

Quarterly statement Q1 2019

January 1 to March 31, 2019

Elmos starts year on a positive note – guidance for 2019 confirmed
Sales +8.8% / EBIT margin: 14.8%

“Elmos got off to a good start this year, as expected. Through our products, we serve the market trends. To further expand our activities, we strengthened our development resources at the start of the year as planned,” says Dr. Anton Mindl, CEO of Elmos Semiconductor AG.

Key figures

in million Euro unless otherwise indicated	Q1 2019	Q1 2018	Change
Sales	69.1	63.5	8.8%
Gross profit	31.4	25.7	22.1%
in % of sales	45.5%	40.5%	
Research and development expenses	10.9	7.8	39.9%
in % of sales	15.8%	12.3%	
Operating income	9.4	7.7	23.4%
in % of sales	13.7%	12.1%	
EBIT	10.2	7.9	30.4%
in % of sales	14.8%	12.4%	
Consolidated net income after non-controlling interests	7.0	5.4	28.7%
in % of sales	10.1%	8.6%	
Earnings per share (basic) in Euro	0.36	0.28	28.8%
	3/31/2019	12/31/2018	Change
Total assets	383.5	369.1	3.9%
Shareholders' equity	272.9	266.6	2.4%
in % of total assets	71.2%	72.2%	
Financial liabilities	59.4	43.8	35.7%
Cash, cash equivalents, and marketable securities	47.7	60.7	-21.4%
Net debt/net cash	-11.7	16.9	n/a
	Q1 2019	Q1 2018	Change
Operating cash flow	7.9	4.5	73.9%
Capital expenditures	16.1	9.0	78.0%
in % of sales	23.3%	14.2%	
Adjusted free cash flow	-10.4	-7.1	46.2%

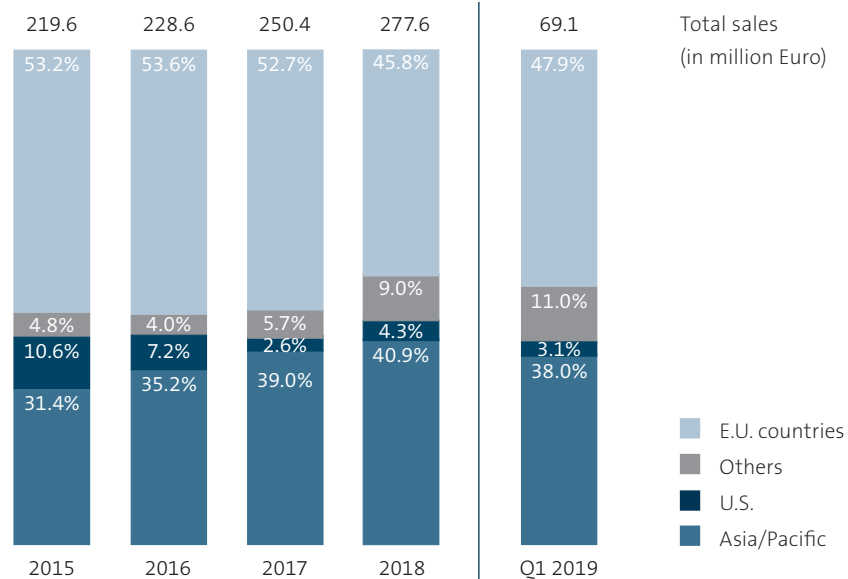
Definition of selected financial indicators

- Adjusted free cash flow: Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant, and equipment
- Capital expenditures: Capital expenditures for intangible assets and property, plant, and equipment less capitalized development expenses
- Please refer to the Annual Report 2018 of Elmos Semiconductor AG at www.elmos.com for more details on the key figures used.

Profit, financial positions as well as assets and liabilities

- > Sales and earnings development was positively impacted by good operating performance, amongst others.
- > The Semiconductor segment's ratio of orders received to sales, known as the book-to-bill ratio, stood at approximately one at the end of the reporting period.
- > Development resources were strengthened as planned by opening a new location in Düsseldorf, among other measures.
- > Capital expenditures were primarily related to the further expansion of test operations.
- > Adjusted free cash flow was affected by capital expenditures and an increase in working capital, among other factors.
- > The first-time application of the new standard IFRS 16 – *Leases* led to an increase in financial liabilities and property, plant, and equipment of roughly 17 million Euro, as reflected in the calculation of net cash by higher liabilities.
- > In the reporting period, the Company bought back 66,054 shares for a total of 1.3 million Euro.

Sales by region



-> The changes in the regional distribution of sales were due to changes in delivery addresses and the economic development of individual markets.

Segment reporting

in thousand Euro	Semiconductor		Micromechanics		Consolidation		Group	
	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018
Sales with third parties	62,159	58,866	6,915	4,638	0	0	69,074	63,504
Inter-segment sales	113	62	307	190	-420	-252	0	0
Total sales	62,272	58,928	7,222	4,828	-420	-252	69,074	63,504
Segment earnings (EBIT)	8,872	7,617	1,375	244	0	0	10,247	7,861
Share in net income of associates							0	-132
Finance income							127	233
Finance expenses							-573	-294
Earnings before taxes							9,801	7,667
Income tax	-2,650	-2,279	-119	49	0	0	-2,769	-2,230
Consolidated net income							7,032	5,437

- > The positive development of sales and earnings at the start of the year was driven by both segments, with Micromechanics reporting above-average growth and a comparatively strong EBIT margin in the first quarter of 2019.
- > The development of the Micromechanics segment is subject to greater volatility compared to the Semiconductor segment due to the smaller absolute size of the business.

