



AT&S

AGM 2023

**REPORT OF THE
MANAGEMENT BOARD**

JULY 6, 2023

KEY DEVELOPMENTS FY 2022/23

**Record year
despite
challenging
market
environment**

- 2022/23 was a record year but with a mixed picture
 - First half of the year extremely strong
 - Second half of the year challenging
 - Positive FX effects
- OPEX and CAPEX adjusted to market environment
- Customer and regional diversification with plants in Leoben and Kulim on track
- Outlook 2023/24
 - Recovery to start in the second half of the 2023/24
 - Interest rates increase headwind
- Medium-term guidance 2026/27 confirmed

AT&S GROWS FASTER THAN THE MARKET

Convincing product portfolio for industry leaders in important growth markets



Mobile Devices



IC Substrates

12%



-1%



Revenue growth

2022/23 vs. 2021/22

€1,332 MM €1,191 MM

Market growth

2022 vs. 2021

IC Substrates +26%
Mobile devices -6%



Automotive

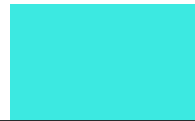


Industrial



Medical

15%



5%



Revenue growth

2022/23 vs. 2021/22

€459 MM €399 MM

Market growth

2022 vs. 2021

Automotive +7%
Industrial +4%
Medical +1%

Source: Prismark, March 2023

MARKET & STRATEGY

Andreas Gerstenmayer, CEO



PERSISTENT GROWTH DRIVERS IN TEMPORARILY DIFFICULT ENVIRONMENT

Current market weakness

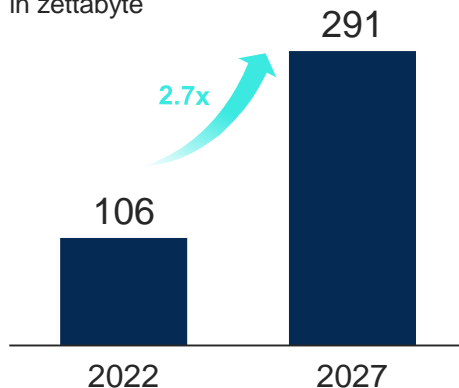
- Global economic growth in 2023 0.8% weaker than previous year
- Growing inflation, followed by higher interest rates
- Uncertain geopolitical situation
- Normalized consumer behavior after the end of COVID



Continued growth driver

GLOBAL DATA VOLUME GROWTH

in zettabyte



... DRIVES THE UNDERLYING MARKET

Substrates

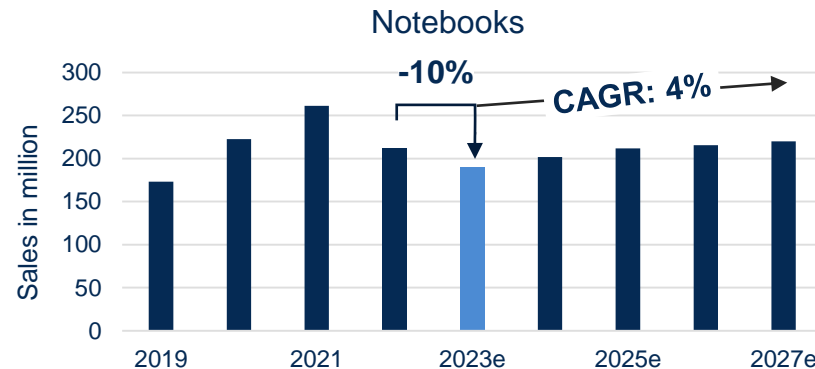
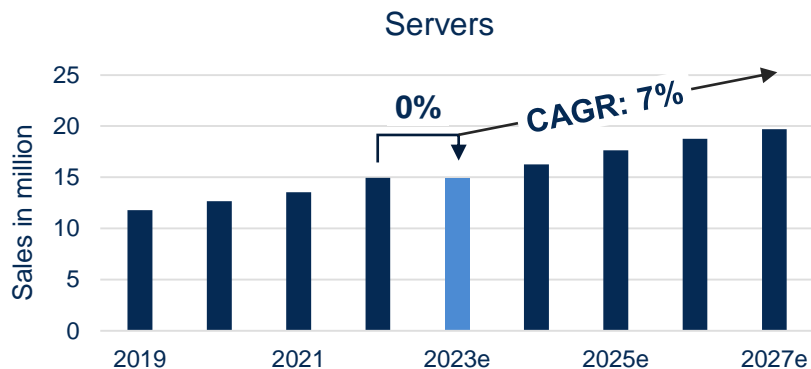
- Server and cloud computing
- HPC/AI
- Networking/5G
- Client computing

PCB

- Computing, Communication, Consumer
- Automotive, Industry, Medical, Aerospace

Source: IDC

MIXED PICTURE OF END MARKETS FOR IC SUBSTRATES

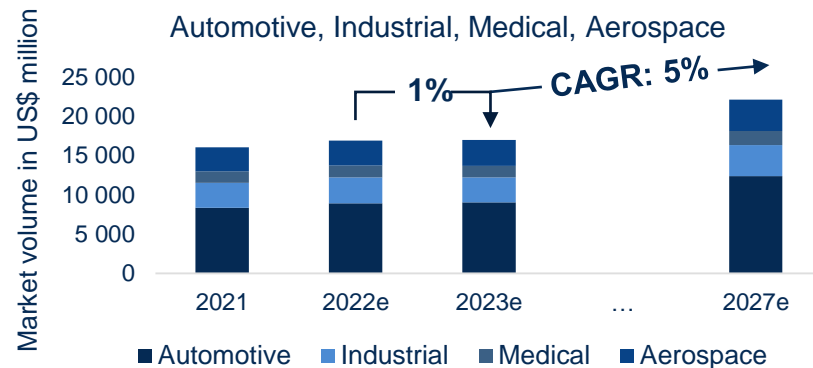
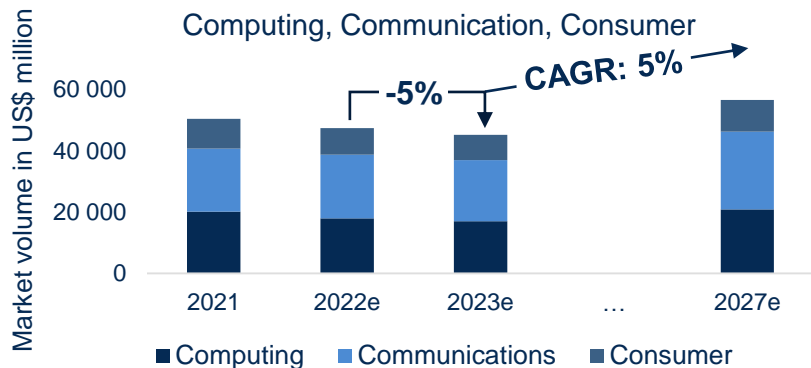


- Strong year 2022 reduces demand in 2023. Reduced investment plans are leading to stagnation this year.
- Continuing growth in digitalization and artificial intelligence support long-term growth.
- Heterogeneous integration increases demand for IC substrates per server

- Slump in demand after the boom of 2021 continues into this year.
- After the low point in Q1 2023, a stabilization at a new level, followed by a recovery, is expected.

Source: IDC, February - March 2023

STEADY GROWTH OF PCB MARKETS EXPECTED



- Weakness of the consumer market segment continues in 2023.
- Recovery is not expected before the second half of 2023.
- Digitalization and thus the ongoing expansion of infrastructure are future growth drivers.

- Market weakness occurred with a time lag to the consumer market and general growth was still observed in 2022.
- In 2023, general stagnation is expected.
- Automotive and infrastructure are the strongest growth areas, driven by electrification and increased energy efficiency.

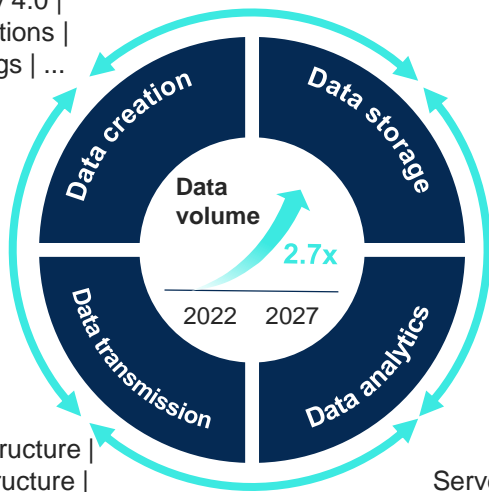
Source: Prismark, March 2023

ESSENTIAL MEGATRENDS FOR AT&S

Digitalization & Electrification with a focus on efficiency

In Digitalization...

Consumer electronics |
ADAS | Industry 4.0 |
Medical applications |
Internet of Things | ...



HDDs | DRAMs |
NANDs

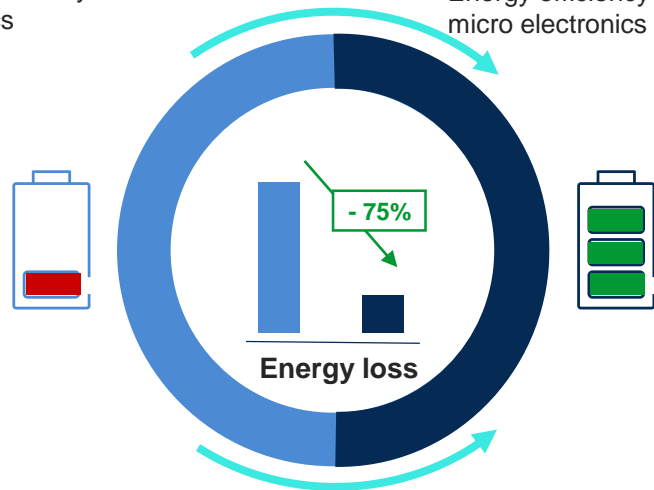
Wireless infrastructure |
Wireline infrastructure |
Satellites

Data centers |
Servers | Big Data |
In-Memory
computing

In Electrification...

