Sunningdale reports S$29.8 million net profit for FY2018

- Despite challenging market conditions, revenue remains stable at S$726.8 million
- Gross profit margin declines 2.6 percentage points to 12.0% due to rising labour and utility costs, pricing pressure from customers and lower manufacturing yield from new projects during the initial ramp up phase
- Board of Directors recommends a final dividend of 5.0 Sing cents, increasing total dividends for FY2018 to 8.0 Sing cents (FY2017: 7.0 Sing cents)

SINGAPORE – 28 February 2019 – Singapore Exchange Mainboard-listed Sunningdale Tech Ltd. (“Sunningdale Tech” or “the Group”), a leading manufacturer of precision plastic components, has announced its financial results for the fourth quarter (“4Q2018”) and full year (“FY2018”) ended 31 December 2018.

Financial Highlights

(S$'000)	4Q2018	4Q2017	Change	FY2018	FY2017	Change
Revenue	184,195	187,040	(1.5)%	726,795	724,545	0.3%
Gross Profit	19,175	25,040	(23.4)%	87,133	105,533	(17.4)%
Gross Profit Margin (%)	10.4	13.4	(3.0) pts	12.0	14.6	(2.6) pts
Net profit	10,559	7,747	36.3%	29,758	31,360	(5.1)%
Net Profit Margin (%)	5.7%	4.1%	1.6 pts	4.1%	4.3%	(0.2) pts
Net Profit (Excluding one-off gains/costs & FX gains/losses)	1,708	10,529	(83.8)%	20,914	41,933	(50.1)%
EBITDA*	12,374	18,569	(33.4)%	59,804	79,304	(24.6)%
Earnings per Share - Basic (Sing cents)	5.54	4.12	34.5%	15.7	16.67	(5.82)%
Net Asset Value per Share (Sing $)	2.00	1.94	3.6%	2.00	1.94	3.6%

**EBITDA=Gross profit - G&A + depreciation + one-off SG&A expenses excluding JV profit/loss*

Despite negative US/China trade war sentiment, the Group reported a 0.3% year-on-year (“yoy”) increase in revenue to S$726.8 million for FY2018. While growth was registered across the Group’s Automotive, Healthcare and Mould Fabrication segments, overall topline performance was weighed by a decline in the Consumer/IT segment which was impacted by certain projects reaching end-of-life and the strategic long-term decision to exit low-margin projects.

Revenue from the Automotive segment increased 2.3% yoy to S$269.9 million while the Healthcare segment increased 9.8% yoy to S$56.7 million. Contributing to additional topline growth was the Mould Fabrication segment which grew 1.3% yoy to S$126.0 million. Conversely, revenue from the Group’s Consumer/IT segment declined 3.7% yoy to S$274.2 million.

The Group reported a 17.4% yoy decline in gross profit to S$87.1 million. Correspondingly, gross profit margin declined 2.6 percentage points to 12.0%. This decline was attributed to rising labour and utility costs, pricing pressure from customers and lower manufacturing yield from new projects.

During the year, the Group reported a gain from the disposal of its factory in Zhongshan, China amounting to S$13.1 million. For FY2018, the Group's net profit amounted to S$29.8 million representing a 5.1% yoy decline.

Commenting on the Group's FY2018 results announcement, **Group CEO & Executive Director Mr Khoo Boo Hor** said, ***"During the year, we were impacted by headwinds in the form of rising labour and utility costs, price pressure from customers and negative sentiment surrounding the US/China trade war. Furthermore, the Group was impacted by a slowing automotive market as global automotive sales declined in key markets such as the US, China and Europe towards the end of 2018.***

Operationally, two factors affected our performance. Firstly, at our latest manufacturing facility in Penang, utilisation levels were low as this new plant is still in its initial start-up phase. However, we expect production and utilisation at this facility to ramp up in 2H2019 having secured new projects with several customers.

Secondly, in China, there were delays in gradually shifting operations and machinery from our facilities in Shanghai to our new 50,000 square meter mega site in Chuzhou. This was due to delays in approvals from certain customers and resulted in additional costs incurred. We expect completion of this shift in operations to take place by 3Q2019 as we continue to optimise resources in China.

Despite the potential challenging market conditions, we remain confident in our resilient business model as the long-term sustainability and profitability of our operations remains on track. As a mark of confidence,, the Board has declared a final dividend of 5.0 Sing cents, increasing total dividends for FY2018 to 8.0 Sing cents."

- The End -

About Sunningdale Tech Ltd. (Bloomberg Code: SUNN:SP)

Sunningdale Tech Ltd is a leading manufacturer of precision plastic components. The Group provides one-stop, turnkey plastic solutions, with capabilities ranging from product & mould designs, mould fabrication, injection moulding, complementary finishings, through to the precision assembly of complete products.

Boasting a total factory space of more than 3 million sq feet, with more than 1,000 injection moulding machines and a tooling capacity of 2,500 moulds per year, Sunningdale Tech is focusing on serving four key business segments – automotive, consumer/IT/environment, healthcare and tooling.

With manufacturing facilities across Singapore, Malaysia (Johor, Penang), China (Chuzhou, Guangzhou, Shanghai, Suzhou, Tianjin and Zhongshan), Latvia (Riga), Mexico (Guadalajara), Indonesia (Batam), Thailand (Rayong), India (Chennai) and Brazil (Atibaia). Sunningdale Tech is strategically positioned to target and capture opportunities in diverse business sectors globally using third-party logistic partners.

For more information, please visit http://www.sdaletech.com.

Issued for and on behalf of Sunningdale Tech Ltd. by Financial PR

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