

ams

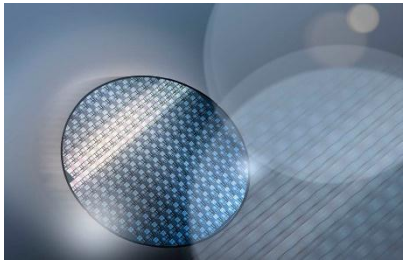
Full year and fourth quarter results 2014

Kirk Laney, CEO
Michael Wachsler-Markowitsch, CFO
Moritz Gmeiner, Head of IR

February 2015

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We are shaping the world with sensor solutions



We provide high performance analog solutions



to the most challenging applications



in sensors, sensor interfaces,



power management, and wireless.

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ams at a glance







Our business

- Focus on high performance analog semiconductors
- Sensor solutions, sensor interfaces, power management, wireless
- Ultra-low power, highest accuracy, sensitivity and integration
- World class analog design + in-house manufacturing
- Best-in-class solutions for leading OEMs

By the numbers

- 440+ analog engineers
- Over 30 years of design experience
- Record revenues
  FY 2014 EUR464m/$614m (2013: EUR378m/$502m)
  Q4 2014 EUR139m/$174m (Q4 2013: EUR103m/$141m)
- 1,600+ employees worldwide
- 8,000+ customers

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Our focus

	High performance sensors and analog ICs		
Target markets	Consumer & Communications	Industrial, Medical, Automotive	
	64% of revenues (FY 2014)	36% of revenues (FY 2014)	
Core expertise	Sensor solutions, sensor interfaces	Power management	Wireless

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OUR MARKETS

CONSUMER AND COMMUNICATIONS

INDUSTRIAL, MEDICAL, AUTOMOTIVE

2014 highlights Consumer & Communications

Excellent performance and most significant growth driver for ams

- New product launches create powerful momentum for largest ams business
- Very strong position with major smartphone, tablet PC and mobile device OEMs going forward

NFC booster: customer success drives extremely high volumes, boosting growth in H2 2014

- Significant socket with impressive shipments in 2014 and very high run rates into 2015
- Leading technology to optimize NFC mobile transactions, ongoing OEM push in NFC

Gesture sensor solution: a high volume success in multiple platforms

- Strong run rates for multi-functional modules shipping into Asian customers
- Global leader in advanced light sensors, RGB color sensors expanding further

Other consumer & communications product lines perform well

- Continued leadership in MEMS microphone interface ICs focused on cost optimization
- New PMIC solutions generate revenues, focus on larger mobile devices and wearables

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Consumer & Communications

Sensor solutions and sensor interfaces, power management, wireless









Sensors

- Light sensors
- Gesture sensors
- Biosensors
- MEMS microphone ICs
- Hall/inductive/ capacitive sensors

Power management

- Specialty PMICs
- Power management ICs
- Lighting management ICs

Wireless

- NFC antenna booster
- NFC solutions
- RFID readers (UHF/HF)
- LF/HF/UHF trans-ceivers/smart tags

Specialty solutions

- Active noise cancellation (ANC)
- Other wireless sensors (lightning sensor)
- Specialty sensor interfaces

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Light sensors

Worldwide leader in intelligent integrated light sensors







Sensor solutions

- Gesture - sense hand movement in proximity of device surface to create touchless interface
- RGB color - for full analysis of light spectrum and temperature; enhance display picture quality
- Ambient light (ALS) - measure monochromatic ambient light to control display brightness
- Proximity (Prox) - detect proximity of user's ear to control display/touchscreen on-state

Gesture 4-in-1 module adoption ongoing, 70m units shipped

Broad coverage of consumer electronics markets

- Smartphones, tablet PCs, mobile devices, HDTV, PCs, notebooks

New application: Cognitive lighting

- Major light sensor-based opportunity becomes reality
- Dynamic management improves industrial, home and office lighting
- Combining LED control and sensor technologies

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Emerging: Cognitive lighting

Smart lighting management integrates sensing and control to unlock energy savings







Sensor innovation

- AS721x Autonomous Daylighting Manager - industry's first integrated IoT-connected chip-scale smart lighting manager
- Combines photopic sensors including nano-optic filters with LED control and wireless connectivity
- Senses ambient daylight to deliver constant lux levels as amount of outside light varies
- Brings cost-effective sensing, control and connectivity to luminaires and light engines

First product sampling, available Q3 2015

Benefits

- Highly integrated system-level sensing and control offers major reduction in system cost and time-to-market
- Network-enabled architecture for IoT connectivity via BLE, ZigBee, WiFi, Ethernet/PoE or other networks
- Smart lighting sensor solutions create natural, convergent IoT sensor hubs within smart buildings

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Wireless solutions – NFC, RFID







NFC solutions for mobile transactions

- Antenna boost technology with automatic tuning offers unique performance
- Antenna booster enables fully reliable mobile device NFC transactions
- Solutions for smartphone NFC, boosted secure elements, NFC on SIM/microSD card and reader implementations
- World-leading expertise in NFC design
- Full roadmap to exploit technology leadership

Very high NFC booster shipments into major socket

RFID solutions for authentication

- Integrated one-chip UHF readers and other RFID solutions offer low solution cost to help RFID deployment
- Applications: consumables, materials tracking and authentication, supply chain and retail security

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Success: NFC antenna booster

Technology leader enabling reliable NFC for mobile transactions







Wireless innovation

- Advanced analog active tag NFC booster
- Active antenna boost overcomes reception problems in smartphones or for small form factor antennas
- Designed for ultra small form factor applications including wearables

Key growth driver given strong NFC momentum, 139m units shipped

Benefits

- High Frequency (HF) active antenna booster amplifies the antenna by >80x for NFC in small areas
- Shrinks antenna size to barely visible miniature footprint
- Ensures 100% read rate overcoming field-dampening metal environments
- Enables NFC on SIM cards and boosted secure elements
- Unrivalled and industry-recognized solution for reliable NFC in smartphones, mobile devices and wearables

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Audio: MEMS microphone ICs, ANC







MEMS microphone interface ICs

- Market leader in very dynamic market
- Product portfolio serving wide spectrum of end customer requirements
- Leading position in low noise solutions
- Strong customer partnership focusing on higher value market segments

ANC (active noise cancellation)

- Technology leader offering pure analog noise reduction without need for DSP
- Significant audio quality improvement at very low power and minimized footprint
- Emerging high volume opportunities in smartphones and mobile devices

High volume MEMS mic interface line for broad range of devices

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Power management solutions for mobile devices

Specialty PMIC solutions for optimum system performance







Specialty PMIC solutions

- High performance PMIC design for optimum system performance
- Added value for clamshell and other mobile devices utilizing multicore processors
- Support leading mobile graphics processor vendor's current and upcoming platforms
- Tight analog integration means significantly reduced footprint
- Programmable solutions maximize battery life and enable superior graphics or camera performance

