
WE LEAD THE FUTURE

ANNUAL GENERAL MEETING | May 23, 2018

A decorative circuit pattern in light blue/grey lines on a dark blue background, featuring various geometric shapes and connections, resembling a printed circuit board (PCB) layout. The pattern is most prominent in the bottom half of the slide, extending from the left edge and partially under the orange banner.

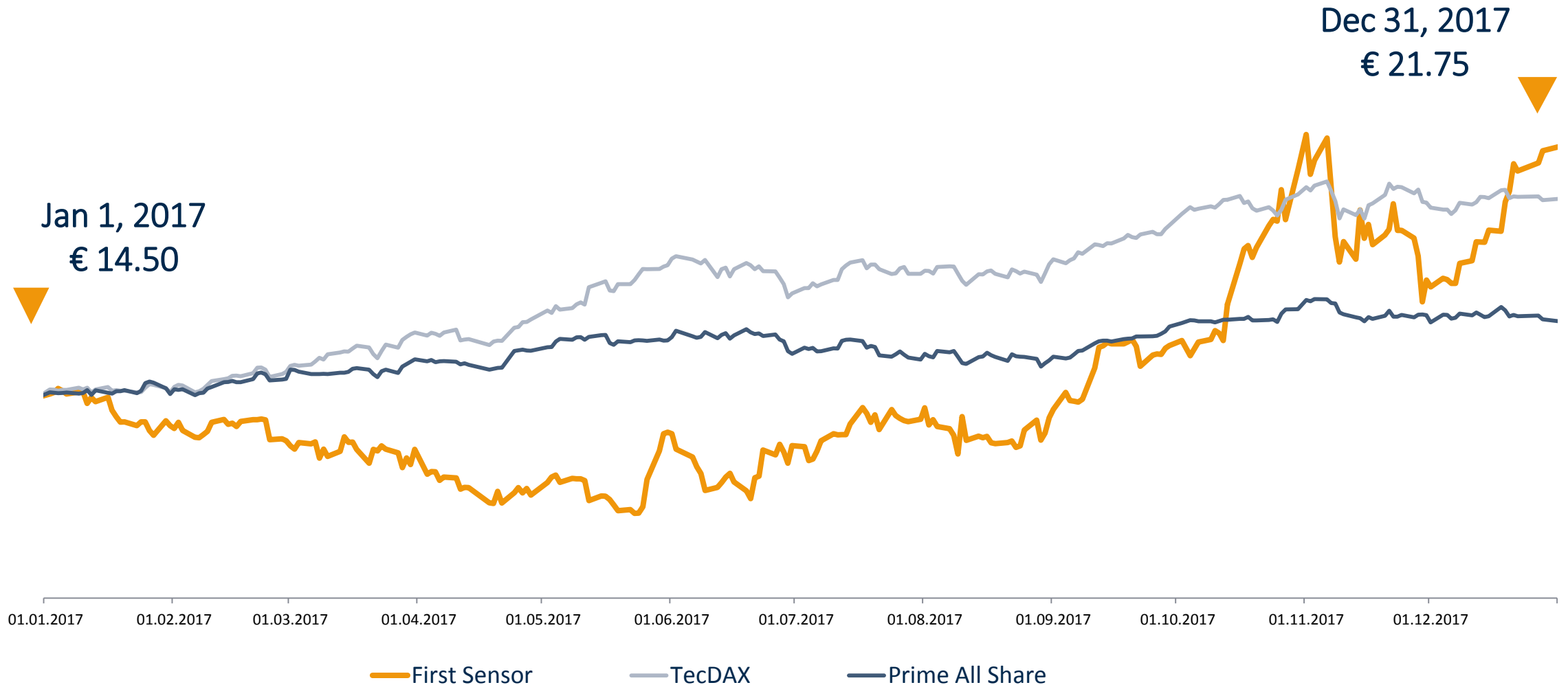
REPORT OF THE EXECUTIVE BOARD

SUCCESES 2017, BUSINESS DEVELOPMENT 2018

Dr. Mathias Gollwitzer, CFO

SUCCESES 2017

We increased our company value by 50 % in 2017

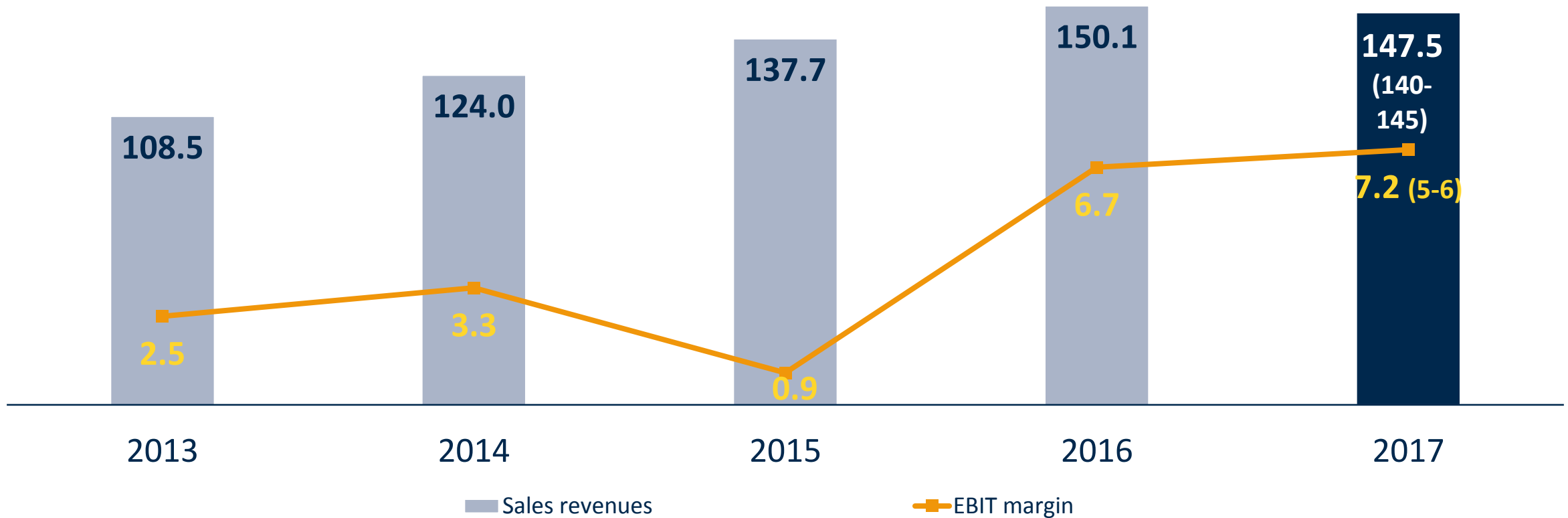


SUCCESSES 2017

2017 above plan, profitability increased at lower revenues

Sales in € million

EBIT margin in %



SUCCESES 2017


The major part of the business is shaped by customers from industry

FirstSensor  Industrial


Innovative solutions
for the automation
of industry



**Sales share
51%**

First Sensor  Medical

Reliable technology
whenever it's needed



**Sales share
19%**

First Sensor  Mobility

New ideas for
intelligent mobility



**Sales share
30%**

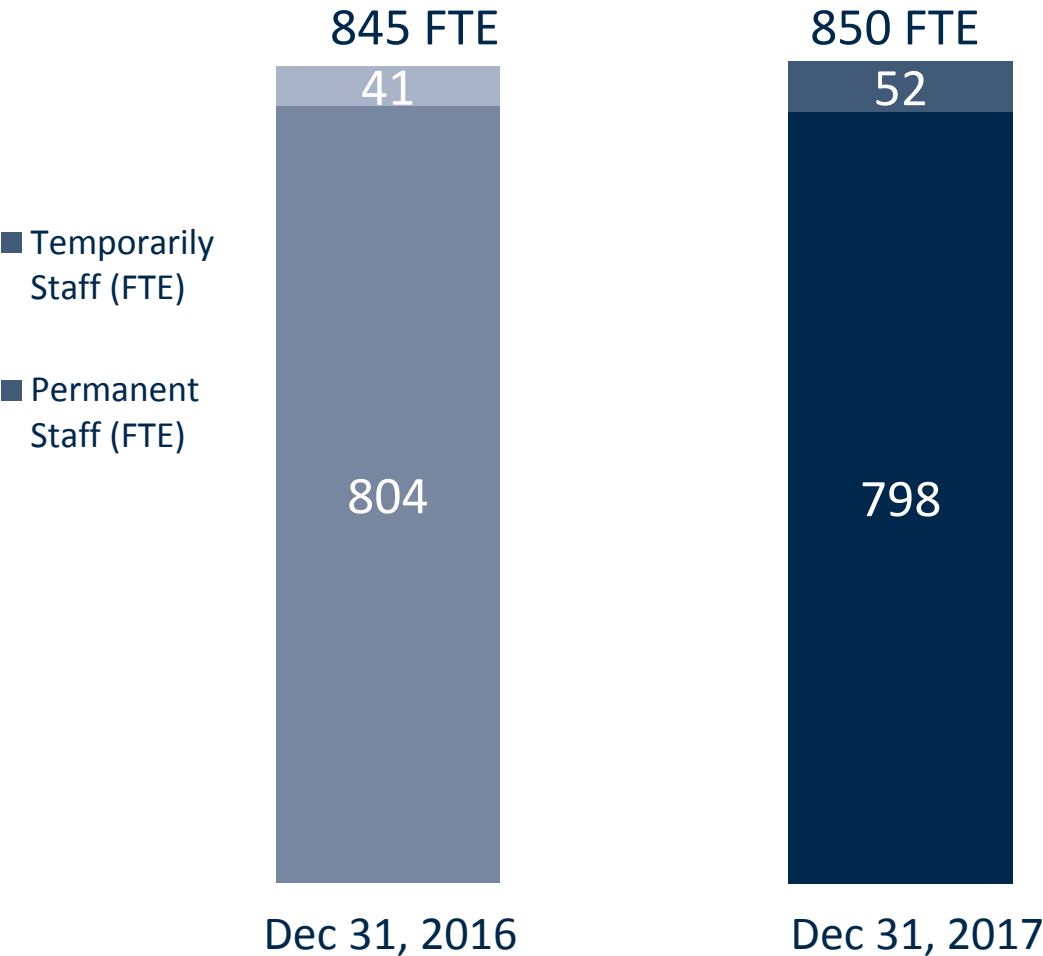
SUCCESES 2017

Germany & Europe stay important markets, USA & China are growing



SUCSESSES 2017

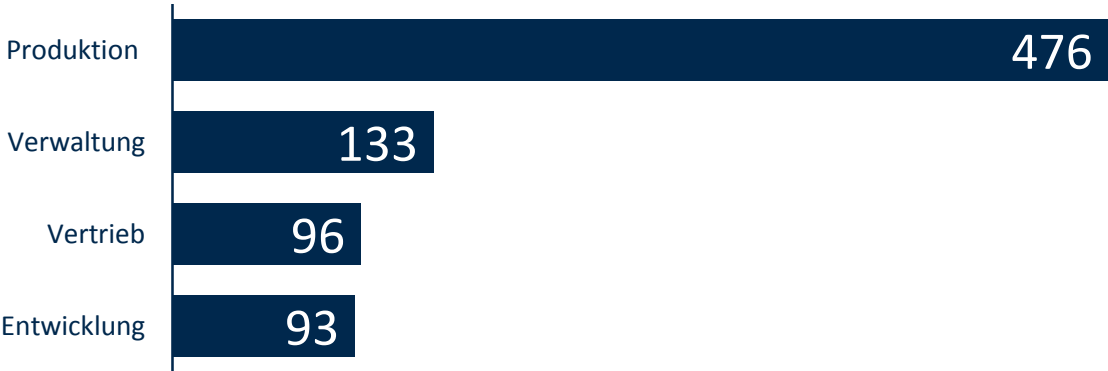
Slight increase of staff cost, virtually constant FTE



