

# Third Quarter Report 2021

Key figures USD millions (except earnings per share)	Q3 2021	Q3 2020	Q2 2021	9 months 2021	9 months 2020
Revenues	1,521	1,440	1,463	4,498	2,471
Gross margin in % (adjusted - see footnote 1)	34%	27%	33%	34%	32%
Result from operations (EBIT) (adjusted - see footnote 1)	157	63	128	454	268
EBIT margin in % (adjusted - see footnote 1)	10%	4%	9%	10%	11%
Net result (adjusted - see footnote 1)	12	12	82	182	102
Basic / diluted earnings per share in CHF <sup>2)</sup> (adjusted - see footnote 1)	0.02 / 0.02	0.08 / 0.05	0.29 / 0.29	0.66 / 0.65	0.51 / 0.48
Basic / diluted earnings per share in USD (adjusted - see footnote 1)	0.02 / 0.02	0.09 / 0.05	0.31 / 0.31	0.71 / 0.71	0.56 / 0.53
Net debt	2,194	2,483	2,252	2,194	2,483

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

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

## Robust third quarter results delivering strong profitability and operating cash flow amid demanding supply chain environment and continuing market imbalances

### Report to shareholders on the third quarter 2021

- Portfolio re-alignment continues with smaller-scale disposal of building-related systems completed and larger-scale disposal at late stage of process
- Synergy creation and integration programs progressing to plan
- Delisting of OSRAM Licht AG (“OSRAM”) share completed

#### Ladies and Gentlemen

Our business performed well in the third quarter and delivered results clearly above the midpoint or near the upper end of our guidance. Despite continuing supply chain imbalances, our automotive business was strong while our consumer business contributed attractively in line with previous expectations. At the same time, we continue to move ahead in re-aligning and shaping our future portfolio. We closed a smaller-scale disposal for building-related systems in October and are in the late stage of a larger-scale disposal. Moreover, the joint venture between OSRAM and Continental has been dissolved which is another important step to streamline our business profile. These successes demonstrate our full focus on implementing portfolio alignments timely and as communicated. We completed the delisting of the OSRAM share at the end of the quarter which further simplifies our corporate structure. We are also pleased with the development of our integration and synergy creation programs which are progressing in line with plans and towards our targets.

We see ongoing tightness in chip supply and imbalances in supply chains, particularly in the automotive market. This is introducing revenue volatility into automotive supply chains as component shortages trigger lower production volumes at automotive OEMs. We expect that these imbalances will persist well into the coming year and continue to be accompanied by tighter availability of certain materials and supplies. Where possible we aim to factor higher sourcing costs into future customer pricing. We continue to see revenue drivers in automotive and industrial lighting and consumer optical solutions in areas like display management and camera enhancement in the coming quarters. At the same time, we invest into our technology roadmaps for mid- and long-term growth markets in display and visualization, differentiated illumination and advanced sensing. This includes focused equipment investments to improve capacity and enable new products.

#### Financial results

Third quarter group revenues were USD 1,521 million, up 4% sequentially compared to the second quarter 2021 and up 6% compared to same quarter 2020. Adjusted<sup>1</sup> group gross margin for the third quarter 2021 was 34%, up from 33% for the second quarter 2021 and up from 27% for the same quarter 2020.

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

The adjusted<sup>1</sup> group result from operations (EBIT) was USD 157 million or 10% of revenues for the third quarter compared up from USD 128 million or 9% for the second quarter and USD 63 million or 4% of revenues for the same period 2020 (unadjusted: USD 97 million or 6% of revenues for the third quarter). Adjusted<sup>1</sup> group net income was USD 12 million for the third quarter compared to USD 82 million for the second quarter and unchanged compared to USD 12 million for the same quarter 2020 (unadjusted: USD -48 million for the third quarter). Adjusted<sup>1</sup> diluted earnings per share<sup>2</sup> for the third quarter were USD 0.02 or CHF 0.02 (unadjusted: USD -0.21 or CHF -0.19).

