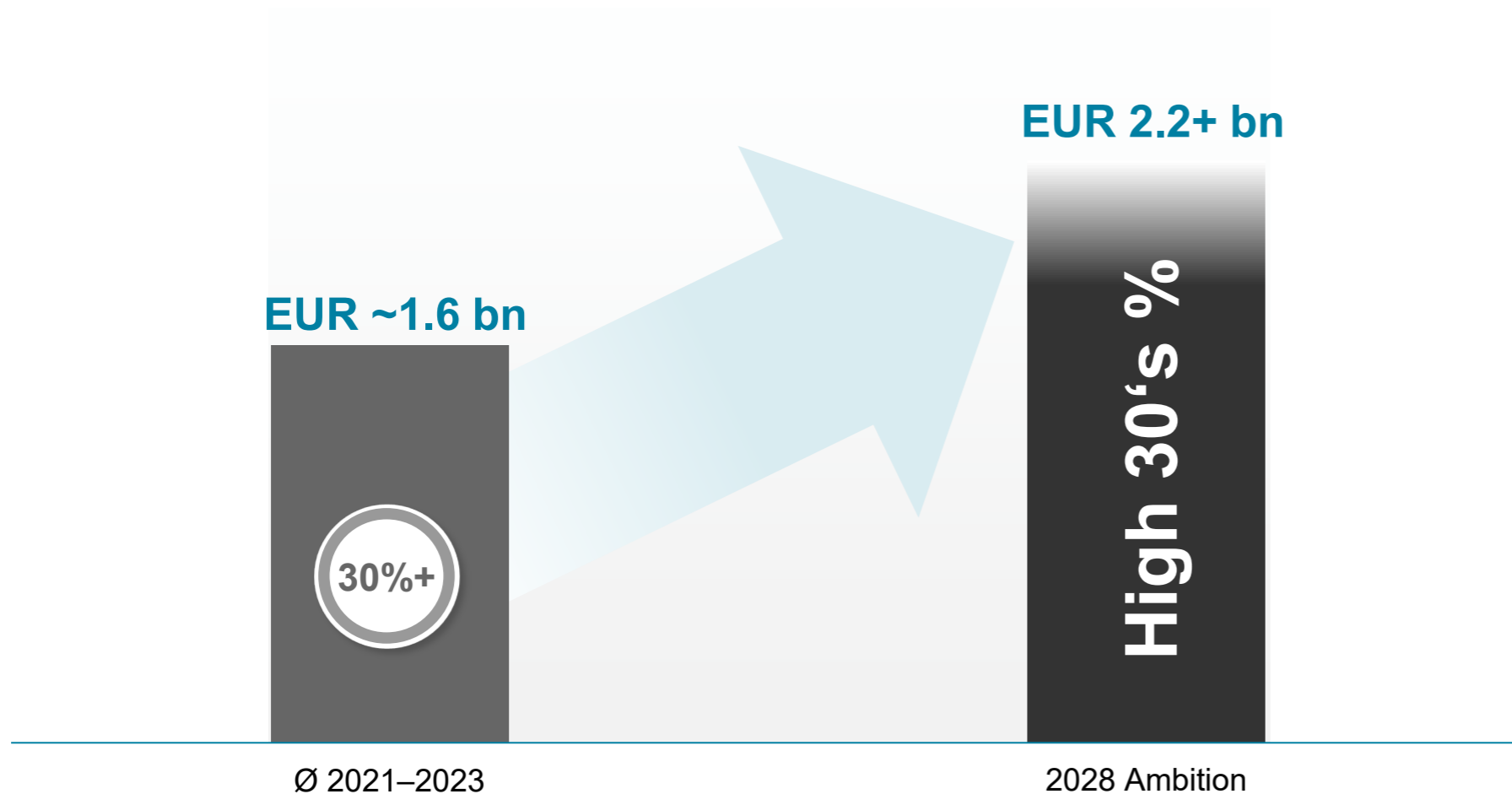


# OUR PATH TO GROWTH AND VALUE CREATION

Dr. Michael Heckmeier  
CEO  
November 30, 2023

# BY 2028, OUR SALES AMBITION IS TO BE ABOVE EUR 2.2 BN AND EBITDA MARGIN IN THE HIGH 30'S

Sales in EUR bn and EBITDA margin in %



Charts not to scale



Assumptions



**4–5% CAGR**

on total wafer area  
based on 2022 volume



**6% CAGR**

for 300 mm



**ASP**

stable



**FX**

stable EUR/USD 1.10

CAGR = Compound Annual Growth Rate

ASP = Average selling price

FX = Foreign Exchange

# We are well positioned to harvest significant growth potential

01

Only western-based wafer manufacturer with a 14% share<sup>(1)</sup> in a market transforming the global economy

02

Global megatrends fueling wafer demand

03

Capacity expansion and higher-value product mix to cover demand and increase profitability

