

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 27, 2022

ACM Research, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other
Jurisdiction of Incorporation)

001-38273
(Commission
File Number)

94-3290283
(IRS Employer
Identification No.)

42307 Osgood Road, Suite I
Fremont, California
(Address of Principal Executive Offices)

94539
(Zip Code)

Registrant's telephone number, including area code: (510) 445-3700

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	ACMR	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934:

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Item 2.02. Results of Operations and Financial Condition.

Press Release Issued April 27, 2022

On April 27, 2022, we issued a press release entitled “ACM Research Announces Preliminary Revenue Range for First Quarter 2022.” The full text of the press release is furnished as Exhibit 99.01 hereto and is incorporated herein by reference.

Transcript of ACM Shanghai Earnings Call Held on April 27, 2022

The shares of our operating subsidiary ACM Research (Shanghai), Inc., or ACM Shanghai, are listed on the Sci-Tech innovation board, or the STAR Market, of the Shanghai Stock Exchange. On April 27, 2022 at approximately 8 p.m., Eastern time (April 28, 2022 at approximately 8 a.m., China time), ACM Shanghai held an investor call relating to ACM Shanghai’s financial results for the first quarter of 2022. The call, which was conducted in Mandarin Chinese, was announced in China and targeted to ACM Shanghai investors. A transcript, translated into English, of the discussions during the call is furnished as Exhibit 99.02 to this Current Report on Form 8-K and is incorporated herein by reference.

The information provided during the call was limited to the financial results of ACM Shanghai for the first quarter of 2022 and public information about the current lockdown status of Shanghai. *The financial results of ACM Shanghai discussed during the call, which are unaudited and reported in RMB, were prepared in accordance with Chinese generally accepted accounting principles, which differ considerably, and potentially materially, from the U.S. generally accepted accounting principles used in preparing the consolidated financial statements of our company (ACM Research, Inc.). As a result, we do not believe that the financial results of ACM Shanghai for the first quarter of 2022 should be considered as comparable to, or reflective of, our financial results for that quarter. We will discuss our financial results for the first quarter of 2022 on our previously announced earnings call scheduled for Friday, May 6, 2022, at 8 a.m., Eastern time.*

The information contained in this Item 2.02, including Exhibits 99.01 and 99.02 to this Current Report on Form 8-K, is intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such filing.

Item 7.01. Regulation FD Disclosure.

ACM Shanghai held an investor call on April 27, 2022, as described under the heading “Transcript of ACM Shanghai Earnings Call Held on April 27, 2022” in Item 2.02 above. The information set forth, or incorporated by reference, in the discussion under such heading in Item 2.02, including the information contained in Exhibit 99.02 to this Current Report on Form 8-K, is incorporated by reference in this Item 7.01.

The information contained, or incorporated by reference, in this Item 7.01, including Exhibit 99.02 to the Current Report on Form 8-K, is intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	Description
<u>99.01</u>	Press release of ACM Research, Inc. dated April 27, 2022
<u>99.02*</u>	Transcript of earnings call held by ACM Research (Shanghai), Inc. on April 27, 2022 (English translation)
104	Cover Page Interactive Data File (embedded within the XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

ACM RESEARCH, INC.

By: /s/ Mark McKechnie

Mark McKechnie

Chief Financial Officer and Treasurer

Dated: April 28, 2022



ACM Research Announces Preliminary Revenue Range for First Quarter 2022

April 27, 2022 – ACM Research, Inc. (ACM) (NASDAQ: ACMR), a leading supplier of wafer processing solutions for semiconductor and advanced wafer-level packaging (WLP) applications, today announced that its preliminary revenue for the first quarter of 2022 is expected to be in the range of \$40 million to \$42 million. Actual unaudited first quarter 2022 results are subject to the completion of ACM's quarter end closing procedures and review by ACM's independent registered public accounting firm.

As announced in ACM's Business Update press release on April 7, 2022, ACM's revenue for the first quarter of 2022 is significantly below its previous internal plan as a result of the operational limitations resulting from the COVID-19 lockdowns in Shanghai. ACM continues to believe the impact of the restrictions will be temporary, with some revenue being deferred from the first quarter of 2022 to the second quarter of 2022. ACM will discuss its full financial results for the first quarter 2022 and its revenue outlook for the remainder of the year on its earnings call on Friday, May 6, 2022, at 8 AM Eastern Time (8 p.m. China Time).

