

Presse Press

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Ad-hoc: OSRAM adjusts its annual forecast due to a weak market

The Managing Board of OSRAM Licht AG has decided today to lower its forecast for fiscal year 2019 (continued operations). Amongst the reasons are the continued market weakness in the automotive industry, in general lighting and in mobile devices. This has led to significant inventory build ups, particularly in China. In addition, business development is facing an ongoing impact by the general economic slowdown. Geopolitical uncertainties continue to negatively impact demand. OSRAM previously had put its guidance under the condition that order intake would need to revive meaningfully in support of the second half of the fiscal year 2019. At this point in time such a development has not occurred, nor is it expected for the rest of the fiscal year.

According to figures available so far, the second quarter of fiscal 2019 is expected to see a revenue decline of roughly 15 percent on a comparable basis when compared to previous year, combined with an adjusted EBITDA margin in the mid to higher single digit range. Similar to the first fiscal quarter of 2019, the Opto Semiconductors business unit has been particularly affected by this business development, impacted by the underutilization of its production capacities.

In view of these developments, the Managing Board now expects for continued operations in fiscal 2019 a revenue decline between 11 and 14 percent (prior: revenue growth between 0 and 3 percent), an adjusted EBITDA margin between 8 and 10 percent (prior: between 12 and 14 percent) and a negative free cash flow between 50 million and 150 million Euro (prior: positive free cash flow in the mid double-digit million range).

The Managing Board has already pro-actively responded to the growing economic challenges in the past months. Through various initiatives the annual cost base is expected to be structurally reduced by more than 200 million Euro by fiscal year 2021.

OSRAM's strategy with its focus on optical semiconductors, the automotive sector and digital applications remains intact irrespective of the current market weakness and will provide for a sustainable and attractive return profile over the longer term. The transformation of the portfolio is progressing well with the initiated sale of the European luminaires business and the sale of the US service business. New business areas such as facial recognition and professional farming are showing positive developments.

PRESS CONTACTS

Jens Hack

Tel.: + 49 89 6213 2129

j.hack@osram.com

Torsten Wolf

Tel. +49 89 6213 - 2506

E-mail: torsten.wolf@osram.com

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 networked, intelligent lighting solutions in buildings and cities. OSRAM utilizes the infinite possibilities of light to improve the quality of life for individuals and communities. OSRAM's innovations will enable people all over the world not only to see better, but also to communicate, travel, work, and live better. As of the end of fiscal year 2018 (September 30), OSRAM had approximately 27,400 employees worldwide. It generated revenue of more than €4.1 billion in fiscal year 2018. The company is listed on the stock exchanges in Frankfurt and Munich (ISIN: DE000LED4000; WKN: LED400; trading symbol: OSR). Additional information can be found at www.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.

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