

37. MKK – Münchner Kapitalmarkt Konferenz

elmos⁺

24. April 2024



Elmos corporate overview



Corporate highlights

~8 Elmos ICs on average in every new car produced

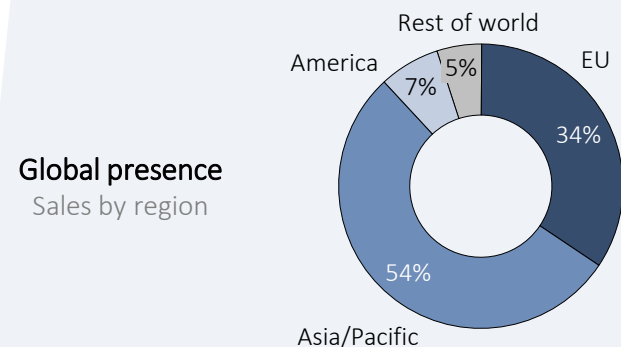
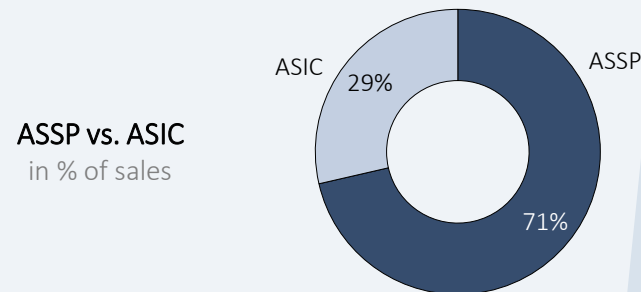
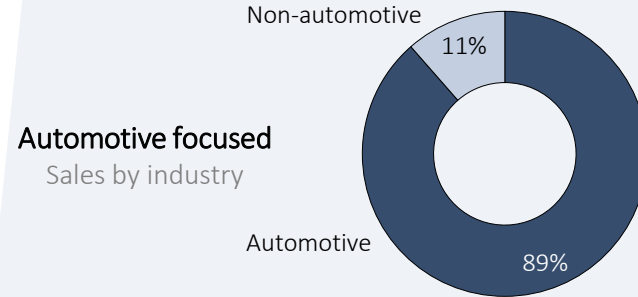
6 product segments Ranging, Sensor ICs, Motor Control, Lighting, Safety/Power/Custom ICs, Optical

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

~40 years experience in analog mixed signal IC solutions

>1,300 employees thereof ~450 product developers & engineers

Sales breakdown FY 2023



Financial highlights FY 2023

575 million Euro sales
3rd annual sales record in a row

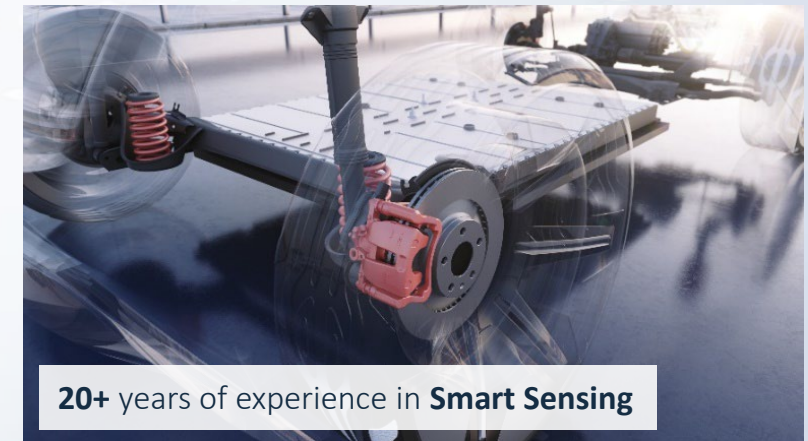
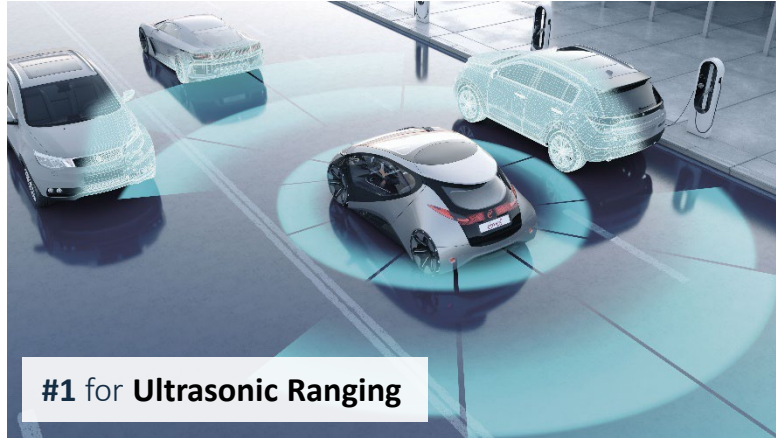
26.2 percent EBIT margin
EBIT of 150.7 million Euro increased by 37% compared to the previous year

99.1 million Euro net income
Earnings per share (EPS) 5.79 Euro

115.1 million Euro CAPEX
mainly for the expansion of test capacities

~1.3 billion Euro market capitalization
as of December 29, 2023

Elmos IC solutions – enabling intelligent electronics



Elmos is a pioneer for innovative IC solutions and the world market leader for various automotive applications. Together with our global leading Tier1 & OEM partners, Elmos is the driving force of the mobility of the future.

Automotive applications powered by innovative Elmos semiconductors **elmos**



¹ Based on Elmos ESG product matrix & product contribution 2023. Only applications with a high or medium impact are considered to make a significant contribution. The majority of Elmos products can be attributed to multiple purposes simultaneously.

Highlights of fiscal year 2023

Record financial results and important structural improvements form a strong basis for future success

Economic environment

Fiscal year 2023 was affected by ongoing economic challenges and geopolitical crises, high inflation combined with higher interest rates.

The overall global recovery remains slow, with growing regional divergences. For 2023 the IMF estimates 3.1% global GDP growth and a shrinking economy in Germany (-0.3%) for 2023.¹

Global inflation is forecast to decline steadily, due to tighter monetary policy. However, the IMF does not expect inflation to return to target levels until 2025 in most regions.

