AT&S
First choice for advanced applications

Conference Call H1 2017/18

Andreas Gerstenmayer (CEO)
Monika Stoisser-Göhring (CFO)
Elke Koch (IR/PR)

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AT & S Austria Technologie & Systemtechnik Aktiengesellschaft | Fabriksgasse 13 | A-8700 Leoben
Tel +43 (0) 3842 200-0 | E-mail info@ats.net
www.ats.net
Agenda

Market Update and Summary Business Performance

Financials

Outlook
Market Update

Development in the customer segments for calendar 1H2017*

- **Smartphones:**
  - +1.5%, top 5 suppliers: 60% market share (up 5% yoy)
  - Calendar Q3: new flagship model launches with high-end HDI/Anylayer and mSAP PCB mainboards

- **Computing:**
  - Tablet shipments: -6%, mainly due to replacement by “2 in 1 notebooks”
  - PC shipments: -1.5% yoy
  - Servers: flat yoy

AT&S provides both mainboards as well as IC substrates for these computing applications. Market changes are not sufficient for full recovery of IC substrate pricing, but IC substrate technology is a main element for further integration of electronic systems and should thus provide future growth.

*in units, Sources: IDC, Gartner, IHS 2017
Market Update

Development in the customer segments for calendar 2017 (no H1 figures available)*

- **Automotive:**
  - Total light vehicle sales: +1.5% yoy (93.5 million units)
  - PCB market: +4.3% due to continuously increasing electronics content (Advanced Driver Assistant Systems, infotainment, ...).

- **Industrial & medical applications:**
  - Industrial electronics market: +1.5% yoy
  - Medical market: +4.4%.

*in units, Sources: IDC, Gartner, IHS 2017
Summary H1 2017/18

- Very high demand and utilization at the capacity limit in almost all plants – particularly in Q2
- Ramp-up of new technology generation mSAP more rapidly and better than expected
- Further efficiency improvements for IC substrates in Chongqing with price pressure remaining and positive effects of general efficiency measures
- Revenue: + 25.7% to € 485.7m with 2nd quarter being exceptionally strong
- EBITDA more than doubled yoy to € 104.4m / EBITDA margin: 21.5% (+8pp yoy)
- EBIT positive at € 36.9m (H1 2016/17: € -5.8m) / EBIT margin 7.6% (H1 2016/17: -1.5%)
- Significant increase in income taxes to € -15.9m (H1 2016/17: € 1.0m)
  > no capitalisation of deferred taxes in Chongqing / reduced tax scheme Shanghai still pending
- Profit for the period with € 15.4m positive again / EPS improved from € -0.38 to € 0.40
Revenue

Total revenue

Split revenue H1 2017/18: Business Unit

- Mobile Devices & Substrates: 36%
- Automotive, Industrial, Medical: 64%

Split revenue H1 2017/18: Customer Region

- Americas: 61%
- Germany/Austria: 12%
- Asia: 6%
- Other European countries: 6%
EBITDA improved significantly by € 52.3m, as a result of general efficiency measures, particularly in IC substrates, faster than expected ramp-up of mSAP and lower production costs (FX based).
**Net CAPEX & Staff**

**Net CAPEX**
Net CAPEX spending of €95.0m in H1 2017/18 includes investments in Chongqing project (whereof €49.5m) and technology investments in existing locations.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 2016/17</th>
<th>Q2 2016/17</th>
<th>Q3 2016/17</th>
<th>Q4 2016/17</th>
<th>Q1 2017/18</th>
<th>Q2 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPEX</td>
<td>66.3</td>
<td>76.2</td>
<td>49.8</td>
<td>48.4</td>
<td>69.7</td>
<td>25.3</td>
</tr>
</tbody>
</table>

*€ in millions*

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 2016/17</th>
<th>H1 2016/17</th>
<th>Q1-3 2016/17</th>
<th>2016/17</th>
<th>Q1 2017/18</th>
<th>H1 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>9,165</td>
<td>9,315</td>
<td>9,452</td>
<td>9,526</td>
<td>9,901</td>
<td>10,030</td>
</tr>
<tr>
<td>Chongqing</td>
<td>1,826</td>
<td>1,929</td>
<td>2,083</td>
<td>2,360</td>
<td>2,392</td>
<td></td>
</tr>
</tbody>
</table>

