



12 November 2021

Rakon upgrades earnings guidance

Rakon (NZX: RAK), a world leader in the provision of advanced frequency control and timing solutions, today announces a further upgrade to its earnings guidance for the year ending 31 March 2022 (**FY2022**).

Rakon now expects to achieve Underlying EBITDA¹ of \$44 million to \$49 million in FY2022. This is an upgrade to the guidance of \$39 million to \$44 million provided on 29 September 2021.

Managing Director Brent Robinson said the increase in Rakon's FY2022 expected revenue and earnings reflects the certainty of two additional months of good performance, a strong order book for the remainder of FY2022 and some narrowing of the supply chain risk window affecting the availability of materials and parts.

Mr Robinson said Rakon was able to work through the considerable uncertainties regarding manufacturing capacity, procurement of raw materials and parts, adapting design specifications and other resource requirements it faced in the first half and has delivered greater than expected volumes of higher margin product in September and October.

For the remaining period, we have an increased level of orders from Tier One telecommunications customers for Rakon products for 5G network equipment and continued delivery against the significant long term orders previously secured due to the world-wide chip shortage. However, the prevailing supply volatility and cost pressures facing the global electronics industry mean there is still significant risk in securing raw materials and parts to meet orders. These challenges are requiring management on a month-to-month basis.

The business is expected to perform well through FY2022 provided Rakon is able to manage the supply chain risks and maintain capacity and avoid COVID-19 related disruptions at its manufacturing sites.

Rakon will provide its financial results for the half year ended 30 September 2021 on Thursday 25 November 2021.

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¹ Refer to Note 5 of the 2021 audited consolidated financial statements for an explanation of how 'Non-GAAP Financial Information' is used, including a definition of 'Underlying EBITDA' and reconciliation to NPAT.



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. Its three core markets are Telecommunications, Positioning and Space and Defence. 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 three manufacturing plants, and has six research and development centres. Customer support personnel are located in sixteen 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, NZX, ticker code RAK.

www.rakon.com