



**AT&S**  
**First choice for advanced applications**  
**Conference Call Q1-3 2017/18**  
**January 31, 2018**  
**10.30 am CET**

**AT&S**

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# Market Update

## Development in the customer segments for calendar 2017\*

### ■ Smartphones:

- +1.9% yoy, top 5 suppliers: 60%+ market share (up 5% yoy)
- Calendar Q4: new flagship model launched with mSAP mainboards

### ■ Computing:

- Tablet shipments: -6% yoy
- PC shipments: -1% yoy
- Server shipments: +1% yoy

\*in units, Sources: IDC, Gartner, IHS 2017

# Market Update

## Development in the customer segments for calendar 2017

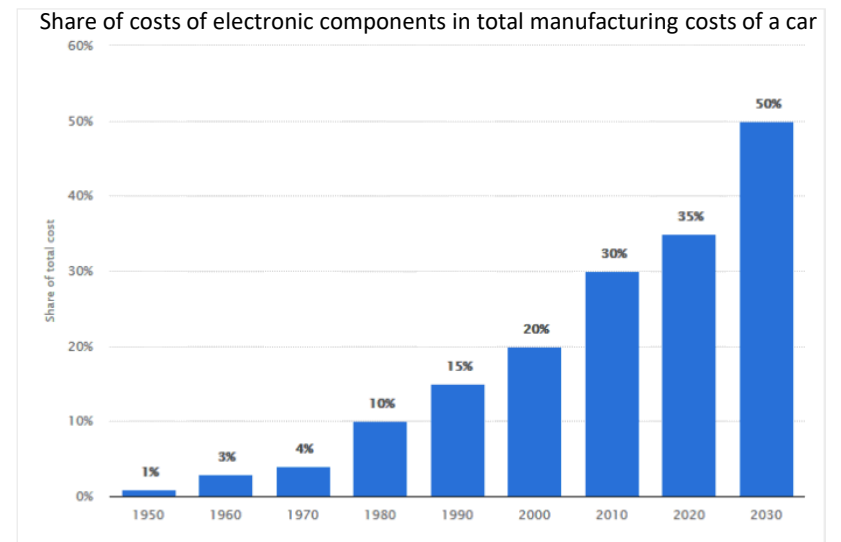
### ■ Automotive:

- Total light vehicle sales: +2.7% yoy (93.2 million units)
- PCB market: +5.4% due to continuously increasing electronics content (Advanced Driver Assistant Systems, infotainment, ...).

### ■ Industrial & Medical applications:

- Industrial Systems Market: -0.5 yoy
- Industrial PCB market: +2.2% yoy
- Medical Systems Market: +2.9 yoy
- Medical PCB market: +2.4 yoy

Sources: LMC-Auto, Prismark



Source: Statista 2018

## Summary Q1-3 2017/18

- Overall high operational performance (capacity utilization, yield, efficiency)
- Leading market position in mSAP technology for mainboards
- Very good product mix especially in Q3 contributed to strong bottom line earnings
- Revenue: + 24.5% to € 765.9m
- EBITDA margin: 24.8% (+8.2pp yoy)
- EBIT margin 11.6% (+9.7pp yoy)
- EPS improved from € -0.51 to € 1.21

