AT&S

RESULTS FY 2023/24

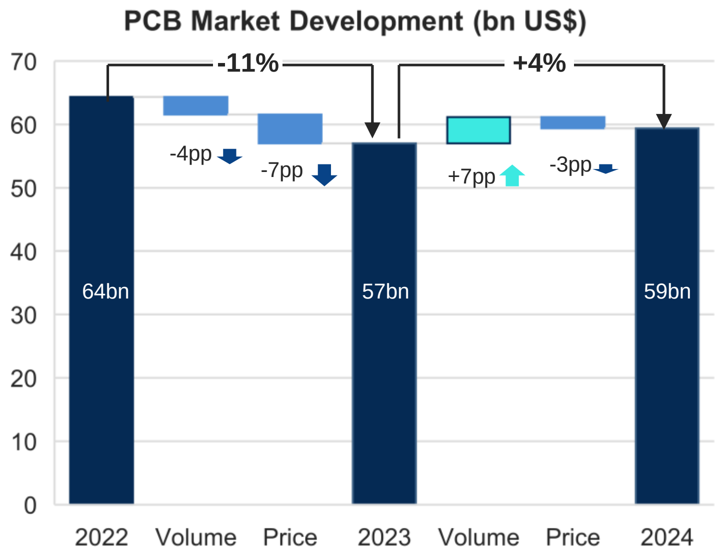
CONFERENCE CALL

MAY 14, 2024

KEY DEVELOPMENTS

- 2023/24 was characterised by a very challenging market environment
  - After solid H1, the market environment deteriorated in H2
  - High inventories of server chips impact IC substrate demand
  - Markets for mobile devices and industrial applications have weakened in H2
- Getting prepared for market recovery and return to growth in FY 2024/25
  - Market recovery still anticipated for the second half of FY 2024/25
  - AT&S volumes expected to increase, but price pressure will remain in place
  - Ramp of plants in Kulim and Leoben on track
- Intensification of cost optimization program including headcount reductions
- Intention to sell the plant in Ansan, Korea
- Proposal to AGM: No dividend for 2023/24
- Medium-term guidance 2026/27 adjusted

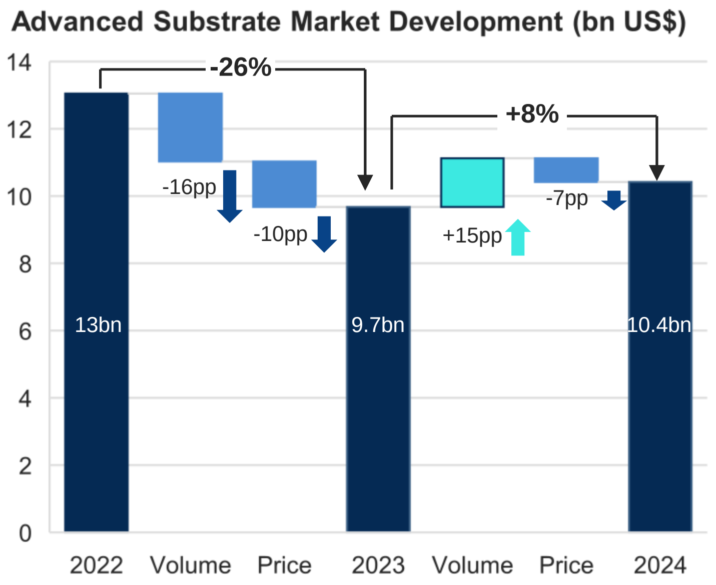
PCB MARKET – STABILIZATION AND GROWTH



Source: Based on Prismark, February 2024

- **Challenges:**
  - Geopolitical situation
  - Declined demand in the end markets
  - Uncertainty among end customers and businesses
  - High interest rates
- **Downturn:** After a record year 2022 the overall PCB market 2023 fell by 11% (-4pp from volume, -7pp from prices)
- **Stabilization:** From 2024, the PCB market is expected to grow again, by 7% in volume, due to persistent price pressure, value is expect to grow by only 4%
- **Growth:** Steady demand from end-markets driven by electrification and digitalization are expected to lead to long term growth of 5%

