

**AT&S**  
**First choice for advanced applications**  
**Conference Call**  
**Q1-3 2020/21**

**AT&S**

AT & S Austria Technologie & Systemtechnik Aktiengesellschaft | Fabriksgasse 13 | A-8700 Leoben

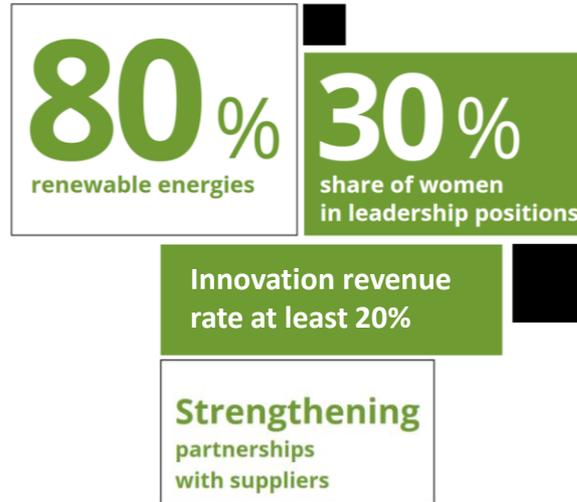
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[www.ats.net](http://www.ats.net)

# Driving sustainability

High level of social, ecological and economic responsibility

**AT&S**  
Sustainability  
strategy  
**2025**



## Achievements<sup>1</sup>

- Share of renewable energies of 47%<sup>2</sup>
- Share of women in leadership positions of 19%
- Innovation revenue rate of 21%
- 95% of suppliers signed our Code of Conduct

