

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ASMPT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0522)

Announcement Of Unaudited 2024 First Quarter Results For The Three Months Ended 31 March 2024

Book-to-Bill Ratio Above One QoQ Bookings Growth Driven by Advanced Packaging

Group Financial Highlights for Q1 2024

- * Revenue of HK\$3.14 billion (US\$401.4 million), -19.9% YoY and -7.8% QoQ
- * Bookings of HK\$3.20 billion (US\$409.3 million), -9.8% YoY and +17.0% QoQ
- * Gross margin of 41.9%, +145 bps YoY and -40 bps QoQ
- * Operating margin of 7.6%, -425 bps YoY and +218 bps QoQ
- * Net profit of HK\$177.5 million, -43.7% YoY and +134.5% QoQ
- * Basic earnings per share of HK\$0.43, -44.2% YoY and +138.9% QoQ

Non-HKFRS Measures¹

- * Adjusted Net profit of HK\$177.5 million, -43.7% YoY and +132.1% QoQ
- * Adjusted Basic earnings per share of HK\$0.43, -44.2% YoY and +138.9% QoQ

Revenue Guidance for Q2 2024

- * US\$380 million to US\$440 million, -17.6% YoY and +2.2% QoQ at mid-point

¹ There were no corresponding Non-HKFRS adjustments in Q1 2024 and Q1 2023. For more information about the Non-HKFRS Measures, please refer to the section under "Reconciliation of HKFRS Measures to the Non-HKFRS Measures".

The Directors of ASMPT Limited are pleased to announce the Group's unaudited results for the three months ended 31 March 2024:

RESULTS SUMMARY

ASMPT Limited and its subsidiaries (the "Group" or "ASMPT") delivered revenue of HK\$3.14 billion (US\$401.4 million) for the three months ended 31 March 2024 ("Q1 2024"), a decrease of 19.9% year-on-year ("YoY"). The Group's consolidated profit after taxation for Q1 2024 was HK\$177.5 million, compared with profit of HK\$315.1 million for the same period in the previous year. Basic earnings per share ("EPS") for Q1 2024 amounted to HK\$0.43 compared with EPS of HK\$0.77 for Q1 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

This first quarter 2024 performance review will begin with an update on some notable business highlights, followed by a financial review of the Group and its Segments: the Semiconductor Solutions Segment ("SEMI") and the SMT Solutions Segment ("SMT").

Q1 2024 Group Business Highlights

After seven quarters, the Group's book-to-bill ratio moved above one in Q1 2024. The Group registered bookings growth in the first quarter as both segments delivered higher bookings when compared with Q4 2023. SEMI bookings increased QoQ mostly due to a low base effect. SMT bookings began stabilising after softening in the second half of 2023 mainly due to automotive and industrial end-markets.

Bookings growth in Q1 was mainly fuelled by demand for Group's Advanced Packaging ("AP") solutions. The Group's interconnect solutions including Thermo Compression Bonding ("TCB"), Hybrid Bonding ("HB") and Flip Chip ("FC") High Precision Die-bonding were driven mainly by AI. Together with SMT's Systems-in-Package ("SiP") AP tools, these contributed strongly to the Group's AP bookings in Q1 2024.

The Group delivered revenue at the mid-point of guidance with a higher proportion coming from SMT. This highlights the advantage of the Group's unique broad-based portfolio as the two segments follow different business cycles.

From an end-market perspective, the Group's automotive applications continued to have the highest proportion of overall Group revenue. Revenue for SMT's tools grew QoQ in spite of softness in the automotive market. In addition, SEMI's automotive solutions benefitted from certain specialised technology areas of the supply chain, such as power and Silicon Carbide modules, and smart headlamps for high-end vehicles.

Advanced Packaging

AP continues to be a bright spot as the Group is in a commanding position to capitalise on the growing demand from generative AI and High-Performance Computing ("HPC") applications due to having the industry's most comprehensive suite of AP solutions and the diverse range of applications these solutions can serve.

The Group continued to win orders for its TCB in Q1 for logic applications from IDM and OSAT customers.

It has started to deliver TCB tools to its leading foundry customer from meaningful TCB orders it won from this customer for chip-to-substrate ("C2S") applications in the second half of 2023. To further support the customer's growing AP demand propelled by generative AI, the Group expects more orders for TCB for C2S applications from this leading foundry and its supply chain partners in Q2 and beyond. Moreover, for chip-to-wafer ("C2W") applications, the Group recently delivered its next generation ultrafine pitch TCB tool to this foundry customer for joint development and it is confident of winning C2W TCB orders in the coming quarters.