SUBSTRATE MARKET – SLOWLY RECOVERING

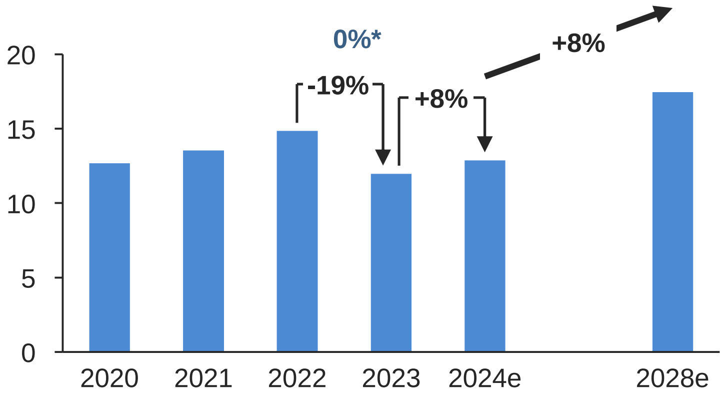


Source: Based on Prismark, February 2024

- **Volume decline** due to end-market weakness and change in system architecture.
  - 26% decline from 2022 to 2024
  - 16pp volume driven 10pp price driven.
- **Volume recovery** in 2024, but due to **price pressure** only 8% value growth.
- AT&S – on track to become **#3** by 2026/27
- AT&S **outperformed the market**, as volume actually increased
- We have even been able to **expand our customer portfolio** to include well-known US technology company, also well known customers operating in the AI sector.

SUBSTRATE END-MARKETS

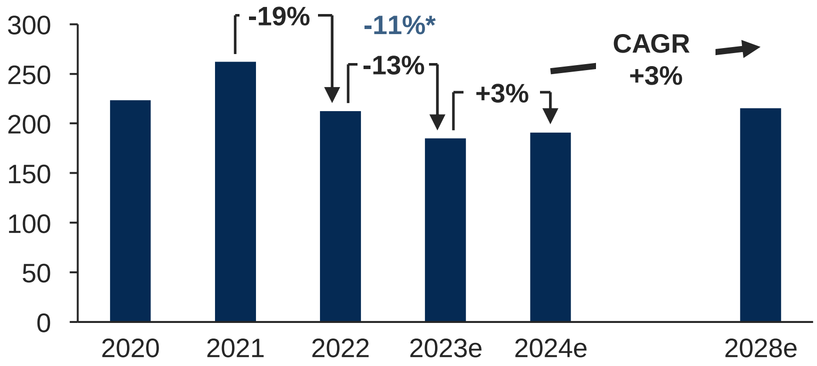
Server shipment [mn units]



- Market recovery expected in 2024. Due to shifted spending patters lower magnitude
- AI emerged as a key driver, but currently high ASPs limiting unit growth
- Cloud spending remains strong

Source: IDC, March 2024

Notebook shipment [mn units]



- Market stopped to decline. Channel inventory normalized
- Slow growth on new normal
- Ordinary seasonal pattern reestablished

Source: IDC, February 2024

* forecast state February-March 2023

OUR RECENT WINS

New AI Customers
for high-end substrates

AMD

Kulim
AT&S location Malaysia

HTB3
R&D Center Leoben

Optical Modules
for high-speed data transfer in datacenters

New Power Electronics Solutions
for Datacenter, AI, electric vehicles drive trains

AI – GROWTH DRIVER FOR AT&S

AI Training & AI Inference Infrastructure

On-Device-AI

AI TRAINING & AI INFERENCE

INFRASTRUCTURE

AT&S delivers solutions for

- Substrates for AI accelerators, CPUs, GPUs
- Packaging technologies for AI power supplies
- Module PCBs for optical transceivers

ON-DEVICE-AI

AT&S delivers solutions for

- Smartphones
- Notebooks
- Wearables

INTENTION TO SELL THE PLANT IN ANSAN, KOREA

- Focusses on **Thin Flex PCB** in medical products with FDA / MDR / IPC Class II & III requirements
- **Outperforming market growth** by offering strong expertise and co-development in miniaturization
- Products made in Ansan are **essentially different from AT&S's development roadmap**
- Provides a fully invested, state-of-the-art **production setup**
- From a Group perspective **2023/24**
  - Revenues: € 76 MM
  - EBITDA: € 38 MM
  - Property, plant and equipment: € 37 MM
- **Bidding process** initiated and offers expected soon

