

elmos[®]

The Next Smart Device:
The Car!

Quarterly statement Q1 2017

January 1 to March 31, 2017

Positive sales development at the start of the year
Sales +13.1% – EBIT margin 7.7%

“Elmos is off to a good start in 2017. Both Asia and Europe show intact growth trends encouraging me to take a positive view of the full year ahead,” says Dr. Anton Mindl, CEO of Elmos Semiconductor AG.

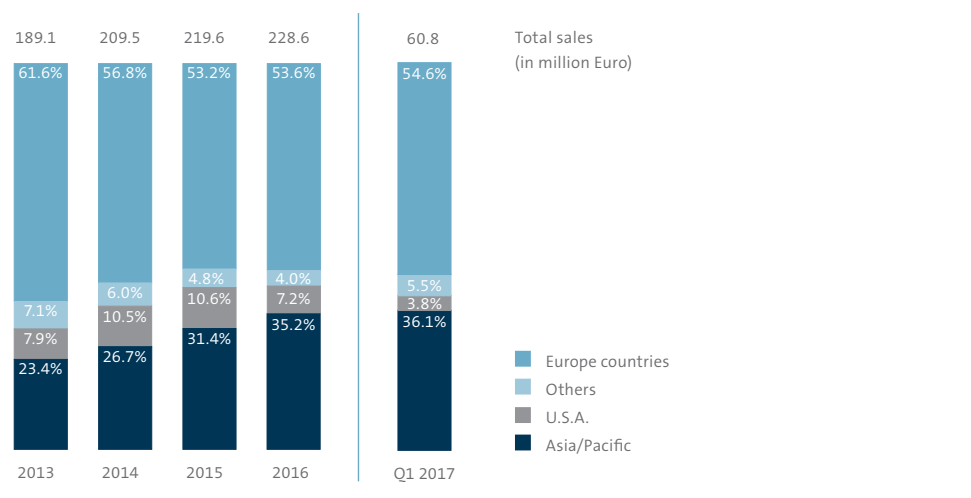
KEY FIGURES

in million Euro or %	Q1 2017	Q1 2016	Change
Sales	60.8	53.7	13.1%
Gross profit	24.7	19.7	25.4%
in % of sales	40.7%	36.7%	
Research and development expenses	9.7	9.0	7.7%
in % of sales	16.0%	16.8%	
Operating income before other operating expenses (-)/income	4.6	0.7	>100.0%
in % of sales	7.6%	1.4%	
EBIT	4.7	0.8	>100.0%
in % of sales	7.7%	1.5%	
Consolidated net income after non-controlling interests	2.9	0.3	>100.0%
in % of sales	4.8%	0.6%	
Basic earnings per share in Euro	0.15	0.02	>100.0%
	03/31/2017	12/31/2016	Change
Total assets	308.4	312.9	-1.5%
Shareholders' equity	230.8	231.6	-0.3%
in % of total assets	74.9%	74.0%	
Financial liabilities	36.1	36.2	-0.3%
Cash, cash equivalents and marketable securities	88.7	91.6	-3.2%
Net cash	52.6	55.4	-5.1%
	Q1 2017	Q1 2016	Change
Operating cash flow	8.6	8.0	6.8%
Capital expenditures for intangible assets and property, plant and equipment	7.4	8.6	-14.2%
in % of sales	12.2%	16.0%	
Adjusted free cash flow¹	1.4	-0.6	n/a

¹Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment

- > Sales development was positively impacted by:
 - > strong demand in portfolio business,
 - > dynamic ramp-ups and
 - > also calendar effects contribute.
- > The earnings quality reflects the price discounts usually granted at the beginning of the year.
- > The Semiconductor segment's ratio of orders received to sales, the so-called book-to-bill ratio, was slightly above one at the end of the first three months of 2017.
- > 228,112 shares were repurchased in the reporting period at a total cost of 4.8 million Euro. Part of these shares were used to serve the stock option plans.
- > Capital expenditures for intangible assets and property, plant and equipment were primarily used for the expansion of the testing area.