The group operating cash flow for the third quarter was robust at USD 255 million while group free cash flow reached USD 147 million. Group net debt was USD 2,194 million on 30 September 2021, translating into a group leverage of 1.7x net debt/adjusted<sup>1</sup> EBITDA. Cash and cash equivalents stood at USD 1,533 million on 30 September 2021.

## Business development

Our Semiconductors segment contributed strongly to group performance generating 67% of revenues in the third quarter, combined with a healthy adjusted operating margin of 13%. In this segment, the automotive market area recorded very positive results driven by available backlog. The consumer market area showed a solid development in line with expectations driven by optical sensing solutions for multiple applications. The industrial and medical market areas performed well as the attractive demand momentum in industrial lighting continues across established and emerging markets. Medical and other imaging product lines developed positively in the quarter. We pursue development activities for future optical solutions including light sensing, new LED technologies and 3D technologies such as camera enhancement, display management, AR and 3D applications, LED-based visualization, UV-C LED and advanced LED front lighting.

Our Lamps & Systems (L&S) segment showed an overall positive development in the third quarter contributing 33% of revenues. The L&S automotive business including traditional markets performed well, reflecting typical seasonality and robust demand across channels. Market traction for LED retrofit solutions continues to increase. The other areas of the L&S business recorded good demand for industrial, building-related and medical applications while demand in lagging industrial markets is showing first signs of improvement.

We have discontinued using the advisory services of former ams CFO Michael Wachsler as we have very recently been informed of an ongoing investigation of Mr. Wachsler conducted by Austrian authorities. This is related to private securities transactions allegedly assigned to Mr. Wachsler and two former employees of ams. The Supervisory Board of ams AG has acknowledged Mr. Wachsler's decision not to stand as a candidate for this Supervisory Board. Mr. Wachsler stepped down as CFO of ams effective May 2020. The company itself is not a subject of this investigation or related allegations. We are fully cooperating with the relevant authorities and have initiated an internal investigation into the matter. We are not able to comment further on ongoing investigations.

## Outlook

For the fourth quarter 2021, we expect group revenues of USD 1,360-1,460 million - which exclude the disposed revenues of the DS North America and connected building applications businesses and

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

<sup>2</sup> Based on 261,215,988 basic / 261,489,566 diluted shares

deconsolidated revenues from the dissolved joint venture - and an expected adjusted operating (EBIT) margin of 8-11%, based on currently available information and exchange rates. The outlook reflects the above-mentioned disposal and deconsolidation effects as well as near term supply chain volatilities in the automotive market due to constrained end-to-end supply situations and lower production volumes at multiple OEMs, irrespective of an overall positive backlog situation. The outlook also reflects an unfavorable exchange rate development and a decreased year-on-year contribution from the consumer market in line with previous comments and expectations. On a like-for-like revenue basis to the third quarter without deconsolidation effects, expected fourth quarter group revenues would be USD 1,405-1,505 million.

## Consolidated Income Statement

(unaudited)

