

Investor presentation – Year-end results 2012

Analyst and press conference – Hotel Savoy, Zurich – February 21, 2013

The following documentation contains forward-looking statements that are subject to certain risks and uncertainties. Actual results may differ materially from those anticipated in this presentation.

Overview

Markets

Products

- Hall-effect sensors

- Embedded controllers for smart actuators

- Gas sensors

Customers

Financials

Summary

Backup

Micronas at a glance

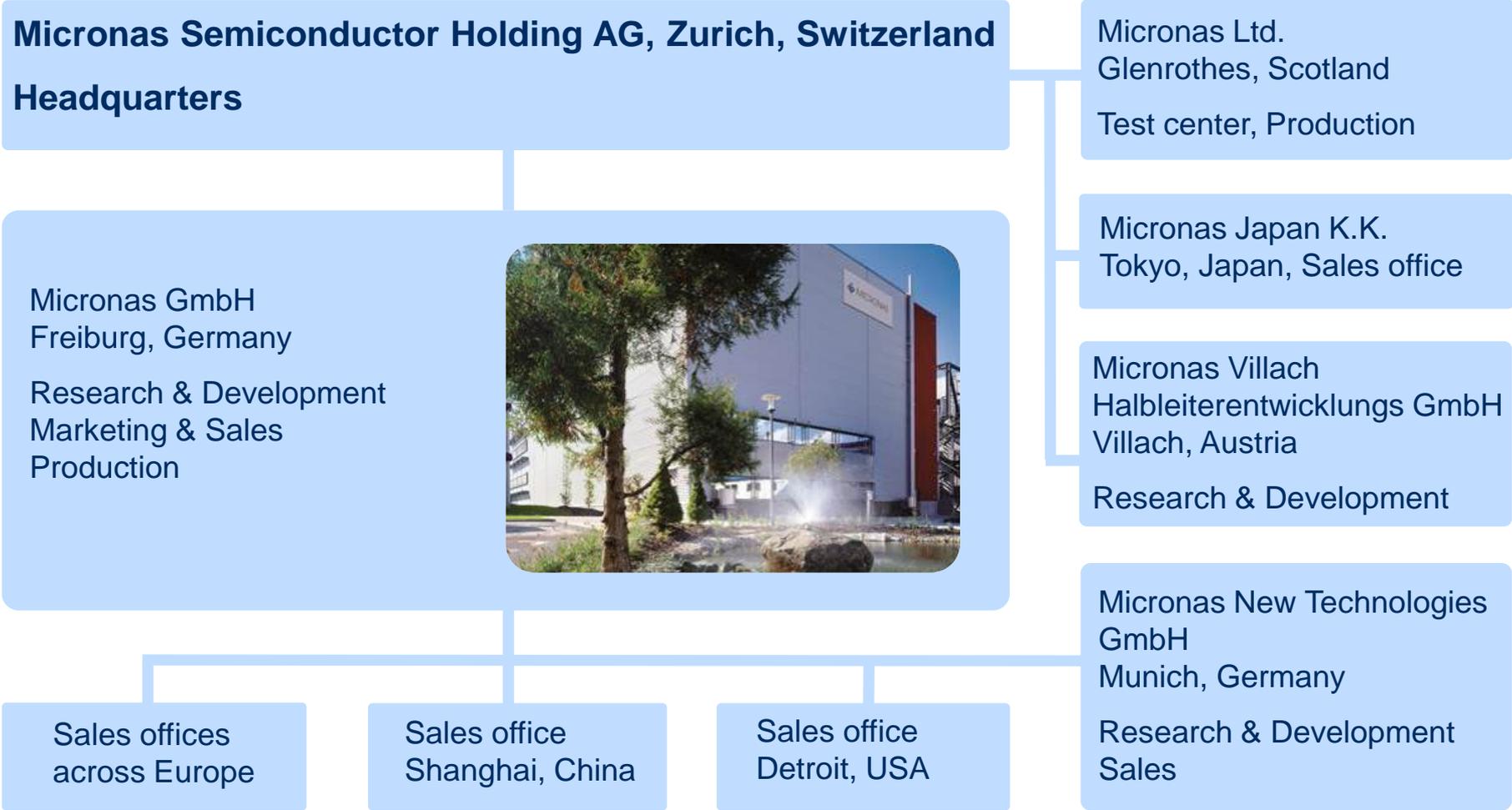


Known and recognized in the **automotive** and **industrial** business as a reliable global partner for **intelligent, sensor-based system solutions**

- ◆ About 900 employees worldwide
- ◆ Leading supplier of hall sensors for the automotive industry
- ◆ Full in-house production with own waferfab and backend operations including testing and packaging
- ◆ zero ppm quality to ensure customer satisfaction
- ◆ Commitment to environmental protection



Group structure and locations



Distributor base all around the world

Performance in 2012

- ◆ Sales increase of 6 percent to CHF 168 million, focus line Automotive hall sensors grew by 11 percent
- ◆ Gross margin rose from 37 to 40 percent and EBIT margin increased from 13 to 14.4 percent
- ◆ Profit improved to CHF 19 million, EPS of CHF 0.66
- ◆ The Board of directors propose to pay out CHF 0.05 per share to shareholders in 2013
- ◆ In 2012, production facilities operated at slightly below 80 percent capacity and fell to 73 percent in Q4
- ◆ In Q4 the worldwide automotive business slowed significantly



Performance in 2012, cont.

