



AEM Holdings Ltd.

# Annual General Meeting

## Presentation to Shareholders

27 April 2023  
Suntec Singapore Convention & Exhibition Centre

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**In this presentation, all \$ dollar amounts are in Singapore dollars unless otherwise specified.**

# Agenda



Business &  
Industry Update



Financial  
Review



Resolutions  
& Results

## Revenue

**S\$870.5M**

+54% vs FY2021

## PBT

**S\$158.7M**

+43% vs FY2021

# Record-Breaking Performance in FY2022

Revenue of **S\$870.5M** driven by Test 2.0 capacity expansion at key customer to address their advanced device test needs.

The shift from Test 1.0 to Test 2.0 at our key customer has been a 7-year journey.

**Demand for Test 2.0 continues to grow** despite an expected softening in the semiconductor device market in 2023, with a rebound expected in early 2024



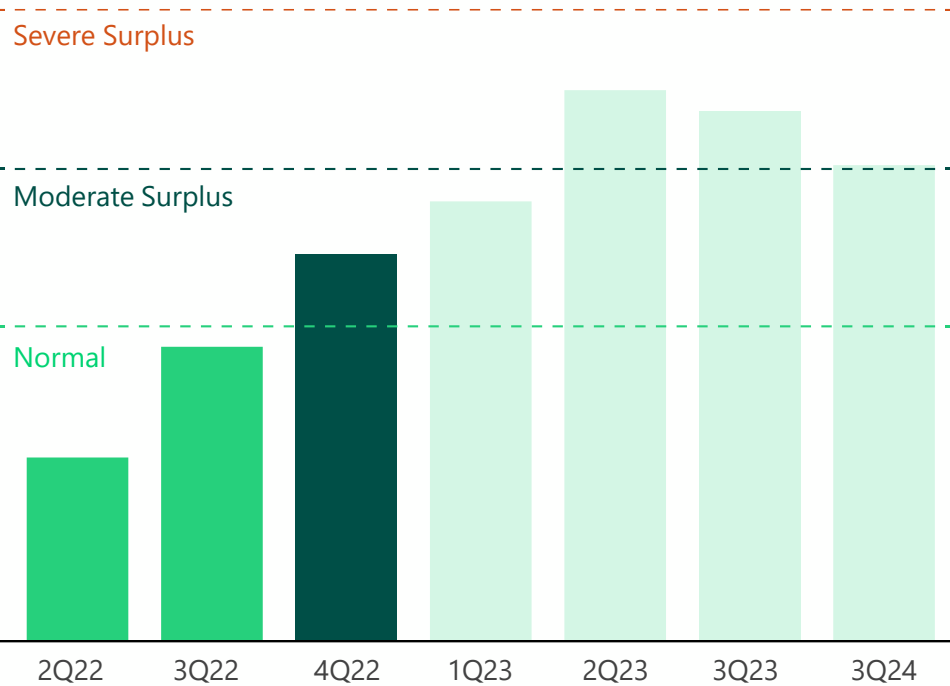
**FY2023  
Target Guidance**

**\$500M**

Focusing on  
operational efficiency  
and innovation

**Gartner Index of Inventory  
Semiconductor Supply Chain Tracking**

Source: Gartner (February 2023)



GIISST based on

● Reported data ● Revenue and margin estimates ● Directional Projection

**Customer Wins Announced in  
FY2021-FY2022**

**CUSTOMER MARKETS**

- Memory
- High Perf. Compute / AI
- Application Processor

**CUSTOMER PROGRAMS**

- High Perf. Automated BI
- Slot-based FT
- High Perf. SLT



# Industry megatrends point to secular growth for semiconductor test, with accelerating need for Test 2.0 to address high-growth advanced device areas



**Generative AI**  
Growth of AI enables new business models and unlocks increasing value from data



**5G**  
High-speed, low-latency, and omnipresent connectivity opens a vast array of new applications and use cases

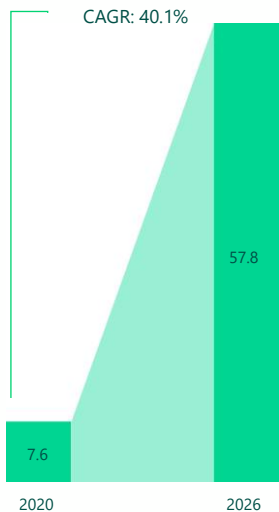


**IoT & Cloudification**  
Proliferation of IoT enabled devices and the cloudification of data requires increased power in the cloud and at the edge



