

more

than

AT&S

Quarterly Financial Report Q3 2018/19

# Key figures

<b>EARNINGS DATA AND GENERAL INFORMATION</b>	Unit	Q1-3 2017/18	Q1-3 2018/19	Change in %
Revenue	€ in millions	765.9	790.1	3.2 %
thereof produced in Asia	%	85%	86%	–
thereof produced in Europe	%	15%	14%	–
Cost of sales	€ in millions	626.4	634.1	1.2 %
Gross profit	€ in millions	139.5	156.1	11.9 %
Gross profit margin	%	18.2%	19.8%	–
EBITDA	€ in millions	190.3	220.5	15.9 %
EBITDA margin	%	24.8%	27.9%	–
EBIT	€ in millions	88.8	121.5	36.9 %
EBIT margin	%	11.6%	15.4%	–
Profit/(loss) for the period	€ in millions	47.8	92.3	93.1 %
Profit/(loss) for the period attributable to owners of the parent company	€ in millions	46.9	86.0	83.2 %
ROE (Return on equity) <sup>1)</sup>	%	10.3%	16.5%	–
ROCE (Return on capital employed) <sup>1)</sup>	%	8.6%	13.8%	–
ROS (Return on sales)	%	6.2%	11.7%	–
Cash flow from operating activities (OCF)	€ in millions	121.0	153.2	26.6 %
Net CAPEX	€ in millions	124.6	63.2	(49.3 %)
Operating free cash flow <sup>2)</sup>	€ in millions	(3.6)	90.0	–
Free cash flow <sup>3)</sup>	€ in millions	(125.6)	(102.5)	–
Employees (incl. leased personnel), end of reporting period	–	10,089	10,052	(0.4 %)
Employees (incl. leased personnel), average	–	10,039	9,842	(2.0 %)
<b>BALANCE SHEET DATA</b>		31 Mar 2018	31 Dec 2018	
Total assets	€ in millions	1,530.4	1,818.2	18.8 %
Total equity <sup>4)</sup>	€ in millions	711.4	780.4	9.7 %
Equity ratio	%	46.5%	42.9%	–
Net debt	€ in millions	209.2	136.7	(34.7 %)
Net gearing	%	29.4%	17.5%	–
Net working capital	€ in millions	72.4	155.8	>100%
Net working capital per revenue	%	7.3%	14.8%	–
<b>STOCK EXCHANGE DATA</b>		Q1-3 2017/18	Q1-3 2018/19	
Shares outstanding, end of reporting period	–	38,850,000	38,850,000	–
Weighted average number of shares outstanding	–	38,850,000	38,850,000	–
Earnings per shares outstanding end of reporting period	€	1.21	2.21	83.2 %
Earnings per average number of shares outstanding	€	1.21	2.21	83.2 %
Market capitalisation, end of reporting period	€ in millions	914.5	598.3	(34.6 %)

<sup>1)</sup> Calculated on the basis of average values

<sup>2)</sup> OCF minus Net CAPEX

<sup>3)</sup> OCF minus Cash flow from investing activities

<sup>4)</sup> Equity including hybrid capital

# Summary

- Successful positioning in the high-frequency product area
- One of the top 3 companies worldwide for high-end interconnect solutions
- Revenue growth and excellent profitability in the first nine months
  - Well diversified product, technology and customer portfolio ensures positive business development
  - Very good demand for IC substrates
  - Good development in Medical & Healthcare
  - Weaker demand for mobile devices, especially in the last quarter
  - Supply constraints in key components are slowing down demand in Automotive and Industrial
  - Temporary reduced demand for automotive PCBs
- Revenue slightly grows to € 790.1 million
- EBITDA increases to € 220.5 million



# Corporate Governance information

**FINANCING COMMITTEE OF THE SUPERVISORY BOARD ESTABLISHED** In order to increase the efficiency of the Supervisory Board's work and to address complex issues in a targeted manner, a standing Financing Committee of the AT&S Supervisory Board has been set up for financing matters. The rules of procedure for the Supervisory Board have been amended accordingly for this purpose. Hence, the AT&S Supervisory Board has established a third standing committee in addition to the Audit Committee and the Nomination and Remuneration Committee. The following Supervisory Board members were appointed to the Financing Committee:

Hannes Androsch (Chairman)

Willibald Dörflinger

Regina Prehofer

Georg Riedl

Wolfgang Fleck

Günther Wölfler

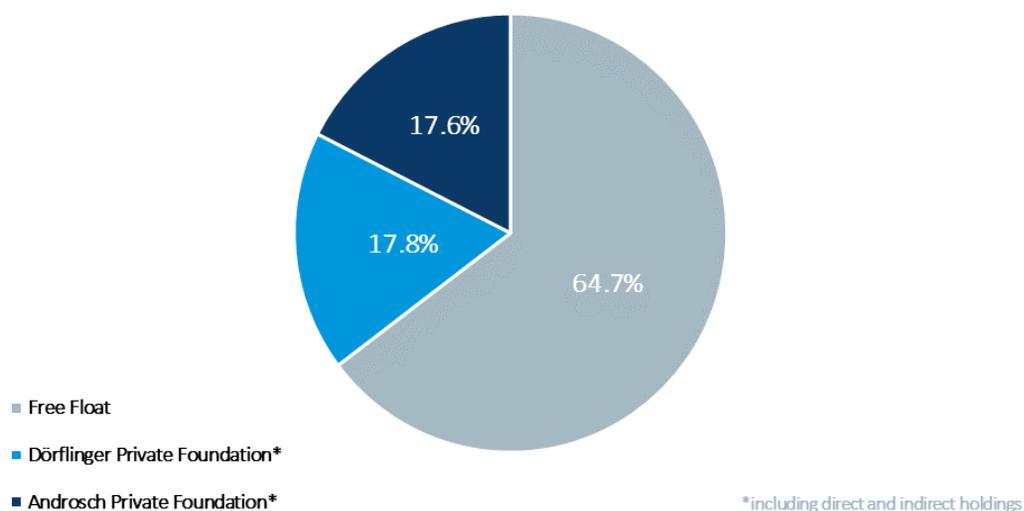
**DIRECTORS' DEALINGS** On 20 December 2018, Hannes Androsch, Chairman of the AT&S Supervisory Board, sold 202,095 AT&S shares. Androsch Private Foundation, which is closely related to the AT&S Supervisory Board members Hannes Androsch, Georg Riedl and Gerhard Pichler, bought these 202,095 AT&S shares. The implementation of the transaction was duly published on 21 December 2018. The average price amounted to € 19.09 and the total value of the shares sold amounted to € 3,857,993.55.

