ams OSRAM
Q3 2026 Results - Call Script
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Aldo Kamper (CEO), Rainer Irle (CFO), Dr. Juergen Rebel (Head of IR)

Juergen Rebel (Head of IR)

Good morning, Juergen speaking.

Welcome to our third quarter 2026 earnings call.

Aldo, our CEO, will comment on business performance and strategic progress.

Rainer, our CFO, will walk you through the financials.

Please refer to the **Q3 earnings call presentation** available on our website.

Aldo, please take us through the quarter!

Aldo Kamper (CEO)

[Slide 3 – Quarterly Achievements]

Thank you, Juergen, and good morning everyone.

Q3 marks another step ahead in our transformation.

The core business is growing despite mixed end-market demand. The financial profile is improving, and our AI Photonics development is moving closer to commercialization.

Let us turn to slide 3 and start with the quarter.

Our semiconductor core portfolio grew 3% year-on-year on a like-for-like basis, led by 8% comparable growth in Opto Semiconductors.

Group revenue reached 829 million Euros. Adjusted EBITDA margin came in at 16.3% - above the midpoint of our guidance. And we secured approximately 1.3 billion Euros of new semiconductor design wins in the quarter. One nice example of this is the flagship Android smartphone design win combining three of our most advanced optical sensors.

In AI Photonics, our 850-nanometer Thin-Film microVCSEL platform achieved key performance and reliability milestones. The Credo-led Wide & Slow initiative is advancing ecosystem validation and industry standardization, while our micro-emitters featured in Credo's Active Light Cable demonstrator.

In summary: the core portfolio is growing, design-win momentum is strong, and in AI Photonics our innovation pipeline is translating into tangible customer and ecosystem validation.

Rainer Irle (CFO)

[Slide 4 – Q3/26 Group Performance]

Thank you, Aldo, and good morning from my side as well.

Turning to slide 4.

Q3 was another strong quarter against the backdrop of all portfolio changes.

Group revenue reached 829 million Euros, up 3% sequentially. The increase was driven by continued growth in Opto Semiconductors and the seasonal upswing in the traditional automotive lamps business.

Reported revenue declined 3% year-on-year due to divestments. Portfolio changes weighed on the year-on-year comparison with approximately 60 million Euros. On a like-for-like basis and at constant currencies, the semiconductor core portfolio grew around 3%, led by the 8% growth in Opto Semiconductors while the consumer business was down. Including lamps, the Group core was up by 4% on a like-for-like basis.

Adjusted EBITDA was 135 million Euros, corresponding to a margin of 16.3%. That is above the midpoint of our guidance. Sequentially, adjusted EBITDA was broadly stable despite the changed portfolio mix and the transition to low margin manufacturing services for the divested non-optical sensor business.

Year-on-year, adjusted EBITDA declined by 19%. The main driver was the deconsolidation of non-core businesses, with additional headwinds from foreign exchange and raw materials cost.

Reported EBITDA was much higher at 503 million Euros. The difference to adjusted EBITDA primarily reflects the gain from the sale of the non-optical sensor business.

[Slide 5 – Q3 Segment Performance]

Let's turn to segment performance on slide 5:

OS delivered another strong quarter. Revenue increased 9% sequentially and 9% year-on-year to 399 million Euros. Adjusted EBITDA rose 19% sequentially to 77 million Euros, and the margin improved to 19.2%. Higher volumes and better factory performance drove the sequential improvement.

With the closing of the sale of the non-optical sensor business, the division CSA has been renamed to **Light Sensors & Photonics** – in short **LSP**.

LSP reflects the portfolio transition most visibly. Revenue was 227 million Euros, down 12% sequentially and 16% year-on-year. Excluding the portfolio effect from the divested business to Infineon, the year-over-year decline was approximately 6%, mainly reflecting the weakness in the Chinese smartphone market.

Adjusted EBITDA was 21 million Euros, with a margin of 9.1%. The margin reflects the manufacturing services provided to Infineon at close to zero margin. At H1 pricing, the LSP margin would have been around 5 percentage points higher.

Lamps & Systems delivered a strong seasonal performance. Revenue increased 11% sequentially to 204 million Euros.

