

Siltronic AG Q1/2018 Results

April 25, 2018



MARKET UPDATE

Highlights Q1/2018: Financials

Sales	327.4m (Q4/2017: EUR 328.1m)
EBITDA	EUR 122.3m (Q4/2017: EUR 120.9m)
EBITDA margin	37.4 % (Q4/2017: 36.8%)
EBIT	EUR 96.6m (Q4/2017: EUR 91.1m)
ROCE	49.3% (Q4/2017: 48.8%)
CapEx	EUR 33.4m (Q4/2017: EUR 61.4m)
Net Cash Flow	EUR 112.4m (Q4/2017: EUR -4.5m)
Net Financial Assets	EUR 490.8m (December 31, 2017: EUR 342.1m)

Market highlights Q1/2018

Semiconductors

- ▶ Semi units up 8.5% y-o-y (3MMA)

Silicon wafer demand

- ▶ Wafer market in Q1 2018 was above ~6.6 bn cm²/mo, 3.6% over Q4 2017 average and 7.9% up y-o-y

Price increases

- ▶ Price increases for wafers continue in 2018

Competition

- ▶ Wafer suppliers continue to report strong demand for all diameters

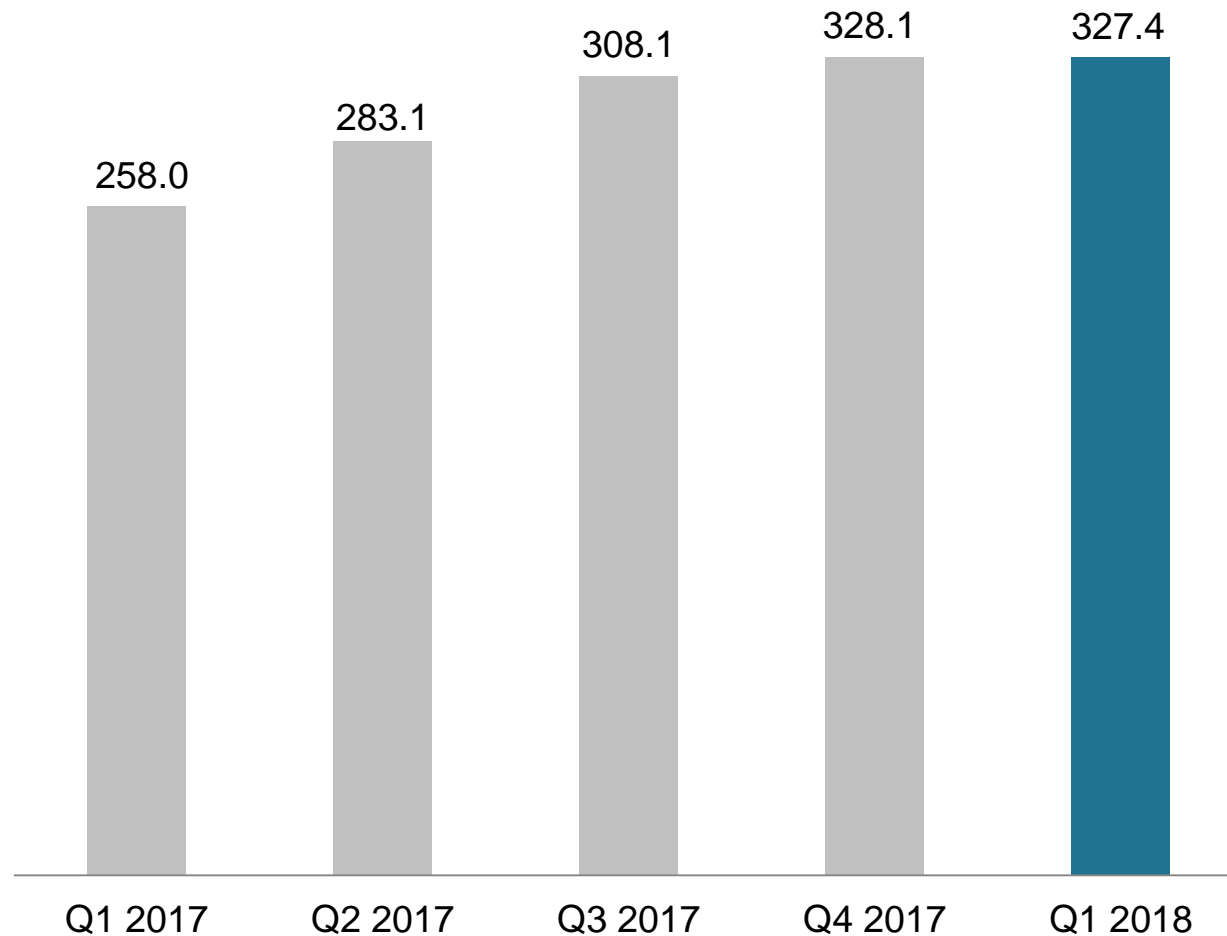
Source: WSTS up to February 2018



FINANCIALS Q1/2018

Q1 sales on high Q4 level despite headwind from USD

Sales, in EUR million



Comments

▶ Positive

- ▶ Sales volume on very high level relatively stable q-o-q
- ▶ Significant ASP increase y-o-y
- ▶ Slight ASP increase q-o-q
- ▶ Further ASP increases in 2018

