

---

# FINANCIAL STATEMENT 2017

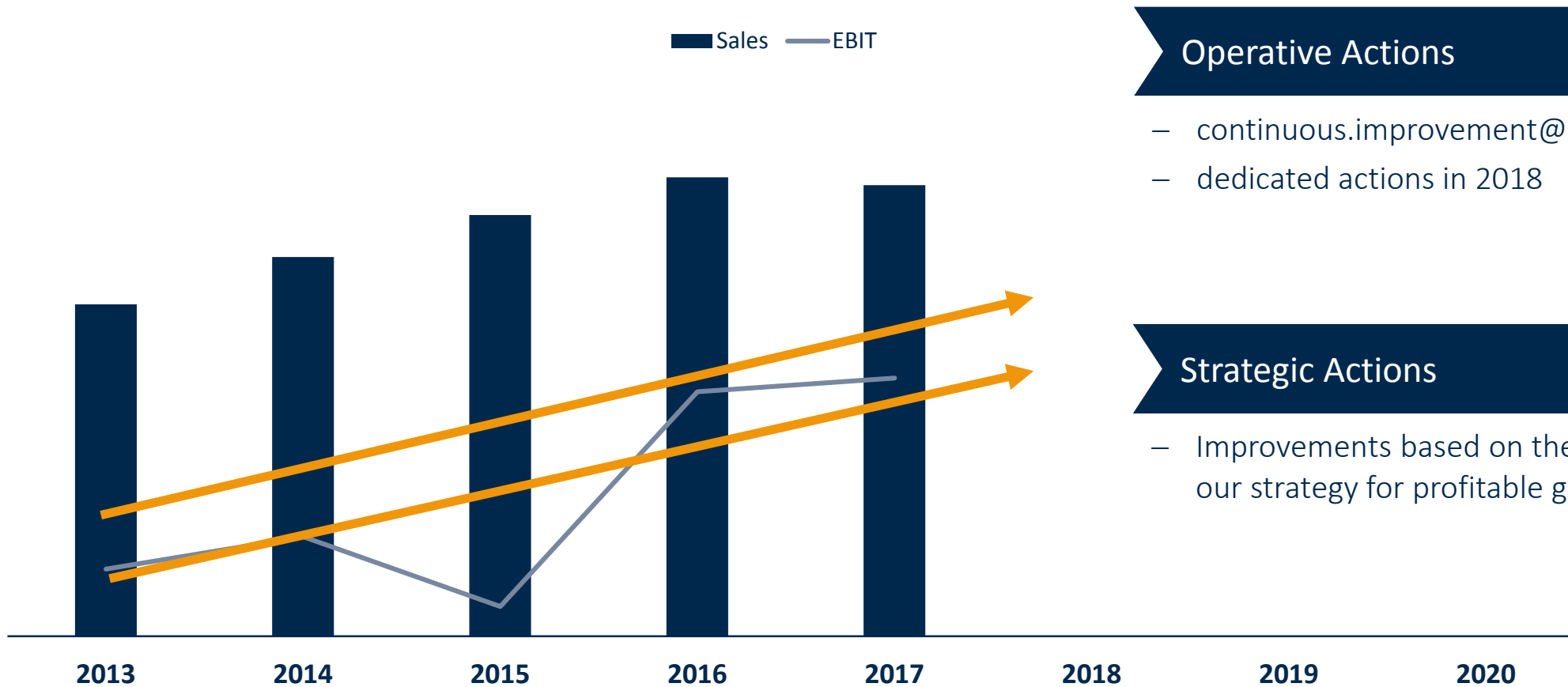
---

MILESTONE ON OUR WAY TOWARDS  
PROFITABLE GROWTH



# FINANCIAL STATEMENT 2017

## 2017 = Milestone for further sustainable growth and profitability



### Operative Actions

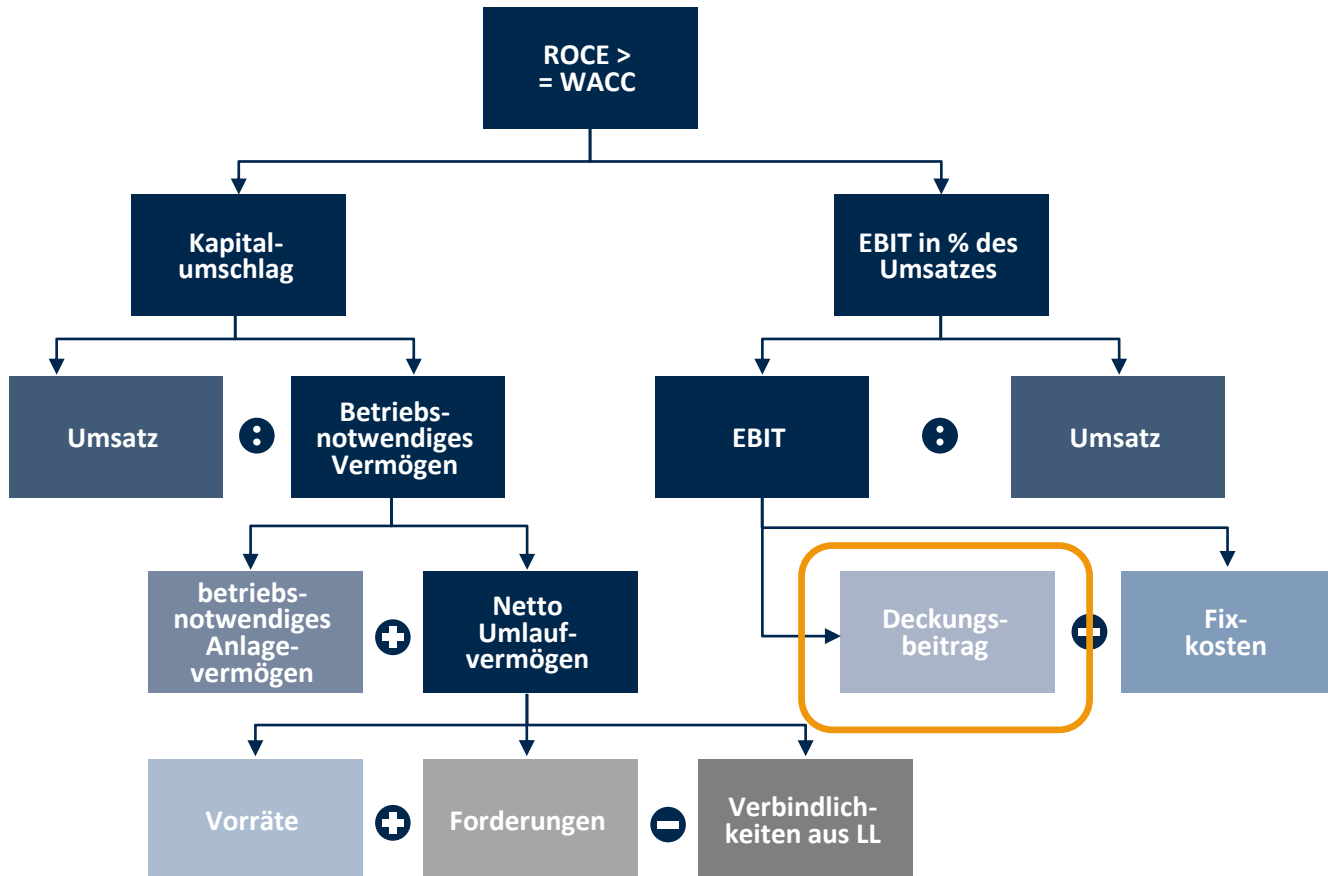
- continuous.improvement@FIS-KPI.system
- dedicated actions in 2018

### Strategic Actions

- Improvements based on the five pillars of our strategy for profitable growth

# OPERATIVE ACTIONS

## FIS KPI's: Interface to non-financial performance indicators



### KPI - Umsatz

- Sales - Book To Bill
- Sales - Neukundengeschäft
- Sales - Leads / Auftragseingang
- Sales - Lead/Angebote
- Sales - Angebote/Auftragseingang
- Sales - NBO / Angebote
- Sales - NBO conversion rate
- Sales - Umsatz / FTE
- CCD - Innovationskraft
- CCD - Time To Market

