



AT&S

**STRONG**  
FOR  
*tomorrow*

FIRST CHOICE  
FOR ADVANCED  
APPLICATIONS.

RCB ROADSHOW  
02.12.2020

# Leading provider of high-end PCBs and IC substrates

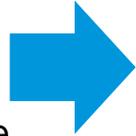
Well positioned for the future

# 2

high-end PCB  
producer worldwide

# 5

ABF substrates  
producer worldwide

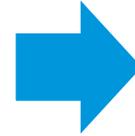


# 3

in  
FY 2024/25

€ 1bn

revenue  
FY 2019/20



€ 2bn

revenue  
FY 2024/25

## ■ Unique market position

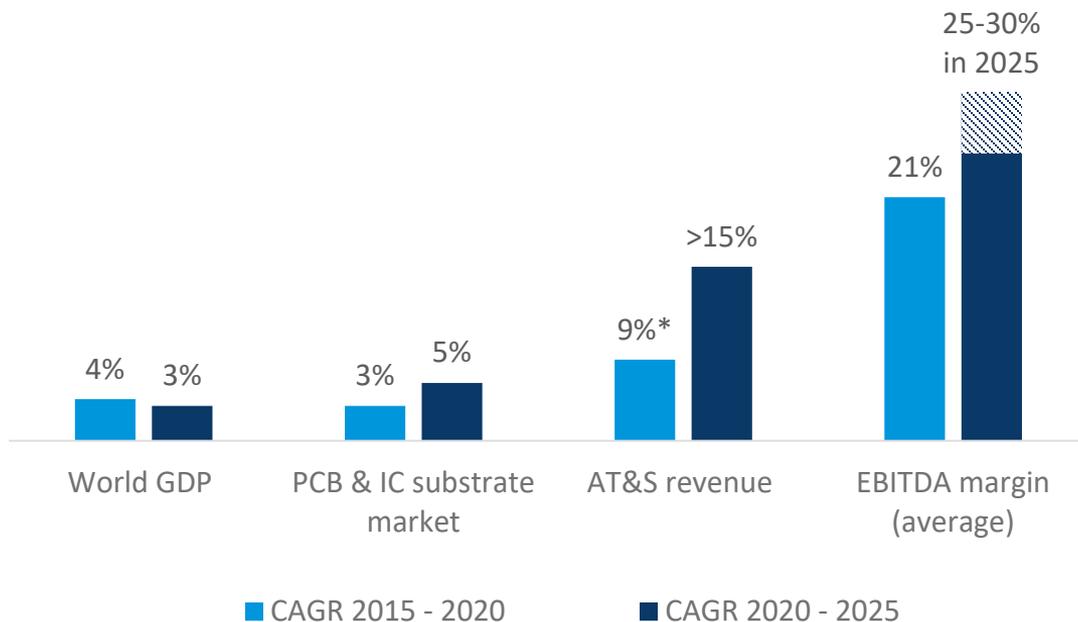
- Broad product portfolio to serve all growth markets
- Long-standing customer relationships with technology and market leaders
- Technology innovator due to continuous R&D efforts
- Quality benchmark with outstanding process know-how, productivity and efficiency

## ■ Growth oriented strategy

- Megatrend-driven markets with attractive growth potential
- Address growth opportunities with incremental investments

# An exciting growth story ...

## AT&S growth vs. GDP and industry



\*Revenue 2020/21 assumes envisaged growth of around 15%



## ... With more potential ahead

### Expanding served markets

- IC substrates/modules: 11% market growth at until 2025

~ 15 %  
Revenue CAGR 2020 – 2025

25 – 30 %

EBITDA margin target

### Growing market

- Technology leadership
- Operational excellence
- Strong customer engagement
- Clear focus on dedicated applications

### Strategy in execution

- IC substrates – full expansion of capacities in CHQ I
- High-end PCBs – full expansion of capacities in CHQ II
- IC substrates – build-up of new capacities in CHQ III
- Further developing of PCB business to serve trends of modularization and miniaturization

A woman in a red jacket is captured mid-air, jumping over a city skyline at sunset. The sky is filled with soft, golden light and scattered clouds. The city below features several prominent skyscrapers and a highway with traffic. The overall mood is one of energy and forward momentum.

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**H1 2020/21 – FINANCIALS AND KEY FIGURES**

# Simone Faath, CFO

Since November 1<sup>st</sup> 2020

- Most recently worked for Hillrom Holding for five years as Vice President Finance
- Held different commercial management positions at Sachtler, SAP and Thermo Fisher Scientific
- Studied at University of Heidelberg and has a degree in Economics
- Responsibilities at AT&S: Controlling, Finance, Investor Relations, Legal, Compliance, Internal Audit
- Appointed until October 31<sup>st</sup> 2023

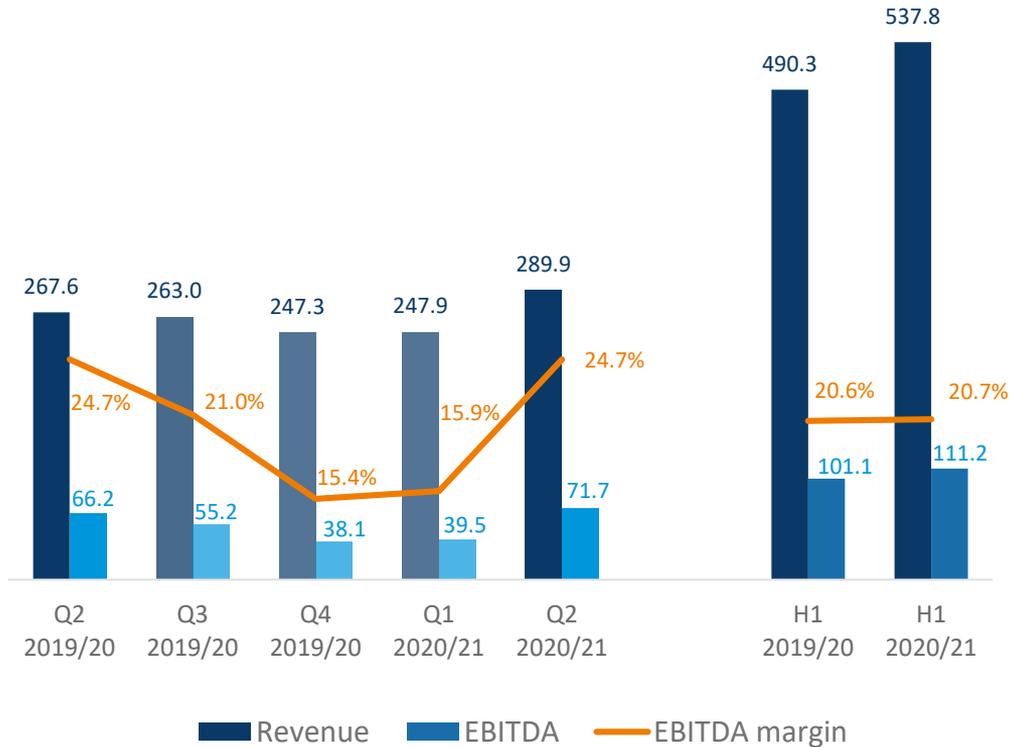


# Development in H1 2020/21

## AT&S with positive performance despite challenging environment

- IC substrates business profits from successful ramp-up of new capacities in CHQ I and strong demand for ABF substrates
- Customer and application diversification compensates for delayed smartphone launches in Mobile Devices
- Decrease in vehicle sales weighs on Automotive segment, but sequentially improved
- Industrial segment profits from better product mix
- Medical & Healthcare with solid demand in Q2, but could not compensate for Q1 development

