



**AT&S**

# **CONSISTENCY IN** **CHANGE**

**Results Q1 21/22**

Conference Call

03 August 2021



# KEY DEVELOPMENTS Q1 21/22

All business segments contributed to company growth

**Growth  
continued  
unabated**

- Strong revenue growth of +28%
  - Additional capacities and strong demand push ABF substrates business
  - PCBs for modules with further growth
  - Automotive recovery
  - Industrial with strong performance
- Strengthen the R&D activities to secure technology leadership
- Strong focus on preparing organisation for the future growth
- Capacity expansion projects fully on track

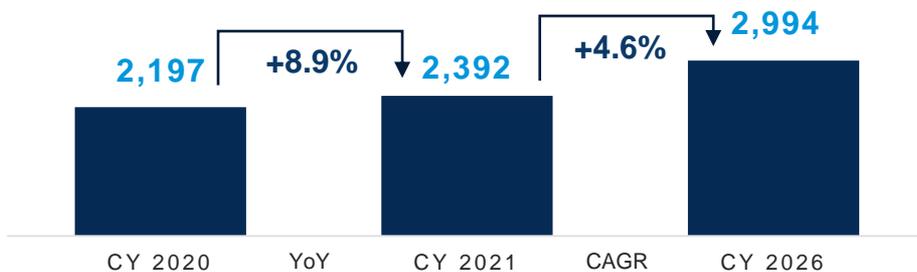
## MARKET UPDATE

Andreas Gerstenmayer, CEO



# GLOBAL ELECTRONIC SYSTEMS MARKET OUTLOOK

in US\$ bn



	CY 2020	YoY	CY 2021	CAGR	CY 2026
<b>Automotive</b>	214	16.8%	250	7.1%	352
<b>Aviation</b>	154	5.2%	162	3.3%	191
<b>Industrial</b>	218	6.4%	232	5.8%	307
<b>Medical</b>	115	2.6%	118	4.3%	146
<b>Communication</b>	567	7.9%	612	5.7%	808
<b>Computer</b>	604	11.4%	673	2.4%	757
<b>Consumer</b>	325	6.2%	345	4.7%	433

**+8.9% YoY growth**

Including catch-up effects after COVID-19 year 2020

**+4.6% CAGR**

All addressed markets show positive growth rates over the mid-term

Source: Prismark 05/2021

# AT&S OUTPERFORMS PCB & IC SUBSTRATES\* MARKET GROWTH

in US\$ bn



	CY 2020	YoY	CY 2021	CAGR	CY 2026
Automotive	6.2	+19.4%	7.4	+4.1%	9.1
Aviation	2.8	+7.6%	3.0	+2.4%	3.4
Industrial	2.5	+12.4%	2.8	+2.5%	3.2
Medical	1.3	+9.1%	1.4	+2.5%	1.6
IC Substrates*	7.7	+25.0%	9.6	+8.7%	14.5
Communication	18.0	+10.9%	19.9	+5.4%	25.9
Computer	16.4	+14.3%	18.8	+1.8%	20.5
Consumer	8.0	+13.1%	9.0	+2.4%	10.1

Confirmed position as  
**#2 producer**  
for high end PCBs

AT&S will continue to outperform the  
market with an annual growth of  
**>20% until 2026**

Source: Prismark 05-06/2021  
\* only containing high-end IC substrates

# INCREASING DATA VOLUMES REQUIRE NEW DESIGN SOLUTIONS AND BETTER PERFORMANCE

Existing technologies cannot meet future requirements

New technologies and systems bring a significant data volume increase



Increased data volumes need to be transmitted, stored and processed

Instead of using monolithic designs, various chip elements are integrated as one device

