

First Sensor 

WE EMPOWER THE FUTURE

FINANCIAL STATEMENT PRESS CONFERENCE

MARCH 20, 2017



AGENDA

1. WELCOME & BUSINESS MODEL, DR. DIRK ROTHWEILER (CEO)
2. RESULTS FOR THE FINANCIAL YEAR 2016, DR. MATHIAS GOLLWITZER (CFO)
3. OUTLOOK 2017, DR. DIRK ROTHWEILER (CEO)
4. FURTHER INFORMATION

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OUR EXECUTIVE BOARD

Dr. Dirk Rothweiler joins First Sensor AG as the new CEO in January 2017



Dr. Dirk Rothweiler
CEO

since Jan. 1, 2017

Professional career

- 2017 CEO, First Sensor AG
- 2008 Executive Vice President Optical Systems, Jenoptik AG
- 2005 Vice President Sales and Service, TCZ
- 2000 Managing Director Asia-Pacific, Süss Microtec Co. Ltd.
- 1999 Director Sales & Marketing, Süss Microtec AG
- 1995 Project Manager for the Semiconductor Technology Division, Carl Zeiss
- 1995 Doctorate from the Department of Engineering, RWTH Aachen



Dr. Mathias Gollwitzer
CFO

since Aug. 10, 2015

Professional career

- 2015 CFO, First Sensor AG
- 2012 Director Corporate Controlling, EnBW Energie Baden-Württemberg AG
- 2008 CFO, Mercedes-Benz France SAS
- 2006 Director Corporate Controlling, DaimlerChrysler AG
- 2005 CFO, DaimlerChrysler Belgium/Luxembourg NV/SA
- 2002 Division Manager Research and Technology, Daimler AG
- 1995 Division Manager Operational Business Segment Controlling, Telefunken Systemtechnik GmbH
- 1992 Specialist of the central division Finance/Controlling, Deutsche Aerospace AG

OUR COMPANY

We are a leading provider of sensor technology

1991
foundation

150,1
million sales revenues in 2016

850
employees

3
target
markets

9
development and
production locations

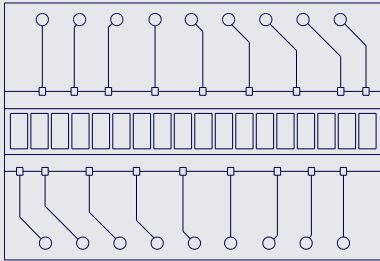
33
sales
regions

250
years of
experience

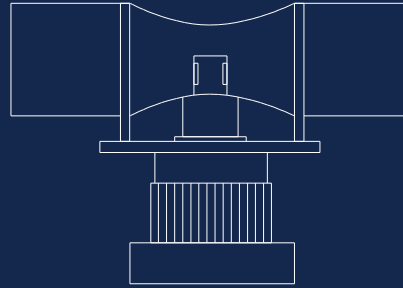
OUR RANGE OF SERVICES

We develop and produce standard products and sensor solutions

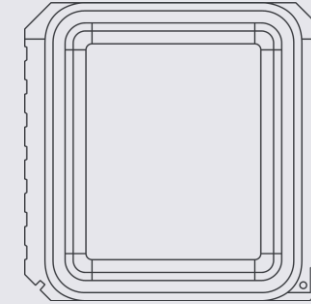
Radiation



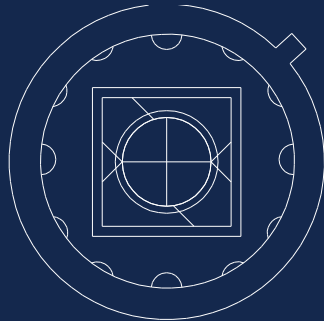
Flow



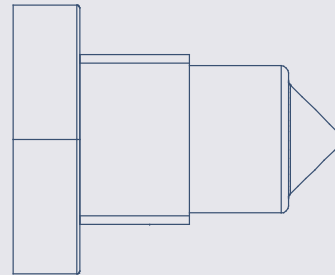
Acceleration



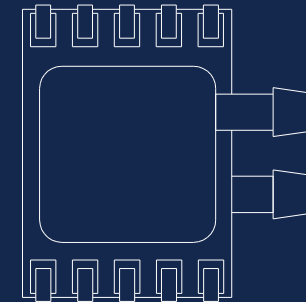
Light



Level



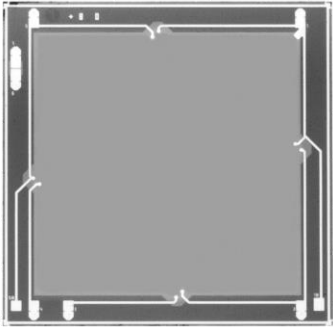
Pressure



OUR COMPETITIVE ADVANTAGE

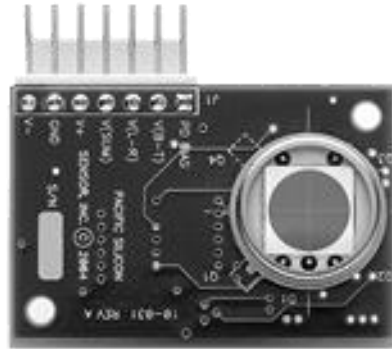
We cover the entire value chain of sensor technology

Sensor chip



- Silicon based
- Converts physical parameters into electrical signals

Packaging



- Connecting microelectronic and non-electronic micro components to a housing

Sensor



- Consists of a sensor chip, a housing and electronics
- The measurement signal can be calibrated

Sensor system



- Measures and preprocesses data
- Communicates with other systems

Detect

Detect & Understand

OUR MARKETS


We focus on the growth markets Industrial, Medical and Mobility

First Sensor  Industrial

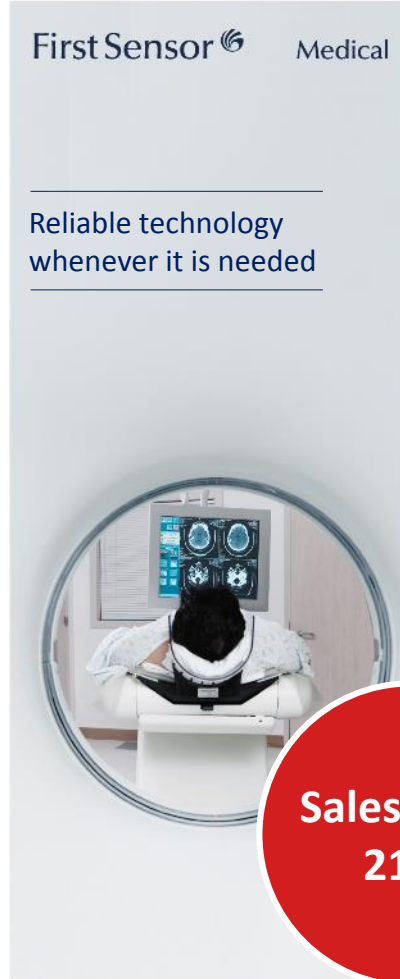
Innovative solutions
for the automation
of industry



