



(Company Registration No.: 200909384G)

## FOR IMMEDIATE RELEASE

# AZTECH GLOBAL DELIVERS RECORD FY2023 RESULTS

Proposed final cash dividend of 5 cents per share, bringing total dividend to 8 cents per share for FY2023

## Financial Highlights

The Group achieved several new records in FY2023:

- Revenue hit a new high of \$896.3 million
- Net Profit crossed \$100 million
- Earnings Per Share grew 49% to 12.96 cents
- Net Cash balance at \$249.8 million
- Net Asset Value at 45 cents per share

\$ Million	FY2022	FY2023	Y-o-Y Change
Revenue	820.2	896.3	9.3%
EBITDA	90.3	133.6	48.0%
Pre-tax Profit	80.7	123.7	53.3%
Income Tax Expense <sup>1</sup>	(13.5)	(23.7)	75.6%
Effective Tax Rate (%) <sup>2</sup>	16.8	13.4	-340 bps
Net Profit	67.2	100.0	48.8%
Net Profit Margin	8.2	11.2	300 bps
Basic & Diluted EPS (cents) <sup>3</sup>	8.70	12.96	49.0%
Net Cash as at 31 December	217.8	249.8	14.7%
NAV Per Share as at 31 December (cents) <sup>4</sup>	37.0	45.0	21.6%

<sup>1</sup> Income tax expense include the deferred tax provision \$7.1m related to retained earnings from an overseas subsidiary.

<sup>2</sup> Effective tax rate calculations exclude the provision of deferred tax provision related to retained earnings from an overseas subsidiary.

<sup>3</sup> FY2023 and FY2022 basic & diluted EPS were computed based on profit attributable to equity holders of our Company and weighted average number of ordinary shares of 771,952,945 (FY 2022: 771,952,945), 771,954,364 shares (FY2022: 771,952,945), respectively.

<sup>4</sup> NAV per share as at 31 December 2023 and 31 December 2022 were computed based on the net assets of the Group and number of ordinary shares of 771,952,945.

All currencies are in Singapore dollars unless otherwise specified.



**SINGAPORE, 22 FEBRUARY 2024** - SGX Mainboard-listed Aztech Global Ltd and its subsidiaries ("**the Group**") is pleased to announce its record financial performance for the financial year ended 31 December 2023 ("**FY2023**").

### **Record FY2023 Performance**

The Group delivered stellar FY2023 performance with its EBITDA and net profit surging by 48.0% and 48.8% year-on-year ("**y-o-y**") to \$133.6 million and \$100 million, respectively. The strong performance was attributable to higher revenue of \$896.3 million achieved in FY2023. Earnings per share grew solidly by 49.0% from 8.70 cents in FY2022 to 12.96 cents in FY2023.

### **High Net Cash & Positive Free Cash Flow**

The Group's balance sheet remained healthy with a net cash balance of \$249.8 million as at 31 December 2023. Net cash includes \$40.6 million of short-term investments after netting off bank borrowing and lease liabilities of \$21.5 million. The Group generated free cash flow of \$79.2 million for FY2023. Meanwhile, NAV per share increased from 37 cents as at 31 December 2022 to 45 cents as at 31 December 2023<sup>5</sup>.

### **Enlarged Manufacturing Footprint in Malaysia**

With the commencement of full-scale production in 3Q 2023 at the 300,000 sq ft manufacturing facility in Pasir Gudang, Johor, Malaysia, the Group has enlarged its manufacturing footprint in Malaysia to support its growth, business continuity needs as well as the production diversification requirements of its customers.

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<sup>5</sup> NAV per share as at 31 December 2023 and 31 December 2022 were computed based on the net assets of the Group and number of ordinary shares of 771,952,945.

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## Steady Order Book Secured

With the abatement of the component shortage situation, order lead-time has normalised from nine to twelve months during the pandemic to about two to three months post-pandemic. As at 22 February 2024, the Group has secured an order book of \$333.9 million<sup>6</sup>.

The Group has secured new customers during the year. These customers include USA companies dealing with smart baby monitoring, kitchen scrap management, health-tech wearable, and a Singapore company in respiratory monitoring devices. The business development team will continue to build on the new customer acquisition momentum to drive growth.

Our newly launched IP (Internet Protocol) cameras under Vision Technology line of product is making steady progress at the preschool education market segment with the onboarding of preschool chain operators. With the mandatory installation of surveillance cameras in preschools and government-funded early intervention centres by the Early Childhood Development Agency from 1 July 2024, the IP camera is expected to continue its progress.

## Outlook

The business prospects for the next six to twelve months is expected to be challenging<sup>7</sup>. Geopolitical tensions and inflationary cost of business are expected to persist into the year.

The Group remains committed to the disciplined management of its operations, costs and balance sheet. It will continue to adapt and innovate novel solutions to capture new customers and opportunities in the growing IoT market<sup>8</sup>.

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<sup>6</sup> 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.

<sup>7</sup> IMF World Economic Outlook Update: Moderating Inflation and Steady Growth Open Path to Soft Landing, January 2024.

<sup>8</sup> Verified Market Reports, May 2023: Global IoT devices market is projected to grow at a 2023-2030 CAGR of 22.19% to reach US\$508.25 billion in 2030.

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## **Proposed Final Dividend of 5 Cents a Share**

Taking into considerations the Group's record performance and cash flow requirements, the Board of Directors recommends a final cash dividend of 5 cents a share on a one-tier tax-exempt basis for shareholders' approval at the forthcoming Annual General Meeting on 16 April 2024. If approved, the final dividend will be paid on 30 April 2024.

Including the interim dividend paid in August 2023, the total dividend payout for FY2023 will amount to 8 cents per share. The total dividend payout in respect of FY2023, amounts to 61.8% of the Group's net profit.

**Aztech Global's Chairman and CEO Mr Michael Mun** commented, "The Group has achieved a record net profit of \$100 million and we are delighted to share the rewards with shareholders by increasing total dividend for FY2023 to 8 cents per share. Our expansion in Malaysia has provided us the foundation to seize new opportunities in the years ahead."

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### **About Aztech Global Ltd.**

Aztech Global Ltd. is a full-fledged electronics design, engineering and manufacturing solutions provider.

Supported by its core strengths in R&D, design, engineering and manufacturing, the Group prides itself as the key technology enabler providing one-stop electronics design and manufacturing services to blue chip customers, technology start-ups and 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. The Group counts more than 37 years of operating track record and has a workforce of 4,000 worldwide.

### **For more information, please contact:**

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