



PAX Global Technology Limited (327.HK)

2022 annual results



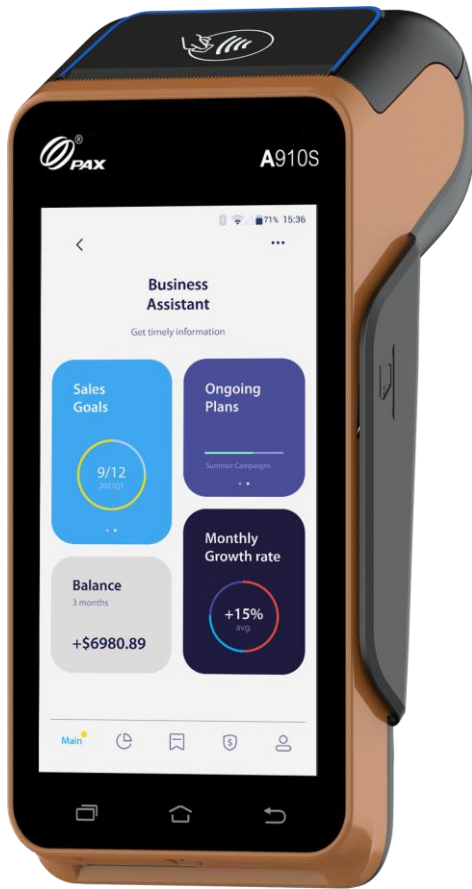
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Agenda

