



**AT&S**

**RESULTS H1 2023/24**

**CONFERENCE CALL**

NOVEMBER 02, 2023



# KEY DEVELOPMENTS H1 2023/24

**Strong  
quarter in a  
challenging  
environment**

- Fundamentally changed economic environment vs H1 2022/23
- EBITDA has recovered significantly from the low in Q4
  - Cost optimisation programme with significant impact
  - Additional tailwind from favourable product mix, seasonal effects and one-timers
- Outlook 2023/24 confirmed
  - Challenging market environment with high volatility, low visibility and continued price pressure will persist in H2
  - Earnings continue to be supported by efficiency programmes
- Medium-term guidance 2026/27 confirmed

# COST SAVING AND EFFICIENCY PROGRAMMES

## OPEX programme

**€440mn** saving for FY23/24 and FY24/25 combined

■ Achieved saving

■ €440mn evenly distributed over eight quarters



Rapid execution enabled a faster saving ramping, due to

- Fast response to market development and early initiation of start-up cost adjustment
- Intensified efficiency improvement, incl. yield, personnel intensity, purchase price
- Adjustment and reallocation of labour force

## CAPEX programme

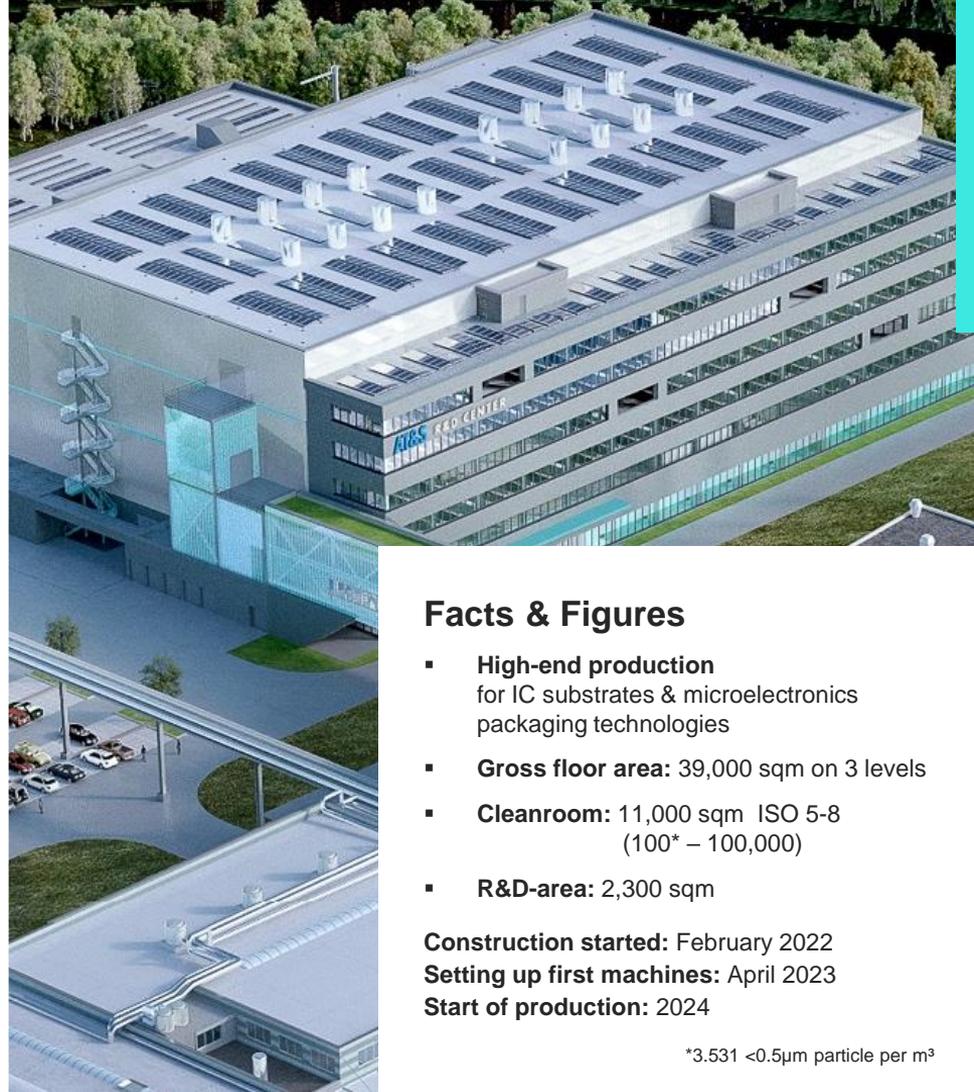
**€450mn** reduction, FY23/24 and FY24/25 combined

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

# LEOBEN HTB3 – PROGRESS

## Milestones Q2

- 66 of 69 Main Tools already moved in
- Onboarding of 240 new employees, 28 nationalities



## Facts & Figures

- **High-end production** for IC substrates & microelectronics packaging technologies
- **Gross floor area:** 39,000 sqm on 3 levels
- **Cleanroom:** 11,000 sqm ISO 5-8 (100\* – 100,000)
- **R&D-area:** 2,300 sqm

**Construction started:** February 2022

**Setting up first machines:** April 2023

**Start of production:** 2024

\*3.531 <0.5µm particle per m<sup>3</sup>

# BUILDING HIGH SPEED



**Plant HTB3  
2022**



**Plant HTB3  
2023**



**Cleanroom equipment**

# KULIM PLANT 1 (K1) – PROGRESS

## Milestones Q2

- **100% tools** moved in and hooked up
- **40% ready for process qualification**
- **Plant certification** in progress and fully aligned with plan



