

First Sensor 

WE SENSE THE FUTURE

FINANCIAL STATEMENT PRESS CONFERENCE
MARCH 23, 2016



FINANCIAL STATEMENT PRESS CONFERENCE

1. First Sensor business model
2. Results for financial year 2015
3. Outlook 2016
4. First Sensor share
5. Q&A session

FIRST SENSOR BUSINESS MODEL

Sensors und sensor systems „Made in Germany“

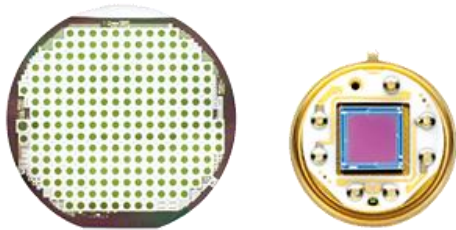
- First Sensor: one of the world's leading providers in sensor technology
- Products: chips, components, sensors, and entire sensor systems based on tried-and-tested technology platforms
- Customers: long-standing partnerships with well-known industrial groups as well as young technology companies
- Segments: customer-specific solutions for applications in the industrial, medical, and mobility target markets
- Goal: expansion of our international presence, enhancing value continuously and sustainably



FIRST SENSOR BUSINESS MODEL

We cover the entire value chain for sensor technologies.

WAFER + COMPONENTS



- R&D/design
- front-end manufacturing
- assembly, test

SENSOR



- Final assembly & packaging
- Final test, calibration

SYSTEM



- Software/IP
- Multiple further level of integration

FIRST SENSOR BUSINESS MODEL

We focus on the markets Industrial, Medical and Mobility


First Sensor  Industrial

Innovative solutions for the automation of industry

- Industrial Process Control
- Radiation and Security
- Smart Buildings
- Length Measurement
- Aerospace



Sales Share
2015
54 %


First Sensor  Medical

Reliable technology whenever it is needed

- Diagnostics
- Medical Respiration and Pneumology
- Dialysis and Infusion




Sales Share
2015
17 %

First Sensor  Mobility

New ideas for intelligent mobility

- Cameras and camera systems
- Pressure Sensors
- Optical Sensors
- Flow Sensors

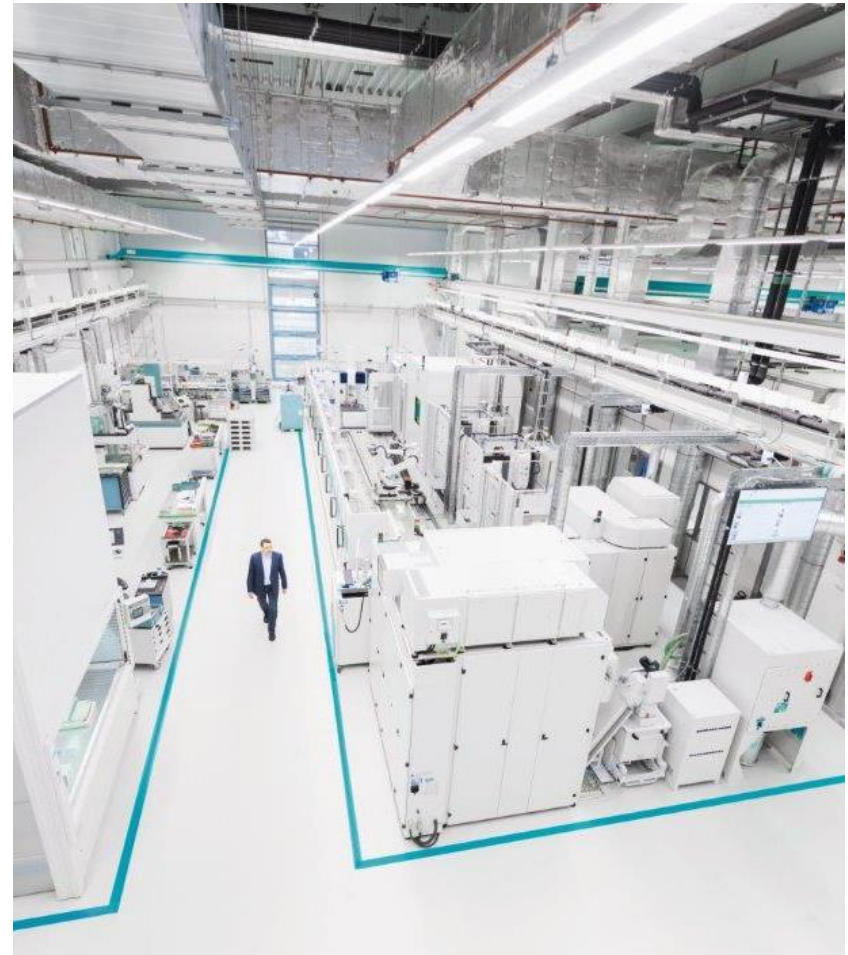


Sales Share
2015
29 %

FIRST SENSOR BUSINESS MODEL

Industry 4.0: Growth driver for BU Industrial

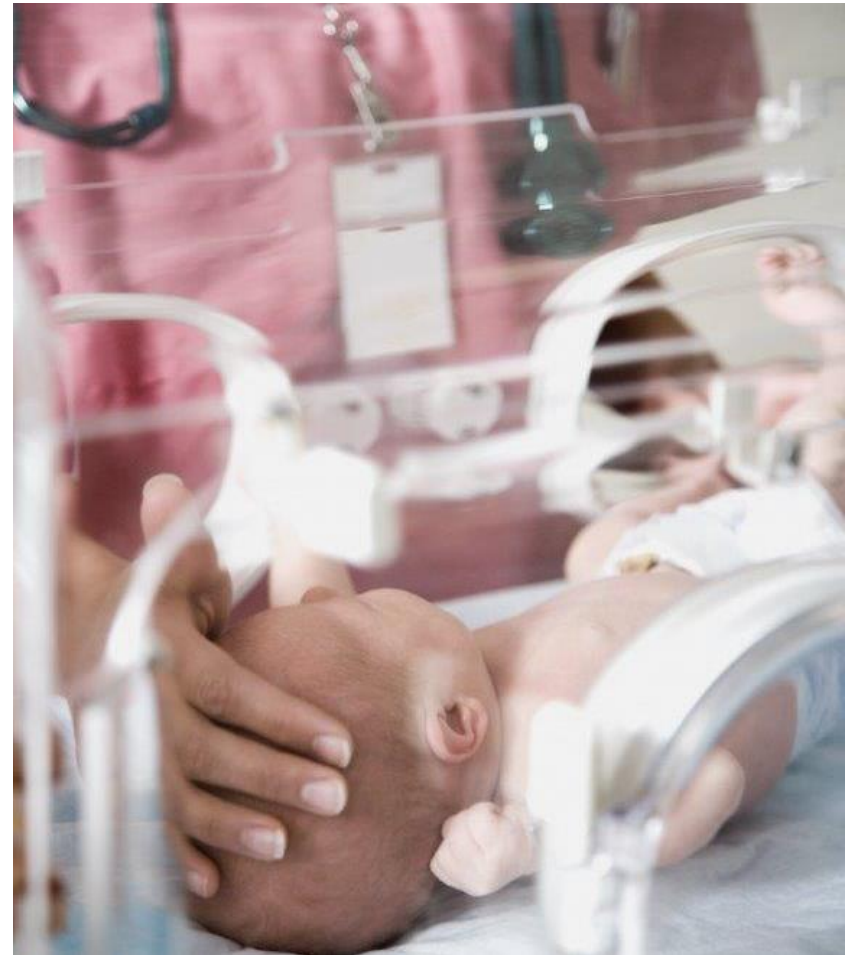
- Connection of the physical and the virtual world achieved with the help of communication processors and sensors
- Additional value creation potential of €78 billion by 2025 in Germany
- Trend that not only defines industry, but also urban and everyday life
- First Sensor develops intelligent sensor solutions e.g. for:
 - smart factories that automate and control industrial processes
 - smart cities that know when a parking space is free
 - smart products that make everyday work easier



FIRST SENSOR BUSINESS MODEL

Miniaturization of devices: Growth driver for BU Medical

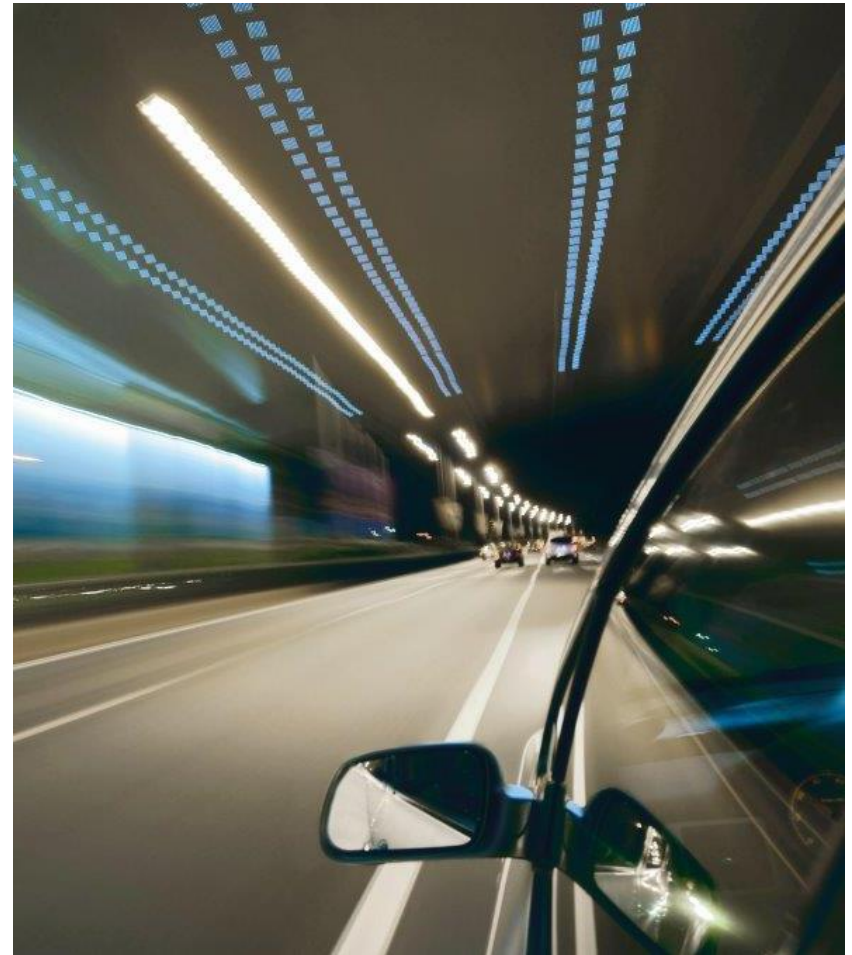
- The miniaturization of medical devices enables essential elements of diagnostics and treatment to be carried out locally or at home
- Sensors that are becoming ever smaller and more powerful represent the basis for this future
- First Sensor develops intelligent sensor solutions e.g. for:
 - new imaging diagnostics systems
 - minimally invasive operation techniques
 - mobile medical devices and assistance systems



FIRST SENSOR BUSINESS MODEL

Autonomous Driving: Growth driver for BU Mobility

- 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
- Self-driving cars are still in the pilot phase, but forecasts predict that as many as 54 million of these vehicles could be on the road by 2025
- First Sensor develops intelligent sensor solutions e.g. for:
 - partially and fully autonomous cars and trucks
 - commercial vehicles and construction and agricultural machinery



FIRST SENSOR BUSINESS MODEL

Our corporate culture: A further key to our success

VISION

Our innovation and excellence are your success.

