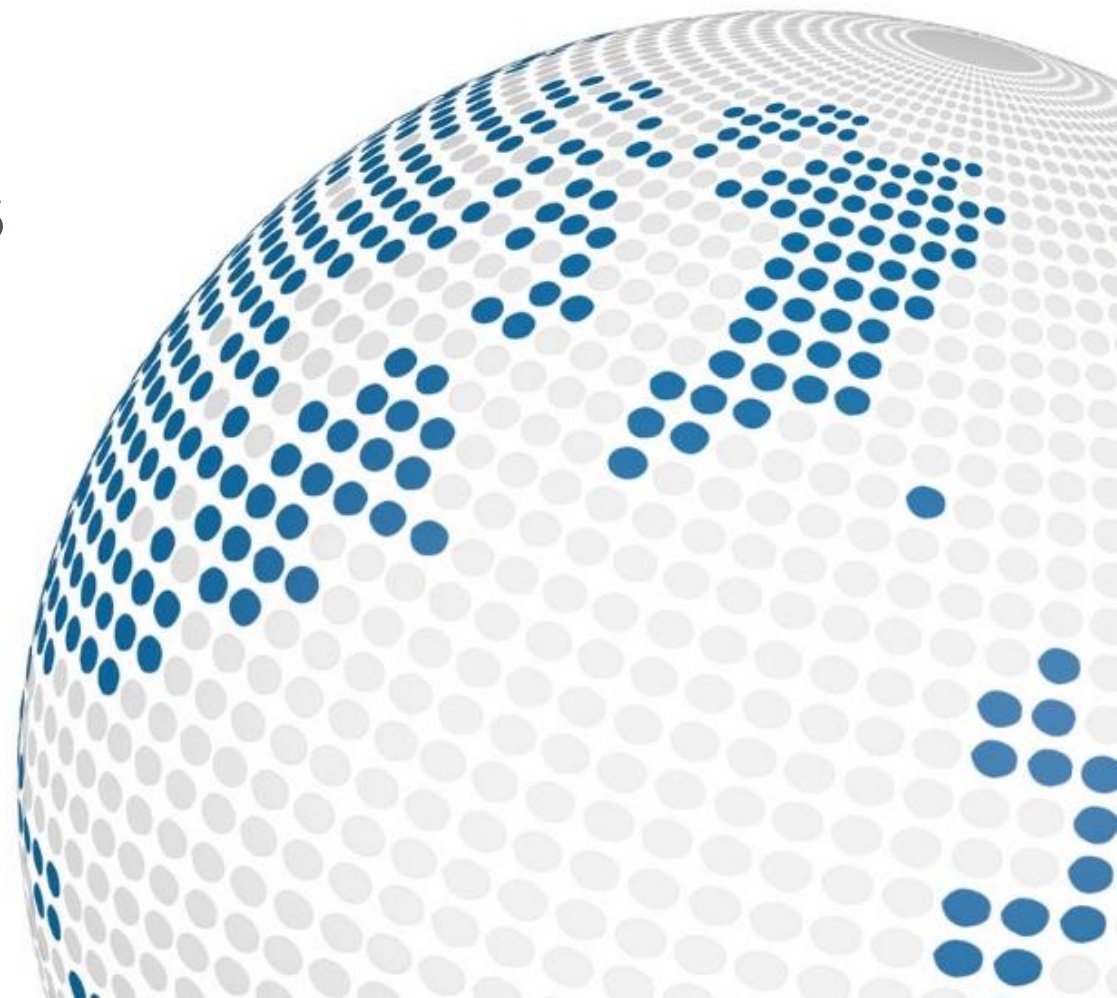


Creating a global leader in sensor solutions and photonics

Proposed acquisition of OSRAM Licht AG

September 2019



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Transaction highlights

- Proposal for voluntary public tender offer for OSRAM at a price of €38.50 per share
- Creating a global leader in sensor solutions and photonics
- Significant value creation from cost and revenue synergies with expected pre-tax run-rate >€300m p.a.
- Committed €4.2bn bridge facility and €1.5bn fully underwritten equity issue
- Cooperation agreement with protective covenants for employees of OSRAM

Transaction fulfils ams' M&A criteria

Strategically compelling	Creating a global leader in sensor solutions and photonics for both mobile and consumer, as well as automotive, industrial and medical applications	✓
Value enhancing	Expected cost and revenue synergies with an expected annual pre-tax run-rate in excess of €300m	✓
Financially accretive	Expected to be accretive to earnings per share from first year post closing; ROIC exceeds WACC from second year post closing	✓
Sustainable capital structure	Pro-forma leverage of 4.3x 2019E EBITDA (excl. synergies) and 3.2x 2019E EBITDA (incl. synergies), target to delever to ~2x by 2021	✓
Fit with ams' financial model	Combined business targeted to achieve double-digit revenue growth supporting the ams medium term adjusted EBIT margin target in excess of 25%	✓