**Sales share
48%**

First Sensor  Medical

Reliable technology
whenever it is needed



**Sales share
21%**

First Sensor  Mobility

New ideas for
intelligent mobility



**Sales share
31%**

OUR MARKET PRESENCE

Germany is our most important market contributing 50% of sales



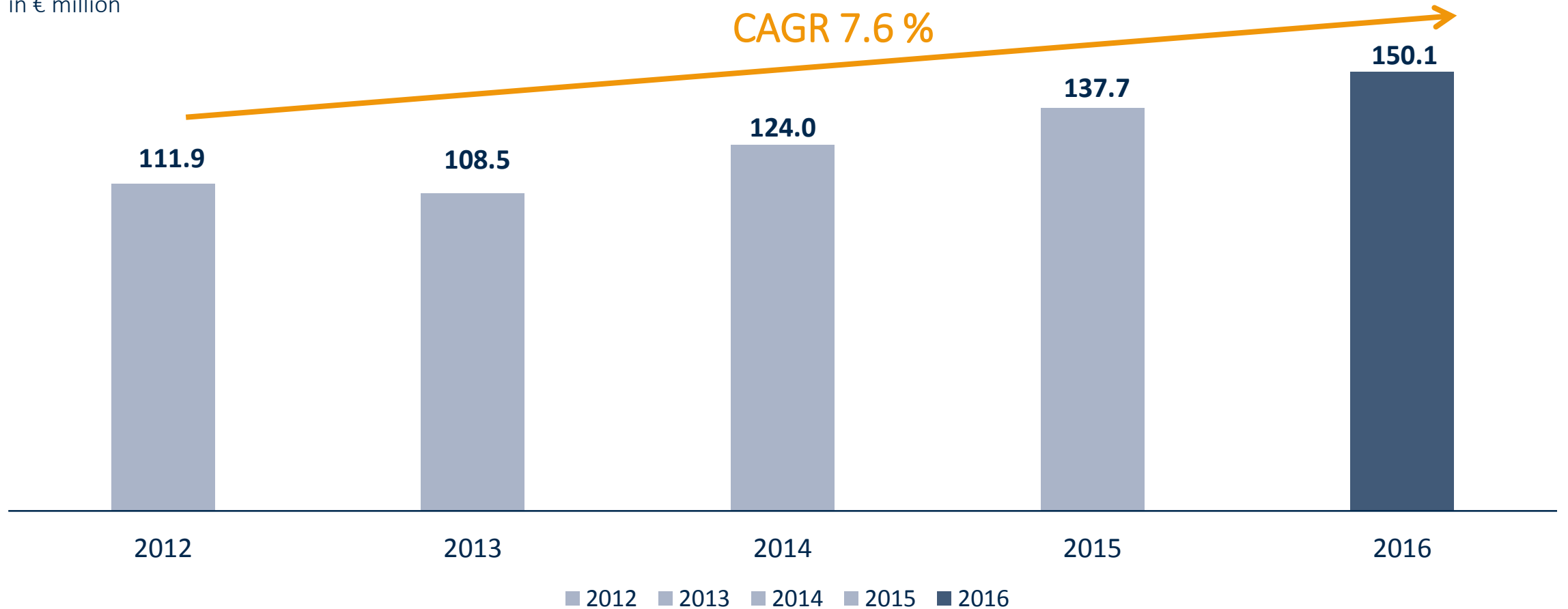
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SALES IN TOTAL