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

Semiconductor market

In 2023, the overall semiconductor market was impacted by economic headwinds and weaker demand for consumer electronics and PCs, resulting in a projected decline of -9.4% (WSTS).²

The allocation situation and the supply bottlenecks in the global supply chains for automotive semiconductors have normalized during the course of 2023 and it is expected that the automotive semiconductor market grew by 19.2% in 2023.³

After three years of very dynamic growth, the automotive semiconductor market has now entered into a normalization phase with lower order levels and inventory adjustments.

Structurally, however, the demand for automotive semiconductors remains high due to the increasing number of intelligent electronics, digitalization and more safety and comfort features in modern vehicles.

Strategic highlights

After the sale of our wafer fab, Elmos will become a fabless company. The regulatory approvals for the sale to Littelfuse were granted without any conditions in August 2023 and Elmos received a first 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 in December 2024.

The expansion of our testing capacities together with our testing partners in East Asia and the successful ramp of new products were important milestones in 2023. We now have a solid base for future volumes.

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

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

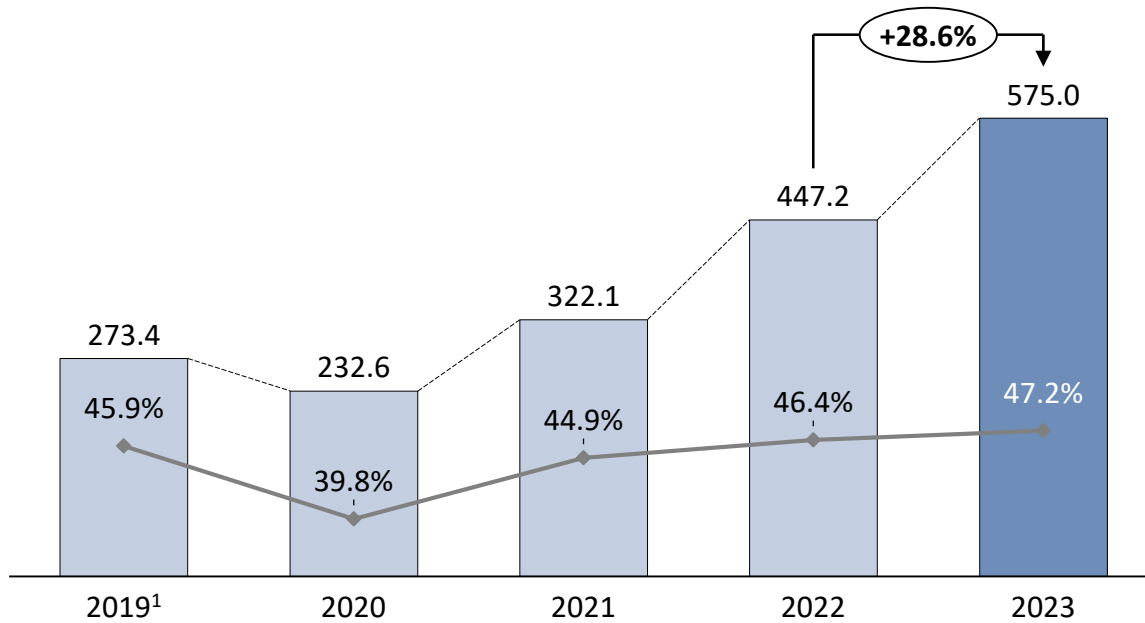
¹International Monetary Fund (IMF) World Economic Outlook (January 2024)

²World Semiconductor Trade Statistics (WSTS) Semiconductor Market Forecast (November 2023)

³S&P Global Mobility Automotive Semiconductor Tracker (October 2023)

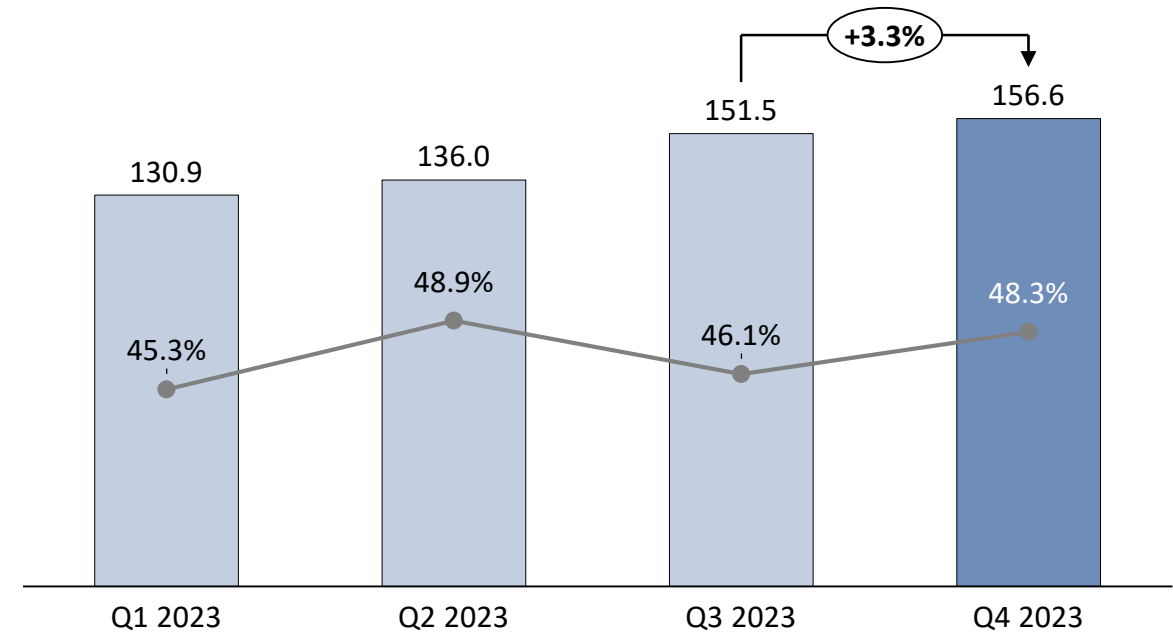
New record sales for the third consecutive year

Annual sales (in million Euro) & **gross margin** (in %)



- In a challenging economic environment and despite the normalization of the supply & demand situation, Group sales increased by 28.6% YoY to a **new record of 575.0 million Euro**
- **Third consecutive sales record** supported by a **high demand** in all product segments
- **Gross margin** more or less **stable**, underlining **conservative pricing strategy** by Elmos during the allocation

