



29 September 2021

## Rakon upgrades earnings guidance and appoints Steven Tucker to the Board

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

It also announces the appointment of Steven Tucker to the board as an Independent Non-executive Director with effect from 1 October 2021.

### Earnings guidance

Rakon now expects to achieve Underlying EBITDA<sup>1</sup> in the range of \$39 million-\$44 million in FY2022. This is higher than the guidance provided on 1 April 2021 of \$27 million-\$32 million, as well as the indication given at the Annual Shareholders' Meeting on 12 August 2021 that FY2022 results were expected to be at the top of that range.

Chair Bruce Irvine said that a key factor in Rakon's FY2022 expected revenue and earnings is the significant orders for its TCXO<sup>2</sup> secured as a result of an extensive chip shortage caused by a fire at a factory of AKM, the world's largest TCXO Integrated Circuits manufacturer. There has also been a concurrent consumer device boom.

"While customer orders were in hand at the time of the 1 April guidance, we also needed to factor in a number of risks and uncertainties around our ability to deliver and at what cost. These included having to add the necessary manufacturing capacity; procurement of raw materials and parts; adapting design specifications and other production uncertainties. However, over the last five months these risks and uncertainties have not materially eventuated."

Mr Irvine said for the remainder of FY2022, our core business is expected to perform well, particularly in 5G where demand for our products going into 5G network equipment has been stronger than anticipated." However, the company is still experiencing supply chain volatility and is mindful of the risk of future disruption at manufacturing sites due to Covid-19.

Looking further ahead to FY2023, Rakon expects TCXO demand to return to normal levels, and its core business to continue on its growth trajectory on the back of 5G rollouts and the demand for Rakon applications in datacentres, industrial positioning and new space.

### Appointment of Steven Tucker

Mr Irvine said the Board was delighted with Mr Tucker's appointment. "Steve is a professional director with extensive governance and senior executive experience across privately owned, public sector and listed companies in the technology sector.

---

<sup>1</sup> 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.

<sup>2</sup> Temperature Compensated Crystal Oscillator



“He brings more than 20 years’ experience as a senior executive at Gallagher, a leading New Zealand export company with global operations focused on research and development, design, manufacturing and marketing. We believe this experience is highly relevant to the governance, risk management and strategy development of Rakon. Steve’s skills and knowledge will complement those of our existing Board members, who are looking forward to working with Steve.”

Mr Tucker has been appointed as an additional director in accordance with Rakon’s Constitution and will put himself forward for election by shareholders at the next Annual Shareholders’ Meeting. The appointment increases Rakon’s Board to seven Directors and raises the number of Independent Directors to five.

Mr Irvine who was re-elected to the Board at the 2021 Annual Shareholders’ Meeting said the appointment of Steve Tucker is part of the Board’s current succession planning which includes his own intention to step down once the Board is satisfied the succession planning process is complete.

### **Notes to Editors**

#### **About Steven Tucker**

Mr Tucker is currently the Chair of Gallagher Holdings Limited and Goodnature Limited. He is also a Director of HJ Asmuss and Co Ltd, Taska Prosthetics Limited and 5<sup>th</sup> Element Limited and a number of other private companies. Mr Tucker is also the chair of the Caprine Innovations NZ Programme. He was previously a director of publicly listed Methven Limited, a councillor of Waikato Institute of Technology and Trustee of St Peters School Cambridge.

In addition to his governance experience Mr Tucker has over 20 years’ management experience including as Deputy Chief Executive and as Group Executive Operations, and Group Executive Finance, at Gallagher, with experience across financial and risk management, investment management and mergers and acquisitions, brand, culture and innovation and manufacturing and supply chain optimisation.

Mr Tucker is a Chartered Member of the Institute of Directors in New Zealand and a Fellow of the Institute of Chartered Accountants. Mr Tucker has a Bachelor of Management Studies from University of Waikato and has attended the Executive Management Program at Darden University in the USA.

-ends-

#### **Investor contact:**

Brent Robinson  
Managing Director  
+649 573 5554

Anand Rambhai  
Chief Financial Officer  
+64 9 571 9225

#### **Media contact:**

Richard Inder  
The Project  
+64 21 645 643

#### **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](http://www.rakon.com)