We increased our sales by 9.0% to €150.1 million in fiscal year 2016

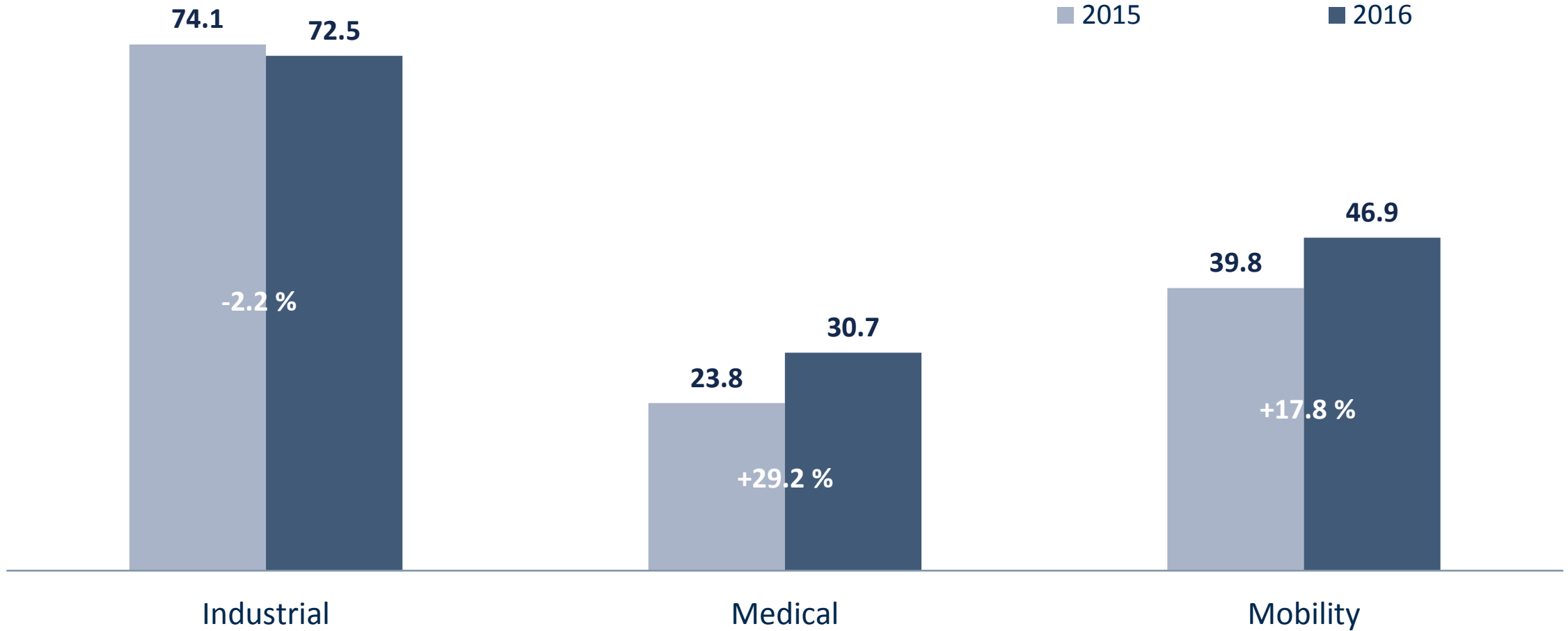
Sales 2012 – 2016
in € million



SALES BY TARGET MARKETS

Strong growth in the medical and mobility target markets

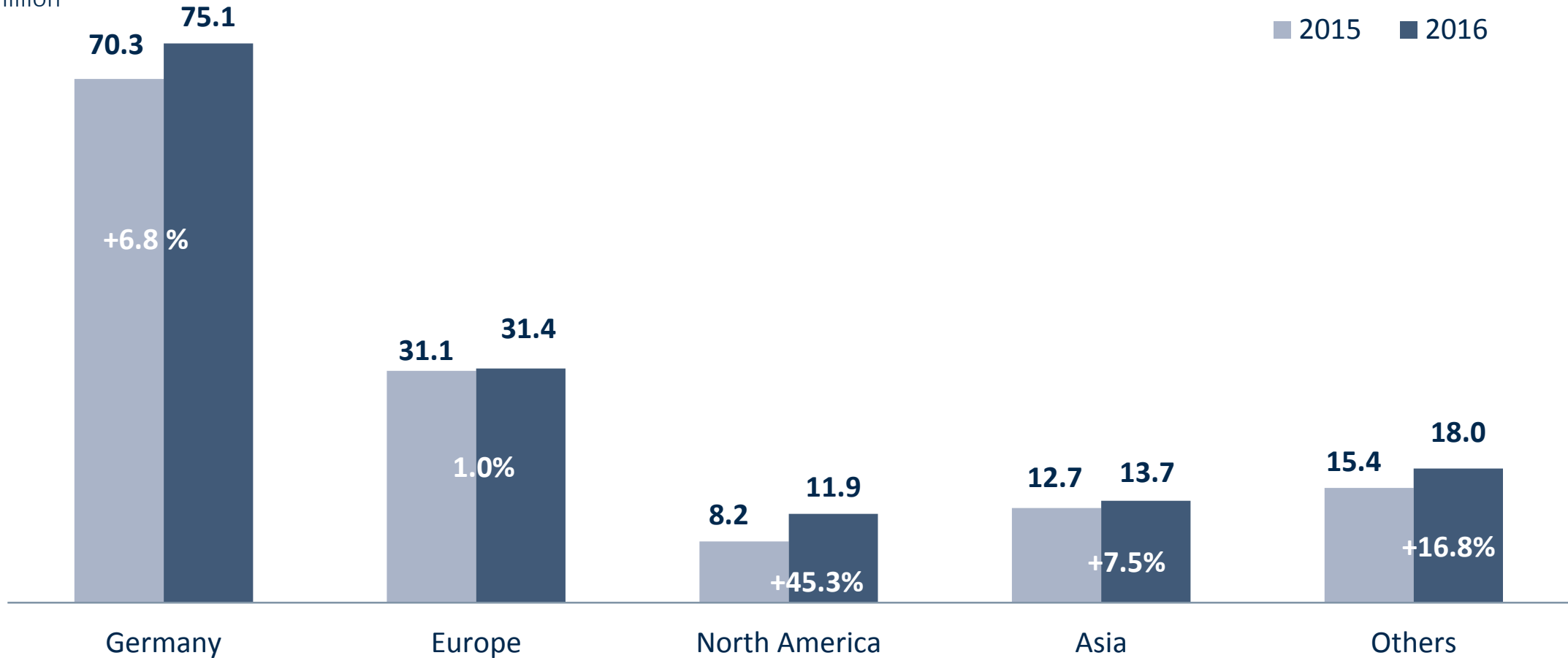
in € million



SALES BY SALES REGIONS

We generated further growth in our core & high potential sales regions

in € million



EBIT AND EBIT MARGIN

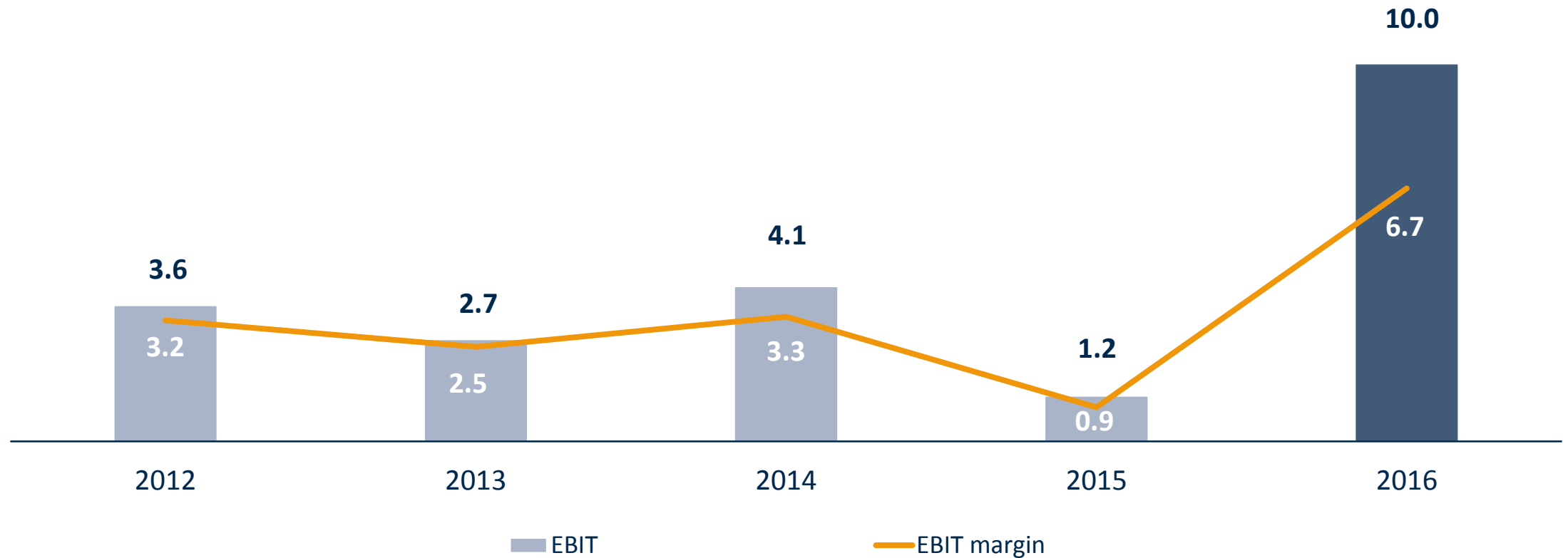
To strengthen our profitability is just as important as sales growth

