Siltronic AG (WAF) — Company Analysis

Ticker WAF (Xetra) · ISIN DE000WAF3001 · Munich, Germany · report generated 2026-05-28. End-to-end fundamentals, financials, sector & TAM, competitive position, the AI/data-center angle, valuation and risks. Analysis, not investment advice.

Snapshot

- Ticker: ETR: WAF
- Price: ~€92.55 (52-wk range €31.70–€99.55) [S21]
- Market cap: ~€2.77bn (~US$3.27bn) [S21][S22]
- Revenue: €1,346.7m FY2025 (-4.7%); Q1 2026 €306.5m (-17.5% QoQ) [S1][S3][S9]
- Growth: FY2025 -4.7%; FY2026 guide mid-single-digit revenue decline [S6]
- Profitability: FY2025 EBITDA €316.9m (23.5%); EBIT -€26m; net loss €77.9m [S1][S3][S6]
- FCF: FY2025 -€85.3m (negative through Singapore capex); FY2024 -€297m [S4]
- Net cash / debt: net debt €836.5m end-2025; €936m Q1 2026; ~ of sales covered by LTAs [S4][S8]
- Valuation: ~2.7x EV/Sales; ~11.4x EV/EBITDA (trough cycle); Jefferies PT €103, consensus ~€78 [S11][S21]
- Currency: EUR (USD-exposed via customer pricing)
- Geography: global; sells to TSMC, Samsung, GlobalFoundries, UMC + IDMs
- What: hyperpure 200mm/300mm silicon wafers for chipmaking
- Value chain: most upstream — the silicon substrate for all chips
- End markets: logic, memory, power; AI/HPC, autos, industrial
- Founded / HQ: 1953 (Wacker Chemie lineage) / Munich, Germany
- CEO: Michael Heckmeier
- Top competitors: Shin-Etsu (27% 300mm share), SUMCO (24%), GlobalWafers (17%), SK Siltron (9%)
- Key customers: TSMC, Samsung, GlobalFoundries, UMC (top foundries/IDMs) — ~ on LTAs
- Key suppliers: polysilicon (Wacker Chemie historical link), quartz, energy
- Catalyst: Reported Infineon takeover approach (single-source, unverified at premium) [S12]; Singapore 300mm ramp; FY2026 EBIT "significantly below" 2025
- Verdict: Top-tier wafer maker in a cyclical trough with a reported M&A approach not yet validated at premium terms; Singapore depreciation drags 2026 EBIT
- Confidence: 0.52

Executive summary

Siltronic is one of the world's top-five makers of hyperpure silicon wafers (200mm and 300mm) — the foundational substrate for virtually every chip — supplying TSMC, Samsung, GlobalFoundries and UMC, plus IDMs in power and analog [S8]. FY2025 was a cyclical trough: revenue fell 4.7% to €1,346.7m, EBITDA (earnings before interest, taxes, depreciation & amortisation) held at €316.9m (23.5% margin) but a net loss of €77.9m weighed by heavy depreciation from the new Singapore 300mm fab (~€2bn cumulative invested through end-2024) and a weak USD [S1][S3][S6][S7]. Free cash flow was -€85m, capex (capital expenditure) €369m (down from €523m in 2024 and €1,112m peak in 2023), and net debt climbed to €836.5m (€936m by Q1 2026) [S4].

FY2026 looks tougher before it gets better. Management guides mid-single-digit revenue decline, EBITDA margin 20–24%, and D&A stepping up to €490–520m as the Singapore fab begins meaningful depreciation in mid-2025 — meaning EBIT (earnings before interest & taxes (operating profit)) will be significantly below 2025 (i.e. a wider loss) [S6]. Industry data corroborates the trough is bottoming, not exiting: SEMI reports 2025 wafer (thin polished disc of semiconductor (silicon, glass, III-V) on which chips are built) revenue -1.2% to US$11.4bn despite shipments +5.8% to 12,973 MSI, with HBM (high-bandwidth memory) and AI logic driving 300mm but pricing still soft and 200mm destocking bleeding into 2026 [S14][S16][S17].

The big swing factors: a reported Infineon takeover approach (per ad-hoc-news.de citing Reuters, dated 5-May-2026, valuing Siltronic "in the billion-euro range"); the Singapore ramp; and USD direction.

Critical caveat: the Infineon story is single-sourced and not corroborated by Infineon's press archive, and Wacker Chemie sold a 7% stake on 26-May-2026 at €89.35 — a discount to the €92.55 spot and well below Jefferies' €103 target [S10][S12]. That sell-down is inconsistent with a live premium takeover bid. The 2020–22 GlobalWafers attempt failed on German FDI grounds [S13].

