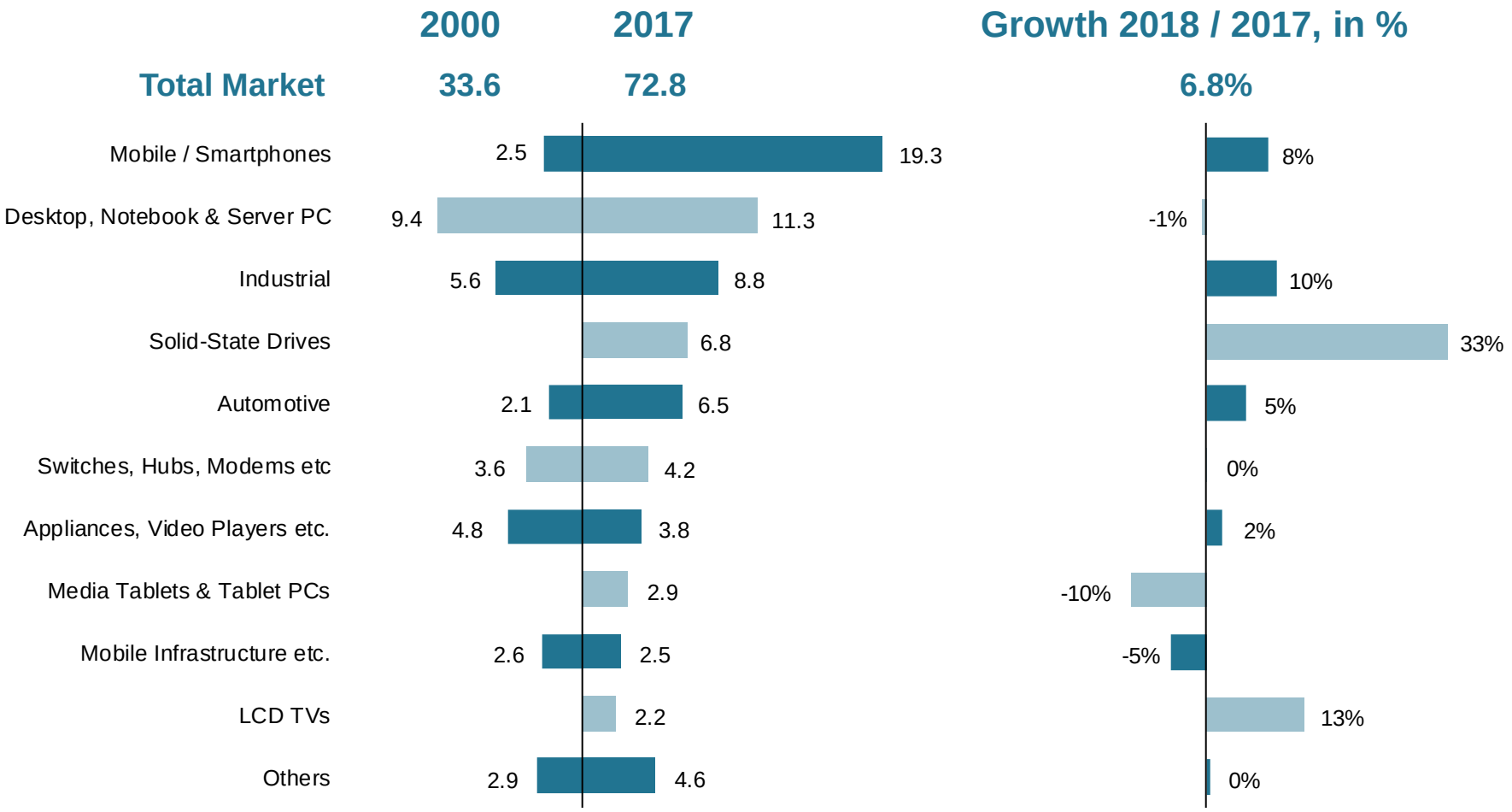
Siltronic Investor Presentation

September 2018

MARKET UPDATE

IHS Markit forecasts 6.8% growth for silicon area in 2018 with broad based growth in a wide range of applications

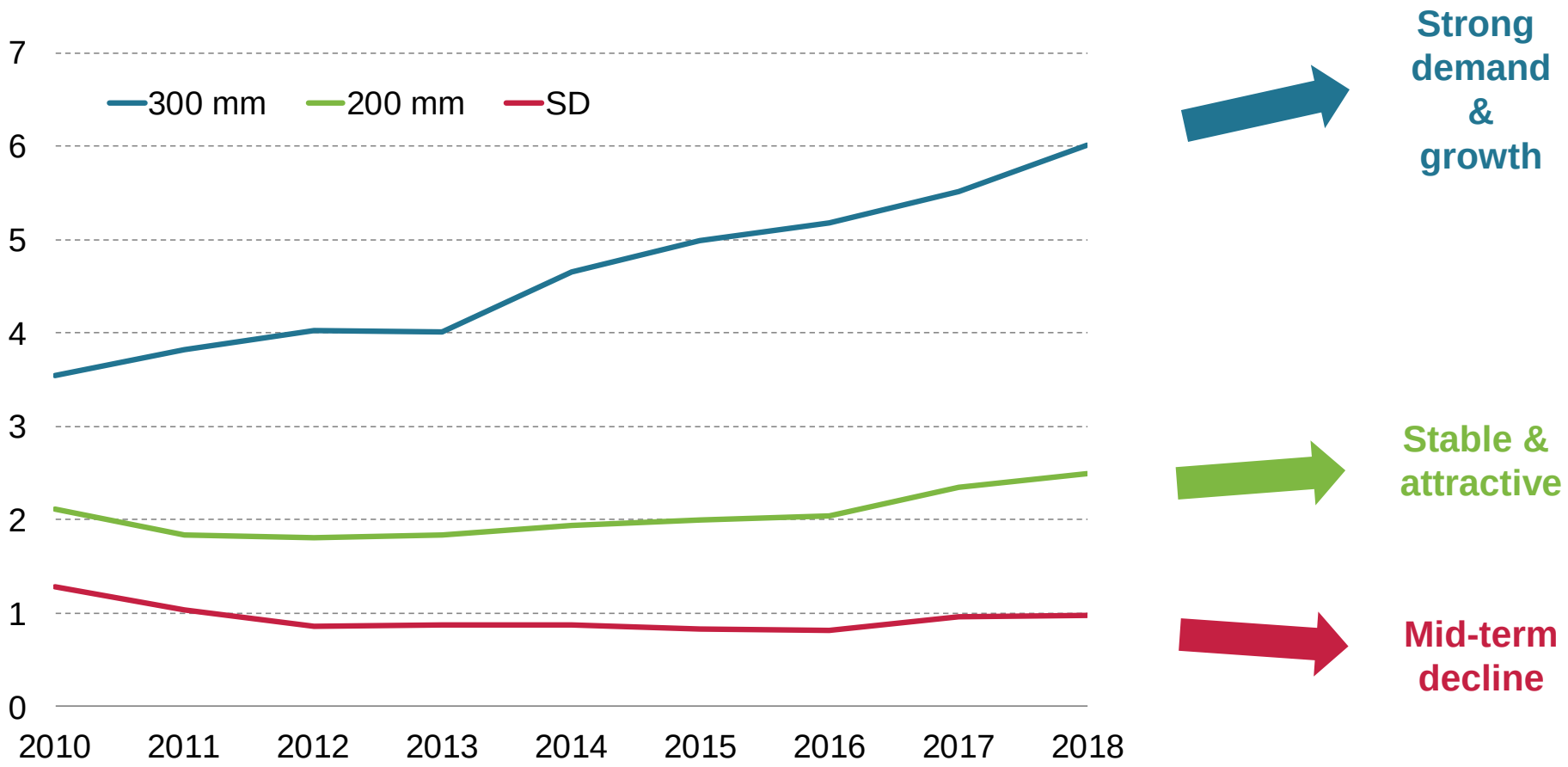
Wafer demand 2000 / 2017, in bn cm²



Source: Data based on IHS Markit, Technology Group, Semiconductor Silicon Demand Forecast Tool, Q3 2018. Results are not an endorsement of Siltronic. Any reliance on these results is at the third party's own risk. Visit technology.ihs.com for more details.

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

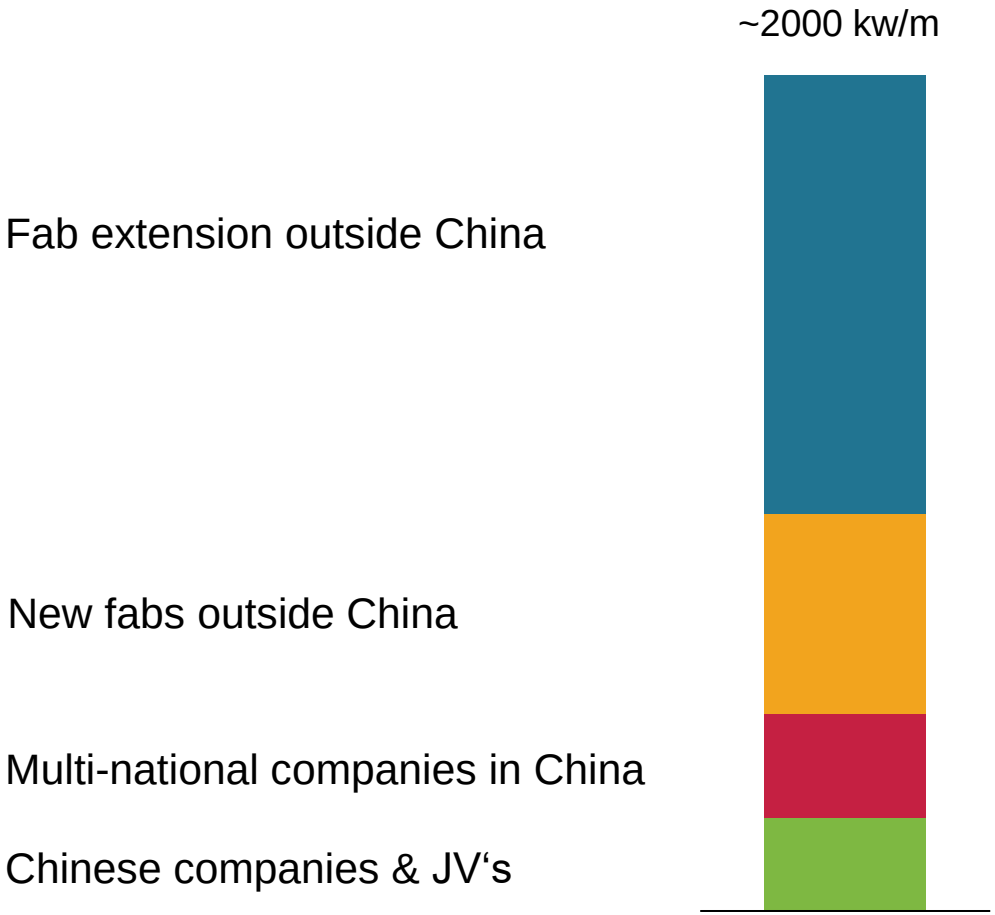
Development of total wafer demand per diameter, in mn 300 mm equivalents per month



