



valuetronics

FY2024 Results Briefing

Note: This presentation is to be read in conjunction with the announcement issued on SGXNET on 29 May 2024

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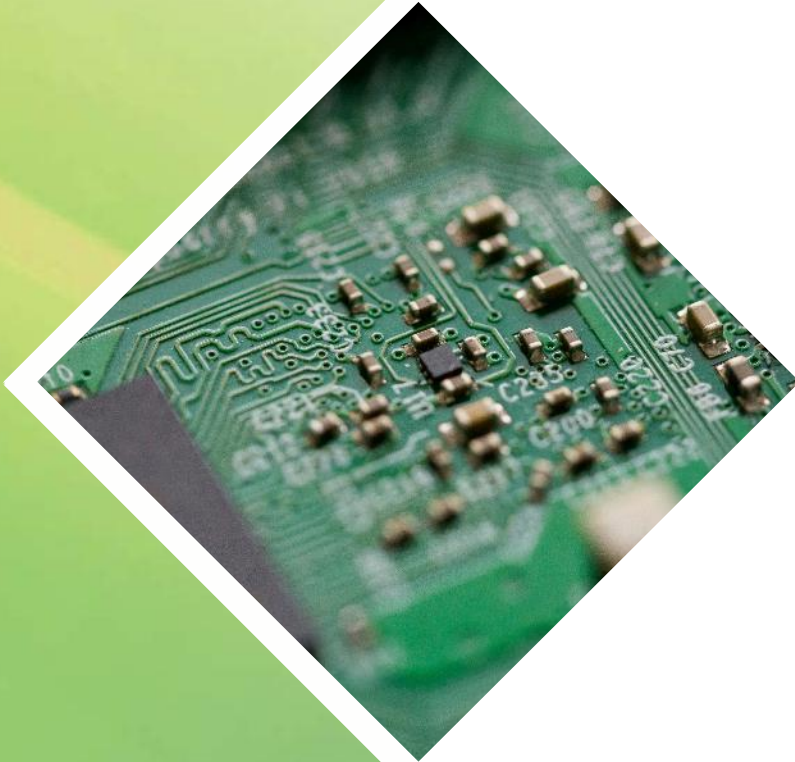
About Us

Corporate Information

- Established in 1992 in Hong Kong
- An integrated Electronics Manufacturing Services (EMS) provider
- Listed on SGX Mainboard on 28 March 2007
- Auditors: PricewaterhouseCoopers
- Employees: ~3,000 globally (31 March 2024)
- Two facilities: ShenZhen, China + Hanoi, Vietnam

Accreditations

- ISO9001:2015
- ISO14001:2015
- TL9000:2016(H) R6.3/5.7
- IATF16949: 2016
- IPC J STD-001/ IPC-A-610 QML Class 3
- ANSI/ESD S20.20 - 2021



Bloomberg Code

Reuters Code

Stock Code

Index

Issued shares (M)

Mkt cap* (S\$M)

Share price* (S\$)

52 wk range* (S\$)

VALUE.SP

VLUE.SI

BN2

**FTSE ST Small Cap,
FTSE Global MicroCap**

435.6

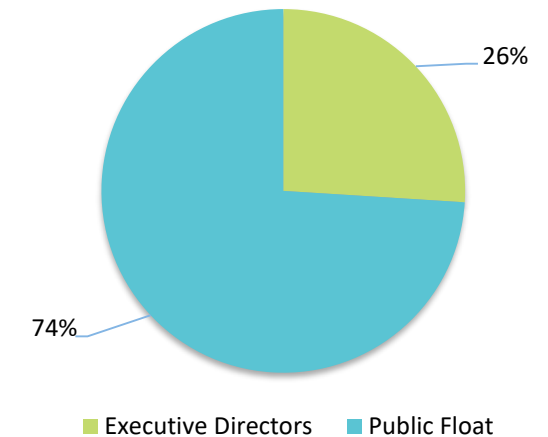
283.1

0.650

0.485 – 0.650

* 27 May 2024

Shareholding



Business Overview

Valuetronics is a one-stop, integrated EMS provider that offers a full range of services to its customers



Design and development covers engineering design and development, product design and deployment, and tool design and tool fabrication



