

Third quarter dominated by active crisis management

Q3 FY20 Earnings Release (unaudited figures)

Disclaimer

This presentation as well as other reports, presentations, materials delivered to shareholders and press releases may contain forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein. In addition, our representatives may from time to time make oral forward-looking statements. Forward-looking statements may include, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. OSRAM Licht AG has based these forward-looking statements on its current views and expectations and on certain assumptions of which many are beyond OSRAM Licht AG's control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the sub-chapter Risks in the Annual Report. Actual financial performance could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. The information contained in this presentation is subject to change without notice and OSRAM Licht AG does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.

This presentation includes references to non-IFRS financial measures, including, but not limited to: FCF, EBITDA, EBITDA margin, capital expenditure, capital expenditure as percentage of revenue, net financial debt and net working capital. We have provided these measures and other information in this presentation because we believe they provide investors with additional useful information to assess our performance. Our use of these supplemental financial measures may vary from others in our industry and should not be considered in isolation or as an alternative to our results as reported under IFRS.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Safeguarding profit and cash flow

Statement from the CEO



Q3 FY20 summary:

- **Revenue of €606m**
(€-244m / -29.4% comp. vs. prior year)
- **EBITDA (adj.) of €-27m / -4.5%**
- **FCF at €-7m** thanks to active working capital management

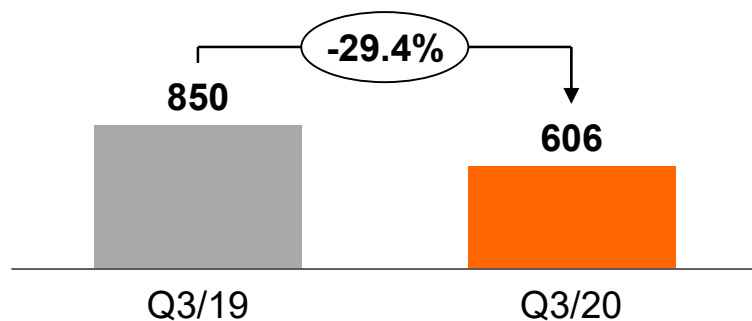
“Thanks to the early and determined reaction, we were able to contain the impact of COVID-19 on profit and cash flow. I am especially pleased that the operating cash burn was negligible – despite a sequential revenue decline of more than 200 million euros. This is a true testimony to OSRAM’s vigor and resilience.

Fiscal Q3 marked the low point in terms of revenue development. We will continue our strong crisis management while being on the lookout for business opportunities in the coming upswing.

On July 9, ams completed the acquisition of a majority share of OSRAM Licht AG following successful antitrust reviews. This is an important cornerstone on our way to creating a global leader in optical solutions.”

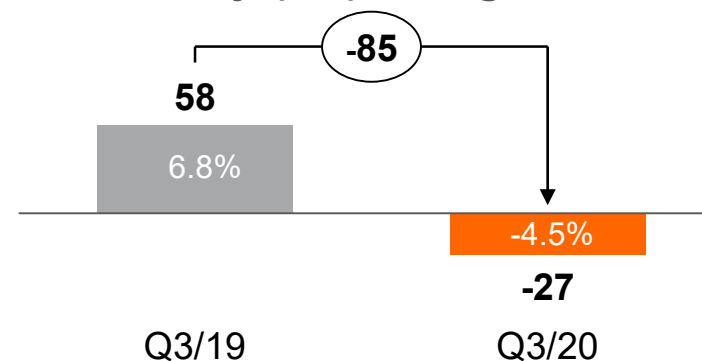
Good cash protection despite 30% revenue decline

Revenue (€m) / comp. growth



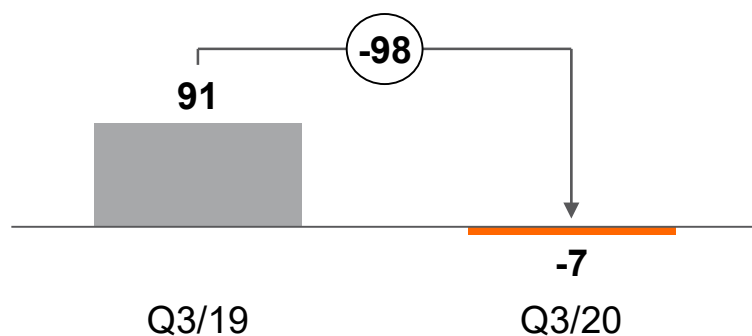
Demand drop across all business units, low point predominantly in April/May

EBITDA adj. (€m) / margin



Profit impact mitigated by COVID-19 measures

Free cash flow (€m)

