

AT&S

First choice for
advanced applications

Consistency in Change



HIGHLIGHTS Q1-3 2021/22

Q1-Q3 of 2021/22 – AT&S continues strong growth course

- Nine-month revenue increases by 30% to € 1,147 million (PY: € 884 million)
- Adjusted EBITDA at € 26 million, up 37% on the previous year
- Guidance for financial year 2021/22 increased again: revenue growth of 28-30% (previously: 21-30%), adjusted EBITDA margin expected in the range of 21-23%
- Medium-term outlook for 2025/26 confirmed: revenue of approx. € 3.5 billion and EBITDA margin of 27–32%

KEY FIGURES

	Unit	Q1-3 2020/21	Q1-3 2021/22	Change in %
Revenue	€ in millions	883.8	1,146.6	29.7%
EBITDA	€ in millions	186.7	243.7	30.5%
EBITDA adjusted ¹⁾	€ in millions	191.7	262.1	36.7%
EBITDA margin	%	21.1%	21.3%	–
EBITDA margin adjusted ¹⁾	%	21.7%	22.9%	–
EBIT	€ in millions	65.8	82.7	25.6%
EBIT adjusted ¹⁾	€ in millions	70.8	110.3	55.7%
EBIT margin	%	7.4%	7.2%	–
EBIT margin adjusted ¹⁾	%	8.0%	9.6%	–
Profit/(loss) for the period ²⁾	€ in millions	36.8	61.6	67.2%
ROCE ²⁾	%	7.0%	6.6%	–
Net CAPEX	€ in millions	304.0	436.3	43.5%
Operating free cash flow	€ in millions	(127.5)	(104.5)	–
Earnings per share ²⁾	€	0.79	1.42	80.8%
Employees ³⁾	–	11,167	12,821	14.8%

¹⁾ Adjustment start-up costs

²⁾ Q3 2020/21: Adjustment hedge accounting

³⁾ Incl. contract staff, average

ECONOMIC REPORT

BUSINESS DEVELOPMENT AND SITUATION

AT&S significantly increased revenue and earnings in a challenging market environment again in the first three quarters of 2021/22 and reported quarterly records for both key figures. This once again confirms the company's growth strategy. Strategically, AT&S is still fully on track. In particular, the production of IC substrates is running at full speed. As a result of ramping up the new plant in Chongqing, China, the capacity expansion can be implemented faster than expected.

Revenue amounted to €1,146.6 million, and exceeded the prior-year figure of €883.8 million by 29.7%. Adjusted for currency effects, the increase in consolidated revenue even amounted to 31.7%. This growth was primarily driven by additional capacity and the growing demand for ABF substrates. The development was also supported by the broader customer and application portfolio in the Mobile Devices segment and by the demand for module printed circuit boards. In the AIM business unit all three segments supported the growth trend, with the Industrial segment recording the biggest increase. Despite the shortage of semiconductors, revenue in the Automotive segment also grew, though not as dynamically as would be possible without this limitation.

Exchange rate effects, especially related to the weaker US dollar, had a negative impact of €17.8 million on the development of revenue.

EBITDA rose from €186.7 million to €243.7 million. The improvement in earnings is predominantly attributable to the increase in consolidated revenue. Currency fluctuations of the US dollar and the Chinese renminbi had a negative impact of €30.4 million on the earnings development. Start-up costs in Chongqing and Kulim as well as higher material, transport and energy costs had a negative effect on earnings. In order to live up to its role as an innovation driver going forward, AT&S continued to increase its research and development expenses significantly. This included expenses of €101.5 million during the reporting period (previous year: €71.4 million), among other things to prepare for future technologies and to pursue the modularisation strategy. Adjusted for the start-up effects

from the Chongqing project, EBITDA amounted to €262.1 million (previous year: €191.7 million).

The EBITDA margin amounted to 21.3% (adjusted EBITDA margin: 22.9%), and exceeded the prior-year level of 21.1% (adjusted EBITDA margin: 21.7%). Depreciation and amortisation rose by €40.1 million to €161.0 million due to additions to assets and technology upgrades. Nevertheless, EBIT was up from €65.8 million to €82.7 million. The EBIT margin amounted to 7.2% (previous year: 7.4%).

