

Siltronic AG

Q1 2019 Results

May 3, 2019

Highlights Q1 2019: Financials

Sales

– EUR 354.4m (Q4 2018: EUR 388.1m)

EBITDA

– EUR 127.2m (Q4 2018: EUR 160.8m)
– EBITDA margin: 35.9% (Q4 2018: 41.4%)

EBIT

– EUR 103.4m (Q4 2018: EUR 138.9m)
– EBIT margin: 29.2% (Q4 2018: 35.8%)

CapEx

– EUR 72.8m (Q4 2018: EUR 115.5m)

Net cash flow

– EUR 80.8m (Q4 2018: EUR -32.2m)

Net financial assets

– EUR 761.8m (December 31, 2018: EUR 691.3m)



MARKET UPDATE

Market developments

End Markets 2019

- ▶ While most end markets seem to be soft from a unit point of view in 2019, content is mainly growing.

Silicon wafer market 2018

- ▶ Q1 2019 SEMI market was ~6.6 bn cm², -5.6% below Q4'18 average and -1.0% YoY.

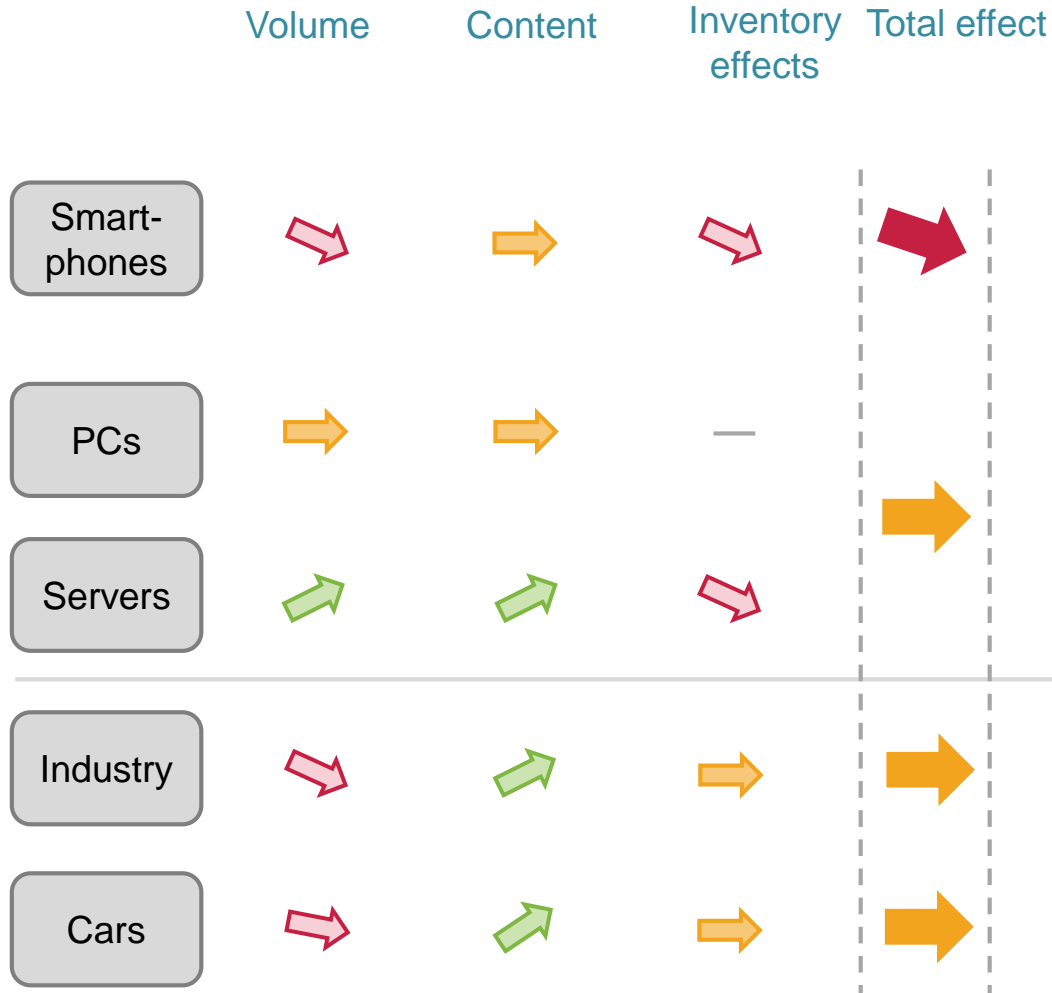
Wafer demand