Energy efficiency **without** micro
electronics

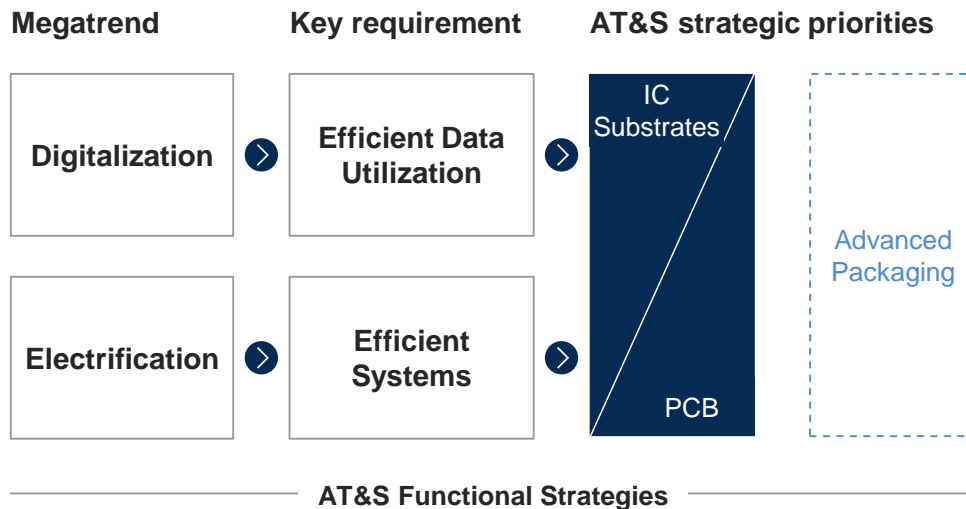
Energy efficiency **with**
micro electronics



Strong impact of micro electronics on reducing emission and
energy loss across electrification applications

“MORE THAN AT&S”

We are well positioned to partner with our customers



STRATEGIC PRIORITIES ALONG EXISTING AND NEW PRODUCT SEGMENTS

AT&S strategic priorities

IC Substrates

Development and scaling

Customer diversification

Focus on high-growth profitable high-end technologies

Capacity and competence expansion adjusted to market dynamics

IC
Substrates

PCB

PCBs and substrate-like PCBs

Optimization

Focus on profitability and high-end applications

Addressing the modularization trend

Technology leadership

Advanced Packaging

Marketing of **proven Embedding** technologies for:

- Performance semiconductors
- Performance modules
- High-frequency and radio modules
- Highly integrated system solutions

Constant expansion of the technology toolbox

Advanced
Packaging

AT&S core business

AT&S strategic
development field

“MORE THAN AT&S” STRATEGIC GOALS

Advanced Technologies and Solutions

01

Expansion of technology leadership

- Leading provider of advanced interconnect solutions
- Vitality Index of >20%

02

Continued profitable growth

- Revenue target 2026/27 of approx. € 3.5 billion
- EBITDA margin of 27% to 32%

03

Added value for our shareholders

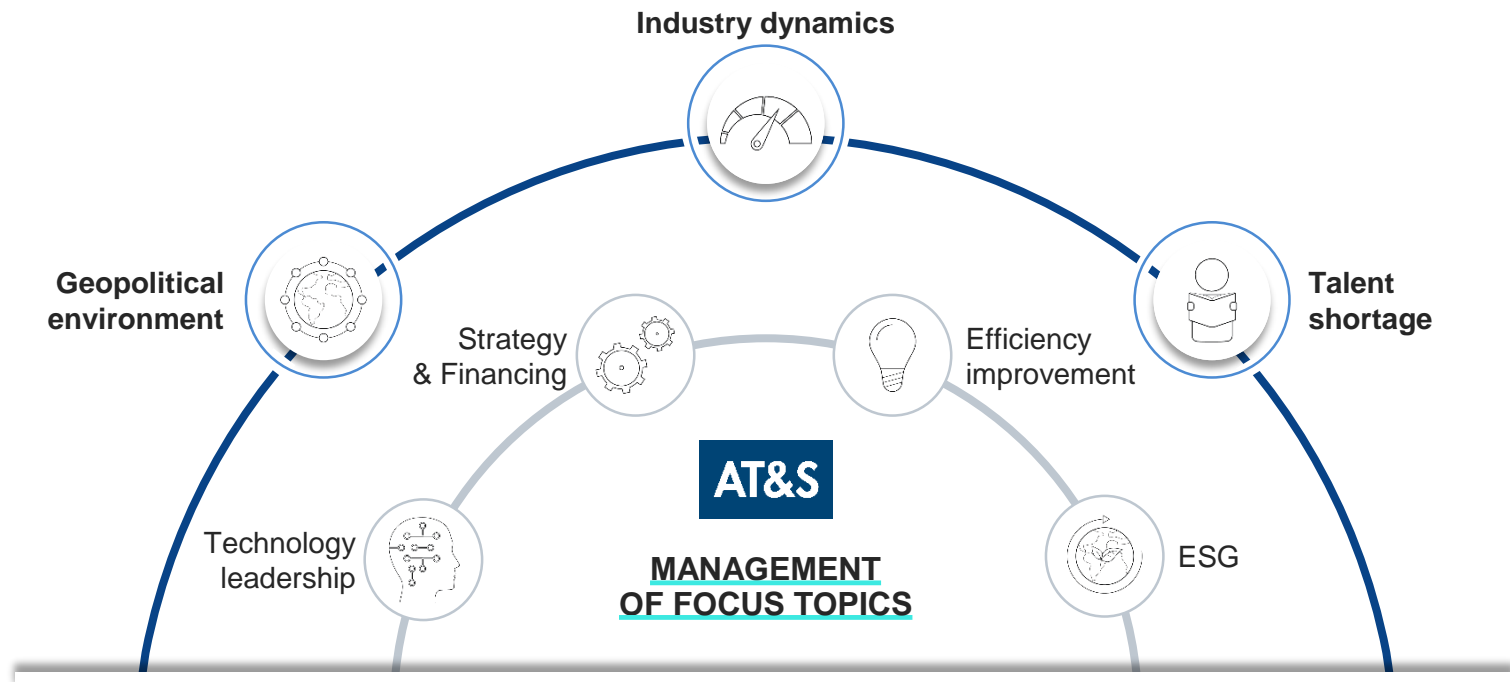
- Long-term ROCE of >12%

04

Sustainable management

- 80% renewable energy by 2025
- Decarbonization of all production sites by 2030
- Life cycle assessment at product level

MANAGEMENT OF FOCUS TOPICS



AT&S is evolving...

- **More than 10 years success story** by building a strong position as market leader
- **Solid growth plan** in dynamic market environment
- **Attractive opportunities ahead** in substrates, PCBs and beyond



...and our operating model is prepared to keep pace

- Matching our ambitions with **processes, clear responsibilities, business & customer orientation**
- Ensuring **scalable, efficient operations** in all we do
- Enable **strong collaboration** across the company

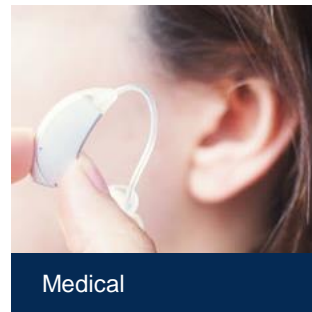
AT&S

HORIZON

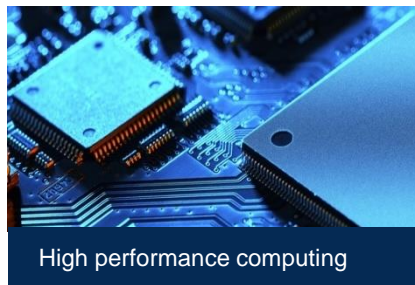
**Our new operating model
tailored for the future**