# Revenue and EBITDA development

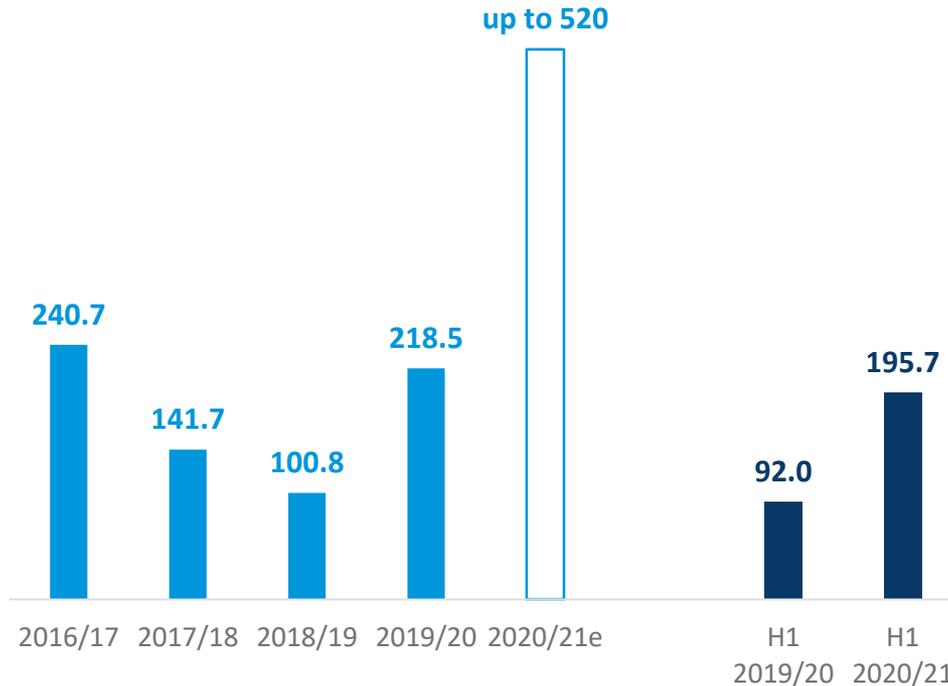


in € millions

- Strong revenue increase despite slightly negative currency effects
- EBITDA increased to € 111.2 million (PY: € 101.1 million) supported by higher revenue
- Future technology generations require higher R&D spending
- Net profit lower at € 14.7 million (PY: € 19.5 million) driven by currency effects and negative interest result
- Operating free cash flow at € -112.1 million (PY: € -29.8 million) due to higher investment activity

# Net CAPEX

Investments in IC substrates and module business to be consistently continued



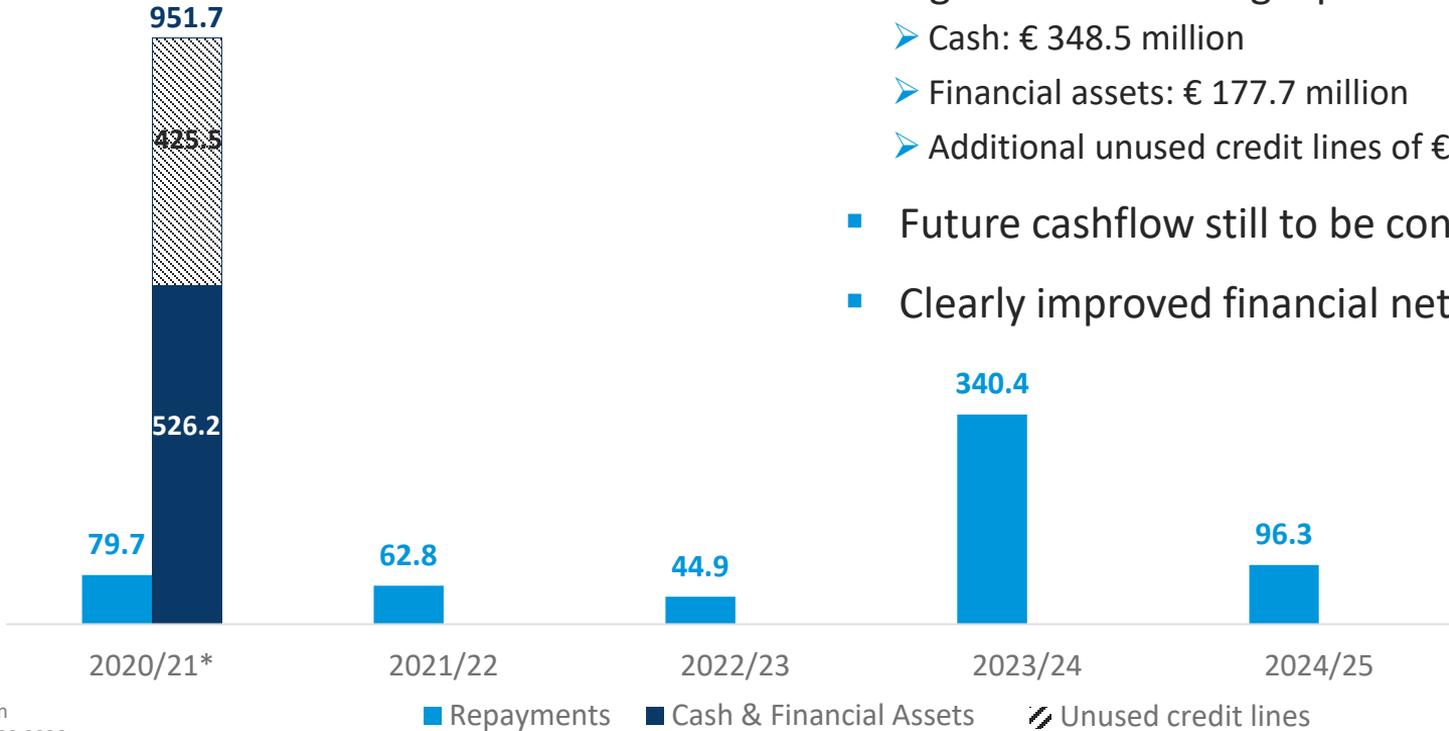
in € millions

- Investments in IC substrates and technology upgrades still driver for increase
- Capex outlook 2020/21:
  - Depending on market developments CAPEX for maintenance and tech-upgrade of up to € 80 million
  - CAPEX for strategic projects of up to € 410 million plus € 30 million due to timing variances

# Solid finance structure

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

- High level of existing liquid funds
  - Cash: € 348.5 million
  - Financial assets: € 177.7 million
  - Additional unused credit lines of € 425.5 million
- Future cashflow still to be considered
- Clearly improved financial network



in € million  
\*as of 30.09.2020

A woman in a red jacket and black leggings is captured mid-air, jumping high above a city street. The background features a dense urban skyline with various skyscrapers under a dramatic, orange-hued sky at sunset or sunrise. The scene is viewed from an elevated perspective, possibly a bridge or overpass.

