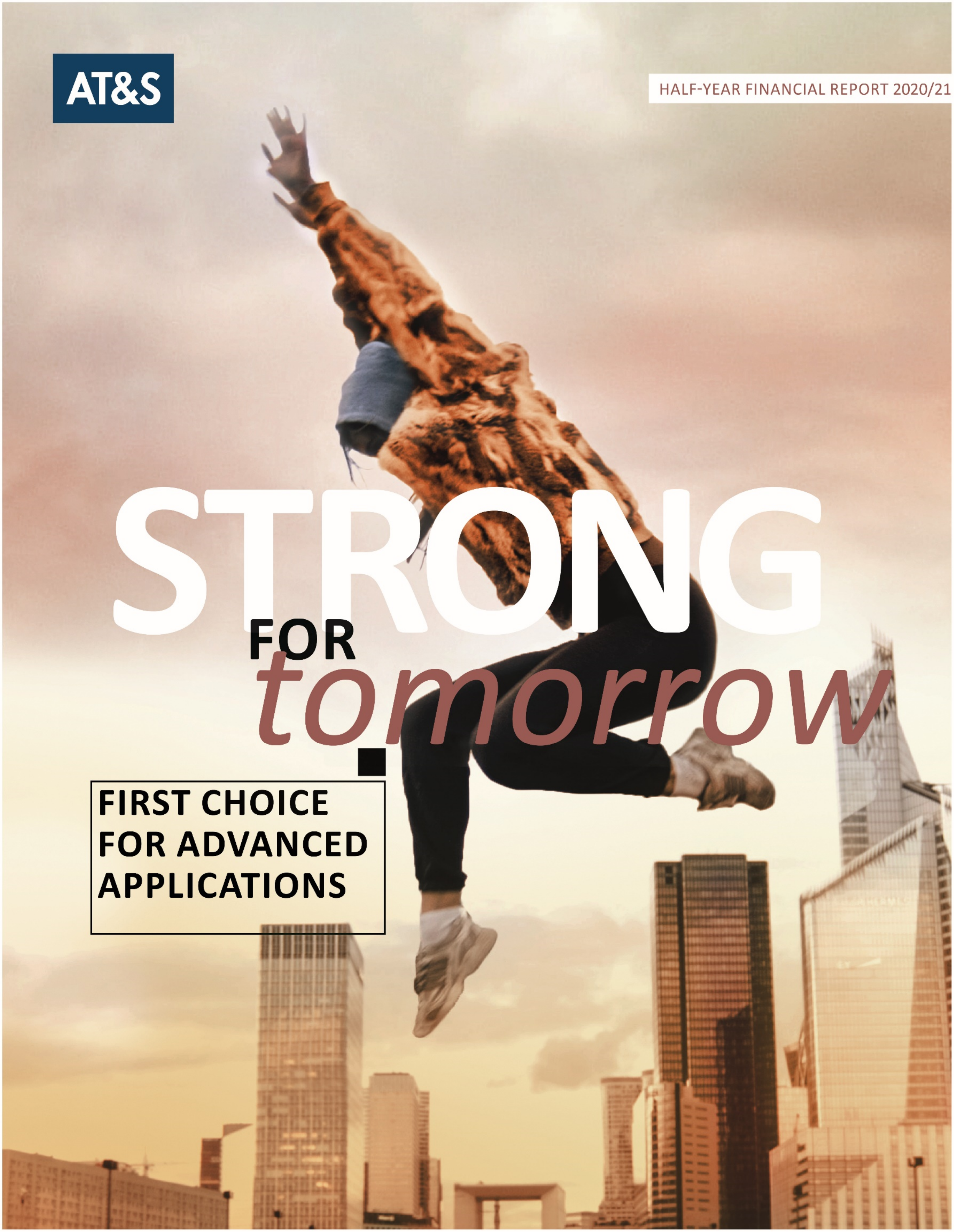
AT&S

HALF-YEAR FINANCIAL REPORT 2020/21



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FIRST CHOICE FOR ADVANCED APPLICATIONS

HIGHLIGHTS H1 2020/21

AT&S continues growth course – 10% increase in revenue and EBITDA

- Diversified business model supports positive business development
- Significant increase in demand for ABF substrates
- Half-year revenue up 9.7% to € 537.8 million, EBITDA margin of 20.7% at prior-year level
- Investments in the IC substrate and module business to be continued as planned
- Outlook 2020/21: Increase in revenue of about 15% with an EBITDA margin in the range of 20% to 22%

KEY FIGURES

	Unit	H1 2019/20	H1 2020/21	Change in %
Revenue	€ in millions	490.3	537.8	9.7%
EBITDA	€ in millions	101.1	111.2	10.0%
EBITDA margin	%	20.6%	20.7%	–
EBIT	€ in millions	29.4	32.8	11.8%
EBIT margin	%	6.0%	6.1%	–
Profit/(loss) for the period	€ in millions	19.5	14.7	(25.0%)
ROCE	%	3.4%	5.2%	–
Net CAPEX	€ in millions	92.0	195.7	>100%
Cash flow from operating activities	€ in millions	62.2	83.6	34.4%
Operating free cash flow	€ in millions	(29.8)	(112.1)	–
Earnings per share	€	0.40	0.27	(31.7%)
Employees[1)]	–	10,126	10,855	7.2%
BALANCE SHEET DATA		31 Mar 2020	30 Sep 2020	
Total assets	€ in millions	1,853.5	2,020.0	9.0%
Total equity	€ in millions	760.3	730.4	(3.9%)
Equity ratio	%	41.0%	36.2%	–
Net debt	€ in millions	246.7	380.0	54.0%

[1)] *incl. contract staff, average*

CORPORATE GOVERNANCE INFORMATION

26TH AT&S ANNUAL GENERAL MEETING

The 26th Annual General Meeting of AT & S Austria Technologie und Systemtechnik Aktiengesellschaft (AT&S), which was held virtually due to the COVID-19 pandemic, adopted a dividend of € 0.25 per share for the financial year 2019/20 on 9 July 2020.

Deloitte Audit Wirtschaftsprüfungs GmbH was appointed the statutory auditor of the financial statements and consolidated financial statements for the financial year 2020/21.

