

First Sensor starts fiscal year 2019 with profitable growth

- Sales reach €41.4 million, EBIT margin 9.9%
- Product groups photonics and pressure drive business in Industrial and Medical target markets
- Executive Board confirms guidance: Sales €160 million to €170 million, EBIT margin 8.5% to 9.5%

Sales totaled €41.4 million in the first quarter of 2019. This corresponds to an increase of €6.9 million compared with the previous year (€34.5 million). In particular, sales were up by €3.5 million in each of the two product groups pressure and photonics. Around 70% of quarterly sales were generated from customer-specific solutions here. EBIT also reflects the positive sales development. It amounted to €4.1 million, up €3.0 million on the previous year (€1.1 million). This increase is attributable to the higher sales level and an improved gross profit margin. The EBIT margin reached 9.9% in the first quarter of 2019 (previous year: 3.1%) and is slightly above the planned figure for the year as a whole.

“The first quarter of 2019 shows once again that our strategy for profitable growth is gradually kicking in and the instigated measures to improve economies of scale and operational excellence are taking effect,” says Dr. Dirk Rothweiler, CEO of First Sensor AG. “The demand for our sensors for photonics and pressure is benefiting worldwide from the increasing digitalization and connectivity of industry, medical technology, and mobility. This lays the foundation for our aim of achieving annual sales growth of 10% in the medium term.”

Target Markets

In the Industrial target market, First Sensor generated sales of €22.2 million in the first quarter of 2019. This was €5.9 million higher than in the previous year (€16.3 million). This is attributable to greater demand for imaging solutions and standard pressure sensors. In the Medical target market, sales amounted to €9.8 million in the first quarter of 2019. Compared to the first quarter of 2018 (€7.4 million), a sales increase of €2.4 million was achieved. This is attributable to increased volume requirements for imaging solutions in optical diagnostics as well as ongoing strong demand for H series pressure sensors for respirators. In the Mobility target market, sales amounted to €9.5 million in the first quarter of 2019, down €1.3 million on the previous year (€10.8 million). The decrease is due to a continuation of the geopolitically volatile situation and the resultant postponements of call-off orders.

Incoming Orders and Order Backlog

At €42.3 million, incoming orders are up €3 million on the previous year (€39.3 million). The book-to-bill-ratio of 1.02 signals further growth. The order backlog stood at €98.4 million in the first quarter of 2019, up €1.1 million on the previous year (€97.3 million). Around 70% of orders are scheduled for 2019 here.

Balance Sheet and Cashflow

As of March 31, 2019, total assets increased to €170.1 million (December 31, 2018: €168.4 million). With €36.5 million inventories increased by €4.3 million compared with December 31, 2018 (€32.2 million). This development stemmed from the strong order situation for the current fiscal year and the associated assurance of supply capability. With 11.8 Mio. Euro trade receivables decreased by €6.1 million as against the reporting date of December 31, 2018 (€17.9 million). This trend, already apparent in the 2018 annual financial statements, is continuing positively as a result of changed receivables management. Working capital stands at €36.1 million compared with €37.3 million in the previous year. This is attributable to the sharp fall in trade receivables, which more than makes up for the rise in inventories. For the same reason capital employed is reduced to €122.2 million (previous year: €123.1 million).

Cash flow from operating activities amounted to €5.5 million in the reporting period. This is an improvement of €5.4 million on the previous year (€0.1 million), and is attributable to the positive operating result. Cash flow from investing activities totaled €-2.5 million as at March 31, 2019. Consequently, it is up €0.5 million on the previous year (€-2.0 million) as a result of further investment in profitable growth. At the end of the first quarter, free cash flow amounted to €3.0 million, an improvement of €4.9 million on the previous year (€-1.9 million).

Outlook

For fiscal year 2019, the Executive Board expects sales of €160 million to €170 million in unchanged economic conditions. As a result of this sales growth, economies of scale and further measures to improve efficiency and productivity are likely to have a positive impact on profitability. On this basis, an EBIT margin of between 8.5% and 9.5% is still expected for fiscal year 2019. "Our EBIT margin is set to reach 10% in 2020," says CFO Dr. Mathias Gollwitzer.