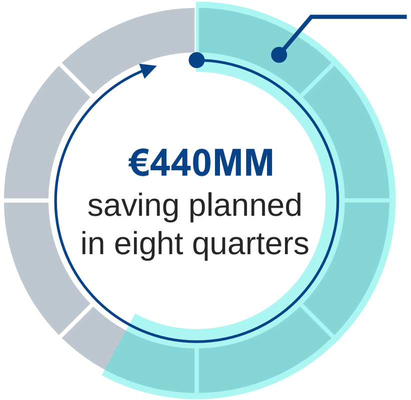
COST SAVING AND EFFICIENCY PROGRAMS

OPEX program

€ 440 MM saving for FY23/24 and FY24/25 combined

Achieved saving

€ 440 MM evenly distributed per eight quarters



€ 250 MM savings achieved in FY23/24

Cost saving program intensified to offset price pressure, focusing on sustainable efficiency gain in operation, procurement, SG&A

2024/25 up to **1,000 FTE** in existing locations will be reduced

Kulim and **Leoben ICS plant** are monitored closely to ensure the ramp up will not be impacted

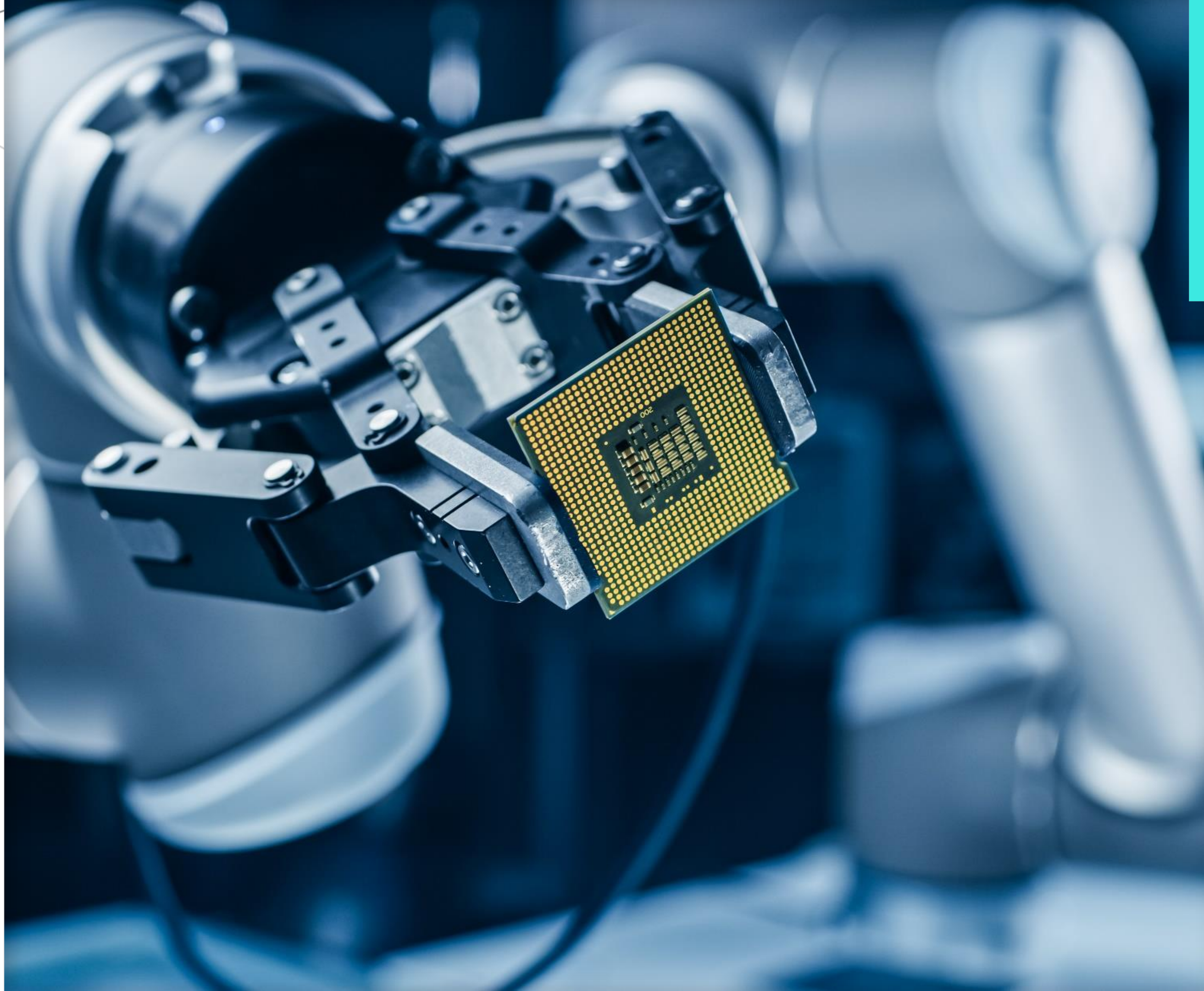
