



PRESS RELEASE

BE Semiconductor Industries N.V. Announces Q1-23 Results

**Q1-23 Revenue of € 133.4 Million and Net Income of € 34.5 Million
Down 3.1% and 14.2%, Respectively, vs. Q4-22. Operating Profit Exceeds Midpoint of
Guidance**

Q2-23 Revenue to Increase 15%-25% Above Q1-23 Levels

Duiven, the Netherlands, April 26, 2023 - BE Semiconductor Industries N.V. (the "Company" or "Besil") (Euronext Amsterdam: BES1; OTC markets: BES1Y), a leading manufacturer of assembly equipment for the semiconductor industry, today announced its results for the first quarter ended March 31, 2023.

Key Highlights

- Revenue of € 133.4 million down 3.1% vs. Q4-22 due primarily to lower shipments for computing and automotive end-user markets from IDMs and Asian subcontractors. Down 34.1% vs. Q1-22 due to industry downcycle with particular weakness in computing end-user markets
- Orders of € 142.0 million down 21.3% vs. Q4-22 principally as a result of lower mobile and, to a lesser extent, computing bookings from IDMs and Asian subcontractors. Vs. Q1-22, orders decreased 30.7% due primarily to broad weakness in computing end-user markets
- Gross margin of 64.2% rose 1.9 points vs. Q4-22 and 4.1 points vs. Q1-22 principally due to a more favorable product mix, positive net forex influences and cost reduction initiatives
- Net income of € 34.5 million down 14.2% vs. Q4-22 primarily due to higher share-based incentive compensation. Down 48.9% vs. Q1-22 reflecting broad based industry weakness and increased R&D spending. Ex share-based incentive compensation, net income reached € 43.0 million vs. € 42.3 million in Q4-22 and € 75.5 million in Q1-22
- Net margin of 25.9% vs. 29.2% in Q4-22 and 33.4% in Q1-22. Ex share-based incentive compensation, net margin realized of 32.2% vs. 30.7% in Q4-22 and 37.3% in Q1-22
- Cash and deposits of € 644.9 million and net cash of € 325.8 million decreased 7.4% and 20.0%, respectively, vs. Q1-22 due to significantly increased capital allocation to shareholders

Outlook

- Q2-23 revenue anticipated to increase 15-25% vs. Q1-23 with gross margins in a range of 62%-64%

(€ millions, except EPS)	Q1-2023	Q4-2022	Δ	Q1-2022	Δ
Revenue	133.4	137.7	-3.1%	202.4	-34.1%
Orders	142.0	180.5	-21.3%	204.8	-30.7%
Operating Income	41.7	48.7	-14.4%	81.7	-49.0%
EBITDA	48.2	54.8	-12.0%	87.2	-44.7%
Net Income	34.5	40.2	-14.2%	67.5	-48.9%
Net Margin	25.9%	29.2%	-3.3	33.4%	-7.5
EPS (basic)	0.44	0.51	-13.7%	0.87	-49.4%
EPS (diluted)	0.44	0.50	-12.0%	0.81	-45.7%
Net Cash and Deposits	325.8	346.5	-6.0%	407.0	-20.0%



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

"Besic's first quarter results were within guidance in an industry downturn with gross margin exceeding guidance. Revenue of € 133.4 million decreased by 3.1% versus Q4-22 primarily reflecting general weakness in high-end and mainstream computing markets from both IDMs and Asian subcontractors and a temporary reduction in shipments for automotive applications. Such adverse influences were partially offset by increased shipments for high-end smartphone applications. On a year over year basis, revenue this quarter declined by 34.1% reflecting the impact of the current downturn on Besic's business. In addition, demand from Chinese customers remained weak representing approximately 27% of total revenue this quarter.

Besic's profitability was solid in Q1-23 with gross margins reaching 64.2% due primarily to the current product mix and cost control efforts. Operating income of € 41.7 million exceeded the midpoint of guidance. Excluding share based compensation expense, Besic's net income and net margin were € 43.0 million and 32.2% this quarter versus € 42.3 million and 30.7% recorded in Q4-22 despite lower revenue levels. In fact, our financial performance has significantly improved at this point of the industry downcycle as measured by a comparison of Besic's results for the latest twelve months ending March 31, 2023 versus the comparable period ending March 31, 2019 with revenue, orders and operating profit increasing by 44.7%, 66.5% and 82.7%, respectively.

