

Press

Munich, July 29, 2020

Active crisis management impacts Osram's third quarter

- Revenue decline of nearly 30 percent less than expected compared to the industry
- Free cash flow negative at only 7 million euros
- Photonics champion confirms current annual forecast
- Changes in the Supervisory Board

Osram mastered the third fiscal quarter better than expected compared to the main sales markets thanks to decisive countermeasures at a global level. Although revenue on a comparable basis fell by 29.4 percent to 606 million euros within a year due to the impact of the Coronavirus crisis, EBITDA before special items was well above expectations with negative 27 million euros. While the Automotive (AM) business unit was, as expected, hit hardest by the slump in sales, Opto Semiconductors (OS) developed relatively positively. Company-wide free cash flow was only minus 7 million euros due to effective management of the working capital. "The success of our Covid-19 measures and our liquidity management are clearly reflected in our quarterly figures. In the third quarter, we already achieved the overall savings that we had forecasted for the whole year," said Olaf Berlien, CEO of OSRAM Licht AG. "Our business performance shows that we were well prepared for the crisis. In particular, our development in North America and China makes us confident that we will achieve our current forecast for the year despite all adversities".

In the third quarter, the Coronavirus crisis unsurprisingly left its deepest traces in the AM business unit. AM revenues fell by 35.7 percent year-on-year to 282 million euros. The continued weak development of margins in the Osram Continental joint venture also made a decisive contribution to this decrease. In addition, an impairment loss of 48 million euros had to be recorded there.

Adjusted EBITDA for the entire AM business unit was minus 23 million euros. Meanwhile, the cash outflow was limited to 19 million euros. The decline in the OS business unit was significantly less severe. OS revenue decreased by 19 percent to 297 million euros. Adjusted EBITDA was 36 million euros. The operating margin remained in the double-digit range at 12.2 percent. Free cash flow was again positive at 24 million euros. The Digital (DI) business unit was in some areas significantly affected by revenue declines, for example in cinema lamps and stage lighting. Consequently, revenues decrease by around 31 percent to 159 million euros. Adjusted EBITDA was minus 23 million euros. In contrast, free cash flow was clearly positive at 17 million euros.

The global contingency plan, as well as the local hygiene and operating concepts for preventing Coronavirus, have proven their effectiveness at Osram. Thanks to a bundle of measures in and around the workplace, there were very few infections among the approximately 22,000 employees, and the restrictions in production remained limited.

Nevertheless, the current final quarter of the 2020 financial year will continue to be economically influenced by the pandemic. However, Osram is showing visible signs of recovery, particularly in Asia. The production sites in these regions are producing almost as much as before the crisis began. But the economic recovery in Europe has not fully occurred. Overall, the Management Board sees itself well on track to meet the annual forecast adjusted in June.

Changes in the Supervisory Board

Osram Supervisory Board members Roland Busch, Frank H. Lakerveld and Arunjai Mittal resigned from their mandates on Tuesday evening. They are followed by the independent management consultant Hans-Peter Metzler, ams board member Thomas Stockmeier and ams works council member Johann Christian Eitner. "I would like to thank Mr. Busch, Mr. Lakerfeld and Mr. Mittal for their support over the recent few years and look forward to a beneficial working relationship with their three successors who have been appointed to the Supervisory Board by our majority shareholder ams," explained Olaf Berlien, CEO of Osram.

From 2:00 p.m. CEST on July 29, you can follow the analysts' conference with the Management Board at the following link:

<https://87399.choruscall.eu/links/osram200729ir.html>

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Selected key figures for the OSRAM Licht AG (continued operations) in the third quarter

	3rd quarter 2020	3 rd quarter 2019	Change nominal
Revenue	606	850	(28.7%)
Comp. revenue growth ¹	(29.4%)		
Adjusted EBITDA ²	(27)	58	n.a.
...Margin	(4.5%)	6.8%	(1130bp)
Profit after taxes	(140)	(35)	n.a.
Free Cash Flow	(7)	91	n.a.
'000 Employees	22	24	(10.2 %)

(unaudited figures. Figures in millions of euros, margins in percent, employees as on June 30. Negative values in parentheses)

⁽¹⁾adjusted for currency and portfolio effects)

⁽²⁾Adjusted for special items including e.g. transformation costs, significant legal and regulatory issues, as well as M&A-related costs)

Development of the reporting segments in the third quarter

	3rd quarter 2020	3 rd quarter 2019	Change nominal
Opto Semiconductors			
...Revenue	297	363	(18.2%)
...comp. revenue growth ¹	(19.0%)		
...adjusted EBITDA ²	36	60	(39.8%)
... Free Cash Flow	24	81	(69.7%)
Automotive			
... Revenue	282	432	(34.8%)
... comp. revenue growth ¹	(35.7%)		
... adjusted EBITDA ²	(23)	22	n.a.
... Free Cash Flow	(19)	31	n.a.
Digital			
... Revenue	159	232	(31.5%)
... comp. revenue growth ¹	(31.3%)		
... adjusted EBITDA ²	(23)	(7)	n.a.
... Free Cash Flow	17	0	n.a.

(unaudited figures in millions of euros. Negative values in parentheses.)

⁽¹⁾adjusted for currency and portfolio effects)

⁽²⁾Adjusted for special items including e.g. transformation costs, significant legal and regulatory issues, as well as M&A-related costs)

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.com

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