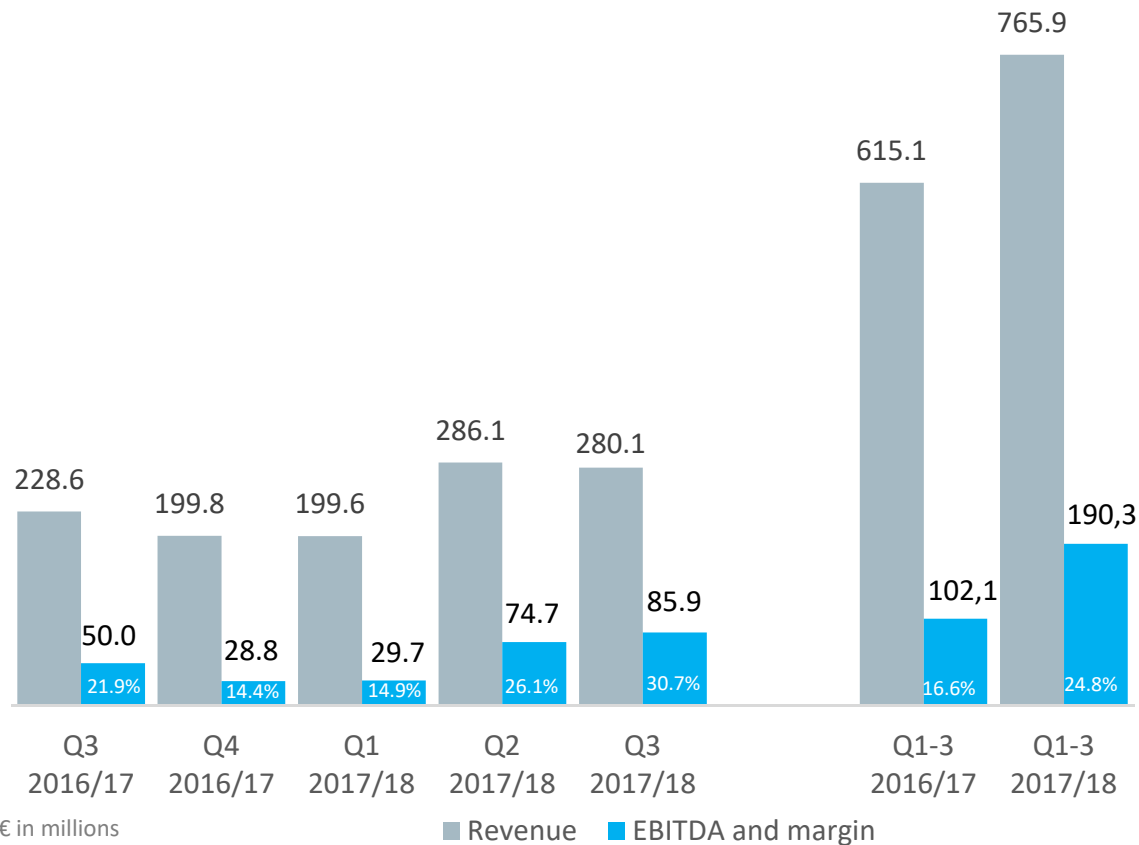
## Summary Q1-3 2017/18

- Successful placement of € 175 m of deeply subordinated hybrid bond with a coupon of 4.75% in November
- Expansion of 2<sup>nd</sup> phase in Chongqing:
  - > technology development projects under way, supporting the implementation of “more than AT&S” future expansion
  - > decision for plant 2 expected within next months
- Outlook 2017/18: based on strong earnings in first nine months, management expects an EBITDA margin slightly above given forecast of 19-22%

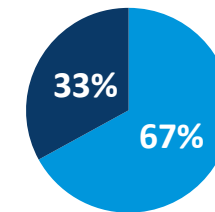
# Revenue and EBITDA development

**Revenue:** YoY: + 24.5%: high demand and additional revenue from both plants in Chongqing / QoQ: - 2% due to pull-ins in September in BU MS , AIM order calls delayed due to holiday season in December and negative FX.

**EBITDA:** YoY: + 86.3 %: high operational performance, successful introduction & optimization of mSAP, very good product mix, lower production costs. QoQ: + 15% due very good product mix in Q3

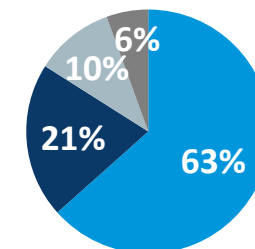


## Split revenue Q1-3 2017/18: Business Unit



- Mobile Devices & Substrates (67%)
- Automotive, Industrial, Medical (33%)

## Split revenue Q1-3 2017/18: Customer Region

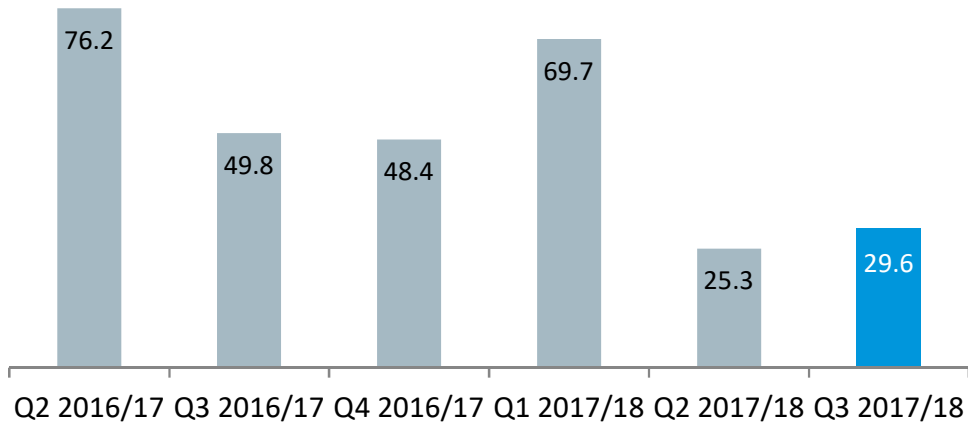


- Americas (63%)
- Germany/Austria (21%)
- Asia (10%)
- Other European countries (6%)

