

SunEdison Semiconductor Ltd  
Form DFAN14A  
August 18, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934 (Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**SunEdison Semiconductor Limited**

**(Name of Registrant as Specified In Its Charter)**

**GlobalWafers Co., Ltd.**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

August 18, 2016  
GlobalWafers  
Agreement to Acquire  
SunEdison  
Semiconductor

**Additional Information and Where You Can Find It**

This communication may be deemed to be solicitation material in respect of the proposed transaction between SunEdison Semiconductor and GlobalWafers. In connection with the proposed transaction, SunEdison Semiconductor will file a proxy statement with the U.S. Securities and Exchange Commission (SEC). The proxy statement will be mailed to the shareholders of SunEdison Semiconductor. **SHAREHOLDERS OF SUNEDISON SEMICONDUCTOR ARE URGED TO READ THE PROXY STATEMENT WHEN IT BECOMES AVAILABLE AND ANY OTHER INFORMATION FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION OR INCORPORATED BY REFERENCE THEREIN (IF ANY) BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** The proxy statement (when it becomes available) will be filed by SunEdison Semiconductor or GlobalWafers with the SEC, may be obtained free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov). We urge you to read the proxy statement and the other relevant materials when they become available before making any decision with respect to the proposed transaction.

transaction.

#### Certain Information Concerning Participants

Each of GlobalWafers, SunEdison Semiconductor and their respective directors and executive officers may be deemed to be part of proxies from SunEdison Semiconductor shareholders in favor of the proposed transaction. GlobalWafers currently owns approximately 10% of the outstanding ordinary shares of SunEdison Semiconductor. Information about GlobalWafers and its directors and executive officers is set forth in Schedule 14A filed by GlobalWafers with the SEC on August 18, 2016. Information about SunEdison Semiconductor's directors and their ownership of SunEdison Semiconductor's ordinary shares is set forth in its proxy statement for its 2016 Annual General Meeting and its most recent annual report on Form 10-K. Additional information regarding the direct or indirect interests of participants in connection with the contemplated transactions, by security holdings or otherwise, will be included in the proxy statement and filed with the SEC in connection with the transaction.

#### Cautionary Statement Regarding Forward-Looking Information

This material contains forward-looking statements. These statements include a belief that the transaction can be closed by the end of 2016, based on the expectations by GlobalWafers of the benefits of the transaction. These forward-looking statements are subject to risks and uncertainties, and actual results and experience may materially differ from those contained in any forward-looking statements. Such risks and uncertainties include that the transaction may not be completed in a timely manner or at all, which may adversely affect SunEdison Semiconductor's ordinary shares; the failure to obtain SunEdison Semiconductor shareholder approval of the proposed transaction; the possibility that the conditions to the transaction may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant regulatory approval; delay in closing the transaction or the possibility of non-consummation of the transaction; the potential for the transaction to require divestitures in connection with the proposed transaction; the occurrence of any event that could give rise to termination of the Agreement; the risk of shareholder litigation that may be instituted in connection with the contemplated transactions; risks related to the diversion of management's attention from SunEdison Semiconductor's ongoing business operations; the failure of GlobalWafers to obtain the necessary approvals to complete the transaction; the effect of announcement of the transaction on SunEdison Semiconductor's ability to retain and hire key personnel; and maintain relationships with customers, suppliers and other third parties; and difficult global economic and capital markets conditions. These statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements. SunEdison Semiconductor makes no commitment to revise or update any forward-looking statements in order to reflect events or circumstances occurring after the date of any forward-looking statement is made.

Agenda

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Transaction overview

100% equity in SunEdison Semiconductor Limited (NASDAQ: SEMI)  
US\$12.00 per SEMI share  
Represents a transaction value of \$683 million including SEMI net debt

1

100% cash consideration

45% premium to last trading day close

2,3

79% premium to 30 day average

2

103% premium to 90 day average

2

Acquisition will be implemented by way of a Scheme of Arrangement under Section 210 of the Companies Act, Chapter 50 of Singapore

SEMI shareholder approval

U.S. CFIUS

Taiwan Investment Commission

Antitrust review in the US, Germany and Austria

Transaction expected to close by the end of 2016

Acquisition funded using existing cash on hand and committed acquisition financing

1.

Equity value based on purchase of basic common shares outstanding and outstanding options and RSUs.

2.

Last trading day prior to the announcement was 17 August 2016

3.

Close price on the last trading day prior to the announcement was \$8.28.

