



AEM

Testing  
Innovation

AEM Investor Update

August 11, 2023

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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 the fast growing **Test 2.0** market, delivering 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 Test 2.0 Market

Test 2.0 growth is driven by advanced packaging & integrated logic. AEM has over **1,000** Test 2.0 tools in production



## Full Stack Technology

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



## Deploy at Scale

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



## 2016-2022 Rev. CAGR **52%**

1H2023 Results  
Revenue: **\$275.2M**  
PBT: **\$23.9M**  
FY2023 Revenue Guidance:  
**\$460M - \$490M**



## Listed on SGX

Market Cap: ~\$1.1B\*  
AEM Holdings Ltd.  
(SGD: AWX) (USD: XWA)

\* As at 11 August 2023

# 1H2023 Highlights



- The Group posted revenue of **S\$275.2 million** in 1H2023, with profit before tax of **S\$23.9 million** over the same period
- The Group has updated its FY2023 guidance to fall within the range of S\$460M to S\$490M
- Customer traction for the Group's Test 2.0 solutions continues to grow with confirmed initial orders from an additional new leading application processor customer, and an expansion of AEM's engagement with a previously announced memory customer
- The Group has been awarded two new patents related to its thermal control technology
- Following 1H2023, AEM announced a US\$20M settlement of the confidential arbitration and will recognise the impact in 3Q2023



# 1H2023 Financials

# 1H2023 Financial Highlights

Revenue at S\$275.2M and PBT at S\$23.9M



# 1H2023 Financial Performance



S\$M	1H2023	1H2022
<b>Revenue</b>	<b>275.2</b>	<b>540.5</b>
<b>Gross profit</b>	<b>83.0</b>	<b>166.3</b>
<i>Gross profit %</i>	30.2%	30.8%
Research & development expenses	(15.2)	(15.8)
Selling, general & administrative expenses	(42.4)	(53.6)
<b>Profit before tax</b>	<b>23.9</b>	<b>102.0</b>
<i>Profit before tax %</i>	8.7%	18.9%

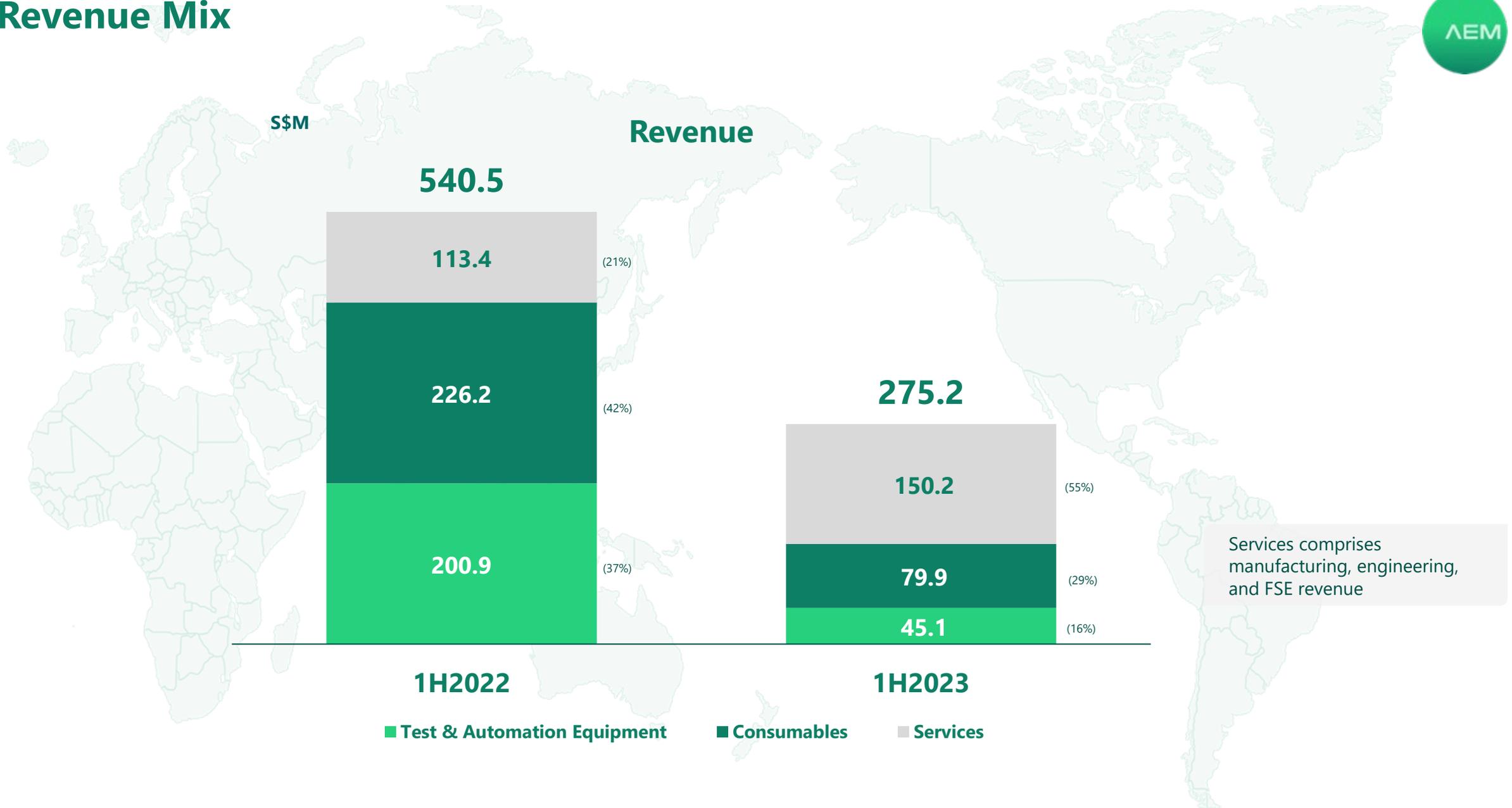
**Revenue** declined due to the state of the semiconductor industry in 1H2023, where a surplus of inventory existed leading to low test equipment utilization and constrained test equipment capex budgets at the leading device manufacturers