- ◆ Successful release of the first two products of the new linear HAL 24xy family
- ◆ Volume production started of sensors using the 3 D HAL technology
- ◆ New high-sensitivity current transducer for use in automotive and industrial applications added to portfolio
- ◆ Volume production of embedded high voltage controller (HVC) started for our key customer PMDM Minebea
- ◆ Launch of the latest generation mySENS gas sensors with smaller size and lower power consumption
- ◆ New SOIC8-SMD packaging line successfully put into operation and qualified



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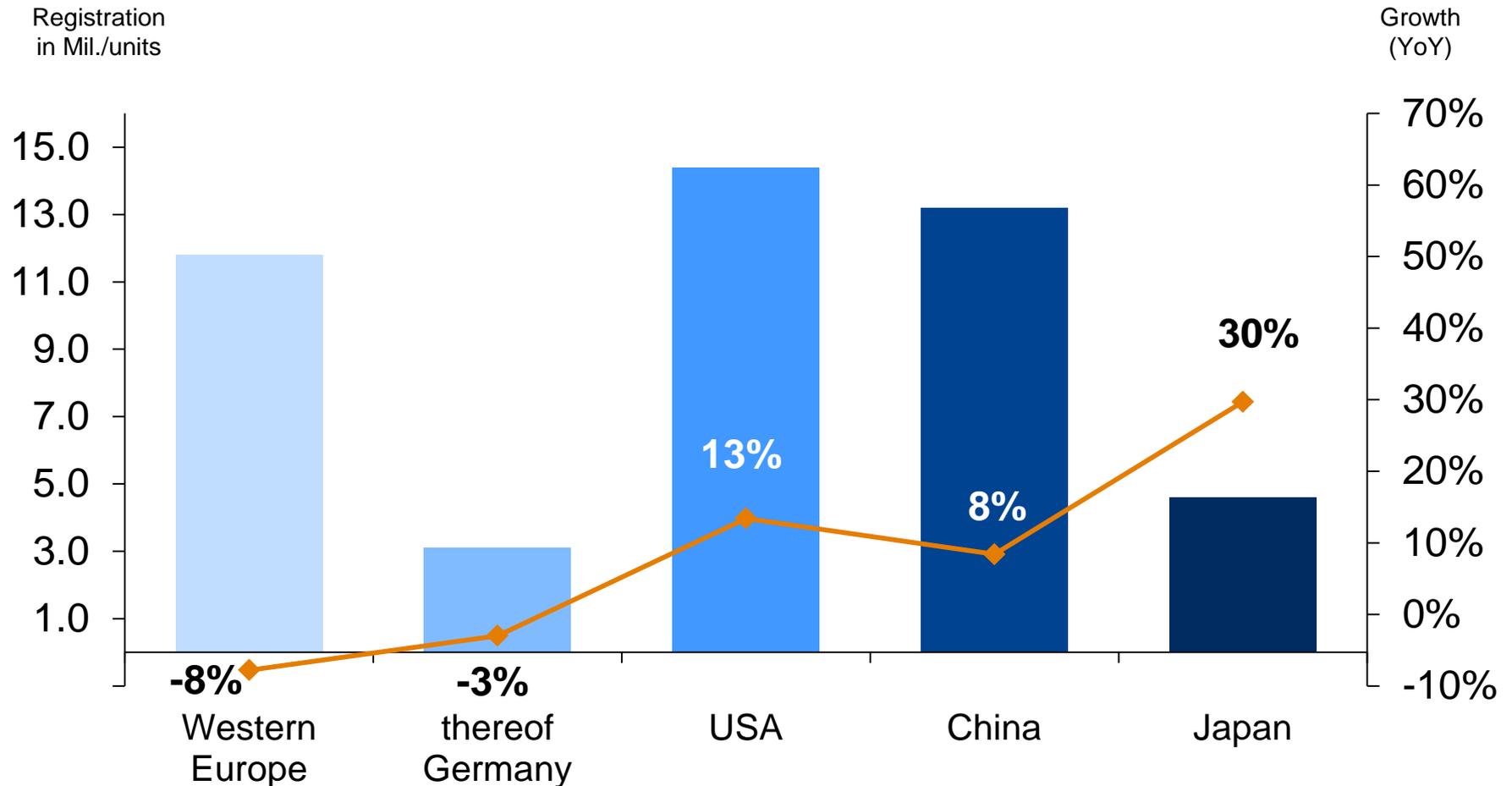
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New passenger car registration for 2012



Market and technology drivers



Environmental protection

Increased demand for high energy efficiency and CO₂ reduction needs optimized sensors and actuator solutions, e.g. for engines, BLDC motors and HVAC systems

Economy

Reduced overall system cost enabled by highly integrated sensors and embedded controllers, e.g. increasing magnet costs can be compensated by higher sensitivity

Safety

Increased safety demand drive growth for novel, intelligent and redundant products and system solutions

Comfort and lifestyle

High levels of functionality, low power and small form factor enable new applications and comfort features

Application fields for Automotive



Powertrain

High accuracy sensors designed to withstand harsh environments: insensitive to vibrations, temperature drift and dirt



Chassis and body

Programmable sensor based solutions with integrated communication links provide flexibility



Safety

Proven history of meeting Automotive's highest quality standards. Expanding portfolio addresses increasing safety requirements



Application fields for Industrial

Building and home automation

Intelligent sensor and actuator solutions for smart automation networks to enable increased comfort and lifestyle



Heavy machines/ factory automation

Highly reliable and robust sensors to meet the demands for long lifetime within harsh environments



White goods/ home appliances

Wide range of cost-effective sensor solutions for eco-friendly home appliances at minimal size