USD millions (except earnings per share)	Q3 2021	9 months 2021	Q3 2020	9 months 2020
<b>Revenues</b>	<b>1,521</b>	<b>4,498</b>	<b>1,440</b>	<b>2,471</b>
Cost of sales	-1,037	-3,249	-1,135	-1,783
<b>Gross profit</b>	<b>484</b>	<b>1,249</b>	<b>307</b>	<b>688</b>
Gross margin in %	32%	28%	21%	28%
Research and development	-184	-578	-178	-321
Selling, general and administrative	-202	-668	-255	-393
Other operating income	34	85	35	43
Other operating expense	-29	-37	-2	-2
Result from equity investments	-5	-14	-2	-2
<b>Result from operations</b>	<b>97</b>	<b>36</b>	<b>-94</b>	<b>12</b>
Net financing result	-69	-176	-78	-190
<b>Result before tax (contin. operations)</b>	<b>28</b>	<b>-140</b>	<b>-172</b>	<b>-179</b>
Income tax result	-76	-96	25	21
<b>Net result (continuing operations)</b>	<b>-48</b>	<b>-236</b>	<b>-148</b>	<b>-158</b>
Results from discontinued operations	0	-1	2	2
<b>Net result</b>	<b>-48</b>	<b>-237</b>	<b>-144</b>	<b>-155</b>
Thereof non-controlling interests	7	-2	-43	-43
Thereof ams shareholders	-55	-235	-102	-112
Basic earnings per share in CHF <sup>1)</sup>	-0.19	-0.83	-0.36	-0.51
Diluted earnings per share in CHF <sup>1)</sup>	-0.19	-0.83	-0.38	-0.51
Basic earnings per share in USD	-0.21	-0.90	-0.39	-0.57
Diluted earnings per share in USD	-0.21	-0.90	-0.43	-0.57
<b>Basic earnings per share in CHF <sup>1)</sup> (continuing operations)</b>	<b>-0.19</b>	<b>-0.83</b>	<b>-0.37</b>	<b>-0.52</b>
<b>Diluted earnings per share in CHF <sup>1)</sup> (continuing operations)</b>	<b>-0.19</b>	<b>-0.83</b>	<b>-0.39</b>	<b>-0.52</b>
<b>Basic earnings per share in USD (continuing operations)</b>	<b>-0.21</b>	<b>-0.90</b>	<b>-0.40</b>	<b>-0.58</b>
<b>Diluted earnings per share in USD (continuing operations)</b>	<b>-0.21</b>	<b>-0.90</b>	<b>-0.44</b>	<b>-0.58</b>
Number of shares basic (in million)	261.2	261.1	260.6	200.0
Number of shares diluted (in million)	261.5	261.7	265.5	205.5

<sup>1)</sup> Earnings per share in CHF were converted using the average currency exchange rate for the respective period.

## Consolidated Balance Sheet

(unaudited)

USD millions	September 30, 2021	December 31, 2020
<b>Assets</b>		
Cash and cash equivalents	1,533	1,886
Trade receivables	826	733
Inventories	978	1,013
Other receivables and assets	271	200
Short-term investments	19	22
Assets held for sale	232	57
<b>Total current assets</b>	<b>3,860</b>	<b>3,911</b>
Property, plant and equipment	1,881	2,288
Intangible assets	4,733	4,783
Right of use assets	298	341
Investments in associates	81	89
Deferred tax assets	157	195
Other long term assets	147	128
Financial assets	37	30
<b>Total non-current assets</b>	<b>7,333</b>	<b>7,854</b>
<b>Total assets</b>	<b>11,192</b>	<b>11,763</b>
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Short-term interest-bearing loans and borrowings	565	280
Trade payables	791	643
Income tax payables	136	123
Current Provisions	424	404
Other current liabilities	1,538	2,002
Liabilities associated with assets held for sale	182	150
<b>Total current liabilities</b>	<b>3,635</b>	<b>3,603</b>
Interest-bearing loans and borrowings	3,162	3,620
Employee benefits	217	257
Deferred tax liabilities	243	268
Provisions	52	52
Other liabilities	531	387
<b>Total non-current liabilities</b>	<b>4,205</b>	<b>4,586</b>
<b>Equity</b>		
Issued capital	324	324
Additional paid-in capital	2,313	2,569
Treasury shares	-145	-150
Retained earnings	18	1,092
Other components of equity	900	-190
<b>Total equity attributable to shareholders of ams AG</b>	<b>3,410</b>	<b>3,646</b>
Non-controlling interests	-59	-72
<b>Total equity</b>	<b>3,352</b>	<b>3,574</b>
<b>Total liabilities and equity</b>	<b>11,192</b>	<b>11,763</b>

## Consolidated Statement of Cash Flows

(unaudited)

