



Siltronic – a leading producer of silicon wafers

Q3/2016 Results

Highlights Q3/2016: Financials

Sales

Sales of 237.0mn EUR (Q2/2016: 229.6mn EUR)
Growth of 3%

EBITDA

36.9mn EUR (Q2/2016: 35.1mn EUR),
Without negative FX effects* EBITDA would have been 43.9mn EUR

Margin

EBITDA margin of 15.6% (Q2/2016: 15.3%)
Without negative FX effects* EBITDA margin would have been 18.5%

EBIT

6.7mn EUR (Q2/2016: 6.0mn EUR)

CapEx

22.1mn EUR (Q2/2016: 22.4mn EUR)

Free Cash Flow

15.7mn EUR (Q2/2016: 0.1mn EUR)
payments for CapEx 25.3mn EUR in Q3/2016

Net Cash

165mn EUR (June 30, 2016: 150.9mn EUR)

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

Market Update

GDP

- ▶ GDP growth in China was stable at 6.7% y-o-y in Q2/2016
- ▶ U.S. economy slowed down with 1.3% y-o-y in Q2'16
- ▶ Eurozone GDP growth in Q2/2016 was at 1.6% y-o-y

Silicon market

- ▶ Wafer market in Q3/2016 was slightly up q-o-q and showed a positive development y-o-y
- ▶ 300mm market was flat versus Q2/2016 and showed a solid growth y-o-y
- ▶ Silicon wafer area demand to grow 3.8% in 2016 (June forecast 1.3%)

