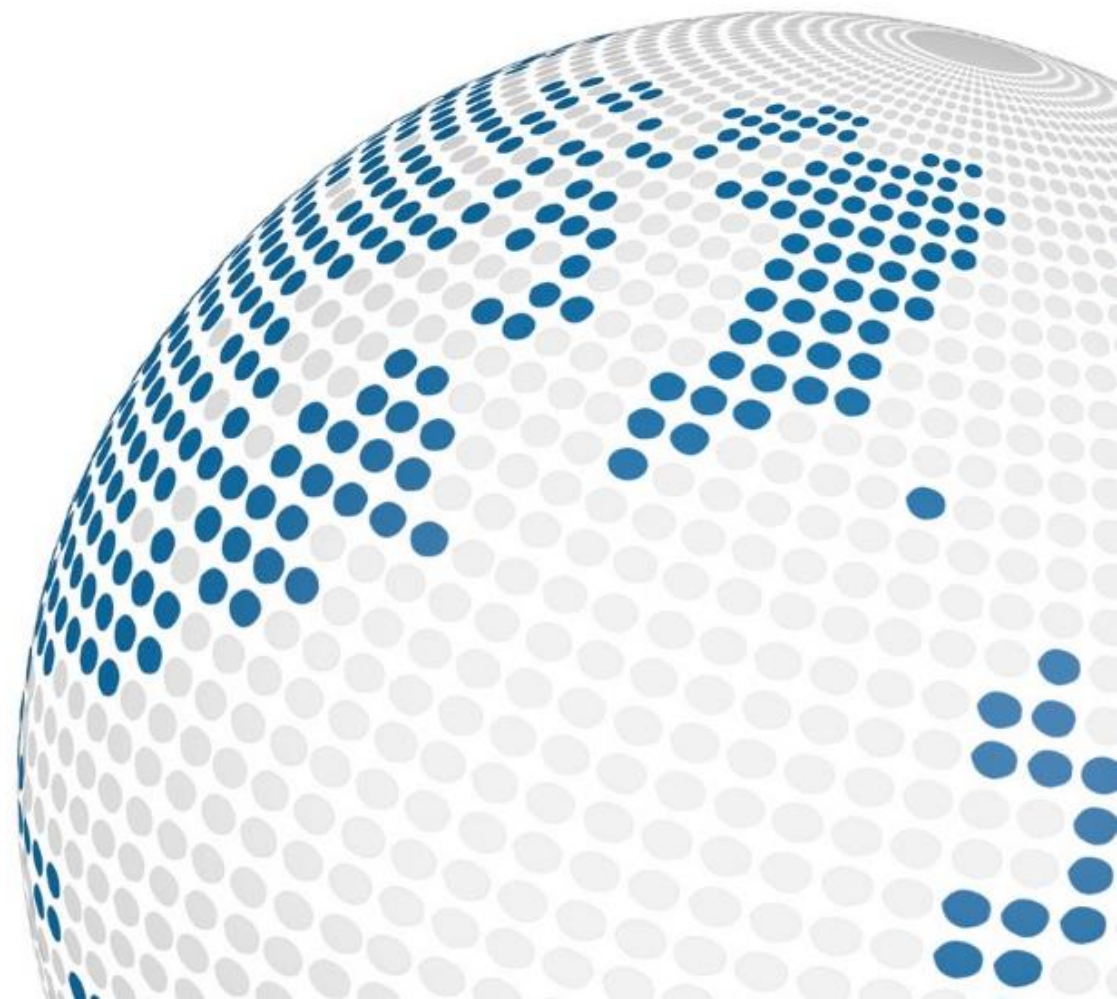


ams

Q1 2018 results

Alexander Everke, CEO
Michael Wachslers-Markowitsch, CFO
Moritz M. Gmeiner, Head of IR

April 2018



ams at a glance

Sensing is life.



Our business

- Focused on high-performance sensor solutions
- Sensor solutions, sensor ICs, interfaces, related software
- Small, low-power, highest sensitivity, multi-sensor integration
- Best-in-class solutions for leading OEMs



Our end markets

- Consumer & Communications (C&C) – FY 2017 69% of revenues
- Automotive, Industrial, Medical (AIM) – FY 2017 31% of revenues



By the numbers

- 1,000+ engineers
- 22 design centers, 3 manufacturing locations
- 35+ years of design and manufacturing know-how
- 11,000 employees worldwide
- 8,000+ customers

Sensing enables life

Sensors – an integral part of the digital transformation



Build the global leader in sensor solutions

True leadership in four sensor areas

- Optical
- Imaging
- Environmental
- Audio

Best-in-class performance per sensor area and in multi-sensor application solutions

- Miniaturization & integration
 - Multi-sensor modules
 - Monolithic integration
- Sensor algorithms and sensor fusion software
- Application software for differentiating end-user experiences