Source: SEMI up to Aug 2018

300 mm demand likely to grow by around 2m wafer/month between 2017 and 2020

Estimated growth in 300 mm wafer starts 2017 - 2020



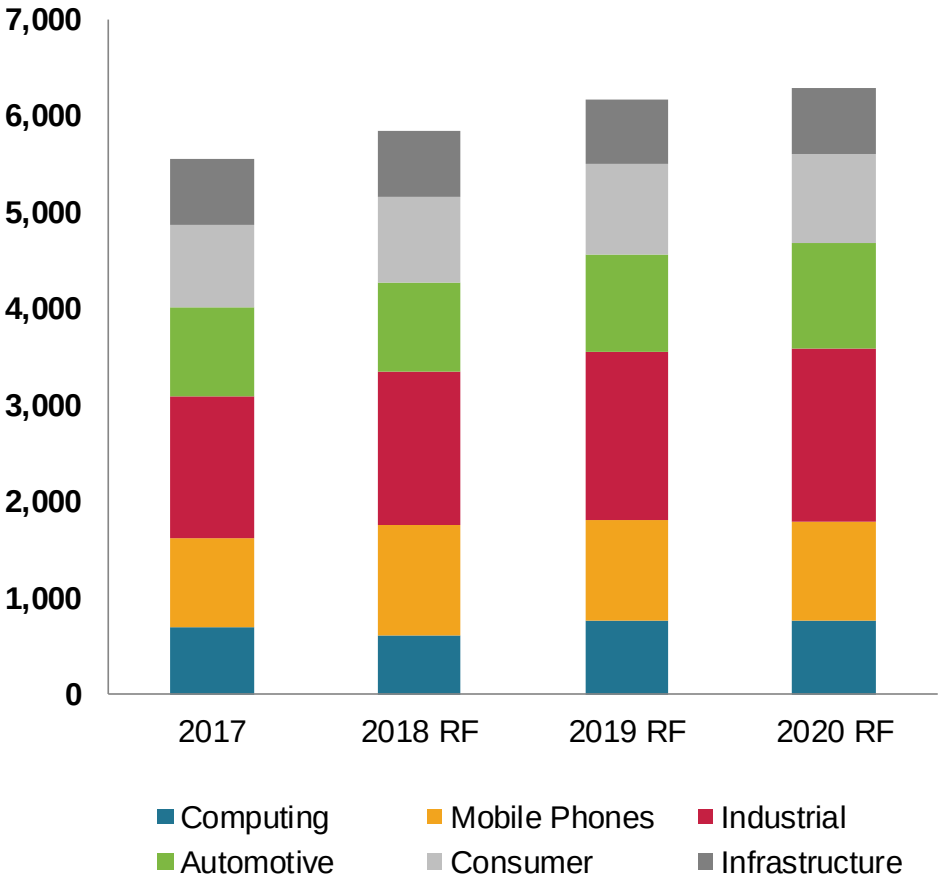
Comment

- ~12% CAGR of estimated 300 mm demand growth between 2017 and 2020
- Most capacity added outside China

Source: Siltronic own estimates May 2018

200 mm demand growth forecast of +4% CAGR 2017-2020 not attractive enough to consider major investments

200 mm demand by category, in k/w per month



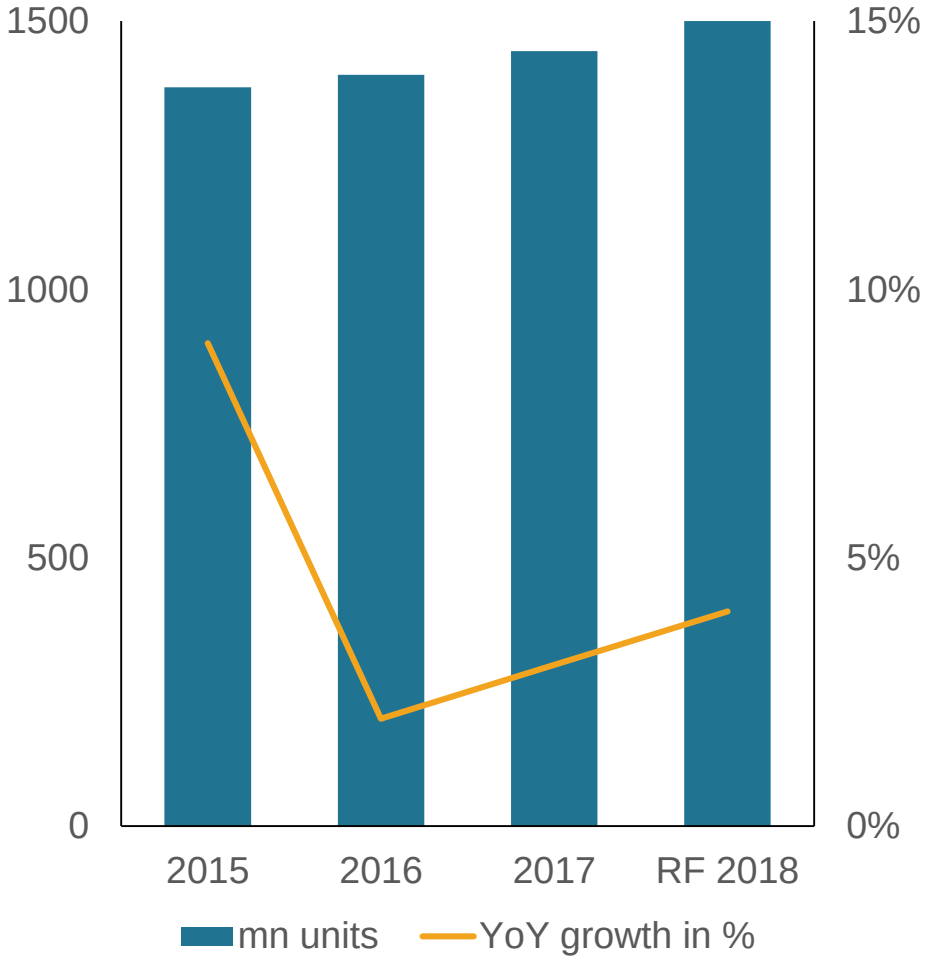
Comment

- 200 mm demand expected to increase by +4% CAGR (2017-2020), according to IHS Markit.
- Less than 1,000k wafer/month capacity expansions until 2020 announced by wafer producers
- Full utilization of additional capacities depend on equipment lead-times and qualification lead-times of customers

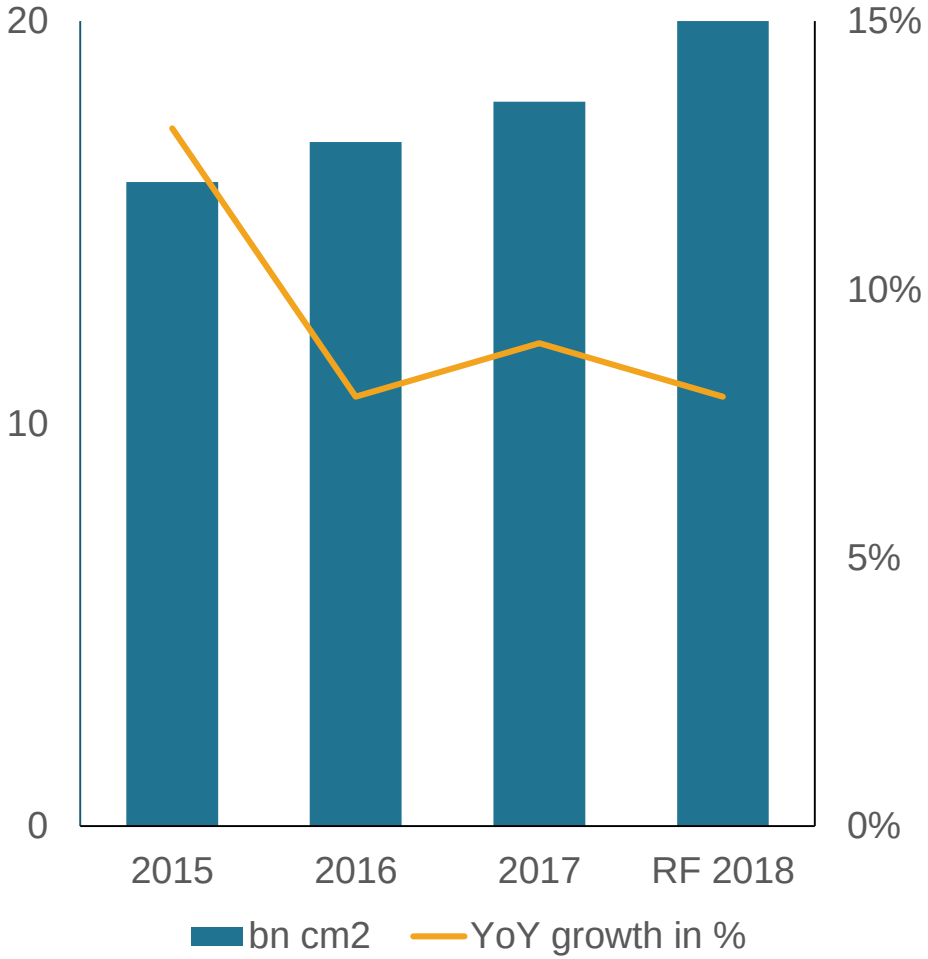
Source: Data based on IHS Markit, Technology Group, Semiconductor Silicon Demand Forecast Tool, Q3 2018. Results are not an endorsement of Siltronic. Any reliance on these results is at the third party's own risk. Visit technology.ihs.com for more details.
Other source: Siltronic Marketing (July 2018)

Smartphone growth slowing, however silicon content increasing with more memory and other features

Smartphone production

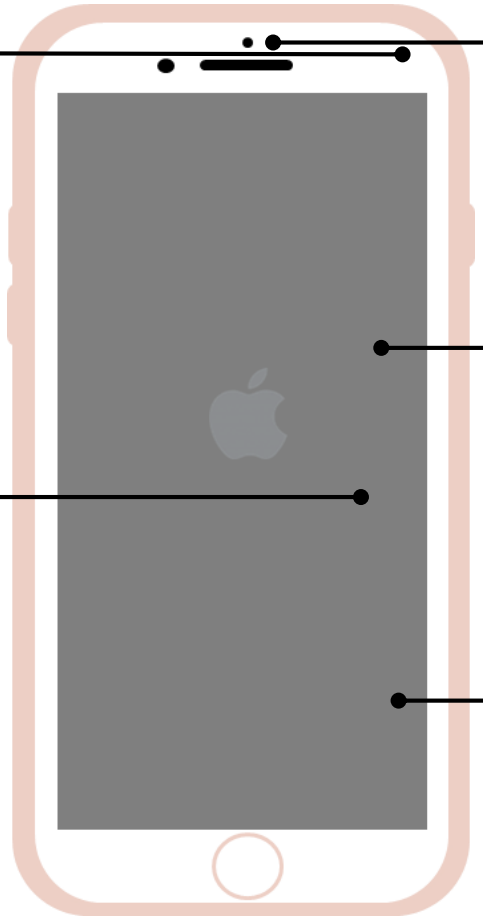


Wafer area in smartphones



Source: Data based on IHS Markit, Technology Group, Semiconductor Silicon Demand Forecast Tool, Q2 2018. Results are not an endorsement of Siltronic. Any reliance on these results is at the third party's own risk. Visit technology.ihs.com for more details

Major semiconductor devices in the Apple iPhone 8 Plus (256 GB model)



2 main cameras
- ~ 2 cm² Si

Front-facing camera
- ~ 1 cm² Si

SoC Package-on-Package

Processor
- ~ 1 cm² Si

3GB DRAM
- ~ 2.5 cm² Si

Flash NAND (256 GB)
- ~ 9 cm² Si

Broadband processor
- ~ 1 cm² Si

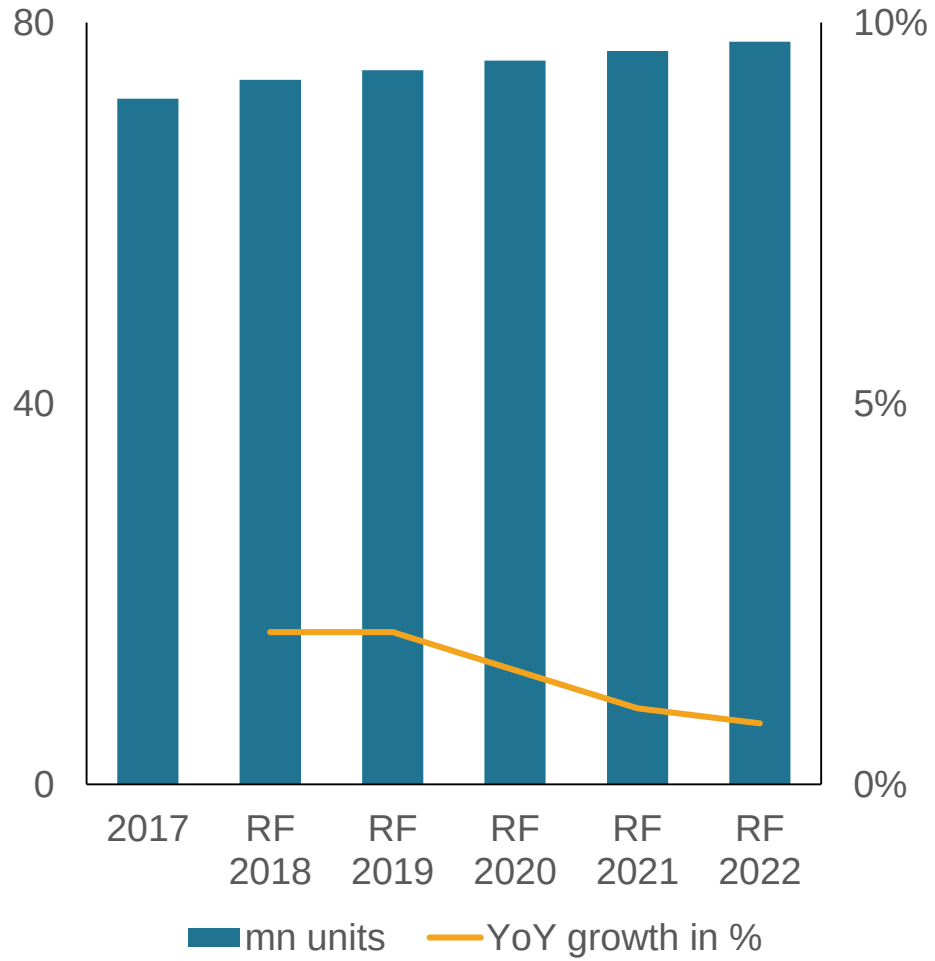
Some additional features:

