



日月光投控
ASE HOLDINGS

Second Quarter 2024 Earnings Release

ASE Technology Holding

25 July, 2024

aseglobal.com

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 cyclicity 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)	Q2 / 2024	%	Q1 / 2024	%	Q2 / 2023	%	QoQ	YoY
Net Revenues:								
ATM	76,676	54.7%	72,862	54.9%	75,256	55.2%	5%	2%
EMS	62,853	44.8%	59,326	44.7%	60,384	44.3%	6%	4%
Others	709	0.5%	615	0.4%	635	0.5%	15%	12%
Total Net Revenues	140,238	100.0%	132,803	100.0%	136,275	100.0%	6%	3%
Gross Profit	23,066	16.4%	20,868	15.7%	21,741	16.0%	11%	6%
Operating Income (Loss)	9,021	6.4%	7,525	5.7%	9,412	6.9%	20%	-4%
Pretax Income (Loss)	10,117	7.2%	7,860	5.9%	10,111	7.4%	29%	0%
Income Tax Benefit (Expense)	(1,952)	-1.4%	(1,904)	-1.4%	(1,914)	-1.4%		
Non-controlling Interests	(382)	-0.3%	(274)	-0.2%	(457)	-0.3%		
Net Income Attributable to Shareholders of the Parent	7,783	5.5%	5,682	4.3%	7,740	5.7%	37%	1%
Basic EPS(NT\$)	1.80		1.32		1.80		36%	0%
Diluted EPS(NT\$)	1.75		1.28		1.76		37%	-1%

Additional Commentary From Management^{1&2}:

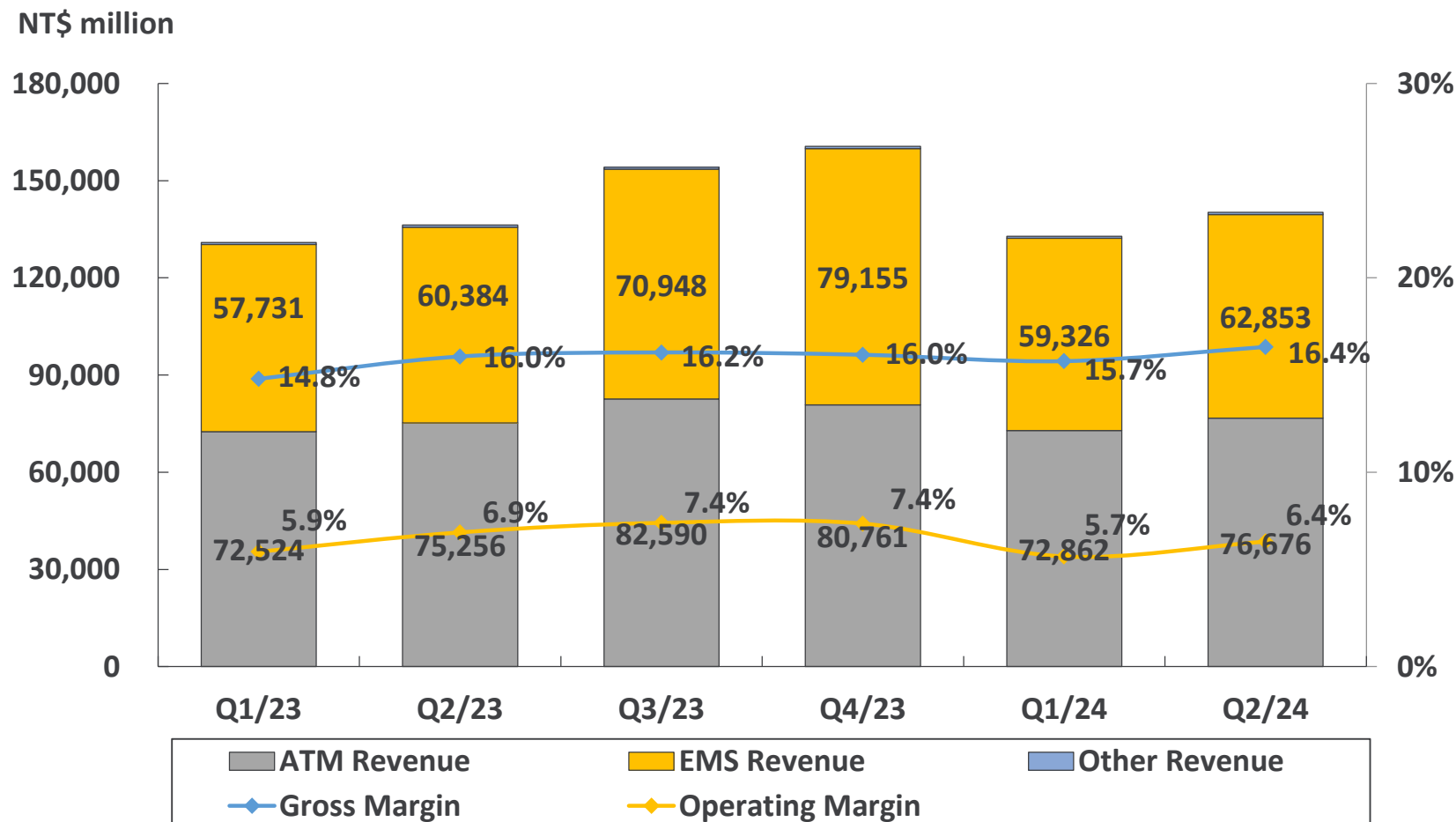
Gross Profit excl. PPA expenses	24,013	17.1%	21,775	16.4%	22,654	16.6%	10%	6%
Operating Income excl. PPA expenses	10,230	7.3%	8,695	6.5%	10,587	7.8%	18%	-3%
Net income attributable to shareholders of the parent excl. PPA expenses	8,978	6.4%	6,834	5.1%	8,902	6.5%	31%	1%
Basic EPS(NT\$) excl. PPA expenses	2.08		1.58		2.07		32%	0%

