

Investor Presentation Q3 2023

November 2023

elmosⁱⁱ



ELMOS CORPORATE OVERVIEW



Corporate highlights

~7 Elmos ICs
on average in every new car produced¹
¹based on FY 2022

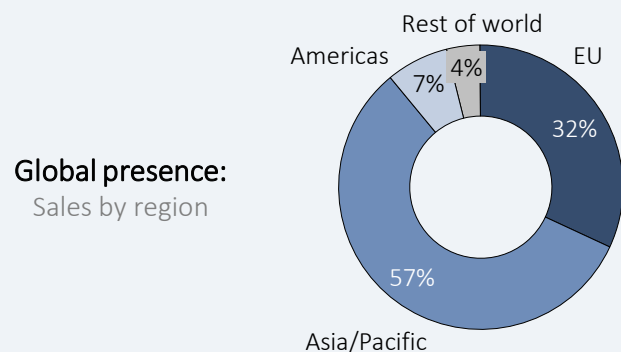
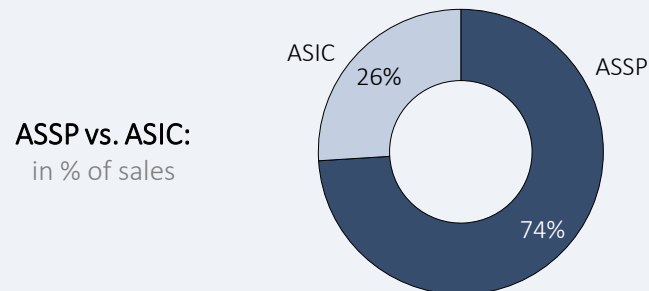
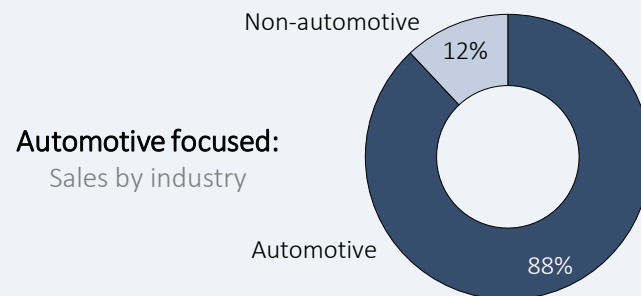
6 product segments:
Ranging, Optical, Sensor ICs, Motor Control,
Lighting, Safety/Power/Custom ICs

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

elmos[®]

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



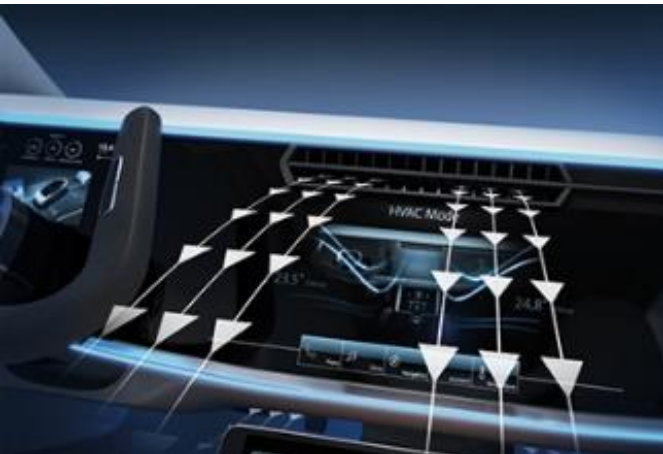
USER EXPERIENCE



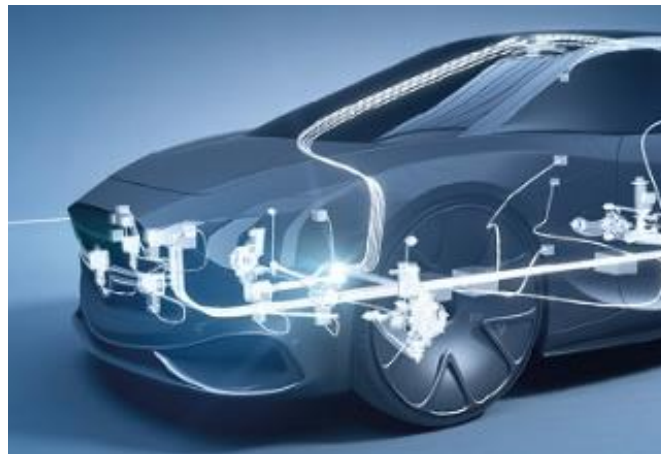
ADAS & AUTONOMOUS DRIVING



SAFETY



COMFORT



ELECTRIFICATION



LIGHTING

HIGHLIGHTS OF Q3 2023



Preparing for future growth as a fabless company and reducing the carbon footprint of our own activities

Geopolitical environment

Fiscal year 2023 will continue to be affected by geopolitical crises, in particular the war in Ukraine, tensions in South East Asia, the trade conflict between the U.S. and China in the semiconductor sector and the latest escalation of the Middle East conflict.

Economic uncertainties, high inflation and higher interest rates will persist in fiscal year 2023.

The situation on the labor market remains tight, especially for skilled workers and engineers.

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

Semiconductor market

The overall semiconductor market continues to be impacted by economic headwinds, resulting in weaker demand for consumer electronics and PCs. In contrary to the weaker segments, the semiconductor market for automotive applications is further growing and expected to achieve double-digit growth rates in 2023.

The allocation situation and the supply bottlenecks in the global supply chains for automotive semiconductors have further normalized. We expect to be out of the allocation for most applications in 2024.

However, order levels for our automotive semiconductors remain high. We continue to focus on securing our delivery obligations to our customers and preparing our organization for further growth and new product ramps.