Strategic rationale

1

Creating a global leader in sensor solutions and photonics

2

Accelerates ams to win in new breakthrough optical solutions

3

Expedites diversification of revenue mix

4

Enhances manufacturing footprint with clear scale and cost advantages

5

Leverages complementary go-to-market strengths

6

Delivers significant synergies

Overview of OSRAM's businesses

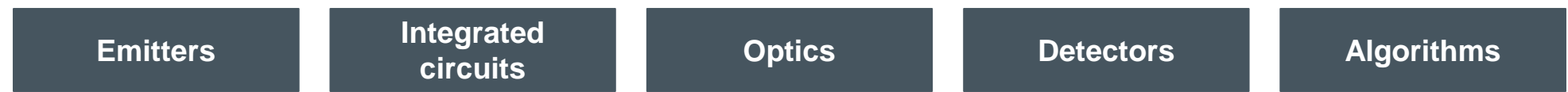
	Opto Semiconductors	Automotive	Digital
Sales¹ (% contribution)	€1.5bn (43%)	€1.1bn (31%)	€0.9bn (26%)
Type of business	Semiconductors and micro-modules	Light source components (lamps) and sub-systems	Construction & refurbishment project business Electronic sub-systems
Competitive position	#2 player	#1 player	#2 player
Market size	€17bn	€8bn	€11bn
OSRAM long term growth assumption	~10%	3-7%	~10%
ams strategy	Invest and grow		Identify best owner

Source: OSRAM company reporting

Note:

1 LTM sales for the 12 months ending 30 June 2019, eliminates intercompany reported sales from the Automotive division

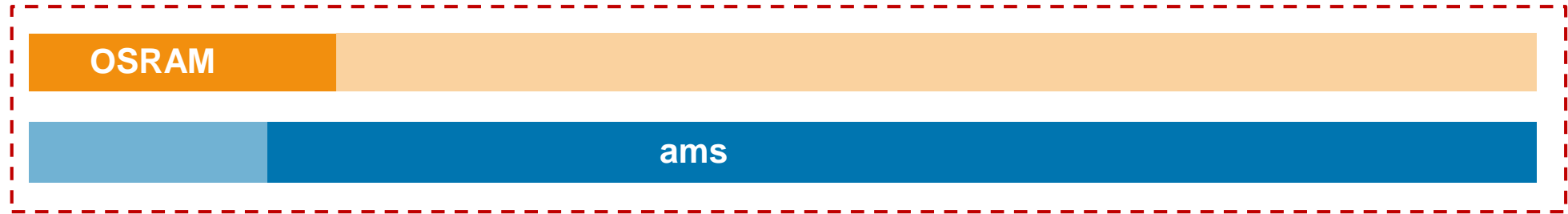
1 Creating a global leader in sensor solutions and photonics



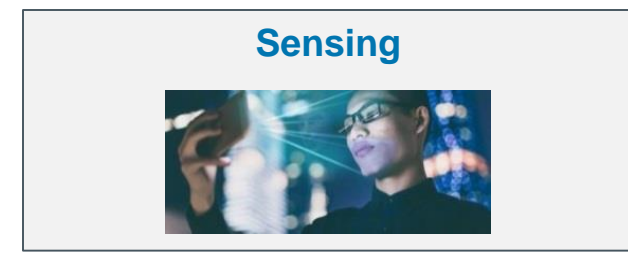
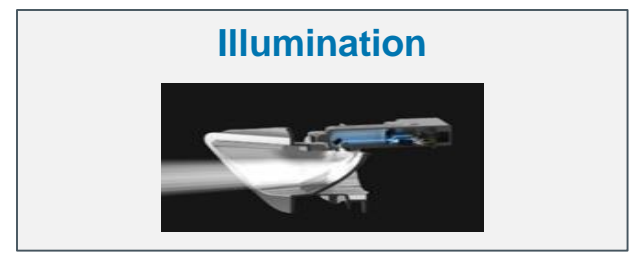
Key solution components



Company positions & ambitions



Target applications



Tangible customer value

- Full solution capability and leadership across optical sensing and photonics
- Complete coverage of applications driving best performance, size, cost & energy efficiency

