

VICPLAS INTERNATIONAL LTD

The parent company of
Forefront Medical and Vicplas Holdings



Corporate Presentation
FY2023 Results

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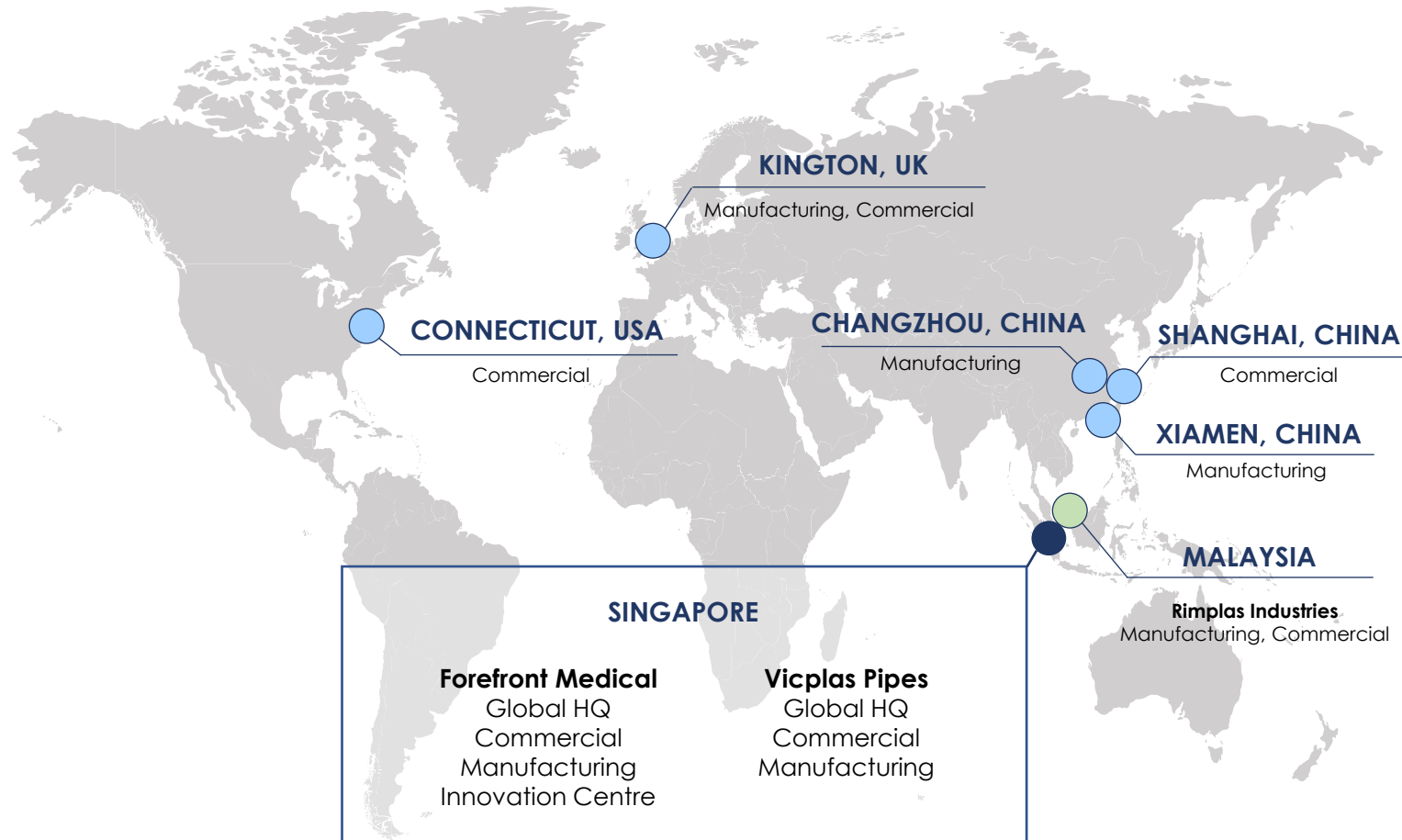
Forefront Medical
Vicplas Holdings

Company Overview

VICPLAS INTERNATIONAL LTD



Company Presence



Business Segments

Medical devices segment

Forefront Medical designs, develops and manufactures sterile and non-sterile medical devices

Pipes & pipe fittings segment

Vicplas Holdings ("Vicplas Pipes") manufactures and distributes piping systems for diverse industries

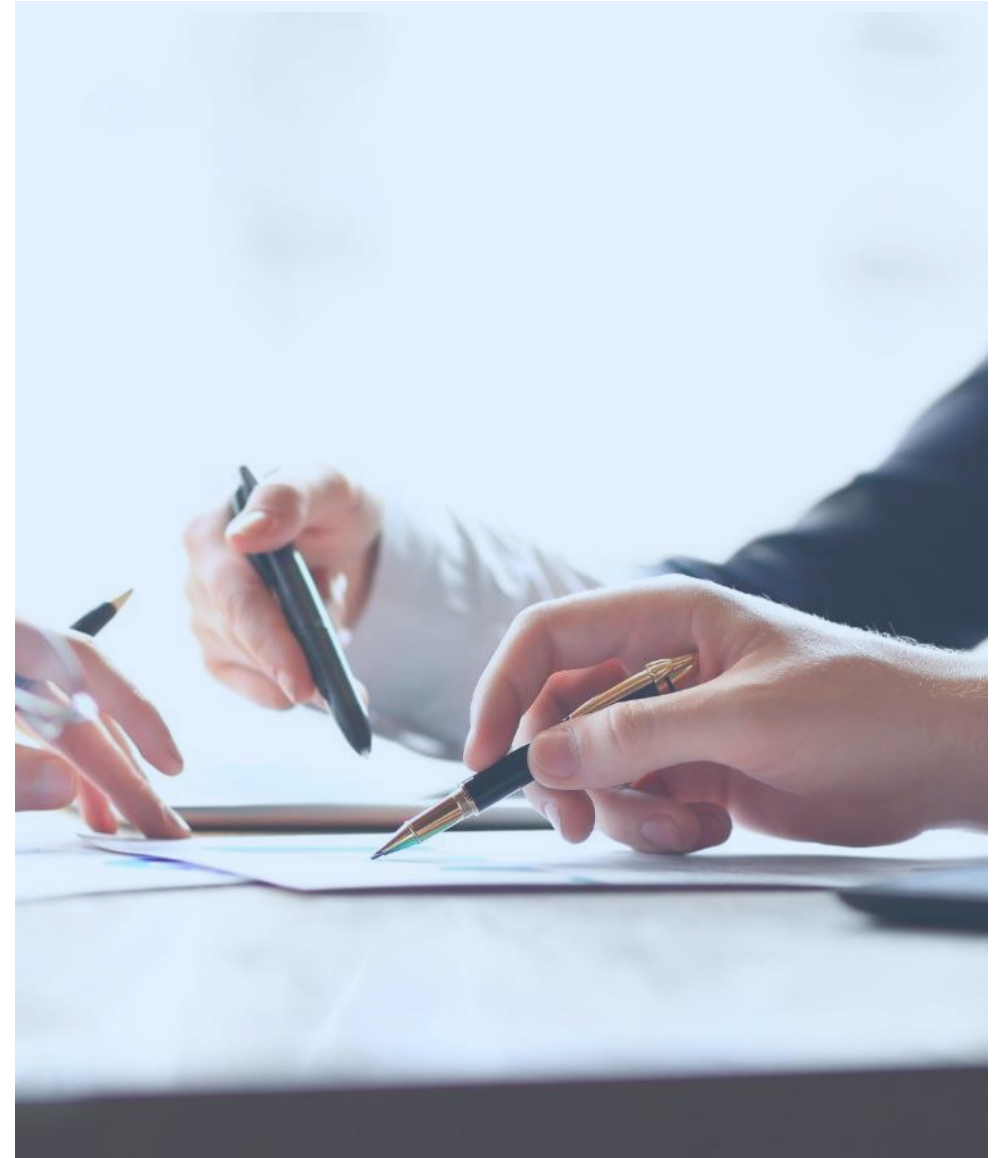
Total employees : 950 + worldwide

Accreditations

The subsidiaries in the pipes and pipe fittings segment have ISO9001:2015 quality certifications. Vicplas Holdings Pte Ltd additionally is ISO50001:2018, ISO14001:2015 and ISO45001:2018 certified. The subsidiaries in the medical devices segment have EN ISO13485:2016 quality certifications and with the exception of XentiQ (Pte.) Ltd., are registered under the United States Food and Drug Administration (FDA) as a "contract manufacturer for medical devices" and Accreditation certificate of foreign medical device manufacturer from Japan Ministry of Health, Labour and Welfare. Forefront Medical Investments Pte. Ltd. additionally has a Class A, B, C, D Medical Device manufacturer license registered under Health Science Authority (HAS) Singapore and is ISO14001:2015, ISO45001:2018 and ISO50001:2018 certified. Forefront Medical Technology (Jiangsu) Co., Ltd additionally has a Class II Medical Device Manufacturing License in China.

