

The background features a digital globe held by two hands, with network lines and bokeh lights. A large green arrow points from the top left towards the bottom right, crossing the globe.

**Aztech Global Ltd.**

**FY2022 Results Presentation**

**17 February 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.

# FY2022 Results

1. Financial Performance Review
2. Business Update
3. Outlook

# Financial Performance Review

Design to Build Resilient & Sustainable Manufacturability

**Aztech**

© 2022 Aztech Global Ltd.



## FY2022 Key Financial Highlights

**Aztech**

- Record Revenue
- Performance impacted by foreign exchange loss
- Higher net cash balance

**Revenue**  
\$820.2M

**EBITDA**  
\$90.3M

**Effective  
Tax Rate**  
16.8%

**Net Profit**  
\$67.2M

**Net Profit  
Margin**  
8.2%

**Basic EPS**  
8.70 Cents

As at 31 December 2022

**Net Cash**  
**\$210.9M**  
31 December 2021:  
\$186.8 M

**NAV/Share**  
**37 Cents**  
31 December 2021:  
38 Cents

- (1) FY2022 Basic 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) Higher effective tax rate for FY2022 due to full utilisation of tax incentive from the Group's operations in China in FY2021 and 1Q 2022.
- (3) NAV per share as at 31 December 2022 and 31 December 2021 were computed based on the net assets of the Company and number of ordinary shares of 771,952,945.

All currencies are in Singapore dollars unless otherwise specified.

© 2022 Aztech Global Ltd.



## Proposed Second and Final Dividend

*Aztech*

### Proposed Second and Final Tax-Exempt Dividend Per Share of 1.5 cents

Interim Dividend Per Share Paid on 23 Nov 2022	Proposed Second and Final Tax Exempt Dividend Per Share	Total Tax Exempt Dividend Per Share for FY2022
3 cents	1.5 cents	4.5 cents

- Total dividend payout ratio of 51.7.%.
- Proposed second and final tax-exempt dividend is subject to shareholders' approval at the upcoming Annual General Meeting.



## Yearly Trend

**Aztech**

### FY2018 – FY2022 Performance Trend

\$ Million	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Revenue</b>	<b>346.8</b>	<b>428.8</b>	<b>484.3</b>	<b>624.4</b>	<b>820.2</b>
EBITDA	30.4	64.3	76.3	95.8	90.3
<b>Pre-tax Profit</b>	<b>22.1</b>	<b>54.8</b>	<b>66.5</b>	<b>85.0</b>	<b>80.7</b>
PBT Margin (%)	6.4	12.8	13.7	13.6	9.8
Income Tax Expense	(2.1)	(7.6)	(10.8)	(10.6)	(13.5)
Effective Tax Rate (%)	9.4	13.9	16.2	12.5	16.8
<b>Net Profit</b>	<b>20.0</b>	<b>47.2</b>	<b>55.7</b>	<b>74.4</b>	<b>67.2</b>
Net Profit Margin (%)	5.8	11.0	11.5	11.9	8.2
<b>EPS (cents)<sup>1</sup></b>					
-Basic	<b>0.73</b>	<b>2.34</b>	<b>9.01</b>	<b>10.00</b>	<b>8.70</b>
-Diluted	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>10.00</b>	<b>8.68</b>

(1) FY2022 & FY2021 basic EPS were computed based on profit attributable to equity holders of the Company and weighted average number of ordinary shares of 771,952,945 and 743,892,381 respectively. Diluted EPS for FY2022 & FY2021 were computed based on 773,702,945 and 743,892,381 shares respectively.

All currencies are in Singapore dollars unless otherwise specified.