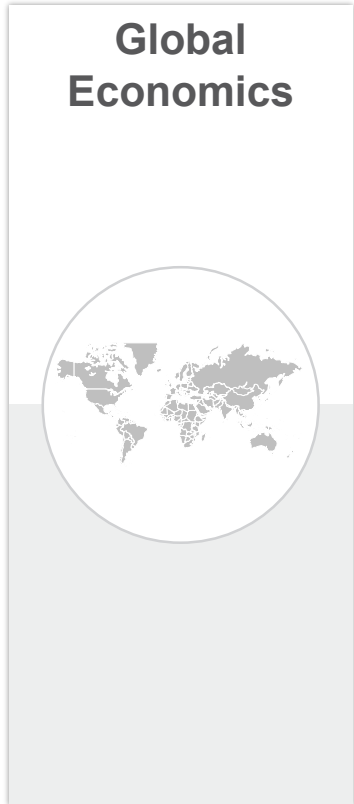


Limited cash burn thanks to NWC management and CapEx discipline

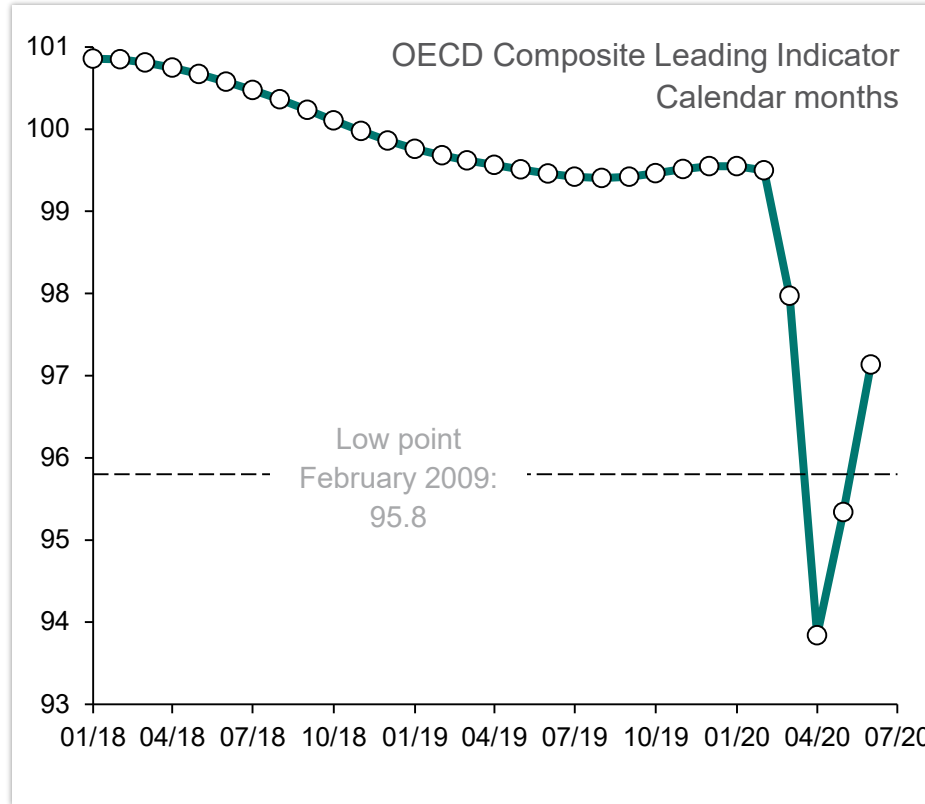
Comments:

- 20 to 35% comp. revenue decline across business units
- Toughest impact in cinema/entertainment; industrial and general illumination businesses with lowest effect
- Only modest profit drop-through, supported by performance measures
- Early focus on cash management is paying off

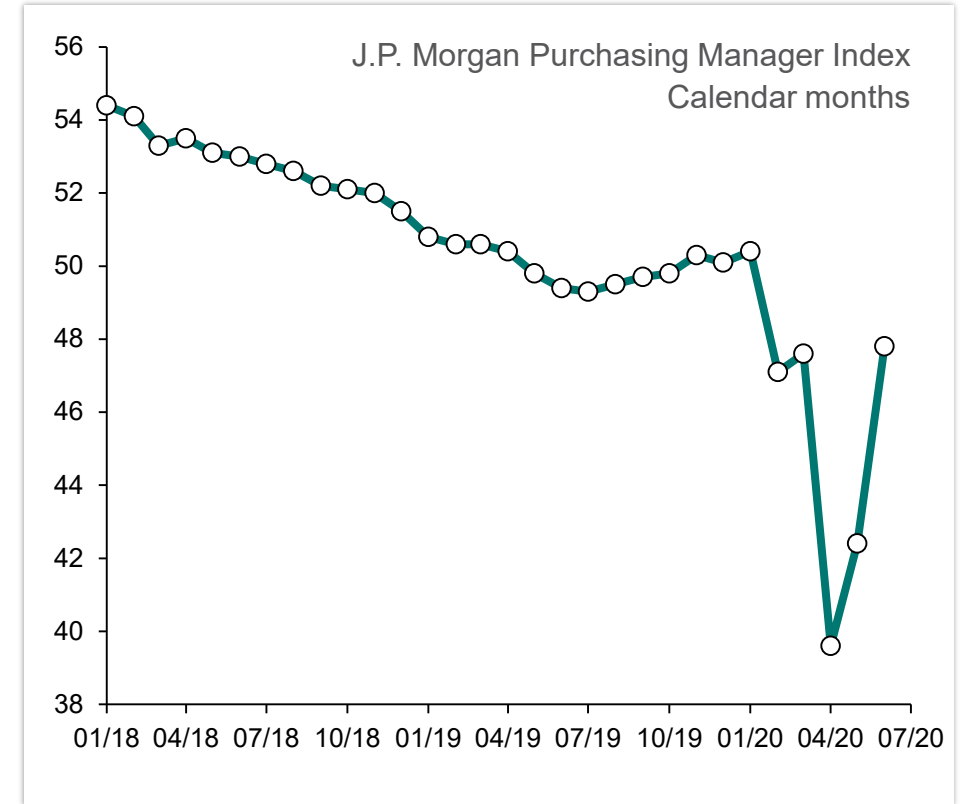
Economic impact from COVID-19 possibly deeper than 2008/2009 – cautious optimism for continued recovery



