

# Siltronic Investor Presentation

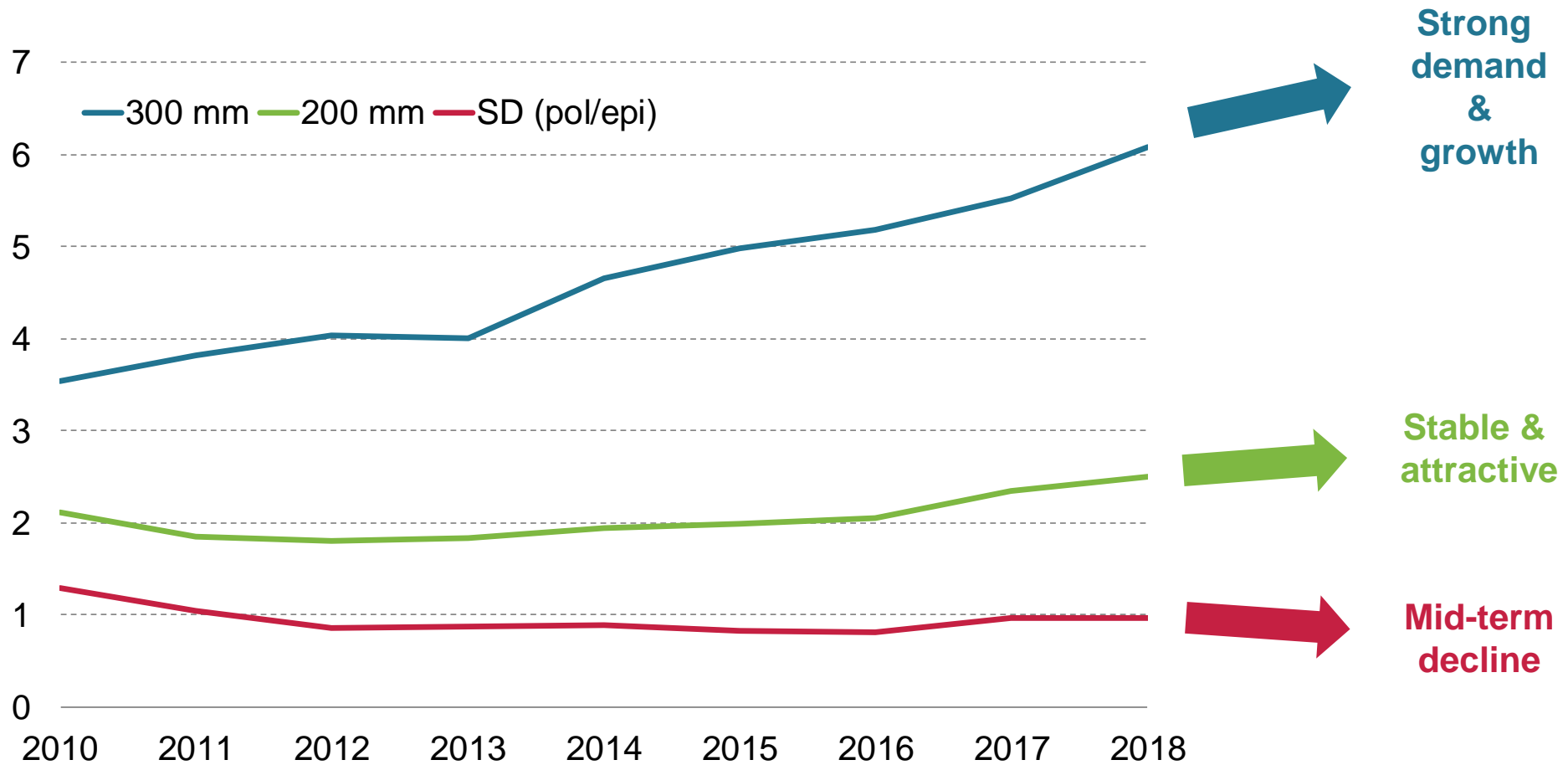
February 2019



MARKET UPDATE

# Siltronic is focused on growing 300 mm and attractive 200 mm business.

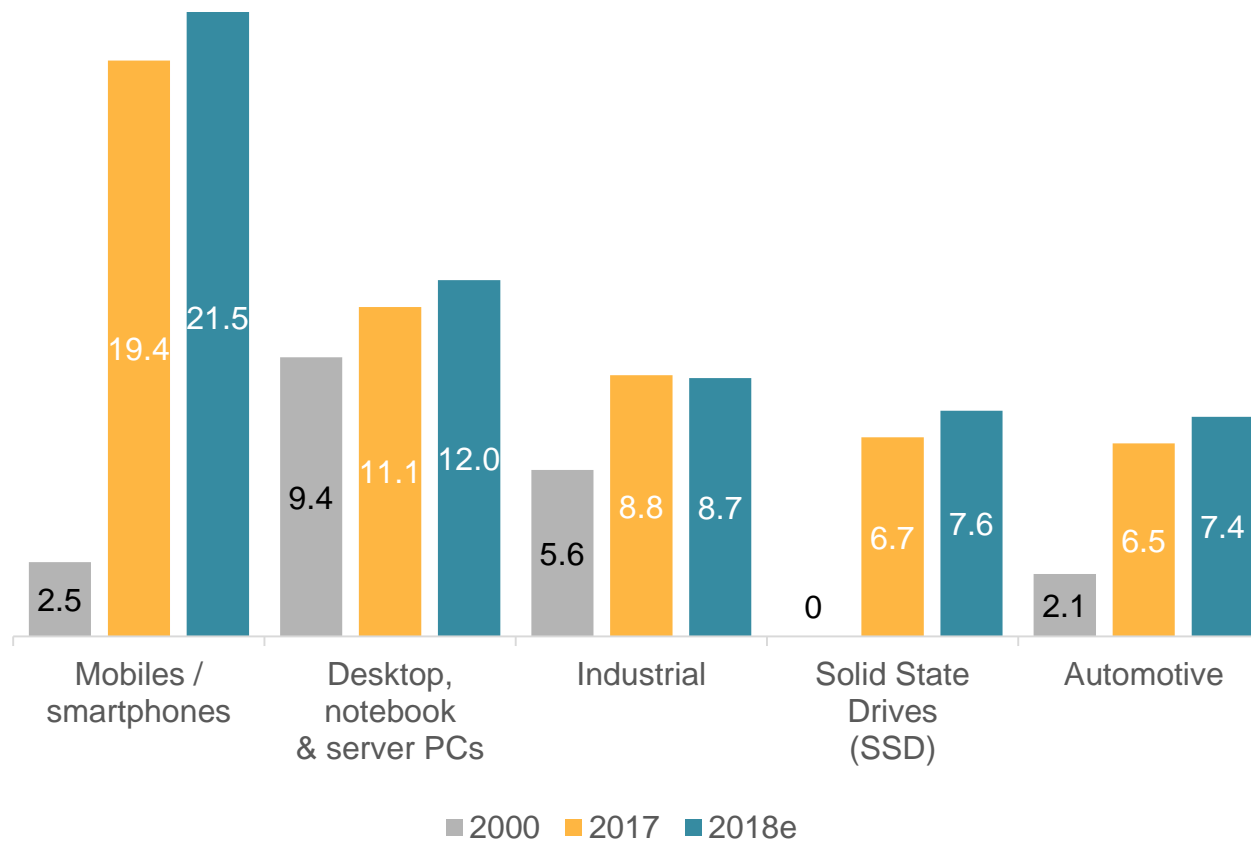
Development of total wafer demand per diameter, in mn 300 mm equivalents per month



Source: SEMI up to Dec 2018

# IHS Markit projects +3.6% growth for silicon area demand in 2019

Wafer demand, in bn cm<sup>2</sup>



Expected growth  
2019/2018

+3.6%

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](http://technology.ihs.com) for more details.





