

# Third Quarter Report 2020

Key figures USD millions (except earnings per share)	Q3 2020	Q3 2019	Q2 2020	9 months 2020	9 months 2019
Revenues	1,428	679	489	2,450	1,514
Gross margin in % (adjusted - see footnote 1)	27%	44%	40%	32%	39%
Result from operations (adjusted - see footnote 1)	60	187	96	263	264
EBIT margin in % (adjusted - see footnote 1)	4%	28%	20%	11%	17%
Net result (adjusted - see footnote 1)	11	199	60	98	274
Basic / diluted earnings per share in CHF <sup>2)</sup> (adjusted - see footnote 1)	0.09 / 0.06	2.30 / 2.24	0.21 / 0.20	0.52 / 0.49	3.27 / 3.19
Basic / diluted earnings per share in USD (adjusted - see footnote 1)	0.10 / 0.06	2.46 / 2.40	0.23 / 0.22	0.57 / 0.54	3.42 / 3.35
Net debt	-2,447	-1,359	59	-2,447	-1,359

<sup>1)</sup> Excluding acquisition-related, one-time restructuring and share-based compensation costs.

<sup>2)</sup> Earnings per share in CHF were converted using the average currency exchange rate for the respective periods.

**Third quarter ams revenues near top end with profitability towards top end of expected ams range; resilient ams consumer business compensates for still lagging ams Automotive and Industrial demand; high volume ramps and positive consumer momentum in ams business drive further robust expected growth in fourth quarter despite Covid-19 with ams revenues of USD 650-690 million, up 19% sequentially at midpoint, and strong ams adjusted EBIT margin of 24-27%; OSRAM shareholders approved DPLTA paving way for planned full integration of OSRAM**

Report to shareholders on the third quarter of 2020

## Ladies and Gentlemen

Our third quarter results<sup>1)</sup> show our ams business performing strongly, especially in light of the global Covid-19 pandemic and its continuing end market and macro-economic impact. Consumer demand in our ams business remained highly resilient during the third quarter while our ams Automotive and Industrial businesses started to show signs of improving demand. As this momentum continues we expect further robust sequential growth in the fourth quarter for our ams business based on meaningful ramps in the consumer market.

## Financial results

As the majority shareholder we are fully consolidating OSRAM Licht AG (OSRAM) as of the beginning of the third quarter. Financial results presented in this report therefore include OSRAM financial results.

Third quarter consolidated group revenues were USD 1,428 million, up 192% sequentially from the second quarter and 111% up nominally compared to the same quarter 2019 due to consolidation effects. In our ams business, third quarter revenues were USD 564 million, up 15% sequentially from the second quarter and near the top end of our published expectation range for ams. Adjusted group gross margin for the third quarter was 27% (excluding acquisition-related, one-time restructuring and share-based compensation costs) compared to 44% for our ams business only in the same quarter 2019 (21% including acquisition-related, one-time restructuring and share-based compensation costs, 42% for our ams business only in the same quarter 2019).

The adjusted group result from operations (EBIT) for the third quarter was USD 60 million or 4% of revenues (excluding acquisition-related, one-time restructuring and share-based compensation costs), decreasing from USD 187 million for our ams business only in the same period 2019 (USD -94 million or -7% of revenues including acquisition-related, one-time restructuring and share-based compensation costs, down from USD 154 million for our ams business only in the same period 2019). In our ams business, the adjusted result from operations (EBIT) for the third quarter was USD 128 million or 23% of revenues (excluding acquisition-related, one-time restructuring and share-

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<sup>1)</sup> In this report, “we”, “our”, and “our business” solely refer to our ams business while “group” refers to the total group including OSRAM.

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based compensation costs) which was towards the top end of our published expectation range for ams.

Adjusted group net income for the third quarter was USD 11 million (excluding acquisition-related, one-time restructuring and share-based compensation costs), compared to USD 199 million for our ams business only for the same period 2019 (third quarter 2020: USD -143 million including the aforementioned costs). Adjusted group basic/diluted earnings per share for the third quarter were CHF 0.09/0.06 or USD 0.10/0.06 based on 260,621,033/265,484,088 shares or CHF -0.37/-0.39 or USD -0.40/-0.43 including the aforementioned costs (third quarter 2019: CHF 2.30/2.24 or USD 2.46/2.40 based on 81,059,682/82,981,954 shares for our ams business only; all weighted average).

