



GlobalWafers Enters into Business Combination Agreement with Siltronic

December 10, 2020



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Transaction Summary



Transaction Summary

1	Target	<ul style="list-style-type: none">Siltronic AG (“Siltronic”)
2	Purchase Price	<ul style="list-style-type: none">All cash, EUR125 / Siltronic share, representing total equity value of EUR3.75bn and enterprise value of EUR4.02bn on a 100% share capital basis
3	Valuation & Premium	<ul style="list-style-type: none">48% premium to 90-day VWAP of EUR84.59 before Nov 27, 202010% premium to closing price of EUR113.55 on Nov 27, 2020
4	Key Strategic Rationale	<ul style="list-style-type: none">Greater resources to invest in further capacity expansionExpanded production to satisfy growing demandDiversity of combined resources to enable more nimble productionSignificantly increased business, financial and operational scalePotential for meaningful synergies and value creation for shareholders and customersGreater customer and geographic diversification
5	Acquisition Method	<ul style="list-style-type: none">Voluntary Takeover Offer
6	Financing	<ul style="list-style-type: none">Acquisition funded using existing cash on hand and committed acquisition financing
7	Irrevocable Undertaking Agreement with Wacker Chemie	<ul style="list-style-type: none">Wacker Chemie has agreed to tender its entire 30.8% stake in Siltronic and support the Transaction
8	Key Conditions to Close	<ul style="list-style-type: none">Minimum acceptance level of 65%Anti-trust approvals in Germany, Austria, USA, China, Taiwan, Japan and SingaporeForeign Direct Investment regulatory approvals in Germany, UK and USA
9	Timing	<ul style="list-style-type: none">Announcement: Early Dec 10, 2020 Taiwan time / late night Dec 9, 2020 German timeCommencement of Offer: Dec 2020Tender Offer Period: Approximately 5 weeks + additional acceptance periodExpected Closing: H2 2021



Siltronic Overview



Siltronic Overview

Company Overview

- Established in 1968 and headquartered in Munich, Germany, and supplier to all top silicon wafer consumers
 - Top 10 customers represent c.80% of 2019 revenue
- State-of-the-art production facilities in Europe, Asia and the USA, and c.3,800 employees¹
 - Central R&D hub in Burghausen
 - High volume facilities in Germany and Singapore
- Largest shareholder is Wacker Chemie AG (30.8% stake)

Top 5 Customers²



SAMSUNG



Company History

- 1968** ■ Siltronic AG established
- 1995** ■ Wacker-Chemitronic contributes its wafer business to Wacker Siltronic
- 1999** ■ Start of production at the manufacturing plant in Singapore
- 2008** ■ 1st wafer shipped out of Singapore joint venture
- 2014** ■ Acquired majority stake (78%) of Siltronic Silicon Wafer Pte. Ltd. in Singapore
- 2015** ■ Launches successful IPO on June 11, 2015
- 2016** ■ Inaugurates new crystal pulling hall in Freiberg, Germany
- 2020** ■ Crystal pulling hall in Singapore finished in Q2 2020

Source: Company information.

