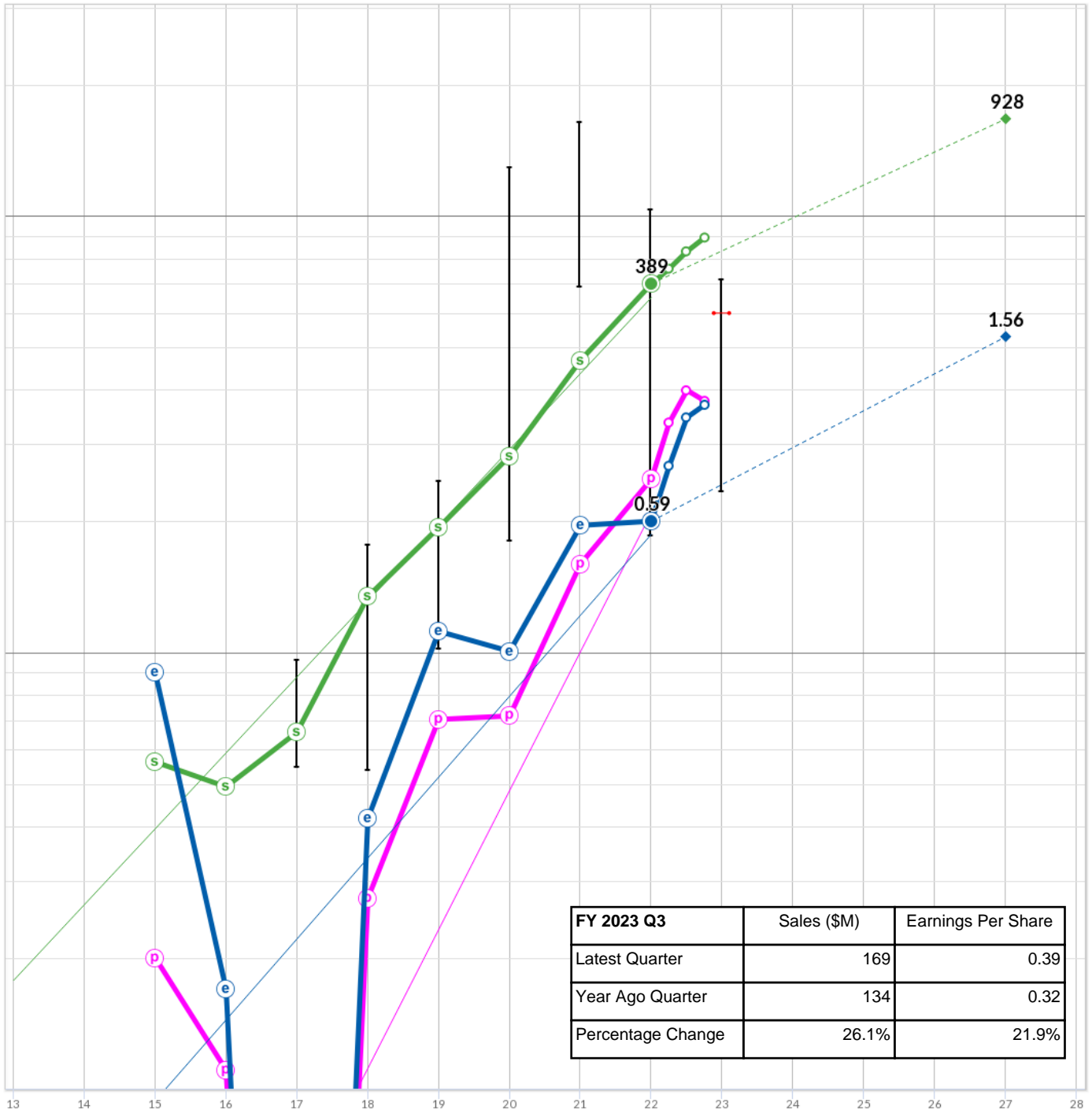


Stock Selection Guide

| | | | | | |
|--|--------------|--------------|---------------------------|---------------|-----|
| Company | ACM Research | | Date | 11/08/23 | |
| Prepared by | FWIC | | Data taken from | BI Stock Data | |
| Where traded | NAS | Industry | Semiconductor Equipment & | | |
| Capitalization --- Outstanding Amounts | Reference | | | | |
| Preferred (\$M) | 0.0 | % Insiders | % Institution | | |
| Common (M Shares) | 65.5 | | 3.1 | 30.6 | |
| Debt (\$M) | 87.6 | % to Tot Cap | 10.7 | % Pot Dil | 8.7 |

Symbol: **ACMR**

1 VISUAL ANALYSIS of Sales, Earnings, and Price



- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 49.3% | (3) Historical Earnings Per Share Growth | 53.3% |
| (2) Estimated Future Sales Growth | 19.0% | (4) Estimated Future Earnings Per Share Growth | 21.5% |

2 EVALUATING Management

ACM Research

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Last 5 Year Avg. |
|---------------------------|------|------|--------|--------|--------|-------|-------|-------|-------|-------|------------------|
| % Pre-tax Profit on Sales | | | 17.3% | 10.9% | -0.9% | 9.9% | 17.6% | 12.3% | 16.6% | 17.3% | 14.7% |
| % Earned on Equity | | | | | -13.3% | 12.0% | 19.6% | 13.1% | 19.6% | 5.5% | 13.9% |
| % Debt To Capital | | | 666.0% | 204.1% | 11.4% | 15.3% | 15.3% | 26.2% | 5.5% | 10.5% | 14.6% |

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 17.69 (11/08/23)

52-WEEK HIGH 21.07