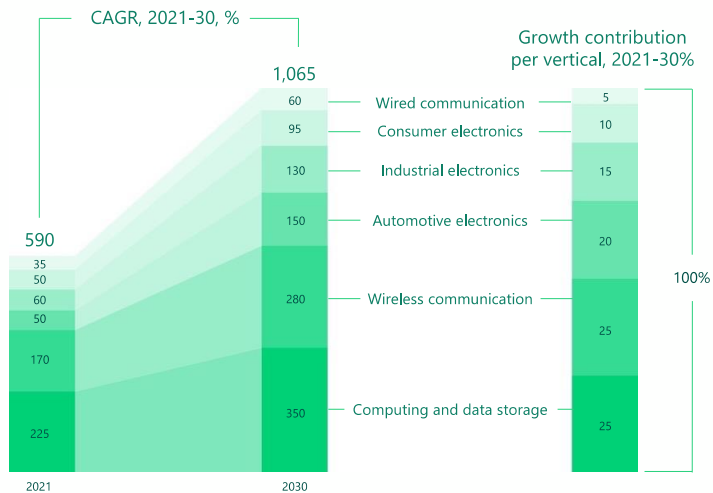
**Automotive**  
Electrification of vehicles, introduction of autonomous driving capabilities, and digitalization

Global AI Chip Market (US\$ Billion)



Source: Marketstand/Markets

Global Semiconductor Market Value By Vertical, Indicative, US\$ Billion



Source : McKinsey & Co



**AEM's SAM is growing from US\$3.6B in 2022 to**

**US\$5.4B**  
in 2024

Source: AEM Analysis

# This is backed by industry experts...



*"SLT testing will be the future for all digital and transceiver products, no question."*

**W.J. Miller**

VP Engineering at Qualcomm  
Keynote SW Test 2021

*"SLT covers the system gap missed by component structural test."*

**Harry H. Chen**

Scientist, IC Test at MediaTek  
SLT Panel ITC 2021



*"SLT is not evil – start liking it! Instead of asking why SLT – ask what can SLT do for you...Cost of test with SLT is significantly smaller than cost of test with ATE"*

**Sajjad Pagarkar**

Head of Post Silicon Eng. at Google  
SLT Panel ITC 2021

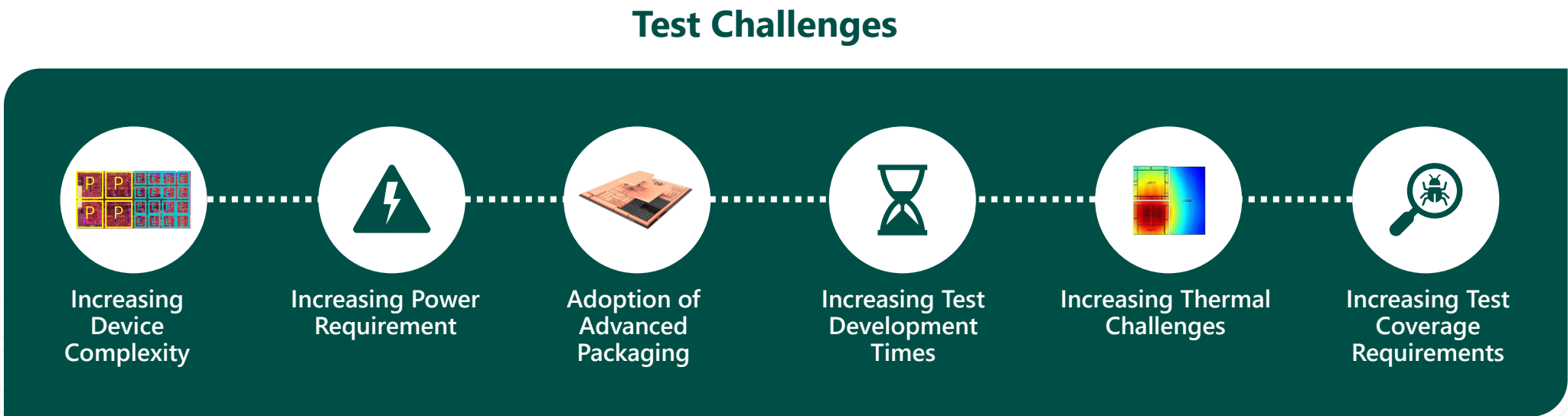


*"...why SLT is required even after thorough ATE testing is performed... How to re-shape the test flow to effectively de-overlap and reduce cost?"*

