

# VICPLAS INTERNATIONAL LTD

The parent company of  
Forefront Medical and Vicplas Holdings



Corporate Presentation  
1H FY2022 Results

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CONTENTS

About  
Us

COMPANY OVERVIEW  
FINANCIAL INFORMATION

Our  
Companies

FOREFRONT MEDICAL  
VICPLAS HOLDINGS

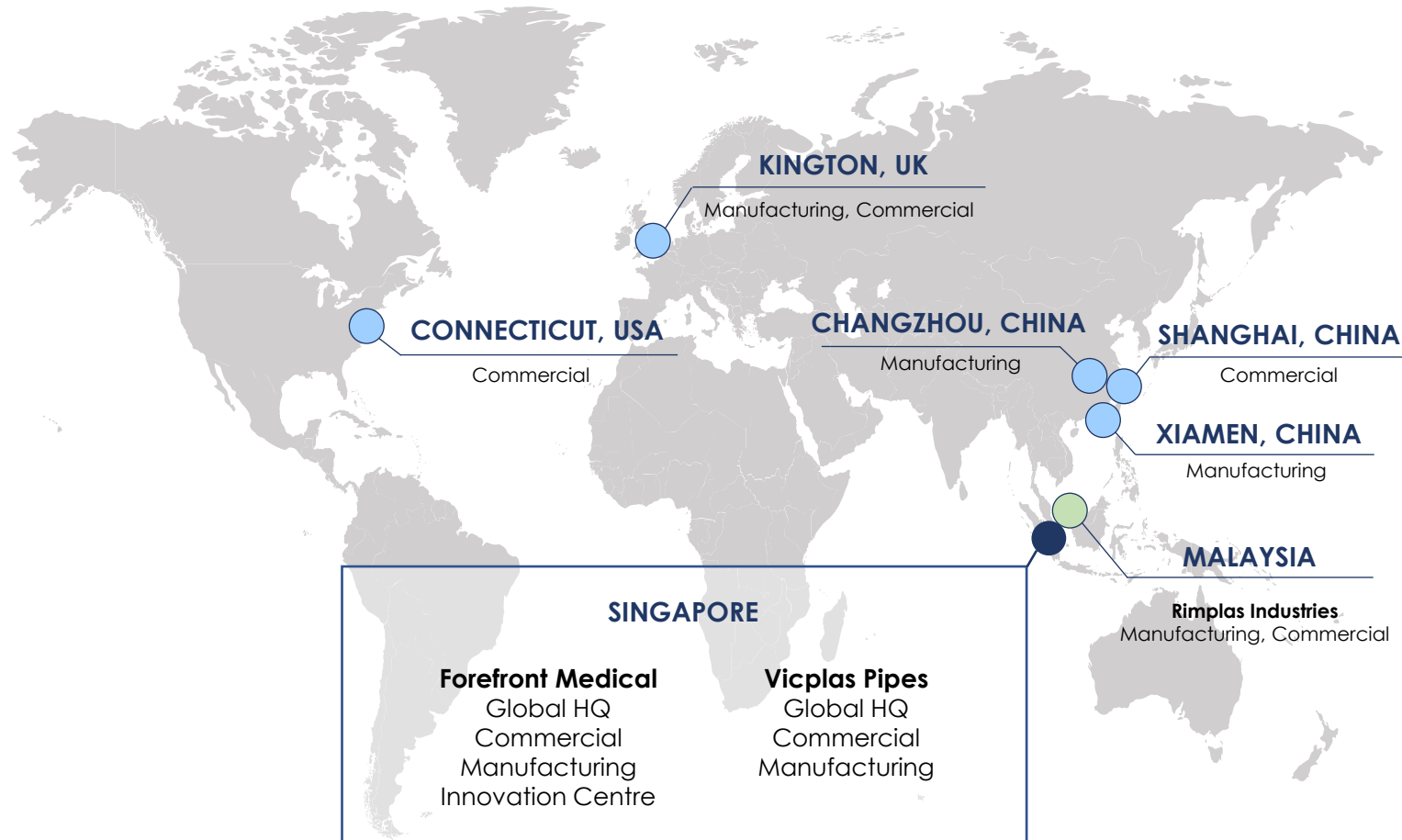
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# COMPANY OVERVIEW

VICPLAS INTERNATIONAL LTD



# GLOBAL 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 : 1,000+ worldwide

## Accreditations

The subsidiaries in the pipes and pipe fittings segment have ISO9001:2015 quality certifications.

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 Forefront Medical Technology (Jiangsu) Co., Ltd additionally has a Class II Medical Device Manufacturing License in China.

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# FINANCIAL INFORMATION

VICPLAS INTERNATIONAL LTD



# 1H FY2022 FINANCIAL OVERVIEW

Group revenue grew by 11.9% and Group net profit increased by 0.6% in 1H FY2022, despite higher energy and raw material costs and the non-recurrence of Covid-19 related government subsidies.

Medical devices segment continues positive growth momentum with revenue growing by 11.0% and segmental result increasing by 6.1% in 1H FY2022 as compared to 1H FY2021.

Pipes and pipe fitting segment revenue improved by 14.1% in 1H FY2022 with gradual recovery of Singapore construction industry, though it faced increased costs especially in raw material and energy. This resulted in a decrease in segmental results by 20.1% in 1H FY2022 as compared to 1H FY2021.