FOCUS AREAS OF NEW AT&S BUSINESS UNITS

BU Electronics Solutions

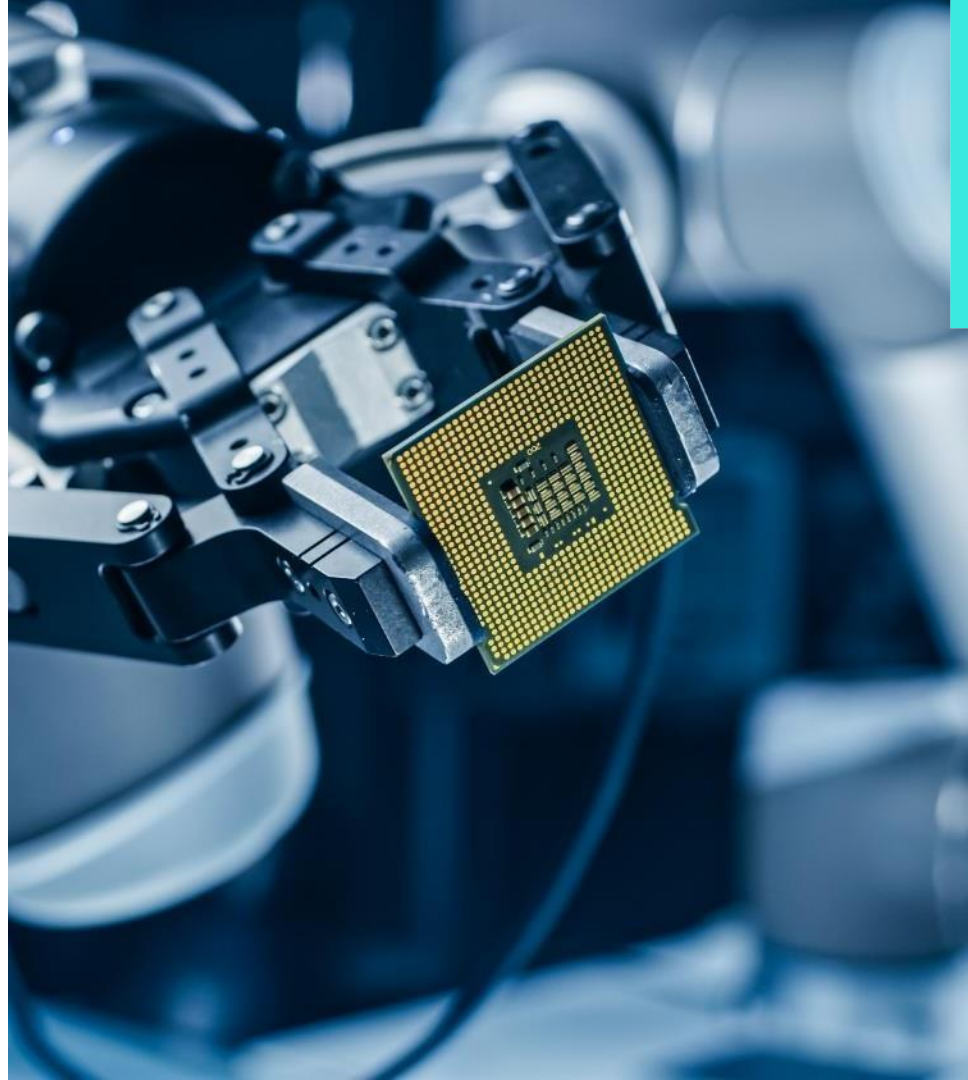


BU Micro- electronics



FINANCIALS 2022/23

Petra Preining, CFO



FINANCIAL KPIs AND ENVIRONMENT FY 2022/23

€ 1.8 Bn

Revenue

€ 417 MM

EBITDA
margin of 23.3%

€ 146 MM

EBIT
margin of 8.2%

€ 137 MM

Net profit

€ 996 MM

Net CAPEX

2.0

Net debt / EBITDA

Financial Environment

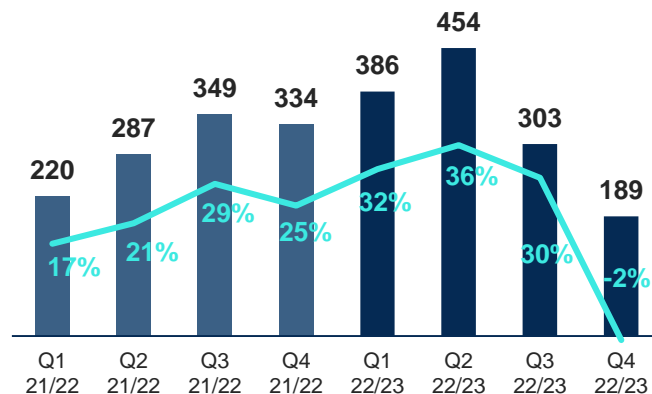
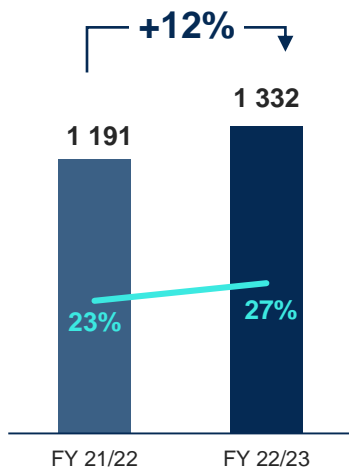
- **Split year:** strong H1, challenging H2
- H2 2022/23 sets the scene for H1 2023/24
 - **Market** → impacts revenue and margins
 - **Inflation** → impacts production cost
 - **Interest rates** → impact financing cost

Financial Focus Areas

- Focus on **liquidity** preservation
- Focus on **cost of capital**
- **Cost optimization** to support cash flow
- **CAPEX adjustments** to react to market demand

BUSINESS UNIT: MOBILE DEVICES & SUBSTRATES

in € MM



Revenue

Weak market environment for IC substrates in Q4 22/23

Mobile Devices lack new products in spring in Q4 22/23

EBITDA margin

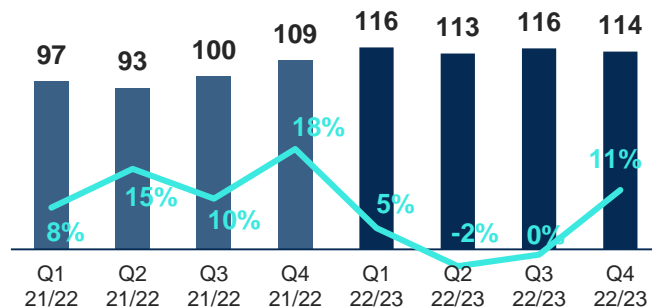
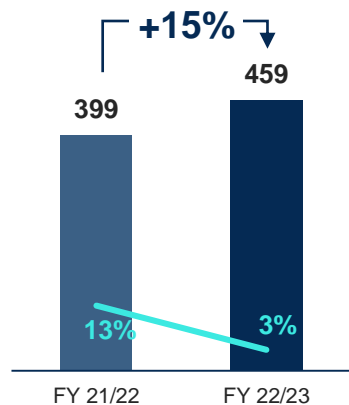
impacted by significant price pressure due to current overcapacity in the market

Cost optimization program launched

■ 3rd party revenue ■ EBITDA margin

BUSINESS UNIT: AUTOMOTIVE. INDUSTRIAL & MEDICAL

in € MM



Q4 margins include **EU IPCEI funding** in key technologies

Margin headwind throughout the year by **start-up costs and higher R&D expenditures**

■ 3rd party revenue ■ EBITDA margin

BALANCE SHEET REFLECTS GROWTH PROJECTS

€ MM	Mar. 31, 22	Mar. 31, 23	Change in %
Total assets	3,746	4,162	+11%
Equity	1,252	1,158	-8%
Equity ratio	33.4%	27.8%	-5.6pp
Net debt	212	851	+302%



As anticipated below 30% target

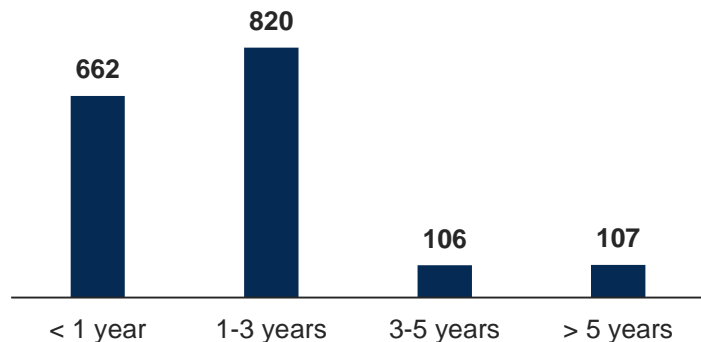


Net debt/EBITDA ratio of 2.0x

CAPEX AND OUTSTANDING DEBT COVERED BY SOLID FINANCIAL POSITION AND...

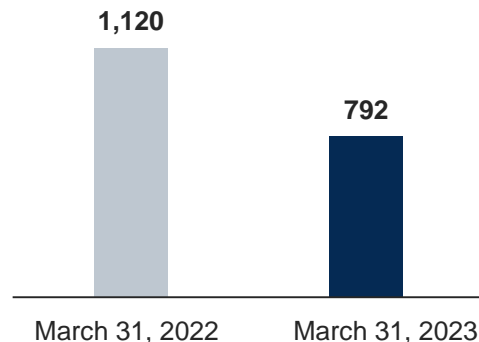
Maturity of outstanding debt instruments ¹

in € MM

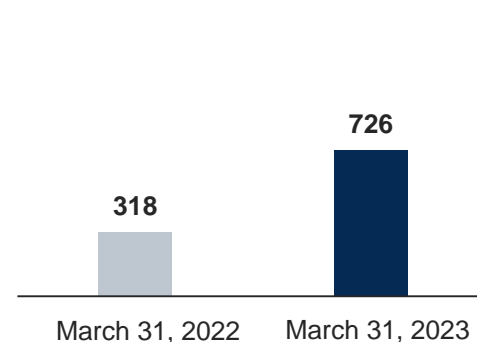


Cash & cash equivalents

in € MM



Unused credit lines



Solid financial structure with € 1,517 MM cash, cash equivalents and unused credit lines

¹ Amounts by maturity as of March 31, 2023. Promissory note loans, term loans with banks, bank borrowings and others; including accrued interest and placement costs and finance leases

...COST & CAPEX OPTIMIZATION, IMPROVED WORKING CAPITAL...

