



ams

Full year + fourth quarter results 2015

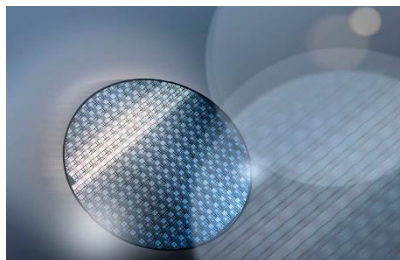


Kirk Laney, CEO
Michael Wachsler-Markowitsch, CFO
Moritz Gmeiner, Head of IR

February 2016

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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.

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
- Best-in-class solutions for leading OEMs

By the numbers

- 500 analog engineers
- More than 30 years of design experience
- 17 design centers, 2 manufacturing sites
- 2,000+ employees worldwide
- 8,000+ customers

Our focus

	High performance sensors and analog ICs		
Target markets	Consumer & Communications	Automotive, Industrial, Medical	
	65% of revenues (FY 2015)	35% of revenues (FY 2015)	
Core expertise	Sensor solutions and sensor interfaces		Power management
			Wireless

2015 highlights

Light sensors again largest revenue contributor and key driver of 2015 growth

- Market leader in consumer, leading position in upcoming advanced light sensing technologies

Acquisition of image sensor specialist CMOSIS adds significant IP and growth potential

- Excellent sensor portfolio expansion: high-value industrial/medical business and strong innovation

Acquisition of CMOS environmental sensors opens major growth opportunities across markets

- Key portfolio expansion to drive integrated sensing for new growth applications in AIM and consumer

New U.S. wafer fab to support growth plans and drive cost and margin benefits from 2018

- Highly attractive rental model with State of NY for state-of-the-art capacity without capex burden

Good growth in Automotive, Industrial, Medical as sensors continue to proliferate

- Leading sensor solutions provider focused on Industry 4.0 and Internet of Awareness

Fully aligned for 2019 organic revenue goal of EUR 1bn

- Strong development and project pipeline in consumer and AIM

Light sensors

Worldwide leader in intelligent integrated light sensors



Sensor solutions

- Gesture - hand movement sensing near device surface creates touchless interface
- RGB color ALS - full light spectrum/light temperature analysis improves display quality
- Classic ALS - legacy monochromatic ambient light sensing for simple display management
- Proximity (Prox) - skin proximity detection to control display/touchscreen on-state

Gesture module in multiple platforms, first TSV shipments

Broad coverage of consumer electronics markets

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

New opportunities: Industrial lighting, new consumer applications

- Combination of LED driver and light sensing for building lighting
- New light sensor-based technologies to improve consumer devices
- True Color Sensing for advanced analysis of light environment

Acquisition of CMOSIS

Expansion of optical sensor portfolio with high-end CMOS image sensors



Leader in high-end CMOS imaging

- High-performance area and line scan CMOS sensors
- Leading position in global shutter technology for excellent high-speed performance
- Low noise, global and rolling shutter, high dynamic range, and high frame rate solutions
- Advanced applications in machine vision, medical, broadcast, traffic, scientific and photographic imaging
- Locations in Belgium, Germany, Portugal, U.S.

Multiple growth opportunities in industrial and medical image sensing

NanEye <1mm² camera modules for endoscopy-type medical applications

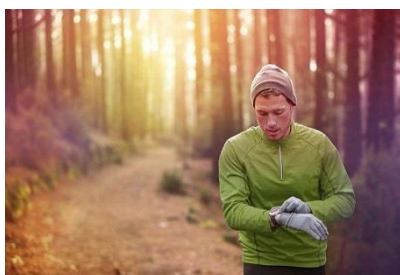
- Significantly higher picture quality and robustness for better diagnostics

Financial and transaction details

- Equity value of approx. EUR 220m, all-cash transaction
- Sound revenue base of close to EUR 60m in 2015 with strong margins
- Consolidated from December 2015 onwards

Emerging: Biosensors for personal devices

Highly integrated health and fitness solutions based on advanced optical sensing



Sensor innovation

- High quality heart rate measurement using photoplethysmography (PPG)
- Low-power high performance integrated hard- and software solution including optical filters
- Improved accuracy across situations supports heart rate variability (HRV) applications
- Moving to red/IR illumination for higher value biosensing
- Upcoming products expected to include reflective SpO₂ and blood pressure

AS7000 first gen biosensor shipping, second gen launch expected H1 2016

Benefits

- High integration including high performance optical sensor module to drive next generation of health and fitness solutions
- Ideal for fitness bands worn constantly, at rest and when exercising
- Technology platform enabling future spectral sensing health applications

Wireless solutions – NFC, RFID



NFC solutions for mobile transactions (Boosted NFC)

- High performance ALM antenna boost technology
- Highest NFC reliability for wearables, smartphones, and mobile devices
- Applications in device NFC, small form factors and readers
- License agreement with major NFC controller chip (NCC) vendor to pursue high volume opportunities in coming years

**NFC boost license
agreement with
major NCC vendor**

RFID solutions for authentication

- Integrated one-chip UHF readers and RFID solutions for lower cost RFID deployment
- Materials tracking and authentication, supply chain security

Audio: MEMS microphone ICs, ANC



MEMS microphone interface ICs

- Market leader in dynamic market
- Around 1.6bn units shipped in 2015
- Leading position in low noise solutions
- Strong customer partnership focused on high value market segments

ANC (active noise cancellation)

- High performance technology offering pure analog noise reduction, no DSP required
- Significant audio quality improvement
- Very low power consumption, minimized footprint, comprehensive roadmap for enhanced feature set
- High volume opportunity in bundled earphones and similar devices

**Lenovo using ANC
in smartphone-
bundled earphones**

Industrial

Sensor solutions and sensor interfaces



Industrial automation, control, and sensing

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



2D and 3D position encoders

- Magnetic rotary and linear encoders
- Broad portfolio of integrated high performance Hall sensors



Building automation and security

- HVAC + Safety
- Sensor networking and bus systems

Environmental sensing

- Relative humidity, pressure and temperature CMOS sensors

Emerging: Cognitive industrial lighting

Smart lighting management integrates sensing and control to unlock energy savings



Sensor innovation

- Industry's first integrated IoT-connected chip-scale smart lighting managers
- Photopic sensors with nano-optic filters, high efficiency LED drivers and wireless connectivity
- Ambient daylight sensing delivers constant lux levels as amount of outside light varies
- Cost-effective sensing, control and connectivity for luminaires and light engines