### KPI - Betriebsnotwendiges AV

- CCP - Anlagenverfügbarkeit

### KPI - Fixkosten

- IT - Beanspruchungsgrad
- IT - Bearbeitungsgrad
- IT - Reaktionszeit
- IT - Betreuungsrate
- IT - Verfügbarkeit
- IT - Kosten/Umsatz
- CCD - Produktivität
- Einkauf - Lieferqualität

### KPI - Vorräte

- Einkauf - Liefermengentreue
- Einkauf - Liefertermintreue

### KPI - Forderungen

- Sales - Liefertreue
- Finanzen - DSO

### KPI - Verbindlichkeiten aus LL

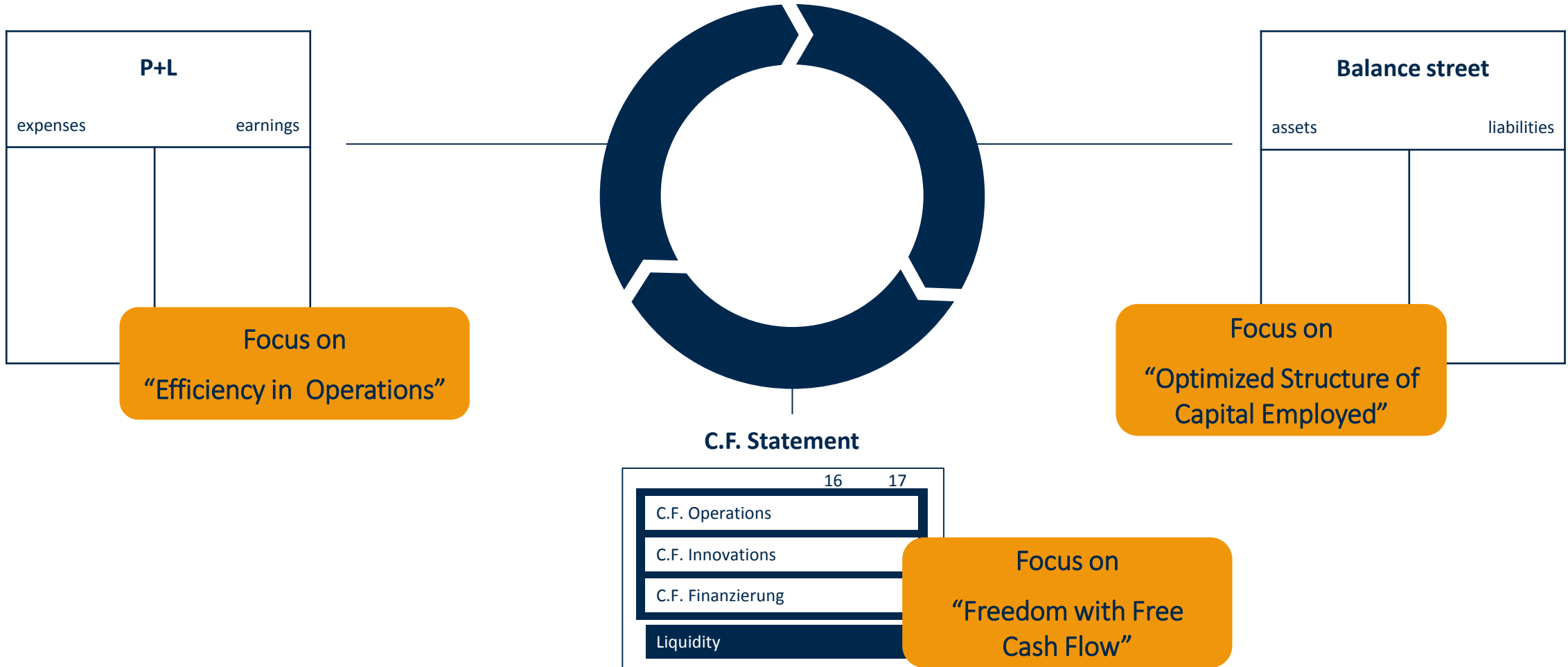
- Finanzen - DPO

### KPI - Deckungsbeitrag

- Ausbeute
- Materialeinsatz
- Fertigungszeit
- Auftragsdurchlaufzeit
- Leistung pro Mitarbeiter
- Beschäftigungsgrad
- Weiterbildungsquote
- Fehlzeitenquote
- Reklamationsquote
- Qualität
- Krankheitsquote
- Ungewollte
- Fluktuationsquote