Diversified business with balanced application and customer portfolio

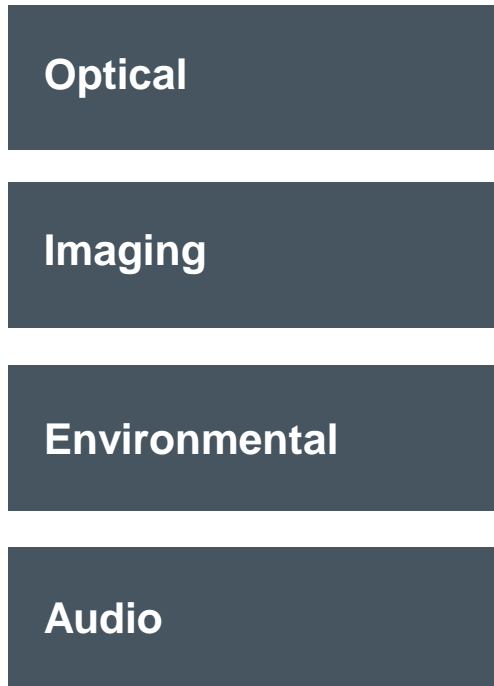
- Long-term target mix of 60/40 split C&C/AIM
- Build broader customer base in each application
- Establish strong distribution channel

Clear financial target model for profitable growth

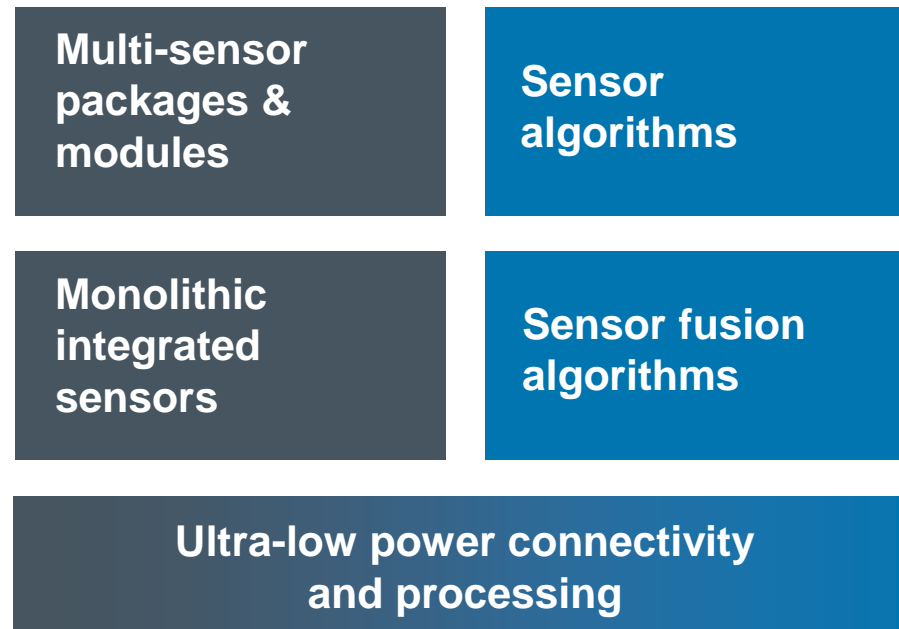
- Revenue growth target (CAGR) 2016-2019 of 60%
- EBIT margin target (adjusted) of 30% from 2019 onwards

ams strategic value chain

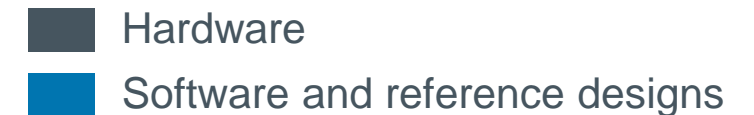
Sensor ICs



Sensor solutions



Application solutions



Winning portfolio from focused strategy

Goal: True leadership in four sensing areas



Optical sensors

- 3D sensing incl. VCSEL
- Light analysis/prox.
- Spectral sensing



Imaging sensors

- High perf. imaging
- Micro cameras
- Medical imaging



Environment. sensors

- Gas / particle
- Temp./rel. humidity
- Pressure
- Multi-sensor



Audio sensors

- MEMS microph. ICs
- ANC noise canceling



Other sensors

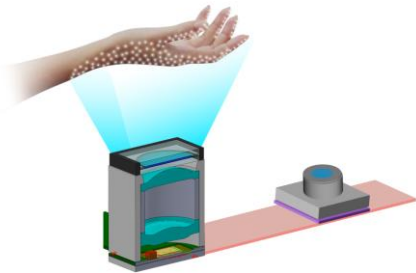
- Position sensors
- Flow metering
- Ultra-low power wireless sensors

Other lines

M&A accelerating strategy implementation

- | | | | |
|-----------------------|------------|---------------|---------|
| • Heptagon | • CMOSIS | • CCMOSS | • Incus |
| • Princeton Optronics | • Heptagon | • NXP sensors | |
| • KeyLemon | | | |
| • MAZeT | | | |

3D sensing leadership – expertise meets growth



Leading solution expertise across 3D sensing technologies

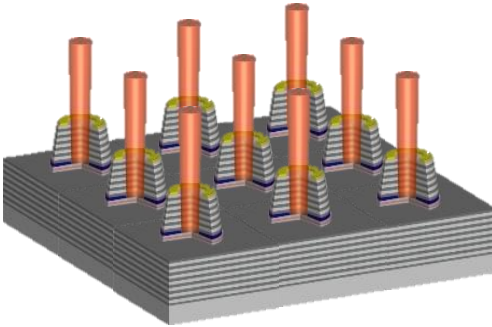
- Unmatched portfolio of optical technologies + solution elements:
 - Highly differentiated VCSEL/VCSEL arrays
 - Leading WLO capabilities, high quality DOE, optical path
 - Algorithms and software layers
 - System and volume manufacturing expertise
- End-to-end system-level integration know-how: from components to algorithms and optimized applications
- Structured Light (SL) and Time-of-flight (ToF) for broad 3D market play
- Optimizing user experience, BOM, geometry and software integration simultaneously
- Software focus + partnerships (Sunny Opotech) for tailored ecosystem coverage
- Leading experience in high volume 3D sensing deployment in consumer