Group operating cash flow for the third quarter was USD 84 million while group free cash flow for the third quarter was USD 1 million.

### Business overview

Our ams business performed strongly in the third quarter 2020 in spite of the continuing impact of Covid-19 on regional economies and global end markets. In our ams business, we achieved third quarter results near or towards the top end of our published expectation range for ams. The strong quarter-on-quarter revenue growth in our ams business resulted from continued resilient demand in the ams consumer business driving robust volumes for our ams consumer solutions. Fully consolidating OSRAM as the majority shareholder, we show OSRAM as a separate reporting segment in the group financial information.

The domination and profit and loss transfer agreement (DPLTA) for OSRAM which we concluded in September was approved by OSRAM shareholders in an Extraordinary General Meeting on 3 November 2020. Following the widely expected shareholder approval, we regard implementation of the DPLTA around year-end 2020 as a possible timeline. Based on the DPLTA we will be able to drive and accelerate the integration and alignment of both companies' businesses in the most efficient way. We will unite the complementary strengths of ams and OSRAM in order to create a strongly profitable combined company within the next years. During the quarter we have also taken three seats on the Supervisory Board of OSRAM as planned and intend to eventually increase ams representation to four seats. Before implementation of the DPLTA, OSRAM remains a majority-owned independent listed subsidiary of ams.

In our ams business, consumer solutions continued to contribute the largest share to our results for the quarter. Our leading position in optical sensing is built on our broad ams portfolio for 3D sensing including VCSEL (Vertical Cavity Surface-Emitting Laser) illumination, high quality display management including behind-OLED (BOLED) sensing, micro-scale proximity sensing, spectral and bio-sensing, and other optical applications. Continuous significant R&D investments allow us to drive innovation in new optical technologies.

We are a major player in 3D sensing technologies in our ams business where our industry-leading system know-how and high value IP offer an unmatched platform to serve all architectures, structured light (SL), time-of-flight (iToF/dToF), and active stereo vision (ASV). Shipping 3D sensing products to leading smartphone OEMs for front-facing and world-facing applications, we have built our strong position focused on 3D illumination for SL, iToF and ASV. Here we continue to leverage our advanced

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optics expertise and leading VCSEL technology. At the same time, we are driving the expansion of our 3D offering including by integrating high performance NIR image sensing to create 3D solutions in different technologies.

For world-facing 3D we continue focused development in our ams business for 3D dToF technology, an advanced ToF architecture that offers clear advantages for longer distances in world-facing and AR-oriented applications. We leverage our leading 3D system capabilities developing a full ams dToF solution that includes VCSEL illumination, high performance SPAD sensing and related software and algorithms. High performance 3D systems in this area will be an innovation focus for us going forward. We see increasing market interest to explore AR-related applications on the basis of full 3D and dToF technology and expect these applications and dToF to emerge as an attractive 3D market in the next years.

At the same time, for front-facing 3D we are developing front-facing 3D sensing technology in our ams business for face authentication that is invisible behind the display and eliminates bezel-placed components from the device front. This cutting-edge approach leverages our singular expertise in behind-OLED (BOLED) light emission and sensing together with our deep 3D system know-how. The highly innovative BOLED 3D technology includes VCSEL illumination, 3D NIR sensing, software and algorithms and we continue to progress towards demonstrating ams BOLED 3D in ASV early in the first quarter. In a following step we plan to explore BOLED 3D sensing architectures that support SL.

Overall, early market feedback supports our view that both dToF and BOLED 3D technologies are able to offer volume opportunities for the coming years.

Our ams BOLED light and proximity sensing solutions continue their success in the Android market which has already shown strong adoption of our innovation in display management. Forming the basis for our 3D BOLED developments we realized light and proximity sensing behind the OLED display to remove related components from the device face. Supporting major Android OEMs we advance our BOLED light sensing roadmap as part of our display management portfolio. Ultra small-scale integrated light and proximity sensing solutions are also receiving increasing market attention. In combination we serve leading consumer OEMs with a range of display management solutions in high volume.