With effect from the end of the Annual General Meeting, Willibald Dörflinger, Karl Fink and Albert Hochleitner stepped down from the Supervisory Board at their own request. The company and the Supervisory Board express their thanks for their long-standing and competent work.

Lars Reger, Hermann Eul, Robert Lasshofer and Georg Hansis were elected to the Supervisory Board for the first time. After expiry of his regular term of office, Hannes Androsch was re-elected to the Supervisory Board. The members of the Supervisory Board were elected for the maximum term in accordance with the Articles of Association (i.e., until the end of the Annual General Meeting which resolves on granting discharge for the financial year 2024/25). In this context, the number of shareholder representatives in the Supervisory Board was increased by one person from eight to a total of nine members.

In addition, an update and amended version of the company's Articles of Association was also adopted at the Annual General Meeting. The objective of this change was, in particular, the adaptation of the Articles of Association to new developments and current market practices.

All other agenda items presented for resolution were also adopted by the shareholders represented at the Annual General Meeting.

EXPANSION OF THE MANAGEMENT BOARD

Former Osram manager Ingolf Schröder (48) was appointed new COO of AT&S as of 1 September 2020. The previous COO, Heinz Moitzi, will concentrate, as CTO, on the further development of the R&D activities of the Austrian technology company in the future. At the same time, AT&S took the next step in the implementation of its "More than AT&S" strategy and expanded the Management Board by another mandate to four persons.

DIRECTORS' DEALINGS

Purchases and sales carried out by members of the Management Board, Supervisory Board and related persons are reported to the Financial Market Authority (FMA) in accordance with Art. 19 of Regulation (EU) No. 596/2014 and published via an EU-wide system as well as on the AT&S website.

GROUP INTERIM MANAGEMENT REPORT

BUSINESS DEVELOPMENTS AND SITUATION

AT&S has managed one of the most severe economic crises since the Second World War excellently so far and significantly increased both revenue and EBITDA in comparison with the previous year. The diversified business model, which is being additionally strengthened by the capacity expansion of IC substrates and the establishment of the module business, is currently robust in terms of profitability.

Revenue amounted to € 537.8 million, and exceeded the € 490.3 million recorded in the comparative period of the previous year (deviation € 47.5 million or 9.7%). The successful start-up of the increased production capacity in Chongqing I, which serves the growing demand for ABF substrates, made a significant contribution to revenue growth. The broader customer and application portfolio in the Mobile Devices segment had a positive effect and compensated for revenue shifts due to delays in the launch of new products. In the AIM business unit, the Industrial segment recorded an increase in revenue. The Automotive segment was confronted with lower demand in the first half-year, but recently showed sequential improvement. Although the Medical segment recorded robust demand, a change in product mix caused revenue to decline.

Exchange rate effects, especially due to the weaker US dollar, had a negative impact of € 5.0 million or 0.9% on the development of revenue.

The share of revenue from products made in Asia rose from 86.0 % to 87.1 % in the current financial year.

EBITDA rose from € 101.1 million by € 10.1 million or 10.0% to € 111.2 million. While the increase in revenue had a positive impact on earnings, other operating income, at € 1.9 million, was € 6.1 million below the prior-year figure of € 8.0 million, which was primarily due to currency effects. In addition, substantial investments in the future for the strategic business expansion led to higher expenses.

In preparation for future technology generations and to pursue the modularisation strategy, AT&S increasingly invested in research & development. These expenditures make the company future-proof and significantly expand the earnings potential in the medium term.

The EBITDA margin amounted to 20.7% in the first six months and was therefore at the prior-year level of 20.6%.

Depreciation and amortisation rose by € 6.6 million or 9.2% to € 78.3 million, which was primarily attributable to additions to assets and technology upgrades.

EBIT increased by € 3.4 million from € 29.4 million to € 32.8 million. The EBIT margin was 6.1% (previous year: 6.0%).

Finance costs – net declined from € 2.8 million to € -13.0 million which resulted predominantly from negative currency effects of € 6.0 million (previous year: positive effects of € 6.6 million) and a lower interest result compared with the previous year (change € -3.2 million). Gross interest expenses of € 6.9 million were

Result key data
€ in millions (unless otherwise stated)

	H1 2020/21	H1 2019/20	Change in %
Revenue	537.8	490.3	9.7 %
Operating result before interest, tax, depreciation and amortisation (EBITDA)	111.2	101.1	10.0 %
EBITDA margin (%)	20.7 %	20.6 %	
Operating result (EBIT)	32.8	29.4	11.8 %
EBIT margin (%)	6.1 %	6.0 %	
Profit/(loss) for the period	14.7	19.5	(25.0 %)
Earnings per share (€)	0.27	0.40	(31.7 %)
Additions to property, plant and equipment and intangible assets	233.1	100.6	>100%
Average number of staff (incl. leased personnel)	10,855	10,126	7.2 %

€ 1.5 million higher than the prior-year figure of € 5.4 million due to the higher financing volume. Interest income amounted to € 2.0 million, down € 1.7 million on the prior-year level of € 3.7 million. This decrease largely resulted from a lower investment volume.

Income tax expenses amounted to € 5.1 million in the first six months (previous year: € 12.7 million). The change in the effective tax rate (based on net profit for the period) resulted from the changed composition of earnings (different shares in earnings of the individual companies in countries with different tax rates).

Despite the significantly higher operating result, profit for the period decreased by € 4.8 million, from € 19.5 million to € 14.7 million due to the negative finance costs – net and the included negative currency effects of € 6.0 million (previous year: positive effects of € 6.0 million). As a result, earnings per share declined from € 0.40 to € 0.27. Interest on hybrid capital of € 4.2 million (previous year: € 4.2 million) was deducted in the calculation of earnings per share.

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 2019/20.

The share of the Mobile Devices & Substrates segment in total external revenue rose from 67.3% to 75.4%. The share of the Automotive, Industrial, Medical segment declined to 24.6% (previous year: 32.7%).

Mobile Devices & Substrates segment

The segment's revenue increased by € 64.9€million or 17.1%, from € 379.5 million to € 444.4 million. The successful start-up of the expanded capacity in Chongqing I, which serves the increasing demand for ABF substrates, made a significant contribution to revenue growth. The broader customer and application portfolio for mobile devices also had a positive effect and compensated for shifts in revenue due to delays in product launches.

