

## **ams OSRAM delivers healthy full year and very solid fourth quarter results with profitability at midpoint of expectation range despite ongoing market imbalances and supply chain volatility**

- Fourth quarter revenues of USD 1,410 million / EUR 1,229 million and adjusted EBIT margin of 9.6% show profitability at the midpoint of the guidance range
- Delivering portfolio re-alignment with USD 272 million announced sale of Fluence horticultural lighting systems business and remaining disposals underway, including automotive JV-related business
- Implementing integration and synergy creation and programs as planned
- First quarter expected revenues of EUR 1,190-1,290 million / USD 1,365-1,465 million and expected adjusted EBIT margin of 8-11% reflect persistent supply chain imbalances, certain end market seasonality and deconsolidation effects
- Capital markets day on 5 April 2022

Premstaetten, Austria, and Munich, Germany (8 February 2022) -- [ams OSRAM \(SIX: AMS\)](#), a global leader in optical solutions, reports full year and fourth quarter 2021 group financial results. “Our business delivered healthy full year results and a very solid performance in the fourth quarter with adjusted profitability for the quarter at the midpoint of our guidance range. We are pleased to report a positive first fiscal year as a combined company with revenues of USD 5,780 million / EUR 5,038 million driven by a strong performance of our automotive business and despite negative effects in our consumer business, as previously stated. In the ending quarter, our automotive business performed well against the backdrop of ongoing supply chain imbalances and OEM production reductions while our consumer, industrial and medical businesses contributed attractively in line with expectations”, commented Alexander Everke, CEO of ams OSRAM.

“Since March 2021 we have been very successful with the integration of OSRAM realizing major steps and achieving our targeted milestones across business areas. On our path to re-align and shape our future portfolio we have announced three disposals, dissolved the joint venture between OSRAM and Continental, and are moving ahead with the remaining disposals which include the business related to the former joint venture. In parallel, I am pleased to see very good progress in our broad-based integration programs and positive momentum within our teams. Our synergy creation programs are also fully on track and advancing as expected,” Everke emphasized.

“Market imbalances have persisted through the second half of 2021, particularly in the automotive market, and created revenue delays in automotive supply chains as a result of reductions in OEM production. From today’s point of view, we expect this situation to continue to influence our market for a considerable period this year. Meanwhile, we are ensuring capacity availability on our side and are ready to serve recovering customer demand once the supply chain and production volatilities start to subside. Supply chain imbalances also affected certain areas of our consumer business last year.”

“As we deliver on further portfolio-related and operational milestones in the integration of OSRAM this year, I expect 2022 to still have transitional characteristics which include deconsolidation effects from remaining disposals. At the same time, looking forward, we see revenue drivers in the markets for advanced automotive and industrial LED lighting and consumer optical sensing as we continue to focus on differentiating technologies and new applications. We are strongly engaged in R&D for mid- and long-term growth markets spanning advanced illumination, innovative display visualization, and high performance sensing. Our roadmaps align with customer-driven developments and focused capacity investments to enable new differentiated solutions as a leader in optical technologies”, Everke added.

### Quarterly financial summary

USD millions (except per share data)	Q4 2021	Q3 2021	QoQ	Q4 2020	YoY
Revenues	<b>1,410</b>	1,478	-5%	1,620	-13%
Gross margin adj. <sup>1)</sup>	<b>33.5%</b>	33.8%	-30 bps	34.6%	-110 bps
Operating income adj. <sup>1)</sup>	<b>135</b>	153	-12%	270	-50%
Operating margin adj. <sup>1)</sup>	<b>9.6%</b>	10.3%	-70 bps	16.7%	-710 bps
Net result adj. <sup>1)</sup>	<b>136</b>	12	1,062%	173	-21%
Diluted EPS adj. <sup>1)</sup>	<b>0.51</b>	0.02		0.49	
Diluted EPS adj. (in CHF) <sup>1)2)</sup>	<b>0.48</b>	0.02		0.46	
Operating Cash Flow	<b>206</b>	248	-17%	371	-45%
Net debt	<b>2,059</b>	2,132	-3%	1,957	5%

