

## ams OSRAM

### Creating the Leader in Digital Photonics - Call Script

4 February 2026 / 8:45 a.m. CET

**Aldo Kamper (CEO), Rainer Irle (CFO), Dr. Juergen Rebel (Head of IR)**

#### *Juergen Rebel (Head of IR)*

Good morning, this is Juergen speaking.

Thank you all for joining us on such short notice.

We have exciting news to share with you.

With me are Aldo Kamper, our CEO and Rainer Irle, our CFO.

We are referring to the presentation '**Creating the leader in Digital Photonics**' that we published on our website last night.

Aldo, please tell us how we are going to re-position the company.

#### *Aldo Kamper (CEO)*

#### **[Slide 4 - Divestment of Non-Optical Analog/Mixed-Signal Sensor Business]**

Thank you Juergen and good morning. I am on slide 4.

A new dawn – at least for us. Last night, we announced the sale of our non-optical analog/mixed-signal sensor business to Infineon for 570 million Euro in cash. The transaction comprises Position & Temperature Sensors, the industrial sensor interface ASICs, as well as the Medical Computer-Tomography sensors for professional health applications within the Business Unit CSA.

2025 annual revenues were approximately 220 million Euro and the adjusted EBITDA was something like 60 million Euro. We will have to deal with approximately 30 million Euro of so called 'stranded cost' – the overhead and allocated group cost that a buyer does not need.

The deal is fabless, we will keep the manufacturing site, which is our CMOS factory in Premstaetten near Graz in Austria. We will continue to provide manufacturing services for several years.

Three R&D sites and approx. 230 employees will find a new home with Infineon.

We expect closing in the second quarter this year.

Relevant for our credit investors, the deal comprises approximately 130 million EUR of guarantor assets.

With that, let me ask Rainer to comment on the deal rationale on the next slide.

#### *Rainer Irle (CFO)*

#### **[Slide 5 – Deal Rationale]**

Thank you, Aldo and welcome everybody to this decisive moment in the story of ams OSRAM – we are on slide 5.

We are very pleased that we can kill more than two birds with one stone with this transaction.

**First**, with an almost 'surgical' deal by divesting less than 7 % of group sales and 10 % of adjusted EBITDA we get 570 million Euro in cash. The high multiple that allows fast deleveraging that we always spoke of.

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**Second**, we gain additional room to maneuver, creating a company with a sharpened profile, a strategic 'pure play' around digital photonics.

**Third**, we found a great new home for 230 of our employees with Infineon. With their financial prowess and complementary technology, they will be able to foster this business even better than we could have done ourselves.

At the same time, the deal will enable us to invest adequately in the growth opportunities in digital photonics – on both the sensor and the emitter side, as Aldo will show you later in the presentation.

Fourth, we generate total proceeds of 670 million Euro including the previously announced sale of the Specialty Lamps to Ushio.

**We are reducing our net debt including the OSRAM minorities by almost 35 % !**

We are taking the necessary steps outlined on the right to achieve a truly healthy balance sheet:

- We continue working on improving profitability – an ongoing task given the adverse macro environment. Completion of our 'Re-establish the Base' program is in sight, and we will immediately address the stranded costs related to this transaction.
- We will repay the 2027 convertible using cash on hand, fully in line with the T&Cs – and finding a solution for the Kulim-2 facility remains a clear top priority
- And finally, we will be able to refinance the 2029 senior notes on improved terms.

Taken together, these measures will bring us to our target leverage ratio below two and reduce annual interest expenses to under EUR 150 million, enabling us to deliver an attractive free cash flow profile.

Let me show you our pro-forma balance sheet on the next slide.

**[Slide 6 – Pro-forma Balance Sheet]**

With today's deal, we are moving close to our target leverage.

On the left, you see our balance sheet as of 31st of December 2025.

**First**, cash:

- The European Chips Act funding by the Austrian government arrived exactly on time.
- We also optimized our German pension set-up by switching the trustee. Under IAS, this freed up a meaningful amount of cash – without reducing the security of the pension plan.
- Altogether, this lifted our cash-on-hand to 1.5 billion Euro

**Second**, debt:

- Only small changes here: within Other Financial Debt, we rolled a 100 million Euro bilateral credit with one of our core banks.
- For the 2027 Convertible: no change until year-end, but in January, we repurchased 200 million Euro at 96 %.
- No changes to the senior notes.
- On the Kulim-2 SLB, it is just the regular quarterly lease accrual and FX impact from the Malaysian Ringgit.
- In total, this leaves us with 3 billion Euro in interest-bearing debt.

