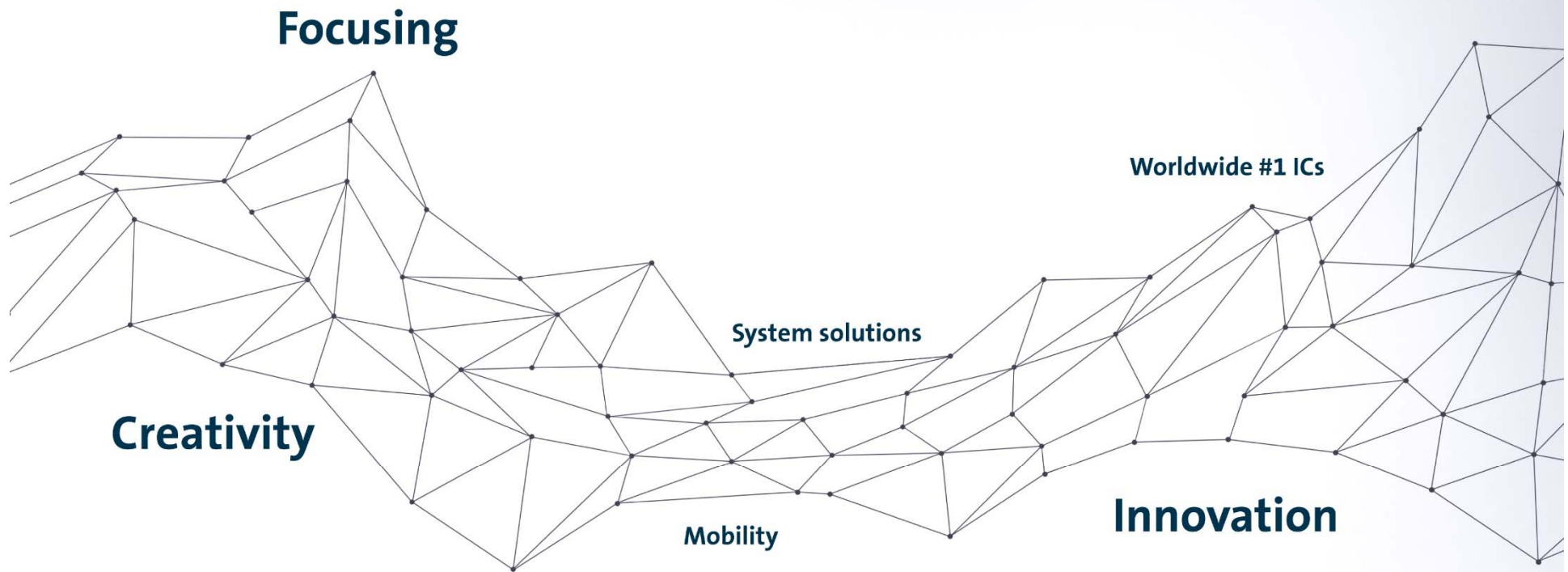


# Innovation Matters



Roadshow  
August 2020

# Elmos at a glance



**35** years experience in analog mixed signal IC solutions

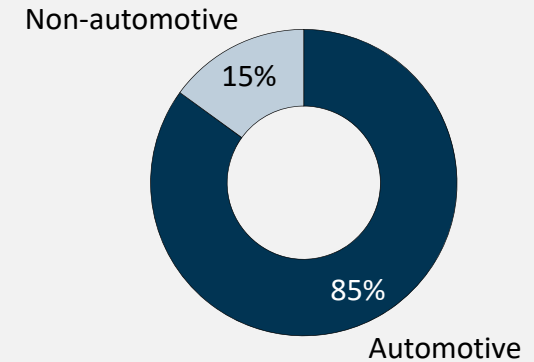
**16** sites globally – German roots with Dortmund headquarters

**~5** Elmos ICs on average in every new car

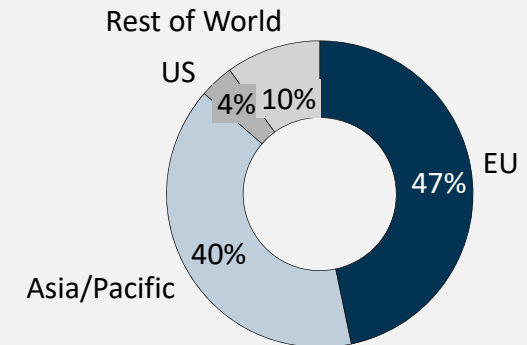
**6** product segments: Ranging, Optical, Sensor ICs, Motor Control, Lighting, Safety/Power/Custom ICs