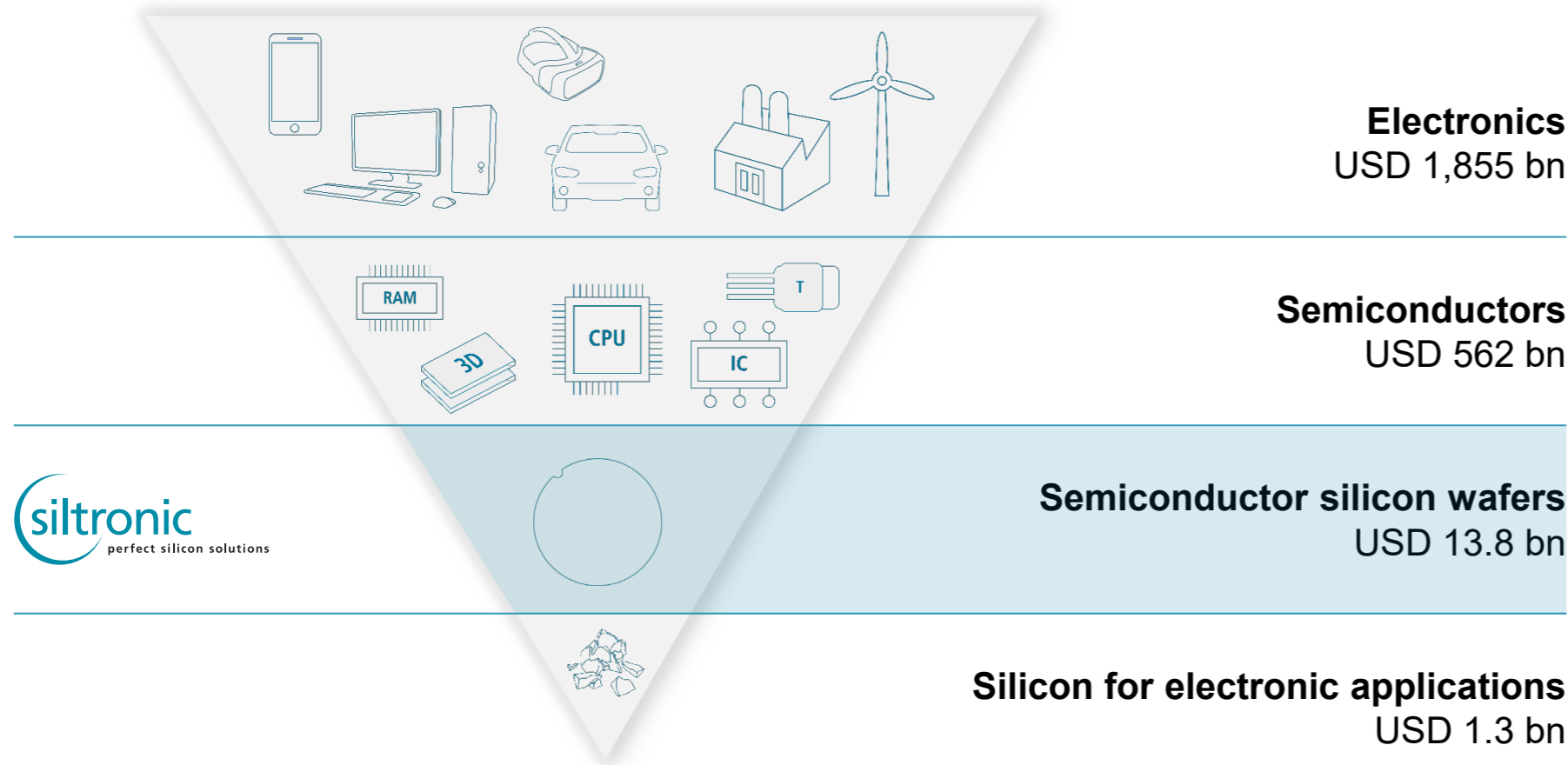
04

Innovation, technology and quality focus will lead to additional sales potential

(1) Source: SEMI Feb. 2023

# EXPANSION OF ELECTRONICS VALUE CHAIN WILL DRIVE SEMICONDUCTOR AND WAFER GROWTH

Substantial increase of demand for electronic devices and new applications (figures for 2022)<sup>(1)</sup>



