

# Investor Presentation Q1 2023

May 2023

elmos<sup>ii</sup>



# ELMOS CORPORATE OVERVIEW



## Corporate highlights

**~7** Elmos ICs  
on average in every new car produced<sup>1</sup>  
<sup>1</sup>based on FY 2022

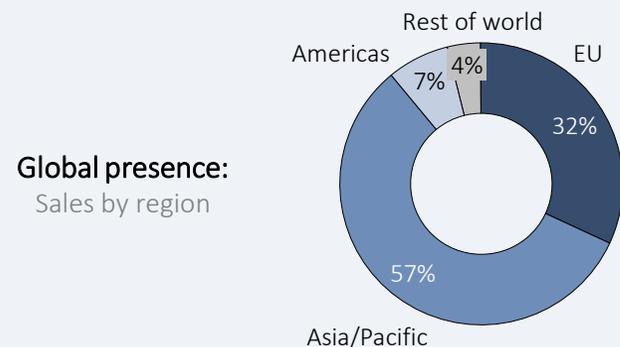
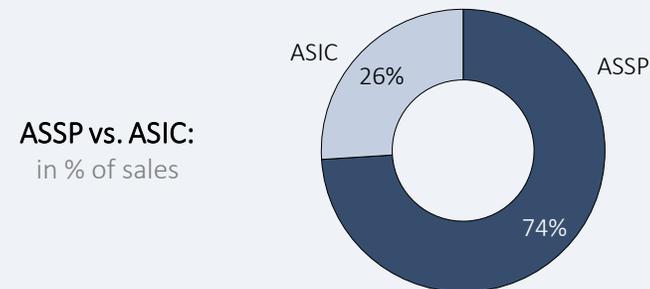
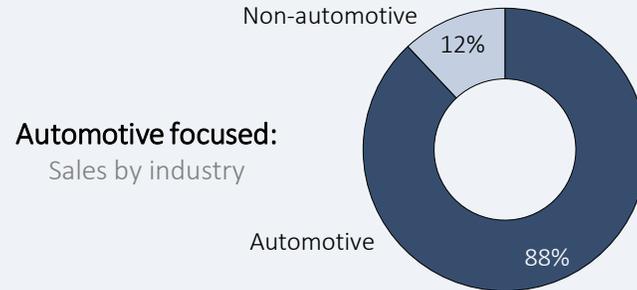
**6** product segments:  
Ranging, Optical, Sensor ICs, Motor Control,  
Lighting, Safety/Power/Custom ICs