# OPERATIVE ACTIONS

## Financial Statements indicate different “Need for actions”



# P+L STATEMENT

## EBIT improved, one-time effect in financial results reduce net income

In € million	2016	2017
Revenues	150.1	147.5
Other operating income	2.9	3.3
Change in inventory	-1.2	-1.5
Other own work capitalized	1.4	2.5
Cost of material	-72.4	-69.3
<b>Gross profit</b>	<b>80.8</b>	<b>82.5</b>
Personnel expenses	-44.1	-46.6
Other operating expenses	-17.3	-16.3
<b>Operating result (EBITDA)</b>	<b>19.4</b>	<b>19.6</b>
Depreciation and amortization	-7.0	-6.8
<b>Operating result before goodwill amortization (EBITA)</b>	<b>12.4</b>	<b>12.8</b>
Goodwill amortization	-2.4	-2.3
<b>Earnings before interest and tax (EBIT)</b>	<b>10.0</b>	<b>10.6</b>
Financial result	-1.3	-3.4
<b>Income before tax (EBT)</b>	<b>8.7</b>	<b>7.1</b>
Taxes	-2.6	-2.8
<b>Net income</b>	<b>6.1</b>	<b>4.3</b>

# P+L STATEMENT

## Order backlog and sales funnel improved

in € million

### Sales



### Order Income



### Order Backlog



### New Billing Opportunities



### Comments

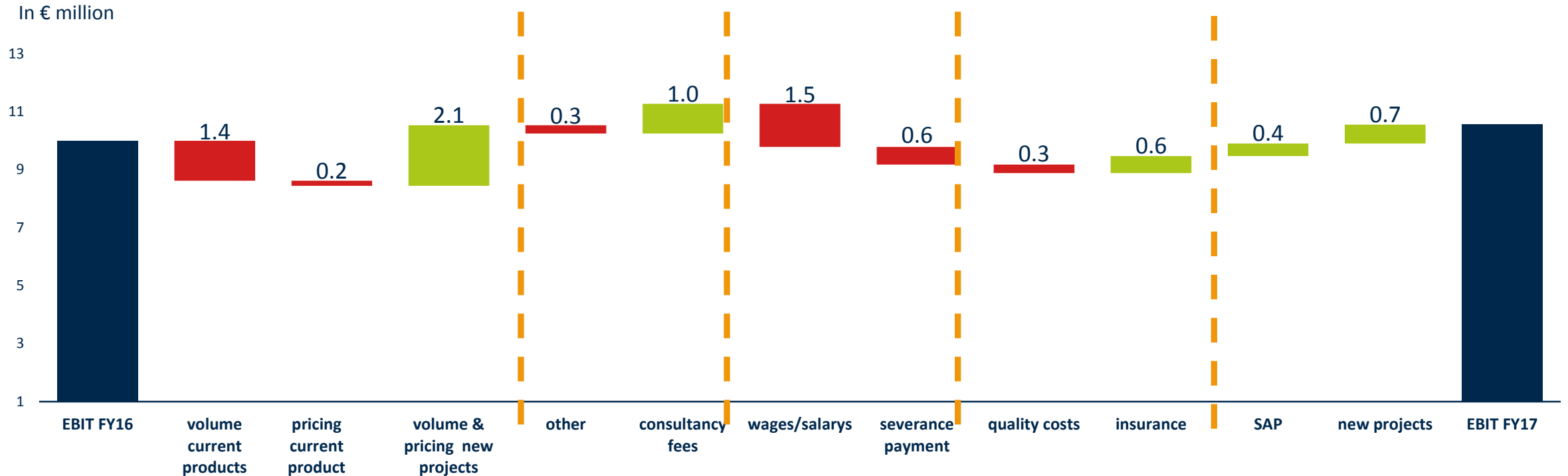
- Industrial target market: Growth of 3.6%
- Medical target market: customer based postponements
- Mobility target market: almost compensated major order of approximately €10 million which expired last

