Half Year Report 2024

Key figures EUR millions (except earnings per share)	Q2 2024	Q2 2023	Q1 2024	1st Half 2024	1st Half 2023
Revenues	**819**	851	847	**1,665**	1,778
Gross margin in % (adjusted - see footnote 1)	**30%**	28%	28%	**29%**	29%
Result from operations (EBIT) (adjusted – see footnote 1)	**56**	50	44	**99**	100
EBIT margin in % (adjusted – see footnote 1)	**6.8%**	5.9%	5.2%	**6.0%**	6%
EBITDA adj.	**135**	143	124	**259**	294
EBITDA margin adj.	**16.5%**	16.8%	14.6%	**15.5%**	16.5%
Net result (adjusted – see footnote 1)	**-1**	31	-35	**-36**	37
Basic / diluted earnings per share in CHF [2) 3)] (adjusted – see footnote 1)	**0.0/0.0**	0.12 / 0.12	-0.03 / -0.03	**-0.03 / -0.03**	0.14 / 0.14
Basic / diluted earnings per share in EUR [3)] (adjusted – see footnote 1)	**0.0/0.0**	0.12/ 0.12	-0.04 / -0.04	**-0.04 / -0.04**	0.14 / 0.14
Operating cash flow (see footnote 3)	**55**	202	55	**110**	318
Net debt	**1,576**	2,034	1,399	**1,576**	2,034
Net debt (incl. SLB) (see footnote 4)	**1,977**	2,034	1,793	**1,977**	2,034

[1)] Excluding M&A-related, transformation and share-based compensation costs as well as results from investments in associates and sale of businesses
[2)] Earnings per share in CHF were converted using the average currency exchange rate for the respective periods
[3)] Earnings per share are not comparable between the years due to the capital increase on December 7, 2023 whereby additional 724,154,662 shares were issued.
[4)] From Q1 2024, operating CF includes net interest paid. Comparative period was reclassified accordingly.
[5)] Incl. EUR 401m equivalent from SLB Malaysia transaction closed in December 2023

ams OSRAM delivers solid revenues in Q2 and continues turn-around with profitability at the upper end of the guided range

Report to shareholders on the second quarter and first half of 2024

- **Q2/24:** revenues EUR 819 m and adj. EBITDA EUR 135m (16.5%)
- **H1/24:** first half revenues of EUR 1.665m and adjusted EBITDA of EUR 259m (15.5%)
- Implementation of **Re-establish-the-Base program** progressing well, ca. **EUR 60m savings** realized to date
- **Adjustment of microLED strategy** incl. restructuring of development activities and intended exit of Kulim 8-inch facility after cancellation of cornerstone project
- **Design-win momentum** for long-term structural growth continuing, **around EUR 2.5 bn (life-time-value)** design-wins in H1/2024

Ladies and Gentlemen

Second quarter revenues came in essentially at the mid-point of the guided range, driven by structural growth in automotive semiconductors, stabilization in some industrial markets and the typical annual seasonality of the automotive lamps business despite an overall difficult market environment. Profitability came in at the upper end of our guidance range with cost improvements from our 'Re-stablish-the-Base' program gradually materializing.

Key developments in the first half of 2024

Looking at the demand situation for semiconductors first. Automotive markets for our products were stable during the first half of 2024. Also demand from Android smartphone makers came back finally after a relatively long correction cycle. However, certain industrial markets, such as industrial automation, went into a full inventory correction cycle, such that demand from industrial markets was very weak with a few exceptions (e.g. normal demand from professional illumination markets). We also noted the onset of an inventory correction In the CT scanning equipment market, which is a consequence of an elevated ordering during the Covid-19 pandemics, leading to high inventories at some of our key customers in that segment.

Within the Lamps & Systems business segment, the automotive lamps business developed as expected in line with typical seasonal trends. However, industrial end-markets in the industrial and entertainment lamps sector were weak as well, e.g. demand for high-performance lamps for semiconductor production equipment remained subdued.

Restructuring of microLED development

On February 28th, 2024, the company announced that a lead-customer had stopped the cornerstone microLED development project. The company started restructuring its microLED related development activities in both Malaysia and Germany to a remaining minimum core development for mainly proprietary use in future automotive products. In total, more than 500 employees at the respective sites combined are affected. Some freed-up resources are reallocated to further strengthen the company's market leadership position in the automotive LED market, which is poised to become the single largest segment in the LED market according to latest market research. This new view of the market also suggests that the superior features of advanced, high-performance microLED based displays will primarily play a role in several smaller applications that also will scale slower and later than expected previously.

The stop of the cornerstone project will incur one-time cost of up to EUR 680 million. The company booked EUR 513 million of non-cash impairment for equipment and capitalized project-specific research & development expenses and EUR 119 million of transformation costs for adjusting its microLED strategy, such as cancellation fees and deinstallation cost in Q1/24. In Q2/24 based on ongoing negotiations and re-uses of equipment estimations, the company recorded a EUR 7 million gain due to a reversal of provisions. For the remainder of the year, potentially up to EUR 50 million of further transformation costs may still come due when adjusting the development set-up for microLED.

The company is also pursuing to exit the Sale-and-Lease-Back (SLB) contract for its state-of-the-art Kulim-8-inch factory to a new lessee with high priority. The intended exit is being pursued in close alignment with the SLB investors. With this step the company intends to reduce its long-term debt by around EUR 400 million (recorded under 'other financial non-current liabilities'), significantly reduce its net-debt position and eliminate the related future lease payments.

For 2025, the company expects upon implementation of these decisions significant improvements of cash flow of more than EUR 100 million and adjusted EBIT of around EUR 100 million, respectively, which is to be seen in comparison to a continuation of the cornerstone project according to the previous plan.

Re-stablish-the-Base program

A year ago, on 27 July 27 2023, the company announced its strategic efficiency program 'Re-establish-the-Base' which was aimed at focusing the company on its profitable, structurally growing core. It targeted EUR 75 million run-rate savings by end of FY2024 and EUR 150 million run-rate savings by end of FY2025 compared to FY2023 actuals.

To date, the company has realized around EUR 60 million savings, fully on track to reach the EUR 75 million run-rate savings end of FY24. Recent implementation successes are especially evident when looking at the profitability improvement of the segment CSA.

Besides substantial cost optimization, significant progress was made in addressing the company's non-core semiconductor portfolio which had 2023 revenues of around EUR 300 to 400 million.

With Q1/24 results, the company announced to optimize and focus its CMOS Imaging Sensor business on medical and industrial applications for growth and profitability. Development activities that had been targeting future consumer applications have been restructured. Consequently, revenues in the order of EUR 50 million to EUR 100 million per annum will remain part of the group and its long-term planning.

