Q3 2014 results

Kirk Laney, CEO
Michael Wachsler-Markowitsch, CFO
Moritz Gmeiner, Head of IR
What we do for our customers

ams provides innovative analog solutions to the most challenging applications in sensors, sensor interfaces, power management, and wireless.
ams overview

At a glance
- Focus on high performance analog semiconductors
- Sensor solutions, sensor interfaces, power management, wireless
- Ultra-low power, highest accuracy, sensitivity and integration
- Analog IDM: world class design + in-house manufacturing
- Best-in-class solutions for leading OEMs worldwide

By the numbers
- 400+ analog engineers
- Over 30 years of design experience
- Revenues Q3 2014 EUR133m/$176m (Q3 2013: EUR98m/$130m)
  FY2013 EUR378m/$502m (2012: EUR388m/$498m)
- 1,500+ employees worldwide
- 7,800+ customers
Our focus

<table>
<thead>
<tr>
<th>High performance sensors and analog ICs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target markets</strong></td>
</tr>
<tr>
<td>Consumer and Communications</td>
</tr>
<tr>
<td>59% of revenues (H1 2014)</td>
</tr>
<tr>
<td><strong>Core expertise</strong></td>
</tr>
<tr>
<td>Sensor solutions, sensor interfaces</td>
</tr>
</tbody>
</table>
OUR MARKETS

CONSUMER AND COMMUNICATIONS

INDUSTRIAL, MEDICAL, AUTOMOTIVE
Consumer and Communications
Sensor solutions and sensor interfaces, power management, wireless

Sensors
- Light sensors, gesture sensors
- MEMS microphone ICs
- Hall/inductive/capacitive sensors

Power management
- Power management ICs
- Lighting management ICs

Wireless
- NFC antenna booster, front ends
- RFID readers (UHF/HF/NFC)
- LF/HF/UHF transceivers/smart tags

Specialty solutions
- Active noise cancellation (ANC)
- Wireless sensors (lightning sensor)
- Specialty sensor interfaces
Light sensors
Worldwide leader in intelligent integrated light sensors

Sensor solutions
- **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** - sense hand movement in proximity of device surface to create touchless interface

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

Sensor-driven lighting – “cognitive lighting”
- Major light sensor-based opportunity in the coming years
- Dynamically managed industrial, home, and professional lighting
- Combining LED controller and sensor technologies
Success: Gesture recognition sensor
Simplifying the human-machine interface (HMI) with high performance touchless technology

Highly integrated gesture sensor innovation
- ams’ leading photodiode technology adapted to provide highly reliable, precise touchless user interface for consumer, communications, medical, automotive, and industrial markets
- Sophisticated gesture engine accommodates complex IR-based gesture sensing
- TMG3993 IR gesture, color ambient light sensing (ALS) and proximity detection 4-in-1 module with mobile coupon redemption
- Industry standard module package size with <10mm² footprint

Benefits
- Highly integrated solution for maximum system value
- Configurable gesture commands provide application flexibility
- Reduces system BOM cost and board space requirements
- Mobeam™ bar code functionality simplifies coupon usage
- Enables next generation user interface applications
Wireless solutions – NFC, RFID

Mobile transactions: NFC solutions
- Antenna boost technology with automatic tuning offers unique advantages
- Antenna booster front-end enables reliable and convenient NFC
- Solutions for smartphone-embedded NFC, complete NFC on SIM/microSD card, and reader functions
- World-leading expertise in NFC technology

Authentication: RFID solutions
- Integrated one-chip UHF reader solutions offer low solution cost for cost-effective RFID deployment
- Other RFID products: HF readers, smart tags, LF/HF/UHF transceivers
- Applications: consumables, goods tracking and authentication, retail shrinkage prevention
Success: NFC antenna booster
Reliable near field communication (NFC) for convenient mobile transactions

Wireless innovation
- Advanced active tag analog front end (AFE)
- Active antenna boost overcomes reception problems in smartphones or for small form factor antennas
- Designed for ultra small form factor applications

Benefits
- World’s first High Frequency (HF) active booster amplifies the antenna by >80x for NFC in small areas
- Overcomes field-dampening metal environments to ensure 100% read rate
- Extends range up to 10cm (free air) for NFC on SIM cards
- Key enabler of reliable NFC in mobile devices and wearables
- Drives NFC mobile payment adoption

