



日月光投控
ASE HOLDINGS

Third Quarter 2024 Earnings Release

ASE Technology Holding

aseglobal.com

31 October, 2024

Safe Harbor Notice



This presentation contains "forward-looking statements" within the meaning of Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Although these forward-looking statements, which may include statements regarding our future results of operations, financial condition or business prospects, are based on our own information and information from other sources we believe to be reliable, you should not place undue reliance on these forward-looking statements, which apply only as of the date of this press release. The words "anticipate," "believe," "estimate," "expect," "intend," "plan" and similar expressions, as they relate to us, are intended to identify these forward-looking statements in this press release. These forward-looking statements are necessarily estimates reflecting the best judgment of our senior management and our actual results of operations, financial condition or business prospects may differ materially from those expressed or implied by the forward-looking statements for reasons including, among others, risks associated with cyclicalities and market conditions in the semiconductor or electronic industry; changes in our regulatory environment, including our ability to comply with new or stricter environmental regulations and to resolve environmental liabilities; demand for the outsourced semiconductor packaging, testing and electronic manufacturing services we offer and for such outsourced services generally; the highly competitive semiconductor or manufacturing industry we are involved in; our ability to introduce new technologies in order to remain competitive; international business activities; our business strategy; our future expansion plans and capital expenditures; the strained relationship between the Republic of China and the People's Republic of China; general economic and political conditions; the recent shift in United States trade policies; possible disruptions in commercial activities caused by natural or human-induced disasters; fluctuations in foreign currency exchange rates; and other factors. For a discussion of these risks and other factors, please see the documents we file from time to time with the Securities and Exchange Commission, including the 2023 Annual Report on Form 20-F filed on April 3, 2024.

Consolidated Statements of Income



Quarterly Comparison
(Unaudited)

(NT\$ million)	Q3 / 2024	%	Q2 / 2024 ²	%	Q3 / 2023	%	QoQ	YoY
Net Revenues:								
ATM	84,545	52.8%	76,676	54.7%	82,590	53.6%	10%	2%
EMS	74,871	46.8%	62,853	44.8%	70,948	46.0%	19%	6%
Others	689	0.4%	709	0.5%	629	0.4%	-3%	10%
Total Net Revenues	160,105	100.0%	140,238	100.0%	154,167	100.0%	14%	4%
Gross Profit	26,432	16.5%	23,054	16.4%	24,916	16.2%	15%	6%
Operating Income (Loss)	11,476	7.2%	9,009	6.4%	11,405	7.4%	27%	1%
Pretax Income (Loss)	12,260	7.7%	10,105	7.2%	12,252	7.9%	21%	0%
Income Tax Benefit (Expense)	(2,054)	-1.3%	(1,950)	-1.4%	(2,890)	-1.9%		
Non-controlling Interests	(540)	-0.3%	(377)	-0.3%	(586)	-0.4%		
Net Income Attributable to Shareholders of the Parent	9,666	6.0%	7,778	5.5%	8,776	5.7%	24%	10%
Basic EPS(NT\$)	2.24		1.80		2.04		24%	10%
Diluted EPS(NT\$)	2.17		1.75		2.00		24%	9%

Additional Commentary From Management¹:

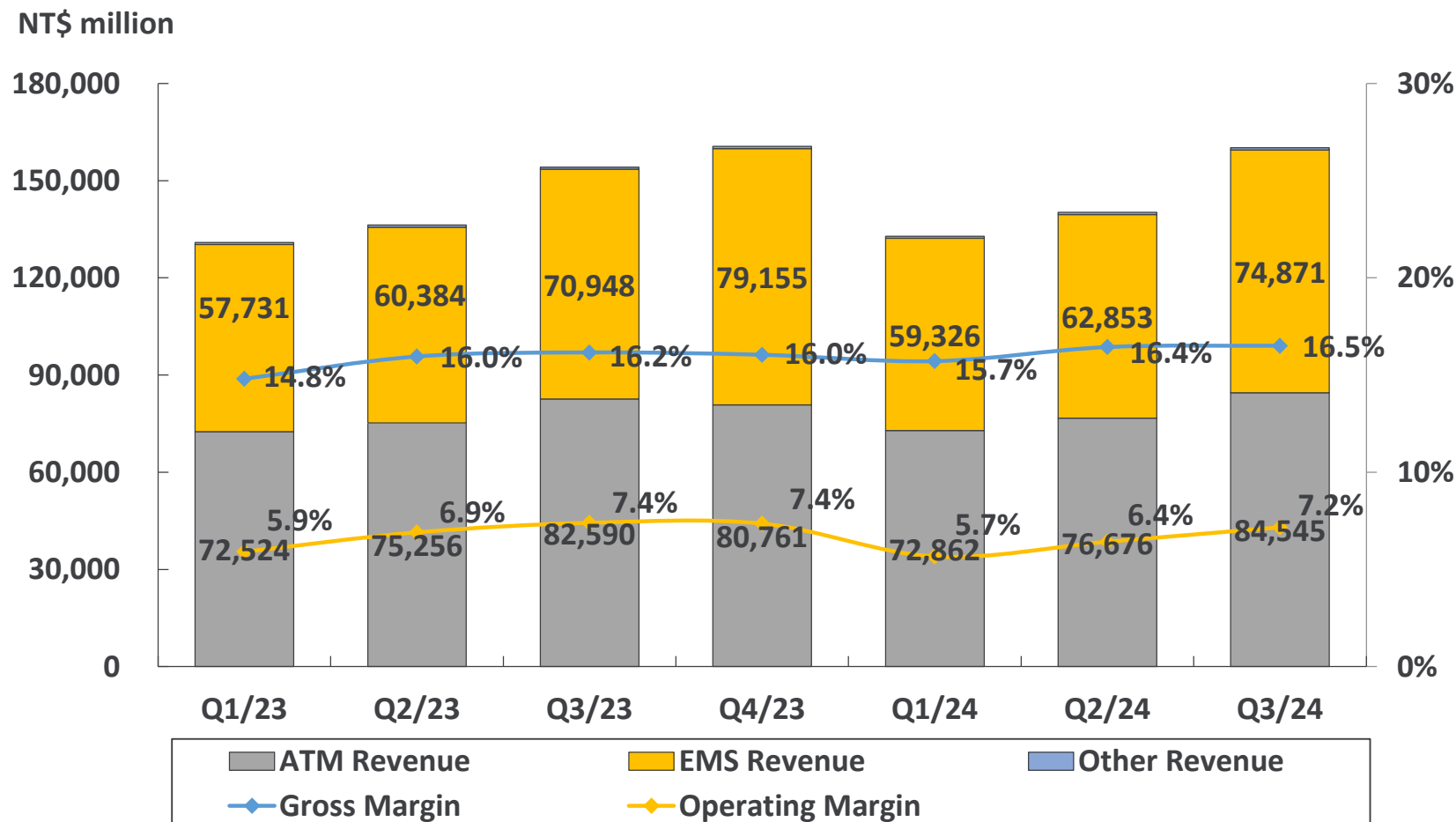
Gross Profit excl. PPA expenses	27,360	17.1%	24,013	17.1%	25,823	16.8%	14%	6%
Operating Income excl. PPA expenses	12,668	7.9%	10,230	7.3%	12,575	8.2%	24%	1%
Net income attributable to shareholders of the parent excl. PPA expenses	10,835	6.8%	8,978	6.4%	9,926	6.4%	21%	9%
Basic EPS(NT\$) excl. PPA expenses	2.51		2.08		2.31		21%	9%

¹: We exclude depreciation, amortization, other expenses, and income tax benefit in connection with business combinations. Please refer to Appendix 1 for details.

²: As of September 30, 2024, we have completed the PPA and have retrospectively adjusted the consolidated financial results for prior period.

Consolidated Operations

(Unaudited)



ATM Statements of Income



Quarterly Comparison
(Unaudited)

(NT\$ million)	Q3 / 2024	%	Q2 / 2024	%	Q3 / 2023	%	QoQ	YoY
Net Revenues:								
Packaging	70,290	81.9%	63,838	82.1%	69,731	83.3%	10%	1%
Testing	14,124	16.5%	12,623	16.2%	12,819	15.3%	12%	10%
Direct Material	1,295	1.5%	1,264	1.6%	1,098	1.3%	2%	18%
Others	81	0.1%	88	0.1%	36	0.1%	-8%	125%
Total Net Revenues	85,790	100.0%	77,813	100.0%	83,684	100.0%	10%	3%
Gross Profit	19,801	23.1%	17,201	22.1%	18,590	22.2%	15%	7%
Operating Income (Loss)	9,225	10.8%	7,254	9.3%	8,820	10.5%	27%	5%