CAPEX program

€ 450 MM reduction, FY23/24 and FY24/25 combined

- Saving on track
- Mainly push-off of CAPEX investment, adjusted to market development

RESULTS FY 2023/24

Petra Preining, CFO



FY 2023/24: RESULTS SUMMARY

Revenue

€ 1,550 MM

- Revenue[1] decreased by 13%
  -11% without currency effects
- Electronics Solutions: -19%[2]
- Microelectronics: -2%[2]

EBITDA

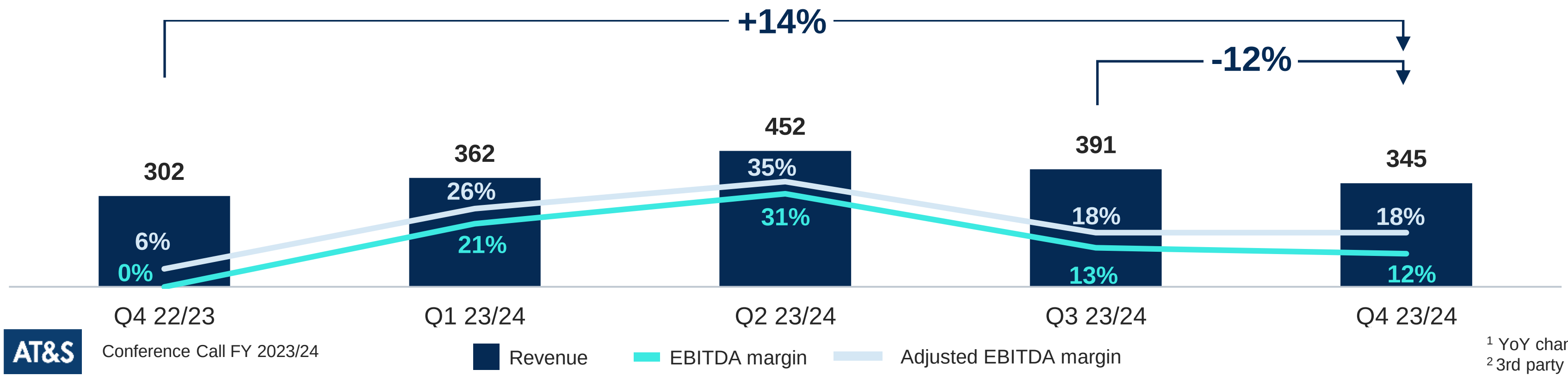
€ 307 MM

- EBITDA[1] decreased by 26%
  -28% without currency effects
- EBITDA margin: -3.4pp → 19.8%
- Adjusted EBITDA margin:
  -1.4 pp → 24.8%