Finance cost – net improved from €-19.8 million to €-11.0 million which is mainly due to the positive changes in currency effects (change: +€9.9 million).

Profit for the period rose from €36.8 million by €24.7 million to €61.6 million. As a result, earnings per share rose by 80.8% from €0.79 to €1.42.

BUSINESS DEVELOPMENT BY SEGMENTS

The AT&S Group breaks its operating activities down into three segments: Mobile Devices & Substrates, Automotive, Industrial, Medical, and Others. For further information on the segments and segment reporting please refer to the Annual Report 2020/21.

Mobile Devices & Substrates segment

The segment's revenue increased by 29.1% from €733.7 million to €947.5 million. The successful start-up of the increased production capacity in Chongqing, which serves the growing demand for ABF substrates, made a significant contribution to revenue growth. The broader customer and application portfolio for mobile devices and the demand for module PCBs also had a positive effect.

EBITDA improved from €169.5 million to €217.2 million, as a result of the increase in segment revenue. Overall, this resulted in an EBITDA margin of 22.9%, which fell short of the prior-year figure of 23.1%. EBIT amounted to €80.7 million, up €10.7 million on the prior-year figure of €70.0 million. The EBIT margin was 8.5% (previous year: 9.5%). Above all the start-up

costs, which were up € 24.2 million, diminish the other positive earnings development.

Automotive, Industrial, Medical segment

The segment's revenue, at € 330.1 million, exceeded the prior-year figure of € 244.4 million by 35.1%. All segments generated higher revenue in the first nine months than in the comparative period, with the Industrial segment reporting the sharpest increase. While sales volume, and consequently revenue, was significantly higher than in the previous year in the Automotive segment, revenue in the Medical & Healthcare segment exceeded the prior-year level primarily because of a more favourable product mix.

The segment's EBITDA, at € 35.0 million, exceeded the prior-year level of € 16.6 million by € 18.4 million. The EBITDA margin increased by 3.8 percentage points from 6.8% to 10.6%. EBIT improved from € -2.4 million to € 13.9 million.

FINANCIAL POSITION

The financial position was characterised by an increase in non-current assets at 31 December 2021. Total assets rose by 26.2% from € 2,390.0 million to € 3,015.5 million in the first three quarters. Additions to assets and technology upgrades amounting to € 473.2 million were offset by depreciation totalling € 161.0 million. The additions to assets led to cash CAPEX of € 436.3 million. In addition, exchange rate effects increased fixed assets by € 93.4 million. Cash and cash equivalents totalled € 644.3 million (31 March 2021: € 552.9 million). In addition, AT&S had unused credit lines of € 318.4 million at its disposal to secure the financing of the future investment programme and short-term repayments.

Equity increased by 18.8% from € 802.0 million at the balance sheet date to € 952.5 million. Profit for the period of € 61.6 million and positive currency effects of € 113.6 million (from the translation of net asset positions of subsidiaries) were offset by the dividend payout of € 15.2 million and the interest expense for the hybrid bond of € 8.3 million. The equity ratio declined by 2.0 percentage points to 31.6% thus exceeding the minimum target value of 30.0% despite the large-scale investment programme. This is attributable in particular to the

increase in total assets as a result of the investments and securing of the financing or the future investment programme. Net debt rose by € 163.3 million or 32.1% from € 508.5 million to € 671.8 million.

Cash flow from operating activities amounted to € 331.8 million in the first three quarters of the current financial year (previous year: € 176.5 million) and includes cash inflows from contract liabilities of € 169.3 million. These cash inflows were offset by cash outflows for net investments of € 436.3 million (previous year: € 304.0 million), resulting in Operating free cash flow of € -104.5 million (previous year: € -127.5 million).

OUTLOOK

AT&S will concentrate on the start-up of the new production capacities at plant III in Chongqing, continue to push ahead the investment project in Kulim, Malaysia, and the expansion of the site in Leoben, Austria, and implement technology upgrades at other locations in the current year.

