a success factor

Selection of non-financial performance indicators in 2020

GHG emissions



Energy



Waste Recycling



Occupational Safety



CSR targets until 2030

Consistently sustainable action secures long-term competitive advantages for Siltronic



Reduce specific greenhouse gas emissions by 20%¹

Reduce specific energy consumption by 20%¹

Reduce specific water consumption by 20%¹

Increase water recycling by 25%¹

Increase waste recycling by 25%¹



¹ base value 2015

Siltronic strategy - capitalize on market opportunities while focusing on 300 mm & technological leadership

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

Strategic Focus

Grow
with the market

Ensure
technology &
quality leadership

Improve
financial performance
& cash flow

Execute
cost reduction
roadmaps &
debottlenecking
concepts

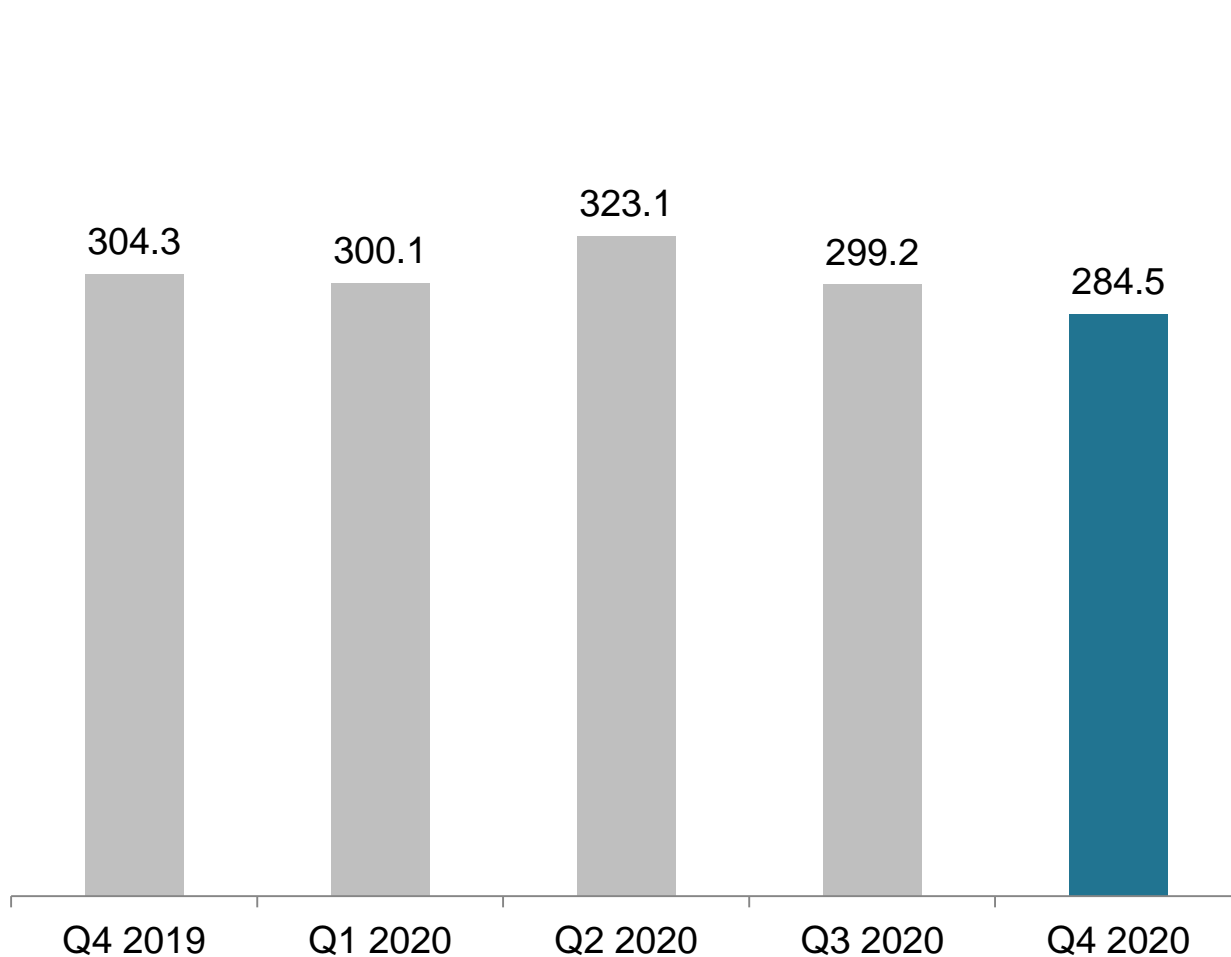
We continuously increase the value for our stakeholders by providing best-in-class wafers at competitive costs.



Financials 2020

Revenues down q-o-q due to seasonality and some FX headwind

Sales, in EUR m



Comments

▶ Positive

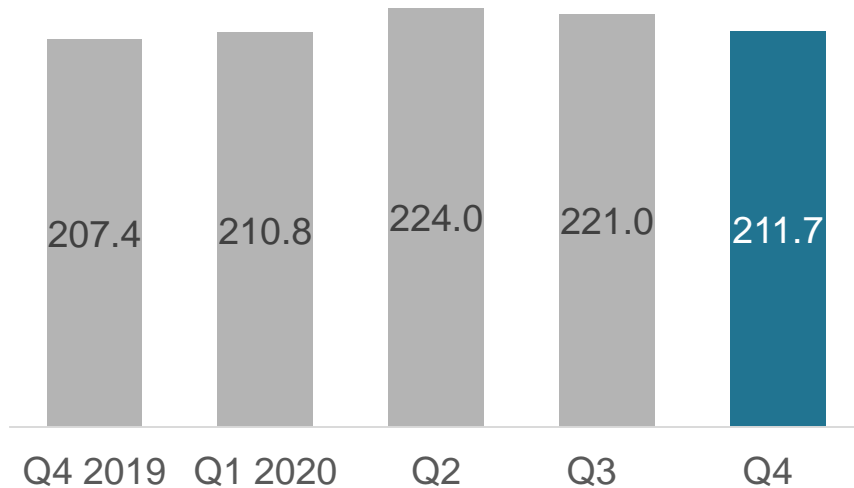
- ▶ Wafer area sold up y-o-y
- ▶ Stabilizing price trend in H2