Financial Information

VICPLAS INTERNATIONAL LTD



Financial Overview

- FY2023 Group revenue dipped 1.2% and net profit after tax fell by 52.1% compared to FY2022, while Adjusted EBITDA fell by 19.9% to S\$14.7M compared to FY2022.
- Net profit margin decreased by 3.5 percentage points to 3.3%
- Medical devices segment had a slight revenue fall of 2.2% due to some customers reducing orders as inventory rebalancing continues post pandemic
- Pipes and pipe fitting segment's revenue grew by 1.2% in FY2023 and segmental results rose 59.9% as compared to FY2022 as construction activities in Singapore improved

Group

S\$'000	FY2023	FY2022	% Change
Revenue	129,216	130,808	-1.2
Net Profit before Tax	5,609	11,006	-49.0
Net Profit after Tax	4,238	8,839	-52.1
Net Profit Margin	3.3%	6.8%	-3.5 pts
Adjusted EBITDA¹	14,662	18,299	-19.9

Segment

S\$'000		FY2023	FY2022	% Change
Medical Devices	Revenue	90,558	92,601	-2.2
	Segmental Result²	3,401	10,229	-66.8
Pipes & Pipe Fittings	Revenue	38,658	38,207	1.2
	Segmental Result²	7,199	4,503	59.9

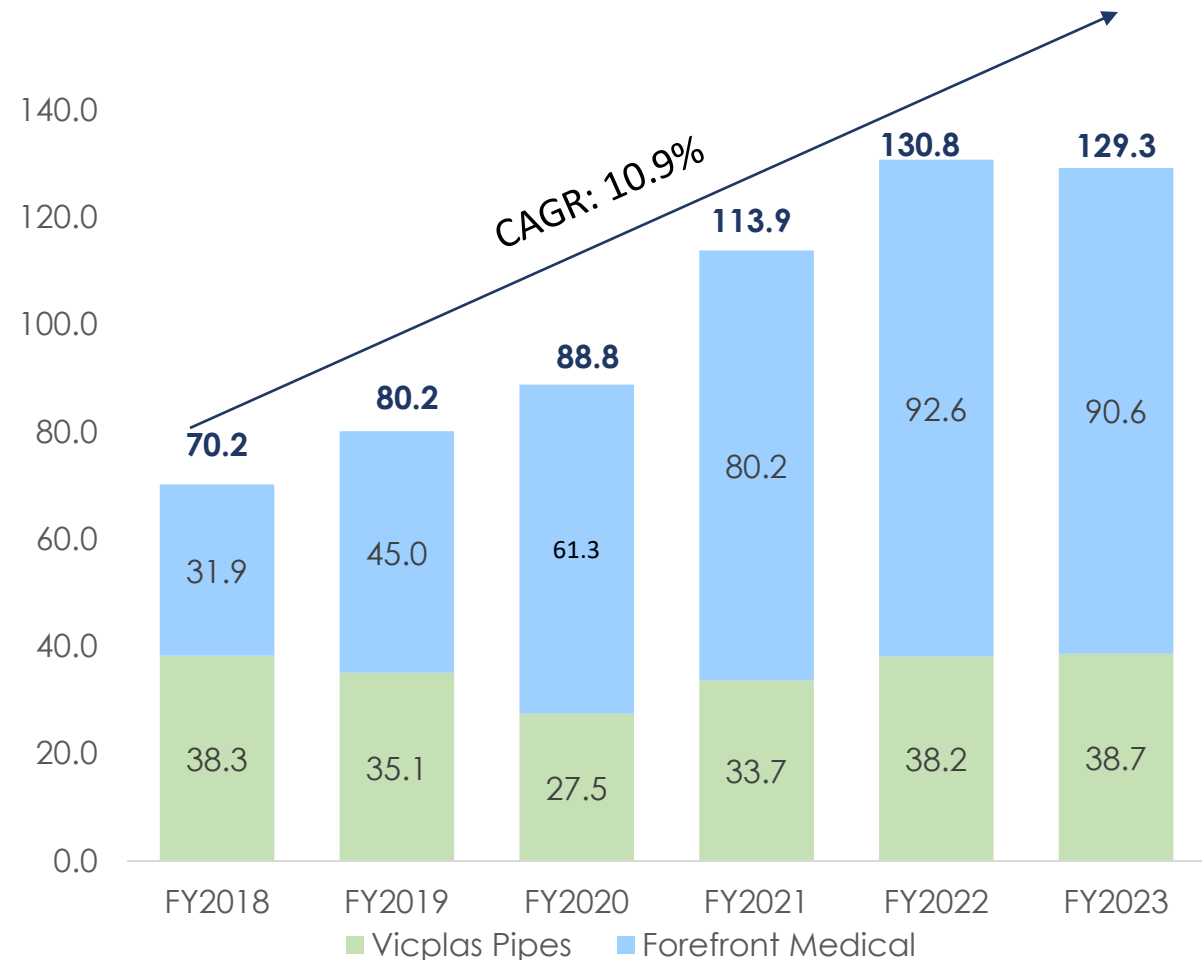
¹ Adjusted EBITDA refers to earnings before interest, tax, depreciation and amortisation; and excludes unrealised foreign exchange by adding back unrealised foreign exchange loss and deducting unrealised foreign exchange gain.

² The segmental result of the medical devices segment and pipes and pipe fittings segment are before corporate, interest and tax expenses as set out in Note 4 of the Condensed Interim Financial Statements.

Revenue

- Over the past six financial years, the Group achieved revenue growth with a CAGR of 10.9%
- Forefront Medical's contribution to overall revenue is approximately 70% as the Group transforms into a medical device-focused group
- Vicplas Pipes, an industry leader in the supply of pipes and pipe fittings, saw an improved performance as the construction activities in Singapore improved
- Manufacturing presence in Singapore and wide range of quality products certified with 4 Green Marks from the Singapore Green Building Council allows it to better support customers as the domestic construction industry continues its growth momentum
- Vicplas Pipes will help support the Group's performance as Forefront Medical further develops its capabilities and grows its market share in the growing MedTech contract development and manufacturing industry

S\$ million

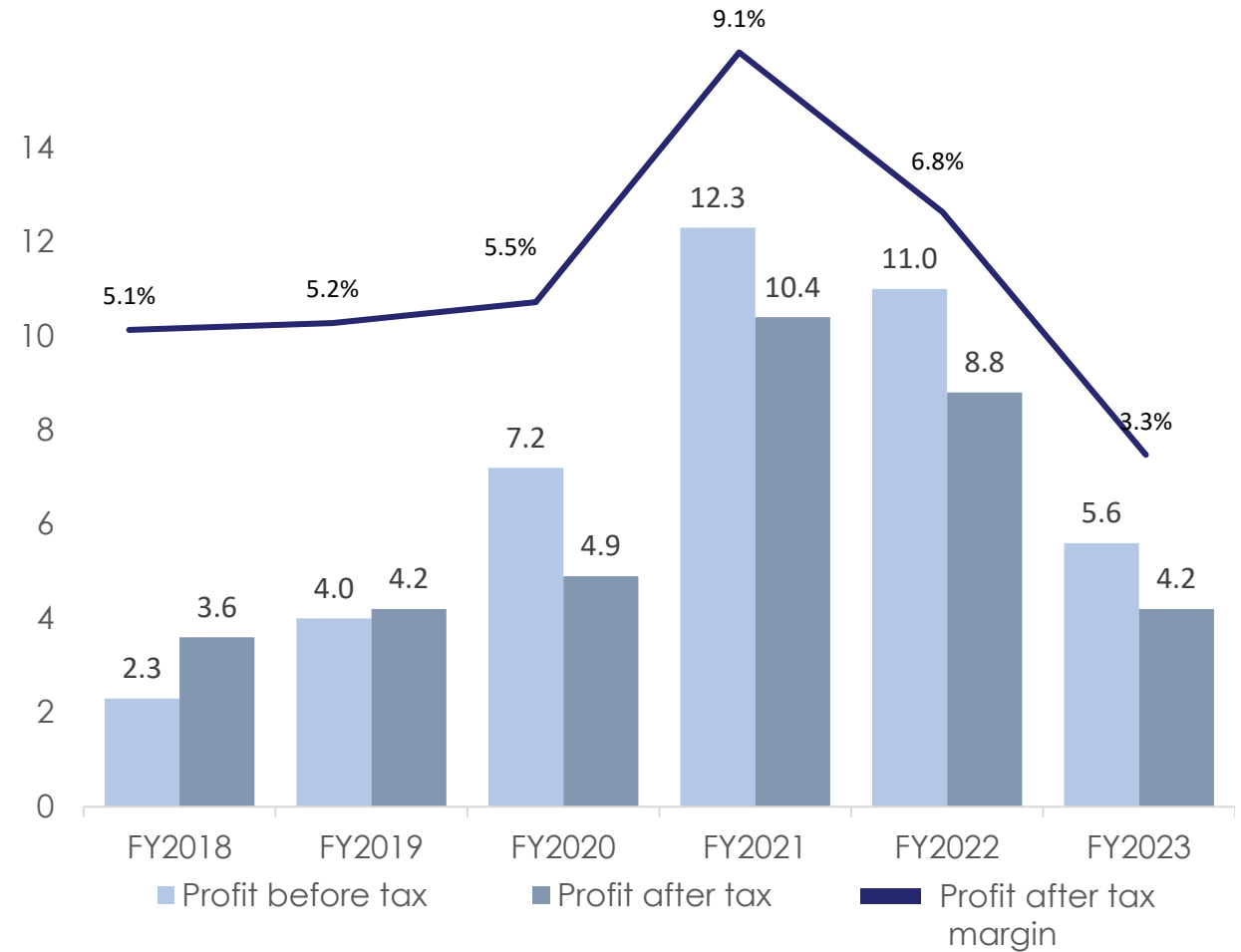


Profit

FY2023 profit performance compared to FY2022 was impacted by:

- 24.7% decrease in other income mainly due to the decrease in income from tooling, mould and maintenance services as compared to FY2022
- 1.2% decrease in raw material and consumables used due to the decrease in production activities
- 3.0% decrease in employee salary and benefits expense due to decreased headcount and overtime, especially in the medical devices segment
- 16.5% increase in other operating expenses mainly due to costs incurred in the first full year of operations at the new Changzhou plant extension, costs related to the establishment of the planned new plant in Mexico, higher marketing and travelling costs as the Group sourced for new business opportunities as markets reopened post pandemic, and higher foreign exchange loss
- 35.0% increase in finance costs due to the higher interest rate environment

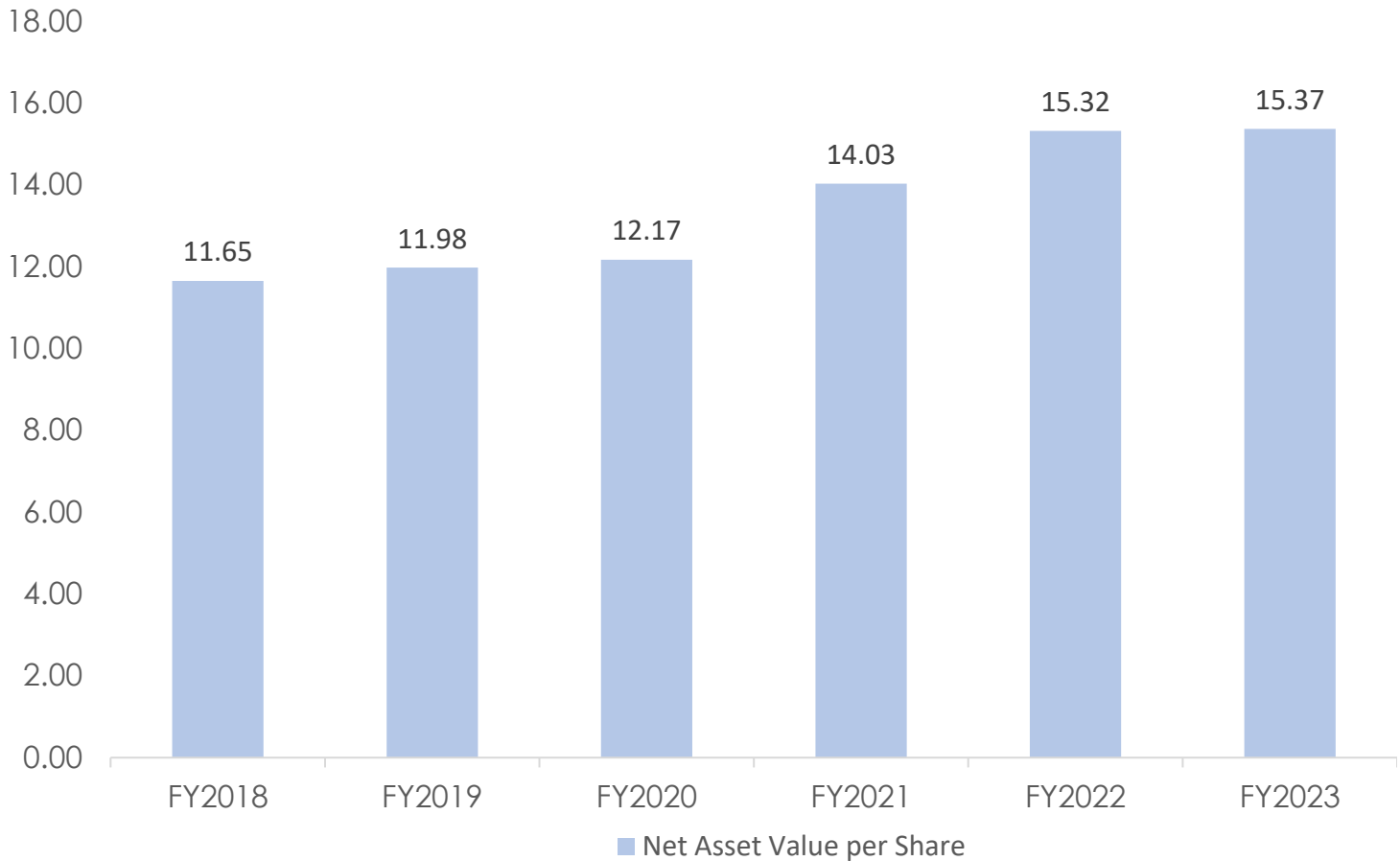
S\$ million



NAV Per Share

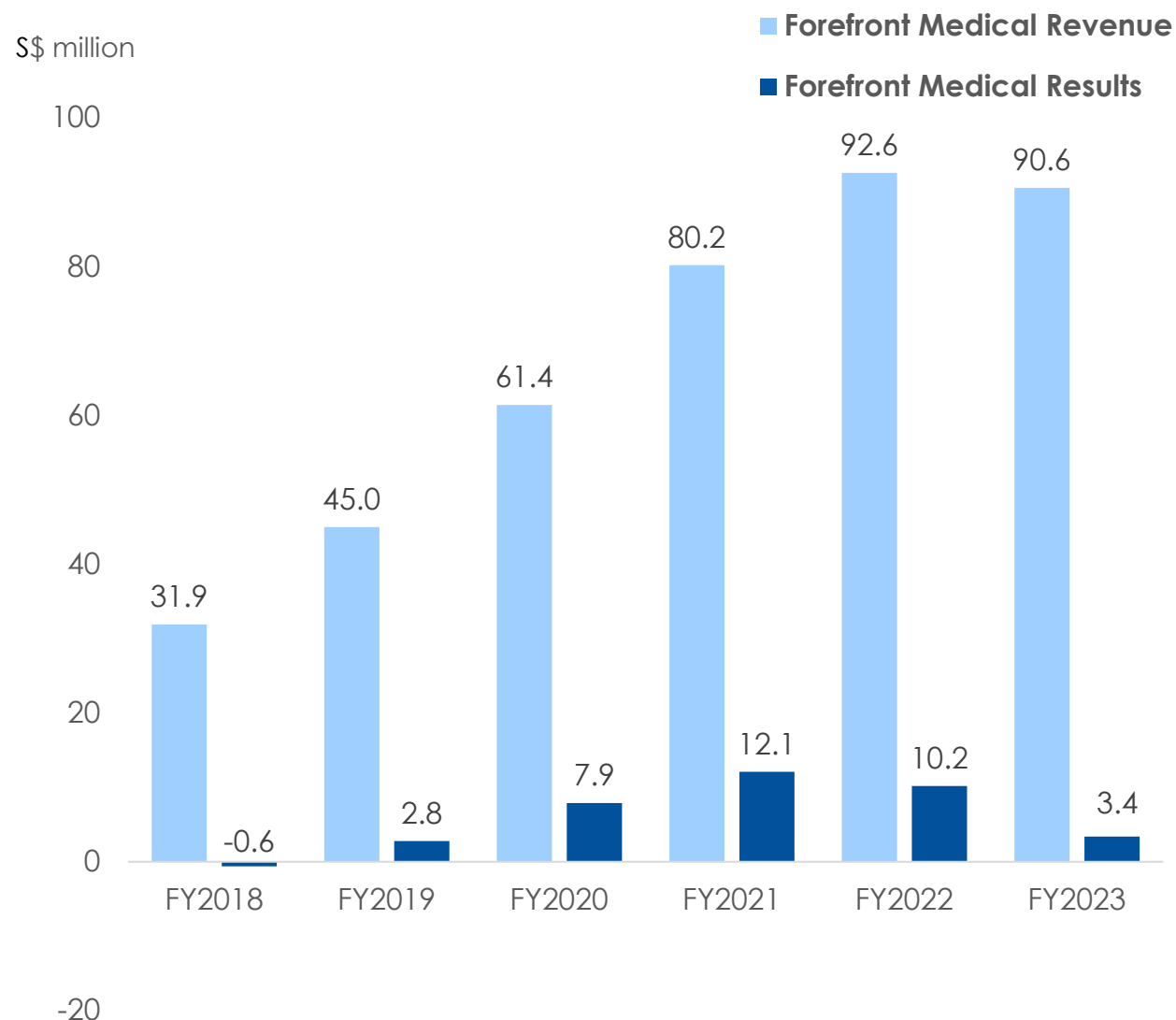
- The Group's net asset value (NAV) per share has steadily increased year-on-year since FY2018, including during the pandemic, at a CAGR of 5.7%
- This highlights the Group's strong and resilient fundamentals, as our growing medical device segment gains traction while our pipes and pipe fittings segment provides a stable base

