

Siltronic Roadshow Presentation

May / June 2018

Financials improved strongly over the last years

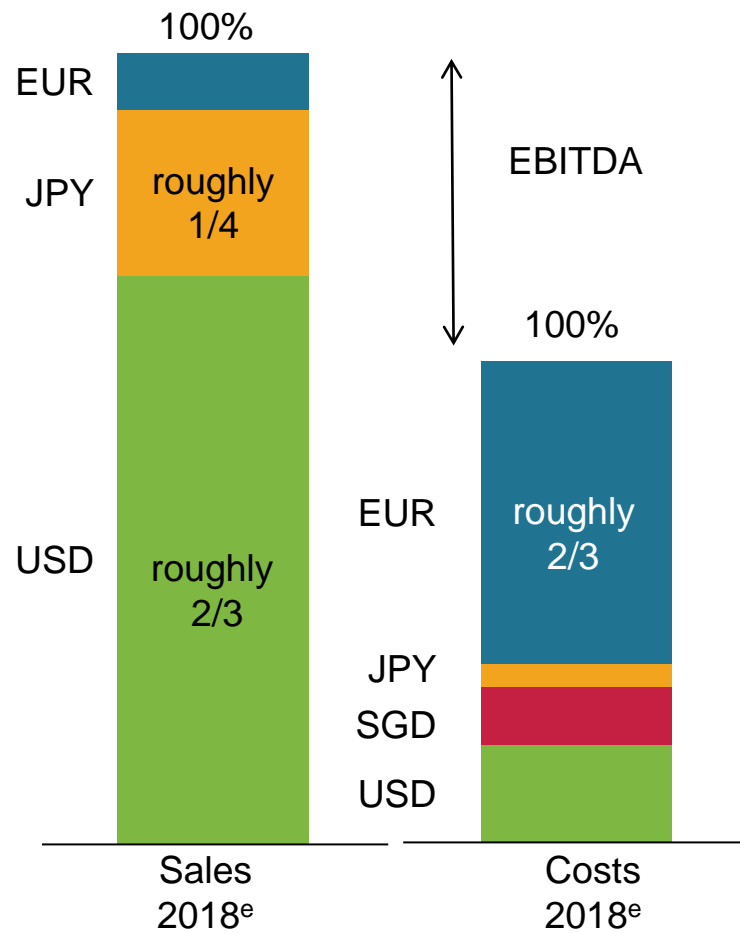
| Adjusted ¹ financial figures (EUR million) | 2013 | 2014 | 2015 | 2016 | 2017 | Q1 / 2018 |
|---|--------|--------|-------|-------|---------|-----------|
| Sales | 875.5 | 853.4 | 931.3 | 933.4 | 1.177,3 | 327.4 |
| EBIT | (87.3) | (31.6) | 2.7 | 27.0 | 235.7 | 96.6 |
| EBIT margin in % | (10.0) | (3.7) | 0.3 | 2.9 | 20.0 | 29.5 |
| EBITDA | 112.6 | 117.7 | 124.0 | 146.0 | 353.1 | 122.3 |
| EBITDA margin in % | 12.9 | 13.8 | 13.3 | 15.6 | 30.0 | 37.4 |
| CapEx | 39.7 | 40.7 | 75.0 | 88.8 | 123.2 | 33.4 |
| Free cash flow ² | 64.7 | 86.3 | 37.4 | 19.0 | 169.6 | - |
| Net cash flow ² | - | - | - | 39.6 | 124.8 | 112.4 |

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.

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%

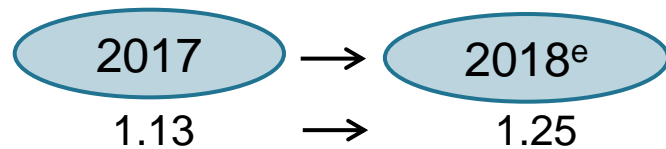
excl. profit

- ▶ 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

Change USD, in EUR million

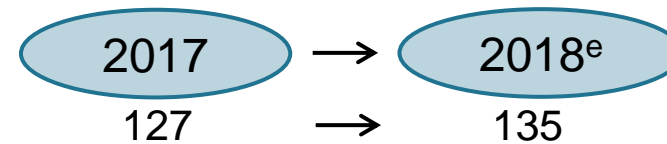
- 1 ct ~ EUR 7.5m sales
- ~ EUR 6.5m gross margin
- ~ EUR 4.5m EBITDA after hedging



- ~ 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



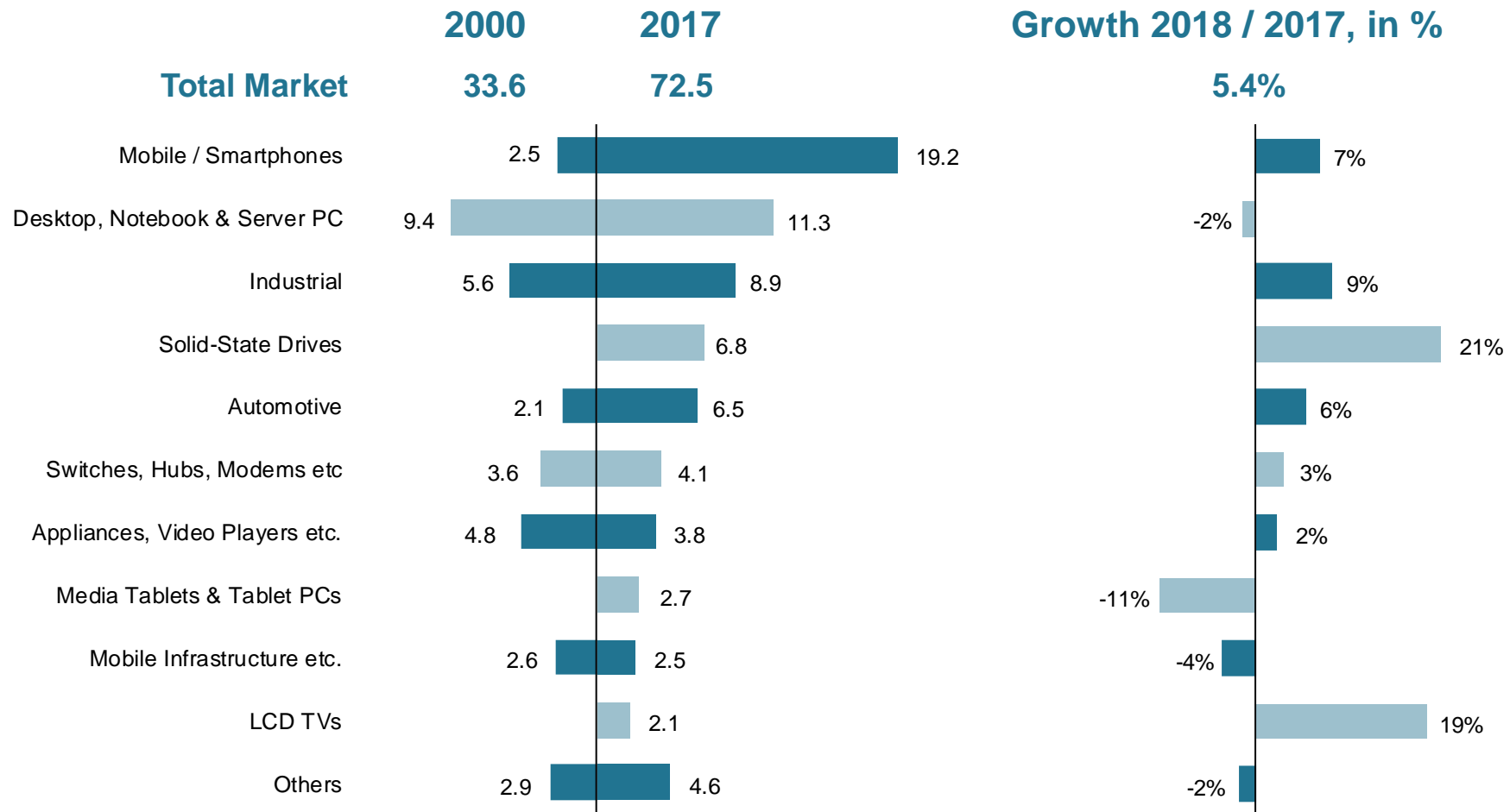
- ~ EUR -17m sales
- ~ EUR -10m EBITDA



MARKET UPDATE

IHS Markit forecasts 5.4% growth for silicon area in 2018 with broad based growth in a wide range of applications.

Wafer demand 2000 / 2017, in bn cm²



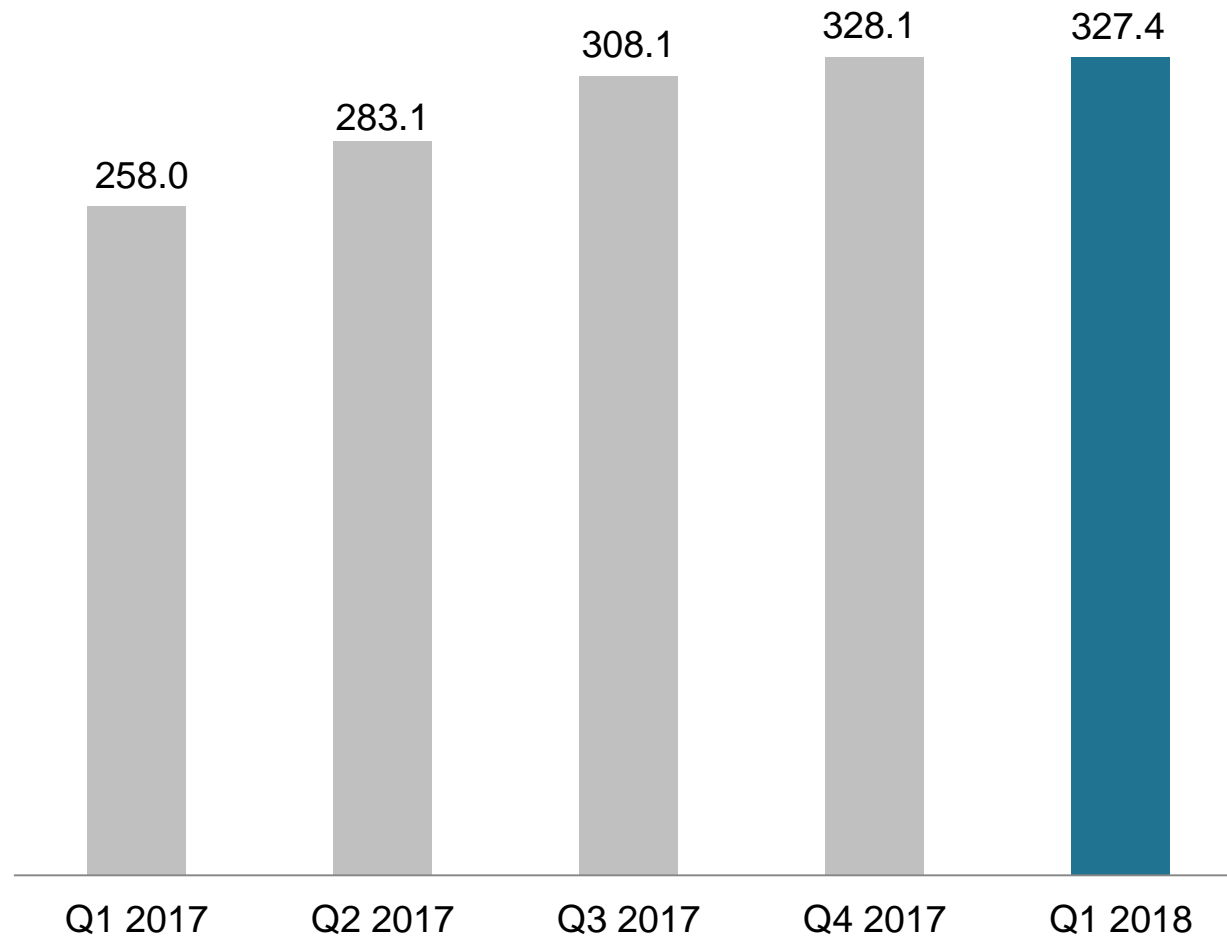
Source: IHS Markit Technology (Semiconductor Silicon Demand Forecast Tool, Q2'18 Update)



