

Presse Press

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Future concept Osram enters next stage of implementation

- Board adjusts forecast for fiscal year 2018
- Focusing on high-tech markets leads to changes in staff structure

As a result of mixed market environments and the ongoing weak US dollar, Osram has adjusted its forecast for fiscal year 2018 and will be accelerating its move to focus on rapidly growing high-tech markets. Osram will be implementing the future concept for German locations, which was agreed upon last summer with the German engineering workers' union and the General Works Council in a key issues paper as previously announced in July 2017. As the "Future Concept Osram", which was agreed with the labor representatives, enters the next planned stage, the aim is to provide an orderly reorganization of the German sites and the company's indirect functions which should help secure competitiveness and profitability in the long term.

Osram has decided today to adjust the forecast for fiscal year 2018. The reasons for this are the mixed macroeconomic conditions, particularly the weakness of the US dollar against the euro, and the muted course of business in the first half of fiscal year 2018. Based on current exchange rates, a comparable revenue increase of 3 to 5 percent (previously: 5.5–7.5 percent) and adjusted EBITDA of approximately €640 million (previously: approximately €700 million) are now forecast. Furthermore, OSRAM expects earnings per share (diluted) of €1.90 to €2.10 (previously: €2.40–€2.60) and negative free cash flow of €50 million to €150 million (unchanged) for fiscal year 2018.

In the second quarter of fiscal year 2018, based on preliminary results, Osram achieved revenue of €1.01 billion in its continuing operations (growth of 1.8 percent on a comparable basis), an adjusted EBITDA margin of 15.1 percent, and earnings per share (diluted) of €0.46. As expected, negative free cash flow amounted to €132 million owing to planned capital expenditure in the Opto Semiconductors business unit.

Securing profitability and competitiveness

Osram is now beginning to implement a new concept for its German sites which was agreed upon with the union IG Metall and works council last summer. The common aim of this concept is to help reorganize the staff structure both at the German production sites as well as in the indirect functions. With this, competitiveness and profitability should be secured in the long term. Additionally, the board is now entering into further talks with the labor representatives. As a preliminary estimate, these steps could result into an extraordinary charges before tax of 60 to 70 million Euro, although. The charges are not included in the latest adjusted forecast for earnings per share (diluted) for the current fiscal year.

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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 smart phones 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 26,400 employees worldwide as of end of fiscal 2017 (September 30) and generated revenue of more than €4.1 billion. 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.

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