

The background features a digital globe composed of white dots and lines, held gently by two hands. A large, semi-transparent green arrow points diagonally from the top-left towards the bottom-right, crossing over the globe. The overall color palette is dark blue with glowing light effects.

**Aztech Global Ltd.**

**3Q 2023 Business Performance Update  
Presentation**

**16 October 2023**

***Aztech***

## 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.

# 3Q 2023 Results

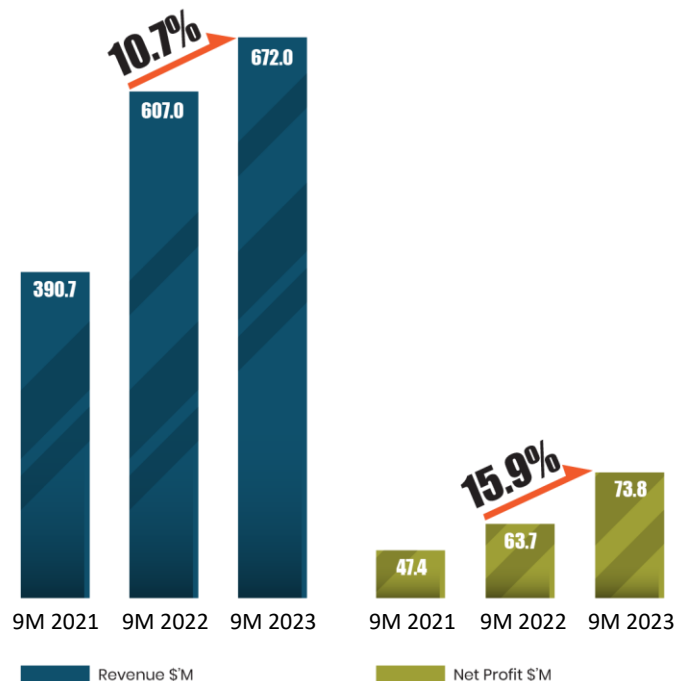
1. Financial Performance Review
2. Business & Order Book Update
3. Outlook

# Financial Performance Review

Design to Build Resilient & Sustainable Manufacturability

**Aztech**

## Continued revenue and earnings growth and healthy balance sheet



9M 2023

**EPS**  
**9.56 Cents**

9M 2022:  
8.25 Cents  
Up 15.9%

As at 30 September 2023

**Net Cash**  
**\$215.4 M**

31 December  
2022: \$217.8 M

**NAV/Share**  
**41 Cents**

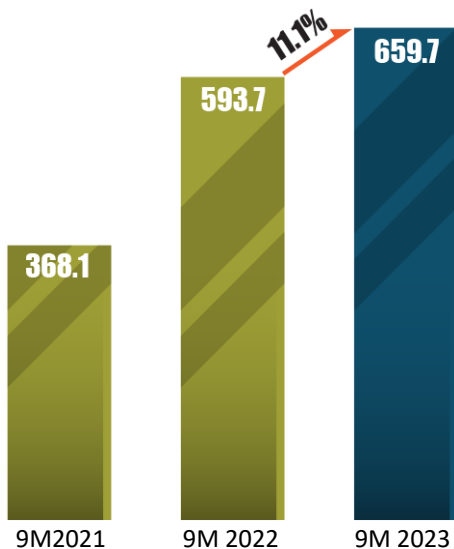
31 December  
2022: 37 Cents

- (1) 9M 2023 and 9M 2022 basic & diluted EPS was computed based on profit attributable to equity holders of our Company and weighted average number of ordinary shares of 771,952,945.
- (2) Net cash of \$215.4 million includes \$40.1 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 30 September 2023 and 31 December 2022 was computed based on the net assets of the Group and number of ordinary shares of 771,952,945.

