



## Regulated Information

# X-FAB Fourth Quarter and Full Year 2023 Results

Intermediate declaration by the Board of Directors  
Tessenderlo, Belgium – February 8, 2024, 05.40 p.m. CEST

## Highlights Q4 2023:

- › Revenue was USD 237.7 million, up 29% year-on-year (YoY) and 2% quarter-on-quarter (QoQ); including USD -2.0 million due to changes in revenues recognized over time according to IFRS 15
- › Continued strong growth in X-FAB's key end markets – automotive, industrial, and medical – up 38% YoY\*
- › All-time high revenues\* across all technologies: CMOS revenue up 24% YoY, Microsystems revenue up 43% YoY and SiC revenue up 93% YoY
- › Strong bookings at USD 224.6 million, up 17% YoY
- › EBITDA at USD 59.6 million, up 41% YoY
- › EBITDA margin of 25.1%, within the guided 25-29%
- › EBIT was USD 35.6 million, up 69% YoY

## Highlights 2023:

- › Revenue was USD 906.8 million, up 23% YoY; including USD 16.6 million of revenues recognized over time according to IFRS 15
- › Core business – automotive, industrial, and medical – up 31% YoY\* reaching a share of 91% of total revenues and a CAGR of 22% over the past five years
- › EBITDA at USD 245.6 million, up 82% YoY
- › EBITDA margin of 27.1%, slightly above the guided 23-27%
- › EBIT was USD 157.7 million, up 175% YoY

## Outlook:

- › Q1 2024 revenue is expected to come in within a range of USD 215-225 million with an EBITDA margin in the range of 24-27%.
- › Full-year 2024 revenue is expected to come in at a range of USD 900-970 million with an EBITDA margin in the range of 25-29%.
- › This guidance is based on an average exchange rate of 1.10 USD/Euro.

\*excluding revenues recognized over time according to IFRS 15

## Revenue breakdown\* per quarter:

in millions of USD	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q4 y-o-y growth
Automotive	89.7	98.3	96.9	104.4	120.9	131.1	135.3	151.8	45%
Industrial	41.4	42.5	46.7	42.3	46.9	51.3	53.7	54.3	28%
Medical	13.7	13.9	13.5	14.6	17.6	16.2	17.0	16.4	13%
Subtotal core business	144.9	154.7	157.0	161.3	185.4	198.7	206.1	222.5	38%
	81.1%	81.9%	83.4%	87.9%	89.1%	90.8%	92.2%	92.8%	
CCC <sup>1</sup>	32.5	33.6	30.7	21.6	22.5	20.0	17.2	17.2	-21%
Others	1.2	0.6	0.6	0.7	0.2	0.2	0.2	0.1	
Revenue*	178.7	188.8	188.3	183.6	208.1	218.9	223.5	239.8	31%
Revenue recognized over time	0	0	0	0	0	8.3	10.4	-2.0	
Total revenue	178.7	188.8	188.3	183.6	208.1	227.1	233.8	237.7	29%

<sup>1</sup>Consumer, Communications & Computer

in millions of USD	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q4 y-o-y growth
CMOS	148.6	156.3	152.6	151.9	172.8	180.7	180.5	188.4	24%
Microsystems	17.9	19.8	18.4	19.5	22.2	20.8	24.4	27.9	43%
Silicon carbide	12.1	12.8	17.4	12.2	13.2	17.3	18.6	23.5	93%
Revenue*	178.7	188.8	188.3	183.6	208.1	218.9	223.5	239.8	31%
Revenue recognized over time	0	0	0	0	0	8.3	10.4	-2.0	
Total revenue	178.7	188.8	188.3	183.6	208.1	227.1	233.8	237.7	29%

## Business development

In the fourth quarter of 2023, X-FAB recorded revenues of USD 237.7 million, up 29% year-on-year and up 2% quarter-on-quarter, which is in line with the guidance of USD 230-245 million. Excluding the negative impact of revenue recognition over time amounting to USD -2.0 million, fourth quarter revenue came in at USD 239.8 million.