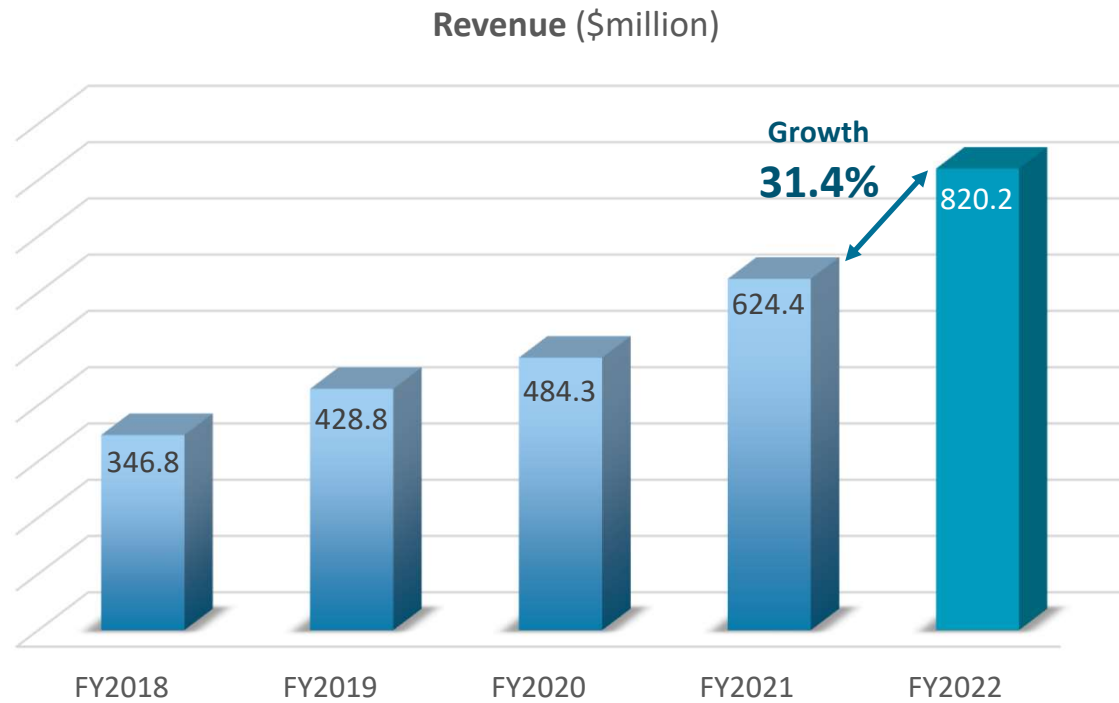
© 2022 Aztech Global Ltd.



## FY2022 Results Y-o-Y Comparison

*Aztech*

**Achieved record revenue in FY2022 (FY2018-FY2022 CAGR: 24.0%)**



All currencies are in Singapore dollars unless otherwise specified.

© 2022 Aztech Global Ltd.





## FY2022 Results Y-o-Y Comparison

**Aztech**

### FY2022 Net Profit stood at \$67.2 million

\$ Million	FY2022	FY2021	Change
<b>Revenue</b>	<b>820.2</b>	<b>624.4</b>	<b>31.4%</b>
EBITDA	90.3	95.8	(5.7%)
<b>Profit Before Tax</b>	<b>80.7</b>	<b>85.0</b>	<b>(5.0%)</b>
PBT Margin (%)	9.8	13.6	(380 bps)
Income Tax Expense	(13.5)	(10.6)	28.0%
Effective Tax Rate (%)	16.8	12.5	430 bps
<b>Net Profit</b>	<b>67.2</b>	<b>74.4</b>	<b>(9.7%)</b>
Net Profit Margin (%)	8.2	11.9	(370 bps)
<b>EPS (cents)<sup>1</sup></b>			
-Basic	<b>8.70</b>	<b>10.0</b>	<b>(13.0%)</b>
-Diluted	<b>8.68</b>	<b>10.0</b>	<b>(13.2%)</b>

(1) FY2022 & FY2021 basic EPS were computed based on profit attributable to equity holders of the Company and weighted average number of ordinary shares of 771,952,945 and 743,892,381 respectively. Diluted EPS for both periods were computed based on 773,702,945 and 743,892,381 shares respectively.

FY2022 performance benefited from productivity and operational efficiency gains, cost control measures & increase in interest income but were partly offset by:

- loss of \$56.6 million attributable to foreign exchange loss; and
- prior year full utilisation of tax incentive from the Group's operations in China.

All currencies are in Singapore dollars unless otherwise specified.

© 2022 Aztech Global Ltd.



