



(Company Registration No.: 200909384G)

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**AZTECH GLOBAL REPORTS HIGHER REVENUE OF
\$161.6 MILLION FOR 1Q 2023**

SINGAPORE, 4 MAY 2023 - SGX Mainboard-listed Aztech Global Ltd and its group of subsidiaries ("**the Group**") reported a higher revenue of \$161.6 million and lower net profit after tax of \$13.4 million for the quarter ended 31 March 2023 ("**1Q 2023**").

Financial Highlights

- 1Q 2023 revenue increased by 26.3% y-o-y to \$161.6 million
- Achieved 1Q 2023 net profit of \$13.4 million
- 1Q 2023 EBITDA was \$17.6 million
- Healthy net cash of \$182.3 million as at 31 March 2023
- NAV per share rose by 2 cents to 39.0 cents as at 31 March 2023¹
- Secured strong order book of \$661.9 million as at 4 May 2023

Revenue improved by 26.3% year-on-year ("y-o-y") to \$161.6 million for 1Q 2023 driven mainly by 27.7% y-o-y increase in sales of IoT devices and Data-communication products. The segment achieved revenue of \$158.0 million in 1Q 2023, and contributed 97.8% of the Group's total revenue. The Group's LED lighting and other electrical products reported a combined revenue of \$3.6 million for the period.

Revenue growth, efficiency gains and higher interest income supported the Group's 1Q 2023 performance but higher operating expenses resulting from inflationary cost pressures and impact of stronger local currencies at locations of operations, together with net negative foreign exchange impact of \$3.1 million led to overall decline in profits. The Group reported a 3.8%, 2.5% and 3.6% y-o-y decline in EBITDA, pre-tax profit and net profit to \$17.6 million, \$15.5

¹ NAV as at 31 March 2023 and 31 December 2022 was computed based on the net assets of our Company and number of ordinary shares of 771,952,945.

All currencies are in Singapore dollars unless otherwise specified.



million and \$13.4 million, respectively. Basic and diluted EPS² declined by 3.4% y-o-y to 1.73 cents for 1Q 2023 from 1.79 cents in 1Q 2022.

Healthy Cash Position and Balance Sheet

The Group's balance sheet and cash position remained healthy. As at 31 March 2023, its cash and bank balance stood at \$205.1 million and its net cash at \$182.3 million³. Operating activities continued to generate positive cash flow of \$18.1 million for the quarter. Meanwhile, the acquisition of an additional 300,000 sq ft manufacturing facility in Pasir Gudang, Johor, Malaysia ("Pasir Gudang Facility") contributed mainly to the incurrence of capital expenditure amounting to \$22.7 million.

Accumulated profits increased by 13.8% to \$110.0 million as at the end of the quarter from \$96.7 million as at 31 December 2022. The Group's NAV per share also improved by 2.0 cents from 37.0 cents as at 31 December 2022 to 39.0 cents as at 31 March 2023.

Strong Order Book

The Group's order book remains strong. It has secured \$627.4 million orders as at 31 March 2023, and has since received additional orders of \$34.5 million as at 4 May 2023, thus bringing its total order book secured to \$661.9 million. Majority of the order book secured is scheduled for completion in FY2023⁴.

Outlook

The Group remains cautiously optimistic of its business outlook, and expects continued supply chain challenges, inflationary cost pressures, higher interest rates environment and geopolitical tensions to impact business and consumer spending for the rest of 2023⁵.

Following the completion of the acquisition of Pasir Gudang Facility in April 2023, the Group is focusing on ramping up production at the new facility which is expected to commence

² 1Q 2023 basic & diluted EPS was computed based on profit attributable to equity holders of our Company and weighted average number of ordinary shares of 771,952,945

³ This excludes \$33.1 million of short-term investments.

⁴ 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.

⁵ The outlook is uncertain again amid financial sector turmoil, high inflation, ongoing effects of Russia's invasion of Ukraine, and three years of COVID (Source: World Economic Outlook: A rocky recovery, IMF, April 2023)

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operations in June 2023. While continuing to balance and co-ordinate customer orders secured across its manufacturing plants in Dongguan, China and Johor, Malaysia to ensure timely and efficient delivery, the Group will continue its engagement with customers to grow its portfolio of high quality IoT customers and product offerings to enhance growth resiliency.

Aztech Global's Chairman and CEO Mr Michael Mun commented, "The establishment of the Pasir Gudang facility in Johor, Malaysia will support our growth and production diversification strategy for our customers. Being lean and nimble with appropriate cost control measures in place, the Group remains ready to seize meaningful opportunities amidst the bright⁶ prospects of the IoT industry."

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 to blue chip customers, technology start-ups and companies with innovative products.

Supported by our core strengths in R&D, design, engineering and manufacturing, our key products are IoT Devices, Data-communication products and niche LED lighting 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. The Group has a workforce of over 2,500 worldwide.

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⁶ Verified Market Reports, 9 February 2023: Global IoT market is projected to grow at a 2022-2030 CAGR of 19.91% to reach US\$6,075.7 million in 2030. Verified Market Reports, November 2022: IoT devices market size was valued at US\$83.76 billion in 2021 and is projected to reach US\$508.25 billion in 2030, growing at a 2023-2030 CAGR of 22.19%.

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