Verdict: top-tier wafer maker mid-cyclical-trough with long-term AI/leading-edge demand and a *reported* M&A (mergers & acquisitions) catalyst whose premium terms are unverified; Singapore depreciation drags 2026 EBIT. Confidence: 0.52

1. Company overview

Munich-based wafer maker, originally Wacker-Chemitronic, spun off and IPO'd in 2015. Now one of the top-5 global wafer suppliers (~12% of 300mm revenue share) alongside Shin-Etsu, SUMCO, GlobalWafers, SK Siltron [S16]. FY2025 revenue €1.35bn. Just ramped a state-of-the-art 300mm fab in Singapore (~€2bn cumulative capex, depreciation begins mid-2025), expanding capacity for leading-edge demand [S7]. Production sites in Germany (Burghausen, Freiberg) and Singapore. Wacker Chemie remains the largest shareholder (~24% post 26-May-2026 placement, down from 30.8% pre-failed-GlobalWafers-deal) [S10][S13].

2. Management & founders

CEO Michael Heckmeier; strategy centres on the Singapore 300mm ramp and long-term supply agreements (LTAs) with leading chipmakers (~ of group sales covered with stable pricing; no major LTAs expire 2025 or 2026; Singapore fab has up to 80% LTA (long-term agreement (multi-year supply contract)) share with customer prepayments; key prime customer qualifications completed July 2025) [S8]. Not founder-led — Wacker Chemie lineage. Dividend was already cut from €1.20 (FY24) to €0.20 (FY25), with consensus expecting a further ~70% cut on FY25 results [S15].

3. Business model & products

Pure-play hyperpure silicon wafer supplier:

- 300mm wafers — for leading-edge logic (TSMC, Samsung, GlobalFoundries), memory (Samsung, SK hynix indirectly), HBM and advanced epi (epitaxy) for AI logic. Resilient volumes through FY2025; Singapore fab adds significant capacity.
- 200mm wafers — for power, analog and mixed-signal (autos and industrial). The weak link in FY2025 — destocking and pricing pressure; expected to remain soft into 2026.

Specific wafer flavours: polished (PW), epitaxial (EPI), Float-Zone (FZ) for power, SOI for specialty. ~ of group sales are under multi-year LTAs with stable pricing; the residual third is spot/short-term, exposed to wafer pricing cycles.

4. Financial analysis

EUR m (IFRS (International Financial Reporting Standards))	FY2023	FY2024	FY2025
Revenue (sales)	1,513.8 [S5]	1,412.8 (-6.7%) [S2]	1,346.7 (-4.7%) [S1][S3]
EBITDA	433.9	363.8	316.9
EBITDA margin	28.7%	25.8%	23.5%
EBIT	~273 (impl.)	~150 (impl.)	-26 [S6]
Net income / (loss)	+201.3 [S5]	+67.2 [S1]	-77.9 [S1][S3]
EPS (€)	~6.05	~2.04–2.10	-2.31 [S1]
Capex (incl. intangibles)	1,112.1 [S2]	523.4–667.5	369 [S4]
Free cash flow	deeply neg.	-297.0 [S4]	-85.3 [S4]

Net financial debt (EoY)	n/a (low)	733.5 [S4]	836.5 (€936m by Q1 26) [S4]
Dividend / share (€)	1.20 [S15]	0.20 [S15]	TBD (further cut expected) [S15]

Q1 2026 actuals: sales €306.5m (-17.5% QoQ); EBITDA €65.1m, margin 21.2% (vs 23.3% Q4 25); in line with management expectations [S9].

FY2026 guidance: mid-single-digit revenue decline; EBITDA margin 20–24%; D&A €490–520m (Singapore start of depreciation in mid-2025 — major step-up); EBIT "significantly below" 2025 (i.e. wider loss); capex €180–220m (sharply lower) — at EUR/USD 1.18 assumption [S6].

(Note on net income: the prior draft snapshot showed FY24 net income "+96"; public disclosures consistently show €67m for FY2024 [S1]. Corrected.)

5. Sector & market context

- Global silicon wafer revenue 2025: US$11.4bn (-1.2% YoY (year-on-year)) despite shipments rising 5.8% to 12,973 MSI — SEMI year-end 2025 data [S14]. Price erosion + mix offset volume.
- 300mm dominance: ~73.8% of wafer area in 2025; projected ~5.2% CAGR (compound annual growth rate) through 2031. AI logic + HBM are the primary 2025 demand drivers [S14][S16].
- 200mm: essential for power, analog, mixed-signal. SUMCO announced (Feb 2025) it will exit 200mm at Miyazaki by late 2026 to redeploy capex to 300mm AI-grade wafers [S16]. Pricing/inventory remains the cyclical pressure point (Siltronic-specific drag in 2025) [S1][S16].
- Forecast: SEMI projects shipments to reach a new record 15,485 MSI by 2028 (~6% CAGR from 2025), driven by AI compute footprint [S17].
- Concentration: Top 5 control ~85% of global 300mm capacity and ~89% of 300mm revenue [S16]. Multi-billion-dollar capex and proprietary crystal-pulling expertise are structural barriers.
- Trough exit timing: SEMI characterises 2025 as an "inflection year" — MSI growth resumed but revenue still soft; AI/HBM-led demand normalisation is happening but pricing recovery lags into 2026–27 [S14][S17].

