



Aztech Global Ltd.

Q1 FY2021 Business Performance Update

21 April 2021

Aztech

Key Financial Highlights

- Q1 FY2021 revenue of \$115.9 million
- Q1 FY2021 net profit of \$13.2 million
- Earnings per share of \$0.02 in Q1 FY2021 ⁽¹⁾
- Q1 FY2021 EBITDA of \$17.9 million
- Strong Cash and bank balances of \$261.3 million as at 31 March 2021
- Net Cash of \$240.1 million as at 31 March 2021






(1) EPS for Q1 FY2021 has been computed based on the profit attributable to equity holders of our Company and weighted average no. of ordinary share of 653,164,444. The fully diluted EPS is the same as the EPS based on the weighted average number of ordinary shares on issue (as there were no options granted or outstanding during the financial year).

FINANCIAL PERFORMANCE REVIEW

Aztech

Q1 FY2021 Results – YoY Comparison

Aztech

(\$ million)	Q1 FY2021	Q1 FY2020	% change
Revenue ⁽¹⁾	115.9	37.3	 210.7
EBITDA	17.9	3.5	 411.4
Profit Before Tax	15.2	1.2	 1,166.7
PBT Margin (%)	13.1	3.2	990 bps
Income Tax Expense	(2.0)	(0.6)	(233.3)
Effective Tax Rate %	13.1	N.M ⁽²⁾	
Net Profit	13.2	0.6	 2,100.0
Net Profit Margin (%)	11.4	1.6	980 bps
EPS (cents) ⁽³⁾	2.01	0.09	 2,133.3

(1) Q1 FY2020 revenue was affected by the lower number of days of production due to longer CNY shutdown and COVID-19 pandemic during the period.

(2) Certain entities in the Group do not enjoy group tax relief due to the different tax regimes

(3) EPS for Q1 FY2021 has been computed based on the profit attributable to equity holders of our Company and weighted average no. of ordinary share of 653,164,444. The fully diluted EPS is the same as the EPS based on the weighted average number of ordinary shares on issue (as there were no options granted or outstanding during the financial year). EPS for Q1 FY2020 has been computed based on the profit attributable to equity holders of our Company and share capital of 618,720,000 Shares.

All currencies are in Singapore dollars unless otherwise specified.

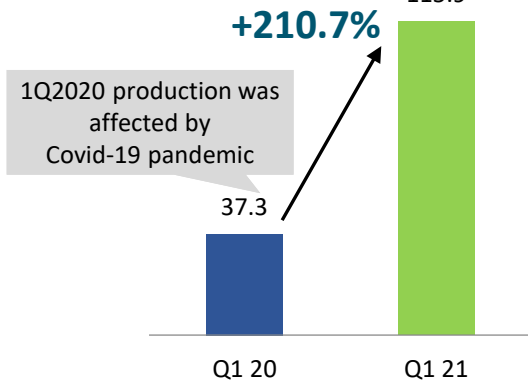
© 2021 Aztech Global Ltd.

Q1 FY2021 Results Snapshot

IoT Devices & Data-Com Products Key Driver of Revenue Growth

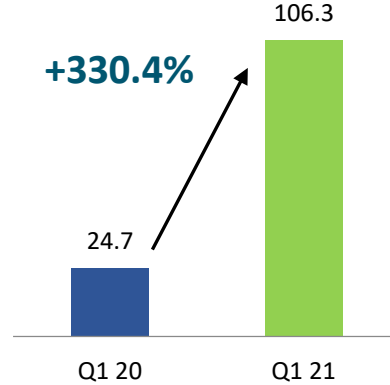
Revenue

(in \$ million)



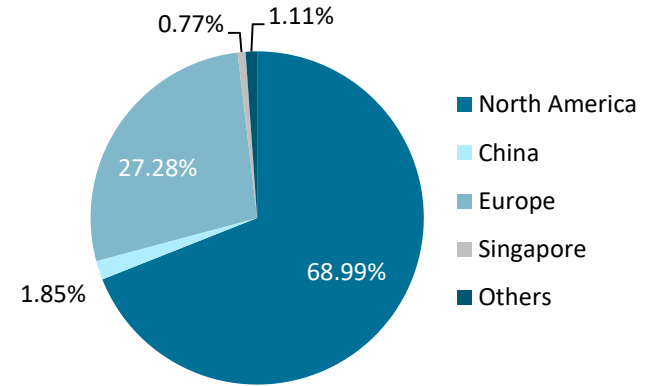
IoT Devices and Datacom Products

(Revenue in \$ million)



Q1 FY2021 Revenue

(by Geographical Region)



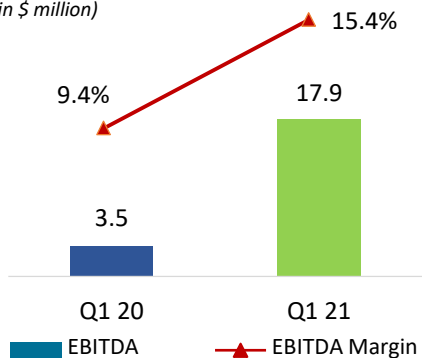
- Revenue increased by \$78.6 million or 210.7% from \$37.3 million in Q1 FY2020 to \$115.9 million in Q1 FY2021
- Strong YOY growth in Q1 FY2021 revenue driven by higher production volume and shipment of IoT and Data-communication products to customers
- Higher manufacturing activities during Q1 FY2021 compared with Q1 FY2020 as facilities were shut down for a shorter period during CNY holiday in February 2021 to meet higher production needs. Manufacturing in Q1 FY2020 was affected by longer factory shut down for CNY holiday and the impact of COVID-19 pandemic.