Today's release of ACM's first quarter 2022 preliminary expected revenue range coincides with the release of preliminary financial results by ACM Research (Shanghai), Inc., ACM's principal operating subsidiary (ACM Shanghai), to the Shanghai Securities and Exchange Commission. ACM currently owns a 82.5% equity interest in ACM Shanghai, and a substantial majority of ACM's consolidated revenue and net income is contributed by ACM Shanghai. The stand-alone financial results of ACM Shanghai are reported in RMB as prepared in accordance with Chinese GAAP, and those results will differ, potentially materially, from ACM's consolidated revenue and net profit for the period, which will reflect additional financial and operational items and will be prepared in U.S. dollars in accordance with U.S. generally accepted accounting principles.

About ACM Research, Inc.

ACM develops, manufactures, and sells semiconductor process equipment for single-wafer or batch wet cleaning, electroplating, stress-free polishing and thermal processes, which are critical to advanced semiconductor device manufacturing and wafer-level packaging. ACM is committed to delivering customized, high-performance, cost-effective process solutions that semiconductor manufacturers can use in numerous manufacturing steps to improve productivity and product yield. For more information, visit www.acmrsh.com.

Forward-Looking Statements

Information presented in this press release includes forward-looking statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including statements in the first and second paragraphs with respect to the estimated amount and timing of revenue in 2022 and to the projected timing and effects of the COVID-19 lockdowns in Shanghai. Forward-looking statements are based on ACM management's current expectations and beliefs, and involve a number of risks and uncertainties that are difficult to predict and that could cause actual results to differ materially from those stated or implied by the forward-looking statements. Those risks and uncertainties include, but are not limited to, the following, any of which could be exacerbated even further by the continuing COVID-19 outbreak in China and globally: anticipated customer orders or identified market opportunities may not grow or develop as anticipated; customer orders already received may be postponed or canceled; ACM may be unable to obtain the qualification and acceptance of its delivered tools when anticipated or at all, which would delay or preclude ACM's recognition of revenue from the sale of those tools; suppliers may not be able to meet ACM's demands on a timely basis; ACM's technologies and tools may not gain market acceptance; ACM may be unable to compete effectively by, among other things, enhancing its existing tools, adding additional production capacity and engaging additional major customers; ACM may incur significant expenses long before it can recognize revenue from new products, if at all, due to the costs and length of research, development, manufacturing and customer evaluation process cycles; volatile global economic, market, industry and other conditions could result in sharply lower demand for products containing semiconductors and for ACM's products and in disruption of capital and credit markets; ACM's failure to successfully manage its operations, including its inability to hire, train, integrate and manage additional qualified engineers for research and development activities; and trade regulations, currency fluctuations, political instability and war may materially adversely affect ACM due to its substantial non-U.S. customer and supplier base and its substantial non-U.S. manufacturing operations. A further description of these risks, uncertainties and other matters can be found in filings ACM makes with the U.S. Securities and Exchange Commission. Because forward-looking statements involve risks and uncertainties, actual results and events may differ materially from results and events currently expected by ACM. ACM undertakes no obligation to publicly update these forward-looking statements to reflect events or circumstances that occur after the date hereof or to reflect any change in its expectations with regard to these forward-looking statements or the occurrence of unanticipated events.

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For investor and media inquiries, please contact:

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**ACM Shanghai Q1 2022 Results Earnings Call Transcript**

Event Date/Time: April 28, 2022 / 8:00AM China Time

Company Participants

David Wang - Chief Executive Officer

Crystal Luo -Board Secretary

Crystal Luo

Good day, everyone. Welcome to ACMSH's announcement of the performance of the first quarter in 2022. The following financial data are unaudited.

