



# Q1 2024

April 30, 2024

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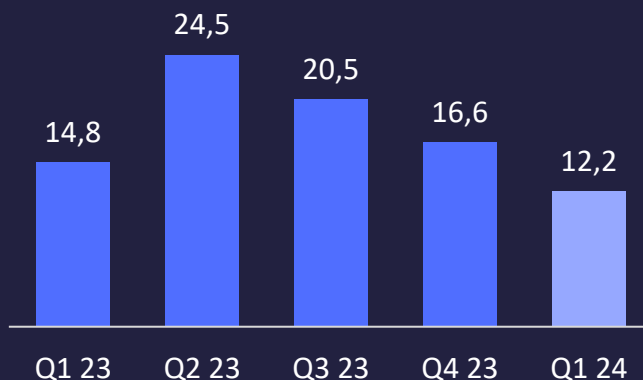
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# Q1 2024 highlights

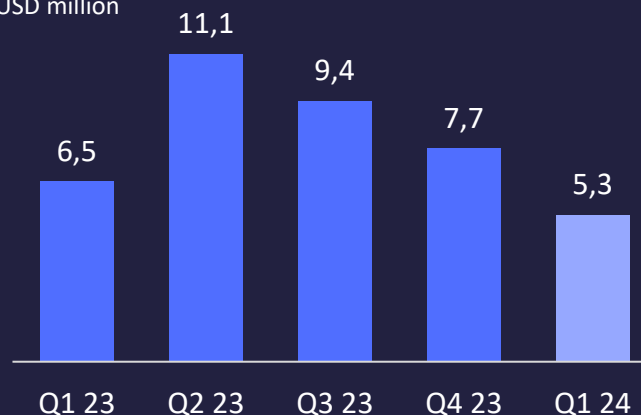
## Group revenue

USD million



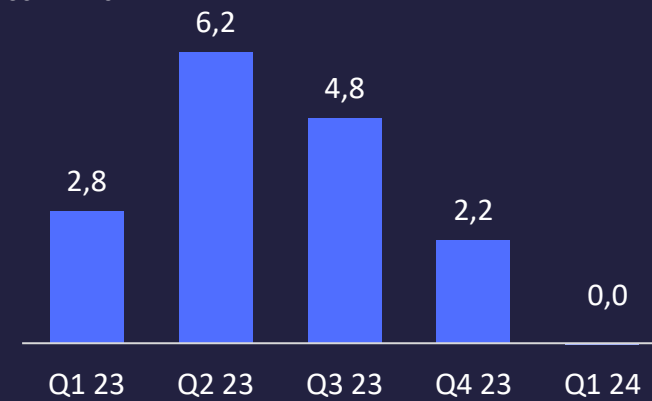
## Group Gross profit

USD million



## Group adj. EBITDA

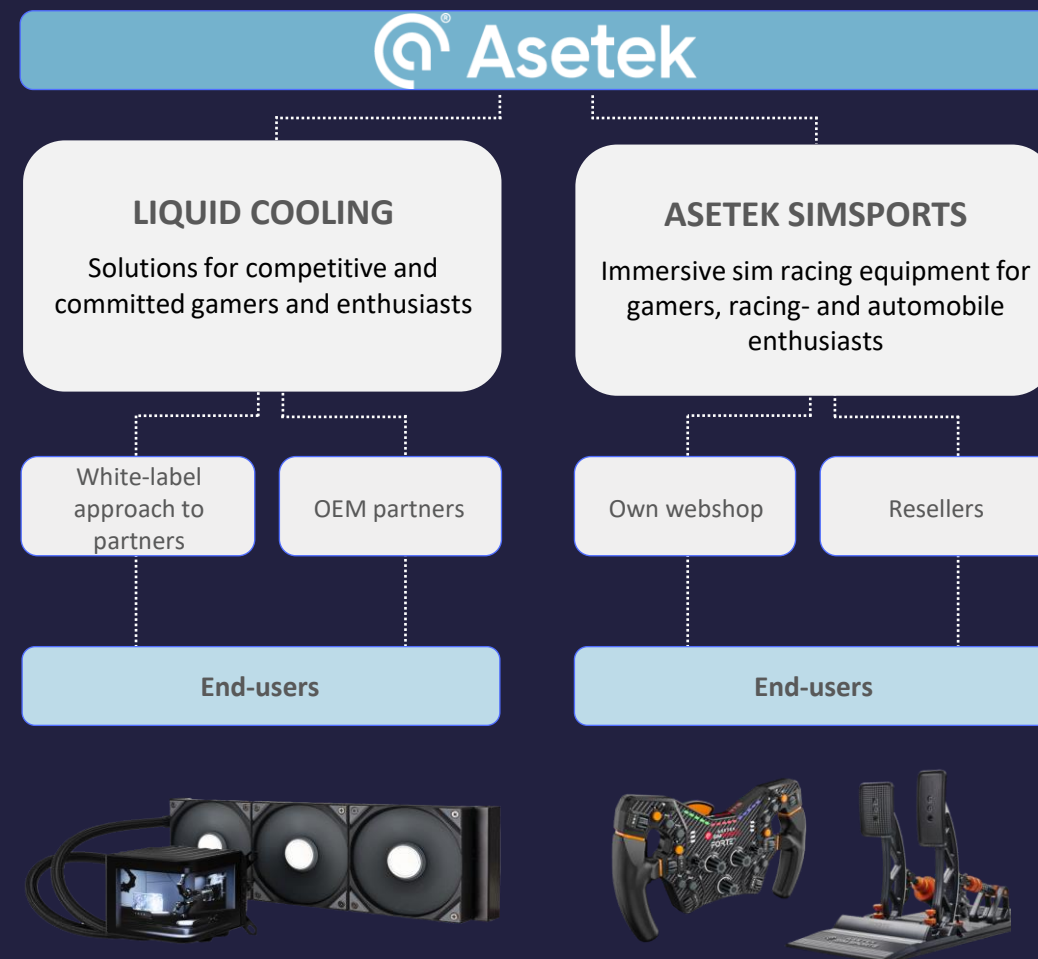
USD million



- Continued low revenue visibility and volatility between single quarters
- Customers entering 2024 with elevated inventories, clearly impacting demand and revenue in H1 2024, indications from industry players and customers of increased activity towards second half of 2024
- Q1 group gross margin at 44% (44% in Q1 2023)
- New OEM partner TRYX introduced a line of all-in-one CPU coolers, with a unique curved 6.5-inch display on the pump
- Full-year 2024 guidance maintained

