

# Quarterly statement Q1 2020

January 1 to March 31, 2020

**Sales growth of 3.3% in Q1 2020**

Coronavirus expected to affect the rest of the year

“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. Anton Mindl, 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.”

## Key figures

in million Euro unless otherwise indicated	Q1 2020	Q1 2019 <sup>1</sup>	Change
Sales	64.2	62.2	3.3%
Gross profit	28.1	27.7	1.4%
in % of sales	43.7%	44.5%	
Research & development expenses	12.1	9.7	24.0%
in % of sales	18.8%	15.7%	
Operating income	5.8	7.8	-26.2%
in % of sales	9.0%	12.6%	
EBIT	7.1	8.6	-17.7%
in % of sales	11.0%	13.8%	
Consolidated net income after non-controlling interests	4.6	5.6	-18.1%
in % of sales	7.1%	8.9%	
Earnings per share (basic) in Euro	0.23	0.28	-17.8%
	<b>3/31/2020</b>	<b>12/31/2019</b>	<b>Change</b>
Total assets	447.8	439.5	1.9%
Shareholders' equity	343.1	339.7	1.0%
in % of total assets	76.6%	77.3%	
Financial liabilities	48.9	49.1	-0.4%
Liquid assets and securities	133.5	123.3	8.3%
Net cash	84.7	74.3	14.0%
	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>Change</b>
Operating cash flow	20.2	7.9	>100.0%
Capital expenditures	5.8	16.1	-63.8%
in % of sales	9.1%	23.3% <sup>2</sup>	
Adjusted free cash flow	13.5	-10.4	n/a

<sup>1</sup> Prior-year amounts were adjusted; for purposes of comparison, information regarding the consolidated income statement relates exclusively to continuing operations.

<sup>2</sup> Percentage shown relates to sales from continuing and discontinued operations of 69,074 thousand Euro.

### Definition of selected financial indicators

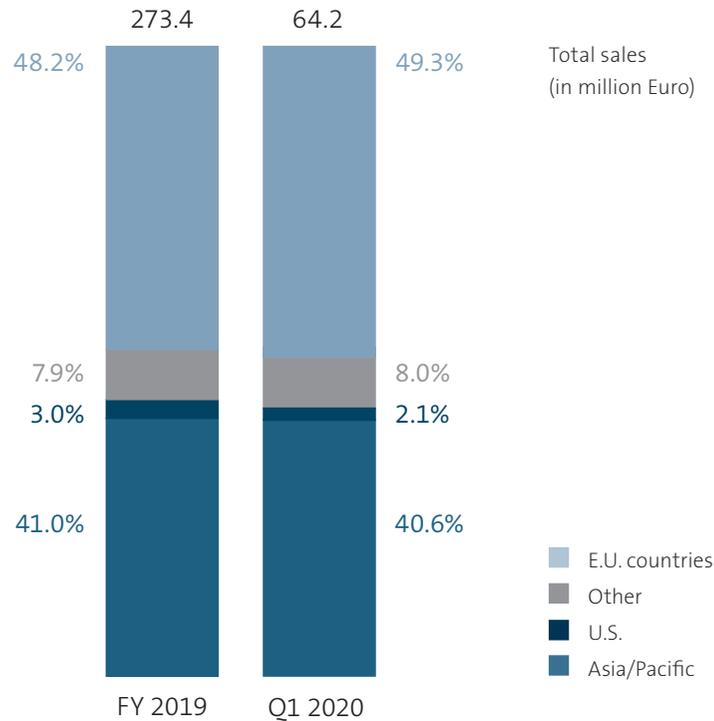
- Capital expenditures: Capital expenditures for intangible assets and property, plant and equipment less capitalized development expenses

- Adjusted free cash flow: cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment

## Profit and financial positions as well as assets and liabilities

- > Sales and earnings development in the first quarter of 2020 met our expectations.
- > The ratio of the order backlog to sales, known as the book-to-bill ratio, was below one at the end of the reporting period.
- > EBIT reflected the expansion of development resources, among other things.
- > Adjusted free cash flow was influenced positively by high operating cash flow and low capital expenditures in the reporting quarter.
- > Elmos announced that, as a result of the global coronavirus pandemic, it would implement short-time work in selected areas from mid-April. The Management Board and senior executives are also voluntarily waiving part of their remuneration. Management Board members are waiving 10% of their monthly salaries.
- > A total of 1.54 million shares were repurchased for approximately 27 million Euro in the scope of a public share buyback offer. Settlement took place at the start of the second quarter. Elmos now holds 2,008,921 treasury shares, which equates to 9.99% of the share capital.