**Davide Appello**

Product Eng. Director at STMicro  
SLT Panel ITC 2021

# Using existing Test 1.0 flows to overcome the test challenges of today's advanced devices results in a significant cost of test



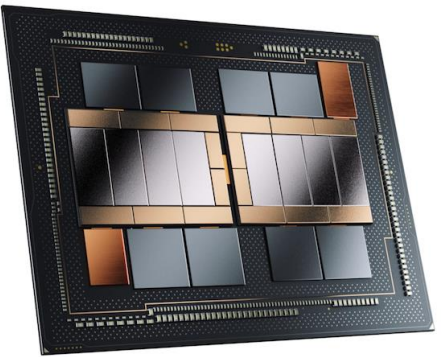
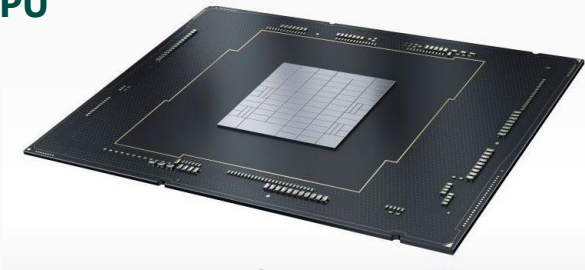


# Test 2.0 resets the cost of test by enabling the reimaging of backend test via composable solutions



## 4-Core, Monolithic Die based XPU

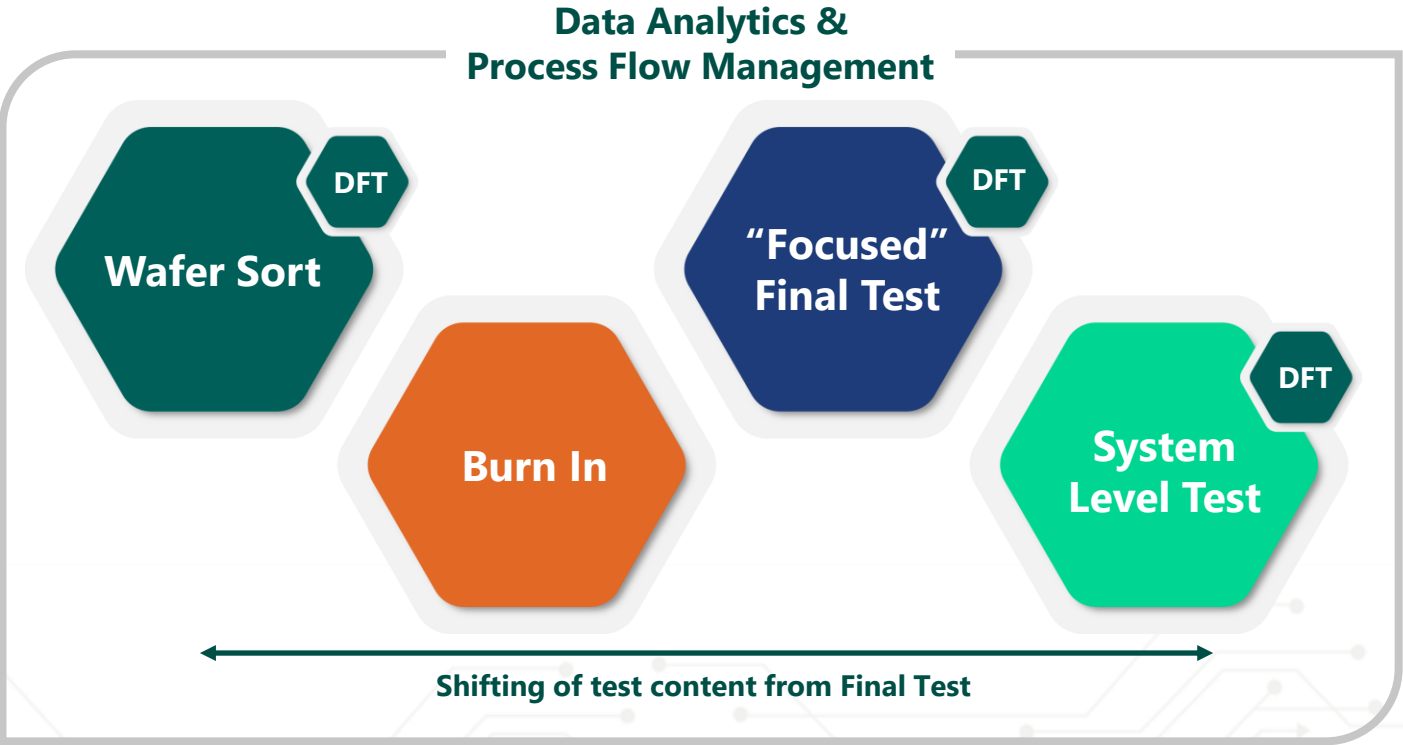
Source: Intel



## Next Generation, Tile-based GPU w/ 800W and over 160 cores

Source: Intel

## Test 2.0 Flow



# Core to AEM's strategy is customization at scale, enabling the mass deployment of Test 2.0 solutions to a growing customer base



Expanded to a 365,000 sq. ft.  
