ams

Full year and fourth quarter results 2020

Alexander Everke, CEO
Ingo Bank, CFO
Moritz M. Gmeiner, Head of IR

February 2021
ams group at a glance
(ams/OSRAM consolidated)

4.2bn
Revenues USD
CY 2020

5,500+
Engineers

20,000+
Customers

30,000
Employees

63/37%
AIM/consumer
revenue split H2 2020

30
Semiconductor
design centers

15,000+
Patents granted
and applied

110+
Years design +
manufacturing

Note: Presentation on slide denotes consolidated presentation of ams + OSRAM business including OSRAM business for second half of CY2020, AIM denotes Automotive, Industrial, Medical business
Vision for ams/OSRAM

Create the uncontested leader in optical solutions

Sensing

Illumination

Visualization
ams/OSRAM: Leading in optical sensing

Leading market position, driving industry innovation

Strategic positioning

3D sensing, light sensing, BOLED, image sensing, spectral sensing

Key technology areas

**Consumer**
- 3D
- Display management
- Camera enhancement

**Automotive**
- ICS (in-cabin sensing)

**Industrial**
- Imaging
- Automation
- 3D

**Medical**
- Imaging
- Biosensing/LFT
ams/OSRAM: Leading in light emitters

Leading market position, driving industry innovation

Strategic positioning

LED (visible/invisible, mini, micro), VCSEL, EEL, specialty sources

Key technology areas

Consumer
- 3D
- Sensing illumination
- Display

Automotive
- Lighting (exterior/interior)
- 3D LIDAR
- Sensing illumination
- Display

Industrial
- Sensing illumination
- 3D
- Illumination

Medical
- Sensing illumination

1) Presentation on slide denotes combination of ams + OSRAM as combined company following DPLTA effective date
Build the leading portfolio in optical solutions

Strength across the full range of key solution components

**Emitters**
- LEDs
- Micro LED / Mini LED
- VCSELs / EELs
- Lamps

**Optical components + micro-modules**
- Optical elements: Lenses, light guides, DOEs
- Micro-optical packaging
- Optical modules

**Detectors**
- Light sensors
- Image sensors
- Biosensors

**Integrated circuits + algorithms**
- Emitter driver ICs
- Sensor interfaces
- Sensor processors (incl. algorithms)

**Key solution components**

**Target applications**

- Sensing
- Illumination
- Visualization
Create the uncontested leader in optical solutions

Innovation + leadership
Pursue real innovation and market leadership in key optical components (emitters, optics, detectors, ICs, algorithms)

Micro-module + module solutions
Develop optical micro-module/module solutions for growth applications in sensing, illumination, visualization

Diversified business
Drive diversified business with balanced application mix and broad customer portfolio

Co-operation
Work with innovation leaders in each area, then roll out to broader customer base

In-house manufacturing
Focus in-house manufacturing on process steps driving product differentiation

M&A
Accelerate implementation of our strategy through M&A

Leading financial performance
Deliver excellent financial performance in revenue growth and profitability
Strategic position to benefit from growth trends

Key technology trends driving the optical solutions market

**Next generation displays**
- Micro LED displays including full sensor-display integration
- Wearables, mobile devices, smart building, in-car displays, Industrial/HABA
- Mini LED backlight

**Autonomous driving**
- LIDAR solutions with VCSEL- and EEL-based illumination
- Leveraging front and rear lighting systems as LIDAR/sensor hubs

**Digital automotive lighting**
- Miniaturized light projectors for exterior and interior lighting solutions

**Next generation imaging**
- Heads-up displays in Automotive
- Ultra small wafer-level cameras for AR/VR glasses

**Bio-sensing**
- Optical read-out for Lateral Flow Test (LFT)
- Bio-sensing using mid-IR tunable laser and detector
- Take on the challenge of non-invasive glucose monitoring

**Industrial IoT**
- Presence detection and personalization
- Position detection
- Smart functions

**In-cabin sensing (ICS) / HMI**
- Driver monitoring including attention and health + comfort settings
- Gesture detection and authentication

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Balancing revenues in diversified market mix
Well-diversified business exposure becomes evident

**ams historic**

- **2019**
  - Consumer: 18%
  - Automotive, Industrial, Medical: 82%

**ams/OSRAM**

- **H2 2020**
  - Consumer: 29%
  - Automotive: 37%
  - Industrial and Medical: 34%

