



# Third Quarter 2023 Earnings Release

ASE Technology Holding

[aseglobal.com](http://aseglobal.com)

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# Safe Harbor Notice



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# Consolidated Statements of Income



Quarterly Comparison  
(Unaudited)

(NT\$ million)	Q3 / 2023	%	Q2 / 2023	%	Q3 / 2022	%	QoQ	YoY
<b>Net Revenues:</b>								
ATM	82,590	53.6%	75,256	55.2%	97,137	51.5%	10%	-15%
EMS	70,948	46.0%	60,384	44.3%	90,660	48.1%	17%	-22%
Others	629	0.4%	635	0.5%	829	0.4%	-1%	-24%
<b>Total Net Revenues</b>	<b>154,167</b>	<b>100.0%</b>	<b>136,275</b>	<b>100.0%</b>	<b>188,626</b>	<b>100.0%</b>	<b>13%</b>	<b>-18%</b>
<b>Gross Profit</b>	<b>24,916</b>	<b>16.2%</b>	<b>21,741</b>	<b>16.0%</b>	<b>37,972</b>	<b>20.1%</b>	<b>15%</b>	<b>-34%</b>
<b>Operating Income (Loss)</b>	<b>11,405</b>	<b>7.4%</b>	<b>9,412</b>	<b>6.9%</b>	<b>23,683</b>	<b>12.6%</b>	<b>21%</b>	<b>-52%</b>
<b>Pretax Income (Loss)</b>	<b>12,252</b>	<b>7.9%</b>	<b>10,111</b>	<b>7.4%</b>	<b>23,615</b>	<b>12.5%</b>	<b>21%</b>	<b>-48%</b>
<b>Income Tax Benefit (Expense)</b>	<b>(2,890)</b>	<b>-1.9%</b>	<b>(1,914)</b>	<b>-1.4%</b>	<b>(5,046)</b>	<b>-2.7%</b>		
<b>Non-controlling Interests</b>	<b>(586)</b>	<b>-0.4%</b>	<b>(457)</b>	<b>-0.3%</b>	<b>(1,104)</b>	<b>-0.6%</b>		
<b>Net Income Attributable to Shareholders of the Parent</b>	<b>8,776</b>	<b>5.7%</b>	<b>7,740</b>	<b>5.7%</b>	<b>17,465</b>	<b>9.3%</b>	<b>13%</b>	<b>-50%</b>
<b>Basic EPS(NT\$)</b>	<b>2.04</b>		<b>1.80</b>		<b>4.03</b>		<b>13%</b>	<b>-49%</b>
<b>Diluted EPS(NT\$)</b>	<b>2.00</b>		<b>1.76</b>		<b>3.92</b>		<b>14%</b>	<b>-49%</b>

