

Quarterly statement Q3 2021

July 1 to September 30, 2021

Promising business development in the third quarter of 2021

Quarterly sales of 80.8 million Euro mark new record level – EBIT margin at 16.8%

“We were able to continue our solid business development in the third quarter and performed well in an ongoing challenging market environment. Record sales of 80.8 million Euro and an EBIT margin of 16.8% are both encouraging figures. The global wafer capacities remain tight, which is why we expect allocation to continue in 2022. This of course has an influence on our growth expectations for next year.”

Dr. Arne Schneider, CEO of Elmos Semiconductor SE



Key figures

in million Euro unless otherwise indicated	Q3 2021	Q3 2020	Change	9M 2021	9M 2020	Change
Sales	80.8	40.9	97.5%	236.8	163.9	44.5%
Gross profit	34.7	11.9	191.8%	101.4	64.6	56.9%
in % of sales	43.0%	29.1%		42.8%	39.4%	
Research and development expenses	12.9	11.1	16.8%	37.7	36.0	4.9%
in % of sales	16.0%	27.1%		15.9%	21.9%	
Operating results	13.7	-7.0	n/a	37.8	1.2	3,166.3%
in % of sales	17.0%	-17.2%		16.0%	0.7%	
EBIT	13.6	-10.5	n/a	38.3	-0.2	n/a
in % of sales	16.8%	-25.7%		16.2%	-0.2%	
Consolidated net income/consolidated net loss (-) after non-controlling interests	8.9	-6.2	n/a	25.6	0.6	3,867.1%
in % of sales	11.0%	-15.1%		10.8%	0.4%	
Earnings per share (basic) in Euro	0.50	-0.34	n/a	1.42	0.03	3,996.0%
	09/30/2021	06/30/2021	Change	09/30/2021	12/31/2020	Change
Total assets	421.6	418.4	0.8%	421.6	395.5	6.6%
Shareholders' equity	285.9	317.9	-10.0%	285.9	310.2	-7.8%
in % of total assets	67.8%	76.0%		67.8%	78.4%	
Financial liabilities	74.8	45.7	63.8%	74.8	45.6	64.2%
Liquid assets and securities	83.1	93.0	-10.6%	83.1	85.8	-3.1%
Net cash	8.3	47.3	-82.5%	8.3	40.2	-79.4%
	Q3 2021	Q3 2020	Change	9M 2021	9M 2020	Change
Cash flow from operating activities	23.6	3.2	639.3%	68.9	17.5	293.4%
Capital expenditures	18.6	3.7	400.5%	41.6	12.9	223.2%
in % of sales	23.1%	9.1%		17.6%	7.9%	
Adjusted free cash flow	2.7	-0.5	n/a	21.7	2.6	743.0%

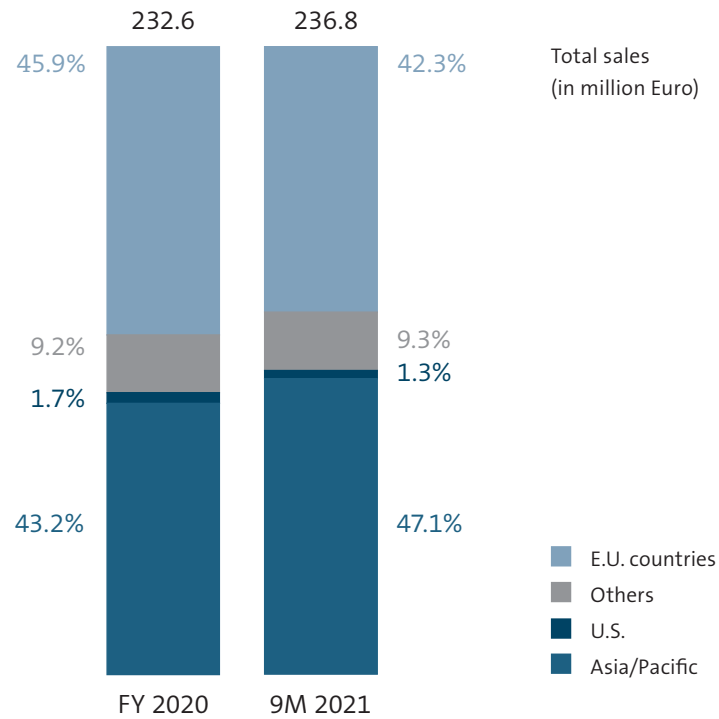
Definitions of selected financial indicators

