



PRESS RELEASE

BE Semiconductor Industries N.V. Announces Q2-24 Results

**Q2-24 Revenue of € 151.2 Million and Net Income of € 41.9 Million
Orders of € 185.2 Million Up 64.5% vs. Q2-23**

**H1-24 Revenue and Net Income of € 297.5 million and € 75.9 Million, Respectively
Orders of € 313.0 Million Up 22.9% vs. H1-23**

Duiven, the Netherlands, July 25, 2024 - BE Semiconductor Industries N.V. (the "Company" or "Beside") (Euronext Amsterdam: BESI; OTC markets: BESIY), a leading manufacturer of assembly equipment for the semiconductor industry, today announced its results for the second quarter and first half year ended June 30, 2024.

Key Highlights Q2-24

- Revenue of € 151.2 million up 3.3% vs. Q1-24 due primarily to higher shipments for photonics and 2.5D assembly applications. Down 7.0% vs. Q2-23 principally due to continued weakness in smartphone end markets partially offset by growth in hybrid bonding and other advanced packaging applications
- Orders of € 185.2 million up 45.0% vs. Q1-24 and 64.5% versus Q2-23 principally due to significant growth in hybrid bonding, photonics and 2.5D assembly solutions for AI applications partially offset by ongoing weakness in automotive end markets
- Gross margin of 65.0% decreased by 2.2 points vs. Q1-24 and by 0.6 points vs. Q2-23 due primarily to product mix
- Net income of € 41.9 million increased 23.2% vs. Q1-24 primarily due to a € 10.0 million decrease in share-based compensation. Vs. Q2-23, net income decreased 20.3% due principally to lower revenue and increased R&D spending in support of wafer level assembly activities. Q2-24 net margin rose to 27.7% vs. 23.2% in Q1-24 but declined versus the 32.4% reported in Q2-23
- Net cash of € 74.4 million at quarter end was flat compared to Q2-23 and reflected the payment of € 171.5 million in dividends and the conversion into equity of € 89.9 million of Convertible Notes in Q2-24

Key Highlights H1-24

- Revenue of € 297.5 million increased 0.5% vs. H1-23 principally due to higher demand for hybrid bonding and other AI-related advanced packaging systems offset by lower revenue for high-end mobile applications
- Orders of € 313.0 million up 22.9% vs. H1-23 due to increased demand for hybrid bonding, photonics and 2.5D assembly solutions partially offset by lower bookings for automotive and mobile applications
- Gross margin of 66.1% increased by 1.1 point versus H1-23
- Net income of € 75.9 million decreased € 11.2 million, or 12.9%, vs. H1-23 primarily due to € 9.1 million higher share-based compensation and € 7.1 million higher R&D spending. Similarly, net margin decreased to 25.5% versus 29.5% in H1-23

Q3-24 Outlook

- Revenue expected to be flat (plus or minus 5%) vs. € 151.2 million reported in Q2-24
- Gross margin expected to range between 64-66% vs. 65.0% realized in Q2-24
- Operating expenses expected to decrease 0-5% vs. € 49.0 million in Q2-24

(€ millions, except EPS)	Q2- 2024	Q1- 2024	Δ	Q2- 2023	Δ	HY1- 2024	HY1- 2023	Δ
Revenue	151.2	146.3	+3.3%	162.5	-7.0%	297.5	295.9	+0.5%
Orders	185.2	127.7	+45.0%	112.6	+64.5%	313.0	254.6	+22.9%
Gross Margin	65.0%	67.2%	-2.2	65.6%	-0.6	66.1%	65.0%	+1.1
Operating Income	49.3	40.7	+21.1%	62.9	-21.6%	90.0	104.6	-14.0%
Net Income	41.9	34.0	+23.2%	52.6	-20.3%	75.9	87.1	-12.9%
Net Margin	27.7%	23.2%	+4.5	32.4%	-4.7	25.5%	29.5%	-4.0
EPS (basic)	0.53	0.44	+20.5%	0.68	-22.1%	0.97	1.12	-13.4%
EPS (diluted)	0.53	0.44	+20.5%	0.66	-19.7%	0.97	1.09	-11.0%
Net Cash and Deposits	74.4*	180.9	-58.9%	74.0*	+0.5%	74.4*	74.0*	+0.5%

* Reflects cash dividend payments of € 171.5 million and € 222.1 million in Q2-24 and Q2-23, respectively.