Revenues in X-FAB's core markets – automotive, industrial, and medical – amounted to USD 222.5 million\*, up 38% year-on-year, representing a share of 93% of revenues.

In the full year of 2023, X-FAB achieved revenues of USD 906.8 million, up 23% year-on-year including USD 16.6 million in revenues recognized over time according to IFRS 15. Annual turnover in X-FAB's key end markets totaled USD 812.6 million\*, up 31% year-on-year. This accounts to 91% of total revenue, compared to 84% in the previous year, reflecting the successful transformation of X-FAB's activities towards high-growth and high value-added business in the automotive, industrial, and medical end markets.

\*excluding revenues recognized over time according to IFRS 15



X-FAB's semiconductor technologies enable sustainable and energy-efficient solutions to address today's megatrends, such as the Electrification of Everything to mitigate climate change, or the digitization of healthcare in the context of growing and aging societies. This is also reflected in the strong demand for the broad range of specialty technologies which X-FAB offers, including high-voltage CMOS, MEMS/microsystems and silicon carbide. Bookings in the fourth quarter came in at USD 224.6 million, up 17% year-on-year, full-year order intake was USD 880.5 million, up 9% compared to 2022. At year-end 2023, the backlog amounted to USD 475.8 million.

X-FAB's automotive business continued its strong growth with record fourth quarter revenues of USD 151.8 million\*, up 45% year-on-year. Full-year automotive revenues were USD 539.1 million\*, up 38% year-on-year. This increase mainly relates to the ramp up of the automotive business at X-FAB France. The French site continued the conversion of capacity into X-FAB's popular 180nm automotive technology, thus replacing capacity that had been used to produce CCC legacy business. In the fourth quarter, 93% of X-FAB France's revenues\* were based on X-FAB technologies, against 84% in the same quarter last year.

Industrial revenue in the fourth quarter came in at USD 54.3 million\*, up 28% year-on-year. In the full year of 2023, X-FAB recorded industrial revenue of USD 206.2 million\*, up 19% year-on-year. Contribution from silicon carbide (SiC) was a key growth driver for X-FAB's industrial business in 2023 with applications such as power inverters for wind and solar systems or industrial inverters for uninterrupted power supply systems.

Fourth quarter SiC revenue amounted to USD 23.5 million\*, up 93% year-on-year. For the full year of 2023, X-FAB's SiC business increased 33% to USD 72.6 million\*. The total number of SiC wafers produced in 2023 shows a significantly higher increase of 58% year-on-year. SiC revenue growth was partially diluted by the fact that a large portion of customers procure the raw wafers themselves and consign them to X-FAB. This applied to approx. 51% of SiC customers in the fourth quarter and resulted in a lower total billing as there was less pass-through for substrates procured by X-FAB.

In the fourth quarter, X-FAB recorded medical revenue of USD 16.4 million\*, up 13% year-on-year. For the full year of 2023, it came in at USD 67.3 million\*, up 21% year-on-year. Semiconductor technology is key for digital transformation and efficiency improvements in the healthcare sector. X-FAB's medical business benefited from the increasing use of wearable medical devices as well as the growing demand for testing and point-of-care devices. Among the growth drivers in 2023 were an infrared temperature sensor as well as a DNA sequencing application.

X-FAB's capabilities to combine CMOS and MEMS technology as well as its systems integration expertise to add value on wafer level enables innovative medical solutions and will be a major growth driver for X-FAB's medical business going forward. Revenue of X-FAB's microsystems/MEMS business in the fourth quarter amounted to USD 27.9 million\*, up 43% year-on-year, while for the whole 2023 it came in at USD 95.2 million\*, up 26% from the previous year. In addition to various medical applications, an application for next generation automotive headlamps also contributed positively to X-FAB's microsystems business in 2023.

*\*excluding revenues recognized over time according to IFRS 15*



X-FAB's CCC (Consumer, Communication & Computer) business has reached a sustainable level recording revenue of USD 17.2 million\* in the fourth quarter, down 21% year-on-year and flat sequentially.

