



(Company Registration No.: 200909384G)

AZTECH GLOBAL ATTAINS NET PROFIT OF \$29.4 MILLION IN 1H 2021

SINGAPORE, 30 JULY 2021 - SGX Mainboard-listed Aztech Global Ltd and its group of subsidiaries ("the Group"), a key technology enabler focusing on providing one-stop design and manufacturing services, today reported its financial performance for six months ended 30 June 2021 ("1H 2021").

Financial Highlights

- 1H 2021 net profit of \$29.4 million on revenue of \$249.7 million
- Q2 2021 net profit of \$16.2 million on revenue of \$133.7 million
- Earnings per share of 4.12 cents in 1H 2021¹
- 1H 2021 EBITDA of \$39.0 million
- Net Cash of \$191.1 million as at 30 June 2021
- Net asset value per share of \$0.32 as at 30 June 2021²

Higher demand of IoT devices and data communication products led to a 15.4% q-o-q growth in revenue to \$133.7 million from \$115.9 million in Q1 2021. Revenue from IoT devices and data communication products increased by 128.7% to \$232.6 million for 1H 2021.

¹ EPS for 1H 2021 has been computed based on the profit attributable to equity holders of our Company and weighted average no. of ordinary share of 713,782,829. The fully diluted EPS is the same as the EPS based on the weighted average no. of ordinary shares on issue (as there were no options granted or outstanding during the financial year).

² NAV per share as at 30 June 2021 has been computed based on the net assets of our Company and no. of ordinary share of 773,825,545.

All currencies are in Singapore dollars unless otherwise specified.



For the 1H 2021, the Group reported 92.1% increase in EBITDA to \$39.0 million following an improvement of 17.9% q-o-q to \$21.1 million in Q2 2021.

Net profit after taxation more than doubled from \$13.0 million to \$29.4 million with net profit margin improving to 11.8% for 1H 2021. As a result, earnings per share for 1H 2021 improve to 4.12 cents from 2.1 cents³ a share in 1H 2020.

Healthy Balance Sheet

The Group's balance sheet remains healthy with cash and bank balances of \$203.0 million as at 30 June 2021 from \$11.5 million as at 31 December 2020.

The Group continued to generate a net cash of \$41.5 million from operations during 1H 2021 and was in a net cash position of \$191.1 million as at 30 June 2021 following the inclusion of net proceed of \$188.6 million raised from the initial public offering exercise in conjunction with its listing on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") in March 2021.

Net working capital increased from \$18.0 million as at 31 December 2020 to \$224.7 million as at 30 June 2021. Net asset value per share was 32 cents as at 30 June 2021.

Operational Update

Enhancement works at the facility in Malaysia was completed according to schedule. The total built-up area has been increased to 86,000 sq ft.

³ EPS for 1H 2020 has been computed based on the profit attributable to equity holders of our Company and the pre-Invitation share capital of 618,720,000 Shares.

All currencies are in Singapore dollars unless otherwise specified.



The Malaysian facility is subjected to a limit of 60% of total workforce since June 2021 following resurgence of COVID-19 infection in the country. As a result of it, the transfer of the Group's production from China to Malaysia was delayed with the China facilities continuing to account for the bulk of the manufacturing activities during 1H 2021. Hence, there was an overall net minimum impact brought about by the operating limit in Malaysia's facility.

The Group will continue to prioritise the safety and well-being of our employees and we have been encouraging employees to be inoculated against COVID-19 virus. In China, all of our employees had been vaccinated, of which, 74% have received the second dose as at 30 July 2021⁴.

In Malaysia, we have submitted application to MITI for plant wide vaccination program. Meanwhile, eligible citizens in Malaysia have also been encouraged to apply through the MySejahtera app for their own vaccination. Currently, 0.40% of our employees in Malaysia had been vaccinated with second dose, while 7.51% had received their first dose⁴.

The Group will continue with our safe management measures and monitor the vaccination rates, particularly our production facilities in China and Malaysia, for a better and sustainable workplace for our employees.

Business Outlook

The global shortage of components is unlikely to abate in the next six to twelve months. The Group will continue with its close collaborations with its suppliers, customers and relevant stakeholders in the supply chain to secure key components required for the continuous production and delivery of customers' orders.

⁴ Vaccination rate is calculated based on employees who are eligible (based on age and health condition) for the inoculation against COVID-19 virus in compliance with local vaccination guidelines.

All currencies are in Singapore dollars unless otherwise specified.



In addition, the Group is aware of the possible disruptions to its operations due to the resurgence of COVID-19 infection, and will take all possible measures to minimise the adverse effect.

As at the close of 1H 2021, the Group's order book was \$530.4 million⁵, and it has since received additional orders of \$74.0 million as at 30 July 2021. Barring worsening of infection by COVID-19 virus and supply chain constraints, the majority of the order book secured is expected to be completed in 2021. Included in the order book are \$150.0 million orders scheduled for completion in FY2022. The Group will continue to enhance its technological capabilities and expand its offerings to grow its revenue in the IoT devices and data-communication products segment, while seeking to secure new orders across consumer, industrial and health-tech industries.

Aztech Global's Chairman and CEO Mr Michael Mun commented, "In spite of the challenges, the Group remains committed to growing its footprint in tandem with the growth in the IoT and Data-communication space⁶."

"Taking into considerations the healthy balance sheet position, strong order book secured to date and measures that we have put in place to mitigate the threat of COVID-19 infection resurgence, and barring unforeseen circumstances, the Group remains cautiously optimistic of its performance for the rest of 2021," Mr Mun added.

⁵ 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.

⁶ The IoT industry is expected to continue growing at a CAGR of 20.8% to reach US\$425.2 billion by 2023 from 2019, of which the consumer and the non-consumer IoT industry is estimated to grow at a CAGR of 23.4% and 20.2% to about US\$94.8 billion and US\$330.4 billion, respectively by 2023. 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)

All currencies are in Singapore dollars unless otherwise specified.



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.

For more information, please contact:

Ms Clarie Lim (Corporate Communications Manager)

Tel: +65 6594 2280

E-mail: Clarie.Lim@aztech.com

All currencies are in Singapore dollars unless otherwise specified.