

OUR PATH TO GROWTH AND VALUE CREATION

Investor Presentation
June 2024

SILTRONIC AT A GLANCE

4,500

employees
worldwide

4

world-class
production sites

1.5

billion EUR
Sales in 2023

50+

years of history
in silicon technologies

Supplier

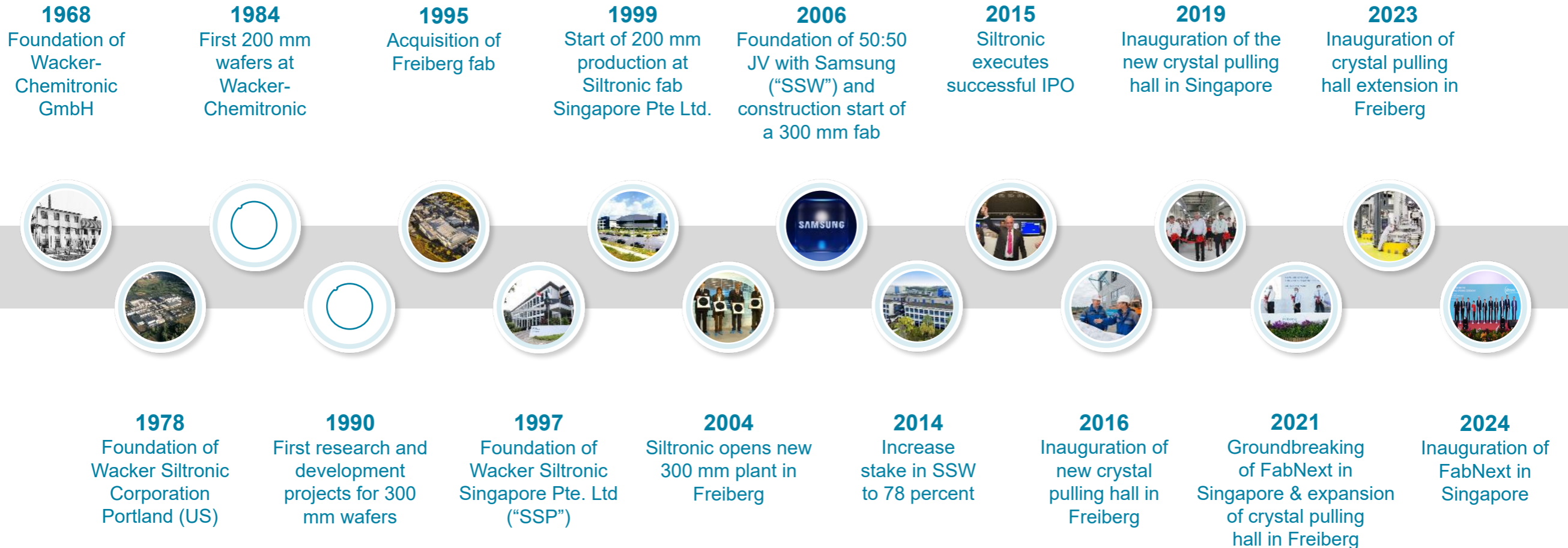
to top
semiconductor producers

29

percent
EBITDA-Margin

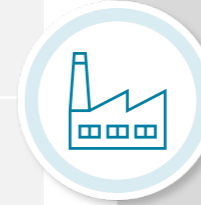
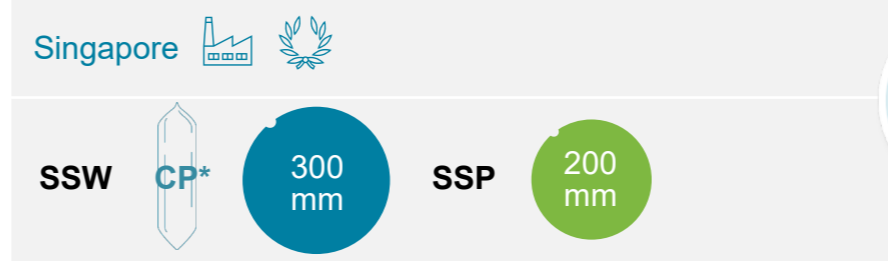


50+ YEARS OF HISTORY – A STORY OF SUCCESS AND INNOVATION



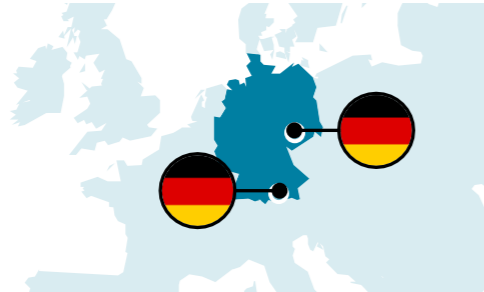
INTERNATIONAL PRODUCTION NETWORK SERVES CUSTOMERS AROUND THE GLOBE

Singapore



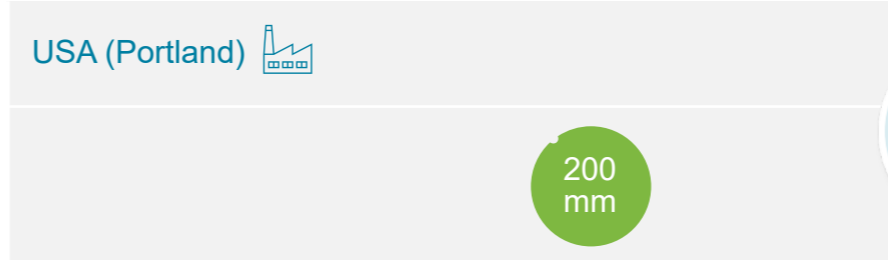
300 mm
volume production in
Germany & Singapore

