

The background features a digital globe held in 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, holding the globe. The overall color scheme is dark blue with green and white accents.

Aztech Global Ltd.

3Q 2022 Results Presentation

3 November 2022

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.

3Q 2022 Results

1. Financial Performance Review
2. Business Update
3. Outlook

Financial Performance Review

Design to Build Resilient & Sustainable Manufacturability

Performance & net cash improvement

Revenue

+55.4%

\$607.0M

EBITDA

+35.7%

\$84.0M

**Effective
Tax Rate**

+4.8%

16.9%

Net Profit

+34.2%

\$63.7M

**Net Profit
Margin**

10.5%

Basic EPS

+27.7%

8.25Cents

As at 30 September 2022

Net Cash

\$254.9M

31 December 2021:
\$186.8 M

NAV/Share

40 Cents

31 December 2021:
38 Cents

- (1) 9M 2022 Basic EPS was computed based on profit attributable to equity holders of the Company and weighted average number of ordinary shares of 771,952,945.
- (2) Higher effective tax rate for 9M 2022 due to higher profit achieved and full utilisation of tax incentive from the Group's operations in China in FY2021 and 1Q 2022.
- (3) NAV per share as at 30 September 2022 and 31 December 2021 were computed based on the net assets of the Company and number of ordinary shares of 771,952,945.

Declared 3Q 2022 Interim Tax-Exempt Dividend Per Share of 3 cents

3Q 2022 Interim Tax-Exempt Dividend Per Share Declared	Ex-Date	Record Date	Payment Date
3 cents	10-Nov-2022	11-Nov-2022	23-Nov-2022

- Dividend payout ratio of 36.4% (in line with indicated target distribution of at least 30% of net profits excluding exceptional items)

3Q 2022 Results Y-o-Y Comparison

Better revenue and net profit achieved y-o-y

\$ Million	3Q 2022	3Q 2021	% Change
Revenue	242.4	141.1	71.8
EBITDA	29.0	22.9	26.6
Profit Before Tax	26.2	20.3	29.1
PBT Margin (%)	10.8	14.4	-360bps
Income Tax Expense	(5.4)	(2.3)	n.m.
Effective Tax Rate (%)	20.6	11.3	930bps
Net Profit	20.8	18.0	15.6
Net Profit Margin (%)	8.6	12.8	-420bps
Basic EPS (cents)	2.69	2.45	9.8
Diluted EPS (cents)	2.69	2.45	9.8

The lower profit margin for 3Q 2022 was impacted by:

- Net fair value loss on derivative financial instruments attributable to forex losses resulting from the weakening of the RMB to the US dollar*; and
- Higher taxation incurred due to higher 3Q 2022 profit and utilisation of tax incentive from the Group's operations in China in 3Q 2021.

* Please refer to note 19 of the Interim Financial Information for details.

(1) Higher income tax expense and effective tax rate in 3Q 2022 due to higher profit achieved in 3Q 2022.

(2) In 2021, the facility in Johor was operating at 60% of total workforce limit from June to October 2021 period in a nation-wide effort to curb the spread of COVID-19 infection.

(3) 3Q 2022 & 3Q 2021 EPS were computed based on profit attributable to equity holders of the Company and weighted average number of ordinary shares of 771,952,945 and 734,017,004 respectively. Diluted EPS for 3Q 2022 & 3Q 2021 were computed based on 773,742,945 and 734,017,004 shares respectively.

Slower sequential revenue growth following a high 2Q 2022 base

\$ Million	3Q 2022	2Q 2022	% Change
Revenue	242.4	236.6	2.45
EBITDA	29.0	36.8	-21.2
Profit Before Tax	26.2	34.5	-24.1
PBT Margin (%)	10.8	14.6	-380bps
Income Tax Expense	(5.4)	(5.5)	n.m.
Effective Tax Rate (%)	20.6	16.0	460bps
Net Profit	20.8	29.0	-28.3
Net Profit Margin (%)	8.6	12.3	-370bps
Basic EPS (cents)	2.69	3.76	-28.5
Diluted EPS (cents)	2.69	3.75	-28.3

The lower profit margin for 3Q 2022 was impacted by:

- Net fair value loss on derivative financial instruments attributable to forex losses resulting from the weakening of the RMB to the US dollar*.