AT&S

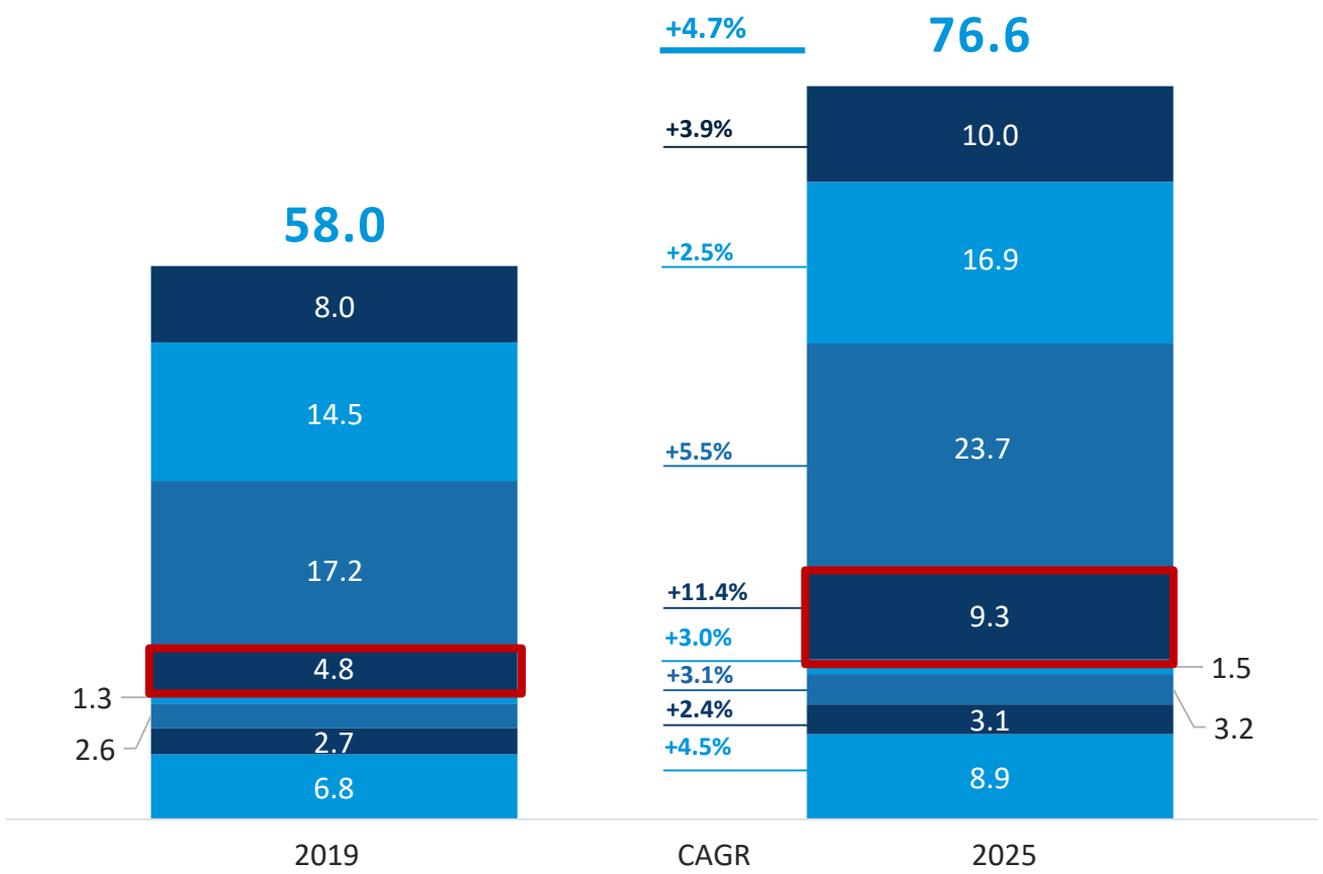
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MARKET UPDATE & GROWTH DRIVERS

# PCB & IC Substrates market outlook

- Consumer
- Computer
- Communication
- **Substrates**
- Medical
- Industrial
- Aviation
- Automotive



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

# Developments driving the IC substrates market growth

From cloud to edge



In the Cloud

Current Trend



On the Device



Real-time updated maps



E-commerce



Real-time translation



Augmented Reality



Scene recognition



Object recognition



Biometric authentication

**Connected devices:  
(4.6 % CAGR)**

2019: 42 billion units

2025: 55 billion units

Source: IDC (2019, 2020)

# Developments driving the IC substrates market growth

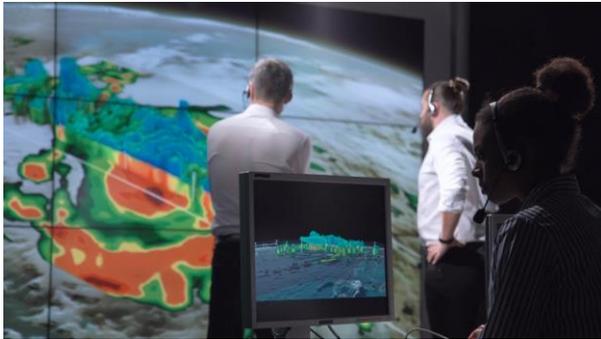
## High performance computers



Autonomous Driving



Genomics



Climate Research



Vision Processor

**Advanced AT&S substrates power the digital world**

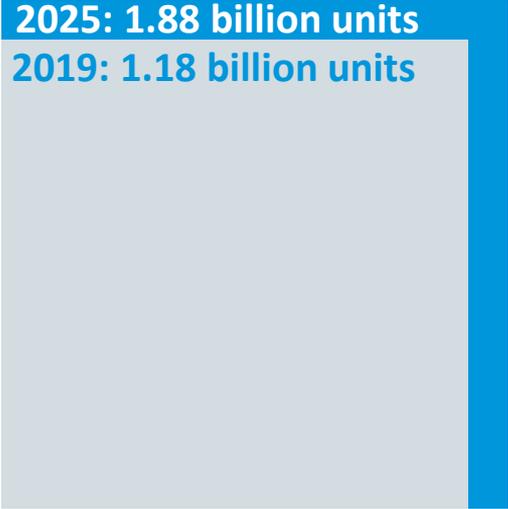
**Global Data Volume:**

- **2019: 40 Zetabyte**
- **2025: 175 Zetabyte**  
→ (27.9% CAGR)

# Global market leaders using ABF substrates

Global market leaders in microelectronics are driving the growth

## High-end processor modules



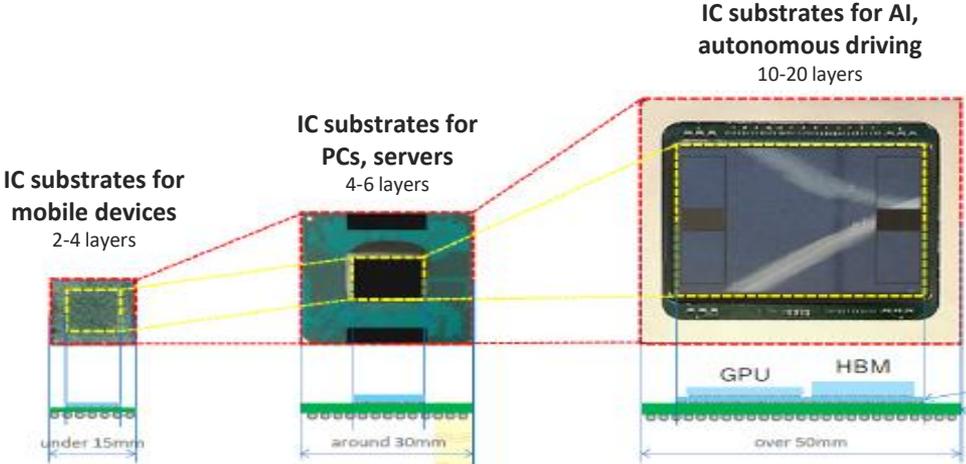
+8.1% CAGR



Source: Prismark 2020

# High-end IC substrates

- ...have larger form factors due to more powerful processors modules
- ...have more build-up layers
- ...have a high speed interconnect between several **semiconductors** to provide high speed data transmission
- ...enable more complex packages than standard substrates
- ...reduce power consumption