- **Target mix**
  - Consumer: 35-40%
  - Automotive: 20-30%
  - Industrial and Medical: 35-40%
Combining semiconductor manufacturing footprint

Well-invested semiconductor asset base: clear scale + potential for optimization

Invest and innovate in European front-end
- Optimize front-end LED production
- Accelerate micro-LED manufacturing process development
- Significant capacity available for growth with limited additional capex
- Meaningful expected job additions over time

Optimize Asian manufacturing footprint
- Established three large scale new sites
- Assess consolidation of LED back-end production in Asia
- Explore streamlining of combined Asian manufacturing footprint
- Significant capacity available for growth with limited additional capex
Expected synergies confirmed

Planned ramp-up of run-rate synergies

<table>
<thead>
<tr>
<th>DPLTA effective date 2021E</th>
<th>+1 year</th>
<th>+2 years</th>
<th>+3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 300m</td>
<td>COGS</td>
<td>OPEX</td>
<td>Revenue</td>
</tr>
</tbody>
</table>

Areas of identified synergy creation

- Optimize LED front-end production
- Optimize purchasing and sourcing
- Assess consolidation of LED back-end production
- Optimize Asian manufacturing footprint
- Align corporate functions incl. marketing/sales
- Integrate systems and IT across ams/OSRAM
- Optimize combined R&D programs
- Leverage complementary go-to-market strengths
- Accelerate roadmaps in new optical solution areas

Expected integration costs equivalent to ~1.3x run-rate synergies one-off over time

Note: Graphic representation of expected annual pre-tax run-rate synergies of EUR 300m p.a. gradually ramping up over approx. three years after DPLTA effective date, synergy values approximate figures.
2020 highlights

ams business

Revenues and earnings at historic high despite Covid-19
CY revenues USD 2,291m, EBIT (adj.) USD 519m (23% of revenues), driven by robust consumer demand for 2020

Strong position in 3D + light sensing, expansion in Android
Leading 3D portfolio (world-/front-facing); focus on 3D dToF / BOLED 3D driving innovation; growth in BOLED invisible light sensing

AIM business highly impacted by Covid-19, start of recovery in H2
Significant Automotive/Industrial weakness into H2; Medical resilient; innovation for LFT medical testing addressing Covid-19

ams/OSRAM

Transaction closed, 71% majority shareholder
Full consolidation from H2 2020; effective joint preparation of integration; ams representation on OSRAM boards realized/announced

Successful financing transactions secure long term funding
Capital increase, high yield bond, convertible bond, bridge refinancing: comprehensive funding to support full OSRAM integration

DPLTA approved, preparing for implementation
OSRAM shareholder approval; objections create legal delay, expecting implementation in foreseeable future
## ams Optical sensing

### Leadership in optical sensing solutions
- Light sensing: sensor solutions, illumination, optical systems
- Outstanding IP and expertise in optical technologies
- Key player across consumer, automotive and industrial markets

### Broad portfolio in advanced applications
- 3D sensing, VCSEL, BOLED, display sensing, LIDAR, ICS
- Leading position in 3D sensing, SL, iToF/dToF, ASV solutions
- Behind-OLED light sensing for full screen mobile device design
- Leading in automotive 3D LIDAR illumination, in-cabin sensing (ICS)
- Strong VCSEL offering (3D, LIDAR)

### Driving innovation and new use cases
- Spectral sensing for fast diagnostics at point-of-care (lateral flow test/LFT)
- BOLED 3D for invisible face authentication in smartphones
ams 3D sensing: Leading in solutions

Industry-leading 3D platform

- Extensive portfolio across 3D system elements
- VCSEL, optics, NIR/SPAD sensing, algorithms, software
- Structured light (SL), time-of-flight (iToF, dToF), active stereo (ASV)
- Major player in high volume consumer 3D

3D system know-how creates solution play

- Solution architect with full system expertise in all technologies
- Leading illumination pedigree + high performance VCSEL offering
- Driving real innovation in next applications 3D dToF / BOLED 3D
- Non-consumer illumination + systems lead in Automotive (3D LIDAR, in-cabin) and Industrial
ams 3D sensing: 3D/1D direct ToF, BOLED 3D