On 7 May 2024, ams OSRAM signed an agreement with Focuslight Technologies Inc., a fast-growing company in optical technologies, headquartered in Xi'an (China) and listed on the stock exchange in Shanghai (China), for the sale of relevant assets of its passive optical components business. Focuslight Technologies Inc. agreed to acquire those assets for EUR 45 million in cash. The transaction is subject to closing conditions which include approvals by the Chinese regulatory authorities for example. It is expected to close in the third quarter 2024.

Financial results

Quarterly financial summary

EUR millions (except per share data)	Q2 2024	Q1 2024	QoQ	Q2 2023	YoY
Revenues	**819**	**847**	-4%	851	-3%
Gross Margin adj.	**29.7%**	28.4%	+130 bps	27.8%	+190 bps
Operating income (EBIT) adj.[1]	**56**	**44**	+27%	50	+12%
Operating margin (EBIT) adj.[1]	**6.8%**	**5.2%**	+160 bps	5.9%	+90 bps
EBITDA adj.	**135**	**124**	+9%	143	-6%
EBITDA margin adj.	**16.5%**	**14.6%**	+190 bps	16.8%	-30 bps
Net result adj.	**-1**	**-35**	-97%	31	-103%
Diluted EPS adj. (in EUR)[1)2)]	**0.0**	**-0.04**	n/a	0.12	n/a
Net result (IFRS)	**-41**	**-710**	-94%	-1,342	-97%
Diluted EPS (IFRS, in EUR) [2]	**-0.04**	**-0.71**	n/a	-5.14	n/a
Operating cash flow [3]	**55**	**55**	0%	202	-73%
Cash flow from CAPEX [4]	**-176**	**-120**	+47%	-263	-33%
FCF (incl. net interest paid)	**-119**	**-60**	+98%	22	-641%
Net debt	**1,576**	**1,399**	+13%	2,034	-23%
Net debt (incl. SLB) [5]	**1,977**	**1,793**	+10%	2,034	-3%

1) Adjusted for M&A-related, transformation and share-based compensation costs, results from investments in associates and sale of businesses
2) Earnings per share are not comparable between the years due to the capital increase on December 7, 2023 whereby additional 724,154,662 shares were issued.
3) From Q1 2024, operating CF includes net interest paid. Comparative period was reclassified accordingly.
4) Cash flow from investments in property, plant, and equipment and intangibles (such as capitalized R&D)
5) Incl. EUR 401m equivalent from SLB Malaysia transaction closed in December 2023

Second quarter group revenues stood at EUR 819 million, at the midpoint of the guided range of EUR 770 – 870 million. The typical annual seasonality of the automotive lamps business drives the EUR 28 million decrease compared to the previous quarter. The semiconductor business was resilient, with year-over-year structural growth in automotive, a stabilization of the industrial business on the back of horticulture and professional lighting, and a decline in the Consumer business due to a gradual ramp-down of legacy projects. Year-over-year, revenues declined slightly by 4%, on a like-for-like and constant currency basis around 2%. Reasons for this are mainly a softer Industrial & Entertainment lamps business and lower revenues from the auto OEM lamps business, while the auto lamp replacement business remained strong. The semiconductor business with EUR 596 million stayed essentially flat year-over-year with a -1% decline. The average EUR/USD exchange rate stood at 1.08.

Second quarter adjusted EBITDA (adjusted earnings before interest, taxes, depreciation, and amortization, i.e. operating margin adjusted for special, non-operational effects) came in at EUR 135 million, i.e. at a 16.5% adj. EBITDA margin, at the upper end of the guided range of 14% - 17%. Higher factory loading and savings from the Re-establish-the-Base program are key contributors, which is especially evident from the improved performance of the CSA segment. A catch-up impact from the IPCEI funding scheme also supported the profitability increase. Adjusted depreciation & amortization came in at EUR 80 million.

The adjusted EBIT (adjusted earnings before interest and taxes, i.e. operating margin adjusted for special, non-operational effects) margin came in at 6.8% in Q2/24. The adjusted EBIT amounted to EUR 56 million.

Second quarter adjusted gross margin improved by 130 basis points quarter over quarter, and 190 basis points year-over-year due to improved factory loading and contributions from the 'Re-establish-the-Base' program.

The adjusted net result came in at EUR -1 million in Q2/24 down from EUR 31 million a year ago and up from EUR -35 million in the first quarter, primarily driven by the gross profit improvements mentioned above.

Consequently, second quarter adjusted diluted earnings per share came in at EUR 0.0, higher than the EUR -0.04 in the previous quarter.

Second quarter IFRS net result was EUR -41 million after the microLED driven impairment EUR -710 million in the first quarter. For this, the diluted IFRS earnings per share came in at EUR -0.04 in Q2/24, after EUR -0.71 in Q1/24.

Operating cash flow, which includes net interest paid, came in again at EUR 55 million in the second quarter.

Cash flow from investments into PPE and intangibles, or CAPEX, stood at EUR -176 million compared to EUR -120 million in the previous quarter – negatively impacted by microLED equipment that could not be cancelled. Nevertheless, cash flow from CAPEX was substantially lower than a year ago.

Free cash flow – defined as operating cash flow including net interest paid minus cash flow from CAPEX plus proceeds from divestments – came in at EUR -119 million in the second quarter.

Quarter-over-quarter, the net debt position increased to EUR 1,576 million in Q2/24 after EUR 1,399 million in Q1/24 due to a lower gross cash driven by still elevated CAPEX and the annual payment of the guaranteed dividend for the OSRAM minority shares.

When including EUR 401 million equivalent from the Sale-and-Lease Back Malaysia transaction (reported under other non-current financial liabilities), the net debt position increased accordingly to EUR 1,977 million in Q2/24 compared to EUR 1,793 in Q1/24.

Business development

"A year ago, we announced our strategic efficiency program 'Re-establish-the-Base' which aims at focusing the company on its profitable and structurally growing core. We are fully on track in terms of implementing the anticipated profitability improvements, while economic headwinds are increasing. Our long-term structural growth prospects are underpinned by the unabated momentum in winning new future business." said Aldo Kamper, CEO of ams OSRAM.

Semiconductor business update

With strengthening the end-to-end responsibility of ams OSRAM's Business Units beginning Q4/23, the business is being steered along relevant KPIs for those Business Units. With that, the semiconductor business is being reported in the segments OS ('Opto Semiconductors') and CSA ('CMOS Sensors and ASICs'). Revenues from the two semiconductor business units represent 73% of second quarter revenues, or correspondingly EUR 596 million. This compares to EUR 600 million a year ago, a slight minus 1% decline. The two semiconductor Business Units contributed a majority of revenues to the group.

Opto Semiconductors segment (OS)

Revenues for opto-electronic semiconductors increased by EUR 27 million to EUR 372 million in Q2/24 compared to EUR 345 million in Q1/24. Adjusted EBITDA stood at EUR 84 million, representing an adjusted EBITDA Margin of 23%.

