



AT&S
First choice for advanced applications
Conference Call - Q1-3 2018/19
January 31, 2019

AT&S

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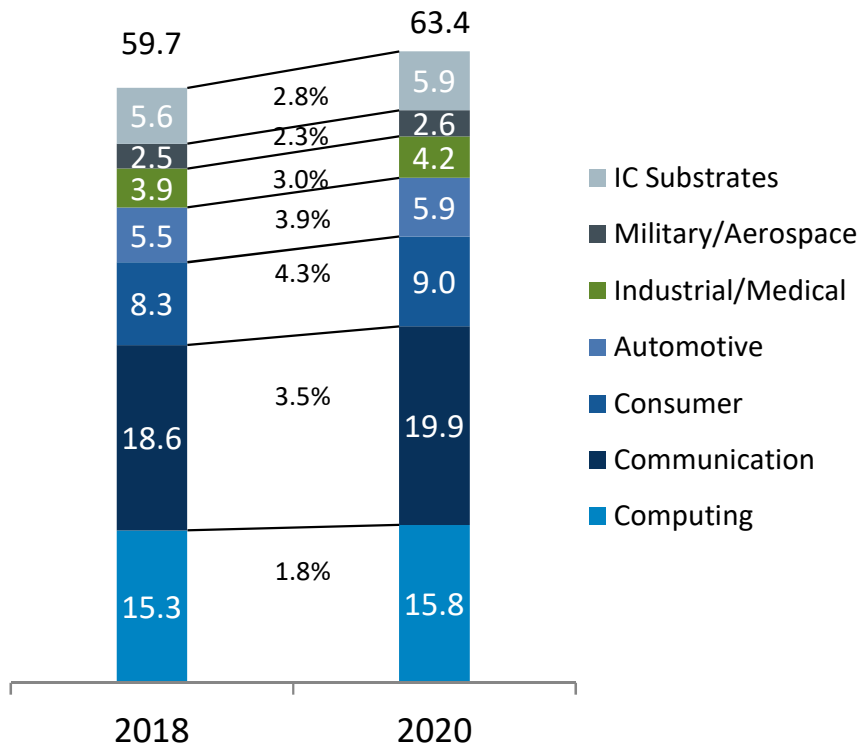
Market Update and Business Highlights

Financials and Key Figures

Outlook

PCB & IC substrates market – Overview

Forecast for the total PCB & IC substrates market until 2020: CAAGR of 3.1%



USD in billions
Source: Prismark, February 2018; Yole, March 2018

- IC substrates
 - Cloud computing drives data center expansions
 - Strong increase in server investments drives AT&S high-value IC substrate business
- Automotive
 - Despite a temporary slowdown, future AT&S PCB business is strongly driven by autonomous driving (e.g. RADAR, LIDAR, cameras, ...), vehicle-to-X communication modules and power module PCBs for electrification of vehicles
- Consumer
 - Market trend towards wireless connectivity of smart devices enabling IoT drives the need for high-end PCBs and substrates for module applications
- Communication
 - Despite a short-term slowdown and expected flat development in 2019 smartphone unit sales, high-end PCB demand for mainboards and modules will grow
 - AI processors (e.g. voice and imaging data analysis) and enhanced wireless connectivity and sensors are expected to increase demand for PCBs and substrates