OECD Leading Indicator¹⁾



Global Manufacturing PMI²⁾



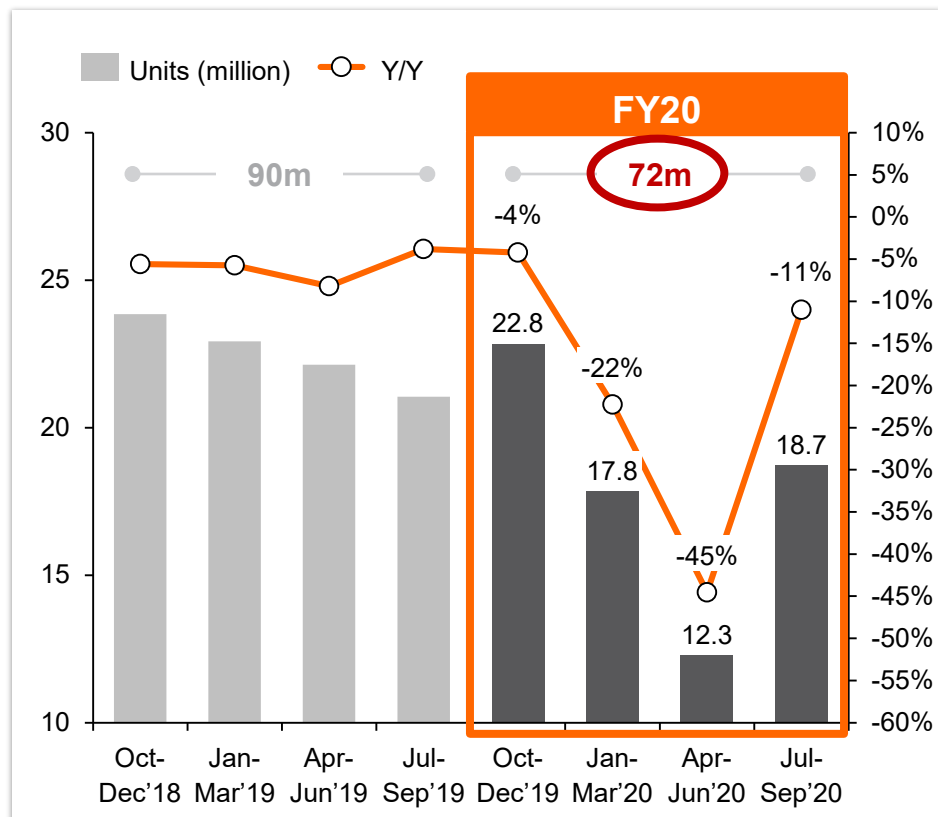
Sources: 1) OECD Composite Leading Indicator (CLI) as published on data.oecd.org
2) JP Morgan Purchasing Manager Index, J.P. Morgan and IHS Markit in cooperation with ISM und IFPSM

