AT&S first choice for advanced applications

Conference Call Q1 2016/17

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Agenda

- Market Update and Summary Business Performance
- Financials
- Outlook

Market Update

- Development in the customer segments*
  > Smartphones remain the technological driver in the electronics industry and are still the largest application in the global electronics industry. But growing market saturation resulted in a low single digit growth.

  > Computing applications – tablets, notebooks and desktop – showed a high single digit decline, continuing the trend from previous quarters.

  > Consumer market: wearables growth – coming from a low volume base – was in the high double digit area.

  > Automotive: electronic content increased - based mainly on advanced driver assistance systems (ADAS) and was the main driver for a single digit growth.

  > Industrial applications remained flat.

  > Medical segment with low single digit growth.

- No data for global PCB market on a quarterly basis available.

*Source: AT&S estimates based on development Jan. – March and forecasts 2016, no official market update yet available

Summary Q1 2016/17 - I

- Revenue with seasonality as expected:

  > Stable development compared to Q4 2015/16 (€ 178.9m vs. € 178.5m):

  >> Stable development in BU Mobile Devices & Substrates

  >> Continuous growth in BU Automotive, Industrial, Medical

  > Decline YoY (€ 178.9m vs. € 194.4m) based on seasonality and price pressure as expected – no seasonality in Q1 2015/16

  >> Expected seasonality in BU Mobile Devices & Substrates

  >> Growth in BU Automotive, Industrial, Medical

- Chongqing effects impacted EBITDA and EBIT, adjusted margins rather stable:

  > EBITDA € 18.8m vs. € 45.5m (Q1 2015/16) / EBITDA margin: 10.5% vs. 23.4% (Q1 2015/16)

  >> adjusted for Chongqing: € 38.1m / EBITDA margin: 21.9%

  > EBIT € (9.2)m vs. € 23.8m / margin: (5.1%) vs. 12.3% (Q1 2015/16)

  >> adjusted for Chongqing: € 19.1m / EBIT margin: 11.0%

- Net debt increased as expected: € 342.4m vs. €263.2m mainly due to payouts for Chongqing Capex

Summary Q1 2016/17 - II

- Further optimisation of debt structure:

  > Promissory note loan of € 150.0m for five and seven years

  > € 75.0m OeKB (Austrian Kontrollbank) financing signed, payout until beginning 2018

- Project Chongqing:

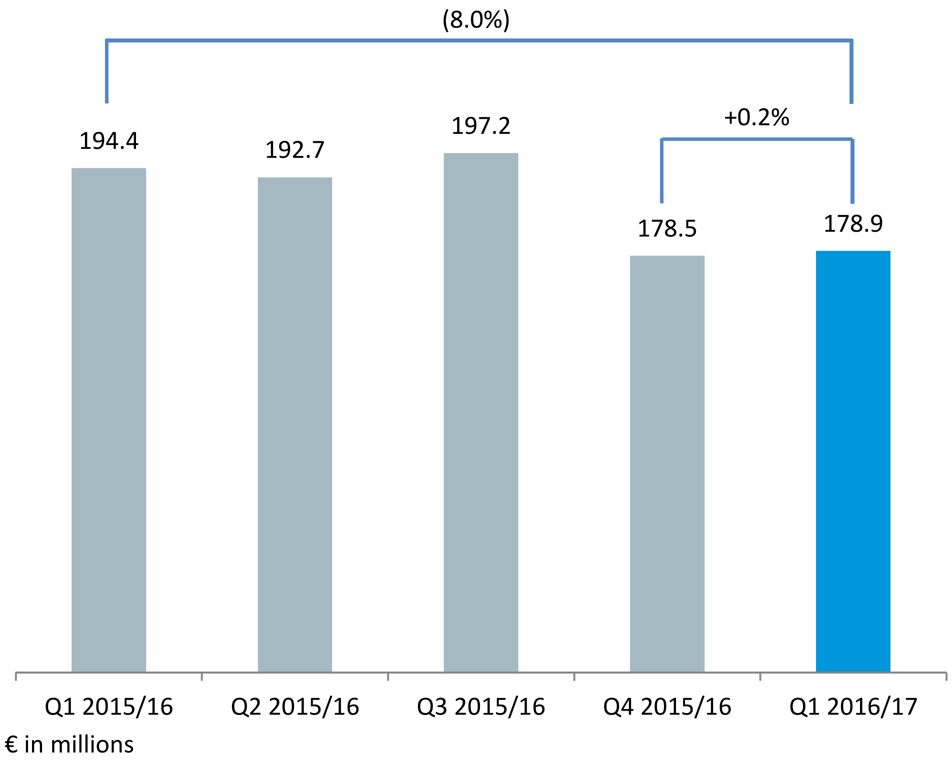
  > Ramp of IC substrate plant proceeding more flat than expected to date – goal of full loading for the first production line by end of CY 2016 still valid