01 >

Three-year key achievements

02 >

FY 2022 results snapshot

03 >

Key development strategies & three-year financial targets



Three-year key achievements

Revenue & net profit boomed

+64%

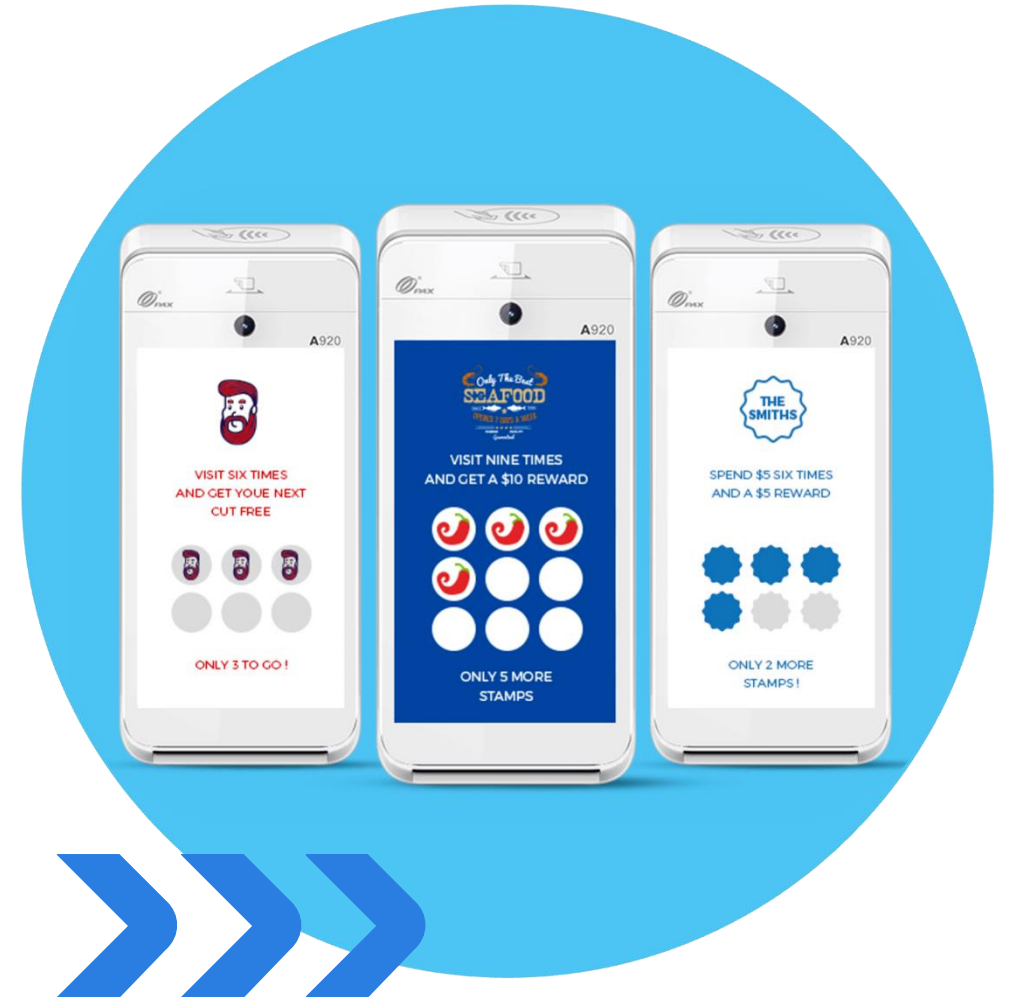
Revenue*

2022: HK\$ 8,063 M
(2019: HK\$ 4,926 M)

+103%

Net profit

2022: HK\$ 1,268 M
(2019: HK\$ 625 M)



*Note:
2022 revenue level exceeded the three-year target (set in 2020)



PAX Android solutions achieved incredible sales growth



+311%

Android payment terminals

2022: HK\$ 4,438 M
(2019: HK\$ 1,080 M)

- ❑ No. 1 in Europe and North America
- ❑ Total shipments **> 9 M units** (2020 - 2022)



+438%

SaaS solutions

2022: HK\$ 86 M
(2019: HK\$ 16 M)

- ❑ MAXSTORE is the largest platform in the industry
- ❑ No. of terminals connected **> 8 M units** (as of 31 Dec 2022)

PAX spent over HK\$1 billion in corporate actions

HK\$ 1B+

Dividends & repurchases*

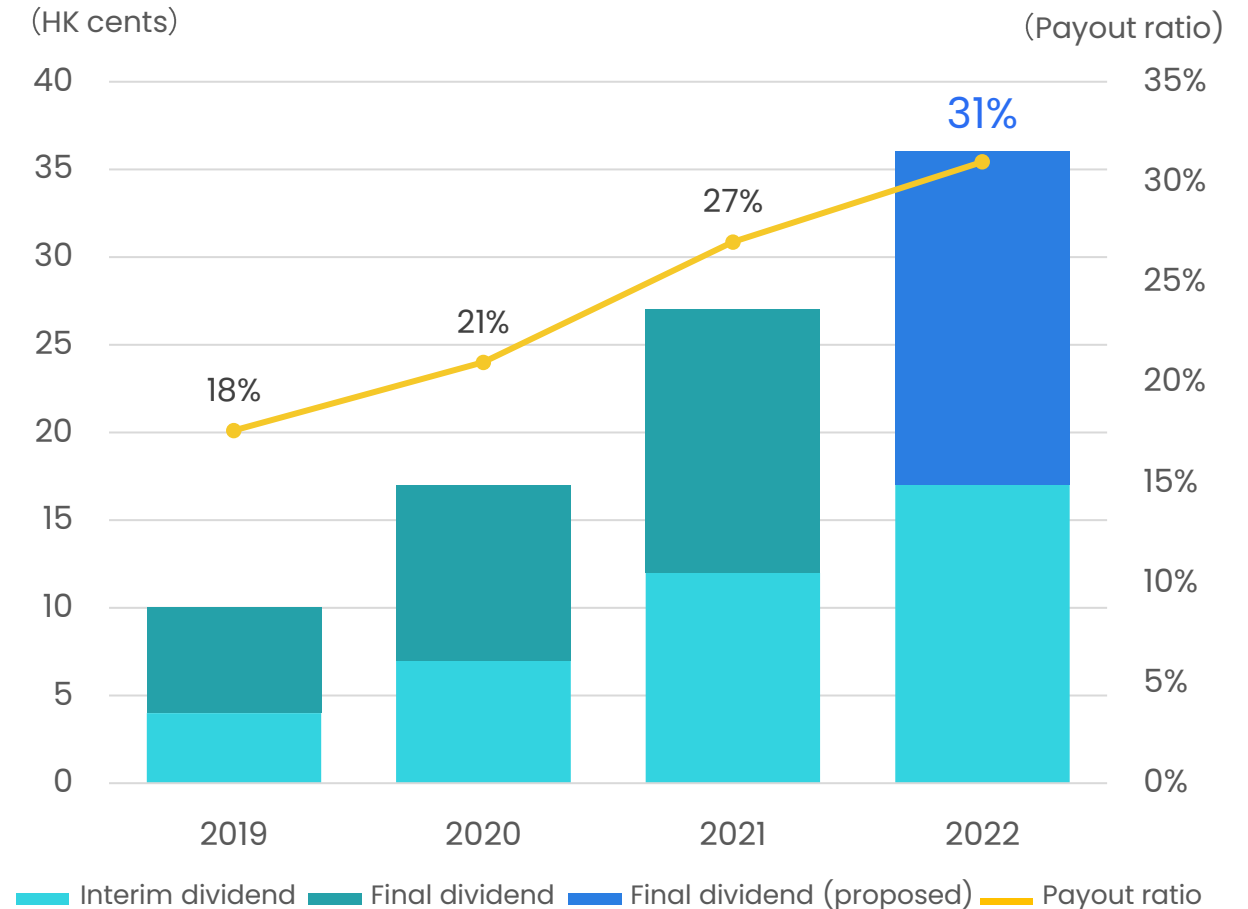
(FY 2020, FY 2021, FY 2022)

