



**For Immediate Release**

## **AEM reports 3Q 2024 results**

*Continued progress in profitability improvement; revises 2H guidance upwards to  
S\$190M to S\$210M*

- The Group announced 3Q2024 revenue of S\$74.2M million, down 6.5% from 2Q2024.
- The Group's continued efforts in improving overall operational efficiency resulted in a profit before tax, excluding exceptional items, of S\$0.9 million, up 3.5% from 2Q2024.
- The Group revises its 2H2024 guidance to S\$190 million to S\$210 million from the previous range of S\$160 million to S\$180 million due to its key customer pulling in systems from FY2025 into 4Q2024 under the non-cancellable, long-dated purchase order program for inventory management purposes.
- The Group announced during the quarter the commercialization of its expanded AMPS platform, featuring both advanced automated burn-in capabilities along with system level test (SLT) capabilities, all powered by AEM's PiXL™ thermal technology.

**Singapore, 12 November 2024** – AEM Holdings Ltd. ("**AEM**" or "**the Group**"), a global leader in test innovation, today released its voluntary business update, presenting unaudited financial results for the three months ("**3Q2024**") and nine months ended 30 September 2024 ("**9M2024**").



## **Financial Overview**

<b>Financial Highlights (S\$ '000)</b>	<b>3Q2024</b>	<b>2Q2024</b>	<b>Change (%)</b>	<b>9M2024</b>
Revenue	74,218	79,377	(6.5)	247,798
(Loss) / Profit before tax (" <b>LBT</b> " / <b>PBT</b> ")	(131)	(1,673)	(92.2)	896
(LBT) / PBT margin	(0.2%)	(2.1%)	(1.9) <i>ppts</i>	0.4%
PBT (excluding exceptional items)	918	887	3.5	6,559
PBT margin (excluding exceptional items)	1.2%	1.1%	0.1 <i>ppts</i>	2.6%
Net loss	(917)	(1,516)	(39.5)	(95)
Net loss margin	(1.2%)	(1.9%)	(0.7) <i>ppts</i>	(0.0%)

\* *ppts*: Percentage Points

For 3Q2024, the Group generated revenue of S\$74.2 million and a profit before tax, excluding exceptional items, of S\$0.9 million. Despite a reduction in revenue of 6.5% compared to 2Q2024, the Group managed to achieve a PBT, excluding exceptional items, increase of 3.5% vs. 2Q2024, due to a favorable product mix and operational agility to align the internal cost structure with external demand.

Test Cell Solutions ("**TCS**") segment revenue, accounting for 46.7% of Group revenue in Q3, or S\$34.7 million, declined 16.6% quarter-on-quarter primarily due to a reduction in engineering services rendered for our key customer in the quarter.

The Group's Contract Manufacturing ("**CM**") segment revenue, accounting for 50.8% of Group revenue in Q3, or S\$37.7 million, increased 5.3% quarter-on-quarter due to an improved inventory situation within the industrial customers and the resultant increase in demand.

During the nine-month period, the group delivered a total revenue of S\$247.8 million. With the unexpected pull-in of tools from its non-cancellable, long dated purchase order program by its key customer for its customer's inventory management purposes, the Group is revising its 2H2024 forecast to S\$190 million to S\$210 million from its previous guidance of S\$160 million to S\$180 million. The Group's AMPS-BI deliveries remain on schedule, with revenue expected to be recognized in 1Q2025.



<b>Balance Sheet Highlights (S\$ '000)</b>	<b>30-Sep-24</b>	<b>30-Jun-24</b>	<b>Change (%)</b>
Cash and cash equivalents	47,117	79,022	(40.4)
Inventories	334,075	327,778	1.9
Trade and other receivables	71,554	67,115	6.6
<b>Total Assets</b>	<b>646,736</b>	<b>674,518</b>	<b>(4.1)</b>
Trade and other payables	55,998	69,005	(18.8)
Financial liabilities	87,133	95,652	(8.9)
<b>Total Liabilities</b>	<b>172,850</b>	<b>196,306</b>	<b>(11.9)</b>
<b>Total Equity</b>	<b>473,886</b>	<b>478,212</b>	<b>(0.9)</b>
Net asset value per share (Singapore cents)	149	151	(1.3)
Debt / Equity	0.2	0.2	

As at end-September 2024, the Group's total equity was at S\$473.9 million, down 0.9% from the previous quarter. NAV per share declined marginally to 149 cents, driven by foreign currency translation reserve movement and net loss for the period. Inventories, which are predominantly related to the Group's non-cancellable long-dated purchase order program with its key customer remained largely unchanged during the period. Capital structure remain stable, with the debt-to-equity ratio declining to 0.2x.

### **System-Level-Test (SLT) Leadership in PiXL™ Thermal Technology and Throughput**

The Group continues to bring to market products resulting from its intensive R&D efforts over the past several years. The latest example, the AMPS platform, features the industry's first fully automated high-throughput burn-in capability, and is on track to be online at the customer's site in late 2024. The AMPS platform also features System Level Test (SLT) capability, which empowers processor and DRAM manufacturers to achieve extensive test coverage in a cost-effective manner while accelerating their time to market.

### **AEM's Mid-Term Strategy**

The recent onboarding of Amy Leong as CEO provided the Group with an opportunity to review its mission along with the mid-term strategy that would support achieving it. The Group's board and management have set forth the following four-point strategy: 1. Revenue growth from customer and market segment diversification; 2. Continue to invest and retain



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Test 2.0 leadership; 3. Achieve operation excellence; 4. Talent and culture to consistently deliver results.

### **Business Outlook**

The semiconductor industry continues its tale of two economies – with AI and high-performance compute continuing its positive momentum, and other segments, such as smartphones, automotive, traditional compute, and industrial facing headwinds characterized by a slower than expected recovery.

Looking ahead, to seize the expanding opportunity associated with AI and enhance its ability to deliver long-term growth, the Group remains steadfast in investing in differentiated test capabilities tailored for AI / HPC applications, including thermal management, application-specific test instruments, and high-throughput automation. The Group is committed to reaching its mid-term targets through the continued growth and progress in customer deployments of its new product platforms and expansion into new test markets.

AEM's CEO, Amy Leong, commented, "During the third quarter, the AEM team made significant strides in both operational performance and profitability. We are inspired by our customers' enthusiasm for our differentiated new products and remain dedicated to achieving robust growth through continuous innovation, close collaboration with our strategic customers, and an unremitting drive for improved operational efficiency."

### **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 (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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