## Facts & Figures

- **High-end production** for IC substrates
- **Gross floor area:** 255,000 sqm
- **Production area/cleanroom:** 111,200 sqm  
ISO 5-7 (100\* – 100,000)

**Construction started:** November 2021  
**Setting up first machines:** February 2023  
**Moving into office:** January/February 2024  
**Start of production:** 2024  
**Opening ceremony:** January 2024

\*3.531 <0.5µm particle per m<sup>3</sup>

# BUILDING HIGH SPEED



**Plant Kulim  
2022**



**Plant Kulim  
2023**



**Cleanroom equipment**

# MEDICAL

## Driving innovation in the medical world



Patient monitoring



Neurostimulation



Prostheses



Medical Wearables



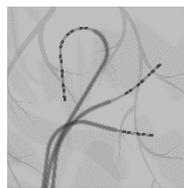
Drug delivery



Hearing aids



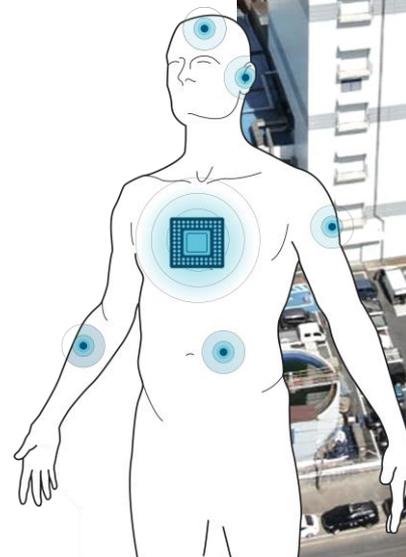
Diagnostic & Imaging



Catheter



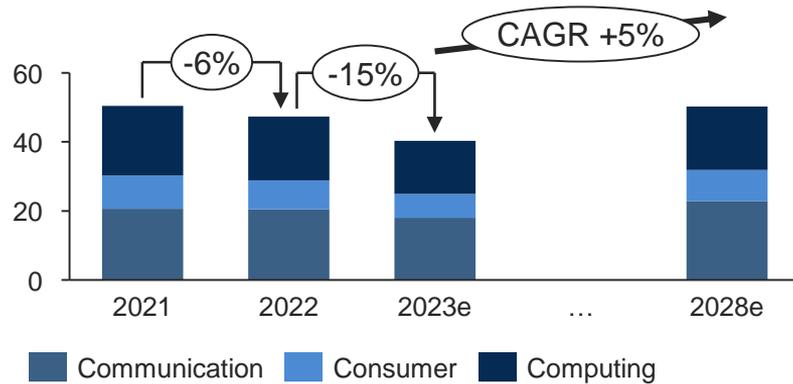
Pacemakers



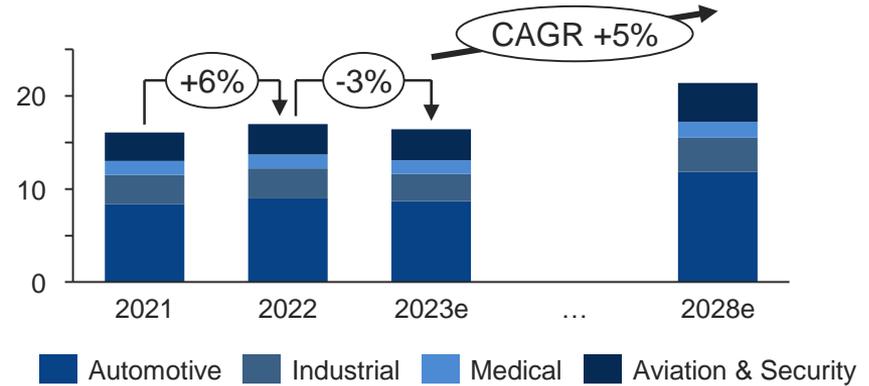


# PCB MARKETS

Communication, Consumer, Computing [\$ bn]



Automotive, Industrial, Medical, Aerospace [\$ bn]

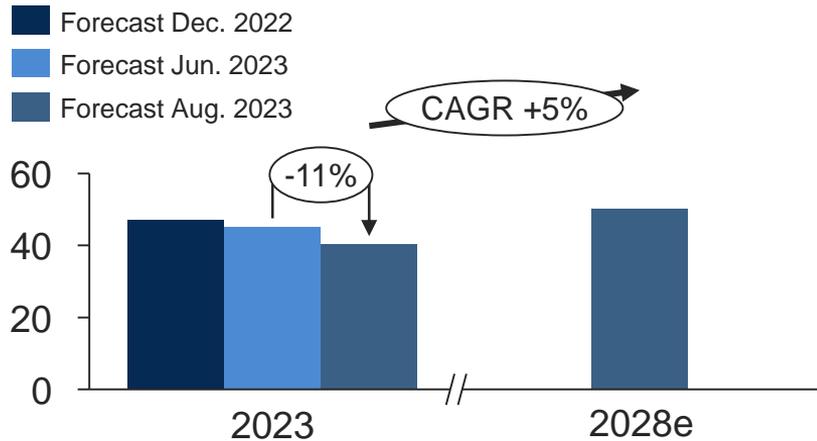


- PCB market further weakened in 2023, with 3C market particularly under pressure
- Aviation and Security remaining the only growth market in 2023
- Based on semiconductor market forecasts, PCB markets are expected to recover in 2024