Cost optimization program

Compared to the financial year 2022/23 cost savings totalling **€ 440 million** are expected for 2023/24 and 2024/25

Investment program

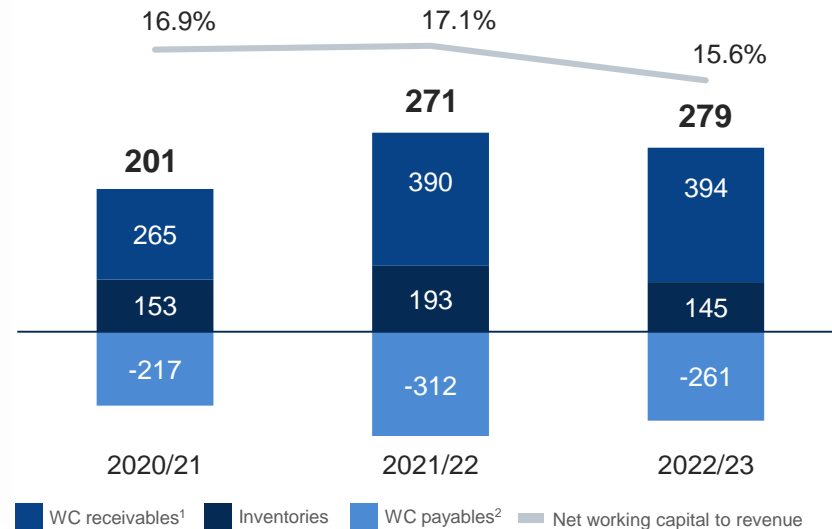
Investment volume for the 2023/24 and 2024/25 financial years will be reduced by a total of **€ 450 million** compared with the original plan

¹ Trade and other receivables and contract assets |

² Trade and other payables and other current provisions, without liabilities from investments

Relation working capital to revenue

in € MM



...AND FINANCING STRATEGY

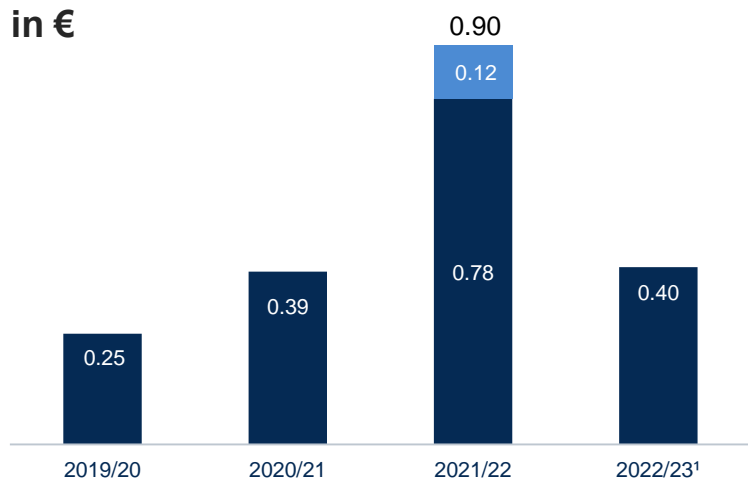
No Financial Dependency

- **No dependence** on individual markets, instruments, banks or investors
- **Diversification** of funding sources and instruments:
 - Loans with guarantees from governmental and supranational organizations
 - Promissory note loans
 - Bank loans and Leasing financing
- **No covenants**, but margin grids

Maximizing Financial Flexibility

- **Securing sufficient liquidity** reserves and unused credit lines
- **Ensuring the early financing** of investment projects
- **Optimization of trade-off** between sufficient funding and minimizing cost of capital

DIVIDEND PROPOSAL OF € 0.40



■ Dividend per share ■ Special dividend

¹ Dividend proposal to AGM on July 6, 2023 |

² Payout ratio = Dividend / Net income attributable to shareholders = € 16 MM/€ 118 MM

Dividend of
€ 16 MM equals
payout ratio
of 13%²

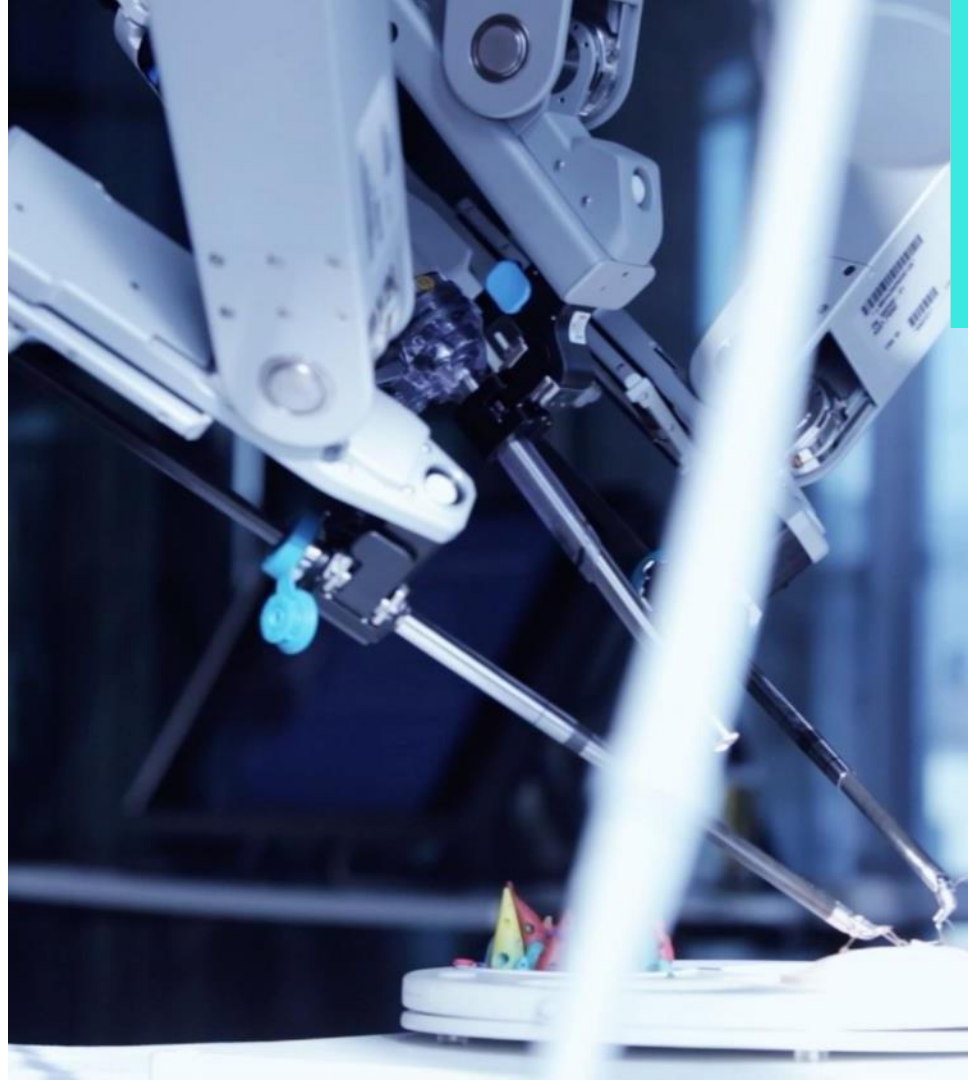
Considers
current
challenging
market
environment

