

First Quarter Report 2015

Key figures EUR thousands (except earnings per share)	Q1 2015	Q1 2014	Q4 2014		
Revenues	153,346	86,295	138,976		
Gross margin in % (excluding acquisition-related costs)	56%	56%	56%		
Gross margin in % (including acquisition-related costs)	54%	54%	54%		
Result from operations (excluding acquisition-related costs)	42,078	17,863	34,472		
Result from operations (including acquisition-related costs)	38,248	15,429	31,401		
Net result	42,240	14,694	28,778		
Basic / diluted earnings per share in CHF ¹⁾	0.65 / 0.62	0.26 / 0.25 ²⁾	0.51 / 0.48		
Basic / diluted earnings per share in EUR	0.62 / 0.59	0.22 / 0.21 ²⁾	0.42 / 0.40		
Total backlog (excluding consignment stocks)	150,747	85,462	131,259		

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

Strong start into 2015 with first quarter results ahead of guidance; second quarter revenues expected to reach EUR 165-170 million; extensive project and growth pipeline reaching beyond 2016

Ladies and Gentlemen

Our first quarter results demonstrate the success of our sensor and analog solutions, the expected strong start into the year and the profitability of our business model.

First quarter group revenues were EUR 153.3 million, 78% higher than in the same quarter 2014 (54% higher in constant currency terms), and 10% higher quarter-on-quarter. Gross margin was 56%, excluding acquisition-related costs, and 54%, including acquisition-related costs, unchanged from 56%, excluding acquisition-related costs, and 54%, including acquisition-related costs, in the first quarter 2014.

The result from operations (EBIT) excluding acquisition-related costs for the first quarter reached EUR 42.1 million or 27% of revenues, compared to EUR 17.9 million in the first quarter 2014. The result from operations (EBIT) including acquisition-related costs for the first quarter was EUR 38.2 million or 25% of revenues, compared to EUR 15.4 million in the same period 2014. The first quarter net result was EUR 42.2 million compared to EUR 14.7 million in the same period 2014. Basic/diluted earnings per share were CHF 0.65/0.62 or EUR 0.62/0.59 based on 68,638,875/71,483,195 shares (basic/diluted; weighted average) compared to CHF 0.26/0.25 or EUR 0.22/0.21 based on 67,737,709/70,889,796 shares (basic/diluted; split-adjusted weighted average) in the first quarter 2014.

Operating cash flow for the first quarter was EUR 44.3 million, a substantial increase from EUR 14.3 million in the first quarter 2014. Total backlog, excluding consignment stock agreements, rose to EUR 150.7 million on March 31, 2015, compared to EUR 131.3 million on December 31, 2014 and EUR 85.5 million on March 31, 2014.

Our business showed a strong performance in the first quarter given continuing high demand in key end markets, the success of major customers worldwide, particularly in our consumer business, and the strength of our product portfolio.

In our consumer and communications business, we began shipping our innovative gesture sensor solution into the recently launched next generation of a high volume global smartphone platform. The award-winning gesture module combines advanced gesture recognition with RGB color, proximity sensing and mobile coupon redemption in a minimized footprint. We are also adding further Asian smartphone OEMs to the customer base for our gesture solution. Shipments of our portfolio of intelligent light sensors, power management and other product lines to major smartphone and device vendors remained strong in the quarter and supported new device introductions. In audio, our ANC noise cancellation has been included in a first smartphone bundled headset and we are seeing further adoption of our low-power ANC technology for in-box accessories.



High volume shipments of our patented NFC antenna booster solution continued in the first quarter driven by high smartphone demand and providing an important contribution to this quarter's performance. The solution ensures dependable signal transmission in space-constrained device environments such as smartphones and wearables. In these devices, our technology enables a compelling consumer experience for NFC mobile payments. We also announced a first consumer application for our gas sensor technology measuring the concentration of potentially harmful substances in the air. This market introduction for an innovative customer device underscores the breadth of our consumer sensor technologies.

Our industrial, medical and automotive businesses also had a good start into the year recording positive results. Demand in our industrial end-markets continues to be attractive benefitting our broad range of industrial product lines. ams' high performance sensors and sensor interfaces manage key tasks in diverse industrial applications for leading OEMs. In the emerging area of sensor-based LED lighting control for white light industrial and workspace applications we announced the first products in the quarter. Sensor solutions for digital imaging, which includes advanced computed tomography (CT), mammography, and ultrasound, remain the centerpiece of our high value medical business. In our automotive business, we see continuing healthy demand for our sensor and sensor interface solutions in 2015. Advanced driver assistance systems such as collision avoidance and critical functions including battery power management harness ams' design expertise and sensor performance. ams offers higher safety and vehicle reliability through expanding applications in volume platforms.

We are nearing completion of the second expansion step for our internal wafer manufacturing capacity. Together with expansion investments into our test facility in the Philippines we are preparing our company to support a strong pipeline of design-ins and growth opportunities in the coming years.

In the quarter, our U.S subsidiary won a significant first-instance court verdict in a U.S. IP infringement case involving light sensor technology and dating back to 2004. As part of the verdict, ams was awarded significant actual and punitive damages. While the decision is expected to be appealed we are confident that ams will ultimately prevail and receive compensation for the damages incurred. This resounding legal success demonstrates ams' absolute commitment to vigorously defend its IP against any form of infringement and across all areas of its business. ams will continue to seek full compensation for any misappropriation of its IP and pursue claims to the full extent of the law.