Prototyping revenues in the fourth quarter came in at USD 27.3 million\*, up 16% year-on-year. In 2023, they amounted to USD 108.8 million\*, up 19% year-on-year. Prototyping revenues represent new business adding up to the pipeline of new projects and supporting X-FAB's future growth.

The lower revenue guidance for the first quarter of 2024 reflects the faster-than-expected decline in demand for older 150mm CMOS technologies due to inventory adjustments, primarily in the industrial end market. In the medium term, this will be overcompensated by the transition to the growing microsystems and SiC business.

### **Prototyping and production revenue\* per quarter and end market:**

in millions of USD		Revenue	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Automotive	Prototyping		4.7	3.5	3.9	6.2	10.0
	Production		99.8	117.3	127.2	129.1	141.8
Industrial	Prototyping		11.2	14.2	16.6	14.3	10.5
	Production		31.1	32.7	34.8	39.4	43.8
Medical	Prototyping		2.8	2.9	2.5	3.3	3.3
	Production		11.8	14.7	13.7	13.7	13.1
CCC	Prototyping		4.6	5.7	4.5	3.3	3.5
	Production		17.1	16.8	15.4	13.9	13.7

### **Operations update**

Fourth quarter utilization rate varied by technology and site. X-FAB's 200mm CMOS, silicon carbide and MEMS/microsystems capacity continued to be fully loaded, while the aforementioned decline in demand for older 150mm CMOS technologies resulted in lower capacity utilization at the Lubbock, Texas and Erfurt, Germany fabs.

X-FAB's ongoing capacity expansion program progressed well and is on schedule. In 2023, X-FAB Texas produced 58% more SiC wafers than in the previous year. At X-FAB Sarawak, building construction to increase the site's capacity by 10,000 wafer starts per month is expected to be completed after the summer months, and it is planned to start moving in equipment in the fourth quarter of this year.

In 2023, X-FAB's total capital expenditures amounted to USD 337.8 million, in line with expectations. In the fourth quarter, capital expenditures came in at USD 100.4 million. Based on the ongoing capacity expansion program and anticipated equipment deliveries in the course of this year, X-FAB expects capital expenditures in 2024 to come in at approx. USD 550 million. Major expenditures in 2024 will include the capacity expansion project at X-FAB Sarawak, Malaysia, the continued capacity conversion at X-FAB France as well as the further expansion of X-FAB's SiC manufacturing line in Lubbock, Texas.

\*excluding revenues recognized over time according to IFRS 15



## Financial update

Fourth quarter EBITDA was USD 59.6 million with an EBITDA margin of 25.1%, in line with the guidance of 25-29%. Excluding the effect of revenues recognized over time in accordance with IFRS 15, the EBITDA margin of the fourth quarter would have been 25.4%, representing a decline of 1.4 percentage points quarter-on-quarter, which is attributable to various factors. These include higher cost of fixed assets, increased general & administrative expenses related to business process optimization activities as well as the planned introduction of a new ERP system and higher staff costs.

Full year EBITDA came in at the upper end of the guided 23-27% and amounted to USD 245.6 million with an EBITDA margin of 27.1%. This compares to an EBITDA margin of 18.2% in 2022. Excluding revenue recognized over time, the EBITDA margin in 2023 would have been 26.7%.

X-FAB's business is naturally hedged in terms of currency exposure. As a result, profitability is not affected by exchange rate fluctuations. At a constant USD/Euro exchange rate of 1.02 as experienced in the previous year's quarter, the EBITDA margin would have been 0.1 percentage points lower.

Cash and cash equivalents at the end of the fourth quarter amounted to USD 405.7 million, up 4% compared to the end of the previous quarter.