Record net
income driven
by FX tailwinds

Underpins the
management's
confidence in
the **growth**
strategy

PRINTED CIRCUIT BOARDS

Peter Schneider, EVP BU Electronics Solutions



LEADING GLOBAL PLAYER WITH BROAD PORTFOLIO FOR THE HIGH-END



Consumer and Computing

- Smartphones
- Wearables
- Datacenter



Automotive

- Infotainment
- ADAS
- V2X



Industrial

- Telecom Infrastructure
- Satellites
- M2X



Medical

- Hearing aids
- Bionics

Shanghai | China



Chongqing II | China



Nanjangud | India



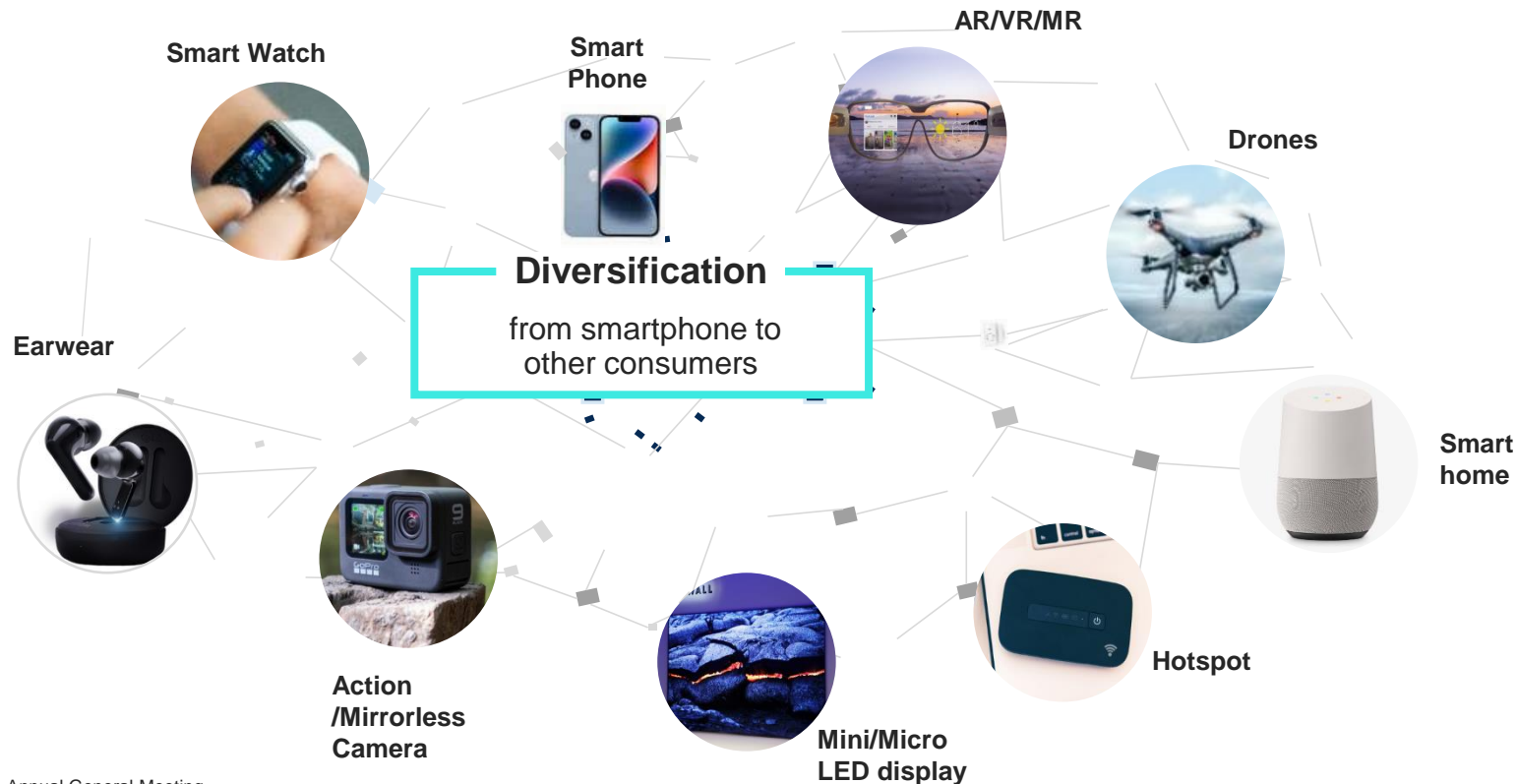
Fehring | Austria



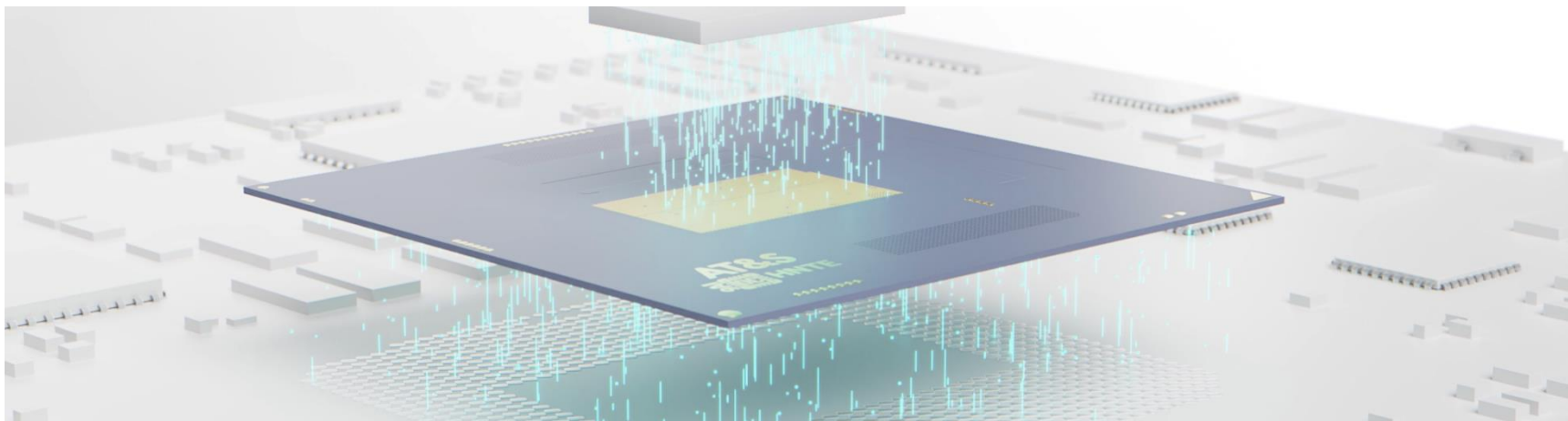
Ansan | Korea



CONSUMER ELECTRONICS DIVERSIFICATION



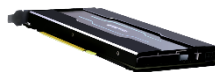
SERVER AS GROWTH DRIVER FOR PCB AS WELL



Storage



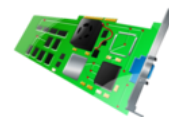
Accelerator card



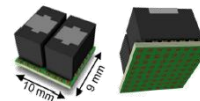
**Optical
Transmission**



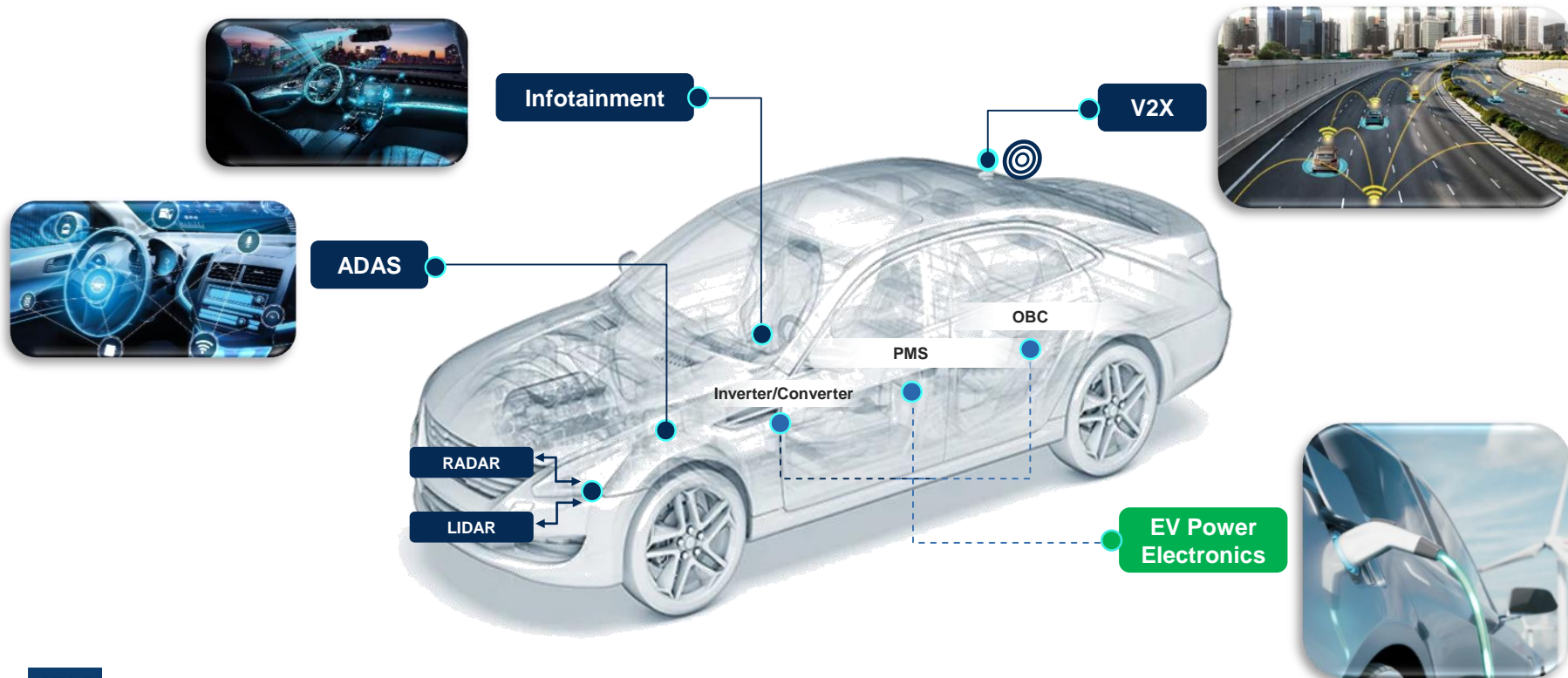
**Data processing
card**



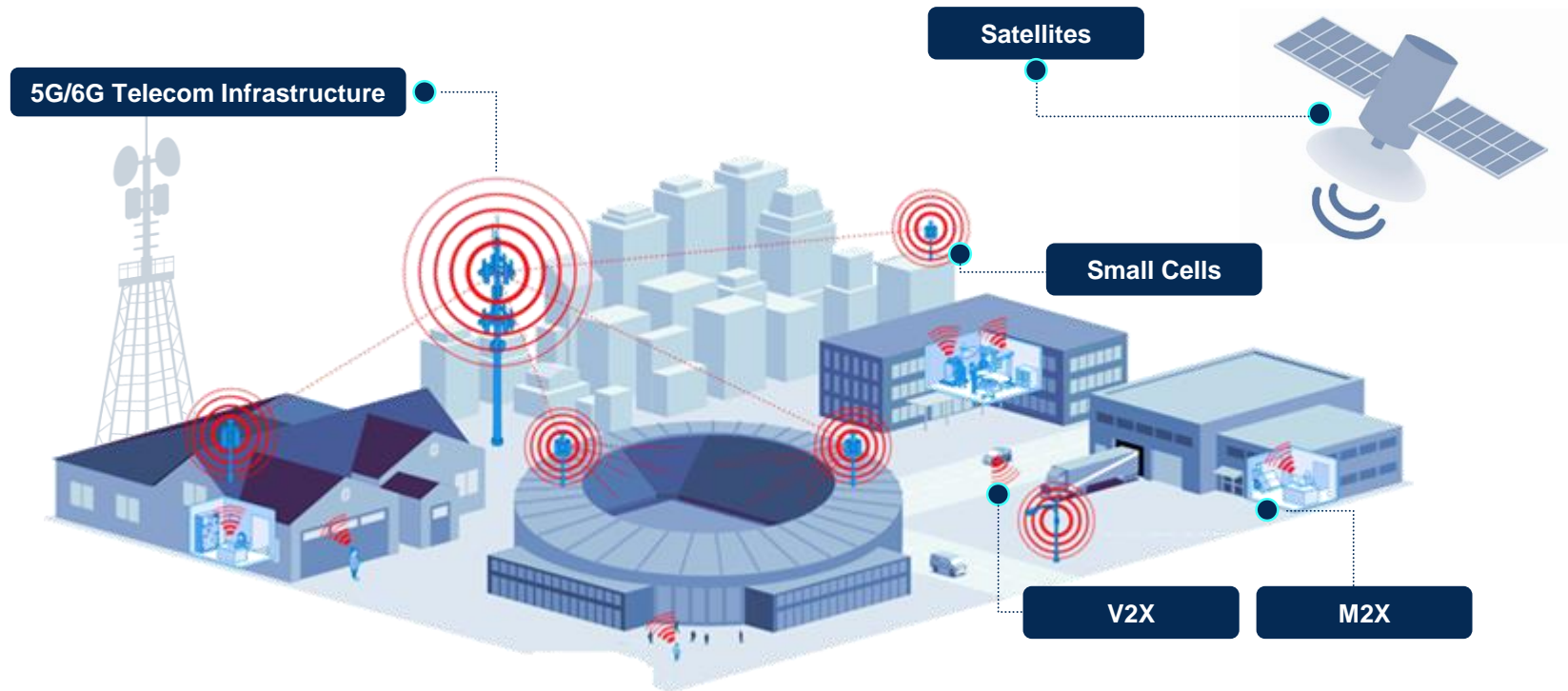
Power supply



NUMEROUS APPLICATIONS IN AUTOMOTIVE

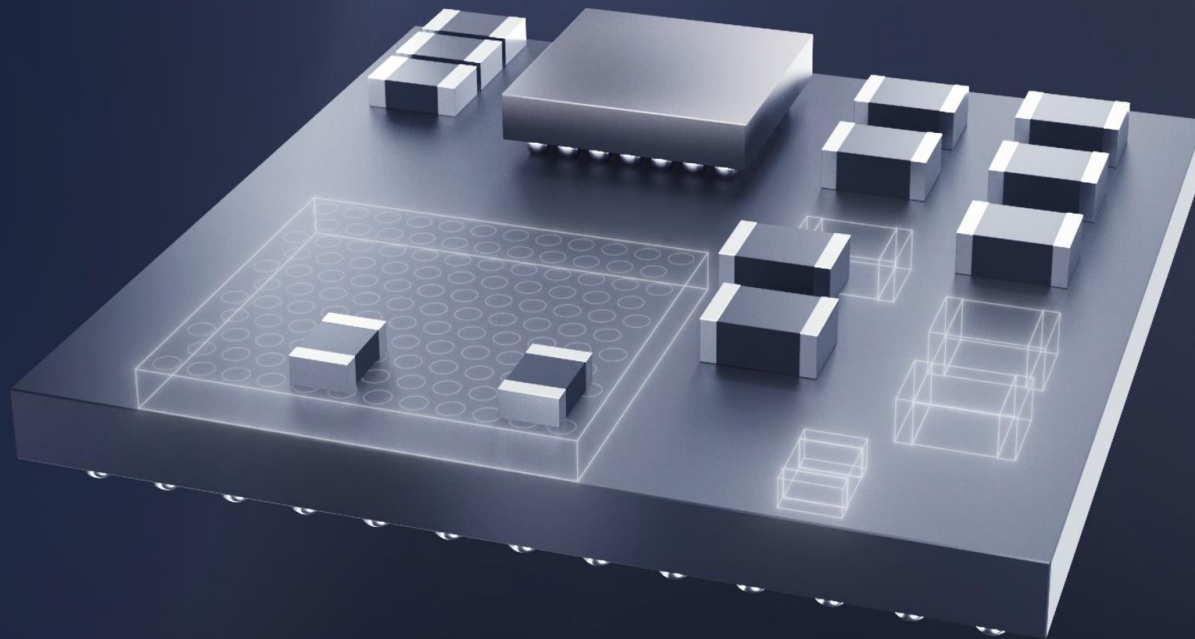


INFRASTRUCTURE TREND TO HIGH END



EMBEDDING: HIGHER PERFORMANCE - LESS SPACE

