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APPLICATIONS**

HIGHLIGHTS Q1-3 2020/21

AT&S records robust growth and significant increase in revenue and EBITDA

- Demand for ABF substrates continues unabated
- Successful ramp-up in Chongqing I contributes significantly to revenue and earnings growth
- Demand for module printed circuit boards supports positive business development
- Nine-month revenue with € 883.8 million on record level, EBITDA margin improves from 20.8% to 21.1%
- Outlook 2020/21 increased: Revenue increase of 17 to 19%, EBITDA margin in the range from 20% to 22%

KEY FIGURES

| | Unit | Q1-3 2019/20 | Q1-3 2020/21 | Change in % |
|-------------------------------------|---------------|--------------|--------------|-------------|
| Revenue | € in millions | 753.2 | 883.8 | 17.3% |
| EBITDA | € in millions | 156.4 | 186.7 | 19.4% |
| EBITDA margin | % | 20.8% | 21.1% | – |
| EBIT | € in millions | 47.7 | 65.8 | 38.0% |
| EBIT margin | % | 6.3% | 7.4% | – |
| Profit/(loss) for the period | € in millions | 25.2 | 37.3 | 47.8% |
| ROCE | % | 4.0% | 7.0% | – |
| Net CAPEX | € in millions | 145.5 | 304.0 | >100% |
| Cash flow from operating activities | € in millions | 176.7 | 176.5 | (0.1%) |
| Operating free cash flow | € in millions | 31.2 | (127.5) | – |
| Earnings per share | € | 0.49 | 0.80 | 63.8% |
| Employees ¹⁾ | – | 10,223 | 11,167 | 9.2% |

BALANCE SHEET DATA

| | | 31 Mar 2020 | 31 Dec 2020 | |
|--------------|---------------|-------------|-------------|--------|
| Total assets | € in millions | 1,853.5 | 2,004.1 | 8.1% |
| Total equity | € in millions | 760.3 | 736.8 | (3.1%) |
| Equity ratio | % | 41.0% | 36.8% | – |
| Net debt | € in millions | 246.7 | 401.6 | 62.8% |

¹⁾ incl. contract staff, average

ECONOMIC REPORT

BUSINESS DEVELOPMENTS AND SITUATION

AT&S defied the current crisis and achieved its highest ever quarterly revenue in the third quarter. This development was accelerated by the pandemic-related acceleration of digitalisation, which increases the demand for high-end interconnection solutions. The diversified business model, is further strengthened by the capacity expansion of IC substrates and the demand for module PCBs.

Revenue amounted to € 883.8 million, thus exceeding the prior-year figure of € 753.2 million by 17.3%. 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 broadened customer and application portfolio for mobile devices and the demand for module PCBs also had a positive effect. In the AIM business unit, the Medical segment achieved revenue at the previous year's level and the Industrial segment slightly higher revenue. After a weak first half of the financial year, the Automotive segment was able to achieve revenue at the previous year's level again in the third quarter, so that the AIM business unit was able to exceed the previous year's revenue in the third quarter.

Exchange rate effects, especially due to the weaker US dollar, had a negative impact of € 18.8 million or 2.1% on the development of revenue.

EBITDA rose from € 156.4 million to € 186.7 million. While the increase in revenue had a positive impact on earnings, other operating income, at € -6.2 million, was € 16.7 million below the prior-year figure of € 10.5 million. The primary reason for the change were foreign currency effects of € -12.4 million (previous year: € +3.8 million).

In preparation for future technology generations and to pursue the modularisation strategy, AT&S invested € 71.4 million in research and development (previous year: € 62.5 million). These expenditures make the company future-proof and significantly expand the earnings potential in the medium term.

The EBITDA margin amounted to 21.1% thus exceeding the prior year level of 20.8%. EBIT improved from € 47.7 million to € 65.8 million. The EBIT margin was 7.4% (previous year: 6.3%).

Finance costs – net declined from € -3.3 million to € -19.3 million which resulted primarily from currency translation differences of € -9.7 million (previous year: € +3.0 million) and a lower interest result compared with the previous year (change: € -3.5 million).

