

# **FY2023 Results Briefing**

## **For the year ended March 31, 2023**

**Date: May 31, 2023**

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- Results Highlights
- Business Review

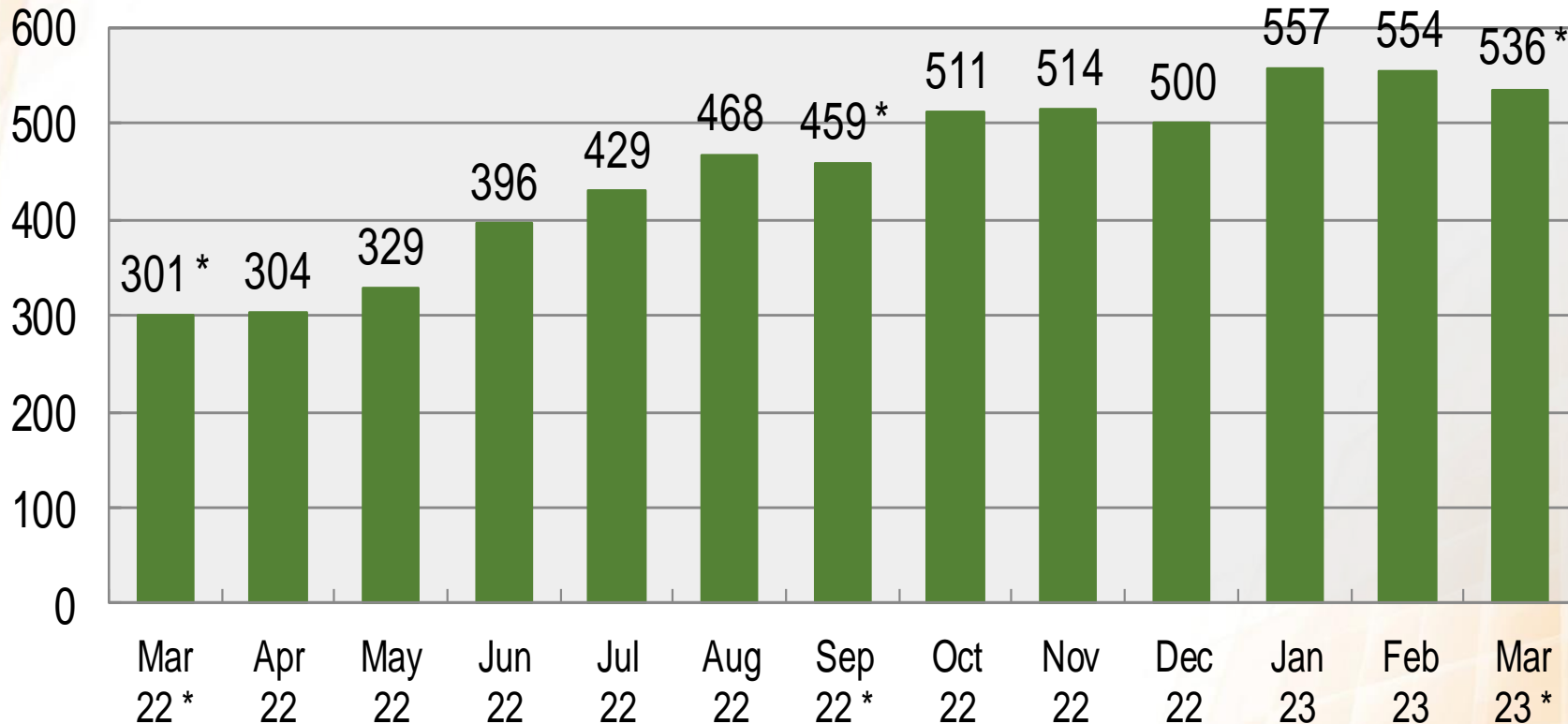
# Results Highlights

# Profit And Loss

	FY2023 HK\$'M	FY2022 HK\$'M	Inc/(Dec) HK\$'M	% Change %
Turnover	3,135.4	3,425.8	(290.4)	-8.5%
<b>EBITDA</b>	63.1	139.5	(76.4)	-54.8%
Depreciation	(15.0)	(14.1)	0.9	6.0%
Finance costs	(43.8)	(17.3)	26.5	153.1%
<b>Profit before tax</b>	4.3	108.1	(103.8)	-96.0%
Income tax expense	(1.6)	(25.9)	(24.3)	-93.7%
<b>Profit after tax</b>	2.7	82.2	(79.5)	-96.7%
Basic EPS (HK cents)	3.11	96.33	(93.22)	-96.8%

