

# Siltronic AG

## Q1 2023 Conference Call Presentation

May 11, 2023

# Industry weakness impacts Siltronic Q1 2023 earnings

## Sales

– EUR 404.4 mn (Q4 2022: EUR 472.1 mn)

## EBITDA

– EUR 125.2 mn (Q4 2022: EUR 168.1 mn)  
– EBITDA margin: 31.0 % (Q4 2022: 35.6 %)

## EBIT

– EUR 77.8 mn (Q4 2022: EUR 124.8 mn)  
– EBIT margin: 19.2 % (Q4 2022: 26.4 %)

## CapEx

– EUR 259.8 mn (Q4 2022: EUR 476.9 mn)

## Net cash flow

– EUR -105.6 mn (Q4 2022: EUR -245.4 mn)

## Net financial assets

– EUR 284.1 mn (December 31, 2022: EUR 373.6 mn)

# FabNext in Singapore fully on track

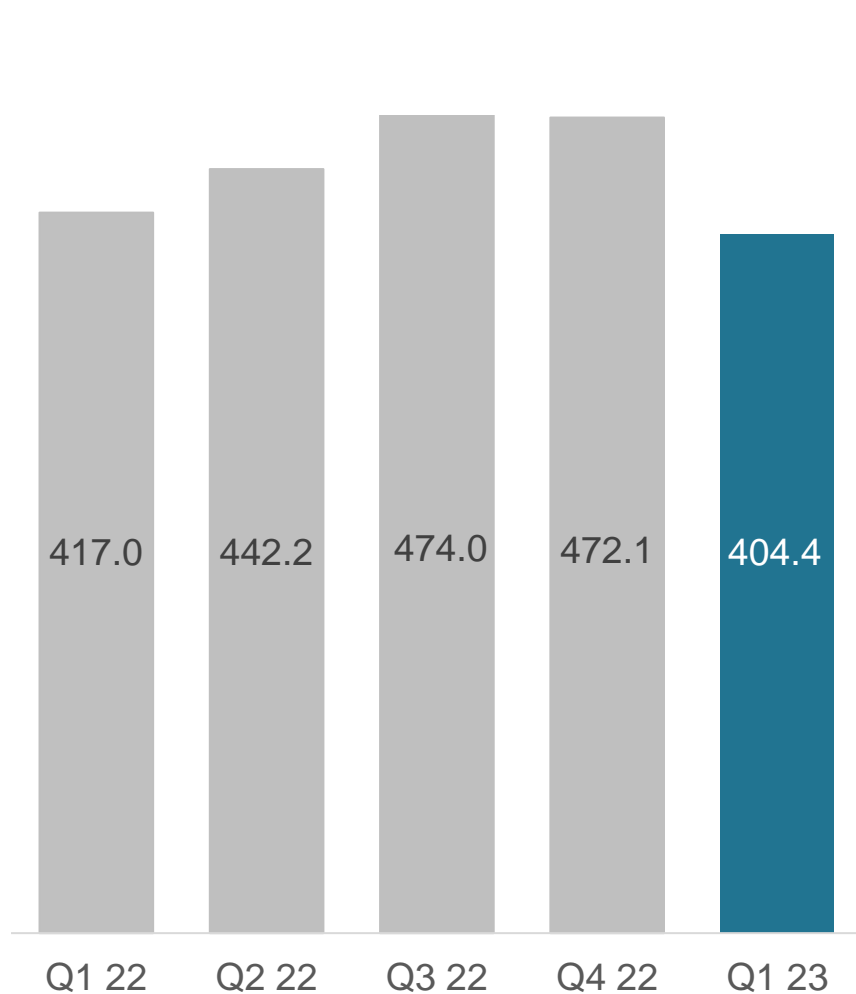




Financials Q1 2023

# Sales decreased due to weaker demand and a stronger Euro

Sales, in EUR mn



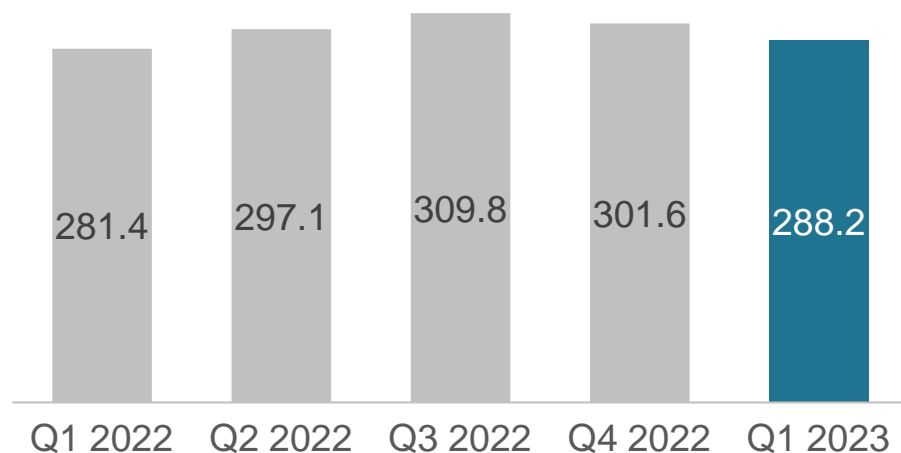
Ø FX rates	Q1/22	Q2	Q3	Q4	Q1/23
EUR/USD	1.12	1.07	1.01	1.02	1.07
EUR/JPY	130	138	139	144	142

