



Asetek – Q4 2017: Continued growth

- Q4 revenue of \$17.9 million, on par with Q4 2016
- Full-year revenue increased 14% to a record \$58.2 million for 2017
- Q4 desktop revenue of \$16.4 million reflected high-end gaming cooling demand
- Delivering on data center strategy with three new OEM partners in Q4
- Announcements regarding major data center partner anticipated in Q1 2018
- Desktop revenue expected to grow in the range of 5% to 15% in 2018, data center in the range of 50% to 75%

Asetek reported revenue of \$17.9 million in the fourth quarter of 2017, on par with the fourth quarter of 2016. Revenue for the full year 2017 was a record \$58.2 million, reflecting growth of 14% compared with 2016. Growth in 2017 reflected higher desktop revenue driven by shipments in the DIY market.

"We delivered another year of growth and record group revenues driven by our desktop segment. Our data center segment experienced continued fluctuations as we develop new OEM partnerships. This market is still at an early stage, and in 2017 we experienced first-hand how adoption of new technology takes time. That said, we believe data centers will become a significant share of our business", said Andre Sloth Eriksen, CEO and founder of Asetek.

EBITDA adjusted for share based compensation expense was \$2.0 million in the fourth quarter of 2017, compared with EBITDA adjusted of \$3.1 million in the fourth quarter of 2016. Full year 2017 EBITDA adjusted was \$6.8 million, compared to \$7.4 million for the full year of 2016.

Desktop revenue was \$16.4 million in the fourth quarter, a slight increase from the same period of 2016. Revenue for the full year 2017 was \$53.2 million, an increase of 16% from 2016. Operating profit from the desktop segment was \$4.7 million for the fourth quarter and \$16.0 million for the full year, both reflecting improvements over the respective periods of 2016 on increased DIY product sales.

Data center revenue was \$1.5 million in the fourth quarter, compared with \$1.6 million in the fourth quarter of 2016. Revenue for the full year 2017 was \$5.0 million compared with \$5.2 million in 2016. As Asetek continued to invest in this segment, operating losses from the segment amounted to \$2.3 million for the fourth quarter and \$7.3 million for the full year. This compares with losses of \$1.9 million and \$5.1 million in 2016, respectively. Expenditures relate to technology development, manufacturing, and sales development with data center partners and OEM customers. In anticipation of future demand for data center solutions, Asetek has added personnel in the past year, most of whom are focused on the data center business. Revenue variability is expected to continue while the Company secures new OEM partners and growth of end-user adoption through existing OEM partners.

Through new orders received from data center OEM partners in 2017, the Company is increasing its end-user adoption with technology deployed to new HPC installations. In the second half of 2017, Asetek received multiple orders from Penguin Computing for RackCDU D2C™ (Direct-to-Chip) liquid cooling for three HPC sites at U.S. Department of Energy National Laboratories. In the fourth quarter, Asetek announced the addition of three new data center OEM partners: NEC Corporation, E4 Computer Engineering and Acer Inc.

In February 2017, Asetek announced the signing of a product development agreement with a major player in the data center market. In November 2017, Asetek's partner revised the timing of the expected product launch to March 2018. As such, the Company expects to make further announcements regarding this topic in the first quarter of 2018.

Asetek expects desktop revenue to grow in the range of 5% to 15% in 2018 and data center revenue to growth in the range of 50% to 75%. Profitability for 2018 is expected to exceed 2017 amid minimal growth in spending and continued investment in the data center business.

Webcast and conference call at 8:30 AM CET today 28 February 2018

Asetek will release its financial results for the fourth quarter 2017 on Wednesday, 28 February at 7:00 AM CEST. This is followed by a presentation by CEO André Sloth Eriksen and CFO Peter Dam Madsen at 8:30 AM CET. Asetek invites investors, analysts and media to join the presentation.

The presentation is expected to last one hour, including Q&A, and can be followed through live webcast or by conference call.

Conference call – audio only:

Please dial in 5-10 minutes prior using the phone numbers and confirmation code below:

Copenhagen, Denmark:	+45 3515 8049
Oslo, Norway:	+47 2100 2610
London, United Kingdom:	+44 (0) 330 336 9105
Paris, France:	+33 (0)1 76 77 22 74
New York, United States of America:	+1 646 828 8193
Confirmation code:	3347850

Please join the Q4 2017 Results webcast by [clicking here](#).

The fourth quarter 2017 Report and presentation will also be made available on www.asetek.com and www.newsweb.no, as well as through news agencies. A recorded version of the presentation will be made available on www.asetek.com approximately two hours after the broadcast has concluded. Asetek's press room is available on www.asetek.com/press-room/news/

For questions or further information, please contact:

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About Asetek:

Asetek is the global leader in liquid cooling solutions for data centers, servers and PCs. Founded in 2000, Asetek is headquartered in Denmark and has operations in California, Texas, China and Taiwan. Asetek is listed on the Oslo Stock Exchange (ASETEK.OL).