Singapore Cents



Segmental Result – Forefront Medical

- In FY2023, Forefront Medical's revenue fell by 2.2% to S\$90.2m as certain customers adjusted their inventory levels post pandemic, and the softer ordering situation is expected to continue until this rightsizing exercise has been completed
- The segment also incurred higher operating costs mainly due to the effects of rising supply chain costs and other disruptions caused by the pandemic
- Lastly, an increase in investments in technical resources, the new Changzhou plant extension, unrealised foreign exchange loss, plus higher sales and marketing activities, also affected the segmental results

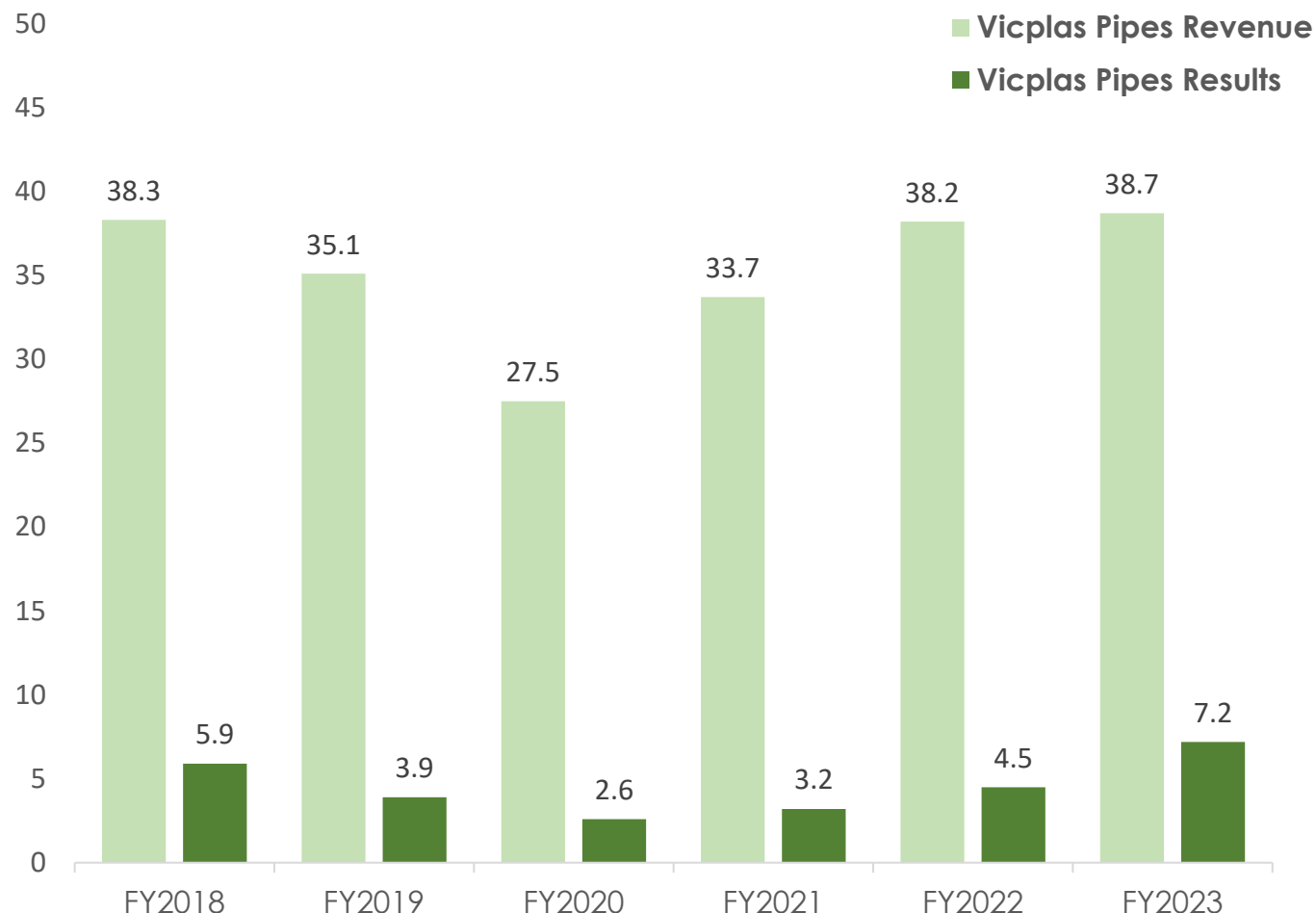


*The segmental result of the medical devices segment and pipes and pipe fittings segment are before corporate, interest and tax expenses as set out in Note 4 of the Condensed Interim Financial Statements.

Segmental Result - Vicplas Pipes

S\$ million

- Vicplas Pipes' FY2023 revenue increased to S\$38.7m as Singapore's construction industry improved
- Segmental results saw a 59.9% increase to S\$7.2m due to a combination of lower material costs, extensive cost containment and efficiency improvement measures in the manufacturing plants



*The segmental result of the medical devices segment and pipes and pipe fittings segment are before corporate, interest and tax expenses as set out in Note 4 of the Condensed Interim Financial Statements.

Forefront Medical Devices

Presented by

Walter Tarca

Group CEO





POSITIONED FOR LONG TERM GROWTH



Our Vision

To be a leading global medical device manufacturing partner with solutions that are preferred by product owners

- 100% focused on manufacturing quality devices for the medical device industry
- Global customer base in five continents
- More than 800 employees
- Committed to providing our customers and their patients with innovative and cost-effective medical devices to enable continuous improvements in healthcare



About Us

Forefront Medical is a medical device specialist in the contract development and manufacturing industry(CDMO), offering industrial and product designs with strong specialisation in the electro-mechanical , injection and blow molding and extrusion fields together with an extended range of services and support to add value to our customers throughout the world and their patients.



Extensive In-House Capabilities: From Concept to Manufacturing



PediGuard for Spinal Surgery



Feeding PVC Tube with Tungsten



Laryngeal Mask with LSR Cuff



Reinforced Extruded Silicone Tube

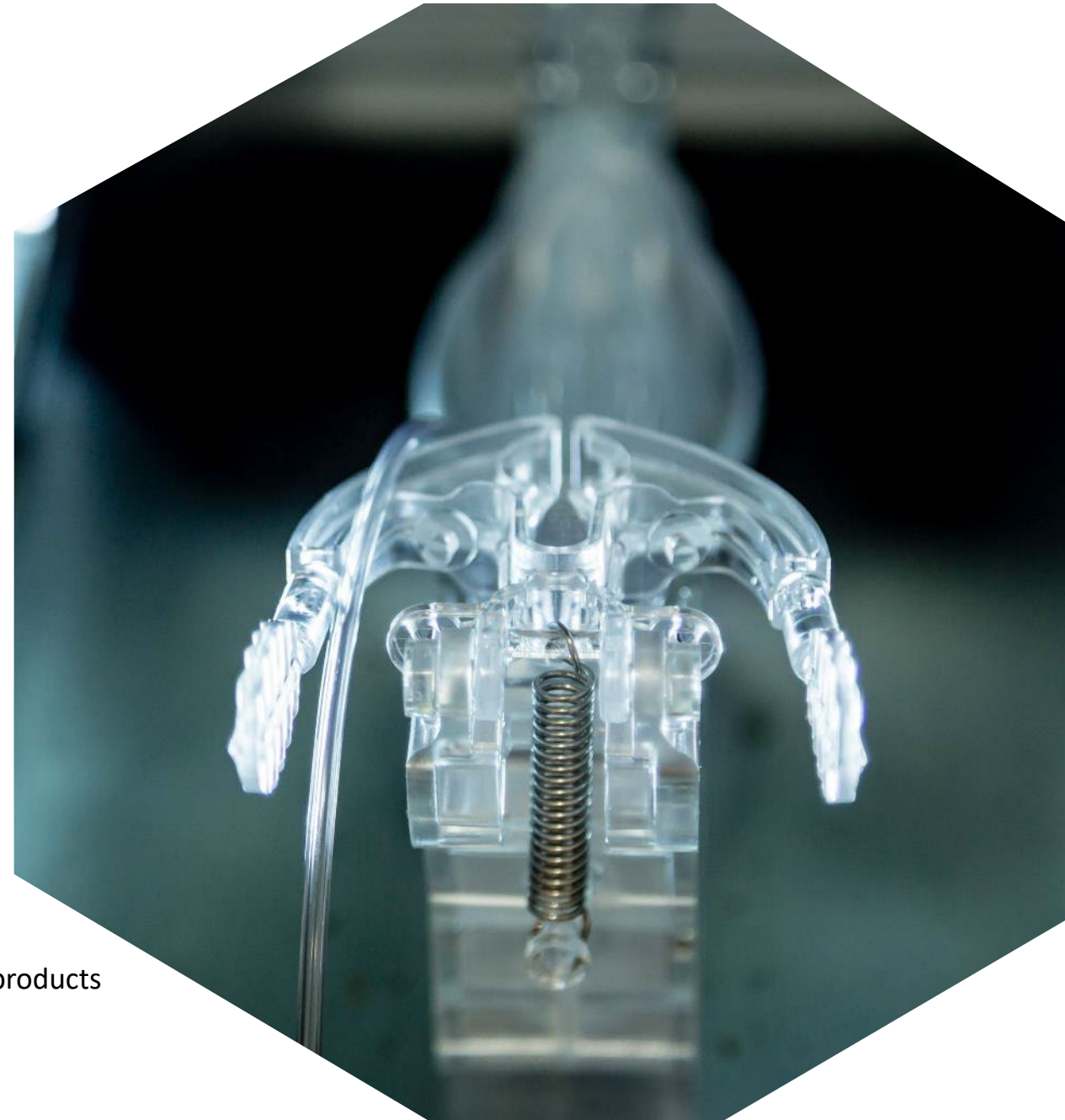
Design & Development	<ul style="list-style-type: none"> Product Concept & Realisation Electronics, Software, Metal Parts 	
Rapid Prototyping		
Plastic & LSR Tooling	<ul style="list-style-type: none"> In-house Toolroom & Design Team Insert Mould 	<ul style="list-style-type: none"> Micro Mould 2K Mould Stack Mould
Moulding Capabilities	<ul style="list-style-type: none"> Wide Range of Materials Injection Extrusion 	<ul style="list-style-type: none"> Injection Blow Extrusion Blow
Production	<ul style="list-style-type: none"> Cleanroom Facility Pilot/Trial Run 	<ul style="list-style-type: none"> Low Mix High Volume High Mix Low Volume
Quality	<ul style="list-style-type: none"> ISO 13485 FDA 510K 	<ul style="list-style-type: none"> CE Mark IQ/OQ/PQ
Assembly	<ul style="list-style-type: none"> Manual Assembly High Speed Automation 	
Secondary Processes	<ul style="list-style-type: none"> Hydrophilic Coating RF Tipping & Forming 	<ul style="list-style-type: none"> Pad Printing Bonding & Welding
Packing	<ul style="list-style-type: none"> Rigid Blister Soft Blister 	<ul style="list-style-type: none"> Tyvek Pouch Pallet Optimisation
Sterillization	<ul style="list-style-type: none"> EtO Gamma 	<ul style="list-style-type: none"> Autoclave E-Beam