## Comments

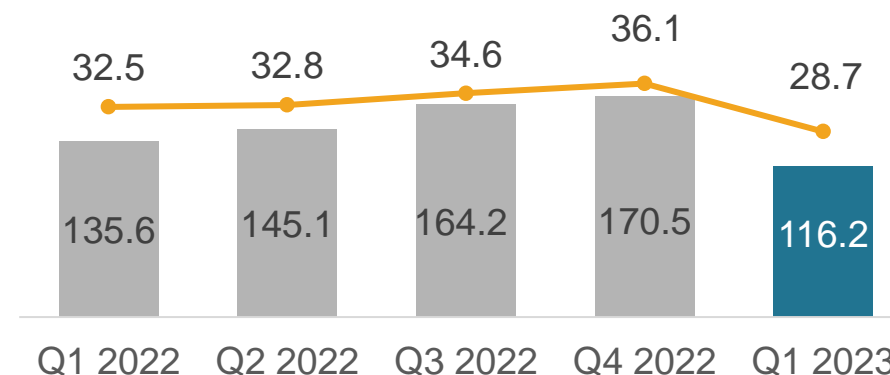
- ▶ Wafer area sold down q-o-q
- ▶ Unfavorable FX rate for EUR/USD q-o-q

# Gross profit decreased due to lower wafer area sold

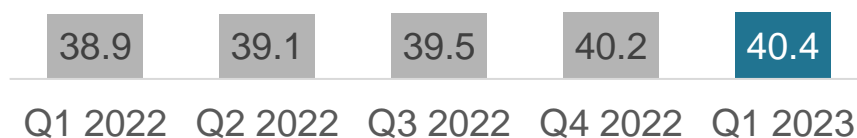
Cost of sales, in EUR mn



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



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

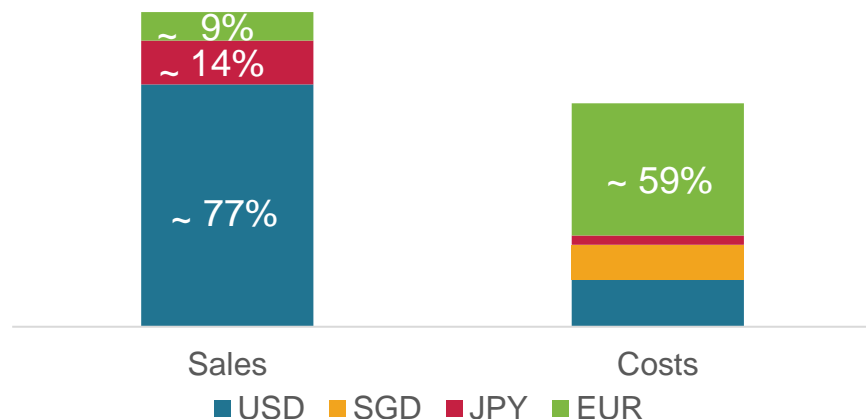


## Comments

- ▶ COGS up y-o-y
  - ▶ Higher cost for energy, raw materials and supplies
  - ▶ Higher depreciation
  - ▶ FX effects

# Strengthening of the Euro in Q1 2023 vs. Q4 2022

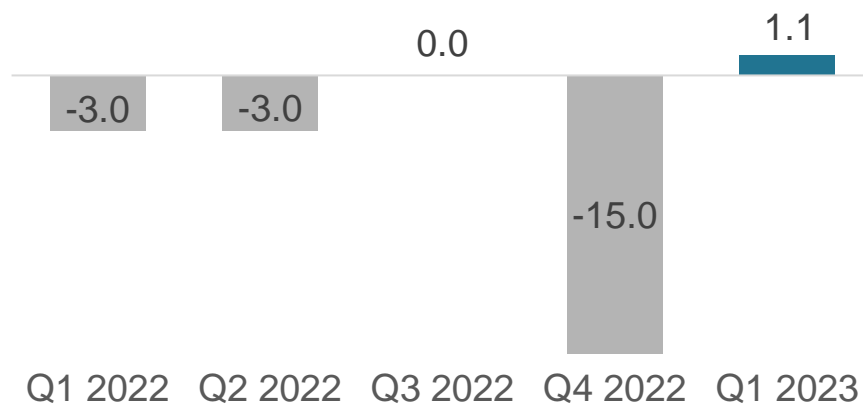
## FX exposure, in %



## FX sensitivity

	Sales	EBITDA Unhedged
1 USD-/SGD-cent change	~ EUR 11 mn	~ EUR 7 mn
1 JPY change	~ EUR 1.5 mn	~ EUR 1.2 mn