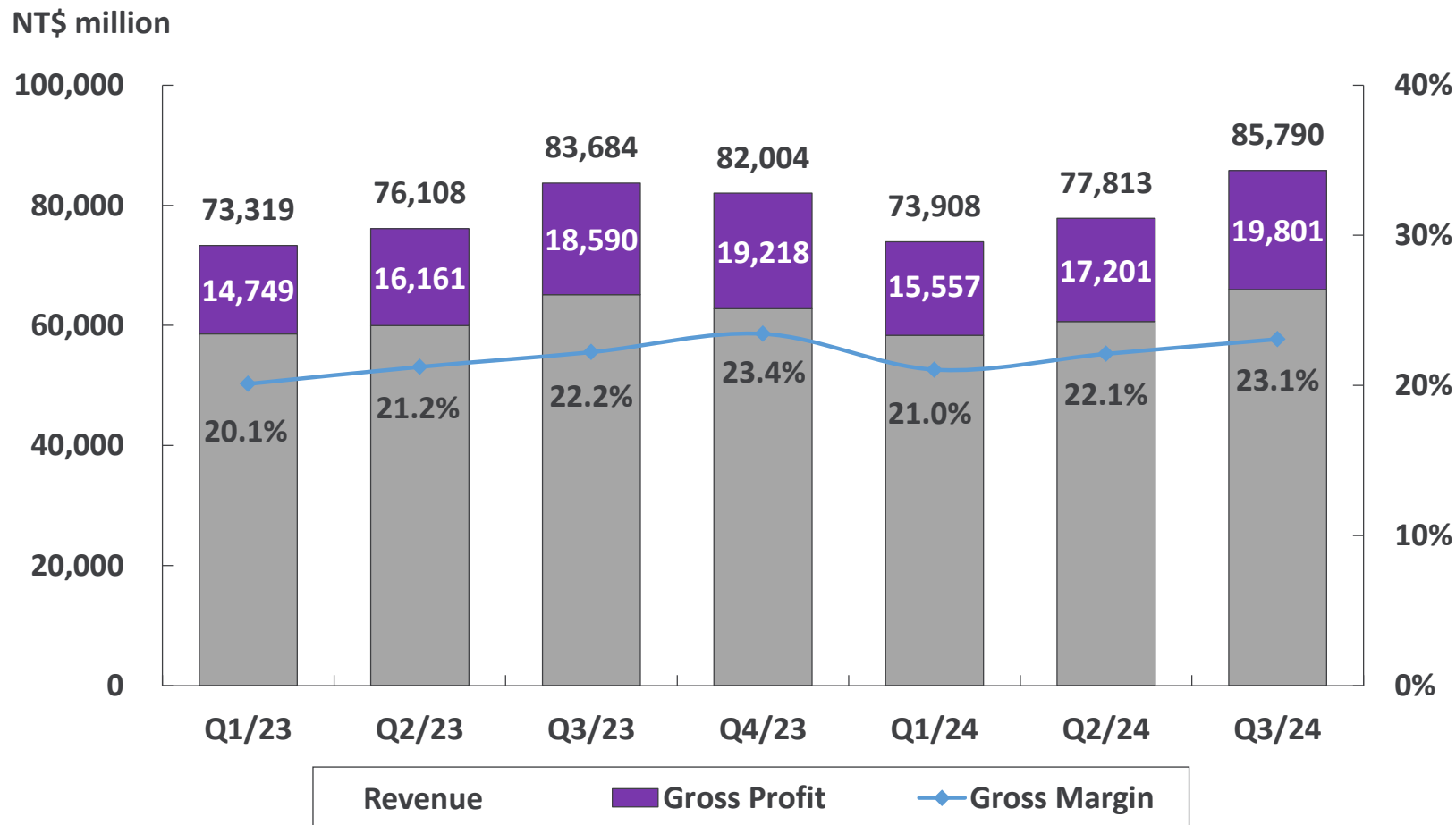
Additional Commentary From Management¹:

Gross Profit excl. PPA expenses	20,689	24.1%	18,117	23.3%	19,463	23.3%	14%	6%
Operating Income excl. PPA expenses	10,363	12.1%	8,420	10.8%	9,943	11.9%	23%	4%

¹: We exclude depreciation and amortization in connection with business combination. Please refer to Appendix 1 for details.

