

FY 2023 AND BEYOND- PREPARING FOR THE MARKET TURNAROUND

Dr. Michael Heckmeier & Claudia Schmitt
March 12, 2024

KLAUS BUCHWALD JOINS SILTRONIC FROM AUGUST ONWARDS

Background

- Born in 1968
- Graduated in mechanical and industrial engineering
- 21 years at Infineon, recently Senior Vice President Operations of the "Green Industrial Power" division and Executive Vice President Corporate Supply Chain
- Four years Head of Supply Chain at Rohde & Schwarz
- Started AI@Operations program at Infineon - focusing e.g. on Big Data, System Integration and Automation 4.0; Winner of Industry 4.0 Award.

Siltronic

- Chief Operating Officer as of August 2024
- Responsible for Operations and Supply Chain, Engineering and IT



KEY MESSAGES OF TODAY'S CALL

2023: Mission accomplished with solid margin despite weak demand environment



2024: A year with uncertainties

Ready to harvest market upswing driven by megatrends

**Ambitions for 2028 unchanged:
Sales > EUR 2.2 bn
EBITDA-margin in the high 30's**

FY 2023 FULLY IN LINE WITH GUIDANCE

1,514

Sales in EUR mn

-16% vs 2022, expected: -15 to -17%

28.7

EBITDA Margin in %

Expected: 28 to 30%

6.15

Earnings per share

EUR 1.20 dividend proposal

1,316

Capex in EUR mn

In line with indication of EUR 1.3 bn

-664

Net Cash Flow in EUR mn

Due to record investments

Stable

ASP

Despite volume shifts



FINANCIALS FY 2023

Solid performance in a challenging environment

NO SURPRISES IN Q4 AND 2023 FIGURES

Profit & Loss, in EUR million

	2023	2022	Q4-2023	Q3-2023
Sales	1,513.8	1,805.3	356.6	349.1
Gross profit	372.2	615.4	79.2	75.7
Gross margin, in %	24.6	34.1	22.2	21.7
EBITDA	433.9	671.6¹	91.1	99.1
EBITDA margin, in %	28.7	37.2 ¹	25.5	28.4
EBIT	231.3	495.6	36.8	46.4
EBIT margin, in %	15.3	27.5	10.3	13.3
Net Income	201.3	434.4	32.3	35.1
EPS, in EUR	6.15	13.02	1.01	1.10

¹ EBITDA (margin) 2022 excluding effects by GlobalWafers tender offer: EUR 621.6 mn, 34.4 %

Comments

Sales

- 2023 -16% yoy, volume significantly down, but stable ASP
- Q4 +2% qoq, product mix slightly improved

EBITDA (margin)

- 2023 under pressure yoy
 - lower volume / lower fixed cost dilution
 - inflation impact of roughly EUR 30 mn on cost (material and labor up, slight relief for energy and freight)
 - upside from FX result, EUR 17 vs. -21 mn in 2022
- Q4 down qoq mainly due to FX result, EUR -1 vs. 10 mn

EBIT

- 2023 and Q4 sequentially stronger declining than EBITDA along with increasing depreciation

Net income

- 2023 with balanced financial result and tax rate of 13 %

yoy = 2023 vs. 2022; qoq = Q4 2023 vs. Q3 2023

STRONG BALANCE SHEET QUALITY – SOLID FINANCIAL KPI'S

Balance Sheet Composition

	Dec 31, 2023	Dec 31, 2022
Assets, in EUR mn	4,504	4,051
Fixed Assets	77%	58%
Inventories	7%	7%
Receivables	6%	9%
Cash & Securities	10%	26%
Equities & Liabilities, in EUR mn	4,504	4,051
Equity	47%	51%
Provisions	5%	5%
Financial Liabilities	20%	19%
Liabilities & Prepayments	28%	25%

Comments¹

Fixed assets EUR +1,097 mn

- Increase to EUR 3.5 bn due to high capex

Working Capital EUR -155 mn

- Decrease in receivables due to lower sales and DSO in Q4
- Increase in trade payables along with high capex