## Other currency effects (mostly hedging), in EUR mn

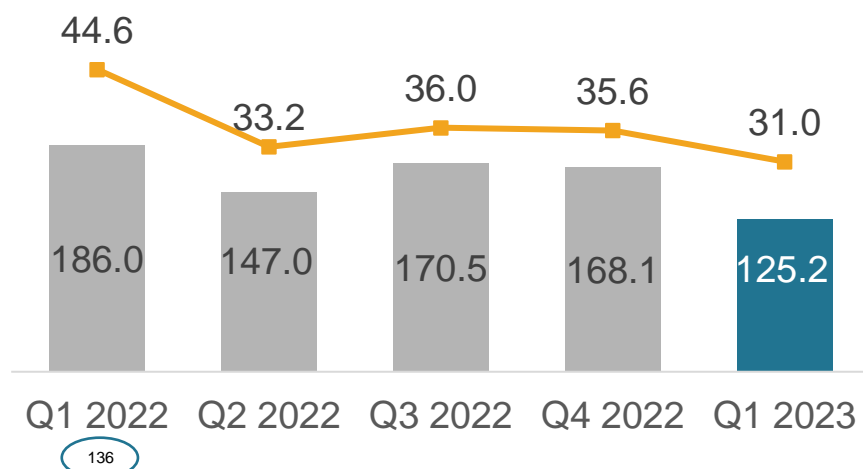


## Comments

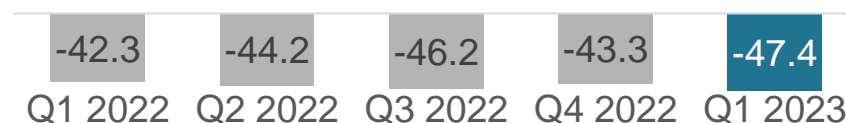
- ▶ Smaller USD exposure due to lower sales and decreasing USD sales share
- ▶ Stronger Euro q-o-q
  - ▶ Tailwind on topline
  - ▶ „Other currency effects“ positive (hedging positive, valuation effects negative)
- ▶ Lower FX exposure and stronger EUR results in decreasing FX sensitivity

# EBITDA margin of 31 percent in Q1 2023

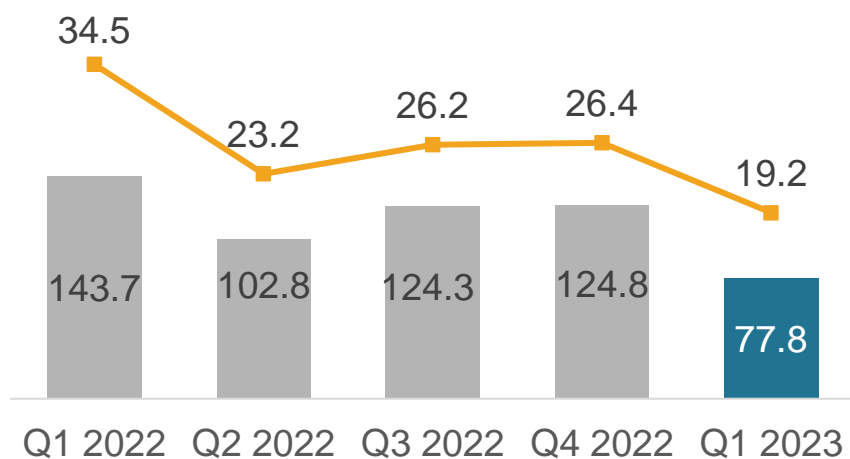
## EBITDA, in EUR mn / EBITDA margin, in %



## Depreciation, in EUR mn



## EBIT, in EUR mn / EBIT margin, in %



## Comments

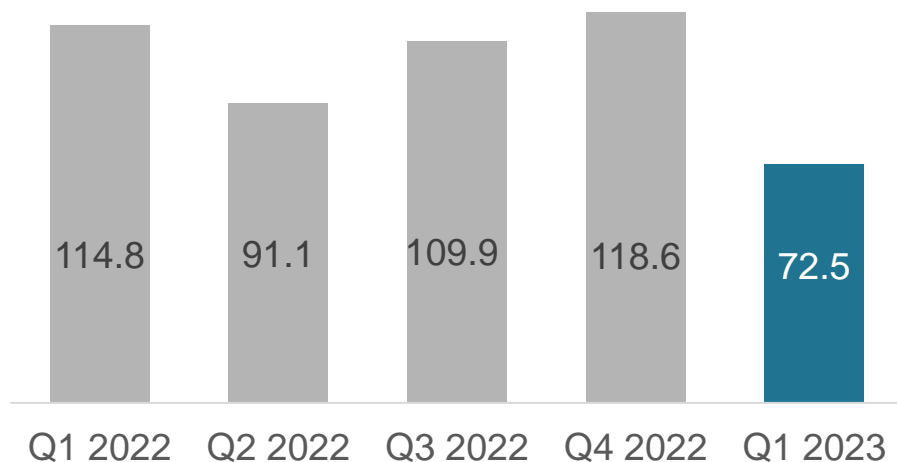
- ▶ **Positive**
  - ▶ ASP stable q-o-q, up y-o-y
  - ▶ Favorable FX y-o-y
- ▶ **Negative**
  - ▶ Cost increases for energy, raw materials and supplies
  - ▶ Weaker demand for wafers
  - ▶ Strong Euro q-o-q

