



**Siltronic – a leading producer of silicon wafers**

**Q1/2016 Results**

# Highlights Q1/2016: Financials

## Sales

Sales of 220.6 EUR (Q4/2015:215.3 mn EUR)  
Growth of 2.5%

## EBITDA

23.6 mn EUR (Q4/2015: 23.2 mn EUR),  
Without negative FX effects\* EBITDA would have been 33.3 mn EUR

## Margin

EBITDA margin of 10.7% (Q4/2015: 10.8%)  
Without negative FX effects\* EBITDA margin would have been 15.1%

## EBIT

-5.6 mn EUR (Q4/2015: -6.1 mn EUR)

## CapEx

20.4 mn EUR (Q4/2015: 34.4 mn EUR)

## Free Cash Flow

-6.7 mn EUR (Q4/2015: -10.5 mn EUR)  
payments for CapEx 33.5 mn EUR in Q1/2016

## Net Cash

149.2 mn EUR (December 31, 2015: 155.9 mn EUR)

\* other operating income and expenses influenced by FX effects, mainly due to hedging

# Market Update

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## GDP

- ▶ GDP growth in China declined to 6.7% in Q1/2016.
- ▶ Eurozone and U.S. continued growth at ~2% in Q4/2015.

## Silicon market

- ▶ Wafer market in Q1/2016 was ~5.5 bn cm<sup>2</sup>/month, 1.3% up q-o-q and 3.8% down y-o-y.
- ▶ 300 mm market was ~4.9 mn wafers/month in Q1/2016, 1.1% down from Q4/2015 and 2.4% down y-o-y

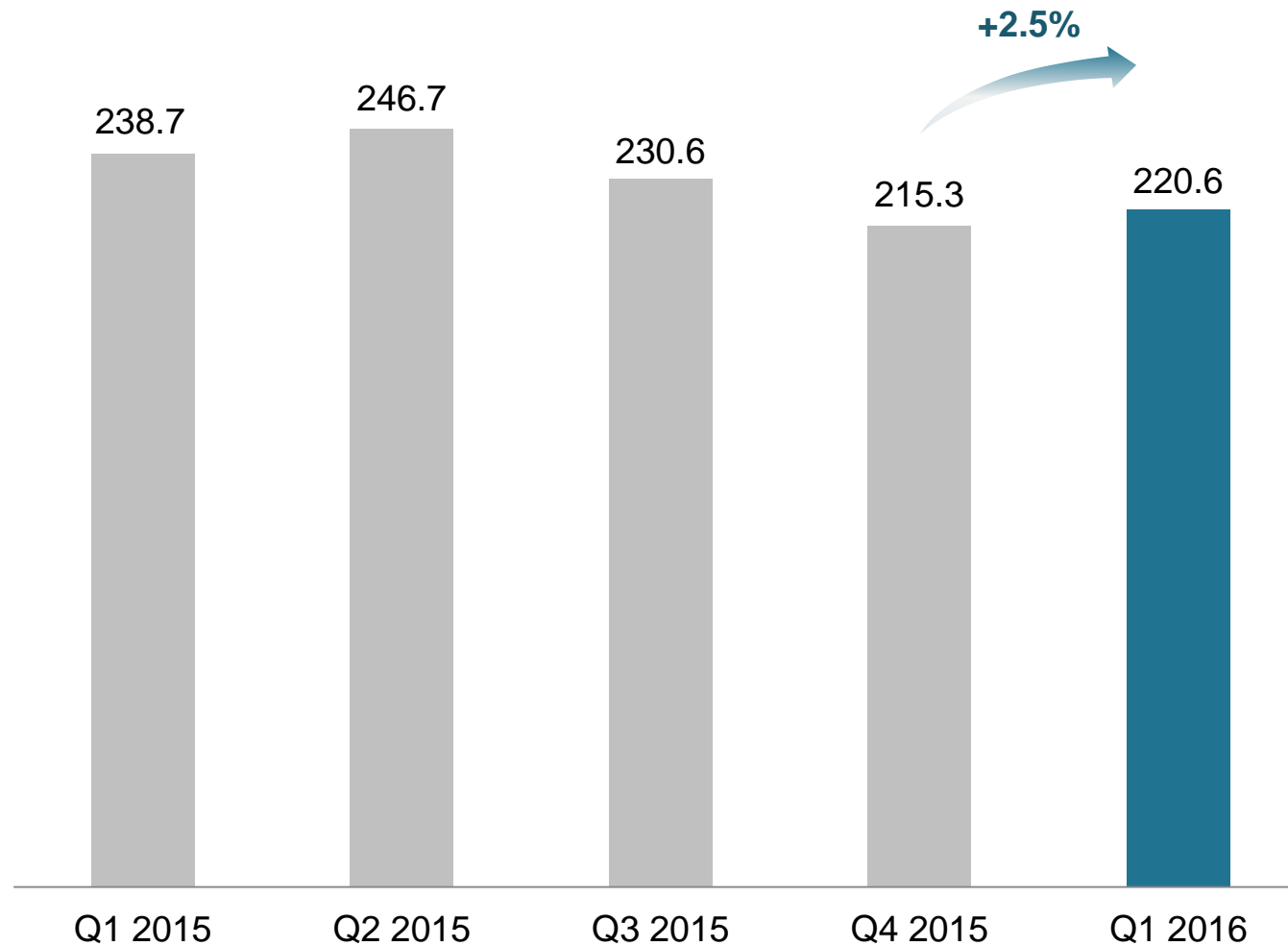
Source: Moody's Economy.com (Apr 2016); SEMI up to Mar 2016

