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Memtech reports US\$1.2 million net profit for 1Q2019

- Revenue rises 11.7% yoy to US\$46.5 million driven by robust growth across the Consumer Electronics, Telco and Industrial & Medical segments
- Strong positive operating cash flow generation of US\$4.2 million contributes to balance sheet strength as net cash position improves to US\$21.1 million as at 31 March 2019 (31 December 2018: US\$18.7 million)

Singapore, 25 April 2019 – Singapore Exchange Mainboard-listed Memtech International Ltd. (“Memtech” or “the Group”), a global components solution provider, has announced its financial results for the first quarter (“1Q2019”) ended 31 March 2019.

Financial Highlights (US\$'000)	1Q2019	1Q2018	Change %
Revenue	46,483	41,613	11.7
Gross Profit	6,799	6,132	10.9
Gross Profit Margin (%)	14.6	14.7	(0.1) pts
Profit Attributable to Owners of the Company	1,233	1,337	(7.8)
Net Profit Margin (%)	2.7	3.2	(0.5) pts
Earnings per Share – Basic (US cents)	0.9	0.9	n.m.
Net Asset Value per Share (US cents)	91.6	93.2	(1.7)

Driven by growth in the Group’s Consumer Electronics, Telco and Industrial & Medical segments, the Group’s revenue increased 11.7% year-on-year (“yoy”) to US\$46.5 million for 1Q2019. This growth was driven by new projects in the Consumer Electronics segment which rose 22.3% yoy to US\$15.4 million and accounted for 33.1% of total revenue. Similarly, the Telco and Industrial & Medical segments increased 70.2% and 56.9% yoy to US\$6.7 million and US\$3.9 million respectively.

Conversely, the Group’s Automotive segment declined 9.4% yoy to US\$20.5 million. This decline is in line with the global slowdown in the automotive industry, particularly in China, which has reduced demand. The Group’s Automotive segment accounted for 44.1% of total revenue for 1Q2019.

In line with the growth in topline, gross profit increased 10.9% yoy to US\$6.8 million. Gross profit margin remained stable at 14.6%.

Consequently, the Group reported a 7.8% yoy decline in net profit attributable to owners of the company amounting to US\$1.2 million for 1Q2019.

The Group’s robust core business operations continued to generate strong positive operating cash flows amounting to US\$4.2 million. This contributed to a strengthening balance sheet as cash and cash equivalents increased to US\$23.6 million as at 31 March 2019.

After factoring in total borrowings amounting to US\$2.5 million, the Group’s net cash position stood at US\$21.2 million (31 December 2018: US\$18.7 million).

Leveraging on the Group’s material science know-how and niche capabilities in plastic and rubber, the Group continues to garner momentum in securing new projects from key multinational customers who are looking to launch major new projects in FY2019. Meanwhile, the Group continues to keep a close watch on the Automotive segment, stepping up business development initiatives and proactively engaging potential new customers amid cautious market sentiment.

Commenting on the Group’s 1Q2019 results, **Executive Chairman Mr. Chuang Wen Fu said**, *“Despite challenging market conditions, our growth strategies for the remainder of the year remain on track and we expect this momentum to continue.*

One of our key competitive advantages has been our consistent ability to provide innovative solutions for our customers. Combined with our business development initiatives and niche capabilities, we have been able to secure several exciting new projects with key multinational customers across the Automotive, Consumer Electronics and Industrial & Medical segments. ”

– The End –

About Memtech International Ltd (Bloomberg Code: MTEC:SP)

Listed on the Mainboard of the Singapore Stock Exchange in 2004, Memtech is a global components solution provider working with our partners in the business of Automotive Components, Industrial & Medical, Mobile Communications and Consumer Digital devices.

The Group is a Singapore-based company with three manufacturing sites in the People's Republic of China ("PRC"): Dongguan, Kunshan & Nantong. Besides a wide network of sales and engineering offices in the PRC, the Group also has offices in Germany, Japan, U.S.A and Taiwan to support its global reach of products and services.

Memtech's customers include major automotive suppliers Hella, Magna, Lear, Denso, and Kostal. The Group also provides solutions to major car manufacturers including VW, GM and most recently Tesla; leading manufacturers including Foxconn and Celestica, along with renowned brands such as Huawei, Lenovo, Samsung, and Netgear.

For more information, please visit www.memtechchina.com

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