○ EBITDA excluding effects by GlobalWafers tender offer

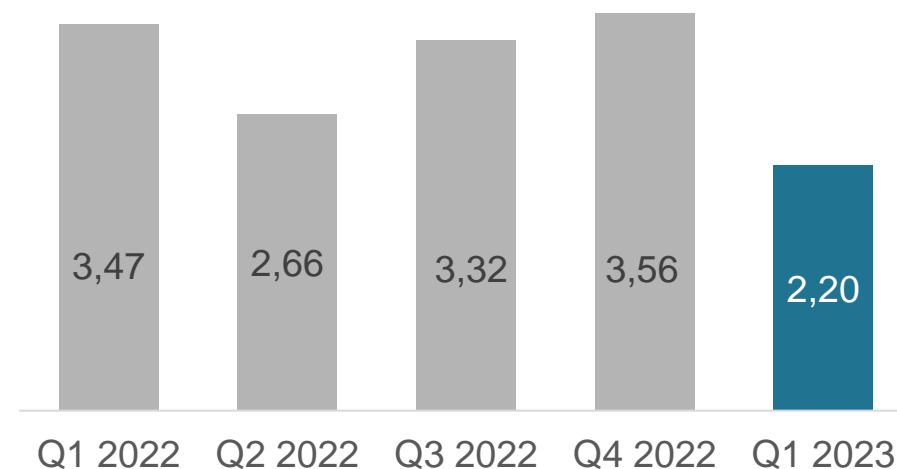


# Net profit of EUR 73 million in Q1 2023

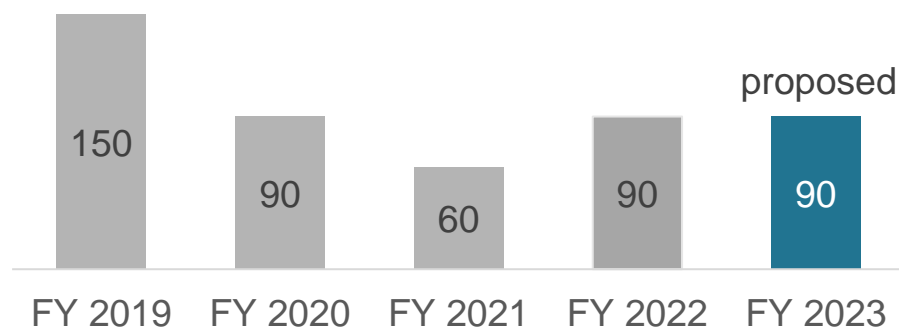
## Net profit, in EUR mn



## EPS, in EUR



## Dividend payment, in EUR mn

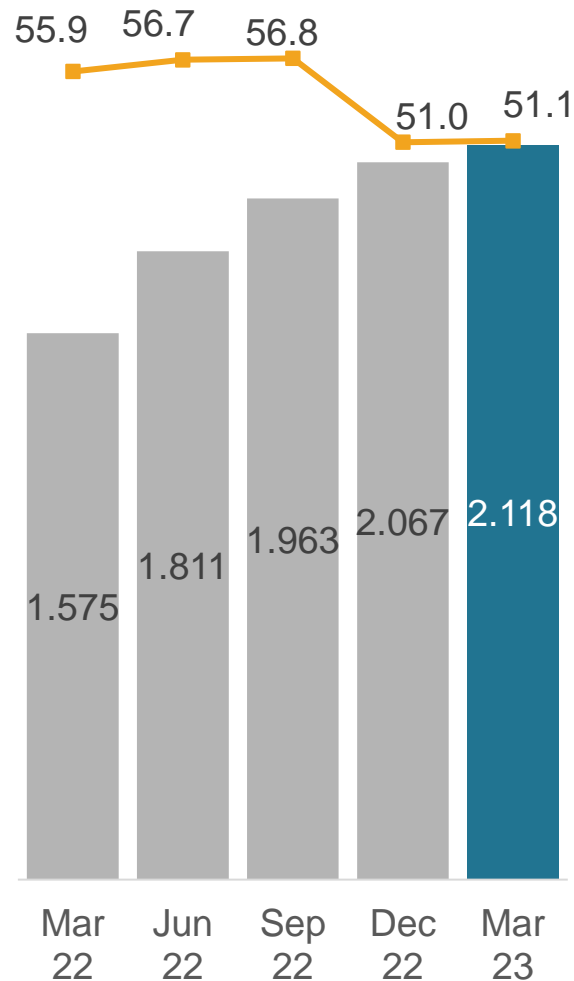


## Comments

- ▶ Net profit of EUR 73 mn in Q1 2023; thereof EUR 66 mn attributable to Siltronic shareholders
- ▶ Dividend of EUR 3.00 per share for 2022 = EUR 90 mn dividend payout in May 2023

# Equity exceeds EUR 2.0 bn

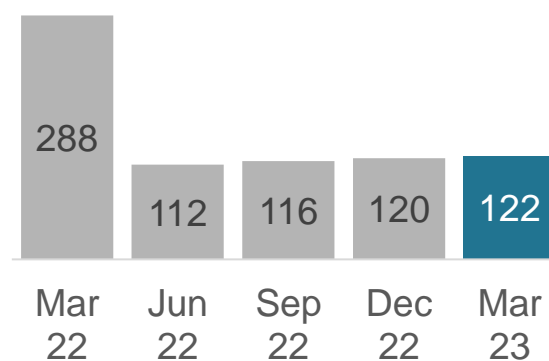
Equity, in EUR mn  
Equity ratio, in %



Provisions for pensions, in EUR mn

Interest rates IFRS

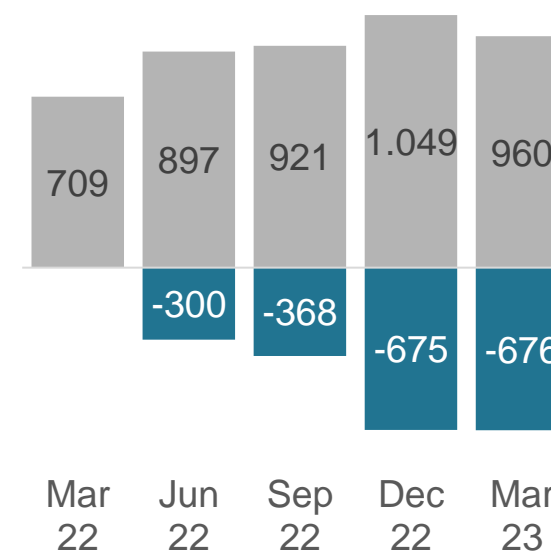
USA	3.22%	4.16%	4.85%	4.90%	4.68%
Germany	1.86%	3.30%	3.69%	3.72%	3.66%



