

FOR IMMEDIATE RELEASE

BIGL revenue grows 8.1% to S\$228.4 million in 1H2022, boosted by stable demand for enterprise HDD products

- *Attributes topline growth to strategic shift in focus to high-value, high-performance enterprise segment.*
- *EBITDA rises 2.7% year-on-year to S\$15.3 million reflecting healthy corporate performance, while net attributable profit declines 4.7% to S\$7.5 million over the same period due mainly to higher finance costs and tax expense and lower other income.*
- *Expects cloud storage expansion and nearline capacity transitions to continue driving demand for enterprise HDDs in the long term.*

Financial Highlights (S\$m)	6 months ended 30 June		
	1H2022	1H2021	% Change
Revenue	228.4	211.4	8.1
Gross Profit	15.6	14.7	6.3
Gross Profit Margin (%)	6.8	7.0	(0.2) % pt
Net Attributable Profit	7.5	7.8	(4.7)
EBITDA	15.3	14.9	2.7
Earnings Per Share ^a (S'pore cents)	1.64	1.67	(2.2)
Return on Equity (%)	16.8	19.8	(3.0) % pt

a. EPS was computed based on the weighted average number of shares of 456,103,000 shares and 468,341,000 shares in 1H2022 and 1H2021 respectively.

Note: All financial figures have been rounded.

SINGAPORE, 11 August 2022 – Broadway Industrial Group Limited (“**BIGL**” or together with its subsidiaries, the “**Group**”) has achieved an 8.1% increase in revenue to S\$228.4 million for the six months ended 30 June 2022 (“**1H2022**”) compared to S\$211.4 million in the same corresponding period in 2021 (“**1H2021**”). The revenue growth was despite a 20.4% decline in volume over the same period.

BIGL, a key provider of actuator arms, assemblies, and other related parts mainly for the global hard disk drive (“**HDD**”) industry, benefitted from its strategic shift in focus from the legacy personal and mobile computing segments to the high-value, high-performance enterprise segment. Increasing in tandem with revenue, gross profit rose 6.3% year-on-year (“**YoY**”) to S\$15.6 million with gross profit margin declining 0.2 percentage point to 6.8%

Reflecting the Group's healthy corporate performance, EBITDA rose 2.7% YoY to S\$15.3 million. Net attributable profit came in at S\$7.5 million in 1H2022 versus S\$7.8 million in 1H2021 because of higher tax expense, headcount redundancy costs from the continuing productivity gain in the manufacturing operations and unrealised fair value losses on financial derivatives.

BIGL Chief Executive Officer, Mr Tan Choon Hoong (陈春煌), said: *"Ongoing supply chain disruptions caused by Covid-19 and the broader effect of geopolitical tensions had led to weak economic sentiment and weighed down on business confidence during the period under review. This in turn had an adverse impact on volume as HDD demand came under pressure from weakening end-demand from commercial customers.*

"Despite this, our 1H2022 results continued to affirm our strategy to focus our resources on the high-capacity enterprise segment as it enabled us to achieve revenue growth despite the not-so-favourable conditions."

Mirroring the bottom-line performance, earnings per share in 1H2022 reduced slightly to 1.64 Singapore cents per share (1H2021: 1.67 Singapore cents per share). As at 30 June 2022, the Group's financial position remained stable with cash and cash equivalents increasing to S\$29.9 million (as at 31 December 2021: S\$27.7 million).

Outlook

BIGL remains cautiously optimistic of the longer-term outlook of the high-performance enterprise and nearline HDD segment as cloud storage expansion and nearline capacity transitions are expected to continue driving demand from data centres. However, as certain key markets maintain their strict Covid-19 stance and the ongoing Ukraine-Russia war continues to lead to rising costs and inflationary pressures, the Group expects some demand headwinds in the shorter term, which is also in line with the expectations expressed by its major customers.

Mr Tan said: *"We expect the macro-environment to bring about near-term challenges. These include some inventory correction as customers adjust their requirements in view of economic uncertainties. This has resulted in a weaker demand outlook for the second half of 2022. To cushion the impact, we will increase our focus on improving our operational efficiency and prudently manage our cashflow and expenses. In view of the fluid Covid-19 situation, we will maintain the necessary safeguards to ensure the safety of our employees to avoid any disruption to our operations."*

As part of its diversification strategy, BIGL acquired a 55% equity stake in China-based Beijing Ant Brothers Technology Co. Ltd. in 2020 and established a Robotics Business Unit ("RBU"). The RBU's product portfolio has expanded from glass façade cleaning robots to include other service robots for delivery and disinfection. These are now ready for commercialisation and available in China and several markets in Southeast Asia.



Broadway Industrial Group Limited
3 Fusionopolis Way, #13-26 Symbiosis
Singapore 138633
(Company Registration Number: 199405266K)
(Incorporated in Singapore)

Mr Tan said: *“Our RBU is working hard to penetrate regional markets, including Singapore where we are in active discussion to launch our glass façade cleaning robot here. To improve our technical bench strength, we will continue to collaborate with robotics companies in China and Singapore to develop and deploy robots that can be customised for various usage and industries. At the same time, we remain keen to diversify our business through opportunities that will leverage our strengths in research and development while increasing our technical bench strength.”*

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About Broadway Industrial Group Limited

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited since 1994, Broadway Industrial Group Limited (“**BIGL**” or together with its subsidiaries, the “**Group**”) is one of the leaders in the manufacture of precision components and assemblies. BIGL is a key provider of actuator arms, assemblies and other related parts mainly for the global hard disk drive industry. Headquartered in Singapore, BIGL has four manufacturing facilities in China and Thailand and employs about 3,500 people.

In 2020, the Group acquired a 55% equity stake in China-based Beijing Ant Brothers Technology Co., Ltd. and established a Robotics Business Unit. Leveraging BIGL’s chain and manufacturing competencies to enhance its robot design and efficiencies for the cleaning service industry, the robotics arm uses artificial intelligence to develop disinfection and delivery service robots.

Issued for and on behalf of Broadway Industrial Group Limited

August Consulting

Tel: 65 9743 2667

Wrisney Tan