

DGAP-News: Osram discloses figures for the second quarter

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Osram's performance in the second fiscal quarter was as expected. Revenue on a comparable basis fell by 13.5 percent to 862 million euros in the period from January to the end of March. The adjusted EBITDA margin was 8.1 percent. When preliminary key figures were published at the end of March, the lighting company had forecast a decline in sales of around 15 percent for the second quarter and an adjusted EBITDA margin in the mid to higher single-digit range. As announced at that time, the decline was due in part to the continuing weakness of the automotive, general lighting and mobile device markets. This led to high inventory levels, particularly in China. In addition, the general economic slowdown is adversely affecting business development.

Adjusted for special items, EBITDA at EUR 70 million was 56 percent below the prior-year figure, while net income was EUR minus 91 million due to transformation costs and an impairment charge in the controls business. As communicated ad hoc at the end of March, the Management Board is responding consistently to the development of the markets and plans savings of over 200 million euros by 2021.

"In our 113-year history, we have repeatedly experienced challenging times, but each time we have emerged stronger than before. Our long-term strategy of implementing new applications in the LED sector remains intact. The focus is on optical semiconductors, automotive and digital applications," said Olaf Berlien, CEO of OSRAM Licht AG.

In the past quarter, the Opto Semiconductors division recorded a decline in sales of around 18.8 percent on a comparable basis. This reflects not only the economic effects but also the weakness in the automotive industry and general lighting. High inventories in Asia further curbed development. Sales in the automotive division were 10.6 percent lower due to reduced expectations worldwide in the automotive industry. In the Digital division, sales fell by 8.5 percent due to the weakness in general lighting and the control gear business.

As announced in March, the Management Board expects a decline in revenue from continuing operations of 11 to 14 percent, an adjusted EBITDA margin of 8 to 10 percent and a negative free cash flow of between EUR 50 million and EUR 150 million for the 2019 financial year.

In mid-February, Osram announced that management was in closer talks with Bain Capital and The Carlyle Group about a possible takeover. The due diligence process continues. As communicated from the beginning, it remains to be seen whether an agreement will be reached. The Management Board conducts the discussions in the interests of the company and thus of shareholders, employees and other stakeholders such as business partners and customers.

Beginning at 2 p.m. CEST on May 8, you can attend the analysts' conference with the Managing Board at <http://services.choruscall.eu/links/osram190508ir.html>.

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Selected key figures for the OSRAM Light Group in the second quarter

	2 nd quarter 2019	2 nd quarter 2018	Change nominal
Revenue	862	938	(8.2%)
EBITDA	11	146	(92.4%)
.margin	1.3%	15.5%	(1423bps)

Adjusted EBITDA ¹	70	159	(55.9%)
.margin	8.1%	16.9%	(880bps)
Profit after tax	(91)	56	n.a.
Free Cash Flow	(76)	(114)	33.1%
'000 Employees	25.0	25.6	(2.0%)

(Provisional, unaudited figures from continued operations. Items stated in EUR million, margin in %, employees as at March 31. Negative values in brackets.)

(¹Adjustment for special items (S.I.) includes e.g. transformation costs, substantial legal and regulatory matters, and costs related to mergers and acquisitions activities.)

Development of the reporting segments in the second quarter

	2nd quarter 2019	2 nd quarter 2018	Change nominal
Opto Semiconductors			
Revenue	361	426	(15.3%)
EBITDA	8	105	(92.3%)
adjusted EBITDA	53	105	(49.7%)
Automotive			
Revenue	446	482	(7.4%)
EBITDA	39	64	(38.9%)
adjusted EBITDA	43	67	(35.9%)
Digital			
Revenue	222	215	3.0%
EBITDA	(8)	0	n.a.
adjusted EBITDA	(4)	4	n.a.

(Provisional, unaudited figures. Items stated in EUR million. Negative values in brackets.)

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 smartphones to networked, intelligent lighting solutions in buildings and cities. OSRAM utilizes the infinite possibilities of light to improve the quality of life for individuals and communities. OSRAM's innovations will enable people all over the world not only to see better, but also to communicate, travel, work, and live better. As of the end of fiscal year 2018 (September 30), OSRAM had approximately 26,200 employees worldwide. It generated revenue of more than EUR3.8 billion from continued operation in fiscal year 2018. 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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