

FOR IMMEDIATE RELEASE

## BIGL FY2021 revenue and net attributable profit reach five-year high as turnaround strategy pays off

- Delivers two consecutive years of profitability with FY2021 net attributable profit rising 8.2% to S\$15.3 million as revenue jumps 17.7% to S\$471.4 million. Excluding the S\$2.4 million charge for the impairment of goodwill, the net attributable profit for FY2021 would have been S\$17.7 million, an increase of 25.0%.
- Performance driven by improved operational efficiency, supply chain optimisation and strategic focus on high-performance enterprise HDD segment.
- Proposes a final ordinary dividend of 0.5 Singapore cents per share and a special dividend of 0.5 Singapore cents per share, which together with the interim dividend of 0.5 Singapore cents per share, bring the total dividend for FY2021 to 1.5 Singapore cents per share.
- Implements dividend policy<sup>1</sup> to distribute approximately 30.0% of the Group's net attributable profit annually from the current financial year ending 31 December 2022 onwards.

Financial Highlights (S\$m)	6 months ended 31 December			12 months ended 31 December		
	2H2021	2H2020	% Change	FY2021	FY2020	% Change
Revenue	260.1	209.5	24.1	471.4	400.7	17.7
Gross Profit	20.0	15.0	33.2	34.7	27.7	25.0
Gross Profit Margin (%)	7.7	7.2	0.5 % pt	7.4	6.9	0.5 % pt
Net Attributable Profit	7.4	7.3	1.2	15.3	14.1	8.2
EBITDA	14.8	14.4	2.8	29.7	29.9	(0.7)
Earnings Per Share <sup>a</sup> (S'pore cents)	1.59	1.57	1.2	3.27	3.01	8.6
Return on Equity (%)				18.9	20.7	(1.8)

a. EPS was computed based on the weighted average number of shares of 466,562,000 shares in both 2H2021 and FY2021 and 468,191,000 shares in both 2H2020 and FY2020 respectively.

Note: All financial figures have been rounded.

<sup>1</sup> Subject to the Group's operating results, financial conditions such as cash position and retained earnings, other cash requirements including capital expenditure, restrictions on payment of dividends imposed on the Group by financing arrangements (if any) and other factors deemed relevant by the Directors including but not limited to circumstances arising from the COVID-19 pandemic.

**SINGAPORE, 17 February 2022** – Broadway Industrial Group Limited (“**BIGL**” or together with its subsidiaries, the “**Group**”), a key provider of actuator arms, assemblies, and other related parts mainly for the global hard disk drive industry, has achieved four consecutive halves of growth as its business turnaround strategy continues to yield results.

The Group recorded a 1.2% year-on-year (“**YOY**”) uptick in net attributable profit to S\$7.4 million for the six months ended 31 December 2021 (“**2H2021**”) from S\$7.3 million in the previous corresponding period in 2020 (“**2H2020**”). Excluding the S\$2.4 million charge for the impairment of goodwill, the net attributable profit for 2H2021 would have been S\$9.8 million, an increase of 33.5%. The improved earnings was on the back of a 24.1% YOY expansion in revenue to S\$260.1 million. Over the same period, gross profit margin rose 0.5 percentage point to 7.7%.

On a full-year basis, the Group delivered its second straight year of profitability with net attributable profit rising 8.2% YOY to S\$15.3 million as revenue expanded 17.7% YOY to reach a five-year high of S\$471.4 million for the 12 months ended 31 December 2021 (“**FY2021**”). Excluding the S\$2.4 million charge for the impairment of goodwill, the net attributable profit for FY2021 would have been S\$17.7 million, an increase of 25.0%. Gross profit margin rose over the same period to 7.4% from 6.9% in the preceding 12 months ended 31 December 2020 (“**FY2020**”).

BIGL attributed its strong performance to an increase in shipment volume and higher average selling prices of its Hard Disk Drives (“**HDD**”) products arising from the strategic shift of its product mix from the personal and mobile segments to the high-performance enterprise segment.

**BIGL Chief Executive Officer, Mr Tan Choon Hoong (陈春煌)**, said: *“The positive turnaround of our business over the past two years reflects our successful execution of the operational and productivity improvements and also our efforts to optimise the supply chain. These factors as well as our strategic focus on the enterprise HDD segment had enabled us to leverage current trends for cloud storage and datacentre projects, which are pushing up demand and average selling prices for mass capacity and enterprise drives. As such, we were able to deliver better results.”*

Mirroring the solid performance, earnings per share in 2H2021 and FY2021 rose to 1.59 Singapore cents per share and 3.27 Singapore cent per share respectively (2H2020: 1.57 Singapore cents per share; FY2020: 3.01 Singapore cent per share).

