



(Company Registration No.: 200909384G)

## **AZTECH GLOBAL REPORTS NET PROFIT OF \$47.4 MILLION FOR NINE MONTHS ENDED 30 SEPTEMBER 2021**

**SINGAPORE, 14 October 2021** - 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 its financial performance for the quarter and nine months ended 30 September 2021 ("Q3 2021" or "9M 2021").

### **Financial Highlights**

- 9M 2021 net profit of \$47.4 million on revenue of \$390.7 million
- Q3 2021 net profit of \$18.0 million on revenue of \$141.1 million
- Earnings per share of 6.46 cents for 9M 2021<sup>1</sup>
- 9M 2021 EBITDA of \$61.9 million
- Net Cash of \$191.8 million as at 30 September 2021
- Net asset value per share of 34.4 cents as at 30 September 2021<sup>2</sup>

Despite the tough operating environment posed by the global logistical and component challenges, the Group continued to achieve revenue growth and profitability for 9M 2021. Higher demand for IoT devices and data-communication

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<sup>1</sup> EPS for 9M 2021 has been computed based on the profit attributable to equity holders of our Company and weighted average no. of ordinary share of 713,782,829. The fully diluted EPS is the same as the EPS based on the weighted average no. of ordinary shares on issue (as there were no options granted or outstanding during the financial year).

<sup>2</sup> NAV per share as at 30 September 2021 has been computed based on the net assets of our Company and no. of ordinary share of 773,825,545.

All currencies are in Singapore dollars unless otherwise specified.



products led to a 49.0% increase in revenue to \$390.7 million. Revenue from IoT devices and data-communication products grew 70% to \$368.1 million to account for about 94.2% of the Group's total revenue.

For the 9M 2021, the Group reported 41.0% increase in EBITDA to \$61.9 million following an 8.5% q-o-q improvement to \$22.9 million in Q3 2021 on the continuous phasing out of labour intensive products as well as productivity gains. Meanwhile, preferential tax treatment at our operations in Dongguan, China and tax grant received for automation equipment led to 460bps improvement in effective tax rate to 12.1% for 9M 2021.

Net profit after taxation was \$47.4 million, an increase of 55.4%, while net profit margin gained 50bps to 12.1% for 9M 2021 due mainly to productivity gains and effective tax management. Earnings per share for 9M 2021 improve to 6.46 cents from 4.93 cents<sup>3</sup> a share for 9M 2020.

### **Healthy Balance Sheet**

As at 30 September 2021, the Group's balance sheet remains healthy with cash and bank balances of \$205.7 million, while total borrowings reduced more than 50% to \$13.9 million. The Group continued to be in net cash position of \$191.8 million.

Net working capital increased from \$18.0 million as at 31 December 2020 to \$243.8 million as at 30 September 2021. Net asset value per share was 34.4 cents.

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<sup>3</sup> EPS for 9M 2020 has been computed based on the profit attributable to equity holders of our Company and the pre-Invitation share capital of 618,720,000 Shares.

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## Q3 2021 Operational Update

The Group delivered majority of its customer orders on schedule despite components and labour constraints at its manufacturing facilities in Dongguan, China and the 60% workforce limitation at the Johor plant in Malaysia.

Our China facilities continued to account for the bulk of the manufacturing activities during the 9M 2021. In line with the higher demand and shipment of IoT devices and data-communication products, we have increased our production headcount in Dongguan, China. Currently, our China plant has reached vaccination rate of 95%, of which, 93% of our employees have received the second dose as of today<sup>4</sup> compared with 74% as at 30 July 2021.

In Malaysia, vaccination rate stood at a high 99%, of which, 85% had been fully vaccinated with second dose<sup>4</sup>. With the vaccination rate above 80%, we would be able to operate at 100% workforce by the third week of October 2021.

## Business Outlook

The global component shortage is unlikely to abate in the next six to twelve months. The Group will continue with its close collaborations with suppliers, customers and relevant business partners in the supply chain to secure key components required for the continuous production and delivery of customers' orders.

In Dongguan, China, we have put in place measures to comply with the regulations on power usage by the local authorities to minimise disruption to production schedule.

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<sup>4</sup> Vaccination rate is calculated based on employees who are eligible (based on age and health condition) for the inoculation against COVID-19 virus in compliance with local vaccination guidelines.

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As at the close of 9M 2021, the Group's order book was \$569 million<sup>5</sup>, and it has since received additional orders of \$67 million as at 14 October 2021. Included in the order book are \$426 million orders scheduled for completion in FY2022. The Group will continue to enhance its technological capabilities and expand its offerings to grow its revenue in the IoT devices and data-communication products segment across consumer, industrial and health-tech industries.

**Aztech Global's Chairman and CEO Mr Michael Mun** commented, "We will focus on addressing the prevailing operating challenges to deliver our customers' orders on schedule. Barring unforeseen circumstances, we are cautiously optimistic of our Q4 2021 performance."

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<sup>5</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.

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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.

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 R&D centers in Singapore, Hong Kong and the PRC namely in Shenzhen and Dongguan and three manufacturing facilities in Dongguan, PRC and Johor, Malaysia. To date, the Group has close to 3,000 employees worldwide.

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