



InnoTek Limited

24th Annual General Meeting FY'19
3 June 2020

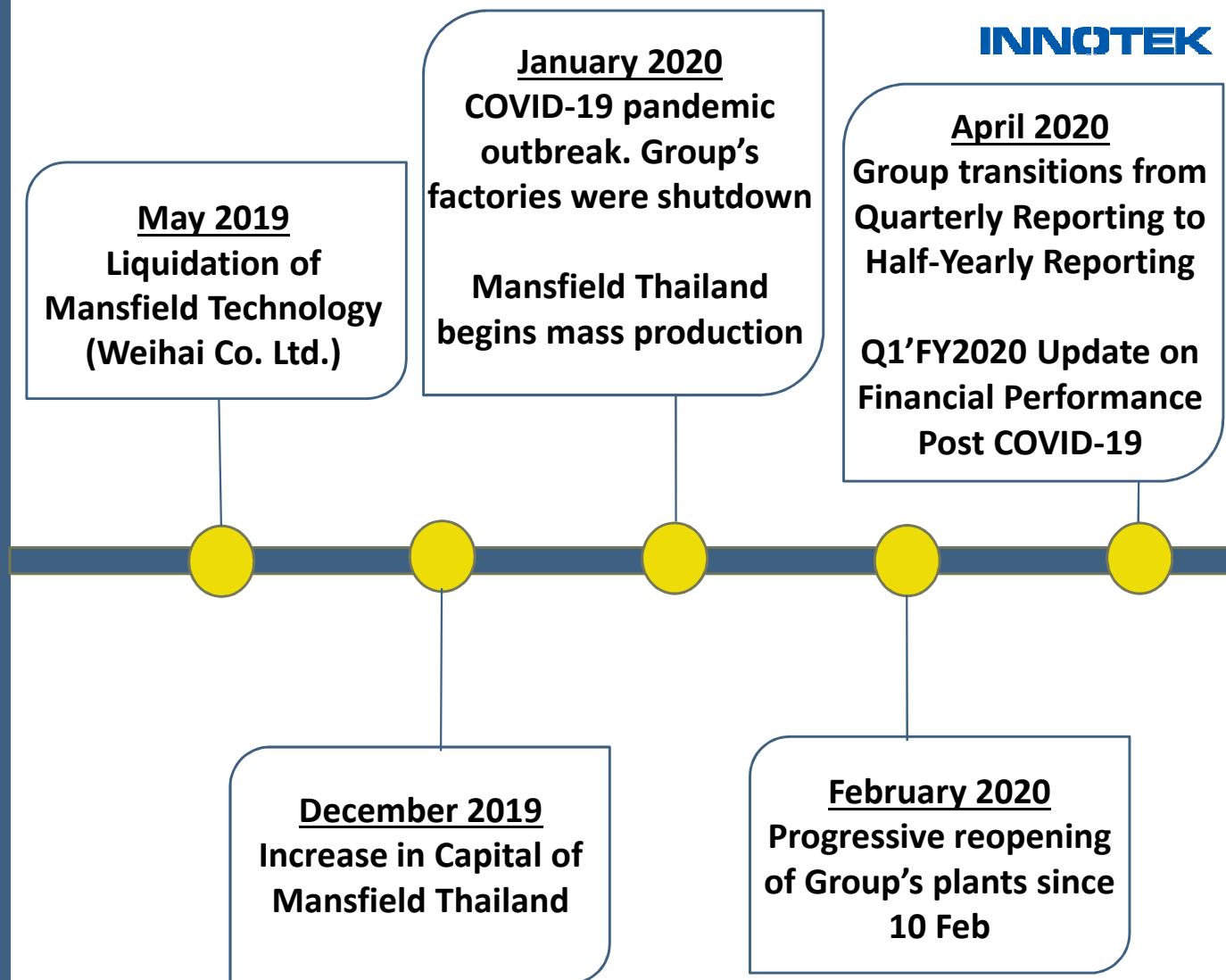
Strengthening Growth



INNOTEK – CORPORATE HIGHLIGHTS

Latest Corporate Developments

INNOTEK





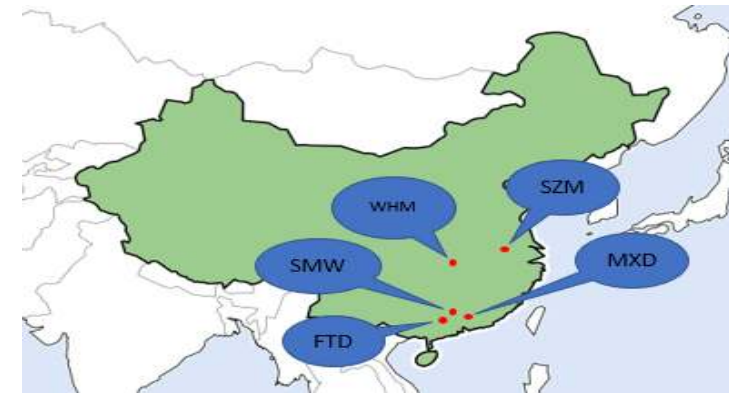
INNOTEK GROUP BACKGROUND

Company Background

- Primarily run by wholly-owned Mansfield Manufacturing Company Limited (“MSF”)
- MSF is a precision metal components manufacturer serving 3 industries
 - Office Automation
 - Automotive
 - TV and Display
- 3 business units
 - Precision Metal Stamping
 - Tools and Die design and fabrications
 - Precision Machining
- Strong and diversified International customers

