

# Q3 2023 Results Presentation

25 October 2023



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# Agenda

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## Key Highlights

# Advanced Packaging

## Strong Foundations for Long-Term Growth

### Thermo-Compression Bonding (“TCB”):

- Highest contribution to AP bookings & revenue
- Logic: Orders from leading foundry & OSAT customers (generative AI) and leading logic IDM customer (HPC)
- Memory: Continued engagements with memory players for next-gen HBM

### Mass Reflow (“MR”) High Precision Die-bonding:

- Continued receiving orders
- Deepened engagements with leading foundry, memory & OSAT customers

**Hybrid Bonding (“HB”):** Secured second order from another customer

### SMT Placement Tools:

- Robust demand from AI-powered server customers
- Secured orders from leading foundry customer for advanced placement tools

**Photonics:** Repeat orders from leading AI customers for transceiver expansion plans

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 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

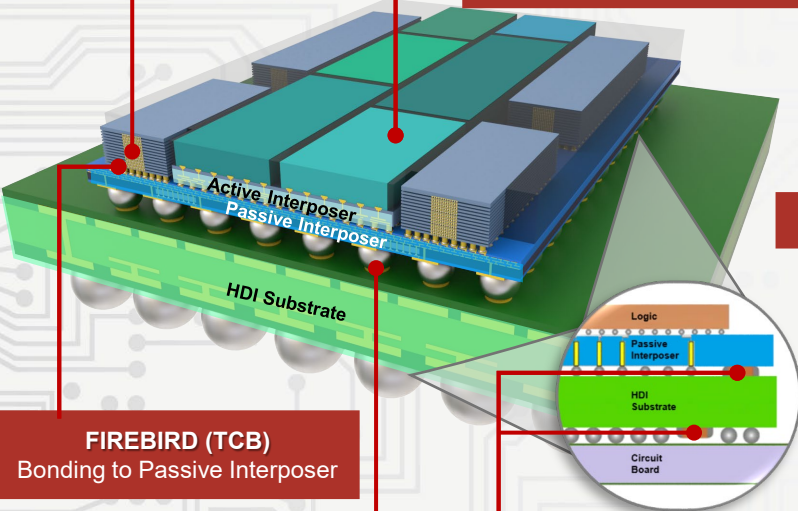
# Advanced Packaging

## Examples of Solutions Benefitting from Generative AI & HPC

### High-End HPC Device in Data Centre

**FIREBIRD (TCB)**  
Memory stacking

**LITHOBOLT (HB)**  
Chiplet integration to Active Interposer



**FIREBIRD (TCB)**  
Bonding to Passive Interposer

**NUCLEUS (MR) & FIREBIRD (TCB)**  
Compound die to HDI substrate

**SIPLACE CA (SMT)**  
Combine Integrated Passive Devices on same substrate

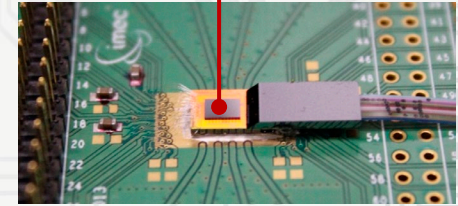
### Data Centre



### Silicon Photonics Transceivers

Efficiently process high-speed optical data in Data Centre

**Nano & Photon Pro (Photonics)**  
Die placement and Lens attach





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## Financial Performance

# Q3 2023 Key Financials



## Revenue

**US\$444M**

(-23.8% YoY)<sup>1</sup>

(-10.9% QoQ)<sup>1</sup>



## Bookings

**US\$379M**

(-18.3% YoY)<sup>1</sup>

(-1.8% QoQ)<sup>1</sup>



## Backlog

**US\$922M**

(-28.3% YoY)<sup>1</sup>

(-7.2% QoQ)<sup>1</sup>



## Gross Margin

**34.2%**

(-670 bps YoY)

(-594 bps QoQ)



## Operating Margin

**1.9%**

(-1,254 bps YoY)

(-802 bps QoQ)



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

**HK\$45M**

(-92.6% YoY)

(-85.3% QoQ)



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

**HK\$0.11**

(-92.7% YoY)

(-85.3% QoQ)

