ams

Q2 2015 results

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

July 2015
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.
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
- Over 30 years of design experience
- Revenues
  - Q2 2015 EUR170m/$187m (Q2 2014: EUR106m/$146m)
  - H1 2015 EUR323m/$360m (H1 2014: EUR193m/$264m)
- 1,800+ employees worldwide
- 8,000+ customers
## Our focus

### High performance sensors and analog ICs

<table>
<thead>
<tr>
<th>Target markets</th>
<th>Consumer &amp; Communications</th>
<th>Industrial, Medical, Automotive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>71% of revenues (H1 2015)</td>
<td>29% of revenues (H1 2015)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Core expertise</th>
<th>Sensor solutions, sensor interfaces</th>
<th>Power management</th>
<th>Wireless</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

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Page 4
Light sensors
Worldwide leader in intelligent integrated light sensors

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

Broad coverage of consumer electronics markets
- Smartphones, tablet PCs, mobile devices, HDTV, PCs, notebooks

New areas: Cognitive industrial lighting, new consumer application
- Major opportunities over coming years
- Combining LED driver and sensor technologies for building lighting
- New light sensor-based technology for consumer devices
Wireless solutions – NFC, RFID

NFC solutions for mobile transactions (Boosted NFC)
- Patented antenna boost technology with high performance ALM
- Best-in-class NFC reliability for smartphones, mobile devices and wearables
- Smartphone/device NFC, boosted secure elements, NFC on SIM/microSD card and reader implementations
- Multi-year roadmap to exploit technology leadership
- License agreement with major NFC controller chip (NCC) vendor targeting high volume consumer opportunities

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
- Product portfolio serving wide spectrum of end customer requirements
- Leading position in low noise solutions
- Strong customer partnership focusing on high value market segments

ANC (active noise cancellation)

- Technology leader offering pure analog noise reduction, no DSP needed
- Significant audio quality improvement
- Very low power, minimized footprint
- High volume opportunities in smartphones and mobile devices

ANC moving into in-box bundled accessories
Power management solutions for mobile devices
Specialty PMICs and power management components for optimum system performance

**Specialty PMIC and power management solutions**

- High performance PMIC design to drive low-power system performance
- Added value for clamshell devices and small form factors including wearables
- Tight analog integration allows significantly reduced footprint
- Programmable solutions maximize battery life and enable superior device performance
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
- 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

Seismic sensor interfaces
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 smart LED illumination
- Integrated system-level sensing and control for major reduction in system cost and time-to-market
- Protocol-agnostic networked architecture for easy IoT connectivity
- Smart lighting sensor solutions bring convergent IoT sensor hubs to smart buildings
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

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

Safety systems and ADAS
• Collision avoidance LIDAR systems (ADAS for object detection)
• ESP (Electronic Stability Program), FlexRay® data networks

Environmental sensing
• Air quality sensing
• Relative humidity and temperature sensing
Scalable manufacturing model

In-house capacity + manufacturing partnerships

Wafer manufacturing, Austria
• 200mm in-house fab (180-190k wafer equiv. p.a.)
• CMOS + specialty analog, down to 180nm
• Best-in-class efficiency
• Multi-source security: TSMC, UMC, GF

New wafer fab project in upstate New York, USA
• Plan to rent new fab custom-built by State of New York
• No depreciation on fab, significant cost-per-wafer benefits
• First buildout: 150k+ 200mm-wafer equiv. p.a., 130nm capable
• Production ramp expected early 2018

Assembly and test
• 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

- New design center in the Netherlands from CMOS sensor acquisition
- **14 design centers**
  Austria, Switzerland, Italy (2), Spain, Slovenia, Germany (2), Netherlands, Finland, USA (2), India, Japan
- **High volume test center**
  Philippines
Company highlights
Analog makes sense