Our Medical Device Portfolio

- Vascular
- Pharmaceutical Bottles
- Surgical Devices
- Respiratory
- Orthodontics
- Patient monitoring devices
- Airway Management
- Cell & Gene Therapy
- Endoscopy
- Drug Delivery systems
- Diagnostics
- Enteral feeding

Bringing Medical Innovations to Life

Over 92% of our products are for one time only use and are fully completed products



Global Presence



Singapore – Corporate HQ



Changzhou, China



Xiamen, China



Plant Extension in Changzhou, China



Manufacturing Sites

- Singapore – Corporate HQ (7,410m²)
- Xiamen, China (7,000m²)
- Changzhou, China (7,024m² + 7,000m² extension)
- Kington, UK (2,600m²)

Commercial Offices

- Singapore
- Shanghai, China
- Connecticut, USA
- Kington, UK

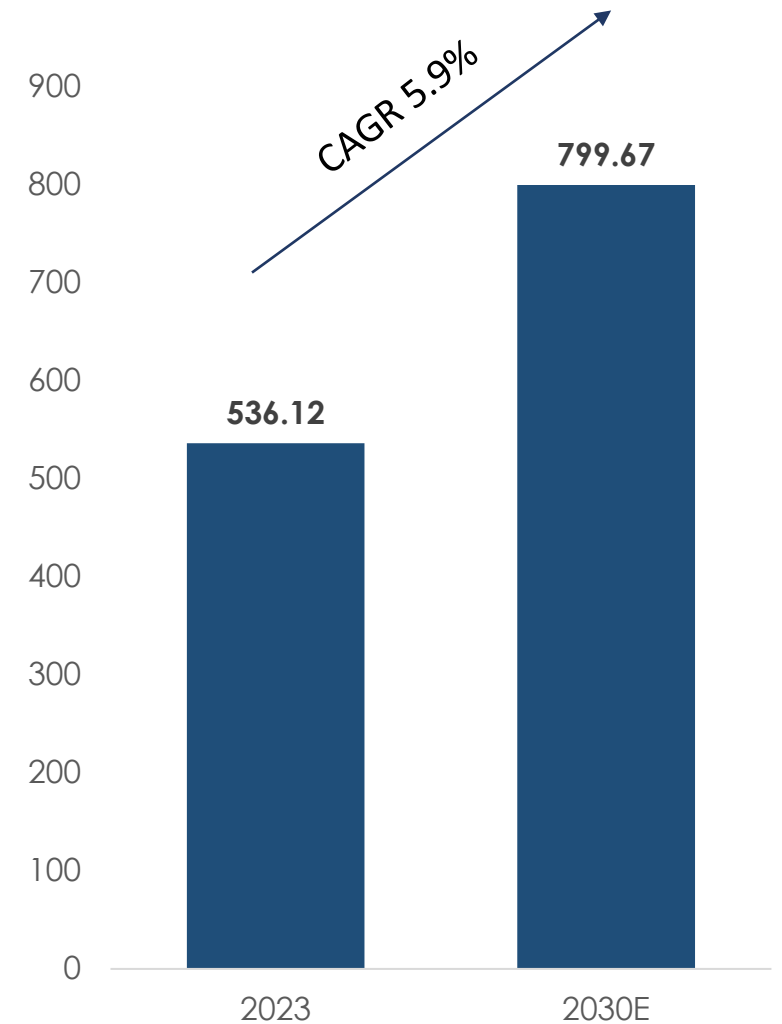
Opportunities in Medtech Industry

The global medical devices market is projected to grow from \$536.12 billion in 2023 to \$799.67 billion by 2030 at a CAGR of 5.9% during the forecast period.*

Key drivers:

- Growing prevalence of chronic diseases and increasing emphasis of healthcare agencies toward early diagnosis and treatment
- Rise in number of inpatient admissions and increasing number of surgical and diagnostic procedures
- Rising investments from leading healthcare market players and medtech companies for R&D and favourable scenarios provided by regulatory authorities

Global Medical Devices Market Size
(in USD Billions)



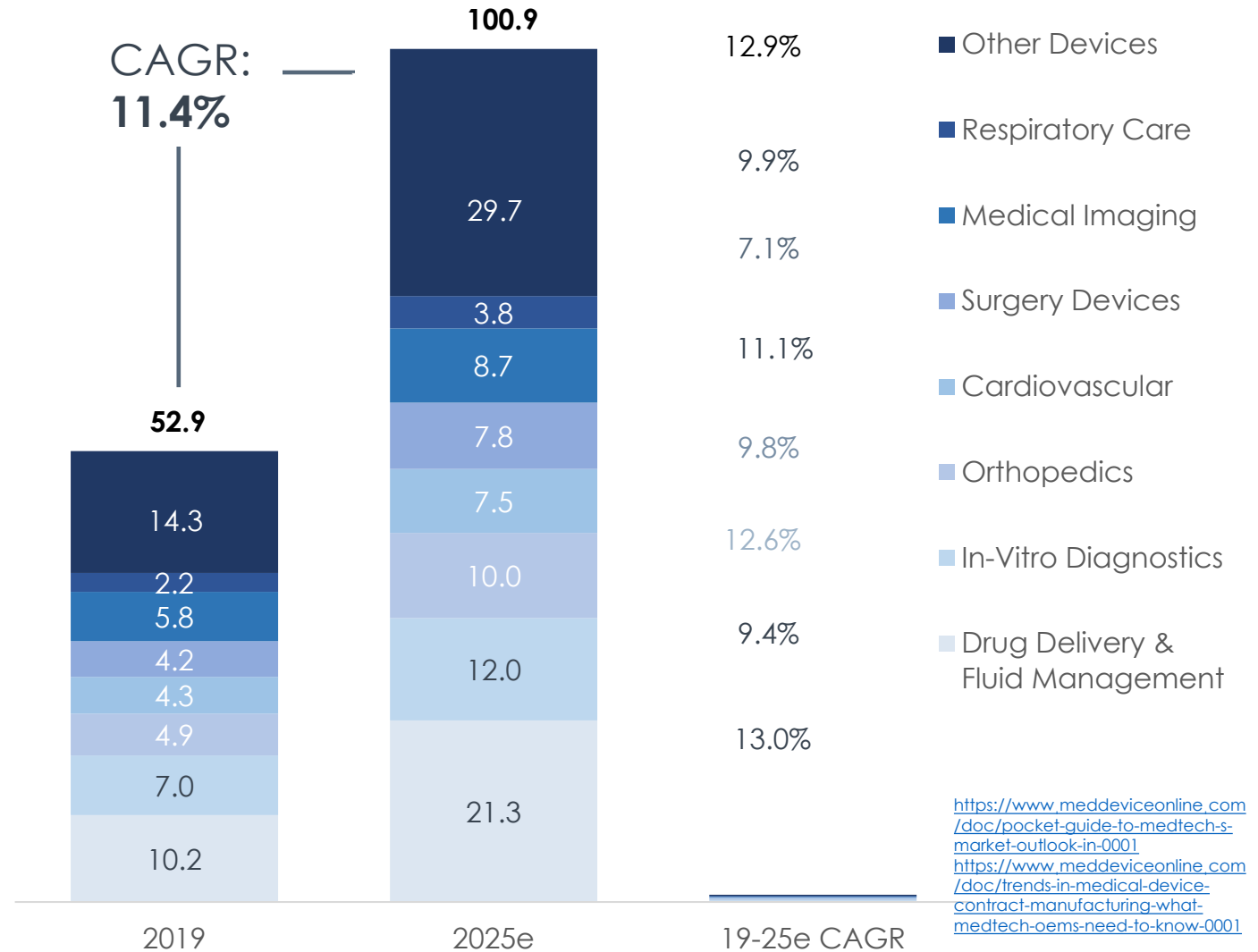
Contract Development & Manufacturing Market is Growing