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

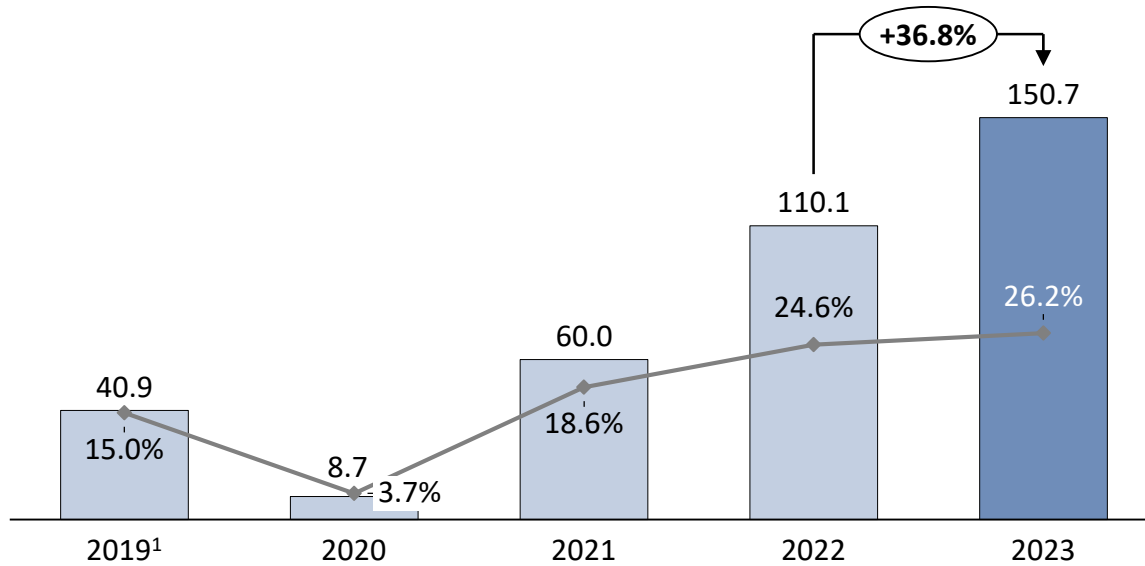


- Q4 2023 sales of **156.6 million Euro** mark the **12th quarterly sales record in a row**
- Q4 sales increased **24.7% YoY** and also **3.3%** vs. the high level of Q3 2023
- **Gross margin of 48.3 %** in Q4 2023 was influenced by typical **one-time effects** at year-end

¹Continuing operations only.

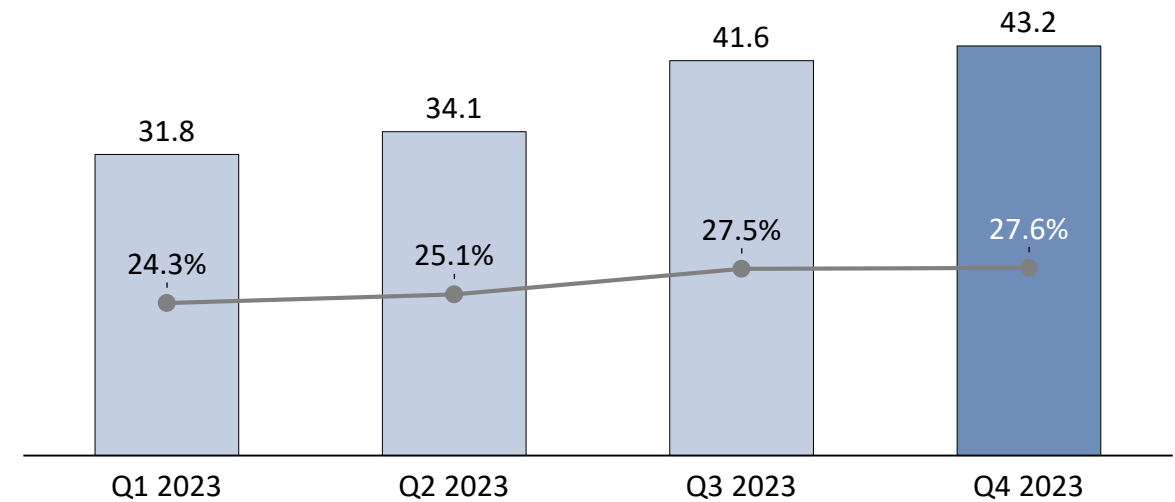
FY 2023 EBIT also reached new record levels

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



- EBIT of 150.7 million Euro increased by 37% compared YoY to a new record level
- EBIT margin increased significantly to 26.2% of sales
- The EBIT margin came in at the upper end of our full-year guidance (EBIT guidance: 25% ± 2%-points of sales)

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

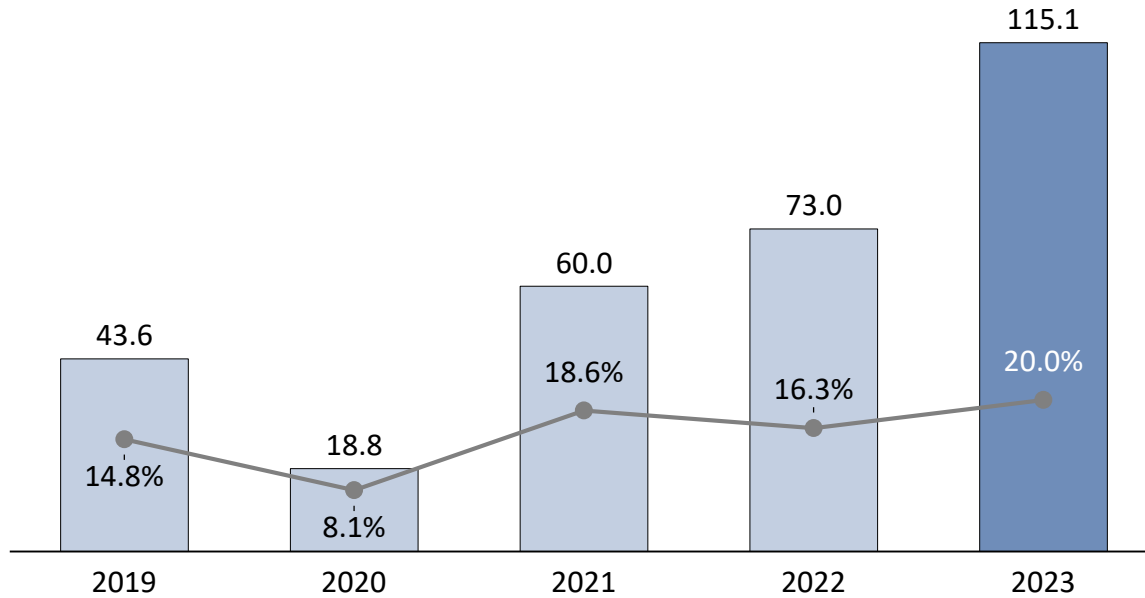


- The EBIT in Q4 2023 was also influenced by typical year-end one-time effects
- EBIT margin reached 27.6% in Q4 2023

¹Continuing operations only. Operating EBIT w/o deduction of the restructuring expenses for the termination of the cooperation with the Fraunhofer Institute IMS.