**15** locations worldwide incl. 6 R&D centers  
HQ located in Dortmund, Germany

**~40** years experience in analog  
mixed signal IC solutions

**1,200** employees thereof 350+ product  
developers & engineers

## Sales breakdown FY 2022



## Financial highlights FY 2022

**447** million Euro sales  
significant growth to new record highs

**24.6** percent EBIT margin  
EBIT of 110.1 million Euro increased by 84%  
compared to the previous year

**73** million Euro CAPEX  
mainly for the expansion of test capacities

**66** percent equity ratio  
emphasizing Elmos' financial solidity

**~1** billion Euro market capitalization  
(as of December 30, 2022)

# ELMOS INNOVATIVE SOLUTIONS FOR GLOBAL MEGA TRENDS



Leading innovator in future mobility

- #1 FOR ULTRASONIC ICs
- #1 FOR HVAC FLAPS
- #1 FOR GESTURE CONTROL
- #1 FOR AMBIENT LIGHT
- #1 FOR REAR LIGHT



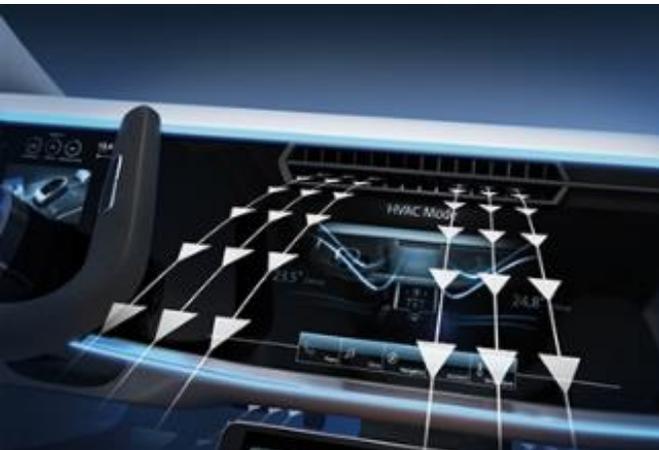
USER EXPERIENCE



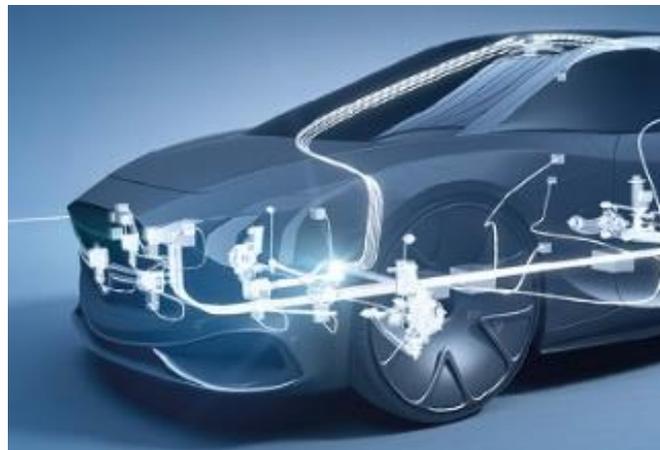
ADAS & AUTONOMOUS DRIVING



SAFETY



COMFORT



ELECTRIFICATION



LIGHTING

# HIGHLIGHTS OF Q1 2023

Economic and geopolitical uncertainties persist in 2023, but demand for automotive semiconductors remains high

## Geopolitical environment

Fiscal year 2023 will continue to be affected by geopolitical crisis, in particular the war in Ukraine or tensions in South East Asia.

Economic uncertainties, high inflation and rising interest rates will persist in 2023.

The COVID-19 pandemic may also continue to cause noticeable restrictions in some regions.

We are monitoring the situation and the potential impacts very closely and will update the markets, if this should be necessary.

## Semiconductor market

The allocation situation - especially on the wafer foundry and assembly side - has noticeably improved in the past six months, but order levels for our automotive semiconductors remain high and still exceed our available capacity. We continue to focus on securing our delivery obligations to our customers.

We also believe that inflation may further impact input costs.

## Strategic highlights

As in the previous two years, the expansion of the testing capacities will again be the focus of our investment activities in 2023. Due to our strong growth combined with the new design wins, we must ensure to install sufficient test capacities, which we realize together with our testing partners in East Asia.

Another focus is the strengthening of our software competence and the expansion of the Elmos software organization as new applications require a stronger link between hardware and software.

We will further improve our ESG activities and focus on key topics along the value chain. We have also further expanded our ESG reporting, also in preparation for upcoming ESG regulations and improvements of our ESG ratings.



## Sale of wafer fab

In its meeting on Nov. 9, 2022, the German Federal Cabinet prohibited the sale of the Elmos wafer fab to Silex Microsystems AB. Due to the prohibition, the sale of the wafer fab could not be completed.

In the short-term there will be no operational impacts by this decision as the fab is fully loaded for several years to come and Elmos needs these capacities to fulfil the order volumes.

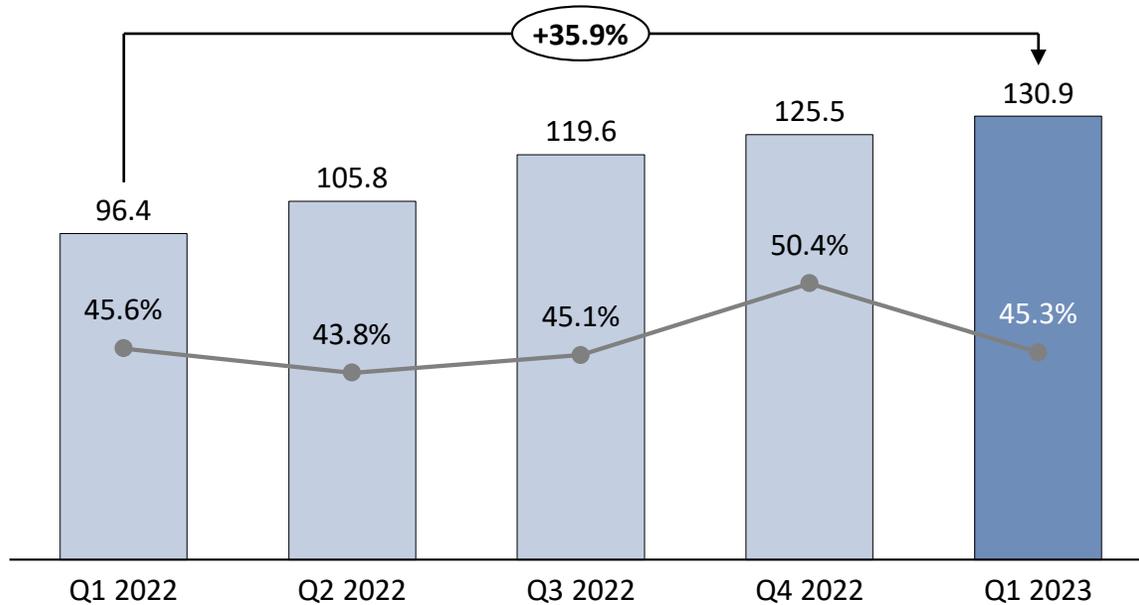
We are exploring various alternatives for the fab and talking with interested parties.

