

AT&S

First choice for advanced applications

Conference Call

H1 2020/21

AT&S

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Simone Faath, CFO

Since November 1st 2020

- Most recently worked for Hillrom Holding for five years as Vice President Finance
- Held different commercial management positions at Sachtler, SAP and Thermo Fisher Scientific
- Studied at University of Heidelberg and has a degree in Economics
- Responsibilities at AT&S: Controlling, Finance, Investor Relations, Legal, Compliance, Internal Audit
- Appointed until October 31st 2023



Ingolf Schröder, COO

Since September 1st 2020

- Worked for Osram for 24 years, holding various different positions in the company
 - Senior Vice President Operations & Quality responsible for 23 locations across three business units and regions
 - COO of the Business Unit Automotive, responsible for operational processes across business units
- Studied at TU Berlin and holds a master's degree in Material Sciences
- Responsibilities at AT&S: Operations, Quality, Global Supply Chain Management and EHS
- Appointed until August 31st 2025



Global market development

Long-term trends intact and driven by increasing digitalization

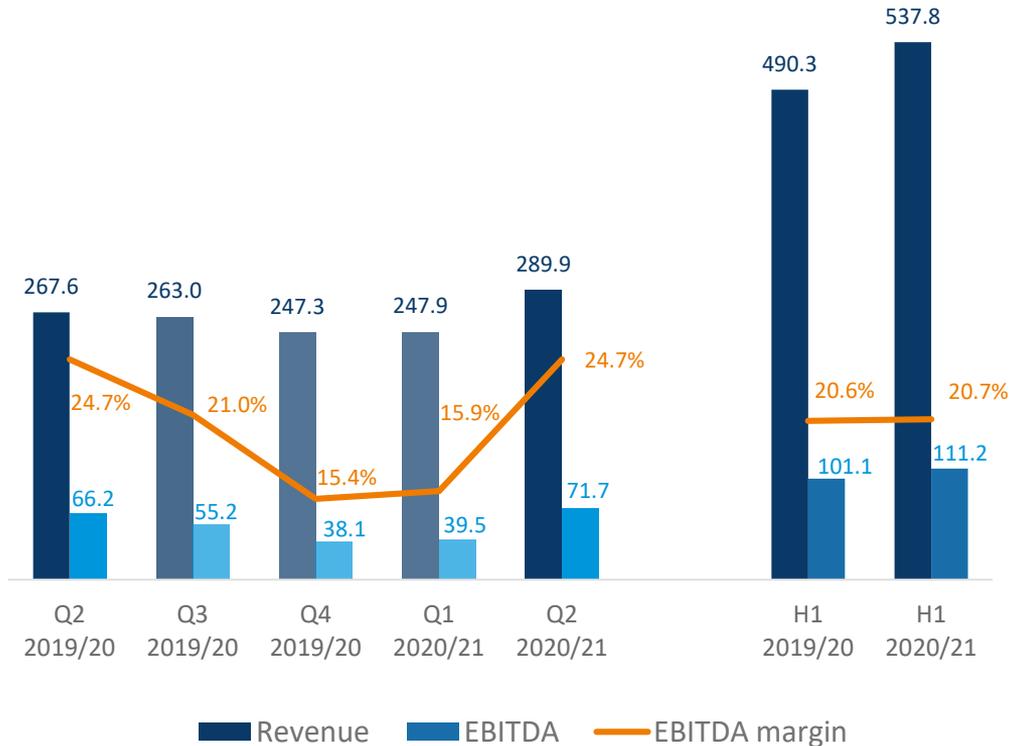
- Rising data traffic, Internet of Things and enhanced connectivity are pushing digital networking across all areas of life and work
- IoT and big data drive the need for processor modules and therefore high-end IC substrates
- Trade frictions constantly cause uncertainty
- Visibility in Mobile Devices has become better supported by new 5G model introductions
- Automotive market shows signs of bottoming out, situation expected to improve further
- Industrial investment activity remains moderate
- Medical market stable with positive demand for special applications

Development in H1 2020/21

AT&S with positive performance despite challenging environment

- IC substrates business profits from successful ramp-up of new capacities in CHQ I and strong demand for ABF substrates
- Customer and application diversification compensates for delayed smartphone launches in Mobile Devices
- Decrease in vehicle sales weighs on Automotive segment, but sequentially improved
- Industrial segment profits from better product mix
- Medical & Healthcare with solid demand in Q2, but could not compensate for Q1 development

Revenue and EBITDA development

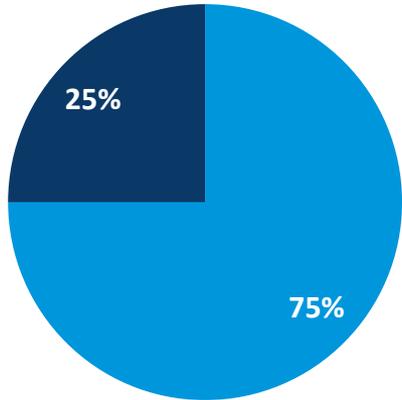


in € millions

- Strong revenue increase despite slightly negative currency effects
- EBITDA increased to € 111.2 million (PY: € 101.1 million) supported by higher revenue
- Future technology generations require higher R&D spending
- Net profit lower at € 14.7 million (PY: € 19.5 million) driven by currency effects and negative interest result
- Operating free cash flow at € -112.1 million (PY: € -29.8 million) due to higher investment activity