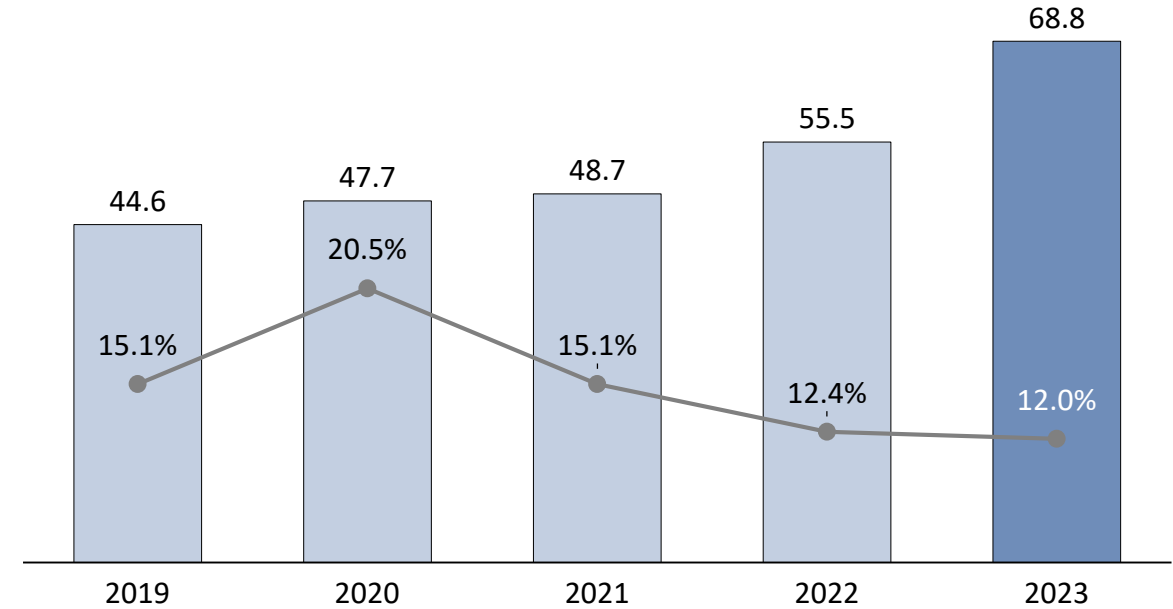
Higher CAPEX and R&D expenses for future growth

CAPEX^{1,2} (in million Euro & in % of sales)



- Significantly higher investments of **115.1 million Euro** in FY 2023 for the expansion of the testing capacity, especially at our external testing partners in East Asia
- FY 2023 **CAPEX to sales ratio** stood at **20.0%**, in line with guidance (CAPEX guidance: 19% ± 2%-points of sales)
- After the significant expansion of testing capacities, we now have a solid setup for future volumes

R&D expenses² (in million Euro & in % of sales)



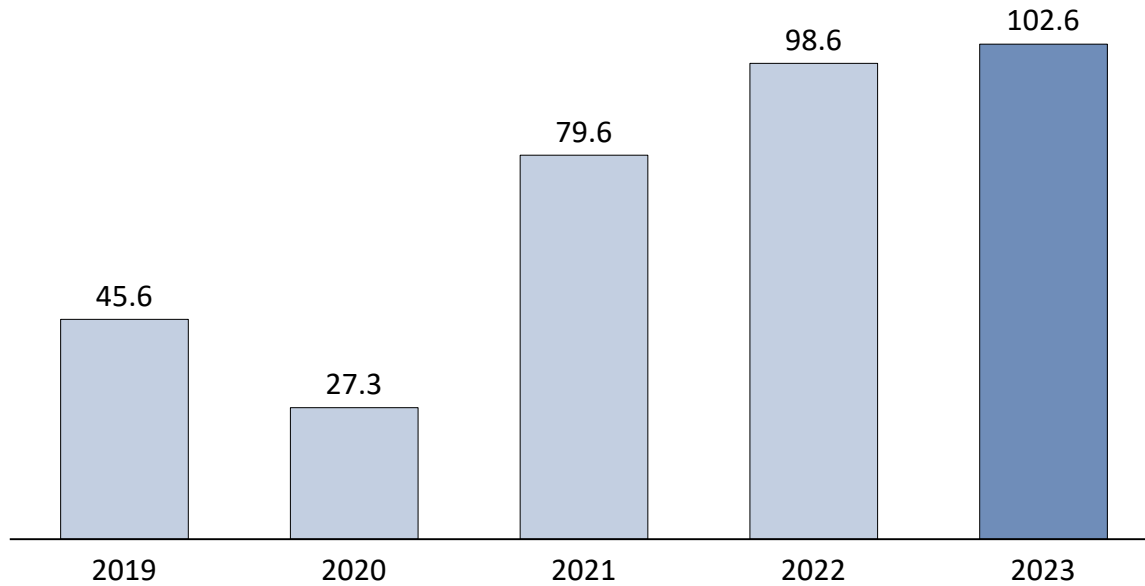
- R&D activities were further intensified and expenses increased by 13.3 million Euro to **68.8 million Euro**
- However, due to the strong sales increase, the **R&D ratio decreased to 12.0%** of sales in FY 2023
- FY 2023 marks the **2nd highest year of design wins** in the history of the company with attractive **new Design Wins** in all product segments

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

²CAPEX and R&D expenses in 2019 relate to continuing and discontinued operations.