Cash & Securities EUR -592 mn

- Operating cash flow < payments for capex and dividend

Equity Ratio 47%

- Healthy level

Financial Liabilities EUR +134 mn

- SGD loan fully drawn in Q3

Liabilities/Prepayments +265 mn

- Prepayments received (net) EUR 39 mn

CAPEX PEAK IN 2023 TO ENABLE FUTURE GROWTH

Investment, in EUR mn

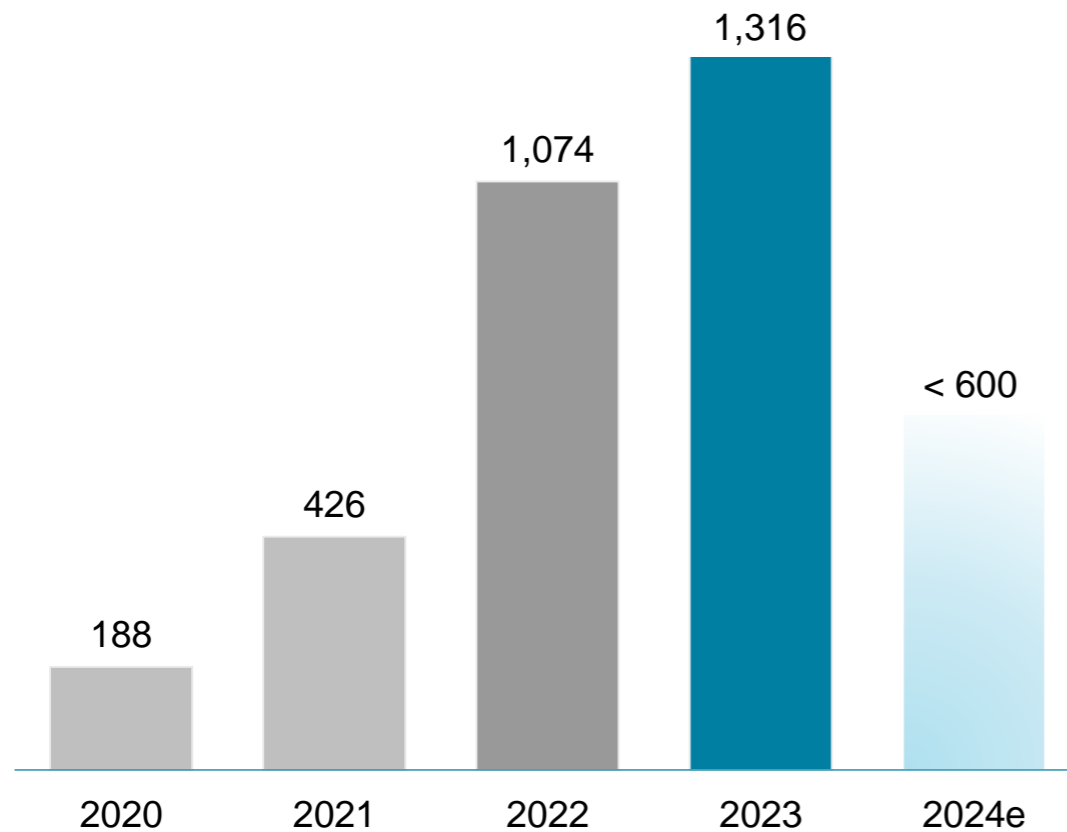


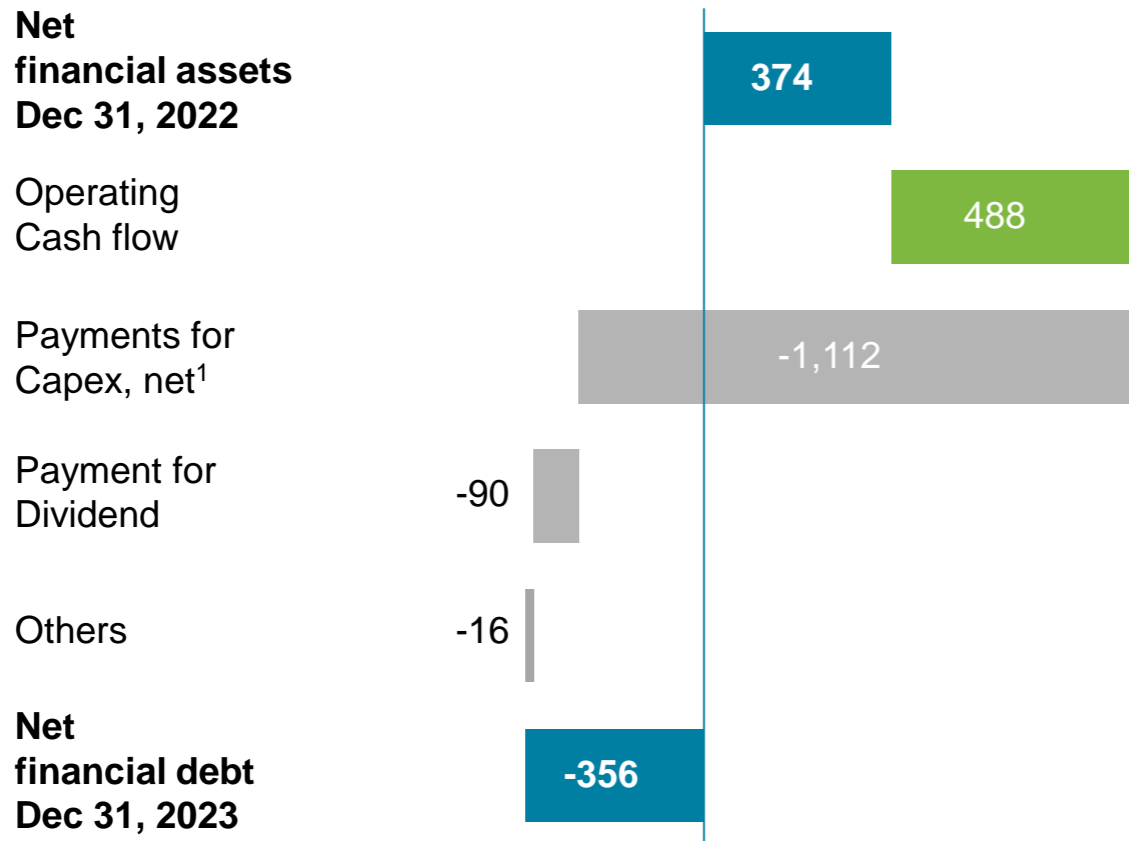
Chart not to scale

Comments

- Capex 2023 for FabNext, extension of crystal pulling hall in Freiberg (inaugurated in September) and steady state capex
- Capex 2024 less than EUR 600 mn
- Increased focus on capex management
- Future FabNext capex depending on ramp speed

NET FINANCIAL ASSETS TURNING INTO NET FINANCIAL DEBT DUE TO INVESTMENTS INTO THE FUTURE

Net Financial Debt, in EUR mn



Comments

Change in net financial position EUR -730 mn²

