



Press Release

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Siltronic significantly increased sales and earnings in fiscal year 2018

- Preliminary sales of EUR 1,457 million significantly higher than in the previous year (2017: EUR 1,177.3 million)
- Preliminary EBITDA improved significantly to EUR 589 million and EBITDA margin to just above 40 percent (2017: EUR 353.1 million, 30.0 percent)
- Preliminary EBIT of around EUR 498 million significantly higher year-on-year (2017: EUR 235.7 million)

Munich, Germany, January 31, 2019 - Siltronic AG, one of the world's leading manufacturers of hyper pure silicon wafers, showed an outstanding performance in 2018 and slightly exceeded the revenue target and profit expectations.

According to the preliminary and unaudited figures, sales of EUR 1,457 million were significantly higher year on year (2017: EUR 1,177.3 million). EBITDA came in at EUR 589 million, up about 67 percent year on year (2017: EUR 353.1 million). The EBITDA margin came in at roughly 40 percent (2017: 30.0 percent). In a very favorable market environment the company was able to increase the average selling prices again in 2018.

Preliminary earnings before interest and tax (EBIT) of around EUR 498 million more than doubled year on year (2017: EUR 235.7 million).

The ongoing execution of the cost reduction programs introduced back in 2010 enabled the company to compensate cost increases in the fiscal year 2018.

In 2018, Siltronic invested EUR 254 million in property, plant and equipment and intangible assets. Apart from a base capex of roughly EUR 90 million the company invested in additional 300 mm capacities and a new crystal pulling hall in Singapore. Siltronic also made some minor advance payments for production equipment which was already ordered for a capacity increase in 2020. The additional wafer capacity of both expansion steps in 2019 and 2020 has already been fully sold to customers based on long-term contracts.

The preliminary net cash flow of EUR 240 million nearly doubled compared to 2017 (EUR 124.8 million).

As a result, preliminary net financial assets increased to EUR 691 million (2017: EUR 342.1 million).

“2018 was a very successful year. Demand for our wafers was very strong as in 2017 and we were able to increase again the average selling prices,” said Dr. Christoph von Plotho, Chief Executive Officer of Siltronic AG.

Very strong sales in the fourth quarter of 2018

At around EUR 388 million of preliminary sales in Q4 2018, the company continued the very positive performance of the first 9 months of the year. Ongoing high capacity utilization and a sequential increase in prices contributed to this performance.

The company reported preliminary EBITDA of EUR 161 million in Q4 2018 driven by price increases compared to EUR 160.2 million in Q3. The preliminary EBITDA margin in Q4 2018 was around 41 percent (Q3 2018: 42.2 percent).

Macro-economic and political uncertainties influence market development in 2019

The market research institute IHS Markit currently anticipates that demand for silicon wafers for the semi-conductor industry will grow by roughly 4 percent in 2019.

According to Siltronic the underlying growth trend for silicon area is intact. However, expectations in the semiconductor industry are muted in 2019 due to the macro-economic and political uncertainties. The company expects that 2019 will start cautiously, particularly in the memory and foundry business. However, logic, power applications and image sensors should stay strong.

The demand for wafers in Q1 2019 is slightly lower than in Q4 2018.

Following two outstanding years, Siltronic expects a more muted business development in 2019.

Siltronic AG – preliminary financial figures 2018¹⁾

in EUR million	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2018	2017
Sales	388	379.8	361.3	327.4	328.1	1.457	1.177,3
EBITDA	161	160.2	146.0	122.3	120.9	589	353.1
EBITDA margin	41%	42.2%	40.4%	37.4%	36.8%	40%	30.0%
EBIT	139	138.0	124.1	96.6	91.1	498	235.7
EBIT margin	36%	36.3%	34.4%	29.5%	27.8%	34%	20.0%
Capex in property, plant and equipment and intangible assets	113	62.8	45.2	33.4	61.4	254	123.2
Net cash flow	-32	93.0	67.1	112.4	-4.6	240	124.8

in EUR million	Dec. 31, 2018	Dec. 31, 2017
Net financial assets	691	342.1

- 1) *The results in this document for Q4 2018 and Full Year 2018 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 5, 2019 when the final results for 2018 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 5, 2019	Annual Report 2018
May 3, 2019	Q1 2019 quarterly statement
May 7, 2019	Annual General Meeting
July 25, 2019	Q2 2019 Interim Report
October 24, 2019	Q3 2019 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, smartphones, 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.