For the second quarter 2015, we expect another quarter of sequential and year-on-year revenue growth with revenues of EUR 165-170 million. This growth is expected to be driven in particular by large Consumer & Communications ramp-ups for new smartphone models. We see very good profitability continuing in the second quarter and look for a further improvement in EBIT margin quarter-on-quarter. We continue to expect a strong year-on-year increase in revenues and earnings for the current year and substantial mid-term growth supported by our full project pipeline reaching beyond 2016.

Consolidated Income Statement

(unaudited)

EUR thousands (except earnings per share)	Q1 2015	Q1 2014
Revenue Products	142,784	76,808
Revenue Foundry & Other	10,562	9,487
Total revenues	153,346	86,295
Cost of sales	- 69,965	- 39,767
Gross profit	83,382	46,528
Gross margin in % (excluding acquisition-related costs)	56%	56%
Gross margin in % (including acquisition-related costs)	54%	54%
Research and development	- 23,688	- 16,451
Selling, general and administrative	- 22,801	- 15,989
Other operating income	1,707	1,482
Other operating expense	- 68	- 38
Result from investments in associates	- 285	- 102
Result from operations (excluding acquisition-related costs)	42,078	17,863
Result from operations (including acquisition-related costs)	38,248	15,429
Net financing result	6,771	- 74
Result before tax	45,018	15,355
Income tax result	- 2,778	- 660
Net result	42,240	14,694
Basic / diluted earnings per share in CHF ¹⁾	0,65 / 0,62	0,26 / 0,25 ²⁾
Basic / diluted earnings per share in EUR	0,62 / 0,59	0,22 / 0,21 ²⁾

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Consolidated Balance Sheet

(unaudited)

EUR thousands	as of	March 31, 2015	December 31, 2014
Assets			
Cash and cash equivalents		174,834	203,681
Financial assets		40,818	25,933
Trade receivables		90,730	78,992
Inventories		62,800	59,856
Other receivables and assets		16,777	18,286
Total current assets		385,959	386,747
Property, plant and equipment		223,429	204,096
Intangible assets		338,099	315,749
Investments in associates		6,610	6,549
Deferred tax assets		34,236	34,075
Other long-term assets		7,871	7,749
Total non-current assets		610,244	568,218
Total assets		996,204	954,964
Liabilities and shareholders' equity			
Liabilities			
Interest-bearing loans and borrowings		38,145	38,474
Trade liabilities		48,842	51,032
Provisions		39,698	37,615
Other liabilities		44,819	42,096
Total current liabilities		171,503	169,217
Interest-bearing loans and borrowings		116,522	146,138
Employee benefits		27,873	27,015
Provisions		30,752	27,125
Deferred tax liabilities		21,083	20,846
Other long-term liabilities		10,783	8,858
Total non-current liabilities		207,013	229,983
Shareholders' equity			
Issued capital		73,309	73,267
Additional paid-in capital		201,221	200,031
Treasury shares		-60,111	-54,533
Other reserves (translation adjustment)		62,285	38,119
Retained earnings		340,984	298,881
Total shareholders' equity and reserves		617,687	555,764
Total liabilities and shareholders' equity		996,204	954,964

Consolidated Statement of Cash Flows

(unaudited)

EUR thousands	Q1 2015	Q1 2014
Operating activities		
Result before tax	45,018	15,355
Depreciation (net of government grants)	11,855	8,469
Expenses from stock option plan (acc. to IFRS 2)	722	810
Changes in other long-term liabilities	1,925	- 308
Result from sale of plant and equipment	-13	- 10
Result from sale of investments	0	170
Result from investments in associates	285	102
Net financing result	- 6,771	74
Changes in inventories	- 2,944	- 4,664
Changes in trade and other receivables	- 10,351	- 1,799
Change in trade and other payables	5,219	- 4,631
Change in provisions and employee benefits	2,406	745
Change in deferred income	- 1,138	2,585
Tax payments	- 4,109	- 2,348
Change in non-cash items resulting from foreign exchange translation	2,157	- 299
Cash flows from operating activities	44,261	14,251
Investing activities		
Acquisition of intangibles, property, plant and equipment	- 25,538	- 23,011
Acquisition of financial investments	- 15,023	- 153
Proceeds from sale of plant and equipment	14	10
Interest received	- 231	232
Cash flows from investing activities	- 40,777	- 22,921
Financing activities		
Proceeds from borrowings	31,281	0
Repayment of debt	- 61,227	- 10
Repayment of finance lease liabilities	- 310	- 259
Acquisition of treasury shares	- 8,558	- 3,758
Sale of treasury shares	2,980	1,068
Interest paid	- 29	- 308
Valuation of financial instruments	- 5,715	0
Changes resulting from capital increase	509	1,383
Cash flows from financing activities	- 41,069	- 1,884
Change in cash and cash equivalents	- 37,585	- 10,555
Effects of changes in foreign exchange rates on cash or cash equivalents	8,739	47
Cash and cash equivalents at begin of period	203,681	83,358
Cash and cash equivalents at end of period	174,834	72,849

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This report is also available in German. All figures are unaudited.