Benefits

- Significant energy savings potential from truly smart LED lighting
- Integrated system-level sensing and control for major reduction in system cost
- Protocol-agnostic networked architecture for easy IoT connectivity
- Smart lighting sensor solutions bring convergent IoT sensor hubs to smart buildings

**First products
launched;
building mid-term
volume opportunity**

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

- Heart rate monitors
- Diabetes management



Robotic surgical solutions

- Encoder-driven accuracy

Automotive

Sensor solutions and sensor interfaces, bus systems, power management



Position sensing

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

**LIDAR object
detection
supports upcoming
applications**



Safety systems and ADAS

- Collision avoidance LIDAR systems (ADAS for object detection)
- ESP (Electronic Stability Program), data bus networks



Battery power management

- Battery management for conventional, hybrid, and electric vehicles
- High efficiency power management

Environmental sensing

- Air quality sensing
- Relative humidity and temperature sensing

Scalable manufacturing model



In-house capacity + manufacturing partnerships

Wafer manufacturing

- 200mm internal fab, Austria (180-190k 200mm-wafer equiv. p.a.)
- CMOS + specialty analog down to 180nm
- External wafer sources: TSMC, UMC, GF

U.S. wafer fab project on track, expected ramp early 2018

New wafer fab project in upstate New York, USA

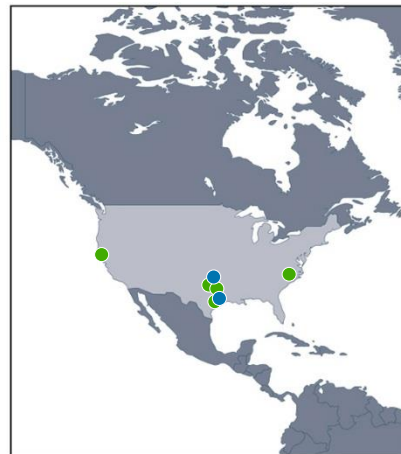
- Renting new custom-built wafer fab from State of New York
- First buildout: 150k+ 200mm-wafer equiv. p.a., 130nm capable
- Start of construction H1 2016E, production ramp early 2018E
- No depreciation on fab
- Significantly lower per-wafer cost to drive margin benefits

Test and assembly

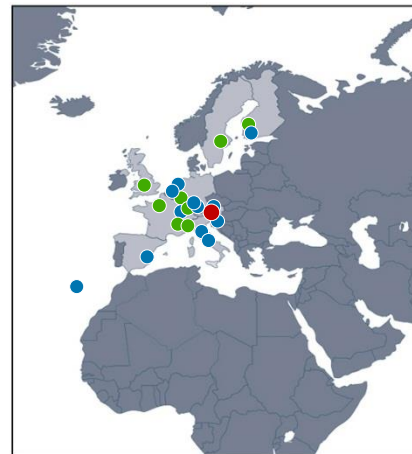
- In-house test in Austria and the Philippines
- End-to-end fully integrated supply chain

Global value chain

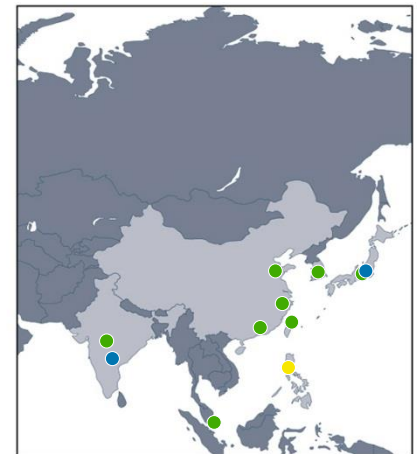
- Headquarters
- Design centers
- Test center
- Sales offices



Americas



Europe



Asia

- **17 design centers**
Austria, Switzerland, Italy (2), Spain, Slovenia, Germany (3), Belgium, Netherlands, Portugal, Finland, USA (2), India, Japan
- 2015: 4 design centers added from acquisitions (CMOS environmental sensors + CMOSIS) - Netherlands, Belgium, Germany, Portugal
- **High volume test center**
Philippines



Financial results

Key figures

EURm

(IAS)		2015	2014	Q4 2015	Q4 2014
Total revenues		623.1 + 34.2%	464.4	147.2 + 5.9%	139.0
Gross margin	(excl. acquisition-related amortization) (incl. acquisition-related amortization)	56% 54%	56% 55%	57% 55%	56% 54%
Result from operations (EBIT)	(excl. acquisition-related amortization) (incl. acquisition-related amortization)	162.2 147.3	116.1 105.4	33.7 29.3	34.5 31.4
Net result		148.7 + 52.4%	97.5	30.6 + 6.5%	28.8
EPS (basic/diluted)	CHF EUR	2.30 / 2.21 2.16 / 2.08	1.74 / 1.67 1.43 / 1.37	0.48 / 0.46 0.44 / 0.43	0.51 / 0.48 0.42 / 0.40

FINANCIAL RESULTS

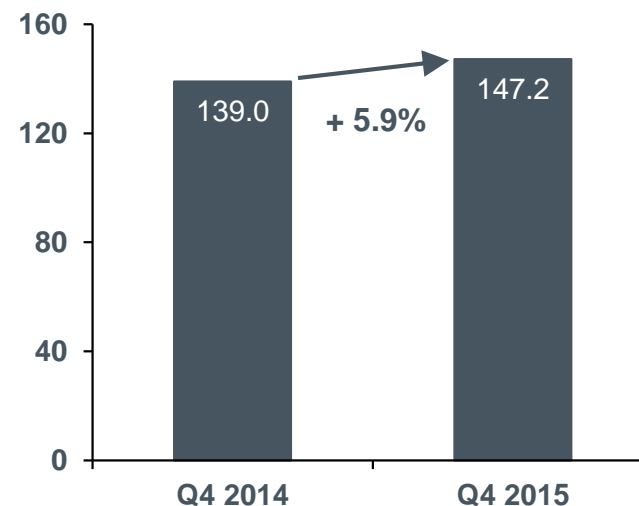
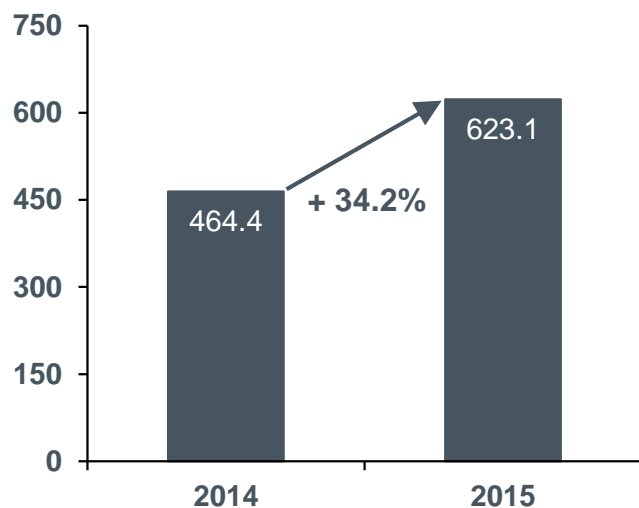
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BALANCE SHEET

