

FOR IMMEDIATE RELEASE

BIGL delivers healthy FY2022 performance despite industry headwinds

- Achieves net attributable profit of S\$6.3 million on the back of S\$352.4 million in revenue.
- Remains profitable despite tough market conditions.
- Expects operations of recently established JVCo to commence in the second half of 2023. JVCo leverages BIGL's machining competencies, paving the way for diversification into the wireless 5G network products, microwave systems, engineering and automotive industries.

Financial Highlights (S\$'m)	6 months ended 31 December			12 months ended 31 December		
	2H2022	2H2021	% Change	FY2022	FY2021	% Change
Revenue	124.0	260.1	(52.3)	352.4	471.4	(25.2)
Gross Profit	5.5	20.0	(72.2)	21.2	34.7	(38.9)
Gross Profit Margin (%)	4.4	7.7	(3.3% pt)	6.0	7.4	(1.4% pt)
Net Attributable (Loss)/Profit	(1.2)	7.4	N.M.	6.3	15.3	(58.9)
EBITDA	6.3	14.8	(57.4)	21.6	29.7	(27.3)

Note: All financial figures have been rounded.

SINGAPORE, 28 February 2023 – Broadway Industrial Group Limited (“**BIGL**” or together with its subsidiaries, the “**Group**”), a key provider of actuator arms, assemblies, and other related parts mainly for the global hard disk drive (“**HDD**”) industry, has delivered a healthy set of results for the 12 months ended 31 December 2022 (“**FY2022**”) despite strong industry headwinds in the second half of the financial year.

While the first six months of FY2022 saw steady demand for enterprise HDD and the Group achieved 8.1% year-on-year (“**YoY**”) revenue growth to S\$228.4 million and stable earnings of S\$7.5 million, market conditions toughened during the next six months ended 31 December 2022 (“**2H2022**”) as a result of declining end-customer demand due to inventory corrections by original equipment manufacturers, and significantly lower cloud demand from hyperscale customers over the same period.

Against this backdrop, BIGL's 2H2022 revenue declined 52.3% YoY to S\$124.0 million and resulted in a net attributable loss of S\$1.2 million for the period. But on a full-year basis, the Group maintained its profitability albeit with lower earnings of S\$6.3 million as revenue declined 25.2% YoY to S\$352.4 million in FY2022.

In line with the weaker topline performance, gross profit came in 38.9% lower YoY at S\$21.2 million in FY2022, while gross profit margin decreased to 6.0% from 7.4% in FY2021 due to underutilisation of the Group's manufacturing capacity and resources in the second half of the financial year.

BIGL Chief Executive Officer, Mr Tan Choon Hoong (陈春煌), said: *"Our FY2022 performance was in line with the overall industry performance which was impacted by macroeconomic headwinds that affected both business and consumer sentiments especially in the second half of 2022. This led to significantly lower demand for HDDs including enterprise HDD, which has had a good run for two years led by pandemic demand for greater cloud storage as more businesses took to remote working arrangements.*

"To cushion the impact of the tough environment, we aligned our operations with the sharp fall in demand by aggressively reducing our operating and labour costs and prudently managed our working capital needs. These measures helped to moderate our losses in 2H2022 and generated S\$19.4 million in cash from operating activities."

As at 31 December 2022, BIGL remained on stable financial footing with cash and cash equivalents of S\$29.4 million, an uptick from the S\$27.7 million it had at 31 December 2021.

Outlook

BIGL expects near-term HDD demand in the first half of 2023 to remain weak, weighed down by macroeconomic uncertainties and geopolitical tensions. However, the Group is cautiously optimistic that the recent easing of China's Covid-19 restrictions will lead to improvements towards the second half as the country's manufacturing prowess kicks into full gear.

In the longer term, the Group expects demand for high performance enterprise and nearline HDD products to grow in line with rising demand for mass storage.

Pursuant to the shareholders' agreement signed in November 2022, BIGL had established a joint venture company ("**JVCo**") in Korea in December 2022 and a subsidiary in Hanoi, Vietnam in January 2023. The Group has a majority stake in the JVCo. Leveraging BIGL's machining competencies, the JVCo potentially paves the way for the Group to further diversify into the manufacture and sale of a broader range of parts and components for various purposes including wireless networks, microwave systems, engineering and automotives. The JVCo is expected to commence operations in the second half of 2023.

Mr Tan said: *"While we remain confident about our core HDD business, our diversification strategy seeks to leverage our core capabilities to expand into other industries with the potential to contribute positively to our business. Our new JVCo paves the way for BIGL to build a second revenue stream from non-HDD customers, thus reducing the dependency on the cyclical HDD business."*



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Meanwhile, the Group is reviewing its strategies for its Robotics Business Unit, while continuing to market its existing product line and seeking opportunities to develop its robots for wider usage in various industries across different markets.

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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 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 five manufacturing facilities in China, Thailand and Vietnam with a total built-up area of 83,000 sqm.

In 2022, the Group further diversified into the manufacture and sale of a broader range of parts and components for the 5G wireless network, microwave system, engineering and automotive industries.

The Group has a Robotics Business Unit that leverages BIGL’s chain and manufacturing competencies to develop robots for various purposes across different industries.

Issued for and on behalf of Broadway Industrial Group Limited

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