Elmos wants the best solution for our employees, customers and shareholders and we are confident to find a new long-term future perspective for the wafer fab in Dortmund.

# SALES AND EBIT

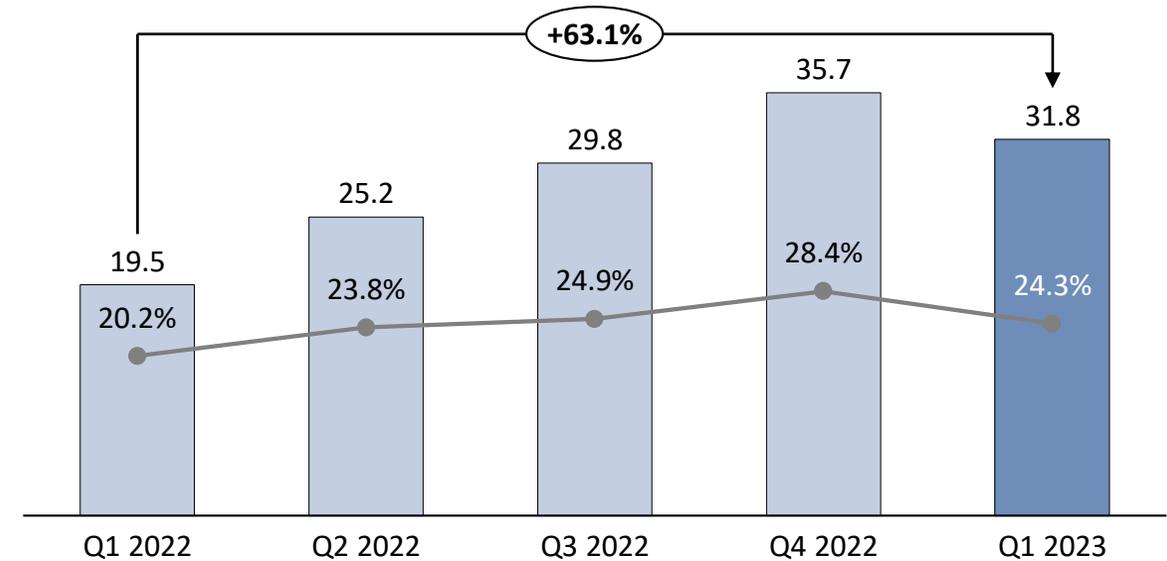


Quarterly sales (in million Euro) & gross margin (in %)



- Sales in Q1 2023 increased by 34.6 million Euro or 35.9% year-over-year to 130.9 million Euro.
- This strong increase is driven by the ongoing **high demand** for Elmos ICs in **all product segments** and by passing on inflationary cost increases.
- The Q1 2023 **gross margin remained quite stable** compared to the longer-term average reflecting the fair pricing approach by Elmos.

Quarterly EBIT (in million Euro) & EBIT margin (in %)