6. Competitive landscape (300mm revenue share, 2025)

#	Player	HQ	Approx. share (300mm) [S16]	Strategic notes
1	Shin-Etsu Chemical	Japan	~27%	Largest; FY25 group sales ¥2.56tn (+6.1%); investing alongside SUMCO ¥150bn (~$1bn) in 2nm/3nm-grade ultra-flat capacity [S16][S18]
2	SUMCO	Japan	~24%	Exiting 200mm Miyazaki by late-2026; redirecting to 300mm AI-grade [S16]
3	GlobalWafers	Taiwan	~17%	Sherman TX 300mm fab: Phase 1 (US$3.5bn) opened May 2025, Phase 2 (US$4bn) started production Feb 2026; total US$7.5bn at full buildout (~1.2m wpm); US$400m CHIPS Act award [S19][S20]
4	Siltronic	Germany	~12%	Singapore 300mm greenfield (~€2bn cum.) ramping; 5th-largest globally

5	SK Siltron	South Korea	~9%	New Gumi plant 2025 — adding 300mm + SiC (silicon carbide) + GaN (gallium nitride) [S16]

Top 5 ~ 89% of 300mm revenue [S16]. Industry is a global oligopoly with multi-year capex cycles synchronised roughly to AI/HBM and leading-edge logic demand.

7. AI / data-center angle

Siltronic feeds the AI compute build-out as the upstream supplier of the silicon substrate every AI accelerator, HBM stack and CPU is built on. The 300mm AI-grade wafer demand pull is real — SEMI reported 12,973 MSI in 2025 (+5.8%) en route to a new record 15,485 MSI by 2028 [S14][S17] — but Siltronic is one of five oligopolists, each adding capacity (SUMCO's 300mm pivot, GlobalWafers' US$7.5bn Sherman TX, SK Siltron's Gumi, Siltronic's Singapore), so the pricing benefit of the AI cycle is competed away as new fabs ramp. The Singapore fab is Siltronic's bet — but its depreciation (~€490–520m D&A in 2026) is hitting before revenue at scale.

8. Growth drivers & catalysts

- Reported Infineon takeover approach (single-source, unverified at premium) [S12].
- Singapore 300mm fab ramp — key prime customer qualification completed July 2025; up to 80% LTA share with prepayments [S8].
- SEMI projects record wafer shipments by 2028, AI/HBM-driven [S17].
- LTA coverage ~ of sales, stable pricing — partial insulation from spot price moves [S8].
- Capex stepping down to €180–220m in 2026 from €369m in 2025 — FCF (free cash flow) should turn less negative.

9. Headwinds & key risks

- Oversupply / 200mm pricing pressure persists. Industry-wide revenue still fell 1.2% in 2025 despite +5.8% shipments [S14] — pricing did not recover. Siltronic explicitly guides further 200mm declines in 2026 on continued power-segment destocking [S6]. With SUMCO, GlobalWafers (Sherman Phase 2) and SK Siltron (Gumi) all adding 300mm capacity in 2025–26, the next leg of price recovery is at risk if AI demand normalises [S16][S19].
- Singapore ramp underutilisation + depreciation drag. Management has slowed the Singapore ramp [S9]; D&A jumps to €490–520m in 2026 vs EBITDA guided 20–24% of revenue (~€260–310m on a low-revenue base) — structurally negative EBIT in 2026 [S6]. Net debt rose to €936m by Q1 2026 [S4] with FCF still negative.
- USD weakness / off-LTA price erosion. FY25 revenue compressed on USD weakness; FY26 guidance assumes EUR/USD 1.18 [S6] — any further USD softening directly hits EUR-reported sales (wafer pricing is USD-denominated). Off-LTA pricing remains pressured [S1][S3].
- M&A overhang risk. If the reported Infineon approach [S12] proves to be speculation — the 26-May Wacker placement at €89.35 (a *discount* to spot) suggests no live premium bid is on the table — the stock could give back the recent re-rating quickly. The 2020–22 GlobalWafers attempt failed on German FDI grounds [S13]; any Infineon deal would face similar scrutiny plus customer antitrust questions (Infineon is itself a Siltronic customer).

