



Q3FY18 Results Presentation

Note: This presentation is to be read in conjunction with the announcement issued on SGXNET on 9 February 2018.

Important Notice

This presentation contains forward-looking statements which can be identified by the context of the statement and generally arise when the Company is discussing its beliefs, estimates or expectations. Such statements may include comments on industry, business or market trends, projections, forecasts, and plans and objectives of management for future operations and operating and financial performance, as well as any related assumptions.

Readers of this presentation should understand that these statements are not historical facts or guarantees of future performance but instead represent only the Company's belief at the time the statements were made regarding future events, which are subject to significant risks, uncertainties and other factors, many of which are outside of the Company's control. Actual results and outcomes may differ materially from what is expressed or implied in such forward-looking statements.

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Cogent Communications

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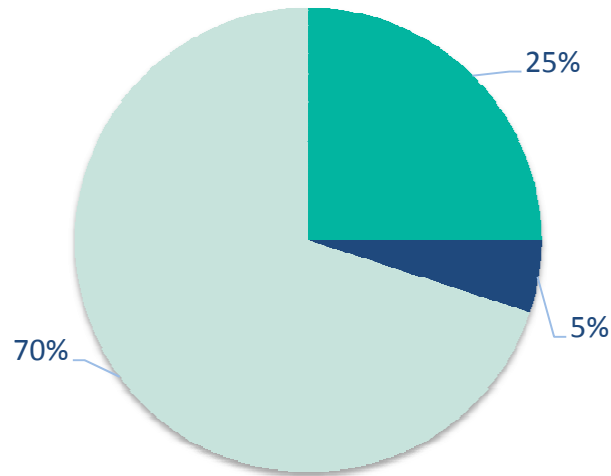
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Corporate Profile

Shareholding



■ Executive Directors ■ HSBC Global AM ■ Public Float

Bloomberg Code	VALUE.SP
Reuters Code	VLUE.SI
ISIN Code	BN2
Index	FTSE ST Small Cap, FT ST China
Issued shares (M)	432.4
Mkt cap (SG\$M) (1 Feb 2018)	428.1
Share price (SG\$) (1 Feb 2018)	0.99
Average volume 3-mth ('000)	1,850
52 wk range (SG\$) (1 Feb 2018)	0.49 – 1.07

Corporate Information

- Electronic Manufacturing Services (“EMS”) player established in 1992 in Hong Kong
- Listed on Main Board of SGX on 28 March 2007
- Production facilities in Daya Bay & Danshui Town, Guangdong, PRC (60 minutes from Shenzhen)
- Auditors: PricewaterhouseCoopers
- Around 4,000 employees (31 Dec 2017)

Accreditations

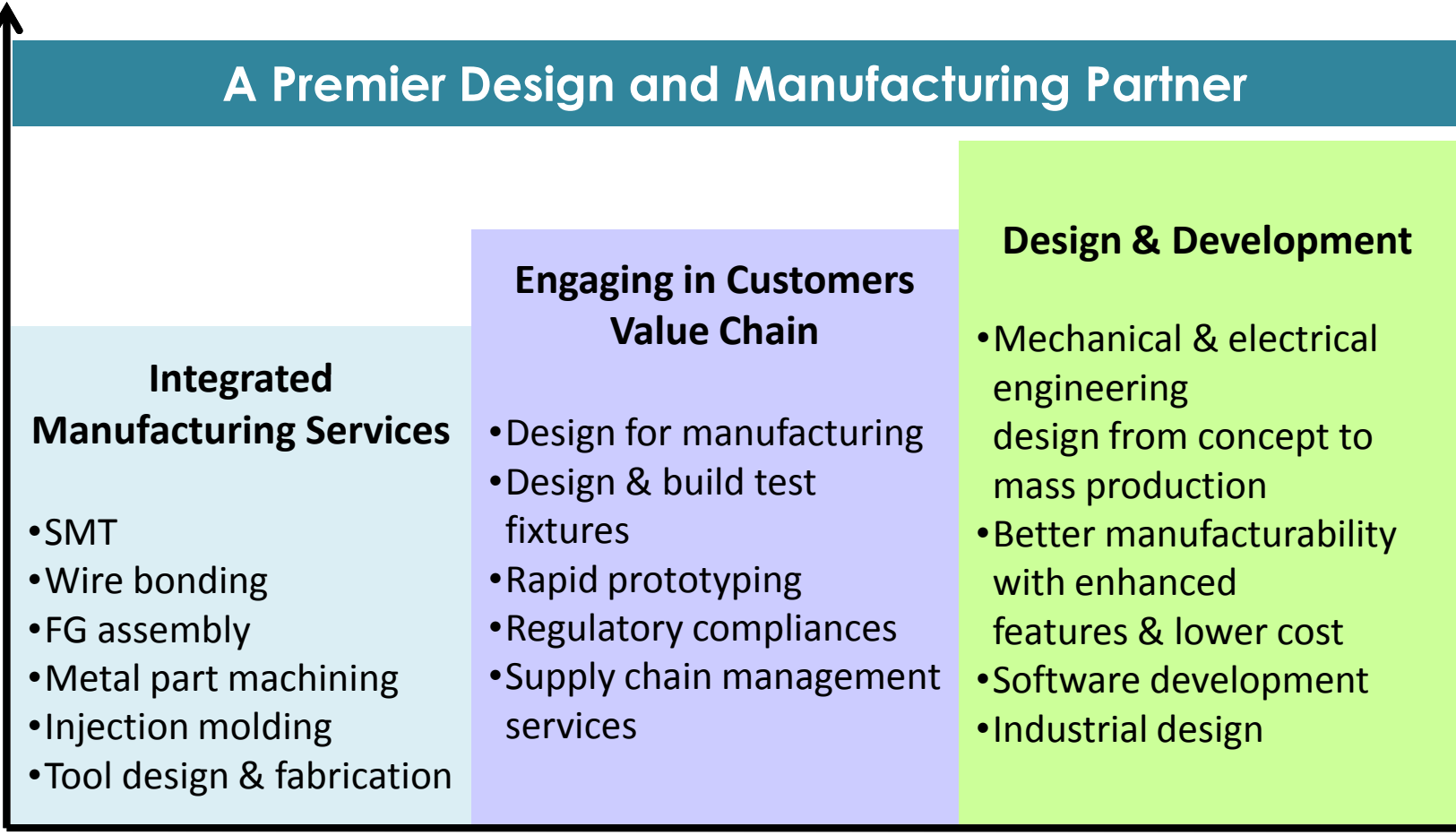
ISO9001:2008, ISO14001:2004, ISO13485: 2003, TL9000 R5.5, TS16949: 2009, IPC J STD-001, IPC-A-610 QML Class 3

