

Elmos: Record financial results and important structural progress in fiscal year 2023

Sales up by 28.6% to 575.0 million Euro in 2023 – EBIT margin reaches a strong 26.2%

Dortmund, February 15, 2024: Elmos Semiconductor SE (FSE: ELG) continued its very successful development of the past few years in fiscal year 2023, posting new records for sales and EBIT and making important structural progress as well.

Despite the challenging economic environment and a noticeable easing in the global supply chains, demand for Elmos' semiconductors remained solid. According to preliminary, unaudited figures, Group sales climbed to 575.0 million Euro (2022: 447.2 million Euro) – the third record high in succession. This equates to an increase of 28.6%, or 127.8 million Euro, year on year.

The development of earnings before interest and taxes (EBIT) was even more encouraging. In fiscal year 2023, the Elmos Group generated EBIT of 150.7 million Euro, surpassing the prior-year figure (2022: 110.1 million Euro) substantially – also a new record. The EBIT margin rose to 26.2% of sales (2022: 24.6%), placing it in the upper half of the full-year guidance of 25% ± 2 percentage points.

Alongside the positive financial performance, the Elmos Group also achieved key milestones in its structural development in the past fiscal year. New business acquisition was once again extremely successful in 2023, with promising design wins recorded across all application fields. In addition, Elmos strengthened its software expertise and is focusing on an even closer integration of innovative hardware and high-performing software supporting software-defined vehicles. Another key activity over the past year was the significant expansion of testing capacities, which allowed the Elmos Group to launch new products in the second half of the year and to ensure delivery capability to its customers. As a result, increased sales were generated in the third and fourth quarters of 2023 and a solid basis for further growth was created. With the signing of the contracts for the sale of the Dortmund wafer fab and the regulatory approvals, Elmos took an important step forward in its transformation to a fabless company.

Elmos' capital expenditures totaled 115.1 million Euro in the past fiscal year (2022: 73.0 million Euro), or 20.0% of sales (2022: 16.3%). Full-year adjusted free cash flow stood at 12.9 million Euro in 2023. Operating adjusted free cash flow (excluding effects from the sale of the Elmos wafer fab) was below the prior year amounting to -24.3 million Euro (2022: 14.9 million Euro), as anticipated.

In line with expectations, Elmos was able to build on the positive performance in the first nine months of the year with a strong final quarter. Sales in the fourth quarter of 2023 came to 156.6 million Euro (Q4 2022: 125.5 million Euro), an increase of 3.3% on the strong prior quarter and a 24.7% year on year growth. Fourth-quarter EBIT climbed to 43.2 million Euro in 2023 (Q4 2022: 35.7 million Euro). The EBIT margin amounted to 27.6% (Q4 2022: 28.4%).

“We delivered another successful fiscal year in 2023 – with record-breaking sales and profitability, paired with strong new business acquisitions and important structural progress,” says Dr. Arne Schneider, CEO of Elmos Semiconductor SE. “Following three years of extremely high growth rates, the automotive semiconductor market now finds itself in a period of normalization including temporary inventory adjustments. However, the demand for semiconductors structurally increases further as ever more intelligent electronics fuel innovation in modern vehicles. As a fabless company with state-of-the-art customer solutions, a broad international footprint and a strong team, we will be a part of this long-term growth trend and continue on our successful trajectory.”

In fiscal year 2024, Elmos expects to generate sales of 605 million Euro ± 25 million Euro and an operating EBIT margin of 25% ± 2 percentage points of sales. The anticipated operating EBIT margin does not include any effects from the closing of the sale of the Elmos wafer fab to Littelfuse Inc., USA, which is expected for the end of December 2024. The company expects that capital expenditures for property, plant and equipment and intangible assets, less capitalized development costs, will amount to approximately 12% ± 2 percentage points of sales. For fiscal year 2024, Elmos expects positive operating adjusted free cash flow

(excluding effects from the closing of the sale of the Elmos wafer fab to Littelfuse Inc., USA) to be significantly higher than in the prior year (-24.3 million Euro). The guidance is based on an exchange rate of 1.10 EUR/USD.

Overview of selected, preliminary and unaudited financial figures

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

	2023	2022	Diff.	Q4/23	Q4/22	Diff.
Sales	575.0	447.2	28.6%	156.6	125.5	24.7%
Gross profit	271.3	207.5	30.7%	75.6	63.2	19.5%
Gross margin in %	47.2%	46.4%		48.3%	50.4%	
Research and development	68.8	55.5	23.9%	17.8	15.4	15.3%
Operating Income	148.1	110.0	34.6%	44.1	35.0	25.8%
EBIT	150.7	110.1	36.8%	43.2	35.7	21.0%
EBIT margin in %	26.2%	24.6%		27.6%	28.4%	
Consolidated net income after non-controlling interests	99.1	71.4	38.9%	27.7	22.0	25.9%
Basic earnings per share (Euro)	5.79	4.17	38.8%	1.62	1.29	25.9%
Capital expenditures	115.1	73.0	57.6%	23.4	20.9	11.9%
Capital expenditures in %	20.0%	16.3%		15.0%	16.7%	
Adjusted free cash flow	12.9	14.9	-13.1%	34.5	-6.3	n/a
Operating adjusted free cash flow	-24.3	14.9	n/a	34.5	-6.3	n/a

Detailed overviews of the financial figures will be published with the presentation of the final figures in the 2023 Annual Report on March 14, 2024. The dividend proposal to the Annual General Meeting in May 2024 is also expected to be announced on this date.

Definitions of selected financial indicators

- Capital expenditures: Capital expenditures for intangible assets and property, plant and equipment less capitalized development expenses
- Adjusted free cash flow: Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment, plus effects from the sale of the Elmos wafer fab to Littelfuse Inc., USA
- Operating adjusted free cash flow: Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment and excluding effects from the sale of the Elmos wafer fab to Littelfuse Inc., USA
- Further information on the key figures used can be found in the Annual Report 2022 at www.elmos.com

Analysts' conference call and webcast

Elmos will host a conference call and webcast (in English) for analysts and investors on February 15, 2024 at 10.00 a.m. (CET). The conference call will be available later on the website.

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About Elmos

Elmos develops, produces and markets semiconductors, primarily for use in the automotive industry. Our components communicate, measure, regulate and control safety, comfort, powertrain and network functions. For 40 years, Elmos innovations have been bringing new functions to life and making mobility worldwide safer, more comfortable and more energy efficient. With our solutions we are already the worldwide #1 in applications with great future potential, such as ultrasonic distance measurement, ambient and rear light as well as intuitive HMI.

Note

This release contains forward-looking statements that are based on assumptions and estimates made by the Elmos management. Even though we assume the underlying expectations of the forward-looking statements to be realistic, we cannot guarantee the 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.