Strategic highlights

The regulatory approvals for the sale of our wafer fab to Littelfuse were granted without any conditions as published by Elmos on August 8, 2023 and Elmos received a payment of 37 million Euro in Q3 2023. Closing of the transaction with the transfer of the remaining purchase price of 56 million Euro is expected to be effective on December 31, 2024.

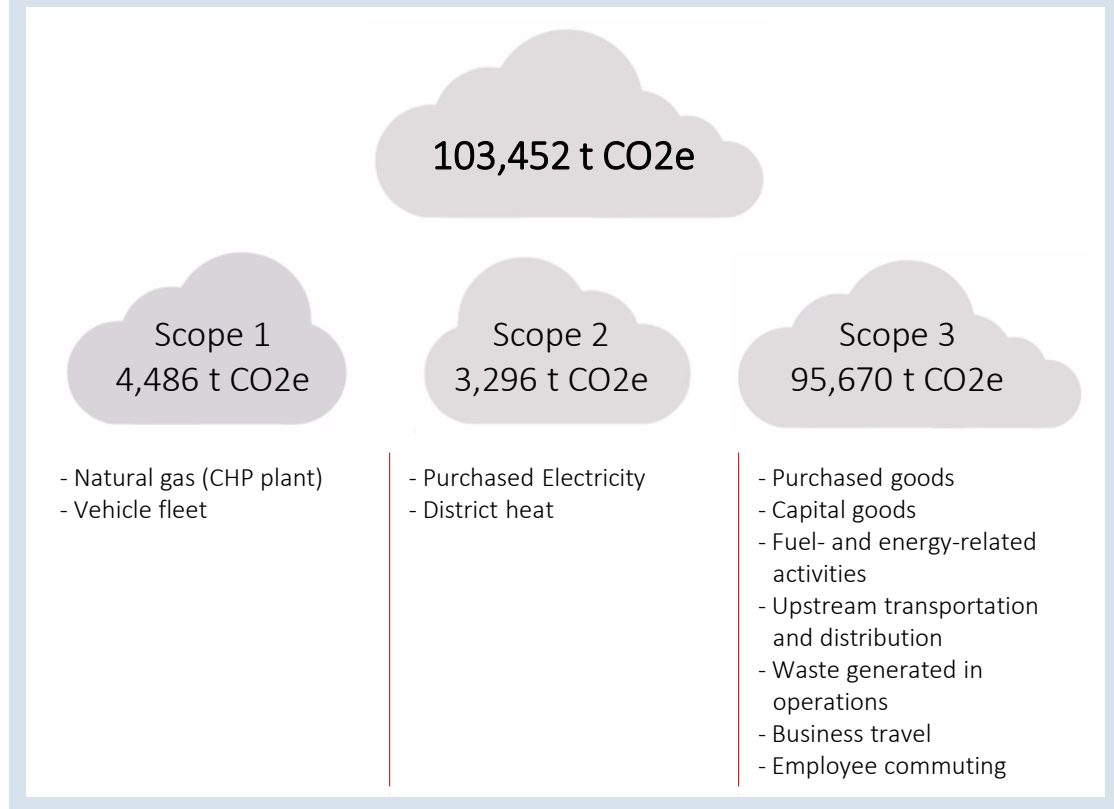
The expansion of our testing capacities and the preparation for the ramp of new products is continuing in 2023. Due to our strong growth combined with attractive new design wins, we need additional test capacities for the higher volumes, which we are realizing together with our testing partners in East Asia.

We will further improve our ESG activities and focus on key topics along the value chain. Based on our Corporate Carbon Footprint as a fabless company, we have defined climate targets and are committed to reduce our own GHG emissions (Scope 1 & 2) by 40% until 2026 and become carbon neutral by 2035.

ELMOS CORPORATE CARBON FOOTPRINT & CLIMATE TARGETS

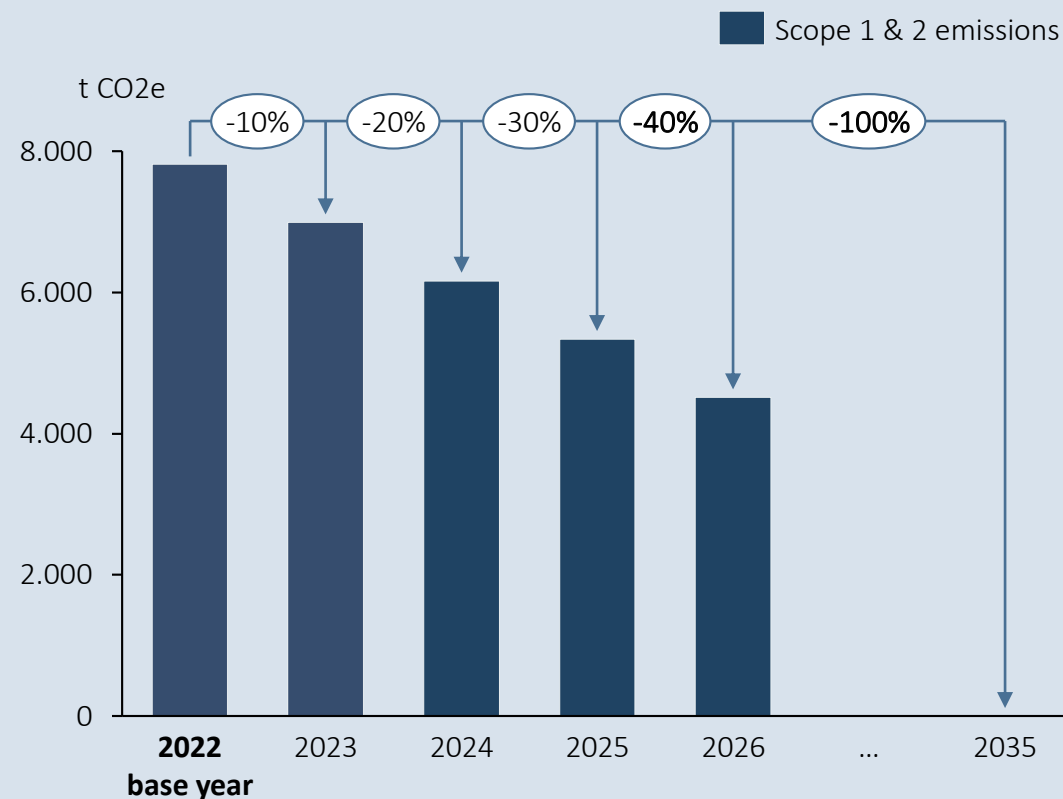
Elmos Corporate Carbon Footprint 2022

- The calculation of the Corporate Carbon Footprint (CCF) is based on the international reporting standard **Greenhouse Gas (GHG) Protocol**.
- The CCF represents **Elmos as a fables company** as this is our future setup