Wages and salaries in € milion



Distribution of employee functions



SUCSESSES 2017

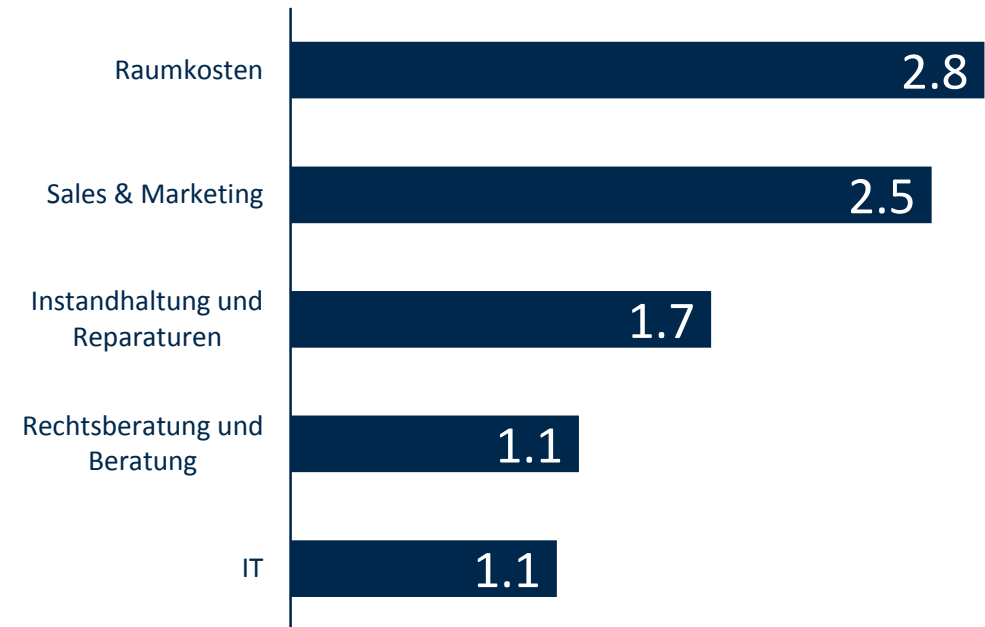
Other operating expenses reduced

in € million

Other operating expenses



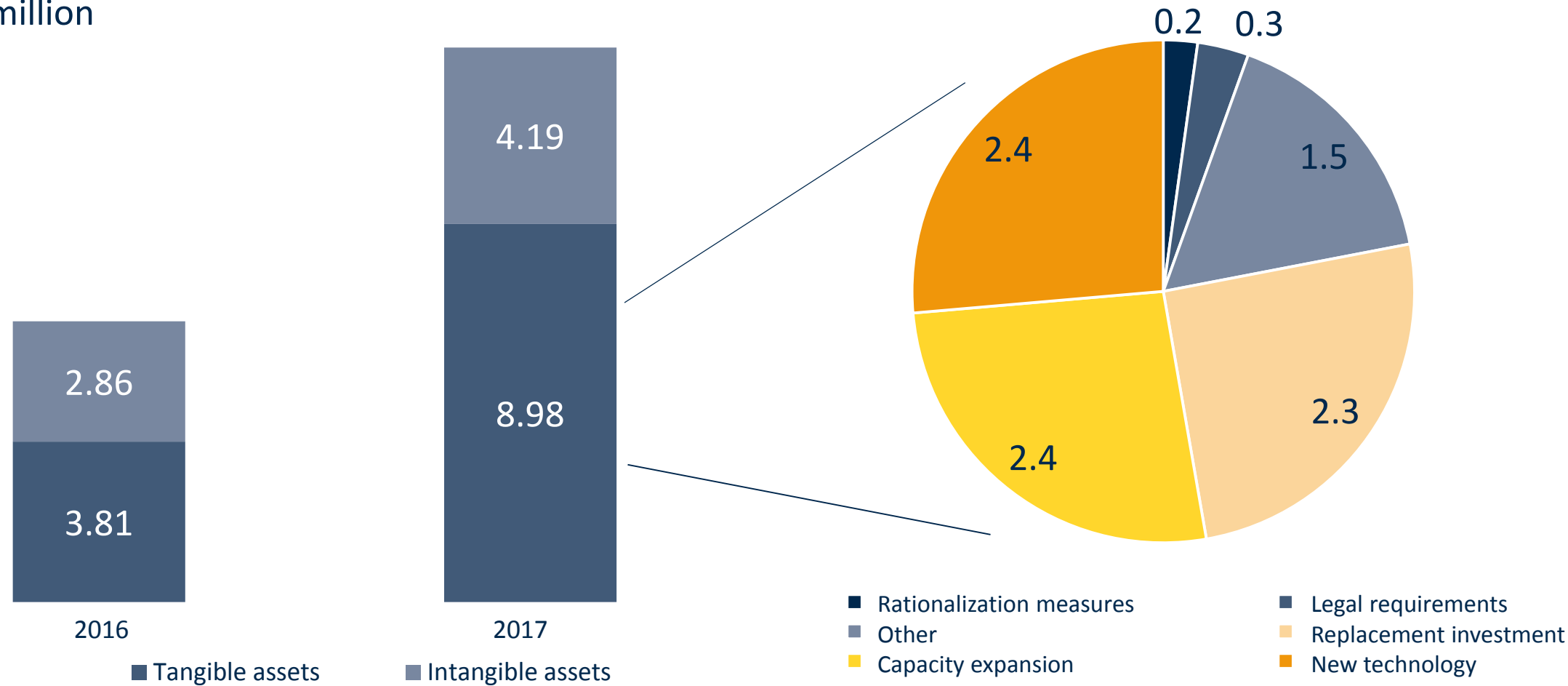
Top 5 cost items 2017



SUCCESSES 2017

Expanded investments in tangible assets & intangible assets

in € million

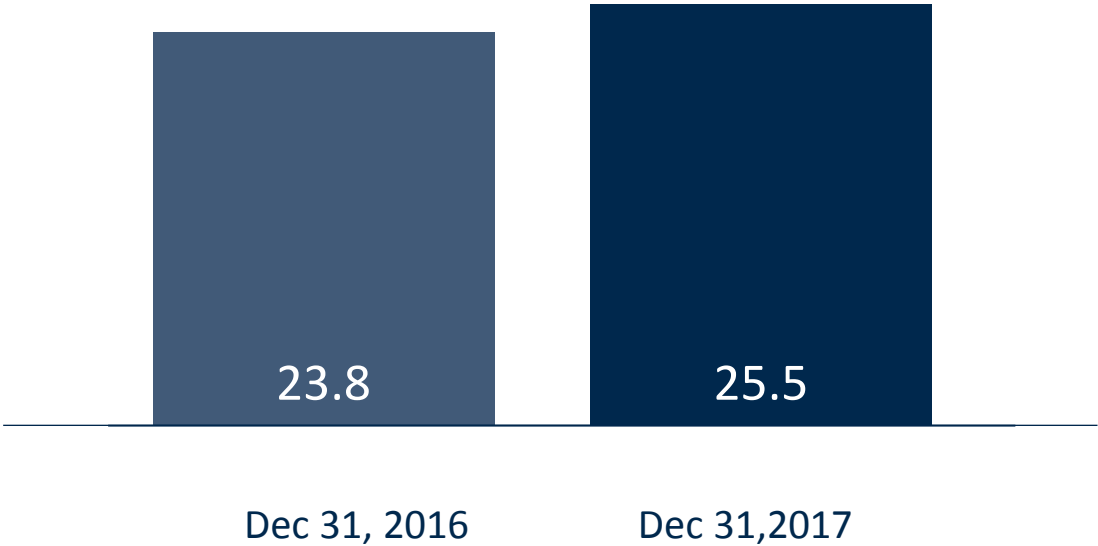


SUCSESSES 2017

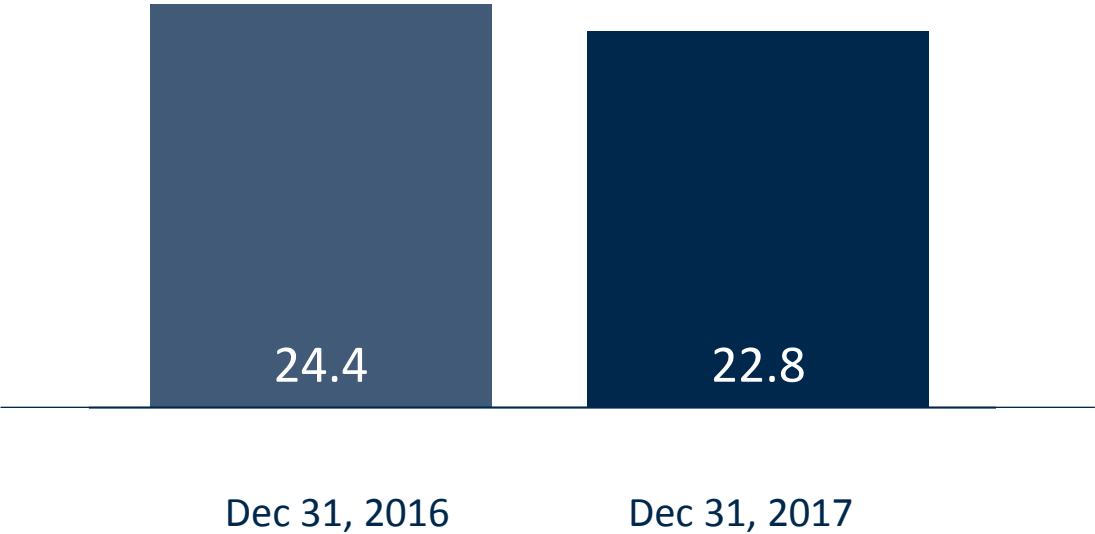
Improved liquidity, reduced depts

in € million

Cash



Net dept



SUCSESSES 2017

Net profit: We want our shareholders to participate in our success

€4.1 M
Net profit



€1.64 M
Disbursement



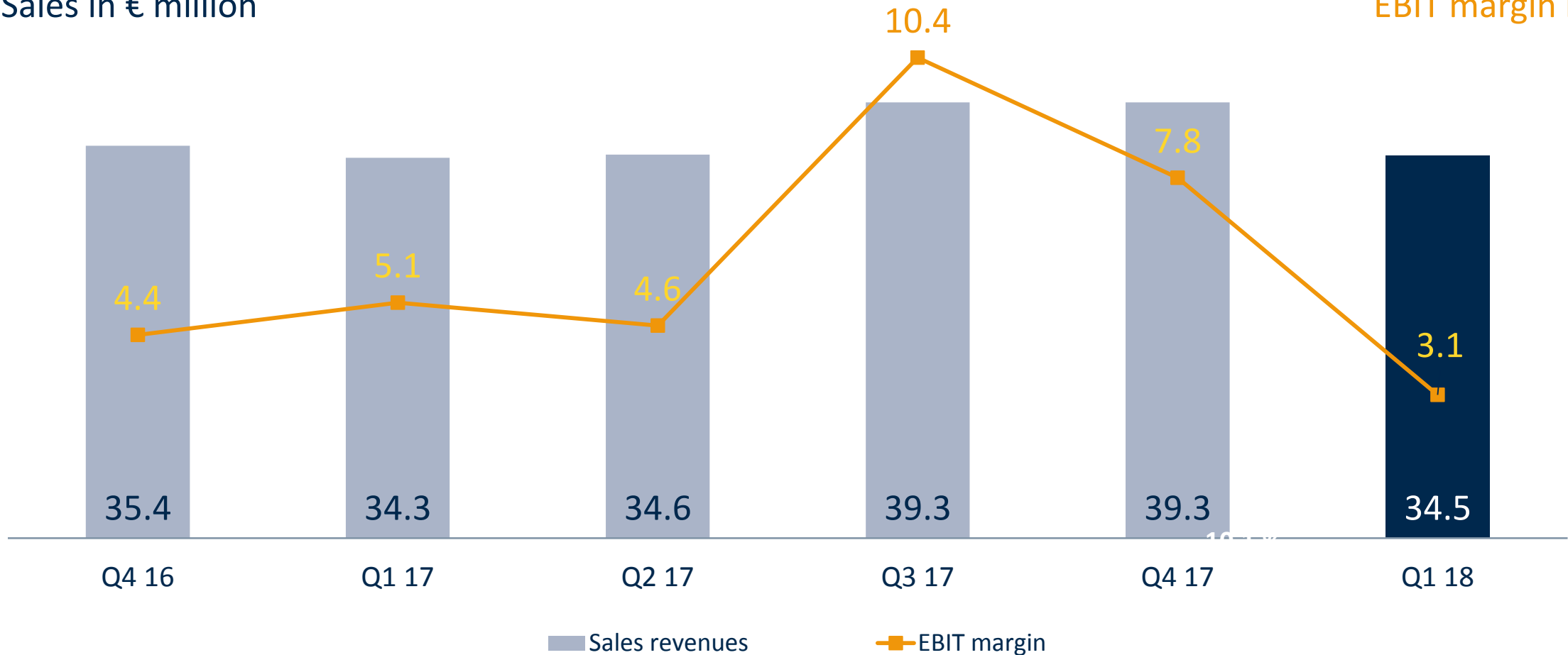
€2.43 M
Retained earnings

BUSINESS DEVELOPMENT 2018

Q1 behind expectations due to SAP, compensation during the year

Sales in € million

EBIT margin in %



BUSINESS DEVELOPMENT 2018

Growth indicators remain positive

in € million

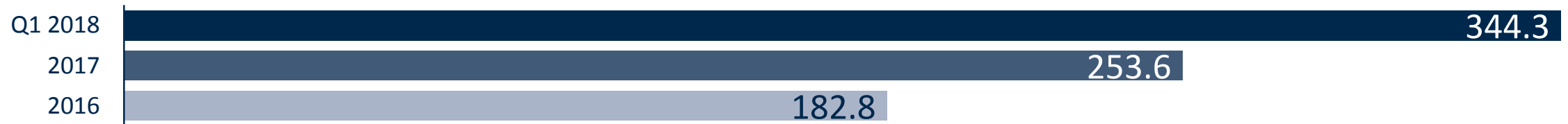