Preliminary Financial  
Figures FY 2018

# Highlights 2018: Preliminary financial figures FY 2018\*

## Sales

– EUR 1,457m (2017: EUR 1,177.3m)

## EBITDA

– EUR 589m (2017: EUR 353.1m)  
– EBITDA margin: ~40% (2017: 30.0%)

## EBIT

– EUR 498m (2017: EUR 235.7m)  
– EBIT margin: ~34% (2017: 20.0%)

## CapEx

– EUR 254m (2017: EUR 123.2m)

## Net cash flow

– EUR 240m (2017: EUR 124.8m)

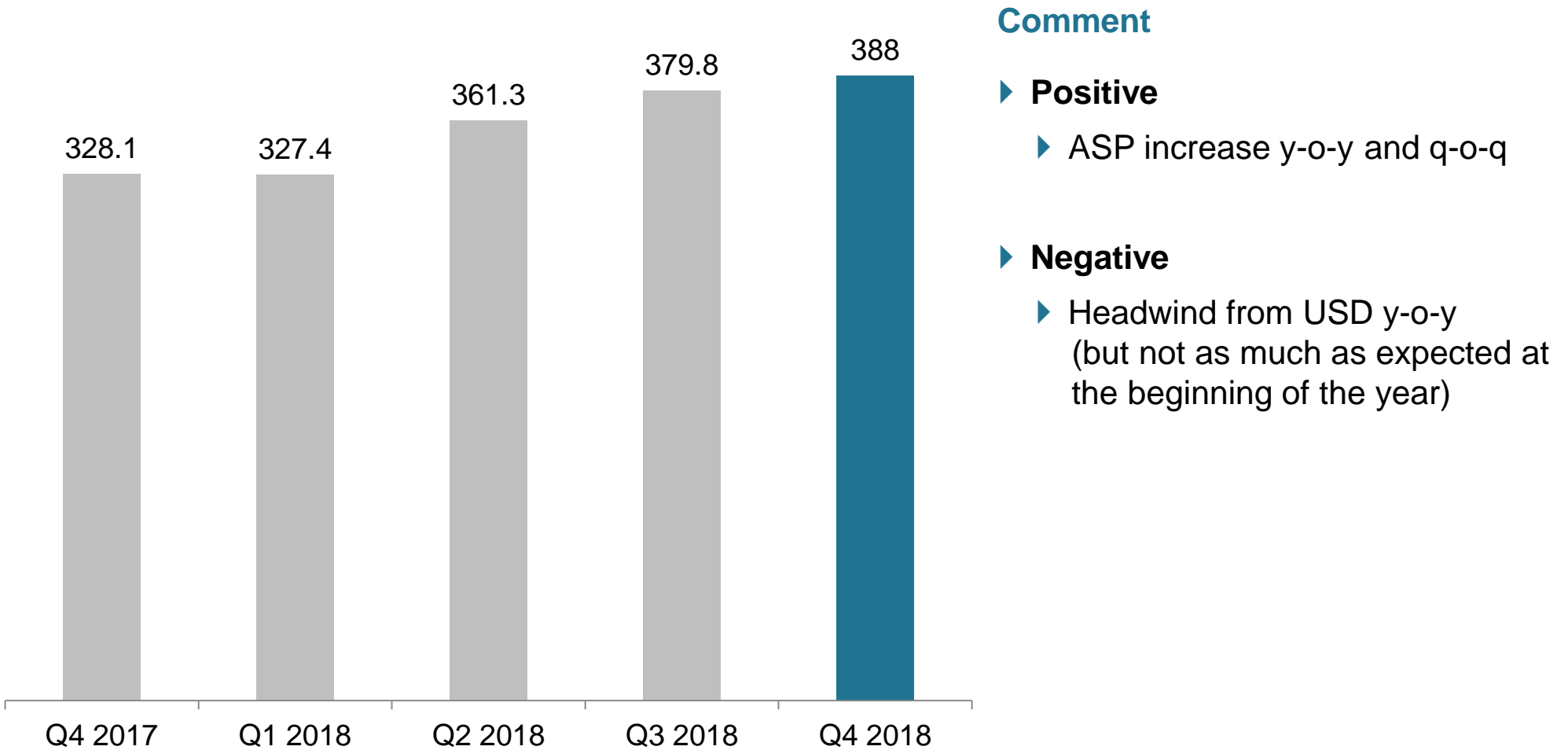
## Net financial assets

– EUR 691m (December 31, 2017: EUR 342.1m)