# Sales development driven by sequentially higher wafer volumes

Sales, in EUR mn

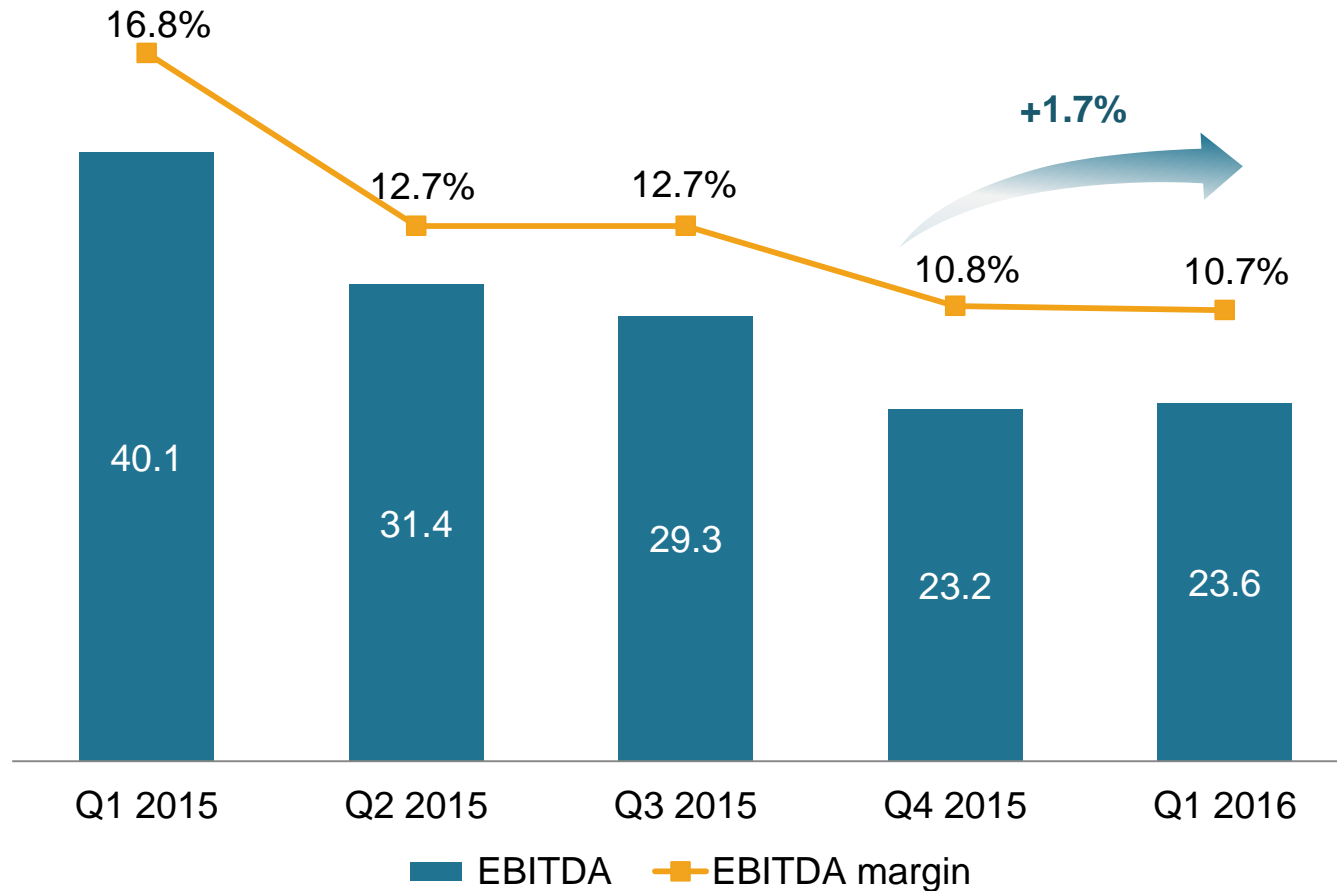
## Comments

- ▶ Volumes Q1/2016 increased q-o-q
- ▶ Prices down for products with lower utilisation rates
- ▶ Volumes Q1/2016 decreased y-o-y
- ▶ ASP y-o-y down



# EBITDA stable q-o-q

EBITDA, in EUR mn