- 3 Power management ICs – vs. 2 in iPhone 7
- Time-of-Flight chip introduced at iPhone 7
- Processor includes Image Signal Processor and Video Encoder
- Wireless Charging

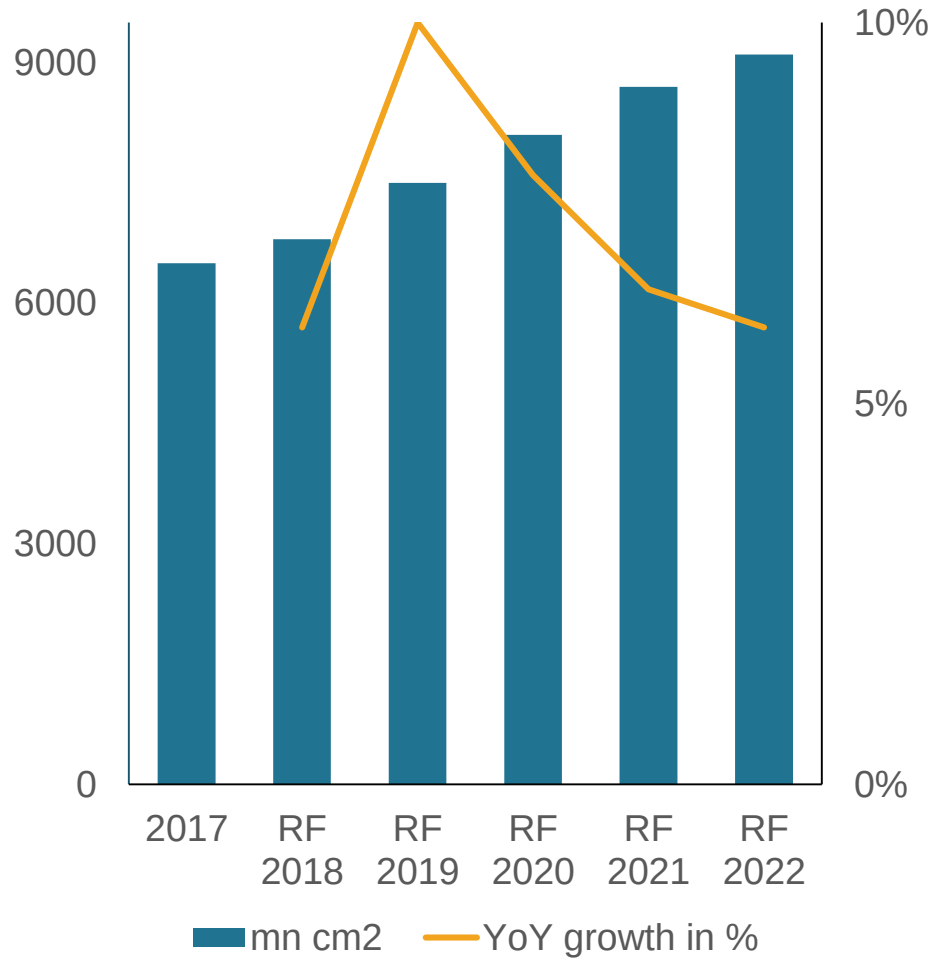
Source: Apple, TechInsights, Siltronic Marketing

Car shipments growing slowly, silicon content in automotive estimated to grow by 7% (CAGR 2017-2022)

Worldwide passenger car shipments



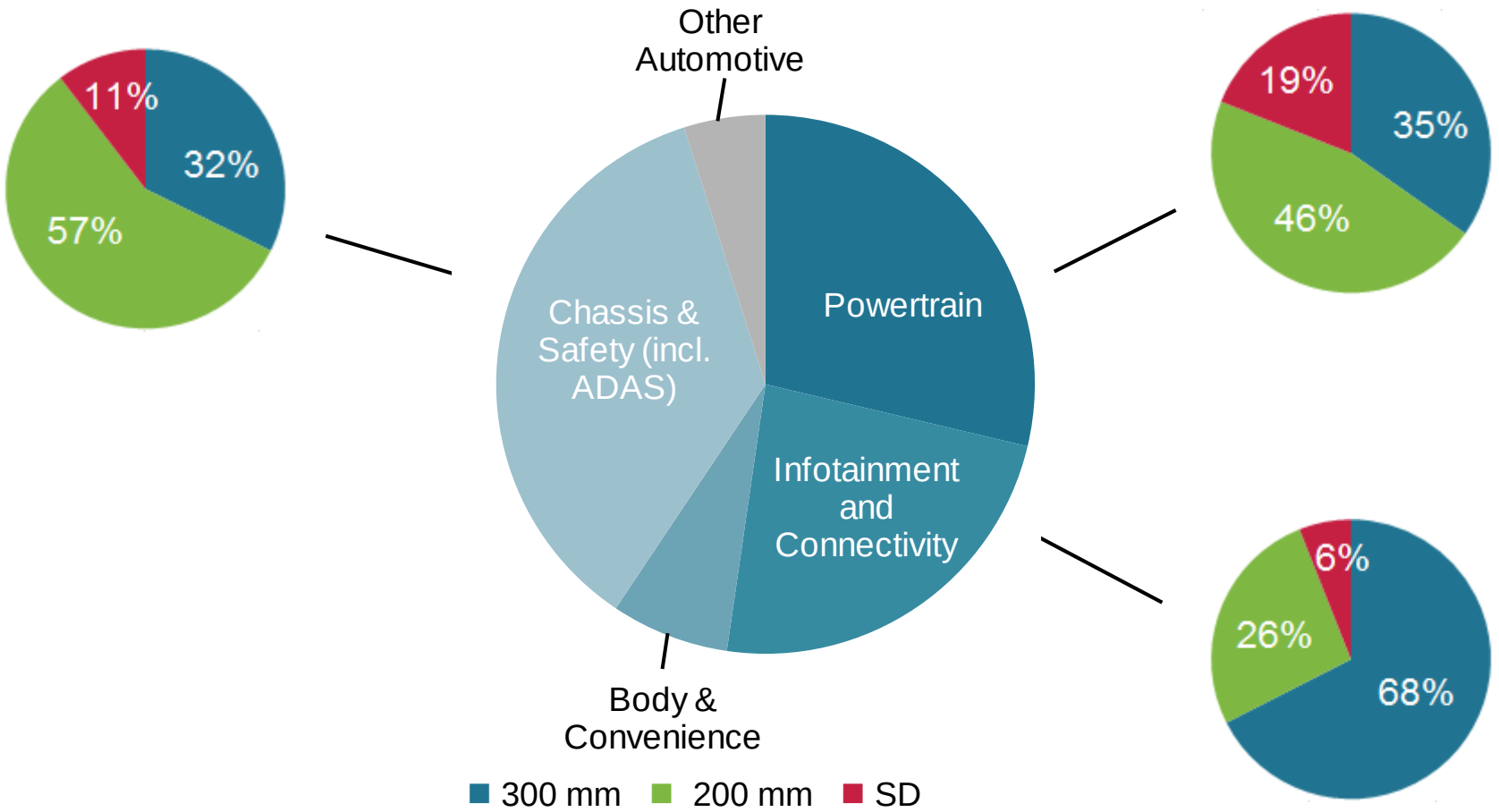
Wafer area in automotive



Source: Data based on IHS Markit, Technology Group, Semiconductor Silicon Demand Forecast Tool, Q2 2018. Results are not an endorsement of Siltronic. Any reliance on these results is at the third party's own risk. Visit technology.ihs.com for more details. Other Source: Statista

Within a car, most silicon is used for powertrain, infotainment and safety

2018 silicon demand in automotive, in %

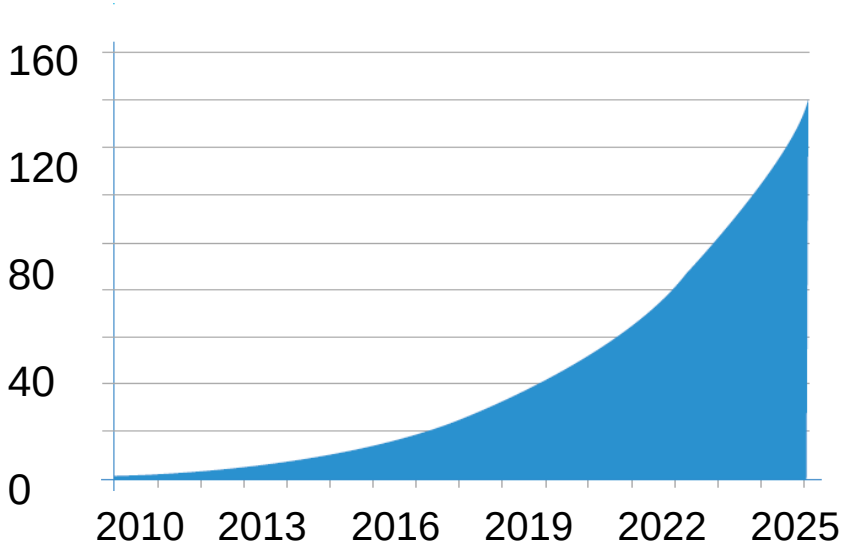


[1] ADAS = advanced driver assistance system

Source: Data based on IHS Markit, Technology Group, Semiconductor Silicon Demand Forecast Tool, Q3 2018. Results are not an endorsement of Siltronic. Any reliance on these results is at the third party's own risk. Visit technology.ihs.com for more details.

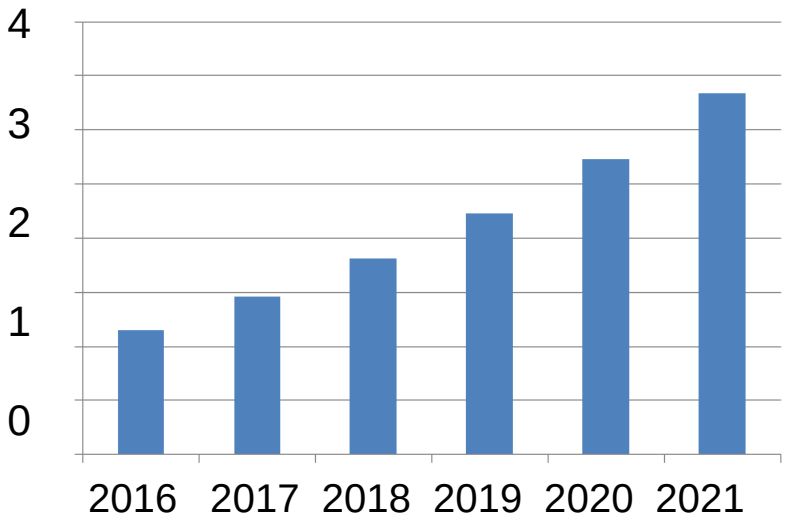
Silicon is needed to generate much more data, but even more silicon is needed to store, move and process ever more data

Annual data creation, in Zetabyte



- The number of networked devices will grow from ~17 billion in 2016 to ~27 billion in 2021
- By 2020, data centers are expected to have 1.84 Zetabytes of storage

