



**Aztech Global Ltd.**

**FY2023 Results Presentation**

**22 February 2024**

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## 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.

# FY2023 Results

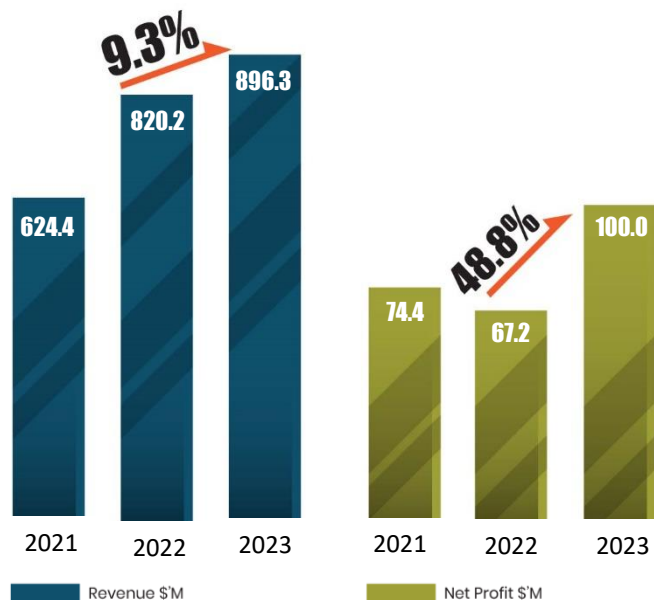
1. Financial Performance Review
2. Proposed Final Dividend
3. Business & Order Book Update
4. Outlook

# Financial Performance Review

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## Achieved Record Revenue and Net Profit with Strong Balance Sheet



FY2023

EPS

**12.96  
Cents**

FY2022:  
8.70 Cents  
**Up 49.0%**

As at 31 December 2023

**Net Cash  
\$249.8 M**

31 December  
2022: \$217.8 M  
**Up 14.7%**

**NAV/Share  
45 Cents**

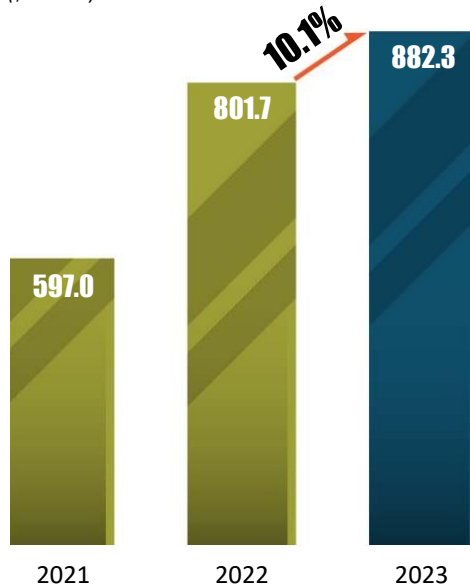
31 December  
2022: 37 Cents  
**Up 21.6%**

- (1) Basic and diluted EPS for FY2023 and FY2022 has been computed based on the profit attributable to equity holders of our Company divided by weighted average of ordinary share in issue of 771,952,945 shares (FY 2022: 771,952,945), 771,954,364 shares (FY2022: 771,952,945), respectively.
- (2) Net cash of \$249.8 million includes \$40.6 million of short-term investments comprising Treasury bills and term deposits (31 December 2022: \$30.3 million), after netting off bank borrowing and lease liabilities.
- (3) NAV per share as at 31 December 2023 and 31 December 2022 were computed based on the net assets of the Group and number of ordinary shares of 771,952,945.

## Continued Revenue Growth From IoT Devices & Data-Communications Products

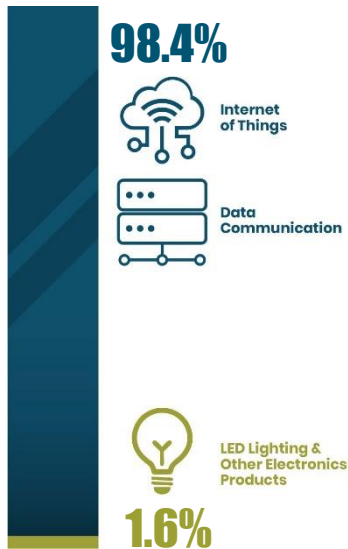
### IoT and Data-Com Products

(\$ Million)