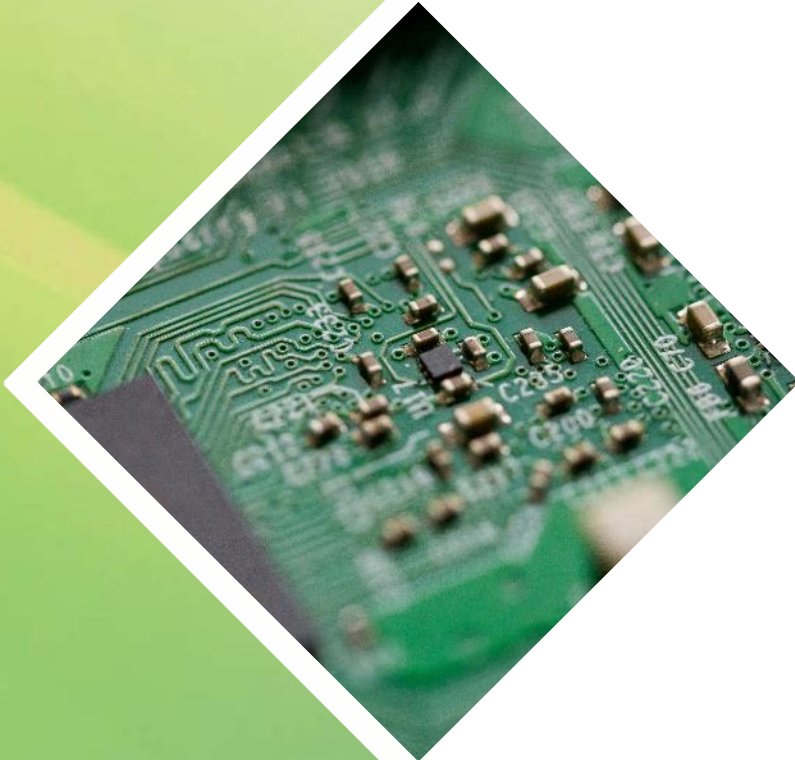
Manufacturing with integrated manufacturing sites in China and Vietnam



Assembly covers plastic injection moulding, metal stamping and machining, and printed circuit board assembly and box build assembly



Supply chain support provides full turn-key manufacturing services covering procurement of raw materials, manufacture and deliver products to customer's designated locations



Key Milestones

Incepted in Hong Kong with manufacturing facilities in Danshui Town PRC
1992



Adopted work cell management & updated to ISO9001:2000
2003



Listed on SGX-Mainboard & commenced construction for Daya Bay Facility
2007



Completed Phase 1 construction of Daya Bay Facility
2008



Adoption of formal dividend policy
2014



Received 2016 Above & Beyond – Pinnacle Award for Supplier Excellence from Delphi
2017



Established Manufacturing footprint in Vietnam
2019



Joint Winner of Most Transparent Company Award 2023, Technology Category & Singapore Corporate Governance Award 2023, Small Cap Category
2023