Recent consumer win. high value automotive LIDAR win, multiple active engagements

Megatrend offers multiple enormous market opportunities

- Mobile and consumer market adopting rapidly, very strong multi-year growth cycle: Facial identification/authentication, personalization, augmented reality (AR)
- Very large automotive market gaining traction, large scale Industrial opportunity emerging
 - Autonomous driving/3D LIDAR, driver recognition – major 3D LIDAR illumination win
 - Machine vision/inspection, automation, robots, drones

3D sensing leadership – differentiating portfolio



Superior VCSEL technology as key differentiator

- Leadership position in high power VCSEL / high count VCSEL arrays for 3D
 - Smallest pitch higher resolution, lower system cost
 - Leading power efficiency up to 63% vs. typical 45-50% quantum efficiency
 - Best beam quality very narrow beam divergence
 - High power from mW to W to 100+W
- Full portfolio of tailored solutions for SL + ToF 3D illumination needs, strong design activities
- Automotive LIDAR opportunities expanding given outstanding VCSEL performance
- Internal VCSEL manufacturing drives further differentiation:
capacity investment for 6" (2,000 wspm) in volume 2019E, further increase under evaluation

Strong software capabilities, facial recognition leader KeyLemon adds best-in-class IP

- Focus on broad software coverage accelerated through KeyLemon acquisition
- KeyLemon: Leading IP portfolio for 3D face recognition, strong industry reputation
- Leveraging robust + secure implementation of smartphone 3D face recognition
- Integrating IP into 3D solutions for consumer + other applications, first solutions in 2018E
- Accelerating time-to-market for OEMs to add high quality 3D face recognition into devices

Optical sensing



Worldwide leader in light sensing solutions

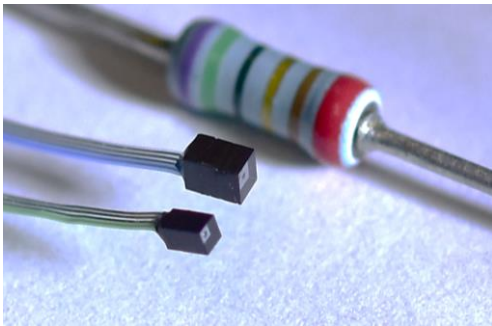
- Clear #1 in optical sensing
- Leadership in sensors, optical path, illumination
- High performance optical solutions for Top 15 smartphone OEMs
- Industry-leading 3D sensing expertise
- Power-efficient VCSEL technology for 3D and optical sensing
- True Color spectral sensing for highest performance display management: “paper-like” viewing experience
- Color ALS, ultra-small proximity modules

New optical applications in spectral sensing

- Emerging growth market for new device sensing applications, active customer engagements
- Color matching for online shopping/cosmetics, skin-tone measuring
- Food sensing for quality analysis, e.g. fruit ripeness/quality
- Color/spectral sensing for Industrial IoT, smart LED lighting

**Leadership and
innovation in 3D,
optical and
spectral sensing**

Image sensing



True leader in specific industrial applications + medical imaging

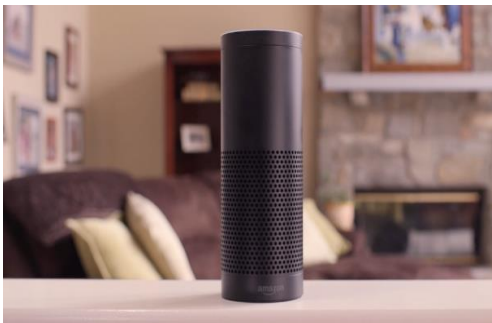
- High value global shutter CMOS imaging solutions for industrial market: high speed machine vision, inspection
- NanEye miniature camera technology for medical (endoscopy) and industrial markets
- New generation NanEye solution: low cost, high performance, ultra-small footprint
- Global leadership position in medical imaging sensor solutions
- High performance, cost optimized systems for computed tomography (CT) and digital X-ray
- Clearer images at lower radiation dose in 3D-CT and digital X-ray

Leadership and innovation in new industrial applications and medical imaging

Driving innovation in new areas

- Curved sensors for improved image quality and optical system simplification
- Highest level of opto-electrical performance for micro-camera modules
- Excellently positioned to capture the optical-imaging convergence, e.g. near IR (NIR), hyper-spectral imaging (HSI)

Audio sensing



ANC (active noise cancellation)

- Best-in-class high performance analog noise reduction
- Clear leader in wired/wireless accessory market
- Low power + small footprint
- Significantly higher audio quality
- Continuing market momentum in earphones and headphones
- Specialty interface for portable audio device charging

MEMS microphone interface ICs

- Market leader in growing high volume market
- Growth in home assistants (multi-microphone devices) adding significant demand
- Leading position and broad portfolio for low noise solutions and tight integration
- Strong customer partnership focused on attractive segments
- Increased content value microphone and pressure/temperature sensing integration in development