USD millions	Q3 2021	9 months 2021	Q3 2020	9 months 2020
<b>Operating activities</b>				
Net income (loss)	-48	-237	-144	-155
<i>Adjustments to reconcile net income (loss) to cash provided/used</i>	0	0	0	0
Income (loss) from discontinued operations, net of tax	0	1	-3	-3
Amortization, depreciation, and impairment	148	693	277	455
Expenses from stock option plans (acc. to IFRS 2)	12	38	21	60
Income taxes	76	96	-25	-21
Net financial result	69	176	78	190
Other non-cash (income) expenses	-3	-1	13	13
(Gains) losses on sales and disposals of businesses, intangible assets, and property, plant, and equipment, net	-2	-31	1	1
Result from sale of financial assets	0	0	0	0
(Gains) losses on investments accounted for using the equity method	3	9	2	3
Change in current assets and liabilities	0	0	0	0
<i>(Increase) decrease in inventories</i>	20	-38	74	59
<i>(Increase) decrease in trade receivables</i>	-13	-64	-53	55
<i>(Increase) decrease in other current assets</i>	-37	-41	23	-42
<i>Increase (decrease) in trade payables</i>	8	150	-124	-113
<i>Increase (decrease) in current provisions</i>	-9	-29	12	-4
<i>Increase (decrease) in other current liabilities</i>	60	79	4	24
Change in other assets and liabilities	-11	-1	-61	-62
Income taxes paid	-20	-81	-9	-9
Dividends received	0	0	0	0
Interest received	1	3	1	4
<b>Cash flows from operating activities (continuing operations)</b>	<b>255</b>	<b>723</b>	<b>86</b>	<b>454</b>
Cash flows from operating activities discontinued operations	0	0	-2	-2
<b>Cash flows operating activities</b>	<b>255</b>	<b>723</b>	<b>84</b>	<b>452</b>
<b>Investing activities</b>				
Additions to intangible assets and property, plant, and equipment	-108	-255	-84	-145
Acquisitions, net of cash and cash equivalents acquired	-10	-532	-1,386	-1,386
Purchases of investments	-1	-12	-1	-214
Proceeds and payments from sales of investments, intangible assets, and property, plant, and equipment	2	12	2	2
Proceeds and payments from sales of business activities, net of cash and cash equivalents disposed of	45	136	0	49
<b>Cash flows from investing activities (continuing operations)</b>	<b>-73</b>	<b>-652</b>	<b>-1,469</b>	<b>-1,694</b>
Cash flows from investing activities discontinued operations	0	0	0	0
<b>Cash flows from investing activities</b>	<b>-73</b>	<b>-652</b>	<b>-1,469</b>	<b>-1,694</b>

# Third Quarter Report

## 2021



<b>Financing activities</b>				
Payments from capital increases in subsidiaries with minority interests	0	15	0	0
Purchase of common stock of company	0	-1	0	-150
Proceeds from issuance of long-term debt	0	0	1,465	1,465
Proceeds from loans	1	114	103	213
Repayment of convertible notes	0	-20	0	0
Repayment of loans	-137	-337	-1,085	-1,248
Repayment of lease liabilities	-23	-63	-17	-29
Sale of treasury shares	1	6	1	167
Interest paid	-59	-146	-14	-36
Transaction costs from loans and borrowing	0	0	-51	-177
Dividends paid	0	-1	-2	-2
Changes resulting from capital increase	0	0	0	1,947
<b>Cash flows from financing activities (continuing operations)</b>	<b>-218</b>	<b>-432</b>	<b>401</b>	<b>2,149</b>
Cash flows from financing activities (discontinued operations)	0	0	0	0
<b>Cash flows from financing activities</b>	<b>-218</b>	<b>-432</b>	<b>401</b>	<b>2,149</b>
Effects of changes in foreign exchange rates on cash and cash equivalents	9	31	-47	-48
<b>Change in cash and cash equivalents</b>	<b>-27</b>	<b>-330</b>	<b>-1,032</b>	<b>859</b>
Cash and cash equivalents at the begin of period	1,597	1,899	2,482	591
<b>Cash and cash equivalents at end of period</b>	<b>1,570</b>	<b>1,570</b>	<b>1,450</b>	<b>1,450</b>
Less: Cash and cash equivalent of assets held for sale at the end of reporting period	37	37	11	11
<b>Cash and cash equivalents at end of period (continuing operations)</b>	<b>1,533</b>	<b>1,533</b>	<b>1,439</b>	<b>1,439</b>