**99%**

of the semiconductor value chain is based on silicon



**USD 1 tn**

semi sales at the end of this decade<sup>(2)</sup>

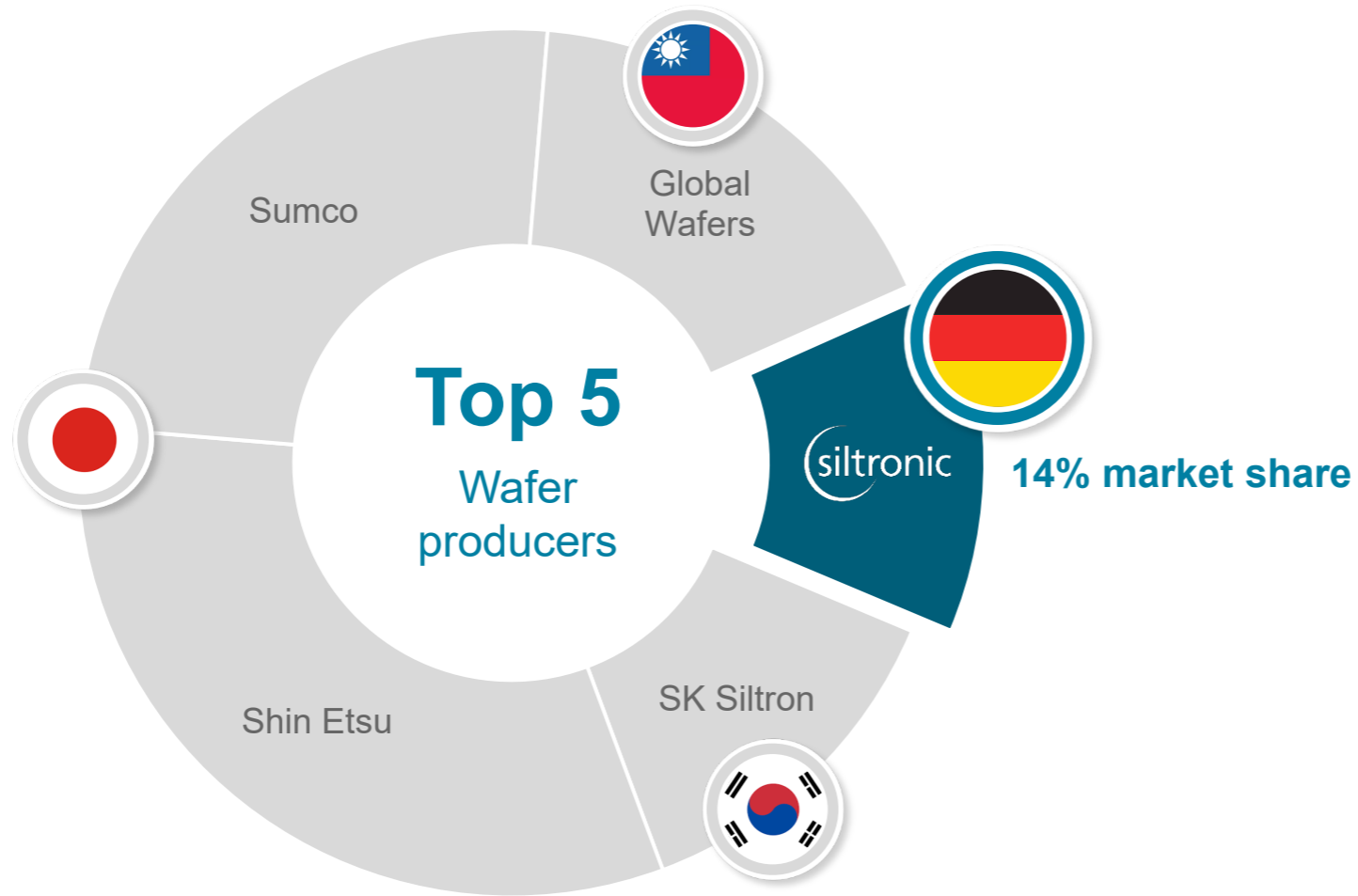


**Crucial**

for the whole value chain

Source: (1) TechInsights, WSTS (Silicon based), SEMI SMG, Gartner, Siltronic Marketing I (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

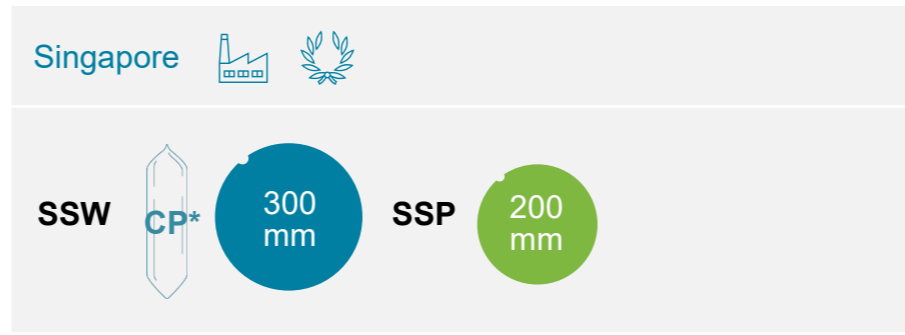


**Consolidated**  
market leads to high transparency and predictability

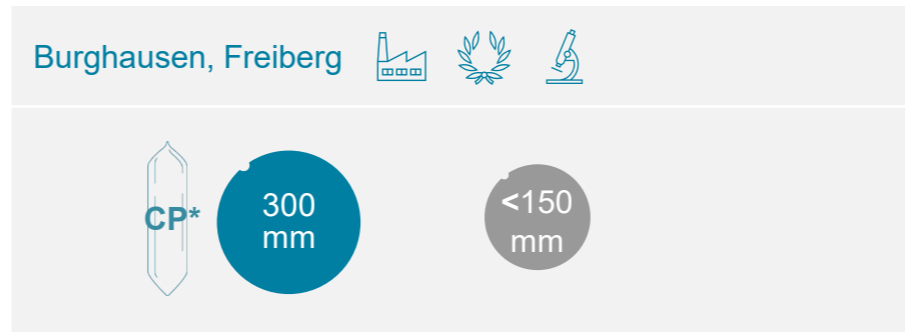
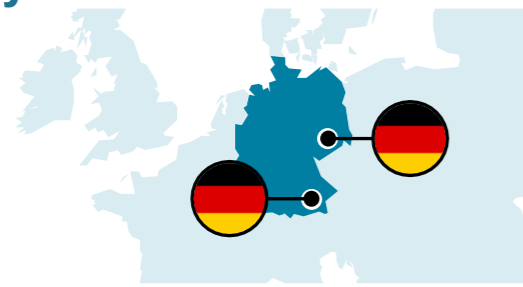
Source: Siltronic estimate 2022, SEMI Feb 2023

# GLOBAL PRODUCTION FOOTPRINT WITH GROWING SHARE OF 300 mm WAFERS

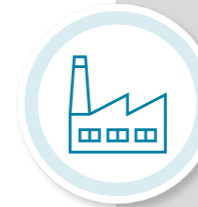
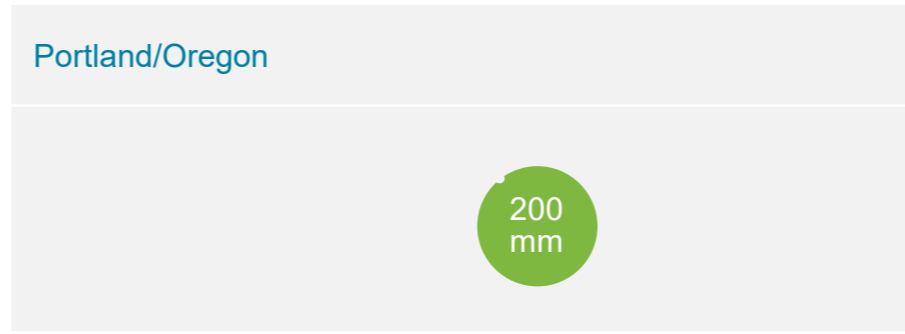
## Singapore