## Group

S\$'000	1H FY2022	1H FY2021	% Change
<b>Revenue</b>	<b>63,246</b>	56,515	11.9
<b>Profit before Tax</b>	<b>5,988</b>	6,216	-3.7
<b>Net Profit after Tax</b>	<b>5,017</b>	4,988	0.6
<b>Net Profit Margin</b>	<b>7.9%</b>	8.8%	-0.9% pts

## Segment

S\$'000		1H FY2022	1H FY2021	% Change
<b>Medical Devices</b>	<b>Revenue</b>	<b>44,969</b>	40,495	11.0
	<b>Segmental Result</b>	<b>5,698</b>	5,370	6.1
<b>Pipes &amp; Pipe Fittings</b>	<b>Revenue</b>	<b>18,277</b>	16,020	14.1
	<b>Segmental Result</b>	<b>1,778</b>	2,226	-20.1

\*The segmental results 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.

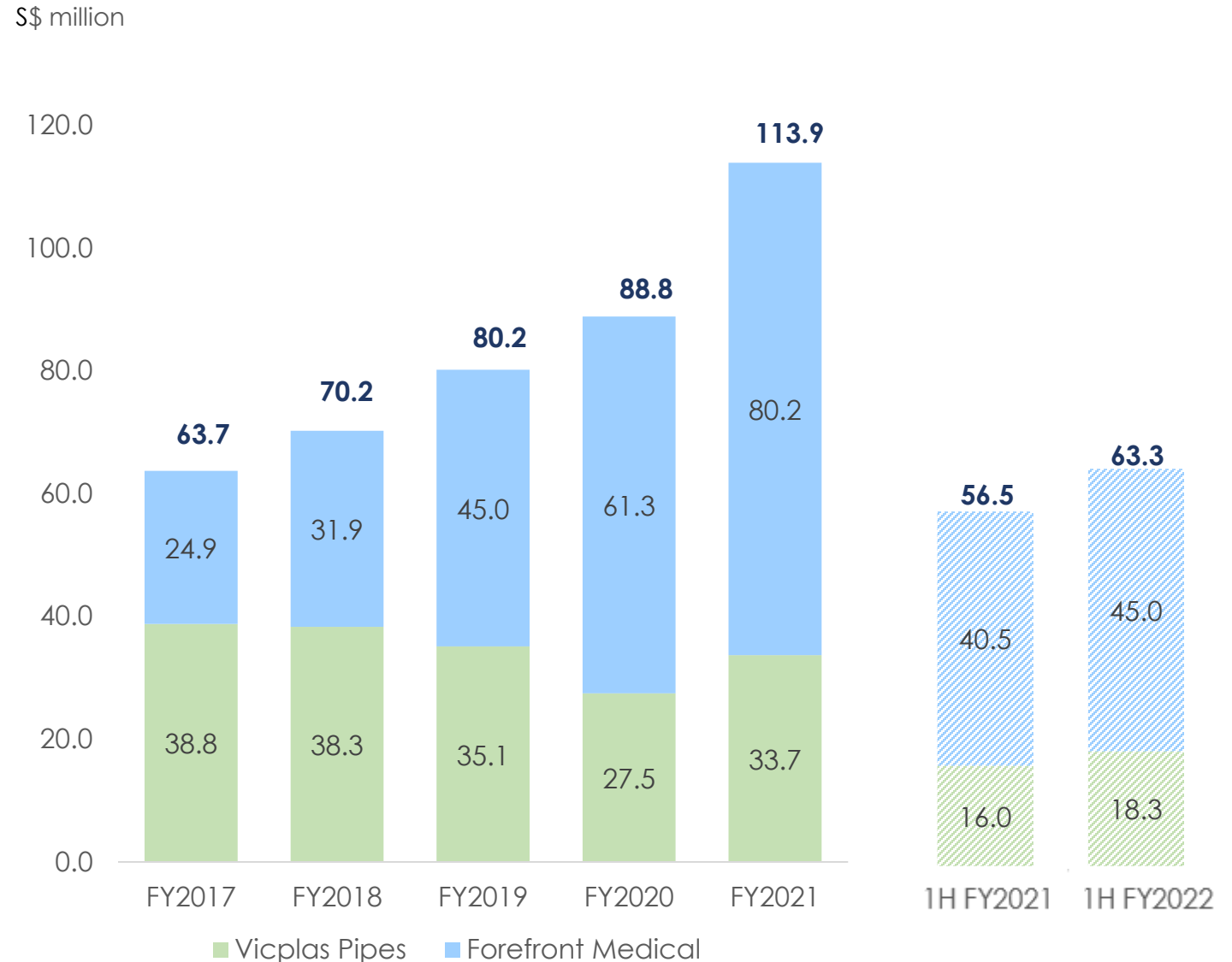
# REVENUE GROWTH

Over the past five financial years, we achieved steady revenue growth with a CAGR of 15.7%. Growth is expected to continue, but with a higher base, the rate of growth can be expected to moderate.

Forefront Medical's contribution to the Group's revenue continues to grow as the Group transforms into a medical-focused group.