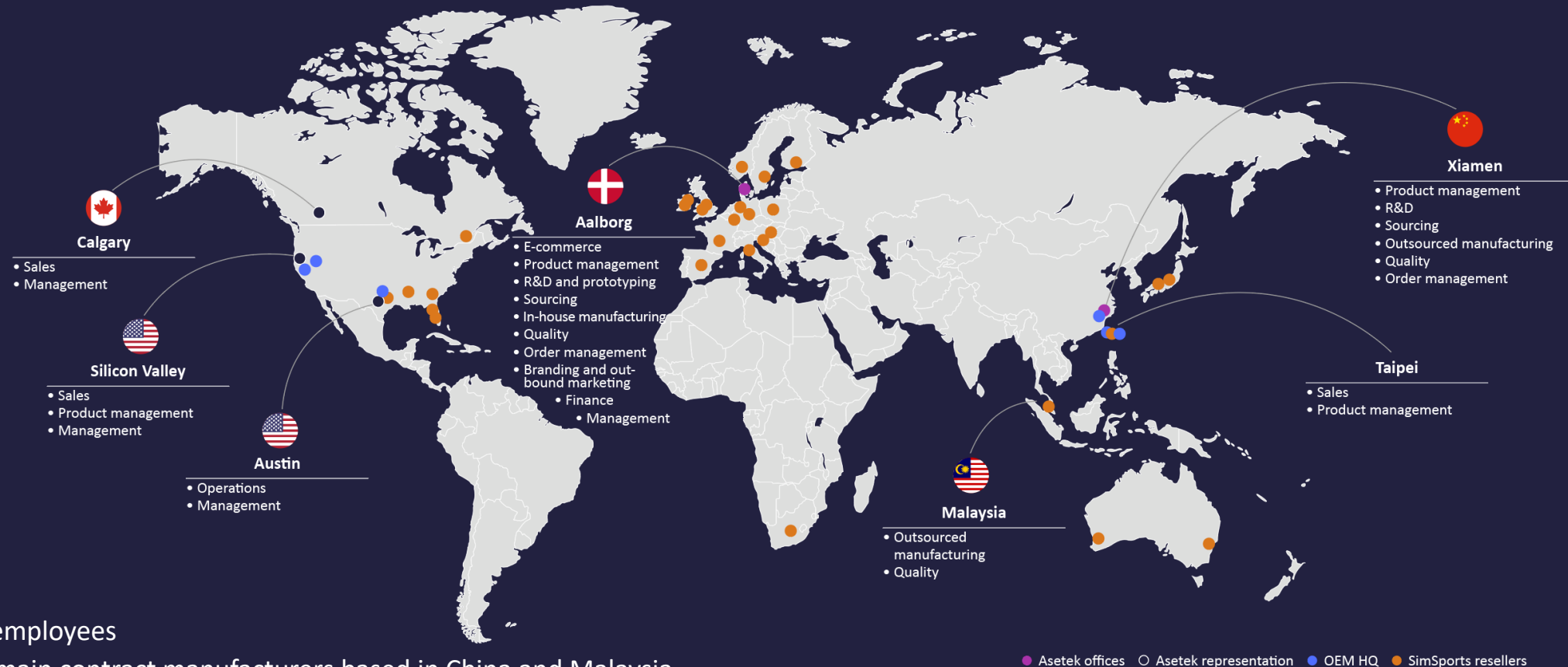
# Asetek – a leading gaming hardware company

<b>\$73.7 million</b> Revenue last 12 months <sup>1</sup>	<b>10.5%</b> of revenue invested in R&D last 12 months <sup>1</sup>
<b>\$33.6 million</b> Gross profit last 12 months <sup>1</sup>	<b>+11 million</b> products shipped to-date
<b>17.7%</b> Adj EBITDA margin last 12 months <sup>1</sup>	<b>Premium market position</b>
<b>Synergies</b> <ul style="list-style-type: none"> <li>• Allocate competence between business units</li> <li>• Supply chain and production</li> <li>• Sales</li> </ul>	





# Global platform and flexible production set-up supporting long-term growth



- 138 employees
- Two main contract manufacturers based in China and Malaysia
- Great flexibility and risk management in terms of moving production and starting up new production lines
- Cost efficient set-up, positive effects will increase further going forward as production moves gradually from Denmark

# Liquid cooling

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# Asetek • TRYX

- New OEM Partner – China based company TRYX
- PANORAMA line of AIO CPU liquid coolers powered by Asetek Gen8 cooling technology
  - One of first globally released with a curved AMOLED screen
  - Screen attached to pump and facing user
- Starting shipping in China in Q2 2024