+260%

Annual dividend

2022: 36 HK cents per share

(2019: 10 HK cents per share)



* Note: including special dividend



FY 2022 results snapshot



Revenue, net profit & proposed final dividend all hit record highs

+12%

Revenue

HK\$ 8,063 M

+17%

Gross profit

HK\$ 3,306 M

Gross profit margin

41.0% (2021: 39.3%)

+12%

Operating profit

HK\$ 1,429 M

Operating profit margin

17.7% (2021: 17.8%)

+16%

Net profit

HK\$ 1,268 M

Net profit margin

15.7% (2021: 15.2%)

+27%

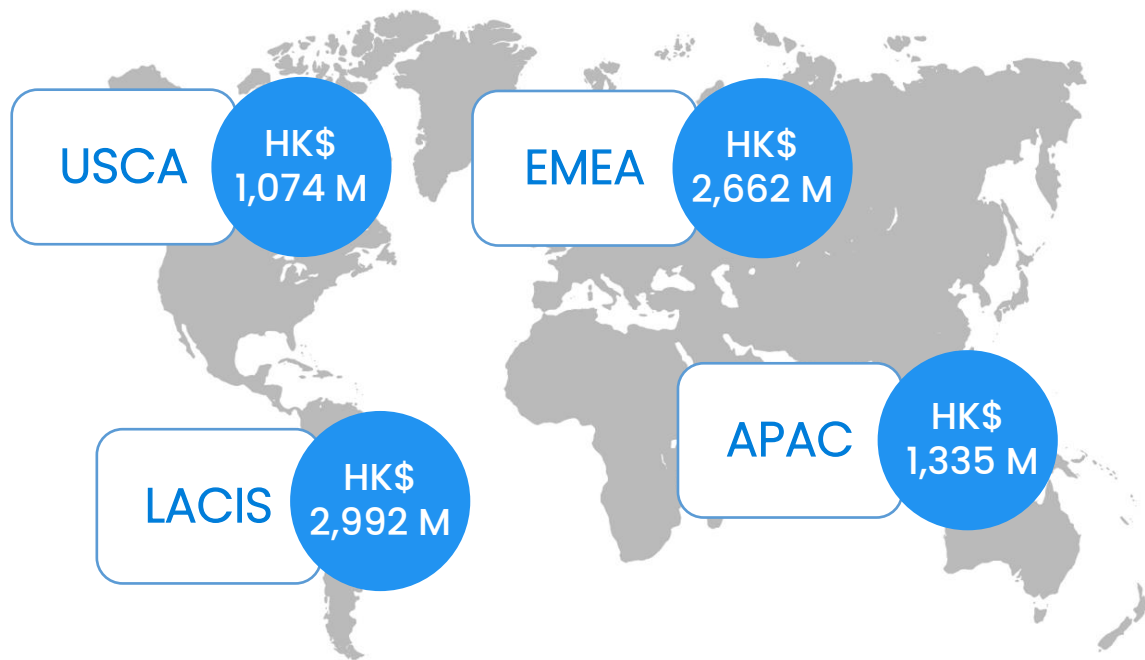
Final dividend
(proposed)