1. As of Jun 30, 2020; 2. As of Dec 31, 2019.

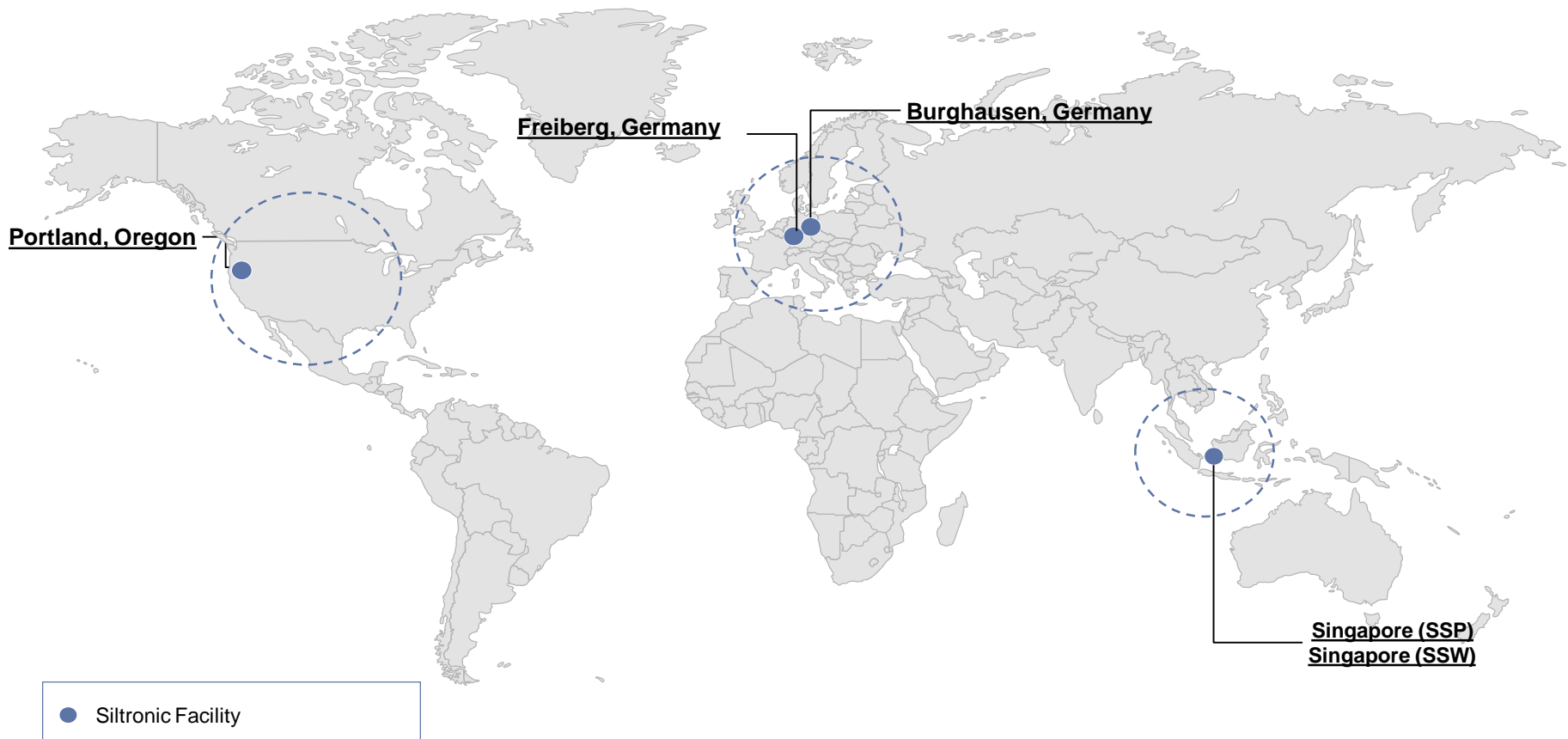
Siltronic Overview

Manufacturing Network



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Siltronic Production Facilities Overview



Source: Company information.