# Long-term profitable Liquid Cooling business

Liquid cooling EBITDA and margin  
USD million

Accumulated EBITDA 2020 – Q1 2024: \$84 million

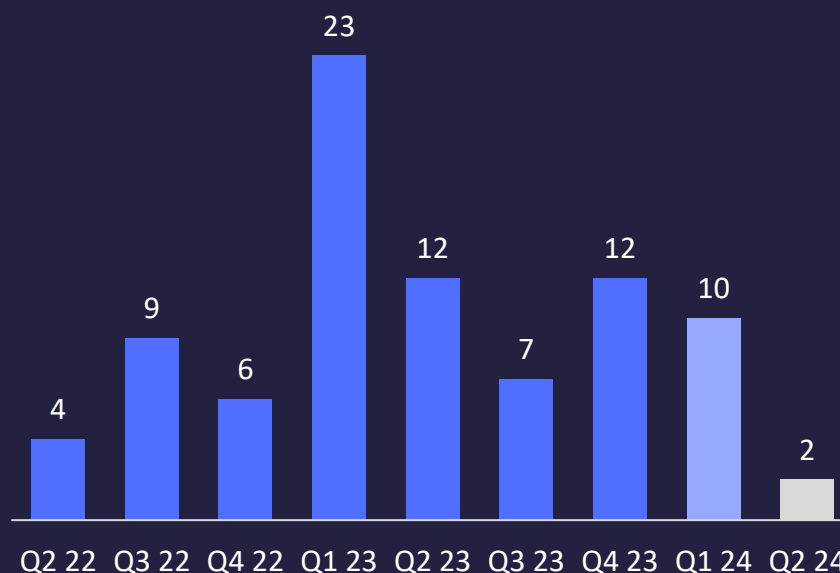




# Market leading premium liquid cooling solutions

- 10 new liquid cooling products started shipping in Q1
- 2 new products estimated to start shipping in Q2 2024
- Investing in product development and branding to expand reach with key customers
- Currently shipping to over 20 OEMs
- Top five customers represented 72% of Liquid Cooling revenue in Q1 2024, vs. 92% in Q1 2023

No. of liquid cooling products started shipping



Top 5 liquid cooling customers<sup>1</sup>



1) Sorted alphabetically last 12 months

# Broadening addressable liquid cooling market

- A value offering tailored for a new and larger market segment
  - Demand from larger customers to address the lower end of the Liquid Cooling premium segment with price competitive high-quality solutions
  - Targeting China and other value-oriented markets
  - Complementing traditional focus on the higher end of the market
- No compromise on the quality that the Asetek brand represents
- Large volume potential at robust EBITDA margins over time
  - Gross margins expected somewhat lower than historical levels
  - No reflection of a general price or margin pressure on high-end liquid coolers
- Full effect expected in 2025



# SimSports

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# A high-quality offering in a fast-growing market

- Q1 2024 revenue of \$2.2 million vs. \$1.3 million in Q1 2023
  - On track to reach profitability
- Gross margins improving but still reflect scale up phase
- New accessories released in Q1 2024
  - For example, table brackets (for mounting wheelbase on table or desk) and La Prima wheel accessories
- Major software (RaceHub 3.0) released in April and an additional six new products to start shipping in Q2 2024
  - Expansion of the Quick release product range and accessories for steering wheels
- Two main sales channels
  - About 30 niche resellers globally, clear ambition to grow number of resellers
  - Own webshop largest sales channel in Q1
  - New sales channels will be added when launching mass market product line

Quarterly SimSports revenue  
USD million



# Building full range of high-quality sim racing products



- On track for a full range of high-quality sim racing products by H1 2025
- Ambition to take pole position and build market share based on an open ecosystem
- Maintain focus on high-end segment to anchor the Asetek brand name in the premium market
- Leverage strong brand to launch a competitive mass-market product line, acting as a driver for long-term growth