CASH FLOW

Total revenues

EURm

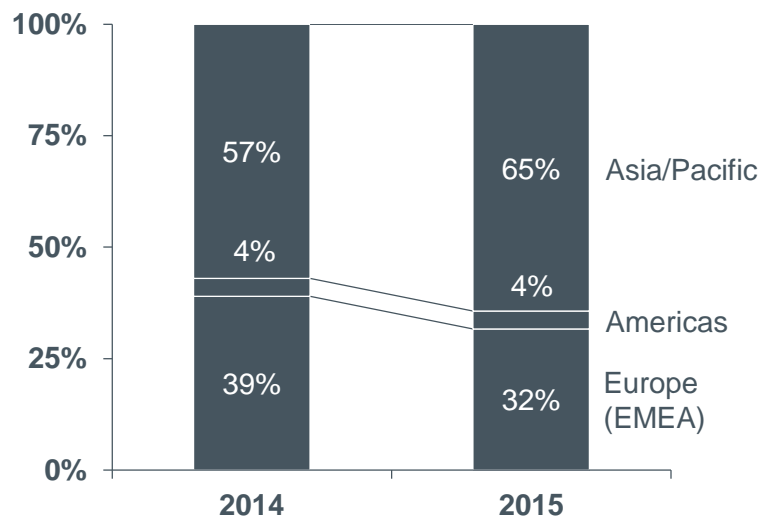


- Strong full year revenue growth, Q4 2015 excluding CMOSIS above high end of expectations
- On constant currency basis, revenues 2015 up 19% year-on-year, Q4 2015 down 3% year-on-year

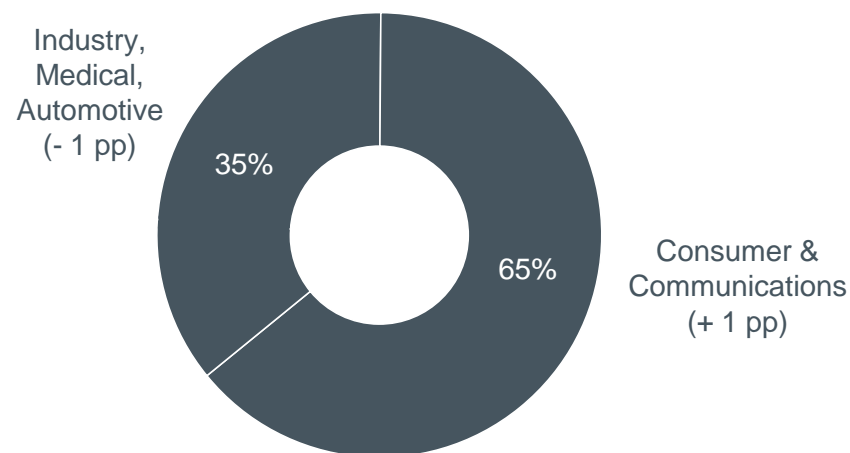
Revenue distribution

% of revenues

Total revenues by region 2014/2015



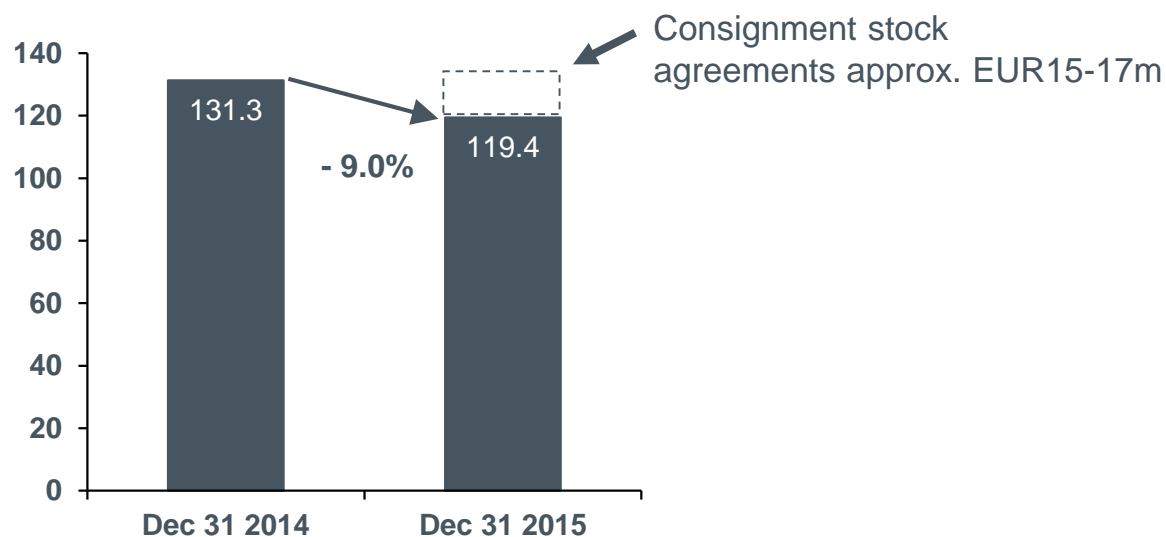
Total revenues by market 2015



- Further expansion of Asia/Pacific business in 2015 partly due to billing locations
- Consumer & Communications share of revenues almost unchanged from 2014