*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.*

# Revenues 2018 increased on a sequential basis

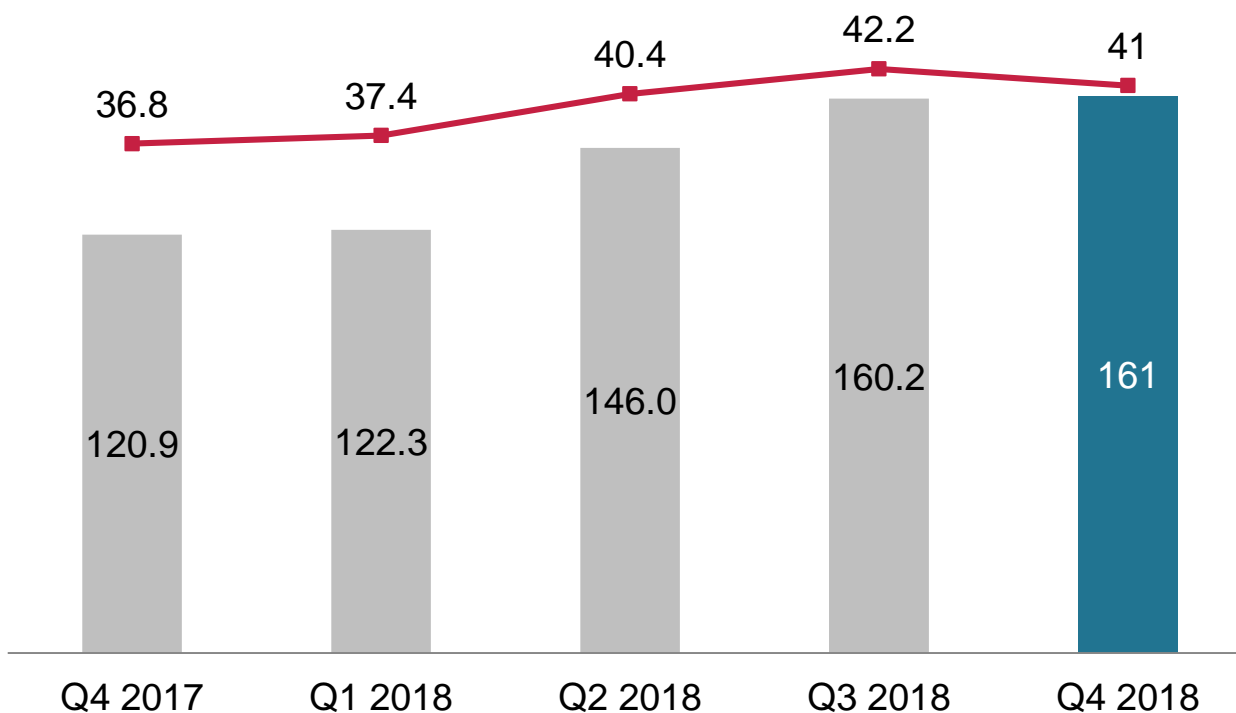
Sales, in EUR million



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# EBITDA and EBITDA-margin further up

EBITDA margin in %; EBITDA in EUR million



## Comment

### ▶ Positive

- ▶ Higher ASP y-o-y and q-o-q
- ▶ Slightly lower cost per wafer area y-o-y and q-o-q

### ▶ Negative

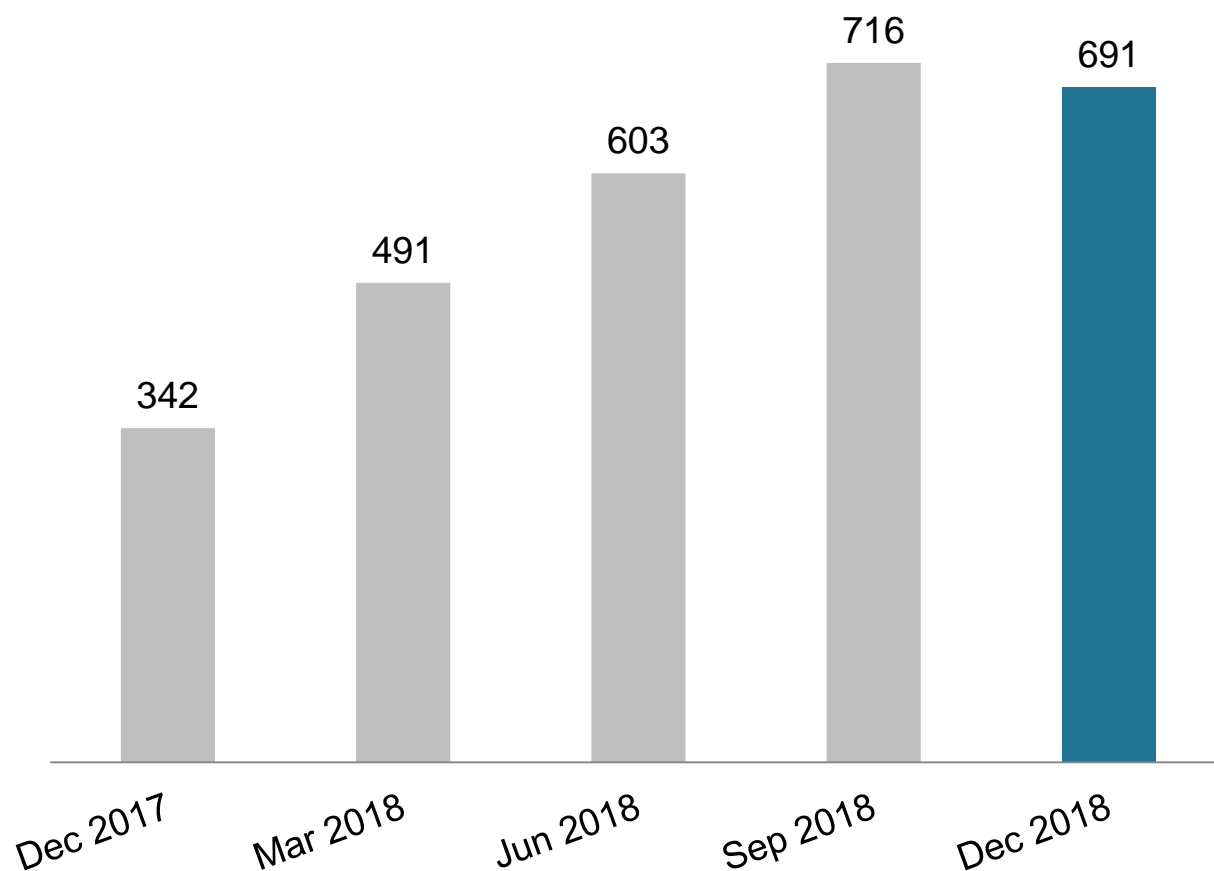
- ▶ Headwind from USD y-o-y (but not as much as expected at the beginning of the year)