▶ Negative

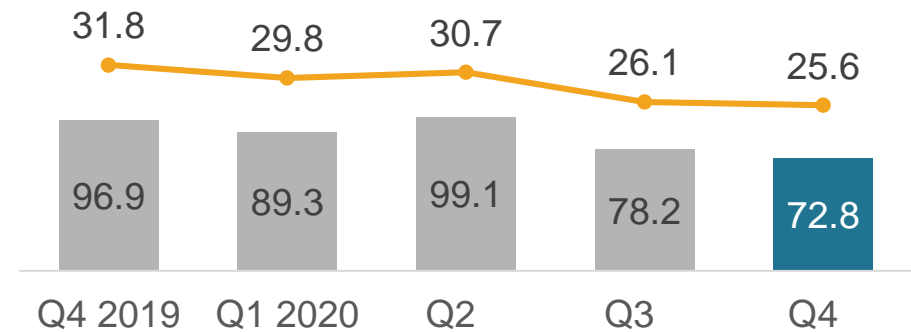
- ▶ ASP in EUR down y-o-y
 - ▶ Prices down in H1
 - ▶ H2 down due to negative product mix and strong Euro
 - ▶ Q4 burdened by some seasonality

Lower wafer area sold and productivity gains lead to lower COGS q-o-q

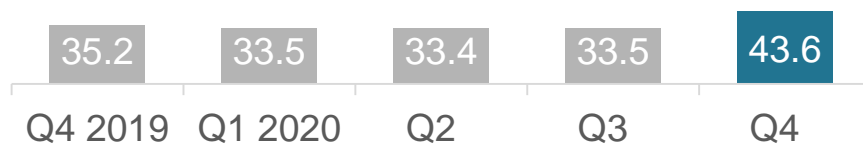
Cost of sales, in EUR m



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



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

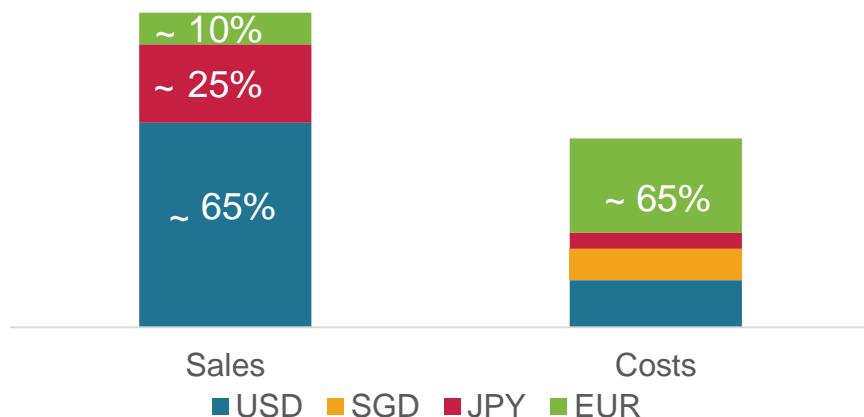


Comment

- ▶ COGS up y-o-y
 - ▶ Higher wafer area sold
 - ▶ Higher scheduled depreciation and investments
- ▶ Costs per wafer area significantly down y-o-y
 - ▶ Successful cost-reduction programs
 - ▶ FX effects
- ▶ COGS down q-o-q
 - ▶ Lower wafer area sold
 - ▶ Productivity up
- ▶ Administration expenses up in Q4
 - ▶ External advisors on GlobalWafers' tender offer

High US-Dollar and Japanese Yen exposure

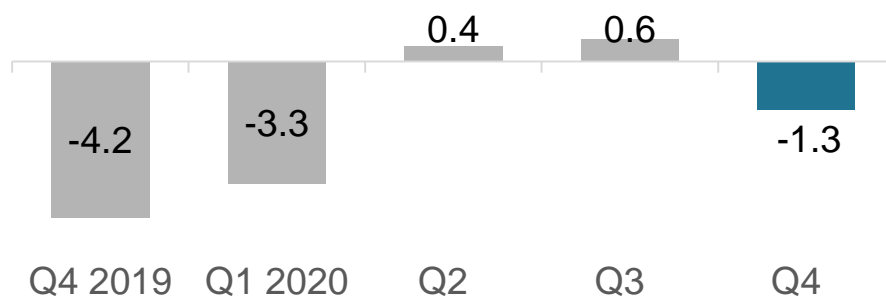
FX exposure, in %



FX sensitivity

	Sales	EBITDA unhedged
1 USD-cent change	~ EUR 6 million	~ EUR 4.5 million
1 JPY change	~ EUR 2.5 million	~ EUR 2 million