2002
Use of ROHS equipment and accredited with TL9000



2005
Became Philips' preferred supplier for its consumer lifestyle segment



2008
Became Phillips preferred supplier for its lighting segment



2012
Celebrated 20th anniversary with revenue crossing HK\$2 billion



2015
Received TS16949 certification

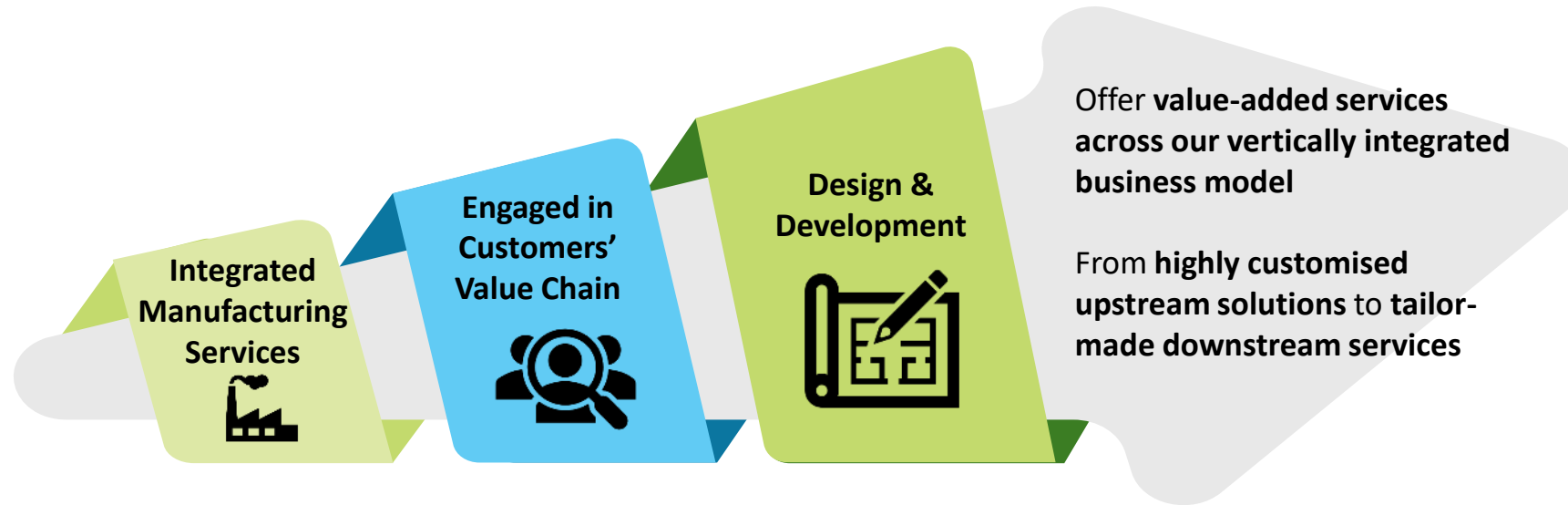


2019
Awarded 2019 Sustainability Award, Small Cap – Runner Up from SIAS



2022
Vietnam Campus commenced mass production

A Premier Design and Manufacturing Partner



————— **Proactive deployment of Design & Development capabilities** —————→

Integrated Manufacturing Services

- SMT
- Auto insertion and selective soldering
- Wire bonding
- FG assembly
- CNC machining
- Injection molding
- Tool design & fabrication

Engaged in Customers' Value Chain

- Design for manufacturing
- Design and build test fixtures
- Rapid prototyping
- Regulatory compliances
- Supply chain management services

Design & Development

- Mechanical and electrical engineering design from concept to mass production
- Better manufacturability with enhanced features & lower cost
- Software development
- Testing development
- Industrial design

Multinational Footprint

China Campus



- Land use rights acquired in 2006
- Total site area > 110,000 sq m



Vietnam Campus



- Land use rights acquired in 2019
- Total site area > 52,000 sq m



Industrial & Commercial Electronics

Printers

Nasdaq-listed Company

(Transaction Printer for Slot, POS & Teller Station Machines)



Global Brand owned by NYSE-listed MNC

(Thermal Label Printer for Industrial & Commercial Use)



Sensing Devices

Unit of a NYSE-listed MNC

(Cold Chain Temperature Monitor for Industrial & Commercial Use)



Automotive Parts

Tier 1 Automotive System Manufacturer

(Data and media connectivity module)



Industrial & Commercial Electronics

Communication Products

United States-based Company



Taiwan-listed Company



Network & HPC Products

United States & Canada-based Company
(Cooling solutions for HPC environment)



Network Access Solutions Provider
based in Canada



Industrial & Commercial Applications

Startup Owned by PE Fund
(Hardware provider for retail chain stores)



NYSE-listed United States Company
(Residential and Commercial Water Solutions)

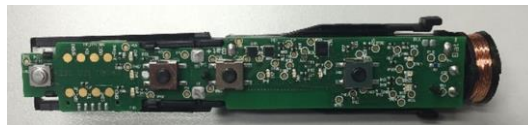
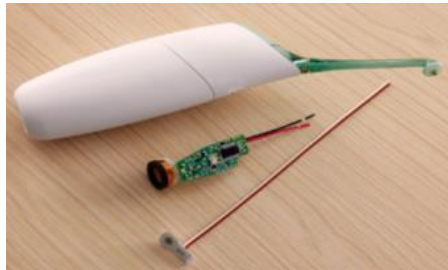


Consumer Electronics

Consumer Lifestyle Products

Consumer Lifestyle Division of a Dutch MNC

(PCBA for Shavers & Electric Toothbrushes
for Consumer Use)



Smart Lighting with IOT Features

World leader in lighting for professionals and consumers and lighting for IOT

(Wireless lighting contain various LED specially
chosen to produce wide range of intensities and over
16 million colours;
Wirelessly controlled by mobile application)