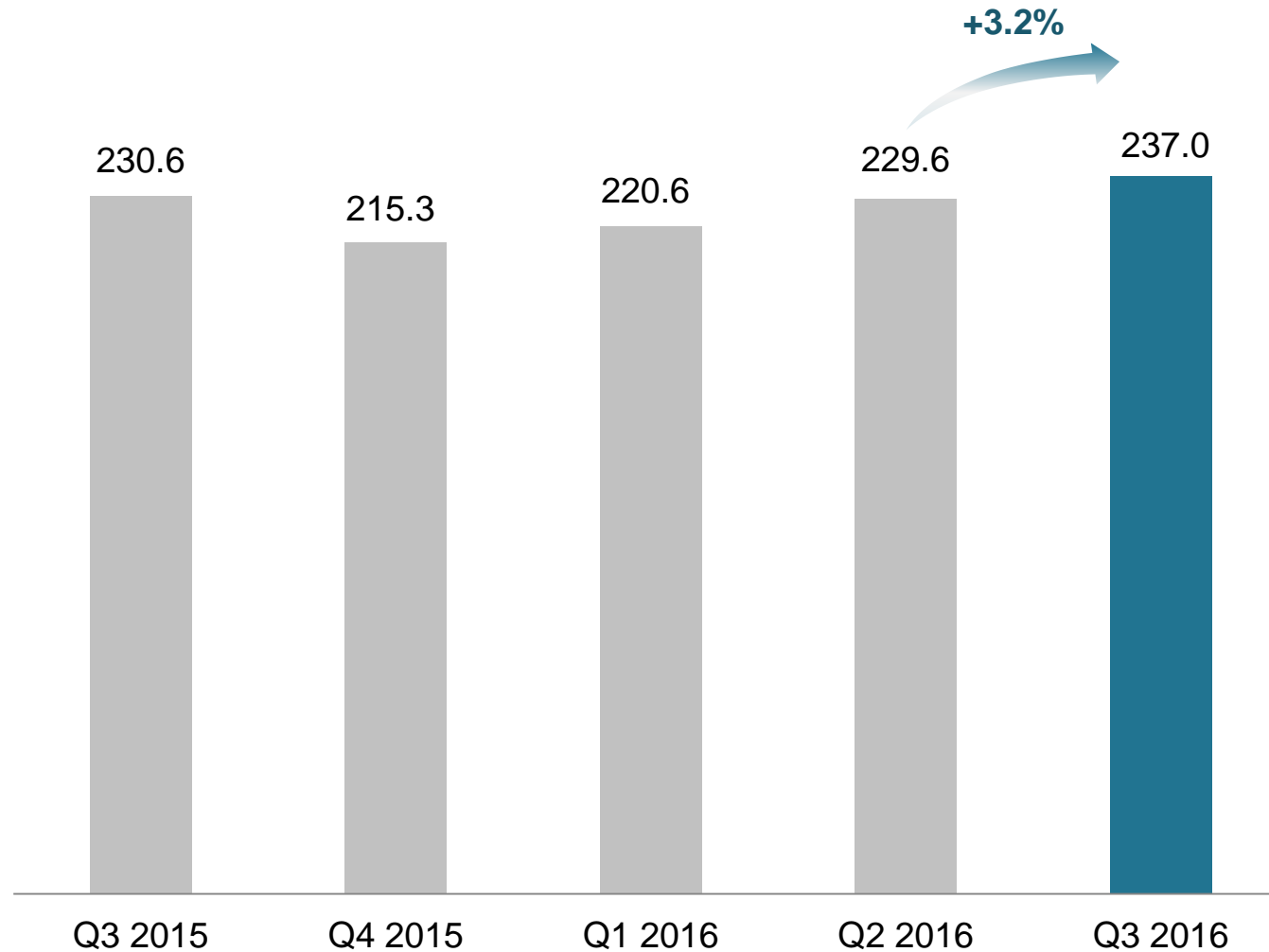
NAND flash evolution

- ▶ Need for data storage continues to grow fast with more storage on NAND flash
- ▶ New NAND technology helps to grow bit density and reduce cost per bit. This opens up new applications adding to bit demand: As a result wafer demand for NAND continues to grow.
- ▶ 300mm NAND silicon market forecast to grow with a CAGR of 7% between 2016 and 2019

Source: Moody's Economy.com (October 2016); SEMI up to September 2016; IHS Markit Technology Semiconductor Silicon Demand Forecast Tool Q4 16

