

ams OSRAM reports second quarter group results well above mid-point of guidance range with revenues of USD 1,491 million and adj. operating margin of 9%

- Portfolio re-alignment fully underway with disposal of Digital Systems North America closed and further announcements expected in the next months
- Synergy creation and integration programs fully on track
- Successful completion of delisting offer for OSRAM Licht AG share; ownership now at 80.4%
- Third quarter expected group revenues of USD 1,450-1,550 million with expected adjusted operating margin of 8-11%, reflecting demand environment, tight supply and previous comments
- Capital markets day planned for early 2022

Premstaetten, Austria and Munich, Germany (30 July 2021) -- [ams OSRAM \(SIX: AMS\)](#), a global leader in optical solutions, reports second quarter and first half group financial results. “We are very pleased with our performance in the second quarter, with our metrics coming in well above the midpoint of our guidance, and again delivering strong operational cash flow. Demand for our automotive solutions continued to be strong, and we saw good results in our consumer business,” said Alexander Everke, CEO of ams OSRAM, commenting on the second quarter.

“The generation of synergies from the combination is fully on track after only one full quarter of operational control of OSRAM, and I am very confident in our synergy targets and savings. The successful delisting offer for OSRAM is another important step in driving the integration while closing the disposal of Digital Systems North America in July shows our commitment and momentum towards creating the future streamlined portfolio of ams OSRAM.”

Looking forward, Everke added that “ongoing tightness in chip supply and imbalances in supply chains continue to limit the ability to fully deliver against what is ongoing strong demand, particularly in the automotive market. I expect these imbalances to extend well into the latter part of the second half year. Short-term revenue drivers continue to be automotive lighting and consumer optical sensing in areas like display management and camera enhancement. At the same time, we are moving on integrated product roadmaps that will drive our position in mid-term growth markets including UV-C LED, advanced LED front lighting systems, AR, 3D applications, and more. We look forward to updating investors on our strategy, our new aligned business portfolio and strong technology position at a Capital Markets Day envisaged for early 2022.”

Second quarter group revenues were USD 1,491 million, 3% lower sequentially compared to the first quarter 2021, in line with typical seasonality in the group's end markets. Comparable prior year figures are not available due to the acquisition of OSRAM. Adjusted¹ group gross margin for the second quarter 2021 was 33%, down from 35% for the first quarter 2021 with comparable prior year figures not available. First half group revenues were USD 3,035 million with comparable prior year figures not available due to the acquisition of OSRAM. Adjusted¹ group gross margin for the first half 2021 was 34% with comparable prior year figures not available.

The adjusted¹ group result from operations (EBIT) was USD 131 million or 9% of revenues for the second quarter compared to USD 172 million or 11% for the first quarter (excluding adjustments: USD -144 million or -10% of revenues for the second quarter) with comparable prior year figures not available. The group result from operations excluding adjustments for the second quarter reflects an impairment charge related to certain manufacturing assets in Asia in our Semiconductors consumer business following a review of useful life. This is a one-time, non-cash effect of approximately USD 182 million which solely relates to tangible fixed assets. Adjusted¹ group result from operations (EBIT) was USD 303 million or 10% of revenues for the first half 2021 with comparable prior year figures not available.

Adjusted¹ group net income was USD 84 million for the second quarter compared to USD 89 million for the first quarter with comparable prior year figures not available (excluding adjustments: USD -190 million for the second quarter). Adjusted¹ basic/diluted earnings per share² for the second quarter were USD 0.32/0.32 or CHF 0.29/0.29 and USD -0.73/-0.73 or CHF -0.67/-0.67 excluding adjustments. Adjusted¹ group net income was USD 174 million for the first half with comparable prior year figures not available (excluding adjustments: USD -193 million). Adjusted¹ basic/diluted earnings per share³ for the first half were USD 0.70/0.69 or CHF 0.63/0.63 and USD -0.70/-0.70 or CHF -0.64/-0.64 excluding adjustments.