## Management comments

Rudi De Winter, CEO of X-FAB Group, said: "We finished the year very successfully with above-market growth rates in our core automotive, industrial and medical markets. Our automotive business grew by 38% year-on-year, while industrial and medical revenues each increased by around 20%. This shows that X-FAB, with its specialty technologies, is perfectly positioned to continue its growth path in the future. I am pleased with the progress we have made in expanding our capacity to better serve our customers' demand. 2024 will be a very important year for our capacity expansion program, which runs through 2025. The consistently strong development of our prototyping revenues reflecting new business wins gives us confidence in X-FAB's future success and the achievement of our long-term goals.

## X-FAB Quarterly Conference Call

X-FAB's fourth quarter results will be discussed in a live conference call/webcast on Thursday, February 8, 2024, at 6.30 p.m. CET. The conference call will be in English.

Please [register here](#) for the webcast (listen only).

Please [register here](#) for the conference call (listen and ask questions).

The first quarter 2024 results will be communicated on April 25, 2024.



## **About X-FAB**

X-FAB is the leading analog/mixed-signal and MEMS foundry group manufacturing silicon wafers for automotive, industrial, consumer, medical and other applications. Its customers worldwide benefit from the highest quality standards, manufacturing excellence and innovative solutions by using X-FAB's modular CMOS processes in geometries ranging from 1.0  $\mu\text{m}$  to 110 nm, and its special silicon carbide and MEMS long-lifetime processes. X-FAB's analog-digital integrated circuits (mixed-signal ICs), sensors and micro-electro-mechanical systems (MEMS) are manufactured at six production facilities in Germany, France, Malaysia and the U.S. X-FAB employs more than 4,200 people worldwide. For more information, please visit [www.xfab.com](http://www.xfab.com).

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## **Forward-looking information**

This press release may include forward-looking statements. Forward-looking statements are statements regarding or based upon our management's current intentions, beliefs or expectations relating to, among other things, X-FAB's future results of operations, financial condition, liquidity, prospects, growth, strategies or developments in the industry in which we operate. By their nature, forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results or future events to differ materially from those expressed or implied thereby. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein.

Forward-looking statements contained in this press release regarding trends or current activities should not be taken as a report that such trends or activities will continue in the future. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless legally required. You should not place undue reliance on any such forward-looking statements, which speak only as of the date of this press release.

The information contained in this press release is subject to change without notice. No re-report or warranty, express or implied, is made as to the fairness, accuracy, reasonableness, or completeness of the information contained herein and no reliance should be placed on it.

## Condensed Consolidated Statement of Profit and Loss

in thousands of USD	Quarter ended 31 Dec 2023 unaudited	Quarter ended 31 Dec 2022 unaudited	Quarter ended 30 Sep 2023 unaudited	Year ended 31 Dec 2023 unaudited	Year ended 31 Dec 2022 audited
Revenue*	239,750	183,638	223,452	890,181	739,469
Revenue recognized over time	-2,017	0	10,360	16,605	0
<b>Total revenue</b>	<b>237,733</b>	<b>183,638</b>	<b>233,812</b>	<b>906,786</b>	<b>739,469</b>
Revenues in USD in %	57	56	57	56	58
Revenues in EUR in %	43	44	43	44	42
Cost of sales	-174,183	-142,791	-164,147	-648,734	-563,515
<b>Gross Profit</b>	<b>63,551</b>	<b>40,847</b>	<b>69,665</b>	<b>258,052</b>	<b>175,954</b>
<i>Gross Profit margin in %</i>	<i>26.7</i>	<i>22.2</i>	<i>29.8</i>	<i>28.5</i>	<i>23.8</i>
Research and development expenses	-12,581	-10,208	-10,782	-47,191	-40,803
Selling expenses	-2,157	-2,218	-1,999	-8,463	-8,179
General and administrative expenses	-13,113	-9,400	-11,583	-47,157	-37,487
Rental income and expenses from investment properties	-532	-448	977	2,906	-298
Other income and other expenses	392	2,458	-2,376	-472	-31,852
<b>Operating profit</b>	<b>35,559</b>	<b>21,031</b>	<b>43,902</b>	<b>157,674</b>	<b>57,335</b>
Finance income	10,451	10,635	9,011	34,658	36,531
Finance costs	-10,172	-10,472	-8,493	-37,149	-56,804
<b>Net financial result</b>	<b>280</b>	<b>163</b>	<b>518</b>	<b>-2,490</b>	<b>-20,273</b>
<b>Profit before tax</b>	<b>35,839</b>	<b>21,194</b>	<b>44,420</b>	<b>155,184</b>	<b>37,062</b>
Income tax	2,964	20,025	-2,747	6,711	15,429
<b>Profit for the period</b>	<b>38,803</b>	<b>41,219</b>	<b>41,673</b>	<b>161,895</b>	<b>52,491</b>
Operating profit (EBIT)	35,559	21,031	43,902	157,674	57,335
Depreciation	24,048	21,161	21,808	87,939	77,534
<b>EBITDA</b>	<b>59,607</b>	<b>42,192</b>	<b>65,711</b>	<b>245,614</b>	<b>134,869</b>
<i>EBITDA margin in %</i>	<i>25.1</i>	<i>23.0</i>	<i>28.1</i>	<i>27.1</i>	<i>18.2</i>
<b>Earnings per share at the end of period</b>	<b>0.30</b>	<b>0.32</b>	<b>0.32</b>	<b>1.24</b>	<b>0.40</b>
Weighted average number of shares	130,631,921	130,631,921	130,631,921	130,631,921	130,631,921
EUR/USD average exchange rate	1.07570	1.01900	1.08842	1.08138	1.05431

