

# AT & S Austria Technologie & Systemtechnik Aktiengesellschaft

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## EANS-News: AT & S Austria Technologie & Systemtechnik Aktiengesellschaft / First half of 21/22 – AT&S continues strong growth course

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### Earnings

#### Leoben -

- \* Half-year revenue increases by 30% to EUR 698 million (PY: EUR 538 million)
- \* Adjusted EBITDA at EUR 140 million, up 23% on the previous year
- \* Guidance for FY 21/22 increased: revenue growth of 21-23% (previously: 17-19%), adjusted EBITDA margin expected in the range of 21-23%
- \* Even more favourable impact of positive market environment and major projects in China and Malaysia on medium-term guidance

Leoben - AT&S reports a very positive revenue development in the first half of 2021/22.

"Our performance in the first half of the year once again shows the positive dynamics in our sector and proves that we are consistently implementing the right strategy. Despite the volatility in some of our markets, we see a continued sharp increase in demand for our products. As we expand our capacity, we will be able to serve this demand even better in the future," says CEO Andreas Gerstenmayer. "We expect our revenue to increase by 21 to 23 percent already this year. Our strategy is also proving successful in the medium term, so that we now anticipate revenue of EUR 3.5 billion in the financial year 2025/26 due to positive product mix developments," Gerstenmayer comments on the further development.

Consolidated revenue rose by 29.7% to EUR 697.6 million in the first half of 2021/22 (PY: EUR 537.8 million). Adjusted for currency effects, the increase in consolidated revenue even amounted to 34.8%. As expected, the additional capacity in Chongqing to cover growing demand for ABF substrates directly contributed to this growth. The broader application portfolio for mobile devices and the demand for module printed circuit boards also supported the growth trend. In the AIM segment, all three areas contributed to revenue growth, with the Industrial segment recording the sharpest increase. In the Automotive segment, the shortage of semiconductors has so far not led to any significant limitations on revenue, but the company will continue to monitor the development in this segment very closely.

EBITDA increased by 17.7% from EUR 111.2 million to EUR 130.9 million. While revenue growth had a positive impact on earnings, the start-up costs in Chongqing and higher material, transport and energy costs reduced earnings. In addition, AT&S significantly increased its research and development expenses, enabling the company to live up to its role as an innovation driver. Currency fluctuations of the US dollar and the Chinese renminbi had a negative impact of EUR 29.0 million on the earnings development. Without these fluctuations, growth would have amounted to 43.8%.

Adjusted for the start-up costs, EBITDA amounted to EUR 140.3 million (PY: EUR 113.8 million), which corresponds to an increase by 23.3%. Not including start-up costs and currency fluctuations, earnings would have increased by 48.8%.

The EBITDA margin amounted to 18.8% (EBITDA margin adjusted for start-up costs: 20.1%), falling short of the prior-year level of 20.7% (EBITDA margin adjusted for start-up costs: 21.2%). Depreciation and amortisation rose by EUR 22.0 million compared with the previous year and amounted to EUR 100.4 million due to additions to assets and technology upgrades. As a result, EBIT declined from EUR 32.8 million to EUR 30.5 million. The EBIT margin amounted to 4.4% (PY: 6.1%). Finance costs - net improved from EUR -13.8 million to EUR - 7.8 million due to lower negative exchange rate effects. Profit for the period increased by EUR 4.2 million from EUR 14.1 million to EUR 18.3 million primarily due to the improvement in finance costs - net.

The financial position was characterised by an increase in non-current assets at the end of the reporting period. Total assets rose to EUR 2,639.6 million, up 10.4% compared with 31 March 2021, as a result of additions to assets and technology upgrades. The significant increase in total assets led to a decline in the equity ratio by 0.5 percentage points although equity rose by 8.7%. The equity ratio thus amounted to 33.0% at the end of the first half-year and temporarily fell short of the medium-term target of 40.0% due to the extensive investment programme.

Cash and cash equivalents decreased to EUR 437.4 million (31 March 2021: EUR 552.9 million). In addition, AT&S has financial assets of EUR 16.4 million and unused credit lines of EUR 318 million to secure the financing of the future investment programme and short-term repayments.

#### Expansion of the Leoben site

In view of the ongoing boom in demand in the microelectronics sector and ever-new performance requirements for electronic systems, AT&S has decided to put an even stronger focus on research and development. On 15 October 2021, the company therefore announced investments in a new R&D center for substrate and packaging solutions for the global semiconductor industry at its location in Leoben-Hinterberg. In addition, another technology upgrade of the production facilities will be implemented. The investments totalling EUR 500 million are planned up to 2025. The investment total includes previously communicated investments in a technology upgrade and the new AT&S office building.

#### Outlook 2021/22

AT&S will concentrate on the start-up of the new production capacities at plant III in Chongqing, continue to push ahead the investment project in Kulim, Malaysia, and implement technology upgrades at other locations in the current year.

The expectations for AT&S's segments are currently as follows: the persisting strong demand for IC substrates also offers significant growth opportunities in the medium term. The 5G mobile communication standard will continue to drive growth in the area of Mobile Devices. A positive development is expected in the Automotive segment despite the semiconductor shortage. Driven by the roll-out of the 5G infrastructure, the Industrial segment will continue to see a positive development in the coming year. In the Medical segment, AT&S expects a positive development for the current financial year.

The company still plans to invest up to EUR 700 million in new capacities and technologies in the current financial year.

Due to the good development in the first half of the financial year and the continued strong dynamics of the IC substrate market, AT&S has slightly raised the forecast for the development of revenue and now expects revenue growth of 21 to 23% (previously: 17 to 19%). The adjusted EBITDA margin is expected to range between 21 and 23%, not including approximately EUR 50 million for the start-up of the new production capacity in Chongqing and in Kulim. The outlook is based on the assumption of a euro/US dollar exchange rate of 1.20 and that there are no unexpected effects of supply shortages, material cost and energy price fluctuations.

#### Outlook 2025/26

The expansion of production capacity in Chongqing, China, and in Kulim, Malaysia, is progressing more rapidly than previously anticipated despite the challenging global economic and health situation. Therefore, AT&S now assumes

that revenue of EUR 3.5 billion will be generated in the financial year 2025/26 (previously: approx. EUR 3 billion). The EBITDA margin is still expected to range between 27 and 32%.

#### H1 key figures

	Unit	H1 2021/22	H1 2020/21 in %	Change
Revenue	EUR million	697.6	537.8	29.7%
EBITDA	EUR million	130.9	111.2	17.7%
EBITDA adjusted*)	EUR million	140.3	113.7	23.3%
EBITDA margin	%	18.8%	20.7%	-
EBITDA margin adjusted*)	%	20.1%	21.2%	-
EBIT	EUR million	30.5	32.8	(7.0%)
EBIT adjusted*)	EUR million	46.5	35.5	31.0%
EBIT margin	%	4.4%	6.1%	-
EBIT margin adjusted*)	%	6.7%	6.6%	-
Profit for the period **)	EUR million	18.3	14.1	30.1%
ROCE**)	%	3.5%	5.3%	-
Net CAPEX	EUR million	306.9	195.7	56.9%
Cash flow from operating activities	EUR million	78.0	83.6	(6.7%)
Earnings per share**)	EUR	0.36	0.25	42.8%
Number of employees***)	-	12,590	10,855	16.0%

\*) Adjusted for start-up costs Chongqing

\*\*) H1 2020/21: Adjustment hedge accounting

\*\*\*) incl. leased personnel, average

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