  > Ramp of substrate-like PCB plant started beginning of July - earlier than expected

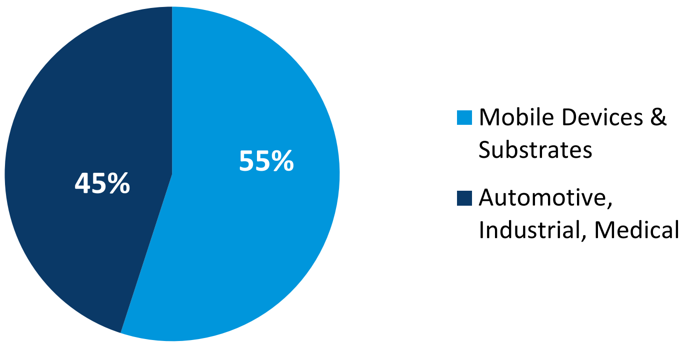
- Guidance for FY 2016/17 confirmed

Revenue

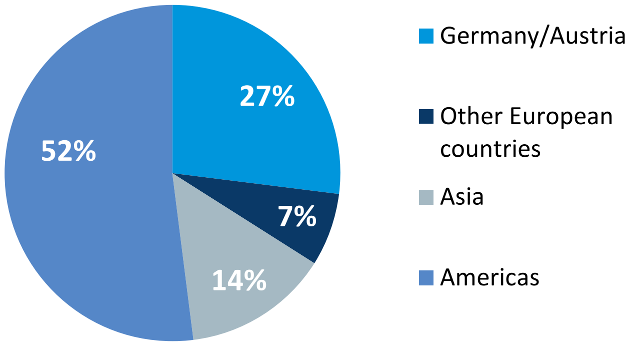
Total revenue



Split revenue Q1 2016/17: Business Unit



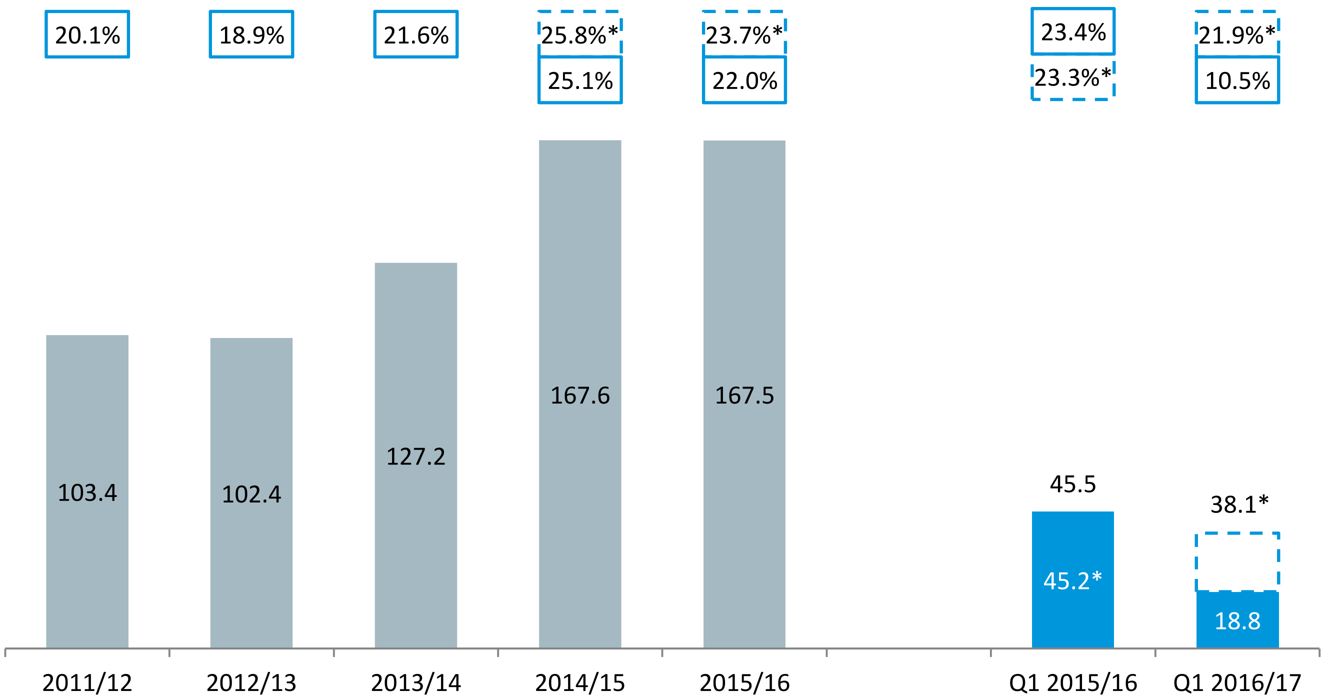
Split revenue Q1 2016/17: Customer Region