Immersive Entertainment Products

Leading Global Entertainment Conglomerate





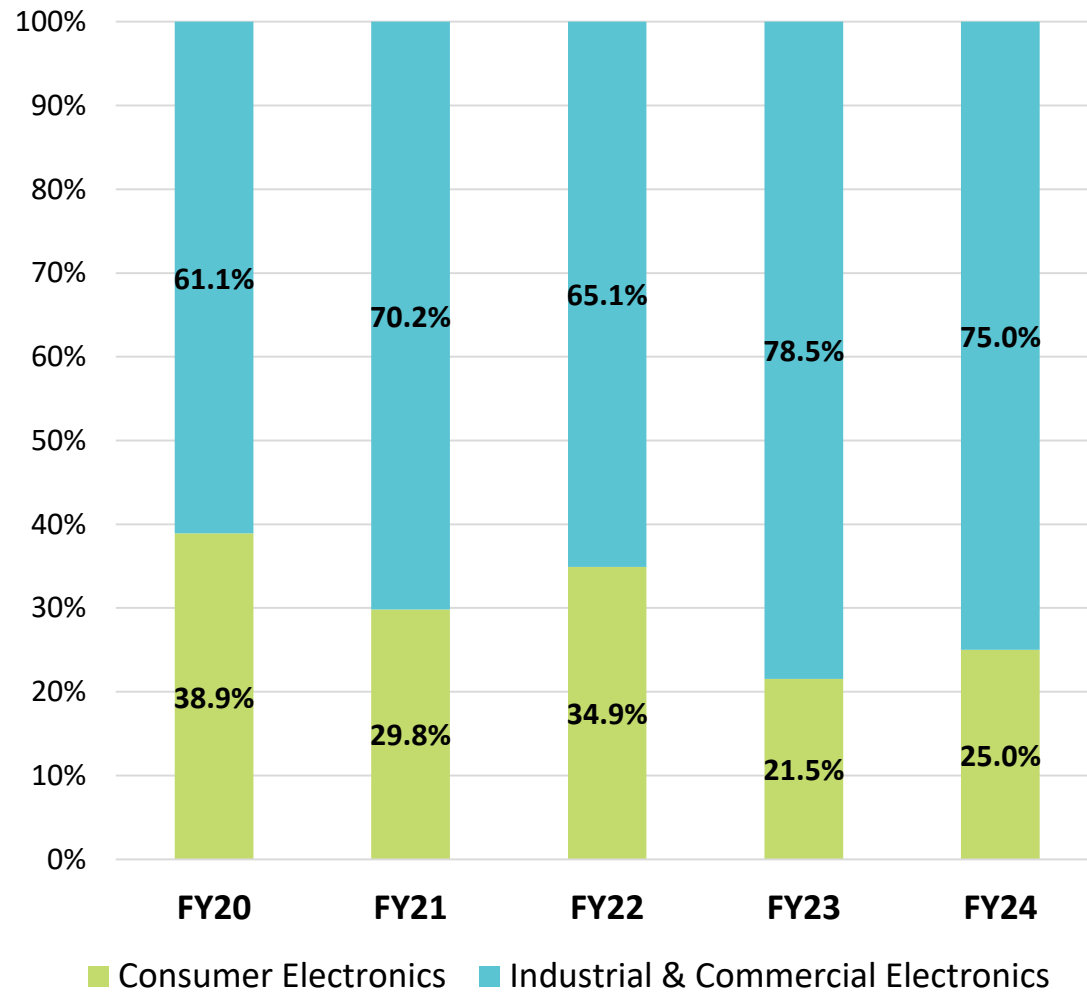
**FY2024
Financial Highlights**

FY2024 Financial Highlights

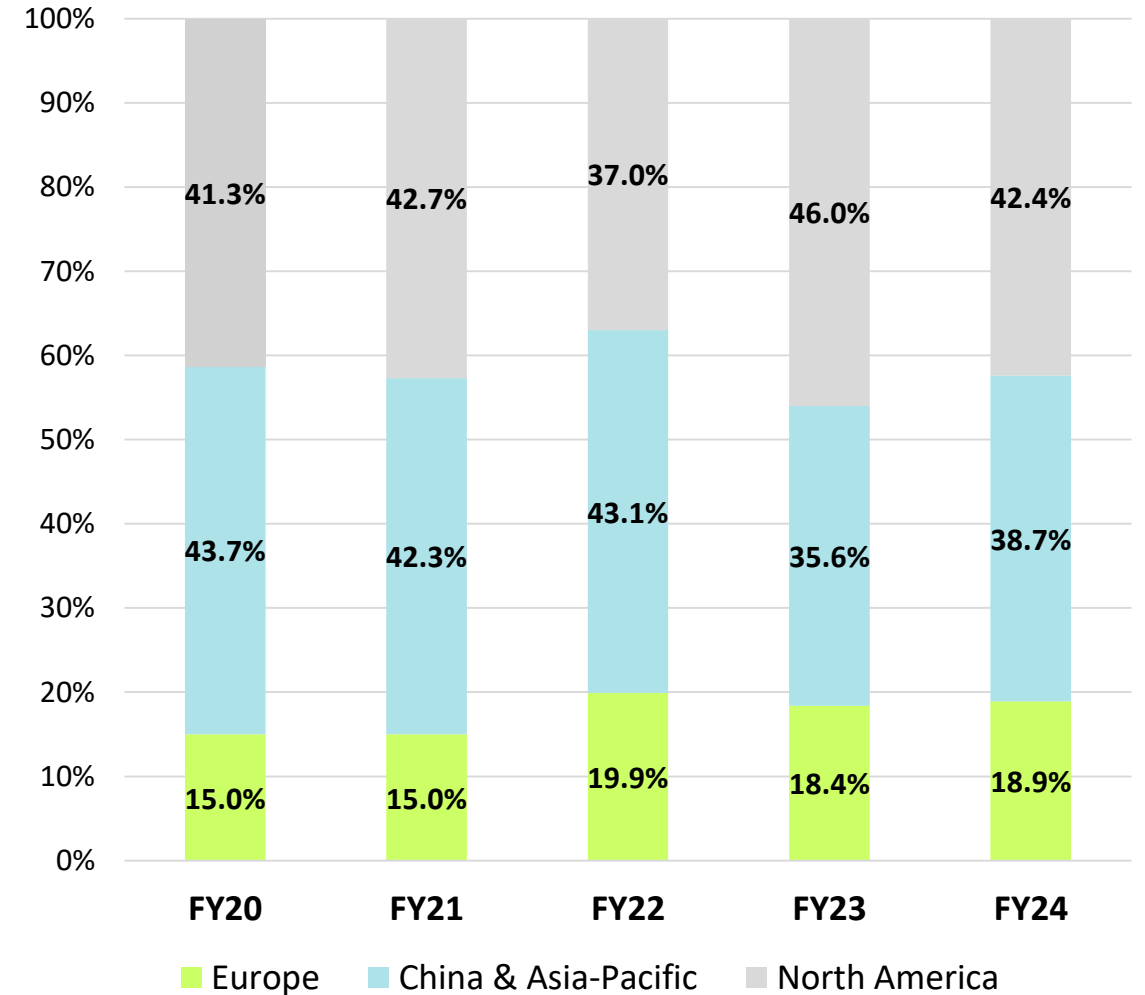
HK\$'M	FY2024	FY2023	% Change
Revenue	1,669.9	2,013.7	-17.1
Gross Profit	265.2	261.7	1.3
Gross Profit Margin	15.9%	13.0%	2.9% pt
Net Profit for the period	159.6	123.0	29.8
Net Profit Margin	9.6%	6.1%	3.5% pt