Richard W. Blickman, President and Chief Executive Officer of Besi, commented:

"Besi reported second quarter revenue, gross margin and operating profit at the high end of guidance with significant order growth realized for hybrid bonding and other AI related applications. For the quarter, revenue of € 151.2 million and net income of € 41.9 million increased by 3.3% and 23.2%, respectively, versus Q1-24. Versus Q2-23, revenue and net income declined by 7.0% and 20.3%, respectively. Sequential and year over year comparisons highlighted contrasting growth trends for AI and mainstream assembly equipment markets in recent quarters. Since H2-23, we have seen significant order growth from high performance computing applications including 2.5D, 3D and photonics assembly solutions in support of a broad based expansion of generative AI demand. Such growth has been partially offset by a slower recovery, as expected, in mainstream assembly markets and in China, particularly for high end smartphones, automotive and industrial applications. In general, post pandemic inventory levels at semiconductor producers still remain elevated despite gradually increasing utilization rates.

Order trends this first half year highlighted increased demand for Besi's systems used in AI and other advanced packaging applications. Bookings of € 185.2 million in Q2-24 and € 313.0 million in H1-24 represented increases of 64.5% and 22.9%, respectively, versus prior year periods. Moreover, we estimate that approximately 50% of our orders over the past 12 months were AI related. In addition, we received orders for 29 hybrid bonding systems in Q2-24 from two customers for estimated delivery in Q4-24 and Q1-25 further highlighting the increased market adoption of this new process technology. Substantially all of such orders were for our latest generation 100 nm accuracy system to be used in 3D logic applications. We anticipate additional orders in H2-24 as customers ramp capacity for high volume manufacturing in 2025. In addition, we received an important second order this quarter for our TCB Next system.

Besi continues to navigate an extended assembly downturn at high levels of profitability as a result of increased 2.5D and 3D order momentum with gross and net margins realized of 65.0% and 27.7%, respectively, in Q2-24. For H1-24, gross margins improved to 66.1% versus 65.0% in H1-23. The reduction in our net margin to 25.5% this first half year primarily reflected a 24% increase in development spending and increased share based compensation versus H1-23. The R&D increase was associated with next generation hybrid bonding development targeting sub-100 nm placement accuracy, the ongoing build out of Besi's hybrid bonding and TCB capabilities in anticipation of expanded logic and memory adoption and enhancements to our current product portfolio for the next market upcycle.

Our financial position is healthy with net cash of € 74.4 million at quarter end (equal to 13% of our last twelve months revenue) post the capital allocation of € 186.3 million in the form of dividends and share repurchases during the quarter and the conversion of € 89.9 million of Convertible Notes into ordinary shares. On July 17, 2024, we successfully completed an offering of € 350 million of 4.5% Senior Notes due 2031 to further solidify our capital base and help fund growth over the next decade at attractive terms.



We are encouraged about Besi's prospects given expanded hybrid bonding adoption for both logic and HBM applications, traction gained in the marketplace by our next generation TCB system and continued demand growth for our flip chip and multi module die attach systems for 2.5D applications. In addition, we anticipate additional share gains in the next market upturn as node sizes shrink further and placement accuracy increases. All such trends play to the strengths of Besi's core competencies. For Q3-24, we forecast that revenue will be flat plus or minus 5% versus Q2-24 with gross margins ranging between 64%-66% based on our projected product mix. Aggregate operating expenses are forecast to decrease by 0-5% versus Q2-24."

Share Repurchase Activity

During the quarter, Besi repurchased approximately 105,000 of its ordinary shares at an average price of € 140.84 per share or a total of € 14.8 million. Cumulatively, as of June 30, 2024, a total of € 39.2 million has been purchased under the current € 60 million share repurchase program at an average price of € 138.09 per share. As of June 30, 2024, Besi held approximately 1.4 million shares in treasury equal to 1.8% of its shares outstanding.

Convertible Notes

At June 30, 2024, Besi's Convertible Notes outstanding equaled € 200.1 million. During the quarter, € 89.9 million of Convertible Notes due 2027 were converted into approximately 1.8 million shares.

Senior Note Offering

On July 17, 2024, Besi completed the issuance of € 350 million of 4.5% Senior Notes due July 15, 2031 via a private placement to institutional investors. The Notes may not be called by the Issuer until January 15, 2031 and are listed on the International Stock Exchange. The net proceeds from the offering are anticipated to be used for general corporate purposes including potential acquisitions. In connection with the issuance, Besi received corporate credit ratings of 'BB+'; Outlook Stable and 'BB+' with a Stable Outlook from S&P Global Ratings and Fitch Ratings, respectively.

Investor and media conference call

A conference call and webcast for investors and media will be held today at 4:00 pm CET (10:00 am EDT). To register for the conference call and/or to access the audio webcast and webinar slides, please visit www.besi.com.