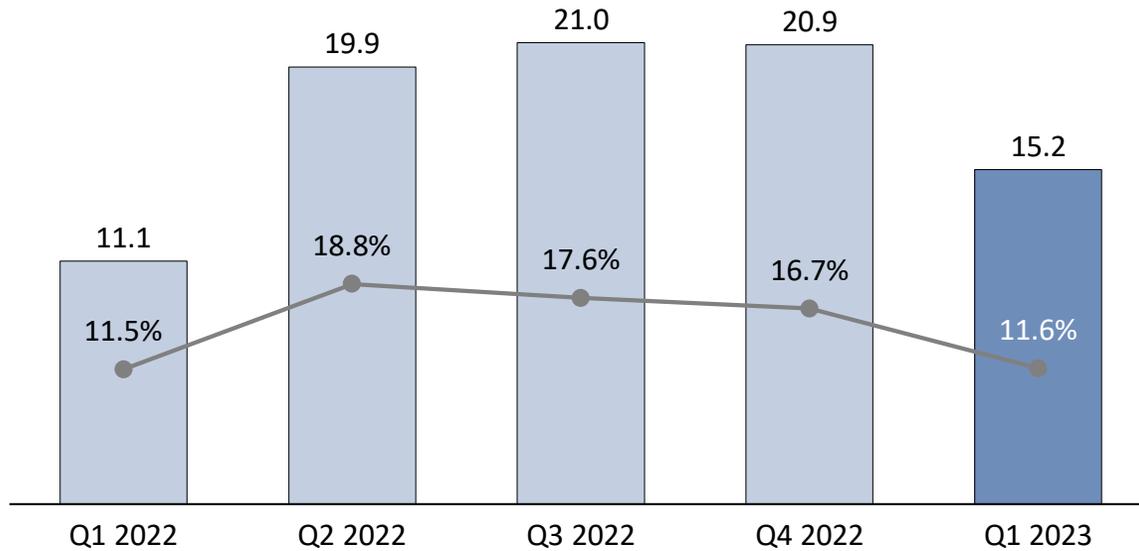


- EBIT in Q1 2023 increased by 63.1% year-over-year to 31.8 million Euro.
- This positive development is mainly due to **higher volume and below average R&D and SG&A expenses**.
- Q1 2023 EBIT margin reached 24.3%, an increase of 4.1 percentage points year-over-year.

# CAPEX AND R&D EXPENSES

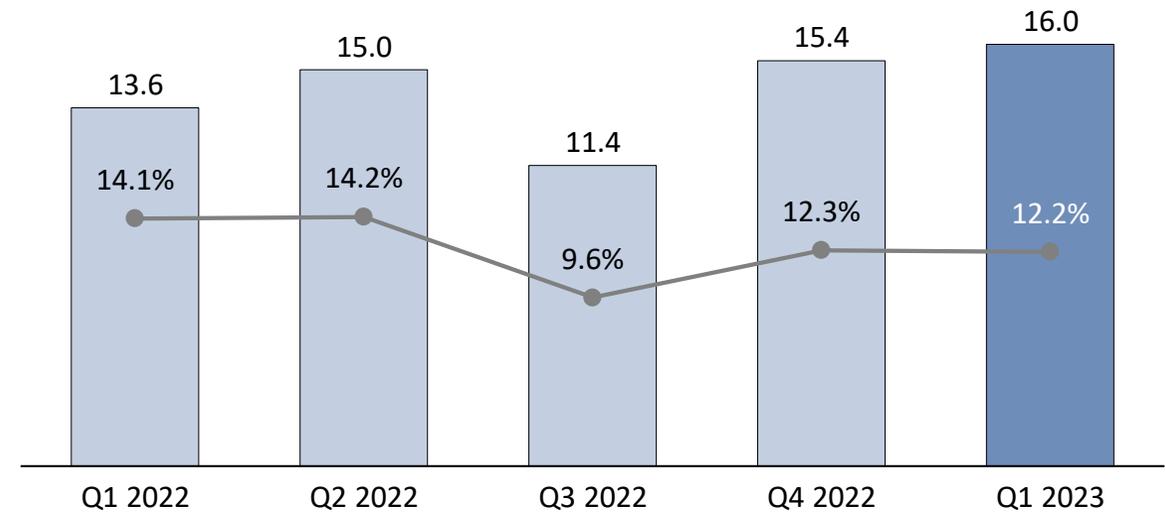


CAPEX<sup>1</sup> (in million Euro & in % of sales)



- Capital expenditures totaled 15.2 million Euro or 11.6% of sales in Q1 2023 and were mainly used for the expansion of our testing capacities, especially in Asia.
- The investment program for the testing area will continue, as we need the **additional capacities** for our **future growth**.

R&D expenses (in million Euro & in % of sales)



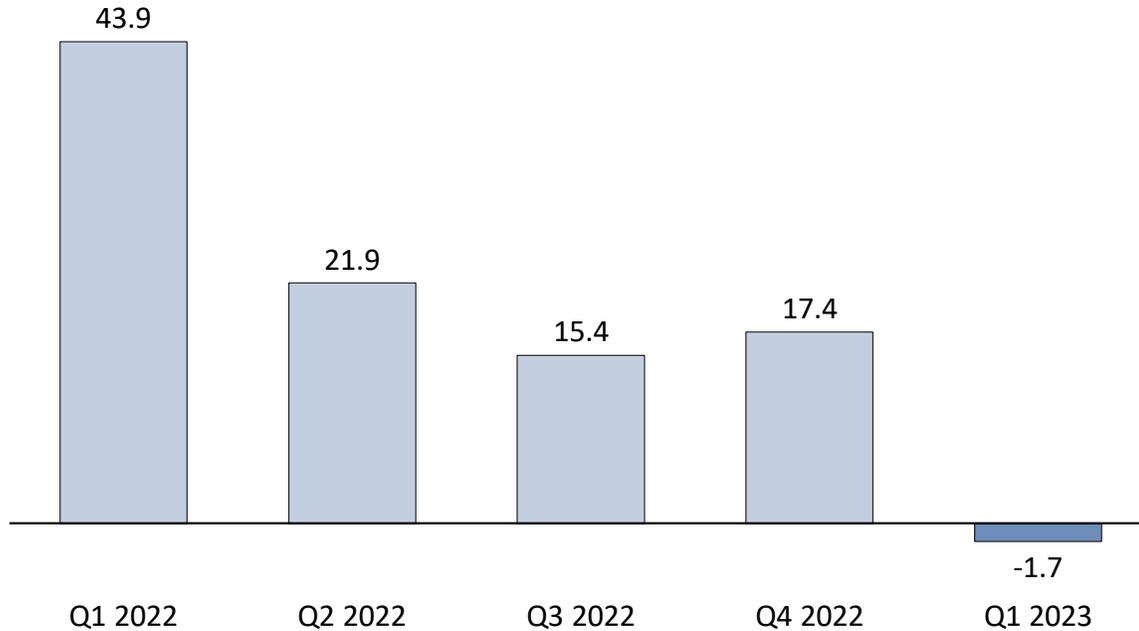
- R&D expenses stood at 16.0 million Euro or 12.2% of sales.