EBITDA improved by € 22.0 million or 27.8% from € 79.2 million to € 101.2 million as a result of higher sales volume and a more favourable product mix.

Overall, this resulted in an EBITDA margin of 22.8%, which exceeds the prior-year value of 20.9%.

The segment's depreciation and amortisation rose by € 5.1 million or 8.6% from € 59.0 million to € 64.1 million due to an increase in property, plant and equipment (change since 30 September 2019: € 190.7 million) resulting from investments in the future and technology upgrades.

EBIT amounted to € 37.1 million, up € 16.9 million on the prior-year value of € 20.2 million. The EBIT margin was 8.3% (previous year: 5.3%).

Mobile Devices & Substrates segment – overview
€ in millions (unless otherwise stated)

	H1 2020/21	H1 2019/20	Change in %
Segment revenue	444.4	379.5	17.1 %
Revenue from external customers	405.6	329.8	23.0 %
Operating result before interest, tax, depreciation and amortisation (EBITDA)	101.2	79.2	27.8 %
EBITDA margin (%)	22.8 %	20.9 %	
Operating result (EBIT)	37.1	20.2	83.9 %
EBIT margin (%)	8.3 %	5.3 %	
Additions to property, plant and equipment and intangible assets	209.5	80.8	>100%
Employees (incl. leased personnel), average	7,827	7,159	9.3 %

Automotive, Industrial, Medical Segment

The segment's revenue, at € 152.7 million, was -14.5% lower than in the previous year (€ 178.6 million). Increases in revenue were recorded above all in the Industrial segment in the first six months. The Automotive segment was confronted with a low demand in the first half of the fiscal year, but recently showed a sequential improvement which yet indicated a turnaround. Despite good demand in the Medical & Healthcare segment, revenue in this segment did not reach the level of the prior-year period due to a less favourable product mix.

The segment's EBITDA, at € 9.4 million, was below € 9.5 million below the prior-year level of € 18.9 million, which as primarily attributable to the challenging market situation in the Automotive segment.

Due to these effects, the EBITDA margin declined by 4.5 percentage points from 10.6% to 6.1%.

Depreciation and amortisation ot the segment rose by € 1.2 million or 10.5% from € 11.4 million to € 12.6 million.

EBIT declined by € 10.7 million from € 7.5 million to € -3.2 million.

Others Segment

The Others segment is primarily characterised by holding activities. The earnings of activities included in the Others segment were lower than in the previous year.

FINANCIAL POSITION

Total assets increased by € 166.5 million or 9.0% from € 1,853.5 million to € 2,020.0 million in the first six months. Additions to assets and technology upgrades amounting to € 233.1 million (additions to assets led to cash CAPEX of € 195.9 million) were offset by depreciation and amortisation totalling € 78.3 million. In addition, exchange rate effects reduced fixed assets by € 24.0 million. Property plant and equipment reported in the consolidated statement of financial position as of 30 September 2020 also included right-of-use assets according to IFRS 16 of € 26.6 million. Correspondingly, financial liabilities include lease liabilities of € 26,6 million. Inventories increased from € 108.4 million to € 140.5 million.

Cash and cash equivalents amounted to € 348.5 million (31 March 2020: € 418.0 million). In addition to cash and cash equivalents, AT&S has financial assets of € 177.7 million and unused credit lines of € 425.5 million as a financial reserve.

Equity decreased by € 29.9 million or -3.9% from € 760.3 million to € 730.4 million. The profit for the period of € 14.7 million was largely offset by negative currency effects of € 31.2 million, which resulted from the translation of net asset positions of subsidiaries as well as the dividend payout of € 9.7 million. In addition, the remeasurement of post-employment obligations (€ -2.9 million) and change in hedging instruments for cash flow hedges (€ -0.6 million) had a negative impact on equity. Based on this decline in equity and the increase in total assets, the equity ratio, at 36.2%, was 4.8 percentage points lower than at 31 March 2020.

Automotive, Industrial, Medical segment – overview
€ in millions (unless otherwise stated)

	H1 2020/21	H1 2019/20	Change in %
Segment revenue	152.7	178.6	(14.5 %)
Revenue from external customers	132.1	160.6	(17.7 %)
Operating result before interest, tax, depreciation and amortisation (EBITDA)	9.4	18.9	(50.2 %)
EBITDA margin (%)	6.1 %	10.6 %	
Operating result (EBIT)	(3.2)	7.5	(>100%)
EBIT margin (%)	(2.1 %)	4.2 %	
Additions to property, plant and equipment and intangible assets	20.6	17.9	14.7 %
Employees (incl. leased personnel), average	2,792	2,759	1.2 %

Net debt increased by € 133.3 million or 54.0% from € 246.7 million to € 380.0 million.

Cash flow from operating activities amounted to € 83.6 million in the first six months (previous year: € 62.2 million). Cash inflows were offset by cash outflows for net investments of € 195.7 million (previous year: € 92.0 million), resulting in negative free cash flow from operations of € -112.1 million (previous year: € -29.8 million).

The net gearing ratio rose from 32.5% to 52.0%. This increase results from the above-mentioned decrease in equity and the increase in net debt.

SIGNIFICANT EVENTS AFTER THE INTERIM REPORTING PERIOD

With effect from 1 November 2020, the Supervisory Board of AT&S appointed Simone Faath (54) to the Management Board as CFO for three years. She will be responsible for Finance, Controlling, Investor Relations, Legal, Internal Audit and Compliance.

With the appointment of Simone Faath, the four-member Management Board of AT&S is complete again and now consists of CEO Andreas Gerstenmayer, CTO Heinz Moitzi, COO Ingolf Schröder and CFO Simone Faath.

SIGNIFICANT RISKS, UNCERTAINTIES AND OPPORTUNITIES

In the Group Management Report of the consolidated financial statements 2019/20 the relevant risk categories are explained in detail under section 5 “Risk and opportunities management”, which still apply at the reporting date. As described in this chapter, incorrect assessments of technological developments, changes in demand and negative price developments can have severe adverse effects on the intrinsic value of investments. Risks in conjunction with the Covid-19-pandemic are explained in detail for each risk category.

OUTLOOK

Thanks to its strategic orientation, AT&S considers itself in a good position to manage the current crisis successfully and to continue to positively participate in the intact trends in the market.