The profitability is still impacted by factory underutilization and higher research & development expenses and significantly less capitalization of research and development costs after the cancellation of the cornerstone microLED project.

CMOS Sensors and ASICs segment (CSA)

Revenues for CMOS Sensors and ASICs came in at EUR 224 million in Q2/24, down from EUR 233 million in Q1/24. The EUR 9 million decline is mainly due to the consumer legacy business ramping down. Adjusted EBITDA stood at EUR 22 million, representing an adjusted EBITDA Margin of 9%, which is a significant improvement from EUR 5 million and 2% EBITDA Margin in Q1/24. The steep increase is a directly related to implementing the ‘Re-establish-the-Base’ program.

The industrial and medical businesses are still suffering from an inventory correction in the supply chain, resulting in high underutilization cost.

Semiconductors industry dynamics

End-markets continued to show different dynamics in the second quarter.

Automotive:

The Automotive business continued to perform well with a 6% year-over-year increase despite the anticipated normalization of sales in China. Especially the emitters for automotive applications were in high demand in both new and existing platforms.

Industrial & Medical (I&M):

The business showed a mixed performance and landed on a comparable level as a year ago. Whilst medical technology and industrial capital goods businesses are still very muted due to inventory corrections, professional lighting applications demand rebounded. Business in horticulture applications increased year-over-year based on our design-wins thanks to having the most efficient product in the market. Also, individual new products, such as blue lasers, were in high demand.

Consumer:

While Android Consumer business showed strong growth, the ramp down of legacy customer-specific projects caused a net decrease year-over-year.

New business wins – Design-wins:

The company continues to win significant new future business with unabated momentum across all product categories of the core portfolio. Year-to-date, around EUR 2.5 billion of new future business was recorded, measured in estimated life-time-value of each individual design won. This clearly supports the long-term growth target of the company’s target operating model.

Lamps & Systems segment (L&S)

The Lamps & Systems segment represented 28% of Q2/24 revenues, equaling EUR 223 million.

Adjusted EBITDA in Q2 came in at EUR 39 million or 18% adjusted EBITDA margin fully in line with fall-through from the revenue dynamics including the positive special effect in the first quarter. In terms of industry dynamics, automotive performed as expected in terms of its seasonal pattern. Industrial & Entertainment markets also performed as expected.

Automotive:

The automotive aftermarket business went into its seasonal downswing whilst the OEM business was stable – fully in line with expectations. The company typically sees its strongest demand in Q4 and Q1 of a year when high halogen bulb replacement rates can be seen in the European and North American aftermarket.

Specialty Lamps:

Industrial and professional entertainment markets continued to show weak demand in light of a persistent inventory correction.

Outlook

Third quarter 2024 outlook

Looking at the semiconductor segments, the company sees weakening demand for its automotive semiconductor products in view of the recently reduced global light vehicle production forecast for H2/24. Our increasing content per vehicle balances a softer car production to a certain extent. The demand from industrial and medical markets continues to remain very muted in some segments. The outlook for shipments into consumer device applications continues to be robust given the ramp of some new products.

Looking at the L&S segment, automotive aftermarket for halogen lamps will see the beginning of its typical seasonal rebound towards the end of the summer.

As a result, the group expects third quarter revenues to increase driven by the ramp of new products and seasonality effects despite persistent weakness in industrial & medical businesses and land in a range of EUR 830 – 930 million. The adj. EBITDA is expected to increase to 17% - 20% driven by revenue fall-through and further contributions from the 'Re-establish-the-Base' program. The EUR/USD exchange rate is assumed to be 1.10.

Comments on second half of 2024

The company continues to expect second half 2024 revenues to improve compared to the first half, primarily driven by the ramp of design wins in the semiconductor segment secured earlier. The rebound of the industrial and medical business segments undergoing an inventory correction is no longer expected in 2024. Demand for its automotive semiconductor products is weakening in view of the downward revised global light vehicle production forecast for the second half of 2024.

In case certain capital grants expected in 2024 shift out to 2025, the CAPEX for FY2024 would be around EUR 500 to 550 million (including capitalized R&D and rolled-over accounts payable related to PPE from 2023), instead of the previously expected range below EUR 450 million.

The company expects free cash flow to improve significantly in the second half of 2024 due to lower CAPEX and higher profitability. It continues to target a positive free cash flow before net interest paid for the full year 2024.

Premstaetten, July 26, 2024

Aldo Kamper, CEO Rainer Irle, CFO

Condensed Consolidated Interim Financial Statements as of June 30, 2024

(in accordance with IAS 34 – unaudited)

Consolidated Statement of Income

(unaudited)

in EUR million (except earnings per share)	Q2 2024	1st Half 2024	Q2 2023	1st Half 2023
Revenues	**819**	**1,665**	**851**	**1,778**
Cost of sales	-594	-1,223	-650	-1,368
Gross profit	**225**	**443**	**201**	**411**
Research and development expenses	-113	-238	-118	-265
Selling, general and administrative expenses	-100	-201	-108	-250
microLED termination expenses[1)]	7	-625	-	-
Goodwill impairment	-	-	-1,313	-1,313
Other operating income	9	22	27	42
Other operating expenses	-10	-13	-11	-28
Results from investments accounted for using the equity method, net	-4	-4	-2	-10
Result from operations	**15**	**-616**	**-1,324**	**-1,413**
Financial income	11	48	7	53
Financial expenses	-66	-160	-32	-110
Net financial result	**-55**	**-112**	**-25**	**-57**
Result before income taxes	**-39**	**-728**	**-1,349**	**-1,471**
Income taxes	-2	-23	7	-5
Net result	**-41**	**-751**	**-1,342**	**-1,476**
Attributable to:				
Non-controlling interests	0	1	0	0
Shareholders of ams-OSRAM AG	-42	-752	-1,342	-1,476
Basic earnings per share (in EUR) [2)]	-0,04	-0,76	-5.14	-5.65
Diluted earnings per share (in EUR) [2)]	-0,04	-0,76	-5.14	-5.65

[1)] microLED termination expenses reflect charges (e.g. impairments of assets and provisions) due to the cancellation of the microLED project on February 28, 2024, see note 5 microLED termination expenses.

[2)] Earnings per share are not comparable between the years due to the capital increase on December 7, 2023 whereby additional 724,154,662 shares were issued.