Order backlog



Incoming orders



NBOs



BUSINESS DEVELOPMENT 2018

Improved profitability with revenue growth at 8.5 %

SALES REVENUES

150 - 160

MILLION EURO

EBIT MARGIN

7 - 9

PERCENT

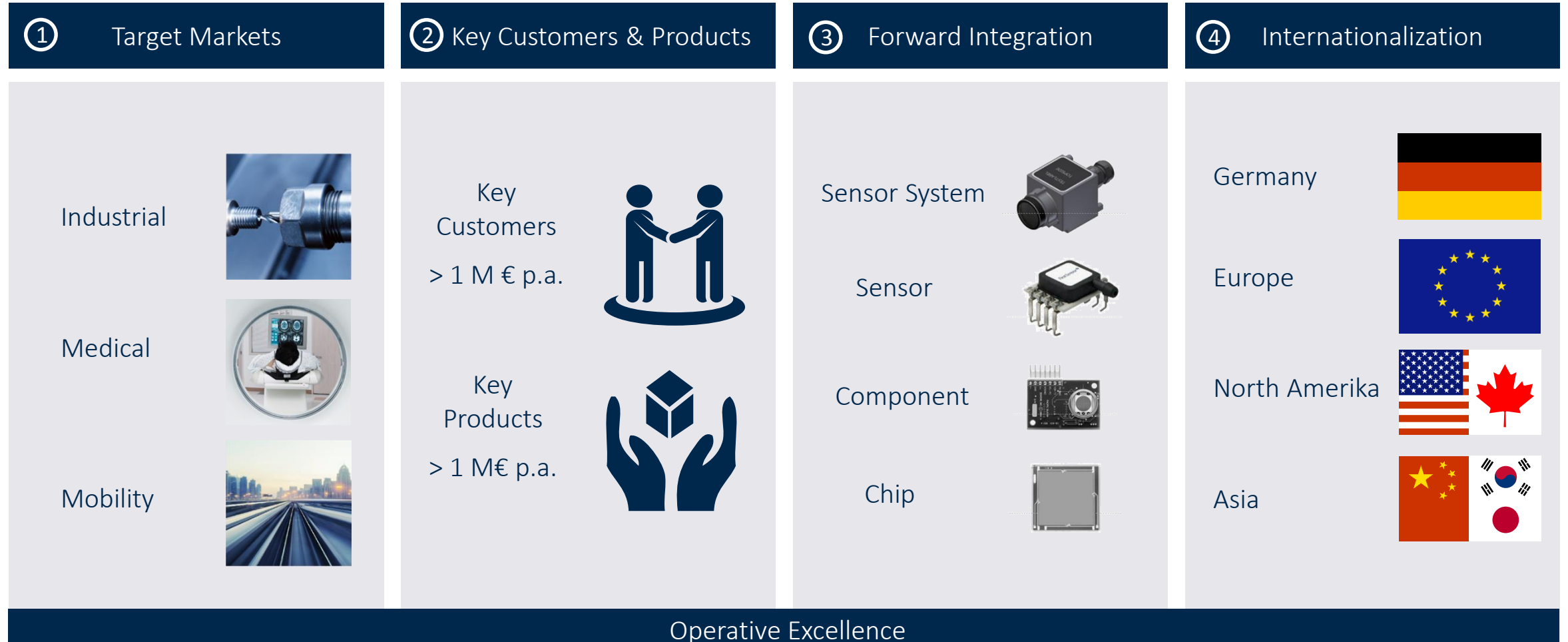
REPORT OF THE EXECUTIVE BOARD

STRATEGY FOR PROFITABLE GROWTH &
GROWTH DRIVER AUTONOMOUS DRIVING

Dr. Dirk Rothweiler, CEO

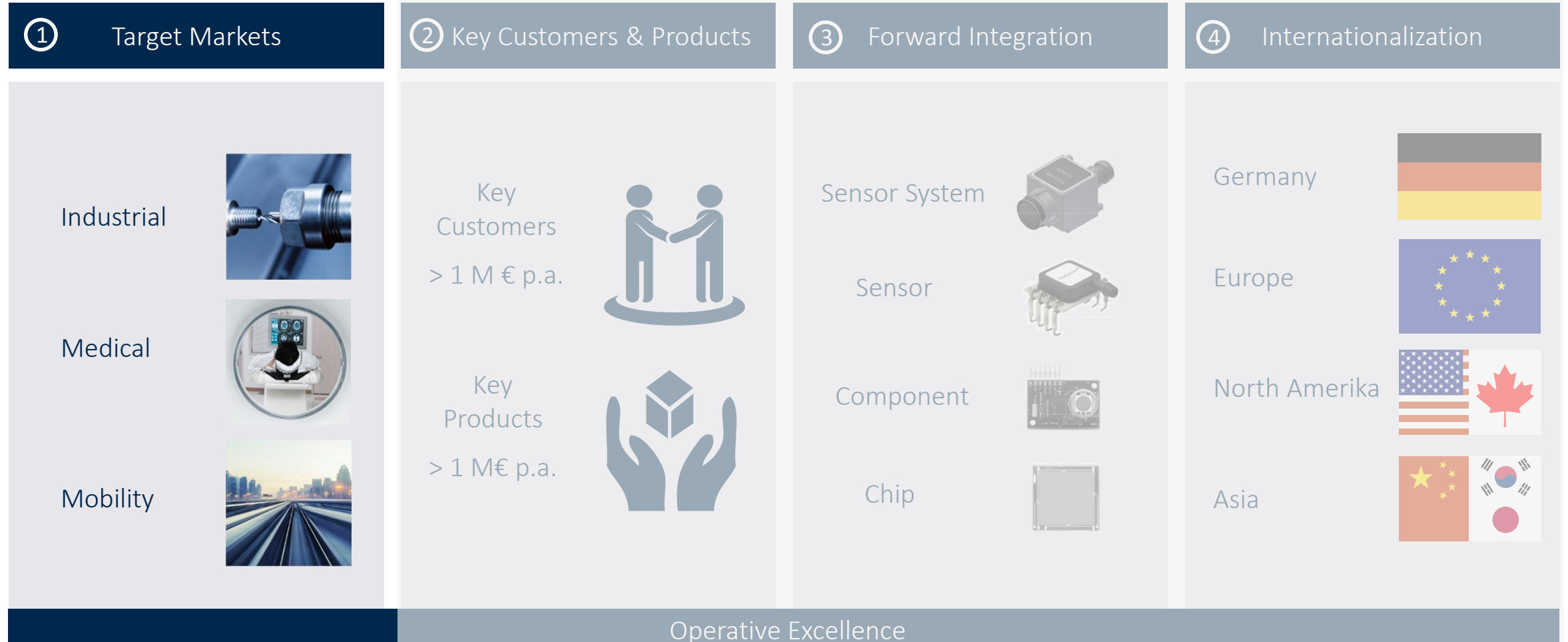
STRATEGY FOR PROFITABLE GROWTH

We generate and utilize economies of scale



STRATEGY FOR PROFITABLE GROWTH

1st pillar : Focus on our target markets



Going into Series Production Together

EPC 1089

ST 420 L
ZONE 6

ST 420 R

ST410L
TAILGATE
HANDLER

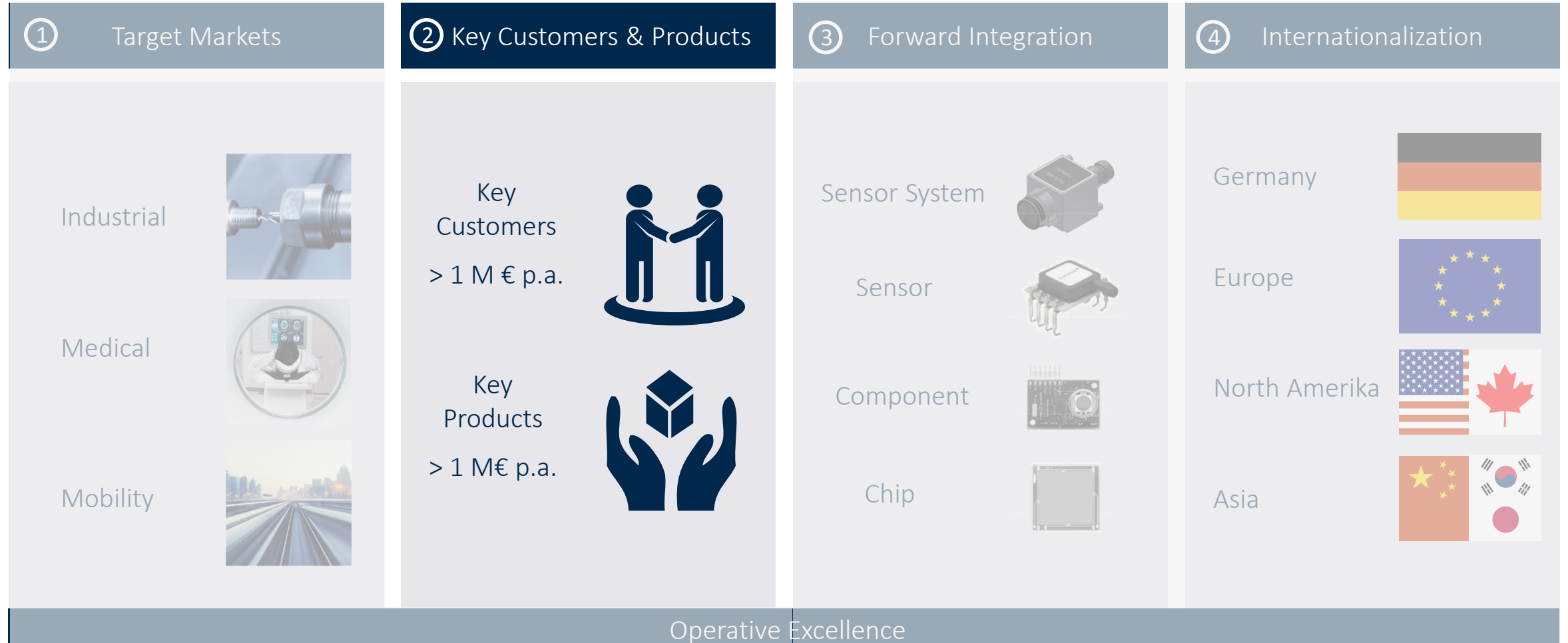
Avalanche Photodiodes

Our high-performance diodes measure light pulses in the nanosecond range. As one of the leading manufacturers, First Sensor also develops and produces array solutions for LiDAR systems.



STRATEGY FOR PROFITABLE GROWTH

2nd pillar: Expansion of key products and key customers