The expectations for AT&S's segments are currently as follows: the persisting strong demand for IC substrates also offers significant growth opportunities in the medium term. The 5G mobile communication standard will continue to drive growth in the area of Mobile Devices. Driven by the roll-out of the 5G infrastructure, the Industrial segment will continue to see a positive development in the coming year. A positive development is expected in the Automotive segment despite the semiconductor shortage. In the Medical segment, AT&S expects a positive development for the current financial year.

Investment

The company still plans to invest up to € 700 million in new capacities and technologies in the current financial year.

Guidance for the financial year 2021/22

Due to the faster ramp-up and further efficiency enhancements at plant III in Chongqing as well generally strong demand in the ongoing fourth quarter, AT&S has raised the forecast for the development of revenue and now expects revenue growth of 28 to 30% (previously: 21 to 23%). The adjusted EBITDA margin is still expected to range between 21 and 23%, not including

approximately € 25 to 35 million (previously: approximately € 50 million) for the start-up of the new production capacity in Chongqing and in Kulim. The outlook is based on the assumption that no unexpected effects such as supply shortages, material and energy price fluctuations occur.

Outlook 2025/26

The progress of the production capacity expansion in Chongqing, China, and in Kulim, Malaysia, as well as the expansion of the site in Leoben, Austria, is still satisfactory despite the challenging global economic and health situation. Therefore, AT&S assumes that revenue of € 3.5 billion will be generated in the financial year 2025/26 and expects an EBITDA margin in the range from 27 to 32%.

Leoben-Hinterberg, 3 February 2022

The Management Board

Andreas Gerstenmayer m.p.

Peter Schneider m.p.

Ingolf Schröder m.p.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

€ in thousands	1 Oct - 31 Dec 2021	1 Oct - 31 Dec 2020	1 Apr - 31 Dec 2021	1 Apr - 31 Dec 2020
Revenue	448,988	346,027	1,146,568	883,785
Cost of sales	(360,915)	(282,228)	(973,690)	(751,513)
Gross profit	88,073	63,799	172,878	132,272
Distribution costs	(11,202)	(9,125)	(32,120)	(25,561)
General and administrative costs	(23,297)	(13,616)	(53,090)	(34,743)
Other operating income	12,378	2,040	26,323	12,481
Other operating costs	(13,676)	(10,135)	(31,318)	(18,650)
Other operating result	(1,298)	(8,095)	(4,995)	(6,169)
Operating result	52,276	32,963	82,673	65,799
Finance income	2,691	1,034	5,093	2,665
Finance costs	(5,875)	(7,058)	(16,121)	(22,505)
Finance costs – net¹⁾	(3,184)	(6,024)	(11,028)	(19,840)
Profit before tax¹⁾	49,092	26,939	71,645	45,959
Income taxes ¹⁾	(5,778)	(4,173)	(10,068)	(9,121)
Profit for the period¹⁾	43,314	22,766	61,577	36,838
Attributable to owners of hybrid capital	2,095	2,072	6,263	6,240
Attributable to owners of the parent company ¹⁾	41,219	20,694	55,314	30,598
Earnings per share attributable to equity holders of the parent company (in € per share): ¹⁾				
– basic	1.06	0.53	1.42	0.79
– diluted	1.06	0.53	1.42	0.79
Weighted average number of shares outstanding – basic (in thousands)	38,850	38,850	38,850	38,850
Weighted average number of shares outstanding – diluted (in thousands)	38,850	38,850	38,850	38,850

¹⁾ Previous year: Adjustment hedge accounting

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ in thousands	1 Oct - 31 Dec 2021	1 Oct - 31 Dec 2020	1 Apr - 31 Dec 2021	1 Apr - 31 Dec 2020
Profit for the period¹⁾	43,314	22,766	61,577	36,838
Items to be reclassified:				
Currency translation differences, net of tax	69,576	(8,029)	113,621	(39,234)
(Losses) from the fair value measurement of financial assets, net of tax	–	–	–	(56)
Gains/(Losses) from the fair value measurement of hedging instruments for cash flow hedges, net of tax ¹⁾	1,058	–	(405)	–
Items not to be reclassified:				
Remeasurement of post-employment obligations, net of tax	–	–	(852)	(2,949)
Other comprehensive income for the period¹⁾	70,634	(8,029)	112,364	(42,239)
Total comprehensive income for the period¹⁾	113,948	14,737	173,941	(5,401)
Attributable to owners of hybrid capital	2,095	2,072	6,263	6,240
Attributable to owners of the parent company ¹⁾	111,853	12,665	167,678	(11,641)