Germany



R&D
hub in Burghausen

USA

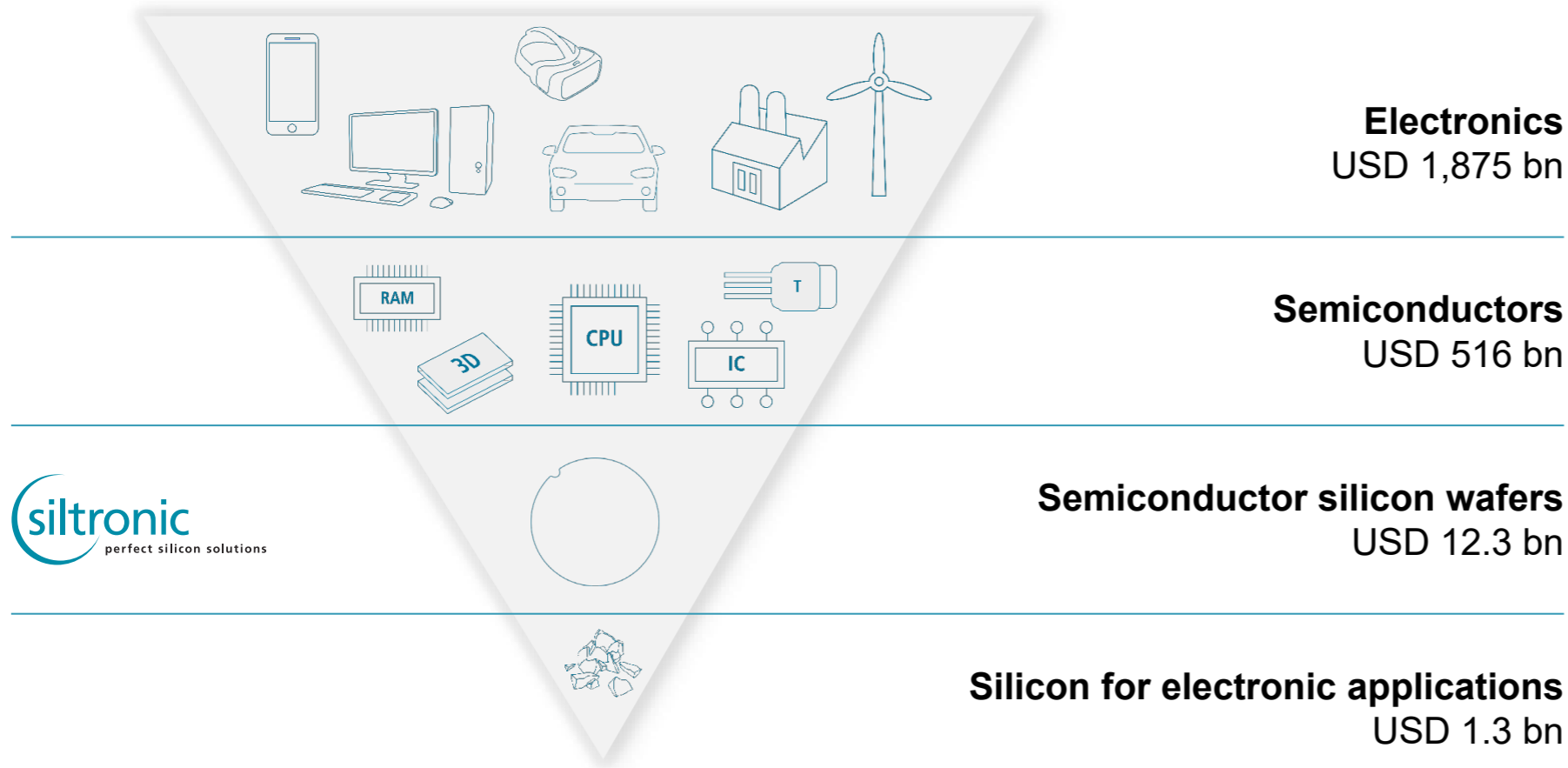


**Leading
Edge**
production

R&D = Research and Development
CP = Crystal Pulling

EXPANSION OF ELECTRONICS VALUE CHAIN WILL DRIVE SEMICONDUCTOR AND WAFER GROWTH

Electronics value chain (figures for 2023)⁽¹⁾



99%

of the semiconductor value chain is based on silicon



USD 1 tn

semi sales at the end of this decade⁽²⁾

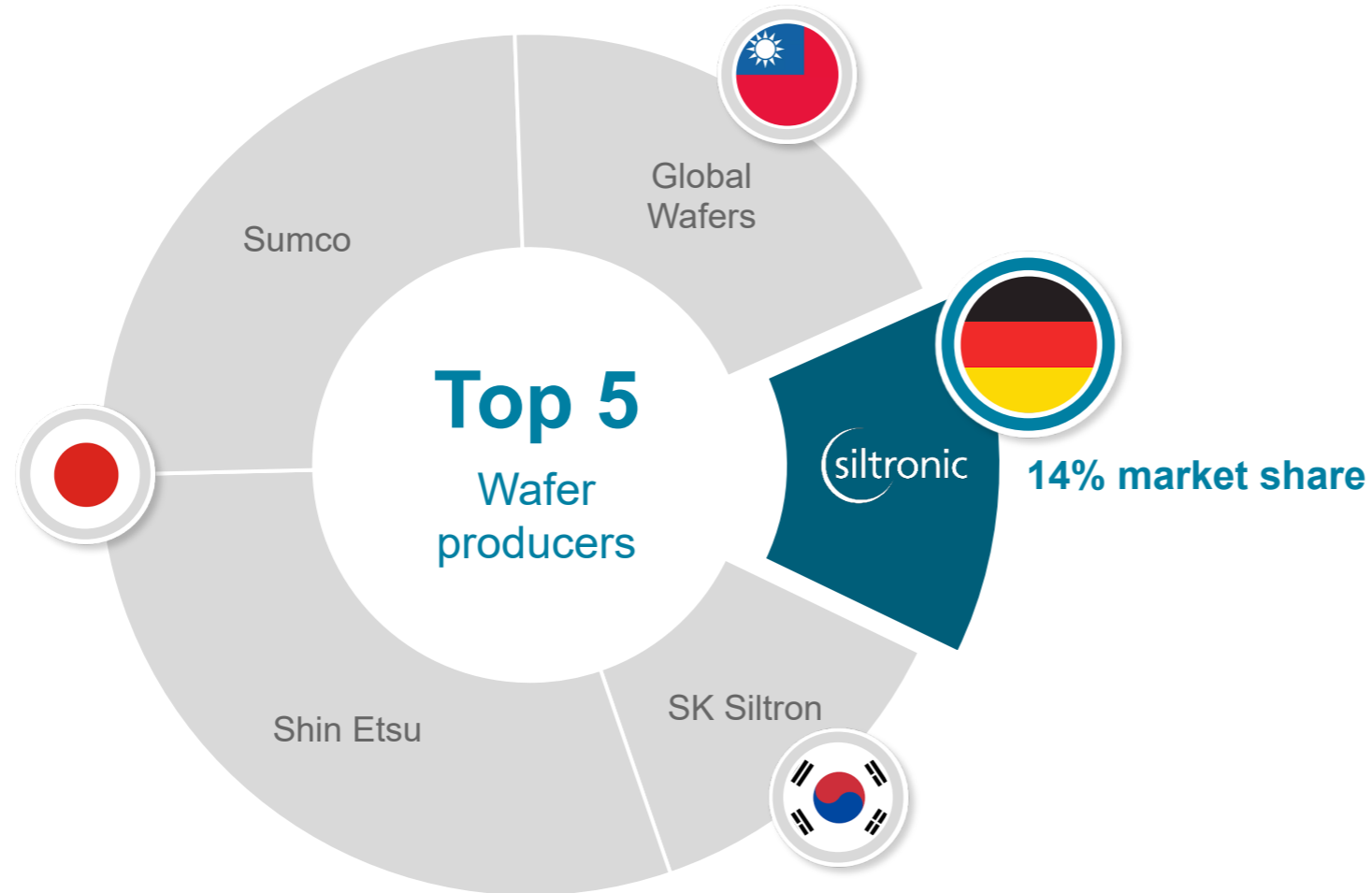


Crucial

for the whole value chain

Source: 1 TechInsights, WSTS (Silicon based), SEMI SMG, Siltronic Marketing | 2 McKinsey

WELL POSITIONED IN A CONSOLIDATED MARKET AS THE ONLY WESTERN-BASED MANUFACTURER



Up to 90%
are served by the top
5 wafer manufacturers



Only western
based wafer
manufacturer

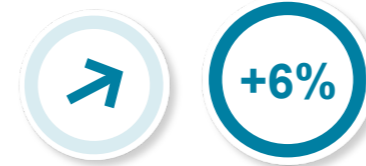
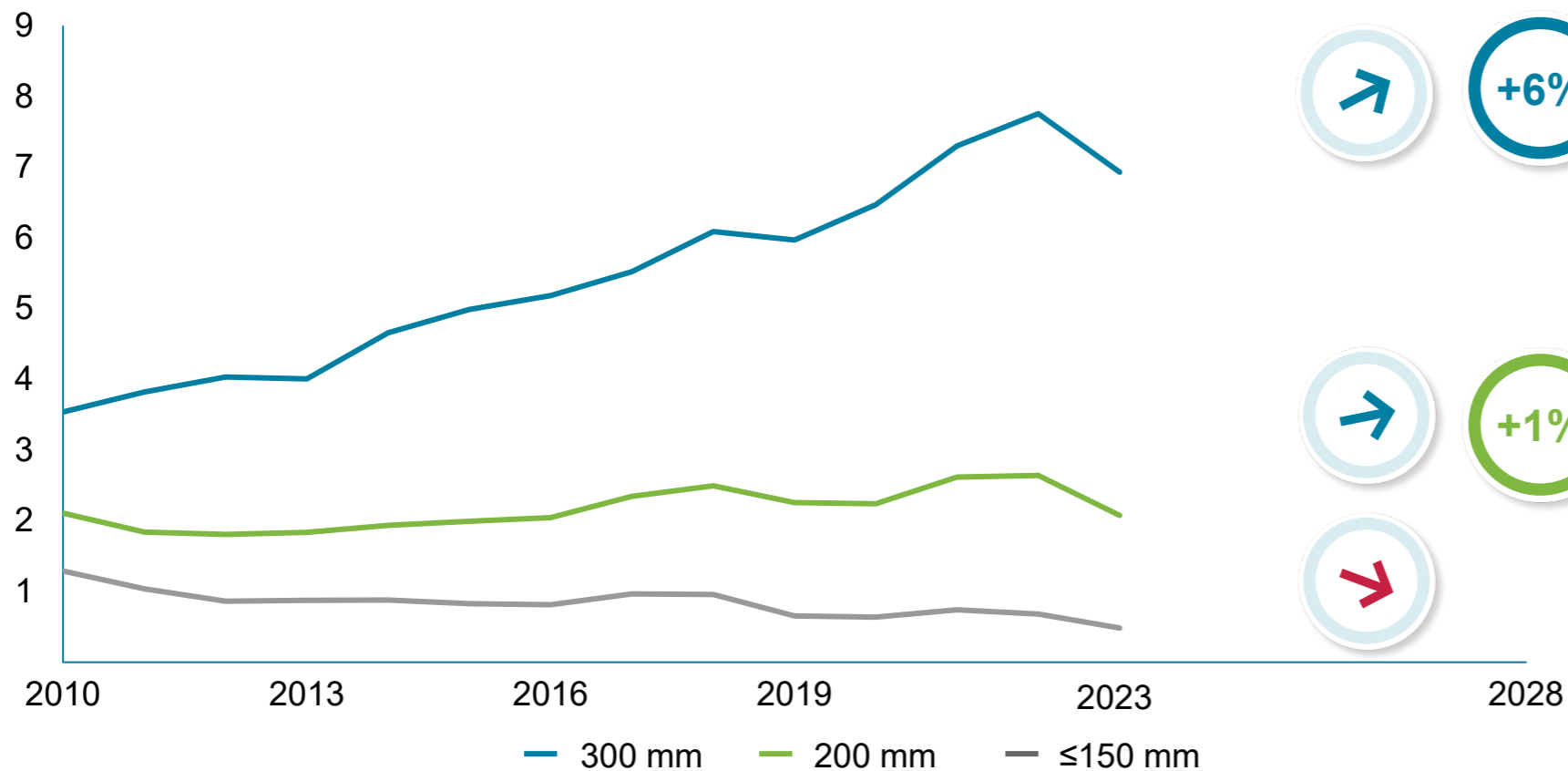


Consolidated
market leads to high
transparency and
predictability

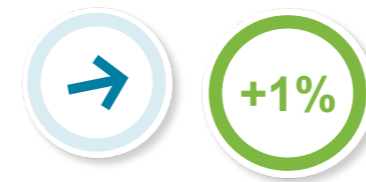
Source: Siltronic estimate 2023, Quarterly reports of SEMI companies

OVERALL CAGR OF 4-5% EXPECTED 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



300 mm
strong growth



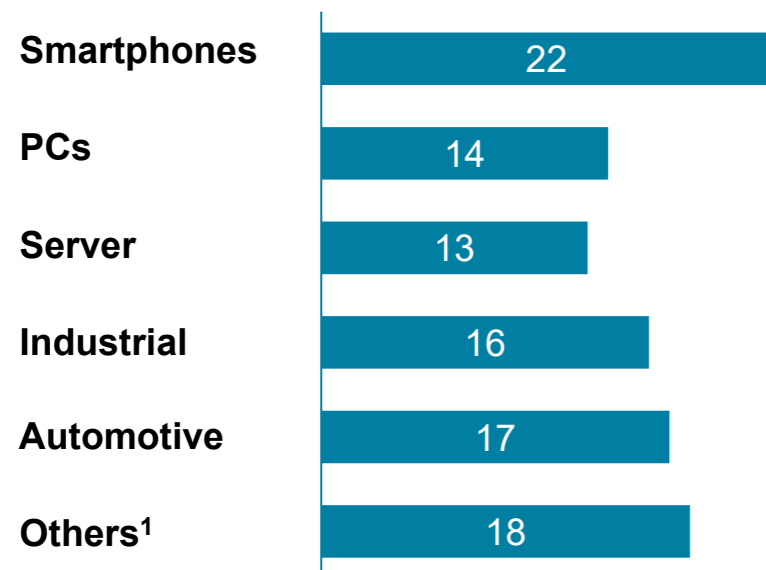
200 mm
slightly increasing



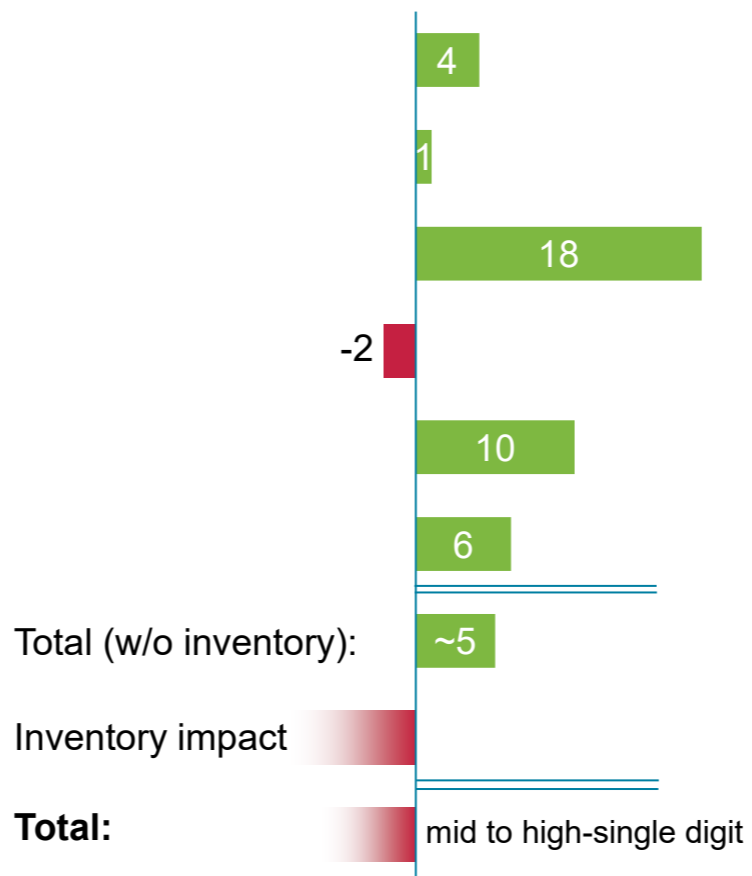
¹ Source: SEMI up to Dec 2023; ² Siltronic CAGR expectation until 2028 (base year 2022) - the actual CAGR may deviate from expectations

