



Aztech Global Ltd.

FY2020 Results Presentation

22 March 2021

Aztech

Key Technology Enabler for the Connected World of Tomorrow **Aztech**

34

Years of Operating Track Record ⁽¹⁾

290

Customers Globally in more than **40** countries ⁽²⁾

4

R&D Centres in Singapore, Hong Kong, China (Shenzhen and Dongguan)

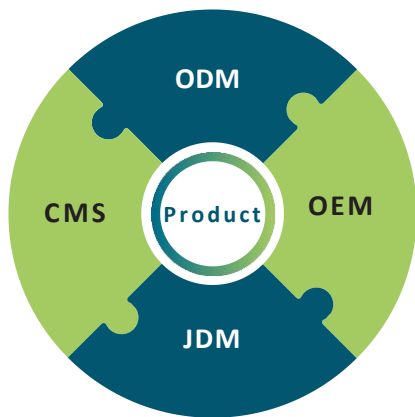
2,685

Employees Worldwide ⁽²⁾

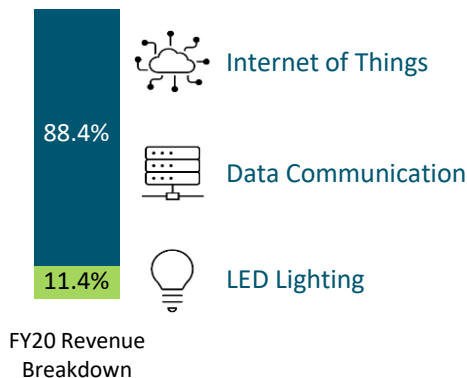
3

Factories in Dongguan, China and Johor, Malaysia

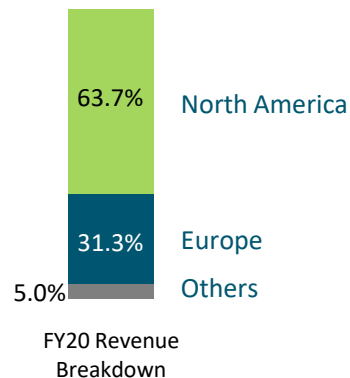
Our Manufacturing Services



Our Product Segments ⁽³⁾



Key Geographical Markets ⁽⁴⁾



Our Brands

Aztech B2B

Kyla B2C

⁽¹⁾ Aggregate track record of the company and its parent company

⁽²⁾ As at 31 December 2020

⁽³⁾ The company also reported revenue of \$0.83 million (0.2% of Total Revenue) from its Others segment, which refers to other electrical products

⁽⁴⁾ North America comprises mainly United States, Canada, Brazil and Mexico. Europe comprises mainly from France, Germany, Netherlands, United Kingdom and Poland. Others comprise mainly China and Singapore

All currencies are in Singapore dollars unless otherwise specified.

Key Financial Highlights

- FY2020 net profit of \$55.7 million on revenue of \$484.3 million, translating to net profit margin of 11.5%
- Earnings per share of \$0.09 in FY2020 ⁽¹⁾
- Cash position of \$11.5 million as at 31 December 2020
- EBITDA increased by 18.7% y-o-y to \$76.3 million
- Net asset value per share of \$0.07 as at 31 December 2020 ⁽²⁾
- Proposed final dividend of \$0.02 per share

(1) For comparative purposes, EPS has been computed based on the profit attributable to equity holders of our Company and the pre-Invitation share capital of 618,720,000 Shares

(2) NAV per Share is computed based on the equity attributable to our Company's equity holders and the pre-Invitation issued share capital of 618,720,000 Shares

(3) Capitalised terms used herein, unless otherwise defined, have the meanings as defined in the prospectus of the Company dated 4 March 2021 and registered by the Monetary Authority of Singapore on 4 March 2021 (the "Prospectus")