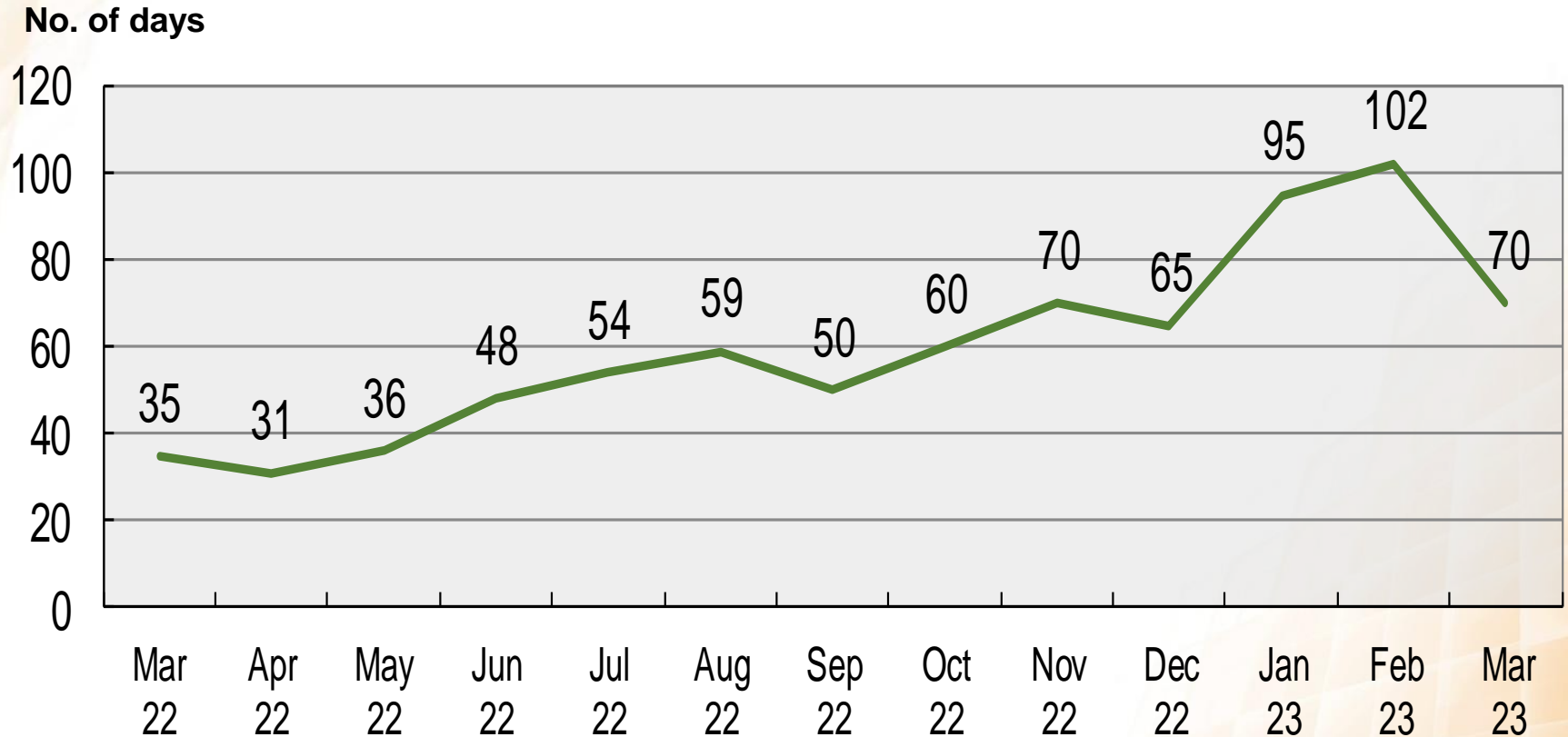
# Inventory Level

In HK\$'M



\* Excluding Goods-in-Transit

# Inventory Turnover Ratio



# Business Review



## Business Review

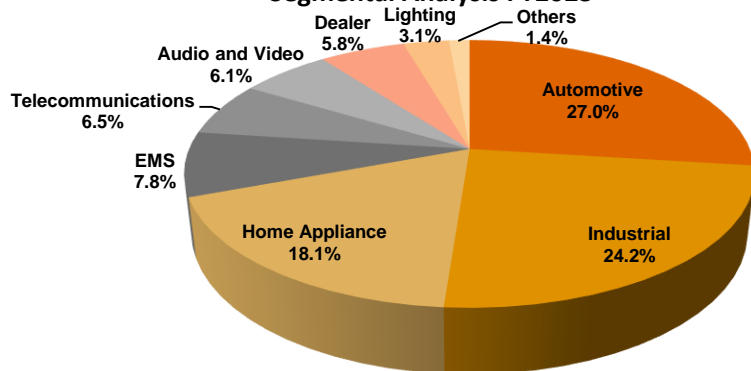
- Market Segment Review
- Snapshot of China Economy
- Update about China's
  - Automotive Market
  - Home Appliance Market

# Market Segment Review

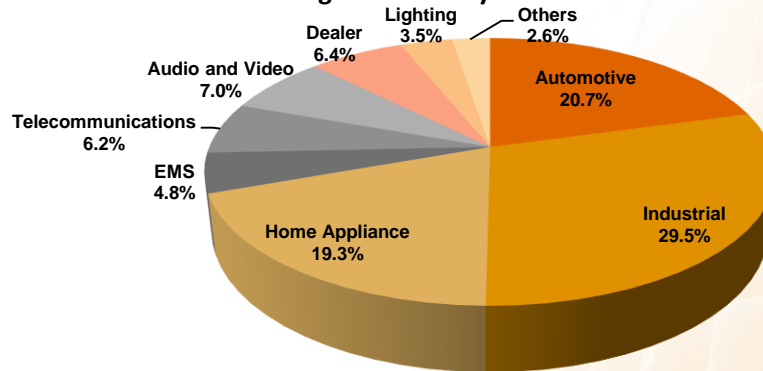
(in HK\$'000)

	FY2023		FY2022		Increase (Decrease)	
Turnover		%		%		%
Automotive	845,174	27.0%	710,758	20.7%	134,416	18.9%
Industrial	758,243	24.2%	1,010,422	29.5%	(252,179)	(25.0%)
Home Appliance	568,016	18.1%	660,797	19.3%	(92,781)	(14.0%)
EMS	245,108	7.8%	163,241	4.8%	81,867	50.2%
Telecommunications	203,160	6.5%	213,945	6.2%	(10,785)	(5.0%)
Audio and Video	191,876	6.1%	238,855	7.0%	(46,979)	(19.7%)
Dealer	183,190	5.8%	218,577	6.4%	(35,387)	(16.2%)
Lighting	97,990	3.1%	118,753	3.5%	(20,763)	(17.5%)
Others	42,676	1.4%	90,484	2.6%	(47,808)	(52.8%)
	<b>3,135,433</b>	<b>100.0%</b>	<b>3,425,832</b>	<b>100.0%</b>	<b>(290,399)</b>	<b>(8.5%)</b>