<sup>1</sup> as of 31.12.2020 or YTD

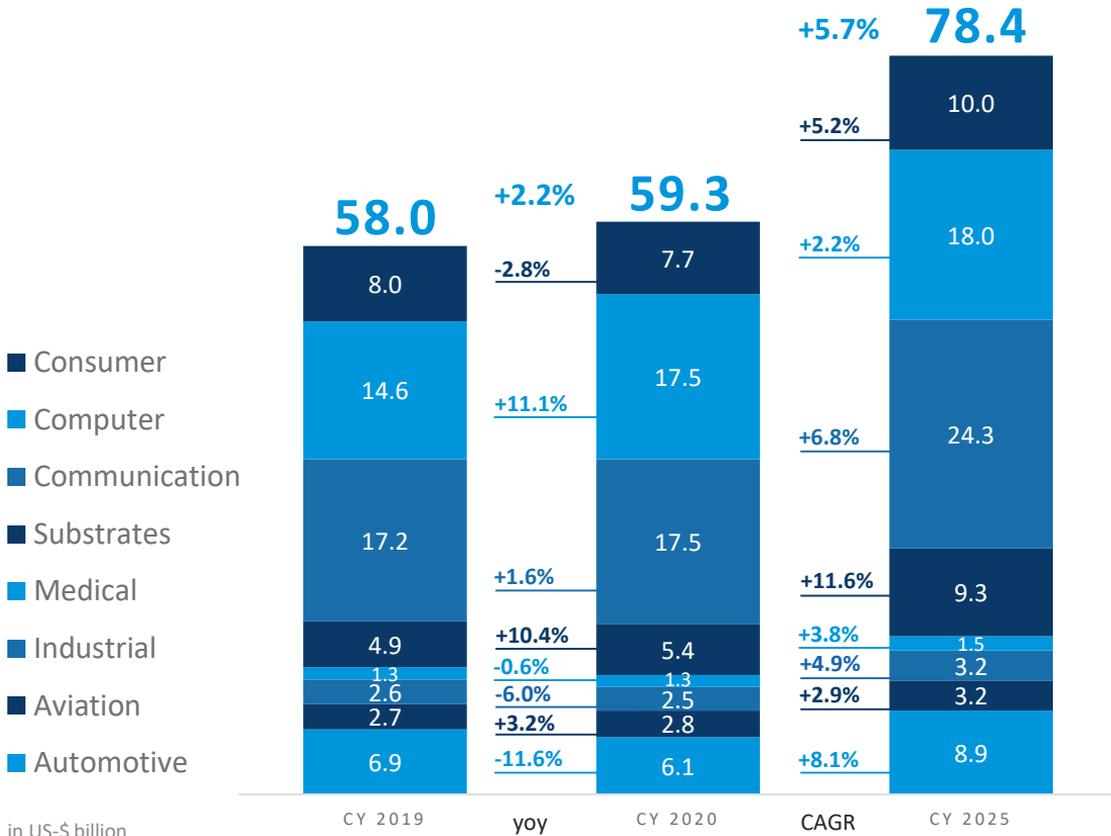
<sup>2</sup> including big hydro power

# Global market development

## Accelerated digitalisation is driving electronics market

- Rising data traffic, Internet of Things and enhanced connectivity are pushing digital networking across all areas of life and work
- ABF substrates market continues with strong demand and limited capacity
- Mobile devices market supported by introduction of new 5G smartphone models in Q3
- Automotive market shows further recovery in Q3
- Industrial market moderate
- Medical market stable with positive demand for special applications

# PCB & IC substrates market outlook



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

**+2.2%**  
 There was market growth even in the COVID year 2020

**+5.7% CAGR**  
 All addressed markets show positive growth rates over the mid-term

AT&S will outperform the market with an annual growth of **>15% until 2025**

# Digital transformation

## COVID-19 has boosted digitalisation by a decade

- Sustainable data traffic increase since first lockdown phase of 30 to 50% (yoy)
- ~12% growth rate for video-on-demand user
- ~10% growth rate for PCs, laptops and tablets
- ~8% growth rate for server and data centres
- ~5% growth rate for gaming consoles, wearables and smart speakers



Work at home



Learn at home



Play at home

Growth rates from 2019 to 2020; Sources: AFL Hyperscale; Prismark; Yole OVBI Report Q3 2020

# Digitalisation is accelerating

Growth in various areas



## Server ICs in Data Centres (10% CAGR 2020-2025)



## 5G Base Station (25% CAGR 2020-2025)



## Total Smartphone Market (3% CAGR 2020-2025)



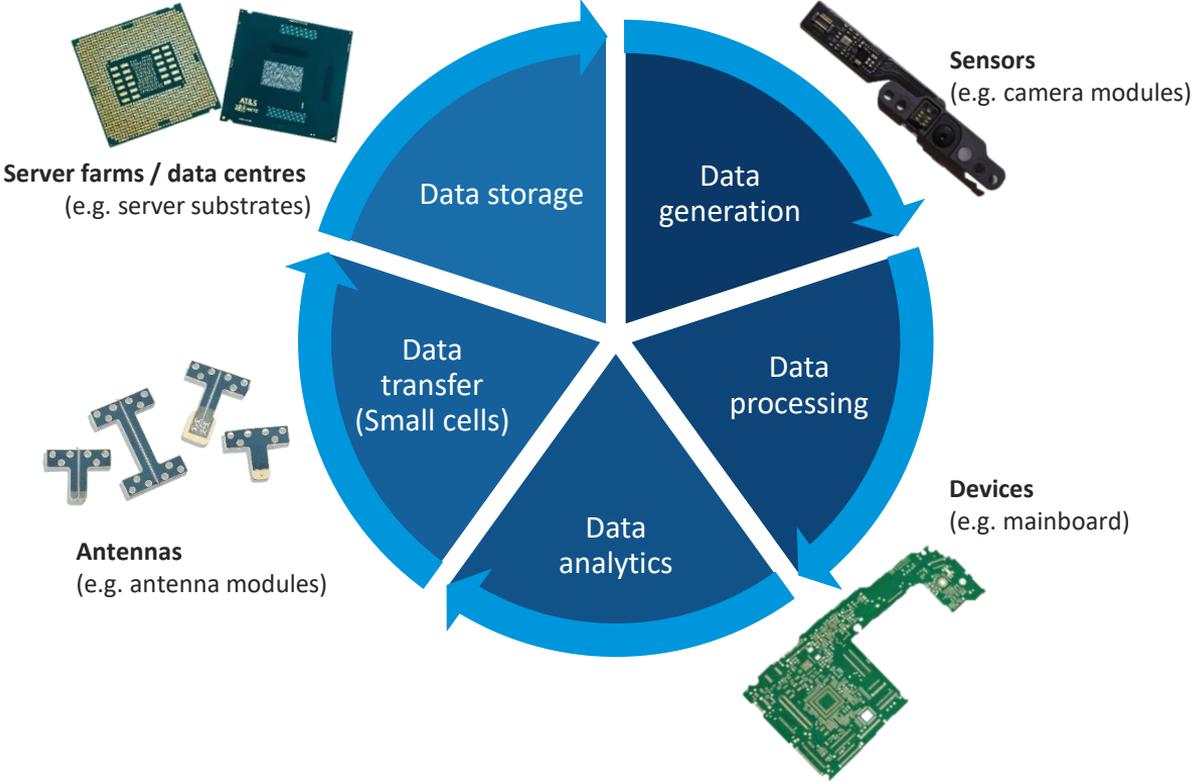
## 5G Smartphones (+34% CAGR 2020-2025)



