



Grand Venture Technology Limited

(Company Registration Number 201222831E)

NEWS RELEASE

GRAND VENTURE TECHNOLOGY REPORTS 26.8% INCREASE IN REVENUE FOR 1H2024

- Revenue grew 26.8% to S\$68.3 million from improved semiconductor demand and contribution from newly acquired ACP;
- Strong revenue guidance for 2H2024 between S\$80 million and S\$86 million; and
- Full year 2024 revenue guidance between S\$148.3m and S\$154.3m, representing a y-o-y growth between 33.2% and 38.6%.

Singapore, August 13, 2024 – Mainboard-listed **Grand Venture Technology Limited** (杰纬特科技术有限公司, “GVT”, or the “Group”), a homegrown precision manufacturing solutions provider, has announced its unaudited financial results for the six months ended 30 June 2024 (“1H2024”).

Financial Overview

Financial Highlights (S\$ '000)	1H2024	1H2023	Change (%)
Revenue	68,309	53,866	26.8
Gross profit	18,008	13,519	33.2
Gross margin	26.4%	25.1%	1.3 ppts
EBITDA	13,913	12,176	14.3
EBITDA margin	20.4%	22.6%	(2.2 ppts)
Profit after tax (“net profit”)	4,308	3,403	26.6
Net margin	6.3%	6.3%	-

Note: ppts = percentage points

Revenue for 1H2024 increased by 26.8% to S\$68.3 million, exceeding the top end of GVT’s revenue guidance of between S\$58 million and S\$64 million. The Group saw stronger business activities across its key segments including (i) Semiconductor, (ii) Life Sciences, as well as (iii) Electronics, Aerospace, Medical and Others (“EAMO”).

Sales from the Semiconductor segment remained the largest revenue contributor at 50.2%. Revenue from the segment rose 31.6% to S\$34.3 million for 1H2024 driven by progressive improvement in orders from its key back-end customers, including shipment of testing equipment for high-bandwidth memory (“HBM”), a critical component in AI processors.

Revenue from the Life Sciences segment was up by 4.3% to S\$10.2 million for 1H2024 on the back of expanded wallet shares with key customers.

Revenue from the EAMO segment surged by 32.2% or S\$5.8 million to S\$23.8 million. S\$3.9 million of the increment was attributed to the contribution from its recent acquisition of ACP Metal Finishing Pte Ltd (“ACP”) following its integration. The Group also saw organic growth from Aerospace, Medical, and Others industries, offsetting the soft demand from the Electronics segment.

GVT reported a 33.2% increase in gross profit at S\$18.0 million for 1H2024. This also translated to a gross margin of 26.4%, a 1.3 percentage points expansion from 1H2023. The improvement took into account a S\$0.4 million in non-recurring expenses charged in 1H2023, in relation to the fair value inventory adjustments from the Group’s acquisitions.

Earnings before interest, tax, depreciation and amortisation (“EBITDA”) rose 14.3% to S\$13.9 million for 1H2024. However, EBITDA margin declined from 22.6% to 20.4% over the same period due to the S\$2.9 million increase in general and administrative expenses following the integration of ACP (+S\$1.1 million) and higher staff cost (+S\$1.2 million) to upskill capabilities and competencies for business expansion including the semiconductor front-end space. We remain prudent on costs and are confident in unlocking considerable operating leverage that translates into margin improvement as the business continues to scale.

As of 30 June 2024, the Group has total borrowings of S\$67.6 million, compared to S\$49.0 million as of 31 December 2023. The increase in borrowings was partially due to the debt raised for the ACP acquisition. GVT’s debt-to-equity ratio stood at 0.55 times at the end of the period under review, which is still within the comfort level of the Group.

Outlook

Executive Deputy Chairman Ricky Lee (李添南) said, “We are encouraged by the progressive improvement from our key back-end semiconductor customers as we set our sight on a stronger second half. In general, the industry is expected to recover towards the end of 2024, albeit at varying levels across our customers. We do expect this momentum to build up further into 2025. In addition, we are seeing greater momentum in certain areas especially with AI driving increased chip demand around GPU and HBM.”

The shift towards 2.5D and 3D DRAM technology, along with stronger demand for advanced chips powering AI are expected to increase complexity and drive test needs. These structural developments would lead to capacity and capability spend in the semiconductor test space driving new tool orders. Further, our core strength in capacity and facilities in Southeast Asia is also expected to benefit from our customers’ structural production shift from China to this region.

On GVT’s venture into the front-end semiconductor segment, the Group has completed several first article inspections with new customers. Earlier in December 2023, GVT commissioned a new facility in Penang, Malaysia, to support the front-end semiconductor customers’ requirements. This was coupled with the acquisition of ACP in March 2024, which expanded the Group’s capabilities to include surface treatment, a critical process for the front-end semiconductor segment.

With global air travel activity expected to surpass pre-pandemic levels in 2024, demand for commercial aircraft is anticipated to increase in tandem. In turn, the Group is capitalising on the opportunity to secure new orders from its aerospace customers.

In addition, the life sciences and medical segments are expected to remain resilient for the coming periods.

In view of the above, GVT has provided revenue guidance of between S\$80 million and S\$86 million for 2H2024. This equates to a full year revenue guidance of between S\$148.3 million and S\$154.3 million, representing a y-o-y growth between 33.2% and 38.6%.

About Grand Venture Technology Limited (“GVT”)

Founded in 2012, GVT is a fast-growing and trusted solutions and services provider for the manufacture of complex precision machining, sheet metal components and mechatronics modules. Its manufacturing plants in Singapore, Penang and Johor (Malaysia), and Suzhou (China) are backed by the latest automated manufacturing technologies, Class 10,000 cleanroom facilities and a certified quality management system. The Group’s highly experienced and dedicated team of engineering talent serves a strong global network of established partners and suppliers with a wide range of engineering, assembly, testing and product life cycle management solutions.

GVT’s portfolio of customers hail from the semiconductor, electronics, analytical life sciences, aerospace, medical and industrial automation industries, and represent some of the largest OEMs in their respective markets. GVT is listed on the Singapore Exchange Mainboard. Visit <http://www.gvt.com.sg> for more information.

For media enquiries, please contact Financial PR:

Shivam Saraf

E: shivam@financialpr.com.sg

Hong Ee Tang

E: hongee@financialpr.com.sg