2ND PILLAR: EXPANSION OF KEY PRODUCTS AND KEY CUSTOMERS

Advantages of concentration on higher volumes

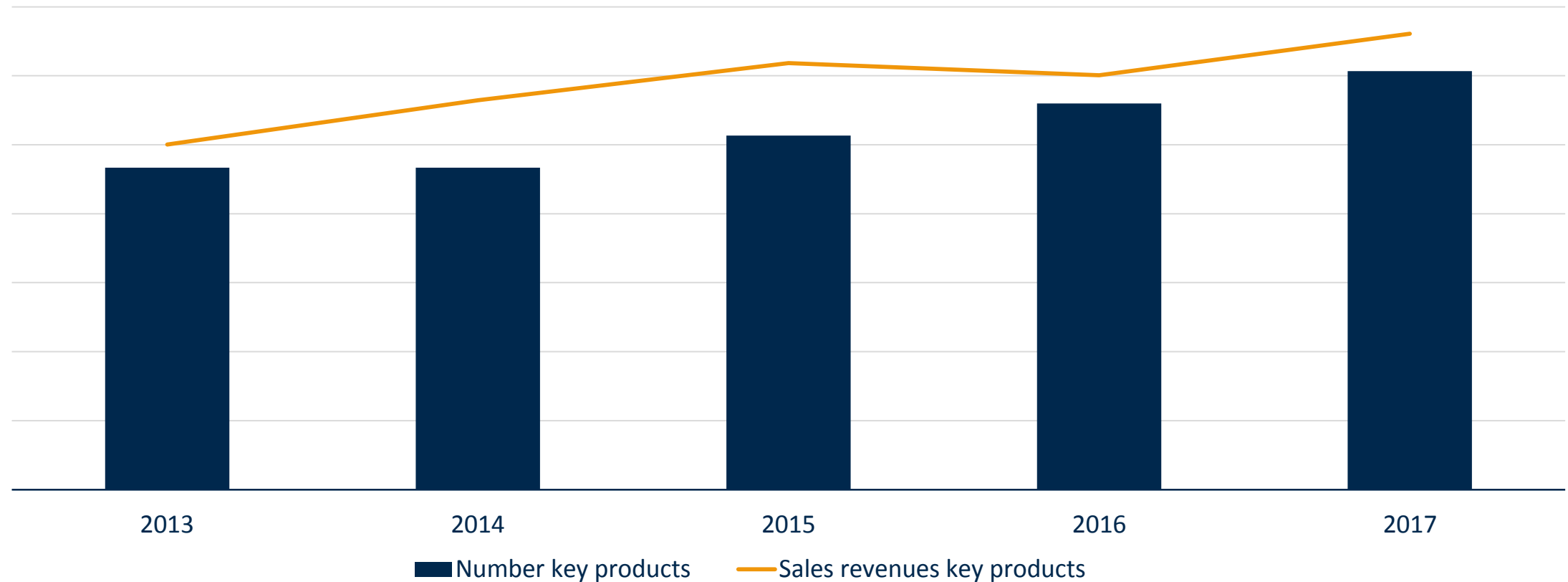
- ▶ Single respective product developments result in relatively large quantities and therefore sales volumes.
- ▶ Sales per head in both sales and engineering increases – our existing team will be able to handle larger revenue streams.
- ▶ „Mix & Noise“ in operations are decreased due to reduced parts variety and transactions per revenue.
- ▶ Our supply chain and own production will gain in productivity and can be managed with fewer resources per revenue.
- ▶ With higher quantities per part our purchasing power will increase.
- ▶ With more varietal purity we increase the stability of our value creation process.
- ▶ Lead time, on time delivery and quality will improve as a result.



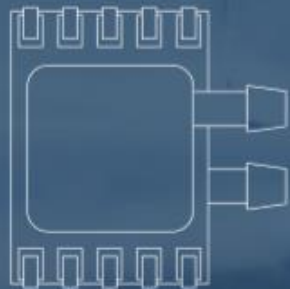
Our growth becomes more scalable and our profitability increases.

