

Key figures	2018	2017	Q4 2018	Q4 2017	Q3 2018
USD thousands (except earnings per share)					
Revenues	1,627,415	1,213,765	491,379	536,628	470,398
Gross margin in % (adjusted – see footnote 1)	32%	43%	35%	44%	33%
Result from operations (EBIT) (adjusted – see footnote 1)	145,570	192,496	61,941	146,564	59,082
EBIT margin in % (adjusted – see footnote 1)	9%	16%	13%	27%	13%
Net result (adjusted – see footnote 3)	12,148	145,504	1,695	161,287	18,227
Basic earnings per share in CHF ²⁾ (adjusted – see footnote 3)	0.15	1.74	0.02	2.00	0.22
Diluted earnings per share in CHF ²⁾ (adjusted – see footnote 3)	0.14	1.63	0.02	1.87	0.21
Basic earnings per share in USD (adjusted – see footnote 3)	0.15	1.78	0.02	1.96	0.22
Diluted earnings per share in USD (adjusted – see footnote 3)	0.13	1.67	0.02	1.83	0.21
Total backlog	332,944	618,275 ⁴⁾	332,944	618,275 ⁴⁾	590,168

¹⁾ Excluding acquisition-related, one-time restructuring and share-based compensation costs.

²⁾ Earnings per share in CHF were converted using the average currency exchange rate for the respective periods.

³⁾ Net result and earnings per share excluding valuation effect of the option element of the USD convertible bond.

⁴⁾ Including certain forecasted commitments.

Consolidated Income Statement

(unaudited)

USD thousands (except earnings per share)	2018	Q4 2018	2017	Q4 2017
Revenue Products	1,575,447	476,301	1,154,865	522,753
Revenue Foundry	51,968	15,077	58,900	13,875
Total revenues	1,627,415	491,379	1,213,765	536,628
Cost of sales	-1,184,798	-353,038	-746,158	-319,313
Gross profit	442,617	138,341	467,607	217,315
Gross margin in %	27%	28%	39%	40%
Research and development	-272,772	-90,606	-244,168	-67,324
Selling, general and administrative	-162,134	-38,942	-158,897	-46,212
Other operating income	11,853	3,552	24,454	12,033
Other operating expenses	-4,275	-3,326	-2,217	-854
Result from equity investments	-587	-144	-134	-75
Result from operations	14,702	8,874	86,646	114,883
Net financing result	89,503	-17,054	-2,529	-12,645
Result before tax	104,205	-8,180	84,116	102,238
Income tax result	2,382	9,326	17,142	14,803
Net result	106,587	1,146	101,258	117,042
Basic earnings per share in CHF ¹⁾	1.34	0.01	1.21	1.45
Diluted earnings per share in CHF ¹⁾	0.72	0.01	1.12	1.34
Basic earnings per share in USD	1.30	0.01	1.24	1.42
Diluted earnings per share in USD	0.70	0.01	1.15	1.31

¹⁾ Earnings per share in CHF were converted using the average currency exchange rate for the respective periods.

Statement of comprehensive income

(unaudited)

USD thousands	2018	Q4 2018	2017	Q4 2017
Net result	106,587	1,146	101,258	117,042
Items that will never be reclassified to profit and loss				
Remeasurements of defined benefit liability	2,413	2,413	2,332	124
Measurement at fair value of financial assets	285	-250	0	0
Items that may be reclassified to profit and loss				
Translation adjustment	94,870	32,960	-183,877	-40,715
Measurement at fair value of financial assets	-571	73	16,371	0
Other comprehensive income	96,997	35,195	-165,174	-40,591
Total comprehensive income	203,584	36,342	-63,916	76,451

Consolidated balance sheet

(unaudited)