FINANCIALS Q1 / 2018

Q1 sales on high Q4 level despite headwind from USD

Sales, in EUR million



Comments

▶ Positive

- ▶ Sales volume on very high level relatively stable q-o-q
- ▶ Significant ASP increase y-o-y
- ▶ Slight ASP increase q-o-q
- ▶ Further ASP increases in 2018

▶ Negative

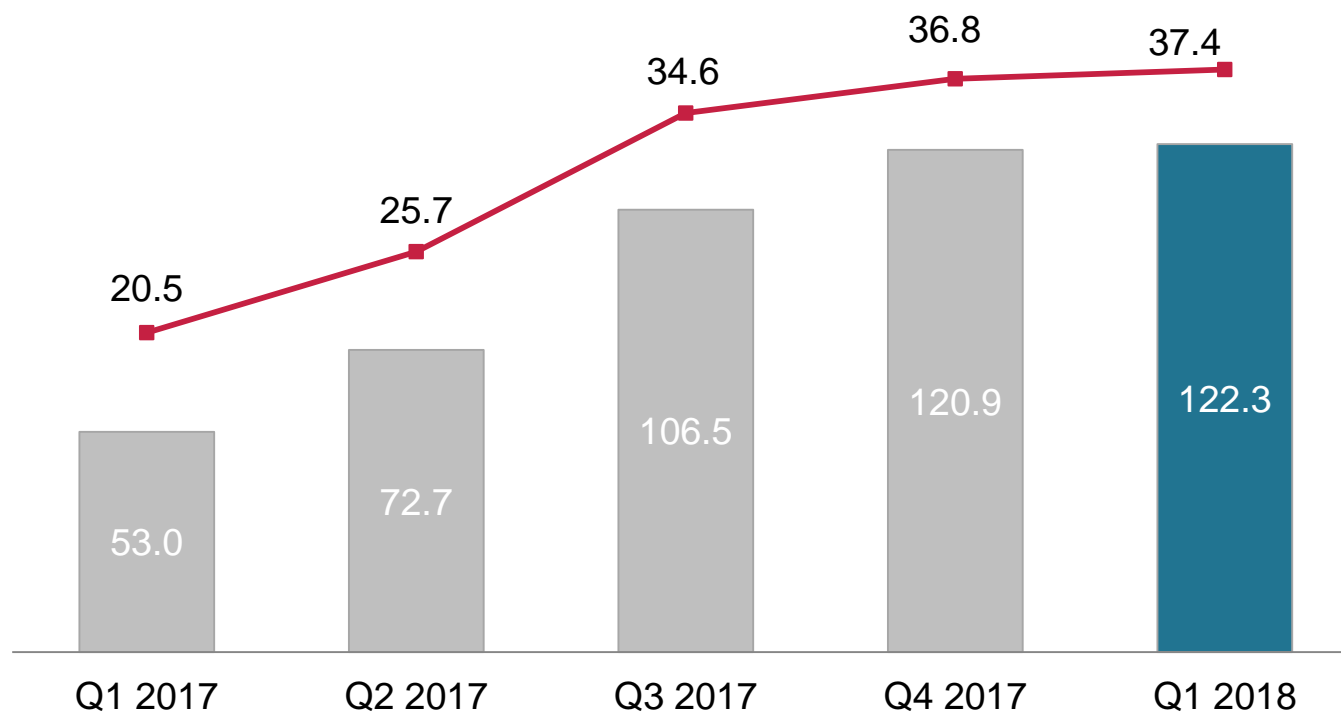
- ▶ Headwind from USD

EBITDA and EBITDA-margin also on high Q4 level

EBITDA margin in %; EBITDA in EUR million

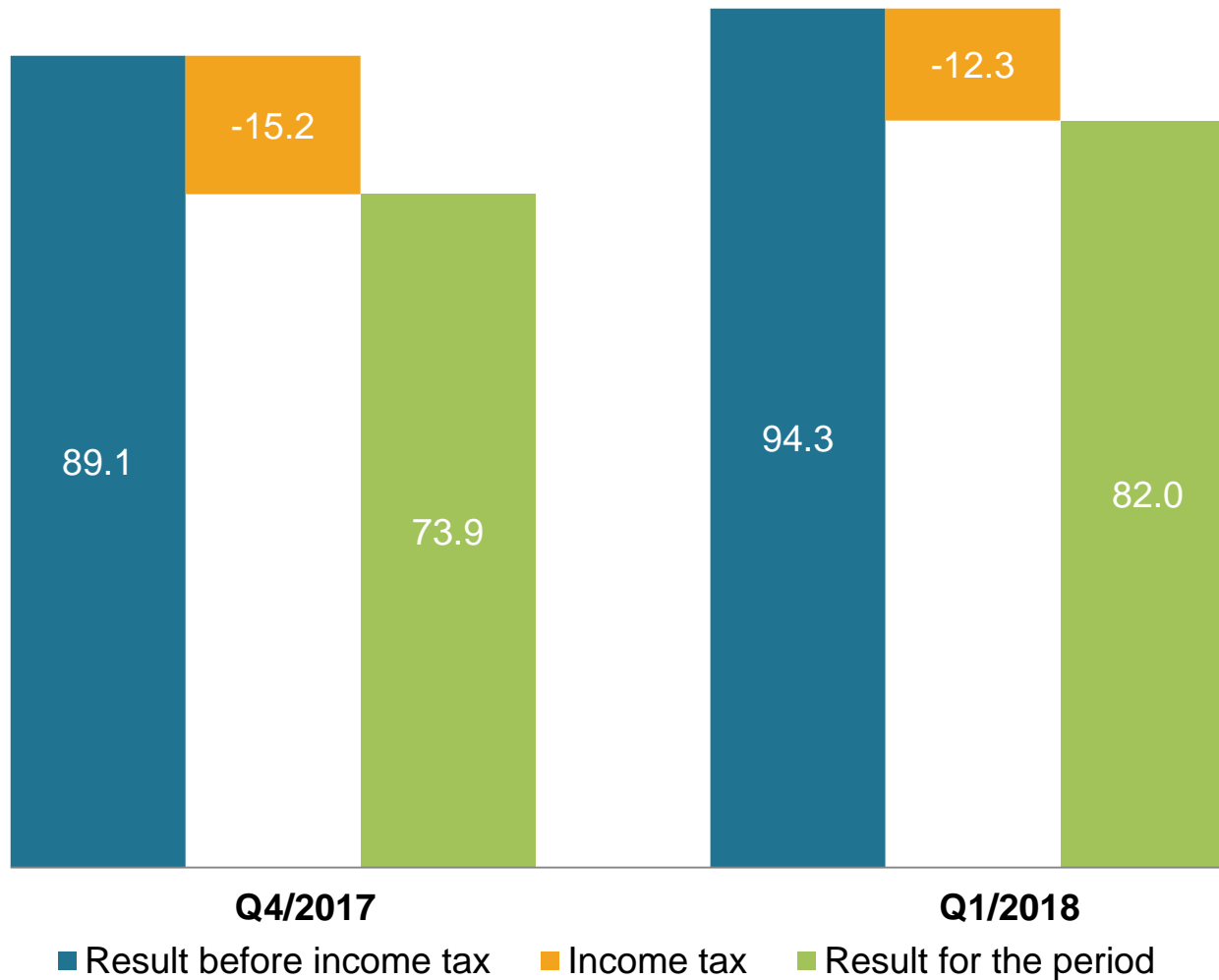
Comments

- ▶ Positive
 - ▶ Significantly higher ASP y-o-y
 - ▶ Further price increases q-o-q
 - ▶ Cost of sales per wafer area slightly decreased
- ▶ Negative
 - ▶ Headwind from USD



Net profit increased further

Result and income tax, in EUR million



Comments

- ▶ Net profit of EUR 82.0m in Q1/2018
- ▶ Main reason: lower depreciation
- ▶ EUR 18.7m expenses for effective taxes in Q1/2018
- ▶ EUR 6.4m income from deferred tax assets (one-time effect in Q1)