Next generation displays

- μ LED displays with full sensor-display integration
- Smart watches, in-car displays and small screen HABA/industrial

Autonomous driving

- LIDAR solutions with VCSEL and EEL-based offering
- Leveraging front and rear lighting systems as LIDAR hubs

Digital automotive lighting

- Miniaturized light projectors for exterior and interior lighting solutions

Next generation imaging

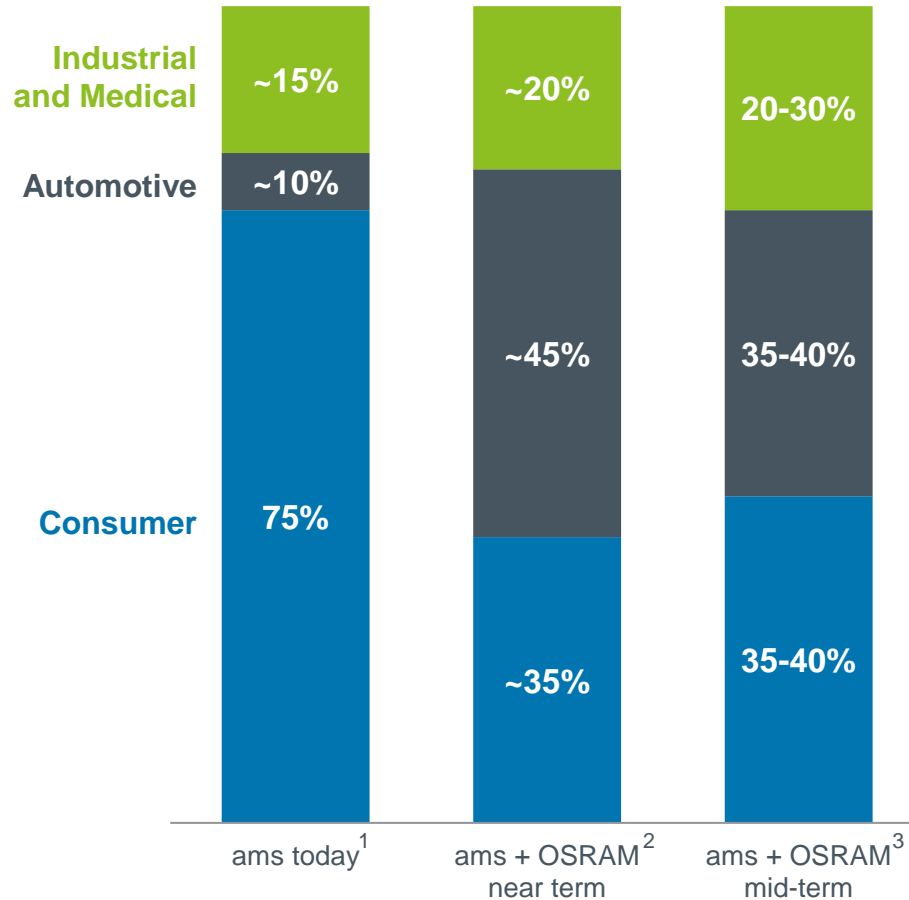
- Ultra small wafer-level cameras for AR/VR glasses
- Heads-up displays in Automotive

Bio-sensing

- On-skin and in-ear bio-sensing using mid-infrared tunable laser and detector
- Take on the challenge of non-invasive glucose monitoring

3 Expedites diversification of revenue mix

Structurally improved revenue mix



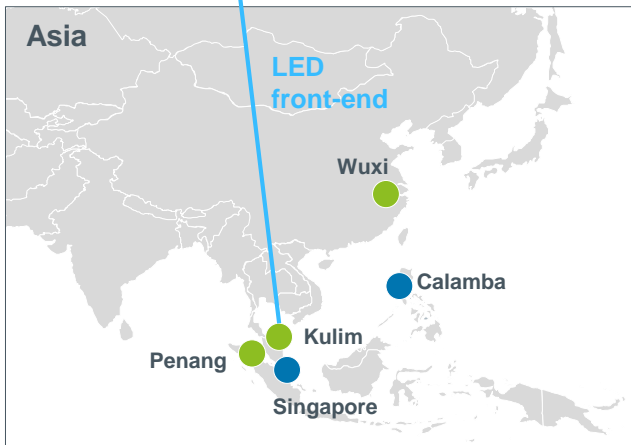
Enhancement of business profile

- 
Accelerated diversification of revenues
- 
Meaningful expansion in Automotive content
- 
Reduced Consumer customer concentration
- 
Delivering upon Android to grow Consumer