Important Dates

- | | |
|-------------------------------------|------------------|
| • Publication Q3/Nine-month results | October 24, 2024 |
| • Publication Q4/Full year results | February 2025 |

Basis of Presentation

The accompanying Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Reference is made to the Summary of Significant Accounting Policies to the Notes to the Consolidated Financial Statements as included in our 2023 Annual Report, which is available on www.besi.com.

Contacts:

Richard W. Blickman, President & CEO
Leon Verweijen, SVP Finance
Claudia Visser, Executive Secretary/IR coordinator
Edmond Franco, VP Corporate Development/US IR coordinator
Tel. (31) 26 319 4500
investor.relations@besi.com



About Besl

Besl is a leading supplier of semiconductor assembly equipment for the global semiconductor and electronics industries offering high levels of accuracy, productivity and reliability at a low cost of ownership. The Company develops leading edge assembly processes and equipment for leadframe, substrate and wafer level packaging applications in a wide range of end-user markets including electronics, mobile internet, cloud server, computing, automotive, industrial, LED and solar energy. Customers are primarily leading semiconductor manufacturers, assembly subcontractors and electronics and industrial companies. Besl's ordinary shares are listed on Euronext Amsterdam (symbol: BESI). Its Level 1 ADRs are listed on the OTC markets (symbol: BESIY) and its headquarters are located in Duiven, the Netherlands. For more information, please visit our website at www.besi.com.

Caution Concerning Forward-Looking Statements

This press release contains statements about management's future expectations, plans and prospects of our business that constitute forward-looking statements, which are found in various places throughout the press release, including, but not limited to, statements relating to expectations of orders, net sales, product shipments, expenses, timing of purchases of assembly equipment by customers, gross margins, operating results and capital expenditures. The use of words such as "anticipate", "estimate", "expect", "can", "intend", "believes", "may", "plan", "predict", "project", "forecast", "will", "would", and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. The financial guidance set forth under the heading "Outlook" contains such forward-looking statements. While these forward-looking statements represent our judgments and expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from those contained in forward-looking statements, including any inability to maintain continued demand for our products; failure of anticipated orders to materialize or postponement or cancellation of orders, generally without charges; the volatility in the demand for semiconductors and our products and services; the extent and duration of the COVID-19 and other global pandemics and the associated adverse impacts on the global economy, financial markets, global supply chains and our operations as well as those of our customers and suppliers; failure to develop new and enhanced products and introduce them at competitive price levels; failure to adequately decrease costs and expenses as revenues decline; loss of significant customers, including through industry consolidation or the emergence of industry alliances; lengthening of the sales cycle; acts of terrorism and violence; disruption or failure of our information technology systems; consolidation activity and industry alliances in the semiconductor industry that may result in further increased customer concentration, inability to forecast demand and inventory levels for our products; the integrity of product pricing and protection of our intellectual property in foreign jurisdictions; risks, such as changes in trade regulations, conflict minerals regulations, currency fluctuations, political instability and war, associated with substantial foreign customers, suppliers and foreign manufacturing operations, particularly to the extent occurring in the Asia Pacific region where we have a substantial portion of our production facilities; potential instability in foreign capital markets; the risk of failure to successfully manage our diverse operations; any inability to attract and retain skilled personnel, including as a result of restrictions on immigration, travel or the availability of visas for skilled technology workers; those additional risk factors set forth in Besl's annual report for the year ended December 31, 2023 and other key factors that could adversely affect our businesses and financial performance contained in our filings and reports, including our statutory consolidated statements. We expressly disclaim any obligation to update or alter our forward-looking statements whether as a result of new information, future events or otherwise.

Consolidated Statements of Operations

(€ thousands, except share and per share data)	Three Months Ended June 30, (unaudited)		Six Months Ended June 30, (unaudited)	
	2024	2023	2024	2023
Revenue	151,176	162,501	297,490	295,907
Cost of sales	52,908	55,947	100,951	103,665
Gross profit	98,268	106,554	196,539	192,242
Selling, general and administrative expenses	30,514	29,387	70,155	58,369
Research and development expenses	18,503	14,298	36,422	29,293
Total operating expenses	49,017	43,685	106,577	87,662
Operating income	49,251	62,869	89,962	104,580
Financial expense, net	1,045	1,671	1,634	3,216
Income before taxes	48,206	61,198	88,328	101,364
Income tax expense	6,261	8,597	12,404	14,215
Net income	41,945	52,601	75,924	87,149
Net income per share – basic	0.53	0.68	0.97	1.12
Net income per share – diluted	0.53	0.66	0.97	1.09
Number of shares used in computing per share amounts:				
- basic	79,281,533	77,654,106	78,231,430	77,799,681
- diluted ¹	81,941,471	82,916,642	82,023,808	83,346,349