## Germany



## USA



**300 mm**  
volume production in  
Germany & Singapore



**R&D**  
hub in Burghausen

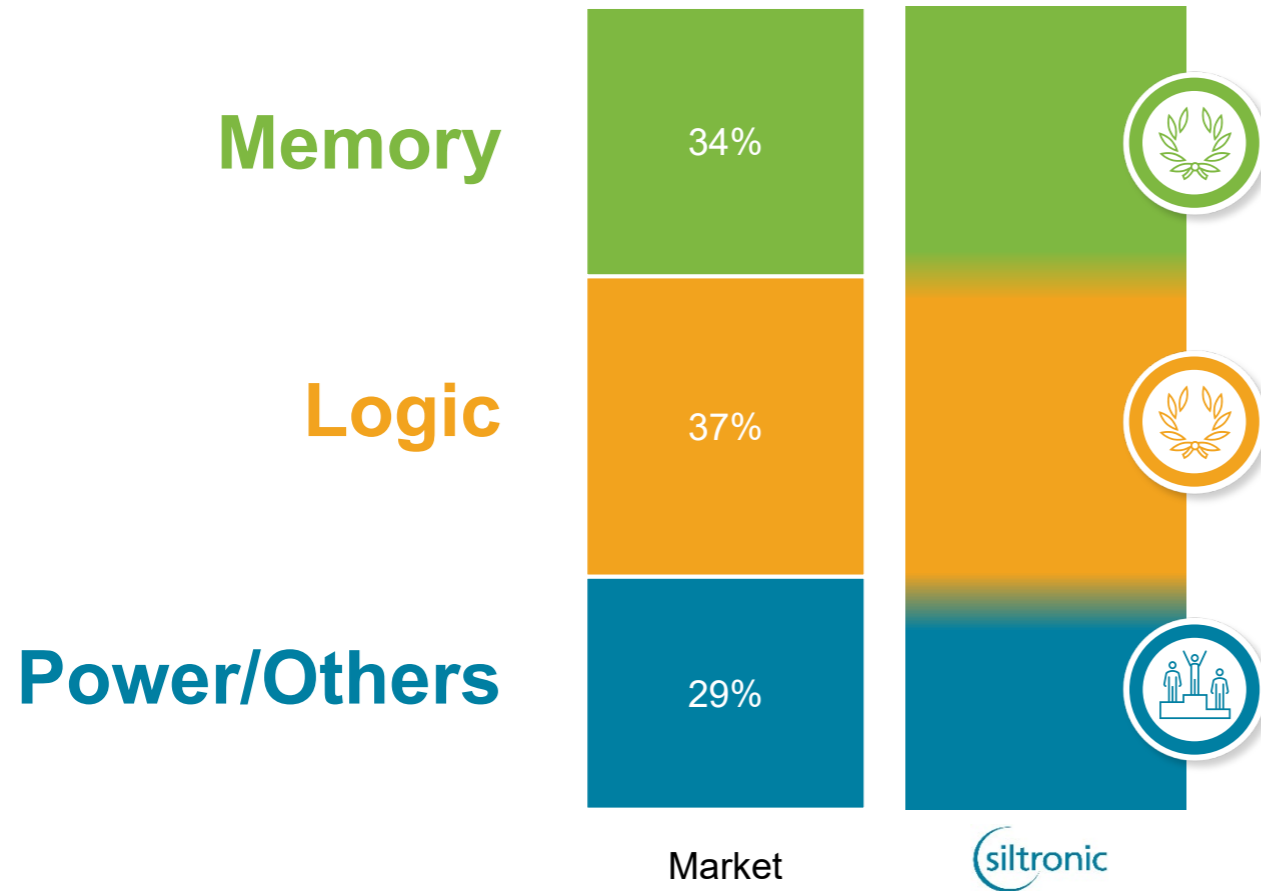


**Leading  
Edge**  
production

R&D = Research and Development  
CP = Crystal Pulling

# SILTRONIC HAS A WELL-DIVERSIFIED AND RESILIENT PRODUCT MIX IN ALL THREE SEGMENTS

Demand by segments in % of total demand in 2023E



## Roughly 1/3

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



## Leading Edge

supplier



## Power

leading position

Charts not to scale

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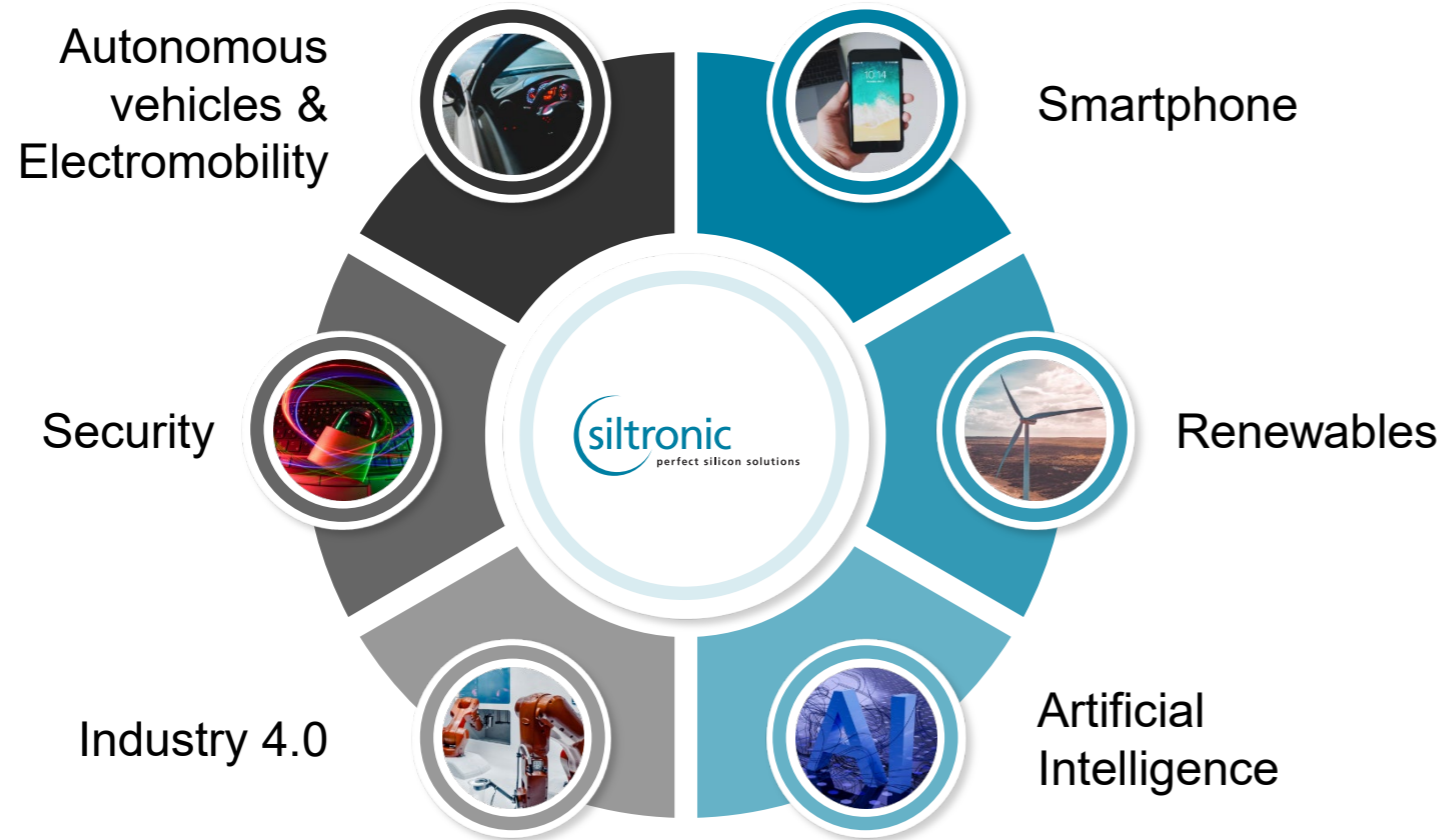
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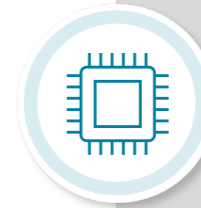