Revenue distribution H1 2020/21

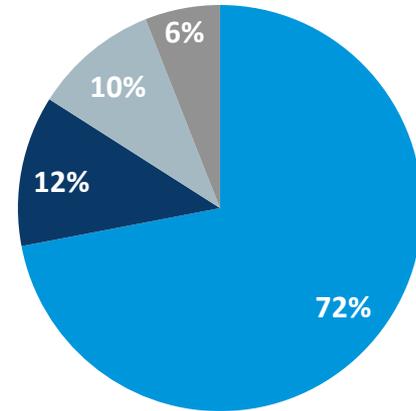
Revenue split by segment



■ Mobile Devices & Substrates ■ Automotive, Industrial, Medical

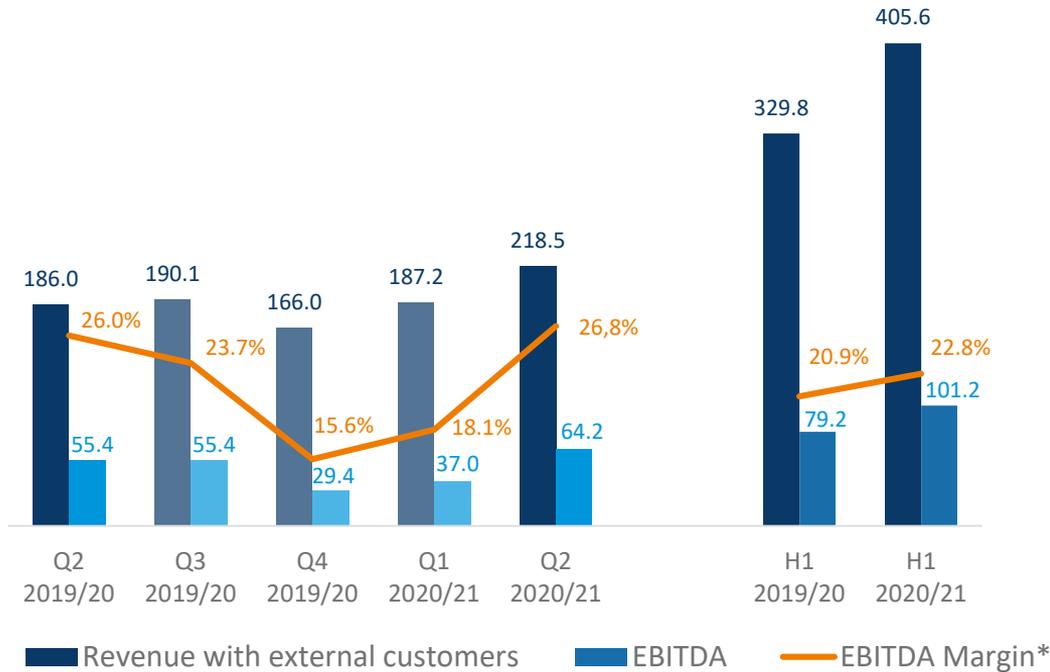
Revenue split by region

based on customer's headquarters



■ Americas ■ Germany/Austria ■ Asia ■ Other European countries

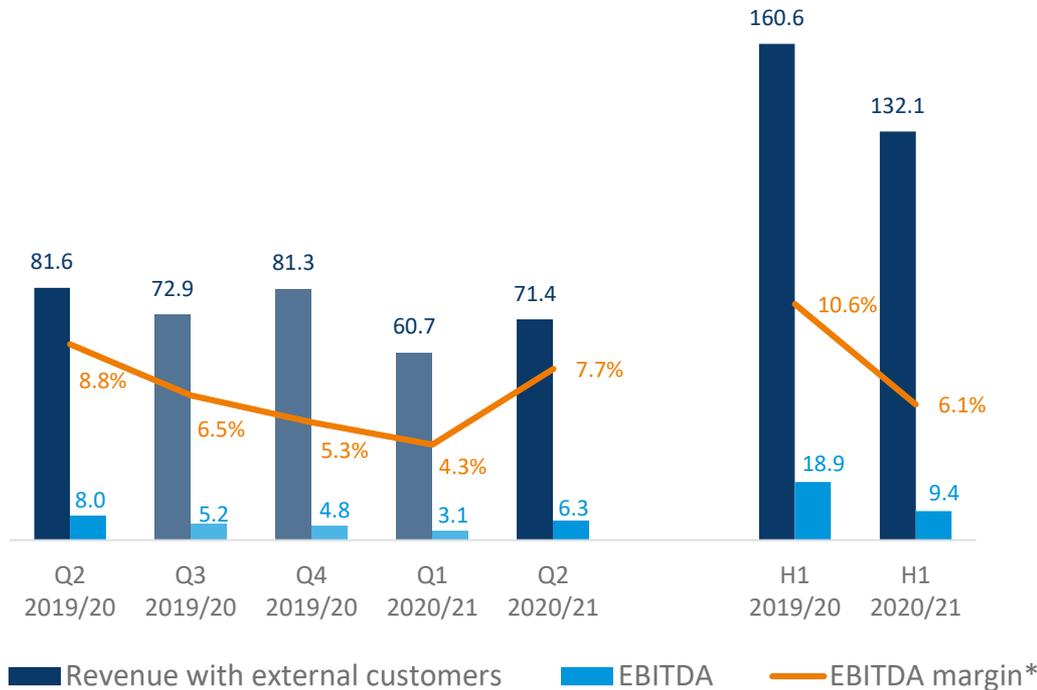
Business development – Mobile Devices & Substrates



