

Presse Press

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Osram keeps up its strong operating performance in the third quarter and positions itself for future market of autonomous driving

- Comparable revenue rises by more than 3 percent; or by more than 8 percent if adjusted for a prior-year non-recurring effect
- At more than 16 percent, adjusted EBITDA margin remains at a high level
- Managing Board confirms its outlook for fiscal year 2017
- Osram acquires stake in a company specializing in navigation technology for self-driving cars

"Osram's operating performance continues to be very strong. We are forging ahead with our transformation into a systems provider. By acquiring a stake in LeddarTech, we are paving the way for success in the key future market of autonomous driving," said Olaf Berlien, CEO of OSRAM Licht AG.

Osram continued to grow in the third quarter of fiscal 2017. On a comparable basis (i.e. adjusted for portfolio and currency effects), growth in the third quarter stood at just above 3 percent. Additionally adjusted for a €47 million carve-out related revenue spike in the previous year, revenue increased by more than 8 percent to €1.06 billion in the period from April to June 2017. This growth was driven by persistently high demand for opto semiconductors and continued strong demand from the automotive sector. At €174 million, EBITDA¹ adjusted for special items was again on a par with the high level of the prior year, giving a margin of 16.4 percent (prior year: 17.0 percent). Profit after tax from continuing operations came to €64 million (prior year: €78m) in the third quarter.

The LED business (Opto Semiconductors, OS segment) benefited among others from the high demand for consumer goods products, such as components used in iris-scan smartphone unlocking, and from the strong growth in the general lighting business. The

¹ Earnings before interest, taxes, depreciation, amortization, and impairment.

Specialty Lighting (SP) segment reported a healthy level of business in the automotive market. The LED modules business and the entertainment business both performed strongly. In the Lighting Solutions & Systems (LSS) segment, the challenges remained, particularly in the US business. However, the many measures taken to raise profitability in this area are making further progress. Two weeks ago we reached a reconciliation of interests at the Traunreut plant where headcount will be reduced with the minimum social impact.

Osram takes the next step towards autonomous driving

Osram has acquired a strategic 25.1 percent share in LeddarTech Inc., a Canadian company that develops a proprietary LiDAR technology integrated into semiconductors and sensor modules for self-driving cars and driver assistance systems. LeddarTech specializes in solid-state LiDAR (Light Detection And Ranging) systems that use infrared light to monitor the area around them, and its advanced optical sensing technology is highly complementary with Osram's semiconductor products. The two companies already work together and Osram has now made an investment in LeddarTech in the mid double-digit million euros. "Osram is already the world's leading provider of sensor lights for autonomous vehicles and is experiencing steadily rising demand in this field. We see the investment in LeddarTech as a logical step on the way to becoming the leading provider of solutions in this area," said Stefan Kampmann, Osram's Chief Technology Officer.

Through partnerships, equity investments and takeovers, Osram is expanding its existing technology base in the field of components and modules with everything from software and electronics to system solutions. This is opening up new applications and markets in autonomous driving, intelligent light control, and Industry 4.0 (the industrial Internet of Things). Osram's recent takeover of LED Engin, a Silicon Valley-based vendor of customized LEDs, and its purchase of a stake in Munich-based horticulture start-up Agrilution highlight this approach.

Outlook for fiscal year 2017

In light of how the business has performed so far this year and the current market trend, Osram confirms its outlook for fiscal year 2017. For the current fiscal year, the Managing Board anticipates comparable revenue growth of between 7 and 9 percent and an EBITDA margin adjusted for special items of between 16.5 percent and 17.5 percent. Diluted earnings per share is forecast to be within a range of €2.70 to €2.90. The company is aiming to achieve a free cash flow at breakeven level.

The company will hold a conference call for journalists featuring the Managing Board of OSRAM Licht AG today, starting at 9 a.m. CEST. The conference will be broadcast online at www.osram-group.com/en/media/media-calendar. A recording will be made available there afterwards.

You can follow the conference call for analysts, which starts at 1 p.m. CEST, at www.osram-group.de/de-DE/investors/publications/2017.

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Selected key figures for the OSRAM Light Group (continuing operations) in the third quarter

	Q3 2017	Q3 2016	Change (nominal)
Revenue	1.056	995	6.2%
EBITDA	147	154	(5.0%)
...margin	13.9%	15.5%	(160 bps)
Adjusted EBITDA	174	169	2.9%
...margin	16.4%	17.0%	(50 bps)
EBITA	97	110	(11.7%)
...margin	9.2%	11.1%	(190 bps)
Adjusted EBITA	125	125	0.2%
...margin	11.8%	12.5%	(70 bps)
Profit after tax	64	78	(17.9%)
Free cash flow	39	(20)	n/a
employees ('000)	25.7	24.9	3.2%

(Unaudited figures. Items stated in € million, margin in %, employees as of June 30. Negative values in brackets.)

Performance of the reporting segments in the third quarter²

	Q3 2017	Q3 2016	Change (nominal)
Opto Semiconductors			
...Total revenue	439	369	19.1%
...EBITDA	126	106	
...Adjusted EBITDA	126	106	
Specialty Lighting			
...Total revenue	563	561	0.2%
...EBITDA	66	71	
...Adjusted EBITDA	73	75	
Lighting Solutions & Systems			
...Total revenue	253	261	(3.4%)
...EBITDA	(19)	3	
...Adjusted EBITDA	(4)	6	

(Unaudited figures, stated in € million; negative values in brackets.)

² Figures for 2016 have been restated because, from the beginning of 2017, OSRAM reported further revenue with LED components for automotive customers in the Specialty Lighting segment

ABOUT OSRAM

OSRAM, based in Munich, is a globally leading lighting manufacturer with a history dating back about 100 years. The product portfolio includes high-tech applications based on semiconductor technology such as infrared or laser lighting. The products are used in highly diverse applications ranging from virtual reality, autonomous driving or mobile phones to smart and connected lighting solutions in buildings and cities. In automotive lighting, the company is the global market and technology leader. Based on continuing operations (excluding Ledvance), OSRAM had around 24,600 employees worldwide at the end of fiscal 2016 (September 30) and generated revenue of almost €3.8 billion in that fiscal year. 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.

Disclaimer

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