

publication: 25.01.2011 08:00
source: <http://adhoc.pressetext.com/news/1295938800335>
keywords: quarterly result / budget figures / update

Adhoc announcement according to article 48d section 1 BörseG

AT&S Austria Technologie & Systemtechnik AG: Quarterly Result Results for the 3rd Quarter 2010/11

Leoben (pta/25.01.2011/08:00) - AT&S benefits from global recovery and is optimistic about coming 12 months

Booming Christmas sales of Smartphones and tablets, together with strong demand from auto suppliers, confirm that the global economic recovery is underway. AT&S's plants are reaping the benefits, with capacity utilisation continuing at high levels. The Group's expansion in China - the 11th high-tech HDI production line for Smartphones was ramped up in Shanghai in October - is ongoing. Overall, the first nine months of 2010/11 have turned out much better than expected. Net earnings were of course slightly down in December as a result of the holidays, but cumulative sales (EUR 365m) were better than original projected. Earnings per share for the first nine months came out at EUR 1.27.

Earnings before interest and tax (EBIT) for the first nine months of the financial year 2010/11 (adjusted for non-recurring expenses) came to EUR 40.3m, resulting in earnings per share of some EUR 1.27. "As we still cannot fully meet the roaring demand for high-end printed circuit boards especially for Smartphones, we are commissioning the capacity expansion with highest priority," comments AT&S CEO Andreas Gerstenmayer. "The recovery of the automotive supply industry worldwide and the whole industry segment is highly satisfactory, and has brought us additional orders in India and Austria."

Currently, the negative factors are continues upward pressure on raw materials prices and high volatility in exchange rates. The resignation of Board Member Steen Hansen also resulted in an additional provision of some EUR 1.9m. This takes the cumulative total of non-recurring expenses in the first nine months to around EUR 2.7m. However, the overall EBIT Margin remained at 10.3%. The results in detail:

	9M 2010/11	Margin	6M 2010/11	Margin
Sales revenues	364.8		242.7	
Gross profit	71.6	19.6%	46.1	19.0%
EBITDA*	76.4	20.9%	49.1	20.3%
Operating profit*	40.3	11.0%	25.5	10.5%
Profit before income taxes	36.4	10%	24.5	10.1%
Consolidated net income	29.6	8.1%	19.1	7.9%
Earnings per share**	1.27		0.82	
No. of shares outstanding*** (average)	23.323		23.323	

* EUR m, adjusted for non-recurring items

** EUR

*** Thousands of shares

Outlook

"In the short term, I am confident that we will meet the market expectations which we have already communicated to the financial markets a while ago," says Gerstenmayer. "Net revenues for the whole financial year will be in the envisaged range running from 470m to 500m Euros, especially as the 4th quarter is traditionally the lowest one in revenue terms due to Chinese New Year. Taking into account the upward price trends of raw materials and the high volatility in foreign exchange rates, I expect an EBIT margin also within the scope of 9%. With CAPEX spent in amount of EUR 130m, we foresee that the net gearing ratio will remain under 80%. So I am not expecting any surprises by the end of the financial year 2010/11, given that the global economy appears to be experiencing a sustainable recovery."

"In the mid terms, though, the AT&S Group is facing a number of challenges. In all our markets - be it mobile devices, automotive or medical technology - I foresee strong demand for high-end printed circuit boards. But our competitors in Asia are not resting on their laurels - increasingly, they are investing not just in expanding low-tech capacity but in high-end HDI technology as well. We are monitoring this trend closely, and are currently in the process of analysing these developments and their strategic implications for us in detail." Gerstenmayer foresees an upholding strong demand for high end PCBs and expects a 10% growth rate over the next two years. "We are currently evaluating the best location for a new site in Asia to keep up with demand. I am expecting for our expert team to come up with meaningful results in the foreseeable future", says Gerstenmayer.

AT&S - a model for sustainable use of resources

AT&S is one of the first printed circuit board manufacturers in the world who decided to measure and publishes its global CO2 footprint, making it a pioneer in the industry. "In December emissions were slightly above average, but we are confident that we will achieve our set goal of 52kg/m^2 by the end of the year," explains Gerstenmayer. "This is an impressive evidence of how seriously we stick to our principle of conserving natural resources."

AT&S backing LED technology

Back in the early 1990s, LED technology was used in simple signal diode arrays (for video recorders or control panels). The lighting industry is now changing very rapidly, with the transition from light bulbs to digital lighting technology already in full swing. AT&S was quick to recognise the importance of LED technology for energy efficiency in new applications, and views the LED sector as one of its target markets. According to research by McKinsey, the LED industry is set to grow rapidly: its projections show a six fold increase in the value of sales of LED lighting devices in Europe from EUR 300m today to EUR 1.9bn in 2015.

"As a technology pioneer, we are concentrating particularly on special products for Europe and Asia," explains Gerstenmayer. "Our strength lies in collaborating with our customers to implement innovative ideas." Insulated metal substrate (IMS) technology plays a key role, because the thermal conductivity of the substrate provides an efficient means of dissipating the heat generated, which in turn prolongs the life of the LED. The printed circuit board also increases light reflectivity.

"We are also working on the assumption that - just as with mobile phone technology - miniaturisation and increasing functionality will play a crucial role in LED lighting. This is why we see LED lighting technology as a very promising market, which we shall be developing in partnership with industry leaders such as OSRAM. AT&S is already in an excellent position to produce special printed circuit boards for advanced LED applications. The focus will be on high-value circuit boards that dissipate heat efficiently and prolong the life of the LEDs. In recent years the share of sales contributed by printed circuit boards for LED applications at AT&S has doubled from year to year, and the trend is expected to continue over the next two years."

AT&S ranked among top 500 growth companies in Europe

"We were delighted to learn from the President of Europe's 500 in December that we are ranked among top 500 growth companies in Europe. This award is testimony to our strategic focus on sustained and sustainable growth," says Gerstenmayer. Europe's 500 have been selecting the top 500 growth companies in Europe since 1996, and since 2009 Dun & Bradstreet has been helping to compile the list.

The results and the Excel format interim financial statements (not including notes) for the 3rd Quarter 2010/11 were posted today at 8am in the investors section of www.ats.net (Investors > Publications > Quarterly Reports), where the financial report for the 3rd

Quarter 2010/11 will also be available from the middle of February.

emitter: AT&S Austria Technologie & Systemtechnik AG
Fabriksgasse 13
8700 Leoben
Austria

contact person: Mag. Martin Theyer
phone: +43 3842 2005909
e-mail: m.theyer@ats.net
website: www.ats.net
ISIN(s): AT0000969985 (share)
stock exchanges: official trade in Vienna



News transmitted by pressetext.adhoc. The emitter is responsible for the content.