The group operating cash flow for the second quarter was robust at USD 229 million while group free cash flow reached USD 176 million. The group operating cash flow for the first half was healthy at USD 478 million with group free cash flow reaching USD 329 million. Group net debt stood at USD 2,296 million on 30 June 2021, translating into a group leverage of 1.7x net debt/adjusted¹ EBITDA. Cash and cash equivalents were USD 1,613 million on 30 June 2021, also reflecting the

¹ Excluding M&A-related, transformation and share-based compensation costs as well as results from sale of business and equity investments

² Based on 261,165,151 basic / 261,469,132 diluted shares

³ Based on 261,075,946 basic / 261,739,155 diluted shares

settlement of the delisting offer for OSRAM Licht AG at a total consideration of USD 436 million.

The group's Semiconductors segment showed a very healthy development generating 64% of revenues in the second quarter of 2021, combined with a robust adjusted operating margin of 13%. In this segment, the automotive market area continued to show very strong demand, with total backlog further increasing. The consumer market area also recorded a healthy performance in line with seasonal effects, driven by the group's range of optical sensing solutions. ams OSRAM pursues development activities for new optical solutions in light sensing and 3D technologies including solutions for world-facing AR and 3D authentication as well as camera enhancement and display management. Other innovation areas encompass future near-to-eye visualization and sensing technologies for AR devices. The industrial and medical market areas showed very attractive results benefitting from increasing macroeconomic momentum. Demand for industrial lighting applications has seen a robust recovery while horticultural lighting demand is expanding. Medical and other imaging product lines also developed positively in the quarter.

The Lamps & Systems (L&S) segment recorded a very solid overall performance in the second quarter providing 36% of revenues. The L&S automotive business including traditional markets performed strongly and contributed very positively to group results, driven by a sustained demand recovery and in line with typical seasonality. Other parts of the L&S business recorded a very attractive recovery in industrial demand including building-related end markets while certain industrial and medical markets still saw a mixed demand environment.

For the third quarter 2021, ams OSRAM expects group revenues of USD 1,450-1,550 million which exclude the disposed revenues of the DS North America business, slightly up sequentially at the midpoint, with an expected adjusted operating (EBIT) margin of 8-11%, based on currently available information and exchange rates. This expectation reflects continuing strong demand in the automotive market where the supply situation remains constrained as well as a decreased revenue contribution year-on-year from the consumer market, in line with previous comments. As previously communicated, ams OSRAM expects group revenues for the second half year to be slightly higher compared to the first half year, using the comparable revenue basis.

The half year report 2021 including additional financial information is available on the company website at <https://ams.com/financial-reports>.

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About ams OSRAM

The ams OSRAM Group, including the listed companies ams AG as parent company and OSRAM Licht AG is a global leader in optical solutions. By adding intelligence to light and passion to innovation, we enrich people's lives. This is what we mean by Sensing is Life.

With over 110 years of combined history, our core is defined by imagination, deep engineering expertise and the ability to provide global industrial capacity in sensor and light technologies. We create exciting innovations that enable our customers in the consumer, automotive, healthcare and industrial sectors maintain their competitive edge and drive innovation that meaningfully improves the quality of life in terms of health, safety and convenience, while reducing impact on the environment.

Our around 27,000 employees worldwide focus on innovation across sensing, illumination and visualization to make journeys safer, medical diagnosis more accurate and daily moments in communication a richer experience. Our work creates technology for breakthrough applications, which is reflected in over 15,000 patents granted and applied. Headquartered in Premstaetten/Graz (Austria) with a co-headquarters in Munich (Germany), the group achieved well over USD 5 billion combined revenues in 2020 (pro-forma). ams AG is listed on the SIX Swiss Exchange (SIX: AMS/ISIN: AT0000A18XM4). Find out more about us on <https://ams-osram.com>

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