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FOR ADVANCED
APPLICATIONS**

HIGHLIGHTS Q1 2020/21

- Excellent crisis management and stability of business structure support positive business development
- Quarterly revenue increases to € 247.9 million, EBITDA margin of 15.9% at prior-year level
- Q2: Revenue expected at prior-year level and EBITDA margin in the range of 20% to 25%
- Investments in IC substrate and module business to be consistently continued
- AT&S considers market trends intact and adheres to medium-term guidance

KEY FIGURES

	Unit	Q1 2019/20	Q1 2020/21	Change in %
Revenue	€ in millions	222.7	247.9	11.3%
EBITDA	€ in millions	34.9	39.5	13.1%
EBITDA margin	%	15.7%	15.9%	–
EBIT	€ in millions	(0.6)	0.2	–
EBIT margin	%	(0.3%)	0.1%	–
Profit/(loss) for the period	€ in millions	(6.2)	(7.5)	–
ROCE	%	(1.8%)	(0.9%)	–
Net CAPEX	€ in millions	49.7	81.9	64.8%
Cash flow from operating activities	€ in millions	28.5	28.1	(1.3%)
Operating free cash flow	€ in millions	(21.2)	(53.8)	–
Earnings per share	€	(0.21)	(0.25)	–
Employees ¹⁾	–	9,965	10,587	6.2%

BALANCE SHEET DATA

		31 Mar 2020	30 Jun 2020	
Total assets	€ in millions	1,853.5	1,980.1	6.8%
Total equity	€ in millions	760.3	726.4	(4.5%)
Equity ratio	%	41.0%	36.7%	–
Net debt	€ in millions	246.7	298.3	20.9%

¹⁾ incl. contract staff, average

ECONOMIC REPORT

BUSINESS DEVELOPMENTS AND SITUATION

In a challenging market environment, AT&S held its ground well in the first three months of the financial year 2020/21 thanks to excellent crisis management: With revenue amounting to € 247.9 million, the comparative value of the previous year of € 222.7 million was exceeded by 11.3%. Increases in sales volume in the IC substrates, Mobile Devices and Industrial segments had a positive effect. Revenue in the Automotive segment decreased due to difficult market conditions.

Exchange rate effects, especially related to the stronger US dollar, had a positive impact of € 3.8 million or 1.5% on the development of revenue.

EBITDA rose from € 34.9 million to € 39.5 million. While the increase in revenue had a positive impact on earnings, substantial investments in the future for the strategic business expansion led to higher expenses.

In preparation for future technology generations and in line with the modularisation strategy, AT&S increasingly invests in research & development. These expenditures make the company future-proof and significantly expand the earnings potential in the medium term.

The EBITDA margin amounted to 15.9% and was therefore at the prior-year level of 15.7%. EBIT improved from € -0.6 million to € 0.2 million. The EBIT margin was 0.1% (previous year: -0.3%).

Finance costs – net declined from € -1.7 million to € -5.2 million which resulted predominantly from exchange rate differences of € -2.1 million (previous year: € -0.3 million) and a lower interest result compared with the previous year (change € -1.7 million).

Due to the decrease in finance costs – net, the loss for the period dropped by € 1.3 million from € -6.2 million to € -7.5 million.

BUSINESS DEVELOPMENT BY SEGMENTS

The AT&S Group breaks its operating activities down into three segments: Mobile Devices & Substrates, Automotive, Industrial, Medical, and Others. For further information on the segments and segment reporting please refer to the Annual Report 2019/20.

Mobile Devices & Substrates segment

The segment's revenue increased by 22.9% from € 166.4 million to € 204.5 million. This positive development is primarily attributable to further volume increases for IC substrates. In addition, sales volume for mobile devices recorded an increase due to the diversification of the application and customer portfolio in comparison with the prior-year period.

EBITDA improved from € 23.8 million to € 37.0 million due to higher sales volume and a more favourable product mix. Overall, this resulted in an EBITDA margin 18.1%, which exceeded the prior-year figure of 14.3%. EBIT amounted to € 4.8 million, up € 10.3 million on the prior-year value of € -5.5 million. The EBIT margin was at 2.4% (previous year: -3.3%).

Automotive, Industrial, Medical segment

The segment's revenue, at € 71.4 million was down -18.9% on the prior-year figure of € 88.1 million. Revenue growth was recorded above all in the Industrial segment in the first three months. The Automotive segment was faced with a difficult environment due to a decline in car sales, which caused a significant decline in demand. Despite strong demand, revenue in the Medical & Healthcare segment did not reach the level of the prior-year reporting period due to a less favourable product mix.

