



**AEM Holdings Ltd.**  
52 Serangoon North Ave 4  
Singapore 555853

**For Immediate Release**

## **AEM reports revenue of S\$152.7M, maintains target guidance of S\$500M for FY2023**

- The Group recorded revenue of S\$152.7 million in 1Q2023, with profit before tax of S\$19.0 million over the same period.
- Investments in R&D continue, with Test 2.0 gaining traction at new customers which is spurring new opportunities.
- Target revenue guidance remains at S\$500 million that may be revised up or down as second half visibility becomes clearer.
- NAV per share increased from 157.1 Singapore cents as of 31 December 2022 to 161.1 Singapore cents as of 31 March 2023.

**Singapore, 11 May 2023** – AEM Holdings Ltd. ("**AEM**" or "**the Group**"), a global leader in test innovation, announced a voluntary update for business performance and outlook for the three months ended 31 March 2023 ("**1Q2023**") today.



## **Financial Overview**

<b>Financial Highlights</b>	<b>1Q2023</b>	<b>1Q2022</b>	<b>Change (%)</b>
<b>(S\$ '000)</b>			
Revenue	<b>152,660</b>	261,877	(41.7)
Profit before tax (" <b>PBT</b> ")	<b>19,022</b>	49,688	(61.7)
PBT margin	<b>12.5%</b>	19.0%	(6.5)ppts
Net profit	<b>15,559</b>	40,770	(61.8)
Net profit margin	<b>10.2%</b>	15.6%	(5.4)ppts

\*Ppts: Percentage points

The Group achieved revenue of S\$152.7 million and PBT of S\$19.0 million in 1Q2023. We note that the exceptionally high revenue in 1Q2022 was due to the volume ramp up to support our key customer's new platforms which started to taper in 3Q2022. The completion of this volume ramp, coupled with the slow-down in semiconductor industry in general, resulted in the decrease in both 1Q2023 revenue and PBT.

<b>Balance Sheet Highlights</b>	<b>31-Mar-23</b>	<b>31-Dec-22</b>	<b>Change (%)</b>
<b>(S\$ '000)</b>			
Inventories	<b>373,130</b>	367,723	1.5
Trade and other receivables	<b>108,218</b>	92,917	16.5
Cash and cash equivalents	<b>110,141</b>	127,775	(13.8)
Total assets	<b>809,760</b>	805,596	0.5
Trade and other payables	<b>113,978</b>	118,934	(4.2)
Total liabilities	<b>304,266</b>	312,146	(2.5)
Total equity	<b>505,494</b>	493,450	2.4
Net asset value per share (Singapore cents)	<b>161.1</b>	157.1	2.5



The Group maintains a healthy balance sheet with total assets standing at S\$809.8 million as of 31 March 2023, compared to S\$805.6 million as of 31 December 2022. Cash and cash equivalents decreased to S\$110.1 million at the end of 1Q2023 compared to S\$127.8 million at the end of 4Q2022 mainly due to changes in working capital.

With Test 2.0 gaining traction at the recently announced accounts, AEM is continuing its customer driven investments into R&D. The Group sees additional opportunities opening up across multiple test steps at its customer accounts and expects to continue to build on this momentum with the release of additional platforms towards the end of 2023 and 2024.

### **Business Outlook**

The Group's visibility remains limited into the second half of 2023, yet there is the flickering of positive signs across the industry. Inventory levels are reducing, and inventory corrections are expected to conclude in late 2023, early 2024. Technology nodes are continuing to advance as two of the world's most advanced foundries are forecasting new process nodes to be up and generating revenue in the second half of 2023. This in turn is expected to drive demand for new test capability.

Looking beyond 2023, the future of the semiconductor industry has never been more promising. The recent excitement over Generative AI, such as ChatGPT, is fuelling the demand for AI-focused semiconductor devices to enable these solutions to be delivered to the masses at economically feasible rates.

The devices that power Generative AI are the epitome of a device that requires the Test 2.0 approach. These devices are highly complex comprising multiple dies produced at various nodes stitched together using advanced packaging. These devices demand SLT in order to achieve the level of test coverage required, and Test 2.0 to drive down their cost of test.



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AEM's CEO Chandran Nair commented, "Given the expected decline in testing equipment spending this year, we are taking proactive steps to lower operating costs and to drive operational efficiency, while doubling down investments in engineering and R&D in critical areas. Our engagement with our new customers is progressing as planned. As we navigate short-term headwinds, we are accelerating our development of Test 2.0 solutions that will be our key driver of growth in the coming years."

### **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), and Finland (Lieto), South Korea, and the United States (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.

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### **Issued for and on behalf of AEM Holdings Ltd. By Financial PR Pte Ltd**

For more information please contact:

Kamal SAMUEL / Shivam SARAF / Urvija DIWAN  
Financial PR Pte Ltd  
Tel: 6438 2990 / Fax: 6438 0064

E-mail: [kamal@financialpr.com.sg](mailto:kamal@financialpr.com.sg) / [shivam@financialpr.com.sg](mailto:shivam@financialpr.com.sg) / [urvija@financialpr.com.sg](mailto:urvija@financialpr.com.sg)