



AEM

Testing
Innovation

Presentation to Shareholders

AEM Holdings Ltd | AGM

30 April 2021

Disclaimer

This is a presentation of general information relating to the current activities of AEM Holdings Ltd (“AEM”). It is given in summary form and does not purport to be complete.

This presentation may contain forward-looking statements which are subject to risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, governmental and public policy changes, and the continued availability of financing. Accordingly, such statements are not and should not be construed as a representation as to the future of AEM, and are not intended to be profit forecasts, estimations or

projections of future performance and should not be regarded as such.

No reliance should therefore be placed on these forward-looking statements, which are based on the current views of the management of AEM. The presentation is also not to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. AEM accepts no responsibility whatsoever with respect to the use of this document or any part thereof.

The information in this presentation is qualified by, and should be read in conjunction with, the information contained in AEM’s announcement of its unaudited full year financial statements for the year ended 31 December 2020.

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

Agenda

- Recap of FY2020
- State of Our Business - Expanding Our Horizons
- 2020 Financial Review
- Resolution Results

Recap of FY2020

FY2020 | A Year Unlike Any Other



2020 was a year of unprecedented challenges. We are **proud** of our employees and their innovative response to this crisis

Employee Wellbeing



To date, 8 employees have tested positive globally (none in Singapore), we are **grateful** all have made a full recovery and are clear of the virus.

Innovative Solutions



Unable to travel, we leveraged **innovative** technologies to enable remote deployment of our solutions

Video conference facilities, **augmented reality** technologies, such as HoloLens, were utilized



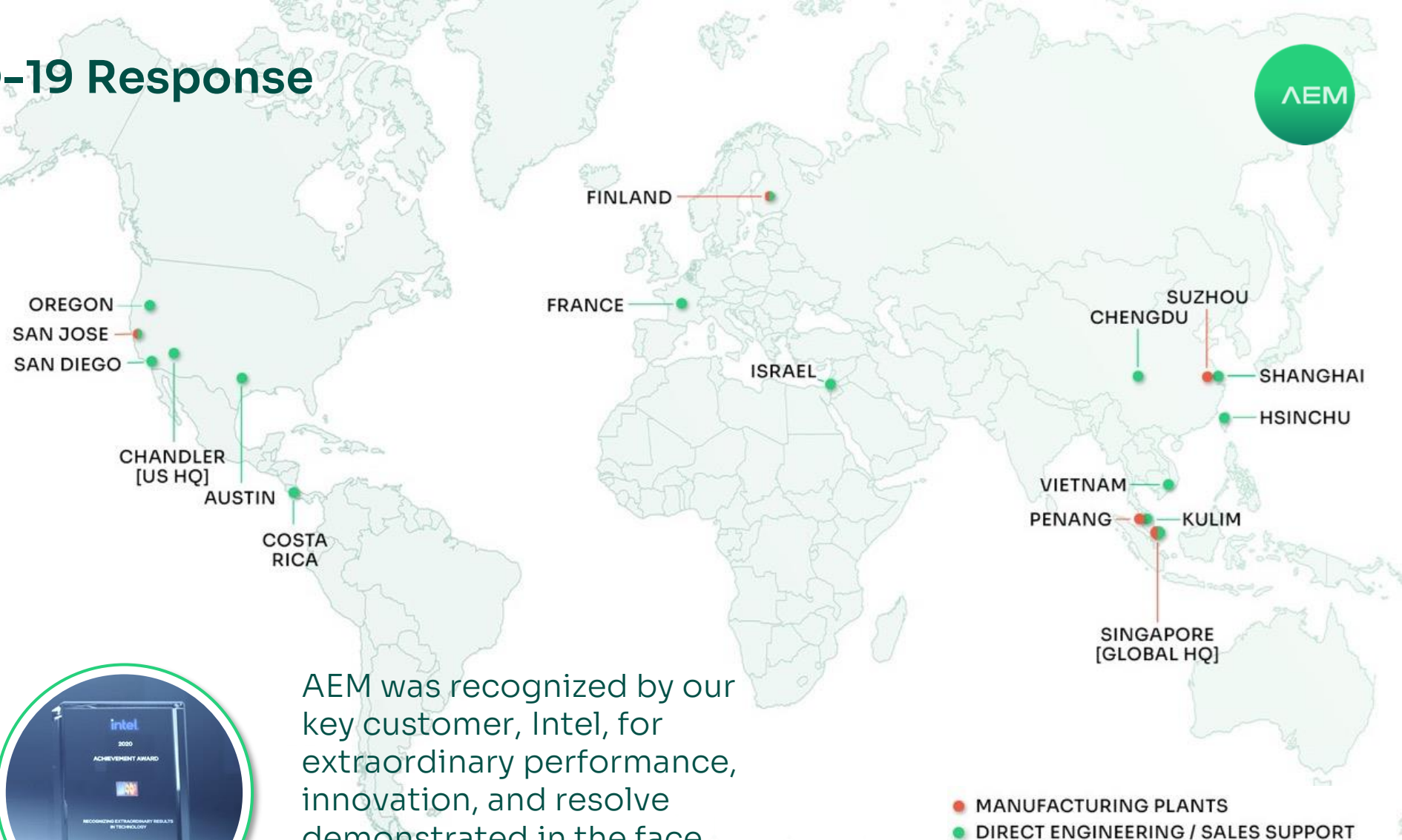
FY2020 | COVID-19 Response



We are **humbled** by our customers' trust in us and our employees unrelenting efforts during this **challenging** time manufacturing & service operations strategy was put to the test and passed with flying colors