Operating Business Performance

- EBITDA impacted by negative effects from start in Chongqing (€ 19.3m).
- EBITDA margin adjusted for Chongqing effects almost on high level of Q1 2015/16.

EBITDA and EBITDA margin



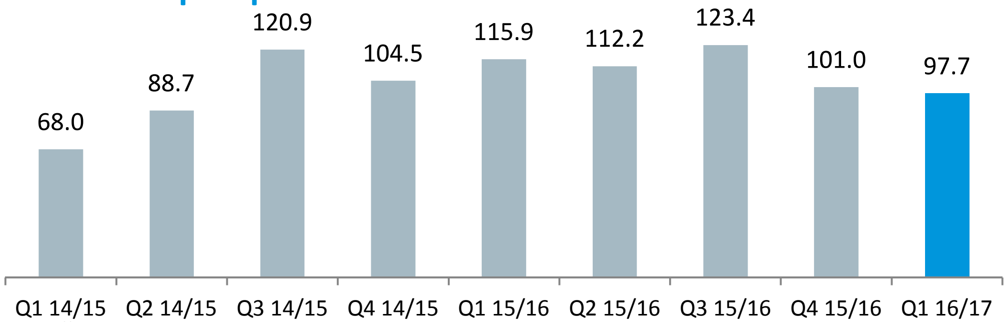
€ in millions
* Adjusted for Chongqing effects

Business Development – Mobile Devices & Substrates

- Normal seasonality in Q1
- Continuous diversification:
  > new projects for high-end computing and consumer applications for US and Japanese customers
  > further strengthening of position with fast growing high-end Chinese smart phone manufacturers
  > Qualified supplier for wireless providers

€ in millions (unless otherwise indicated)	Q1 2015/16	**Q1 2016/17**	Change in %
Revenue	138.2	120.4	(12.9%)
Revenue with external customers	115.9	97.7	(15.6%)
EBITDA	33.3	8.7	(73.8%)
EBITDA margin	24.1%	7.3%	-

Revenue per quarter*



€ in millions

* Revenue with external customers

Business Development – Automotive, Industrial, Medical

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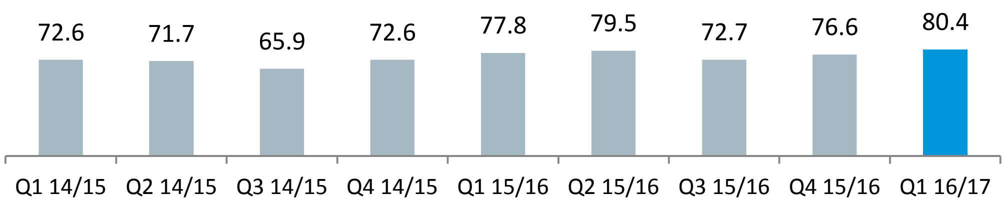
- Overall: good position in all technologies provided by this Business Unit, based on strategically chosen applications
- Automotive: continuous high demand for HDI PCBs for driver assistance systems and gearbox control units
- Medical: solid growth based on new technologies and functionalities (e.g. communication modules)
- Industrial: similar level than last years quarter, development more stable than expected, new projects ramping