## Sales by region



## Guidance change report

Guidance for the second quarter of 2020	
Sales	55 - 60 million Euro
EBIT margin	1% to 6%
Ø exchange rate	1.10 EUR/USD

- > Due to the current situation, no full year guidance is being issued for 2020.
- > The Supervisory Board and the Management Board are planning to propose an unchanged dividend, compared to the previous year, of 0,52 Euro per share at the Annual General Meeting on May 22, 2020.
- > The comprehensive preventive measures to combat the spread of the coronavirus, which were implemented at Elmos since the end of January, continue to apply without change. For example, several hundred employees are working from home and comprehensive social distancing measures are in place.

## Condensed consolidated statement of financial position

Assets   in thousand Euro	3/31/2020	12/31/2019
Intangible assets	32,463	32,864
Property, plant and equipment	137,135	137,803
Securities	31,143	17,324
Investments	1	1
Other financial assets	5,219	4,704
Deferred tax assets	58	56
<b>Non-current assets</b>	<b>206,019</b>	<b>192,751</b>
Inventories	85,616	78,759
Trade receivables	39,351	50,928
Securities	4,442	11,003
Other financial assets	3,638	3,418
Other receivables	9,761	7,242
Income tax assets	1,007	403
Cash and cash equivalents	97,952	95,018
<b>Current assets</b>	<b>241,766</b>	<b>246,771</b>
<b>Total assets</b>	<b>447,785</b>	<b>439,522</b>

Equity and liabilities   in thousand Euro	3/31/2020	12/31/2019
Share capital	20,104	20,104
Treasury shares	-469	-469
Additional paid-in capital	82,576	82,490
Surplus reserve	102	102
Other equity components	-1,047	123
Retained earnings	241,282	236,732
<b>Equity attributable to owners of the parent</b>	<b>342,548</b>	<b>339,081</b>
Non-controlling interests	589	582
<b>Equity</b>	<b>343,137</b>	<b>339,663</b>
Financial liabilities	44,404	44,680
Deferred tax liabilities	7,413	7,284
<b>Non-current liabilities</b>	<b>51,817</b>	<b>51,964</b>
Provisions	26,538	22,233
Income tax liabilities	5,570	6,157
Financial liabilities	4,474	4,390
Trade payables	11,427	10,159
Other liabilities	4,821	4,956
<b>Current liabilities</b>	<b>52,831</b>	<b>47,895</b>
<b>Liabilities</b>	<b>104,648</b>	<b>99,859</b>
<b>Total equity and liabilities</b>	<b>447,785</b>	<b>439,522</b>

## Condensed consolidated income statement

in thousand Euro	Q1 2020	Q1 2019 <sup>1</sup>
<b>Sales</b>	<b>64,222</b>	<b>69,074</b>
thereof from discontinued operations	0	-6,915
<b>Sales from continuing operations</b>	<b>64,222</b>	<b>62,159</b>
<b>CONTINUING OPERATIONS</b>		
<b>Sales from continuing operations</b>	<b>64,222</b>	<b>62,159</b>
Cost of sales	-36,162	-34,478
<b>Gross profit</b>	<b>28,059</b>	<b>27,681</b>
Research and development expenses	-12,074	-9,734
Distribution expenses	-5,126	-4,730
Administrative expenses	-5,100	-5,407
<b>Operating income before other operating expenses (-)/income</b>	<b>5,759</b>	<b>7,809</b>
Foreign exchange gains	894	148
Other operating income	665	859
Other operating expenses	-239	-208
<b>Earnings before interest and taxes (EBIT) from continuing operations</b>	<b>7,080</b>	<b>8,608</b>
Finance income	136	127
Finance expenses	-209	-492
<b>Earnings before taxes</b>	<b>7,007</b>	<b>8,242</b>
<b>Income tax</b>	<b>-2,449</b>	<b>-2,650</b>
thereof current income tax	-1,736	-2,158
thereof deferred tax	-713	-493
<b>Consolidated earnings after taxes from continuing operations</b>	<b>4,557</b>	<b>5,592</b>
<b>DISCONTINUED OPERATIONS</b>		
<b>Consolidated earnings after taxes from discontinued operations</b>	<b>0</b>	<b>1,440</b>
<b>Consolidated earnings after taxes from continuing and discontinued operations</b>	<b>4,557</b>	<b>7,032</b>
thereof attributable to owners of the parent	4,550	6,997
thereof attributable to non-controlling interests	7	35
<b>Earnings per share</b>	<b>Euro</b>	<b>Euro</b>
Basic earnings per share	0.23	0.28 <sup>2</sup>
Fully diluted earnings per share	0.23	0.28 <sup>2</sup>