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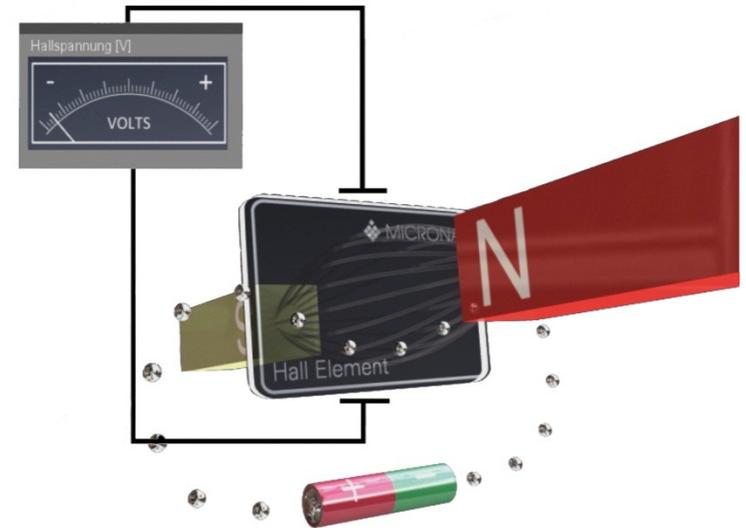
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Hall-effect sensors are the technology of choice for contact-less sensing. Micronas, the pioneer of CMOS Hall sensors, continues to innovate in this field.

Introduction

- ◆ Contact-less sensing improves system reliability, especially in harsh environments
- ◆ CMOS technology is the most cost-effective method to realize Hall sensors
- ◆ High levels of integration enable sensors to configure to a wide range of applications
- ◆ Micronas has a strong track record of supplying sensors that meet the most demanding quality standards



Hall-effect sensors – applications

Micronas offers the broadest portfolio of Hall sensors for automotive and industrial

Switches



buckle switch



roller shutter

- ◆ Easy to implement contact-less switch
- ◆ Replacement of micro switches

Linear

throttle flap



linear position

- ◆ Highly accurate position detection
- ◆ Replacement of conventional potentiometers

Angular

steering angle



3D HAL[®]
by Micronas

3D HAL uses licenses of Fraunhofer Institute for Integrated Circuits IIS.

- ◆ Precise angle detection with a single sensor
- ◆ Replacement of inductive or optical angle encoders

Current



Continental

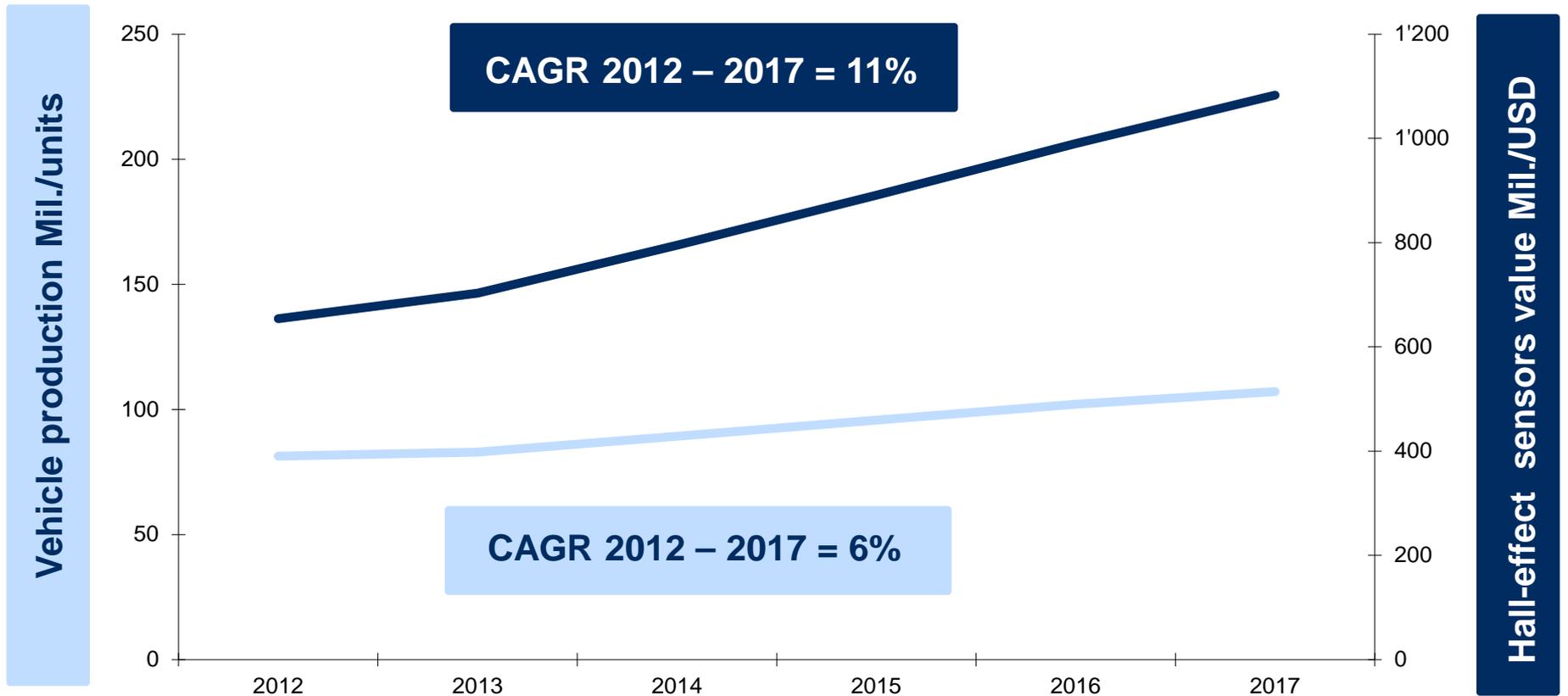
power management

current sensor module



- ◆ Small form factor contact-less current transducer
- ◆ Replacement of shunt based solutions