Going forward we expect sophisticated camera enhancing technologies to offer attractive adoption opportunities as camera-related features will drive key value propositions for smartphone users. This includes areas such as automatic white balancing (AWB), laser-detect autofocus (LDAF) / 1D ToF, wide-range flicker detection and AR-oriented camera support functions. As an example, our innovative AWB solution uses accurate spectral sensing analysis to open a new way of boosting picture quality and natural color expression and is seeing additional market traction. In audio sensing which includes our portfolio of active noise cancelling solutions results matched expectations as customer traction confirms our strong position in high performance digital and hybrid noise cancelling.

The ams automotive, industrial, and medical businesses recorded a more positive overall performance in the third quarter. Compared to the first half this development reflects a decreasing total impact from the Covid-19 pandemic with signs of improving demand in non-consumer markets. In Automotive, our business performed in line with expectations. We saw more signs of recovering demand and better order trends in the third quarter as automotive production volumes are improving. We continue to

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invest in automotive R&D and focus on differentiated applications in safety, driver assistance/autonomous driving, position sensing, and chassis control.

For 3D LIDAR, a core automotive sensing technology going forward, we support illumination in multiple programs for Tier 1 system suppliers. Based on our high power VCSEL technology we offer high count automotive-qualified VCSEL arrays that enable advanced scan/non-scan LIDAR architectures. We work in close partnership with LIDAR technology leader IBEO as a key supplier for their advanced true solid state LIDAR. During the quarter IBEO announced a further program win for their LIDAR system at Chinese volume OEM Great Wall Motors which is based on high power ams VCSEL arrays. Besides this partnership, we see increasing supplier interest in VCSEL-based solid state LIDAR versus other architectures given the design and performance advantages of the technology. Optical in-cabin sensing (ICS) is an expanding emerging area in automotive sensing. New interior comfort and safety functions such as monitoring are receiving growing attention from OEMs and Tier 1 suppliers. We continue our development for first secured ICS projects including illumination and see increased interest to assess 3D technology and our 3D solution capabilities for upcoming applications.

Our ams industrial business performed well in line with expectations in the third quarter. This development reflects a still muted but less visibly impacted demand environment as slow industrial investment appears to improve. Supported by our leading position in industrial and factory automation, HABA, industrial imaging and other manufacturing applications our industrial business continues to benefit from its extensive portfolio and customer base for high performance sensing including global shutter imaging for automation and machine vision.

Our ams medical business showed a positive performance in the third quarter. Our medical portfolio is built around leadership in medical imaging for CT, digital X-ray, and mammography as well as products for miniature camera endoscopy. We are expanding this portfolio with our highly innovative use of spectral sensing in medical lateral flow testing (LFT). Our unmatched solution optically analyzes LFT results with very high accuracy at the point-of-care. Without the need for high cost dedicated lab equipment the solution is able to support fast robust diagnostics at attractive cost, creating a new growth opportunity for the coming years. In our partnership with European medical test provider Senova production of an integrated LFT test kit for Covid-19 antibody identification is starting in the current quarter. Good traction continues to build for our digital LFT solution given its advantages in a large scale testing market for different in vitro diagnostic applications. In Covid-19 related testing we are in advanced discussions with a North American partner and in contact with government authorities in Europe. To follow the Covid-19 antibody test kit we are in later stage development of a Covid-19 antigen test solution targeted at identifying current infections.

In manufacturing operations, our ams business is safeguarding volume production across its locations despite Covid-19 related challenges and restrictions, and focuses on fully aligning with customer demand. In our ams business we implement comprehensive measures to protect the health of our employees and our manufacturing capabilities on a worldwide basis. Our Singapore manufacturing continues its strong operational performance in line with higher capacity utilization as we support large scale ams product ramps in the second half. At the same time, we are managing investment requirements for our ams business to keep total capital expenditures for ams on a limited scale and expect this to continue in the current quarter.

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At the end of October we successfully placed a EUR 760 million 7-year convertible bond with international institutional investors. The issue served to secure comprehensive funding to implement the DPLTA with OSRAM as well as subsequent steps in order to realize the full integration of OSRAM. In line with our long-term funding strategy and prudent balance sheet management, the issue complements the term profile of existing debt and maximizes our financial flexibility going forward.

