

FOR IMMEDIATE RELEASE

BIGL achieves earnings turnaround in 2H2023 to deliver net profit of S\$2.4 million for FY2023

- Reverses a net loss of S\$1.5 million in 2H2022 to achieve net profit of S\$3.9 million in 2H2023.
- Healthy revenue growth in 2H2023 driven by small rebound in HDD demand towards the end of 2H2023 and small contributions from new Precision Engineering Business.
- Exited Robotics Business in December 2023 to focus on core competencies.
- Proposes a final ordinary dividend of 0.5 Singapore cents per share for FY2023.

Financial Highlights (S\$'m)	6 months ended 31 December			12 months ended 31 December		
	2H2023	2H2022 (re-presented) ^a	% Change	FY2023	FY2022 (re-presented) ^a	% Change
Revenue	132.3	124.0	6.7	258.7	352.3	(26.6)
Gross Profit	9.9	5.5	79.5	14.0	21.1	(33.6)
Gross Profit Margin (%)	7.5	4.4	3.1% pts	5.4	6.0	(0.6% pts)
Net Profit/(Loss)	3.9	(1.5)	n.m.	2.4	5.7	(58.3)
- Continuing operations ^b	4.0	(0.6)	n.m.	2.9	7.4	(60.3)
- Discontinued operations ^c	(0.1)	(0.9)	85.3	(0.5)	(1.7)	67.0
EBITDA	10.5	7.2	46.0	16.1	23.2	(30.6)

a. Numbers have been adjusted to exclude the Robotics Business where applicable.

b. Continuing operations refer to the HDD Business and Precision Engineering Business segments.

c. Discontinued operations refer to the Robotics Business that had ceased in December 2023.

Notes:

- All financial figures have been rounded.

- n.m. denotes not meaningful

SINGAPORE, 29 February 2024 – Broadway Industrial Group Limited (“**BIGL**” or together with its subsidiaries, the “**Group**”), a key provider of actuator arms, assemblies, and other related parts mainly for the global hard disk drive (“**HDD**”) industry has delivered a net profit of S\$3.9 million for the six months ended 31 December 2023 (“**2H2023**”), reversing the net loss of S\$1.5 million recorded in the corresponding six months in 2022 (“**2H2022**”).

The earnings turnaround was on the back of a 6.7% year-on-year (“yoy”) increase in revenue to S\$132.3 million driven mainly by a small rebound in the HDD industry towards the end of 2H2023, and the inclusion of small contributions from the Group’s Precision Engineering (“PE”) Business, which commenced operations in May 2023. Gross profit margin rose to 7.5% in 2H2023 from 4.4% in 2H2023 in tandem with higher revenue and management’s ongoing efforts to realign its cost structure.

On a full-year basis, revenue for the 12 months ended 31 December 2023 (“FY2023”) declined 26.6% yoy to S\$258.7 million mainly due to a weak first half as HDD came off the excessive levels seen during the pandemic era arising from component shortages and over-optimism during that period¹. As compared to revenue of S\$352.3 million reported for FY2022, the topline reflected a significant reduction in HDD demand in FY2023. The revenue decline was partially offset by contributions of S\$1.8 million generated by the Group’s new PE business. Net profit fell 58.3% yoy to S\$2.4 million in FY2023 in line with lower revenue and also due to the start-up expenses for the new PE business that were incurred during the year.

BIGL Chief Executive Officer, Mr Tan Choon Hoong (陈春煌), said: *“FY2023 was a rather challenging year for the HDD industry but we are heartened to see early signs of a rebound towards the end of the year. There is widespread anticipation that recovery is on the cards led mainly by the nearline product segment driven by the growth in hyperscale cloud demand to support rising data storage needs. We believe we are well-positioned to take advantage of this uptrend as we have aligned our long-term cost structure and manufacturing capacity in accordance with market dynamics.*

“Meanwhile, we are very encouraged by the performance of our new PE Business. Despite being in operation for less than a year, it has started to generate some revenue contributions from a small group of customers that have completed qualification. As we continue with our customer qualification activities, we expect to establish a growing and diverse clientele in growth industries including the telecommunications equipment, industrial applications and automotive sectors across target markets such as South Korea, Vietnam, China, Europe and North America.”

BIGL reported a strong balance sheet and cash flow as at 31 December 2023 with net working capital of S\$28.6 million as compared to S\$24.8 million as at 31 December 2022, while cash and cash equivalents rose to S\$33.9 million (S\$29.4 million as at 31 December 2022). The Group believes its strong financial standing puts it in good stead to weather any challenges ahead.

Outlook

BIGL expects market conditions over the next 12 months to remain fluid for the HDD industry as companies may continue to rein in tech spending in light of current economic uncertainties arising from prolonged geopolitical tensions. However, it believes the longer-term prospects of the HDD sector remain intact driven mainly by increasing needs for mass storage.

¹ Trendfocus report “SDAS: HDD Information Service/Storage Interlinks, Jan 31, 2024

Meanwhile, BIGL is looking forward to full year contributions from its PE Business for the year ending 31 December 2024 as it continues with customer qualification and engagement activities to grow its customer base and drive sales. The Group believes the geographic location of its manufacturing operations in Thailand and Vietnam will enable it to take advantage of the well-established infrastructure, skilled workforce and low-cost of operations there, while its regional sales offices put it in close proximity to high growth markets for telecommunications equipment, industrial application and automotive products.

As part of a strategic review, BIGL exited from its Robotics Business in December 2023 to focus on its core HDD Business and its new and growing PE Business, which it believes will create more value for shareholders in the long term.

As a reflection of business confidence in view of the promising outlook for its PE Business and the signs of recovery of the HDD industry, the Board of Directors has proposed a final ordinary dividend of 0.5 Singapore cents per share for FY2023.²

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About Broadway Industrial Group Limited

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited since 1994 (B69 / BRWY.SI), the Company is one of the leaders in the manufacture of precision components and assemblies. Headquartered in Singapore, the Company has five manufacturing facilities in China, Thailand and Vietnam with a total built-up area of 84,000 sqm. Through its wholly-owned subsidiary, BIGL Asia Pte. Ltd., and its subsidiaries (together with the Company, "BIGL"), BIGL is a key provider of actuator arms, assemblies and other related parts mainly for the global HDD industry. BIGL is a trusted partner and has grown with our customers, who are recognised leaders in the HDD industry.

In late 2022, BIGL diversified into the manufacture and distribution of precision diecasting and machining parts primarily for the telecommunications equipment, industrial applications and automotive industries, as well as precision process toolings. As part of its diversification strategy, BIGL has set up sales operations in South Korea and two factory operations in Vietnam, enabling BIGL to fast become an integral part of the local supply chain and capture new opportunities in the growing manufacturing industry.

Issued for and on behalf of Broadway Industrial Group Limited

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² Subject to the Group's operating results, financial conditions such as cash position and retained earnings, other cash requirements including capital expenditure, restrictions on payment of dividends imposed on the Group by financing arrangements (if any) and other factors deemed relevant by the Directors.