On 20 December 2018, Hannes Androsch, Chairman of the AT&S Supervisory Board, sold 277,346 AT&S shares. AIC Androsch International Management GmbH, which is closely related to AT&S Supervisory Board Chairman Hannes Androsch, bought these 277,346 shares. The implementation of the transaction was duly published on 21 December 2018. The average price amounted to € 19.09 and the total value of the shares sold amounted to € 5,294,535.14.

The total share of the voting rights held by Androsch Private Foundation and AIC Androsch International Management Consulting GmbH in AT&S has thus been increased. They now hold a total of 17.55% (previously 16.30%) of the voting rights (total number of voting rights: 38,850,000). This notification was also duly published on 21 December 2018.

# AT&S share

## SHAREHOLDER STRUCTURE



## DEVELOPMENTS IN THE CAPITAL MARKET IN THE FIRST NINE MONTHS OF 2018/19

After a generally friendly first half-year, the sentiment in the international stock markets deteriorated in the third quarter of the financial year 2018/19. The development was negatively influenced, among other things, by weaker economic indicators and the ongoing global trade conflicts.

## AT&S AGAINST ATX PRIME AND TECDAX



**PERFORMANCE AND LIQUIDITY OF THE AT&S SHARE** Thanks to the upgrade of its guidance and the better-than-expected results for the first half of the year, AT&S had positive news to report in the third quarter of 2018/19. It once again showed that in an increasingly difficult environment, AT&S benefits from its diversification and its successful investments.

However, the AT&S share was unable to avoid the effects of the industry development and the generally weak stock market environment. With a closing price of € 15.4 on 28 December 2018, the AT&S share lost 22.6% in the past quarter. Ranging between € 14.62 and € 24.10 in the first nine months, the AT&S share price showed a high level of volatility.

However, the share's liquidity improved. Both the average daily volume of 139,827 shares traded (up 35% on comparative period; single count) and the average daily trading turnover of € 2,666,524 (up 58% on comparative period; single count) show this development very clearly.

### KEY SHARE FIGURES FOR THE FIRST NINE MONTHS

€	31 Dec 2018	31 Dec 2017
Earnings per share	2.21	1.21
High	24.10	24.99
Low	14.62	9.16
Close	15.40	23.54

### AT&S SHARE – VIENNA STOCK

#### EXCHANGE

Shares outstanding	38,850,000
Security ID number	922230
ISIN-Code	AT0000969985
Symbol	ATS
Thomson Reuters	ATSV.VI
Bloomberg	ATS:AV
Indices	ATX, ATX GP, WBI, VÖNIX

#### FINANCIAL CALENDAR

07 May 2019	Annual Results 2018/19
04 July 2019	25 <sup>th</sup> Annual General Meeting
23 July 2019	Ex-Dividend Day

# Group Interim Management Report

**BUSINESS DEVELOPMENTS AND SITUATION** In comparison with the same period of the previous year AT&S increased revenue and significantly improved earnings. The positive business development based on the optimised product, technology and customer portfolio continued; however, demand in the Mobile Devices and Automotive segments started to weaken in the third quarter of the financial year.

Accumulated revenue rose by € 24.2 million or 3.2% from € 765.9 million to € 790.1 million. Increases in sales of IC substrates and in the Medical & Healthcare segment partially offset the decline in demand recorded in the Mobile Devices, Automotive and Industrial segments in the third quarter.

Exchange rate effects, especially the weaker US dollar, had a negative impact of € 11.3 million or 1.5% on revenue.

The effects resulting from the application of the new IFRS 15 led to an increase in revenue by € 14.6 million or 1.9%. This change is due to the recognition of revenue over a period of time, which is necessary for customers. For further information please refer to the notes of this interim financial report. The portion of revenue from products made in Asia rose from 85% in the previous year to 86% in the current financial year.

## Result key data

€ in millions (unless otherwise stated)

	Q1-3 2018/19	Q1-3 2017/18	Change in %
Revenue	790.1	765.9	3.2%
Operating result before interest, tax, depreciation and amortisation (EBITDA)	220.5	190.3	15.9%
EBITDA margin (%)	27.9%	24.8%	
Operating result (EBIT)	121.5	88.8	36.9%
EBIT margin (%)	15.4%	11.6%	
Profit/(loss) for the period	92.3	47.8	93.1%
Earnings per share (€)	2.21	1.21	83.2%
Additions to property, plant and equipment and intangible assets	58.2	85.7	(32.1%)
Average number of staff (incl. leased personnel)	9,842	10,039	(2.0%)

EBITDA improved by € 30.2 million or 15.9 % from € 190.3 million to € 220.5 million. The increase primarily results from efficiency and productivity improvements, the absence of the start-up the costs incurred in Chongqing in the previous year and the improved product mix. This result was supported by positive currency effects.

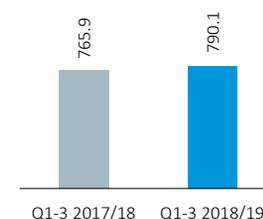
The EBITDA margin amounted to 27.9% in the first nine months, up 3.1 percentage points on the prior-year level of 24.8%.

Depreciation and amortisation declined by € 2.6 million or 2.6% from € 101.5 million in the previous year to € 98.9 million, which is primarily attributable to positive exchange rate effects amounting to € 1.3 million.

EBIT improved by € 32.7 million from € 88.8 million to € 121.5 million. The EBIT margin amounted to 15.4% (previous year: 11.6%).

Finance costs – net increased significantly from € -11.3 million to € -2.6 million. Although gross debt was substantially higher than in the the previous year, gross interest expenses, at € 9.6 million, were € 1.2 million lower than the prior-year level of € 10.8 million due to optimisation measures carried out subsequent to the hybrid bond. Interest income amounted to € 3.1 million, up € 2.4 million on the prior-year level of € 0.7 million. This increase resulted primarily from the improved interest environment in the USD area.

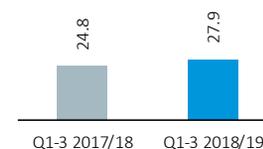
Development of revenue  
€ in millions



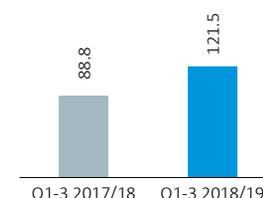
Development of EBITDA  
€ in millions

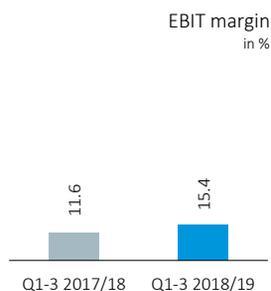


EBITDA margin  
in %



Development of EBIT  
in %





Exchange rate effects had a positive impact of € 6.5 million on finance costs in the first nine months (previous year: income of € 2.0 million).

