

## In 2018, First Sensor is continuing to work on profitable growth

- 2017 result: €147.5 million sales, 7.2% EBIT margin
- Administration intends to propose dividend of €0.16 per share
- Guidance 2018: Sales €150 – 160 million and EBIT margin 7-9%
- CFO Dr. Mathias Gollwitzer appointed until 2022

First Sensor Group, the world's leading supplier in the field of sensor systems, closed fiscal 2017 successfully. As previously announced, sales amounted to €147.5 million and were therefore just 2% above the planned range of €140 and €145 million. Due to a more dynamic second half of the year, the EBIT margin ultimately reached 7.2%. This means that the originally planned range of 5 to 6% was considerably exceeded.

“The third quarter of 2017 showed that First Sensor can generate double-digit returns,” said Dr. Dirk Rothweiler, CEO at First Sensor AG. “It is for this reason that in fiscal 2018, we are continuing to work consistently on implementing our strategy for profitable growth.” Due to measures across the five pillars of the strategy, the Executive Board’s focus remains on creating and leveraging economies of scale and profitability. “In the last years, the EBIT margin has significantly improved, and other key figures such as the equity ratio and cash flow are impressive. This shows that we have taken the right steps,” said Dr. Mathias Gollwitzer, CFO at First Sensor AG, whose contract was extended by further four years.

### Successful improvement in earnings in 2017

With sales of €147.5 million (previous year: €150.1 million), almost all key earnings figures have improved. The cost of materials ratio decreased from 48.2% to 47.0%, with the gross income margin increasing from 53.8% to 56.0%. EBITDA also improved. It increased from €19.4 million in the previous year to €19.6 million. The margin thus increased from 12.9% to 13.3%. Adjusted for amortization of intangible assets income resulted in EBITA of €12.8 million (previous year: €12.4 million), corresponding to a margin of 8.7% (previous year: 8.2%). EBIT improved correspondingly, totaling €10.6 million (previous year: €10.0 million), an upturn of 6.0%. The EBIT margin reached 7.2% on a whole-year basis (previous year: 6.7%) and was therefore significantly higher than the guidance for fiscal 2017 (5% to 6%). Due to a non-recurring effect as a result of closing out forward foreign exchange contracts early, net currency gains and losses amounted to €-1.6 million (previous year: €260 thousand). EBT therefore declined in comparison to the previous year from €8.7 million to €7.2 million. In fiscal 2017, after taxes consolidated net income of €4.4 million is reported (previous year: €6.1 million), corresponding to earnings per outstanding share of €0.40 (previous year: €0.57). Retained earnings at First Sensor AG amount to €4.1 million (previous year: €2.4 million). The Executive Board and the Supervisory Board would like shareholders to participate in these earnings and intend to propose the distribution of a dividend of €0.16 per share to the Annual General Meeting. This would correspond to a total distribution of €1.6 million or about 40% of the AG’s retained earnings.

## Target markets

First Sensor focuses on three sales markets: Industrial, Medical and Mobility. In 2017, sales in the Industrial target market developed positively with growth of 3.6% to €75.1 million (previous year: €72.5 million) being generated here. After the growth surge of over 29% in the previous year, project delays on the part of some customers in the Medical target market in fiscal 2017 resulted in sales declined by 9.0% to €27.9 million (previous year: €30.7 million). In the Mobility target market, sales amounted to €44.5 million (previous year: €46.9 million). The major order of approximately €10 million which expired last year was largely compensated for here.

## Incoming orders and orders on hand

The lower order backlog as at the start of 2017 had given an indication for the modest business performance in the first half of the year. However, the picture changed significantly over the course of the year. Incoming orders of €163.7 million were posted, an increase of 23.1%. The order backlog as at the end of the year amounted to €92.5 million and was thus around €10 million higher than a year ago. The book-to-bill ratio improved to 1.11 and provides a good starting point for a successful fiscal 2018.

## Statement of financial position and cash flow

Total assets increased to €159.6 million in fiscal 2017 (previous year: €154.0 million). As a result of the retained earnings for fiscal 2017, the equity ratio rose by one percentage point to 51.3%. Non-current assets increased due to high investment level. The introduction of standard ERP software, commissioning of equipment and new projects in the R&D sector had an impact in the area of intangible assets. In the area of property, plant and equipment, investments related to new machines and equipment for expanding vertical integration, for process improvements and increasing capacity and also replacement investments. Working capital increased nearly €1.9 million to €37.5 million (previous year: €35.7 million). The same applied for capital employed which increased by €5.1 million to €122.9 million. However, this only marginally impacted ROCE which inched up to 8.6% after 8.5% in the previous year.

In fiscal 2017, operating cash flow decreased slightly and amounted to €16.0 million (previous year: €16.6 million). Cash flow from investing activities increased significantly as announced, after €6.5 million in the previous year, it totaled €12.5 million. Free cash flow was therefore lower than in the previous year and amounted to €3.5 million (previous year: €10.0 million). Cash and cash equivalents increased from €23.8 million to €25.5 million. The Group's liquidity position therefore remains comfortable and allows the repayment of the promissory note tranches of €12 million due at the end of the year.