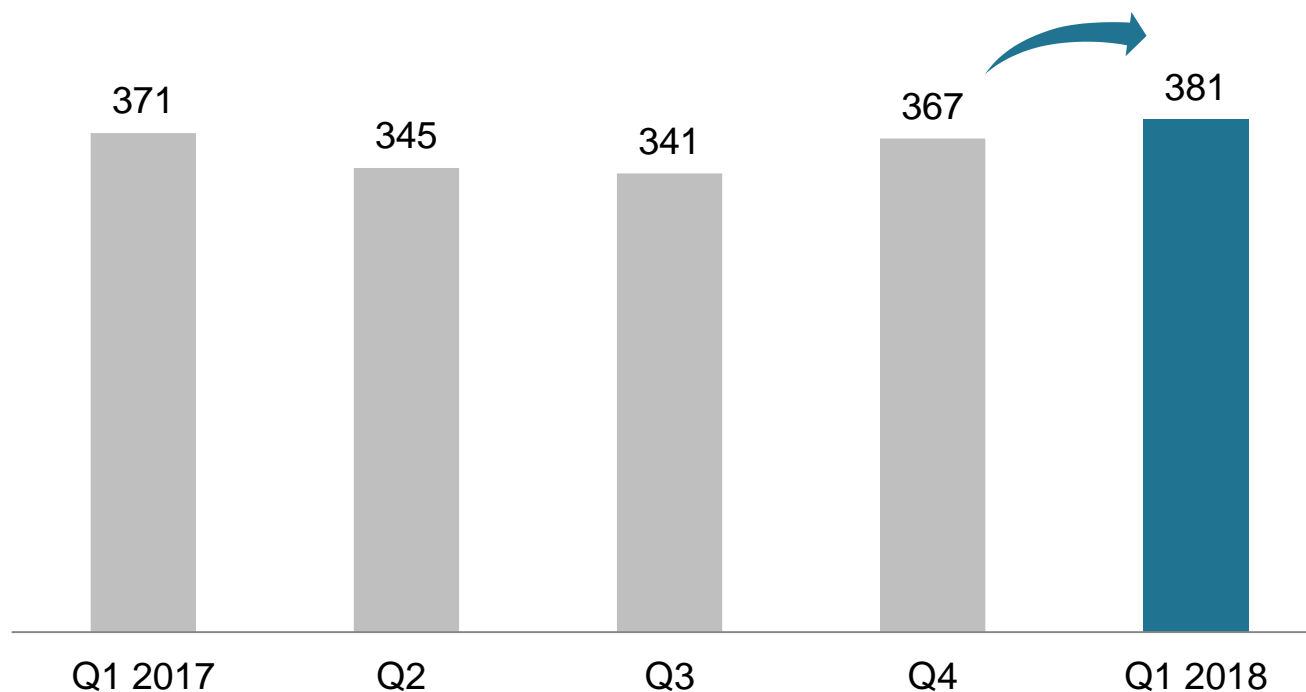
Equity further improved, stable equity ratio of ~50%

Balance sheet, in EUR million

| Assets | Mar 31, 2018 | Dec 31, 2017 | Comments Mar 31, 2018 | Equity and liabilities | Mar 31, 2018 | Dec 31, 2017 | Comments Mar 31, 2018 |
|---------------------------------|----------------|----------------|--|------------------------|----------------|----------------|--|
| Non-current | 554.4 | 546.6 | | Equity | 707.1 | 637.9 | |
| PP&E | 518.2 | 513.3 | | Siltronic | 703.1 | 637.3 | |
| Other fixed | 36.2 | 33.3 | 22 intangibles (related to SSW) 2 hedging | Other shareholders | 4.0 | 0.6 | Samsung's 22% in SSW |
| Current | 861.4 | 705.8 | | Liabilities | 708.7 | 614.5 | |
| Inventories and contract assets | 156.4 | 149.9 | | Pension provision | 380.7 | 367.2 | Germany and US |
| Trade receivables | 172.5 | 159.9 | | Other provisions | 72.2 | 54.6 | 45 personnel related (e.g. early retirement) |
| Other current | 41.7 | 53.9 | 18 hedging | Trade liabilities | 83.5 | 67.1 | |
| Cash and fixed term deposits | 490.8 | 342.1 | | Customer prepayments | 106.6 | 69.8 | |
| Total | 1,415.8 | 1,252.4 | | Other | 65.7 | 55.8 | 55 employee-related 3 hedging |
| | | | | Total | 1,415.8 | 1,252.4 | |

Fluctuations in pension provision due to interest rate movements

Pension provision, in EUR million



Comments

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

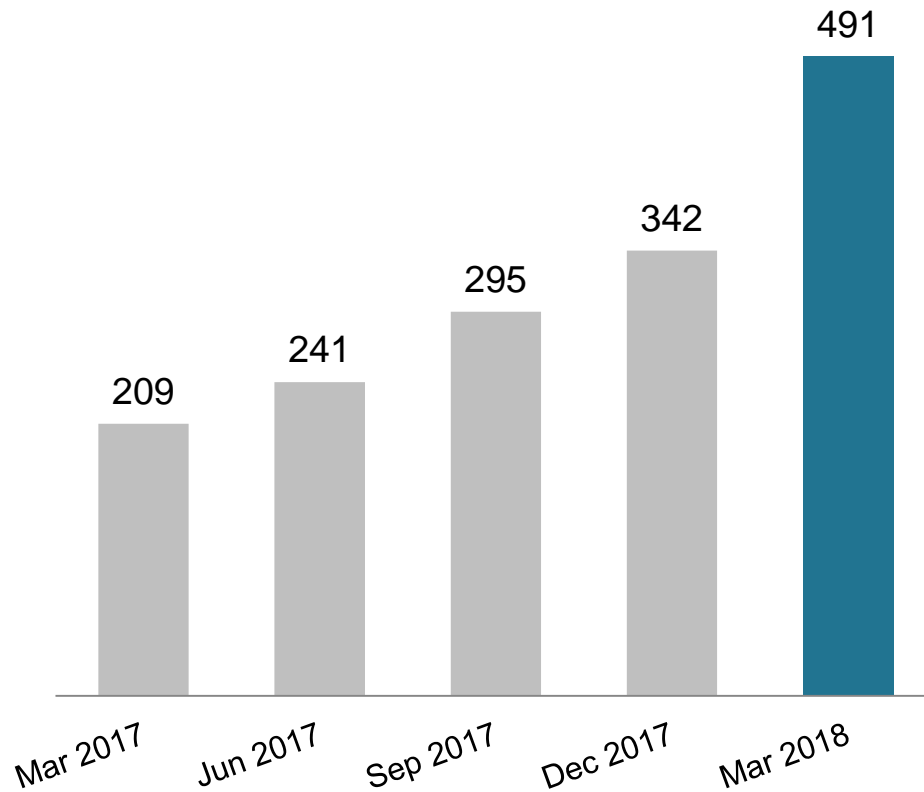
interest rates IFRS

| | | | | | |
|-----------|-------|-------|-------|-------|-------|
| ▶ USA | 3.90% | 3.65% | 3.61% | 3.45% | 3.81% |
| ▶ Germany | 2.07% | 2.19% | 2.21% | 2.10% | 2.02% |

Net financial assets on an all-time high in Q1 2018

Dividend payment of EUR 75m in April 2018

Net financial assets, in EUR million

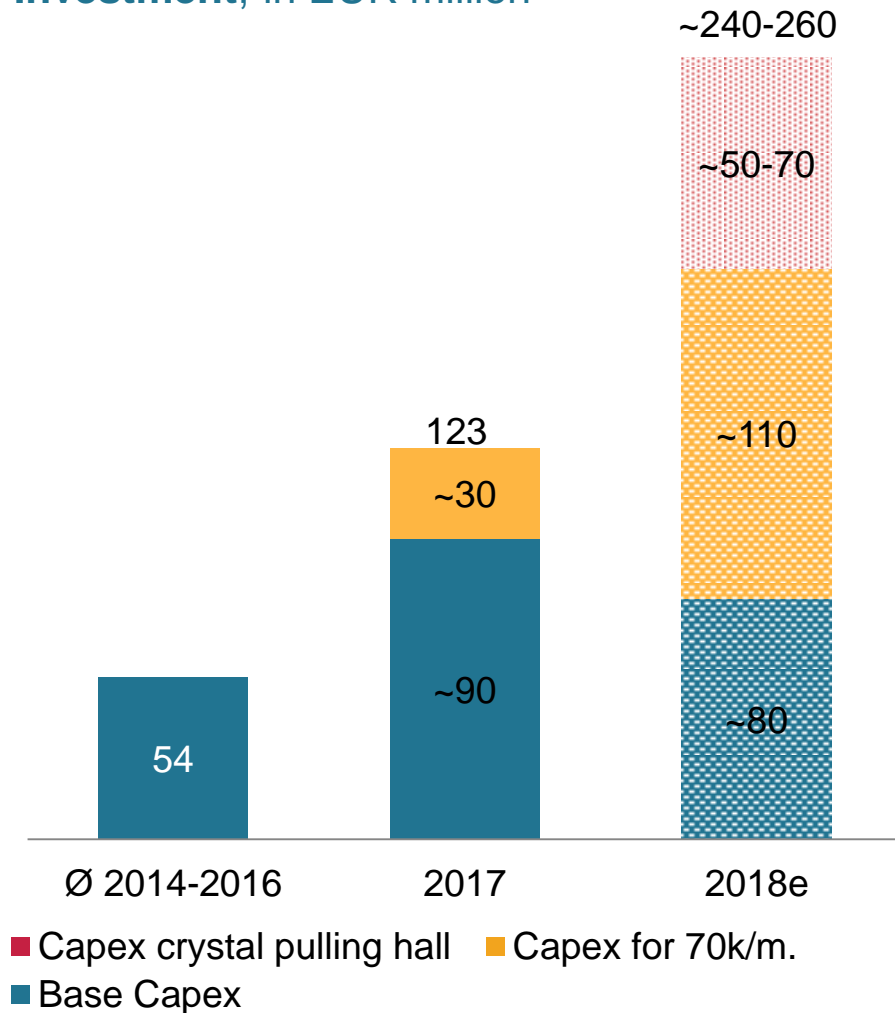


First dividend payment since IPO in 2015

- ▶ Successful financial year 2017 leads to first dividend payment since IPO
- ▶ Dividend of EUR 2.50 per share approved by the Annual General Meeting on April 19, 2018