¹: 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 NT\$1.17bn in 2Q24, and NT\$1.13bn in both 1Q24 and 2Q23.

²: PPA expenses are the P&L impacts from the accounting treatment of purchase price allocation in relation to the USI/Asteelflash transaction, which resulted in increased asset and liability values from purchase price premiums in 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 NT\$0.04bn in both 2Q24 and 2Q23, and NT\$0.03bn in 1Q24.

Consolidated Operations

(Unaudited)



ATM Statements of Income



Quarterly Comparison
(Unaudited)

(NT\$ million)	Q2 / 2024	%	Q1 / 2024	%	Q2 / 2023	%	QoQ	YoY
Net Revenues:								
Packaging	63,838	82.1%	60,388	81.7%	62,607	82.3%	6%	2%
Testing	12,623	16.2%	12,102	16.4%	12,292	16.1%	4%	3%
Direct Material	1,264	1.6%	1,338	1.8%	1,165	1.5%	-6%	8%
Others	88	0.1%	80	0.1%	44	0.1%	10%	100%
Total Net Revenues	77,813	100.0%	73,908	100.0%	76,108	100.0%	5%	2%
Gross Profit	17,201	22.1%	15,557	21.0%	16,161	21.2%	11%	6%
Operating Income (Loss)	7,254	9.3%	6,077	8.2%	7,405	9.7%	19%	-2%

Additional Commentary From Management¹:

Gross Profit excl. PPA expenses	18,117	23.3%	16,433	22.2%	17,035	22.4%	10%	6%
Operating Income excl. PPA expenses	8,420	10.8%	7,203	9.7%	8,529	11.2%	17%	-1%

