



AEM

Testing
Innovation

FY 2021

Financial Results Briefing

AEM Holdings Ltd

February 25, 2022

Disclaimer



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In this presentation, all \$ dollar amounts are in Singapore dollars unless otherwise specified.

AEM Corporate Profile

AEM is a global leader in application-specific intelligent system test and handling solutions for semiconductor and electronics companies serving the advanced computing, 5G, and AI markets



Leader in Fast Growing SLT Market

SLT growth driven by advanced computing & packaging
AEM has over **40,000** SLT sites in production



Full Stack Technology

Delivering **composable** technologies and solutions for advanced, integrated semiconductor test needs



Listed on SGX

Market Cap: ~S\$1.3B
AEM Holdings Limited
(SGD: AWX)
(USD: XWA)



2016-2021 Rev. CAGR **52%**

FY 2021 Results
Revenue: S\$565.5M
PBT: S\$111.1M

FY 2022 Guidance
S\$670M to S\$720M



Full Stack Delivery

Critical delivery capabilities giving our customers a **reduced time to market**



Named to

**Forbes Asia's
200 BEST**

UNDER A BILLION
2019 · 2020

FY 2021 Highlights



FY 2021 revenue **S\$565.5M**, PBT **S\$111.1M**

NAV per share increases to 130.0 cents as at 31 December 2021, from 76.7 cents as at 31 December 2020

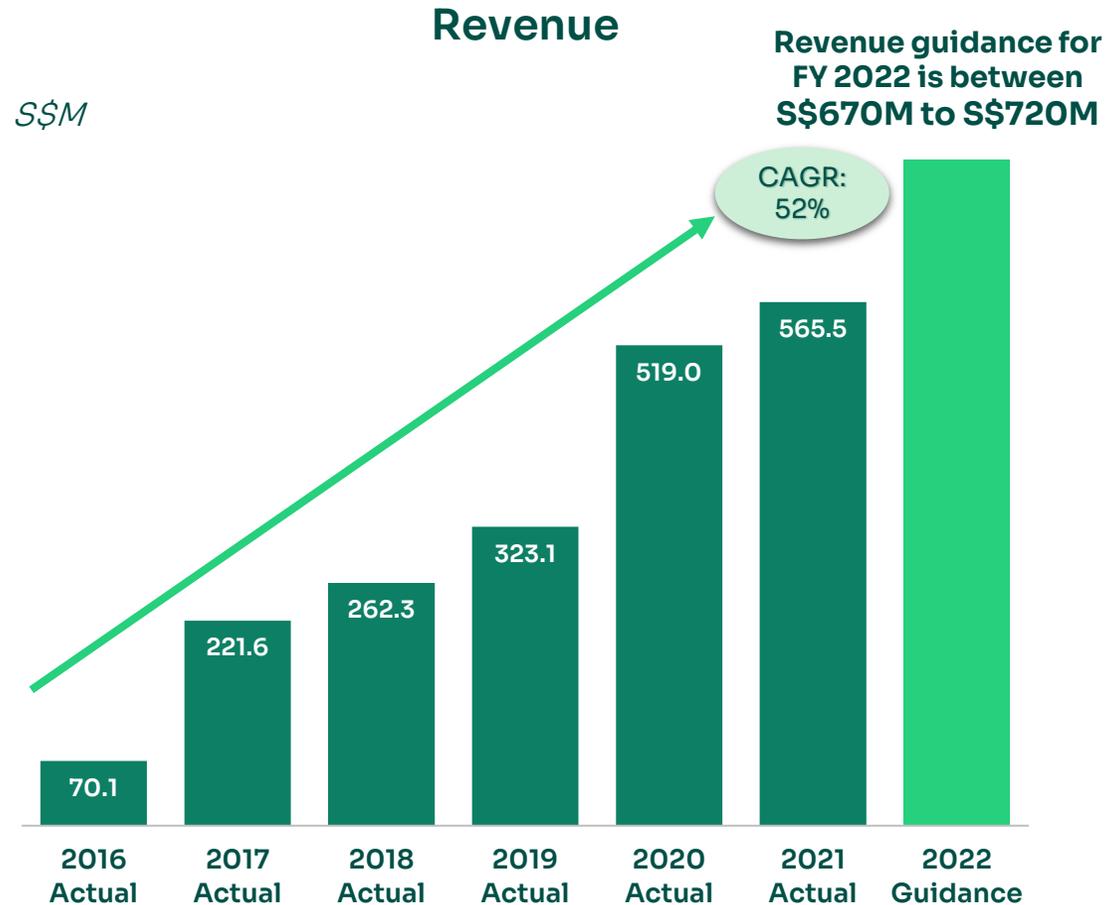
Proposed **final dividend of 5.0 cents** per share

