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EANS-Adhoc: AT & S Austria Technologie & Systemtechnik Aktiengesellschaft / AT&S plans investment of up to € 1.7 billion in additional capacities for IC substrates in Southeast Asia

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- * Subject to the approval of the Supervisory Board
- * Investment project is based on planned collaboration with major semiconductor manufacturers
- * Significant part of project financing is based on agreements with customers - no capital market transaction required
- * Guidance for 2025/26 in case of the investment: revenue of approximately EUR 3 billion and EBITDA margin of 27-32%

AT&S AG, one of the leading manufacturers of high-end printed circuit boards and IC substrates, plans to build a new production site for IC substrates in Southeast Asia, subject to the approval of the Supervisory Board.

The planned investment will total up to EUR 1.7 billion for the construction of a new production complex for high-end substrates between 2021 and 2026. This would be the largest investment to date in the history of AT&S.

The project is based on, and subject to, a planned collaboration with two leading manufacturers of high-performance-computing semiconductors, with whom long-term contracts are to be concluded. These contracts are expected to be signed shortly.

About half of the investment volume is to be provided by the customers' contributions to financing. The balance sheet presentation of these contributions is yet to be clarified. In any case, a capital increase by issuing new shares will not be required to finance the project.

The plan is to produce ABF substrates for high-performance processors at the location in Southeast Asia. These processors are applied in areas such as high-performance computers, data centres, gaming, 5G, automotive and AI. The planned production site will total approximately 200,000 m² in size. Construction is scheduled to start in the second half of 2021, and high volume production at the end of 2024. The currently planned capacity can generate additional revenue potential of up to EUR 1 billion p.a. when fully utilised. The Management Board emphasises the importance of this project. It contributes significantly to the future diversification of the customer portfolio, broadening the regional footprint and the company's positioning in the rapidly growing market for ABF substrates.

In case of this investment and given the development in the other business segments as part of the "More than AT&S" strategy, the Management Board expects a business development with revenue of approximately EUR 3 billion in the financial year 2025/26 (2023/24: more than EUR 2 billion). This would correspond to a compound annual growth rate (CAGR) of approximately 20% through to 2025/26.

Due to the increased focus on high-end applications in all business segments, an EBITDA margin in the range of 27 to 32% can be achieved (2023/24: 25 to 30%). Depending on the balance sheet presentation, the net debt-to-EBITDA ratio could temporarily exceed the medium-term target of <3 and the equity ratio could fall short of the internal target of >30% during the project phase until the capacities are utilised. The Group's medium-term ROCE target would continue to be >12%; this target should be achieved with the ramp-up of production.

Further inquiry note:

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