Integrated EMS Provider

- Engineering Design & Development
- Product Design & Deployment
- Plastic Injection Moulding
- Tool Design and Tool Fabrication
- Metal Stamping & Machining
- Printed Circuit Box Assembly and Box Build Assembly
- Supply Chain Management













Business Model

Value Add



Proactive deployment of Design & Development capabilities

Key Milestones

1992	2002	2003	2005	2007	2008
Headquartered in Hong Kong with manufacturing facilities in Danshui Town PRC	Use of ROHS equipment and accredited with TL9000	Adopted work cell management & updated to ISO9001:2000	Became Philips preferred supplier for its consumer lifestyle segment	Listed on SGX-Mainboard & commenced construction for Daya Bay Facility	Became Phillips preferred supplier for its Lighting segment
					
2008	2009	2012	2014	2015	2017
Completed Phase 1 construction of Daya Bay Facility	Opened Daya Bay Facility, acquired medical business	Celebrated 20 th anniversary with revenue crossing HK\$2 billion	Adoption of formal dividend policy	Received TS16949 certification	Received 2016 Above & Beyond – Pinnacle Award for Supplier Excellence from Delphi
					

Daya Bay Facility – Bird's-Eye View

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



Customer & Product Portfolio

**Industrial & Commercial
Electronics**

Consumer Electronics

- **Ability to accommodate customers requirement for various volume, mix and complexity**
- Customer base ranged from emerging enterprises in Northern American (low-volume complex custom product) to top global Multi-National Corporations (high-volume standards product)



Industrial & Commercial Electronics

Printers

Nasdaq-listed Company



Transaction Printer for Slot, POS & Teller Station Machines

Company owned by a PE Fund



Barcode and Transaction Printing Solution Provider for Retail, Banking, Manufacturing, Logistics and Healthcare industries

Global Brand owned by NYSE-listed MNC



Thermal Label Printer for Industrial & Commercial Use

Temperature Sensing Devices

Unit of a NYSE-listed MNC



Cold Chain Temperature Monitor for Industrial & Commercial Use

Company owned by a UK PE Fund



Electronic Thermostats

Industrial & Commercial Electronics (Cont'd)

Communication Products

Toronto-listed Company



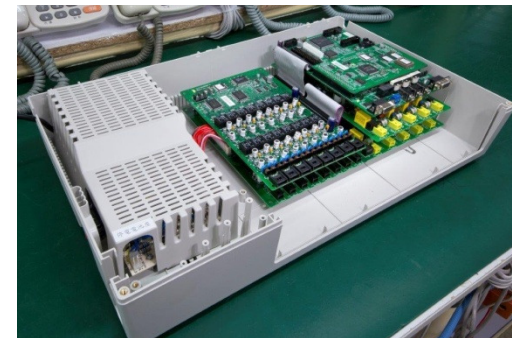
Taiwan-listed Company



Company Based in North America



High Precision GPS for Industrial Use



Industrial & Commercial Electronics (Cont'd)

Electronic Products for Automotive Industry

Tier 1 Automotive System Manufacturer



Data and media connectivity module

Others

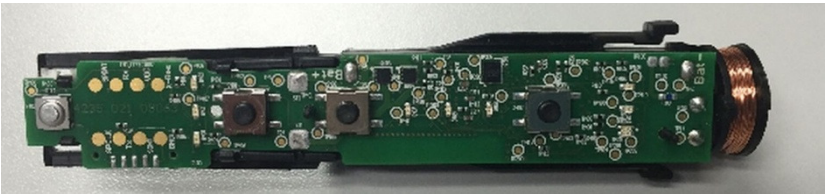
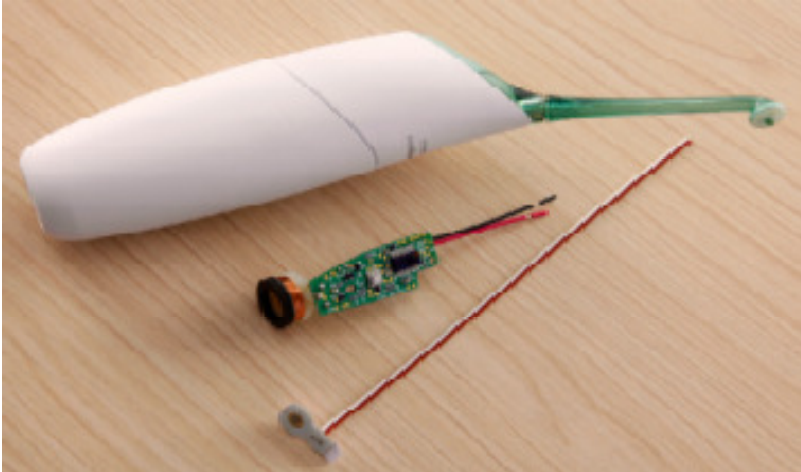