The current expectations of the market development for the coming months of the current financial year are as follows:

- According to current forecasts, the demand for IC substrates will continue to be strong.
- Due to delayed product launches, demand for mobile devices shifted into the third quarter of the financial year; the usual seasonality is expected for the fourth quarter.
- After bottoming out, the Automotive segment shows a slightly positive trend.

Others segment – overview
€ in millions (unless otherwise stated)

	H1 2020/21	H1 2019/20	Change in %
Segment revenue	–	–	n.a.
Revenue from external customers	–	–	n.a.
Operating result before interest, tax, depreciation and amortisation (EBITDA)	0.6	3.0	(80.4 %)
EBITDA margin (%)	-	-	
Operating result (EBIT)	(1.1)	1.7	(>100%)
EBIT margin (%)	-	-	
Additions to property, plant and equipment and intangible assets	3.0	1.8	65.1 %
Employees (incl. leased personnel), average	236	208	13.6 %

- The Industrial segment will remain at the level of the previous year.
- Slight growth is expected for medical applications for the full year.

Operationally, AT&S will concentrate on optimally utilising existing and building new capacities, especially for IC substrates and module printed circuit boards in Chongqing in the current year, and above all continue to drive the expansion of its business performance.

The strong results in the first half of the year, the good order situation in the third quarter of the financial year, the successful start-up of the additional capacity in Chongqing I and the excellent market positioning reassure the Management Board in giving an outlook for the year despite the uncertainties in the global markets. Assuming that there is no massive negative impact on the relevant key markets, the production sites and the supply chain due to the Covid-19 pandemic, the Management Board expects a significant boost for the financial year 2020/21 with revenue growth of roughly 15% and an EBITDA margin in the range of 20% to 22%.

Investment activities in the financial year 2020/21

AT&S will continue its investment programme for new capacities and technologies in the current financial year as previously announced. In line with spending discipline, a reduced budget of up to € 80 million is planned for basic investments (maintenance and technology upgrades) depending on the market development. As part of the strategic projects, the management plans investments totalling up to € 410 million for the financial year 2020/21 – depending on the progress of projects – plus € 30 million due to period shifts between the financial years.

Leoben-Hinterberg, 3 November 2020

The Management Board

Andreas Gerstenmayer m.p.
Simone Faath m.p.
Ingolf Schröder m.p.
Heinz Moitzi m.p.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

€ in thousands	1 Jul - 30 Sep 2020	1 Jul - 30 Sep 2019	1 Apr - 30 Sep 2020	1 Apr - 30 Sep 2019
Revenue	289,896	267,578	537,758	490,317
Cost of sales	(241,815)	(225,984)	(469,285)	(435,105)
Gross profit	**48,081**	**41,594**	**68,473**	**55,212**
Distribution costs	(8,235)	(7,641)	(16,436)	(15,229)
General and administrative costs	(10,300)	(8,513)	(21,127)	(18,657)
Other operating income	8,795	5,167	10,441	9,151
Other operating costs	(5,748)	(676)	(8,515)	(1,108)
Other operating result	3,047	4,491	1,926	8,043
Operating result	**32,593**	**29,931**	**32,836**	**29,369**
Finance income	1,092	8,983	2,077	10,683
Finance costs	(8,880)	(4,425)	(15,110)	(7,864)
Finance costs – net	**(7,788)**	**4,558**	**(13,033)**	**2,819**
Profit before tax	**24,805**	**34,489**	**19,803**	**32,188**
Income taxes	(2,684)	(8,752)	(5,144)	(12,655)
Profit for the period	**22,121**	**25,737**	**14,659**	**19,533**
Attributable to owners of hybrid capital	2,096	2,096	4,168	4,168
Attributable to owners of the parent company	20,025	23,641	10,491	15,365
Earnings per share attributable to equity holders of the parent company (in € per share):				
– basic	0.52	0.61	0.27	0.40
– diluted	0.52	0.61	0.27	0.40
Weighted average number of shares outstanding – basic (in thousands)	38,850	38,850	38,850	38,850
Weighted average number of shares outstanding – diluted (in thousands)	38,850	38,850	38,850	38,850

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ in thousands	1 Jul - 30 Sep 2020	1 Jul - 30 Sep 2019	1 Apr - 30 Sep 2020	1 Apr - 30 Sep 2019
Profit for the period	**22,121**	**25,737**	**14,659**	**19,533**
Items to be reclassified:				
Currency translation differences, net of tax	(5,287)	12,042	(31,205)	(23,624)
(Losses) from the fair value measurement of financial assets, net of tax	(56)	–	(56)	–
(Losses) from the fair value measurement of hedging instruments for cash flow hedges, net of tax	(123)	(1,279)	(587)	(3,556)
Items not to be reclassified:				
Remeasurement of post-employment obligations, net of tax	(2,949)	(4,109)	(2,949)	(4,109)
Other comprehensive income for the period	**(8,415)**	**6,654**	**(34,797)**	**(31,289)**
Total comprehensive income for the period	**13,706**	**32,391**	**(20,138)**	**(11,756)**
Attributable to owners of hybrid capital	2,096	2,096	4,168	4,168
Attributable to owners of the parent company	11,610	30,295	(24,306)	(15,924)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in thousands	30 Sep 2020	31 Mar 2020
ASSETS		
Property, plant and equipment	1,036,379	903,509
Intangible assets	41,594	45,075
Financial assets	117	193
Deferred tax assets	28,131	25,984
Other non-current assets	16,020	21,258
Non-current assets	**1,122,241**	**996,019**
Inventories	140,493	108,373
Trade and other receivables and contract assets	229,376	192,433
Financial assets	177,556	136,242
Current income tax receivables	1,842	2,493
Cash and cash equivalents	348,511	417,950
Current assets	**897,778**	**857,491**
Total assets	**2,020,019**	**1,853,510**
EQUITY		
Share capital	141,846	141,846
Other reserves	(25,378)	9,419
Hybrid capital	172,887	172,887
Retained earnings	441,053	436,107
Equity attributable to owners of the parent company	**730,408**	**760,259**
Total equity	**730,408**	**760,259**
LIABILITIES		
Financial liabilities	750,415	695,834
Provisions for employee benefits	56,331	51,244
Deferred tax liabilities	3,480	3,166
Other liabilities	24,642	13,596
Non-current liabilities	**834,868**	**763,840**
Trade and other payables	288,319	214,017
Financial liabilities	155,742	105,299
Current income tax payables	5,655	4,858
Other provisions	5,027	5,237
Current liabilities	**454,743**	**329,411**
Total liabilities	**1,289,611**	**1,093,251**
Total equity and liabilities	**2,020,019**	**1,853,510**