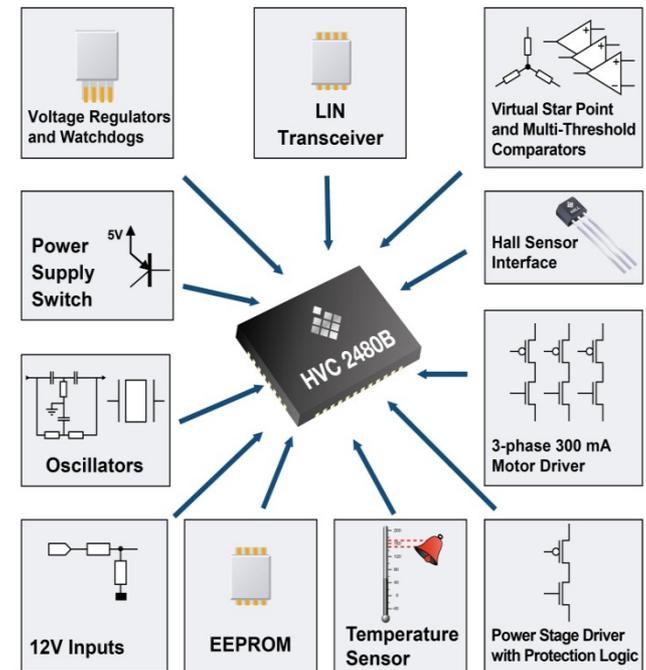
Automotive and Hall sensor markets



The actuator market is transitioning to BLDC motors. Micronas' highly integrated solutions enable cost-effective system implementation.

Introduction

- ◆ Specialized high voltage, analog and embedded flash CMOS processes uniquely serve the demanding requirements of a BLDC system
- ◆ Single package enables solutions to be realized in space constrained applications
- ◆ Micronas is uniquely positioned to combine two critical aspects of motor commutation – embedded control and Hall sensors – creating solutions that are unmatched in terms of power consumption and physical dimensions



Adaptive intelligent control of position, motion or speed in Automotive and Industrial applications.

Fans



- ◆ HVAC
- ◆ Cooling systems (LED, electrical motor and battery)

Pumps



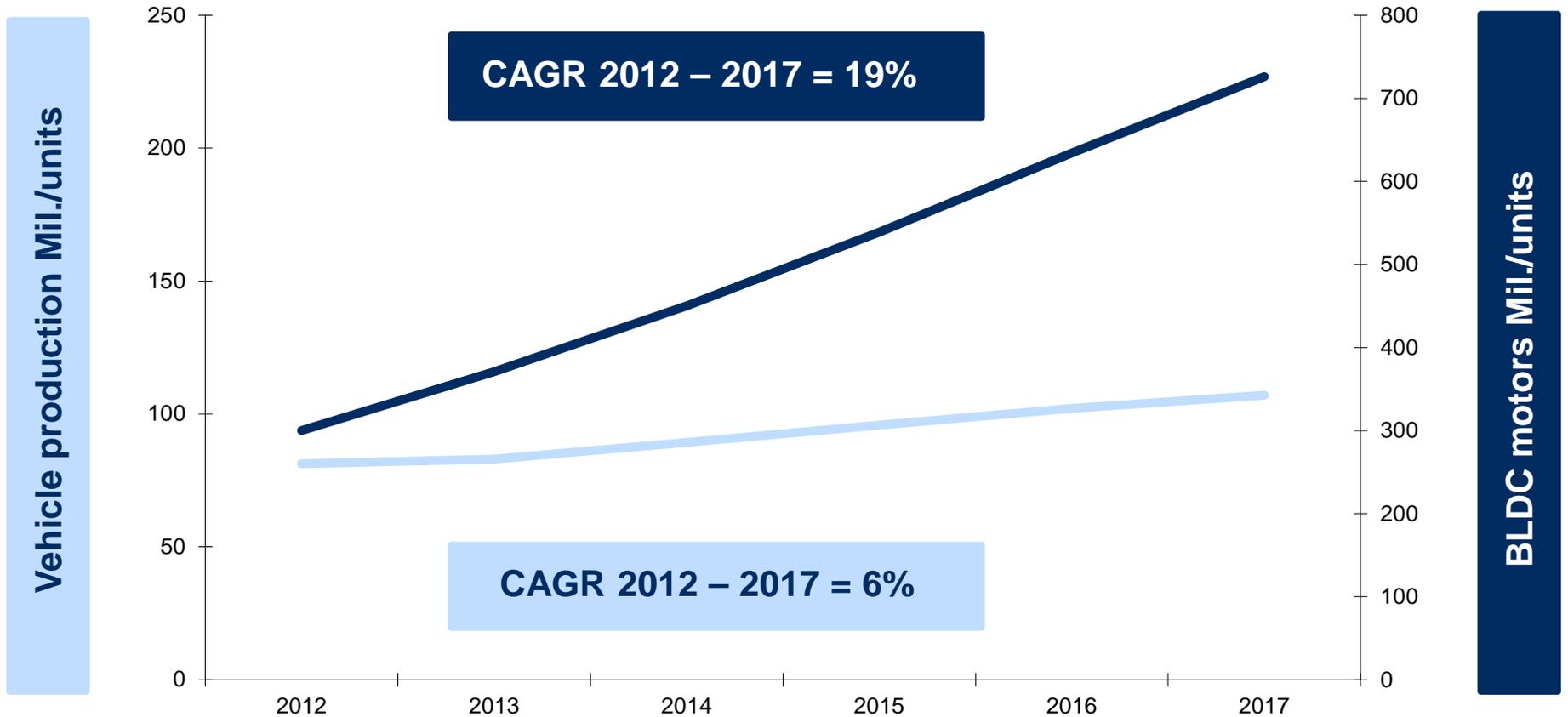
- ◆ Fuel
- ◆ Oil
- ◆ Water (HVAC, coffee)