* Please refer to note 19 of the Interim Financial Information for details.

(1) 3Q 2022 & 2Q 2022 EPS were computed based on profit attributable to equity holders of the Company and weighted average number of ordinary shares of 771,952,945. Diluted EPS for the 3Q 2022 & 2Q 2022 were computed based on 773,742,945 & 773,963,945 shares respectively.

Revenue and net profit remains healthy

\$ Million	1Q 2022	2Q 2022	3Q 2022	9M 2022
Revenue	128.0	236.6	242.4	607.0
EBITDA	18.3	36.8	29.0	84.0
Profit Before Tax	15.9	34.5	26.2	76.6
PBT Margin (%)	12.4	14.6	10.8	12.6
Income Tax Expense	(2.0)	(5.5)	(5.4)	(13.0)
Effective Tax Rate (%)	12.8	16.0	20.6	16.9
Net Profit	13.9	29.0	20.8	63.7
Net Profit Margin (%)	10.8	12.3	8.6	10.5
Basic EPS (cents)	1.79	3.76	2.69	8.25
Diluted EPS (cents)	1.78	3.75	2.69	8.23

- (1) Higher income tax expense and effective tax rate in 2Q, 3Q & 9M 2022 due to higher profit achieved and full utilisation of tax incentive from the Group's operations in China in FY2021 and 1Q 2022.
- (2) 1Q 2022, 2Q 2022 & 3Q 2022 EPS were computed based on profit attributable to equity holders of the Company and weighted average number of ordinary shares of 771,952,945. Diluted EPS for the relevant periods were computed based on 773,983,945, 773,963,945 and 773,742,945 shares respectively.

Double-digit growth in revenue and net profit

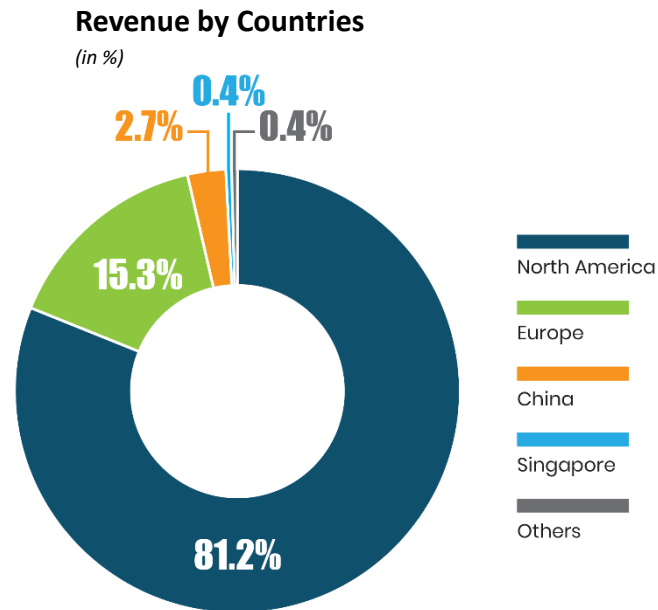
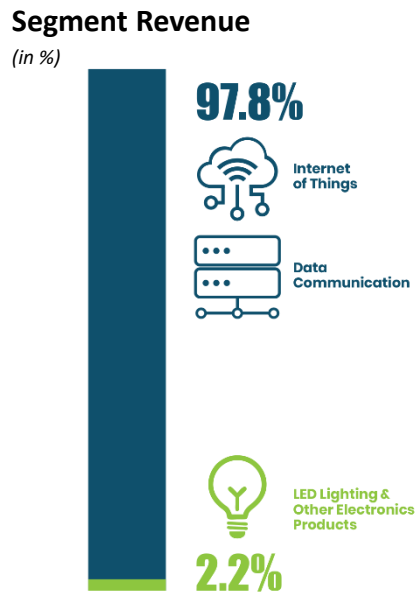
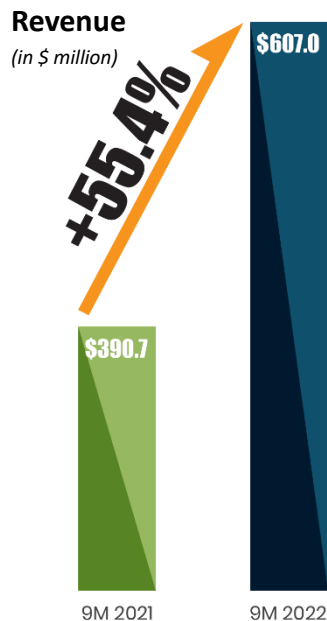
\$ Million	9M 2022	9M 2022 Proforma	9M 2021	9M2022 vs 9M2021 % Change
Revenue	607.0	607.0	390.7	55.4
EBITDA	84.0	99.5	61.9	35.7
Profit Before Tax	76.6	92.1	53.9	42.1
PBT Margin (%)	12.6	15.2	13.8	-120bps
Income Tax Expense	(13.0)	(13.0)	(6.5)	n.m.
Effective Tax Rate (%)	16.9	14.1	12.1	480bps
Net Profit	63.7	79.1	47.4	34.2
Net Profit Margin (%)	10.5	13.0	12.1	-160bps
Basic EPS (cents)	8.25	10.25	6.46	27.7
Diluted EPS (cents)	8.23	10.23	6.46	27.4

