

Press

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Osram achieves high value growth for shareholders thanks to consistent transformation

- Osram and ams AG sign a Domination and Profit and Loss Transfer Agreement
- Auditors value Osram at EUR 44.65 per share
- Guaranteed dividend for shareholders of more than five percent (EUR 2.24 per year)
- Increase in value of more than 1.8 billion euros since the going public in 2013

Osram and ams today signed a Domination Agreement from which Osram's remaining minority shareholders can benefit. PwC, the auditors commissioned jointly by the two companies, have completed their valuation report in which they value Osram at EUR 44.65 per share. "The auditors have confirmed the validity of our transformation strategy and the course we have steered through both the slump in the automotive industry and the corona crisis. Our growth story continues and we envisage a significant recovery as early as 2021," said Osram CEO Olaf Berlien. "We are delighted that our bidding process has enabled us to create substantial value for our shareholders, even under these difficult conditions". Just five years ago, Osram generated 70 percent of its turnover with traditional products. Today, 70 percent of revenue comes from state-of-the-art semiconductor technologies. The strategy of transformation was the right one and has made the company attractive to numerous bidders. Ultimately, this is reflected in the current valuation.

Just one week ago Osram raised its forecast for the 2020 fiscal year. Thanks to determined cash management, both adjusted EBITDA and Free Cash Flow are going to be significantly better than expected.

The increase in value is not least due to the transparent bidding process that Osram's managing board and supervisory board launched when signs first appeared of competition between prospective strategic and financial buyers.

In accordance with legal requirements, the independent auditors assessed the business, technologies and prospects of the Munich-based photonics champion over recent months. Auditors PwC came to the conclusion that OSRAM is worth 4.3 billion euros in its current constitution. "The valuation shows that our path to becoming a photonics champion was and is the right one, and we will continue steadfastly along this path together with ams", said Olaf Berlien.

The valuation report provides the basis for the pending mandatory compensation offer from ams to the minority shareholders of Osram under the Domination and Profit and Loss Transfer Agreement. At present, almost 30 percent of the outstanding capital is still in their ownership.

PwC's valuation indicates that those shareholders who want to retain their Osram shares will also benefit. According to the arrangements made in connection with the Domination and Profit and Loss Transfer Agreement, they will receive a guaranteed dividend of more than five percent or net 2.24 (gross 2.57) euros per share.

The valuation report also noted that for the coming 2021 fiscal year Osram expects comparable sales growth of between six and ten percent an adjusted EBITDA margin of nine to eleven percent and a Free Cash Flow ranging from a balanced to a positive low double-digit million Euro figure. Osram recently published this information in the form of an ad hoc release.

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ABOUT OSRAM

OSRAM, headquartered in Munich, is a leading global high-tech company with a history of over 110 years. The predominantly semiconductor-based products enable a wide range of applications from virtual reality to autonomous driving and from smartphones to networked intelligent lighting solutions in buildings and cities. OSRAM uses the infinite possibilities of light to improve the lives of people and societies. With innovations from OSRAM we will not only see better in the future, but also communicate better, as well as move around, work and live better. At the end of the 2019 fiscal year (to September 30) OSRAM employed around 23,500 people worldwide and in this fiscal year achieved sales of around 3.5 billion euros from continuing operations. The company is listed on the stock exchanges in Frankfurt am Main and Munich under WKN: LED 400 (stock exchange code: OSR). Further information can be found on the Internet at www.osram.de.

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