MISSION

We engineer the growth markets of the future.

VALUES

INNOVATION

is our future. Through continuous technological advancement, we overcome the challenges of tomorrow.

EXCELLENCE

stands for our aspiration to provide the highest level of precision and quality.

PROXIMITY

is the key to our success.

We are a trusted partner for our employees, our customers and all other stakeholders.

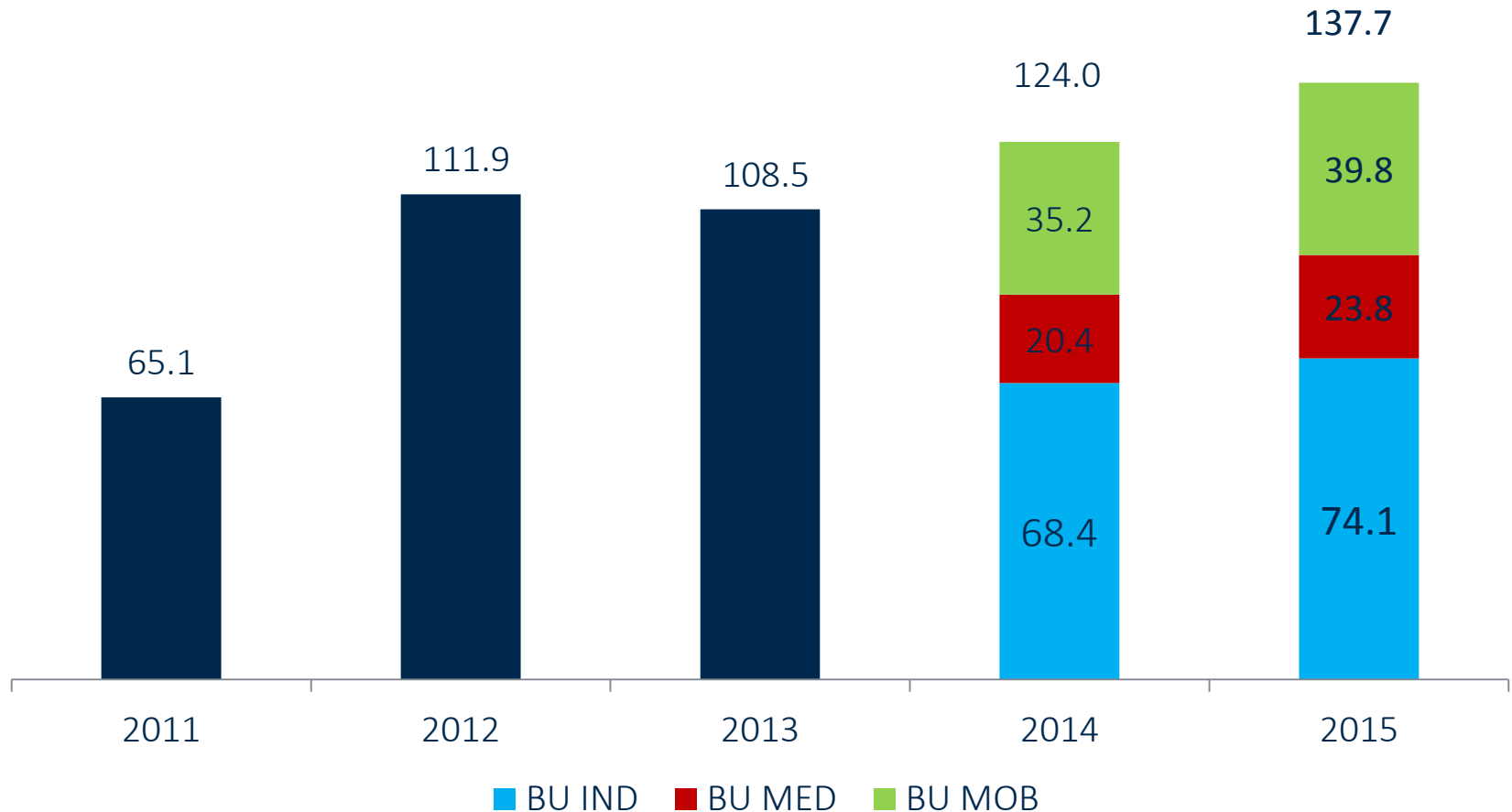
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RESULTS FOR FINANCIAL YEAR 2015

11.1 % year-on-year increase in sales

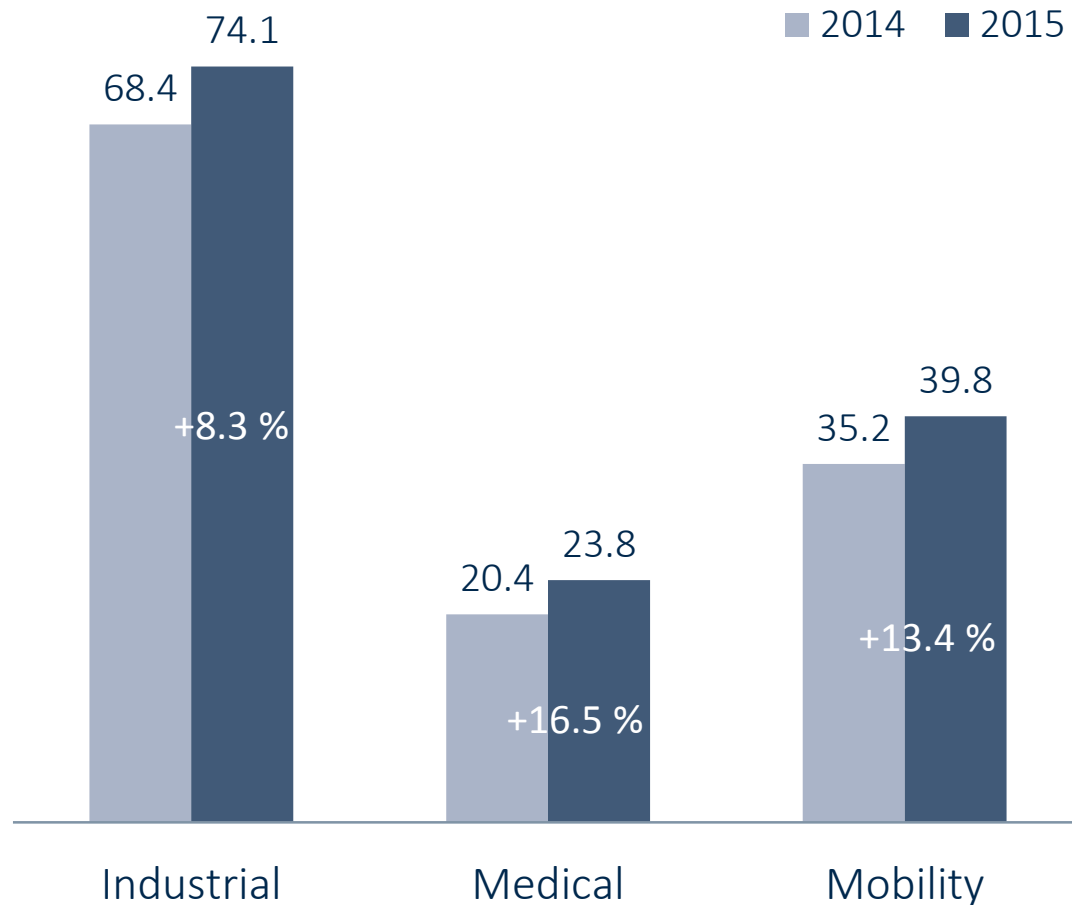
in € million



RESULTS FOR FINANCIAL YEAR 2015

Strongest growth: Business Unit Medical

in € million



Industrial

Sustainable growth with existing and new accounts

Medical

Start of production for development projects and first project with new strategic account supports stronger growth

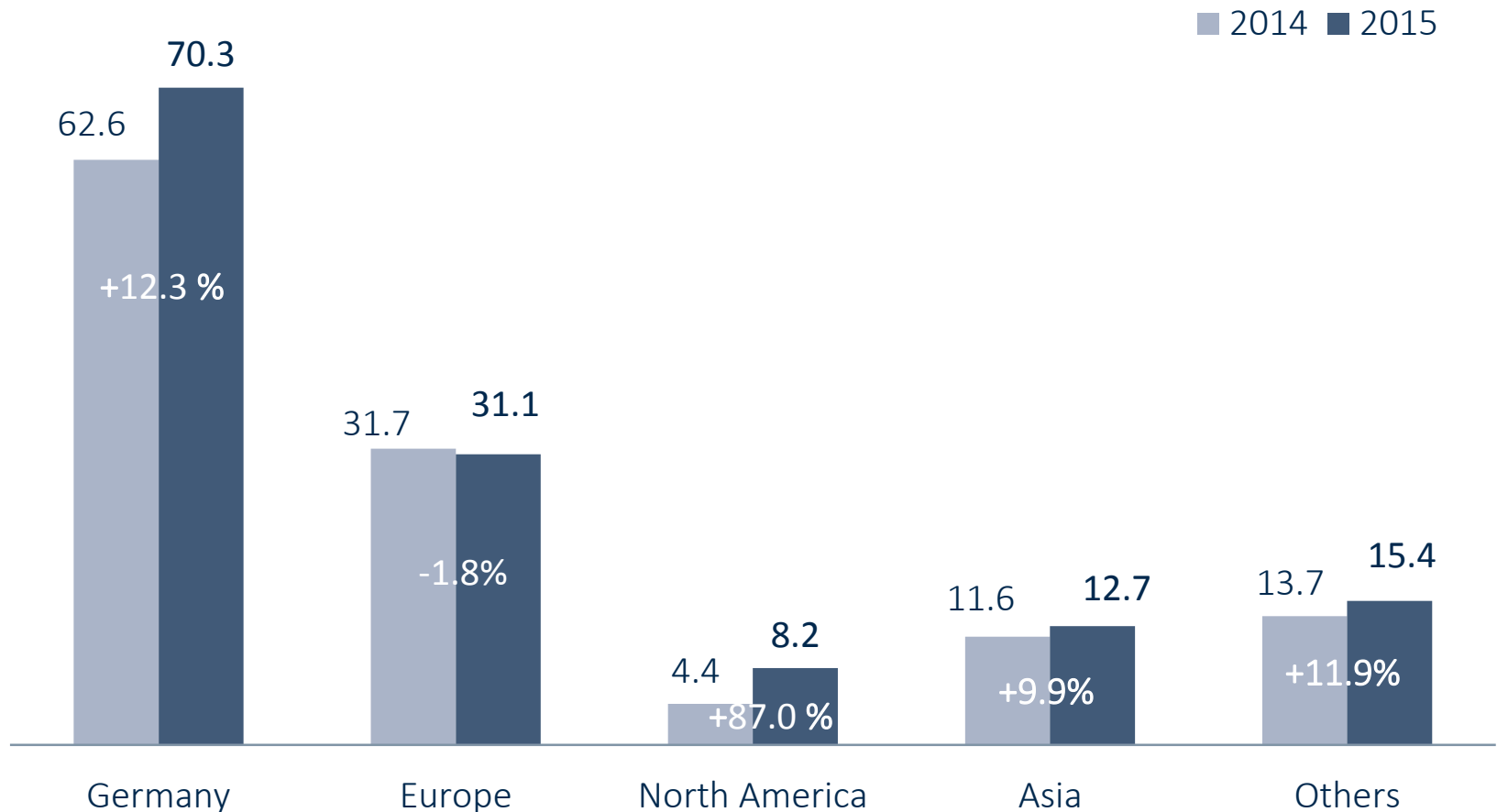
Mobility

Scheduled expiration of a major order for an automotive manufacturer slows down growth

