

The background features a digital globe held by two hands, with a green arrow pointing from left to right across the center. The globe is composed of a grid of white dots and lines, with some blue and orange highlights. The hands are positioned at the bottom, appearing to support the globe. The overall color scheme is dark blue with green and white accents.

**Aztech Global Ltd.**

**1H 2023 Results Presentation**

**21 July 2023**

***Aztech***

## Note on Forward-Looking Statements

This presentation may contain certain forward-looking statements including, but not limited to, statements as to future operating results and plans.

These statements are based on our assumptions and estimates and are subject to known and unknown risks and uncertainties and other factors which may cause the actual results, performance or achievements of the Group to differ materially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements.

Consequently, readers are cautioned not to place undue reliance on any forward-looking statements.

# 1H 2023 Results

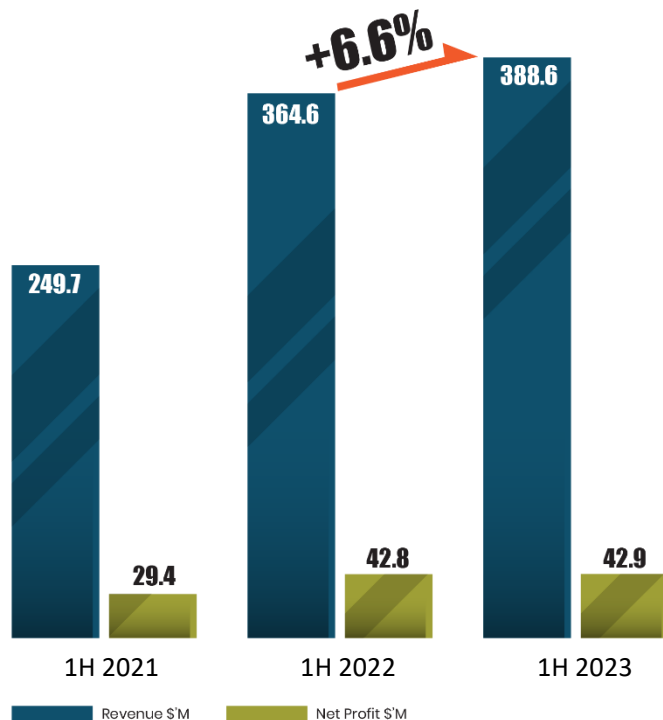
1. Financial Performance Review
2. Interim Dividend
3. Business & Order Book Update
4. Outlook

# Financial Performance Review

Design to Build Resilient & Sustainable Manufacturability

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## Continued revenue growth and healthy balance sheet



1H 2023

**EPS**  
**5.56 Cents**

1H 2022:  
5.55 Cents

As at 30 June 2023

**Net Cash**  
**\$201.8M**

31 December  
2022: \$217.8 M

**NAV/Share**  
**40 Cents**

31 December  
2022: 37 Cents

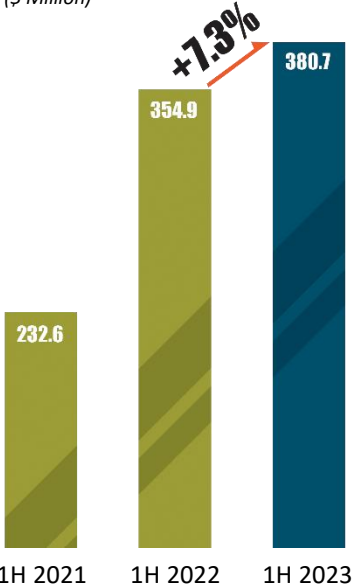
- (1) 1H 2023 and 1H 2022 basic & diluted EPS was computed based on profit attributable to equity holders of our Company and weighted average number of ordinary shares of 771,952,945.
- (2) Net cash of \$201.8 million includes \$58.5 million of short-term investments comprising Treasury bills and term deposits (31 December 2022: \$30.3 million), after netting off bank borrowings and lease liabilities.
- (3) NAV per share as at 30 June 2023 and 31 December 2022 was computed based on the net assets of the Group and number of ordinary shares of 771,952,945.

