

# 2023 Annual Results Presentation

28 February 2024



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# Agenda

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- 01 | Key Highlights
  - 02 | Financial Performance
  - 03 | Q1 2024 Revenue Guidance & Outlook
  - 04 | Q&A



## Key Highlights

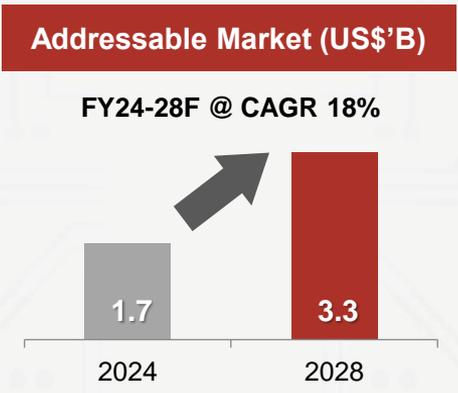
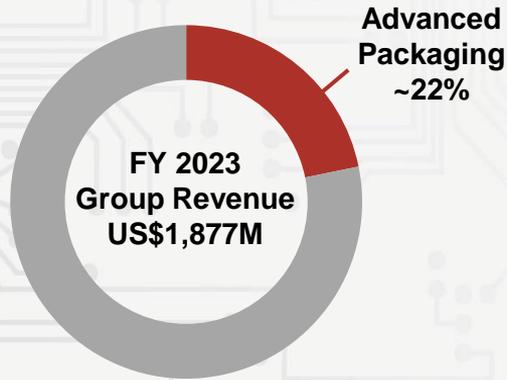
**Advanced Packaging: Expanding Customer Base in High Growth Market**

**Automotive: Maintaining Pole Position for Revenue Contribution**

**SMT: Resilient Performance with Largest Market Share**

# Advanced Packaging

## Expanding Customer Base in High Growth Market



- Increasing Addressable Market fueled by generative AI & HPC
- Entrenched position with major AI players
- Group's market share to grow

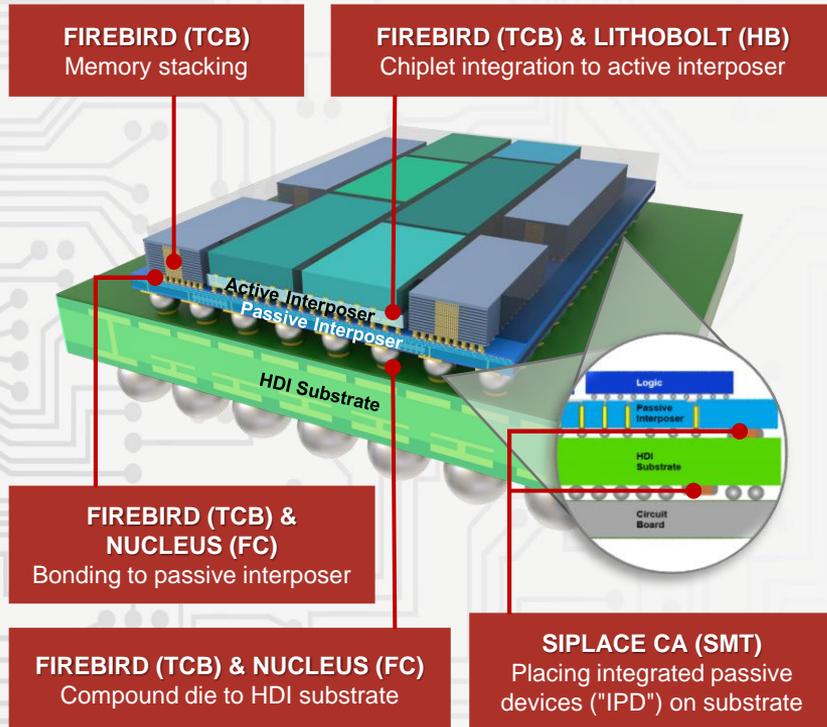
Physical Vapor Deposition	Electro-Chemical Deposition (Wafer/ Panel Level Plating)*	Laser Singulation*	Wafer / Panel Level Fan-out *	Photonics*	Mass Transfer & Bonding (Advanced Displays)	Multi-Chip Module Bonding	Thermo Compression Bonding*	Hybrid Bonding*	Flip Chip	Wafer Level Fan-in	SMT SiP Printing	SMT SiP Placement*				
Apollo	Stratus	LASER1205	NUCLEUS	SIPLACE CA	NANO	NOVA	Photon Pro	VORTEX II	AD300 PRO	VECTOR	FIREBIRD	LITHOBOLT	AD8312FC	SUNBIRD	DEK Galaxy	SIPLACE TX Micron