## Reconciliation from adjusted figures to reported figures

USD millions	Q3 2021	9 months 2021	Q3 2020	9 months 2020
<b>Gross profit – adjusted</b>	<b>514</b>	<b>1,526</b>	<b>384</b>	<b>792</b>
M&A related costs (information - see footnote 1)	-24	-72	-32	-55
Share-based compensation	-1	-2	-4	-7
Transformation costs	-5	-25	-42	-42
Asset restructuring	0	-179	0	0
<b>Gross profit – IFRS reported</b>	<b>484</b>	<b>1,249</b>	<b>306</b>	<b>688</b>
Gross margin in % – adjusted	34%	34%	27%	32%
Gross margin in % – IFRS reported	32%	28%	21%	28%
<b>Operating expenses – adjusted</b>	<b>-357</b>	<b>-1,072</b>	<b>-322</b>	<b>-524</b>
M&A related costs (information - see footnote 1)	-38	-94	-49	-86
Share-based compensation	-11	-37	-17	-53
Result from the sale of a business	19	43	0	0
Transformation costs	6	-39	-11	-11
Result from equity investments	-5	-14	-2	-3
<b>Operating expenses – reported</b>	<b>-387</b>	<b>-1,213</b>	<b>-401</b>	<b>-677</b>
<b>Result from operations – adjusted</b>	<b>157</b>	<b>454</b>	<b>63</b>	<b>268</b>
M&A related costs (information - see footnote 1)	-62	-166	-81	-140
Share-based compensation	-12	-39	-21	-60
Transformation costs	0	-64	-54	-54
Asset restructuring	0	-179	0	0
Result from the sale of a business	19	43	0	0
Result from equity investments	-5	-14	-2	-3
<b>Result from operations – IFRS reported</b>	<b>97</b>	<b>36</b>	<b>-95</b>	<b>11</b>
Operating margin in % – adjusted	10%	10%	4%	11%
Operating margin in % – reported	6%	1%	-7%	0%
<b>Result from operations – adjusted</b>	<b>157</b>	<b>454</b>	<b>63</b>	<b>268</b>
Net financing result	-69	-176	-78	-190
Income tax result	-76	-96	25	21
<b>Net result adjusted (continuing operations)</b>	<b>12</b>	<b>182</b>	<b>10</b>	<b>99</b>
Results from discontinued operations	0	-1	2	2
<b>Net result - adjusted</b>	<b>12</b>	<b>182</b>	<b>12</b>	<b>102</b>
<b>Basic adjusted earnings per share (in USD)</b>	<b>0.02</b>	<b>0.71</b>	<b>0.11</b>	<b>0.58</b>

<sup>1)</sup> M&A related costs includes depreciation and amortization of purchase price allocated assets, integration, carve-out and acquisition related costs

## **Financial statements in EUR**

## Consolidated Income Statement

(unaudited)