Annual global IP traffic, in Zetabyte per year

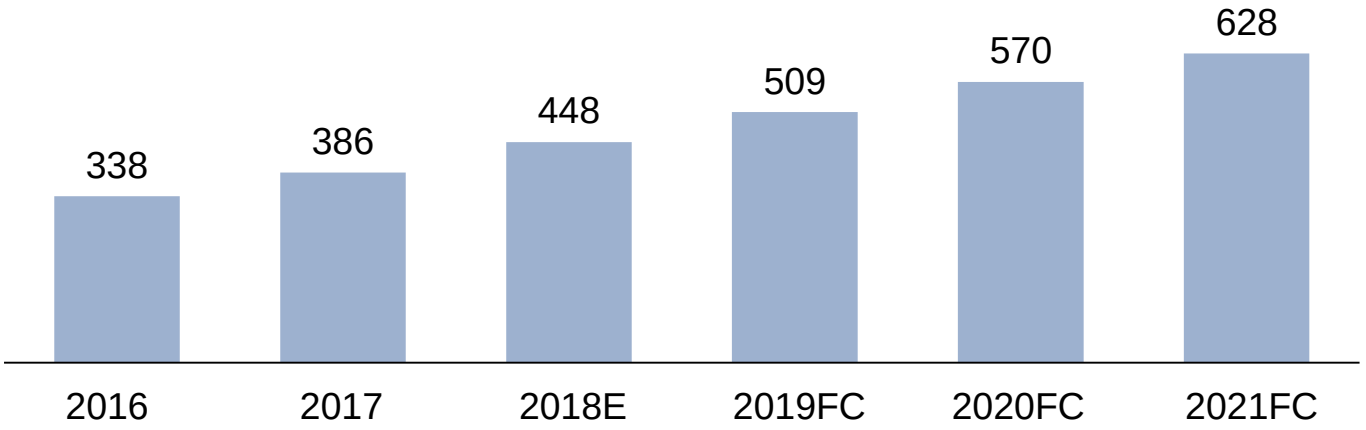


- With 24% CAGR, annual global IP traffic will reach 3.3 ZB per year by 2021
- Infrastructure required to support this traffic includes items like routers, switches, hubs, 5G and cell equipment

Source: Cisco VNI Forecast, IDC Data Age 2025 Study, Cisco Cloud Index (GCI), IHS, Siltronic Estimate

Wafer for DRAM chips driven by computer (PC memory storage, server) and smartphones

Number of hyper-scale data centers



- Main end markets for DRAM are computer and smartphones in „replacement cycle“
- Infrastructure, end consumers, automotive and industrial applications contribute to a lesser extent
- DRAM growth driven by
  - growth in servers
  - increase in DRAM-density in servers and smartphones

Sources: Macquarie Research July 2018.

Financials improved strongly over the last years

Adjusted[1] financial figures (EUR million)	2013	2014	2015	2016	2017	H1 / 2018
Sales	875.5	853.4	931.3	933.4	1,177.3	688.7
EBIT	(87.3)	(31.6)	2.7	27.0	235.7	220.7
EBIT margin in %	(10.0)	(3.7)	0.3	2.9	20.0	32.0
EBITDA	112.6	117.7	124.0	146.0	353.1	268.3
EBITDA margin in %	12.9	13.8	13.3	15.6	30.0	39.0
CapEx	39.7	40.7	75.0	88.8	123.2	78.6
Free cash flow [2]	64.7	86.3	37.4	19.0	169.6	-
Net cash flow [2]	-	-	-	39.6	124.8	179.5

1 Figures 2013-2014 adjusted for consolidation effects resulting from acquisition of SSW and restructuring
2 Starting 2018, Siltronic will be 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.

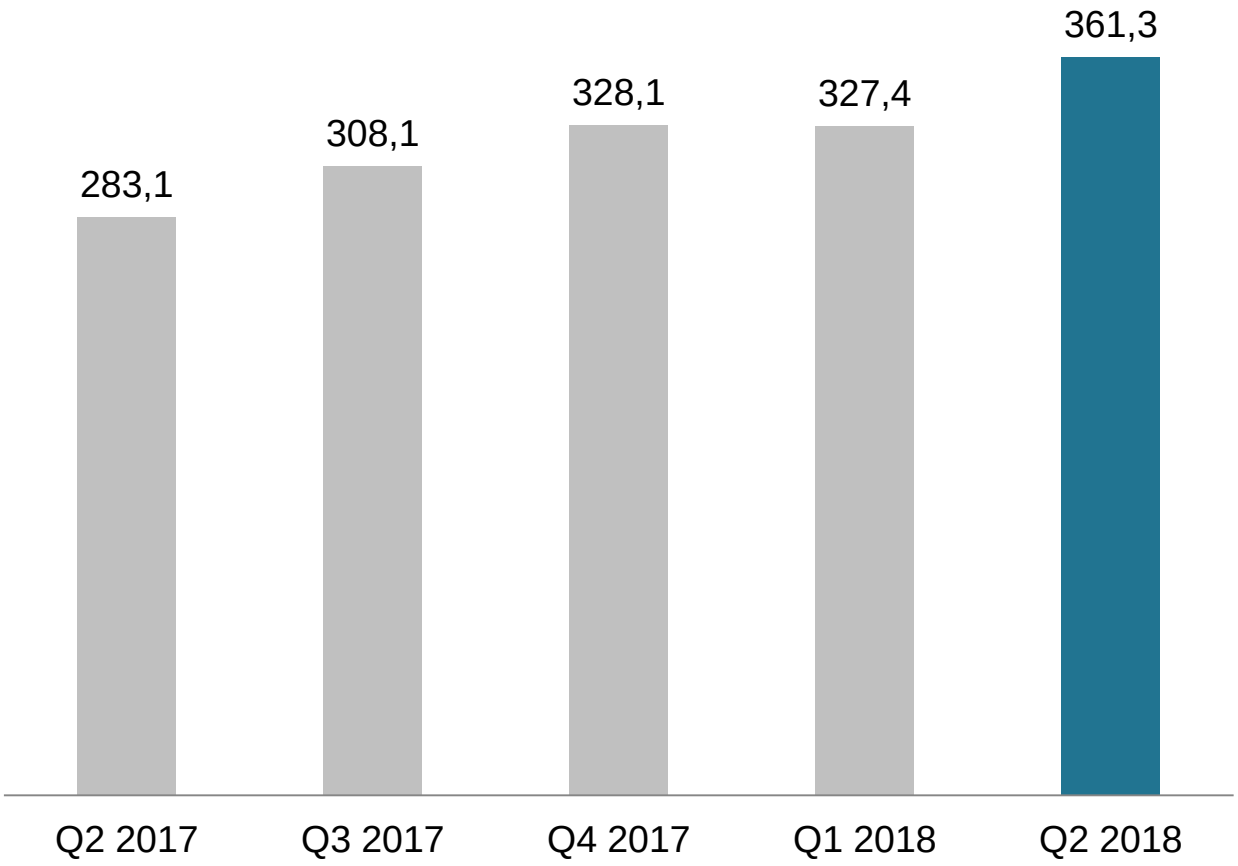
Siltronic Outlook for 2018 (as of July 23, 2018)

EBITDA margin	approximately 40% **update** ↑
ROCE	clearly higher than in 2017
Net cash flow	clearly higher than in 2017
Sales	close to EUR 1.4bn, depending on FX effects **update** ↑
R&D	approx. 5% of sales
Cost position	negative effect on savings potential due to tariff increases and inflation
FX effects	assuming an EUR/USD exchange rate of 1.20 and an EUR/JPY exchange rate of 130 negative FX impact of approx. EUR 60m on sales and approx. EUR 40m on EBITDA **update** ↓
Depreciation	approx. EUR 90m
Tax rate	between 15% and 20%
Financial result	relatively stable
CapEx	approx. between EUR 260m and EUR 280m **update** ↑
Earnings per share	significantly higher than in 2017

APPENDIX

Q2 sales 10% higher than Q1

Sales, in EUR million

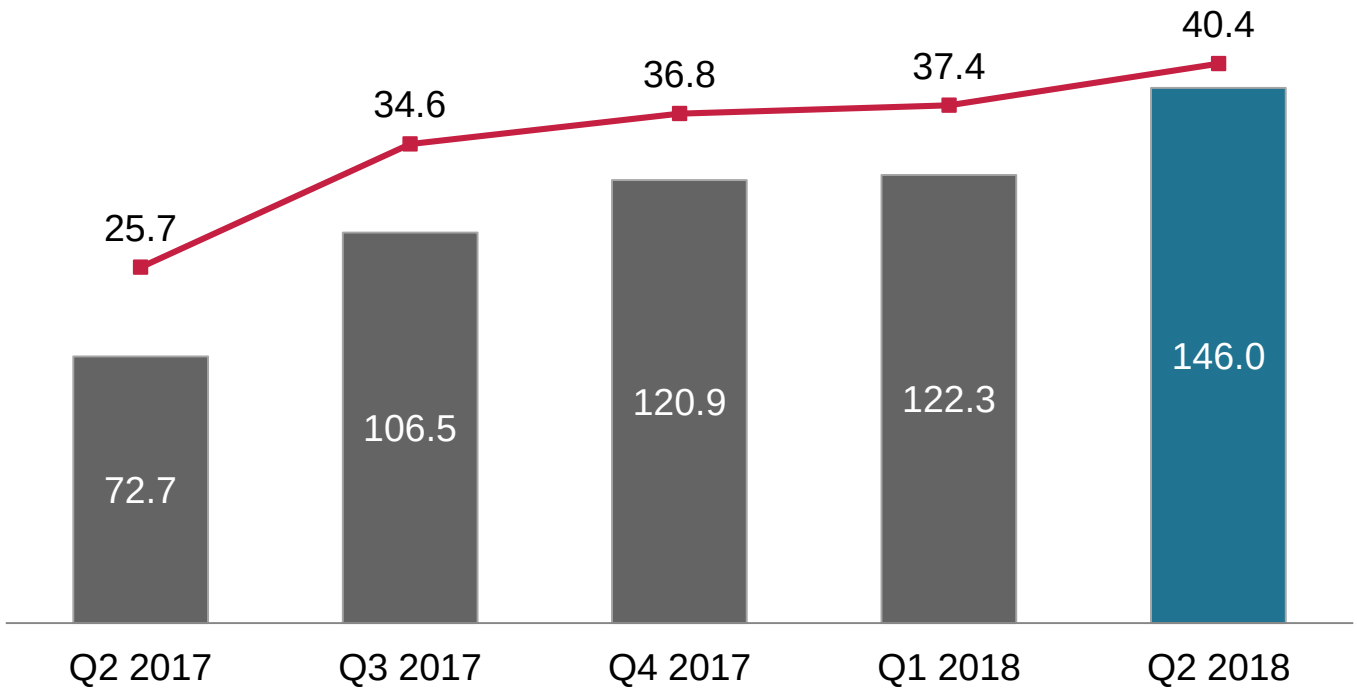


Comment

- **Positive**
  - Wafer area sold on very high level slightly up q-o-q
  - Significant ASP increase y-o-y
  - Solid ASP increase q-o-q
  - Further ASP increases expected in 2018
  - Tailwind from USD q-o-q
- **Negative**
  - Headwind from USD y-o-y (but not as much as expected at the beginning of the year)

