

Press

Munich, July 31, 2019

Increased savings through Osram performance programs in Q3

Managing Board and Supervisory Board recommend offer from Bain and Carlyle

- Cost reductions have evident impact in LED segment
- No market recovery in seasonally weak third quarter
- Osram confirms annual forecast
- Governing bodies recommend takeover offer in reasoned response

The third quarter showed no signs of business revival for Osram. The automobile markets in particular continued to exhibit weak development. As a result, revenue on a comparable basis fell by 14.9 percent year-on-year to 850 million euros. The adjusted EBITDA margin was impacted by reduced profitability in automotive business and reached 6.8 percent. The performance programs that Osram initiated in the Opto Semiconductor business segment have had a positive effect. “We are not seeing any significant short-term recovery of the markets,” said Olaf Berlien, CEO of OSRAM Licht AG. “However, we took countermeasures early and are now seeing the first positive results of our actions.”

EBITDA adjusted for special items was 58 million euros, 58 percent below previous year's figure; net income amounted to minus 35 million euros and also was impacted by transformation costs. The Managing Board reaffirmed [the adjusted annual forecast announced in March](#).

Due to the continuing economic turbulences and the accelerated transformation of the lighting industry, medium- to long-term visibility remains limited. Therefore, economic developments for our markets beyond the current year cannot be predicted with any certainty at present.

In the Opto Semiconductors business segment, comparable revenue within the year fell by around 21 percent to 361 million euros. Compared to the second quarter, revenue was stable, while the adjusted EBITDA margin reached 16.8 percent due to the

performance programs, and therefore recovered from the previous quarter. Investments declined significantly in the quarter just ended, compared both to the previous year and to the previous quarter.

In the Automotive business segment, revenue fell by 12.5 percent to 431 million euros. The adjusted EBITDA margin decreased to 5.1 percent and was marked by very weak vehicle production in China, as well as declining sales volumes in traditional automotive lamps. In addition, start-up costs for the OSRAM Continental joint venture were booked.

Due to the weakness of the market for traditional control gear, business with digital applications recorded a 12.5 percent decline in revenue to 227 million euros. The adjusted EBITDA margin was minus 3 percent.

Managing Board and Supervisory Board recommend takeover offer from Bain and Carlyle

In the joint reasoned response, which was submitted today, the Supervisory Board and the Managing Board recommend that Osram shareholders should accept the takeover offer from the U.S. investors. In the opinion of the governing bodies, the offer price of 35 euros per share in cash represents an appropriate and fair valuation of the company. "The offer is attractive for the company, its employees and its shareholders. With their financial strength, Bain and Carlyle will support the ongoing transformation and enable strategically important decisions to be made," Berlien said. Osram shareholders have until September 5, 2019, to accept the offer. The reasoned response can be found at: <https://www.osram-group.de/de-DE/investors/takeover-offer>

From 2 pm CEST on July 31, you can follow the analyst conference with the Managing Board at <https://services.choruscall.eu/links/osram190731ir.html>.

PRESS CONTACTS

Torsten Wolf

Phone +49 89 6213-2506

Email: torsten.wolf@osram.com

Jens Hack

Phone +49 89 6213-2129

Email: j.hack@osram.com

OSRAM Licht AG
Marcel-Breuer-Straße 6, 80807 München, Deutschland
Corporate Communications & Brand Strategy

The OSRAM logo is displayed in a bold, orange, sans-serif font.

Susanne Enninger
 Phone +49 89 6213-3996
 Email: s.enninger@osram.com

Selected key figures for the OSRAM Light Group in the third quarter

	3rd quarter 2019	3rd quarter 2018	Nominal change in %
Revenue	850	936	(9.2)
EBITDA	42	123	(66.2)
...Margin	4.9%	13.1%	(820bps)
Adjusted EBITDA ¹	58	138	(58)
...Margin	6.8%	14.7%	(790bps)
Profit after taxes	(35)	42	n.a.
Free Cash Flow	91	52	75
'000 Employees	24.2	25.6	(5.5)

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

(¹Adjusted for special items, including transformation costs, significant legal and regulatory issues, as well as M&A-related costs.)

Development of the reporting segments in the third quarter

	3rd quarter 2019	3rd quarter 2018	Nominal change in %
Opto Semiconductors			
...Revenue	361	443	(18.6)
...EBITDA	56	100	(44)
...adjusted EBITDA	61	100	(39)
Automotive			
...Revenue	431	470	(8.3)
...EBITDA	16	39	(58.9)
...adjusted EBITDA	22	49	(55.1)
Digital			
...Revenue	227	228	(0.5)
...EBITDA	(10)	3	n.a.
...adjusted EBITDA	(7)	5	n.a.

(Unaudited figures. Figures in millions of euros. Negative values in parentheses.)

ABOUT OSRAM

OSRAM, based in Munich, is a leading global high-tech company with a history dating back more than 110 years. Primarily focused on semiconductor-based technologies, our products are used in highly diverse applications ranging from virtual reality to autonomous driving and from smartphones to smart and connected lighting solutions in buildings and cities. OSRAM uses the endless possibilities of light to improve the quality of life for individuals and communities. OSRAM's innovations enable people all over the world not only to see better, but also to communicate, travel, work and live better. OSRAM has approximately 26,200 employees worldwide as of end of fiscal 2018 (September 30) and generated revenue of more than 3.8 billion euros from continuing activities. The company is listed on the stock exchanges in Frankfurt and Munich (ISIN: DE000LED4000; WKN: LED 400; trading symbol: OSR). Additional information can be found at www.osram.com.

Disclaimer

This document contains statements and information pertaining to our future business and financial performance and future developments that may constitute forward-looking statements – i.e. statements about processes that take place in the future, not in the past. These statements pertaining to the future can be identified by expressions such as "anticipate", "expect", "want", "intend", "plan", "believe", "aspire", "estimate", "will", "predict" or words of similar meaning. Such statements are based on current expectations and certain assumptions of OSRAM's management. They are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are outside the control of OSRAM, have an influence over OSRAM's business activities, achievement, business strategies and results. These factors may cause the actual results to differ materially from the statements of OSRAM, successes and achievements to results, performance or achievements expressed or implied in the forward-looking statements or on the basis of earlier trends can be expected. These factors include in particular, but are not limited to, the matters described in the chapter "Report on Risks and Opportunities" in the Annual Report of OSRAM Licht Group. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of OSRAM may vary materially from those described in the relevant forward-looking statement as being expected, anticipated, intended, planned, believed, sought, estimated or projected. OSRAM neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures they reference.