



AEM Holdings Ltd
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For Immediate Release

AEM reports record revenue and profit for FY2019, net profit increases 57.5% y-o-y to S\$52.8 million

- Revenue increased by 23.2% y-o-y to S\$323.1 million for FY2019, exceeding Group's revenue guidance of S\$305 million to S\$315 million
- Profit before tax and net profit both improved in FY2019, to S\$63.7 million and S\$52.8 million respectively
- As at 25 February 2020, AEM has received sales orders worth S\$338 million for delivery in FY2020. With the sales orders, the Group is revising its FY2020 revenue guidance upwards to be between S\$360 million to S\$380 million, and CAPEX to be about S\$4 million
- Group proposed final dividend of 3.1 Singapore cents per share. Together with the interim dividend of 2.0 Singapore cents per share, the total dividend for the year is 5.1 Singapore cents per share

Singapore, 25 February 2020 – AEM Holdings Ltd (“**AEM**” or “**the Group**”), a global leader offering application specific intelligent system test and handling solutions for semiconductor and electronics companies serving advanced computing, 5G and AI markets, announced its financial results for the three months and twelve months ended 31 December 2019 (“**4QFY2019**” and “**FY2019**” respectively) today.



Financial Overview

By business segments, revenue from Equipment Systems Solutions ("ESS") business, accounting for 95.3% of the Group's total revenue, increased by 22.3% in FY2019 to S\$307.9 million. This was driven by new orders across all product lines and consumables. All other segments, namely Micro-Electro-Mechanical Systems ("MEMS"), System Level Test & Inspection ("SLT-I"), and Test and Measurement Solutions ("TMS") recorded growth in sales in FY2019. Group's total revenue of S\$323.1 million for FY2019 was 23.2% higher compared to that of FY2018, and was also the highest in AEM's operating history.

| Financial Highlights | 4Q2019 | 4Q2018 | Change (%) | FY2019 | FY2018 | Change (%) |
|--------------------------------|---------------|---------------|-------------------|---------------|---------------|-------------------|
| (S\$ '000) | | | | | | |
| Revenue | 88,647 | 39,349 | 125.3 | 323,130 | 262,325 | 23.2 |
| Profit before tax (PBT) | 20,196 | 4,682 | 331.4 | 63,735 | 39,968 | 59.5 |
| PBT Margin | 22.8% | 11.9% | 10.9ppts | 19.7% | 15.2% | 4.5ppts |
| Net profit | 16,741 | 4,389 | 281.4 | 52,763 | 33,493 | 57.5 |
| Net profit margin | 18.9% | 11.2% | 7.7ppts | 16.3% | 12.8% | 3.5ppts |

*Ppts: Percentage points

Raw materials and consumables cost, taking into consideration changes in inventories and excluding reversal for inventory obsolescence, increased 10.7% to S\$192.1 million in FY2019.

AEM reported net profit of S\$52.8 million for FY2019, 57.5% higher than that of FY2018. Net profit margin increased from 12.8% for FY2018 to 16.3% for FY2019. Fully diluted earnings per share for FY2019 was 19.35 Singapore cents, compared to 12.21 Singapore cents for FY2018¹.

¹ Based on the weighted average number of shares adjusted for the effect of dilutive potential ordinary shares of 272,677,311 for FY2019 and 274,227,134 for FY2018 respectively



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In FY2019, the Group generated operating cash flow of S\$76.6 million, before taking into account of working capital changes. Cash and cash equivalents increased 82.8% in FY2019 to S\$107.7 million as at 31 December 2019, with zero borrowing. Net asset value per share was 49.8 Singapore cents as at 31 December 2019, compared to 33.3 Singapore cents as at 31 December 2018.

The Group proposed final dividend of 3.1 Singapore cents per share. Together with the interim dividend of 2.0 Singapore cents per share, the total dividend for FY2019 is 5.1 Singapore cents per share.

Business Overview and Outlook

According to Gartner Inc, global semiconductor demand is expected to recover strongly in 2020 to US\$471 billion, representing a 12.5% growth over 2019. On the technology front, the increasing complexity and shrinking nodes resulting from semiconductor technology advancement for mission-critical applications in 5G, EV and AI present unique test cost challenges for the industry. As such, the industry has become increasingly aware of the significance and benefits of system level testing. Our forward-looking initiatives in developing cost-effective and highly-efficient testing solutions have placed AEM in an advantageous position to tap on the growth of system level testing from wafer level to package level, panels and interconnects.

As at 25 February 2020, AEM has received sales orders worth S\$338 million for delivery in FY2020. With the higher sales orders, the Group is revising its FY2020 revenue guidance upwards to be between S\$360 million to S\$380 million, and CAPEX to remain at about S\$4 million to support engineering and business development needs for new customer programs. Operationally, the Group has been scaling up on its floor space and headcount to cope with the prospective new orders.

The Group has also been working with various potential customers on its AMPS (Asynchronous Modular Parallel Smart) platform, MEMS Testing Solutions (Afore) and TMS services, in an effort to grow its customer base. The Test and Measurement Solution (TMS) division has completed the development



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project on optical fiber cable-test equipment for 5G backhaul networks. It is currently working with several customers on initial orders. The SLT-i division has successfully installed initial commercial systems for a memory manufacturer. The Group remains positive in the outlook of these business segments.

In December 2019, AEM signed a Share Purchase Agreement (“SPA”) for the acquisition of 100% shareholding in Mu-TEST. Mu-TEST is a French company that provides full test solutions for medium and high-end integrated circuits, and is a pioneer in offering disruptive low-cost testers based on Field Programmable Gate Arrays (FPGA). This capability is highly complementary to AEM’s AMPS offering to deliver complete System Level Test solutions for the semiconductor and electronics industries. The acquisition is expected to be completed in March 2020.

AEM’s Executive Chairman Loke Wai San commented, “Our record financial performance in FY2019 is a testament of AEM’s unique capabilities in providing cost-effective and highly-efficient testing solutions. With 5G, AD, and AI applications driving highly complex chip integration and mission critical performance, we believe that AEM’s sophisticated system level test solutions will help our customers manage their test costs while delivering higher levels of test assurance.

On a cautious note, the spread of the coronavirus has started to cause some disruptions to many industries and dampened the economic outlook. We are monitoring the situation closely and will work with our customers to navigate through any disruption.”

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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”), a global leader offering application specific intelligent system test and handling solutions for semiconductor and electronics companies serving advanced computing, 5G and AI markets.

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

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