As at 31 December 2021, the Group remained in a healthy financial position with cash and cash equivalents of S\$27.7 million (as at 31 December 2020: S\$29.0 million).

#### **Dividend**

In view of the strong FY2021 results, the Board of Directors has proposed a final ordinary dividend of 0.5 Singapore cents per share and a special dividend of 0.5 Singapore cents per share. Together with the interim dividend of 0.5 Singapore cents per share, this brings the total dividend in respect of FY2021 to 1.5 Singapore cents per share (FY2020 dividend: nil).

Backed by a strong balance sheet and supported by positive prospects in the HDD business, BIGL will be implementing a dividend policy<sup>1</sup> to distribute approximately 30.0% of the Group's net attributable profit annually from the current financial year ending 31 December 2022 onwards.

**BIGL's Non-Independent, Non-Executive Chairman, Mr Lew Syn Pau (刘信保)**, said: *"BIGL's performance has grown from strength-to-strength in the past two years following a management restructuring and improvements to optimise the Group's resources as well as a change in segment focus. We believe that the Group will continue to ride on this momentum to establish a sustainable future. This gives us the confidence to implement a new dividend policy that will enable our shareholders, who have supported us over the years, to enjoy some returns from their investment in the Group."*

## Outlook

The protracted COVID-19 situation globally has resulted in countries adopting different approaches in managing the pandemic as the virus evolves. This has and will continue to cause disruptions to the HDD supply chain as most of its suppliers and manufacturers are located in Asia. Barring any significant macro disruption and unforeseen negative impact from the COVID-19 situation, BIGL remains cautiously optimistic about the prospects of its HDD business in the near-term as the demand for mass capacity drives (high performance enterprise HDDs) and legacy drives (personal storage HDDs) is expected to remain strong. The Group's optimism is supported by a 2 February 2022 report<sup>2</sup> from market intelligence provider, Trendfocus, which projected a compound annual growth rate of 11.4% in total HDD revenue for the period 2021 to 2026. This is expected to be led by the anticipated unit volume and exabyte growth from the enterprise HDD segment over the forecast period.

As part of its diversification strategy, BIGL acquired a 55% equity stake in China-based Beijing Ant Brothers Technology Co. Ltd. ("**BAB**") in 2020 and established a Robotics Business Unit. Leveraging the Group's supply chain and manufacturing competencies to enhance robot design and efficiencies, the Group has expanded its product line from one façade cleaning robot in 2021 to include service robots that can be customised for disinfection and delivery that are expected to be launched in 2022. The cost of the product line expansion was kept within the initial investment in BAB.

**Mr Tan** said: *"We believe the prospects for our robotics business are good as they offer solutions to many of the concerns we have today. Our façade cleaning robot can clean skyscrapers and reduce the high-risk work that is currently done manually. Our disinfection and delivery robots can be deployed to high-traffic public spaces and is very relevant during the ongoing COVID-19 pandemic to minimise the spread of the virus. Our robots not only enable our customers to lessen their reliance on labour but also to lower staff costs."*

The Group has commenced marketing activities for its robots in Singapore, Thailand and the Philippines and is optimistic of revenue contribution from its Robotics Business Unit in due course.

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<sup>2</sup> Trendfocus report, "SDAS: HDD Information Service, 2021 Long-Term Focus", 2 Feb 2022.



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**About Broadway Industrial Group Limited**

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited since 1994, Broadway Industrial Group Limited (“**BIGL**” or together with its subsidiaries, the “**Group**”) is one of the leaders in the manufacture of precision components and assemblies. BIGL is a key provider of actuator arms, assemblies and other related parts mainly for the global hard disk drive industry. Headquartered in Singapore, BIGL has four manufacturing facilities in China and Thailand and employs about 3,500 people.

In 2020, the Group acquired a 55% equity stake in China-based Beijing Ant Brothers Technology Co., Ltd. and established a Robotics Business Unit. Leveraging BIGL’s chain and manufacturing competencies to enhance its robot design and efficiencies for the cleaning service industry, the robotics arm uses artificial intelligence to develop disinfection and delivery service robots.

**Issued for and on behalf of Broadway Industrial Group Limited**

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