- IC substrates performance above expectations driven by strong ABF demand and better product mix
- Customer and application diversification compensates for delayed smartphone launches in Mobile Devices

in € millions; *Margin calculated from total business unit revenue

Business development – Automotive, Industrial, Medical

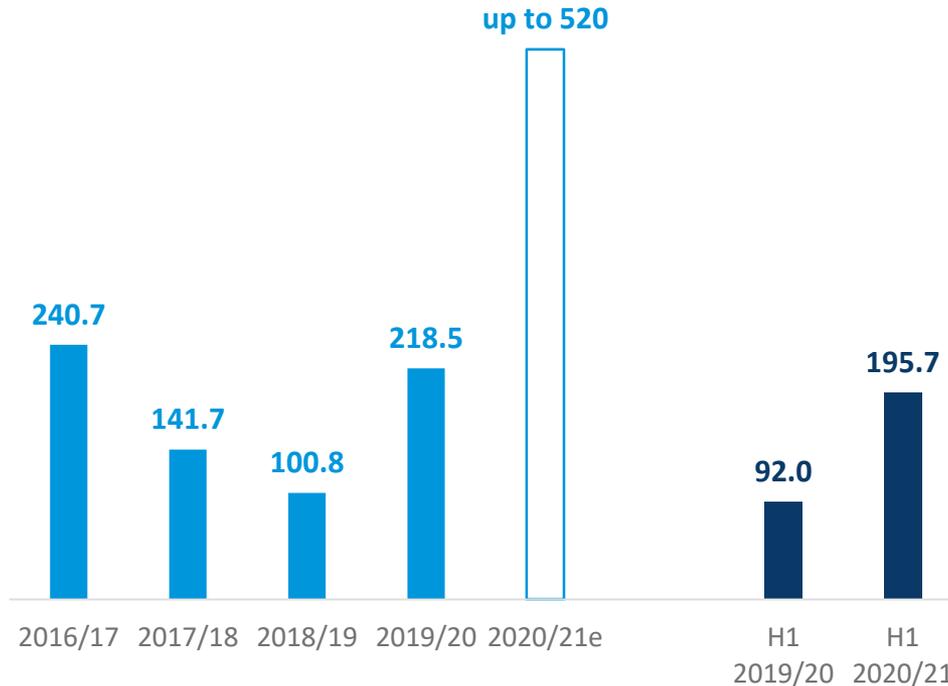


- Industrial segment with satisfying development supported by better product mix
- Automotive segment impacted by decrease in vehicle sales, but sequentially improved
- Medical & Healthcare with flat revenue development in Q2
- Profitability lower due to decreased demand, underutilization of related production facilities and resulting lower fixed cost coverage

in € millions; *Margin calculated from total business unit revenue

Net CAPEX

Investments in IC substrates and module business to be consistently continued



in € millions

- Investments in IC substrates and technology upgrades still driver for increase
- Capex outlook 2020/21:
 - Depending on market developments CAPEX for maintenance and tech-upgrade of up to € 80 million
 - CAPEX for strategic projects of up to € 410 million plus € 30 million due to timing variances