Other currency effects (mostly hedging), in EUR m

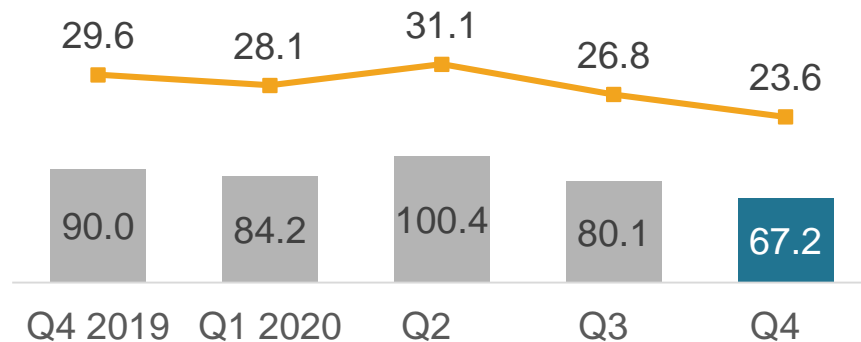


Comment

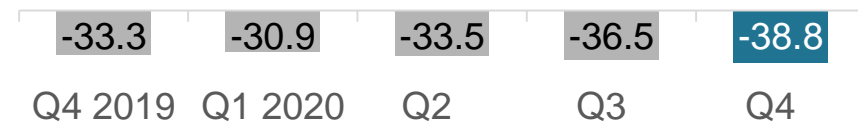
- ▶ Strong Euro significant headwind on sales and earnings in 2020
- ▶ Other currency effects of EUR -4m in 2020

EBITDA burdened by strong Euro and costs relating to tender offer in Q4

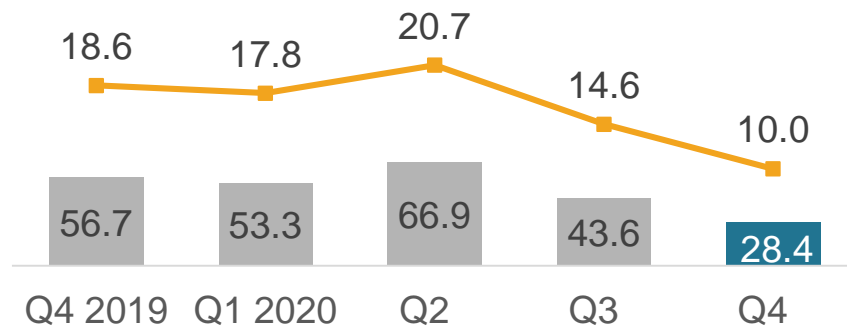
EBITDA, in EUR m / EBITDA margin, in %



Depreciation, in EUR m



EBIT, in EUR m / EBIT margin, in %



Comments

► Positive

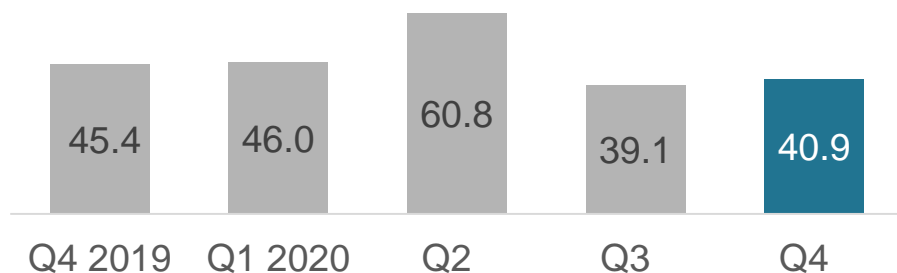
- Prices stable q-o-q
- Successful cost reduction programs and productivity gains

► Negative

- Wafer area sold down due to seasonality
- Strong Euro in H2
- Advisory costs relating to GlobalWafers' tender offer
- Scheduled depreciation up q-o-q