**Growth in MEMS
mic ICs, expanding
ANC accessory
business**

Environmental (including gas) sensing



Technology leader in environmental / gas sensing

- Unique CMOS-based portfolio for low power, high volume, small form factor
 - MOX and infrared gas / presence detection
 - Relative humidity, pressure, temperature
- Broad range of emerging applications in mobile, home/building automation (HABA), Industrial IoT and other AIM markets

**HABA and
Industrial IoT
growth markets,
consumer
opportunities**



Uniquely positioned for multi-sensor modules and monolithic multi-sensor integration

- Integration roadmap for related sensor modalities driving low power + smallest size
- Broad portfolio of relevant sensor technologies, algorithms and application software
- Highly differentiated new pressure sensor opens up new application markets
- Multi-sensor technology gas and particle sensor roadmap, targeting early stage, fast-growing HABA, industrial and infrastructure markets



Scalable manufacturing model

Differentiating manufacturing in-house, outsourcing of standard processes



Internal front-end wafer manufacturing, Austria

- 200mm, 190+k wafers p.a.
- CMOS / specialty analog down to 180nm
- High volume optical filter deposition

VCSEL line investment on track for 2019, further Singapore investments



Internal optical production and packaging + future VCSEL manufacturing, Singapore

- Technology leader in high-end optical systems
- WLO and optical filter production, optical packaging
- Further expansion investments in 2018 to support expected volume needs
- Internal VCSEL manufacturing line investment:
Highly differentiated products, on track for mass production availability 2019



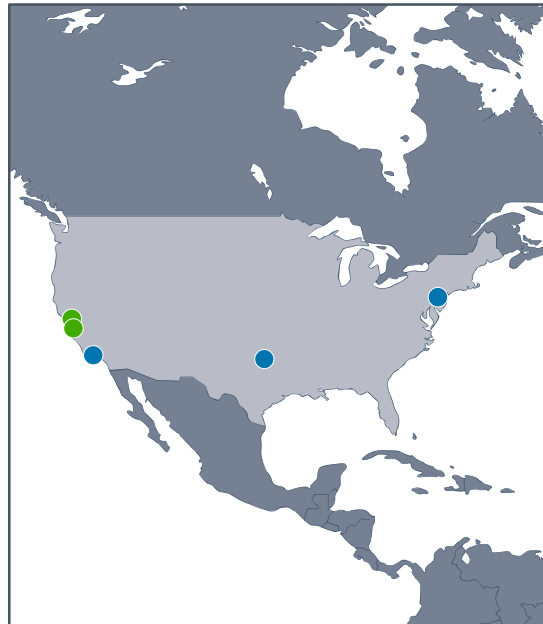
Manufacturing partnerships for scalability and flexibility

- High volume wafer production (TSMC, UMC), standard and semi-custom packaging
- Partnerships with key equipment suppliers

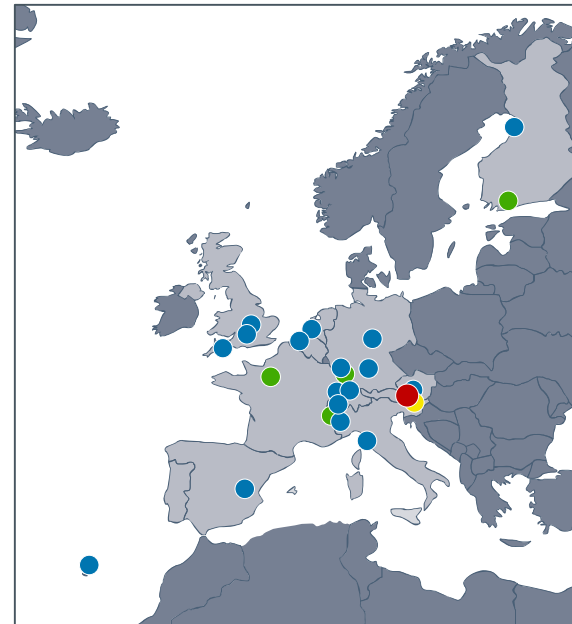
In-house test, Austria / Philippines

Global network

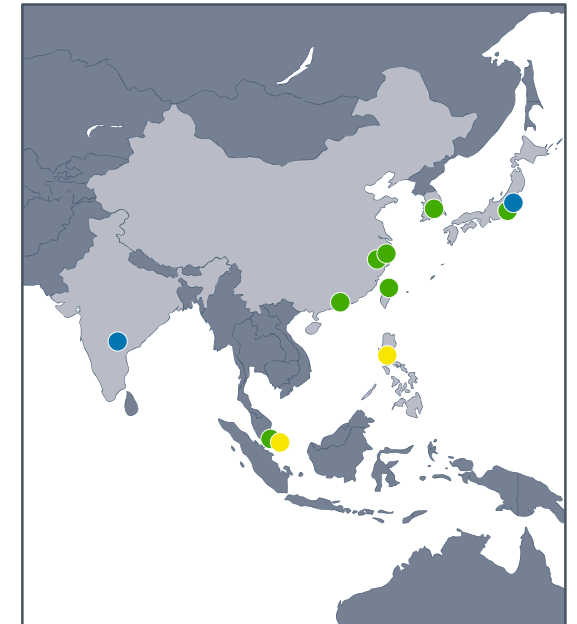
- Headquarters
- Design centers
- Manufacturing/Test
- Sales/customer support locations



Americas



Europe



Asia

- **22 design centers**
Austria, Switzerland (3), Italy (2), Spain, Germany (4), Belgium, UK (2), Netherlands, Portugal, Finland, USA (3), India, Japan
- **Manufacturing locations**
Austria, Singapore
- **Test center**
Philippines