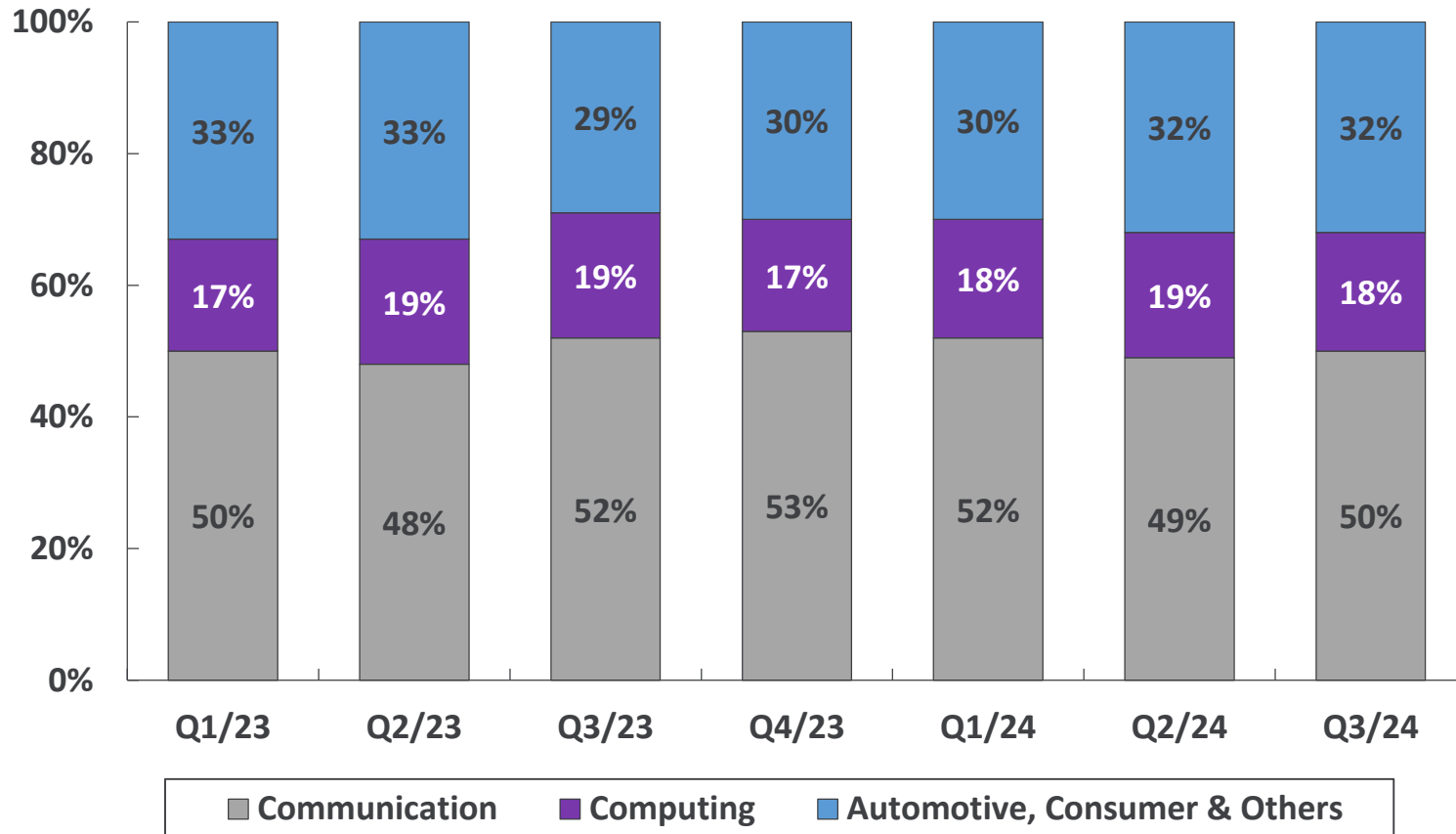
ATM Operations

(Unaudited)