So, net debt stands at 1.5 billion - or 2 bn including the OSRAM minorities.

Using about 600 million Euro of adjusted EBITDA for 2025, that gives us leverage ratios of 2.5x or 3.3x including minorities.

Now, let's move to the pro-forma balance sheet **after closing** of both disposals – today's announced the non-optical sensors sale and last summer's transaction with Ushio.

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Upon closing, this brings 670 million Euro additional cash.

This reduces net debt to 850 million Euro - or 1.35 billion Euro including the OSRAM minorities.

We are also showing here that we reduced cash and outstanding convertible bonds through the 200 million buyback in January.

We then adjust for the EBITDA we are selling – which leaves us with approximately 525 million Euro EBITDA.

This lowers leverage by 0.8 turns to 1.6 excluding minorities and 2.5 including them!

The final step needed to bring leverage to below 2x will be finding a solution for the Kulim 2 facility. This remains a top priority, but is not fully in our hands.

So, deleveraging has already been successful.

And importantly, these divestments also free us up to accelerate innovation across our photonics core business.

Aldo will walk you now through our vision for the re-focused company – switching to slide 7.

**Aldo Kamper (CEO)**

**[Slide 7 – The leader in Digital Photonics]**

Thank you, Rainer.

With the disposal of our non-optical analog sensor business, we are truly shaping the leader in Digital Photonics.

We are becoming a pure play - with the broadest portfolio in the market across emitters, optical sensors and suitable CMOS technologies for enhancing those.

We hold the number one position in almost every segment we compete in.

And, in nearly half of our revenue base, we have a relative market share well above two – meaning we are not just leading; we are leading by a wide margin.

We have several very promising growth avenues, and we are now focusing on them with full force. I will come back to those in a moment.

We also offer highly resilient supply chains – global or local – exactly as our customers need it.

Some of you may have wondered why we chose to keep our traditional automotive lamps business, even though it is hardly growing.

Two reasons:

**First**, we optimized for EBITDA multiple - to maximize deleveraging impact.

**Second**, with our 'last man-standing' strategy gradually unfolding, this business has become a stable cash cow in our portfolio. It helps us service our debt and fund growth in the semiconductor business.

Now, let us move to at the underlying driver of our semiconductor business, join me on slide 8.

**[Slide 8 – Digital Photonics Megatrend]**

Digital photonics? What do we mean by that?

Traditionally, photonics refers to the world of analog photon-based components and systems.

When we say 'digital', we are adding something very specific: the semiconductor control ASICs that drive many of our most innovative emitters and sensors.

In simple terms:

All our semiconductor products enhance physical objects or replace physical interactions – whether that's people interacting with objects or objects interacting with each other.

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Think of it as:

- light as a design feature,
- sensing with light,
- dynamic lighting solutions,
- material processing with light,
- projection instead of a self-lit display
- or: light replacing copper-wires.

Ultimately, our products enable - or significantly contribute to - the defining technological trends of our time:

- autonomous and assisted driving,
- augmented and virtual reality,
- artificial intelligence,
- smart health,
- smart defense,
- and robotics.

And these very trends are the ones that will open up major growth avenues, some of them starting in 2027 – which I will come back to later in the presentation.

**[Slide 9 – Creating the Leader in Digital Photonics]**

To give you a clear view of what remains in our business, let us look at our classic portfolio slide on the next page.

On the left, you see **Optical Semiconductors** - all LEDs and Lasers. No changes here; the full portfolio stays as is.

In the center, **CMOS Sensors and ASICs**.

This is where all non-optical sensing will leave the portfolio.

And on the right, you see **Lamps & Systems**.

Here, we are keeping the entire automotive lamps business.

As a reminder, last summer, we sold the entertainment and industrial specialty lamps business to Ushio. That transaction is expected to close towards end of Q1.

**[slide 10 – Our Path to Create the Leader in Digital Photonics]**

Now, let me hand over to Rainer to walk you through the next steps on our path to creating the leader in Digital Photonics.

We are moving on to slide 10.

**Rainer Irle (CFO)**

Thank you, Aldo.

Our path forward consists of three phases:

- **2023 to 2025** - streamlining and repositioning.
- **2026** the transition year,
- **2027 and beyond** - growth and cash flow generation.

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Since Aldo and I took over, our focus has been on rebuilding the company for financial health and growth. We streamlined the portfolio. We executed the 'Re-Establish the Base' savings program. We took decisive refinancing steps to stabilize the group. And we refocused the semiconductor core – especially micro-emitter R&D – towards new, promising applications.