Car production forecast stabilizing at ~20% YoY decline for FY20

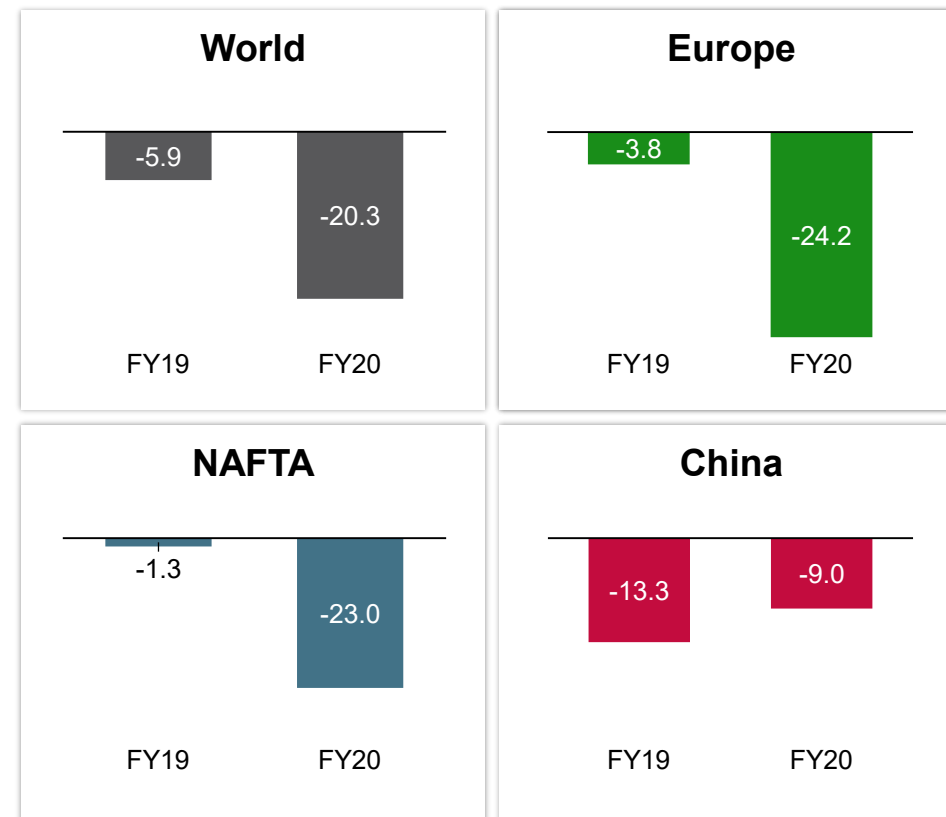
Automotive Market



Global light vehicle production by quarter

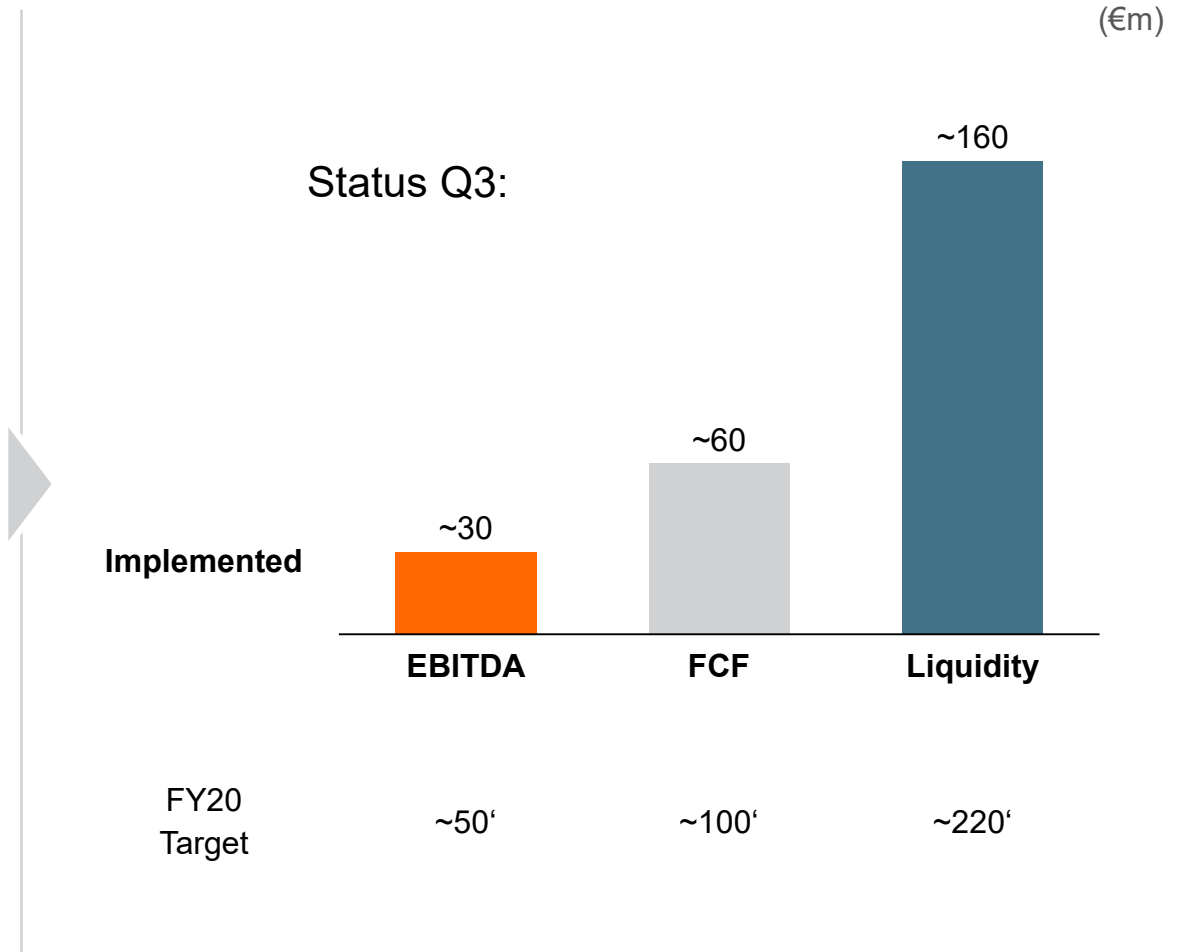
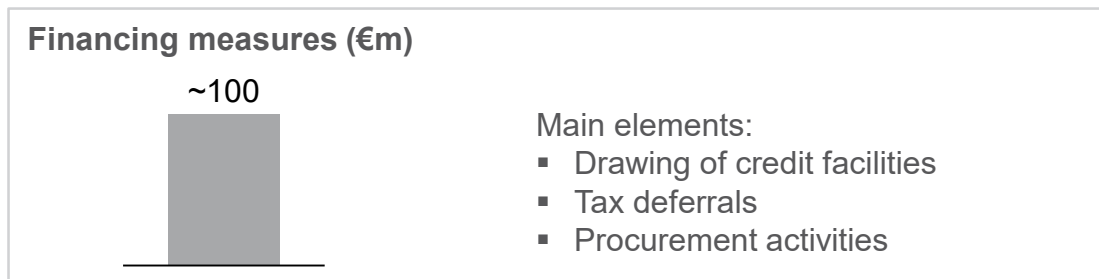
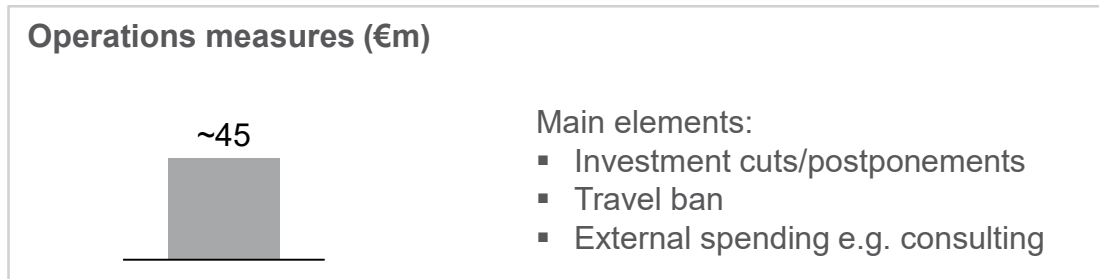
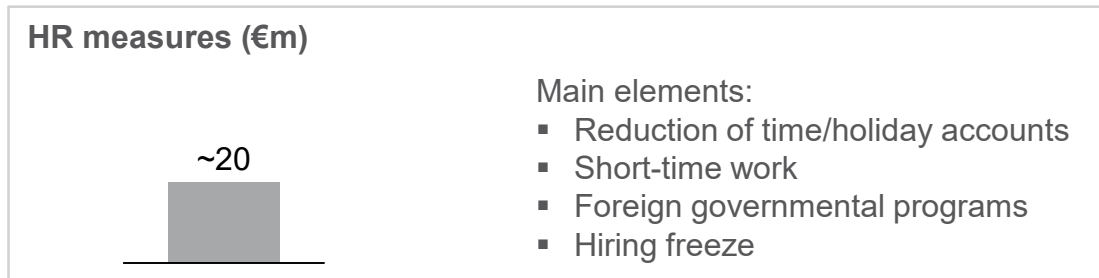


Light vehicle production by region (YoY, %)



Source: Light vehicle production forecast based on monthly IHS Data, fiscal year based. As of: July 16, 2020