EBITDA and EBITDA-margin further up

EBITDA margin in %; **EBITDA** in EUR million

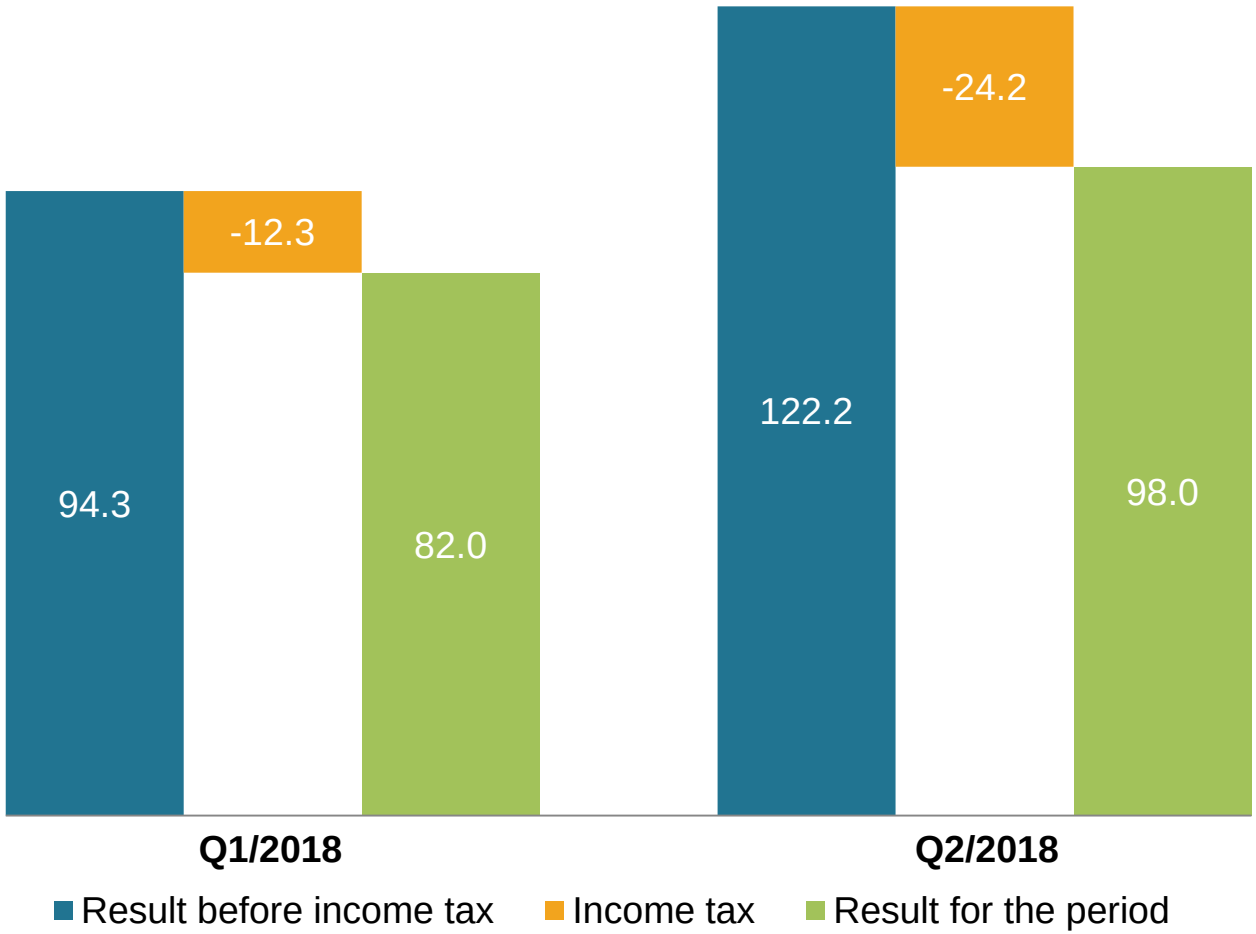


Comment

- **Positive**
  - Significantly higher ASP y-o-y
  - Further price increases q-o-q
  - Cost of sales per wafer area slightly decreased y-o-y
  - Tailwind from USD q-o-q
- **Negative**
  - Headwind from USD y-o-y (but not as much as expected at the beginning of the year)

Strong growth of net profit

Result and income tax, in EUR million



Comment

- Net profit in Q2/2018 20% up vs. Q1/2018
- Higher ASPs and lower depreciation contributed
- EUR 24.5m expenses for effective taxes in Q2/2018

Equity further improved, stable equity ratio of ~47%

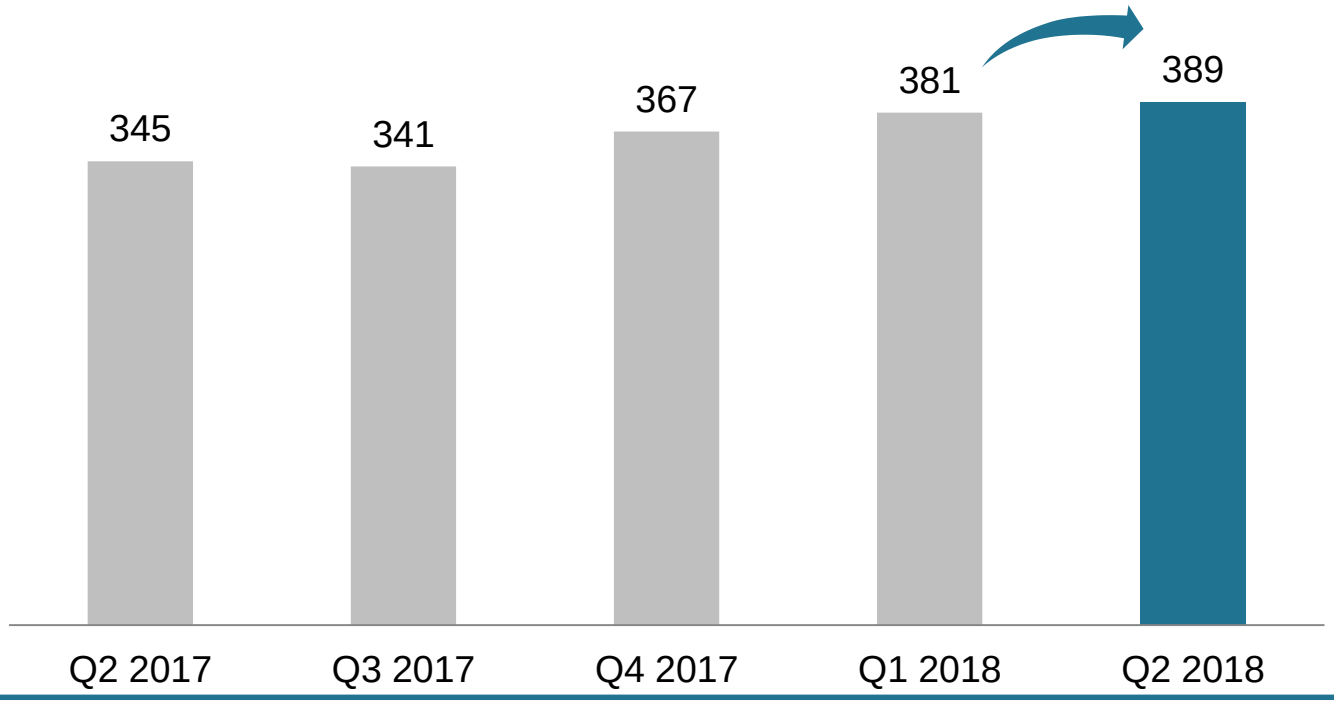
Balance sheet, in EUR million

Assets	Jun 30, 2018	Dec 31, 2017	*Comments Jun 30, 2018*
Non-current	**585.1**	546.6	
PP&E	546.6	513.3	
Other fixed	38.5	33.3	*22 intangibles (related to SSW) 1 hedging*
Current	**958.9**	705.8	
Inventories and contract assets	155.0	149.9	
Trade receivables	175.1	159.9	
Other current	26.1	53.9	*5 hedging*
Cash and fixed term deposits	602.7	342.1	
Total	**1,544.0**	1,252.4	

Equity and liabilities	Jun 30, 2018	Dec 31, 2017	*Comments Jun 30, 2018*
Equity	**720.1**	637.9	
Siltronic	709.3	637.3	
Other shareholders	10.8	0.6	*Samsung's 22% in SSW*
Liabilities	**823.9**	614.5	
Pension provision	389.4	367.2	*Germany and US*
Other provisions	67.7	59.5	*36 personnel related (e.g. early retirement)*
Trade liabilities	85.2	67.1	
Customer prepayments	222.8	69.8	
Other	58.8	50,9	*40 employee-related 14 hedging*
Total	**1,544.0**	1,252.4	

Pension provision relatively stable q-o-q

Pension provision, in EUR million



interest rates IFRS

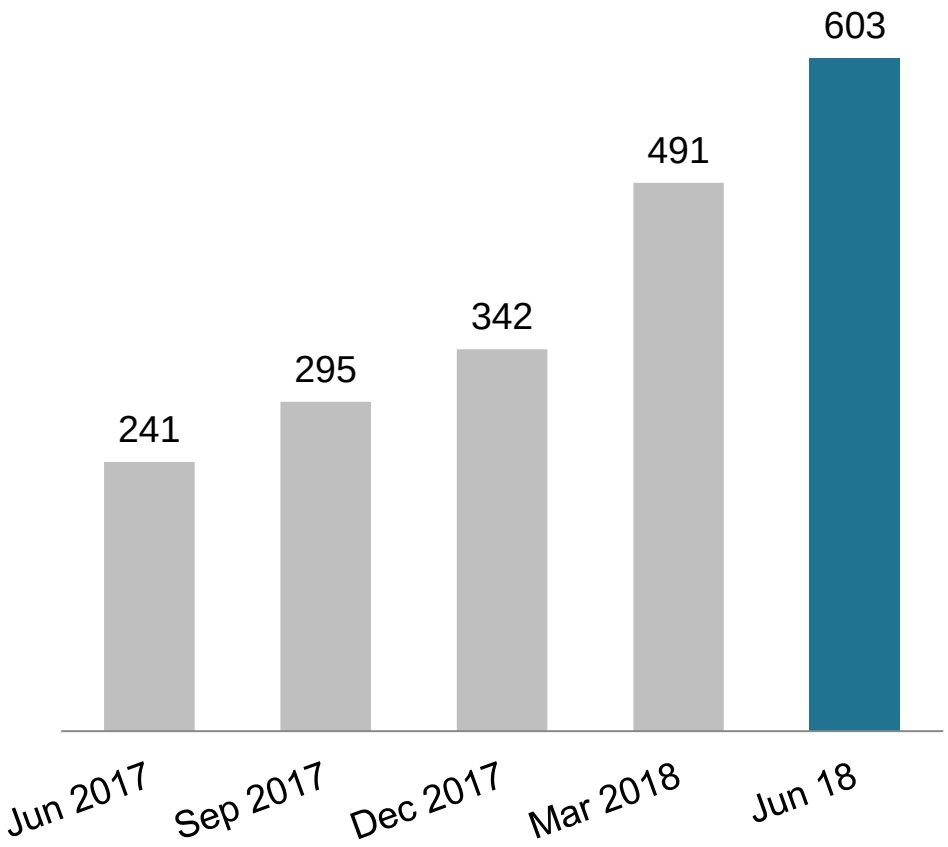
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
USA	3.65%	3.61%	3.45%	3.81%	3.99%
Germany	2.19%	2.21%	2.10%	2.02%	2.00%

Comment

- Changes in interest rates influence evaluation of pension provision
- Change in interest rates directly reflected in equity (OCI)

Net financial assets substantially increased

Net financial assets, in EUR million

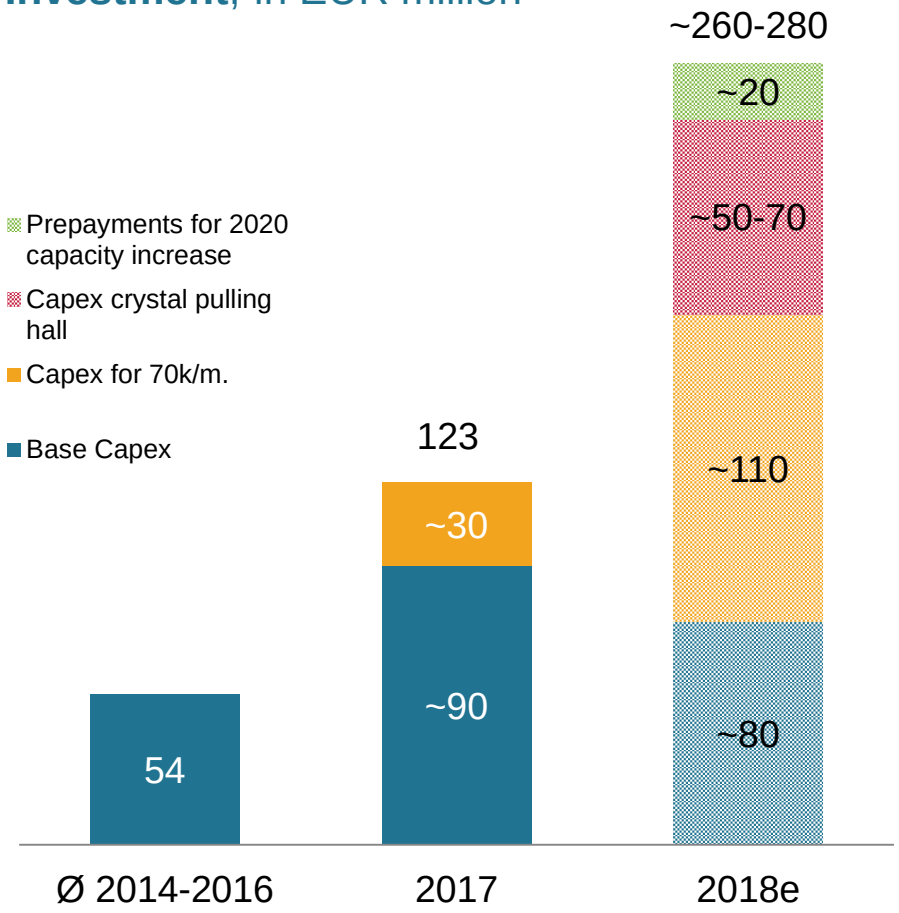


Comment

- Dividend payment of EUR 75m in April 2018
- Prepayments of EUR 116m (net) received in Q2