### Outlook

Our financial outlook for the fourth quarter 2020 only comprises the ams business given the financial guidance structure provided by OSRAM, as previously mentioned. For the fourth quarter 2020, we confirm the previously announced expectation of further robust sequential growth for the ams business despite continued effects from the Covid-19 pandemic impacting economies and our markets globally. Based on currently available information and the definition above, we expect strong fourth quarter revenues for the ams business of USD 650-690 million, up 19% sequentially and up 2% year-on-year at the midpoint. High volume ramps for ams smartphone sensing solutions and good consumer end demand are driving this expected growth in our ams business while our ams non-consumer businesses in Automotive, Industrial and Medical see positive demand trends taking hold and pointing towards recovering volumes in several end markets.

We also expect profitability in the fourth quarter to increase meaningfully quarter-on-quarter for the ams business resulting in an expected ams adjusted operating (EBIT) margin of 24-27%. This positive outlook for our ams business in spite of the ongoing Covid-19 pandemic and related impacts, demonstrates the strength of our ams portfolio and operational management. The expectations above assume no further unforeseen negative effects from the Covid-19 pandemic that would result in a meaningful negative impact on our business.

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## Consolidated Income Statement

(unaudited)

USD millions (except earnings per share)	Q3 2020	9 months 2020	Q3 2019	9 months 2019
<b>Revenues</b>	<b>1,428</b>	<b>2,450</b>	<b>679</b>	<b>1,514</b>
Cost of sales	-1,125	-1,767	-393	-960
<b>Gross profit</b>	<b>304</b>	<b>683</b>	<b>285</b>	<b>554</b>
Gross margin in %	21%	28%	42%	37%
Research and development	-177	-319	-76	-238
Selling, general and administrative	-252	-390	-55	-151
Other operating income	36	42	2	9
Other operating expense	-2	-2	-2	-2
Result from investments in associates	-2	-3	0	0
<b>Result from operations</b>	<b>-94</b>	<b>11</b>	<b>154</b>	<b>172</b>
Net financing result	-77	-189	12	15
<b>Result before tax (continuing operations)</b>	<b>-171</b>	<b>-177</b>	<b>167</b>	<b>187</b>
Income tax result	25	21	0	-4
<b>Results after tax (continuing operations)</b>	<b>-146</b>	<b>-157</b>	<b>166</b>	<b>183</b>
Results from discontinued operations	3	3	0	0
<b>Net result</b>	<b>-143</b>	<b>-154</b>	<b>166</b>	<b>183</b>
<b>Thereof non-controlling interests</b>	<b>-42</b>	<b>-42</b>	<b>0</b>	<b>0</b>
<b>Thereof ams shareholders</b>	<b>-101</b>	<b>-112</b>	<b>166</b>	<b>183</b>
Basic earnings per share in CHF <sup>1)</sup>	-0.36	-0.51	1.91	2.18
Diluted earnings per share in CHF <sup>1)</sup>	-0.38	-0.51	1.87	2.13
Basic earnings per share in USD	-0.39	-0.56	2.05	2.28
Diluted earnings per share in USD	-0.42	-0.56	2.00	2.24
<b>Basic earnings per share in CHF <sup>1)</sup> (continuing operations)</b>	<b>-0.37</b>	<b>-0.52</b>	<b>1.91</b>	<b>2.18</b>
<b>Diluted earnings per share in CHF <sup>1)</sup> (continuing operations)</b>	<b>-0.39</b>	<b>-0.52</b>	<b>1.87</b>	<b>2.13</b>
<b>Basic earnings per share in USD (continuing operations)</b>	<b>-0.40</b>	<b>-0.57</b>	<b>2.05</b>	<b>2.28</b>
<b>Diluted earnings per share in USD (continuing operations)</b>	<b>-0.43</b>	<b>-0.57</b>	<b>2.00</b>	<b>2.24</b>

<sup>1)</sup> Earnings per share in CHF were converted using the average currency exchange rate for the respective period.