▶ Negative

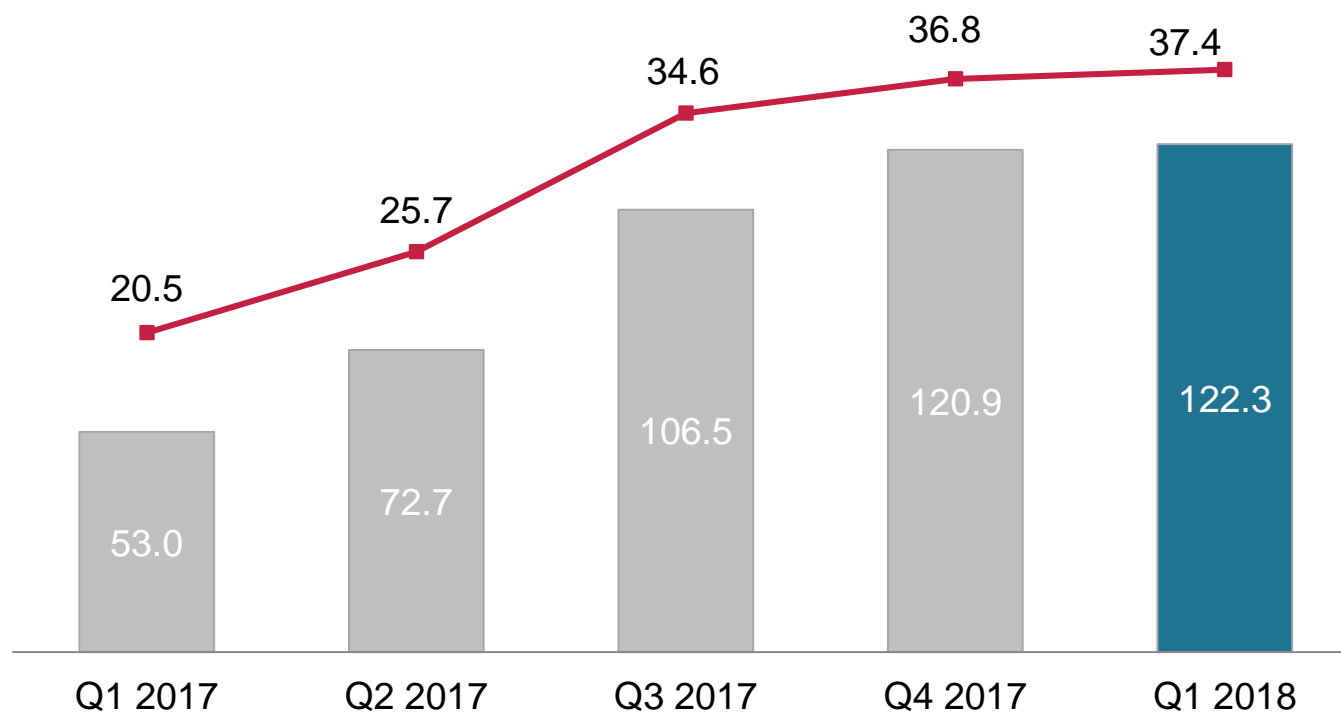
- ▶ Headwind from USD

EBITDA and EBITDA-margin also on high Q4 level

EBITDA margin in %; EBITDA in EUR million

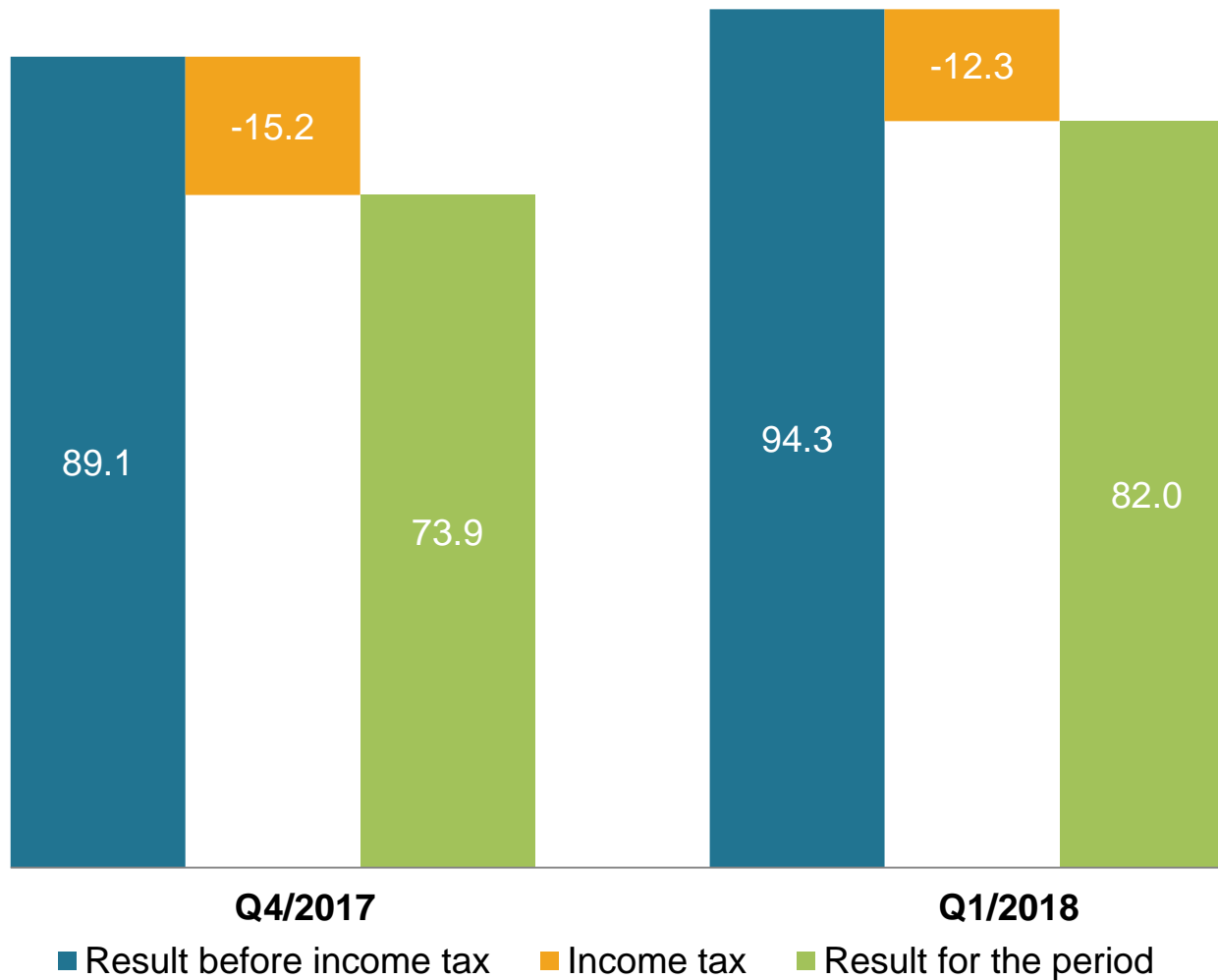
Comments

- ▶ Positive
 - ▶ Significantly higher ASP y-o-y
 - ▶ Further price increases q-o-q
 - ▶ Cost of sales per wafer area slightly decreased
- ▶ Negative
 - ▶ Headwind from USD