# Net CAPEX & Staff

## Net CAPEX

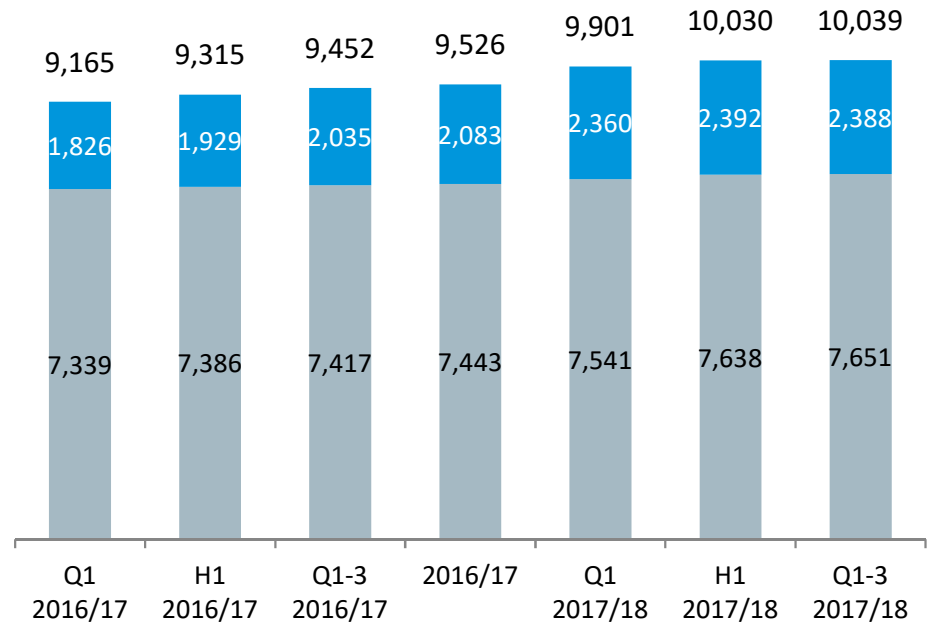
Q1-Q3: € 124.6m for maintenance incl. technology upgrades and Chongqing phase 1



€ in millions

## STAFF\*

The increased headcount is primarily based on Chongqing.



