

1H 2022 Financial Review



1H22 performance: April-May impact in PRC, growth in other regions

S\$'000	1H2022	1H2021	YoY % Change
Revenue	190,707	217,158	-12.2
Gross Profit	54,078	58,193	-7.1
Gross Profit Margin (%)	28.4%	26.8%	+1.6 ppt
Operating Expenses	34,373	33,429	+2.8
Profit Before Tax	20,713	26,066	-20.5
Profit After Tax	16,133	19,388	-16.8
Profit Attributable to Shareholders	11,070	12,167	-9.0
Net Profit Margin (%)	8.5	8.9	-0.4 ppt

1H22 impacted by disruption from COVID-19 measures in China, with solid growth elsewhere

- Industry-wide disruption in April-May 2022 impacted over 350 million people in PRC representing 40% of GDP^(a)
- Lockdowns in China impacted incoming supply, outbound distribution, sales & customer engineering for ISDN
- Significant recovery in PRC order book in June and July 2022 since lockdowns lifted
- Strong performance elsewhere, with 1H22 revenue growing +29% YoY outside of PRC

Source

^(a) Nomura (2022)

1H22 performance: ISDN was able to cushion some gross margin impact

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● **Business mix** helped offset gross margin impact

- Group was able to mitigate some of the sudden impact to the business to protect gross margins
- Better inventory management met immediate customers' need during current global supply chain disruption
- The group was benefiting from growing demand for industrial transformation and digitalization, which offered better margins.

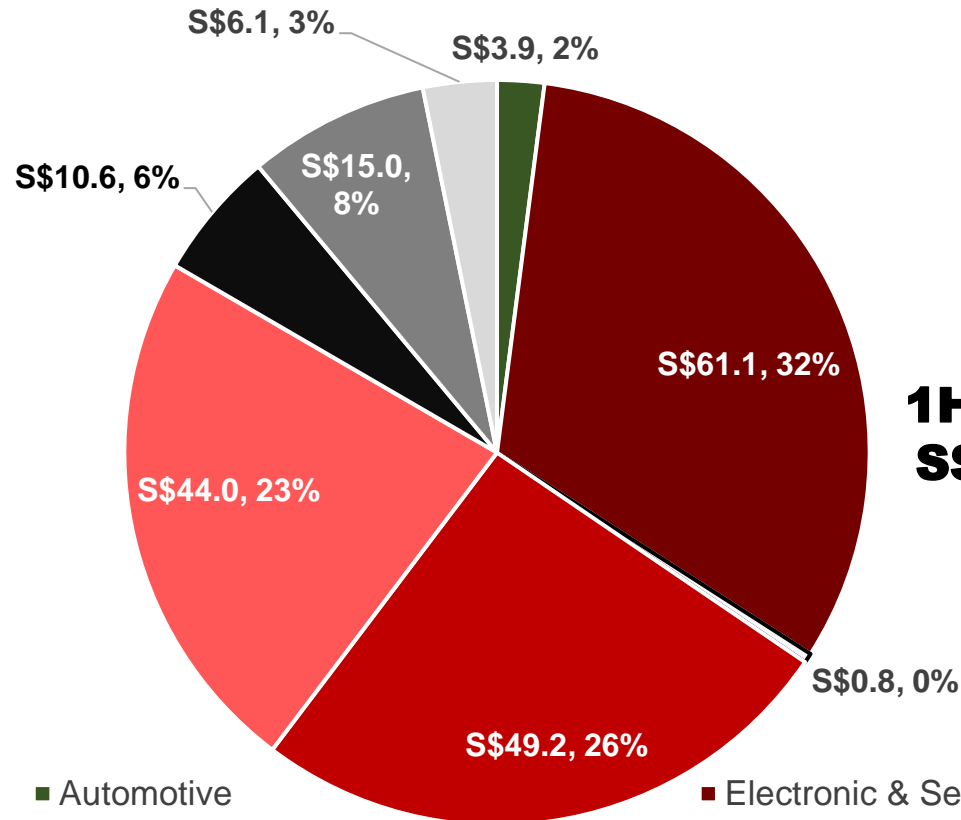
1H22 performance: additional measures to protect shareholder earnings

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- We acted to reduce impact to shareholders**
12% revenue impact => 9% earnings impact
- Better financial performance of our wholly owned subsidiaries
 - Effective cost measures across our regional operations

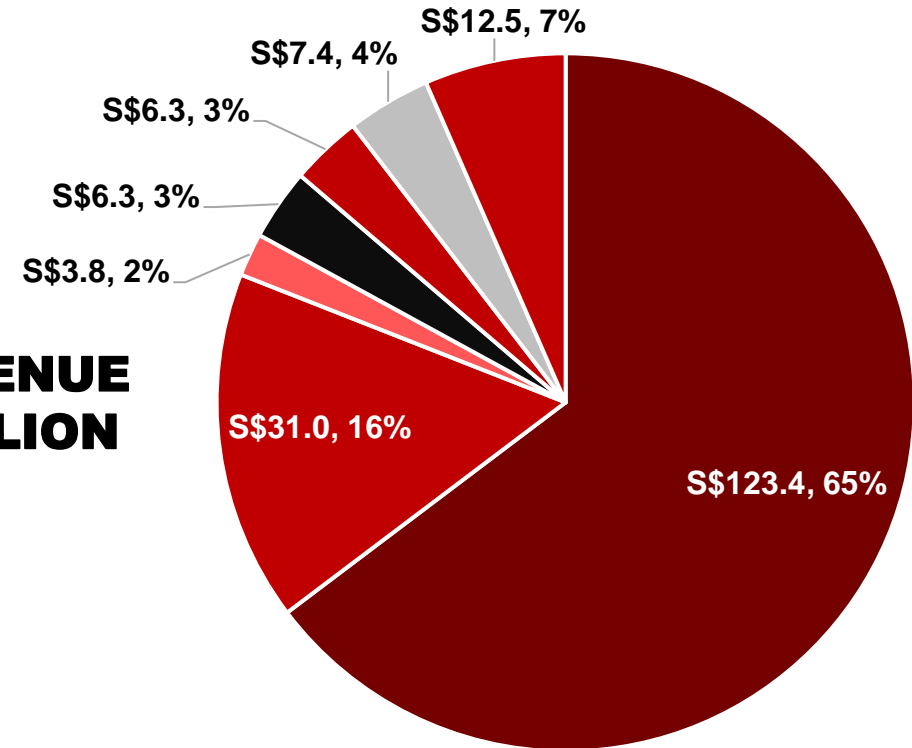
Solid diversification in industries and strategic geographies in a risk climate

BY END-INDUSTRIES



- Automotive
- Food & Beverage
- Machine Tools
- Others
- Electronic & Semiconductor
- Industrial Robotic
- Medical Device
- Renewable Energy

BY GEOGRAPHY



- PRC
- Hong Kong
- Indonesia
- Others
- Singapore
- Malaysia
- Vietnam

Shareholder dividend trend

The Group's new dividend policy from FY2017 targets to provide shareholders an annual dividend payout of 25% of the net profit attributable to shareholders

Singapore cents per share