Balance Sheet

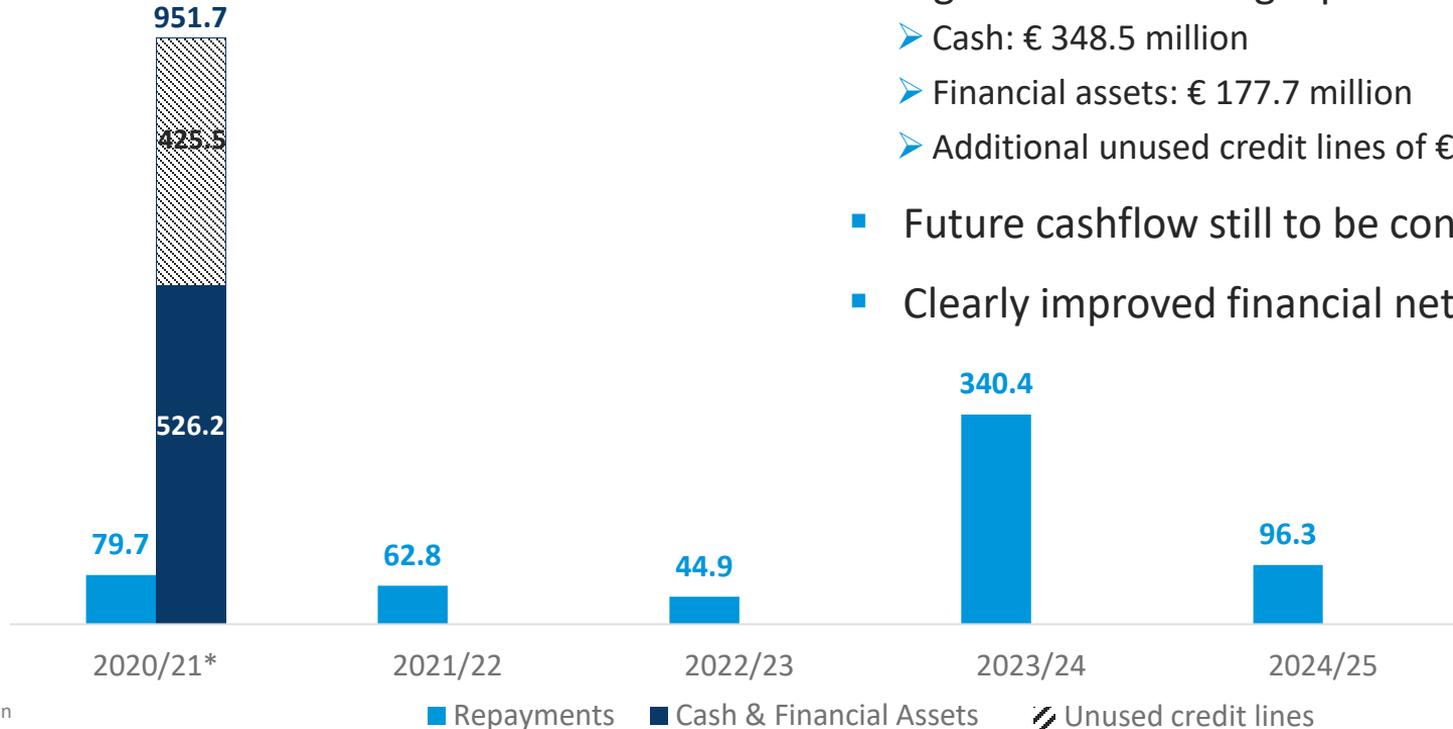
		31.03.2020	30.09.2020	Change in %
Total assets	€ million	1,853.5	2,020.0	9.0%
Equity	€ million	760.3	730.4	(3.9%)
Equity ratio	%	41.0%	36.2%	–
Net debt	€ million	246.7	380.0	54.0%

Cash flow

		30.09.2019	30.09.2020	Change in %
Cash flow from operating activities	€ million	62.2	83.6	34.4%
Cash flow from investing activities	€ million	-97.3	-238.2	>100%
Cash flow from financing activities	%	-36.9	101.8	-
Free operating cash flow	€ million	-29.8	-112.1	>100%