USD thousands	December 31, 2018	December 31, 2017
Assets		
Cash and cash equivalents	713,305	329,014
Financial assets	0	118,672
Trade receivables	138,078	324,956
Inventories	353,623	289,715
Other receivables and assets	43,381	87,975
Total current assets	1,248,388	1,150,332
Property, plant and equipment	1,376,635	1,137,436
Intangible assets	1,393,885	1,348,805
Investments in associates	3,378	2,164
Deferred tax assets	18,636	29,734
Other long term assets	8,360	52,690
Financial assets long-term	40,671	0
Total non-current assets	2,841,565	2,570,828
Total assets	4,089,953	3,721,161
Liabilities and shareholders' equity		
Liabilities		
Interest-bearing loans and borrowings	251,045	669,101
Trade liabilities	200,687	351,875
Tax liabilities	18,775	32,082
Provisions	92,048	50,654
Other liabilities	63,385	623,972
Total current liabilities	625,940	1,727,685
Interest-bearing loans and borrowings	1,824,474	766,509
Employee benefits	46,004	45,885
Deferred Tax Liabilities	74,925	76,544
Other long term liabilities	42,437	159,068
Total non-current liabilities	1,987,840	1,048,007
Shareholders' equity		
Issued capital	96,323	96,323
Additonal paid in capital	810,062	659,033
Treasury shares	-135,165	-217,717
Other reserves (translation adjustment)	-20,707	-241,206
Retained earnings	725,660	649,037
Total shareholders' equity and reserves	1,476,173	945,469
Total liabilities and shareholders' equity	4,089,953	3,721,161

Consolidated cash flow statement

(unaudited)

USD thousands	2018	Q4 2018	2017	Q4 2017
Operating activities				
Result before tax	104,205	-8,180	84,116	102,238
Depreciation (net of government grants)	242,577	68,023	169,432	53,065
Expense from stock option plan (acc. to IFRS 2)	18,956	4,330	23,115	7,557
Changes in other long-term liabilities	876	1,808	-6,168	-1,267
Result from sale of plant and equipment	-121	-4	30	24
Result from sale of investments	-65	0	0	0
Result from investments in associates	587	144	134	75
Net financing result	-89,439	17,054	2,529	12,645
Change in inventories	-56,435	-15,600	-166,773	-49,430
Change in trade and other receivables	197,607	210,785	-204,869	-112,667
Change in trade and other payables	-81,197	-32,509	122,917	39,795
Change in provisions and employee benefits	41,355	48,932	-4,608	176
Change in deferred income	-6,240	-87	4,085	1,231
Result from sale of discontinued operation net of tax	0	0	-9,065	-9,065
Tax payments	-12,785	-1,207	-18,930	-3,526
Cash flows from operating activities	359,881	293,488	-4,054	40,851
Investing activities				
Acquisition of intangibles, property, plant and equipment	-471,168	-47,540	-663,936	-234,443
Acquisition of subsidiaries, net of cash acquired	-28,300	0	40,886	0
Acquisition of other financial investments	-3,724	0	0	0
Proceeds from sale of plant and equipment	45	4	44	10
Disposal of discontinued operations net of cash disposed of	0	0	9,199	9,199
Proceeds from the sale of financial assets	26,345	0	22,187	0
Interest received	3,667	1,414	4,211	2,066
Cash flows from investing activities	-473,135	-46,122	-587,409	-223,168
Financing activities				
Proceeds from borrowings	375,900	132,499	785,021	114,745
Repayment of debt	-361,582	-12,836	-172,044	0
Repayment of finance lease liabilities	-88	-22	-128	6
Proceeds from issue of convertible notes	698,292	0	339,922	0
Acquisition of treasury shares	-212,037	-21,710	-150,811	-66,628
Sale of treasury shares	13,657	824	21,022	2,666
Interest paid	-18,868	-3,513	-9,751	-2,039
Dividends paid	-31,463	0	-28,579	0
Cash flows from financing activities	463,810	95,242	784,651	48,750
Change in cash and cash equivalents	350,557	342,608	193,189	-133,567
Effects of changes in foreign exchange rates on cash and cash equivalents	-2,749	-528	-26,633	-2,598
Cash and cash equivalents pledged as security	36,483	0	-42,436	0
Cash and cash equivalents at begin of period	329,014	371,225	204,895	465,180
Cash and cash equivalents at end of period	713,305	713,305	329,014	329,014