## Comments

### ► Positive

- volume growth q-o-q
- ASP flat q-o-q
- cost reduction on track

### ► Negative

- prices down for products with lower utilisation rates
- higher hedging losses y-o-y\*

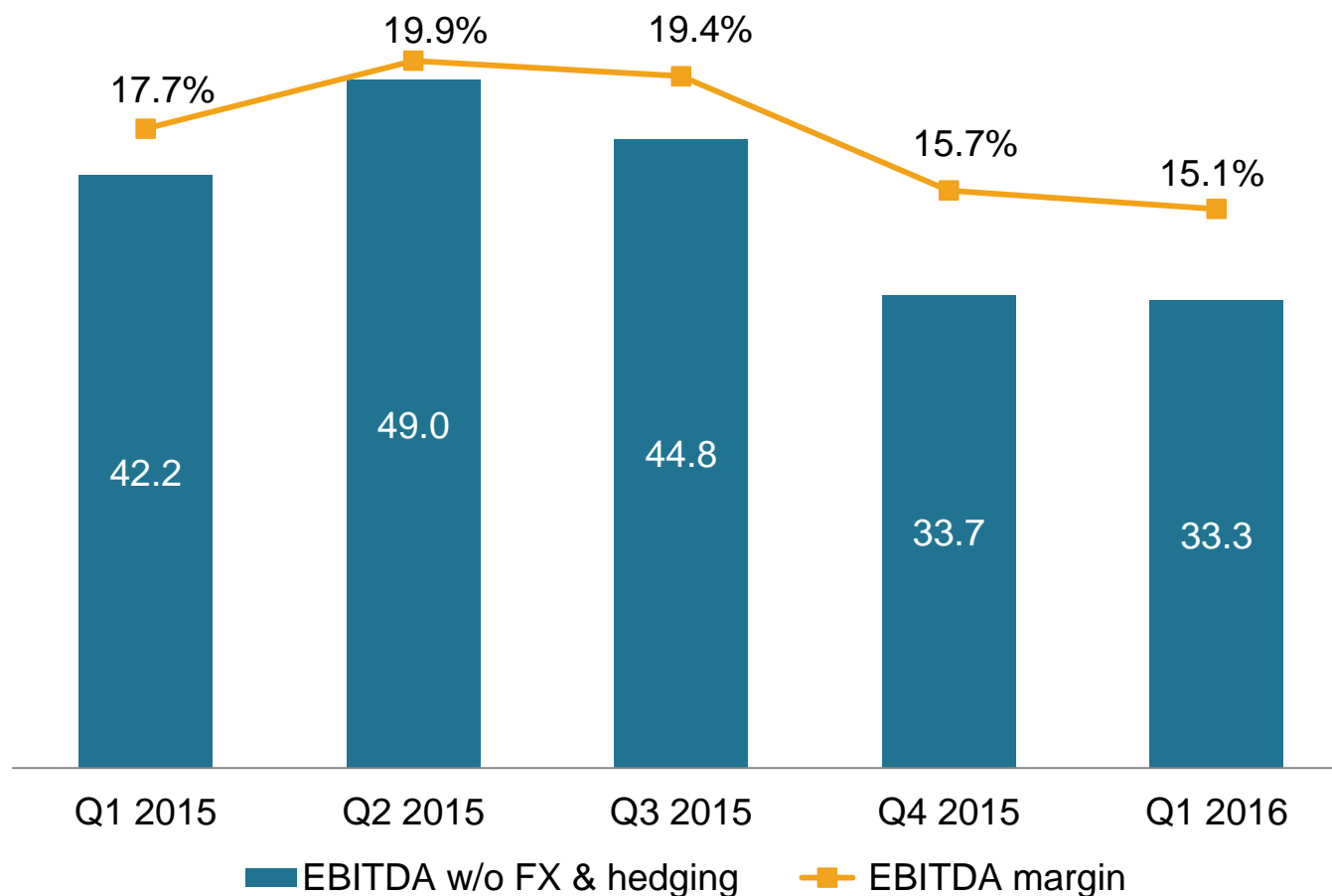
\*other operating income and expenses influenced by FX effects, mainly due to hedging