Q1 FY2021 Results Snapshot (Cont'd)

Demonstrated Improvement in Profitability and Margins

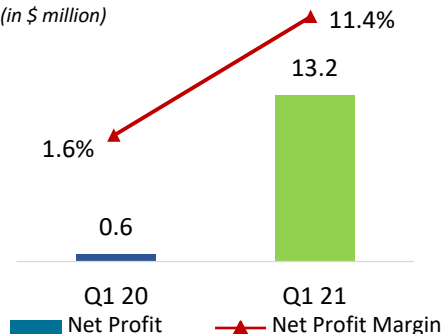
EBITDA and EBITDA Margin

(in \$ million)



Net Profit and Net Profit Margin

(in \$ million)



All currencies are in Singapore dollars unless otherwise specified.

- The Group continued to generate positive EBITDA and EBITDA margin, which increased by 411.4% and 600 bps to \$17.9 million and 15.4%, respectively for Q1 FY2021
- The Group achieved a higher Net Profit of \$13.2 million in Q1 FY2021 from \$0.6 million in Q1 FY2020.
- Net Profit Margin was recorded at 11.4%, an increase of 980 bps from 1.6% in Q1 FY2020. The improvement in Net Profit Margin is driven by strong growth in the IoT and Datacom segment, as well as continuing efforts to improve productivity and efficiency.
- Q1 FY2020 profitability was impacted by the low production resulting from longer CNY factory shutdown and the COVID-19 pandemic.

FINANCIAL POSITION AND CASH FLOW

Aztech

Balance Sheet Summary

Aztech

Healthy Balance Sheet with Strong Cash Position

(\$ million)	31 March 2021	31 December 2020
Cash & Bank Balances	261.3	11.5
Net Current Assets	221.7	17.9
Net Non-current Assets	24.6	23.7
Total Net Assets	246.3	41.6
Accumulated Profits	45.5	32.3
Share Capital & Reserves	200.8	9.3
Total Equity	246.3	41.6

Comparison of Net Cash / (Net Debt) Position

Aztech

(\$ million)	31 March 2021	31 December 2020
Total Borrowings	21.2	33.0
Cash & Cash Equivalents	261.3	11.5
Net Cash / (Net Debt)	240.1	(21.5)

- As at 31 March 2021, the Group recorded a net cash position of \$240.1 million following the inclusion of net proceeds of \$188.6 million raised from the IPO exercise in conjunction with its listing on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”), and repayment of bank borrowings.

Comparison of Working Capital (1)

Aztech

(\$ million)	31 March 2021	31 December 2020
Current Assets	433.2	270.3
Current Liabilities	211.5	252.3
Working Capital	221.7	18.0

- Working capital position had increased from \$18.0 million as at 31 December 2020 to \$221.7 million as at 31 March 2021 due mainly to the inclusion of net IPO proceeds amounting to \$188.6 million.

Comparison of Working Capital (2)

(\$ million)	31 March 2021	31 December 2020 (Include Net IPO proceeds)
Current Assets	433.2	458.9
Current Liabilities	211.5	252.3
Working Capital	221.7	206.6

- For comparison purpose, the net IPO proceeds of \$188.6 million has been included as at 31 December 2020.
- Working capital increased by \$15.1 million as the Group's operations continued to generate sustainable cash flow.

EBITDA Reconciliation

Aztech

(\$ million)	Q1 FY2021	Q1 FY2020
Profit for the financial year	13.2	0.6
Add: Finance Costs	0.2	0.1
Add: Income tax expense	2.0	0.6
EBIT	15.4	1.3
Add: Amortisation & Depreciation expenses	2.5	2.2
EBITDA	17.9	3.5
EBITDA Margin %	15.4	9.4

BUSINESS UPDATE & OUTLOOK

Aztech

New Customers & Projects Secured in Q1 FY2021

Aztech

Product	Type	Country of Customer	Target Market
Satellite Modem	ODM	Korea	Global
Smart IoT Hub	CMS	US	US
Smart Bridge Hub	JDM	Singapore	ASEAN Countries, US
Smart/IoT Rat & Mice Reusable Trap	CMS	US	US
Advanced Emergency Weather Warning Receiver	CMS	Sweden	Europe
Wireless POS Terminal	CMS	Australia	Asia Pacific
Air Purifier	ODM	US	US
Selfie Light	ODM	US	US, Korea, Japan, Germany, South Africa
Smart UV Bottle	CMS	US	US
Solar Panel Holder for Camera	ODM	US	US, Europe
Sync Module (New version)	CMS	US	US, Europe

All currencies are in Singapore dollars unless otherwise specified.

- The global components shortage situation is unlikely to abate in the next 12 months. Collaborative efforts with suppliers, customers and relevant business partners to continue to achieve smooth production and timely delivery of its customers' orders.
 - Leverage on strong customer-supplier relations to secure components
 - Product redesign & innovation to reduce or substitute components
 - Strong cash reserves to optimally fund component purchases
- Outstanding order book was \$489 million following close of Q1 FY2021. Majority of the order is expected to be completed in FY2021. Our sales team continues to work with customers on new orders for the next 12 months.⁽¹⁾
- Barring unforeseen circumstances, the Group remains cautiously optimistic of its performance in 2021 taking into considerations its strong order book to date and steps that were put in place to manage the impact of pandemic.

⁽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.

Note on Forward-Looking Statements

This presentation may contain certain forward-looking statements including, but not limited to, statements as to future operating results and plans.

These statements are based on our assumptions and estimates and are subject to known and unknown risks and uncertainties and other factors which may cause the actual results, performance or achievements of the Group to differ materially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements.

Consequently, readers are cautioned not to place undue reliance on any forward-looking statements.

THANK YOU!

Aztech