



AEM

Testing  
Innovation

AEM Investor Update

November 9, 2023



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

# AEM Corporate Profile

AEM is a global leader in the fast-growing **Test 2.0** market, delivering application-specific intelligent system test and handling solutions for semiconductor and electronics companies serving the advanced computing, 5G, and AI markets.



## Leader in Fast Growing Test 2.0 Market

Test 2.0 growth is driven by advanced packaging & integrated logic. AEM has over **1,000** Test 2.0 tools in production



## Full Stack Technology

Delivering **composable** technologies and solutions for advanced, integrated semiconductor test needs



## Deploy at Scale

Critical delivery capabilities giving our customers a **reduced time to market**



## 2016-2022 Rev. CAGR **52%**

9M2023 Results  
Revenue: **\$387.0M**  
PBT: **\$10.1M**  
FY2023 Revenue Guidance:  
**\$460M - \$490M**



## Listed on SGX

Market Cap: ~\$1.1B\*  
AEM Holdings Ltd.  
(SGD: AWX) (USD: XWA)

\* As at 9 November 2023

# Industry Overview



- Semiconductor industry has been hit by excessive inventory, high interest rates, and geopolitical turmoil resulting in an environment that has been far tougher than most analysts originally anticipated
- Post-Covid consumer spend has focused on services and experiences as opposed to being hardware-centric / IT-related during Covid
- Current analysis shows AI at the edge is expected to drive a new cycle of demand starting in 2025
- Protracted recovery of tester utilization rates expected, pushing out capex spend into late 2024
- Demand for AI and advanced logic will drive demand for new test capability, with semiconductor device manufacturers engaging in test solution selection processes over the next 2 years

# 9M2023 Highlights



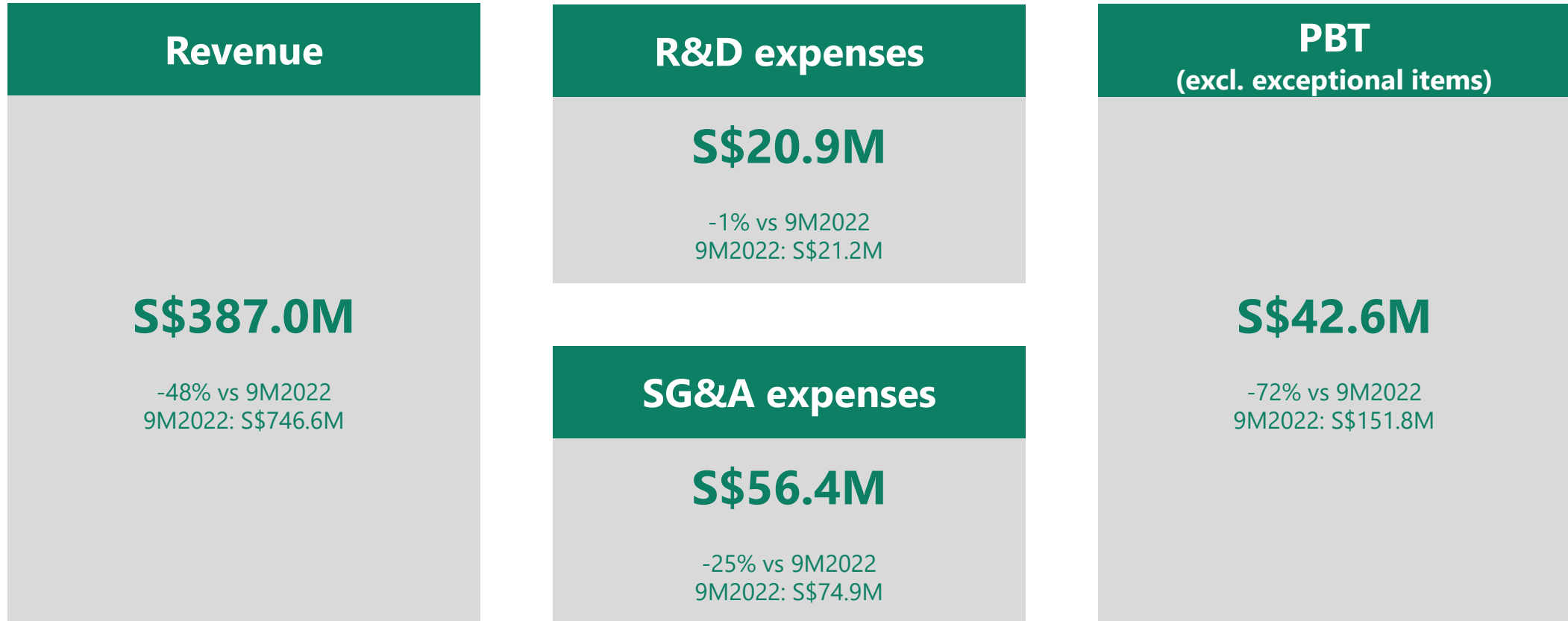
- The Group posted revenue of **S\$387 million** in 9M2023, with profit before tax excluding exceptional items of **S\$42.6 million** over the same period
- Management has driven improved efficiencies throughout the business by managing operational costs, reducing SG&A by 25%, from S\$74.9M (9M2022) to S\$56.4M (9M2023)
- Investments into critical R&D areas continued, including active thermal control, resulting in further expansion of the Group's patent portfolio with 3 new patents awarded since end June 2023
- Customer engagements remain strong with expected ramp of products in late 2024 given current visibility around customer product release schedules
- FY2023 guidance remains at between S\$460 million to S\$490 million