RESULTS FOR FINANCIAL YEAR 2015

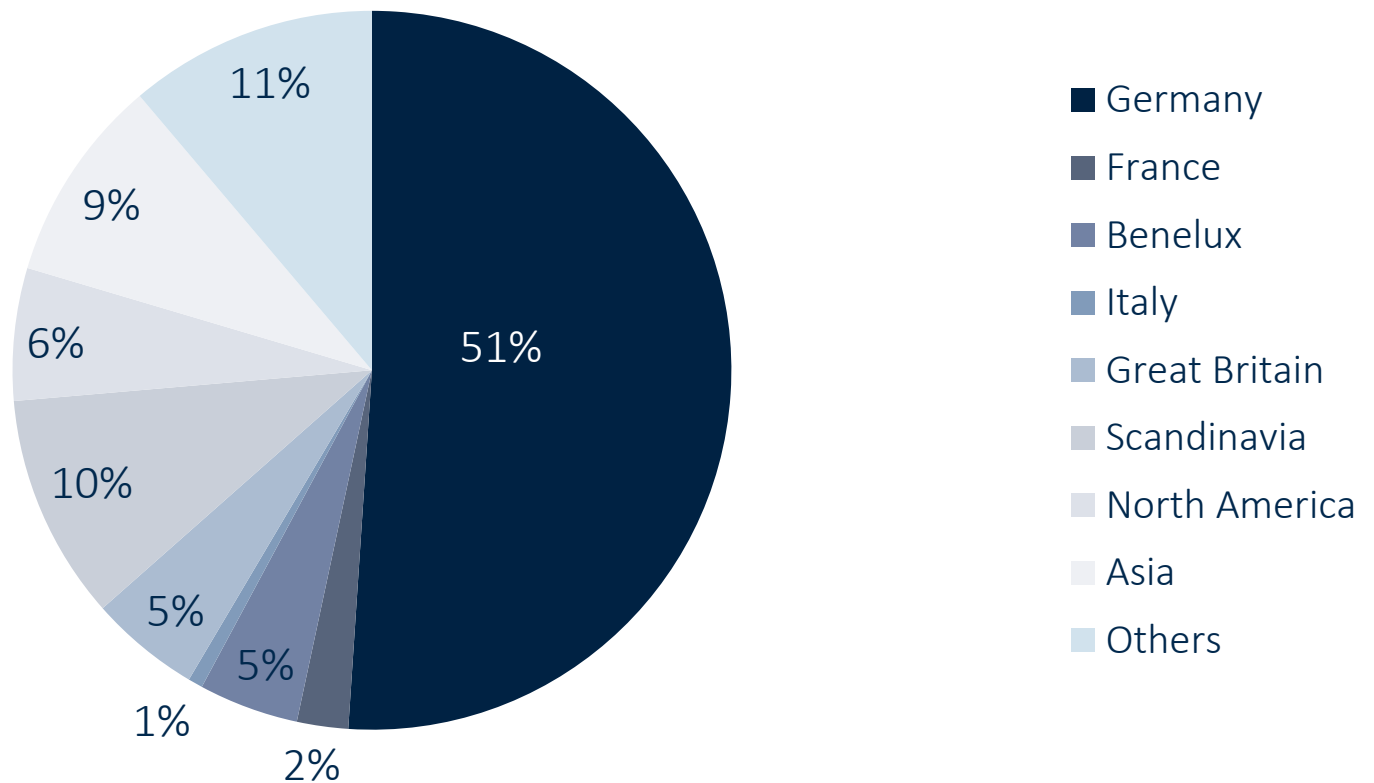
Further growth in Germany, North America and Asia

in € million



RESULTS FOR FINANCIAL YEAR 2015

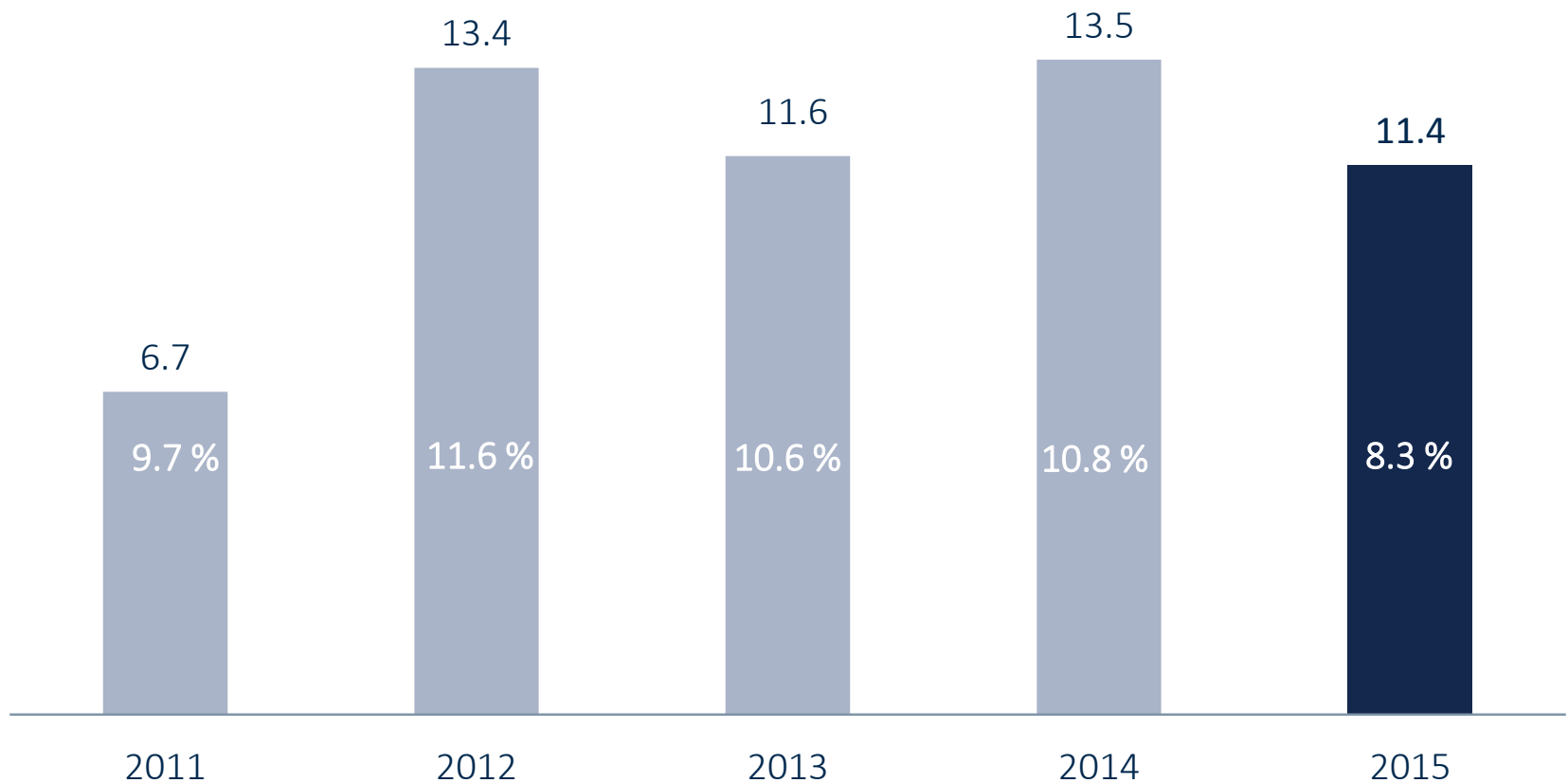
Largest share of sales: Germany (51%) & Europe (23%)