**1,300** employees, thereof 350 people in product development

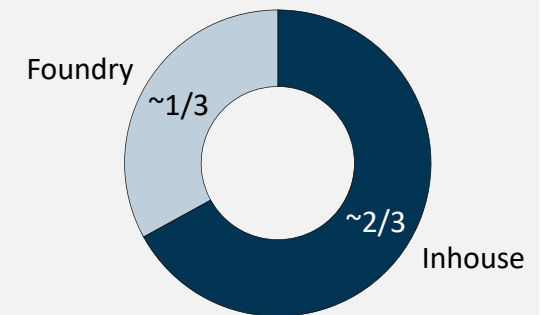
**Automotive focus:**  
Sales by industry\*



**Global reach:**  
Sales by region\*



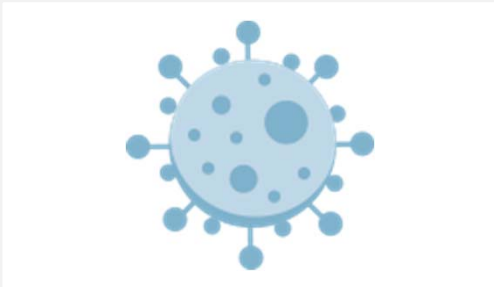
**Fabrite strategy:**  
Wafer production\*



\*Charts referring to 2019 financial figures

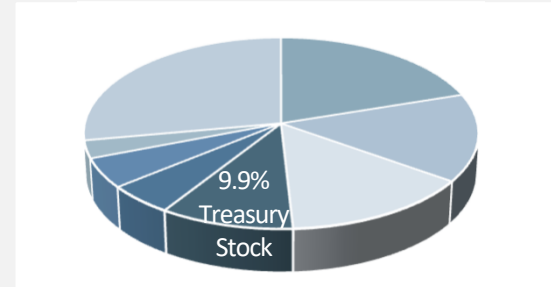
# Recent milestones (1/2)

## 1st Corona preventive measures



Jan.: Ban on travel to Asia, measures have been progressively extended

## Public share buyback offer



1.54 million shares bought back for ~27 million Euro (17.50 Euro/share)

## Mid April: Short-time work starts



Goal: soften the financial consequences of the weak demand caused by COVID-19

## Sales growth of 3.3% in Q1 2020

Home // About Elmos // Investor // Press News  
**Elmos: Sales growth of 3.3% in Q1 2020**

**Consequences expected to affect the rest of the year** 05/01/2020

Elmos Semiconductor AG (SE: E22) increased sales by 3.3% year on year to 64.2 million Euro, in the first quarter of 2020 (Q1 2019 sales of continuing operations of 62.2 million Euro). EBIT amounted to 7.1 million Euro. That corresponds to an EBIT margin of 11.0% and reflects the expansion of development resources among other things. Capital expenditures amounted to 5.8 million Euro, or 9.1% of sales. High operating cash flow also had a positive effect on the adjusted free cash flow of 13.3 million Euro in the reporting quarter.

"We assume that the numerous plant closures among automotive manufacturers will have a significant negative impact on business performance over the rest of the year," says Dr. Andrej Klotz, CEO of Elmos Semiconductor AG. "Elmos started protecting its employees with comprehensive preventive measures at an early stage. At the same time, we have implemented operational measures including short-time work, and will expand those measures to manage the economic effects of the crisis caused by the pandemic. Since, among other things, customer acquisition continues at the same high level, we believe that Elmos remains in a very strong position in the medium term. That is, particularly the case thanks to our strong financial position."

Elmos expects sales of between 55 and 60 million Euro in Q2 2020. An EBIT margin of between 1% and 6% of sales is expected. The guidance is based on an exchange rate of 1:10 EUR/USD. Due to the current situation, no full year guidance is being issued for 2020.

