



AT&S

STRONG
FOR
tomorrow

FIRST CHOICE
FOR ADVANCED
APPLICATIONS.

Conference Call — FY 2019/20

May 14, 2020

- Global trade frictions have eased, but are still creating some uncertainties in the market
- Economic environment further dampened by situation around COVID-19
 - Covid-19 outbreak effected global logistics as well as production chains
- Uncertain consumer behavior causes low visibility especially in Mobile devices
- Growth in data drives the need for processor modules and therefore high-end IC substrates
- Although increase in electronic content partly compensates for lower units sales difficult market situation in the automotive sector is expected to continue until 2021
- European industrial investment behaviour on low level
- Medical market so far resilient and supported by health systems

AT&S development in FY 2019/20

Satisfying operating performance despite challenging environment

- Excellent crisis management helped to mitigate impact on revenue
- Lower volume and unfavourable product mix in Mobile Devices segment
- Strong trend at IC substrates business
- Automotive segment with almost stable performance despite difficult market situation
- Reduced volume in the Industrial segment
- Weaker market environment in the Industrial and Automotive segment causes temporary higher price pressure
- Medical & Healthcare continued positive trend

Financials in FY 2019/20

Revenue exceeds the one-billion-euro mark again

- Revenue at € 1,000.6 million (PY: € 1,028.0 million)
- EBITDA at € 194.5 million (PY: € 250.1 million)
- EBIT at € 47.4 million (PY: € 117.2 million)
- Operating free cash flow at € -33.4 million (PY: € 69.7 million)
- Earnings per share down to € 0.34; dividend of € 0.25 proposed