Profit for the period rose from € 25.2 million by € 12.1 million to € 37.3 million mainly due to the significantly higher operating result.

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.

Mobile Devices & Substrates segment

The segment's revenue increased by 24.3% from € 590.4 million to € 733.7 million. The successful start-up of the increased production capacity in Chongqing, which serves the growing demand for ABF substrates, made a significant contribution to revenue growth. The broader customer and application portfolio in the Mobile Devices segment and the demand for module PCBs also had a positive effect.

EBITDA improved from € 129.2 million to € 169.5 million as a result of higher sales volume and a more favourable product mix. Overall, this resulted in an EBITDA margin of 23.1%, which exceeded the prior-year figure of 21.9%. EBIT amounted to € 70.0 million, up € 30.1 million on the prior-year figure of € 39.9 million. The EBIT margin was 9.5% (previous year: 6.8%).

Automotive, Industrial, Medical segment

The segment's revenue, at € 244.4 million was -5.7% lower than in the previous year (€ 259.3 million). Increases in revenue were recorded above all in the Industrial segment in the first nine months. The Automotive segment was confronted with lower demand in the first half of the financial year due to a decline in car sales, but was able to reach the previous year's level again in the third quarter. Due to strong demand, revenue in the Medical & Healthcare segment slightly was at the level of the prior-year reporting period despite a less favourable product mix.

The segment's EBITDA, at € 16.6 million, was € 7.5 million below the prior-year level of € 24.1 million. Due to these effects, the EBITDA margin declined by 2.5 percentage points from 9.3% to 6.8%. EBIT decreased from € 6.9 million to € -2.4 million.

FINANCIAL POSITION

Total assets increased by 8.1% from € 1,853.5 million to € 2,004.1 million in the first nine months. Additions to assets and technology upgrades amounting to € 364.5 million were offset by depreciation and amortisation totalling € 120.9 million. Additions to assets led to cash CAPEX of € 304.5 million. In addition, exchange rate effects reduced fixed assets by € 29.8 million. Cash and cash equivalents totalled € 393.9 million (31 March 2020: € 418.0 million). In addition to cash and cash equivalents, AT&S had financial assets of € 38.7 million and unused credit lines of € 421.6 million to finance the future investment programme and short-term repayments.

Equity decreased by -3.1% from € 760.3 million to € 736.8 million. Profit for the period of € 37.3 million was largely offset by negative currency effects of € 39.2 million (from the translation of net asset positions of subsidiaries) and the dividend payout of € 9.7 million as well as the interest expense for the hybrid bond of € 8.3 million. In addition, the remeasurements of post-employment obligations (€ -2.9 million) had a negative impact on equity.

Based on the decline in equity and the increase in total assets, the equity ratio, at 36.8%, was 4.2 percentage points lower than at 31 March 2020. Net debt increased by € 154.9 million or 62.8% from € 246.7 million to € 401.6 million.

Cash flow from operating activities amounted to € 176.5 million in the first nine months of the current financial year (previous year: € 176.7 million). Cash inflows were offset by cash outflows for net investments of € 304.0 million (previous year: € 145.5 million), resulting in Operating free cash flow of € -127.5 million (previous year: € 31.2 million).

OUTLOOK

AT&S adheres to its growth plans. Even in a highly challenging environment, the investment programme, which aims at capacity expansion and technological progress, will be continued and advanced further.

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

- Based on current forecasts, demand for ABF substrates will continue to be strong.
- The usual seasonality is expected for mobile devices in the fourth quarter.
- The positive trend in the Automotive segment should continue. In the fourth quarter of the financial year, a flat development is expected in comparison with the previous year.
- Slight growth is expected in the Industrial and Medical segments for the full year.

Based on the strong results of the first nine months, improved visibility and the successful ramp-up of the new capacity at Chongqing I, the Management Board is increasing the guidance for the financial year 2020/21 and now expects revenue growth of 17 to 19% (previously about 15%) and an EBITDA margin in the range of 20% to 22%.