Solid finance structure

Existing funds and cash flow generation help to meet repayments and capex needs

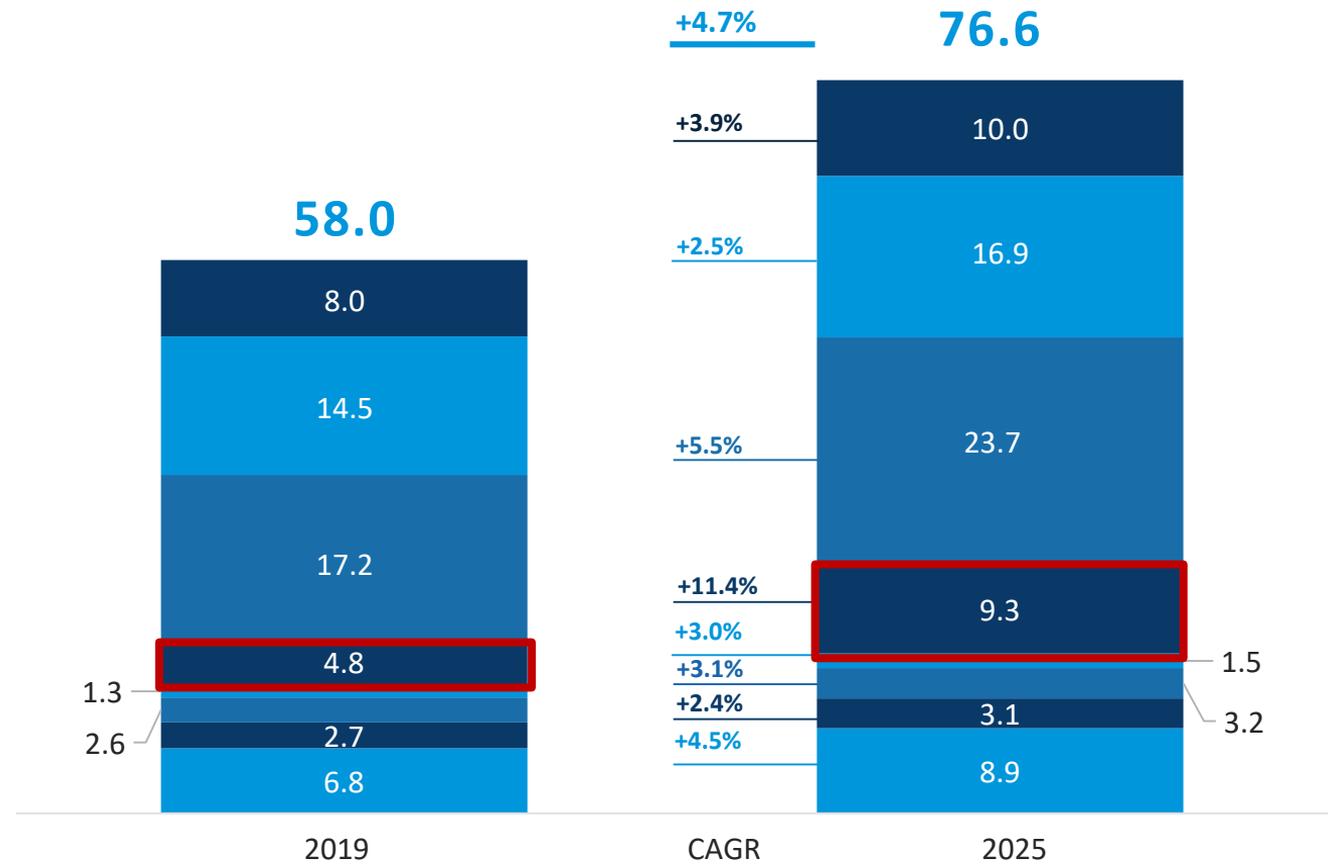


in € million
*as of 30.09.2020

- High level of existing liquid funds
 - Cash: € 348.5 million
 - Financial assets: € 177.7 million
 - Additional unused credit lines of € 425.5 million
- Future cashflow still to be considered
- Clearly improved financial network

PCB & IC Substrates market outlook

- Consumer
- Computer
- Communication
- **Substrates**
- Medical
- Industrial
- Aviation
- Automotive



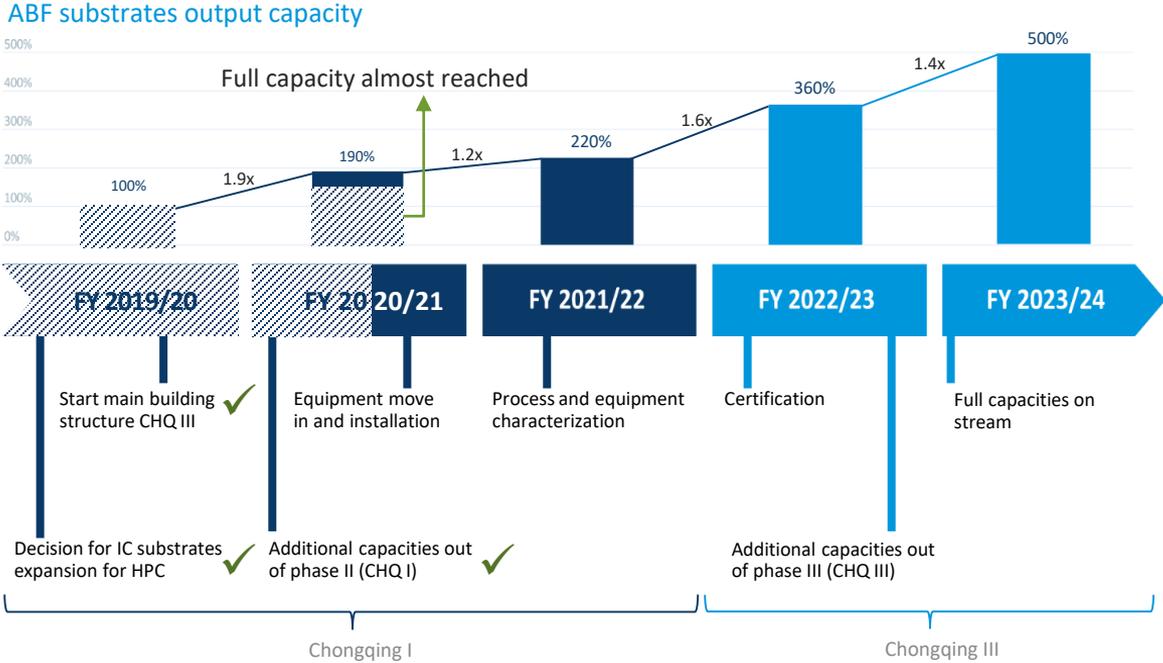
in US-\$ billion
 Source: Prismark, April 2020; Substrate: Yole, May 2019