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# Net financial assets doubled in 2018

Net financial assets, in EUR million

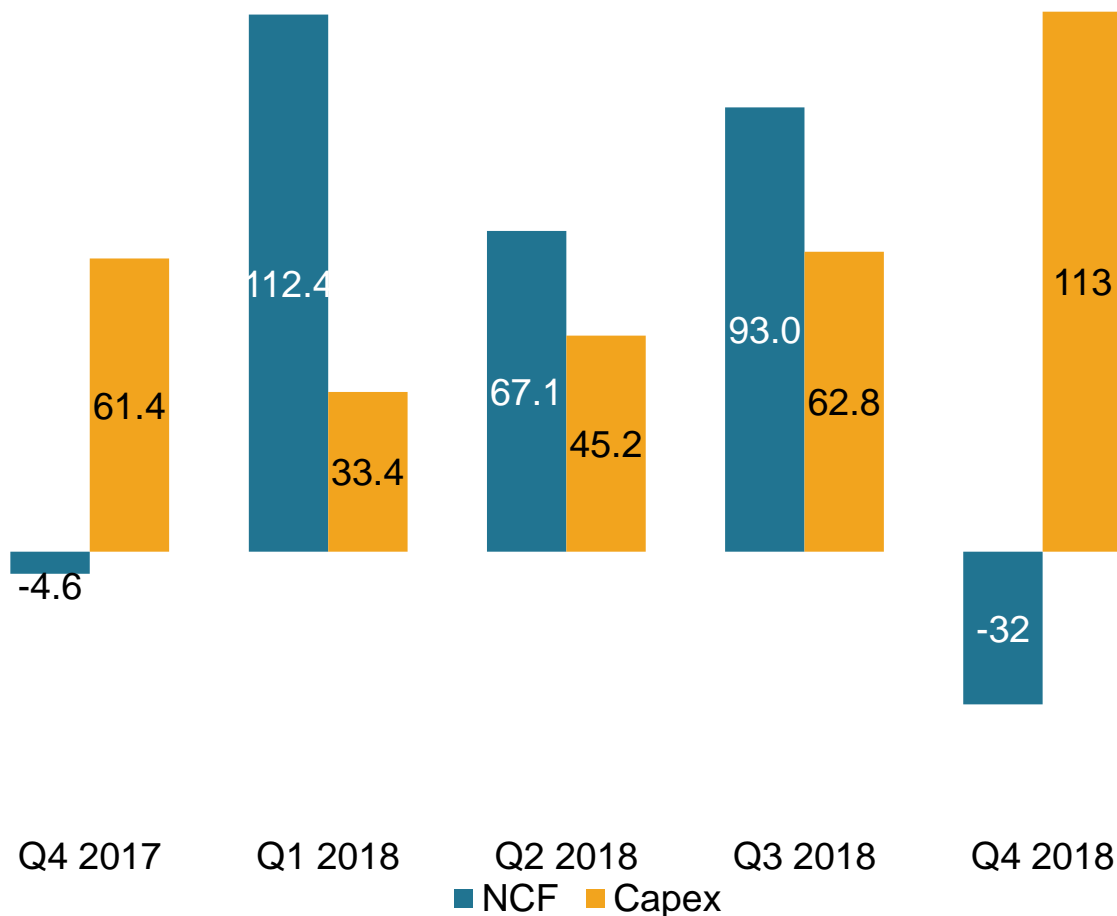


- ▶ Prepayments of EUR 176m (net) received in 2018
- ▶ Dividend policy: pay-out ratio of ~40% of net shareholder earnings based on IFRS standards
- ▶ Dividend for 2018 payable in 2019
  - ▶ depending on approval of Annual General Meeting in May 2019

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# Strong net cash flow despite investments in the future

Capex and NCF, in EUR million



## Comments

- ▶ Net cash flow of EUR -32m in Q4 2018 due to high capex level
- ▶ Capex increase in Q4 related to:
  - ▶ capacity expansion in 2019
  - ▶ new crystal pulling hall in Singapore
  - ▶ ongoing automation projects
- ▶ Capex in 2018: EUR 254m
- ▶ Capex FY 2019 to remain high due to ongoing investment in announced capacity expansion and continuation of already started projects

