



AEM Holdings Ltd
52 Serangoon North Ave 4
Singapore 555853

For Immediate Release

AEM's 9M2018 net profit increases 33.7% year-on-year to S\$29.1 million in line with revenue growth

- Revenue grew 37.2% in 9M2018 to S\$223 million supported by the increased deliveries of test handlers and pans/kits to Group's major customer during 9M2018, driving record 3Q2018 revenue and net profit
- Group remains on track to achieve its profit guidance for FY2018 with revenue of at least S\$255 million and operating profit before tax of at least S\$42 million
- Group to deliver its first AMPS solution sale to a Memory manufacturer in early 2019
- Prior acquisitions start to deliver with Huawei selecting the Group's cable-test solution for its 5G rollout for delivery in 2019

Singapore, 30 October 2018 – AEM Holdings Ltd (“**AEM**” or “**the Group**”), a global provider of equipment systems solutions and manufacturing services, announced its financial results for the nine months ended 30 September 2018 (“**9M2018**”) today and registered a year-on-year (“**yoy**”) growth of 33.7% in net profit to S\$29.1 million.



Financial Overview

Revenue, primarily generated by the Equipment Systems Solutions ("ESS") business, increased by 37.2% yoy to S\$223.0 million in 9M2018. The increase was in line with Group's announcements regarding the growth of sales orders for delivery in FY2018. By business segments, ESS revenue increased by 38.9% yoy to S\$218.4 million. Precision Components ("PCS") business generated slightly lower revenue of S\$4.6 million in 9M2018 compared to S\$5.3 million in 9M2017.

(S\$ '000)	Nine months ended 30 Sep 2018 ("9M2018)	Nine months ended 30 Sep 2017 ("9M2017)	Change (%)
Revenue	222,976	162,574	37.2
Raw materials and other consumables	(150,903)	(112,101)	34.6
Profit before tax	35,286	26,217	34.6
Net profit	29,104	21,776	33.7
Net profit margin	13.1%	13.4%	(0.3)

AEM reported net profit of S\$29.1 million in 9M2018 compared to S\$21.8 million in 9M2017. Net profit margin remained relatively stable at 13.1% in 9M2018 compared to 13.4% in 9M2017. The 9M2018 financials included intangible amortisation expenses of S\$675,000 mainly due to acquisition of Afore Oy and InspiRain Technologies Pte Ltd, volume discount on equipment sales and a one-off staff compensation and restructuring expenses of S\$624,000 to achieve a better staff and talent mix to be able to respond to market dynamics.

In 9M2018, the Group generated cash flows from operating activities of S\$16.9 million. The Group maintained a healthy balance sheet with net cash position of S\$42.3 million as at 30 September 2018.



AEM Holdings Ltd
52 Serangoon North Ave 4
Singapore 555853

With improved financial performance in 9M2018 and with growth in both top line and bottom line, the Group remains on track to achieve its profit guidance for FY2018 with revenue of at least S\$255 million and operating profit before tax of at least S\$42 million.

Business Overview and Outlook

The initial ramp phase of AEM's new handler at our customer will start to taper in Q4 2018. New equipment sales will be driven by new platform launches by our customer, their market share, and the commissioning of new manufacturing sites. We expect continued new equipment sales in 2019 though at a lower rate than in 2017 and 2018. Sales of our kits and pans for our handlers will also continue in 2019. Meanwhile, we continue to work on product extension R&D projects for our customer that may lead to new product ramps in 2020 and beyond.

Our 2017 acquisition of InspiRain Technologies Pte Ltd has started to yield results with the recent announced win to supply cable-testing solutions for Huawei's 5G rollout in China. AEM will provide test solutions developed in collaboration with China Electronics Technology Group Corporation No.23 Research Institute for qualifying high-performance short reach cabling links for Huawei's 5G backhaul network. AEM will deliver the first test solution for this contract in 2019. On our AMPS (Asynchronous Modular Parallel Smart platform) initiative, we expect to deliver our first commercial solution to a Memory manufacturer in early 2019, and look to develop accounts with other semiconductor manufacturers in 2019.

AEM's Executive Chairman Loke Wai San commented, "AEM has been building up a solid foundation over the past few years to serve customers' demand for advanced test technology and customized test solutions in preparation for the upcoming 5G economy. We are committed to growing AEM's capabilities and unlocking AEM's business potential as 5G-supported technologies penetrate and change people's way of life in the years to come."

- End -



AEM Holdings Ltd
52 Serangoon North Ave 4
Singapore 555853

About AEM Holdings Ltd

AEM Holdings Ltd is listed on the main board of the Singapore Exchange (Reuters: AEM.SI; Bloomberg: AEM SP).

AEM Holdings Ltd (“AEM”) aims to be among the world's leading companies providing solutions in equipment systems; precision components and related manufacturing services across various industries.

AEM takes pride in providing innovative, engineering-focused solutions and developing strong partnerships with customers and associates to cater to their manufacturing needs through our global engineering service support network and innovative people. Currently, AEM has 4 manufacturing plants located in Singapore, Malaysia (Penang), China (Suzhou) and Finland (Lieto). Through our network of sales offices, associates and distributors, we have a global market presence spanning Asia, Europe and the United States.

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

For more information please contact:

Romil SINGH / Reyna MEI

Financial PR Pte Ltd

Tel: 6438 2990 / Fax: 6438 0064

E-mail: romil@financialpr.com.sg / reyna@financialpr.com.sg