EXPANSION OF THE KEY PRODUCTS BUSINESS

Increase of number and sales revenues with key products



Irreplaceable Together



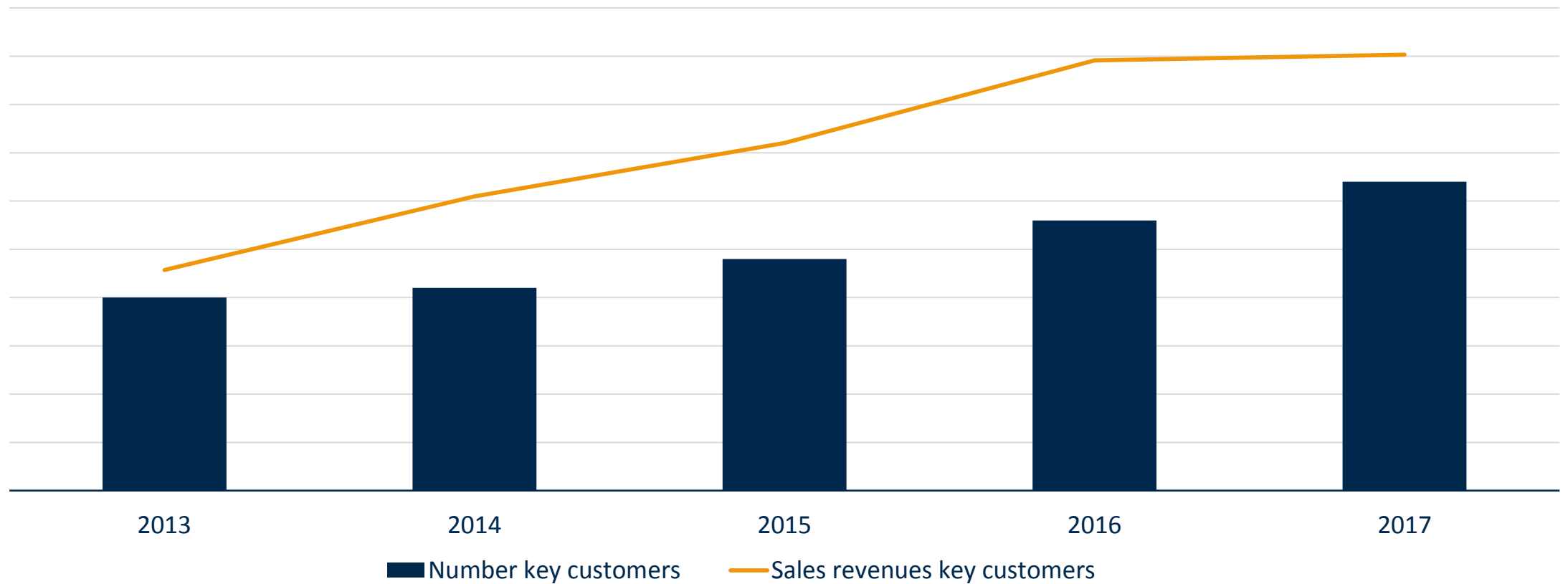
H Series

Our standard piezo-resistive pressure sensors measure extremely low pressures in dry, non-corrosive gases. Their applications include fields such as medical technology, measurement technology and air conditioning technology.



EXPANSION OF THE KEY CUSTOMERS BUSINESS

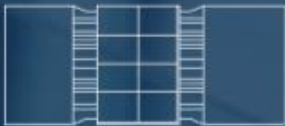
Increase of number and sales revenues with key customers



Giving Perspectives Together

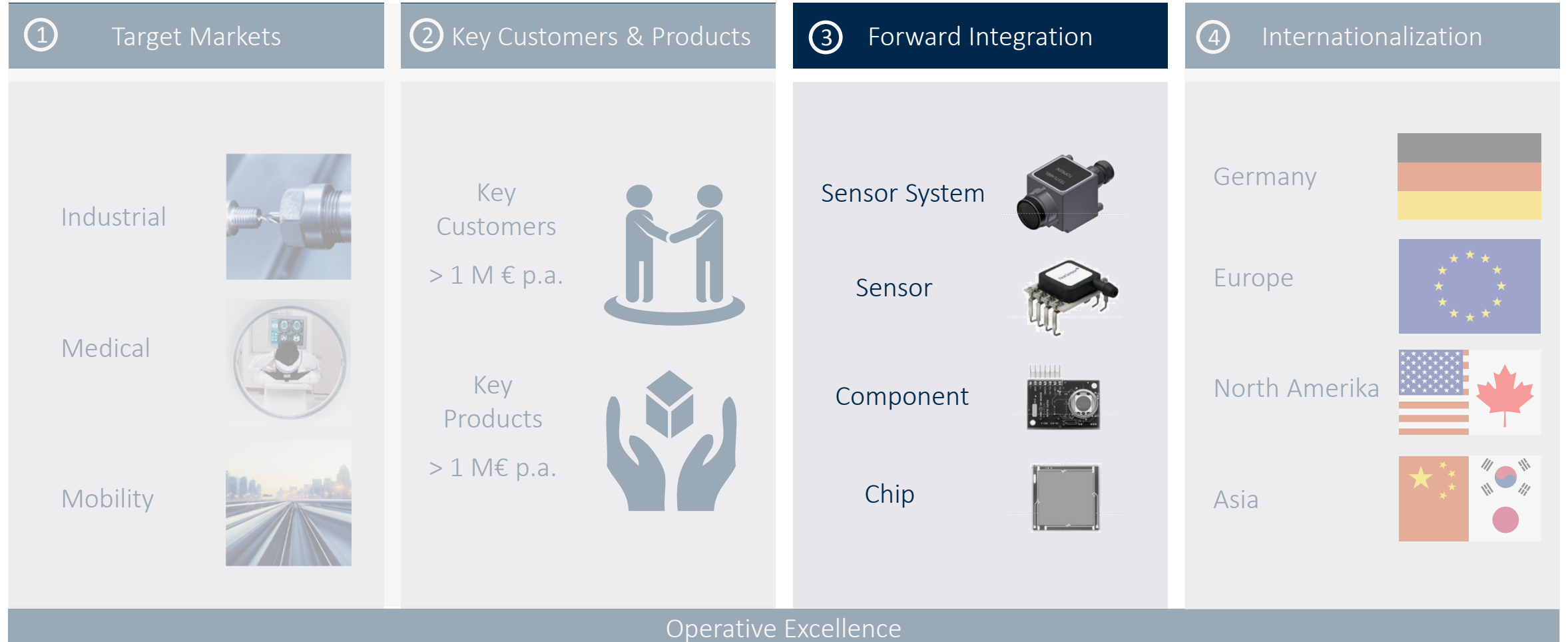
Assembly of Arrays

When building large detector arrays, we mount sensor chips on a backing using state-of-the-art flip chip technology to achieve the best possible fitting accuracy with this solution.



STRATEGY FOR PROFITABLE GROWTH

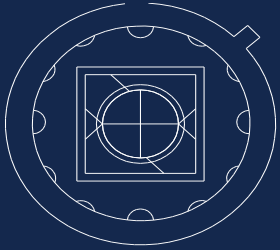
3rd pillar: Accelerate forward integration



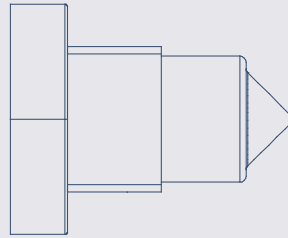
3RD PILLAR: ACCELERATE FORWARD INTEGRATION

Based on clear roadmaps we expand our expertise

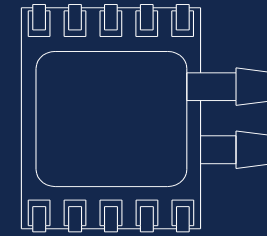
Light



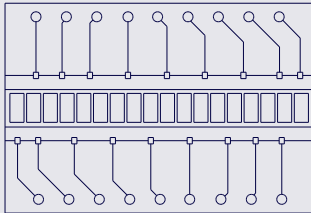
Level



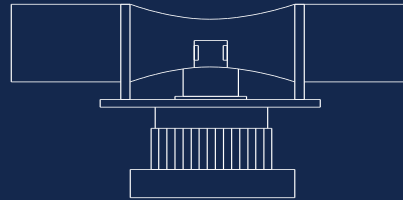
Pressure



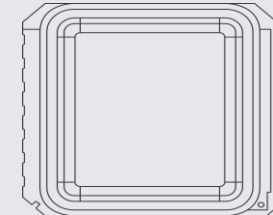
Radiation



Flow



Acceleration



Integrated Manufacturing Service



Multi Sensor Systems



Thinking Joined-Up Together

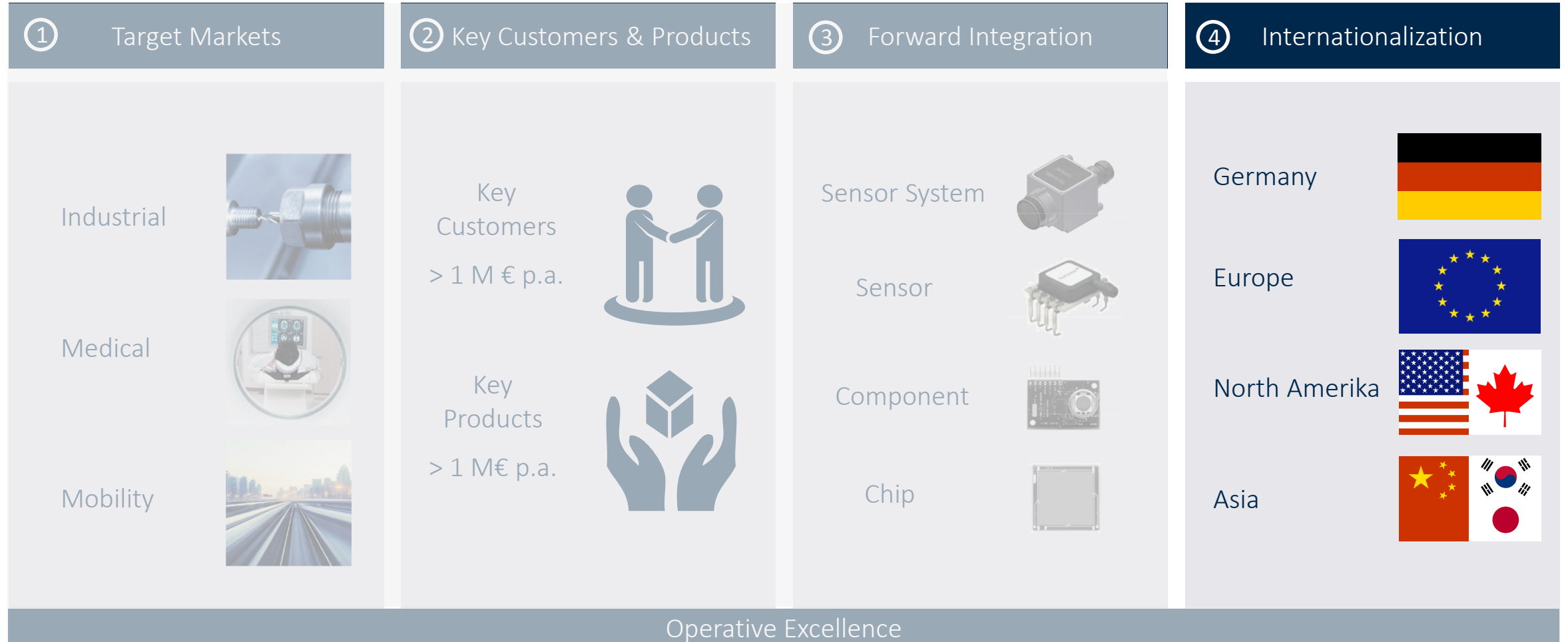
LMI Multi-Sensor System

On a tailored printed circuit board, this solution combines electronic components with four of our LMI differential pressure sensors that can detect the smallest differences in pressure.



