

Press release, March 21, 2019

## First Sensor expects its strategy for profitable growth to deliver further success in 2019

- Sales likely to rise from €155.1 million to €160-170 million
- Further increase in EBIT margin from 7.9% to 8.5-9.5%
- Management proposes dividend of €0.20 per share
- CEO Dr. Dirk Rothweiler appointed until end of 2023

First Sensor continued to grow profitably in fiscal 2018, as planned. Sales rose by 5.2% to €155.1 million (previous year: €147.5 million) and were generated with improved profitability. For instance, EBIT rose by 16.0% to €12.2 million. This equates to an EBIT margin of 7.9% (previous year: 7.2%).

“Our earnings for 2018 show that our strategy for profitable growth is taking effect and we are successfully generating and leveraging economies of scale,” said Dr. Dirk Rothweiler, CEO of First Sensor AG, whose term of office was extended for a further four years by the Supervisory Board of First Sensor AG last week. “Our sensors for photonics and pressure are impressing key customers all over the world and have become integral parts of applications in Industry 4.0, state-of-the-art medical technology and green and networked mobility.”

### Successful improvement in earnings in 2018

With sales of €155.1 million (previous year: €147.5 million), all key earnings figures have improved. EBITDA (earnings before interest, taxes, depreciation and amortization) increased from €19.6 million in the previous year to €21.3 million. The EBITDA margin thus climbed from 13.3% to 13.7%. Consequently, EBIT also improved by 16.0% to €12.2 million (previous year: €10.6 million). The EBIT margin thus reached 7.9% (previous year: 7.2%). After taxes, significantly increased consolidated net income of €7.5 million was reported for fiscal 2018 (previous year: €4.4 million). This equates to earnings of €0.72 per share in circulation (previous year: €0.40). Retained earnings at First Sensor AG amount to €9.3 million (previous year: €4.1 million). The Executive Board and the Supervisory Board therefore intend to propose to the Annual General Meeting that a dividend of €0.20 per share be distributed. This corresponds to a total distribution of €2.0 million or 22.0% of retained earnings.

### Target markets

Sales in the Industrial target market rose by 7.0% to €80.4 million (previous year: €75.1 million). This is attributable to the expansion of business with optical sensors and pressure sensors, for which there has been increased demand, particularly in Asia. In the Medical target market, the rise in demand for pressure sensors in the H series as well as imaging solutions caused sales to grow by 23.7% to €34.6 million (previous year: €27.9 million). Further sales growth was achieved in North America in particular. In the Mobility target market, sales amounted to €40.2 million in the last fiscal year (previous year: €44.5 million). This reflects the volatile geopolitical developments that hit the automotive industry last year.

### Incoming orders and orders on hand

Demand for the First Sensor Group’s sensors and sensor solutions remains high. In 2018, incoming orders totaled €159.6 million. As at December 31, 2018, orders on hand stood at €97.6 million, up €5.1 million on the previous year (€92.5 million). 80.0% of these orders are scheduled for 2019.

## Statement of financial position and cash flow

Total assets increased to €168.4 million in fiscal 2018 (previous year: €159.6 million). As a result of the retained earnings for fiscal 2018 and the issue of shares from contingent capital, the equity ratio rose by 1.4 percentage points to 52.7%. In the area of property, plant and equipment, investments were mainly focused on expanding production capacity. On balance, working capital remained almost unchanged, falling by €0.2 million to €37.3 million (previous year: €37.5 million). Capital employed was also on a par with the previous year at €123.2 million (previous year: €122.9 million). ROCE developed positively, rising to 9.9% (previous year: 8.6%).

Operating cash flow amounted to €15.9 million (previous year: €16.0 million). Cash flow from investing activities totaled €-9.6 million following €-12.5 million in the previous year, when the standard ERP software was acquired. The investments in 2018 largely related to new machinery and equipment for expanding vertical integration, process improvements and increasing capacity. As a result, free cash flow amounted to €6.3 million, up €2.8 million year-on-year.

## Employees

The First Sensor Group had a total of 863 employees (FTEs – full-time equivalents) and 32 apprentices (previous year: 31) as at the reporting date December 31, 2018.

## Outlook

For fiscal 2019, the Executive Board is anticipating sales between €160 million and €170 million. “In 2019, new customer-specific solutions for key customers are being taken into series production, resulting in greater volumes. At the same time, we are seeing increased orders for standard sensors and sensor solutions from our existing customers. This already provides a good starting point for a successful new fiscal year,” commented CEO Dr. Dirk Rothweiler. “We aim to grow in all target markets and sales regions but are monitoring the impacts of the muted global economic expectations and the still unresolved geopolitical challenges very closely.”

As a consequence of sales growth, the Executive Board also expects profitability to benefit from economies of scale again in 2019. In addition, further improvements in efficiency and productivity are envisaged. “We expect an EBIT margin between 8.5% and 9.5% for fiscal 2019. This planning is based on the expectation of a further rise in the sales volume as well as further implementation of our efficiency programs,” said CFO Dr. Mathias Gollwitzer. Small-scale orders, contribution margins, lead times and yield loss are just a few of the topics on which the company is working systematically. “By 2020, we are likely to be generating a consistent EBIT margin of 10%.”

## Figures 2018 at a glance (rounding differences may occur)

In € million, unless otherwise indicated	2014	2015	2016	2017	2018
Sales revenues	124.0	137.7	150.1	147.5	155.1
Industrial	68.4	74.1	72.5	75.1	80.4
Medical	20.4	23.8	30.7	27.9	34.6
Mobility	35.2	39.8	46.9	44.5	40.2
EBITDA	13.5	11.4	19.4	19.6	21.3
EBITDA margin (%)	10.9	8.3	12.9	13.3	13.7
EBIT	4.1	1.2	10.0	10.6	12.2
EBIT margin (%)	3.2	0.9	6.7	7.2	7.9
EBITA	5.3	2.5	11.2	12.8	14.5
Earnings before taxes (EBT)	1.7	1.2	8.7	7.2	10.4
Net profit for the period	0.4	-1.5	6.1	4.4	7.5
Earnings per share (€)	0.02	-0.17	0.57	0.40	0.72
Cash flow from operating activities	12.2	5.0	16.6	16.0	15.9
Free cash flow	7.5	-1.8	10.0	3.5	6.2
Balance sheet total	144.9	153.5	154.0	159.6	168.4
Shareholders' equity	72.0	71.3	77.5	81.9	88.8
Equity ratio (%)	49.7	46.4	50.3	51.3	52.7
Net debt	29.7	33.0	24.4	22.8	19.5
Working capital	30.3	36.5	35.7	37.5	37.3
ROCE (%)	3.4	1.0	8.5	8.6	9.9
Incoming orders	139.3	142.3	132.9	163.7	159.6
Orders on hand	86.4	90.7	82.2	92.5	97.6
Book-to-bill-ratio	1.12	1.03	0.89	1.11	1.03
Employees (average of the period)	719	770	791	787	835
Number of shares in thousand as of Dec. 31	10,131	10,167	10,208	10,216	10,222

## 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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