In-vitro Diagnostic Medical Equipment
for Testing Human Tissue Samples

Consumer Electronics

Consumer Lifestyle Products

Consumer Lifestyle Division of a Dutch MNC



PCBA for Shavers & Electric Toothbrushes for Consumer Use



Subsidiary of Homax Group
(Wholly-owned by PE firm)



15W and 40W Bug Zappers

Consumer Electronics (Cont'd)

Smart Lighting with IOT Features

Lighting Division of a Dutch MNC



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



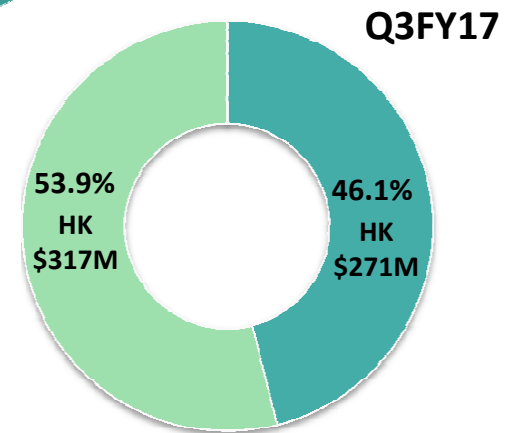
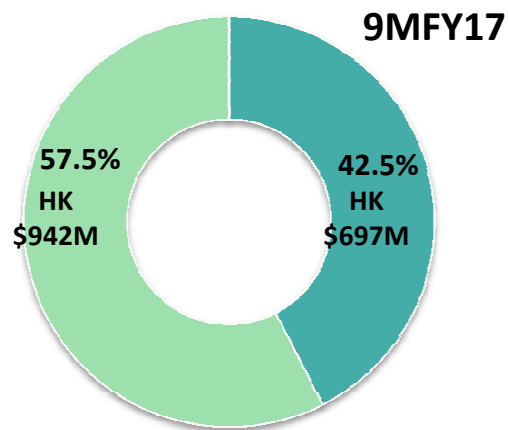
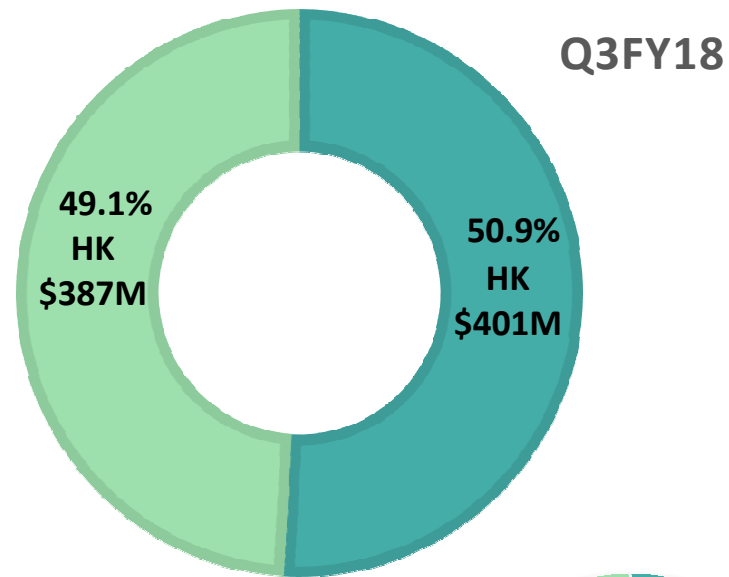
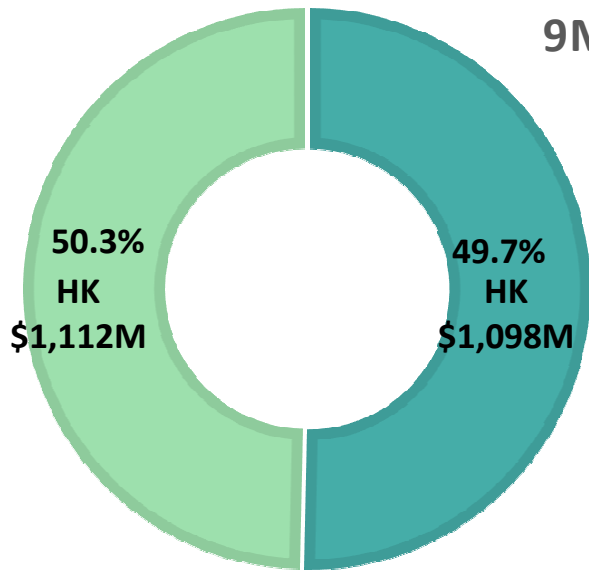
Q3FY18 Financial Highlights

Financial Highlights

HK\$'M	9MFY18	9MFY17	% Change	Q3FY18	Q3FY17	% Change	Q2FY18	Q1FY18
Revenue	2,209.7	1,638.8	34.8	788.3	587.6	34.2	725.7	695.7
Gross Profit	322.9	251.2	28.6	113.7	91.0	24.9	104.8	104.3
Gross Profit Margin	14.6%	15.3%	-0.7% pt	14.4%	15.5%	-1.1% pt	14.4%	15.0%
Net Profit for the period	157.7	110.5	42.7	58.2	42.9	35.7	50.8	48.7
Net Profit Margin	7.1%	6.7%	0.4% pt	7.4%	7.3%	0.1% pt	7.0%	7.0%