Sales development driven by sequentially higher wafer volumes

Sales, in EUR mn

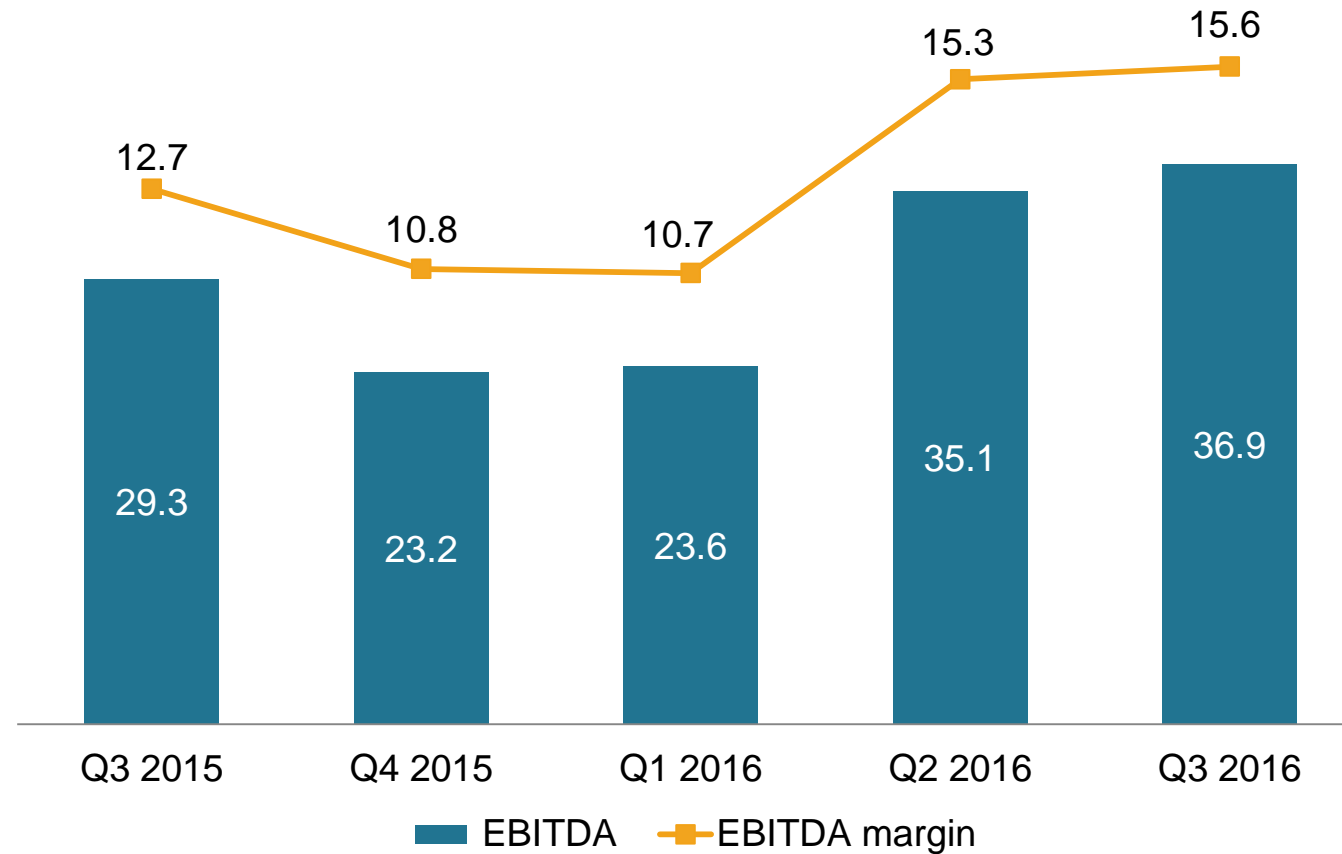


Comments

- ▶ Positive
 - ▶ Volume growth q-o-q and y-o-y
 - ▶ stable ASP Q3 vs. Q2
 - ▶ Some tailwind from strong JPY
 - ▶ Prices expected to stay stable in Q4
- ▶ Negative
 - ▶ ASP y-o-y down