10. Valuation

- Share price: €92.55; 52-week range €31.70–€99.55 [S21].
- Market cap: €2.77bn (~US$3.27bn) [S21][S22].
- Shares outstanding: ~30m.
- Enterprise value (est.): €2.77bn + €0.84bn net debt ~ €3.6bn.
- EV/FY25 Sales: ~2.7x.
- EV/FY25 EBITDA: ~11.4x (trough).
- P/FY25 EBIT: n/m (EBIT negative).
- Analyst PT: Jefferies raised to €103 on 2026-05-08 (Buy); consensus PT ~€78 per eToro [S11].

Comp set (2025-trough EV/EBITDA (enterprise value ÷ EBITDA)): SUMCO/GlobalWafers trade similarly depressed multiples (high single-digit to low-teens on cyclical-trough EBITDA); Shin-Etsu commands a premium (specialty chems mix). The Siltronic re-rating from sub-€40 (mid-2025) to €92+ now embeds recovery + M&A optionality.

11. Verdict & what to watch

Siltronic is a top-tier supplier in a global silicon-wafer oligopoly riding a real AI substrate cycle — but the cycle is still in its trough, Singapore depreciation drags 2026 EBIT into a wider loss, and the M&A premium implied in the recent re-rating is supported by a *single* media report that Wacker Chemie's 26-May stake sale at a discount tacitly contradicts. The stock is no longer cheap on trough multiples.

Verdict: top-tier wafer maker mid-trough with an unverified M&A catalyst and 2026 EBIT drag — confidence 0.52.

Decision boundaries:

- Infineon (or any buyer) formally confirms approach at a clear premium -> very positive (+).
- Wafer pricing turns up in H2 2026 with Singapore utilisation above 70% -> positive (+).
- SEMI 2026 revenue growth >5% (vs the 2025 flat read) -> positive (+).
- M&A speculation fades without confirmation and stock retraces toward Wacker placement price (€89) -> expected baseline.
- Singapore ramp slips, depreciation drag pushes EBIT loss wider than guided -> negative (-).
- 200mm pricing continues to deteriorate into 2027 -> negative (-).
- USD/EUR moves below 1.15 -> margin compression.

Open questions:

- Status of the reported Infineon approach — corroborated by Infineon? At what terms?
- Singapore utilisation trajectory and break-even revenue.
- Whether SK Siltron / SUMCO add capacity faster than AI demand absorbs it.

Customers & suppliers

Customers (named): TSMC, Samsung, GlobalFoundries, UMC — the leading-edge foundry (contract chip-manufacturer (e.g. TSMC); fabs what others design) set, ~ of sales under multi-year LTAs covering pricing and volume; no individual customer concentration % disclosed [S8]. IDM (integrated device manufacturer) mix includes power-semi names (Infineon, STMicro, onsemi implied but not separately disclosed). Singapore fab carries up to 80% LTA share with high prepayments; prime customer qualification completed July 2025 [S8].

Suppliers: polysilicon (historical link to Wacker Chemie — still ~24% shareholder), quartz, energy. Crystal-pulling and slicing capacity is in-house.

Recent news

- 26-May-2026 — Wacker Chemie sells 7% Siltronic stake via ABB: 2.1m shares at €89.35 for ~€188m; Wacker stake reduces to ~24%. Stated rationale: strengthen Wacker balance sheet [S10].
- 8-May-2026 — Jefferies raises PT to €103 (from €83) on wafer-inventory normalisation [S11].
- 5-May-2026 — Reported Infineon takeover approach (single-source via ad-hoc-news.de citing Reuters) "valuing Siltronic in the billion-euro range"; boards reviewing terms. Caveat: not corroborated by Infineon's press archive in 2026-05-28 searches; no per-share price disclosed [S12].
- 29-Apr-2026 — Q1 2026 in line. Revenue €306.5m; EBITDA €65.1m (21.2%); soft sequentially [S9].
- 12-Mar-2026 — FY2025 confirmed: revenue €1,346.7m (-4.7%); EBITDA €316.9m (23.5%); net loss €77.9m; capex €369m; net debt €836.5m; FCF -€85m [S1][S3][S4].
- 2025 (H2) — Singapore fab depreciation begins (mid-2025/Aug 2025) — driver of the FY25 EBIT swing to negative and the FY26 D&A step-up [S6][S7].
- 2025 — USD weakness materially compressed EUR-translated revenue and off-LTA pricing [S1][S3][S6].

Sources

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Appendix — methodology & sources

Generated by AutoLab (thesis mode) on 2026-05-30. The loop iteratively scouts the weakest point, researches it, red-teams it, and integrates the findings; . Headline confidence 0.52.