Building specialty PMIC revenue stream

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2014 highlights Industrial, Medical, Automotive

Robust performance of industrial markets

- Positive demand environment across end markets drives growth in 2014
- Further improvement of market position at large OEMs as recognized technology specialist

Acquisition of two smaller sensor specialists enhances sensor portfolio

- Applied Sensor: specialty gas sensors, shipping into automotive applications
- acam mess-electronic: high resolution time-based sensors, shipping into industrial applications

Medical business develops positively

- Medical imaging and industry-leading sensor capabilities as core elements of Medical success
- High value design-wins in Asia and further broadening of customer base

Strong growth in automotive business

- Healthy end market demand and vehicle platform launches as key drivers in 2014
- Stuffed pipeline of design-wins including Japan and Asia creates multi-year growth path

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Industrial

Sensor solutions and sensor interfaces







Industrial automation and control

- Motion control
- Industrial sensors including time-based sensors
- Drives and electrical motors

2D and 3D position encoders

- Magnetic rotary and linear encoders
- Integrated high performance Hall sensors
- Broad portfolio for widest range of applications

Building automation and security

- HVAC
- Safety
- Sensor networking and bus systems

Seismic sensor interfaces

- Very high sensitivity sensor solutions

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Medical

Sensor solutions and sensor interfaces, power management, wireless







Medical imaging: Leader in lowest noise sensor solutions

- Computed tomography
- Digital X-ray
- Mammography
- Ultrasound

Personal health devices

- Diabetes management
- Heart rate monitors

Robotic surgical solutions

- Encoder-driven accuracy

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Automotive

Sensor solutions and sensor interfaces, bus systems, power management







Position sensing

- Pedal & throttle position
- Transmission (clutch, gear shift)
- Steering wheel angle and torque
- Brushless motor control applications

LIDAR collision avoidance continues model penetration

Battery power management

- Battery management for conventional, hybrid, and electric vehicles
- Highly-efficient power management

Safety systems

- Collision avoidance LIDAR systems (object detection)
- ESP (Electronic Stability Program)
- FlexRay® high bandwidth data network

Gas sensing

- Air quality sensing

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Scalable manufacturing for profitable growth







In-house capacity + manufacturing partnerships

Wafer manufacturing

- 200mm in-house fab (2015E 180k wafers p.a.)
- CMOS nodes: 0.18µm – 0.35µm – 0.8µm
- Specialty analog processes
- Best-in-class efficiency
- Multi-source security: TSMC, UMC, IBM

Assembly and test

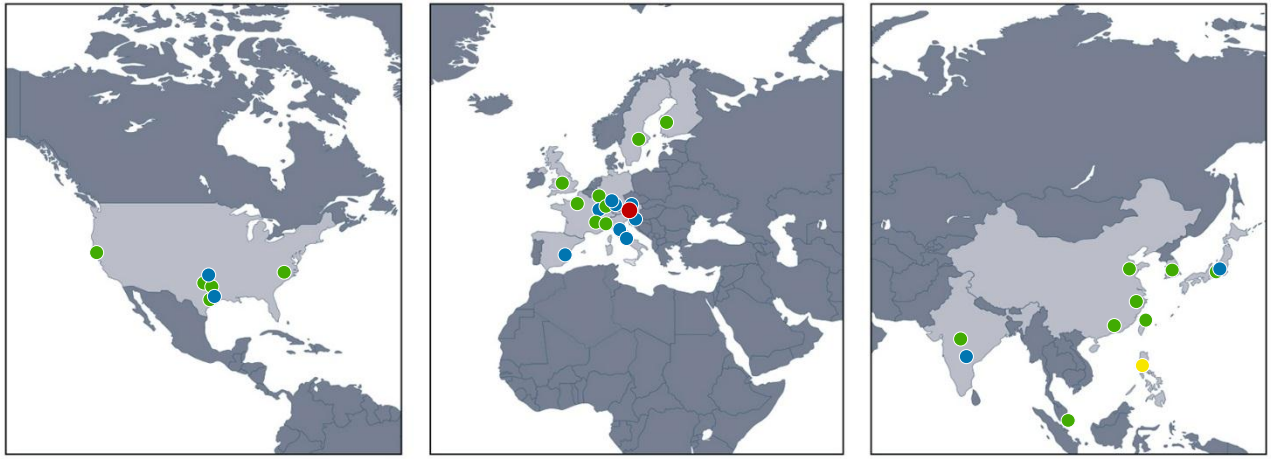
- In-house test in Austria and the Philippines
- Multi-source assembly locations
- End-to-end fully integrated supply chain
- Further expansion of test capacity in 2015

Fab capacity expansion: step 1 ramped, step 2 nearing completion

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Global value chain

- Headquarters
- Design centers
- Test center
- Sales offices



- **Additional design resources from Applied Sensor and acam acquisitions**
- **12 design centers**
  Austria, Switzerland, Italy (2), Spain, Slovenia, USA (2), India, Germany (2 new), Japan (new)
- **High volume test center**
  Philippines
- **Continuing growth in distribution design-ins and revenues**

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Quality and responsibility commitment







Quality commitment

- Certified under
  - ISO/TS16949 (automotive)
  - ISO/TS13485 (medical)
  - ISO 14001 (environment)
- Zero defect commitment with industry-leading field failure rates
- Global quality systems with local resources/labs in key markets
- Top rankings by customers

Corporate responsibility

- Member of the UN Global Compact
- CDP (Carbon Disclosure Project) participant
- Conflict metals/hazardous-use materials program implemented
- 70% reduction of CO_2 footprint since 2003;
  ongoing reduction measures

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Financial results

Michael Wachsler-Markowitsch,
CFO

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Key figures

EURm

(IAS)		2014	2013	Q4 2014	Q4 2013
Total revenues		464.4 + 22.9%	377.8	139.0 + 34.3%	103.5
Gross margin	(excl. acquisition-related costs) (incl. acquisition-related costs)	56% 55%	55% 52%	56% 54%	56% 54%
Result from operations (EBIT)	(excl. acquisition-related costs) (incl. acquisition-related costs)	116.1 105.4	73.9 63.9	34.5 31.4	26.7 24.2
Net result		97.5 + 60.4%	60.8	28.8 + 23.4%	23.3
EPS (basic/diluted) [1]	CHF EUR	1.74 / 1.67 1.43 / 1.37	1.11 / 1.07[2] 0.90 / 0.87[2]	0.51 / 0.48 0.42 / 0.40	0.42 / 0.41[2] 0.35 / 0.33[2]

1) Earnings per share in CHF were converted using the average currency exchange rate for the respective periods
2) Earnings per share have been adjusted to reflect the share split of 1:5

