

Precision Cleaning Specialist JE Cleantech Delivers Healthy Performance In 2023

- Secured new orders worth over S\$4.7 million for precision cleaning systems in Singapore
- Developing autonomous cleaning robots for food and beverage establishments and industrial buildings
- Invested in carbon footprint reduction with electrification of vehicle fleet and installation of solar panels

SINGAPORE, May 01, 2024 (GLOBE NEWSWIRE) -- Singapore-headquartered, NASDAQ-listed precision cleaning and cleantech equipment manufacturer **JE Cleantech Holdings Ltd** (NASDAQ: JCSE) (“JE Cleantech” or, together with its subsidiaries, the “Group”) has delivered a profitable performance in its annual report for the financial year ended December 31, 2023 (“2023 financial year”), with revenue of S\$18.0 million and net income of S\$0.5 million.

The performance was recorded amid higher margin in its centralized dishware washing business segment, alongside softer demand for its cleaning equipment and higher operating costs, compared to the preceding financial year ended December 31, 2022 (“2022 financial year”) when the Group booked revenue of S\$18.6 million and net income of S\$1.2 million.

Commenting on JE Cleantech’s performance, **Founder and CEO Ms. Hong Bee Yin** said, “We are pleased to turn in a positive performance in 2023, despite some headwinds in the form of a slowdown in the electronics and hard disk drive industries. Nevertheless, we expect industry sentiments to improve towards the second half of 2024 as demand for hard disk drives remains intact amid the artificial intelligence boom. Rising activity in the tourism and hospitality industries in Singapore also bode well for us. We continue to leverage the longstanding relationships we have with our customers to build traction for our products and services, while developing adjacent product offerings to diversify our revenue streams.”

The Group’s sale of cleaning systems and other equipment business segment generated S\$11.0 million in revenue in the 2023 financial year, compared to S\$11.4 million in 2022 financial year. The Group secured recurring orders worth over S\$4.7 million for precision cleaning systems from its existing customers in Singapore in 2023. This was, however, weighed down by an extension in the delivery schedule of precision cleaning systems to a key hard disk drive customer in Malaysia to 2024 and 2026, as well as lower activity in the sale of other cleaning systems and other equipment due to completion of installation.

The Group’s centralized dishware washing and cleaning services segment recorded revenue of S\$7.0 million, compared to S\$7.2 million in the preceding financial year. While

business activity was lower year-on-year, the Group successfully renewed contracts with certain clients at higher prices.

The Group yielded gross profit and gross margin of S\$4.4 million and 24.2%, taking into account higher contract prices in the dishware washing and cleaning services, offset by higher raw material, manpower and utilities cost. This compares with S\$5.1 million and 27.3% in the 2022 financial year.

During the 2023 financial year, the Group has invested in and integrated new technologies, including automation and robotics, into its operations to improve its ability to customize at scale, cost efficiency and consistency. It has also implemented Internet of Things (IoT) sensors at its manufacturing facility, which allow the Group to keep track of production activity and overheads, and help enhance efficiency and productivity.

Additionally, the Group has invested in reducing its carbon footprint in 2023. It has begun electrifying its fleet of vehicles since early 2023 and completed the installation of solar panels at its manufacturing facility and office in January 2023, which are expected to generate about 232 megawatt-hours of energy per year, or about half of the energy consumed at the site. Apart from reducing its carbon footprint, electricity generated from solar energy also provides cost savings and energy security for the Group.

In the year ahead, JE Cleantech will look to build on its expertise to enhance its value-add to customers. The Group is currently developing autonomous cleaning robots for industrial use in food and beverage establishments and industrial buildings in Singapore. It expects to be able to deploy these robots in the second half of 2024, to supplement the on-site cleaning services provided to its customers. The Group is also developing IoT sensors that can be attached to various cleaning equipment in order to enhance the equipment's efficiency, productivity and overall performance, for its customers in Singapore, Malaysia and Thailand. At the same time, it will continue to identify viable opportunities to expand its presence in its existing markets in Singapore and Malaysia, as well as in new markets.