

More general economic burden than COVID-19 – Guidance confirmed

Q1 revenues decreased by 6% yoy to EUR 38.8m compared to our estimate of EUR 37.9m. In addition to rather subdued COVID-19 effects, the slowdown in economic development already at the beginning of the year is likely to have been a particular burden, in our view. The higher than expected revenue decline in the Industrial segment is also a result of lower demand from Chinese customers due to the COVID-19 impacts. The lockdowns at the automotive OEMs have not yet shown any effect in the Mobility segment, where revenues increased by 6% yoy. Revenues in Asia increased by 12% yoy to EUR 6.05m, while the DACH region posted a decline of 9% yoy to EUR 18.38m. Group adj. EBIT (adjusted by TE merger costs of EUR 290k) decreased significantly to EUR 0.3m as a result of lower topline and unfavorable revenue mix. The increase in orders (+3% yoy to EUR 43.4m, book-to-bill: 1.1x) is however very pleasing. In view of the successful takeover by TE (stake in First Sensor of 71.87%), we believe that the results are of minor importance for the share price. First Sensor has signed a domination and profit and loss transfer agreement with TE, which is subject to the approval of the AGM on 26 May. Accordingly, it is intended to offer First Sensor shareholder a guaranteed dividend of EUR 0.47 per share (EUR 0.56 gross amount). Furthermore, for the outstanding shareholders TE offers a cash compensation of EUR 33.27 per share, which is around 18% higher than the takeover offer of EUR 28.25.

First Sensor AG - Review Q1 2020

EUR m	Actual			PAsE		PAsE		
	Q1 2020	Q1 2019	% yoy	PAsE	Delta	FY 2020e	FY 2020e	FY 2021e
Revenues	38.8	41.4	-6.3%	37.9	2.3%	176.2	176.2	194.9
Industrial	20.3	22.2	-8.6%	19.7	2.8%	88.0	97.2	110.0
Medical	8.5	9.8	-13.1%	8.6	-1.5%	36.0	38.8	44.8
Mobility	10.0	9.5	6.0%	9.6	4.8%	36.9	40.2	40.2
Adjusted EBIT margin	0.3	4.1	-91.5%	0.2	84.2%	15.7	15.7	18.1
Adjusted EBIT margin	0.9%	9.9%	-903 BP	0.5%	40 BP	8.6%	8.9%	9.3%
EBT	-0.6	3.9	n.m.	-1.0	-42.7%	13.8	13.8	16.2
EBT margin	-1.5%	9.4%	-1088 BP	-2.6%	116 BP	2.4%	7.9%	8.3%
Net income	-0.9	2.7	n.m.	-0.7	24.1%	9.8	9.8	11.5

Source: First Sensor, Pareto Securities Research

FY 2020e guidance confirmed

- ▶ First Sensors expects revenues of EUR 145-155m and an adj. EBIT margin of 3%-6%, subject to a further deterioration of the current market environment.
- ▶ The order backlog per end of March of EUR 98m is on a very good level, in our view.

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