World class analog expertise

Focus on growth segments

Design and system know-how

Product excellence

Global support network

State-of-the-art manufacturing
## Key figures

<table>
<thead>
<tr>
<th>EURm</th>
<th>H1 2015</th>
<th>H1 2014</th>
<th>Q2 2015</th>
<th>Q2 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenues</strong></td>
<td>322.9</td>
<td>192.6</td>
<td>169.5</td>
<td>106.3</td>
</tr>
<tr>
<td></td>
<td>+ 67.6%</td>
<td></td>
<td>+ 59.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>56%</td>
<td>56%</td>
<td>56%</td>
<td>57%</td>
</tr>
<tr>
<td>(excl. acquisition-related costs)</td>
<td>54%</td>
<td>54%</td>
<td>54%</td>
<td>55%</td>
</tr>
<tr>
<td>(incl. acquisition-related costs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Result from operations</strong></td>
<td>90.5</td>
<td>44.3</td>
<td>48.5</td>
<td>26.4</td>
</tr>
<tr>
<td>(excl. acquisition-related costs)</td>
<td>82.8</td>
<td>39.4</td>
<td>44.6</td>
<td>24.0</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>84.0</td>
<td>36.9</td>
<td>41.8</td>
<td>22.2</td>
</tr>
<tr>
<td></td>
<td>+ 127.7%</td>
<td></td>
<td>+ 88.1%</td>
<td></td>
</tr>
<tr>
<td><strong>EPS (basic/diluted)</strong></td>
<td>CHF</td>
<td>1.28 / 1.23</td>
<td>0.66 / 0.63&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>0.63 / 0.61</td>
</tr>
<tr>
<td></td>
<td>EUR</td>
<td>1.22 / 1.17</td>
<td>0.54 / 0.52&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>0.61 / 0.58</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
Financial results
EURm

Total revenues

<table>
<thead>
<tr>
<th>H1 2014</th>
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<th>Q2 2014</th>
<th>Q2 2015</th>
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</thead>
<tbody>
<tr>
<td>192.6</td>
<td>322.9</td>
<td>106.3</td>
<td>169.5</td>
</tr>
</tbody>
</table>

+ 59%
+ 68%

Total revenues by region H1 2014 / H1 2015

<table>
<thead>
<tr>
<th>Region</th>
<th>H1 2014</th>
<th>H1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia/Pacific</td>
<td>48%</td>
<td>65%</td>
</tr>
<tr>
<td>Americas</td>
<td>47%</td>
<td>4%</td>
</tr>
<tr>
<td>Europe (EMEA)</td>
<td>47%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Total revenues by market H1 2015

- Industrial, Medical, Automotive: 29%
- Consumer & Communications: 71%

Total backlog

- Mar 31 2015: 150.7 EUR
- Jun 30 2015: 133.3 EUR

Consignment stock agreements approx. EUR15-18m
Financial results
EURm, % of revenues

Gross profit, gross margin

R&D

SG&A

EBIT

1) excl. acquisition-related costs

2) incl. 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 for 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>H1 2015</th>
<th>H1 2014</th>
<th>Q2 2015</th>
<th>Q2 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Products</td>
<td>322.9</td>
<td>192.6</td>
<td>169.5</td>
<td>106.3</td>
</tr>
<tr>
<td>• Foundry</td>
<td>300.4</td>
<td>172.3</td>
<td>157.6</td>
<td>95.5</td>
</tr>
<tr>
<td>• Other</td>
<td>22.5</td>
<td>20.3</td>
<td>11.9</td>
<td>10.8</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>175.7</td>
<td>104.6</td>
<td>92.3</td>
<td>58.1</td>
</tr>
<tr>
<td>• Gross margin (incl. acquisition-related costs)</td>
<td>54.4%</td>
<td>54.3%</td>
<td>54.4%</td>
<td>54.7%</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>- 50.3</td>
<td>- 34.4</td>
<td>- 26.7</td>
<td>- 17.9</td>
</tr>
<tr>
<td>Other operating income/expenses</td>
<td>- 47.8</td>
<td>- 34.2</td>
<td>- 25.0</td>
<td>- 18.2</td>
</tr>
<tr>
<td>• Operating margin</td>
<td>5.3</td>
<td>3.4</td>
<td>3.9</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Result from operations (EBIT)</strong></td>
<td>82.8</td>
<td>39.4</td>
<td>44.6</td>
<td>24.0</td>
</tr>
<tr>
<td>(incl. acquisition-related costs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Operating margin</td>
<td>25.6%</td>
<td>20.5%</td>
<td>26.3%</td>
<td>22.6%</td>
</tr>
<tr>
<td><strong>Net financing result</strong></td>
<td>7.4</td>
<td>- 0.8</td>
<td>0.6</td>
<td>- 0.7</td>
</tr>
<tr>
<td><strong>Result before tax</strong></td>
<td>90.2</td>
<td>38.6</td>
<td>45.2</td>
<td>23.3</td>
</tr>
<tr>
<td><strong>Income tax result</strong></td>
<td>- 6.2</td>
<td>- 1.7</td>
<td>- 3.4</td>
<td>- 1.1</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>84.0</td>
<td>36.9</td>
<td>41.8</td>
<td>22.2</td>
</tr>
<tr>
<td><strong>EPS (basic/diluted)</strong></td>
<td>CHF(^1)</td>
<td>1.28 / 1.23</td>
<td>0.66 / 0.63(^2)</td>
<td>0.63 / 0.61</td>
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<td></td>
<td>EUR</td>
<td>1.22 / 1.17</td>
<td>0.54 / 0.52(^2)</td>
<td>0.61 / 0.58</td>
</tr>
</tbody>
</table>