## Additional Commentary From Management<sup>1&2</sup>:

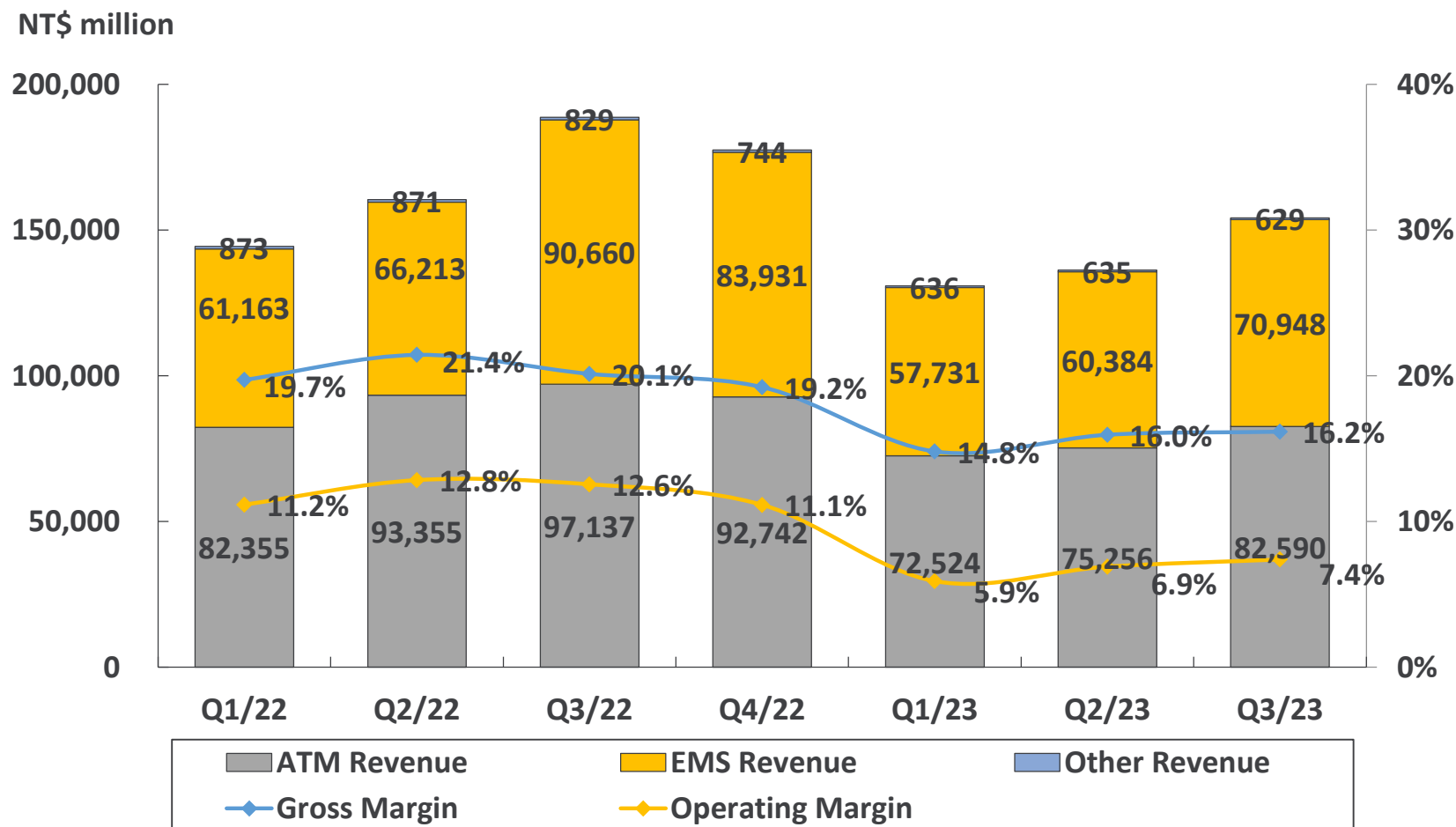
Gross Profit excl. PPA expenses	25,823	16.8%	22,654	16.6%	38,888	20.6%	14%	-34%
Operating Income excl. PPA expenses	12,575	8.2%	10,587	7.8%	24,860	13.2%	19%	-49%
Net income attributable to shareholders of the parent excl. PPA expenses	9,926	6.4%	8,902	6.5%	18,628	9.9%	12%	-47%
Basic EPS(NT\$) excl. PPA expenses	2.31		2.07		4.30		12%	-46%

<sup>1</sup>: 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 \$1.12bn in 3Q23, \$1.13bn in 2Q23, and 3Q22.

<sup>2</sup>: 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 \$0.04bn in 3Q23, 2Q23 and 3Q22.

# Consolidated Operations

(Unaudited)



# ATM Statements of Income



Quarterly Comparison  
(Unaudited)

(NT\$ million)	Q3 / 2023	%	Q2 / 2023	%	Q3 / 2022	%	QoQ	YoY
<b>Net Revenues:</b>								
Packaging	69,731	83.3%	62,607	82.3%	82,090	83.1%	11%	-15%
Testing	12,819	15.3%	12,292	16.1%	14,941	15.1%	4%	-14%
Direct Material	1,098	1.3%	1,165	1.5%	1,765	1.8%	-6%	-38%
Others	36	0.1%	44	0.1%	35	0.0%	-18%	3%
<b>Total Net Revenues</b>	<b>83,684</b>	<b>100.0%</b>	<b>76,108</b>	<b>100.0%</b>	<b>98,831</b>	<b>100.0%</b>	<b>10%</b>	<b>-15%</b>
<b>Gross Profit</b>	<b>18,590</b>	<b>22.2%</b>	<b>16,161</b>	<b>21.2%</b>	<b>28,832</b>	<b>29.2%</b>	<b>15%</b>	<b>-36%</b>
<b>Operating Income (Loss)</b>	<b>8,820</b>	<b>10.5%</b>	<b>7,405</b>	<b>9.7%</b>	<b>18,663</b>	<b>18.9%</b>	<b>19%</b>	<b>-53%</b>