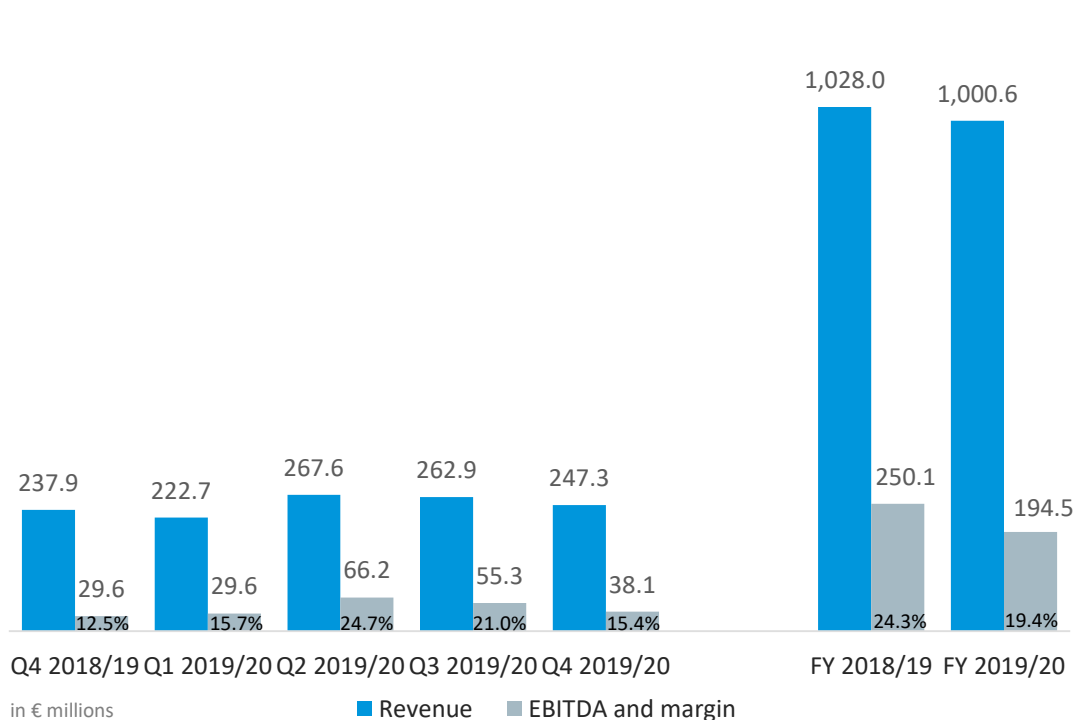
COVID-19 – Status quo

Worldwide extensive measures are effective

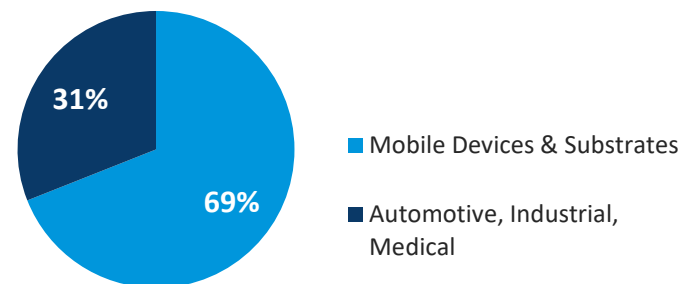
- Extensive measures in place to protect our people
- Experience from China was helpful in the group-wide implementation – no diagnosed cases
- Productions are in operations
 - All sites in China have been manufacturing since mid-February
 - India produces medical components despite governmental restrictions
 - Other locations in Austria and Korea are in operations
- No shortages in the supply chain
 - Increase in safety stocks
 - Supply chain managed very well

has

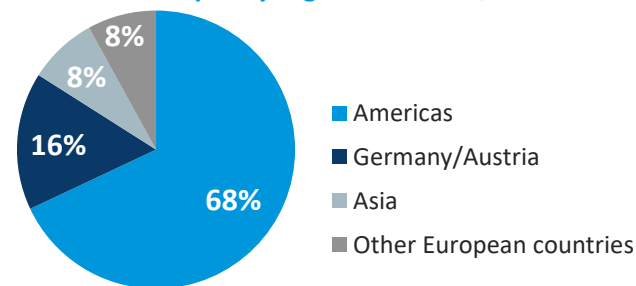
Revenue and EBITDA development



Revenue split by segment: FY 2019/20



Revenue split by region*: FY 2019/20

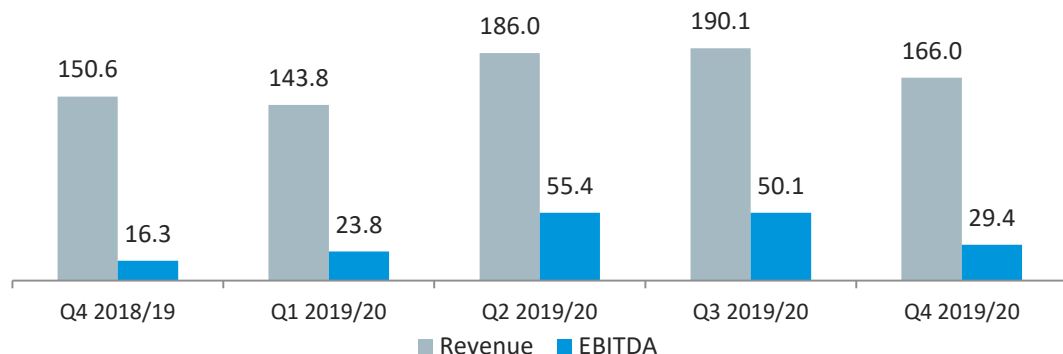


*based on customer's headquarters

Business development – Mobile Devices & Substrates

€ in millions (unless otherwise indicated)	FY 2018/19	FY 2019/20	Change in %
Revenue	776.0	778.5	+0.3%
Revenue with external customers	683.9	685.9	+0.3%
EBITDA	193.5	158.6	-18.1%
EBITDA margin	24.9%	20.4%	

Revenue* and EBITDA



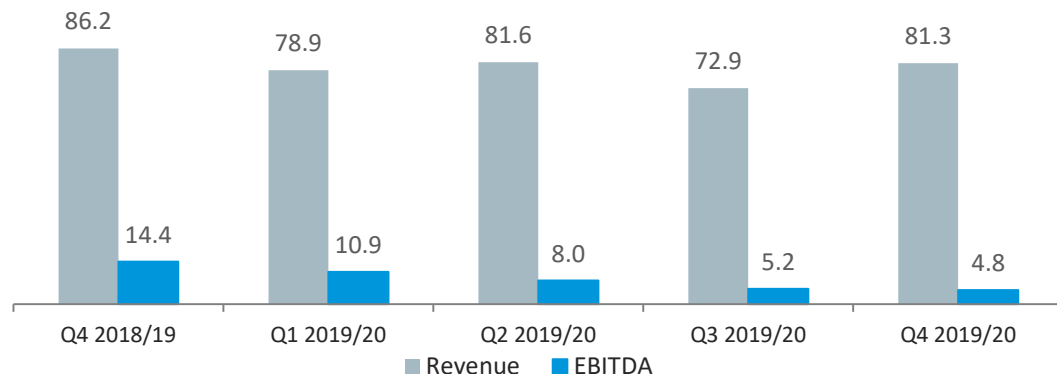
In € millions; * Revenue with external customers