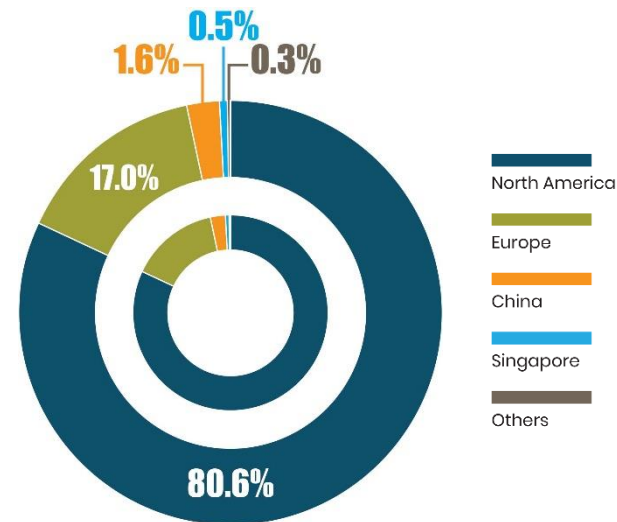
### Segment Revenue

(%)



### Revenue by Countries

(%)



# FY2023 Results Y-o-Y Comparison

## FY2023 Net Profit crossed \$100 million

\$ Million	FY2023	FY2022	% Change
<b>Revenue</b>	<b>896.3</b>	<b>820.2</b>	<b>9.3</b>
EBITDA	133.6	90.3	48.0
<b>Profit Before Tax</b>	<b>123.7</b>	<b>80.7</b>	<b>53.3</b>
PBT Margin (%)	13.8	9.8	400 bps
Effective Tax Rate (%)	13.4	16.8	(340 bps)
<b>Net Profit</b>	<b>100.0</b>	<b>67.2</b>	<b>48.8</b>
Net Profit Margin (%)	11.2	8.2	300 bps
<b>Basic &amp; Diluted EPS (cents)</b>	<b>12.96</b>	<b>8.70</b>	<b>49.0</b>

Better FY2023 performance was mainly due to revenue growth, greater economies of scale, higher interest income and lower net fair value loss on foreign exchange contracts.

Basic and diluted EPS for FY2023 and FY2022 has been computed based on the profit attributable to equity holders of our Company divided by weighted average of ordinary share in issue of 771,952,945 shares (FY 2022: 771,952,945), 771,954,364 shares (FY2022: 771,952,945), respectively.

Effective tax rate calculations exclude the provision of deferred tax of \$7.1m related to retained earnings from an overseas subsidiary. The lower effective tax rate is attributable to certain tax incentives.

All currencies are in Singapore dollars unless otherwise specified.



### 2H 2023 Net Profit More Than Doubled Y-o-Y

\$ Million	2H 2023	2H 2022	% Change
<b>Revenue</b>	<b>507.7</b>	<b>455.7</b>	<b>11.4</b>
EBITDA	77.9	35.2	121.3
<b>Profit Before Tax</b>	<b>72.7</b>	<b>30.3</b>	<b>139.8</b>
PBT Margin (%)	14.3	6.6	770 bps
Effective Tax Rate (%)	11.7	19.7	(800 bps)
<b>Net Profit</b>	<b>57.1</b>	<b>24.3</b>	<b>135.0</b>
Net Profit Margin (%)	11.2	5.3	590 bps
<b>Basic &amp; Diluted EPS (cents)</b>	<b>7.40</b>	<b>3.15</b>	<b>134.9</b>

Higher revenue, greater economies of scale, interest income and net fair value gain on foreign exchange contracts led to higher net profit for 2H 2023.

2H 2023 & 2H 2022 basic and diluted EPS has been computed based on the profit attributable to equity holders of our Company divided by weighted average of ordinary share in issue of 771,952,945 shares (2H 2022: 771,952,945), 771,954,364 shares (2H 2022: 771,952,945), respectively.

Effective tax rate calculations exclude the provision of deferred tax of \$7.1m related to retained earnings from an overseas subsidiary. The lower effective tax rate is attributable to certain tax incentives.



# 4Q 2023 Results Y-o-Y Comparison

## 4Q 2023 Net Profit

\$ Million	4Q 2023	4Q 2022	% Change
<b>Revenue</b>	<b>224.3</b>	<b>213.3</b>	<b>5.2</b>
EBITDA	31.7	6.2	411.3
<b>Profit Before Tax</b>	<b>28.9</b>	<b>4.1</b>	<b>604.9</b>
PBT Margin (%)	12.9	1.9	1100 bps
Effective Tax Rate (%)	8.3	14.6	(630bps)
<b>Net Profit</b>	<b>26.2</b>	<b>3.5</b>	<b>648.6</b>
Net Profit Margin (%)	11.7	1.6	1010 bps
<b>Basic &amp; Diluted EPS (cents)</b>	<b>3.40</b>	<b>0.50</b>	<b>580.0</b>

Higher net profit for 4Q 2023 with revenue growth, greater economies of scale, higher interest income and net fair value gain on foreign exchange contracts as compared to fair value foreign exchange losses in 4Q 2022.

4Q 2023 & 4Q 2022 basic and diluted EPS has been computed based on the profit attributable to equity holders of our Company divided by weighted average of ordinary share in issue of 771,952,945 shares (4Q 2022: 771,952,945), 771,954,364 shares (4Q 2022: 771,952,945), respectively.