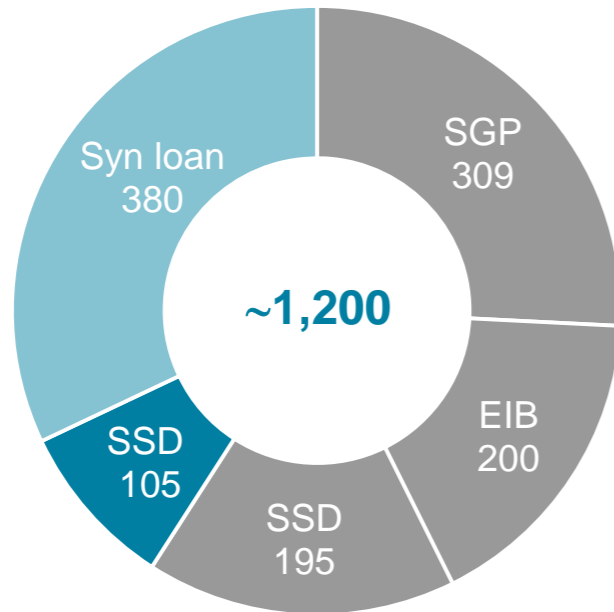
- Solid operating cash flow
- Peak capex related cash outflow of EUR 1.199 mn, cash inflow of EUR 84 mn from an investment grant
 - Expected cash outflow for capex in 2024 clearly above invest level due to high trade payables as of Dec 31, 2023
- Dividend payment for fiscal year 2022

Dec 31, 2023: Net financial debt EUR -356 mn, Net Debt/EBITDA 0,8

¹ netted with investment grant, ² Dec 31, 2023 vs. Dec 31, 2022

OPTIONS FOR REFINANCING TO BE EXAMINED

Debt financing instruments, in EUR million



- Term loan and revolver not drawn yet
- Variable loan fully drawn
- Fixed loan fully drawn

Comments

Financing of investments

- Own cash and future operating cashflows
- Customer prepayments
- Debt financing
 - Currently four financing instruments in place, draw down of Syn loan planned in 2024