Our financial position remained solid at quarter end with cash and deposits and net cash of € 644.9 million and € 325.8 million, respectively. In addition, cash flow from operations increased to € 61.4 million in Q1-23, up 36.4% versus Q1-22. During the quarter, we repurchased € 77.8 million of our shares bringing total purchases to € 174.1 million since the August 2022 initiation of our € 300 million share repurchase program.

Order trends in Q1-23 reflect both the negative effects of the current industry downturn and the favorable prospects for Besic's wafer level assembly portfolio. For the quarter, orders of € 142.0 million declined by 21.3% versus Q4-22 primarily due to the pull-forward of some high-end smartphone bookings into Q4-22 and, to a lesser extent, decreased orders for mainstream computing and hybrid bonding applications. Orders for smartphone applications for the most recent two quarters significantly exceeded those for the comparable period of the prior year but were less than previously anticipated. Demand for automotive applications improved in Q1-23 versus both Q4-22 and Q1-22. We received a € 10.5 million order from a Chinese subcontractor subsequent to quarter end for automotive applications indicating ongoing strength in this end-user market.

Bookings this quarter also included orders for multiple hybrid bonding systems with follow on orders anticipated in Q2-23 from multiple customers, including two new customers. Progress in hybrid bonding and other wafer level assembly adoption continues apace with increased interest received from the development community and customers primarily for data center, mobile and memory applications. In addition, the first order for a TCB chip to wafer system was received subsequent to quarter end from a US customer.

The assembly equipment market outlook for 2023 remains negative as we work through the current industry downturn. Analysts have further lowered market estimates for this year but forecast a renewed upturn starting in the second half of 2023. We are prepared for various scenarios with a highly flexible production model and strategic initiatives in place to enhance profitability regardless of the industry direction. In the interim, we continue our investment in R&D programs and service/support in preparation for the next upturn and the significant projected growth of our wafer level assembly portfolio over the next three to five years.

For Q2-23, we forecast that revenue will increase by 15%-25% versus Q1-23 with gross margins of 62%-64% due to our projected product mix. Operating expenses are forecasted to decrease by 0-5% versus Q1-23."

First Quarter Results of Operations

€ millions	Q1-2023	Q4-2022	Δ	Q1-2022	Δ
Revenue	133.4	137.7	-3.1%	202.4	-34.1%
Orders	142.0	180.5	-21.3%	204.8	-30.7%
Book to Bill Ratio	1.1x	1.3x	-0.2	1.0x	+0.1

Besi's Q1-23 revenue of € 133.4 million declined 3.1% versus Q4-22 and was at the midpoint of prior guidance. The decrease was primarily due to lower shipments for computing and automotive end-user markets from IDMs and Asian subcontractors partially offset by increased shipments for high-end smartphone applications. Versus Q1-22, revenue decreased by 34.1% reflecting adverse industry conditions generally and particular weakness in computing end-user markets from IDMs and Asian subcontractors partially offset by higher shipments for mobile applications.

Orders of € 142.0 million decreased 21.3% versus Q4-22 primarily due to the pull-forward of some high-end smartphone bookings into Q4-22 and, to a lesser extent, decreased orders for mainstream computing and hybrid bonding applications. Versus Q1-22, orders decreased by 30.7% principally as a result of lower bookings for high-end and mainstream computing applications by IDMs and Asian subcontractors. Per customer type, IDM orders decreased € 24.2 million, or 24.6%, versus Q4-22 and represented 52% of total orders for the period. Subcontractor orders decreased by € 14.3 million, or 17.4%, versus Q4-22 and represented 48% of total orders.

€ millions	Q1-2023	Q4-2022	Δ	Q1-2022	Δ
Gross Margin	64.2%	62.3%	+1.9	60.1%	+4.1
Operating Expenses*	44.0	37.1	+18.6%	39.9	+10.3%
Financial Expense, net	1.5	3.6	-58.3%	3.7	-59.5%
EBITDA	48.2	54.8	-12.0%	87.2	-44.7%

* Excluding share-based compensation expense, operating expenses would have been € 34.7 million, € 35.0 million and € 31.3 million in Q1-23, Q4-22 and Q1-22, respectively.