Vicplas Pipes, an industry leader in the mature pipes and pipe fittings segment, is seeing a recovery alongside the construction industry in Singapore and is well positioned to cater to the increase in public housing units to be launched over the next two years.

Vicplas Pipes provides a stable foundation while Forefront Medical pursues accelerated growth in a growing medical devices segment.

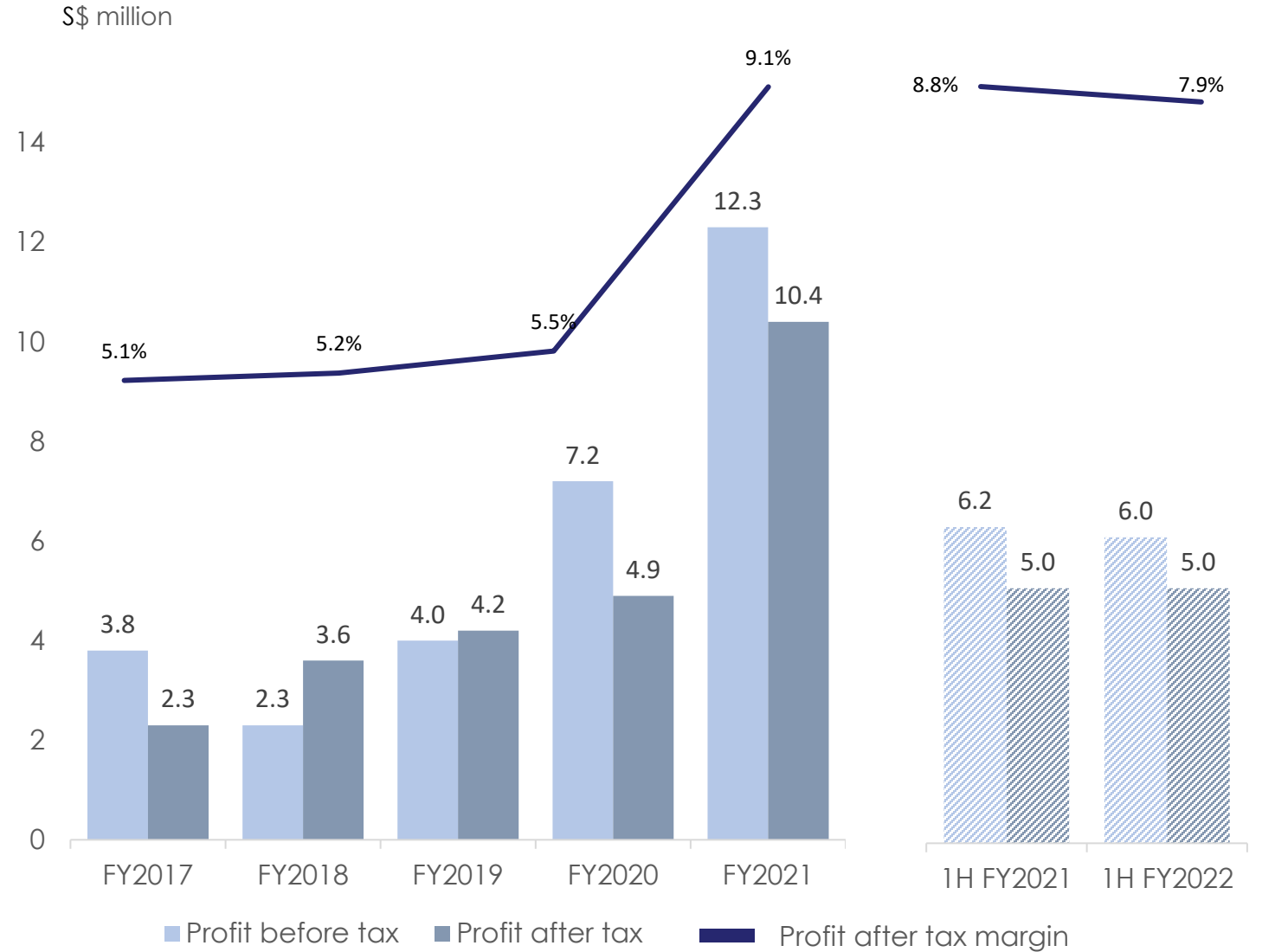




# PROFIT GROWTH

Over the past five years, our profit growth rate has trended higher compared to the revenue growth rate. This has been supported largely by an increasing contribution from Forefront Medical.

For 1H FY2022, our net margin has been affected by the start-up costs associated with our Changzhou plant extension, increased raw material and energy costs, and the non-recurrence of Covid-19 related government subsidies.