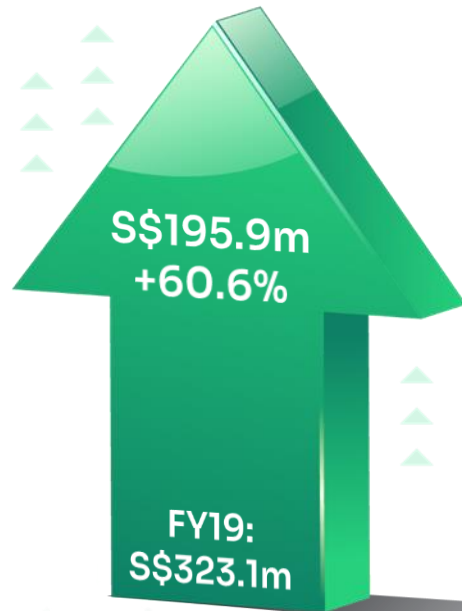


AEM was recognized by our key customer, Intel, for extraordinary performance, innovation, and resolve demonstrated in the face of pandemic-related supply-chain challenges



S\$519.0m
REVENUE

FY20: S\$519.0m



S\$113.8m
PROFIT BEFORE TAX

FY20: S\$113.8m



S\$134.8m
CASH BALANCE

FY20: S\$134.8m



FY2020 | Bolstered Organization via Key Leadership & Workforce Hires



World-wide organization grew headcount by >25%, focused in areas of R&D.
Leadership succession plan was executed seamlessly.



Not Pictured: Mark Yaeger, Ari Kuukkala

FY2020 | Organizational Growth via M&A



We closed **3 key acquisitions** that enhanced our test, change kit, and thermal array capabilities



Closed: Mar. 16, 2020

Total Consideration: **€7.525m**

Provides AEM with customized tester development capabilities



Closed: Jul. 22, 2020

Total Consideration: **US\$3.3m**

Enhances AEM's automation fixture and change kit capabilities



Closed: Dec. 6, 2020

Total Consideration: **US\$15.2m**

Provides proprietary technology solutions in active thermal control, enhancing AEM's current offerings

FY2020 | Organizational Growth via M&A



In early 2021, we closed our acquisition of CEI and our investment into ATECO Inc.



Closed: April 26, 2021

Provides AEM with enhanced delivery capabilities via PCBA



Invested: March 18, 2021

Total Consideration: **US\$3.8m**

Provides AEM with access to the South Korean market, and enhances AEM's offerings for the memory market

FY2020 | Delivering Exceptional Share Performance



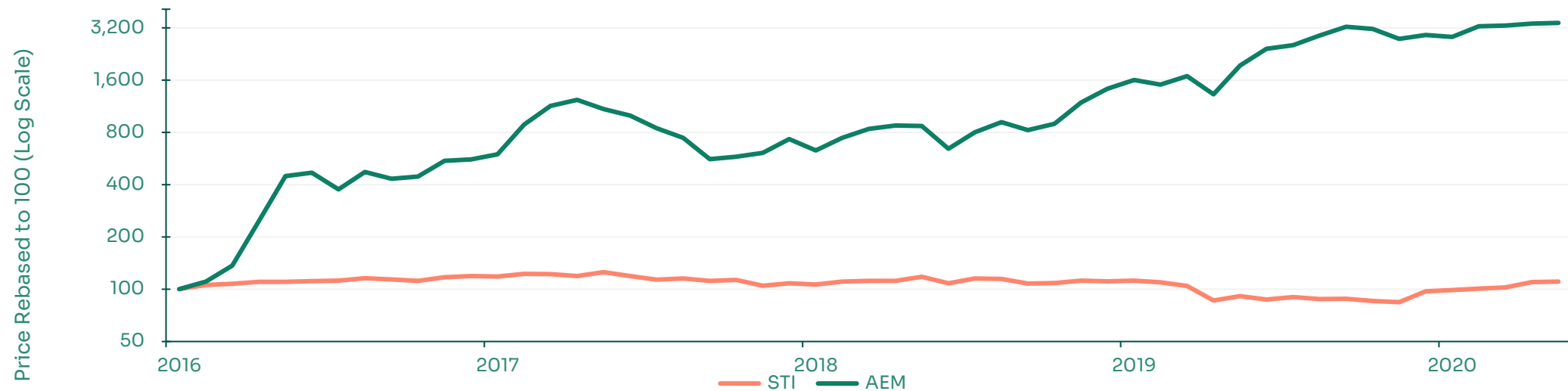
> January 2020



> December 2020



Relative Price Performance
Dec 2016 - Apr 2021



FY2020 | 2020 Awards



State of Our Business – Expanding Our Horizons

2021 and Beyond | Semi's Inflection Point

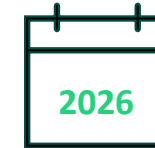


COVID-19 has accelerated global digitalization by 7 years

Source: McKinsey & Company

**2.0
A&T**

Assembly & Test 2.0
Blurring the line between front & backend



A new paradigm will emerge in 5 years



SEMI 2.0
Advanced devices require reliability at a parts per billion level.