EBITDA increased

EBITDA, in EUR mn



Comments

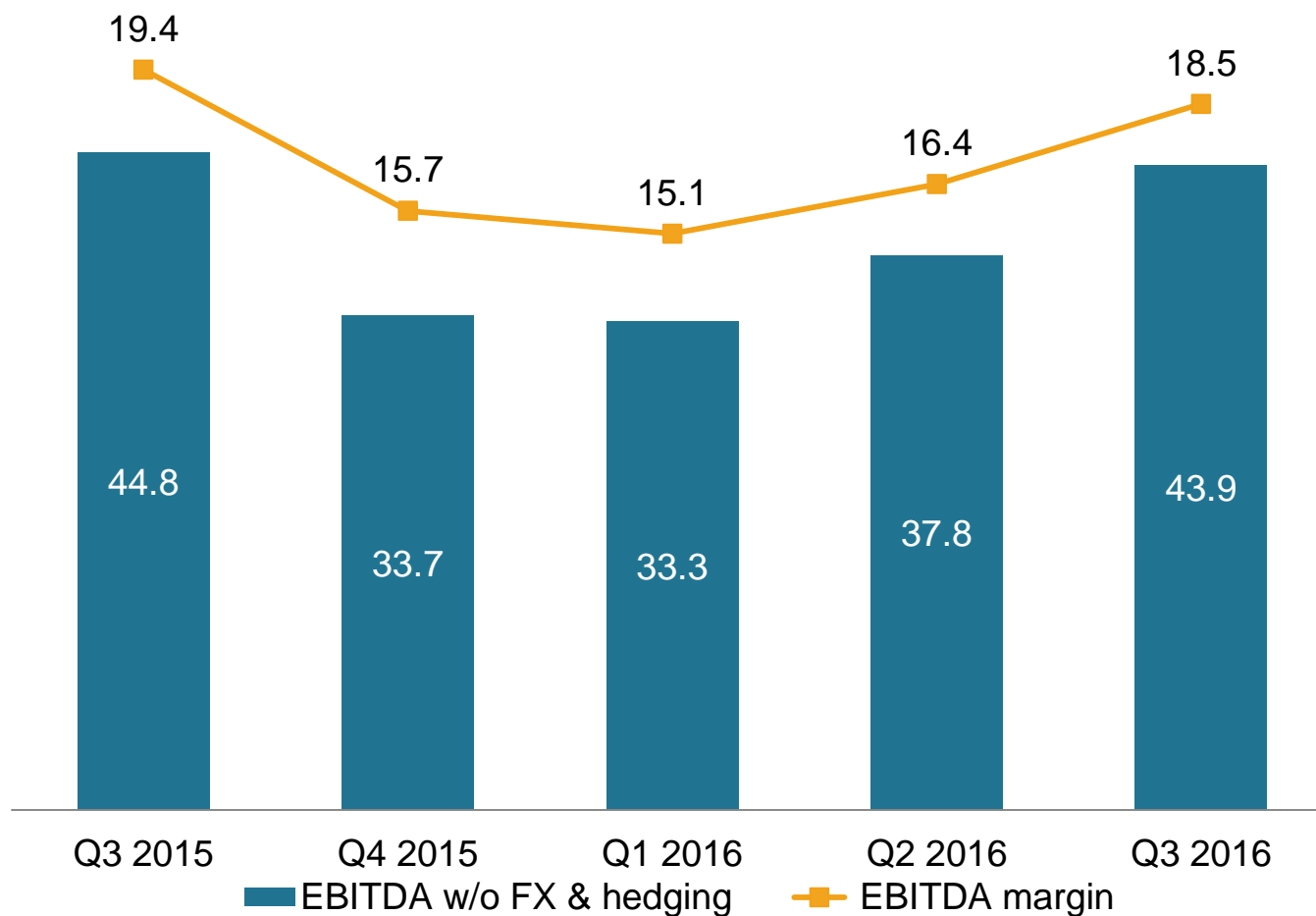
▶ Positive

- ▶ Volume growth q-o-q
- ▶ ASP Q3 flat q-o-q
- ▶ Hedging losses* for 9-month period decreased by 15.8mn EUR to -19.4mn EUR y-o-y
- ▶ Cost reduction on track

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

EBITDA excluding FX effects 18.5% in Q3/2016

EBITDA excl. FX effects*, in EUR mn