# MEGATRENDS WILL DRIVE WAFER DEMAND



## Siltronic

well positioned to support each megatrend



## All segments

will participate and Power with over proportional growth

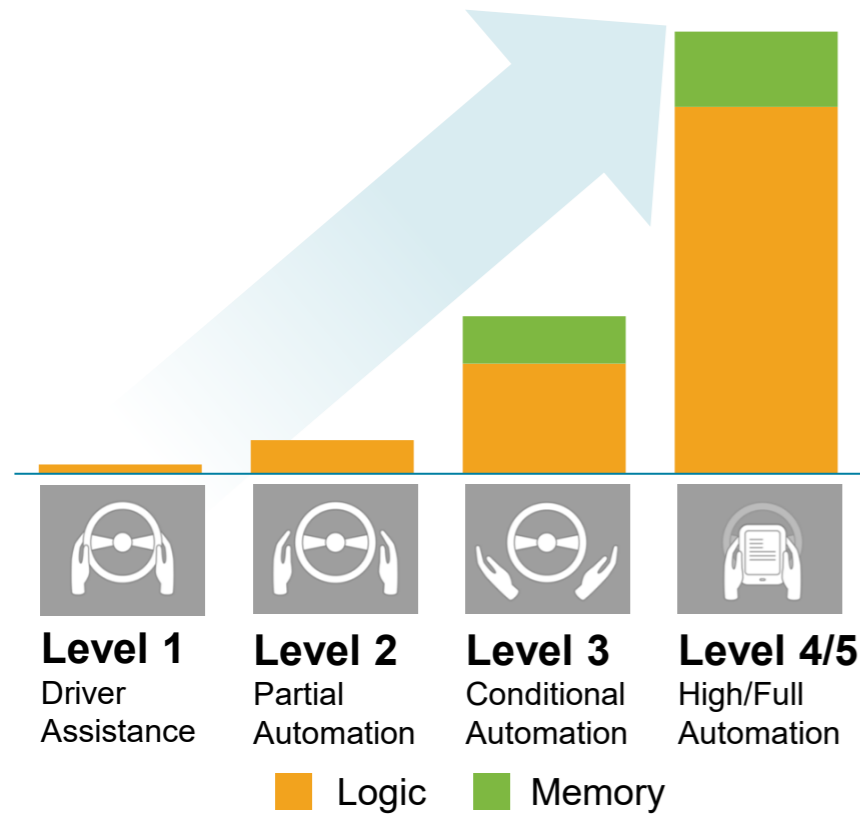


## Key benefits

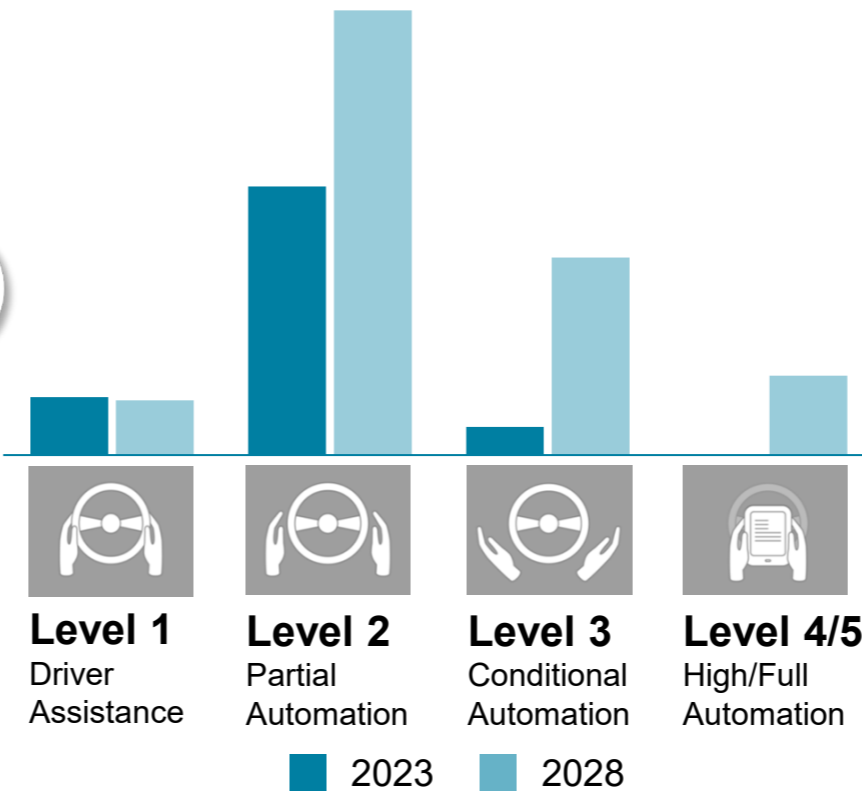
from strategic focus on Leading Edge and Power market