## Advantages

- Improved computational performance
- Low latency
- Cost benefits

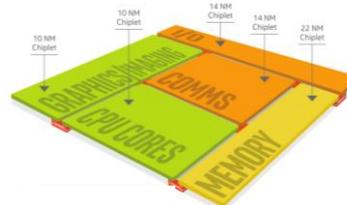
## MONOLITHIC CHIP

A singular piece of silicon, constructed as a unit



## CHIPLETS

A heterogeneous collection of "chipslets" integrated as one device



Source: Intel

5G

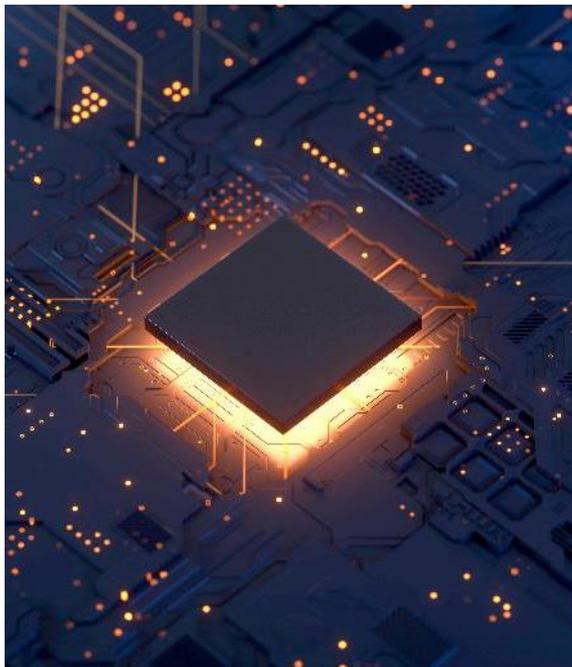
Big Data

Artificial Intelligence

Internet of Things

# **HIGH-PERFORMANCE PROCESSORS NEED HIGH-PERFORMANCE ABF SUBSTRATES**

**Growing demand supports AT&S growth strategy**



Servers, networking, AI and gaming are driving the trend towards significantly bigger and more complex substrates

- Increased substrate size
- Increased layer count
- Increased speed

**AT&S is significantly increasing capacities for highly complex substrates to support these technology developments**

# UPDATE ABF SUBSTRATES PROJECTS



## CHONGQING III

- First parts of the production equipment have already been qualified as well as be put into operation
- Process & equipment characterisation and certification earlier
- Full capacities available with the beginning of Q3 23/24 (Q4 23/24)



## KULIM

- Contract with customers signed and measures taken to start project
- Construction scheduled to start in the second half of CY 2021 and high volume production at the end of CY 2024

# ESG HIGHLIGHTS 2020/21



Environment & Resources

**45%**

Renewable energy  
(including large-scale hydropower)

## Effective use of resources

- Copper recycling project started
- Avoidance of unnecessary materials and waste
- Circulation of raw materials



Sustainable Innovation

**Start**

of life cycle assessments



Employees & Society

**34%**

proportion of female employees

## Strong crisis management

during the COVID-19 pandemic



Sustainable Supply Chain

**100%**

Code of Conduct signed by all key suppliers

## High standards

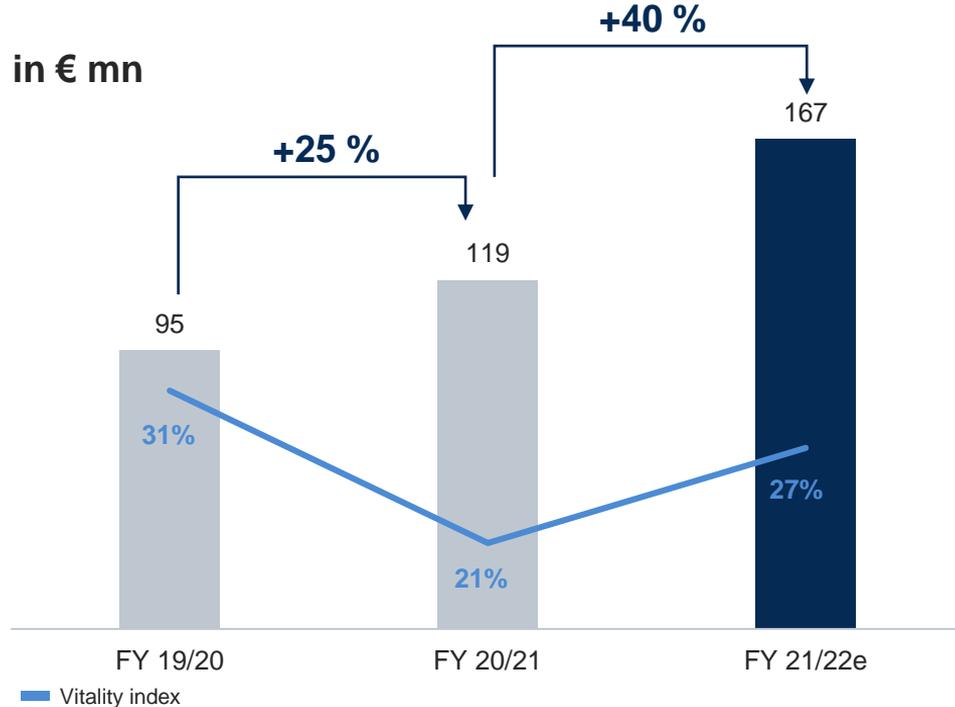
all Locations: ISO 9001, 45001, 14001  
Austria and India: ISO 50001