Expect **FY 2022 revenue** to be between **S\$670M to S\$720M**, with capex to be around S\$10M

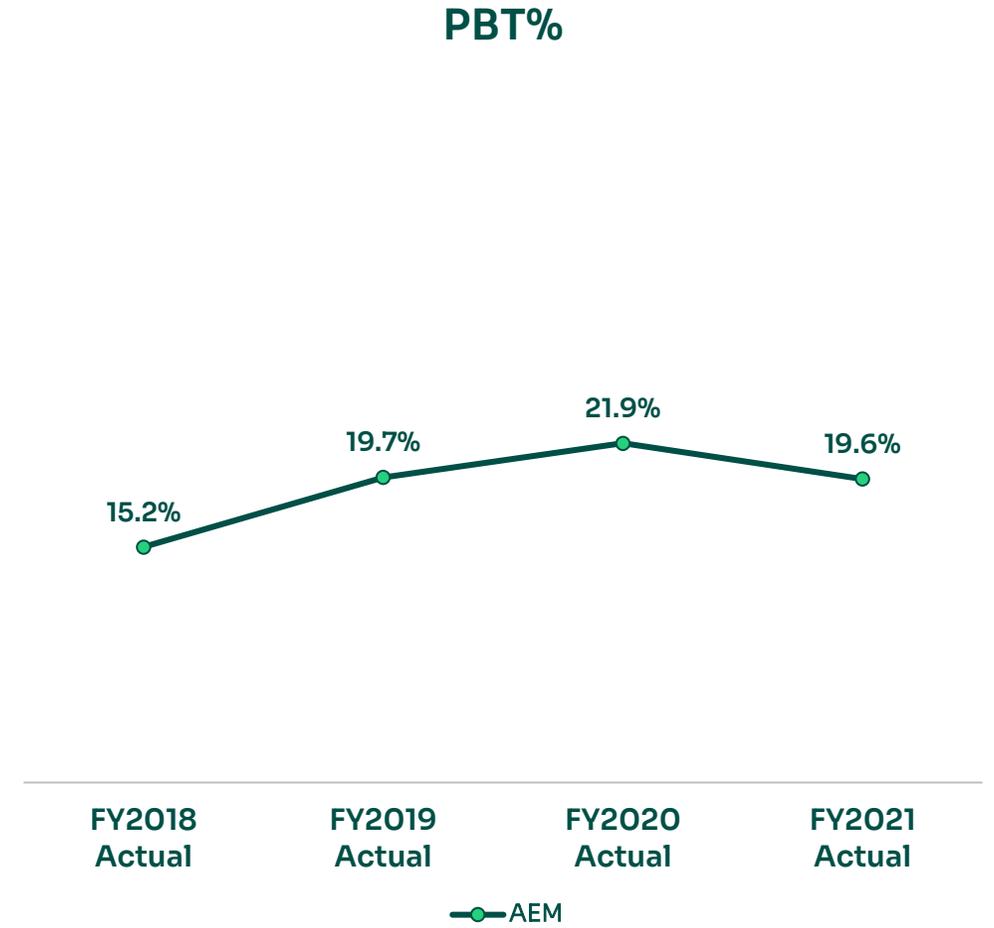
New platforms development tracking to schedule, revenue contribution in 2022 up to 10%

Track record of financial performance

Driving consistent revenue and PBT% growth



- FY 2021**
- Best FY revenue
 - Exceeded revenue guidance by S\$15.5M



CEI acquired in 1Q 2021
Short term margin compression due to product mix, supply chain & increase in innovation spend