Segmental Analysis FY2023



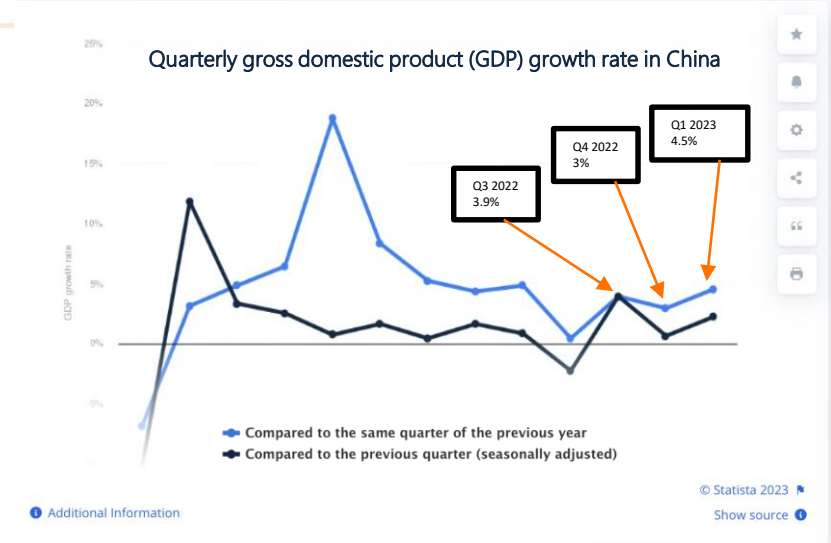
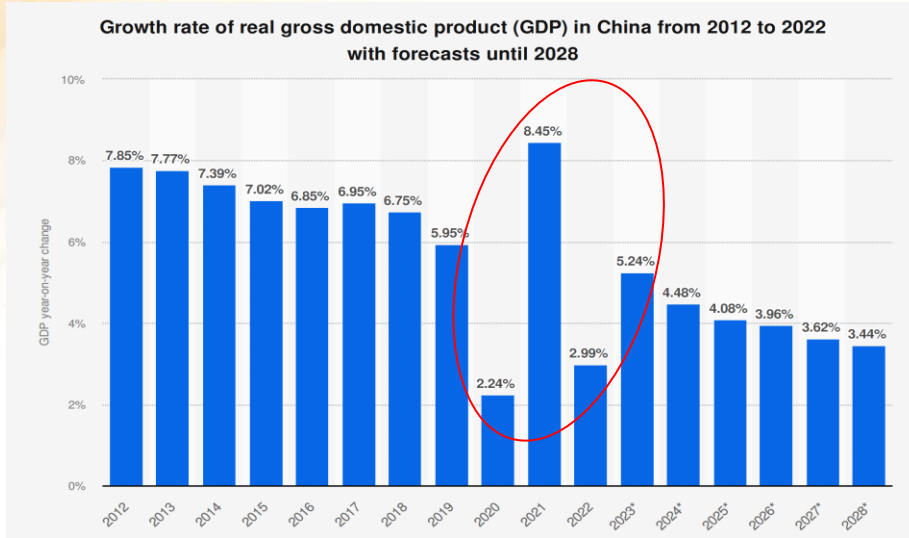
Segmental Analysis FY2022



# Business Review

- Market Segment Review
- **Snapshot of China Economy**
- Update about China's
  - Automotive Market
  - Home Appliance Market

# Snapshot of China Economy



## 2020 - 2022

- Disruption owing to COVID-19
- We achieved a yearly growth of only 2.99% in 2022
- The prolonged lockdown in China caused a slowdown in Q4 2022

## 2023

- China's economy rebounded strongly in Q1 2023 with QoQ growth of 4.5%
- China's GDP is forecast to expand 5.24% in 2023, signalling a strong rebound

# Business Review

- Market Segment Review
- Snapshot of China Economy
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# China – Sales of Automobiles 2022