### Actions

- Focus on selected New Target Accounts
- Improving Cross-selling on existing Customer Base
- New Product Launches (HTD/L-Serie und Inertial)
- Enlargement of Distribution Product Portfolio

# P+L STATEMENT

## 2017 EBIT impact by pricing, scale effects and personnel costs



### Actions

- Insourcing of certain processes in semiconductor production
- Production layout follows product value chain
- Make “and” buy decision in operations
- Further screening of our product-portfolio (“DB 40”)
- Launch of “MEMS” and “OPTO” projects

# P+L STATEMENT

## Moderate increase in salaries/wages

In € million

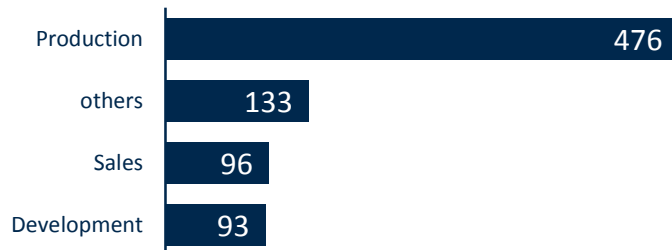
### Salary/Wages



### Breakdown 2017



### FTE 2017 YE 798 (PY 804)



### Personnel Cost in % Sales

14.1%  
8.3%  
5.0%  
4.2%

### Comments

- Performance-related components in all types of remuneration
- “Brain drain” especially in Dresden

### Actions

- Activities for employee retention and recruitment



# P+L STATEMENT

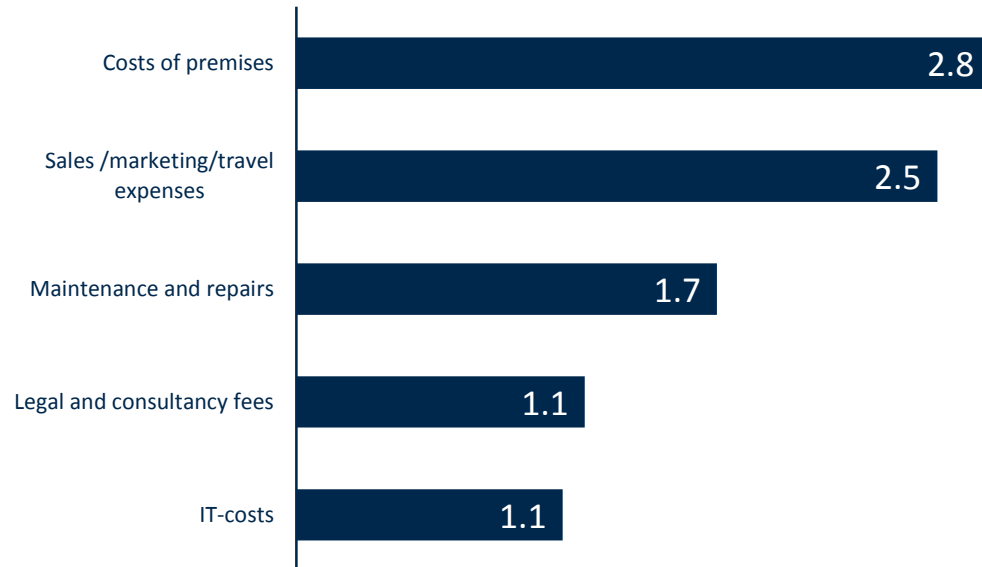
## Other expenses slightly reduced

In € million

### Other Expenses



### Breakdown 2017



### Comments

- Decrease in consultancy fees

### Actions

- Maintenance: negotiation of service contracts
- IT-Cost: Hosting and maintenance for SAP to be levelled out by IT Savings in other domains