■ Core Business    ■ Employees Chongqing

\* incl. contractors, FTE, average for the period

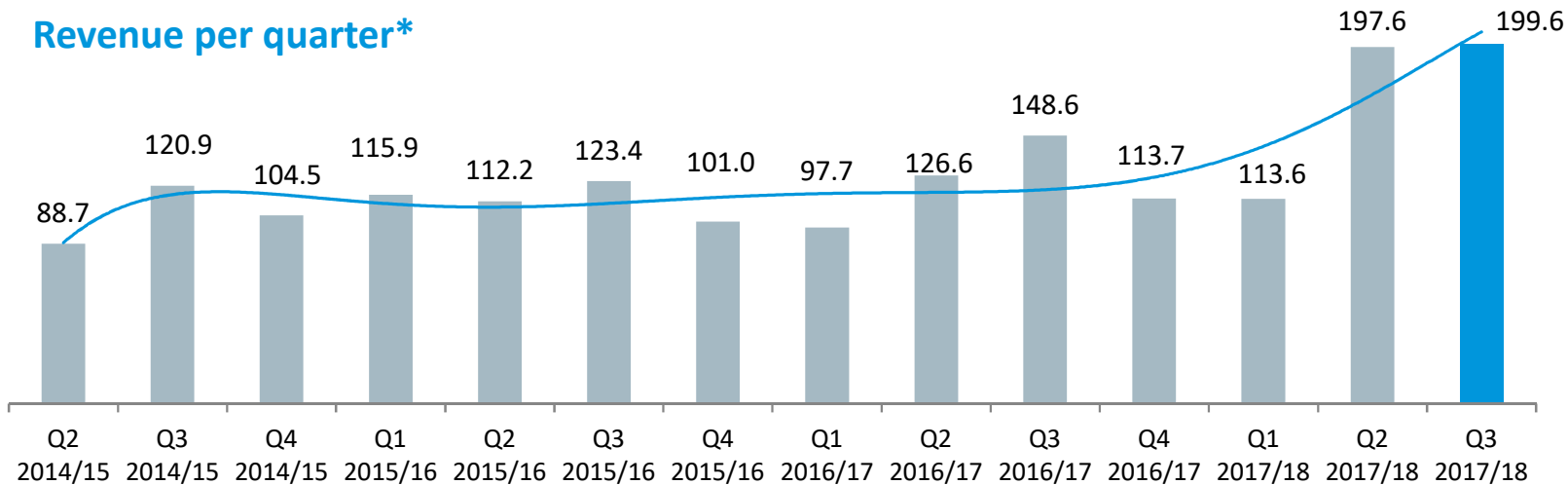


# Business Development – Mobile Devices & Substrates

| € in millions (unless otherwise indicated) | Q1-3 2016/17 | Q1-3 2017/18 | Change in % |
|--|--------------|--------------|-------------|
| Revenue                                    | 438.6        | 580.0        | 32.2%       |
| Revenue with external customers            | 372.9        | 510.8        | 37.0%       |
| EBITDA                                     | 56.1         | 155.3        | 177.0%      |
| EBITDA margin                              | 12.8%        | 26.8%        | -           |

- Revenue increase mainly on the back of the two plants in Chongqing
- EBITDA improvements as a result of general efficiency measures and higher contribution margin
- Price pressure on IC substrates remains

## Revenue per quarter\*



Trendline expressing seasonality

€ in millions; \* Revenue with external customers

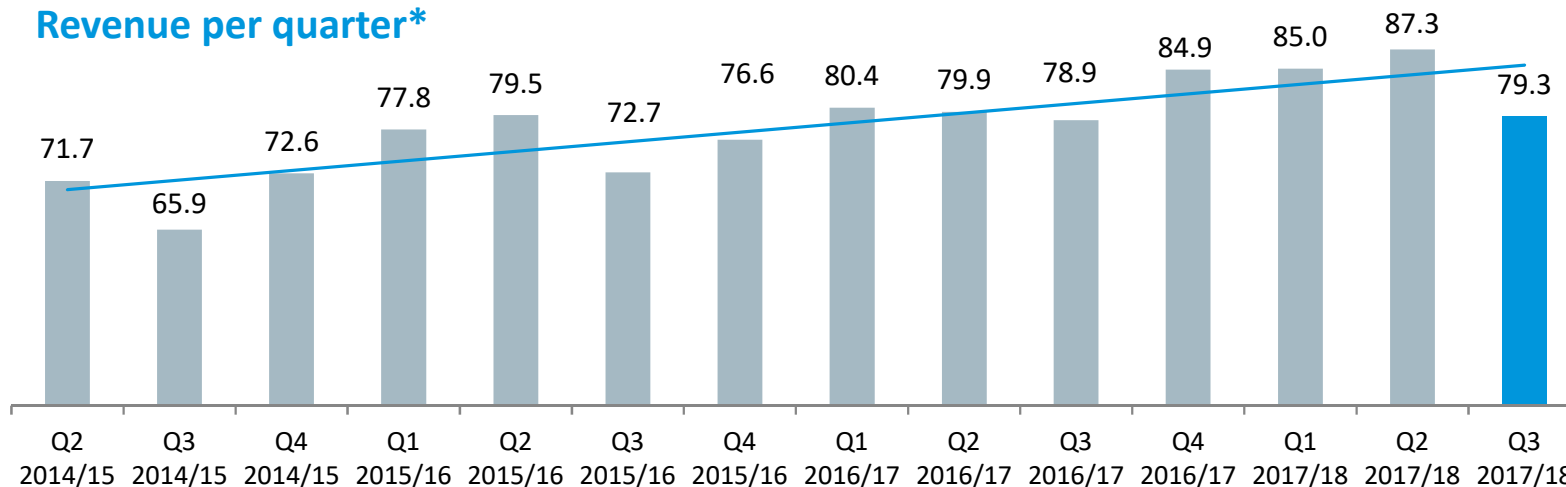
# Business Development – Automotive, Industrial, Medical



| € in millions (unless otherwise indicated) | Q1-3 2016/17 | Q1-3 2017/18 | Change in % |
|--|--------------|--------------|-------------|
| Revenue                                    | 262.0        | 270.8        | 3.4%        |
| Revenue with external customers            | 239.2        | 251.6        | 5.2%        |
| EBITDA                                     | 37.0         | 32.3         | (12.6%)     |
| EBITDA margin                              | 14.1%        | 11.9%        | -           |