Notes:

- 1 ams revenue mix for H1 2019
- 2 Pro-forma combined revenue mix based on latest reported segment split
- 3 Pro-forma combined revenue mix expected for mid-term

Well-invested asset base¹



Invest and innovate in European front-end: Regensburg and Graz

- Consolidate front-end LED production in Regensburg
- Accelerate micro-LED manufacturing process development in Regensburg with capabilities present in Graz
- Meaningful job creation across manufacturing and engineering
- Significant capacity available to grow with very limited additional capex

Consolidate Asian manufacturing footprint

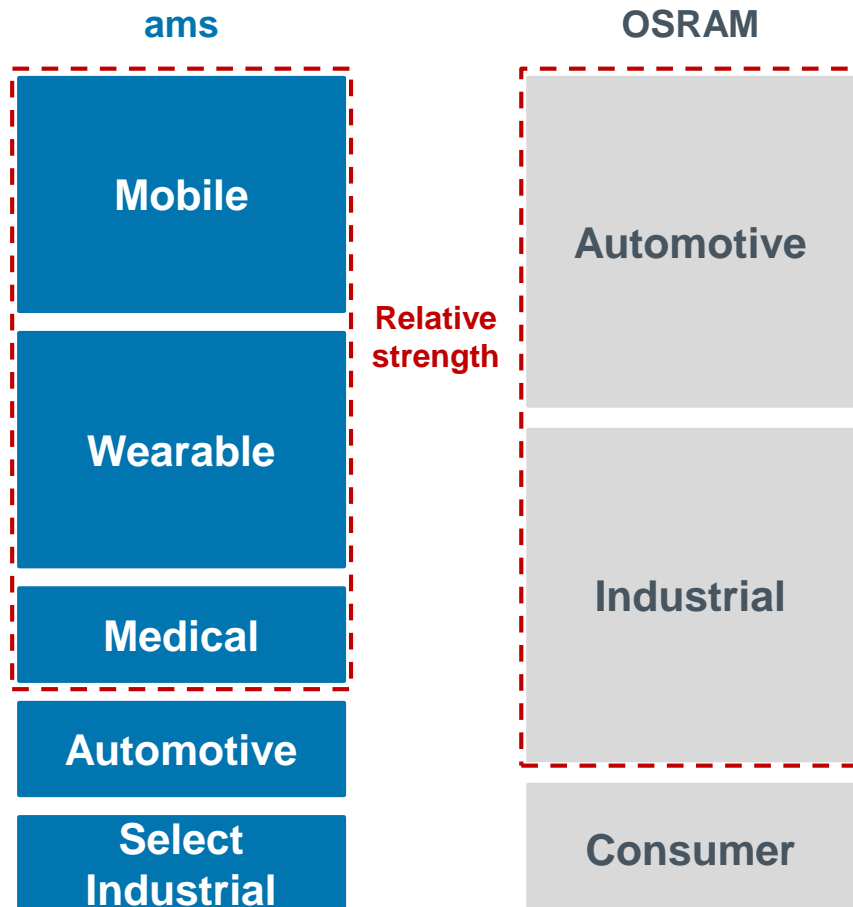
- Established three large scale new sites in recent years
- Assess consolidation of LED back-end in Asia
- Explore streamlining of combined Asian manufacturing footprint
- Capacity available for significant growth with very limited new capex

Note:
1 ams and OSRAM Opto Semiconductors manufacturing footprint displayed on map