Growth driver given strong NFC payment momentum
MEMS microphone ICs

MEMS microphone interfaces for smartphones, handsets, tablet PCs, notebooks, and other mobile devices

- Over 1.6 billion MEMS microphone ICs shipped in 2013
- Market leader with over 60% market share
- Extensive product portfolio based on more than 10 years of expertise
- Dynamic market driven by device adoption/penetration, audio quality and cost optimizations
- Leader in low noise focusing on higher value market segments
Power management solutions for mobile devices
PMIC solutions enable optimum battery life and system performance

Power management innovation

- High performance PMIC design delivers superior value for clamshell and other mobile devices utilizing multicore processor designs
- Supports leading mobile graphics processor’s current and upcoming platforms
- Patent pending unique technology to manage high speed, high current power stages

Benefits

- Industry’s smallest total size multiphase DC/DC design, resulting in a PCB area savings of 50%
- Enables highest frame rates at maximum screen resolutions for mobile devices while maximizing battery life
- Industry’s first programmable and scalable converter solution supporting up to 20 amps load in 10 microseconds
Industrial

Sensor solutions and sensor interfaces

**Industrial automation and control**
- Motion control
- Industrial 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
- Bus systems

**Seismic sensor interfaces**
- Highest sensitivity sensor solutions
Medical
Sensor solutions and sensor interfaces, power management, wireless

Medical imaging: Leader in lowest noise sensor solutions
- Computed tomography – supplier to #1
- Digital X-ray – supplier to #1
- Mammography – supplier to #1
- Ultrasound – supplier to market leaders

Personal health devices
- Diabetes management
- Heart rate monitors

Robotic surgical solutions
- Encoder-driven accuracy
Automotive
Sensor and sensor interfaces, bus systems, power management, wireless

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

**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
Success: Laser-based LIDAR collision avoidance
Enables automatic braking for accident avoidance and pedestrian protection

Automotive innovation
- Obstacle distance detection by laser pulse time-of-flight measurement
- Laser beam scans area in front of vehicle, beam reflection is measured with highest speed and accuracy
- Chip set comprising three channel high bandwidth amplifier and high speed pipelined ADC
- In volume production for multiple platforms

Benefits
- Very cost-effective active safety feature
- Allows for fully automatic braking in dense city traffic
- Simple assembly close to rear view mirror
- Seamless integration with vehicle stability system via standard CAN bus
- Cost-effective for fast adoption in volume platforms
Scalable and profitable manufacturing model

In-house capacity + manufacturing partnerships: proven excellence for profitable growth

Wafer manufacturing
- 200mm in-house fab (2014E 155k 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
- In-house TSV 3D packaging line in Austria
- Multi-source assembly locations
- End-to-end fully integrated supply chain
Global value chain

- **9 design centers**
  Austria, Switzerland, Italy (2), Spain, Slovenia, USA (2), India
- **High volume test center**
  Philippines
- **Continuing growth in distribution design-ins and revenues**
  Over 30 distributors worldwide including Future Electronics, Digi-Key, Mouser
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 CO₂ footprint since 2003; mid-term goal to be a carbon-neutral company
ams - shaping the world with sensor solutions
Company highlights

ams

Focus on growth segments  Product excellence

Design and system know-how  Global support network

World class analog expertise  State-of-the-art manufacturing
## Key figures

**EURm**

<table>
<thead>
<tr>
<th>(IAS)</th>
<th>9M 2014</th>
<th>9M 2013</th>
<th>Q3 2014</th>
<th>Q3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenues</strong></td>
<td>325.4</td>
<td>274.3</td>
<td>132.8</td>
<td>98.2</td>
</tr>
<tr>
<td></td>
<td>+ 19%</td>
<td></td>
<td>+ 35%</td>
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</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(excl. acquisition-related costs)</td>
<td>57%</td>
<td>54%</td>
<td>57%</td>
<td>55%</td>
</tr>
<tr>
<td>(incl. acquisition-related costs)</td>
<td>55%</td>
<td>52%</td>
<td>55%</td>
<td>53%</td>
</tr>
<tr>
<td><strong>Result from operations (EBIT)</strong></td>
<td>81.6</td>
<td>47.2</td>
<td>37.4</td>
<td>22.5</td>
</tr>
<tr>
<td>(excl. acquisition-related costs)</td>
<td>74.0</td>
<td>39.6</td>
<td>34.5</td>
<td>20.0</td>
</tr>
<tr>
<td>(incl. acquisition-related costs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>68.8</td>
<td>37.5</td>
<td>31.9</td>
<td>18.6</td>
</tr>
<tr>
<td></td>
<td>+ 83%</td>
<td></td>
<td>+ 71%</td>
<td></td>
</tr>
<tr>
<td><strong>EPS (basic/diluted)</strong></td>
<td>1.23 / 1.18</td>
<td>0.69 / 0.66&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>0.57 / 0.54</td>
<td>0.34 / 0.33&lt;sup&gt;2)&lt;/sup&gt;</td>
</tr>
<tr>
<td>(CHF)</td>
<td>1.01 / 0.97</td>
<td>0.56 / 0.54&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>0.47 / 0.45</td>
<td>0.28 / 0.27&lt;sup&gt;2)&lt;/sup&gt;</td>
</tr>
<tr>
<td>(EUR)</td>
<td></td>
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</tr>
</tbody>
</table>