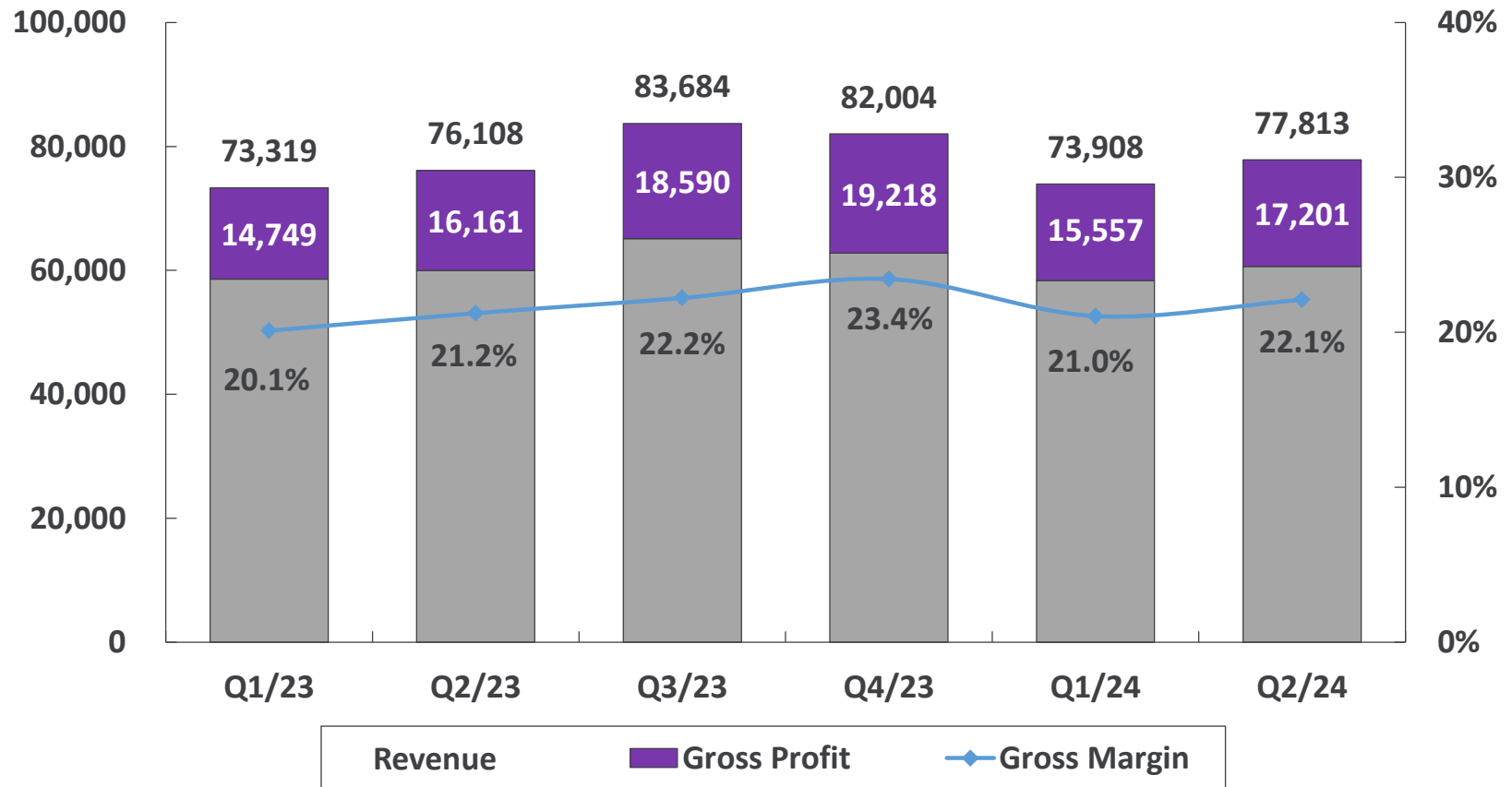
¹: PPA expenses are the P&L impacts from the accounting treatment of purchase price allocation in relation to the ASE/SPIIL transaction, which resulted in increased asset values from purchase price premiums in PP&E, intangibles and right-of-use assets. The PPA expenses excluded are related to depreciation, amortization and other expenses NT1.17bn in 2Q24, NT\$1.13bn in 1Q24, and NT\$1.12bn in 2Q23.

