Asetek – Q3 2025: Firming Up The Growth Outlook Amid Near-term Market Challenges

- **Q3 revenue of $9.8 million, compared with $12.2 million in Q3 2024**
- **Q3 gross margin of 42%, improved from 36% in Q3 2024**
- **Q3 adjusted EBITDA of ($0.5) million, level with Q3 2024**
- **Year-to-date revenue of $30.9 million, and adjusted EBITDA of ($0.7) million compared to $37.1 million and ($0.3) million in 2024, respectively**
- **Signed major agreement with global customer for high-end liquid cooling solutions with estimated minimum commitment of $35 million over the first two-year term**
- **Q3 SimSports revenue at $1.3 million, stable vs. Q2 and in line with expectations as U.S. import tariffs continue to impact demand ($1.5 million in Q3 2024)**
- **Group revenue expectation for 2025 adjusted to around $41 million (previously $45 to $53 million) with adjusted EBITDA margin at negative 3-5% (0% to 3%)**
- **Raised mid-term Liquid Cooling segment revenue-ambition**

Asetek reported third-quarter revenue of $9.8 million compared with $12.2 million in the same period of 2024. Revenue for the first nine months was $30.9 million compared with $37.1 million in the same period of 2024. The change in both periods mainly reflects fewer shipments of liquid cooling products.

Gross margin was 42% for the third quarter and 44% for the first nine months, compared with 36% and 42% in the respective periods of 2024. The gross margin increase is principally due to the supply chain issue recognized in September 2024.

"While macro uncertainties continue to influence near-term demand, Asetek has made significant progress in firming up growth expectations for 2026 and onwards as new and existing clients sign agreements for our high-end and mid-market liquid cooling solutions. This reflects our dedicated commercial work and an industry-wide recognition of our high-quality offering. We also successfully launched our mass-market sim racing product portfolio to wide industry and end-user acclaim. The Initium product series significantly expands our addressable market and positions us for growth when markets stabilize," says André S. Eriksen, the CEO of Asetek.

Adjusted EBITDA was ($0.5) million in the third quarter of 2025, level with the third quarter of 2024. Adjusted EBITDA in the first nine months was ($0.7) million compared with ($0.3) million in the same period of 2024.

During the first nine months of 2025, the Company invested $1.8 million in property and equipment and $2.0 million in capitalized costs for the development of new products. In January, Asetek completed an equity rights offering, raising net proceeds of $10.3 million through the issuance of 219.9 million new common shares. At September 30, 2025, Asetek had working capital of $8.7 million, including $2.8 million of cash and cash equivalents. The reduction in cash during the quarter reflects increased working capital in preparation for Black Friday and year-end holiday sales period.

OPERATIONS
In October, Asetek announced a significant long-term agreement with a global gaming component supplier and long-time Asetek customer to provide high-end liquid cooling solutions, including a minimum volume commitment by the customer estimated at $35 million over the first two-year term. The agreement covers two products based on the Company's new high-performance Ingrid technology platform. Deliveries of the first product are scheduled to start in the second quarter of 2026 with deliveries for the second product scheduled to begin in the fourth quarter of next year.

In August, at the Gamescom event in Germany, the Company announced the launch of Initium, a new mass-market SimSports product portfolio designed for the aspiring sim racer, providing high-quality sim racing at an affordable price point. Initium sim racing products are offered separately or as a complete bundle that includes compact race seat, steering wheel, wheelbase and brake & throttle pedal set.

OUTLOOK
For 2025, the Group outlook has been revised to a revenue of around USD 41 million and adjusted EBITDA margin at negative 3% to 5%. The previous Group revenue expectation was for $45 to $53 million in 2025 and adjusted EBITDA of 0% to 3% of revenue. The revised outlook reflects two major Liquid Cooling customers reducing purchasing during the year, and the impact on SimSports revenue from the import tariffs implemented by the U.S. government, most significantly related to products made in China.

However, based on the above-mentioned long-term liquid cooling agreement, the Company has revised its medium-term ambitions communicated in November 2024. For the Liquid Cooling segment, the Company now aims to reach revenue of above USD 65 million (previously USD 50 million) towards the end of the medium term. The Company expects revenue growth from 2026 and onwards aligned with previous expectations. Further, the Company aims to consistently achieve an Adjusted EBITDA margin of above 25% (previously +25%) in the medium term for the Liquid Cooling segment.

WEBCAST PRESENTATION
CEO André Sloth Eriksen and CFO Peter Dam Madsen will present and comment on the Company's results tomorrow, November 4, at 2.30 pm CET. The presentation is open to the public and is expected to last up to one hour, including Q&A, and can be followed via live webcast.

Please note that all participants wishing to join the webcast are required to pre-register using the following link:

http://events.q4inc.com/attendee/338036216

Please note that registration must be completed before the event starts.

The third quarter 2025 earnings release and presentation will be made available online at ir.asetek.com, as well as through news agencies. A recorded version of the presentation will be made available at ir.asetek.com shortly after the presentation has concluded.

For questions or further information, please contact
CFO Peter Dam Madsen, +45 2080 7200, email: investor.relations@asetek.com

About Asetek
Asetek (ASTK), a global leader in mechatronic innovation, is a Danish garage-to-stock-exchange success story. Founded in 2000, Asetek established its innovative position as the leading OEM developer and producer of the all-in-one liquid cooler for all major PC & Enthusiast gaming brands. In 2021, Asetek introduced its line of products for next level immersive SimSports gaming experiences. Asetek is headquartered in Denmark and has operations in China and Taiwan.

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Forward-looking statements

This announcement includes forward-looking statements that involve risks, uncertainties and other factors, many of which are outside of the Company's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements. Forward-looking statements include statements concerning our plans, objectives, goals, future events, performance, and/or other information that is not historical information. All such forward-looking statements are expressly qualified by these cautionary statements and any other cautionary statements which may accompany the forward-looking statements. The Company undertakes no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances after the date made, except as required by law.