

## ASMPT Announces 2019 First Quarter Results

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### Rebound in Materials Bookings: Possible Sign of Recovery

#### Highlights

- Group revenue of US\$466.6 million decreased by 23.2% and 15.8% over the preceding three months and the same period of last year, respectively
- Net profit of HK\$108.2 million, representing decreases of 49.0% and 82.4% over the preceding three months and the same period of last year, respectively
- Earnings per share was HK\$0.27, representing decreases of HK\$0.25 and HK\$1.25 over the preceding three months and the same period of last year, respectively
- Back-end Equipment revenue was US\$195.9 million, representing decreases of 15.9% and 30.4% over the preceding three months and the same period of last year, respectively
- Materials revenue was US\$50.5 million, representing decreases of 15.5% and 32.3% over the preceding three months and the same period of last year, respectively
- SMT Solutions revenue was US\$220.2 million, representing an increase of 11.4% over the same period of last year but a contraction of 30.1% over the preceding three months
- Group quarterly bookings of US\$460.3 million, decreased by 3.0% and 39.0% over the preceding three months and the same period of last year, respectively
- Cash and bank deposits was HK\$2.61 billion at the end of March 2019, as compared with HK\$2.25 billion at the end of 2018
- Book to bill ratio was 0.99

(Hong Kong, 25 April 2019) — The world's No.1 semiconductor assembly and packaging solutions supplier **ASM Pacific Technology Limited** ("ASMPT" / the "Group") (Stock code: 0522) today announced its quarterly results for the three months ended 31 March 2019. As the Group expected, the semiconductor market was in a period of adjustment during the period. However, there were initial signs of market recovery as lead frame booking, which has served as leading indicator of the market, started to rebound.

ASMPT achieved billing of US\$466.6 million during Q1 this year. The Group's consolidated profit after taxation for the period was HK\$108.2 million. Basic earnings per share for the period amounted to HK\$0.27 (2018 Q1: HK\$1.52).

Gross margin of the Group was 33.9% in Q1 this year, representing an improvement of 93bps over the preceding quarter and a reduction of 369bps against the same period last year, respectively. The year-on-year (YoY) reduction of gross margin was mainly related to product mix, lower sales volume and lower production capacity utilization. It is expected to bounce back to a higher level in the coming quarters.

Group booking amounted to US\$460.3 million. Book-to-bill ratio was 0.99. Backlog as of end Q1 2019 was US\$652.1 million. Booking of the Materials Segment rebounded 15.2% quarter-on-quarter (QoQ) while booking of the Back-end Equipment Segment and the SMT Solutions Segment experienced small QoQ contractions of 4.2% and 5.1%, respectively.

**Mr. Lee Wai Kwong, Chief Executive Officer of ASMPT**, said, “The first quarter for 2019 was closed largely in line with our expectation. On the bright side, lead frame booking did start to rebound, although overall lead frame booking remained at a low level. This could be an indication that the lead frame market had probably bottomed out and started to rebound.”

During the first quarter, billing of ASMPT’s Back-end Equipment segment contracted 15.9% QoQ and 30.4% YoY, respectively to US\$195.9 million. Gross margin declined by 508bps YoY and 383bps QoQ to 39.2%, mainly due to lower sales volume and under-utilization of installed production capacity. As a result, the segment’s profit declined by 89.5% YoY and 68.0% QoQ, respectively.

During the first quarter, billing of the Group’s Materials segment contracted 15.5% QoQ and 32.3% YoY, respectively to US\$50.5 million. Gross margin declined by 271bps YoY but improved 275bps QoQ to 10.4%. Profit for the segment declined by 73.3% YoY but improved 214.2% QoQ.

During the first quarter, billing of the SMT Solutions segment amounted to US\$220.2 million, representing a growth of 11.4% YoY but a contraction of 30.1% compared with the preceding quarter. Gross margin declined by 269bps YoY but improved 423bps QoQ to 34.5%. Segment profit improved by 6.4% YoY but declined by 28.5% when compared against the preceding quarter.

“If we read the market correctly and if booking of lead frames continues to serve as the leading indicator, as it did in the past, we expect to see a QoQ rebound of Back-end Equipment booking in Q2. While it is still too early to predict with certainty the market will recover in the later part of the year, many of our customers believe that at the moment, the chance of a market improvement is significantly higher than the chance of further market deterioration,” **Mr. Lee** concluded.

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#### **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 surface mount technology 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 help to 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 on the Hang Seng Composite MidCap Index under the Hang Seng Composite Size Indexes, the Hang Seng Composite Information Technology Industry Index under Hang Seng Composite Industry Indexes, the Hang Seng Hong Kong 35 Index and the Hang Seng Global Composite 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		
	31 March 2019 (unaudited) HK\$'000	31 December 2018 (unaudited) HK\$'000	31 March 2018 (unaudited) HK\$'000
Revenue	3,660,015	4,767,696	4,345,900
Cost of sales	<u>(2,419,791)</u>	<u>(3,196,406)</u>	<u>(2,712,984)</u>
Gross profit	1,240,224	1,571,290	1,632,916
Other income	14,088	11,648	20,493
Selling and distribution expenses	(368,421)	(478,461)	(351,836)
General and administrative expenses	(223,458)	(251,290)	(232,896)
Research and development expenses	(409,056)	(424,060)	(354,658)
Other gains and losses	16,208	(1,174)	30,948
Restructuring costs	-	(19,067)	-
Finance costs	<u>(86,807)</u>	<u>(51,065)</u>	<u>(36,680)</u>
Profit before taxation	182,778	357,821	708,287
Income tax expense	<u>(74,541)</u>	<u>(145,606)</u>	<u>(92,663)</u>
Profit for the period	<u><u>108,237</u></u>	<u><u>212,215</u></u>	<u><u>615,624</u></u>
Profit (loss) for the period attributable to:			
Owners of the Company	110,058	211,161	617,780
Non-controlling interests	<u>(1,821)</u>	<u>1,054</u>	<u>(2,156)</u>
	<u><u>108,237</u></u>	<u><u>212,215</u></u>	<u><u>615,624</u></u>
Earnings per share			
- Basic	<u><u>HK\$0.27</u></u>	<u><u>HK\$0.52</u></u>	<u><u>HK\$1.52</u></u>
- Diluted	<u><u>HK\$0.27</u></u>	<u><u>HK\$0.52</u></u>	<u><u>HK\$1.52</u></u>

## ASM PACIFIC TECHNOLOGY LIMITED

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

	<b>Three months ended</b>		
	<b>31 March 2019 (unaudited) HK\$'000</b>	31 December 2018 (unaudited) HK\$'000	31 March 2018 (unaudited) HK\$'000
Profit for the period	<b>108,237</b>	212,215	615,624
Other comprehensive income (expense)			
- exchange differences on translation of foreign operations, which may be reclassified subsequently to profit or loss	<b>18,218</b>	(29,632)	230,536
- remeasurement of defined benefit retirement plans, net of tax, which will not be reclassified to profit or loss	-	3,400	-
Other comprehensive income (expense) for the period	<b>18,218</b>	(26,232)	230,536
Total comprehensive income for the period	<b>126,455</b>	185,983	846,160
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company	<b>129,666</b>	186,904	848,324
Non-controlling interests	<b>(3,211)</b>	(921)	(2,164)
	<b>126,455</b>	185,983	846,160