Income tax expenses amounted to € 26.7 million in the first nine months (previous year: € 29.7 million). The lower tax expenses in relation to earnings was due to a reduced tax rate at AT&S (China) Company Limited, which was still included at the higher tax rate (since the certificate for high-tech companies had not yet been extended then) in the comparative figures of the previous year.

Due to the significantly improved operating result and the improvement in finance costs – net, profit for the period was up € 44.5 million, from € 47.8 million to € 92.3 million. As a result, earnings per share rose from € 1.21 to € 2.21. Interest on hybrid capital of € 6.3 million (previous year: € 0.8 million) was deducted in the calculation of earnings per share.

**FINANCIAL POSITION** Total assets increased by € 287.8 million or 18.8% from € 1,530.4 million to € 1,818.2 million in the first nine months. The increase due to additions and technology upgrades amounting to € 58.2 million (additions to assets led to cash CAPEX of € 63.3 million) was offset by depreciation and amortisation totalling € 98.9 million. In addition, exchange rate effects reduced fixed assets by € 8.0 million. The decline in inventories from € 136.1 million to € 112.9 million results from the implementation of IFRS 15. The increase in receivables includes the offsetting item recognising contract assets. Regarding the detailed impact of initial recognition of IFRS 15, please refer to the notes of this interim financial report.

Cash and cash equivalents rose significantly to € 380.2 million (31 March 2018: € 270.7 million). In addition to cash and cash equivalents, AT&S has financial assets of € 253.2 million and unused credit lines of € 182.0 million as a financial reserve as at 31 December 2018.

Equity increased by € 69.0 million or 9.7% from € 711.4 million to € 780.4 million. The increase was attributable to the profit for the period of € 92.3 million. The application of new reporting standards (IFRS 9 and IFRS 15) had an additional positive impact of € 10.4 million on equity. This was offset by negative exchange rate effects of € 9.6 million, which resulted from the translation of net asset positions of subsidiaries, and the dividend payout of € 13.9 million and the payout of € 8.3 million to the owners of the hybrid bond. Based on this increase in equity and the higher total assets resulting from the issue of the promissory note loan, the equity ratio, at 42.9%, was 3.6 percentage points lower than at 31 March 2018.

Net debt declined slightly by € 72.5 million or 34.7% from € 209.2 million to € 136.7 million.

On 19 July 2018, a promissory note loan transaction of an aggregate volume of € 292.5 million was completed very successfully. The initially targeted issue volume of € 150.0 million, which was to secure early refinancing of the tranche of the 2014 promissory note loan due in February 2019, was increased to € 292.5 million due to strong demand. In the third quarter, another tranche of this promissory note loan totalling € 43.0 million was concluded. All additional funds serve to further optimise financial liabilities and to support the medium-term strategy.

The promissory note loan consists of tranches with terms of five, seven and ten years carrying fixed and variable interest rates in euros. After optimising the financial liabilities and the repayment of the promissory note loan of the year 2014, this should result in a higher average remaining term and a significantly lower interest burden due to the average interest rate of 1.16%.

Cash flow from operating activities amounted to € 153.2 million in the first nine months of 2018/19 (previous year: € 121.0 million). Cash inflows were offset by cash outflows for net investments of € 63.2 million (previous year: € 124.6 million), resulting in a significant improvement in free cash flow from operations over the previous year of € 90.0 million (previous year: € -3.6 million).

The net gearing ratio, at 17.5%, shows a improvement compared with the 29.4% at 31 March 2018. This improvement results from the increase in equity explained above and from the reduction in net debt.

**BUSINESS DEVELOPMENT BY SEGMENTS** The AT&S Group breaks its operating activities down into three segments: Mobile Devices & Substrates (MS), Automotive, Industrial, Medical (AIM), and Others (OT). For further information on the segments and segment reporting please refer to the Annual Report 2017/18.

The share of the Mobile Devices & Substrates segment in total external revenue rose from 66.7% to 67.5%. The share of the Automotive, Industrial, Medical segment declined to 32.0% (previous year: 32.9%). The significance of the Others segment remained constantly at 0.5%.

**MOBILE DEVICES & SUBSTRATES SEGMENT** Although the positive business development continued, demand for mobile devices started to weaken in the third quarter of 2018/19. The segment benefited primarily from a higher-value product portfolio of IC substrates. Accordingly, the segment's revenue increased by € 21.5 million or 3.7%, from € 580.0 million to € 601.5 million. Exchange rate effects had a negative impact of € 10.8 million on the reported revenue.

#### Mobile Devices & Substrates segment – overview

€ in millions (unless otherwise stated)

	Q1-3 2018/19	Q1-3 2017/18	Change in %
Segment revenue	601.5	580.0	3.7%
Revenue from external customers	533.2	510.8	4.4%
Operating result before interest, tax, depreciation and amortisation (EBITDA)	177.2	155.3	14.1%
EBITDA margin (%)	29.5%	26.8%	
Operating result (EBIT)	93.1	67.2	38.6%
EBIT margin (%)	15.5%	11.6%	
Additions to property, plant and equipment and intangible assets	35.4	67.6	(47.6%)
Employees (incl. leased personnel), average	6,909	7,141	(3.3%)

EBITDA improved by € 21.9 million or 14.1% from € 155.3 million to € 177.2 million. The significant increase in earnings primarily resulted from the successfully implemented efficiency and productivity improvement measures at the new site in Chongqing and the absence of start-up costs. This effect was supported by a higher-value product portfolio of IC substrates and positive currency effects.

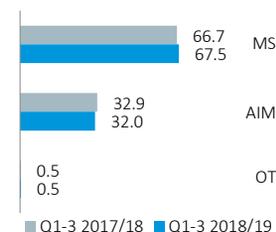
Overall, this resulted in an EBITDA margin of 29.5%, which significantly exceeded the comparative value of 26.8% in the prior-year period.

The segment's depreciation and amortisation declined only slightly by € 4.1 million or -4.6% from € 88.2 million to € 84.1 million.

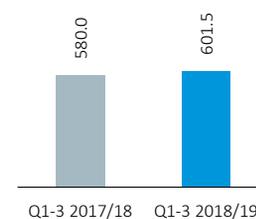
EBIT amounted to € 93.1 million, up € 25.9 million on the prior-year value of € 67.2 million. The resulting EBIT margin was 15.5% (previous year: 11.6%).

The additions to assets were related to technology upgrades at the sites in Shanghai and Chongqing. The decrease in the number of employees by 232 persons is the result of optimisation measures.