Comments

- ▶ FX effects due to hedging
 - ▶ Q3/2016: EUR -7.0mn
 - ▶ Q2/2016: EUR -2.7mn
 - ▶ Q1/2016: EUR -9.7mn
 - ▶ Q3/2015: EUR -15.5mn
- ▶ Positive effects of strong JPY on sales and gross profit outweigh negative effects on other operating income and expense

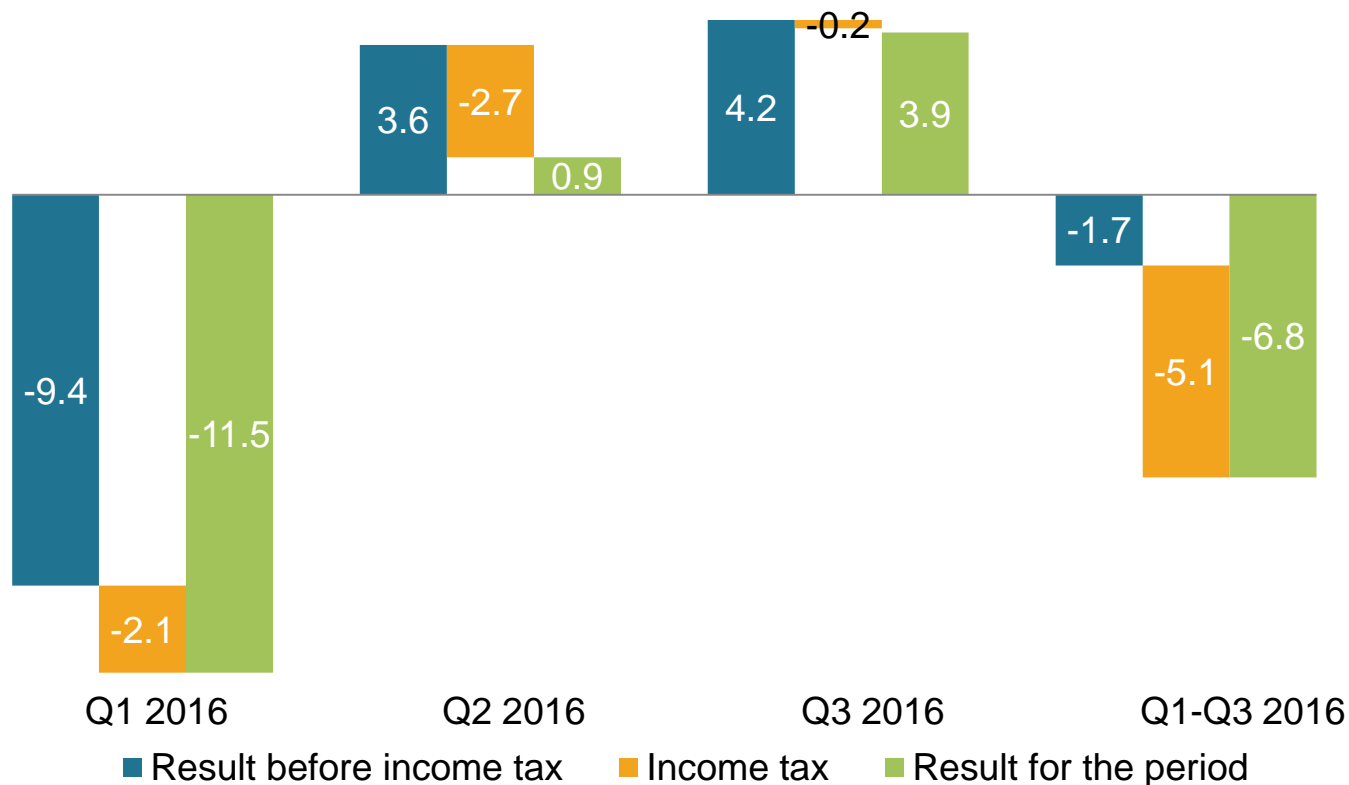
*Other operating income and expenses influenced by FX effects, mainly due to hedging