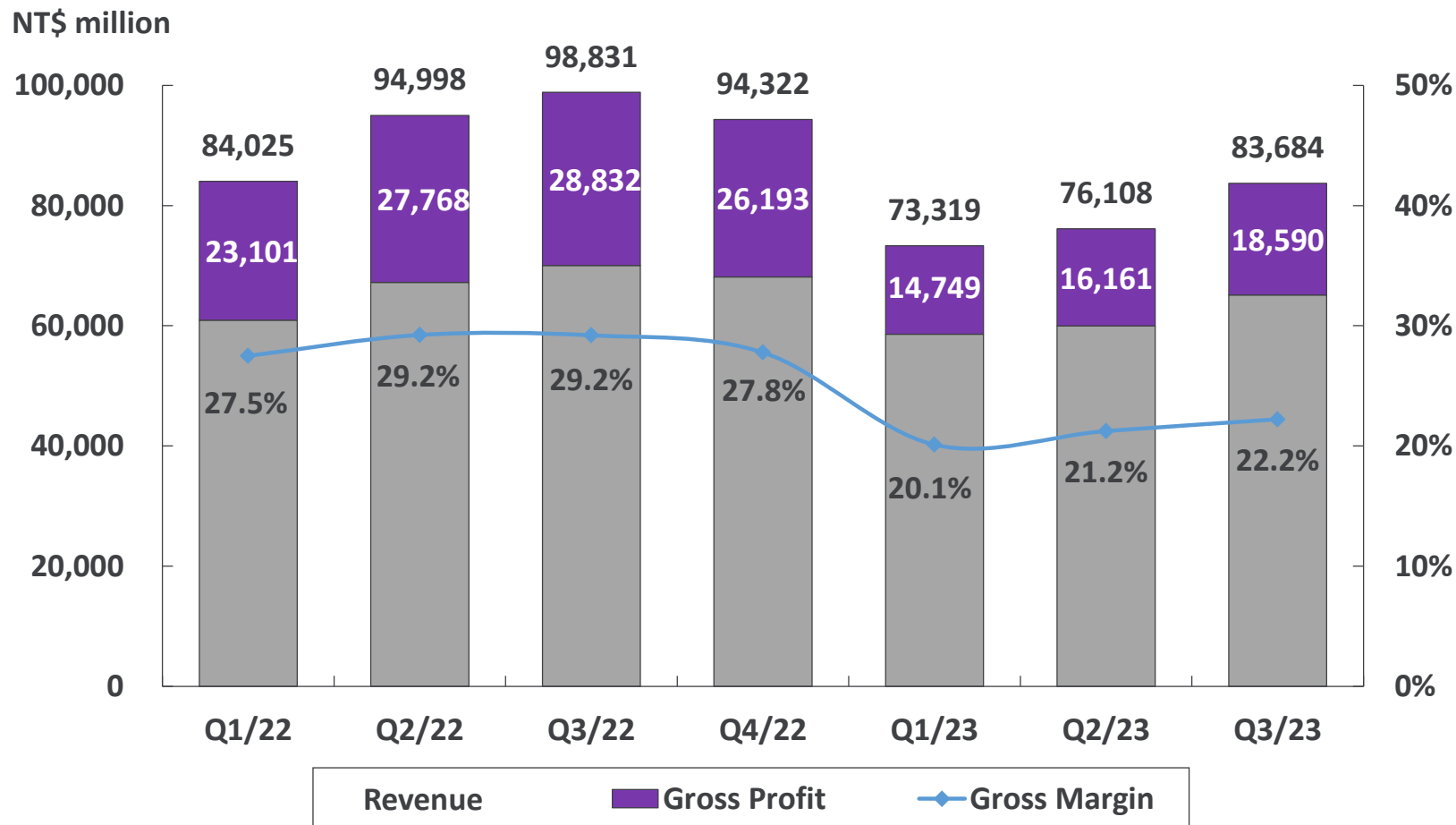
## *Additional Commentary From Management<sup>1</sup>:*

Gross Profit excl. PPA expenses	19,463	23.3%	17,035	22.4%	29,709	30.1%	14%	-34%
Operating Income excl. PPA expenses	9,943	11.9%	8,529	11.2%	19,790	20.0%	17%	-50%

<sup>1</sup>: 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 and amortization \$1.12bn in both 3Q23 and 2Q23, and \$1.13bn in 3Q22.