¹⁾ Previous year: Adjustment hedge accounting

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in thousands	31 Dec 2021	31 Mar 2021
ASSETS		
Property, plant and equipment	1,711,651	1,301,400
Intangible assets	35,342	42,813
Financial assets	118	117
Deferred tax assets	27,843	25,113
Other non-current assets	9,789	7,948
Non-current assets	1,784,743	1,377,391
Inventories	192,244	152,528
Trade and other receivables and contract assets	374,989	265,293
Financial assets	18,270	39,746
Current income tax receivables	994	2,154
Cash and cash equivalents	644,288	552,850
Current assets	1,230,785	1,012,571
Total assets	3,015,528	2,389,962
EQUITY		
Share capital	141,846	141,846
Other reserves	139,443	27,079
Hybrid capital	172,887	172,887
Retained earnings	498,313	460,201
Equity attributable to owners of the parent company	952,489	802,013
Total equity	952,489	802,013
LIABILITIES		
Financial liabilities	1,254,217	1,017,143
Provisions for employee benefits	55,694	53,331
Contract liabilities	169,329	-
Deferred tax liabilities	2,037	1,935
Other liabilities	62,656	41,039
Non-current liabilities	1,543,933	1,113,448
Trade and other payables	422,849	382,584
Financial liabilities	80,303	84,101
Current income tax payables	11,322	3,411
Other provisions	4,632	4,405
Current liabilities	519,106	474,501
Total liabilities	2,063,039	1,587,949
Total equity and liabilities	3,015,528	2,389,962

CONSOLIDATED STATEMENT OF CASH FLOWS

€ in thousands	1 Apr - 31 Dec 2021	1 Apr - 31 Dec 2020
Operating result	82,673	65,799
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	161,004	120,932
Gains/losses from the sale of fixed assets	497	191
Changes in non-current provisions	1,942	5,790
Changes in non-current contract liabilities	169,329	-
Non-cash expense/(income), net	19,397	13,297
Interest paid	(14,092)	(11,413)
Interest received	2,096	2,665
Income taxes paid	(4,457)	(7,007)
Cash flow from operating activities before changes in working capital	418,389	190,254
Inventories	(29,927)	(36,017)
Trade and other receivables and contract assets	(97,523)	(36,058)
Trade and other payables	40,732	56,725
Other provisions	122	1,614
Cash flow from operating activities	331,793	176,518
Capital expenditure for property, plant and equipment and intangible assets	(436,296)	(304,498)
Proceeds from the sale of property, plant and equipment and intangible assets	43	452
Capital expenditure for financial assets	(49,162)	(53,178)
Proceeds from the sale of financial assets	71,476	149,623
Cash flow from investing activities	(413,939)	(207,601)
Proceeds from borrowings	232,628	109,627
Repayments of borrowings	(62,014)	(83,994)
Proceeds from government grants	16,105	29,102
Dividends paid	(15,152)	(9,713)
Hybrid coupon paid	(8,313)	(8,313)
Cash flow from financing activities	163,254	36,709
Change in cash and cash equivalents	81,108	5,626
Cash and cash equivalents at beginning of the year	552,850	417,950
Exchange gains/(losses) on cash and cash equivalents	10,330	(29,662)
Cash and cash equivalents at end of the period	644,288	393,914

