



Press release

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Siltronic sales and earnings in 2019 in line with expectations

- **As expected, preliminary sales of EUR 1,270 million in 2019 are significantly lower than in 2018 (EUR 1,456.7 million)**
- **Preliminary EBITDA fell to EUR 409 million and the EBITDA margin to a good 32 percent (2018: EUR 589.3 million; 40.5 percent)**
- **Preliminary EBIT of around EUR 298 million also significantly below the previous year (2018: EUR 497.7 million), as expected**
- **Second-best year in Siltronic's history**

Munich, Germany, January 29, 2020 - Siltronic AG, one of the world's leading manufacturers of hyperpure silicon wafers, reported a noticeable decline in sales and earnings in 2019. While 2018 was a record year in terms of earnings, 2019 has once again shown how quickly the market environment can change. Due to high demand, sales volumes in the fourth quarter of 2018 were still at a record level. At the turn of 2018/19, the environment deteriorated significantly. Negative factors such as the trade dispute between the USA and China put a burden on consumer climate and economic growth in many regions. Many customers massively slowed down their wafer starts at the beginning of 2019, causing the demand for wafers to drop by a double-digit percentage. Similarly, Siltronic AG's sales declined by about 13 percent. Due to poorer utilization of production lines and significantly higher energy costs in Germany, the EBITDA margin also declined to about 32 percent.

Despite this decline in sales and earnings, Siltronic AG is reporting 2019 as the second-best year in its history.

Average selling prices at the beginning of the year were still higher than in 2018, but then fell slightly in the second half of the year. Due to the strong US dollar, sales prices translated into euros were slightly higher on average in 2019 than in 2018. The decline in sales resulted mainly from lower volumes. The decline in demand affected all wafer sizes, but was more moderate at 300 mm than at 200 mm. The small diameters were most affected. Demand from the logic and foundry business remained good at 300 mm. Despite initial positive news in the first weeks of 2020, a revival of demand from the memory sector is not expected in the short term due to high customer inventories.

According to preliminary and unaudited figures, revenue in 2019 amounted to approximately EUR 1,270 million, significantly below the previous year (2018: EUR 1,456.7 million). EBITDA reached EUR 409 million and was thus around 31 percent below the previous year (2018: EUR 589.3 million). The EBITDA margin reached a solid 32 percent (2018: 40.5 percent).

At around EUR 298 million, preliminary earnings before interest and taxes (EBIT) were down significantly on the previous year (2018: EUR 497.7 million). The EBIT margin for 2019 is around 24 percent compared to 34.2 percent in 2018.

Due to the burden of special factors such as the discontinuation of the EEG hardship regulation (increase in energy costs of around EUR 20 million), a slight increase in costs was recorded - despite ongoing and effective savings programmes.

In 2019, Siltronic invested around EUR 360 million in property, plant and equipment and intangible assets. In addition to the base investments of around EUR 90 million, this includes expenditure for the new ingot pulling hall in Singapore. Furthermore, the good financial situation of recent years was used to make important investments in automation, digitization and capabilities. This will secure and further expand Siltronic's position as one of the technology leaders.

As a result of the increased investments, the preliminary net cash flow for 2019, at around EUR 81 million, was significantly lower than in 2018 (EUR 240.4 million), but exceeded expectations.

Despite the positive net cash flow, preliminary net financial assets declined to EUR 589 million (2018: EUR 691.3 million) due to the high dividend payment and the return of customer prepayments.

"2019 was a challenging and exciting year. Since we have little influence on the demand for our wafers, our focus has been and continues to be on our technological performance, increasing our productivity and optimizing processes through digitization," said Dr. Christoph von Plotho, CEO of Siltronic AG.

Sales development in the fourth quarter of 2019

Preliminary sales of around 304 million euros in the fourth quarter of 2019 were slightly above expectations, due in part to increased sales of wafers to customers who could not be served at times of full capacity utilization. The average selling price declined slightly in the fourth quarter.

Siltronic achieved a preliminary EBITDA of around EUR 90 million in the fourth quarter of 2019. EBITDA for the third quarter of 2019 was EUR 91.5 million. The preliminary EBITDA margin from October to December 2019 reached about 30 percent (Q3 2019: 30.5 percent).