Positive development of net result

Result and income tax, in EUR mn

Comments

- ▶ net profit of EUR 3.9mn in Q3
- ▶ income tax dropped significantly in Q3 due to tax credits
- ▶ in Q4 current tax expense will be back to a normal level



Equity ratio of 29% and strong net cash position of EUR 165mn

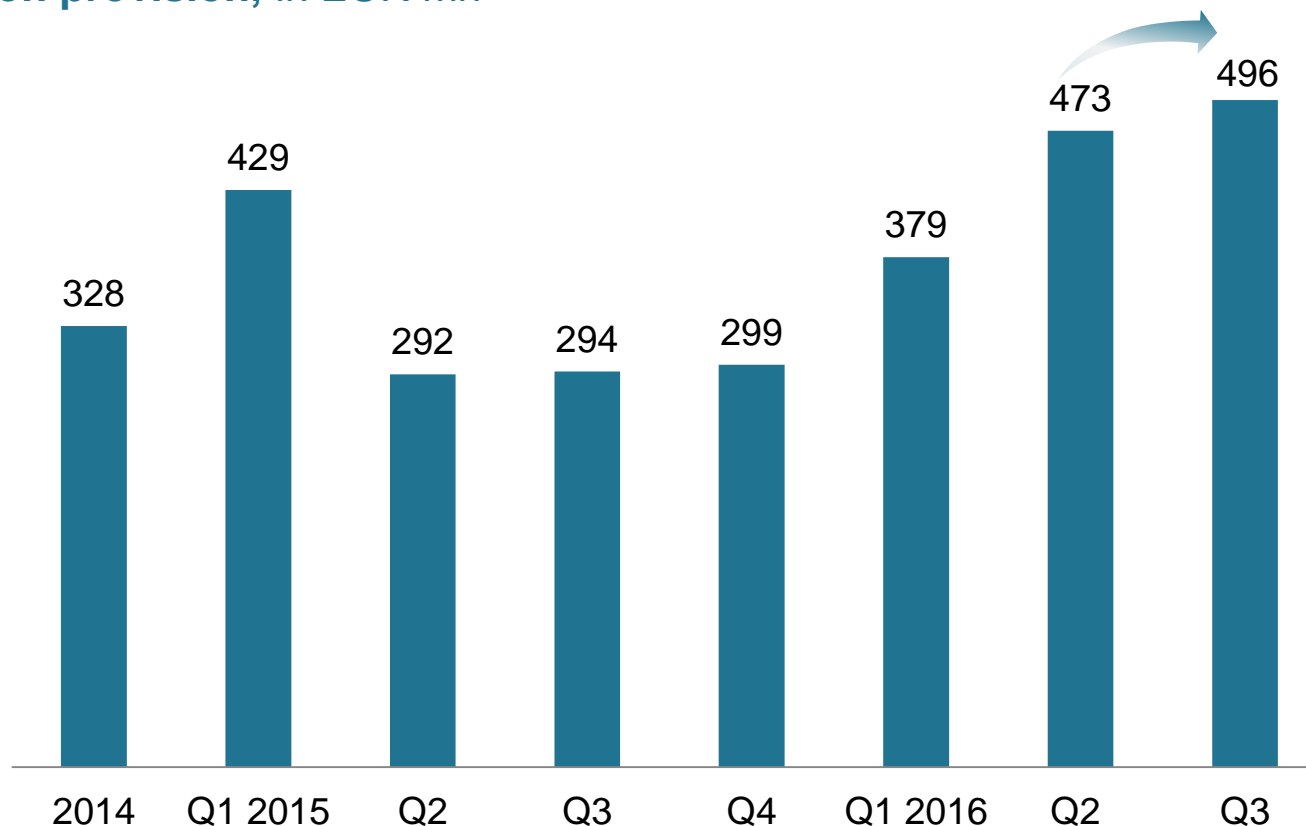
Balance sheet, in EUR mn

Assets	Sep 30, 2016	Dec 31, 2015	Comments Sep 30, 2016
Non-current	557.3	579.1	
PP&E	524.0	542.9	
Other fixed	33.3	36.2	27 intangible (related to SSW)
Current	474.2	461.7	
Inventories	138.4	142.7	
Trade receivables	112.8	100.4	
Other current	18.0	24.1	1 hedging
Cash and fixed term deposits	205.0	194.5	
Total	1,031.5	1,040.8	

Equity and liabilities	Sep 30, 2016	Dec 31, 2015	Comments Sep 30, 2016
Equity	297.0	497.3	
Siltronic	290.4	500.5	
Other shareholders	-6.6	-3.2	Samsung's 22% in SSW
Liabilities	734.5	543.5	
Pension provision	495.6	299.4	Germany and US
Other provisions	47.5	41.6	41 personnel related (e.g. early retirement)
Financial debt	40.0	38.6	Samsung
Trade liabilities	72.8	72.1	
Other	78.6	91.8	32 prepayments 26 employee related 14 hedging
Total	1,031.5	1,040.8	