CONSOLIDATED STATEMENT OF CASH FLOWS

€ in thousands	1 Apr - 30 Sep 2020	1 Apr - 30 Sep 2019
Operating result	**32,836**	**29,369**
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	78,326	71,675
Gains/losses from the sale of fixed assets	100	(38)
Changes in non-current provisions	5,388	6,975
Non-cash expense/(income), net	1,599	(13,334)
Interest paid	(6,173)	(5,244)
Interest received	1,957	3,666
Income taxes paid	(4,599)	(3,597)
Cash flow from operating activities before changes in working capital	**109,434**	**89,472**
Inventories	(35,515)	(21,963)
Trade and other receivables and contract assets	(37,360)	(32,960)
Trade and other payables	47,106	28,769
Other provisions	(83)	(1,134)
Cash flow from operating activities	**83,582**	**62,184**
Capital expenditure for property, plant and equipment and intangible assets	(195,853)	(92,071)
Proceeds from the sale of property, plant and equipment and intangible assets	200	86
Capital expenditure for financial assets	(82,470)	(32,390)
Proceeds from the sale of financial assets	39,914	27,026
Cash flow from investing activities	**(238,209)**	**(97,349)**
Proceeds from borrowings	109,762	605
Repayments of borrowings	(11,785)	(14,716)
Proceeds from government grants	13,538	533
Dividends paid	(9,713)	(23,310)
Cash flow from financing activities	**101,802**	**(36,888)**
Change in cash and cash equivalents	**(52,825)**	**(72,053)**
Cash and cash equivalents at beginning of the year	417,950	326,841
Exchange gains/(losses) on cash and cash equivalents	(16,614)	4,837
Cash and cash equivalents at end of the period	**348,511**	**259,625**

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 2019	**141,846**	**42,444**	**172,887**	**446,274**	**803,451**	**–**	**803,451**
Profit for the period	–	–	–	19,533	19,533	–	19,533
Other comprehensive income for the period	–	(31,289)	–	–	(31,289)	–	(31,289)
thereof currency translation differences, net of tax	–	*(23,624)*	–	–	*(23,624)*	–	*(23,624)*
thereof remeasurement of post-employment obligations, net of tax	–	*(4,109)*	–	–	*(4,109)*	–	*(4,109)*
thereof change in hedging instruments for cash flow hedges, net of tax	–	*(3,556)*	–	–	*(3,556)*	–	*(3,556)*
Total comprehensive income for the period	**–**	**(31,289)**	**–**	**19,533**	**(11,756)**	**–**	**(11,756)**
Dividends paid relating to 2018/19	–	–	–	(23,310)	(23,310)	–	(23,310)
30 Sep 2019	**141,846**	**11,155**	**172,887**	**442,497**	**768,385**	**–**	**768,385**
31 Mar 2020	**141,846**	**9,419**	**172,887**	**436,107**	**760,259**	**–**	**760,259**
Profit for the period	–	–	–	14,659	14,659	–	14,659
Other comprehensive income for the period	–	(34,797)	–	–	(34,797)	–	(34,797)
thereof currency translation differences, net of tax	–	*(31,205)*	–	–	*(31,205)*	–	*(31,205)*
thereof remeasurement of post-employment obligations, net of tax	–	*(2,949)*	–	–	*(2,949)*	–	*(2,949)*
thereof change in financial assets, net of tax	–	*(56)*	–	–	*(56)*	–	*(56)*
thereof change in hedging instruments for cash flow hedges, net of tax	–	*(587)*	–	–	*(587)*	–	*(587)*
Total comprehensive income for the period	**–**	**(34,797)**	**–**	**14,659**	**(20,138)**	**–**	**(20,138)**
Dividends paid relating to 2019/20	–	–	–	(9,713)	(9,713)	–	(9,713)
30 Sep 2020	**141,846**	**(25,378)**	**172,887**	**441,053**	**730,408**	**–**	**730,408**

SEGMENT REPORTING

€ in thousands	Mobile Devices & Substrates 1 Apr - 30 Sep 2020	Mobile Devices & Substrates 1 Apr - 30 Sep 2019	Automotive, Industrial, Medical 1 Apr - 30 Sep 2020	Automotive, Industrial, Medical 1 Apr - 30 Sep 2019	Others 1 Apr - 30 Sep 2020	Others 1 Apr - 30 Sep 2019	Elimination/ Consolidation 1 Apr - 30 Sep 2020	Elimination/ Consolidation 1 Apr - 30 Sep 2019	Group 1 Apr - 30 Sep 2020	Group 1 Apr - 30 Sep 2019
Segment revenue	444,436	379,483	152,742	178,630	–	–	(59,420)	(67,796)	537,758	490,317
Internal revenue	(38,818)	(49,716)	(20,602)	(18,080)	–	–	59,420	67,796	–	–
External revenue	405,618	329,767	132,140	160,550	–	–	–	–	537,758	490,317
Operating result before depreciation/amortisation	**101,181**	**79,155**	**9,386**	**18,867**	**595**	**3,041**	–	–	**111,162**	**101,064**
Depreciation/amortisation incl. appreciation	(64,103)	(58,992)	(12,573)	(11,381)	(1,650)	(1,321)	–	–	(78,326)	(71,694)
Operating result	**37,078**	**20,163**	**(3,187)**	**7,486**	**(1,055)**	**1,720**	–	–	**32,836**	**29,369**
Finance costs - net									(13,033)	2,819
Profit/(loss) before tax									**19,803**	**32,188**
Income taxes									(5,144)	(12,655)
Profit/(loss) for the period									**14,659**	**19,533**
Property, plant and equipment and intangible assets[1)]	910,455	788,225	157,525	151,553	9,993	8,806	–	–	1,077,973	948,584
Additions to property, plant and equipment and intangible assets	209,501	80,775	20,577	17,944	3,024	1,831	–	–	233,102	100,550