## Employees

The First Sensor Group had a total of 798 employees (FTEs – full-time equivalents, previous year: 804) and 31 apprentices (previous year: 33) as at the reporting date December 31, 2017.

## Outlook

For fiscal 2018, the Executive Board is anticipating sales between €150 million and €160 million. The EBIT margin is expected to reach at least 7% and up to 9%. "Due to our switch to a new ERP system as at the end of the previous year, in some cases customers had brought forward deliveries. In the first quarter, which tends to traditionally be weaker, forecasting accuracy is therefore still somewhat limited," said Rothweiler and expects that the increased order backlog will be reflected in sales of the upcoming quarters. "Our measures with regard to process optimization and increasing efficiency are

taking effect and step by step we are coming closer to our goal of generating double-digit returns in the medium-term,” adds Gollwitzer.

With its strategy for profitable growth, the Executive Board has geared the First Sensor Group towards a successful future. By focusing on three target markets, key customers and key products, forward integration and the dynamic sales regions combined with measures for operational excellence, the Group's is set to generate growth combined with adequate profitability. With this strategy, the company is directly participating in trends such as Industry 4.0, the miniaturization of medical technology and autonomous driving. Sensor systems are therefore key technologies that have the potential for a volume market in many applications.

## Figures 2017 at a glance (rounding differences may occur)

in € million, unless otherwise indicated	2013	2014	2015	2016	2017
Sales revenues	108.5	124.0	137.7	150.1	147.5
Industrial	-	68.4	74.1	72.5	75.1
Medical	-	20.4	23.8	30.7	27.9
Mobility	-	35.2	39.8	46.9	44.5
EBITDA	11.6	13.5	11.4	19.4	19.6
EBITDA margin (%) as compared to total output	10.7	10.9	8.3	12.9	13.3
EBIT	2.7	4.1	1.2	10.0	10.6
EBIT margin (%) as compared to total output	2.5	3.2	0.9	6.7	7.2
Net profit for the period	-0.5	0.4	-1.5	6.1	4.4
Earnings per share (€)	-0.05	0.02	-0.17	0.57	0.40
Cash flow from operating activities	13.1	12.2	5.0	16.6	16.0
Free cash flow	5.9	7.5	-1.8	10.0	3.5
Balance sheet total	144.9	144.9	153.5	154.0	159.6
Shareholders' equity	70.0	72.0	71.3	77.5	81.9
Equity ratio (%)	48.3	49.7	46.4	50.3	51.3
Net debt	35.8	29.7	33.0	24.4	22.8
Working capital	28.6	30.3	36.5	35.7	37.5
ROCE (%)	2.3	3.4	1.0	8.5	8.6
Incoming orders	121.4	139.3	142.3	132.9	163.7
Orders on hand	73.7	86.4	90.7	82.2	92.5
Book-to-bill-ratio	1.11	1.12	1.03	0.89	1.11
Employees (average of the period)	686	719	770	791	787
Sales revenues per employee (€ thousand)	158.2	172.5	178.9	186.7	187.4
Number of shares in thousands as at 31.12.	9,981	10,131	10,167	10,208	10,216

## About First Sensor AG

In the growth market of sensor systems, First Sensor develops and produces standard products and customer-specific solutions for the ever-increasing number of applications in the industrial, medical, and mobility target markets. Based on innovative technology platforms, we develop products such as chips, components, sensors, and entire sensor systems. Trends such as Industry 4.0, autonomous driving, and the miniaturization of medical technology will drive our growth extremely rapidly in the future. First Sensor was founded in Berlin in 1991 and has been listed on the Frankfurt Stock Exchange (SIS) since 1999 [Prime Standard | WKN: 720190 | ISIN: DE0007201907 | SIS]. For more details on First Sensor, please visit [www.first-sensor.com](http://www.first-sensor.com).

## Disclaimer

Statements in this Corporate News relating to future developments are based on a prudent estimate of future events. Actual events may deviate from planned events, as they depend on a large number of market and economic factors, some of which are outside of the company's control.

## Download

The consolidated financial report 2017 is available for download on the internet at <https://www.first-sensor.com/en/investor-relations/financial-publications>

## Events

It is intended to publish the Q1 Interim Report on May 14th, 2018.

The annual general meeting 2018 takes place on Wednesday, May 23th 2018 at 10:00 a.m. at the Pentahotel Berlin Köpenick, Grünauer Straße 1 in 12557 Berlin.

## Printable images



First Sensor AG Executive Board: CEO Dr. Dirk Rothweiler (right) und CFO Dr. Mathias Gollwitzer (left)

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### First Sensor AG

Peter-Behrens-Str. 15  
12459 Berlin  
Germany

### Contact

Corinna Krause  
E-Mail: [ir@first-sensor.com](mailto:ir@first-sensor.com)  
T +49 30 639923-571

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