RESULTS FOR FINANCIAL YEAR 2015

EBITDA 2015 covers non-recurring effects

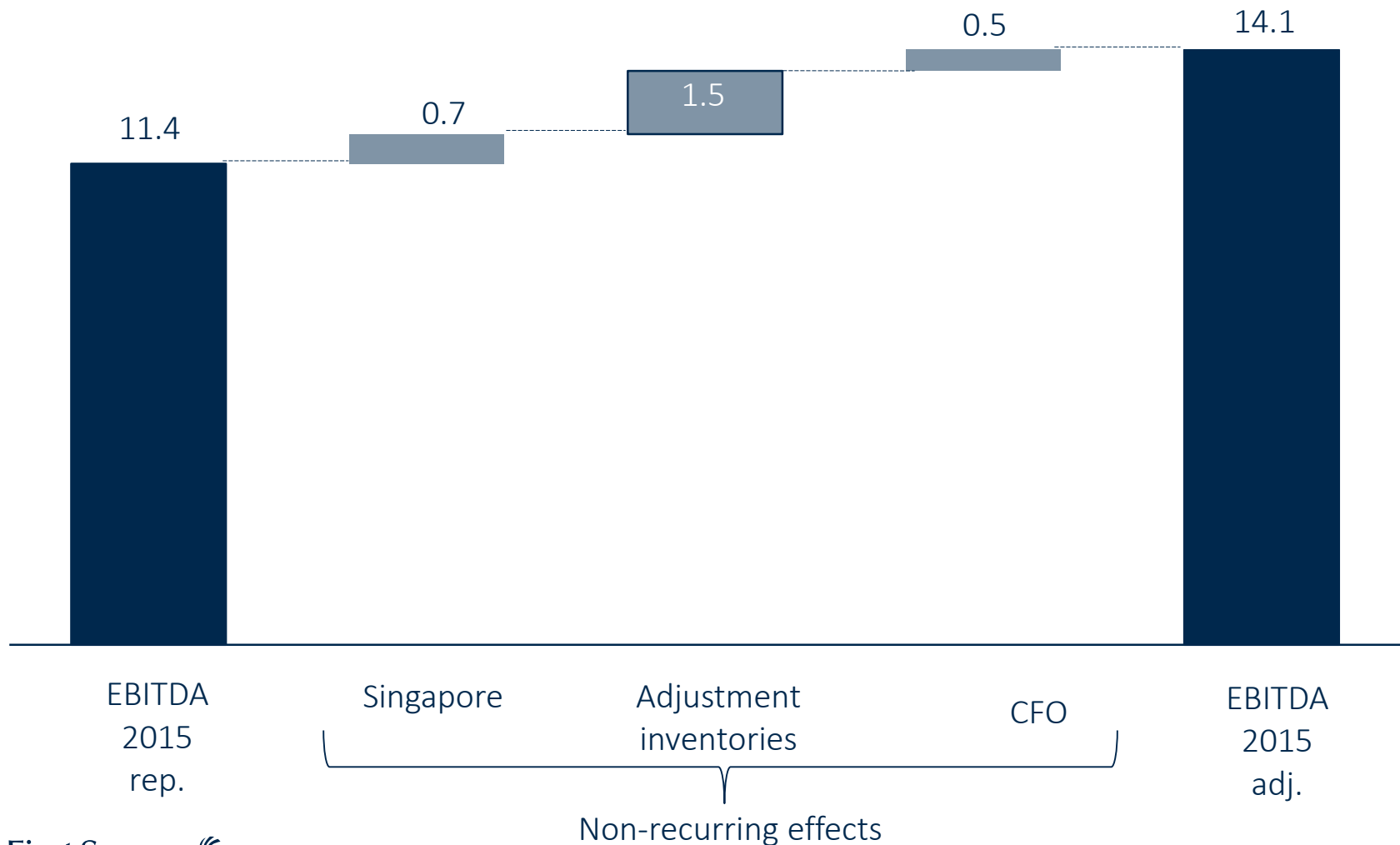
in € million



RESULTS FOR FINANCIAL YEAR 2015

EBITDA 2015 adjusted for non-recurring effects

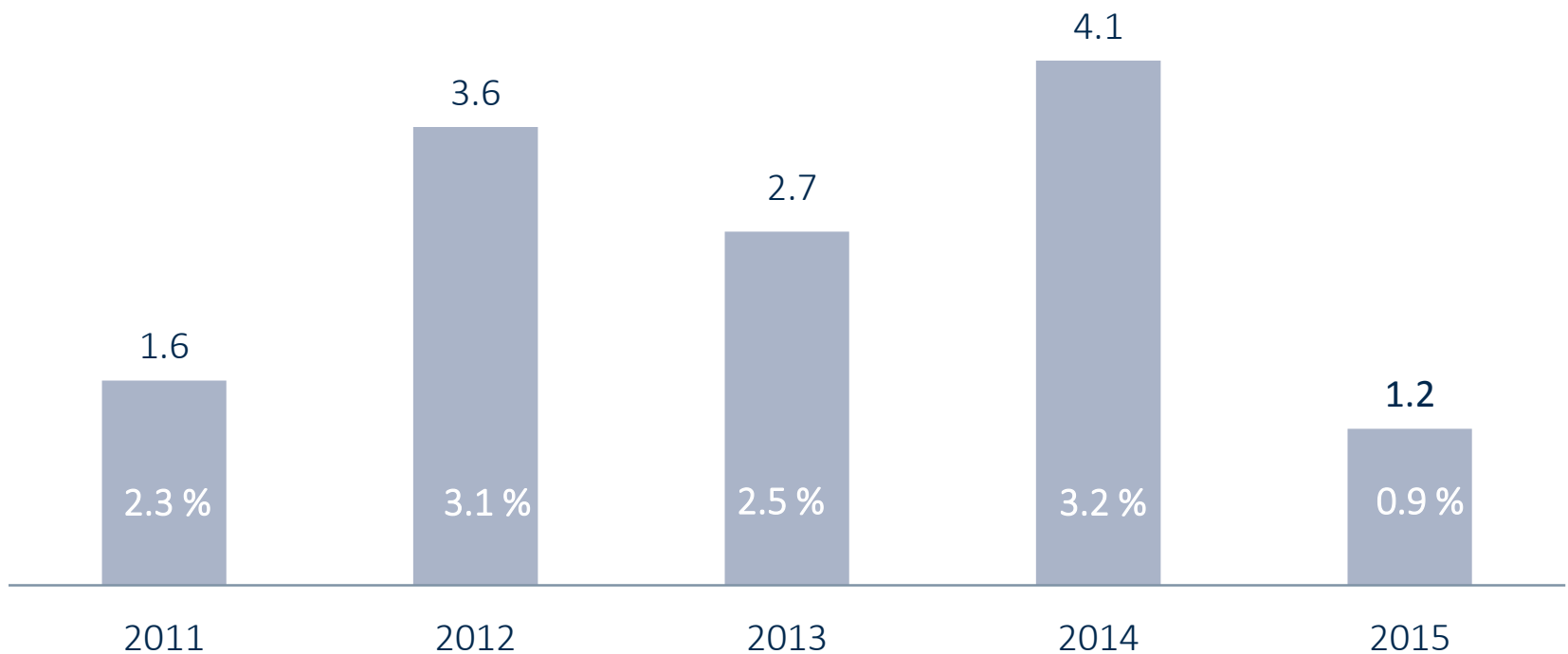
in € million



RESULTS FOR FINANCIAL YEAR 2015

EBIT & EBIT margin: Earnings quality is not satisfactory

in € million

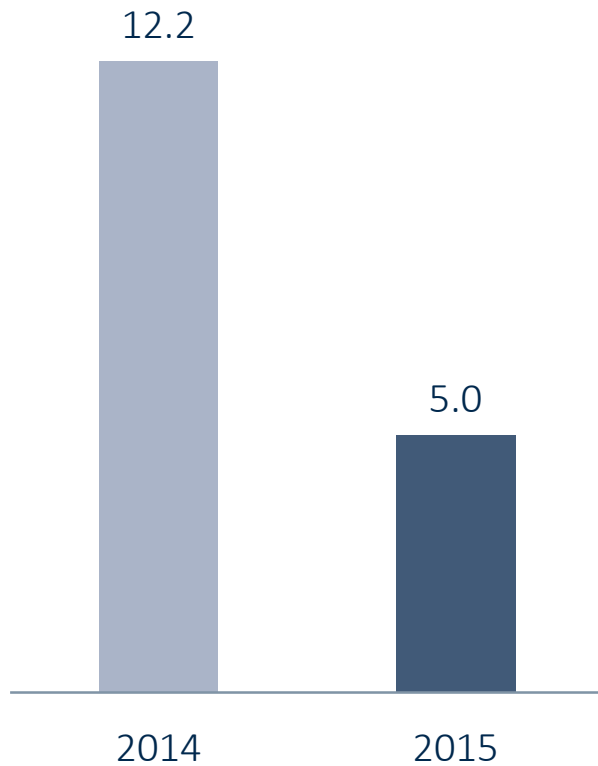


RESULTS FOR FINANCIAL YEAR 2015

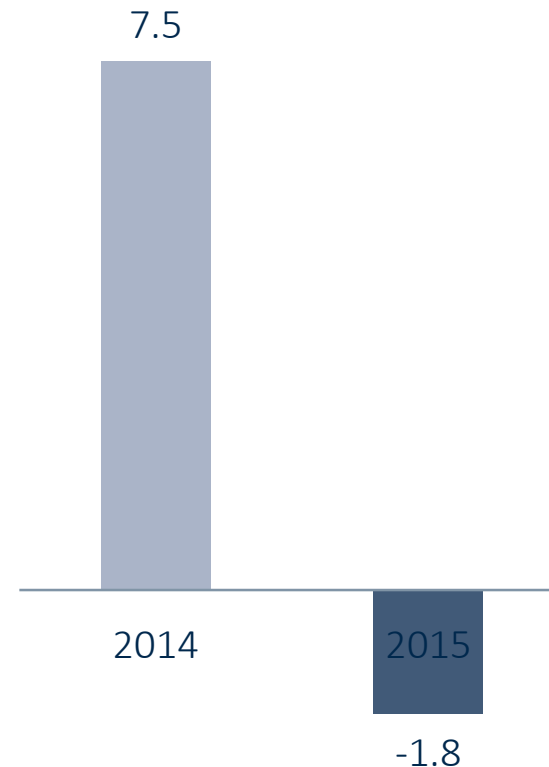
Cash flow reflects termination of factoring