Geopolitical reality has driven a rethink of global supply chains and technology partnerships

2021 and Beyond | AEM'S Mission & Vision



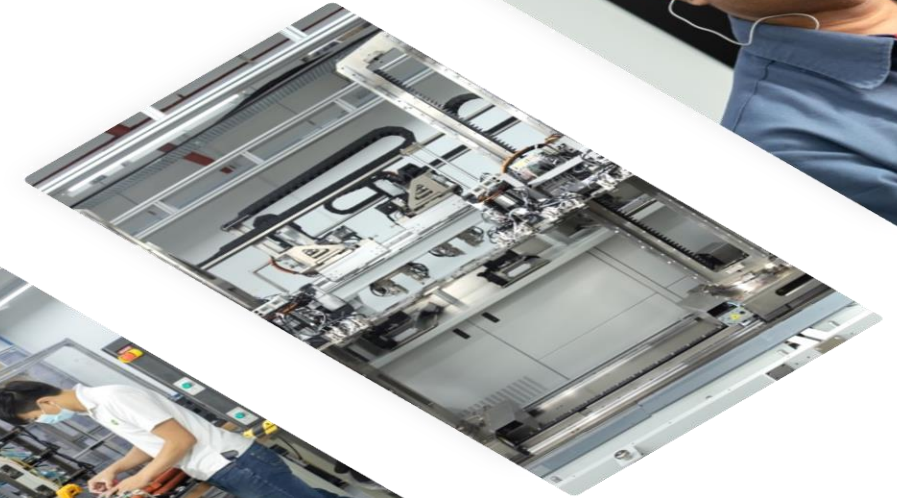
Vision

A Zero Failure World



Mission

Our mission is to provide the most comprehensive semiconductor and electronics test solutions based on the best-in-class technologies, processes, and customer support.

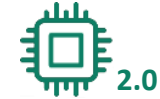




With the current geopolitical situation, AEM is headquartered in the right place – **Singapore** – with centers of excellence and manufacturing spread across the globe.



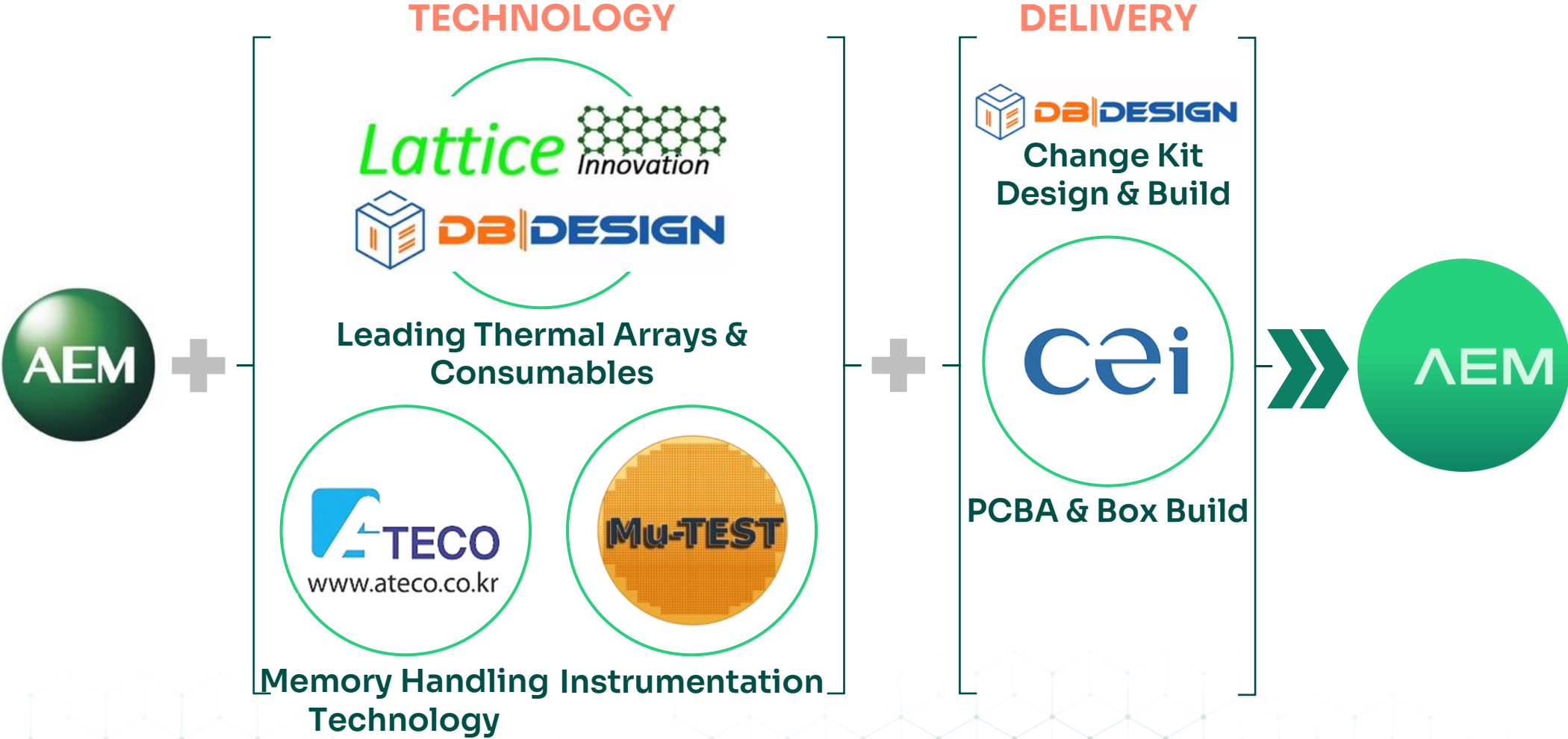
AEM has developed the **agility** to deliver successfully at scale highly-customized, **application-specific** solutions globally while not needing the overhead of costly sales channels and operations required for selling standard products.