Net profit increased further

Result and income tax, in EUR million



Comments

- ▶ Net profit of EUR 82.0m in Q1/2018
- ▶ Main reason: lower depreciation
- ▶ EUR 18.7m expenses for effective taxes in Q1/2018
- ▶ EUR 6.4m income from deferred tax assets (one-time effect in Q1)

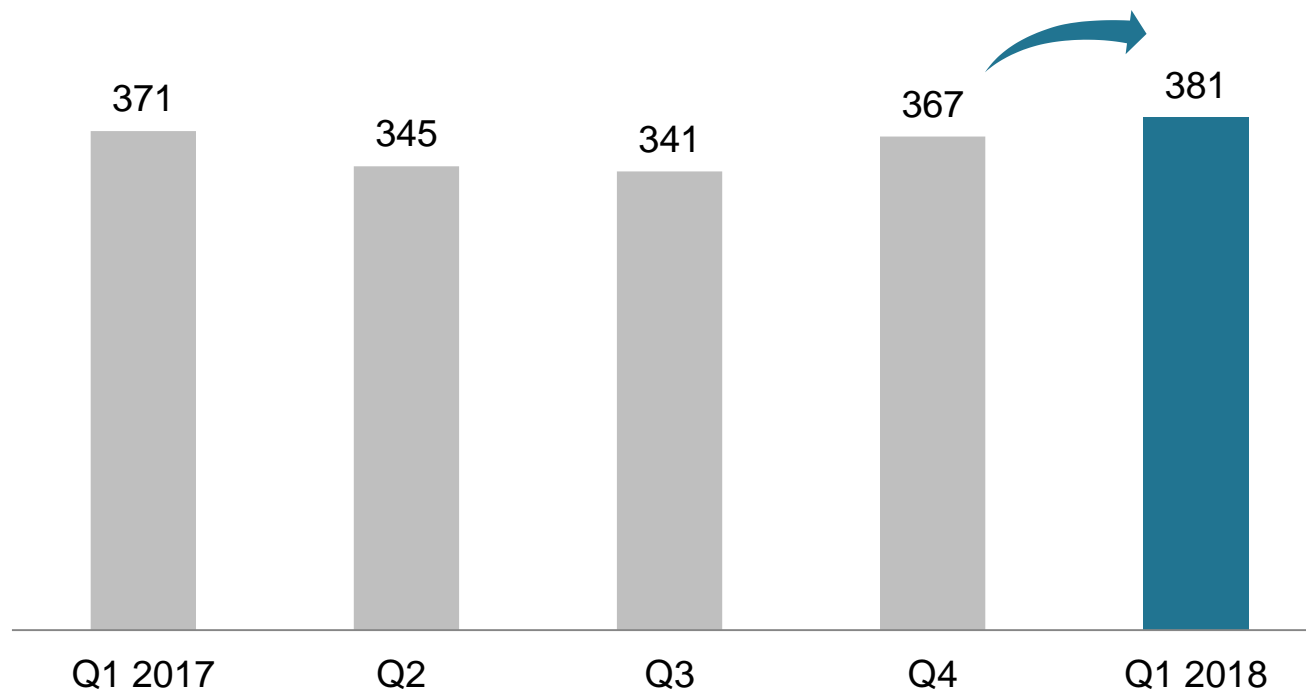
Equity further improved, stable equity ratio of ~50%

Balance sheet, in EUR million

Assets	Mar 31, 2018	Dec 31, 2017	Comments Mar 31, 2018	Equity and liabilities	Mar 31, 2018	Dec 31, 2017	Comments Mar 31, 2018
Non-current	554.4	546.6		Equity	707.1	637.9	
PP&E	518.2	513.3		Siltronic	703.1	637.3	
Other fixed	36.2	33.3	22 intangibles (related to SSW) 2 hedging	Other shareholders	4.0	0.6	Samsung's 22% in SSW
Current	861.4	705.8		Liabilities	708.7	614.5	
Inventories and contract assets	156.4	149.9		Pension provision	380.7	367.2	Germany and US
Trade receivables	172.5	159.9		Other provisions	72.2	54.6	45 personnel related (e.g. early retirement)
Other current	41.7	53.9	18 hedging	Trade liabilities	83.5	67.1	
Cash and fixed term deposits	490.8	342.1		Customer prepayments	106.6	69.8	
				Other	65.7	55.8	55 employee-related 3 hedging
Total	1,415.8	1,252.4		Total	1,415.8	1,252.4	