# AUTONOMOUS DRIVING IS PUSHING SILICON CONTENT

## ADAS semiconductor content in USD

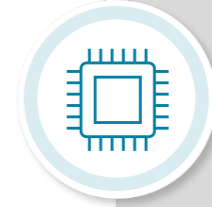


## ADAS semiconductor content in USD based on light vehicle forecast



## ADAS

will drive wafer demand



## Logic

will improve the most, with a higher value creation for Siltronic



## By 2028

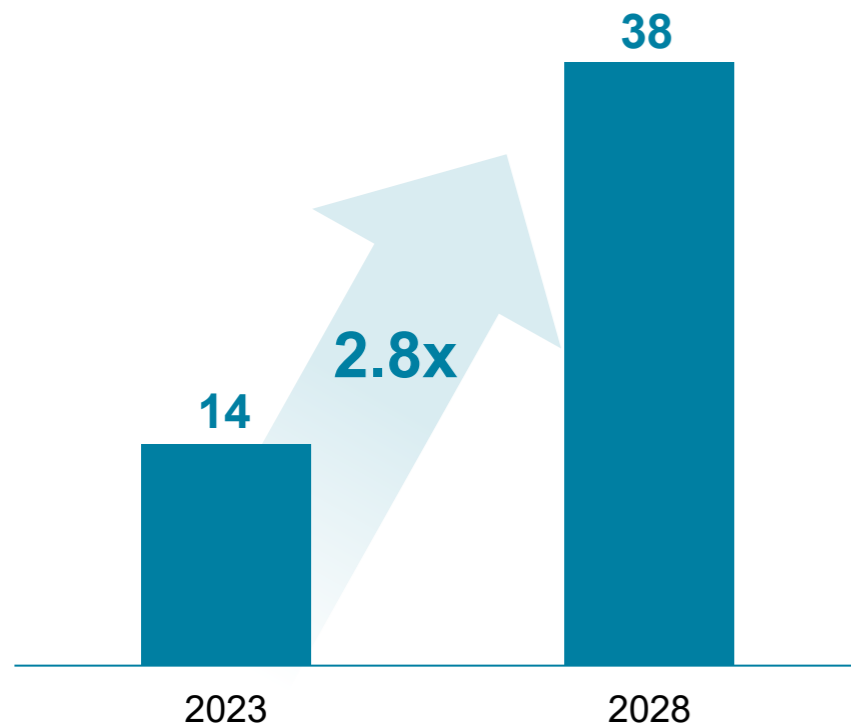
already 10% of semiconductor content of Level 4/5 vehicles

Source: Gartner, Strategic Analytics and BCG analysis, Oct. 2022

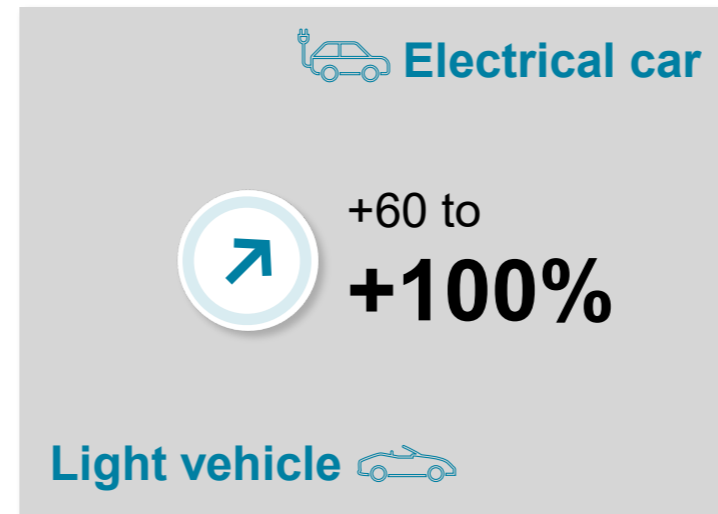
ADAS = Extended Driver Assistance System

