

Prelim figures in-line – FY 2020e guidance fits into current overall picture

First Sensor reported prelim figures for Q4/FY 2019, which were in-line with our expectations and the company's own guidance. Q4 revenues declined by 4% yoy to EUR 38.4m (PAsE: EUR 38m). Adj. EBIT (excluding TE merger costs) amounted to EUR 3.4m (PAsE: EUR 3.7m). Thus, FY revenues of EUR 161.3m and adj. EBIT of EUR 13.5m or the corresponding margin of 8.4% came it at the lower end of First Sensor's guidance ranges (revenues EUR 160-170m, adj. EBIT margin 8.5%-9.5%), which was already indicated by the company. The guidance for FY 2020e (revenue target at mid-point 17.5% below our estimate), which includes expected effects of COVID-19 from today's perspective, is by no means surprising and fits into the current overall picture with great uncertainties. After successful completion of the takeover by TE (c.72% share in First Sensor), a domination and profit and loss transfer agreement is expected to be approved at First Sensor's scheduled AGM on 26 May. Hold, TP EUR 32.5.

First Sensor AG - Review Q4 2019

EUR m	Actual			PAsE		PAsE		
	Q4 2019	Q4 2018	% yoy	PAsE	Delta	FY 2019e	FY 2020e	FY 2021e
Revenues	38.4	40.0	-4.0%	38.0	1.1%	160.9	176.2	194.9
Adjusted EBIT margin	3.4	3.6	-4.5%	3.7	-7.0%	13.8	15.4	17.8
Adjusted EBIT margin	8.9%	9.0%	-5 BP	9.7%	-77 BP	8.6%	8.8%	9.1%

Source: First Sensor, Pareto Securities Research

Weak guidance does not surprise, given the current circumstances

- ▶ For FY 2020e, First Sensors expects revenues of EUR 145-155m (PAsE: EUR 176m) and an adj. EBIT margin of 3%-6% (PAsE: 8.8%), subject to a further deterioration of the current market environment.
- ▶ The final figures for FY 2019 will be published on 25 March.

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