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Press Release

27 February 2018

Sensirion Holding AG announces intention to float on SIX Swiss Exchange

- Sensirion Holding AG, a leading global manufacturer of environmental and flow sensors domiciled in Staefa, Switzerland, today announces its intention to float and list its shares on SIX Swiss Exchange.
- Sensirion is a leading player in environmental and flow sensors; a rare pure-play sensor company and well positioned to capture the growth in environmental and flow sensors, driven by structural megatrends and the Internet of Things.
- Sensirion generated revenue of CHF 148 million in 2017, an adjusted EBITDA of CHF 26 million and an adjusted EBITDA margin of 18%.
- The envisaged Initial Public Offering (IPO) is expected to consist predominantly of existing shares held by the majority shareholder, Gottlieb Knoch and, in addition, newly issued shares by Sensirion in the amount of approximately CHF 55 million in the base offering.
- The Founders and Co-Chairmen, Felix Mayer and Moritz Lechner, will remain fully invested in and committed long-term to Sensirion and will participate in the future development of Sensirion.
- Sensirion aims to broaden the shareholder base including committed anchor shareholders to secure a sustainable business development based on targeted long-term investments and a distinct entrepreneurial spirit.
- The net proceeds from the primary offering will provide Sensirion with enhanced flexibility for its future financing and corporate strategy and will enable Sensirion to exploit additional growth opportunities.
- Sensirion expects to list in the coming months, subject to market conditions.

Commenting on today's announcement Felix Mayer, Founder and current Co-Chairman of the Board of Directors of Sensirion Holding AG, said: "Founded 20 years ago as a spin-off company of ETH in Zurich, we are a global leader for advanced environmental and flow sensors today. The planned IPO on SIX Swiss Exchange is the logical next step in Sensirion's development and a further milestone in the successful history of our company. Moritz Lechner and I have been with Sensirion for 20 years and were Co-CEOs for over a decade. We will remain fully invested in and committed to Sensirion, and will continue to focus on innovation to help lead us to the next stage of growth. With the envisaged IPO we intend to broaden our shareholder base including some long-term committed core shareholders who will accompany Sensirion on the future journey. The intended stable shareholder structure will secure the sustainable development of our company based on the proven combination of ongoing long-term investments and an acknowledged entrepreneurial culture and behaviour."

Marc von Waldkirch, CEO of Sensirion, added: "We are delighted by the perspectives of an IPO on SIX Swiss Exchange. We believe that Sensirion is well positioned to benefit from the attractive prospects in the sensor industry driven by strong market trends and the resulting increase in customer demand. The increased public visibility and financial flexibility will in our view allow us to better support additional growth opportunities. This visibility combined with our entrepreneurial company culture can help us in further attracting the best talents available. Against this background, we believe that the IPO will be beneficial to our customers and employees."

Sensirion overview

Founded in 1998 as a spin-off company of the Swiss Federal Institute of Technology in Zurich (ETH), Sensirion is a Swiss based pure-play sensor manufacturer for the automotive, medical, industrial and consumer end markets with around 735 FTEs worldwide. Building on 20 years of industry experience, Sensirion has been at the forefront of sensor innovation with a strong track record of development and manufacturing of environmental and flow sensors. Sensirion produces around 350,000 sensors every day and to date has sold over 500 million sensors in total worldwide. Sensirion is a leader in the market for combined humidity & temperature sensors with a share of over 50% across all applications worldwide based on 2016 revenue.¹

¹ Source: Gartner Sensors Diligence Report 2018.

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Sensirion generated revenue of CHF 148 million, an adjusted EBITDA of CHF 26 million and an adjusted EBITDA margin of 18% in 2017.

Sensirion Holding AG is currently owned and controlled by Gottlieb Knoch and the Founders Moritz Lechner and Felix Mayer. Gottlieb Knoch holds 55.5%² and the Founders together hold 14.0%² of the share capital, respectively. The Founders will remain fully invested in Sensirion as strong anchor shareholders. Other employees hold 8.5%² of the share capital with the rest held by other members of the Board of Directors and a number of family offices and individual investors.

Key Strengths

High market growth driven by secular mega trends

Sensirion is a leading global provider of environmental and flow sensors for the automotive, medical, industrial and consumer end markets. Driven by secular trends such as energy efficiency, quality of life, as well as digitalization and automation, which increasingly rely on sensor technology, these end markets are expected to grow considerably in the future.