FY 2021 Financial Performance

FY 2021 is the best FY excluding record breaking FY 2020



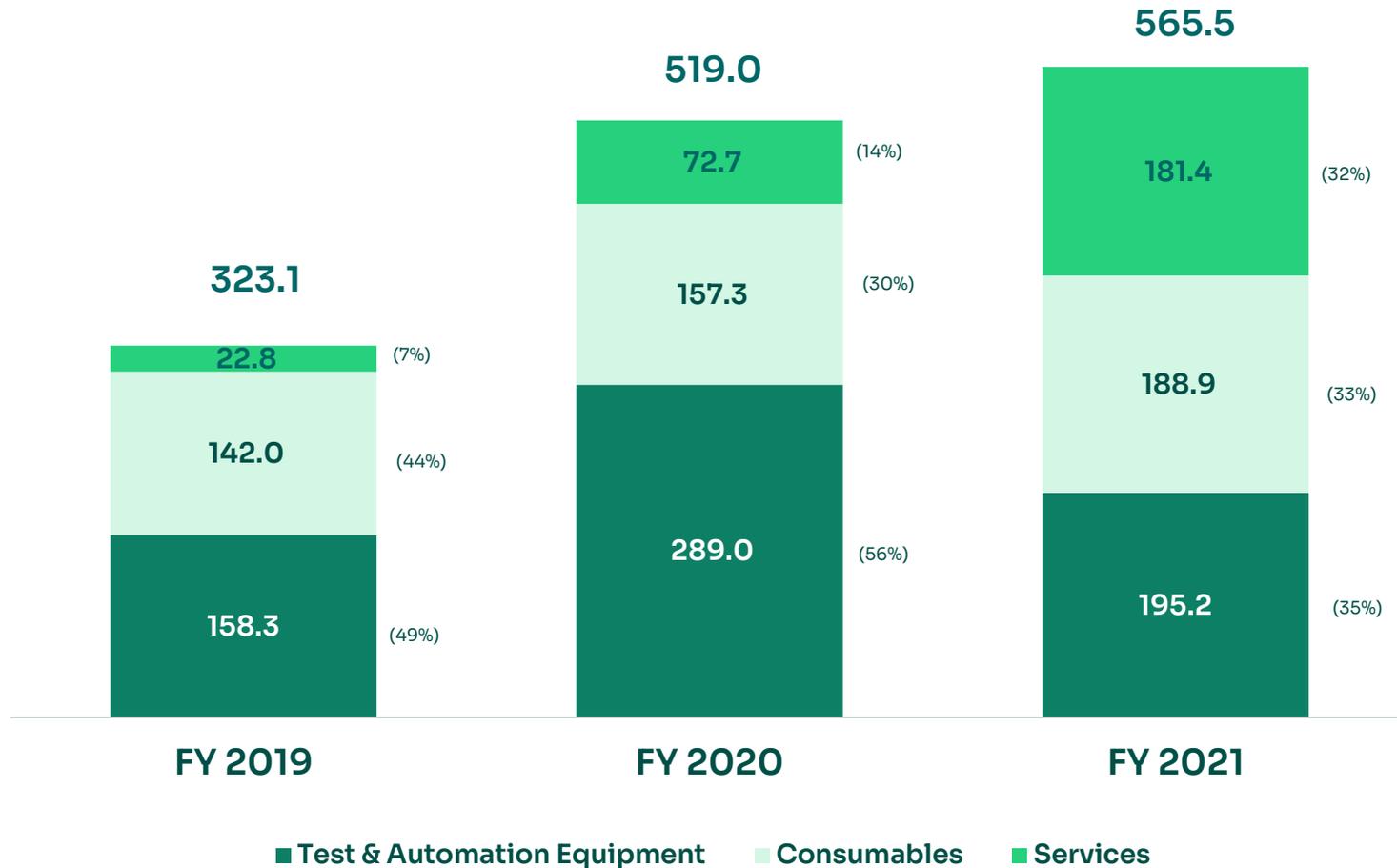
<i>S\$M</i>	FY 2021	FY 2020
Revenue	565.5	519.0
PBT	111.1	113.8
<i>PBT %</i>	19.6%	21.9%
PATMI	91.9	97.6
<i>PATMI %</i>	16.3%	18.8%
EBITDA	127.0	121.8
<i>EBITDA %</i>	22.5%	23.5%
Total Assets	710.5	335.5
Total Equity	402.5	211.4
EPS (fully diluted) in SG cents	31.6	35.1
NAV per share in SG cents	130.0	76.7

Revenue Mix (Including CEI)

FY 2021 Revenue Mix is skewed towards Consumables & Services



Revenue (\$M)