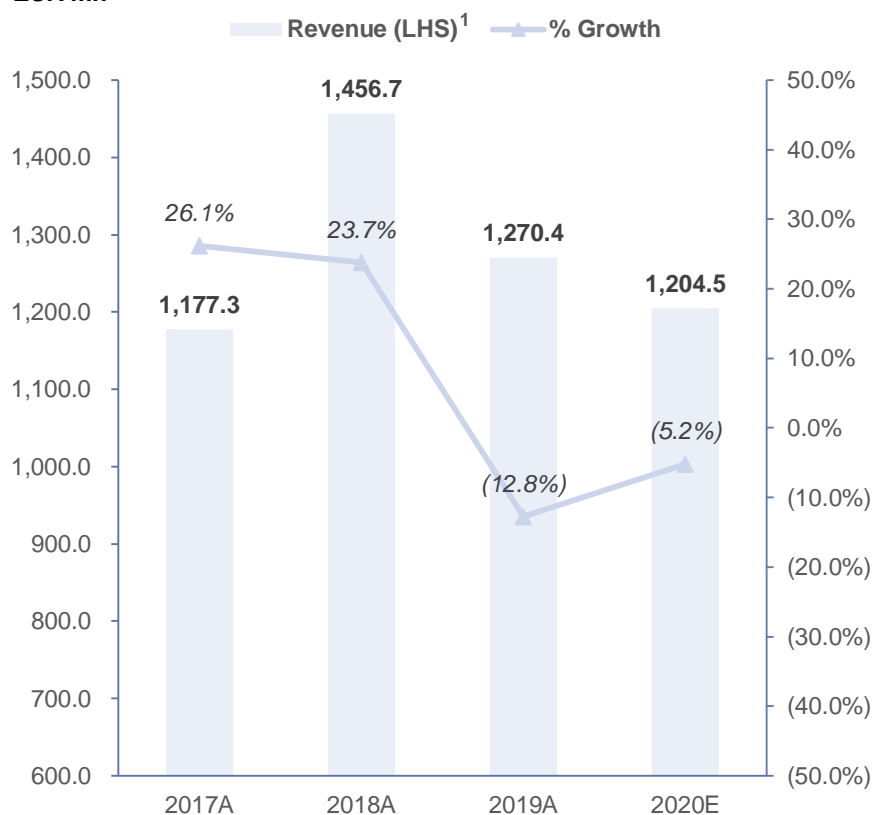
Siltronic Overview

Full Year Financial Highlights

- Siltronic successfully navigated through the down cycle and expected recovery is being driven by resilient 5G and Memory demand

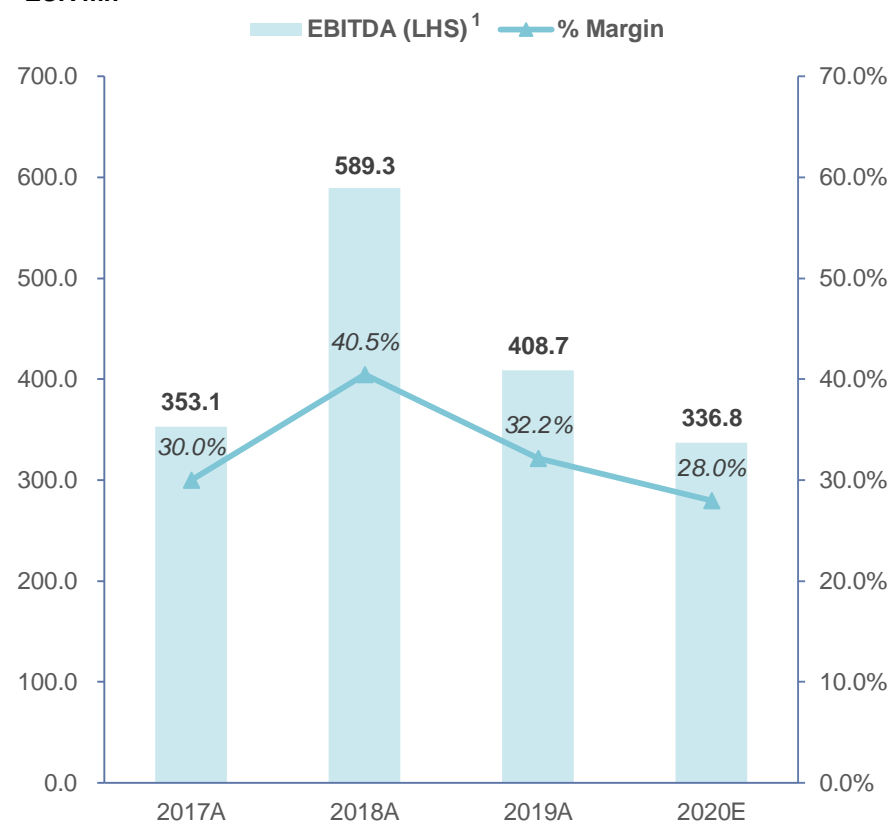
Siltronic Revenue

EUR mn



Siltronic EBITDA

EUR mn



Source: Company information, FactSet.

Note: Financials shown in local currency (EUR) in order to be consistent with historical reported figures.

1. LHS = Left Hand Side.



Transaction Rationale



Strategic Opportunity for GlobalWafers

- An acquisition of Siltronic provides a unique opportunity to enhance GlobalWafers' position as a leading global semiconductor silicon wafer manufacturer and to position the combined business to invest in further capacity expansion