ATM Operations

(Unaudited)

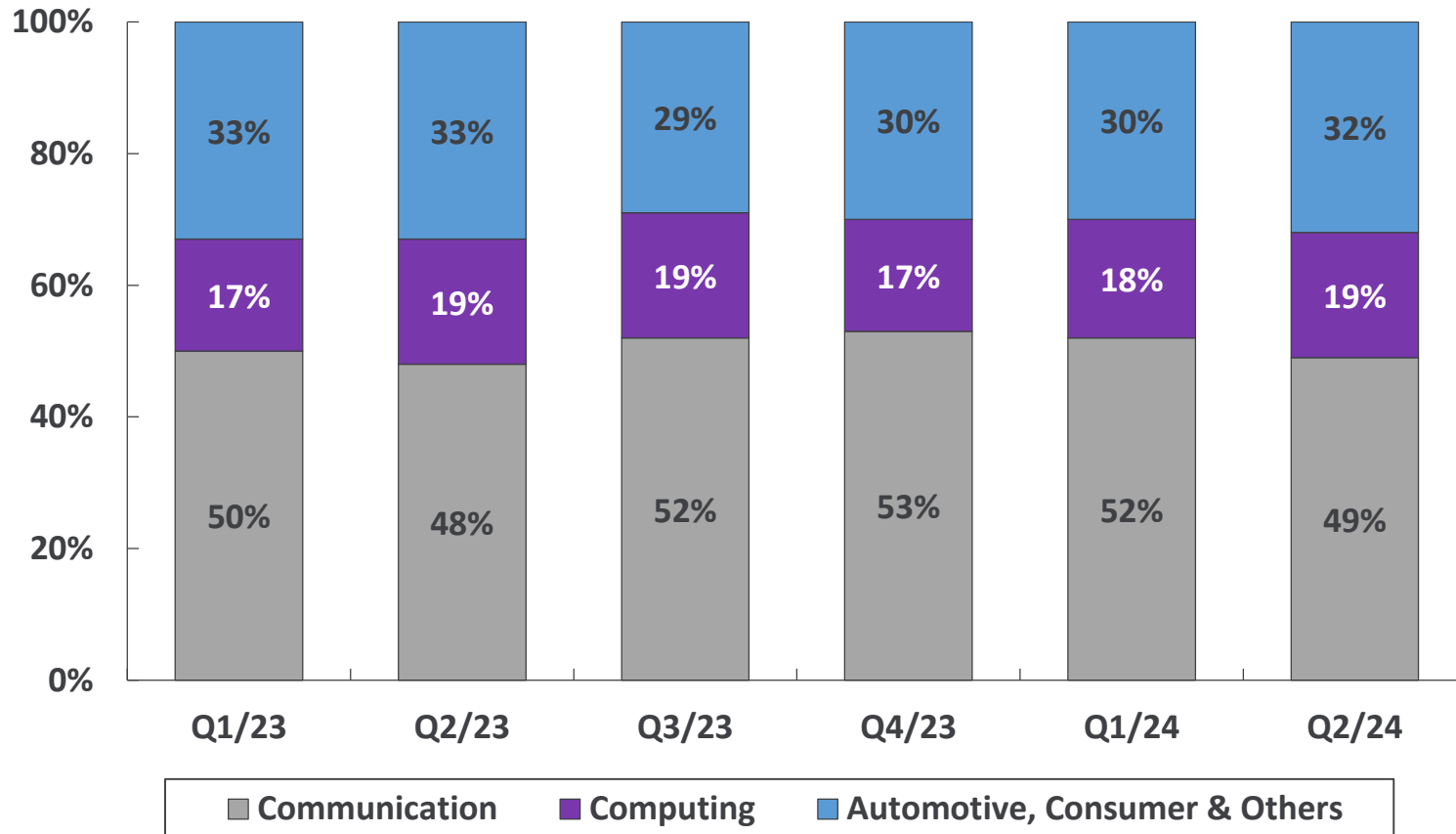


NT\$ million