Net profit

€ -37 MM

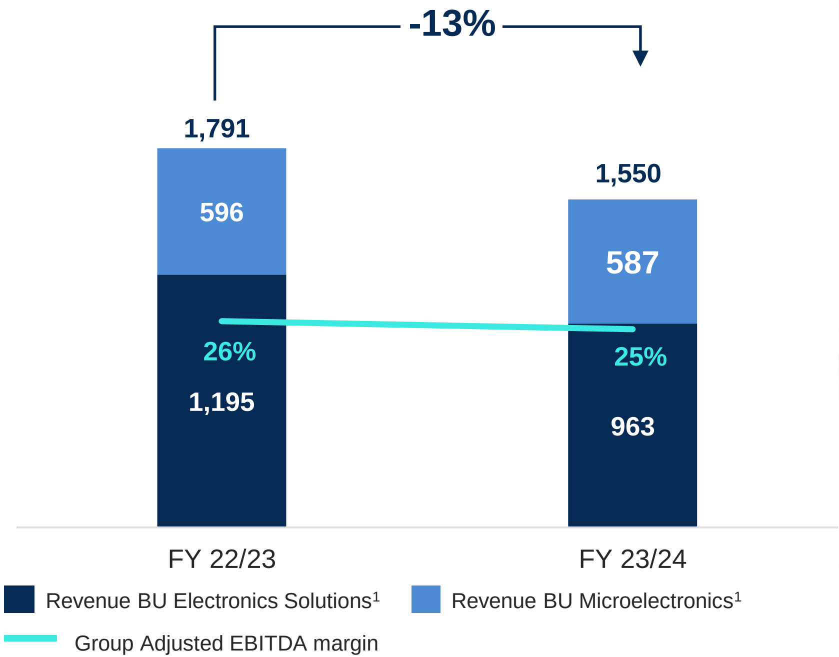
- Net profit decreased by 127%
  -158% without currency effects
- Driven by lower revenue and EBITDA



[1] YoY changes
[2] 3rd party revenue

FY 2023/24: GROUP & BUSINESS UNITS

in € MM



<u>Revenue</u>

Group: Price pressure and negative FX were main burden

BU ES: Unfavorable mix/volume, price pressure and negative FX weighed on revenue

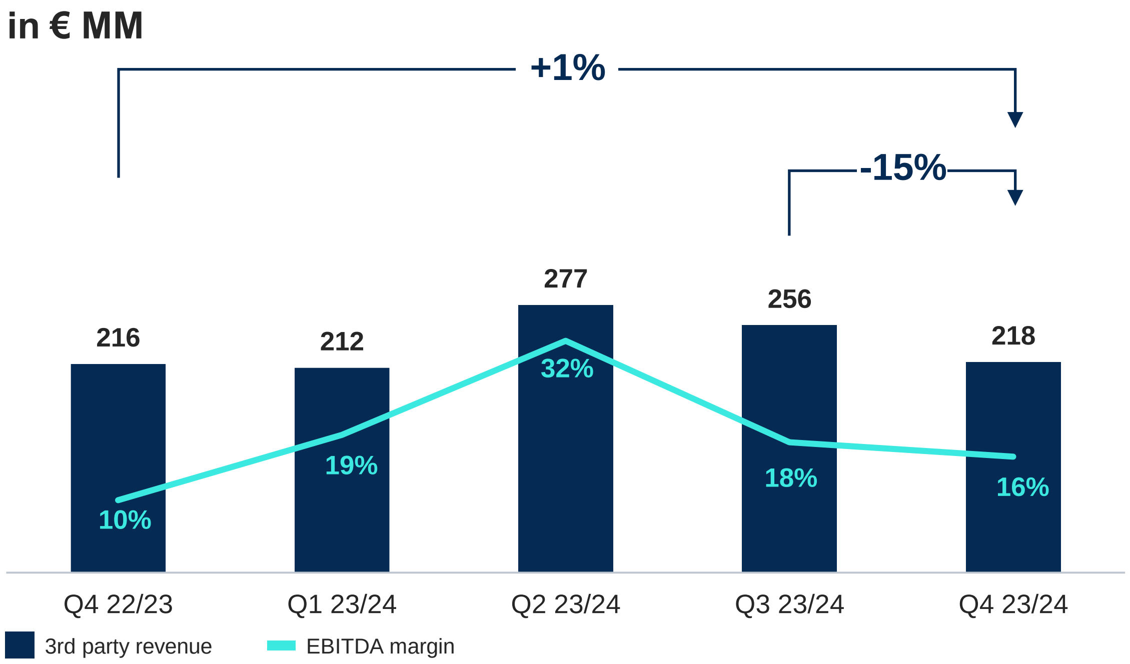
BU ME: Positive product mix/volume compensated by price pressure