Sources: Yole, Dec. 2020; ABI, Jan 2020, IDC 2020, AT&S estimates 01/2021

# What drives data volume growth

AT&S is part of the whole process chain



# AT&S substrates portfolio

High-end technologies enable high-end applications and future growth for AT&S

**+11.6%**

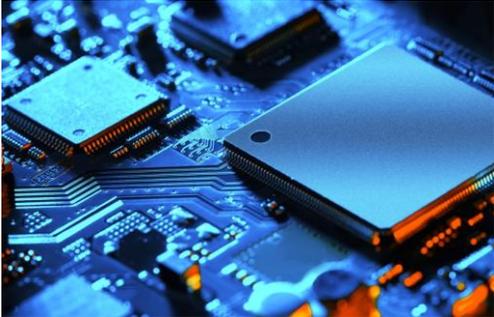
**CAGR**

**2020-2025**

IC substrates



Server & cloud computing



High performance computers



Notebooks and 2-in-1-devices

Substrates for modules



Smartphones (camera, RFFE)



Bluetooth earbuds



ADAS systems



M2M / C2X

# Capacity expansion in Chongqing

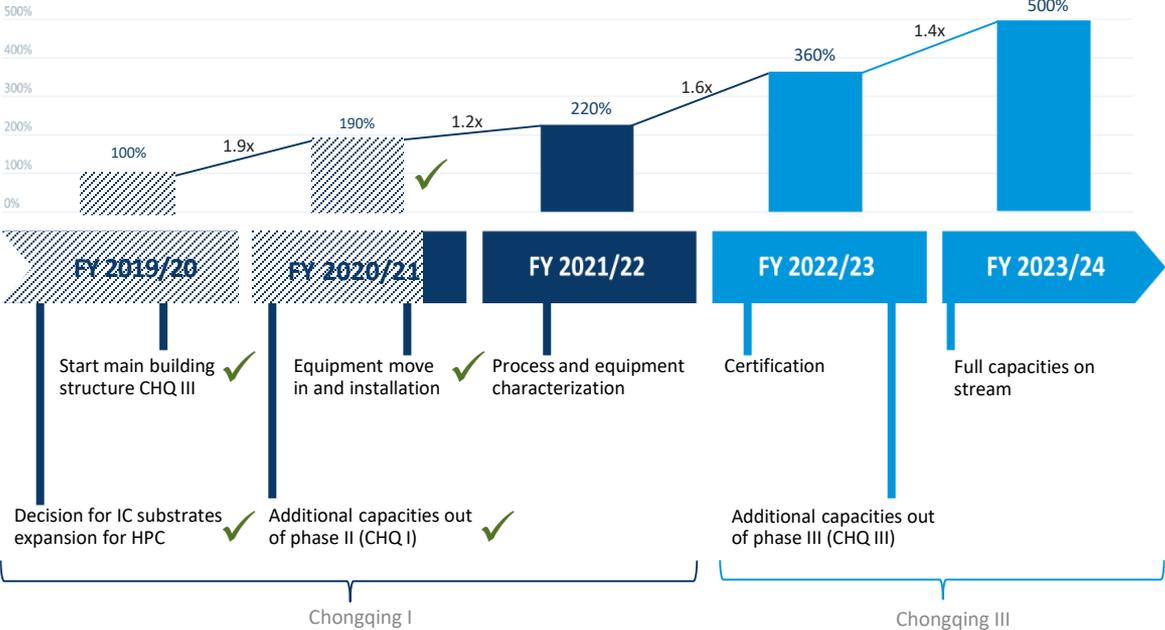
On the way to becoming one of the leading high-end ABF substrates producers



# IC substrates business in Chongqing I and III

## Capacity expansion programme with excellent execution

ABF substrates output capacity



- CHQ I: Despite COVID-19 new capacities ramped-up successfully and faster
- CHQ III: Building finished and first equipment arrived in January 2021