Investment activities in the financial year 2020/21

Operationally, AT&S will continue to build up new capacities, in particular for ABF substrates and module printed circuit boards. 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, 2 February 2021

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 Oct - 31 Dec 2020 | 1 Oct - 31 Dec 2019 | 1 Apr - 31 Dec 2020 | 1 Apr - 31 Dec 2019 |
|---|---------------------|---------------------|---------------------|---------------------|
| Revenue | 346,027 | 262,917 | 883,785 | 753,234 |
| Cost of sales | (282,228) | (227,752) | (751,513) | (662,857) |
| Gross profit | 63,799 | 35,165 | 132,272 | 90,377 |
| Distribution costs | (9,125) | (7,539) | (25,561) | (22,768) |
| General and administrative costs | (13,616) | (11,749) | (34,743) | (30,406) |
| Other operating income | 2,040 | 4,276 | 12,481 | 13,426 |
| Other operating costs | (10,135) | (1,830) | (18,650) | (2,937) |
| Other operating result | (8,095) | 2,446 | (6,169) | 10,489 |
| Operating result | 32,963 | 18,323 | 65,799 | 47,692 |
| Finance income | 813 | 1,650 | 2,890 | 8,918 |
| Finance costs | (7,058) | (7,767) | (22,168) | (12,216) |
| Finance costs – net | (6,245) | (6,117) | (19,278) | (3,298) |
| Profit before tax | 26,718 | 12,206 | 46,521 | 44,394 |
| Income taxes | (4,117) | (6,537) | (9,261) | (19,192) |
| Profit for the period | 22,601 | 5,669 | 37,260 | 25,202 |
| Attributable to owners of hybrid capital | 2,072 | 2,095 | 6,240 | 6,263 |
| Attributable to owners of the parent company | 20,529 | 3,574 | 31,020 | 18,939 |
| Earnings per share attributable to equity holders of the parent company (in € per share): | | | | |
| – basic | 0.53 | 0.09 | 0.80 | 0.49 |
| – diluted | 0.53 | 0.09 | 0.80 | 0.49 |
| 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 Oct - 31 Dec 2020 | 1 Oct - 31 Dec 2019 | 1 Apr - 31 Dec 2020 | 1 Apr - 31 Dec 2019 |
|--|---------------------|---------------------|---------------------|---------------------|
| Profit for the period | 22,601 | 5,669 | 37,260 | 25,202 |
| Items to be reclassified: | | | | |
| Currency translation differences, net of tax | (8,029) | (15,637) | (39,234) | (39,261) |
| (Losses) from the fair value measurement of financial assets, net of tax | – | – | (56) | – |
| Gains/(losses) from the fair value measurement of hedging instruments for cash flow hedges, net of tax | 165 | 2,526 | (422) | (1,030) |
| Items not to be reclassified: | | | | |
| Remeasurement of post-employment obligations, net of tax | – | – | (2,949) | (4,109) |
| Other comprehensive income for the period | (7,864) | (13,111) | (42,661) | (44,400) |
| Total comprehensive income for the period | 14,737 | (7,442) | (5,401) | (19,198) |
| Attributable to owners of hybrid capital | 2,072 | 2,095 | 6,240 | 6,263 |
| Attributable to owners of the parent company | 12,665 | (9,537) | (11,641) | (25,461) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| € in thousands | 31 Dec 2020 | 31 Mar 2020 |
|--|------------------|------------------|
| ASSETS | | |
| Property, plant and equipment | 1,118,512 | 903,509 |
| Intangible assets | 42,100 | 45,075 |
| Financial assets | 117 | 193 |
| Deferred tax assets | 29,344 | 25,984 |
| Other non-current assets | 13,292 | 21,258 |
| Non-current assets | 1,203,365 | 996,019 |
| Inventories | 139,126 | 108,373 |
| Trade and other receivables and contract assets | 228,225 | 192,433 |
| Financial assets | 38,576 | 136,242 |
| Current income tax receivables | 894 | 2,493 |
| Cash and cash equivalents | 393,914 | 417,950 |
| Current assets | 800,736 | 857,491 |
| Total assets | 2,004,101 | 1,853,510 |
| EQUITY | | |
| Share capital | 141,846 | 141,846 |
| Other reserves | (33,242) | 9,419 |
| Hybrid capital | 172,887 | 172,887 |
| Retained earnings | 455,342 | 436,107 |
| Equity attributable to owners of the parent company | 736,833 | 760,259 |
| Total equity | 736,833 | 760,259 |
| LIABILITIES | | |
| Financial liabilities | 731,305 | 695,834 |
| Provisions for employee benefits | 56,839 | 51,244 |
| Deferred tax liabilities | 3,747 | 3,166 |
| Other liabilities | 40,539 | 13,596 |
| Non-current liabilities | 832,430 | 763,840 |
| Trade and other payables | 317,854 | 214,017 |
| Financial liabilities | 102,931 | 105,299 |
| Current income tax payables | 7,418 | 4,858 |
| Other provisions | 6,635 | 5,237 |
| Current liabilities | 434,838 | 329,411 |
| Total liabilities | 1,267,268 | 1,093,251 |
| Total equity and liabilities | 2,004,101 | 1,853,510 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| € in thousands | 1 Apr - 31 Dec 2020 | 1 Apr - 31 Dec 2019 |
|--|---------------------|---------------------|
| Operating result | 65,799 | 47,692 |
| Depreciation, amortisation and impairment of property, plant and equipment and intangible assets | 120,932 | 108,699 |
| Gains/losses from the sale of fixed assets | 191 | 735 |
| Changes in non-current provisions | 5,790 | 6,647 |
| Non-cash expense/(income), net | 13,297 | (12,108) |
| Interest paid | (11,413) | (8,721) |
| Interest received | 2,665 | 5,216 |
| Income taxes paid | (7,007) | (12,074) |
| Cash flow from operating activities before changes in working capital | 190,254 | 136,086 |
| Inventories | (36,017) | (26,450) |
| Trade and other receivables and contract assets | (36,058) | 32,362 |
| Trade and other payables | 56,725 | 36,033 |
| Other provisions | 1,614 | (1,366) |
| Cash flow from operating activities | 176,518 | 176,665 |
| Capital expenditure for property, plant and equipment and intangible assets | (304,498) | (145,517) |
| Proceeds from the sale of property, plant and equipment and intangible assets | 452 | 42 |
| Capital expenditure for financial assets | (53,178) | (47,933) |
| Proceeds from the sale of financial assets | 149,623 | 93,603 |
| Cash flow from investing activities | (207,601) | (99,805) |
| Proceeds from borrowings | 109,627 | 78,809 |
| Repayments of borrowings | (83,994) | (18,034) |
| Proceeds from government grants | 29,102 | 1,321 |
| Dividends paid | (9,713) | (23,310) |
| Hybrid coupon paid | (8,313) | (8,313) |
| Cash flow from financing activities | 36,709 | 30,473 |
| Change in cash and cash equivalents | 5,626 | 107,333 |
| Cash and cash equivalents at beginning of the year | 417,950 | 326,841 |
| Exchange losses on cash and cash equivalents | (29,662) | (1,515) |
| Cash and cash equivalents at end of the period | 393,914 | 432,659 |