<u>Group margin</u>

Savings effects and mix/volume overcompensated by price pressure

[1] 3rd party revenue

Q4 2023/24 BUSINESS UNIT: ELECTRONICS SOLUTIONS



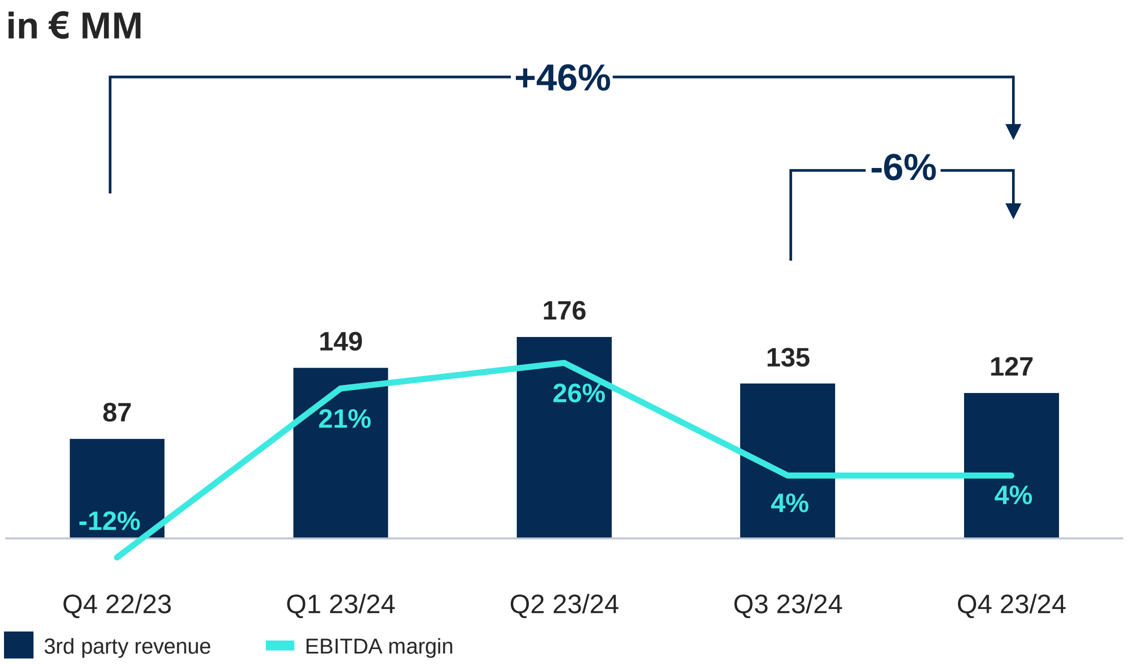
<u>Revenue</u>
YoY higher by 1%, positive product mix/volume effect compensated by price pressure

QoQ -15%, due to seasonality of mobile devices and price pressure

<u>Margin</u>
YoY increase due to positive mix/volume effect

QoQ burdened by lower revenue due to seasonality of mobile phones

Q4 2023/24 BUSINESS UNIT: MICROELECTRONICS



<u>Revenue</u>

YoY +46%, volume growth overcompensating price pressure

QoQ -6%, driven by price pressure

<u>Margin</u>

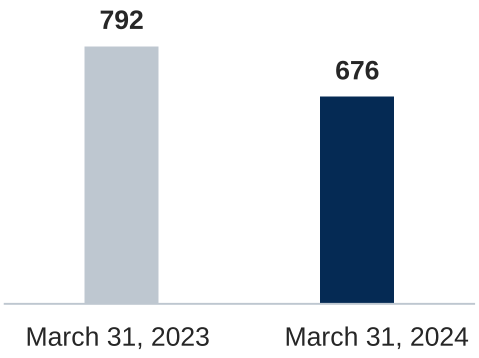
YoY volume increase leads to margin improvement