**Rated by**



# STRONG COMMITMENT TO INNOVATION AND GROWTH

R&D investments – a key revenue and margin driver

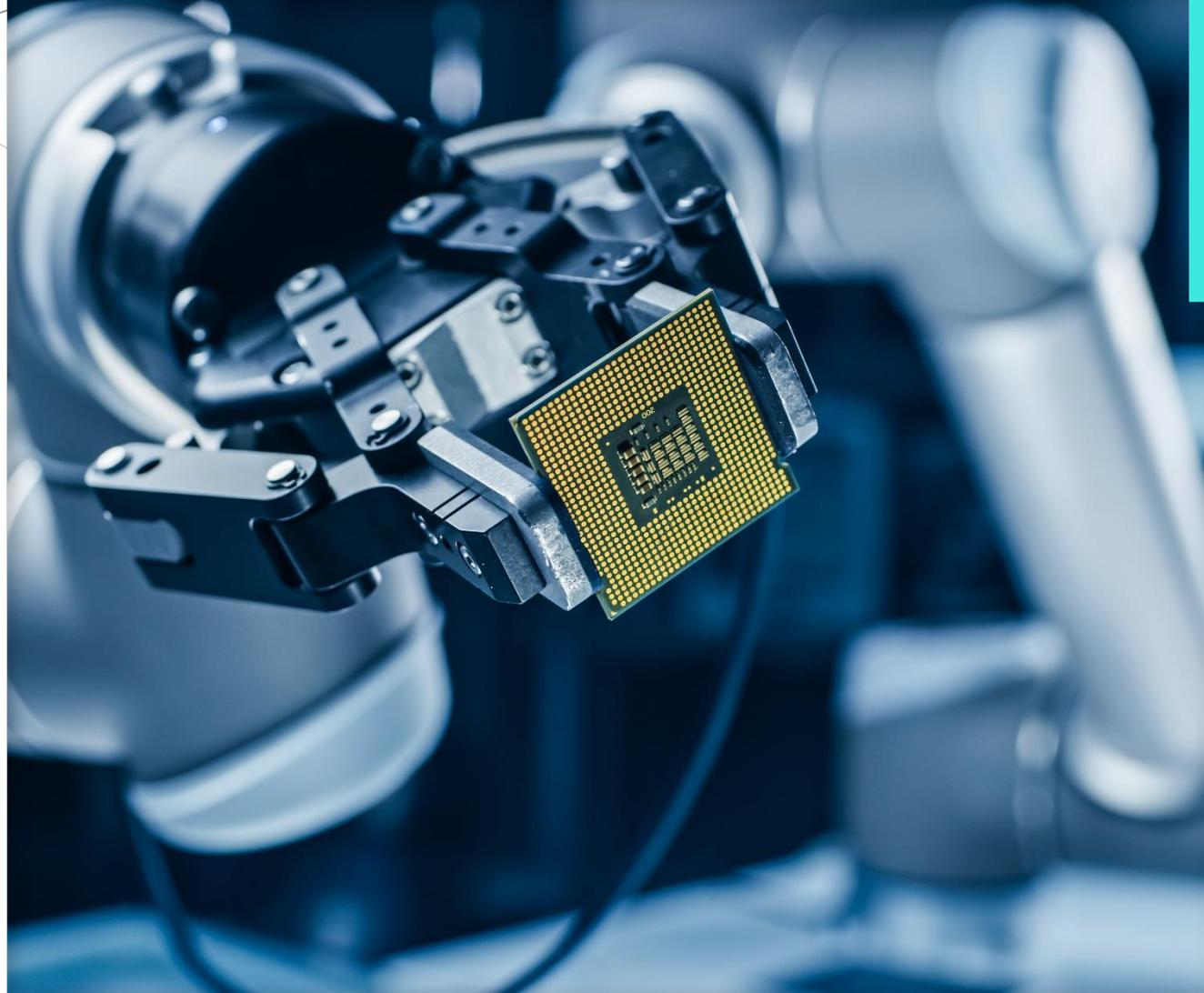


**Investments in R&D**  
a key part of our focused  
business strategy

Target  