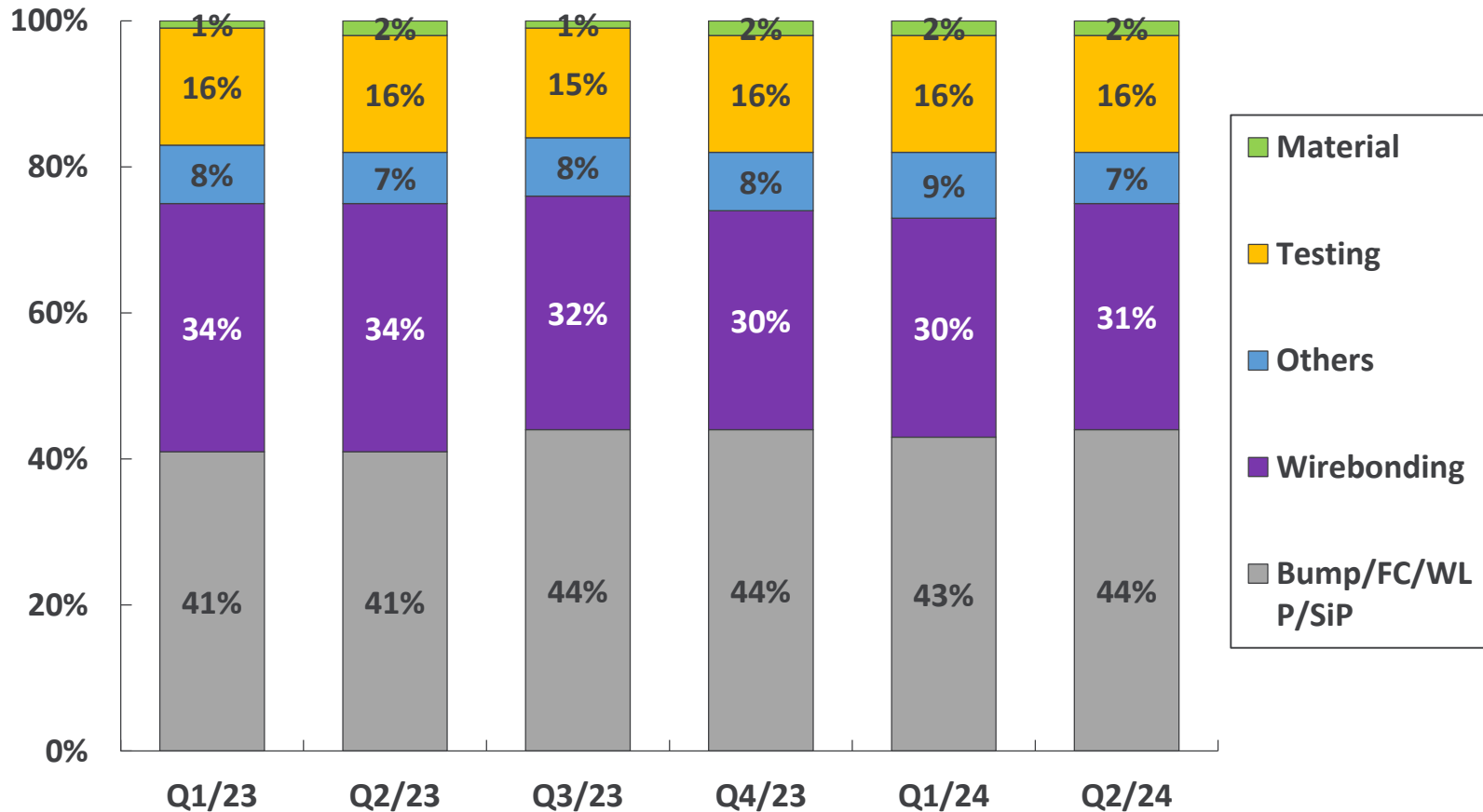
ATM Revenues by Application

(Unaudited)



ATM Revenues by Type

(Unaudited)