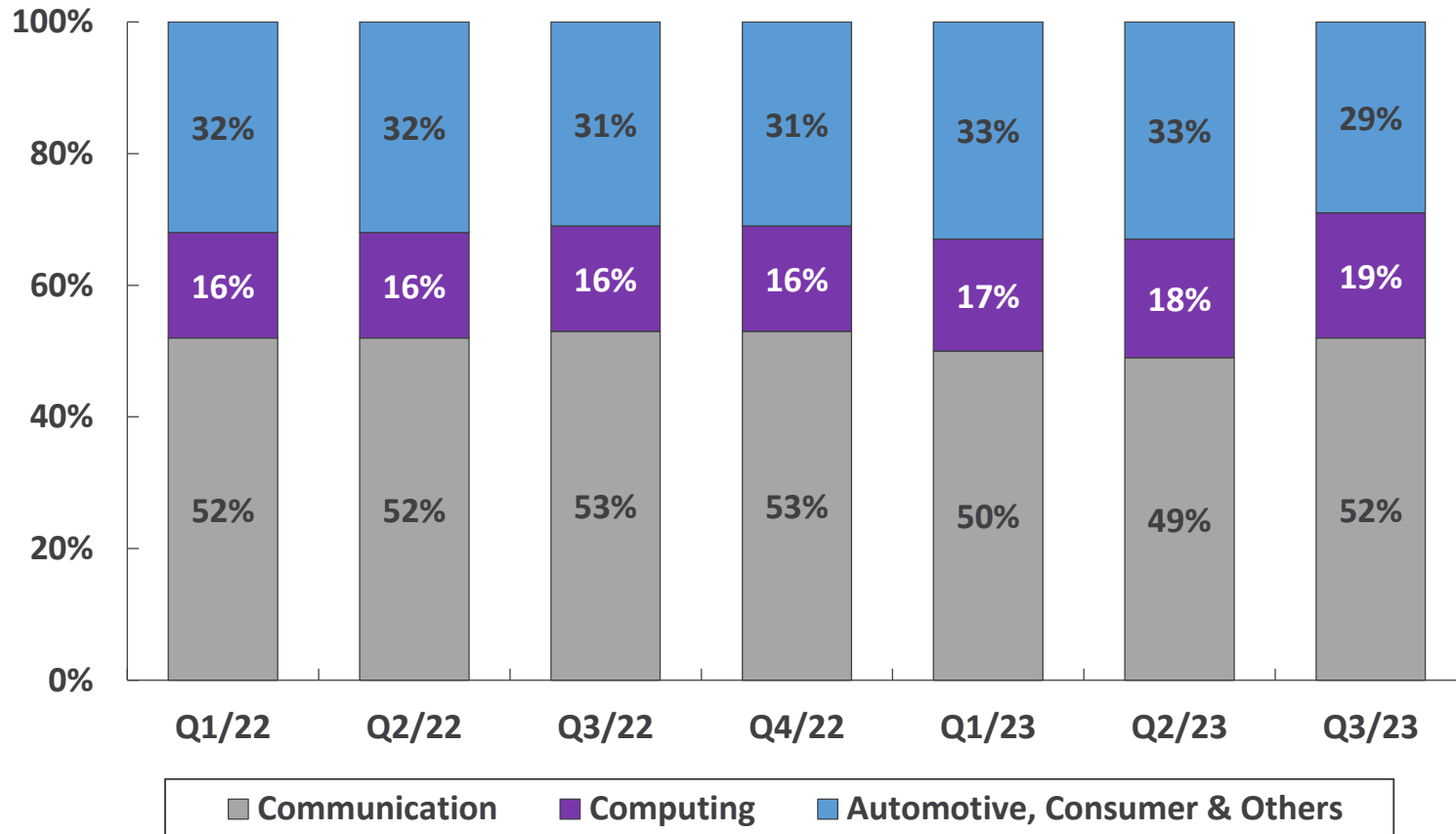
# ATM Operations

(Unaudited)