END MARKET GROWTH NEGATIVELY OVERCOMPENSATED BY EXCESS INVENTORY

Consumption of wafers by end use 2023, in %



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



Server

mostly driven by Generative AI



Smartphones

soft recovery



Industrial & Automotive

mixed newsflow

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

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

Semiconductor inventories per sector²

Memory



Inventory levels decreasing slowly;
High End DRAM improved due to HBM, Other
DRAM and NAND elevated

Logic



Different inventory levels of customers,
overall decreasing slowly

Power/Others



Power inventories based on newest data
points further increased



Customers

vary significantly –
some still strongly
elevated

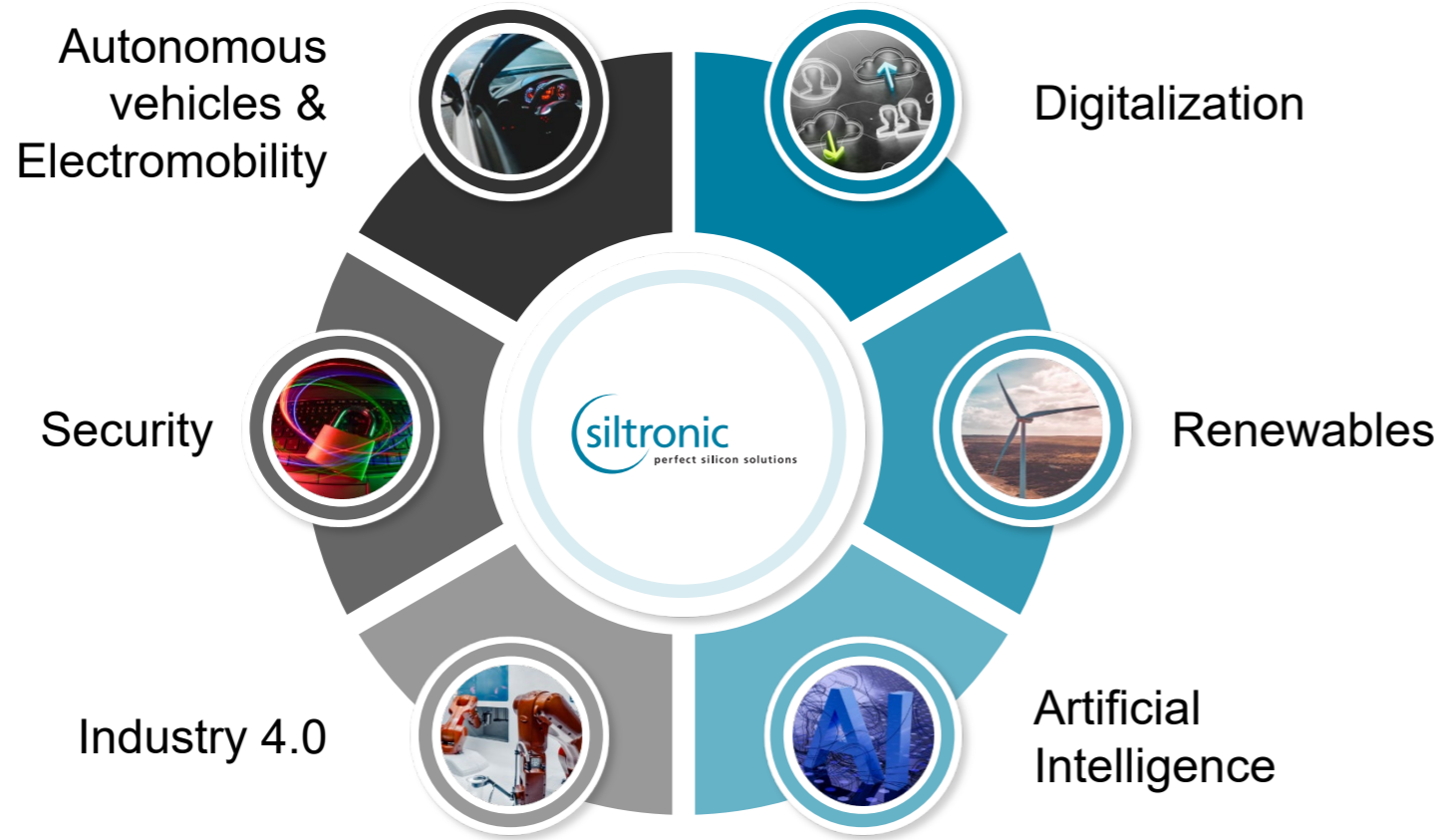


Siltronic

impact depends on
customer exposure

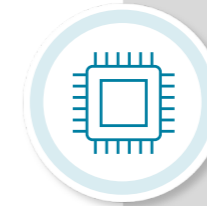
¹ Source: Siltronic estimates ² Source: Respective company data up to Q1 2024 including finished goods, Work-in Progress and raw materials

MEGATRENDS WILL DRIVE WAFER DEMAND



Siltronic

well positioned to support each megatrend



All segments

will participate and Power with over proportional growth

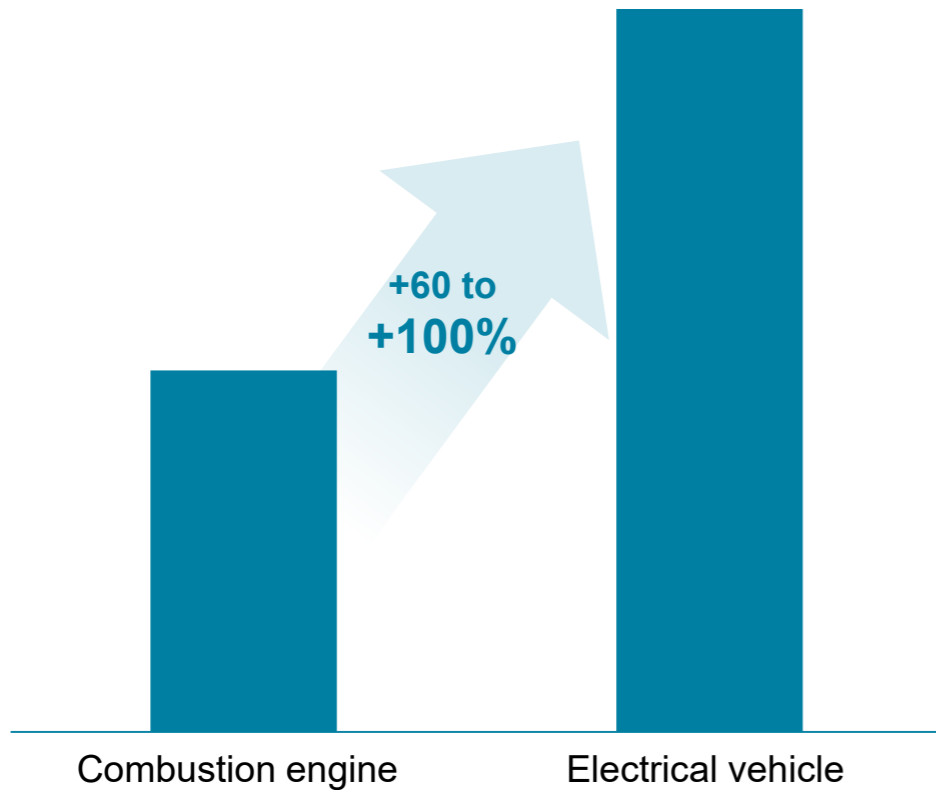


Key benefits

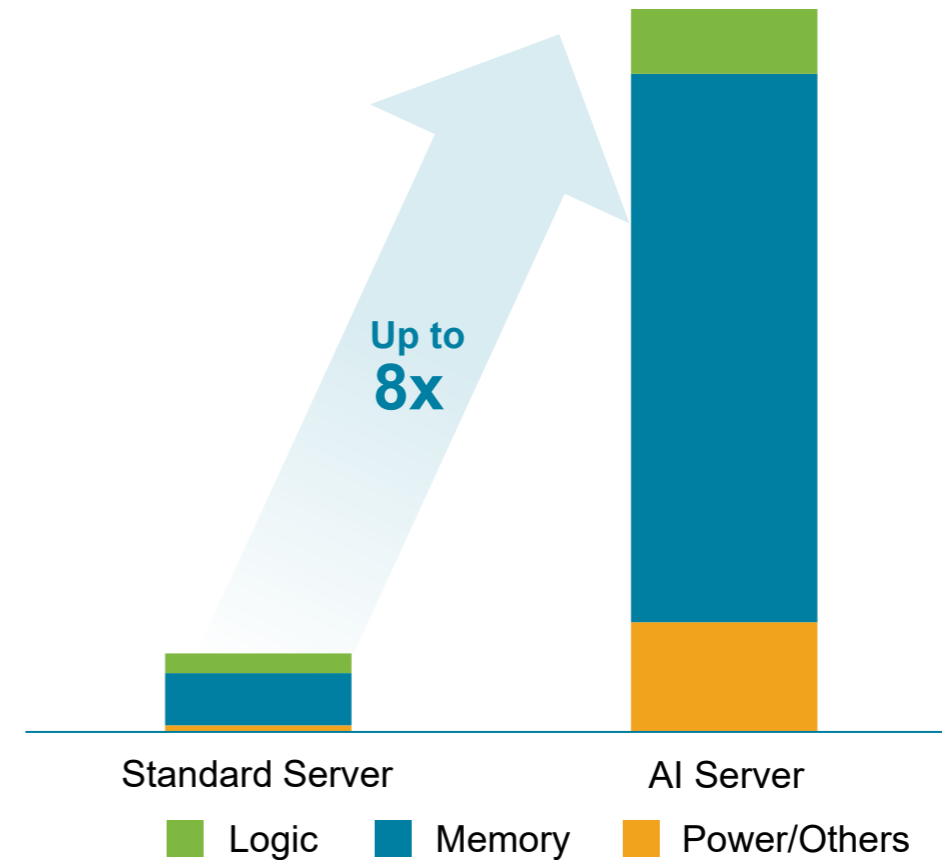
from strategic focus on Leading Edge and Power market