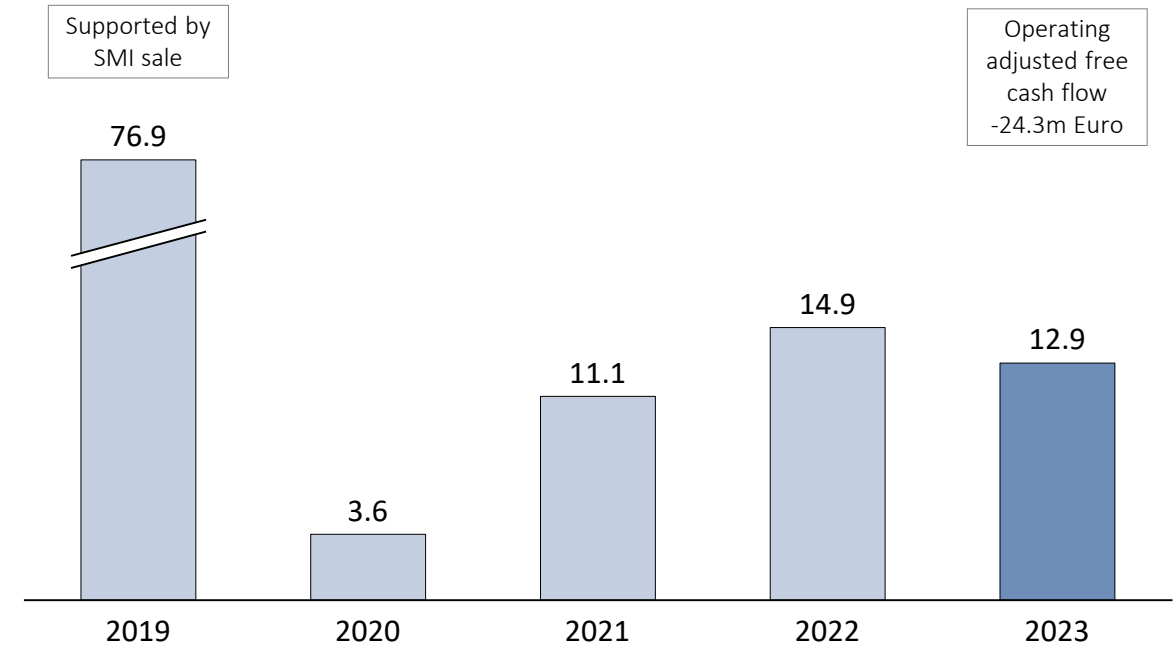
Cash flow influenced by strong growth

Operating cash flow¹ (in million Euro)



- The **cash flow from operations** in FY 2023 increased slightly YoY to **102.6** million Euro mainly due to **higher earnings, net of higher working capital** as a result of our strong growth

Adjusted free cash flow^{1,2} (in million Euro)



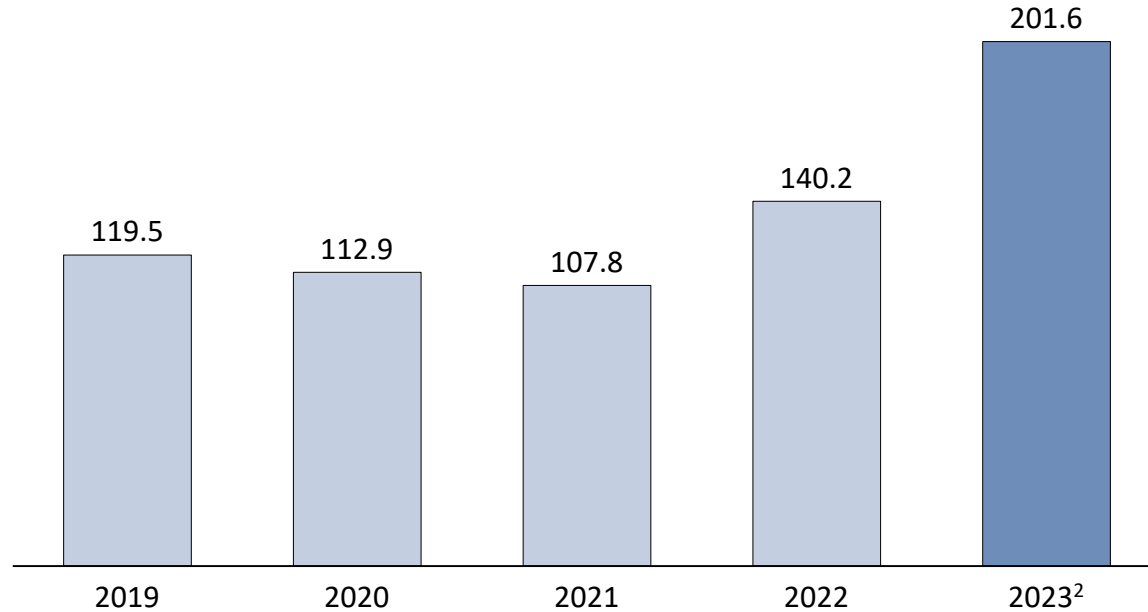
- The **adjusted free cash flow** of **12.9** million Euro was impacted by the **high investments** and the **prepayment for the sale of the wafer fab**
- At **-24.3** million Euro, the **operating adjusted free cash flow** (without the effect for the sale of the wafer fab) was **lower than the previous year as expected**

¹Operating cash flow and adjusted free cash flow in 2019 relate to continuing and discontinued operations; from year 2020 on to continuing operations only.

²Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment (incl. payments for additions to shares/proceeds from changes in the scope of consolidation)