- 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 (including proceeds from additions to the scope of consolidation)
- Further information on the key figures used can be found in the 2020 Annual Report at www.elmos.com

Profit, financial position, as well as assets and liabilities

- > The sales and earnings performance in the third quarter of 2021 is slightly above the midpoint of the guidance range issued at the beginning of August. Business performance continues to be influenced by a challenging market environment due to the global semiconductor shortage and the impacts of the COVID-19 pandemic.
- > Group sales and EBIT margin were significantly higher compared to the prior-year quarter, which was significantly negatively affected by the coronavirus pandemic.
- > Capital expenditures again were on a high level and were mainly used for the expansion of testing operations. In addition to the backend CAPEX program, an investment in a new building for the software division was made in the third quarter of 2021.
- > Adjusted free cash flow was slightly positive despite the high level of investments.
- > The ratio of orders on hand for the next three months to sales over the past three months, known as the book-to-bill ratio, was above one at the end of the reporting period.

Sales by region



Guidance

Guidance for the Fiscal Year 2021 (as of November 4, 2021)	
Sales	320 ± 5 million Euro
EBIT margin	17% ± 2 percentage points
∅ Exchange rate	1.15 EUR/USD

- > The guidance remains subject to considerable uncertainty due to a number of factors, including global allocation and the COVID-19 pandemic.
- > Capital expenditures are expected to be significantly higher year on year.
- > The company expects to generate a positive adjusted free cash flow above the previous year for fiscal year 2021.

Condensed consolidated statement of financial position

Assets in thousand Euro	09/30/2021	12/31/2020
Intangible assets	35,981	30,201
Property, plant and equipment	157,222	130,367
Securities	43,999	42,693
Investments	1	2,201
Other financial assets	8,030	1,595
Deferred tax assets	56	99
Non-current assets	245,288	207,157
Inventories	75,570	84,733
Trade receivables	42,139	37,231
Securities	7,003	2,751
Other financial assets	1,137	5,460
Other receivables	13,324	5,299
Income tax assets	5,054	12,554
Cash and cash equivalents	32,081	40,313
Current assets	176,308	188,341
Total assets	421,596	395,498

Equity and liabilities in thousand Euro	09/30/2021	12/31/2020
Share capital	17,700	20,104
Treasury shares	-601	-1,986
Additional paid-in capital	18,015	57,592
Surplus reserve	102	102
Other equity components	3	27
Retained earnings	249,962	233,742
Equity attributable to owners of the parent	285,181	309,581
Non-controlling interests	725	634
Equity	285,907	310,214
Provisions for pensions	48	71
Financial liabilities	30,533	41,905
Deferred tax liabilities	8,685	7,371
Non-current liabilities	39,265	49,347
Provisions	21,182	17,796
Income tax liabilities	361	39
Financial liabilities	44,291	3,674
Trade payables	25,862	9,043
Other liabilities	4,728	5,385
Current liabilities	96,425	35,937
Liabilities	135,690	85,284
Total equity and liabilities	421,596	395,498

Condensed consolidated income statement

in thousand Euro	Q3 2021	Q3 2020	9M 2021	9M 2020
Sales	80,760	40,882	236,779	163,893
Cost of sales	-46,022	-28,978	-135,372	-99,244
Gross profit	34,738	11,904	101,407	64,649
Research and development expenses	-12,922	-11,059	-37,702	-35,953
Distribution expenses	-3,776	-4,071	-12,027	-14,479
Administrative expenses	-4,302	-3,794	-13,897	-13,061
Operating result before other operating expenses (-)/income	13,739	-7,020	37,782	1,157
Foreign exchange gains/losses (-)	62	-1,091	557	-808
Other operating income	337	412	2,080	2,649
Other operating expenses	-569	-2,794	-2,115	-3,244
Earnings before interest and taxes (EBIT)	13,569	-10,493	38,304	-247
Finance income	116	119	323	375
Finance expenses	-280	-184	-708	-679
Earnings before taxes	13,404	-10,559	37,919	-551
Income tax	-4,518	4,416	-12,209	1,222
thereof current income tax	-3,890	1,405	-10,777	-1,299
thereof deferred tax	-629	3,011	-1,432	2,521
Consolidated net income/loss (-)	8,886	-6,143	25,710	671
thereof attributable to owners of the parent	8,862	-6,164	25,618	646
thereof attributable to non-controlling interests	24	21	91	25
Earnings per share	Euro	Euro	Euro	Euro
Basic earnings per share	0.50	-0.34	1.42	0.03
Fully diluted earnings per share	0.50	-0.34	1.42	0.03