Financial assets and debt, in EUR mn

Net financial assets, in EUR mn

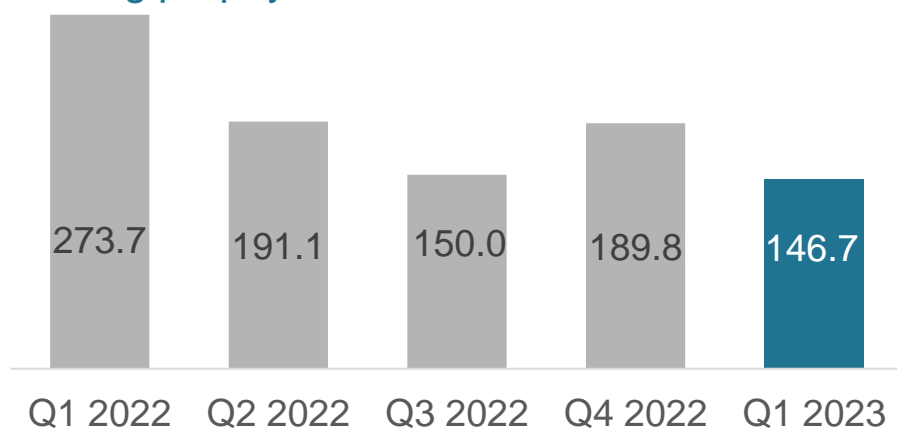
709 597 553 374 284



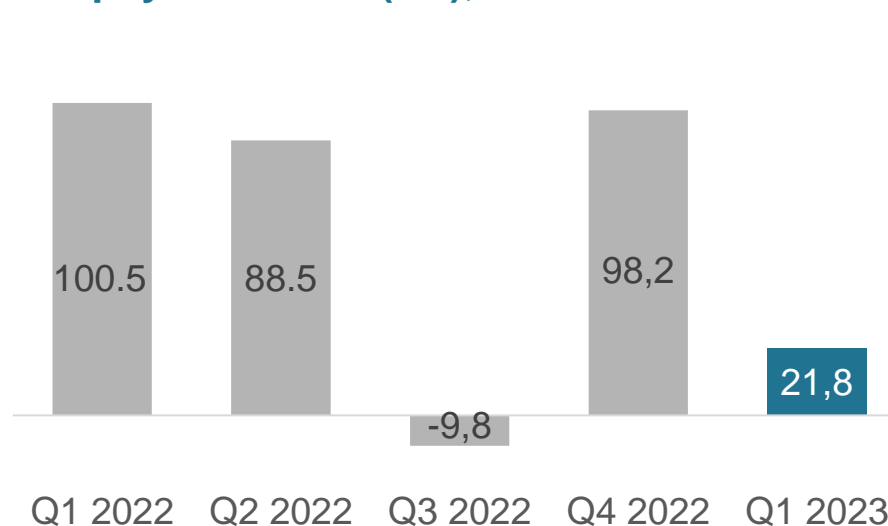
■ Financial assets ■ Financial debt

# Net cash flow negative due to high Capex

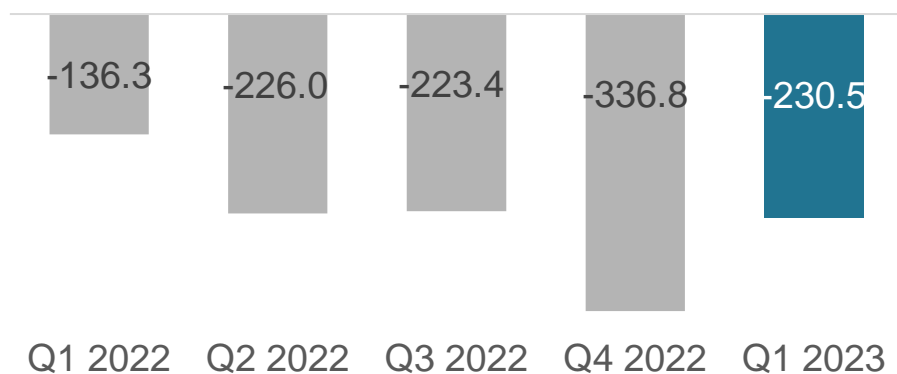
**Operating cash flow (OCF), in EUR mn**  
including prepayments