**Overview of financials**

Figures according to IFRS (in million Euro or percent unless otherwise indicated)

	Q1 2020	Q1 2019	YoY
Sales	64.2	62.2	3.3%
Gross profit	26.1	27.7	-5.8%
Gross profit %	40.7%	44.6%	-8.7%
Research and development	12.3	9.7	26.9%

EBIT margin of 11.0% – Coronavirus expected to affect the rest of the year

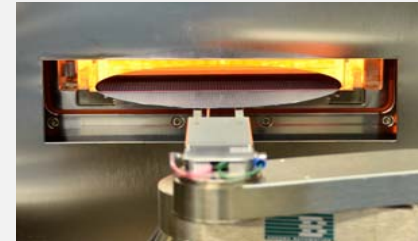
## Recent milestones (2/2)

### Management of Corona effects



Short-time work extended, management board continues to partially waive salary

### End of cooperation w/ Fraunhofer



On June 30, 2020 the contract expired - deliveries to customers secured by Dortmund fab and foundry partners

### 21st AGM as a virtual event



All items on the agenda were approved by a large majority

### Conversion into SE completed

**SE** | Societas  
Europaea

July 1, 2020 – strengthening the international positioning

The car is the next smart device –  
Elmos is present in the highest growing sub-segments



### Selected growing applications



EV  
(Battery + Plug-In)



Distance Warning  
(Emergency Braking  
+ Parking)



Advanced Display /  
HMI



BLDC motors  
(HVAC, pumps,  
engine cooling)



LED Lighting

### Elmos ICs for growing segments

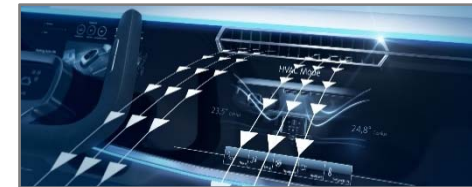
Selected projects  
in development

**#1**  
for Ultrasonic ICs

**#1**  
for Gesture Control

**#1**  
for HVAC flaps

**#1**  
for Ambient Lighting  
(and soon rear light)

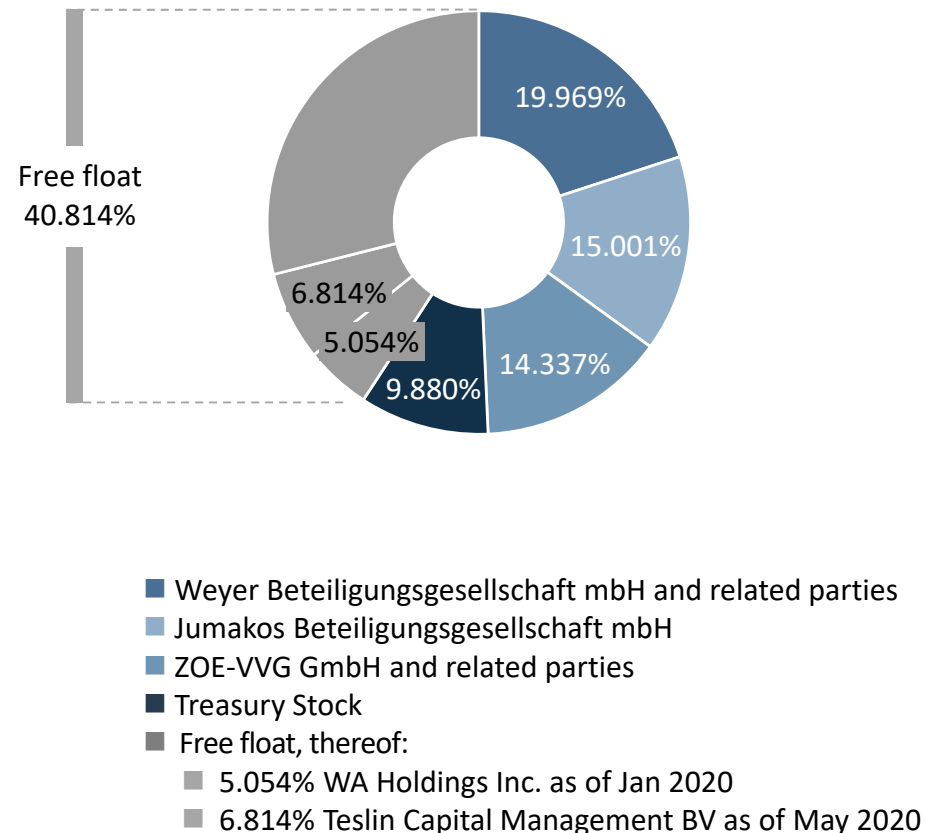


## Share buyback

- Public buyback offer 2020 (17.03.2020-26.03.2020)
- Offer price per share: 17.50 Euro
- Altogether 2.30 million shares have been tendered (offer oversubscribed)
- A total of 1.54 million shares bought back for ~27 million Euro

**Elmos now holds 1,986,206 treasury shares / 9.880% of the share capital**

## Shareholder structure



”

While sales are currently still strongly influenced by the effects of the **coronavirus pandemic**, we see the **turning point** in the third quarter due to the development of incoming orders. We perceive a **revival of business** in the different regions, specially Asia.

