



(Company Registration No.: 200909384G)

For Immediate Release

AZTECH GLOBAL REPORTS STRONG FY2020 PERFORMANCE ON STELLAR Q4 REVENUE GROWTH

Proposes tax-exempt final dividend of 2 cents per share

SINGAPORE, 22 MARCH 2021 - SGX Mainboard-listed Aztech Global Ltd ("the Company" or "the Group") announced its financial results for the full year ended 31 December 2020 ("FY2020").

Financial Highlights

- Q4 FY2020 revenue grew to a strong \$222.0 million
- FY2020 revenue grew 12.9% y-o-y to \$484.3 million
- Generated healthy EBITDA of \$76.3 million for FY2020
- Net Profit increased by 18.1% y-o-y to \$55.7 million
- Net Profit Margin improved by 50bps to 11.5%
- Earnings per share increased by 18.1% to 9.00 cents¹
- Cash position of \$11.5 million as at 31 December 2020
- Net asset value per share of 6.7 cents as at 31 December 2020²

¹ For comparative purposes, EPS has been computed based on the profit attributable to equity holders of our Company and the share capital of 618,720,000 Shares prior to the Company's initial public offering.

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.

All currencies are in Singapore dollars unless otherwise specified.



The Group reported 18.1% increase in net profit after tax to \$55.7 million on 12.9% growth in revenue to \$484.3 million for FY2020 despite disruption caused by COVID-19 pandemic during the 1Q2020.

The stellar Q4 FY2020 revenue growth to \$222.0 million was driven by higher production volume and shipment of IoT and Data-communication products to customers that lifted revenue from this segment to \$428.1 million, translating to a solid growth of 46.3% for FY2020. This followed the Group's deliberate focus on the production of smart lighting products and IoT devices and data communication products that commanded higher profit margins.

The improvement in revenue mix coupled with the Group's continuing efforts to improve productivity and efficiency led to 18.7% and 80 basis points increase in EBITDA and EBITDA margin to \$76.3 million and 15.8% respectively for FY2020, while profit before tax grew 21.4% to \$66.5 million. Net profit after taxation rose 18.1% to \$55.7 million as profits was partly negated by higher tax expenses arising from higher pre-tax profits and the full utilisation of group tax relief in the previous financial year. Net profit margin added 50 bps to 11.5%, and earnings per share was 9.00 cents, an improvement from FY2019 earnings of 7.62 cents a share.



Healthy Balance Sheet

The Group's cash and bank balances stood at a healthy \$11.5 million as at 31 December 2020. In spite of higher working capital requirements, its operations continued to generate sustainable cash flow of \$28.6 million for FY2020. The increase of working capital was a result of the need to hold and secure components and raw materials to ensure smoother production and on-time delivery of customers' orders in the on-going tight component shortages globally.

Elsewhere, the Group's net asset value (NAV) per share as at 31 December 2020 stood at a substantially higher 6.7 cents from 3.7 cents as at 31 December 2019 lifted mainly by 83.4% increase in accumulated reserves.

Proposed Final Dividend

The Board of Directors ("Board") had recommended a final dividend of 2 cents a share on a one-tier tax-exempt basis for the financial year ended 31 December 2020, subject to approval by the shareholders at the forthcoming Annual General Meeting to be held in April 2021. The total estimated dividend to be paid amounts to \$15,474,400.

The Board 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, dividend payment date and books closure date will be made on or about 31 March 2021.



Outlook

The Group remains focus on expanding its robust product portfolio catering to and capitalising on the growing IoT³, Data-communication⁴ and LED lighting⁵ industries. In particular, its ODM and JDM businesses are expanding its smart devices for home and office applications to capture greater market share, while its R&D division has embarked on collaborative efforts with its customers to tap on the exciting growth opportunities offered by the proliferation of IoT in the health-tech industry.

The Group will also work closely with its suppliers and other stakeholders to manage the components shortages situation globally towards ensuring smooth production and timely delivery of its customers' orders.

The Group's order book as at 2 January 2021 was \$270.7 million, and additional orders amounting to \$228.3 million had been received since then to 21 March 2021.⁶

Aztech Global's Chairman and CEO Mr Michael Mun commented, "In view of the strong FY2020 results, I am pleased to announce that the Board has recommended a final dividend of 2 cents per share to reward shareholders. With the strong order book to date and the measures that we have put in place to mitigate the impact of the COVID-19 pandemic, we are cautiously optimistic of our business prospects for financial year 2021 as we continue with our business to be the key technology enabler for the connected world of tomorrow."

³ The IoT industry is expected to continue growing at a CAGR of 20.8% to reach US\$425.2 billion by 2023 from 2019.

Source: Frost & Sullivan (January 2021)

⁴ The data communication industry is forecast to continue to grow at a CAGR of 5.9% from 2019 to US\$59.0 billion in 2023. Source: Frost & Sullivan (January 2021)

⁵ The global LED Lighting market is forecast to grow at a CAGR of 4.3% from US\$67.7 billion in 2019 to US\$80.0 billion in 2023. Source: Frost & Sullivan (January 2021)

All currencies are in Singapore dollars unless otherwise specified.

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.

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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 R&D centers in Singapore, Hong Kong and the PRC namely in Shenzhen and Dongguan and three manufacturing facilities in Dongguan, PRC and Johor, Malaysia. To date, the Group has close to 3,000 employees worldwide.

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