

FINANCIAL RESULTS

Q1 2013

Carnegie Bank 29 May 2013

AGENDA

- **Q1 2013 highlights**
- Financial Performance Q1
- Expectations for 2013

Q1 IN LINE WITH EXPECTATIONS

MARKET DEVELOPMENT

- Silicon industry (IHS, Gartner, SEMI): Unchanged market situation Q1 2013, due to surplus capacity following the weak market in 2012.
- Long term expectations remain positive, expectations that markets prospects will slightly improve 2013, materialising primarily in the second half of the year.
- Customers: Continued low visibility. Confirmation that the market is expected to recover slightly in 2013.

Q1 IN LINE WITH EXPECTATIONS

FINANCIAL RESULTS

- Revenue DKK 70.7 million in line with expectations due to subdued market (Q1 2012: DKK 78.5 million).
- Contribution ratio 49.6% compared to 52.6% Q1 2012 due to lower revenue, change of customer and product mix and costs of customer qualifications.
- External and staff costs down by DKK 0.5 million compared to corresponding period of 2012. Result inclusive of added cost related to production at two sites, Topsil Denmark.
- EBITDA DKK 3.4 million (Q1 2012: DKK 9.1 million).
- Stock down DKK 6.2 million to DKK 152.8 million – compared to DKK 159.0 million Q1 2012.
- Cashflow from operations DKK (1.4) million, investments in fixed assets DKK 5.6 million.
- Expectations for year maintained.

Q1 IN LINE WITH EXPECTATIONS

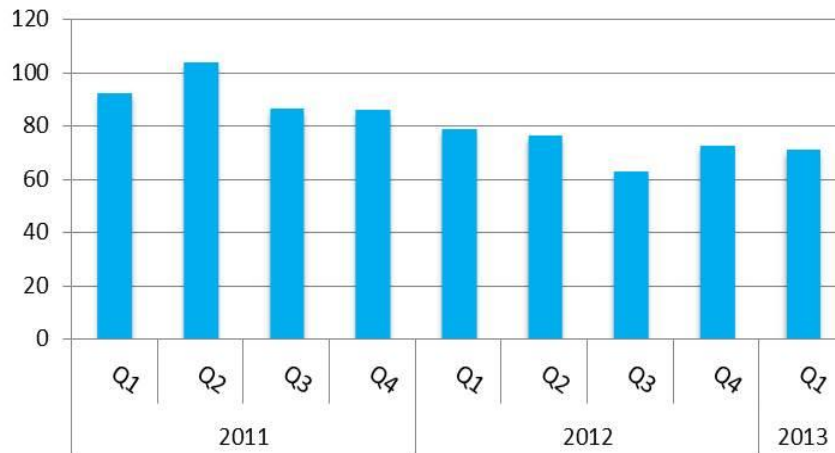
- Preparation of improved sales set up in Japan progressing according to plan. Set up to be announced during 2013.
- Ongoing qualifications of next generation silicon (200mm) on plan.
- Transfer to new fab, including preparations of qualifications, on plan.
- Preparation of TS16949 quality management system in Poland initiated.

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REVENUE DEVELOPMENT

Revenue in DKKm:



– **Revenue in line with expectations**

- Q1 2013: DKK 70.7m
- Q1 2012: DKK 78.5m (-10%)

– **Revenue decline driven by weaker market, in line with expectations**

– **Sales of silicon ingots and wafers decline of DKK 7.3m (-9.9%)**

MARGINS REDUCED FOLLOWING REVENUES

EBITDA & EBITDA-margin



- **Contribution ratio 49.6%, declined 3.0%-point vs. last year**

- Changes in product mix
- Lower capacity utilisation
- Cost regarding qualification

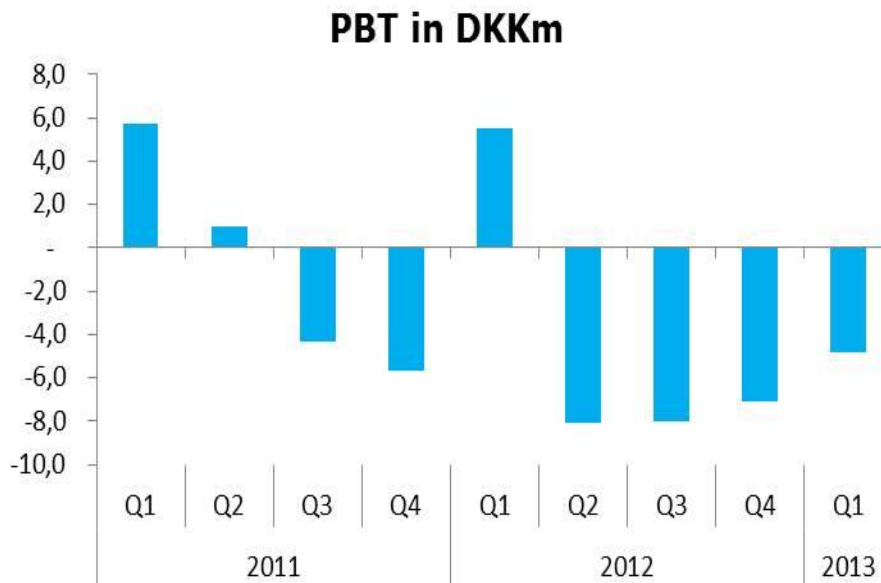
- **Fixed costs reduced by DKK 0.5m (1.5%) in Q1.**