facility in Penang, Malaysia



Acquired Nestek, a socket & pin company, in April 2022



# FY2022 Financial Review

# Financial Highlights

FY2022 – A Record Year



## Revenue

**S\$ 870.5M**

+54% vs FY2021

## PBT

**S\$ 158.7M**

+43% vs FY2021

## Diluted EPS

**40.7 SG cents**

+29% vs FY2021

## NAV per share

**157.1 SG cents**

+21% vs FY2021

## Dividend per share

**10.3 SG cents**

+35% vs FY2021

Proposed **final dividend of 3.6 SG cents per share** payable on 31 May 2023

Interim dividend of 6.7 SG cents per share

**Total dividend for FY2022 at 10.3 SG cents per share**

Pay-out is about 25% of net profit

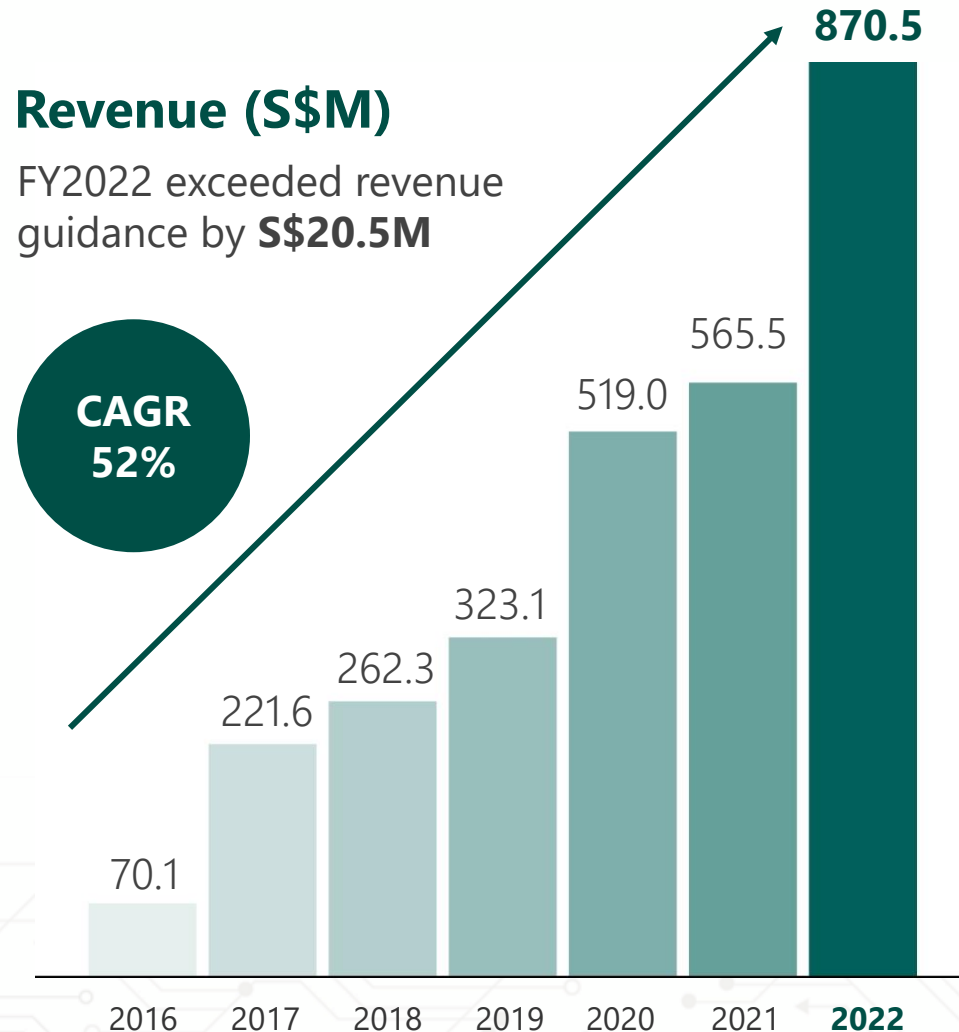
# Highest Revenue and PBT Year on Record