Purchase Price

Premia

Consideration

Acquisition

method

Key conditions to

close

Timing to close

Financing

1

Target

Transaction summary

Overview of the Target

SEMI company history  
1959  
1962  
Developed  
dislocation-free CZ  
silicon crystal  
growth process  
1975  
Achieved first

commercial  
production of  
100mm wafers  
1984  
Commercialized  
200mm wafers  
1998  
Developed  
agglomerated  
defect free Perfect  
Silicon  
2009  
Began high  
volume  
manufacturing of  
SOI wafers  
2013  
Deployed  
diamond wire  
cutting  
technology;  
parent company  
changed name  
from MEMC to  
SunEdison, Inc.  
2015  
Announced  
closure of  
Malaysian Ipoh  
facility, moved  
200mm wafer  
production to Italy  
to lower costs /  
maximize  
utilization  
1965  
Developed  
chemical-  
mechanical  
polishing process  
1991  
Developed 300mm  
wafers  
2011  
Qualified wafers for  
production in 28  
nanometer node  
2014  
Spun off from  
SunEdison, Inc. in

May and listed on  
NASDAQ  
1982  
Developed  
the use  
of EPI wafers in  
CMOS applications  
2000  
Introduced defect-  
free engineered  
products MDZ  
&  
Optia  
Founded as  
MEMC;  
headquartered in  
St. Peters,  
Missouri  
2  
2

Overview of SEMI

Source: Company information.

SEMI is a global supplier of SOI and EPI wafers with synergistic/complementary 300mm high volume production with a global manufacturing footprint

Utsunomiya, Japan

St. Peters, MO

Hsinchu, Taiwan

Cheonan,

South Korea



Novara, Italy

Merano, Italy

Singapore

Kuala Lumpur, Malaysia

Location

Sq. Ft.

Product

St. Peters, MO

431k

200

/ 300mm SOI

Merano, Italy

98k

Single Crystal Silicon Ingots

Novara, Italy

418k

200mm

Kuala

Lumpur

55k

Polished wafers

Singapore

3k

Business Operations

Utsunomiya, Japan

328k

300mm polished and EPI wafers

Cheonan, S. Kor.

469k

EPI, 200mm, 300mm

Hsinchu, Taiwan

558k

EPI, 200mm, 300mm

Production facilities

SEMI Facility

3

SEMI uses a Unique Advanced Equipment Automation Platform to maximize process capability & productivity; differentiated semi-continuous granular poly based crystal process  
Manufacturing capability provides new growth platform  
opportunity  
Polysilicon  
Crystal growth  
Wire saw  
Wafer polishing  
Epitaxial deposition

Wafer bonding

Polished wafers

EPI wafers

SOI wafers

Significantly enhanced EPI throughput through OEE programs

One of only 2 fully integrated SOI manufacturers

600+ published and pending patents

Source: Company information.

4

Source: Company information

1.

Based on 2015A Revenue of \$778 million.

SEMI serves all of the top 25 customers in the semiconductor industry

North America

Europe

Asia

Customers

5

Taiwan  
23%  
Korea  
23%  
USA  
17%  
Germany  
8%  
China  
8%  
Italy  
5%  
France  
4%  
Ned.  
3%  
Malaysia  
2%  
Other  
8%  
Revenue  
by  
geography  
1  
Top customers

Financial  
highlights

Source: Company information.

Although the overall volumes are shrinking due to softness in chip demand, SEMI has focused on optimizing operations and materials costs to drive EBITDA margin

Revenue

EBITDA

934.2

920.6

840.1  
777.5  
(22.0%)  
(1.5%)  
(8.7%)  
(7.5%)  
(25.0%)  
(20.0%)  
(15.0%)  
(10.0%)  
(5.0%)  
0.0%  
0  
200  
400  
600  
800  
1,000  
2012A  
2013A  
2014A  
2015A  
\$m  
Revenue  
% Growth  
74.9  
74.6  
92.3  
103.6  
8.0%  
8.1%  
11.0%  
13.3%  
0.0%  
5.0%  
10.0%  
15.0%  
20.0%  
0  
30  
60  
90  
120  
2012A  
2013A  
2014A  
2015A  
\$m  
EBITDA  
% Margin





Strategic rationale

A combination of GWC and SEMI provides a unique opportunity to expand customer base, enhance product offerings and production capabilities and increase scale

Strategic rationale for the transaction

Expand production capability with opportunity to optimize production facilities

2

Diversify customer base and revenue base

1

Achieve  
greater

operating  
scale

by  
creating

the  
3

rd  
largest

semiconductor

silicon wafer manufacturer globally

3  
7

Potential for meaningful synergy creation

4

Source: Company information.

