AT&S first choice for advanced applications

Conference Call H1 2015/16

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Karl Asamer (CFO)

27th October 2015
8.30 am CET
Agenda

- Highlights Business Performance
- Financials
- Outlook
Highlights

- Very good demand from customer segments in H1 2015/16
- Continuous high capacity utilisation
- AT&S shows significant above market growth: revenue up 28.2% to € 387.1m
  (PCB market shows only single digit growth)
  > Organic growth of € 43.8m / FX impact of € 41.2m (73% of revenue in non EUR currencies)
- EBITDA increase of 29.0% to € 93.2m / EBITDA margin slightly up to 24.1% vs. 23.9% in H1 2014/15
  > Positive and negative FX effects were relatively balanced: EBITDA includes positive FX effects of € 5.8m
- Cash flows from operating activities up 65.3% to € 55.6m
- Net profit increased by 48.1% to € 42.1m
- EPS increased from € 0.73 to € 1.08
Highlights

- Issue of € 220m Promissory Note Loan:
  > for refinancing Corporate Bond, which expires November 2016 and partial repurchase as well as
    for further optimization of financial structure (debt maturities, financing costs)

- Chongqing expansion still on schedule:
  > IC Substrates: Ongoing characterisation, certification expected for end of 2015, start of production
    beginning of 2016, product mix as planned for computing applications
  > Substrate-like PCBs: construction of building ongoing
Revenue

Total revenue

- CAGR 8.1%
- 2010/11: 488
- 2011/12: 514
- 2012/13: 542
- 2013/14: 590
- 2014/15: 667
- +28.2%
- H1 2014/15: 302
- H1 2015/16: 387

(Euro in millions)

Split revenue H1 2015/16: Business Unit

- Mobile Devices & Substrates: 41%
- Automotive, Industrial, Medical: 59%

Split revenue H1 2015/16: Customer Region

- Germany/Austria: 56%
- Other European countries: 24%
- Asia: 14%
- Americas: 6%
Mobile Devices & Substrates
Revenue* increase of 45.6% compared to the same period last year (€ 228.1m in H1 2015/16 vs. € 156.7m in H1 2014/15)
- Continuous strong demand in mobile applications, particularly in the smartphone segment
- The increase is mainly due to high capacity utilisation, a more high-end product mix and positive FX effects

Automotive, Industrial, Medical
Revenue* increased by 9.0% year on year (€ 157.3m in H1 2015/16 vs. € 144.3m in H1 2014/15)
- Continuous strong demand for automotive applications like Advances Driver Assistance Systems
- Higher demand in medical; industrial segment slightly below last year’s high level in the first six month

* Revenue from external customers
Operating Business Performance

EBITDA increase based on high capacity utilisation, continuous high-end product mix, successful cost & efficiency management program as well as positive and negative FX effects that resulted in a positive effect of € 5.8m. EBITDA margin of 24.1% vs. 23.9%.
CAPEX
CAPEX reflects investments in Chongqing project (whereof € 58.3m) and technology investments in existing locations.

STAFF*
The increased headcount is primarily based on the Chongqing project.

* incl. leased personnel, FTE, average for the period
Project Status IC Substrates - Chongqing I

(as of 30/09/2015)

- Investment as at 30/09/2015: € 182.4m\(^1\)
- Progress according to time & budget:
  - Characterisation for first line is ongoing, certification expected for end of 2015
  - Product mix: FCBGA Substrates for computing applications (Notebooks, PCs, etc.)
  - Start of production expected for beginning of 2016
  - Q4 2015/16 will be impacted by ramp-up costs

1) CAPEX for tangible fixed assets
Substrate-like PCBs – Chongqing II

(as of 30/09/2015)

- Investment as at 30/09/2015: € 13.9m¹
- First quantities of SLPs are already being produced in plant Shanghai
- Construction of building II for SLP in Chongqing is ongoing
- Start of production is scheduled for second half of 2016