# EBITDA excluding FX effects 15% in Q1/2016

EBITDA excl. FX effects\*, in EUR mn

## Comments

- ▶ FX effects due to hedging
  - negative EUR 2.1 mn in Q1/2015
  - negative EUR 10.5 mn in Q4/2015
  - negative EUR 9.7 mn in Q1/2016



\*other operating income and expenses influenced by FX effects, mainly due to hedging

# Equity ratio of 41% and strong net cash position of EUR 149 mn

## Balance sheet, in EUR mn

Assets	Mar 31, 2016	Comments
<b>Non-current</b>	<b>573.6</b>	
PP&E	<b>536.7</b>	
Other fixed	<b>36.9</b>	<i>29 intangible (related to SSW)</i>
<b>Current</b>	<b>457.1</b>	
Inventories	<b>146.6</b>	
Trade receivables	<b>97.8</b>	
Other current	<b>24.3</b>	<i>7 hedging</i>
Cash and fixed term deposit	<b>188.4</b>	
<b>Total</b>	<b>1,030.7</b>	

Equity and liabilities	Mar 31, 2016	Comments
<b>Equity</b>	<b>418.2</b>	
Siltronic	<b>422.8</b>	
Other shareholders	<b>-4.6</b>	<i>Samsung's 22% in SSW</i>
<b>Liabilities</b>	<b>612.5</b>	
Pension provision	<b>379.0</b>	<i>Germany and US</i>
Other provisions	<b>37.2</b>	<i>36 personnel related (e.g. early retirement)</i>
Financial debt	<b>39.2</b>	<i>Samsung</i>
Trade liabilities	<b>66.8</b>	
Other	<b>90.3</b>	<i>42 prepayments 27 employee related 8 hedging</i>
<b>Total</b>	<b>1,030.7</b>	

# Payments for CapEx above average in Q1/2016

Cash flow, in EUR mn

	Q1/2016	Q4/2015	Q1/2015
Cash flow from operating activities	26.8	8.0	47.7
Payments for CapEx	(33.5)	(18.5)	(8.1)
<b>Free cash flow</b>	<b>-6.7</b>	<b>-10.5</b>	<b>39.6</b>