¹⁾ The calculation of diluted income per share assumes the exercise of equity settled share based payments and the conversion of all Convertible Notes outstanding

Consolidated Balance Sheets

<i>(€ thousands)</i>	June 30, 2024 (unaudited)	March 31, 2024 (unaudited)	December 31, 2023 (audited)
ASSETS			
Cash and cash equivalents	127,234	232,053	188,477
Deposits	130,000	215,000	225,000
Trade receivables	174,601	150,192	143,218
Inventories	99,291	99,384	92,505
Other current assets	36,346	34,756	39,092
Total current assets	567,472	731,385	688,292
Property, plant and equipment	43,571	41,328	37,516
Right of use assets	16,821	16,901	18,242
Goodwill	45,710	45,613	45,402
Other intangible assets	92,627	90,241	93,668
Deferred tax assets	9,517	11,444	12,217
Other non-current assets	1,239	1,252	1,216
Total non-current assets	209,485	206,779	208,261
Total assets	776,957	938,164	896,553
Current portion of long-term debt	3,033	984	3,144
Trade payables	51,620	52,382	46,889
Other current liabilities	73,023	100,606	87,200
Total current liabilities	127,676	153,972	137,233
Long-term debt	179,801	265,142	297,353
Lease liabilities	13,448	13,625	14,924
Deferred tax liabilities	10,396	12,136	12,959
Other non-current liabilities	11,352	12,914	12,671
Total non-current liabilities	214,997	303,817	337,907
Total equity	434,284	480,375	421,413
Total liabilities and equity	776,957	938,164	896,553

Consolidated Cash Flow Statements

(€ thousands)	Three Months Ended June 30, (unaudited)		Six Months Ended June 30, (unaudited)	
	2024	2023	2024	2023
Cash flows from operating activities:				
Income before income tax	48,206	61,198	88,328	101,364
Depreciation and amortization	6,980	6,414	13,793	12,907
Share based payment expense	6,916	5,452	23,816	14,725
Financial expense, net	1,045	1,671	1,634	3,216
Changes in working capital	(46,694)	(22,732)	(49,945)	(18,278)
Interest (paid) received	3,893	644	5,062	1,493
Income tax paid	(15,428)	(23,912)	(17,517)	(25,299)
Net cash provided by operating activities	4,918	28,735	65,171	90,128
Cash flows from investing activities:				
Capital expenditures	(3,216)	(2,323)	(8,866)	(3,458)
Capitalized development expenses	(4,912)	(5,251)	(9,575)	(10,641)
Repayments of (investments in) deposits	85,000	(30,268)	95,000	(5,268)
Net cash provided by (used in) investing activities	76,872	(37,842)	76,559	(19,367)
Cash flows from financing activities:				
Payments of lease liabilities	(1,063)	(1,112)	(2,106)	(2,212)
Purchase of treasury shares	(14,810)	(66,948)	(29,589)	(144,727)
Dividends paid to shareholders	(171,534)	(222,109)	(171,534)	(222,109)
Net cash used in financing activities	(187,407)	(290,169)	(203,229)	(369,048)
Net increase (decrease) in cash and cash equivalents	(105,617)	(299,276)	(61,499)	(298,287)
Effect of changes in exchange rates on cash and cash equivalents	798	2,326	256	(422)
Cash and cash equivalents at beginning of the period	232,053	489,927	188,477	491,686
Cash and cash equivalents at end of the period	127,234	192,977	127,234	192,977

Supplemental Information (unaudited)
(€ millions, unless stated otherwise)