Key figures

USDm

		2017	2016	Q1 2018	Q1 2017
Total revenues		1,307.6 +93.4%	676.0	452.7 +146.6%	183.5
Gross margin	(adjusted) ¹⁾	43%	55%	36%	46%
	(IFRS reported)	39%	52%	33%	40%
Result from operations (EBIT)	(adjusted) ¹⁾	207.4	119.3	77.3	5.0
	(IFRS reported)	93.3	114.6	46.5	-16.9
Net result	(adjusted) ³⁾	156.8 +23.9%	126.5	99.9 +601.2%	-19.9
EPS (basic/diluted) ²⁾	(adjusted) ³⁾	1.74 / 1.63 1.92 / 1.79	1.67 / 1.62 1.88 / 1.82	1.20 / 1.12 1.25 / 1.17	-0.23 / -0.23 -0.27 / -0.26
	CHF USD				

¹⁾ Excl. acquisition-related and share-based compensation costs

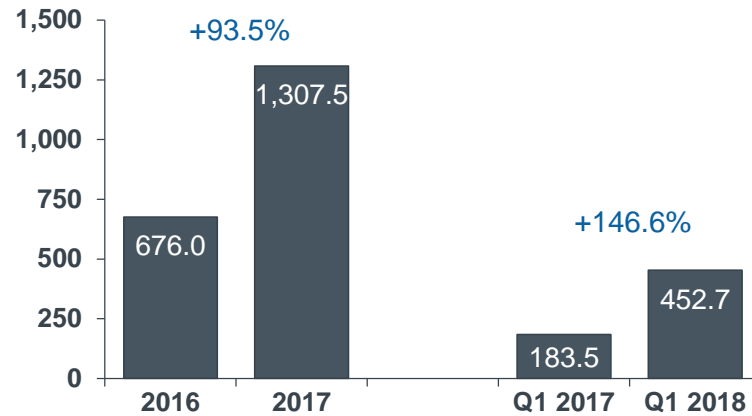
²⁾ Earnings per share in CHF were converted using the average currency exchange rate for the respective periods

³⁾ Net result and earnings per share excluding valuation effect of the option element of the issued convertible bond