Capex 2018: EUR 240m to EUR 260m

Investment, in EUR million



Comments

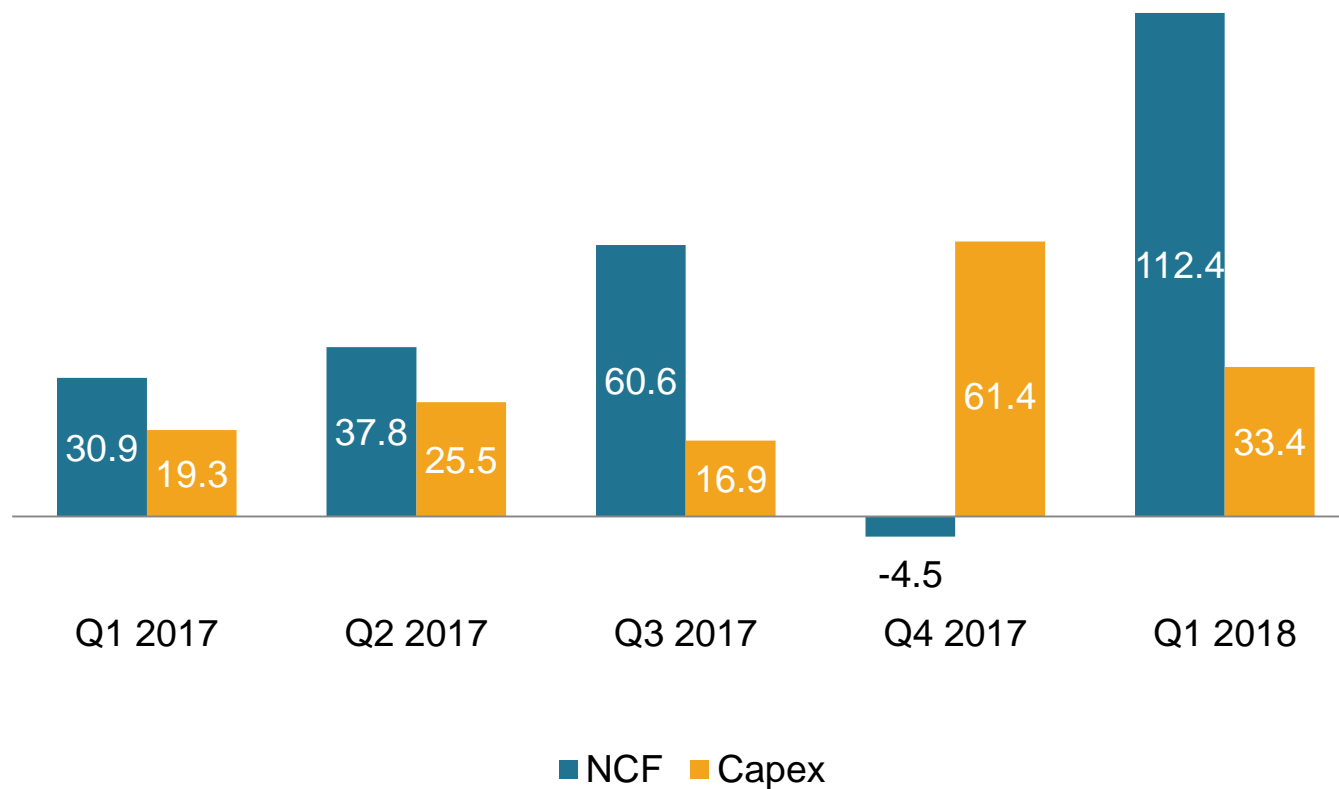
- ▶ Capex of EUR ~140m for 70k wafers/month over 2 years
- ▶ Capex in 2018 includes new crystal pulling hall in Singapore to create sufficient crystal pulling capacity to further expand wafer capacity in 2020
- ▶ Due to long lead-times additional crystal pullers already ordered
- ▶ Capex base level to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

Increasing net cash flow generation boosted by net profit

Capex and NCF, in EUR million

Comments

- ▶ Net cash flow of EUR 112.4m as a result of improved net profit
- ▶ Customer prepayments of EUR ~41m received in Q1 2018
- ▶ Further prepayments expected during the year





OUTLOOK

Siltronic Outlook for 2018 (as of March 5, 2018), confirmed

| | |
|---------------------------|---|
| EBITDA margin | close to 40% |
| ROCE | clearly higher than in 2017 |
| Net cash flow | clearly higher than in 2017 |
| Sales | clearly above EUR 1.3bn, depending on FX effects |
| 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 1.25 and an EUR/JPY exchange rate of 135 negative FX impact of approx. EUR 100m on sales and approx. EUR 60m on EBITDA |
| Depreciation | approx. EUR 90m |
| Tax rate | between 15% and 20% |
| Financial result | relatively stable |
| CapEx | approx. between EUR 240m and EUR 260m |
| Earnings per share | significantly higher than in 2017 |

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

| | |
|-----------------|------------------|
| Q2 2018 Results | July 25, 2018 |
| Q3 2018 Results | October 25, 2018 |

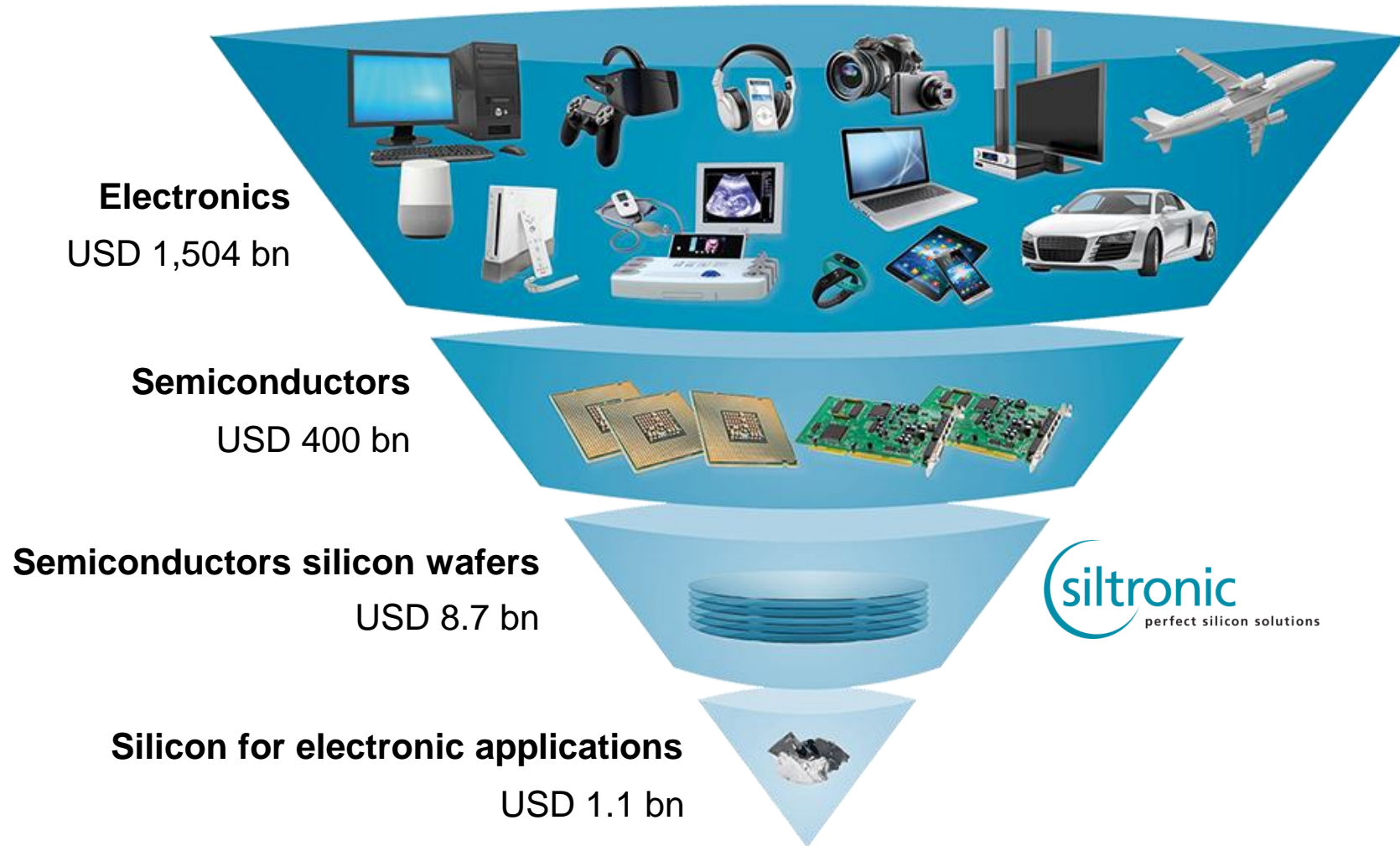


The image features a close-up, microscopic view of a silicon wafer, showing its characteristic circular shape and the fine, parallel lines of the silicon surface. A dark, semi-circular overlay is positioned on the left side of the frame, partially obscuring the wafer. The background is a soft, out-of-focus light blue. The word "APPENDIX" is printed in white, bold, uppercase letters on the dark overlay.