Repayment

- Customer prepayments: outflow > inflow from 2024 onwards
- Repayment of loans starting from 2025 onwards

Refinancing

- Depending on market development
- Options to be examined



AMBITIOUS TARGETS KEEP US GOING

Siltronic follows a clear sustainability strategy

SUSTAINABILITY DASHBOARD

TRACKING PROGRESS TOWARDS TRANSFORMATION



Climate – Scope 1+2
2030: -42% reduction of CO₂ emissions¹
2023: -22%



Water usage
2030: -20% reduction of water intensity²
2023: -1%



Energy
2030: -20% energy intensity reduction²
2023: -7%



Circular economy
2030: +25% increase in waste recycling ratio²
2023: +12%

¹ absolute reduction, base year 2021, ² Intensity per production output, base year 2015

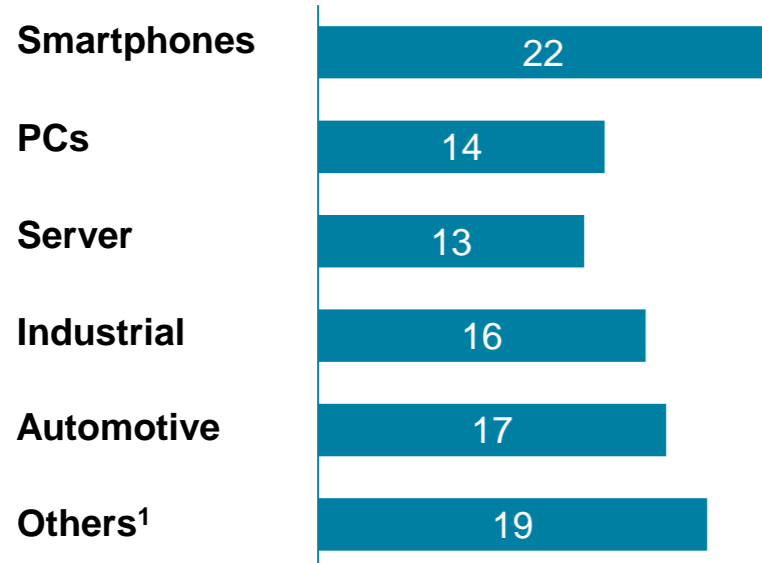


OUTLOOK 2024 AND BEYOND

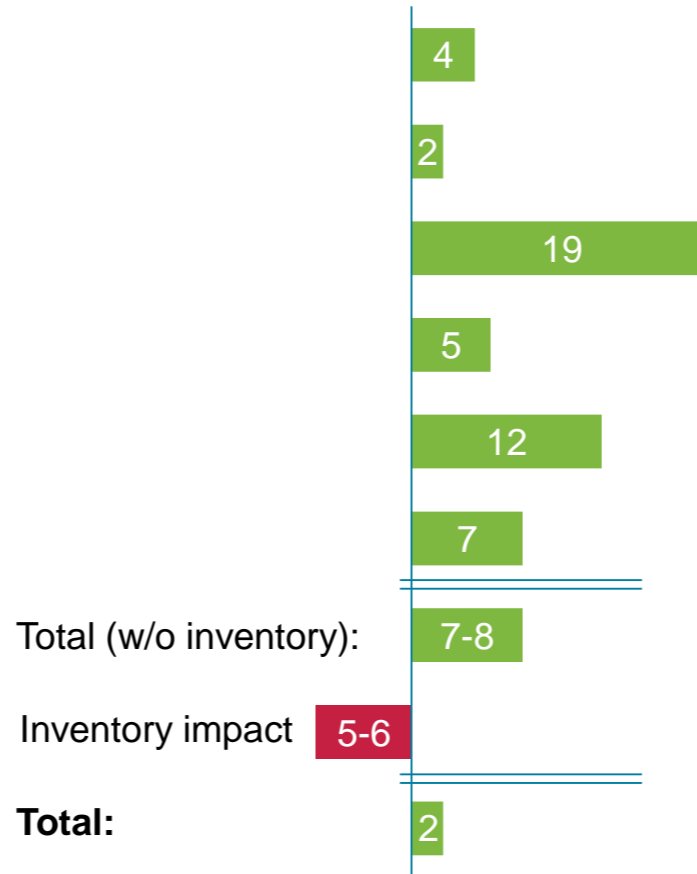
Timing of market turnaround still uncertain