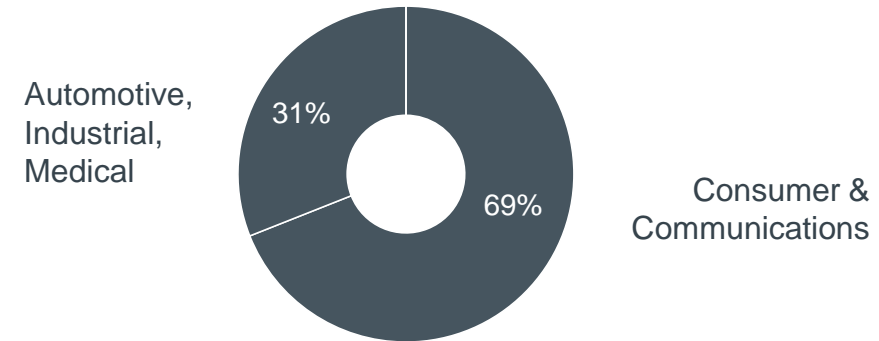
Financial results

USDm

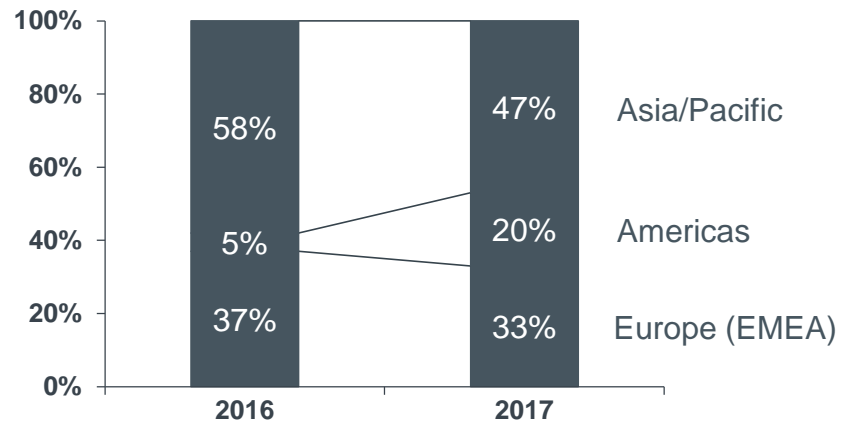
Total revenues



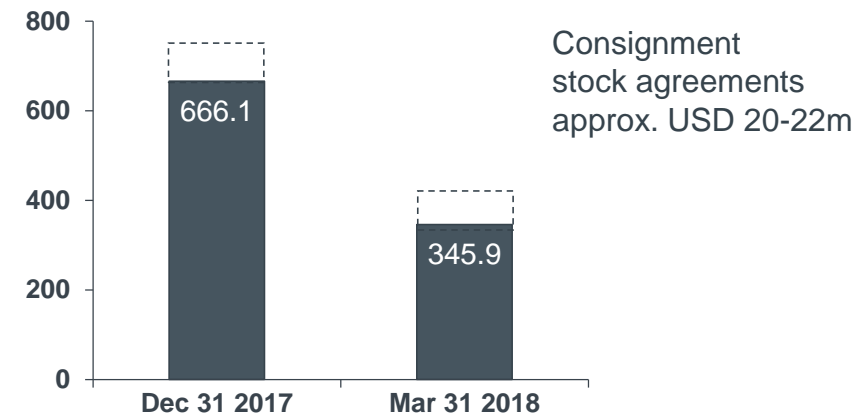
Total revenues by market 2017



Total revenues by region 2017



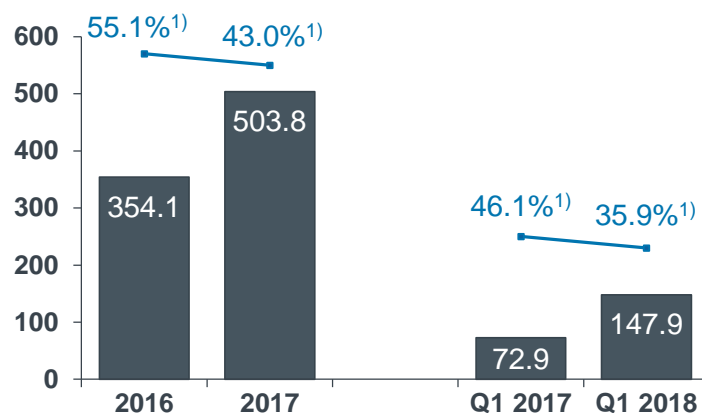
Total backlog



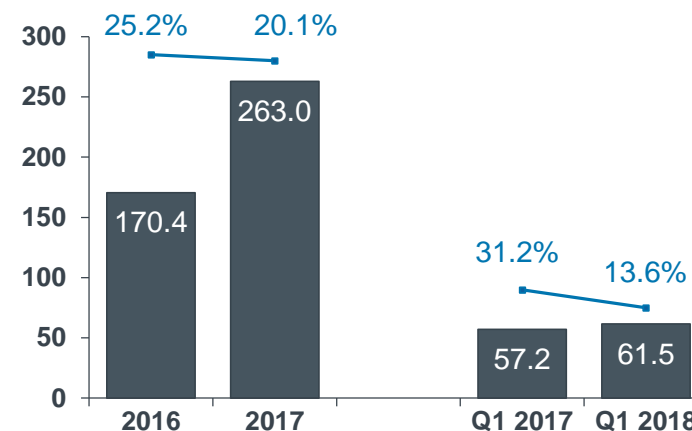
Financial results

USDm, % of revenues

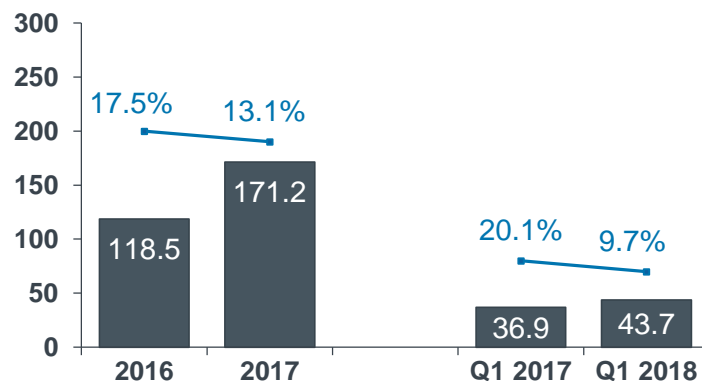
Gross profit (IFRS), gross margin (adj.)



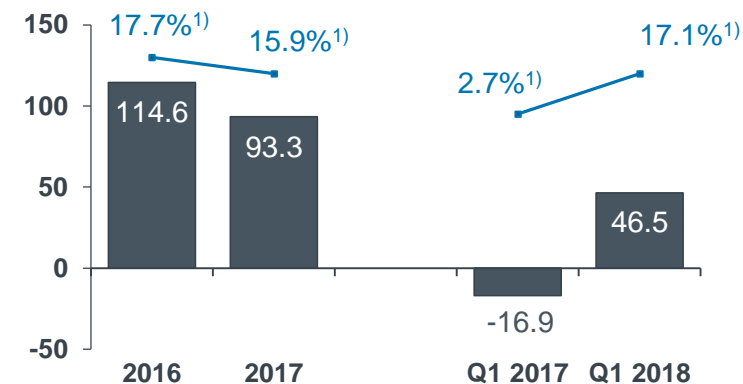
R&D



SG&A



EBIT (IFRS), EBIT margin (adj.)