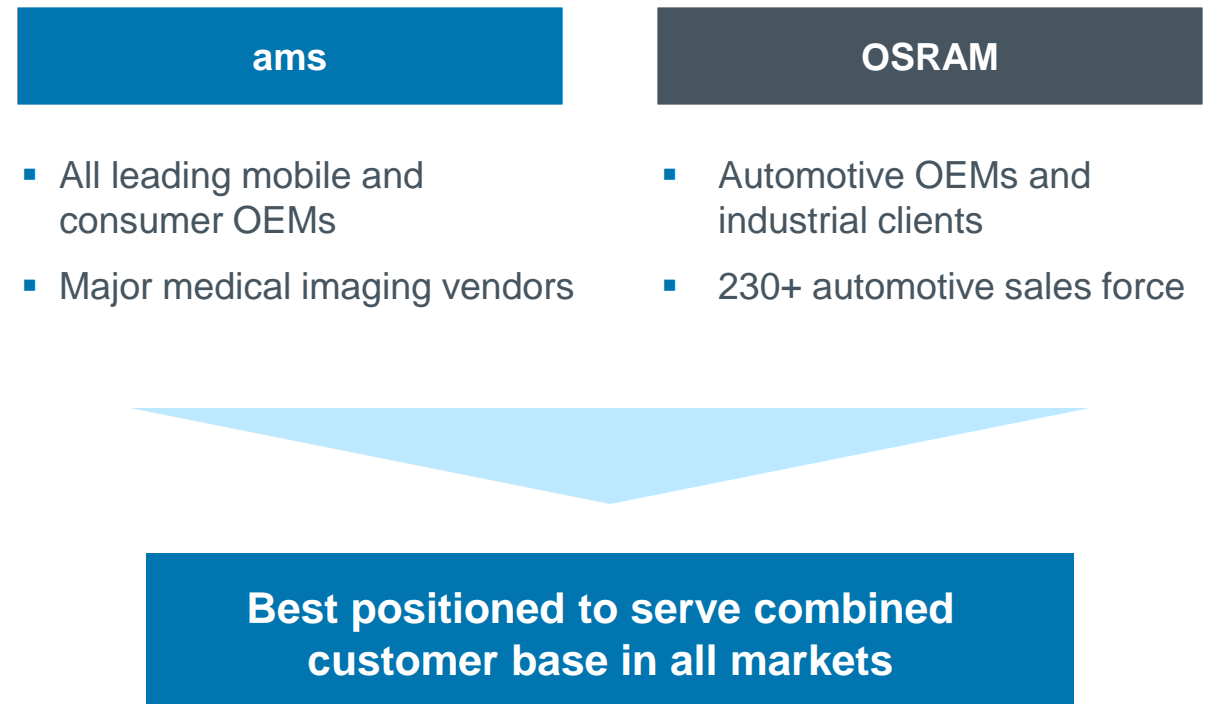
● ams sites ● OSRAM sites

5 Leverages complementary go-to-market strengths

Complementary go-to-market access







Creating unmatched coverage



6 Delivers significant synergies

Expected annual
run-rate pre-tax synergies¹

COGS synergies	<ul style="list-style-type: none">▪ Consolidate LED front-end production in Regensburg▪ Consolidate LED back-end production in two sites in Asia▪ Optimise ams' Asian manufacturing footprint		>€120m
OPEX synergies	<ul style="list-style-type: none">▪ Align corporate functions including marketing and branding▪ Integrate IT functions and systems across ams and OSRAM▪ Optimise combined R&D programs		>€120m
Revenue synergies	<ul style="list-style-type: none">▪ Leverage complementary go-to-market strengths▪ Accelerate roadmaps in new optical solution areas	 	>€60m

Note:
1 Run-rate synergies expected to be achieved by year 3 post closing; majority of synergies expected to be achieved within 2 years post closing. One-off integration costs of approx. €400m

Transaction is attractive to all of OSRAM's stakeholders

Attractive for shareholders

- Our €38.50 per share proposal represents:
 - 33% premium to the day prior to Private Equity offer (€28.92)
 - 10% premium to the Private Equity offer (€35.00)
 - 22% premium to last closing price (9 August 2019, €31.65)
 - 14.6x Sep-19 LTM EBITDA (€297m)¹
- Fully committed financing

Attractive for the workforce

- Commitments to protect the workforce and production plants in Germany
- Expansion of Regensburg manufacturing facility
- Location safeguarding agreements (*Standortsicherungsvereinbarung*) for German manufacturing sites
- Commitment to continue existing shop arrangements and collective bargaining agreements as well the "Future Concept Germany" agreement
- Continue to invest in innovation and manufacturing in Germany
- No change to existing OSRAM pension plans

Attractive for OSRAM

- Acceleration of the standalone photonics solutions strategy
- Continued investments in priority OS and AM growth areas
- Identify best owner for Digital who will invest in the business to drive growth
- Maintain Munich as a co-headquarter with a meaningful presence for corporate functions
- Commitment to retaining the OSRAM brand name

Note:

1 Based on consensus estimates for year ending 30 September 2019 (based on FactSet as of 9 August 2019)

Fully committed financing

Financing overview

- **Bridge facility of €4.2bn**
 - Fully underwritten by HSBC and UBS
- **Equity issuance of €1.5bn (issue currency CHF)**
 - Primarily rights issue
 - Fully underwritten by HSBC and UBS
- **Debt issuance of €2.7bn**
 - Primarily bond issuance
 - Expected credit rating in BB area
- **RCF of €450m**
 - In place at closing