3D/1D dToF world-facing (WF) solutions

• Strong technology position in 3D/1D dToF
• 3D dToF key architecture for high quality AR/new WF
• Unmatched 3D dToF full system capability (VCSEL illumination, optics, high performance SPAD, software, algorithms)
• High performance 3D dToF solution full development
• 1D dToF solution range, less advanced applications, successful in camera functions, ongoing penetration

BOLED 3D – innovation leadership in 3D

• Next level front-facing face authentication: invisible 3D, complete system behind display
• Full BOLED 3D ASV system enabled by deep 3D portfolio (VCSEL illumination, optics, NIR sensing, software, algorithms)
• Highly challenging technology, complex commercialization, progressing on development path
• Planning to explore SL architecture in further step

Developing 3D dToF, 1D dToF successful; industry innovator in BOLED 3D
Leadership position in 3D LIDAR VCSEL illumination

- High performance VCSEL illumination systems for multiple LIDAR architectures (true solid-state, mechanical scan, flash)
- LIDAR engagements in Europe, North America, Asia
- Successful IBEO partnership in long range true solid-state, further win Great Wall Motors
- True solid-state combines non-scanning/flash + mechanical/MEMS scanning advantages
- Line-by-line addressable high count VCSEL arrays, small pitch, high power, high efficiency

Positive market momentum, VCSEL engagements at several system vendors
ams Optical sensing: BOLED, AWB, ICS

<table>
<thead>
<tr>
<th>Behind-OLED (BOLED) light/proximity sensing</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Invisible high quality optical sensing behind OLED display</td>
</tr>
<tr>
<td>• Maximum screen-to-body ratio/full screen designs</td>
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<tr>
<td>• Very successful in major Android platforms across OEMs</td>
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<tr>
<td>• Multi-generation portfolio</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Auto white balancing (AWB) for smartphone cameras</th>
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</thead>
<tbody>
<tr>
<td>• Innovative spectral sensing for precise light environment analysis</td>
</tr>
<tr>
<td>• Camera enhancement enables better pictures with vivid natural colors</td>
</tr>
<tr>
<td>• 2020 introduced, increasing market adoption</td>
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</table>

<table>
<thead>
<tr>
<th>New automotive market In-cabin sensing (ICS)</th>
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</thead>
<tbody>
<tr>
<td>• Driver monitoring (drowsiness, distraction), driver interaction (HMI/gesture), occupant monitoring (airbag management, rear seat)</td>
</tr>
<tr>
<td>• Early leading position due to automotive solution expertise in 2D + 3D</td>
</tr>
<tr>
<td>• Project wins at multiple system suppliers including 3D</td>
</tr>
</tbody>
</table>

2020: more BOLED success; AWB traction; attractive automotive ICS
ams Optical sensing: Medical LFT read-out

Spectral sensing digital LFT solution

- Innovative solution for medical lateral flow test (LFT, established test method for viruses, bacteria, other biomarkers)
- High precision optical LFT read-out, unmatched technology for complete system including software front-end
- Fast accurate diagnostics at point-of-care, avoiding expensive lab equipment
- European partner Senova in early production for Covid-19 antibody LFT kit
- First North American partner Precision Bio in late stage development and approval process for Covid-19 antigen LFT solution

Innovation for fast point-of-care tests; partners for Covid-19 antibody + antigen LFT
### ams Image sensing

#### Leading in industrial global shutter imaging
- High performance global shutter CMOS IS
- High speed machine vision, automation, inspection, traffic

#### Global leader in Medical Imaging sensor solutions
- Computed tomography (CT), digital X-ray, mammography
  - Industry leader with broad portfolio
  - High resolution diagnostics at lower radiation doses
  - Continuing market success in Asia, Covid-19 diagnostics CT demand
- NanEye micro cameras (≤1mm²) in advanced endoscopy

#### High performance NIR for optical sensing/3D
- Global shutter NIR sensing, state-of-the-art performance (QE)
- Enabling full 3D solutions including BOLED 3D

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**Ongoing Asia CT market penetration; global shutter NIR for 3D solutions**
Leader in high performance ANC, customer base expanded in 2020

Audio ANC (active noise cancellation)