**Gross profit margin** remained relatively flat

**Research & development expenses** remained relatively flat, and is aligned with our commitment to maintain technology leadership in the Test 2.0 arena

**Selling, general & administrative expenses** decreased due to slow-down in business activity and proactive approach to manage operating costs during the current period

# Revenue Mix



# A Robust Balance Sheet

Sound capital structure – Debt / Equity ratio of 0.3X



	As at	
	Jun'23	Dec'22
	S\$M	S\$M
Cash	92.8	127.8
Inventories	365.7	367.7
Trade and other receivables	114.9	92.9
Total assets	799.7	805.6
Trade and other payables	116.8	118.9
Financial liabilities	144.6	143.3
Total equity	497.1	493.4
<b>in SG cents</b>		
NTA per share	120.0	119.6
NAV per share	158.7	157.1
Debt / Equity	0.3x	0.3x
No. of shares less treasury shares ('000)	308,876	308,752

### Trade and other receivables (+S\$22.0M)

Increased mainly due to higher revenue towards the end of period

### Total equity (+S\$3.7M)

Increased mainly due to profit contribution in 1H2023 of S\$19.7M, partially offset by final dividends declared for FY2022 of S\$11.1M

# 1H2023 Source and Applications of Funds



**Operating Activities**  
Inflow: S\$3.4M

**Investing Activities**  
Outflow: S\$12.5M

**Financing Activities**  
Outflow: S\$26.3M

S\$M	1H2023	1H2022
<b>Beginning cash</b>	<b>127.8</b>	<b>216.2</b>
Profit after tax	19.7	83.1
Depreciation & amortisation	13.2	10.8
Changes in working capital & others	(29.5)	(66.7)
Capital expenditure and others	(3.8)	(7.1)
Addition of intangible assets	(7.7)	(7.0)
Acquisition of investments	(1.0)	(12.0)
Share buyback	(1.0)	(3.1)
Proceeds from ESOS exercised	0.1	0.1
Dividends paid	(11.1)	(15.5)
Acquisition of non-controlling interest	(2.5)	-
Borrowings & other financing, net	(11.8)	(18.1)
Effect of FX translation	0.5	0.2
<b>Ending cash</b>	<b>92.8</b>	<b>180.9</b>
<b>Net cash</b>	<b>(13.0)</b>	<b>121.3</b>

Lower cash balance of S\$92.8M (decreased by S\$35.0M), largely due to:

- **Financing Activities** outflow of S\$26.3M:
  - Final dividends paid for FY2022
  - Repayment of borrowings & leases
- **Investing Activities** outflow of S\$12.5M:
  - CAPEX spend and R&D activities
  - Other investments
- Offset by **Operating Activities** inflow of S\$3.4M:
  - Profit contribution of S\$19.7M; offset by
  - Higher receivables balance at end of the period



# Thank You

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