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 | – | – | – | 25,202 | 25,202 | – | 25,202 |
| Other comprehensive income for the period | – | (44,400) | – | – | (44,400) | – | (44,400) |
| thereof currency translation differences, net of tax | – | (39,261) | – | – | (39,261) | – | (39,261) |
| 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 | – | (1,030) | – | – | (1,030) | – | (1,030) |
| Total comprehensive income for the period | – | (44,400) | – | 25,202 | (19,198) | – | (19,198) |
| Dividends paid relating to 2018/19 | – | – | – | (23,310) | (23,310) | – | (23,310) |
| Hybrid coupon paid | – | – | – | (8,313) | (8,313) | – | (8,313) |
| 31 Dec 2019 | 141,846 | (1,956) | 172,887 | 439,853 | 752,630 | – | 752,630 |
| 31 Mar 2020 | 141,846 | 9,419 | 172,887 | 436,107 | 760,259 | – | 760,259 |
| Profit for the period | – | – | – | 37,260 | 37,260 | – | 37,260 |
| Other comprehensive income for the period | – | (42,661) | – | – | (42,661) | – | (42,661) |
| thereof currency translation differences, net of tax | – | (39,234) | – | – | (39,234) | – | (39,234) |
| 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 | – | (422) | – | – | (422) | – | (422) |
| Total comprehensive income for the period | – | (42,661) | – | 37,260 | (5,401) | – | (5,401) |
| Dividends paid relating to 2019/20 | – | – | – | (9,713) | (9,713) | – | (9,713) |
| Hybrid coupon paid | – | – | – | (8,313) | (8,313) | – | (8,313) |
| 31 Dec 2020 | 141,846 | (33,242) | 172,887 | 455,342 | 736,833 | – | 736,833 |