The auto-lamps business alone grew 9% year-on-year, demonstrating continued momentum and market-share gains. Adjusted EBITDA increased 40% sequentially to 47 million Euros, and the margin expanded to 23.1% on higher volumes and improved factory performance. We certainly benefit from the fact that many customers asked us to jump in after the insolvency of our key competitor First brands.

Overall, the last quarter shows that our streamlined core portfolio performs in difficult or mixed market situations, such as a weak Chinese Consumer market and despite sluggish auto OEM sales.

[slide 6 – Semiconductor performance per end market]

Turning to slide 6.

Total semiconductor revenue was 625 million Euros, up 1% sequentially and down 2% year-on-year on a reported basis. **On a like-for-like basis and at constant currencies, however, our semiconductor core portfolio grew approximately 3%** year-on-year. This gives a better view of the underlying performance of the business following the portfolio changes.

Automotive revenue increased 2% sequentially. On the same underlying basis, Automotive grew by approximately 4% year-on-year, as continued content and market-share gains helped more than offset softer market conditions. Order patterns remain short and the market competitive, but our design wins continue to translate into share and content growth.

Industrial & Medical revenue was 196 million Euros, down 4% sequentially due to the deconsolidation of the non-optical sensor business.

Underlying growth remained strong at approximately 23% year-on-year, driven by continued industrial recovery, particularly in horticulture and professional lighting.

Consumer revenue increased 5% sequentially, in line with the seasonal smartphone ramp. Year-on-year, revenue declined 13%, primarily reflecting weakness in the China Android market.

In summary, the streamlined core portfolio performs well even amid mixed market conditions: growth in Opto Semiconductors and Industrial & Medical, continued design-win conversion in automotive, and strength in consumer custom products balancing the weakness in China to a certain extent.

With that, let me ask Aldo to comment on Design-Wins and latest progress in Digital Photonics.

Aldo Kamper (CEO)

Thank you Rainer.

[slide 7 – Q3 – Design-Win Performance]

Turning to slide 7.

Let us now look ahead.

In Q3, we secured approximately 1.3 billion Euros of new semiconductor design wins, bringing the nine-month total to approximately 3.8 billion Euros. This keeps us on track toward our approximately 5 billion Euros objective for the year.

The momentum is broad-based across our end markets.

In **Automotive**, we continue to win across forward lighting, signaling and interior applications, with particular strength in advanced forward lighting.

For the first time, we also secured new platform design wins for the new, upcoming panoramic head-up displays, we come to that in a minute.

In **Industrial**, we saw continued traction in professional lighting, particularly in Europe and the Americas.

And in **Consumer**, we won significant new business in display management, camera enhancement and ambient-light sensing.

Importantly, we are also seeing tangible progress across our Digital Photonics growth vectors.

EVIYOS continues to scale, with more than 50 million Euros of additional design wins in Q3.

In **advanced optical sensing**, our multi-zone direct Time-of-Flight platform is moving further into commercialization, with the first flagship android smartphone design-win ramping soon.

And **in AI Photonics**, we are advancing our 850-nanometer Thin-Film VCSEL technology and developing the “wide and slow” optical interconnect ecosystem -we come to that later.

Together, these wins strengthen our future revenue visibility across established platforms, while building the foundation for growth from our emerging, differentiated Digital Photonics opportunities.

[Slide 8 – Panorama Head-Up Displays]

Now, let us take a closer look at one of the very tangible examples of growth in our core automotive business just mentioned. I am on slide 8.

The windshield is becoming a wide-screen display. And we are a key technology supplier enabling it.

Instead of looking down at multiple screens, navigation, safety alerts and other relevant information can be brought directly into the driver’s natural field of view.

This keeps the driver's eyes on the road, puts information into the context where it is needed, and enables a much more intuitive cockpit experience.

And this is where our technology comes in.

These much larger projection areas require high brightness, high contrast and very efficient light sources. Our advanced automotive LEDs are a key building block, enabling bright projection or bright illumination across a significantly wider area of the windshield.