- Best-in-class performance for excellent audio quality (>40dB)
- Leading market position, design traction and new launches at additional OEMs in 2020
- Digital ANC innovation for loose-fit true wireless earbuds: high quality noise reduction without plug-in earpieces
- Selective noise cancellation by-pass (Augmented Hearing) for speech/specific audio
Sensing enables life
Sensing is an integral part of the digital transformation
ams Group

CY and Q4 2020 financial results
Outlook ams business Q1 2021

Revenues
USD 500-540 million
+4% year-on-year at midpoint

Operating profitability
20-22%
Adjusted EBIT margin
Highlights

Q4 2020

• ams Q4 2020 revenues and adjusted EBIT margin towards/at top end of guidance range
• Strong sequential growth given robust demand in ams consumer business
• ams welcomes improved performance of OSRAM business in Q4 2020 and is pleased to see increased fiscal year outlook

CY 2020

• Record revenues and earnings for ams business, year-on-year growth despite Covid-19
• Group results include 6 months of OSRAM business in second half 2020

Q1 2021

• Expected Q1 ams revenues USD 500-540m, adj. ams EBIT margin of 20-22%
• ams business expects year-on-year revenue growth in Q1 at midpoint despite typical seasonality
# Overview key financials – ams group

## USDm

<table>
<thead>
<tr>
<th></th>
<th>CY 2020</th>
<th>CY 2019</th>
<th>Q4 2020</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>4,169</td>
<td>2,243</td>
<td>1,679</td>
<td>705</td>
</tr>
<tr>
<td></td>
<td>+86%</td>
<td></td>
<td>+138%</td>
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<tr>
<td><strong>Gross margin</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(adjusted)¹ (IFRS reported)</td>
<td>33%</td>
<td>41%</td>
<td>35%</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>30%</td>
<td>38%</td>
<td>32%</td>
<td>42%</td>
</tr>
<tr>
<td><strong>Result from operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(EBIT) (adjusted)¹ (IFRS reported)</td>
<td>550</td>
<td>468</td>
<td>280</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>164</td>
<td>391</td>
<td>153</td>
<td>216</td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(adjusted)¹ (IFRS reported)</td>
<td>13%</td>
<td>21%</td>
<td>17%</td>
<td>28%</td>
</tr>
<tr>
<td></td>
<td>4%</td>
<td>17%</td>
<td>9%</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>(adjusted)¹ (IFRS reported)</td>
<td>282</td>
<td>434</td>
<td>180</td>
<td>155</td>
</tr>
<tr>
<td></td>
<td>-104</td>
<td>357</td>
<td>52</td>
<td>171</td>
</tr>
<tr>
<td><strong>EPS (basic/diluted) in CHF²</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(adjusted)¹ (IFRS reported)</td>
<td>1.13 / 0.98</td>
<td>5.02 / 4.90</td>
<td>0.59 / 0.46</td>
<td>1.74 / 1.57</td>
</tr>
<tr>
<td></td>
<td>-0.45 / -0.52</td>
<td>4.15 / 4.05</td>
<td>0.18 / 0.10</td>
<td>1.94 / 1.77</td>
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<tr>
<td><strong>EPS (basic/diluted) in USD</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(adjusted)¹ (IFRS reported)</td>
<td>1.26 / 1.09</td>
<td>5.38 / 5.24</td>
<td>0.66 / 0.51</td>
<td>1.89 / 1.71</td>
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<td></td>
<td>-0.50 / -0.57</td>
<td>4.44 / 4.33</td>
<td>0.20 / 0.11</td>
<td>2.11 / 1.92</td>
</tr>
</tbody>
</table>

¹ Excl. acquisition-related, one-time restructuring and share-based compensation costs and results from investments associates

² Earnings per share in CHF were converted using the average currency exchange rate for the respective periods
Revenues – ams group

USDm

Total revenues

Revenues ams/OSRAM

2019  |  2020  |  Q4 2019  |  Q4 2020
---|---|---|---
2,243 | 4,169 | 705 | 1,679

+138%  |  +86%  |  

 AMS

OSRAM
Revenue distribution – ams group

% of revenues

Group revenues by market

<table>
<thead>
<tr>
<th>CY 2020</th>
<th>H2 2020</th>
</tr>
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<tbody>
<tr>
<td>Consumer</td>
<td>48%</td>
</tr>
<tr>
<td>Automotive</td>
<td>52%</td>
</tr>
<tr>
<td>Industrial</td>
<td>37%</td>
</tr>
<tr>
<td>Medical</td>
<td>63%</td>
</tr>
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</table>