- (1) Improvement in 9M 2022 performance due mainly to productivity and operational efficiency gains arising from fulfilment of critical mass orders and cost control measures, partially offset by net fair value loss on derivative financial instrument attributable to forex losses resulting from the weakening of the RMB to the US dollar. The Group expects FY2022 results to be impacted by fair value loss on the existing derivative financial instruments. Please refer to note 19 of the Interim Financial Information for details on fair value loss on derivative financial instruments.
- (2) 9M 2022 Proforma illustrates the performance of the Group if the impact arising from net fair value loss on derivative financial instrument is excluded.
- (3) 9M 2022 & 9M 2021 EPS were computed based on profit attributable to equity holders of the Company and weighted average number of ordinary shares of 771,952,945 and 734,017,004 respectively. Diluted EPS for both periods were computed based on 773,742,945 and 734,017,004 shares respectively.

All currencies are in Singapore dollars unless otherwise specified.

9M 2022 Revenue by Segments

IoT Devices & Data-Communications Products – Key Revenue Contributor

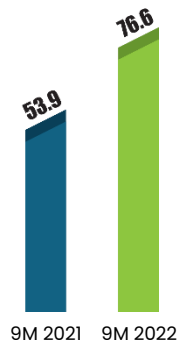


9M 2022 EBITDA, Pre-tax Profit, Net Profit & EPS Performance

EBITDA
\$million



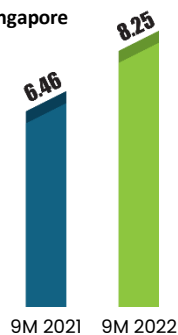
Profit Before Tax
\$million



Net Profit
\$million



EPS in Singapore
cents



Notes:

- EBITDA grew 35.7% to \$84.0 million from \$61.9 million
- Profit before tax saw an improvement of 42.1% from \$53.9 million to \$76.6 million
- Net Profit increased by 34.2% to \$63.7 million from \$47.4 million
- Basic EPS increased from 6.46 cents in 9M 2021 to 8.25 cents in 9M 2022 mainly due to increase in Net Profit for 9M 2022

(1) 9M 2022 & 9M 2021 Basic EPS were computed based on profit attributable to equity holders of the Company and weighted average number of ordinary shares of 771,952,945 and 734,017,004 respectively.