## Total Car Sales

Unit: 10000, %

	Volume	Jan. — Dec.	MoM	YoY	YoY Jan. — Dec.
<b>Cars</b>	255.6	2686.4	9.7	-8.4	2.1
<b>Passenger Cars (PC)</b>	226.5	2356.3	9.0	-6.7	9.5
Cars	106.1	1111.6	10.2	-6.1	11.5
MPV	10.0	93.7	18.6	-12.2	-11.2
SUV	107.0	1118.7	6.4	-6.2	10.8
Crossed Passenger Cars	3.4	32.3	33.7	-17.4	-17.4
<b>Commercial Vehicles (CV)</b>	29.1	330.0	15.2	-20.2	-31.2
Buses	5.3	40.8	41.8	-2.0	-19.2
Buses incomplete vehicles	0.1	1.0	-34.4	-60.8	-40.1
Trucks	23.9	289.3	10.6	-23.3	-32.6
Semi-trailer	2.1	29.9	12.3	1.6	-55.9
Trucks incomplete vehicles	2.7	27.0	51.7	-30.2	-57.7

- Although total car sales declined 8.4% in Dec 2022 owing to the prolonged lockdown in China, total car sales for the 12 months of 2022 expanded 2.1%.
- However, sales of commercial vehicles dropped 31.2% YoY in 2022, due to the decline in economic activity.

# China – Sales of Automobiles in Jan-Apr 2023

## Total Car Sales

Unit: 10000, %

	Volume	Jan. — Apr.	MoM	YoY	YoY Jan. — Apr.
<b>Cars</b>	215.9	823.5	-11.9	82.7	7.1
<b>Passenger Cars (PC)</b>	181.1	694.9	-10.2	87.7	6.7
Cars	80.2	309.1	-12.1	74	1.5
MPV	9.1	30.6	0.1	134.6	25.8
SUV	89.4	347.1	-9.9	100	11.4
Crossed Passenger Cars	2.4	8.3	15.8	31.5	-23.2
<b>Commercial Vehicles (CV)</b>	34.8	128.6	-19.9	60.5	8.8
Buses	3.8	13.8	-15.5	51.9	18.7
Buses incomplete vehicles	0.1	0.4	-5.7	61.7	18.9
Trucks	31	114.8	-20.4	61.7	7.7
Semi-trailer	4.3	16.6	-27.3	118.2	37.3
Trucks incomplete vehicles	2.1	9.4	-42.2	18.8	-17.8

**China' automotive market responded positively to the lifting of the country's strict zero-COVID stance in Jan 2023**



Between Jan and April 2023:

- Total car sales grew 7.1% YoY;
- Commercial vehicles recorded 8.8% YoY.

# China – Sales of New Energy Vehicles 2022

## New Energy Car Sales

Unit: 10000, %

	Dec.	Jan. — Dec.	MoM	YoY	YoY Jan. — Dec.
<b>NEVs</b>	81.4	688.7	3.1	51.8	93.4
<b>NEV PCs</b>	75.7	654.8	1.5	50.4	94.3
BEVs	56.8	503.3	-1.3	35	81.7
PHEVs	18.8	151.5	10.7	129.7	152.4
<b>NEV CVs</b>	5.7	33.8	31.2	72.1	78.9
BEVs	5.6	33.1	30.7	73.2	79.9
PHEVs	0.05	0.4	26.3	33.1	10.5

- Sales of NEV remained resilient even during the pandemic due to the Chinese government's support for the sector and increasing focus on carbon neutrality
- Sales of NEV rose 93.4% YoY in 2022 despite pandemic restrictions and challenges



# China – Sales of New Energy Vehicles in Jan-Apr 2023

## New Energy Car Sales

Unit: 10000, %

	Apr.	Jan. — Apr.	MoM	YoY	YoY Jan. — Apr.
<b>NEVs</b>	63.6	222.2	-2.5	113	42.8
<b>NEV PCs</b>	60.9	212	-1.5	117.4	42.5
BEVs	44.4	152.4	-2.7	108.9	29.9
PHEVs	16.5	59.7	2	144.1	89.6
<b>NEV CVs</b>	2.8	10.2	-20.4	46.9	49.8
BEVs	2.7	9.9	-19.8	44.4	51.2
PHEVs	0.03	0.2	-46.1	1096.4	9.4