# P+L STATEMENT

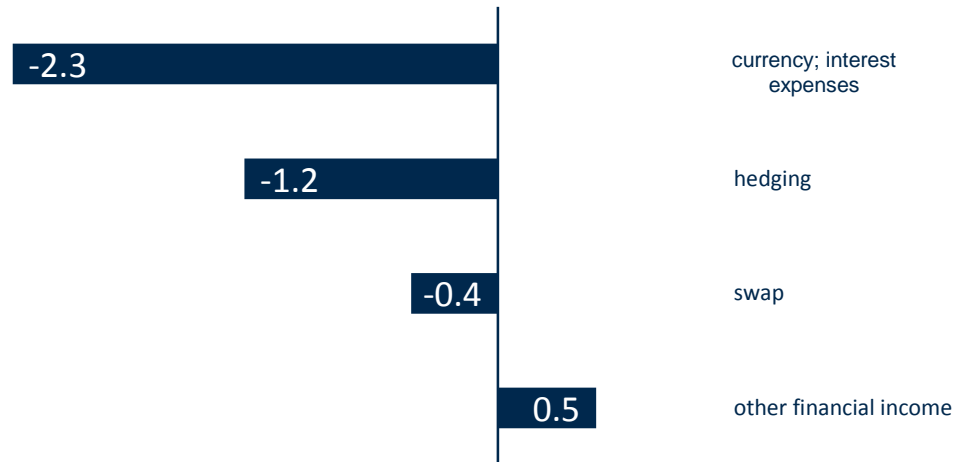
## One-time effect due to closing of hedging contracts and swaps