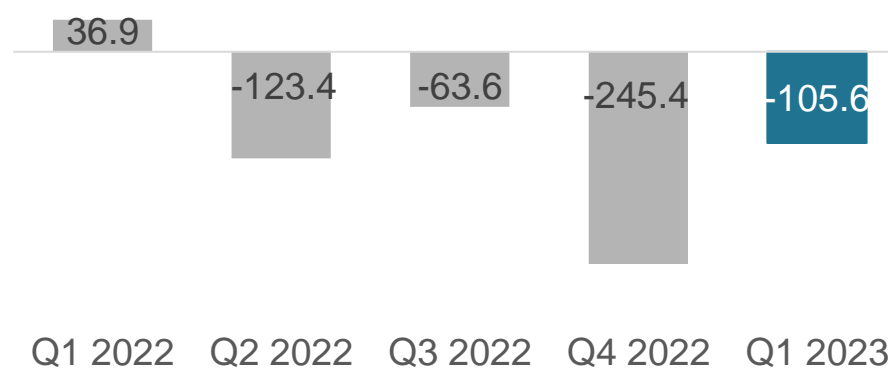
**Prepayments net (PP), in EUR mn**



**CF Capex, in EUR mn**



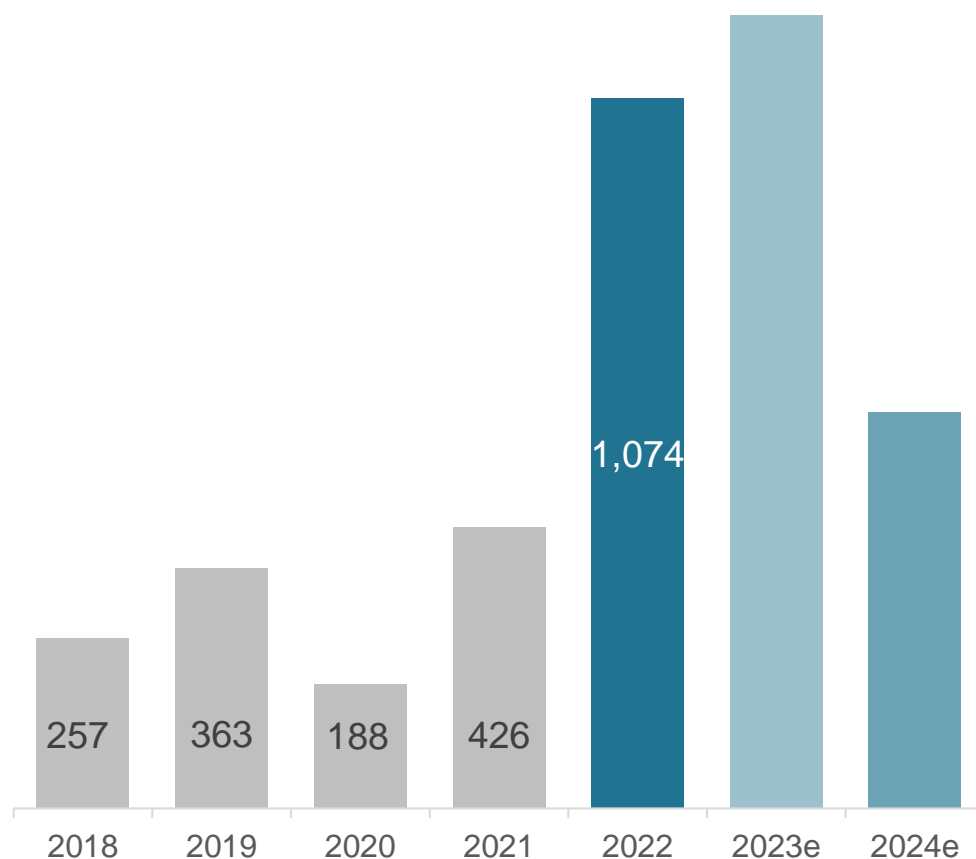
**Net cash flow (NCF), in EUR mn**  
excluding prepayments



