Elmos: Sale of Dortmund wafer fab to Littelfuse

Transaction strengthens power semiconductor production in Germany

Dortmund, June 28, 2023: Elmos Semiconductor SE (FSE: ELG, "Elmos"), one of the world's leading suppliers of mixed-signal automotive semiconductors, and Littelfuse, Inc., USA (NASDAQ: LFUS, "Littelfuse"), today entered into a definitive agreement on the sale of the Elmos wafer fab ("fab") at the Dortmund site to Littelfuse. Elmos has agreed to sell the wafer fab at a net purchase price of approximately 93 million Euro. Under the agreement, Littelfuse will acquire the Dortmund wafer fab with a highly skilled technology team of approximately 225 employees. All other activities, including testing operations, will remain with Elmos.

In acquiring the Dortmund wafer fab, Littelfuse enhances its capabilities in power semiconductors for high-growth power conversion applications like renewables, energy storage, and e-Mobility charging infrastructure.

"Today's agreement is a milestone for semiconductor production in Dortmund and it will strengthen Germany's standing as a high-tech location. As a fabless company, Elmos will make even greater use of advanced technologies to deliver groundbreaking innovations in mixed-signal semiconductors. Elmos is already the global market leader for certain applications in the automotive industry. We want to use this strong position to shape our future growth," says Dr. Arne Schneider, CEO of Elmos Semiconductor SE.

Headquartered in Chicago, Illinois, United States, Littelfuse, Inc. is a diversified, industrial technology manufacturing company empowering a sustainable, connected and safer world. The company operates across more than 20 countries, and with approximately 18,000 global associates. Its products are found in a variety of industrial, transportation and electronics end markets. In Germany, Littelfuse operates various manufacturing, sales and R&D sites.

The closing of the transaction is expected to be effective December 31, 2024, and is subject to certain closing conditions and regulatory approvals, among them the investment control procedure under foreign trade law conducted by the German Federal Ministry for Economic Affairs and Climate Action. Elmos will retain full operational control over the wafer fab until the closing date.

In addition, Elmos and Littelfuse have agreed to enter into a defined multi-year capacity sharing arrangement with an initial term lasting through 2029, with Elmos buying defined volumes of wafers produced at the fab. This long-term agreement supplements the existing supply arrangements with Elmos' other foundry partners and ensures that Elmos has the necessary capacities to meet projected customer demand.

"This is good news for the Elmos wafer fab team. We are delighted for Littelfuse to further develop the wafer fab in Dortmund for power semiconductors. Our employees are now expecting a quick review procedure by the relevant authorities," says Dr. Schneider.

Following regulatory approvals of the transaction, the buyer will make a payment of approximately 37 million Euro. The remainder of the purchase price will be paid at closing. The transaction has no major effects on EBIT in fiscal year 2023, which is why the current forecast for the full-year EBIT margin in 2023 (25% ± 2 percentage points) continues to apply. Cash flow is expected to be positively influenced in fiscal year 2023 by the payment of approximately 37 million Euro after regulatory approvals. Irrespective of the transaction, Elmos continues to increase its efforts to expand testing capacities for future growth. The company now anticipates capital expenditures of approximately 19% ± 2 percentage points of sales in fiscal year 2023 (previously: 17% ± 2 percentage points). As a result, Elmos now expects a negative operating adjusted free cash flow in 2023.

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About Elmos

Elmos develops, produces and markets semiconductors, primarily for use in the automotive industry. Our components communicate, measure, regulate and control safety, comfort, powertrain and network functions. For 40 years, Elmos innovations have been bringing new functions to life and making mobility worldwide safer, more comfortable and more energy efficient. With our solutions we are already the worldwide #1 in applications with great future potential, such as ultrasonic distance measurement, ambient and rear light as well as intuitive HMI.

Note

This release contains forward-looking statements that are based on assumptions and estimates made by the Elmos management. Even though we assume the underlying expectations of the forward-looking statements to be realistic, we cannot guarantee the expectations will prove right. The assumptions may carry risks and uncertainties, and as a result actual events may differ materially from the forward-looking statements. Among the factors that could cause such differences are changes in general economic and business conditions, fluctuations of exchange rates and interest rates, the introduction of competing products, lack of acceptance of new products, and changes in business strategy. Elmos neither intends nor assumes any obligation to update its statements with respect to future events.