Consolidated Statement of Comprehensive Income

(unaudited)

in EUR million	Q2 2024	1st Half 2024	Q2 2023	1st Half 2023
Net result	**-41**	**-751**	**-1,342**	**-1,476**
Remeasurements of defined benefit plans	11	21	5	2
therein income tax effect	*-1*	*1*	*1*	*0*
Fair value measurements of equity instruments (FVOCI)	-2	-2	-2	-20
therein income tax effect	*0*	*0*	*0*	*0*
Items that will not be reclassified to profit or loss	**9**	**19**	**3**	**-18**
Currency translation differences	16	37	-50	-98
Fair value measurement of debt instruments (FVOCI)	7	5	5	1
therein income tax effect	*0*	*0*	*0*	*0*
Derivative financial instruments for hedging purposes	0	-4	-5	-7
therein income tax effect	*0*	*2*	*2*	*3*
Items that may be reclassified subsequently to profit or loss	**23**	**37**	**-49**	**-103**
Other comprehensive income (loss), net of tax	**31**	**57**	**-47**	**-121**
Total comprehensive income (loss)	**-10**	**-694**	**-1,388**	**-1,597**
Attributable to:				
Non-controlling interests	0	1	0	-1
Shareholders of ams-OSRAM AG	-10	-695	-1,388	-1,597

Consolidated Balance Sheet

(unaudited)

in EUR million	June 30, 2024	December 31, 2023 reclassified[1)]
ASSETS		
Cash and cash equivalents	900	1,146
Trade receivables	357	470
Other current financial assets	57	55
Inventories	814	716
Other current non-financial assets	227	230
Assets held for sale	21	3
Total current assets	**2,377**	**2,620**
Property, plant, and equipment	1,839	1,997
Intangible assets	2,081	2,249
Right-of-use assets	201	215
Investment in associates	8	11
Other non-current financial assets	64	77
Deferred tax assets	72	72
Other non-current non-financial assets	51	160
Total non-current assets	**4,315**	**4,782**
Total assets	**6,692**	**7,401**
LIABILITIES AND EQUITY		
Liabilities		
Current interest-bearing loans and borrowings	658	322
Trade payables	566	572
Other current financial liabilities	973	1,021
Current provisions	269	236
Income tax payables	54	64
Other current non-financial liabilities	272	238
Liabilities associated with assets held for sale	0	0
Total current liabilities	**2,794**	**2,455**
Non-current interest-bearing loans and borrowings	1,817	2,136
Other non-current financial liabilities	556	580
Employee benefits	140	147
Non-current provisions	42	43
Deferred tax liabilities	48	58
Other non-current non-financial liabilities	72	79
Total non-current liabilities	**2,675**	**3,042**
Equity		
Issued capital	998	998
Additional paid-in capital	2,128	2,130
Treasury shares	-87	-103
Other components of equity	199	162
Retained earnings	-2,021	-1,289
Total equity attributable to shareholders of ams-OSRAM AG	**1,217**	**1,899**
Non-controlling interests	6	6
Total equity	**1,224**	**1,905**
Total liabilities and equity	**6,692**	**7,401**

[1)] For reclassifications, see Note 2. Accounting policies as well as estimates and uncertainties

Consolidated Statement of Cash Flows

(unaudited)

in EUR million	Q2 2024	1st Half 2024	Q2 2023 reclassified[2)]	1st Half 2023 reclassified[2)]
Operating activities				
Net result	-41	-751	-1,342	-1,476
Reconciliation between net result and cash flows from operating activities				
Amortization, depreciation, and impairment[1)]	91	706	1,446	1,618
Expenses from stock option plans (acc. to IFRS 2)	1	6	1	21
Income taxes	2	23	-7	5
Net financial result	55	112	25	57
Result from sales of businesses, intangible assets and property, plant, and equipment	8	6	-12	-9
Result from fair value measurement and sale of financial assets	-	-	-	0
Result from investments in associates	4	4	2	10
Other adjustments for non-cash items	0	0	0	0
Changes in current assets and current liabilities				
Inventories	-60	-93	39	11
Trade receivables	155	123	88	68
Other current assets	-29	-35	2	12
Trade payables	24	38	18	-17
Current provisions	-61	33	-69	-53
Other current liabilities	-13	28	75	195
Changes in other assets and liabilities	8	8	-13	-22
Income taxes paid	-25	-35	-23	-37
Dividends received	0	0	0	0
Interest received	9	20	2	10
Interest paid	-73	-83	-30	-76
Cash flows from operating activities	**55**	**110**	**202**	**318**

in EUR million	Q2 2024	1st Half 2024	Q2 2023 reclassified[2)]	1st Half 2023 reclassified[2)]
Investing activities				
Additions to intangible assets and property, plant, and equipment	-176	-296	-263	-565
Acquisition of financial investments	-	-	0	-1
Inflows from sales of investments, intangibles and property, plant, and equipment	2	7	5	21
Inflows from sales of businesses, net of cash and cash equivalents disposed	-	-	78	89
Cash flows from investing activities	**-174**	**-288**	**-181**	**-456**
Financing activities				
Transaction costs for the capital increase and the issue of bonds	-	-14	-	-
Acquisition of treasury shares	-	-	-	0
Sale of treasury shares	0	0	0	0
Inflows from loans	100	101	151	151
Repayment of loans	-109	-110	-83	-85
Repayment of lease liabilities	-15	-29	-14	-29
Inflows from sale and lease back financing	-	10	-	-
Acquisition of non-controlling interests in OSRAM Licht AG	-5	-5	-64	-95
Dividends paid to shareholders of OSRAM Licht AG	-30	-30	-37	-37
Cash flows from financing activities	**-59**	**-77**	**-48**	**-95**
Change in cash and cash equivalents	-175	-245	-30	-255
Effects of changes in foreign exchange rates on cash and cash equivalents	3	11	-5	-22
Cash and cash equivalents at the beginning of the period	1,076	1,146	874	1,098
Cash and cash equivalents at the end of the period	**901**	**901**	**844**	**844**
Less: Cash and cash equivalent of assets held for sale at the end of the period	1	1	3	3
Cash and cash equivalents at the end of the period	**900**	**900**	**841**	**841**

1) Q2 2024 / 1st Half 2024 EUR 64 million / EUR 521 million for property, plant, and equipment; EUR 27 million / EUR 185 million for intangible assets; Q 2 2023 / 1st Half 2023: EUR 85 million / EUR 196 million for property, plant, and equipment; EUR 1,361 million / EUR 1,422 million for intangible assets

2) For reclassifications, see Note 2. Accounting policies as well as estimates and uncertainties

Consolidated Statement of Changes in Equity

(unaudited)

in EUR million	Issued capital	Additional paid-in capital	Treasury shares	Other compo-nents of equity	Retained earnings	Total equity attributable to shareholders of ams-OSRAM AG	Non-controlling interests	Total equity
Balance as of January 1, 2023	**274**	**2,036**	**-121**	**280**	**358**	**2,826**	**7**	**2,833**
Net result					-1,476	-1,476	0	-1,476
Other comprehensive income (loss), net of tax				-97	-23	-120	-1	-121
Total comprehensive income (loss)	**0**	**0**	**0**	**-97**	**-1,499**	**-1,597**	**-1**	**-1,597**
Share based payments		20				20		20
Sale of treasury shares						1		1
Total equity as of June 30, 2023	**274**	**2,056**	**-120**	**183**	**-1,141**	**1,251**	**6**	**1,257**
Balance as of January 1, 2024	**998**	**2,130**	**-103**	**162**	**-1,289**	**1,899**	**6**	**1,905**
Net result					-752	-752	0	-751
Other comprehensive income (loss), net of tax				37	19	57	1	57
Total comprehensive income (loss)				**37**	**-732**	**-695**	**1**	**-694**
Share based payments		-3				-3		-3
Sale of treasury shares			16			16		16
Total equity as of June 30, 2024	**998**	**2,128**	**-87**	**199**	**-2,021**	**1,217**	**6**	**1,224**