- ▶ Strong decline in demand for 150 mm
- ▶ Mixed demand picture in 200 mm: standard wafers noticeable decrease; special products still high
- ▶ Demand for 300 mm slightly down as customer inventories remain high

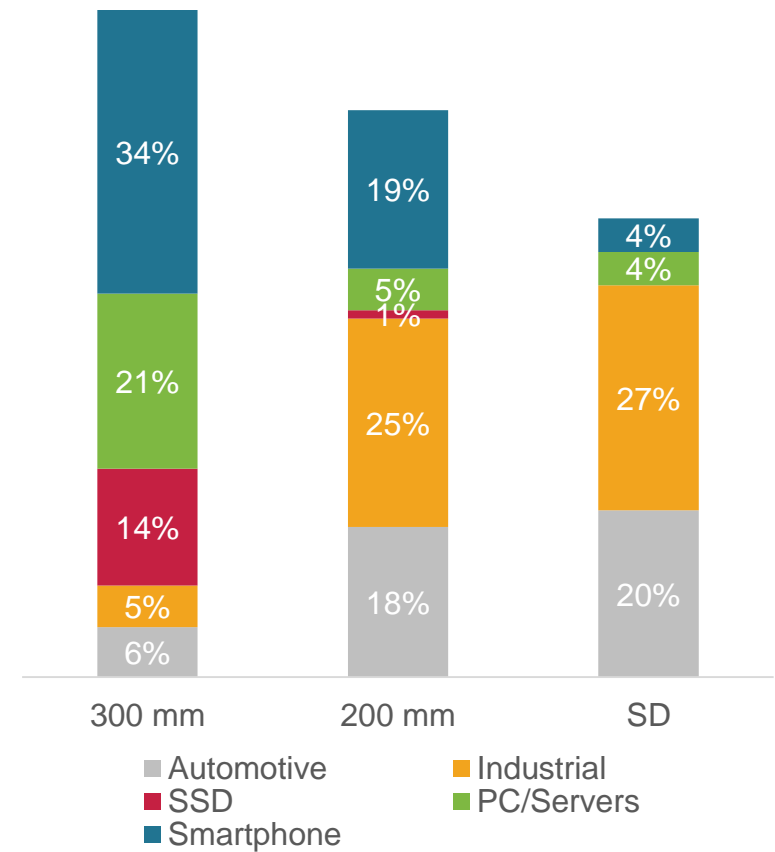
Sources SEMI press release April 2019

300mm demand impacted by smartphone and server softness; Overall 200mm will depend on industry and automotive.

Si consumption demand drivers



Si consumption share per selected end market in % of total surface in 2018



Source: Data based on IHS Markit, Technology Group, Semiconductor Silicon Demand Forecast Tool, Q1 2019. Results are not an endorsement of Siltronic. Any reliance on these results is at the third party's own risk. Visit technology.ihs.com for more details. Other source: Siltronic Marketing