The MedTech contract development and manufacturing organisation (CDMO) market is expected to grow by an average of 11.4% year-on-year through 2025.

Key drivers:

- Ageing population
- Increased demand for improved healthcare in developing markets
- Continued willingness by product owners to outsource manufacturing to trusted partners that can fully support product and process innovation in the right geographical locations

MedTech CDMO Market by Application: 2019-2025e (US\$B)



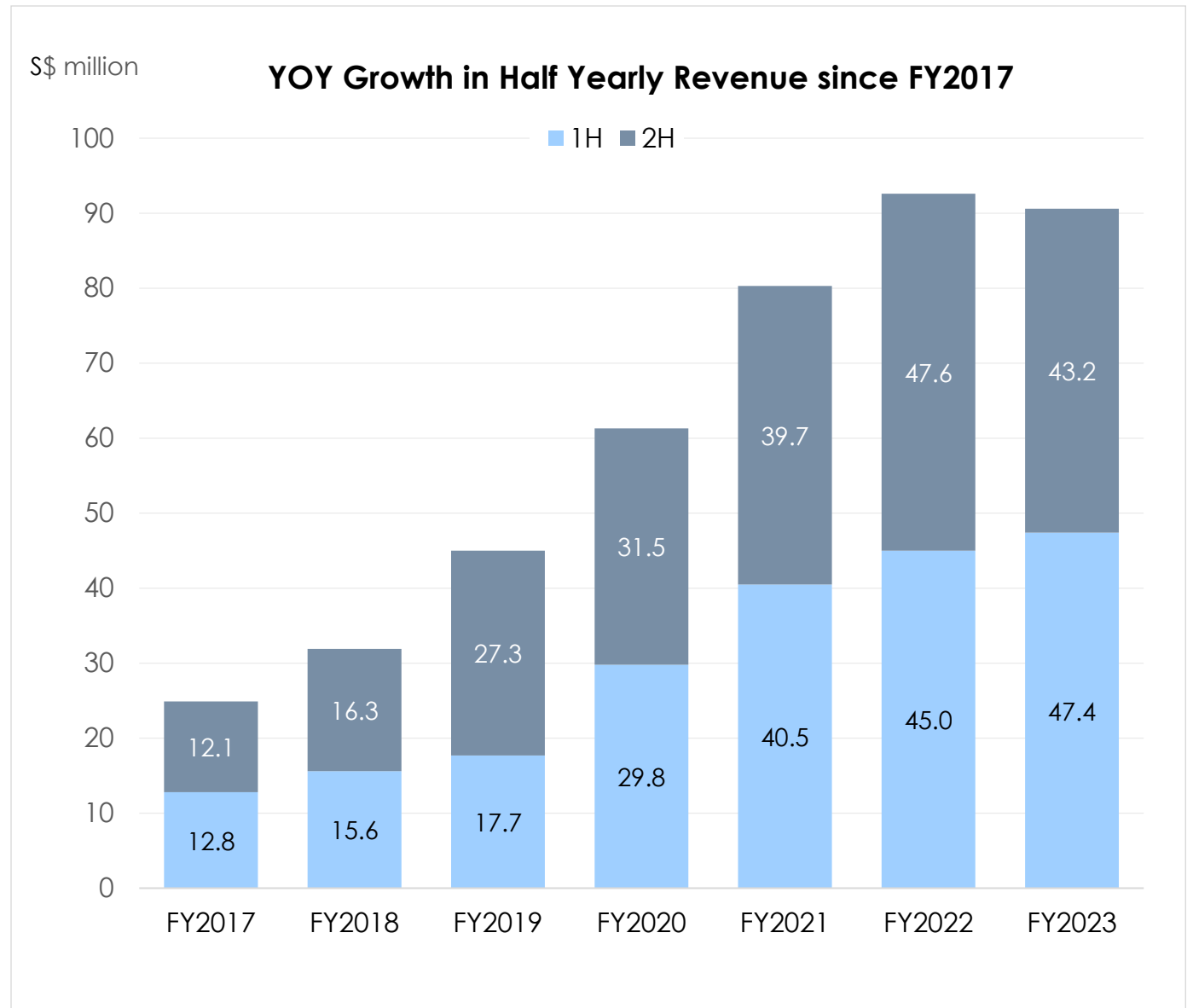
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<https://www.meddeviceonline.com/doc/trends-in-medical-device-contract-manufacturing-what-medtech-oems-need-to-know-0001>



FY2023 HIGHLIGHTS

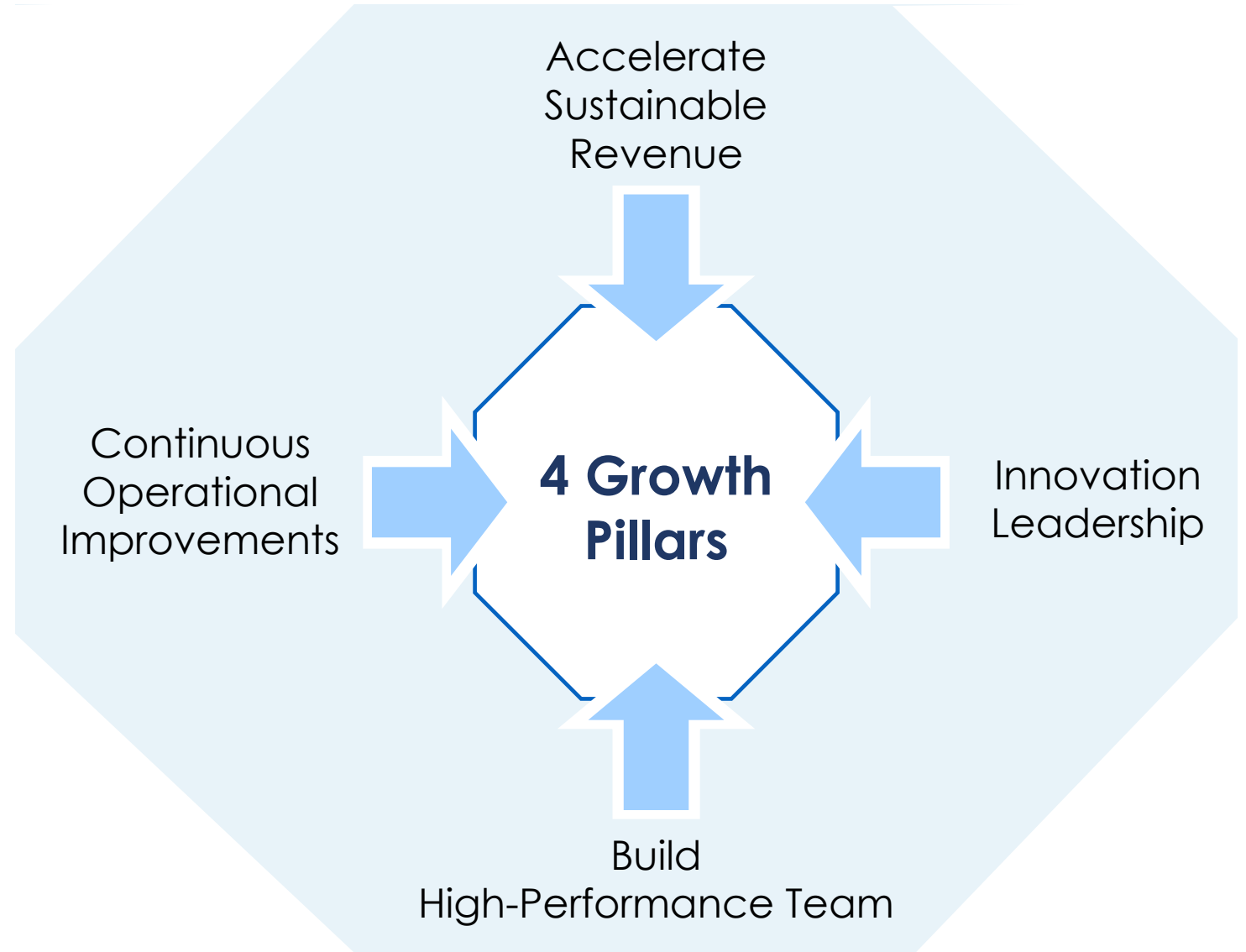
- FY2023 results were negatively impacted by softening demand in the medical devices segment as some customers clear excess stock built up during the uncertainty of the pandemic. There is a temporary reduction in new orders, as inventory levels are rebalanced.
- There were also increased operating expenses such as the new Changzhou plant extension costs, costs related to the establishment of the planned new plant in Mexico as well as higher marketing and travelling costs to source for new business opportunities as markets reopened post pandemic
- Development of an additional near shore USA manufacturing site in Mexico is proceeding as planned, which when complete will improve the segment's ability to collaborate and offer additional services to its global customer base
- Segment continues to prioritise building of new capabilities and efficiency improvements
- Continued to commercialise customer projects including specific market projects for China