Besi's gross margin rose to 64.2%, an increase of 1.9 points and 4.1 points versus Q4-22 and Q1-22, respectively, and exceeded prior guidance. Gross margin development this quarter benefited from (i) a more favorable product mix, (ii) positive net forex influences, particularly versus Q1-22 and (iii) cost reduction initiatives.

Q1-23 operating expenses rose by € 6.9 million, or 18.6%, versus Q4-22 due to a € 7.2 million increase of share-based incentive compensation. Versus Q1-22, operating expenses rose by € 4.1 million, or 10.3%, due primarily to € 2.4 million of increased R&D spending for next generation wafer level assembly systems as well as higher marketing and technical support costs related thereto. Excluding share based compensation expense, operating expenses represented 26.0% of revenue in Q1-23 versus 25.4% in Q4-22 and 15.5% in Q1-22.

Financial expense, net, decreased by € 2.1 million and € 2.2 million versus Q4-22 and Q1-22, respectively, primarily as a result of increased interest income earned on cash balances outstanding.



€ millions	Q1-2023	Q4-2022	Δ	Q1-2022	Δ
Net Income*	34.5	40.2	-14.2%	67.5	-48.9%
Net Margin*	25.9%	29.2%	-3.3	33.4%	-7.5
Tax Rate	14.0%	10.9%	+3.1	13.4%	+0.6

* Excluding share-based compensation expense, Besl's adjusted net income (net margin) would have been € 43.0 million (32.2%), € 42.3 million (30.7%) and € 75.5 million (37.3%) in Q1-23, Q4-22 and Q1-22, respectively.

Besl's Q1-23 net income of € 34.5 million decreased € 5.7 million, or 14.2%, versus Q4-22. The profit reduction was primarily due to a € 7.2 million increase in share-based incentive compensation and a higher effective tax rate partially offset by improved gross margins and lower net financial expense. Versus Q1-22, net income decreased by € 33.0 million, or 48.9%, principally as a result of a 34.1% revenue decrease and increased R&D spending partially offset by increased gross margins and lower net financial expense.

Financial Condition

€ millions	Q1-2023	Q4-2022	Δ	Q1-2022	Δ
Total Cash and Deposits	644.9	671.7	-4.0%	696.6	-7.4%
Net Cash and Deposits	325.8	346.5	-6.0%	407.0	-20.0%
Cash flow from Ops.	61.4	86.6	-29.1%	45.0	+36.4%
Capital allocation*	77.8	65.0	+19.7%	14.1	+451.8%

* Includes dividends and share repurchases.

Total cash and deposits of € 644.9 million at the end of Q1-23 decreased by 4.0% versus Q4-22 and by 7.4% versus Q1-22 due to significantly increased capital allocation to shareholders in the form of dividends and share repurchases. During the quarter, Besl generated cash flow from operations of € 61.4 million which was used to fund (i) € 77.8 million of share repurchases, (ii) € 5.4 million of capitalized development spending and (iii) € 1.1 million of capital expenditures.

Besl's net cash of € 325.8 million at the end of Q1-23 decreased by € 20.7 million (-6.0%) versus year end and by € 81.2 million (-20.0%) versus Q1-22. Net cash development was positively influenced by the conversion of € 7.9 million of Besl's 2024 Convertible Notes during the quarter. An additional € 13.0 million of 2023 Convertible Notes and 2024 Convertible Notes were converted in April 2023, resulting in a reduction of their principal balances to € 0.6 million and € 13.4 million, respectively.

Share Repurchase Activity

During the quarter, Besl repurchased approximately 1.1 million of its ordinary shares at an average price of € 69.37 per share for a total of € 77.8 million. Cumulatively, as of March 31, 2023, a total of 2.9 million shares have been purchased under the current € 300 million share repurchase plan at an average price of € 59.33 per share for a total of € 174.1 million. As of March 31, 2023, Besl held approximately 3.6 million shares in treasury equal to 4.4% of its shares outstanding.