[1)] *Previous year values as of 31 March 2020*

INFORMATION BY GEOGRAPHIC REGION

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

€ in thousands	1 Apr - 30 Sep 2020	1 Apr - 30 Sep 2019
Austria	7,030	7,791
Germany	57,377	71,615
Other European countries	29,475	38,928
China	28,941	7,937
Other Asian countries	26,616	28,850
Americas	388,319	335,196
Revenue	**537,758**	**490,317**

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

€ in thousands	30 Sep 2020	31 Mar 2020
Austria	114,090	102,048
China	909,338	719,525
Others	54,545	56,859
Property, plant and equipment and intangible assets	**1,077,973**	**878,432**

NOTES TO THE INTERIM FINANCIAL REPORT

GENERAL INFORMATION

Accounting and measurement policies The interim report ended 30 September 2020 has been prepared in accordance with the standards (IFRS and IAS) and interpretations (IFRIC and SIC) of the International Accounting Standards Board (IASB), taking IAS 34 into account, as adopted by the European Union. The accounting and measurement principles applied as at 31 March 2020 were applied without a change with the exception of the IFRS which are mandatorily effective as of 1 April 2020.

The interim consolidated financial statements do not include all the information contained in the annual consolidated financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2020.

The interim consolidated statements for the period ended 30 September 2020 are unaudited and have not been the subject of external audit review.

NOTES TO THE STATEMENT OF PROFIT OR LOSS

Revenue Group revenue in the first six months of the current financial year increased by 9.7% from € 490.3 million in the last year to € 537.8 million.

Gross Profit The current gross profit of € 68.5 million was 24.1% above the € 55.2 million achieved in the same period last year. The reasons for the increase are higher revenues and therefore additional contribution margins.

Operating result On the basis of the increased gross profit the consolidated operating result of AT&S increased to € 32.8 million or 6.1% of revenue. The operating result was mainly burdened by a lower other income, which is due to negative exchange rate effects. Higher administration and distribution costs additionally reduced the operating result.

Finance costs – net The finance costs of € 15.1 million were € 7.2 million above the prior-year level, which were mainly caused by negative exchange rate effects. Financial income was € 2.1 million and essentially resulted from the investment of free cash and interests from bank deposits. Overall, net finance costs deteriorated by € 15.8 million and amounted to € -13.0 million.

Income taxes The change of the effective tax rate on the consolidated level compared with the same period of the previous year mainly results from the variation of proportions of Group earnings contributed by individual companies with different tax rates.

Seasonality Due to the great importance of mobile devices, the revenue of AT&S usually shows the following seasonal development: the first quarter of the financial year is usually weaker than the second and third quarters, which are typically characterised by very high demand in preparation for the launches of the latest product generation. In the fourth quarter, customer demand is generally lower. This quarter is also characterised by the holiday shutdown due to the Chinese New Year's celebrations at our large Chinese plants.

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

Currency translation differences The negative deviation in the foreign currency translation reserves in the current financial year by € 31.2 million was the result of the change in the exchange rate of the Chinese yuan renminbi and the US dollar against the Group's reporting currency, the euro.

	Closing rate			Average rate		
	30 Sep 2020	31 Mar 2020	Change in %	1 Apr - 30 Sep 2020	1 Apr - 30 Sep 2019	Change in %
Chinese yuan renminbi	7.9749	7.7575	2.8 %	7.9621	7.6921	3.5 %
Hong Kong dollar	9.0757	8.4879	6.9 %	8.8190	8.7412	0.9 %
Indian rupee	86.3498	82.5500	4.6 %	85.0491	77.8411	9.3 %
Japanese yen	123.7800	118.9200	4.1 %	121.2900	121.3414	(0.0 %)
South Korean won	1,369.2327	1,341.0773	2.1 %	1,367.3944	1,311.4948	4.3 %
Taiwan dollar	33.9299	33.1667	2.3 %	33.6545	34.7085	(3.0 %)
US dollar	1.1711	1.0949	7.0 %	1.1378	1.1154	2.0 %

NOTES TO THE STATEMENT OF FINANCIAL POSITION

Assets and Finances Net debt, at € 380.0 million, increased versus the € 246.7 million outstanding at 31 March 2020. In contrast to this, the net working capital of € 144.4 million as at 31 March 2020 rose to € 169.4 million mainly due to increased inventories and receivables. The increase was caused, among other things, by higher revenues in the second quarter of the current financial year compared with the fourth quarter of the financial year 2019/20. The net gearing ratio, at 52.0%, was above the 32.5% at 31 March 2020.

Valuation hierarchies for financial instruments measured at fair value Three valuation hierarchies have to be distinguished in the valuation of financial instruments measured at fair value.

- Level 1: fair values are determined on the basis of publicly quoted prices in active markets for identical financial instruments.
- Level 2: if no publicly quoted prices in active markets exist, then fair values are determined on the basis of valuation methods based to the greatest possible extent on market prices.
- Level 3: in this case, the models used to determine fair value are based on inputs not observable in the market.

The financial instruments valued at fair value at the end of the reporting period at the three valuation levels were as follows:

€ in thousands 30 Sep 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
– Bonds	906	–	–	906
Financial assets at fair value through other comprehensive income without recycling	–	118	8,445	8,563
Financial liabilities				
Derivative financial instruments	–	8,013	–	8,013

€ in thousands 31 Mar 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
– Bonds	893	–	–	893
Financial assets at fair value through other comprehensive income without recycling	–	193	3,618	3,811
Financial liabilities				
Derivative financial instruments	–	7,423	–	7,423

Export loans, government loans and other bank borrowings amounting to € 898.2 million (31 March 2020: € 793.7 million) are measured at amortised cost. The fair value of these liabilities was € 909.1 million (31 March 2020: € 801.7 million).

Other financial commitments At 30 September 2020 the Group had other financial commitments amounting to € 272.0 million in connection with contractually binding investment commitments. This relates to investments in the Shanghai, Chongqing, Nanjangud and Leoben plants. As at 31 March 2020 other financial commitments stood at € 225.6 million.