in € million

Operating Cashflow

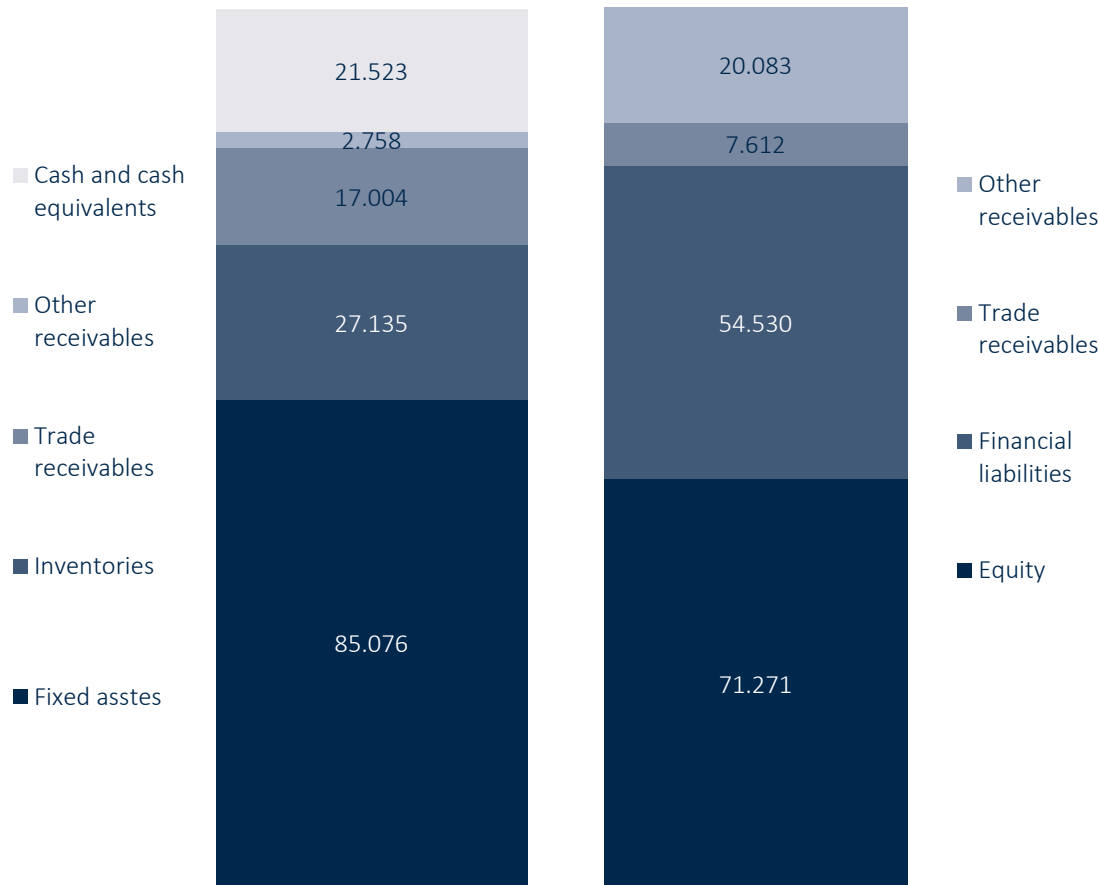


Free Cashflow



RESULTS FOR FINANCIAL YEAR 2015

Changes in key balance sheet items

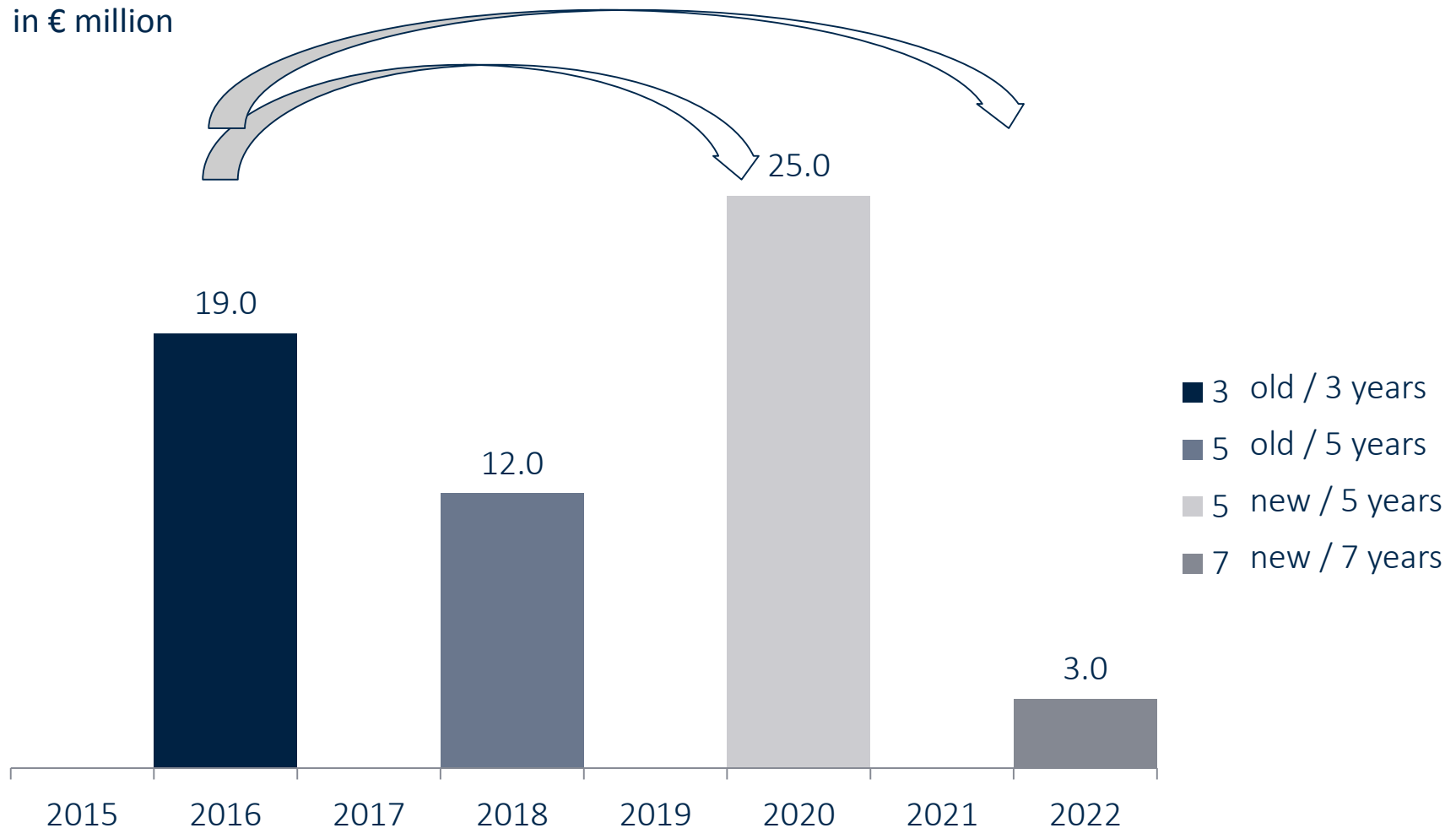


- promissory note loan: Both € + 9.0 million cash and cash equivalents on the asset side; and increase of financial liabilities by € + 9,0 million
- trade receivables increased mainly as a result of termination of factoring
- Lower inventories as a result of the impairment

RESULTS FOR FINANCIAL YEAR 2015

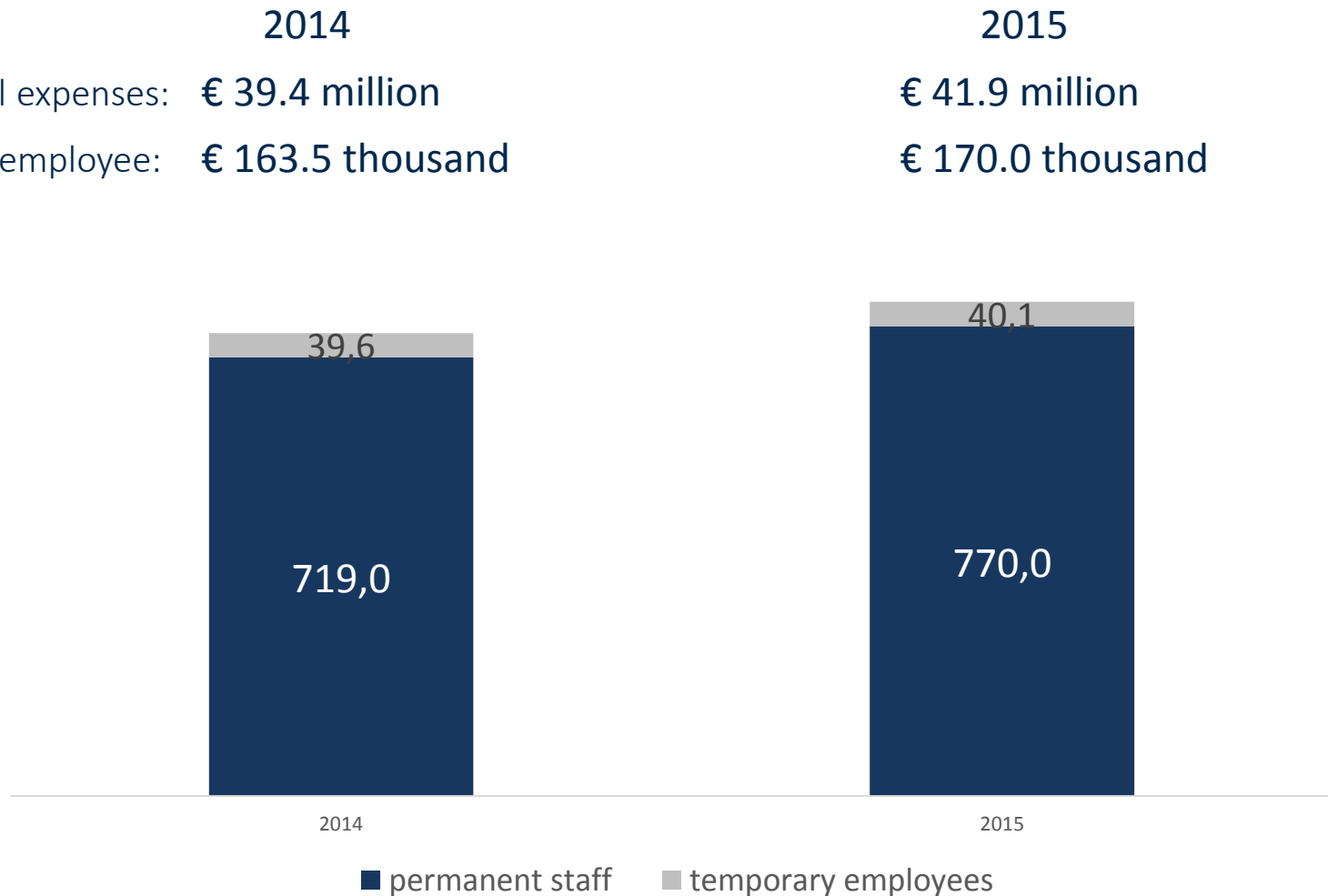
New promissory note loan strengthening liquidity position

in € million



RESULTS FOR FINANCIAL YEAR 2015

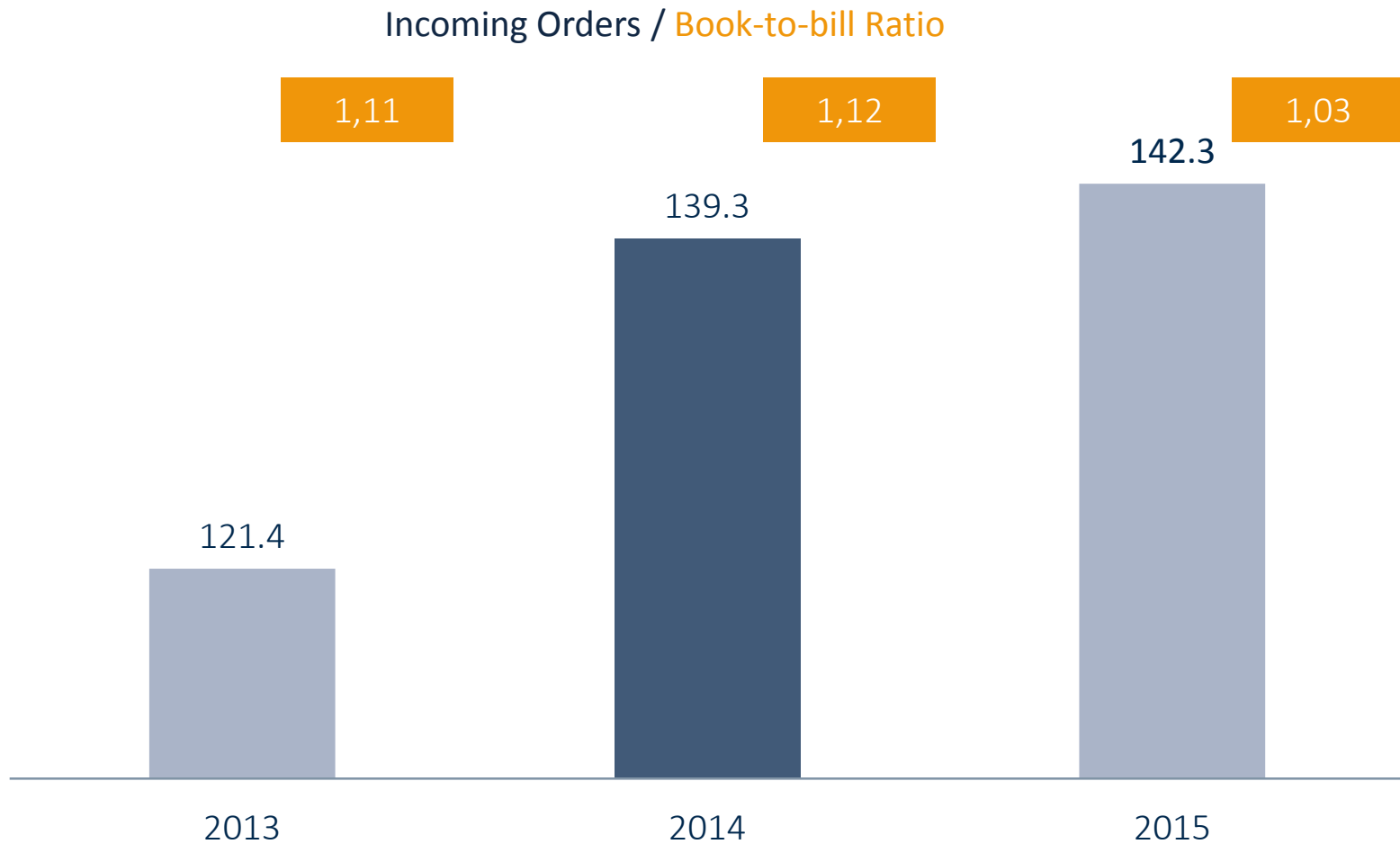
Steady increase in the number of employees (average FTE)