EBIT 2012 – 2016

in € million

EBIT margin

in %

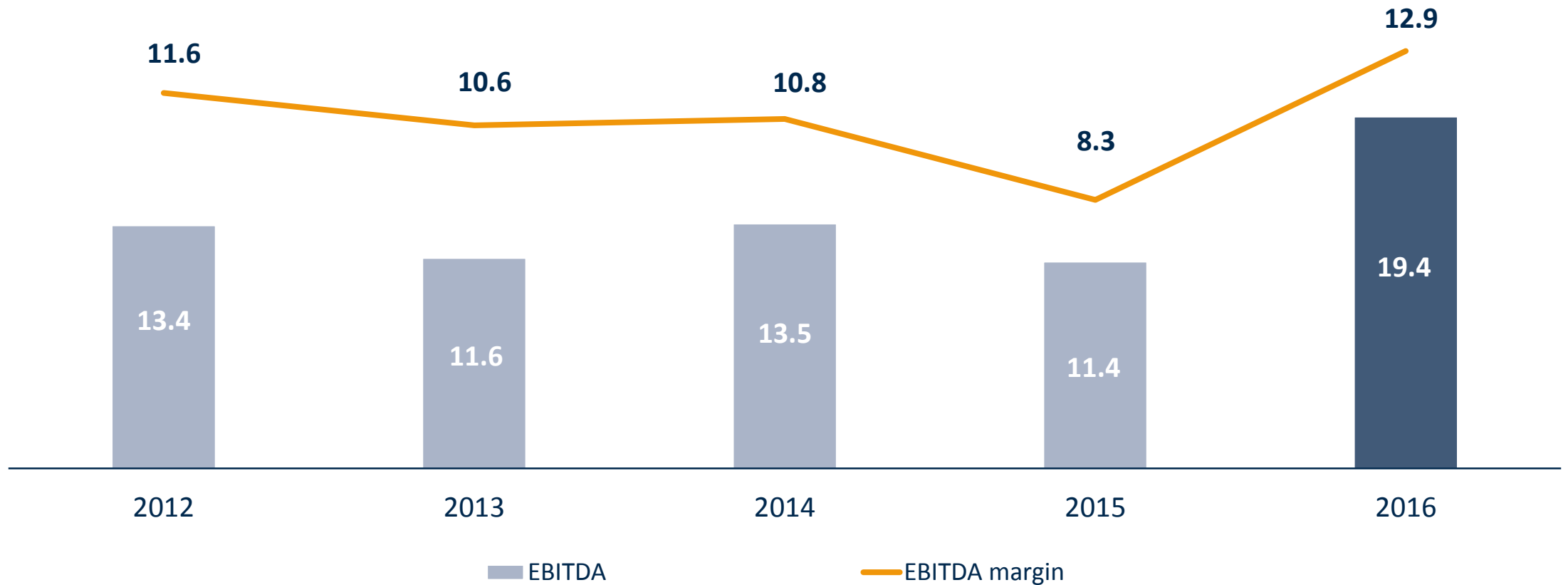


EBITDA AND EBITDA MARGIN

EBITDA improved by 71% to €19.4 million

EBITDA 2012 – 2016
in € million

EBITDA margin
in %

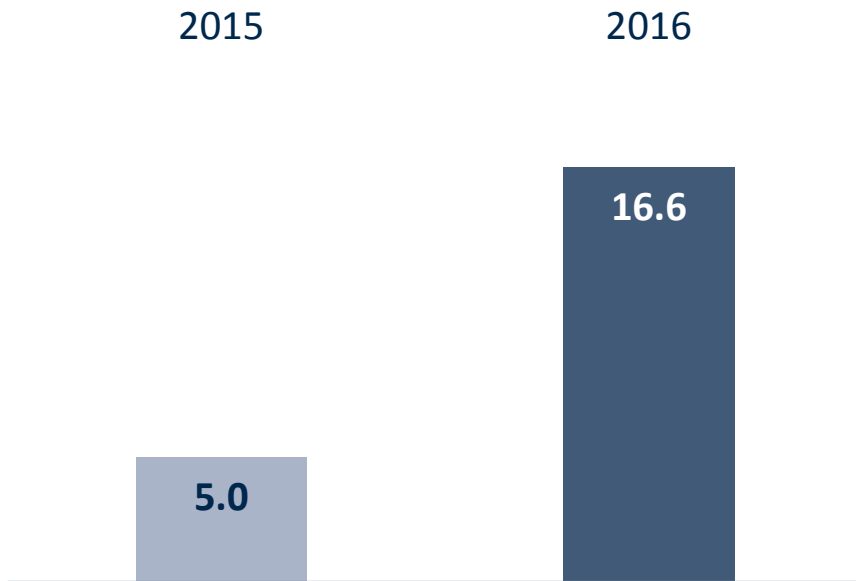


CASHFLOW

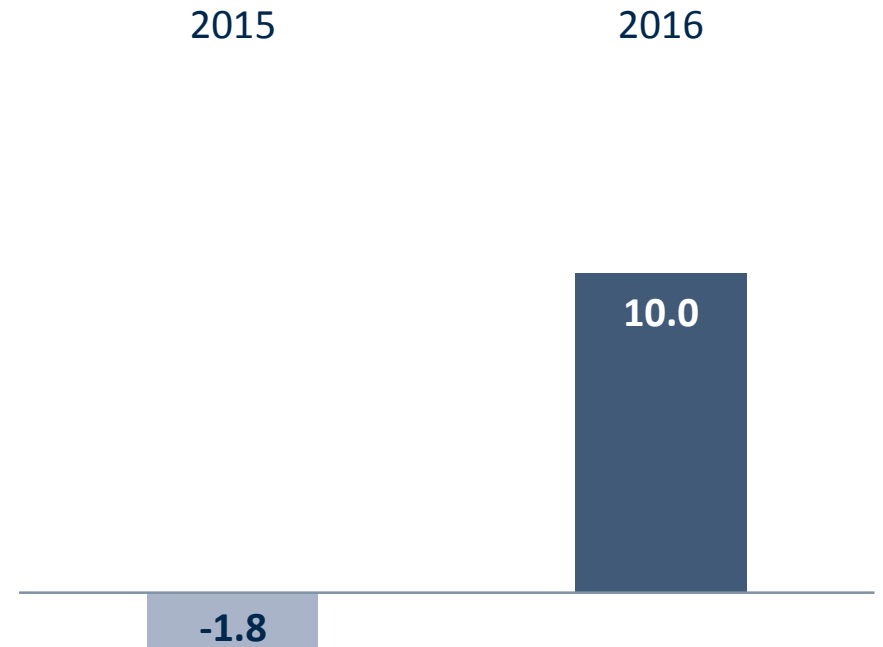
Operating and Free Cash flow positive

in € million

Operating Cash flow



Free Cash flow

