

[For Immediate Release]

## ASMPT Announces 2020 Third Quarter Results

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### Revenue, Bookings and Profitability for First Nine Months of 2020

#### Show Year-on-Year Improvement

##### **Group Key Highlights for Q3 2020**

- \* Revenue of HK\$4.27 billion (US\$550.7 million) increased by 2.6% vs Q3 2019 but decreased by 1.2% vs Q2 2020. Group revenue came in at high end of guidance.
- \* Bookings of HK\$4.52 billion (US\$583.1 million) increased by 12.4% vs Q3 2019 and 23.5% vs Q2 2020.
- \* Gross margin of 32.9% declined by 182 bps vs Q3 2019 and 228 bps vs Q2 2020.
- \* Net profit of HK\$233.9 million.

##### **Group Key Highlights for the First Nine Months of 2020**

- \* Revenue of HK\$11.97 billion (US\$1.54 billion) improved YoY by 4.7%.
- \* Bookings of HK\$13.39 billion (US\$1.72 billion) increased YoY by 8.4%.
- \* Gross margin of 33.9% declined YoY by 87 bps.
- \* Net profit of HK\$624.7 million rising YoY by 56.0%.
- \* Order backlog was HK\$6.55 billion (US\$844.9 million) as of 30 September 2020.
- \* Cash and bank deposits of HK\$3.52 billion as of 30 September 2020.
- \* Book-to-bill ratio was 1.12.

(Hong Kong, 29 October 2020) — **ASM Pacific Technology Limited** (“ASMPT”, “the Group”) (Stock Code: 0522) announced its results for the third quarter and the nine months ended 30 September 2020. ASMPT is a leading global supplier of hardware and software solutions in the manufacturing of semiconductors and electronics. ASMPT’s technologies enable its diverse range of customers to create a wide range of semiconductor and electronic products and services for the digitally-enabled world.

Despite the challenging global economic conditions, ASMPT achieved growth in revenue and profit for the first nine months of 2020 (9M 2020) versus the same period in 2019 (9M 2019), with bookings growth an especially encouraging sign.

##### **9M 2020 Group Review**

Revenue for 9M 2020 was HK\$11.97 billion (US\$1.54 billion), an increase of 4.7% versus HK\$11.43 billion (US\$1.46 billion) for 9M 2019. The Group’s consolidated profit after taxation for 9M 2020 of HK\$624.7 million also represented a 56.0% increase over 9M 2019.

ASMPT benefited from several areas of opportunity, from the radical shift to Work-From-Home arrangements this year that drove demand for personal computing and connectivity devices, to accelerating 5G infrastructure deployment and device upgrades driving strong capacity and technology demand for the company's solutions - from die and wire bonders, through to Advanced Packaging (AP) and System-in-Package products.

The increase in adoption of ASMPT's wide range of AP solutions was especially strong for high-performance computing (HPC) devices for data centres and 5G-related applications. This resulted in 9M 2020 revenue for AP tools already equalling AP revenue for the whole of 2019. Moreover, ongoing global trade tensions saw domestic China-based companies engaged in more localized production. Consequently, ASMPT's China business registered a 9M 2020 revenue increase, compared with 9M 2019.

### **Q3 2020 Group Review**

ASMPT's Q3 2020 revenue was HK\$4.27 billion (US\$550.7 million), with consolidated profit after taxation at HK\$233.9 million, 5.2% higher than Q3 2019 but 36.0% lower than Q2 2020.

Bookings growth was encouraging. Notably, Q3 bookings (HK\$4.52 billion (US\$583.1 million)) represented increases of 12.4% (YoY) and 23.5% (QoQ) respectively, bucking the historical trend of Q3 bookings coming in lower than Q2's. Q3 bookings were the second highest this quarter as compared with previous Q3 bookings (the record was Q3 2018).

While ASMPT's Q3 2020 gross margin of 32.9% declined 182 bps YoY, this was due mainly to weaker gross margin from its Semiconductor Solutions and SMT Solutions Segments, but mitigated by stronger gross margin from its Materials Segment.

**Mr. Robin Ng, Chief Executive Officer of ASMPT** said, "ASMPT's business continues to demonstrate resilience and momentum. We achieved revenue at the higher end of our guidance for Q3, with a strong bookings growth momentum throughout 2020 indicating healthy demand for our products and services, and possibly an improving business sentiment overall.

While gross margins were still slightly impacted, ASMPT has continued to focus on cost reduction efforts to streamline operations and improve overall profitability."

## Segment Highlights

The Semiconductor Solutions Segment experienced broad-based demand this quarter, including die and wire bonders, possibly indicating that customers are increasing their capacities amidst improving market conditions. The IC/Discrete Business Unit benefited from increased Work-From-Home arrangements driving strong demand for related computing solutions, while the ongoing 5G Infrastructure rollout globally, especially in China, was another driver. Its Optoelectronics Business Unit saw sustained demand from general lighting and conventional display applications, with growing opportunities in Mini LED and Micro LED applications. Despite the weakness in the CIS market, its CIS Business Unit recorded strong QoQ bookings growth in Q3 2020, relative to the low base of Q2 2020. This uptick in CIS bookings is encouraging.