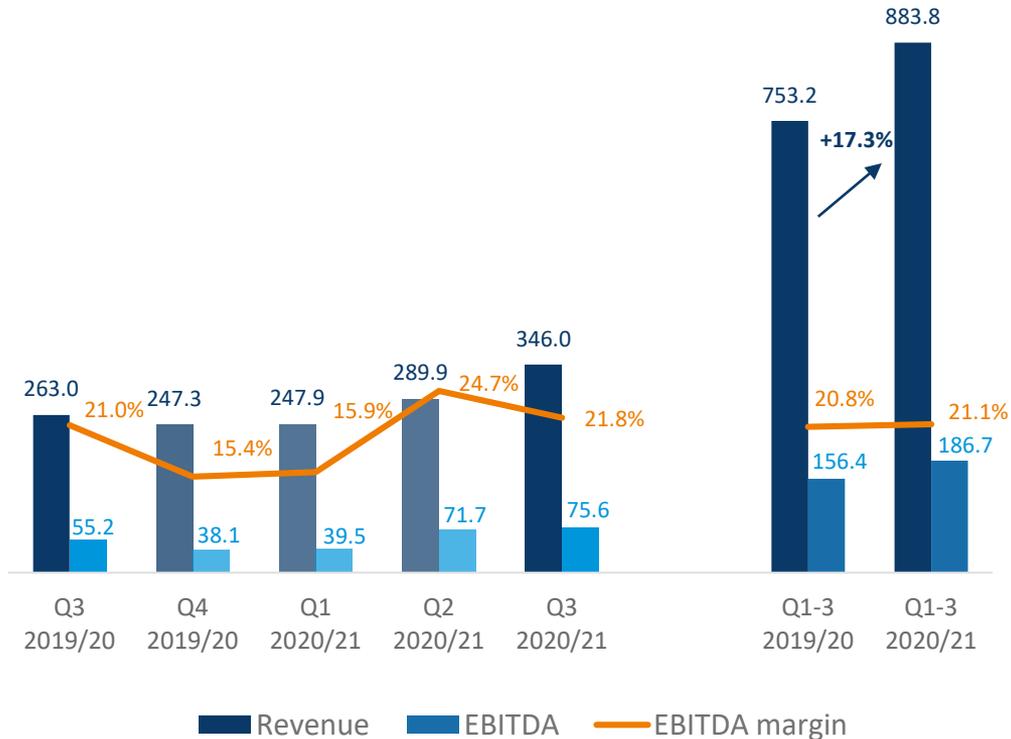
Successful ramp of CHQ I capacities drives **revenue growth**

# Development in Q1-3 2020/21

## Highest ever generated revenue despite difficult economic situation

- IC substrates business profits from completed ramp-up of new capacities in CHQ I and ongoing strong demand for ABF substrates
- Mobile applications positively influenced by solid smartphone launch, customer and application diversification
- PCBs for modules experience growing demand
- Automotive shows further sequential improvement and Q3 already flat yoy
- Increased demand in Medical & Healthcare in Q3 compensates for restrained development in H1
- Industrial segment profits from better product mix

# Revenue and EBITDA development



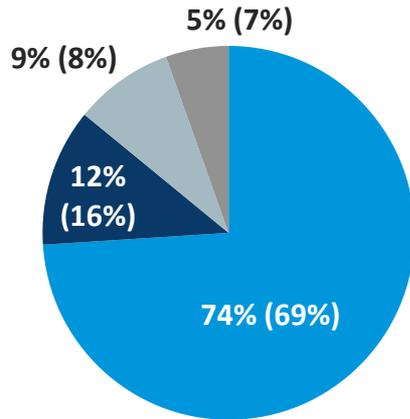
in € million

- Highest ever quarterly and YTD revenue despite slightly negative FX effects
- EBITDA increased to € 186.7 million (PY: € 156.4 million) mainly supported by higher revenues out of Chongqing plants
- Net profit higher at € 37.3 million (PY: € 25.2 million) despite unfavourable FX effects and negative interest result
- Operating free cash flow at € -127.5 million (PY: € 31.2 million) driven by higher investment activity