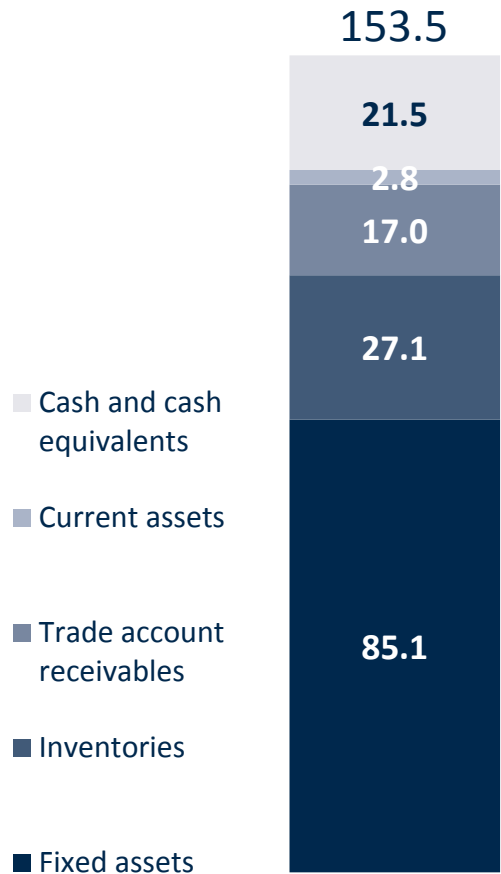


KEY BALANCE SHEET ITEMS

Total assets increased to €154.0 million in fiscal year 2016

in € million*

ASSETS



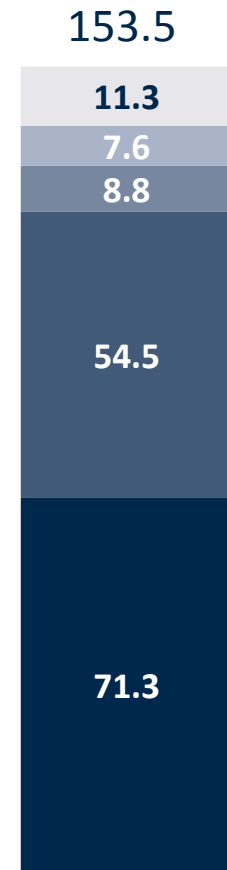
2015

154.0



2016

EQUITY AND LIABILITIES



2015

154.0

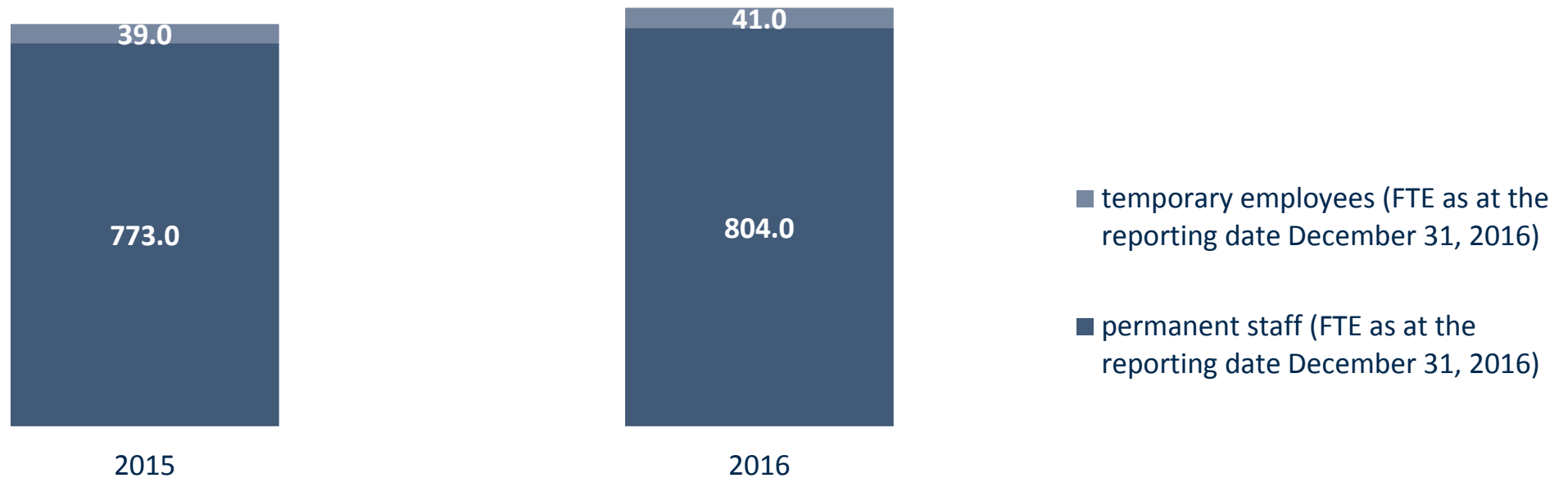


2016

EMPLOYEES

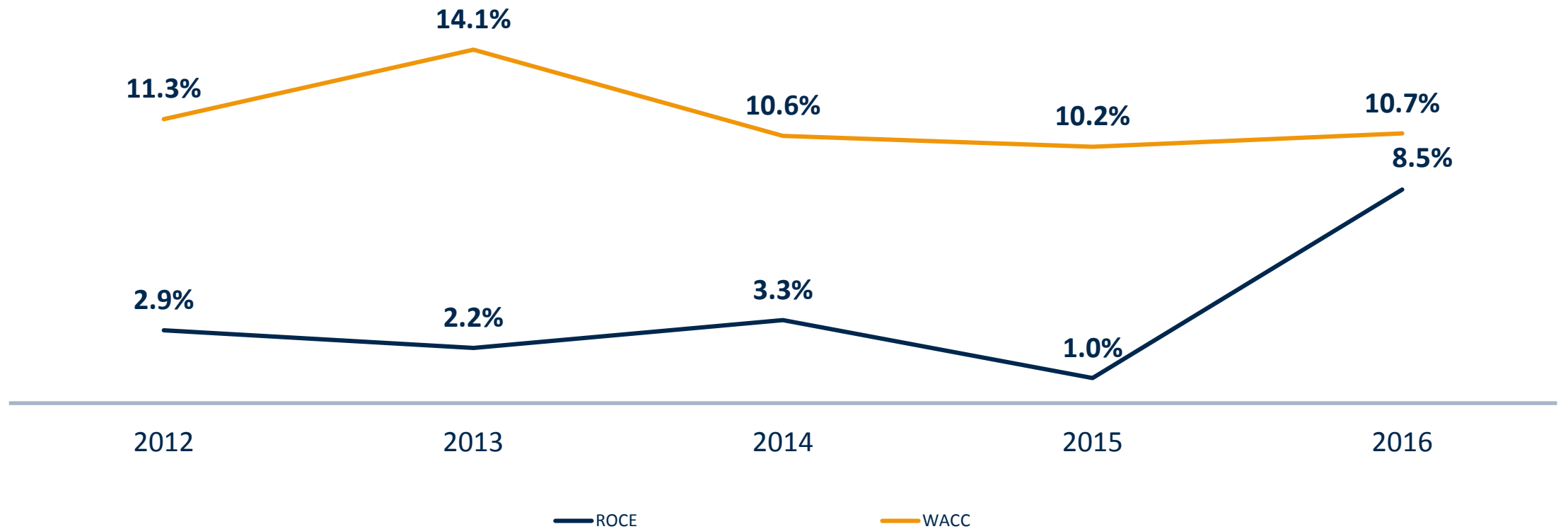
Increase attributable to sales, product management and development