Elmos Climate Targets

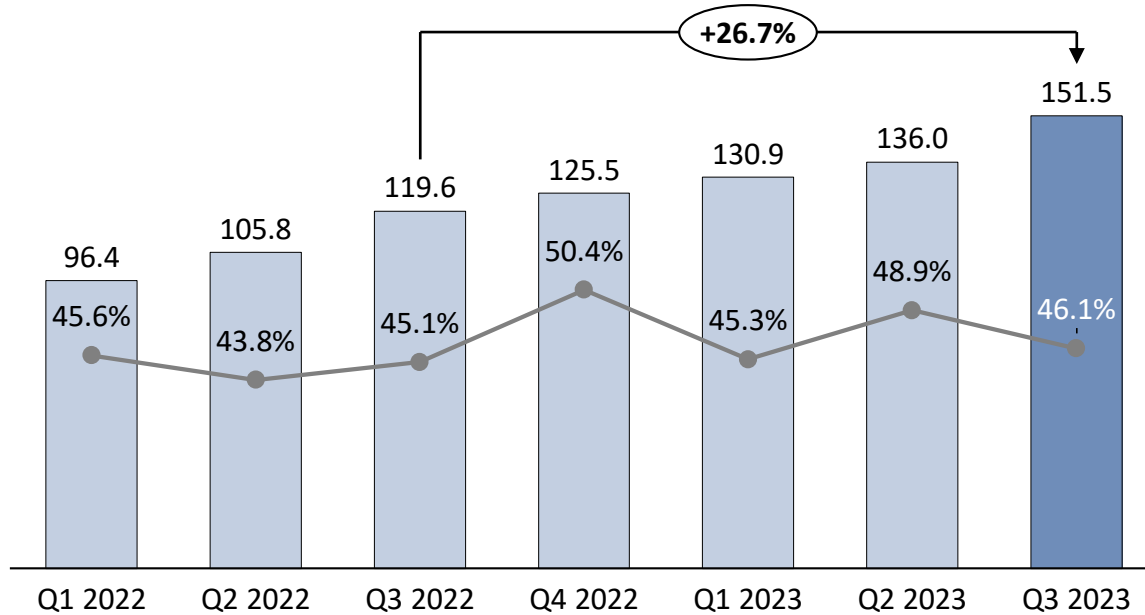
- Elmos wants to reduce its GHG emissions **as a fables company** for its own activities (Scope 1 & 2) by **40% until the year 2026** compared to the base year 2022.
- Elmos wants to become **climate neutral** for its own activities (Scope 1 & 2) by 2035.



SALES AND EBIT

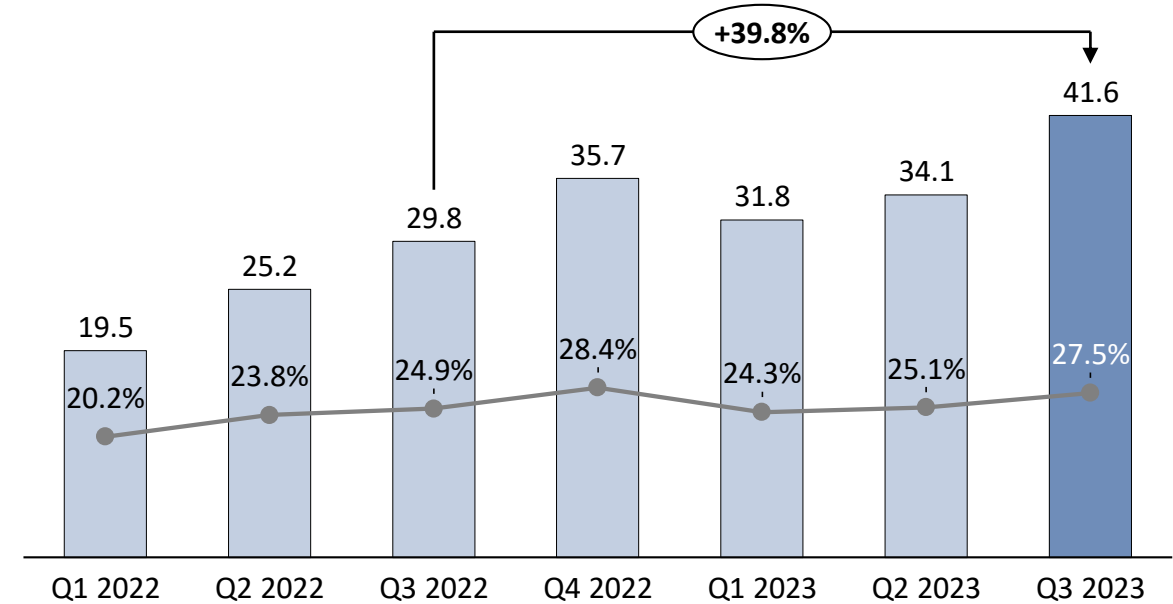


Quarterly sales (in million Euro) & gross margin (in %)



- Sales in Q3 2023 increased by 32.0 million Euro or 26.7% year-over-year to 151.5 million Euro - 11th consecutive quarterly sales record!
- This strong increase is driven by the **ramp-up of new products** and the ongoing **high demand** for innovative mixed-signal semiconductors of Elmos.