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FINANCIAL RESULTS

P&L

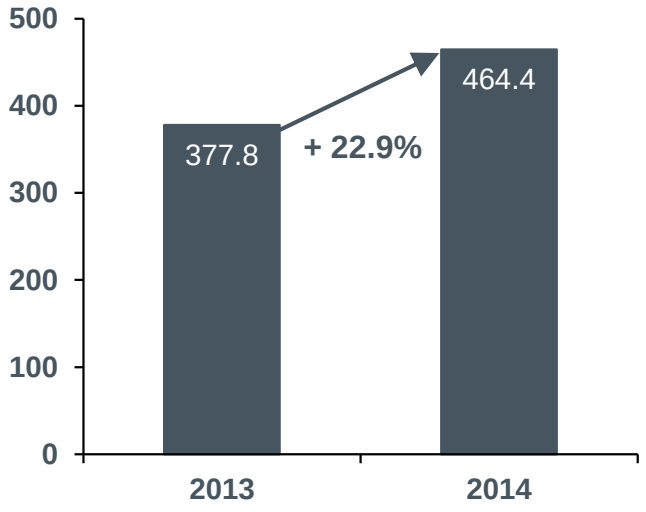
BALANCE SHEET

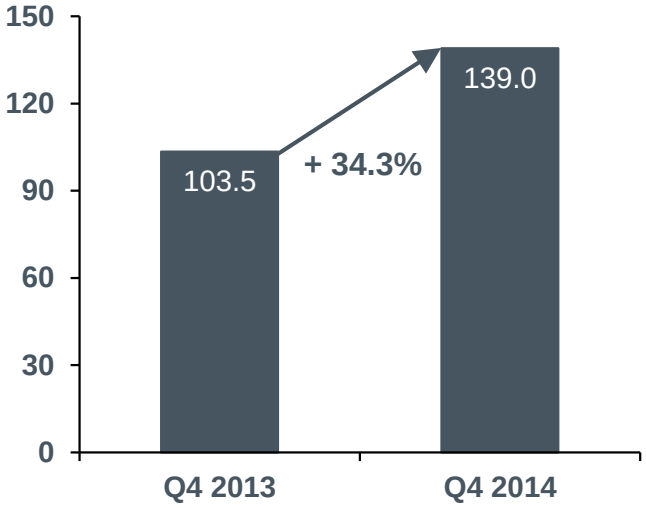
CASH FLOW

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Total revenues

EURm





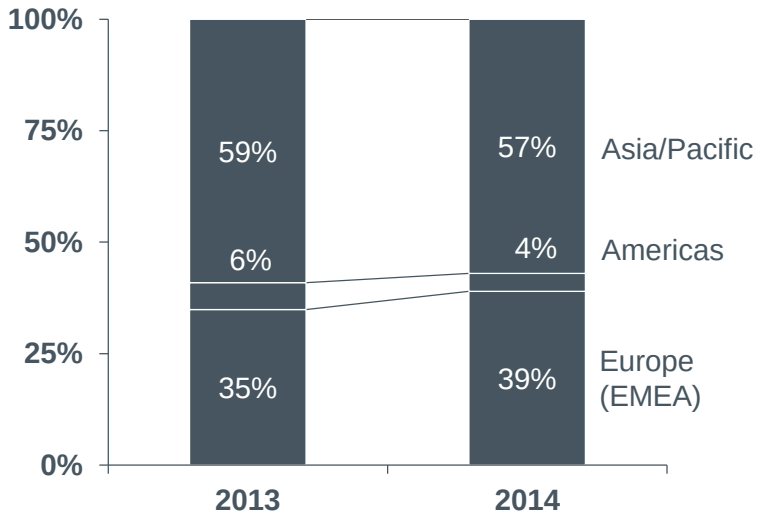
- Strong revenue growth for full year and particularly Q4 2014
- On constant currency basis, revenues 2014 +22% year-on-year, Q4 2014 +26% year-on-year

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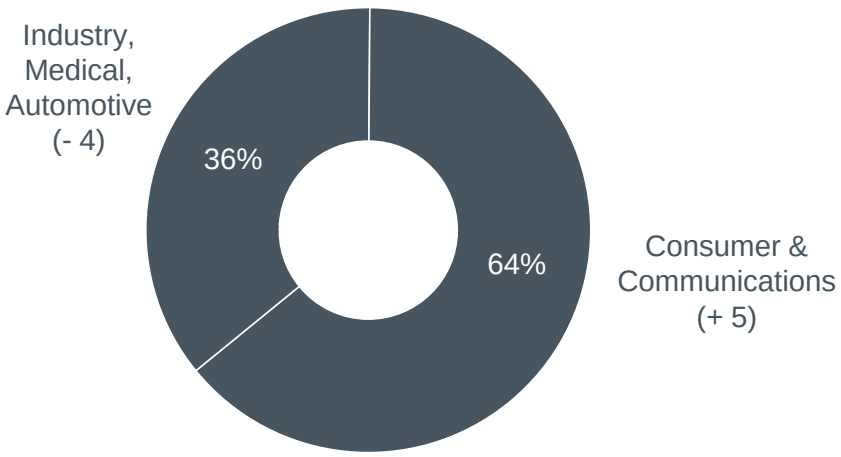
Revenue distribution

% of revenues

Total revenues by region 2013/2014



Total revenues by market 2014

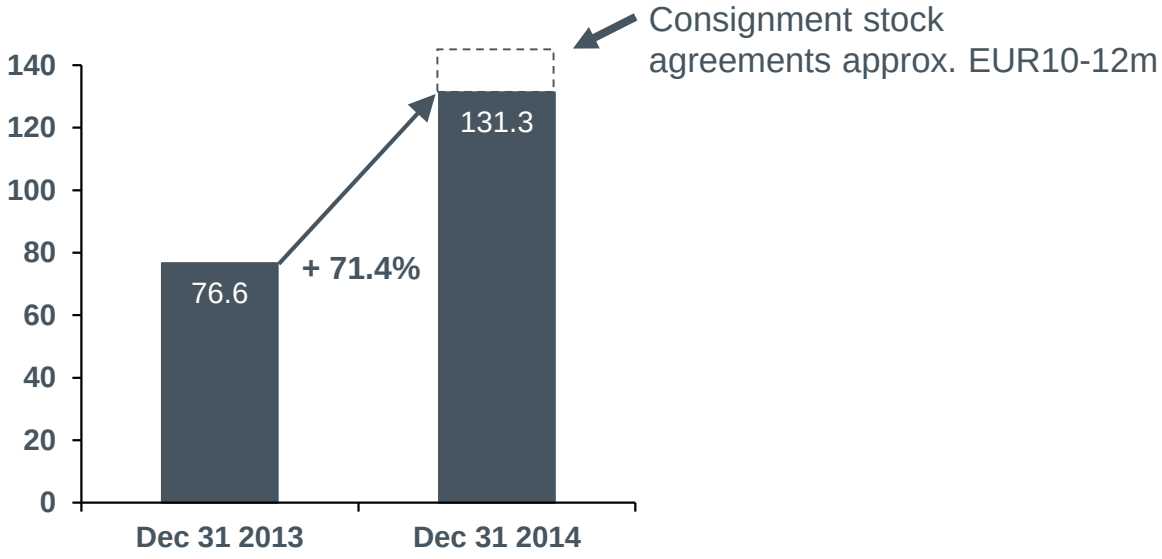


- Slight expansion of EMEA business in 2014 but mostly due to billing locations
- Stronger Consumer & Communications share of revenues for 2014