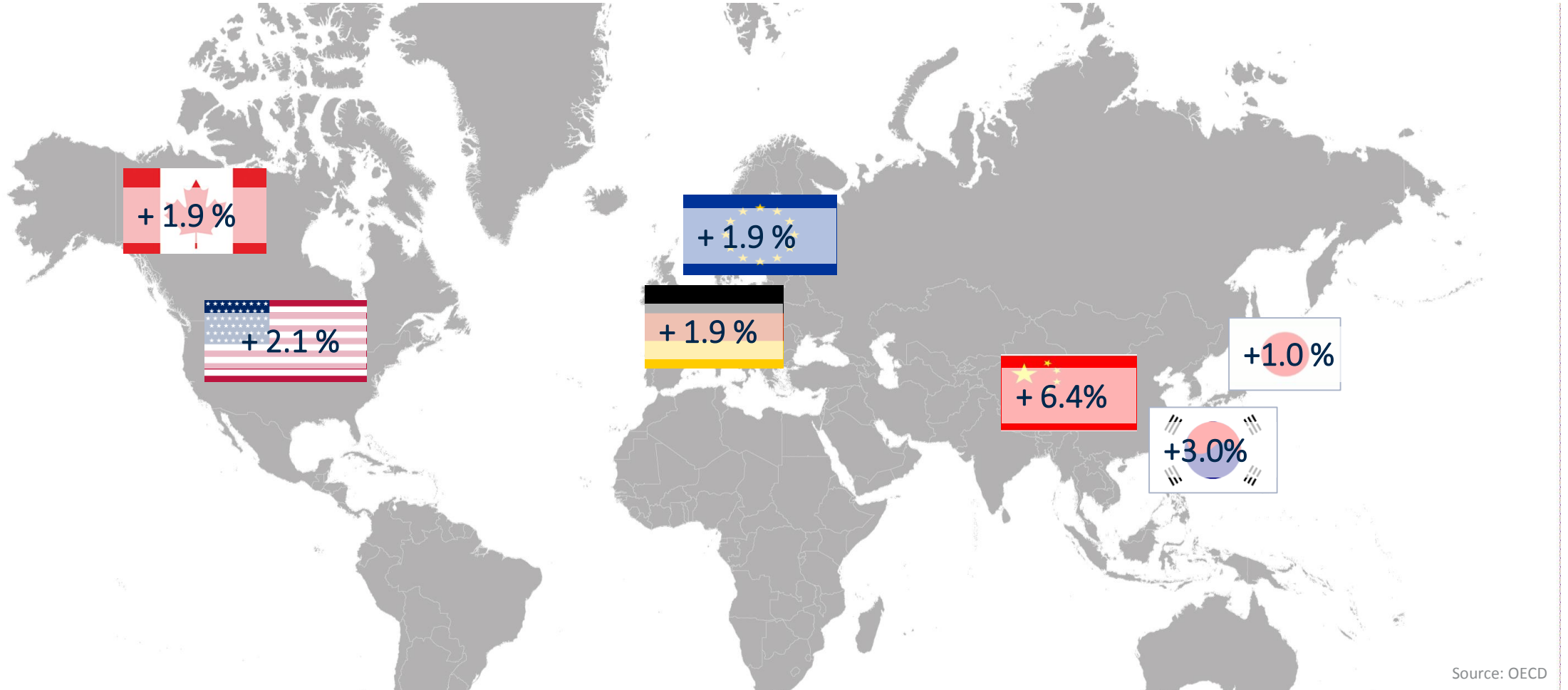
STRATEGY FOR PROFITABLE GROWTH

4th pillar: Continuous internationalization



4TH PILLAR: CONTINUOUS INTERNATIONALIZATION

We concentrate internationalization on growing regions



Staying One Step Ahead Together



STARe K Series

Our standard piezo-resistive components are used in industry and medical technology. Pressure sensor chips based on STARe technology ensure their long-term stability and precision.



Responsibility Together

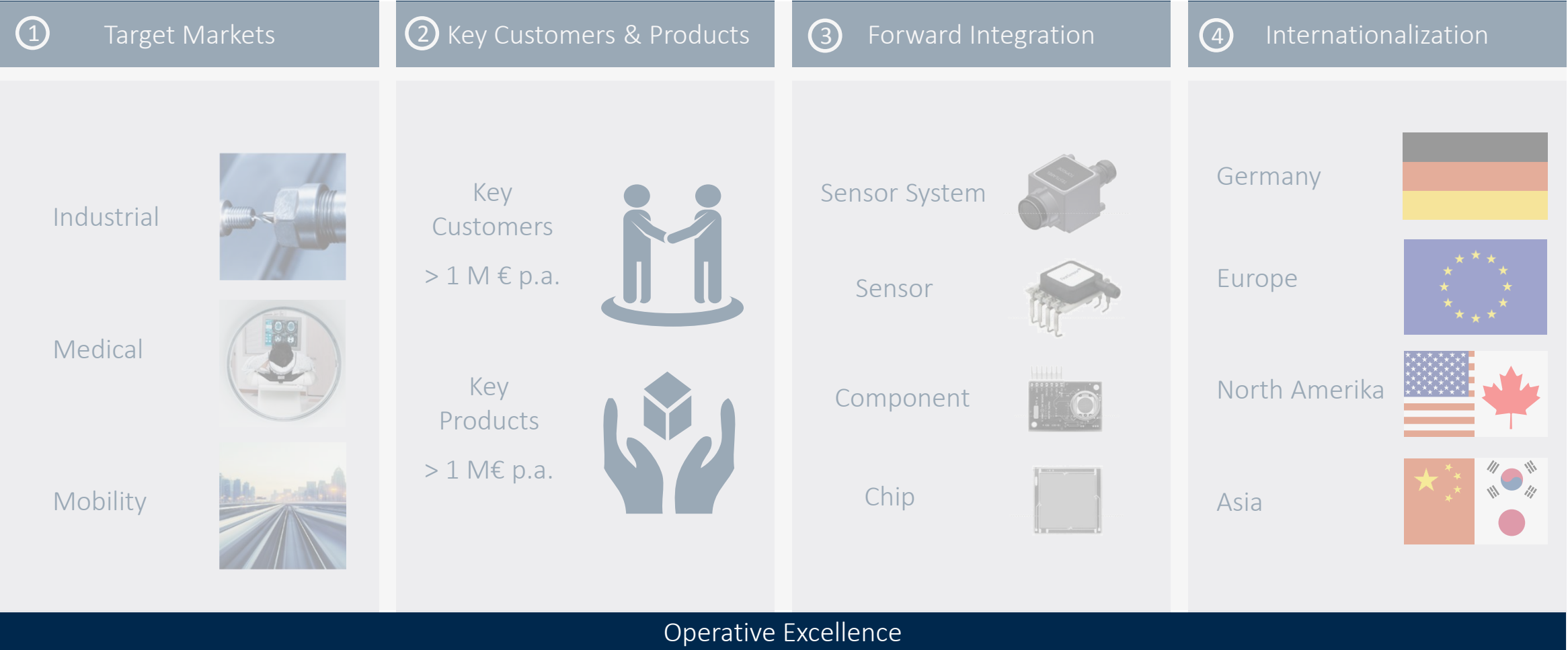


sensEdge Pressure Sensors

High-pressure sensors based on sensEdge technology are suitable for pressure changes up to 3,000 bar. Our solutions are used in steer-by-wire systems, for example.

STRATEGY FOR PROFITABLE GROWTH

The Fundament: focus on operative excellence



THE FUNDAMENT: FOCUS ON OPERATIVE EXCELLENCE

Our current core initiatives

Top Initiatives		
▶ T's & C's Harmonization	✓	
▶ Harmonized Core Processes	✓	
▶ OneERP	✓	progressing
▶ Lead Time, On-Time Delivery, Quality	✓	continuous
▶ Portfolio Optimization		ongoing
▶ Portfolio Consolidation		ongoing

THE FUNDAMENT: FOCUS ON OPERATIVE EXCELLENCE

Portfolio consolidation: Casestudy for one selected product family

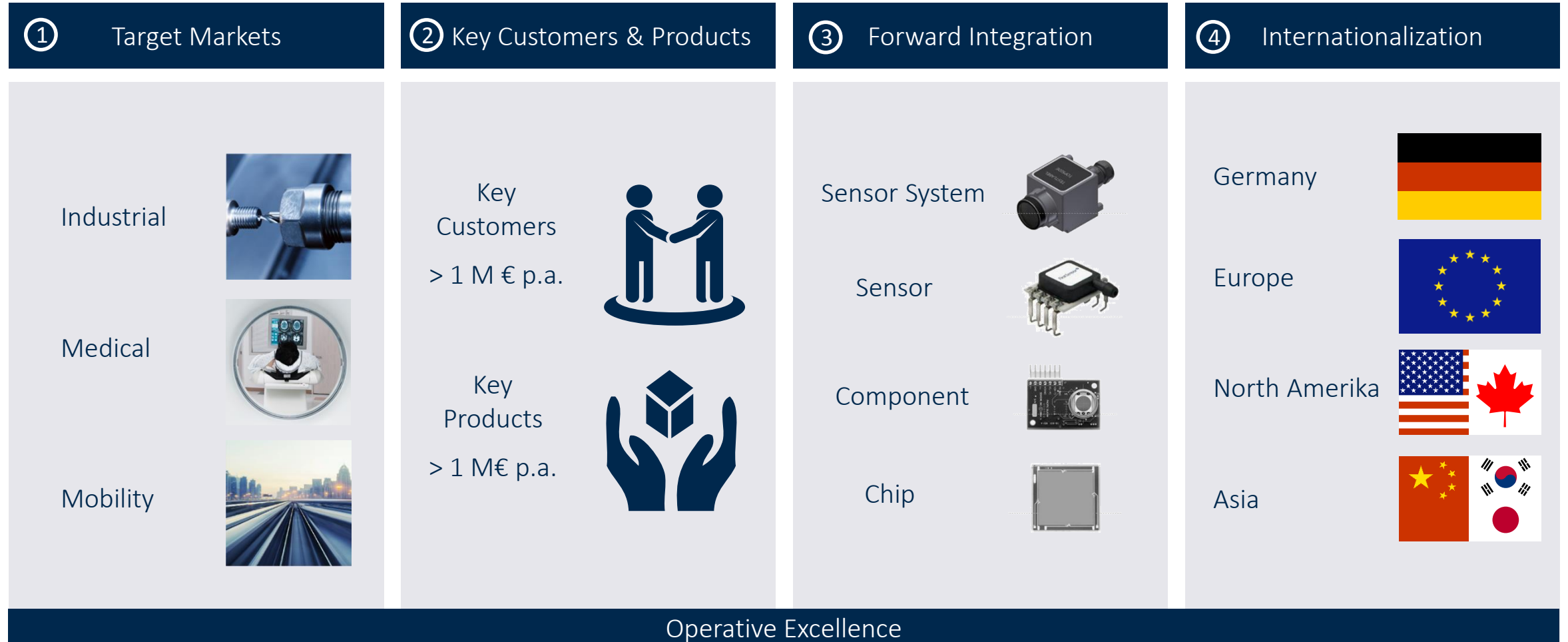
		PRODUCTS		
		A products	B products	C products
CUSTOMERS	A customers	11 % products	8 %	5 %
		69 % sales	6 %	> 1 %
	B customers	6 %	12 %	17 %
		12 %	9 %	1 %
	C customers	> 1 %	3 %	38 %
		> 1 %	> 1 %	2 %

