



14 August 2017

RAKON LIMITED (NZX: RAK)

Rakon forecasts improved earnings

Global high-technology company Rakon expects earnings to improve during the current financial year, which runs until 31 March 2018.

Speaking ahead of Thursday's Annual Shareholders' Meeting, Rakon Managing Director Brent Robinson said Rakon expected increased contribution from its core markets of Telecommunications, Global Positioning and Space & Defence where revenue had performed ahead year-on-year for the first quarter of 2018. It is also anticipated the actions the company had taken to reduce operating expenses would continue to register on the bottom line.

"Over the past couple of years, our Space & Defence business has secured some important new customers, and these customers are now starting to generate increased revenue," Mr Robinson said.

Mr Robinson said Rakon's Telecommunications business, hampered in recent years by major network operators' reluctance to invest in infrastructure, was slowly improving.

"While the overall market remains sluggish, we are picking up new customers for some of our higher-margin components," said Mr Robinson.

Mr Robinson said the increase in revenue for the first three months versus the prior corresponding period, was reflecting positively in improved earnings which it expected to sustain throughout the balance of FY2018.

The company expects to report Underlying EBITDA for FY2018 in the range of between \$9 million to \$11 million (FY2017: \$4.0 million). This EBITDA will deliver a return to positive net profit after tax.

Brent Robinson

Chief Executive Officer & Managing Director

-ends-

Media Enquiries:

Louise Howe (Media Liaison)

021 206 0985

www.rakon.com



About Rakon

Rakon is a global high technology company and a world leader in its field. The company designs and manufactures advanced frequency control and timing solutions for telecommunications, global positioning and space and defence applications. Rakon products are found at the forefront of communications where speed and reliability are paramount. The company's products create extremely accurate electric signals which are used to generate radio waves and synchronise time in the most demanding communication applications. Rakon has five manufacturing plants including two joint venture plants and has five research and development centres. Customer support centres are located in ten offices worldwide.

Rakon is proud of its New Zealand heritage; it was founded in Auckland in 1967. It is a public company listed on the New Zealand stock exchange, NZSX, ticker code RAK.