## 2H 2022 Results Y-o-Y Comparison

**Aztech**

### Achieved Record 2H 2022 Revenue

\$ Million	2H 2022	2H 2021	Change
<b>Revenue</b>	<b>455.7</b>	<b>374.7</b>	<b>21.6%</b>
EBITDA	35.2	56.9	(38.1%)
<b>Profit Before Tax</b>	<b>30.3</b>	<b>51.3</b>	<b>(41.0%)</b>
PBT Margin (%)	6.6	13.7	(710 bps)
Income Tax Expense	(6.0)	(6.4)	(6.2%)
Effective Tax Rate (%)	19.8	12.4	740 bps
<b>Net Profit</b>	<b>24.3</b>	<b>45.0</b>	<b>(45.9%)</b>
Net Profit Margin (%)	5.3	12.0	(670 bps)
<b>EPS (cents)<sup>1</sup></b>			
-Basic	<b>3.2</b>	<b>5.9</b>	<b>(45.8%)</b>
-Diluted	<b>3.2</b>	<b>5.9</b>	<b>(45.8%)</b>

(1) 2H 2022 & 2H 2021 EPS were computed based on profit attributable to equity holders of the Company and weighted average number of ordinary shares of 771,952,945 and 743,892,381 respectively, while weighted average number of ordinary shares used for the computation of diluted EPS were 773,702,945 and 743,892,381 respectively.

2H 2022 performance benefited from record revenue, productivity and operational efficiency gains, cost control measures & increase in interest income but were partly offset by:

- loss attributable to foreign exchange loss; and
- prior year full utilisation of tax incentive from the Group's operations in China.

All currencies are in Singapore dollars unless otherwise specified.

© 2022 Aztech Global Ltd.



## 4Q 2022 Results Y-o-Y Comparison

**Aztech**

### 4Q 2022 Achieved a Net Profit of \$3.5 million

\$ Million	4Q 2022	4Q 2021	Change
<b>Revenue</b>	<b>213.3</b>	<b>233.7</b>	<b>(8.7%)</b>
EBITDA	6.2	33.9	(81.7%)
<b>Profit Before Tax</b>	<b>4.1</b>	<b>31.1</b>	<b>(86.8%)</b>
PBT Margin (%)	1.9	13.3	(1,140 bps)
Income Tax Expense	(0.6)	(4.1)	(85.4%)
Effective Tax Rate (%)	14.6	13.1	150 bps
<b>Net Profit</b>	<b>3.5</b>	<b>27.0</b>	<b>(87.0%)</b>
Net Profit Margin (%)	1.6	11.5	(990 bps)
<b>EPS (cents)<sup>1</sup></b>			
-Basic	<b>0.5</b>	<b>3.6</b>	<b>(86.1%)</b>
-Diluted	<b>0.5</b>	<b>3.6</b>	<b>(86.1%)</b>

4Q 2022 performance was impacted by foreign exchange loss.

(1) 4Q 2022 & 4Q 2021 EPS were computed based on profit attributable to equity holders of the Company and weighted average number of ordinary shares of 771,952,945 and 743,892,381 respectively, while weighted average number of ordinary shares used for the computation of diluted EPS were 773,702,945 and 743,892,381 respectively.

All currencies are in Singapore dollars unless otherwise specified.

© 2022 Aztech Global Ltd.



## Foreign Exchange Risk Management Approach

*Aztech*

### Adopt Conservative Approach to Foreign Exchange Risk Management:

---

Conservative &  
Stringent  
Approach

Hedge only operational needs denominated in foreign currencies

---

Establish foreign currency risk management framework with policy limits on duration, quantum and counter-party