Guidance

Fiscal year 2019	As of February, 2019
Sales growth in 2019 (vs. 2018)	6% to 10%
EBIT margin	13% to 17%
Capital expenditures (in % of sales) ¹	<15%
Adjusted free cash flow ²	Positive
Assumed average exchange rate	1.15 USD/EUR

¹ Capital expenditures for intangible assets and property, plant, and equipment less capitalized development expenses

² Cash flow from operating activities less capital expenditures for/plus disposals of intangible assets and property, plant, and equipment

- > The current conditions confirm the guidance issued in February 2019.
- > The Supervisory Board and the Management Board will propose an increase in the dividend to 0.52 Euro per share at the Annual General Meeting on May 15, 2019 (previous year: 0.40 Euro per share).

Financial calendar

Fiscal year 2019	
Quarterly results Q1/2019 ¹	May 8, 2019
Annual General Meeting in Dortmund	May 15, 2019
Quarterly results Q2/2019 ¹	August 1, 2019
Quarterly results Q3/2019 ¹	November 6, 2019
Equity Forum in Frankfurt	November 25-27, 2019

¹ The German Securities Trading Act (Wertpapierhandelsgesetz) and the Market Abuse Regulation oblige issuers to announce any information that may have a substantial price impact immediately, irrespective of the financial calendar. Therefore, we cannot rule out having to announce key figures of quarterly and annual results ahead of the dates mentioned above. As we can never rule out changes of dates, we recommend checking them in advance on the website (www.elmos.com).

Condensed consolidated statement of financial position

Assets in thousand Euro	3/31/2019	12/31/2018
Intangible assets	31,734	30,455
Property, plant, and equipment	150,813	129,169
Securities	13,558	21,446
Investments	20	20
Other financial assets	4,433	4,283
Deferred tax assets	2,319	2,312
Non-current assets	202,878	187,685
Inventories	83,931	77,862
Trade receivables	46,739	49,344
Securities	16,618	12,108
Other financial assets	4,060	4,247
Other receivables	10,991	10,591
Income tax assets	722	123
Cash and cash equivalents	17,536	27,137
Current assets	180,596	181,411
Total assets	383,474	369,097

Equity and liabilities in thousand Euro	3/31/2019	12/31/2018
Share capital	20,104	20,104
Treasury shares	-421	-355
Additional paid-in capital	83,349	84,567
Surplus reserve	102	102
Other equity components	-340	68
Retained earnings	169,584	161,615
Equity attributable to owners of the parent	272,377	266,101
Non-controlling interests	563	529
Shareholders' equity	272,940	266,630
Financial liabilities	54,407	42,449
Deferred tax liabilities	6,535	5,852
Non-current liabilities	60,942	48,301
Provisions	17,130	13,766
Income tax liabilities	5,800	8,391
Financial liabilities	5,011	1,340
Trade payables	16,693	25,908
Other liabilities	4,957	4,761
Current liabilities	49,591	54,166
Liabilities	110,534	102,467
Total assets	383,474	369,097

Condensed consolidated income statement

in thousand Euro	Q1 2019	Q1 2018
Sales	69,074	63,504
Cost of sales	-37,668	-37,790
Gross profit	31,405	25,714
Research and development expenses	-10,901	-7,792
Distribution expenses	-5,063	-5,248
Administrative expenses	-5,994	-5,020
Operating income before other operating expenses (-)/income	9,448	7,654
Foreign exchange gains/losses (-)	148	-423
Other operating income	859	849
Other operating expenses	-208	-219
Earnings before interest and taxes (EBIT)	10,247	7,861
Share in net income of associates	0	-132
Finance income	127	233
Finance expenses	-573	-294
Earnings before taxes	9,801	7,667
Taxes on income	-2,769	-2,230
thereof current income tax	-2,227	-1,664
thereof deferred tax	-543	-566
Consolidated net income	7,032	5,437
thereof attributable to owners of the parent	6,997	5,436
thereof attributable to non-controlling interests	35	1
Earnings per share	Euro	Euro
Basic earnings per share	0.36	0.28
Fully diluted earnings per share	0.35	0.27

Condensed consolidated statement of cash flows

in thousand Euro	Q1 2019	Q1 2018
Consolidated net income	7,032	5,437
Depreciation and amortization	7,446	5,956
Financial result	446	194
Other non-cash expense	543	566
Changes in net working capital	-4,612	-6,733
Taxes	-3,190	-1,051
Other changes	192	150
Cash flow from operating activities	7,857	4,519
Capital expenditures for intangible assets and property, plant, and equipment	-18,275	-11,663
Disposal of intangible assets and property, plant, and equipment	13	29
Disposal of securities	3,350	1,992
Payments for other non-current financial assets	-120	-111
Cash flow from investing activities	-15,032	-9,753
Repayment of liabilities	-107	-108
Share-based remuneration/Issue of treasury shares	-120	-985
Repurchase of treasury shares	-1,314	0
Repayment of leasing liabilities	-1,398	0
Other changes	1	-4
Cash flow from financing activities	-2,938	-1,097
Decrease in cash and cash equivalents	-10,113	-6,331
Effect of exchange rate changes on cash and cash equivalents	512	-222
Cash and cash equivalents at beginning of reporting period	27,137	32,367
Cash and cash equivalents at end of reporting period	17,536	25,815

Contact

Thalea Blunk | Investor Relations

Phone: + 49 (0) 231-75 49-273

Fax: + 49 (0) 231-75 49-111

invest@elmos.com

Elmos Semiconductor AG

Heinrich-Hertz-Straße 1

44227 Dortmund | Germany

Phone: + 49 (0) 231-75 49-0

Fax: + 49 (0) 231-75 49-149

info@elmos.com | www.elmos.com

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.

This English translation is for convenience purposes only.