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Total backlog

EURm

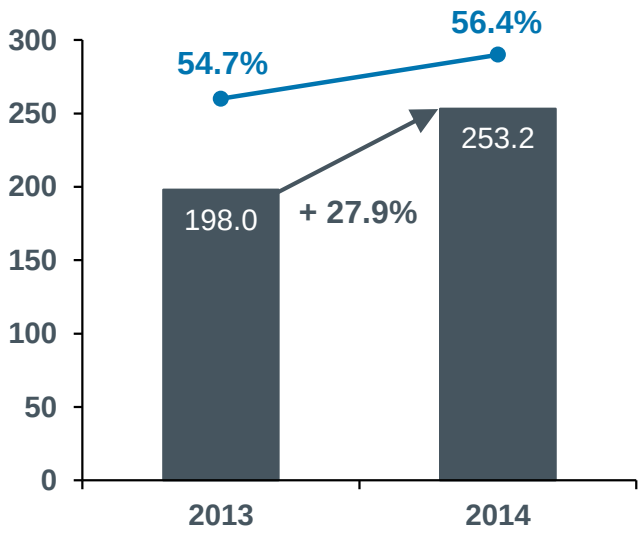


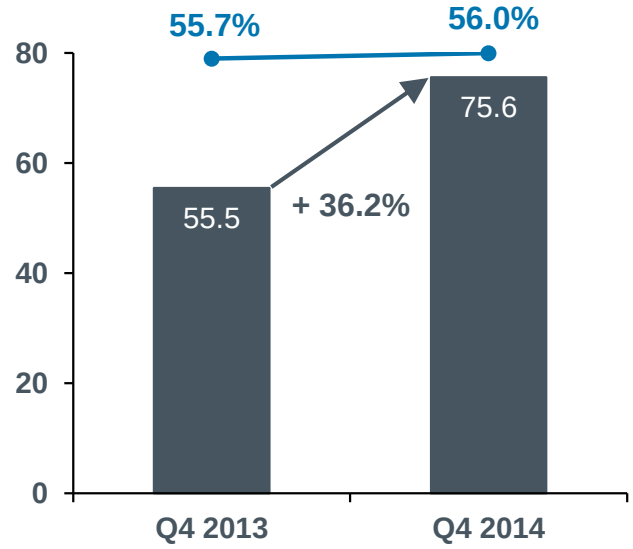
- Very strong increase in backlog demonstrates strength of consumer business into 2015
- Total backlog + designated consignment stock agreements = total customer-committed pipeline

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Gross profit / gross profit margin

EURm, % of revenues, gross profit including acquisition-related costs





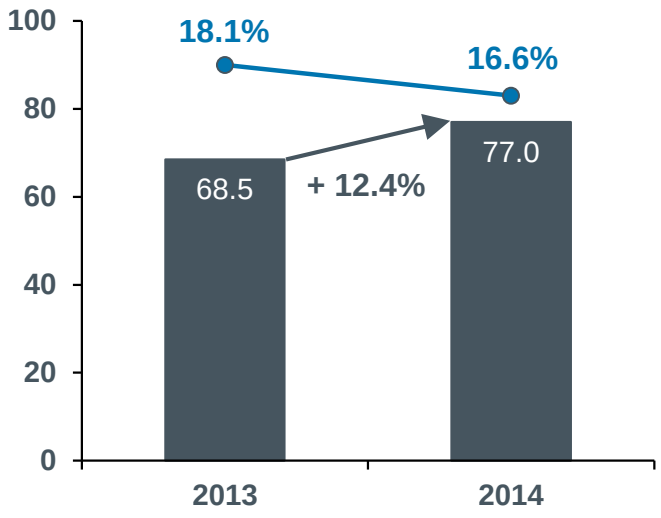
Gross profit margin excluding acquisition-related costs

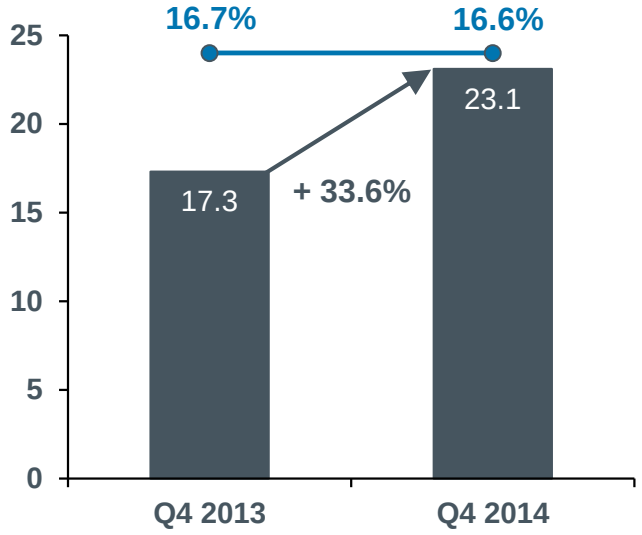
- Gross margin performance driven by product mix, full utilization and production efficiencies
- Gross margin including acquisition-related costs 2014: 54.5%, Q4 2014: 54.4%

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R&D expenses

EURm, % of revenues



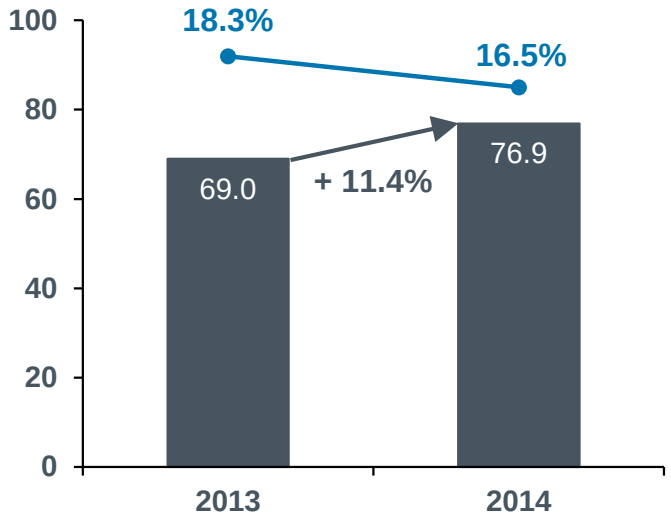


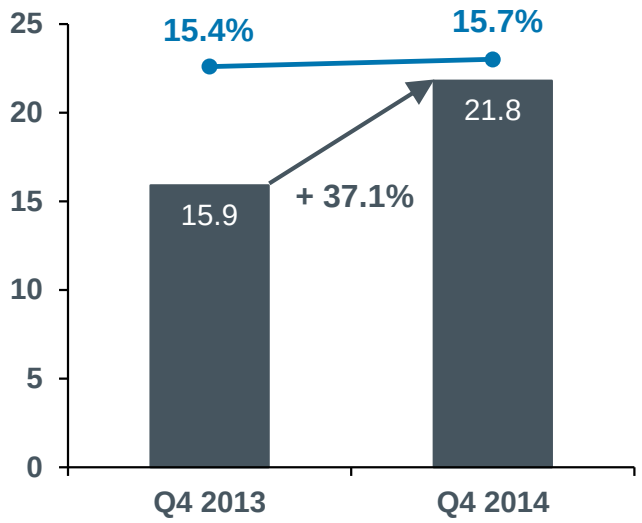
- 2014 R&D investments support full multi-year pipeline of customer projects and design-wins
- R&D investments to continue within business model target range