FINANCIAL PERFORMANCE REVIEW

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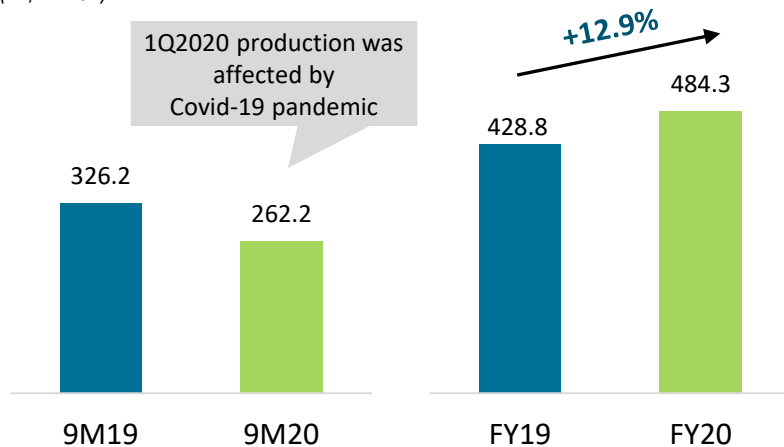
FY2020 Results Snapshot

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Strong Growth Boosted by Stellar 4Q2020

Revenue

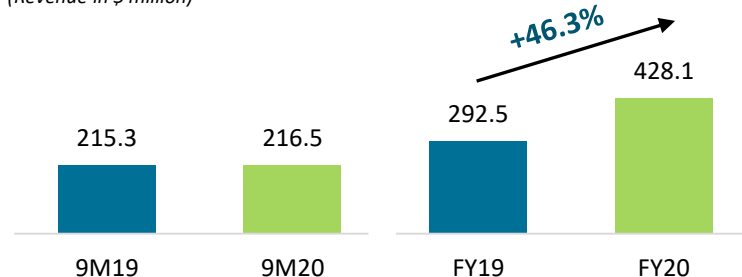
(in \$ million)



- Revenue increased by \$55.5 million or 12.9% from \$428.8 million in FY19 to \$484.3 million in FY20
- Strong growth in Q4 FY2020 driven by higher production volume and shipment of IoT and Data-communication products to customers
- Pace of manufacturing operation accelerated after approximately 2-month of disruption caused by Covid-19 in 1Q2020

IoT Devices and Datacom Products

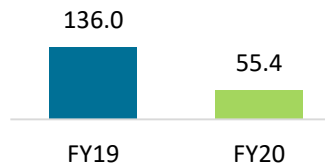
(Revenue in \$ million)



IoT and Data-communication products continue to be the key driver of revenue growth

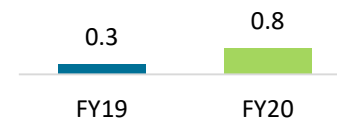
LED Products

(Revenue in \$ million)



Others (*)

(Revenue in \$ million)



(*) Others refers mainly to electrical products

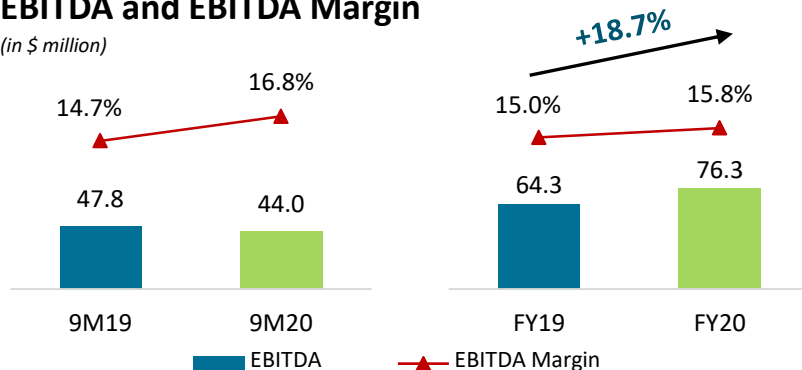
All currencies are in Singapore dollars unless otherwise specified.