**Vitality index > 20%**

## RESULTS Q1 21/22

Simone Faath, CFO



# Q1 21/22 RESULTS SUMMARY

## Revenue at historic high

Revenue **+28%**

**€ 318 mn**

- Negative FX effects of € 22 mn

EBITDA margin **-130 bps**

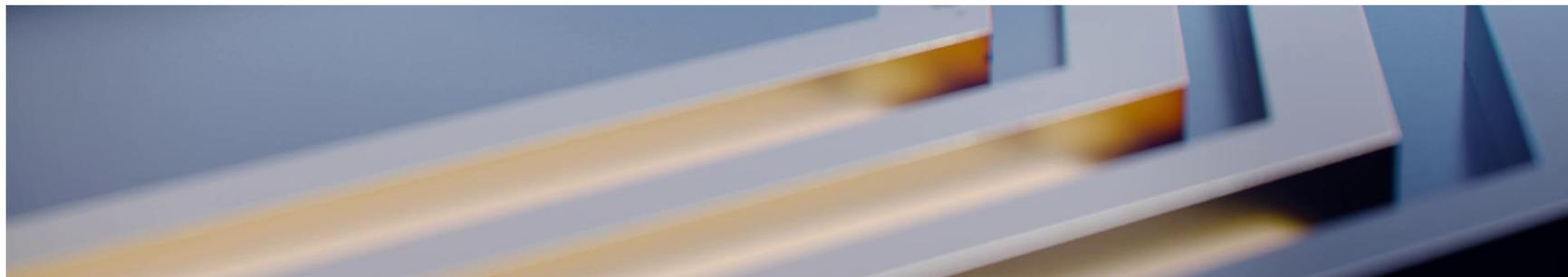