# Revenue distribution Q1-3 2020/21

## Revenue split by region

based on customer's headquarters



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

Figures in parentheses refer to same period last year

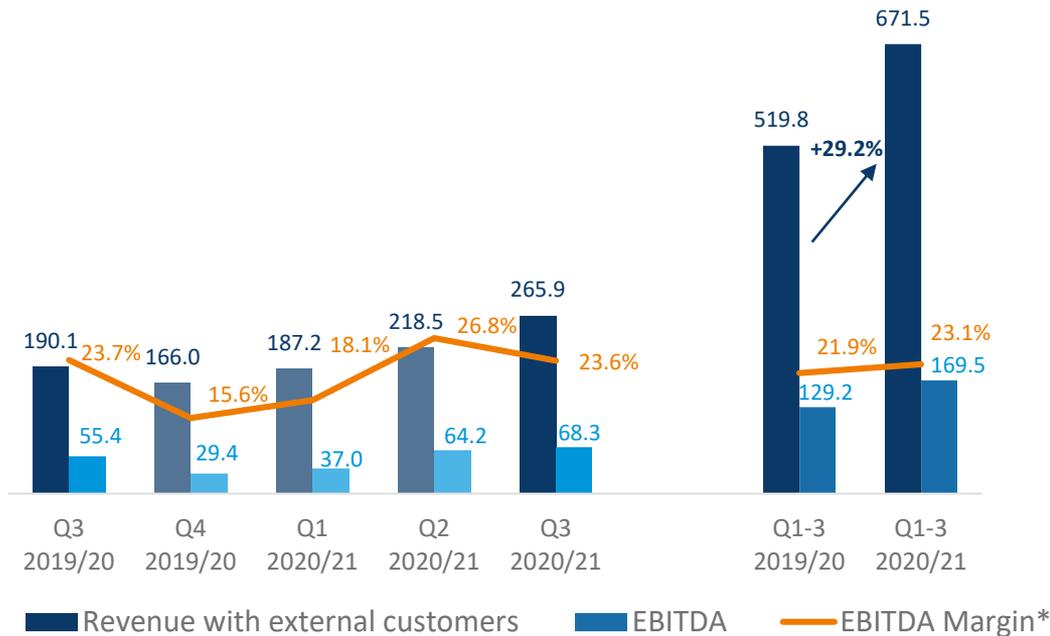
**76% (69%)**  
Mobile Devices &  
Substrates revenue share

Much stronger revenue  
generation with  
**IC substrates**

**24% (31%)**  
Automotive, Industrial,  
Medical revenue share

**Broader** customer and  
applications portfolio

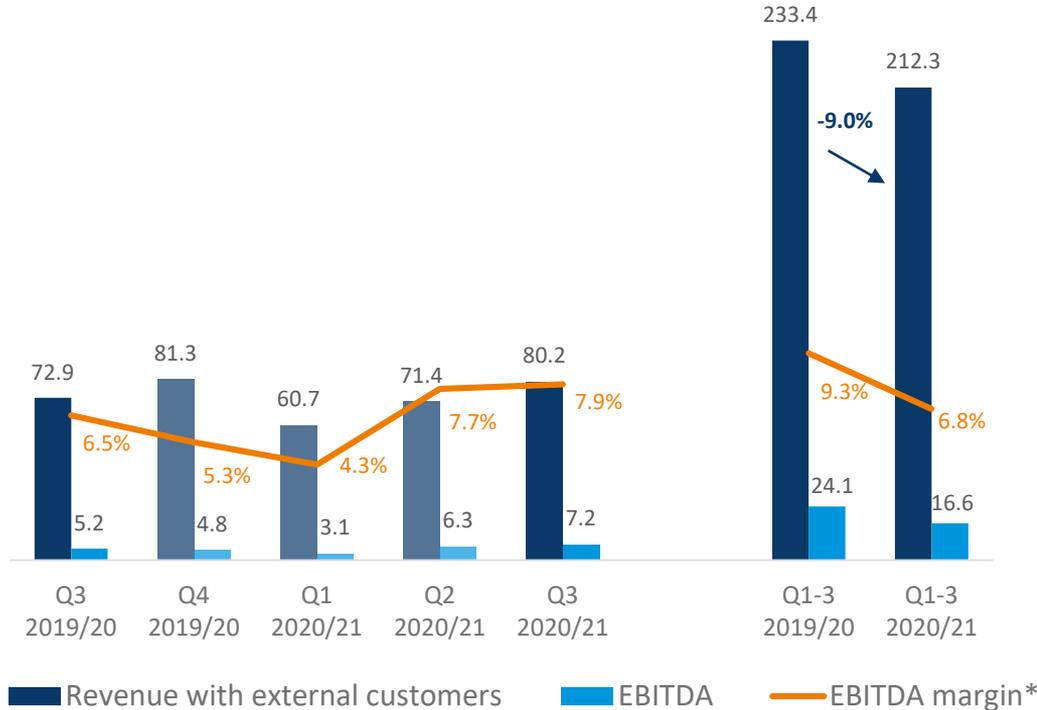
# Business development – Mobile Devices & Substrates