- Sales increase in IC substrates partly compensates for unfavourable mix and volume effects in Mobile Device and impact of COVID-19 pandemic
- Market-related volume reduction caused underutilization in Mobile Devices
- Revenue and earnings positively impacted by FX effects

Business development – Automotive, Industrial, Medical

€ in millions (unless otherwise indicated)	FY 2018/19	FY 2019/20	Change in %
Revenue	365.2	350.4	-4.0%
Revenue with external customers	338.9	314.7	-7.1%
EBITDA	52.6	28.9	-45.1%
EBITDA margin	14.4%	8.2%	

Revenue* and EBITDA



In € millions; * Revenue with external customers

- Medical & Healthcare continued robust trend
- Automotive segment with almost stable performance despite difficult market situation
- Reduced volume in the Industrial segment
- Weaker market environment in the Automotive and Industrial segments causes temporary higher price pressure and underutilization

Financials FY 2019/20

STATEMENT OF PROFIT OR LOSS

€ in thousands	01 Apr 2018 – 31 Mar 2019	01 Apr 2019 – 31 Mar 2020	Change YoY	
Revenue	1,027,983	1,000,577	(2.7%)	Revenue still above € 1 billion lower volume out of market situation, positive FX effects
EBITDA	250,098	194,529	(22.2%)	
EBITDA margin	24.3%	19.4%	(4.9pp)	Unfavourable product mix and temporary underutilization in Mobile Devices, Automotive and Industrial higher R&D costs for future applications
EBIT	117,210	47,402	(59.6%)	
EBIT margin	11.4%	4.7%	(6.7pp)	Higher depreciation due to growing fixed asset base and first-time application of IFRS 16
Finance costs – net	(2,018)	(6,465)	(>100%)	Higher negative FX-effects
Profit/(loss) for the year	89,027	21,456	(75.9%)	
Earnings per share	€ 2.08	€ 0.34	(83.7%)	

STATEMENT OF FINANCIAL POSITION

€ in thousands	31 Mar 2019	31 Mar 2020	Change YoY	
Equity	803,451	760,259	(5.4%)	➡ Positive profit for the year and negative FX effects, dividend and hybrid coupon payout
Total assets	1,784,106	1,853,510	3.9%	➡ Higher property plant and equipment
Net debt	150,258	246,747	64.2%	➡ Due to higher financial liabilities
Net working capital	160,537	144,418	(10.0%)	➡ Lower trade receivables and higher trade payables
Equity ratio	45.0%	41.0%	(4.0pp)	➡ Effect out of lower equity and higher total assets

