AT&S

AT & S Austria Technologie & Systemtechnik
Aktiengesellschaft

Press Release
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AT&S with increases in revenue and earnings in the first quarter of 2015/16 – management expects higher revenue in the financial year 2015/16

Comparison with Q1 2014/15:

- Revenue up 37.6% to EUR 194.4 million
- EBITDA increased by 56.3% to EUR 45.5 million
- EBITDA margin improved from 20.6% to 23.4%
- Profit for the period rose by 159.3% to EUR 19.6 million
- Earnings per share: EUR 0.50 (vs. EUR 0.19 in Q1 2014/15)
- Outlook for revenue increased to EUR 725 million for FY 2015/16

The manufacturer of printed circuit boards (PCBs) continues its successful business development of the financial year 2014/15 in the first quarter of 2015/16: “We again recorded unabated strong demand by all customer segments, above all mobile devices, in the first quarter, which is usually marked by a weaker seasonal demand”, says CEO Andreas Gerstenmayer and adds: “Positive currency effects have supported our revenue development noticeable, while earnings were characterised exclusively by high capacity utilisation, a very good product mix and further cost and efficiency programmes. Based on the favourable first quarter and provided that the USD-EUR exchange rate continues to be positive for us, we therefore expect higher total revenues for the financial year 2015/16 than originally assumed.”

Development of the asset, financial and earnings position

On the basis of very strong sales in the segment Mobile Devices & Substrates and positive exchange rate effects of EUR 23.5 million, revenue increased by EUR 53.1 million or 37.6%, from EUR 141.3 million in the prior-year period to EUR 194.4 million. 73.0% of revenue were not invoiced in euros. The share of products manufactured in Asia rose to 80.0% (vs. 75.0% in the previous year).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 56.3% to EUR 45.5 million, compared with EUR 29.1 million in the first quarter of 2014/15. The EBITDA margin rose by 2.8 percentage points compared with the prior-year period, from 20.6% to 23.4%.

Due to the positive business development, the excellent net finance costs and the lower tax rate (16.9% vs. 28.9% in Q1 2014/15), the profit for the period rose by EUR 12.0 million or 159.3%, from EUR 7.6 million to EUR 19.6 million. This also results in a significant improvement of earnings per share from EUR 0.19 to EUR 0.50.

Cash flow and statement of financial position

Based on the very positive earnings development, a significant increase in cash flow from operating activities by 51.3% from EUR 24.9 million in the prior-year period to EUR 37.7 million was achieved.

Cash outflows from investing activities – investments in the plant in Chongqing, which is under construction, and technology investments at other sites – amounted to EUR 40.3 million (Q1 2014/15: EUR 42.9 million)

Total equity was at EUR 601.1 million, a similar level than at last balance sheet date 31 March 2015: EUR 604.4 million. The equity ratio came in with 48.3% at 30 June 2015 (31 March 2015: 49.5%).

Despite the high investment activities, net debt increased only moderately by EUR 7.1 million or 5.4%, from EUR 130.5 million to EUR 137.6 million and is primarily attributable to the cash flow from operating activities, which improved considerably by EUR 18.7 million or 72.1% and reflects the operationally very strong first quarter. The net gearing ratio, was at 22.9% at 30 June 2015 (31 March 2015: 21.6%).

The figures in detail:

According to IFRS; in EUR m	Q1 2015/16 01.04.2015-30.06.2015	Q1 2014/15 01.04.2014-30.06.2014	Change in %
Revenue	194.4	141.3	+ 37.6%
Gross profit	41.8	28.5	+ 46.4%
EBITDA	45.5	29.1	+ 56.3%
EBITDA margin (in %)	23.4%	20.6%	-
EBIT	23.8	13.3	+ 78.7%
EBIT margin (in %)	12.3%	9.4%	-
Profit before tax	23.6	10.7	+ 120.6%
Profit for the period	19.6	7.6	+ 159.3%
Earnings per average number of shares outstanding (in EUR)	0.50	0.19	+ 159.2%
Weighted average number of shares outstanding (in 1,000 units)	38,850	38,850	-

Business Unit Mobile Devices & Substrates with continued growth of revenue and earnings

The unabated solid demand for high-end HDI printed circuit boards for mobile devices continued in the first quarter of 2015/16. In addition, this segment benefited from a weaker euro to the US Dollar and Asian currencies. Overall, this led to a considerable increase in revenue by EUR 51.4 million or 59.1%, from EUR 86.8 million to EUR 138.2 million. EBITDA rose by 54.8% from EUR 21.5 million to 33.3 million; apart from higher revenue and the related utilisation at the capacity limit, this was also attributable of efficient cost management. At 24.1%, the EBITDA margin reached a similar level as in the comparative period of the previous year (24.8%).

Business Unit Automotive, Industrial, Medical increases revenue and maintains profitability level

With a 13.2% increase in revenue, this segment again increased good prior-year value of EUR 74.9 million and amounted to EUR 84.8 million. The main driver was the continuously increasing demand from the automotive sector, which reflects the trend towards more electronic components in vehicles. Demand in the Industrial and Medical segments was slightly below the high level of the previous year. The business unit benefitted from the increased demand of the other business units. This led to a slight increase in EBITDA by 4.3% from EUR 8.4 million to EUR 8.7 million and an EBITDA margin of 10.3% vs. 11.2% in the prior-year period, influenced by negative exchange rates.

Buildup Chongqing site on schedule

The buildup of factory I in Chongqing, with a strategic focus on the production of IC substrates (Integrated Circuit Substrates), is proceeding according to plan. The characterisation and certification of the facilities for the IC substrate factory, which have been underway since the third quarter of 2014/15, were also continued in the first quarter of 2015/16. The ramp-up will be started in the calendar year 2016 and first revenues are also expected for the calendar year 2016. At the same time, construction work has begun for the building for factory II in Chongqing, which is scheduled to produce substrate-like PCBs starting in second half 2016. As of 30 June 2015, AT&S invested EUR 178.5 million in the project Chongqing. The two technologies planned for this site are intended to secure the leading technology position and the profitable growth of AT&S in the long term.

Outlook for the financial year 2015/16

The management expects the highly satisfactory capacity utilisation to continue for the financial year 2015/16 provided that the macroeconomic environment remains stable and customer demand continues at a good level. On the basis of the organic growth of the first quarter, a business development at the level of the previous year in the next three quarters and an average USD-EUR exchange rate of 1.19, the Management Board has increased the revenue expected for the financial year 2015/16 to EUR 725 million. Influenced by the expected costs of the start-up of the new plants in Chongqing, the EBITDA margin should exceed 19% (guidance at the beginning of the financial year: 18-20%). This includes an EBITDA margin in the core business at the level of the previous year.

AT & S Austria Technologie & Systemtechnik AG - First choice for advanced applications

AT&S is the European market leader and one of the globally leading manufacturers of high-end printed circuit boards. AT&S industrialises leading-edge technologies for its core business segments Mobile Devices, Automotive, Industrial, Medical and Advanced Packaging. Starting 2016, AT&S positions itself with two new leading-edge technologies – IC substrates and substrate-like PCBs – in the high-end market at the new production facility in Chongqing (China). As an international growth company, AT&S has a global presence, with production facilities in Austria (Leoben and Fehring) and plants in India (Nanjangud), China (Shanghai, Chongqing under construction) and Korea (Ansan, near Seoul). The company currently employs about 8,400 people. For more information: www.ats.net

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