

# **FINANCIAL RESULTS Q3 2012**

**Carnegie Bank, NOVEMBER 23<sup>th</sup> 2012**

**TOPSiL**



# AGENDA

Q3 2012 highlights

Financials

Guidance 2012

Appendix

**DISCLAIMER:**

*This presentation includes forward-looking statements reflecting management's current expectations for certain future events and financial performance. Forward-looking statements are inherently subject to uncertainties, and results may differ significant from expectations. Factors that may cause the actual results to differ from expectations includes, but are not limited to, developments in the economy and financial markets, changes in the silicon market, market acceptance of new products and the introduction of competing products. Topsil is only obliged to update and adjust the expectations if so required by Danish legislation and the Danish law on securities trading, etc.*

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# Q3 HIGHLIGHTS

## Status new products, R&D, new plant

- Customer qualifications of new PFZ and CZ-EPI according to plan, however slow pace of qualifications due to soft market
- Development of new 200mm FZ silicon progressing according to expectations, on diameter several times. First test wafers (engineering samples) shipped Q3
- New plant: Testing of machinery and equipment during quarter. First groups of employees relocated during period, official opening 1 October 2012



# Q2 HIGHLIGHTS (CONTINUED)

## Revenue in line with expectations

- Q3 2012: DKK 62.6m (Q3 2011: DKK 86.1m)
- Q1-Q3 2012 decrease of 23% compared to corresponding period of previous year, in line with announced expectations for the year

## Earnings in line with expectations

- Q3 2012: EBITDA of DKK (1.6m) (Q3 2011: DKK 5.5m)
- EBITDA margin of (2.6%) (Q3 2011: 6.4%)
- EBITDA negatively impacted (as expected) by lower capacity utilisation, however still partly compensated by the results of the cost reduction programmes

## Guidance 2012

- Guidance maintained cf. stock exchange announcement of 8 August 2012



# NEW 200 MM PRODUCTS

- Full diameter has been achieved several times, and so the production process is now being stabilised.
- Shipping of qualification material still expected by end of year
- Initial revenue expected 2013



# NEW PLANT



- Project nearing completion
- Plant officially opened 1 Oct. 2012 by EU Commissioner for Climate Action, Mrs. Connie Hedegaard – a number of customer and suppliers joined the opening ceremony
- Tests and adaptation of new equipment will continue for remaining part of year
- First qualification material out of new plant continuously expected end of year.