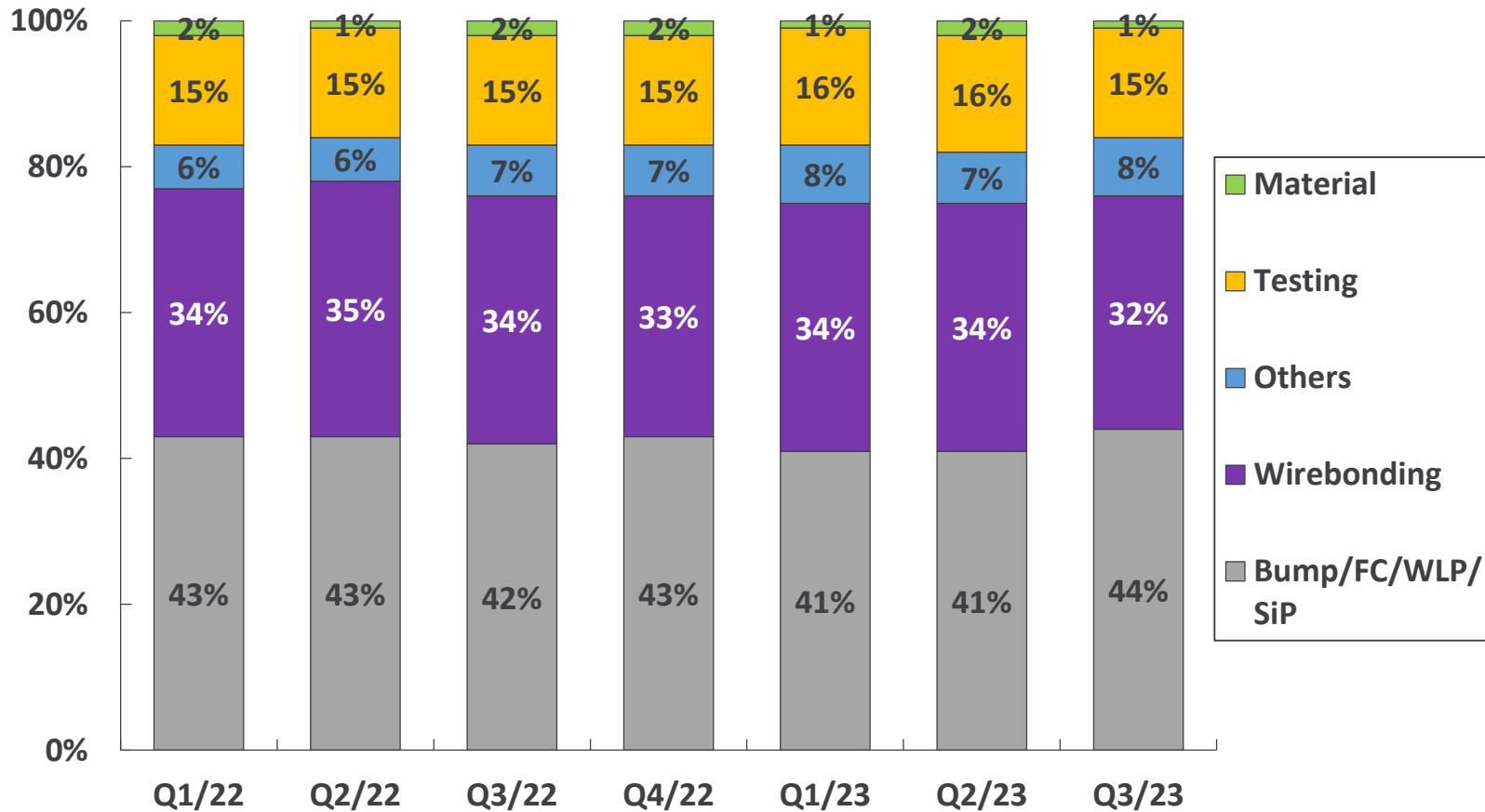
# ATM Revenues by Application

(Unaudited)



# ATM Revenues by Type

(Unaudited)