**High-end IC substrates market growth**

**2019:** US-\$ 4.8 billion  
**2025:** US-\$ 9.3 billion  
 (+11.4% CAGR)

## Added Value for AT&S

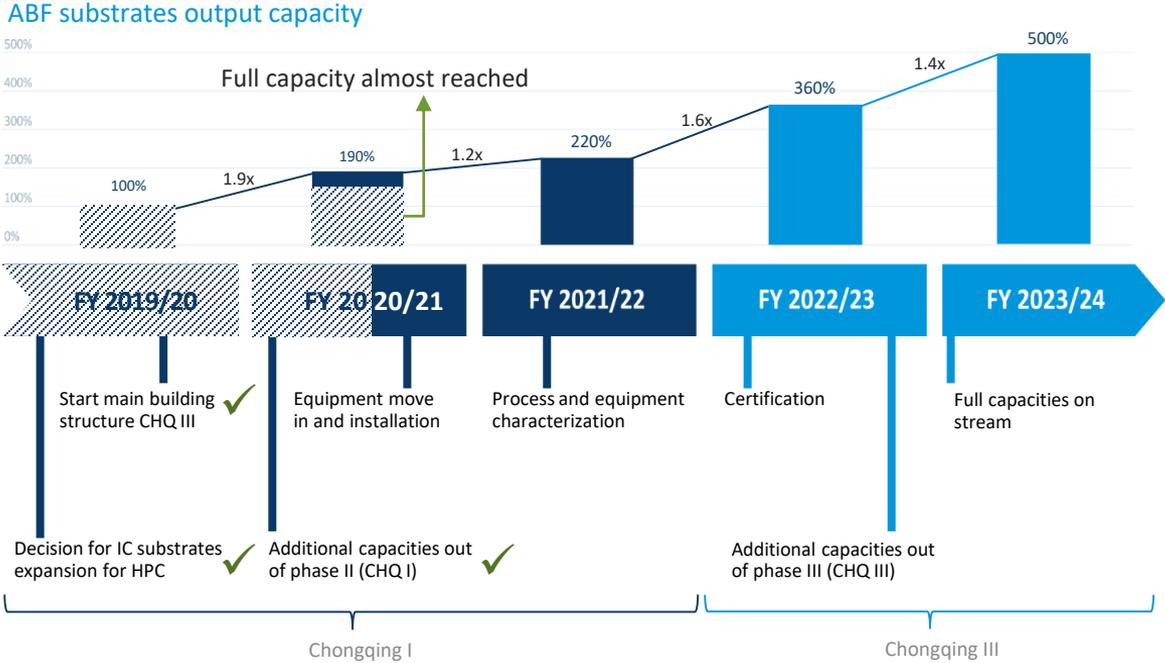
- ...push technology portfolio, profitability and revenue growth to a next level (**mid-term: revenue target of € 2 billion, EBITDA margin of 25-30%**)
- ...and thus **increase value for AT&S, its customers and shareholders.**

# On the way to become one of the leaders in high-end IC substrates



# IC substrates business in Chongqing

## Capacity expansion and technology investment pushed forward

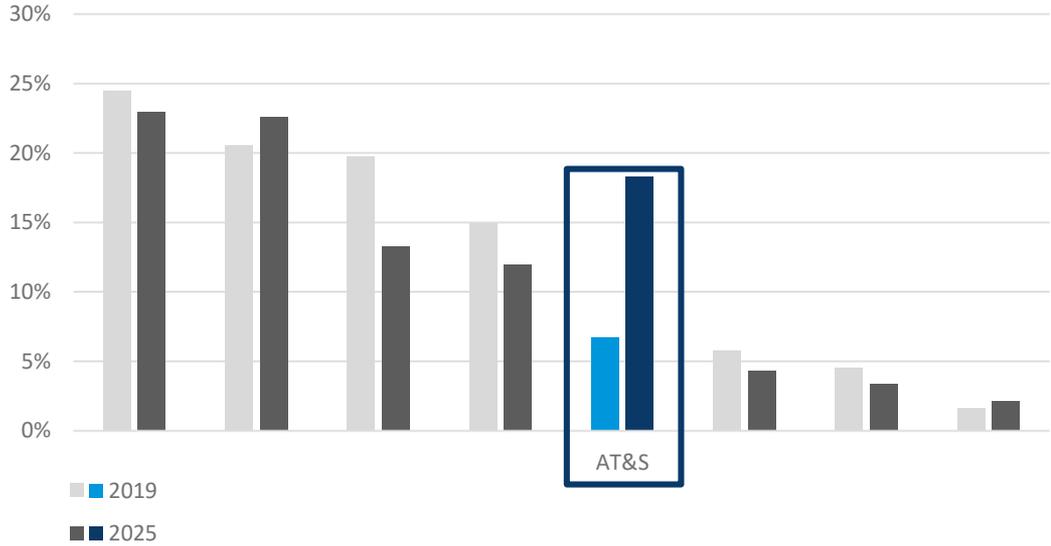


- CHQ I: Despite COVID-19 new capacities successfully ramped-up
- CHQ I: about 50% of additional capacity out of phase II will be reflected in revenues in 2020/21
- CHQ III: Roof closing already completed
- Covid-19 related construction delay of about six weeks
- Optimized infrastructure installation plan as well as the experience from CHQ I can compensate for the construction delay

# Top-8 global ABF\* substrates suppliers

AT&S expects to enter the top-league of ABF substrates suppliers and significantly increase output capacity by 2025

Output capacity by company (based on US-\$)



- ABF is the state-of-the-art production process for high-end IC substrates with high growth potential
- With current investments, AT&S will rise to the top three ABF suppliers globally by 2025

\*ABF: Ajinomoto Buildup Film  
 Source: Prismark, JMS, AT&S assessment

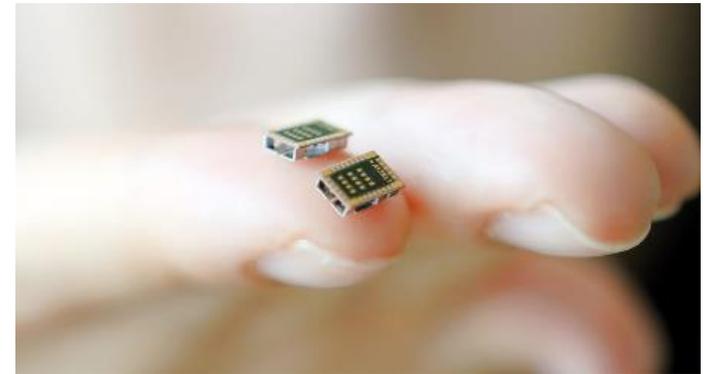
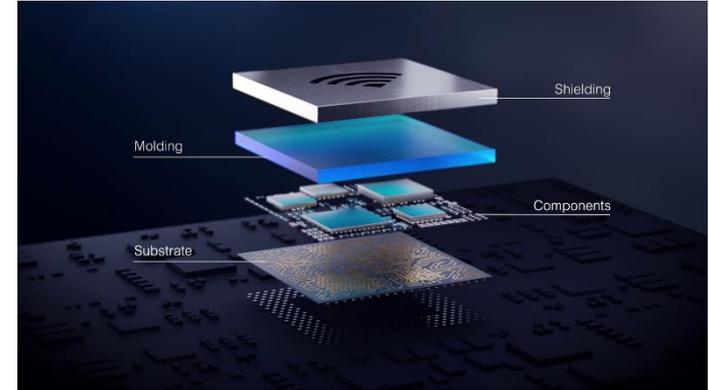
# Module business