Net profit of EUR 187 million in 2020

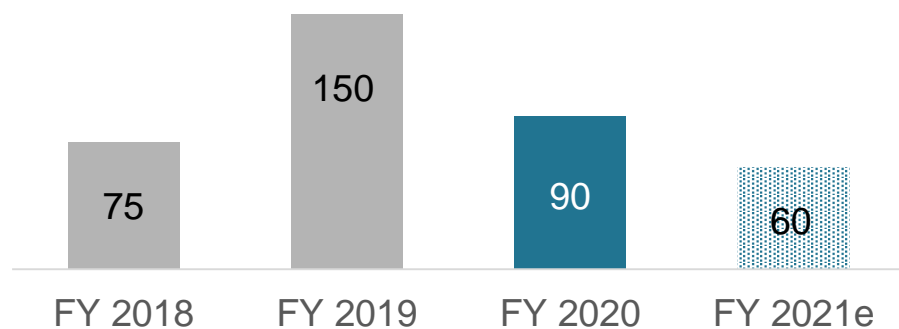
Net profit, in EUR m



EPS, in EUR



Dividend payment, in EUR m

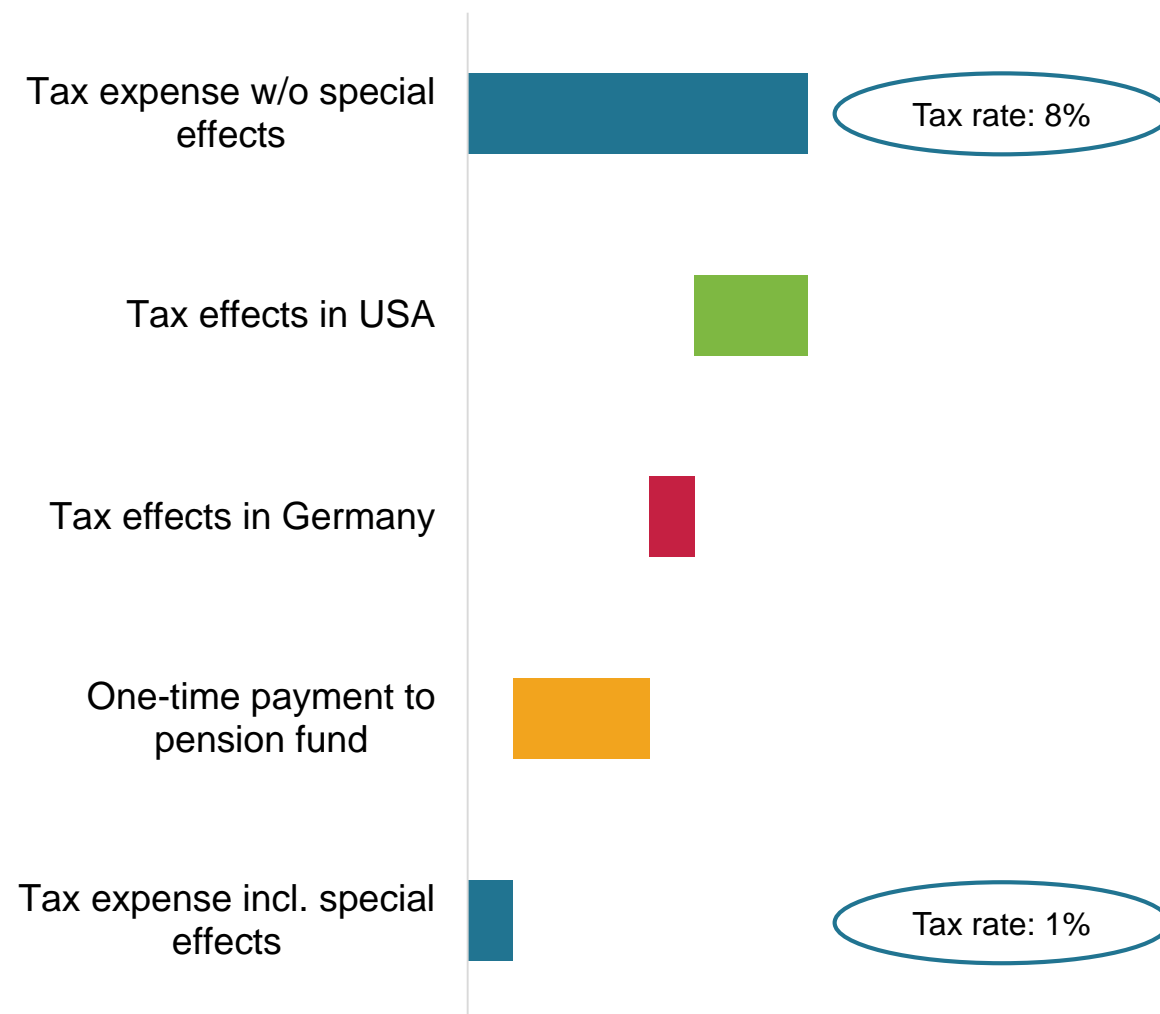


Comments

- ▶ Net profit of EUR 187 million in 2020; thereof EUR 160.8m attributable to Siltronic shareholders
- ▶ Dividend proposal of EUR 2.00 per share = EUR 60m dividend payout in 2021

Tax rate significantly down

Effects on tax expense in 2020



Comments

- ▶ The negative tax rate in Q4 due to one-time effects on current and deferred taxes
- ▶ Tax rate in 2020 only 1%

- ▶ **USA**
 - ▶ Significant tax benefits to reduce burden of Corona pandemic

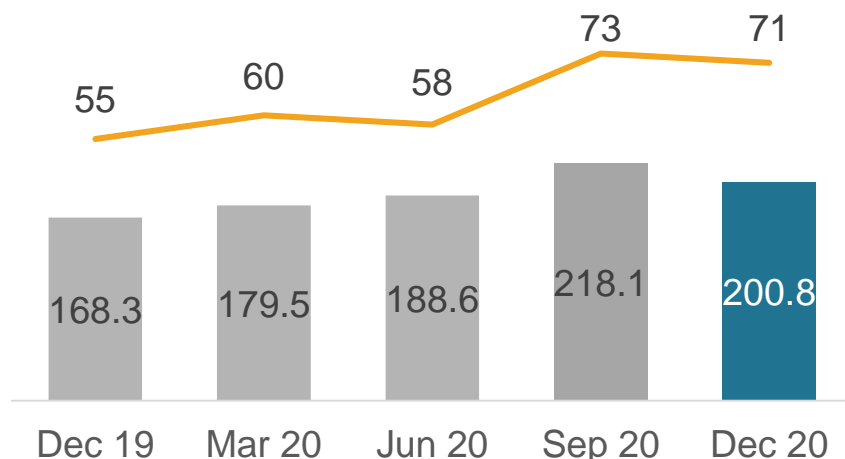
- ▶ **Germany**
 - ▶ Degressive depreciation introduced

- ▶ **Pension fund**
 - ▶ One-time payment to allow pension fund to reduce its discount rate