SUSTAINABLE LONG TERM SALES GROWTH



Achieving Our Vision: Strategic Intent

To improve profitability by
delivering great solutions for our
customers and building
sustainable value for all our
stakeholders



Strategic Priorities



Accelerate Capital Investments

- Broaden global footprint to satisfy demand and improve flexibility of supply chains for new and existing customers
 - Changzhou extension completed & utilisation improving
 - Juarez, Mexico plant planning progressing well



Drive Capability Improvements & Innovation

- Prioritise efficiency improvements and cost reductions at all manufacturing locations
- Build expanded capabilities in medical extrusions, cell and gene therapy and electro-mechanical devices to strengthen new revenue streams
- Continued investment in collaborative projects with MedTech product owners to expand our capabilities and drive growth

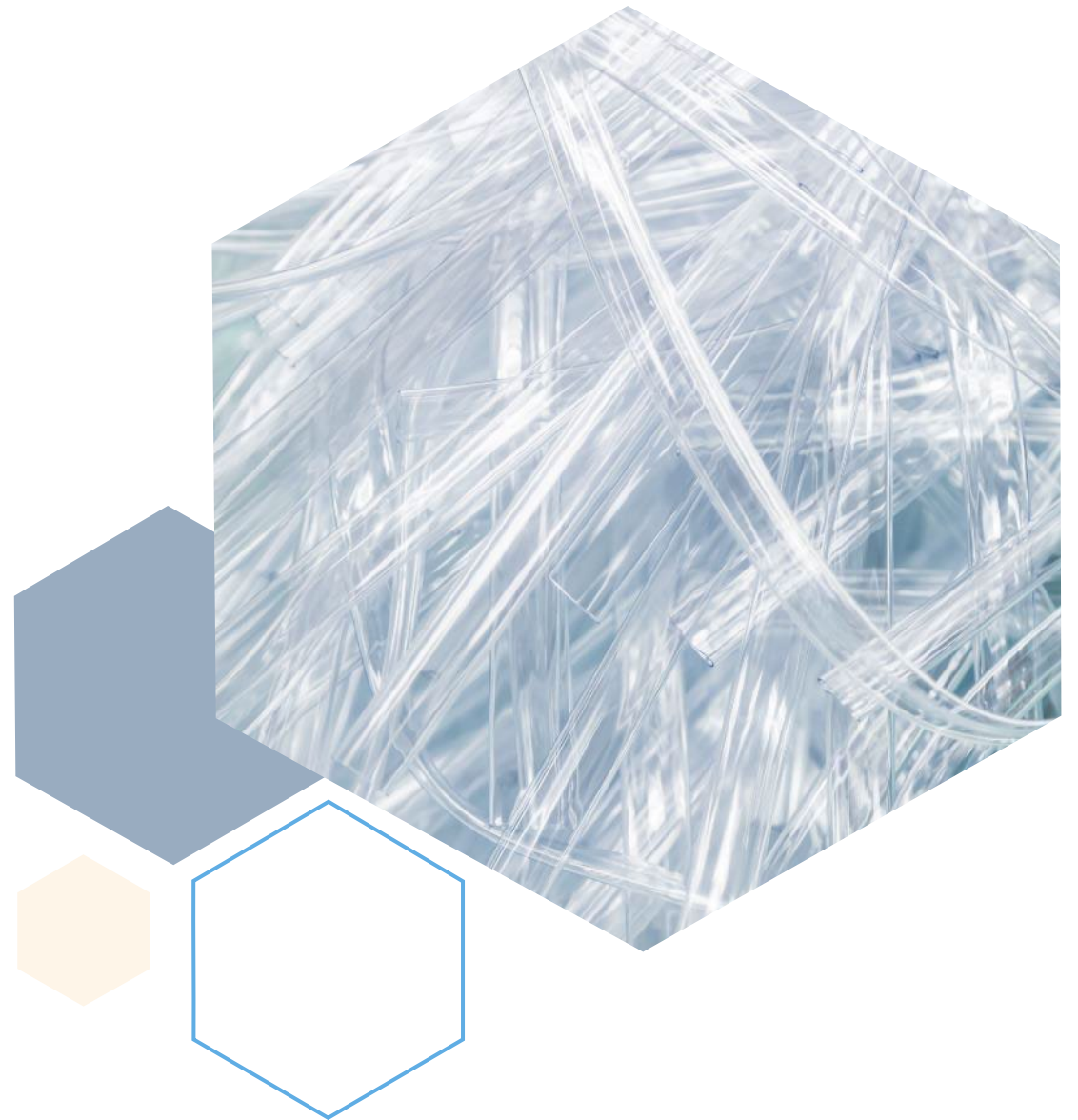


Build A High Performance Team To Drive Growth

- Continue to develop and provide opportunities for our highly engaged, tenured team
- Invest in additional MedTech talent pool to drive new revenue streams and manage growth

Business Outlook

- Segmental revenue is expected to remain constrained as customer inventory adjustment continues
- Segmental result may also be impacted by rising operating costs due to inflationary pressures and higher development and expansion costs
- Long term prospects remain bright as the segment continues to improve its operating efficiencies, implement cost reductions, invest in new capabilities and develop the new Mexico plant to expand its manufacturing footprint in the Americas
- Cautious about challenges that may arise from uncertainties in the global macroeconomic environment, plus ongoing inflationary and interest rate pressures
- Will continue to exercise prudent cost controls, while developing new business opportunities, and positioning its base for future growth