¹) CAPEX for tangible fixed assets
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## Financials H1 2015/16

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<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>387,129</td>
<td>302,077</td>
</tr>
<tr>
<td>produced in Asia</td>
<td>80%</td>
<td>76%</td>
</tr>
<tr>
<td>produced in Europe</td>
<td>20%</td>
<td>24%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>93,230</td>
<td>72,297</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>24.1%</td>
<td>23.9%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>50,742</td>
<td>39,928</td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td>13.1%</td>
<td>13.2%</td>
</tr>
<tr>
<td>Finance costs - net</td>
<td>25</td>
<td>(2,363)</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>(8,630)</td>
<td>(9,120)</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>42,137</td>
<td>28,445</td>
</tr>
<tr>
<td>Cash Earnings</td>
<td>84,555</td>
<td>60,785</td>
</tr>
<tr>
<td>EPS in €</td>
<td>1.08</td>
<td>0.73</td>
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</table>

Revenue increase of 28.2%: 14.5% from organic growth and 13.7% from FX effects.

EBIT increase of 27.1%: high revenue and capacity utilisation and continuous improvement activities.

Effective group tax rate: 17.0%
## Financials H1 2015/16

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<thead>
<tr>
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<th>30.09.2015</th>
<th>31.03.2015</th>
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<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td>750,340</td>
<td>712,757</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>467,161</td>
<td>508,055</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>575,126</td>
<td>604,358</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>413,287</td>
<td>413,070</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>229,088</td>
<td>203,384</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,217,501</td>
<td>1,220,812</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>194,420</td>
<td>130,510</td>
</tr>
<tr>
<td><strong>Net gearing</strong></td>
<td>33.8%</td>
<td>21.6%</td>
</tr>
<tr>
<td><strong>Net working capital</strong></td>
<td>120,551</td>
<td>95,319</td>
</tr>
<tr>
<td><strong>Net working capital per revenues</strong></td>
<td>15.6%</td>
<td>14.3%</td>
</tr>
<tr>
<td><strong>Equity ratio</strong></td>
<td>47.2%</td>
<td>49.5%</td>
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- Decrease of 4.8% due to negative impact from FX out of translation. Improved for the period could not compensate the negative FX effects.
- Increase of 49.0% due to higher CAPEX, paid dividends and increase in working capital.
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<tr>
<td><strong>STATEMENT OF CASH FLOWS</strong></td>
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<tr>
<td>Profit for the period</td>
<td>42,137</td>
<td>28,445</td>
</tr>
<tr>
<td>Non cash bearing of profit or loss</td>
<td>43,255</td>
<td>40,312</td>
</tr>
<tr>
<td>Changes in Working Capital</td>
<td>(29,757)</td>
<td>(35,107)</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>55,635</td>
<td>33,650</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>(97,485)</td>
<td>(88,699)</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>(9,879)</td>
<td>12,618</td>
</tr>
<tr>
<td><strong>Change in cash and cash equivalents</strong></td>
<td>(51,729)</td>
<td>(42,431)</td>
</tr>
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</table>

- Increase is based on higher business activities.
- Increase of € 22.0m – supports internal self financing power.
- Continuous planned high CAPEX based on strategic investments in Chongqing and continuous upgrades of existing production facilities.
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Outlook FY 2015/16

- Provided a stable macroeconomic environment and continuous good customer demand. Management expects an ongoing high level of capacity utilisation.

- On the basis of the organic growth in the first half-year, an expected, positive business development in the next six months and an average assumed USD-EUR exchange rate of 1.16, the Management Board increases the revenue expected for the financial year 2015/16 from € 725m to € 740m.

- Influenced by the expected costs of the start-up of the new plants in Chongqing, the EBITDA margin should exceed 19% (guidance at the beginning of the financial year: 18-20%). This includes an EBITDA margin in the core business at the level of the previous year.
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Q&A Session