Moreover, our **development projects** are running at **full speed** and customer **acquisition** is equally successful. Our position in the market as, among other things, the global leader in ultrasonic distance measurement and a key player for LED rear lighting, is leading to numerous new customer relationships in various markets. Interest is also growing steadily in our semiconductors for ambient lighting in vehicles, the market-leading gesture control for intuitive operation, and our highly sensitive yet robust evaluation ICs. Recently developed solutions that specifically address the pressure and temperature monitoring needs of high-performance batteries in electric vehicles have generated important design wins with market-leading customers.

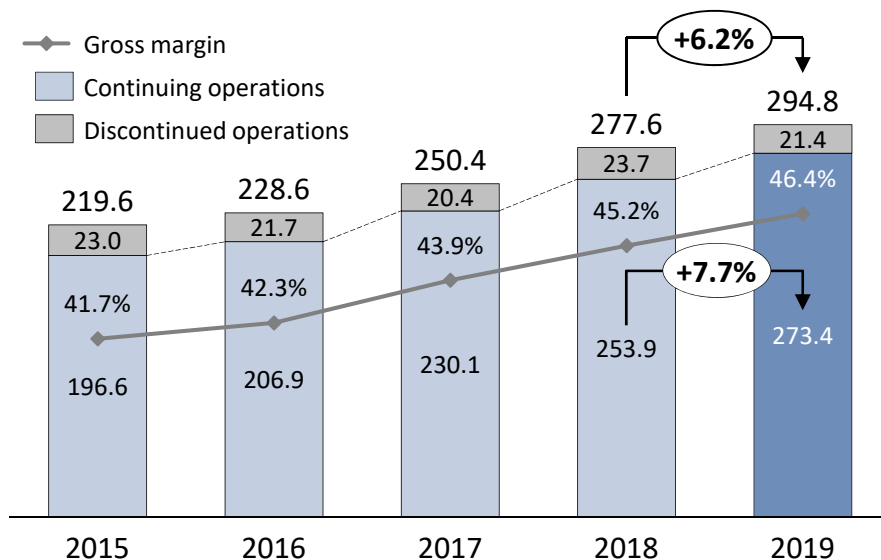
We are therefore convinced that in the medium and long term we will participate disproportionately in the **dynamic growth** of semiconductors in vehicles.

– *Dr. Anton Mindl*

”