Sources & uses

Sources	€bn	%
Debt issuance	2.7	60
Equity issuance	1.5	33
Excess cash	0.3	7
Total sources	4.5	100

Uses	€bn	%
OSRAM offer value ¹	3.7	83
Refinance OSRAM net debt ²	0.4	9
Refinance part of ams bank debt ³	0.2	5
Estimated transaction costs	0.1	3
Total uses	4.5	100

Notes:

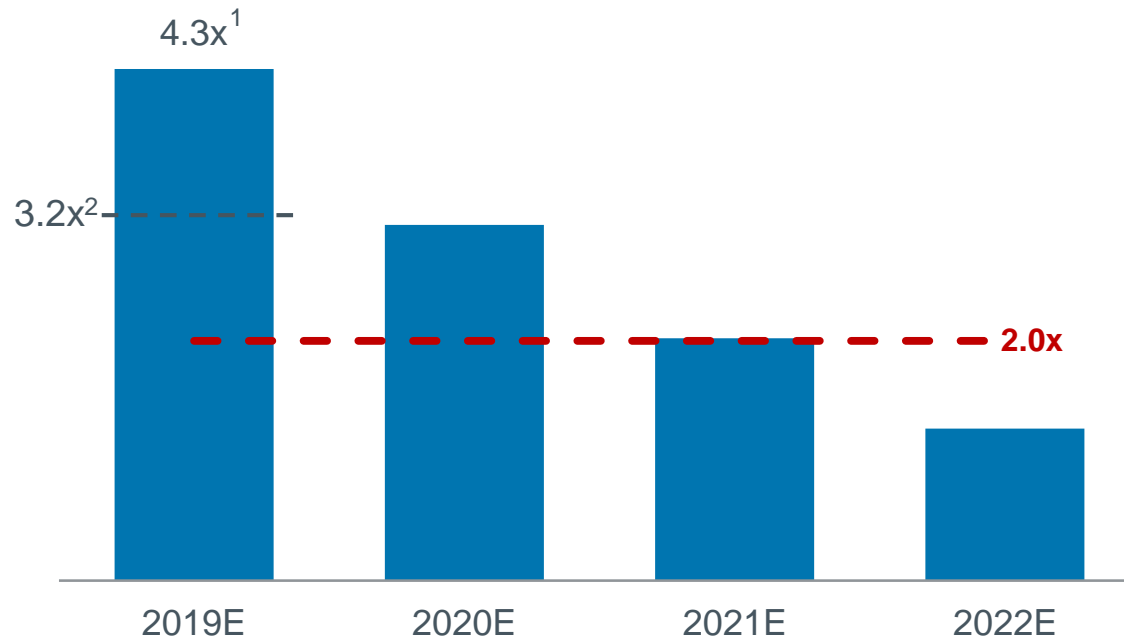
- 1 Offer price of €38.50 per share multiplied by 96.8m outstanding shares of OSRAM
- 2 OSRAM net financial debt as of 30 June 2019: short term debt: €578m; long term debt: €128m; and cash: €282m
- 3 €235m of ams bank debt to be refinanced