## IoT Devices & Data-Communications Products – Key Revenue Contributor

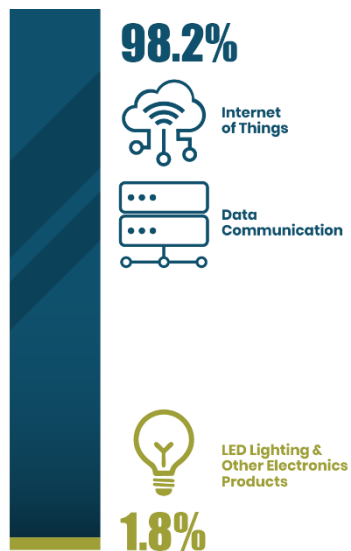
### IoT and Data-Com Products

(\$ Million)



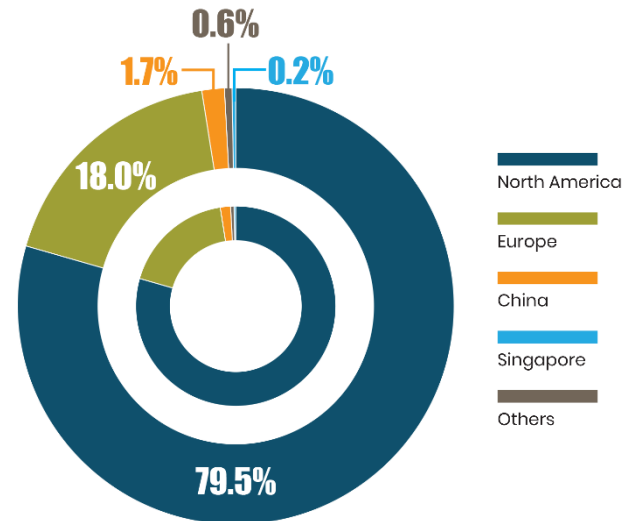
### Segment Revenue

(%)



### Revenue by Countries

(%)



## 9M 2023 Results Y-o-Y Comparison

\$ Million	9M 2023	9M 2022	% Change
<b>Revenue</b>	<b>672.0</b>	<b>607.0</b>	<b>10.7</b>
EBITDA	101.9	84.0	21.3
<b>Profit Before Tax</b>	<b>94.8</b>	<b>76.6</b>	<b>23.8</b>
PBT Margin (%)	14.1	12.6	150 bps
Income Tax Expense	(21.0)	(13.0)	n.m.
Effective Tax Rate (%)	15.0	16.9	(190 bps)
<b>Net Profit</b>	<b>73.8</b>	<b>63.7</b>	<b>15.9</b>
Net Profit Margin (%)	11.0	10.5	50 bps
<b>Basic &amp; Diluted EPS (cents)</b>	<b>9.56</b>	<b>8.25</b>	<b>15.9</b>

Better 9M 2023 performance was mainly due to revenue growth, greater economies of scale, higher interest income and lower net fair value loss on foreign exchange contracts.

9M 2023 & 9M 2022 basic and diluted EPS was computed based on profit attributable to equity holders of our Company and weighted average number of ordinary shares of 771,952,945.

Effective tax rate calculations exclude the provision of withholding tax.

## 3Q 2023 Results Y-o-Y Comparison

\$ Million	3Q 2023	3Q 2022	% Change
<b>Revenue</b>	<b>283.4</b>	<b>242.4</b>	<b>16.9</b>
EBITDA	46.2	29.0	59.3
<b>Profit Before Tax</b>	<b>43.7</b>	<b>26.2</b>	<b>66.8</b>
PBT Margin (%)	15.4	10.8	460bps
Income Tax Expense	(12.9)	(5.4)	n.m.
Effective Tax Rate (%)	13.8	20.6	(680bps)
<b>Net Profit</b>	<b>30.9</b>	<b>20.8</b>	<b>48.6</b>
Net Profit Margin (%)	10.9	8.6	230bps
<b>Basic &amp; Diluted EPS (cents)</b>	<b>4.00</b>	<b>2.69</b>	<b>48.7</b>

Higher revenue, greater economies of scale, interest income and net fair value gain on foreign exchange contracts led to higher net profit for 3Q 2023 of S\$30.9m, despite higher income tax expenses resulting mainly from one-time deferred tax provision of S\$5.5m relating to retained earnings from an overseas subsidiary.

3Q 2023 & 3Q 2022 basic and diluted EPS was computed based on profit attributable to equity holders of our Company and weighted average number of ordinary shares of 771,952,945.

Effective tax rate calculations exclude the provision of withholding tax.