MANAGEMENT DISCUSSION AND ANALYSIS - continued

For high bandwidth memory (“HBM”), the Group’s TCB tools are already in production at a leading HBM player for 12H stacking and it has shipped out a demo tool to another HBM customer with more tools in the pipeline. Moreover, with recent developments in the HBM industry, TCB is emerging as the preferred solution for 12H, 16H and above stacking requirements due to its advantage in terms of cost-over-performance.

The Group remains confident of the strength of its TCB solutions in terms of accuracy, thin / large die handling capability, and its deep process knowledge. This puts the Group in a strong position as TCB adoption accelerates for both logic and HBM applications.

For HB, the Group won orders for two more tools in the first quarter for logic applications. The Group is confident of winning more HB orders in the coming quarters.

SMT AP bookings grew QoQ mainly due to SiP tools, with demand mostly from RF modules for high-end smartphones and wearables from leading global players, and from PC and server related applications.

Q1 2024 Group Financial Review

(in HK\$ million)	Q1 2024	QoQ	YoY
Bookings	3,199.9 (US\$409.3 million)	+17.0%	-9.8%
Revenue	3,138.8 (US\$401.4 million)	-7.8%	-19.9%
Gross Margin	41.9%	-40 bps	+145 bps
Operating Margin	7.6%	+218 bps	-425 bps
Adjusted Net Profit	177.5	+132.1%	-43.7%
Adjusted Net Profit Margin	5.7%	+341 bps	-239 bps

Revenue of HK\$3.14 billion (US\$401.4 million) for Q1 2024 was at the mid-point of guidance previously issued. It was down 7.8% QoQ due to declines in both SEMI and SMT, with SEMI’s decline steeper due to the prolonged semiconductor downcycle.

Group bookings increased 17.0% QoQ to HK\$3.20 billion (US\$409.3 million) supported by robust demand for both SEMI and SMT AP solutions. Backlog for the Group remained stable at about US\$849 million as of 31 March 2024.

Group gross margin declined slightly by 40 bps QoQ to 41.9%. This was mainly due to SMT’s lower gross margin, but was partially offset by SEMI’s higher gross margin.

Group operating margin improved 218 bps QoQ to 7.6%, mainly due to lower operating expenses from continuous cost measures and seasonality effects.

The Group’s adjusted net profit of HK\$177.5 million was an increase of 132.1% QoQ.

The Group continued to have a robust balance sheet with cash and bank deposits at HK\$5.25 billion as of 31 March 2024 (31 December 2023: HK\$4.80 billion). Net cash was at HK\$2.75 billion as of 31 March 2024 (31 December 2023: HK\$2.80 billion).

MANAGEMENT DISCUSSION AND ANALYSIS - continued

Q1 2024 Semiconductor Solutions Segment Financial Review

(in HK\$ million)	Q1 2024	QoQ	YoY
Bookings	1,555.6 (US\$199.0 million)	+25.1%	+3.5%
Revenue	1,375.3 (US\$175.8 million)	-13.7%	-10.8%
Gross Margin	44.6%	+86 bps	-46 bps
Segment Profit	0.2	-83.6%	-99.6%
Segment Margin	0.01%	-5 bps	-246 bps

SEMI delivered revenue of HK\$1.38 billion (US\$175.8 million) in Q1, a decline of 13.7% QoQ and accounted for about 44% of the Group's quarterly revenue. Revenue performance for the segment was mainly impacted by the following developments in its Business Units ("BUs"):

- (i) IC/Discrete BU revenue declined QoQ mainly due to industry weakness for the Group's deposition tools. However, there was sporadic demand for consumer related mainstream tools.
- (ii) Optoelectronics BU revenue declined QoQ. BU revenue was mainly driven by high-end automotive headlamps and photonics related applications.
- (iii) CIS BU revenue grew QoQ from a low base, mainly due to high-end smartphone market.

Bookings for SEMI grew 25.1% QoQ from a low base to HK\$1.56 billion (US\$199.0 million), mainly due to consumer and computers end-market applications. AP also registered QoQ growth.

