

## Press release

Siltronic AG

Einsteinstr.172

81677 Munich

[www.siltronic.com](http://www.siltronic.com)

### **Siltronic in Q2 2023 as expected with solid development in difficult industry environment**

- Sales of EUR 403.7 million in Q2 at the level of the previous quarter
- Sales prices stable despite significant decline in volumes in H1
- EBITDA margin at 29.4 percent despite higher costs in Q2
- Outlook 2023: Group sales 14 to 19 percent below previous year; EBITDA margin of 26 to 30 percent expected
- Siltronic prepares for next growth phase driven by megatrends such as artificial intelligence, digitalization and electromobility

**Munich, Germany, July 27, 2023** – Siltronic AG's (SDAX/TecDAX: WAF) business performance in Q2 2023 was solid, as expected, despite weaker demand from the semiconductor industry. At EUR 403.7 million, sales in Q2 were almost stable compared to the previous quarter, and, considering the further increase in cost of sales due to inflation, the EBITDA margin was at a pleasing 29.4 percent. It should be emphasized that sales prices remained stable in the course of 2023, despite a significant year-on-year decline in demand and volumes of more than 10 percent.

For the second half of the year, the Executive Board expects demand to remain weak and, accordingly, sales for 2023 as a whole to be between 14 and 19 percent below the comparable figure for the previous year (exchange rate EUR/USD 1.10). Siltronic continues to expect comparatively good profitability and an EBITDA margin of 26 to 30 percent in 2023.

Siltronic is preparing for the next growth phase, which will be driven by the megatrends of artificial intelligence, digitalization and electromobility. The new fab in Singapore is expected to start production as planned in early 2024 and will contribute to profitable growth by 2025 at the latest.

"Siltronic is developing solidly against the background of remaining weak demand and continues to report a high EBITDA margin of 29.4 percent in Q2 thanks to stable prices. Although the second half of the year will be

even more challenging, we remain optimistic about the future development given the promising medium-term potential driven by several megatrends. We are strategically preparing our company for the expected next growth phase by investing, in particular, in our new fab in Singapore in 2023," commented Dr. Michael Heckmeier, CEO of Siltronic AG.

### **Business development characterized by volume declines but stable sales prices**

In Q2 2023, Siltronic generated sales of EUR 403.7 million, which is on par with the previous quarter (Q1 2023: EUR 404.4 million), but below the comparable prior-year quarter (Q2 2022: EUR 442.2 million) due to the aforementioned volume declines. In H1 2023, sales of EUR 808.2 million (H1 2022: EUR 859.2 million) were realized. Currency effects were hardly noticeable in the decline in sales. On the cost side, labor costs, raw materials and supplies were higher than in the previous year due to inflation. Inventory effects also had a negative impact. Nevertheless, Siltronic succeeded in achieving a high level of profitability in the quarter under review. Although EBITDA was down year-on-year at EUR 118.6 million (Q2 2022: EUR 147.0 million), the EBITDA margin remained high at 29.4 percent (Q2 2022: 33.2 percent). In H1 2023, EBITDA was EUR 243.8 million (H1 2022: EUR 333.0 million – comparable: EUR 283.0 million) and the EBITDA margin was 30.2 percent (H1 2022: 38.8 percent - comparable: 32.9 percent). It should be noted that a one-off payment in the amount of EUR 50.0 million was paid in H1 2022 as a result of the failed takeover by GlobalWafers in Q1 2022.

With increased depreciation and amortization due to investments, Siltronic achieved a net profit of EUR 61.4 million in Q2 2023 (Q2 2022: EUR 91.1 million) and of EUR 133.9 million for H1 2023, compared to EUR 205.8 million in the corresponding period of the previous year including the above-mentioned termination fee. Earnings per share were EUR 1.83 in Q2 and EUR 4.03 in H1 2023.

### **Continued good balance sheet quality as a basis for financing investments**

With an equity ratio of 50.4 percent as of June 30, 2023 (December 31, 2022: 51.0 percent), Siltronic continues to have good balance sheet quality. Cash and cash equivalents and short-term financial investments fell by EUR 460.8 million to EUR 590.1 million in H1 2023. This was due to payments for capex including intangible assets of EUR 588.3 million with the focus on the construction of the new 300 mm-fab in Singapore, and the dividend payment of EUR 90.0 million to Siltronic AG's shareholders. In the same period these payments are opposed by cash inflows of EUR 231.2 million from operating cashflow. Due to significant investments, the net cash flow declined and was negative at EUR –416.0 million, as expected. Consequently, the net financial assets also decreased by a total of EUR 457.0 million, resulting in net financial debt of EUR 83.4 million at the end of June 2023.

"This financial year we will reach the peak of our investments. Siltronic's strong financial and balance sheet position is the basis for the expansion of our global production network and thus for our future profitable growth," added Claudia Schmitt, CFO of Siltronic AG.