RESULTS FOR FINANCIAL YEAR 2015

Order situation remains good

in € million

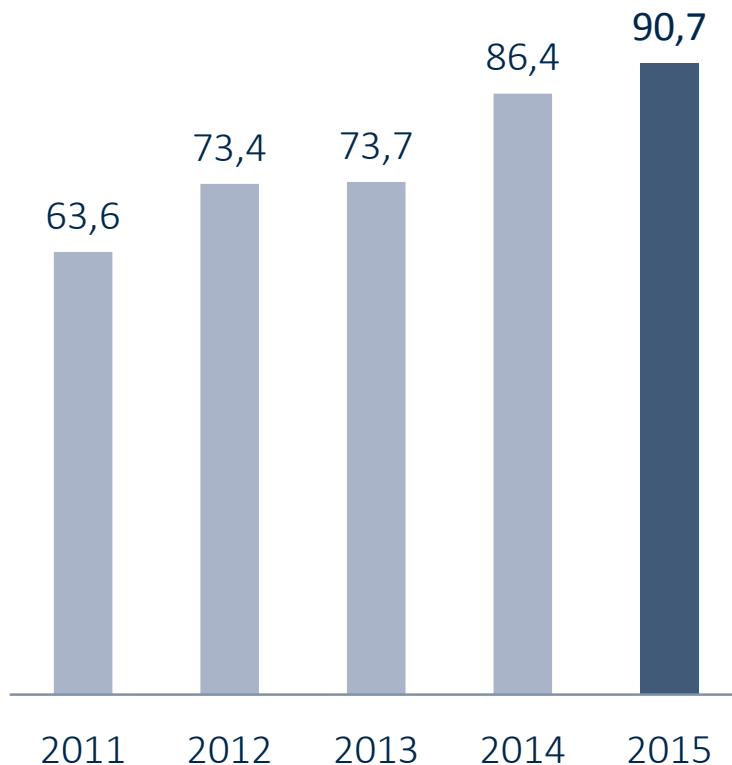


RESULTS FOR FINANCIAL YEAR 2015

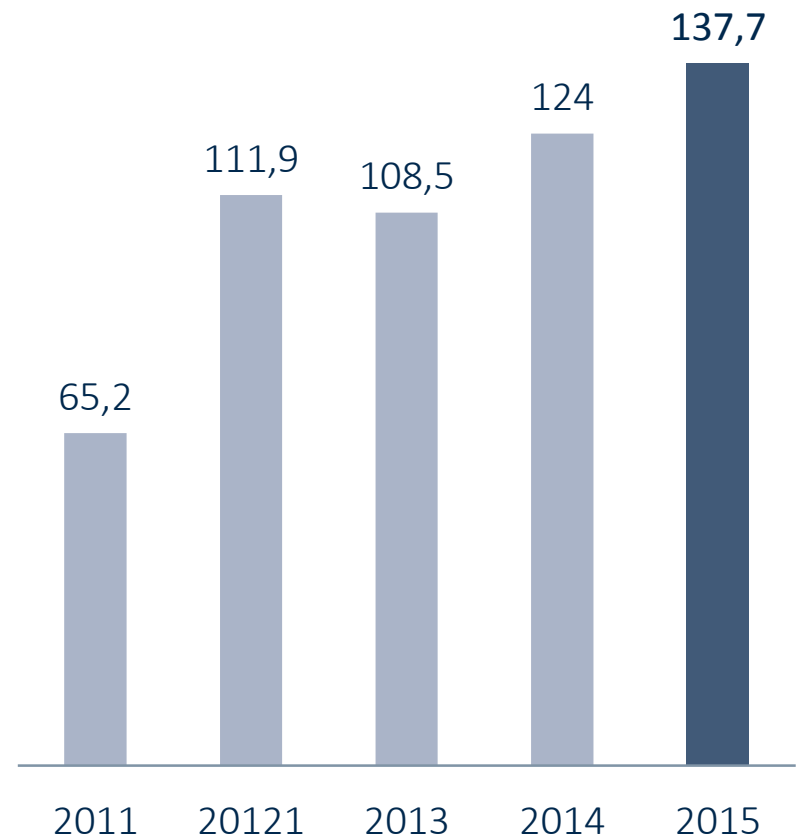
Order situation remains good

in € million

Orders on hand



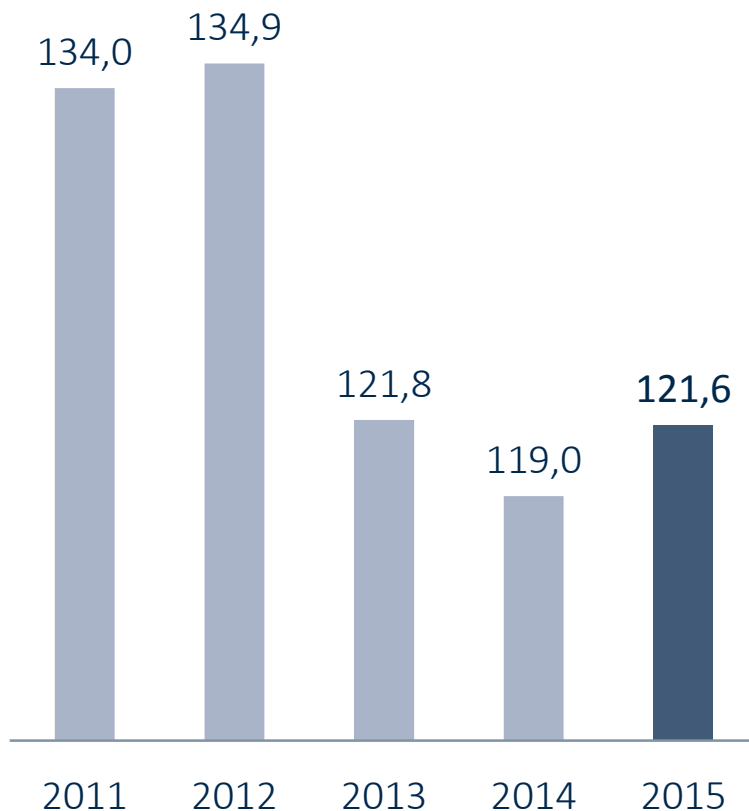
Sales



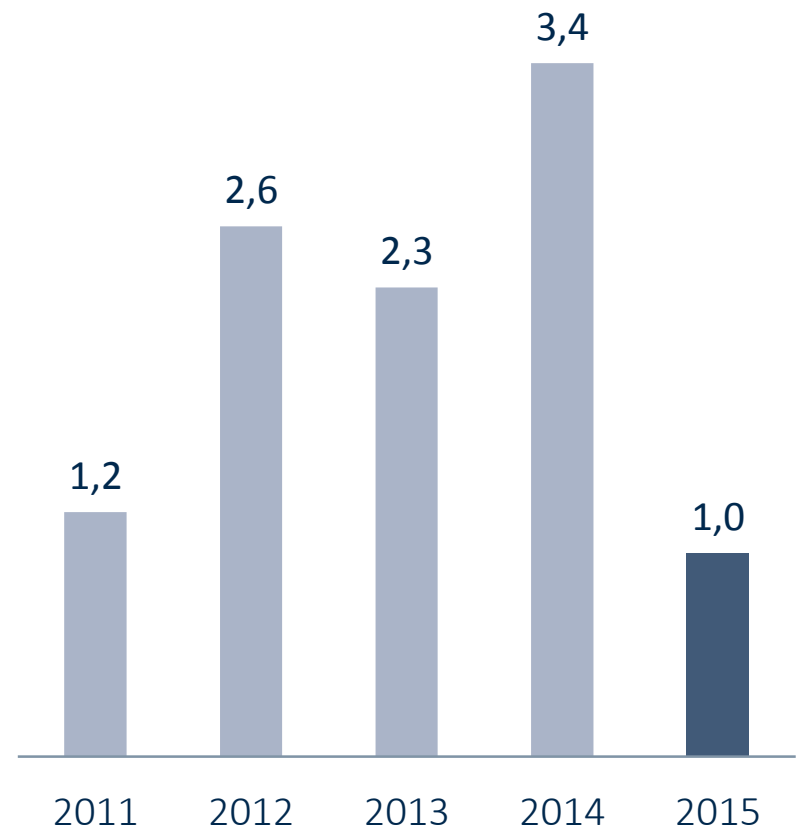
RESULTS FOR FINANCIAL YEAR 2015

Capital Employed and ROCE are not meeting expectations

Capital Employed in € million



ROCE in %



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OUTLOOK 2016

Sales up to 145 to 150 Mio. €

Outlook

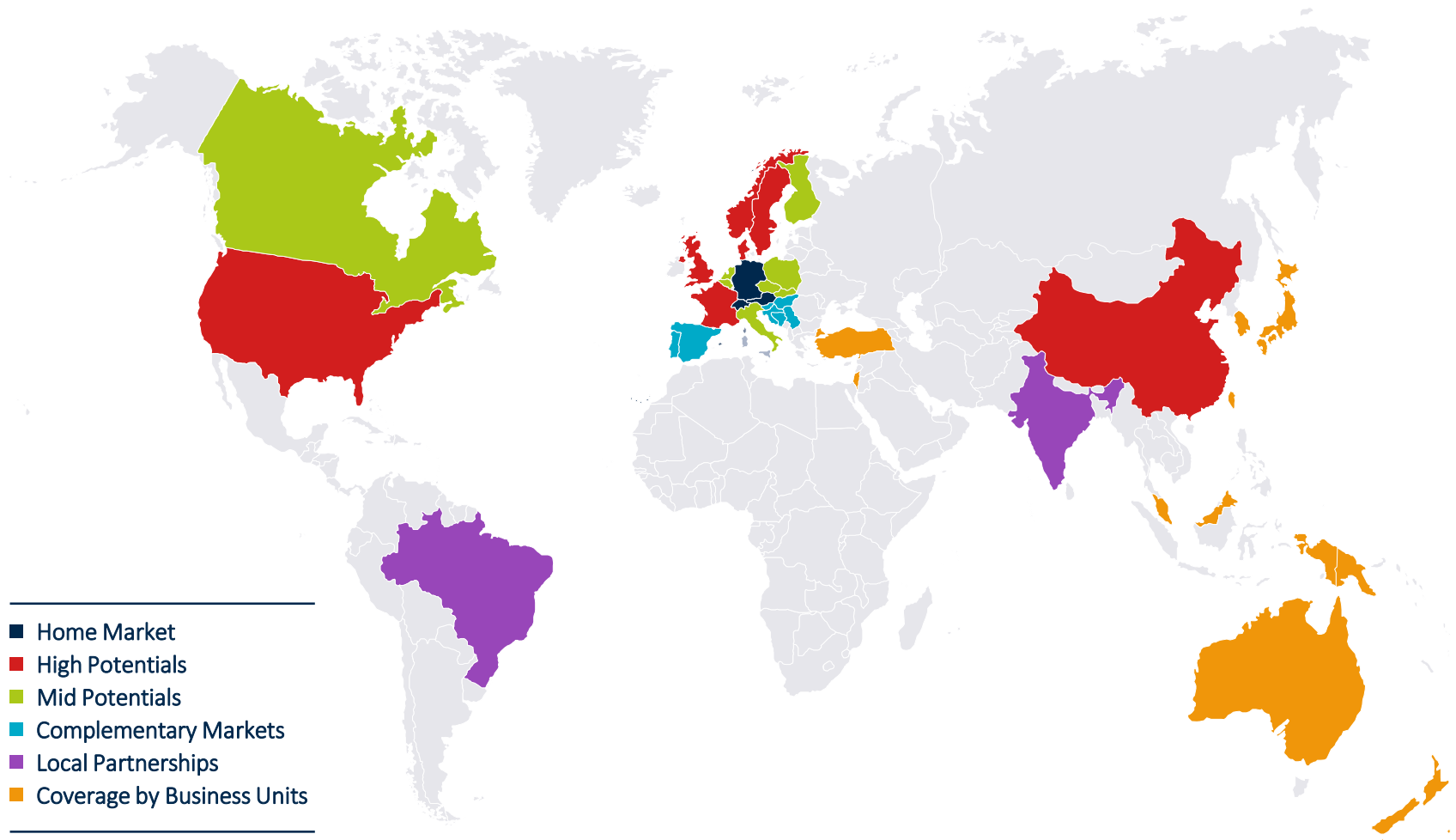
- Solid backlog
- Long-term supply contracts
- Growing markets
 - number of sensors that is integrated in B2B applications worldwide will double every eight to nine years
 - Robust economy in our three business segments
- Development of new sales markets with bigger sales team