Equity Consolidated equity changed from € 760.3 million at 31 March 2020 to € 730.4 million at 30 September 2020 due to the consolidated profit for the period of € 14.7 million, dividend payment of € 9.7 million, negative impacts from currency translation differences of € 31.2 million, losses of remeasurement of post-employment obligations of € 2.9 million and losses from the fair value measurement of hedging instruments for cash flow hedges of € 0.6 million.

At the 25th Annual General Meeting on 4 July 2019 the Management Board was authorised until 3 July 2024 to increase the share capital of the Company, subject to the approval of the Supervisory Board, by up to € 21,367,500 by way of issuing up to 19,425,000 no-par value bearer shares, for contributions in cash or kind, in one or more tranches, including issue by means of an indirect share offering via banks in accordance with section 153 para 6 Austrian Stock Corporation Act (AktG). The Management Board was authorised, subject to the approval of the Supervisory Board, to determine the detailed terms and conditions of issue (in particular, issue price, nature of contributions in kind, rights related to shares, exclusion of subscription rights, etc.) (authorised capital). The Supervisory Board was authorised to approve changes in the Articles of Association required by the issue of shares out of authorised capital. The Annual General Meeting approved a resolution amending Section 4 (Nominal Capital) of the Articles of Association to reflect this change.

In addition, at the 25th Annual General Meeting of 4 July 2019 at the same time the Management Board was authorised until 3 July 2024, subject to the approval of the Supervisory Board, to issue convertible bearer bonds up to a maximum nominal value of € 150,000,000 in one or more tranches, and to grant the holders of the convertible bond subscription and/or conversion rights for up to 19,425,000 new no-par value bearer shares in the Company in accordance with the terms and conditions of the convertible bond to be determined by the Management Board. For this purpose, in accordance with section 159 para 2 item 1 AktG, the share capital of the Company was also conditionally increased by up to € 21,367,500 in the form of up to 19,425,000 new no-par value bearer shares. This capital increase will only take place to the extent that holders of convertible bonds exercise their conversion or subscription rights in accordance with the resolution of the Annual General Meeting of 3 July 2014. The Management Board was also authorised, subject to the approval of the Supervisory Board, to determine further details of the conditional capital increase (in particular, the amount of the issue and the rights related to shares).

With respect to the authorised share capital increase and/or the conditional capital increase, the following restrictions on the amounts of the increases are to be observed, as required under the resolutions passed at the 20th Annual General Meeting of 3 July 2014: The total of (i) the number of new shares actually issued or potentially issuable out of conditional capital under the terms and conditions of the convertible bonds, and (ii) the number of shares issued out of authorised capital may not exceed 19,425,000 (definition of amount of authorisations).

The Annual General Meeting approved a resolution amending Section 4 (Nominal Capital) of the Articles of Association to reflect these changes.

At the 26th Annual General Meeting of 9 July 2020 the Management Board was authorised to reclassify an amount of up to € 80,000,000 of the total profit carried forward – after dividend payments – of € 95,485,564.56 to free reserves, subject to the approval of the Supervisory Board.

Treasury shares At the 25th Annual General Meeting of 4 July 2019 the Management Board was again authorised for a period of 30 months from the date of the resolution to acquire treasury shares up to a maximum amount of 10% of the share capital at a lowest price that may be no more than 30% lower than the average unweighted closing price of the previous 10 trading days and at a highest price per share of a maximum of up to 30% above the average unweighted closing price of the previous 10 trading days. The shares can be acquired over the stock exchange, by way of a public offering or any other legally permitted way and for any legally permitted purpose. The Management Board was also authorised to withdraw repurchased treasury shares as well as treasury shares already held by the Company without any further resolution of the Annual General Meeting. The Supervisory Board was authorised to adopt amendments to the Articles of Association resulting from the withdrawal of treasury shares. Furthermore, the Management Board was authorised, for a period of five years, i.e. up to and including 3 July 2024, subject to approval of the Supervisory Board, to sell or use the repurchased treasury shares or treasury shares currently held by the Company other than via the stock exchange or by public offer, in particular for the purposes of stock transfer programmes, convertible bonds or as a consideration for the acquisition of entities, investments or other assets or for any other legal purpose, and to exclude a general purchase opportunity for shareholders. The authorisations granted by the resolution of the 23rd Annual General Meeting on 6 July 2017 on agenda items 8 and 9 were revoked.

As at 30 September 2020, the Group held no treasury shares.

NOTES TO THE STATEMENT OF CASH FLOWS

Cash flow from operating activities amounted to € 83.6 million compared with € 62.2 million in the same period last year. The higher operating result of € 32.8 million (previous year: € 29.4 million) and an increase of of the trade payables and other liabilities of € 47.1 million (previous year: € 28.8 million) was the main reason for the higher cash flow.

Cash flow from investing activities amounts to € -238.2 million and thus is below the level of € -97.3 million reached in the same period last year. Thereof capital expenditure for property, plant and equipment and intangible assets accounts for € 195.9 million. This year’s capital expenditures are predominantly in the Chinese plants and technology upgrades in the other plants. Capital expenditure for financial assets amounts to € 82.5 million, and proceeds from the sale of financial assets amount to € 39.9 million for the investment and reinvestments of liquid funds. Payables for capex amount to € 92.8 million, which will become payable after 30 September 2020.

Cash flow from financing activities amounts to € 101.8 million and is mainly attributable to additions of loans and received governmental grants.

The non-cash expense/income is as follows:

€ in thousands	1 Apr - 30 Sep 2020	1 Apr - 30 Sep 2019
Release of government grants	(1,511)	(1,454)
Other non-cash expense/(income), net	3,110	(11,880)
Non-cash expense/(income), net	**1,599**	**(13,334)**

IMPACT CORONAVIRUS (SARS-COV-2)

The global spread of the coronavirus since January 2020 has led to significant government measures worldwide to contain the pandemic. With respect to the going concern there are no uncertainties for the AT&S Group. There are no significant changes regarding financial risks. The effects are as follows:

- Revenue increased compared with the previous year despite poor macroeconomic conditions. The Mobile Devices & Substrates segment overcompensated for declines in the Automotive, Industrial, Medical segment.
- Government assistance was used for the locations in Austria, South Korea and China. Where the criteria are met, grants were recognised in profit or loss.
- Trade receivables were subject to an analysis as to whether credit risk has increased. Based on this analysis, an adjustment of the impairment matrix was not necessary.
- In addition, it was assessed whether there were indications of any impairment of assets. Internal and external sources were analysed. Based on these analyses, no impairment needs to be recognised.