We are working with leading Tier-1s and OEMs. The market is still at a very early stage. According to Omdia, panoramic head-up display volumes are expected to grow from less than one million units today to more than eight million units in 2031 and beyond.

For us, this is a great example of what we mean by **growth in the core**: taking our established leadership in automotive LEDs into emerging, higher-value applications and increasing our content per vehicle.

[Slide 9 – Precision sensing in a flagship smartphone]

Slide 9 brings us to a commercial product in the market today.

The VIVO X500 Pro Max is the pinnacle of camera-centric smartphones and hailed by many tech reviews. You can even get an accessory 400mm telephoto lens for it.

To enable this kind of professional grade photo performance, it combines three ams OSRAM sensing technologies: a behind-OLED spectral color sensor, **the multi-zone direct Time-of-Flight sensor** and a multi-channel spectral sensor.

Together, they support smooth display adaptation, faster and more accurate autofocus, reliable subject tracking, natural color reproduction and stable image capture under challenging lighting conditions.

This is a good example of our system relevance. Our value is not one discrete component. It is the combination of emitters, sensors, algorithms and integration know-how that improves customer experience.

[Slide 10 – Wide & Slow: A New Optical Architecture for AI Scale-Up]

Let me now turn to AI Photonics. Turning to slide 10.

AI compute is scaling faster than copper can keep up. Increasingly, the next bottleneck is connectivity: moving enormous amounts of data between accelerators with low latency, low power and acceptable cost.

Copper remains attractive, but its practical reach becomes more constrained as bandwidth and system density rise. Traditional optical solutions provide reach, but can add cost, power and complexity when multiplied across the much larger number of scale-up connections as illustrated in the drawing of a data hall.

Our answer is **wide-and-slow.**

Instead of pushing a small number of optical lanes to ever-higher speeds, we distribute bandwidth across many parallel optical channels operating at lower rates per channel.

The target is easy to remember: optical reach, copper-like latency, and a path toward copper-like economics.

This is not about replacing every existing optical architecture. Silicon Photonics and Indium Phosphide will remain important, especially in scale-out.

Wide and slow is designed for a different optimization point: massive parallelism in tightly coupled AI systems.

[Slide 11 – Wide & Slow: being the Turnkey OE Pure-Play Vendor]

Slide 11 illustrates the strategic opportunity we see in AI photonics.

Our ambition is to move from being a supplier of individual optical components to providing an increasingly integrated photonics platform for high-volume applications.

We combine micro-emitters, photodetectors, CMOS know-how, Thin-Film processing, through-silicon-via integration, advanced wafer-level packaging and test within one industrial platform – all under one roof.

A key differentiator is our Thin-Film technology, which enables top-emitting devices and is designed for dense, highly parallel architectures. Combined with our industrial manufacturing experience, this gives us a technology platform that can address not only device performance, but also integration and manufacturability at scale.

On the left you see our technology stack.

In simple terms: electrons enter from the bottom, photons leave and enter from the top, and heat can be managed laterally.

During the quarter, our 850-nanometer Thin-Film microVCSEL platform demonstrated error-free 32-gigabit-per-second NRZ operation at approximately 0.25 picojoules per bit on VCSEL device level, with a pitch below 50 micrometers.

We believe that 850nm will be a sweet spot as it is based on readily available Gallium Arsenide, even on 8-inch, and it allows using standard multimode optical fibers that are pretty cheap.

Key elements of the technology stack have been validated, but there is of course not yet commercial revenue.

For that, our route to market will be pragmatic: start with pluggable or active optical cables to accumulate field hours, then move closer to the compute package as reliability, manufacturing and system integration mature.

[Slide 12 – Wide & Slow: Moving from Technology Proof to Ecosystem Validation]

Turning to slide 12. Technology alone is not enough.

A new interconnect architecture needs an ecosystem and an interoperable path to adoption.

That ecosystem is now taking shape.

We joined the Credo-led OCP workstream for interoperable short-reach micro-emitter optical links. This brings together participants across emitters, fiber, connectors, integration and AI infrastructure, as you can see from Credo's press release.