Capex 2018: slightly up to EUR 260m to EUR 280m

Investment, in EUR million

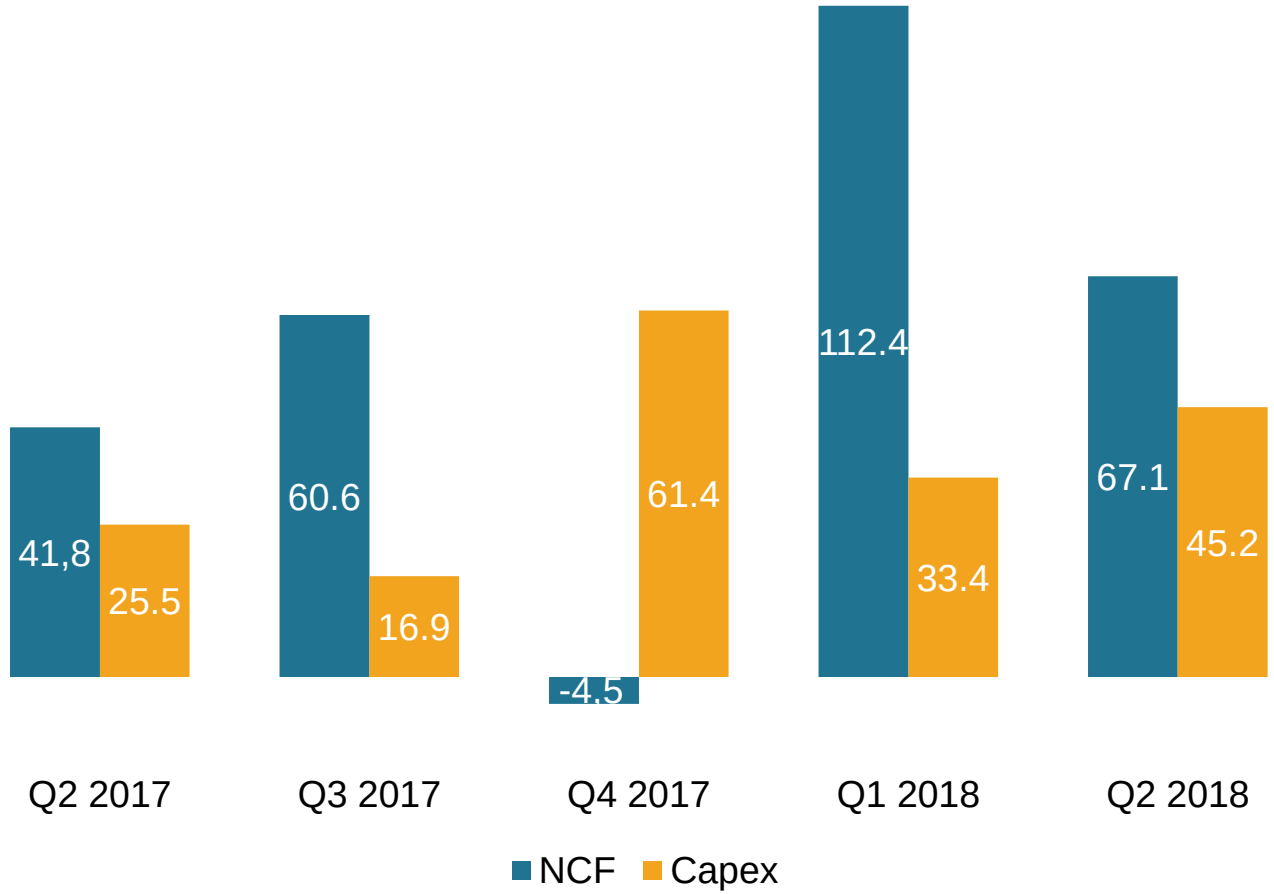


Comments

- Capex of EUR ~140m for 70k wafers/month over 2 years
- Capex in 2018 includes new crystal pulling hall in Singapore to create sufficient crystal pulling capacity to further expand wafer capacity in 2020
- Due to long lead-times additional crystal pullers already ordered
- Prepayments for capacity additions in 2020 already in 2018
- Capex base level to sustain business:
  - MOB (maintenance of business)
  - Capabilities
  - Cost reductions
  - Automation

High net cash flow in the first two quarters

Capex and NCF, in EUR million

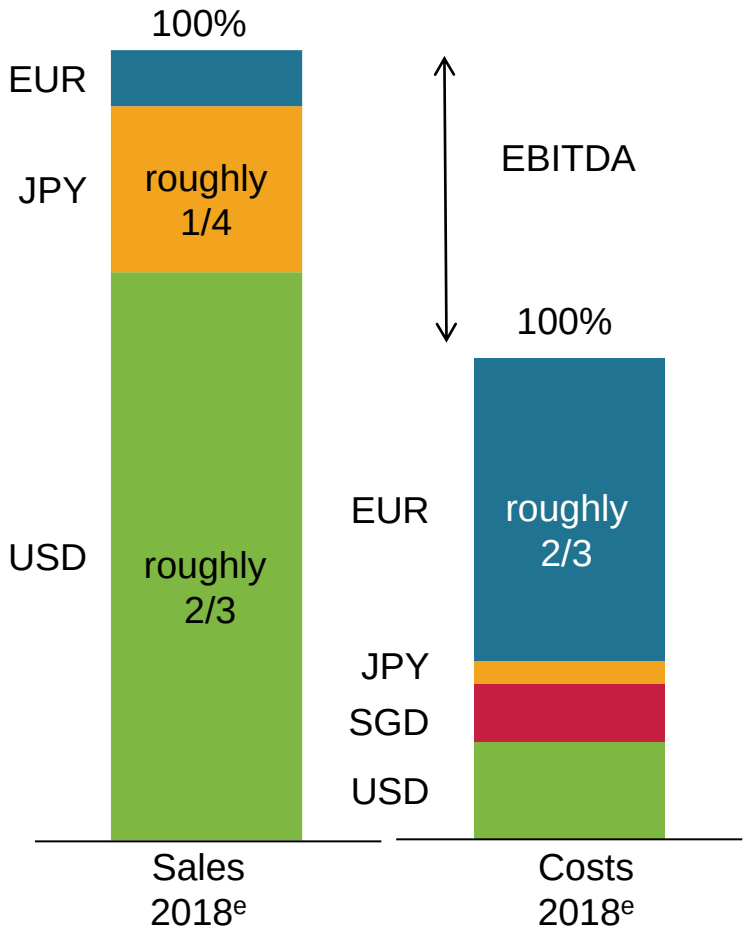


Comments

- Net cash flow of EUR 67.1m in Q2 201
- Low capex in Q1 and Q2
- Higher tax payments in Q2
- Q1 high due to reversal of Q4 effects

Increasing FX exposure due to higher margins

FX exposure



USD exposure 2018

- hedging ratio approx. 40%

excl. profit

- hedging ratio approx. 75%

JPY exposure 2018

- hedging ratio approx. 30%

excl. profit

- hedging ratio approx. 50%

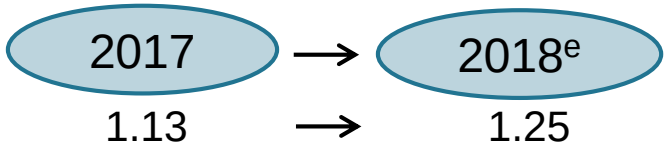
At FX rates (1.25/135) negative impact on sales by approx. EUR 100m and on EBITDA by approx. EUR 60m