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SG&A expenses

EURm, % of revenues



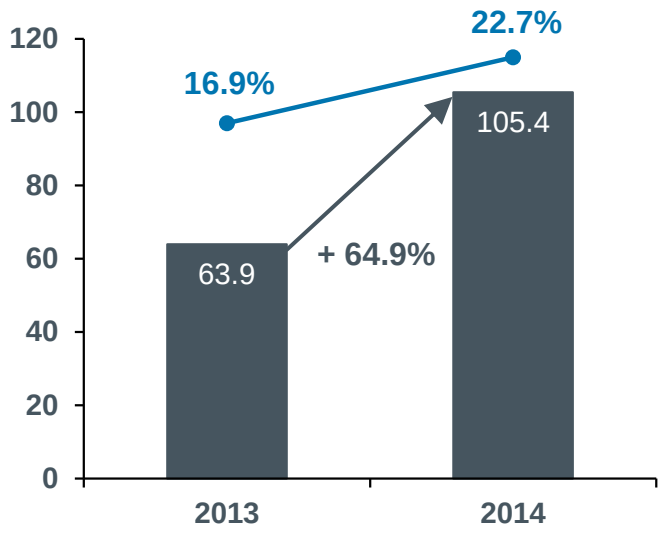


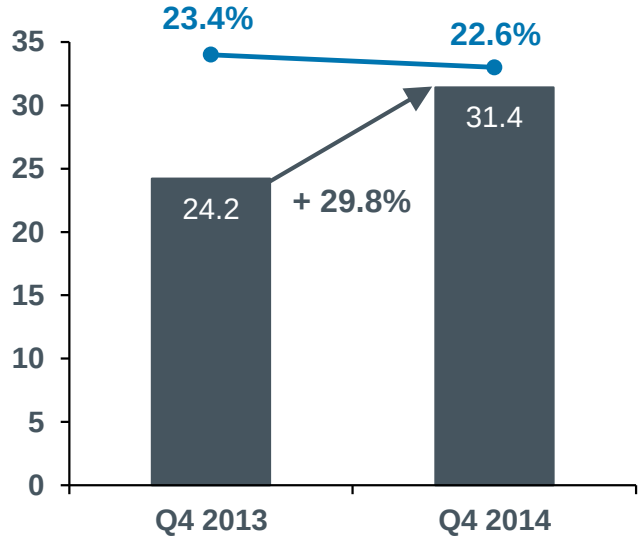
- SG&A expenses show select sales and support additions, profit-sharing and commissions
- Q4 2014 shows profit sharing-driven base effect due to release of accruals compared to Q4 2013

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Result from operations (EBIT)

EURm, % of revenues



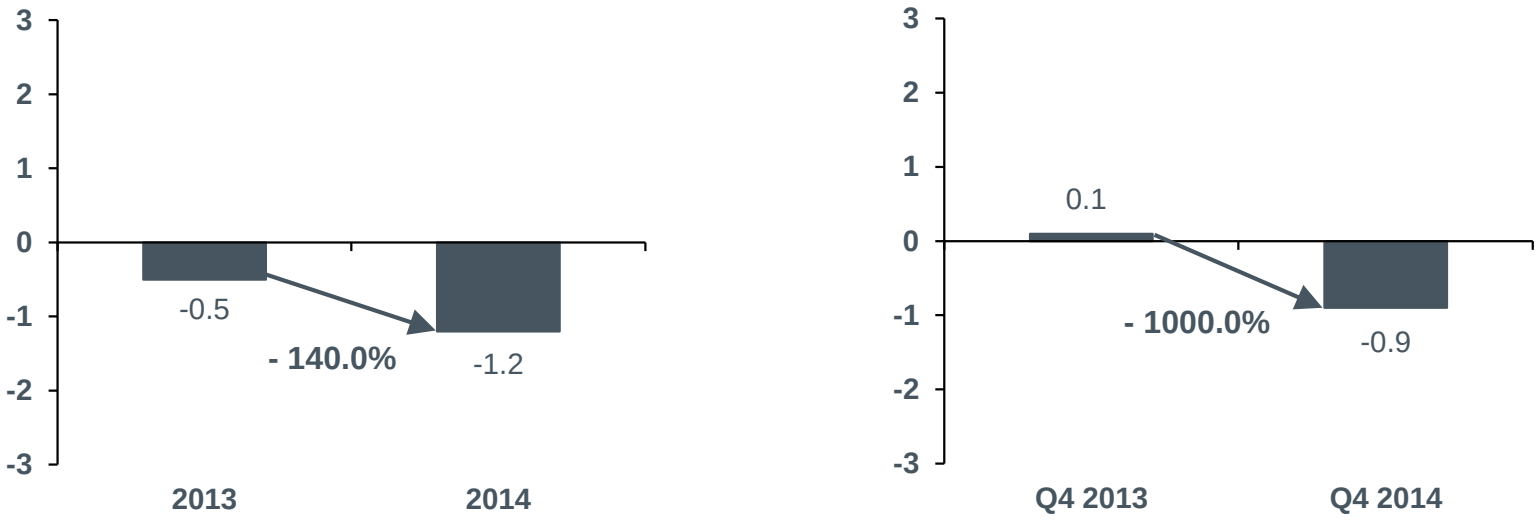


- Strong EBIT growth driven by H2 2014, Q4 2014 includes R&D expansion and one-time effects
- EBIT margin excl. acquisition-related costs 2014 25.0%, Q4 2014 24.8%

