

INTERIM REPORT FIRST QUARTER
2022/23

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AT&S



HIGHLIGHTS Q1 2022/23

Q1 2022/23 – AT&S starts new financial year with record quarter

- Revenue increases by 58% to € 503 million in the first quarter of 2022/23 (PY: € 318 million)
- Adjusted EBITDA at € 145 million, up 183% on the previous year
- Guidance for financial year 2022/23 confirmed: revenue of approx. € 2 billion, adjusted EBITDA margin between 27 and 30%
- Medium-term outlook for 2025/26 confirmed: revenue of approx. € 3.5 billion and EBITDA margin of 27–32%

KEY FIGURES

	Unit	Q1 2021/22	Q1 2022/23	Change in %
Revenue	€ in millions	317.7	502.6	58.2%
EBITDA	€ in millions	46.3	137.3	>100%
EBITDA adjusted ¹⁾	€ in millions	51.2	144.7	>100%
EBITDA margin	%	14.6%	27.3%	–
EBITDA margin adjusted ¹⁾	%	16.1%	28.8%	–
EBIT	€ in millions	(0.4)	72.9	–
EBIT adjusted ¹⁾	€ in millions	5.6	80.6	>100%
EBIT margin	%	(0.1%)	14.5%	–
EBIT margin adjusted ¹⁾	%	1.8%	16.0%	–
Profit/(loss) for the period	€ in millions	(5.3)	96.2	–
Net CAPEX	€ in millions	153.4	276.1	80.0%
Operating free cash flow	€ in millions	(122.9)	(70.4)	–
Earnings per share	€	(0.19)	2.35	–
Employees ²⁾	–	12,296	14,891	21.1%

¹⁾ Adjustment start-up costs

²⁾ Incl. contract staff, average

ECONOMIC REPORT

BUSINESS DEVELOPMENT AND SITUATION

AT&S continued its growth course unabated in the first quarter of the financial year 2022/23. Thanks to the successful implementation of its strategy, the company achieved record revenue and earnings levels. AT&S is still fully on track in strategic and operational terms.

Revenue amounted to € 502.6 million, and exceeded the prior-year figure of € 317.7 million by 58.2%. Adjusted for currency effects, consolidated revenue rose by 43.6%. It should be noted that the increase was again supported by all segments. Solid demand for ABF substrates, which was satisfied to an even greater extent by the additional capacities in Chongqing, China, proved to be the key driver of this positive development. Furthermore, the strategy to broaden the application portfolio of mobile devices and to drive the module printed circuit board business also still contributes to the company's success. The AIM business unit maintained its positive revenue momentum. All three segments benefited from the dynamic market environment, with the Automotive segment recording the strongest growth. Bottlenecks in the automotive supply industry again prevented an even better development in this sector.

Exchange rate effects, especially related to the stronger US dollar, had a positive impact of € 46.4 million on the development of revenue.

EBITDA rose from € 46.3 million to € 137.3 million. The improvement in earnings is primarily attributable to the increase in consolidated revenue. Currency fluctuations of the US dollar and the Chinese renminbi had a positive influence of € 32.0 million on the earnings development. Start-up costs in Chongqing, Kulim, Malaysia and Leoben, Austria as well as higher material, transport and energy costs had a negative impact 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 expenditures significantly. This included expenses of € 44.2 million during the reporting period (previous year: € 31.3 million) to prepare for future technologies and to pursue the modularisation strategy.

Adjusted for start-up costs, EBITDA amounted to € 144.7 million (previous year: € 51.2 million), which

corresponds to an increase by 182.8%. Without currency effects, adjusted EBITDA would have grown by 120.2%.

The EBITDA margin amounted to 27.3%, thus exceeding the prior-year level of 14.6%. Adjusted for start-up costs, the EBITDA margin was 28.8% (previous year: 16.1%). Depreciation and amortisation rose by € 17.7 million to € 64.4 million due to additions to assets and technology upgrades. Nevertheless, EBIT was up from € -0.4 million to € 72.9 million. The EBIT margin amounted to 14.5% (previous year: -0.1%).

Finance costs – net improved from € -3.1 million to € 33.5 million which is essentially due to the positive changes in currency effects (change: € +35.2 million).

Profit for the period rose from € -5.3 million by € 101.5 million to € 96.2 million. As a result, earnings per share rose by € 2,54 from € -0.19 to € 2.35.

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 2021/22.