Condensed consolidated statement of cash flows

in thousand Euro	Q3 2021	Q3 2020	9M 2021	9M 2020
Consolidated net income	8,886	-6,143	25,710	671
Depreciation and amortization	7,934	7,353	22,894	23,138
Gains (-)/Losses from disposal of non-current assets	-20	-193	336	-163
Financial result	165	66	385	304
Other non-cash expenses/income (-)	628	-3,011	1,432	-2,520
Current income tax	3,890	-1,405	10,777	1,299
Expenses for stock awards/share matching	84	63	237	213
Changes in pension provisions	-7	0	-23	0
Changes in net working capital:				
Trade receivables	-1,648	10,857	-4,540	22,973
Inventories	-1,167	-3,222	9,163	-15,587
Other assets	-38	3,578	-8,582	2,950
Trade payables	4,740	-2,148	12,205	1,704
Other provisions and other liabilities	1,740	1,477	2,325	-133
Income tax payments	-1,636	-4,148	-2,995	-16,921
Interest paid	-90	-53	-794	-799
Interest received	116	118	323	375
Cash flow from operating activities	23,577	3,189	68,852	17,504
Capital expenditures for intangible assets	-2,784	-1,238	-6,428	-3,527
Capital expenditures for property, plant and equipment	-18,178	-3,511	-40,883	-12,478
Payments related to additions to the group of consolidated companies	0	0	64	0
Disposal of non-current assets	40	1,027	69	1,072
Payments for (-)/Disposal of securities	-2,174	0	-5,789	-19,819
Payments for other non-current financial assets	-512	-487	-1,539	-1,460
Cash flow from investing activities	-23,608	-4,209	-54,506	-36,212
Change in current liabilities to banks	30,000	0	30,000	0
Share-based payment/issue of treasury shares	7	0	73	421
Repayment of liabilities from installment purchase	-157	-156	-470	-465
Buyback of treasury shares	-40,906	0	-40,906	-26,949
Repayment of leasing liabilities	-872	-748	-1,990	-2,398
Dividend distribution	0	0	-9,425	-9,409
Other changes	2	25	27	86
Cash flow from financing activities	-11,926	-879	-22,691	-38,714
Decrease in cash and cash equivalents	-11,957	-1,899	-8,345	-57,422
Effects of exchange rate changes on cash and cash equivalents	43	-82	113	-118
Cash and cash equivalents at beginning of reporting period	43,995	39,458	40,313	95,018
Cash and cash equivalents at end of reporting period	32,081	37,478	32,081	37,478

Financial calendar

Fiscal year 2022	
Preliminary results 2021 ¹	February 17, 2022
Final results 2021 ¹	March 17, 2022
Quarterly results Q1/2022 ¹	May 5, 2022
Annual General Meeting	May 11, 2022
Quarterly results Q2/2022 ¹	August 2, 2022
Quarterly results Q3/2022 ¹	November 3, 2022

¹The 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).

Contact

Ralf Hoppe | Investor Relations

Phone: + 49 (0) 231-75 49-7000

Fax: + 49 (0) 231-75 49-111

invest@elmos.com

Elmos Semiconductor SE

Heinrich-Hertz-Straße 1

44227 Dortmund | Germany

Phone: + 49 (0) 231-75 49-0

Fax: + 49 (0) 231-75 49-149

info@elmos.com | www.elmos.com

Notes

This document is a quarterly statement pursuant to section 51a of the rules and regulations for the Frankfurter Wertpapierbörse. Due to calculation processes, tables and references may produce rounding differences from the mathematically exact values (monetary units, percentage statements, etc.).

Forward-looking statements

This report contains statements directed to the future that are based on assumptions and estimates made by the management of Elmos. Even though we assume the underlying expectations of our forward-looking 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 current statements made with respect to the future. Among the factors that could cause material differences are changes in general economic and business conditions, changes in exchange 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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