REVENUE	Q2-2024		Q1-2024		Q4-2023		Q3-2023		Q2-2023		Q1-2023	
Per geography:												
China	57.5	38%	58.5	40%	62.0	39%	40.8	33%	64.9	40%	37.6	28%
Asia Pacific (excl. China)	54.1	36%	43.6	30%	57.9	36%	42.3	34%	59.2	36%	58.2	44%
EU / USA / Other	39.6	26%	44.2	30%	39.7	25%	40.2	33%	38.4	24%	37.6	28%
Total	151.2	100%	146.3	100%	159.6	100%	123.3	100%	162.5	100%	133.4	100%
ORDERS	Q2-2024		Q1-2024		Q4-2023		Q3-2023		Q2-2023		Q1-2023	
Per geography:												
China	43.3	23%	51.1	40%	71.1	43%	46.0	36%	51.4	46%	35.5	25%
Asia Pacific (excl. China)	72.0	39%	45.0	35%	36.6	22%	40.9	32%	33.2	29%	71.3	50%
EU / USA / Other	69.9	38%	31.6	25%	58.7	35%	40.4	32%	28.0	25%	35.2	25%
Total	185.2	100%	127.7	100%	166.4	100%	127.3	100%	112.6	100%	142.0	100%
Per customer type:												
IDM	122.4	66%	53.5	42%	82.7	50%	70.5	55%	60.5	54%	74.0	52%
Subcontractors	62.8	34%	74.2	58%	83.7	50%	56.8	45%	52.1	46%	68.0	48%
Total	185.2	100%	127.7	100%	166.4	100%	127.3	100%	112.6	100%	142.0	100%
HEADCOUNT	Jun 30, 2024		Mar 31, 2024		Dec 31, 2023		Sep 30, 2023		Jun 30, 2023		Mar 31, 2023	
Fixed staff (FTE)	1,783	86%	1,760	88%	1,736	93%	1,725	87%	1,689	86%	1,682	84%
Temporary staff (FTE)	279	14%	236	12%	134	7%	248	13%	279	14%	312	16%
Total	2,062	100%	1,996	100%	1,870	100%	1,973	100%	1,968	100%	1,994	100%
OTHER FINANCIAL DATA	Q2-2024		Q1-2024		Q4-2023		Q3-2023		Q2-2023		Q1-2023	
Gross profit	98.3	65.0%	98.3	67.2%	103.9	65.1%	79.6	64.6%	106.6	65.6%	85.7	64.2%
Selling, general and admin expenses:												
As reported	30.5	20.2%	39.6	27.1%	24.3	15.2%	23.3	18.9%	29.4	18.1%	29.0	21.7%
Share-based compensation expense	(6.9)	-4.6%	(16.9)	-11.6%	(2.8)	-1.7%	(1.6)	-1.3%	(5.5)	-3.4%	(9.3)	-7.0%
SG&A expenses as adjusted	23.6	15.6%	22.7	15.5%	21.5	13.5%	21.7	17.6%	23.9	14.7%	19.7	14.8%
Research and development expenses:												
As reported	18.5	12.2%	17.9	12.2%	13.5	8.5%	13.6	11.0%	14.3	8.8%	15.0	11.2%
Capitalization of R&D charges	4.9	3.2%	4.7	3.2%	5.7	3.6%	4.7	3.8%	5.3	3.3%	5.4	4.0%
Amortization of intangibles	(3.6)	-2.3%	(3.6)	-2.4%	(3.3)	-2.1%	(3.3)	-2.6%	(3.5)	-2.2%	(3.5)	-2.6%
R&D expenses as adjusted	19.8	13.1%	19.0	13.0%	15.9	10.0%	15.0	12.2%	16.1	9.9%	16.9	12.7%
Financial expense (income), net:												
Interest income	(3.0)		(4.0)		(3.6)		(2.9)		(3.1)		(2.6)	
Interest expense	2.1		2.8		3.0		2.8		2.9		2.9	
Net cost of hedging	1.4		1.6		1.7		1.7		2.0		1.6	
Foreign exchange effects, net	0.5		0.2		(0.4)		0.2		(0.1)		(0.4)	
Total	1.0		0.6		0.7		1.8		1.7		1.5	
Gross cash	257.2		447.1		413.5		391.2		378.3		644.9	
Operating income (as % of net sales)	49.3	32.6%	40.7	27.8%	66.1	41.4%	42.7	34.6%	62.9	38.7%	41.7	31.3%
EBITDA (as % of net sales)	56.2	37.2%	47.5	32.5%	72.7	45.6%	48.9	39.7%	69.3	42.6%	48.2	36.1%
Net income (as % of net sales)	41.9	27.7%	34.0	23.2%	54.9	34.4%	35.0	28.4%	52.6	32.4%	34.5	25.9%
Effective tax rate	13.0%		15.3%		16.1%		14.4%		14.0%		14.0%	
Income per share												
Basic	0.53		0.44		0.71		0.45		0.68		0.44	
Diluted	0.53		0.44		0.68		0.45		0.66		0.44	
Average shares outstanding (basic)	79,281,533		77,181,326		77,070,082		77,374,933		77,634,197		77,946,873	
Shares repurchased												
Amount	14.8		14.8		23.1		45.5		66.9		77.7	
Number of shares	105,042		101,049		226,572		447,829		761,937		1,120,327	