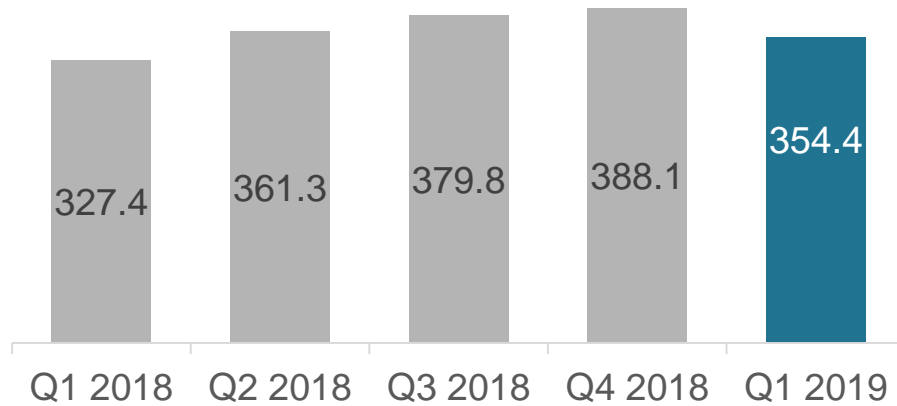


FINANCIALS

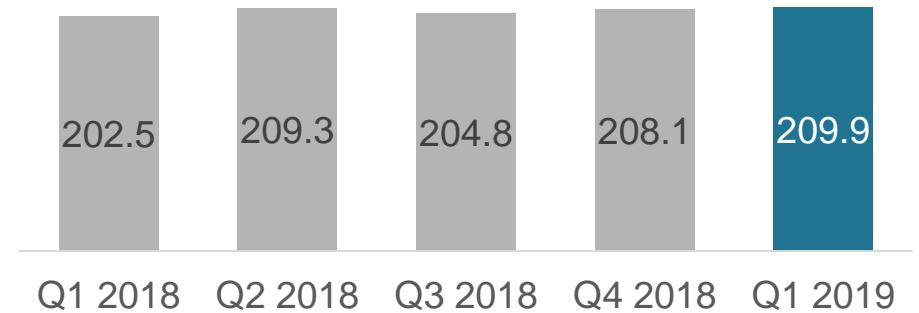
Q1 2019

Slow start into 2019 due to weaker wafer area demand

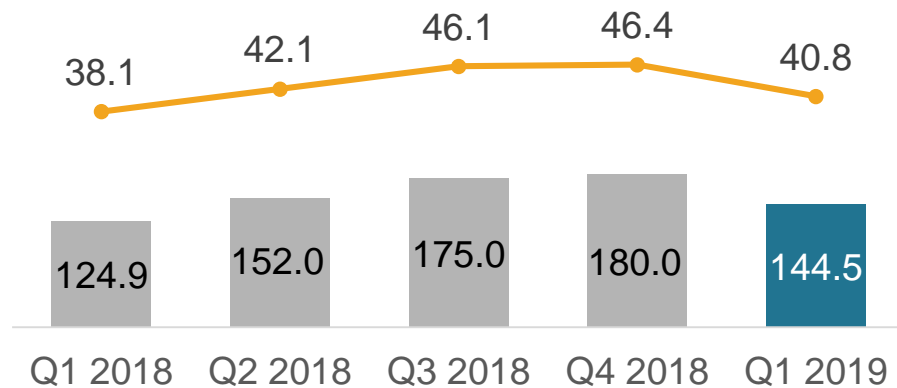
Sales, in EUR million



Cost of Sales, in EUR million



Gross profit, in EUR million / Gross margin, in %

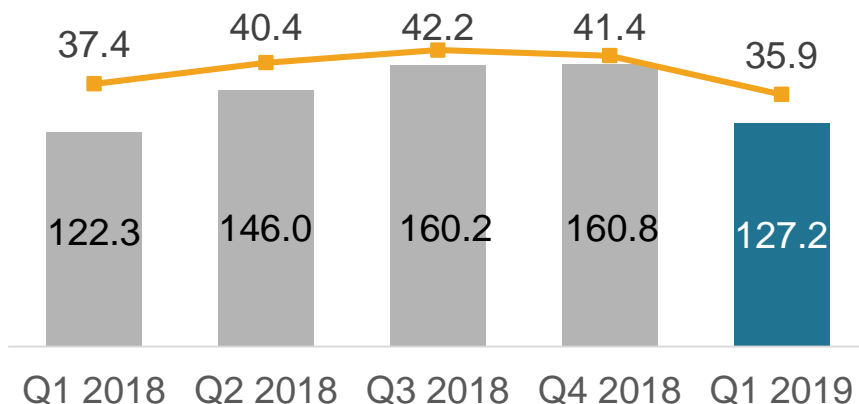


Comments

- ▶ Sales in Q1 down vs. Q4 2018 as expected due to lower wafer area sold
- ▶ COGS per cm² only slightly up despite significantly higher energy costs
- ▶ Gross margin up y-o-y but down q-o-q