Total backlog

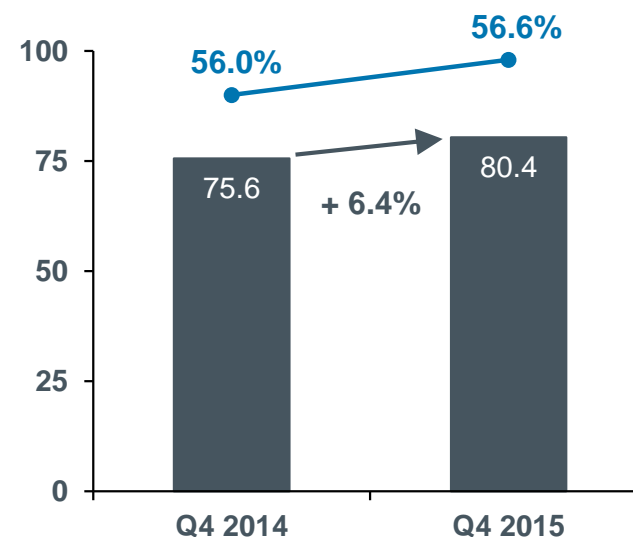
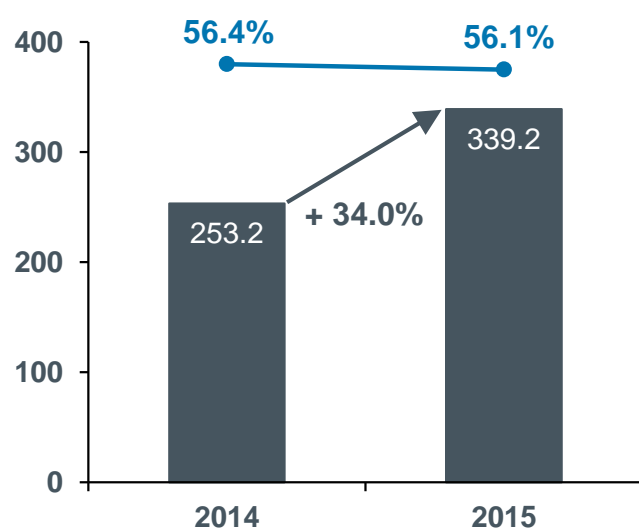
EURm



- Backlog comparison reflects current softer consumer demand environment
- Total backlog + designated consignment stock agreements = total customer-committed revenue pipeline

Gross profit / gross profit margin

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

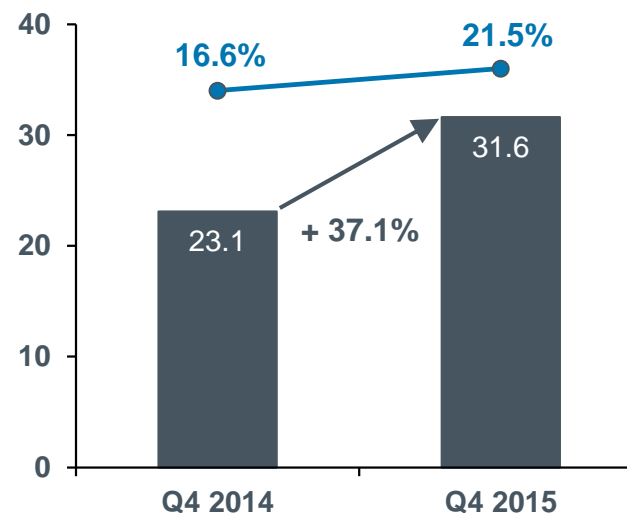
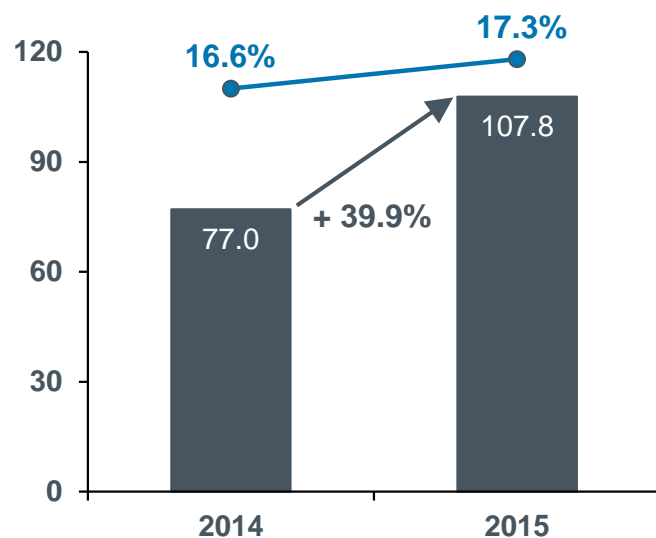


Gross profit margin excluding acquisition-related amortization

- Gross profit margin performance due to product mix, full utilization, scale effects, production efficiency
- Gross profit margin including acquisition-related amortization 2015: 54.4%, Q4 2015: 54.6%

R&D expenses

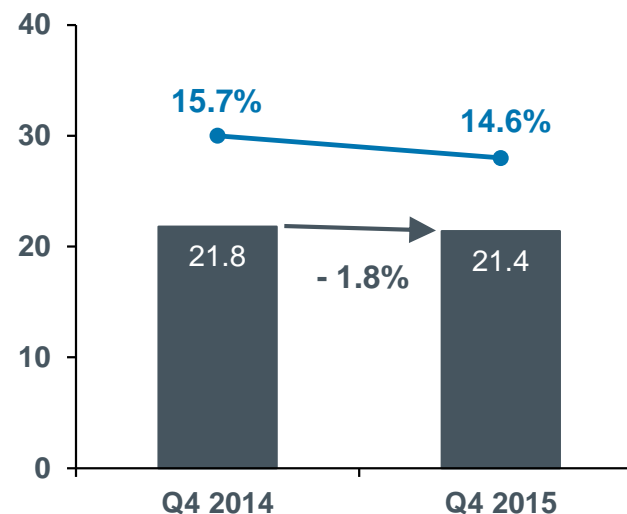
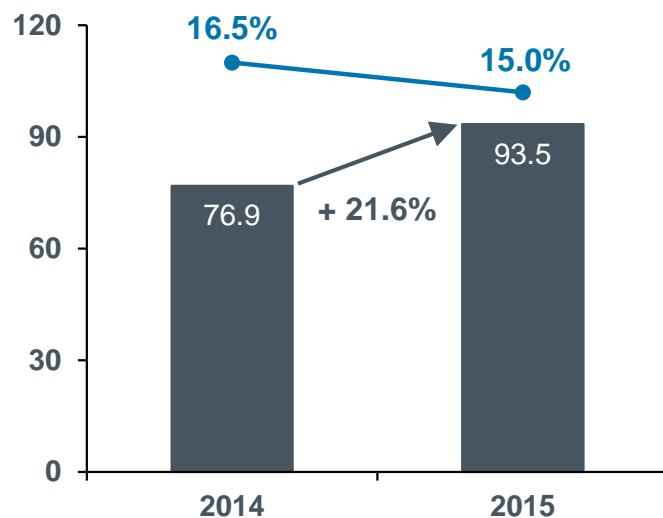
EURm, % of revenues