Financials FY 2019/20

STATEMENT OF CASH FLOWS

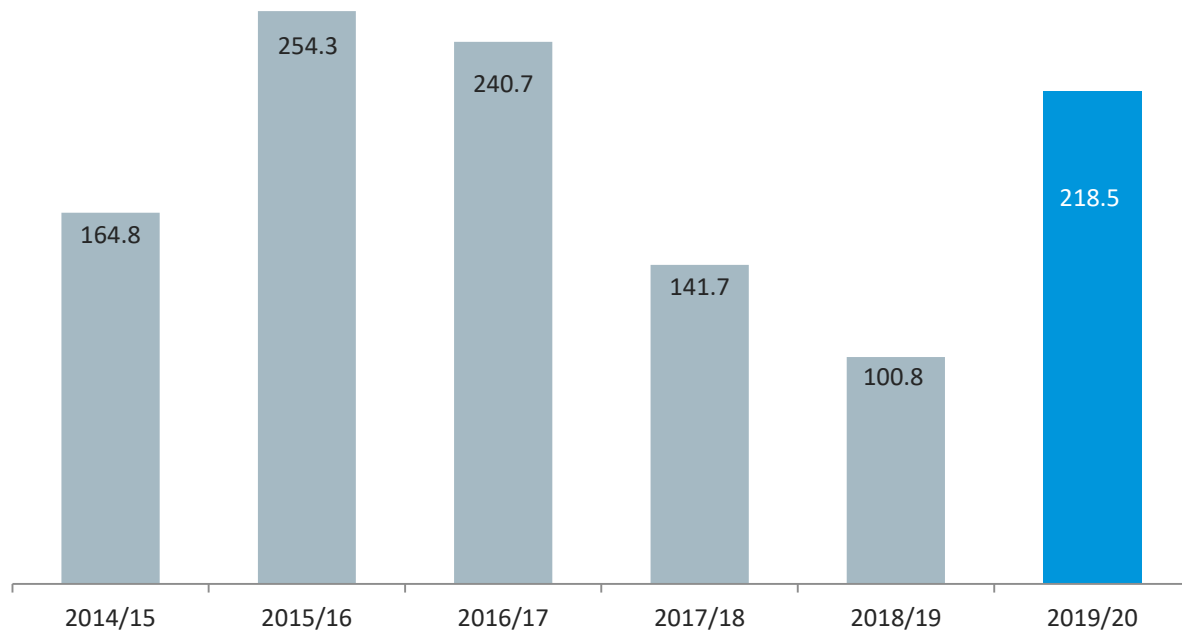
€ in thousands	01 Apr 2018 – 31 Mar 2019	01 Apr 2019 – 31 Mar 2020	Change YoY		
Cash flow from operating activities	170,534	185,123	8.5%	➡	Positive effects from higher working capital and negative effects from result
Cash flow from investing activities	(276,579)	(116,629)	57.8%	➡	Higher net capex and lower temporary net investment in financial assets
Cash flow from financing activities	147,199	17,924	(87.8%)	➡	Previous year period impacted by issuance of promissory note
Change in cash and cash equivalents	41,154	86,418	>100%	➡	Mainly due to shift between short- and long-term financing activities
Operating free cash flow ¹⁾	69,698	(33,404)	(>100%)	➡	Higher net capex mainly due to IC substrates investment
Free cash flow ²⁾	(106,045)	68,494	>100%		

¹⁾ Cash flow from operating activities minus Net CAPEX

²⁾ Cash flow from operating activities minus cash flow from investing activities

Net CAPEX

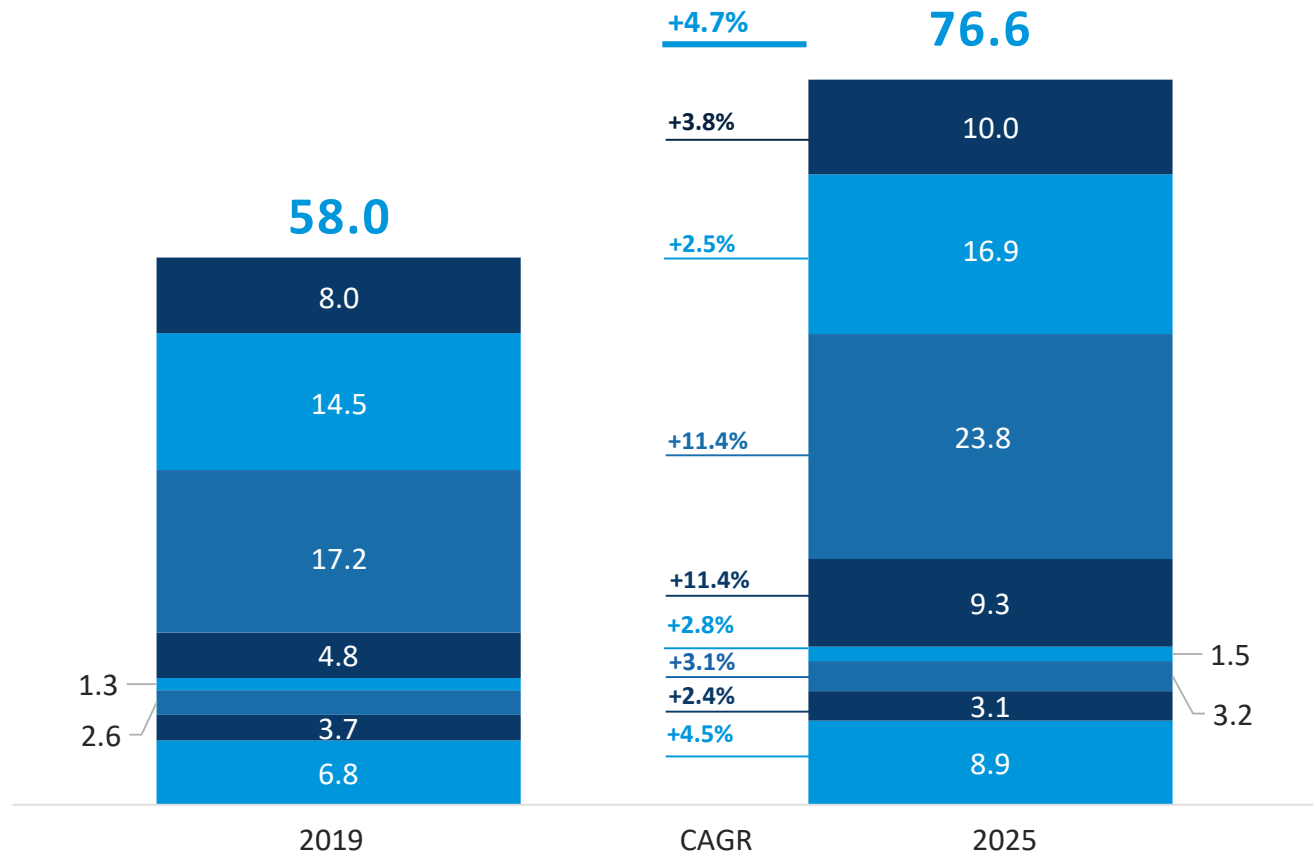
Investments in IC substrates and technology upgrades main reason for increase