Pension provision increased due to lower interest rates

Pension provision, in EUR mn



Comments

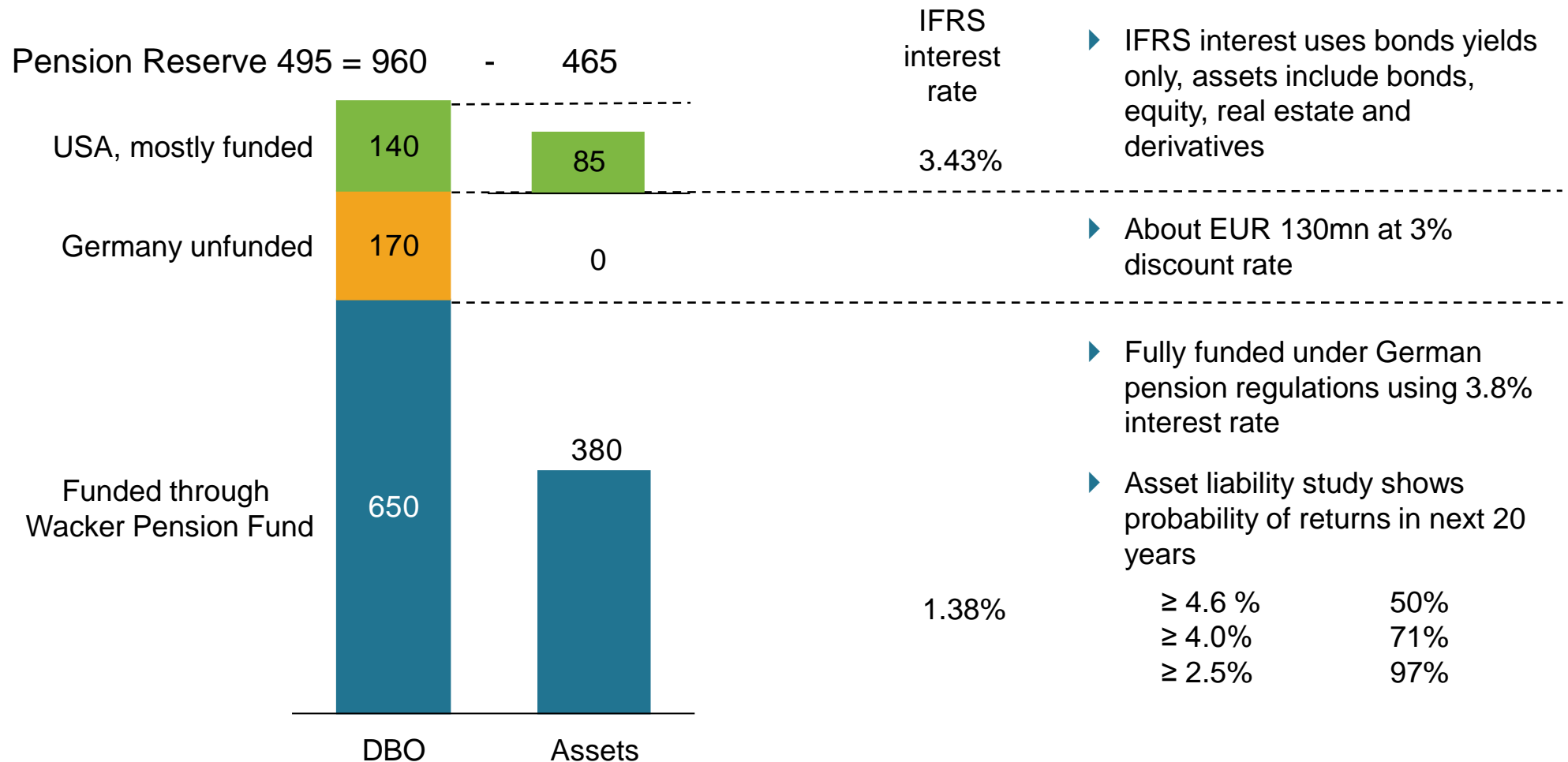
- ▶ Changes in interest rates influence evaluation of pension provision
- ▶ Change in interest rates directly reflected in equity (OCI)
- ▶ Additional payments into pension scheme of 10-15mn EUR expected in 2016 or 2017 due to low interest rates
- ▶ Will have an impact on cash flow, not on financial result

interest rates IFRS

▶ USA	3.8%	3.6%	4.3%	4.2%	4.2%	3.78%	3.47%	3.43%
▶ Germany	2.3%	1.65%	2.7%	2.8%	2.75%	2.15%	1.6%	1.38%

Historically low discount rates inflate DBO; expected asset returns significantly higher

DBO and pension reserve as of Sept 30, 2016, in EUR mn



Payments for CapEx above average in 2016

Cash flow, in EUR mn

	Q3/ 2016	Q2/ 2016	Q1/ 2016	Q3/ 2015
Cash flow from operating activities	41.0	19.1	28.8	25.5
<i>thereof repayment of prepayments</i>	-4.6	-5.1	-5.0	-4.6
Payments for CapEx	-25.3	-19.0	-33.5	-24.3
Free cash flow	15.7	0.1	-6.7	1.2

Comments

- ▶ CapEx for investments in state-of-the-art crystal pullers and further automation of production sites
- ▶ Payments in Q1 partly relate to CapEx in 2015
- ▶ Cash payments for CapEx 13mn EUR higher than CapEx y-t-d
- ▶ CapEx for 2016 will be around EUR 85mn to EUR 90mn, also due to projects proceeding faster than anticipated

Siltronic Outlook 2016 as per October

EBITDA margin	slight improvement
ROCE	in the low to mid single-digit percentage range
Free Cash Flow	clearly positive, but below 2015
Sales	year-on-year decrease in the low single-digit percentage range; strong JPY helps (update)
R&D	unchanged at approx. 7% of sales
Cost Position	potential savings of around EUR 30-35mn
Hedging Losses	substant. lower around EUR 10-15mn; if EUR/JPY=115, losses of c. EUR 20-25mn
Depreciation	slight reduction
Tax	roughly EUR 10mn
Financial Result	roughly EUR 10mn
Earnings per Share	presumably slightly positive
CapEx	around EUR 85mn to EUR 90mn (update)

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

Financial Calendar

Annual Report 2016	March 14, 2017
Q1 2017 Results	April 27, 2017
Q2 2017 Results	July 28, 2017
Q3 2017 Results	October 26, 2017



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