Mobile Devices & Substrates segment

The segment's revenue increased by 68.4% from € 252.9 million to € 425.8 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 € 41.8 million to € 134.8 million, as a result of the increase in segment revenue. Overall, this resulted in an EBITDA margin of 31.7%, which fell short of the prior-year figure of 16.5%. EBIT amounted to € 79.0 million, up € 76.4 million on the prior-year figure of € 2.6 million. The EBIT margin was 18.6% (previous year: 1.0%).

Automotive, Industrial, Medical segment

The segment's revenue, at € 134.1 million, exceeded the prior-year figure of € 109.1 million by 22.9%. All segments generated higher revenue in the first three months of the current financial year, with the Automotive segment reporting the sharpest increase. While sales volume, and consequently revenue, in the Industrial segment was significantly higher than in the previous year, revenue in the Medical & Healthcare segment exceeded the prior-year level primarily because of a more favourable product mix.

The segment's EBITDA, at € 6.1 million, was € 2.6 million lower than in the previous year (€ 8.7 million). The EBITDA margin declined by 3.4 percentage points from 7.9% to 4.5%. EBIT decreased from € 2.1 million to € -1.1 million. However, it is important to consider that especially the start-up costs for the new R&D centre in Leoben and the increase in research expenditures to secure the position as an innovation driver burdened earnings. Without these influences, earnings would have exceeded the level of the previous year.

FINANCIAL POSITION

The financial position was characterised by an increase in non-current assets as of 30 June 2022. Total assets rose by 9.9% from € 3,746.3 million to € 4,117.9 million in the first quarter. Additions to assets and technology upgrades amounting to € 248.8 million were offset by depreciation totalling € 64.4 million. The additions to assets led to cash CAPEX of € 276.9 million. In addition, exchange rate effects increased fixed assets by € 21.7 million. Cash and cash equivalents totalled € 1,198.5 million (31 March 2022: € 1,119.9 million). In addition, AT&S had unused credit lines of € 248.1 million at its disposal to secure the financing of the future investment programme and short-term repayments.

Equity increased by 10.3% from € 1,252.3 million at 31 March 2022 to € 1,381.5 million. The increase is due in particular to the consolidated net profit of € 96.2 million and positive currency effects of € 30.5 million (from the translation of net asset positions of subsidiaries). In addition, changes in hedging instruments from cash flow hedges (€ 2.0 million) and remeasurement of post-employment obligations (€ 0.5 million) had a positive impact on equity. The equity ratio rose slightly by 0.1 percentage points to 33.5%, thus exceeding the minimum target value of 30.0% despite the

large-scale investment programme. Net debt rose by € 7.4 million or 3.5% from € 211.6 million to € 219.0 million.

Cash flow from operating activities amounted to € 205.7 million in the first quarter of the current financial year (previous year: € 30.5 million) and includes cash inflows from prepayments by customers of € 87.9 million. These cash inflows were offset by net investments of € 276.1 million (previous year: € 153.4 million), resulting in Operating free cash flow of € -70.4 million (previous year: € -122.9 million).

OUTLOOK

In the financial year 2022/23, AT&S will continue to concentrate on the start-up of the new production capacities at plant III in Chongqing, and push ahead the investment project in Kulim, Malaysia, and the expansion of the site in Leoben, Austria, and implement technology upgrades at other locations.

The expectations for AT&S's segments are currently as follows: the market conditions for IC substrates continue to offer significant growth opportunities in the medium term. The 5G mobile communication standard as well as the module printed circuit board business will remain positive drivers in the area of Mobile Devices. In the Automotive segment, the semiconductor shortage should ease somewhat and the growth trend should therefore intensify. In the Industrial and Medical segments, AT&S expects a continued positive development for the current financial year.

Investment

As part of the strategic projects, the management is planning investments totalling up to € 1 billion for the financial year 2022/23 depending on the progress of projects. Roughly € 150 million are budgeted for basic investments. Planned investments amounting to € 100 million of the investment budget for the financial year 2021/22 have been postponed to the financial year 2022/23. As a result, the planned investment volume totals € 1,250 million.

Guidance for the financial year 2022/23

In view of the good development of the first quarter, AT&S confirms its outlook for the financial year 2022/23. Revenue is expected to total € 2.2 billion. Taking into account effects of the ramp-up of the new production capacities in Kulim, Leoben and Chongqing amounting to approximately

€ 75 million, the adjusted EBITDA margin should range between 27 and 30%. The exchange rates expectations for the current years are based on 1.07 euros/US dollar and 6.9 euros/CNY. AT&S expects volatility in the market environment to increase in the second half of the year. The management will carefully monitor such developments and take appropriate measures as required.