Fluctuations in pension provision due to interest rate movements

Pension provision, in EUR million



Comments

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

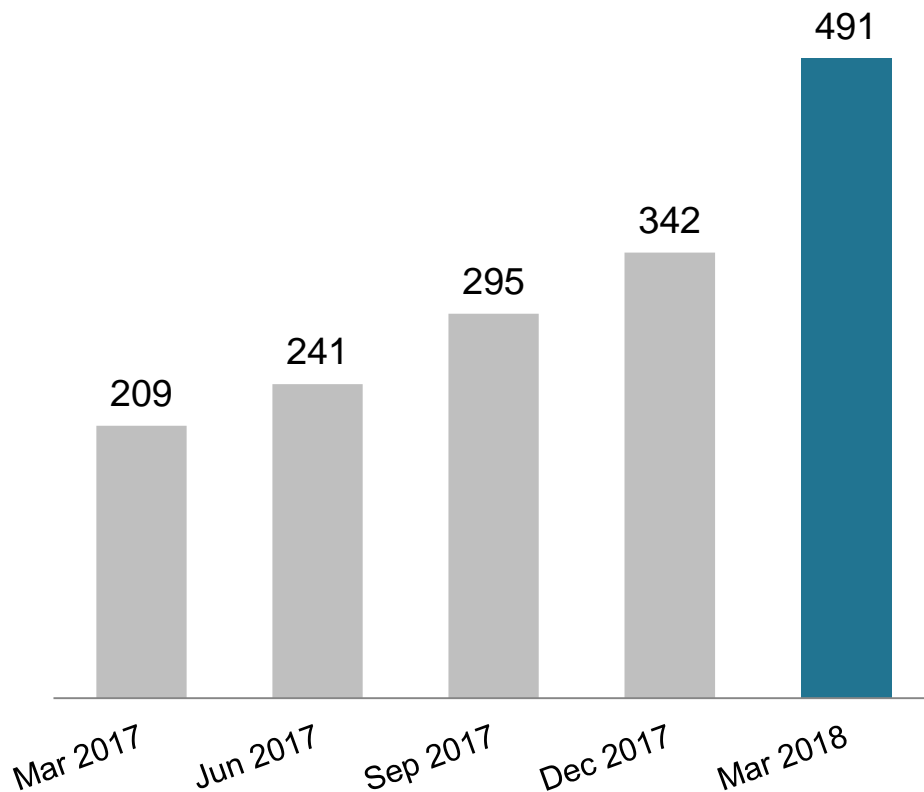
interest rates IFRS

▶ USA	3.90%	3.65%	3.61%	3.45%	3.81%
▶ Germany	2.07%	2.19%	2.21%	2.10%	2.02%

Net financial assets on an all-time high in Q1 2018

Dividend payment of EUR 75m in April 2018

Net financial assets, in EUR million

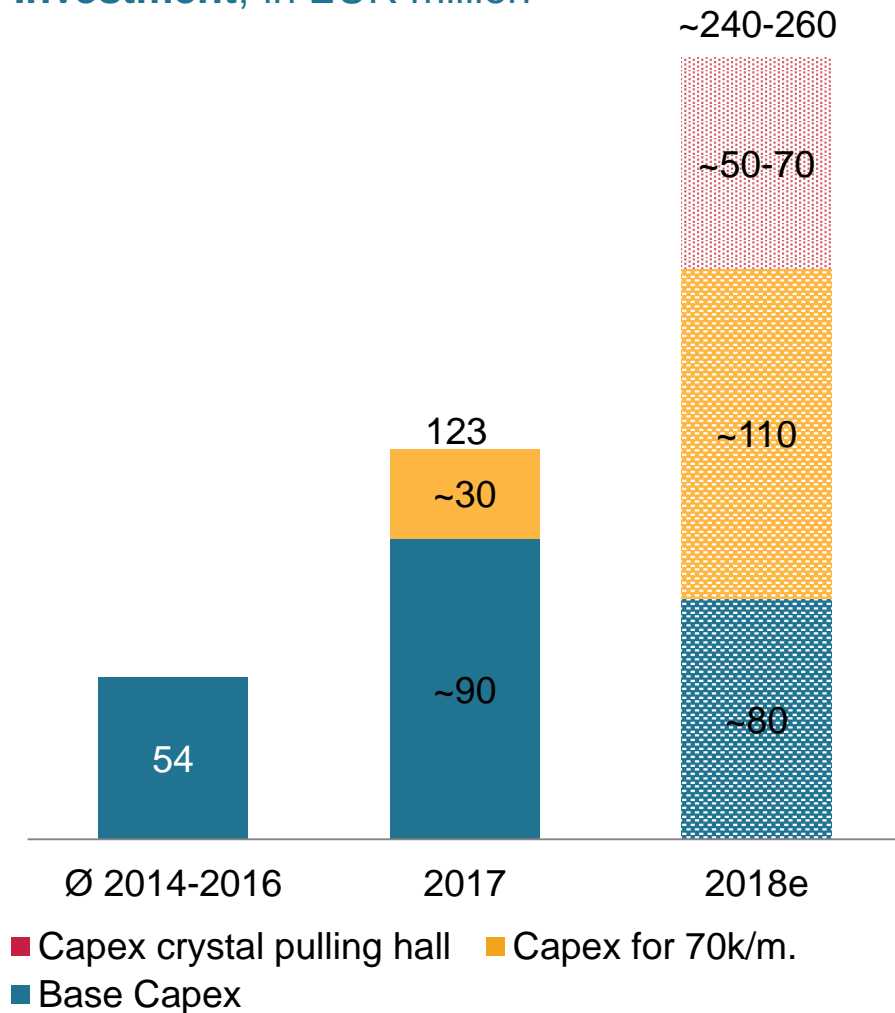


First dividend payment since IPO in 2015

- ▶ Successful financial year 2017 leads to first dividend payment since IPO