The segment's EBITDA, at € 3.1 million, was down € 7.8 million on the prior-year figure of € 10.9 million. Due to these effects, the EBITDA margin fell by 8.1 percentage points from 12.4% to 4.3%. EBIT dropped from € 5.3 million to € -3.2 million.

FINANCIAL POSITION

Total assets increased by 6.8% from € 1,853.5 million to € 1,980.1 million in the first three months. Additions to assets and technology upgrades amounting to € 101.9 million were offset by depreciation of € 39.2 million. The additions to assets led to cash CAPEX of € 82.0 million. Moreover, exchange rate effects reduced fixed assets by € 19.7 million. Cash and cash equivalents amounted to € 387.6 million (31 March 2020: € 418.0 million). In addition to cash and cash equivalents, AT&S has financial assets of € 224.5 million and unused credit lines of € 419.6 million to finance the future investment programme and short-term repayments.

Equity decreased by -4.5% from € 760.3 million at the balance sheet date to € 726.4 million. This resulted primarily from the net loss for the period of € -7.5 million and negative currency effects of € -25.9 million (from the translation of net asset positions of subsidiaries). In addition, the change in hedging instruments for cash flow hedges (€ -0.5 million) had a negative impact on equity.

Based on the decline in equity and the increase in total assets, the equity ratio, at 36.7%, was 4.3 percentage points lower than at 31 March 2020. Net debt rose by € 51.6 million or 20.9% from € 246.7 million to € 298.3 million.

Cash flow from operating activities amounted to € 28.1 million in the first three months of the current financial year (previous year: € 28.5 million). Cash inflows were offset by cash outflows for net investments of € 81.9 million (previous year: € 49.7 million), resulting in operating free cash flow of € -53.8 million (previous year: € -21.2 million).

OUTLOOK

Despite the downward revisions of economic forecasts, the global megatrends in the electronics industry are still intact overall – especially due to progressing digitalisation, the new 5G mobile communication standard and exploding data volume. AT&S is excellently positioned in this market and well equipped to overcome the crisis.

The expectations for the individual segments of AT&S for the current financial year are as follows:

- Product launches may be delayed in the Mobile Devices segment due to uncertain consumer behaviour and as a result of low visibility.
- In the Automotive segment, no quick recovery to the pre-crisis level is expected for the automotive market.
- From today's perspective, the development of the Industrial segment will be comparable to the previous year.
- Slight growth is expected for medical applications for the full year.
- The demand for IC substrates will remain strong according to current forecasts.

Operationally, AT&S will concentrate on optimally utilising existing and building new capacities, especially for IC substrates and module printed circuit boards in Chongqing, and above all continue to drive the expansion of its business performance in the current year.

The upheavals caused by the pandemic have strongly affected predictability and lead to uncertainty in forecasts. AT&S will therefore report on recent events in the markets and in the company on an ongoing basis throughout the financial year and update the outlook as soon as the economic framework conditions can be better quantified.

Based on the current information, AT&S expects a continued solid performance in the second quarter with revenue at the level of the previous year and an EBITDA margin in the target range of 20% to 25%.

Investment activities in the financial year 2020/21

AT&S will continue its investment programme for new capacities and technologies in the current financial year as previously announced. In line with spending discipline, a reduced budget of up to € 80 million is planned for basic investments (maintenance and technology upgrades) depending on the market development. As part of the strategic projects, the management plans investments totalling up to € 410 million for the financial year 2020/21 – depending on the progress of projects – plus € 30 million due to shifts in periods between the financial years.

Leoben-Hinterberg, 4 August 2020

The Management Board

Andreas Gerstenmayer m.p.