COVID-19 (SHIELD) savings status: Implemented FCF measures at ~ €60m in Q3



Figures shown are cash and/or profit effective latest by June 30

Established performance programs already above full year ambition



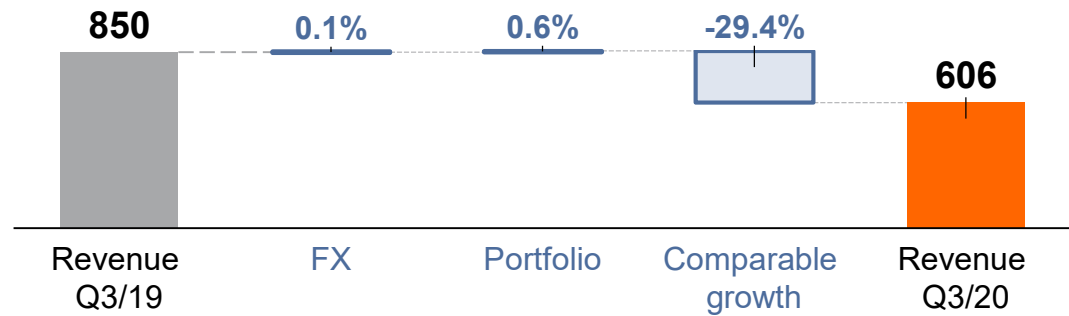
	Gross savings Q3 FY20 ¹⁾	Gross savings YTD FY20 ¹⁾	Comments
Overhead productivity global	€16m	€48m	<ul style="list-style-type: none"> Performance program savings gained further momentum; full year ambition level already reached after three quarters
Transformation of plants	€19m	€44m	<ul style="list-style-type: none"> Major contribution in Q3 FY20 from corporate overhead adjustments (Lean HQ) Consolidation of traditional specialty lamp production in Germany successfully negotiated
Total	€35m	€92m	

¹⁾ Gross savings compared to FY19 baseline

COVID-19 with substantial impact on revenue development

Revenue (€m) / Comp. growth (%)¹⁾

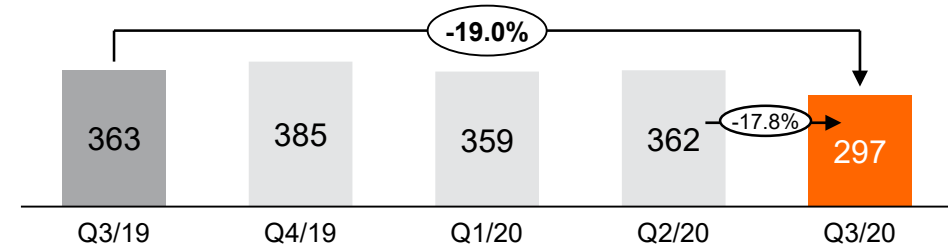
OSRAM Group: Revenue bridge Q3 FY20 YoY



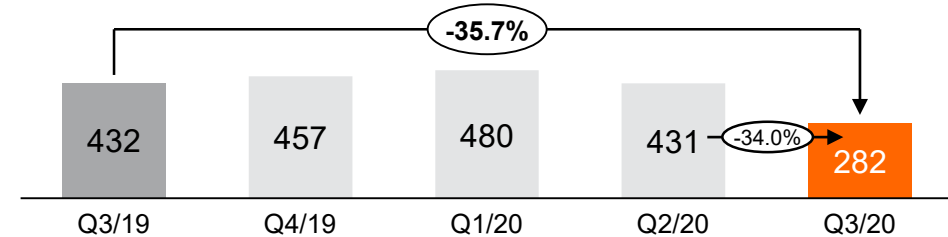
OSRAM Group: Revenue by Region Q3 FY20



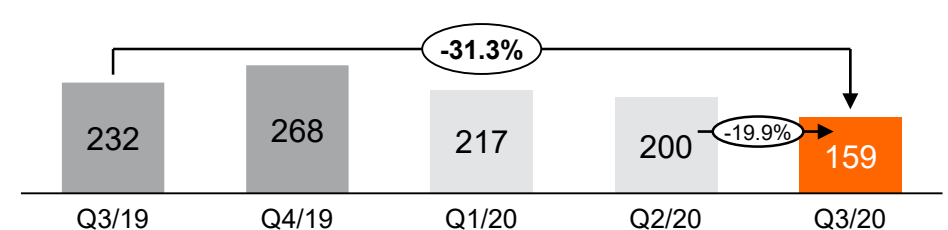
OS Revenue Development (comp. growth)



AM Revenue Development (comp. growth)



DI Revenue Development (comp. growth)

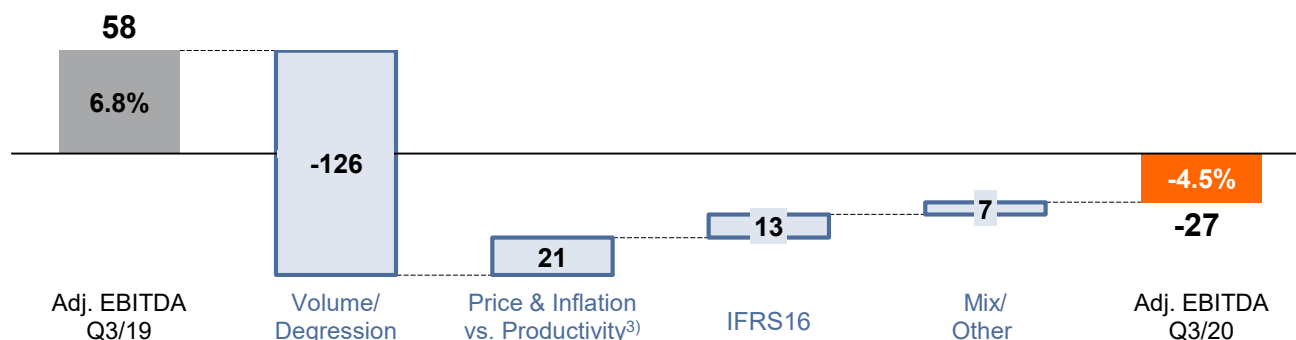


¹⁾ On October 1, 2019, OSRAM made minor organizational changes involving reclassification between the reportable segments (OS, AM, DI, CIE)