Outlook

Based on its March 31, 2023 backlog and feedback from customers, Besl forecasts for Q2-23 that:

- Revenue will increase by 15-25% versus the € 133.4 million reported in Q1-23
- Gross margin will range between 62%-64% versus the 64.2% realized in Q1-23
- Operating expenses will decrease by 0-5% versus the € 44.0 million in Q1-23

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 2023

- Annual General Meeting of Shareholders April 26, 2023
- Publication Q2/Semi-annual results July 27, 2023
- Publication Q3/Nine-month results October 26, 2023
- Publication Q4/Full year results February 2024

Dividend Information*

- Proposed ex-dividend date April 28, 2023
- Proposed record date May 2, 2023
- Proposed payment of 2022 dividend Starting May 4, 2023

* Subject to approval at Beside's AGM on April 26, 2023

Basis of Presentation

The accompanying condensed 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 2022 Annual Report, which is available on www.beside.com.

About Beside

Beside 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. Beside'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.beside.com.

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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 pandemic and measures taken to contain the outbreak, 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 as a result of the COVID-19 pandemic; those additional risk factors set forth in Besic's annual report for the year ended December 31, 2022 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

<i>(€ thousands, except share and per share data)</i>	Three Months Ended	
	March 31, (unaudited)	
	2023	2022
Revenue	133,406	202,407
Cost of sales	47,718	80,758
Gross profit	85,688	121,649
Selling, general and administrative expenses	28,982	27,313
Research and development expenses	14,995	12,622
Total operating expenses	43,977	39,935
Operating income	41,711	81,714
Financial expense, net	1,545	3,716
Income before taxes	40,166	77,998
Income tax expense	5,618	10,460
Net income	34,548	67,538
Net income per share – basic	0.44	0.87
Net income per share – diluted	0.44	0.81
Number of shares used in computing per share amounts:		
- basic	77,946,873	77,879,169
- diluted ¹	83,777,673	85,084,945

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>	March 31, 2023 (unaudited)	December 31, 2022 (audited)
ASSETS		
Cash and cash equivalents	489,927	491,686
Deposits	155,000	180,000
Trade receivables	145,921	148,333
Inventories	101,024	92,117
Other current assets	24,126	24,562
Total current assets	915,998	936,698
Property, plant and equipment	32,278	33,272
Right of use assets	16,512	17,480
Goodwill	45,556	45,746
Other intangible assets	82,191	81,218
Deferred tax assets	18,397	19,563
Other non-current assets	1,170	1,213
Total non-current assets	196,104	198,492
Total assets	1,112,102	1,135,190
Current portion of long-term debt	2,372	2,361
Trade payables	48,877	41,431
Other current liabilities	109,761	100,099
Total current liabilities	161,010	143,891
Long-term debt	316,779	322,815
Lease liabilities	13,837	14,372
Deferred tax liabilities	12,882	13,303
Other non-current liabilities	12,001	12,274
Total non-current liabilities	355,499	362,764
Total equity	595,593	628,535
Total liabilities and equity	1,112,102	1,135,190

Consolidated Cash Flow Statements

<i>(€ thousands)</i>	Three Months Ended March 31,	
	(unaudited)	
	2023	2022
Cash flows from operating activities:		
Income before income tax	40,166	77,998
Depreciation and amortization	6,493	5,465
Share based payment expense	9,273	8,617
Financial expense, net	1,545	3,716
Changes in working capital	4,454	(42,501)
Income tax paid	(1,387)	(7,272)
Interest (paid) received	849	(1,057)
Net cash provided by operating activities	61,393	44,966
Cash flows from investing activities:		
Capital expenditures	(1,135)	(1,223)
Capitalized development expenses	(5,390)	(5,654)
Repayments of (investments in) deposits	25,000	14,286
Net cash provided by investing activities	18,475	7,409
Cash flows from financing activities:		
Payments of lease liabilities	(1,100)	(908)
Purchase of treasury shares	(77,779)	(14,115)
Net cash used in financing activities	(78,879)	(15,023)
Net increase (decrease) in cash and cash equivalents	989	37,352
Effect of changes in exchange rates on cash and cash equivalents	(2,748)	953
Cash and cash equivalents at beginning of the period	491,686	451,395
Cash and cash equivalents at end of the period	489,927	489,700

