

## Q3'19 – Set of mix results, lower end of guidance range targeted

*First Sensor published a mixed set of results. Q3 revenues were up by 2% yoy to EUR 41.6m, compared to our estimate of EUR 40.9m. The slightly better revenue performance was mainly related to the Mobility segment, where we had expected a negative impact from a weaker demand in the automotive industry due to the general economic uncertainties. The underperformance in the Medical segment is related to lower call-ups from customers. However, revenues in the Industrial segment were overall solid, which should be related to higher demand from Asian customer for optical sensors. Reported EBIT of EUR -0.7m was burdened by one-off costs related to the TE merger in the amount of around EUR 4.0m. Adjusted for that, operating EBIT of EUR 3.3m was broadly in-line with our estimate of EUR 3.6m. Management expects further one-off burdens with related to the TE merger in Q4e, which cannot be quantified at this stage. As already flagged, First Sensor is targeting the lower end of its guidance ranges. We do not expect any meaningful impact from the results on the share price, as the ongoing takeover by TE (c. 72% of shares already tendered) should be the main driver for the shares. Hold, TP of EUR 32.50.*

First Sensor AG - Review Q3 2019

EUR m	Q3 2019	Q3 2018	% yoy	Pareto	Delta	9M 2019	9M 2018	% yoy
Revenues	41.6	40.8	2.0%	40.9	1.7%	122.9	115.1	6.7%
Industrial	21.7	20.7	5.1%	22.0	-1.4%	65.3	57.8	13.1%
Medical	8.9	9.5	-6.6%	9.1	-2.2%	27.5	25.8	6.3%
Mobility	10.9	10.5	3.8%	9.8	12.1%	30.1	31.5	-4.5%
Adjusted EBIT margin	3.3	4.6	-29.1%	3.6	-10.6%	10.0	8.6	15.7%
Adjusted EBIT margin	7.8%	11.3%	-343 BP	8.9%	-107 BP	8.1%	7.5%	32 BP

Source: First Sensor, Pareto Securities Research

### FY 2019e guidance

- ▶ For FY 2019e, First Sensor is guiding revenues to be at the lower end the of the range of EUR 160m to EUR 170m (PAsE: EUR 161m), and an operating EBIT margin which is likely also at the lower end of the guided 8.5% to 9.5% range (PAsE: 8.6%).
- ▶ Order intake in Q3 at EUR 41.5m (book-to-bill ratio of 1) showed an improvement compared to the prior year as well as to the prior quarter. Order backlog as of end of Q3, was at a solid level of EUR 94.3m.

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