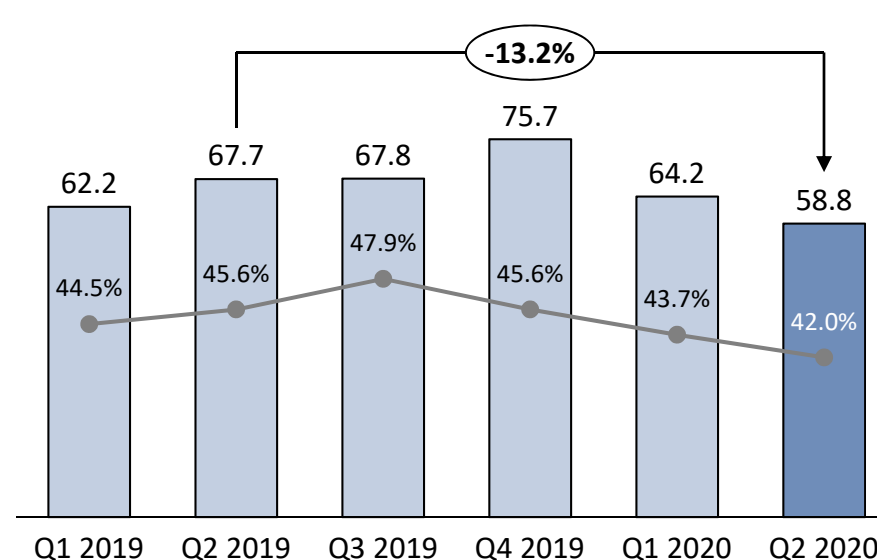
# Q2 2020: Sales fulfill guidance

## Yearly sales (million Euro) & gross margin (%)



- **Organic growth of 7.7%** to 273.4 million Euro in 2019

## Quarterly sales\* (million Euro) & gross margin\* (%)



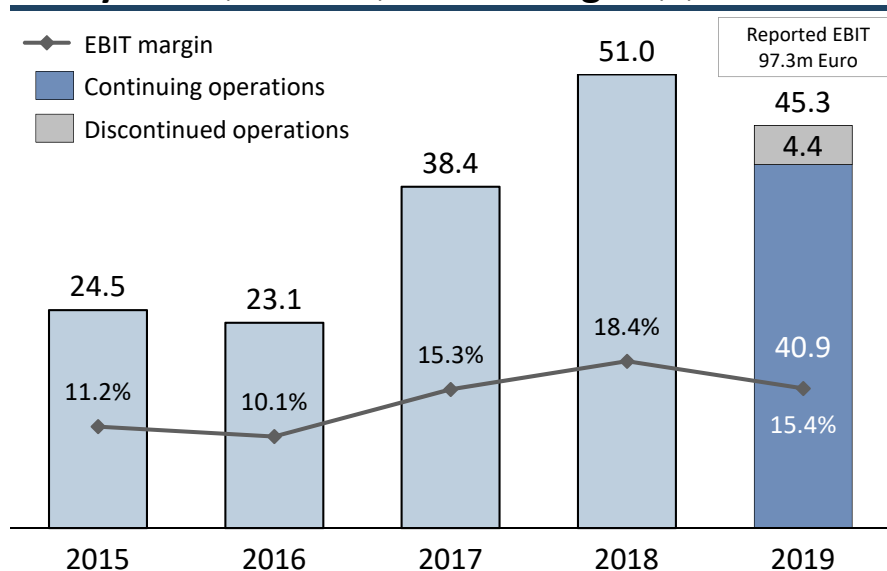
- **Q2 2020 Sales developed as expected** and reflect first impacts of the Corona pandemic
- The ratio of orders received for the next three months to sales over the past three months (**book-to-bill**) was **well below one** at the end of the reporting period

\*For purposes of comparison, quarterly information on the consolidated income statement relates exclusively to continuing operations.

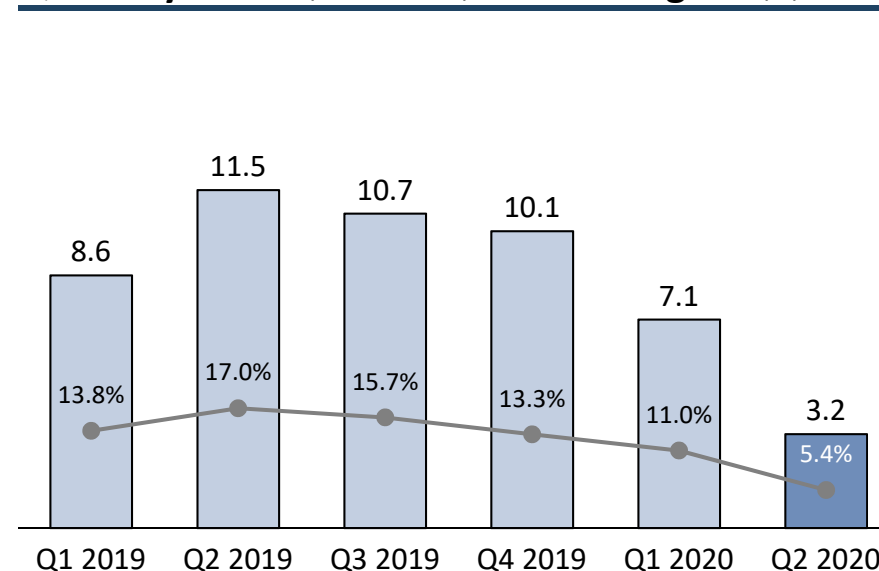


# Q2 2020: EBIT also in line with expectations

### Yearly EBIT<sup>1</sup> (million Euro) & EBIT margin<sup>1</sup> (%)



### Quarterly EBIT<sup>1,2</sup> (million Euro) & EBIT margin<sup>1,2</sup> (%)



- EBIT margin **achieved mid-term target** level in 2017, 2018 and 2019
- **2019: Reported EBIT** is 97.3m Euro
  - The sale of SMI resulted in other operating income of 63.1m Euro
  - The termination of the Fraunhofer cooperation resulted in other operating expenses of 11.1m Euro