Key highlights

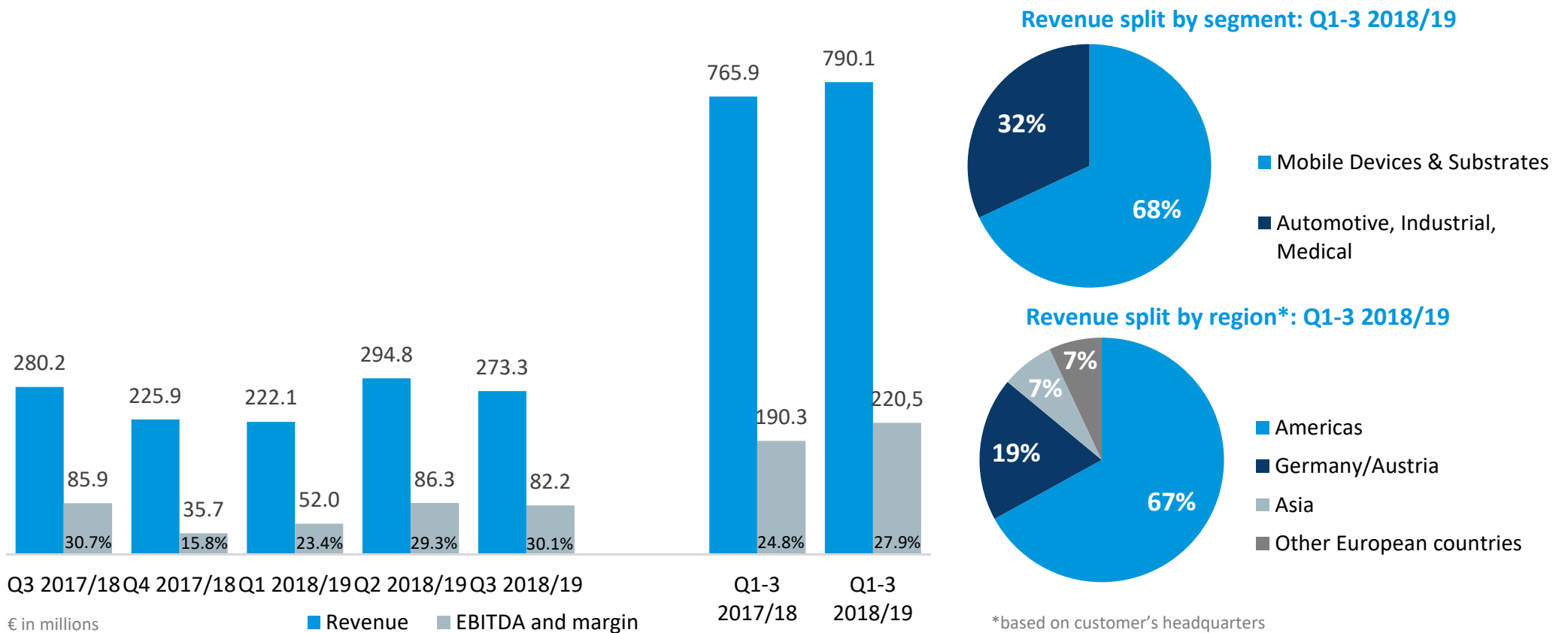
Successful positioning in the high-frequency product area

- Revenue growth and excellent profitability in the first nine months
 - Well diversified product, technology and customer portfolio ensures positive business development
 - Very good demand for IC substrates
 - Good development in Medical & Healthcare
 - Weaker demand for mobile devices, especially in the last quarter
 - Supply constraints in key components are slowing down demand in Automotive and Industrial
 - Temporary reduced demand for automotive PCBs
- Revenue slightly grows to € 790.1 mn
- EBITDA increases to € 220.5 mn

Revenue and EBITDA development

Revenue: YoY: +3.2%: Good demand for IC substrates and in Medical & Healthcare

EBITDA: YoY: +15.9%: Efficiency improvements and absence of start-up costs in Chongqing

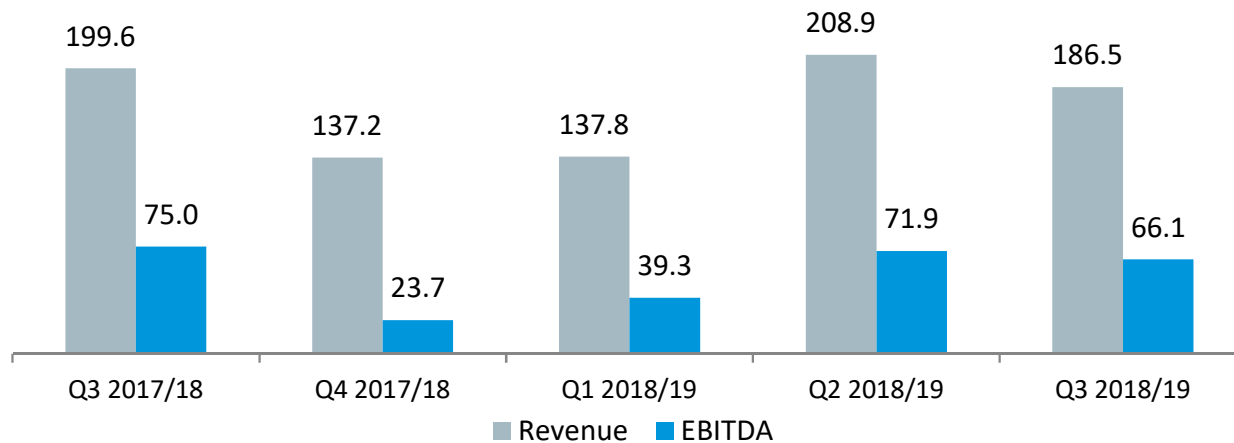


Business Development – Mobile Devices & Substrates

€ in millions (unless otherwise indicated)	Q1-3 2017/18	Q1-3 2018/19	Change in %
Revenue	580.0	601.5	3.7%
Revenue with external customers	510.8	533.2	4.4%
EBITDA	155.3	177.2	14.1%
EBITDA margin	26.8%	29.5%	