FOR EXAMPLE: ELECTROMOBILITY AND AI ARE PUSHING WAFER DEMAND

Silicon content between combustion engine and electrical vehicle in cm² per car



Silicon content between standard server vs. AI server in cm² per server



Source: BS Sept. 2023 Global I/O Semiconductors; UBS May 2023; Omdia Q4 2022; Siltronic Marketing estimates

INVESTMENT PEAK FABNEXT BEHIND US

Project Status



On track, on budget



Focus on qualifying customers



Commissioning started in early 2024,
depreciation to start during Q4 2024

Commercial Facts



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



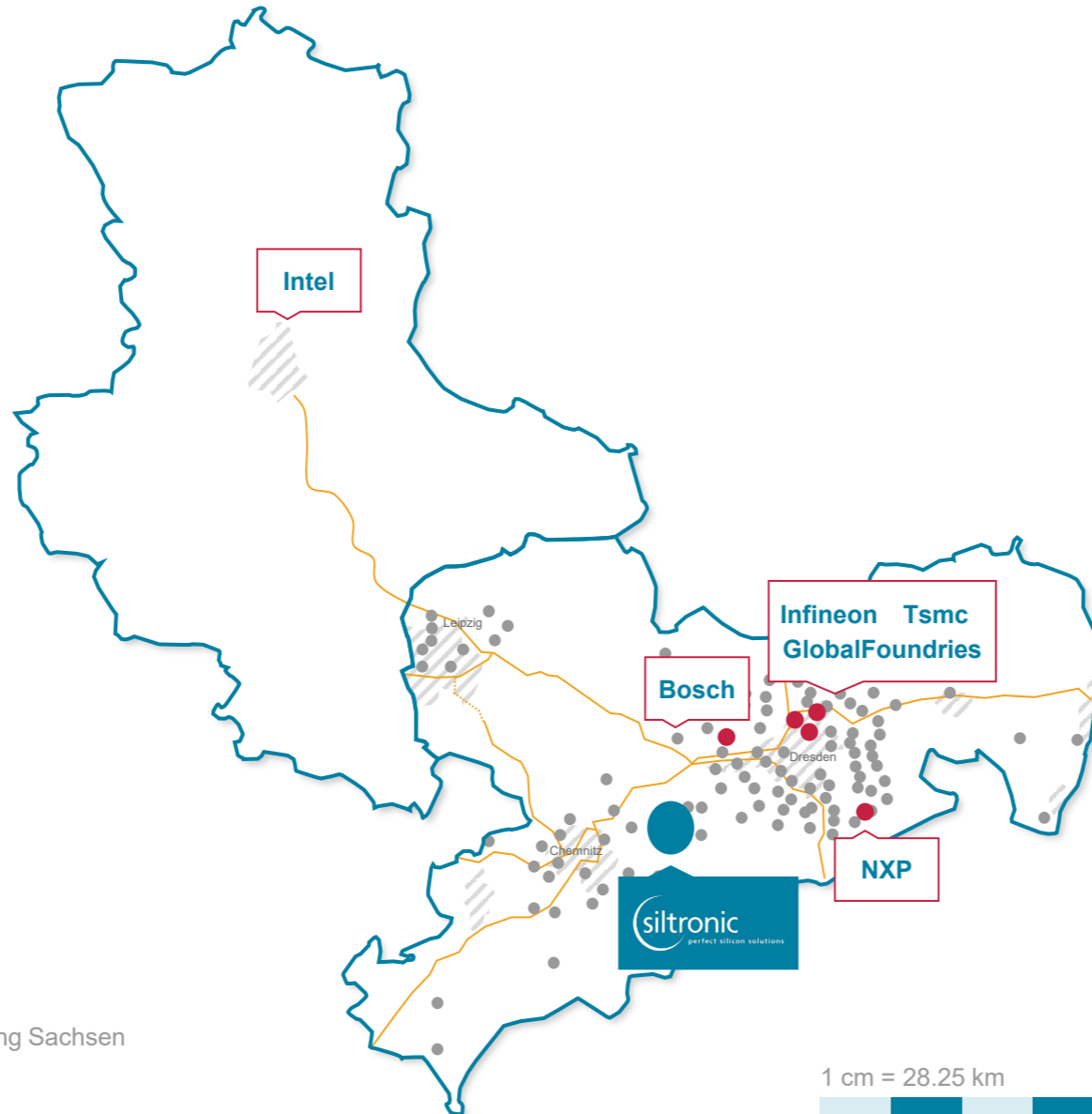
High LTA share



EBITDA-margin above
50% mid-term



FURTHER IMPROVED PRODUCT MIX FUELED BY INVESTMENTS (E.G. FREIBERG)



Every 3rd to 2nd semiconductor in the EU is from this region



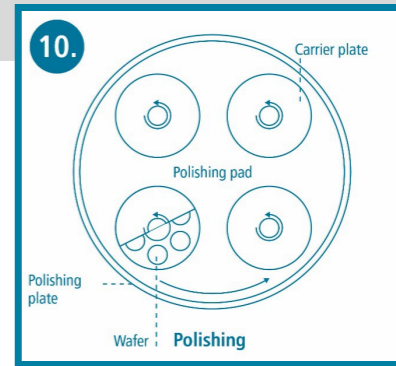
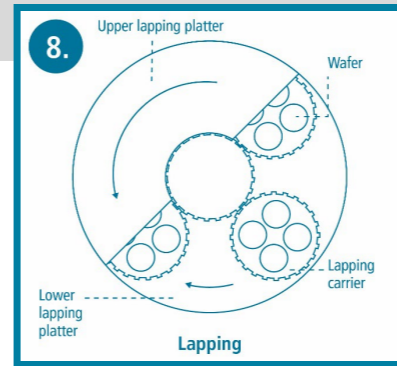
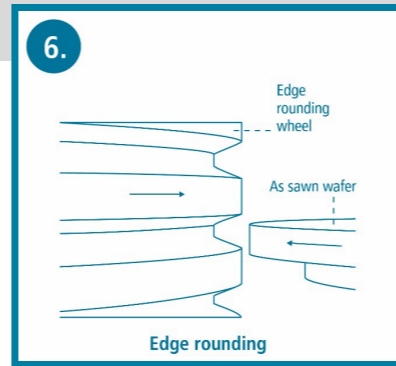
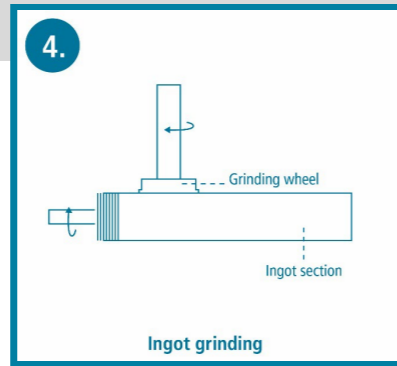
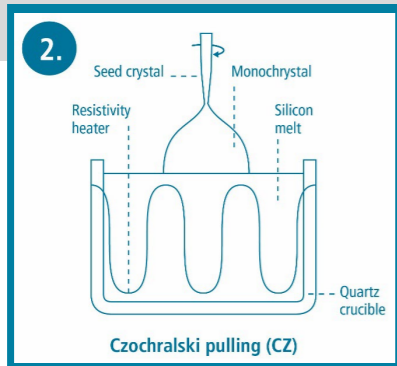
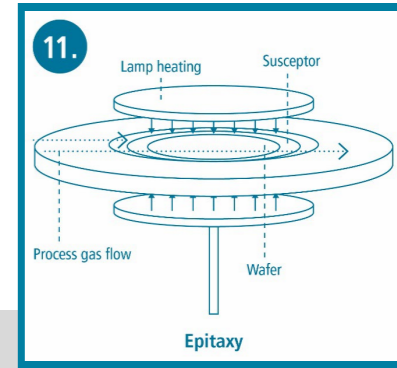
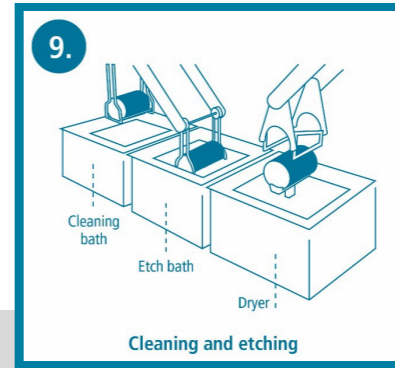
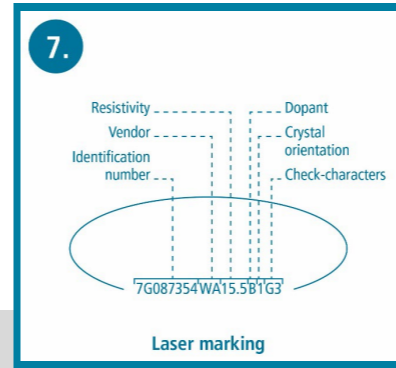
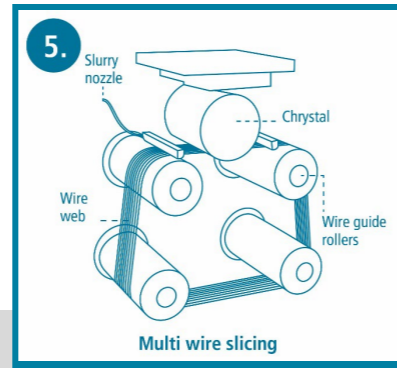
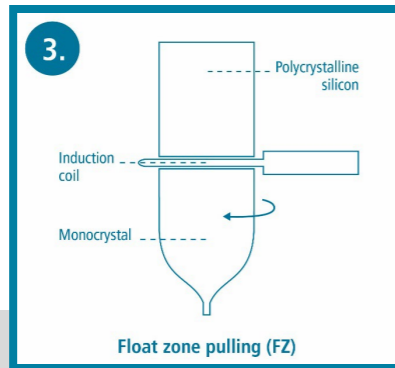
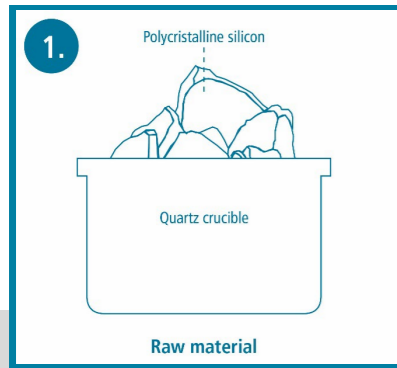
Investments of more than EUR 1 bn since 1995 by Siltronic



