



(Company Registration No.: 200909384G)

FOR IMMEDIATE RELEASE

AZTECH GLOBAL ACHIEVED NET PROFIT OF \$73.8 MILLION & REVENUE OF \$672.0 MILLION FOR 9M 2023

SINGAPORE, 16 OCTOBER 2023 - SGX Mainboard-listed Aztech Global Ltd and its subsidiaries ("**the Group**") achieved net profit of \$73.8 million on revenue of \$672.0 million for the nine months period ended 30 September 2023 ("**9M 2023**").

Financial Highlights

- 9M 2023 revenue of \$672.0 million and net profit of \$73.8 million
- 3Q 2023 revenue of \$283.4 million and net profit of \$30.9 million
- Attained 9M 2023 EPS¹ of 9.56 cents
- Healthy net cash of \$215.4 million as at 30 September 2023²
- NAV per share increased by 4.0 cents to 41.0 cents as at 30 September 2023³
- Secured order book of \$322.7 million as at 16 October 2023

Revenue improved by 16.9% year-on-year ("**y-o-y**") to \$283.4 million for the quarter ended 30 September 2023 ("**3Q 2023**") driven by sales of IoT devices and Data-communication products. The segment reported an increase of 11.1% in revenue to \$659.7 million, and contributed 98.2% of the Group's revenue for 9M 2023. Total revenue grew by 10.7% to \$672.0 million for 9M 2023.

The Group recorded a strong 48.6% y-o-y increase in 3Q 2023 net profit to a quarterly record of \$30.9 million, while net profit margin improved to 10.9%. The strong 3Q 2023 performance was led by the double-digit growth in revenue, greater economies of scale, higher interest income and net fair value gain on foreign exchange contract. For the 9M 2023, the Group

¹ 9M 2023 basic & diluted EPS was computed based on profit attributable to equity holders of the 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 as at 30 September 2023 was 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.



posted 15.9% improvement in net profit of \$73.8 million. Net profit margin added 50 basis points to 11.0%.

Healthy Net Cash Position with Positive Free Cash Flow

The Group's balance sheet and cash position remained healthy. As at 30 September 2023, it has a net cash balance of \$215.4 million, which included \$40.1 million of short-term investments after netting off bank borrowing and lease liabilities of \$20.6 million. The Group generated free cash flow of \$26.6 million for 9M 2023. NAV per share increased from 37.0 cents as at 31 December 2022 to 41.0 cents as at 30 September 2023⁴.

Manufacturing Facilities Update

The Group's 300,000 sq ft Pasir Gudang facility commenced production in 3Q 2023 and is currently equipped with 8 surface mount technology production lines, 2 wave soldering lines, 18 product assembly and test lines as well as 4 packaging lines. The Group's total production requirements are fulfilled by the facilities in Malaysia and China.

Order Book Update

Amid the tough business environment, the Group's order book is \$322.7 million as at 16 October 2023. Orders secured were for IoT solutions across varied market segments including consumer & lifestyle, security, communication, automotive, healthtech, tracking and point of sales. The majority of these orders is scheduled for completion in FY2023⁵ as the order lead time has normalised from 9-12 months during pandemic to 2-3 months post pandemic.

⁴ NAV 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.

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.

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In August 2023, a new line of vision technology products was launched under the Group's "Kyla" brand to meet growing market demand for high quality images. Available first in Singapore, the 2 new products, namely Power-Over-Ethernet Internet Protocol ("IP") CCTV and Digital Microscope will expand to the international market by end of the year. The Group, which is targeting the local pre-school educational segment with its IP CCTV, intends to drive its new line of vision technology products to gain traction with the release of its full product range.

Outlook

The Group expects the on-going tough economic conditions and geopolitical uncertainties to persist for the rest of the year⁶. It remains cautiously optimistic of its business prospects amidst the high interest rate, volatile foreign exchange and inflationary cost environment.

Aztech Global's Chairman and CEO Mr Michael Mun commented, "We have delivered a strong set of 9M 2023 results albeit a very challenging landscape. We remain focused on sharpening our manufacturing expertise and expanding our offerings in the IoT industry⁷."

⁶ IMF World Economic Outlook: Navigating Global Divergence, October 2023.

⁷ Verified Market Reports, May 2023: Global IoT devices market is projected to grow at a 2023-2030 CAGR of 22.19% to reach US\$508.25 billion in 2030. Fortune Business Insights, April 2023: Global IoT market size was valued at US\$544.38 billion in 2022 and is projected to reach US\$3,352.97 billion in 2030, growing at a 2023-2030 CAGR of 26.1%.

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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 to blue chip customers, technology start-ups and companies with innovative products.

Supported by our core strengths in R&D, design, engineering and manufacturing, our key products are IoT Devices, Data-communication products and niche LED lighting products.

Headquartered in Singapore, the Group has four (4) R&D centers in Singapore, Hong Kong and the PRC namely in Shenzhen and Dongguan and three (3) manufacturing facilities in Dongguan, PRC and Johor, Malaysia. The Group has a workforce of over 2,500 worldwide.

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