Challenges

- Expiration of a major order for an automotive manufacturer at the end of 2015
- Launch of new products with long start-up periods especially in the medical segment
- Handling of quality issues

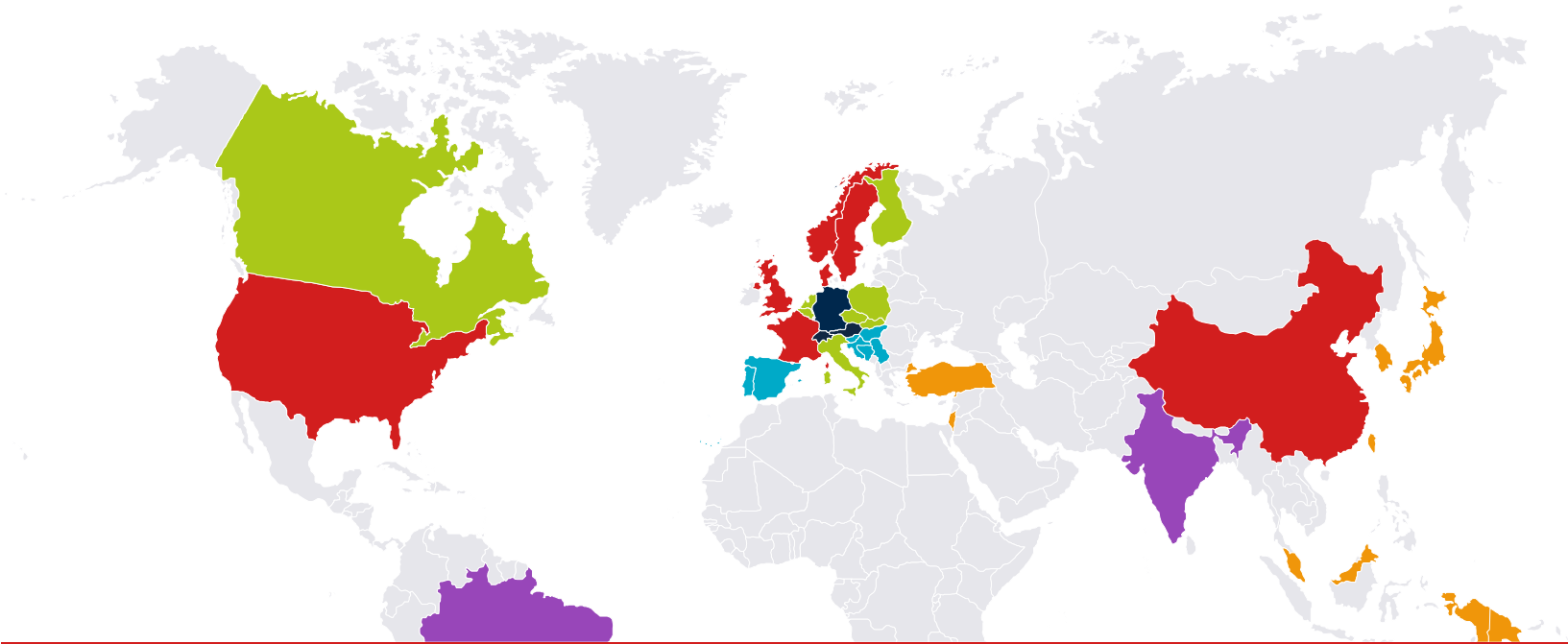
OUTLOOK 2016

Investing in high potential markets



OUTLOOK 2016

Investing in high potential markets



Activities

- **USA, UK & Scandinavia:** Expansion of sales team with T-shaped Field Sales Engineers
- **France:** Establishing a company-owned sales company
- **China:** Intensify collaboration with existing partners and establish new partnerships

OUTLOOK 2016

EBIT up to 5-6 %

Outlook

- Products and services with a higher share of First Sensor R&D
- Better economies of scale
- Focus towards high margin products
- Reduction of production costs gradually
- Introduction of new lean management projects

Challenges

- SAP introduction at four German production sites
- Introduction of new technologies, e.g. inertial sensors, microring resonators
- Definition of new core processes

We are there when smart things become standard.

The fourth industrial revolution has begun and will change both people's lives and the global economy forever. The intelligent networking of the physical and virtual world enables the automated production of highly customized products. Sensor solutions play a crucial role here.

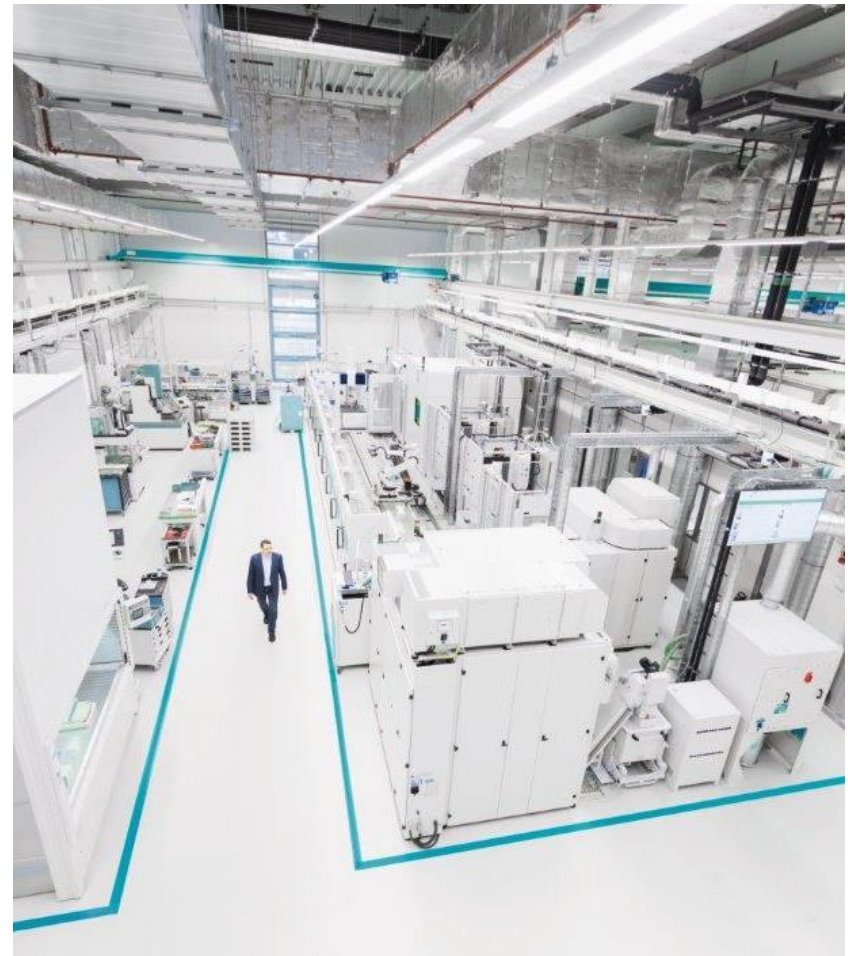
In automated processes, personal protection is becoming increasingly important. In safety light barriers or safety light grids, optical sensors ensure that a stop is triggered in the event of unauthorized access or reaching into hazard areas.



OUTLOOK 2016

Business Unit Industrial

- Industrial process control: personal protection is becoming increasingly important, therefore stronger demand for optical sensors
- Radiation & Security: upgrading and retooling e.g. at airports
- Smart Building: expansion of the pressure sensor business for HVAC applications in Asia
- Length Measurement: new accounts with LiDAR technology
- Aerospace: large investments in civil and military aviation



We are there when little miracles start being taken for granted.

Over 50,000 babies are born prematurely every year in Germany alone. With our sensor technology for incubators, we help them get a good start in life.

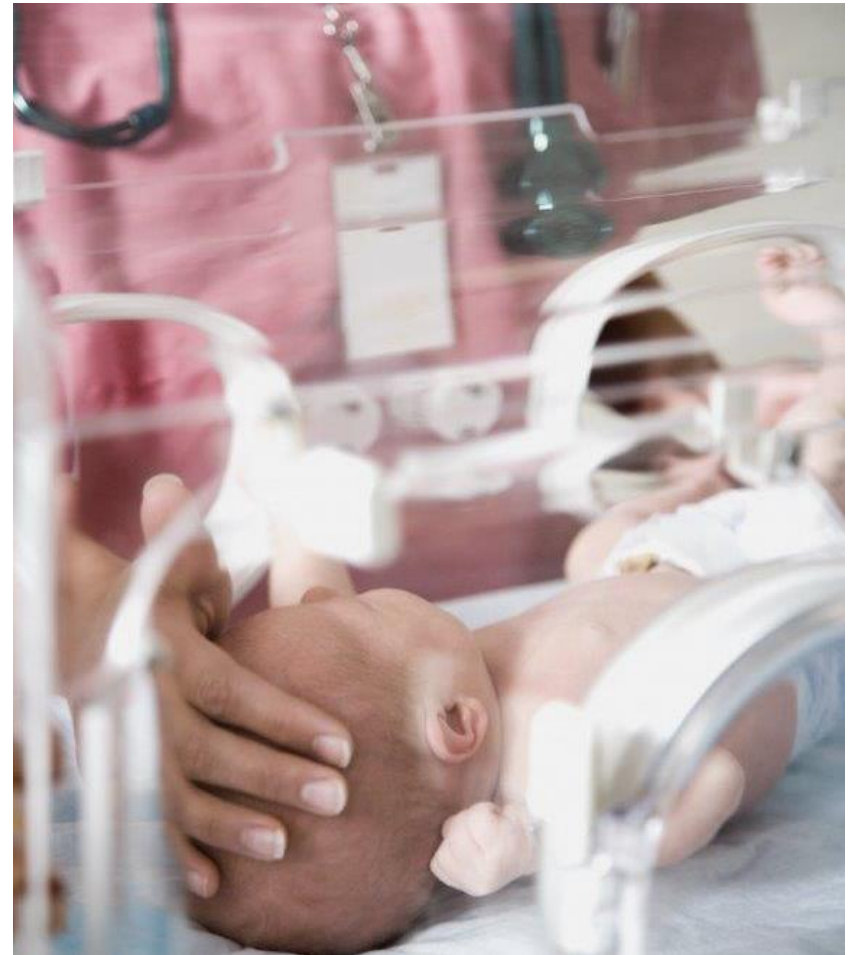
We are working worldwide for and with our customers on the development of innovative products and applications. The targeted expansion of our international presence will strengthen this proximity even further. Together, we want to shape the future.



OUTLOOK 2016

Business Unit Medical

- Respiration and Pneumology: development of strategic accounts, e.g. U.S. medical company.
- Optical Diagnostics: new projects
- Dialysis and Infusion: full series production for development projects



We are there, when mobility is redefined.

The wrong speed, insufficient gaps between vehicles, lane departure: 90% of all traffic accidents are caused by human error. By developing innovative sensor solutions, First Sensor aims to help make driving safer and to set new trends for partially and fully automated driver assistance systems.