APPENDIX

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

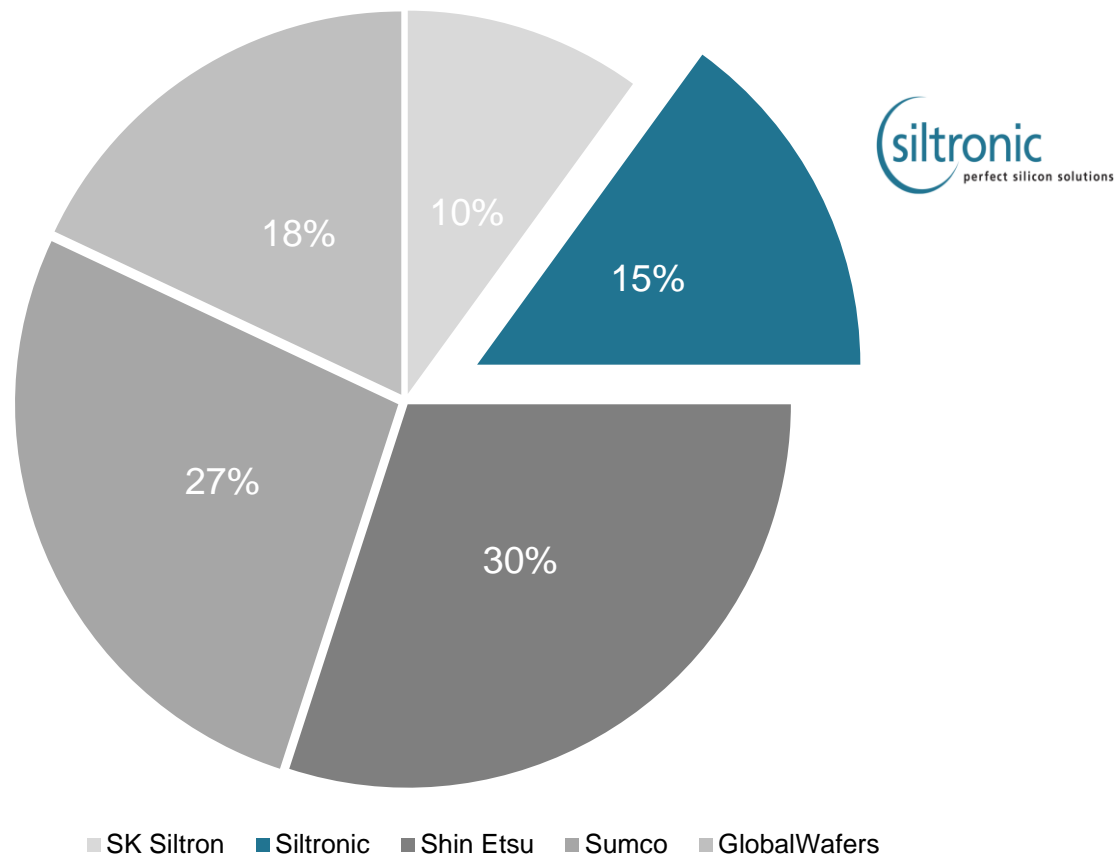
Electronics Value Chain 2017



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

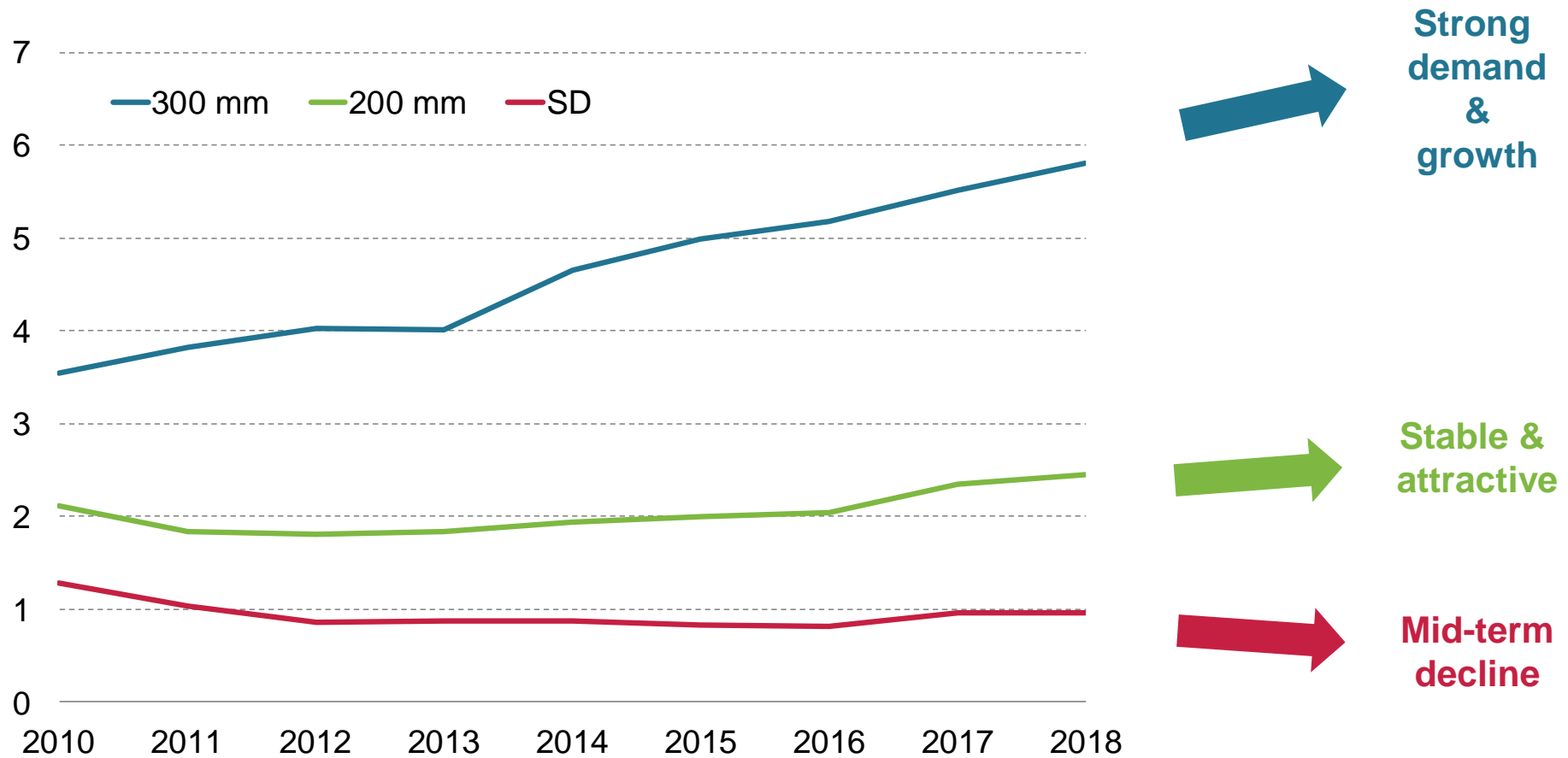
Top 5 wafer producers serve more than 90% of market across all diameters



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

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 Mar 2018

Customer base well diversified across all major semiconductor silicon wafer consumers

Siltronic is a supplier to all top 20 Silicon wafer consumers

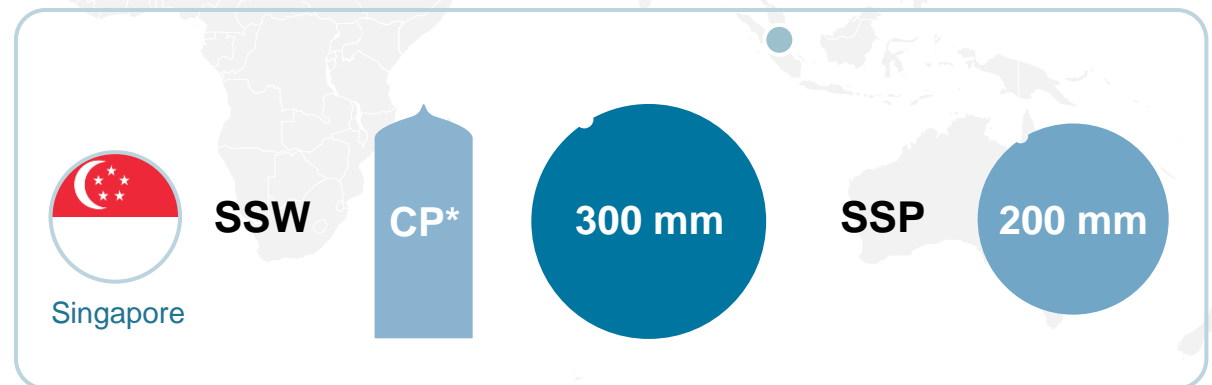
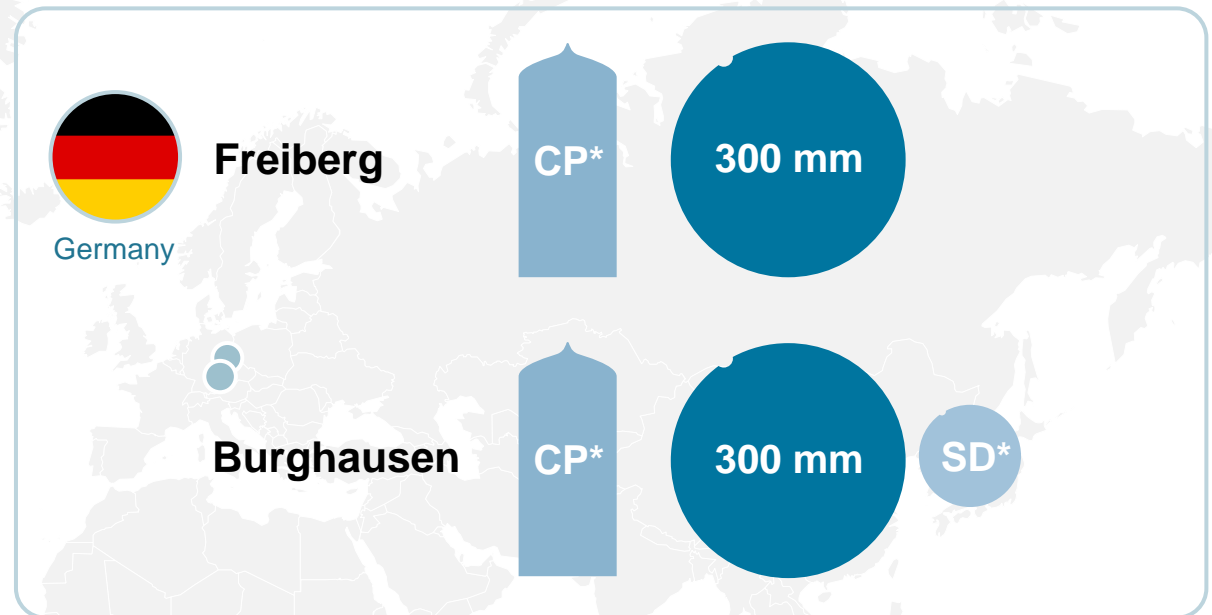
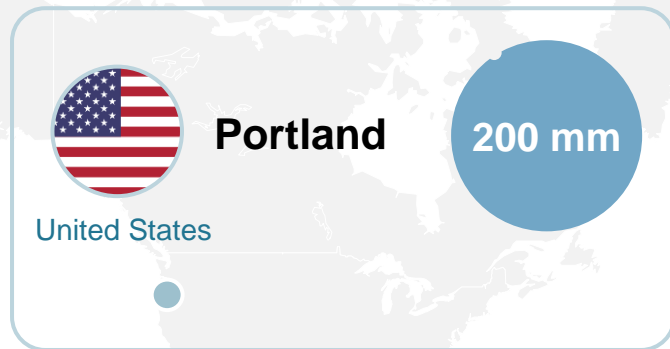


Siltronic well positioned at all major Silicon consumers

Top 10 customers represent ~73% of 2017 revenues

Source: Company Information, Siltronic

International manufacturing network supports market leadership and business focus

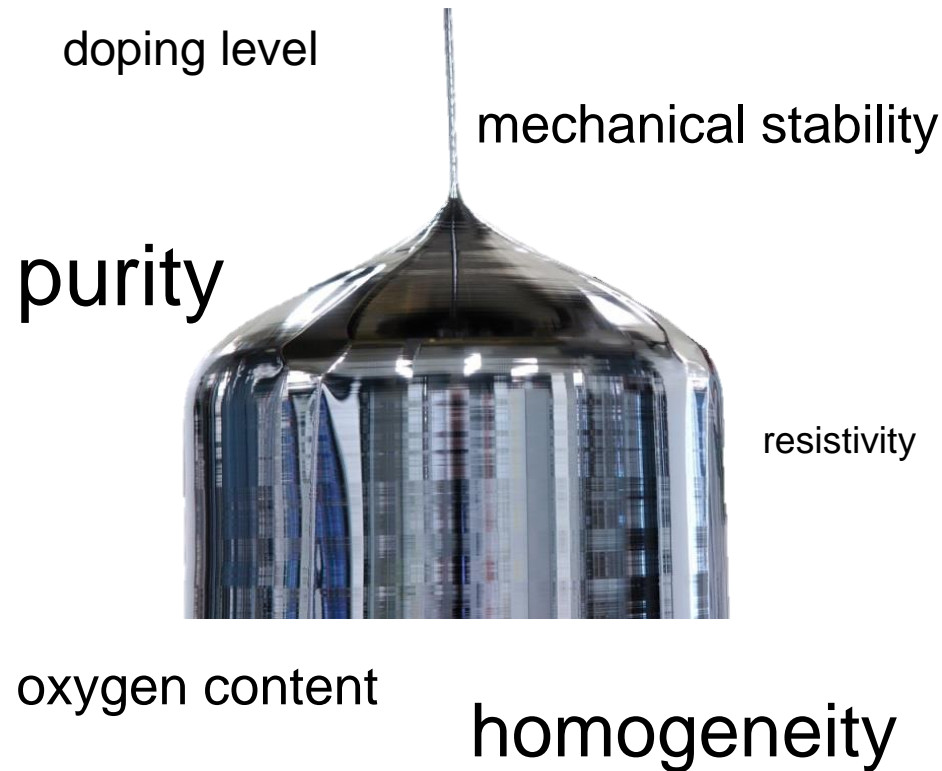


- ▶ **Central R&D hub** in Burghausen
- ▶ **High volume facilities** for 300 mm in Germany and Singapore
- ▶ Among world's **newest & largest fabs** in Singapore