19 HK cents per share

31%

FY payout ratio

PAX continues the growth momentum in EMEA & USCA



LACIS – Latin America and the Commonwealth of Independent States

EMEA – Europe, the Middle East and Africa

APAC – Asia Pacific Region

USCA – United States of America and Canada

> EMEA (+42%)

Europe

- Strengthened PAX position in Europe, with the UK, Italy & Germany becoming strong growth drivers for the group
- Gained more market share of A920, A920Pro & IM30

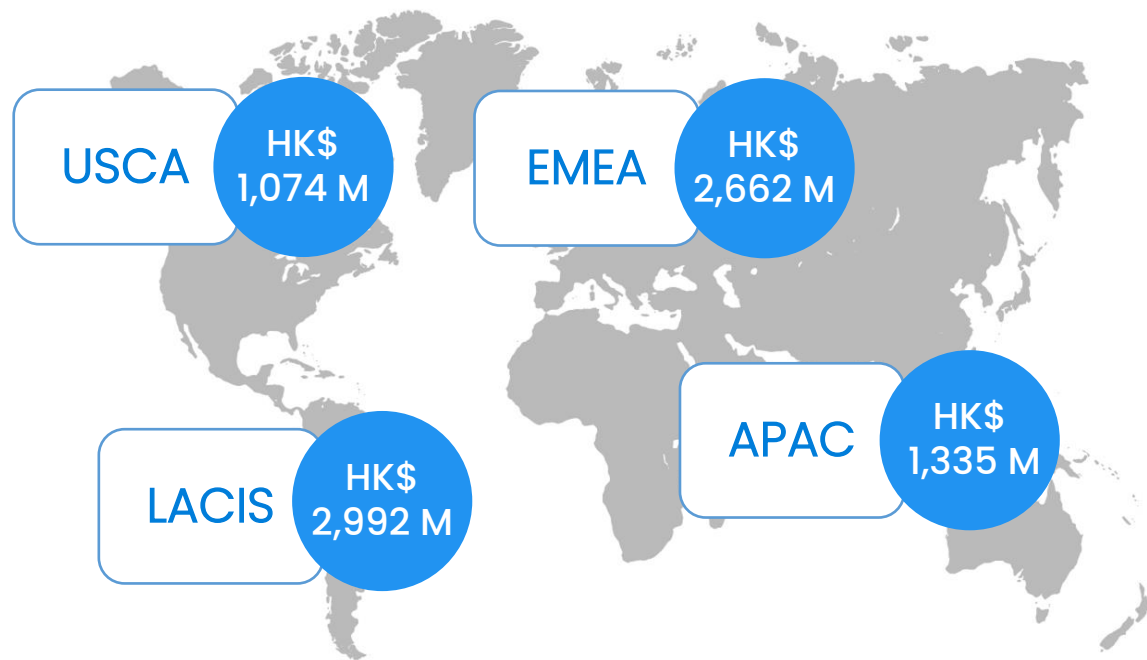
The Middle East, Africa

- Recorded high double-digit growth in Saudi Arabia, thanks to the government's policy
- Achieved great success in new partnerships with major acquiring banks & PSPs in South Africa & Nigeria