1 Expanded production to satisfy growing demand

2 Significantly increase scale of business financially and operationally

3 Achieve further customer diversification

4 Potential for meaningful synergies and value creation for GlobalWafers' shareholders and customers

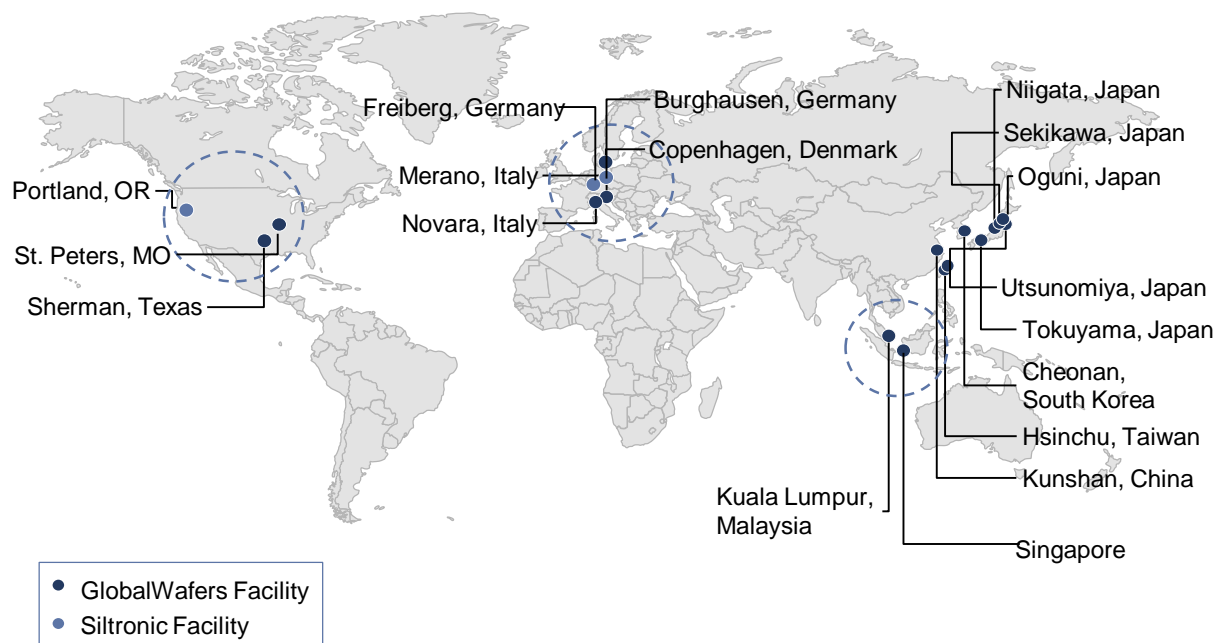
1 Expanded production to satisfy growing demand



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- Siltronic's global manufacturing presence would meaningfully expand GlobalWafers' production to satisfy growing demand while also providing opportunities for cost savings through operational excellence

Production Facilities Overview



GlobalWafers Facilities

Location	Sq. Ft.
Taiwan (3 Fabs)	953k
Japan (5 Fabs)	1,307k
Cheonan, S. Korea	469k
St. Peters, MO	431k
Novara, Italy	200k
Kunshan, China	151k
Merano, Italy	98k
Copenhagen, Denmark	61k
Kuala Lumpur	55k
Texas, USA	16k
Singapore ¹	N.A.

Siltronic Facilities

Location
Burghausen, Germany
Singapore (SSP)
Singapore (SSW)
Freiberg, Germany
Portland, Oregon

Source: Company information.

