

Press release, August 13, 2018

## First Sensor grows by 15.6% in the second quarter of 2018

- Sales reached EUR 39.9 million in the second quarter
- EBIT margin within the target range for the year as a whole at 7.5%
- Order backlog of EUR 102.1 million and book-to-bill ratio of 1.13 lend further tailwind
- Management Board confirms sales and earnings forecast for fiscal year 2018

First Sensor AG, a developer and manufacturer of standard products and customer-specific solutions on the growth market of sensor technology, generated sales of EUR 39.9 million in the second quarter of 2018. This equates to growth of 15.6% on Q1 2018 (EUR 34.5 million) and the same period of the previous year (EUR 34.6 million). EBIT reached EUR 3.0 million in the second quarter of 2018 compared to EUR 1.1 million in the first quarter and EUR 1.6 million in the previous year. This corresponds to an EBIT margin of 7.5%. In the first half of the year, sales grew by 7.9% to EUR 74.4 million (previous year: EUR 68.9 million), and the EBIT margin was 5.5% (previous year: 4.9%). With net profit for the period of EUR 2.3 million (previous year: EUR 2.1 million), earnings per share amounted to EUR 0.22 (previous year: EUR 0.19).

“After having generated sales only at the previous year’s level in the first quarter as a result of reduced output in connection with our ERP system launch, we gained ground in the second quarter as planned. We achieved the highest quarterly sales in the company’s history at EUR 39.9 million,” says Dr. Dirk Rothweiler, CEO of First Sensor AG. “At the same time, the high order backlog and the continued high demand for standard products, sensor solutions and integrated manufacturing services from First Sensor provide a very good foundation for a successful second half of the year.”

“As a consequence of the sales growth, the EBIT margin has also returned to the target range. This shows the importance of scaling for our company and that we are on the right track to grow profitably with volume,” adds CFO Dr. Mathias Gollwitzer. “For the rest of the year, we expect increasing profitability as a result of rising sales and stimuli from the efficiency programs. We are therefore confident of achieving our sales and earnings targets for fiscal year 2018.”

### Target markets

In the industrial target market, First Sensor generated sales of EUR 37.3 million in the first half of 2018. They were therefore EUR 1.2 million higher than the figure for the same period of the previous year (EUR 36.1 million). This equates to growth of 3.4% and shows that the supply backlog from the first quarter has not been fully eliminated. Increasing sales contributions are expected as the year progresses. In the medical target market, sales of EUR 16.3 million meant that sales grew by EUR 3.5 million compared to the first half of 2017 (EUR 12.8 million). This is primarily attributable to optical diagnostics customers, for whom imaging

sensors are constructed, and to increased demand for H series standard pressure sensors for respiratory devices. In the mobility target market, sales reached EUR 20.7 million in the first half of 2018. This equates to growth of EUR 0.7 million compared to the first half of 2017 (EUR 20.0 million).

## **Incoming orders and orders on hand**

Incoming orders amounted to EUR 83.7 million as of June 30, 2018 (previous year: EUR 79.5 million). The book-to-bill ratio, an important growth indicator, came to 1.13 as at the reporting date (previous year: 1.15). At the same time, the order backlog continued to increase to EUR 102.1 million (previous year: EUR 90.7 million). The order backlog and incoming orders offer good opportunities for dynamic business performance in the second half of the year.

## **Statement of financial position and cash flow**

The company still has a sound balance sheet structure. Total assets changed slightly by EUR 2.7 million to EUR 156.9 million compared to EUR 159.6 million as of December 31, 2017. The increase in inventories to EUR 27.6 million (December 31, 2017: EUR 24.6 million) was a significant change, which enables an improvement in delivery capacity as sales and incoming orders continue to rise. The increase was financed from cash and cash equivalents. In connection with the high level of sales, trade receivables also increased by EUR 4.1 million compared with December 31, 2017 (EUR 20.8 million), to EUR 24.9 million. Net debt increased by EUR 7.7 million to EUR 30.5 million. Equity increased compared to the first half of 2017 to EUR 82.8 million (previous year: EUR 81.9 million), and the equity ratio was 52.8% (previous year: 51.8%).