# Financials

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# Income statement

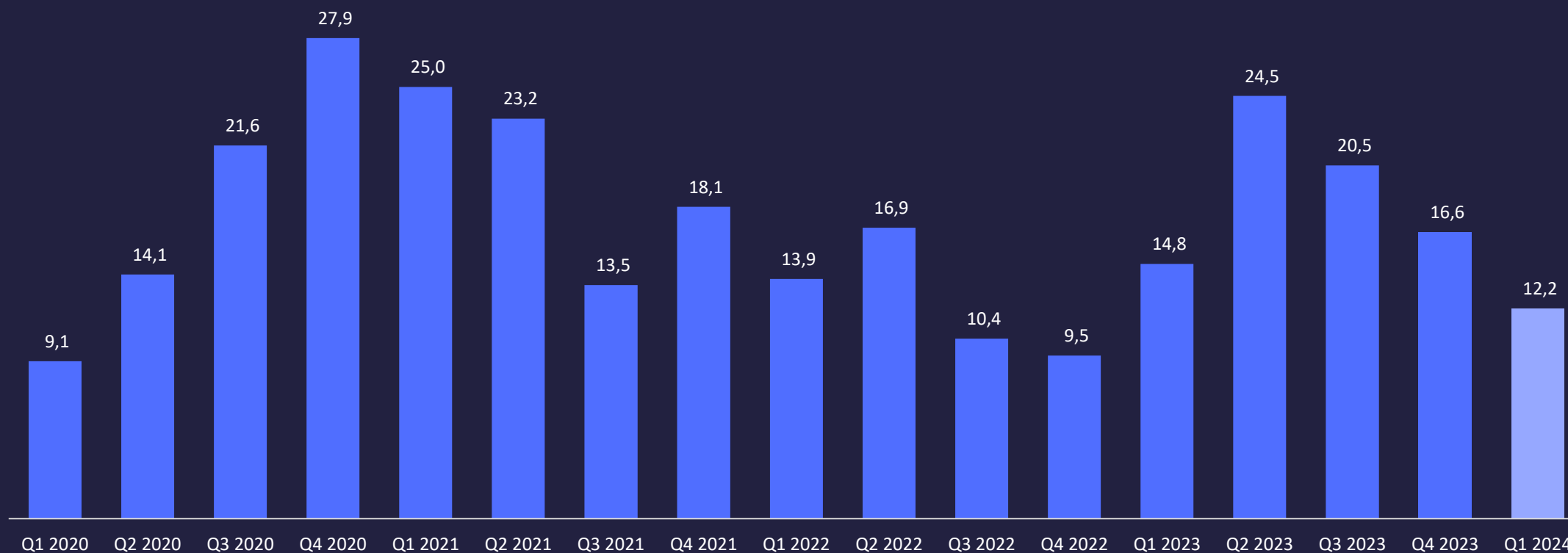
Figures in USD (000's)	Q1 2024	Q1 2023	2023
	<i>Unaudited</i>	<i>Unaudited</i>	
Revenue	12,177	14,760	76,332
Cost of sales	6,835	8,268	41,624
<b>Gross profit</b>	<b>5,342</b>	<b>6,492</b>	<b>34,708</b>
Research and development	2,015	1,662	7,379
Selling, general and administrative	4,700	3,764	17,079
Special items	-	-	847
<b>Total operating expenses</b>	<b>6,715</b>	<b>5,426</b>	<b>25,305</b>
<b>Operating income (loss)</b>	<b>(1,373)</b>	<b>1,066</b>	<b>9,403</b>
Foreign exchange (loss) gain	653	(385)	(1,015)
Finance income (costs)	(2)	68	110
<b>Total financial income (expenses)</b>	<b>651</b>	<b>(317)</b>	<b>(905)</b>
<b>Income before tax</b>	<b>(722)</b>	<b>749</b>	<b>8,498</b>
Income tax (expense) benefit	158	(167)	(2,497)
<b>Income for the period</b>	<b>(564)</b>	<b>582</b>	<b>6,001</b>
Other comprehensive income items that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation adjustments	(597)	377	721
<b>Total comprehensive income</b>	<b>(1,161)</b>	<b>959</b>	<b>6,722</b>
Income per share (in USD):			
Basic	(0.01)	0.01	0.07
Diluted	(0.01)	0.01	0.07

- Liquid cooling revenue impacted by lower Liquid Cooling quantities sold, partly offset by increased SimSports shipments
  - Sales of 172,000 sealed loops in Q1 (-23%)
  - SimSports revenue of \$2.2 million (\$1.3 million)
- Liquid Cooling ASP \$58 (\$60)
- OPEX increased vs. Q1 2023 primarily due to supply chain development and SimSports marketing. The run rate is consistent with recent quarters