The transition phase means closing both divestment deals during 2026.

It also means a temporary dip in adjusted EBITDA as the sold EBITDA drops out and the 'stranded cost' weigh on margins. Removing this cost overhang will require further transition cost. It's painful, but unavoidable.

Financing costs will also stay high in 2026 - roughly 250 to 300 million Euro - until we can refinance the senior notes, which we have on the radar for 2027.

Beyond this transition, we return to margin expansion in the core business and to growth from new applications - including highly pixelated auto headlamps and micro-emitter projection arrays – Aldo will cover these in more detail later.

Above all, our goal is a healthy balance sheet, with leverage below 2.

The improved rating after deleveraging, the next wave of cost savings, and the coming growth will allow us to bring financing costs down.

With financing cost below 150 million Euro and a low run-rate of restructuring costs, we will be in a position to deliver strong free cash flow - well above 200 million EUR.

We have a consistent story: streamline and reposition → then grow → expand margins → and generate a strong free cash flow.

**[slide 11 – 2030 Financial Targets]**

Now, let's talk about our updated financial targets on slide 11, following the re-shaping of the company.

This slide sets out our 2030 over-the-cycle Financial Targets – the model we expect once all divestitures, incl Kulim 2, are completed, corporate structures are simplified, debt is refinanced, and new applications are contributing to growth.

For **Semiconductors**, we are targeting **mid- to high-single-digit revenue growth**. This is based on a range of growth vectors that Aldo will explain shortly. And we aim for an adjusted EBITDA margin of 25 % or more.

Traditional Auto Lamps will contribute to the Group as illustrated on the right-hand side. This business is expected to remain broadly flat, acting as a reliable cash source that supports the transition and helps funding growth in the semiconductor business. We target consistently an adjusted EBITDA margin between 13 and 15 % for this segment.

At **Group level**, we target:

- a CAPEX ratio of up to roughly 8 % of sales, typically lower than that.
- Free Cash Flow of well above 200 million Euro after refinancing
- and a net debt to adjusted EBITDA ratio below 2.

These are over-the-cycle targets.

They reflect our operating model once the portfolio transition is complete.

With that, back to Aldo.

**Aldo Kamper (CEO)**

**[Slide 12 – The Photonics Powerhouse]**

Thank you, Rainer.

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Now, on to technology leadership – the heart & soul of every semiconductor company. And the foundation of any successful semiconductor business.

I am now on slide 12, where we outline our system-relevant opto-electronic technology portfolio.

Our customers rely on us because our technologies make their products better or enable them to work in the way they want them to. This is our purpose: enabling system performance – and, of course making money and creating value.

We start from the broadest differentiated technology portfolio in the opto-electronics industry, where our differentiation runs deep:

We master epitaxy across three different material systems, covering wavelengths from near-infrared to UV-C

We develop advanced emitter chips and packages. We bring phosphors and mixed-signal CMOS technologies to the table.

And we have industry leading capabilities in optical filters and Through-Silicon-Vias processes. In almost all of these fields we are leading the race.

This unique combination of technologies allows us to develop industry- benchmark LEDs, lasers, and micro-emitter arrays, as well as a broad set of sensors: for Light, Proximity, Distance, Temperature, Pressure, Gas, and for more.

And because we combine this with our mixed-signal and CMOS know-how, we can even integrate LED Driver ICs and the associated Power Management ICs in complete solutions in-house.

[brief pause]

This is why we say: we offer the ***broader set of differentiating emitter and optical-sensor technologies*** in the industry – and we lead in market position, in technology and in innovation.

**[Slide 13 – Digital Photonics Leader]**

Switching to slide 13.

Historically, we have not always been good at turning technology leadership into market and commercial success.

This is going to change and the next slides will make that clear.

But first, let's look at the foundation we are starting from.

We are already leading in market segments that represent roughly ***80 % of our semiconductor revenues***.

In most of these segments, we hold a relative market share above two – and in the remaining areas, we are still above one.

Some of the clearest examples are automotive forward lighting, automotive signaling, and horticulture – and there are several more.

A major milestone came in 2025:

According to Trendforce, we ***surpassed Nichia*** and are now the ***clear number one in packaged LEDs***. We are leading by 50 million Euro based on their estimates.

If you look at our revenue mix - our semiconductor business is also well balanced across Automotive, Industrial, and Consumer.

And the regional split is healthy as well - across the Americas, EMEA, and Asia-Pacific.