Specialized actuators



- ◆ Seat and mirror adjustment
- ◆ Window lifter
- ◆ Head light adjustment
- ◆ Air grill shutter
- ◆ Flaps (HVAC, exhaust)

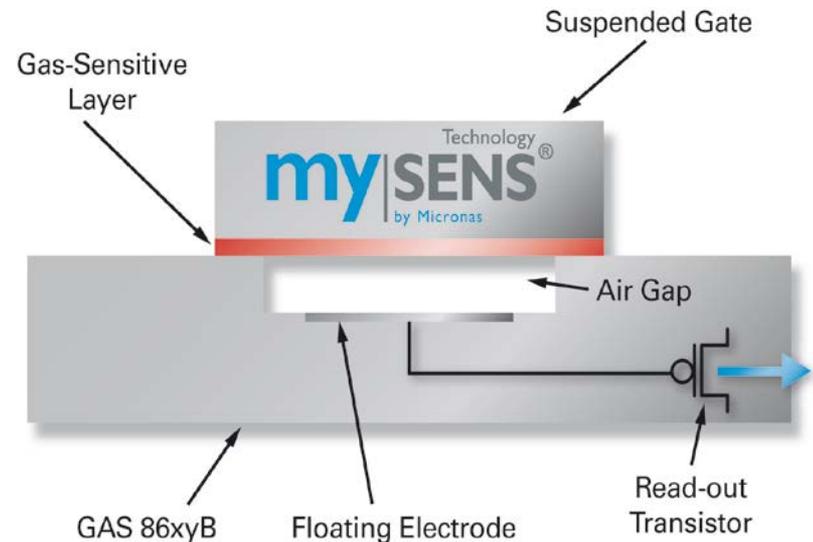
Automotive and BLDC motor markets



Gas sensors become digital: Micronas mySENS[®] gas sensing technology to overcome the limitations of existing technologies.

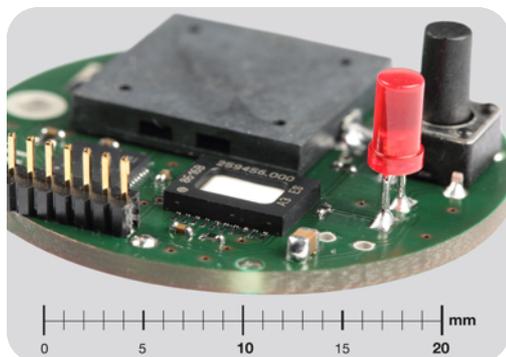
Introduction

- ◆ Digital ambient sensor platform with:
 - ◆ two independent gas sensors
 - ◆ integrated relative humidity sensor
 - ◆ integrated temperature sensor
- ◆ Target gases: detection of NO₂, NH₃, H₂, VOC, CO, CO₂
- ◆ CCFET sensor (Capacitive Coupled Field Effect Transistor)
- ◆ Manufactured in-house on Micronas latest CMOS technology and open QFN package



First digital gas sensor to diversify Micronas' product portfolio and target markets.

Fire detection



- ◆ Reduction of system size to almost invisible
- ◆ Improved false alarm security
- ◆ Long lifetime and low power consumption

HVAC

(Heating, Ventilation and Air Conditioning)



- ◆ Comfort and energy efficiency in building automation
- ◆ Integration of climate control and air quality in a single device

Leakage



- ◆ High sensitivity to ambient trace gases
- ◆ Broad dynamic range of gas concentration
- ◆ Robust against overdose exposure

Agenda

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Customer and distributor base



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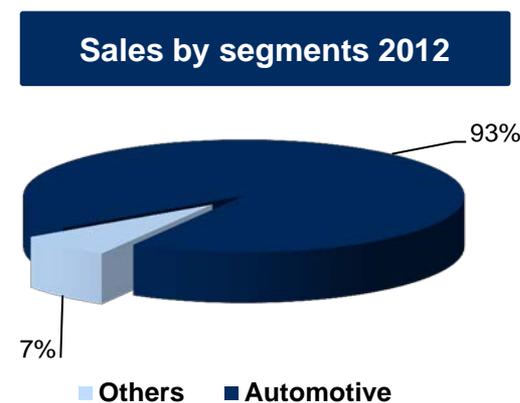
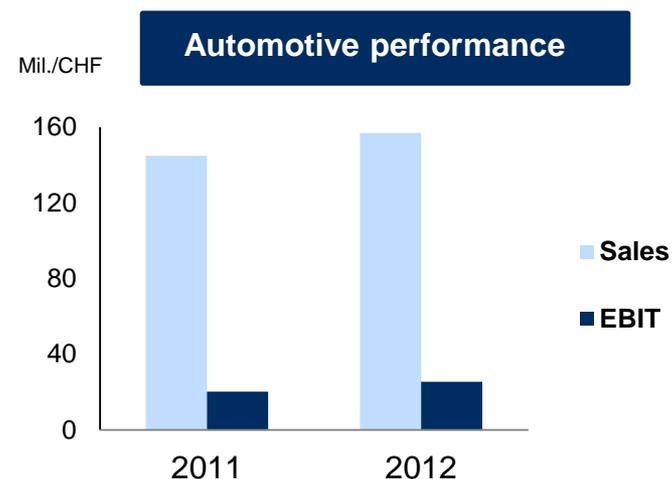
Backup