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# Underlying growth trend intact but cautious start in 2019 expected due to macro-economic and political uncertainties

## Q4 2018 comments

Sales volume basically stable q-o-q with full loading in 200 mm and 300 mm whereas smaller diameters softened

- ▶ Higher ASP q-o-q due to slightly increased prices

## Full year 2018 comments

- ▶ Sales volume slightly increased due to sequentially higher loading in SD (Q1-Q3) and successful OEE measures in 200 mm and 300 mm
- ▶ Cost reductions leveled out cost increases
- ▶ ~40% EBITDA margin considerably higher than in 2017 (30.0%), mainly due to higher ASP

## 2019 challenges and opportunities

- ▶ IHS Markit currently expects ~4% growth in silicon area demand in 2019
- ▶ Additional Siltronic wafer capacities in 2019 already sold on basis of LTAs
- ▶ Expectations in semiconductor industry muted in 2019 due to macro-economic and political uncertainties
- ▶ Cautious start in 2019 expected, particularly in memory and foundry; logic, power and image sensors expected to stay strong
- ▶ Siltronic expects muted business development in 2019

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Appendix

# Financials improved strongly over the last years

Adjusted <sup>1</sup> financial figures (EUR million)	2013	2014	2015	2016	2017	2018 <sup>3</sup>
<b>Sales</b>	875.5	853.4	931.3	933.4	1,177.3	1,457
<b>EBIT</b>	(87.3)	(31.6)	2.7	27.0	235.7	498
<b>EBIT margin in %</b>	(10.0)	(3.7)	0.3	2.9	20.0	34
<b>EBITDA</b>	112.6	117.7	124.0	146.0	353.1	589
<b>EBITDA margin in %</b>	12.9	13.8	13.3	15.6	30.0	40
<b>CapEx</b>	39.7	40.7	75.0	88.8	123.2	254
<b>Free cash flow <sup>2</sup></b>	64.7	86.3	37.4	19.0	169.6	-
<b>Net cash flow <sup>2</sup></b>	-	-	-	39.6	124.8	240

<sup>1</sup> Figures 2013-2014 adjusted for consolidation effects resulting from acquisition of SSW and restructuring

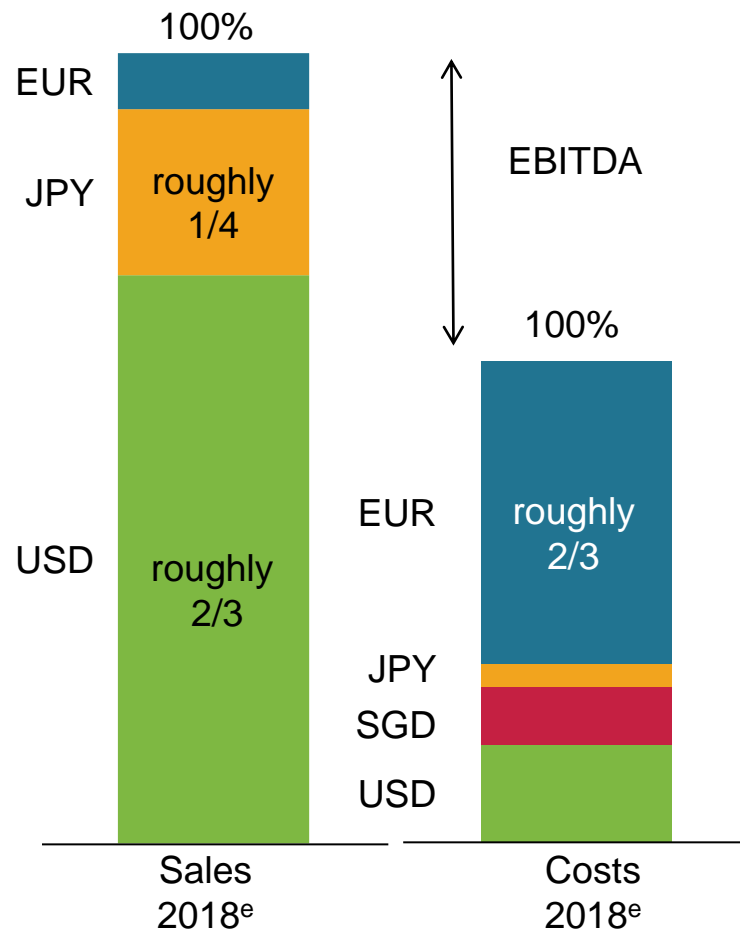
<sup>2</sup> Starting 2018, Siltronic will be reporting the key figure „net cash flow“ instead of „free cash flow“. Net cash flow represents free cash flow without the time shifts created by inflow and return of customer prepayments which, due to the size, impairs the meaningfulness of free cash flow.

<sup>3</sup> 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.



# Increasing FX exposure due to higher margins

## FX exposure



## USD exposure 2018

- ▶ hedging ratio approx. 40%

excl. profit

- ▶ hedging ratio approx. 75%

## JPY exposure 2018

- ▶ hedging ratio approx. 30%

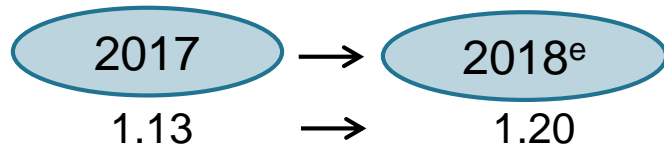
excl. profit

- ▶ hedging ratio approx. 50%

# At FX rates (1.20/130) negative impact on sales by approx. EUR 60m and on EBITDA by approx. EUR 40m

## Change USD, in EUR million

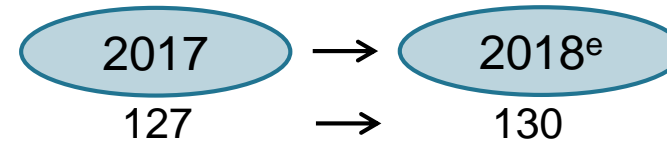
- 1 ct** ~ EUR 8.0m sales
- ~ EUR 6.5m EBITDA unhedged
- ~ EUR 4.5m EBITDA after hedging