# Modules & module integration

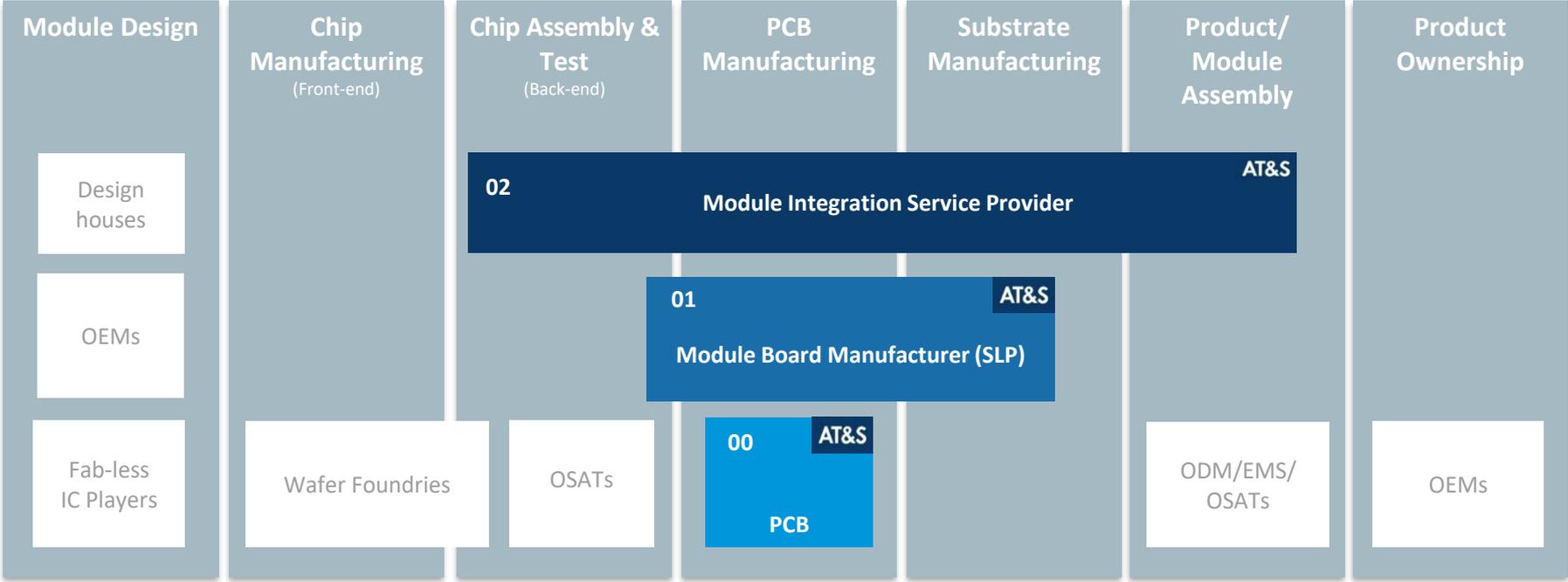
## AT&S solutions for the electronics industry

- Expansion of plant Chongqing II proceeds according to plan
- Total investment Chongqing II in module business of about € 160 million over the next 2 – 3 years
- Long-term customer relationships support application diversification
- Main applications include PCBs for RF/5G modules, power modules and wearables
- Module PCB/substrates expected to reach ~5 – 10% of group revenues within the next two years
  - For FY 2020/21 already double-digit million revenue expected
- Based on business development so far revenue target can be confirmed



# AT&S solutions for the electronics industry

New business opportunities through entry into the module market





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OUTLOOK

# Outlook for 2020/21

AT&S has managed crisis successfully and positively participates in intact trends

- Future trends not harmed by COVID-19 pandemic
- Expectations for customer demand for the current year
  - Demand for IC substrates remains strong according to current forecasts
  - Due to delayed product launches, demand for mobile devices shifted into FQ3, usual seasonality expected for FQ4
  - Automotive market shows signs of bottoming out, slightly positive trend visible
  - Industrial segment to remain at the level of previous year
  - Slight growth expected for medical applications
- FY 2020/21: Revenue growth of around 15% and an EBITDA margin in the range of 20 to 22%
  - Based on strong H1, a solid order situation in FQ3 and successful ramp-up of additional capacities in CHQ I
  - Assuming no major impact of COVID 19 on key markets, production facilities and supply chain
- Investment programme for FY 2020/21 unchanged

# Medium-term guidance confirmed

Technology development to module integration and capacity expansion



**First choice  
for advanced  
applications**

## Expansion of technology leadership

- Leading provider of new interconnect solutions
- Innovation revenue rate: > 20%

## Focus on continued profitable growth

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

## Creation of shareholder value and robust financial structure

- Medium-term ROCE above 12%
- Net debt / EBITDA: < 3 / Equity ratio: > 40% / Average Finance costs: < 2%

## Sustainability management

- 80% renewable energy
- Eco-balancing of product groups
- 30 % women in management positions

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ANNEX



# A world leading high-tech PCB & IC substrates company

High-end interconnect solutions  
for  
Mobile Devices, Automotive, Industrial,  
Medical Applications and Semiconductor  
Industry