Comprehensive Range of Advanced Packaging Solutions

\* Advanced packaging solutions for generative AI and HPC

# Advanced Packaging – 2.5D Packaging

## Well-positioned to Capitalise on Generative AI and HPC Demand



### Thermo-Compression Bonding ("TCB"):

- Market leader with largest installed base; technology leadership
- Well-positioned for accelerated TCB adoption; to expand capacity in 2024

#### Logic:

- Solid foundation in IDM; commanding position in both C2S & C2W
- C2S orders from leading foundry; next-gen ultrafine pitch C2W tools in advanced engagement with this leading foundry
- Order wins from OSATs for C2S & C2W

#### HBM:

- Tools in production at a leading player; engagements with multiple players
- Primed for 12H/16H HBM with next-gen ultrafine pitch tool

### Flip Chip ("FC") High Precision Die-bonding:

- Gained traction due to demand from generative AI
- Capable of panel level pick-and-place fan-out applications with lower form factor; well suited for AI edge devices

### Hybrid Bonding ("HB"):

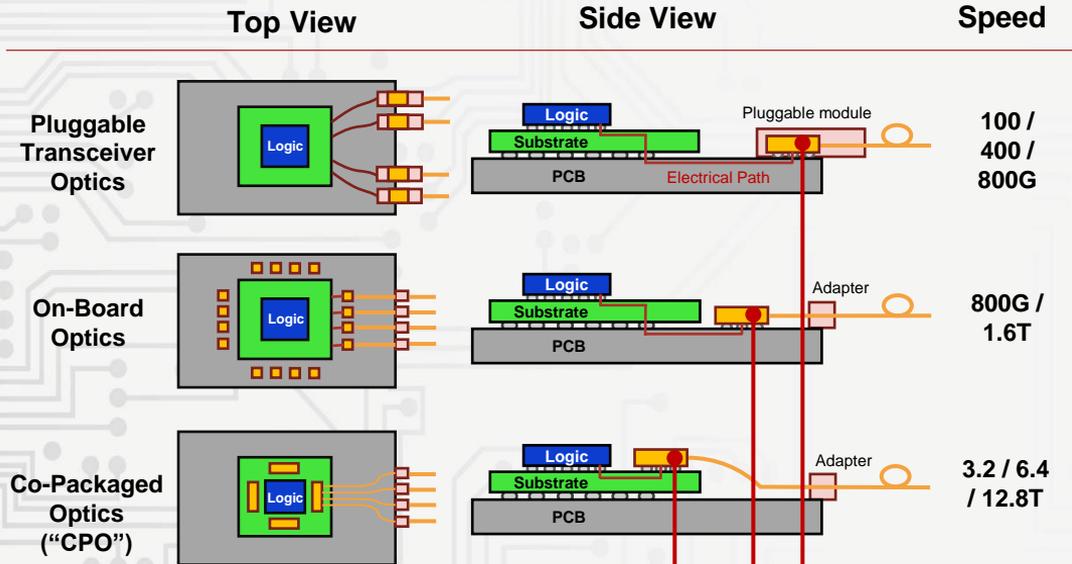
- Secured orders for first 2 tools & more orders expected in Q1 2024
- Confident of intercepting HVM ramp with key customers for next gen tool