*incl. contractors, FTE, average for the period*
Mobile Devices & Substrates: H1 2017/18

- Revenue increase mainly on the back of mSAP and IC substrates – but also stable demand in other core business
- EBITDA improvements as a result of general efficiency measures and higher contributions from the plants in Chongqing and positive FX effects

<table>
<thead>
<tr>
<th>€ in millions (unless otherwise indicated)</th>
<th>H1 2016/17</th>
<th>H1 2017/18</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>269.7</td>
<td>358.9</td>
<td>33.1%</td>
</tr>
<tr>
<td>Revenue with external customers</td>
<td>224.3</td>
<td>311.2</td>
<td>38.7%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>24.5</td>
<td>80.3</td>
<td>227.7%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>9.1%</td>
<td>22.4%</td>
<td>-</td>
</tr>
</tbody>
</table>

Revenue per quarter*

Trendline showing seasonality

€ in millions; * Revenue with external customers
Automotive, Industrial, Medical: H1 2017/18

- Continued growth path in all sub-segments, particularly in Industrial and Medical
- EBITDA remained on last year’s level (H1 2016/17 included a reversal of provision of € 3.3m for previously unused space) – EBITDA margin impacted by negative FX effects, higher raw material prices

<table>
<thead>
<tr>
<th>€ in millions (unless otherwise indicated)</th>
<th>H1 2016/17</th>
<th>H1 2017/18</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>174.4</td>
<td>184.8</td>
<td>6.0%</td>
</tr>
<tr>
<td>Revenue with external customers</td>
<td>160.3</td>
<td>172.3</td>
<td>7.5%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>23.0</td>
<td>23.0</td>
<td>(0.3%)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>13.2%</td>
<td>12.4%</td>
<td>-</td>
</tr>
</tbody>
</table>

Revenue per quarter*

\[
\begin{align*}
\text{Q1} & : 72.6 \\
\text{Q2} & : 71.7 \\
\text{Q3} & : 65.9 \\
\text{Q4} & : 72.6 \\
\text{Q1} & : 77.8 \\
\text{Q2} & : 79.5 \\
\text{Q3} & : 72.7 \\
\text{Q4} & : 76.6 \\
\text{Q1} & : 80.4 \\
\text{Q2} & : 79.9 \\
\text{Q3} & : 78.9 \\
\text{Q4} & : 84.9 \\
\text{Q1} & : 85.0 \\
\text{Q2} & : 87.3 \\
\end{align*}
\]

* Revenue with external customers

€ in millions; * Revenue with external customers
Update Chongqing

Project phase 1 finished and on budget

- IC substrates:
  - > 13 products for client computer and server qualified, 9 under qualification
  - > Price pressure remains
  - > Focus on improvement activities continues
  - > Introduction of next generation products expected for beginning of 2018

- mSAP:
  - > mSAP successfully implemented
  - > Serial production started in July 2017

mSAP project
Investment* Phase 1: ~ € 230m
Investment* as of 30/09/2017: € 234m

IC substrate project
Investment* Phase 1: ~ € 280m
Investment* as of 30/09/2017: € 267m

* CAPEX for tangible fixed assets
Agenda

Market Update and Summary Business Performance

Financials

Outlook
## Financials H1 2017/18

<table>
<thead>
<tr>
<th>€ in thousands (unless otherwise stated)</th>
<th>H1 2016/17</th>
<th>H1 2017/18</th>
<th>Change YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STATEMENT OF PROFIT OR LOSS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>386,510</td>
<td>485,680</td>
<td>25.7%</td>
</tr>
<tr>
<td>produced in Asia</td>
<td>81.0%</td>
<td>84.0%</td>
<td>3.0pp</td>
</tr>
<tr>
<td>produced in Europe</td>
<td>19.0%</td>
<td>16.0%</td>
<td>(3.0pp)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>52,115</td>
<td>104,354</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>13.5%</td>
<td>21.5%</td>
<td>8.0pp</td>
</tr>
<tr>
<td>EBIT</td>
<td>(5,818)</td>
<td>36,876</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>(1.5%)</td>
<td>7.6%</td>
<td>9.1pp</td>
</tr>
<tr>
<td>Finance costs – net</td>
<td>(10,046)</td>
<td>(5,575)</td>
<td>44.5%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>1,025</td>
<td>(15,867)</td>
<td>(&gt;100%)</td>
</tr>
<tr>
<td>Profit/(loss) for the period</td>
<td>(14,839)</td>
<td>15,434</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>(€ 0.38)</td>
<td>€ 0.40</td>
<td>&gt;100%</td>
</tr>
</tbody>
</table>