EUR millions (except earnings per share)	Q3 2021	9 months 2021	Q3 2020	9 months 2020
<b>Revenues</b>	<b>1,288</b>	<b>3,809</b>	<b>1,220</b>	<b>2,093</b>
Cost of sales	-878	-2,752	-961	-1,510
<b>Gross profit</b>	<b>410</b>	<b>1,057</b>	<b>260</b>	<b>583</b>
Gross margin in %	32%	28%	21%	28%
Research and development	-156	-490	-151	-272
Selling, general and administrative	-171	-566	-216	-333
Other operating income	28	72	30	36
Other operating expense	-24	-32	-2	-2
Result from equity investments	-5	-12	-2	-2
<b>Result from operations</b>	<b>83</b>	<b>30</b>	<b>-80</b>	<b>10</b>
Net financing result	-59	-149	-66	-161
<b>Result before tax (contin. operations)</b>	<b>24</b>	<b>-119</b>	<b>-146</b>	<b>-152</b>
Income tax result	-64	-81	21	18
<b>Net result (continuing operations)</b>	<b>-40</b>	<b>-200</b>	<b>-125</b>	<b>-134</b>
Results from discontinued operations	0	0	2	2
<b>Net result</b>	<b>-40</b>	<b>-200</b>	<b>-122</b>	<b>-131</b>
Thereof non-controlling interests	6	-2	-36	-36
Thereof ams shareholders	-46	-199	-86	-95
Basic earnings per share in CHF <sup>1)</sup>	-0.19	-0.83	-0.36	-0.51
Diluted earnings per share in CHF <sup>1)</sup>	-0.19	-0.83	-0.38	-0.51
Basic earnings per share in EUR	-0.18	-0.76	-0.33	-0.48
Diluted earnings per share in EUR	-0.18	-0.76	-0.36	-0.48
<b>Basic earnings per share in CHF <sup>1)</sup></b> (continuing operations)	<b>-0.19</b>	<b>-0.83</b>	<b>-0.37</b>	<b>-0.52</b>
<b>Diluted earnings per share in CHF <sup>1)</sup></b> (continuing operations)	<b>-0.19</b>	<b>-0.83</b>	<b>-0.39</b>	<b>-0.52</b>
<b>Basic earnings per share in EUR</b> (continuing operations)	<b>-0.18</b>	<b>-0.76</b>	<b>-0.34</b>	<b>-0.49</b>
<b>Diluted earnings per share in EUR</b> (continuing operations)	<b>-0.18</b>	<b>-0.76</b>	<b>-0.37</b>	<b>-0.49</b>
Number of shares basic (in million)	261.2	261.1	260.6	200.0
Number of shares diluted (in million)	261.5	261.7	265.5	205.5

<sup>1)</sup> Earnings per share in CHF were converted using the average currency exchange rate for the respective periods.

## Consolidated Balance Sheet

(unaudited)

EUR millions	September 30, 2021	December 31, 2020
<b>Assets</b>		
Cash and cash equivalents	1,298	1,597
Trade receivables	700	621
Inventories	829	858
Other receivables and assets	230	169
Short-term investments	16	19
Assets held for sale	196	48
<b>Total current assets</b>	<b>3,269</b>	<b>3,312</b>
Property, plant and equipment	1,593	1,938
Intangible assets	4,008	4,051
Right of use assets	252	289
Investments in associates	69	75
Deferred tax assets	133	165
Other long term assets	124	108
Financial assets	31	25
<b>Total non-current assets</b>	<b>6,210</b>	<b>6,652</b>
<b>Total assets</b>	<b>9,479</b>	<b>9,963</b>
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Short-term interest-bearing loans and borrowings	478	237
Trade payables	670	545
Income tax payables	115	104
Current Provisions	359	342
Other current liabilities	1,302	1,696
Liabilities associated with assets held for sale	154	127
<b>Total current liabilities</b>	<b>3,079</b>	<b>3,052</b>
Interest-bearing loans and borrowings	2,678	3,066
Employee benefits	183	218
Deferred tax liabilities	206	227
Provisions	44	44
Other liabilities	450	328
<b>Total non-current liabilities</b>	<b>3,561</b>	<b>3,884</b>
<b>Equity</b>		
Issued capital	274	274
Additional paid-in capital	1,959	2,176
Treasury shares	-122	-127
Retained earnings	15	925
Other components of equity	762	-161
<b>Total equity attributable to shareholders of ams AG</b>	<b>2,888</b>	<b>3,088</b>
Non-controlling interests	-50	-61
<b>Total equity</b>	<b>2,839</b>	<b>3,027</b>
<b>Total liabilities and equity</b>	<b>9,479</b>	<b>9,963</b>