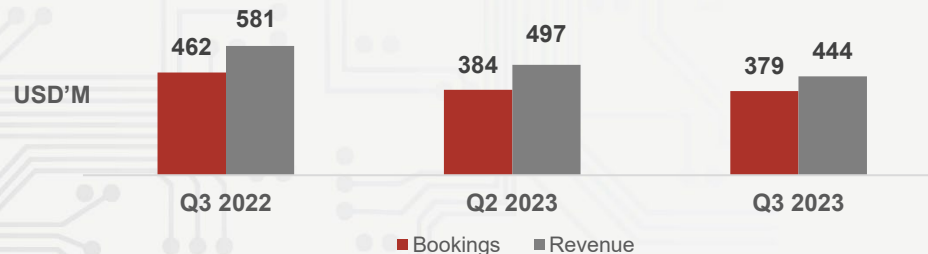
Note:

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

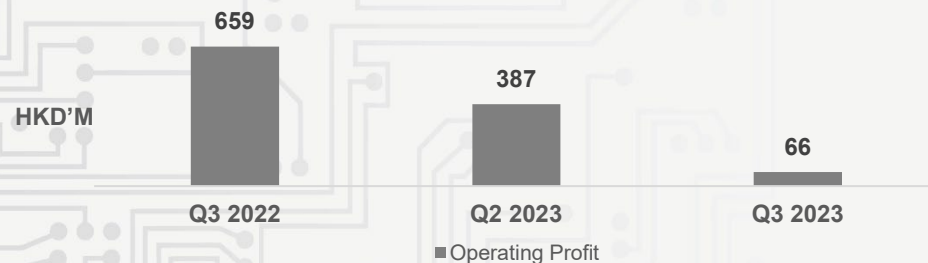
<sup>2</sup> Excluding restructuring costs and related tax impact. Please refer to appendix for reconciliation of HKFRS measures to the non-HKFRS Measures.



# Q3 2023 Group Financial Results



Gross Margin	40.9%	40.1%	34.2%
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Operating Margin	14.4%	9.9%	1.9%
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## Revenue

- Declined QoQ and YoY due to prevailing industry weakness

## Bookings

- Excluding an isolated order cancellation, would have increased ~6% QoQ
- Declined YoY due to weak industry conditions

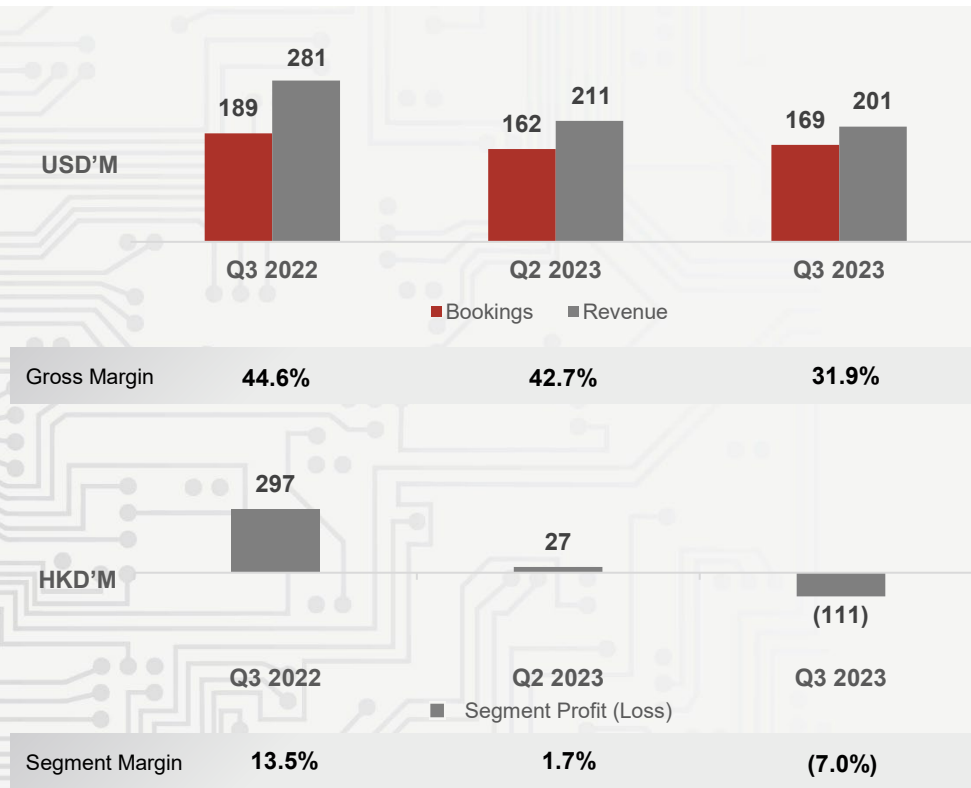
## Gross margin

- Declined due to unfavourable product mix, volume effect and provision for aging inventories; mostly from SEMI