Before the announcement, please note that as ACMR, our parent company in the US, is still in a quiet period, the information we share here will be limited to the first quarter results of ACMSH and the public information about the lockdown status quo of Shanghai. We also note that the financial results of ACM Shanghai are unaudited, and are reported in RMB as prepared in accordance with Chinese GAAP, and those results will differ, potentially materially, from the financial results of our parent company ACM Research, Inc., who's results will reflect additional financial and operational items and will be prepared in U.S. dollars in accordance with U.S. generally accepted accounting principles. Now, onto the results:

In the first quarter of 2022, ACMSH recorded revenue of RMB353 million, representing a YoY increase of 28.5%. Our business growth in this quarter was lower than our expectation, mainly arising from the failure to recognize in the first quarter the sales of multiple equipment shipped at the end of last year with a total amount of approximately RMB172 million due to the delay by customers of factory operations.

The gross profit margin in the first quarter of 2022 was 47.2%, above the upper end of our target range i.e. 45% of our gross profit margin, mainly due to the product portfolio. Nevertheless, the future gross profit margin is still expected to range from 40% to 45%.

In the first quarter of 2022, the net profit attributable to the parent company amounted to RMB4.31 million, a YoY decrease of 88.5%. The net profit attributable to the parent company after deducting non-recurring profit or loss was recorded as RMB23.59 million, a YoY decrease of 24.9%. The decrease as mainly due to an increase in R&D investments by 126.8% year on year from RMB48.9 million in the same period last year to RMB111 million accounting for 31.4% of the revenue. The reason why the net profit attributable to the parent company was lower than the net profit attributable to the parent company after deducting non-recurring profit or loss lies in the loss of RMB24.5 million from the change in fair value of trading financial assets.

At the end of the first quarter of 2022, the Company's total assets amounted to RMB6.5 billion, an increase of 2.5% over the end of last year; while the net assets attributable to shareholders of the listed company amounted to RMB4.82 billion, an increase of 0.2% over the end of last year.

From the perspective of each product segment, ACM Shanghai's cleaning equipment revenue in the first quarter of 2022 was 208 million yuan, a year-on-year decrease of 12.9%, accounting for about 58.9% of revenue. The main reason for the decline in cleaning equipment was that the sales of a number of cleaning tools shipped at the end of last year were not confirmed in the first quarter due to delays in client factory operations.

The 18-chamber 300mm Ultra C VI single wafer cleaning equipment of ACMSH has been put into mass production. Such equipment can support most semiconductor cleaning processes required for advanced logic, DRAM and 3D NAND manufacturing, having a production capacity which is 50% higher than that of 12-chamber equipment, featured by compatibility with most wet cleaning and wet etching processes, efficient transmission and maximization of production capacity.

We are further improving our cleaning equipment series products, including SAPS, TEBO, TAHOE, backside cleaning, edge bevel cleaning, full-automatic wet bench cleaning and scrubbing equipment, while continuing to invest in the development of advanced high-temperature IPA drying equipment, supercritical carbon dioxide drying equipment and other advanced wet processes, so that we can cover more than 90% of the cleaning processes, stabilize the leading position in domestic cleaning technology, and meanwhile accelerate our entry into the international market. After our SAPS cleaning equipment accessed the US market, we are also speeding up the expansion of markets in Taiwan, China, and Europe, Japan and Southeast Asia.

Electroplating, furnace tubes and other equipment revenue was 95 million yuan, a year-on-year increase of 95 million yuan, accounting for about 26.9% of revenue. In the first quarter of 2022, we ushered in a period of rapid growth in sales of copper plating equipment. With the strength of copper plating core technology, we rapidly increased the market share of front-end copper interconnection and back-end advanced packaging, while continuing our efforts on developing 14nm copper electroplating equipment and 7nm cobalt electroplating equipment. Our local copper electroplating technology can realize uniform electroplating on an ultra-thin seed layer with a thickness of 5nm, which can be applied for the electroplating process of technical nodes of 3nm and below.

At the same time, the research and development of ACM Shanghai furnace tube equipment is also progressing smoothly. Following high vacuum tempering and LPCVD (including silicon nitride, doped polysilicon and undoped polysilicon), we shipped the second ordered high-temperature tempering furnace in the first quarter. Our investments will be continued for the development of vertical furnace tube ALD product, which is expected to be verified at the customer end in the second half of this year.