GWC will gain access to the new customers and more diversified revenue base

Customer diversification introduces new customer base

Combination will diversify geographic revenue base

Diversify customer base and revenue base

1

8

Taiwan  
23%  
S. Korea  
23%  
Europe  
19%  
USA  
17%  
China  
8%  
Malaysia  
2%  
Other  
8%  
Taiwan  
22%  
Europe  
17%  
USA  
16%  
Japan  
15%  
S. Korea  
14%  
China  
8%  
Other  
8%  
Japan  
35%  
Taiwan  
21%  
Europe  
15%  
USA  
13%  
China  
9%  
S. Korea  
1%  
Other  
6%

Production facilities overview

GWC facilities

SEMI

facilities

1

Source: Company information.

SEMI's global manufacturing presence would meaningfully expand GWC's production

capabilities while also providing opportunities for cost savings through facility optimization

GWC Facility  
SEMI Facility  
St. Peters, MO  
Novara, Italy  
Merano, Italy  
Singapore  
Kuala Lumpur,  
Malaysia  
Sherman, Texas  
Kunshan, China  
Niigata, Japan  
Tokuyama, Japan  
Oguni, Japan  
Location  
Sq. Ft.  
Product  
St. Peters, MO  
431k  
200  
/ 300mm SOI  
Merano, Italy  
98k  
Single Crystal Silicon Ingots  
Novara, Italy  
200k  
200mm  
Kuala  
Lumpur  
55k  
Polished wafers  
Singapore  
3k  
Business Operations  
Utsunomiya,  
Japan  
328k  
300mm polished and EPI  
wafers  
Cheonan, S. Kor.  
469k  
EPI,  
200mm, 300mm  
Hsinchu, Taiwan  
558k  
EPI, 200mm, 300mm  
Location  
Sq. Ft.  
Product  
Hsinchu, Taiwan

101k  
75mm 200mm Ingots; 75mm  
150mm wafers;  
Heavily-doped  
/  
Lapped / Etched / Polished /  
Diffused wafers  
Kunshan, China  
151k  
75mm 200mm  
wafers;  
Heavily-  
doped wafers  
Texas, USA  
16k  
125mm 200mm wafers; EPI  
wafers  
Japan  
(4 Fabs)  
979k  
125mm 300mm wafers; Light &  
Heavily-doped wafers; Annealed  
/ Diffused  
/  
SOI  
/  
EPI  
wafers  
Copenhagen, Denmark  
61k  
150mm-200mm wafers;  
ultrapure  
silicon based on FZ  
technology  
Warsaw, Poland  
8k  
CZ/FZ  
wafering  
and  
polishing;  
EPI on CZ wafers  
Utsunomiya, Japan  
Hsinchu, Taiwan  
Cheonan,  
South Korea  
Sekikawa, Japan  
Expand production capability with  
opportunity to optimize production facilities  
Warsaw, Poland  
Copenhagen, Denmark



9  
2

2015A wafer manufacturing worldwide revenue

Source: CapitalIQ, company information.

Note: Assumes USD/TWD exchange rate of 32.8045.

1.

Includes Topsil revenue.

The combination of GWC with SEMI will result in the 3rd largest semiconductor silicon wafer manufacturer globally (the largest among non-Japanese manufacturers) with significant additional scale relative to peers

Achieve greater operating scale by creating the 3rd largest silicon wafer manufacturer globally

10  
3  
6%  
27%  
26%  
17%  
13%  
10%  
9%  
7%  
3%  
2%  
1%  
1%  
0%  
10%  
20%  
30%  
1%  
1  
1

GWC track record and potential synergy

with SEMI

GWC targets post-tax synergies of approximately US\$50 million through the acquisition of SEMI

April

2008

August 2011

May 2016

August 2016

Globitech

Covalent Materials

(Silicon Wafer Business)

Topsil

SEMI

Note: Cross selling includes cross selling new products to each other's customers. Synergies and commentary are as per each

Revenue

Synergies

Cost Synergies

Capex / R&D

Cross Selling

Complementary

Geographic Mix

Procurement /

Enhanced Buyer Power

Corporate SG&A /

Personnel Expense

Debt

Financing

Integrated

Manufacturing

New Technology

Introduction

Integrated R&D

1

2

3

4

5

6

7

8

Completion /

Announcement Date

Target

11

4

Q&A