In € million

### Financial Result



### Breakdown 2017



### Comments

### Actions

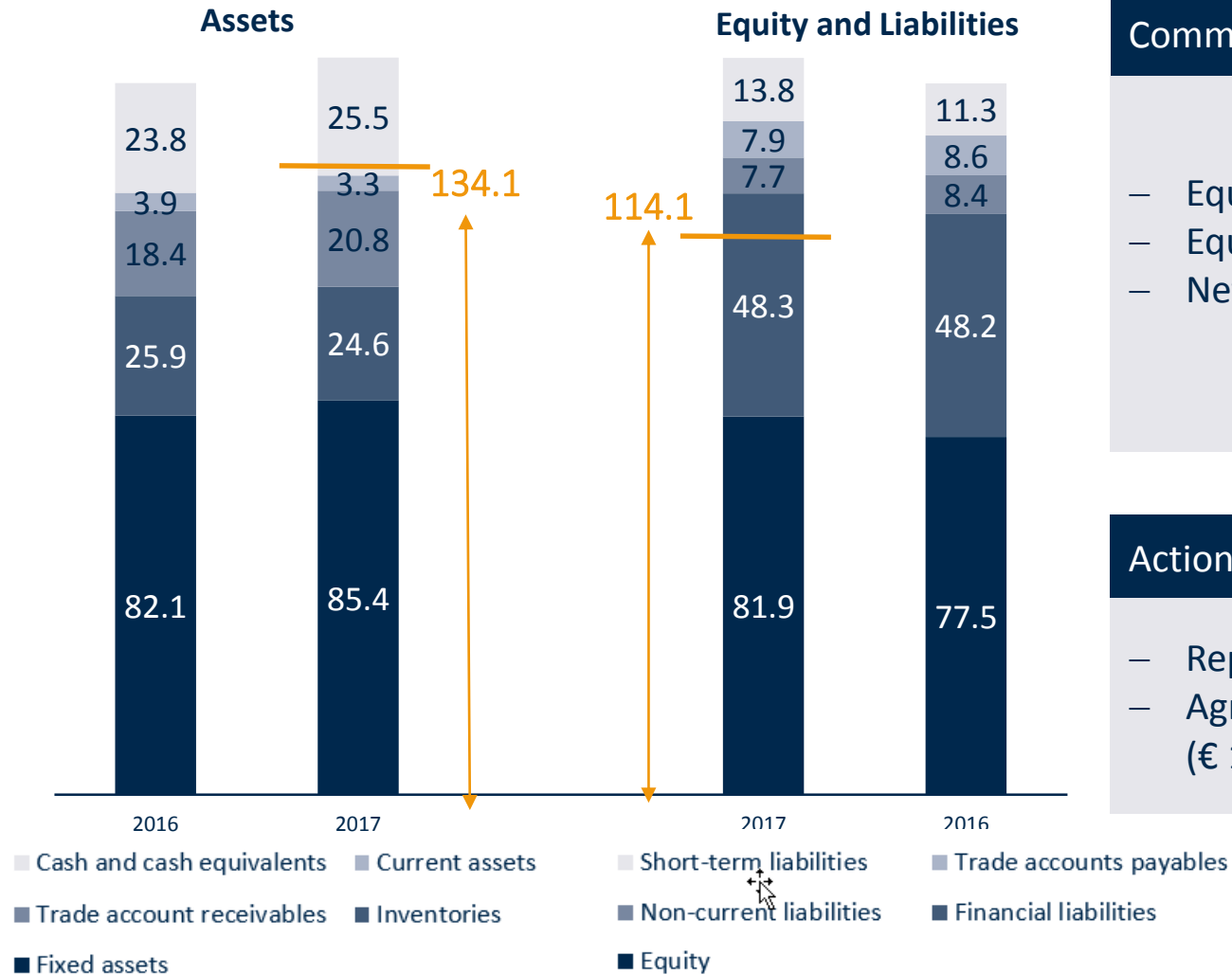
– Natural hedging

# BALANCE SHEET

Coverage: Equity and loans > 1 y. / assets\* = 85 %

\*(w/o cash and cash equivalents)

In € million



## Comments

- Equity + Long Term loans (> 1 y) = 114.1 Mio. €
- Equity ratio 2017: 51.3%
- Net working capital Ratio 2017: 25.1% → 90 days

## Actions

- Repayment of promissory notes: 12 Mio. € → 12/2018
- Agreement for a long term loan (€ 13 million; → 2027; interest rate 1.15 %)

# BALANCE SHEET – INTANGIBLE ASSETS

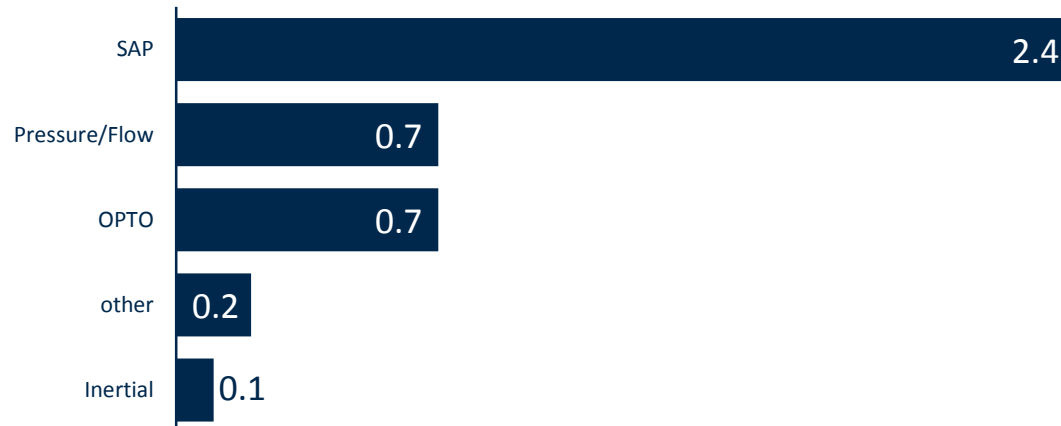
## Investment in SAP / conservative booking of strategic projects