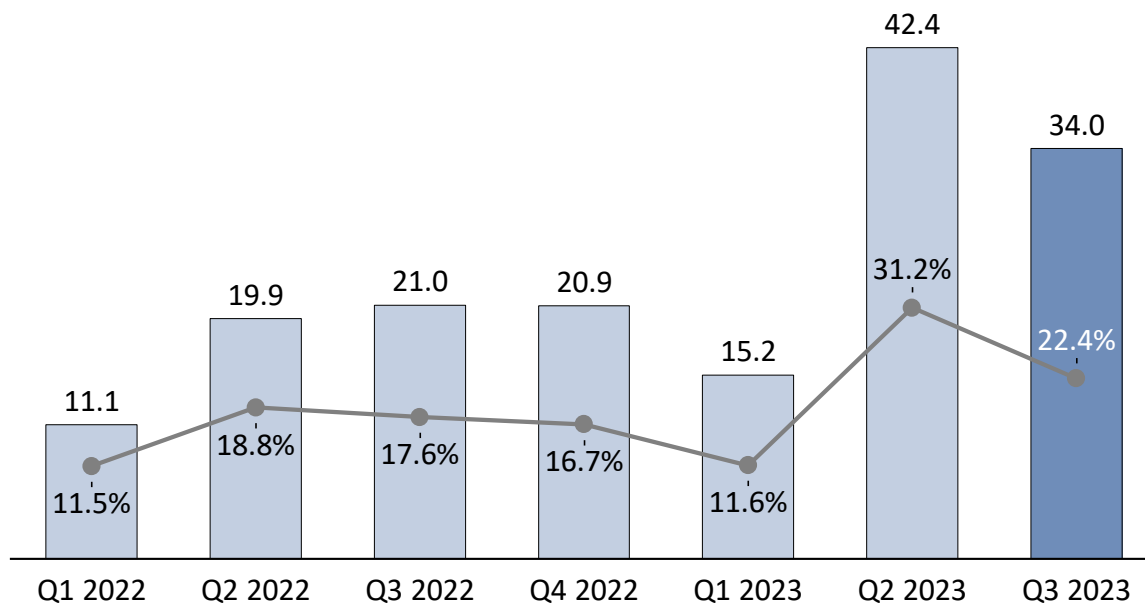
Quarterly EBIT (in million Euro) & EBIT margin (in %)



- EBIT in Q3 2023 increased by 39.8% year-over-year to 41.6 million Euro.
- Q3 2023 EBIT margin reached 27.5%, an increase of 2.6 percentage points year-over-year.

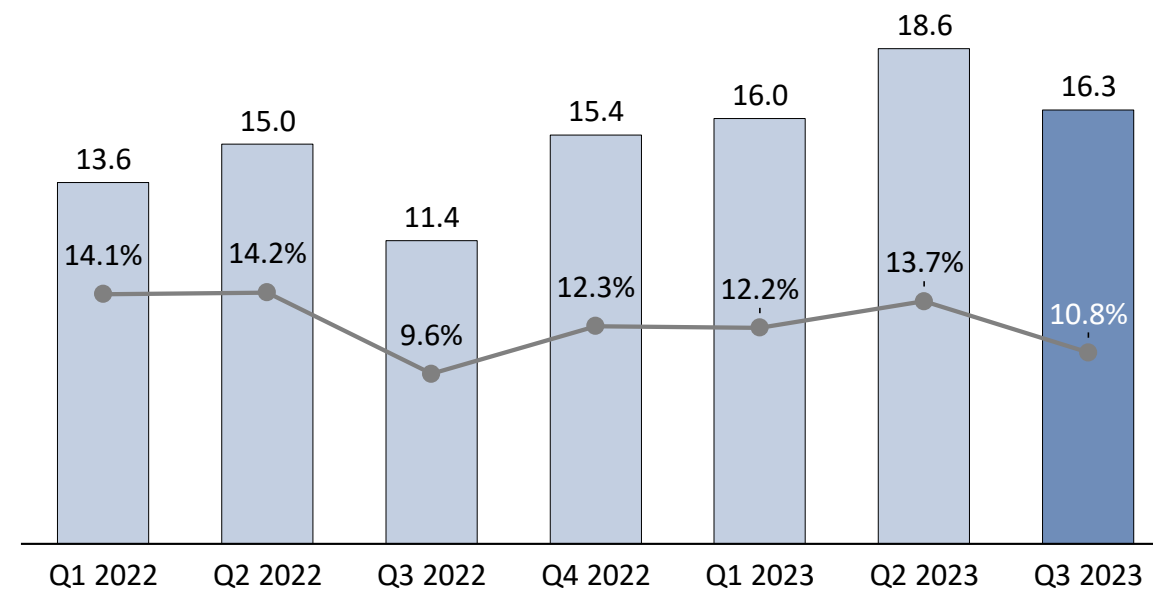
CAPEX AND R&D EXPENSES

CAPEX¹ (in million Euro & in % of sales)



- Capital expenditures remained at a high level at 34.0 million Euro or 22.4% of sales in Q3 2023, mainly for the further expansion of our testing areas.
- Encouraging level of new orders and new design wins underlines future growth potential.