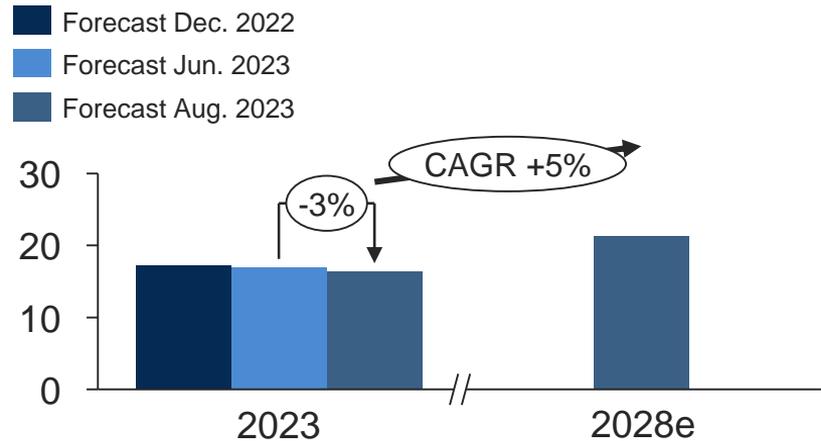
Source: Prismark, August 2023

# PCB MARKETS

## Communication, Consumer, Computing [\$ bn]



## Automotive, Industrial, Medical, Aerospace [\$ bn]

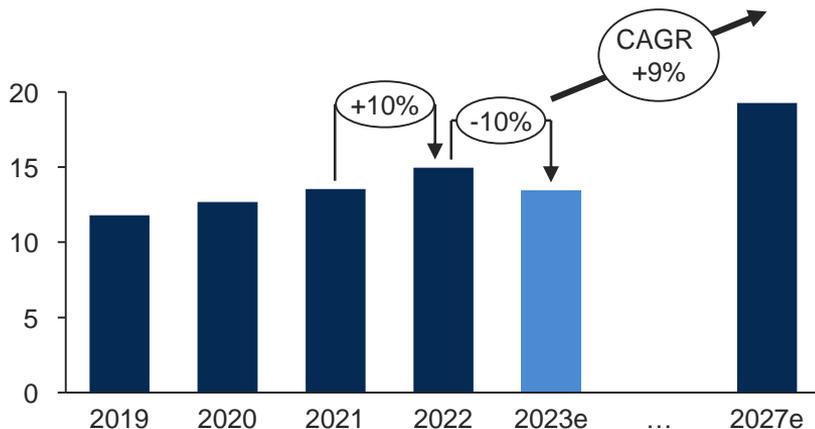


- Market forecast for 2023 is revised downward again, due to very weak H1 and delayed recovery
- Price pressure expected throughout 2023
- Long term growth in tact, driven by digitalisation and electrification trends

Source: Prismark, December 2022 – August 2023

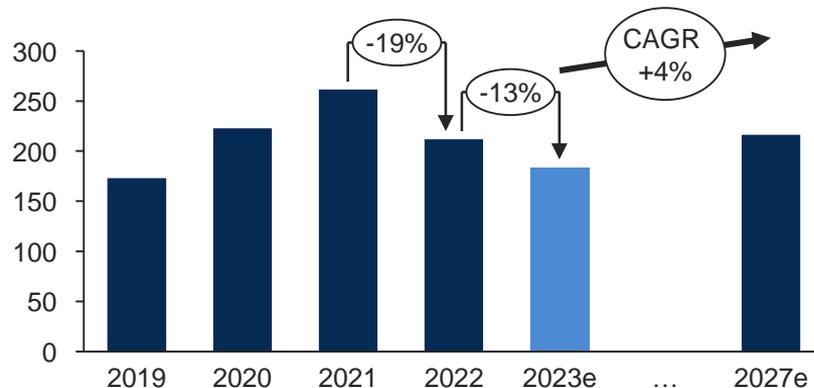
# SUBSTRATE END-MARKETS

## Server shipment [mn units]



- H1 CY 2023 below expectations due to low demand and a challenging macroeconomic environment
- Shipment recovery expected in CY 2024
- The value growth from heterogeneous integration and volume growth drive the substrate value market

## Notebook shipment [mn units]

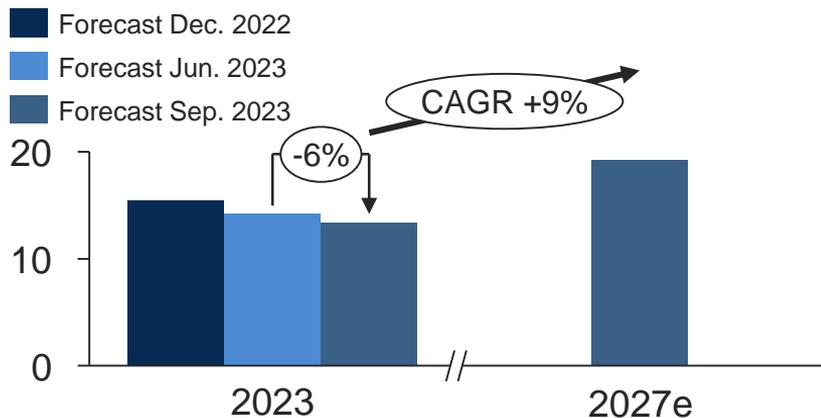


- Decrease of 2022 extends into 2023
- Signs of notebook inventory stabilisation visible
- Notebook shipment expectation in 2023 stabilises