- ~ EUR -55m sales
- ~ EUR -35m EBITDA

## Change JPY, in EUR million

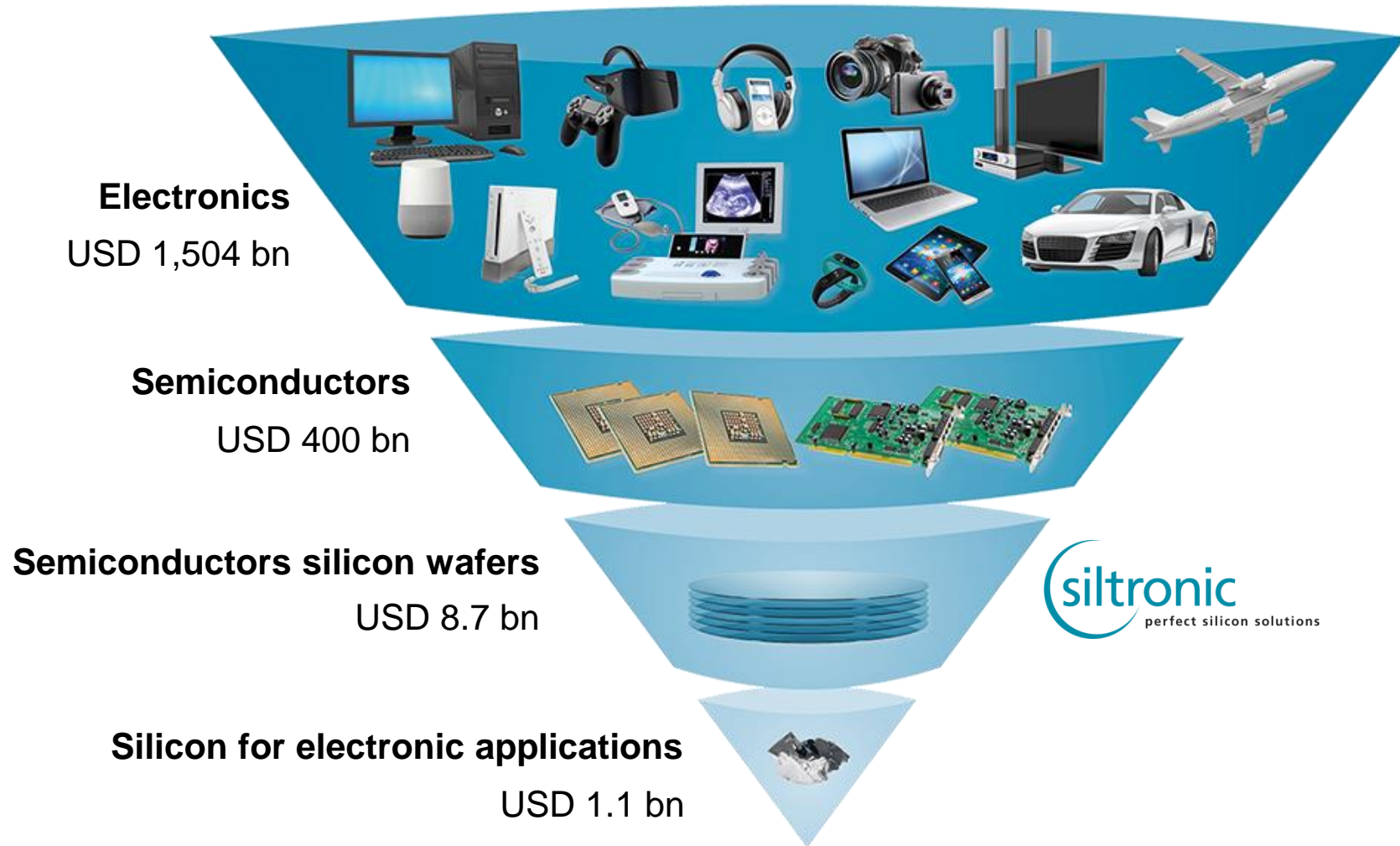
- 1 JPY** ~ EUR 2.5m sales
- ~ EUR 2.0m EBITDA unhedged
- ~ EUR 1.0m EBITDA after hedging



- ~ EUR -8m sales
- ~ EUR -4m EBITDA

# Increasing demand for electronic devices and new applications drive semiconductor growth, which in turn fuels silicon demand