52-WEEK LOW 6.91

| | A | B | C | D | E | F | G | H | |
|------------------------------------|-------|------|-----------|----------------------|------------------------------------|-----------|-------------|--------------|--|
| Year | Price | | Earnings | Price Earnings Ratio | | Dividend | % Payout | % High Yield | |
| | High | Low | Per Share | High A / C | Low B / C | Per Share | F / C * 100 | F / B * 100 | |
| 2018 | 5.2 | 1.6 | 0.12 | 42.3 | 12.9 | 0.00 | 0.0 | 0.0 | |
| 2019 | 7.3 | 3.0 | 0.33 | 22.1 | 9.1 | 0.00 | 0.0 | 0.0 | |
| 2020 | 38.0 | 5.3 | 0.30 | 127.8 | 17.9 | 0.00 | 0.0 | 0.0 | |
| 2021 | 48.3 | 20.3 | 0.58 | 83.7 | 35.1 | 0.00 | 0.0 | 0.0 | |
| 2022 | 30.5 | 5.5 | 0.59 | 51.7 | 9.3 | 0.00 | 0.0 | 0.0 | |
| AVERAGE | | 7.1 | | 32.2 | 12.3 | | 0.0 | | |
| CURRENT/TTM | | | 1.09 | 19.3 | 6.3 | 0.00 | 0.0 | | |
| AVERAGE PRICE EARNINGS RATIO: 22.2 | | | | | CURRENT PRICE EARNINGS RATIO: 16.2 | | | | |

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 30.0 X Estimate High Earnings/Share 1.56 = Forecasted High Price \$ 46.9

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 12.3 X Estimate Low Earnings/Share 1.02 = Forecasted Low Price \$ 12.5

(b) Avg. Low Price of Last 5 Years 7.1

(c) Recent Market Low Price 5.5

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.00}{0.00\%} = 0.0$

Selected Forecasted Low Price \$ 12.6

C ZONING using 25%-50%-25%

Forecasted High Price 46.9 Minus Forecasted Low Price 12.6 = 34.3 Range. 25% of Range 8.6