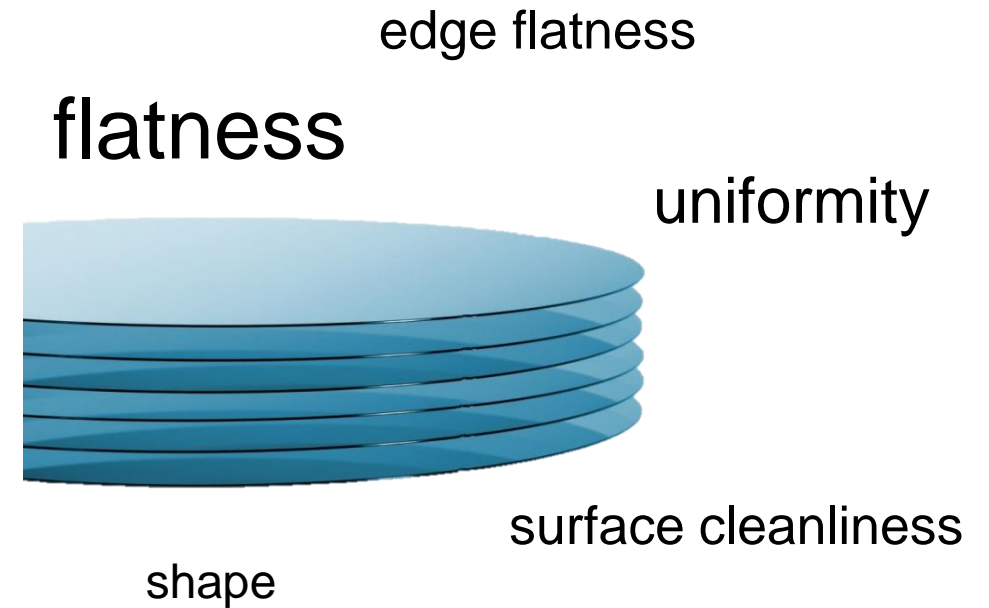
*CP = Crystal Pulling | *SD = 150 mm and smaller

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

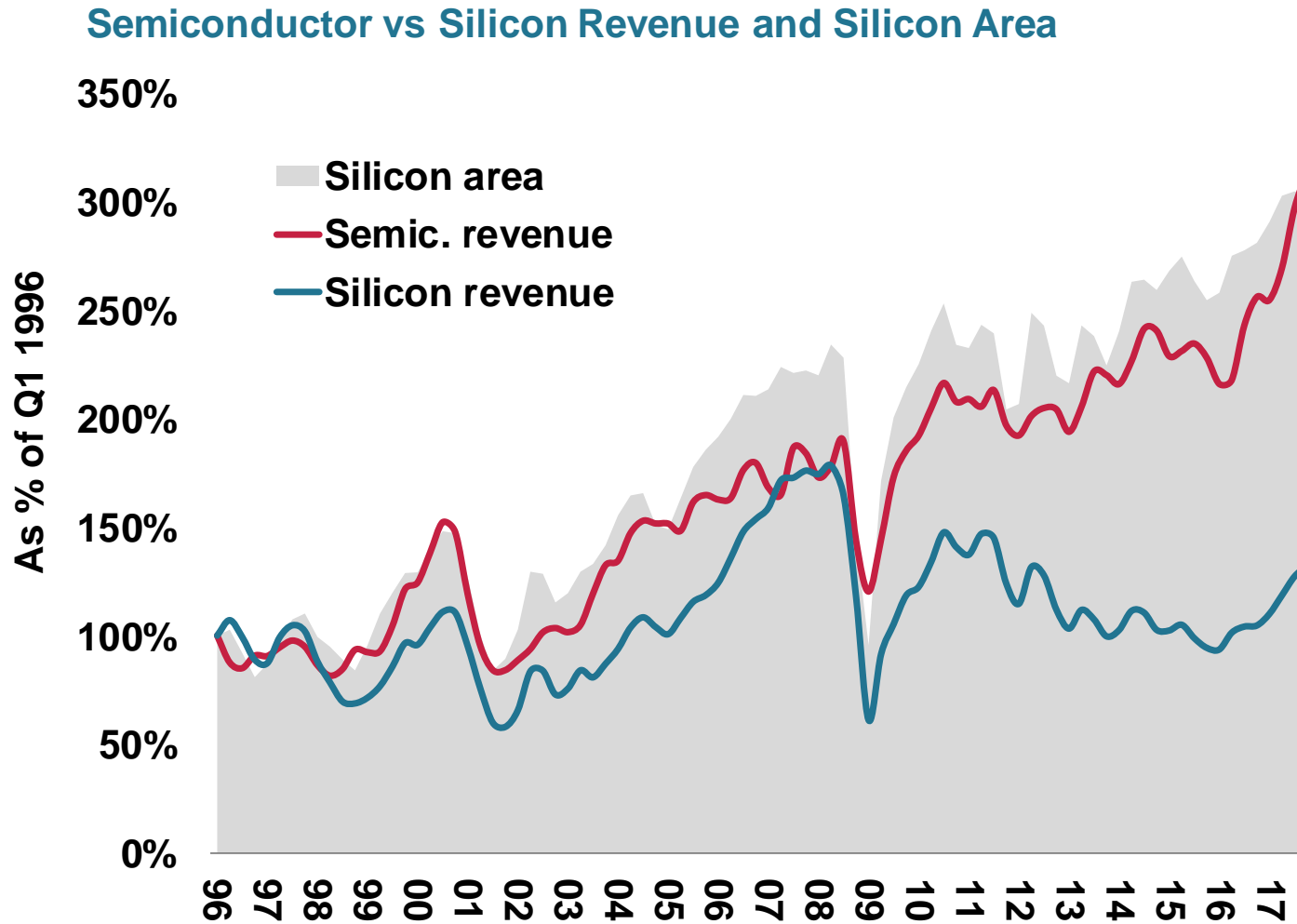
Ingot



Wafer



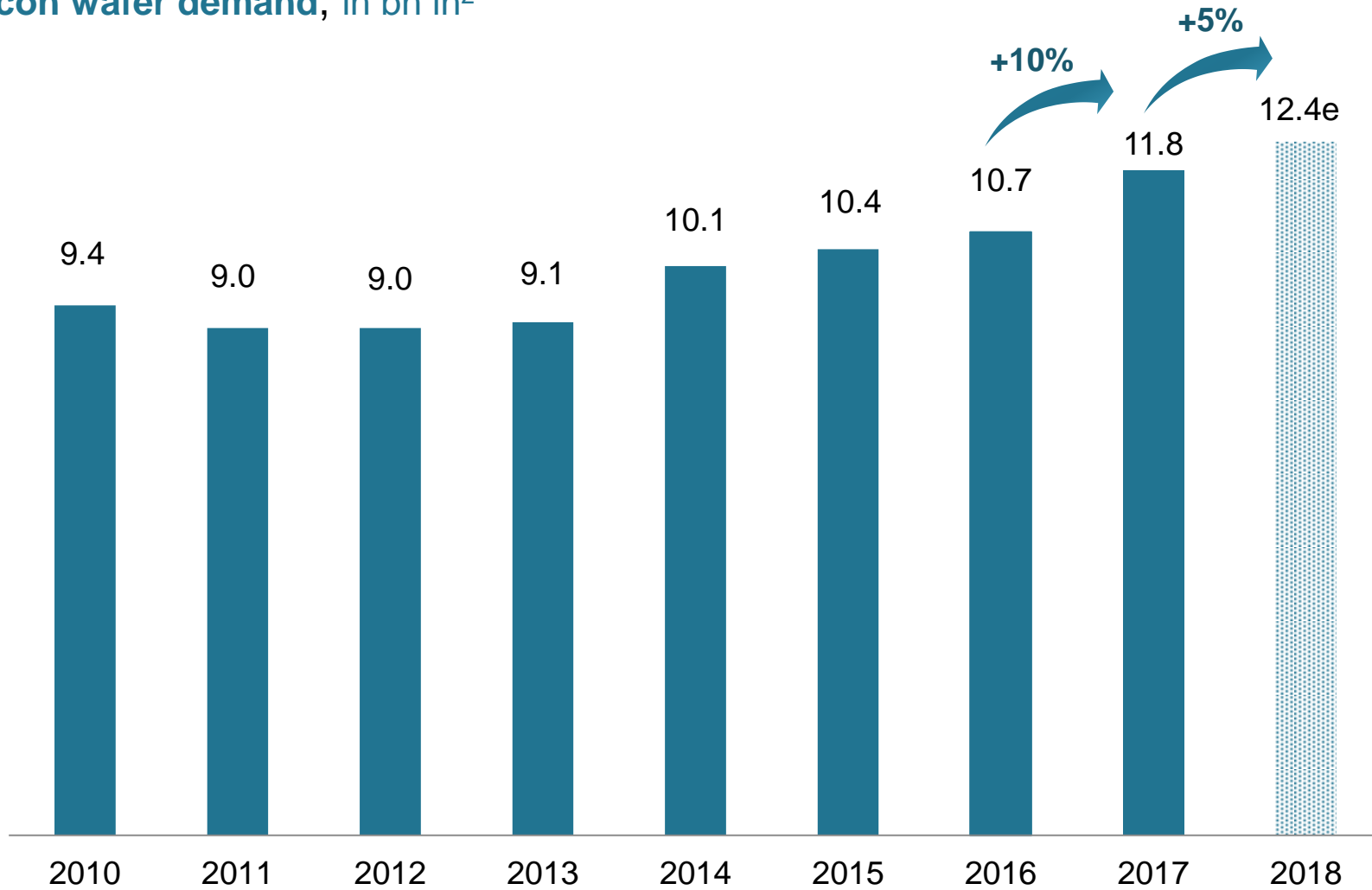
Semiconductor Revenue vs Silicon Area and Silicon Revenue.