Profitability affected by higher costs

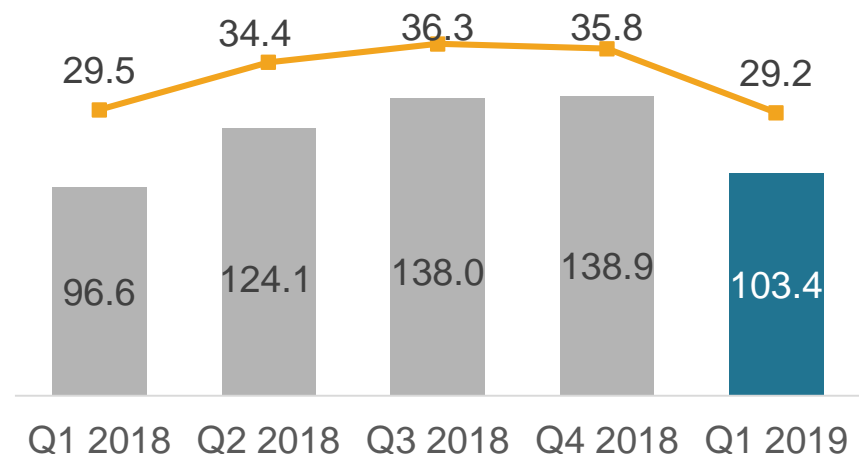
EBITDA, in EUR million / EBITDA margin, in %



Depreciation, in EUR million



EBIT, in EUR million / EBIT margin, in %

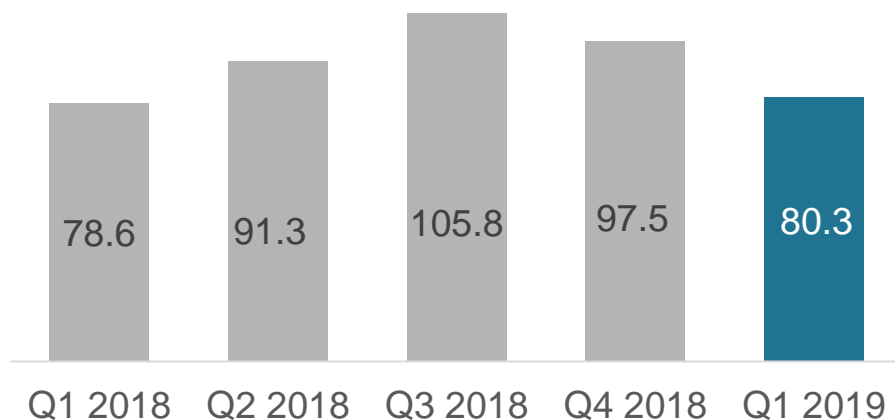


Comments

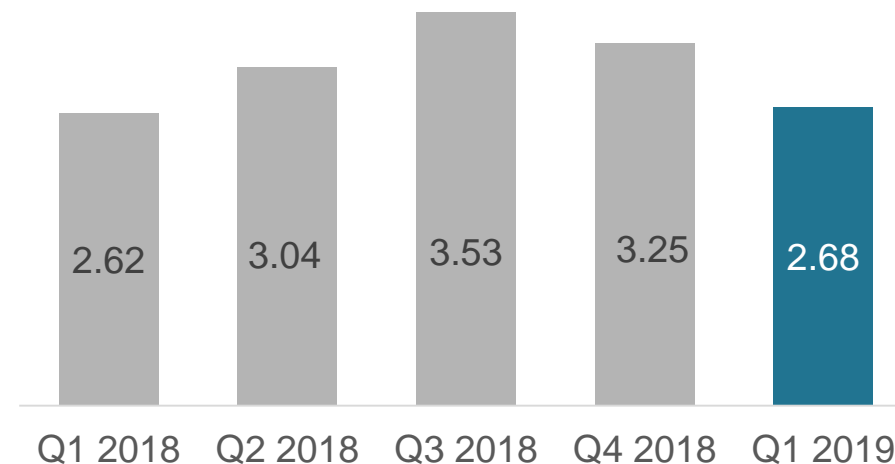
- ▶ Depreciation in FY 2019 up due to new crystal pulling hall and new equipment
- ▶ EBITDA margin impacted by COLA and higher energy costs
- ▶ EBIT margin FY 2019 additionally impacted by higher depreciation