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## Consolidated Balance Sheet

(unaudited)

USD millions	September 30, 2020	December 31, 2019
<b>Assets</b>		
Cash and cash equivalents	1,427	586
Financial investments	14	0
Trade receivables	708	236
Inventories	1,042	246
Other receivables and assets	270	152
Assets held for sale	37	101
<b>Total current assets</b>	<b>3,498</b>	<b>1,321</b>
Property, plant and equipment	2,405	1,323
Intangible assets	4,477	1,320
Rights of use	352	144
Investments in associates	101	33
Deferred tax assets	577	10
Other long term assets	98	2
Financial assets	42	1,037
<b>Total non-current assets</b>	<b>8,053</b>	<b>3,869</b>
<b>Total assets</b>	<b>11,550</b>	<b>5,190</b>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Interest-bearing loans and borrowings	1,157	915
Trade liabilities	626	159
Income tax liabilities	16	23
Provisions	454	132
Other liabilities	549	180
Liabilities in regard to assets held for sale	130	2
<b>Total current liabilities</b>	<b>2,932</b>	<b>1,410</b>
Interest-bearing loans and borrowings	2,732	1,522
Employee benefits	244	57
Deferred tax liabilities	281	73
Other long-term liabilities	443	149
<b>Total non-current liabilities</b>	<b>3,699</b>	<b>1,802</b>
<b>Shareholders' equity</b>		
Issued capital	321	99
Additional paid-in capital	2,532	842
Treasury shares	-226	-157
Other reserves	-77	12
Retained earnings	1,020	1,183
<b>Total equity attributable to shareholders of ams AG</b>	<b>3,569</b>	<b>0</b>
Equity minority interest	1,350	0
<b>Total shareholders' equity and reserves</b>	<b>4,920</b>	<b>1,978</b>
<b>Total liabilities and shareholders' equity</b>	<b>11,550</b>	<b>5,190</b>



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## Consolidated Statement of Cash Flows

(unaudited)

USD millions	Q3 2020	9 months 2020	Q3 2019	9 months 2019
<b>Operating activities</b>				
Result before tax	-168	-175	167	187
Depreciation (net of government grants)	275	451	83	242
Expense from stock option plan (acc. to IFRS 2)	21	60	8	27
Result from discontinued operation	-3	-3	0	0
Changes in other long-term liabilities	-19	-19	5	1
Result from sale of plant and equipment	1	1	1	1
Result from investments in associates	2	3	0	0
Net financing result	77	189	-12	-15
Changes in inventories	74	59	56	72
Changes in trade and other receivables	-65	-22	-42	-91
Changes in trade and other payables	-134	-104	42	38
Change in provisions and employee benefits	33	17	11	13
Tax payments	-9	-9	-3	-9
<b>Cash flows from operating activities</b>	<b>84</b>	<b>446</b>	<b>315</b>	<b>466</b>
Cash flows from operating activities discontinued operations	-2	-2	0	0
<b>Cash flows from operating activities continued operations</b>	<b>82</b>	<b>444</b>	<b>315</b>	<b>466</b>
<b>Investing activities</b>				
Acquisition of intangibles, property, plant and equipment	-84	-144	-36	-177
Acquisition of subsidiary, net of cash acquired	-1,071	-1,071	0	-9
Acquisition/disposal of other financial investments	-304	-515	-177	-177
Disposal of discontinued operations, net of cash disposed of	0	48	0	0
Proceeds from sale of plant and equipment	2	2	0	0
Interest received	1	4	2	6
<b>Cash flows from investing activities</b>	<b>-1,455</b>	<b>-1,676</b>	<b>-211</b>	<b>-358</b>
<b>Financing activities</b>				
Proceeds from borrowings	102	211	356	371
Repayment of borrowings	-1,075	-1,237	-24	-137
Repayment of finance lease liabilities	-16	-29	-6	-17
Proceeds from issue of senior notes	1,453	1,453	0	0
Buyback of convertible bonds	0	0	-6	-85
Acquisition of treasury shares	0	-149	-1	-36
Sale of treasury shares	1	165	2	4
Interest paid	-14	-35	-9	-19
Transaction costs from loans and borrowing	-50	-175	0	0
Dividends paid	-2	-2	0	0
Changes resulting from capital increase	0	1,930	0	0
<b>Cash flows from financing activities</b>	<b>397</b>	<b>2,131</b>	<b>313</b>	<b>81</b>
Change in cash and cash equivalents	-976	899	416	189
Effects of changes in foreign exchange rates on cash and cash equivalents	-47	-47	19	15
Cash and cash equivalents at begin of period	2,460	586	501	732
<b>Cash and cash equivalents at end of period</b>	<b>1,438</b>	<b>1,438</b>	<b>936</b>	<b>936</b>
Deducted by cash and cash equivalent for discontinued operations	-11	-11	0	0
<b>Cash and cash equivalents at end of period continued operations</b>	<b>1,427</b>	<b>1,427</b>	<b>936</b>	<b>936</b>