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

## Revenue per quarter\*



€ in millions; \* Revenue with external customers

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# Financials Q1-3 2017/18

| € in thousands (unless otherwise stated) | Q1-3 2016/17 | Q1-3 2017/18 | Change YoY |
|--|--------------|--------------|------------|
| <b>STATEMENT OF PROFIT OR LOSS</b>       |              |              |            |
| Revenue                                  | 615,063      | 765,900      | 24.5%      |
| produced in Asia                         | 82%          | 85%          | 3pp        |
| produced in Europe                       | 18%          | 15%          | (3pp)      |
| EBITDA                                   | 102,108      | 190,276      | 86.3%      |
| EBITDA margin                            | 16.6%        | 24.8%        | 8.2pp      |
| EBIT                                     | 11,840       | 88,801       | >100%      |
| EBIT margin                              | 1.9%         | 11.6%        | 9.7pp      |
| Finance costs – net                      | (18,551)     | (11,283)     | 39.2%      |
| Income taxes                             | (13,038)     | (29,742)     | (>100%)    |
| Profit for the period                    | (19,749)     | 47,776       | >100%      |
| Earnings per share                       | (€ 0.51)     | € 1.21       | >100%      |

High demand, additional revenue contribution from both plants in Chongqing. Negative FX impact of € 23.9m.

General high operational performance, successful implementation & optimization of mSAP technology.

Positive FX effects of € 2.0m (Q1-Q3 2016/17: FX expense € 8.2m).

Reduced tax scheme in Shanghai still pending.

# Financials Q1-3 2017/18

| € in thousands (unless otherwise stated) | 31 Mar 2017 | 31 Dec 2017 | Change   |
|--|-------------|-------------|----------|
| <b>STATEMENT OF FINANCIAL POSITION</b>   |             |             |          |
| Non-current assets                       | 1,029,363   | 953,813     | (7.3%)   |
| Current assets                           | 407,331     | 579,581     | 42.3%    |
| Equity                                   | 540,094     | 699,129     | 29.4%    |
| Non-current liabilities                  | 569,849     | 556,116     | (2.4%)   |
| Current liabilities                      | 326,751     | 278,149     | (14.9%)  |
| Total assets                             | 1,436,694   | 1,533,394   | 6.7%     |
| Net debt                                 | 380,549     | 217,028     | (43.0%)  |
| Net gearing                              | 70.5%       | 31.0%       | (39.5pp) |
| Net working capital                      | 24,374      | 73,412      | >100%    |
| Net working capital per revenue          | 3.0%        | 7.2%        | 4.2pp    |
| Equity ratio                             | 37.6%       | 45.6%       | 8.0pp    |

➔ Negative FX effects (mainly RMB-EUR and USD-EUR) of € 57.9m. Positive: Hybrid bond issue (€ 173.0m).

➔ Hybrid bond issue.

➔ Usual seasonal increase in BU MS.

➔ Increase as a result of hybrid bond issue and net profit– despite negative FX effects.

# Financials Q1-3 2017/18

| € in thousands  | Q1-3 2016/17 | Q1-3 2017/18 | Change YoY |
|---|--------------|--------------|------------|
| <b>STATEMENT OF CASH FLOWS</b>  |              |              |            |
| Operating result (EBIT)   | 11,840       | 88,801       | >100%      |
| Paid/received interests   | (11,628)     | (10,446)     | 10.2%      |
| Paid taxes  | (10,706)     | (14,697)     | (37.3%)    |
| Non cash bearing of profit or loss                                    | 85,004       | 106,647      | 25.5%      |
| Cash flow from operating activities before changes in working capital | 74,509       | 170,305      | >100%      |
| Changes in working capital  | (57,705)     | (49,293)     | 14.6%      |
| Cash flow from operating activities                                   | 16,804       | 121,012      | >100%      |
| Cash flow from investing activities                                   | (108,650)    | (246,612)    | (>100%)    |
| Cash flow from financing activities                                   | 78,440       | 135,419      | 72.6%      |
| Change in cash and cash equivalents                                   | (13,406)     | 9,819        | >100%      |
| Operating free cash flow <sup>1)</sup>                                | (175,473)    | (3,631)      | 97.9%      |
| Free cash flow <sup>2)</sup>  | (91,846)     | (125,600)    | (36.8%)    |

➔ Main drivers: increase of inventory by € 30.5m and increase of receivables by € 34.2m

➔ Hybrid bond issue

<sup>1)</sup> Cash flow from operating activities minus Net CAPEX

<sup>2)</sup> Cash flow from operating activities minus cash flow from investing activities

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## Outlook FY 2017/18

- For Q4:
  - > usual seasonality
  - > 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: based on strong Q1-Q3 earnings - slightly above given forecast of 19-22%
  - > additional depreciation of € ~15m



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