<sup>1</sup>Capital expenditures for intangible assets and property, plant and equipment less capitalized development expenses

# CASH FLOW



Operating cash flow (in million Euro)



- Q1 2023 cash flow from operations totaled -1.7 million Euro and was impacted by higher working capital as a result of the strong growth.

Adjusted free cash flow<sup>1</sup> (in million Euro)

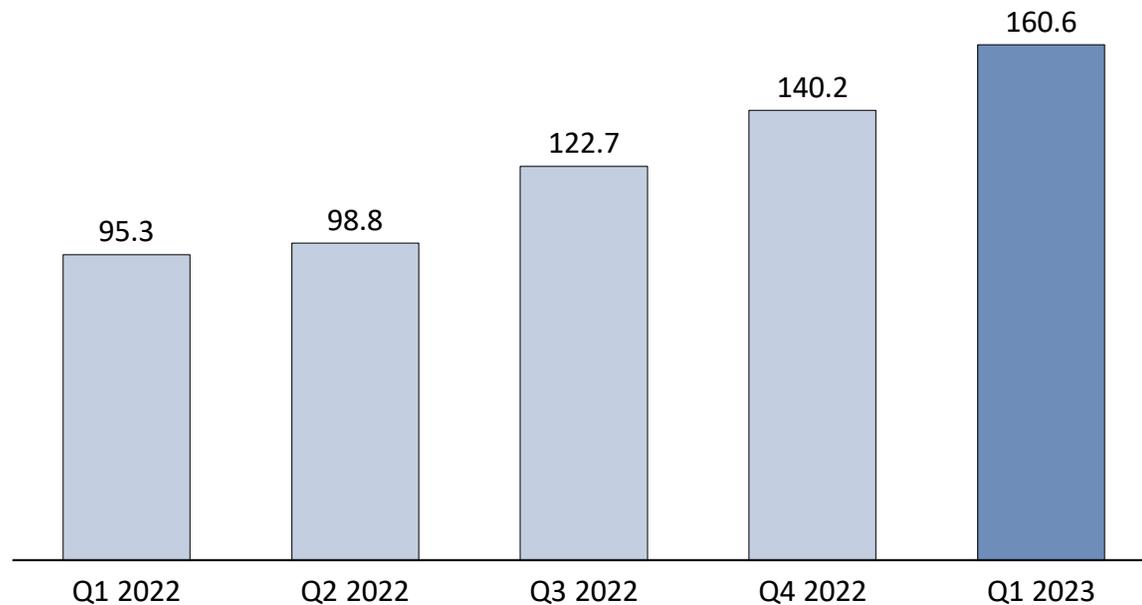


- Due to the ongoing high CAPEX spending, the adjusted free cash flow was negative at -18.7 million Euro in Q1 2023.