QoQ positive mix/volume effects, but price pressure in place

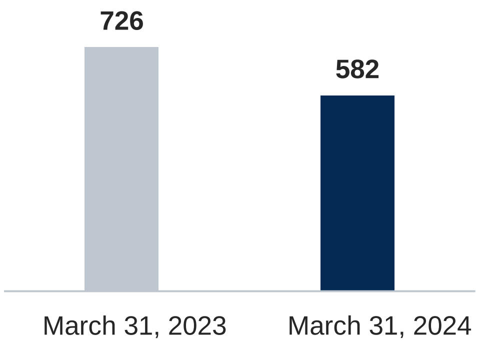
FY 2023/24 FINANCIAL POSITION

Cash & cash equivalents

in € MM



Unused credit lines

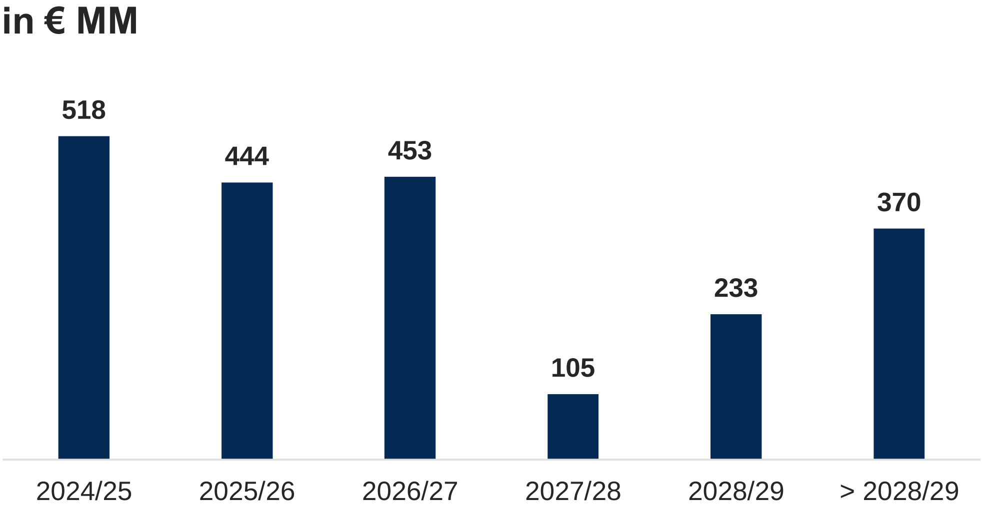


Balancing capital allocation

- Deploying capital with clear approach to invest in strategic growth markets
- Solid financial structure with **€ 1,258 MM cash, cash equivalents and unused credit lines**
- FX effects on funds impact financial results positively by € 14 MM

DEBT FINANCING OVERVIEW

Maturity of outstanding debt instruments[1]