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

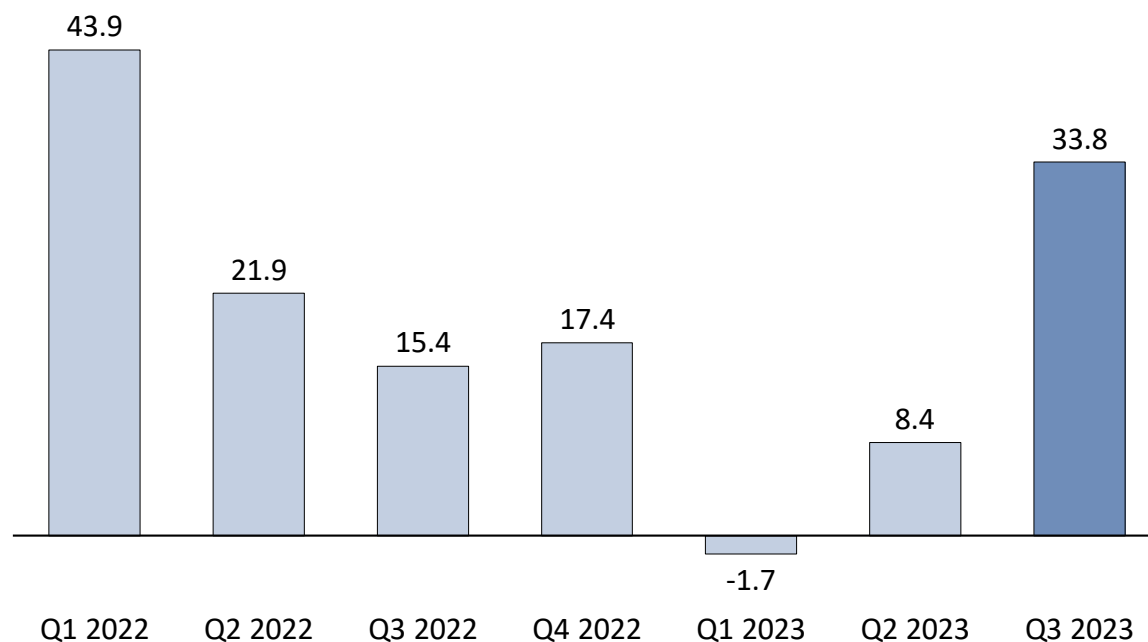


- R&D expenses stood at 16.3 million Euro or 10.8% of sales in the third quarter 2023.

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

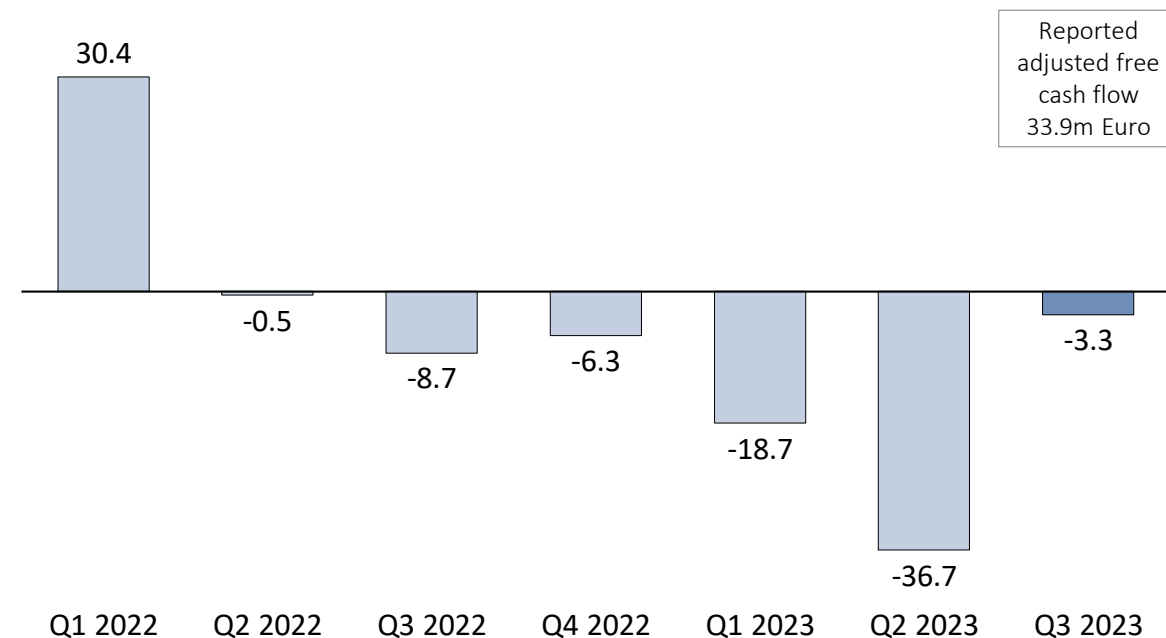
CASH FLOW

Operating cash flow (in million Euro)



- **Q3 2023 cash flow from operations** totaled **33.8 million Euro** and was impacted by the high net result and increased working capital for the product ramps.

Operating adjusted free cash flow¹ (in million Euro)