AEM has focused its transformation to enable the **rapid, cost-effective** delivery of **customizable** test solutions to assure total system reliability, without the burden of a legacy install-base.



AEM, with a culture based on delighting the customer with **innovation** and **service**, engages global customers with application and field service engineering in the US, China, rest of Asia, and Europe.




2021 and Beyond | Expanding Horizons




HANDLERS

Wafer, Packaged, MEMS, Module, & System Level Test



*MEMS
Handlers*



*Test Cell
Automation*

CONSUMABLES

Thermal Arrays, Kits, Sockets




*Thermal
Arrays*



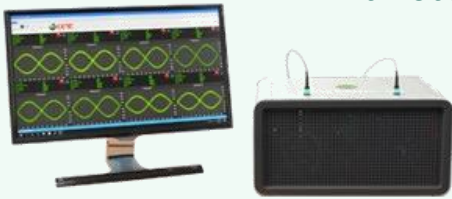
Kits

TESTERS

Semiconductors & Interconnects



Low Cost ATE



*High Speed
Link Tester*

Handlers & Probers
Thermal Arrays
Vision
FPGA-based
Instrumentation
Data Analytics

2021 and Beyond | Expanding Our Reach



Expanded footprint to include offices in **Shanghai, Hsinchu, San Jose, and San Diego**



Engaged with **10** out of the top **20** semiconductor companies across automotive, mobility, memory, and high-performance computing



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

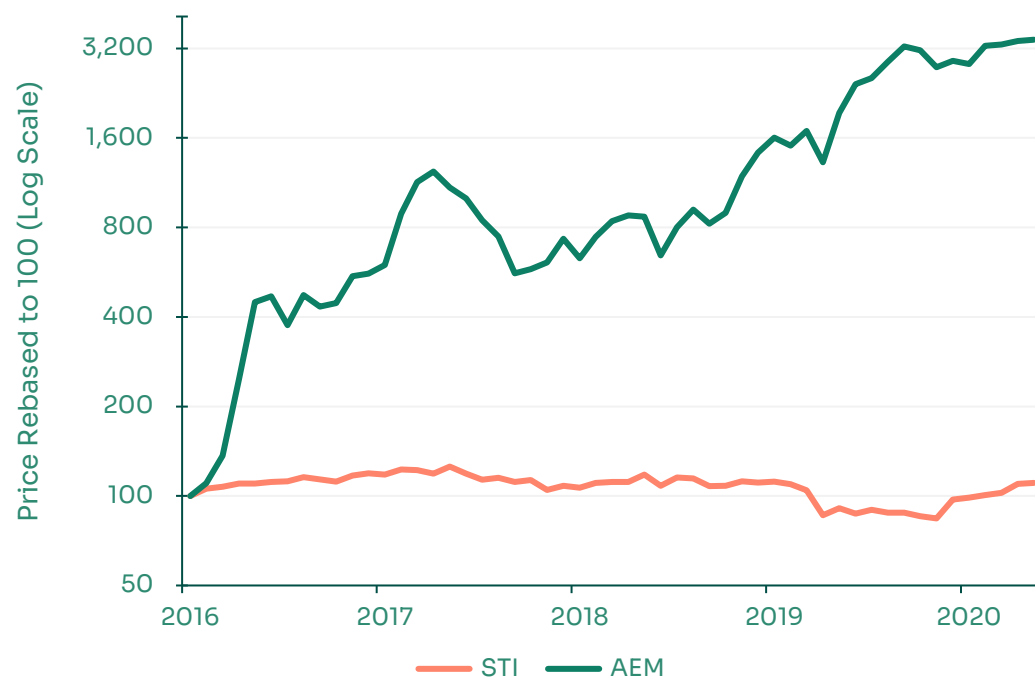


FY2020 Financial Results

FY2020 Financial Results

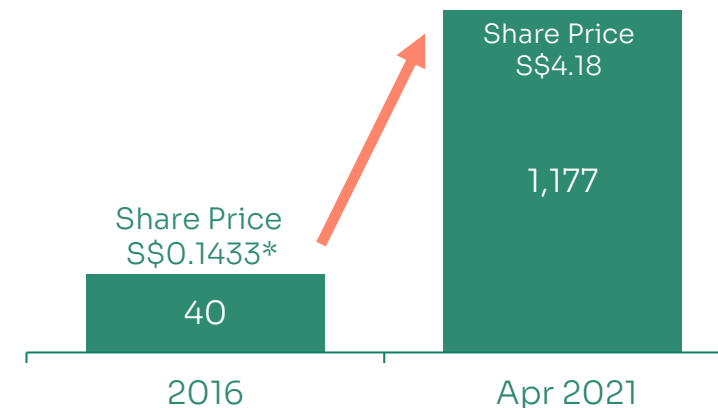
Increase in Shareholder Returns

Relative Price Performance Dec 2016 - Apr 2021



Note: * Share price adjusted for bonus issues in 2017 and 2018

Market Cap (S\$M)