Revenue from external customers by segment in %



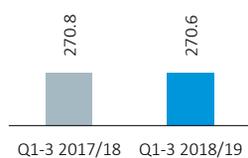
Mobile Devices & Substrates Development of revenue € in millions



Mobile Devices & Substrates EBITDA Development € in millions



Automotive, Industrial,  
Medical  
Development of revenue  
€ in millions



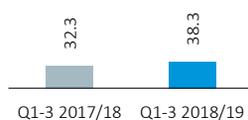
**AUTOMOTIVE, INDUSTRIAL, MEDICAL SEGMENT** The segment's revenue, at € 270.6 million, was at the level of the previous year. Strong demand was recorded above all in the Medical & Healthcare sector in the first nine months, while demand in the other two sectors was slightly weaker.

#### Automotive, Industrial, Medical segment – overview

€ in millions (unless otherwise stated)

	Q1-3 2018/19	Q1-3 2017/18	Change in %
Segment revenue	270.6	270.8	(0.1%)
Revenue from external customers	252.7	251.6	0.4%
Operating result before interest, tax, depreciation and amortisation (EBITDA)	38.3	32.3	18.4%
EBITDA margin (%)	14.1%	11.9%	
Operating result (EBIT)	24.5	20.0	22.7%
EBIT margin (%)	9.1%	7.4%	
Additions to property, plant and equipment and intangible assets	20.5	17.1	19.8%
Employees (incl. leased personnel), average	2,758	2,737	0.8%

Automotive, Industrial,  
Medical  
EBITDA Development  
€ in millions



The segment's EBITDA, at € 38.3 million, exceeded the prior-year figure of € 32.3 million by € 6.0 million. The contribution to earnings from a better product mix and positive currency effects compensated for a decline in volume.

Due to these effects, the EBITDA margin rose by 2.2 percentage points from 11.9% to 14.1%.

The segment's depreciation and amortisation rose by € 1.5 million or 12.2% from € 12.3 million to € 13.8 million. EBIT increased by € 4.5 million or 22.5% from € 20.0 million to € 24.5 million.

Additions to assets, at € 20.5 million, exceeded the prior-year value of € 17.1 million. The increase resulted from investments in capacity expansions at the Nanjangud site and the expansion of the Fehring site.

**OTHERS SEGMENT** The Others segment is primarily characterised by trading and holding activities. Due to positive one-off effects, the earnings of the general holding activities included in the Others segment were higher than in the previous year, which was affected by negative one-off effects.

#### Others segment – overview

€ in millions (unless otherwise stated)

	Q1-3 2018/19	Q1-3 2017/18	Change in %
Segment revenue	4.2	7.0	(40.0%)
Revenue from external customers	4.2	3.5	20.9%
Operating result before interest, tax, depreciation and amortisation (EBITDA)	5.0	2.5	96.4%
EBITDA margin (%)	118.6%	36.2%	
Operating result (EBIT)	3.9	1.6	>100%
EBIT margin (%)	92.9%	22.1%	
Additions to property, plant and equipment and intangible assets	2.3	1.0	>100%
Employees (incl. leased personnel), average	176	162	8.5%

**SIGNIFICANT EVENTS AFTER THE INTERIM REPORTING PERIOD** No significant events occurred after the end of the interim reporting period.

**SIGNIFICANT RISKS, UNCERTAINTIES AND OPPORTUNITIES** In the Group Management Report of the consolidated financial statements 2017/18 the relevant risk categories are explained in detail under section 6 “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.

## OUTLOOK

**FUTURE-ORIENTED INVESTMENT IN NEW TECHNOLOGY DEVELOPMENT** In view of the current mega trends such as connected systems, autonomous driving or artificial intelligence with ever higher data rates and volumes as well as high performance density, the requirements for interconnect technology are also increasing. AT&S benefits from this development as the growing data flows of digitalisation place increasing requirements on the capability of components.

Due to the technological change, AT&S sees a good opportunity to take the next step for the technology development, and hence the second expansion phase at plant 1 in Chongqing. The plan is to gradually realise the technology implementation in the next two to three years, which may lead to an investment volume of up to € 160 million. With this strategically important step, AT&S is setting another milestone in the area of high-performance applications along its growth path to become one of the globally leading interconnect solution providers.

**GUIDANCE FOR THE FINANCIAL YEAR 2018/19 ADJUSTED** Based on the current market development, especially the current weakness in demand in the Mobile Devices and Automotive segments, the Management now expects revenue growth of around 3% for the financial year 2018/19 (previously 6 to 8%). The Management Board confirms an EBITDA margin of 24 to 26%, which is supported primarily by efficiency and productivity improvement measures and a higher-value product portfolio of IC substrates.

Based on investments for the second expansion phase at plant 1 in Chongqing leading to cash outflows at a later time, total investments for the financial year 2018/19 will amount to roughly € 100 to 120 million (previously roughly € 140 to 160 million), with maintenance investments still expected at the planned level.

Leoben-Hinterberg, 30 January 2019

Management Board

Andreas Gerstenmayer m.p.

Monika Stoisser-Göhring m.p.

Heinz Moitzi m.p.