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

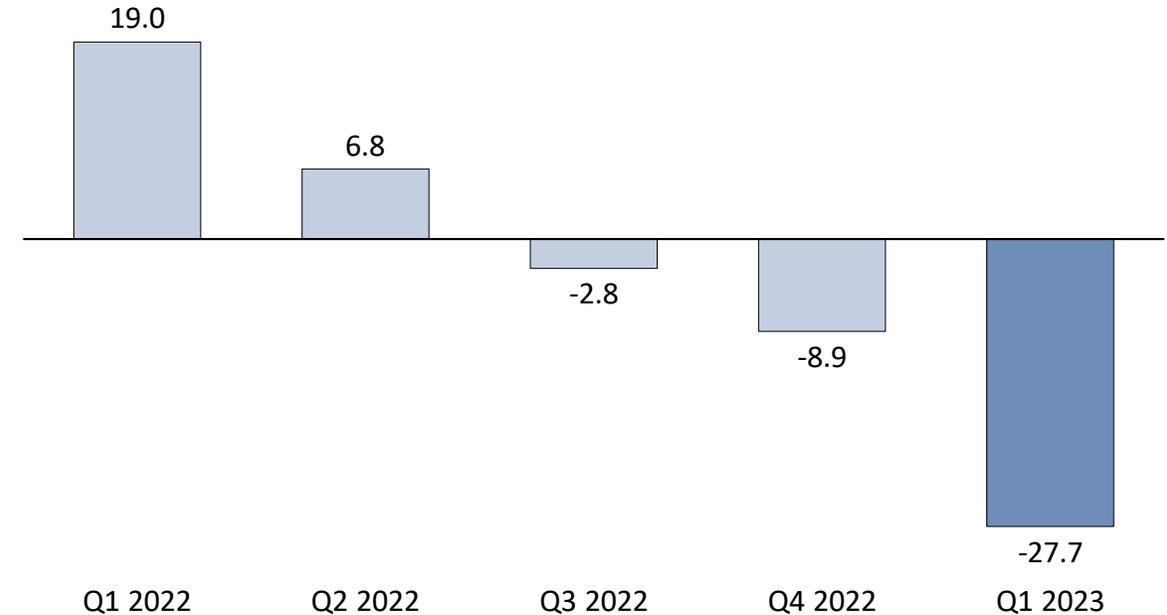
# WORKING CAPITAL AND NET CASH/DEBT

**Working capital<sup>1</sup>** (in million Euro, at the end of the quarter)



- Working capital increased significantly in Q1 2023 mainly due to higher inventories and trade receivables.

**Net cash/debt** (in million Euro, at the end of the quarter)



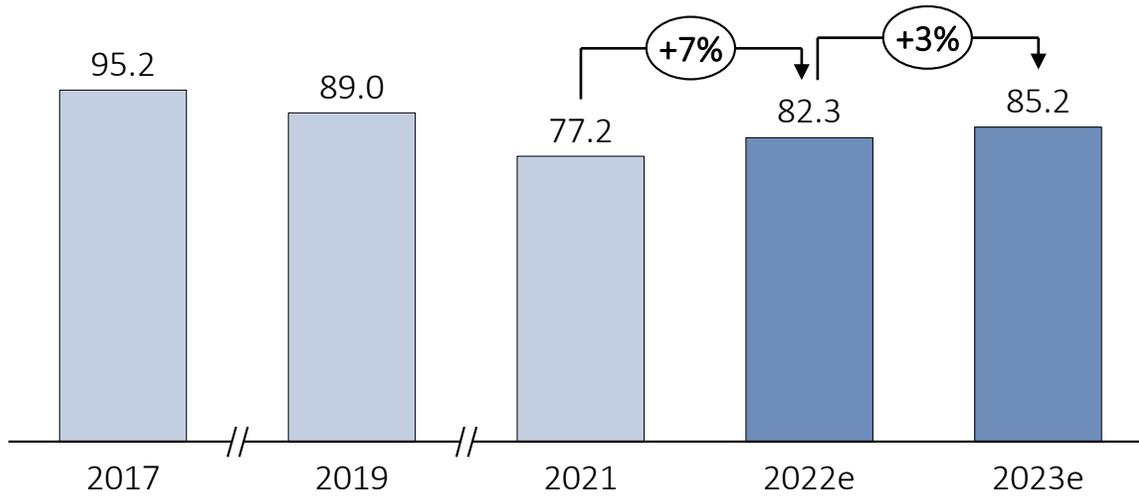
- Impacted by the negative adjusted free cash flow, Elmos recorded a net debt position of 27.7 million Euro at the end of Q1 2023.

<sup>1</sup>Trade accounts receivables plus inventories less trade accounts payables

# MARKET FORECAST

## Automotive market

Light vehicle production in million units (IHS)<sup>1</sup>

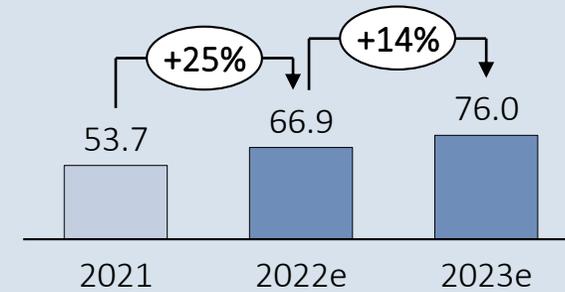


<sup>1</sup>IHS Light Vehicle Production Forecast (March 2023)