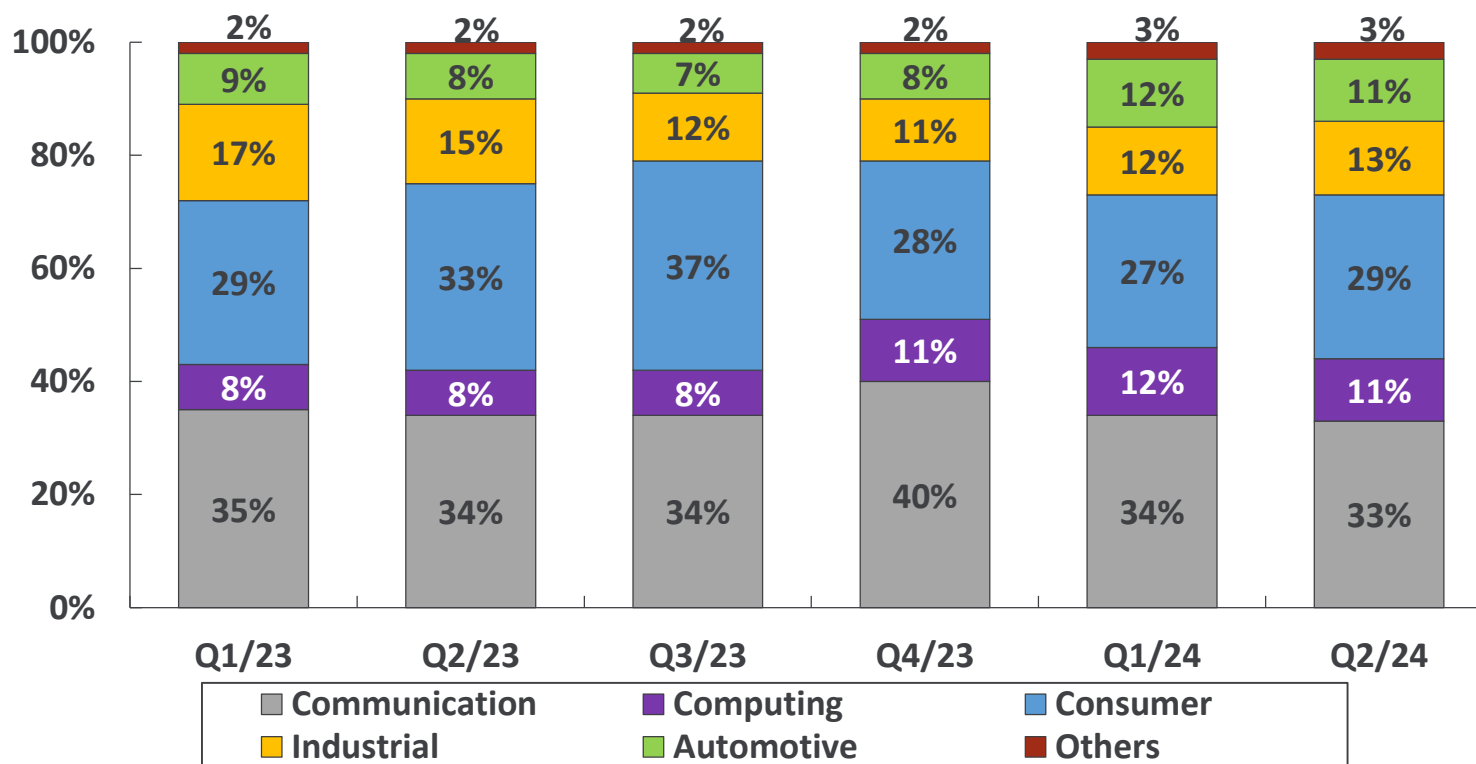
EMS Operations



Quarterly Comparison/Revenues by Application

(unaudited)

(NT\$ million)	Q2 / 2024	%	Q1 / 2024	%	Q2 / 2023	%	QoQ	YoY
EMS Net Revenues	62,907	100.0%	59,365	100.0%	60,424	100.0%	6%	4%
Gross Profit	6,037	9.6%	5,499	9.3%	5,639	9.3%	10%	7%
Operating Income (Loss)	1,955	3.1%	1,657	2.8%	2,089	3.5%	18%	-6%



Key Balance Sheet Items & Indices

(Unaudited)



(NT\$ million)	Jun. 30, 2024	Mar. 31, 2024
Cash and cash equivalent	\$66,173	\$75,105
Financial assets - current	9,162	8,410
Financial assets - non current & investments - equity method	30,887	30,776
Property, plant & equipment	271,835	265,592
Total assets	682,930	681,470
Short-term loans & short-term bills payable	51,065	56,863
Current portion of bonds payable	13,099	9,602
Current portion of long-term loans	5,556	4,473
Bonds payable	21,976	31,618
Long-term loans	84,414	84,589
Total interest bearing debts	183,938	195,344
Total liabilities	359,460	369,301
Total equity (Including non-controlling interest)	323,470	312,169
Quarterly EBITDA *	26,127	23,974
Current ratio	1.17	1.19
Net debt to equity ratio	0.34	0.36