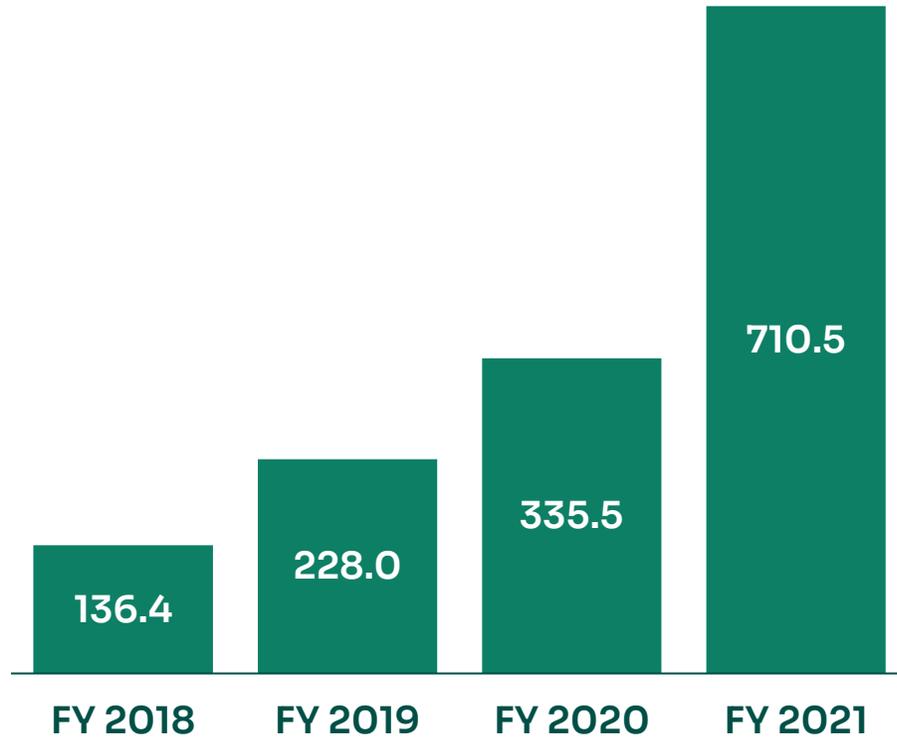
Services comprise manufacturing, engineering and FSE revenue

Total Assets and NAV Per Share

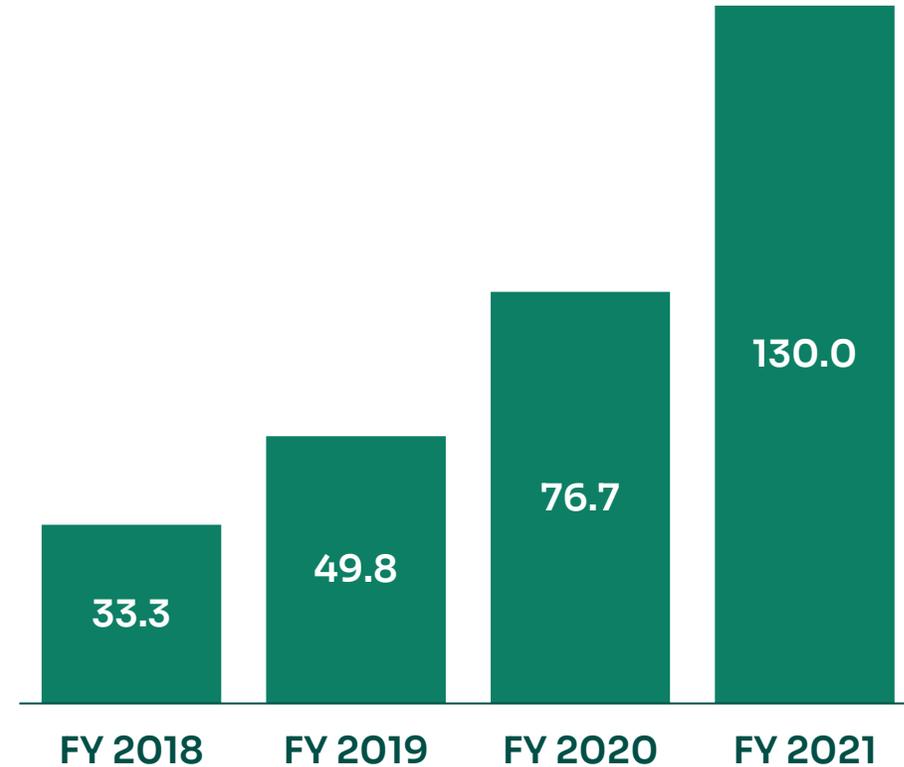
Growing total assets and NAV per share consistently



Total Assets (S\$'M)



NAV per share (SG cents)





A Robust Balance Sheet

Sound capital structure – Debt/Equity ratio of 0.2X.
NAV per share increases following CEI acquisition and share placement

<i>S\$M</i>	As at	
	December 2021	December 2020
Property, plant, and equipment	26.1	8.1
Intangible assets	96.9	46.6
Cash	216.2	134.8
Current assets less current liabilities	313.4	155.6
Total Assets	710.5	335.5
Financial liabilities	81.2	11.3
Shareholder’s Equity	402.5	211.4
<i>In SG Cents</i>		
NTA per share	98.3	59.7
NAV per share	130.0	76.7
Debt/ Equity	0.2	0.0