### SMT Placement:

- Meaningful order flow in Q4 2023 for IPD placement

## Photonics: Market Leading Solutions Benefitting from AI

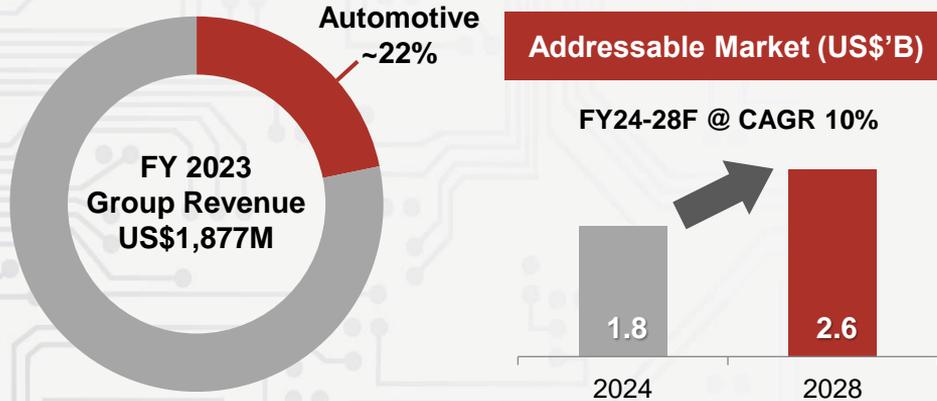
### Solutions for Various Bandwidths in SiPh & CPO



Nano, Nova (Silicon Photonics)  
Photon Pro (Photonics)  
Die placement and Lens attach

- Comprehensive solutions for 400G and higher transceivers
- Dominant market share in transceiver segment
- SiPh solutions have best-in-class placement accuracy and a highly flexible system capable of handling multiple bonding processes
- Won repeat orders from leading AI customers in 2023; this order momentum expected to continue in 2024

## Maintaining Pole Position for Revenue Contribution



- Highest revenue contribution
- Solutions are process of record, particularly for EV players
- EV market gains momentum with entry of new automakers and more EV model launches
- A complete range of solutions to serve the rising demand for Silicon Carbide related applications; preferred co-development partner for customers

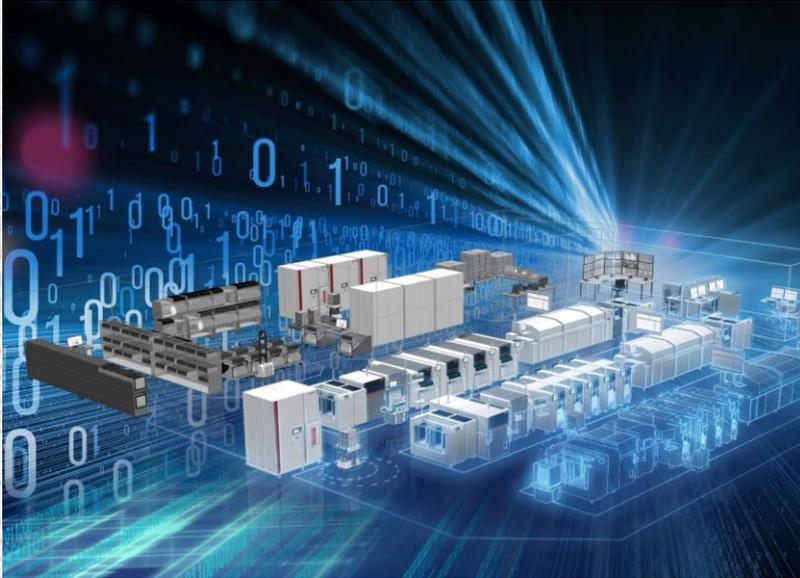
## Comprehensive Range of Automotive Solutions

The image displays a variety of automotive solutions provided by ASMPT. The solutions are categorized as follows:

- Automotive CIS Solutions**: Laser Singulation & Silver Sintering Solutions, Vehicle LiDAR Module
- LED / Advanced Display Solutions**: In-Vehicle Micro LED Display
- Power Module**: A red sports car is shown next to a charging station.
- Advanced Packaging Solutions**: Self-Drive Computing Board
- SMT Solutions**: Automotive PCB
- Die/Wire Bond & Mold**: Power Discrete Packages, Analog, Logic, MCUs

# SMT – Resilient Performance

## Solidified Leading Market Share Position



- Revenue >US\$1B for past 3 years, grew market share
- Robust demand for high-end placement and printing tools, mostly from Europe and the Americas
- Bookings started to soften in 2H 2023 due to Automotive and Industrial normalising
- Received orders from AI-related customers and a leading foundry player in 2023
- Witnessed demand in Systems-in-Package (“SiP”) AP tools for smartphone and wearable applications more recently
- Next-gen AP tools are gaining traction for SiP, wafer level fan-out and embedded substrate applications; expects more orders in 2024