Group revenues by region

<table>
<thead>
<tr>
<th>CY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
</tr>
<tr>
<td>Asia/Pacific</td>
</tr>
<tr>
<td>Americas</td>
</tr>
</tbody>
</table>
Gross profit, operating profit (EBIT) – ams group
USDm, % of revenues

**Gross profit, gross margin (adj.)**

- **2019**: ams 917, OSRAM 927
- **2020**: ams 1,379, OSRAM 453
- **Q4 2019**: ams 318, OSRAM 283
- **Q4 2020**: ams 582, OSRAM 298

**EBIT, EBIT margin (adj.)**

- **2019**: ams 468, OSRAM 519
- **2020**: ams 550, OSRAM 317
- **Q4 2019**: ams 200, OSRAM 98
- **Q4 2020**: ams 280, OSRAM 182

1) Excl. acquisition-related, one-time restructuring and share-based compensation costs and results from investments in associates
Operating expenses – ams group
USDm, % of revenues

SG&A

R&D

1) USD 227m excluding transaction-related one-time expenses
Net result and EPS – ams group
USDm, USD per share

Net result (adj.)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net result (adj.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>434</td>
</tr>
<tr>
<td>2020</td>
<td>282</td>
</tr>
</tbody>
</table>

EPS basic (adj.)\(^1\)\(^2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS basic (adj.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>CHF 5.02 / 1.13</td>
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<tr>
<td>2020</td>
<td>CHF 1.74 / 0.59</td>
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</tbody>
</table>

\(^1\) Excl. acquisition-related, one-time restructuring and share-based compensation costs and results from investments in associates

\(^2\) Reflecting new share count for 2020 figures after capital increase in Q2 2020
Operating cash flow, CAPEX – ams group
USDm, % of revenues

Operating cash flow

Capital expenditures
Cash and debt overview
USDm

<table>
<thead>
<tr>
<th></th>
<th>Gross debt</th>
<th>Cash &amp; short-term investments</th>
<th>Net debt</th>
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</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>2,566</td>
<td>892</td>
<td>1,674</td>
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<tr>
<td>Q2 2020</td>
<td>2,440</td>
<td>2,500</td>
<td>60</td>
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<tr>
<td>Q3 2020</td>
<td>3,951</td>
<td>1,464</td>
<td>2,487</td>
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<tr>
<td>Q4 2020</td>
<td>3,930</td>
<td>1,900</td>
<td>2,030</td>
</tr>
</tbody>
</table>

Financing highlights
- EUR 760m convertible bond issued
- All previous bridge facilities cancelled, EUR 450m repaid, new EUR 750m bridge facility agreed
- All OSRAM bank debt replaced by inter-company loan
ams business/OSRAM business
CY and Q4 2020 financial results
## Overview key financials – ams business

**USDm**

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<td></td>
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<td>-3%</td>
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<tr>
<td><strong>Gross margin</strong></td>
<td>40%</td>
<td>41%</td>
<td>42%</td>
<td>45%</td>
</tr>
<tr>
<td>(adjusted)(^1)</td>
<td>38%</td>
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<tr>
<td>(IFRS reported)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Result from operations</strong> (EBIT)</td>
<td>519</td>
<td>468</td>
<td>182</td>
<td>200</td>
</tr>
<tr>
<td>(adjusted)(^1)</td>
<td>300</td>
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<td><strong>Net result</strong></td>
<td>274</td>
<td>434</td>
<td>116</td>
<td>155</td>
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<td>(adjusted)(^1)</td>
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### Overview key financials – OSRAM business

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<th>Q4 2020 (OSRAM Q1)</th>
<th>H2 2020 (OSRAM Q4&amp;Q1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenues</strong></td>
<td>999</td>
<td>1,877</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>(adjusted)(^1)</td>
<td>30%</td>
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<tr>
<td></td>
<td>(IFRS reported)</td>
<td>27%</td>
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<td></td>
<td></td>
<td>24%</td>
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<tr>
<td></td>
<td></td>
<td>19%</td>
</tr>
<tr>
<td><strong>Result from operations (EBIT)</strong></td>
<td>(adjusted)(^1)</td>
<td>98</td>
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<tr>
<td></td>
<td>(IFRS reported)</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-136</td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td>(adjusted)(^1)</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>(IFRS reported)</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-7%</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>(adjusted)(^1)</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>(IFRS reported)</td>
<td>-13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-159</td>
</tr>
</tbody>
</table>