# 1H 2023 Revenue by Segments

## IoT Devices & Data-Communications Products – Key Revenue Contributor

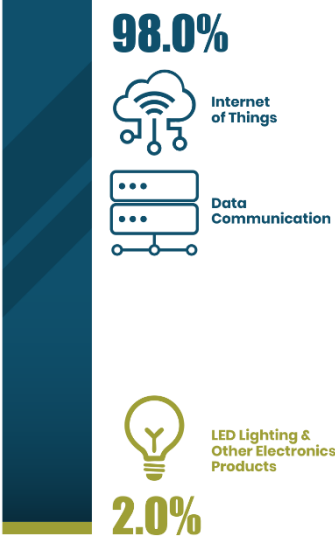
### IoT and Data-Com Products

(\$ Million)



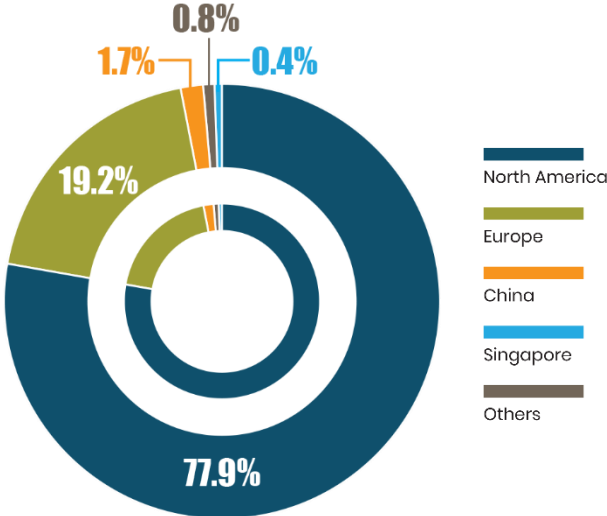
### Segment Revenue

(%)



### Revenue by Countries

(%)



All currencies are in Singapore dollars unless otherwise specified.

# 1H 2023 Results Y-o-Y Comparison

\$ Million	1H 2023	1H 2022	% Change
<b>Revenue</b>	<b>388.6</b>	<b>364.6</b>	<b>6.6</b>
EBITDA	55.7	55.0	1.3
<b>Profit Before Tax</b>	<b>51.0</b>	<b>50.4</b>	<b>1.2</b>
PBT Margin (%)	13.1	13.8	(70bps)
Income Tax Expense	(8.1)	(7.6)	n.m.
Effective Tax Rate (%)	15.9	15.0	90bps
<b>Net Profit</b>	<b>42.9</b>	<b>42.8</b>	<b>0.2</b>
Net Profit Margin (%)	11.0	11.8	(80bps)
<b>Basic &amp; Diluted EPS (cents)</b>	<b>5.56</b>	<b>5.55</b>	<b>0.2</b>

1H 2023 & 1H 2022 basic and diluted EPS was computed based on profit attributable to equity holders of our Company and weighted average number of ordinary shares of 771,952,945.

Revenue growth, efficiency gains and higher interest income were offset by:

- Higher employee benefits expense as a result of higher headcount in line with higher revenue and increased in business activities; and
- Higher other operating expense mainly due to purchase of tools and equipment for new Malaysia plant in 1H 2023, and reversal of provision for marketing expenses in 1H 2022.

## 2Q 2023 Results Y-o-Y Comparison

\$ Million	2Q 2023	2Q 2022	% Change
<b>Revenue</b>	<b>227.0</b>	<b>236.6</b>	<b>(4.1)</b>
EBITDA	38.1	36.8	3.5
<b>Profit Before Tax</b>	<b>35.5</b>	<b>34.5</b>	<b>2.9</b>
PBT Margin (%)	15.6	14.6	100bps
Income Tax Expense	(6.0)	(5.5)	n.m.
Effective Tax Rate (%)	16.9	16.0	90bps
<b>Net Profit</b>	<b>29.5</b>	<b>29.0</b>	<b>1.7</b>
Net Profit Margin (%)	13.0	12.3	70bps
<b>Basic &amp; Diluted EPS (cents)</b>	<b>3.83</b>	<b>3.76</b>	<b>1.9</b>

2Q 2023 & 2Q 2022 basic and diluted EPS was computed based on profit attributable to equity holders of our Company and weighted average number of ordinary shares of 771,952,945.

Higher interest income and foreign exchange gains were offset by:

- Higher other operating expense mainly due to purchase of tools and equipment for new Malaysia plant in 2Q 2023.



## 2Q 2023 Results Q-o-Q Comparison

\$ Million	2Q 2023	1Q 2023	% Change
<b>Revenue</b>	<b>227.0</b>	<b>161.6</b>	<b>40.5</b>
EBITDA	38.1	17.6	116.5
<b>Profit Before Tax</b>	<b>35.5</b>	<b>15.5</b>	<b>129.0</b>
PBT Margin (%)	15.6	9.6	600bps
Income Tax Expense	(6.0)	(2.1)	n.m.
Effective Tax Rate (%)	16.9	13.5	340bps
<b>Net Profit</b>	<b>29.5</b>	<b>13.4</b>	<b>120.1</b>
Net Profit Margin (%)	13.0	8.3	470bps
<b>Basic &amp; Diluted EPS (cents)</b>	<b>3.83</b>	<b>1.73</b>	<b>121.4</b>

1Q 2023 & 2Q 2023 basic and diluted EPS was computed based on profit attributable to equity holders of our Company and weighted average number of ordinary shares of 771,952,945.