SLIGHT INCREASE IN WAFER DEMAND EXPECTED FOR 2024

Consumption of wafers by end use 2023, in %



Growth in demand for wafer area 2024 vs. 2023, in %



AI Server

up to 8x more wafer area



EV

60-100% more wafer area



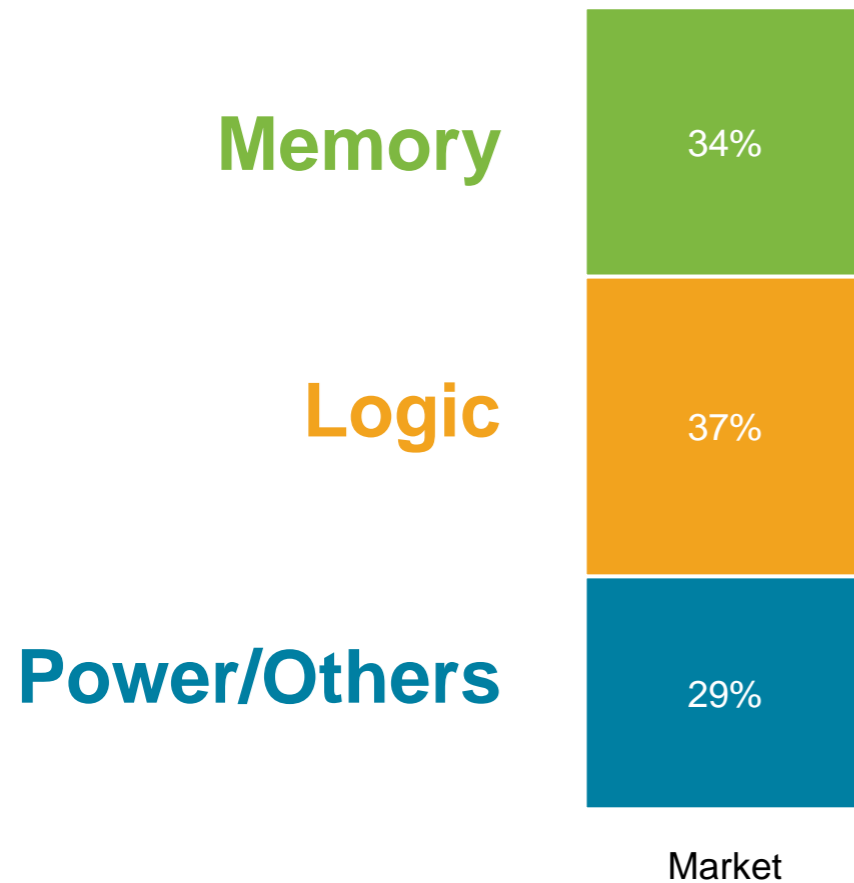
Digitization

will further increase wafer demand

Source: Siltronic estimates, ¹ Infrastructure Telecommunications, game consoles, consumer electronics such as televisions, white goods such as refrigerators

