



(Company Registration No.: 200909384G)

FOR IMMEDIATE RELEASE

AZTECH GLOBAL REPORTS 1H 2022 PERFORMANCE

SINGAPORE, 25 JULY 2022 - SGX Mainboard-listed Aztech Global Ltd and its group of subsidiaries ("the Group"), a key technology enabler focusing on providing one-stop design and manufacturing services, today reported a 45.6% y-o-y increase in net profit to \$42.8 million that was in line with the 46.0% y-o-y growth in revenue to \$364.6 million for the six months ended 30 June 2022 ("1H 2022").

Financial Highlights

- 1H 2022 net profit of \$42.8 million on revenue of \$364.6 million
- 2Q 2022 net profit of \$29.0 million on revenue of \$236.6 million
- 1H 2022 EPS of 5.55 cents¹
- 2Q 2022 EBITDA more than doubled to \$36.8 million
- Healthy net cash of \$232.1 million as at 30 June 2022
- NAV per share stood at \$0.38 as at 30 June 2022²
- Order book of \$827.0 million secured as at 25 July 2022, of which \$450.0 million is planned for completion in FY2022³

The Group's resilient 1H 2022 performance was due to the unabated strong production volume and shipment of IoT devices and data-communication products to customers in 2Q 2022 as revenue surged 84.8% sequentially and 77.0% y-o-y to \$236.6 million. This was aided by the efficient coordination of components availability, execution and delivery of customer orders at its manufacturing facilities in Dongguan and Johor.

¹ EPS for 1H 2022 was computed based on profit attributable to equity holders of the Company and weighted average number of ordinary shares of 771,952,945. The fully diluted EPS is the same as the EPS based on the weighted average number of ordinary shares on issue (as no options were exercisable during the financial year).

² NAV per share as at 30 June 2022 was computed based on the net assets of the Company and number of ordinary shares of 771,952,945.

³ 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.



IoT devices and data-communication products continued to be the Group's key growth driver. Revenue jumped 52.5% to \$354.9 million for 1H 2022 to account for 97.3% of the Group's total revenue. The balance of its revenue was derived from LED lighting products and sales of other electrical products.

Productivity and operational efficiency gains arising from fulfillment of critical mass orders in 2Q 2022 and cost control measures led to the significant improvement in the Group's profitability for 2Q 2022, despite inflationary cost pressures and higher taxation incurred due to higher profit achieved in 2Q 2022 and the full utilisation of tax incentive from its operations in China in the preceding financial period.

The Group's EBITDA, pre-tax and net profit more than doubled sequentially to \$36.8 million, \$34.5 million and \$29.0 million respectively in 2Q 2022, while that for 1H 2022 rose by 41.0%, 50.0% and 45.6% to \$55.0 million, \$50.4 million and \$42.8 million respectively. Earnings per share, meanwhile, had increased from 4.12 cents in 1H 2021 to 5.55 cents for 1H 2022.⁴

Positive Free Cash Flow and Healthy Balance Sheet

The Group generated \$83.7 million of free cash flow for 1H 2022 and its balance sheet remained healthy with cash and bank balances of \$241.6 million and net cash of \$232.1 million as at 30 June 2022. Its accumulated profits increased by 4.6% to \$95.5 million following a dividend payment of \$38.6 million in May 2022. Correspondingly, NAV per share stood at 38.0 cents as at 30 June 2022.⁵

⁴ EPS for 1H 2022 and 1H 2021 were computed based on profit attributable to equity holders of the Company and weighted average number of ordinary shares of 771,952,945 and 713,782,829 respectively. The fully diluted EPS for both periods were the same as the EPS based on the weighted average number of ordinary shares on issue (no options were exercisable during the financial period).

⁵ NAV per share as at 30 June 2022 was computed based on the net assets of the Company and number of ordinary shares of 771,952,945.

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Healthy Order Book

The Group's order book remains healthy at \$816.0 million as at 30 June 2022. It has since received additional orders of \$11.0 million as at 25 July 2022, thus bringing its total order book secured to \$827.0 million, of which \$450.0 million is planned for completion in FY2022⁶.

Outlook

The operating landscape of the Group remains volatile amidst global economic headwinds resulting from rising interest rates and inflationary cost pressures. The electronics supply chain remains susceptible to COVID-19 restrictions. The Group will continue to manage customer orders and balance them across its manufacturing plants to ensure timely delivery whilst safeguarding employees' health and well-being. It will also manage component tightness via its proven 3-Pronged approach, in particular, the active collaborations with customers on design changes to use alternative components.

The Group reiterates its commitment to its 5-Focus areas, namely, growing new IoT customers and products, deepening its manufacturing and IoT expertise, optimising factors of production and output, integrating sustainability to its business model and strategy, and adopting disciplined balance sheet and cost management to fortify business resiliency in this volatile environment.

The Group remains sanguine about the global demand for IoT devices, data communication products and smart lighting solutions⁷ for the long term. It believes that the healthy order book

⁶ 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.

⁷ Fortune Business Insights, Mar 2022: Global IoT market is projected to grow at 2022-2029 CAGR of 26.4% to US\$2,465.26 billion in 2029. | Fortune Business Insights, Jun 2021: Global IoT healthcare market is projected to grow at 2021-2028 CAGR of 25.9% to US\$446.52 billion in 2028. | Data Bridge Market Research, Jan 2022: Global automotive IoT market is estimated to grow at 2022-2029 CAGR of 27.32% to US\$672.5 billion by 2029. | Future Market Insights, Apr 2022: Global Industrial IoT market is predicted to grow at 2022-2032 CAGR of 12.2% to US\$1.3 trillion in 2032. | Allied Market Research, Oct 2021: Global Consumer IoT market is estimated to grow at 2021-2030 CAGR of 13.9% to reach US\$292.83 billion by 2030. | Grand View Research, May 2022: Global smart home security camera is projected to grow at 2022-2030 CAGR of 18.7% to US\$30.1 billion in 2030 with the US market projected to grow at 2022-2030 CAGR of 19.6%. | Transparency Market Research, Mar 2022: Global smart lighting market is expected to grow at 2021-2031 CAGR of 20.3% to US\$83.52 billion by 2031.

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secured to date, resilient balance sheet and experienced nimble team will enable the Group to navigate the uncertainty and volatility confidently.

Aztech Global's Chairman and CEO Mr Michael Mun commented, "We will continue to be vigilant and nimble in executing our customer orders, while working to fortify our business continuity and resiliency to seize new growth opportunities in other IoT areas. Barring unforeseen circumstances, we are cautiously optimistic of our full year performance."

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.

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.

Leveraging on our expertise, we also provide one-stop design and manufacturing services to blue chip customers, technology start-ups and other companies with innovative 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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