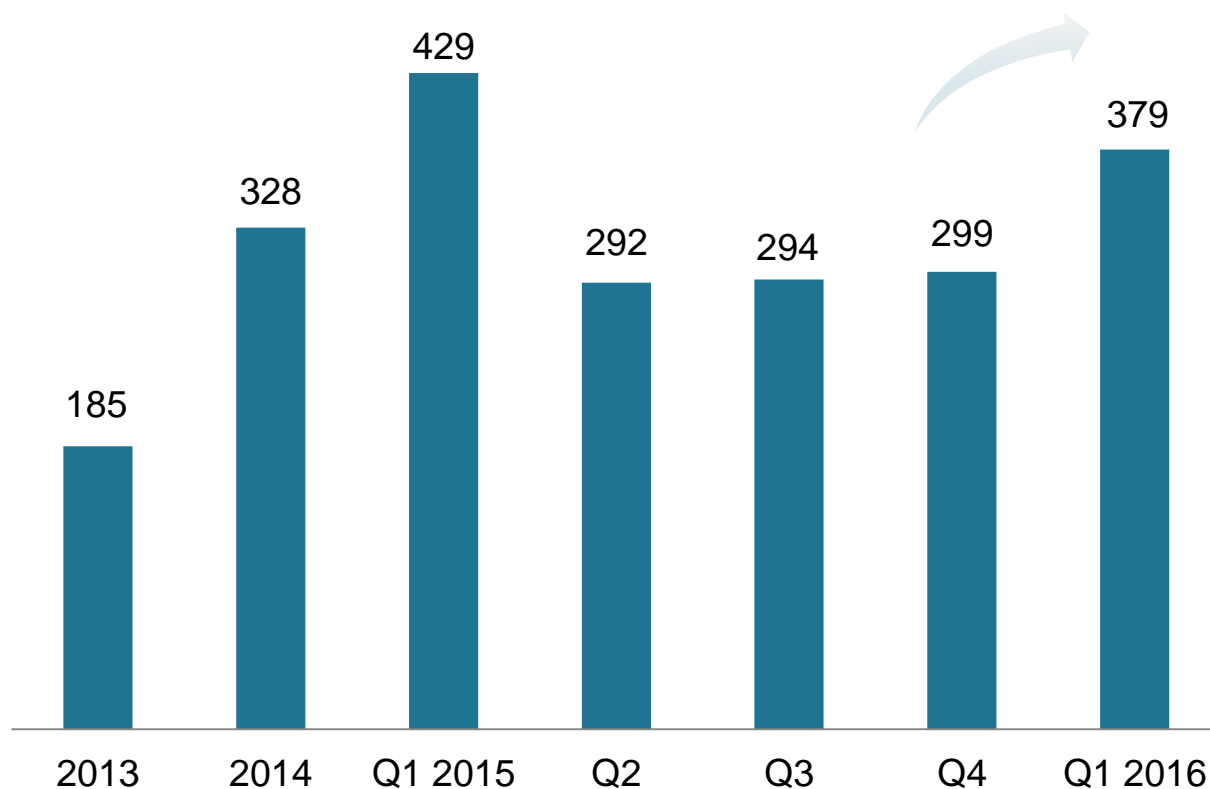
## Comments

- ▶ CapEx for investments in state-of-the-art crystal pullers and further automation of production sites