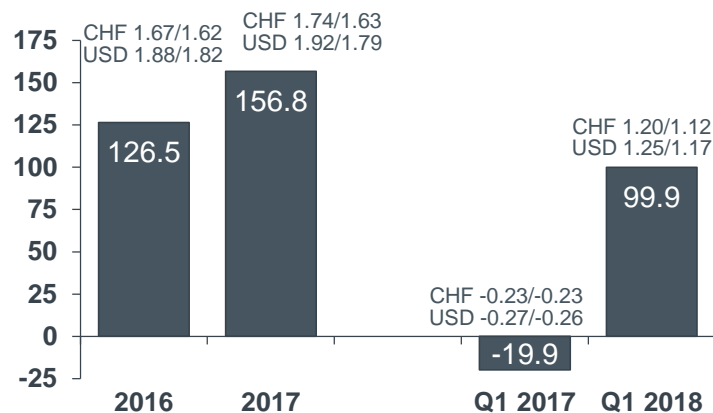


¹⁾ Excluding acquisition-related and share based compensation costs

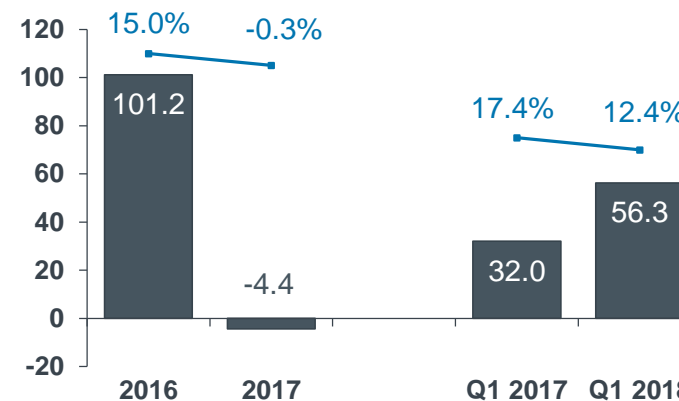
Financial results

USDm, % of revenues

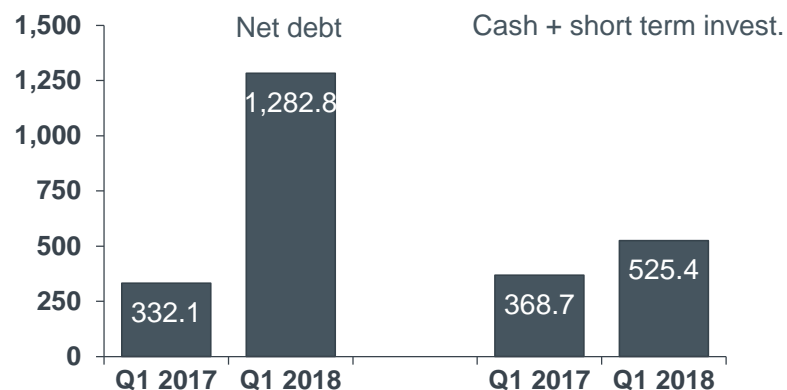
Net result, EPS (basic/diluted) (adjusted) ¹⁾