- Actually weaker demand for mobile devices
- Revenue negatively impacted by FX effects
- Absence of start-up costs from Chongqing
- Improved product portfolio for IC substrates
- Successfully implemented efficiency and productivity improvement measures

Revenue* and EBITDA



€ in millions; * Revenue with external customers

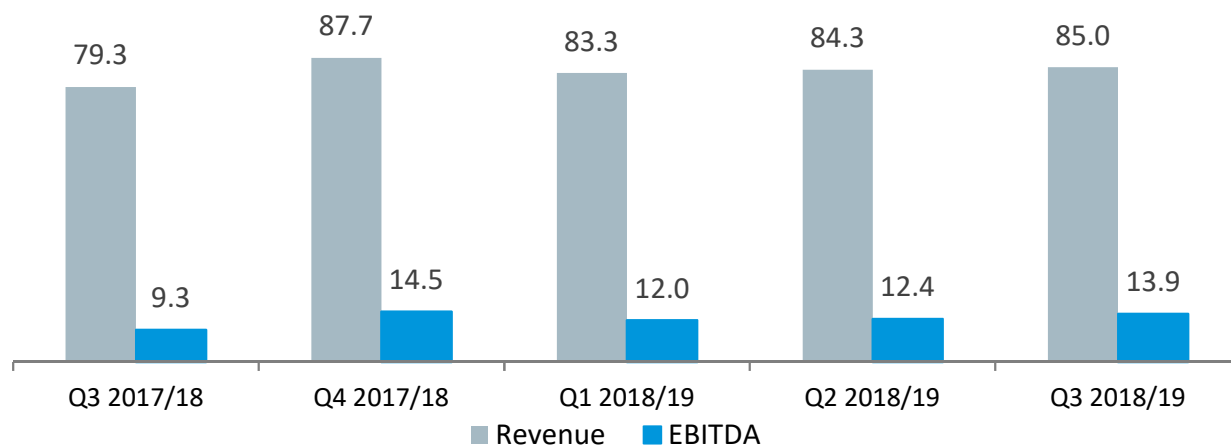
Business Development – Automotive, Industrial, Medical



€ in millions (unless otherwise indicated)	Q1-3 2017/18	Q1-3 2018/19	Change in %
Revenue	270.8	270.6	-0.1%
Revenue with external customers	251.6	252.7	0.4%
EBITDA	32.3	38.3	18.4%
EBITDA margin	11.9%	14.1%	

- Medical & Healthcare with high demand
- Temporarily lower demand in the car industry
- Supply constraints in key components are slowing demand in Automotive and Industrial
- EBITDA margin improved due to product mix, positive FX effects offset decline in volumes

Revenue* and EBITDA



€ in millions; * Revenue with external customers

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Financials Q1-3 2018/19



€ in thousands (unless otherwise stated)	Q1-3 2017/18	Q1-3 2018/19	Change YoY
STATEMENT OF PROFIT OR LOSS			
Revenue	765,900	790,114	3.2%
produced in Asia	85%	86%	1pp
produced in Europe	15%	14%	(1pp)
EBITDA	190,276	220,475	15.9%
EBITDA margin	24.8%	27.9%	3.1pp
EBIT	88,801	121,528	36.9%
EBIT margin	11.6%	15.4%	3.8pp
Finance costs – net	(11,283)	(2,583)	77.1%
Income taxes	(29,742)	(26,689)	10.3%
Profit for the period	47,776	92,256	93.1%
Earnings per share	€ 1.21	€ 2.21	93.1%

➔ IC substrates and Medical & Healthcare with good demand
Negatively impacted by FX development

➔ Better product mix
Efficiency and productivity gains
Absence of start-up costs from Chongqing
Other result positively impacted by FX development