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# Financial Performance

# FY 2023 Key Financials



## Revenue

**US\$1,877M**

(-24.1% YoY)<sup>1</sup>



## Bookings

**US\$1,566M**

(-33.5% YoY)<sup>1</sup>



## Backlog

**US\$846M**

(-26.4% YoY)<sup>1</sup>



## Gross Margin

**39.3%**

(-186 bps YoY)



## Operating Margin

**7.5%**

(-920 bps YoY)



## Adjusted Net Profit<sup>2</sup>

**HK\$745M**

(-71.5% YoY)



## Adjusted EPS<sup>2</sup>

**HK\$1.82**

(-71.4% YoY)



## DPS (including Special Dividend)

**HK\$1.39**

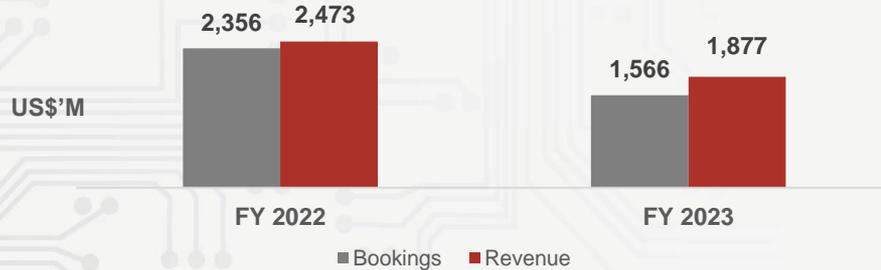
(-56.6% YoY)

Note:

<sup>1</sup> The YoY % comparison is based on financials denominated in HK\$

<sup>2</sup> Excluding restructuring costs and related tax impact. Please refer to appendix for reconciliation of HKFRS measures to the non-HKFRS Measures.

# FY 2023 Group Financial Results



Gross Margin	41.1%	39.3%
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Operating Margin	16.7%	7.5%
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## Revenue

- Declined due to downcycle in 2023

## Bookings

- Declined YoY due to weak industry conditions
- AP, Automotive and Industrial remained stable at ~60%

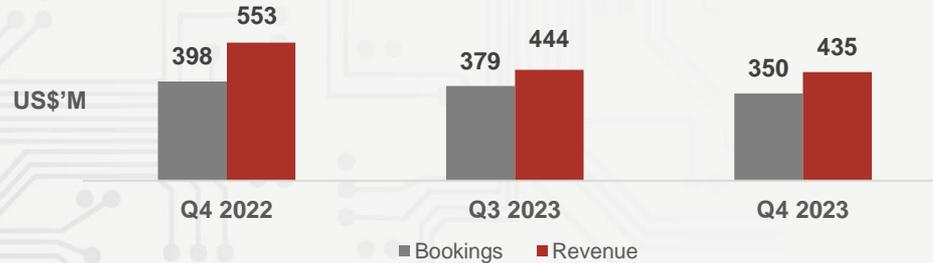
## Gross margin

- Declined due to SEMI's reduced margin performance
- For SMT, increase due to favourable product mix

## Operating profit

- Declined due to lower revenue and reduced gross margin

# Q4 2023 Group Financial Results



Quarter	Gross Margin
Q4 2022	41.4%
Q3 2023	34.2%
Q4 2023	42.3%



Quarter	Operating Margin
Q4 2022	13.7%
Q3 2023	1.9%
Q4 2023	5.5%

## Revenue

- Above midpoint of guidance
- Declined YoY due to prevailing industry weakness

## Bookings

- Declined QoQ due to seasonality and YoY due to SMT

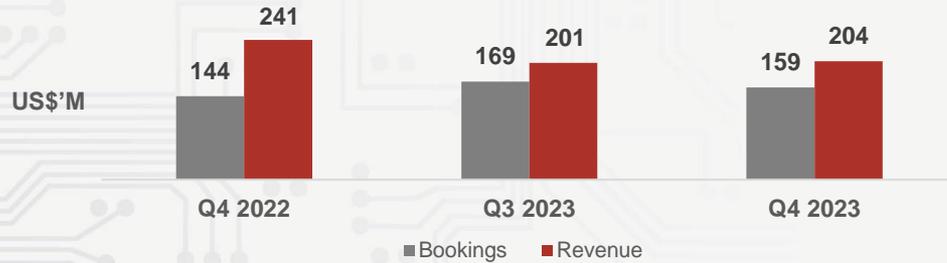
## Gross margin

- Increased QoQ due to favourable product mix and low Q3 margin
- Improved YoY due to SMT