1. Operating office in Singapore.

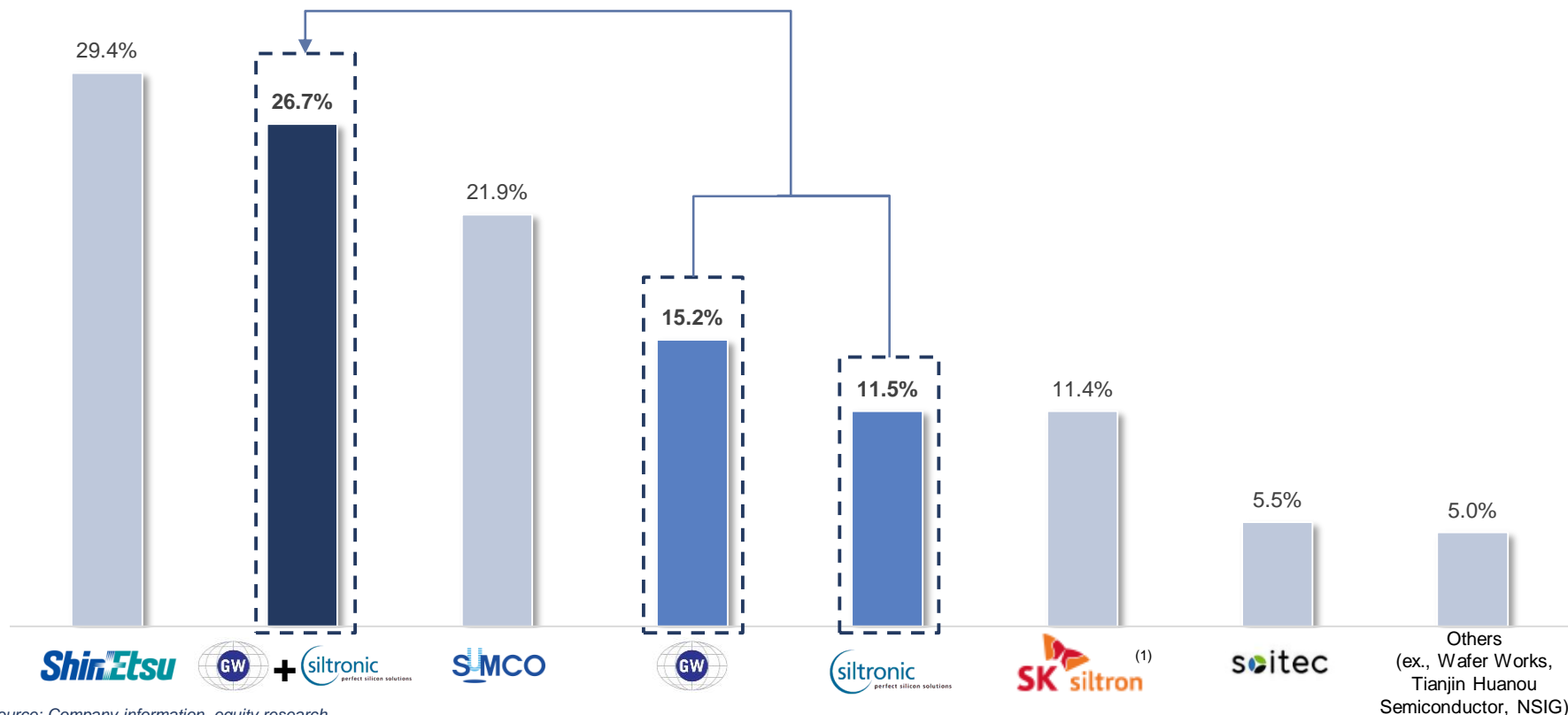
2 Significantly increase scale of business financially and operationally



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- The acquisition of Siltronic enables GWC to more effectively compete within the semiconductor silicon wafer sector, which increasingly features newer suppliers sponsored by government investments

Silicon Wafer Manufacturer Market Share (Based on LTM Revenues as of September 2020)