> USCA (+35%)

- Achieved over 30% annual growth in the past three years
- Cooperated with one of the largest local banks & leading PSPs to expand the Group's market reach
- Realized over 60% increase in Android product sales

PAX maintains its market leader position in APAC & LACIS



LACIS – Latin America and the Commonwealth of Independent States

EMEA – Europe, the Middle East and Africa

APAC – Asia Pacific Region

USCA – United States of America and Canada

> APAC (+5%)

India

- Reached record-high sales
- Increased the sales proportion of Android products

Japan

- Garnered greater customer recognition with growing adoption & certification of A920 terminals

Indonesia

- Recorded more than doubled sales, driven by the government initiative to improve core payment infrastructure

> LACIS (-8%)

Brazil

- Maintained a leading market position for five consecutive years

Mexico, Chile, Argentina

- Expanded use-cases of Android payment solutions in supermarkets, restaurants, parking lots and more
- Experienced growing market demand for PAX Android series



PAX's working capital maintained at a healthy level

As at 31 December 2022

	HK\$ '000	yoy	Turnover days	yoy
Inventories	2,527,293	+ 22.0%	194	+ 19
Trade and bills receivables	2,350,368	+ 12.9%	106	+ 10
Trade payables	1,699,530	+ 1.8%	129	+ 2
Cash and cash equivalents*	3,160,238	- 10.5%	171	+ 27

*FY 2022 key cash flow analysis

- Net cash generated from operating activities (approx. HK\$ 650 M) <yoy + HK\$ 300 M>
- Exchange losses on cash and cash equivalents (approx. HK\$ 270 M)
- Financing activities: paid dividends and share repurchases (approx. HK\$ 410 M)
- Investing activities: construction projects in Shenzhen and Huizhou (approx. HK\$ 320 M)



PAX invests in enhancing the supply chain competitiveness

Projects under construction	CAPEX incurred (before 2023)	Contracted but not recognised (as at 31 Dec 2022)	Expected completion (the earliest)
	HK\$ '000	HK\$'000	
PAX Smart Terminals Industrial Park (Huizhou)	486,706	64,051	2023 Q4
PRC headquarters (Shenzhen)	186,670	24,474	2023 Q4
Total	673,376	88,525	



Key development strategies

PAX invests for future success



- 1 Develop diversified solutions
- 2 Expand potential markets

PAX focuses on R&D of diversified solutions

Terminal products

- Launch a new product line: Commercial POS Elys Series
- Strengthen the Android product portfolio: A910S, A920MAX, A960 etc.



MAXSTORE

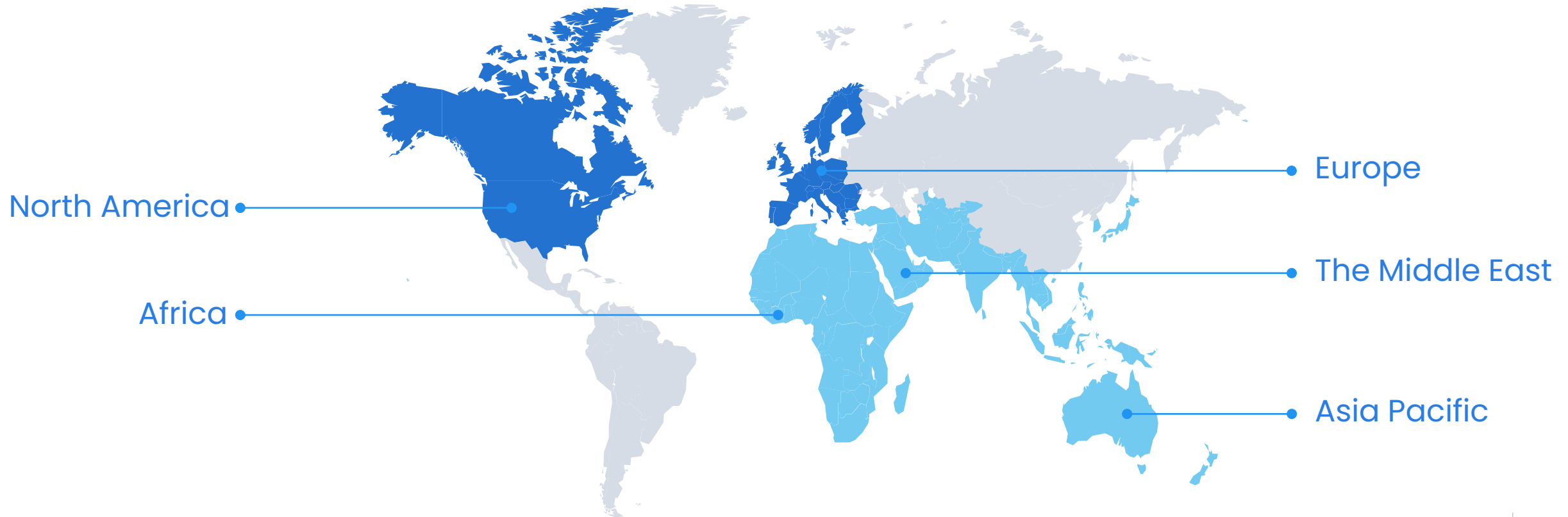
- Expand MAXSTORE ecosystem
- Explore more application scenarios