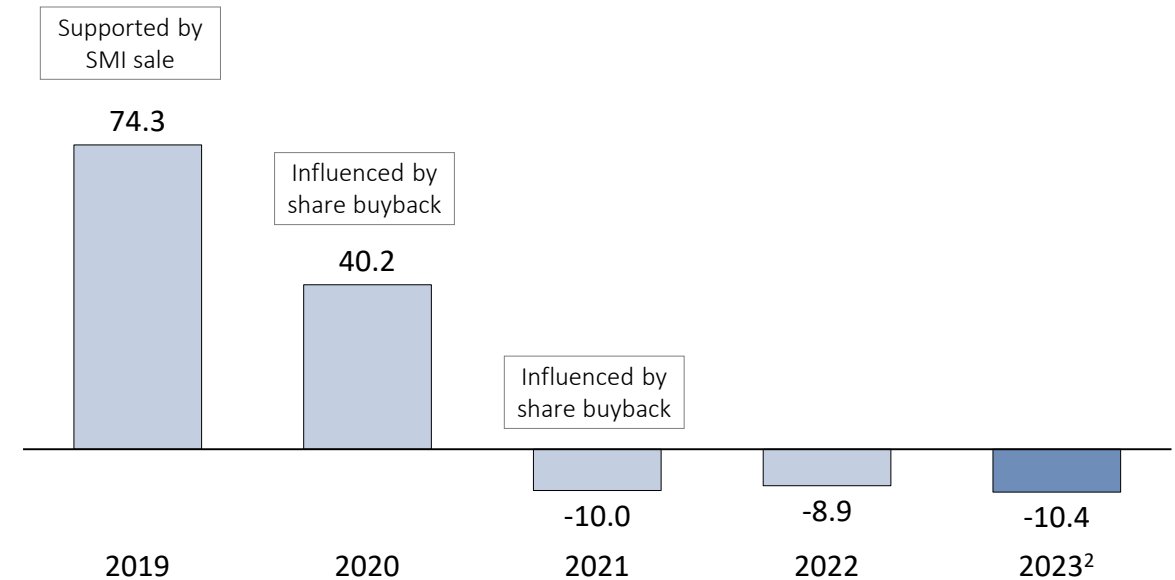
Working capital and net cash/debt

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



- At the end of FY 2023 **working capital increased to 201.6 million Euro**

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



- At December 31, 2023 Elmos recorded a small **net debt position of 10.4 million Euro**

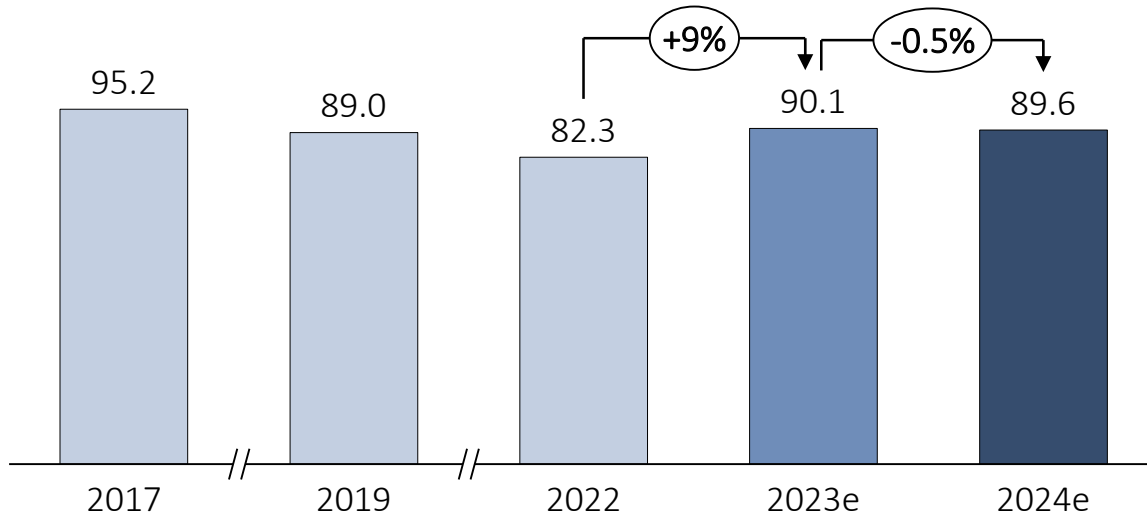
¹Trade accounts receivables plus inventories less trade accounts payables

²2023 statement of financial position figures reported w/o IFRS 5 effects (disposal group Elmos Dortmund wafer fab)

Market forecast

Automotive market

Light vehicle production in million units (IHS)¹



¹S&P Global Mobility Light Vehicle Production Forecast (January 2024)



Guidance



Elmos FY 2024 guidance (as of February 15, 2024)

Guidance for FY 2024

Sales:	605 million Euro \pm 25 million Euro
Operating EBIT margin ¹ :	25% \pm 2 percentage points
CAPEX (in % of sales):	12% \pm 2 percentage points
Operating adjusted free cash flow ² :	positive and significantly above the level of the previous year (-24.3 million Euro)
Ø exchange rate:	1.10 EUR/USD

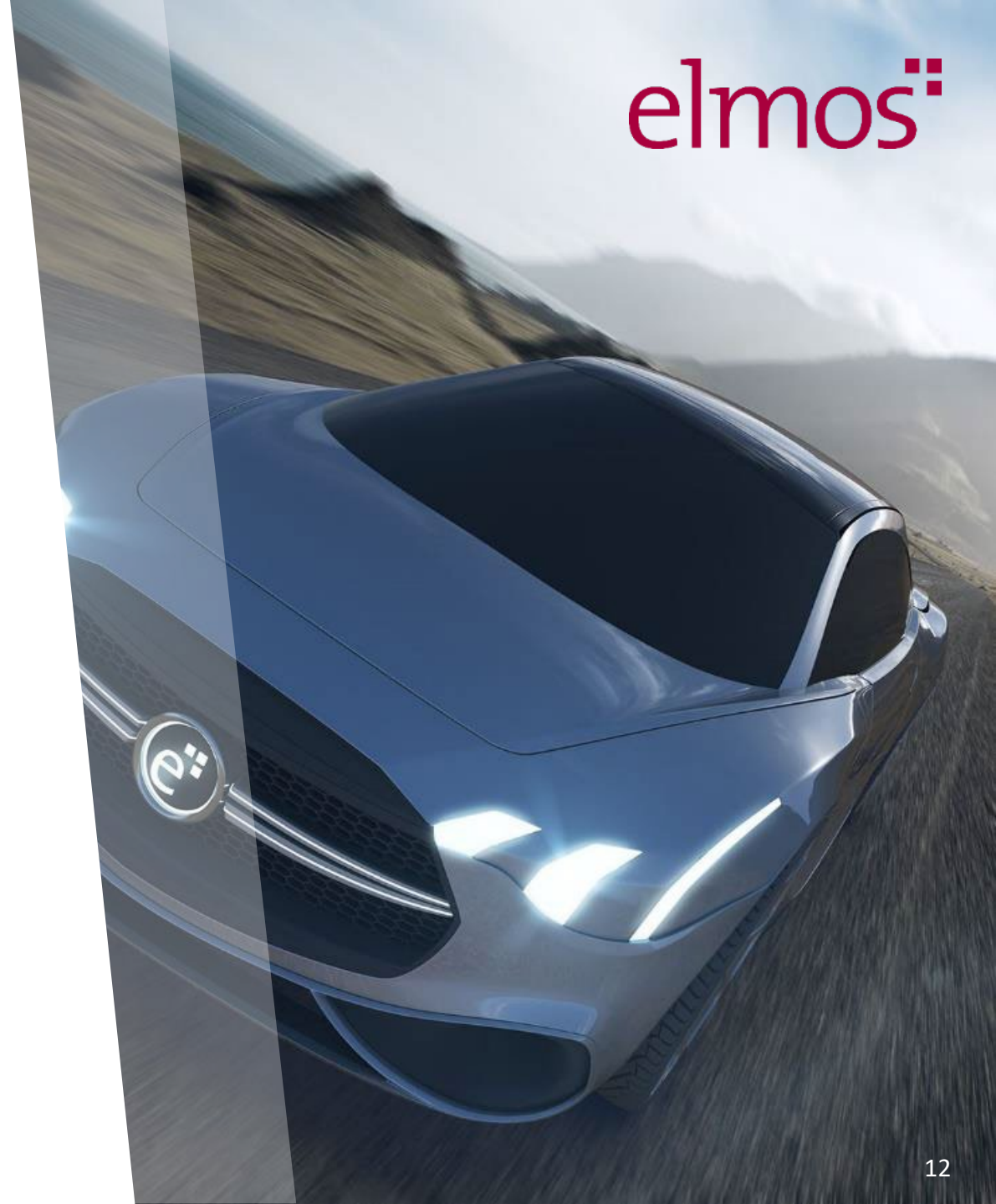
Notes to guidance 2024:

