



**For Immediate Release**

## **AEM Reports Strong 1Q FY2026 Results Driven by AI/ HPC Production Ramp, Revises Revenue Guidance Upwards**

- 1Q2026 revenue increased 35.8% year-on-year to S\$116.9 million
- Profit before tax rose to S\$17.8 million, with PBT margin expanding to 15.2%
- Test Cell Solutions revenue grew 72.0% year-on-year, driven by AI/HPC production deployments
- FY2026 revenue guidance raised by approximately 20% to S\$550 million to S\$600 million
- Continued momentum from fabless AI/HPC customer and improving demand from PC/Foundry customer

**Singapore, 13 May 2026** – AEM Holdings Ltd. (“**AEM**” or the “**Group**”), a global provider of semiconductor test and handling solutions, today announced its voluntary business update for the three months ended 31 March 2026 (“**1Q2026**”).

The quarter was driven by continued production ramp activity from the Group’s fabless AI/HPC customer, alongside improving demand from its PC/Foundry customer. Increasing thermal and power complexity in next-generation AI compute devices continued to support demand for AEM’s high-parallel test and thermal management solutions.

### **Financial Overview**

| <b>Financial Highlights<br/>(S\$ '000)</b> | <b>1Q 2026</b> | <b>1Q 2025</b> | <b>YoY Change<br/>(%)</b> | <b>4Q 2025</b> | <b>QoQ<br/>Change (%)</b> |
|--|----------------|----------------|---------------------------|----------------|---------------------------|
| Revenue                                    | <b>116,860</b> | 86,031         | 35.8                      | 111,803        | 4.5                       |
| Profit before tax (“ <b>PBT</b> ”)         | <b>17,822</b>  | 3,792          | 370.0                     | 15,128         | 17.8                      |
| PBT margin                                 | <b>15.2%</b>   | 4.4%           | 10.8 <i>ppts</i>          | 13.5%          | 1.7 <i>ppts</i>           |
| Net profit                                 | <b>14,347</b>  | 3,341          | 329.4                     | 13,125         | 9.3                       |
| Net profit margin                          | <b>12.3%</b>   | 3.9%           | 8.4 <i>ppts</i>           | 11.7%          | 0.6 <i>ppts</i>           |
| Diluted earnings per share (in SG cents)   | <b>4.59</b>    | 1.05           | 337.1                     | 4.05           | 13.3                      |

\* *ppts*: Percentage Points



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Revenue in 1Q2026 increased 35.8% year-on-year to S\$116.9 million, primarily driven by continued high-volume production deployments for the Group's fabless AI/HPC customer and improving order activity from the Group's PC/Foundry customer. Sequentially, revenue increased 4.5% from 4Q2025, supported by sustained demand for Test Cell Solutions used in high-power AI and HPC device applications.

Profit before tax ("**PBT**") increased to S\$17.8 million, with PBT margin expanding to 15.2%. Net profit rose to S\$14.3 million, representing a net profit margin of 12.3%. Margin expansion during the quarter was driven by improved product mix, higher contribution from Test Cell Solutions, increased utilization, and operating leverage associated with higher production volumes.

### **Segment Performance**

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Revenue from the Test Cell Solutions ("**TCS**") segment grew 72.0% year-on-year to S\$88.1 million, accounting for 75.4% of total Group revenue. Growth was driven by the successful deployment and customer acceptance of the Group's highly parallel package test solutions, featuring the Group's proprietary PiXL™ thermal technology that delivers superior test coverage and high-throughput performance for power-dense AI devices.

The Contract Manufacturing ("**CM**") segment contributed S\$27.3 million in revenue, or 23.4% of total revenue. The 15.7% year-on-year decline was primarily attributable to softer demand from oil and gas sector customers. The Group's strategic priority for CM is to support the semiconductor equipment ramp requirements of the TCS segment and improve profitability performance.



## Balance Sheet & Cash Flow Highlights

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| Balance Sheet Highlights<br>(S\$ '000) | 31-Mar-26      | 31-Dec-25      | Change (%) |
|--|----------------|----------------|------------|
| Inventories                            | 227,693        | 226,969        | 0.3        |
| Trade and other receivables            | 154,889        | 133,757        | 15.8       |
| Cash and cash equivalents              | 72,907         | 77,334         | (5.7)      |
| <b>Total assets</b>                    | <b>640,155</b> | <b>621,603</b> | <b>3.0</b> |
| Trade and other payables               | 68,462         | 67,640         | 1.2        |
| Loans and borrowings                   | 16,430         | 16,374         | 0.3        |
| <b>Total liabilities</b>               | <b>123,674</b> | <b>122,279</b> | <b>1.1</b> |
| <b>Total equity</b>                    | <b>516,481</b> | <b>499,324</b> | <b>3.4</b> |
| Net asset value per share (SG cents)   | 162.6          | 157.0          | 3.6        |
| Debt / Equity                          | 0.03x          | 0.03x          | -          |

As at 31 March 2026, the Group maintained a net cash position of S\$56.5 million (cash of S\$72.9 million against loans and borrowings of S\$16.4 million), with a low debt-to-equity ratio of 0.03x. Total equity increased 3.4% to S\$516.5 million, with Net Asset Value ("**NAV**") per share rising 3.6% to 162.6 Singapore cents. Inventories decreased marginally in the quarter, while trade receivables increased 15.8%, consistent with higher sequential revenue.