The First Sensor Group's growth is also reflected in its cash flow. The operating cash flow amounted to EUR -1.9 million (previous year: EUR 1.8 million), which is attributable to the increase in inventories and higher trade receivables, which is temporarily tying up greater liquidity. Positive operating cash flow is to be expected over the rest of the year. In association with this, improved free cash flow is also expected, having amounted to EUR -5.8 million in the first half of 2018 (previous year: EUR -3.2 million). Cash flow from investing activities fell by EUR 1.1 million to EUR 3.9 million in the first half of the year (previous year: EUR 5.0 million) and will continue to develop steadily over the year as a whole. The cash flow from financing activities amounts to EUR -2.4 million (previous year: EUR -1.2 million) and shows regular repayments of loan liabilities in the amount of EUR 1.3 million and a new loan of EUR 0.9 million in the period under review. The difference from the end of the previous year in the amount of EUR -1.2 million was chiefly due to the dividend payment.

## **Employees**

The First Sensor Group had an average of 818 employees (FTE) as of June 30, 2018, compared to 782 in the first half of 2017. This is attributable to new hires in production and development to secure further growth. Sales per employee improved to EUR 91.0 thousand (previous year: EUR 88.1 thousand).

## Outlook

After a rather modest start, business performance in the first six months of fiscal year 2018 was in line with the Executive Board's expectations overall. Together with the continuingly positive book-to-bill ratio and the high order backlog, most of which will already result in sales during the second half of the year, the conditions are in place to achieve the sales target of between EUR 150 million and EUR 160 million for the year as a whole. With the efficiency projects being implemented further and the business forecasts increasingly proving accurate, the Executive Board confirms the target of achieving an EBIT margin of between 7% and 9% at end of the year.

The Interim Report 6M 2018 is available for download on the Internet at <http://www.first-sensor.com/de/investor-relations/finanzpublikationen/quartalsberichte>. The results are presented by the Executive Board on Monday, August 13, 2018 at 2 p.m. CEST: <https://webcasts.egs.com/firstsensor20180813/no-audio>

## Quarterly Results at a Glance\*

in € million, unless otherwise indicated, *rounding differences may arise	H1 2013	H1 2014	H1 2015	H1 2016	H1 2017	H1 2018
Sales revenues	53.4	59.3	67.2	75.9	68.9	74.4
Industrial	-	32.8	37.8	35.2	36.1	37.3
Medical	-	9.8	10.9	16.3	12.8	16.3
Mobility	-	16.6	18.7	24.4	20.0	20.7
EBITDA	6.1	6.8	7.6	10.1	7.8	8.4
EBITDA margin (%)	11.8	11.1	11.0	13.2	11.3	11.3
EBITA	3.1	3.8	4.2	6.9	4.5	5.2
EBITA margin (%)	5.9	6.4	6.2	9.0	6.6	7.0
EBIT	3.1	3.8	2.9	5.5	3.4	4.1
EBIT margin (%)	6.0	6.2	4.3	7.2	4.9	5.5
EBT	0.4	1.3	2.1	4.7	3.0	3.2
EBT margin (%)	0.7	2.2	3.1	6.2	4.3	4.3
Net profit for the period	2.4	2.4	1.8	4.2	2.1	2.3
Earnings per share (EUR)	0.24	0.23	0.17	0.38	0.19	0.22
Cash flow from operating activities	7.0	3.6	-7.1	3.6	1.8	-1.9
Free cash flow	1.7	1.2	-9.8	1.5	-3.2	-5.8
Balance sheet total	151.8	148.8	149.6	152.9	153.1	156.9
Shareholders' equity	70.7	72.0	74.3	75.2	79.4	82.8
Equity ratio (%)	46.6	48.4	49.7	49.2	51.8	52.8
Net dept	37.3	34.6	40.3	32.1	28.0	30.5
Working capital	28.8	31.3	42.1	39.4	38.8	43.4
Incoming orders	66.3	78.8	78.2	80.2	79.5	83.7
Orders on hand	78.8	93.5	98.7	101.2	90.7	102.1
Book-to-bill-ratio	1.24	1.33	1.16	1.06	1.15	1.13
Employees (FTE, average of period)	679	702	764	785	782	818
Sales revenues per employee in thousand €	78.6	84.5	88.0	96.7	88.1	91.0
Number of shares in thousand	9,940	10,093	10,152	10,171	10,211	10,216

### About First Sensor AG

First Sensor is one of the world's leading suppliers in the field of sensor systems. Our company develops and produces standard products and customer-specific solutions for applications in the industrial, medical, and mobility growth markets. With over 900 employees, we are represented at six locations in Germany, and also operate sales and production sites in the US, Canada, China, UK, France, Denmark, Sweden and the Netherlands as well as a global network of partners. First Sensor AG has been listed in the Prime Standard segment on the Frankfurt Stock Exchange since 1999. For more information please visit [www.first-sensor.com](http://www.first-sensor.com).

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