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, rising costs of and potential shortages for energy, material, services, and personnel.

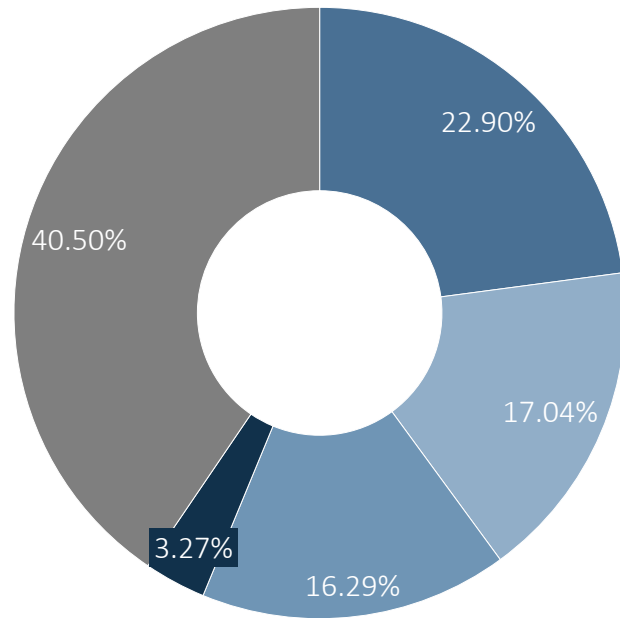
¹EBIT margin excluding effects from the closing of the sale of the Elmos wafer fab to Littelfuse Inc., USA

²Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment and excluding effects from the closing of the sale of the Elmos wafer fab to Littelfuse Inc., USA



Shareholder structure set for long-term perspective

Elmos Semiconductor SE shareholder structure (February 2024)



- 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 contribution¹

		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	

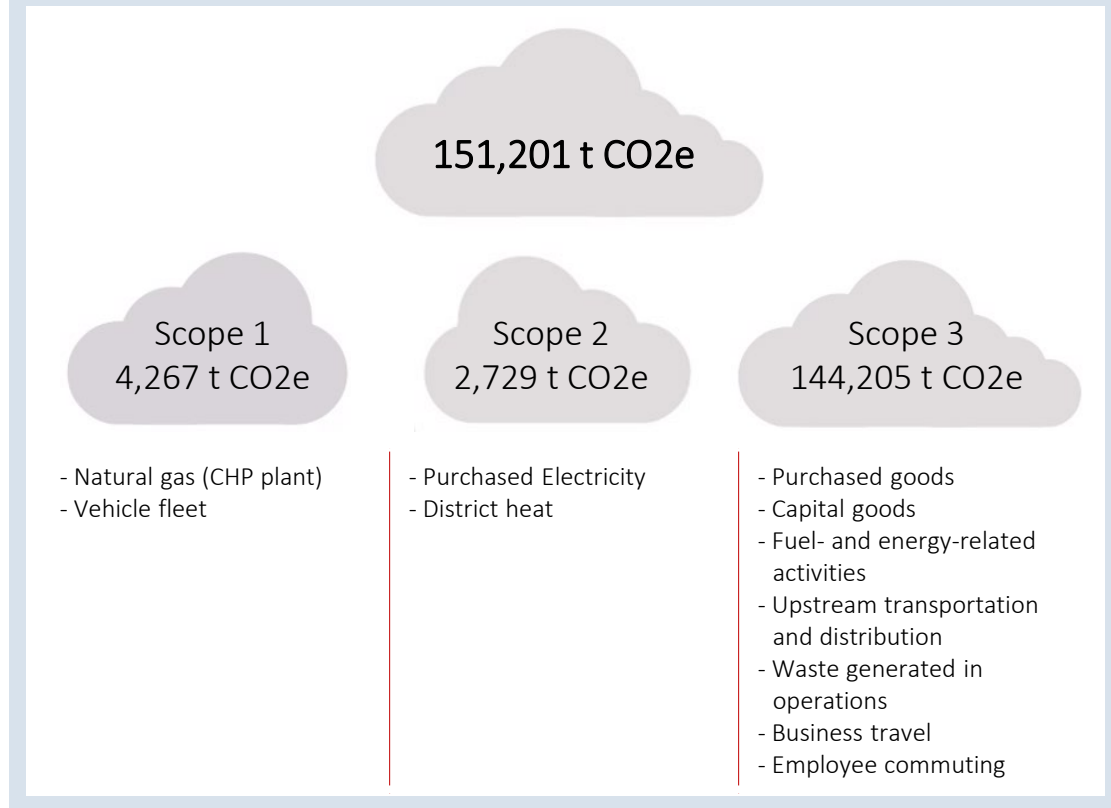
- 72% of Group sales make a substantial contribution to **environmental protection**
- 76% of Group sales enhance **safety and health**
- 56% of Group sales increase **comfort and well-being**

¹ Based on data for 2023. All applications with a high or medium impact are considered to make a significant contribution.