This balance sheet strength represents a significant transformation from FY2024, where the Group carried a net debt position of S\$50.6 million and debt-to-equity of 0.2x. The S\$136.0 million operating cash inflow generated in FY2025, driven by earnings growth and working capital discipline, has placed the Group on a strong footing to finance the five-pillar strategy, ongoing R&D, and capital allocation priorities including the reinstated dividend of 1.3 Singapore cents per share for FY2025.



## Outlook

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The Group's fabless AI/HPC customer continues its high-volume production ramp and is on track to become its largest customer in FY2026. Concurrently, the Group's PC/Foundry customer is seeing a healthy recovery in demand, with order momentum improving into 2026.

Announced in 1Q2026, the Group's strategic partnership with ASE Technology Holding ("ASE"), the world's largest Outsourced Semiconductor Assembly and Test ("OSAT") services provider, brings together the Group's proprietary high-parallel test solutions and advanced thermal management capabilities with ASE's global scale to advance next-generation AI/HPC test solutions and open up new opportunities, such as hyperscaler clients to the Group. The Group has been engaging with ASE and expects first deployment of its solutions in late 2026.

Globally, the semiconductor market is projected to exceed US\$1.6 trillion by 2030<sup>1</sup>, with AI/HPC forming the foundation of industry demand<sup>2</sup>. This structural shift, analogous to the PC, internet, and mobile waves, is underpinned by approximately US\$7 trillion of data center infrastructure investment needed by 2030<sup>3</sup>, driving significantly higher device volumes, longer test times, and growing test complexity.

This accelerated growth in the AI/HPC market is fueled by the industry-wide evolution of AI workloads from training toward inference and agentic applications, a shift that is progressively compressing the CPU-to-GPU ratio from approximately 1:8 in training environments toward parity in agentic AI deployments, reinforcing the role of CPUs as the orchestration and control layer within modern AI infrastructure<sup>4</sup>. The server CPU market is projected to deliver double-digit volume growth in 2026, with that momentum expected to carry through 2027<sup>5</sup>.

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<sup>1</sup> [McKinsey & Company: The next era of semiconductor value creation](#)

<sup>2</sup> [IDC: Semiconductor Market to Surge Past the Trillion-Dollar Threshold: AI Infrastructure Drives Market Growth](#)

<sup>3</sup> [McKinsey: The cost of compute: A \\$7 trillion race to scale data centers](#)

<sup>4</sup> [Trendforce: Intel Says AI Inference Pushes CPU Ratio From 1:8 Toward 1:1](#)

<sup>5</sup> [Proactive Investors: Intel earnings highlight server CPU strength, improving manufacturing visibility](#)



These dynamics are translating into higher device volumes, longer test times, and compounding test complexity, at a product release cadence that is meaningfully faster than the pre-AI era. Critically, each new device generation requires a new set of device-specific Configurables and Collaterals, which account for approximately 75% of the total solution value and are refreshed with every customer device product cycle. This structural dynamic converts accelerating AI device cadence into recurring, high-value revenue for the Group. These Configurables and Collaterals are powered by the Group's proprietary PiXL™ thermal management technology, enabling precise multi-zone thermal control and high-parallel test throughput, purpose-built to address the thermal and electrical validation challenges prevalent in AI/HPC devices.

Against this backdrop, the Group is gaining traction through its five-pillar growth strategy, encompassing its (i) long time PC/Foundry customer, (ii) fabless AI/HPC customer, (iii) the memory segment, (iv) OSAT relationships via the ASE partnership, and (v) its contract manufacturing segment. With the first two pillars delivering meaningful revenue, the memory segment on track for early revenues in late FY2026, and hyperscaler engagements progressing through multiple foundry streams, the Group is well-positioned to broaden its customer base and expand its revenue contribution across all five pillars into FY2027 and beyond.

In view of these positive developments, the Group sees a US\$3 billion serviceable available market ("**SAM**") today, which encompasses opportunities across the 4 customer categories the Group is in active engagements with, spanning PC/Foundry, AI/HPC, memory, and OSAT. Development roadmaps for 2027 and 2028, along with current market trends, are expected to drive the Group's SAM in 2028 to US\$4.5 billion. For FY2026, the Group has revised its revenue guidance range upwards of approximately 20% to S\$550 million to S\$600 million, driven by growth in demand from both its fabless AI/HPC customer and PC/Foundry customer

AEM's Chief Executive Officer, Samer Kabbani, commented, "1Q2026 represents the start of a multi-year earnings upcycle for AEM, one grounded in structural industry change rather than cyclical recovery. The semiconductor landscape is undergoing a structural transformation driven by AI and HPC fundamentally redefining chip complexity, power density, and test



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requirements. These are precisely the conditions where AEM's proprietary thermal control capabilities, high-parallel test expertise, and full solution stack deliver their greatest value.

The accelerating ramp of our fabless AI/HPC customer, on track to become our largest revenue contributor this year, validates our leadership in advanced logic test and reflects the confidence our customers place in our ability to scale with them. Alongside this momentum, our profitability has improved meaningfully, with 1Q2026 results demonstrating the operating leverage inherent in our business model as volumes grow.

Complementing this, our transformative strategic partnership with ASE, early traction in memory, and the recent Intel EPIC Supplier Award reinforce the breadth and depth of our industry relationships. With our five pillars firmly in motion, we enter the next phase of AEM's growth with confidence."

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

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