	2015	2016	
personnel expenses:	€ 41.9 million	€ 44.1 million	+ 5.3 %
sales per employee:	€ 178.9 thousand	€ 189.8 thousand	+ 6.1 %



ROCE & WACC

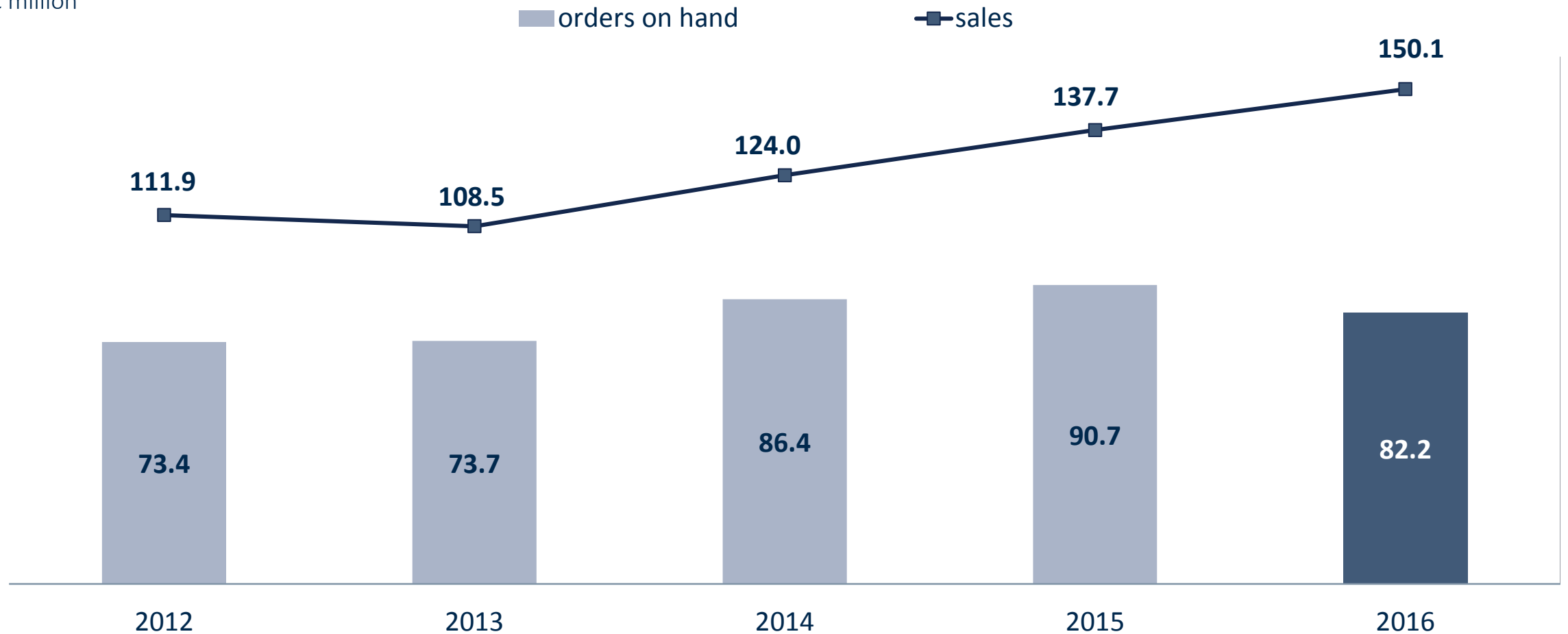
First step has been taken for a sustainable value contribution