<sup>1)</sup> Excluding M&A-related, transformation and share-based compensation costs as well as results from investments in associates and sale of a business

<sup>2)</sup> Earnings per share in CHF were converted using the average currency exchange rate for the respective periods  
Note: EPS denotes earnings per share

Full year group revenues were USD 5,780 million, up 44% compared to full year 2020, particularly driven by consolidation effects in comparison with the first half of 2020. Fourth quarter group revenues were USD 1,410 million, down 5% sequentially compared to the third quarter 2021 and

down 13% compared to same quarter 2020, also reflecting deconsolidation effects. Adjusted<sup>1</sup> group gross margin for full year 2021 was 34%, up from 33% for full year 2020. Adjusted<sup>1</sup> group gross margin for the fourth quarter 2021 was 34%, unchanged from the third quarter and slightly down from 35% for the same quarter 2020.

The adjusted<sup>1</sup> group result from operations (EBIT) for full year 2021 was USD 576 million or 10% of revenues compared up from USD 531 million or 13% of revenues for full year 2020 (unadjusted: USD 226 million or 4% of revenues for 2021). The fourth quarter adjusted<sup>1</sup> group result from operations (EBIT) was USD 135 million or 10% of revenues compared to USD 153 million or 10% for the third quarter and USD 270 million or 17% of revenues for the same period 2020 (unadjusted: USD 192 million or 14% of revenues for the fourth quarter).

Adjusted<sup>1</sup> group net result for full year 2021 was USD 313 million compared to USD 273 million for full year 2020 (unadjusted: USD -37 million for 2021). Fourth quarter adjusted<sup>1</sup> group net result was USD 136 million compared to USD 12 million for the third quarter and compared to USD 173 million for the same quarter 2020 (unadjusted: USD 193 million for the fourth quarter). Adjusted<sup>1</sup> diluted earnings per share<sup>2</sup> for full year 2021 were USD 1.20 or CHF 1.14 (USD -0.14 or CHF -0.13 unadjusted). Fourth quarter adjusted<sup>1</sup> diluted earnings per share<sup>3</sup> were USD 0.51 or CHF 0.48 (USD 0.72 or CHF 0.68 unadjusted).

The group operating cash flow for full year 2021 was strong at USD 908 million while group free cash flow reached USD 553 million. Fourth quarter group operating cash flow was USD 206 million while group free cash flow reached USD 98 million. Group net debt was USD 2,059 million on 31 December 2021, translating into a group leverage of 1.9x net debt/adjusted<sup>1</sup> EBITDA. Cash and cash equivalents stood at USD 1,527 million on 31 December 2021.

The Semiconductors segment contributed significantly to group results last year providing 65% of full year revenues together with a solid adjusted operating (EBIT) margin of 14%. Similarly, in the fourth quarter of 2021 the Semiconductors segment contributed 64% of revenues with an attractive adjusted operating (EBIT) margin of 12%. In the Semiconductors segment the automotive end market delivered robust full year results driven by a positive backlog situation over the course of the year as the business managed through the demanding market environment and ongoing supply

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<sup>1</sup> Excluding M&A-related, transformation and share-based compensation costs as well as results from investments in associates and sale of a business