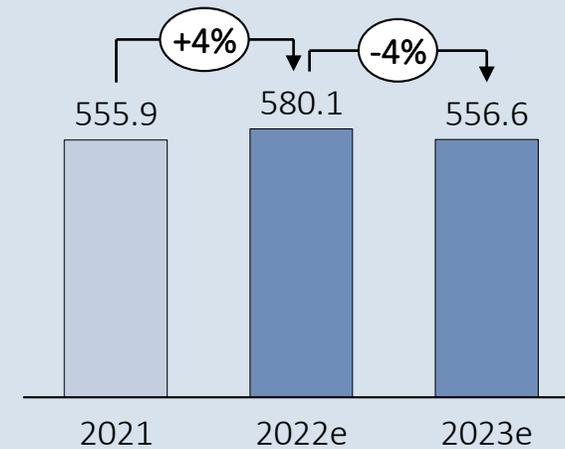
## Semiconductor market

Worldwide Market in billion USD

### Automotive semiconductor market<sup>2</sup>



### Total semiconductor market<sup>3</sup>



<sup>2</sup>IHS Markit/S&P (November 2022)

<sup>3</sup>World Semiconductor Trade Statistics (WSTS) Semiconductor Market Forecast 2022 (November 2022)

# GUIDANCE

## Elmos FY 2023 guidance (unchanged)

### Guidance for FY 2023

Sales:	More than 560 million Euro (min. +25% YoY)
EBIT margin:	25% $\pm$ 2 percentage points
CAPEX (in % of sales):	17% $\pm$ 2 percentage points
Adjusted free cash flow:	level of the previous year (14.9 million Euro) $\pm$ 10 million Euro
Ø exchange rate:	1.05 EUR/USD

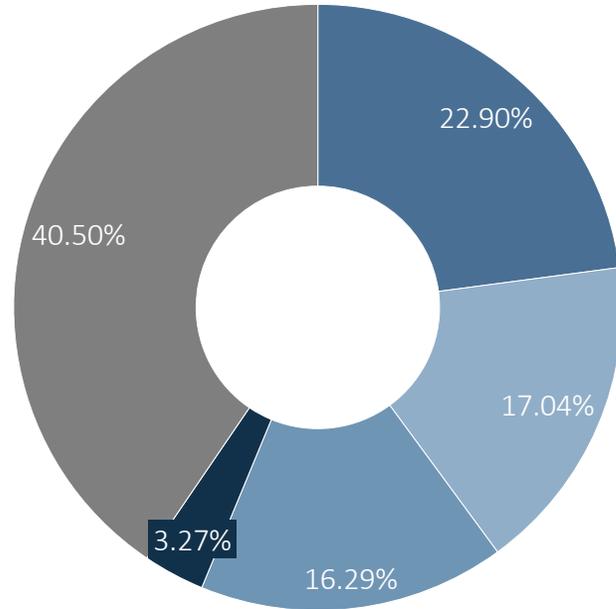
### Notes to guidance 2023:

Besides current business performance and the order situation, the guidance is also based on the expectations and assumptions regarding general economic and geopolitical developments and specific industry and market developments.

Current expectations may be affected by geopolitical events, in particular the war in Ukraine, market turbulences such as the ongoing allocation in the semiconductor sector combined with bottlenecks in global supply chains, by the ongoing COVID-19 pandemic, as well as due to further rising prices for materials, energy and services and problems with gas supplies, etc.

# SHAREHOLDER STRUCTURE SET FOR LONG-TERM PERSPECTIVE

Elmos Semiconductor SE shareholder structure (May 2023)



- Weyer Beteiligungsgesellschaft mbH and related parties<sup>1</sup>
- Jumakos Beteiligungsgesellschaft mbH
- ZOE-VVG GmbH and related parties
- Treasury Stock
- Free float

<sup>1</sup>Member of a pool agreement for coordinated voting (acting in concert) for a total of 25.02% of the shares in Elmos Semiconductor SE.