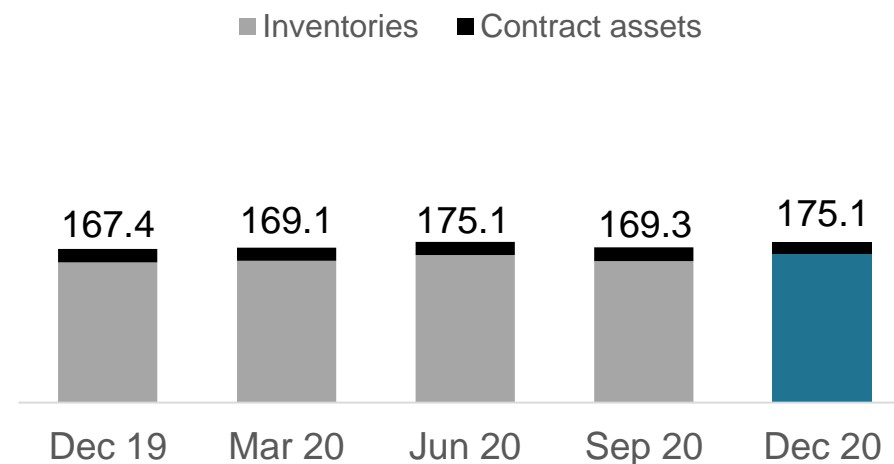
Working capital down

High trade liabilities related to capex and advisory fees

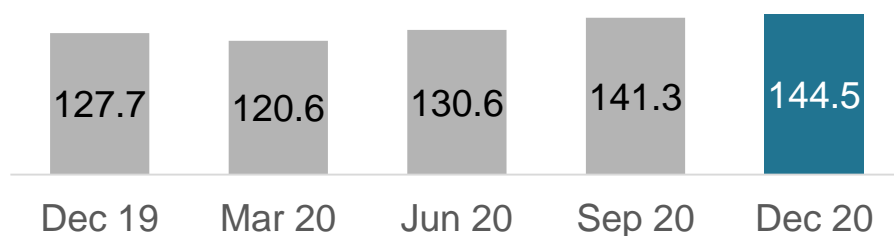
Working capital, in EUR m,
Working capital ratio to quarterly sales, in %