## Operating profit

- Improved QoQ due to low Q3 gross margin
- Declined YoY mainly due to lower revenue and gross profit

# Q4 2023 Semiconductor Solutions Segment Performance



Quarter	Gross Margin
Q4 2022	44.4%
Q3 2023	31.9%
Q4 2023	43.8%



Quarter	Segment Margin
Q4 2022	6.1%
Q3 2023	(7.0%)
Q4 2023	0.1%

## Revenue

- IC/Discrete: Highest contribution from TCB
- Optoelectronics: Highest contribution from advanced tools serving SiPh and Photonics
- CIS: Continued weakness in smartphone market

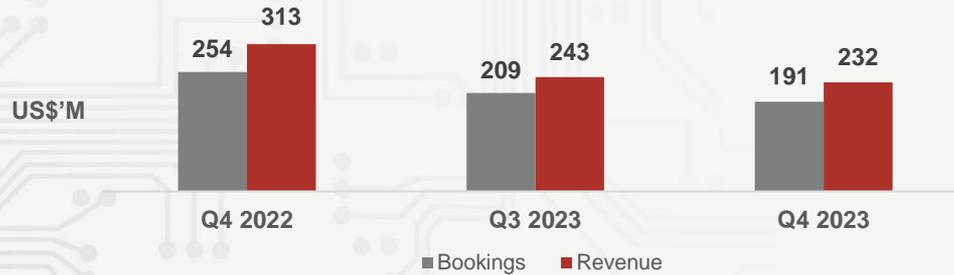
## Bookings

- Declined QoQ due to seasonality
- Improved YoY mainly due to AP

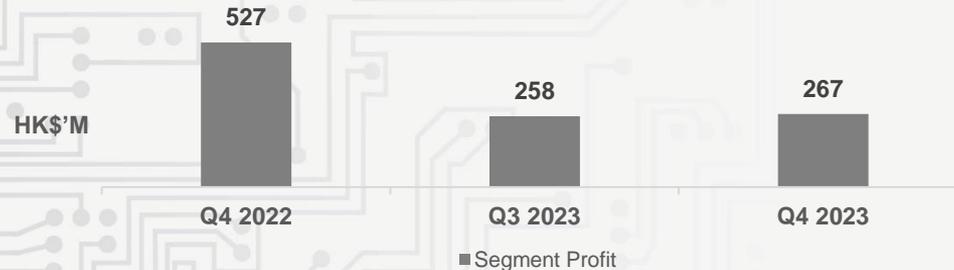
## Gross margin

- Improved QoQ due to favourable product mix and low Q3 margin

# Q4 2023 SMT Solutions Segment Performance



Period	Gross Margin
Q4 2022	39.1%
Q3 2023	36.0%
Q4 2023	41.0%



Period	Segment Margin
Q4 2022	21.5%
Q3 2023	13.6%
Q4 2023	14.7%

## Revenue

- Declined YoY due to normalisation in Industrial and Automotive end markets
- Automotive and Industrial still the highest contribution

## Bookings

- Declined QoQ and YoY due to normalisation

## Gross margin

- Improved QoQ and YoY due to favourable product mix

# Key End-Market Applications

## Serving Broad-based End-Market Applications\*

Automotive	Industrial	Consumer	Computers	Communication	Others
 <p>Visual Sensors Infotainment LIDAR Sensors V2X communications Entertainment Platforms</p>	 <p>EV Charging Smart Factories Smart Offices Other Industrial</p>	 <p>TV Wearables Audio devices Video devices Gaming consoles Other Consumers</p>	 <p>Personal Computers Servers Datacentres HPC Other Computers</p>	 <p>Mobile Phones Wired Infrastructure Wireless 5G Communications Transceiver Infrastructure</p>	 <p>Medical Devices Aerospace Others**</p>

### Group Revenue

FY 2023	~22%	~16%	~14%	~12%	~11%	~25%
FY 2022	~21%	~16%	~19%	~10%	~16%	~18%

Note:

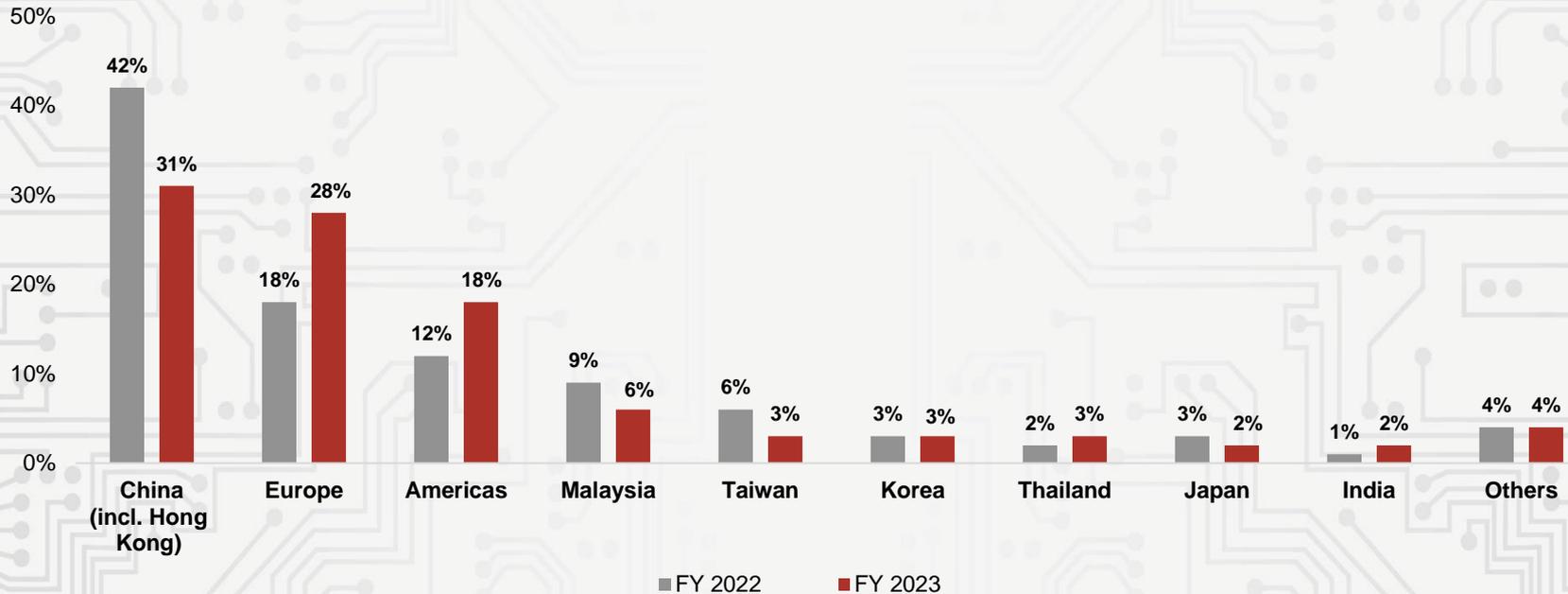
\* Revenue mix is based on management's best estimates

\*\* Others include revenue from spares, services and other applications that cannot be meaningfully identified

