



Asetek – Q3 2018: Hardware Enthusiasts and Gamers Drive Growth

- Record Q3 desktop revenue of \$16.1 million, reflecting higher ASP for DIY products
- Year-to-date revenue increased 26% to \$50.8 million, record level for first nine months
- Desktop partner Corsair launched new coolers powered by Asetek Generation 6 technology
- Q3 data center revenue reflecting lower OEM shipments
- Full-year 2018 desktop revenue growth expectation maintained at 15% to 25%

Asetek reported revenue of \$17.4 million in the third quarter of 2018, compared with \$17.7 million, which was a Q3 record level in 2017. The change from prior year reflects lower data center revenue partly offset by growth in desktop revenue driven by higher ASP in the do-it-yourself (DIY) market. Revenue in the first nine months amounted to a record \$50.8 million, representing growth of 26% compared with the same period of 2017 and reflects increased desktop DIY shipments in 2018.

“The increasing gaming population and need for reliable CPU and GPU performance provide a strong long-term outlook for our desktop business. Our desktop partners continue to launch new, innovative products using Asetek’s liquid cooling technology, driving growth in DIY sales”, said Andre Sloth Eriksen, CEO and founder of Asetek.

EBITDA adjusted for share-based compensation expense was \$3.0 million in the third quarter of 2018, compared with EBITDA adjusted of \$3.0 million in the third quarter of 2017. First nine months 2018 EBITDA adjusted was \$6.8 million, compared to \$4.8 million for the first nine months of 2017.

Desktop revenue was \$16.1 million, a third-quarter record level and an increase of 3% from the same period of 2017. Nine-month revenue was \$47.6 million, an increase of 29% from the first nine months of 2017. Operating profit from the desktop segment was \$5.4 million for the third quarter and \$15.3 million for the first nine months, both reflecting improvement over the respective periods of 2017, due to growth in DIY sales.

During the quarter Asetek announced that its major desktop partner, Corsair, launched the new Hydro Series H100i PRO liquid cooler, joining the H150i PRO and H115i PRO coolers previously launched at CES2018. The PRO family of liquid coolers are powered by Asetek’s new Generation 6 technology, providing even quieter, higher performance cooling than the prior generation.

Data center revenue was \$1.3 million in the third quarter, compared with \$2.0 million in the same period of 2017. Revenue in the first nine months of 2018 totaled \$3.2 million, compared with \$3.5 million in the same period of 2017. Operating loss from the data center segment was \$1.4 million for the third quarter and \$5.7 million for the first nine months of 2018. This compares with losses of \$1.6 million and \$5.0 million in 2017, respectively. Continued variability of data center operating results is expected while the Company secures new OEM partners and growth of end-user adoption through existing OEM partners.

Through partnerships with data center OEMs, the company is growing its end-user adoption with technology deployed to new HPC installations. In the third quarter, Asetek announced a new order from its data center partner Fujitsu, to provide Rack CDU™ liquid cooling for a global industrial customer in Asia. The installation will include 22 racks populated by compute nodes using Asetek’s Direct-to-Chip™ heat capture technology.

Asetek maintained its desktop revenue expectation of growth between 15% and 25% over 2017. Revenue outlook for the data center business was revised to now expecting a slight decline, from previously being level with 2017, due to customer delay of a large order that was expected in the fourth quarter.

Conference call and webcast today Wednesday, 24 October at 8:00 AM CEST:

CEO André Sloth Eriksen and CFO Peter Dam Madsen will host a presentation at 8:00 AM CEST. Asetek invites investors, analysts and media to join the presentation. The presentation is expected to last up to one hour, including Q&A, and can be followed through live webcast or by conference call.

Webcast – audio and slide presentation: Please join the Q3 2018 Results webcast by clicking here (<https://edge.media-server.com/m6/p/7sru5pur>).

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 9127
Paris, France:	+33 (0)1 76 77 22 74
New York, United States of America:	+1 929 477 0402
Confirmation code: 7993172	

Material:

The third quarter report and presentation will also be made available on www.asetek.com (<https://www.asetek.com/investor-relations/reports-presentations/>) and www.newsweb.no, as well as through news agencies. A recorded version of the presentation will be made available on www.asetek.com (<https://www.asetek.com/investor-relations/reports-presentations/>) approximately two hours after the broadcast has concluded.

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).