€ in millions (unless otherwise indicated)	Q1 2015/16	**Q1 2016/17**	Change in %
Revenue	84.8	86.7	2.3%
Revenue with external customers	77.8	80.4	3.3%
EBITDA	8.7	8.9	1.6%
EBITDA margin	10.3%	10.2%	-

Revenue per quarter*

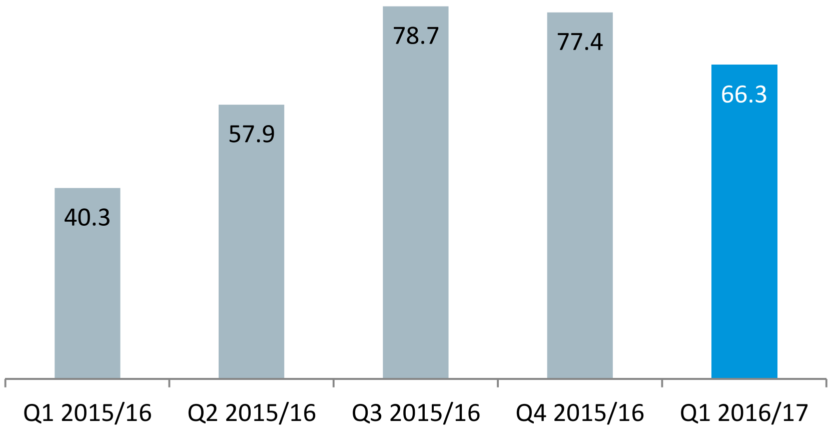


€ in millions
* Revenue with external customers

Capex & Staff

CAPEX*

CAPEX spending includes investments in Chongqing project (whereof € 51.8m) and technology investments in existing locations.

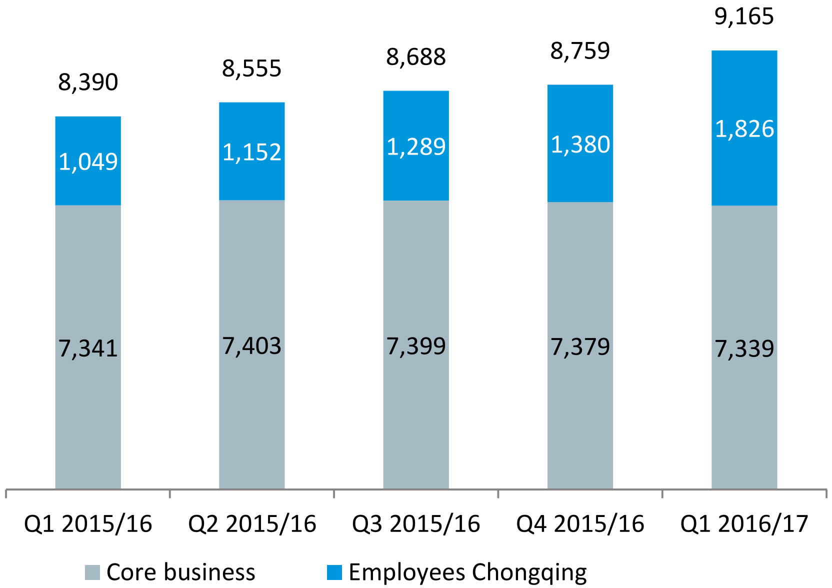


€ in millions

* Net CAPEX

STAFF**

The increased headcount is primarily based on Chongqing.