Highlights:

Property, Plant and Equipment (+S\$18.0M)
Increased due to fair value uplift of properties from the acquisition of CEI

Intangible Assets (+S\$50.3M)
Increased due to goodwill and fair value uplift from the acquisition of CEI

Net Current Assets (+S\$157.3M)
Increased due to:
i) higher cash from placement to Temasek and loan drawdown
ii) higher trade receivables and inventories mainly from acquisition of CEI

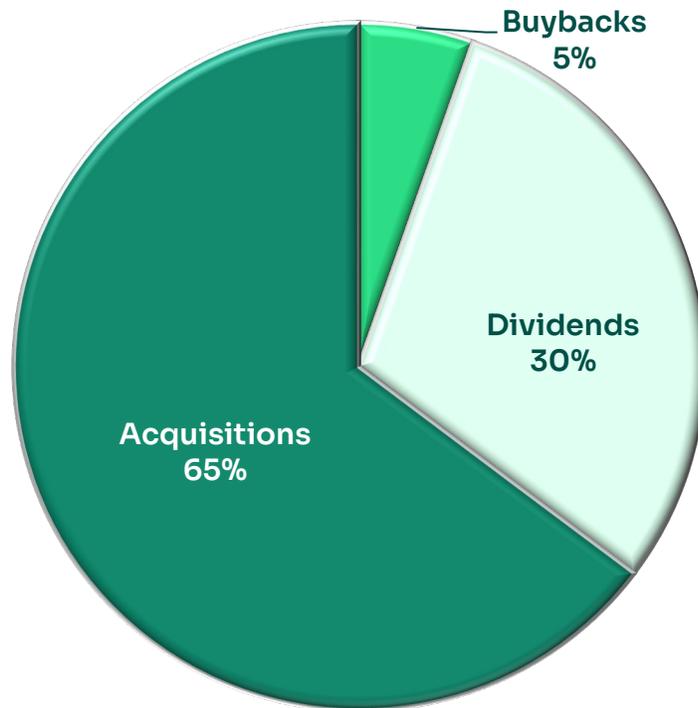
Financial Liabilities (+S\$69.9M)
Increased mainly due to loan drawdown and acquisition of CEI

Capital Allocation

Investing for growth through acquisitions without losing focus on shareholders' return



**Cumulative Capital Allocation Breakdown
FY 2019 – FY 2021**



S\$'M	FY 2019	FY 2020	FY 2021	Cumulative
Dividends	10.5	22.2	18.6	51.3
Share buybacks	1.7	2.9	4.6	9.2
Acquisitions	-	25.2	87.6	112.8
Total	12.2	50.3	110.8	173.3

Dividend

- S\$ 51.3M over 3 years
- Pay-out of 25% of recurring income

Share buybacks

- S\$ 9.2M since FY 2019
- Increasing trend

Investing for growth

- Acquisitions in FY 2021 is the largest yet

FY 2021 Source and Applications of Funds



<i>S\$M</i>	FY 2021	FY 2020
Beginning Cash	134.8	107.7
Operating Activities Inflow: S\$52.1M		
PAT	92.1	97.6
Changes in working capital & others	(40.0)	(11.3)
Investing Activities Outflow: S\$104.0M		
Capital expenditure	(16.4)	(5.2)
Acquisition of investments	(87.6)	(25.2)
Financing Activities Inflow: S\$132.2M		
Return to shareholders	(23.2)	(25.1)
Proceeds from ESOS exercised	2.6	3.4
Proceeds from issuance of shares	103.1	-
Lease payment & other financing, net	49.7	(3.6)
Effect of FX translation	1.1	(3.5)
Ending Cash	216.2	134.8

Highlights:

Higher cash on hand S\$216.2M at FY 2021 (increased by S\$81.4M), largely due to:

- (i) Private placement to Temasek of S\$103.1M
- (ii) Bank loan draw down
- (iii) Net cash generated from operating activities

Partially offset by spending in:

- (i) Acquisition of CEI (subsidiary), ATECO (associate) and NT Thor (other investment (S\$87.6M)
- (ii) Return to shareholders (S\$23.2M)

