



(Company Registration No.: 200909384G)

FOR IMMEDIATE RELEASE

AZTECH GLOBAL REPORTS 9M 2022 RESULTS & PROPOSED INTERIM DIVIDEND OF \$0.03 PER SHARE

SINGAPORE, 3 NOVEMBER 2022 - SGX Mainboard-listed Aztech Global Ltd and its group of subsidiaries ("the Group"), a key technology enabler focusing on providing one-stop design and manufacturing services, today reported a 55.4% y-o-y growth in revenue to \$607.0 million and 34.2% y-o-y increase in net profit to \$63.7 million for the nine months ended 30 September 2022 ("9M 2022").

Financial Highlights

- 9M 2022 net profit of \$63.7 million on revenue of \$607.0 million
- Proposed dividend of 3 cents per share translates to a payout of 36.4%
- 9M 2022 Basic EPS of 8.25 cents¹
- 9M 2022 EBITDA increased by 35.7% y-o-y to \$84.0 million
- Healthy net cash of \$254.9 million as at 30 September 2022
- NAV per share was \$0.40 as at 30 September 2022²
- Order book of \$820.5 million secured as at 3 November 2022, of which \$210.0 million is planned for completion in FY2022³

IoT devices and data-communication products continued to be the Group's key revenue contributor. Strong production volume and shipment of IoT devices and data-communication products to customers in 3Q 2022 led to 71.8% and 55.4% y-o-y surge in revenue to \$242.4 million and \$607.0 million for 3Q 2022 and 9M 2022 respectively.

¹ Basic EPS for 9M 2022 was 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 9M2022 was 8.23 cents and is computed based on 773,742,945 shares.

² NAV per share as at 30 September 2022 was computed based on the net assets of the Company and number of ordinary shares of 771,952,945.

³ 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.



Revenue growth from IoT devices and data-communication products were aided by the efficient coordination of components availability, execution and delivery of customer orders at the Group's manufacturing facilities in Dongguan and Johor. The segment posted 76.2% and 61.3% y-o-y increase in revenue to \$238.8 million and \$593.7 million for 3Q 2022 and 9M 2022 respectively, and accounted for 97.8% of the Group's total revenue year to date. The balance revenue was derived from LED lighting products and sales of other electrical products.

Productivity and operational efficiency gains arising from fulfilment of critical mass orders, cost control measures and increase in interest income attributable to higher fixed deposit rate were partly offset by net fair value loss on derivative financial instrument of \$15.4 million attributable to forex losses resulting from the weakening of the RMB to the US dollar. The derivative contracts were earlier entered into for RMB denominated costs of the Group. The Group will tighten its foreign exchange risk management with a prudent approach towards foreign currencies exposure for its operational needs. The Group expects its FY2022 results to be impacted by fair value loss on these derivative financial instruments.

For the 9M 2022, the Group achieved 35.7%, 42.1% and 34.2% y-o-y improvement in EBITDA, pre-tax profit and net profit to \$84.0 million, \$76.6 million and \$63.7 million respectively. Basic earnings per share increased from 6.46 cents in 9M 2021 to 8.25 cents for 9M 2022.⁴

Positive Free Cash Flow and Healthy Balance Sheet

The Group had generated free cash flow amounting to \$106.0 million for 9M 2022 from its operations. Its balance sheet remained healthy with cash and bank balances of \$304.5 million and net cash of \$254.9 million as at 30 September 2022, while accumulated profits increased by 27.4% to \$116.3 million following a dividend payment of \$38.6 million in May 2022. As at 30 September 2022, the Group's NAV per share was 40.0 cents from 38.0 cents as at 31 December 2021.⁵

⁴ Basic EPS for 9M 2022 and 9M 2021 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.

⁵ NAV per share as at 30 September 2022 and 31 December 2021 was computed based on the net assets of the Company and number of ordinary shares of 771,952,945.

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Proposed An Interim Dividend Of 3 Cents A Share

Taking into considerations the healthy balance sheet position and capital requirements of the Group's operations, the Board of Directors has recommended a one-tier tax-exempt cash dividend of 3 cents a share, amounting to \$23.2 million or 36.4% payout from the Group's earnings for 9M 2022.

The record and payment date for the interim dividend is on the 11th and 23rd of November 2022 respectively, and shares of the Company will trade on ex-dividend basis on 10th November 2022.

Healthy Order Book

The Group's order book remains healthy at \$783.3 million as at 30 September 2022. It has since received additional orders of \$37.2 million as at 3 November 2022, thus bringing its total order book secured to \$820.5 million, of which \$210.0 million is planned for completion in FY2022⁶.

Outlook

The business climate is expected to remain challenging amid escalating geopolitical tensions and macroeconomic headwinds stemming from aggressive interest rate policy to dampen inflation. Increasing recessionary risk⁷, softening demand for consumer electronics products, inflationary cost pressures and susceptibility of the electronics supply chain to COVID-19 restrictions are expected to weigh on the operating landscape of the electronics and semiconductor industries. In view of these challenges, the Group will continue to manage its

⁶ 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.

⁷ Risk of Global Recession in 2023 Rises Amid Simultaneous Rate Hikes, The World Bank, September 15, 2022
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customer orders and balance them across its manufacturing plants to ensure timely delivery, and to safeguard the health and well-being of employees.

Aztech Global's Chairman and CEO Mr Michael Mun commented, "We are pleased to propose an interim dividend of 3 cents a share to reward our shareholders for their confidence in our growth strategy. We will continue to stay vigilant and nimble to manage the myriad of headwinds ahead."

About Aztech Global Ltd.

The Group is a key technology enabler for the connected world of tomorrow, with a focus on providing one-stop design and manufacturing services.

Supported by our core strengths in R&D, design, engineering and manufacturing, our key products are IoT Devices, Data-communication products and LED lighting products.

Leveraging on our expertise, we also provide one-stop design and manufacturing services to blue chip customers, technology start-ups and other companies with innovative products.

Headquartered in Singapore, the Group has four (4) R&D centers in Singapore, Hong Kong and the PRC namely in Shenzhen and Dongguan and three (3) manufacturing facilities in Dongguan, PRC and Johor, Malaysia. To date, the Group has over 2,500 employees worldwide.

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