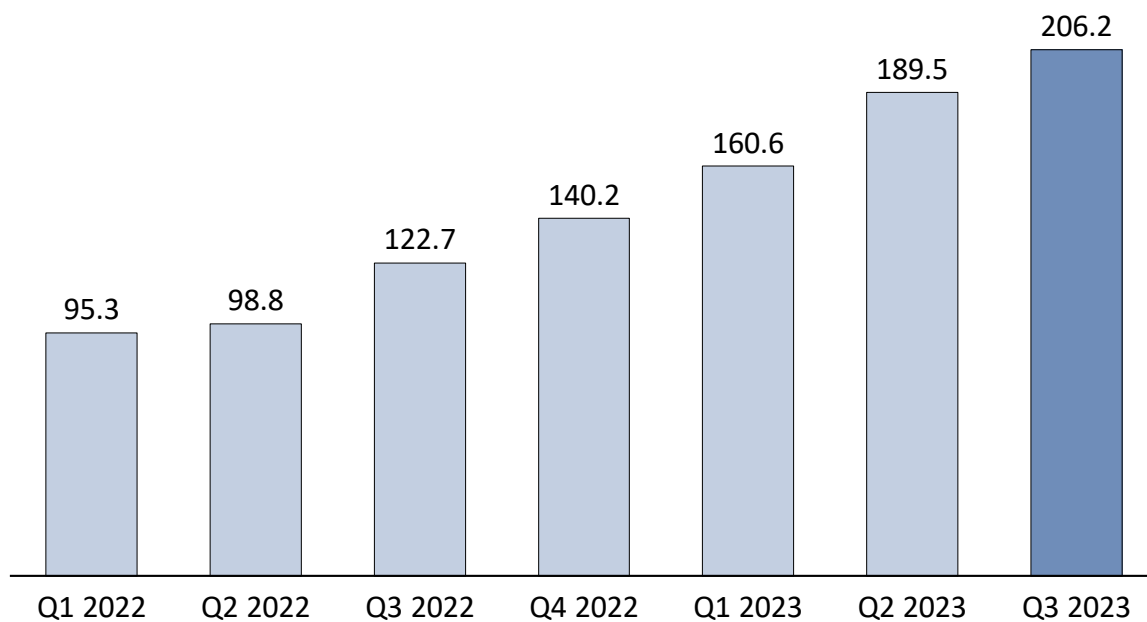


- Due to the ongoing high CAPEX level and increasing working capital, the **operating adjusted free cash flow** was negative at **-3.3 million Euro** in Q3 2023.
- Including the payment of **37.2 million Euro** for the **sale of the wafer fab** due to the regulatory approvals reported **adjusted free cash flow** stood at **33.9 million Euro** in Q3 2023.

¹Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment and excluding effects from M&A transactions

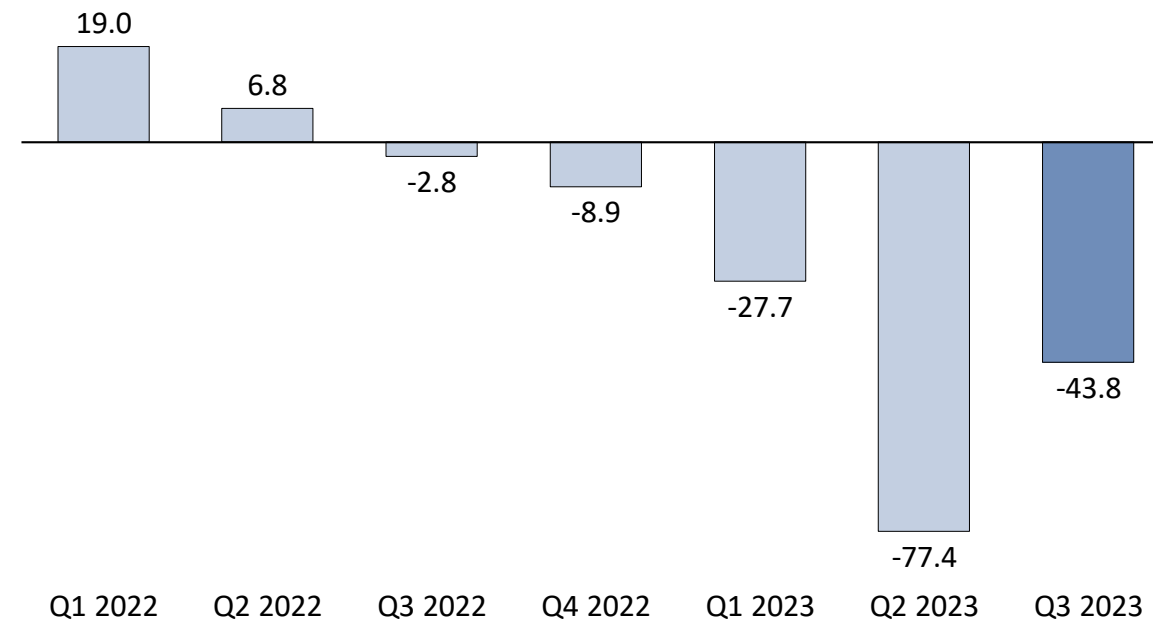
WORKING CAPITAL AND NET CASH/DEBT

Working capital¹ (in million Euro, at the end of the quarter)



- **Working capital again increased** in Q3 2023 as the preparation of the product ramps will continue in the fourth quarter of the year.

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



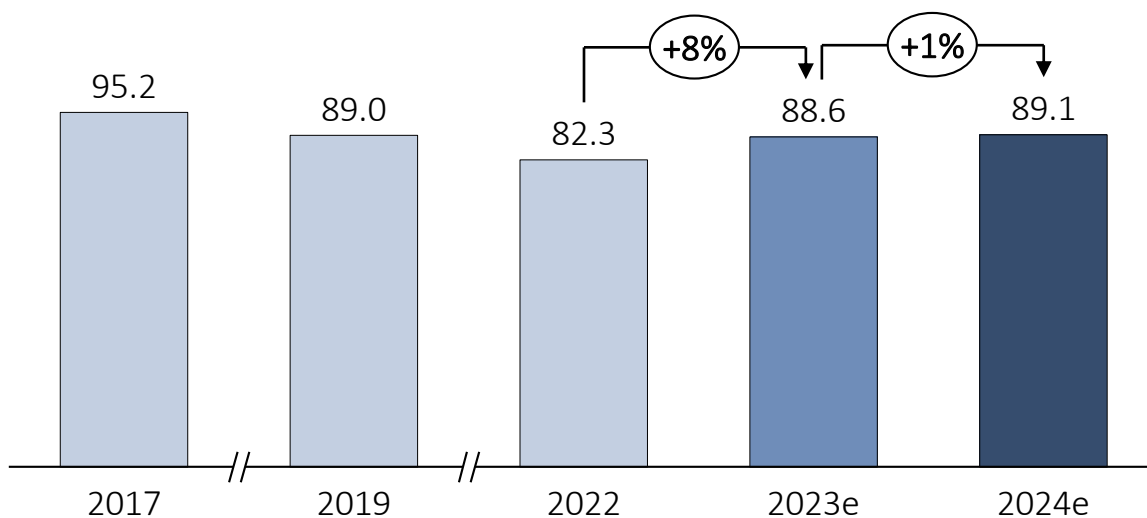
- Impacted by the positive adjusted free cash flow due to the partial payment for the sale of the wafer fab, Elmos' **net debt position decreased to 43.8 million Euro** at the end of Q3 2023.