Heinz Moitzi m.p.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

€ in thousands	1 Apr - 30 Jun 2020	1 Apr - 30 Jun 2019
Revenue	247,862	222,739
Cost of sales	(227,470)	(209,121)
Gross profit	20,392	13,618
Distribution costs	(8,201)	(7,587)
General and administrative costs	(10,827)	(10,145)
Other operating income	1,646	3,983
Other operating costs	(2,767)	(431)
Other operating result	(1,121)	3,552
Operating result	243	(562)
Finance income	985	1,994
Finance costs	(6,230)	(3,733)
Finance costs – net	(5,245)	(1,739)
Loss before tax	(5,002)	(2,301)
Income taxes	(2,460)	(3,903)
Loss for the period	(7,462)	(6,204)
Attributable to owners of hybrid capital ¹⁾	2,072	2,072
Attributable to owners of the parent company ¹⁾	(9,535)	(8,276)
Earnings per share attributable to equity holders of the parent company (in € per share):		
– basic ¹⁾	(0.25)	(0.21)
– diluted ¹⁾	(0.25)	(0.21)
Weighted average number of shares outstanding		
– basic (in thousands)	38,850	38,850
Weighted average number of shares outstanding		
– diluted (in thousands)	38,850	38,850

¹⁾ Previous year adjusted according to IAS 12 revised

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ in thousands	1 Apr - 30 Jun 2020	1 Apr - 30 Jun 2019
Loss for the period	(7,462)	(6,204)
Items to be reclassified:		
Currency translation differences, net of tax	(25,918)	(35,666)
(Losses) from the fair value measurement of hedging instruments for cash flow hedges, net of tax	(464)	(2,277)
Other comprehensive income for the period	(26,382)	(37,943)
Total comprehensive income for the period	(33,844)	(44,147)
Attributable to owners of hybrid capital ¹⁾	2,072	2,072
Attributable to owners of the parent company ¹⁾	(35,916)	(46,219)

¹⁾ Previous year adjusted according to IAS 12 revised

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in thousands	30 Jun 2020	31 Mar 2020
ASSETS		
Property, plant and equipment	948,959	903,509
Intangible assets	42,562	45,075
Financial assets	193	193
Deferred tax assets	25,323	25,984
Other non-current assets	16,226	21,258
Non-current assets	1,033,263	996,019
Inventories	118,174	108,373
Trade and other receivables and contract assets	214,823	192,433
Financial assets	224,453	136,242
Current income tax receivables	1,772	2,493
Cash and cash equivalents	387,565	417,950
Current assets	946,787	857,491
Total assets	1,980,050	1,853,510
EQUITY		
Share capital	141,846	141,846
Other reserves	(16,963)	9,419
Hybrid capital	172,887	172,887
Retained earnings	428,645	436,107
Equity attributable to owners of the parent company	726,415	760,259
Total equity	726,415	760,259
LIABILITIES		
Financial liabilities	753,238	695,834
Provisions for employee benefits	51,530	51,244
Deferred tax liabilities	3,341	3,166
Other liabilities	24,860	13,596
Non-current liabilities	832,969	763,840
Trade and other payables	254,010	214,017
Financial liabilities	157,284	105,299
Current income tax payables	4,679	4,858
Other provisions	4,693	5,237
Current liabilities	420,666	329,411
Total liabilities	1,253,635	1,093,251
Total equity and liabilities	1,980,050	1,853,510

CONSOLIDATED STATEMENT OF CASH FLOWS

€ in thousands	1 Apr - 30 Jun 2020	1 Apr - 30 Jun 2019
Operating result	243	(562)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	39,250	35,466
Gains/losses from the sale of fixed assets	(46)	15
Changes in non-current provisions	462	698
Non-cash expense/(income), net	(424)	(3,886)
Interest paid	(2,534)	(1,593)
Interest received	962	1,921
Income taxes paid	(1,132)	(1,545)
Cash flow from operating activities before changes in working capital	36,781	30,514
Inventories	(12,274)	(9,030)
Trade and other receivables and contract assets	(20,956)	(3,803)
Trade and other payables	25,043	12,360
Other provisions	(470)	(1,536)
Cash flow from operating activities	28,124	28,505
Capital expenditure for property, plant and equipment and intangible assets	(82,021)	(49,698)
Proceeds from the sale of property, plant and equipment and intangible assets	141	20
Capital expenditure for financial assets	(98,619)	(18,764)
Proceeds from the sale of financial assets	9,285	4,697
Cash flow from investing activities	(171,214)	(63,745)
Proceeds from borrowings	110,613	132
Repayments of borrowings	(4,246)	(2,950)
Proceeds from government grants	13,039	108
Cash flow from financing activities	119,406	(2,710)
Change in cash and cash equivalents	(23,684)	(37,950)
Cash and cash equivalents at beginning of the year	417,950	326,841
Exchange losses on cash and cash equivalents	(6,701)	(2,800)
Cash and cash equivalents at end of the period	387,565	286,091