**Outlook 2023 concretized: Group sales expected to be 14 to 19 percent below previous year and EBITDA margin between 26 and 30 percent**

Due to the advanced stage of the financial year 2023, the Executive Board has decided to publish a detailed full-year forecast. The second half of 2023 will also be negatively impacted by the ongoing weakness in demand, mainly due to inventory corrections at chip manufacturers and their customers. As a result, Siltronic expects wafer volumes to decline by around 15 percent year-on-year in 2023. In contrast, sales prices are expected to remain stable. Accordingly, the full-year forecast has been concretized and sales are now expected to be 14 to 19 percent (exchange rate EUR/USD: 1.10) below the previous year's record level of EUR 1,805.0 million.

The EBITDA margin is also forecast to be significantly lower in 2023 at 26 to 30 percent. In addition to the reduced sales volume, which at the same time leads to a lower dilution of fixed costs, inflation-related higher costs of less than EUR 40 million and the absence of the aforementioned one-off effect contribute to the decline. The year-on-year strengthening of the euro is weighing on the operating result, but Siltronic can expect a positive result from currency hedging in 2023, following a negative contribution in the previous year. The tax rate is expected to be around 10 percent in 2023.

Due to the improved visibility for the full year 2023, capex is now expected to be at a level of approximately EUR 1.3 billion. Our previous planning assumed a slight increase compared to the previous year's figure (2022: EUR 1,074 million). The adjustment is due to price increases and slightly earlier capitalization of some equipment. The Executive Board expects a significant decrease in capex by more than half in 2024. Depreciation and amortization are expected around EUR 210 million in the financial year and will more than double in the coming year due to the investments made. Financing is secured by existing liquidity, future cash flows from operating activities including prepayments from customers, and debt capital.

**Siltronic is systematically preparing for a medium- to long-term growth phase driven by the megatrends of artificial intelligence, digitalization and electromobility**

Siltronic continues to expect a medium- and long-term growth trend for silicon wafers due to the increasing number of end applications based on megatrends such as artificial intelligence, digitalization and electromobility. To be able to efficiently leverage the potential, the company is investing primarily in its global production network. The new fab in Singapore, which is operating under the project name FabNext, will start production at the beginning of 2024 as announced and gradually ramp up, depending on the development of demand.

## Siltronic AG – Key financial figures Q2 2023 and H1 2023

### Profit and loss statement

In EUR million	Q2 2023	Q1 2023	Q2 2022	H1 2023	H1 2022 <sup>1</sup>
Sales	403.7	404.4	442.2	808.2	859.2
EBITDA	118.6	125.2	147.0	243.8	333.0
EBITDA margin	%	31.0	33.2	30.2	38.8
EBIT	70.3	77.8	102.8	148.1	246.5
EBIT margin	%	19.2	23.2	18.3	28.7
Result for the period	61.4	72.5	91.1	133.9	205.8
Earnings per share	EUR	2.20	2.66	4.03	6.13

### Capital expenditure and net cash flow

Capital expenditure including intangible assets	366.4	259.8	165.0	626.1	370.7
Net cash flow	-310.4	-105.5	-123.4	-416.0	-86.5

### Statement of financial position

In EUR million	Jun. 30, 2023	Dec. 31, 2022
Total assets	4,078.3	4,050.7
Equity	2,054.4	2,067.1
Equity ratio	%	51.0
Net financial debt/assets	-83.4	373.6

<sup>1</sup> The result of H1 2022 includes a one-time compensation payment ("Termination Fee") in the amount of EUR 50.0 million as a consequence of the failed takeover by GlobalWafers in Q1 2022.

**Conference call for analysts and investors**

The Executive Board of Siltronic AG will hold a conference call with analysts and investors (in English only) on July 27, 2023 at 10:00 am (CEST). This call will be streamed via the internet. The audio webcast will be available live as well as on demand on Siltronic's website.

The interim report and the latest investor presentation are also published on the Siltronic website at <https://www.siltronic.com/en/investors/reports-and-presentations.html>

**Other dates:**

October 26, 2023      Q3 2023 quarterly statement

**Contact:**

Verena Stütze  
Head of Investor Relations & Communications  
Tel.: +49 (0) 89 8564 3133  
Email: [investor.relations@siltronic.com](mailto:investor.relations@siltronic.com)

**Company profile:**

Siltronic AG is one of the world's leading producers of hyperpure silicon wafers and has been a partner to many major semiconductor manufacturers for decades. Siltronic is globally oriented and operates production facilities in Asia, Europe and the USA. Silicon wafers are the foundation of the modern semiconductor industry and the basis for chips in all electronic applications – from computers and smartphones to electric cars and wind turbines. The international company is highly customer-oriented and focused on quality, precision, innovation and growth. Siltronic AG employs around 4,500 people worldwide and has been listed in the Prime Standard of the German Stock Exchange since 2015. Siltronic AG shares are included in both the SDAX and TecDAX stock market indices.



### **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.*