Buy Zone 12.6 to 21.2

Hold Zone 21.2 to 38.3

Sell Zone 38.3 to 46.9

Present Market Price of 17.69 is in the **BUY** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{46.9 - 17.69}{17.69 - 12.6} = \frac{29.18}{5.09} = 5.7$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{46.9 - 17.69}{17.69} = 2.6500 \times 100 = 265.00 - 100 = 165.0$ % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{0.00}{17.69} = 0.0000 = 0.0\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{30.00} = 0.0\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{21.15} = 0.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 21.5 %
Average Yield 0.0 %
Annualized Rate of Return 21.5 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

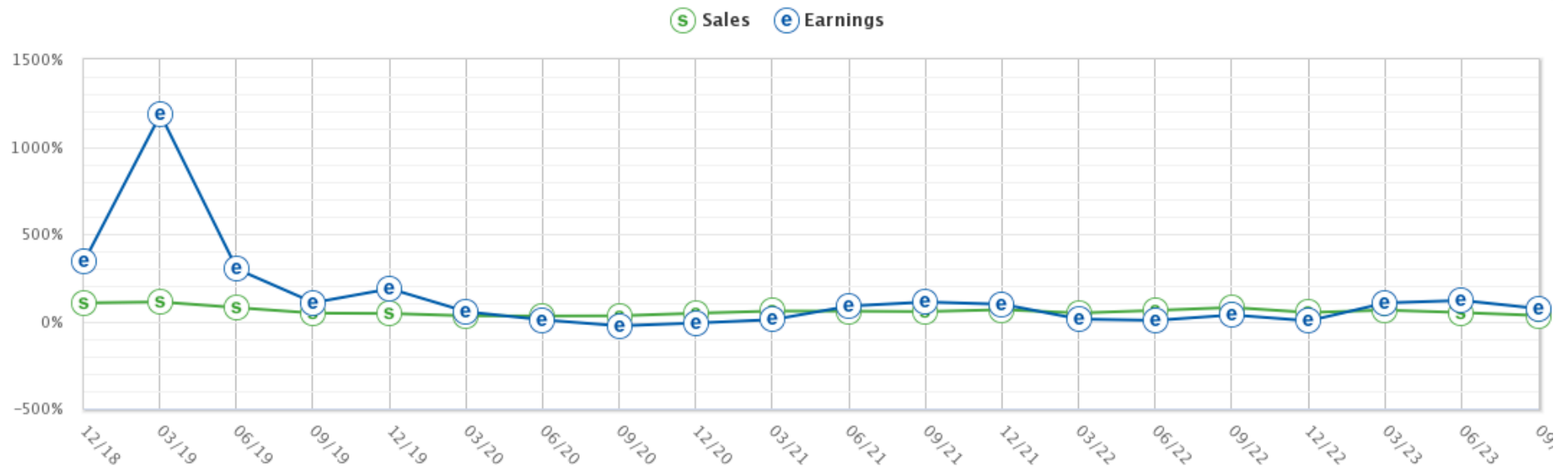
Annualized Appreciation 13.3 %
Average Yield 0.0 %
Annualized Rate of Return 13.3 %

Notes: ACMR 11/9/23 - Arvind

| Date | Subject | Description | Type |
|------|---------|-------------|------|
|------|---------|-------------|------|