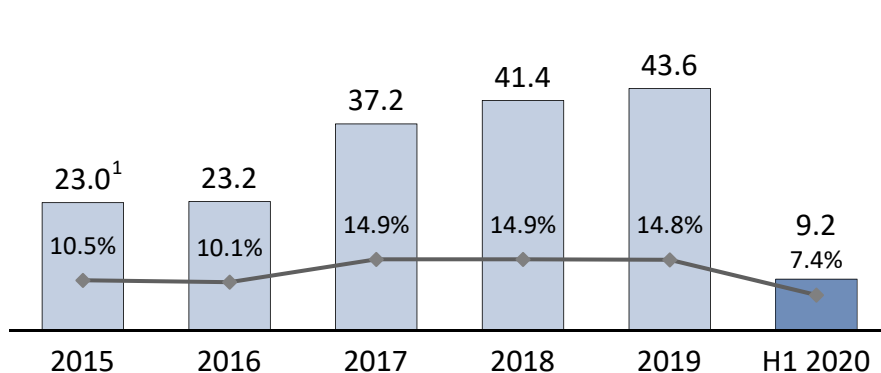
- **Q2 2020** EBIT and EBIT margin reflect the sequential decline in sales and the full-year effects of the R&D build-up over the course of 2019

<sup>1</sup> Operational EBIT/EBIT margin (2019) without consideration of the result from the sale of the subsidiary SMI and without deduction of the restructuring expenses for the termination of the cooperation with the Fraunhofer Institute IMS.

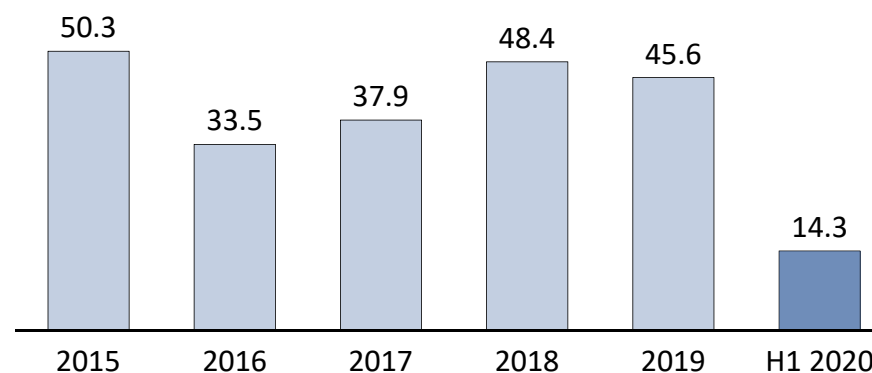
<sup>2</sup> For purposes of comparison, quarterly information on the consolidated income statement relates exclusively to continuing operations.

# H1 2020: Further Financial KPIs

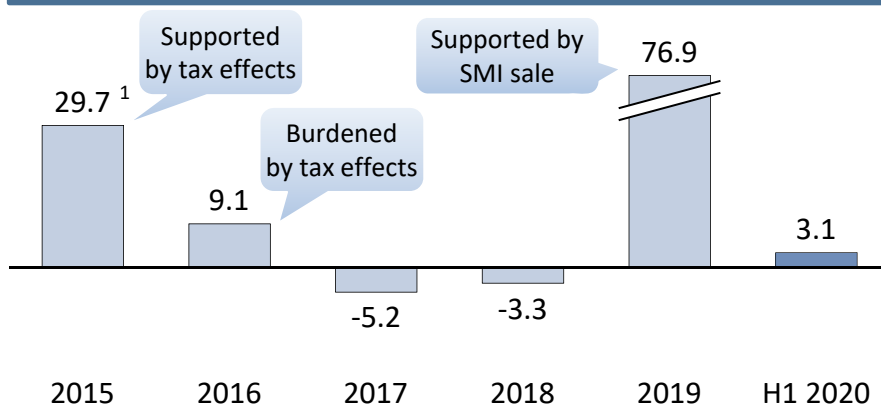
## Capex (million Euro & % of sales)