The SMT Solutions Segment's Q3 bookings of HK\$1.77 billion (US\$228.8 million) represented an increase of 37.3% versus Q2 2020, bucking the historical trend of typically lower Q3 bookings QoQ. Bookings performance was largely driven by end-market applications for 5G-related applications, smartphones and wearables. Automotive and Industrial market bookings also showed some signs of improvement, rebounding off the low base of Q2 2020. Q3 gross margin of 29.9% was a YoY decline largely attributable to the reduction in revenue contribution from the Automotive and Industrial applications markets, and also effects from the Segment's geographical customer mix.

In US dollar terms, the Materials Segment achieved a record high revenue of US\$77.8 million (HK\$602.6 million) representing YoY growth of 22.4%. This Segment's Q3 gross margin of 19.4% represented a YoY improvement of 907 bps. Gross margin improvements were anchored by higher volume effects, while gross profit and segment profit were at record highs.

## Q4 2020 Outlook, Looking Ahead

On the back of improving sentiment for the equipment market, the Group anticipates revenue in Q4 2020 to be in the region of US\$530 million to US\$ 590 million.

**Mr. Ng** said, "The accelerating roll-out of 5G infrastructure across the world will be critical to unlocking massive possibilities for data creation and use, from the upgrade cycle for 5G devices - including electric and autonomous vehicles; the ever-increasing demand for HPC capabilities; to a steady proliferation of 5G-enabled artificial intelligence and machine learning applications across industries and consumer markets.

As a company that develops and supplies solutions across the entire spectrum of data creation and use, ASMPT is strongly positioned to further innovate and develop its products and solutions to leverage and support these key megatrends. Our leadership position bodes well for the development and growth of our long-term business prospects. These megatrends will continue to drive strong demand for our business for years to come."

**About ASM Pacific Technology Limited**

As a global technology and market leader, ASMPT (HKEX stock code: 0522), develops and provides leading edge solutions in surface mount technology, equipment and materials for the semiconductor assembly and packaging industries. Its solutions are deployed in a wide range of end-user markets including electronics, mobile communications, automotive, industrial and LED. Its continuous investment in research and development helps provide customers with innovative and cost-efficient solutions and systems that enable them to achieve higher productivity, greater reliability and enhanced quality.

Listed on the Hong Kong Stock Exchange since 1989, ASMPT is currently one of the constituent stocks of the Hang Seng TECH Index, Hang Seng Composite MidCap Index under the Hang Seng Composite Size Indexes, the Hang Seng Composite Information Technology Industry Index under the Hang Seng Composite Industry Indexes and the Hang Seng Hong Kong 35 Index. To learn more about ASMPT, please visit our website at [www.asmpacific.com](http://www.asmpacific.com).

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*(N.B.: Enclosed please find the Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income of ASM Pacific Technology Limited.)*

## ASM PACIFIC TECHNOLOGY LIMITED

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Three months ended 30 Sep		Nine months ended 30 Sep	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	4,267,775	4,159,354	11,969,312	11,434,143
Cost of sales	(2,862,777)	(2,714,347)	(7,910,212)	(7,457,034)
Gross profit	1,404,998	1,445,007	4,059,100	3,977,109
Other income	38,288	49,614	104,975	78,808
Selling and distribution expenses	(397,901)	(418,244)	(1,150,991)	(1,172,359)
General and administrative expenses	(238,983)	(241,612)	(712,391)	(698,048)
Research and development expenses	(413,685)	(435,951)	(1,200,145)	(1,264,953)
Other gains and losses	(27,511)	(11,836)	(56,193)	(37,143)
Other expenses	(10,014)	-	(97,262)	-
Finance costs	(38,748)	(42,151)	(118,407)	(169,976)
Profit before taxation	316,444	344,827	828,686	713,438
Income tax expense	(82,544)	(122,580)	(204,004)	(312,922)
Profit for the period	<b>233,900</b>	222,247	<b>624,682</b>	400,516
Profit (loss) for the period, attributable to:				
Owners of the Company	231,840	223,304	621,212	402,791
Non-controlling interests	2,060	(1,057)	3,470	(2,275)
	<b>233,900</b>	222,247	<b>624,682</b>	400,516
Earnings per share				
- Basic	<b>HK\$0.57</b>	HK\$0.55	<b>HK\$1.52</b>	HK\$0.99
- Diluted	<b>HK\$0.57</b>	HK\$0.55	<b>HK\$1.52</b>	HK\$0.99

## ASM PACIFIC TECHNOLOGY LIMITED

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Three months ended 30 Sep		Nine months ended 30 Sep	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Profit for the period	233,900	222,247	624,682	400,516
Other comprehensive income (expense)				
Exchange differences on translation of foreign operations, which may be reclassified subsequently to profit or loss	279,750	(174,778)	127,444	(226,165)
Fair value loss on hedging instruments designated as cash flow hedges, which may be reclassified subsequently to profit or loss	(12,173)	-	(50,827)	-
Other comprehensive income (expense) for the period	267,577	(174,778)	76,617	(226,165)
Total comprehensive income for the period	501,477	47,469	701,299	174,351
Total comprehensive income (expense) for the period attributable to:				
Owners of the Company	495,297	52,254	694,312	181,246
Non-controlling interests	6,180	(4,785)	6,987	(6,895)
	501,477	47,469	701,299	174,351