Adj. EBITDA below prior year due to strong negative COVID-19 impact

Adjusted EBITDA (€m) / Adjusted EBITDA Margin (%)¹⁾

Adjusted EBITDA²⁾ Q3 FY20 YoY



Comments

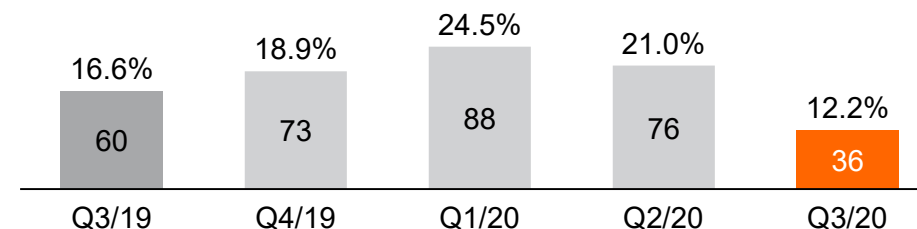
- Adj. EBITDA in Corporate Items: €-19m
- EBITDA Special Items: €+11m due to release of transformation provisions
- Net Income: €-140m from continuing operations incl. €-48m non-cash impairment related to Osram Continental
- Short term 'Shield' countermeasures support adj. EBITDA
- Productivity offsets price erosion and inflation
- OPEX below prior year
- All segments: significant impact on adj. EBITDA due to lower revenue (COVID-19)

¹⁾ On October 1, 2019, OSRAM made minor organizational changes involving reclassification between the reportable segments (OS, AM, DI, CIE)

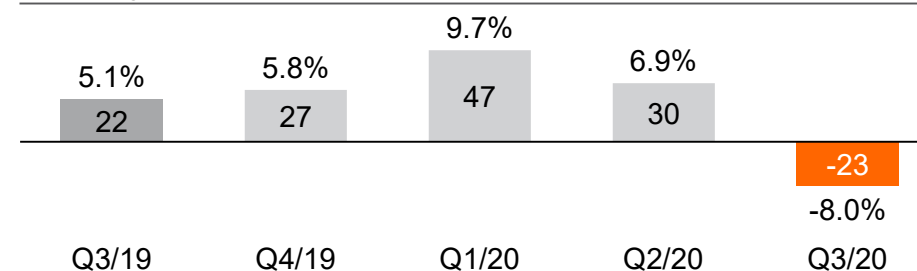
²⁾ Adjustment for special items (S.I.) includes a.o. transformation costs, substantial legal and regulatory matters, and costs related to mergers and acquisitions activities including the sale of subsidiaries, investments and other businesses.

³⁾ Related to COGS.

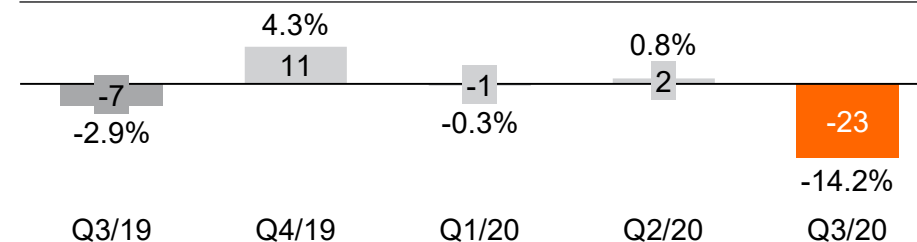
OS adjusted EBITDA



AM adjusted EBITDA



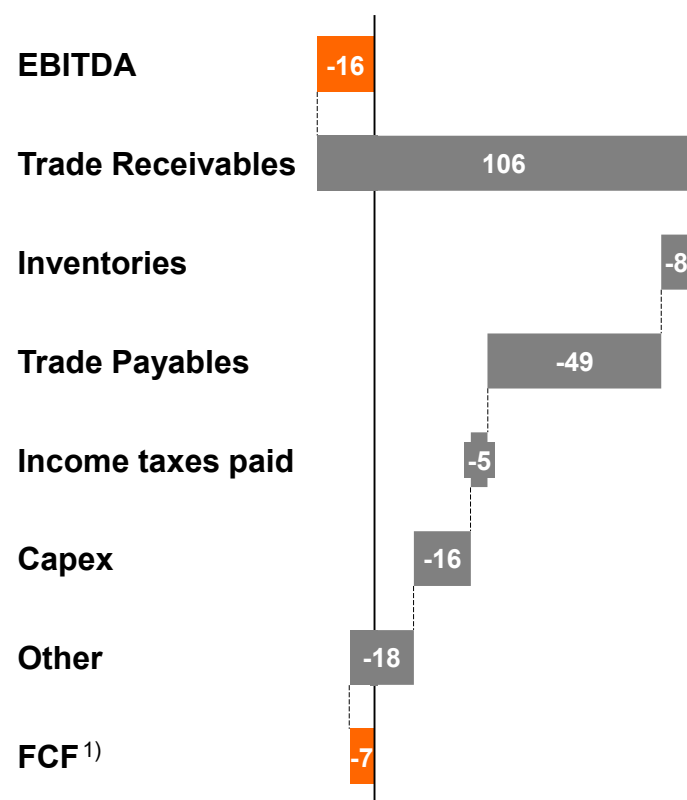
DI adjusted EBITDA



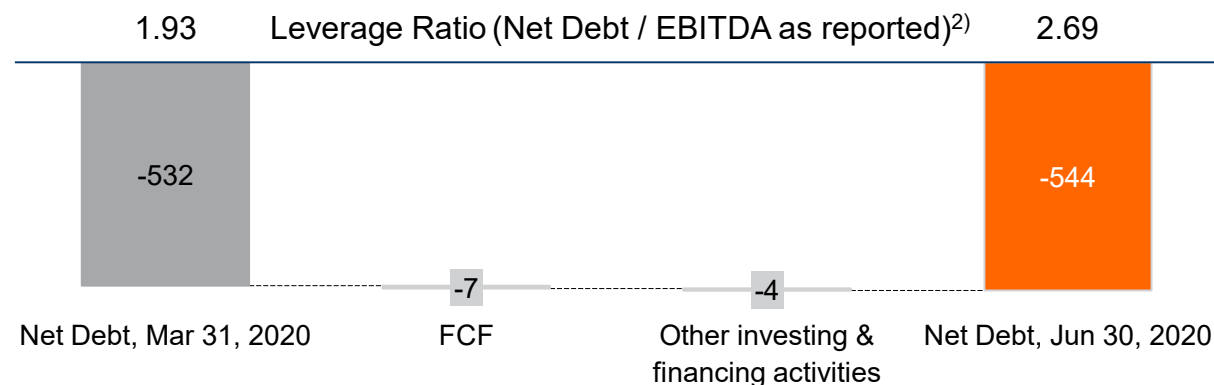
Single-digit negative Free Cash Flow in Q3 FY20