# ELECTROMOBILITY IS DRIVING SILICON CONTENT AND SILTRONIC'S GROWTH STORY

xEV sales FC in mn units



## Wafer area



**>70,000 m<sup>2</sup>**

Siltronic wafers in xEV's in 2028



**Leading**

in Power and Siltronic will benefit above average



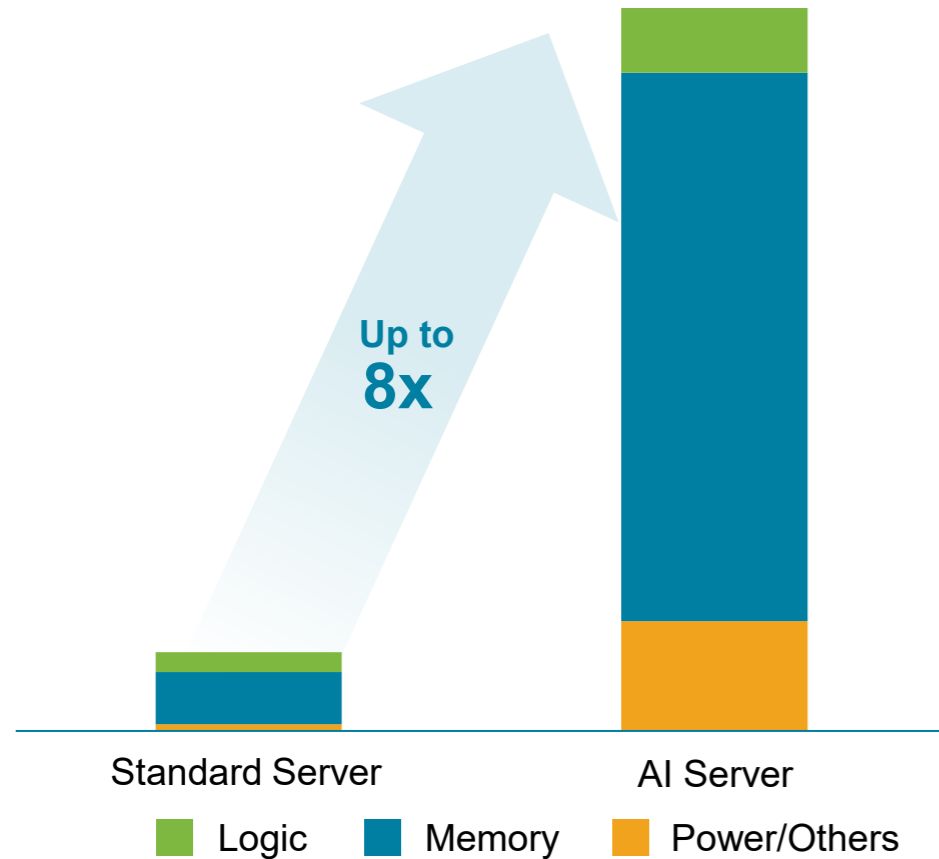
**~40%**

of light vehicles expected to be electric cars by 2028

UBS Sept. 2023 Global I/O Semiconductors; Siltronic Marketing estimates

# ARTIFICIAL INTELLIGENCE IS JUST AT THE BEGINNING

Silicon content between standard server vs. AI server in cm<sup>2</sup> per server




AI servers to grow with a **CAGR of >30%** 2022–2027



**AI** servers need Leading Edge wafers



**Technology** leading in our industry and therefore high benefit



**Leading edge** with higher prices, margins and market share for Siltronic

Source: UBS May 2023; Omdia Q4 2022; Siltronic Marketing estimates

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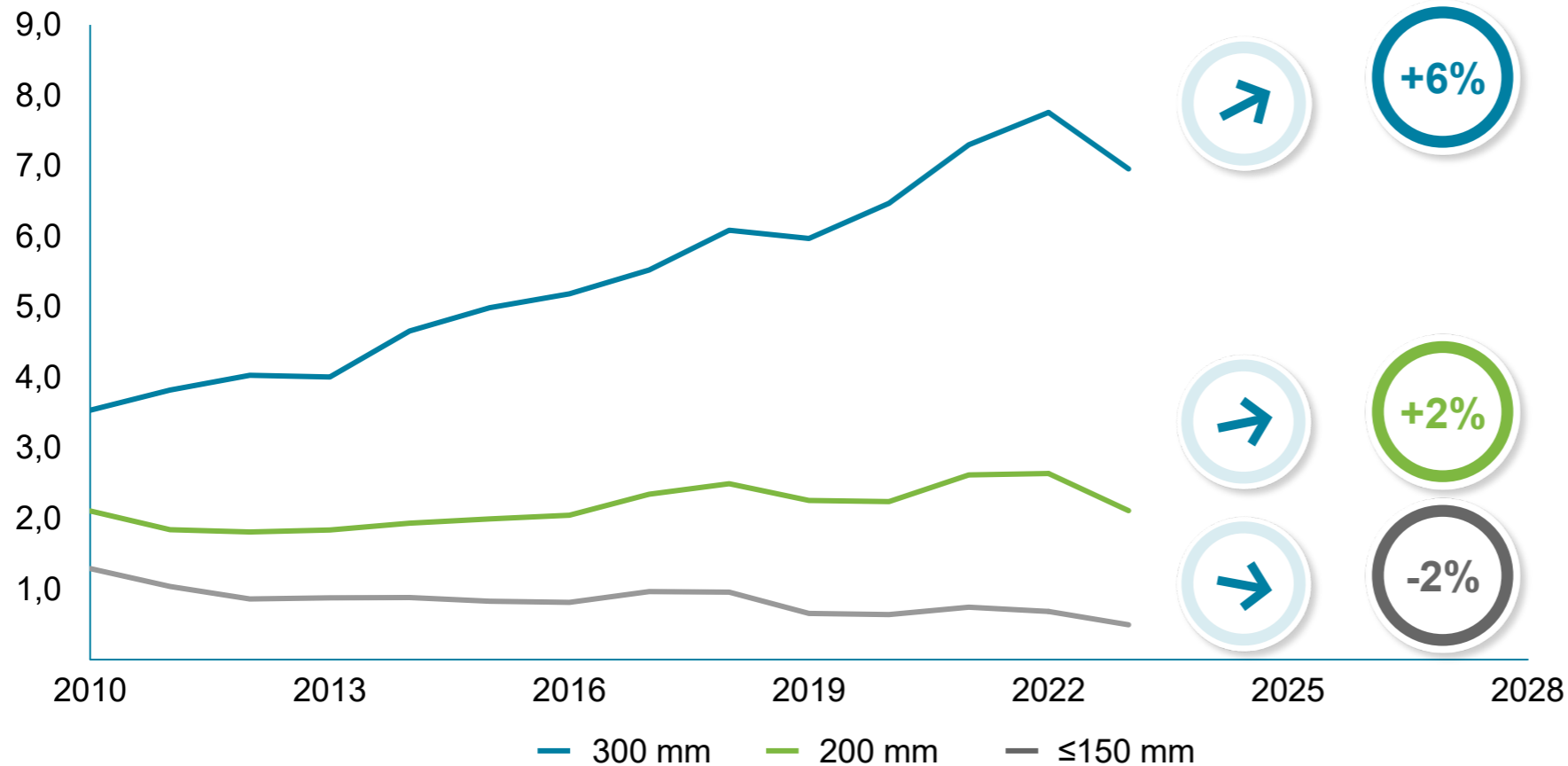
04

**Innovation, technology** and **quality focus** will lead to additional sales potential

(1) Source: SEMI Feb. 2023

# CAGR OF 4–5% EXPECTED OVER ALL DIAMETERS WITH HIGHEST GROWTH IN 300 mm

Development of total wafer demand per diameter in mn 300 mm equivalents per month



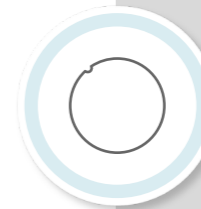
**6% CAGR**

for 300 mm wafers also reflects Siltronic's focus on leading diameter



**Attractive**

and slightly increasing 200 mm wafer market



**Mid-term**

slightly declining ≤150 mm wafer market

Source: SEMI up to Oct 2023; including GW since July 2012. CAGR projecting from 2022 as a base year assuming a 6% CAGR