SALES BY REGION



- > Asia and Europe show intact growth trends and are making a positive contribution to sales development.
- > Low sales in the United States largely due to changes in delivery addresses.

SEGMENT REPORTING

in thousand Euro	Semiconductor		Micromechanics		Consolidation		Group	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Sales								
Sales with third parties	55,851	49,637	4,932	4,100	0	0	60,783	53,737
Inter-segment sales	117	60	475	271	-592	-331	0	0
Total sales	55,968	49,697	5,407	4,371	-592	-331	60,783	53,737
Result								
Inter-segment earnings	4,164	1,290	513	-476	0	0	4,677	814
Earnings attributable to associates							-109	-80
Finance income							314	543
Finance costs							-849	-617
Earnings before taxes							4,034	659
Income tax	-1,002	-499	-55	301	0	0	-1,057	-198
Consolidated net income							2,976	461

- > Both segments contributed to sales growth and the positive earnings trend on a year-on-year basis.
- > The development of the Micromechanics segment is subject to greater volatility due to its relatively small sales and earnings share compared to the Semiconductor segment.

FORECAST

Fiscal year 2017

Sales growth in 2017 (vs. 2016)	Growth in upper single-digit percentage range
EBIT margin (in % of sales)	Slightly better than in 2016 (2016: 10.1%)
Capital expenditures (in % of sales)	<12%
Adjusted free cash flow	Positive
Assumed USD/EUR exchange rate	1.10

- > The forecast issued in February 2017 is confirmed on the basis of current findings and development over the first three months of the year.
- > The company will take 2017 as an opportunity to further strengthen its product- and market-related areas and prepare itself for further growth.
- > The Supervisory Board and the Management Board will propose to increase the dividend to 0.35 Euro per share at the Annual General Meeting on May 11, 2017 (2016: 0.33 Euro per share).

FINANCIAL CALENDAR 2017

Quarterly results Q1/2017 ¹	May 4, 2017
Annual General Meeting in Dortmund	May 11, 2017
Quarterly results Q2/2017 ¹	August 2, 2017
Quarterly results Q3/2017 ¹	November 8, 2017
Equity Forum in Frankfurt	November 27-28, 2017

¹The German Securities Trading Act (Wertpapierhandelsgesetz) and the Market Abuse Regulation (EU) oblige issuers to immediately announce any information that may have a substantial price impact, irrespective of the communicated schedules. Therefore it is possible that we will announce key figures of quarterly and annual results ahead of the dates listed above. As we can never rule out changes of dates, we recommend checking dates and news more frequently and on a short term ahead of schedule on the Company's website (www.elmos.com).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	03/31/2017 thousand Euro	12/31/2016 thousand Euro
Non-current assets		
Intangible assets	18,873	19,572
Property, plant and equipment	88,562	86,568
Investments in associates	1,858	1,967
Securities	46,286	42,856
Investments	20	20
Other financial assets	3,822	3,699
Deferred tax assets	1,820	1,882
Total non-current assets	161,241	156,564
Current assets		
Inventories	58,298	58,602
Trade receivables	33,904	39,137
Securities	5,206	5,678
Other financial assets	1,981	1,463
Other receivables	10,052	7,705
Income tax assets	8	235
Cash and cash equivalents	37,230	43,110
	146,679	155,930
Non-current assets held for trading	436	436
Total current assets	147,115	156,366
Total assets	308,356	312,930

Equity and liabilities	03/31/2017 thousand Euro	12/31/2016 thousand Euro
Equity		
Equity attributable to owners of the parent		
Share capital	20,104	20,104
Treasury shares	-278	-193
Additional paid-in capital	88,844	92,444
Surplus reserve	102	102
Other equity components	160	204
Retained earnings	121,060	118,142
	229,991	230,803
Non-controlling interests	837	778
Total equity	230,828	231,581
Liabilities		
Non-current liabilities		
Provisions for pensions	447	477
Financial liabilities	11,093	11,202
Deferred tax liabilities	1,536	1,769
Total non-current liabilities	13,075	13,448
Current liabilities		
Provisions	14,331	12,035
Income tax liabilities	916	2,295
Financial liabilities	25,000	25,000
Trade payables	19,859	24,944
Other liabilities	4,347	3,627
Total current liabilities	64,453	67,900
Total liabilities	77,528	81,349
Total assets	308,356	312,930