Source: WSTS and SEMI up to Q4 2017

Silicon area demand continues to grow

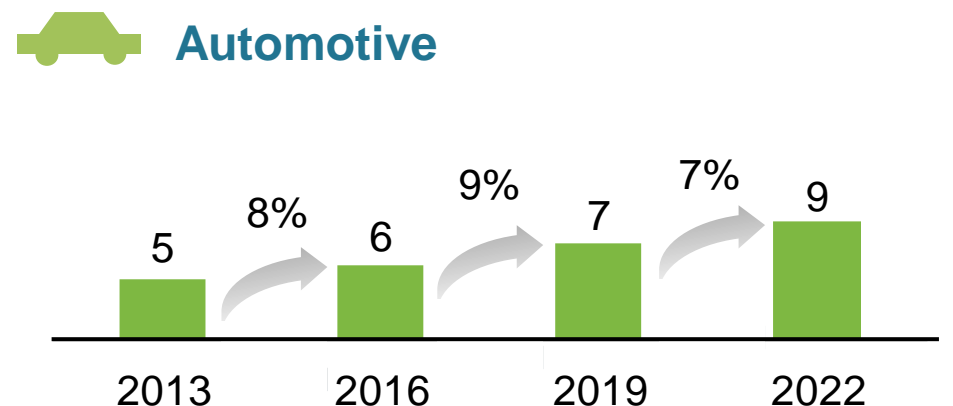
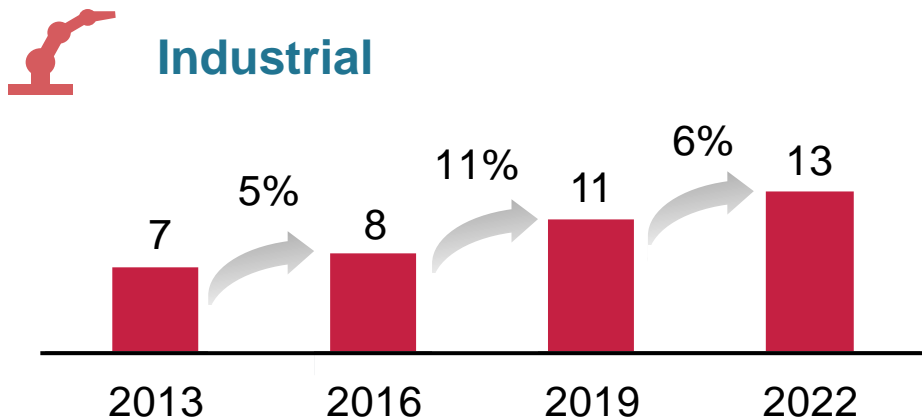
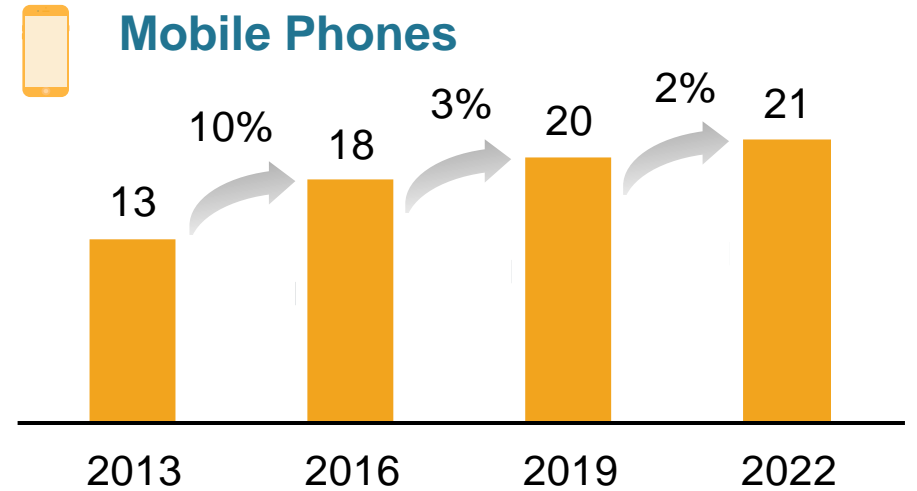
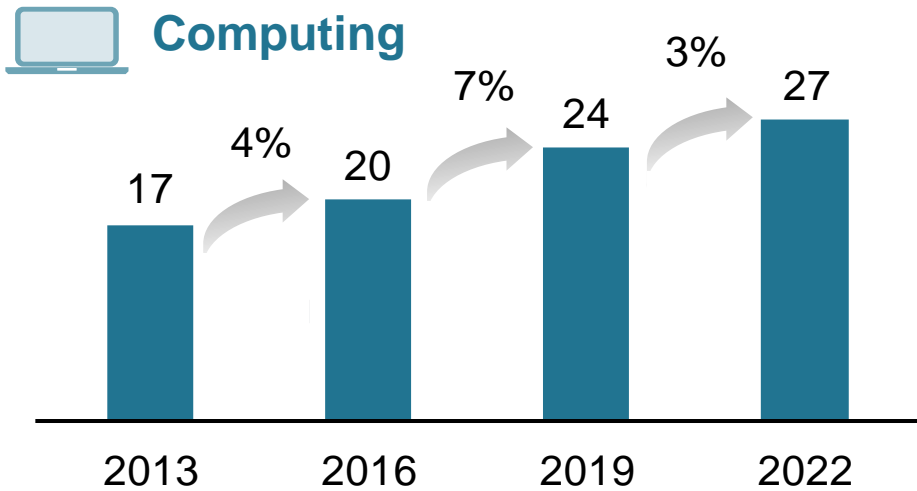
Silicon wafer demand, in bn in²



Source: SEMI (Silicon Area until 2017), IHS Markit Technology (Semiconductor Silicon Demand Forecast Tool, Q2'18 Update, Estimate 2018)

Silicon demand for industrial and automotive applications is expected to grow stronger in the next years.

Silicon demand for main wafer consuming applications, bn cm² and CAGR

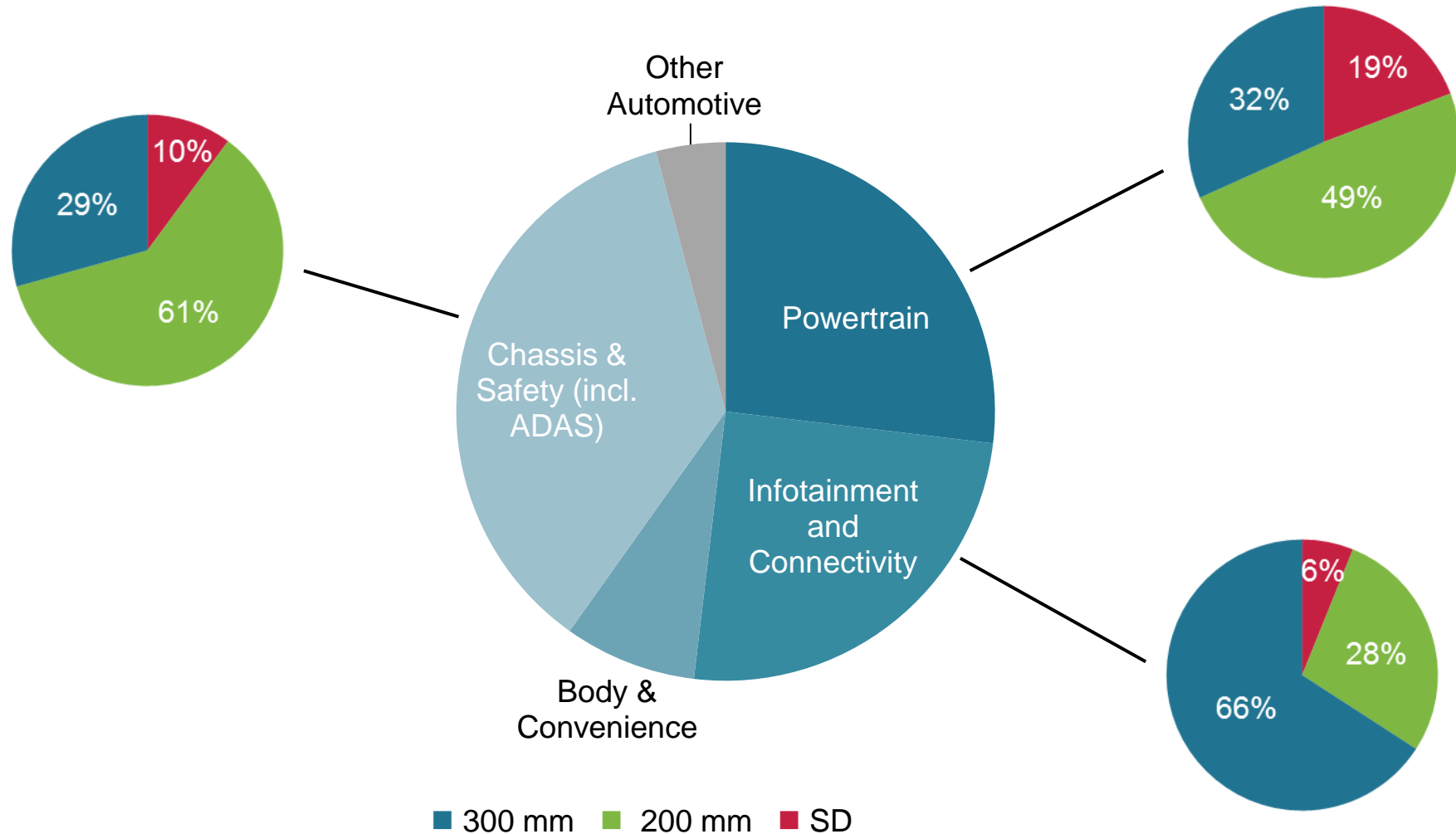


Source: IHS Markit Technology (Q2'18 Update)

Note: **Mobile phones:** Smart & Feature phones; **Computing:** Desktop, Notebook & Server PC & periphery, Tablets, SSD & DRAM

