



(Company Registration No.: 200909384G)

FOR IMMEDIATE RELEASE

AZTECH GLOBAL POSTS 1Q 2022 NET PROFIT OF \$13.9 MILLION AND REVENUE OF \$128.0 MILLION

SINGAPORE, 18 April 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 net profit of \$13.9 million and revenue of \$128.0 million for the three months ended 31 March 2022 ("1Q 2022").

Financial Highlights

- 1Q 2022 revenue increased by 10.4% y-o-y to \$128.0 million
- 1Q 2022 net profit improved by 5.3% y-o-y to \$13.9 million
- 1Q 2022 EBITDA was 2.2% higher y-o-y at \$18.3 million
- Strong net cash of \$289.3 million as at 31 March 2022
- NAV per share stood at \$0.40 as at 31 March 2022

The Group reported a 10.4% increase in revenue year-on-year (y-o-y) to \$128.0 million, while its net profit increased by 5.3% y-o-y to \$13.9 million for 1Q 2022. The resilient performance has been achieved due to the Group's strength in IoT devices and data-communication products and notwithstanding a six (6) day stop-work order by the Dongguan government to prevent further spread of COVID-19 in the city.

Revenue from IoT devices and data-communication products increased by 16.4% y-o-y from \$106.3 million to \$123.7 million in 1Q 2022 to account for 96.6% of the Group's total revenue. IoT devices and data-communications products have continued to be the Group's key growth drivers amidst strong production volume and shipment of IoT and Data-communication

All currencies are in Singapore dollars unless otherwise specified.



products to customers. Separately, LED lighting products contributed to the balance of the Group's 1Q 2022 revenue at \$4.3 million.

The improvement in revenue was, however, partly negated by inflationary cost pressures that led to margin compression of between 60- and 110-bps for EBITDA, pre-tax profit and net profit for 1Q 2022 compared with the same quarter a year ago. Hence, EBITDA grew by 2.2% to \$18.3 million, while profit before tax added 4.6% to \$15.9 million and net profit increased by 5.3% to \$13.9 million. Earnings per share for 1Q 2022 fell by 10.9% to 1.79 cents from 2.01 cents in 1Q 2021 mainly due to a 18% increase in the weighted average number of ordinary shares during this period.

Healthy Balance Sheet

The Group's balance sheet remains healthy with cash and bank balances of \$298.6 million and a strong net cash of \$289.3 million as at 31 March 2022. Working capital increased from \$271.2 million as at 31 December 2021 to \$287.5 million as at 31 March 2022. In addition, the Group generated free cash flow of \$102.6 million for 1Q 2022.

As at 31 March 2022, NAV was at 40.0 cents a share, an increase of 2.0 cents from 38.0 cents as at 31 December 2021, while the Group's accumulated reserves rose by 15% to \$105.1 million before a dividend payout amounting to about \$38.6 million that is subject to shareholders' approval at the forthcoming AGM.

Update on Order Book

The Group's order book remains strong at \$677.4 million as at 31 March 2022. The Group has since received additional orders of \$35.6 million as at 18 April 2022. The majority of the \$713 million orders secured to date are scheduled for completion in FY2022¹.

¹ 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

The electronics supply chain and the Group's operations remain vulnerable to new COVID-19 outbreaks in China and lockdowns. In view of the operational framework in which we operate, we have been managing customer orders and balancing them across our manufacturing plants worldwide to ensure timely delivery whilst safeguarding our employees' health and well-being. The Group will also continue its 3-Pronged approach to manage component tightness, which includes active collaborations with our customers on design changes to use alternative components.

Despite the various challenges to the electronics and data communications sector and the COVID-19 pandemic, the Group is committed to its five focuses of growing new IoT customers and products, deepening its manufacturing and IoT expertise, optimising factors of production and output, integrating sustainability into its business model and strategy, and continuing with its disciplined balance sheet and cost management to fortify its business resiliency.

With the above measures and focuses, the Group expects its business to benefit from the global demand for IoT devices, data communication products and smart lighting solutions² and the strong order book secured to date. The Group also believes its strong balance sheet will enable it to navigate this inflationary and uncertain landscape confidently.

Aztech Global's Chairman and CEO Mr Michael Mun commented, "We will continue to be vigilant and will respond to challenges in a measured manner, focusing on building our business fundamentals that will position us well to capture growth opportunities moving forward."

² Facts & Factors, Jan 2022: Global IoT market is projected to grow at a 2021-2028 CAGR of 24.5% to US\$1,842 billion in 2028 | Fortune Business Insights, Jun 2021: Global IoT healthtech market is projected to grow at 2021-2028 CAGR of 25.9% from US\$89.07 billion to US\$446.52 billion | BlueWeave Consulting & Research, Dec 2021: Global automotive IoT market is estimated to grow at 2021-2028 CAGR of 25.5% from US\$58.7 billion to US\$286.8 billion | Verified Market Research, Jul 2021: Global consumer IoT market is estimated to grow at 2021-2028 CAGR of 16.7% to reach US\$153.8 billion in 2028 | Grand View Research, Jun 2021 Global industrial IoT market is estimated to grow at 2021-2028 CAGR of 22.8% to US\$1.11 trillion in 2028 | Grand View Research, Aug 2021: Smarting lighting market is projected to grow at 2021-2028 CAGR of 20.4% to US\$46.9 billion in 2028 | Grand View Research, Dec 2021: North America Smart home security camera is projected to grow at a 2021-2028 CAGR of 17.4% to US\$7.88 billion in 2028

All currencies are in Singapore dollars unless otherwise specified.



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.

For more information, please contact:

Ms Clarie Lim (Corporate Communications Manager)

Tel: +65 6594 2280

E-mail: Clarie.Lim@aztech.com

All currencies are in Singapore dollars unless otherwise specified.