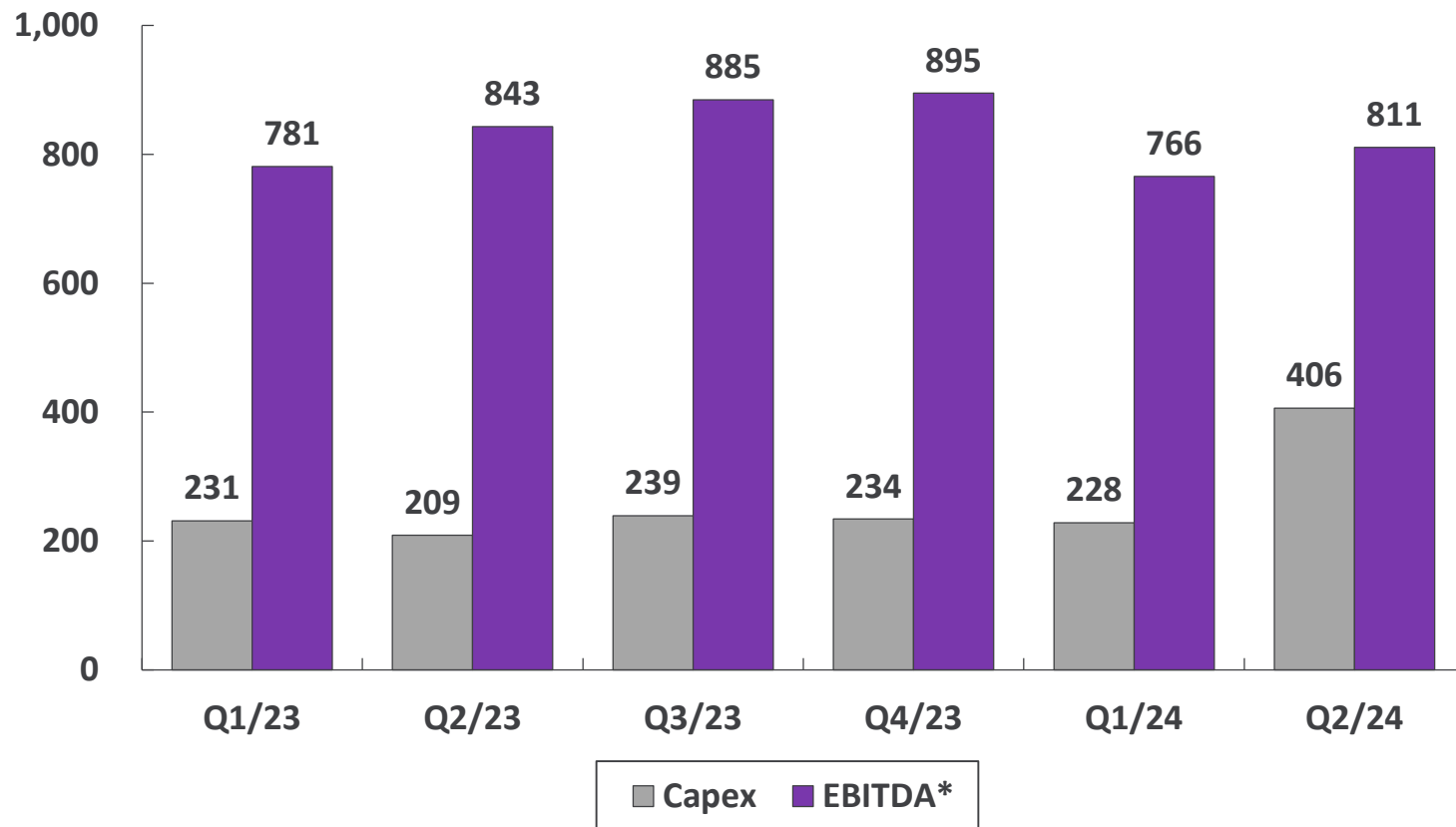
*: EBITDA stands for net income or loss before interest, taxes, depreciation, amortization, impairment and investment gain or loss as well as other items.

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.