On the way to become one of the leaders in high-end IC substrates



IC substrates business in Chongqing

Capacity expansion and technology investment pushed forward

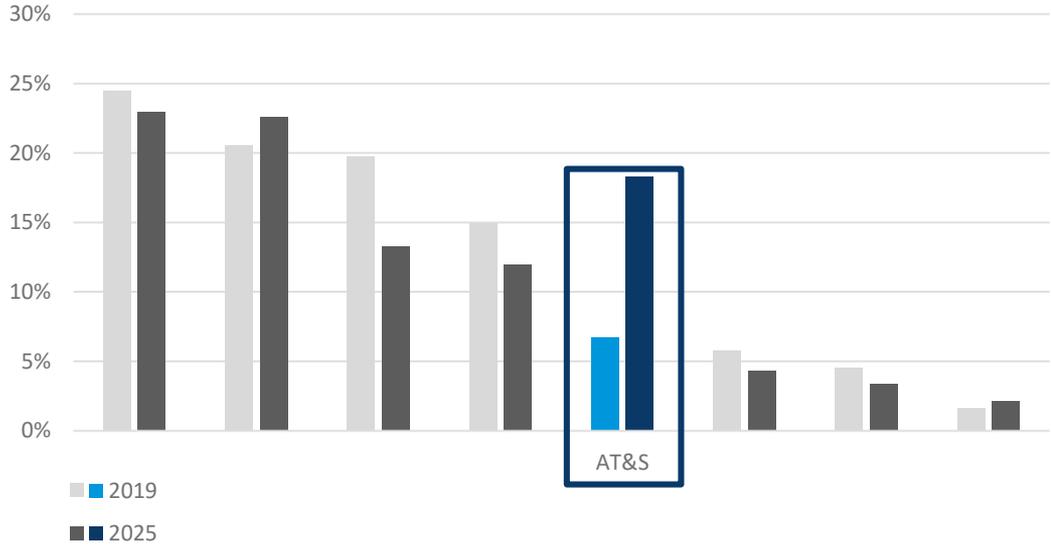


- CHQ I: Despite COVID-19 new capacities successfully ramped-up
- CHQ I: about 50% of additional capacity out of phase II will be reflected in revenues in 2020/21
- CHQ III: Roof closing already completed
- Covid-19 related construction delay of about six weeks
- Optimized infrastructure installation plan as well as the experience from CHQ I can compensate for the construction delay

Top-8 global ABF* substrates suppliers

AT&S expects to enter the top-league of ABF substrates suppliers and significantly increase output capacity by 2025

Output capacity by company (based on US-\$)



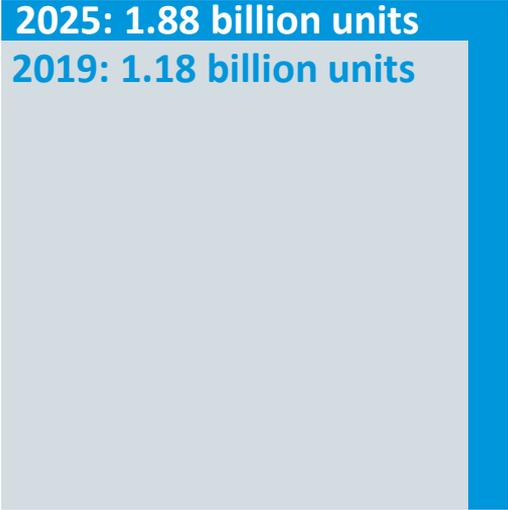
- ABF is the state-of-the-art production process for high-end IC substrates with high growth potential
- With current investments, AT&S will rise to the top three ABF suppliers globally by 2025

*ABF: Ajinomoto Buildup Film
Source: Prismark, JMS, AT&S assessment

Global market leaders using ABF substrates

Global market leaders in microelectronics are driving the growth

High-end processor modules



+8.1% CAGR



Source: Prismark 2020

Developments driving the IC substrates market growth

From cloud to edge



In the Cloud

Current Trend



On the Device



Real-time updated maps



E-commerce



Real-time translation



Augmented Reality



Scene recognition



Object recognition



Biometric authentication

**Connected devices:
(4.6 % CAGR)**

2019: 42 billion units

2025: 55 billion units

Source: IDC (2019, 2020)