Source: IDC, August-September 2023

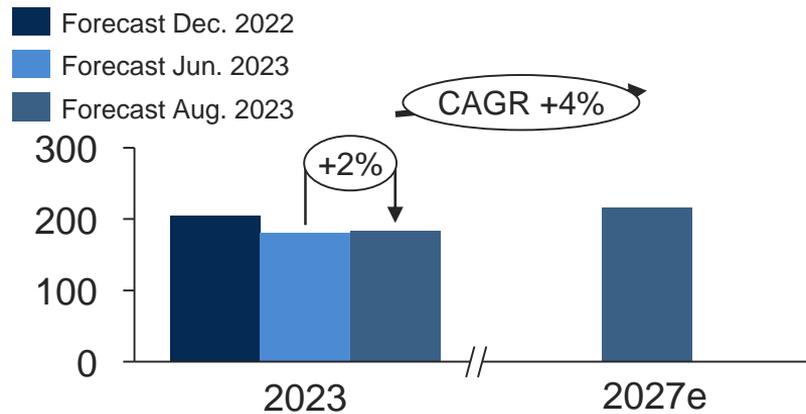
# SUBSTRATE END-MARKETS

## Server shipment [mn units]



- Due to the expansion of AI infrastructure with price hikes of GPU, the overall server shipment is expected to further reduce in 2023
- Main driver for the long-term growth of the substrate value market

## Notebook shipment [mn units]

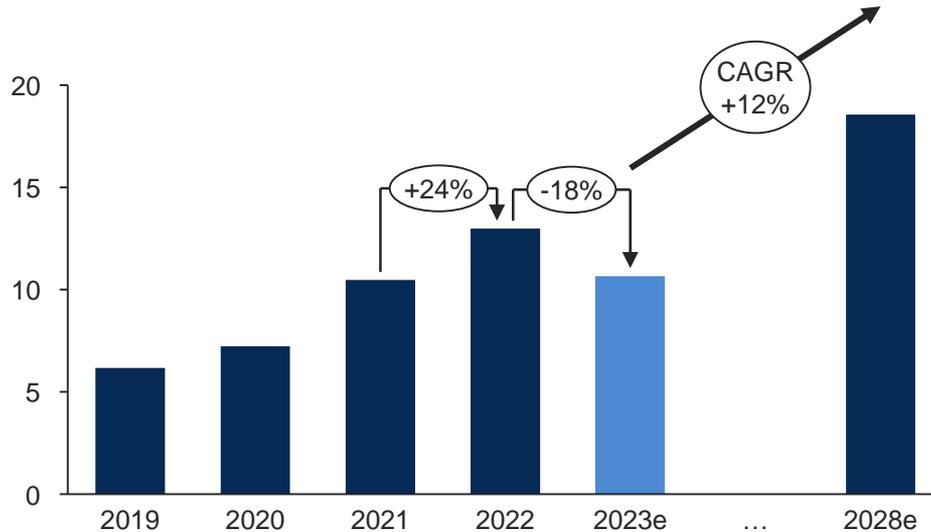


- After continuous downward correction since mid-2022, shipment expectation in 2023 stabilises
- Signs of inventory stabilisation visible – from both retailers and notebook OEMs

Source: IDC, November 2022 - September 2023

# SUBSTRATE MARKET

## Advanced Substrate Market [\$ bn]



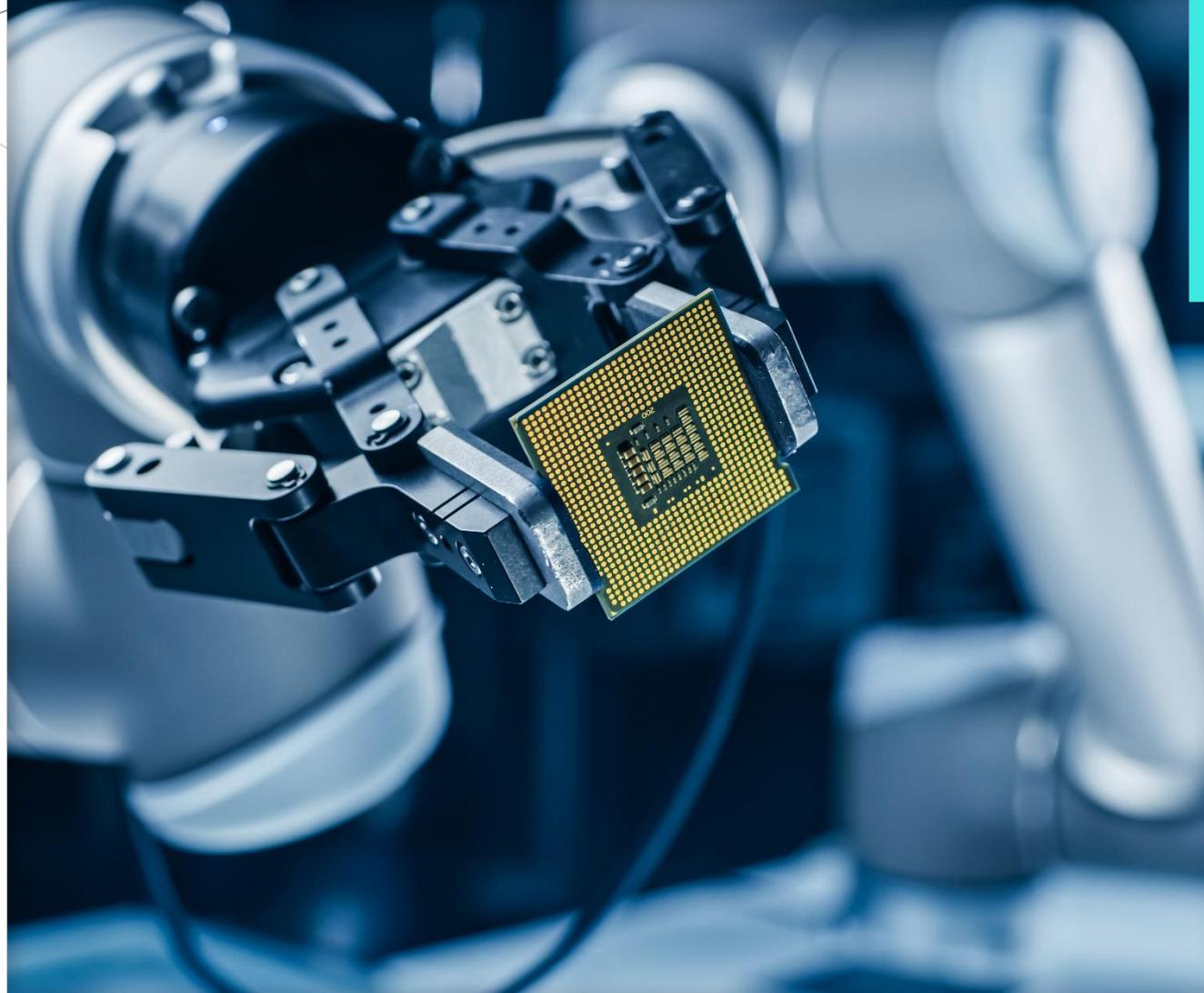
- The ICS market is a **value-driven market and expected to grow healthily**, after recovery in 2024.
- **The value growth is mainly contributed by data center and infrastructure** related products, in units and moreover in value
- **Value market for client substrate** is recovering and is **expected to stagnate afterwards, above pre-COVID level.**