Outperforming  
market growth  
over the last  
decade

# 2  
high-end PCB producer  
worldwide\*

Among the top  
PCB producers  
worldwide

€ 1bn  
revenue in  
FY 2019/20

Efficient global production  
footprint with

6  
plants in Europe and Asia

~ 10,000  
Employees\*\*

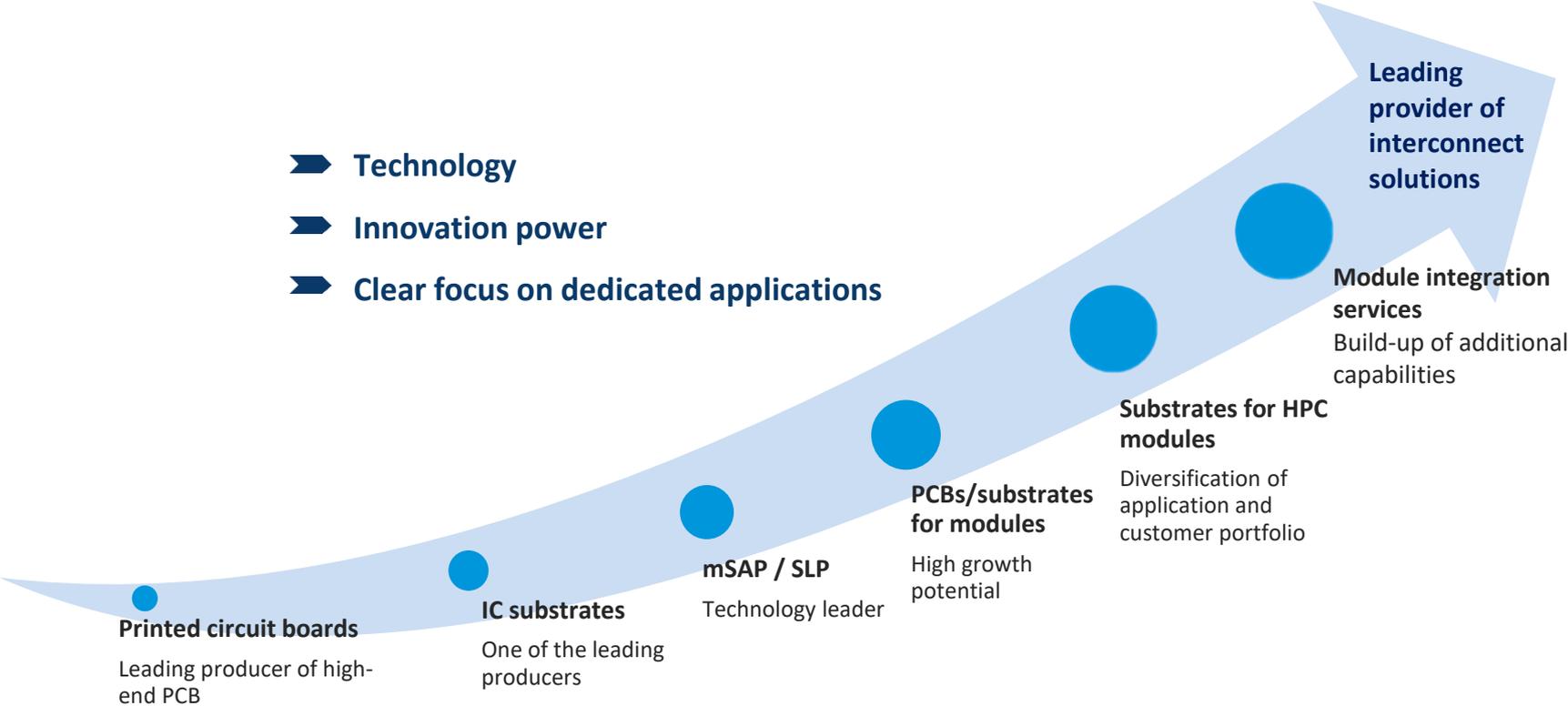
\* For CY 2019  
Source: Prismark

\*\* For AT&S FY 2019/20

# More than AT&S

Broadening the service range and opening up of new business opportunities

- Technology
- Innovation power
- Clear focus on dedicated applications



# Market Segments & Product Applications



## Mobile devices

- Smartphones
- Wearables
- Notebooks
- Cameras
- Tablets
- SSDs



## IC substrates

- Data centres
- Microservers
- Client PCs
- Edge computing
- 5G base stations



## Automotive

- ADAS
- Sensoric (radar, lidar, camera, V-to-X communication)
- E-mobility (power supply for motor systems)



## Industrial

- Smart building, lighting, manufacturing, transportation...
- Telecom infrastructure
- Power management
- Robots & drones



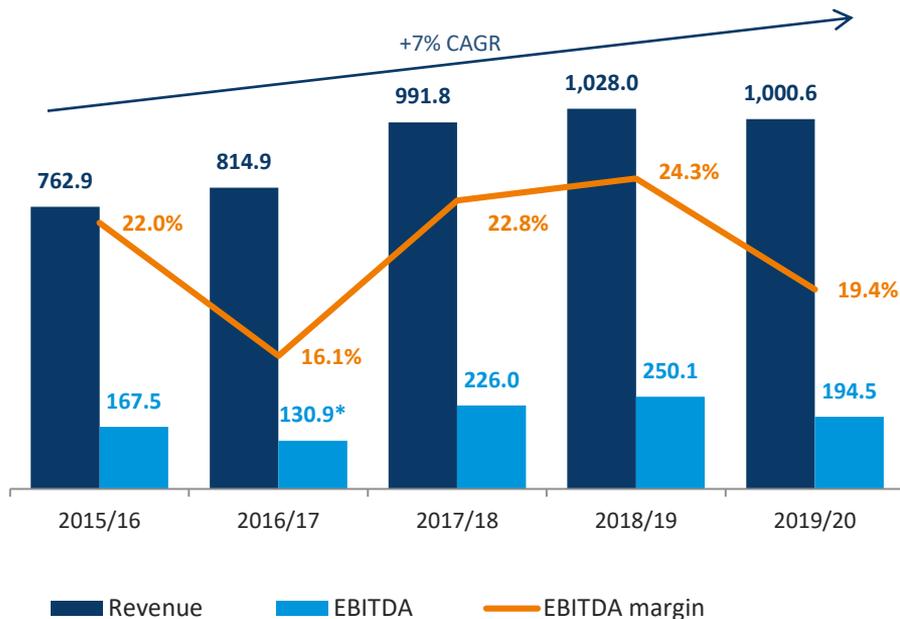
## Medical

- Diagnostics and imaging systems
- Therapy application (pacemakers, hearing aids, drug delivery...)
- Patient monitoring

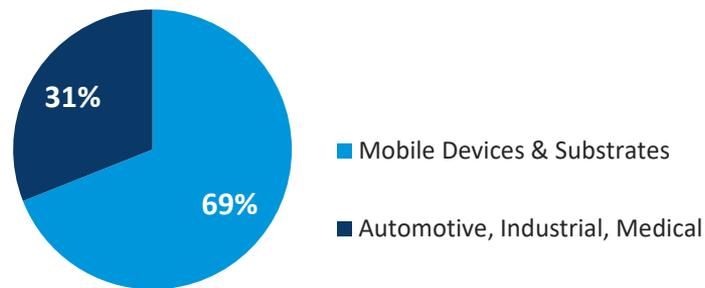
Segment Mobile Devices & Substrates

Segment Automotive, Industrial, Medical

# Key facts FY 2019/20

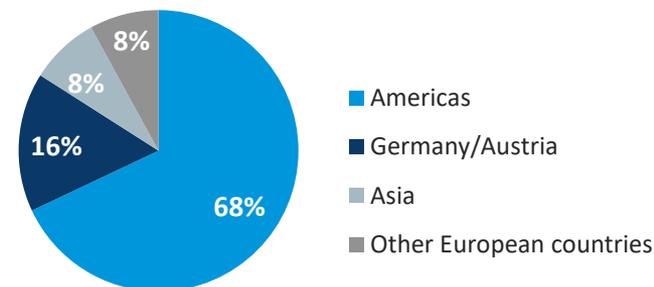


Revenue split by segment: FY 2019/20



Revenue split by customer: FY 2019/20

(based on customer's headquarters)