- ▶ Dividend of EUR 2.50 per share approved by the Annual General Meeting on April 19, 2018

Capex 2018: EUR 240m to EUR 260m

Investment, in EUR million



Comments

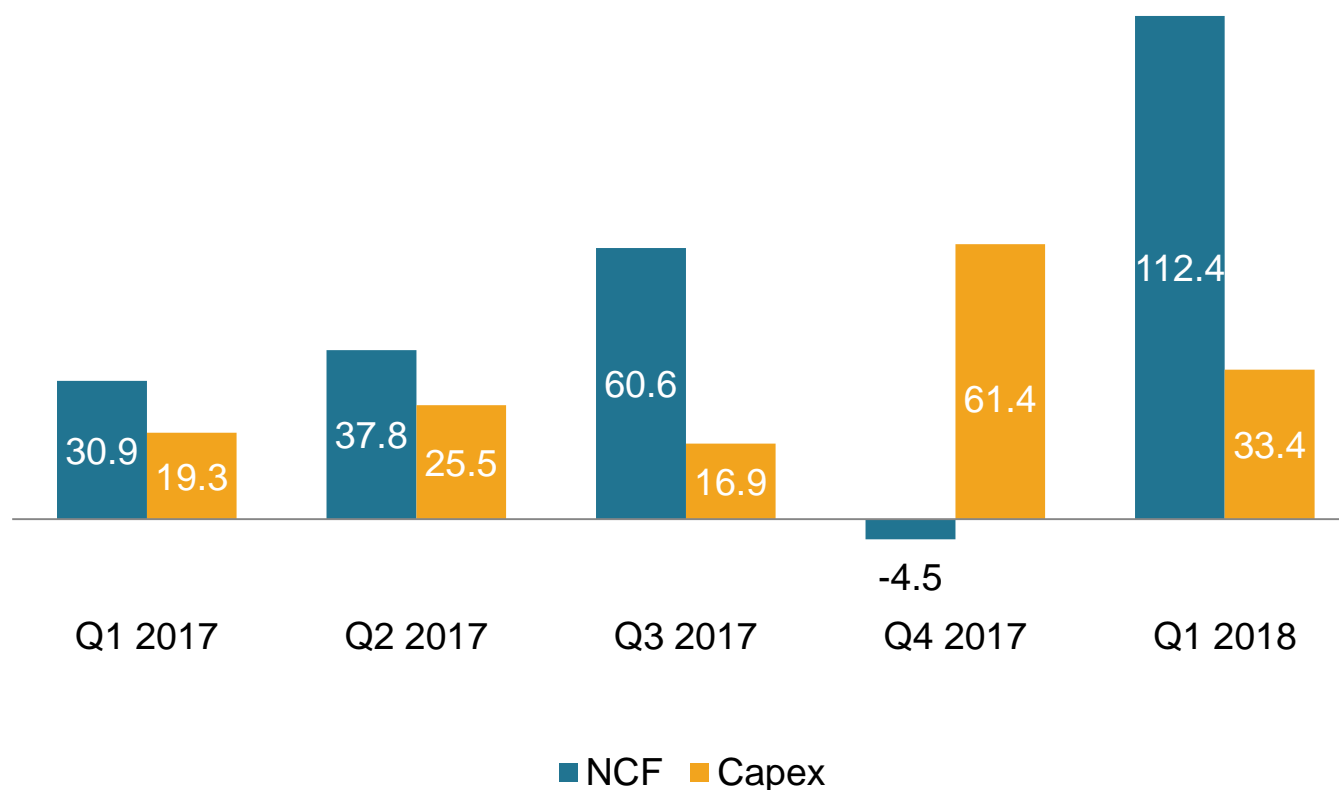
- ▶ Capex of EUR ~140m for 70k wafers/month over 2 years
- ▶ Capex in 2018 includes new crystal pulling hall in Singapore to create sufficient crystal pulling capacity to further expand wafer capacity in 2020
- ▶ Due to long lead-times additional crystal pullers already ordered
- ▶ Capex base level to sustain business:
 - ▶ MOB (maintenance of business)
 - ▶ Capabilities
 - ▶ Cost reductions
 - ▶ Automation