ORDERS ON HAND

Backlog impacted by the order expiration in the mobility target market

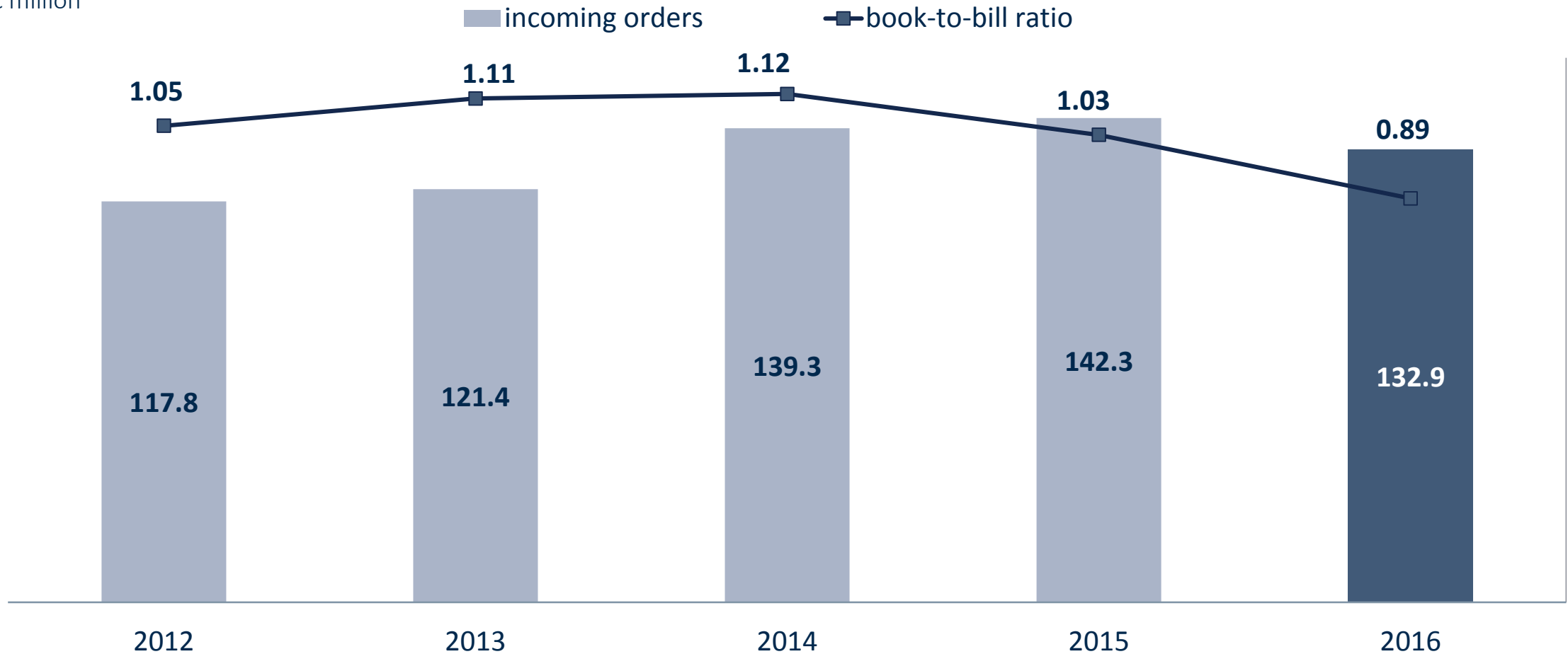
in € million



INCOMING ORDERS AND BOOK-TO-BILL

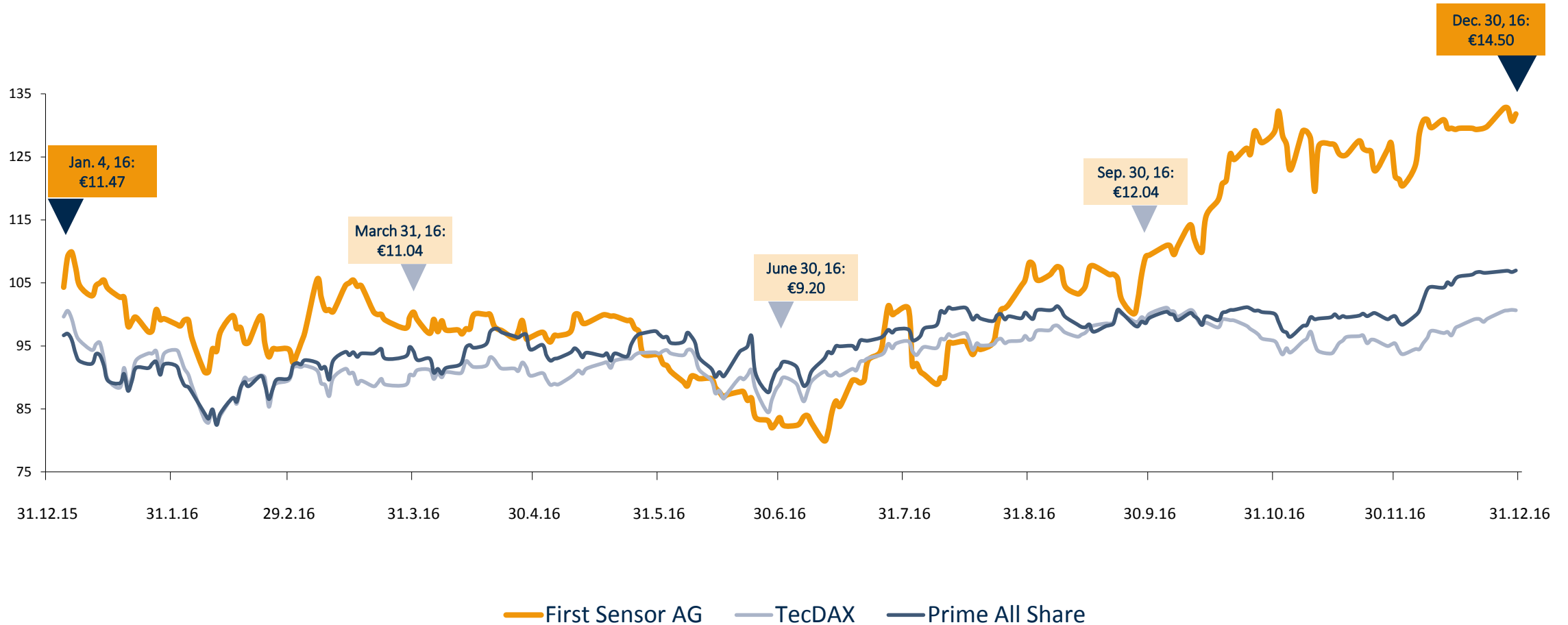
Book-to-bill ratio at the lower end of the long-term average

in € million



OUR SHARE PRICE DEVELOPMENT

We increased our company's value by 16.6%, earnings per share € 0.57



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GROWTH DRIVER

The digitalization of the world drives our Industrial target market

- Connection of the physical and the virtual world achieved with the help of communication processors and sensors
- Trend that not only defines industry, but also urban and everyday life
- First Sensor develops sensor solutions e.g. for:
 - smart factories that automate and control industrial processes
 - smart cities that connect and monitor buildings and public infrastructure
 - smart products that create new business models through IoT services



GROWTH DRIVER

Industrial: Development with regard to fields of applications



INDUSTRIAL PROCESS CONTROL

- Growth due to recovery of oil market
- Launch of new differential pressure series in 2016
- Move into the display calibration of mobile devices with new ITC client



RADIATION AND SECURITY

- Follow-up project for Xray cargo scanners in security applications
- next technological step to silicon photomultipliers in preparation with sampling process started



SMART BUILDING

- Expansion in the North-American HVAC market with a new client from the building sector, follow-up projects for the application are expected



LENGTH MEASUREMENT

- Push into the market for civil drones with first prototypes for Asian market leaders
- Experts assume a market volume of €6.6 billion in 2020 for commercial drones



AEROSPACE

- Increased sales force to penetrate European Aerospace market with market share wins
- expansion of growth in laser alignment systems

GROWTH DRIVER

The miniaturization of devices drives our medical target market

- Enables essential elements of diagnostics and treatment to be carried out locally or at home
- The emergence of new IoT services for the healthcare sector leads to fundamental changes in medical treatments
- Sensors that are becoming ever smaller and more powerful represent the basis for this future
- First Sensor develops sensor solutions e.g. for:
 - new imaging diagnostics systems that allow blood samples to be tested within seconds
 - minimally invasive operation techniques
 - mobile medical devices and assistance systems



GROWTH DRIVER

Medical: Development with regard to our fields of applications



DIALYSIS AND INFUSION

- Home dialysis is a growing market; 33% of the patients could use it: Increased sales force and first projects for the European market, e.g. with innovation leader in UK



RESPIRATION AND PNEUMOLOGY

- Expansion in the North-American market with new project in sampling process for a ventilation platform in intensive care



DIAGNOSTICS

- Until 2020, experts assume a yearly market growth of 8% in this field: In cooperation with R&D partners, we work on a new photonic sensor system for point of care diagnostics

GROWTH DRIVER

Autonomous and efficient cars drive our Mobility target market

- New technological options will open up a wide range of new possibilities for implementing sensors and sensor systems that make driving safer and more comfortable and sustainable
- The global opportunity for assistive and autonomous technologies in the B2B market will be in the range of \$22 to \$26 billion annually by 2025 according to forecasts, with yearly growth between 12% and 14%
- First Sensor develops sensor solutions e.g. for:
 - partially and fully autonomous cars and trucks
 - commercial vehicles as well as construction and agricultural machinery



GROWTH DRIVER

Mobility: Development with regard to our fields of applications



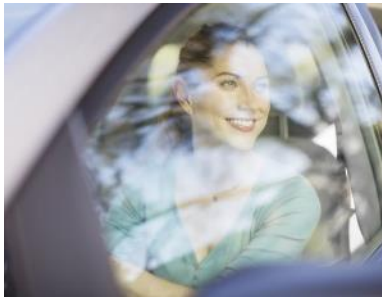
SMART CARS

- LiDAR Systems: Expanded cooperation with Velodyne LiDAR Inc. in the North-American market and additional projects with other drivers of innovation