## Reconciliation from adjusted figures to reported figures

USD millions	Q3 2020	9 months 2020	Q3 2019	9 months 2019
<b>Gross profit – adjusted</b>	<b>381</b>	<b>785</b>	<b>297</b>	<b>589</b>
Acquisition-related costs	-32	-54	-11	-33
Share-based compensation costs	-4	-7	-1	-2
Restructuring costs	-42	-42	0	0
<b>Gross profit – reported</b>	<b>304</b>	<b>683</b>	<b>285</b>	<b>554</b>
Gross margin in % – adjusted	27%	32%	44%	39%
Gross margin in % – IFRS reported	21%	28%	42%	37%
<b>Operating expenses – adjusted</b>	<b>-321</b>	<b>-522</b>	<b>-110</b>	<b>-326</b>
Acquisition-related costs	-48	-85	-14	-31
Share-based compensation costs	-17	-53	-7	-25
Restructuring costs	-11	-11	0	0
<b>Operating expenses – reported</b>	<b>-398</b>	<b>-671</b>	<b>-131</b>	<b>-381</b>
<b>Result from operations – adjusted</b>	<b>60</b>	<b>263</b>	<b>187</b>	<b>264</b>
Acquisition-related costs	-80	-139	-25	-64
Share-based compensation costs	-21	-60	-8	-27
Restructuring costs	-53	-53	0	0
<b>Result from operations – reported</b>	<b>-94</b>	<b>11</b>	<b>154</b>	<b>172</b>
Operating margin in % – adjusted	4%	11%	28%	17%
Operating margin in % – reported	-7%	0%	23%	11%
<b>Result from operations – adjusted</b>	<b>60</b>	<b>263</b>	<b>187</b>	<b>264</b>
Net financing result	-77	-189	12	15
Income tax result	25	21	0	-4
<b>Net result – adjusted (continuing operations)</b>	<b>8</b>	<b>95</b>	<b>199</b>	<b>274</b>
Results from discontinued operations	3	3	0	0
<b>Net result – adjusted</b>	<b>11</b>	<b>98</b>	<b>199</b>	<b>274</b>
<b>Basic adjusted earnings per share (in USD)</b>	<b>0.09</b>	<b>0.57</b>	<b>2.46</b>	<b>3.42</b>

# Financial statements in EUR

## Consolidated Income Statement according to IFRS

(unaudited)

EUR millions (except earnings per share)	Q3 2020	9 months 2020	Q3 2019	9 months 2019
<b>Revenues</b>	<b>1,220</b>	<b>2,093</b>	<b>580</b>	<b>1,293</b>
Cost of sales	-961	-1,510	-336	-820
<b>Gross profit</b>	<b>260</b>	<b>583</b>	<b>244</b>	<b>473</b>
Gross margin in %	21%	28%	42%	37%
Research and development	-151	-272	-65	-203
Selling, general and administrative	-216	-333	-47	-129
Other operating income	30	36	2	8
Other operating expense	-2	-2	-1	-2
Result from investments in associates	-2	-2	0	0
<b>Result from operations</b>	<b>-80</b>	<b>10</b>	<b>132</b>	<b>147</b>
Net financing result	-66	-161	11	13
<b>Result before tax (continuing operations)</b>	<b>-146</b>	<b>-152</b>	<b>142</b>	<b>160</b>
Income tax result	21	18	0	-4
<b>Results after tax (continuing operations)</b>	<b>-125</b>	<b>-134</b>	<b>142</b>	<b>156</b>
Results from discontinued operations	2	2	0	0
<b>Net result</b>	<b>-122</b>	<b>-131</b>	<b>142</b>	<b>156</b>
<b>Thereof non-controlling interests</b>	<b>-36</b>	<b>-36</b>	<b>0</b>	<b>0</b>
<b>Thereof ams shareholders</b>	<b>-86</b>	<b>-95</b>	<b>142</b>	<b>156</b>
Basic earnings per share in CHF <sup>1)</sup>	-0.36	-0.51	1.91	2.18
Diluted earnings per share in CHF <sup>1)</sup>	-0.38	-0.51	1.87	2.13
Basic earnings per share in EUR	-0.33	-0.48	1.75	1.95
Diluted earnings per share in EUR	-0.36	-0.48	1.71	1.91
<b>Basic earnings per share in CHF <sup>1)</sup></b> (continuing operations)	<b>-0.37</b>	<b>-0.52</b>	<b>1.91</b>	<b>2.18</b>
<b>Diluted earnings per share in CHF <sup>1)</sup></b> (continuing operations)	<b>-0.39</b>	<b>-0.52</b>	<b>1.87</b>	<b>2.13</b>
<b>Basic earnings per share in EUR</b> (continuing operations)	<b>-0.34</b>	<b>-0.49</b>	<b>1.75</b>	<b>1.95</b>
<b>Diluted earnings per share in EUR</b> (continuing operations)	<b>-0.37</b>	<b>-0.49</b>	<b>1.71</b>	<b>1.91</b>