- R&D investments continuing on high level to support multi-year pipeline
- Q4 2015 includes base effect from acquisitions

SG&A expenses

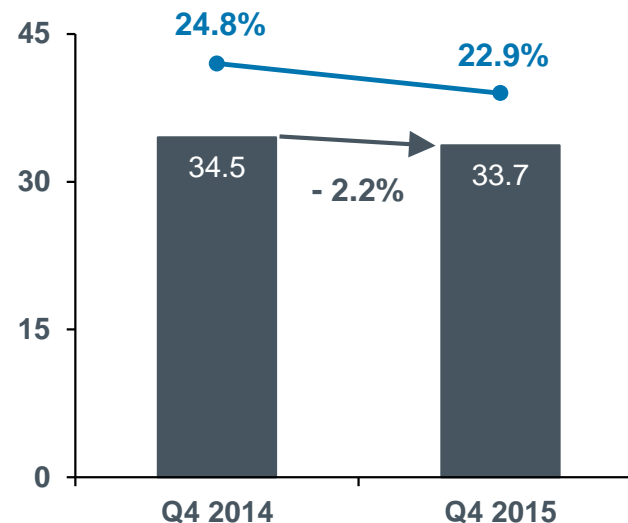
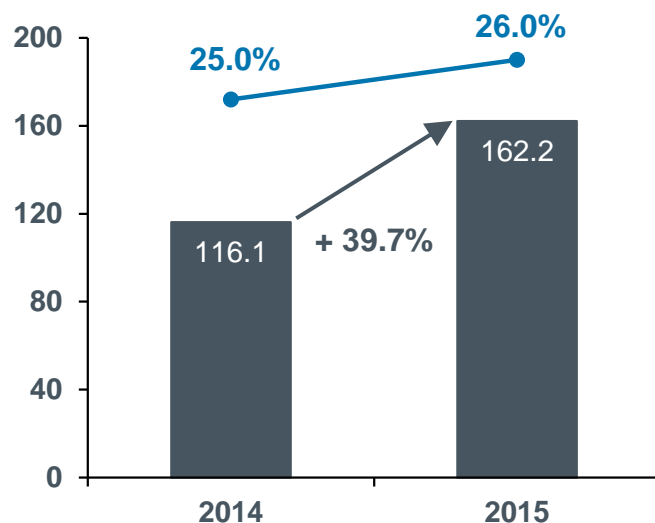
EURm, % of revenues



- SG&A expenses include selective sales/marketing investments, profit-sharing, commissions
- Successful SG&A expense management through 2015

Result from operations (EBIT)

EURm, % of revenues, EBIT excluding acquisition-related amortization

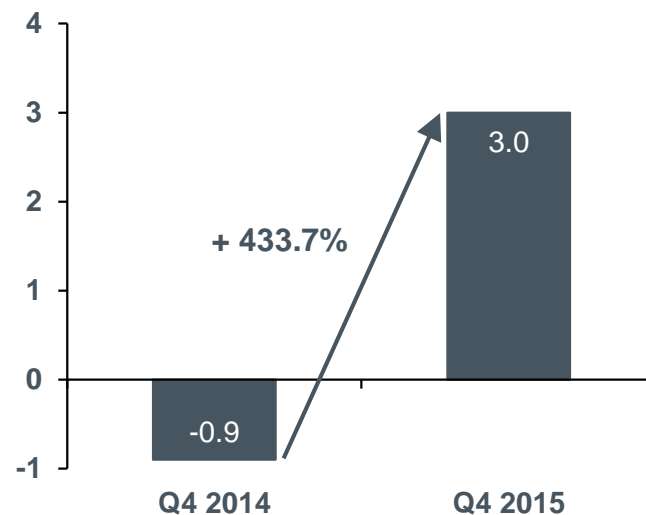
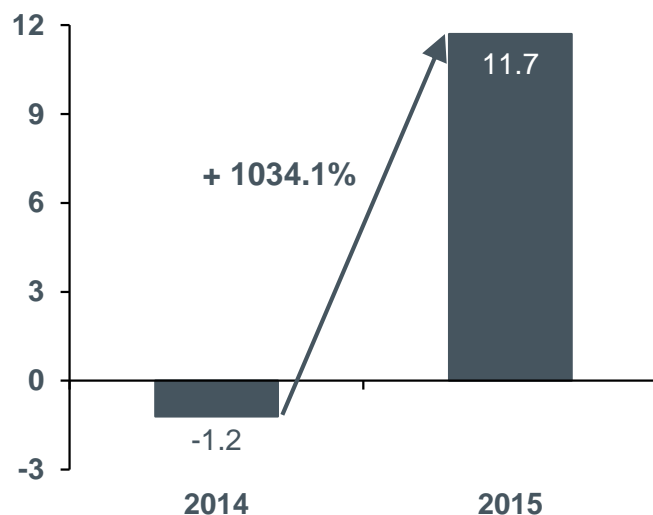


EBIT margin excluding acquisition-related amortization

- Strong EBIT growth driven by high revenue growth in H1 2015 and good performance in H2 2015
- EBIT margin (EBIT) incl. acquisition-related amortization 2015 23.6% (147.3), Q4 2015 19.9% (29.3)