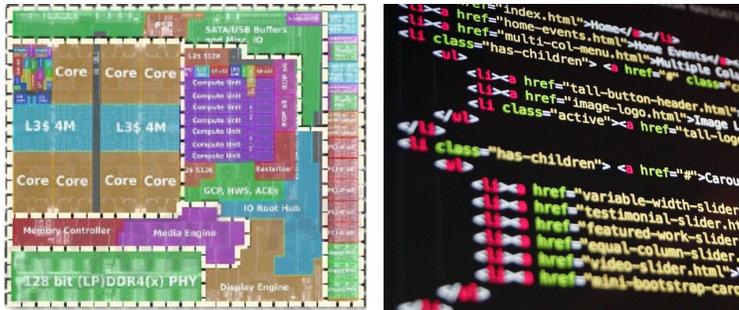


Industry Overview & AEM Outlook

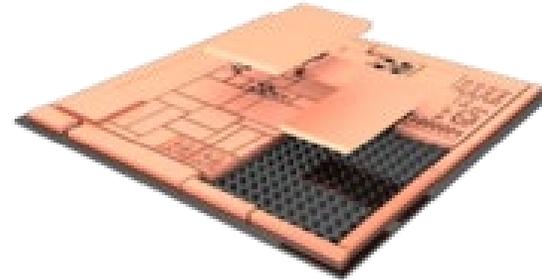
Industry innovations are challenging the industry's ability to provide an assurance of quality at the lowest cost possible