Balance Sheet Summary as at 30 September 2022

Healthy Balance Sheet & Net Cash Position

(\$ million)	30 September 2022	31 December 2021
Cash & Bank Balances	304.5	201.5
Total Bank Borrowings	(49.6)	(14.7)
Net Cash	254.9	186.8
Current Assets	646.6	491.6
Current Liabilities	(361.4)	(220.4)
Working Capital	285.2	271.2
Total Net Assets	305.8	293.0
Accumulated Profits	116.3	91.3
Share Capital & Reserves	189.5	201.7
Total Equity	305.8	293.0
Net Asset Value per Share (\$)	0.40	0.38

(1) NAV per share as at 30 September 2022 and 31 December 2021 were computed based on the net assets of the Company and number of ordinary shares of 771,952,945.

As at 30 September 2022, the Group reported a net cash of \$254.9 million, while accumulated profits increased by 27.4% to \$116.3 million following a dividend payment of \$38.6 million in May 2022.

The Group generated positive free cash flow of \$106.0 million for 9M 2022:

(\$ million)	9M 2022
Cash Flow From Operating Activities	113.6
Less Capital Expenditure	7.6
Free Cash Flow	106.0

Business Update

Design to Build Resilient & Sustainable Manufacturability

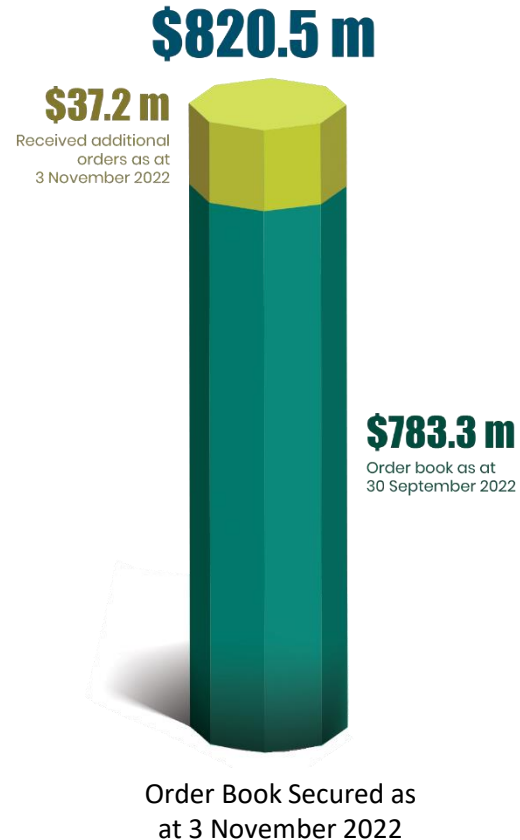
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Healthy Order Book



-Order book as at 30 September 2022 was \$783.3 million, and the Group has since received additional orders of \$37.2 million as at 3 November 2022, thus bringing its total order book secured to date to \$820.5 million, of which \$210.0 million is planned for completion in FY2022.



The Group's order book in respect as at any particular date is subject to changes in its customers' transactions and may not be indicative of its revenue for any succeeding periods.

All currencies are in Singapore dollars unless otherwise specified.

Outlook

Design to Build Resilient & Sustainable Manufacturability

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Challenges stemming from risks of macroeconomic slowdown, geopolitical tension, rising interest rates, inflationary cost pressures and susceptibility of the electronics supply chain to COVID-19 restrictions

Mitigation measures

- Disciplined balance sheet management and cost control measures to minimise the impact of inflationary cost pressure and rising interest rate environment
- Leverage on 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 component requirements productively through our 3-Pronged Component Management Approach:
 - * Actively collaborate with our customers on design changes to use alternative components
 - * Leverage on our close working relations with long-term suppliers to secure required components
 - * Expand our base of alternative suppliers to complete our component requirements for production

Thank You

3 November 2022



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