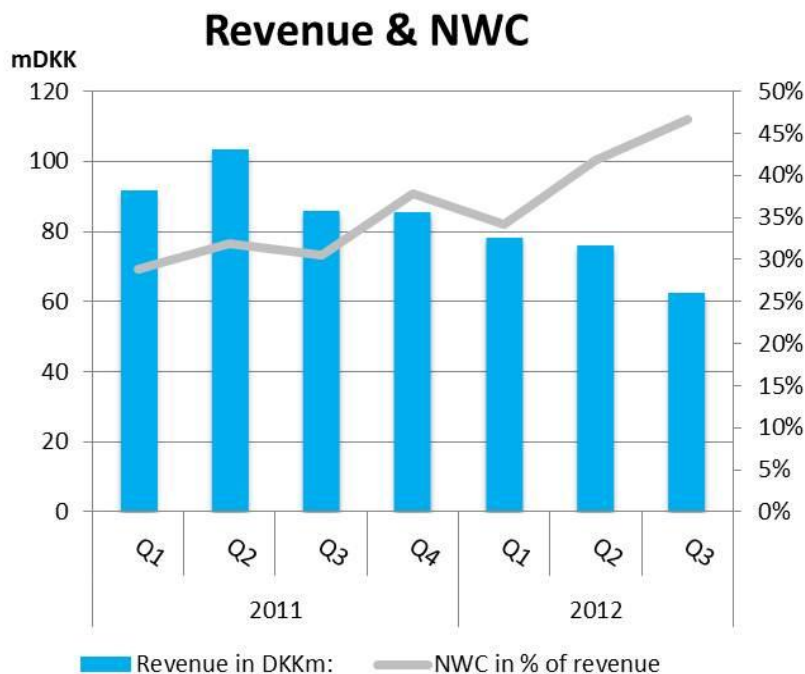


# REVENUE Q3 2012 IN LINE WITH EXPECTATIONS



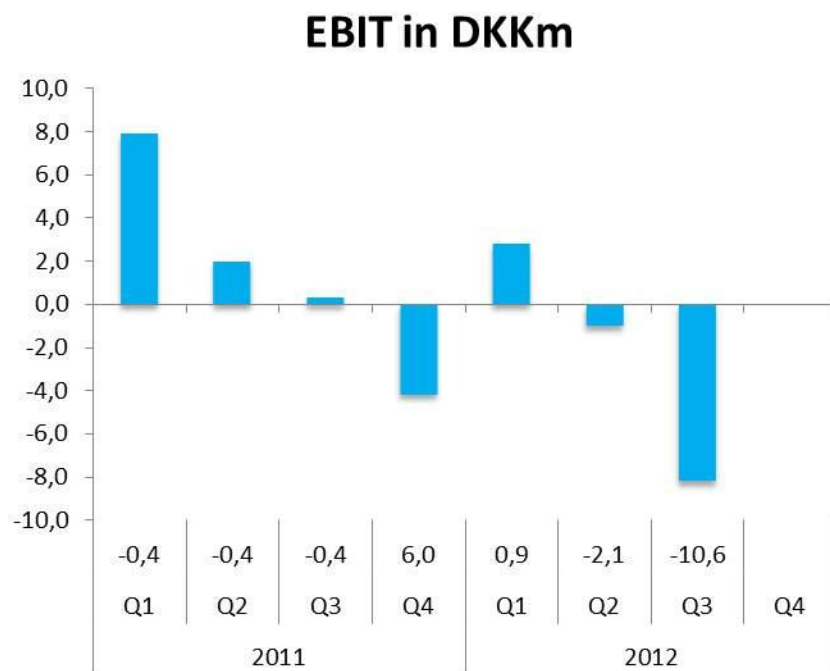
- **Q3 2012 revenues of DKK 62.6m (DKK 86.1m) – decrease of 27% compared to Q3 2011 driven by:**
  - Expected activity level in market
  - Reduced NTD
  - Partly compensated by higher PFZ

# EBITDA MARGIN AFFECTED BY LOWER LEVEL OF ACTIVITY



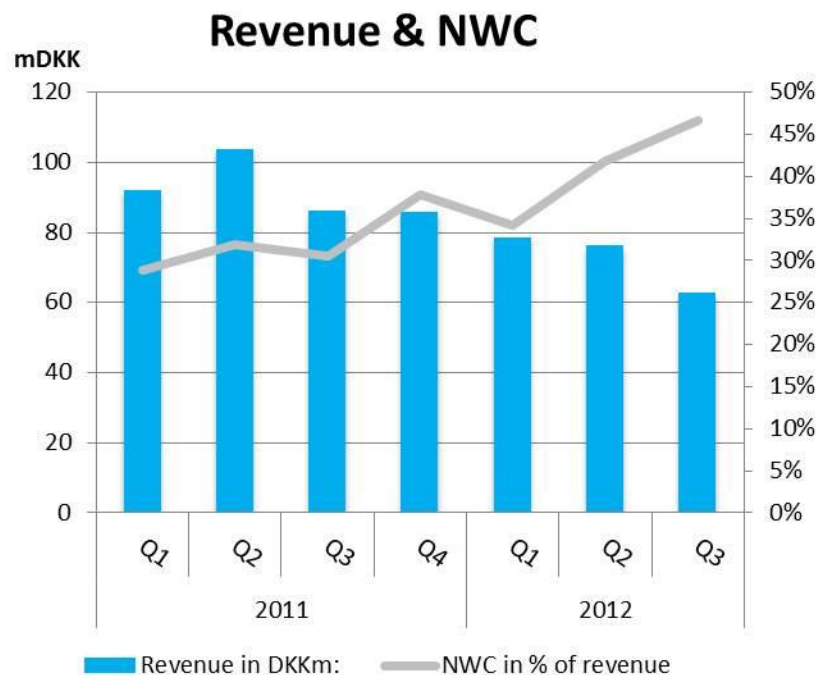
- **EBITDA of DKK (1.6m) (Q3 2011: DKK 5,5m) in line with expectations**
- **EBITDA margin of (2.7)% (Q2 2011: 6.4%)**
  - Lower margin due to expected lower level of activity / lower utilisation
  - Compensated by cost reduction programme – savings in OPEX close to 24%