# Interim Financial Report (IFRS)

## Consolidated Statement of Profit or Loss

€ in thousands	01 Oct - 31 Dec 2018	01 Oct - 30 Dec 2017	01 Apr - 31 Dec 2018	01 Apr - 31 Dec 2017
Revenue	273,257	280,220	790,114	765,900
Cost of sales	(210,355)	(211,108)	(634,059)	(626,435)
<b>Gross profit</b>	<b>62,902</b>	<b>69,112</b>	<b>156,055</b>	<b>139,465</b>
Distribution costs	(7,248)	(7,597)	(23,222)	(23,806)
General and administrative costs	(9,082)	(11,095)	(26,205)	(28,981)
Other operating income	3,205	2,993	15,697	5,970
Other operating costs	(192)	(1,489)	(797)	(3,847)
Other operating result	3,013	1,504	14,900	2,123
<b>Operating result</b>	<b>49,585</b>	<b>51,924</b>	<b>121,528</b>	<b>88,801</b>
Finance income	1,909	436	10,567	2,491
Finance costs	(4,397)	(6,143)	(13,150)	(13,774)
<b>Finance costs – net</b>	<b>(2,488)</b>	<b>(5,707)</b>	<b>(2,583)</b>	<b>(11,283)</b>
<b>Profit before tax</b>	<b>47,097</b>	<b>46,217</b>	<b>118,945</b>	<b>77,518</b>
Income taxes	(10,213)	(13,875)	(26,689)	(29,742)
<b>Profit for the period</b>	<b>36,884</b>	<b>32,342</b>	<b>92,256</b>	<b>47,776</b>
Attributable to owners of hybrid capital	2,095	843	6,263	843
Attributable to owners of the parent company	34,789	31,499	85,993	46,933
Earnings per share attributable to equity holders of the parent company (in € per share):				
– basic	0.90	0.81	2.21	1.21
– diluted	0.90	0.81	2.21	1.21
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	01 Oct - 31 Dec 2018	01 Oct - 31 Dec 2017	01 Apr - 31 Dec 2018	01 Apr - 31 Dec 2017
<b>Profit for the period</b>	<b>36,884</b>	<b>32,342</b>	<b>92,256</b>	<b>47,776</b>
Items to be reclassified:				
Currency translation differences	15,535	1,139	(9,584)	(57,893)
Gains from the fair value measurement of financial assets, net of tax	–	–	–	15
Gains/(losses) from the fair value measurement of hedging instruments for cash flow hedges, net of tax	(1,969)	45	(1,708)	(19)
<b>Other comprehensive income for the period</b>	<b>13,566</b>	<b>1,184</b>	<b>(11,292)</b>	<b>(57,897)</b>
<b>Total comprehensive income for the period</b>	<b>50,450</b>	<b>33,526</b>	<b>80,964</b>	<b>(10,121)</b>
Attributable to owners of hybrid capital	2,095	843	6,263	843
Attributable to owners of the parent company	48,355	32,683	74,701	(10,964)

# Consolidated Statement of Financial Position

€ in thousands

31 Dec 2018

31 Mar 2018

	31 Dec 2018	31 Mar 2018
<b>ASSETS</b>		
Property, plant and equipment	730,375	766,378
Intangible assets	62,467	75,856
Financial assets	193	284
Deferred tax assets	37,742	45,530
Other non-current assets	17,381	56,219
<b>Non-current assets</b>	<b>848,158</b>	<b>944,267</b>
Inventories	112,852	136,097
Trade and other receivables	223,252	118,650
Financial assets	253,037	59,635
Current income tax receivables	715	1,061
Cash and cash equivalents	380,187	270,729
<b>Current assets</b>	<b>970,043</b>	<b>586,172</b>
<b>Total assets</b>	<b>1,818,201</b>	<b>1,530,439</b>
<b>EQUITY</b>		
Share capital	141,846	141,846
Other reserves	16,213	27,505
Hybrid capital	172,887	172,887
Retained earnings	449,503	369,153
<b>Equity attributable to owners of the parent company</b>	<b>780,450</b>	<b>711,391</b>
<b>Total equity</b>	<b>780,450</b>	<b>711,391</b>
<b>LIABILITIES</b>		
Financial liabilities	686,064	458,359
Provisions for employee benefits	38,188	37,322
Deferred tax liabilities	5,613	5,069
Other liabilities	15,014	14,526
<b>Non-current liabilities</b>	<b>744,879</b>	<b>515,276</b>
Trade and other payables	192,704	199,880
Financial liabilities	84,053	81,525
Current income tax payables	11,133	16,425
Other provisions	4,982	5,942
<b>Current liabilities</b>	<b>292,872</b>	<b>303,772</b>
<b>Total liabilities</b>	<b>1,037,751</b>	<b>819,048</b>
<b>Total equity and liabilities</b>	<b>1,818,201</b>	<b>1,530,439</b>

# Consolidated Statement of Cash Flows

€ in thousands

01 Apr - 31 Dec 2018 01 Apr - 31 Dec 2017

<b>Operating result</b>	<b>121,528</b>	<b>88,801</b>
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	98,946	101,475
Gains/losses from the sale of fixed assets	37	433
Changes in non-current provisions	834	1,630
Non-cash expense/(income), net	(10,988)	3,108
Interest paid	(8,748)	(11,106)
Interest received	3,153	661
Income taxes paid	(25,674)	(14,697)
<b>Cash flow from operating activities before changes in working capital</b>	<b>179,088</b>	<b>170,305</b>
Inventories	(10,101)	(30,515)
Trade and other receivables	(15,083)	(34,203)
Trade and other payables	163	14,660
Other provisions	(857)	765
<b>Cash flow from operating activities</b>	<b>153,210</b>	<b>121,012</b>
Capital expenditure for property, plant and equipment and intangible assets	(63,320)	(125,199)
Proceeds from the sale of property, plant and equipment and intangible assets	76	556
Capital expenditure for financial assets	(206,401)	(124,508)
Proceeds from the sale of financial assets	13,951	2,539
<b>Cash flow from investing activities</b>	<b>(255,694)</b>	<b>(246,612)</b>
Proceeds from borrowings	354,711	63,175
Repayments of borrowings	(135,025)	(100,101)
Proceeds from issuing of hybrid capital	–	173,041
Proceeds from government grants	3,597	3,189
Dividends paid	(13,986)	(3,885)
Hybrid coupon paid	(8,313)	–
<b>Cash flow from financing activities</b>	<b>200,984</b>	<b>135,419</b>
<b>Change in cash and cash equivalents</b>	<b>98,500</b>	<b>9,819</b>
Cash and cash equivalents at beginning of the year	270,729	203,485
Exchange gains/(losses) on cash and cash equivalents	10,958	(15,829)
<b>Cash and cash equivalents at end of the period</b>	<b>380,187</b>	<b>197,474</b>