FY2020 Results Snapshot (Cont'd)

Demonstrated Improvement in Profitability and Margins

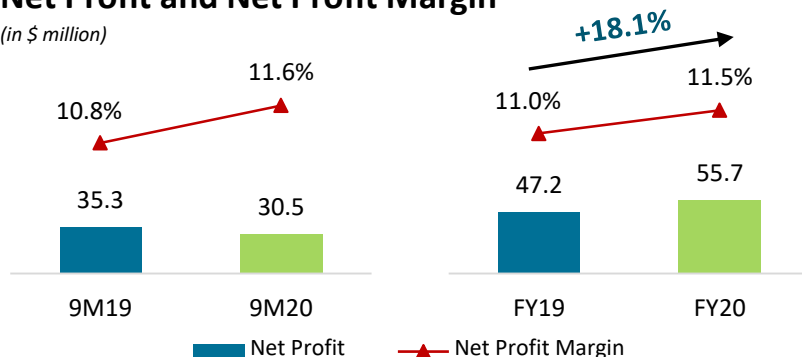
EBITDA and EBITDA Margin

(in \$ million)



Net Profit and Net Profit Margin

(in \$ million)



- The Group continued to generate positive EBITDA and EBITDA margin, which increased by 18.7% and 80 bps to \$76.3 million and 15.8%, respectively
- The Group achieved a higher Net Profit of \$55.7 million in FY20, an increase of 18.1% from \$47.2 million in FY19, notwithstanding disruption caused by Covid-19 in 1Q2020
- Net Profit Margin was recorded at 11.5%, an increase of 50 bps from 11.0% in FY19. The improvement in Net Profit Margin is driven by the Group's strong growth in the IoT and Datacom market, continuing efforts to improve productivity and efficiency.

FY2020 Results – YoY Comparison

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(\$ million)	FY2020	FY2019	% change
Revenue	484.3	428.8	 12.9
Profit Before Tax	66.5	54.8	 21.4
PBT Margin (%)	13.7	12.8	 90 bps
Income Tax Expense	(10.8)	(7.6)	(41.7)
Effective Tax Rate %	16.2	13.9	
Net Profit	55.7	47.2	 18.1
Net Profit Margin (%)	11.5	11.0	 50 bps
EPS (cents) ⁽¹⁾	9.00	7.62	 18.1

(1) EPS for FY2019 & FY2020 has been computed based on the profit attributable to equity holders of our Company and the pre-Invitation share capital of 618,720,000 Shares. The fully diluted EPS is the same as the EPS based on the weighted average number of ordinary shares on issue (as there were no options granted or outstanding during the financial year). EPS for FY2019 does not take into account the Capital Reduction Exercise in 2019 that was undertaken by the Company in preparation for the Listing.

EBITDA Reconciliation

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(\$ million)	FY2020	FY2019
Profit for the financial year	55.7	47.2
Add: Finance Costs	1.2	0.9
Add: Income tax expense	10.8	7.6
EBIT	67.7	55.7
Add: Amortisation & Depreciation expenses	8.6	8.6
EBITDA	76.3	64.3
EBITDA Margin %	15.8	15.0

FINANCIAL POSITION AND CASH FLOW

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Balance Sheet Summary

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(\$ million)	31 December 2020	31 December 2019
Cash & Bank Balances	11.5	14.3
Net Current Assets	17.9	0.7
Net Non-current Assets	23.7	22.0
Total Net Assets	41.6	22.7
Accumulated Profits	32.3	17.6
Share Capital & Reserves	9.3	5.1
Total Equity	41.6	22.7
Net Asset Value per Share (Cents) ⁽¹⁾	6.7	3.7
Adjusted Net Asset Value per Share (Cents) ⁽²⁾	29.8	-

(1) NAV per share is computed based on the equity attributable to the Company's equity holders and the pre-Invitation share capital of 618,720,000 Shares.

(2) Adjusted NAV per Share is computed based on the equity attributable to our Company's equity holders and the post-Invitation share capital of 773,720,000 Shares, after adjusting for net proceeds of \$188.6 million raised from the issuance of the New Cornerstone Shares.