<sup>1)</sup> Earnings per share in CHF were converted using the average currency exchange rate for the respective periods.

## Consolidated Balance Sheet according to IFRS

(unaudited)

EUR millions	September 30, 2020	December 31, 2019
<b>Assets</b>		
Cash and cash equivalents	1,219	500
Financial investments	12	0
Trade receivables	605	202
Inventories	890	210
Other receivables and assets	231	130
Assets held for sale	32	86
<b>Total current assets</b>	<b>2,988</b>	<b>1,128</b>
Property, plant and equipment	2,054	1,130
Intangible assets	3,825	1,128
Rights of use	301	123
Investments in associates	86	28
Deferred tax assets	493	9
Other long term assets	84	2
Financial assets	36	886
Total non-current assets	6,879	3,305
<b>Total assets</b>	<b>9,867</b>	<b>4,433</b>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Interest-bearing loans and borrowings	988	782
Trade liabilities	534	135
Income tax liabilities	14	20
Provisions	388	113
Other liabilities	469	153
Liabilities in regard to assets held for sale	111	1
<b>Total current liabilities</b>	<b>2,505</b>	<b>1,204</b>
Interest-bearing loans and borrowings	2,334	1,301
Employee benefits	208	49
Deferred tax liabilities	240	63
Other long-term liabilities	379	127
<b>Total non-current liabilities</b>	<b>3,160</b>	<b>1,540</b>
<b>Shareholders' equity</b>		
Issued capital	274	84
Additional paid-in capital	2,163	719
Treasury shares	-193	-134
Other reserves	-66	10
Retained earnings	871	1,010
<b>Total equity attributable to shareholders of ams AG</b>	<b>3,049</b>	<b>1,690</b>
Equity minority interest	1,153	0
<b>Total shareholders' equity and reserves</b>	<b>4,203</b>	<b>1,690</b>
<b>Total liabilities and shareholders' equity</b>	<b>9,867</b>	<b>4,433</b>

## Consolidated Statement of Cash Flows according to IFRS

(unaudited)