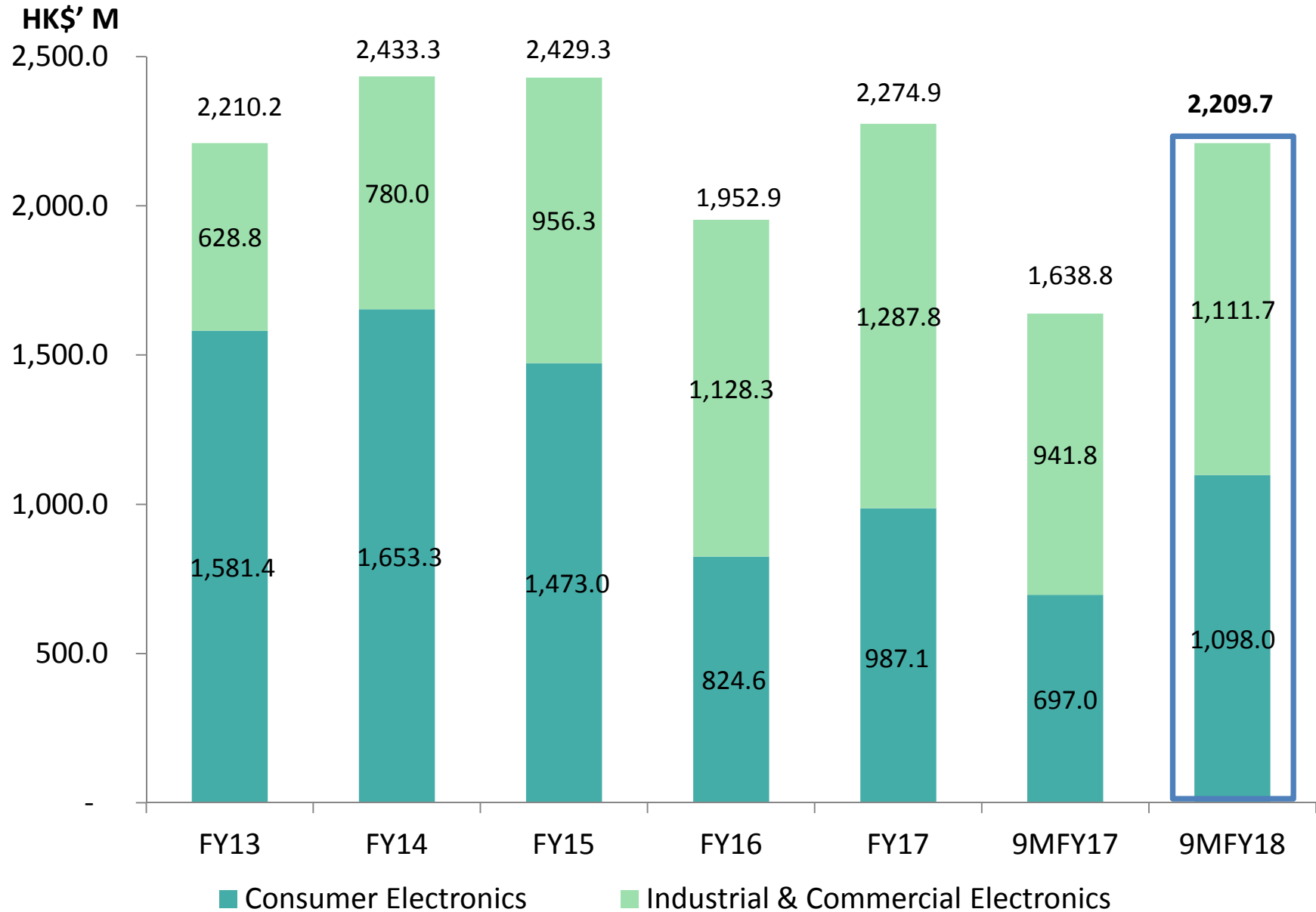
Financial Highlights

Revenue Contribution

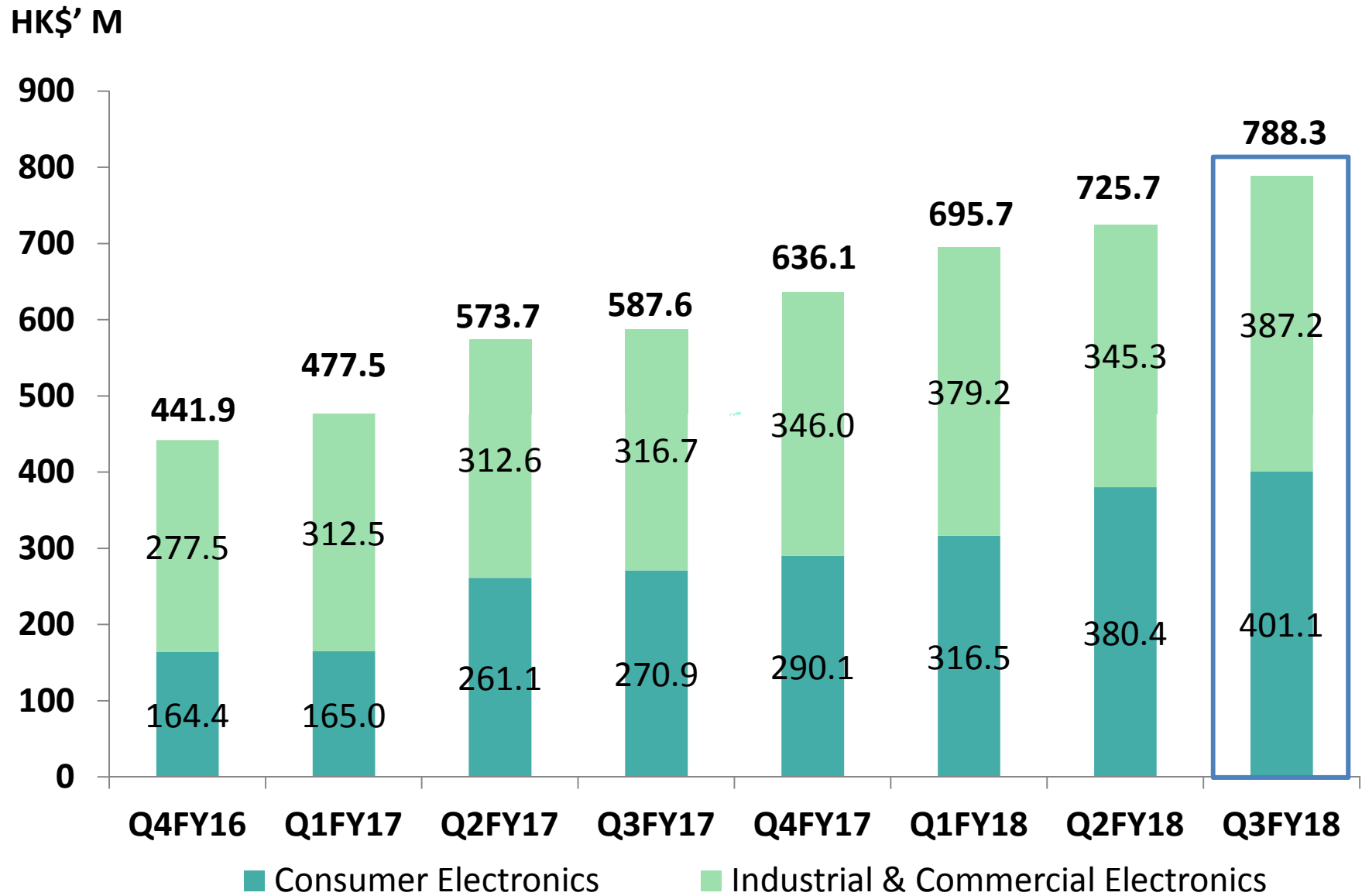


■ Consumer Electronics
■ Industrial and Commercial Electronics

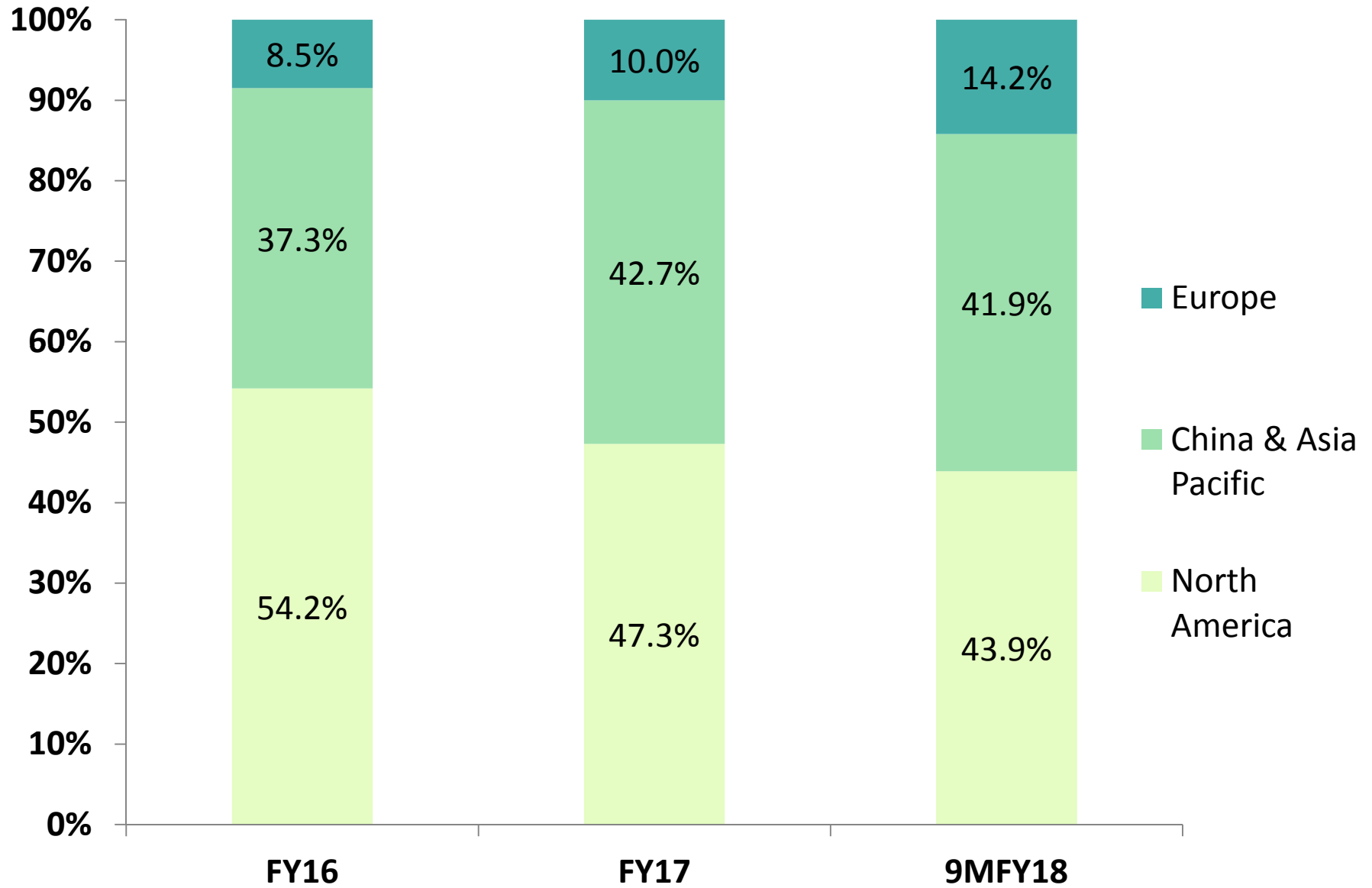
Revenue Trend



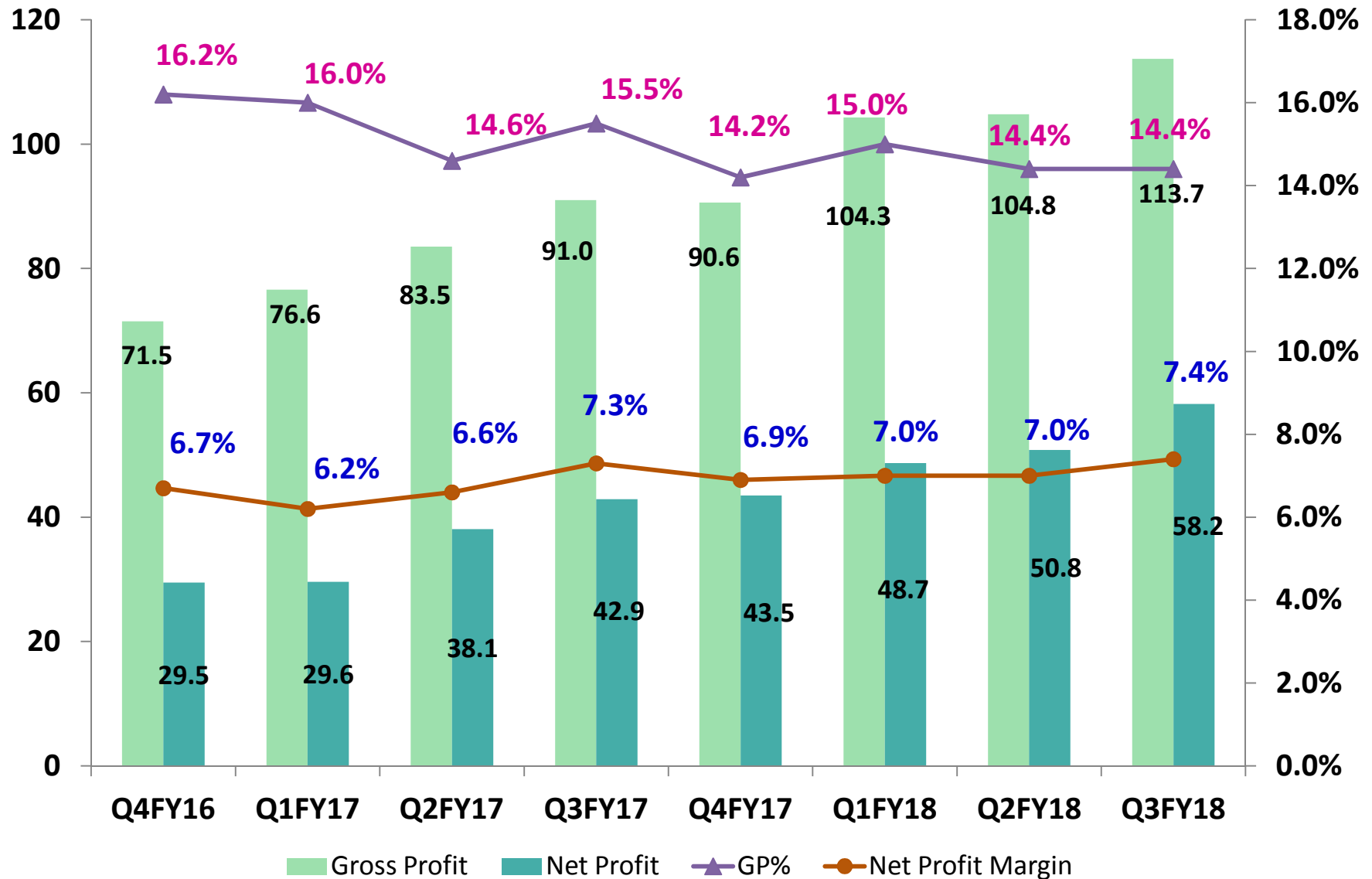
Quarterly Revenue



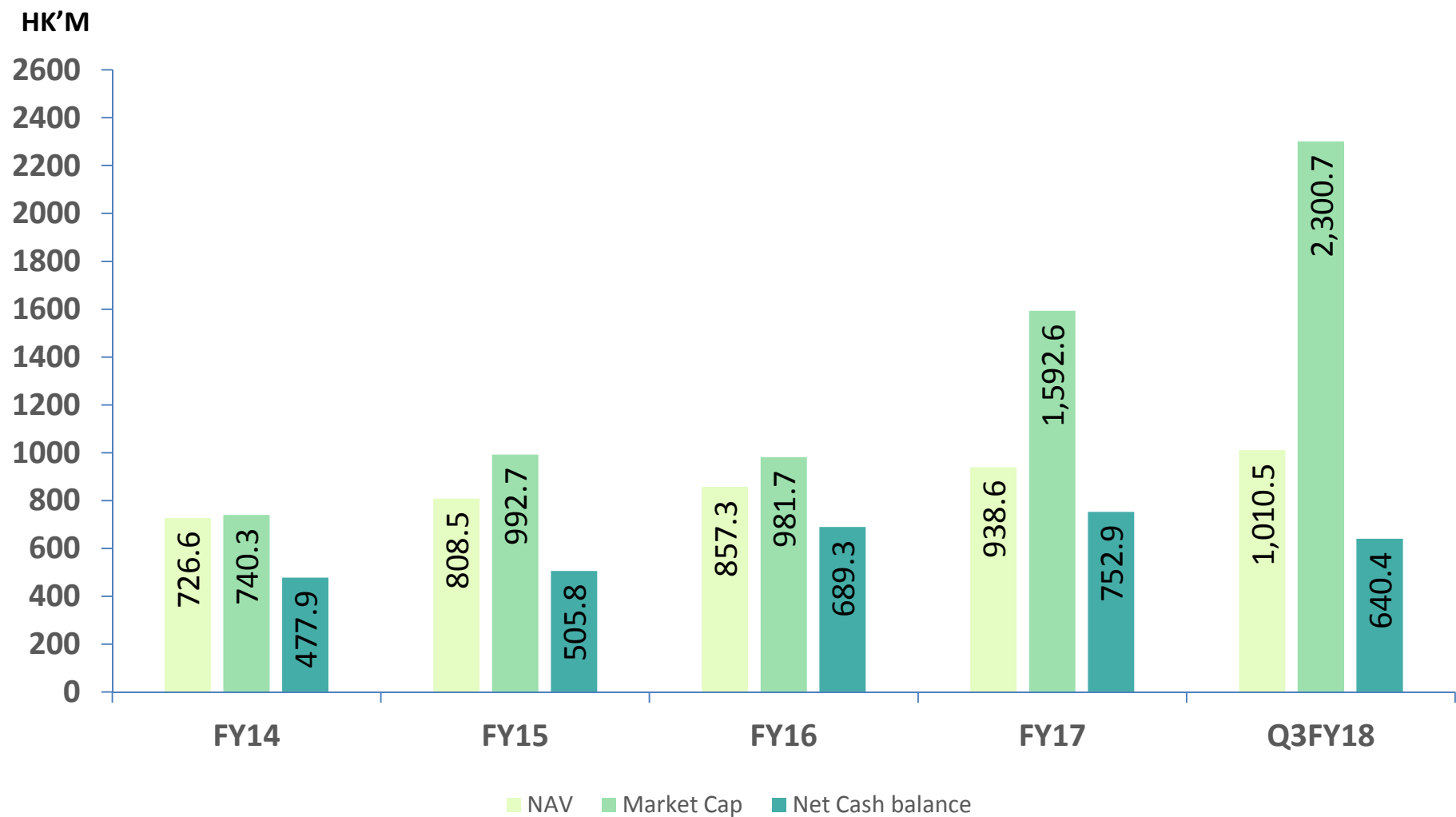
Revenue by Shipment Destination



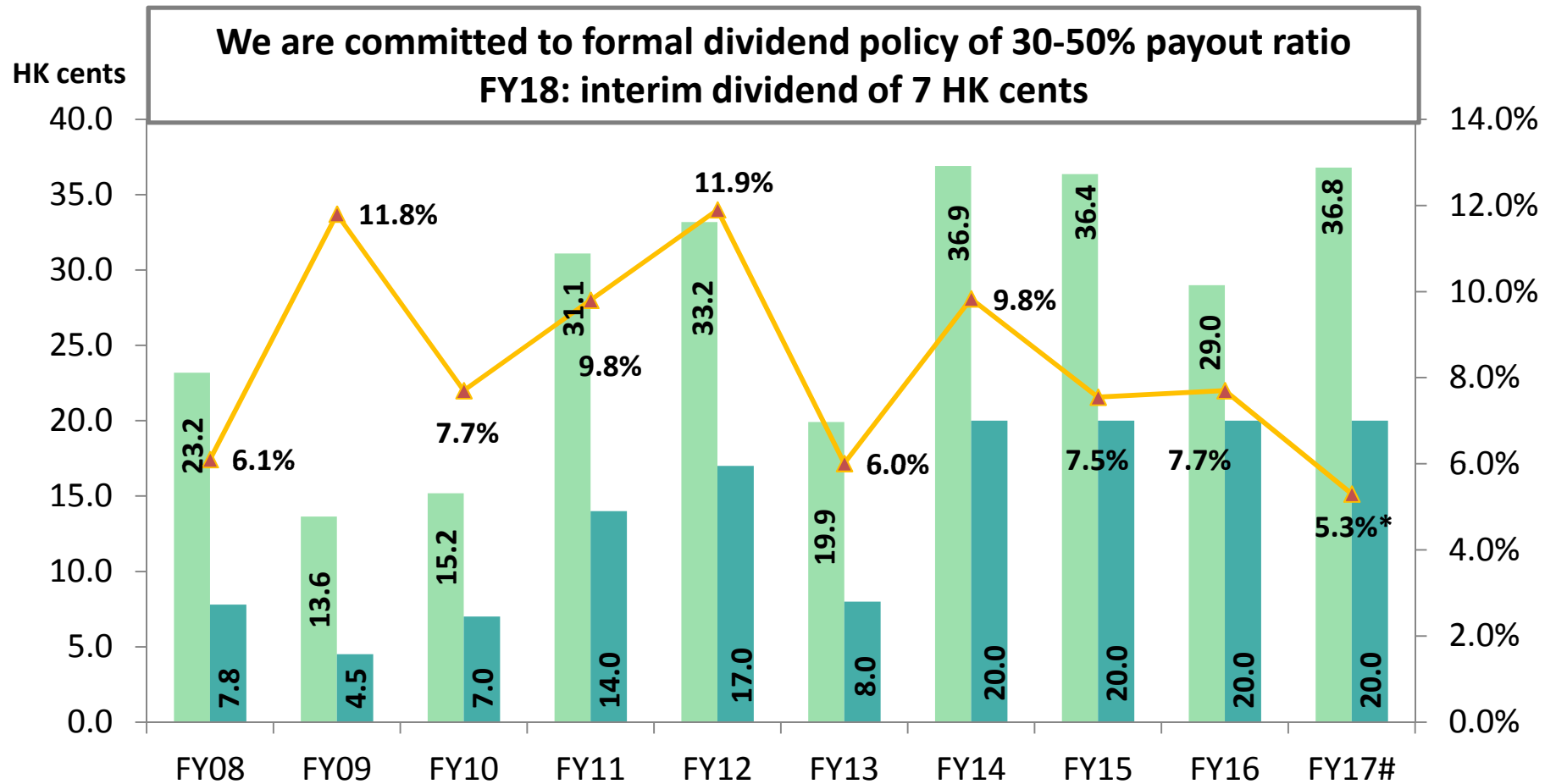
Gross Profit & Net Profit Trend



Market Capitalisation & Net Cash Balance



Earnings Per Share & Dividends Per Share



Share Price* (\$\$)	0.21	0.07	0.15	0.21	0.21	0.19	0.30	0.43	0.41	0.68
Dividend Payout	30%	30%	42%	41%	47%	37%	49%	50%	63%	55% *

■ EPS *

■ Dividend per share

▲ Dividend Yield