Chance USD, in EUR million

1 ct ~ EUR 7.5m sales

~ EUR 6.5m gross margin

~ EUR 4.5m EBITDA after hedging



~ EUR -90m sales

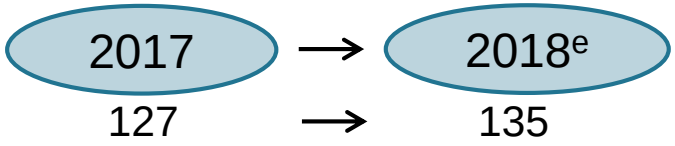
~ EUR -55m EBITDA

Change JPY, in EUR million

1 JPY ~ EUR 2m sales

~ EUR 2m gross margin

~ EUR 1m EBITDA after hedging

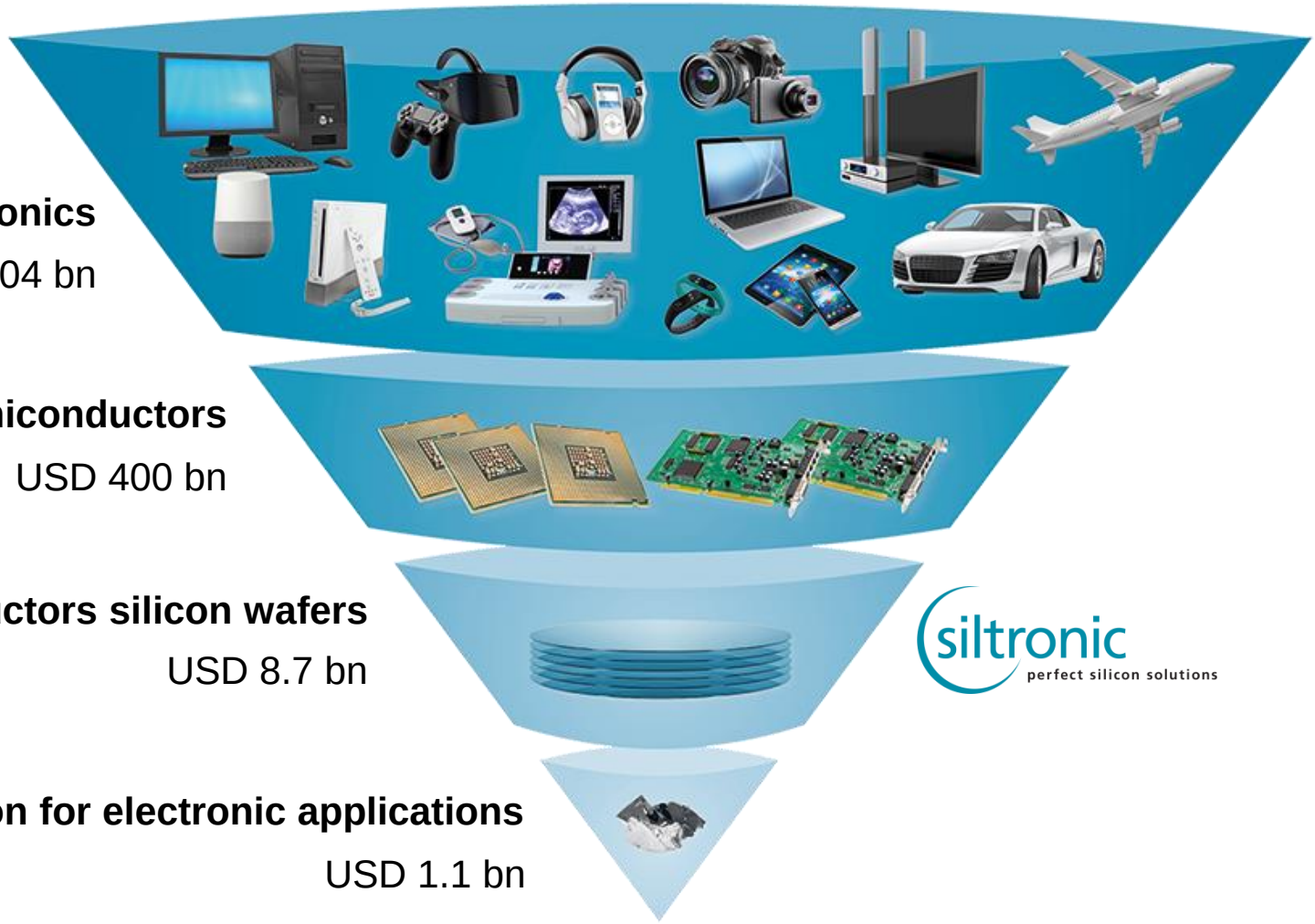


~ EUR -17m sales

~ EUR -10m EBITDA

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

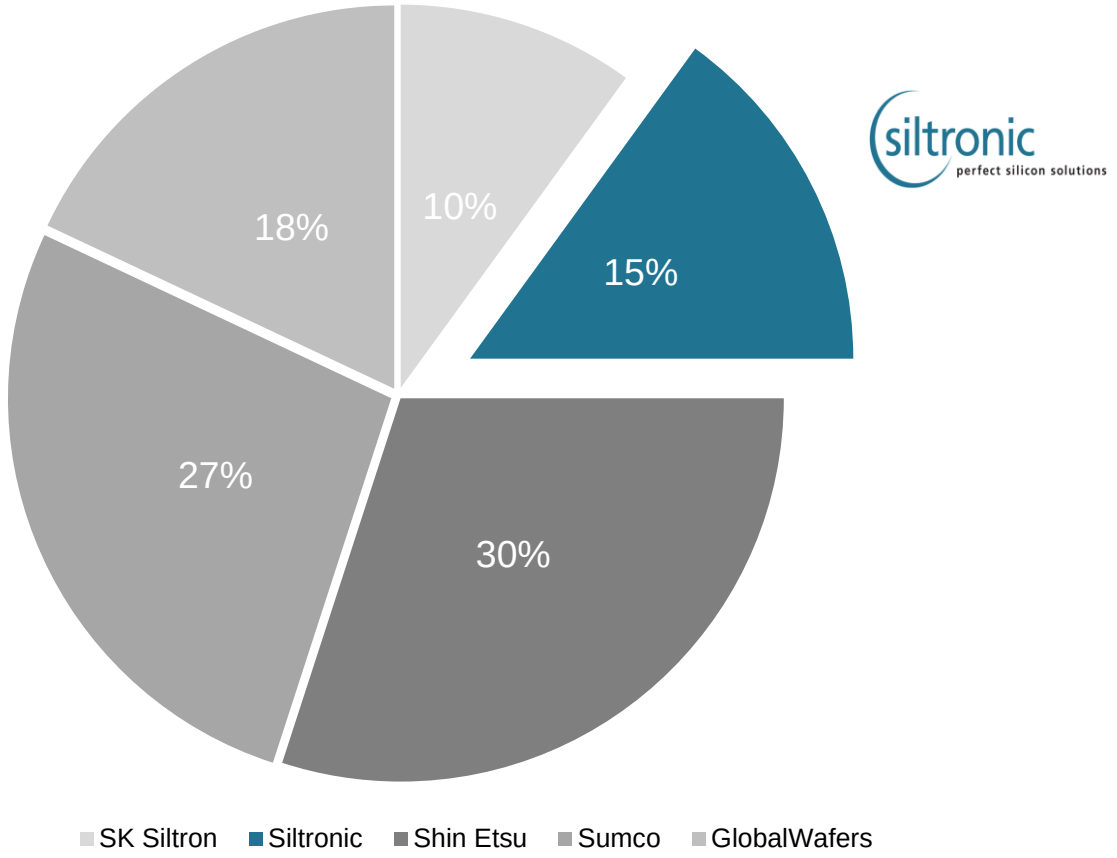
Electronics value chain 2017



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

Siltronic is a strong wafer supplier with leading-edge technology

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



Sources: reported company revenues FY 2017, converted to USD million

Customer base well diversified across all major semiconductor silicon wafer consumers

Siltronic is a supplier to all top 20 Silicon wafer consumers

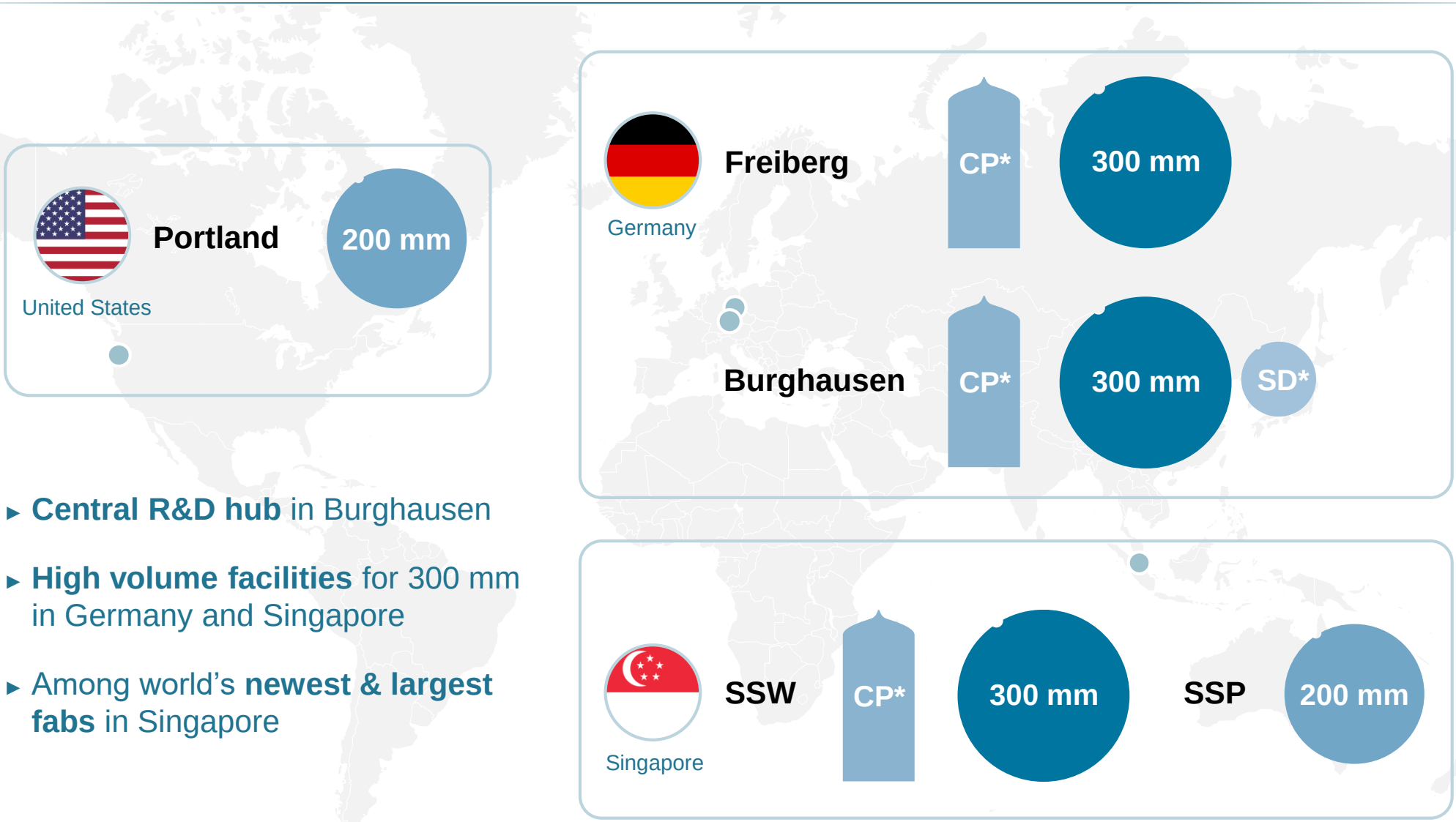
GLOBALFOUNDRIES · HHGrace 華虹宏力 · Infineon · intel · Micron · NXP · ON Semiconductor · Powerchip 力晶科技 · RENESAS · ROHM SEMICONDUCTOR · SAMSUNG · SK hynix · SMIC · SONY · life.augmented · Texas Instruments · TOSHIBA · tsmc · UMC · VIS

Siltronic **well positioned at all major** Silicon **consumers**

Top 10 customers represent **~73%** of 2017 **revenues**

Source: Company Information, Siltronic

International manufacturing network supports market leadership and business focus

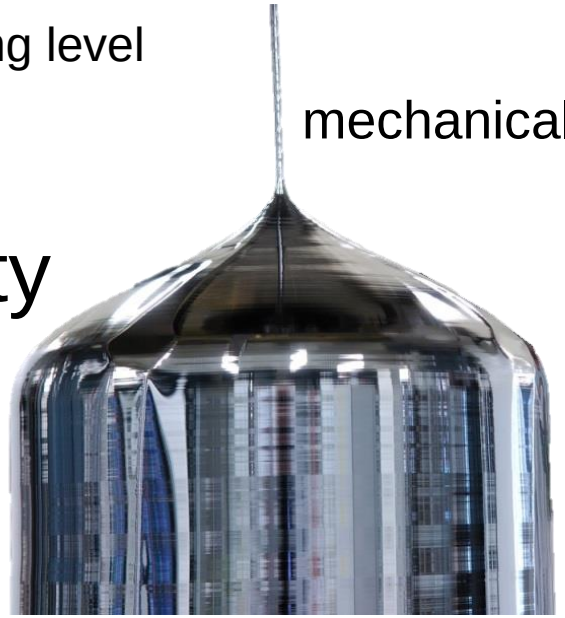


- **Central R&D hub** in Burghausen
- **High volume facilities** for 300 mm in Germany and Singapore
- Among world's **newest & largest fabs** in Singapore

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

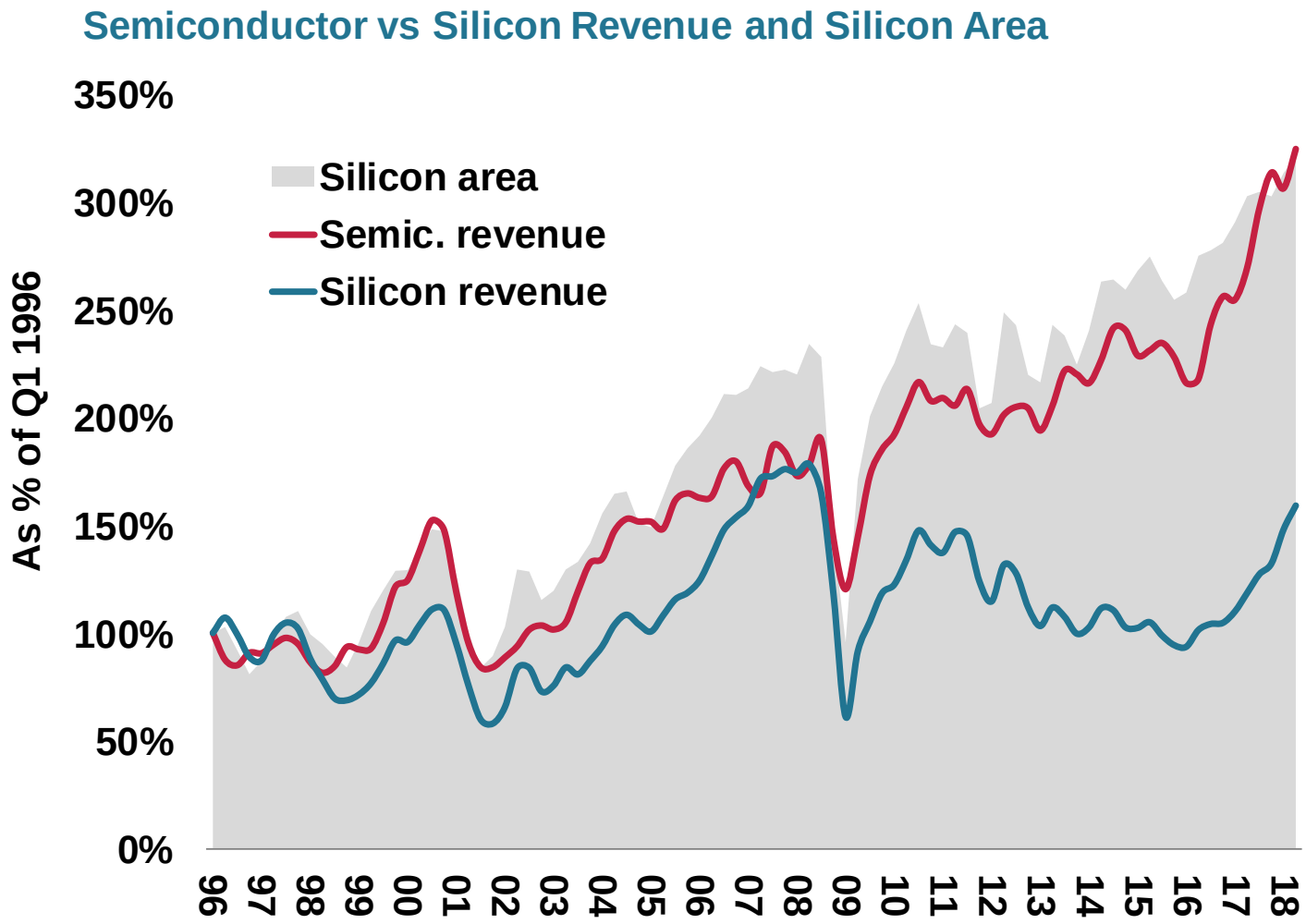
Continuous improvement of key ingot and wafer properties to meet customers‘ requirements