Issued Shares ('000)

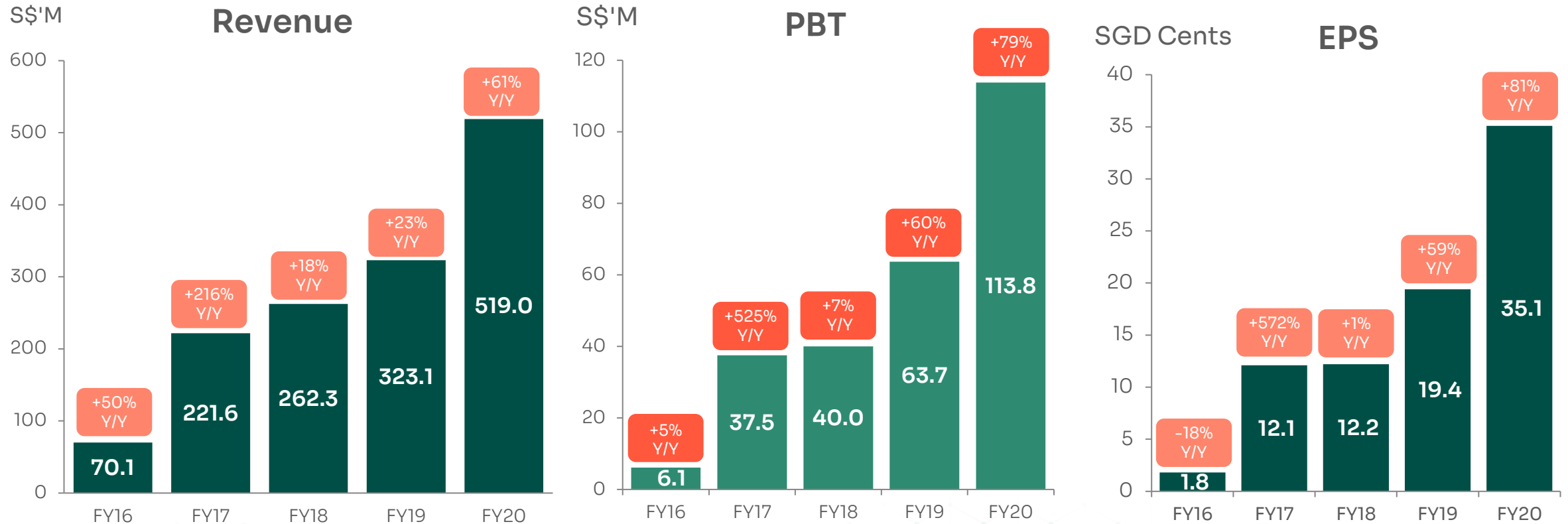
	31-Dec-20		29-Apr-21	
Pre-dilutive shareholdings (adjusted for bonus issue)	267,135	96.5%	267,135	94.9%
New Shares - ESOS	5,159	1.9%	5,159	1.8%
New Shares - M&A	4,569	1.7%	9,259	3.3%
Issued Share Capital	<u>276,863</u>	100%	<u>281,553</u>	100%

4,991,690 number of options outstanding as at 30 April up to 3 years vesting period



FY2020 Financial Results

Financial Highlights



Revenue growth despite the pandemic, increased 61% YoY to \$519.0m
PBT increased by 79% YoY to \$113.8m