**14.6%**

- EBITDA margin burdened by negative FX effects of € 18 mn

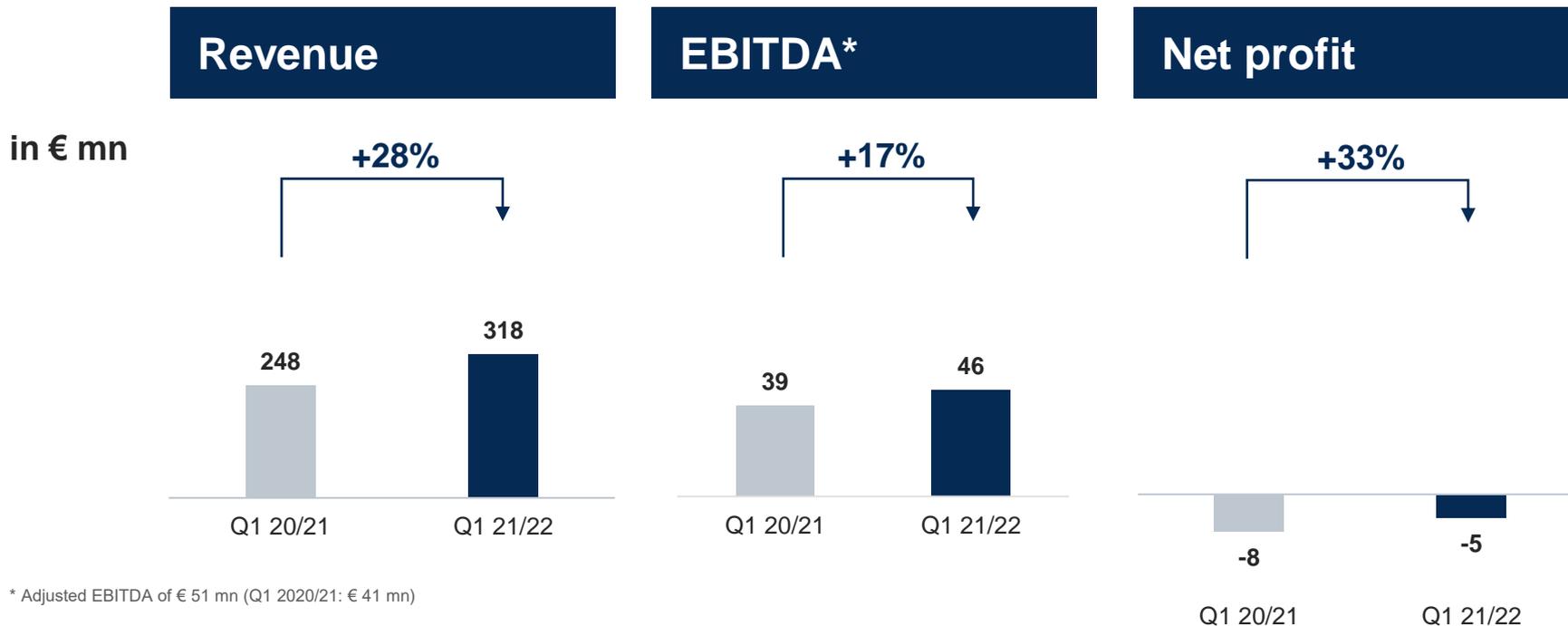
Adjusted EBITDA margin **-50 bps**

**16.0%**

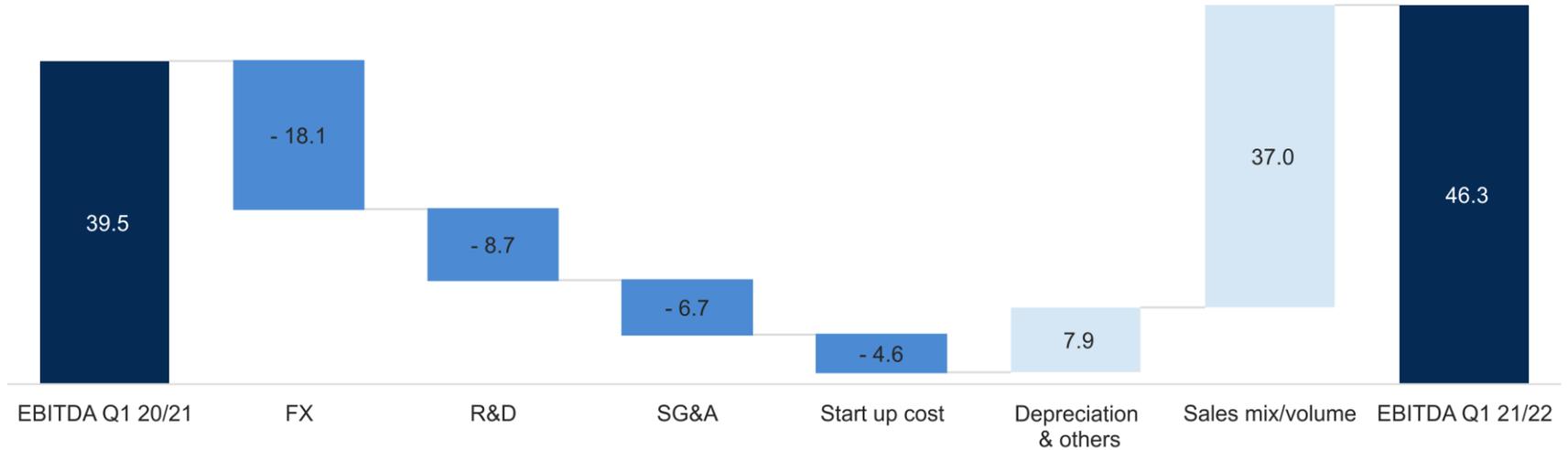
- Start-up costs for materials and wages of € 4.5 mn excluded