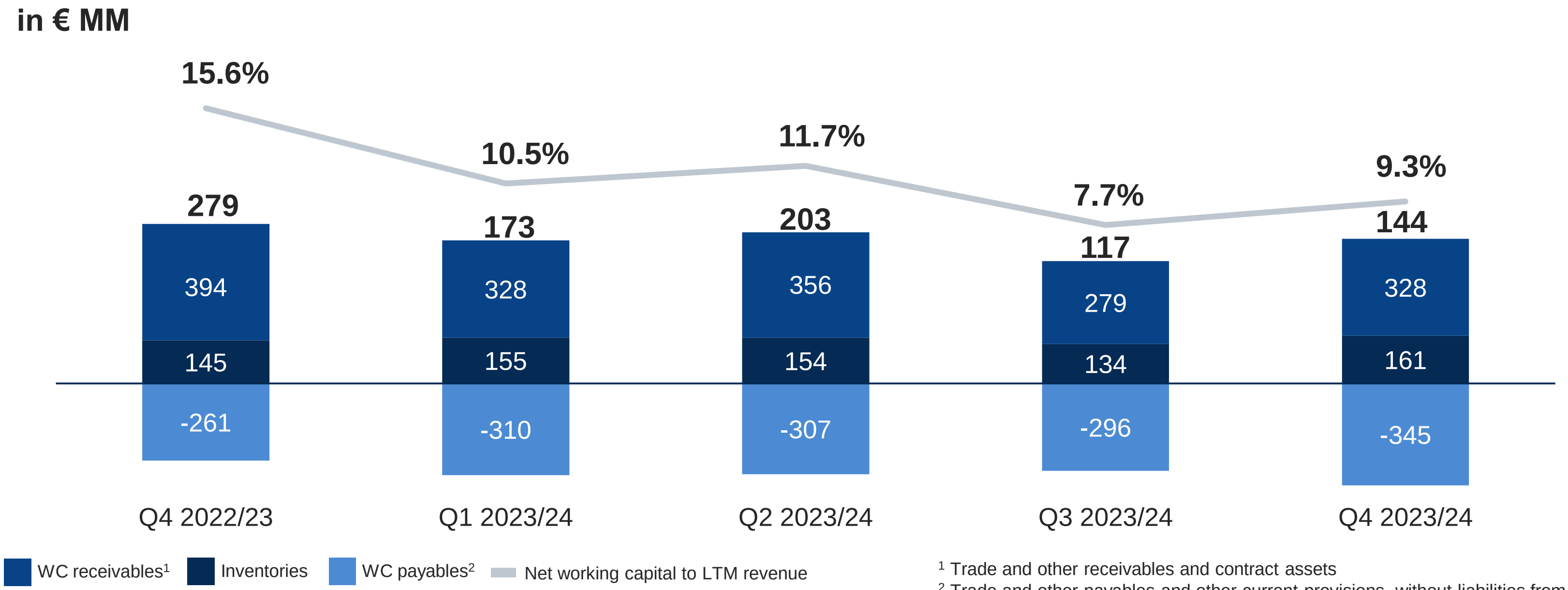


- 36% of debt instruments have a fixed interest rate
- Current financing costs of 4.85% (as of Q4 2023/24)

[1] Amounts by maturity as of March 31, 2024. Promissory note loans, term loans with banks, bank borrowings and others; including accrued interest and placement costs and finance leases

HIGH MANAGEMENT FOCUS ON WORKING CAPITAL

Working capital and relation to revenue



[1] Trade and other receivables and contract assets
[2] Trade and other payables and other current provisions, without liabilities from investments

BALANCE SHEET

€ MM	Mar. 31, 23	**Mar. 31, 24**	Change in %
Total assets	4,162	**4,675**	+12%
Equity	1,158	**967**	-16%
Equity ratio	27.8%	**20.7%**	-7.1pp
Net debt	851	**1,403**	+65%

As anticipated below 30% target

Net debt/EBITDA ratio of 4.6

CASH FLOW

€ MM	FY 22/23	**FY 23/24**	YoY Change in %
CF from operating activities	476	**653**	+37%
CF from investing activities	-1,045	**-826**	+21%
CF from financing activities	211	**52**	-76%
Operating free CF[1]	-520	**-202**	+61%
Net CAPEX	996	**855**	-14%

Driven by strong WC management

[1] Cash flow from operating activities minus Net CAPEX

CURRENT YEAR GUIDANCE[1]

FY 2024/25	
Revenue	Approx. € 1.7 to 1.8 billion
Profitability	▪ Adjusted EBITDA margin of 25–27% ▪ Start-up effects of the Kulim and Leoben projects in the amount of approx. € 80 MM
Investments	Net CAPEX of up to € 500 million

[1] Refers to current company structure including plant in Ansan, Korea

MID-TERM GUIDANCE[1]

FY 2026/27e – adjusted due to changes in market forecasts	
Growth	Revenue approx. € 3.1 bn (CAGR +26%)
Profitability	▪ EBITDA margin of 27–32% ▪ ROCE of >12% with ramp-up of production
Others	▪ Net debt/EBITDA: <3 (can be temporarily exceeded) ▪ Equity ratio: ~20%

[1] Refers to current company structure including plant in Ansan, Korea

THANK YOU FOR YOUR ATTENTION

AT&S INVESTOR RELATIONS
ir@ats.net
+43 3842 200 5450

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