Embedding technology enables component inside the PCB to reduce package size significantly



EMBEDDING: MARKET PENETRATION ON THE WAY

Markets

Satellites

Data Center

Power supply

Electric vehicles

Major players



Key highlights

20+ years experience

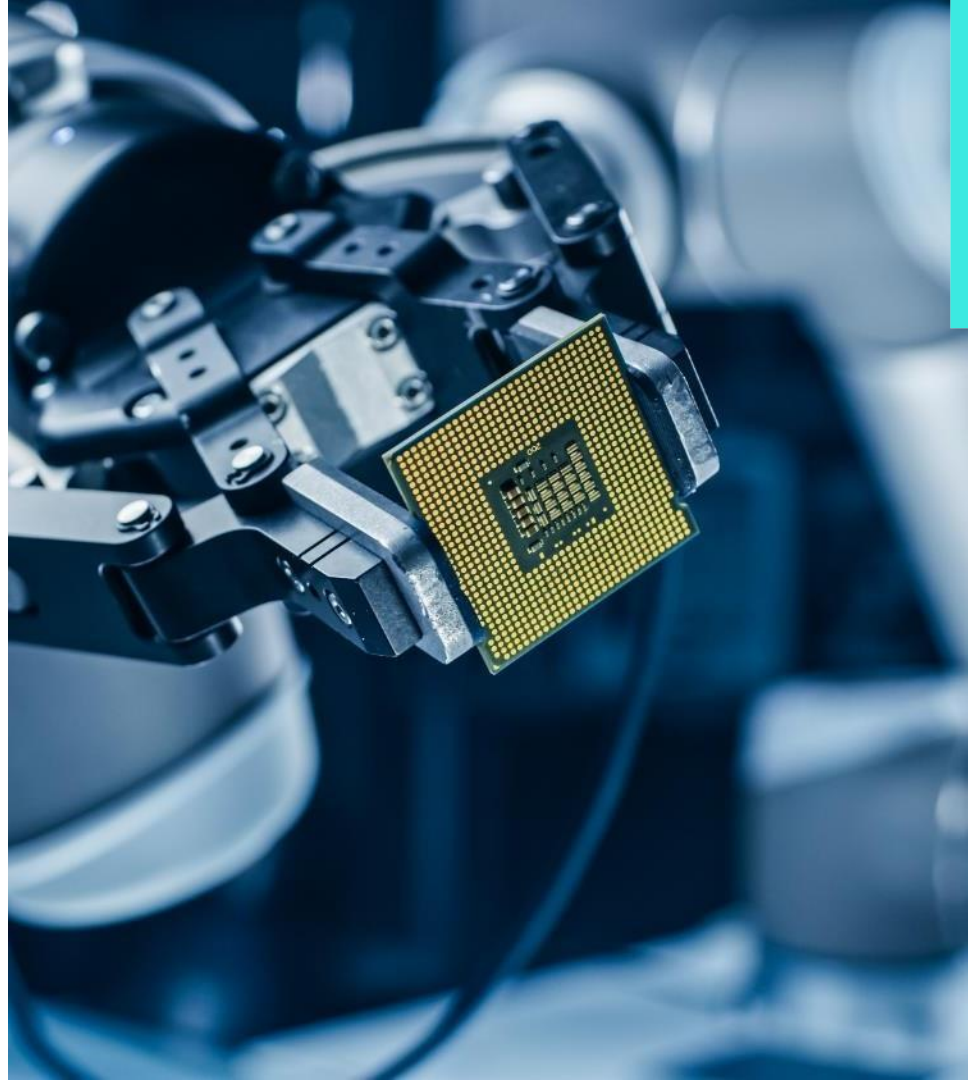
Several R&D cooperations

200+ patents

Significant co-financing
for power devices

IC SUBSTRATES

Ingolf Schröder, EVP BU Microelectronics



STRATEGIC CUSTOMER AND APPLICATION DIVERSIFICATION

Applications in focus and potential customers

Micro Electronics

High-performance computing



AI, edge computing and IoT



Servers



Cloud computing



Networking



5G base stations



Customer diversification

Existing customers

Customer A

New customers FY 22/23

Cust. B

Cust. D

Cust. C

Cust. E

Application Diversification

Expected by FY26/27

Servers/Cloud computing



Networking/5G



HPC/AI



Client computing



RESILIENT PRODUCTION NETWORK FOR IC SUBSTRATES

LEOBEN-HINTERBERG

Research and production centre for packaging and IC substrates



CHONGQING I & III

- Extensive production know-how in CHQ I since 2016
- Capacity expansion through CHQ III