---

Conduct periodic due diligence on Foreign Exchange Risk Management framework

---



## FY2022 Revenue by Segments

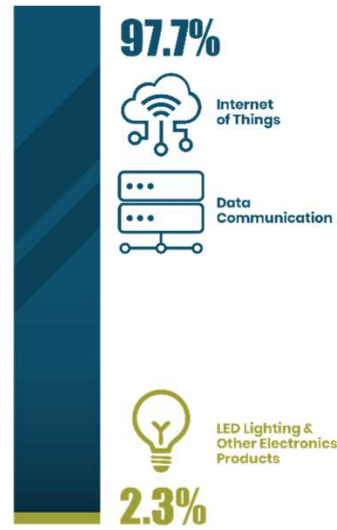
**Aztech**

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

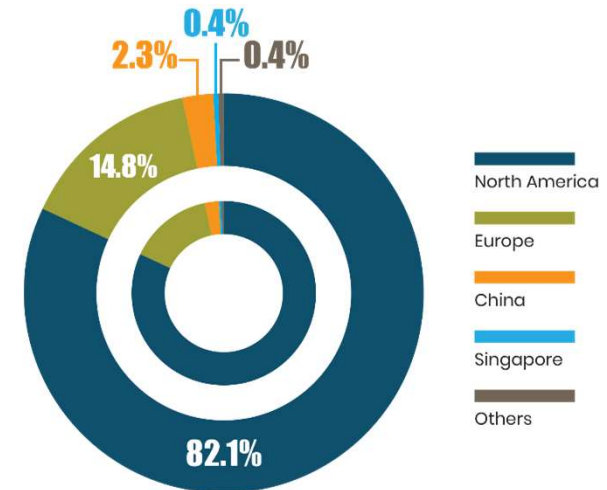
**Revenue**  
*(in \$ million)*



**Segment Revenue**  
*(in %)*



**Revenue by Countries**  
*(in %)*



All currencies are in Singapore dollars unless otherwise specified.



## Balance Sheet Summary as at 31 December 2022

**Aztech**

### Healthy Balance Sheet & Net Cash Position

(\$ million)	31 December 2022	31 December 2021
Cash & Bank Balances	216.2	201.5
Total Bank Borrowings	(5.3)	(14.7)
<b>Net Cash</b>	<b>210.9</b>	<b>186.8</b>
Current Assets	515.6	491.6
Current Liabilities	(251.3)	(220.4)
<b>Working Capital</b>	<b>264.3</b>	<b>271.2</b>
<b>Total Net Assets</b>	<b>284.0</b>	<b>293.0</b>
Accumulated Profits	96.7	91.3
Share Capital & Reserves	187.3	201.7
<b>Total Equity</b>	<b>284.0</b>	<b>293.0</b>
<b>Net Asset Value per Share (\$)</b>	<b>0.37</b>	<b>0.38</b>

(1) NAV per share as at 31 December 2022 and 31 December 2021 were computed based on the net assets of the Company and number of ordinary shares of 771,952,945.

All currencies are in Singapore dollars unless otherwise specified.

As at 31 December 2022, the Group reported a net cash of \$210.9 million, while accumulated profits increased by 5.9% to \$96.7 million following a dividend payment of \$38.6 million in May 2022 and dividend payment of \$23.2 million in Nov 2022.

The Group generated positive free cash flow of \$87.3 million for FY2022:

(\$ million)	FY2022
Cash Flow From Operating Activities	95.6
Less Capital Expenditure	(8.3)
<b>Free Cash Flow</b>	<b>87.3</b>

© 2022 Aztech Global Ltd.

# Business Update

Design to Build Resilient & Sustainable Manufacturability

**Aztech**

© 2022 Aztech Global Ltd.