Net financial result

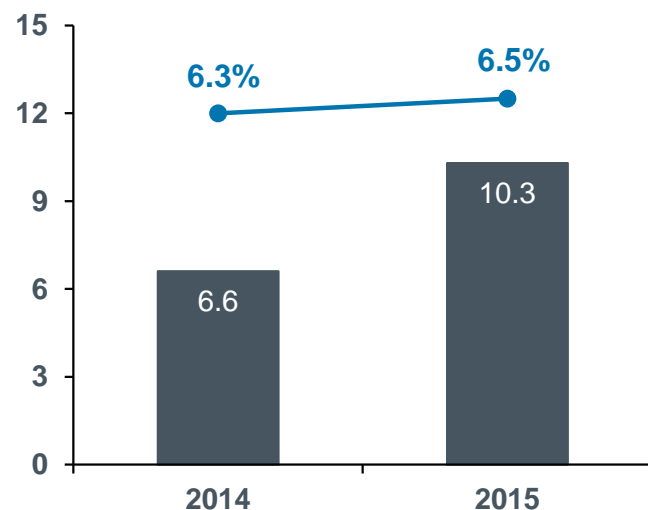
EURm



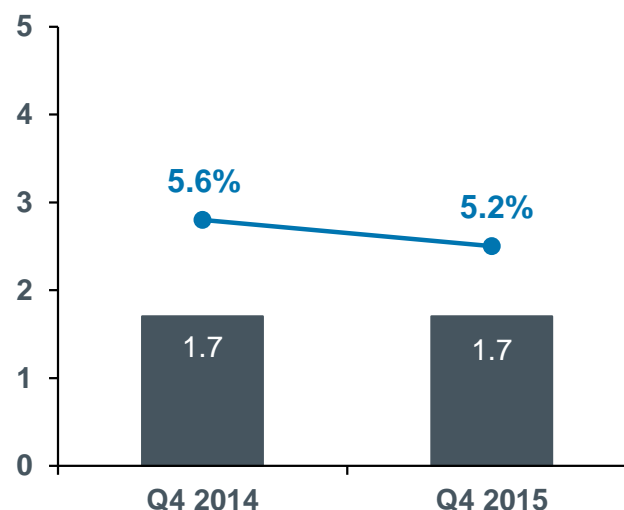
- 2015 financial result swing mainly driven by exchange rate volatility and revaluation effects
- Q4 2015 includes additional financing for CMOSIS acquisition

Tax expense

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



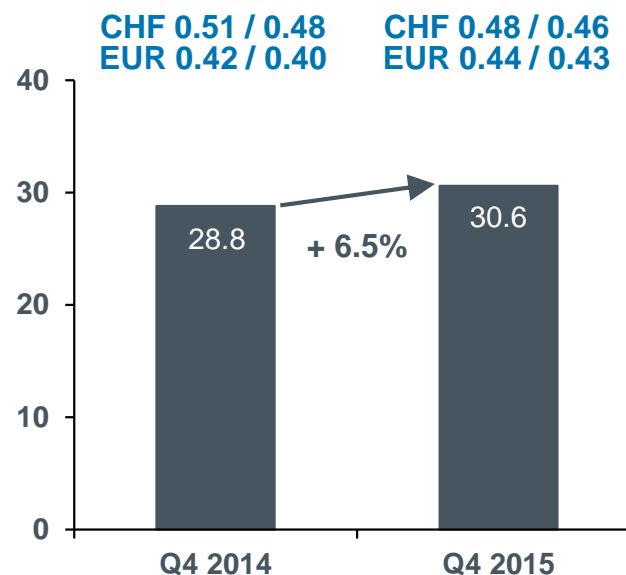
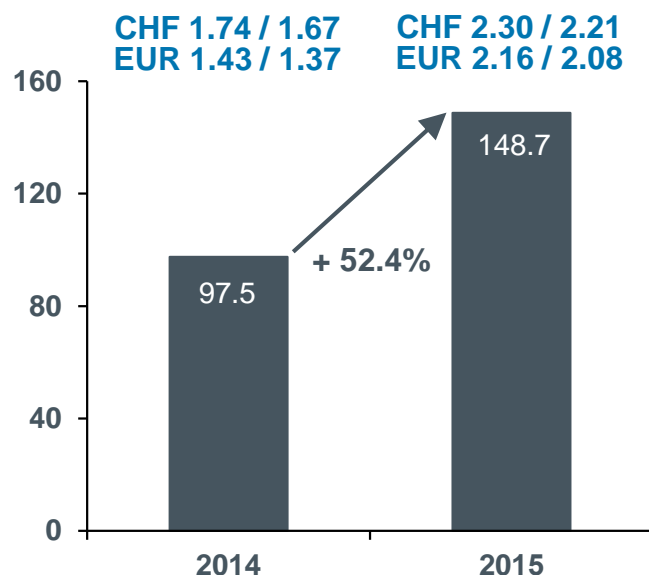
Tax rate



- Low tax expense 2015 due to historic tax losses and international tax structures
- Cash tax rate expected to increase gradually

Net income / earnings per share

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



- 2015 net income growth reflects strong increase in operating profitability
- EPS base (basic/diluted) 2015 68,873,498/71,604,447 shares, Q4 2015 69,026,942/71,598,007 shares

FINANCIAL RESULTS

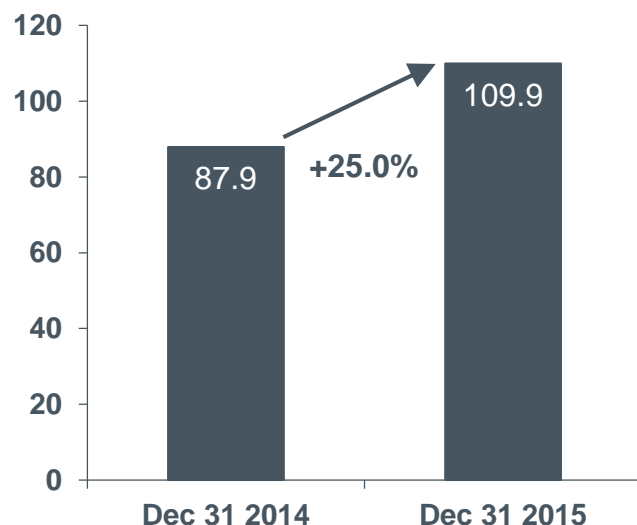
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BALANCE SHEET

CASH FLOW

Working capital

EURm



Working capital at year-end

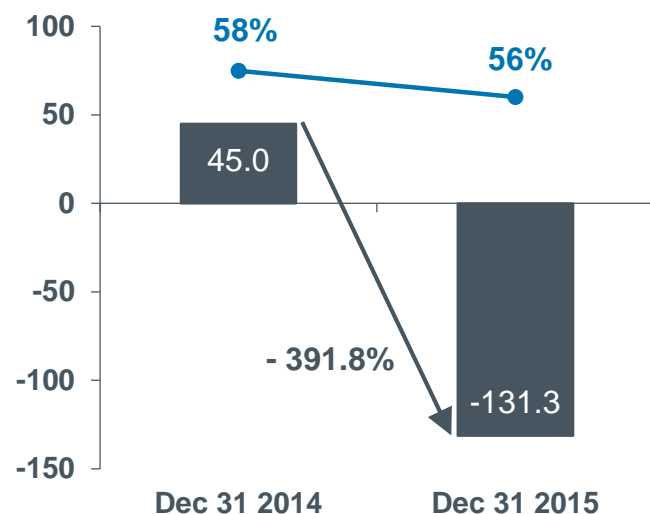
	2015	2014
Trade receivables	88.7	79.0
+ Inventories	79.8	59.9
- Trade liabilities	58.6	51.0
Working capital	109.9	87.9
in % of revenues	18%	19%