For this we argue: diversification plus leadership creates resilience.

**[Slide 14 – Geopolitically Resilient Supply Chain]**

Let's stay with the theme of resilience and look at our semiconductor supply chain on slide 14.

The macro-economic environment has changed.

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New trade policies, new geopolitical realities, and a new kind of geo-economic thinking are shaping global supply chains.

And we are ready for this new era.

We can offer our customers exactly what they need and exactly how they need it. Our supply chain is **geopolitically resilient** and **end-to-end**. This is especially important for our customers in the defense sector. We can support both globalized and regional supply chains. We have in-house and outsourced capabilities across the entire value chain - LED and laser front-end, assembly, test, as well as specialized CMOS and sensor front-end and back-end processes.

Inhouse, we can rely on our manufacturing network in Austria, Germany, Malaysia, Singapore, the Philippines, and China.

And we complement this with outsourcing partners in Taiwan, China and several other countries.

This mix gives us exactly what our customers need:

redundancy, proximity, competitiveness - and meeting local content and reliability requirements.

**[Slide 15 – Growth Vectors – MicroLED Arrays - EVIYOS™]**

We are truly excited about the growth opportunities that Digital Photonics presents. Let me walk you through the six key angles we see emerging:

Three on the emitter side – all centered around micro-emitter arrays.

And three on the sensor side – spectral sensing, bio-sensing, and time-of-flight based distance sensing.

Let's start with a familiar topic: high-pixel count matrix headlights, based on our prized EVIYOS™ product – that's on slide 15.

EVIYOS™ is our answer to higher safety and greater functionality in the most advanced automotive headlamps in the market. Today, we are at 25.000 pixels, more in the future.

To date, we have accumulated over 500 million Euro in Design Wins – measured in estimated Life-Time-Value. We have shipped already more than one million pieces. And we expect today's low double digit million Euro annual revenue contribution to grow to around 100 million Euro by 2028.

The USD market for packaged and matrix LEDs for Automotive headlamps is projected to exceed the one billion USD by 2029, driven by the microLED high pixel count arrays.

In other words, 17 million new cars in 2029 are expected to be equipped with adaptive matrix headlamps. We are perfectly positioned here. We hold the vast majority of designs won, and in doing so, we are effectively setting the market standard.

The pixel size today is around 45 x 45 microns.

But this is just the beginning, as you will see on the next slide.

**[Slide 16 – Micro-Emitter Arrays for AR Projection]**

We have been pushing hard to further develop our microLED array base technology – the very technology that earned us the German Future Award in 2024.

Today, we have red, green and blue micro-emitter arrays with a pixel size of just one micron!

This is the game changer: when pixels become this tiny – and when you combine that with smart system integration – you get projection engines that are compact, bright, and highly efficient.

We have invested heavily in this technology, supported both by government funding and by our customers. This technology will enable everyday, see-through AR glasses with displays that are far brighter and far more power-efficient than anything on the market today. We are already working on the first design ins and design wins.

Our conviction in this new class of consumer products has been growing steadily and market adoption has also been rising steadily.

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Smart glasses without displays are already selling in the millions today - just imagine what happens once attractive, high-performance displays are added. We will be a major part in that shift.

And we plan to offer more and more critical components to this class of devices – going well beyond what we offer today.

If the market grows as predicted, and if we launch our new products as planned, we see an annual revenue potential in triple-digit-million Euro territory in the 2030s.

**[Slide 17 – AI Data Centers – ‘Scale Up’ optical connections]**

However, this technology has even more potential.

Let's move on to slide 17.

Gen AI is the topic of the day. Datacenters are being built at an unprecedented scale. Some of them are simply breathtaking in size. And so is their appetite for electricity - and for thermal cooling. We even hear of plans placing datacenters in the cold of space just to deal with the heat.

Back here on earth, the data center world is moving away from copper. They are shifting toward Silicon Photonics and co-packaged optics - the first wave of optical backplanes for scale-up architecture.

But we are already thinking beyond that.

We are exploring a solution with even better energy efficiency and thermal management: micro-emitter arrays that enable multi-channel optical connections at lower data rates per channel – meaning simpler, less power-hungry components. This is considered the second generation: sometimes referred to as the “wide and slow” approach.

And it doesn't stop at the backplane.

This technology can also work inside the rack – enabling chip-to-chip optical connections directly on the board. We have already demonstrated prototypes in the lab, and are currently working with partners to commercialize such solutions at scale.

The market demand is certainly undisputed – and we intend to grab our share.