in € millions

PCB & IC substrates market outlook

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



in US-\$ billion
Source: Prismark, April 2020

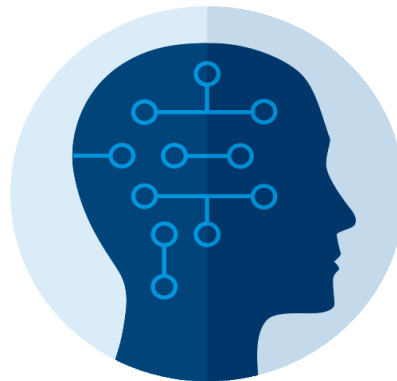
Game changers for innovative applications



5G



Big data



AI



IoT

5G – The new standard for connectivity

Significant growth opportunities ahead



5G



Big data



AI



IoT

Total smartphones

2025: 1.54 billion units

2019: 1.37 billion units

+1.9% CAGR

5G smartphones

2025: 821 million units

2019:
16 million units

92.7% CAGR

Source: IDC (2020), AT&S Analysis

IoT and Big data

Strong growth drivers for IC substrates



5G



Big data



AI



IoT

Connected devices

2025: 56 billion units

2019: 38 billion units

+6.9% CAGR

Global data volume

2025: 175 Zetabyte

2019:
40 Zetabyte

+26.0% CAGR

Source: IDC (2019)

IoT and Big data

Strong growth drivers for IC substrates

AT&S



5G



Big data



AI



IoT

High-end processor modules

2025: 1.88 billion units
2019: 1.18 billion units

+8.0% CAGR

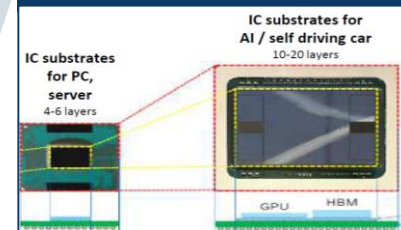
High-end IC substrates

2025: US-\$ 9.2 billion
2019: US-\$ 4.8 billion

+11.4% CAGR

Growth by adding value for AT&S

More powerful processors modules require larger form factor, higher layer count and thus higher value IC substrates