In € million

### Intangible Assets



### Breakdown 2017



### Comments

### Actions

- Footprint in FLOW and OPTO Projects
- Project Controlling: Stage Gate Process

# BALANCE SHEET

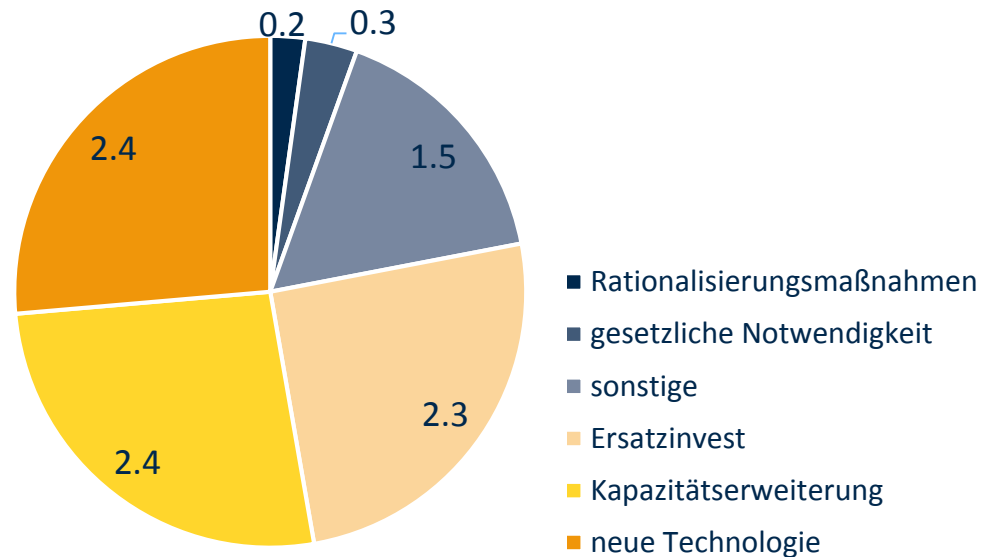
## Investments: 7.1 million for new technologies & production capacity

In € million

### Equipment



### Bookings 2017



### Comments

Workload 2017 based on “planned capacity”:

- OPTO: 49%
- MEMS: 97%
- AVT: 80 %

### Actions

Investments 2018: € 8- 10 million:

- Insourcing
- 6 Inch
- Automatisierung

## BALANCE SHEET

## Net working capital ratio 2017: 25.1% / 90 days

In € million

## Inventory

	Raw Material	Unfinished Goods	Finished Goods
2017	11.2	6.3	7.1
2016	10.7	6.5	8.7

-4.8% DIH -9↑

## Receivables

2017	20.8
2016	18.4

+13.0% DSO +1↓

## Liabilities Supplier

2017	7.9
2016	8.6

-8.4% DPO 0↓

## Comments

## Current assets:

- Inventory: Shut down production -> SAP
- Receivables: Overdue > 30 days: 11.8%

## Actions

→ KVP-Targets

# CASHFLOW STATEMENT

## Free cashflow amounts to € 3.5 million

	2016	2017
CF Operations	16.6	16.0
CF Investments	-6.5	-12.5
Free CF	10.0	3.5
CF Financing	-7.8	-1.7
Total CF	2.3	1.8
<b>Cash</b>	<b>23.8</b>	<b>25.5</b>

### Comments

- Open credit line: €11.1 million
- Currently no factoring
- Covenants:
 

EBITDA/Net Debt:	1.16	→ cap 3.5
EBITDA/Interest:	11.04	→ cap 4.25

### Actions

# SUMMARY

## Priorities 2018ff

### Top Initiatives

- ▶ Insourcing and 6 inch
- ▶ Product portfolio / DB 40
- ▶ Further improvements by lead time and on-time delivery



---

# FINANCIAL STATEMENT 2017: MILESTONE ON OUR WAY TOWARDS PROFITABLE GROWTH

---

## **Capital Market Day**

March 22, 2018

Dr. Mathias Gollwitzer

First Sensor AG

[www.first-sensor.com](http://www.first-sensor.com)

This presentation contains forward-looking statements. This presentation does not represent any solicitation to purchase shares of First Sensor AG. Rather it is intended exclusively for information purposes with regard to possible future developments at the company. All future-oriented information in this presentation was produced on the basis of probability-based planning and represents statements regarding the future which cannot be guaranteed. Rounding differences may occur.

Rounding differences may occur