Top Measures

- ▶ Threshold order quantities for new products
- ▶ Minimum order quantities for existing products
- ▶ Bundling of demand
- ▶ Recommendation of product alternatives
- ▶ Last call options if necessary

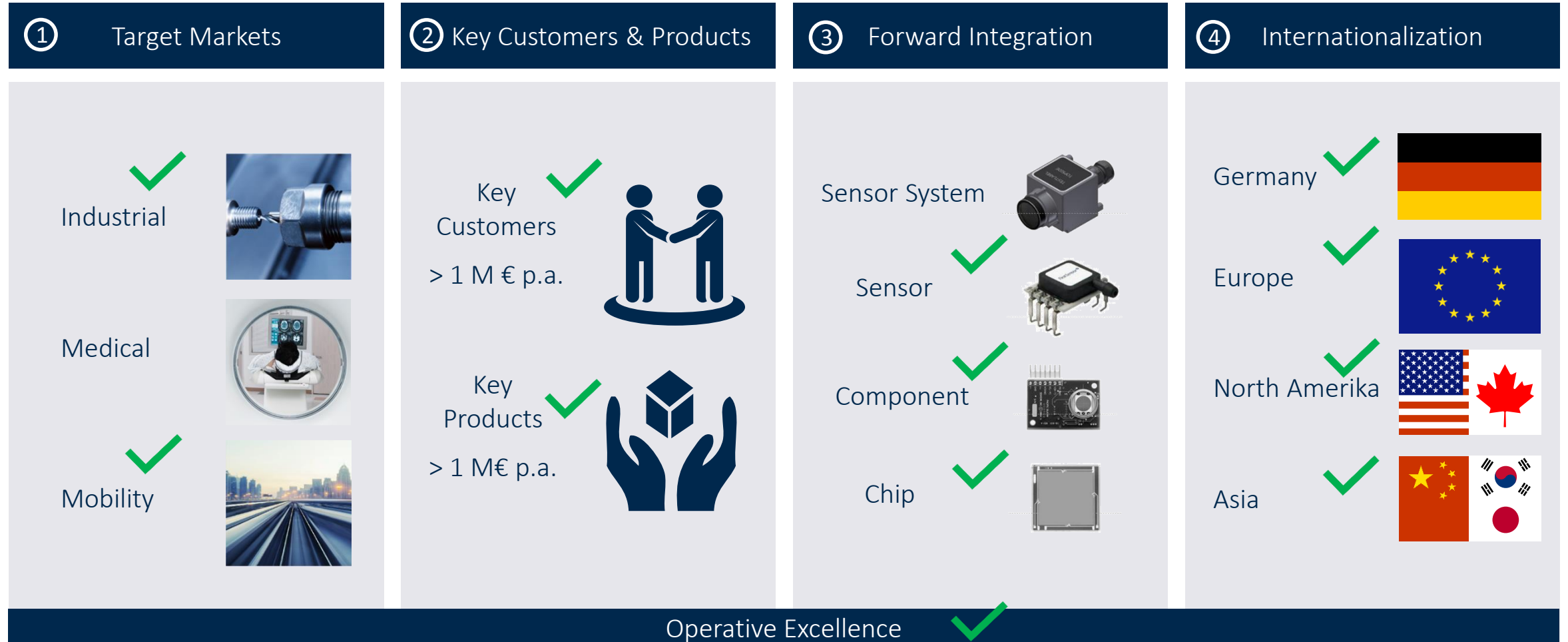
STRATEGY FOR PROFITABLE GROWTH

Objective: We generate and utilize economies of scale



STRATEGY FOR PROFITABLE GROWTH

Autonomous driving is a driver of our growth strategy



AUTONOMOUS DRIVING AS GROWTH DRIVER

Main reason for accidents are preventable human mistakes



1	Mistakes of car drivers	63.9 %
2	Mistakes of bicyclists	13.5 %
3	Bad road conditions	7.7 %
4	Mistakes of motorbike riders	7.2 %
5	Mistakes of truck drivers	5.7 %
6	Mistakes of pedestrians	3.5 %
7	Technical issues	0.9 %

Source: German Federal Statistical Office 2016

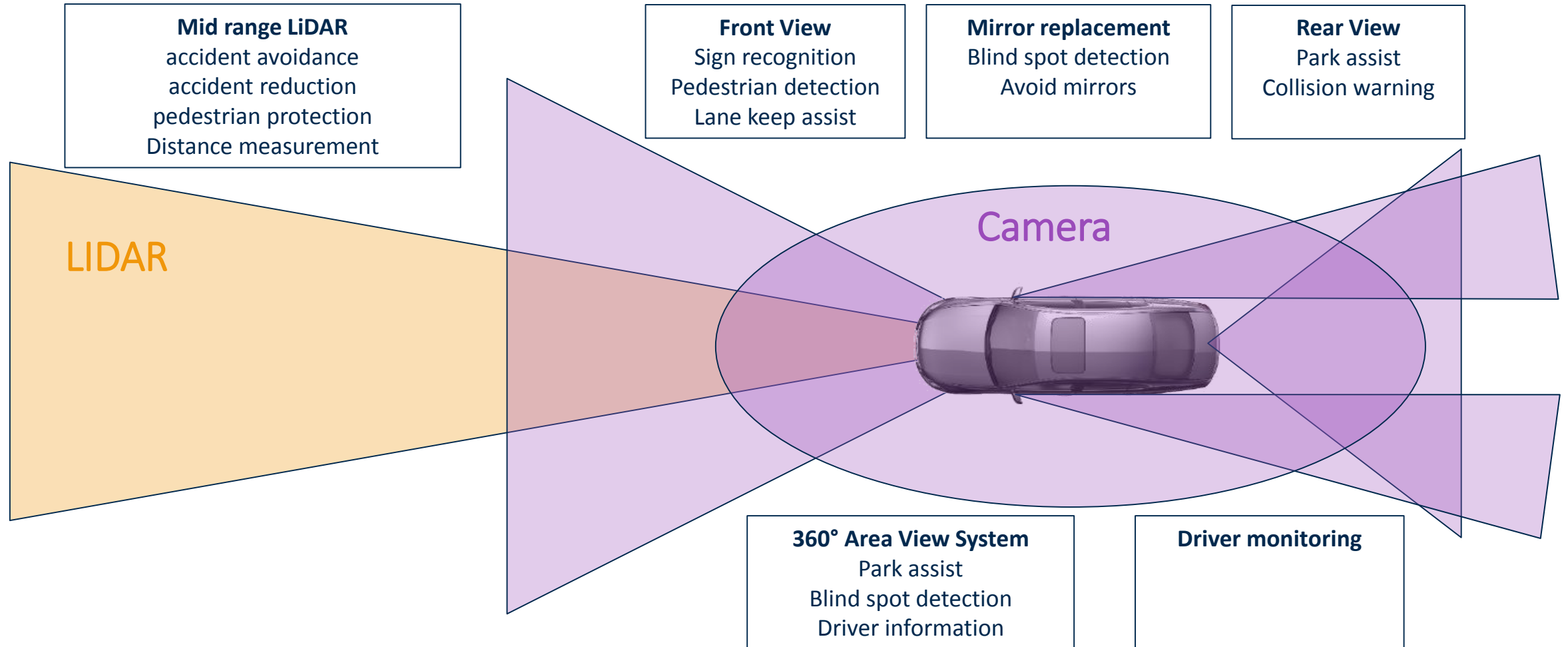
AUTONOMOUS DRIVING AS GROWTH DRIVER

Cars on higher autonomous levels need more sensors

Autonomous Levels	Level 1 Assisted Driving	Level 2 Partly Automated	Level 3 Highly Automated	Level 4 Fully Automated	Level 5 Driverless
Functionality	Active Cruise Control (ACC) Lane departure warning system (LDWS)	Lane Keep Assist (LKA) Park Assist (PA)	Automatic Emergency Brake (AEB) Driver Monitoring (DM) Traffic Jam Assist (TJA)	Autopilot on Highway (AP)	Autopilot everywhere
Sensors	Ultrasonic Radar (long range) Front Camera	Surround Camera	Radar (short range) Driver Camera LIDAR	SENSOR Fusion	SENSOR Fusion






