



For Immediate Release

AEM is on track for a record year, revises FY2022 revenue guidance upwards, declares interim dividend

- Delivered the highest half year revenue and profit before tax in the Group's history
- Revenue for 1H2022 increased by 181% y-o-y to S\$540.5 million, while profit before tax for 1H2022 increased by 187% y-o-y to reach S\$102.0 million
- The Group reported earnings per share of 26.78 Singapore cents, representing a 152% y-o-y increase from 10.61 Singapore cents in 1H2021
- Proposed interim dividend of 6.7 Singapore cents per ordinary share (1H2021: 2.6 Singapore cents per ordinary share), representing a payout of about 25%
- AEM acquired 53.3% of the outstanding share capital of Nestek Korea Co., Ltd. ("Nestek"), a South Korean company that specialises in the design and manufacture of pins and sockets
- Two new customer wins in high-performance computing/artificial intelligence and application processors for mobility
- AEM has revised FY2022 revenue guidance of the Group to be in the range between S\$750 million to S\$800 million and full year CAPEX to be around S\$16 million

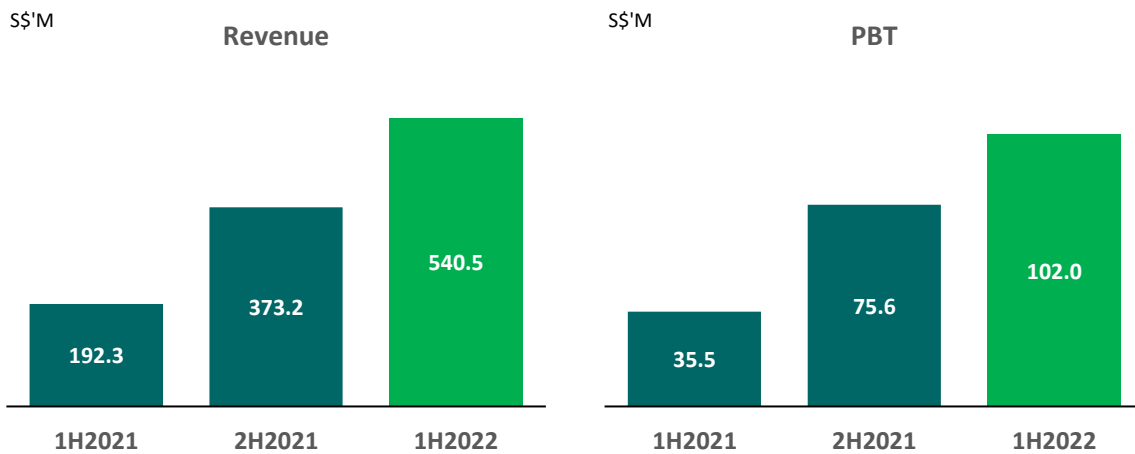
Singapore, 12 August 2022 – AEM Holdings Ltd ("**AEM**" or "**the Group**"), a global leader in test innovation, announced its financial results for the six months ended 30 June 2022 ("**1H2022**") today.



Financial Overview

Profit or Loss Highlights (S\$ '000)	1H2022	1H2021	Change (%)
Revenue	540,483	192,251	<i>181.1</i>
Profit before tax	102,039	35,510	<i>187.4</i>
PBT margin	18.9%	18.5%	<i>0.4 ppts</i>
Net profit	83,061	29,696	<i>179.7</i>
Net profit margin	15.4%	15.4%	<i>Nil</i>

*Ppts: Percentage points



The Group's revenue increased by 181% year-on-year ("y-o-y") to reach a record high first half revenue of S\$540.5 million for 1H2022. The y-o-y growth in revenue was driven by volume ramp up for the new generation System Level Testing handlers, Burn-In Test handlers, related consumables and peripheral tools, and contributions from CEI Pte Ltd which the Group acquired in March 2021. In line with the revenue growth, profit before tax increased by 187% y-o-y.