KULIM

- Significant capacity expansion
- Start of series production in 2024

CAMPUS KULIM (MY)

- Current phase: **2 plants and 1 office building**
- Start of construction: **11/2021**
- Focus on ABF substrates for high-performance processors
- **Start of series production in 2024**
- **6,000** additional employees
- **Adjustment** of ramp-up of one plant to the **current market situation and development**



CAMPUS KULIM (MY)

Construction progress



February 2022



September 2022

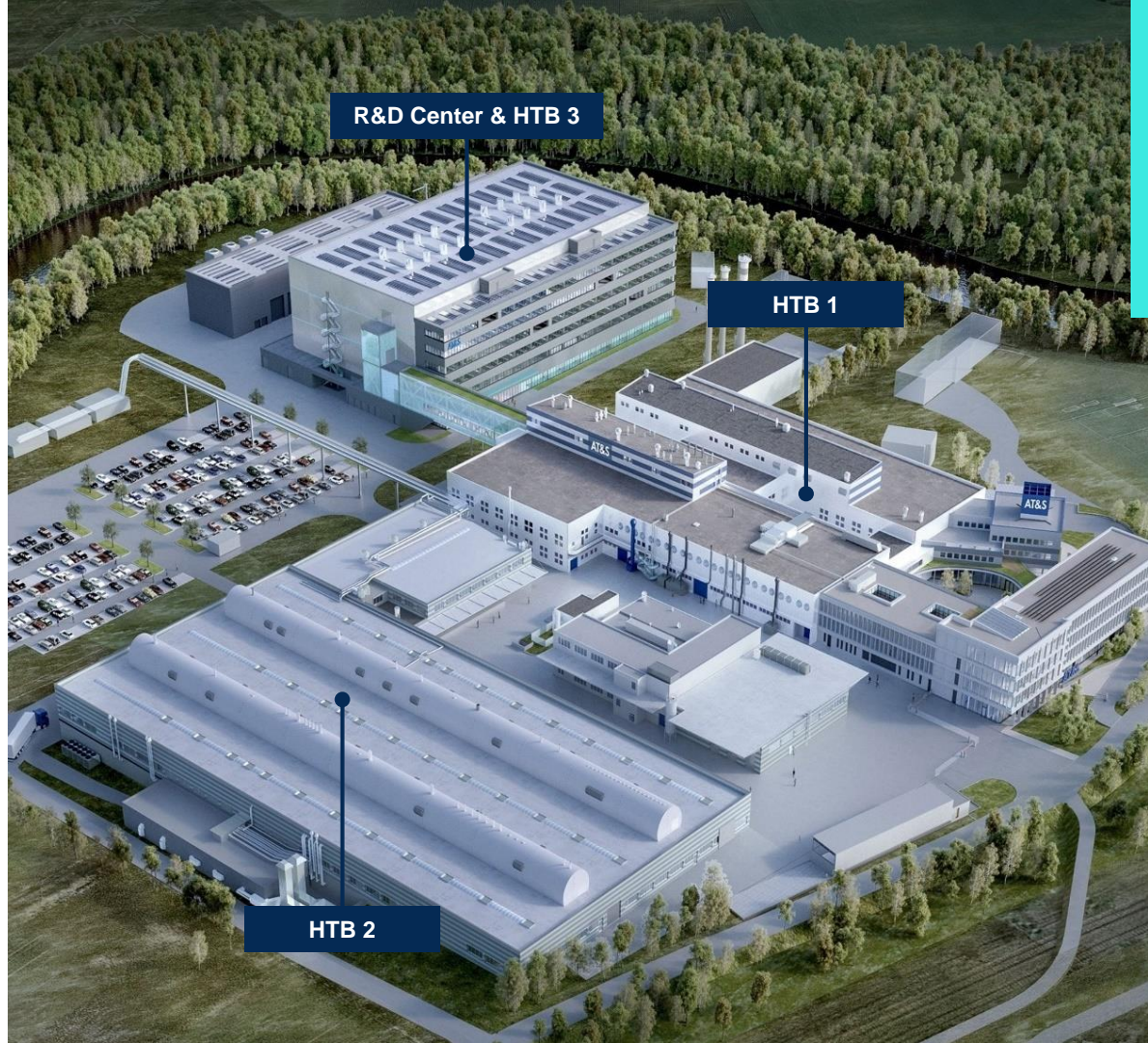


June 2023

PROJECT UPDATE – R&D CENTER & HTB 3 (AT)

High-end production site

- Start of construction: **Feb. 2022**
- Gross area: **39,000 m²** on 3 levels
- **11,000 m² clean room area**
(incl. 2,300 m² separate R&D area)
- **Planned jobs: ~700**
- **Start of production: 2024**



R&D CENTER & HTB 3 (AT)

Construction progress



March 2022



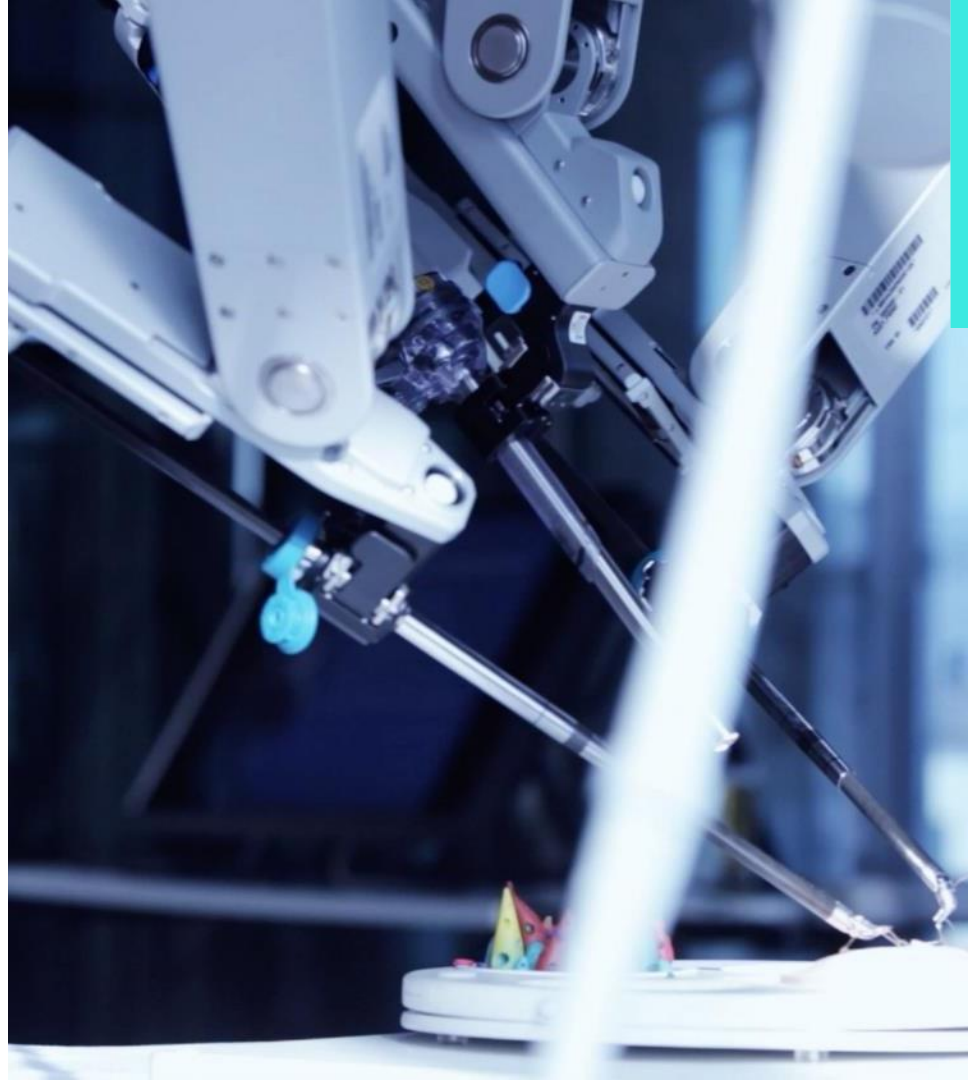
September 2022



May 2023

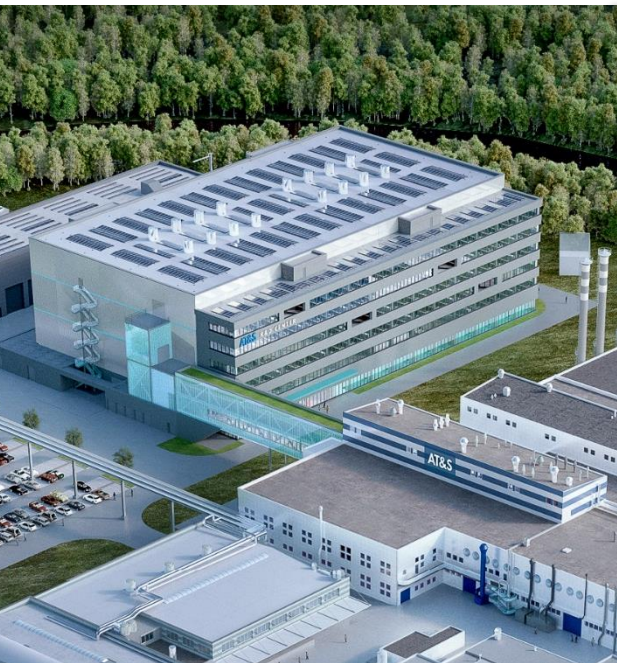
R&D AND ESG

Peter Griehsnig, CTO



R&D LINE: LEOBEN BECOMES COMPETENCE CENTER

Development of IC substrates and microelectronic packages in one place



High-end PCB



IC substrate



Embedding

Autonomy:

Development of expertise for IC substrates and packaging technologies in Europe

Independence:

Only industrial research center for these technologies in Europe

Collaboration:

Place of collaboration with the researchers of our partners (customers, suppliers, universities, etc.)