- IC substrates with excellent performance driven by higher capacities, ongoing strong ABF demand and better product mix
- Mobile applications profits from solid launch of new smartphone generation, customer and application diversification
- Growing demand for PCBs for modules

in € million; \*Margin calculated from total business unit revenue

# Business development – Automotive, Industrial, Medical

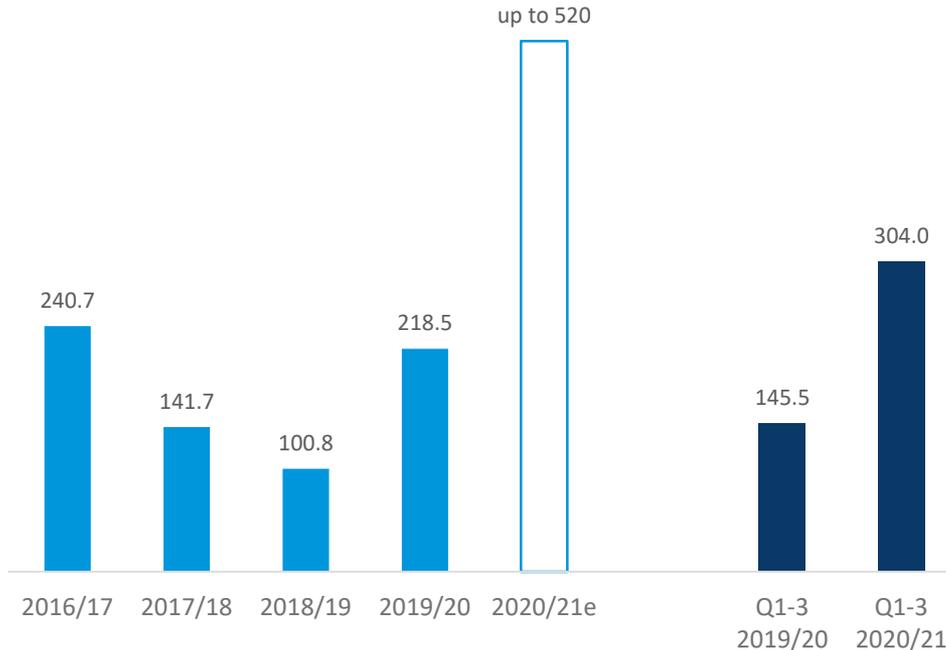


- Business unit revenue in Q3 increased yoy and qoq
- Industrial segment above last year caused by better product mix
- Automotive segment with further sequential improvement, but YTD still burdened by lower vehicle sales
- Better demand in Medical & Healthcare leads to strong revenue development in Q3
- 9-month profitability lower due to decreased demand, underutilisation of related production facilities resulting in lower fixed cost coverage

in € million; \*Margin calculated from total business unit revenue

# Net CAPEX

## Investments in IC substrates and module PCBs consistently continued



in € million

### 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	31.12.2020	Change in %	
Total assets	€ million	1,853.5	<b>2,004.1</b>	8.1%	➤ Ongoing expansion and technology upgrades main driver for increase in total assets
Equity	€ million	760.3	<b>736.8</b>	(3.1%)	➤ Negative FX effects, dividend payout and hybrid coupon impacted equity despite positive net profit
Equity ratio	%	41.0%	<b>36.8%</b>	–	
Net debt	€ million	246.7	<b>401.6</b>	62.8%	➤ Higher CAPEX feeds into liquidity and drives up net debt