# Quarterly revenue volatility continues

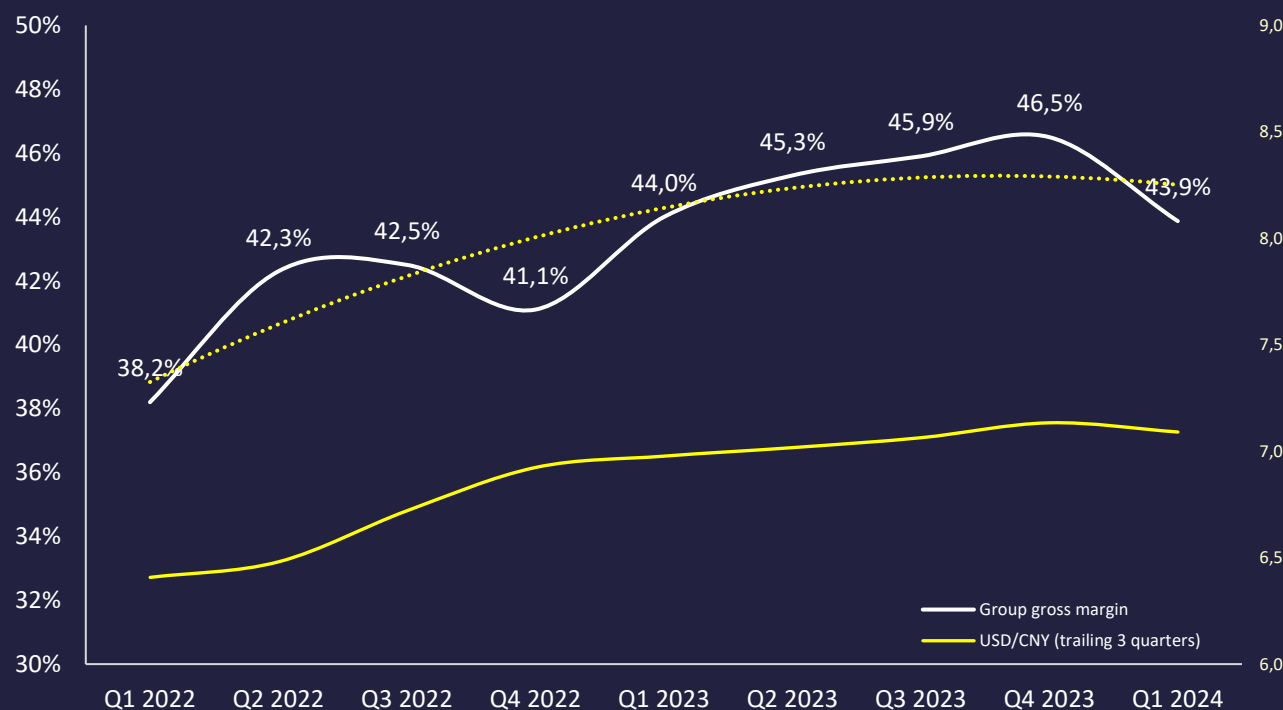
## Quarterly Group revenue

USD million



# Continued solid gross margin development

## Quarterly Group gross margin development

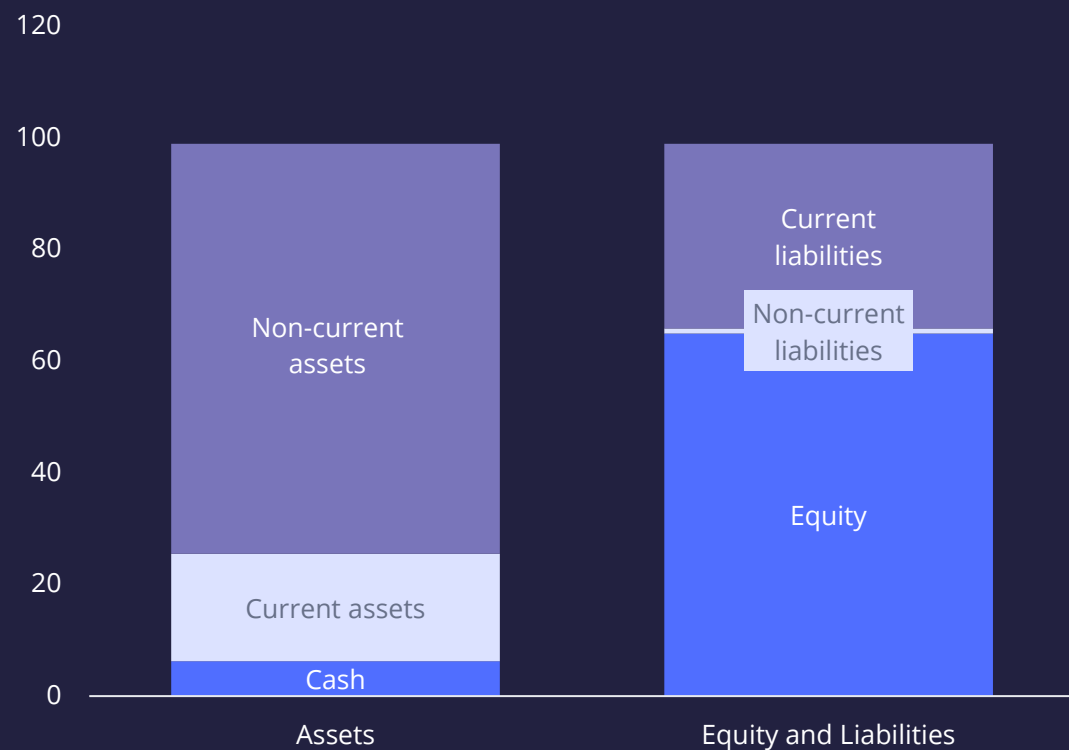


- Q1 2024 gross margin of 43.9% on par with 44.0% in Q1 2023
- Margin development driven by product mix, product volumes and impacted by foreign exchange rates
  - SimSports gross margins impacted by ramp-up efforts



# Balance sheet

USD million at March 31, 2024



- USD 6.2 million cash position at end Q1 2024
- Total investment in new HQ amounts to \$51.3 million
  - \$2.2 million invested in Q1
  - Q2 investment estimated around 2 million
- Total current liabilities of \$33.1 million, including \$19.1 million in construction debt
  - To be refinanced with long-term mortgage loans post completion

# Nearing completion of new development center and HQ



- Area with scarce supply of large properties offering a combined office, manufacturing and warehouse space
- Progressing on schedule and budget for completion in fall-2024
- Signed three-year lease for 20% of the space at attractive terms
- To evaluate sale-leaseback market post completion vs. standard long-term mortgage financing