¹Trade accounts receivables plus inventories less trade accounts payables

MARKET FORECAST

Automotive market

Light vehicle production in million units (IHS)¹

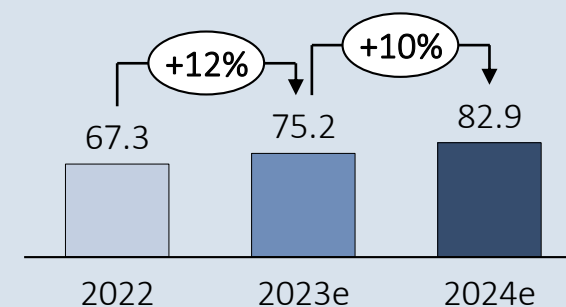


¹IHS Light Vehicle Production Forecast (October 2023)

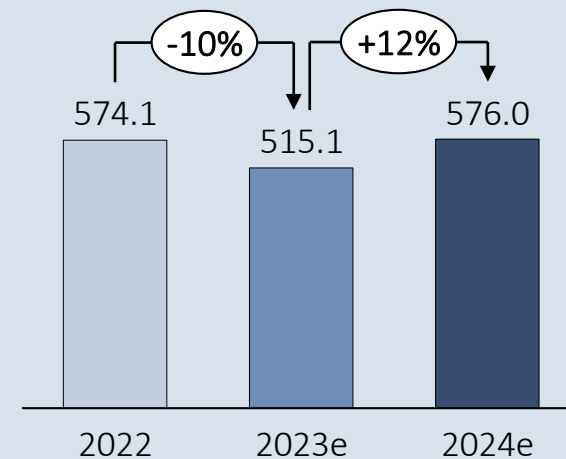
Semiconductor market

Worldwide Market in billion USD

Automotive semiconductor market²



Total semiconductor market³



²S&P Global Mobility Automotive Semiconductor Tracker (July 2023)

³World Semiconductor Trade Statistics (WSTS) Semiconductor Market Forecast (June 2023)

GUIDANCE



Elmos FY 2023 guidance (unchanged vs. June 28, 2023)

Guidance for FY 2023

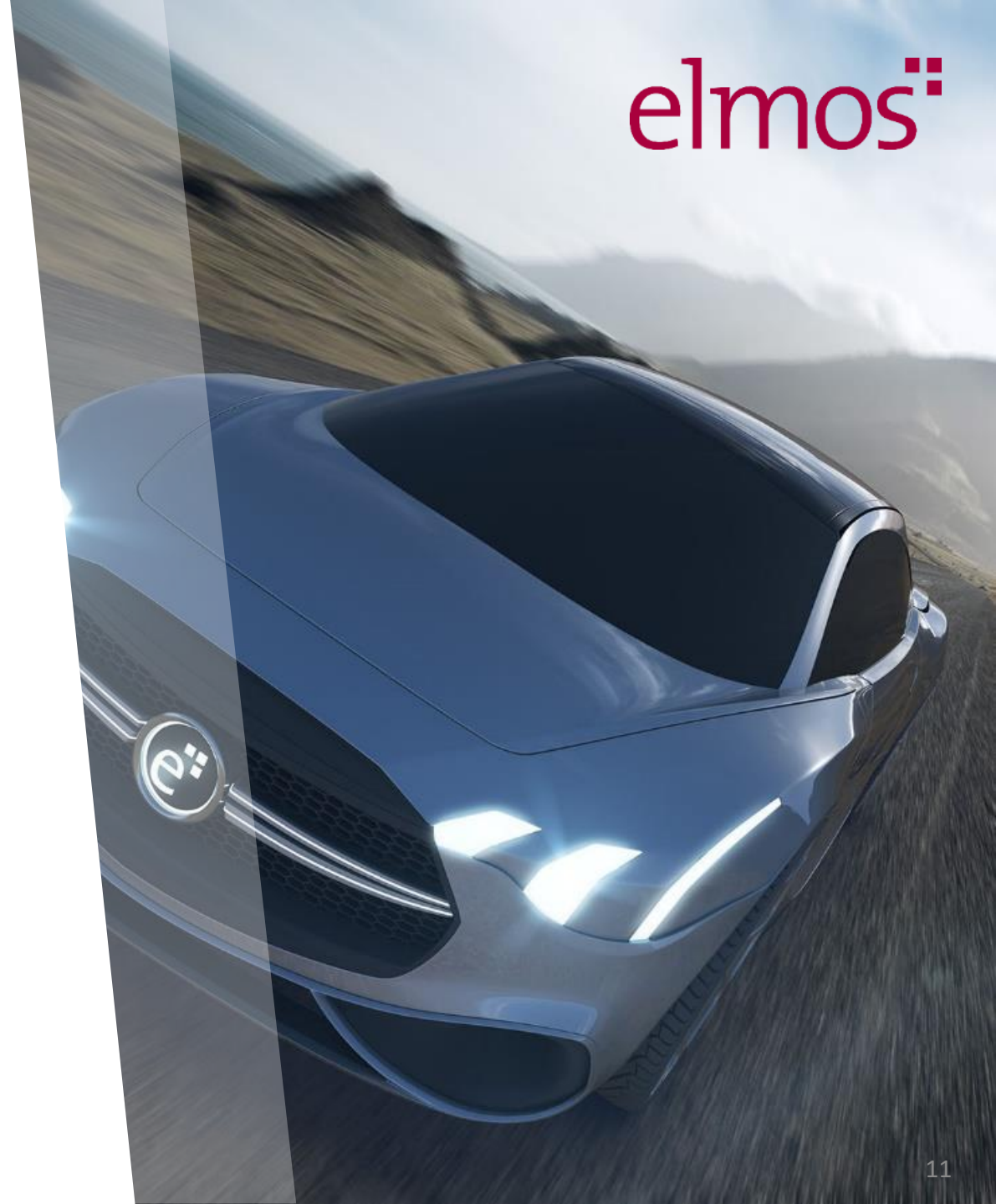
Sales:	More than 560 million Euro (min. +25% YoY)
EBIT margin:	25% \pm 2 percentage points
CAPEX (in % of sales):	19% \pm 2 percentage points
Operating adjusted free cash flow ¹ :	Negative
Ø exchange rate:	1.05 EUR/USD