UTILITY AND SPECIAL VEHICLES

- New contract in 2016 signed: One of the world's biggest manufacturers of construction machinery uses our camera system for remote control of the vehicles



PASSENGER CARS

- Pressure sensors for braking systems: Follow-up project for a German carmaker runs until 2021, ongoing cooperation since 2011

OUR GUIDANCE 2017

Sales impacted by the expiration of an order in the Mobility market

SALES REVENUES

140 - 145

MILLION EURO

OUR GUIDANCE 2017

Expected sales level of €140 million to €145 million in fiscal year 2017

Opportunities

- New development projects for customer specific sensor solutions as a result of last sales initiative
- Renewed and extended supply agreements as a result of long-term supply contracts and technology lead
- As sensors as a key technology for many innovations in different industries, new field of applications occur
- AMA anticipates sales growth for sensor technology of 5.0% in the current year; number of sensors for B2B applications worldwide will double every eight to nine years

Risks

- Internal growth of €10 million has to be achieved to compensate end of contract in the Mobility segment
- The launch of new products may result in delays on the customer's end
- Different growth dynamics in our target markets with regard to sensor technology
- Experts at the International Monetary Fund expect for our sales regions a slight decline in growth; general economic climate affected by changes in government policies



In the medium to long term, we continue to anticipate growth rates averaging 10% over the next years.

OUR GUIDANCE 2017

Improving our profitability remains our focus

SALES REVENUES

140 - 145

MILLION EURO

EBIT MARGIN

5 - 6

PERCENT

OUR GUIDANCE 2017

Margin at the level of original EBIT forecast 2016 despite lower sales

Opportunities

- Focus towards high margin products and products with a higher share of First Sensor R&D
- Reduction of production costs and better economies of scale based on lean management projects
- Better core processes for more operative excellence

Risks

- Higher marketing expenses for the introduction of new technologies, e.g. inertial sensors, microring resonators
- Effects such as fluctuations in purchase prices, risks relating to process stability, increases in wages and salaries, the uncertain product mix with regard to the cost of materials
- Increased training expenses in connection with the introduction of a uniform ERP system at three German production sites



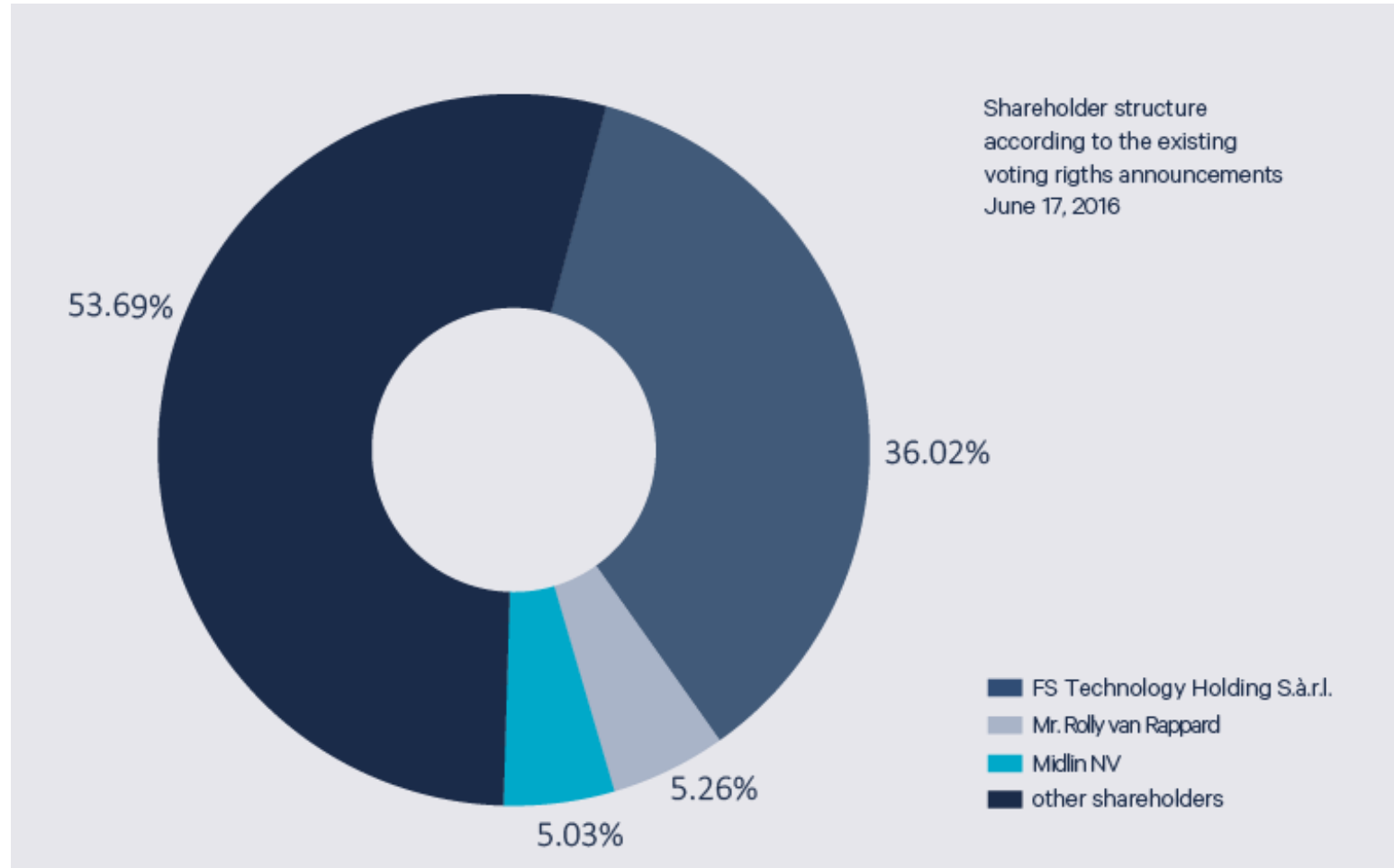
Overall, we are keeping to our goal of achieving an EBIT margin of 10% in the medium term.

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FURTHER INFORMATION

Our shareholder structure



Key facts

IPO:	07/15/1999
Market listing:	Prime Standard
Market Cap*:	€ 148.0 million
Number of shares*:	10,208,396
Traded stocks/day**:	11,215

* as of December 31, 2016

** annual average

FURTHER INFORMATION

Financial calendar 2017

When?	What?
18.05.2017	Q1 Interim Report
24.05.2017	Annual Meeting 2017, Penta Hotel, Grünauer Str. 1, 12557 Berlin
10.08.2017	6-Month Financial Report
09.11.2017	Q3 Interim Report
27.-29.11.2017	Analyst' Conference: German Equity Forum, Frankfurt am Main

THANK YOU

We empower the future – Financial Statement Press Conference

March 20, 2017

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