<sup>2</sup> Based on 261,149,316 basic / 261,576,532 diluted shares

<sup>3</sup> Based on 261,229,387 basic / 266,201,308 diluted shares

chain imbalances in the global automotive market. The segment's automotive business was successful as the global leader in automotive LED lighting, serving exterior and interior applications with a focus on performance and differentiation. In the fourth quarter, the segment's automotive market area recorded a very solid performance based on existing backlog and despite a negative effect from ongoing supply chain imbalances. The segment's consumer market area achieved attractive results in 2021 taking into account the previously detailed lower year-on-year second half revenue development which matched expectations, and certain effects from supply chain imbalances. The group's consumer business continues to serve world-leading OEMs with a range of optical sensing solutions for smartphones and other devices. For the fourth quarter, the consumer market area provided attractive broad-based contributions in line with expectations. The segment's industrial and medical market areas performed very well last year benefitting from an increasingly positive demand environment in markets for established and emerging industrial lighting, including horticulture, and medical and other imaging. In the fourth quarter, these developments continued to drive the segment's industrial and medical business with good momentum in horticulture LED products. To deliver on its roadmaps for profitable growth ams OSRAM focuses development activities on new LED technologies, optical and image sensing, display management, AR and 3D applications, UV-C LED, new automotive lighting, and LED-based visualization including micro LED.

The Lamps & Systems (L&S) segment showed a good performance last year contributing 35% of full year revenues. The L&S automotive business including legacy traditional lighting developed very positively in light of the industry environment with full year results reflecting attractive demand across channels and lines. In the fourth quarter, the L&S automotive business continued to perform well in line with expectations. The other areas of the L&S business delivered solid full year results in industrial, building-related and medical applications as demand recovered over the course of 2021 while certain industrial markets such as entertainment remained subdued for most of the year. In the fourth quarter, the other areas of the L&S business saw further attractive demand and increasing contributions from lagging markets strongly affected by Covid-19.

Aligned with the updated business structure of the group ams OSRAM will focus on presenting its financial results in EUR starting with the results for the current, i.e. first quarter. Nevertheless, the outlook for the first quarter is still given in USD and EUR to facilitate this change.

For the first quarter 2022, ams OSRAM notes ongoing supply chain volatilities in the automotive market due to constrained end-to-end supply situations and lower production volumes at multiple OEMs while overall backlog remains supportive. The first quarter also shows a degree of end

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Financial information Q4 and full year 2021



market seasonality next to deconsolidation effects compared to the previous year and a decreased year-on-year contribution from the consumer market in line with previous comments. ams OSRAM therefore expects first quarter group revenues of EUR 1,190-1,290 million or USD 1,365-1,465 million, slightly up at the midpoint sequentially. Together with this, ams OSRAM expects an adjusted operating (EBIT) margin of 8-11% for the first quarter, all figures excluding deconsolidated revenues from the dissolution of the OSRAM/Continental joint venture and closed disposals as well as their financial effects and based on currently available information and exchange rates. ams OSRAM will hold a Capital Markets Day on 5 April 2022 in a virtual format to provide further information on its growth portfolio, technology position and strategy.

Additional selected financial information for the full year and fourth quarter 2021 is available on the company website at <https://ams.com/financial-reports>. The full year and fourth quarter 2021 investor presentation is available on the company website at <https://ams.com/presentations-and-audio>. ams OSRAM will hold a conference call on the full year and fourth quarter results on Tuesday, 8 February 2022 at 9am CET. The conference call will be available via webcast at: <https://bit.ly/3rE7yve>

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### **About ams OSRAM**

The ams OSRAM Group (SIX: AMS) 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 24,000 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 over EUR 5 billion revenues in 2021 and is listed as ams-OSRAM AG on the SIX Swiss Exchange (ISIN: AT0000A18XM4). Find out more about us on <https://ams-osram.com>

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## for further information

### Investor Relations

**ams-OSRAM AG**  
Moritz M. Gmeiner  
Head of Investor Relations  
T +43 3136 500 31211  
[investor@ams-osram.com](mailto:investor@ams-osram.com)  
[ams-osram.com](http://ams-osram.com)

### Media Relations

**ams-OSRAM AG**  
Amy Flécher  
Vice President Marketing Communications  
T +43 664 8816 2121  
[press@ams-osram.com](mailto:press@ams-osram.com)  
[ams-osram.com](http://ams-osram.com)