- Very successful working capital management against strong revenue growth
- Increase in inventories due to expansion of production capacity (higher WIP)

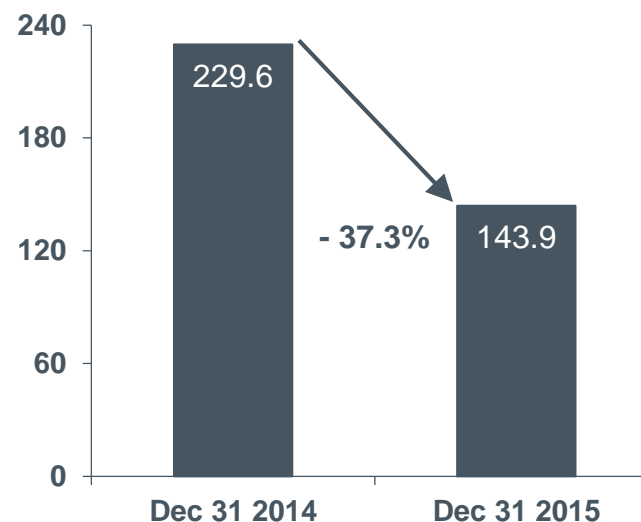
Net cash, cash and short term investments

EURm, % of total liabilities

Net cash, equity ratio



Cash and short-term investments



Equity ratio

- Net debt position created in Q4 2015 due to CMOSIS acquisition
- Decrease in cash and cash equivalents towards year-end due to CMOSIS acquisition

FINANCIAL RESULTS

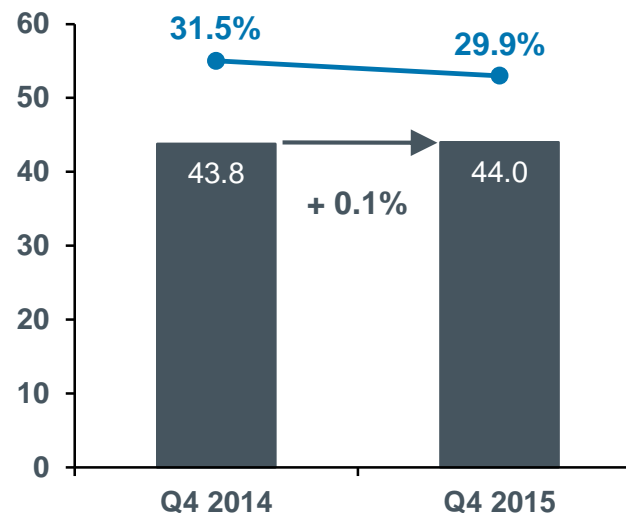
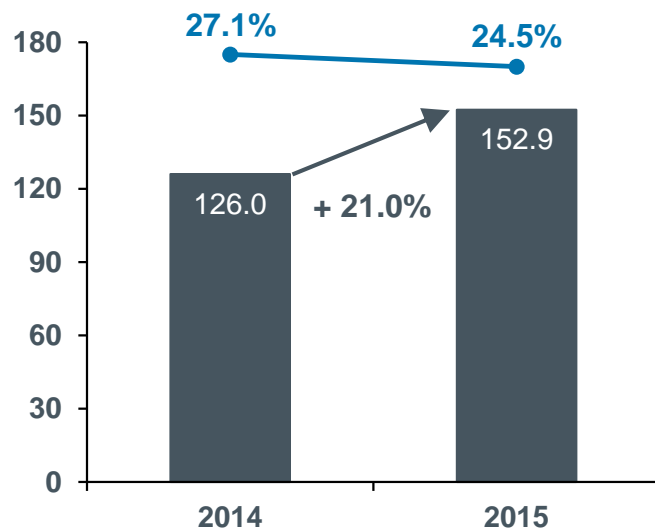
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BALANCE SHEET

CASH FLOW

Cash flow from operations

EURm, % of revenues

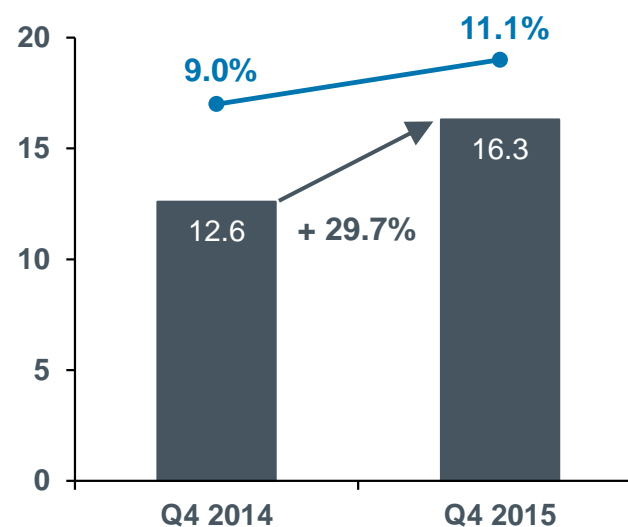
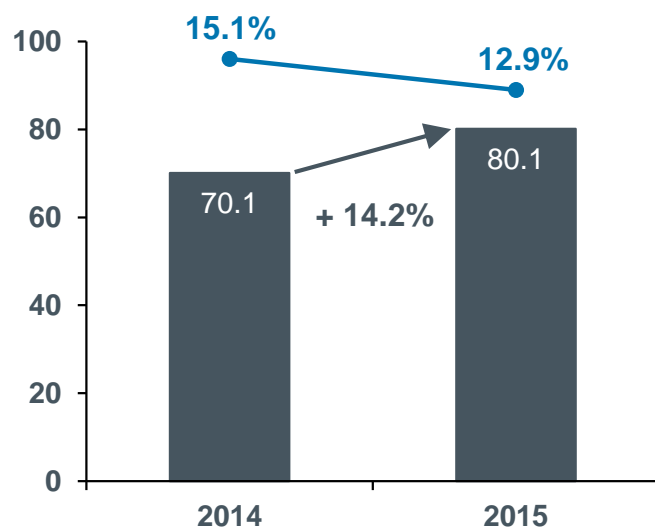


Cash flow as % of revenues

- Very strong cash generation driven by business growth
- Continued high level of cash flow to revenues

Capital expenditures

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



Capital expenditures as % of revenues

- 2015 capital expenditures driven by completion of in-house wafer capacity and test expansion
- Q4 2015 capital expenditures include specialty equipment for next generation light sensors