CONDENSED CONSOLIDATED INCOME STATEMENT

	Q1 2017 thousand Euro	in % of sales	Q1 2016 thousand Euro	in % of sales	Change
Sales	60,783	100.0%	53,737	100.0%	13.1%
Cost of sales	-36,072	-59.3%	-34,036	-63.3%	6.0%
Gross profit	24,710	40.7%	19,701	36.7%	25.4%
Research and development expenses	-9,710	-16.0%	-9,018	-16.8%	7.7%
Distribution expenses	-5,353	-8.8%	-4,944	-9.2%	8.3%
Administrative expenses	-5,004	-8.2%	-5,013	-9.3%	-0.2%
Operating income before other operating expenses (-)/income	4,643	7.6%	726	1.4%	>100.0%
Exchange rate losses (-)/gains	-245	-0.4%	-490	-0.9%	-50.0%
Other operating income	494	0.8%	828	1.5%	-40.3%
Other operating expenses	-214	-0.4%	-250	-0.5%	-14.2%
Earnings before interest and taxes (EBIT)	4,677	7.7%	814	1.5%	>100.0%
Comprehensive income attributable to associates	-109	-0.2%	-80	-0.1%	36.0%
Finance income	314	0.5%	543	1.0%	-42.1%
Finance costs	-849	-1.4%	-617	-1.1%	37.5%
Earnings before taxes	4,034	6.6%	659	1.2%	>100.0%
Income tax					
Current income tax	-1,268	-2.1%	-1,151	-2.1%	10.2%
Deferred tax	210	0.3%	953	1.8%	-77.9%
	-1,057	-1.7%	-198	-0.4%	>100.0%
Consolidated net income	2,976	4.9%	461	0.9%	>100.0%
Consolidated net income attributable to					
Owners of the parent	2,918	4.8%	333	0.6%	>100.0%
Non-controlling interests	59	0.1%	128	0.2%	-54.2%
Earnings per share	Euro		Euro		
Basic earnings per share	0.15		0.02		
Fully diluted earnings per share	0.15		0.02		

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Q1 2017 thousand Euro	Q1 2016 thousand Euro
Consolidated net income	2,976	461
Depreciation and amortization	6,041	7,248
Financial result	644	74
Other non-cash income (-)/expense	-210	-977
Changes in net working capital	513	522
Taxes	-1,152	582
Other changes	-231	126
Cash flow from operating activities	8,581	8,036
Capital expenditures for intangible assets and property, plant and equipment	-7,389	-8,609
Disposal of assets	171	15
Capital expenditures in shares in associates	0	-2,121
Payments for (-) securities/Disposal of securities	-3,172	-9,391
Payments for other non-current financial assets	-122	-94
Cash flow from investing activities	-10,512	-20,200
Repayment of liabilities	-109	-194
Issue of treasury shares	1,087	5
Repurchase of treasury shares	-4,816	0
Distribution to non-controlling shareholders	0	-449
Other changes	-14	9
Cash flow from financing activities	-3,852	-628
Decrease in cash and cash equivalents	-5,783	-12,792
Effects of exchange rate changes on cash and cash equivalents	-97	-373
Cash and cash equivalents at beginning of reporting period	43,110	50,000
Cash and cash equivalents at end of reporting period	37,230	36,835

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Notice

This document is a quarterly statement in accordance with Section 51a Rules and Regulations for the Frankfurter Wertpapierbörse (Börsenordnung für die Frankfurter Wertpapierbörse). For mathematical reasons, tables and references may contain rounding differences to the exact figures (currency units, percentages, etc.).

Forward-looking statements

This report contains forward-looking statements that are based on assumptions and estimates made by the Elmos management. Even though we assume the underlying expectations of our statements to be realistic, we cannot guarantee these 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.

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