# 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
<b>31 Mar 2017</b>	<b>141,846</b>	<b>81,729</b>	–	<b>316,519</b>	<b>540,094</b>	–	<b>540,094</b>
Profit for the period	–	–	–	47,776	47,776	–	47,776
Other comprehensive income for the period	–	(57,897)	–	–	(57,897)	–	(57,897)
<i>thereof currency translation differences</i>	–	(57,893)	–	–	(57,893)	–	(57,893)
<i>thereof change in financial assets, net of tax</i>	–	15	–	–	15	–	15
<i>thereof change in hedging instruments for cash flow hedges, net of tax</i>	–	(19)	–	–	(19)	–	(19)
<b>Total comprehensive income for the period</b>	–	<b>(57,897)</b>	–	<b>47,776</b>	<b>(10,121)</b>	–	<b>(10,121)</b>
Dividends paid relating to 2016/17	–	–	–	(3,885)	(3,885)	–	(3,885)
Issuing hybrid capital	–	–	173,041	–	173,041	–	173,041
<b>31 Dec 2017</b>	<b>141,846</b>	<b>23,832</b>	<b>173,041</b>	<b>360,410</b>	<b>699,129</b>	–	<b>699,129</b>
<b>31 Mar 2018</b>	<b>141,846</b>	<b>27,505</b>	<b>172,887</b>	<b>369,153</b>	<b>711,391</b>	–	<b>711,391</b>
<b>Adjustments IFRS 15, IFRS 9</b>	–	–	–	<b>10,393</b>	<b>10,393</b>	–	<b>10,393</b>
<b>1 Apr 2018</b>	<b>141,846</b>	<b>27,505</b>	<b>172,887</b>	<b>379,546</b>	<b>721,784</b>	–	<b>721,784</b>
Profit for the period	–	–	–	92,256	92,256	–	92,256
Other comprehensive income for the period	–	(11,292)	–	–	(11,292)	–	(11,292)
<i>thereof currency translation differences</i>	–	(9,584)	–	–	(9,584)	–	(9,584)
<i>thereof change in hedging instruments for cash flow hedges, net of tax</i>	–	(1,708)	–	–	(1,708)	–	(1,708)
<b>Total comprehensive income for the period</b>	–	<b>(11,292)</b>	–	<b>92,256</b>	<b>80,964</b>	–	<b>80,964</b>
Dividends paid relating to 2017/18	–	–	–	(13,986)	(13,986)	–	(13,986)
Hybrid coupon paid	–	–	–	(8,313)	(8,313)	–	(8,313)
<b>31 Dec 2018</b>	<b>141,846</b>	<b>16,213</b>	<b>172,887</b>	<b>449,503</b>	<b>780,450</b>	–	<b>780,450</b>

# Segment Reporting

€ in thousands	Mobile Devices & Substrates		Automotive, Industrial, Medical		Others		Elimination/ Consolidation		Group	
	01 Apr - 31 Dec 2018	01 Apr - 31 Dec 2017	01 Apr - 31 Dec 2018	01 Apr - 31 Dec 2017	01 Apr - 31 Dec 2018	01 Apr - 31 Dec 2017	01 Apr - 31 Dec 2018	01 Apr - 31 Dec 2017	01 Apr - 31 Dec 2018	01 Apr - 31 Dec 2017
Segment revenue	601,539	580,030	270,613	270,808	4,213	7,019	(86,251)	(91,957)	790,114	765,900
Internal revenue	(68,300)	(69,242)	(17,951)	(19,181)	–	(3,534)	86,251	91,957	–	–
External revenue	533,239	510,788	252,662	251,627	4,213	3,485	–	–	790,114	765,900
<b>Operating result before depreciation/amortisation</b>	<b>177,206</b>	<b>155,345</b>	<b>38,271</b>	<b>32,312</b>	<b>4,997</b>	<b>2,544</b>	<b>–</b>	<b>75</b>	<b>220,474</b>	<b>190,276</b>
Depreciation/amortisation incl. appreciation	(84,110)	(88,157)	(13,752)	(12,324)	(1,084)	(994)	–	–	(98,946)	(101,475)
<b>Operating result</b>	<b>93,096</b>	<b>67,188</b>	<b>24,519</b>	<b>19,988</b>	<b>3,913</b>	<b>1,550</b>	<b>–</b>	<b>75</b>	<b>121,528</b>	<b>88,801</b>
Finance costs - net									(2,583)	(11,283)
<b>Profit/(loss) before tax</b>									<b>118,945</b>	<b>77,518</b>
Income taxes									(26,689)	(29,742)
<b>Profit/(loss) for the period</b>									<b>92,256</b>	<b>47,776</b>
Property, plant and equipment and intangible assets <sup>1)</sup>	678,396	736,115	110,038	102,922	4,407	3,197	–	–	792,841	842,234
Additions to property, plant and equipment and intangible assets	35,447	67,603	20,498	17,105	2,269	1,032	–	–	58,214	85,740

1) Previous year values as of 31 March 2018

## Information by geographic region

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

€ in thousands	01 Apr - 31 Dec 2018	01 Apr - 31 Dec 2017
Austria	15,079	16,368
Germany	131,911	141,335
Other European countries	60,120	42,450
China	10,463	33,365
Other Asian countries	43,965	46,753
Americas	528,576	485,629
<b>Revenue</b>	<b>790,114</b>	<b>765,900</b>

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

€ in thousands	30 Dec 2018	31 Mar 2018
Austria	68,104	66,435
China	678,345	736,059
Others	46,393	39,740
<b>Property, plant and equipment and intangible assets</b>	<b>792,842</b>	<b>842,234</b>

# Notes to the Interim Financial Report

## GENERAL INFORMATION

**ACCOUNTING AND MEASUREMENT POLICIES** The interim report ended 31 December 2018 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 2018 were applied without a change with the exception of the IFRS which are mandatorily effective as of 1 April 2018.

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 2018.

The interim consolidated statements for the period ended 31 December 2018 are unaudited and have not been the subject of external audit review.

**SIGNIFICANT CHANGES IN ACCOUNTING POLICIES** IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers” are mandatorily effective for reporting periods starting on or after 1 January 2018. Consequently, the AT&S Group must apply these two standards as of 1 April 2018.

**IFRS 9 “FINANCIAL INSTRUMENTS”** IFRS 9 provides for new principles for the classification and measurement of financial assets based on the cash flow characteristics and the business model used to control them. Regarding impairments, a new model is introduced which is based on expected credit losses. In addition, the provisions for hedge accounting have been amended. The objective is to better reflect the risk management activities.

With the exception of the amendments to hedge accounting, IFRS 9 was applied retroactively. As permitted in accordance with IFRS 9, the figures of the comparative period were not adjusted, but the effects of the application of IFRS 9 were recognised by adjusting the opening values of the corresponding items in equity as at 1 April 2018.

IFRS 9 creates three measurement categories for financial assets: amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the Group’s business model and the characteristics of the contractual cash flows. Investments in equity instruments are generally required to be measured at fair value through profit or loss. Here, only upon initial recognition does the irrevocable option exist of showing changes in the fair value in other comprehensive income.

The transition of the classification and measurement of financial instruments from IAS 39 to IFRS 9 is shown in the following table:

Financial instruments in thousands €	Measurement		Carrying amount		
	IAS 39	IFRS 9	31 Mar 2018 IAS 39	Remeasurement	01 Apr 2018 IFRS 9
Bonds	Financial assets at fair value through profit or loss	Fair value through profit or loss	775	–	775
Other investments	Available-for-sale financial assets at fair value through other comprehensive income	Fair value through other comprehensive income without recycling	193	–	193
Loans and receivables	Held-to-maturity investments at amortised cost	Amortised cost	58,860	–	58,860
Derivative financial instruments	Derivatives at fair value through other comprehensive income	Fair value through other comprehensive income	91	–	91
Trade receivables	Loans and receivables at amortised cost	Amortised cost	65,473	(214)	65,259
Other receivables	Loans and receivables at amortised cost	Amortised cost	704	–	704
Cash, cash equivalents and restricted cash	Loans and receivables at amortised cost	Amortised cost	270,729	–	270,729

Bonds were allocated to the category “fair value through profit or loss” in accordance with IAS 39 since they serve to generate short-term profits. Thus there is no change compared with IFRS 9.