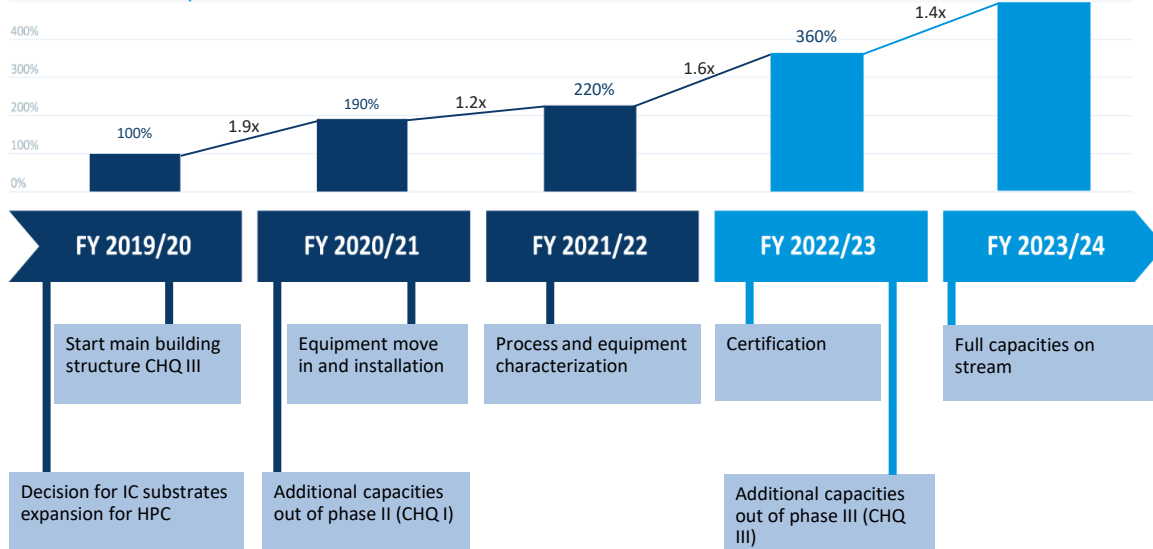


Source: IDC (2019) Prismark (2019), Yole (2019)

IC substrates business in Chongqing

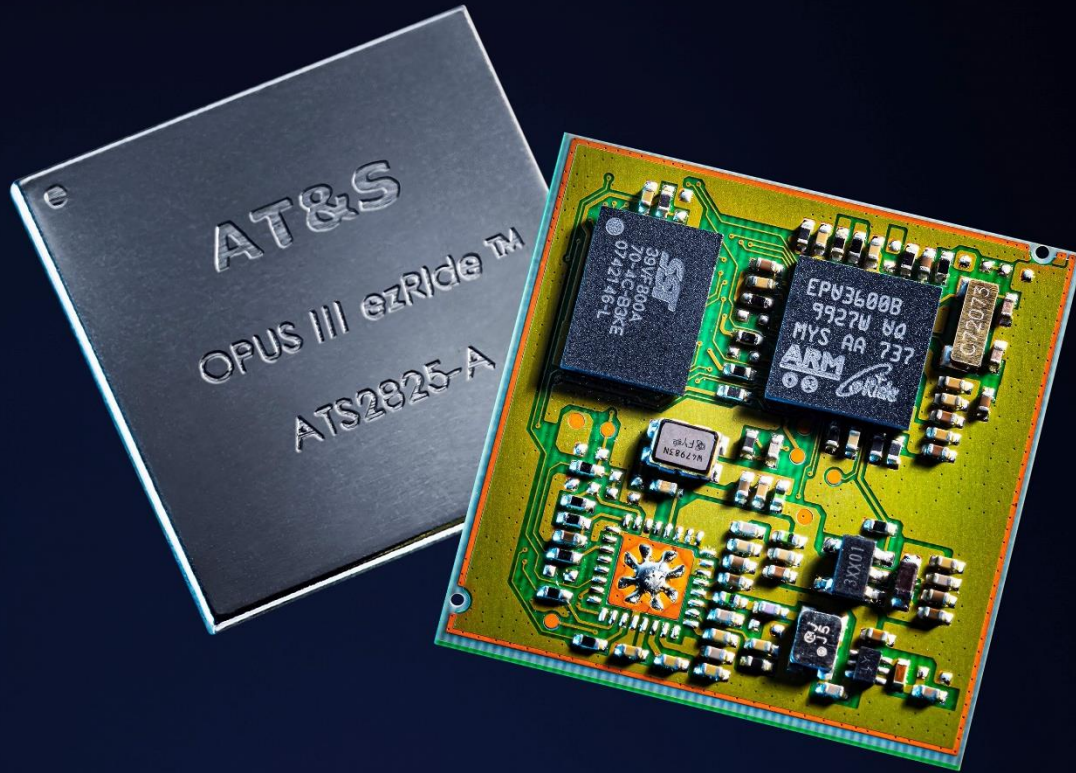
Capacity expansion and technology investment pushed forward