* Adjusted for 1:10 bonus issue

Quantum of dividend has increased by 10% under 1:10 bonus issue

Summary of Cash Flows

HK\$'000	9MFY18	9MFY17	Q3FY18	Q3FY17
Operating Activities				
Net cash generated from operating activities	45,625	57,082	44,904	20,697
Investing Activities				
Net cash used in investing activities	(64,184)	(2,685)	(2,054)	(9,558)
Financing Activities				
Net cash used in financing activities	(94,224)	(75,311)	(30,034)	(1,297)
Net (decrease) / increase in cash and cash equivalents	(112,783)	(20,914)	12,816	9,842
Effect of foreign exchange rate changes	196	1,820	55	1,139
Cash and Cash equivalents				
At beginning of the period	752,941	689,260	627,483	659,185
At end of the period	640,354	670,166	640,354	670,166

Balance Sheet & Key Ratios

HK\$'M	Q3FY18	FY2017	Q3FY17	Turnover Days	Q3FY18	FY2017	Q3FY17
Working capital							
Inventories	448.4	291.9	314.5	Inventories	65.1	55.1	62.0
Trade Receivables	696.4	486.3	489.5	Trade Receivables	86.3	78.0	81.8
Trade Payables	<u>(644.5)</u>	<u>(484.7)</u>	<u>(468.7)</u>	Trade Payables	<u>(93.5)</u>	<u>(91.5)</u>	<u>(92.5)</u>
	<u>500.3</u>	<u>293.5</u>	<u>335.3</u>		<u>57.9</u>	<u>41.6</u>	<u>51.3</u>
Net Current Assets	733.6	734.0	678.1				
Net Cash	640.4	752.9	670.2				
Net Assets	1,010.5	938.6	892.6				

Key Financial Ratios

	Q3FY18	FY2017
Price (SGD) #	0.91	0.68*
NAV per share (SGD)*	0.41	0.40*
Cash per share (SGD)*	0.26	0.32*
Cash to Mkt Cap ratio	28%	47%

	Q3FY18	FY2017
Current ratio	1.7	1.8
ROE	20.8%	16.4%
ROA	9.9%	8.5%
PB ratio	2.26	1.68

Share price as at respective period or year end date

*Restated/adjusted based on 1:10 bonus issue

SGD/HKD Ex rate:

Q3FY18: 5.85;

FY2017: 5.56

Business Outlook

Overview

- Record results for Q3FY2018 and 9MFY2018 with strong revenue growth across both CE and ICE segments

Capturing CE opportunities

- Strong growth mainly driven by consumer lifestyle products and smart LED lighting products with IOT features
- Smart LED lighting customer continues strategy to add new features and enhancements to app and ecosystem so as to strengthen market penetration, thus providing further opportunities for the Group

Capturing ICE opportunities

- Strong performance of double digit growth with printers, and in-car connectivity modules used in the automotive industry
- Printer sales growth includes new customer that provides barcode and transaction printing solutions across a broad range of industries
- Pursue opportunities in the future of mobility by providing vertical integrated services with design and development capabilities

Business Outlook

Macro environment

- Continue to see supply chain challenges such as raw material price fluctuations and extension of lead time in procurement
- Continue to navigate dynamic macro-environment by sticking to its fundamentals and keeping in close touch with customers

Reader should refer to section 10 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.