➔ Lower interest net-expenses
Positive FX effects

➔ Tax scheme in Shanghai considered

Financials Q1-3 2018/19

€ in thousands (unless otherwise stated)	31 Mar 2018	31 Dec 2018	Change
STATEMENT OF FINANCIAL POSITION			
Non-current assets	944,267	848,158	(10.2%)
Current assets	586,172	970,043	65.5%
Equity	711,391	780,450	9.7%
Non-current liabilities	515,276	744,879	44.6%
Current liabilities	303,772	292,872	(3.6%)
Total assets	1,530,439	1,818,201	18.8%
Net debt	209,237	136,701	(34.7%)
Net gearing	29.4%	17.5%	(11.9pp)
Net working capital	72,437	155,790	>100%
Net working capital per revenue	7.3%	14.8%	7.5pp
Equity ratio	46.5%	42.9%	(3.6pp)

→ Increase in cash, financial assets and accounts receivables

→ Increase mainly due to higher profit
Negatively impacted by FX effects

→ Issue of a promissory note

→ Seasonal effects and impact of IFRS 15 triggered increase in accounts receivables

→ Issue of a promissory note led to higher total assets and therefore lower equity ratio

Financials Q1-3 2018/19

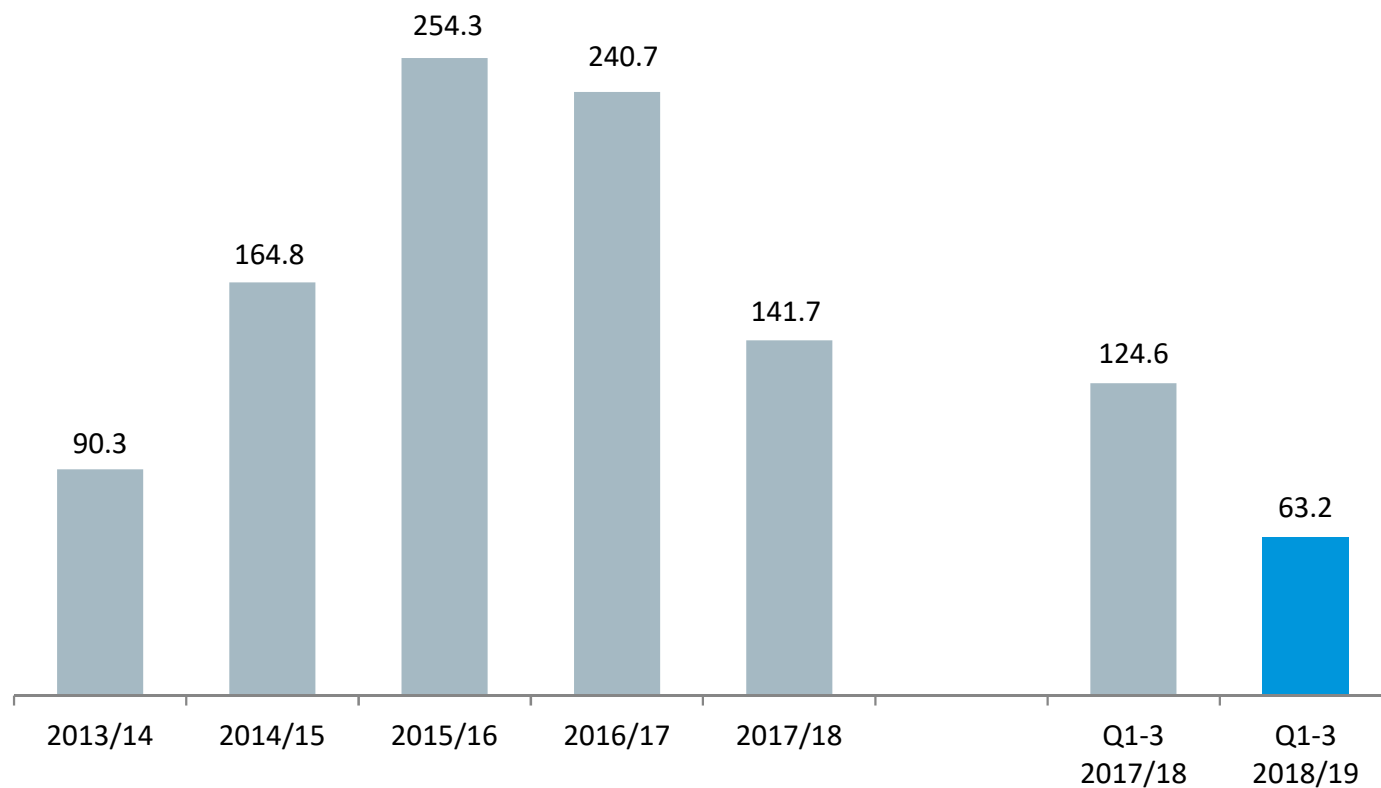
€ in thousands	Q1-3 2017/18	Q1-3 2018/19	Change YoY
STATEMENT OF CASH FLOWS			
Operating result (EBIT)	88,801	121,528	36.9%
Paid/received interests	(10,446)	(5,595)	46.4%
Paid taxes	(14,697)	(25,674)	(74.7%)
Non cash bearing of profit or loss	106,648	88,829	(16.7%)
Cash flow from operating activities before changes in working capital	170,305	179,088	5.2%
Changes in working capital	(49,293)	(25,878)	47.5%
Cash flow from operating activities	121,012	153,210	26.6%
Cash flow from investing activities	(246,612)	(255,694)	(3.7%)
Cash flow from financing activities	135,419	200,984	48.4%
Change in cash and cash equivalents	9,819	98,500	>100%
Operating free cash flow ¹⁾	(3,631)	89,966	>100%
Free cash flow ²⁾	(125,600)	(102,484)	18.4%