Shareholders to participate in continued value creation

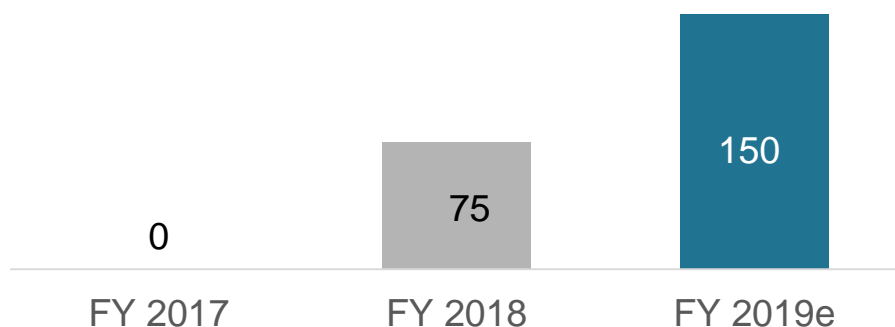
Net profit attributable to shareholders, in EUR million



EPS, in EUR



Dividend payment, in EUR million

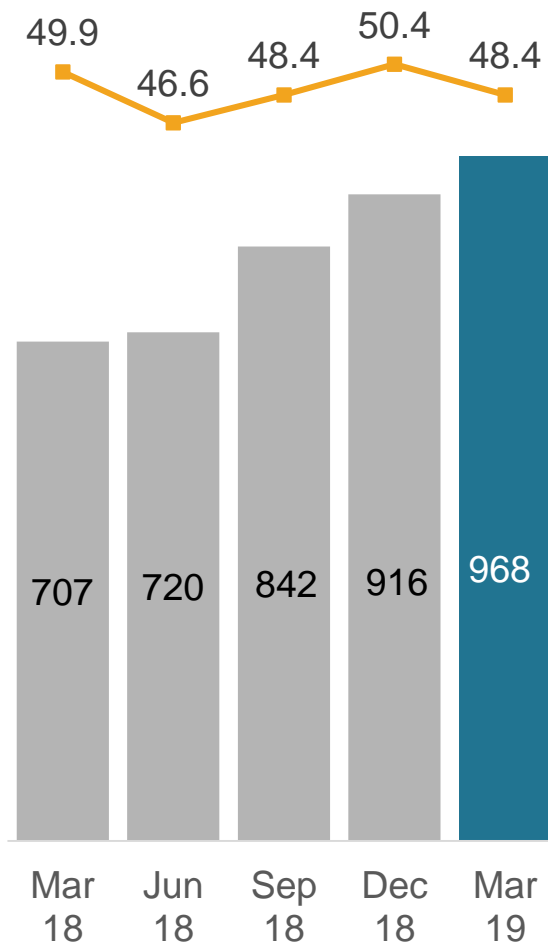


Comments

- ▶ Net profit EUR 80.3m in Q1
- ▶ General dividend policy: pay-out ratio of approx. 40% of net income attributable to shareholders
- ▶ Proposal to AGM on May 7, 2019: increased dividend of EUR 5.00 per share (prior year: EUR 2.50)