Source: Prismark, August 2023

# **RESULTS**

## **H1 2023/24**

Petra Preining, CFO



# H1 2023/24 RESULTS SUMMARY

Revenue

€ 814 MM

- Revenue<sup>1</sup> decreased by 24%  
-21% without currency effects
- Electronics Solutions: -25%
- Microelectronics: -22%

EBITDA

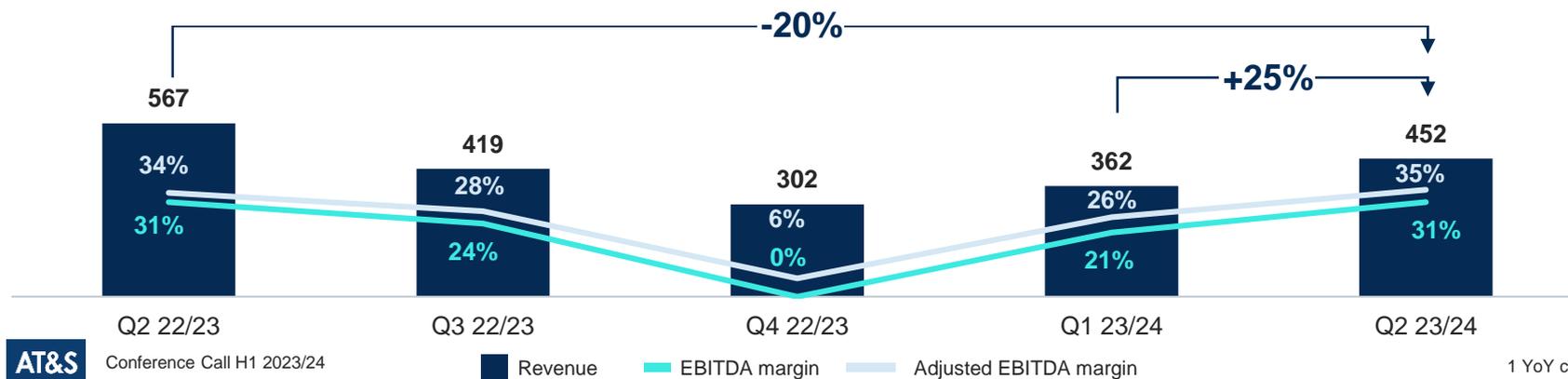
€ 217 MM

- EBITDA<sup>1</sup> decreased by 31%  
-36% without currency effects
- EBITDA margin: -2.9 pp → 26.6%
- Adjusted EBITDA margin:  
-0.7 pp → 30.6%

