



18 January 2020

RAK Update of FY2021 Earnings Guidance

The Rakon Board of Directors is pleased to provide an update to the market on its earnings guidance for the year ending 31 March 2021 (**FY2021**).

Rakon expects to achieve Underlying EBITDA¹ of between \$20 million and \$22 million. This compares to Underlying EBITDA¹ of \$14.8 million reported for the prior period and is an update of our previous guidance for FY2021 of \$16 million to \$18 million.

This new guidance follows Rakon's financial performance to 31 December 2020 and updated view of demand forecast, firm orders and expected expenditure for the balance of FY2021. Demand from the Telecommunications sector has been higher than expected. Globally, the roll-out of 5G networks is continuing, resulting in greater demand for Rakon products. There is also greater demand for Rakon products for synchronising datacentres and enhancing optical communications reflecting growth in global data volumes and cloud-based applications.

The October 2020 fire at Asahei Kasei Microdevices (**AKM**) in Japan, the world's largest semiconductor manufacturer of TCXO Integrated Circuits (**IC**), created a world-wide shortage of TCXOs which are used in a wide variety of applications. Rakon is meeting some of this shortfall due to its good inventory levels, agile manufacturing operations and its proprietary TCXO IC, resulting in higher revenue forecast for Q4 FY2021.

Factors under-pinning Rakon's good performance are expected to continue, particularly 5G deployment. This guidance is dependent on the management of usual supply chain and operational risks as well as risks arising from the ongoing COVID-19 pandemic and geopolitical issues for Rakon's operations and those of its customers and suppliers.

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¹Refer to Note 4 of the 2020 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, Global 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