AUTONOMOUS DRIVING AS GROWTH DRIVER

We focus on LIDAR and camera applications



AUTONOMOUS DRIVING AS GROWTH DRIVER

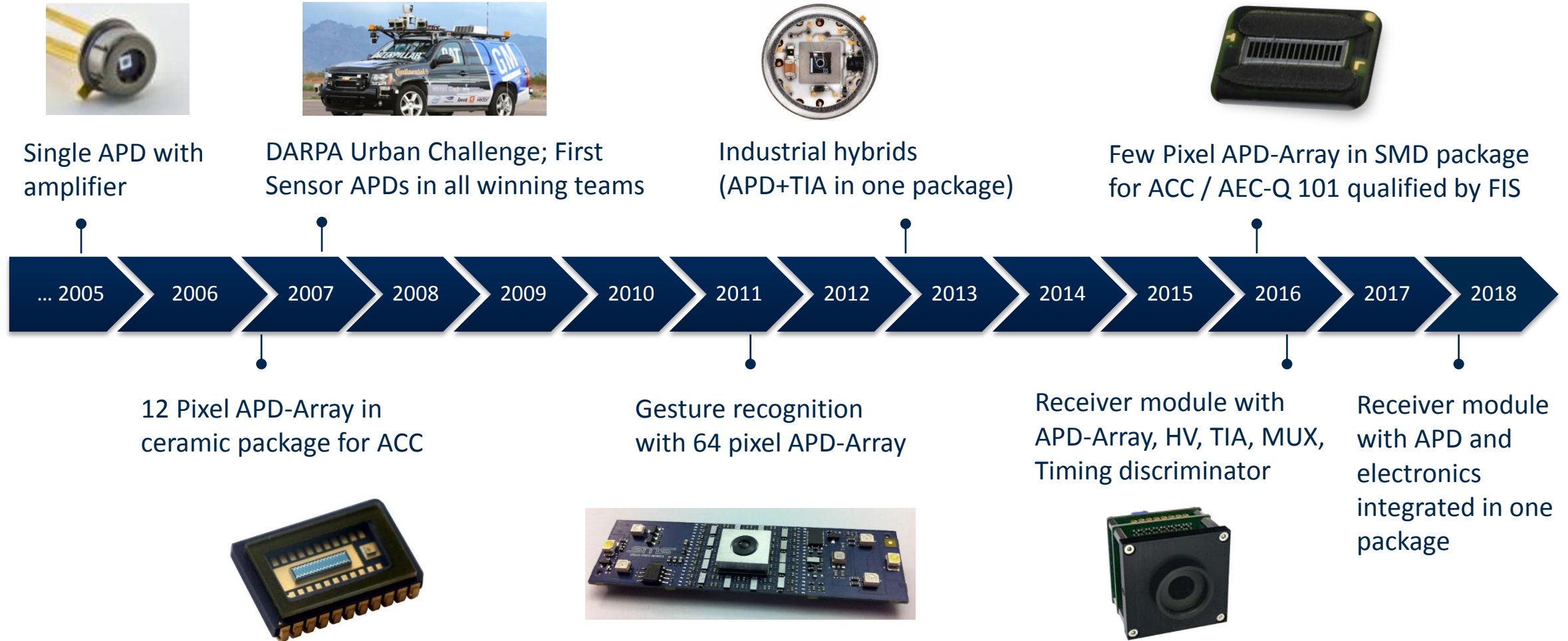
LIDAR and camera are irreplaceable for surround view

On Board Sensor Capability			 LIDAR (Detection & ranging)	 Camera (Monitoring & classification)	 RADAR (Detection & ranging)	 V2X & Cellular* (Information)	 Map & Location (Information)
Detection performance	Road users	Car / Truck	★ ★	★	★ ★ ★	★	
		Motorcycle	★ ★	★	★ ★	★	
		Bicycle	★ ★	★	★	★	
		Pedestrian	★ ★ ★	★	★	★	
		Animal	★ ★	★			
		Scree	★ ★	★			
	Traffic infrastructure	Road marking	★	★ ★			★ ★
		Signals		★ ★			★ ★ ★
		Streetlights		★ ★		★ ★ ★	★
	Street condition	Curves	★	★			
		Crash barriers	★ ★		★ ★		
		Wall / Barrier	★ ★		★ ★		
			←————— Dynamic —————→ ←————— Static —————→				
360° view		★ ★ ★	★ ★ ★				
Insensitivity		Rain / Snow	★ ★	★	★ ★ ★	★ ★ ★	★ ★ ★
		Fog			★ ★ ★	★ ★ ★	★ ★ ★
		Darkness	★ ★ ★		★ ★ ★	★ ★ ★	★ ★ ★

* Depends on coverage

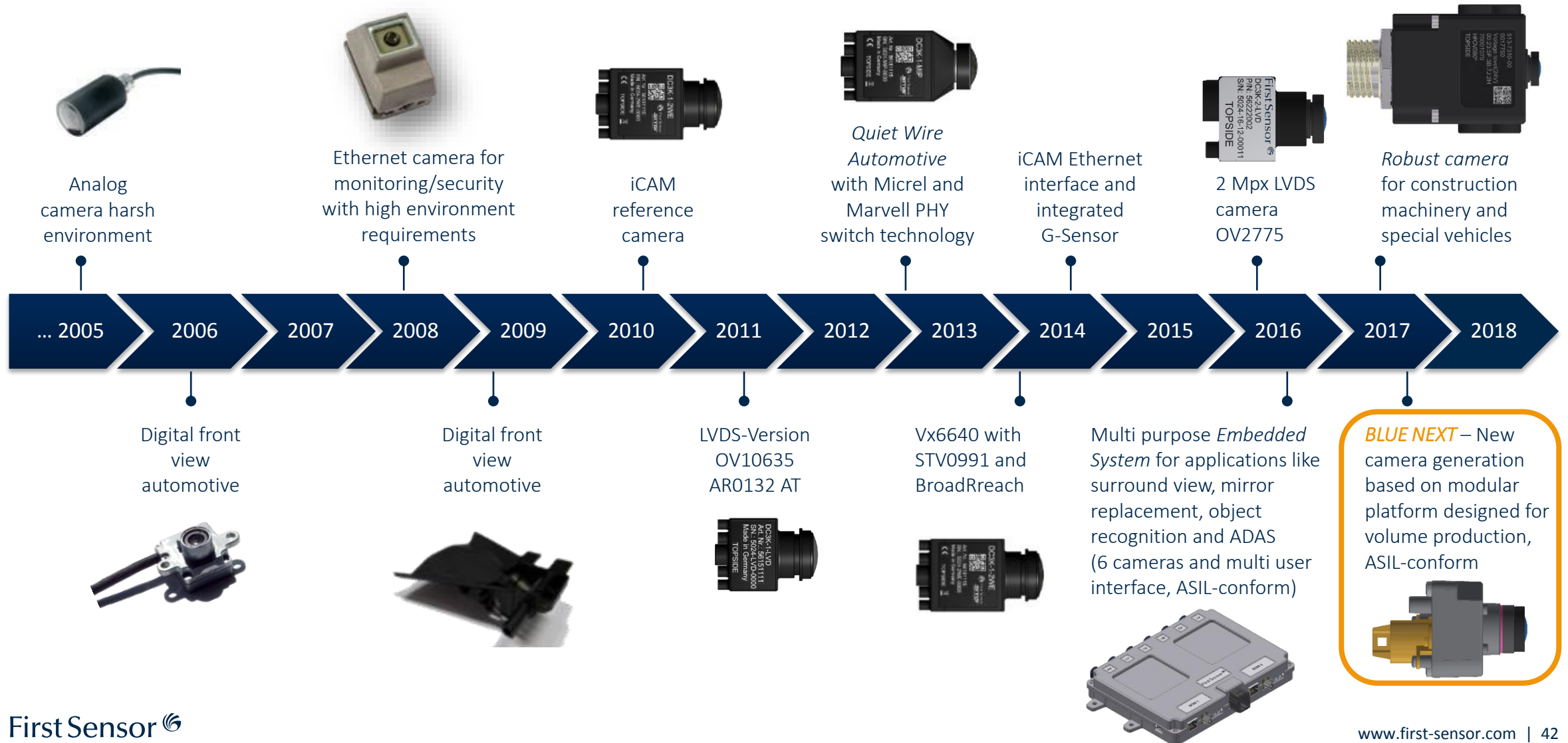
AUTONOMOUS DRIVING AS GROWTH DRIVER

LIDAR: Our APD is an important component for more than 10 years



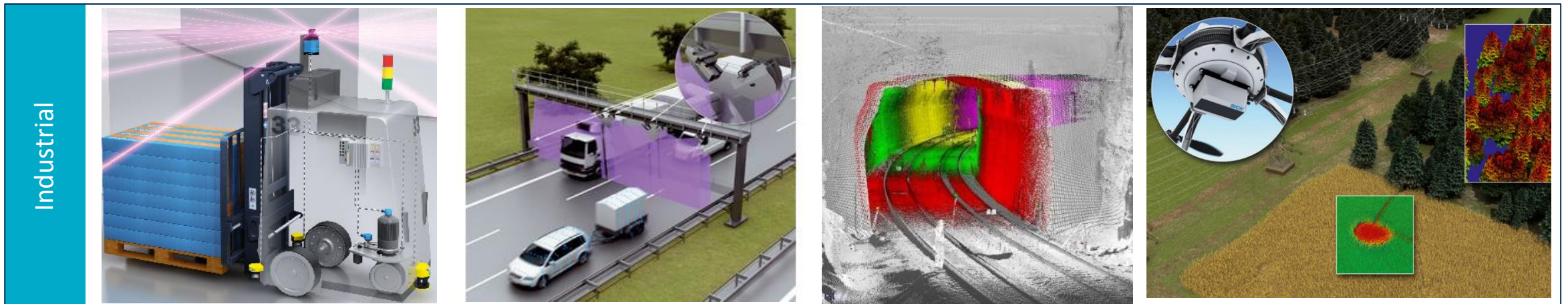
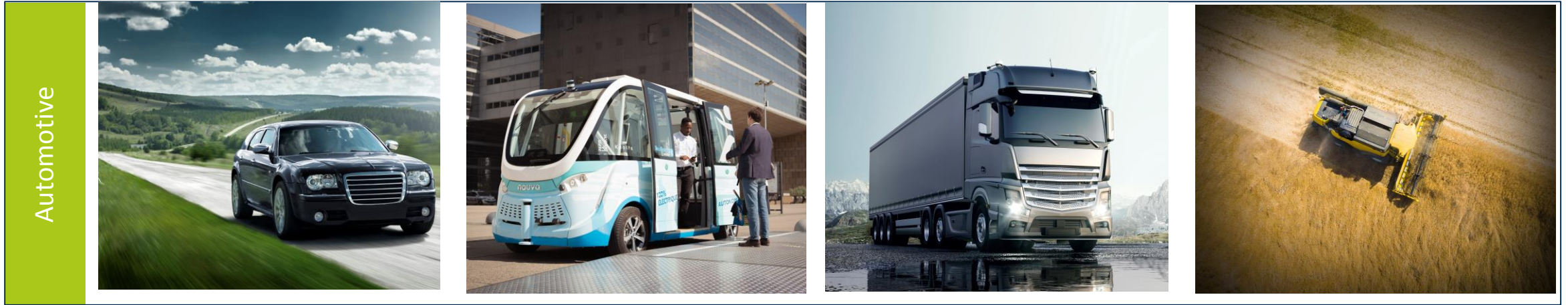
AUTONOMOUS DRIVING AS GROWTH DRIVER

Camera: Volume production of a new generation just started



LIDAR AND CAMERA

Automotive and industrial applications are versatile



**„OUR INNOVATION AND EXCELLENCE IS YOUR SUCCESS.“
WE APPROXIMATE THIS ASPIRATION GRADUALLY.**

As a leading international sensor manufacturer, we will achieve
10% average growth and a 10% EBIT margin with tailor-made
customer-specific sensor solutions and innovative
platform-based standard products, thereby creating added value
for our customers, investors and employees.

Our corporate values of innovation, excellence and proximity
form the compass for our actions.

WE LEAD THE FUTURE

Report Of The Executive Board, Annual General Meeting 2018

May 23, 2018

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