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 adversely affected in particular by geopolitical events, especially the war in Ukraine, the Middle East conflict or tighter sanctions and trade restrictions, market volatility, such as the ongoing global allocation phase in the automotive semiconductor sector combined with global supply chain bottlenecks, rising costs of and potential shortages for energy, material, services, and personnel.

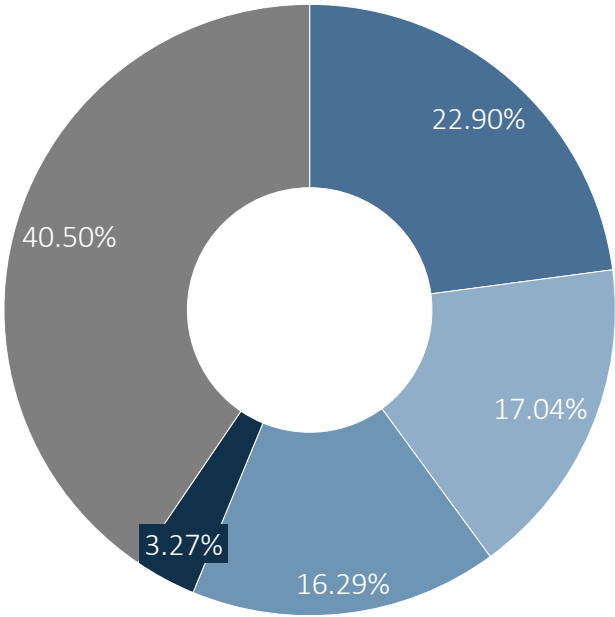
¹Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment and excluding effects from M&A transactions



SHAREHOLDER STRUCTURE SET FOR LONG-TERM PERSPECTIVE



Elmos Semiconductor SE shareholder structure (November 2023)



- Weyer Beteiligungsgesellschaft mbH and related parties¹
- Jumakos Beteiligungsgesellschaft mbH
- ZOE-VVG GmbH and related parties
- Treasury Stock
- Free float

¹Member 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



Sustainability strategy & materiality analysis

For Elmos, **sustainability** is an integral part of our corporate strategy, management processes and business goals.

Awareness of **social & ecological responsibility** has been firmly anchored in our culture for years and is reflected in many activities, projects and measures.

The foundation of our ESG strategy is a **materiality analysis** based on the UN SDGs.

Elmos Group: 6 of the 17 SDGs were identified as important:



Elmos Foundation makes an essential contribution to 6 additional UN SDGs:



We have already implemented many **activities** in all three areas of sustainability – **environmental, social and governance** and we will continue to work on making an even **more positive contribution** to our society and environment in the future.

ESG product matrix & product contribution (FY 2022)

		Contribution to increased		
		environmental protection and efficiency	safety and health	comfort and well-being
Application	Automotive			
	Airbag	low	high	low
	Ambient lighting	medium	low	high
	Exterior lighting	medium	high	low
	Motor control and thermal management	high	medium	medium
	Optical ICs (including gesture control)	-	medium	high
	Power management (including eFuses)	medium	low	low
	Sensor ICs (including battery management)	medium	medium	low
	Ultrasonic sensors for environment detection	low	high	high
	Non-automotive			
	Industrial automation	medium	medium	-
	Smart home	high	medium	high

- 65% of Group sales make a substantial contribution to **environmental protection**
- 75% of Group sales enhance **health & safety**
- 54% of Group sales increase the **comfort and well-being**

5-YEAR OVERVIEW ELMOS GROUP (IFRS)

in million Euro unless otherwise indicated	FY 2018	FY 2019		FY 2020	FY 2021	FY 2022
		<i>continuing & 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 ¹	29.8 40.9 ²	8.7	60.0	110.1
in % of sales	18.4%	33.0% 15.4% ¹	10.9% 15.0% ²	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
	12/31/2018	12/31/2019		12/31/2020	12/31/2021	12/31/2022
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
	FY 2018	FY 2019		FY 2020	FY 2021	FY 2022
Cash flow from operating activities	48.4	45.6		27.3	79.6	98.6
Capital expenditures ³	41.4	43.6		18.8	60.0	73.0
in % of sales ³	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 ⁴	-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 ⁵
Employees on annual average	1,250	1,317		1,208	1,151	1,176

¹Without 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.

²Without consideration of the restructuring expenses for the termination of the cooperation with the Fraunhofer Institute IMS.

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

⁴Cash 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).

⁵Proposal 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
Preliminary results 2023 ¹	February 15, 2024
Final results 2023 ¹	March 14, 2024
Quarterly results Q1 2024 ¹	May 7, 2024
Annual General Meeting	May 15, 2024
Quarterly results Q2 2024 ¹	August 1, 2024
Quarterly results Q3 2024 ¹	November 6, 2024

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	Tim Wunderlich Finn Kemper	Buy
Oddo BHF	Martin Marandon-Carlhian	Hold
Warburg Research	Malte Schaumann	Buy

Investor Relations	
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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 ahead of schedule on the Company's website (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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