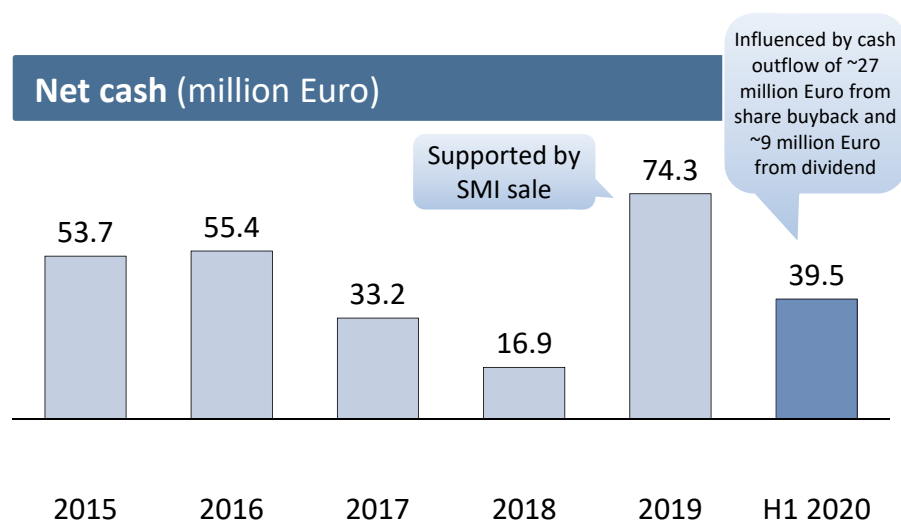
## Operating Cash Flow (million Euro)



## Adjusted Free Cash Flow (million Euro)



## Net cash (million Euro)



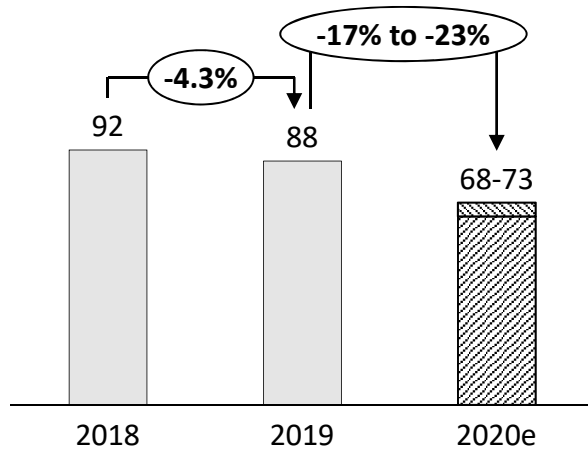
- Adjusted free cash flow: Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment (including payments from disposals of consolidated companies)

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

<sup>1</sup> Disregarding one-off effect from sale and lease back structure of ca. 14 million Euro

## Market Outlook<sup>1</sup>

New car registrations in million units



Regional outlook 2020:

- Europe (-29% to -35%)
- China (-2% to -8%)
- US (-14% to -20%)

## Daily Newspaper Headlines

**China's car sales still showing signs of growth as world's largest market recovers from coronavirus impact**

**Europe braces for second wave of coronavirus**

**Daimler Planning Big Cost Cuts Putting 20,000 Jobs At Risk**

Hella is to cut hundreds of jobs as a result of the closure of car factories during the Covid-19 pandemic.

**Volvo increases plug-in hybrid sales 80%**

**Semi sales jump 6% globally, but auto chips still choke on 35% car sales decline**

<sup>1</sup> Morningstar (July 23, 2020)