# Q1 21/22 RESULTS SUMMARY



# EBITDA BRIDGE Q1

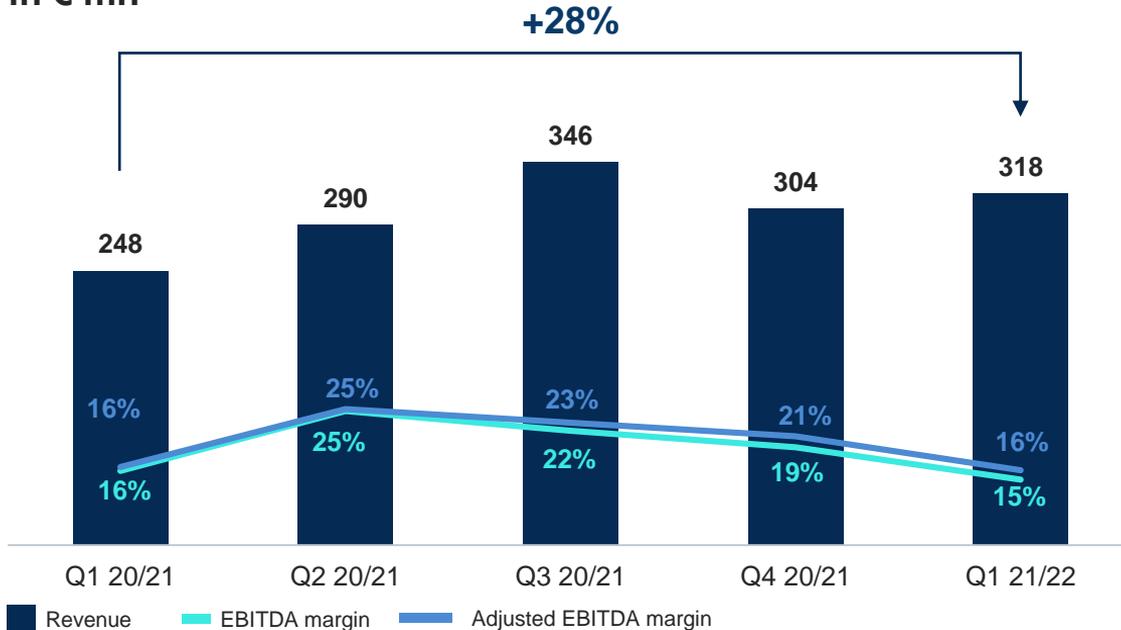


Investments to prepare for future growth

# QUARTERLY DEVELOPMENT

Highest Q1 revenue in history

in € mn



**Profitability** burdened by FX effects of € 18 mn

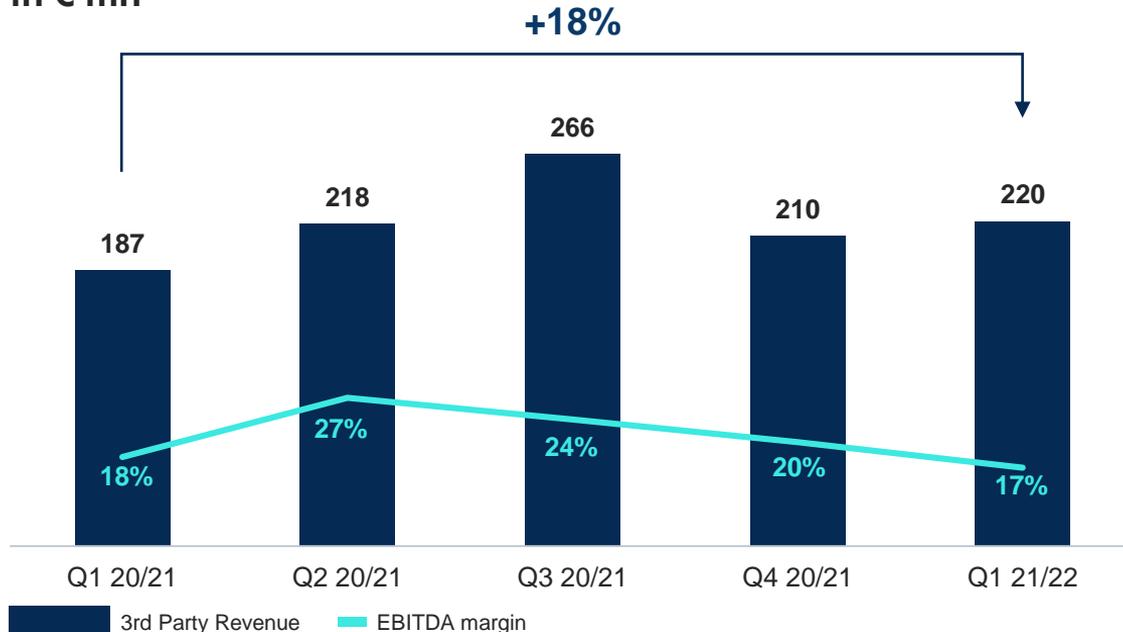
**Higher R&D expenses** to secure future growth