# Key Partner to Global Customers

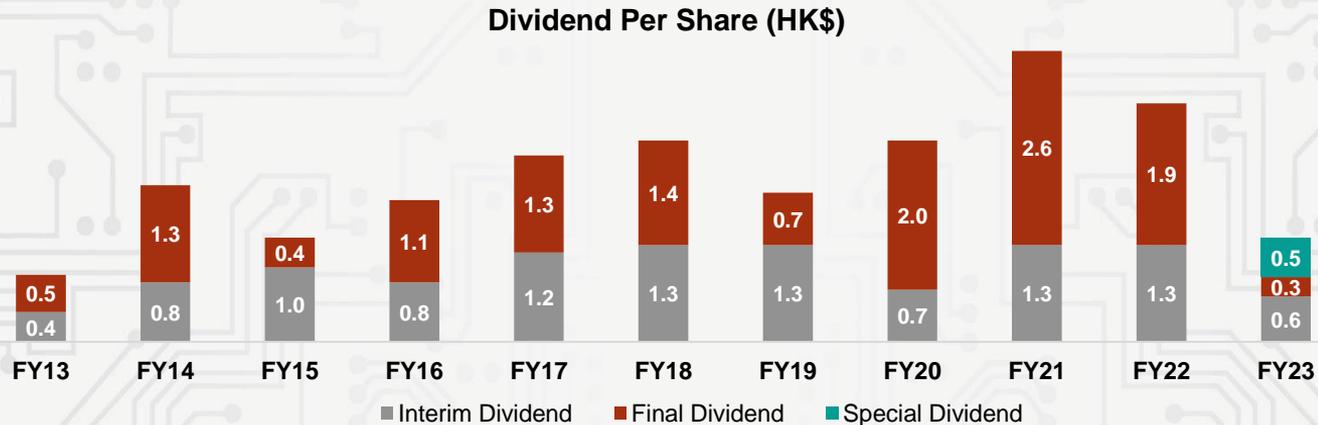
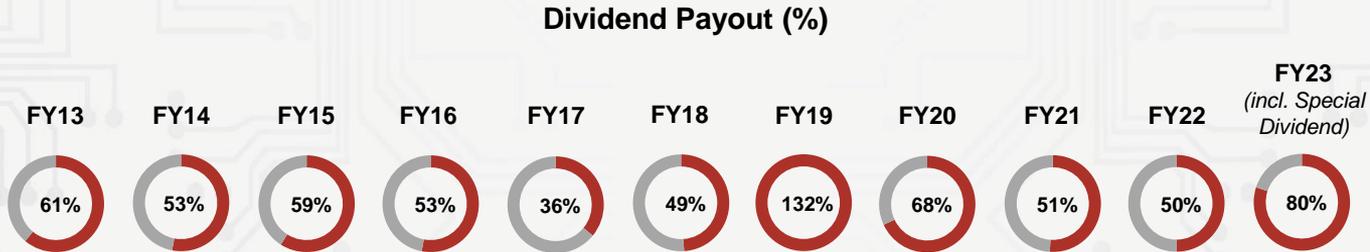
## More Geographically Diversified Customer Base

### Group Revenue Contribution by Geography



# Returning To Shareholders

## Strong Cash Position Supporting Special Dividend For 2023



**HK\$1.39**  
(Total Dividend in 2023 includes Special Dividend of HK\$0.52)



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# Q1 2024 Revenue Guidance & Outlook

As SMT's bookings began softening in 2H 2023, the Group expects Q1 2024 revenue to be:

**US\$370m to US\$430m**

(-20.0% YoY and -8.1% QoQ at mid-point of guidance)

- Many experts have anticipated semiconductor industry to recover in 2024
- Remain optimistic due to:
  - Long-term structural trends (automotive electrification, smart factories, green infrastructure, 5G/6G, IoT and AI growth across cloud, datacentre and AI edge devices)
  - Increased capex spend from nations and organisations preparing for more dynamic global supply chains

Q&A

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**Thank You!**

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# Appendix

# Reconciliation to Non-HKFRS Measures

The below tables highlights the reconciliations of the Group's financial measures prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") for Q3 2023, Q4 2023 and FY 2023 to the non-HKFRS measures:

Group	Q3 2023				Q4 2023				FY 2023			
	As reported	Non-HKFRS adjustments			As reported	Non-HKFRS adjustments			As reported	Non-HKFRS adjustments		
		Restructuring costs	Income tax effect	Adjusted		Restructuring costs	Income tax effect	Adjusted		Restructuring costs	Income tax effect	Adjusted
<b>Net profit (HK\$'M)</b>	12.8	40.4	(7.8)	45.4	75.7	1.1	(0.3)	76.5	711.5	41.5	(8.1)	744.9
<b>Net profit margin</b>	0.4%			1.3%	2.2%			2.2%	4.8%			5.1%
<b>Basic EPS (HK\$)</b>	0.04			0.11	0.18			0.18	1.73			1.82

Note: There is no corresponding item to be adjusted for the non-HKFRS measures to the Group's results for Q4 2022 and FY 2022.

The Group has provided adjusted net profit and adjusted earnings per share which are supplementary to the Group's consolidated results in accordance with 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.