# Cash flow

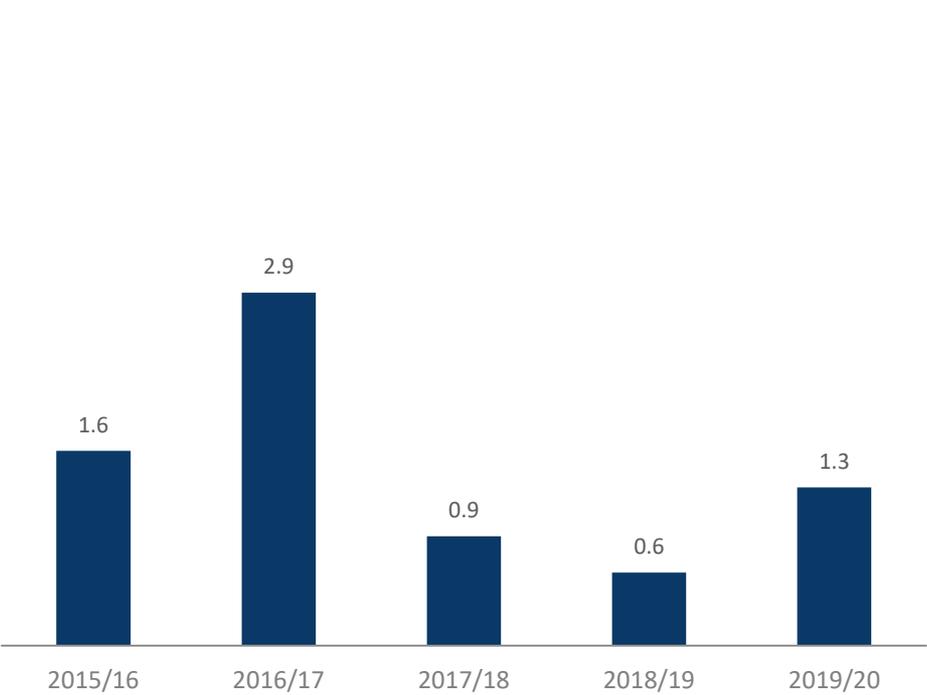
€ million	Q1-3 2019/20	Q1-3 <b>2020/21</b>	Change in %
CF from operating activities	176.7	<b>176.5</b>	-0.1%
CF from investing activities	-99.8	<b>-207.6</b>	>100%
CF from financing activities	30.5	<b>36.7</b>	+20.5%
Operating Free CF	31.2	<b>-127.5</b>	>100%

➡ Stable CF from operating activities as higher operating result is offset by higher working capital

➡ Operating Free CF mainly driven by higher CAPEX

# Solid finance structure

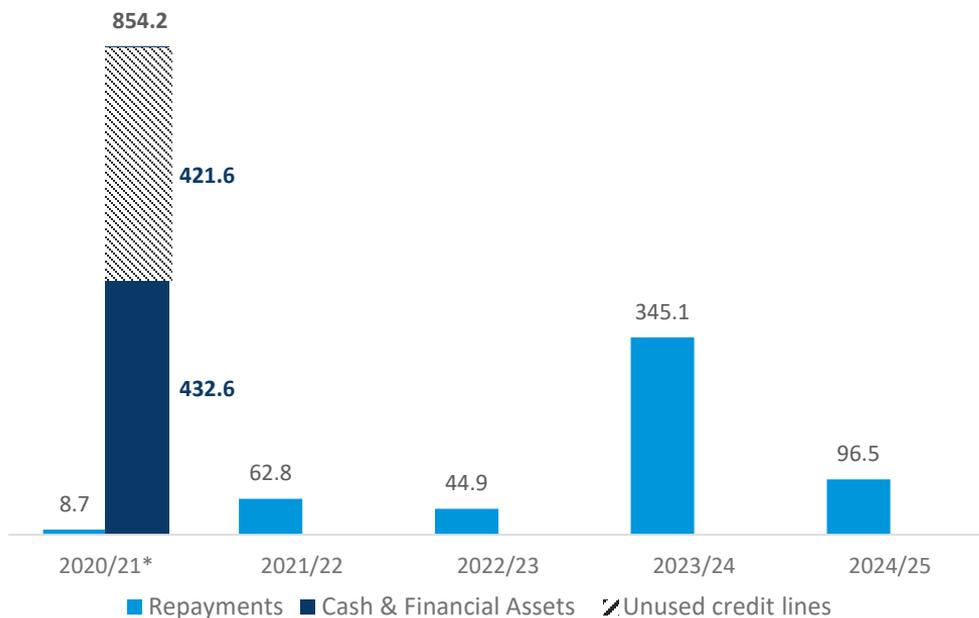
## Net debt/EBITDA



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

**< 3**  
Net debt / EBITDA target

# Maturity profile



in € million  
\*as of 31.12.2020

- 854.2 million € of existing liquid funds\*
- Cash: € 393.9 million
- Financial assets: € 38.7 million
- Unused credit lines of € 421.6 million