# Q3 EARNINGS FOLLOWING EXPECTATIONS



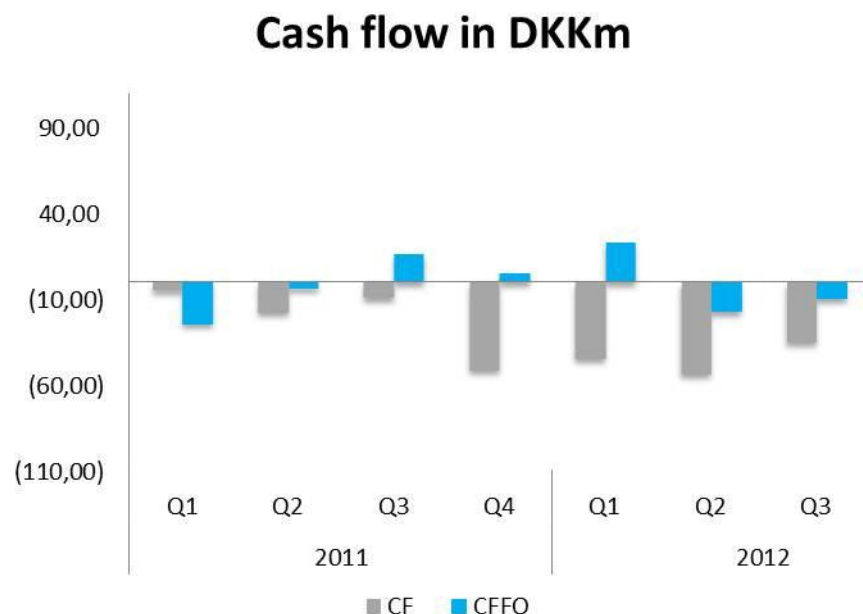
- Q3 2012 EBIT at DKK (8.2m) versus DKK 0.3 in 2011 corresponding to EBIT margin of (13.1%) compared to 0.3% in Q3 2011 and 1.6% for full year 2011
- Net financials cost in Q3 of DKK 0.2m compared to a cost in Q3 2011 of (4.6m) DKK. Interest allocation to new fab had positive effect of 2.4m DKK. FX effects primarily from PLN/USD
- PBT at DKK (8,0m) versus Q3 2011 of DKK (4.3m) and net profit decreased to DKK (5.9m) against DKK (4.3m) in 2011.

# CASH IMPACTED BY LOWER SUPPLIER DEBT AND INVESTMENTS IN GREENFIELD



- Net working capital (NWC) up by DKK 4.8m to DKK 141.2m
  - Inventory flat, debtors down and supplier debt noticeably down compared to Q2 2012
- Investments in Greenfield site and plant and equipment by approx. DKK 25.4m in Q3 and DKK 117.3m since beginning of year.
- Net interest bearing debt (NIBD) of DKK 138.0m (DKK 4.3m primo 2012)

# CFFO INFLUENCED BY HIGHER NWC



- **Cash flow from operations (CFFO) at DKK (9.9m ) versus DKK 21.3m in Q3 2011**
  - EBIT down from DKK 0.3m to DKK (8.2m)
  - NWC increased Q3 2012 with DKK 8.1m and in Q3 2011 NWC decreased with 10.9m
- **Investment of DKK 25.4m in Q3 2012 (DKK 25.9m in Q3 2011)**



# **GUIDANCE 2012**

# **GUIDANCE FOR 2012**

## **Market expectations**

- Soft market to continue Q4

## **Revenue**

- Revenue in 2012 at approximately DKK 260-280m

## **EBITDA**

- EBITDA at approximately DKK 5-15m

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