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Net financial result

EURm

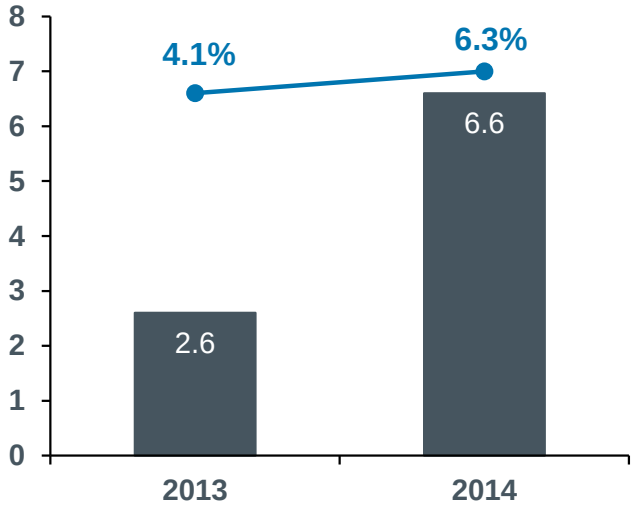


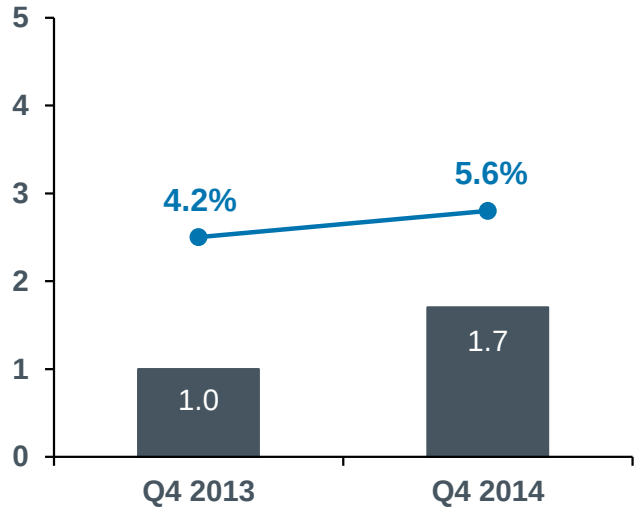
- 2014 financial result mainly impacted by revaluation of equity earn-out for IDS acquisition
- Effects from exchange rate fluctuations reflected in financial result

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Tax expense

EURm, tax rate: % of result before tax (PBT)





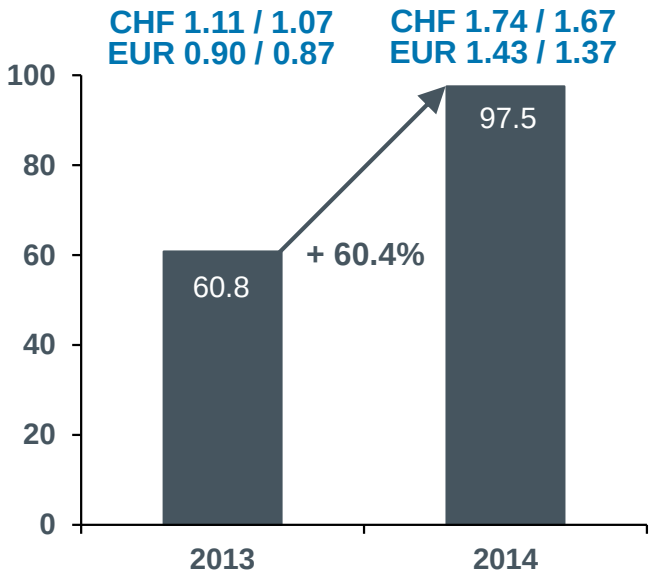
Tax rate

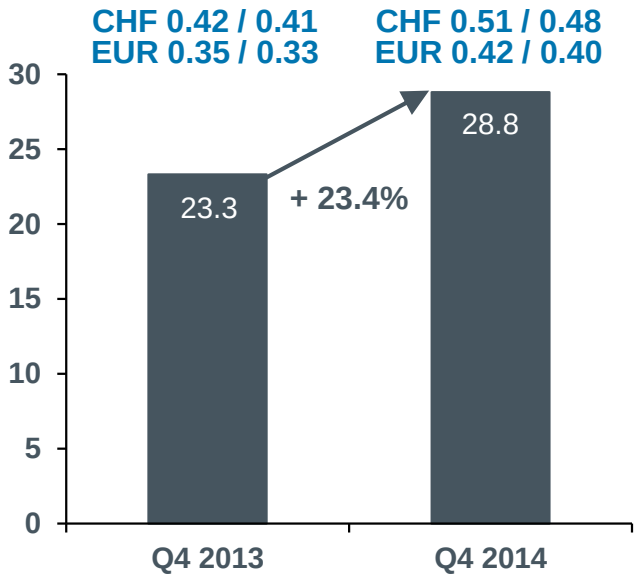
- Low tax expense 2014 due to application of historic tax losses and international tax structures
- 2015 P&L tax rate and cash tax rate expected to reach mid to high single-digit

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Net income / earnings per share

EURm, earnings per share (EPS) in CHF and EUR (basic/diluted)





- Net income increase reflects strong increase in operating profitability
- 2013 figures adjusted for 1:5 share split in 2014

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FINANCIAL RESULTS

P&L

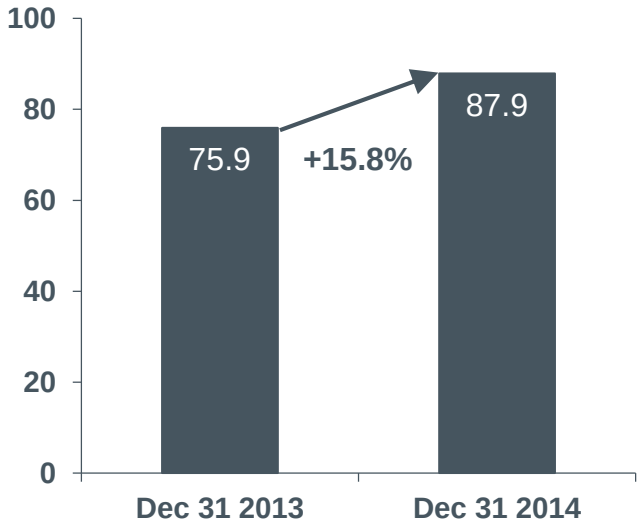
BALANCE SHEET

CASH FLOW

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Working capital

EURm



Working capital at year-end

	2014	2013
Trade receivables	**79.0**	63.7
+ Inventories	**59.9**	40.5
- Trade liabilities	**51.0**	28.3
Working capital	**87.9**	75.9
in % of revenues	19%	20%