Selected notes on the Condensed Consolidated Interim Financial Statements as of June 30, 2024

(unaudited)

1. Basis of preparation

The condensed consolidated interim financial statements as of June 30, 2024, were prepared in accordance with IAS 34. Accordingly, the condensed consolidated interim financial statements do not include all information and disclosures that are required for a full set of financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended December 31, 2023. The condensed consolidated interim consolidated financial statements have been prepared in millions of euros (in EUR million). Due to rounding, differences may arise when individual amounts or percentages are added together.

2. Accounting policies as well as estimates and uncertainties

The accounting policies applied in these condensed consolidated interim financial statements are essentially the same as those applied in the Group's consolidated financial statements as of December 31, 2023, except for the changes described below.

New standards or amendments effective from January 1, 2024, have no material effect on the Group's condensed consolidated interim financial statements.

A description of the main judgments made in applying accounting rules and the assumptions with a not insignificant risk that they could lead to changes in the value of assets and liabilities, is included in the Notes to the Consolidated Financial Statements as of December 31, 2023, in note 1. General Principles under Contingencies and Main Judgments.

The income tax expense/income to be recognized during interim periods is determined based on the expected effective tax rate for the fiscal year for each significant tax jurisdiction, taking into account special effects that are attributable to a particular interim period. Income taxes recognized in other comprehensive income during an interim period are determined on the basis of the tax rates applicable to the significant individual components of other comprehensive income.

As of the reporting date of June 30, 2024 and for the first half and the second quarter of the 2024 financial year (including the comparative reporting date(s) for the previous year, the presentation of the consolidated statement of income, consolidated balance sheet and consolidated statement of cash flows has been adjusted in the following respects, as we believe this leads to a better understanding of the earnings, net assets and financial position.

A separate line item "microLED termination expenses" has been inserted in the consolidated statement of income, which includes impairment losses and other expenses related to the termination of the project (see note 5. microLED termination expenses).

In the consolidated balance sheet, financial and non-financial items which were previously disaggregated in the notes to the consolidated financial statements at the end of the financial year are now shown as separate balance sheet items. Derivatives with positive fair values, which were previously reported in the balance sheet item current financial investments, are now included in the balance sheet item other current financial assets.

Interest paid, which was previously reported within the cash flows from financing activities, is now reported within the cash flows from operating activities. This led to a reduction in cash flows from operating activities by EUR 76 million for the first half of 2023 (EUR 30 million for the second quarter of 2023) and a countervailing effect on cash flows from financing activities.

Furthermore, a change in the presentation of the figures for the first half of 2023 and second quarter of 2023 was made in the consolidated statement of cash flows, which was included for the first time in the consolidated statement of cash flows for the financial year ended December 31, 2023. The payments for the acquisition of non-controlling interests in OSRAM Licht AG, which were previously reported as part of the line item acquisition of subsidiaries, net of cash and cash equivalents acquired, within the cash flows from investing activities, are now reported in a separate line item within the cash flows from financing activities. This led to a reduction of EUR 95 million for the first half of 2023 (EUR 64 million for the second quarter of 2023) in the presented cash flows from financing activities and an offsetting effect on the cash flows from investing activities.

3. Segment reporting

Effective from the beginning of 2024, ams OSRAM adapted its corporate structure to strengthen innovative power and foster the entrepreneurial approach at Business Unit level by decentralizing certain functions. Consequently, in the Semiconductors business, there are now two Business Units (BUs) – Opto Semiconductors (OS) focusing on emitters and BU CMOS Sensors and ASICs (CSA) focusing on sensors and analog mixed signal chips. BU CSA combines the former BUs Advanced Optical Sensors (AOS) and Image Sensor Solutions (ISS). The business with the traditional lamps and illumination products focusing on the end markets automotive, industrial and medical remains a separate BU Lamps & Systems.

Costs of corporate functions, which are not directly attributable to BUs, as well as certain shared functions in the Semiconductors business, are not allocated to the BUs anymore, and are instead centrally accumulated and presented as “corporate items”. This, together with the harmonization of cost allocation within the Group, led to an adjustment of the cost allocations reported in the previous year (BU Lamps & Systems: EUR 8 million lower expenses, BUs in semiconductor business: EUR 7 million higher expenses, corporate items: EUR 1 million higher expenses).

The change in the corporate structure is reflected in the internal reporting structure with each BU representing a separate operating and reportable segment in accordance with IFRS.

Furthermore, the segment indicator “segment result” was adjusted in line with internal reporting and now includes gross profit, research and development expenses, selling, general and administrative expenses, microLED termination expenses and other operating income and expenses as well as the result from investments in associates. Depreciation, amortization and impairment losses are not included in the segment result.

The comparative financial information was adjusted to the new corporate structure.

The geographic regions are structured by the three regions in which sales occur: “EMEA” (Europe, Middle East, and Africa), “Americas” (includes North and South America) and “Asia/Pacific”. Revenues by geographical regions are based on the geographical billing location of customers.

The highest amount of revenue came from a customer in the Semiconductors segment and accounted for more than 10% of revenues (2023: more than 10%).

Segment assets include only those assets that are directly attributable to the segment, such as segment-specific property, plant, and equipment, intangible assets, right-of-use assets under leases and inventories.

Business Segments

in EUR million	1st Half 2024 / 2023									
Business Segments	OS		CSA		L&S		Corporate Items		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Consolidated revenues	717	638	457	510	491	631	0	0	**1,665**	**1,778**
Research and development [1)]	-125	-117	-91	-121	-14	-18	-8	-9	**-238**	**-265**
Segment result	14	94	4	31	89	97	-18	-18	**90**	**205**
Additional information										
Depreciation, amortization and impairment	-608	-1,146	-73	-429	-24	-43	-0	-1	**-706**	**-1,618**

[1)] Research and development includes amortization and impairment losses allocated to the functional area research and development.

