



For Immediate Release

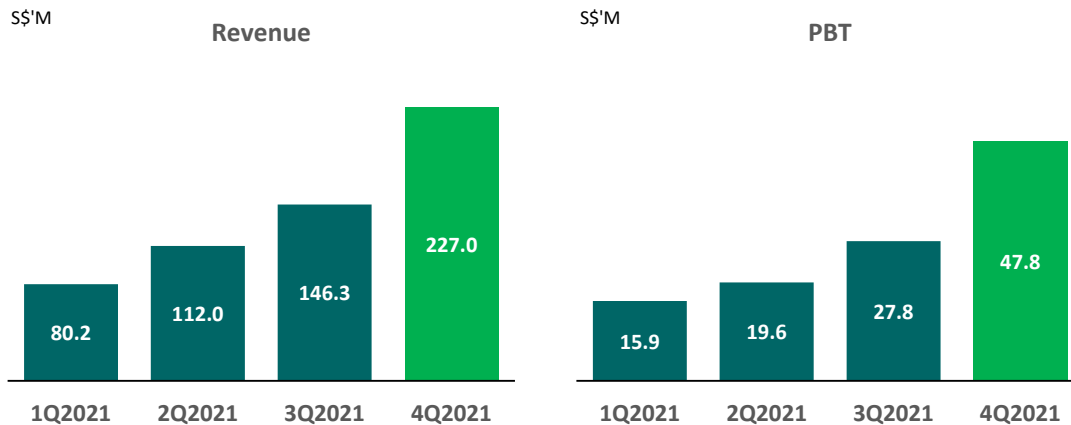
AEM exceeded FY2021 revenue guidance as it reports revenue of S\$565.5 million for FY2021

- Delivered highest 2H revenue and profit before tax in the Group's history
- Revenue for 2H2021 increased 52.2% y-o-y following a strong uptake of our new generation equipment and tools, while net profit for 2H2021 increased by 47.5% y-o-y to S\$62.4 million
- Proposed final dividend of 5.0 Singapore cents per share. Together with the interim dividend of 2.6 Singapore cents per share, the total dividend for the FY2021 is 7.6 Singapore cents per share (FY2020: 9.0 Singapore cents per share)
- Dual currency trading of AEM shares commenced on 4 January 2022 to provide greater trading flexibility to the diverse investor base
- Innovation and continuous investments in R&D will pave the way forward as the Group continues to make excellent progress with its multiple engagements with top tier semiconductor companies
- High volume ramp at customer sites continues into FY2022. The Group expects FY2022 revenue to be between S\$670 to S\$720 million

Singapore, 24 February 2022 – 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 six months and full year ended 31 December 2021 (“**2H2021**” and “**FY2021**”, respectively) today.



Financial Overview



Driven by a strong uptake in the 4Q2021 of its new generation tools, the Group achieved its highest revenue quarter on record and exceeded the updated revenue guidance for FY2021. The quarter-on-quarter growth in revenue and profit before tax (“PBT”) were driven by the volume ramp of its new System Level Testing handlers, Burn-In Test handlers and peripheral tools, and the consolidation of CEI Limited, acquired by the Group in 1H2021.

Profit or Loss Highlights (S\$ '000)	2H2021	2H2020	Change (%)	FY2021	FY2020	Change (%)
	Revenue	373,211	245,260	52.2	565,462	518,959
Profit before tax	75,632	46,525	62.6	111,142	113,805	(2.3)
PBT margin	20.3%	19.0%	1.3ppts	19.7%	21.9%	(2.2)ppts
Net profit	62,395	42,303	47.5	92,091	97,587	(5.6)
Net profit margin	16.7%	17.2%	(0.5)ppts	16.3%	18.8%	(2.5)ppts

*Ppts: Percentage points



For 2H2021, the Group's revenue increased by 52.2% year-on-year to S\$373.2 million. For FY2021, the Group's revenue increased to S\$565.5 million with the Test Cell Solutions business segment contributing the bulk of revenue. The Group reported a net profit of S\$62.4 million for 2H2021, 47.5% increase from 2H2020. For FY2021, the reported net profit is S\$92.1 million; lower when compared to FY2020 as the Group stepped up investment in the R&D activities and capabilities to address the needs of the customers and to stay ahead of competition through innovation.

Balance Sheet Highlights			
(S\$ '000)	31-Dec-21	31-Dec-20	Change (%)
Inventories	204,926	79,676	157.2
Trade and other receivables	127,941	47,571	168.9
Cash and cash equivalents	216,180	134,785	60.4
Total assets	710,498	335,519	111.8
Trade and other payables	182,611	86,708	110.6
Total liabilities	307,984	124,089	148.2
Total equity	402,514	211,430	90.4
Net asset value per share (Singapore cents)	130.0	76.7	69.5

The Group's balance sheet strengthened further as cash and cash equivalents increased from S\$134.8 million as at 31 December 2020 to S\$216.2 million as at 31 December 2021. Total assets also increased by 111.8% to reach S\$710.5 million as at 31 December 2021 due in part to the consolidation of CEI Limited. Therefore, net asset value per share increased to 130.0 Singapore cents as at 31 December 2021, compared to 76.7 Singapore cents as at 31 December 2020.



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The Group proposed a final dividend of 5.0 Singapore cents per share. Together with the interim dividend of 2.6 Singapore cents per share, the total dividend for FY2021 is 7.6 Singapore cents per share.

Business Outlook

The continued growth in the demand of Semiconductor chips for mission critical applications, along with the increased adoption of advanced heterogeneous packaging, is driving the need for System Level Testing (“SLT”). According to VLSI Research, SLT is expected to grow 4.4x faster than wafer sort and functional test in 2019-2024, largely driven by the need to increase test coverage reliability. Consequently, the Group expects the demand for its products and solutions to remain strong and the adoption of its new platforms to continue in FY2022 and into FY2023.

The industry has been witnessing investments and capex spend from the front-end players. These developments will lead to additional investments in back-end test in subsequent quarters. AEM will continue to invest in R&D and capitalise on global trends such as 5G, edge computing, AI, and vehicle electrification, along with the increase in heterogeneous packaging to deliver highly differentiated test solutions to increase the Group’s market share globally.

The Group has also made significant progress in its technical engagements with top tier semiconductor companies and expects meaningful revenue contribution from these engagements in 2H2022 and beyond.

The Group is constantly monitoring the supply chain issues which have been accentuated by the pandemic and will continue to work with its suppliers to meet shipment and delivery commitments.

AEM’s CEO Chandran Nair commented, “The semiconductor industry is undergoing a period of rapid pace of change, innovation, with the rapid adoption of new technology amidst the pandemic. Supply chain challenges have persisted in the past year for the semiconductor industry. We will continue to work closely with our suppliers to secure the parts and components and manage the increasingly



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higher supply chain costs and longer lead time to assure timely shipments and delivery for our customers.

We remain cautiously optimistic of the industry development which will enable test equipment players like AEM to benefit going forward. Accordingly, we expect FY2022 revenue to be between S\$670 to S\$720 million.”

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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), China (Suzhou), and Finland (Lieto), 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.

Issued for and on behalf of AEM Holdings Ltd

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