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EANS-Adhoc: ams AG / ams launches offering by way of private placement of approx. EUR 750 million convertible bonds due 2027; pre-announces third quarter results for ams business with revenues of USD 564 m ...

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ams launches offering by way of private placement of approx. EUR 750 million convertible bonds due 2027; pre-announces third quarter results for ams business with revenues of USD 564 million and adjusted EBIT margin of 23%, both towards top end of expected range; expects further robust sequential growth for ams business in fourth quarter with revenues of USD 650-690 million and firmly higher operating profitability

- * Final terms of the Offering to be announced after an accelerated bookbuilding process expected to be finalised on 27 October 2020
- * Planned transaction contributes to a diversified, long-term funding structure maximizing financial flexibility for ams while paving the way towards full integration of OSRAM
- * Third quarter results for ams business show revenues of USD 564 million and adjusted EBIT margin of 23%, both towards the top end of the expectation range
- * Expecting strong ams business in the fourth quarter with expected revenues of USD 650-690 million and adjusted EBIT margin of 24-27%, both firmly up quarter-on-quarter

Premstaetten, Austria (27 October 2020) -- ams (SIX: AMS), a leading worldwide supplier of high performance sensor solutions, announces that its Management Board has resolved today, with the consent of the Supervisory Board, the launch of an offering by way of private placement (the "Offering") of approx. EUR 750 million of guaranteed convertible bonds due 2027 (the "Bonds"). The net proceeds of the Bonds will be used for general corporate purposes. Prior to the settlement of the issuance of the Bonds, ams will cancel out the existing bridge facilities by using available cash. In addition to issuance of the Bonds, ams has negotiated and agreed the terms of a new EUR 750 million bridge facility with a consortium of banks to be entered into on or after the settlement of the issuance of the Bonds.

The issuance of the Bonds and new bridge facility will together serve to secure comprehensive funding to implement the domination and profit and loss transfer agreement with OSRAM (following approval by the shareholders) as well as subsequent steps in order to realize the full integration of OSRAM. In line with ams' long-term funding strategy and prudent balance sheet management, the above-mentioned transactions will complement the term profile of existing debt and maximize financial flexibility for ams.

At this time, ams pre-announces third quarter 2020 results for the ams business

excluding OSRAM showing high quarter-on-quarter revenue growth to USD 564 million and very good profitability with an adjusted EBIT margin of 23%, both towards the top end of the stated expectation range. These robust results were particularly driven by continued strength in ams' consumer business despite the macroeconomic effects of the Covid-19 pandemic and negative exchange rate developments in the quarter.

ams also provides a financial outlook for the fourth quarter 2020 comprising the ams business only, based on currently available information. ams sees strong business momentum continuing in the fourth quarter given significant seasonal ramps and resilient demand in ams' consumer business, notwithstanding the ongoing global pandemic and related economic uncertainties. Improving demand trends are taking hold in ams' automotive, industrial and medical businesses complementing this development. ams therefore expects fourth quarter revenues of USD 650-690 million for the ams business, up 19% sequentially and 2% year-on-year at the midpoint, while adjusted EBIT margin is expected to grow meaningfully quarter-on-quarter to 24-27% of revenues. ams will be fully consolidating OSRAM as of the beginning of the third quarter 2020 and intends to show OSRAM as a separate reporting segment. As previously announced, ams will publish full consolidated third quarter results including OSRAM on 6 November 2020.

The Bonds will have a maturity of 7 years, will be issued at 100% of their principal amount and, if not converted, will be redeemed at 100% of their principal amount subject to the share redemption option in accordance with the terms and conditions of the Bonds. The Bonds are expected to bear interest at a rate between 1.875% and 2.375% per annum, payable semi-annually in arrear, subject to a step-up if certain conditions are not satisfied.

The Bonds will be convertible into new or existing ordinary no par value bearer shares equal to up to 10% of the current issued share capital. Subscription rights of existing shareholders of ams to subscribe to the Bonds have been excluded. The Bonds will be offered with a conversion premium of between 45% and 50% above the reference share price, being the volume-weighted average price of the Shares on SIX Swiss Exchange between launch and pricing translated into EUR at the prevailing exchange rate. ams will be entitled to redeem the Bonds at their principal amount plus accrued interest in accordance with the terms and conditions of the Bonds at any time (i) on or after 6 December 2024 if the price of the ams share is equal to or exceeds 130% of the prevailing conversion price over a certain period, or (ii) if 20% or less of the aggregate principal amount of the Bonds remain outstanding.

Pricing is expected to take place later today following an accelerated bookbuilding process with settlement on or around 3 November 2020. The Bonds will be offered only to institutional investors outside the U.S. in reliance on Regulation S (Category 2) under the United States Securities Act of 1933 as amended, as well as outside Australia, Canada, Japan, South Africa or any other jurisdiction in which offers or sales of the securities would be prohibited by applicable law and will not be offered to any U.S. persons.

ams has agreed to a lock-up period expiring 90 days after the date on which the Bonds are issued subject to customary exceptions. An application will be made for the Bonds to be included on the Open Market segment (Freiverkehr) of the Frankfurt Stock Exchange.

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About ams

ams is a global leader in the design and manufacture of advanced sensor solutions. Our mission is to shape the world with sensor solutions by providing a seamless interface between humans and technology.

ams' high-performance sensor solutions drive applications requiring small form factor, low power, highest sensitivity and multi-sensor integration. Products include sensor solutions, sensor ICs, interfaces and related software for consumer, communications, industrial, medical, and automotive markets.

With headquarters in Austria, ams employs around 9,000 people globally and serves more than 8,000 customers worldwide. ams is listed on the SIX Swiss Exchange (ticker symbol: AMS). More information about ams can be found at <https://www.ams.com>

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