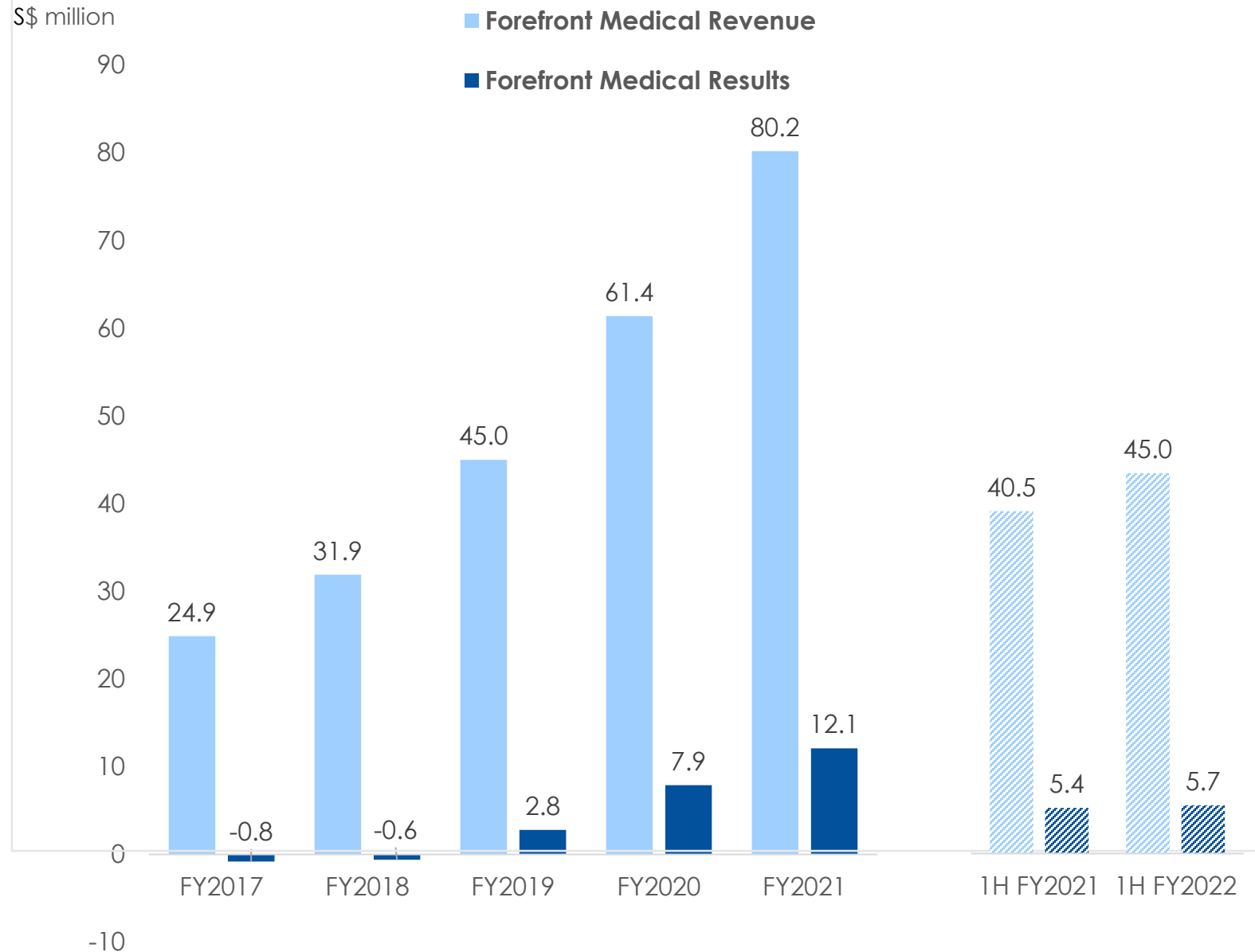


# SEGMENTAL RESULTS – FOREFRONT MEDICAL

Forefront Medical improved on its performance in 1H FY2022 over last year.

Positive revenue momentum expected to continue but rate of growth can be expected to moderate given a higher base.

May continue to be impacted by cost factors relating to ongoing constraints in logistics and start-up costs associated with Changzhou plant extension and geopolitical situation.

