



Press Release

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Siltronic AG's 2020 sales and earnings in line with expectations

- Euro strength negatively impacts Siltronic sales and earnings in H2 2020
- Preliminary 2020 sales of 1,207 million euros below previous year (2019: 1,270.4 million euros)
- Preliminary EBITDA decreases to 344 million euros and EBITDA margin to just over 28 percent (2019: 408.7 million euros; 32.2 percent)
- Preliminary EBIT of around 204 million euros and EBIT margin of 17 percent significantly below prior year, also due to increased depreciation (2019: 298.3 million euros; 23.5 percent)
- Possible one-time expense of a good 10 million euros for consultancy costs in the event of a successful offer by GlobalWafers not yet included

Munich, Germany, January 29, 2021 – Sales and earnings of Siltronic AG (MDAX/TecDAX: WAF) declined in 2020, as expected. Although the fiscal year was characterized by slightly higher-than-expected demand for silicon wafers, at the same time the average selling price per wafer area was below 2019. The strength of the Euro in H2 2020 additionally weighed on sales and earnings.

The surge in digitization triggered by the Corona pandemic generated strong demand for servers, laptops, headsets, monitors and other products. Demand for smartphones

and cars showed the first signs of recovery during H2 2020. The recovery in demand was evident in 2020 from quarter to quarter and affected all wafer diameters. However, there were shifts in the end markets due to the corona pandemic, which also negatively affected Siltronic's product mix.

Average selling price per wafer area had declined significantly during 2019. This impacted the average selling prices in 2020. Price pressure eased in the course of 2020. The strength of the Euro, especially against the US dollar and the Japanese yen, led to a decrease in sales of around 30 million euros in H2 2020 compared to H2 2019.

The company continued to work intensively on realizing potential cost-saving opportunities and succeeded in noticeably increasing productivity in most areas.

Siltronic AG's preliminary and still unaudited sales in 2020 were 1,207 million euros, 5 percent below 2019 (1,270.4 million euros).

EBITDA reached around 344 million euros, 16 percent down year-on-year (2019: 408.7 million euros). The EBITDA margin reached a solid 28 percent (2019: 32.2 percent).

Preliminary earnings before interest and taxes (EBIT) were down significantly year-on-year at around 204 million euros (2019: 298.3 million euros), impacted not only by price pressure and the strength of the Euro but also by higher scheduled depreciation. EBIT margin in 2020 was around 17 percent compared to 23.5 percent in 2019.

Siltronic has engaged advisors as part of the voluntary tender offer by GlobalWafers, some of whom are remunerated on a performance basis. In the event of a likely successful tender bid, further costs of a good 10 million euros will be booked, which would impact earnings by the same amount.

In 2020, Siltronic invested around 188 million euros in property, plant and equipment and intangible assets. In addition to basic investments of around 90 million euros, this includes spending on capabilities, capacity expansions and investments in additional epi reactors. This will secure and further expand Siltronic's position as one of the technology leaders.

Preliminary net cash flow of around 77 million euros in 2020 was slightly below the level of the previous year (2019: 81.3 million euros) and thus in line with expectations.

Due to the positive cash flow, preliminary net financial assets decreased by only around 90 million euros to 499 million euros (2019: 588.9 million euros) despite the dividend payment of 90 million euros and the refund of customer prepayments.

"2020 was a challenging year. The Corona pandemic, but also geopolitical tensions have affected the global economy. Accelerated digitization has led to a surge in demand for wafers. Our focus in the past year was again on our technological performance and increasing our productivity," said Dr. Christoph von Plotho, CEO of Siltronic AG.

Business development in Q4 2020

Preliminary sales of around 285 million euro in Q4 2020 were below Q3 (299.2 million euros), as expected. This is due to the further strengthening of the Euro as well as a usual seasonality. Average selling price per wafer area was stable.

Siltronic achieved preliminary EBITDA of around 79 million euro in Q4 2020 (Q3 2020: 80.1 million euro). The preliminary EBITDA margin of around 28 percent was above the level of Q3 (26.8 percent). EBIT was down quarter-on-quarter to 40 million euros (Q3 2020: 43.6 million euro) due to exchange rate headwinds and increased scheduled depreciation. By contrast, EBIT margin fell only slightly from 14.6 percent to around 14 percent.