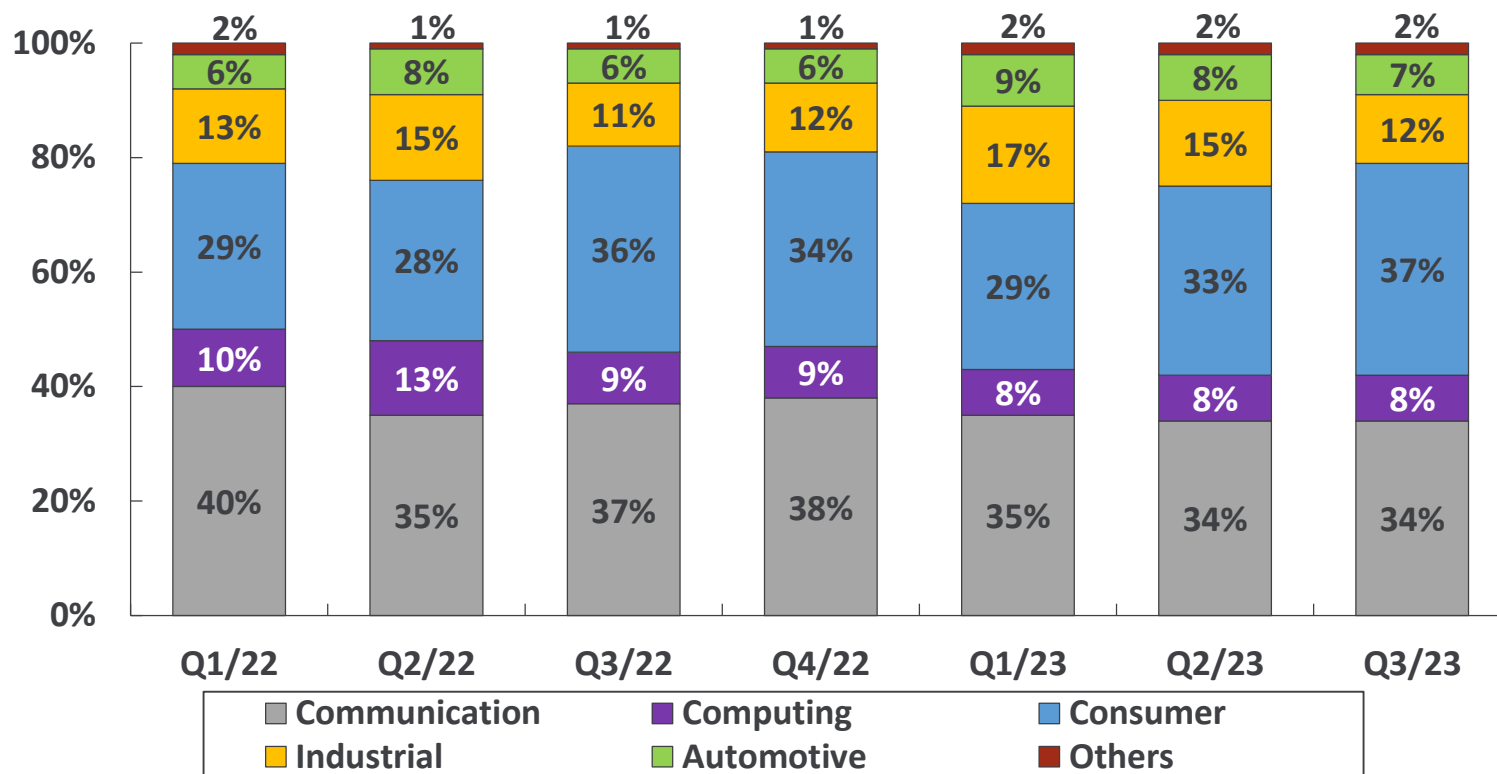


# EMS Operations



## Quarterly Revenues by Application (unaudited)

(NT\$ million)	Q3 / 2023	%	Q2 / 2023	%	Q3 / 2022	%	QoQ	YoY
EMS Net Revenues	70,970	100.0%	60,424	100.0%	90,665	100.0%	18%	-22%
Gross Profit	6,470	9.1%	5,639	9.3%	9,198	10.1%	15%	-30%
Operating Income (Loss)	2,767	3.9%	2,089	3.5%	5,130	5.7%	32%	-46%



# Key Balance Sheet Items & Indices

(Unaudited)