Revenue growth, efficiency gains and higher foreign exchange gains of \$7.9 million were partly offset by:

- Higher employee benefit expense and other operating expense mainly due to higher revenue and increased business activities.

# Balance Sheet Summary as at 30 June 2023

## Healthy Balance Sheet with Net Cash of \$201.8 M

(\$ Million)	30 June 2023	31 December 2022
Cash & Bank Balances	181.1	196.0
Short-term Investments	58.5	30.3
Lease Liabilities	(2.3)	(3.2)
Total Bank Borrowings	(35.5)	(5.3)
<b>Net Cash</b>	<b>201.8</b>	<b>217.8</b>
Current Assets	580.2	515.6
Current Liabilities	(297.7)	(251.3)
<b>Working Capital</b>	<b>282.5</b>	<b>264.3</b>
<b>Total Net Assets</b>	<b>310.0</b>	<b>284.0</b>
Accumulated Profits	128.0	96.7
Share Capital & Reserves	182.0	187.3
<b>Total Equity</b>	<b>310.0</b>	<b>284.0</b>
<b>Net Asset Value per Share (cents)</b>	<b>40.0</b>	<b>37.0</b>

NAV per share as at 30 June 2023 and 31 December 2022 has been computed based on the net assets of the Group and number of ordinary shares of 771,952,945.

All currencies are in Singapore dollars unless otherwise specified.

Higher bank borrowings of \$35.5 million as at 30 June 2023 due mainly to term loan taken to partly fund the acquisition of the Pasir Gudang facility in Johor, Malaysia and higher invoice financing for operation requirement. With the acquisition, the Group recorded a higher capital expenditure amounting to \$21.8 million in 1H 2023. Operating activities continued to generate positive cash flow of \$14.5 million for 1H 2023.

(\$ million)	1H 2023
Cash Flow From Operating Activities	14.5
Less Capital Expenditure	(21.8)
<b>Free Cash Flow</b>	<b>(7.3)</b>

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# Interim Dividend

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## Declared 1H 2023 Interim Tax-Exempt Dividend Per Share of 3 cents

1H 2023 Interim Tax-Exempt Dividend Per Share Declared	Ex-Date	Record Date	Payment Date
3.0 cents	31-Jul-2023	1-Aug-2023	11-Aug-2023

- Dividend payout ratio of about 54% of the Group's 1H 2023 net profit (above target distribution of at least 30% of net profits excluding exceptional items)
- Interim Dividend totalling approximately \$23.2 million

# Business & Order Book Update

Design to Build Resilient & Sustainable Manufacturability

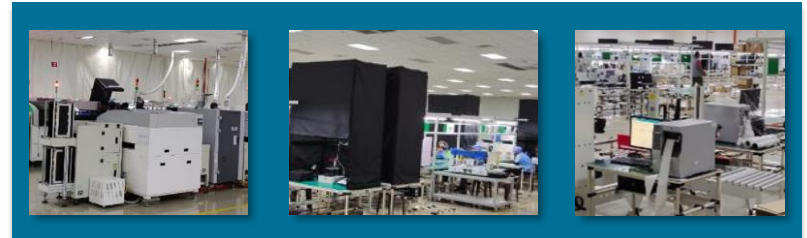
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## Pasir Gudang Facility

- Commenced pilot plant trials production at the 300,000 sq ft facility
- Committed to get the facility ready to meet production requirements and schedule of customers
- Additional capacity at Pasir Gudang lifted the Group's total manufacturing built-up area to 846,000 sq ft for growth and production diversification needs of customers

## Order Book Update

- Order book secured as at 21 July 2023 was \$594.5 million
- Significant portion of the order book secured is scheduled for completion in FY2023



Surface Mount Technology

Final Assembly & Testing

Packaging

# Outlook

Design to Build Resilient & Sustainable Manufacturability

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## Risks & Challenges relating to:

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- Supply chain
- Inflationary cost pressures
- High interest rate environment
- Foreign currency fluctuations
- Macroeconomic uncertainties
- Geopolitical tensions
- Ramping up new Malaysia operations



## **The Group is cautiously optimistic of its business, and will continue to take various mitigation measures to manage identified risks & challenges:**

### **Mitigation measures**

- Disciplined balance sheet & cost management
- Leverage the Group's versatile operational framework to manage and balance customer orders across our manufacturing plants to ensure timely delivery, and safeguard our employees' health and well-being
- Work closely with our customers and suppliers to manage forecasts and component requirements
- Close supervision of the ramp up of the new plant in Malaysia
- Conservative & stringent management of the Group's foreign exchange rate risk across its major currencies exposure in the US Dollar, Renminbi, Singapore Dollar and the Malaysia Ringgit

# Thank You

21 July 2023



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