## Consolidated Statement of Cash Flows

(unaudited)

EUR millions	Q3 2021	9 months 2021	Q3 2020	9 months 2020
<b>Operating activities</b>				
Net income (loss)	-40	-200	-122	-131
<i>Adjustments to reconcile net income (loss) to cash provided/used</i>				
Income (loss) from discontinued operations, net of tax	0	0	-2	-2
Amortization, depreciation, and impairment	126	587	235	386
Expenses from stock option plans (acc. to IFRS 2)	10	32	18	51
Income taxes	64	81	-21	-18
Net financial result	59	149	66	161
Other non-cash (income) expenses	-2	-1	11	11
(Gains) losses on sales and disposals of businesses, intangible assets, and property, plant, and equipment, net	-2	-26	1	0
Result from sale of financial assets	0	0	0	0
(Gains) losses on investments accounted for using the equity method	2	7	2	2
Change in current assets and liabilities				
<i>(Increase) decrease in inventories</i>	17	-32	63	50
<i>(Increase) decrease in trade receivables</i>	-11	-54	-45	47
<i>(Increase) decrease in other current assets</i>	-32	-34	19	-36
<i>Increase (decrease) in trade payables</i>	7	127	-105	-96
<i>Increase (decrease) in current provisions</i>	-8	-24	10	-3
<i>Increase (decrease) in other current liabilities</i>	51	67	3	20
Change in other assets and liabilities	-9	-1	-52	-53
Income taxes paid	-17	-69	-7	-8
Dividends received	0	0	0	0
Interest received	1	2	1	4
<b>Cash flows from operating activities (continuing operations)</b>	<b>216</b>	<b>612</b>	<b>73</b>	<b>385</b>
Cash flows from operating activities discontinued operations	0	0	-2	-2
<b>Cash flows operating activities</b>	<b>216</b>	<b>612</b>	<b>71</b>	<b>383</b>
<b>Investing activities</b>				
Additions to intangible assets and property, plant, and equipment	-92	-216	-71	-123
Acquisitions, net of cash and cash equivalents acquired	-9	-451	-1,174	-1,174
Purchases of investments	-1	-10	0	-181
Proceeds and payments from sales of investments, intangible assets, and property, plant, and equipment	2	10	2	2
Proceeds and payments from sales of business activities, net of cash and cash equivalents disposed of	38	115	0	41
<b>Cash flows from investing activities (continuing operations)</b>	<b>-62</b>	<b>-552</b>	<b>-1,244</b>	<b>-1,435</b>
Cash flows from investing activities discontinued operations	0	0	0	0
<b>Cash flows from investing activities</b>	<b>-62</b>	<b>-552</b>	<b>-1,244</b>	<b>-1,435</b>