Changes in shareholders' equity

(unaudited)

USD thousands	Issued capital	Additional paid in capital	Treasury shares	Other reserves	Retained earnings	Total shareholders' equity
Total equity as of January 1, 2017	83,759	241,464	-189,496	68,300	557,654	761,681
Net result	0	0	0	0	101,258	101,258
Remeasurement of defined benefit liability	0	0	0	0	2,332	2,332
Valuation of financial instruments	0	0	0	0	16,371	16,371
Translation adjustment	0	0	0	-183,877	0	-183,877
Comprehensive income	0	0	0	-183,877	119,962	-63,916
Share based payments	0	18,733	0	0		18,733
Dividends paid	0	0	0	0	-28,579	-28,579
Capital increase	12,564	398,836	0	0	0	411,399
Payable from share buyback obligation	0	0	0	-125,629	0	-125,629
Purchase of treasury shares	0	0	-225,603	0	0	-225,603
Sale of treasury shares	0	0	197,382	0	0	197,382
Total equity as of December 31, 2017	96,323	659,033	-217,717	-241,206	649,037	945,469
Adjustments ¹⁾	0	0	0	0	-628	-628
Total equity as of January 1, 2018	96,323	659,033	-217,717	-241,206	648,409	944,842
Net result	0	0	0	0	106,587	106,587
Remeasurement of defined benefit liability	0	0	0	0	2,413	2,413
Valuation of financial instruments	0	0	0	0	-286	-286
Translation adjustment	0	0	0	94,870	0	94,870
Comprehensive income	0	0	0	94,870	108,086	203,584
Share based payments	0	-6,019	0	0	0	-6,019
Dividends paid	0	0	0	0	-31,463	-31,463
Option rights for convertible bond	0	106,763	0	0	0	106,763
Capital increase	0	61,251	0	0	0	61,251
Payable from share buyback obligation	0	-10,965	-85,835	125,629	0	28,829
Purchase of treasury shares	0	0	-212,037	0	0	-212,037
Sale of treasury shares	0	0	380,423	0	0	380,423
Total equity as of December 31, 2018	96,323	810,062	-135,165	-20,707	725,660	1,476,173

¹⁾ The balance as of January 1, 2018 was restated due to the initial application of IFRS 9 and IFRS 15.

Segment reporting

USD thousands		2018				2017			
Business segments	Consumer	Non-Consumer	Foundry	Total	Consumer	Non-Consumer	Foundry	Total	
Consolidated revenues	1,144,366	431,082	51,967	1,627,415	779,868	374,997	58,899	1,213,765	
Research & development	122,258	114,694	1,577	238,529	114,854	94,758	1,817	211,429	
Result from operations	199,521	56,464	16,149	272,134	162,423	57,787	18,431	238,641	
Segment assets	911,976	63,452	7,734	983,162	857,869	76,400	6,557	940,826	

Reconciliation of segment results to income statement

USD thousands	2018	2017
Result from operations per segment reporting	272,134	238,641
Result from investments in associates	-587	-134
Depreciation due to business combinations	-79,925	-82,735
Unallocated R&D costs	-880	-3,123
Subsidies for research and development	5,492	6,116
Unallocated corporate costs	-181,533	-72,119
Result from operations	14,702	86,646
Financial result	89,503	-2,529
Income before tax	104,205	84,116

Reconciliation of segment assets to total assets

USD thousands	2018	2017
Assets per segment reporting	983,162	940,826
Intangible assets deriving from PPA	1,301,811	1,311,300
Property, plant & equipment	526,803	527,904
Inventories	353,623	289,659
Cash, cash equivalents and short-term investments	713,305	447,686
Deferred tax asset	18,636	29,734
Intangible assets	95,352	32,032
Investments in associates	3,369	2,164
Other assets	93,891	139,856
Total assets	4,089,953	3,721,161