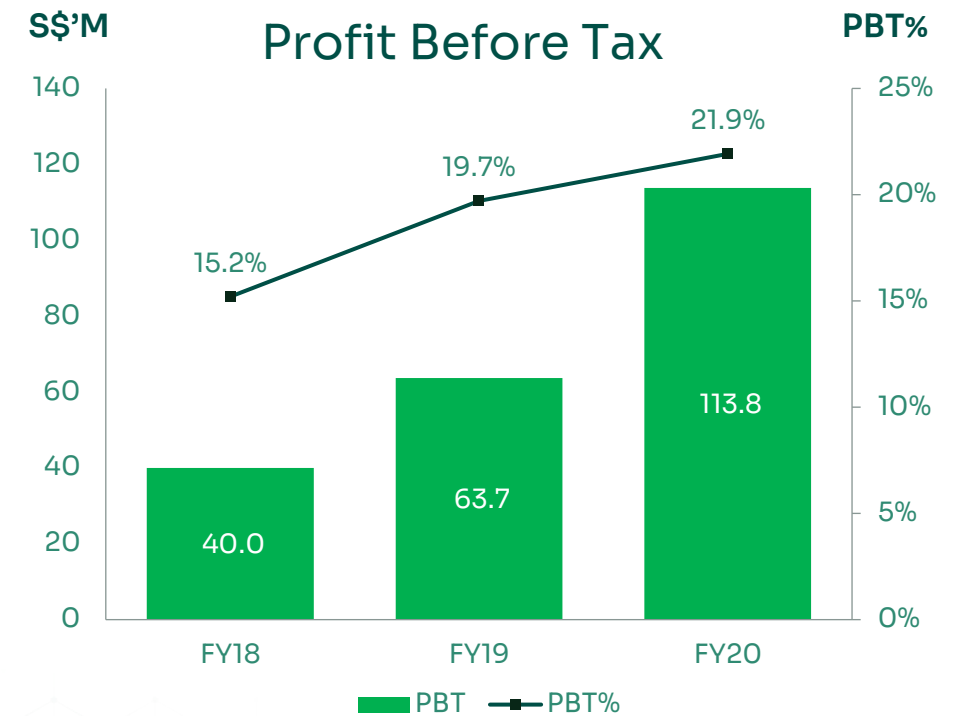
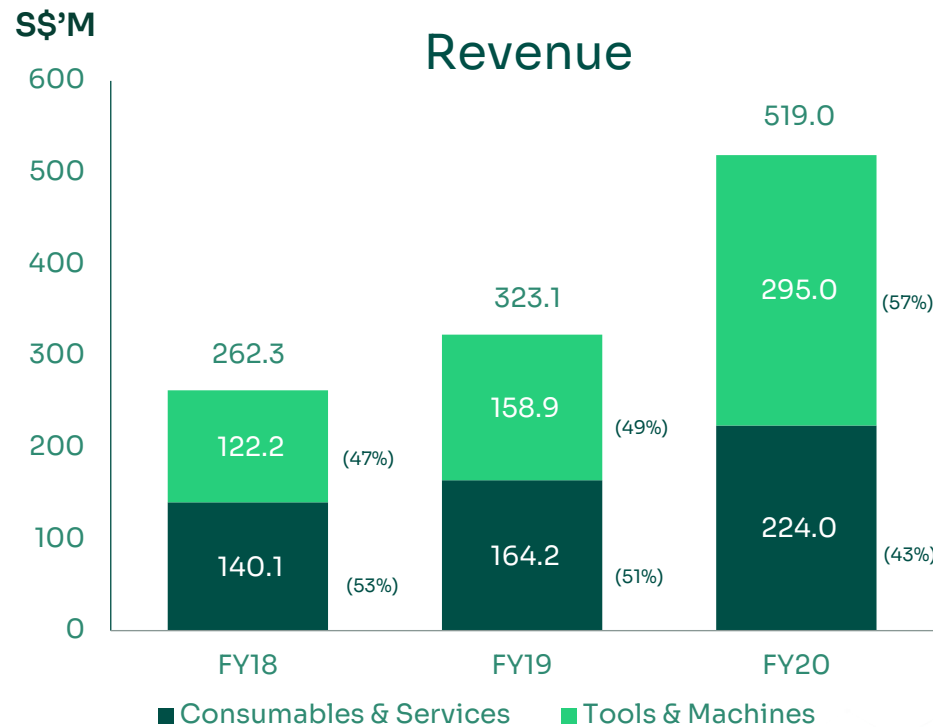
FY2020 Financial Results

Best Results
on Records



FY2020 is our highest revenue year on record with S\$519.0m in revenue, S\$113.8m in PBT, and a cash balance of S\$134.8m

Proposed final dividend 4.0 cents payable on 31 May 2021. Including interim dividend of 5.0 Singapore cents, the payout is about 25% of net profit



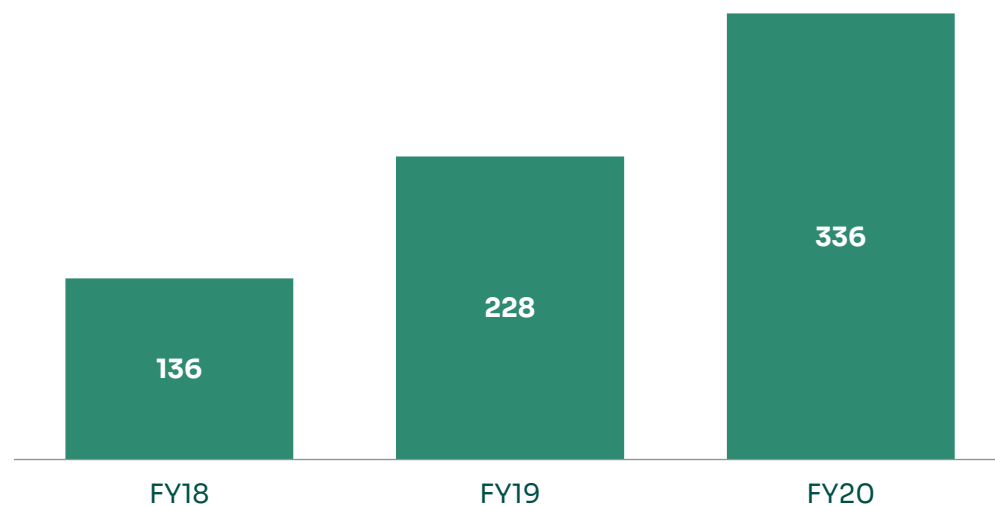
	As at		
	Dec 2020	Dec 2019	
	S\$'M	S\$'M	
Property, plant, and equipment	8.1	6.4	^
Right of use assets ("ROU")	9.5	2.1	^
Intangible assets	46.6	16.9	^
Cash	134.8	107.7	^
Current assets less current liabilities	155.6	108.3	^
Total assets	335.5	228.0	^
Financial liabilities	11.3	2.2	✓
Shareholder's Equity	211.4	134.3	^