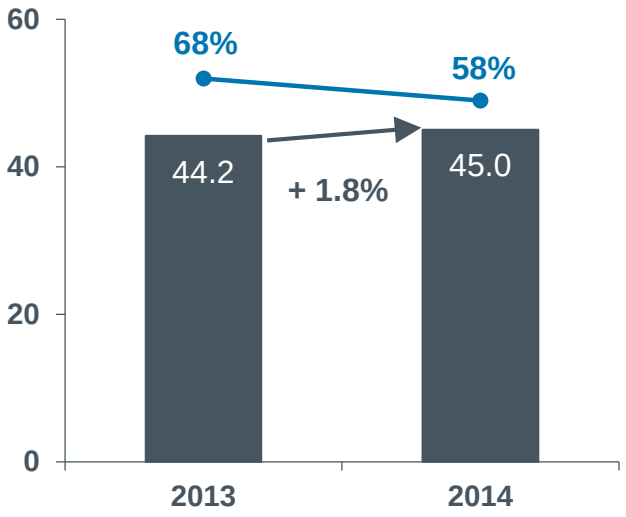
- Successful working capital management relative to revenue growth
- Increase in inventories due to expansion of production capacity (higher WIP)

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Net cash, cash and short term investments

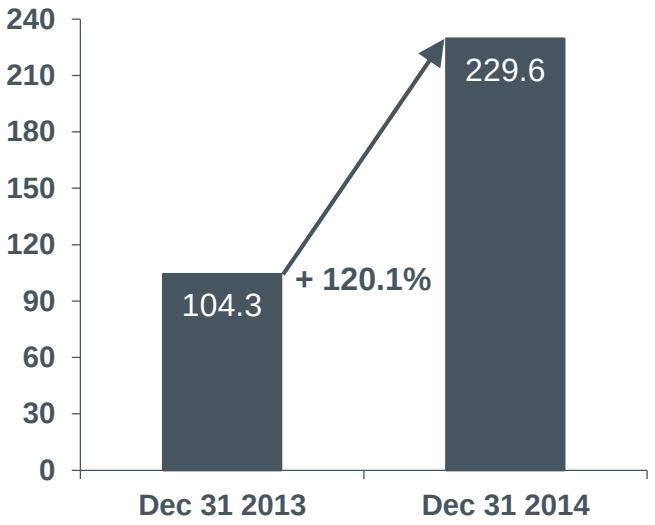
EURm, % of total liabilities

Net cash, equity ratio



Equity ratio

Cash and short-term investments



- Encouraging net cash development despite investments into capacity
- Opportunistic addition of debt resulting in higher cash balance

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FINANCIAL RESULTS

P&L

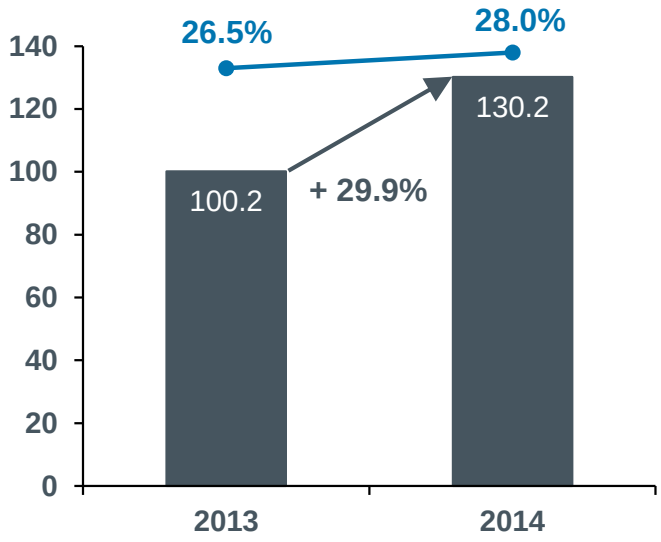
BALANCE SHEET

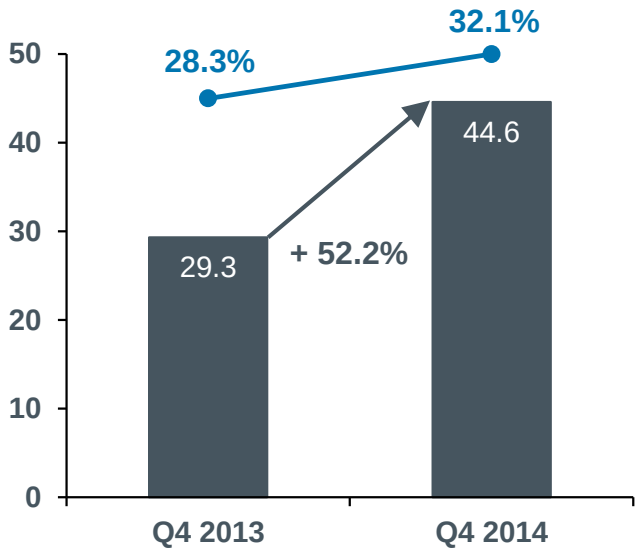
CASH FLOW

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Cash flow from operations

EURm, % of revenues





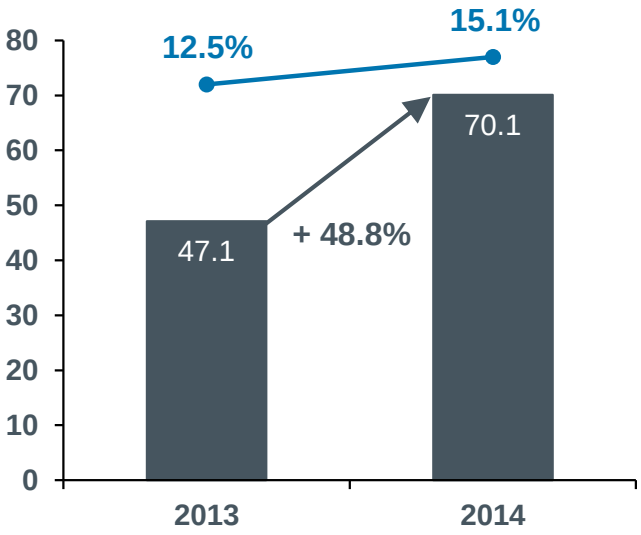
Cash flow as % of revenues

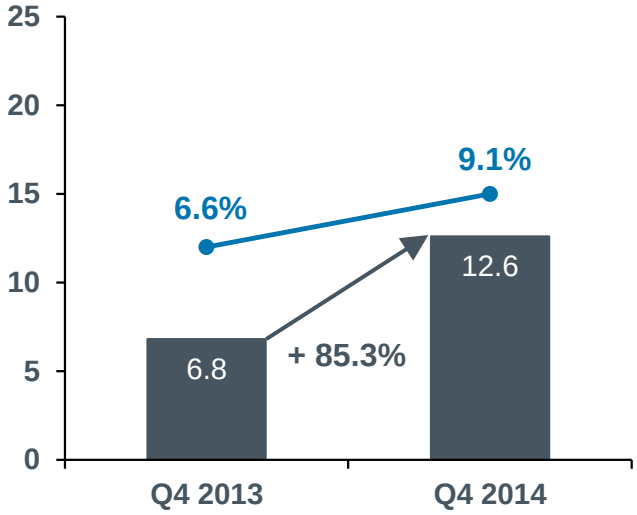
- Very strong cash generation driven by business growth
- High level of cash flow to revenues underlines attractive business model