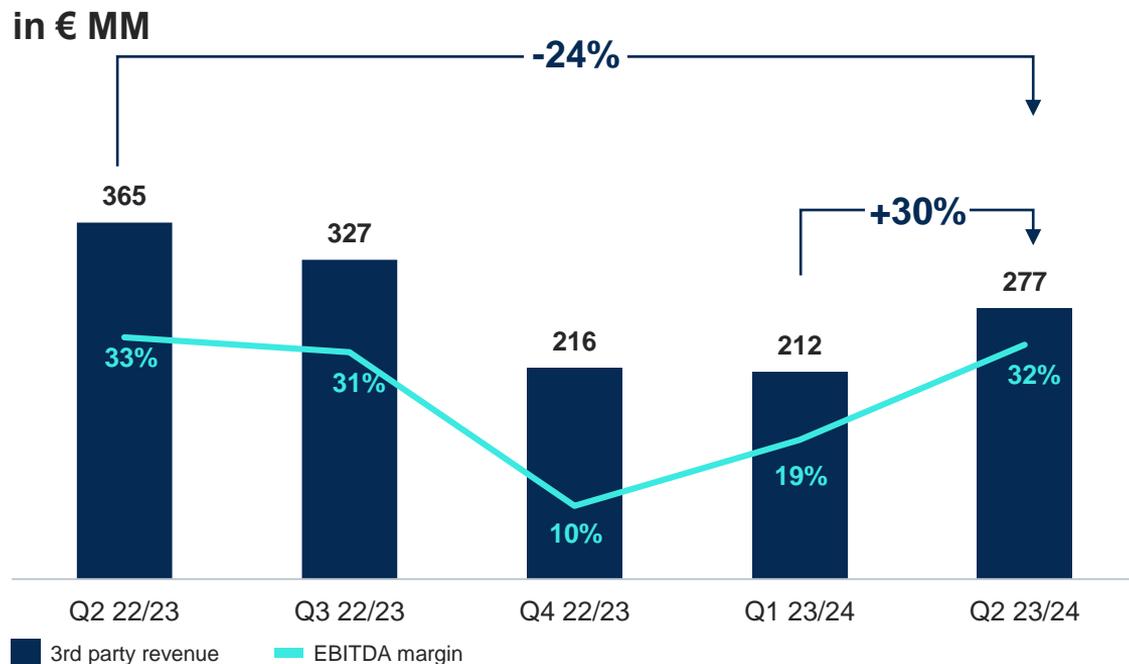
Net profit

€ 49 MM

- Net profit decreased by 78%  
-94% without currency effects
- Driven by lower revenue and EBITDA



# BUSINESS UNIT: ELECTRONICS SOLUTIONS



## Revenue

YoY lower by 24% due to strong comparison

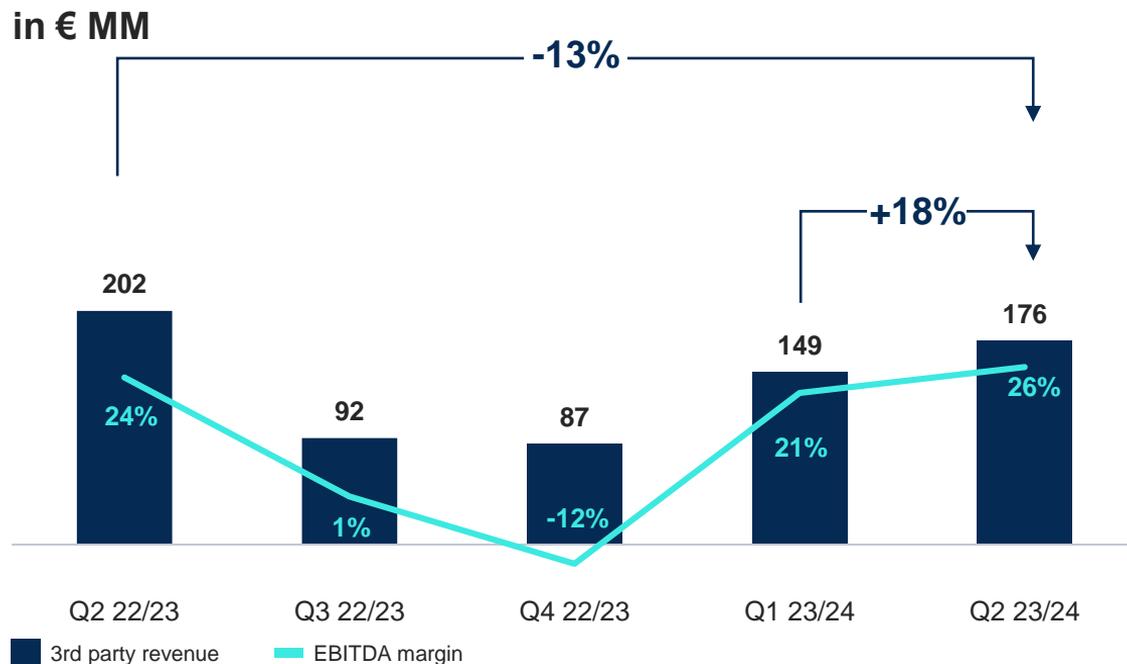
QoQ +30% supported by seasonality

## Margin

YoY supported by cost optimisation programme, one-timers and product mix

QoQ lifted by higher loading and product mix

# BUSINESS UNIT: MICROELECTRONICS



## Revenue

YoY 13% decrease in weaker market environment

QoQ increase of 18% mainly driven by client computing and new clients

## Margin

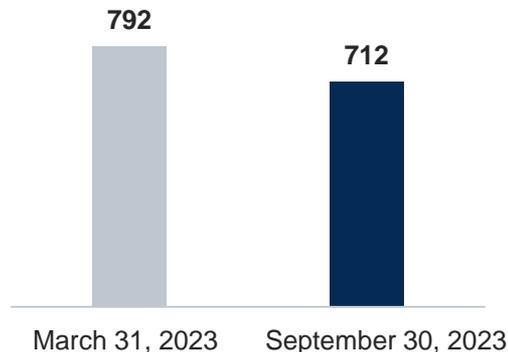
YoY cost optimisation improves margin, despite price pressure