# Summary and outlook

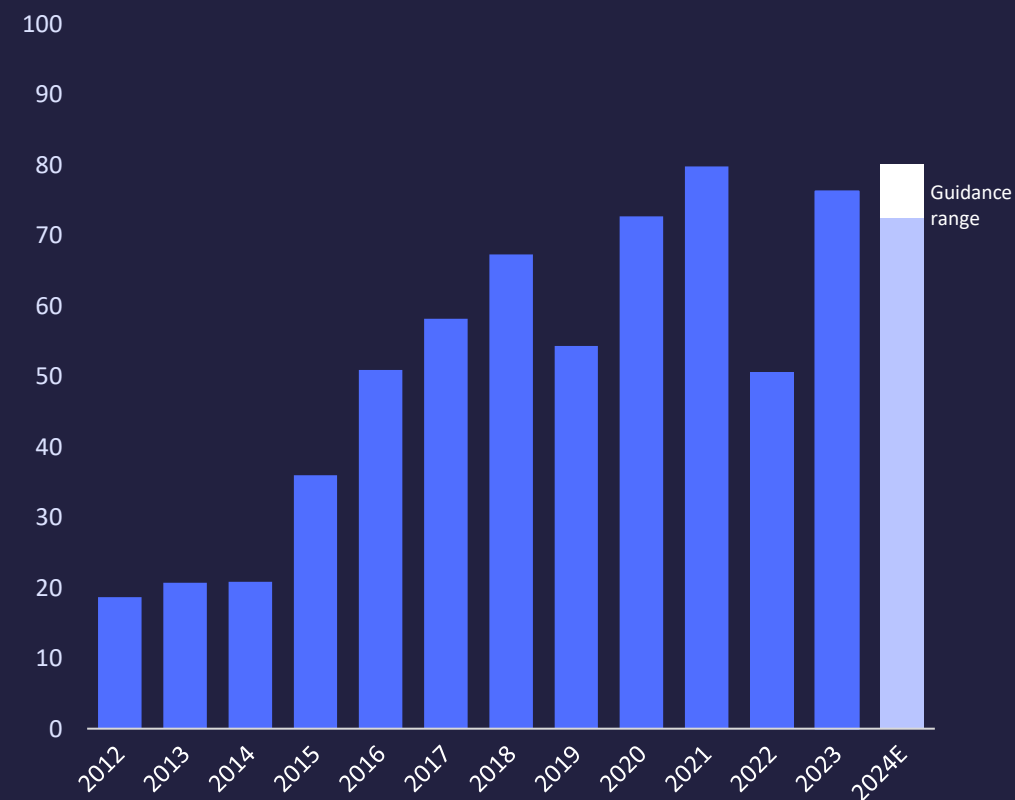
- Full-year 2024 guidance maintained
- Customers entering 2024 with elevated inventories, clearly impacting demand and revenue in H1 2024
- Indications from the industry of increased activity towards second half of 2024, supported by new CPU/GPU product launches from market leading chip companies
- Long-term average growth ambition of approximately 15% per annum

## 2024 strategic focus areas – mitigate uncertain market conditions

- Executing on plan to expand addressable Liquid Cooling market through products tailored for new segments
- Expanding SimSports business with widening product offering based on an open ecosystem

## Annual Group revenue

USD million





# Q&A

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# Appendix

# Balance sheet summary

Figures in USD (000's)	31 Mar 2024	31 Dec 2023
<b>ASSETS</b>	<i>Unaudited</i>	
Total non-current assets	73,399	71,954
Total current assets	25,545	30,785
<b>Total assets</b>	<u>\$ 98,944</u>	<u>\$ 102,739</u>
<b>EQUITY AND LIABILITIES</b>		
Total equity	65,001	66,126
Total non-current liabilities	881	2,596
Total current liabilities	33,062	34,017
<b>Total equity and liabilities</b>	<u>\$ 98,944</u>	<u>\$ 102,739</u>

# Statement of equity summary

Figures in USD (000's)	Three months ended	
	31 Mar 2024	31 Mar 2023
	<i>Unaudited</i>	<i>Unaudited</i>
<b>Equity at January 1</b>	\$ 66,126	\$ 42,748
<b>Total comprehensive income for the period</b>		
Income for the period	(564)	582
Foreign currency translation adjustments	(597)	377
Total comprehensive income for the period	(1,161)	959
<b>Transactions with owners during the period</b>		
Share based payment expense	36	95
Transactions with owners during the period	36	95
<b>Equity at end of period</b>	<u>\$ 65,001</u>	<u>\$ 43,802</u>

# Summary cash flow statement

Figures in USD (000's)	Three months ended	
	31 Mar 2024	31 Mar 2023
	<i>Unaudited</i>	<i>Unaudited</i>
Net cash provided by (used in) operating activities	(2,299)	(3,354)
Net cash used in investing activities	(2,968)	(6,329)
Net cash provided by (used in) financing activities	2,657	7,172
Effect of exchange rate changes on cash and cash equivalents	(296)	432
<b>Net changes in cash and cash equivalents</b>	<b>(2,906)</b>	<b>(2,079)</b>
Cash and cash equivalents at beginning of period	9,121	7,411
<b>Cash and cash equivalents at end of period</b>	<b>\$ 6,215</b>	<b>\$ 5,332</b>





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