SEGMENT REPORTING

| € in thousands | Mobile Devices & Substrates | | Automotive, Industrial, Medical | | Others | | Elimination/ Consolidation | | Group | |
|---|-----------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|----------------------------|---------------------|---------------------|---------------------|
| | 1 Apr - 31 Dec 2020 | 1 Apr - 31 Dec 2019 | 1 Apr - 31 Dec 2020 | 1 Apr - 31 Dec 2019 | 1 Apr - 31 Dec 2020 | 1 Apr - 31 Dec 2019 | 1 Apr - 31 Dec 2020 | 1 Apr - 31 Dec 2019 | 1 Apr - 31 Dec 2020 | 1 Apr - 31 Dec 2019 |
| Segment revenue | 733,709 | 590,396 | 244,416 | 259,290 | – | – | (94,341) | (96,452) | 883,785 | 753,234 |
| Internal revenue | (62,229) | (70,562) | (32,111) | (25,890) | – | – | 94,341 | 96,452 | – | – |
| External revenue | 671,480 | 519,834 | 212,305 | 233,400 | – | – | – | – | 883,785 | 753,234 |
| Operating result before depreciation/amortisation | 169,454 | 129,211 | 16,618 | 24,091 | 668 | 3,089 | – | – | 186,740 | 156,391 |
| Depreciation/amortisation incl. appreciation | (99,416) | (89,271) | (19,064) | (17,208) | (2,461) | (2,220) | – | – | (120,941) | (108,699) |
| Operating result | 70,038 | 39,940 | (2,446) | 6,883 | (1,793) | 869 | – | – | 65,799 | 47,692 |
| Finance costs - net | | | | | | | | | (19,278) | (3,298) |
| Profit/(loss) before tax | | | | | | | | | 46,521 | 44,394 |
| Income taxes | | | | | | | | | (9,261) | (19,192) |
| Profit/(loss) for the period | | | | | | | | | 37,260 | 25,202 |
| Property, plant and equipment and intangible assets ¹⁾ | 988,991 | 788,225 | 159,949 | 151,553 | 11,672 | 8,806 | – | – | 1,160,612 | 948,584 |
| Additions to property, plant and equipment and intangible assets | 328,300 | 163,151 | 30,579 | 25,232 | 5,646 | 2,965 | – | – | 364,525 | 191,348 |

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 - 31 Dec 2020 | 1 Apr - 31 Dec 2019 |
|--------------------------|---------------------|---------------------|
| Austria | 11,472 | 11,751 |
| Germany | 93,835 | 105,472 |
| Other European countries | 48,267 | 57,295 |
| China | 33,485 | 17,706 |
| Other Asian countries | 42,896 | 42,026 |
| Americas | 653,830 | 518,984 |
| Revenue | 883,785 | 753,234 |

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

| € in thousands | 31 Dec 2020 | 31 Mar 2020 |
|--|------------------|----------------|
| Austria | 118,065 | 106,173 |
| China | 987,951 | 787,932 |
| Others | 54,596 | 54,479 |
| Property, plant and equipment and intangible assets | 1,160,612 | 948,584 |

IMPRINT

PUBLISHED BY AND RESPONSIBLE FOR CONTENT

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Published on 2 February 2021