Revenue Contribution

By Segment

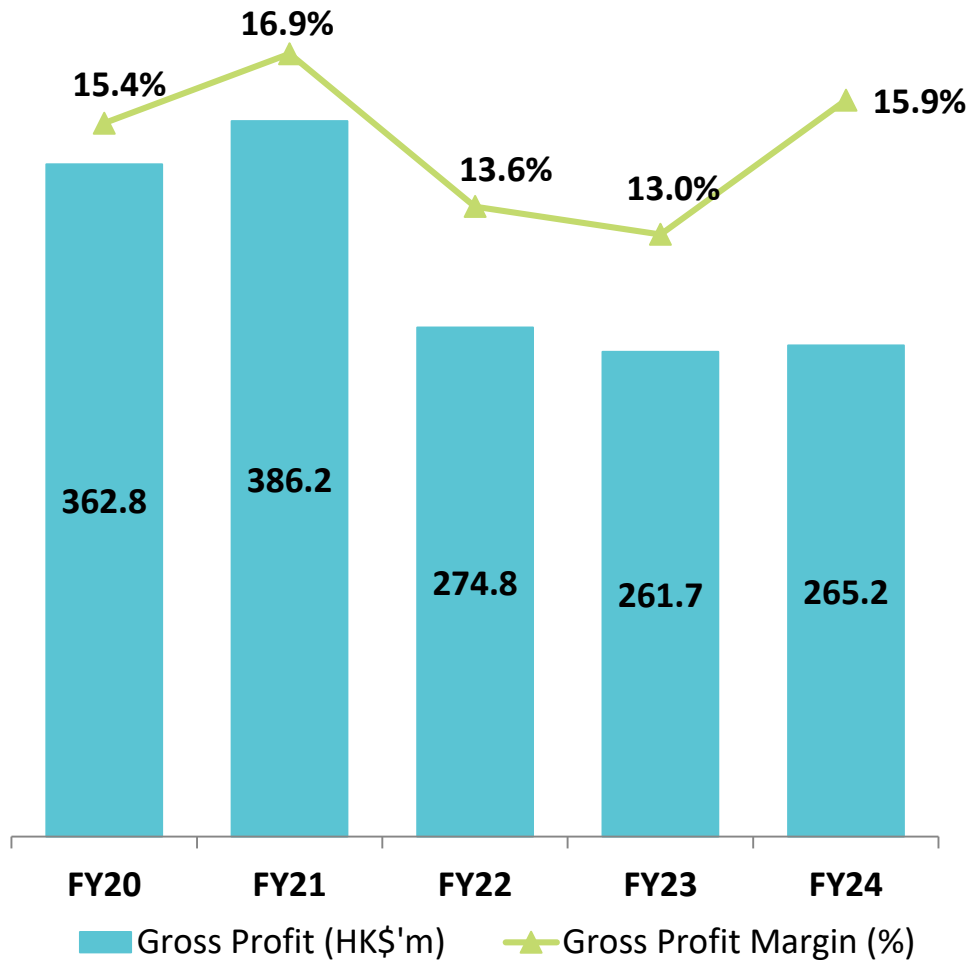


By Shipment Destination

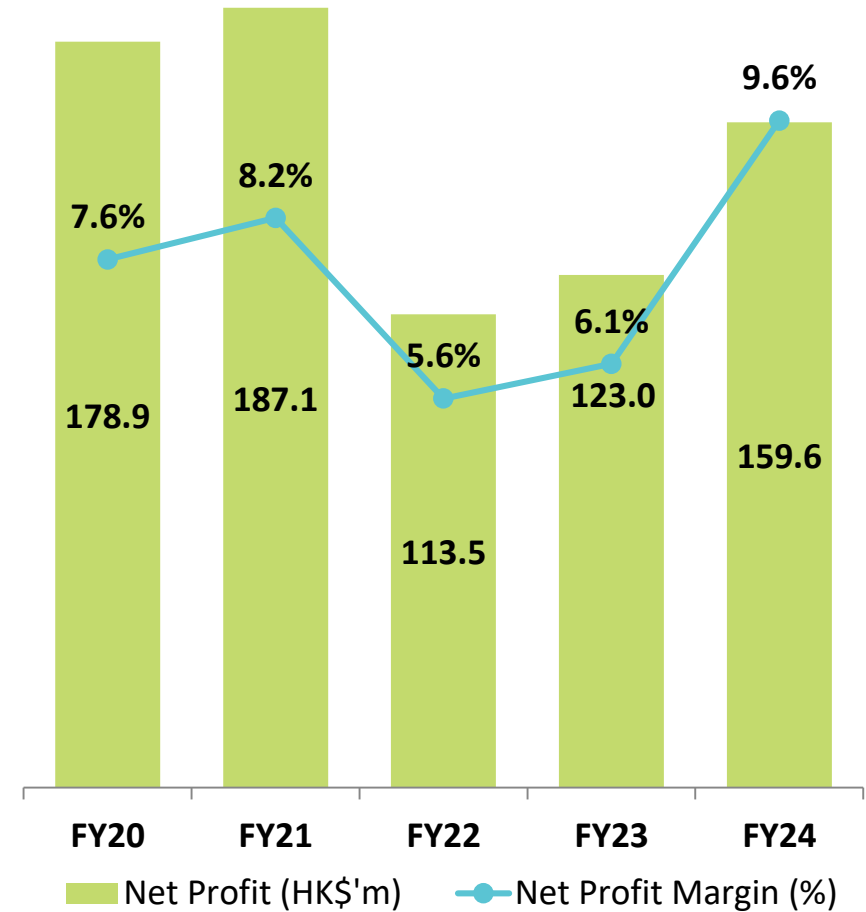


Profitability

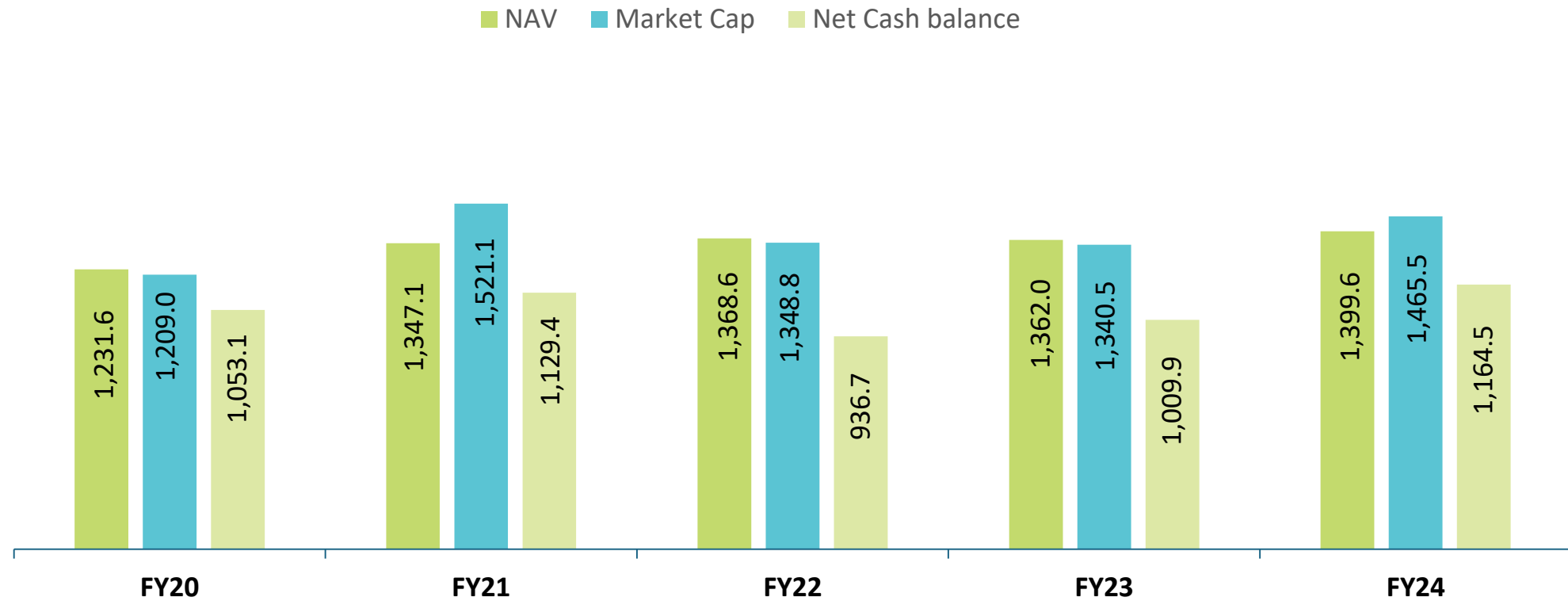
Gross Profit & Margin