Despite lower volume, segment gross margin improved by 86 bps QoQ to 44.6%, mainly due to a one-off benefit from sale of previously provisioned inventory.

Q1 2024 SMT Solutions Segment Financial Review

(in HK\$ million)	Q1 2024	QoQ	YoY
Bookings	1,644.3 (US\$210.3 million)	+10.1%	-19.5%
Revenue	1,763.5 (US\$225.5 million)	-2.6%	-25.8%
Gross Margin	39.7%	-123 bps	+233 bps
Segment Profit	290.1	+8.8%	-39.6%
Segment Margin	16.5%	+172 bps	-375 bps

SMT continued to deliver higher revenue than SEMI for a seventh consecutive quarter in Q1 and delivered about 56% of Group revenue. SMT registered revenue of HK\$1.76 billion (US\$225.5 million) in Q1, a marginal decline of 2.6% QoQ. SMT's revenue performance continued to be dominated mainly by automotive and industrial applications, with demand mostly from Europe.

SMT bookings grew 10.1% QoQ to HK\$1.64 billion (US\$210.3 million) in Q1, mainly driven by growth from AP and automotive applications.

Segment gross margin was 39.7% in Q1, a decline of 123 bps QoQ, due to product mix.

MANAGEMENT DISCUSSION AND ANALYSIS - continued

OUTLOOK

The Group expects Q2 2024 revenue to be between US\$380 million to US\$440 million, representing a decline of 17.6% YoY and an increase of 2.2% QoQ at mid-point. This slight QoQ increase is due to higher revenue from SEMI, partially offset by lower revenue from SMT.

Owing to its unique broad-based portfolio, the Group remains optimistic about its prospects and potential for growth over the long term. This confidence is further supported by long-term structural trends of automotive electrification, smart factories, green infrastructure, 5G/6G, IoT, and AI growth across cloud, datacentre, and AI edge devices. On a broader level, these structural trends are also moving in tandem with a sustained increase in two key areas: increased capex spend from nations securing their supply chains via more onshoring, and organisations preparing themselves to deal with more dynamic global supply chains to support an increasingly digitally connected world.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Three months ended		
		31 March 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (unaudited)
Revenue	Notes 2	3,138,783	3,404,694	3,917,493
Cost of sales		(1,824,407)	(1,965,491)	(2,333,873)
Gross profit		1,314,376	1,439,203	1,583,620
Other income		49,086	57,810	28,080
Selling and distribution expenses		(358,811)	(423,276)	(390,195)
General and administrative expenses		(257,085)	(276,712)	(241,737)
Research and development expenses		(458,682)	(553,438)	(485,904)
Other gains and losses, net		18,262	(24,279)	(23,666)
Other expenses		(9,102)	(22,289)	(7,844)
Finance costs		(42,186)	(52,261)	(29,381)
Share of result of a joint venture		5,259	(18,856)	11,417
Profit before taxation		261,117	125,902	444,390
Income tax expense		(83,662)	(50,223)	(129,262)
Profit for the period		177,455	75,679	315,128
Profit (loss) for the period, attributable to:				
Owners of the Company		179,913	75,351	317,887
Non-controlling interests		(2,458)	328	(2,759)
		177,455	75,679	315,128
Earnings per share	3			
- Basic		HK\$0.43	HK\$0.18	HK\$0.77
- Diluted		HK\$0.43	HK\$0.18	HK\$0.77

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Three months ended		
	31 March	31 December	31 March
	2024	2023	2023
	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)
Profit for the period	177,455	75,679	315,128
Other comprehensive (expense) income			
<i>Items that will not be reclassified to profit or loss:</i>			
- remeasurement of defined benefit retirement plans, net of income tax	-	16,630	-
- net fair value (loss) gain on investment in equity instruments at fair value through other comprehensive income	(280)	535	245
<i>Items that may be reclassified subsequently to profit or loss:</i>			
- exchange differences on translation of foreign operations			
- subsidiaries	(156,902)	319,023	247,285
- a joint venture	804	3,991	12,582
- fair value loss on hedging instruments designated as cash flow hedges	(15,656)	(14,622)	(17,201)
Other comprehensive (expense) income for the period	(172,034)	325,557	242,911
Total comprehensive income for the period	5,421	401,236	558,039
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company	7,924	398,989	557,495
Non-controlling interests	(2,503)	2,247	544
	5,421	401,236	558,039

Notes:

1. PRINCIPAL ACCOUNTING POLICIES

The financial highlights have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. SEGMENT INFORMATION

The Group has two (2023: two) operating segments: development, production and sales of (1) semiconductor solutions and (2) surface mount technology solutions. They represent two (2023: two) major types of products manufactured by the Group.

