

Q2'19 – One-off costs due to TE merger, guidance specified to the lower end

Q2 revenues of EUR 39.9m were slightly below our estimate of EUR 40.6m. The miss to our estimate results mainly from the segments Industrial and Medical. While the development in the Industrial segment was affected by general economic trends, weaker revenues in Medical were also related to tough comps. Reported EBIT of EUR -1.8m was burdened by one-off costs related to the TE merger in the amount of around EUR 4.5m. Adjusted by that, operating EBIT of EUR 2.7m would have been in-line with our estimate of EUR 2.8m. First Sensor is now targeting the lower end of its previous guidance ranges. Given TE's takeover offering of EUR 28 per share, we do not expect any meaningful impact from the reporting on the share price. As of August 12, around 64% of the share capital was tendered. Bear in mind, that TE has not requested a minimum acceptance level for the takeover.

First Sensor AG - Review Q2 2019

EUR m	Q2 2019	Q2 2018	% yoy	Pareto	Delta
Revenues	39.9	39.9	0.0%	40.6	-1.8%
<i>of which: Industrial</i>	21.4	20.7	3.0%	23.4	-8.7%
<i>of which: Medical</i>	8.8	9.0	-1.6%	9.9	-10.9%
<i>of which: Mobility</i>	9.7	10.2	-4.6%	7.3	32.8%
EBIT	-1.8	3.0	n.m.	2.8	-164.3%
EBIT Margin	-4.5%	7.5%	-1200 BP	6.8%	-1133 BP
EBT	-2.4	2.6	n.m.	2.2	-210.3%
EBT Margin	-6.0%	6.4%	-1244 BP	5.4%	-1140 BP
Net income	-2.0	2.1	n.m.	1.7	-211.9%

Source: Pareto, First Sensor

FY 2019e guidance specified

- ▶ For FY 2019e, First Sensor is now guiding revenues to be at the lower end the of the range of EUR 160m to EUR 170m (PAsE: EUR 167m), and an operating EBIT margin as well at the lower end of 8.5% to 9.5% (PAsE: 8.9%). In conjunction with the TE merger further costs are expected, which cannot be quantified at this stage.
- ▶ Order intake in Q2 was at EUR 35.6m, implying a book-to-bill ratio of 0.9x. Order backlog as of end of Q2, was at EUR 94.2m (31.06.2018: EUR 102.1m).

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