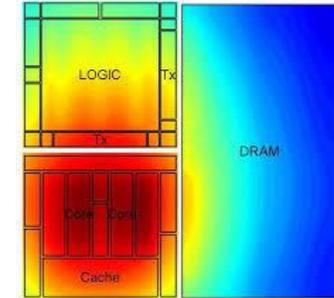
Increased Complexity: SW + HW



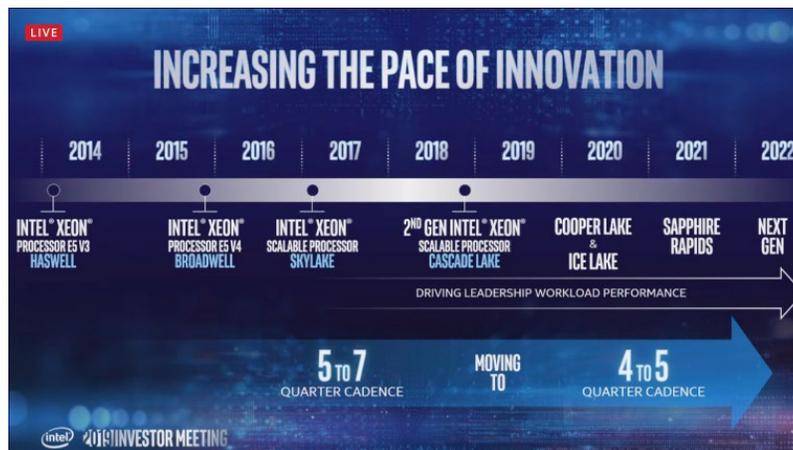
Advanced Packaging



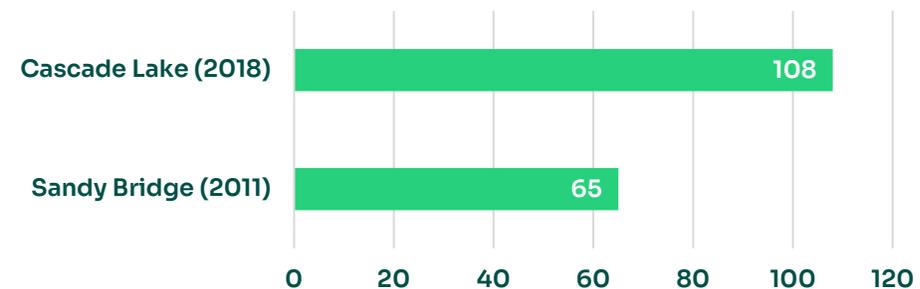
Thermal Challenges



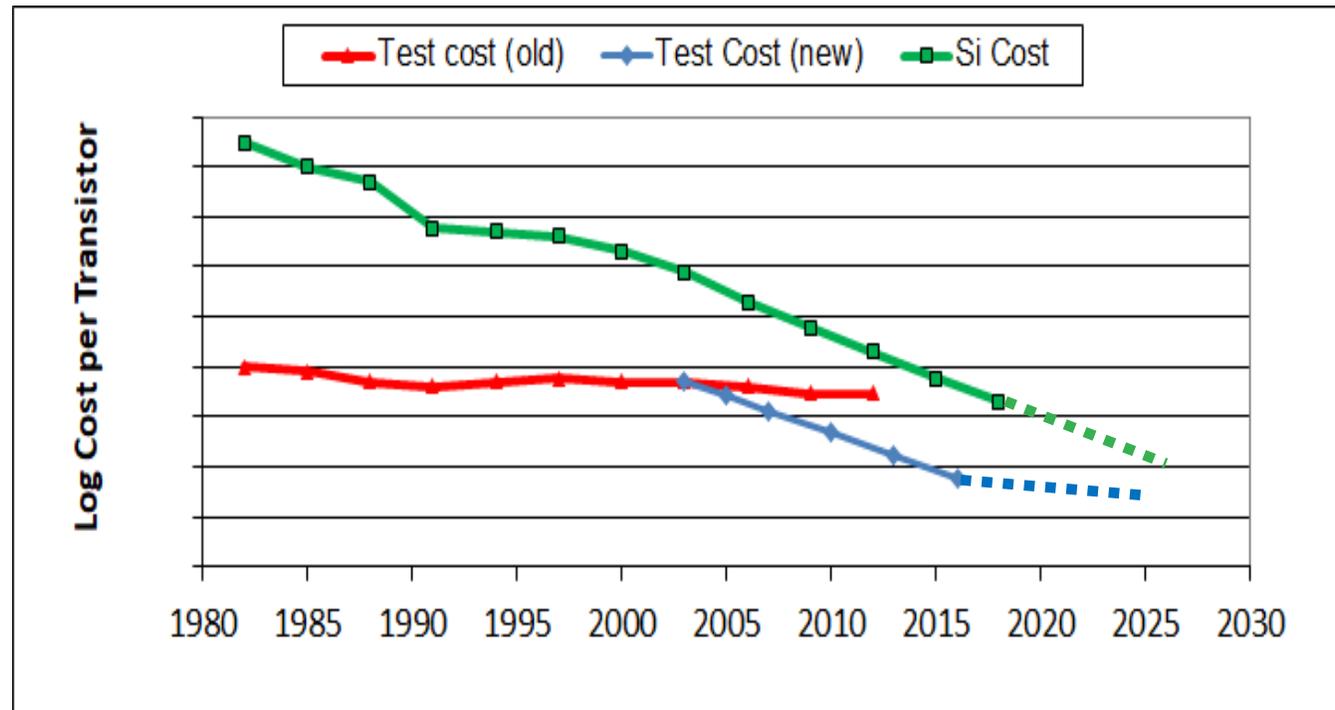
Application Specificity Driving Increased Pace of Innovation



of Variants per Generation of Xeon Processor



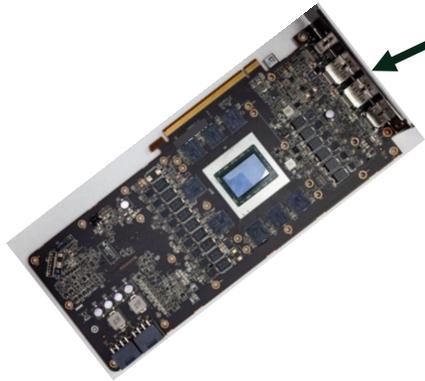
With the challenges being faced, the current paradigm's limits have been reached



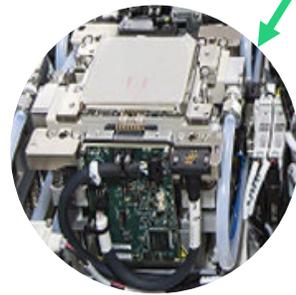
System Level Test 2.0 enables the industry to address the shortcomings of the current paradigm



Device Under Test



Mission Mode Environment



Environment / Thermal Management



Test Instrumentation



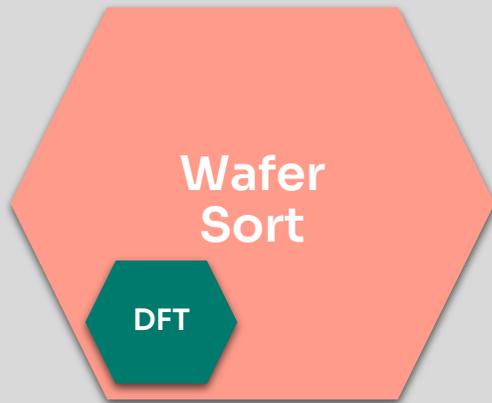
Intelligent Device Handling

AEM's Test 2.0 vision leverages data with intelligent automation and application specific solutions to reset the cost of test curve across backend test



Future Paradigm: Test 2.0

Data Analytics & Process Flow Management (EDA to SLT)



Relative Capital Investment





AEM's Approach

AEM's Asynchronous Modular Parallel Smart offering



The modular architecture helps our customers decrease their time to market, thus increasing their time in market and positively impacting revenue.