S\$870.5M in revenue and S\$158.7M in PBT

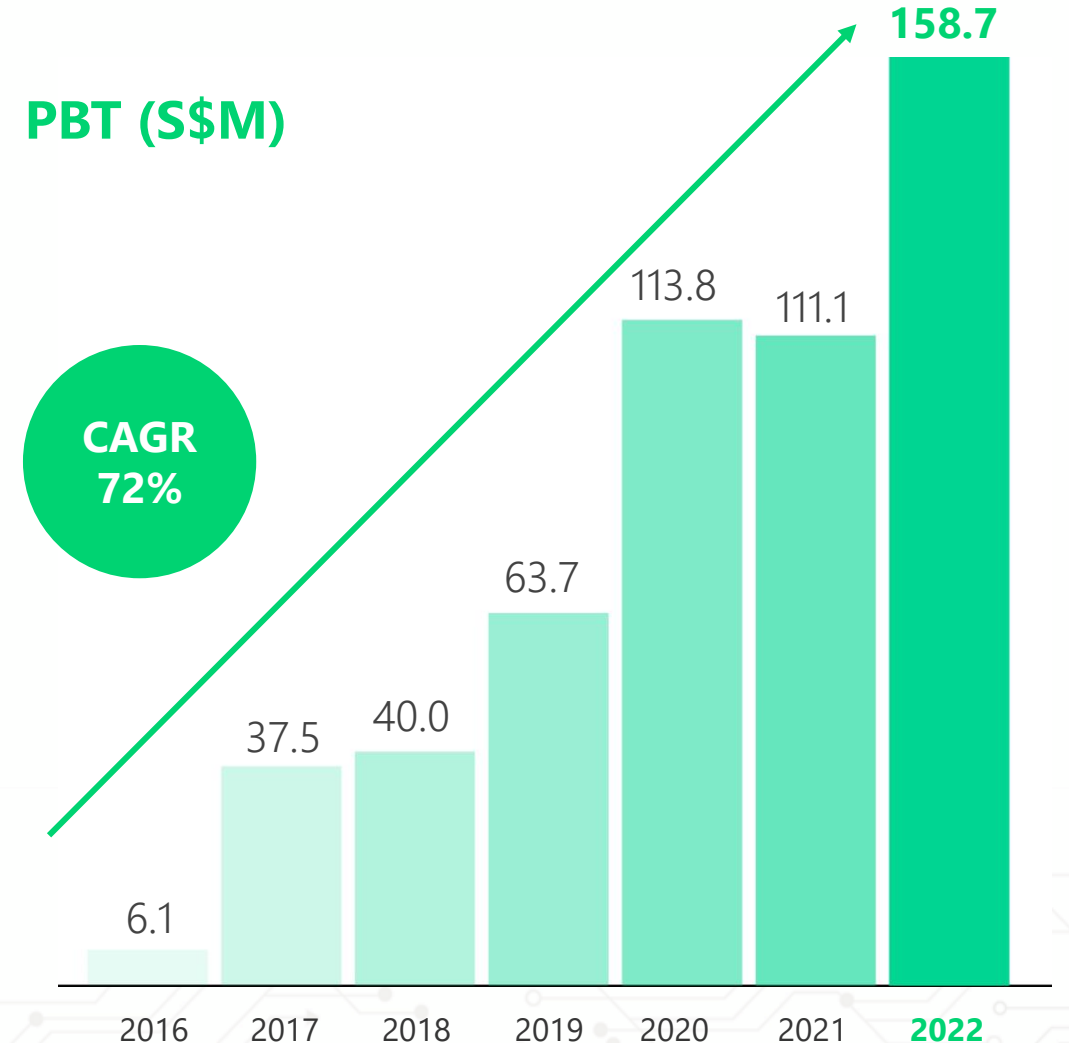


## Revenue (S\$M)

FY2022 exceeded revenue guidance by **S\$20.5M**



## PBT (S\$M)





# A Robust Balance Sheet

Sound capital structure – Debt/Equity of 0.3x



	As at	
	Dec'22	Dec'21
<b>in S\$M</b>		
Total Assets	805.6	710.5
Shareholders' Equity	485.0	402.5