The Interim Report Q1 2019 is available for download on the Internet at <https://www.first-sensor.com/en/investor-relations/results-center/index.html>.

Presentation of Q1 Interim Report on Tuesday, May 14, 2018 at 11 a.m. CEST:
<https://webcasts.egs.com/firstsensor20190514>

About First Sensor AG

Founded as a technology start-up in the early 1990s, today, First Sensor is a global player in sensor technology. Based on our know-how in chip design and production as well as microelectronic packaging, standard sensors and customer-specific sensor solutions are developed in the fields of photonics, pressure and advanced electronics for the ever-growing demand in key applications for the target markets of Industrial, Medical and Mobility. The strategy is aimed at profitable growth and focuses on key customers and products, forward integration and strengthening our international presence. First Sensor has been listed on the Frankfurt Stock Exchange since 1999 [Prime Standard I WKN: 720190 | ISIN DE0007201907 | SIS]. Further information: www.first-sensor.com.

Disclaimer

Statements in this report relating to future developments are based on a prudent estimate of future events. Actual events of the company may deviate significantly from planned events, as they depend on a large number of market and economic factors, some of which are outside of the company's control.

Key Figures at a Glance (rounding differences may arise)

in € million, unless otherwise indicated	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 2019
Sales revenues	34.3	34.6	39.3	39.3	34.5	39.9	40.8	40.0	41.4
Industrial	17.8	18.3	19.4	19.6	16.3	20.7	20.7	22.6	22.2
Medical	6.4	6.4	7.6	7.6	7.4	9.0	9.5	8.7	9.8
Mobility	10.1	9.9	12.3	12.1	10.8	10.2	10.5	8.7	9.5
EBITDA	4.0	3.8	6.3	5.5	3.3	5.2	6.9	5.9	6.4
EBITDA margin (%)	11.7	11	16	14.1	9.5	13.0	17.0	14.7	15.4
EBITA	2.4	2.2	4.7	3.6	1.6	3.6	5.1	3.6	3.6
EBITA margin (%)	6.9	6.3	11.9	9.3	4.7	8.9	12.6	9.0	8.6
EBIT	1.8	1.6	4.1	3.1	1.1	3.0	4.6	3.6	4.1
EBIT margin (%)	5.1	4.6	10.4	7.8	3.1	7.5	11.3	9.0	9.9
EBT	1.4	1.5	2.2	2.0	0.6	2.6	4.2	3.0	3.9
EBT margin (%)	4.1	4.4	5.5	5.2	1.8	6.4	10.4	7.5	9.4
Net profit for the period	1.2	0.8	0.9	1.3	0.2	2.1	3.4	1.8	2.7
Earnings per share (EUR)	0.13	0.08	0.09	0.13	0.02	0.21	0.33	0.17	0.26
Cash flow from operating activities	-0.2	2.0	3.8	10.4	0.1	-2.0	6.0	11.8	5.5
Free cash flow	-2.5	-0.7	0.9	5.8	-1.9	-3.9	3.8	8.2	3.0
Balance sheet total	154.6	153.1	158.3	159.6	159.2	156.9	162.1	168.4	170.1
Shareholders' equity	78.7	79.4	80.2	81.9	82.1	82.8	86.3	88.8	91.6
Equity ratio (%)	50.9	51.8	50.7	51.3	51.5	52.8	53.3	52.7	53.8
Net dept	27.3	28.0	27.5	22.8	25.2	30.5	26.9	19.5	16.7
Working capital	38.3	38.8	41.1	37.5	38.4	43.4	44.5	37.3	36.1
Incoming orders	35.1	44.4	42	42.1	39.3	44.4	39.5	36.4	42.3
Orders on hand	88.9	90.7	96.5	92.5	97.3	102.1	100.7	97.6	98.4
Book-to-bill-ratio	1	1.3	1.1	1.1	1.14	1.11	0.97	0.91	1.02
Employees (FTE)	783	784	784	798	811	830	845	863	863
Number of shares in thousand	10,211	10,211	10,211	10,216	10,216	10,216	10,216	10,222	10,222