Increasing net cash flow generation boosted by net profit

Capex and NCF, in EUR million

Comments

- ▶ Net cash flow of EUR 112.4m as a result of improved net profit
- ▶ Customer prepayments of EUR ~41m received in Q1 2018
- ▶ Further prepayments expected during the year





OUTLOOK

Siltronic Outlook for 2018 (as of March 5, 2018) confirmed

EBITDA margin	close to 40%
ROCE	clearly higher than in 2017
Net cash flow	clearly higher than in 2017
Sales	clearly above EUR 1.3bn, depending on FX effects
R&D	approx. 5% of sales
Cost position	negative effect on savings potential due to tariff increases and inflation
FX effects	assuming an EUR/USD exchange rate of 1.25 and an EUR/JPY exchange rate of 135 negative FX impact of approx. EUR 100m on sales and approx. EUR 60m on EBITDA
Depreciation	approx. EUR 90m
Tax rate	between 15% and 20%
Financial result	relatively stable
CapEx	approx. between EUR 240m and EUR 260m
Earnings per share	significantly higher than in 2017

Contact and Additional Information

Issuer and Contact

Siltronic AG
Hanns-Seidel-Platz 4
D-81737 München

Investor Relations:

Petra Mueller
email: petra.mueller@siltronic.com
Tel. +49 89 8564-3133

Additional Information

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

Financial Calendar

Q2 2018 Results	July 25, 2018
Q3 2018 Results	October 25, 2018



Disclaimer

The information contained in this presentation is for background purposes only and is subject to amendment, revision and updating. Certain statements contained in this presentation may be statements of future expectations, future financial performance and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. In addition to statements which are forward-looking by reason of context, including without limitation, statements referring to risk limitations, operational profitability, financial strength, performance targets, profitable growth opportunities and risk adequate pricing, words such as "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "continue", "projects" or "seeks", "potential", "future", or "further" and similar expressions may identify forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changing business or other market conditions, currency and interest fluctuations, introduction of competitive products, poor acceptance of new products and services, change of the corporate strategy and the prospects for growth anticipated by the management. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Siltronic AG does not undertake and does not intend to undertake any obligation to update or revise any statements contained in this presentation, whether as a result of new information, future events or otherwise. In particular, you should not place any reliance on forward-looking statements which speak only as of the date of this presentation.

SILTRONIC AG |

Hanns-Seidel-Platz 4
81737 Munich
Germany