<b>in SG Cents</b>		
NTA per share	119.6	98.7
NAV per share	157.1	130.0
Debt/ Equity	0.3x	0.2x

No. of Shares less treasury shares ('000)	308,753	309,649
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# Cash Flow Highlights



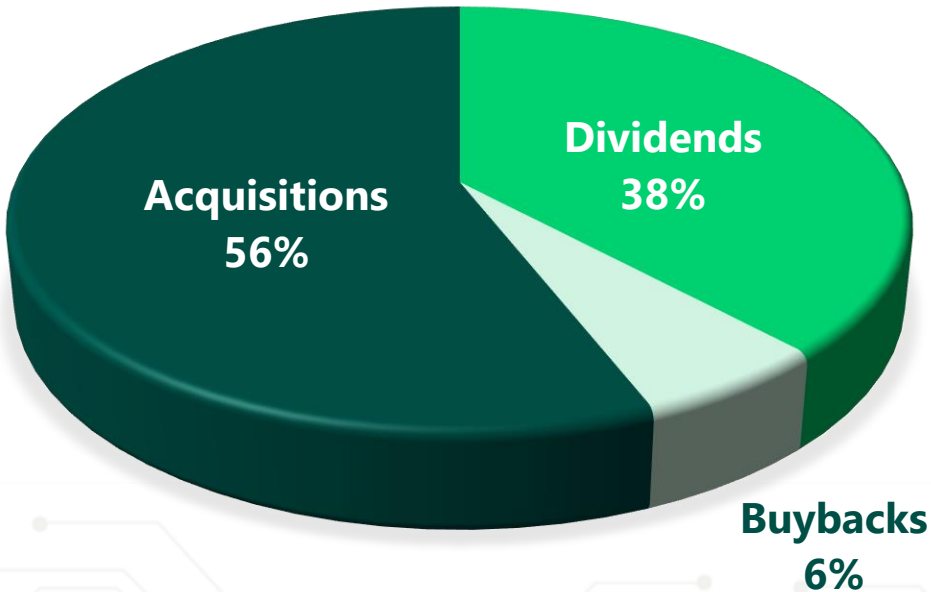
	<i>S\$M</i>	<b>FY2022</b>	<b>FY2021</b>
	<b>Beginning Cash</b>	<b>216.2</b>	<b>134.8</b>
<b>Operating Activities</b> Outflow: S\$31.4M	PAT	127.3	92.1
	Changes in working capital & others	(158.7)	(37.2)
<b>Investing Activities</b> Outflow: S\$38.4M	Capex, intangible assets & others	(23.7)	(16.0)
	Acquisition related	(14.7)	(87.6)
<b>Financing Activities</b> Outflow: S\$19.3M	Return to shareholders	(41.5)	(23.2)
	Proceeds from ESOS exercised	0.3	2.6
	Proceeds from issuance of shares	-	103.1
	Borrowings & other financing, net	21.9	49.4
	Effect of FX translation	0.7	(1.8)
	<b>Ending Cash</b>	<b>127.8</b>	<b>216.2</b>
	<b>Net Cash</b>	<b>19.7</b>	<b>152.9</b>

# Capital Allocation

Increased return to shareholders with record profits while being prudent and preserving cash



CUMULATIVE CAPITAL ALLOCATION  
BREAKDOWN FY2019 - FY2022



S\$M	FY2022	FY2021	FY2020	FY2019	Cumulative
Dividends	36.2	18.6	22.2	10.5	87.5
Share buybacks	5.3	4.6	2.9	1.7	14.5
Acquisitions	14.7	87.6	25.2	-	127.5
Total	56.2	110.8	50.3	12.2	229.5



### Dividend

S\$87.5M over 4 years

Pay-out of 25% of recurring income



### Share buybacks

S\$14.5M since FY2019

Increasing trend



# Thank You!

## Investor Relations Contact

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