Amounts in the financial tables provided in this press release are rounded to the nearest thousand except when otherwise indicated, rounding differences may occur.

\*excluding revenues recognized over time in accordance with IFRS 15

## Condensed Consolidated Statement of Financial Position

in thousands of USD	Year ended 31 Dec 2023 unaudited	Year ended 31 Dec 2022 audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant, and equipment	734,488	460,126
Investment properties	7,171	7,675
Intangible assets	5,627	6,199
Other non-current assets	58	79
Deferred tax assets	83,772	67,977
<b>Total non-current assets</b>	<b>831,117</b>	<b>542,056</b>
<b>Current assets</b>		
Inventories	269,227	214,435
Contract assets	24,010	0
Trade and other receivables	123,101	73,116
Other assets	50,658	56,024
Cash and cash equivalents	405,701	369,425
<b>Total current assets</b>	<b>872,698</b>	<b>713,001</b>
<b>TOTAL ASSETS</b>	<b>1,703,814</b>	<b>1,255,057</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	432,745	432,745
Share premium	348,709	348,709
Retained earnings	180,159	16,509
Cumulative translation adjustment	-301	-226
Treasury shares	-770	-770
<b>Total equity attributable to equity holders of the parent</b>	<b>960,542</b>	<b>796,967</b>
Non-controlling interests	0	0
<b>Total equity</b>	<b>960,542</b>	<b>796,967</b>
<b>Non-current liabilities</b>		
Non-current loans and borrowings	42,661	63,432
Other non-current liabilities and provisions	4,024	4,024
<b>Total non-current liabilities</b>	<b>46,685</b>	<b>67,456</b>
<b>Current liabilities</b>		
Trade payables	90,681	53,654
Current loans and borrowings	218,316	233,513
Other current liabilities and provisions	387,591	103,467
<b>Total current liabilities</b>	<b>696,588</b>	<b>390,634</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,703,814</b>	<b>1,255,057</b>