Inventories and contract assets, in EUR m



Trade receivables, in EUR m

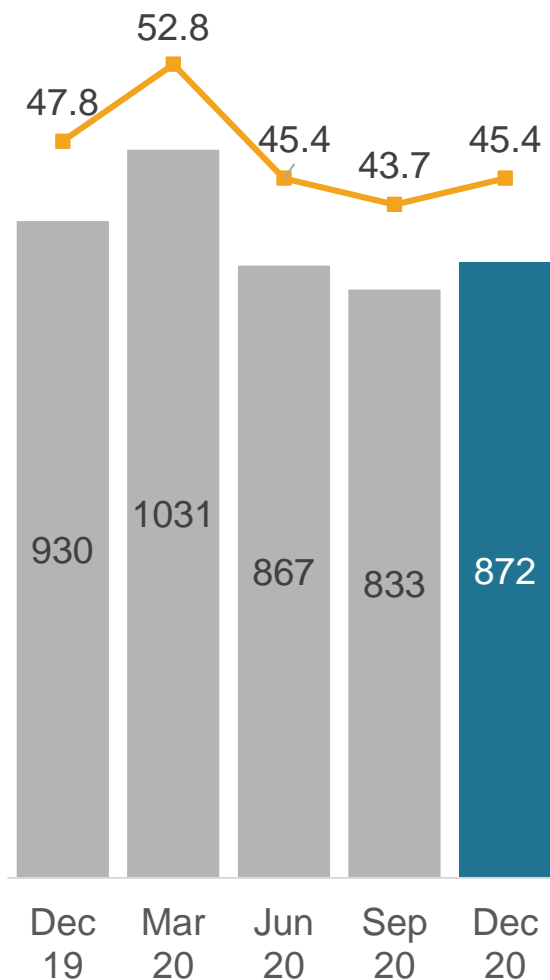


Trade liabilities, in EUR m



Strong equity ratio and solid net financial assets

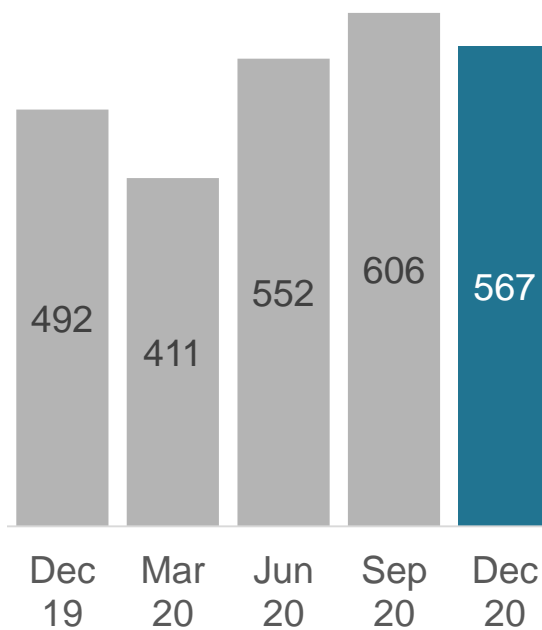
Equity, in EUR m
Equity ratio, in %



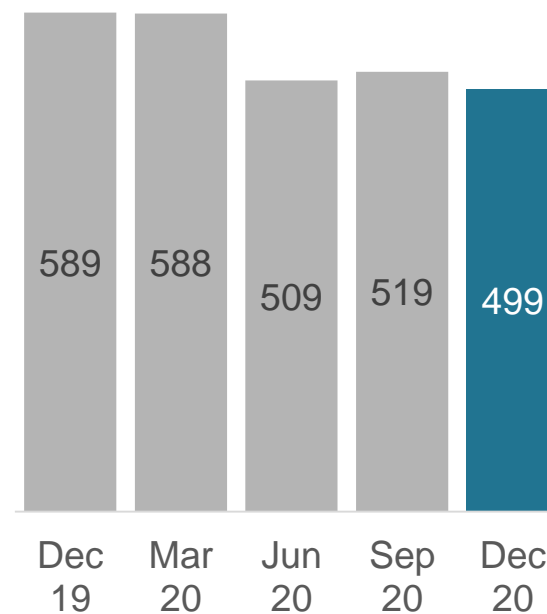
Provisions for pensions,
in EUR m

Interest rates IFRS

USA	2.98%	2.88%	2.46%	2.41%	2.07%
Germany	1.24%	1.92%	1.23%	0,95%	0.69%

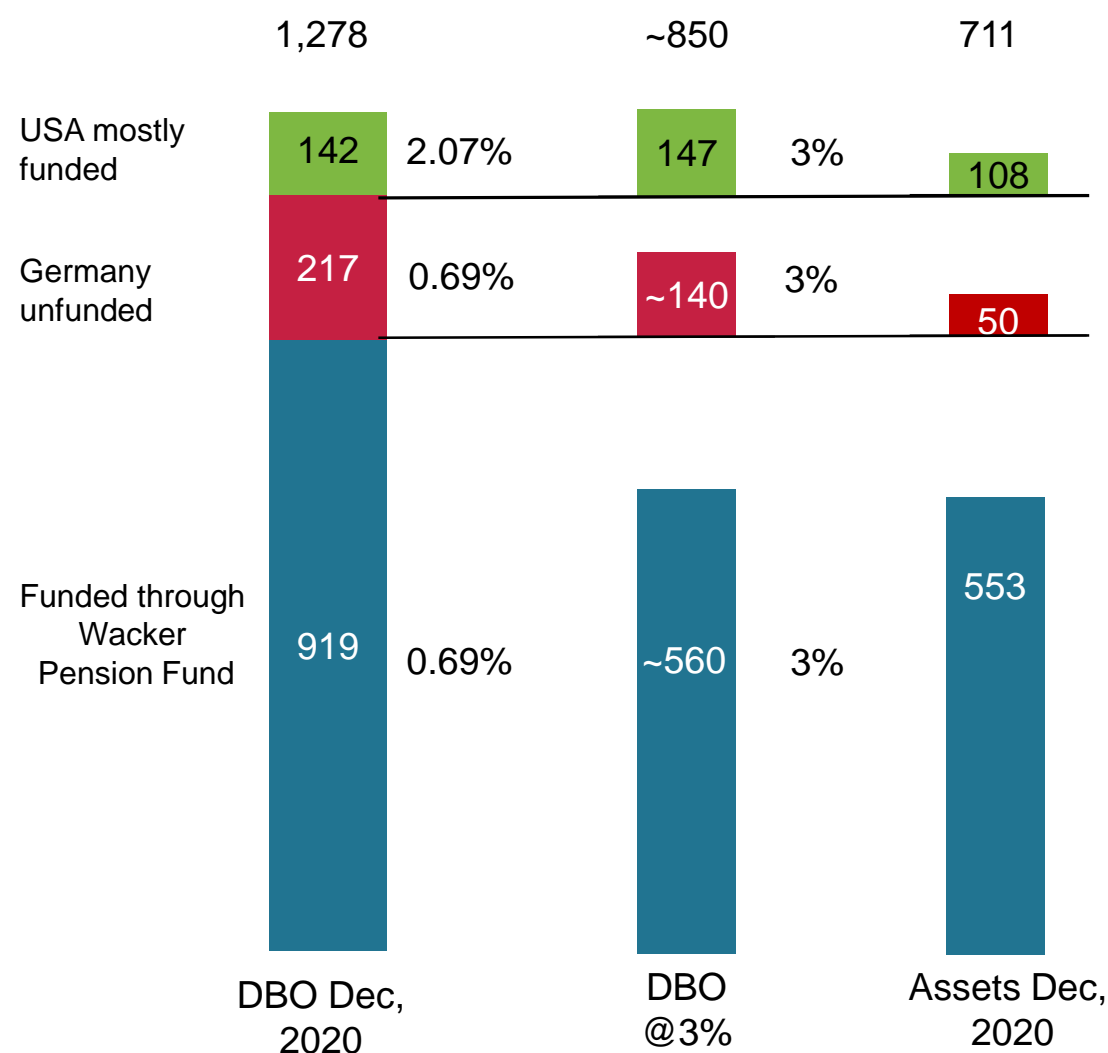


Net financial assets,
in EUR m



Pension reserves impacted by low IFRS interest rates

DBO and pension reserves, in EUR m

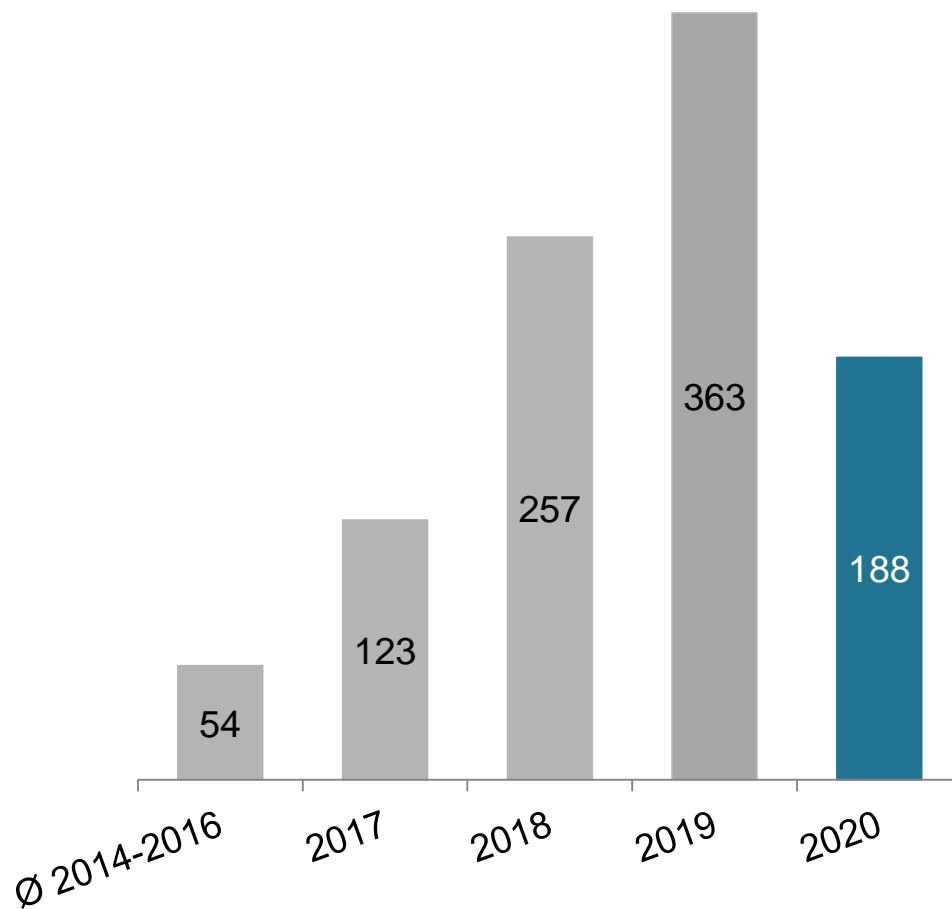


Comment

- ▶ DBO of EUR 1,278 million – assets of EUR 711 million = EUR 567 million
- ▶ Pension reserves @3% = DBO of EUR ~850 million – assets EURO 711 million = EUR 139 million
- ▶ IFRS interest uses bond yields only, assets include bonds, equity, real estate + derivatives
- ▶ Wacker pension fund
 - ▶ fully funded under German pension fund regulations using 3.23% interest rate
 - ▶ asset liability study: probability of return in next 20 years:
 - ≥3.5% 59%
 - ≥3.0% 75%