An analysis of the Group's revenue and results by operating and reportable segment is as follows:

	Three months ended		
	31 March 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (unaudited)
Segment revenue from external customers			
Semiconductor solutions	1,375,296	1,594,198	1,541,099
Surface mount technology solutions	1,763,487	1,810,496	2,376,394
	3,138,783	3,404,694	3,917,493
Segment profit			
Semiconductor solutions	154	939	38,096
Surface mount technology solutions	290,096	266,635	480,114
	290,250	267,574	518,210
Interest income	32,755	28,425	19,295
Finance costs	(42,186)	(52,261)	(29,381)
Share of result of a joint venture	5,259	(18,856)	11,417
Unallocated other income	5,837	4,416	5,186
Unallocated net foreign exchange gain (loss) and fair value change of foreign currency forward contracts	16,839	(45,435)	(24,302)
Unallocated general and administrative expenses	(42,844)	(56,334)	(48,416)
Unallocated other gains	4,309	20,662	225
Other expenses	(9,102)	(22,289)	(7,844)
Profit before taxation	261,117	125,902	444,390
Segment profit %			
Semiconductor solutions	0.01%	0.1%	2.5%
Surface mount technology solutions	16.5%	14.7%	20.2%

3. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Three months ended		
	31 March 2024	31 December 2023	31 March 2023
	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)
Earnings for the purpose of calculating basic and diluted earnings per share (Profit for the period attributable to owners of the Company)	179,913	75,351	317,887
	Three months ended		
	31 March 2024	31 December 2023	31 March 2023
	Number of shares (in thousands)		
	(unaudited)	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	414,505	412,554	412,504
Effect of dilutive potential shares: - Employee Share Incentive Scheme	3	1,982	2
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	414,508	414,536	412,506

RECONCILIATION OF HKFRS MEASURES TO THE NON-HKFRS MEASURES

For review of financial performance, the Group has provided adjusted net profit and adjusted earnings per share which are supplementary to the Group's consolidated results in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The Group believes that these additional figures provide our shareholders and investors with useful supplementary information about our ongoing operating performance and facilitates the analysis and comparison of financial trends and results between periods. The adjusted net profit and adjusted earnings per share exclude the impact of restructuring costs which were mainly related to employee severance and benefit arrangements.

The use of these non-HKFRS measures may have certain limitations as a tool for analysis and comparison. Shareholders and investors are advised not to consider these non-HKFRS measures in isolation from, or as a substitute for analysis of, the Group's financial performance as reported under HKFRS. Also, please note that these non-HKFRS measures may be defined differently from similar terms used by other companies.

The following table highlighted the reconciliations of the Group's financial measures prepared in accordance with HKFRS for Q4 2023 to the non-HKFRS measures.

	Three months ended 31 December 2023			
	<u>Non-HKFRS adjustments</u>			
	As reported	Restructuring	Income	Adjusted
	HK\$'000	costs	tax effect	Adjusted
	(unaudited)	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit for the period	75,679	1,110	(334)	76,455
Net Profit Margin	2.2%			2.2%
Profit attributable to owners of the Company	75,351	1,110	(334)	76,127
Basic earnings per share (HK\$)	0.18			0.18

Note: There were no corresponding items to be adjusted for the non-HKFRS measures applicable to the Group's results for Q1 2024 and Q1 2023.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the three months ended 31 March 2024.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Miss Orasa Livasiri (Chairman), Mr. John Lok Kam Chong, Mr. Wong Hon Yee, Mr. Eric Tang Koon Hung, Mr. Andrew Chong Yang Hsueh and Ms. Hera Siu Kitwan as Independent Non-Executive Directors, Mr. Benjamin Loh Gek Lim and Mr. Paulus Antonius Henricus Verhagen as Non-Executive Directors, and Mr. Robin Gerard Ng Cher Tat and Mr. Guenter Walter Lauber as Executive Directors.

On behalf of the Board
Robin Gerard Ng Cher Tat
Director

Hong Kong, 23 April 2024

(In case of any inconsistency, the English version of this announcement shall prevail over the Chinese version.)