Reconciliation of segment result to result before income tax

in EUR million	1st Half 2024 / 2023	
	2024	2023
Segment result	90	205
Depreciation, amortization and impairment	-706	-1,618
Net financial result	-112	-57
Result before income tax	-728	-1,471

Segment Assets

in EUR million	June 30, 2024 / December 31, 2023							
Business Segments	OS		CSA		L&S		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Segment assets	**2,810**	**3,065**	**1,174**	**1,158**	**950**	**953**	**4,934**	**5,177**
Reconciliation to consolidated financial statements								
Cash and cash equivalents							900	1,146
Trade receivables							357	470
Deferred taxes							72	72
Assets held for sale							21	3
Financial Investments							64	77
Investments in associates							8	11
Other unallocated assets							335	446
Total assets							**6,692**	**7,401**

Revenues by Region

in EUR million	1st Half 2024 / 2023							
Business Segments	OS		CSA		L&S		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
EMEA	**208**	**212**	**89**	**128**	**162**	**217**	**459**	**557**
thereof Austria	10	13	1	1	6	6	17	19
thereof Germany	113	123	34	67	26	49	172	240
Americas	**102**	**91**	**24**	**27**	**221**	**260**	**347**	**379**
thereof USA	77	71	16	20	182	185	275	276
Asia / Pacific	**408**	**335**	**344**	**354**	**109**	**154**	**860**	**843**
thereof Greater China[1)]	332	259	329	316	55	64	716	640
Total	**717**	**638**	**457**	**510**	**491**	**631**	**1,665**	**1,778**

[1)] Greater China includes China, Hong Kong, and Taiwan.

Non-current assets by Region

in EUR million	June 30, 2024	Dec 31, 2023
EMEA	2,065	2,299
Americas	455	458
Asia / Pacific	1,600	1,704
Total	**4,120**	**4,461**
thereof Austria	464	442
thereof Germany	1,286	1,526
thereof Malaysia	984	1,088

4. Seasonality - economic cycles

Results may vary from quarter to quarter as revenues are derived from a number of end markets which may display different seasonal demand patterns over the course of a calendar year. The ams OSRAM Group also records substantial revenues in the automotive market segment which can show cyclical developments. In addition, general economic cycles may have an additional impact on demand for the company’s products across end markets. The ams OSRAM Group also derives a significant portion of its revenues from the consumer electronics market, which has in the past displayed significant cyclical and seasonal influences due to factors such as consumer acceptance of technologies, changes in buying behavior and seasonal demand such as before Christmas.

5. microLED termination expenses

On February 28, 2024, the Management Board was informed of the unexpected cancellation of a key project that underpinned its microLED strategy. The affected business is part of the Opto Semiconductors (OS) business unit. Since then, the Management Board has been evaluating the strategic options and how they will affect the future use of the Group's assets. The accounting impacts based on the Management Board’s assessment to date are listed below. Due to the size and complexity of the project, the evaluations are still ongoing and there may be further financial effects that cannot yet be reliably assessed. In connection with the sale-and-leaseback transaction of the building in Kulim, Malaysia, possible courses of action as well as legal claims and cost reimbursements from and to the project partner are being examined.

The discontinuation of the project resulted in expenses of EUR 625 million in the first half of 2024, which are fully allocated to the Opto Semiconductors (OS) business unit and presented in the line item "microLED termination expenses" in the consolidated statement of income.

Expenses include impairments on property, plant and equipment of EUR 376 million and impairment losses on capitalized project-specific development costs of EUR 125 million. For the expected costs of removal of equipment, the respective assets were impaired to zero (EUR 15 million) and for the excess expected cost a provision was built (EUR 15 million). Inventories were written down by EUR 11 million and Right-of-use assets by EUR 1 million. The amount to be impaired was determined based on fair value less cost of disposal, which is classified as level 3 of the IFRS 13 measurement hierarchy. Key assumptions of the evaluation are based on past experience. Further provisions of EUR 96 million were recognized for open orders, cancellation fees and contract terminations related to the discontinuation of the project.

In fiscal year 2023, ams OSRAM entered into a funding agreement with the Malaysian Investment Department Authority (MIDA) for the 8-inch microLED technology. For the project-related grants regarding the factory in Kulim, Malaysia, no further receivables against MIDA were recognized in the first half of 2024. The receivables for grants, which were recognized as receivables before the termination of the project and which were considered in property, plant and equipment as reductions of acquisition costs with an amount of EUR 143 million, have been derecognized against these assets in the first half of 2024 without affecting profit or loss. ams OSRAM and the grant provider are in close contact regarding the possibilities for the continuation of the subsidy.

ams OSRAM also continues to be in contact with the German Federal Ministry for Economic Affairs and Climate Action (BMWK) regarding the IPCEI ME/KT (Important Project of Common European Interest, Microelectronics and Communication Technologies) funding, although it is generally assumed that the funding will be continued at the Regensburg site in Germany. At the beginning of July 2024, the remaining funding amounts for the 2023 financial year in the amount of EUR 29 million were received. Due to the current realignment of the microLED strategy, further subsidy amounts are only recognized as receivables in the balance sheet after the examination of the underlying costs by the authority is completed and the receivable is regarded as certain.

6. Financial Instruments

in EUR million		June 30, 2024		December 31, 2023	
	Category according to IFRS 9 [1]	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Cash and cash equivalents	FAaC	900	900	1,146	1,146
Trade receivables	FAaC	238	238	338	338
Trade receivables that are to be held/sold under a factoring agreement	FVOCI	65	65	118	118
Trade receivables that are to be sold under a factoring agreement	FVTPL	55	55	14	14
Other current financial assets					
Derivatives not designated in a hedge accounting relationship	FVTPL	4	4	3	3
Derivatives in connection with cash flow hedges	n.a.	-	-	3	3
Other financial assets	FAaC	53	53	49	49
Other non-current financial assets					
Option for early repayment of bonds	FVTPL	33	33	45	45
Equity instruments	FVOCI	20	20	22	22
Other	FAaC	12	12	11	11
Financial liabilities					
Interest-bearing loans	FLaC	2,476	2,677	2,458	2,793
Trade payables	FLaC	566	566	572	572
Other current financial liabilities [2) 3)]					
Derivatives not designated in a hedge accounting relationship	FVTPL	6	6	16	16
Derivatives in connection with cash flow hedges	n.a.	3	3	0	0
Obligation to acquire the non-controlling interests in OSRAM Licht AG	n.a.	605	605	611	611
Other financial liabilities	FLaC	359	359	394	394
Other non-current financial liabilities [3]					
Liabilities from a sale and leaseback financing transaction	FLaC	401	401	384	384
Other financial liabilities	FLaC	156	156	195	195

[1] FAaC - Financial assets measured at amortized cost
FVOCI - Financial assets measured at fair value through other comprehensive income; for equity instruments without recycling to profit or loss
FVTPL - Financial assets or financial liabilities measured at fair value through profit or loss
FLaC - Financial liabilities measured at amortized cost
[2] Derivatives are forward exchange contracts.
[3] As of June 30, 2024, other current liabilities and other non-current liabilities include lease liabilities totaling EUR 195 million (December 31, 2023, EUR 209 million), which are accounted for in accordance with IFRS 16.

The fair value of current financial assets and current financial liabilities essentially corresponds to their carrying amount due to their short maturities.