# Outlook for 2020/21

## Full-year guidance increased

- Digital change will speed up and further pervade all areas of life
- Expectations for the current year
  - Ongoing strong demand for ABF substrates and continuing market capacity shortage
  - Mobile Devices with usual seasonality in Q4
  - Positive trend in Automotive continues with Q4 expected flat yoy
  - Slight growth expected for Industrial and Medical segment
- Full-year guidance updated due to strong Q1-3 and improved visibility
  - Revenue growth of 17 to 19% (before: around 15%)
  - EBITDA margin in the range of 20 to 22%
- Investment programme unchanged with up to € 520 million for FY 2020/21

# 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

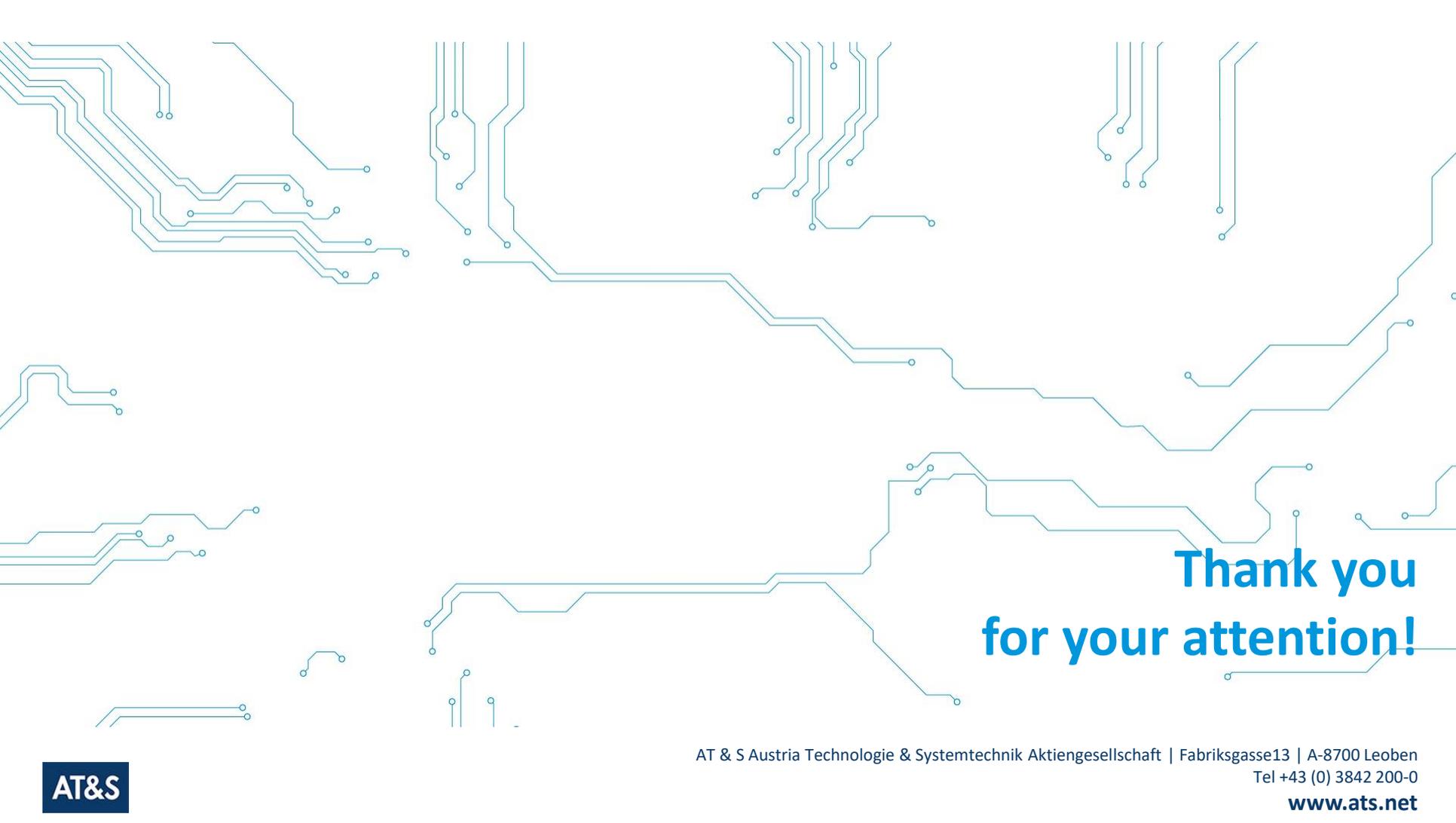
- Revenue target of € 2 billion
- Pursuing of sustainable margin improvement
- Medium-term EBITDA margin target of 25-30%

## 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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