2021 will be characterized by positive trends, but also by challenges

Possible negative factors for 2021 continue to include geopolitical and global economic developments such as the trade dispute between the USA and China. It is also difficult to predict how the Corona pandemic will develop. Customer inventories are likely to have less of a negative impact on demand development in 2021 than it was the case at the beginning of 2020. However, NAND inventories at memory customers still appear to be elevated.

Megatrends such as 5G, artificial intelligence, electromobility and digitization describe growth drivers for the semiconductor industry. Signs in these areas point to a positive environment in 2021, even if other end markets, like for example the automotive industry, are likely to remain below the level of 2019.

Wafer demand is high and Siltronic's production loading is good to very good.

Currently, Siltronic expects demand for wafer area to continue to grow in 2021. However, the company expects a significant headwind on sales and earnings development in 2021 due to the continued strength of the Euro. The company still has a high proportion of long-term contracts with customers.

Overall, the company expects a good start to 2021.

Siltronic AG – Preliminary Figures 2020¹⁾

Profit and loss statement							
EUR million		Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	2019
Sales		285	299.2	323.1	300.1	304.3	1,207
EBITDA		79	80.1	100.4	84.2	90.0	344
EBITDA margin	%	28	26.8	31.1	28.1	29.6	28
EBIT		40	43.6	66.9	53.3	56.7	204
EBIT margin	%	14	14.6	20.7	17.8	18.6	17

Capital expenditure and Net Cash Flow

Capital expenditure in property, plant and equipment and intangible assets		58	35.1	48.3	46.0	96.4	188
Net cash flow		-19	28.6	26.7	40.9	8.9	77

Statement of financial position

EUR million	Dec. 31, 2020	Dec. 31, 2019
Net financial assets	499	588.9

1) The results in this document for Q4 2020 and Full Year 2020 are preliminary and have not yet been approved by the Supervisory Board or audited by an external auditor. All preliminary figures have been rounded to the nearest million.

Other dates

A comprehensive reporting with detailed disclosures will be provided on March 9, 2021 when the final results for 2020 will be published. The Executive Board of Siltronic AG will conduct a conference call with analysts and investors (in English only) on that day at 10:00 am (CET). This call will be streamed via Internet. The audio webcast will be available live as well as on demand on Siltronic's website.

March 9, 2021	Publication of Annual Report 2020
April 29, 2021	Ordinary Annual General Meeting
May 7, 2021	Q1 2021 Quarterly Statement
July 28, 2021	Half-Year Report 2021
October 26, 2021	Q3 2021 Quarterly Statement

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Company profile:

Siltronic is one of the world's largest manufacturers of hyperpure silicon wafers and partner to many leading semiconductor companies. The company operates production sites in Asia, Europe and the USA. Siltronic develops and manufactures silicon wafers in diameters of up to 300 mm. Silicon wafers form the basis for modern microelectronics and nanoelectronics and are a key component in semiconductor chips driving computers, smart phones, navigation systems and many other applications. Siltronic AG employs around 3,600 people and has been a stock-listed company in Germany (Prime Standard) since 2015. The Siltronic AG stock is listed on both the MDAX and TecDAX.

Disclaimer

This press release contains forward-looking statements based on assumptions and estimates made by the Executive Board of Siltronic AG. These statements can be identified by wording such as "expect", "want", "anticipate", "intend", "plan", "believe", "strive", "estimate", and "will" or similar terms. Although we assume that the expectations contained in these forward-looking statements are realistic, we cannot guarantee that they will prove to be correct. These

assumptions may contain risks and uncertainties that could cause the actual figures to differ considerably from the forward-looking statements. Factors that can cause such discrepancies include changes in the macroeconomic and business environment, changes in exchange rates and interest rates, the introduction of products that compete with our own products, a lack of acceptance of new products or services, and changes in corporate strategy. Siltronic does not intend to update these forward-looking statements, nor does it assume any responsibility to do so.

This press release includes supplementary financial indicators that either are or may be so-called alternative performance indicators that are not clearly defined in the relevant financial reporting framework. In assessing the financial position and performance of Siltronic, these supplementary financial indicators should not be used in isolation or as an alternative to those presented in the consolidated financial statements and determined in accordance with the relevant financial reporting framework. Other companies that present or report alternative performance indicators with similar names may calculate them differently. Explanations of the key financial figures used are available in the Annual Report of Siltronic AG.

Due to rounding, some of the figures presented in this press release as well as in other reports may not add up exactly to the stated totals and percentages presented may not accurately reflect the absolute values to which they relate.