The following table shows, for the financial assets and liabilities measured at fair value, the level of fair value measurement hierarchy applicable to their fair value measurement. The levels have the following meaning:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). In contrast to forward exchange contracts, the valuation of options for the early repayment of bonds, which are derivatives embedded in loan agreements, is partly not based on observable market data such as the exercise probabilities at different points in time.

June 30, 2024 in EUR million	Level 1	Level 2	Level 3	Total
Current financial assets	-	124	-	124
Non-current financial assets	1	-	52	53
Current financial liabilities	-	9	-	9
Non-current financial liabilities	-	-	-	-

December 31, 2023 in EUR million	Level 1	Level 2	Level 3	Total
Current financial assets	-	139	-	139
Non-current financial assets	3	-	63	66
Current financial liabilities	-	16	-	16
Non-current financial liabilities	-	-	-	-

The change in the carrying amount of non-current financial assets of Level 3 in the first half of 2024 is mainly due to changes in the fair values of the options for the early repayment of bonds amounting to EUR 12 million, which were recognized through profit or loss within financial expenses.

In the first half of 2024, receivables were sold and derecognized for the first time via a new factoring program in Asia with a maximum volume of USD 98 million. The original carrying amount of the receivables sold as of June 30, 2024, was EUR 47 million. Part of the default risk (10%) and the risk of late payment by the customer (late payment risk) remains with ams OSRAM, in the amount of which a liability of EUR 5 million was recognized in other financial liabilities as of June 30, 2024 and trade receivables continued to be reported in the same amount.

The liability from the obligation to acquire the non-controlling interests in OSRAM Licht AG decreased by EUR 6 million following the acquisition of 114,051 shares in OSRAM Licht AG. As of June 30, 2024, ams-OSRAM AG held 85.89 % (December 31, 2023: 85.76 %) of the outstanding shares in OSRAM Licht AG. As of June 30, 2024, the liabilities from the guaranteed dividend to shareholders of OSRAM Licht AG amounted to EUR 29 million and are presented as current. As of December 31, 2023, the liabilities from the guaranteed dividend to shareholders of OSRAM Licht AG amounted to EUR 59 million, of which EUR 29 million was long-term.

Non-current financial liabilities include lease liabilities of EUR 155 million (December 31, 2023: EUR 166 million).

7. Goodwill

Detailed information on the amount and development of goodwill as well as assumptions used in the calculation of the recoverable amount can be found in the in the Notes to the Consolidated Financial Statements as of December 31, 2023, in note 12. Intangible Assets.

Goodwill is allocated to a cash-generating unit (CGU) or a group of CGUs if the CGU is expected to benefit from the synergies of the business combination. The Business Units (BU) represent the CGUs or groups of CGUs for the consolidated ams OSRAM Group at the level of which goodwill is monitored by the Management Board.

At the beginning of the reporting period the BUs AOS and ISS were combined to form one BU for sensors and analog mixed-signal chips business (CMOS Sensors & ASICs - CSA), in order to better harness innovative strength and focus overall responsibilities. The goodwill of these BUs was added to a total of EUR 149 million and is now being monitored in aggregate at BU CSA level.

At the end of February 2024, ams OSRAM identified a potential impairment indicator for the BU Opto Semiconductors (BU OS) following the cancellation of a key project underlying its microLED strategy which led to a downwards adjustment of the business plan. As part of the downsizing of the microLED activities tangible and intangible assets, which are deemed to have no further use within the group, were impaired (refer to note 5. microLED termination expenses) resulting in the carrying amount of the BU OS of EUR 2,353 million, including goodwill of EUR 997 million. The goodwill impairment test of the BU OS resulted in a recoverable amount based on value in use of EUR 2,715 which exceeded the carrying amount by EUR 362 million. Consequently, no goodwill impairment was recognized.

Important assumptions in determining the recoverable amount were the expected revenues and EBITDA margins used in the business plan, the growth rate used for the terminal value calculation and the discount rates. Based on current market expectations and the business plans derived from them, the growth rates in the detailed planning phase are in some cases significantly higher than the assumed perpetual growth rate. The value in use of the BU OS was calculated by applying a long-term growth rate of 1.4% (31.12.2023: 1.3%), discount rate (before taxes) of 12.5% (31.12.2023: 12.3%) and long-term EBITDA margin of 27.9% (31.12.2023: 28.8%).

8. Property, plant & equipment and other intangible assets

Investments in property, plant and equipment and intangible assets amounted to EUR 375 million in the first half of fiscal year 2024 (in first half of 2023: EUR 565 million) and mainly relate to technical equipment and machinery for the production sites in Malaysia and Austria. During the first half of fiscal year 2024 EUR 31 million development costs were capitalized as intangible assets (in first half of 2023: EUR 60 million). Lower additions to property, plant and equipment and intangible assets are primarily due to the winding down of the microLED project in Malaysia, as described in the note 5. microLED termination expenses. Commitments to acquire fixed amounted to EUR 87 million as of June 30, 2024, (EUR 152 million as of December 31, 2023).

The discontinuation of the microLED project led to an impairment loss on property, plant and equipment and intangible assets amounting to EUR 496 million during the first half of fiscal year 2024.

9. Assets and Liabilities Classified as Held for Sale

OSRAM Russia

On May 25, 2023, ams OSRAM signed an agreement on sale of the shares in OOO OSRAM, Moscow, Russia to Daktram LLC, Moscow, Russia. OOO OSRAM was primarily a distributor for the Russian automotive market (“Lamps & Systems” segment), however all operations ceased upon the start of the war in Ukraine. On classification as held for sale in 2023, an impairment loss of EUR 3 million was recognized on inventories, goodwill and other assets. In 2024, additional impairment of EUR 1 million was recognized, mainly on inventories. Impairment loss is included in other operating expenses. Following the approval of local authorities the disposal was completed with the execution of the purchase agreement and regulatory registration on July 4, 2024. Net assets disposed of amounted to EUR 3 million and equaled the purchase consideration.

Assets of Passive Optical Components Business

On May 7, 2024, ams OSRAM and Focuslight Technologies Inc., Xi’an, China, signed an agreement on sale of the assets of the Passive Optical Components Business (OC Business) in Switzerland and Singapore. OC Business was allocated to the segment CMOS Sensors & ASICs (CSA). The transaction is part of the ‘Re-establish-the-Base’ program aiming at increasing focus on profitable core activities. Completion of the transaction is expected in third quarter 2024 and the purchase price is expected around EUR 45 million in cash, subject to customary adjustments for working capital.

Assets held for sale are presented below:

in EUR million	June 30, 2024
Inventories	1
Non-current assets	17
Assets held for sale	**18**

10. Equity

On the Annual General Meeting held on June 14, 2024, the shareholders approved the proposal for a reverse share split in the ratio 10:1 of ams-OSRAM AG shares. To enable the division of issued shares by the factor of 10, following the approval of the Supervisory Board, the Management reduced the share capital by two shares to a total of 998,443,940 shares with a notional par value of EUR 1.00 each. The change became effective with the entry in the companies’ register on July 9, 2024.