## Operating profit

- Declined QoQ and YoY mainly due to lower revenue and gross margin

# Q3 2023 Semiconductor Solutions Segment Performance



## Revenue

- IC/Discrete: Highest contribution from TCB (AP); followed by Molding and Sintering tools (Automotive)
- Optoelectronics: Grew QoQ, mainly from wire bonders for Conventional Displays
- CIS: Continued weakness in smartphone market

## Bookings

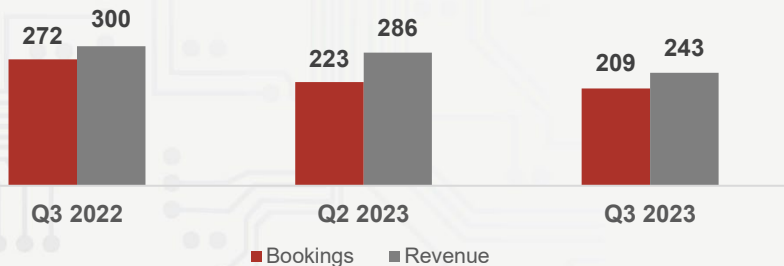
- Main contribution from AP and Automotive
- Excluding an isolated order cancellation, would have increased ~22% QoQ

## Gross margin

- Declined QoQ due to unfavourable product mix and provision for aging inventories

# Q3 2023 SMT Solutions Segment Performance

USD'M



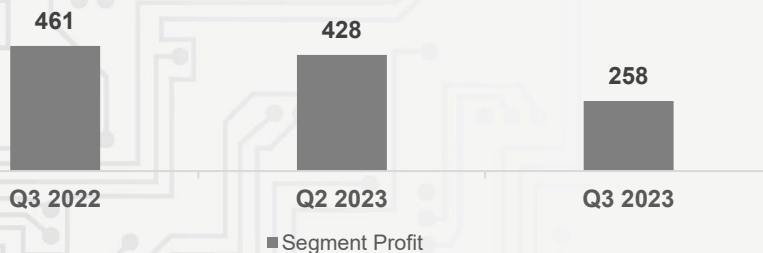
Gross Margin

37.4%

38.2%

36.0%

HKD'M



Segment Margin

19.6%

19.1%

13.6%

## Revenue

- Lower revenue from high-end placement and printing tools, partially offset by growth from AP tools
- Automotive and Industrial contributed ~50% of revenue

## Bookings

- Declined QoQ as addressable market continues normalising
- Contribution mostly from Industrial & Automotive
- Uptick from AI-powered server applications

## Gross margin

- Declined QoQ due to volume effect



# Q4 2023 Revenue Guidance

**Short-term:** Weak economy and end-market electronics demand will continue to prolong the industry inventory adjustment and constrain the capital spending of our customer base.

Considering near-term and seasonality effects, the Group expects Q4 2023 revenue to be:

**US\$390m to US\$460m**

(-23.2% YoY and -4.2% QoQ at mid-point of guidance)

**Long-term:** Remain optimistic due to long term structural trends (automotive electrification, smart factories, green infrastructure, 5G, IoT, & high-performance computing fueled by generative AI growth) and more organisations are preparing for increasingly dynamic global supply chains. These will lead to an increase in overall capex spend.

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 to the non-HKFRS measures:

Group	Q3 2023			
	As reported	Non-HKFRS adjustments		Adjusted
		Restructuring costs	Income tax effect	
Net profit (HKD'M)	13	40	(8)	45
Net profit margin	0.4%			1.3%
Basic EPS (HKD)	0.04			0.11

*Note: There is no corresponding item to be adjusted for the non-HKFRS measures to the Group's results for Q2 2023 and Q3 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.*