# 9M2023 Financials

# 9M2023 Financial Highlights

Revenue at S\$387.0M and PBT excluding exceptional items would have been S\$42.6M, at 11% PBT margin

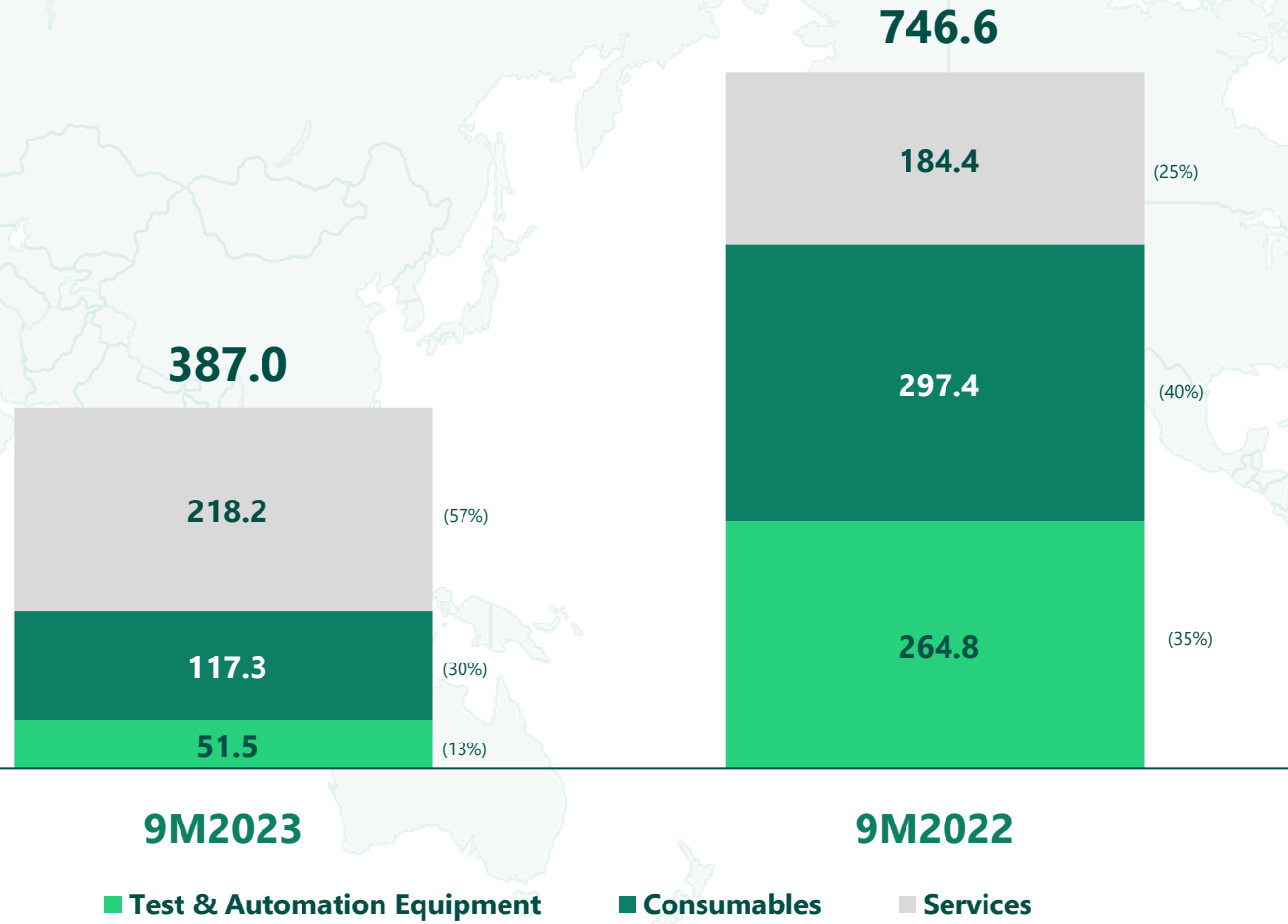


# Revenue Mix



\$\$M

## Revenue



Services comprises manufacturing, engineering, and FSE revenue



# A Robust Balance Sheet

Sound capital structure – Debt / Equity ratio of 0.3X



	As at	
	Sep'23	Dec'22
	S\$M	S\$M
Cash	106.1	127.8
Inventories	358.6	367.7
Trade and other receivables	78.2	92.9
Total assets	766.2	805.6
Trade and other payables	96.1	118.9
Financial liabilities	143.4	143.3
Total equity	483.1	493.4
<b>in SG cents</b>		
NTA per share	114.3	119.6
NAV per share	154.1	157.1
Debt / Equity	0.3x	0.3x
No. of shares less treasury shares ('000)	308,901	308,752

### Trade and other receivables (-S\$14.7M)

Decreased mainly due to lower revenue towards the end of period

### Total equity (-S\$10.3M)

Decreased mainly due to final dividends declared for FY2022 of S\$11.1M partially offset by profit contribution in 9M2023 of S\$3.5M



# Thank You

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