Dividend policy and proposal

Dividend policy

- Distribution of 25% of net earnings

Dividend proposal for 2015

- EUR 0.51 per share outstanding (2014: EUR 0.33)

Dividend timetable

- AGM 2 June 2016
- Payment date 10 June 2016



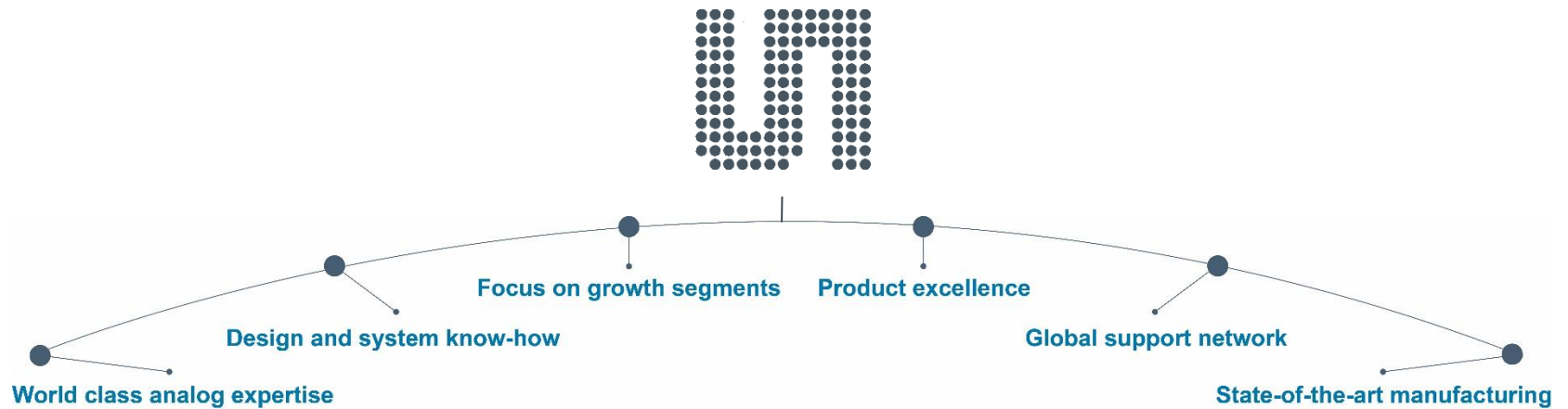
Company highlights and outlook

Outlook

Mid-term goal	EUR 1 billion in organic revenues in 2019
2016 outlook	<ul style="list-style-type: none"> • Another growth year expected for ams • Continued R&D investments • Technology roadmaps, project pipeline and customer engagements build growth expectations for coming years to 2019
Q1 2016 outlook	<ul style="list-style-type: none"> • Expected revenue of EUR 131-138 million given softer end market demand, particularly in smartphone market • Expected gross margin on comparable level to Q4 2015 • Expected operating (EBIT) margin of 18-20% given revenue outlook and continued R&D investments (excluding acquisition-based amortization)

Company highlights

Analog makes sense





ams

Shaping the world with sensor solutions

Profit and loss statement

EURm

(IAS)	2015	2014	Q4 2015	Q4 2014
Total revenues	623.1	464.4	147.2	139.0
• Products	579.0	425.0	136.2	129.7
• Foundry	44.1	39.4	11.0	9.3
Gross profit	339.2	253.2	80.4	75.6
• Gross margin incl. amortization charge	54.4%	54.5%	54.6%	54.4%
Research and development	- 107.8	- 77.0	- 31.6	- 23.1
Selling, general and administrative	- 93.5	- 76.9	- 21.4	- 21.8
Other operating income/expenses	9.3	6.0	1.9	0.7
Result from operations (EBIT)	147.3	105.4	29.3	31.4
• EBIT margin incl. amortization charge	23.6%	22.7%	19.9%	22.6%
Net financing costs	11.7	- 1.2	3.0	-0.9
Result before tax	158.9	104.1	32.3	30.5
Income tax result	- 10.3	- 6.6	- 1.7	- 1.7
Net result	148.7	97.5	30.6	28.8
EPS (basic/diluted)	CHF ¹⁾ EUR	2.30 / 2.21 1.74 / 1.67	0.48 / 0.46 0.44 / 0.43	0.51 / 0.48 0.42 / 0.40

1) Earnings per share in CHF were converted using the average currency exchange rate for the respective periods

Balance sheet

EURm

Assets (IAS)	Dec 31, 2015	Dec 31, 2014	Liabilities and equity	Dec 31, 2015	Dec 31, 2014
Cash and short term invest.	143.9	229.6	Interest-bearing debt	75.0	38.5
Trade receivables	88.7	79.0	Trade liabilities	58.6	51.0
Inventories	79.8	59.9	Tax liabilities	46.3	34.4
Other current assets	28.7	18.3	Provisions	34.7	30.3
			Other liabilities	31.0	42.1
Total current assets	341.0	386.7	Total current liabilities	245.6	196.3
Fixed assets	256.6	204.1	Interest-bearing debt	200.2	146.1
Intangible assets	582.0	315.7	Employee benefits	32.4	27.0
Investments	1.9	6.5	Provisions	0.0	0.0
Deferred tax asset	34.8	34.1	Deferred tax liabilities	57.9	20.8
Other non-current assets	7.0	7.7	Other liabilities	6.0	8.9
Total non-current assets	882.3	568.2	Total non-current liabilities	296.6	202.9
			Shareholders' equity	681.2	555.8
Total assets	1,223.4	955.0	Total liabil. and equity	1,223.4	955.0

Cash flow statement

EURm

(IAS)	2015	2014	Q4 2015	Q4 2014
Income before tax	158.9	104.1	32.3	30.5
Depreciation	47.9	37.3	12.9	10.6
Cash flow from operations	152.9	126.0	44.0	43.8
Capital expenditures	- 80.1	- 70.1	- 16.3	- 12.6
Cash flow from investing activities	- 287.2	- 108.9	- 211.9	- 32.2
Proceeds from borrowings	220.3	125.3	155.2	116.2
Repayment of borrowings	- 149.6	- 0.8	- 44.9	-0.4
Dividends paid	- 22.8	- 14.1	0	0
Cash flow from financing activities	24.4	99.1	103.0	113.4
Change in cash and cash equivalents	-109.9	116.1	- 64.9	125.0
Cash and cash equivalents at end of period	103.6	203.7	103.6	203.7