Free Cash Flow / Net Debt / Liquidity (€m)

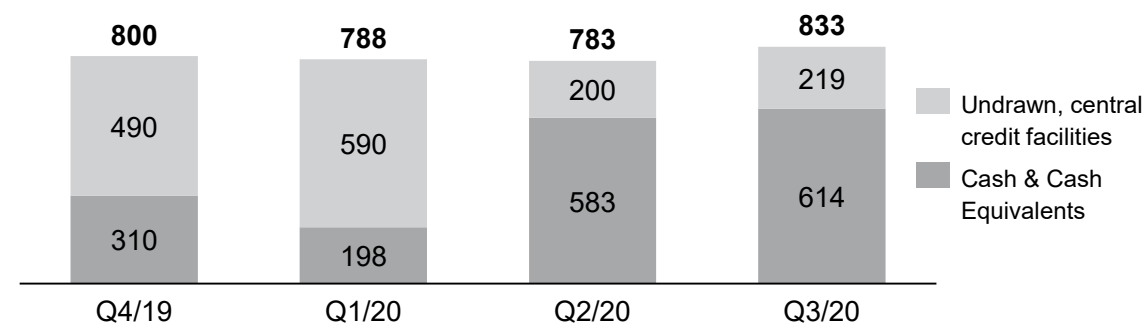
Free Cash Flow¹⁾ bridge Q3 FY20



Net debt bridge Q3 FY20



Cash and cash equivalents plus unused lines of credit



¹⁾ Defined as net cash provided by (used in) operating activities less capital expenditures

²⁾ PY EBITDA adjusted by IFRS16 lease effect

Outlook for FY20¹⁾

Revenue

Comparable revenue
decline between
-19% and -15%

Adj. EBITDA margin

Adjusted EBITDA
margin
of 3% to 6%

Free Cash Flow

Negative free cash flow in
the mid double digit to
lower triple digit million
range²⁾

¹⁾ Assumptions: Outlook does not assume any possible effects from the takeover by ams AG. Outlook is based on currently prevailing FX rates (esp. €, US\$, CN¥, M\$).

²⁾ incl. cash outflow from transformation and M&A-related costs; excl. proceeds from possible divestments.

Appendix

IR Contact Information

Investor Relations contact

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Key financial metrics (continuing operations)¹⁾ (unaudited)

Group (€m)	Q3 FY20	Q3 FY19	Change (YoY)	
Revenue	606	850	nom.	-28.7 %
Gross margin	17.0%	23.3%	comp.	-29.4 %
R&D	-107	-94		-630 bps
SG&A	-158	-145		13.5 %
EBITDA	-16	42		8.6 %
EBITDA margin	-2.7%	4.9%		n.a.
Adj. EBITDA	-27	58		-760 bps
Adj. EBITDA margin	-4.5%	6.8%		n.a.
Financial result, including at-equity result (continuing operations)	-11	-9		13.5 %
Income (loss) before income taxes (continuing operations)	-163	-43		277.8 %
Taxes	23	8		193.6 %
Net income (loss) (continuing operations)	-140	-35		296.3 %
Diluted EPS in € (continuing operations)	-1.11	-0.27		311.1 %
Free cash flow (continuing operations)	-7	91		n.a.
CAPEX	-16	-29		-44.1 %
Net debt	-544	-424		28.2 %
Equity ratio	42.6%	50.6%		-800 bps
Employees (in thousands)	21.8	24.3		-10.2 %

1) There was a change in presentation affecting the consolidated statement of income at the start of fiscal year 2020, because the application engineering function in the OS Segment has been assigned to sales since that date, having previously been classified as research and development. FY19 was restated accordingly

Segment overview (continuing operations)¹⁾ (unaudited)

Q3 FY20 (€m)	OS	AM	DI	CIE	OSRAM Licht Group
Revenue	297	282	159	-132	606
Change % vs. PY reported	-18.2%	-34.8%	-31.5%		-28.7%
Change % vs. PY comparable	-19.0%	-35.7%	-31.3%		-29.4%
EBITDA	35	-21	-23	-7	-16
EBITDA margin	11.9%	-7.5%	-14.6%		-2.7%
Special items EBITDA	-1	1	-1	11	11
therein transformations costs	-1	3	-3	13	11
EBITDA before special items	36	-23	-23	-19	-27
EBITDA margin before special items	12.2%	-8.0%	-14.2%		-4.5%
Assets ²⁾	1,235	604	357	2,194	4,390
Free cash flow	24	-19	17	-30	-7
Additions to intangible assets and property, plant and equipment	9	6	1	0	16
Amortization	2	54	3	1	59
Depreciation of property, plant & equip.	50	10	5	1	66
Depreciation of Right-of-Use asset	4	3	2	3	12

1) On October 1, 2019, OSRAM made minor organizational changes involving reclassification between the reportable segments (OS, AM, DI, CIE)

2) Net assets on segment level; total assets on group level; CIE includes reconciling items.

Consolidated statement of income (continuing operations)¹⁾ (unaudited)

	Three months ended Jun 30	Three months ended Jun 30
in (€m)	2020	2019
Revenue	606	850
Cost of goods sold and services rendered	-503	-652
Gross profit	103	199
Research and development expenses	-107	-94
Marketing, selling and general administrative expenses	-158	-145
Other operating income	11	9
Other operating expense	-1	-2
Income (loss) from investments accounted for using the equity method, net	-1	-2
Interest income	1	1
Interest expense	-7	-3
Other financial income (expense), net	-3	-4
Income (loss) before income taxes OSRAM (continuing operations)	-163	-43
Income taxes	23	8
Income (loss) OSRAM (continuing operations)	-140	-35
Income (loss) from discontinued operation, net of tax	-1	-17
Net income (loss)	-141	-53
Attributable to:		
Non-controlling interests	-35	-10
Shareholders of OSRAM Licht AG	-105	-43
Basic earnings per share (in €)	-1.12	-0.45
Diluted earning per share (in €)	-1.12	-0.45
Basic earnings per share (in €) OSRAM (continuing operations)	-1.11	-0.27
Diluted earning per share (in €) OSRAM (continuing operations)	-1.11	-0.27

1) There was a change in presentation affecting the consolidated statement of income at the start of fiscal year 2020, because the application engineering function in the OS Segment has been assigned to sales since that date, having previously been classified as research and development. FY19 was restated accordingly.