Net Profit & Margin



Market Capitalisation, NAV & Net Cash Balance (HK\$'m)

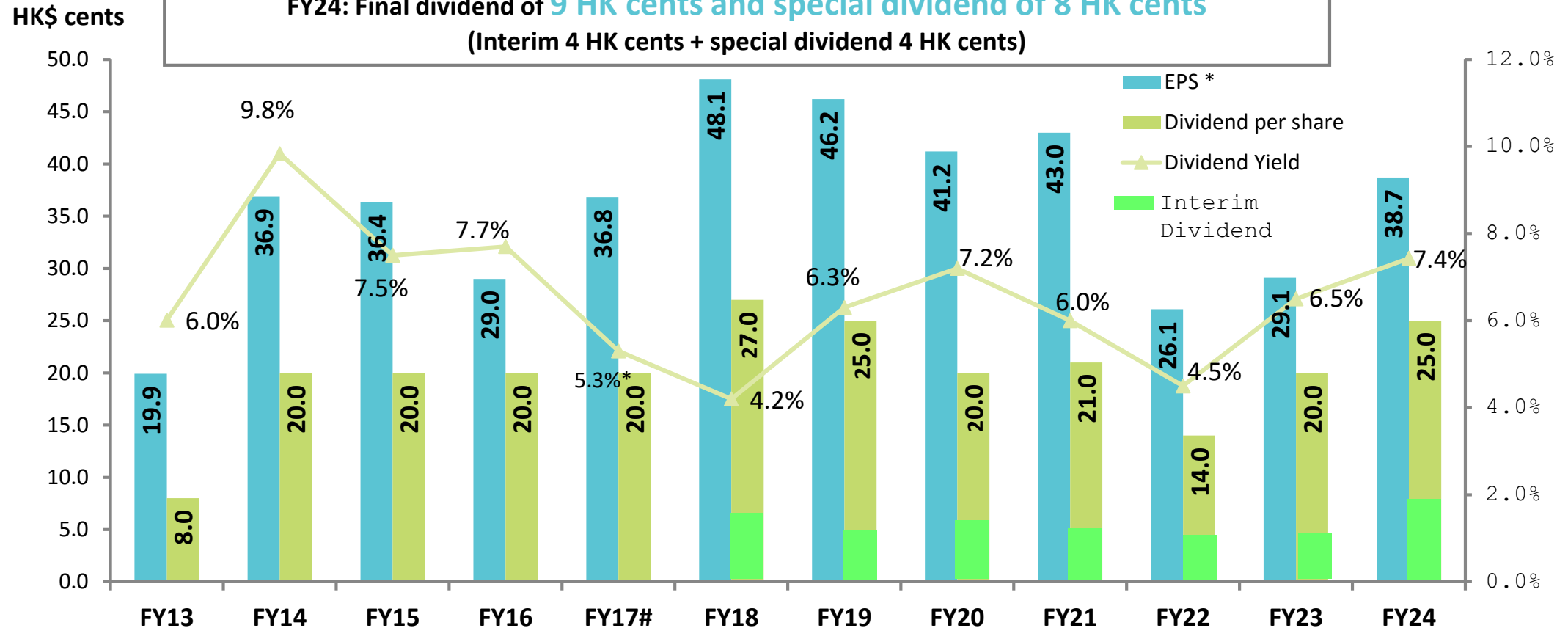


Share price as at respective period/year end date

*SGD/HKD Ex rate: FY24: 5.80; FY23: 5.92

Earnings Per Share & Dividends Per Share

We are committed to formal dividend policy of **30-50%** payout ratio
FY24: Final dividend of 9 HK cents and special dividend of 8 HK cents
 (Interim 4 HK cents + special dividend 4 HK cents)