It is still too early to quantify the exact upside, but we are certainly looking at high double-digit million Euro annual revenue potential, and possibly triple-digit, depending on how much of the system we end up providing.

**[Slide 18 – Spectral Sensing]**

Now, let's switch to the sensor side of Digital Photonics. Slide 18.

Spectral sensing is one of our strongest consumer use cases.

In smartphones, it enables true-color display management on the user-facing side, and professional-grade color correction on the world-facing side.

In this field, we are the clear technology and market leader - and we want to keep it that way.

Already today, spectral sensing contributes triple-digit-million Euro revenues.

But we see further growth ahead, supported by new sensor products currently in our pipeline, as well as the global proliferation of foldable smartphones. Two screens mean two sets of sensors.

External forecasts show foldable shipments growing through 2029 with a CAGR of 34 %, and while exact adoption of spectral modules will depend on individual OEM design choices, the 2030 revenue contribution will be meaningfully higher than today. On top, the share of premium smartphones continues to grow as well.

**[Slide 19 – Personal Health & Fitness]**

Next in line is **Vital Sign Monitoring**, or **Bio Sensing** for personal health and fitness tracking. Slide 19.

Today, wearables already measure heart rate, temperature, blood pressure, and blood oxygenation –

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this is state of the art. But we expect that additional biomarkers will emerge to be optically detected. We are actively working on such next-generation sensors, and with broader adoption, we anticipate an additional double-digit million revenue contribution by 2030.

The wearables market itself continues to expand - across true wireless earbuds and smart-watches - and we are positioned to benefit from this ongoing growth.

**[Slide 20 – Multizone Time-of-Flight]**

Completing our tour on the sensor side, let's look at Time-of-Flight. Slide 20.

Our multizone Time-of-Flight sensing sits right at the intersection of edge AI, advanced smart devices, and robotics. Our goal is to deliver higher frame rates and RGB-depth fusion that lets devices understand their environment with far greater precision. Today, our device is the technical benchmark in the market. We are awarded the first smaller design-wins as we speak.

With robust AI use-cases and system-level optimization, direct Time-of-Flight becomes a core capability across both consumer and industrial use-cases. We have high expectations for adoption in robotics. The steepest growth curves are predicted for humanoid robots - starting from very small shipment numbers, today. Meanwhile, the broader consumer robotics market is about to surpass the 100-million-unit mark soon. Sure, only the premium end of this market may adopt a premium sensor. However, depending on adoption levels, this could become a double- to triple-digit-million-euro annual revenue driver in 2030 and beyond.

**[Slide 21 – Core Business]**

While the new growth vectors are exciting, our core business continues to grow profitably. We are on slide 21.

We win in established markets because we combine market leadership, technology advantage, and cost-performance – across automotive LEDs, near-infrared emitters, light sensors, industrial lighting, and CMOS ASICs.

The core semiconductor business is roughly **1.9 billion Euro** in size and is growing at a single-digit CAGR.

We hold the number one position in about 70 % of that revenue base.

This combination of leadership and discipline keeps the foundation healthy – and it funds the innovation that drives our future growth.

**[Slide 22 – Conclusion and Executive Summary]**

With that – let us wrap up for today. I am now on slide 22.

This is a special day for us.

The sale of our non-optical analog/mixed signal sensor business for 570 million Euro in cash is the decisive step in creating the leader in Digital Photonics with the broadest, truly differentiating emitter and optical-sensor technology set.

In short, we are **the** Photonics Powerhouse.

A key part of this journey is that our balance sheet is becoming healthy. Leverage drops significantly and with the two divestments, we remove close to 35 % of our net debt – any discussion about ‘too-much-debt’ shall be a thing of the past. From here, our focus is on taking the next steps to bring leverage below 2, as we have been targeting ever since.

Steve Jobs once said “**innovation distinguishes between a leader and a follower**”.

I believe that as well.

We see exciting growth opportunities - through 2030 and beyond – driven by breakthrough technologies: micro-emitter arrays, spectral-, bio- and distance-sensing.

Our 2030 over-the-cycle Financial Targets call for mid- to high-single-digit revenue growth in semiconductors – and that can accelerate even further if some of the new applications take off faster

than anticipated.

We aim to deliver at least 25 % adjusted EBITDA in the semi business.

Generating significant Free Cash Flow on Group level is key to us.

We want to deliver well above 200 million Euros in good years.

Leverage will fall below 2 when we execute our steps as planned and when the new applications scale as anticipated.

With that - we are now ready for your questions.