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data



| Quarterly Data | | | | | | | | | Last 12 Months Data | | | | | | | | |
|----------------|-------|---------|----------------|--------|---------|--------|---------|-----------------|---------------------|----------------|--------|--------|------------|------|----------------|-------|------|
| Period | EPS | | Pre-Tax Profit | | | Sales | | Income Tax Rate | EPS | Pre-Tax Profit | | Sales | Income Tax | | %Change | | |
| | \$ | %Change | \$ Mil | %Sales | %Change | \$ Mil | %Change | \$ | | \$ Mil | %Sales | \$ Mil | %Rate | EPS | Pre-Tax Profit | Sales | |
| 09/23 | 0.39 | 21.9 | 31.7 | 18.8 | -15.5 | 168.6 | 26.1 | 2.3 | 1.09 | 101.6 | 20.5 | 495.9 | 15.5 | 15.2 | 72.2 | 40.6 | 32.1 |
| 06/23 | 0.41 | 127.8 | 41.2 | 28.5 | 68.8 | 144.6 | 38.5 | 18.5 | 1.02 | 107.5 | 23.3 | 461.1 | 23.2 | 21.6 | 118.9 | 135.5 | 49.3 |
| 03/23 | 0.11 | 210.0 | 11.8 | 15.9 | 203.4 | 74.3 | 76.0 | 24.3 | 0.79 | 90.7 | 21.5 | 420.9 | 22.5 | 24.9 | 104.7 | 217.6 | 63.0 |
| 12/22 | 0.18 | -22.7 | 16.8 | 15.5 | -22.6 | 108.5 | 14.1 | 15.8 | 0.58 | 67.4 | 17.3 | 388.8 | 18.5 | 27.5 | 1.9 | 56.5 | 49.7 |
| 09/22 | 0.32 | 109.2 | 37.5 | 28.1 | 245.0 | 133.7 | 99.5 | 27.9 | 0.63 | 72.3 | 19.3 | 375.4 | 19.7 | 27.2 | 35.8 | 161.1 | 78.6 |
| 06/22 | 0.18 | 80.0 | 24.4 | 23.4 | 232.4 | 104.4 | 93.8 | 31.4 | 0.47 | 45.6 | 14.8 | 308.7 | 9.0 | 19.6 | 4.5 | 82.0 | 61.8 |
| 03/22 | -0.10 | -220.5 | -11.5 | -27.2 | -475.3 | 42.2 | -3.5 | 35.0 | 0.39 | 28.5 | 11.1 | 258.2 | 3.4 | 11.8 | 11.9 | 42.2 | 46.7 |