Share Price* (S\$)	0.19	0.30	0.43	0.41	0.68	1.08	0.68	0.51	0.61	0.54	0.52	0.58
Dividend Payout	37%	49%	50%	63%	55%*	57%	54%	49%	49%	53%	68%	64%

* Adjusted for 1:10 bonus issue completed in Jun 2017
 # Quantum of dividend increased by 10% under 1:10 bonus issue

Summary of Cash Flows

HK\$'000	FY24	FY23
Operating Activities		
Net cash generated from operating activities	233,700	198,173
Investing Activities		
Net cash generated from / (used in) investing activities	35,705	(10,826)
- CAPEX	(21,083)	(34,627)
- Interest received	55,191	21,238
- Others	1,597	2,563
Financing Activities		
Net cash used in financing activities	(113,653)	(112,800)
- Dividend paid	(99,171)	(59,434)
- Purchase of treasury shares	(14,482)	(53,366)
Net increase in cash and cash equivalents	155,752	75,547
Effect of foreign exchange rate changes	(1,202)	(1,282)
Cash and Cash equivalents		
At beginning of the period	1,009,930	936,665
At end of the period	1,164,480	1,009,930

Balance Sheet & Key Ratios

HK\$'M	FY24	FY23
Working capital		
Inventories	173.1	203.6
Trade Receivables	381.9	463.8
Trade Payables	<u>(237.3)</u>	<u>(233.6)</u>
	<u>317.7</u>	<u>433.8</u>
Net Current Assets	1,068.0	993.3
Net Cash	1,164.5	1,009.9
Net Assets	1,399.6	1,362.0

Turnover Days	FY24	FY23
Inventories	45.0	42.4
Trade Receivables	83.5	84.1
Trade Payables	<u>(61.7)</u>	<u>(48.7)</u>
	<u>66.8</u>	<u>77.8</u>

Key Financial Ratios

	FY24	FY23
Price (SGD) #	0.58	0.52
NAV per share (SGD)*	0.59	0.56
Cash per share (SGD)*	0.49	0.41
Cash to Mkt Cap ratio	80%	75%

	FY24	FY23
Current ratio	2.6	2.4
ROE	11.4%	9.0%
ROA	7.6%	5.9%
PB ratio	0.98	0.94

Share price as at respective period/year end date

*SGD/HKD Ex rate: FY24: 5.80; FY23: 5.92

Business Outlook

Customer Diversification

New Customers in FY2024

- CE: Customer supplying immersive entertainment products to leading global entertainment conglomerate
- ICE: Network access solutions provider based in Canada
- Began contributing revenue in 2H FY2024
- Full year contribution expected for FY2025

Customer Performance and Impact

- CE: Slower business from existing CE customers mitigated by revenue contributions from new CE customers
- ICE: Impaired business confidence led to slower inventory intake by several existing customers; Delays in new projects and product introductions by newly acquired customers.



Customer Portfolio Rebalancing

- Rebalance customer portfolio by allocating more resources towards newly acquired customers with higher growth potential and better margin
- Enhances revenue diversification for better resilience in challenging economic conditions

Impact of Macroeconomic Factors

Factors

Impact



- Improved visibility of component supply chain with more stable cost of materials
- Depreciation of RMB has reduced direct labor costs and manufacturing overheads in China

- Improve gross profit margin



- High interest rates environment

- Support interest income



- High interest rates and inflation

- Affect end customers' demand
- Slow enterprise expansion and reduce capital expenditure

Awards & Accolades

We are proud to have received the following awards from SIAS Investors Choice Awards 2023:



Joint Winner, Singapore Corporate Governance Award 2023, Small Cap Category

Joint Winner, Most Transparent Company Award 2023, Technology Category

Share Buyback



Feb 2022: Announced HK\$250.0 million Share Buyback Program to increase shareholder value and improve return on equity



31 March 2024: Repurchased 26.2 million company shares for HK\$79.0 million



Intend to continue Share Buyback Program



Disclaimer: Reader should refer to section 4 under Other Information of the Results Announcements for the complete commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

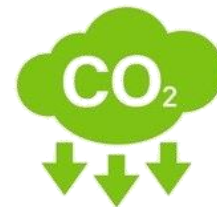
Corporate Sustainability Highlights



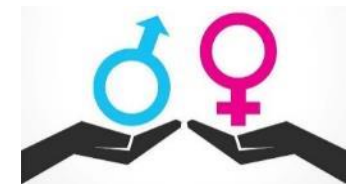
Local Community Engagement
Carried out such engagements at least once every quarter



Environmental Compliance
Achieved ISO14000 accreditation, standards for environmental management since 2008



Carbon Reduction
Installed solar panels for China campus that will generate power output for factory use and reduce carbon emissions



Diversity
Achieved an almost equal ratio of worker and staff distribution by gender and no incidents of discrimination reported





valuetronics

Thank You!