Speed:

Decoupling from mass production increases development speed

ANSWERS TO THE CHALLENGES IN ELECTRONICS

**Rapid data growth due
to digitalization**

**Efficient
energy use**



Transport of huge data volumes through innovative solutions for low-loss data transmission at high frequencies.



More powerful computing systems thanks to packages which connect many chips in the most efficient way.



Low-loss power supply of electronic systems based on improved power and heat management.

PATENTS PROTECT OUR INTELLECTUAL PROPERTY

Safe handling of intellectual property protects our future

Key facts

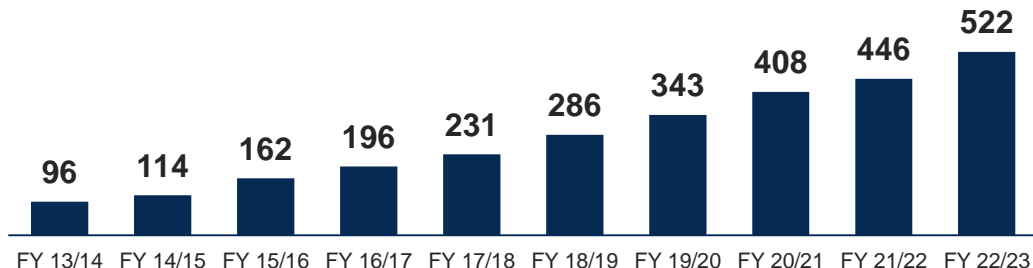
>1,400
active
applications

>690
patents granted

79
first applications in
22/23

AT&S among top 3 worldwide
in the area of “Embedding
Technology” ¹

Active patent families



106 patent applications
in class: “Technologies for climate
change mitigation” ²

¹ Patent class: H05K 1/185

² Patent class: CPC Y02

THE FOUR STRATEGIC FIELDS OF ACTION FOR ENVIRONMENTAL SOCIAL GOVERNANCE (ESG)

E

Decarbonization

- Renewable energies
- Energy efficiency

Circular economy

- Resource efficiency
- Recycling
- Recirculation and life cycle assessment of water
- Waste and waste prevention

S

Decent work

- Diversity
- Training and education
- Health
- Occupational safety

G

Sustainable supply chain & business ethics

- Responsibility along the value chain
- Our ethical principles

With this **holistic and future-oriented mindset**, AT&S combines the **different interests** of business, ecology and social development.

WHAT WE ARE PROUD OF

Our long-term goals

80%

Renewable energies **by 2025**

Decarbonization

of all production sites
by 2030

38% Scope 1&2

Absolute reduction of
Scope 1- & 2-emissions
by 38% **by 2030/31**¹

48% Scope 3

Reduction of the relevant
Scope 3-emissions by 48% per
euro of gross value added **by**
2030/31¹

The greenhouse gas (GHG) emission goals of AT&S have been approved by SBTi (Science Based Targets initiative) and are in accordance with the 1.5°C target.



What we achieved in FY 2022/23

61.6%

Renewable energies

Science-based

emissions targets

30.6 GWh saved

across the Group

Equivalent to **13.7 kt CO₂**

68 nationalities

in the workforce

(62 nationalities at the
Hinterberg site)

¹ Base year 2021/22

MULTIPLE AWARD WINNER

An extract of the twelve ESG awards and prizes in FY 2022/23

Awards and recognitions

Again in the VÖNIX sustainability index
Included and awarded

Environment Protection Credible Enterprise
Recognition by the Chongqing Municipal Environmental Protection Bureau

2022 Safe Production Award
Recognition by the Minhang District Administration of China

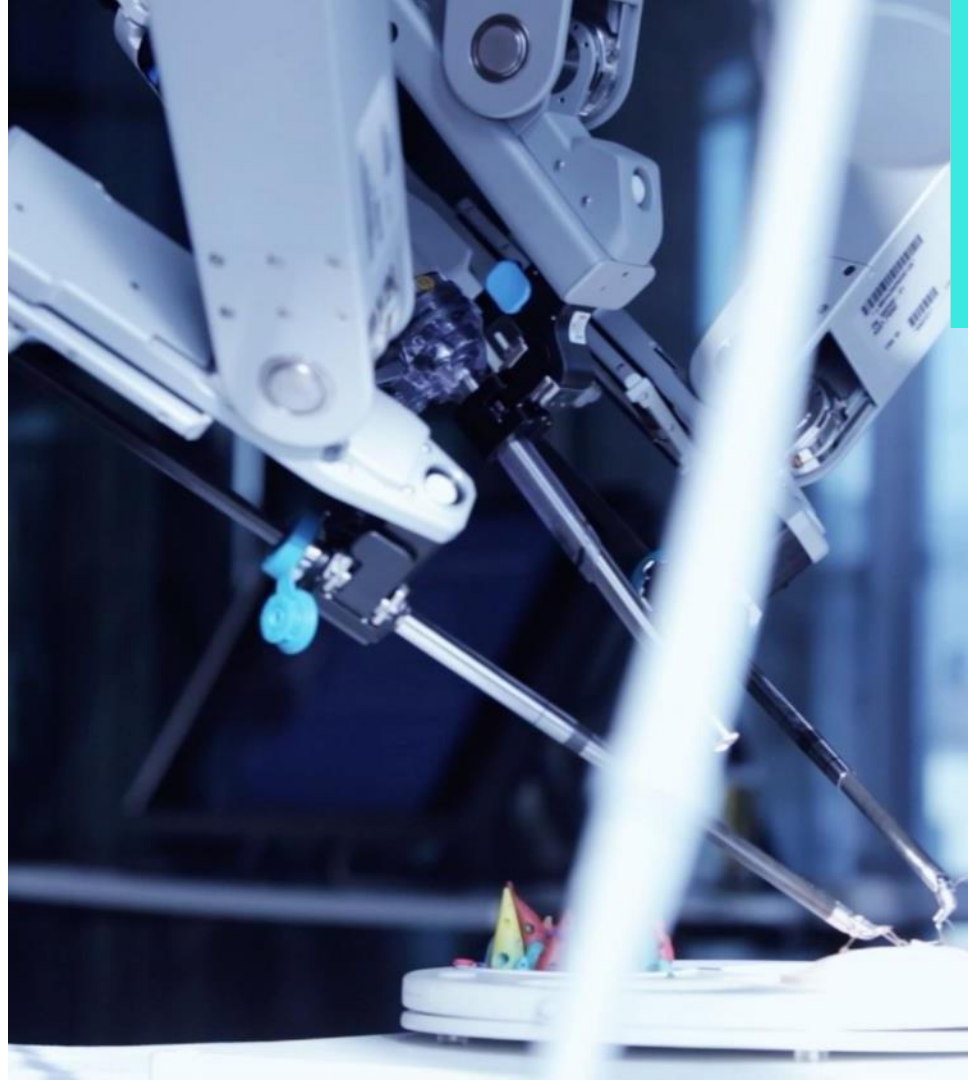
Special Effort Awards
Recognition by customer Endress & Hauser

EPIC Distinguished Supplier Award



OUTLOOK

Andreas Gerstenmayer, CEO



CURRENT YEAR GUIDANCE

FY 2023/24

Revenue	Approx. € 1.7–1.9 billion
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Profitability	<ul style="list-style-type: none">▪ Adjusted EBITDA margin of 25–29%▪ Start-up effects of the Kulim and Leoben projects in the amount of approx. € 100 MM
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Investments	Net CAPEX of up to € 1.1 billion
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MID-TERM GUIDANCE

FY 2026/27

Growth Revenue approx. € 3.5 bn (CAGR +18%)

Profitability

- EBITDA margin of 27–32%
- ROCE of >12% with ramp-up of production

Others

- Net debt/EBITDA: <3 (can be temporarily exceeded)
- Equity ratio: >30% (may temporarily fall below)

STRENGTHS & OPPORTUNITIES

WHAT MAKES US STRONG NOW	<div>1</div> <div>Leading high-end technology manufacturer</div>	<div>2</div> <div>Diversified customer portfolio across broad industry segments</div>	<div>3</div> <div>European company with scalable, global production footprint</div>
	<div>4</div> <div>High standards in ESG and talent management</div>	<div>5</div> <div>Thriving on the megatrends digitalization and electrification</div>	<div>6</div> <div>Track record of success builds base for future growth</div>
OUR FUTURE ASPIRATIONS	<div>+ mid-term</div> <div>Profitable growth takes us to the next level</div>	<div>+ mid-term</div> <div>Top 3 Player within high-end IC substrate market</div>	<div>+ long-term</div> <div>Well established advanced packaging solution provider</div>

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