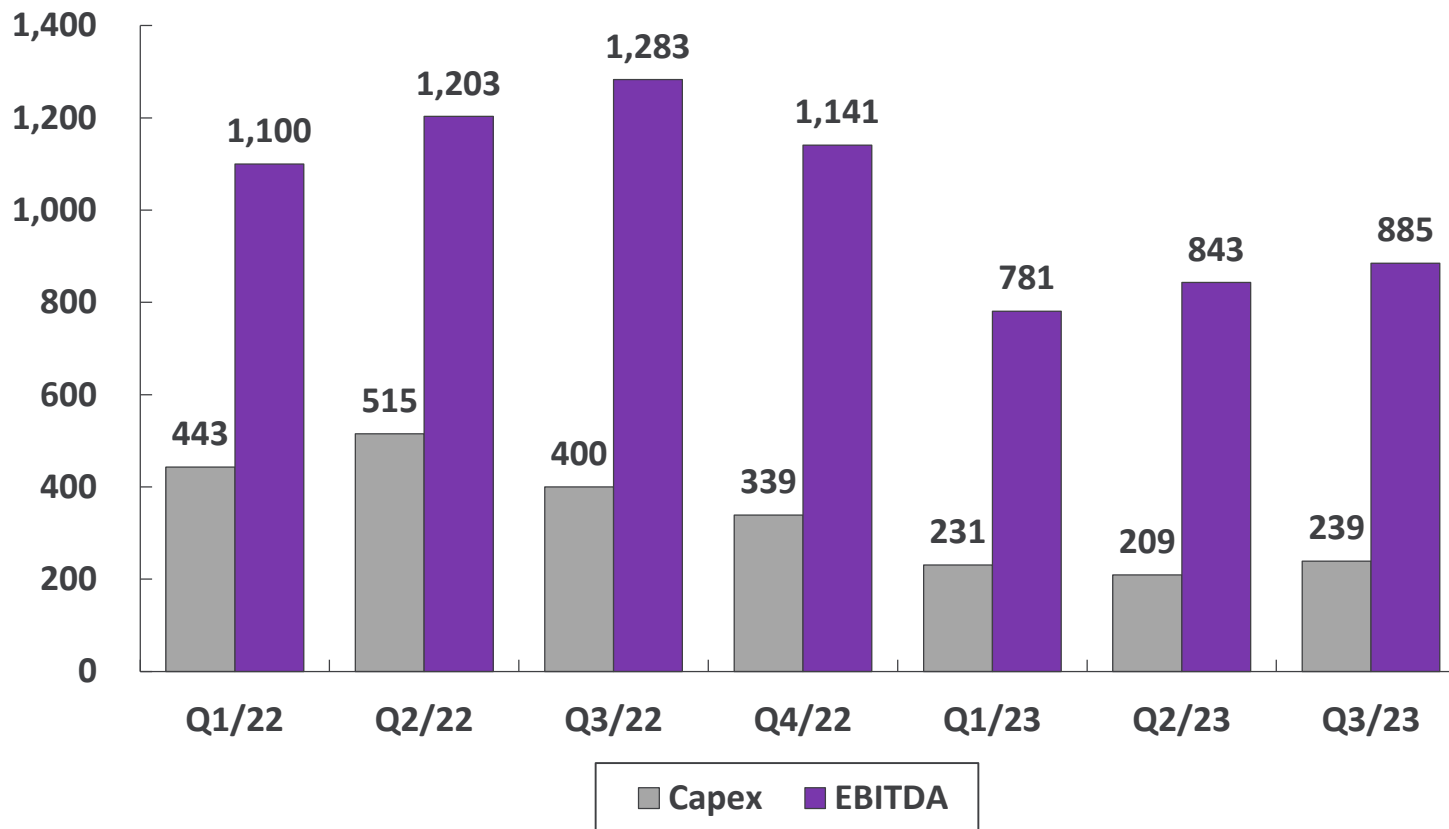
(NT\$ million)	Sept. 30, 2023	Jun. 30, 2023
Cash and cash equivalent	\$62,812	\$59,351
Financial assets - current	9,055	7,040
Financial assets - non current & investments - equity method	28,402	26,761
Property, plant & equipment	267,316	262,604
<b>Total assets</b>	<b>701,084</b>	<b>672,521</b>
Short-term loans	69,639	37,798
Current portion of bonds payable	21,696	13,797
Current portion of long-term loans	2,523	4,394
Bonds payable	23,589	33,462
Long-term loans & long-term bills payable	94,322	90,224
Total interest bearing debts	219,224	187,081
<b>Total liabilities</b>	<b>385,448</b>	<b>375,104</b>
<b>Total equity (Including non-controlling interest)</b>	<b>315,636</b>	<b>297,417</b>
Quarterly EBITDA	27,822	25,770
Current ratio	1.21	1.20
Net debt to equity ratio	0.47	0.41

# Equipment Capital Expenditures vs. EBITDA

(Unaudited)



US\$ million



# Fourth Quarter 2023 Outlook\*



Based on our current business outlook and exchange rate assumptions, management projects overall performance for the fourth quarter of 2023 to be as follows:

- In NT dollar terms, our ATM 4<sup>th</sup> quarter 2023 revenues should decline low to mid single digits quarter over quarter;
- Our ATM 4<sup>th</sup> quarter 2023 gross margin should be flattish as compared to the 3rd quarter 2023;
- In NT dollar terms, our EMS 4<sup>th</sup> quarter 2023 revenues should increase low teens quarter over quarter;
- Our EMS 4<sup>th</sup> quarter 2023 operating margin should be similar or slightly higher than our EMS year-to-date 2023 operating margin of 3.3%.