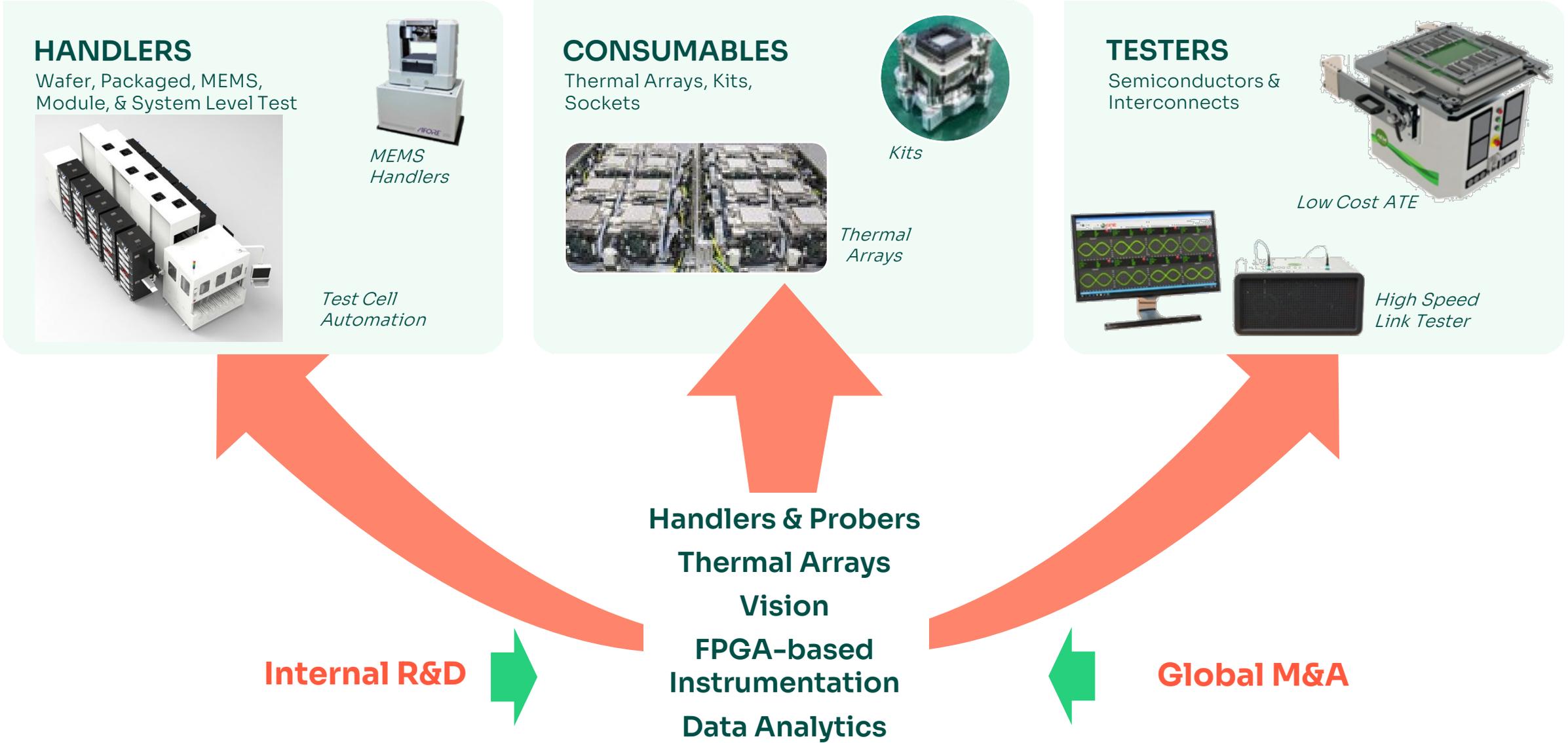


Lab Development
Single Cell

Pre-Production Verification
Tester Column with 6 cells

Full Production Mode
10 Tester Columns with 60 cells in total

AEM redefines the test cell through its core technology and delivery capabilities



2022 & Beyond – Expanding Our Growth & Reach



Expanded footprint to include engineering and application support in **Shanghai, Hsinchu, Malaysia, San Jose, San Diego, Korea** and manufacturing in **Malaysia, Vietnam and Korea**



Engaged and winning at leading semiconductor companies across automotive, mobility, memory, and high-performance computing



Engaged in joint development effort with OSATs for **application-specific** test solutions



FY 2022 Guidance



+18% to 27%
Growth vs. 2021

Thank You

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