In SG Cents

NTA per share	59.8	43.5	^
NAV per share	76.7	49.8	^

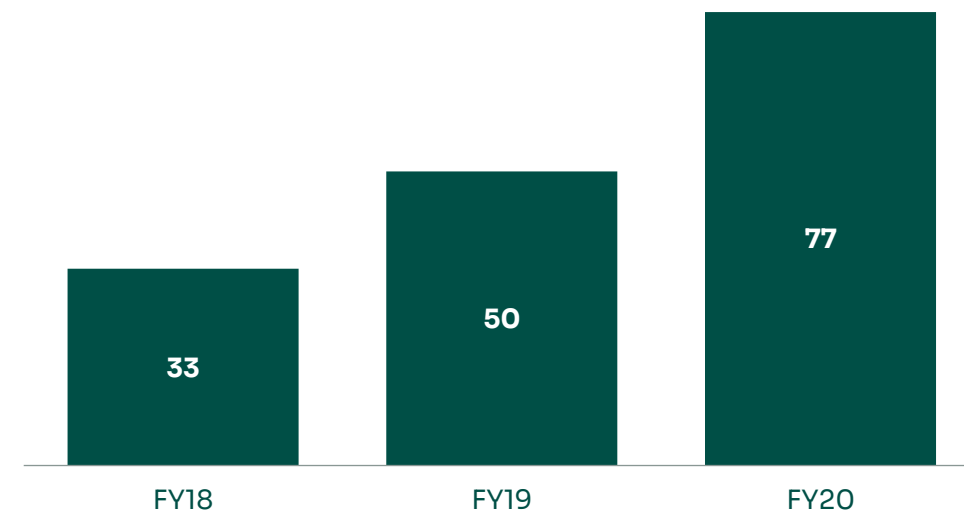
- ✓ **Intangible Assets (+29.7m)**
Increased mainly due to goodwill on acquisition of Mu-TEST (March 2020), DB Design Group, Inc (July 2020), and Lattice Innovation, Inc (December 2020)
- ✓ **Cash (+27.1m)**
Higher cash from higher cash generated from operating activities (S\$86.3m) offset by acquisition of subsidiaries (S\$25.2m) and dividend paid (S\$22.2m)
- ✓ **Current assets less current liabilities (+47.3m)**
Higher due to higher trade receivables and higher inventory builds for the fulfilment of sales orders.
- ✓ **Financial liabilities (+9.1m)**
Higher mainly due to increase in new lease agreements. Negligible debt.

Total Assets (\$M)



Strong growth in Total Assets due to improved cash position and increased in assets

**Net Asset Value Per Ordinary Share
(Cents)**



Improved Net Asset Value per Ordinary Share from increased earnings over the years

FY2020 Financial Results

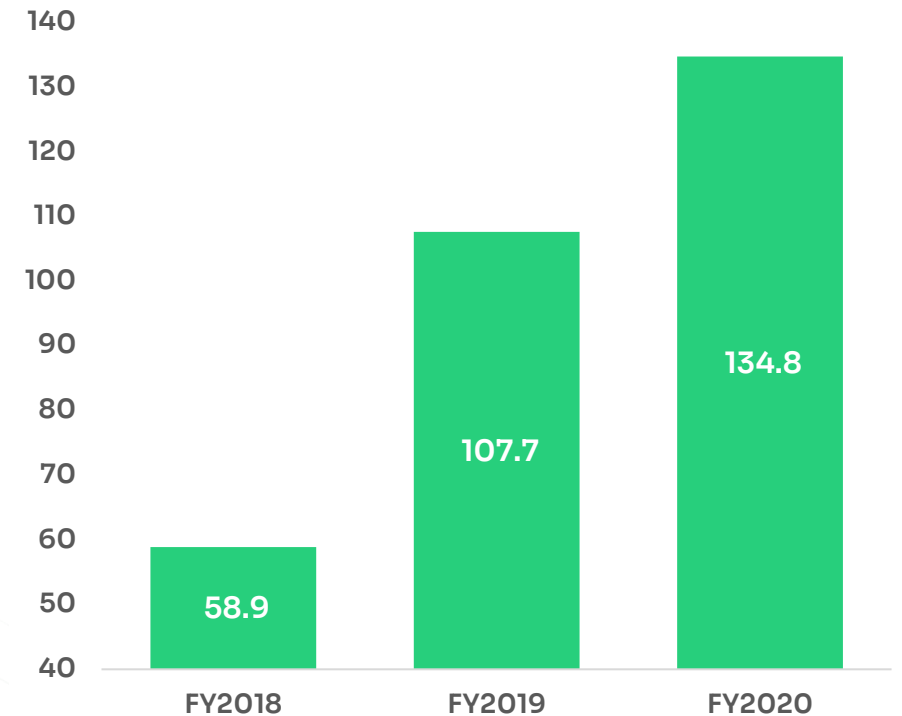
We Strengthen Our Financial Position With Growth In Operating Cashflow



FY 2020 Sources and Applications of Funds

S\$M	FY2018	FY2019	FY2020
Beginning Cash	46.1	58.9	107.7
PAT	33.5	52.8	97.6
Depreciation & Amortization	1.9	6.1	8.4
Working capital & others	(1.3)	8.8	(19.7)
CF from Operating Activities	34.1	67.7	86.3
Capital expenditure	(4.7)	(3.3)	(5.2)
Acquisition of subsidiaries, net of cash	(8.8)	-	(25.2)
CF from Investing Activities	(13.5)	(3.3)	(30.4)
Share buyback	(1.2)	(1.7)	(2.9)
Proceeds from exercise of options	0.6	0.2	3.4
Dividends paid	(8.4)	(10.5)	(22.2)
Lease payment & other financing	(0.0)	(2.6)	(3.6)
CF from Financing Activities	(8.9)	(14.7)	(25.3)
Effect of FX translation	1.2	(0.9)	(3.5)
Ending Cash	58.9	107.7	134.8