First-class geographical position in light of EU ambitions

Source: Siltronic; Silicon Saxony/Wirtschaftsförderung Sachsen

WAFER PRODUCTION PROCESS



OUR UNIQUE R&D AND INNOVATION FOCUS IS ANOTHER IMPORTANT GROWTH DRIVER

R&D
hub in Germany



450
R&D employees



1,900
patents



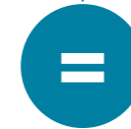
4–5%
of sales planned
as R&D spendings



Partnering with leading innovation platforms and joint development projects with customers



Leibniz Institute
for high
performance
microelectronics



R&D Innovation Strategy

Stay one generation ahead
as a technology leader

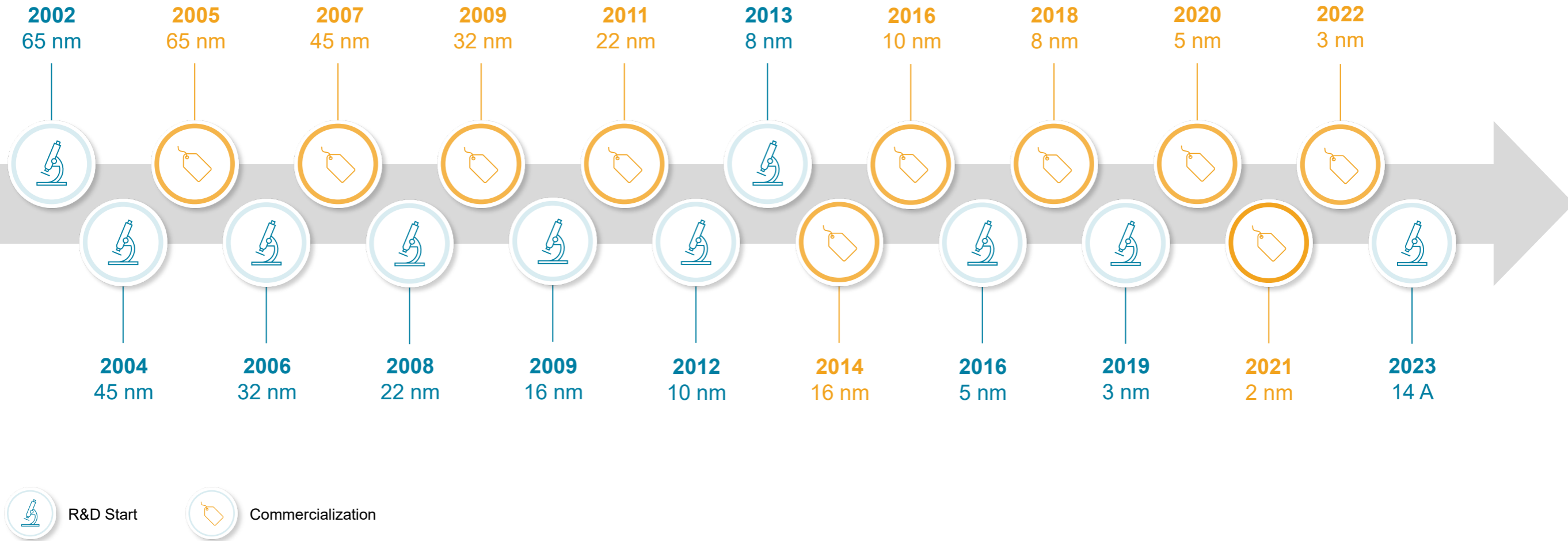
Focus on Leading Edge and Power

Strengthen and expand our product
portfolio

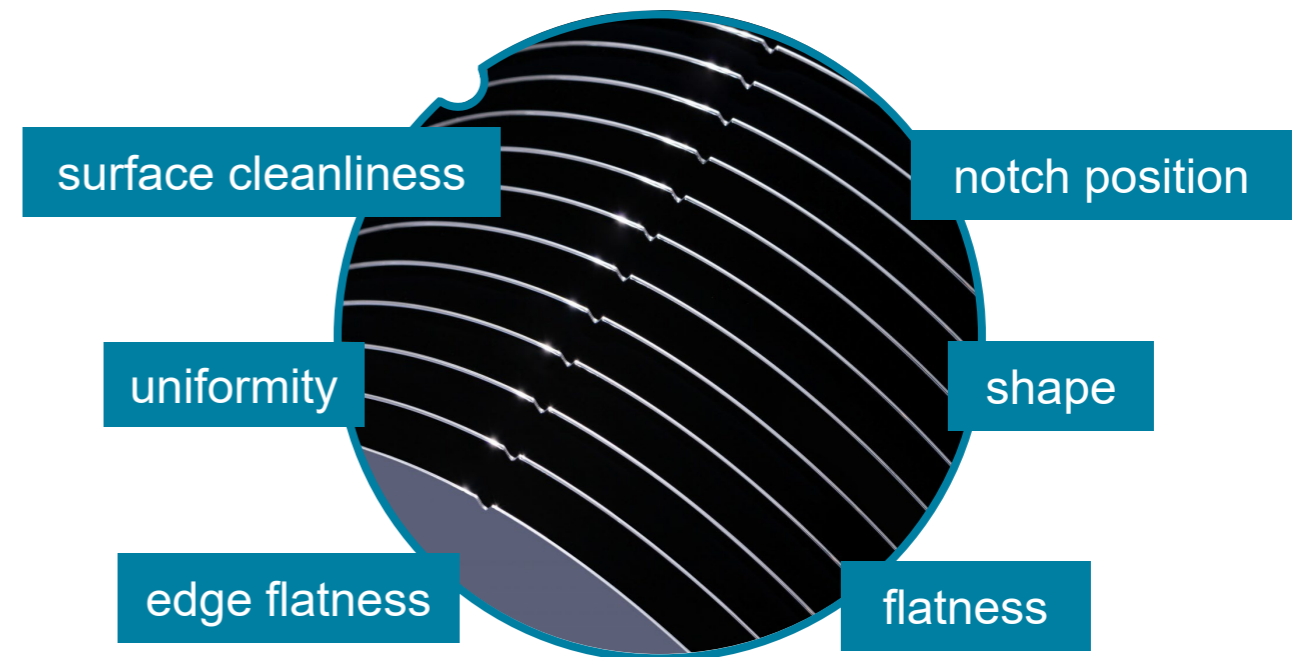
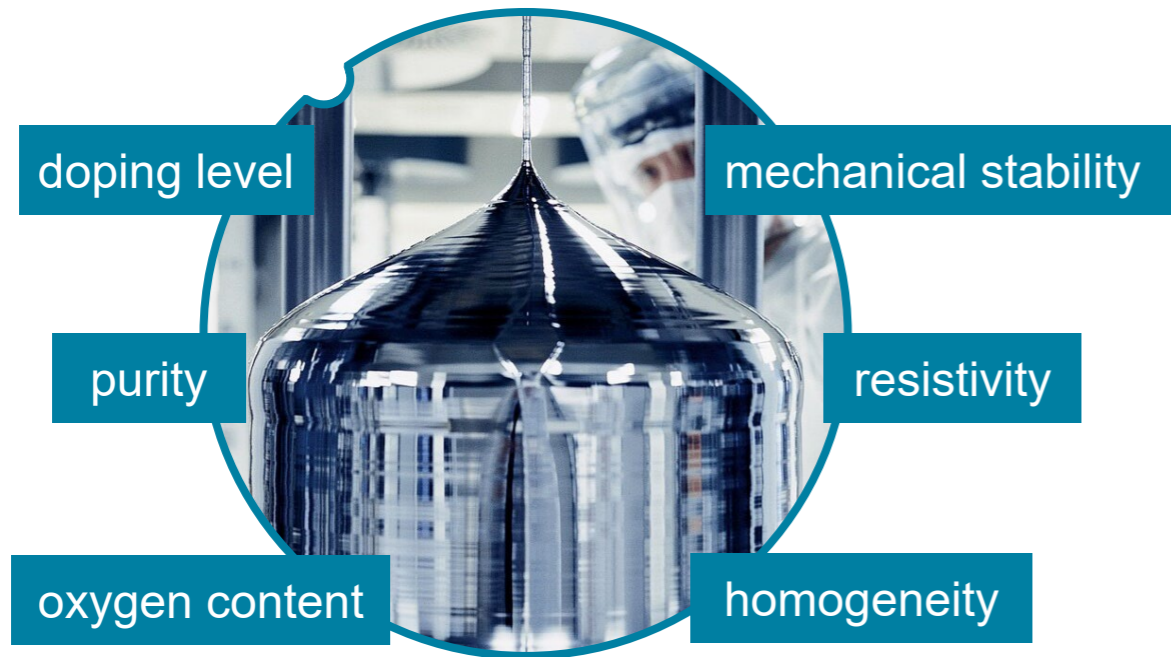
Further improve our technology
and processes

Find new business opportunities

SILTRONIC HAS A PROVEN TRACK RECORD



A NUMBER OF KEY INGOT & WAFER PROPERTIES DEFINE THE WAFER SPECIFICATION AND ITS FURTHER USE BY THE CUSTOMER



PURITY AND FLATNESS REQUIREMENTS FOR WAFERS ARE EXTREME, AS SCALING THEM INTO THE MACRO WORLD SHOWS

Particles

Particle size specified in the nm range. Requirements are equivalent to a maximum of 10 grains of sand distributed over the city of Munich - and no pebble or rock



Flatness

20 nm on a wafer are equivalent to the height of a leaf on the surface of Lake Chiemsee – or a single bacteria on a tennis court.