EUR millions	Q3 2020	9 months 2020	Q3 2019	9 months 2019
<b>Operating activities</b>				
Result before tax	-144	-149	142	160
Depreciation (net of government grants)	235	386	71	207
Expense from stock option plan (acc. to IFRS 2)	18	51	7	23
Result from discontinued operation	-2	-2	0	0
Changes in other long-term liabilities	-16	-16	5	1
Result from sale of plant and equipment	1	0	1	1
Result from investments in associates	2	2	0	0
Net financing result	66	161	-11	-13
Changes in inventories	63	50	48	61
Changes in trade and other receivables	-55	-19	-36	-77
Changes in trade and other payables	-115	-89	36	32
Change in provisions and employee benefits	28	14	9	11
Tax payments	-7	-8	-3	-7
<b>Cash flows from operating activities</b>	<b>72</b>	<b>381</b>	<b>269</b>	<b>398</b>
Cash flows from operating activities discontinued operations	-2	-2	0	0
<b>Cash flows from operating activities continued operations</b>	<b>70</b>	<b>379</b>	<b>269</b>	<b>398</b>
<b>Investing activities</b>				
Acquisition of intangibles, property, plant and equipment	-71	-123	-31	-151
Acquisition of subsidiary, net of cash acquired	-915	-915	0	-8
Acquisition/disposal of other financial investments	-259	-440	-151	-151
Disposal of discontinued operations, net of cash disposed of	0	41	0	0
Proceeds from sale of plant and equipment	2	2	0	0
Interest received	1	4	2	5
<b>Cash flows from investing activities</b>	<b>-1,243</b>	<b>-1,431</b>	<b>-181</b>	<b>-306</b>
<b>Financing activities</b>				
Proceeds from borrowings	88	180	304	317
Repayment of borrowings	-919	-1,057	-20	-117
Repayment of finance lease liabilities	-14	-25	-5	-14
Proceeds from issue of senior notes	1,241	1,241	0	0
Buyback of convertible bonds	0	0	-5	-72
Acquisition of treasury shares	0	-127	-1	-31
Sale of treasury shares	1	141	2	4
Interest paid	-12	-30	-8	-16
Transaction costs from loans and borrowing	-43	-150	0	0
Dividends paid	-2	-2	0	0
Changes resulting from capital increase	0	1,649	0	0
<b>Cash flows from financing activities</b>	<b>340</b>	<b>1,820</b>	<b>267</b>	<b>69</b>
Change in cash and cash equivalents	-834	768	355	162
Effects of changes in foreign exchange rates on cash and cash equivalents	-40	-41	17	13
Cash and cash equivalents at begin of period	2,102	500	428	625
<b>Cash and cash equivalents at end of period</b>	<b>1,228</b>	<b>1,228</b>	<b>800</b>	<b>800</b>
Deducted by cash and cash equivalent for discontinued operations	-9	-9	0	0
<b>Cash and cash equivalents at end of period continued operations</b>	<b>1,219</b>	<b>1,219</b>	<b>800</b>	<b>800</b>

## Reconciliation from adjusted figures to reported figures acc. to IFRS

EUR millions	Q3 2020	9 months 2020	Q3 2019	9 months 2019
<b>Gross profit – adjusted</b>	<b>326</b>	<b>671</b>	<b>254</b>	<b>503</b>
Acquisition-related costs	-27	-46	-9	-28
Share-based compensation costs	-3	-6	-1	-2
Restructuring costs	-36	-36	0	0
<b>Gross profit – reported</b>	<b>260</b>	<b>583</b>	<b>244</b>	<b>473</b>
Gross margin in % – adjusted	27%	32%	44%	39%
Gross margin in % – IFRS reported	21%	28%	42%	37%
<b>Operating expenses – adjusted</b>	<b>-274</b>	<b>-446</b>	<b>-94</b>	<b>-278</b>
Acquisition-related costs	-41	-73	-12	-26
Share-based compensation costs	-15	-45	-6	-21
Restructuring costs	-10	-10	0	0
<b>Operating expenses – reported</b>	<b>-340</b>	<b>-573</b>	<b>-112</b>	<b>-326</b>
<b>Result from operations – adjusted</b>	<b>51</b>	<b>225</b>	<b>160</b>	<b>225</b>
Acquisition-related costs	-68	-119	-22	-55
Share-based compensation costs	-18	-51	-7	-23
Restructuring costs	-45	-45	0	0
<b>Result from operations – reported</b>	<b>-80</b>	<b>10</b>	<b>132</b>	<b>147</b>
Operating margin in % – adjusted	4%	11%	28%	17%
Operating margin in % – reported	-7%	0%	23%	11%
<b>Result from operations – adjusted</b>	<b>51</b>	<b>225</b>	<b>160</b>	<b>225</b>
Net financing result	-66	-161	11	13
Income tax result	21	18	0	-4
<b>Net result – adjusted (continuing operations)</b>	<b>7</b>	<b>81</b>	<b>0</b>	<b>0</b>
Results from discontinued operations	2	2	0	0
<b>Net result – adjusted</b>	<b>9</b>	<b>84</b>	<b>170</b>	<b>234</b>
<b>Basic adjusted earnings per share (in EUR)</b>	<b>0.09</b>	<b>0.47</b>	<b>2.10</b>	<b>2.93</b>

# Third Quarter Report 2020



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