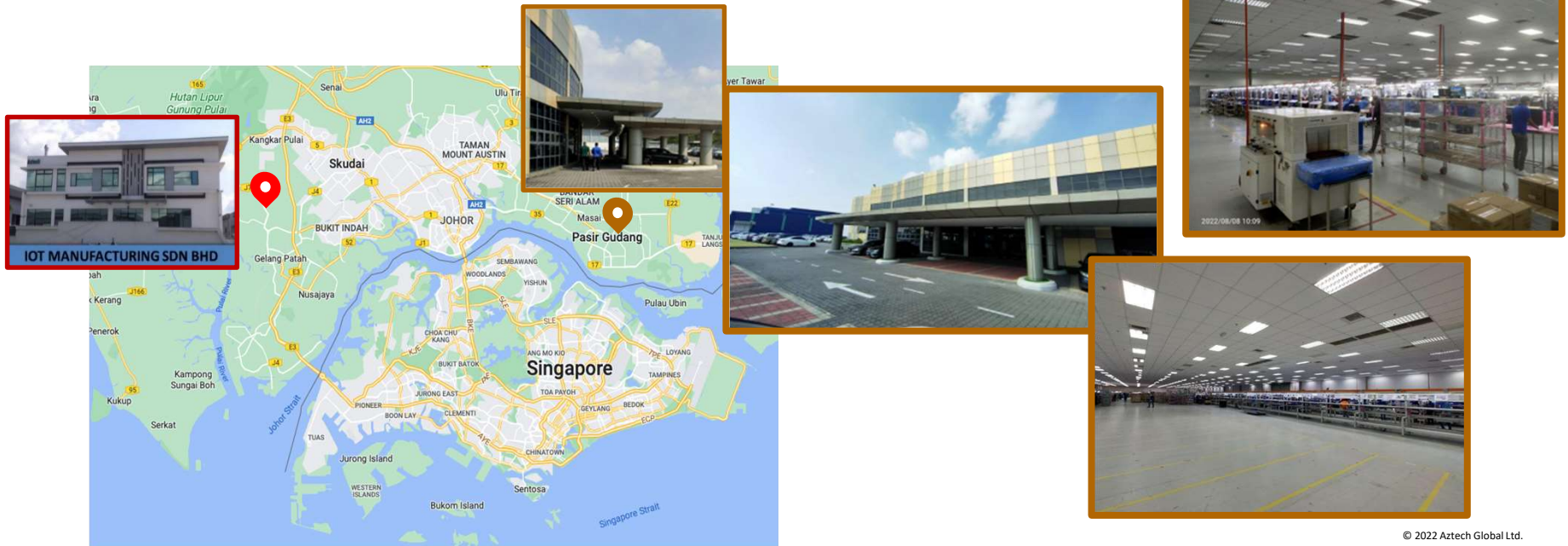


## Acquired 300,000 sq ft Pasir Gudang Facility in Malaysia

**Aztech**

### Expansion of Manufacturing Capacity in Malaysia

- To meet anticipated demand growth from existing and potential new customers
- Built up area of 300,000 sq ft and is equipped with SMT, final assembly, test and packaging capabilities
- Expects to commence operations by 2Q 2023







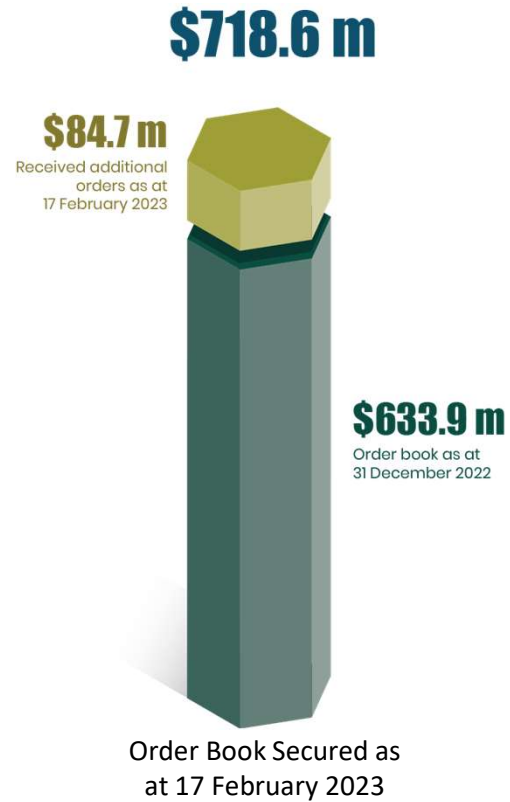
## 4Q 2022 Order Book Update

*Aztech*

### Strong Order Book



-Order book as at 31 December 2022 was \$633.9 million, and the Group has since received additional orders of \$84.7 million as at 17 February 2023, thus bringing its total order book secured to date to \$718.6 million, scheduled for completion in FY2023.



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.

All currencies are in Singapore dollars unless otherwise specified.

# Outlook

Design to Build Resilient & Sustainable Manufacturability

**Aztech**

© 2022 Aztech Global Ltd.



## Navigating The Challenging Operating Landscape

*Aztech*

### Challenges:

---

Supply chain challenges

---

Inflationary cost pressures mainly from materials and components costs

---

Softening of consumer electronic demand in major markets of US, EU and UK amidst tightening of monetary policies by major central banks to curb inflation

---

Geopolitical tensions

---

Covid-19 pandemic development

---

Ramping up new Malaysia operations

---



## Cautiously Optimistic Outlook

*Aztech*

**The Group is cautiously optimistic of its business, and will continue to take various mitigation measures to manage the myriad of challenges:**

### **Mitigation measures**

- Disciplined balance sheet management and cost control measures
- 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
- Leverage on 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 productively through our 3-Pronged Component Management Approach:
  - \* Actively collaborate with our customers on design changes to use alternative components
  - \* Leverage on our close working relations with long-term suppliers to secure required components
  - \* Expand our base of alternative suppliers to complete our component requirements for production

# Thank You

17 February 2023



*Aztech*