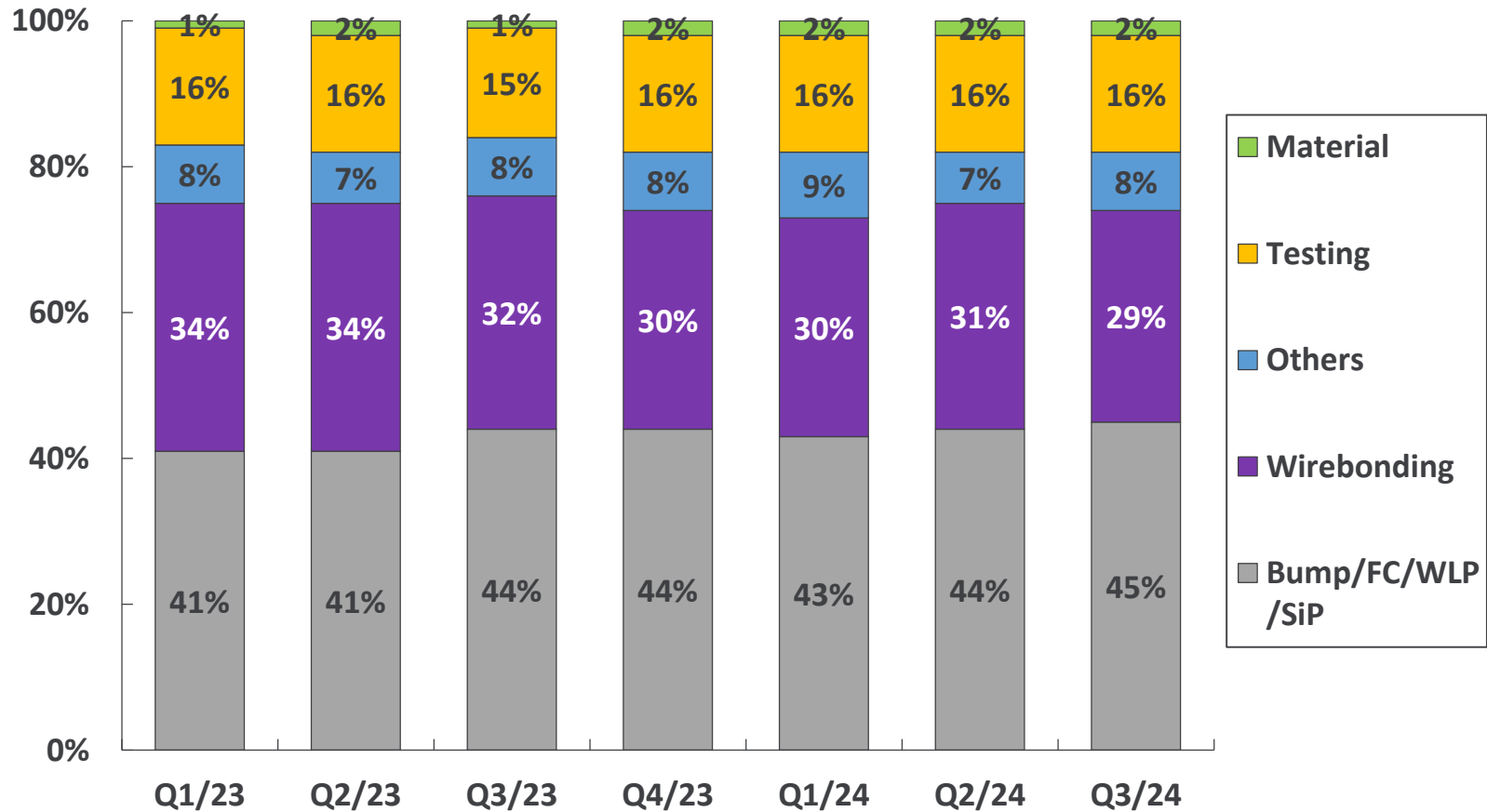
ATM Revenues by Application

(Unaudited)



ATM Revenues by Type

(Unaudited)