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
Financial results

**Total revenues**

<table>
<thead>
<tr>
<th>9M 2013</th>
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<tbody>
<tr>
<td>274.3</td>
<td>325.4</td>
<td>98.2</td>
<td>132.8</td>
</tr>
</tbody>
</table>

+ 19%

+ 35%

**Total revenues by market H1 2014**

- Industrial, Medical, Automotive: 41%
- Consumer & Communications: 59%

**Total revenues by region 2013 / H1 2014**

- Asia/Pacific: 59%
- Americas: 6%
- Europe (EMEA): 35%

59% 48% 5%

47% 5% 59%

0% 20% 40% 60% 80% 100%

2013 H1 2014

**Total backlog**

- Jun 30 2014: 107.1
- Sept 30 2014: 119.8

Consignment stock agreements approx. EUR10-12m
Financial results
EURm, % of revenues

Gross profit, gross margin

R&D

SG&A

EBIT

1) excl. acquisition-related costs

1) excl. acquisition-related costs
Financial results
EURm, % of revenues

Net result, EPS (basic/diluted)

Operating cash flow

Net cash, cash + short term investments

Capital expenditures

1) adjusted to reflect the share split of 1:5
Thank you

Please visit our website www.ams.com
## Profit and loss statement

**EURm**

<table>
<thead>
<tr>
<th>(IAS)</th>
<th>9M 2014</th>
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<th>Q3 2014</th>
<th>Q3 2013</th>
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<tbody>
<tr>
<td><strong>Total revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Products</td>
<td>325.4</td>
<td>274.3</td>
<td>132.8</td>
<td>98.2</td>
</tr>
<tr>
<td>• Foundry</td>
<td>295.3</td>
<td>247.9</td>
<td>123.0</td>
<td>89.7</td>
</tr>
<tr>
<td>• Foundry</td>
<td>30.1</td>
<td>26.4</td>
<td>9.8</td>
<td>8.5</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Gross margin (incl. acquisition-related costs)</td>
<td>177.6</td>
<td>142.5</td>
<td>73.0</td>
<td>52.2</td>
</tr>
<tr>
<td>• Gross margin</td>
<td>54.6%</td>
<td>51.9%</td>
<td>55.0%</td>
<td>53.2%</td>
</tr>
<tr>
<td><strong>Research and development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>- 53.9</td>
<td>- 51.2</td>
<td>- 19.6</td>
<td>- 16.8</td>
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<tr>
<td>Selling, general and administrative</td>
<td>- 55.0</td>
<td>- 53.1</td>
<td>- 20.8</td>
<td>- 16.7</td>
</tr>
<tr>
<td>Other operating income/expenses</td>
<td>5.3</td>
<td>1.5</td>
<td>1.9</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Result from operations (EBIT)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(incl. acquisition-related costs)</td>
<td>74.0</td>
<td>39.6</td>
<td>34.5</td>
<td>20.0</td>
</tr>
<tr>
<td>• Operating margin</td>
<td>22.7%</td>
<td>14.4%</td>
<td>26.0%</td>
<td>20.4%</td>
</tr>
<tr>
<td><strong>Net financing costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 0.3</td>
<td>- 0.6</td>
<td>0.4</td>
<td>- 0.5</td>
</tr>
<tr>
<td><strong>Result before tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>73.6</td>
<td>39.1</td>
<td>35.0</td>
<td>19.6</td>
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<tr>
<td><strong>Income tax result</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 4.9</td>
<td>- 1.6</td>
<td>- 3.1</td>
<td>- 1.0</td>
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<tr>
<td><strong>Net result</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>68.8</td>
<td>37.5</td>
<td>31.9</td>
<td>18.6</td>
</tr>
<tr>
<td><strong>EPS (basic/diluted)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHF1)</td>
<td>1.23 / 1.18</td>
<td>0.69 / 0.662)</td>
<td>0.57 / 0.54</td>
<td>0.34 / 0.332)</td>
</tr>
<tr>
<td>EUR</td>
<td>1.01 / 0.97</td>
<td>0.56 / 0.542)</td>
<td>0.47 / 0.45</td>
<td>0.28 / 0.272)</td>
</tr>
</tbody>
</table>