Developments driving the IC substrates market growth

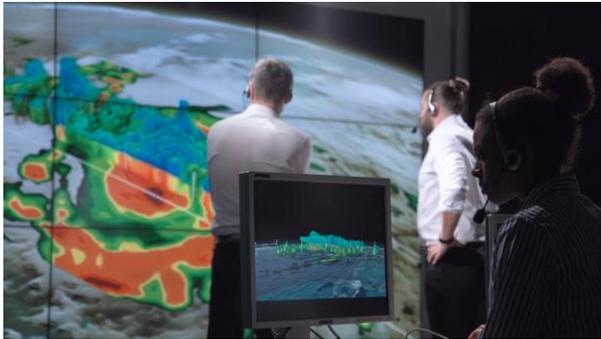
High performance computers



Autonomous Driving



Genomics



Climate Research



Vision Processor

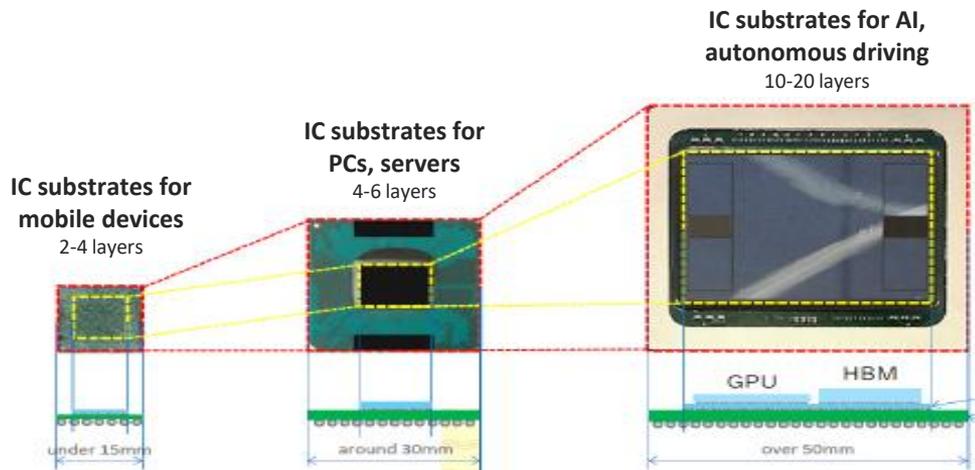
Advanced AT&S substrates power the digital world

Global Data Volume:

- 2019: 40 Zetabyte
- 2025: 175 Zetabyte
→ (27.9% CAGR)

High-end IC substrates

- ...have larger form factors due to more powerful processors modules
- ...have more build-up layers
- ...have a high speed interconnect between several **semiconductors** to provide high speed data transmission
- ...enable more complex packages than standard substrates
- ...reduce power consumption



High-end IC substrates market growth

2019: US-\$ 4.8 billion
2025: US-\$ 9.3 billion
 (+11.4% CAGR)

Source: Yole (2019)

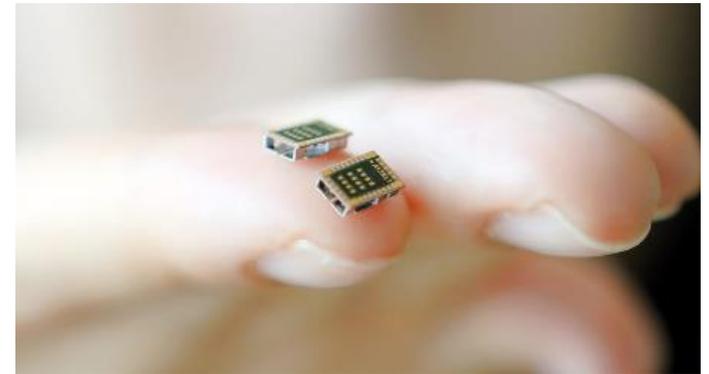
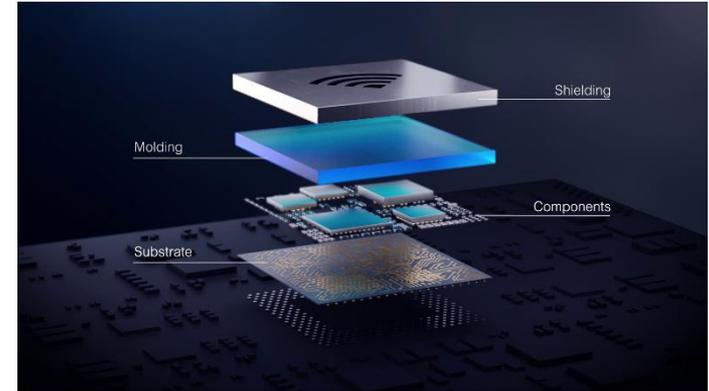
Added Value for AT&S

- ...push technology portfolio, profitability and revenue growth to a next level (**mid-term: revenue target of € 2 billion, EBITDA margin of 25-30%**)
- ...and thus **increase value for AT&S, its customers and shareholders.**

Update Chongqing II

Well on track to become AT&S competence center for module business

- Full expansion of plant proceeds according to plan
- Total investment Chongqing II in module business of about € 160 million over the next 2 – 3 years
- Long-term customer relationships support application diversification
- Main applications include PCBs for RF/5G modules, power modules and wearables
- Module PCB/substrates expected to reach ~5 – 10% of group revenues within the next two years
 - For FY 2020/21 already double-digit million revenue expected
- Based on business development so far revenue target can be confirmed



Outlook for 2020/21

AT&S has managed crisis successfully and positively participates in intact trends