QoQ tailwind from higher loading and good product mix driven by one-timers

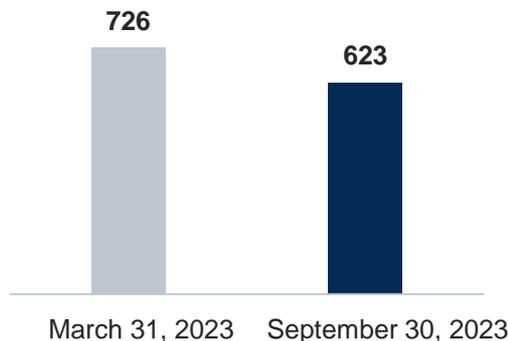
# H1 2023/24 FINANCIAL POSITION

## Cash & cash equivalents

in € MM



## Unused credit lines



## Balancing capital allocation

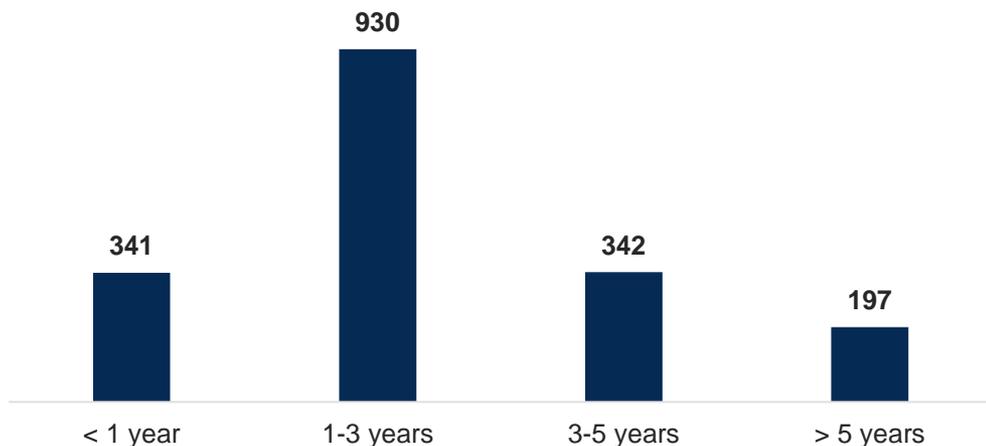
- Deploying capital with clear approach to invest in strategic growth markets
- Increased credit lines support financial capabilities

- **Solid financial structure with € 1,335 MM cash, cash equivalents and unused credit lines**
- **FX effects on funds impact financial results positively by € 6 MM**

# DEBT FINANCING OVERVIEW

## Maturity of outstanding debt instruments<sup>1</sup>

in € MM

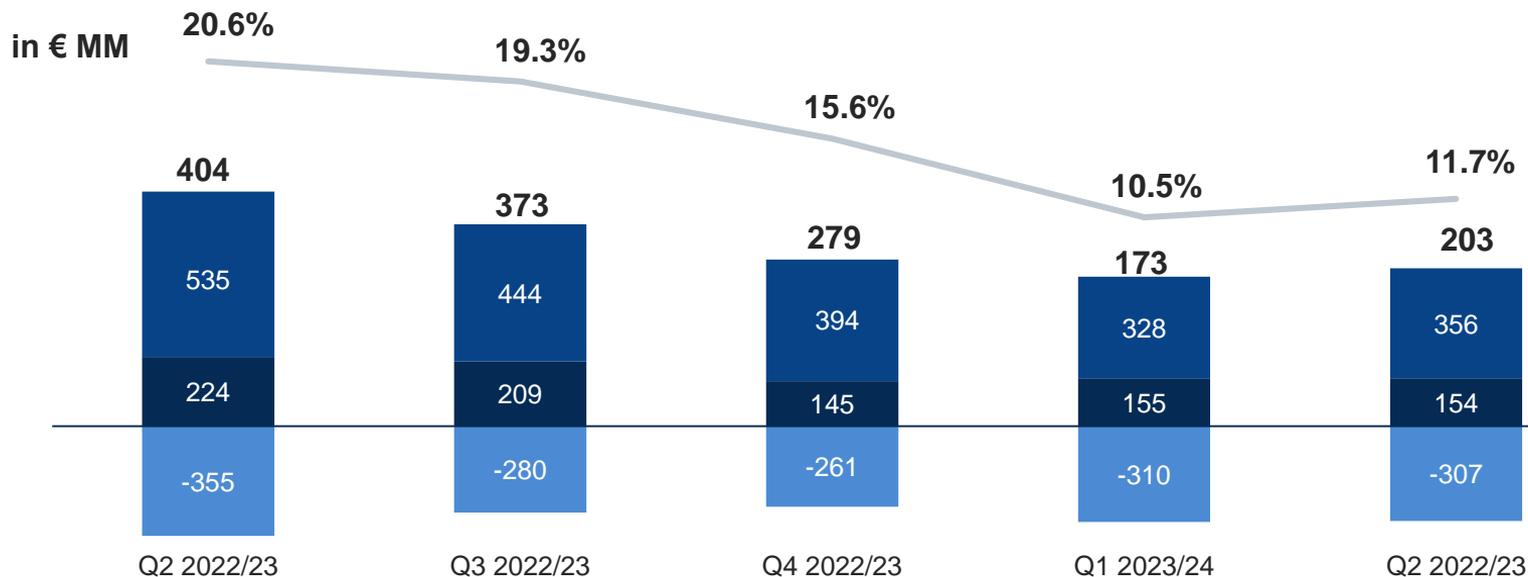


- 40% of debt instruments have a fixed interest rate
- Current financing costs of 3.9% (as of Q2 2023/24)
- Further customer prepayments expected

<sup>1</sup> Amounts by maturity as of September 30, 2023. Promissory note loans, term loans with banks, bank borrowings and others; including accrued interest and placement costs and finance leases I

# FOCUS ON WORKING CAPITAL MANAGEMENT

## Working capital and relation to revenue



■ WC receivables<sup>1</sup>
■ Inventories
 ■ WC payables<sup>2</sup>
— Net working capital to LTM revenue

<sup>1</sup> Trade and other receivables and contract assets |

<sup>2</sup> Trade and other payables and other current provisions, without liabilities from investments