TOTAL INVENTORIES FOR MEMORY AND LOGIC HAVE PEAKED IN 2023, POWER INCREASING

Demand by segments in % of total demand in 2023¹



Semiconductor inventories per sector²



Inventory levels decreasing slowly; DRAM better than NAND



Inventories still elevated but getting closer to normal levels



Power inventories increasing



Roughly 1/3

as a rule of thumb is the split between the three segments



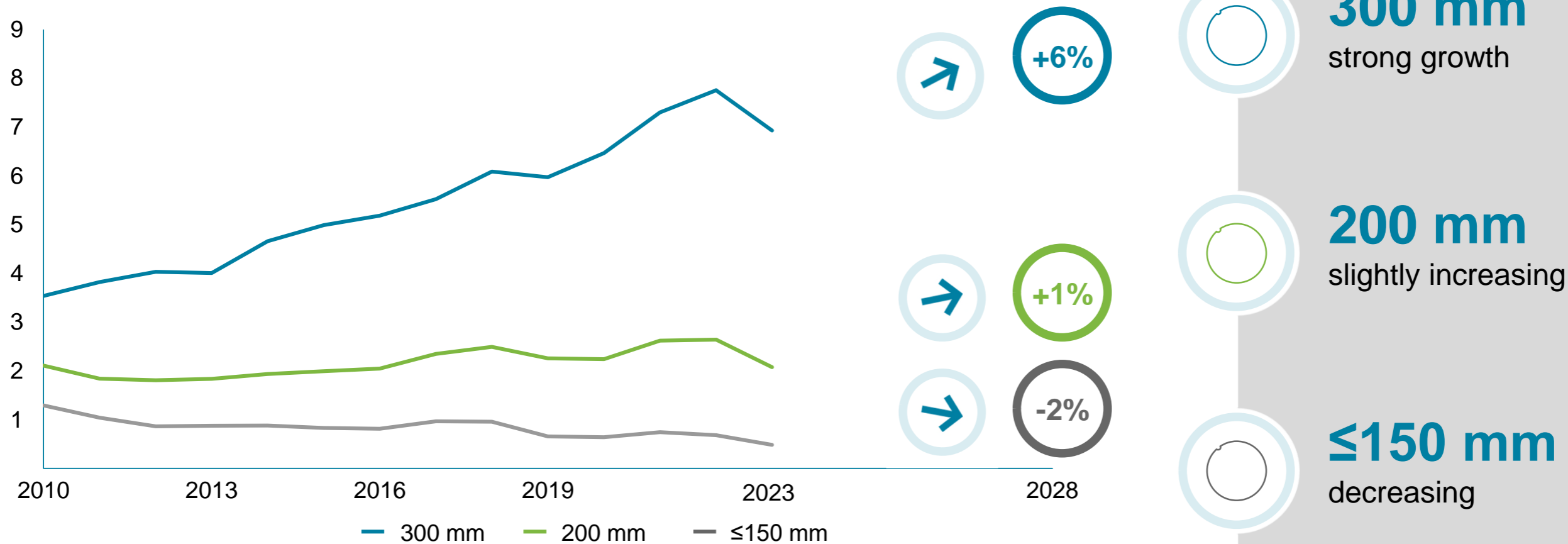
Siltronic

split between the segments is similar to the market

¹ Source: Siltronic estimates ² Source: Respective company data up to Q4 2023 including finished goods, Work-in Progress and raw materials

CAGR OF 4–5% EXPECTED ON AVERAGE WITH HIGHEST GROWTH IN 300 mm

Development of total wafer demand per diameter in mn 300 mm equivalents per month¹ and CAGR per diameter in %²



¹ Source: SEMI up to Dec 2023; ² Siltronic CAGR expectation until 2028 (base year 2022) - the actual CAGR may deviate from expectations

INVESTMENT PEAK FABNEXT BEHIND US

Project Status



On track, on budget



Focus on qualifying customers



Ramp speed for 2024 as communicated, further decision with lead time of 18 – 24 months



Commissioning started in early 2024, depreciation to start in Q2 2024

Commercial Facts



Advantages:
High automation, high epi share,
economies of scale, state of the art



High LTA share



Ramp costs will burden profitability
by up to 3%–points (mainly labor,
material, energy)



EBITDA-margin above
50% mid-term



OUTLOOK 2024 - HIGH INVENTORIES STILL BURDEN BUSINESS DEVELOPMENT

Sales

In the region of 2023
EUR/USD 1.10, stable ASP's

EBITDA Margin

In the region of 2023 w/o ramp cost,
ramp cost burden up to 3%-points

Depreciation

Nearly doubled vs. 2023

EBIT

Significantly below 2023

Capex

below EUR 600 mn

Net cash flow

Above 2023 but still negative



WE CONFIRM OUR MID-TERM AMBITION FOR 2028



Our global production network is ready – our highly automated site in Singapore is ready for the ramp



We are a technological leader and will stay ahead of the curve



We aim for a strong sales and EBITDA margin upswing due to our strategical focus: 300 mm especially Leading Edge and Power



We have a solid balance sheet and financing strategy



Megatrends like Artificial Intelligence, Digitalization and Electromobility will drive wafer demand



Sales EUR 2.2+ bn by 2028 with stable ASP's and EUR/USD 1.10



EBITDA-Margin in the high 30's

Financial Calendar and Events

March 19, 2024	May 02, 2024	May 13, 2024	May 15, 2024	May 22, 2024
Jefferies Pan-European Mid-Cap Conference, London, UK	Quarterly Statement Q1 2024	Annual General Meeting	Stifel German Corporate Conference, Frankfurt	Berenberg European Conference, New York, USA

Investor Relations Contacts



Verena Stütze

investor.relations@siltronic.com

Tel. +49 89 8564-3133



Stephanie Malgara

investor.relations@siltronic.com

Tel. +49 89 8564-3133

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.