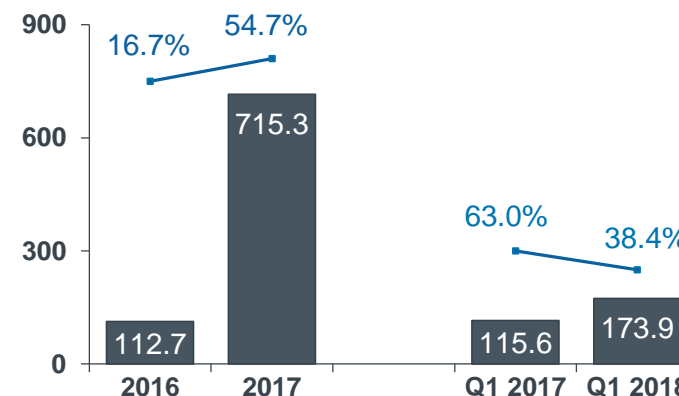
Operating cash flow



Net debt, cash + short term investments



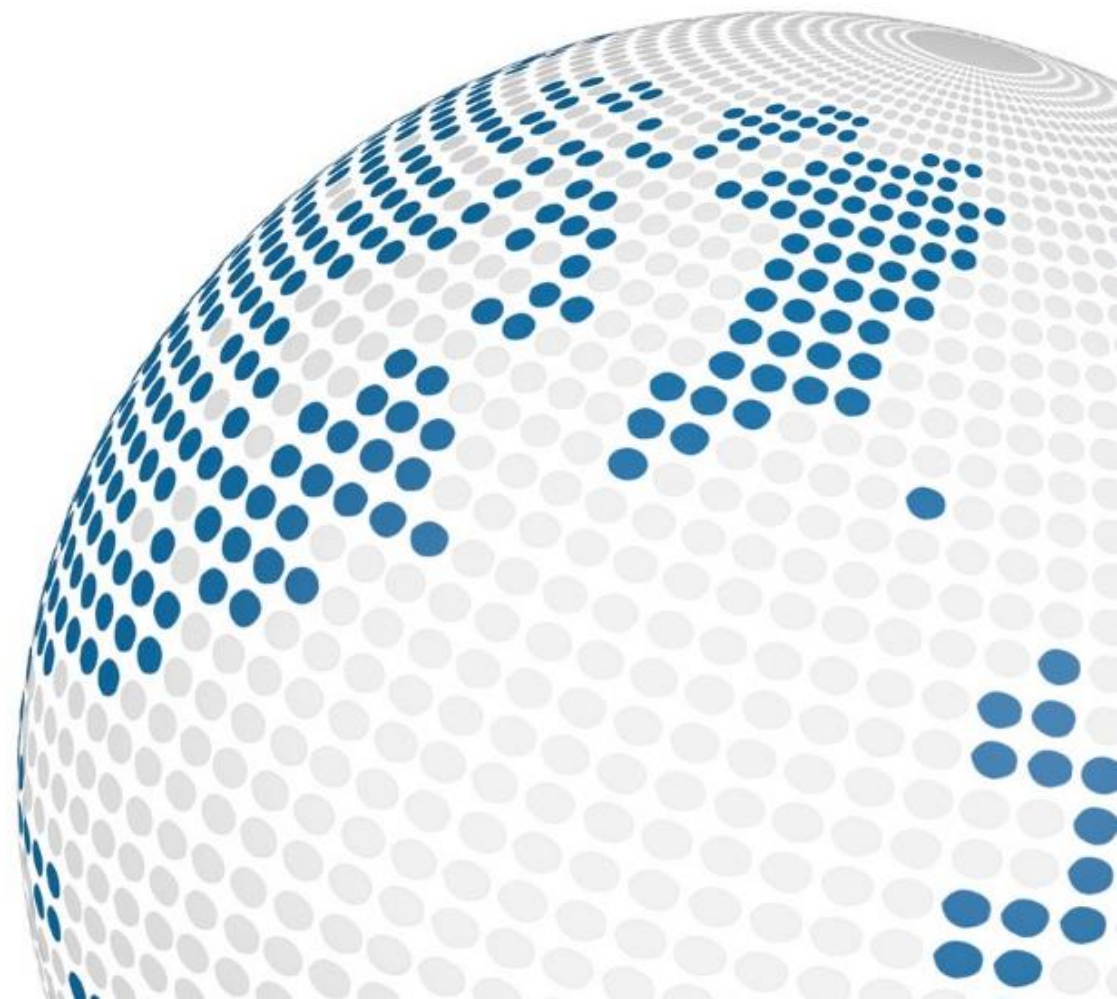
Capital expenditures



¹⁾ Net result and earnings per share excluding valuation effect of the option element of the issued convertible bond

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Shaping the world with sensor solutions



Profit and loss statement

USDm

(IFRS)	2017	2016	Q1 2018	Q1 2017
Total revenues	1,307.6	676.0	452.7	183.5
• Products	1,244.2	608.9	440.8	168.1
• Foundry	63.4	67.0	11.8	15.4
Gross profit	503.8	354.1	147.9	72.9
• Gross margin (adjusted ¹⁾)	43.0%	55.1%	35.9%	46.1%
• Gross margin (IFRS reported)	38.5%	52.4%	32.7%	39.7%
Research and development	-263.0	-170.4	-61.5	-57.2
Selling, general and administrative	-171.2	-118.5	-43.7	-36.8
Other operating income/expenses	24.0	47.2	3.9	4.4
Result from operations (EBIT)	93.3	114.6	46.5	-16.9
• EBIT margin (adjusted ¹⁾)	15.9%	17.7%	17.1%	2.7%
• EBIT margin (IFRS reported)	7.1%	17.0%	10.3%	-9.2%
Net financing costs	-2.7	4.9	32.1	-3.2
Result before tax	90.6	119.5	78.6	-20.1
Income tax result	18.5	6.9	-1.6	0.2
Net result (adjusted ²⁾)	156.8	126.5	99.9	-19.9
Net result (IFRS reported)	109.1	126.5	77.1	-19.9

¹⁾ Excl. acquisition-related and share-based compensation costs

²⁾ Net result excluding valuation effect of the option element of the issued convertible bond

Balance sheet

USDm

Assets (IFRS)	Mar 31, 2018	Dec 31, 2017	Liabilities and equity	Mar 31, 2018	Dec 31, 2017
Cash and short term invest.	525.4	482.3	Interest-bearing debt	428.2	720.8
Trade receivables	315.5	350.1	Trade liabilities	244.6	379.1
Inventories	300.7	312.1	Tax liabilities	33.3	34.6
Other current assets	52.7	94.8	Provisions	34.8	54.6
			Other liabilities	82.6	672.2
Total current assets	1,194.2	1,239.3	Total current liabilities	823.4	1,861.2
Fixed assets	1,256.8	1,225.4	Interest-bearing debt	1,380.0	825.8
Intangible assets	1,453.3	1,453.1	Employee benefits	50.5	49.4
Investments in associates	4.0	2.3	Deferred tax liabilities	82.3	82.5
Deferred tax asset	31.9	32.0	Other liabilities	192.1	171.4
Other non-current assets	78.3	56.8			
Total non-current assets	2,824.5	2,769.6	Total non-current liabilities	1,704.9	1,129.0
			Shareholders' equity	1,490.4	1,018.6
Total assets	4,018.7	4,008.8	Total liabil. and equity	4,018.7	4,008.8

Cash flow statement

USDm

(IFRS)	2017	2016	Q1 2018	Q1 2017
Income before tax	90.6	119.5	78.6	-20.1
Depreciation	182.5	76.6	59.2	36.2
Cash flow from operations	-4.4	101.2	56.3	32.0
Capital expenditures	-715.3	-112.7	-173.9	-115.6
Cash flow from investing activities	-632.8	-87.3	-204.1	-12.5
Proceeds from borrowings	845.7	340.7	0.0	124.1
Proceeds from issue of convertible bond	366.2	0.0	752.0	0.0
Repayment of borrowings	-185.3	-104.4	-371.4	-3.0
Dividends paid	-30.8	-42.5	0.0	0.0
Changes resulting from capital increase	0.0	0.0	0.0	0.0
Cash flow from financing activities	845.3	72.0	255.6	128.7
Change in cash and cash equivalents (incl. effects of changes in foreign exchange rates)	179.4	93.4	102.7	149.0
Cash and cash equivalents at end of period	354.4	220.7	496.4	324.0