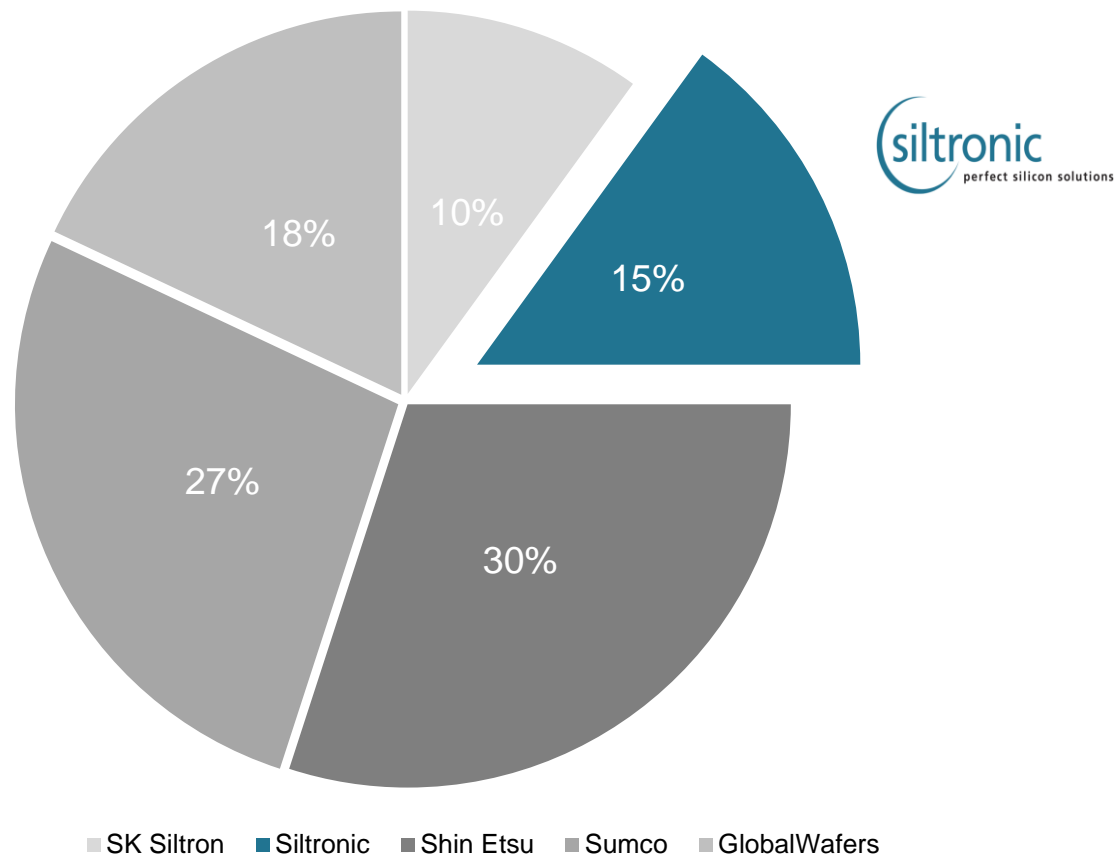
## Electronics value chain 2017



Source: Electronics (IC Insights), Semiconductors (WSTS, only silicon-based), Silicon wafers (SEMI SMG), Electronic applications (estimate)

# Siltronic is a strong wafer supplier with leading-edge technology

Top 5 wafer producers serve more than 90% of market across all diameters



Sources: reported company revenues FY 2017, converted to USD million

# Customer base well diversified across all major semiconductor silicon wafer consumers

Siltronic is a supplier to all top 20 Silicon wafer consumers



Siltronic well positioned at all major Silicon consumers

Top 10 customers represent ~73% of 2017 revenues

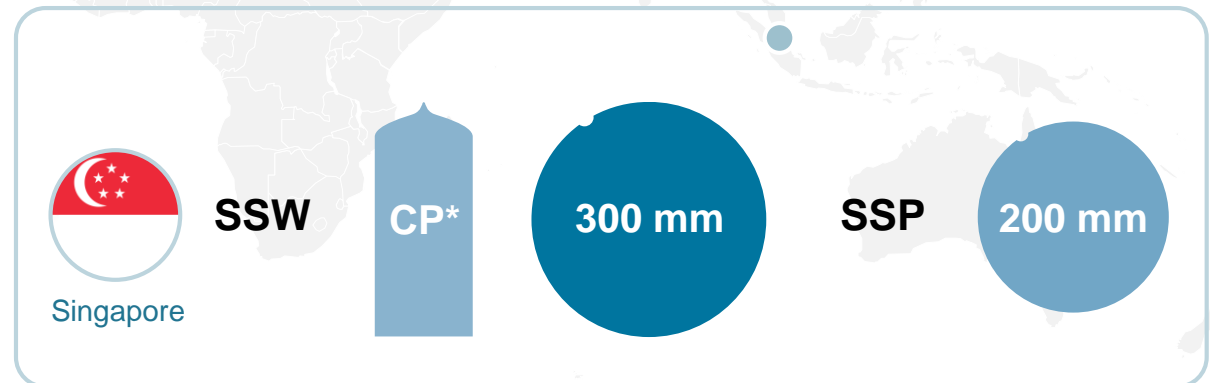
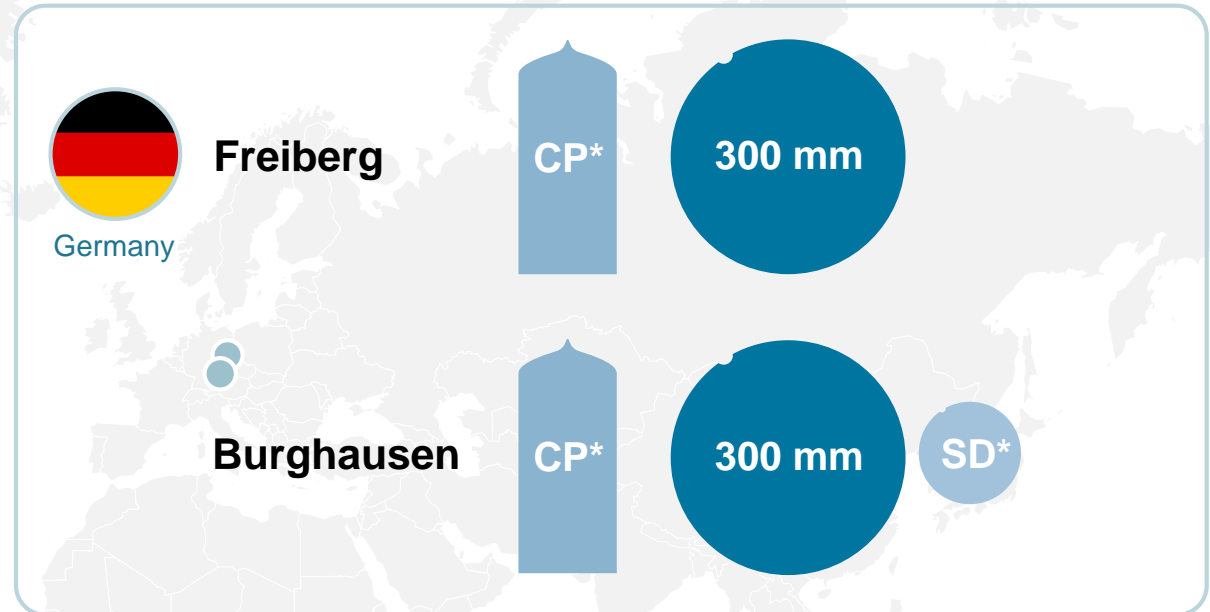
Source: Company Information, Siltronic



