

NEWS RELEASE

NeraTel Records Profit After Tax of \$7.1 Million in 1H2023 On Gain On Disposal of Defu Lane Premises and Higher Revenue As Corporate Strategies Gain Momentum

- *1H2023 profit after tax (“PAT”) of \$7.1 million includes \$6.2 million net gain on disposal of Defu Lane premises; excluding the disposal, PAT of \$0.9 million is 12.5% higher than \$0.8 million in 1H2022*
- *Revenue rose 30.9% to \$80.4 million in 1H2023 from \$61.4 million in 1H2022, propelled by higher contributions from Government, Transport and Utility, and Service Provider segments*
- *Outlook remains challenging; in response, Group will further implement corporate strategies and cost-containment measures*

SINGAPORE, 04 August 2023 – SGX Mainboard-listed **Nera Telecommunications Ltd** (“NeraTel”, 挪拉电讯, or the “Group”) announced today that it recorded Profit After Tax (“PAT”) of \$7.1 million for the six months ended 30 June 2023 (“1H 2023”), lifted by higher revenue as well as a \$6.2 million gain on disposal of its previous office premises in Defu Lane.

Excluding the one-off gain, 1H2023 PAT increased 12.5% to \$0.9 million from \$0.8 million a year ago, lifted by a 30.9% increase in revenue to \$80.4 million from \$61.4 million, respectively.

NeraTel completed its sale of the Defu Lane premises on 31 January 2023 and has since relocated to its new corporate headquarters which it is leasing at 19 Tai Seng Avenue. The relocation is part of a corporate transformation under Chief Executive Officer Mr Chong Hoi Ming (莊海明) (“Mr Chong”) to unlock value and improve internal efficiencies.

NERA

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The 1H2023 revenue increase was buoyed by accelerated project delivery in the Government, Transport and Utility (“GTU”) and Service Provider (“SP”) segments, which increased their topline by 70.5% and 12.8%, respectively, to \$35.8 million and \$37.7 million, respectively, compared to a year ago.

Revenue from Network Infrastructure (“NI”) solutions increased 45.5% to \$67.2 million (1H2022: \$46.2 million) mainly driven by higher contributions from Singapore, Indonesia and Malaysia, offset by lower revenue from the Philippines. On the other hand, revenue for the Wireless Infrastructure Network (“WIN”) declined 13.2% to \$13.2 million (1H2022: \$15.2 million), primarily due to lower contributions from the Europe, Middle East and Africa (“EMEA”) markets.

Accordingly, 1H2023 gross profit increased 23.9% to \$17.3 million (1H2022: \$14.0 million). Gross profit margin for 1H2023 stood at 21.6%, slightly lower against 1H2022’s 22.8%.

The Group will continue to expand its customer base to include sectors such as healthcare, logistics, transportation, oil & gas, utilities and Financial Services. NeraTel is also working with partners to target demand in Southeast Asia for Internet of Things (IoT). It will also expand its LTE/5G Private Mobile Network pipeline, with a focus on the mining and port segments.

The Group is also moving up the value chain in two ways: first, offering new cloud consulting services such as assessment, migration, operation and optimisation, and second, enhancing cybersecurity capabilities to grow market share within Middle East, Africa and ASEAN markets.

The Group secured an order intake of \$46.5 million in 1H2023 (1H 2022: \$70.9 million), reflecting a slowdown in the macroeconomic landscape, coupled with intense competition and softer short-term demand.



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Mr Chong said, "Our strategies have driven top and bottom line growth despite the increasingly challenging operating environment. We will build upon the momentum to target the new growth areas while driving internal efficiencies so as to add value to customers."

"Going into the second half of 2023, NeraTel is focused on securing a pipeline of high-quality NI and WIN projects in the healthcare sector. The Group will be able to offer a more diverse range of services, including Cybersecurity, Managed Services, Hybrid Cloud Management and Enterprise Service Management on top of infrastructure services, adding value to these projects, which in turn, will grow our revenue and further improve our margins," he added.



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About Nera Telecommunications Ltd

Nera Telecommunications Ltd ("NeraTel") is a leading Communications and Network Solutions Provider with an established track record delivering full suite turnkey network and wireless solutions.

Incorporated in October 1978 and listed on the SGX Mainboard since July 1999, the company employs some of the best teams of certified engineers in the region with expertise in Network Infrastructure, Wireless Network Infrastructure, Cybersecurity, as well as Support and Managed Services to serve its strong customer base from a wide range of industries including telecommunications, enterprises, government organisations, transport and utilities, amongst others.

Headquartered in Singapore, NeraTel has a diversified geographical presence in over 16 countries across Asia-Pacific, Europe, Middle East and Africa.

For more information, please visit our website: <http://www.nera.net/> or contact:

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