# Pension provision increased due to lower interest rates

Pension provision, in EUR mn



## Comments

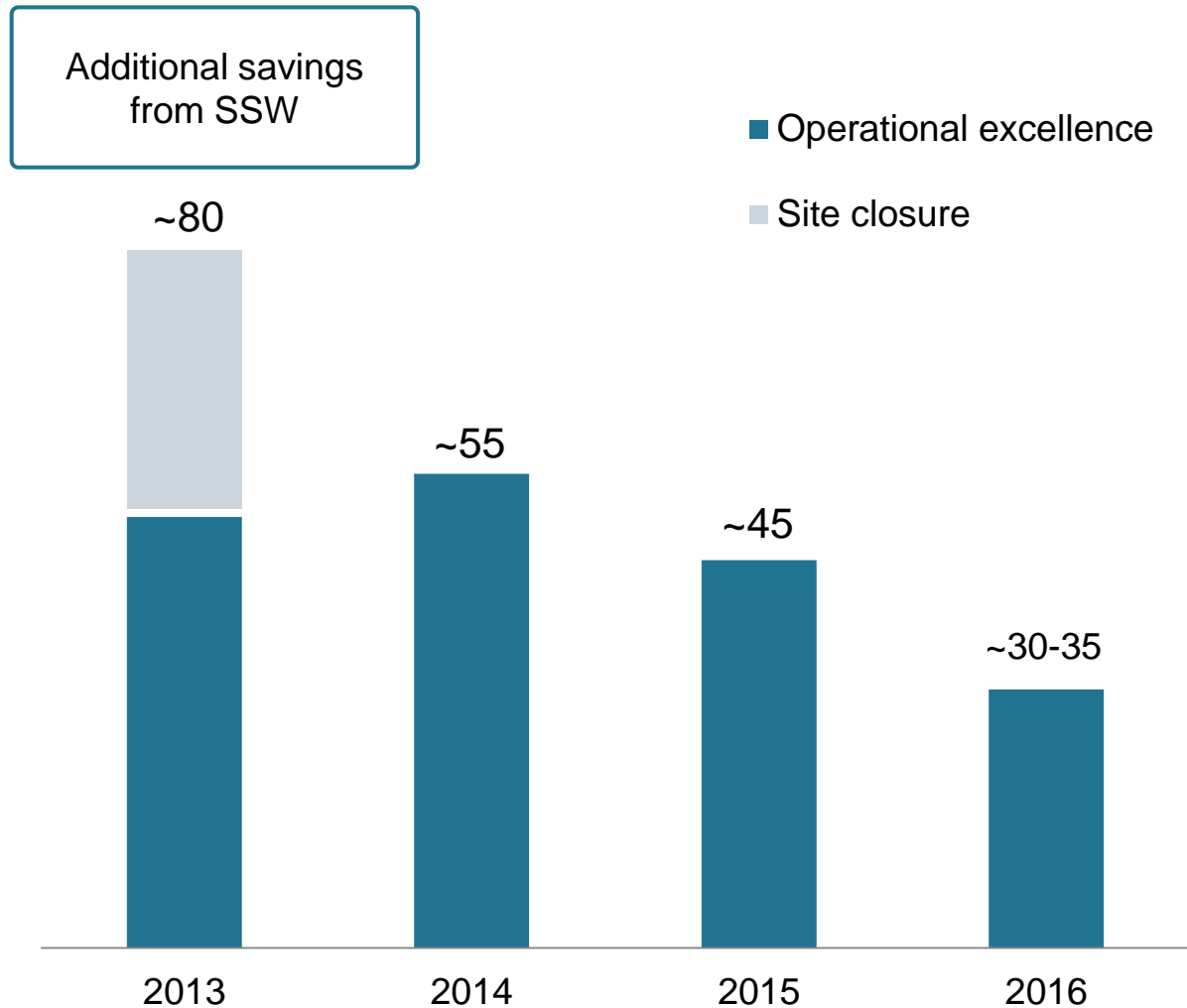
- ▶ changes in interest rates influence evaluation of pension provision
- ▶ change in interest rates directly reflected in equity (OCI)

### interest rates IFRS

▶ USA	4.8%	3.8%	3.6%	4.3%	4.2%	4.2%	3.78%
▶ Germany	3.8%	2.3%	1.65%	2.7%	2.8%	2.75%	2.15%

# Successful cost reduction program continues

Cost reduction, in EUR mn<sup>1</sup>



## Additional Savings Levers:

- ▶ Cost reduction roadmap defined for 2016 and beyond
- ▶ up to 500 employees to be transferred to WACKER between 2014 and 2019 (~200 already transferred by the end of 2015)
- ▶ Investing in automation in Germany
- ▶ Investing in new crystal pullers to improve yields and capabilities
- ▶ Poly cost optimization ongoing
- ▶ Further productivity increases through various initiatives

<sup>1</sup> Based on the prior year cost basis to current year volumes and adjustments to certain current year costs to reflect prior year contractual and economic parameters (e.g. prior year unit labor cost)

# Siltronic Outlook 2016 as per April

<b>EBITDA margin</b>	slight improvement
<b>ROCE</b>	in the mid single-digit percentage range
<b>Free Cash Flow</b>	clearly positive, but below 2015
<b>Sales</b>	year-on-year decrease in the low to medium single-digit percentage range
<b>R&amp;D</b>	unchanged at approx. 7% of sales
<b>Cost Position</b>	potential savings of around EUR 30-35 mn
<b>Hedging Losses</b>	substantially lower at around EUR 10-15 mn
<b>Depreciation</b>	slight reduction
<b>Tax</b>	roughly EUR 10 mn
<b>Financial Result</b>	roughly EUR 10 mn
<b>Earnings per Share</b>	presumably slightly positive
<b>CapEx</b>	around EUR 80 mn

# Contact and Additional Information

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ISIN:	DE000WAF3001
WKN:	WAF300
Deutsche Börse:	WAF
Listing:	Frankfurt Stock Exchange Prime Standard

## Financial Calendar

Annual Shareholder Meeting:	May 12, 2016
Q2 2016 Results:	July 28, 2016
Q3 2016 Results	October 27, 2016



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