Advanced packaging equipment, services and spare parts and other processing equipment (excluding electroplating equipment) revenue was 50.06 million yuan, a YoY increase of 39.6%, accounting for about 14.2% of the operating income. This group covers a range of encapsulation equipment including gluing equipment, developing equipment, cleaning equipment, degumming equipment and wet etching equipment, as well as our service and spare parts. ACM Shanghai provides a full range of wet processing equipment to support advanced packaging, and is the only company that provides a full range of wet processing equipment and advanced electroplating equipment at the same time. Through the use of localized components and optimized design, the packaging equipment has reduced production costs, and the gross profit margin has increased significantly compared with the same period last year.

In terms of production capacity, output, and shipments, we achieved shipments of 425 million yuan in the first quarter of 2022, down 11.7% year-on-year. Affected by the Shanghai epidemic, the shipment volume was lower than the company's expectations. As we noted in our US press release, due to operational restrictions resulting from the Shanghai lockdowns, we could not ship a number of tools in the first quarter. We believe the impact of the restrictions will be temporary, with some shipments being delayed from the first quarter of 2022 to the second quarter of 2022.

In the first quarter, the carrying amount of fixed assets increased by RMB268 million, mainly from transfer of public rental houses in Lin-Gang Area to fixed assets. Such public rental houses will be sold to core employees at original cost plus financial cost ten years later, primarily in order to motivate and retain our core employees to serve us on an ongoing basis.

After the listing of ACM Shanghai Shanghai's Science and Technology Innovation Board (STAR Market), the company considered high-speed growth in the medium and long term and increased investment in research and development. We believe copper plating equipment and vertical furnace tubes including furnace tube ALD can ensure the rapid growth of the company in the next 3-5 years. On the basis of this strategic layout, the company has accelerated the development of two new products, paving the way for the company's rapid growth in the next five years. Under the guidance of the differentiated technology R&D strategy, ACM Shanghai and ACM Korea R&D teams work closely together. At present, the development of two new products is smooth. It is expected that one product will enter the client in the third quarter of this year, and the other product will be launched Entering client verification in the fourth quarter of this year.

Finally, we would like to thank our customers, business partners and shareholders for their support and confidence in ACM Shanghai. Thank you to our staff for their outstanding work and their constant focus on serving our customers.

Next comes the Q&A session.

ACM Shanghai Q1 2022 Results – Q&A Session

1. Mr. President, comparing with the increases and changes in the revenues of domestic peer companies in the industry for the same period, specifically considering the actual delivery, inspection, and acceptance of tools of the Company, what are the differences in the internal and external environments between the first quarter of the last year and the first quarter of this year, and what are the reasons for the more inspection and acceptance achieved in the first quarter of the last year and the slow inspection and acceptance in the first quarter of this year?

David Wang

In the first quarter, our service team was prevented from entering client side due to the Shanghai lockdowns, resulting in delays processing final acceptances of our tools by some major factories. We expect that the situation will improve in mid-May with the ease and lift of restrictions. The amount of equipment affected was 172 million yuan. If this part is included, the revenue growth rate in the first quarter will be 90%.

2. Given the unexpected long period of impacts of the pandemic in Shanghai from the middle or end of March to the present, what response measures have been implemented in the previous month, what are the recovery situation at present, what are the impacts on delivery, and is it practical to achieve the revenue objective for this year through the implementation of subsequent measures?

David Wang

As seen in the news, it started with spot lockdowns, then the lockdown of Pudong, and Puxi. This affected our shipments and acceptances at the end of the quarter. Prior to the lockdown in March 27, we have organized over 100 employees in the Chuansha factory for closed-loop production. Under the government's measures to resume work and production, the Company was listed in the first batch of "white lists" for resumption of work about two weeks ago. We are now in close-loop production by shuttle only between the factory and living place and have started some goods reception and shipment. Under the guidelines of the anti-pandemic office, we are increasing the number of employees to gradually resume production in strict compliance with resumption rules.