Balance Sheet Highlights			
(S\$ '000)	30-Jun-22	31-Dec-21	Change (%)
Inventories	279,128	204,926	36.2
Trade and other receivables	158,765	127,941	24.1
Cash and cash equivalents	180,901	216,180	(16.3)
Total assets	828,635	710,498	16.6
Trade and other payables	209,464	182,611	14.7
Total liabilities	353,515	307,984	14.8
Total equity	475,120	402,514	18.0
Net asset value per share (Singapore cents)	151.8	130.0	16.8

Cash and cash equivalents reduced from S\$216.2 million as of 31 December 2021 to S\$180.9 million as of 30 June 2022. This was largely due to (i) net cash used in investing activities, primarily arising from cash considerations paid for the acquisition of Nestek (a subsidiary company), acquisition of property, plant and equipment and R&D expenditure, (ii) dividend payout and (iii) repayment of bank borrowings, partially offset by net cash generated from operating activities.

Total assets increased from S\$710.5 million as of 31 December 2021 to S\$828.6 million as of 30 June 2022, resulting in a higher net asset value per share of 151.8 Singapore cents as of 30 June 2022, compared to 130.0 Singapore cents as of 31 December 2021.

The Board of Directors proposed an interim dividend of 6.7 Singapore cents per share, representing a pay-out of about 25% for 1H2022.

Growth via M&A

A strategic M&A program has been at the core of the Group's growth strategy to build a sustainable business model. The Group recently acquired a 53.3% stake in Nestek, a South Korean Company that specialises in the design and manufacture of pins and sockets. This acquisition not only aligns well with the Group's M&A growth trajectory but also, allows it to further extend its offerings in the consumables business.



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Mr. Chandran Nair, CEO of AEM, remarked, “Acquisition-driven growth has helped us expand our customer base, supply chain resilience, and innovative capabilities. The acquisition will allow us to extend our offerings in the consumables business and enable us to further capture the socket market.”

Customer Wins

The Group’s long-term commitment to innovation, quality and availability has increased our engagement with our key customer and also generated new customer wins over the past year. On the new customer front, AEM was recently selected as a supplier for a leading High-Performance Computing (“HPC”)/Artificial Intelligence (“AI”) company and consequently, received orders for its customised, innovative test handling solutions. In addition, AEM also received orders from a leading mobile devices company for its application processors. These new orders reaffirm AEM’s complete solution offering for semiconductor test equipment and consumables.

Mr. Chandran Nair said, “We are very happy and grateful to our customers for selecting AEM as their supplier of choice. This is a testament to the Group’s superior capabilities in the backend test solutions. Moreover, we are increasing our technical engagements with other semiconductor companies and are uniquely positioned to further extend our market reach in semiconductor test solutions. We will continue to dedicate our efforts and resources to build innovative solutions to address the needs of our customers.”

Business Outlook

The post-pandemic economic recovery has not been smooth by any measure. Rising geopolitical tensions, global supply chain disruptions, inflationary pressures, and record interest rate hikes have created a new set of demand and supply uncertainties. While we have increased our overall revenue guidance for this year, we do expect 2H2022 revenue to be lower than 1H2022.

We will continue to invest in our R&D and engineering capabilities as we believe that in the longer horizon that trends including 5G, edge computing, AI, and electric vehicles will drive the need for more semiconductors and the integrated testing solutions that AEM is pioneering. AEM has embarked to expand with new R&D labs and better manufacturing facilities in its key geographies, i.e., Singapore, Malaysia, and the US. This will also bring AEM’s operations closer to its existing and potential customers.



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Mr. Chandran Nair commented, “The complexity of chips and its power requirements have been increasing over time. Manufacturers seek more powerful and reliable semiconductor devices for newer, mission-critical applications, including 5G, machine learning, and high-performance computing.

As the market leader in integrated test solutions, AEM plays an important role in ensuring our customer's chips are reliable and function in their unique environments. We have worked closely and will continue to work closely with our customers to develop future-proof testing solutions.”

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About AEM Holdings Ltd

AEM is a global leader in test innovation. We provide the most comprehensive semiconductor and electronics test solutions based on the best-in-class technologies, processes, and customer support. AEM has a global presence across Asia, Europe, and the United States. With manufacturing plants located in Singapore, Malaysia (Penang), Indonesia (Batam), Vietnam (Ho Chi Minh City), China (Suzhou), Finland (Lieto), South Korea, and US (San Jose), and a global network of engineering support, sales offices, associates, and distributors, we offer our customers a robust and resilient ecosystem of test innovation and support.

AEM Holdings Ltd is listed on the main board of the Singapore Exchange (Reuters: AEM. SI; Bloomberg: AEM SP). AEM's head office is in Singapore.

Issued for and on behalf of AEM Holdings Ltd

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