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

| Quarterly Data | | | | | | | | | Last 12 Months Data | | | | | | | | | |
|----------------|-------|----------|----------------|--------|---------|--------|---------|-----------------|---------------------|----------------|--------|--------|-------|------------|---------|---------|----------------|-------|
| Period | EPS | | Pre-Tax Profit | | | Sales | | Income Tax Rate | EPS | Pre-Tax Profit | | | Sales | Income Tax | | %Change | | |
| | \$ | %Change | \$ Mil | %Sales | %Change | \$ Mil | %Change | | | \$ | \$ Mil | %Sales | | \$ Mil | %Rate | EPS | Pre-Tax Profit | Sales |
| 12/21 | 0.23 | 79.2 | 21.8 | 22.9 | 240.2 | 95.1 | 108.8 | 14.5 | 0.57 | 43.1 | 16.6 | 259.8 | -8.5 | -19.6 | 96.9 | 123.1 | 65.8 | |
| 09/21 | 0.15 | 15.0 | 10.9 | 16.2 | 31.6 | 67.0 | 40.6 | -2.4 | 0.47 | 27.7 | 13.2 | 210.2 | -9.5 | -34.2 | 109.9 | 74.0 | 54.9 | |
| 06/21 | 0.10 | 10,100.0 | 7.3 | 13.6 | 212.1 | 53.9 | 37.9 | 0.2 | 0.45 | 25.1 | 13.1 | 190.8 | -9.7 | -38.9 | 86.6 | 52.9 | 57.1 | |
| 03/21 | 0.08 | 207.4 | 3.1 | 7.0 | 34.6 | 43.7 | 79.6 | -90.8 | 0.35 | 20.1 | 11.4 | 176.0 | -3.8 | -19.2 | 8.8 | 4.4 | 58.0 | |
| 12/20 | 0.13 | 106.3 | 6.4 | 14.0 | 112.2 | 45.6 | 85.2 | -43.7 | 0.29 | 19.3 | 12.3 | 156.6 | 1.3 | 6.9 | -10.5 | 1.9 | 45.7 | |
| 09/20 | 0.13 | -11.3 | 8.3 | 17.4 | -5.6 | 47.7 | 42.6 | -21.1 | 0.22 | 15.9 | 11.7 | 135.7 | 1.3 | 8.0 | -26.7 | -13.4 | 30.7 | |
| 06/20 | 0.00 | -101.3 | 2.4 | 6.0 | -54.6 | 39.0 | 34.6 | 78.9 | 0.24 | 16.4 | 13.5 | 121.4 | 2.0 | 12.3 | 7.2 | 17.8 | 29.9 | |
| 03/20 | 0.03 | -18.2 | 2.3 | 9.3 | 14.7 | 24.3 | 18.9 | 13.4 | 0.32 | 19.2 | 17.3 | 111.4 | -0.6 | -3.2 | 53.9 | 58.8 | 30.5 | |
| 12/19 | 0.06 | 46.5 | 3.0 | 12.3 | 23.4 | 24.6 | 18.0 | -39.3 | 0.32 | 18.9 | 17.6 | 107.5 | -1.0 | -5.0 | 185.8 | 156.6 | 44.1 | |
| 09/19 | 0.15 | 114.3 | 8.8 | 26.2 | 103.1 | 33.4 | 44.2 | -3.7 | 0.30 | 18.4 | 17.7 | 103.8 | 1.2 | 6.4 | 106.1 | 119.3 | 46.2 | |
| 06/19 | 0.08 | 28.3 | 5.2 | 17.9 | 53.5 | 29.0 | 39.0 | 16.9 | 0.22 | 13.9 | 14.9 | 93.5 | 1.4 | 10.0 | 298.2 | 456.4 | 77.5 | |
| 03/19 | 0.03 | 155.0 | 2.0 | 9.6 | 171.6 | 20.5 | 110.2 | 6.0 | 0.21 | 12.1 | 14.2 | 85.4 | 0.8 | 7.0 | 1,184.2 | 971.5 | 110.4 | |
| 12/18 | 0.04 | -44.2 | 2.4 | 11.7 | -28.9 | 20.8 | 21.3 | 6.5 | 0.11 | 7.4 | 9.9 | 74.6 | 0.4 | 5.3 | 340.4 | 2,370.8 | 104.5 | |
| 09/18 | 0.07 | 433.3 | 4.3 | 18.6 | 376.5 | 23.2 | 373.9 | 10.7 | 0.15 | 8.4 | 11.8 | 71.0 | 0.4 | 4.2 | 304.2 | 2,333.6 | 110.9 | |
| 06/18 | 0.06 | 500.0 | 3.4 | 16.2 | 758.7 | 20.9 | 138.2 | 4.9 | 0.06 | 2.5 | 4.7 | 52.7 | 0.2 | 6.0 | 255.6 | 33.2 | 56.5 | |
| 03/18 | -0.06 | 31.8 | -2.8 | -28.3 | -62.9 | 9.7 | 72.1 | -0.8 | -0.02 | -1.4 | -3.4 | 40.6 | -0.1 | 6.4 | | | | |
| 12/17 | 0.08 | 48.1 | 3.4 | 20.0 | 1.5 | 17.2 | 19.8 | 2.2 | -0.05 | -0.3 | -0.9 | 36.5 | 0.0 | -5.0 | | | | |
| 09/17 | -0.02 | -240.0 | -1.6 | -31.9 | -325.1 | 4.9 | -0.3 | 17.8 | -0.07 | -0.4 | -1.1 | 33.7 | 0.0 | -1.6 | | | | |
| 06/17 | -0.02 | | -0.5 | -5.9 | | 8.8 | | 6.2 | | | | | | | | | | |
| 03/17 | -0.09 | | -1.7 | -29.9 | | 5.7 | | -46.1 | | | | | | | | | | |
| 12/16 | 0.05 | | 3.4 | 23.6 | | 14.3 | | 15.8 | | | | | | | | | | |
| 09/16 | 0.02 | | 0.7 | 14.1 | | 4.9 | | 19.1 | | | | | | | | | | |