Other investments are equity instruments which are generally measured at fair value through profit or loss according to IFRS 9. However, since the objective is to hold these instruments, the option of measurement at fair value through other comprehensive income according to IFRS 9 was used. Value changes will thus continue to be recorded in other comprehensive income.

Held-to-maturity financial investments primarily consist of deposits at notice and factored receivables against banks. These are allocated to the category “amortised cost” under IFRS 9.

Derivative financial instruments include interest rate swaps which meet the requirements of hedge accounting and value changes are therefore recorded at fair value through other comprehensive income. The Group uses the option to choose and will continue to apply the requirements of IAS 39 to existing derivative financial instruments.

Trade receivables are measured at amortised cost. They are now subject to the new impairment model in accordance with IFRS 9. This new model is based on expected losses. The Group uses the simplified model for trade receivables and for contract assets according to IFRS 15 and consequently calculates the impairment in the amount of the credit losses expect over the term. The credit loss is determined on the basis of an impairment table which is created based on a rating of the customers.

**IFRS 15 “REVENUE FROM CONTRACTS WITH CUSTOMERS”** IFRS 15 regulates the recognition of revenue and thus replaces previous standards. According to IFRS 15 revenue must be recognised when control of the agreed goods and services passes to the customer and the customer can obtain a benefit from them.

IFRS 15 includes new criteria for the recognition of revenue over a certain period of time. When products are created which are tailored specifically to the needs of the customer and consequently have no alternative use and the entity has an enforceable right to payment for performance completed to date including a margin, the customer obtains control over these products (IFRS 15.35 c). These criteria are met for some of the AT&S Group's customers so that revenue must be recognised over time in these cases. In the case of customers where these criteria are not met, revenue is recognised at a point of time when control has passed to the customer.

The Group first applied the new standard as of 1 April 2018. In accordance with IFRS 15, the changeover is based on the modified retrospective method by recognising the accumulated remeasurement amounts from the initial application at 1 April 2018. An adjustment of the figures of the comparative period is therefore not necessary.

The following table shows the effects of the first application of IFRS 15 "Revenue from Contracts with Customers" on the opening statement of financial position at 1 April 2018:

in thousands €	1 Apr 2018		
	Before IFRS 15 Adjustment	Remeasurement	After IFRS 15 Adjustment
<b>ASSETS</b>			
Inventories	136,097	(35,304)	100,793
Trade and other receivables	118,650	48,702	167,352
Deferred Tax	45,530	(2,754)	42,776
<b>EQUITY</b>			
Retained Earnings	369,153	10,644	379,797

Contract assets amounting to € 48.7 million resulting from revenue recognition over time are shown in the item "Trade and other receivables" of the statement of financial position. In relation to this € 48.7 million, a write-down of € 0.1 million has been included in retained earnings in accordance with IFRS 9.

The following tables show the effect on the interim financial statements as at 31 December 2018:

in thousands €	31 Dec 2018		
	Before IFRS 15 Adjustment	Remeasurement	After IFRS 15 Adjustment
<b>ASSETS</b>			
Inventories	159,030	(46,178)	112,852
Trade and other receivables	160,170	63,082	223,252
Deferred Tax	41,084	(3,342)	37,742
<b>EQUITY</b>			
Retained Earnings	435,941	13,562	449,503

in thousands €	1 Apr - 31 Dec 2018		
	Before IFRS 15 Adjustment	Remeasurement	After IFRS 15 Adjustment
Revenue	775,551	14,563	790,114
Costs of sales	(623,029)	(11,030)	(634,059)
<b>Gross profit</b>	<b>152,522</b>	<b>3,533</b>	<b>156,055</b>
Operating result	117,995	3,533	121,528
Profit/(loss) before tax	115,412	3,533	118,945
<b>Profit/(loss) for the period</b>	<b>89,310</b>	<b>2,946</b>	<b>92,256</b>

## NOTES TO THE STATEMENT OF PROFIT OR LOSS

**REVENUE** Group revenue in the first nine months of the current financial year increased by 3.2% from € 765.9 million in the last year to € 790.1 million.

**GROSS PROFIT** The current gross profit of € 156.1 million was 11.9% above the € 139.5 million achieved in the same period last year. The reasons for the increase are significant improvements regarding efficiency and productivity, no start-up costs as in the previous year and a better productmix.

**OPERATING RESULT** On the basis of the increased gross profit the consolidated operating result of AT&S increased to € 121.5 million or 15.4% of revenue. Lower selling and administrative expenses had a positive effect, which decreased in relation to the higher revenue compared with the previous year. The decrease is due to no more existing negative one-off effects of the previous year (adjustment of variable remuneration components to the expected target achievement level). The significant higher other operating result (positive exchange rate effects) influenced the operating result also substantially.

**FINANCE COSTS – NET** The finance costs of € 13.2 million were € 0.6 million below the prior-year level. Financial income was € 10.6 million and basically resulted from the investment of free cash and foreign exchange gains. Overall, net finance costs reduced by € 8.7 million and amounted to € -2.6 million.

**INCOME TAXES** The effective tax rate was mainly affected by the regaining of the reduced tax rate of 15% at AT&S (China) Company Limited.

**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 € 9.6 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		
	31 Dec 2018	31 Mar 2018	Change in %	01 Apr - 31 Dec 2018	01 Apr - 31 Dec 2017	Change in %
Chinese yuan renminbi	7.8600	7.7690	1.2%	7.8177	7.7269	1.2%
Hong Kong dollar	8.9698	9.6712	(7.3%)	9.1614	8.9802	2.0%
Indian rupee	79.9088	80.1981	(0.4%)	80.8830	74.2161	9.0%
Japanese yen	125.9600	131.3000	(4.1%)	129.3640	128.6750	0.5%
South Korean won	1,276.9371	1,310.1405	(2.5%)	1,289.8399	1,285.7868	0.3%
Taiwan dollar	35.0270	35.9455	(2.6%)	35.4458	34.7172	2.1%
US dollar	1.1453	1.2323	(7.1%)	1.1683	1.1510	1.5%

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

**ASSETS AND FINANCES** Net debt, at € 136.7 million, decreased versus the € 209.2 million outstanding at 31 March 2018. In contrast to this, the net working capital of € 72.4 million as at 31 March 2018 rose to € 155.8 million mainly due to increased receivables. The increase was caused, among other things, by the initial application of IFRS 15 and the resulting change. The net gearing ratio, at 17.5%, was below the 29.4% at 31 March 2018.