Following the reverse share split in second half of the fiscal year 2024, the number of issued shares will reduce from 998,443,940 to 99,844,394 and the notional par value of ams-OSRAM AG shares will increase from EUR 1.00 to EUR 10.00 per share.

During the first half of the fiscal year 2024. 1,736,135 treasury shares have been sold to fulfill obligations from employee stock option plans (prior year: 75,933).

11. Dividends

ams-OSRAM AG has not distributed any dividend during the reporting periods 2024 and 2023.

12. Employees and share-based compensation

The average number of employees was 19,806 during the first half of 2024, compared to 21,059 during the first half of 2023.

During the first half of 2024, the company completed the anti-dilution measures regarding share-based compensation which were announced after the capital increase in December 2023. More details can be found in the Notes to the Consolidated Financial Statements as of December 31, 2023, in note 4. Expenses.

The company redeemed for cash 7,752,647 options granted under LTIP 2014, SSOP 2017, SLTIP 2018, SSOP 2019, and LTIP 2019. Total cash payment including applicable social security contributions and taxes amounted to EUR 10 million. The fair value of options which were not redeemed amounting to EUR 2 million was reclassified back from liabilities to equity.

Furthermore, the company reissued the awards granted under the LTIP 2023 to eligible employees. Thereby 4,130,229 awards granted in 2023 were cancelled and 8,215,346 awards (thereof 5,197,365 restricted share units – “RSUs” and 3,017,981 performance share units – “PSUs”) were issued with unchanged grant date, vesting dates and performance criteria. On December 21, 2023, which is the date on which this offer was communicated, the fair value of one RSU amounted to EUR 2.15 and of one PSU amounted to EUR 1.54. The plan amendment resulted in an additional expense of EUR 3 million in the first half of 2024.

On March 31, 2024, the company granted 23,019,191 awards under the LTIP 2023. Thereof 14,605,855 RSUs and 8,413,336 PSUs were issued, which resulted in an expense of EUR 4 million during the reporting period.

The following parameters were used to determine the value of the stock awards:

		PSU	RSU
Share price at grant	in EUR	1.39	1.39
Duration	in years	10	10
Risk free investment-rate	in %	2.56	2.56
Dividend yield	in %	0	0
Expected volatility	in %	62.97	62.97
Fair value per stock award	in EUR	1.22	1.39

13. Related parties

As a result of strengthening our entrepreneurial approach at the business unit level, we changed our functional management model at the Management Board level, reducing the size of our Management Board to two positions, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) as of January 1, 2024.

At the Annual General Meeting of ams-OSRAM AG on June 14, 2024, Dr. Margarete Haase and Brigitte Ederer were re-elected as members of the Supervisory Board for a new term of office until the adjournment of the 2028 Annual General Meeting. At the Supervisory Board meeting held immediately after the Annual General Meeting, Dr. Margarete Haase was re-elected as Chairwoman of the Supervisory Board. Brigitte Ederer was also confirmed as Chairwoman of the ESG Committee of the Supervisory Board.

Supplemental financial information

Reconciliation from adjusted figures to reported figures in accordance with IFRS

in EUR million	Q2 2024	1st Half 2024	Q2 2023	1st Half 2023
Gross profit – adjusted	**243**	**483**	**237**	**509**
Acquisition-related expense[1)]	-10	-23	-20	-43
Share-based compensation	0	-1	0	-1
Transformation costs	-8	-17	-5	-20
Asset restructuring	0	0	-11	-34
Gross profit – IFRS reported	**225**	**443**	**201**	**411**
Gross margin in % – adjusted	30%	29%	28%	29%
Gross margin in % – IFRS reported	27%	27%	24%	23%
Operating expenses – adjusted	**-187**	**-384**	**-187**	**-409**
microLED termination expenses[2)]	7	-625	-	-
Goodwill impairment	-	-	-1,313	-1,313
Acquisition-related expense[1)]	-11	-23	-21	-42
Share-based compensation	-1	-5	-1	-20
Transformation costs	-8	-8	-8	-31
Asset restructuring	-1	-1	0	0
Result from the sale of businesses	-5	-8	6	0
Result from at-equity investments	-4	-4	-2	-10
Operating expenses – IFRS reported	**-210**	**-1,058**	**-1,525**	**-1,824**
Result from operations (EBIT) – adjusted	**56**	**99**	**50**	**100**
microLED termination expenses[2)]	7	-625	-	-
Goodwill impairment	-	-	-1,313	-1,313
Acquisition-related expenses[2)]	-21	-46	-40	-85
Share-based compensation	-1	-6	-1	-21
Transformation costs	-17	-24	-13	-51
Asset restructuring	-1	-1	-11	-34
Result from the sale of businesses	-5	-8	6	0
Result from at-equity investments	-4	-4	-2	-10
Result from operations (EBIT) – IFRS reported	**15**	**-616**	**-1,324**	**-1,413**
EBIT margin in % – adjusted	7%	6%	6%	6%
EBIT margin in % – IFRS reported	2%	-37%	-155%	-79%
Result from operations (EBIT) – adjusted	**56**	**99**	**50**	**100**
Amortization, depreciation, and impairment (excluding acquisition-related expense)[1)]	80	160	93	194
EBITDA – adjusted	**135**	**259**	**143**	**294**

in EUR million	Q2 2024	1st Half 2024	Q2 2023	1st Half 2023
EBITDA – adjusted	**135**	**259**	**143**	**294**
microLED termination expenses[2)]	7	-122	-	-
Acquisition-related expenses[2)]	-2	-5	-11	-25
Share-based compensation	-1	-6	-1	-21
Transformation costs	-22	-24	-13	-34
Result from the sale of businesses	-9	-8	6	0
Result from at-equity investments	-4	-4	-2	-10
EBITDA – IFRS reported	**106**	**90**	122	205
Result from operations (EBIT) – adjusted	**56**	**99**	**50**	**100**
Net financing result	-55	-112	-25	-57
Income tax result	-2	-23	7	-5
Net result - adjusted	**-1**	**-36**	**31**	**37**
Basic adjusted earnings per share (in EUR)	**0.00**	**-0.04**	**0.12**	**0.14**

[1)] Acquisition-related expense include amortization, depreciation and impairment of purchase price allocated assets, integration, carve-out and acquisition related costs.
[2)] microLED termination expenses reflect charges (e.g. impairments of assets and provisions) due to the cancellation of the microLED project on February 28, 2024.

ams-OSRAM AG
Tobelbader Strasse 30
8141 Premstaetten, Austria
T +43 3136 500-0
investor@ams-osram.com
ams-osram.com

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