# Thank you

# Consolidated Statements of Comprehensive Income

(Unaudited)

(NT\$ thousand)	Q1/2022	Q2/2022	Q3/2022	Q4/2022	FY/2022	Q1/2023	Q2/2023	Q3/2023
Revenues	144,390,827	160,439,019	188,625,557	177,417,239	670,872,642	130,891,073	136,275,353	154,166,844
COGS	115,919,599	126,051,460	150,653,584	143,317,989	535,942,632	111,551,750	114,534,530	129,251,183
PPA under COGS	920,316	918,661	916,426	917,737	3,673,140	917,384	913,036	907,151
Gross profit	28,471,228	34,387,559	37,971,973	34,099,250	134,930,010	19,339,323	21,740,823	24,915,661
Gross profit excl. PPA	29,391,544	35,306,220	38,888,399	35,016,987	138,603,150	20,256,707	22,653,859	25,822,812
OPEX	12,358,395	13,782,006	14,289,270	14,324,758	54,754,429	11,643,749	12,328,656	13,510,320
PPA under OPEX	261,477	261,428	261,109	261,723	1,045,737	261,948	262,147	262,426
Operating income	16,112,833	20,605,553	23,682,703	19,774,492	80,175,581	7,695,574	9,412,167	11,405,341
Operating income excl. PPA	17,294,626	21,785,642	24,860,238	20,953,952	84,894,458	8,874,906	10,587,350	12,574,918
Non Op gain/(loss)	549,787	529,795	(67,443)	437,990	1,450,129	174,771	698,626	846,651
PPA under Non Op gain/ (loss)	3,637	20,922	7,038	6,268	37,865	6,270	7,693	69
Non Op gain/ (loss) excl. PPA	553,424	550,717	(60,405)	444,258	1,487,994	181,041	706,319	846,720
Pretax income	16,662,621	21,135,348	23,615,261	20,212,482	81,625,712	7,870,345	10,110,793	12,251,993
PPA under Pretax income	1,185,430	1,201,011	1,184,573	1,185,728	4,756,742	1,185,602	1,182,876	1,169,646
Pretax income excl. PPA	17,848,051	22,336,359	24,799,834	21,398,210	86,382,454	9,055,947	11,293,669	13,421,639
Tax expenses	3,277,505	4,478,602	5,046,341	3,596,127	16,398,575	1,777,556	1,913,865	2,890,485
PPA under Tax expense	(13,081)	(16,957)	(12,653)	(13,164)	(55,855)	(13,652)	(12,466)	(11,470)
Tax expense excl. PPA	3,290,586	4,495,559	5,058,994	3,609,291	16,454,430	1,791,208	1,926,331	2,901,955
Non-controlling interests	477,834	668,595	1,104,295	885,919	3,136,643	275,624	456,505	585,666
PPA under Non-controlling interests	9,074	10,913	8,619	9,015	37,621	9,332	8,517	7,814
Non-controlling interests excl. PPA	486,908	679,508	1,112,914	894,934	3,174,264	284,956	465,022	593,480
Net income attributable to shareholders of the parent	12,907,282	15,988,151	17,464,625	15,730,436	62,090,494	5,817,165	7,740,423	8,775,842
PPA expenses under Net income attributable to shareholders of the parent	1,163,275	1,173,141	1,163,301	1,163,549	4,663,266	1,162,618	1,161,893	1,150,362
Net income attributable to shareholders of the parent excl. PPA	14,070,557	17,161,292	18,627,926	16,893,985	66,753,760	6,979,783	8,902,316	9,926,204
Total PPA expenses	1,172,349	1,184,054	1,171,920	1,172,564	4,700,887	1,171,950	1,170,410	1,158,176
Basic EPS (NT\$)	3.01	3.69	4.03	3.77	14.53	1.36	1.80	2.04
Basic EPS (NT\$) excl. PPA	3.28	3.97	4.30	4.05	15.62	1.63	2.07	2.31
Diluted EPS (NT\$)	2.92	3.61	3.92	3.57	13.94	1.30	1.76	2.00
Diluted EPS (NT\$) excl. PPA	3.19	3.88	4.18	3.84	15.02	1.57	2.03	2.27