 - ≥2.5% 87%

Capex 2020 significantly down vs. 2019

Investment, in EUR m

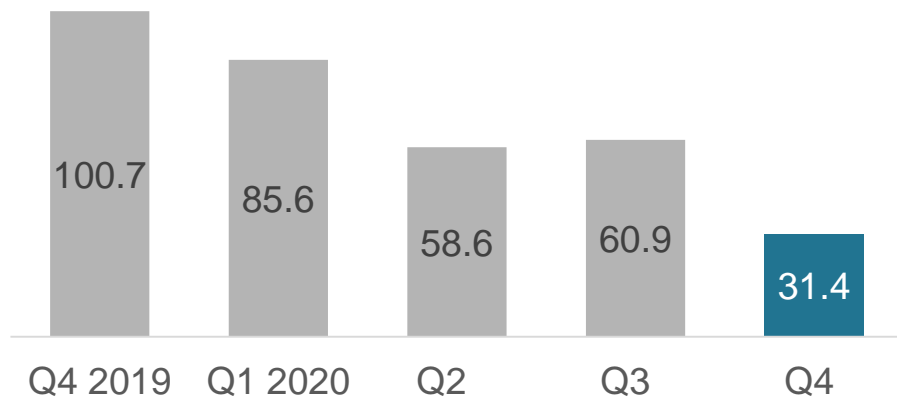


Comment

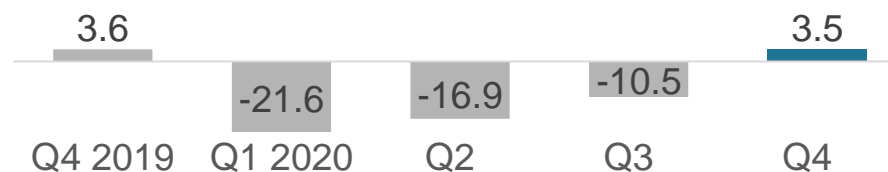
- ▶ Capex 2020 significantly down to EUR 188m
- ▶ Epi expansion in H2 to accommodate demand and market growth
- ▶ Investment in capabilities to enable leading-edge design rules

Net cash flow in line with expectation

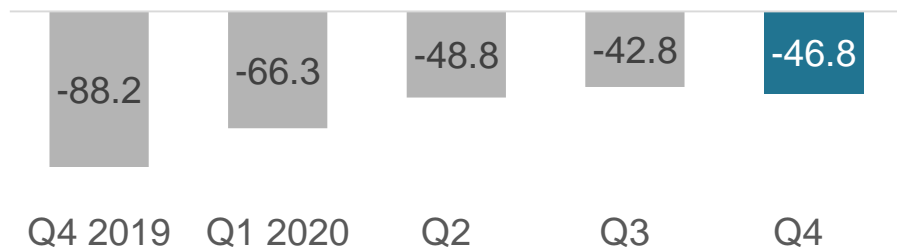
Operating cash flow (OCF), in EUR m



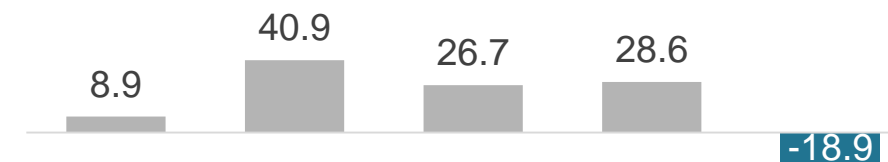
Customer prepayments net (PP), in EUR m



CF Capex, in EUR m



Net cash flow (NCF), in EUR m



$NCF = OCF - PP + CF \text{ Capex}$



Outlook 2021

2021 off to a good start

2021 challenges and opportunities

- ▶ Good start in 2021
- ▶ Overall high demand and good to very good loading
- ▶ Foundry, logic and image sensors expected to remain strong
- ▶ Inventory levels of memory chips still on a somewhat elevated level
- ▶ Memory business expected to show positive trend
- ▶ Increasing units in smartphones and cars combined with higher content will drive mid- to long-term growth
- ▶ Strong Euro headwind on revenues and margins