Outlook 2025/26

The progress of the production capacity expansion in Chongqing and in Kulim, as well as the expansion of the site in Leoben is still positive despite the challenging global economic and health situation. Therefore, AT&S assumes that revenue of roughly € 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, 2 August 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 Apr - 30 Jun 2022	1 Apr - 30 Jun 2021
Revenue	502,555	317,683
Cost of sales	(401,357)	(284,691)
Gross profit	101,198	32,992
Distribution costs	(13,705)	(10,194)
General and administrative costs	(22,017)	(15,741)
Other operating income	16,424	1,873
Other operating costs	(9,006)	(9,315)
Other operating result	7,418	(7,442)
Operating result	72,894	(385)
Finance income	39,774	1,661
Finance costs	(6,268)	(4,809)
Finance income/costs – net	33,506	(3,148)
Profit before tax	106,400	(3,533)
Income taxes	(10,199)	(1,749)
Profit for the period	96,201	(5,282)
Attributable to owners of hybrid capital	4,853	2,072
Attributable to owners of the parent company	91,348	(7,354)
Earnings per share attributable to equity holders of the parent company (in € per share):		
– basic	2.35	(0.19)
– diluted	2.35	(0.19)
Weighted average number of shares outstanding – basic (in thousands)	38,850	38,850
Weighted average number of shares outstanding – diluted (in thousands)	38,850	38,850

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ in thousands	1 Apr - 30 Jun 2022	1 Apr - 30 Jun 2021
Profit for the period	96,201	(5,282)
Items to be reclassified:		
– Currency translation differences, net of tax	30,507	3,756
– Gains/(Losses) from the fair value measurement of hedging instruments for cash flow hedges, net of tax	2,030	(1,865)
Items not to be reclassified:		
– Remeasurement of post-employment obligations, net of tax	494	–
Other comprehensive income for the period	33,031	1,891
Total comprehensive income for the period	129,232	(3,391)
Attributable to owners of hybrid capital	4,853	2,072
Attributable to owners of the parent company	124,379	(5,463)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in thousands	30 Jun 2022	31 Mar 2022
ASSETS		
Property, plant and equipment	2,156,460	1,950,185
Intangible assets	30,652	31,807
Financial assets	9,626	4,580
Deferred tax assets	20,634	24,698
Other non-current assets	11,476	11,742
Non-current assets	2,228,848	2,023,012
Inventories	221,808	193,236
Trade and other receivables and contract assets	443,686	390,266
Financial assets	23,892	18,833
Current income tax receivables	1,214	1,056
Cash and cash equivalents	1,198,470	1,119,921
Current assets	1,889,070	1,723,312
Total assets	4,117,918	3,746,324
EQUITY		
Share capital	141,846	141,846
Other reserves	220,940	187,909
Hybrid capital	388,849	388,849
Retained earnings	629,890	533,689
Equity attributable to owners of the parent company	1,381,525	1,252,293
Total equity	1,381,525	1,252,293
LIABILITIES		
Financial liabilities	1,274,022	1,276,578
Contract liabilities	566,202	446,410
Provisions for employee benefits	55,126	55,232
Deferred tax liabilities	800	2,167
Other liabilities	75,190	69,604
Non-current liabilities	1,971,340	1,849,991
Trade and other payables	565,100	549,679
Financial liabilities	176,996	78,402
Current income tax payables	13,934	9,570
Other provisions	9,023	6,389
Current liabilities	765,053	644,040
Total liabilities	2,736,393	2,494,031
Total equity and liabilities	4,117,918	3,746,324

CONSOLIDATED STATEMENT OF CASH FLOWS

€ in thousands	1 Apr - 30 Jun 2022	1 Apr - 30 Jun 2021
Operating result	72,894	(385)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	64,449	46,721
Gains from the sale of fixed assets	14	157
Changes in non-current provisions	(182)	(88)
Changes in non-current contract liabilities	119,775	–
Non-cash expense/(income), net	(13,634)	5,593
Interest paid	(5,120)	(4,000)
Interest received	1,292	566
Income taxes paid	(4,207)	(179)
Cash flow from operating activities before changes in working capital	235,281	48,385
Inventories	(25,329)	(27,173)
Trade and other receivables and contract assets	(46,866)	(16,741)
Trade and other payables	39,991	25,671
Other provisions	2,578	361
Cash flow from operating activities	205,655	30,503
Capital expenditure for property, plant and equipment and intangible assets	(276,935)	(153,429)
Proceeds from the sale of property, plant and equipment and intangible assets	846	8
Capital expenditure for financial assets	(20,274)	(15,042)
Proceeds from the sale of financial assets	17,050	38,193
Cash flow from investing activities	(279,313)	(130,270)
Proceeds from borrowings	95,391	163,564
Repayments of borrowings	(3,336)	(53,490)
Proceeds from government grants	3,609	335
Cash flow from financing activities	95,664	110,409
Change in cash and cash equivalents	22,006	10,642
Cash and cash equivalents at beginning of the year	1,119,921	552,850
Exchange gains/(losses) on cash and cash equivalents	56,543	(2,799)
Cash and cash equivalents at end of the period	1,198,470	560,693