- ➔ Thereof CAPEX (€ 63mn) and temporary net investment in financial assets (€ 192mn)
- ➔ Issue of a promissory note
Repayments of borrowings
- ➔ Based on improved operating cash flow and lower CAPEX needs

¹⁾ Cash flow from operating activities minus Net CAPEX

²⁾ Cash flow from operating activities minus cash flow from investing activities

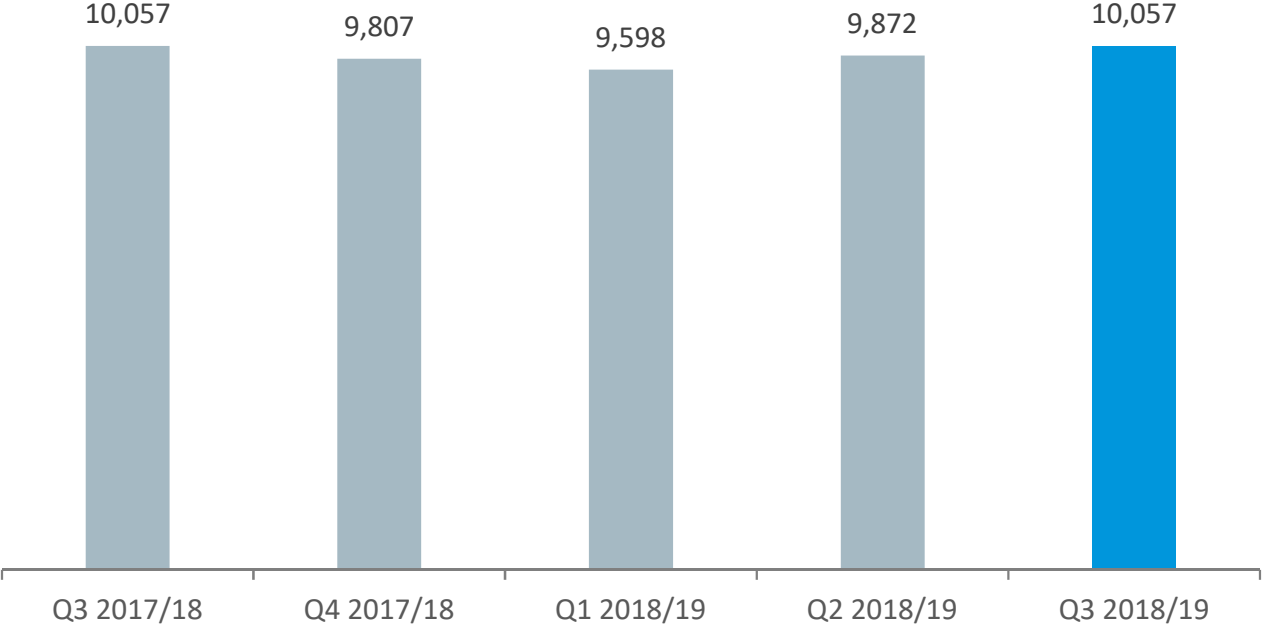
Net CAPEX



€ in millions

Headcount

Saisnality resulted in headcount increase



* incl. contractors, FTE, average for the period

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Outlook for 2018/19

- Guidance for the financial year 2018/19
 - Based on the accumulated revenue development in the current financial year, the current market development and the projection for the remaining months
 - Revenue growth of around 3% (previously up 6 to 8%)
 - EBITDA margin in the range of 24 to 26% confirmed

- Due to later cash-effective investments for the second phase in plant 1 in Chongqing total CAPEX for 2018/19 expected in the range of € 100 to 120 million



**Thank you
for your attention!**

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