## Condensed Consolidated Statement of Cash Flow

in thousands of USD	Quarter ended 31 Dec 2023 unaudited	Quarter ended 31 Dec 2022 unaudited	Quarter ended 30 Sep 2023 unaudited	Year ended 31 Dec 2023 unaudited	Year ended 31 Dec 2022 audited
<b>Income before taxes</b>	<b>35,839</b>	<b>21,194</b>	<b>44,420</b>	<b>155,184</b>	<b>37,062</b>
<b>Reconciliation of net income to cash flow arising from operating activities:</b>	<b>16,227</b>	<b>20,664</b>	<b>26,845</b>	<b>88,948</b>	<b>96,296</b>
Depreciation and amortization, before effect of grants and subsidies	24,048	21,161	21,808	87,939	77,534
Recognized investment grants and subsidies netted with depreciation and amortization	-730	-811	-753	-2,972	-3,346
Interest income and expenses (net)	607	3,242	-105	2,600	17,407
Loss/(gain) on the sale of plant, property, and equipment (net)	-199	-1,890	-1,554	-3,373	-3,889
Loss/(gain) on the change in fair value of derivatives and financial assets (net)	0	500	0	0	500
Other non-cash transactions (net)	-7,498	-1,538	7,448	4,754	8,090
<b>Changes in working capital:</b>	<b>70,615</b>	<b>12,564</b>	<b>-38,694</b>	<b>172,490</b>	<b>-32,886</b>
Decrease/(increase) of trade receivables	-469	9,571	3,206	-39,774	-6,661
Decrease/(increase) of other receivables & prepaid expenses	5,371	-7,955	-6,943	4,855	-12,759
Decrease/(increase) of inventories	-8,266	-10,159	-13,049	-52,504	-33,422
Decrease/(increase) of contract assets	2,017	0	0	-24,010	0
(Decrease)/increase of trade payables	6,323	6,563	-19,254	6,134	-1,873
(Decrease)/increase of other liabilities	65,666	14,544	-2,653	277,789	21,828
<b>Income taxes (paid)/received</b>	<b>-3,275</b>	<b>77</b>	<b>-2,874</b>	<b>-6,658</b>	<b>-480</b>
<b>Cash Flow from operating activities</b>	<b>119,405</b>	<b>54,500</b>	<b>29,697</b>	<b>409,964</b>	<b>99,991</b>
<b>Cash Flow from investing activities:</b>					
Payments for property, plant, equipment & intangible assets	-100,432	-54,056	-83,964	-337,789	-180,580
Payments for investments	0	0	0	0	-204
Payments for loan investments to related parties	-39	-106	-61	-276	-299
Proceeds from loan investments related parties	47	54	44	252	284
Proceeds from sale of property, plant, and equipment	235	1,902	1,805	3,733	4,017
Interest received	3,748	895	3,139	10,457	1,801
<b>Cash Flow used in investing activities</b>	<b>-96,442</b>	<b>-51,311</b>	<b>-79,038</b>	<b>-323,622</b>	<b>-174,981</b>



## Condensed Consolidated Statement of Cash Flow – con't

in thousands of USD	Quarter ended 31 Dec 2023 unaudited	Quarter ended 31 Dec 2022 unaudited	Quarter ended 30 Sep 2023 unaudited	Year ended 31 Dec 2023 unaudited	Year ended 31 Dec 2022 audited
<b>Cash Flow from (used in) financing activities:</b>					
Proceeds from loans and borrowings	105,640	32,002	85,904	205,784	184,272
Repayment of loans and borrowings	-112,939	-5,358	-79,067	-241,806	-11,420
Receipts of sale & leaseback arrangements	0	0	0	0	7,723
Payments of lease installments	-1,197	-1,283	-1,530	-5,512	-5,662
Receipt of government grants and subsidies	0	433	0	0	945
Interest paid	-7,170	-3,738	-1,892	-11,630	-17,812
Distribution to non-controlling interests	0	0	0	0	-11
<b>Cash Flow from (used in) financing activities</b>	<b>-15,666</b>	<b>22,056</b>	<b>3,415</b>	<b>-53,164</b>	<b>158,035</b>
Effect of changes in foreign currency exchange rates on cash	7,129	16,712	-4,587	3,099	-3,808
Increase/(decrease) of cash and cash equivalents	7,298	25,245	-45,926	33,177	83,046
Cash and cash equivalents at the beginning of the period	391,274	327,468	441,786	369,425	290,187
<b>Cash and cash equivalents at the end of the period</b>	<b>405,701</b>	<b>369,425</b>	<b>391,274</b>	<b>405,701</b>	<b>369,425</b>

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