# BALANCE SHEET

€ MM	Mar. 31, 23	Sept. 30, 23	Change in %	
Total assets	4,162	<b>4,317</b>	+4%	➤ Mainly driven by investments
Equity	1,158	<b>1,108</b>	-4%	➤ Decrease due to FX effects
Equity ratio	27.8%	<b>25.7%</b>	-2.1pp	➤ As anticipated below 30% target
Net debt	851	<b>1,034</b>	+21%	➤ Net debt/EBITDA ratio of 3.25

# CASH FLOW

€ MM	H1 22/23	H1 23/24	YoY Change in %
CF from operating activities	366	<b>341</b>	-7%
CF from investing activities	-526	<b>-532</b>	-
CF from financing activities	46	<b>100</b>	+118%
Operating free CF <sup>1</sup>	-124	<b>-176</b>	-
Net CAPEX	490	<b>517</b>	+6%



Driven by lower EBITDA



Lower dividends and lower change in long term-borrowings

<sup>1</sup> Cash flow from operating activities minus Net CAPEX

# CURRENT YEAR GUIDANCE

## FY 2023/24e

### Revenue

Approx. € 1.7–1.9 billion

### Profitability

- Adjusted EBITDA margin of 25–29%
- Start-up effects of the Kulim and Leoben projects in the amount of approx. € 100 MM

### Investments

Net CAPEX of up to € 1.1 billion

# MID-TERM GUIDANCE

## FY 2026/27e

**Growth** Revenue approx. € 3.5 bn (CAGR +18%)

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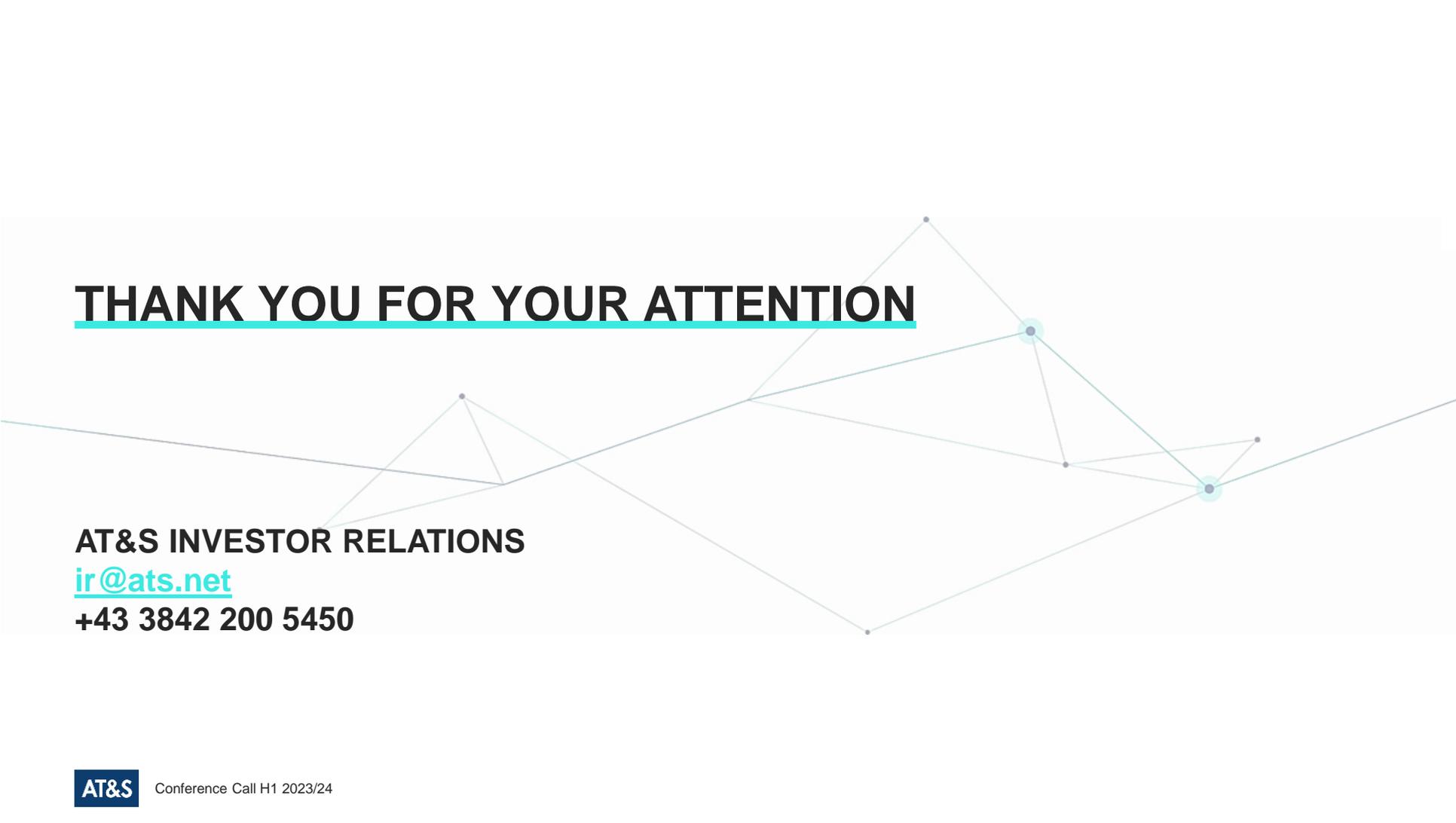
**Profitability**

- EBITDA margin of 27–32%
- ROCE of >12% with ramp-up of production

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**Others**

- Net debt/EBITDA: <3 (can be temporarily exceeded)
- Equity ratio: >30% (may temporarily fall below)



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