Strong equity ratio and solid net financial assets

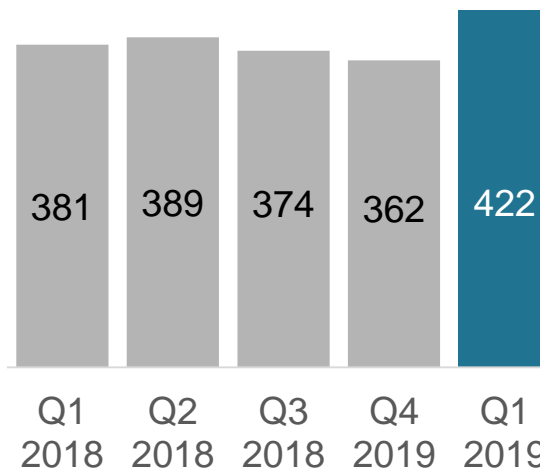
Equity, in EUR million
Equity ratio, in %



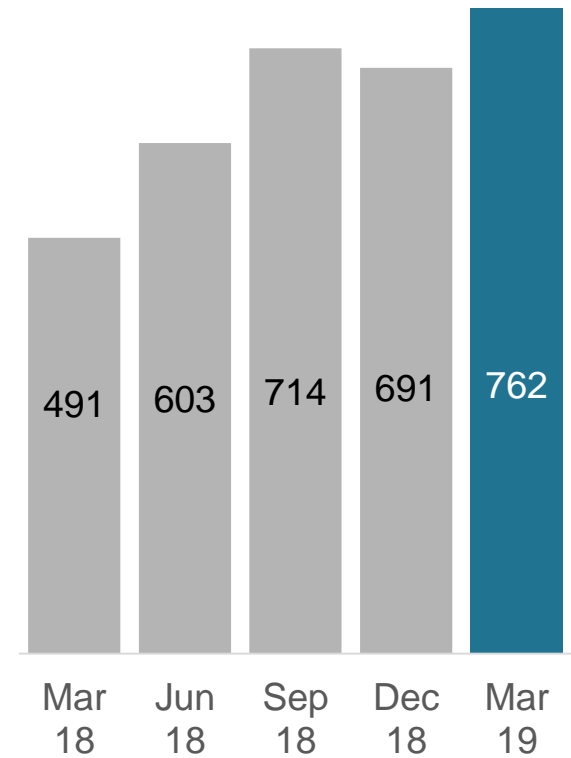
Pension provision, in EUR million

Interest rates IFRS

USA	3.81%	3.99%	4.02%	4.08%	3.69%
Germany	2.02%	2.00%	2.04%	1.98%	1.66%

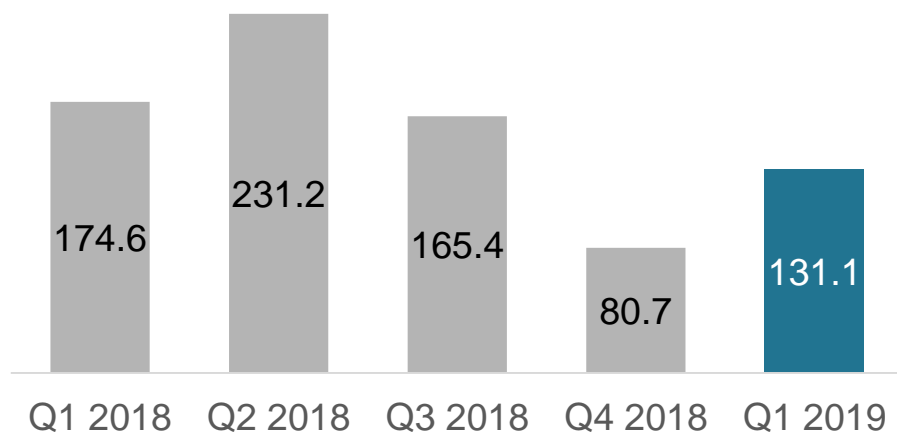


Net financial assets, in EUR million

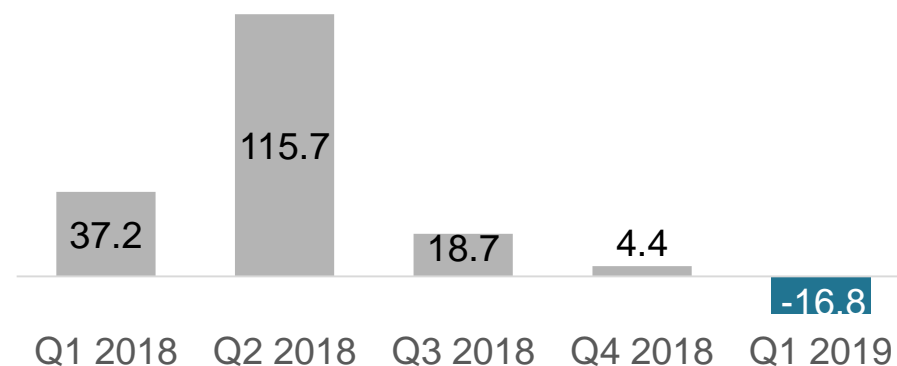


Strong net cash flow despite high payments for capex

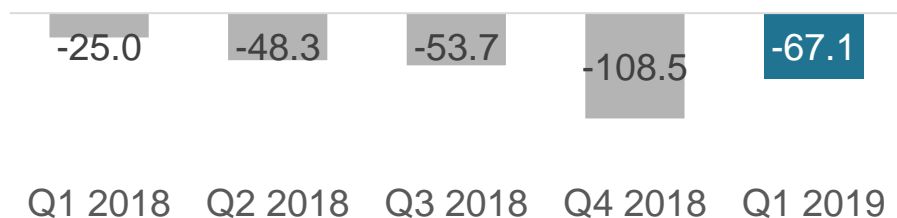
Operating cash flow (OCF), in EUR million



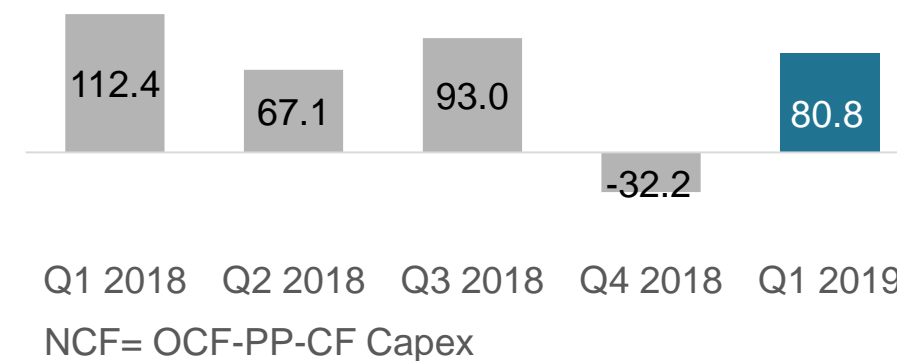
Customer prepayments net (PP), in EUR million



CF Capex, in EUR million



Net cash flow (NCF), in EUR million



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OUTLOOK

Siltronic Outlook 2019 (as of April 10, 2019)

EBITDA margin	– between 33% and 37% (prior: slightly below prior year)	↓
EBIT	– significantly below 2018 (prior: a good 10% below 2018)	↓
Net cash flow	– clearly positive, approx. EUR 150m (prior: EUR 100m) below 2018, with a subsequent significant increase again in 2020	↓
Sales	– depending on timing of market recovery and on FX effects around 5% to 10% below 2018 (prior: in the region of the previous year)	↓
Cost position	– negative effect due to tariff increases and EUR 20m higher electricity costs in Germany	
FX effects	– negligible vs. 2018 assuming EUR/USD rate of 1.15 and EUR/JPY rate of 130	
Depreciation	– around EUR 110m	
Tax rate	– between 15% and 20%	
Financial result	– better than the previous year	↑
Capex	– about EUR 350m in capacity, automation and capabilities; significantly lower in 2020	
Earnings per share	– significantly (prior: slightly) below 2018	↓



APPENDIX

Contact and Additional Information

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Additional Information

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

Financial Calendar

Annual General Meeting	May 7, 2019
Capital Markets Day	May 28, 2019
Half Year Report	July 25, 2019
Q3 Quarterly Statement	October 24, 2019



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