\(^1\) Excl. acquisition-related, one-time restructuring and share-based compensation costs and results from investments associates

\(^2\) OSRAM business figures are based on ams accounting principles and may deviate to OSRAM standalone financial reporting
ams

Thank you
# Profit and loss statement – ams group

**USDm**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>Q4 2020</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,169</td>
<td>2,243</td>
<td>1,679</td>
<td>705</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>1,232</td>
<td>860</td>
<td>538</td>
<td>297</td>
</tr>
<tr>
<td>• Gross margin (adjusted(^1))</td>
<td>33%</td>
<td>41%</td>
<td>35%</td>
<td>45%</td>
</tr>
<tr>
<td>• Gross margin (IFRS reported)</td>
<td>30%</td>
<td>38%</td>
<td>32%</td>
<td>42%</td>
</tr>
<tr>
<td><strong>Research and development</strong></td>
<td>-503</td>
<td>-311</td>
<td>-179</td>
<td>-69</td>
</tr>
<tr>
<td><strong>Selling, general and administrative</strong></td>
<td>-627</td>
<td>-208</td>
<td>-230</td>
<td>-55</td>
</tr>
<tr>
<td><strong>Other operating income/expenses</strong></td>
<td>68</td>
<td>52</td>
<td>27</td>
<td>45</td>
</tr>
<tr>
<td><strong>Result from operations (EBIT)</strong></td>
<td>164</td>
<td>391</td>
<td>153</td>
<td>216</td>
</tr>
<tr>
<td>• EBIT margin (adjusted(^1))</td>
<td>13%</td>
<td>21%</td>
<td>17%</td>
<td>28%</td>
</tr>
<tr>
<td>• EBIT margin (IFRS reported)</td>
<td>4%</td>
<td>17%</td>
<td>9%</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Net financing costs</strong></td>
<td>-259</td>
<td>-15</td>
<td>-67</td>
<td>-30</td>
</tr>
<tr>
<td><strong>Result before tax</strong></td>
<td>-95</td>
<td>376</td>
<td>85</td>
<td>186</td>
</tr>
<tr>
<td><strong>Income tax result</strong></td>
<td>-12</td>
<td>-19</td>
<td>-33</td>
<td>-14</td>
</tr>
<tr>
<td><strong>Net result (adjusted(^1))</strong></td>
<td>282</td>
<td>432</td>
<td>180</td>
<td>153</td>
</tr>
<tr>
<td><strong>Net result (IFRS reported)</strong></td>
<td>-104</td>
<td>357</td>
<td>52</td>
<td>171</td>
</tr>
</tbody>
</table>

\(^1\) Excl. acquisition-related, one-time restructuring and share-based compensation costs and results from investments associates
## Balance sheet – ams group

**USDm**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and short term invest.</td>
<td>1,900</td>
<td>595</td>
<td>Interest-bearing debt</td>
<td>282</td>
<td>930</td>
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<tr>
<td>Financial investments</td>
<td>23</td>
<td>0</td>
<td>Trade liabilities</td>
<td>648</td>
<td>161</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>739</td>
<td>240</td>
<td>Tax liabilities</td>
<td>16</td>
<td>23</td>
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<tr>
<td>Inventories</td>
<td>1,020</td>
<td>250</td>
<td>Provisions</td>
<td>515</td>
<td>134</td>
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<tr>
<td>Other current assets</td>
<td>201</td>
<td>154</td>
<td>Other liabilities</td>
<td>2,018</td>
<td>184</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>57</td>
<td>102</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>3,939</td>
<td>1,342</td>
<td><strong>Total current liabilities</strong></td>
<td>3,631</td>
<td>1,432</td>
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<tr>
<td>Fixed assets</td>
<td>2,306</td>
<td>1,344</td>
<td>Interest-bearing debt</td>
<td>3,648</td>
<td>1,547</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>4,819</td>
<td>1,342</td>
<td>Employee benefits</td>
<td>259</td>
<td>58</td>
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<tr>
<td>Right of use assets</td>
<td>344</td>
<td>146</td>
<td>Deferred tax liabilities</td>
<td>270</td>
<td>74</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>99</td>
<td>33</td>
<td>Long term provisions</td>
<td>53</td>
<td>16</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>197</td>
<td>10</td>
<td>Other liabilities</td>
<td>390</td>
<td>135</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>105</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term financial assets</td>
<td>44</td>
<td>1,054</td>
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</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>7,913</td>
<td>3,932</td>
<td><strong>Total non-current liabilities</strong></td>
<td>4,620</td>
<td>1,832</td>
</tr>
<tr>
<td>Shareholders’ equity ams</td>
<td></td>
<td></td>
<td>Shareholders’ equity ams</td>
<td>3,673</td>
<td>2,010</td>
</tr>
<tr>
<td>Equity minority interest</td>
<td></td>
<td></td>
<td>Equity minority interest</td>
<td>-72</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>11,852</td>
<td>5,274</td>
<td><strong>Total liabil. and equity</strong></td>
<td>11,852</td>
<td>5,274</td>
</tr>
</tbody>
</table>
## Cash flow statement – ams group