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ in thousands	Share capital	Other reserves	Hybrid capital	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
31 Mar 2019	141,846	42,444	172,887	446,274	803,451	–	803,451
Loss for the period	–	–	–	(6,204)	(6,204)	–	(6,204)
Other comprehensive income for the period	–	(37,943)	–	–	(37,943)	–	(37,943)
thereof currency translation differences, net of tax	–	(35,666)	–	–	(35,666)	–	(35,666)
thereof change in hedging instruments for cash flow hedges, net of tax	–	(2,277)	–	–	(2,277)	–	(2,277)
Total comprehensive income for the period	–	(37,943)	–	(6,204)	(44,147)	–	(44,147)
30 Jun 2019	141,846	4,501	172,887	440,070	759,304	–	759,304
31 Mar 2020	141,846	9,419	172,887	436,107	760,259	–	760,259
Loss for the period	–	–	–	(7,462)	(7,462)	–	(7,462)
Other comprehensive income for the period	–	(26,382)	–	–	(26,382)	–	(26,382)
thereof currency translation differences, net of tax	–	(25,918)	–	–	(25,918)	–	(25,918)
thereof change in hedging instruments for cash flow hedges, net of tax	–	(464)	–	–	(464)	–	(464)
Total comprehensive income for the period	–	(26,382)	–	(7,462)	(33,844)	–	(33,844)
30 Jun 2020	141,846	(16,963)	172,887	428,645	726,415	–	726,415

SEGMENT REPORTING

€ in thousands	Mobile Devices & Substrates		Automotive, Industrial, Medical		Others		Elimination/ Consolidation		Group	
	1 Apr - 30 Jun 2020	1 Apr - 30 Jun 2019	1 Apr - 30 Jun 2020	1 Apr - 30 Jun 2019	1 Apr - 30 Jun 2020	1 Apr - 30 Jun 2019	1 Apr - 30 Jun 2020	1 Apr - 30 Jun 2019	1 Apr - 30 Jun 2020	1 Apr - 30 Jun 2019
Segment revenue	204,468	166,434	71,411	88,090	–	–	(28,017)	(31,785)	247,862	222,739
Internal revenue	(17,314)	(22,625)	(10,703)	(9,161)	–	–	28,017	31,785	–	–
External revenue	187,154	143,809	60,708	78,930	–	–	–	–	247,862	222,739
Operating result before depreciation/amortisation	36,972	23,784	3,103	10,886	(582)	234	–	–	39,493	34,904
Depreciation/amortisation incl. appreciation	(32,133)	(29,257)	(6,264)	(5,543)	(853)	(666)	–	–	(39,250)	(35,466)
Operating result	4,839	(5,473)	(3,161)	5,343	(1,435)	(432)	–	–	243	(562)
Finance costs - net									(5,245)	(1,739)
Profit/(loss) before tax									(5,002)	(2,301)
Income taxes									(2,460)	(3,903)
Profit/(loss) for the period									(7,462)	(6,204)
Property, plant and equipment and intangible assets ¹⁾	829,849	788,225	152,328	151,553	9,344	8,806	–	–	991,521	948,584
Additions to property, plant and equipment and intangible assets	92,328	38,001	8,188	10,334	1,413	916	–	–	101,929	49,251

¹⁾ Previous year values as of 31 March 2020

INFORMATION BY GEOGRAPHIC REGION

Revenues broken down by customer region, based on customer's headquarters:

€ in thousands	1 Apr - 30 Jun 2020	1 Apr - 30 Jun 2019
Austria	3,525	3,788
Germany	28,818	36,839
Other European countries	13,601	19,538
China	16,767	2,341
Other Asian countries	11,879	14,116
Americas	173,272	146,117
Revenue	247,862	222,739

Property, plant and equipment and intangible assets broken down by domicile:

€ in thousands	30 Jun 2020	31 Mar 2020
Austria	107,885	106,173
China	829,398	787,932
Others	54,238	54,479
Property, plant and equipment and intangible assets	991,521	948,584

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AT & S Austria Technologie & Systemtechnik Aktiengesellschaft
Fabriksgasse 13 - 8700 Leoben
Austria
www.ats.net

CONTACT

Gerda Königstorfer
Phone: +43 (0)3842 200-5925
g.koenigstorfer@ats.net
Photos/Illustrations

PHOTO

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