Our micro-emitters were also featured in Credo's Active Light Cable demonstrator at the OCP trade show, moving the architecture from an individual component proof point into a functional system environment.

And we are working with BizLink on the critical fiber and connector interface. This is essential because high-core-count alignment and a scalable connector architecture are central to commercialization.

Wide and slow is developing from a compelling architecture into an interoperable industry platform.

We remain early in the commercialization journey. But the direction is clear: the technology has been demonstrated. The ecosystem is forming and the commercialization is advancing.

With that, let me hand back to Rainer for more on the financials.

Rainer Irle (CFO)

[Slide 13 – Liquidity and capital structure]

Thank you Aldo.

Let us return to the financial profile. I am on slide 13.

At the end of September, **cash on hand stood at 1.39 billion Euros**. Available liquidity was approximately 1.9 billion Euros.

Net debt excluding Kulim 2 sale-and-lease-back declined to 883 million Euros. Including the sale-and-lease-back, net debt was 1.34 billion Euros.

During the quarter, we continued to optimize the maturity profile. We announced a tender offer for the 2027 Convertible Bond with a maximum acceptance amount of 143 million Euros that we just extended a bit as we expect the closing of the sale of CMOS imaging sensor business to Indie soon.

Our maturity profile is now staggered, and the strong liquidity position provides substantial coverage for near-term obligations.

[slide 14 – Free Cash Flow]

Turning to cash flow on slide 14.

Free Cash Flow was 462 million Euros in Q3, driven by 569 million Euros of divestment proceeds from the sale of the non-optical sensors to Infineon.

Operating cash flow was minus 61 million Euros. This mainly reflects the continued reduction of factoring and reverse factoring, 25m USD repayment of customer prepayments as well as the quarterly interest payment from our Senior Notes.

Cash flow related to capital expenditure was minus 45 million Euros, fully in line with our disciplined investment approach. For Q4, expect a bit more CAPEX.

Important to note: the divestment proceeds significantly strengthened the balance sheet. Underlying cash generation was also burdened by transition effects during the quarter.

Execution of the Simplify program continued. We have delivered more than 20 million Euros of run-rate savings to date toward the 200 million Euros target by fiscal 2028.

This program remains a central lever for lowering the cost base, increasing speed and improving agility.

Let me hand back to Aldo for the Summary and Outlook.

Aldo Kamper (CEO)

[slide 15 – Summary and Outlook]

Thank you, Rainer, and turning to slide 15.

Let me summarize the quarter in three points.

First, the underlying core is growing, also in mixed market situations.

Opto Semiconductors grew 8% like-for-like.

We delivered revenue of 829 million Euros and an adjusted EBITDA margin of 16.3%, above the midpoint of guidance. Semiconductor design wins reached approximately 1.3 billion Euros in the quarter.

Second, we have materially strengthened the financial profile. The divestment proceeds reduced net debt and support a strong liquidity position.

Third, new Digital Photonics growth vectors are moving closer to commercialization.

In AI Photonics, our next-generation Thin-Film microVCSEL platform delivered important proof points. And the Credo-led OCP initiative, the Active Light Cable demonstrator with our micro-emitters and our work with BizLink show that an ecosystem is forming around wide-and-slow.

There is still a lot of hard work ahead of us. These are early commercialization steps.

We are building the next growth chapter of ams OSRAM: a stronger core, a healthier financial profile, and a focused Digital Photonics portfolio designed for profitable growth with differentiated technology.

With that, let me close with the outlook.

For Q4, we expect **revenue between 750 and 850 million Euros** and an **adjusted EBITDA margin of 16.0%, plus or minus 1.5 percentage points**. The guidance assumes an EUR/USD exchange rate at 1.12.

In Semiconductors, we expect the typical seasonal decline.

In Lamps & Systems, we expect the usual seasonal peak in the traditional automotive lamps business.

For fiscal 2027, we continue to see positive Free Cash Flow.

We are entering this next phase with a reshaped portfolio, a stronger liquidity position and a lower debt burden.

Our focus now lies on execution: convert core design wins into revenue, deliver the Simplify savings, and move our new Digital Photonics opportunities toward commercial scale.

With that, we are happy to take your questions.