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

REVENUE	Q1-2023		Q4-2022		Q3-2022		Q2-2022		Q1-2022	
Per geography:										
Asia Pacific	95.8	72%	98.2	71%	126.9	75%	164.1	77%	159.3	79%
EU / USA / Other	37.6	28%	39.5	29%	41.9	25%	49.9	23%	43.1	21%
Total	133.4	100%	137.7	100%	168.8	100%	214.0	100%	202.4	100%
ORDERS	Q1-2023		Q4-2022		Q3-2022		Q2-2022		Q1-2022	
Per geography:										
Asia Pacific	106.8	75%	127.4	71%	93.3	74%	104.3	68%	161.8	79%
EU / USA / Other	35.2	25%	53.1	29%	32.0	26%	48.8	32%	43.0	21%
Total	142.0	100%	180.5	100%	125.3	100%	153.1	100%	204.8	100%
Per customer type:										
IDM	74.0	52%	98.2	54%	80.7	64%	86.8	57%	97.1	47%
Subcontractors	68.0	48%	82.3	46%	44.6	36%	66.3	43%	107.7	53%
Total	142.0	100%	180.5	100%	125.3	100%	153.1	100%	204.8	100%
HEADCOUNT	Mar 31, 2023		Dec 31, 2022		Sep 30, 2022		Jun 30, 2022		Mar 31, 2022	
Fixed staff (FTE)										
Asia Pacific	1,163	69%	1,162	69%	1,176	69%	1,203	70%	1,186	70%
EU / USA	519	31%	513	31%	518	31%	511	30%	500	30%
Total	1,682	100%	1,675	100%	1,694	100%	1,714	100%	1,686	100%
Temporary staff (FTE)										
Asia Pacific	232	74%	60	42%	237	74%	433	83%	536	86%
EU / USA	80	26%	84	58%	84	26%	91	17%	86	14%
Total	312	100%	144	100%	321	100%	524	100%	622	100%
Total fixed and temporary staff (FTE)	1,994		1,819		2,015		2,238		2,308	
OTHER FINANCIAL DATA	Q1-2023		Q4-2022		Q3-2022		Q2-2022		Q1-2022	
Gross profit	85.7	64.2%	85.8	62.3%	105.2	62.3%	130.4	61.0%	121.6	60.1%
Selling, general and admin expenses:										
As reported	29.0	21.7%	22.6	16.4%	20.5	12.1%	24.6	11.5%	27.3	13.5%
Share-based compensation expense	(9.3)	-7.0%	(2.1)	-1.5%	(0.9)	-0.5%	(3.6)	-1.7%	(8.6)	-4.3%
SG&A expenses as adjusted	19.7	14.8%	20.5	14.9%	19.6	11.6%	21.0	9.8%	18.7	9.2%
Research and development expenses::										
As reported	15.0	11.2%	14.5	10.5%	13.5	8.0%	13.3	6.2%	12.6	6.2%
Capitalization of R&D charges	5.4	4.0%	5.5	4.0%	5.2	3.1%	5.2	2.4%	5.7	2.8%
Amortization of intangibles	(3.5)	-2.6%	(3.0)	-2.2%	(2.9)	-1.7%	(2.9)	-1.3%	(2.9)	-1.4%
R&D expenses as adjusted	16.9	12.7%	17.0	12.3%	15.8	9.4%	15.6	7.3%	15.4	7.6%
Financial expense (income), net:										
Interest income	(2.6)		(1.2)		(0.2)		(0.2)		0.0	
Interest expense	2.9		2.8		3.3		3.7		2.4	
Net cost of hedging	1.6		2.6		2.3		1.5		1.1	
Foreign exchange effects, net	(0.4)		(0.6)		0.1		0.8		0.2	
Total	1.5		3.6		5.5		5.8		3.7	
Operating income as % of net sales	41.7	31.3%	48.7	35.4%	71.2	42.2%	92.5	43.2%	81.7	40.4%
EBITDA as % of net sales	48.2	36.1%	54.8	39.8%	77.1	45.7%	98.0	45.8%	87.2	43.1%
Net income as % of net sales	34.5	25.9%	40.2	29.2%	57.3	34.0%	75.6	35.4%	67.5	33.4%
Income per share										
Basic	0.44		0.51		0.71		0.94		0.87	
Diluted	0.44		0.50		0.69		0.90		0.81	