Comparison of Net Debt / (Net Cash) Position

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(\$ million)	31 December 2020	31 December 2019
Total Borrowings	33.0	10.4
Cash & Cash Equivalents	11.5	14.3
Net Debt / (Net Cash)	21.5	(3.9)

- As at 31 December 2020, the Group recorded a higher loan amount as it utilised more trade financing to fund the increase in purchases of raw materials and components. This was to enable the Group to meet its production requirements in January and February 2021 in view of the factory shutdown during the Chinese New Year holiday in February and the tight supply for raw materials and components globally.

Comparison of Working Capital (1)

Aztech

(\$ million)	31 December 2020	31 December 2019
Current Assets	270.3	135.9
Current Liabilities	252.3	135.3
Working Capital	18.0	0.6

- Higher current assets as at 31 Dec 2020 was mainly due to (i) increase in trade receivables in tandem with the increase in sales in 4Q2020; and (ii) higher inventories level to meet production requirements in January and February in view of the factory shutdown during the Chinese New Year holiday in February and the tight market supply for raw materials and components.
- Higher current liabilities as at 31 Dec 2020 was mainly due to (i) utilisation of more trade financing to fund the purchases of raw materials and components; and (ii) higher trade payables due to higher purchases to cater for the increase in production.

Comparison of Working Capital (2)

Aztech

(\$ million)	31 December 2020	31 December 2020
	(Include Net IPO proceeds)	
Current Assets	458.9	270.3
Current Liabilities	252.3	252.3
Working Capital	206.6	18.0

- Changes in working capital includes the estimated net proceeds of \$188.6 million raised from the issuance of the New Cornerstone Shares after deducting the estimated listing expenses as disclosed in page 66 of the Prospectus.

PROPOSED FINAL DIVIDEND

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Proposed Final Dividend of \$0.02 per share

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- The Board of Directors has recommended a final dividend of \$0.02 per share on a one-tier tax-exempt basis. Subject to the approval by the shareholders at the forthcoming Annual General Meeting, the total estimated dividend to be paid is \$15,474,400.
- The Board of Directors has also approved the adoption of the Aztech Scrip Dividend Scheme (“Scheme”) and the application of the Scheme to this proposed dividend. Announcement of the details of the Scheme and the application of the Scheme to this proposed dividend will be made on or about 31 March 2021.
- For FY2020, the Company had paid two interim one-tier tax-exempt dividend totaling \$41.0 million prior to the Listing.
- Announcement on the date payable and books closure date will be made on or about 31 March 2021.

OUTLOOK

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- The Group continues to take all precautionary measures in the on-going COVID-19 pandemic to minimize any disruption in its operations.
- Focus remains on expanding its robust product portfolio catering to the growing IoT, Data-communication and LED lighting industries.
 - Building an ecosystem of inter-connected smart devices for home and office applications to capture market share and capitalise on opportunities in the growing IoT market for both its ODM and JDM segments is a key strategy forward.
 - The global IoT, data communication and LED lighting industries are forecast to grow at CAGRs of 20.8%, 5.9% and 4.3% to US\$425.2 billion, US\$59.0 billion and US\$80.0 billion for the period between 2019 to 2023, respectively.

Source: Frost & Sullivan (January 2021)

- The Group's R&D division is working on healthtech related products to tap on growth opportunities offered by the proliferation of IoT in the healthtech industry.
- The Group will continue to work closely with its suppliers and other stakeholders to manage the challenging material supply shortages that the industry is facing to ensure smooth production and timely delivery of its customers' orders.
- Order book as at 2 January 2021 was \$270.7 million, and the Group has since received additional orders of \$228.3 million as at 21 March 2021. With steps put in place to manage the impact of the pandemic coupled with the Group's strong order book, barring unforeseen circumstances, the Group is cautiously optimistic of its prospects in 2021⁽¹⁾.

⁽¹⁾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.



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.



THANK YOU!

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