** incl. leased personnel, FTE, average for the period

Growth Project Chongqing

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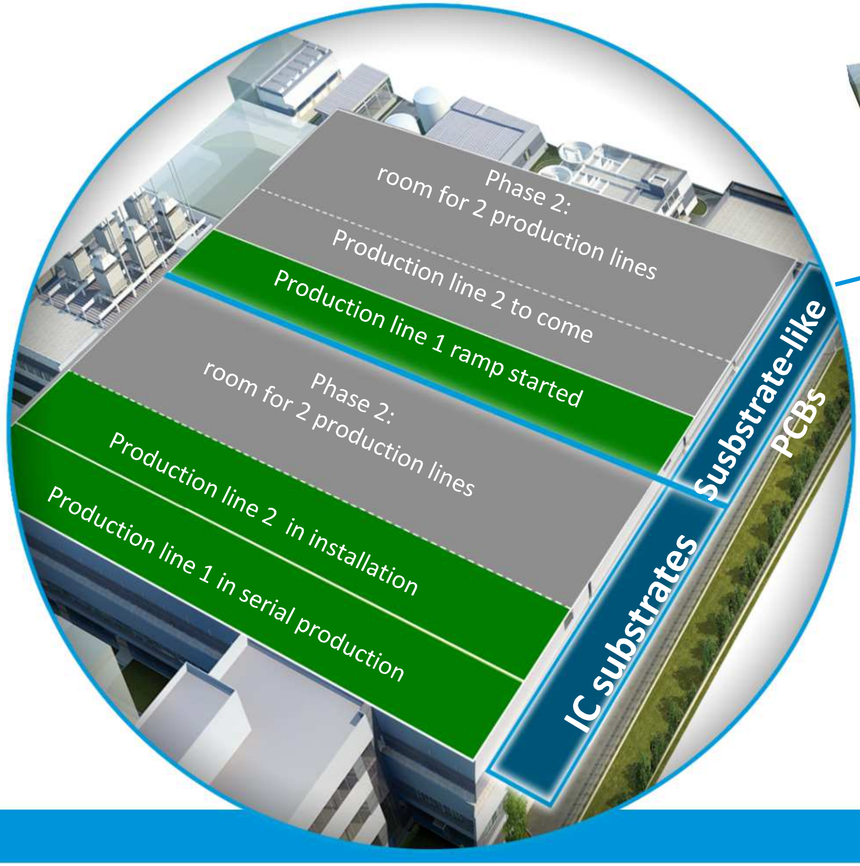
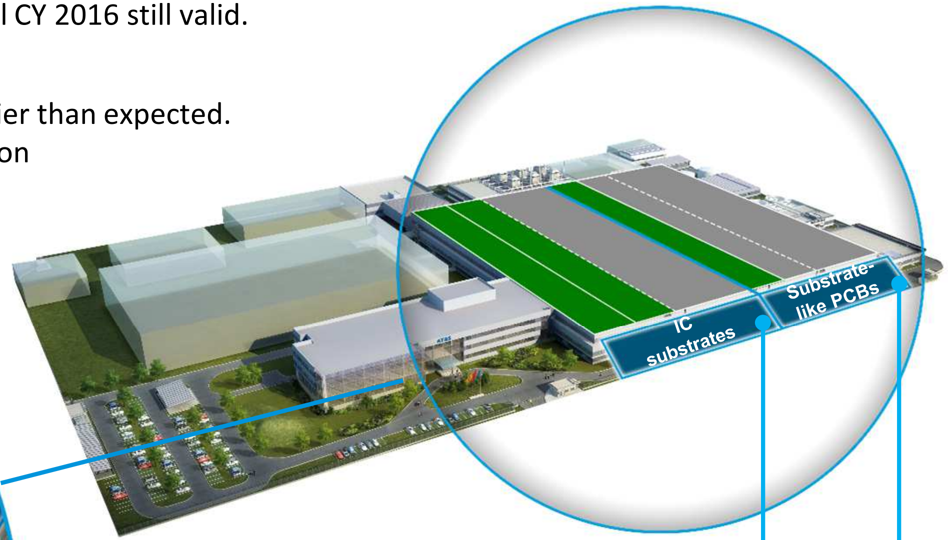
- IC substrates:
  > Optimisation of complex production equipment ongoing: currently ramp process more flat than planned to date.
  > Improved process stability and productivity required.
  > Goal of full loading of first production line IC substrates until CY 2016 still valid.
- Substrate-like PCBs:
  > Start of ramp of certain processes at beginning of July - earlier than expected.
  > Providing additional capacity to Shanghai plant in peak season