Part of **seasonality** mitigated by growing IC substrates business

# BUSINESS DEVELOPMENT

## Mobile Devices & Substrates

in € mn



YoY revenue growth driven by **IC substrates**

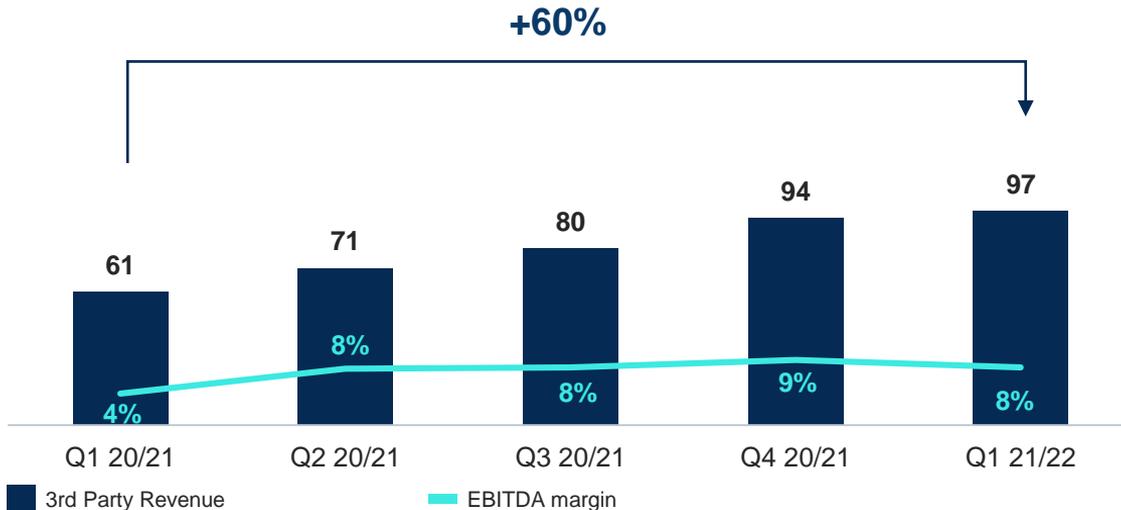
Growing demand for **PCBs for modules**

**EBITDA margin** neg. influenced by FX effects

# BUSINESS DEVELOPMENT

## Automotive, Industrial & Medical

in € mn



**Highest quarterly revenue** in history

**All divisions** grew YoY with Automotive growth almost doubled

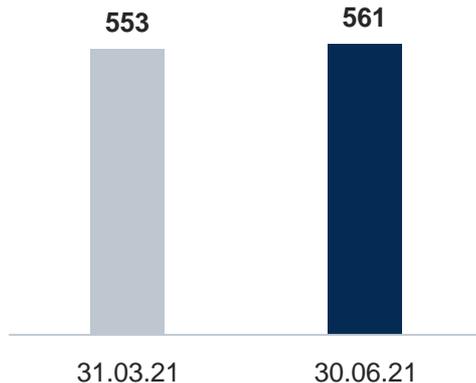
Improved demand and higher loading led to **margin expansion** YoY

# Q1 21/22 FINANCIAL POSITION

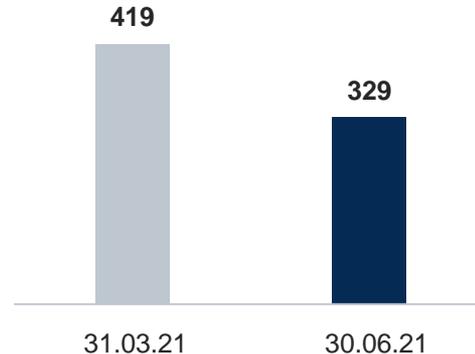
Solid financial structure for future growth