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Capital expenditures

EURm, % of revenues - Acquisition of intangibles, property, plant and equipment





Capital expenditures as % of revenues

- 2014 capital expenditures include significant expansion of in-house production capacity
- 2015: completion of wafer fab build-out and expansion of test capacity

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Dividend policy and proposal

Dividend policy

- Distribution of 25% of net earnings

Dividend proposal for 2014

- EUR 0.33 per share outstanding

Dividend timetable

- AGM June 9, 2015
- Payment date June 18, 2015

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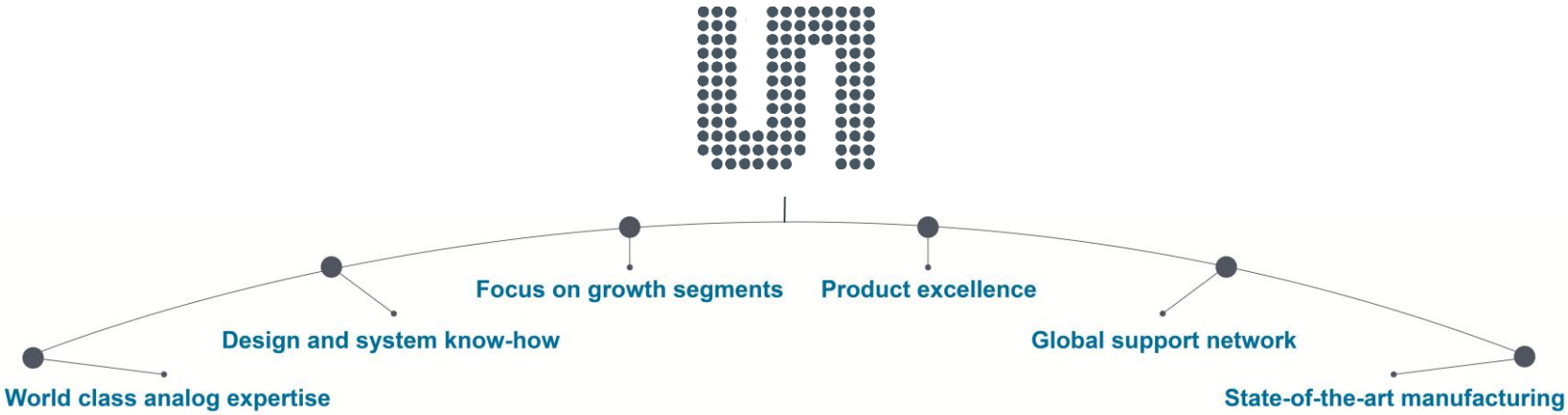
Company highlights and outlook

Kirk Laney, CEO

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Company highlights

Analog makes sense



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Outlook 2015 and first quarter 2015

Another growth year expected for 2015

Very strong project and revenue pipeline with major OEMs across markets

- Large scale projects for various leading consumer OEMs extending into 2016
- High value automotive and industrial pipeline offers multi-year revenue outlook

Continued R&D investments and expansion of design resources,
3 new design centers 2014/15 (2x Germany, 1x Japan)

New product ramps including cognitive lighting and consumer health biosensor expected in 2015

Q1 2015 expected to show sequential growth vs. Q4 2014 contrary to typical seasonality, expected revenues EUR 145-150m, operating margin expected slightly up from Q4 2014

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Thank you

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Profit and loss statement

EURm

(IAS)	2014	2013	Q4 2014	Q4 2013
Total revenues	464.4	377.8	139.0	103.5
• Products	425.0	343.0	129.7	95.1
• Foundry	39.4	34.8	9.3	8.4
Gross profit	253.2	198.0	75.6	55.5
• Gross margin (incl. acquisition-related costs)	54.5%	52.4%	54.4%	53.7%
Research and development	- 77.0	- 68.5	- 23.1	- 17.3
Selling, general and administrative	- 76.9	- 69.0	- 21.8	- 15.9
Other operating income/expenses	6.0	3.3	0.7	1.9
Result from operations (EBIT) (incl. acquisition-related costs)	105.4	63.9	31.4	24.2
• Operating margin	22.7%	16.9%	22.6%	23.4%
Net financing costs	- 1.2	- 0.5	- 0.9	0.1
Result before tax	104.1	63.4	30.5	24.3
Income tax result	- 6.6	- 2.6	- 1.7	- 1.0
Net result	97.5	60.8	28.8	23.3
EPS (basic/diluted) CHF[1)]	1.74 / 1.67	1.11 / 1.07[2)]	0.51 / 0.48	0.42 / 0.41[2)]
EUR	1.43 / 1.37	0.90 / 0.87[2)]	0.42 / 0.40	0.35 / 0.33[2)]

1) Earnings per share in CHF were converted using the average currency exchange rate for the respective periods
2) Earnings per share have been adjusted to reflect the share split of 1:5

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Balance sheet

EURm

Assets (IAS)	Dec 31, 2014	Dec 31, 2013	Liabilities and equity	Dec 31, 2014	Dec 31, 2013
Cash and short term invest.	229.6	104.3	Interest-bearing debt	38.5	0.8
Trade receivables	79.0	63.7	Trade liabilities	51.0	28.3
Inventories	59.9	40.5	Provisions	37.6	23.2
Other current assets	18.3	10.5	Other liabilities	42.1	24.1
Total current assets	386.7	219.1	**Total current liabilities**	169.2	76.3
Fixed assets	204.1	145.4	Interest-bearing debt	146.1	59.3
Intangible assets	315.7	243.0	Employee benefits	27.0	23.6
Investments	6.5	5.1	Provisions	27.1	22.9
Deferred tax asset	34.1	33.3	Deferred tax liabilities	20.8	13.6
Other non-current assets	7.7	7.1	Other liabilities	8.9	12.6
Total non-current assets	568.2	433.9	**Total non-current liabilities**	230.0	132.0
			Shareholders' equity	555.8	444.7
Total assets	955.0	653.0	**Total liabil. and equity**	955.0	653.0

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Cash flow statement

EURm

(IAS)	2014	2013	Q4 2014	Q4 2013
Income before tax	104.1	63.4	30.5	24.3
Depreciation	37.3	35.2	10.6	8.4
Cash flow from operations	130.2	100.2	44.6	29.3
Capital expenditures	- 70.1	- 47.1	- 12.6	- 6.8
Cash flow from investing activities	- 108.9	- 46.8	- 32.2	- 6.4
Proceeds from borrowings	125.3	14.0	116.2	2.1
Repayment of borrowings	- 0.8	- 33.6	- 0.4	- 15.4
Dividends paid	-14.1	- 19.4	0	0
Changes resulting from capital increase				
Cash flow from financing activities	99.1	- 37.9	113.4	- 10.6
Change in cash and cash equivalents	120.3	15.4	125.8	12.3
Cash and cash equivalents at end of period	203.7	83.4	203.7	83.4

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