IC substrate project
Investment* Phase 1: ~ € 280m
Investment* as of 30/06/2016: € 221.8m

Substrate-like PCB project
Investment*Phase 1: ~ € 200m
Investment* as of 30/06/2016: € 119.6m

* Capex for tangible fixed assets

Agenda

Market Update and Summary Business Performance

Financials

Outlook

Financials Q1 2016/17

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€ in thousands (unless otherwise stated)	Q1 2015/16	Q1 2016/17	Change YoY
STATEMENT OF PROFIT OR LOSS			
Revenue	194,392	178,867	(8.0%)
produced in Asia	80%	79%	(1pp)
produced in Europe	20%	21%	1pp
EBITDA	45,518	18,831	(58.6%)
EBITDA margin	23.4%	10.5%	(12.9pp)
EBITDA adjusted	45,243	38,084	(15.8%)
EBITDA adjusted margin	23.3%	21.9%	(1.4pp)
EBIT	23,813	(9,169)	(>100%)
EBIT margin	12.3%	(5.1%)	(17.4pp)
EBIT adjusted	25,657	19,118	(25.5%)
EBIT adjusted margin	13.2%	11.0%	(2.2pp)
Finance costs – net	(170)	(5,718)	(>100%)
Income taxes	(3,993)	1,253	>100%
Profit for the period	19,650	(13,634)	(>100%)
Earnings per share	€ 0.50	(€ 0.35)	(>100%)

Difference due to FX; interest expense on prior year level despite higher gross debt

Financials Q1 2016/17

€ in thousands (unless otherwise stated)	31 Mar 2016	30 Jun 2016	Change QoQ
STATEMENT OF FINANCIAL POSITION			
Non-current assets	866,338	930,772	7.4%
Current assets	478,312	557,581	16.6%
Equity	568,936	553,533	(2.7%)
Non-current liabilities	421,407	581,734	38.0%
Current liabilities	354,307	353,086	(0.3%)
Total assets	1,344,650	1,488,353	10.7%
Net debt	263,192	342,372	30.1%
Net gearing	46.3%	61.9%	15.6pp
Net working capital	88,427	99,614	12.7%
Net working capital per revenue	11.6%	13.9%	2.3pp
Equity ratio	42.3%	37.2%	(5.1pp)

Increase from additions in tangible and intangible assets of € 81.4m

Equity decrease mainly due to net loss of € 13.6m

Increase due to promissory note loans of € 150.0m

Increase mainly due to CAPEX of € 66.3m

Financials Q1 2016/17

€ in thousands	Q1 2015/16	Q1 2016/17	Change YoY
STATEMENT OF CASH FLOWS			
Operating result (EBIT)	23,813	(9,169)	(>100%)
Paid/received interests	(362)	(1,414)	(>100%)
Paid taxes	(2,926)	(5,145)	(75.8%)
Non cash bearing of profit or loss	24,203	24,293	0.4%
Cash flow from operating activities before changes in working capital	44,728	8,565	(80.9%)
Changes in working capital	(7,041)	(20,363)	(>100%)
Cash flow from operating activities	37,687	(11,798)	(>100%)
Cash flow from investing activities	(40,331)	(101,527)	(>100%)
Cash flow from financing activities	3,320	125,671	>100%
Change in cash and cash equivalents	676	12,346	>100%

Increase mainly due to other receivables

Includes cash from payout of promissory note loan net of repayment of loans

Agenda

Outlook FY 2016/17

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- Focus on capacity utilisation of first production line of IC substrates and ramp of two further production lines (second production line of IC substrates, first production line of substrate-like PCB)

- Slower growth dynamic expected in certain customer segments, particularly in Mobile Devices & Substrates as well as stronger seasonality in Q1 and Q4 and continuous low visibility

- Based on a macroeconomic stable environment, FX relation of USD-EUR on a similar level than FY 2015/16 and a stable demand in the core business, management expects revenue growth of 10-12%. EBITDA margin should be on a level of 18-20%, based on costs related to the ramp of Chongqing. EBITDA margin in core business should be on a similar level than in FY 2015/16. Higher depreciation for the Chongqing project of additional ~ € 40m in FY 2016/17 will have a clear impact on EBIT level.