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
### Balance Sheet

**EURm**

<table>
<thead>
<tr>
<th><strong>Assets (IAS)</strong></th>
<th><strong>Sep 30, 2014</strong></th>
<th><strong>Dec 31, 2013</strong></th>
<th><strong>Liabilities and equity</strong></th>
<th><strong>Sep 30, 2014</strong></th>
<th><strong>Dec 31, 2013</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and short term invest.</td>
<td>103.9</td>
<td>104.3</td>
<td>Interest-bearing debt</td>
<td>8.5</td>
<td>0.8</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>85.0</td>
<td>63.7</td>
<td>Trade liabilities</td>
<td>41.1</td>
<td>28.3</td>
</tr>
<tr>
<td>Inventories</td>
<td>55.0</td>
<td>40.5</td>
<td>Provisions</td>
<td>31.2</td>
<td>23.2</td>
</tr>
<tr>
<td>Other current assets</td>
<td>14.2</td>
<td>10.5</td>
<td>Other liabilities</td>
<td>29.6</td>
<td>24.1</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>258.1</td>
<td>219.1</td>
<td><strong>Total current liabilities</strong></td>
<td>110.3</td>
<td>76.3</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>191.9</td>
<td>145.4</td>
<td>Interest-bearing debt</td>
<td>60.3</td>
<td>59.3</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>271.1</td>
<td>243.0</td>
<td>Employee benefits</td>
<td>20.1</td>
<td>23.6</td>
</tr>
<tr>
<td>Investments</td>
<td>6.4</td>
<td>5.1</td>
<td>Provisions</td>
<td>25.4</td>
<td>22.9</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>33.6</td>
<td>33.3</td>
<td>Deferred tax liabilities</td>
<td>14.6</td>
<td>13.6</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>8.0</td>
<td>7.1</td>
<td>Other liabilities</td>
<td>13.5</td>
<td>12.6</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>511.0</td>
<td>433.9</td>
<td><strong>Total non-current liabilities</strong></td>
<td>138.8</td>
<td>132.0</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>769.1</td>
<td>653.0</td>
<td>Shareholders’ equity</td>
<td>519.9</td>
<td>444.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Total liabil. and equity</strong></td>
<td>769.1</td>
<td>653.0</td>
</tr>
</tbody>
</table>
# Cash flow statement

**EURm**

<table>
<thead>
<tr>
<th>(IAS)</th>
<th>9M 2014</th>
<th>9M 2013</th>
<th>Q3 2014</th>
<th>Q3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income before tax</td>
<td>73.6</td>
<td>39.1</td>
<td>35.0</td>
<td>19.6</td>
</tr>
<tr>
<td>Depreciation</td>
<td>26.7</td>
<td>26.7</td>
<td>9.5</td>
<td>8.7</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td>85.6</td>
<td>70.9</td>
<td>37.1</td>
<td>34.0</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>-57.5</td>
<td>-40.3</td>
<td>-17.5</td>
<td>-7.5</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td>-76.7</td>
<td>-40.4</td>
<td>-21.7</td>
<td>-7.0</td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>9.1</td>
<td>11.9</td>
<td>8.2</td>
<td>11.5</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>-0.4</td>
<td>-18.2</td>
<td>0</td>
<td>-15.6</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-14.1</td>
<td>-19.4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Changes resulting from capital increase</td>
<td>5.2</td>
<td>9.0</td>
<td>2.5</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td>-14.3</td>
<td>-27.3</td>
<td>11.9</td>
<td>-11.1</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>-5.4</td>
<td>3.2</td>
<td>27.4</td>
<td>15.9</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td>77.9</td>
<td>71.1</td>
<td>77.9</td>
<td>71.1</td>
</tr>
</tbody>
</table>