Elmos corporate carbon footprint & climate targets

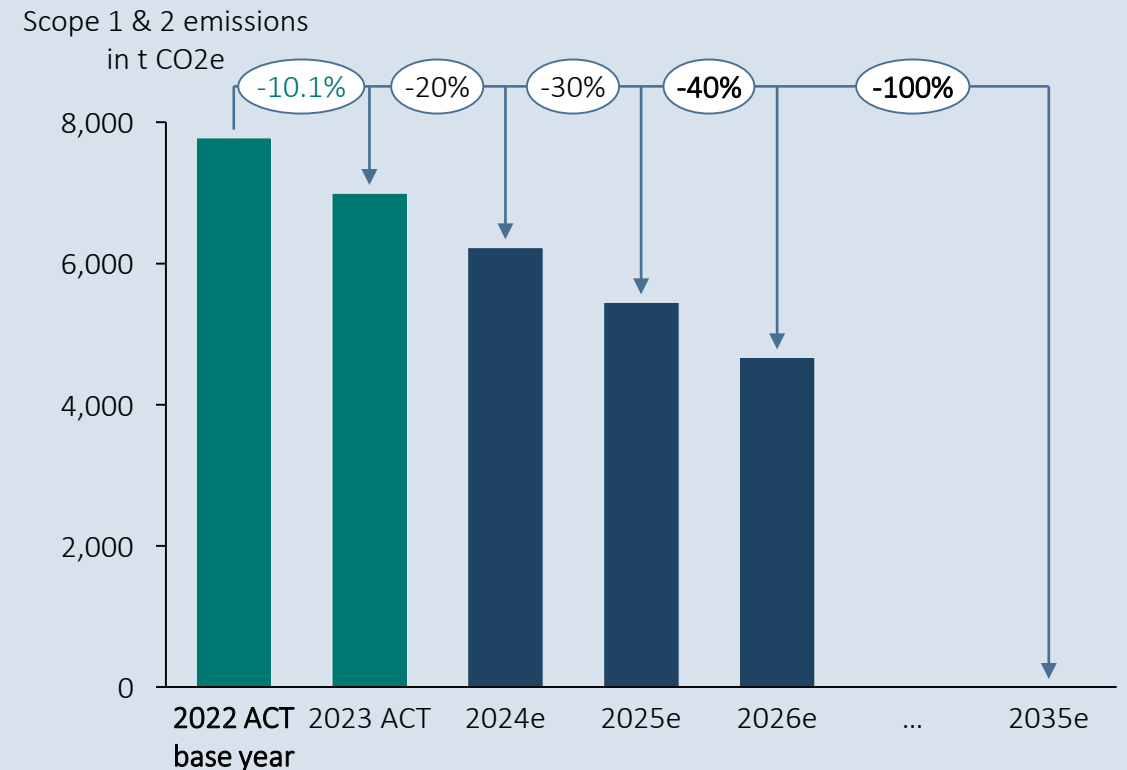
Elmos Corporate Carbon Footprint 2023

- 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.



5-year overview Elmos Group (IFRS)

in million Euro unless otherwise indicated						
	FY 2019		FY 2020	FY 2021	FY 2022	FY 2023
	<i>continuing & discontinued operations</i>	<i>continuing operations</i>				
Sales	294.8	273.4	232.6	322.1	447.2	575.0
Growth in %	6.2%	7.7%	-14.9%	38.5%	38.9%	28.6%
<i>thereof continuing operations</i>	273.4	273.4	232.6	322.1	447.2	575.0
<i>thereof discontinued operations</i>	21.4	n/a	n/a	n/a	n/a	n/a
Gross profit	136.8	125.6	92.6	144.7	207.5	271.3
in % of sales	46.4%	45.9%	39.8%	44.9%	46.4%	47.2%
Research & development expenses	44.6	40.7	47.7	48.7	55.5	68.8
in % of sales	15.1%	14.9%	20.5%	15.1%	12.4%	12.0%
Operating income	45.8	41.4	8.5	59.9	110.0	148.1
in % of sales	15.5%	15.1%	3.7%	18.6%	24.6%	25.7%
EBIT	97.3 45.3 ¹	29.8 40.9 ²	8.7	60.0	110.1	150.7
in % of sales	33.0% 15.4% ¹	10.9% 15.0% ²	3.7%	18.6%	24.6%	26.2%
Earnings before taxes	96.0	28.7	8.2	59.4	108.5	149.0
in % of sales	32.6%	10.5%	3.5%	18.4%	24.3%	25.9%
Consolidated net income attributable to owners of the parent	85.7	18.5	6.4	39.8	71.4	99.1
in % of sales	29.1%	6.8%	2.8%	12.4%	16.0%	17.2%
Earnings per share (basic) in Euro	4.36	0.94	0.35	2.24	4.17	5.79
	12/31/2019		12/31/2020	12/31/2021	12/31/2022	12/31/2023
Total assets	439.5		395.5	418.0	542.4	812.4
Shareholders' equity	339.7		310.2	300.2	360.4	447.9
in % of total assets	77.3%		78.4%	71.8%	66.4%	55.1%
Financial liabilities	49.1		45.6	76.1	81.0	118.7
Liquid assets and securities	123.3		85.8	66.1	72.1	108.3
Net cash/Net debt (-)	74.3		40.2	-10.0	-8.9	-10.4
	FY 2019		FY 2020	FY 2021	FY 2022	FY 2023
Cash flow from operating activities	45.6		27.3	79.6	98.6	102.6
Capital expenditures ³	43.6		18.8	60.0	73.0	115.1
in % of sales ³	14.8%		8.1%	18.6%	16.3%	20.0%
Cash flow from investing activities	37.2		-42.4	-73.6	-72.6	-73.8
Adjusted free cash flow ⁴	76.9		3.6	11.1	14.9	12.9
Dividend per share in Euro	0.52		0.52	0.65	0.75	0.85 ⁵
Employees on annual average	1,317		1,208	1,151	1,176	1,282

¹ 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.

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

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

⁴ 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 and proceeds/payments from changes in the scope of consolidation).

⁵ Proposal to the Annual General Meeting in May 2024.

Financial calendar / IR contact / Research coverage / basic share data



Event	Date
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

Investor Relations contact	
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Institution	Analyst	Recommendation
Deutsche Bank	Robert Sanders	Hold
Hauck & Aufhäuser	Tim Wunderlich Finn Kemper	Buy
Oddo BHF	Martin Marandon- Carlhian	Hold
Pekao Bank	Lukas Cinikas	Buy
Stifel	Florian Sager Jürgen Wagner	Buy
Warburg Research	Malte Schaumann	Buy

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

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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