Bridge facility of €4.2bn

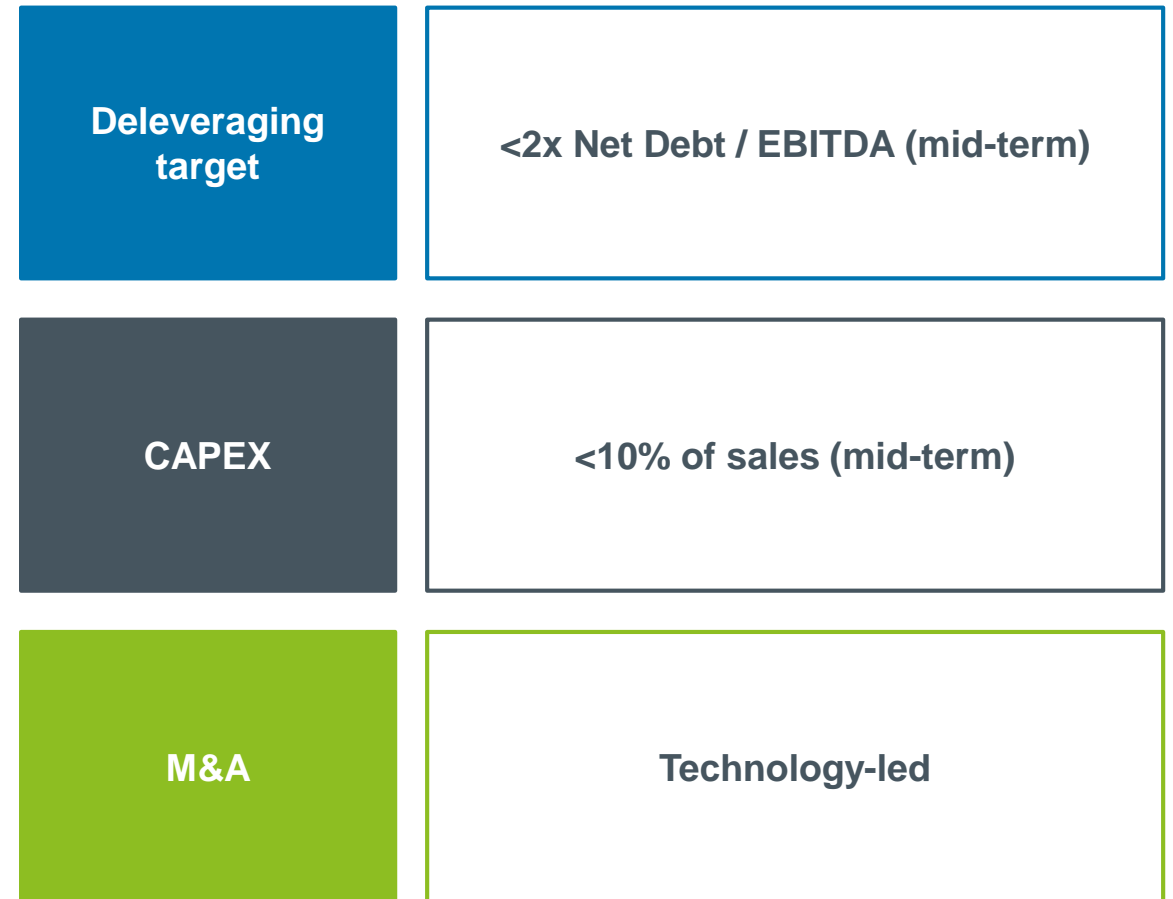
Sustainable capital structure

Pro-forma net debt / EBITDA deleveraging profile



- Synergy run-rate achieved by year 3 post closing
- Includes €400m of one-off integration costs
- Further deleveraging potential from disposal proceeds

Capital allocation framework



Notes:

- 1 Refer to page 21 for details
- 2 Pro-forma net debt / EBITDA including synergies; refer to page 21 for details

Transaction timeline

- 11 August** – Submission of proposal to OSRAM
- 21 August** – Standstill waived by OSRAM and cooperation agreement signed
- 23 August** – Offer Document filed with BaFin
- By 4 September** – Expected start of main offer period
- Beginning of October** – Expected end of main offer period
- Q4 2019** – Expected extraordinary general meeting to approve rights issue
- H1 2020** – Expected transaction closing (subject to regulatory approvals)