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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></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Cash and short term invest.</td>
<td>199.2</td>
<td>229.6</td>
<td>Interest-bearing debt</td>
<td>4.8</td>
<td>38.5</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>101.6</td>
<td>79.0</td>
<td>Trade liabilities</td>
<td>46.0</td>
<td>51.0</td>
</tr>
<tr>
<td>Inventories</td>
<td>64.4</td>
<td>59.9</td>
<td>Provisions</td>
<td>42.7</td>
<td>37.6</td>
</tr>
<tr>
<td>Other current assets</td>
<td>16.8</td>
<td>18.3</td>
<td>Other liabilities</td>
<td>43.9</td>
<td>42.1</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>381.9</strong></td>
<td><strong>386.7</strong></td>
<td><strong>Total current liabilities</strong></td>
<td><strong>137.4</strong></td>
<td><strong>169.2</strong></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>233.4</td>
<td>204.1</td>
<td>Interest-bearing debt</td>
<td>148.9</td>
<td>146.1</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>331.6</td>
<td>315.7</td>
<td>Employee benefits</td>
<td>28.5</td>
<td>27.0</td>
</tr>
<tr>
<td>Investments</td>
<td>1.6</td>
<td>6.5</td>
<td>Provisions</td>
<td>29.9</td>
<td>27.1</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>34.2</td>
<td>34.1</td>
<td>Deferred tax liabilities</td>
<td>19.4</td>
<td>20.8</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>8.2</td>
<td>7.7</td>
<td>Other liabilities</td>
<td>7.3</td>
<td>8.9</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>609.0</strong></td>
<td><strong>568.2</strong></td>
<td><strong>Total non-current liabilities</strong></td>
<td><strong>233.9</strong></td>
<td><strong>230.0</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>990.9</strong></td>
<td><strong>955.0</strong></td>
<td><strong>Shareholders’ equity</strong></td>
<td><strong>619.6</strong></td>
<td><strong>555.8</strong></td>
</tr>
<tr>
<td><strong>Total liabil. and equity</strong></td>
<td><strong>990.9</strong></td>
<td><strong>955.0</strong></td>
<td><strong>Total liabil. and equity</strong></td>
<td><strong>990.9</strong></td>
<td><strong>955.0</strong></td>
</tr>
</tbody>
</table>
## Cash flow statement

**EURm**

<table>
<thead>
<tr>
<th>(IAS)</th>
<th>H1 2015</th>
<th>H1 2014</th>
<th>Q2 2015</th>
<th>Q2 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income before tax</td>
<td>90.2</td>
<td>38.6</td>
<td>45.2</td>
<td>23.3</td>
</tr>
<tr>
<td>Depreciation</td>
<td>23.9</td>
<td>17.2</td>
<td>12.0</td>
<td>8.8</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td>74.4</td>
<td>48.2</td>
<td>30.1</td>
<td>34.0</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>- 45.7</td>
<td>- 40.0</td>
<td>- 20.1</td>
<td>- 17.0</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td>- 57.5</td>
<td>- 55.3</td>
<td>- 16.7</td>
<td>- 32.4</td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>64.1</td>
<td>1.0</td>
<td>32.8</td>
<td>1.0</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>- 33.7</td>
<td>- 0.4</td>
<td>- 33.7</td>
<td>- 0.4</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>- 22.8</td>
<td>- 14.1</td>
<td>- 22.8</td>
<td>- 14.1</td>
</tr>
<tr>
<td>Changes resulting from capital increase</td>
<td>0.9</td>
<td>2.6</td>
<td>0.4</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td>- 68.1</td>
<td>- 26.1</td>
<td>- 27.0</td>
<td>- 24.2</td>
</tr>
<tr>
<td><strong>Change in cash and cash equivalents</strong> (incl. effects of changes in foreign exchange rates)</td>
<td>- 44.6</td>
<td>- 32.8</td>
<td>- 15.8</td>
<td>- 22.3</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td>159.1</td>
<td>50.5</td>
<td>159.1</td>
<td>50.5</td>
</tr>
</tbody>
</table>