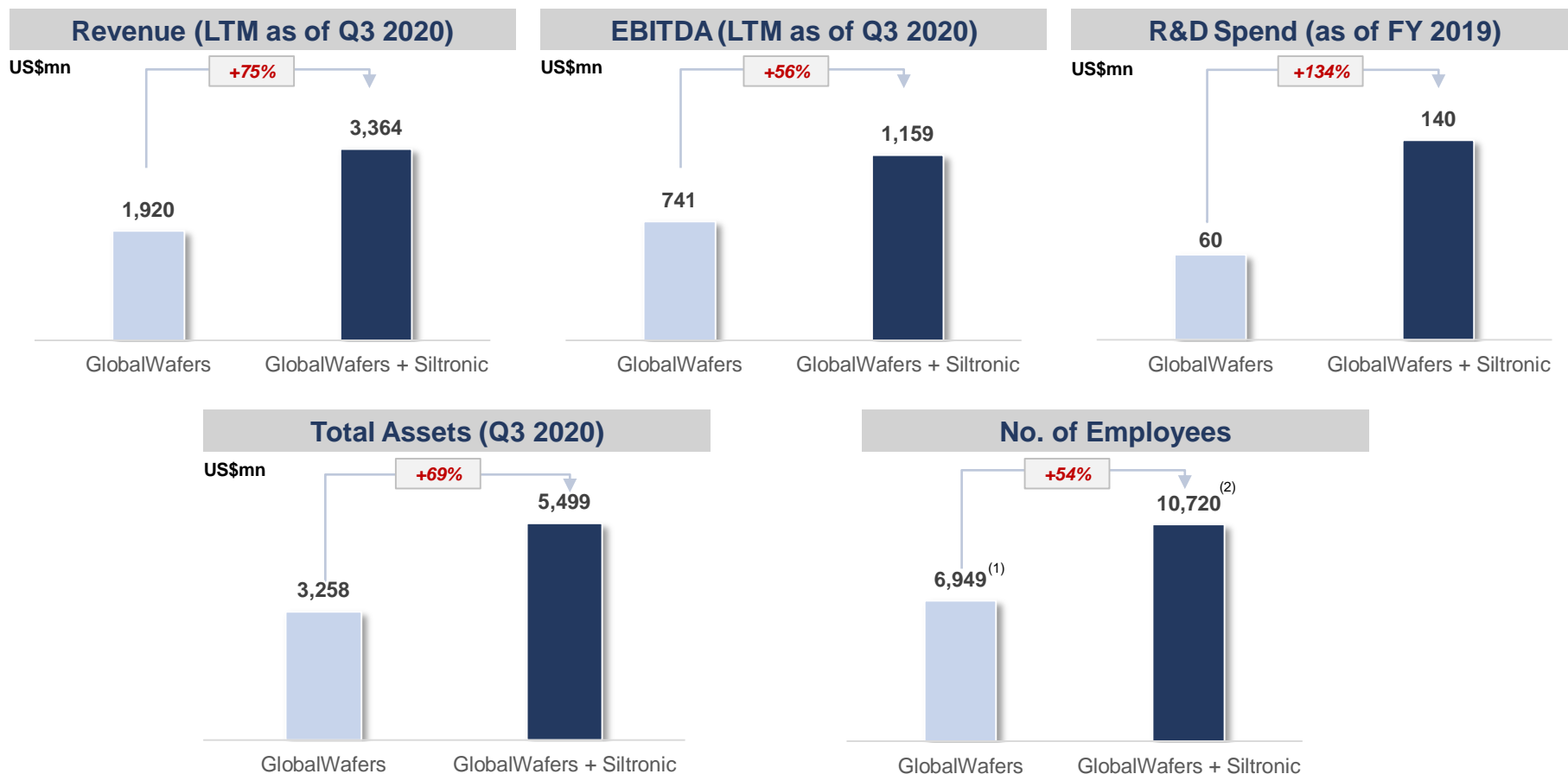
Source: Company information, equity research.

1. 2020 Q3 as of November 2020.

2 Significantly increase scale of business financially and operationally (Cont'd)



- Transformational deal, significantly increasing current wafer capacity and R&D capability



Source: Company information.

Note: FX: USD/EUR = 0.85; USD/NTD = 28.50. GlobalWafers' EBITDA calculated as: Net operating income + depreciation + amortization.

1. As of Oct 31, 2020, 2. As of Jun 30, 2020.

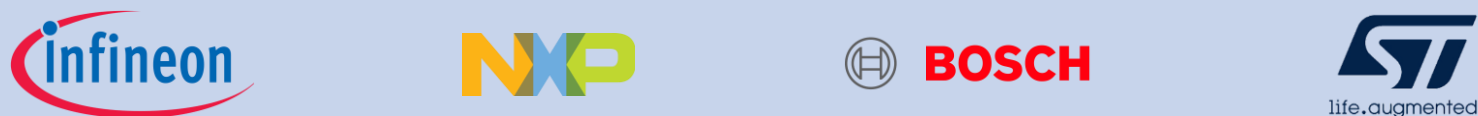
3 Achieve further customer diversification