IC substrates capacities



- Strategic focus on business with IC substrates for high-performance computing modules
- Despite travel bans qualification of new capacities out of phase II (CHQ I) in 2020/21 fully on track
- Significant new capacities and revenues out of phase II (CHQ I) in 2020/21
- CHQ3: Covid-19 related construction delay of 7 weeks, catch-up plans implemented and bearing fruits

Module business



Modules & module integration

AT&S solutions for the electronics industry

Customer requirements driving demand for modularization

Increased functionality - lower space

Increased performance

Reduced time to market

Reduced cost

Scalable for various applications

Module integration market

2025: US-\$ 60.6 billion

2019: US-\$ 32.0 billion

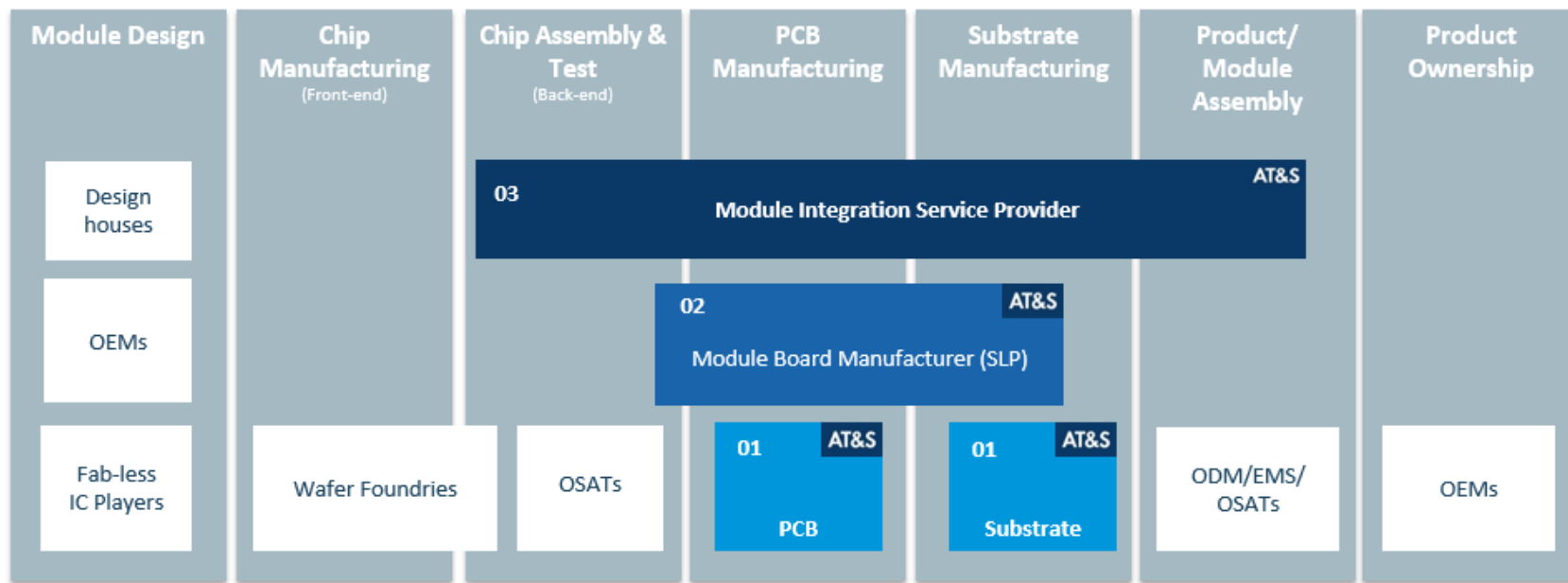
CAGR: 11.3%

- Changing customer requirements driving the need for modularization
- Strong growth potential in module integration market volume
- AI and 5G are further drivers for module integration

AT&S solutions for the electronics industry

AT&S

New business opportunities through entry into the module market



Possible Module Applications:

Power Modules

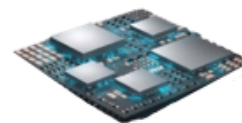
Camera Modules

5G Modules

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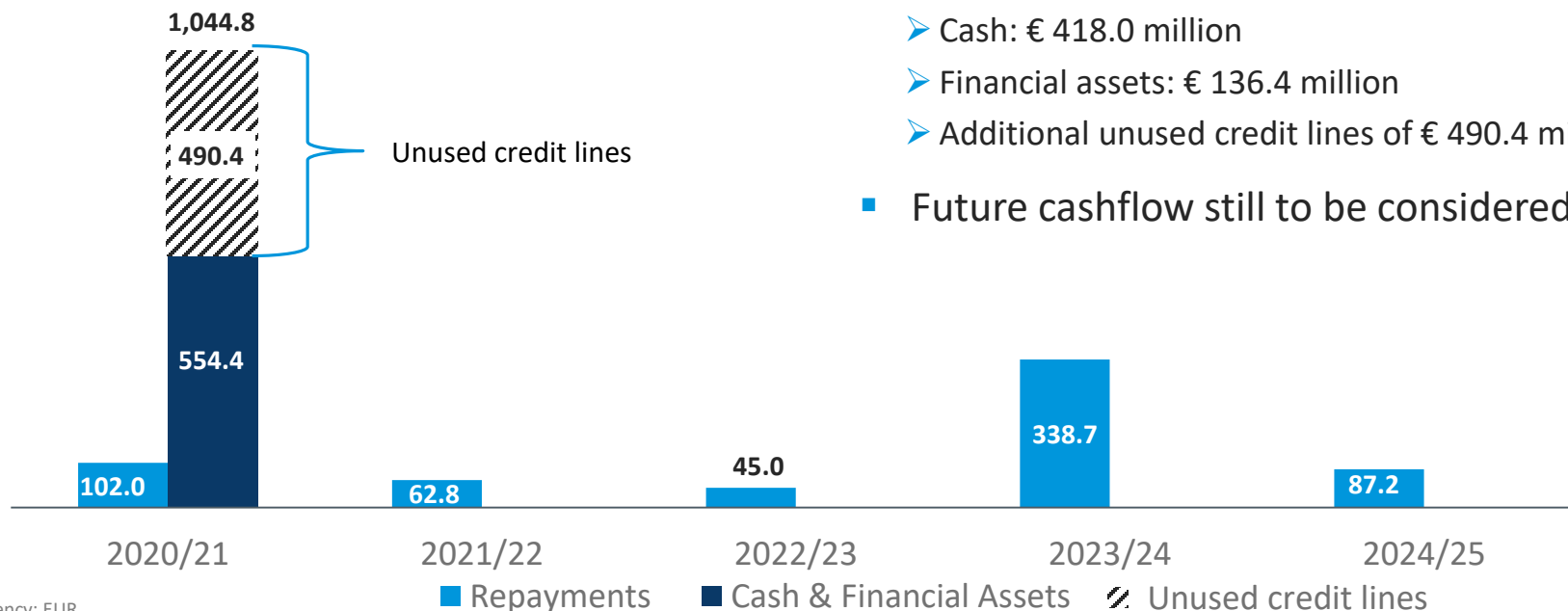
Automotive GPS Module



Solid finance structure

Existing fund and cashflow generation help to meet repayments and capex needs

- High level of existing liquid funds
 - Cash: € 418.0 million
 - Financial assets: € 136.4 million
 - Additional unused credit lines of € 490.4 million
- Future cashflow still to be considered



Currency: EUR
Note: as of 31.03.2020

Outlook for 2020/21

AT&S is well positioned to positively participate in intact market trends

- Future trends not harmed by COVID-19 pandemic
- Influences on customer demand in the coming months expected
 - Product launches may be delayed in the Mobile Devices segment
 - Visibility in Automotive business is limited
 - Industrial segment continues to develop at a low level
 - Stable development for medical applications
 - Demand for IC substrates remains strong according to current forecasts
- Solid performance in Q1 with revenue and EBITDA at the level of previous year
- Outlook update as soon as economic framework conditions can be better quantified
- Investments in the IC substrate and module business to be consistently continued
 - Depending on market developments CAPEX for maintainance and tech-upgrade of up to € 80 million
 - CAPEX for strategic projects of up to € 410 million

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

- Medium-term ROCE above 12%

Sustainability management

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



**Thank you
for your attention!**

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