OTHER INFORMATION

Dividends The Annual General Meeting of 9 July 2020 resolved on a dividend payment of € 0.25 per share from the total balance-sheet profit as at 31 March 2020. The dividend distribution of € 9.7 million took place on 30 July 2020.

Related party transactions In connection with various projects, the Group received consulting services from companies where Supervisory Board Chairman Mr. Androsch (AIC Androsch International Management Consulting GmbH) was active. The fees charged are as follows:

€ in thousands	1 Apr - 30 Sep 2020	1 Apr - 30 Sep 2019
AIC Androsch International Management Consulting GmbH	182	182
Total fees	**182**	**182**

At the balance sheet date, there are no outstanding balances or obligations to the above mentioned legal and consulting companies.

Leoben-Hinterberg, 3 November 2020

Management Board

Andreas Gerstenmayer m.p. Simone Faath m.p. Ingolf Schröder m.p. Heinz Moitzi m.p.

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group interim management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Leoben-Hinterberg, 3 November 2020

The Management Board

Andreas Gerstenmayer m.p.	Chief Executive Officer
Simone Faath m.p.	Chief Financial Officer
Ingolf Schröder m.p.	Chief Operations Officer
Heinz Moitzi m.p.	Chief Technology Officer

AT&S SHARE

Positive development in a difficult environment

Although the COVID-19 pandemic was always present in everyday operations, AT&S can report a positive trend in the first half of 2020/21 thanks to the measures taken. Despite the challenging environment, a dividend of € 0.25 per share was distributed to shareholders based on the solid results for 2019/20. In addition, the figures for the first quarter showed improvements compared with the same period of the previous year. Against the background of COVID-19, the company informed the capital market, mostly virtually, about the operating development, progress in the implementation of the strategy and ongoing projects at road shows, investor conferences, conference calls and one-on-one talks. The AT&S share is currently covered by six analysts. Commerzbank published an analysis of AT&S with a “buy” rating for the first time during the reporting period.

Despite the continued difficult macroeconomic environment, the AT&S share recorded a positive development in the first half of 2020/21. Persisting trade conflicts, largely weak global economic data and the impact of the pandemic on individual customer industries played a significant role in this context.

With a closing price (30 September 2020) of € 16.14, the AT&S share gained 20.4% in the first half of the financial year. Volatility was still high with the price ranging between € 12.32 and € 18.00. The average volume traded on the Vienna Stock Exchange was approximately 70,000 shares (PY: approx. 72,000).

Key Share figures for the first six months

€	30 Sep 2020	30 Sep 2019
Earnings per share	0.27	0.40
High	18.00	19.44
Low	12.32	13.10
Close	16.14	15.76

Financial calendar

02 February 2021	Results for the first three quarters 2020/21
18 May 2021	Preliminary Results 2020/21
28 June 2021	Record Date Annual General Meeting
08 July 2021	27th Annual General Meeting
27 July 2021	Ex-Dividend Day
28 July 2021	Record Date Dividend
29 July 2021	Dividend Payment Day

Share performance

AT&S against ATX Prime and TecDAX

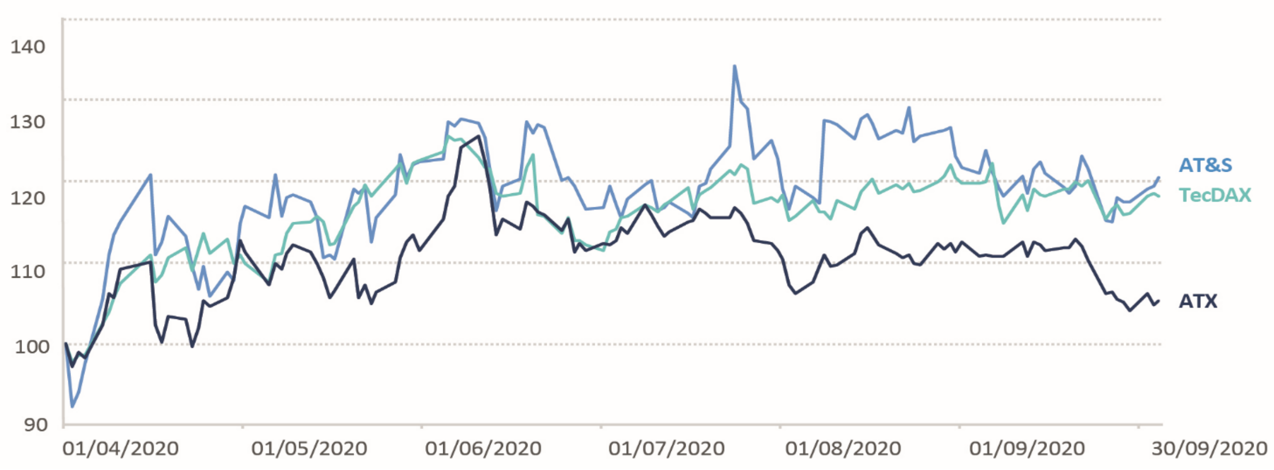

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PHOTO

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DISCLAIMER

This report contains forward-looking statements which were made on the basis of the information available at the time of publication. These can be identified by the use of such expressions as “expects”, “plans”, “anticipates”, “intends”, “could”, “will”, “aim” and “estimation” or other similar words. These statements are based on current expectations and assumptions. Such statements are by their very nature subject to known and unknown risks and uncertainties. As a result, actual developments may vary significantly from the forward-looking statements made in this report. Recipients of this report are expressly cautioned not to place undue reliance on such statements. Neither AT&S nor any other entity accept any responsibility for the correctness and completeness of the forward-looking statements contained in this report. AT&S undertakes no obligation to update or revise any forward-looking statements, whether as a result of changed assumptions or expectations, new information or future events.

Percentages and individual items presented in this report are rounded, which may result in rounding differences.

Formulations attributable to people are to be understood as gender-neutral.

This report in no way represents an invitation or recommendation to buy or sell shares in AT&S.

The report is published in German and English. In case of doubt, the German version is binding.

No responsibility accepted for errors or omissions.

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