### 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 31 Dec 2018	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
– Bonds	890	–	–	890
– Derivative financial instruments	–	105	–	105
Financial assets at fair value through other comprehensive income without recycling	–	193	–	193
<b>Financial liabilities</b>				
Derivative financial instruments	–	3,331	–	3,331

€ in thousands				
31 Mar 2018	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
– Bonds	775	–	–	775
– Derivative financial instruments	–	91	–	91
Available-for-sale financial assets	–	193	–	193
<b>Financial liabilities</b>				
Derivative financial instruments	–	1,770	–	1,770

Export loans, government loans and other bank borrowings amounting to € 766.8 million (31 March 2018: € 538.1 million) are measured at amortised cost. The fair value of these liabilities was € 771.9 million (31 March 2018: € 541.7 million).

**OTHER FINANCIAL COMMITMENTS** At 31 December 2018 the Group had other financial commitments amounting to € 98.6 million in connection with contractually binding investment commitments. This relates to investments in the Shanghai, Chongqing, Nanjangud and Leoben plants. As at 31 March 2018 other financial commitments stood at € 19.9 million.

**EQUITY** Consolidated equity changed due to the consolidated profit for the period of € 92.3 million, dividend payment of € 13.9 million, payments to the owners of the hybrid bond in an amount of € 8.3 million, negative impacts from currency translation differences of € 9.6 million and the effect from IFRS 9 and IFRS 15 adjustments in the amount of € 10.4 million from € 711.4 million at 31 March 2018 to € 780.4 million.

At the 20<sup>th</sup> Annual General Meeting on 3 July 2014 the Management Board was authorised until 2 July 2019 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 20<sup>th</sup> Annual General Meeting of 3 July 2014 the resolution of the Annual General Meeting of 7 July 2010 authorising the issue of convertible bonds was rescinded and at the same time the Management Board was authorised until 2 July 2019, 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 20<sup>th</sup> 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).

**TREASURY SHARES** At the 23<sup>rd</sup> Annual General Meeting of 6 July 2017 the Management Board was again authorised for a period of 30 months from the date of the resolution to acquire and retire the Company's own 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 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 Management Board was also again authorised – for a period of five years (i.e., until 5 July 2022), upon approval of the Supervisory Board – to sell or use the repurchased treasury shares or treasury shares already held by the Company otherwise than through the stock exchange or by means of public offerings, and in particular for the purpose of enabling the exercise of employee stock options or the conversion of convertible bonds, or as consideration for the acquisition of businesses or other assets, or for any other legally permissible purpose.

As at 31 December 2018, the Group held no treasury shares.

**NOTES TO THE STATEMENT OF CASH FLOWS** Cash flow from operating activities amounted to € 153.2 million compared with € 121.0 million in the same period last year. The increase is mainly due to the significantly increased consolidated operating result.

Cash flow from investing activities amounts to € -255.7 million and thus is over the level of € -246.6 million reached in the same period last year. Thereof capital expenditure for property, plant and equipment and intangible assets accounts for € 63.3 million. This year's capital expenditures are predominantly in the new plants in Nanjangud and technology upgrades in the other plants. Capital expenditure for financial assets amounts to € 206.4 million, and proceeds from the sale of financial assets amount to € 14.0 million for investment and reinvestments of liquid funds. At 31 December 2018, payables for capex amount to € 17.4 million, which will become payable in the coming period.

Cash flow from financing activities amounts to € 201.0 million and is mainly attributable to the issue of a promissory note loan.

The non-cash expense/income is as follows:

€ in thousands	01 Apr - 31 Dec 2018	01 Apr - 31 Dec 2017
Release of government grants	(2,044)	(2,192)
Other non-cash expense/(income), net	(8,944)	5,300
<b>Non-cash expense/(income), net</b>	<b>(10,988)</b>	<b>3,108</b>

## OTHER INFORMATION

**DIVIDENDS** The Annual General Meeting of 5 July 2018 resolved on a dividend payment of € 0.36 per share from the total balance-sheet profit as at 31 March 2018. The dividend distribution of € 13.9 million took place on 26 July 2018.

**NEW STANDARD** IFRS 16 “Leases” governs the recognition of leases. This standard will replace IAS 17 and the previous interpretations. Due to the new rules, it will no longer be necessary to distinguish between finance and operating leases. A single accounting model is planned for the lessee. This model leads the lessee to recognize all assets and liabilities under the lease agreement in the balance sheet, unless the term is 12 months or less, or it is a low value asset. The simplifications are options.

This new standard must be adopted to periods starting on or after 1 January 2019. The AT&S Group must therefore adopt IFRS 16 as of 1 April 2019 and will use the modified retrospective method. The accumulated effect of the initial adoption as of 1 April 2019 will be recognised in retained earnings. An adjustment of the comparative information is not required.

The adoption of IFRS 16 is expected to have an effect on the asset, liabilities, financial position and profit or loss. The capitalisation of rights of use and the corresponding liability will lead to an extension of the balance sheet total. Therefore, instead of the previous recognition of leasing expenses, expenses for the depreciation of rights of use and interest on the lease liabilities will be recognised. This will result in an improvement of EBITDA and EBIT.

In order to ensure an appropriate presentation of IFRS 16, a software for modelling the leases will be implemented in the AT&S Group. No material effects on the assets, liabilities, financial position and profit or loss are expected.

**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) and Supervisory Board Member Mr. Riedl (Kanzlei Frotz Riedl Rechtsanwälte) were active. The fees charged are as follows:

€ in thousands	01 Apr - 31 Dec 2018	01 Apr - 31 Dec 2017
AIC Androsch International Management Consulting GmbH	285	286
Frotz Riedl Rechtsanwälte	1	–
<b>Total fees</b>	<b>286</b>	<b>286</b>

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

Leoben-Hinterberg, 30 January 2018

Management Board

Andreas Gerstenmayer m.p.

Monika Stoisser-Göhring 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 nine months of the financial year and their impact on the interim financial statements, of the principal risks and uncertainties for the remaining three months of the financial year and of the major related party transactions to be disclosed.

Leoben-Hinterberg, 30 January 2019

The Management Board

Andreas Gerstenmayer m.p.  
Chief Executive Officer

Monika Stoisser-Göhring m.p.  
Chief Financial Officer

Heinz Moitzi m.p.  
Chief Operations Officer

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## PHOTOS/ILLUSTRATIONS

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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.