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ in thousands	Share capital	Other reserves	Hybrid capital	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
31 Mar 2020	141,846	14,723	172,887	430,803	760,259	–	760,259
Profit for the period	–	–	–	36,838	36,838	–	36,838
Other comprehensive income for the period	–	(42,239)	–	–	(42,239)	–	(42,239)
thereof currency translation differences, net of tax	–	(39,234)	–	–	(39,234)	–	(39,234)
thereof remeasurement of post-employment obligations, net of tax	–	(2,949)	–	–	(2,949)	–	(2,949)
thereof change in financial assets, net of tax	–	(56)	–	–	(56)	–	(56)
Total comprehensive income for the period	–	(42,239)	–	36,838	(5,401)	–	(5,401)
Dividends paid relating to 2019/20	–	–	–	(9,713)	(9,713)	–	(9,713)
Hybrid coupon paid	–	–	–	(8,313)	(8,313)	–	(8,313)
31 Dec 2020¹⁾	141,846	(27,516)	172,887	449,616	736,833	–	736,833
31 Mar 2021	141,846	27,079	172,887	460,201	802,013	–	802,013
Profit for the period	–	–	–	61,577	61,577	–	61,577
Other comprehensive income for the period	–	112,364	–	–	112,364	–	112,364
thereof currency translation differences, net of tax	–	113,621	–	–	113,621	–	113,621
thereof remeasurement of post-employment obligations, net of tax	–	(852)	–	–	(852)	–	(852)
thereof change in hedging instruments for cash flow hedges, net of tax	–	(405)	–	–	(405)	–	(405)
Total comprehensive income for the period	–	112,364	–	61,577	173,941	–	173,941
Dividends paid relating to 2020/21	–	–	–	(15,152)	(15,152)	–	(15,152)
Hybrid coupon paid	–	–	–	(8,313)	(8,313)	–	(8,313)
31 Dec 2021	141,846	139,443	172,887	498,313	952,489	–	952,489

¹⁾ Previous year: Adjustment hedge accounting

SEGMENT REPORTING

€ in thousands	Mobile Devices & Substrates		Automotive, Industrial, Medical		Others		Elimination/ Consolidation		Group	
	1 Apr - 31 Dec 2021	1 Apr - 31 Dec 2020	1 Apr - 31 Dec 2021	1 Apr - 31 Dec 2020	1 Apr - 31 Dec 2021	1 Apr - 31 Dec 2020	1 Apr - 31 Dec 2021	1 Apr - 31 Dec 2020	1 Apr - 31 Dec 2021	1 Apr - 31 Dec 2020
Segment revenue	947,536	733,709	330,081	244,416	–	–	(131,049)	(94,341)	1,146,568	883,785
Internal revenue	(91,240)	(62,229)	(39,809)	(32,111)	–	–	131,049	94,341	–	–
External revenue	856,295	671,480	290,272	212,305	–	–	–	–	1,146,568	883,785
Operating result before depreciation/amortisation	217,168	169,454	34,969	16,618	(8,452)	668	–	–	243,685	186,740
Depreciation/amortisation incl. appreciation	(136,495)	(99,416)	(21,077)	(19,064)	(3,440)	(2,461)	–	–	(161,012)	(120,941)
Operating result	80,673	70,038	13,892	(2,446)	(11,892)	(1,793)	–	–	82,673	65,799
Finance costs - net ¹⁾									(11,028)	(19,840)
Profit before tax¹⁾									71,645	45,959
Income taxes ¹⁾									(10,068)	(9,121)
Profit for the period¹⁾									61,577	36,838
Property, plant and equipment and intangible assets ²⁾	1,537,656	1,161,891	195,882	170,629	13,455	11,693	–	–	1,746,993	1,344,213
Additions to property, plant and equipment and intangible assets	421,777	328,300	46,325	30,579	5,054	5,646	–	–	473,156	364,525

¹⁾ Previous year: Adjustment hedge accounting

²⁾ Previous year values as of 31 March 2021

INFORMATION BY GEOGRAPHIC REGION

Revenues broken down by customer region, based on customer's headquarters:

€ in thousands	1 Apr - 31 Dec 2021	1 Apr - 31 Dec 2020
Austria	16,279	11,472
Germany	116,024	93,835
Other European countries	68,691	48,267
China	6,896	33,485
Other Asian countries	66,360	42,896
Americas	872,318	653,830
Revenue	1,146,568	883,785

Property, plant and equipment and intangible assets broken down by domicile:

€ in thousands	31 Dec 2021	31 Mar 2021
Austria	137,034	116,733
China	1,514,674	1,160,930
Others	95,285	66,550
Property, plant and equipment and intangible assets	1,746,993	1,344,213

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