<sup>1</sup> Adjustment of prior-year figures according to IFRS 5 (differentiation between continuing and discontinued operations)

<sup>2</sup> Key figure relates exclusively to continuing operations

## Condensed consolidated statement of cash flows

in thousand Euro	Q1 2020	Q1 2019
Consolidated earnings after taxes from continuing and discontinued operations	4,557	7,032
Depreciation and amortization	7,659	7,446
Losses from disposal of assets	29	41
Financial result	73	446
Other non-cash expense	713	543
Current income tax	1,736	2,227
Expense for stock awards/share matching	86	31
Changes in net working capital:		
Trade receivables	11,578	2,605
Inventories	-6,857	-6,069
Other assets	-2,768	-238
Trade payables	2,082	-4,467
Other provisions and other liabilities	4,170	3,557
Income tax payments	-2,925	-5,417
Interest paid	-47	-7
Interest received	136	127
<b>Cash flow from operating activities</b>	<b>20,222</b>	<b>7,857</b>
Capital expenditures for intangible assets	-1,072	-2,204
Capital expenditures for property, plant and equipment	-5,723	-16,071
Payments from disposal of non-current assets	24	13
Capital expenditures for (-)/disposal of securities	-9,044	3,350
Payments (-) for other non-current financial assets	-487	-120
<b>Cash flow from investing activities</b>	<b>-16,302</b>	<b>-15,032</b>
Repayment (-) of current liabilities to banks	-14	-107
Share-based payment/issue of treasury shares	0	-120
Repayment of installment purchase liabilities	-155	0
Repurchase of treasury shares	0	-1,314
Repayment of leasing liabilities	-849	-1,398
Other changes	0	1
<b>Cash flow from financing activities</b>	<b>-1,018</b>	<b>-2,938</b>
<b>Increase/decrease (-) in cash and cash equivalents</b>	<b>2,902</b>	<b>-10,113</b>
Effect of exchange rate changes on cash and cash equivalents	32	512
Cash and cash equivalents at beginning of reporting period	95,018	27,137
<b>Cash and cash equivalents at end of reporting period</b>	<b>97,952</b>	<b>17,536</b>

## Financial calendar

Fiscal year 2020	
Quarterly results Q1/2020 <sup>1</sup>	May 6, 2020
Virtual Annual General Meeting	May 22, 2020
Quarterly results Q2/2020 <sup>1</sup>	August 5, 2020
Quarterly results Q3/2020 <sup>1</sup>	November 4, 2020

<sup>1</sup> The German Securities Trading Act (Wertpapierhandelsgesetz) and the Market Abuse Regulation oblige issuers to announce any information that may have a substantial price impact immediately, irrespective of the financial calendar. Therefore, we cannot rule out having to announce key figures of quarterly and annual results ahead of the dates mentioned above. As we can never rule out changes of dates, we recommend checking them in advance on the website ([www.elmos.com](http://www.elmos.com)).

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### Notice

This document is a quarterly statement in accordance with Section 51a Rules and Regulations for the Frankfurter Wertpapierbörse (Börsenordnung für die Frankfurter Wertpapierbörse). For mathematical reasons, tables and references may contain rounding differences to the exact figures (currency units, percentages, etc.).

### Forward-looking statements

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

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