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<b>Financing activities</b>				
Payments from capital increases in subsidiaries with minority interests	0	13	0	0
Purchase of common stock of company	0	-1	0	-127
Proceeds from issuance of long-term debt	0	0	1,241	1,241
Proceeds from loans	1	97	88	180
Repayment of convertible notes	0	-17	0	0
Repayment of loans	-116	-285	-919	-1,057
Repayment of lease liabilities	-20	-53	-14	-25
Sale of treasury shares	1	5	1	141
Interest paid	-50	-123	-12	-30
Transaction costs from loans and borrowing	0	0	-43	-150
Dividends paid	0	-1	-2	-2
Changes resulting from capital increase	0	0	0	1,649
<b>Cash flows from financing activities (continuing operations)</b>	<b>-184</b>	<b>-366</b>	<b>340</b>	<b>1,820</b>
Cash flows from financing activities (discontinued operations)	0	0	0	0
<b>Cash flows from financing activities</b>	<b>-184</b>	<b>-366</b>	<b>340</b>	<b>1,820</b>
Effects of changes in foreign exchange rates on cash and cash equivalents	7	26	-40	-41
<b>Change in cash and cash equivalents</b>	<b>-23</b>	<b>-279</b>	<b>-874</b>	<b>728</b>
Cash and cash equivalents at the begin of period	1,352	1,609	2,102	500
<b>Cash and cash equivalents at end of period</b>	<b>1,329</b>	<b>1,329</b>	<b>1,228</b>	<b>1,228</b>
Less: Cash and cash equivalent of assets held for sale at the end of reporting period	31	31	9	9
<b>Cash and cash equivalents at end of period (continuing operations)</b>	<b>1,298</b>	<b>1,298</b>	<b>1,219</b>	<b>1,219</b>

## Reconciliation from adjusted figures to reported figures according to IFRS

EUR millions	Q3 2021	9 months 2021	Q3 2020	9 months 2020
<b>Gross profit – adjusted</b>	<b>436</b>	<b>1,293</b>	<b>326</b>	<b>671</b>
M&A related costs (information - see footnote 1)	-21	-61	-27	-46
Share-based compensation	-1	-1	-3	-6
Transformation costs	-4	-21	-36	-36
Asset restructuring	0	-152	0	0
<b>Gross profit – IFRS reported</b>	<b>410</b>	<b>1,057</b>	<b>260</b>	<b>583</b>
Gross margin in % – adjusted	34%	34%	27%	32%
Gross margin in % – IFRS reported	32%	28%	21%	28%
<b>Operating expenses – adjusted</b>	<b>-303</b>	<b>-908</b>	<b>-273</b>	<b>-444</b>
M&A related costs (information - see footnote 1)	-32	-80	-41	-73
Share-based compensation	-9	-32	-15	-45
Result from the sale of a business	16	37	0	0
Transformation costs	5	-33	-10	-10
Result from equity investments	-5	-12	-2	-2
<b>Operating expenses – reported</b>	<b>-327</b>	<b>-1,027</b>	<b>-340</b>	<b>-573</b>
<b>Result from operations – adjusted</b>	<b>133</b>	<b>384</b>	<b>53</b>	<b>227</b>
M&A related costs (information - see footnote 1)	-53	-141	-68	-119
Share-based compensation	-10	-33	-18	-51
Transformation costs	0	-54	-45	-45
Asset restructuring	0	-152	0	0
Result from the sale of a business	16	37	0	0
Result from equity investments	-5	-12	-2	-2
<b>Result from operations – IFRS reported</b>	<b>83</b>	<b>30</b>	<b>-80</b>	<b>10</b>
<b>Operating margin in % – adjusted</b>	<b>10%</b>	<b>10%</b>	<b>4%</b>	<b>11%</b>
Operating margin in % – reported	6%	1%	-7%	0%
<b>Result from operations – adjusted</b>	<b>133</b>	<b>384</b>	<b>53</b>	<b>227</b>
Net financing result	-59	-149	-66	-161
Income tax result	-64	-81	21	18
<b>Net result adjusted (continuing operations)</b>	<b>10</b>	<b>154</b>	<b>8</b>	<b>84</b>
Results from discontinued operations	0	0	2	2
<b>Net result - adjusted</b>	<b>10</b>	<b>154</b>	<b>10</b>	<b>86</b>
<b>Basic adjusted earnings per share (in EUR)</b>	<b>0,02</b>	<b>0,60</b>	<b>0,09</b>	<b>0,49</b>

<sup>1)</sup> M&A related costs includes depreciation and amortization of purchase price allocated assets, integration, carve-out and acquisition related costs

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This report is also available in German. All figures are unaudited.