Impurity

„parts per trillion“ (ppt) is equivalent to a sugar cube diluted in a small lake – or a single grain of salt in a tank truck



COST-COMPETITIVENESS A PREREQUISITE IN THE WAFER INDUSTRY

Major cost items 2023



Labor



Depreciation



Supplies

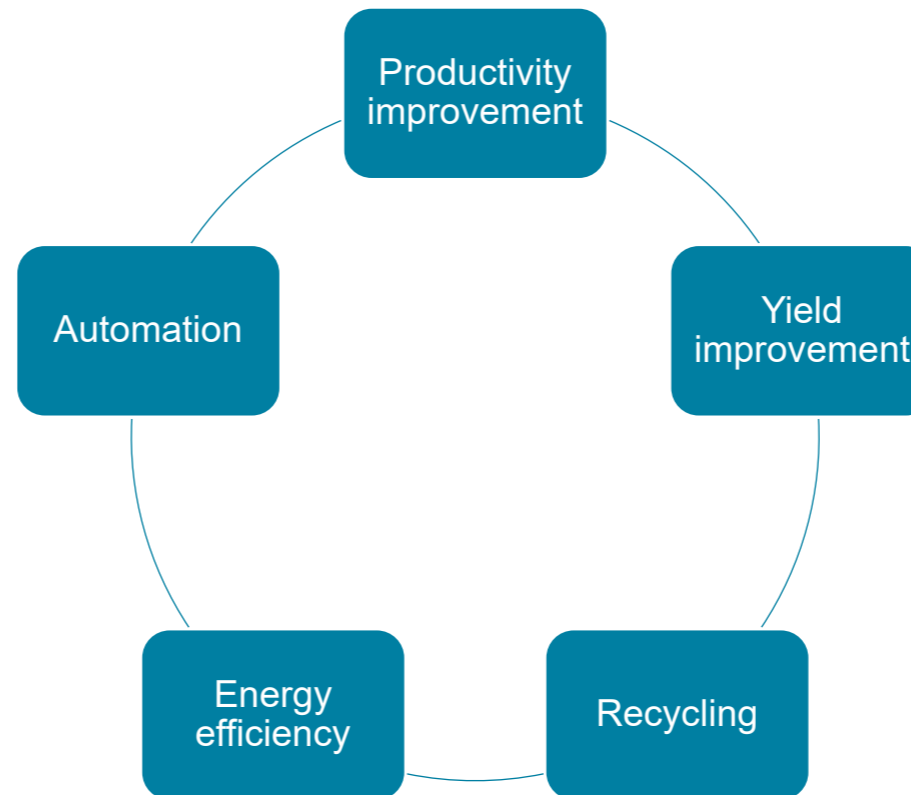


Energy



Polysilicon

Continuous cost roadmaps to counter unit cost increases



Costs

are monitored on an ongoing basis



Labor & Depreciation

are the two largest cost items

OUTLOOK AND FINANCIAL STRENGTH

Our ambitions until 2028

OUTLOOK 2024 – A TRANSITION YEAR

Sales

Roughly -10 percent y-o-y

EBITDA Margin

Between 21 and 25 percent

Depreciation

Below EUR 300 mn

EBIT

Significant decline

Capex

Slightly below EUR 550 mn

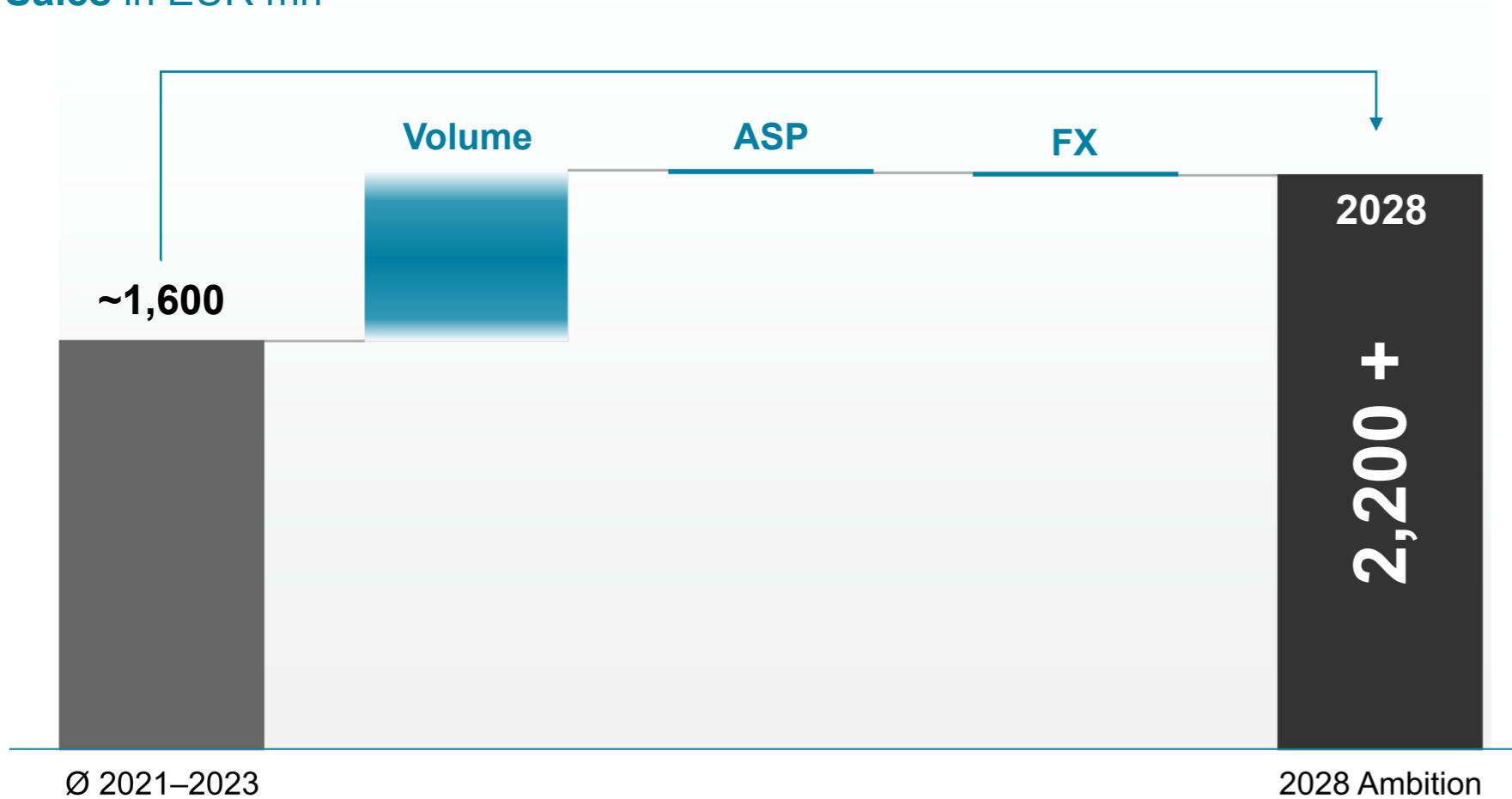
Net cash flow

Above 2023 but still significantly negative



BY 2028 OUR SALES AMBITION IS >EUR 2.2 BN DRIVEN BY VOLUME AND CAPACITY EXPANSION

Sales in EUR mn



Volume effect

Assumed volume growth
2028 vs. 2022

- Total CAGR 4–5%
- 300 mm CAGR 6%

Capacity expansion
FabNext along with market
growth



ASP effect

Overall stable



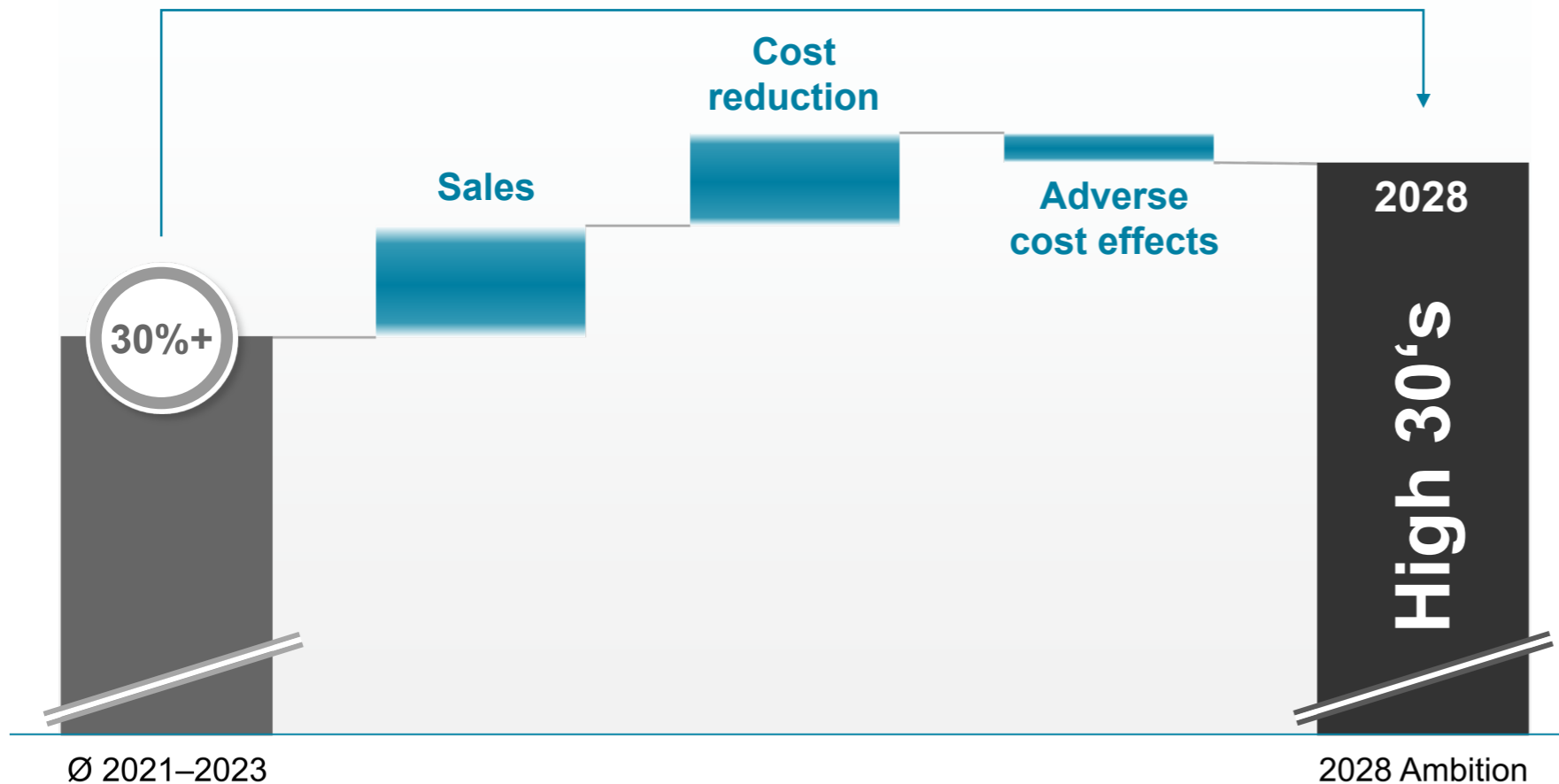
FX effect

stable, EUR/USD 1.10

Charts not to scale

PROFITABLE GROWTH UNTIL 2028 IS SUPPORTED BY VOLUME GROWTH AND COST ADVANTAGES

EBITDA-Margin in %



Sales

ASP/FX flat
Additional volume mainly from FabNext (with fix cost build-up)