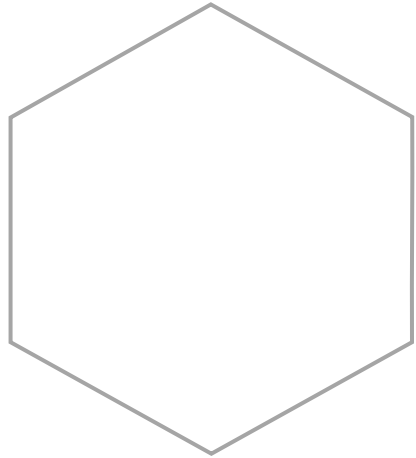
Vicplas Pipes & Pipe Fittings

Presented by

Jay Cheng

Group Operations
Director





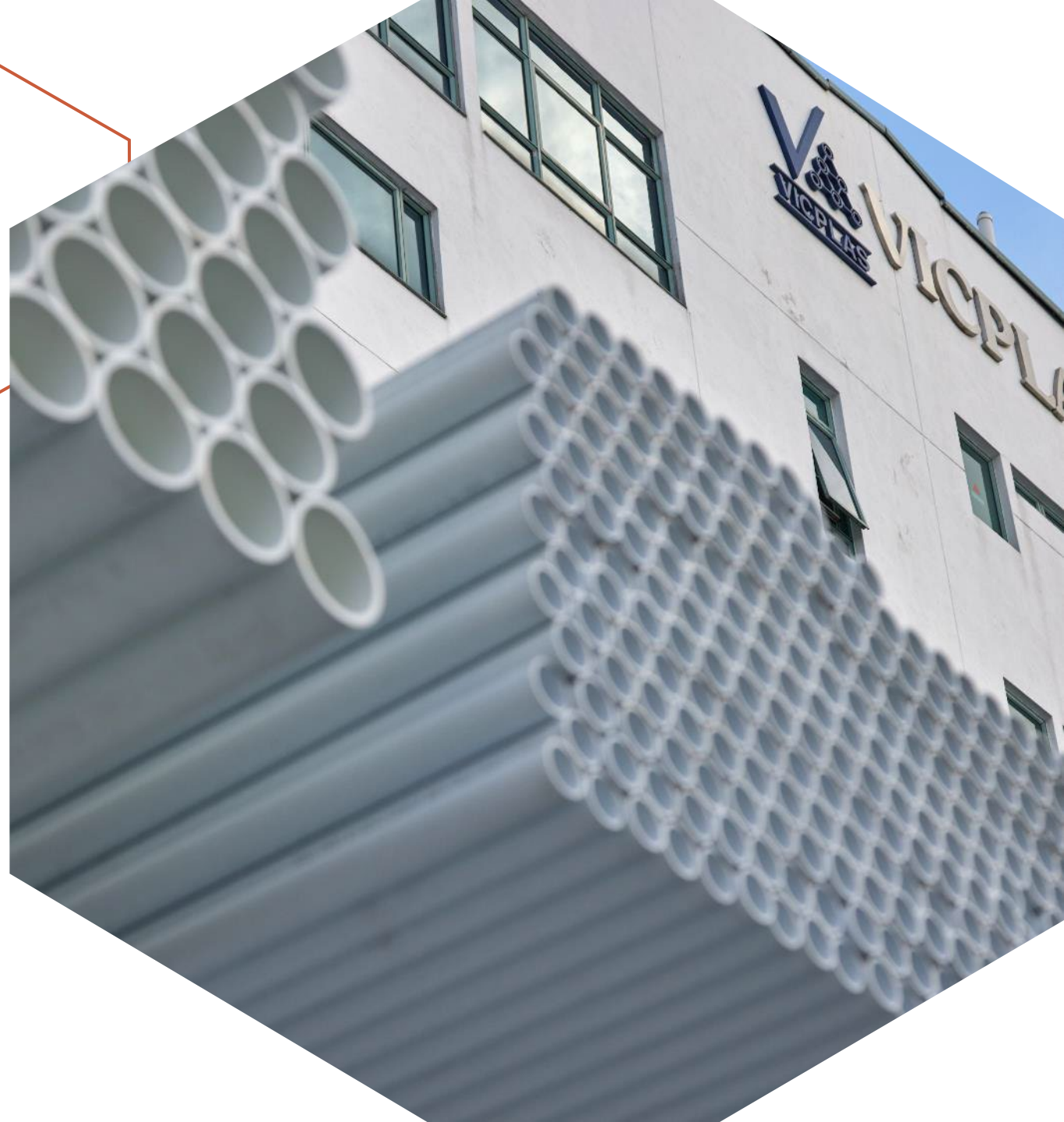
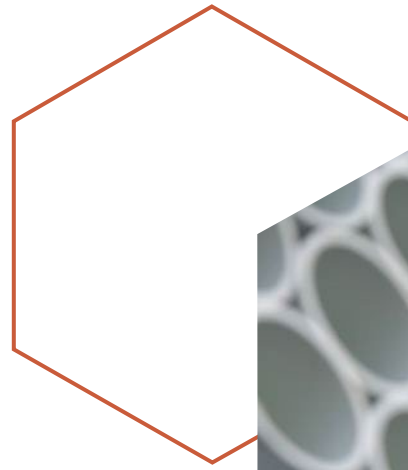
A SUSTAINABLE BUSINESS

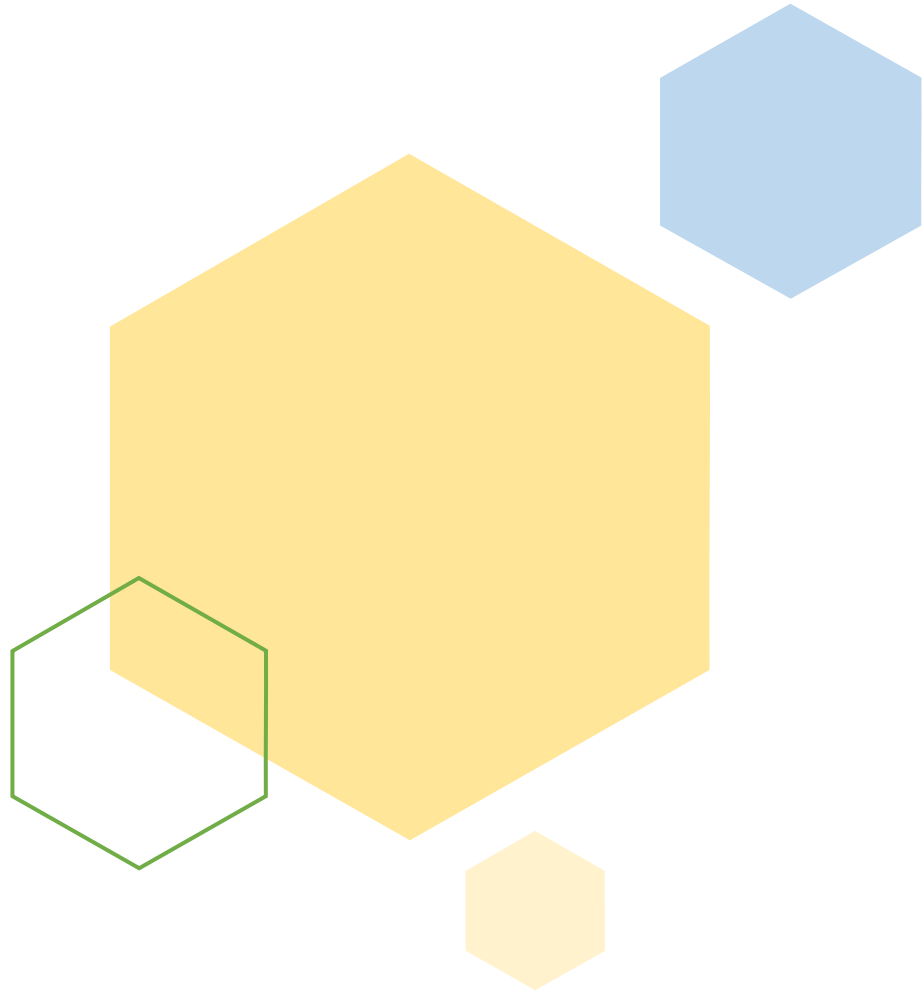


About Us

Vicplas Pipes is a leading solutions provider in the plastic pipe manufacturing industry. Our uPVC piping systems are found in a majority of residential homes across Singapore. Our market leadership is built on the quality and reliability of our products. They are commonly found in:

- **Plumbing and Electrical Works** across residential, commercial, institutional, industrial and other buildings
- **Civil Engineering Works** ranging from telecommunication and power grid pipelines to infrastructure works





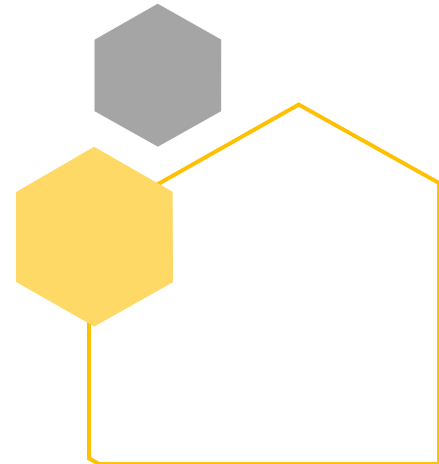
Delivering Green and Innovative solutions beyond the built environment

Driving us forward

Industry Leader in the built environment



- SGBP Green Mark Scheme – 4th Green Marks accrue the maximum point rating for products used towards the project's Green Mark Rating.
- 4th Green Marks achieved – Vicplas is now the recognised industry leader for waste and potable water piping systems.
- Also the 1st uPVC pipes and pipe fittings producer in Singapore to be Green Mark certified.
- 4th Green Marks creates new opportunities for Vicplas pipes to expand beyond Singapore as the built environment regionally adopts green certified products more widely.



Core Capabilities



Product Design

Develop practical, cost-efficient solutions that evolve with the changing needs of customers



Processing Techniques

Proficient across a range of polymer processing techniques and able to offer injection, extrusion, thermal forming and fabrications



Tool Fabrication

Equipped with in-house mould design and fabrication capabilities



Materials Know-how

Extensive working knowledge of polymeric materials such as engineering plastics, specialty elastomers, composites and more



Value Proposition To Customers

Solutions Provider

Proactively look for new product development opportunities to fill industry gaps and meet emerging needs



Product Reliability

Conduct regular quality checks to ensure that products meet stringent quality and regulatory requirements

Research & Development

Constantly explore new possibilities in the design and manufacture of our products

Operational Efficiency

Invest in new technologies and improve existing process to enhance operational and manufacturing efficiency

Green Initiatives

Contribute to a cleaner and greener future by developing environmentally friendly products

Application



Buildings

- Residential homes
- Commercial/ Institutional buildings
- Industrial and others



Hydro-agriculture

- Irrigation pipelines
- Grow Channels



Civil Engineering

- Telecommunication pipelines
- Power gride pipelines
- Infrastructure works



FY2023 HIGHLIGHTS

- Segmental revenue in FY2023 increased by 1.2% to S\$38.7 million from the same period last year as construction activity in Singapore improves
- FY2023 segmental result saw a 59.9% increase to S\$7.2 million from the same period last year due to lower material costs, extensive cost containment and efficiency improvement measures in the manufacturing plants

Business Outlook

- Well-positioned to meet the increase in demand from public housing to be launched over the next few years
- Segment will continue to focus on civil engineering projects and product expansion
- Challenges in the current operating environment such as intensified competition, cost pressures and credit risk exposures likely to continue





Thank You

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