Market leader focused on environmental and flow sensors

Sensirion is a leader in the market for combined humidity & temperature sensors with a share of over 50% across all applications worldwide.³ Based on its proven ability to attain leadership, together with customer proximity and the broad range of its sensor product and application offering, Sensirion is well positioned to extend its success in combined humidity & temperature sensors to other products in its sensor portfolio, such as flow sensors and the recently added environmental sensors capable of sensing volatile organic compounds (VOC), particulate matter (PM2.5) and carbon dioxide (CO₂) in the air.

Superior technology and R&D capabilities

Sensirion has pioneered advanced sensor technology in the fields of environmental and flow sensing differentiated by a high level of accuracy, reliability and durability. Sensirion's position as a technology leader in this area and its well-stocked product pipeline is a result of its focused innovation and R&D investments.

For the year ended December 31, 2017, R&D expenses represented 23%⁴ of total revenue and as of December 31, 2017, Sensirion employed around 220 full-time equivalent engineers and research professionals in the R&D department.

Long-term relationships with diversified and stable customer base in attractive end markets

Sensirion works strategically with key customers to devise sensor solutions that meet their requirements and specifications and to ensure proper functionality of its sensors in the customers' application. Sensirion also attaches great importance to customer proximity. This is reflected in the longevity of many of Sensirion's customer relationships, averaging over 7 years for the top five customers in terms of 2017 revenue. Additionally, Sensirion's customer base is highly diversified, both in terms of customer concentration, as well as in terms of customer distribution across target end markets.

Attractive financial profile

Sensirion has consistently capitalized on the strong growth trends in its end markets to increase revenue. Specifically, for the years ended December 31, 2017, 2016, and 2015, it reported revenue of CHF 148 million, CHF 131 million, and CHF 117 million, respectively. During these periods, it has achieved adjusted EBITDA of CHF 26 million, CHF 26 million and CHF 15 million, respectively, and adjusted EBITDA margins of 18%, 20% and 13%, respectively, for the corresponding periods. Sensirion has maintained resilient and relatively high gross margins of 57%, 55% and 53% in the same periods.

² Adjusted for the envisaged split of existing shares and conversion of existing shares with preferential voting rights and existing participation certificates into a single share class, all expected to take place prior to completion of the IPO.

³ Source: Gartner Sensors Diligence Report 2018.

⁴ Excluding R&D expenses related to goodwill impairment losses in FY2017 (5.6 million).

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Highly qualified management team supported by dedicated founders and entrepreneurial company culture which attracts and fosters superior talent

Sensirion has a dedicated, long-serving management team with deep technical and industry experience and a track record of delivering growth through several macroeconomic cycles and technology transformations as well as successfully broadening its sensor product and application portfolio. The management team is complemented by the continued presence and strategic advice of the two founders and a highly qualified and committed workforce.

Key financial figures

in CHF million	2017	2016	2015	CAGR 2015-2017
Revenue	148	131	117	13%
Gross profit	85	73	61	18%
Gross margin	57%	55%	53%	
Adjusted EBITDA*	26	26	15	33%
Adjusted EBITDA margin**	18%	20%	13%	

* Adjusted EBITDA is calculated as profit / (loss) for the period before net interest expense, income taxes, depreciation and amortisation (EBITDA), adjusted for net finance costs excluding net interest expenses, share of profit of equity-accounted investees, net of tax, impairment losses, and certain special items that management believes are not indicative of operational performance. In the period under review, these special items are (i) income from the disposal of assets; (ii) research and development expenses attributable to assets disposed in the period under review; (iii) costs related to acquisitions; and (iv) costs related to the Initial Public Offering. EBITDA adjustments totalled CHF 9.7 million, CHF 0.4 million and CHF 11.6 million in 2017, 2016 and 2015, respectively.

** Adjusted EBITDA margin is calculated as Adjusted EBITDA as a percentage of revenue for the period indicated.

Credit Suisse and J.P. Morgan have been appointed as Joint Global Coordinators and Joint Bookrunners for the envisaged IPO. Vontobel is acting as Co-Bookrunner. Lazard is acting as financial adviser and Homburger AG as legal adviser to Sensirion.

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About Sensirion Holding AG

Sensirion Holding AG, headquartered in Staefa, Switzerland, is a leading manufacturer of digital microsensors and systems. The product range includes gas and liquid flow sensors, differential pressure sensors and environmental sensors for the measurement of humidity and temperature, volatile organic compounds (VOC), carbon dioxide (CO₂) and particulate matter (PM_{2.5}). An international network with sales offices in the US, Europe, China, Taiwan, Japan and South Korea supplies international customers with standard and custom sensor system solutions for a vast range of applications. Sensirion sensors can commonly be found in the medical, industrial, automotive and consumer end markets. Sensirion is a global player with approximately 735 employees. Revenues in the financial year 2017 amounted to CHF 148 million. For further information, visit www.sensirion.com.

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