- Additional costs in Q1 2013 running two facilities app. DKK 1m. (+3% to cost base)
- Strict cost control

- **Consolidated EBITDA of DKK 3.4m (DKK 9.1m) in line with expectations**

- EBITDA-margin of 4.8% (11.5%)

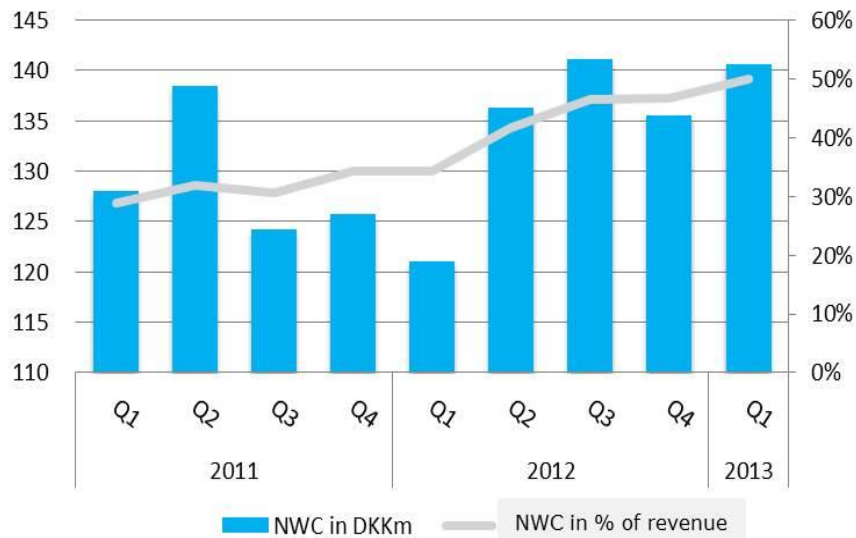
EARNINGS IN LINE WITH EXPECTATIONS



- Depreciations slightly below same period last year. Last year included increased depreciations (DKK 0.4m)
- Net financials at DKK -2.3m (DKK +2.7m). Last year impacted by positive exchange rate effects

NET WORKING CAPITAL

Net Working Capital



– **Net working capital (NWC) DKK 140.6m, increased by DKK 5.0m vs. December 31st 2012**

- Inventories DKK 152.8m, down DKK 6.2m (-4%) vs. 31/12 2012
- Accounts Payables DKK 40.0m, decreased DKK 10.0m (-20%) vs. 31/12

– **NWC/Revenue ratio 50% compared to 47% as of December 31st 2012**

NEGATIVE CASH FLOW RESULT OF INVESTMENTS IN NEW PLANT AND LESS CASH FROM OPERATIONS

Cash flow in DKKm



- Cash flow from operations (CFFO) totaling DKK -1.4m in Q1 (DKK 23.2m). Last year positively influenced by reduction in accounts receivables of DKK 19.6m
- CAPEX driven by investments in new production facilities DKK 3.4m and in development projects of DKK 2.2m.
- Cash flow from financing totalling DKK 7.4 primarily related to existing loan facilities

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Expectations for 2013

- Following a relative drop in market value from 2011 to 2012, the silicon industry expects the market to recover slightly in 2013 (Gartner, WSTS, SEMI), due to an increasing number of infrastructure projects which are expected to materialise primarily in the second half of 2013. Topsil's customers confirm this picture.
- Based on the above, Topsil expects to generate revenue for 2013 at least in line with revenue for 2012.
- Topsil expects a more efficient wafer production to help improve the Company's earnings for 2013, but it will be partly offset by the costs relating to temporary parallel production lines in two locations in Frederikssund, Denmark, customer qualification of the new plant and the relocation to the new facilities. Overall, the Company expects that EBITDA in 2013 will at least be in line with EBITDA for 2012.

Expectations based on exchange rates of DKK 600/USD 100 and DKK 180/PLN 100.

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