Macroeconomic and political uncertainties continue to influence developments in 2020

Possible negative factors for 2020 continue to include geopolitical and global economic developments such as the trade dispute between the USA and China, which has not yet been fully resolved, and tensions in the Middle East. Currently, it is difficult to predict the effects due to the outbreak of the corona virus. At the micro level, customers' high inventory levels will have a negative impact on the development of demand in 2020. In some segments, such as logic, market observers and customers

report improved demand for semiconductors. A recovery in demand from the memory sector could be longer to come due to still high inventories of raw wafers.

Against this backdrop, the company assumes that the 2020 financial year will see a slow start.

Siltronic AG – preliminary financial figures 2019¹⁾

in EUR million	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2019	2018
Sales	304	299.8	311.8	354.4	388.1	1,270	1,456.7
EBITDA	90	91.5	100.0	127.2	160.8	409	589.3
EBITDA margin	30%	30.5%	32.1%	35.9%	41.4%	32%	40.5%
EBIT	57	63.6	74.6	103.4	138.9	298	497.7
EBITmargin	19%	21.2%	23.9%	29.2%	35.8%	24%	34.2%
Capex in property, plant and equipment and intangible assets	94	88.6	105.1	72.8	115.5	360	256.9
Net cash flow	9	-8.8	0.4	80.8	-32.2	81	240.4

in EUR million	Dec. 31, 2019	Dec 31, 2018
Net financial assets	589	691,3

1) The results in this document for Q4 2019 and Full Year 2019 are preliminary and have not yet been approved by the Supervisory Board or audited by an external auditor. All preliminary figures have been rounded to the nearest million.

Upcoming dates

A comprehensive reporting with detailed disclosures will be provided on March 9, 2020 when the final results for 2019 will be published. The Executive Board of Siltronic AG will conduct a conference call with analysts and investors (in English only) on that day at 10:00 am (CET). This call will be streamed via Internet. The audio webcast will be available live as well as on demand on Siltronic's website.

March 9, 2020	Annual Report 2019
April 23, 2020	Annual General Meeting
April 28, 2020	Q1 2020 quarterly statement
July 30, 2020	Q2 2020 Interim Report
October 29, 2020	Q3 2020 quarterly statement

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Company profile:

Siltronic is one of the world's largest manufacturers of hyperpure silicon wafers and partner to many leading semiconductor companies. The company operates production sites in Asia, Europe and the USA. Siltronic develops and manufactures silicon wafers in diameters of up to 300 mm. Silicon wafers form the basis for modern microelectronics and nanoelectronics and are a key component in semiconductor chips driving computers, smart phones, navigation systems and many other applications. Siltronic AG employs around 4,000 people and has been a stock-listed company in Germany (Prime Standard) since 2015. The Siltronic AG stock is listed on both the MDAX and TecDAX.

Disclaimer

This press release contains forward-looking statements based on assumptions and estimates made by the Executive Board of Siltronic AG. These statements can be identified by wording such as "expect", "want", "anticipate", "intend", "plan", "believe", "strive", "estimate", and "will" or similar terms. Although we assume that the expectations contained in these forward-looking statements are realistic, we cannot guarantee that they will prove to be correct. These assumptions may contain risks and uncertainties that could cause the actual figures to differ considerably from the forward-looking statements. Factors that can cause such discrepancies include changes in the macroeconomic and business environment, changes in exchange rates and interest rates, the introduction of products that compete with our own products, a lack of

acceptance of new products or services, and changes in corporate strategy. Siltronic does not intend to update these forward-looking statements, nor does it assume any responsibility to do so.

This press release includes supplementary financial indicators that either are or may be so-called alternative performance indicators that are not clearly defined in the relevant financial reporting framework. In assessing the financial position and performance of Siltronic, these supplementary financial indicators should not be used in isolation or as an alternative to those presented in the consolidated financial statements and determined in accordance with the relevant financial reporting framework. Other companies that present or report alternative performance indicators with similar names may calculate them differently. Explanations of the key financial figures used are available in the Annual Report of Siltronic AG.

Due to rounding, some of the figures presented in this press release as well as in other reports may not add up exactly to the stated totals and percentages presented may not accurately reflect the absolute values to which they relate.