



Press release

Siltronic AG

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Successful year for Siltronic in 2015

- Preliminary sales rise to **€931 million in 2015 (2014 adjusted: €853 million)**
- Preliminary EBITDA improves to **€124 million (2014 adjusted: €118 million)**
- Preliminary EBIT in positive figures at **€3 million (2014 adjusted: minus €32 million)**
- Preliminary net financial assets of **€156 million (December 31, 2014: net financial debt of €25 million)**

Munich, Germany, February 1, 2016 - Siltronic AG, the world's third-largest manufacturer of hyperpure silicon wafers, had another successful year in 2015. Based on preliminary and unaudited figures, sales increased to €931 million in 2015, up 9 percent year on year (2014 adjusted: €853 million). This significant rise was mostly due to a strong US dollar and higher unit sales.

Preliminary earnings before interest, taxes, depreciation, and amortization (EBITDA) of the TecDAX-listed company amounted to €124 million. EBITDA was 5 percent above the prior-year figure (2014 adjusted: €118 million). The preliminary EBITDA margin was 13 percent (2014 adjusted: 14 percent). Other operating income and expenses are largely influenced by foreign exchange effects, especially due to measures to hedge foreign exchange risks. In 2015, these effects added up to expenses of €46 million. In 2014, it was an income of €7 million. Without this effect,

preliminary EBITDA for 2015 would have been €170 million with an EBITDA margin of 18 percent.

Preliminary earnings before interest and tax (EBIT) were also positive at €3 million (2014 adjusted: minus €32 million).

Ongoing implementation of the cost reduction program, which was launched back in 2010, again had a very positive impact on earnings in 2015. The total savings realized came in at around €45 million.

Siltronic invested €75 million in property, plant and equipment and in other non-current intangible assets in 2015. The largest items included a new crystal pulling plant at the production facility in Freiberg and new crystal pullers in Singapore.

Preliminary free cash flow was significantly positive at €37 million in 2015, compared to €87 million in 2014. Siltronic financed its capex from the operating cash flow, both in 2015 and in 2014.

Due to the IPO in June 2015 and the free cash flow generated, the Company increased its net financial assets to €156 million as of December 31, 2015, compared with net financial debt of €25 million as of December 31, 2014.

"We are pleased that we can look back on another successful year in 2015. Siltronic continued to grow, despite worldwide economic uncertainties and, in the second half of the year, slightly reduced customer orders," says Dr. Christoph von Plotho, President & Chief Executive Officer of Siltronic AG. "We achieved our October forecast to grow in the high single digits. The EBITDA margin came to 13 percent, which was down slightly on the first three quarters of 2015, as we had expected. EBIT was also positive."

Contraction in Q4 2015, as anticipated

Siltronic's sales were relatively high in the first half of 2015. However, they began to soften in the third quarter as customers scaled back their inventories and uncertainty grew about what would happen in the economy going forward, particularly in China. In the final three months of 2015, sales were impacted by reduced customers' orders, combined with the usual seasonal slowdown, lower average selling prices in US dollars, and changes in the product mix. Positive currency effects were not able to fully compensate for these factors. Preliminary sales for the period October to December 2015 therefore amounted to €215 million, down by approximately 4 percent on the strong corresponding prior-year period (Q4 2014: €223 million).

At €23 million, preliminary EBITDA for the fourth quarter of 2015 was down by 41 percent year on year (Q4 2014: €39 million). The EBITDA margin for the period from October to December 2015 was thus 11 percent (Q4 2014: 18 percent). The main reason for this decrease, besides the lower level of sales, were the currency effects included in other operating income and expenses. In the fourth quarter, these added up to expenses of €10 million (Q4 2014: income of €0.2 million).

Muted expectations for the first half of 2016

In view of the macroeconomic forecasts for 2016, slower growth in the smartphone sector, and the current weakness of demand in the computing sector, Siltronic anticipates that business will be moderate in the first half of 2016. In addition to the usual seasonal weakness of the first quarter, customers will continue to be cautious, which means demand for wafers is predicted to be at roughly the same level as in the fourth quarter of 2015. Looking to the second quarter of 2016 and given what customers have said about how they think 2016 will develop, the Company is slightly optimistic that demand will slowly pick up again. Based on past experience, however, updated forecasts are not likely to be made prior to Chinese New Year in early February.

Siltronic believes there will be interesting opportunities, particularly in automotive and industrial applications, and predicts further growth in these areas in the medium term.

The latest market data on semiconductor component sales does not yet allow any conclusions to be drawn about the course of business during 2016 as a whole.

Prices for some product lines with low production capacity utilization came under pressure in the fourth quarter of 2015. Siltronic expects this trend to continue, at least in the first six months of 2016. For products that have high capacity utilization, the Company currently anticipates relatively stable prices. In the Company's view, it is not yet possible to make a prediction for the second half of this year.

Positive impact from cost-cutting program and reduced losses from currency hedging expected in the first half of 2016

Siltronic will continue with its cost-cutting programs and expects savings of around €30 million to €35 million in 2016. These activities will begin to make an impact in the first half of 2016.

The Company anticipates exchange rate losses resulting from currency hedging in 2016 which should predominantly occur in the first quarter. Assuming a US dollar/euro exchange rate of 1.10, these losses should be in the range of €10 million to €15 million.

Siltronic AG – preliminary results for 2015¹⁾

€ million	2015	2014 adjusted ²⁾	Change (%)
Statement of profit and loss	Jan. 1–Dec. 31, 2015	Jan. 1–Dec. 31, 2014	
Sales	931	853	9%
EBITDA	124	118	5%
EBITDA margin	13%	14%	
EBIT	3	-32	
Capital expenditure ³⁾	75	41	83%
Cash flow / statement of financial position	Dec. 31, 2015	Dec. 31, 2014	
Free cash flow	37	87	-57%
Net financial assets	156	-25	

€ million	Q4 2015 Oct. 1–Dec. 31, 2015	Q4 2014 Oct. 1–Dec. 31, 2014	Change (%)
Statement of profit and loss			
Sales	215	223	-4%
EBITDA	23	39	-41%
EBITDA margin	11%	18%	

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

²⁾ The step acquisition of Siltronic Silicon Wafer Pte. Ltd. (SSW) in Singapore on January 24, 2014 resulted in positive consolidation effects that have been recognized in the adjusted figures for 2014. The numbers were adjusted to what they would have been had SSW been acquired prior to January 1, 2014.

³⁾ Excl. capital expenditure on financial assets.

Upcoming dates

A comprehensive report with more detailed disclosures will be provided when the final results for 2015 are published on March 16, 2016.

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Company profile:

Siltronic is the third largest manufacturer of hyperpure silicon wafers worldwide and partner of many leading semiconductor companies. The company has a network of state-of-the-art production sites in Europe, Asia and the USA. Siltronic develops and manufactures silicon wafers in diameters of up to 300mm. Silicon wafers are the basis for modern microelectronics and nanoelectronics. They are key components of e.g. computers, flat-screens, navigation systems, control systems for the automotive industry and many other applications.

Important notice

This press release contains forward-looking statements based on assumptions and estimates of Siltronic's Executive Board. Although we assume the expectations in these forward-looking statements are realistic, we cannot guarantee they will prove to be correct. The assumptions may harbor risks and uncertainties that may cause the actual figures to differ considerably from the forward-looking statements. Factors that may cause such discrepancies include, among other things, changes in the economic and business environment, variations in exchange and interest rates, the introduction of competing products, lack of acceptance for new products or services, and changes in corporate strategy. Siltronic does not plan to update the forward-looking statements, nor does it assume the obligation to do so.