Revenues per geographical segments

USD thousands	2018	2017
EMEA ¹⁾	295,964	402,383
Americas	89,008	242,234
Asia/Pacific	1,242,443	569,148
Total	1,627,415	1,213,765

¹⁾ Europe, Middle East, Africa

Segment information is presented on the basis of the internal reporting structure for the segments “Consumer”, “Non-Consumer” and “Foundry” and determined according to the valuation and accounting regulations of IFRS. The Segment “Consumer” is comprised of products and sensor solutions targeting the Consumer & Communications market. The segment “Non-Consumer” is comprised of products and sensor solutions targeting the industrial, medical, and automotive markets. In the “Foundry” segment, ams reports the contract manufacturing of analog/mixed signal ICs based on its customers’ designs.

The geographic segments are structured by the three regions in which sales occur: “EMEA” (Europe, Middle East, and Africa), “Asia/Pacific”, and “Americas”. In presenting information on the basis of geographical segments, segment revenue is based on the geographical billing location of customers.

The segment measure “Result from operations” consists of gross profit, expenses for research and development, expenses for selling, general & administrative as well as other operating income and expenses.

The segment assets generally comprise of the allocable assets, i.e. customer receivables as well as segment specific tangible and intangible assets. The reconciliation of segment measures includes items which by definition are not part of the segments.

Reconciliation from adjusted figures to IFRS reported figures

USD thousands	2018	Q4 2018	2017	Q4 2017
Gross profit – adjusted	515,383	174,015	522,061	233,687
Acquisition-related costs	-46,498	-10,534	-53,055	-16,032
Share-based compensation costs	-1,624	-496	-1,399	-340
Restructuring costs	-24,644	-24,644	0	0
Gross profit – IFRS reported	442,617	138,341	467,607	217,315
Gross margin in % – adjusted	32%	35%	43%	44%
Gross margin in % – IFRS reported	27%	28%	39%	40%
Operating expenses – adjusted	-369,813	-112,073	-329,565	-87,123
Acquisition-related costs	-33,426	-8,612	-29,680	-8,092
Share-based compensation costs	-19,698	-3,805	-21,717	-7,217
Restructuring costs	-4,977	-4,977	0	0
Operating expenses – IFRS reported	-427,915	-129,467	-380,962	-102,431
Result from operations – adjusted	145,570	61,941	192,496	146,564
Acquisition-related costs	-79,925	-19,145	-82,735	-24,124
Share-based compensation costs	-21,322	-4,301	-23,115	-7,557
Restructuring costs	-29,621	-29,621	0	0
Result from operations – IFRS reported	14,702	8,874	86,646	114,883
Operating margin in % – adjusted	9%	13%	16%	27%
Operating margin in % – IFRS reported	1%	2%	7%	21%

Financial information in EUR

Consolidated Income Statement

(unaudited)

EUR thousands (except earnings per share)	2018	Q4 2018	2017	Q4 2017
Revenue Products	1,380,760	417,442	1,012,152	458,153
Revenue Foundry	45,546	13,214	51,621	12,160
Total revenues	1,426,306	430,656	1,063,773	470,313
Cost of sales	-1,038,386	-309,411	-653,951	-279,853
Gross profit	387,920	121,245	409,822	190,460
Gross margin in %	27%	28%	39%	40%
Research and development	-239,064	-79,409	-213,995	-59,005
Selling, general and administrative	-142,098	-34,130	-139,261	-40,501
Other operating income	10,388	3,113	21,432	10,546
Other operating expenses	-3,747	-2,915	-1,943	-749
Result from equity investments	-514	-127	-117	-65
Result from operations	12,885	7,778	75,938	100,687
Net financing result	78,443	-14,947	-2,217	-11,083
Result before tax	91,328	-7,169	73,722	89,604
Income tax result	2,088	8,174	15,024	12,974
Net result	93,416	1,005	88,745	102,578
Basic earnings per share in CHF ¹⁾	1.34	0.01	1.21	1.45
Diluted earnings per share in CHF ¹⁾	0.72	0.01	1.12	1.34
Basic earnings per share in EUR	1.14	0.01	1.08	1.25
Diluted earnings per share in EUR	0.61	0.01	1.01	1.15

¹⁾ Earnings per share in CHF were converted using the average currency exchange rate for the respective periods.