## 3Q 2023 Results Q-o-Q Comparison

\$ Million	3Q 2023	2Q 2023	% Change
<b>Revenue</b>	<b>283.4</b>	<b>227.0</b>	<b>24.8</b>
EBITDA	46.2	38.1	21.3
<b>Profit Before Tax</b>	<b>43.7</b>	<b>35.5</b>	<b>23.1</b>
PBT Margin (%)	15.4	15.6	(20bps)
Income Tax Expense	(12.9)	(6.0)	n.m.
Effective Tax Rate (%)	13.8	16.9	(310bps)
<b>Net Profit</b>	<b>30.9</b>	<b>29.5</b>	<b>4.7</b>
Net Profit Margin (%)	10.9	13.0	(210bps)
<b>Basic &amp; Diluted EPS (cents)</b>	<b>4.00</b>	<b>3.83</b>	<b>4.4</b>

2Q 2023 & 3Q 2023 basic and diluted EPS was computed based on profit attributable to equity holders of our Company and weighted average number of ordinary shares of 771,952,945.

Effective tax rate calculations exclude the provision of withholding tax.

Revenue growth, greater economies of scale, higher interest income and net fair value gain on foreign exchange contracts led to higher profit before tax.

Net profit margin was affected by higher income tax expenses resulting mainly from one-time deferred tax provision of S\$5.5m relating to retained earnings from an overseas subsidiary.

# Balance Sheet Summary as at 30 September 2023

## Healthy Balance Sheet with Net Cash of \$215.4 M

(\$ Million)	30 September 2023	31 December 2022
Cash & Bank Balances	195.9	196.0
Short-term Investments	40.1	30.3
Lease Liabilities	(2.0)	(3.2)
Total Bank Borrowings	(18.6)	(5.3)
<b>Net Cash</b>	<b>215.4</b>	<b>217.8</b>
Current Assets	628.3	515.6
Current Liabilities	(335.7)	(251.3)
<b>Working Capital</b>	<b>292.6</b>	<b>264.3</b>
<b>Total Net Assets</b>	<b>320.1</b>	<b>284.0</b>
Accumulated Profits	135.8	96.7
Share Capital & Reserves	184.3	187.3
<b>Total Equity</b>	<b>320.1</b>	<b>284.0</b>
<b>Net Asset Value per Share (cents)</b>	<b>41.0</b>	<b>37.0</b>

NAV per share as at 30 September 2023 and 31 December 2022 has been 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 \$18.6 million as at 30 September 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 \$22.5 million in 9M 2023. Operating activities continued to generate positive cash flow of \$49.1 million and free cash flow of \$26.6 million for 9M 2023.

(\$ million)	9M 2023
Cash Flow From Operating Activities	49.1
Less Capital Expenditure	(22.5)
<b>Free Cash Flow</b>	<b>26.6</b>

# Business & Order Book Update

Design to Build Resilient & Sustainable Manufacturability

**Aztech**

## Manufacturing Facilities Update

- The 300,000 sq ft Pasir Gudang facility commenced production in 3Q 2023 and are currently equipped with 8 SMT production lines, 2 Wave Soldering lines, 18 product assembly & testing lines & 4 packaging lines.
- The Group's total production requirements are fulfilled by the facilities in Malaysia and China.



Surface Mount Technology



Final Assembly & Testing



Packaging

# 3Q 2023 Order Book Update

## 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 16 October 2023 was \$322.7 million. The majority of the order book secured is scheduled for completion in FY2023.
- Orders secured for IoT solutions across varied market segments including:



Consumer & Lifestyle



Communication



Security



Healthtech



Automotive



Tracking

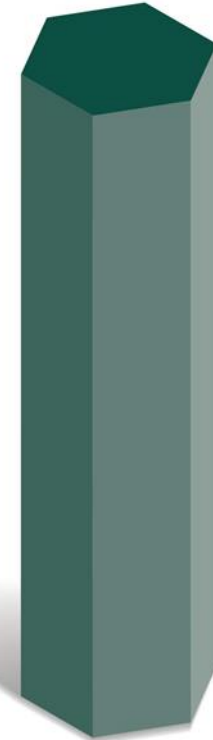


Point of Sales

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**\$322.7 M**

Order book as  
at 16 October 2023





## Vision Technology Product Launch

- Launched two products in August 2023 under proprietary “Kyla” brand
  - Power-Over-Ethernet Internet Protocol (IP) CCTV; and
  - Digital Microscope
- The Group targets
  - the local Pre-School Educational segment with its (IP) CCTV; and
  - intends to expand its market for the two products internationally by end of the year
- Drives the Vision Technology line of products to gain traction with the launch of the full product range

# Outlook

Design to Build Resilient & Sustainable Manufacturability

**Aztech**

## Risks & Challenges relating to:

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



**The Group is cautiously optimistic of its business, and will continue to take various 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

16 October 2023



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