Ingot



Wafer

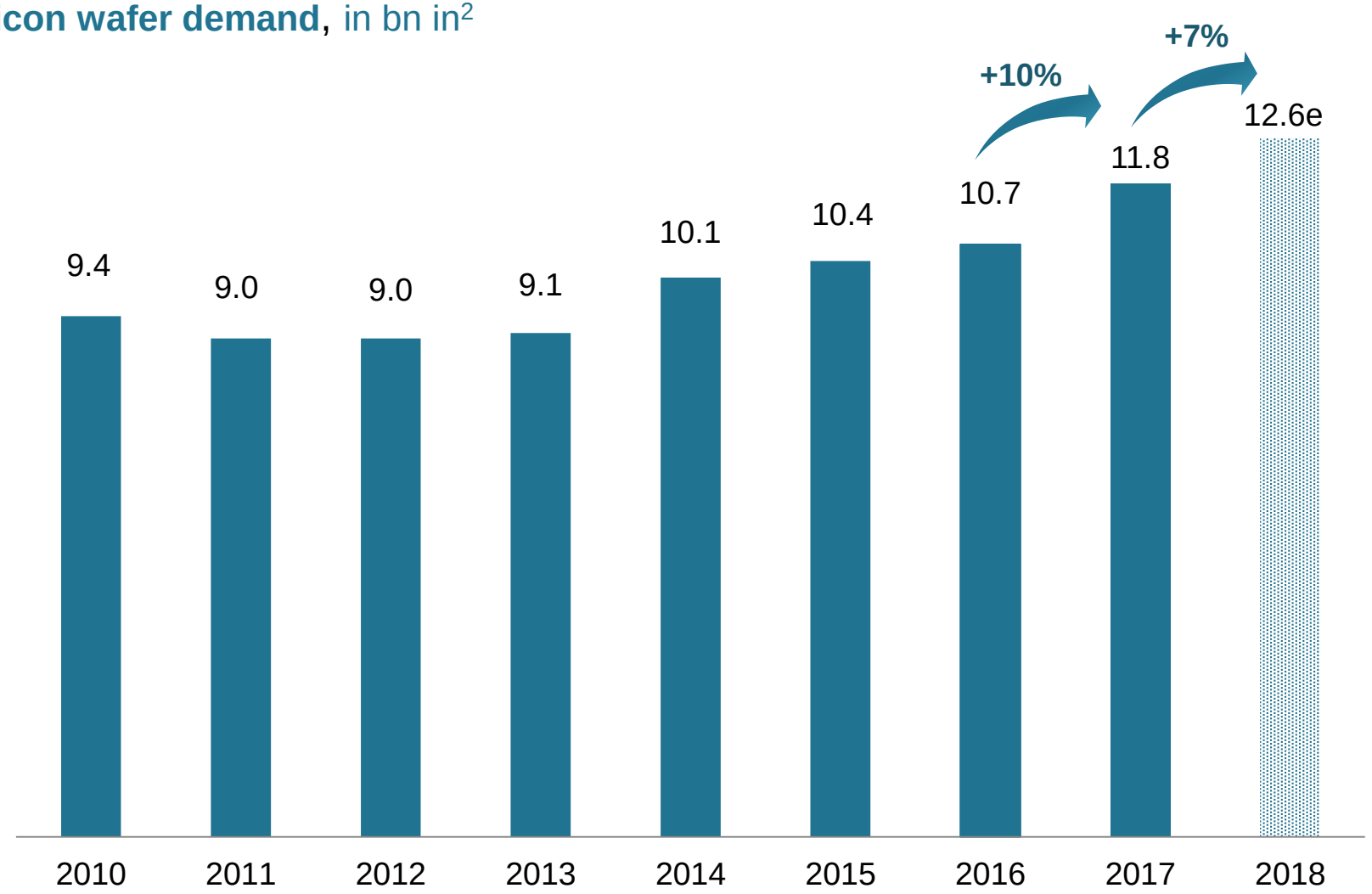
Semiconductor Revenue vs Silicon Area and Silicon Revenue.



Source: WSTS and SEMI up to Q2 2018

Silicon area demand continues to grow

Silicon wafer demand, in bn in^2



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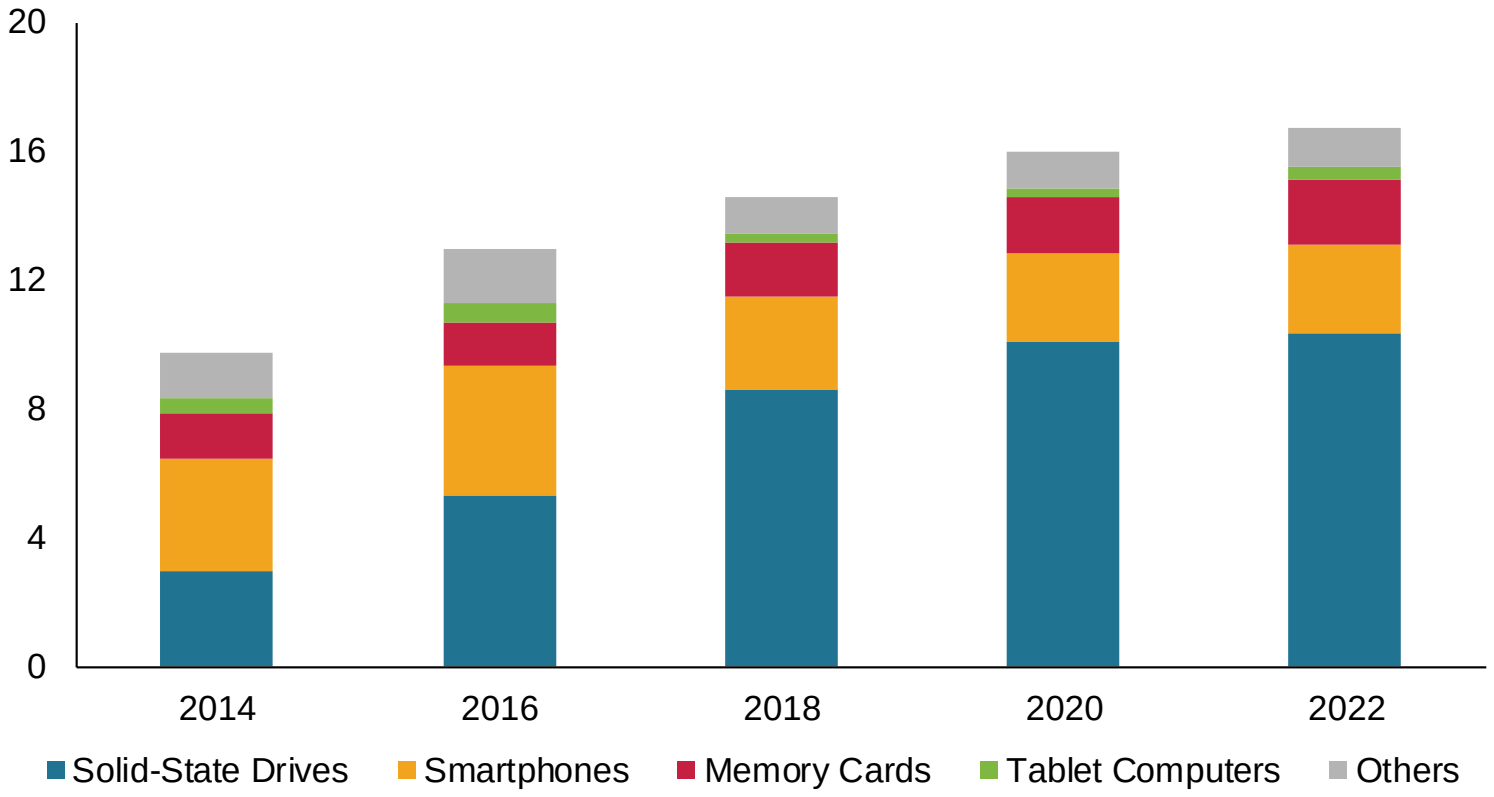
Silicon demand for NAND driven by growing demand for solid-state drives and increasing storage in smartphones

NAND silicon area demand by applications, bn cm² p.a.



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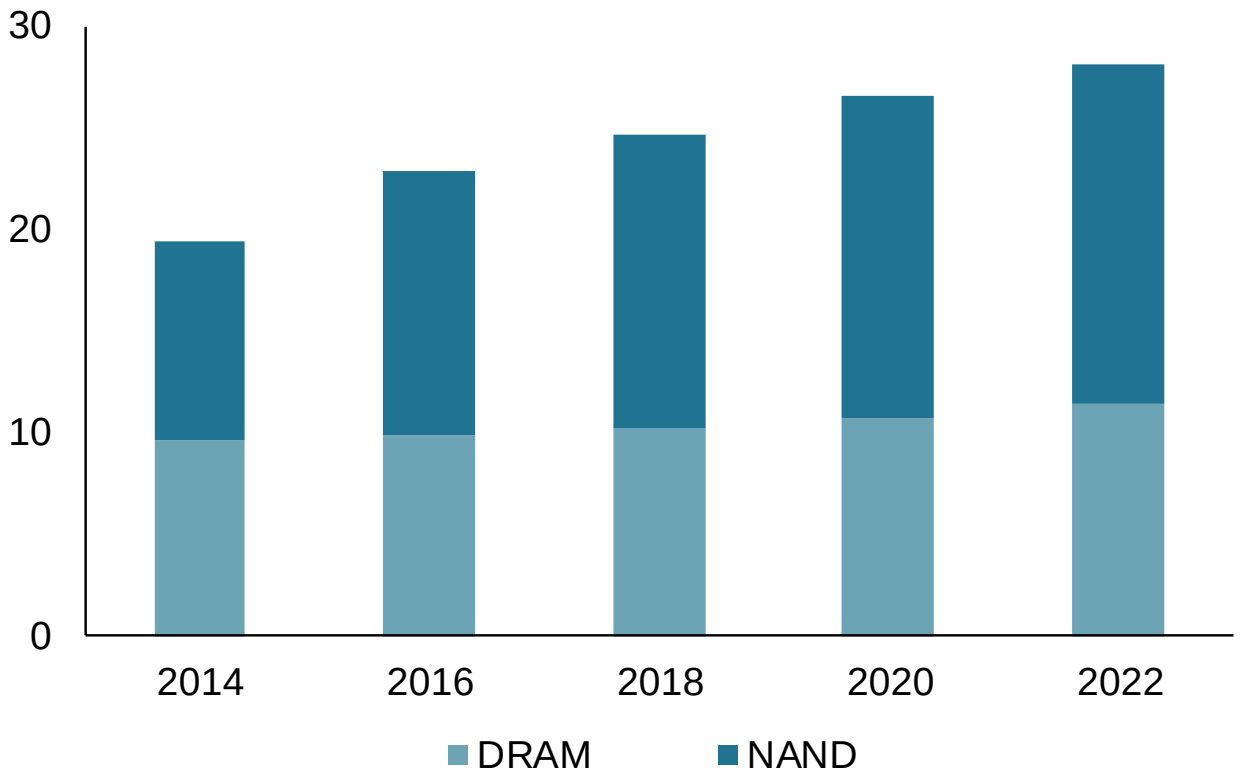
NAND is the growth engine in the memory sector
Silicon area for DRAM only shows moderate growth

Split of memory silicon area market by DRAM and NAND, bn cm² p.a.



Source: Data based on IHS Markit, Technology Group, Semiconductor Silicon Demand Forecast Tool, Q3 2018. Results are not an endorsement of Siltronic. Any reliance on these results is at the third party's own risk. Visit technology.ihs.com for more details.

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