Statement of comprehensive income

(unaudited)

EUR thousands	2018	Q4 2018	2017	Q4 2017
Net result	93,416	1,005	88,745	102,578
Items that will never be reclassified to profit and loss				
Remeasurements of defined benefit liability	2,115	2,115	2,044	109
Measurement at fair value of financial assets	250	-219	0	0
Items that may be reclassified to profit and loss				
Translation adjustment	83,146	28,887	-161,154	-35,684
Measurement at fair value of financial assets	-501	64	14,348	0
Other comprehensive income	85,010	30,846	-144,762	-35,575
Total comprehensive income	178,426	31,851	-56,017	67,003

Consolidated balance sheet

(unaudited)

EUR thousands	December 31, 2018	December 31, 2017
Assets		
Cash and cash equivalents	625,158	288,356
Financial assets	0	104,007
Trade receivables	121,015	284,799
Inventories	309,924	253,914
Other receivables and assets	38,021	77,103
Total current assets	1,094,117	1,008,179
Property, plant and equipment	1,206,516	996,876
Intangible assets	1,221,635	1,182,125
Investments in associates	2,960	1,896
Deferred tax assets	16,333	26,060
Other long term assets	7,327	46,179
Long-term financial assets	35,645	0
Total non-current assets	2,490,416	2,253,136
Total assets	3,584,534	3,261,315
Liabilities and shareholders' equity		
Liabilities		
Interest-bearing loans and borrowings	220,022	586,417
Trade liabilities	175,887	308,392
Tax liabilities	16,455	28,118
Provisions	80,673	44,394
Other liabilities	55,552	546,864
Total current liabilities	548,589	1,514,185
Interest-bearing loans and borrowings	1,599,013	671,787
Employee benefits	40,319	40,215
Deferred Tax Liabilities	65,666	67,085
Other long term liabilities	37,193	139,411
Total non-current liabilities	1,742,191	918,498
Shareholders' equity		
Issued capital	84,420	84,420
Additonal paid in capital	709,958	577,592
Treasury shares	-118,462	-190,812
Other reserves (translation adjustment)	18,148	-211,399
Retained earnings	635,986	568,831
Total shareholders' equity and reserves	1,293,754	828,632
Total liabilities and shareholders' equity	3,584,534	3,261,315

Consolidated cash flow statement

(unaudited)

EUR thousands	2018	Q4 2018	2017	Q4 2017
Operating activities				
Result before tax	91,328	-7,169	73,722	89,604
Depreciation (net of government grants)	212,600	59,617	148,494	46,507
Expense from stock option plan (acc. to IFRS 2)	16,613	3,795	20,259	6,623
Changes in other long-term liabilities	768	1,584	-5,406	-1,110
Result from sale of plant and equipment	-106	-4	27	21
Result from sale of investments	-57	0	0	0
Result from investments in associates	514	127	117	65
Net financing cost	-78,386	14,947	2,217	11,083
Change in inventories	-49,461	-13,672	-146,164	-43,322
Change in trade and other receivables	173,187	184,737	-179,552	-98,744
Change in trade and other payables	-71,163	-28,491	107,728	34,877
Change in provisions and employee benefits	36,245	42,885	-4,038	154
Change in deferred income	-5,469	-76	3,580	1,079
Result from sale of discontinued operation net of tax	0	0	-7,945	-7,945
Tax payments	-11,205	-1,058	-16,591	-3,090
Cash flows from operating activities	315,409	257,220	-3,553	35,803
Investing activities				
Acquisition of intangibles, property, plant and equipment	-412,943	-41,666	-581,890	-205,472
Acquisition of subsidiaries, net of cash acquired	-24,803	0	35,834	0
Acquisition of other financial investments	-3,264	0	0	0
Proceeds from sale of plant and equipment	40	4	39	9
Disposal of discontinued operations net of cash disposed of	0	0	8,062	8,062
Proceeds from the sale of financial assets	23,090	0	19,445	0
Interest received	3,213	1,240	3,691	1,811
Cash flows from investing activities	-414,667	-40,422	-514,819	-195,590
Financing activities				
Proceeds from borrowings	329,448	116,126	688,012	100,565
Repayment of debt	-316,900	-11,250	-150,784	0
Repayment of finance lease liabilities	-77	-20	-112	6
Proceeds from issue of convertible notes	612,000	0	297,915	0
Acquisition of treasury shares	-185,834	-19,028	-132,175	-58,394
Sale of treasury shares	11,970	722	18,424	2,336
Interest paid	-16,536	-3,079	-8,546	-1,787
Dividends paid	-27,575	0	-25,047	0
Cash flows from financing activities	406,495	83,472	687,687	42,725
Change in cash and cash equivalents	307,237	300,270	169,315	-117,062
Effects of changes in foreign exchange rates on cash and cash equivalents	-2,410	-463	-23,342	-2,277
Cash and cash equivalents pledged as security	31,975	0	-37,192	0
Cash and cash equivalents at begin of period	288,356	325,351	179,575	407,695
Cash and cash equivalents at end of period	625,158	625,158	288,356	288,356