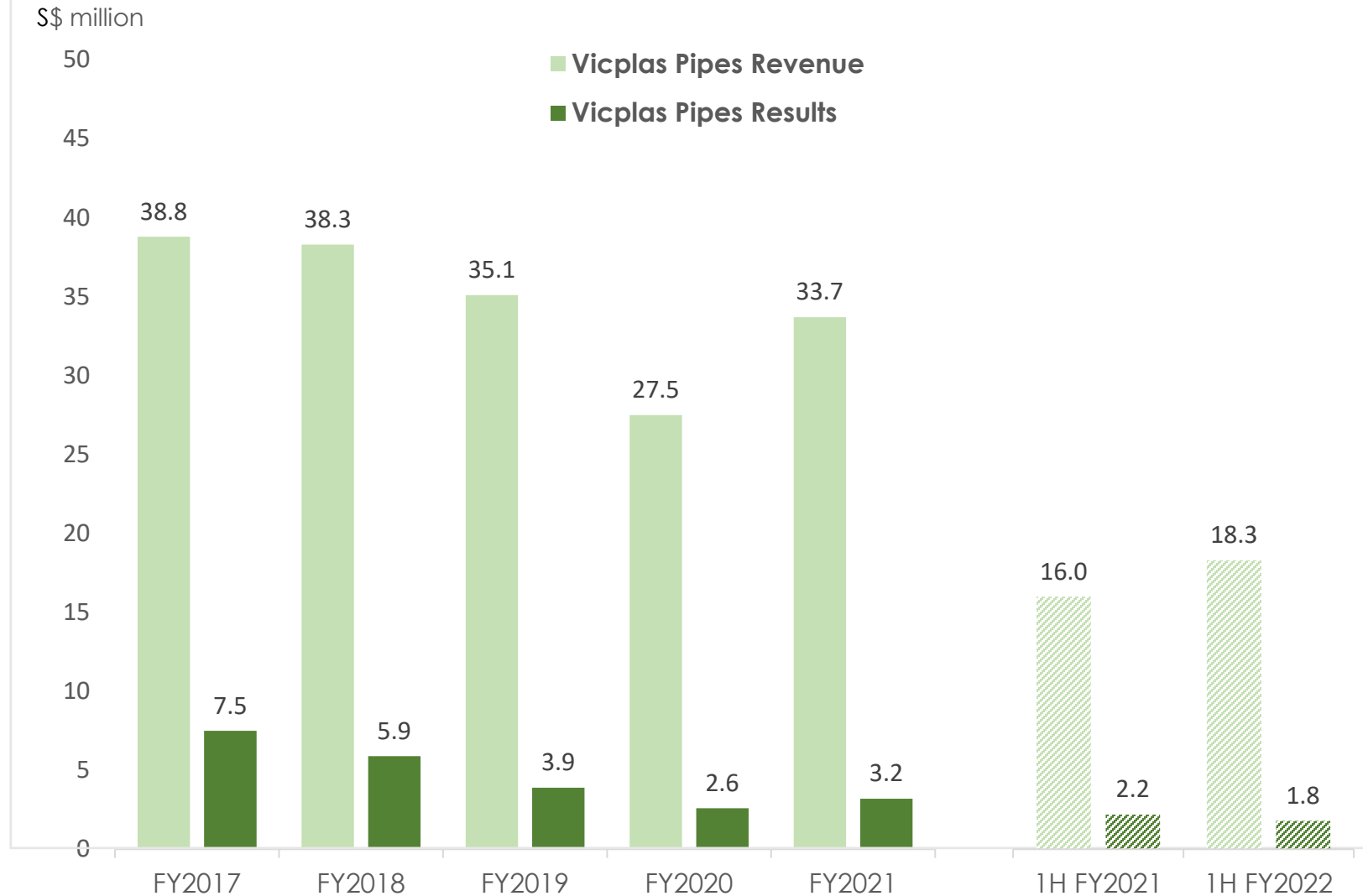


\*The segmental results of the medical devices segment and pipes and pipe fittings segment are before corporate, interest and tax expenses as set out in Note 4 of the Condensed Interim Financial Statements.

# SEGMENTAL RESULTS – VICPLAS PIPES

Vicplas Pipes' 1H FY2022 revenue improved as construction industry in Singapore recovers from Covid-19 related disruptions and shutdowns.

It expects to continue growing revenue for rest of FY2022 although cost pressures also expected to continue.



\*The segmental results 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.

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# MEDICAL DEVICES

Walter Tarca  
President

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FOREFRONT  
MEDICAL

[WWW.FOREFRONTMEDICAL.COM](http://WWW.FOREFRONTMEDICAL.COM)

## 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 900 employees
- Committed to providing our customers and their patients with innovative and cost-effective medical devices to enable continuous improvements in healthcare





Singapore – Corporate HQ



Changzhou, China



Xiamen, China



## GLOBAL PRESENCE

### Manufacturing Sites

- Singapore – Corporate HQ (7,410m<sup>2</sup>)
- Xiamen, China (7,000m<sup>2</sup>)
- Changzhou, China (7,024m<sup>2</sup>)
- Changzhou, China (7,000m<sup>2</sup> extension opening in June 2022)
- Kington, UK (2,600m<sup>2</sup>)