- Future trends not harmed by COVID-19 pandemic
- Expectations for customer demand for the current year
 - Demand for IC substrates remains strong according to current forecasts
 - Due to delayed product launches, demand for mobile devices shifted into FQ3, usual seasonality expected for FQ4
 - Automotive market shows signs of bottoming out, slightly positive trend visible
 - Industrial segment to remain at the level of previous year
 - Slight growth expected for medical applications
- FY 2020/21: Revenue growth of around 15% and an EBITDA margin in the range of 20 to 22%
 - Based on strong H1, a solid order situation in FQ3 and successful ramp-up of additional capacities in CHQ I
 - Assuming no major impact of COVID 19 on key markets, production facilities and supply chain
- Investment programme for FY 2020/21 unchanged

Medium-term guidance confirmed

Technology development to module integration and capacity expansion



**First choice
for advanced
applications**

Expansion of technology leadership

- Leading provider of new interconnect solutions
- Innovation revenue rate: > 20%

Focus on continued profitable growth

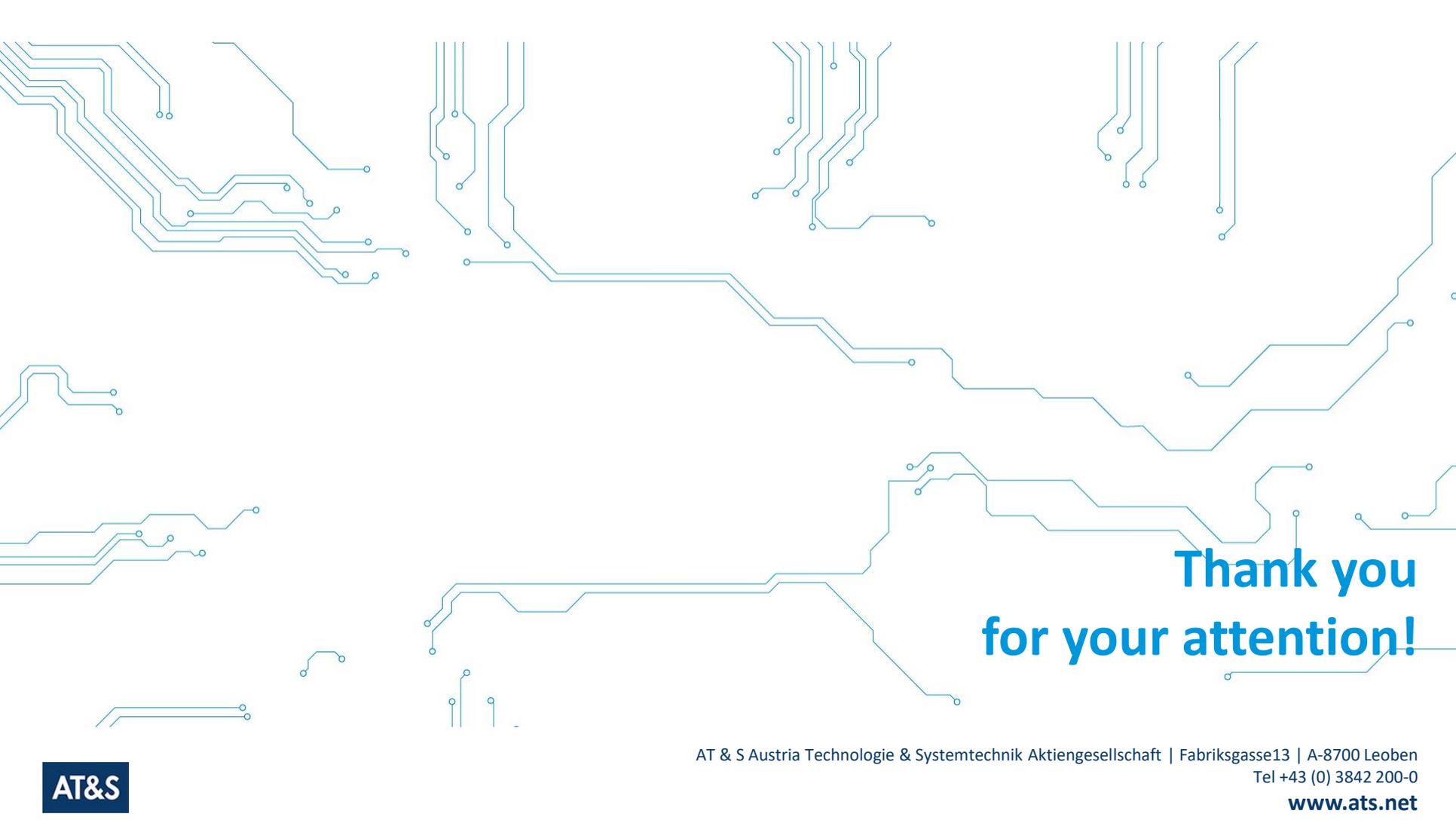
- Revenue target of € 2 billion
- Prosecution of sustainable margin improvement
- Medium-term EBITDA margin target of 25-30%

Creation of shareholder value and robust financial structure

- Medium-term ROCE above 12%
- Net debt / EBITDA: < 3 / Equity ratio: > 40% / Average Finance costs: < 2%

Sustainability management

- 80% renewable energy
- Eco-balancing of product groups
- 30 % women in management positions



**Thank you
for your attention!**

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