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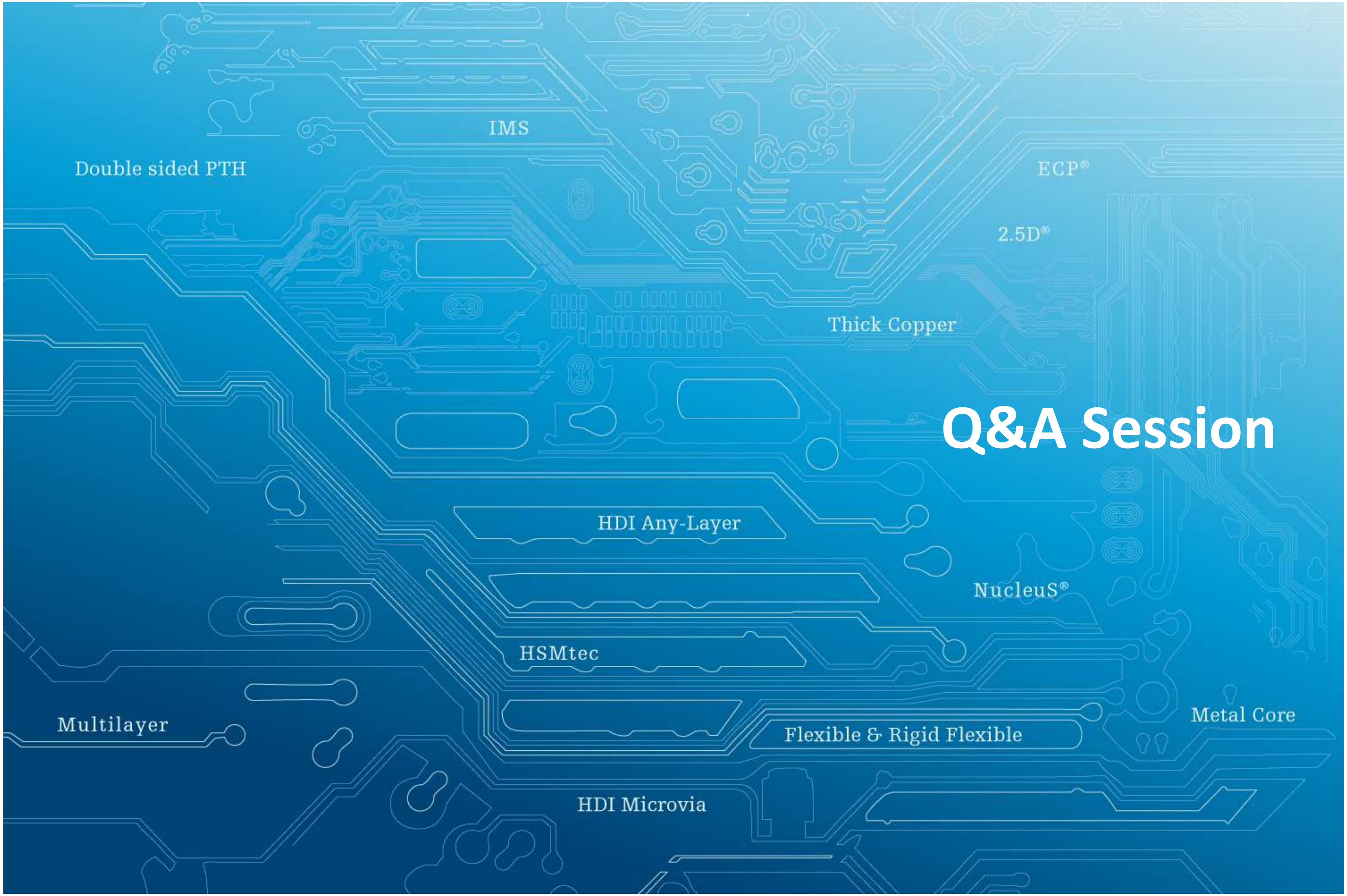
Q&A Session



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