### Commercial Offices

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

## OPPORTUNITIES

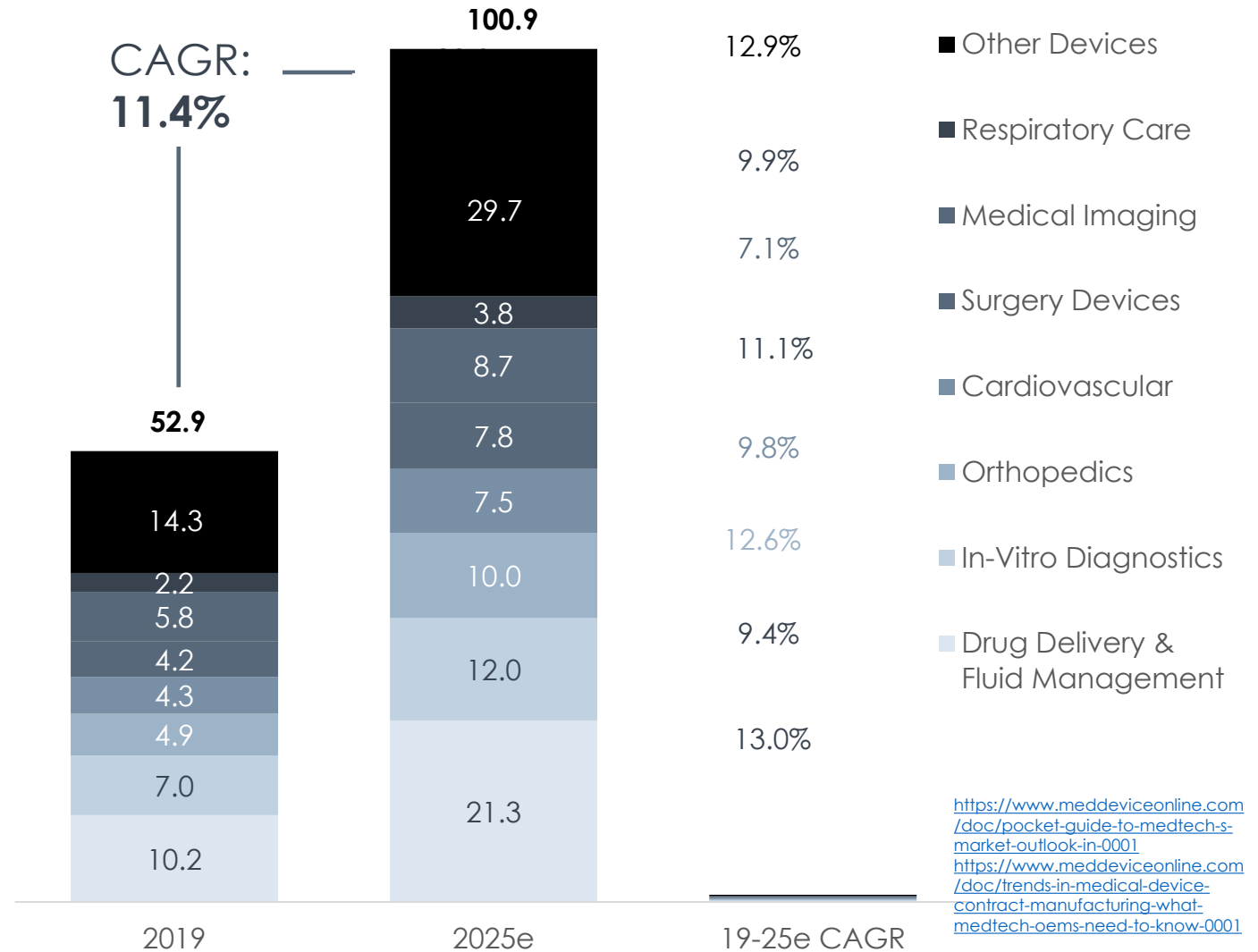
# A GROWING INDUSTRY

The MedTech contract manufacturing 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
- Increased willingness by product owners to outsource manufacturing to trusted partners that can fully support product and process innovation

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



## OUR BUSINESS

# OUR MEDICAL DEVICE PORTFOLIO

- Vascular
- Pharmaceutical Bottles
- Surgical Devices
- Respiratory
- Orthodontics
- Airway Management
- PPE Gowns / Nasal Swabs
- Endoscopy
- Drug Delivery
- Diagnostics





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

# 1H FY2022 HIGHLIGHTS

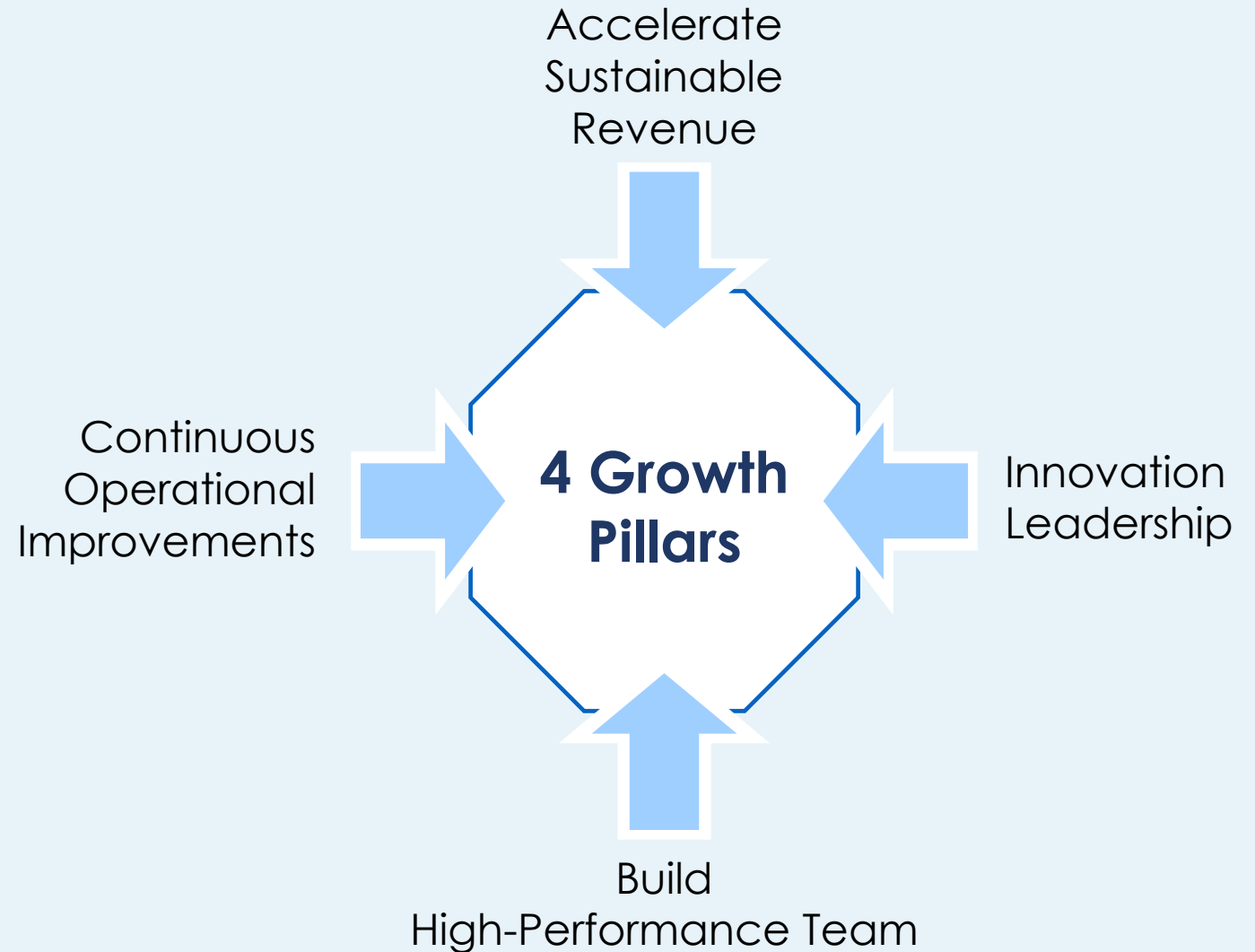
- Continue to build a company that is resourceful, flexible and resilient to build long term partnerships and sustainability for our stakeholders.
- Improved on performance in 1H FY2022 with Sales Revenue growth increase of 11% and a segment result of \$5.7m despite headwinds of higher input costs such as from raw materials, logistics and energy. Some labour shortages were also experienced in the run-up to Chinese New year. We also incurred start-up costs for Changzhou plant extension.
- Changzhou plant extension will double capacity in our Changzhou facility and is on track for opening near end of our FY2022.
- Commercialised new awarded projects which will feed into the Revenue stream in the next few years and continued to expand our global customer base.