Third Quarter 2024 Outlook



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

- In NT dollar terms, our ATM 3rd quarter 2024 revenues should grow by high single digits quarter over quarter;
- Our ATM 3rd quarter gross margin should be between 23% to 23.5%;
- In NT dollar terms, our EMS 3rd quarter 2024 revenues should grow mid to high teens quarter over quarter;
- Our EMS 3rd quarter 2024 operating margin should be slightly above 4th quarter 2023 levels of 3.5%.



Thank you

Consolidated Statements of Comprehensive Income

(Unaudited)

(NT\$ thousand)	Q1/2023	Q2/2023	Q3/2023	Q4/2023	FY/2023	Q1/2024	Q2/2024
Revenues	130,891,073	136,275,353	154,166,844	160,581,201	581,914,471	132,802,855	140,238,063
COGS	111,551,750	114,534,530	129,251,183	134,819,876	490,157,339	111,934,809	117,172,132
PPA under COGS	917,384	913,036	907,151	906,818	3,644,389	907,257	946,878
Gross profit	19,339,323	21,740,823	24,915,661	25,761,325	91,757,132	20,868,046	23,065,931
Gross profit excl. PPA	20,256,707	22,653,859	25,822,812	26,668,143	95,401,521	21,775,303	24,012,809
OPEX	11,643,749	12,328,656	13,510,320	13,946,699	51,429,424	13,343,096	14,045,278
PPA under OPEX	261,948	262,147	262,426	262,460	1,048,981	262,320	262,560
Operating income	7,695,574	9,412,167	11,405,341	11,814,626	40,327,708	7,524,950	9,020,653
Operating income excl. PPA	8,874,906	10,587,350	12,574,918	12,983,904	45,021,078	8,694,527	10,230,091
Non Op gain/(loss)	174,771	698,626	846,651	552,592	2,272,640	334,868	1,096,772
PPA under Non Op gain/ (loss)	6,270	7,693	69	1,423	15,455	1,027	3,670
Non Op gain/ (loss) excl. PPA	181,041	706,319	846,720	554,015	2,288,095	335,895	1,100,442
Pretax income	7,870,345	10,110,793	12,251,993	12,367,218	42,600,349	7,859,818	10,117,424
PPA under Pretax income	1,185,602	1,182,876	1,169,646	1,170,701	4,708,825	1,170,604	1,213,108
Pretax income excl. PPA	9,055,947	11,293,669	13,421,639	13,537,919	47,309,174	9,030,422	11,330,532
Tax expenses	1,777,556	1,913,865	2,890,485	2,461,045	9,042,951	1,904,488	1,952,288
PPA under Tax expense	(13,652)	(12,466)	(11,470)	(11,278)	(48,866)	(10,700)	(10,789)
Tax expense excl. PPA	1,791,208	1,926,331	2,901,955	2,472,323	9,091,817	1,915,188	1,963,077
Non-controlling interests	275,624	456,505	585,666	514,200	1,831,995	273,822	381,687
PPA under Non-controlling interests	9,332	8,517	7,814	7,709	33,372	7,239	7,815
Non-controlling interests excl. PPA	284,956	465,022	593,480	521,909	1,865,367	281,061	389,502
Net income attributable to shareholders of the parent	5,817,165	7,740,423	8,775,842	9,391,973	31,725,403	5,681,508	7,783,449
PPA expenses under Net income attributable to shareholders of the parent	1,162,618	1,161,893	1,150,362	1,151,714	4,626,587	1,152,665	1,194,504
Net income attributable to shareholders of the parent excl. PPA	6,979,783	8,902,316	9,926,204	10,543,687	36,351,990	6,834,173	8,977,953
Total PPA expenses	1,171,950	1,170,410	1,158,176	1,159,423	4,659,959	1,159,904	1,202,319
Basic EPS (NT\$)	1.36	1.80	2.04	2.18	7.39	1.32	1.80
Basic EPS (NT\$) excl. PPA	1.63	2.07	2.31	2.45	8.46	1.58	2.08
Diluted EPS (NT\$)	1.30	1.76	2.00	2.13	7.18	1.28	1.75
Diluted EPS (NT\$) excl. PPA	1.57	2.03	2.27	2.40	8.25	1.54	2.03