



(Company Registration No.: 200909384G)

FOR IMMEDIATE RELEASE

AZTECH GLOBAL REPORTED 1H 2023 NET PROFIT OF \$42.9 MILLION ON REVENUE OF \$388.6 MILLION & DECLARED AN INTERIM DIVIDEND OF 3 CENTS A SHARE

SINGAPORE, 21 JULY 2023 - SGX Mainboard-listed Aztech Global Ltd and its subsidiaries ("the Group") reported a net profit of \$42.9 million on revenue of \$388.6 million for the half year ended 30 June 2023 ("1H 2023").

Financial Highlights

- 1H 2023 revenue of \$388.6 million and net profit of \$42.9 million
- Declared an interim dividend of 3.0 cents a share
- Healthy net cash of \$201.8 million as at 30 June 2023¹
- NAV per share improved by 3.0 cents to 40.0 cents as at 30 June 2023²
- Secured strong order book of \$594.5 million as at 21 July 2023

Revenue improved by 6.6% year-on-year ("y-o-y") to \$388.6 million for 1H 2023 driven by 7.3% y-o-y increase in sales of IoT devices and Data-communication products to \$380.7 million that contributed about 98.0% of the Group's 1H 2023 total revenue.

Contributions led by revenue growth, efficiency gains and higher interest income were offset by higher employee benefits and other operating expenses as a result of increased business activities. This led to a slight y-o-y growth of 1.3%, and 0.2% in EBITDA and net profit to \$55.7 million and \$42.9 million, respectively, for 1H 2023. Basic and diluted EPS³ increased from 5.55 cents in 1H 2022 to 5.56 cents in 1H 2023.

¹ Net cash of \$201.8 million includes \$58.5 million of short-term investments comprising Treasury bills and term deposits (31 December 2022: \$30.3 million), after netting off bank borrowings and lease liabilities.

² NAV as at 30 June 2023 was computed based on the net assets of the Group and number of ordinary shares of 771,952,945.

³ 1H 2023 basic & diluted EPS was computed based on profit attributable to equity holders of our Company and weighted average number of ordinary shares of 771,952,945

All currencies are in Singapore dollars unless otherwise specified.



Healthy Cash Position and Balance Sheet

The Group's balance sheet and cash position remained healthy with a net cash of \$201.8 million, which included \$58.5 million of short-term investments comprising Treasury bills and term deposits after netting off bank borrowings and lease liabilities, as at 30 June 2023. Net cash flow generated from operating activities amounted to \$14.5 million for 1H 2023. The acquisition of the Pasir Gudang facility and equipment contributed mainly to the incurrence of capital expenditure amounting to \$21.8 million.

Accumulated profits increased by 32.4% from \$96.7 million as at 31 December 2022 to \$128.0 million as at 30 June 2023, and the Group's NAV per share increased from 37.0 cents as at 31 December 2022 to 40.0 cents as at 30 June 2023⁴.

Declared An Interim Cash Dividend of 3.0 Cents A Share

In view of the resilient 1H 2023 performance, healthy balance sheet and after considering the capital requirements of the Group's operations, the Board of Directors has declared a one-tier tax-exempt cash dividend of 3.0 cents a share. This amounts to approximately \$23.2 million or about 54% payout from the Group's 1H 2023 net profit.

The record and payment date for the interim dividend is on the 1st and 11th of August 2023, respectively, and shares of the Company will trade on ex-dividend basis on 31st of July 2023.

⁴ NAV as at 30 June 2023 and 31 December 2022 was computed based on the net assets of the Group and number of ordinary shares of 771,952,945.

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Strong Order Book & Pasir Gudang Facility Update

Notwithstanding the tough business conditions, the Group's order book remains strong. It secured a total of \$594.5 million orders as at 21 July 2023, and a significant portion of the order book is scheduled for completion in FY2023⁵ across the Group's manufacturing facilities in Dongguan, China and Johor, Malaysia.

At the Group's new Pasir Gudang facility in Johor, Malaysia, the team has commenced pilot plant trials and is committed to getting the plant ready for production that is aligned with customers' requirements and schedule to support the Group's growth and production diversification strategy of its customers.

Outlook

The Group expects the challenging operating environment to persist in the second half of 2023 with on-going uncertainties at the economic and geopolitical fronts⁶. It remains cautiously optimistic of its business prospects for the rest of the year.

Amidst the high interest rates, volatile foreign exchange and inflationary cost environment, the Group will focus on fortifying its strong balance sheet with prudent working capital, discipline cost and foreign exchange management, while staying agile to capitalise on opportunities in the IoT industry⁷.

Aztech Global's Chairman and CEO Mr Michael Mun commented, "We have delivered another resilient set of performance, and are glad that our Board has declared an interim dividend of 3.0 cents a share to reward our shareholders. We remain committed to grow our business sustainably in the IoT space through continuous product and manufacturing development and innovation to ride on opportunities ahead."

⁵ 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.

⁶ OECD Economic Outlook, June 2023.

⁷ Verified Market Reports, 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. Verified Market Reports, November 2022: IoT devices market size was valued at US\$83.76 billion in 2021 and is projected to reach US\$508.25 billion in 2030, growing at a 2023-2030 CAGR of 22.19%.

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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 niche 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. The Group has a workforce of over 2,500 worldwide.

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