Micronas Group – segment information



Mil./CHF	31.12.2012	31.12.2011
Automotive		
Net sales	157.0	144.8
Gross margin	65.0	55.7
in % of sales	41.4%	38.5%
Operating profit (EBIT)	25.5	20.4
in % of sales	16.3%	14.1%

Mil./CHF	31.12.2012	31.12.2011
Other segments		
Net sales	11.5	14.0
Gross margin	2.5	3.5
in % of sales	21.5%	24.8%
Operating profit (EBIT)	-1.3	0.3
in % of sales	-11.3%	1.9%

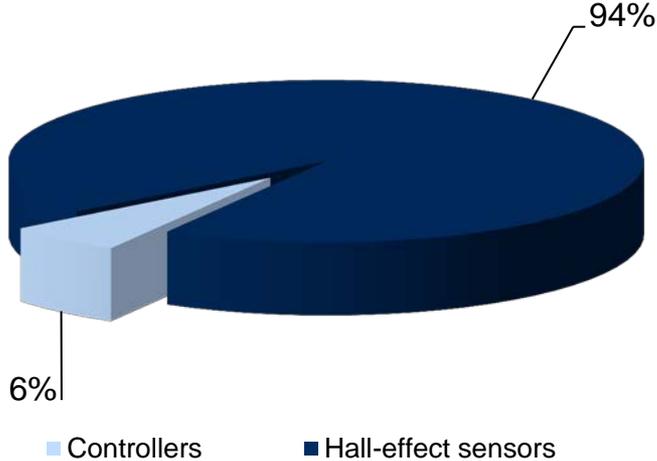


Segment Automotive – product lines



Mil./CHF	31.12.2012	31.12.2011	Change in % based in CHF	Change in % based in EUR
Hall-effect sensors	148.1	132.9	11%	14%
Controllers	8.9	11.9	-25%	-23%
Total sales	157.0	144.8	8%	11%

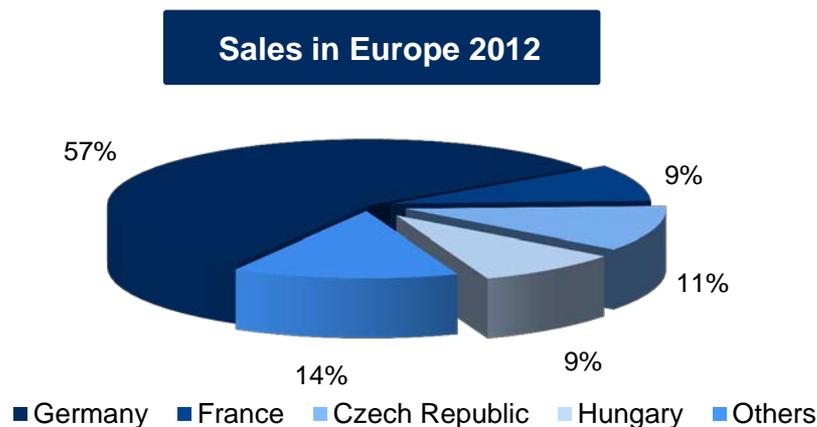
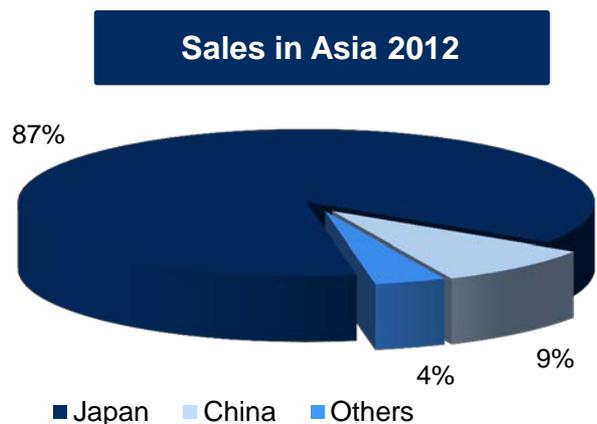
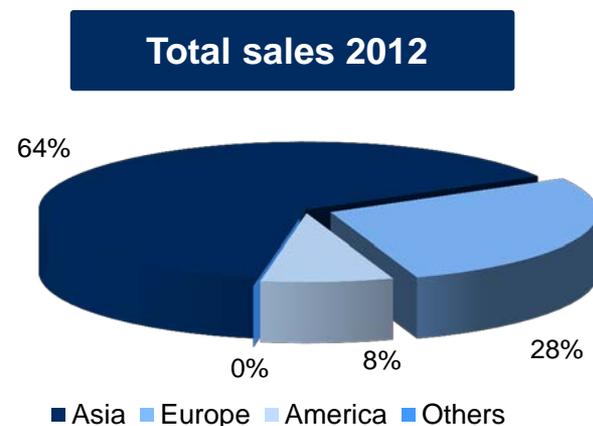
Sales by product lines 2012