Potential Growth with Existing and New Customers

Asia



Europe



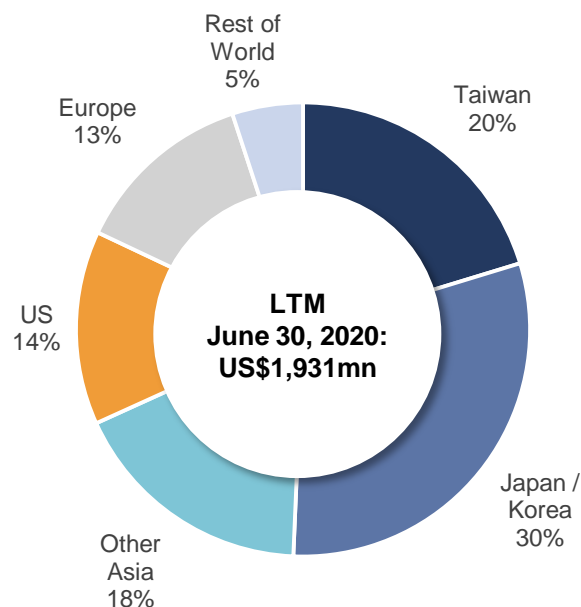
North America



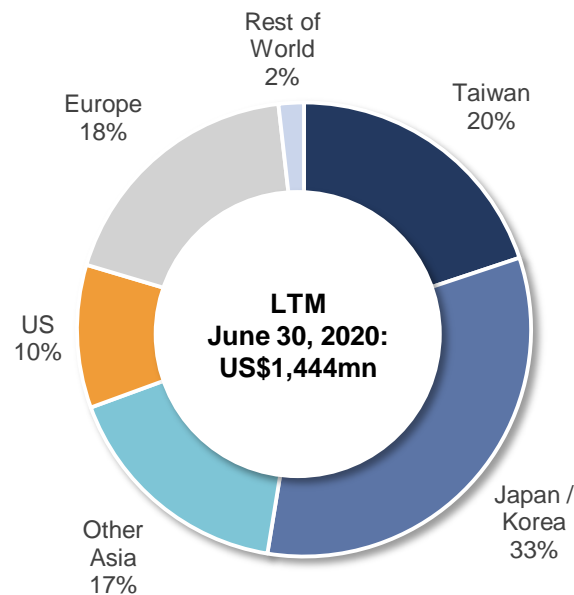
3 Achieve further customer diversification (Cont'd)

- The acquisition of Siltronic will result in significant revenue expansion

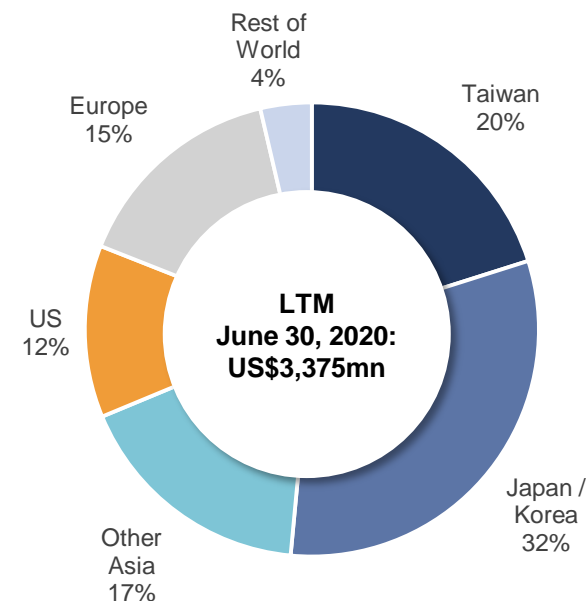
**GlobalWafers LTM Revenue
(as of Jun 30)**



Siltronic LTM Revenue (as of June 30)



**GlobalWafers + Siltronic LTM Revenue
(as of June 30)**



Source: Company information.

Note: FX: USD/NTD = 28.50; USD/EUR = 0.85.

Potential for meaningful synergies & value creation for GlobalWafers' shareholders & customers



➤ Continues strong track record of synergistic acquisitions

Completion Date		April 2008	April 2012	July 2016	December 2016	TBD (2021)	Key Synergies
Target		Globitech	Covalent Materials ⁽¹⁾	Topsil	SunEdison Semiconductors	Siltronic	
Revenue Synergies	1 Cross Selling	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> Expanded product line / portfolio and product positioning Further geographic and customer diversification
	2 Complementary Geographic Mix	✓	✓	✓	✓	✓	
Cost Synergies	3 Procurement	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> Improved operational efficiency Reduced marketing / sales expenses, and improved sales capabilities Lowered administrative cost
	4 Corporate SG&A / Personnel Expense	✓	✓	✓	✓	✓	
	5 Debt Financing	✓			✓		
Capex / R&D	6 Integrated Manufacturing	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> Optimized R&D efficiency with complementary skillset Enhanced economies of scale for investment in advanced technology and equipment Accelerated R&D roadmap development
	7 Integrated R&D	✓	✓	✓	✓	✓	

1. Silicon wafer business



Q&A



Thank You