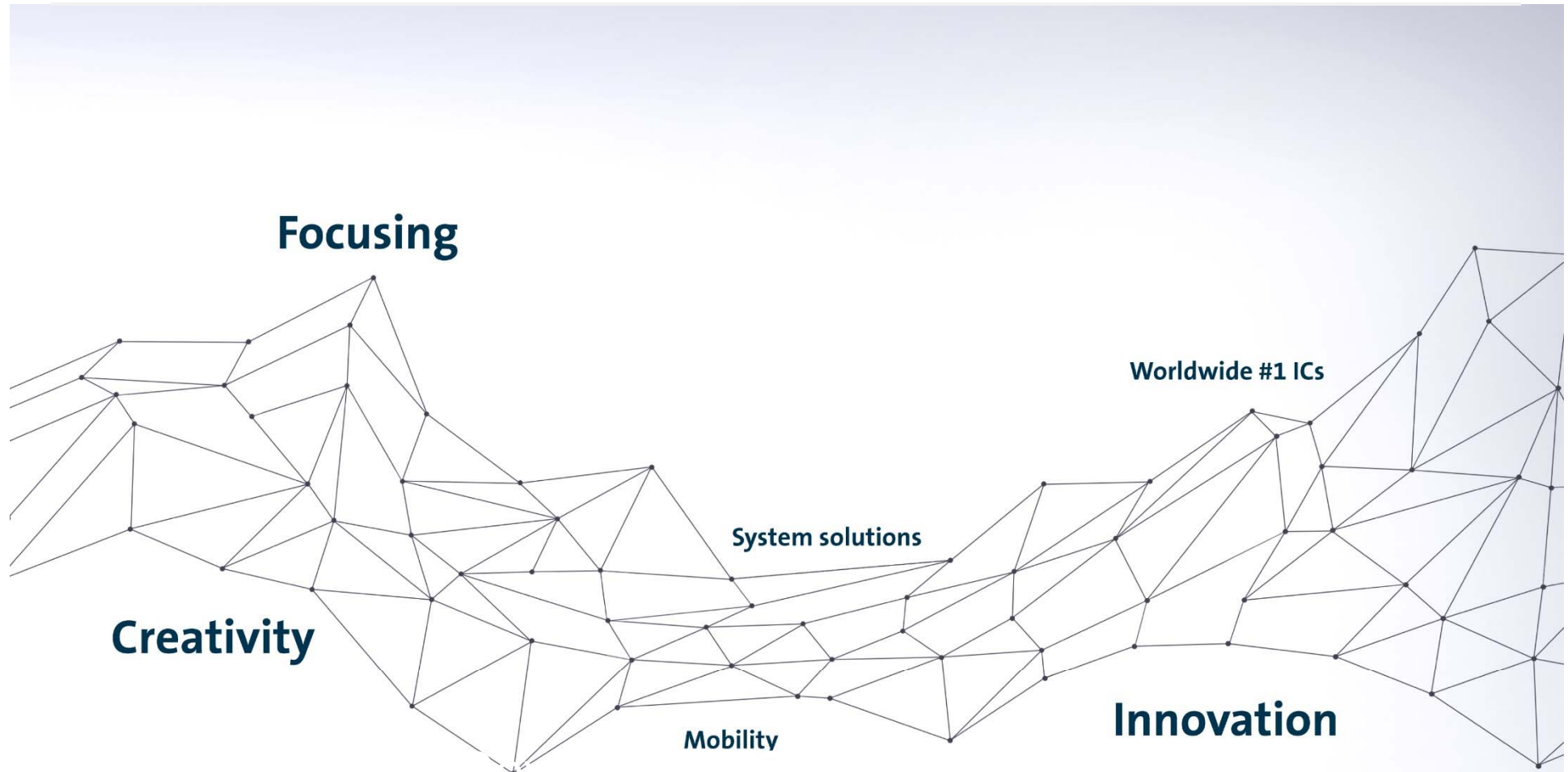
## Guidance for Q3 2020

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### As of August 3, 2020

Sales	37 to 41 million Euro
EBIT	-13 to -10 million Euro
Ø exchange rate	1.15 EUR/USD

- Due to the current situation, **no full year guidance** is being issued for 2020.



# Research Coverage and Elmos Financial Calendar



Institution	Analyst	Recommendation
Bankhaus Lampe	Veysel Taze	Hold
Deutsche Bank	Johannes Schaller	Hold
DZ Bank	Harald Schnitzer	Hold
Hauck & Aufhäuser	Christian Sandherr	Hold
Oddo BHF	Stéphane Hourri	Reduce
Warburg Research	Malte Schaumann	Buy

Event	Date
Quarterly results Q2/2020*	August 5, 2020
Quarterly results Q3/2020*	November 4, 2020

*\*The 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 ahead of schedule on the Company's website ([www.elmos.com](http://www.elmos.com)).*

## Elmos Semiconductor SE

Heinrich-Hertz-Str. 1 | 44227 Dortmund | Germany

Telephone: + 49 231 75 49 287 | Telefax: + 49 231 75 49 111

invest@elmos.com | www.elmos.com

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