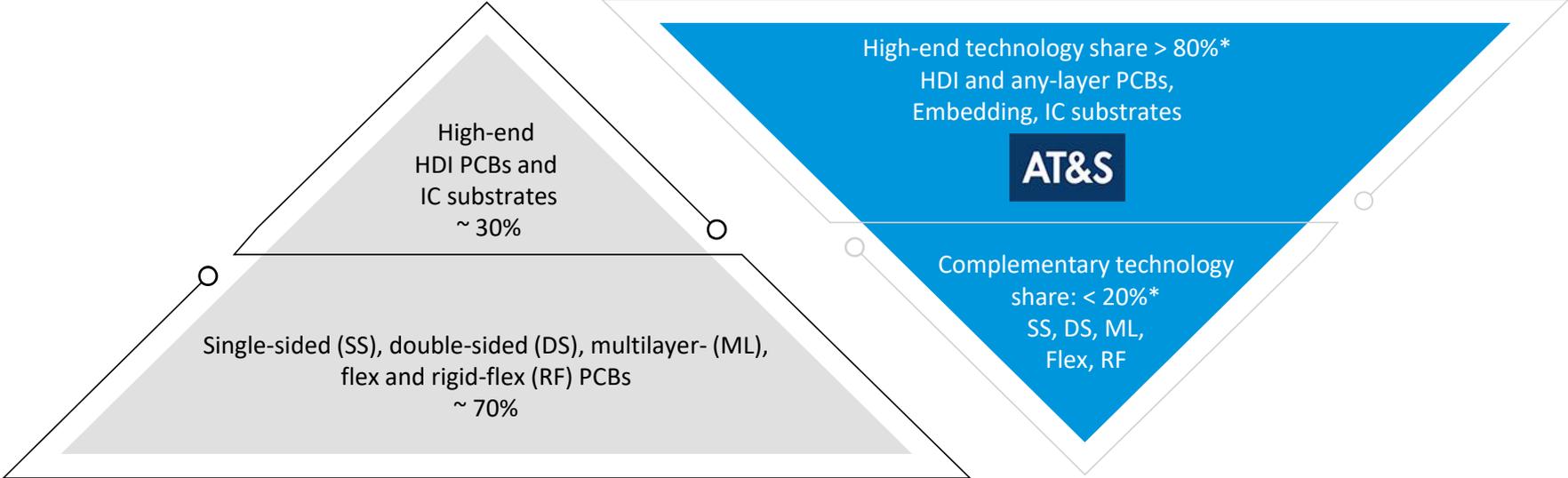


€ in millions

\*Based on ramp-up effects for new plants in China

# Strategic focus on high-end technologies

## AT&S revenue structure – based on technologies



## Structure of general PCB market – based on technologies

\* for FY 2019/20  
Source: Prismark, AT&S

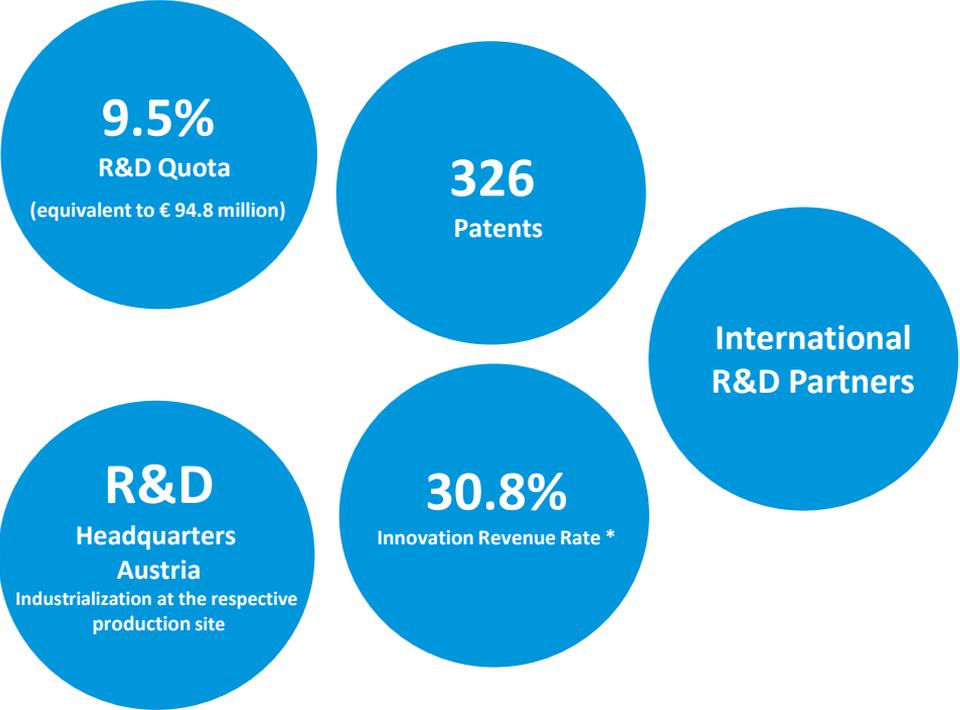
# Market players in the high-end segment

## Market position HDI Technology (2019)

Rank	Supplier	Country/Region	HDI (revenue in US-\$ millions)
1	Compeq	TWN	776
2	AT&S	AUT	736
3	TTM	USA	716
4	Unimicron	TWN	706
5	Tripod	TWN	508
6	Meiko	JPN	461
7	Zhen Ding	TWN	428
8	Korea Circuit	KOR	227
9	Founder PCB	CHN	222
10	CMK	JPN	220

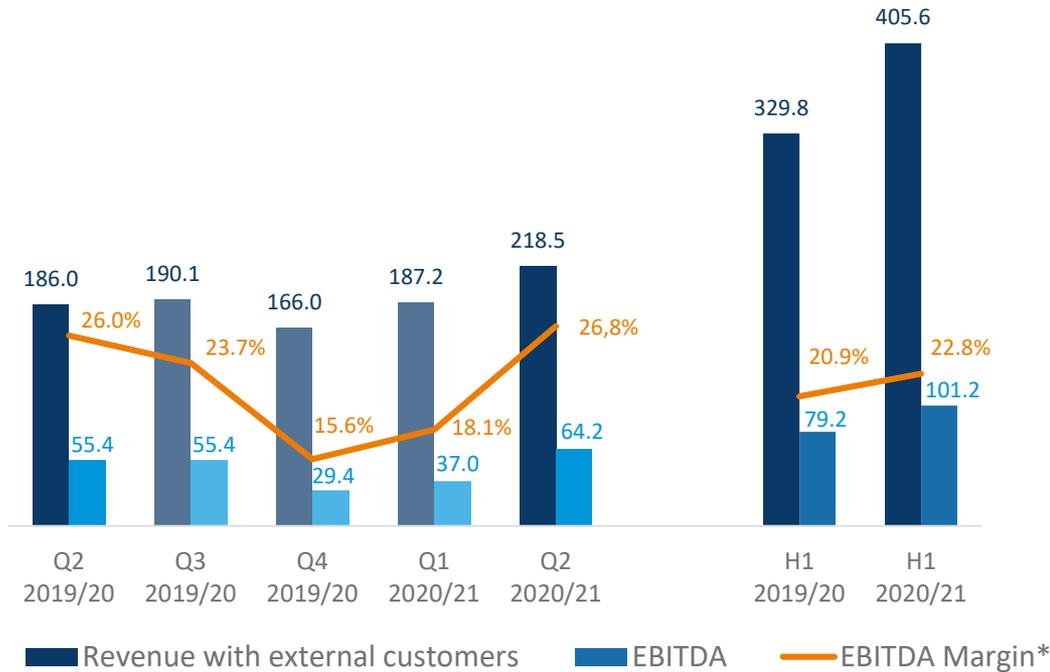
Source: Prismark, AT&S Market Intelligence