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

300 mm demand in automotive, in %

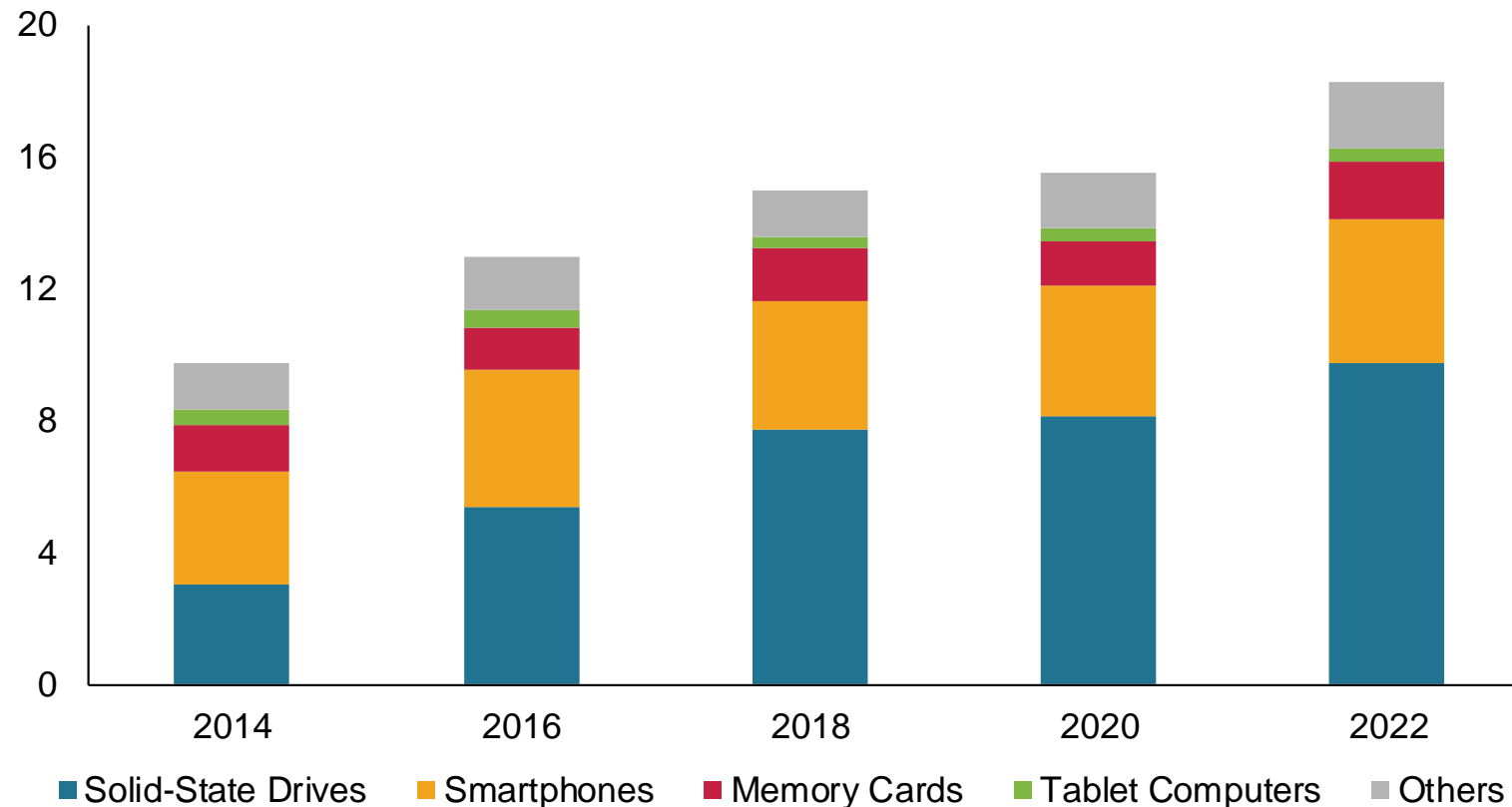


¹ ADAS = advanced driver assistance system

Source: IHS Markit Technology (Q1 2018 Update)

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

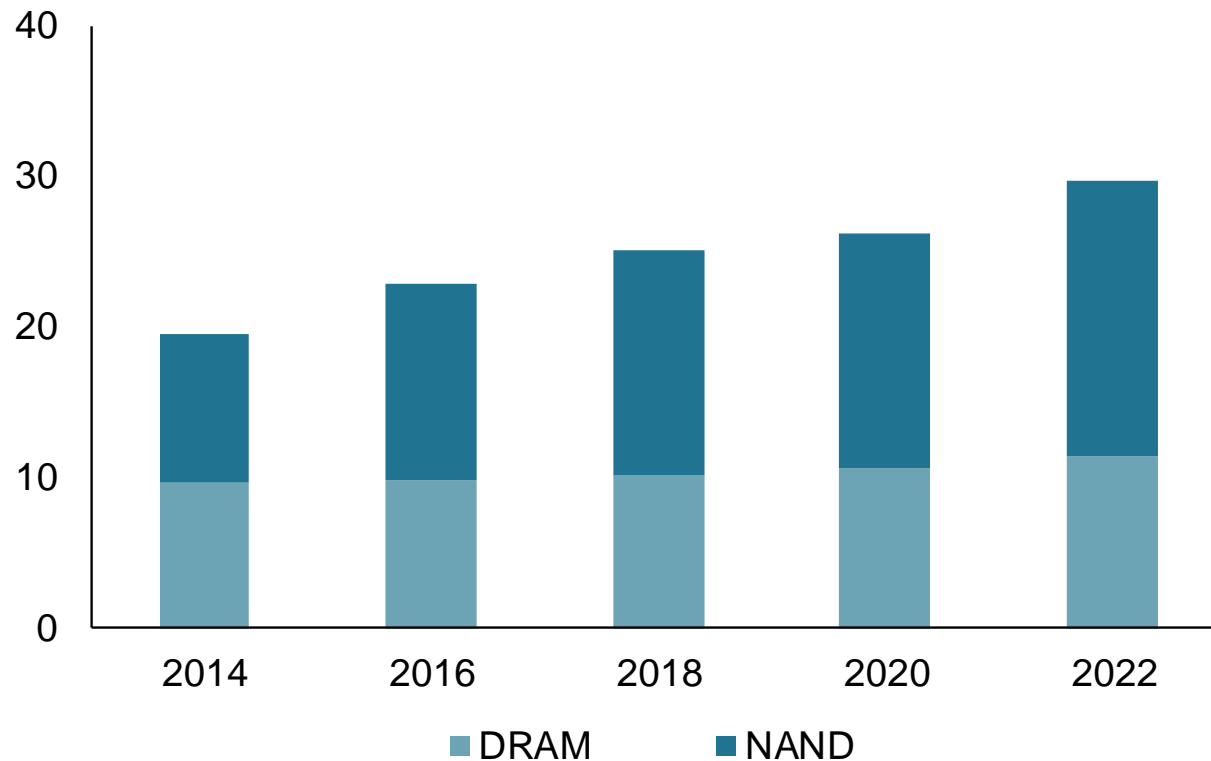
NAND silicon area demand by applications, bn cm² p.a.



Source: IHS Markit Technology (Semiconductor Silicon Demand Forecast Tool, Q2'18 Update)

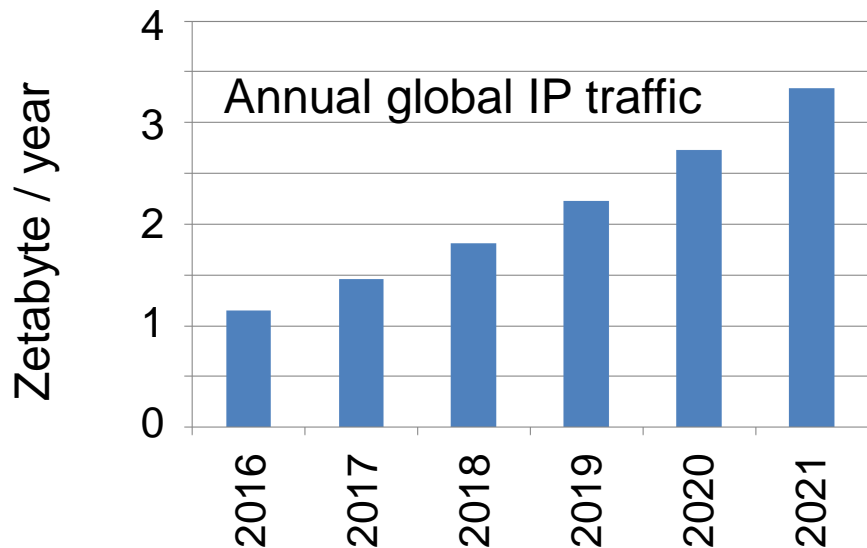
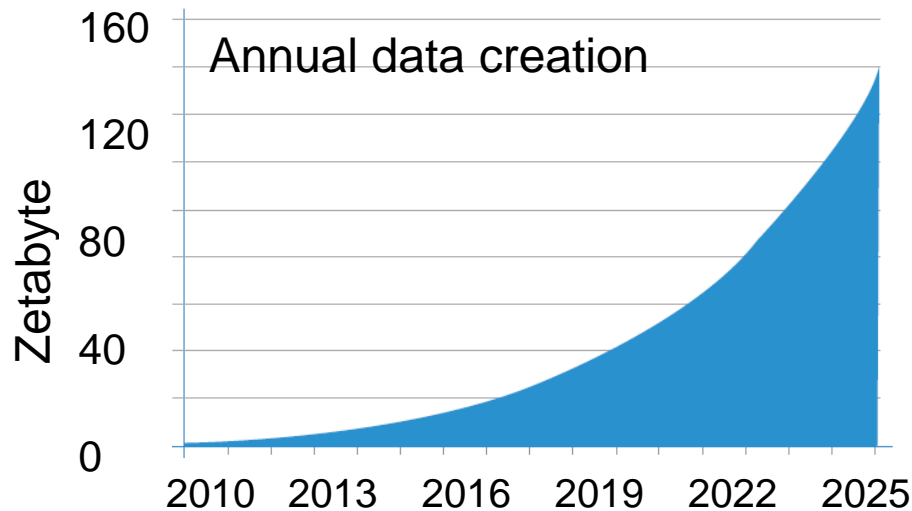
NAND is the growth engine in the memory sector. Silicon area for DRAM only shows moderate growth.

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

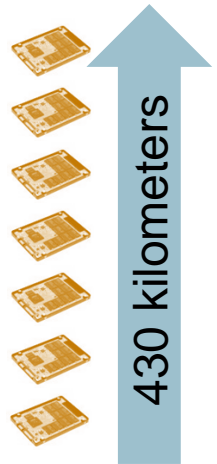


Source: IHS Markit Technology (Semiconductor Silicon Demand Forecast Tool, Q2'18 Update)

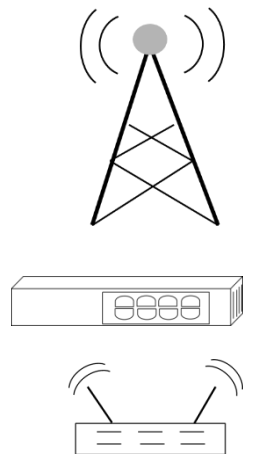
Silicon is needed to generate much more data, but even more Silicon is needed to store, move and process ever more data



- ▶ 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: If SSDs for this were stacked, they would stretch 430 km high -- the distance from Munich to Vienna
- ▶ Strong increase in cloud storage will drive 300 mm silicon demand for memory as well as high bandwidth communication



- ▶ With 24% CAGR, annual global IP traffic will reach 3.3 ZB per year by 2021:
- ▶ It would take more than 5 million years to watch the amount of video that will cross global IP networks each month in 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

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