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## Memtech reports US\$9.6 million net profit for FY2018

- Revenue rises 13.2% yoy to a record US\$192.5 million driven by robust growth across the Automotive, Consumer Electronics and Industrial & Medical segments
- Gross margin declines 2.0 percentage points to 16.2% due mainly to rising labour costs, higher input costs and lower manufacturing yield during the initial ramp up phase for new projects
- Business development initiatives continue to garner momentum as the Group expects to launch new projects from both new and existing multinational customers in FY2019
- Board of Directors recommends a final dividend of 3.0 Sing cents per share to reward shareholders

**Singapore, 27 February 2019** – Singapore Exchange Mainboard-listed Memtech International Ltd. (“Memtech” or “the Group”), a global components solution provider, has announced its financial results for the fourth quarter (“4Q2018”) and full year (“FY2018”) ended 31 December 2018.

Financial Highlights (US\$'000)	4Q2018	4Q2017	Change %	FY2018	FY2017	Change %
<b>Revenue</b>	52,130	49,614	5.1	192,452	170,013	13.2
<b>Gross Profit</b>	9,206	9,306	(1.1)	31,173	30,937	0.8
<b>Gross Profit Margin (%)</b>	17.7	18.8	(1.1) pts	16.2	18.2	(2.0) pts
<b>Profit Attributable to Owners of the Company</b>	3,019	3,759	(19.7)	9,601	14,125	(32.0)
<b>Net Profit Margin (%)</b>	5.8	7.6	(1.8) pts	5.0	8.3	(3.3) pts
<b>Earnings per Share – Basic (US cents)</b>	2.2	2.7	(18.5)	6.8	10.0	(32.0)
<b>Net Asset Value per Share (US cents)</b>	89.7	90.1	(0.4)	89.7	90.1	(0.4)

Despite trade war tensions and a more conservative market sentiment, the Group’s revenue increased 13.2% year-on-year (“yoy”) to US\$192.5 million for FY2018 setting new record for the Group. The Group registered growth across key segments including the Automotive segment which surged 18.9% yoy to US\$94.6 million. Growth within the Automotive segment was driven by major projects with key customers as well as new customer projects going into mass production. Similarly, topline growth was supported by the Industrial & Medical segment which rose 15.0% yoy to US\$13.7 million as new projects entered into mass production.

Adding further fuel to the growth in revenue was the Consumer Electronics segment which increased 16.5% yoy to US\$68.2 million. Growth within the Consumer Electronics segment was driven by projects from existing key customers while new projects from a key multinational US customer began to contribute positively to the Group’s financial performance.

While the Group’s gross profit increased marginally to US\$31.2 million, gross profit margin declined 2.0 percentage points to 16.2%. This decline in gross profit margin was attributed to several reasons including rising labour and raw material costs, increases in packaging costs, increased costs to meet new environmental standards and lower manufacturing yield during the initial ramp up phase with new customers.

As a result, the Group reported a 32.0% yoy decline in net profit attributable to owners of the Company amounting to US\$9.6 million for FY2018.

The Group maintained its resilient balance sheet with cash and cash equivalents of US\$22.2 million as at 31 December 2018. After factoring in total borrowings amounting to US\$3.5 million, the Group's net cash position stood at US\$18.7 million (31 Dec 2017: US\$30.1 million).

Commenting on the Group's FY2018 results, **Executive Chairman Mr. Chuang Wen Fu said**, *"Despite challenging market conditions, we reported a record level of revenue as our continued business development initiatives translated to growth across key segments. We expect these initiatives to continue into FY2019 as we have secured new project wins within the Automotive, Consumer Electronics and Industrial & Medical segments. Leveraging on our niche capabilities, we are well placed to secure new projects from both existing and new customers.*

*While continuing to monitor the trade tension situation and global markets closely, we remain cautiously optimistic on our outlook for FY2019. To reward shareholders for their continued support, the Board has recommended a final dividend of 3.0 Sing cents per share."*

**– The End –**

#### **About Memtech International Ltd (Bloomberg Code: MTEC:SP)**

Listed on the Mainboard of the Singapore Stock Exchange in 2004, Memtech is a global components solution provider working with our partners in the business of Automotive Components, Industrial & Medical, Mobile Communications and Consumer Digital devices.

The Group is a Singapore-based company with three manufacturing sites in the People's Republic of China ("PRC"): Dongguan, Kunshan & Nantong. Besides a wide network of sales and engineering offices in the PRC, the Group also has offices in Germany, Japan, U.S.A and Taiwan to support its global reach of products and services.

Memtech's customers include major automotive suppliers Hella, Magna, Lear, Denso, and Kostal. The Group also provides solutions to major car manufacturers including VW, GM and most recently Tesla; leading manufacturers including Foxconn and Celestica, along with renowned brands such as Huawei, Lenovo, Samsung, and Netgear.

For more information, please visit [www.memtechchina.com](http://www.memtechchina.com)

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