Ending Cash Balance on Hand

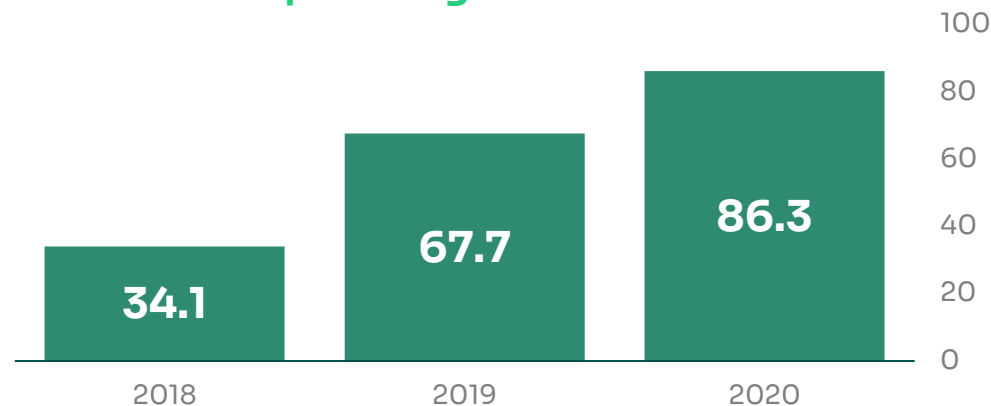


FY2020 Financial Results

Generated S\$86.3M cash from operating activities in FY2020



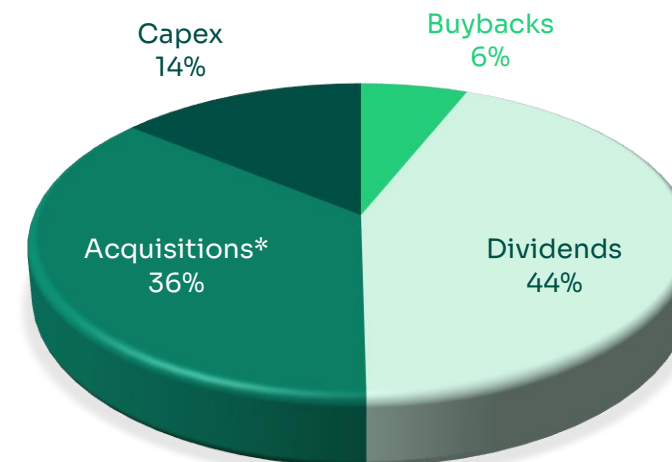
Cash generated from operating activities



S\$'M	2018	2019	2020	Cumulative
Buybacks	1.2	1.7	2.9	5.7
Dividends	8.4	10.5	22.2	41.1
Acquisitions*	8.8	-	25.2	34.0
Capex	4.7	3.3	5.2	13.3
Total	23.1	15.5	55.5	94.2
Free Cash Flow*	11.0	52.1	30.7	93.9

*Note:
Free cash flow = cash from operating activities – buyback – dividends – acquisitions – capital expenditure

CUMULATIVE CAPITAL ALLOCATION BREAKDOWN 2018 – 2020



Sustain Growth		Shareholders' Return	
	Capex		Dividend
	Acquisitions		Share buyback

Thank you

Investor Relations Contact:

Financial PR Pte Ltd

Romil SINGH / Robin MOH
Tel: 6438 2990 / Fax: 6438 0064
E-mail: romil@financialpr.com.sg
robin@financialpr.com.sg

Resolutions & Results

Resolutions And Results



No	Resolution	For	Against	Result
1	Directors' Statement and Audited Financial Statements.	99.5%	0.5%	PASSED
2	Declare a final dividend of 4.0 cents per ordinary share.	100.0%	0.0%	PASSED
3	Re-elect the following Director: Mr. Loke Wai San.	68.8%	31.2%	PASSED
4	Re-elect the following Director: Mr. James Toh Ban Leng.	76.1%	23.9%	PASSED
5	Re-elect the following Director: Mr. Chok Yean Hung.	98.0%	2.0%	PASSED
6	Approve Directors' fees of S\$648,000 (2019: S\$422,000) for the financial year ending 31 Dec. 2021, payable quarterly in arrears.	98.5%	1.5%	PASSED
7	Approve an additional cash award of S\$25,000 for each Non-Executive Director for the year ended 31 Dec. 2020, with a total fee pool of S\$137,500 to be paid in cash.	95.5%	4.5%	PASSED
8	To re-appoint KPMG LLP as the Auditors.	99.9%	0.1%	PASSED
9	Proposed Share Issue Mandate.	96.2%	3.8%	PASSED
10	Grant of options and/or awards and issue of additional shares pursuant to AEM Holdings Employee Share Option Scheme 2014 and AEM Performance Share Plan 2017.	25.8%	74.2%	NOT PASSED
11	Share Purchase Mandate Renewal.	98.6%	1.4%	PASSED

Note: See Notice of Annual General Meeting (AEM), 15 April 2021 for details of each resolution.

Thank you

Investor Relations Contact:

Financial PR Pte Ltd

Romil SINGH / Robin MOH
Tel: 6438 2990 / Fax: 6438 0064
E-mail: romil@financialpr.com.sg
robin@financialpr.com.sg