

NEWS RELEASE

Group Performance Review for 3Q2021

Excelpoint's Strong Net Profit of US\$7.7M for 3Q2021

	3Q2021 US\$'000	3Q2020 US\$'000	Change (%)	9M2021 US\$'000	9M2020 US\$'000	Change (%)
Revenue	458,526	296,586	54.6%	1,199,397	806,544	48.7%
Gross Profit	25,479	17,478	45.8%	77,091	43,806	76.0%
Gross Margin (%)	5.6%	5.9%	(0.3%)	6.4%	5.4%	1.0%
Net Profit	7,696	3,348	129.9%	19,659	5,397	264.3%
Basic and diluted earnings per share (US cents)	6.42	2.80	129.3%	16.40	4.51	263.6%

The Group's revenue increased by 54.6% from US\$296.6 million for 3Q2020 to US\$458.5 million for 3Q2021 and gross profit increased by 45.8% from US\$17.5 million for 3Q2020 to US\$25.5 million for 3Q2021, mainly due to higher sales from the Singapore and Hong Kong business units. The increase was mainly due to the increase in demand for semiconductors on the back of accelerated technology adoption.

Operating costs increased in 3Q2021 as compared to 3Q2020, mainly attributable to higher staff cost and higher travelling expenses due to partial resumption of business travel. The Group reported net profit of US\$7.7 million for 3Q2021.

	30 Sep 2021 US\$'000	31 Dec 2020 US\$'000	Change (%)
Trade and other debtors	255,363	172,226	48.3%
Stocks	219,440	179,907	22.0%
Cash and short-term deposits	22,981	39,174	(41.3%)
Total assets	513,199	405,415	26.6%
Trade and other creditors	(272,485)	(217,392)	25.3%
Interest-bearing loans and borrowings	(114,043)	(82,222)	38.7%
Total liabilities	(409,632)	(318,100)	28.8%
Total equity	103,567	87,315	18.6%
Net asset value	103,567	87,315	18.6%
Net asset value per share (US cents)	86.38	72.82	18.6%

Total assets increased from US\$405.4 million as at 31 December 2020 to US\$513.2 million as at 30 September 2021 mainly due to increase in trade and other debtors of US\$83.1 million arising from higher sales, increase in stocks of US\$39.5 million due to higher stock level to mitigate against supply disruptions and partially offset by lower cash and short-term deposits of US\$16.2 million.

Total liabilities increased from US\$318.1 million as at 31 December 2020 to US\$409.6 million as at 30 September 2021 mainly due to increase in trade and other creditors of US\$55.1 million and interest-bearing loans and borrowings of US\$31.8 million.

** To note that the above figures have not been audited or reviewed by our auditors.*

Business Outlook

The COVID-19 pandemic continues to persist and as the world strives to adapt to the everchanging situation, Excelpoint remains focused on growing our business sustainably and strengthening our positioning in the market.

Our China region remains strong and have seen new opportunities coming from the Government's push towards innovation within the Automation, 5G, Artificial Intelligence ("AI"), Data Centre space and more. The demand for semiconductor chips and solutions have given rise to a strong booking pipeline for the foreseeable future due to the inevitable shift towards a more digital lifestyle.

As we continue to manoeuvre in this unpredictable business environment, ensuring that we have a robust foundation is key. Building a strong team is a key part of business sustainability and we continue to implement our incentive programme as part of our talent enhancement plan to nurture our next generation of leaders, who have contributed in bringing the company to another level.

PlanetSpark Innovation Centre remains an essential arm for innovation, providing opportunities for Excelpoint to move up the value chain and to diversify our customer base through the offering of hardware platforms and edge AI solutions co-developed with start-ups and partners.

With all our plans in place, we believe that the Group will continue to stay ahead of the curve and maintain our strong positioning as a value-added partner to our suppliers and customers. Uncertainties will persist, but a strong team and business strategies in place will stand us in good stead for the future.

Thank you for your continued support and trust in Excelpoint.

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary
9 November 2021