## Cash & cash equivalents

in € mn



## Unused credit lines



## Balancing capital allocation

- Deploying capital with clear approach to invest in strategic growth markets

**Sound investment decisions to generate strong operating and free cash flow in the future.**

# BALANCE SHEET

€ mn	31.03.2021	30.06.2021	Change in %
Total assets	2,390	<b>2,516</b>	+5%
Equity	802	<b>799</b>	-0.4%
Equity ratio	34%	<b>32%</b>	-180bps
Net debt	509	<b>638</b>	+26%

Ongoing expansion and technology upgrades main drivers for increase in total assets

Increase in total assets weighs on equity ratio

Higher CAPEX feeds into liquidity and drives up net debt

# CASH FLOW

Increase in Operating Cash flow driven by better result

€ mn	Q1 20/21	Q1 21/22	YoY Change in %
CF from operating activities	28	31	+8%
CF from investing activities	-171	-130	-24%
CF from financing activities	119	110	-8%
Operating free CF	-54	-123	>-100%

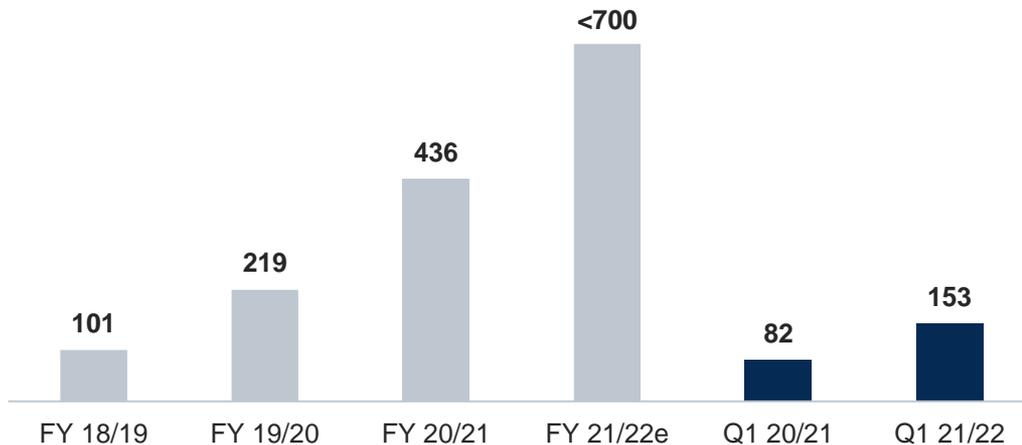
Higher CAPEX offset by lower investments in time deposits

Operating free CF mainly driven by higher CAPEX

# NET CAPEX

Further investments mainly pushed by IC substrates

in € mn



## Capex outlook 2021/22

- **CAPEX guidance increased** from up to € 630 mn to up to € 700 mn
- CAPEX increase is mainly related to the new production site for IC substrates in Kulim
- CAPEX for strategic projects of up to € 450 mn plus € 80 mn due to timing variances
- Depending on market developments CAPEX for maintenance and tech upgrade of up to € 100 mn

# CURRENT YEAR GUIDANCE

## FY 21/22 – Revenue guidance increased

**Growth** Revenue growth of 17 – 19% (previous: 13 – 15%)

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**Profitability**

- Adjusted EBITDA margin of 21 – 23%
- Adjustment: Start-up effects of the Chongqing and Kulim projects with an amount of appr. € 50 mn

# MIDTERM GUIDANCE

## FY 25/26 – Considering the investment in Malaysia

<b>Growth</b>	Revenue appr. € 3 bn (CAGR +20%)
<b>Profitability</b>	<ul style="list-style-type: none"><li>▪ EBITDA margin of 27 – 32%</li><li>▪ ROCE of &gt;12% with ramp-up of production</li></ul>
<b>Others</b>	<ul style="list-style-type: none"><li>▪ Net debt/EBITDA: &lt;3 (can be temporarily exceeded)</li><li>▪ Equity ratio: &gt;30% (may temporarily fall below)</li></ul>



**THANK YOU FOR YOUR ATTENTION**

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