Effective tax rate calculations exclude the provision of deferred tax of \$1.6m related to retained earnings from an overseas subsidiary. The lower effective tax rate is attributable to certain tax incentives.

# Balance Sheet Summary as at 31 December 2023

## Strong Balance Sheet with Net Cash of \$249.8 M

(\$ Million)	31 December 2023	31 December 2022
Cash & Bank Balances	231.4	196.0
Short-term Investments	40.6	30.3
Lease Liabilities	(4.9)	(3.2)
Total Bank Borrowings	(17.3)	(5.3)
<b>Net Cash</b>	<b>249.8</b>	<b>217.8</b>
Current Assets	551.5	515.6
Current Liabilities	(227.2)	(251.3)
<b>Working Capital</b>	<b>324.3</b>	<b>264.3</b>
<b>Total Net Assets</b>	<b>344.9</b>	<b>284.0</b>
Accumulated Profits	162.0	96.7
Share Capital & Reserves	182.9	187.3
<b>Total Equity</b>	<b>344.9</b>	<b>284.0</b>
<b>Net Asset Value per Share (cents)</b>	<b>45.0</b>	<b>37.0</b>

NAV per share as at 31 December 2023 and 31 December 2022 were computed based on the net assets of the Group and number of ordinary shares of 771,952,945.

All currencies are in Singapore dollars unless otherwise specified.

Higher bank borrowing of \$17.3 million as at 31 December 2023 due mainly to term loan taken to partly fund the acquisition of the Pasir Gudang facility in Johor, Malaysia. With the acquisition, the Group recorded a higher capital expenditure amounting to \$4.3 million in FY2023. Operating activities continued to generate positive cash flow of \$83.5 million and free cash flow of \$79.2 million for FY2023.

(\$ million)	FY2023
Cash Flow From Operating Activities	83.5
Less Capital Expenditure*	(4.3)
<b>Free Cash Flow</b>	<b>79.2</b>

\*Capital expenditure exclude non-cash acquisition of property, plant and equipment, funded by bank borrowings.

# Proposed Final Dividend

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## Proposed Final Tax-Exempt Dividend Per Share of 5 cents

Interim Dividend Per Share Paid on 11 Aug 2023	Proposed Final Tax Exempt Dividend Per Share	Total Tax Exempt Dividend Per Share for FY2023
3 cents	5 cents	8 cents

- Total dividends in respect of FY2023 of \$61.8m, representing a payout ratio of 61.8%.
- Proposed final tax-exempt dividend is subject to shareholders' approval at the upcoming Annual General Meeting on 16 April 2024, payable on 30 April 2024.

# Business & Order Book Update

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## Manufacturing Facilities Update

- The 300,000 sq ft Pasir Gudang facility is fully operational.
- Successfully expanded manufacturing footprint in Malaysia to support the Group's growth, business continuity needs and production diversification requirements of its customers.



SMT Production lines

Assembly & Testing lines

## Order Book Update

- The order lead time has normalised from 9-12 months during pandemic to 2-3 months post pandemic.
- Order book secured as at 22 February 2023 was \$333.9 million for completion in FY2024.
- Secured new customers including:
  - US-based companies providing smart baby monitoring, health-tech wearable & kitchen scrap management solutions
  - Singapore-based health-tech company in respiratory monitoring devices
- Continue to build on new customer acquisition momentum to drive growth

**\$333.9 M**

Order book as  
At 22 February 2023







- Launched IP (Internet Protocol) Cameras under “Kyla” brand
- Gaining traction in the Singapore Pre-School Educational segment
- Expanding Vision Technology segment with innovative technology and A.I. to drive growth

1. Verified Market Research, March 2023: The global video surveillance market was valued at US\$52.65 billion in 2021 and projected to grow at a 2023-2030 CAGR of 12.91% to US\$157.07 billion by 2030.

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# Outlook

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## Risks & Challenges relating to:

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- Supply chain and managing customers' forecasts
- Inflationary cost pressures
- Foreign currency fluctuations
- High interest rate environment
- Macroeconomic uncertainties
- Geopolitical tensions

**The business prospects for the next 6-12 months is expected to be challenging. Below mitigation measures to manage identified risks & challenges:**

### Mitigation measures

- Disciplined balance sheet & cost management
- Leverage the Group's versatile operational framework to manage and balance customer orders across our manufacturing plants to ensure timely delivery, and safeguard our employees' health and well-being
- Work closely with our customers and suppliers to manage forecasts and component requirements
- Conservative & stringent management of the Group's foreign exchange rate risk across its major currencies exposure in the US Dollar, Renminbi, Singapore Dollar and the Malaysia Ringgit

# Thank You

22 February 2024



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