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 2021	141,846	27,079	172,887	460,201	802,013	-	802,013
Loss for the period	-	-	-	(5,282)	(5,282)	-	(5,282)
Other comprehensive income for the period	-	1,891	-	-	1,891	-	1,891
<i>thereof currency translation differences, net of tax</i>	-	3,756	-	-	3,756	-	3,756
<i>thereof change in hedging instruments for cash flow hedges, net of tax</i>	-	(1,865)	-	-	(1,865)	-	(1,865)
Total comprehensive income for the period	-	1,891	-	(5,282)	(3,391)	-	(3,391)
30 Jun 2021	141,846	28,970	172,887	454,919	798,622	-	798,622
31 Mar 2022	141,846	187,909	388,849	533,689	1,252,293	-	1,252,293
Profit for the period	-	-	-	96,201	96,201	-	96,201
Other comprehensive income for the period	-	33,031	-	-	33,031	-	33,031
<i>thereof currency translation differences, net of tax</i>	-	30,507	-	-	30,507	-	30,507
<i>thereof remeasurement of post-employment obligations, net of tax</i>	-	494	-	-	494	-	494
<i>thereof change in hedging instruments for cash flow hedges, net of tax</i>	-	2,030	-	-	2,030	-	2,030
Total comprehensive income for the period	-	33,031	-	96,201	129,232	-	129,232
Issuing hybrid capital net	-	-	-	-	-	-	-
30 Jun 2022	141,846	220,940	388,849	629,890	1,381,525	-	1,381,525

SEGMENT REPORTING

	Mobile Devices & Substrates		Automotive, Industrial, Medical		Others		Elimination/ Consolidation		Group	
€ in thousands	1 Apr - 30 Jun 2022	1 Apr - 30 Jun 2021	1 Apr - 30 Jun 2022	1 Apr - 30 Jun 2021	1 Apr - 30 Jun 2022	1 Apr - 30 Jun 2021	1 Apr - 30 Jun 2022	1 Apr - 30 Jun 2021	1 Apr - 30 Jun 2022	1 Apr - 30 Jun 2021
Segment revenue	425,782	252,882	134,125	109,107	–	–	(57,352)	(44,306)	502,555	317,683
Internal revenue	(39,682)	(32,483)	(17,670)	(11,823)	–	–	57,352	44,306	–	–
External revenue	386,100	220,399	116,455	97,284	–	–	–	–	502,555	317,683
Operating result before depreciation/amortisation	134,814	41,788	6,098	8,661	(3,569)	(4,113)	–	–	137,343	46,336
Depreciation/amortisation incl. appreciation	(55,800)	(39,141)	(7,247)	(6,530)	(1,402)	(1,050)	–	–	(64,449)	(46,721)
Operating result	79,014	2,647	(1,149)	2,131	(4,971)	(5,163)	–	–	72,894	(385)
Finance costs - net	–	–	–	–	–	–	–	–	33,506	(3,148)
Profit before tax	–	–	–	–	–	–	–	–	106,400	(3,533)
Income taxes	–	–	–	–	–	–	–	–	(10,199)	(1,749)
Profit for the period	–	–	–	–	–	–	–	–	96,201	(5,282)
Property, plant and equipment and intangible assets ¹⁾	1,870,011	1,721,795	294,458	246,492	22,643	13,705	–	–	2,187,112	1,981,992
Additions to property, plant and equipment and intangible assets	183,186	127,328	55,327	12,565	10,283	1,139	–	–	248,796	141,032

¹⁾ Previous year values as of 31 March 2022

INFORMATION BY GEOGRAPHIC REGION

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

€ in thousands	1 Apr - 30 Jun 2022	1 Apr - 30 Jun 2021
Austria	6,015	5,493
Germany	50,934	42,672
Other European countries	26,496	21,106
China	683	2,103
Other Asian countries	22,222	20,452
Americas	396,205	225,857
Revenue	502,555	317,683

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

€ in thousands	30 Jun 2022	31 Mar 2022
Austria	241,087	186,579
China	1,771,302	1,646,725
Others	174,723	148,688
Property, plant and equipment and intangible assets	2,187,112	1,981,992

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