Cost reduction

Cost reduction programs
Invest in new equipment and automation
Shift towards Singapore with cost advantage



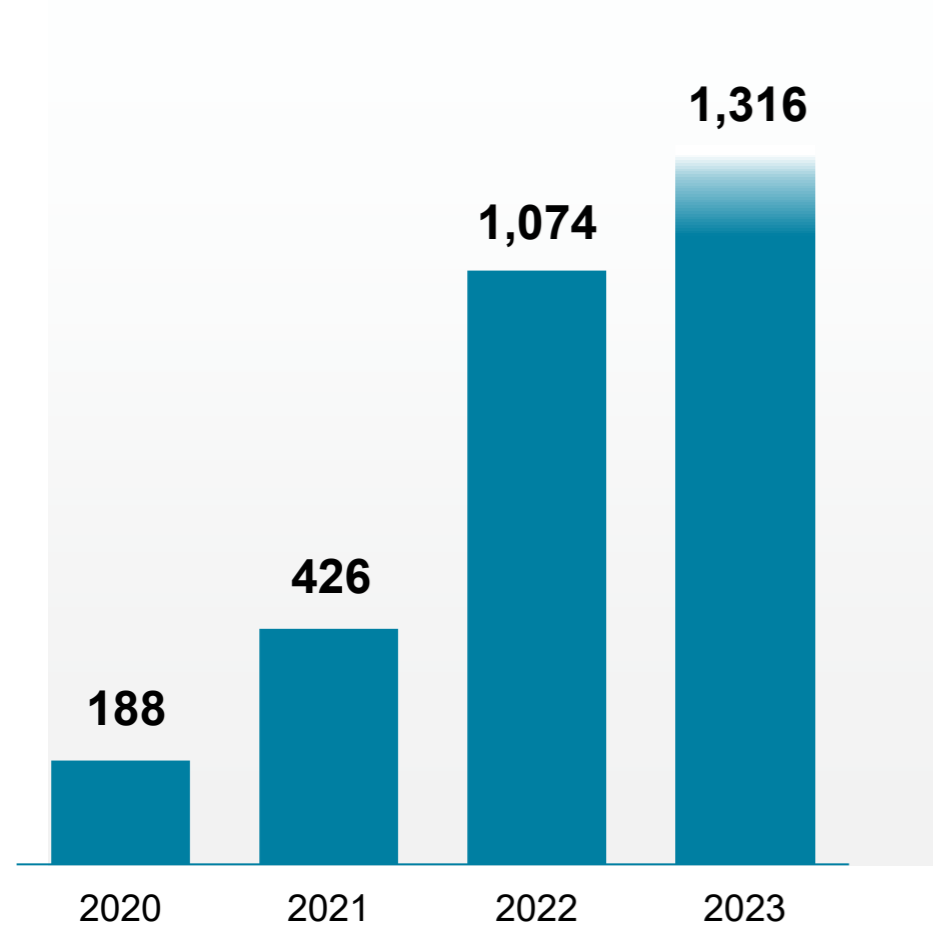
Adverse cost effects

Inflation

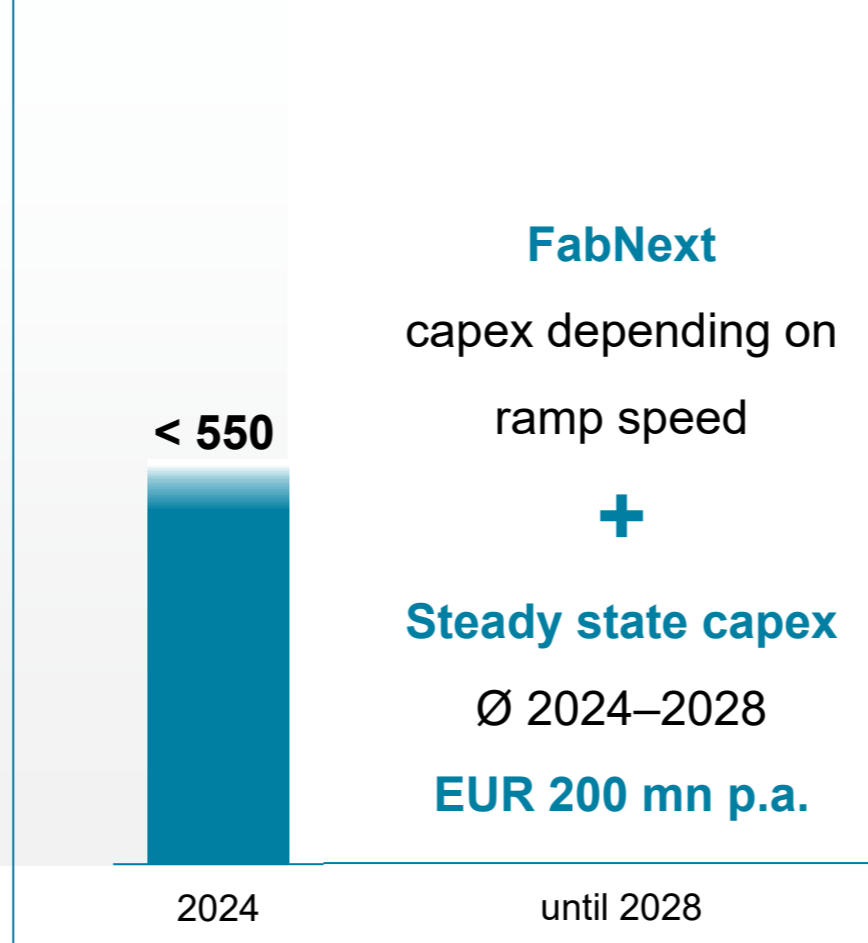
Charts not to scale

TOP PRIORITY: INVESTMENTS IN ORGANIC GROWTH

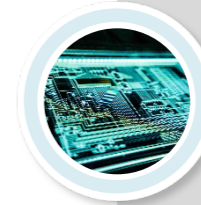
Capital expenditure
in EUR mn



Capital expenditure
until 2028 in EUR mn



Maintenance
of business



Capability
enhancement “staying one generation ahead”



Product mix
ongoing improvement

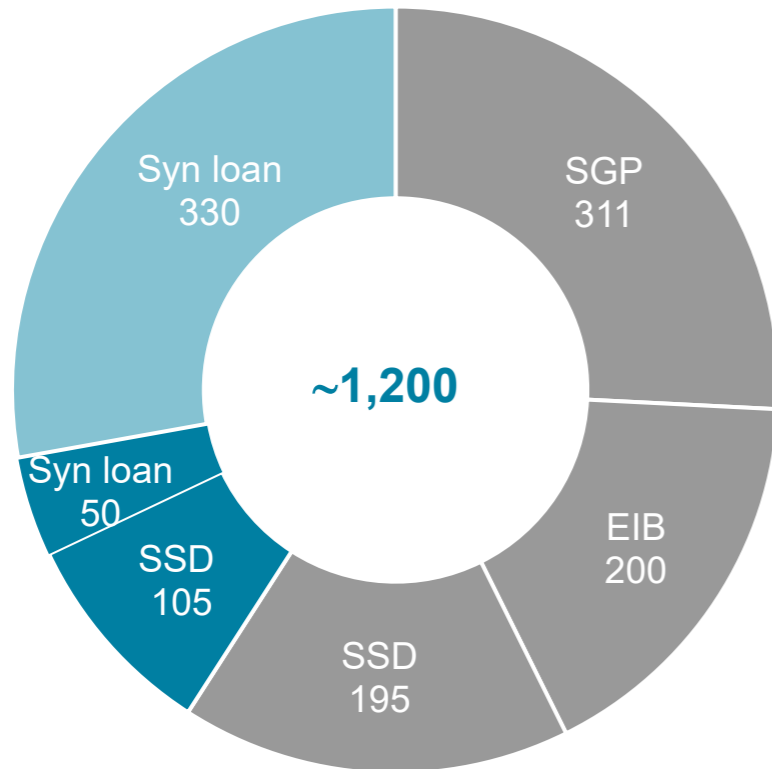


Cost efficiency
e.g. automation

Charts not to scale

OPTIONS FOR REFINANCING UNDER EVALUATION

Debt financing instruments, in EUR million



- Fixed loans, drawn
- Variable loans, drawn
- Syn loan (partly) not drawn yet



Syn loan

first part drawn in Q1 (EUR 50 mn)