Elmos 5-year share price development



# 5-YEAR OVERVIEW ELMOS GROUP (IFRS)

in million Euro unless otherwise indicated						
	FY 2018	FY 2019		FY 2020	FY 2021	FY 2022
		<i>continuing &amp; discontinued operations</i>	<i>continuing operations</i>			
Sales	277.6	294.8	273.4	232.6	322.1	447.2
Growth in %	10.8%	6.2%	7.7%	-14.9%	38.5%	38.9%
<i>thereof continuing operations</i>	253.9	273.4	273.4	232.6	322.1	447.2
<i>thereof discontinued operations</i>	23.7	21.4	n/a	n/a	n/a	n/a
Gross profit	125.5	136.8	125.6	92.6	144.7	207.5
in % of sales	45.2%	46.4%	45.9%	39.8%	44.9%	46.4%
Research & development expenses	36.0	44.6	40.7	47.7	48.7	55.5
in % of sales	13.0%	15.1%	14.9%	20.5%	15.1%	12.4%
Operating income	49.3	45.8	41.4	8.5	59.9	110.0
in % of sales	17.8%	15.5%	15.1%	3.7%	18.6%	24.6%
EBIT	51.0	97.3   45.3 <sup>1</sup>	29.8   40.9 <sup>2</sup>	8.7	60.0	110.1
in % of sales	18.4%	33.0%   15.4% <sup>1</sup>	10.9%   15.0% <sup>2</sup>	3.7%	18.6%	24.6%
Earnings before taxes	49.5	96.0	28.7	8.2	59.4	108.5
in % of sales	17.8%	32.6%	10.5%	3.5%	18.4%	24.3%
Consolidated net income attributable to owners of the parent	35.4	85.7	18.5	6.4	39.8	71.4
in % of sales	12.8%	29.1%	6.8%	2.8%	12.4%	16.0%
Earnings per share (basic) in Euro	1.79	4.36	0.94	0.35	2.24	4.17
	<b>12/31/2018</b>	<b>12/31/2019</b>		<b>12/31/2020</b>	<b>12/31/2021</b>	<b>12/31/2022</b>
Total assets	369.1	439.5		395.5	418.0	542.4
Shareholders' equity	266.6	339.7		310.2	300.2	360.4
in % of total assets	72.2%	77.3%		78.4%	71.8%	66.4%
Financial liabilities	43.8	49.1		45.6	76.1	81.0
Liquid assets and securities	60.7	123.3		85.8	66.1	72.1
Net cash/Net debt (-)	16.9	74.3		40.2	-10.0	-8.9
	<b>FY 2018</b>	<b>FY 2019</b>		<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Cash flow from operating activities	48.4	45.6		27.3	79.6	98.6
Capital expenditures <sup>3</sup>	41.4	43.6		18.8	60.0	73.0
in % of sales <sup>3</sup>	14.9%	14.8%		8.1%	18.6%	16.3%
Cash flow from investing activities	-34.3	37.2		-42.4	-73.6	-72.6
Adjusted free cash flow <sup>4</sup>	-3.3	76.9		3.6	11.1	14.9
Dividend per share in Euro	0.52	0.52		0.52	0.65	0.75 <sup>5</sup>
Employees on annual average	1,250	1,317		1,208	1,151	1,176

<sup>1</sup>Without consideration of the result from the sale of the subsidiary SMI and without consideration of the restructuring expenses for the termination of the cooperation with the Fraunhofer Institute IMS.

<sup>2</sup>Without consideration of the restructuring expenses for the termination of the cooperation with the Fraunhofer Institute IMS.

<sup>3</sup>Capital expenditures for intangible assets and property, plant and equipment less capitalized development expenses.

<sup>4</sup>Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment (including payments for additions to shares/proceeds from changes in the scope of consolidation).

<sup>5</sup>Proposal to the Annual General Meeting in May 2023.

Due to calculation processes, tables and references may produce rounding differences from the mathematically exact values (monetary units, percentage statements, etc.).

# FINANCIAL CALENDAR / RESEARCH COVERAGE / IR CONTACT



Event	Date
Quarterly results Q1 2023 <sup>1</sup>	May 4, 2023
Annual General Meeting	May 10, 2023
Quarterly results Q2 2023 <sup>1</sup>	July 27, 2023
Quarterly results Q3 2023 <sup>1</sup>	November 8, 2023

## Elmos Semiconductor SE – basic share data

ISIN / WKN:	DE0005677108 / 567710
Stock symbol:	ELG
Code:	ELGG.De
Class:	Non-par value bearer shares
Segment:	Prime Standard, Regulated Market
Share capital:	17,700,000 € / shares

Institution	Analyst	Recommendation
Deutsche Bank	Robert Sanders	Hold
Hauck & Aufhäuser	Jonah Emerson	Buy
Oddo BHF	Martin Marandon-Carlhian	Hold
Warburg Research	Malte Schaumann	Buy

## Investor Relations

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<sup>1</sup>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)).



## DISCLAIMER

This presentation contains forward-looking statements based on beliefs of Elmos' management. Such statements reflect the company's current views with respect to future events and are subject to risks and uncertainties. Many factors could cause the actual results to be materially different, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products, lack of acceptance of new products or services and changes in business strategy. Actual results may vary materially from those projected here. Elmos does not intend or assume any obligation to update these forward-looking statements.

## Elmos Semiconductor SE

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