**USDm**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>Q4 2020</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result before tax</td>
<td>-95</td>
<td>376</td>
<td>82</td>
<td>186</td>
</tr>
<tr>
<td>Depreciation</td>
<td>690</td>
<td>333</td>
<td>231</td>
<td>87</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td>835</td>
<td>768</td>
<td>384</td>
<td>305</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>-211</td>
<td>-216</td>
<td>-65</td>
<td>-36</td>
</tr>
<tr>
<td>Acquisition of subsidiaries, net of cash acquired</td>
<td>-1,094</td>
<td>-10</td>
<td>-6</td>
<td>0</td>
</tr>
<tr>
<td>Acquisition/disposal financial investments</td>
<td>-526</td>
<td>-963</td>
<td>2</td>
<td>-783</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td>-1,776</td>
<td>-1,088</td>
<td>-71</td>
<td>-724</td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>359</td>
<td>680</td>
<td>145</td>
<td>303</td>
</tr>
<tr>
<td>Repayment of debt</td>
<td>-2,104</td>
<td>-284</td>
<td>-847</td>
<td>-144</td>
</tr>
<tr>
<td>Proceeds from issuance of senior notes/convertible bonds</td>
<td>2,369</td>
<td>0</td>
<td>893</td>
<td>0</td>
</tr>
<tr>
<td>Changes resulting from capital increase</td>
<td>1,962</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td>2,316</td>
<td>170</td>
<td>155</td>
<td>146</td>
</tr>
<tr>
<td><strong>Change in cash and cash equivalents</strong> (incl. effects of changes in foreign exchange rates)</td>
<td>1,318</td>
<td>-148</td>
<td>453</td>
<td>-356</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td>1,900</td>
<td>595</td>
<td>1,900</td>
<td>595</td>
</tr>
</tbody>
</table>
Appendix

ams business CY and Q4 2020 results
Revenues – ams business

USDm

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>2,243</td>
</tr>
<tr>
<td>2020</td>
<td>2,291</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>705</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>681</td>
</tr>
</tbody>
</table>

-3% growth in Q4 2020 compared to Q4 2019

+2% growth in 2020 compared to 2019
Gross profit, operating profit – ams business
USDm, % of revenues

Gross profit, gross margin (adj.)¹)

Operating profit (EBIT), EBIT margin (adj.)¹)

¹) Excl. acquisition-related, one-time restructuring and share-based compensation costs and results from investments in associates

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Page 42
Operating expenses – ams business
USDm, % of revenues

SG&A

R&D

Transaction related one-time expenses

© ams AG
Page 43
ams Hybrid manufacturing model

Differentiated internal manufacturing

Front-end CMOS, Austria
- 8” CMOS/specialty analog to 180nm, optical filters

Optical production/backend + VCSEL, Singapore
- Advanced optical assembly, optical components
- High performance optical systems, efficient large scale manufacturing
- 6” 2,000 wspm automotive-qualified VCSEL line

In-house test, Philippines/Singapore/Austria

Outsourced standard/volume manufacturing

Network of external partners
- High volume wafer sources, standard/semi-custom packaging
- External VCSEL supply chain for several VCSEL programs

Excellent 2020 manufacturing performance through Covid-19 challenges