- Post-pandemic, the growth of NEV sales remains robust in China
- However, sales of ICE vehicles and NEV declined 11.9% MoM and 2.5% MoM, respectively, in April 2023

# China Air-Conditioner Production

## Monthly China's Household AC Production(Ten Thousand Units)

Data Source : 产业在线 (ChinaIOL.com)



# China Air-Conditioner Production (Inverter-type)

## Monthly China's Household AC(Variable) Production(Ten Thousand Units)

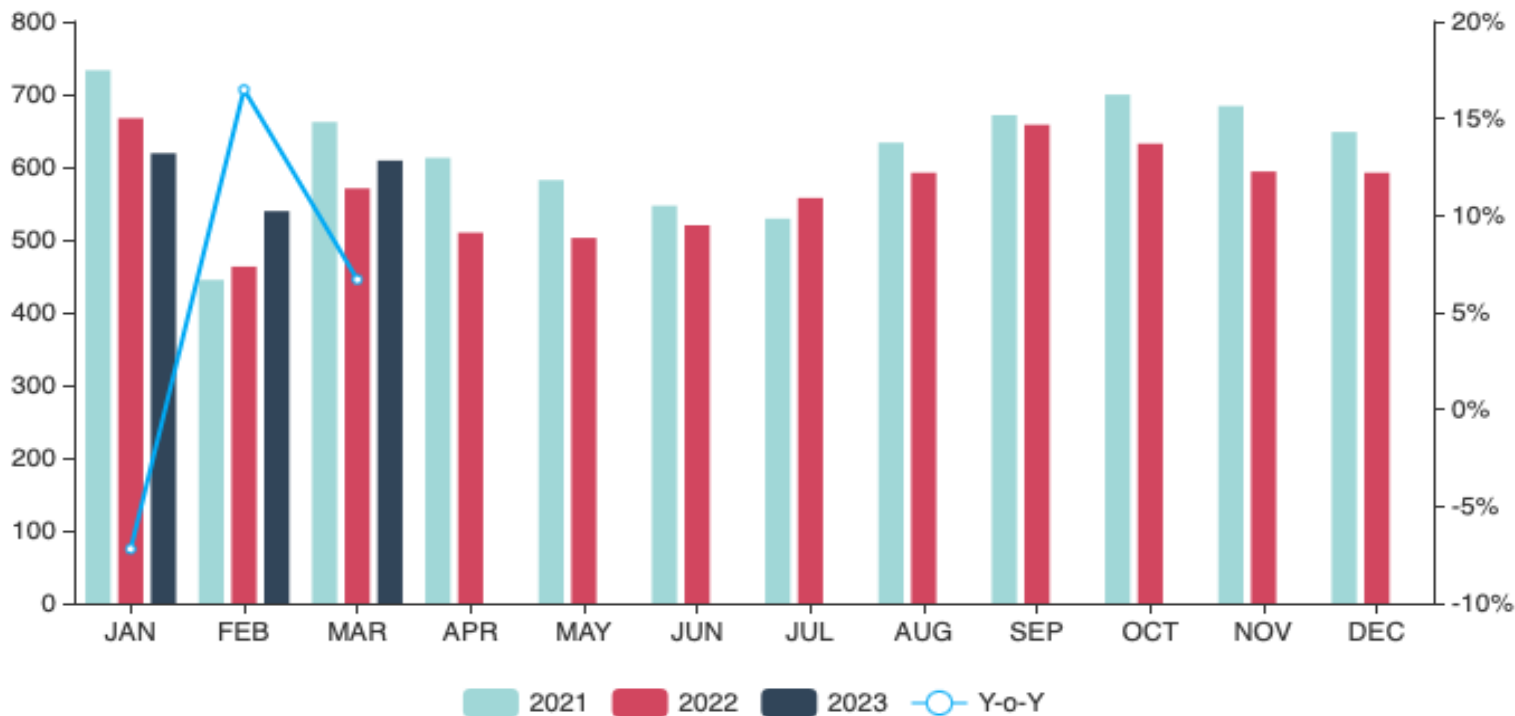
Data Source : 产业在线 (ChinaOL.com)



