



Asetek – Q1 2018: Record Q1 revenue

- Q1 revenue growth of 21% driven by high-end gaming cooling demand
- Q1 EBITDA adjusted of USD 0.9 million
- Surpassed total of 5 million sealed loop coolers shipped since inception
- Collaboration with Intel announced on data center liquid cooling products for high performance Intel processors
- Increasing expectations for 2018 desktop revenue growth over 2017 to 10% to 20%; adjusting data center revenue expectations to flat development year-over-year

Asetek reported record first quarter revenue of \$13.9 million, a 21% increase from the first quarter of 2017. The growth from prior year reflects an increase in desktop revenue, driven by shipments in the Do-it-Yourself (DIY) and Gaming/Performance Desktop PC markets.

“Our desktop business continues to thrive as we leverage our market leader position built over time, and we see significant long-term growth potential for this segment. Our data center segment offers a strong value proposition to clients, confirmed by increased adoption through new and existing OEMs. The segment has however not yet reached critical mass, and performance will continue to fluctuate depending on the success of OEMs and partners”, said André Sloth Eriksen, CEO and founder of Asetek.

EBITDA adjusted for share based compensation expense was \$0.9 million in the first quarter of 2017, compared with EBITDA adjusted of \$0.7 million in the first quarter of 2017. First quarter 2018 results reflect increased costs associated with the continued weakening of the U.S. dollar, investments in capital assets, and share based compensation.

Desktop revenue was \$13.2 million in the first quarter, an increase of 19% from the same period of 2017. Operating profit from the desktop segment was \$4.0 million, up from up from \$3.4 million in the same period last year, on higher DIY product sales.

Data center revenue was \$0.7 million, compared with \$0.4 million in the first quarter of 2017. As Asetek continued to invest in this segment, operating losses from the segment amounted to \$2.3 million for the first quarter of 2018 compared with a loss of \$1.8 million in the same period last year. The results reflect continued implementation of Asetek’s data center strategy with investments in technology development, product marketing and sales activities. Revenue variability is expected to continue while the Company adds new OEM partners and growth of end-user adoption through existing OEM partners. Data center revenue in the first quarter did not meet company expectations.

The Company announced an ongoing collaboration with Intel Corporation’s product collaboration and systems division (PCSD) to provide liquid cooling of density-optimized Intel® Compute Modules supporting high-performance Intel® Xeon® Scalable processors. Asetek expects this collaboration to result in new product offerings in 2018 and deliver future data center revenue.

Asetek expects desktop revenue growth in the second quarter of 2018 to exceed 50% over the same period in 2017. Expectations for full year 2018 desktop revenue growth over 2017 is increased to 10% to 20%, from previously 5% to 15%. Data center revenue expectations are revised to a flat development in 2018 over 2017, from previously growth of 50% to 75%. Overall, the Company expects minimal growth in spending and continued investments in the data center business.

Material

The interim report and presentation material is available on www.asetek.com and www.newsweb.no, as well as through news agencies.

Capital Markets Update Wednesday 25 April 2018 from 10:45 – 13:45.

The day will give you an update on Asetek’s market, strategy, operations, financial development and outlook. Asetek’s first quarter 2018 results will be discussed at the event. The presentations will be given in English.

Program

- 10:45 Registration
 - 11:00 Presentations by management and Q&A sessions
 - 13:00 Wrap up
 - 13:15 Informal get-together with Asetek management
 - 13:45 End of program
- A light lunch will be served

Location

Asetek A/S
Assensvej 2, 9220 Aalborg East
Denmark

(approximately 25 minutes drive from Aalborg Airport)

A live webcast from the presentation can be accessed at <https://getvisualtv.net/stream/?asetek-q1-2018-and-capital-markets-update>

Presentations will be available for download before the event begins.

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).