

TE strives for a domination and profit and loss transfer agreement

First Sensor has started to negotiate a domination and profit and loss transfer agreement with TE, which has a c.72% stake in the company. In order to generate the highest amount of synergies and achieve a closer cooperation between First Sensor and TE, not only on the R&D site, the announced step can be considered as a logical consequence. If a domination agreement is agreed on, TE will have to make another takeover offer and offer also a guaranteed dividend payment. The compensation payment for the outstanding shareholders as well as the annual dividend will be determined after an independent evaluation of an auditor according to the IDWS 1 standard. Given that the prior takeover has ended only a few months ago, this price of EUR 28.25 will most likely be the floor for the coming offer. Furthermore, the expected offering can be challenged in a court law by the shareholders, which could take long time to settle the case.

Subject to completion of takeover – closing expected for mid-2020

- ▶ However, the result of the negotiations is subject to the to the completion of the public takeover offer, which is expected for mid 2020e, with approvals from Germany and the US are still pending. In addition, an extraordinary general meeting of shareholders will be also necessary to finalize such a domination and profit and loss transfer agreement.
- ▶ In its public takeover offering from July 2019, TE already reported to consider a domination and profit and loss transfer agreement, if it would be economically and operationally reasonable.

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