Proven track record of technology-led M&A

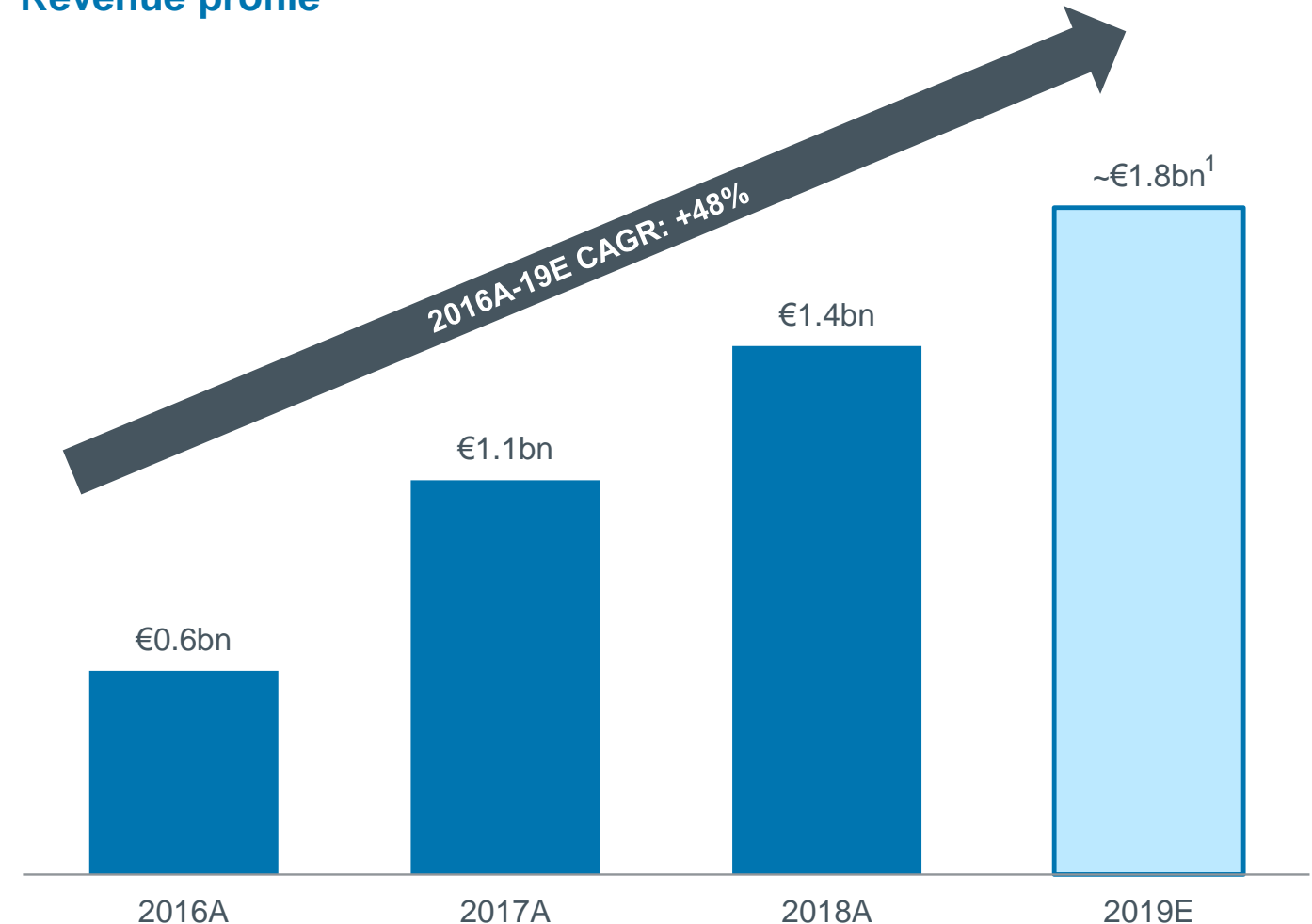
M&A strategy

Buy technology & capabilities,
not revenue

Strengthen strategic positioning in
key verticals / applications

Enable differentiation of products
and solutions

Revenue profile



Source: ams company reporting

Note:

1 Based on consensus estimates for the year ending 31 December 2019 (based on FactSet as of 9 August 2019)

New ams – global leader in sensor solutions and photonics



**Addressing
disruptive
megatrends**

**~€5bn
revenue**

**Delivering value to
customers**

**Balanced end
market exposure**

**Profitable
growth**

**Sustainable capital
structure**

Appendix

Supporting materials

Pro-forma combined leverage calculation (€bn)

Net debt	
Acquisition debt ¹	2.3
Refinancing OSRAM net debt ²	0.4
ams net debt ²	0.9
ams pensions (post-tax) ³	0.0
OSRAM pensions (post-tax) ³	0.1
Pro-forma net debt (Dec-19)	3.8

Pro-forma combined EBITDA (excl. synergies) (€m)⁴	850-900
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Pro-forma net debt / EBITDA (excl. synergies)	4.3x
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Expected run-rate synergies (€m)	>300
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Pro-forma combined EBITDA (incl. synergies) (€m)	>1,175
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Pro-forma net debt / EBITDA (incl. synergies)	3.2x
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OSRAM acquisition multiple calculation (€m)

Offer value	
Offer price (€)	€38.50
Number of shares outstanding (m)	97
Offer value	3,729

Adj. net debt ⁵	
Net debt	424
Minorities	120
Associates	(61)
Pensions (post-tax)	122
Adj. net debt	605

Transaction Value	4,333
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Sep-19E EBITDA (pre-synergies) ⁶	297
Expected run-rate synergies	>300
Sep-19E EBITDA (post-synergies)	>597

Sep-19E EBITDA (pre-synergies)	14.6x
Sep-19E EBITDA (post-synergies)	7.3x

Notes:

- 1 €2.7 billion debt issuance net of quantum required to refinance OSRAM net debt
- 2 ams management estimate as of 31 December 2019
- 3 Statutory tax rate used for Austria and Germany
- 4 €850-900m pro-forma combined EBITDA based on analyst consensus and management estimates
- 5 Reported as of 30 June 2019
- 6 FactSet as of 9 August 2019



Thank you!

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