## ACHIEVING OUR VISION

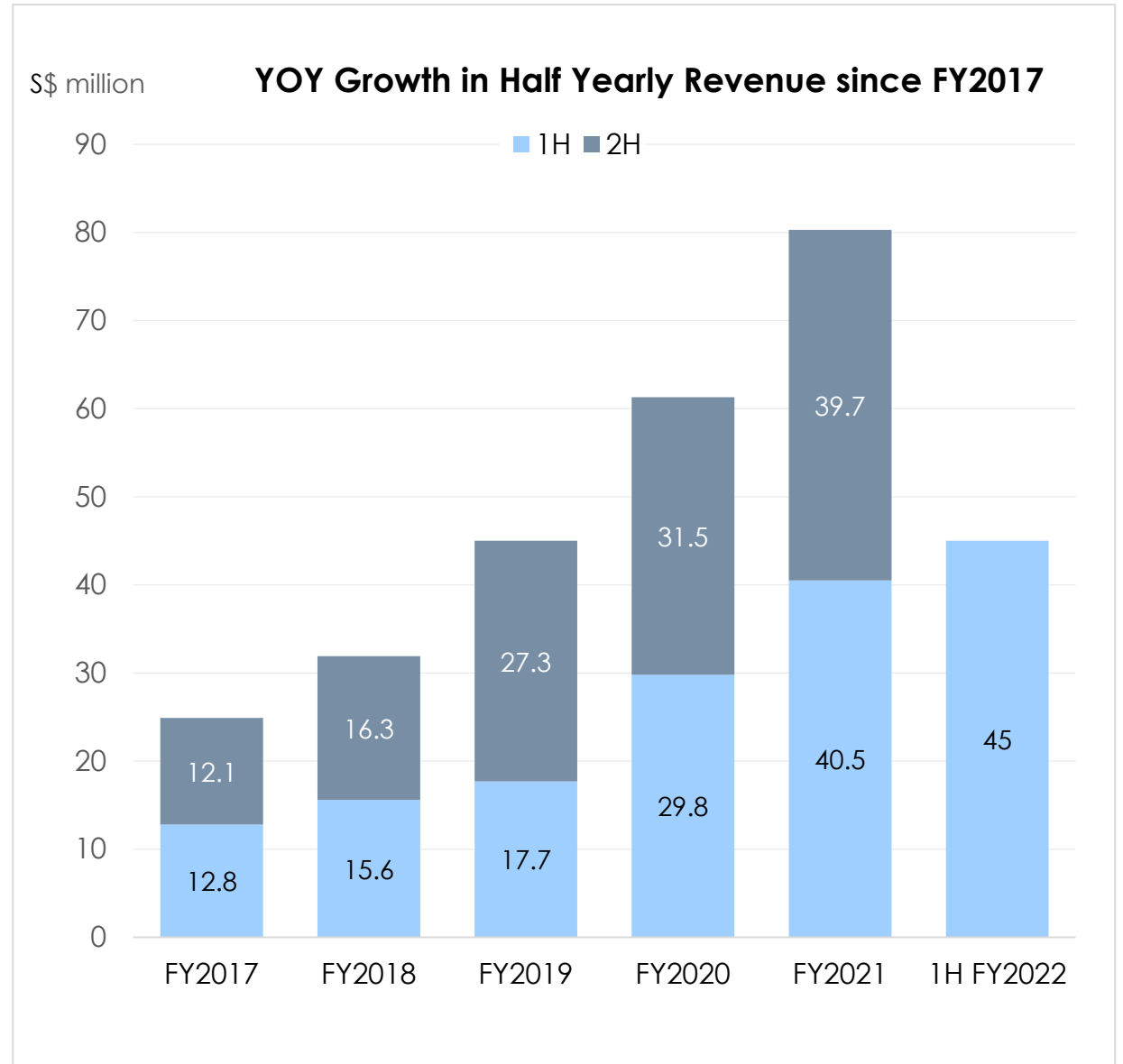
# OUR STRATEGIC INTENT

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



## FINANCIAL RESULTS

# SUSTAINED YEAR-ON-YEAR SALES GROWTH



# OUR STRATEGIC PRIORITIES

## 1. ACCELERATE CAPITAL INVESTMENTS

- Broaden global footprint to satisfy demand and improve flexibility for new customers
  - Changzhou extension, almost completed
  - Planning for Near Shore USA Plant
- Implement factory I.4 initiatives to drive operational efficiencies and output improvements

## 2. DRIVE CAPABILITY IMPROVEMENTS & INNOVATION

- Build expanded capabilities in in-vitro diagnostics, medical extrusions 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

## 3. 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

# REVENUE GROWTH MOMENTUM

## BUSINESS OUTLOOK

- Generally we are optimistic about long-term growth opportunities in medical device manufacturing globally because of expected market growth and our increasing capability, but we are mindful of current international trading conditions and geopolitical uncertainties
- Positive revenue momentum to continue but segment results may be impacted by cost factors related to logistics constraints, investments in new Plant and geo-political situation
- Focus on improving product mix, plant efficiency and utilisation and further underpin growth with new projects moving from commercialisation stage to mass production
- Prioritising building strong capabilities to provide attractive solutions to customers and improving global manufacturing footprint to meet increasing demand
- Planning the establishment of the next medical device plant outside Asia (near USA) to provide operational diversity, additional space to meet growth expectations, and resilience for customer base

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# PIPES & PIPE FITTINGS

Jay Cheng  
Group Operations Director

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VICPLAS  
PIPES

[WWW.VICPLAS.COM.SG](http://WWW.VICPLAS.COM.SG)

# 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



# OUR VALUE PROPOSITION TO CUSTOMERS

## Solutions Provider



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

## Operational Efficiency



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



## Product Reliability

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



## Green Initiatives

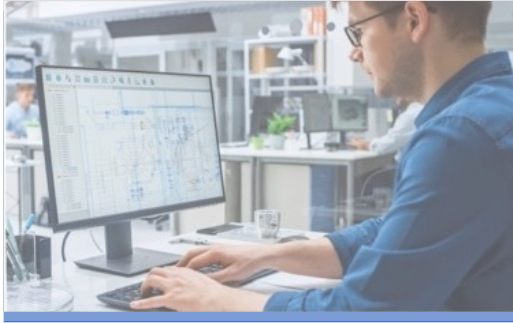
Contribute to a cleaner and greener future by developing environmentally friendly products



## Research & Development

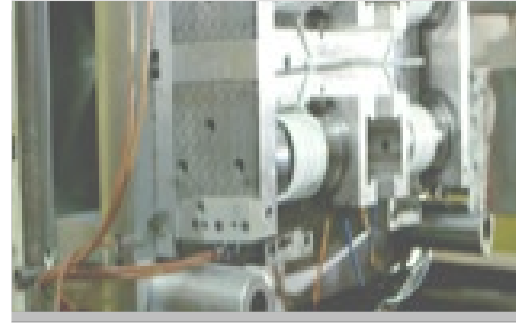
Constantly explore new possibilities in the design and manufacture of our products

# OUR CORE CAPABILITIES



## Product Design

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



## Processing Techniques

Proficient across a range of polymer processing techniques and are able to offer injection, extrusion, thermal forming and fabrication processes.



## 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.

Vicplas Pipes' products are all certified by international testing bodies to meet the industry standards of product quality.



# PRODUCT APPLICATIONS



## BUILDINGS

Residential homes  
Commercial buildings  
Institutional buildings  
Industrial / Others



## HYDRO-AGRICULTURE

Plastic pipes  
Plastic channels



## CIVIL ENGINEERING

Telecommunication pipelines  
Power grid pipelines  
Infrastructure works

# 1H FY2022 HIGHLIGHTS

- 1H FY2022 revenue increased as construction industry in Singapore gradually recovers from the disruptions and slowdown related to Covid-19
- Segmental result however was impacted by higher raw materials and energy costs
- Attained the second and third Green Check Mark certification from the Singapore Green Building Council



# BUSINESS OUTLOOK

## **OPPORTUNITIES AMIDST CHALLENGING ENVIRONMENT**

- Overall, the segment expects to continue growing its revenue for the rest of FY2022, although cost pressures are also expected to continue
- Well-positioned to cater to expected increase in demand from increased public housing units to be launched over the next two years

## **PRUDENT AND FOCUSED GROWTH**

- Apart from residential and commercial building projects, the segment will also continue to focus on civil engineering projects and product expansion
- Will continue to operate prudently and drive operational efficiencies through continuous improvement

THANK  
YOU

**Vicplas International Ltd**

Reg No: 199805362R

[www.vicplas.com](http://www.vicplas.com)