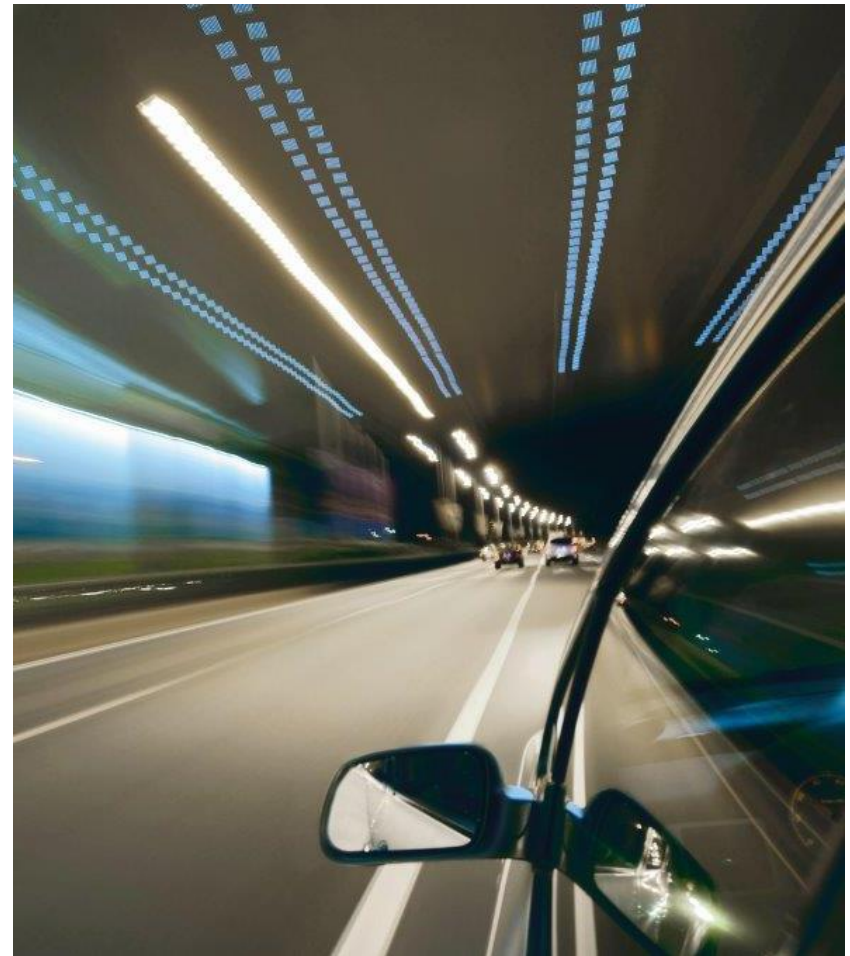
It has been more than five years since Google announced its research into driverless cars. Since then, car manufacturers around the world have been refining a technology in which vehicles are able to replicate our sensory perception, for which cameras and cameras systems are the basic prerequisites.



OUTLOOK 2016

Business Unit Mobility

- Cars: increasing demand for tank leak, tank pressure and temperature detection and measurement
- Smart Cars: manufacturers around the world have been refining a technology in which vehicles are able to replicate our sensory perception, for which cameras, cameras systems and LiDAR are the basic prerequisites
- Utility and special vehicles: driver assistance systems become more important

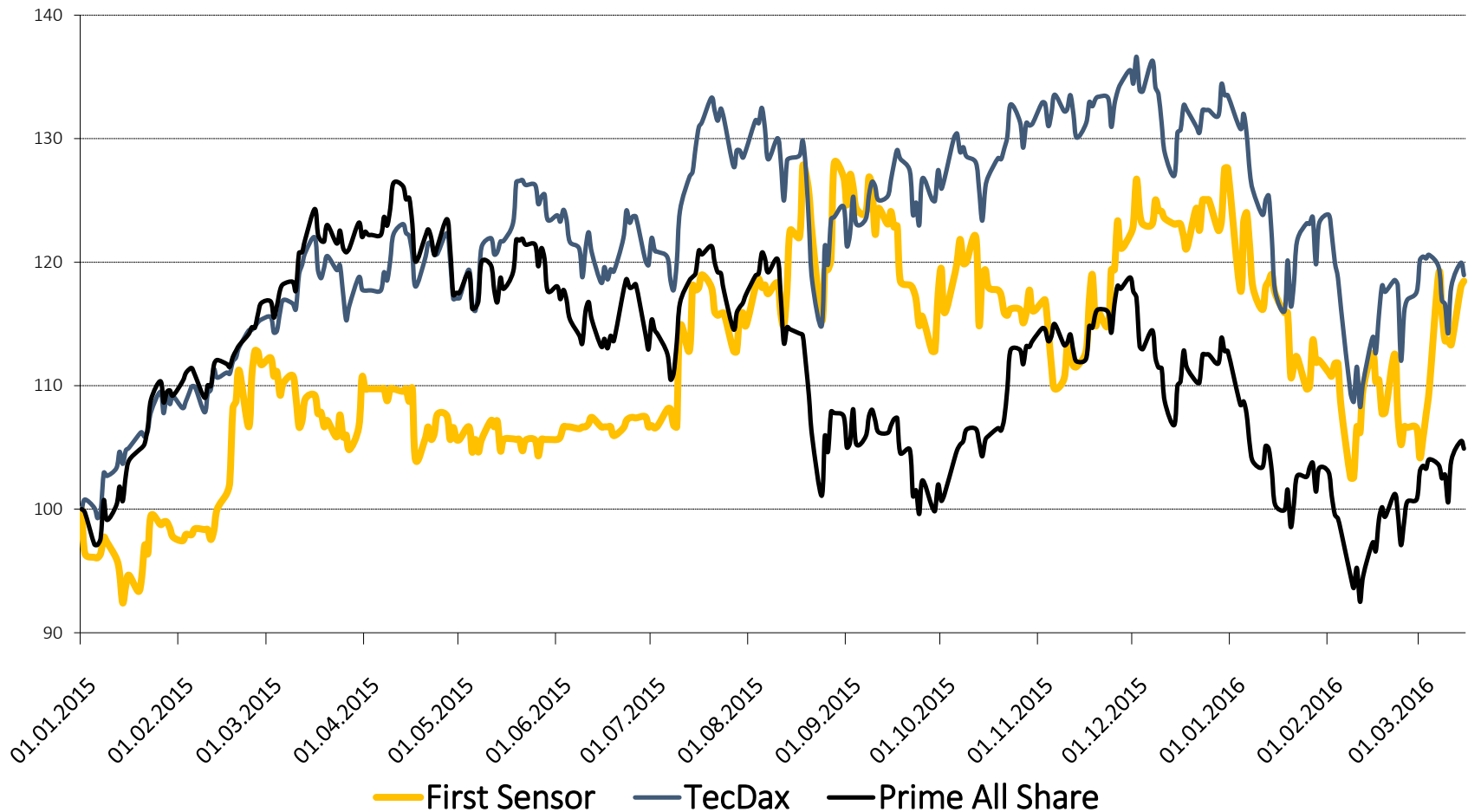


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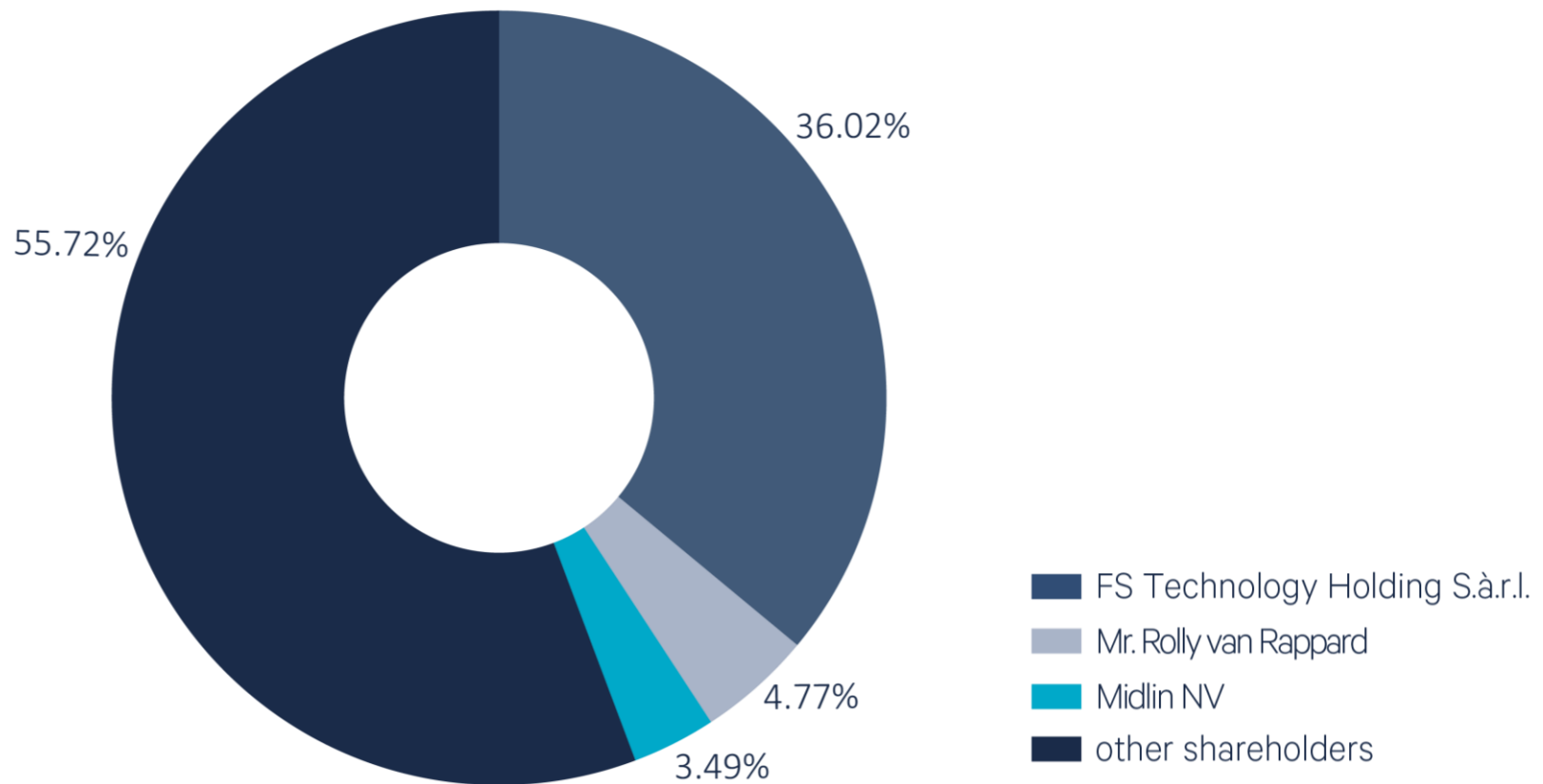
FIRST SENSOR SHARE

2015: Price growth of 27,69 %, peaking at a high of €12.95



FIRST SENSOR SHARE

Shareholder structure according to the existing voting rights announcements as at February 25, 2016



FIRST SENSOR SHARE

Financial calendar

When?	What?
02.05.2016	Q1 Interim Report
04.05.2016	Annual Meeting 2015; Penta Hotel, Grünauer Str. 1, 12557 Berlin
11.08.2016	6-Month Financial Report
10.11.2016	Q3 Interim Report
21.-23.11.2016	Analyst' Conference, Frankfurt am Main

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THANK YOU

This presentation contains forward-looking statements. This presentation does not represent any solicitation to purchase shares of First Sensor AG. Rather it is intended exclusively for information purposes with regard to possible future developments at the company. All future-oriented information in this presentation was produced on the basis of probability-based planning and represents statements regarding the future which cannot be guaranteed.

First Sensor AG

Corinna Krause

T +49 30 63 99 23 571

E corinna.krause@first-sensor.com