Micronas Group – regional information



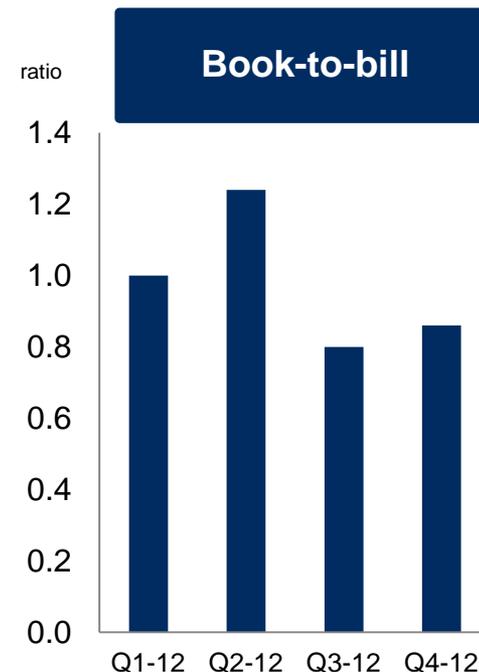
Mil./CHF	31.12.2012	31.12.2011	Change in % based in CHF	Change in % based in EUR
Europe	46.5	53.0	-12%	-10%
Asia	107.7	90.8	19%	22%
America	14.2	14.8	-4%	-2%
Others	0.1	0.2	-50%	-41%
Total sales	168.5	158.8	6%	9%



Micronas Group – order book



Mil./CHF	31.12.2012	31.12.2011
Orders on hand, beginning of period	47.5	62.7
Net sales	168.5	158.8
Order intake	164.7	144.8
Translation adjustments	-0.3	-1.2
Orders on hand, end of period	43.4	47.5
Book-to-bill	0.98	0.91



Second half 2012 order intake impacted by the beginning slow-down of the worldwide automotive business – orders on hand CHF 43 million at year-end

Micronas Group – income statement



	31.12.2012		31.12.2011	
	Mil./CHF	in % of net sales	Mil./CHF	in % of net sales
Net sales	168.5		158.8	
Gross margin	67.5	40.1%	59.2	37.3%
Research and development expenses	-28.9	17.2%	-28.4	17.9%
Marketing and sales expenses	-10.3	6.1%	-8.5	5.3%
Administrative and general expenses	-6.2	3.7%	-6.5	4.1%
Other operating income/expenses	2.2	1.3%	1.0	0.6%
Operating profit before restructuring	24.2	14.4%	16.9	10.6%
Restructuring	0.0		3.8	
Operating profit (EBIT)	24.2	14.4%	20.6	13.0%
Financial income/expenses/FX net.	-11.1		-17.6	
Pretax profit	13.1	7.8%	3.0	1.9%
Income taxes	6.2		8.5	
Profit for the period	19.3	11.5%	11.5	7.2%
EBITDA	35.5	21.1%	35.3	22.2%
Earnings per share in CHF	0.66		0.39	

Micronas Group – balance sheet



Mil./CHF	31.12.2012	31.12.2011
Total non-current assets	82.4	81.0
Net cash	169.9	156.2
Other current assets	42.4	43.8
Total assets	294.7	281.0
Total shareholders' equity	152.0	129.2
in % of total assets	51.6%	46.0%
Total long-term liabilities	118.5	123.1
Total current liabilities	24.2	28.7
Total liabilities	142.7	151.8
Total shareholders' equity and liabilities	294.7	281.0
Exchange rate EUR/CHF	1.2083	1.2162

Solid financial basis with net cash of CHF 170 million and shareholders' equity of CHF 152 million or 52 percent

Micronas Group – working capital trade

Mil./CHF	31.12.2012	31.12.2011
Inventories	26.2	24.5
Accounts receivable	11.2	15.7
Accounts payable	9.2	9.4
Trade net working capital	28.2	30.8
Exchange rate EUR/CHF	1.2083	1.2162

Trade net working capital represents 17 percent of net sales

Micronas Group – cash flow statement



Mil./CHF	31.12.2012	31.12.2011
Net cash at the beginning of the period	156.2	165.4
Cash flow from operating activities	23.6	19.9 ¹
Cash flow from investing activities	-7.6	-26.9
Cash flow from financing activities	-1.5	0.0
Exchange effect on cash	-0.8	-2.2
Change in net cash	13.7	-9.2
Net cash at the end of the period	169.9	156.2
Exchange rate EUR/CHF	1.2083	1.2162

¹Reclassification of payments to pensioners.

Positive cash flow of CHF 14 million results in net cash of CHF 170 million

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- ◆ Long-term trend toward increased efficiency and environmental protection continues, leading to rising demand for Micronas sensors and embedded controllers
- ◆ The business is currently influenced by two major factors:
 - ▶ Weak Japanese yen against euro has considerable influence on sales, margin and operating profit
 - ▶ Gloomier outlook for the automotive industry continues in first half-year 2013
- ◆ With a yen-euro FX rate of between 120 and 125:
 - ▶ Sales of ca. CHF 70 million are expected for first half 2013
 - ▶ EBIT-margin is expected to be in the lower single-digit percentage range: reduced by the weakness of the yen by 6 to 8 percentage points



Outlook, cont.

