



Press Release

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Siltronic looks back on a very successful fiscal year 2017

- **Preliminary sales of EUR 1,177 million significantly higher than in the previous year (2016: EUR 933.4 million)**
- **Preliminary EBITDA improved sharply to EUR 353 million (2016: EUR 146.0 million)**
- **Preliminary EBIT of EUR 236 million significantly higher year-on-year (2016: EUR 27.0 million)**
- **Ongoing full capacity utilization in 300 mm and 200 mm wafer production**
- **Despite the substantial appreciation of the euro, sales growth in the lower double-digit percentage range expected in 2018**

Munich, Germany, February 1, 2018 - Siltronic AG, one of the world's leading manufacturers of hyper pure silicon wafers, performed extremely well in 2017 and has slightly exceeded its revenue target and profit expectations.

According to the preliminary and unaudited figures, sales of EUR 1,177 million were significantly higher year on year (2016: EUR 933.4 million). EBITDA came in at EUR 353 million, up 142 percent in comparison with the previous year (2016: EUR 146.0 million). The EBITDA margin came in at 30 percent (2016: 15.6 percent). The very favorable market environment enabled the company to increase the

average selling prices for 200 and 300 mm wafers quite significantly. The ASP (average selling price) in US dollar for 300 mm wafers in the fourth quarter of 2017 was around 30 percent higher than in the same period in 2016.

Preliminary earnings before interest and tax (EBIT) of EUR 236 million were notably higher than in the previous year (2016: EUR 27.0 million).

The ongoing execution of the cost reduction programs introduced back in 2010 also positively impacted the result in 2017. The company saved approximately EUR 15 million for the full year 2017.

In 2017, Siltronic invested EUR 123 million in property, plant and equipment and intangible assets. Increases in wafer prices have reached a level that makes investments in additional production capacity for 300 mm wafers attractive. Siltronic therefore decided in September 2017 to expand its capacity until mid-2019 by 70,000 additional 300 mm wafers per month. The increase will enable the company to keep pace with market growth and maintain its market share. The company plans to invest around EUR 140 million in this expansion. In fiscal year 2017, necessary production equipment was ordered and advance payments of around EUR 30 million were made to suppliers. In addition, automation projects already launched were continued and new crystal pullers were installed.

The preliminary free cash flow of EUR 170 million was clearly positive in 2017 and by far exceeded the prior year figure of EUR 19.0 million, as expected.

As a result, preliminary net financial assets increased to EUR 342 million (2016: EUR 175.0 million).

“We performed extremely well in 2017. Sentiment in the semi-conductor industry remained quite positive. Demand for our wafers exceeded our production capacity. This favorable market environment enabled us to increase the average selling prices for our 200 and 300 mm wafers quite significantly,” said Dr. Christoph von Plotho, Chief Executive Officer of Siltronic AG.

Very strong sales in the fourth quarter of 2017

At around EUR 328 million of sales in Q4 2017, the company continued the very positive performance of the first 9 months of the year. Ongoing full capacity utilization for 200 mm and 300 mm wafers, very high capacity utilization for wafers with a diameter of 150 mm and smaller, and a steady increase in prices contributed to this performance. Business development has been positive since Q4 2016, with sales of EUR 246.3 million.

The company reported preliminary EBITDA of EUR 121 million in Q4 2017 driven by price increases. EBITDA in Q4 2016 stood at EUR 50.5 million. The preliminary EBITDA margin in Q4 2017 was 37 percent (Q4 2016: 20.5 percent).

Positive trend anticipated in 2018

The market research institute IHS Markit currently anticipates that demand for silicon wafers for the semi-conductor industry will grow by 4.5 percent in 2018, with predictions for the segment of Solid State Drives (SSD) that is based on NAND technology as the strongest growth driver. The DRAM market is also showing positive signs. The automotive industry and industrial applications are additional growth drivers.

The demand for Siltronic wafers is holding steady in the first quarter of 2018. The production of 300 mm and 200 mm wafers continues to run at full capacity. Production of wafers with diameters of 150 mm and smaller is also loaded close to maximum.

The company is expecting wafer prices to climb further in 2018, while assuming that such price increases will develop at a slower pace than in the previous quarters.

Considering a EUR/USD exchange rate of 1.25 (2017: 1.13) and a EUR/JPY exchange rate of 135 (2017: 127), the company anticipates negative FX impacts on sales of around EUR 100 million and of around EUR 60 million on EBITDA in 2018.

Siltronic is optimistic that fiscal year 2018 will develop positively overall and estimates sales growth in the lower double-digit percentage range despite the negative FX impacts caused by the strong Euro.

Siltronic AG – preliminary financial figures 2017¹⁾

in EUR million	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2017	2016
Sales	328	308.1	283.1	258.0	246.3	1,177	933.4
EBITDA	121	106.5	72.7	53.0	50.5	353	146.0
EBITDA margin	37%	34.6%	25.7%	20.5%	20.5%	30%	15.6%
EBIT	91	77.8	43.4	23.4	20.0	236	27.0
EBIT margin	28%	25.2%	15.3%	9.1%	8.1%	20%	2.9%
Capex in property, plant and equipment and intangible assets	61	16.9	25.5	19.3	24	123	88.8
Free cash flow	38	58.2	41.8	31.3	10	170	19.0

in EUR million	Dec. 31, 2017	Dec. 31, 2016
Net financial assets	342	175.0

¹⁾ *The results in this document for Q4 2017 and Full Year 2017 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.*

Upcoming dates

A comprehensive reporting with detailed disclosures will be provided on March 5, 2018 when the final results for 2017 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 3:00 pm (CET). This call will be streamed via Internet. The audio webcast will be available live as well as on demand on Siltronic's website.

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Company profile:

Siltronic is one of the world's largest manufacturers of hyperpure silicon wafers and partner of many leading semiconductor companies. The company has a network of state-of-the-art production sites in Asia, Europe 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 and a key component in semiconductor chips in e.g. computers, smartphones, navigation systems and many other applications. Siltronic AG employs nearly 3,800 people and is stock listed at the German Stock Exchange since 2015 and is a member of the TecDAX.

Important Notice

This press release contains forward-looking statements based on assumptions and estimates made by the Executive Board of Siltronic AG. These statements may be identified by words such as "expect," "look forward to," "anticipate" "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. Although we assume the expectations in these forward-looking statements are realistic, we cannot guarantee that they will prove to be correct. The assumptions can harbor risks and uncertainties that may cause the actual figures to differ considerably from the forward-looking statements. Factors that can cause such discrepancies include, among others, 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.

This press release includes - in the applicable financial reporting framework not clearly defined - supplemental financial measures that are or may be alternative performance measures (non-GAAP- measures). These supplemental financial measures should not be viewed in isolation or as an alternative to measures of Siltronic's net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently. Explanations of financial measures used can be found in the Annual Report of Siltronic AG.

Due to rounding, numbers presented throughout this press release and other reports may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.