NCF= OCF-PP+CF Capex

# Major Capex in 2023 mostly for FabNext

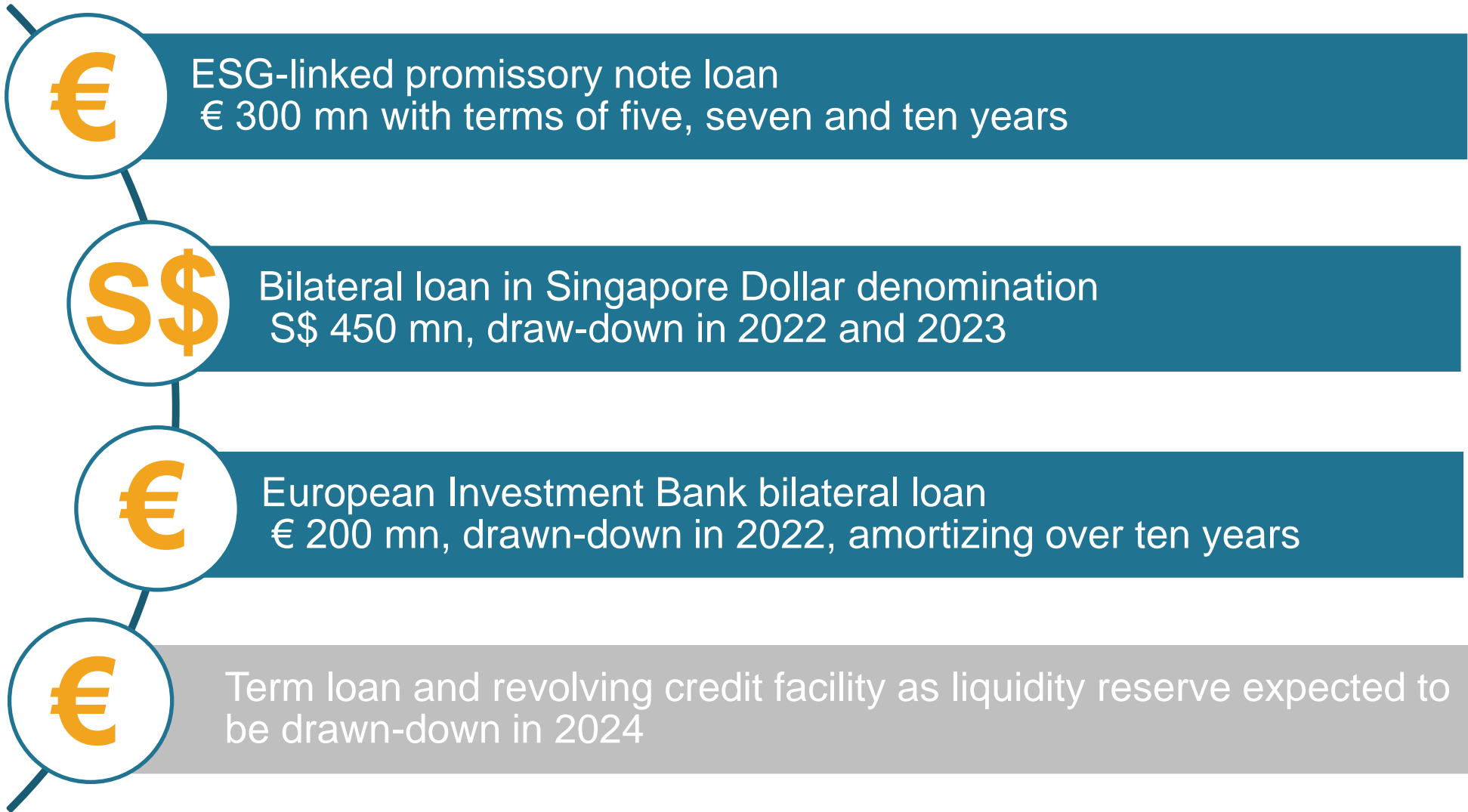
Investment, in EUR mn



## Comments

- ▶ Capex 2023 slightly above 2022
  - ▶ Mostly for FabNext
  - ▶ Completion of Freiberg crystal pulling hall
  - ▶ Capabilities for future design rules
- ▶ Capex 2024 roughly down by half
- ▶ Depreciation will almost double in 2024
- ▶ Conservative financing approach of Capex
  - ▶ Existing cash and future operating cash flows
  - ▶ Customer prepayments
  - ▶ Loans (see next slide)
  - ▶ Dividend policy: 40 percent of the consolidated net profit attributable to shareholders, capped at max. EUR 3 per share
- ▶ No capital increase in 2023