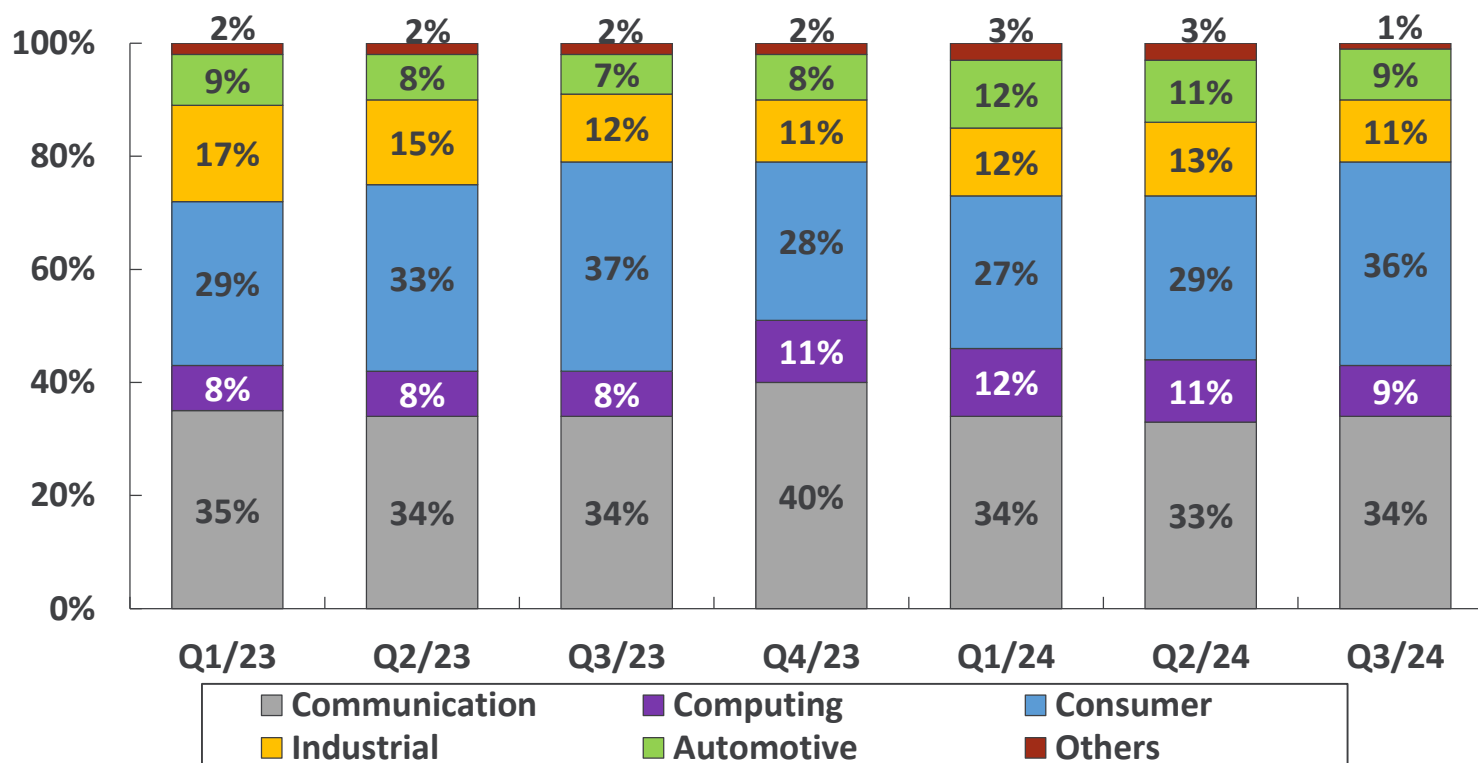
EMS Operations



Quarterly Comparison/Revenues by Application

(unaudited)

(NT\$ million)	Q3 / 2024	%	Q2 / 2024 ²	%	Q3 / 2023	%	QoQ	YoY
EMS Net Revenues	75,384	100.0%	62,907	100.0%	70,970	100.0%	20%	6%
Gross Profit	6,757	9.0%	6,025	9.6%	6,470	9.1%	12%	4%
Operating Income (Loss)	2,453	3.3%	1,942	3.1%	2,767	3.9%	26%	-11%



²: As of September 30, 2024, we have completed the PPA and have retrospectively adjusted the consolidated financial results for prior period.