- ◆ Micronas started already in 2012 to invoice to Japanese customers in euro and this trend will intensify over the course of the current year
- ◆ Micronas responds with a cost saving program:
 - ▶ Short-time work in some parts of the Freiburg manufacturing plant started on February 4
 - ▶ Temporary suspension of operations in Scotland in ww 7
 - ▶ Expenses for external services have been reduced by focusing on strategically important development projects
 - ▶ Investments have been trimmed down to those required to ensure ongoing manufacturing and new product ramps



Summary

- ◆ The Company's positive development continued during the 2012 financial year
- ◆ Micronas offers its customers new and innovative solutions for ever more demanding applications within the automotive market
- ◆ Micronas handles all the different stages from development to production under one roof which brings great customer advantages
- ◆ Micronas already supplied more than 2.5 billion hall sensors to the market and offers the world's largest hall sensor portfolio for the automotive and industrial market
- ◆ Thanks to a rigorous commitment to quality and reliable delivery and an excellent product portfolio, Micronas continues to be in a leading worldwide position



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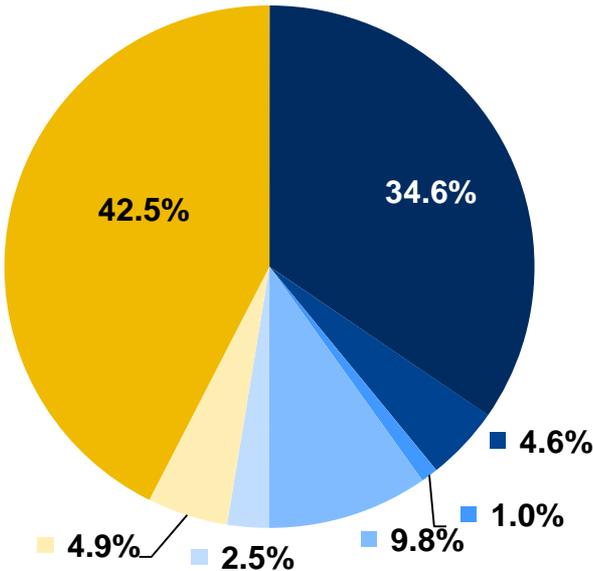
Backup

Shareholder structure Dec. 31, 2012

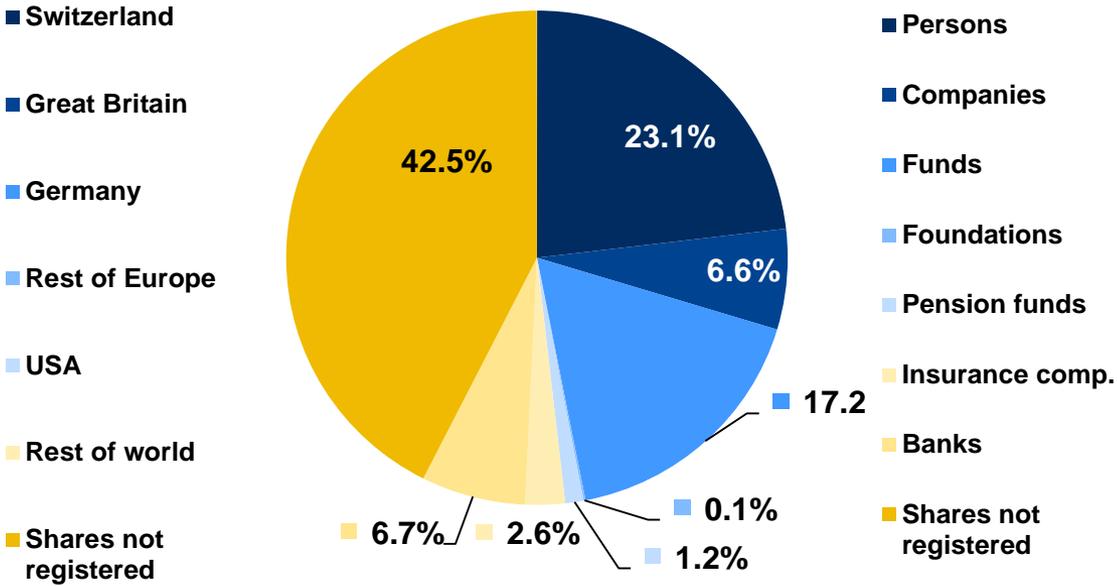


Total shares outstanding: 29 676 680 (share capital including options exercised)

Shares by country



Shares by shareholders category



Major shareholders



As at February 1, 2013, the Company is aware of the following shareholders holding 3 percent or more of the capital and/or voting rights of the Company:

Shareholder	Registered office	Number of shares	Percentage
Sparinvest Holdings SE ¹	Luxembourg	1 588 436	5.35
RBC Dexia Investor Services Trust ²	London, Great Britain	1 256 164	4.23
FIL Limited ¹	Hamilton, Bermuda	1 206 786	4.07
Black Creek Investment Management Inc ¹	Toronto, Canada	952 173	3.21
UBS Fund Management (Switzerland) AG ¹	Basel, Switzerland	944 795	3.18

¹ The above figures (number of shares and percentages) conform to the figures contained in the respective notifications to the Company and the Disclosure Office of the SIX Swiss Exchange; they may not be accurate as at February 1, 2013.

² RBC Dexia is acting in its capacity as nominee for other investors. The above figures (number of shares and percentages) conform to the figures as at December 31, 2012.

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- ◆ March 20, 2013 Ordinary Shareholders' Meeting
10 a.m., Technopark, Zurich
 - ◆ April 23, 2013 Quarterly key figures Q1-2013
 - ◆ July 23, 2013 First half-year results 2013
 - ◆ October 22, 2013 Quarterly key figures Q3-2013
 - ◆ February 20, 2014 Year-end results 2013
 - ◆ March 21, 2014 Ordinary Shareholders' Meeting
10 a.m., Technopark, Zurich

IR contact

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for further information, please check: www.micronas.com / Investor