3. Mr. President, could you please describe the orders for this year? It's expected that the current strong momentum of production expansion by domestic customers may be extended to 2023. In February, the Company announced several purchase orders, including a bulk purchase order for 29 sets of UltraCwb wet bench cleaning equipment, 13 sets of Ultra ECP map front-end copper interconnection electroplating equipment, and 8 sets of Ultra ECP ap back-end advanced packaging electroplating equipment. Will the delivery of such new product orders be affected by the pandemic?

David Wang

Order delivery was affected to a certain extent due to the pandemic in the first quarter. It's expected that the delivery will be gradually restored after the middle of May, depending on the status of logistics for us and our supply chain. With respect to the general conditions of the Company's orders, the global semiconductor shortage and continuous investment by customers lead to strong demands for the semiconductor equipment industry and for ACMSH. Orders remain strong, we are fully ordered for the second and third quarters, and are in the process of acquiring orders for the fourth quarter and the first quarter in the next year.

4. Could you please describe the advances from customers at present? Does the Company request advance payments from new customers at a certain ratio? What about the ratio?

David Wang

The company's advance rate for new customers is around 30% on average

5. What do you think about the impacts of the price increase in upstream raw materials and cost increase in transportation costs on the gross margin in the following quarters?

David Wang

With respect to parts, despite that some of our suppliers requested for price increase, most suppliers did not make such a request because we are looking for long-term cooperation. Therefore, we did not see a major impact on the gross margin. The Company maintains its gross margin target between 40-45% depending on the product portfolio.

6. Has the pandemic in Shanghai affected the procurement of parts and chemical agents from overseas and shipment to overseas customers? Does it affect the R&D staff for the efficiency of assisting in device commissioning? Will the pandemic affect the pace of launching new products in the future?

David Wang

Both the procurement of parts from overseas and shipment to overseas markets have been affected by the pandemic, mainly because of customs matters for import and export and transportation have been affected by the pandemic. Given the ongoing efforts for resumption of production, it's expected that the impact in the future will decrease. The efficiency of the R&D staff for assisting in device commissioning has not been affected. We do not expect the pandemic to affect the pace of launching new products in the future.

7. When were the orders recognized in the first quarter received in the last year? According to such a pace, when will the revenue recognized in this year increase in amount?

David Wang

It's the orders after September last year. 27% of the sales recognized in the first quarter of this year were shipped in the first quarter; We believe that the restrictions will be temporary, with some shipments and acceptances being deferred from Q1 to Q2.

8. There is a news report in South Korea that ACMR will establish a factory in South Korea in the name of ACMR. Could you confirm this? What is the relationship between such a factory and ACMSH?

David Wang

The semiconductor equipment industry is a global industry, and we intend to sell the products of ACMSH to global customers. ACMR, as the controlling shareholder of ACMSH, has always committed to helping ACMSH release products for the international market. ACMR is looking for a land to establish a branch in South Korea, so as to assist ACMSH in establishing an R&D and production base in South Korea. As the controlling shareholder, ACMR will make all efforts to maximize the interests of all shareholders of ACMSH.

9. What are the reasons for the increase in the gross margin of the Company, and what is the sustainability of such a gross margin in the future?

David Wang

The Company achieved the gross margin of 47% in the first quarter, which is above the high-end of our target range of 40-45%. The range is determined by mix for a given period. In the future, we expect the gross margin of the Company to remain between 40-45%.

10. How about the inventory of parts of the Company?**David Wang**

The total inventory amount of parts is RMB1.72 billion, including RMB680 million as the costs of parts in goods shipped, and RMB1.04 billion of raw materials retained in stock or picked up for production.

11. In March and April, many semiconductor packaging and testing factories in Jiangsu are also greatly affected by the pandemic. What are the impacts of such a situation on the inspection and acceptance of the Company's packaging and testing equipment? What are the impacts on the Company's overall shipment of packaging and testing equipment?

David Wang

Yes, there are some influences. Overall, the company's packaging and testing equipment shipments this year are not expected to grow as fast as last year, but there is still a good increase. However, given the construction of 12-inch production lines in China, we expect market demands will increase.

12. Will you change 2022 revenue guidance and why?**David Wang**

ACM Shanghai doesn't provide revenue guidance. ACM Research, Inc., revenue guidance will be disclosed on its May 6 earnings release.