Key Balance Sheet Items & Indices

(Unaudited)



(NT\$ million)	Sept. 30, 2024	Jun. 30, 2024 ²
Cash and cash equivalent	\$71,711	\$66,173
Financial assets - current	6,643	9,162
Financial assets - non current & investments - equity method	42,300	30,887
Property, plant & equipment	283,447	271,835
Total assets	714,559	682,991
Short-term loans & short-term bills payable	56,726	51,065
Current portion of bonds payable	18,099	13,099
Current portion of long-term loans	5,432	5,556
Bonds payable	17,073	21,976
Long-term loans	108,003	84,414
Total interest bearing debts	213,216	183,938
Total liabilities	383,506	359,564
Total equity (Including non-controlling interest)	331,053	323,427
 Quarterly EBITDA*	 28,621	 26,127
Current ratio	1.18	1.17
Net debt to equity ratio	0.41	0.34

²: As of September 30, 2024, we have completed the PPA and have retrospectively adjusted the consolidated financial results for prior period.

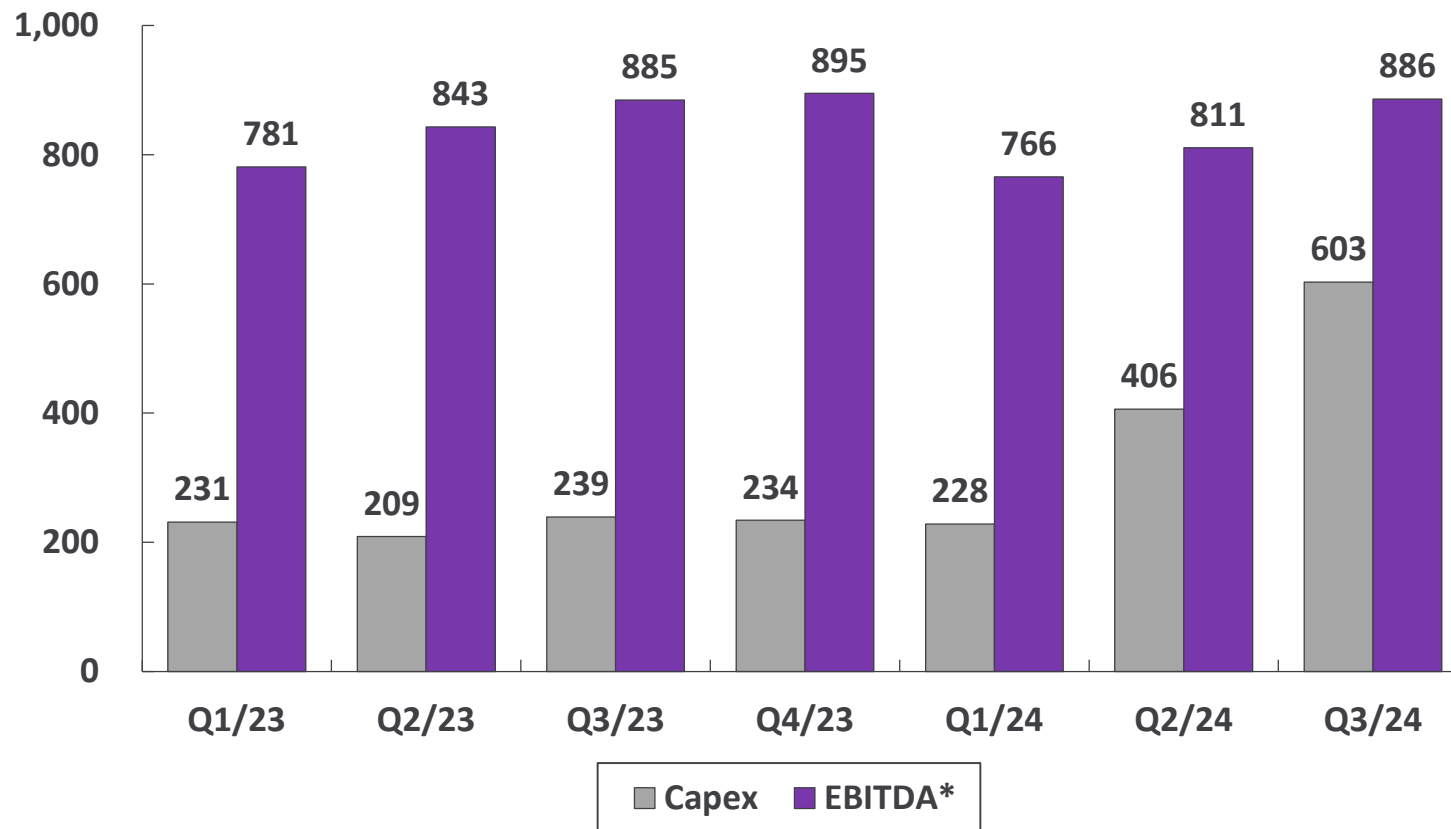
*: EBITDA stands for net income or loss before interest, taxes, depreciation, amortization, impairment and investment gain or loss as well as other items.