# International manufacturing network supports market leadership and business focus



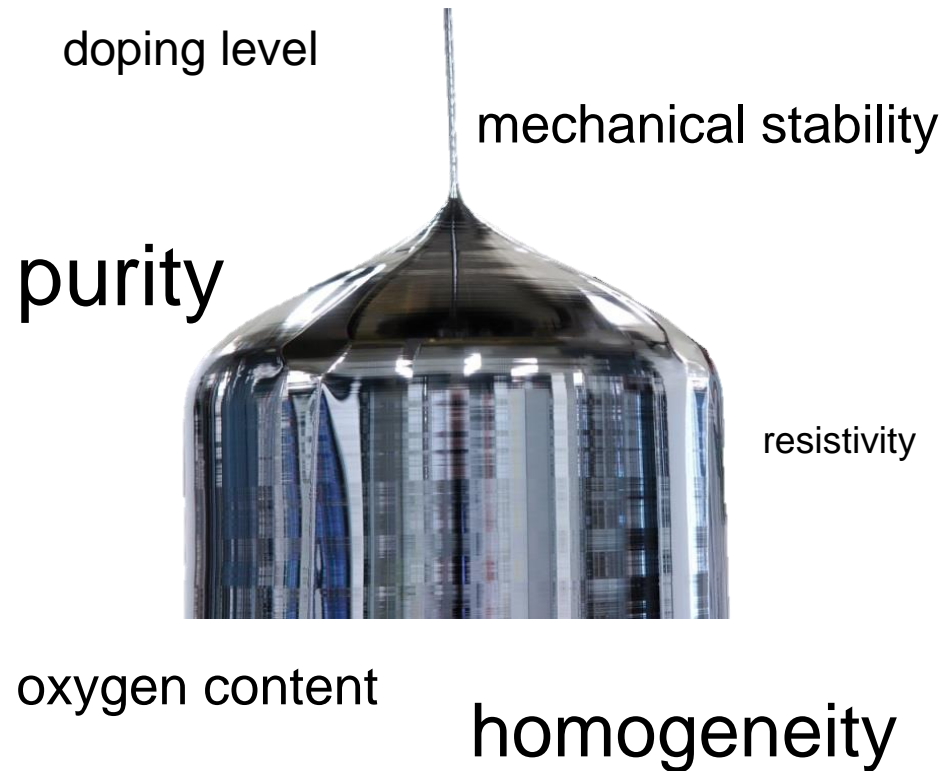
- ▶ **Central R&D hub** in Burghausen
- ▶ **High volume facilities** for 300 mm in Germany and Singapore
- ▶ Among world's **newest & largest fabs** in Singapore



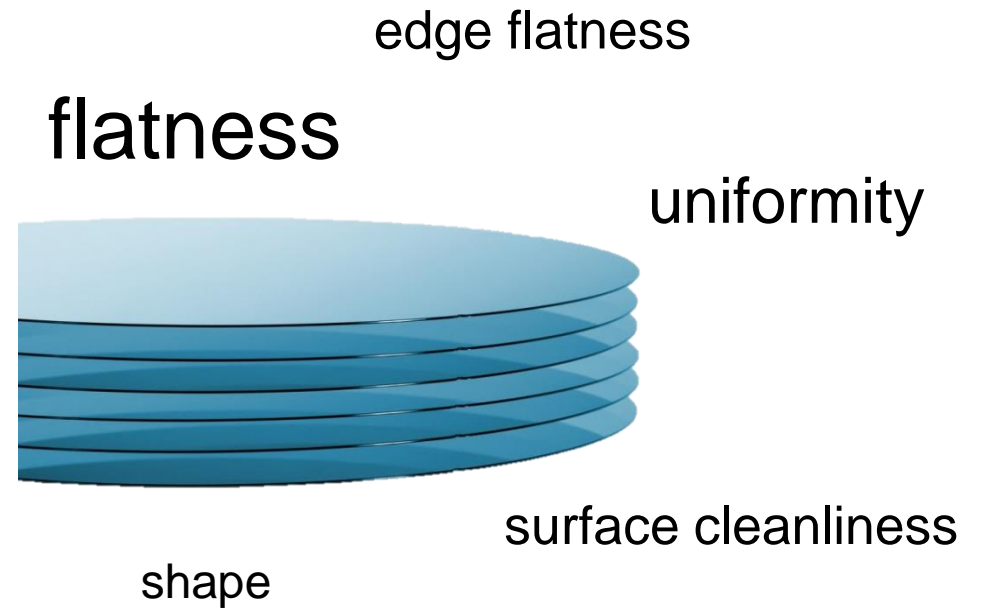
\*CP = Crystal Pulling | \*SD = 150 mm and smaller

# Continuous improvement of key ingot and wafer properties to meet customers' requirements

## Ingot



## Wafer



# Contact and Additional Information

## Issuer and Contact

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## Additional Information

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

## Financial Calendar

Annual Report 2018	March 5, 2019
Q1 Quarterly Statement	May 3, 2019
Annual General Meeting	May 7, 2019
Half Year Report	July 25, 2019
Q3 Quarterly Statement	October 24, 2019



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