



12 February 2021

Rakon Secures Significant Orders

The Rakon Limited Board of Directors is pleased to advise that Rakon has secured several significant orders from new and existing customers including a material order from a new multi-national customer. Rakon expects to deliver the majority of these orders in FY2022, with the balance in FY2023. Indicatively, Rakon expects that these orders will increase its revenue in FY2022 by at least 20% from FY2021.

To produce and deliver the volumes in these orders requires an increase in capacity at Rakon’s New Zealand operations. In addition to sourcing materials for the products, Rakon is investing in equipment for additional manufacturing and testing capability, and hiring extra technicians, operators and engineers to meet the demand.

These orders are not expected to impact Rakon’s financial performance for FY2021 and Rakon confirms its current guidance for FY2021 of Underlying EBITDA¹ of between NZ\$20 million and NZ\$22 million.

After Rakon has completed its business planning and budgeting for FY2022, including these new orders and associated additional revenue and costs, Rakon expects to provide earnings guidance for FY2022 by the end of March 2021.

The increased business activity involved with these orders will require Rakon to manage heightened risks, including relating to its supply chain and operations, as well as the continuing risks from the ongoing COVID-19 pandemic and geopolitical issues.

As 5G networks continue to roll out globally and TCXO shortages, resulting from a factory fire at Asahei Kasei Microdevices (AKM) in Japan, persist, as well as a consumer device boom, Rakon has been able to capitalise on what was already a constrained TCXO market across a range of applications in both existing and new sectors. Rakon also sees significant growth in fibre networks worldwide resulting in unprecedented demand for its Mercury OCXOs.

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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