# China Washing Machine Production

## Monthly China's Washing Machine Production(Ten Thousand Units)

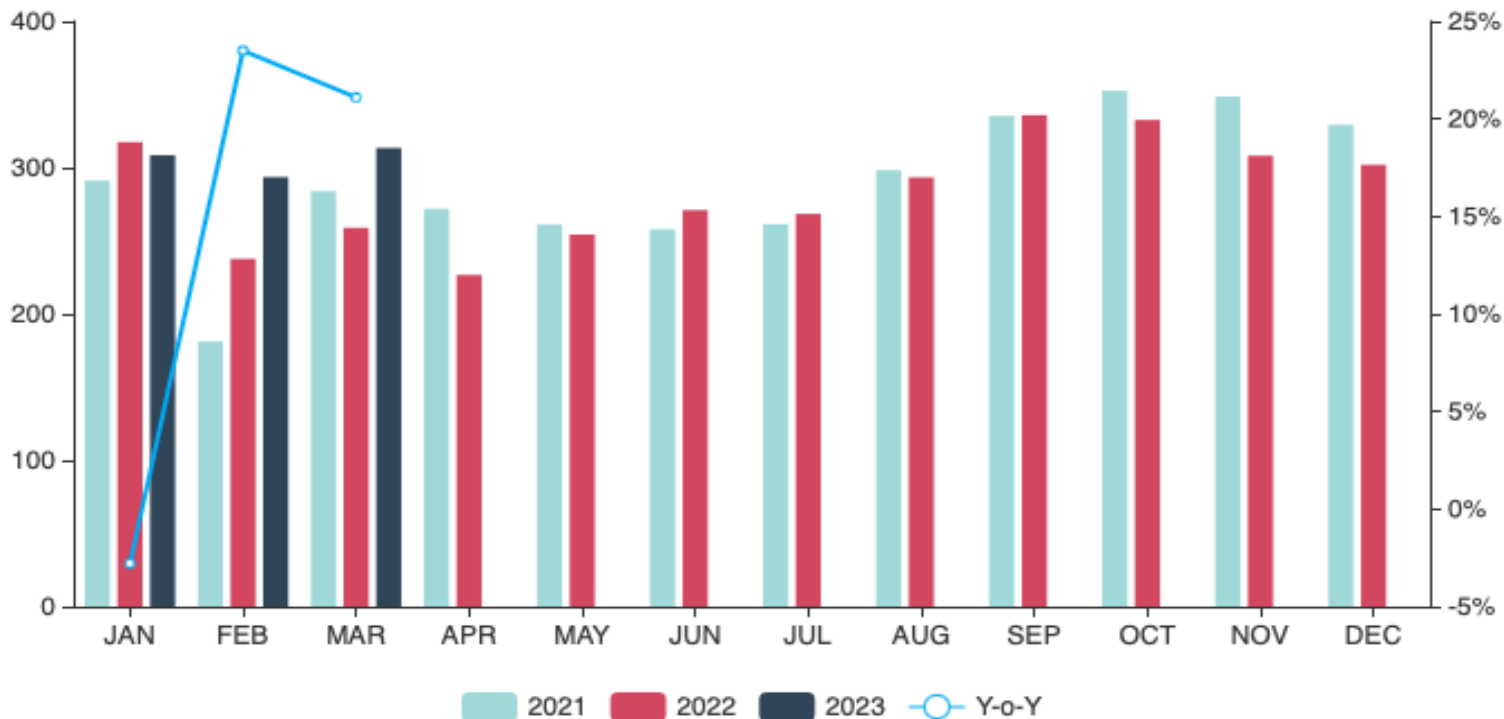
Data Source : 产业在线 (ChinaOL.com)



# China Washing Machine Production (DC Inverter-type)

## Monthly China's Washing Machine(DC Variable-Freq.) Sales(Ten Thousand Units)

Data Source : 产业在线 (ChinaIOL.com)



**Thank you !**