# Four pillars of debt financing for capex projects including FabNext



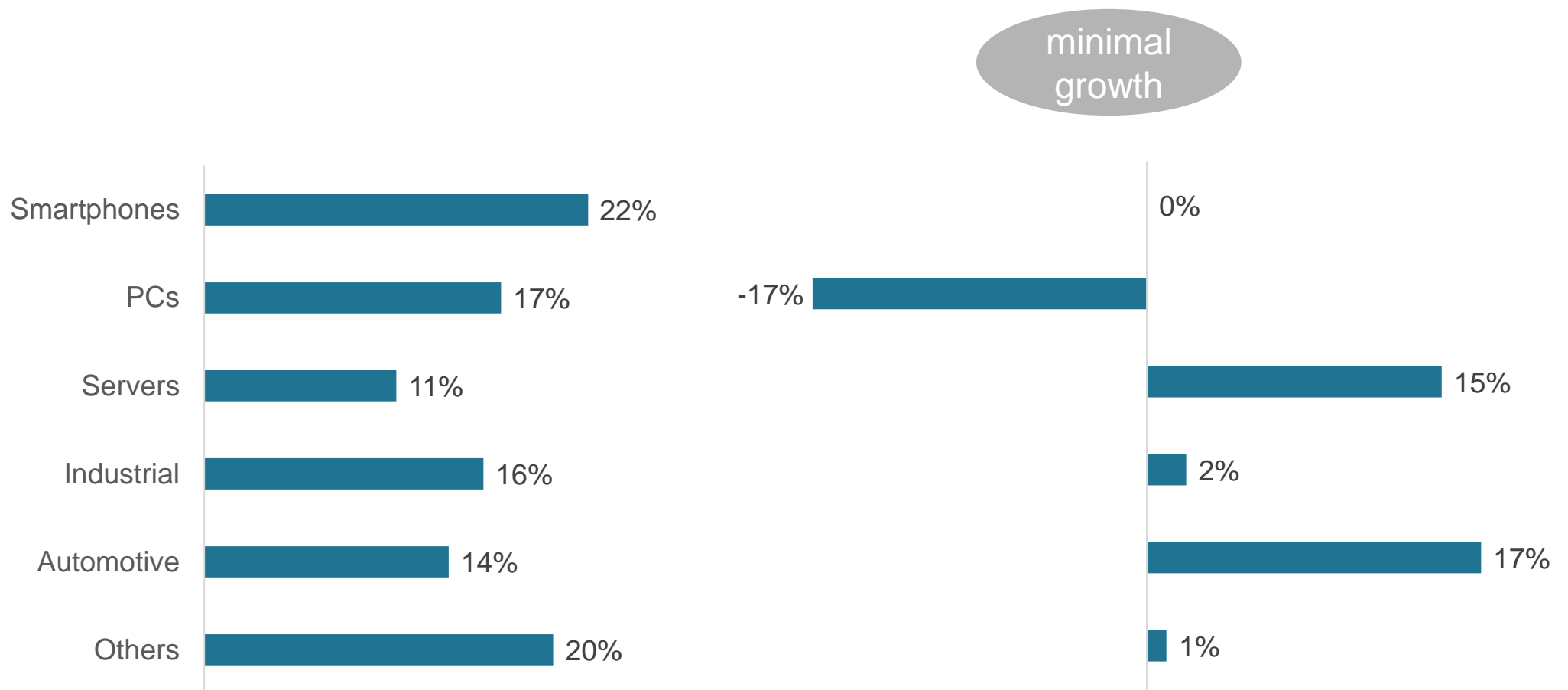


# Outlook 2023

# The end markets are expected to stagnate in 2023 (excluding inventory reductions)

## Consumption of wafers by end use 2022

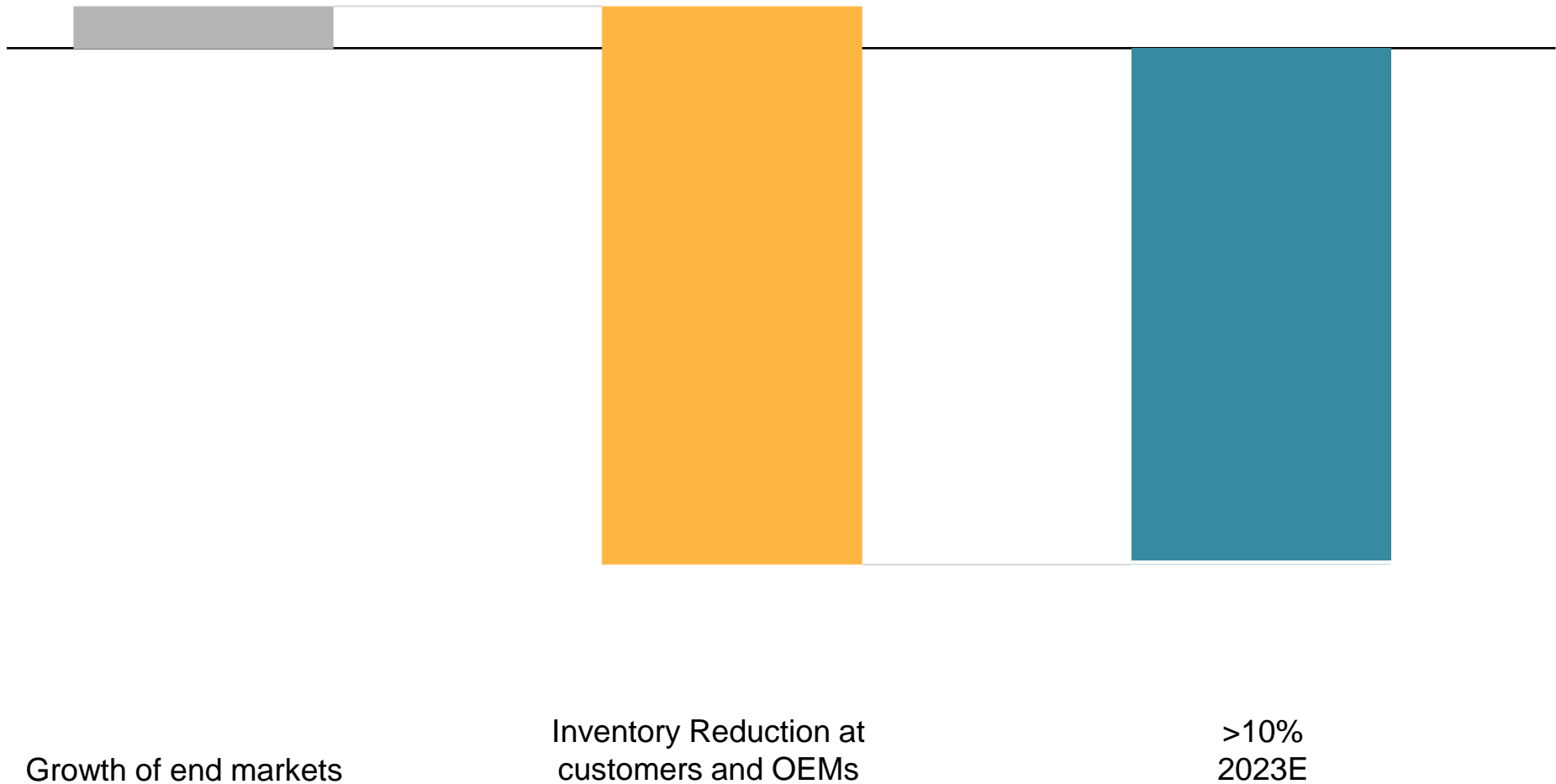
## Wafer demand growth 2023



Source: Siltronic

# Inventory reductions at multiple levels of the value chain are anticipated to reduce wafer demand by more than 10% y-o-y

## Composition of growth drivers for wafer market, in %



Source: Siltronic



# Siltronic Outlook 2023 (as of May 11, 2023)

## 2023 Outlook

Sales

significantly below 2022

EBITDA margin

significantly below 2022

Depreciation

around EUR 220 mn

EBIT

significant decrease

Tax rate

mid single-digit %-range

CapEx

slightly above prior year

Net cash flow

significantly below 2022

EPS

significantly lower

## Q2 Outlook

Sales

comparable to Q1

EBITDA margin

27 – 31 %

No improvement in H2 expected

# Contact and Additional Information

## Issuer and Contact

Siltronic AG  
Einsteinstraße 172  
D-81677 München

### Investor Relations:

Verena Stütze  
E-mail: [investor.relations@siltronic.com](mailto:investor.relations@siltronic.com)  
Tel: +49 89 8564-3133

## Additional Information

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

## Financial Calendar 2023

July 27	H1 2023 Interim Report
October 26	Q3 2023 Quarterly Statement



# Disclaimer

The information contained in this presentation is for background purposes only and is subject to amendment, revision and updating. Certain statements contained in this presentation may be statements of future expectations, future financial performance and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. In addition to statements which are forward-looking by reason of context, including without limitation, statements referring to risk limitations, operational profitability, financial strength, performance targets, profitable growth opportunities and risk adequate pricing, words such as "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "continue", "projects" or "seeks", "potential", "future", or "further" and similar expressions may identify forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changing business or other market conditions, currency and interest fluctuations, introduction of competitive products, poor acceptance of new products and services, change of the corporate strategy and the prospects for growth anticipated by the management. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Siltronic AG does not undertake and does not intend to undertake any obligation to update or revise any statements contained in this presentation, whether as a result of new information, future events or otherwise. In particular, you should not place any reliance on forward-looking statements which speak only as of the date of this presentation.

**SILTRONIC AG** |

Einsteinstrasse 172  
81677 Munich  
Germany