Changes in shareholders' equity

(unaudited)

EUR thousands	Issued capital	Additional paid in capital	Treasury shares	Other reserves	Retained earnings	Total shareholders' equity
Total equity as of January 1, 2017	73,409	211,625	-166,079	59,860	488,741	667,556
Net result	0	0	0	0	88,745	88,745
Remeasurement of defined benefit liability	0	0	0	0	2,044	2,044
Valuation of financial instruments	0	0	0	0	14,348	14,348
Translation adjustment	0	0	0	-161,154	0	-161,154
Comprehensive income	0	0	0	-161,154	105,137	-56,017
Share based payments	0	16,418	0	0	0	16,418
Dividends paid	0	0	0	0	-25,047	-25,047
Capital increase	11,011	349,549	0	0	0	360,560
Payable from share buyback obligation	0	0	0	-110,104	0	-110,104
Purchase of treasury shares	0	0	-197,724	0	0	-197,724
Sale of treasury shares	0	0	172,990	0	0	72,990
Total equity as of December 31, 2017	84,420	577,592	-190,813	-211,399	568,831	828,632
Adjustments ¹⁾	0	0	0	0	-550	-550
Total equity as of January 1, 2018	84,420	577,592	-190,813	-211,399	568,281	828,082
Net result	0	0	0	0	93,416	93,416
Remeasurement of defined benefit liability	0	0	0	0	2,115	2,115
Valuation of financial instruments	0	0	0	0	-251	-251
Translation adjustment	0	0	0	83,146	0	83,146
Comprehensive income	0	0	0	83,146	94,730	178,426
Share based payments	0	-5,275	0	0	0	-5,275
Dividends paid	0	0	0	0	-27,575	-27,575
Option rights for convertible bond	0	93,570	0	0	0	93,570
Capital increase	0	53,682	0	0	0	53,682
Payable from share buyback obligation	0	-9,610	-75,227	110,104	0	25,266
Purchase of treasury shares	0	0	-185,834	0	0	-185,834
Sale of treasury shares	0	0	333,412	0	0	334,412
Total equity as of December 31, 2018	84,420	709,958	-118,462	-18,148	635,986	1,293,754

¹⁾ The balance as of January 1, 2018 was restated due to the initial application of IFRS 9 and IFRS 15.