- Revenue benefits from fast mSAP ramp and higher IC-substrate revenues.
- Negative FX impact of €7.1m.
- H1 206/17 impacted by the ramp up of the two Chongqing plants. Efficiency improvements and fast mSAP ramp impacts CY.
- Higher depreciation of 16.6% (Chongqing).
- Positive FX effects of €3.1m – H1 2016/17: FX expense 3.7m.
- No capitalized deferred taxes in Chongqing and reduced tax scheme in Shanghai still pending.
### Financials H1 2017/18

<table>
<thead>
<tr>
<th></th>
<th>31 Mar 2017</th>
<th>30 Sep 2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STATEMENT OF FINANCIAL POSITION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>1,029,363</td>
<td>964,264</td>
<td>(6.3%)</td>
</tr>
<tr>
<td>Current assets</td>
<td>407,331</td>
<td>400,712</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>Equity</td>
<td>540,094</td>
<td>492,562</td>
<td>(8.8%)</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>569,849</td>
<td>563,434</td>
<td>(1.1%)</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>326,751</td>
<td>308,980</td>
<td>(5.4%)</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,436,694</td>
<td>1,364,976</td>
<td>(5.0%)</td>
</tr>
<tr>
<td>Net debt</td>
<td>380,549</td>
<td>435,723</td>
<td>14.5%</td>
</tr>
<tr>
<td>Net gearing</td>
<td>70.5%</td>
<td>88.5%</td>
<td>18.0pp</td>
</tr>
<tr>
<td>Net working capital</td>
<td>24,374</td>
<td>70,602</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Net working capital per revenue</td>
<td>3.0%</td>
<td>7.3%</td>
<td>4.3pp</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>37.6%</td>
<td>36.1%</td>
<td>(1.5pp)</td>
</tr>
</tbody>
</table>

- **Fixed Asset additions:** €65.9m
- **Depreciation:** €-67.5m
- **FX:** €-58.2m.
- **Negative FX effects** (mainly RMB-EUR and USD-EUR) of €59.0m.
- **Seasonal increase in BU MS** and discontinuation of several optimization programs.
### Financials H1 2017/18

<table>
<thead>
<tr>
<th>€ in thousands</th>
<th>H1 2016/17</th>
<th>H1 2017/18</th>
<th>Change YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STATEMENT OF CASH FLOWS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating result (EBIT)</td>
<td>(5,818)</td>
<td>36,876</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Paid/received interests</td>
<td>(3,066)</td>
<td>(5,496)</td>
<td>(79.3%)</td>
</tr>
<tr>
<td>Paid taxes</td>
<td>(9,219)</td>
<td>(12,374)</td>
<td>(34.2%)</td>
</tr>
<tr>
<td>Non cash bearing of profit or loss</td>
<td>55,021</td>
<td>68,198</td>
<td>24.0%</td>
</tr>
<tr>
<td>Cash flow from operating activities before changes in working capital</td>
<td>36,918</td>
<td>87,205</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>(49,955)</td>
<td>(43,588)</td>
<td>12.7%</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>(13,037)</td>
<td>43,618</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>(155,072)</td>
<td>(95,062)</td>
<td>38.7%</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>138,838</td>
<td>(3,630)</td>
<td>(&gt;100%)</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>(29,271)</td>
<td>55,074</td>
<td>(88.2%)</td>
</tr>
</tbody>
</table>

H1 2016/17 negatively impacted by the ramp of the two Chongqing plants.

Seasonal working capital increase below H1 2016/17.

No new funding necessary – Capex was almost financed by strong cash flow; seasonal working capital increase was financed by existing cash reserves.
Agenda

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Financials

Outlook
Outlook

- For the remaining six months:
  > continuous good demand but usual seasonality and low visibility in Q4 expected
  > continuous price pressure – particularly for IC substrates

- FY 2017/18 – provided a stable market environment and exchange rate development:
  > revenue growth of 20-25%
  > EBITDA margin: 19-22%
  > additional depreciation of € ~15m
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Q&A session