Positive development of wafer volume in Q1 2021

300 mm

- Strong foundry and logic business
- Ongoing uncertainty due to US-China trade tensions and Corona pandemic might lead to elevated inventories across the supply chain
- Partial digestion of server components

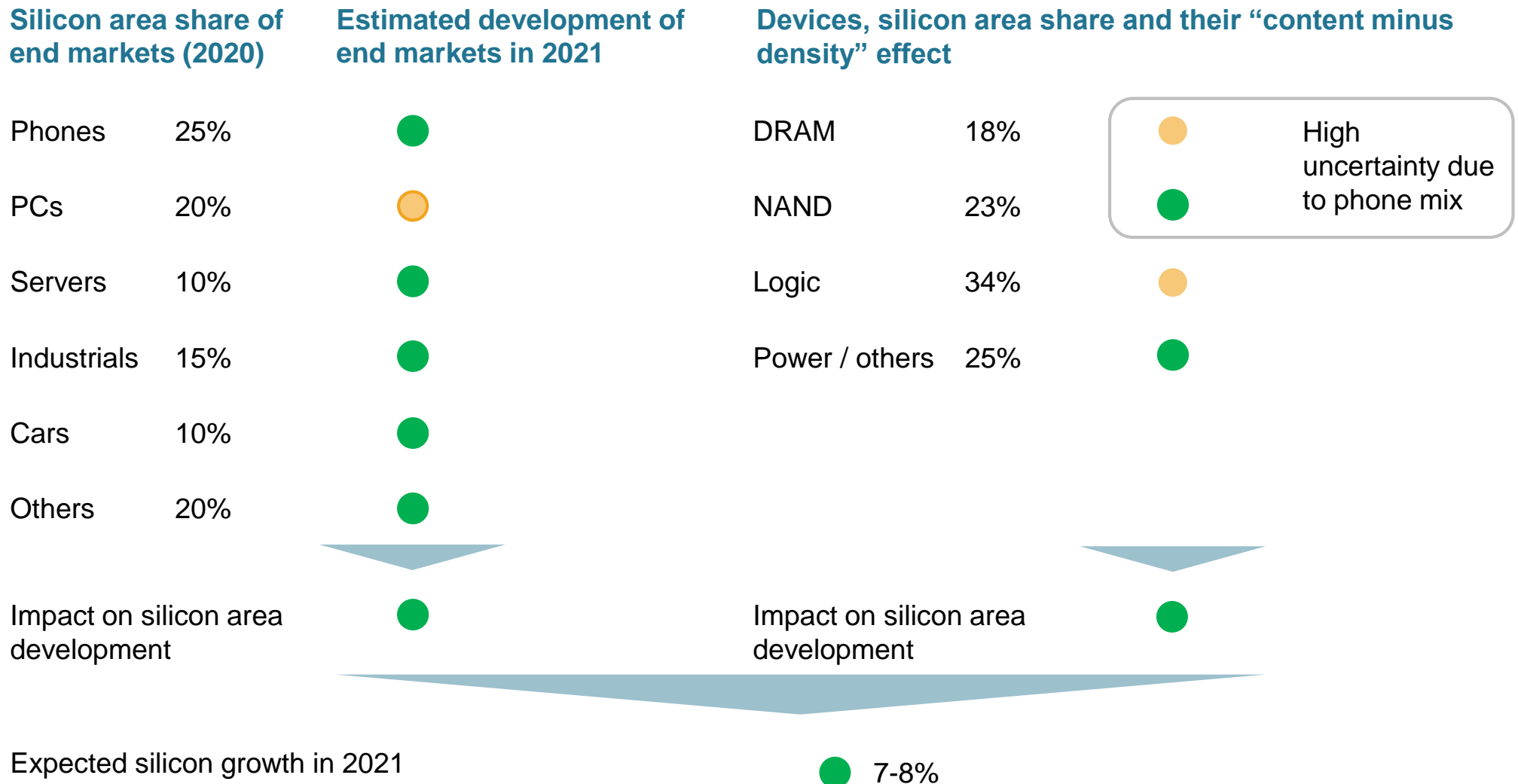
200 mm

- Recovery in automotive and industrial ongoing
- Uncertainty due to strained supply chains and Corona pandemic fears

SD

- Trending up

Estimated market growth of silicon area



Source: Siltronic Marketing Feb.2021

Siltronic Outlook 2021 (as of March 1, 2021)

Sales

- mid to high single-digit percent increase

EBITDA margin

- slight increase

Depreciation

- around EUR 155m to EUR 160m

EBIT

- significant increase

Tax rate

- significantly below 10%

CapEx

- around EUR 250 million (mainly in 300 mm epi, capabilities and expansion of crystal pulling hall to replace older equipment)

Net cash flow

- slight improvement

Earnings per share

- slight increase

Contact and Additional Information

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Additional Information

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

Financial Calendar 2021

Annual General Meeting	April 29, 2021
Q1 Quarterly Statement	May 7, 2021
Q2 Interim Report	July 28, 2021
Q3 Quarterly Statement	October 26, 2021



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