



(Company Registration No.: 200909384G)

FOR IMMEDIATE RELEASE

AZTECH GLOBAL REPORTS RECORD REVENUE OF \$820 MILLION

- Net Profit of \$67.2 million
- Proposed second and final cash dividend of 1.5 cents a share, lifting full year dividend to 4.5 cents a share
- Secured strong order book of \$718.6 million as at 17 February 2023

SINGAPORE, 17 FEBRUARY 2023 - SGX Mainboard-listed Aztech Global Ltd and its group of subsidiaries ("**the Group**") reported 31.4% growth in revenue to a record \$820.2 million for the financial year ended 31 December 2022 ("**FY2022**"). Net profit, however, declined by 9.7% to \$67.2 million due to foreign exchange loss.

Financial Highlights

\$ Million	FY2021	FY2022	Y-o-Y Change	FY2022 (Proforma) ¹	Y-o-Y Change (Proforma)
Revenue	624.4	820.2	31.4%	820.2	31.4%
EBITDA	95.8	90.3	(5.7%)	146.9	53.3%
Pre-tax Profit	85.0	80.7	(5.0%)	137.3	61.5%
Income Tax Expense	(10.6)	(13.5)	28.0%	(13.5)	27.4%
Effective Tax Rate (%)	12.5	16.8	430 bps	9.8	(270 bps)
Net Profit	74.4	67.2	(9.7%)	123.8	66.4%
Net Profit Margin	11.9	8.2	(370 bps)	15.1	320 bps
EPS (cents) ²					
-Basic	10.0	8.70	(13.0%)	16.0	60.0%
-Diluted	10.0	8.68	(13.2%)	16.0	60.0%
Net Cash as at 31 December	186.8	210.9	12.9%	210.9	12.9%
NAV Per Share as at 31 December (cents) ³	38.0	37.0	(2.6%)	37.0	(2.6%)

¹ FY2022 Proforma illustrates the performance of the Group if the impact arising from foreign exchange loss is excluded.

² Weighted average number of ordinary shares to compute basic and diluted EPS for 2022 were 771,952,945 shares and 773,702,945 shares; and for 2021 were 743,892,381 shares respectively.

³ Number of ordinary shares to compute NAV per share as at 31 December 2022 and as at 31 December 2021 were 771,952,945 shares respectively.

All currencies are in Singapore dollars unless otherwise specified.



Revenue was driven by higher sales volume of IoT devices and Data-communication products. The segment recorded an increase of 34.3% y-o-y in revenue to \$801.7 million in FY2022 and contributed 97.7% of the Group's total revenue. The remaining revenue of \$18.5 million were derived from LED lighting products and other electrical products that reported a decrease of 32.2% in sales for the year amidst the Group's focus on IoT devices.

The Group's performance benefited from productivity and operational efficiency gains, while cost control measures and increase in interest income contributed to better performance. Profitability was, however, impacted by loss of \$56.6 million resulting from foreign currency contracts entered into by the Group and maturing in FY2022. Majority of these contracts had been settled as at 31 December 2022 with 2.5% of the contracts to be settled in 2023.

As a result of the foreign exchange loss, the Group's FY2022 EBITDA and pre-tax profit fell by 5.7% and 5.0% to \$90.3 million and \$80.7 million respectively. Higher effective tax rate of 16.8% arose from the prior year full utilisation of tax incentive from the Group's operations in China. Hence, the Group reported a 9.7% decrease in FY2022 net profit to \$67.2 million, while basic and diluted EPS declined from 10.0 cents in FY2021 to 8.70 cents and 8.68 cents respectively in FY2022.

Excluding the impact of foreign exchange loss, the Group's proforma EBITDA, pre-tax profit and net profit would record year-on-year improvement of 53.3%, 61.5% and 66.4% to \$146.9 million, \$137.3 million and \$123.8 million respectively. Proforma basic and diluted EPS would be 16 cents in FY2022.

Positive Free Cash Flow and Healthy Balance Sheet

The Group generated \$87.3 million of free cash flow in FY2022. Its balance sheet remained healthy with cash and bank balances of \$216.2 million, and a net cash of \$210.9 million as at 31 December 2022. Accumulated profits increased by 5.9% to \$96.7 million following dividend payments of \$38.6 million in May 2022 and \$23.2 million in November 2022. As at 31 December 2022, the Group's NAV per share was 37.0 cents compared with 38.0 cents as at 31 December 2021.

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Proposed Second and Final Cash Dividend

The Board of Directors recommends a second and final cash dividend of 1.5 cents a share on a one-tier tax-exempt basis for shareholders' approval at the forthcoming Annual General Meeting. If approved, the final dividend will be paid on 17 May 2023. Including the interim dividend paid in November 2022, the total dividend payout for FY2022 will be 4.5 cents a share. This payout represents a distribution of 51.7% of the Group's attributable profit before exceptional items.

Strong Order Book

The Group's order book remains strong at \$633.9 million as at 31 December 2022. It has since received additional orders of \$84.7 million as at 17 February 2023 to bring the total order book secured to \$718.6 million, scheduled for completion in FY2023⁴.

Outlook

The Group is cautiously optimistic of its business, and expects supply chain challenges and inflationary cost pressures to continue into 2023. The tightening of monetary policies by major central banks to contain inflation is expected to soften electronics demand in major markets such as the US, EU and UK⁵. The ongoing geopolitical tensions is also affecting the electronics supply chain. While the Group works on ramping up its new Malaysia operations, it will continue to manage its order book by balancing and co-ordinating customer orders across its manufacturing plants to ensure timely and efficient delivery.

Aztech Global's Chairman and CEO Mr Michael Mun commented, "We achieved record revenue for FY2022 and the prospects of the IoT industry remains bright⁶. The addition of the

⁴ 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.

⁵ Global Economy to Slow Further Amid Signs of Resilience and China Re-opening (Source: IMF Blog, 30 January 2023)

⁶ Verified Market Report, 9 February 2023: Global IoT market is projected to grow at a 2022-2030 CAGR of 19.91% to reach US\$6,075.7 million in 2030.

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new Pasir Gudang manufacturing plant in Johor, Malaysia is timely to support our growth and provide production diversification for our customers' need."

"Taking into considerations the Group's underlying performance and cash flow, the Board had recommended a second and final cash dividend of 1.5 cents a share to reward our shareholders. I thank all shareholders for staying the course with us, and we are committed to staying lean and nimble, seizing meaningful opportunities for growth," added Mr Mun.

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 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. To date, the Group has over 2,500 employees worldwide.

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