# INVESTMENT FOCUS FABNEXT: FIRST WAFER OUT IN NOVEMBER

## Project Status



On track, on budget



Focus on qualifying customers



Ramp speed for 2024–2025 synched with market, afterwards decision with 18–24 months lead time



First wafers out in November, ramp start early 2024

## Commercial Facts



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



High LTA share



Ramp costs will burden profitability



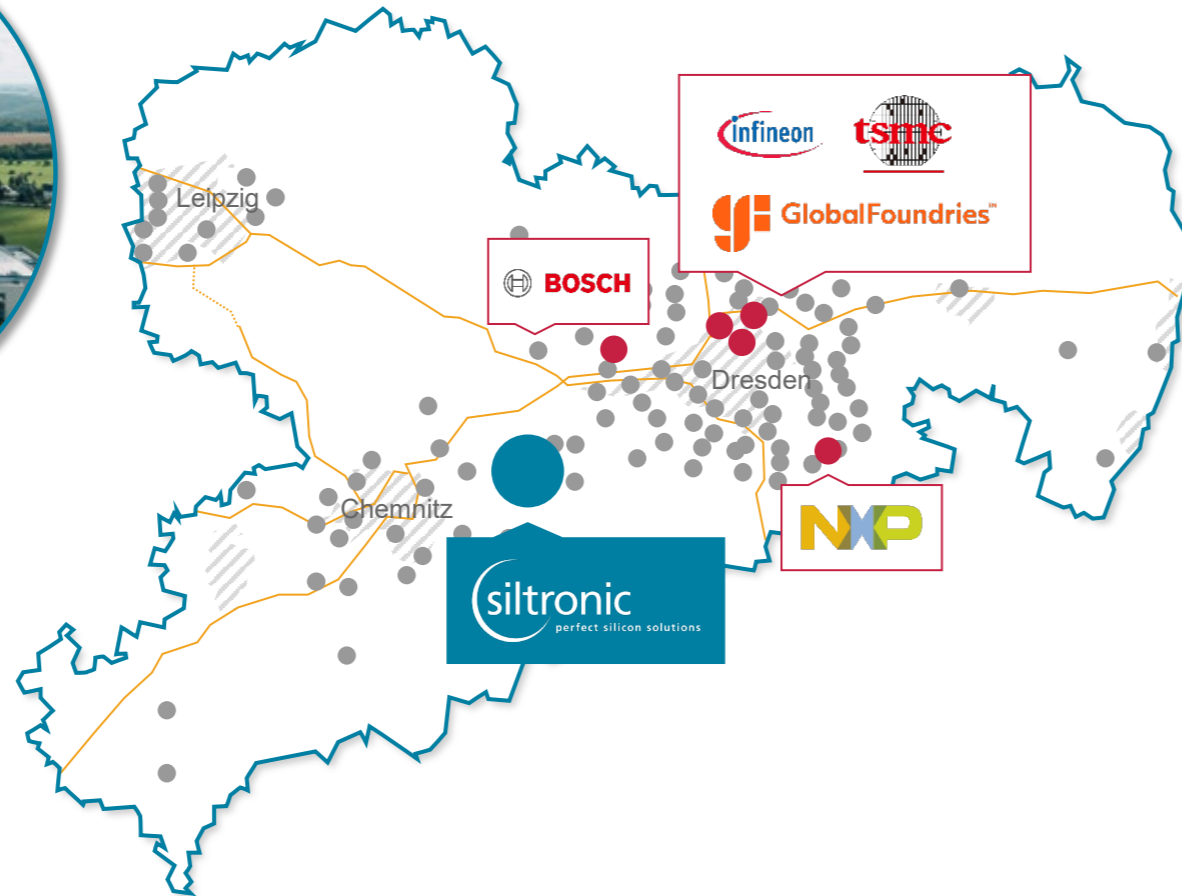
EBITDA margin above 50% mid-term



Cost synergies with existing fab  
through IT, site management,  
administration and link bridge



# FREIBERG INVESTMENTS WILL FURTHER IMPROVE PRODUCT MIX



**Every  
3<sup>rd</sup> to 2<sup>nd</sup>**

semiconductor in the EU is from this region



**Investments**

of more than EUR 1 bn since 1995 by Siltronic



**#1 customers**

in Logic, Memory and Power served from Freiberg

Source: Siltronic; Silicon Saxony/Wirtschaftsförderung Sachsen



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(1) Source: SEMI Feb. 2023

# STRONG FOCUS ON GROWTH DRIVERS R&D AND INNOVATION

**R&D**  
hub in Germany



**450**  
R&D employees



**1,900**  
patents



**5–6%**  
of sales invested  
in R&D



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

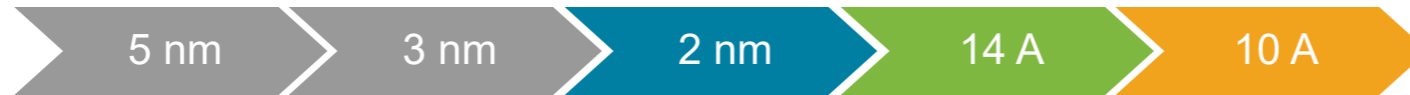
Strengthen and expand our product  
portfolio

Further improve our technology  
and processes

Find new business opportunities

# THE MARKET TECHNOLOGY ROADMAP TO ALWAYS STAY AHEAD OF THE CURVE

Logic



Memory  
DRAM



Memory  
NAND



Production

Development

Research

Roadmap



## Leading Edge

with higher profitability and prices



## Stay ahead

of the curve is crucial to capture the full sales potential of a new node



## Moore's law

is driving the industry

# KEY TAKEAWAYS OF TODAY – CLEAR COMMITMENT TO PROFITABLE GROWTH AND SUSTAINABILITY

Our 2028 ambition:  
**Sales EUR 2,200+ mn**  
**EBITDA margin “High 30’s”**

Megatrends **AI, digitalization,**  
**and electromobility** will drive  
wafer demand to new levels

Our investment focus in **FabNext**  
and **product mix** improvement  
will improve our position and  
drive growth

Clear commitment to **R&D** and  
**Innovation** to stay ahead of the  
curve





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