Segment reporting

EUR thousands		2018				2017			
Business segments	Consumer	Non-Consumer	Foundry	Total	Consumer	Non-Consumer	Foundry	Total	
Consolidated revenues	1,002,950	377,810	45,545	1,426,306	683,496	328,656	51,621	1,063,773	
Research & development	107,150	100,520	1,382	209,053	100,661	83,049	1,592	185,301	
Result from operations	174,865	49,486	14,153	238,505	142,352	50,646	16,153	209,151	
Segment assets	799,278	55,611	6,778	861,667	751,857	66,959	5,746	824,563	

Reconciliation of segment results to income statement

EUR thousands	2018	2017
Result from operations per segment reporting	238,505	209,151
Result from investments in associates	-514	-117
Depreciation due to business combinations	-70,048	-72,511
Unallocated R&D costs	-772	-2,737
Subsidies for research and development	4,814	5,360
Unallocated corporate costs	-159,100	-63,207
Result from operations	12,885	75,938
Financial result	78,443	-2,217
Income before tax	91,328	73,722

Reconciliation of segment assets to total assets

EUR thousands	2018	2017
Assets per segment reporting	861,667	824,563
Intangible assets deriving from PPA	1,140,938	1,149,255
Property, plant & equipment	461,703	462,667
Inventories	309,924	253,864
Cash, cash equivalents and short-term investments	625,158	392,363
Deferred tax asset	16,333	26,060
Intangible assets	83,569	28,074
Investments in associates	2,953	1,896
Other assets	82,288	122,573
Total assets	3,584,534	3,261,315

Revenues per geographical segments

EUR thousands	2018	2017
EMEA ¹⁾	259,390	352,658
Americas	78,009	212,300
Asia/Pacific	1,088,907	498,815
Total	1,426,306	1,063,773

¹⁾ Europe, Middle East, Africa

Segment information is presented on the basis of the internal reporting structure for the segments “Consumer”, “Non-Consumer” and “Foundry” and determined according to the valuation and accounting regulations of IFRS. The Segment “Consumer” is comprised of products and sensor solutions targeting the Consumer & Communications market. The segment “Non-Consumer” is comprised of products and sensor solutions targeting the industrial, medical, and automotive markets. In the “Foundry” segment, ams reports the contract manufacturing of analog/mixed signal ICs based on its customers’ designs.

The geographic segments are structured by the three regions in which sales occur: “EMEA” (Europe, Middle East, and Africa), “Asia/Pacific”, and “Americas”. In presenting information on the basis of geographical segments, segment revenue is based on the geographical billing location of customers.

The segment measure “Result from operations” consists of gross profit, expenses for research and development, expenses for selling, general & administrative as well as other operating income and expenses.

The segment assets generally comprise of the allocable assets, i.e. customer receivables as well as segment specific tangible and intangible assets. The reconciliation of segment measures includes items which by definition are not part of the segments.

Reconciliation from adjusted figures to IFRS reported figures

EUR thousands	2018	Q4 2018	2017	Q4 2017
Gross profit – adjusted	451,694	152,511	457,547	204,809
Acquisition-related costs	-40,752	-9,232	-46,499	-14,051
Share-based compensation costs	-1,423	-434	-1,226	-298
Restructuring costs	-21,599	-21,599	0	0
Gross profit – IFRS reported	387,920	121,245	409,822	190,460
Gross margin in % – adjusted	32%	35%	43%	44%
Gross margin in % – IFRS reported	27%	28%	39%	40%
Operating expenses – adjusted	-324,113	-98,224	-288,838	-76,357
Acquisition-related costs	-29,296	-7,547	-26,012	-7,092
Share-based compensation costs	-17,264	-3,335	-19,033	-6,325
Restructuring costs	-4,362	-4,362	0	0
Operating expenses – IFRS reported	-375,035	-113,468	-333,884	-89,773
Result from operations – adjusted	127,581	54,287	168,708	128,453
Acquisition-related costs	-70,048	-16,780	-72,511	-21,143
Share-based compensation costs	-18,687	-3,769	-20,259	-6,623
Restructuring costs	-25,960	-25,960	0	0
Result from operations – IFRS reported	12,885	7,778	75,938	100,687
Operating margin in % – adjusted	9%	13%	16%	27%
Operating margin in % – IFRS reported	1%	2%	7%	21%