# R&D as the key for technological leadership



as of FY 2019/20  
 \* Revenue generated with products with new, innovative technologies introduced to the market within the last three years

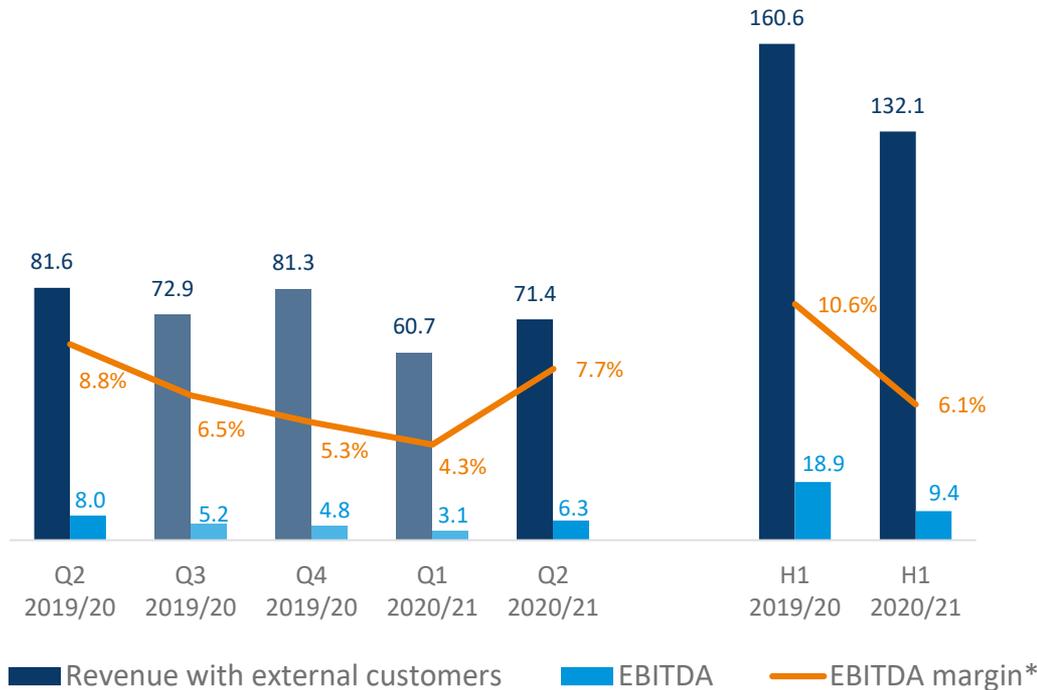
# Business development – Mobile Devices & Substrates



- IC substrates performance above expectations driven by strong ABF demand and better product mix
- Customer and application diversification compensates for delayed smartphone launches in Mobile Devices

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

# Business development – Automotive, Industrial, Medical

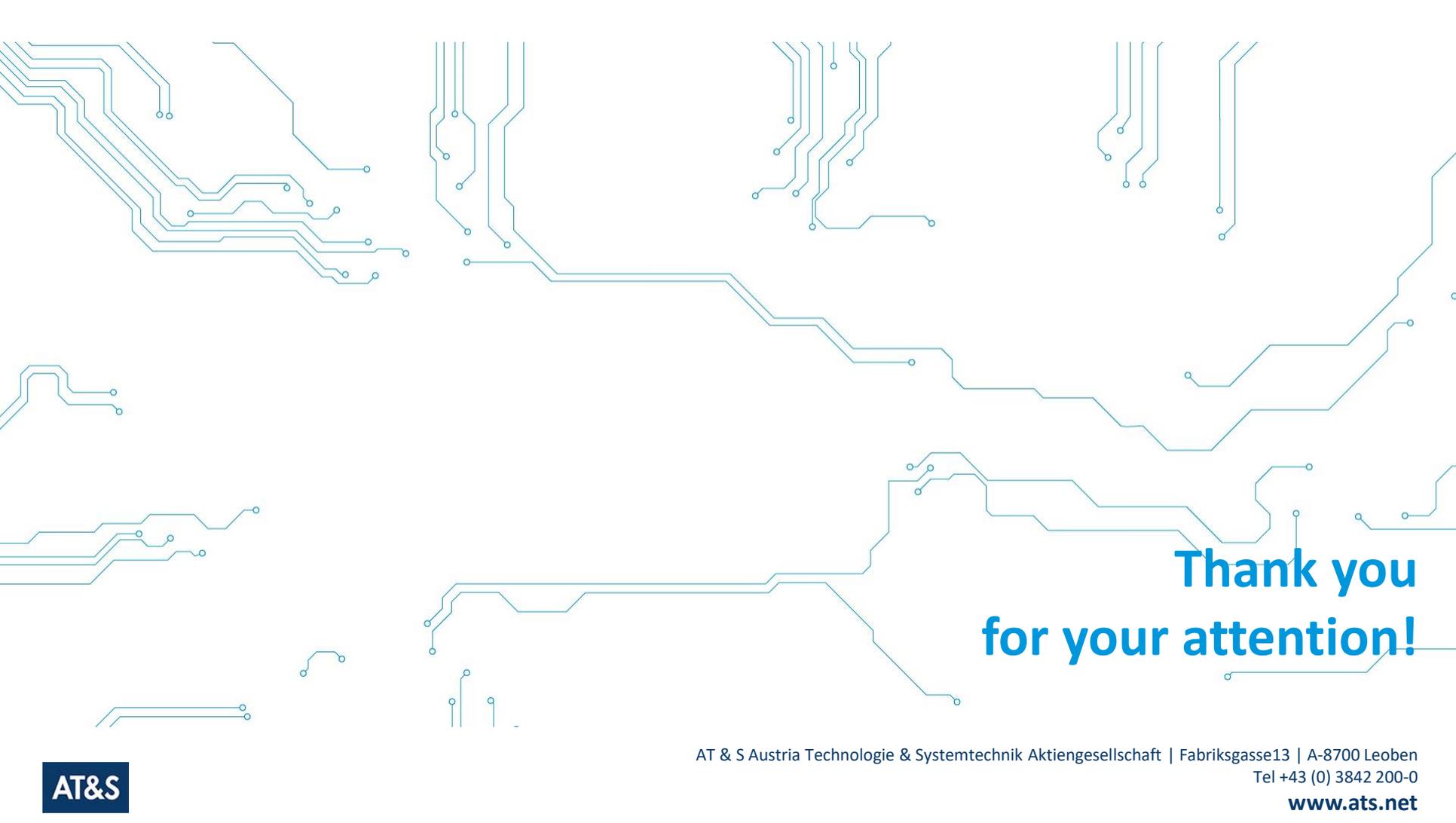


- Industrial segment with satisfying development supported by better product mix
- Automotive segment impacted by decrease in vehicle sales, but sequentially improved
- Medical & Healthcare with flat revenue development in Q2
- Profitability lower due to decreased demand, underutilization of related production facilities and resulting lower fixed cost coverage

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

# Balance Sheet

		31.03.2020	30.09.2020	Change in %
Total assets	€ million	1,853.5	2,020.0	9.0%
Equity	€ million	760.3	730.4	(3.9%)
Equity ratio	%	41.0%	36.2%	–
Net debt	€ million	246.7	380.0	54.0%



**Thank you  
for your attention!**

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