Consolidated Statement of Comprehensive Income (continuing operations) (unaudited)

in (€m)	Three months ended Jun 30 2020	Three months ended Jun 30 2019
Net income (loss)	-141	-53
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	-7	-1
<i>thereof: income tax</i>	3	3
Measurements of equity instruments at fair value	0	0
<i>thereof: income tax</i>	0	0
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	-25	-31
Derivative financial instruments	4	3
<i>thereof: income tax</i>	-2	-1
	-21	-27
Other comprehensive income (loss), net of tax	-28	-29
Total comprehensive income (loss)	-169	-81
Attributable to:		
Non-controlling interests	-36	-10
Shareholders of OSRAM Licht AG	-133	-71

Consolidated statement of financial position (continuing operations) (unaudited)

	As of Jun 30	As of Sep 30	in (€m)	As of Jun 30 2020	As of Sep 30 2019
in (€m)	2020	2019			
Assets			Liabilities and equity		
Current Assets			Current liabilities		
Cash and cash equivalents	614	310	Short-term debt and current maturities of long-term debt	903	539
Trade receivables	360	558	Trade payables	442	548
Other current financial assets	32	29	Other current financial liabilities	86	113
Contract assets	9	9	Current contract liabilities	18	14
Inventories	735	692	Current provisions	52	69
Income tax receivables	19	21	Income tax payables	108	65
Other current assets	96	113	Other current liabilities	342	347
Assets held for sale	-	93	Liabilities associated with assets held for sale	-	90
Total current assets	1,865	1,824	Total current liabilities	1,951	1,786
Goodwill	182	186	Long-term debt	254	120
Other intangible assets	191	273	Pension plans and similar commitments	159	167
Property, plant and equipment	1,325	1,493	Deferred tax liabilities	14	17
Right of use assets	199	-	Provisions	33	33
Investments accounted for using the equity method	52	56	Other financial liabilities	15	27
Other financial assets	35	25	Contract liabilities	1	1
Deferred tax assets	487	410	Other liabilities	91	102
Other assets	54	70	Total liabilities	2,518	2,252
Total assets	4,390	4,335	Equity		
			Common stock, no par value	97	97
			Additional paid-in capital	1,671	1,672
			Retained earnings	150	255
			Other components of equity	29	79
			Treasury shares, at cost ¹⁾	-94	-99
			Total equity attributable to shareholders of OSRAM Licht AG	1,853	2,004
			Non-controlling interests	19	79
			Total equity	1,872	2,083
			Total liabilities and equity	4,390	4,335

1) As of June 30, 2020 OSRAM held 2,664,388 treasury shares (September 30, 2019: 2,796,275 shares).

Consolidated statement of cash flows (continuing operations) (unaudited)

	Three months ended Jun 30	Three months ended Jun 30		Three months ended Jun 30	Three months ended Jun 30
in (€m)	2020	2019	in (€m)	2020	2019
Cash flows from operating activities			Cash flows from investing activities		
Net income (loss)	-141	-53	Additions to intangible assets and property, plant and equipment	-16	-29
Adjustments to reconcile net income (loss) to cash provided			Acquisitions, net of cash and cash equivalents acquired	-	-48
Income (loss) from discontinued operation, net of tax	1	17	Purchases of investments	0	-4
Amortization, depreciation, and impairments	136	75	Proceeds and payments from sales of investments, intangible assets, and property, plant and equipment	4	0
Income taxes	-23	-8	Net cash provided by (used in) investing activities - OSRAM (continuing operations)	-13	-80
Interest (income) expense, net	6	3	Net cash provided by (used in) investing activities discontinued operation	-	-3
(Gains) losses on sales and disposals of businesses, intangible assets, and property, plant and equipment, net	0	0	Net cash provided by (used in) investing activities - OSRAM Licht Group (total)	-13	-84
(Gains) losses on sales of investments, net	0	0	Cash flows from financing activities		
(Income) loss from investments	2	2	Purchase of treasury stocks	-	-85
Other non-cash (income) expenses	6	1	Repayment of long-term debt	-8	-8
Change in current assets and liabilities			Change in short-term debt and other financing activities	52	110
(Increase) decrease in inventories	-8	21	Interest paid	-1	-1
(Increase) decrease in trade receivables	106	68	Net cash provided by (used in) financing activities - OSRAM (continuing operations)	42	15
(Increase) decrease in other current assets	11	12	Net cash provided by (used in) financing activities discontinued operation	-	-
Increase (decrease) in trade payables	-49	-13	Net cash provided by (used in) financing activities - OSRAM Licht Group (total)	42	15
Increase (decrease) in current provisions	-14	3	Effect of exchange rates on cash and cash equivalents	-8	-4
Increase (decrease) in other current liabilities	-29	-9	Net increase (decrease) in cash and cash equivalents	31	33
Change in other assets and liabilities	11	-4	Cash and cash equivalents at beginning of period	583	255
Income taxes paid	-5	3	Cash and cash equivalents at the end of period	614	288
Interest received	0	1	Less: Cash and cash equivalents of discontinued operation at end of the reporting period	-	6
Net cash provided by (used in) operating activities - OSRAM (continuing operations)	9	120	Cash and cash equivalents at end of period (consolidated statement of financial position)	614	282
Net cash provided by (used in) operating activities discontinued operation	0	-14			
Net cash provided by (used in) - OSRAM Licht Group (total)	9	106			