PAX strives to expand potential markets

- Continue to expand market shares in Europe & North America
- Strengthen the presence in Asia Pacific, the Middle East & Africa





Three-year financial targets



Three-year financial targets

➤ 2023

Revenue	Flattish
Gross profit margin	Flattish
Operating profit margin	17% - 19%

➤ 2024

Revenue	Low double-digit growth
Operating profit margin	17% - 19%

➤ 2025

Revenue	Low double-digit growth
Operating profit margin	17% - 19%



Investor relations contacts

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Consolidated income statement

	For the year ended 31 December	
	2022	2021
	HK\$'000	HK\$'000
Revenue	8,062,702	7,195,982
Cost of sales	(4,756,561)	(4,368,785)
Gross profit	3,306,141	2,827,197
Other income	64,915	96,315
Other (losses)/ gains, net	(2,178)	50,459
Selling expenses	(821,605)	(716,234)
Administrative expenses	(1,121,022)	(958,185)
<i>Research and development costs (included in administrative expenses)</i>	<i>(567,141)</i>	<i>(512,119)</i>
Net reversal of impairment losses/(impairment losses) on financial assets	3,091	(21,580)
Operating profit	1,429,342	1,277,972
Finance costs	(5,649)	(6,979)
Share of results of investments accounted for using the equity method	7,415	3,454
Profit before income tax	1,431,108	1,274,447
Income tax expense	(162,905)	(182,205)
Profit for the year	1,268,203	1,092,242
Profit attributable to:		
Owners of the Company	1,264,675	1,083,774
Non-controlling interests	3,528	8,468
Earnings per share for profit attributable to the owners of the Company:	HK\$ per share	HK\$ per share
- Basic	1.170	0.989
- Diluted	1.141	0.957
Financial ratios		
Gross profit margin	41.0%	39.3%
Operating profit margin	17.7%	17.8%
Net profit margin	15.7%	15.2%



Consolidated balance sheet

	As at 31 December	
	2022	2021
	HK\$'000	HK\$'000
Total non-current assets	1,317,315	1,031,172
Property, plant and equipment	769,372	485,527
Right-of-use assets	230,567	282,477
Others	317,376	263,168
Total current assets	8,173,014	7,790,106
Cash and cash equivalents	3,160,238	3,532,954
Trade and bills receivables	2,350,368	2,081,977
Inventories	2,527,293	2,071,285
Others	135,115	103,890
Total non-current liabilities	74,973	101,179
Total current liabilities	2,509,506	2,263,543
Trade payables	1,699,530	1,668,823
Others	809,976	594,720
Total equity	6,905,850	6,456,556