Refinancing

options under evaluation, no capital increase planned

CORPORATE TAX RATE WILL INCREASE

Singapore



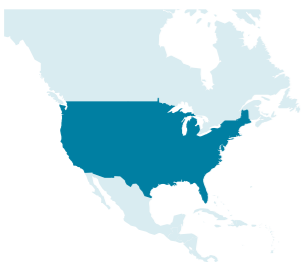
~15–17%
effective tax rate

Germany



~30%
effective tax rate

USA



~25%
effective tax rate



Pioneer status

until March 2024 in
Singapore for SSW



Minimum

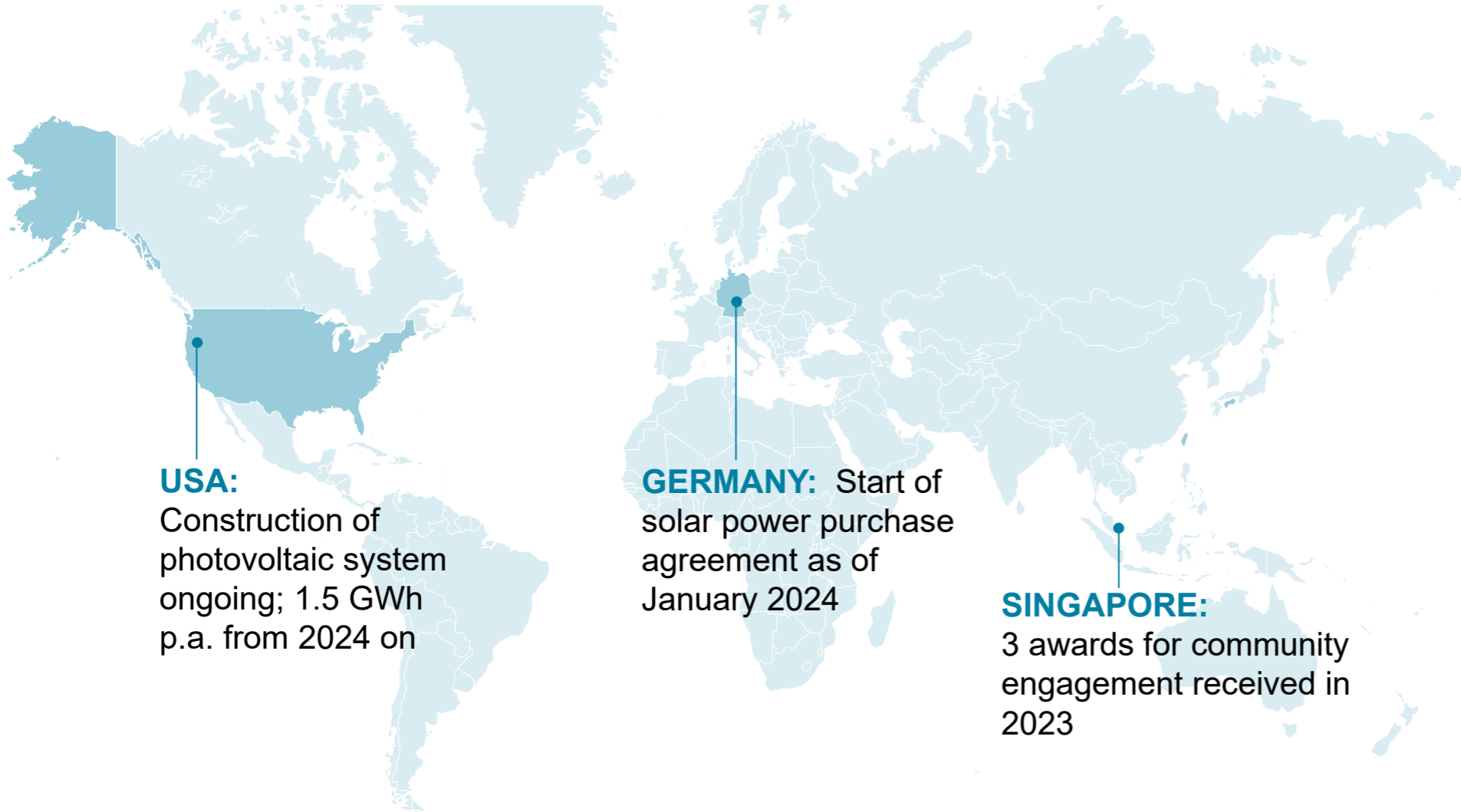
effective tax rate in
Singapore from 2025
acc. to OECD Pillar 2

ESG @ SILTRONIC

Clear commitment to an emission-free future



SUSTAINABILITY HIGHLIGHTS



USA:
Construction of photovoltaic system ongoing; 1.5 GWh p.a. from 2024 on

GERMANY: Start of solar power purchase agreement as of January 2024

SINGAPORE:
3 awards for community engagement received in 2023



-22%
absolute CO₂ emissions scope 1+2 in 2023 compared to 2021



12%
increase in waste recycling ratio compared to 2015



300 mn EUR
Siltronic AG issued its first ESG-linked promissory note loan in 2022

(1) Scope 1 and 2 emissions per wafer area produced

SUSTAINABILITY: CORPORATE RESPONSIBILITY AND COMPETITIVE ADVANTAGE

Strategy

we plan sustainability right from the start

Top level

priority and responsibility

All stake-holders

included

Fast

response to changing requirements



Key Performance Indicators

Climate

2030 -42% CO₂ emissions⁽¹⁾
60% renewable energy

2045 Net zero⁽¹⁾
100% renewable energy

Resources

Energy
2030 -20% energy intensity^(2,3)

Water
2030 -20% water intensity^(2,3)

Waste
2030 +25% recycling rate⁽²⁾

Safety

LTIF⁽⁴⁾ ≤2.0 | zero chemical accidents

Voluntary Commitments



WE SUPPORT



Responsible Business Alliance
Formerly the Electronic Industry Citizenship Coalition
Advancing Sustainability Globally

Monitoring ESG performance



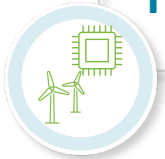
Responsible Business Alliance
Formerly the Electronic Industry Citizenship Coalition
Advancing Sustainability Globally

(1) Scope 1 and 2 | base year 2021 (2) 2030 vs. base year 2015 (3) Consumption per wafer area (4) Lost Time Injury Frequency per one million working hours

SILTRONIC ENABLES TECHNOLOGIES FOR A SUSTAINABLE FUTURE

Power focus

Power chips are crucial for **decarbonization**, they enable **renewable energy** and **EV's**



Focus on **Power** wafers
+
R&D focus on **special products**
and **new materials**



Leading edge focus

New chip generations increase **energy efficiency** and need **less power**



Focus on **Leading Edge** wafers
+
R&D focus on **new design rules**



Strategy

on Leading Edge and Power wafers support sustainability strategy



Investments

needed to keep our equipment state of the art for Leading Edge wafers



R&D focus

is crucial for our sustainability strategy

EV = Electric Vehicle

THE NEW SILTRONIC EXECUTIVE BOARD



Dr. Michael Heckmeier
CEO

- CEO since May 2023
- 25 years at Merck
- Studied physics and mathematics, PHD in physics
- MBA, general management



Claudia Schmitt
CFO

- CFO since July 2023
- 15 years at Siltronic
- 11 years at Wacker Chemie AG
- Studied business administration




Klaus Buchwald
COO


- COO since June 2024
- 21 years at Infineon
- 4 years at Rohde & Schwarz
- Studied mechanical and industrial engineering


EXECUTIVE SUMMARY


SILTRONIC IS...


 ...a global and on the same time the only western based player in a market crucial for future economic growth.

 ...a technological leader with the proven track record to stay ahead of the curve.

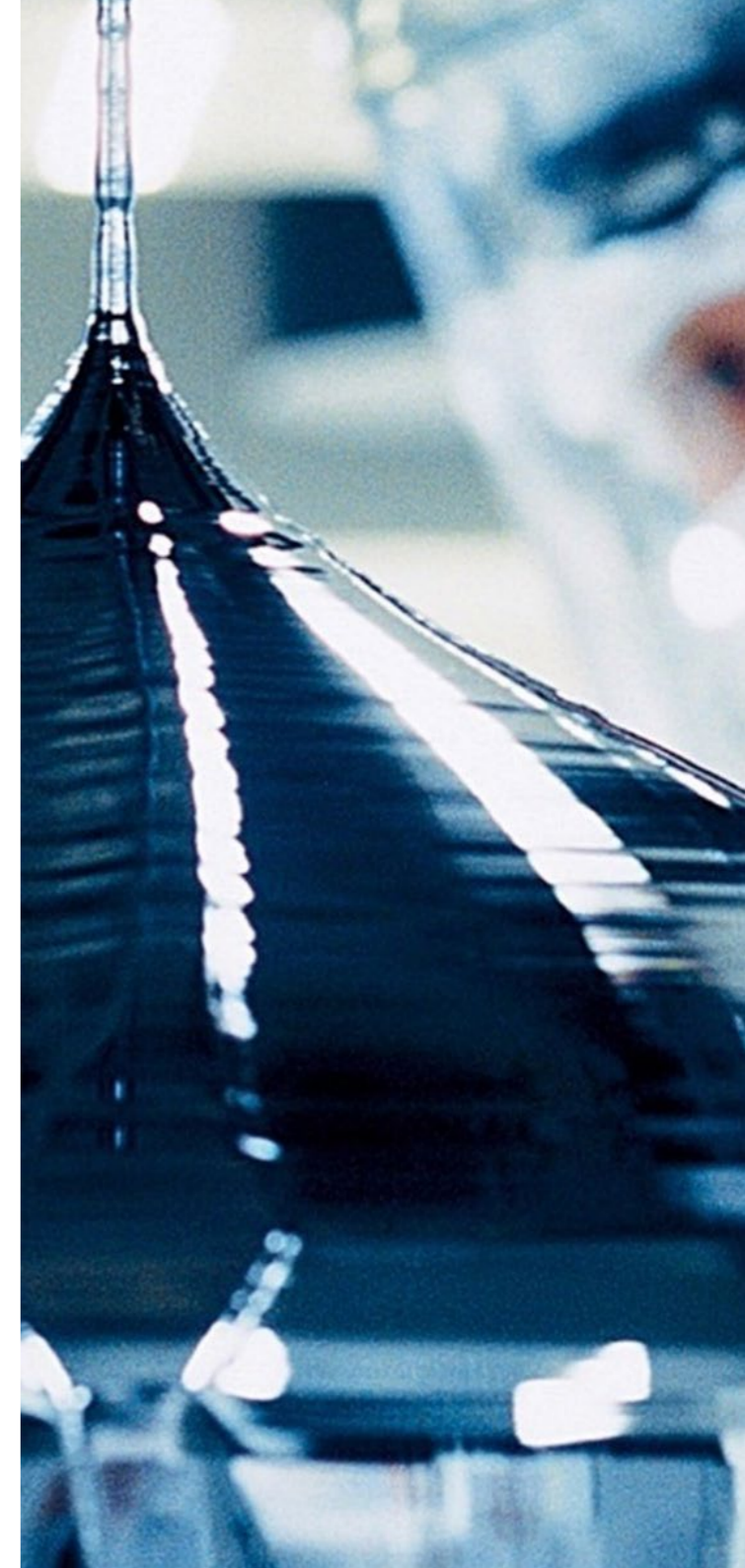
 ...excellently prepared to leverage the great potential from the numerous megatrends thanks to our expansion of global capacities.

 ...well positioned in activities which promise the greatest growth potential: Power, Leading Edge and 300 mm.

 ...strong financials and has a good balance sheet quality.

 ...growing profitably until 2028:

- Sales > 2.2 bn
- EBITDA ratio in the high 30s



Financial Calendar and Events

July 24, 2024
Q2 2024 results

September 3, 2024
**ODDO 15th Corporate
Conference, Frankfurt**

September 4, 2024
**Deutsche Bank TMT
Conference, London**

September 23-26, 2024
**Baader / Goldman Sachs &
Berenberg Conference,
Munich**

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