Equipment Capital Expenditures vs. EBITDA

(Unaudited)



US\$ million



*: EBITDA stands for net income or loss before interest, taxes, depreciation, amortization, impairment and investment gain or loss as well as other items.

Fourth Quarter 2024 Outlook



Based on our current business outlook and exchange rate assumptions, management projects overall performance for the fourth quarter of 2024 to be as follows:

- In NT dollar terms, our ATM 4th quarter 2024 revenues should grow slightly quarter over quarter;
- Our ATM 4th quarter gross margin should be flattish quarter over quarter;
- In NT dollar terms, our EMS 4th quarter 2024 revenues should decline mid single digit quarter over quarter;
- Our EMS 4th quarter 2024 operating margin should decline one percentage point quarter over quarter.



Thank you

Consolidated Statements of Comprehensive Income

(Unaudited)

(NT\$ thousand)	Q1/2024 ^{2, 3&4}	Q2/2024 ^{2, 3&4}	Q3/2024 ^{3&4}
Revenues	132,802,855	140,238,063	160,105,107
COGS	111,981,689	117,183,829	133,673,385
PPA under COGS	954,137	958,574	928,740
Gross profit	20,821,166	23,054,234	26,431,722
Gross profit excl. PPA	21,775,303	24,012,808	27,360,462
OPEX	13,343,693	14,045,894	14,955,682
PPA under OPEX	262,917	263,176	263,418
Operating income	7,477,473	9,008,340	11,476,040
Operating income excl. PPA	8,694,527	10,230,090	12,668,198
Non Op gain/(loss)	334,868	1,096,772	783,544
PPA under Non Op gain/ (loss)	1,027	3,670	859
Non Op gain/ (loss) excl. PPA	335,895	1,100,442	784,403
Pretax income	7,812,340	10,105,112	12,259,583
PPA under Pretax income	1,218,081	1,225,420	1,193,017
Pretax income excl. PPA	9,030,421	11,330,532	13,452,600
Tax expenses	1,893,199	1,950,137	2,053,573
PPA under Tax expense	(21,989)	(12,940)	(12,647)
Tax expense excl. PPA	1,915,188	1,963,077	2,066,220
Non-controlling interests	258,783	377,466	539,872
PPA under Non-controlling interests	22,278	12,036	11,339
Non-controlling interests excl. PPA	281,061	389,502	551,211
Net income attributable to shareholders of the parent	5,660,358	7,777,509	9,666,138
PPA expenses under Net income attributable to shareholders of the parent	1,173,814	1,200,444	1,169,031
Net income attributable to shareholders of the parent excl. PPA	6,834,172	8,977,953	10,835,169
Total PPA expenses	1,196,092	1,212,480	1,180,370
Basic EPS (NT\$)	1.31	1.80	2.24
Basic EPS (NT\$) excl. PPA	1.58	2.08	2.51
Diluted EPS (NT\$)	1.27	1.75	2.17
Diluted EPS (NT\$) excl. PPA	1.54	2.03	2.44

²: As of September 30, 2024, we have completed the PPA and have retrospectively adjusted the consolidated financial results for prior period.

³: PPA expenses are the P&L impacts from the accounting treatment of purchase price allocation in relation to the ASE/SPIL transaction, which resulted in increased asset values from purchase price premiums in PP&E, intangibles and right-of-use assets. The PPA expenses excluded are related to depreciation, amortization and other expenses \$1.13bn in 1Q24, \$1.17bn in 2Q24, and 1.14bn in 3Q24.

⁴: PPA expenses are the P&L impacts from the accounting treatment of purchase price allocation in relation to the USI/Asteelflash and USI/Hirschmann transaction, which resulted in increased asset and liability values from purchase price premiums in inventory, PP&E, intangibles, right-of-use assets and deferred tax liability. The PPA expenses excluded are related to depreciation, amortization, other expenses and income tax benefit \$0.07bn in 1Q24, \$0.04bn in both 2Q24 and 3Q24.