INNNOTEK

Locations in China

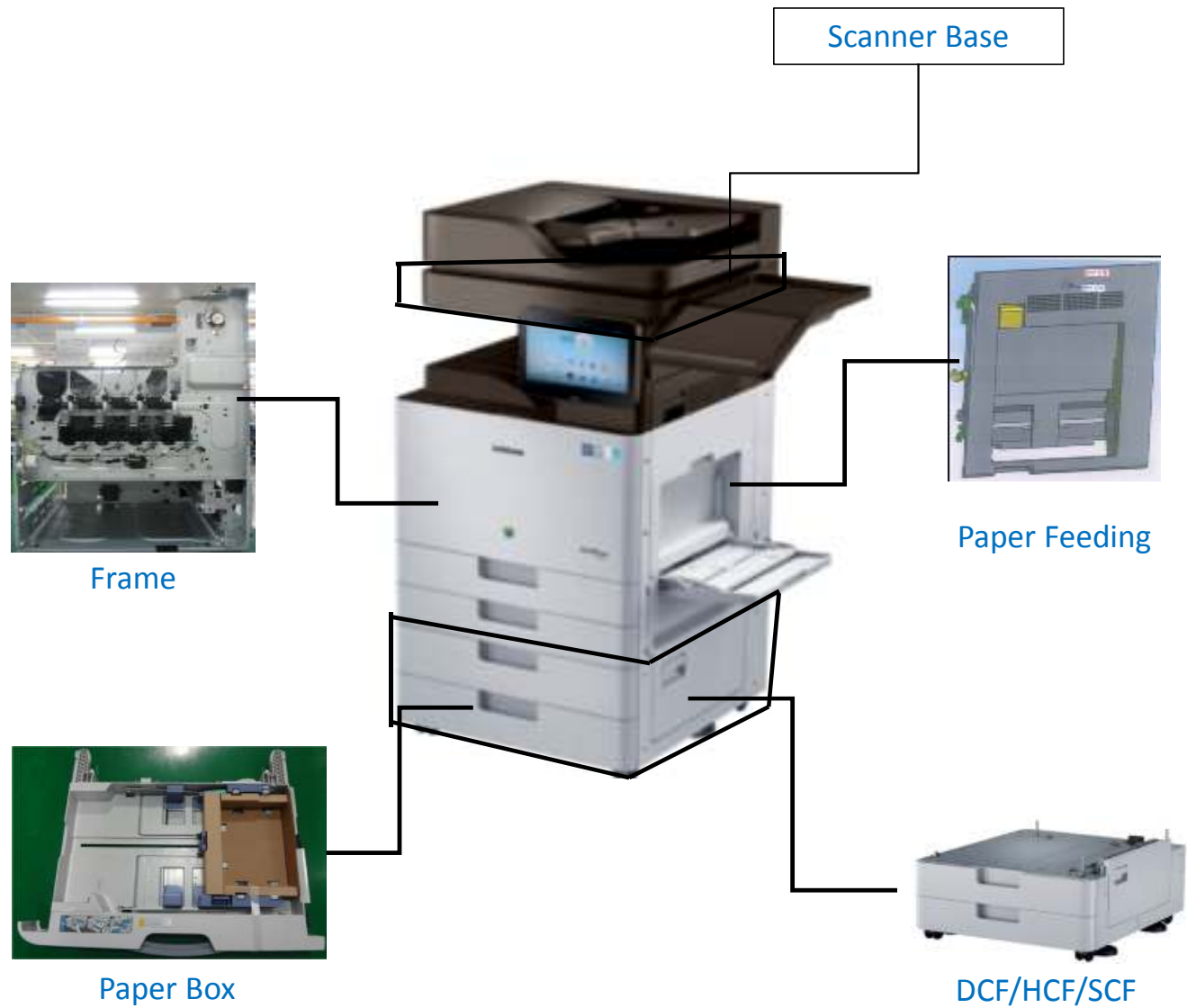


Location of Mansfield (Thailand)



Product Portfolio

Office Automation



Product Portfolio

Automobile

INNOTEK



Car Seat



Braking



Air Bag

Product Portfolio

TV and Display



TV Back Panel






TV Bracket



TV Bezel

Customers by Product Industry

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<p>Office Automation</p>	
<p>Automotive</p>	
<p>TV/Display</p>	



INNOTEK – FINANCIAL HIGHLIGHTS

Financial Highlights

FY2019

S\$('000)	FY2019	FY2018	Change (%)
Revenue	186,721	218,299	(14.5)
Gross Profit	40,765	46,726	(12.7)
Gross Profit Margin (%)	21.8	21.4	0.4 ppt[^]
Net Profit	16,658	20,239	(17.7)
Earnings Per Share* (cents)	7.36	8.98	(18.0)

[^]Percentage Points

*Weighted Average Basis

Balance Sheet Highlights

FY2019

S\$M	30/12/19	31/12/18	Change %
Cash & short-term deposit	44.0	34.6	
Structured Deposit with a bank in other investment	4.4	12.9	
Total Cash and bank deposit	48.4	47.5	1.9%
Investment portfolio at fair value in other investment	24.3	12.6	92.9%
Cash and Bank deposit and other Investments	72.7	60.1	21.0%
Total Assets	244.5	223.6	9.3%
Total Borrowings and Lease liabilities	23.8	0.1	NM
Shareholders' Funds	160.9	149.6	7.6%
Net Asset Value / share (cents)	71.1	66.1	7.6%

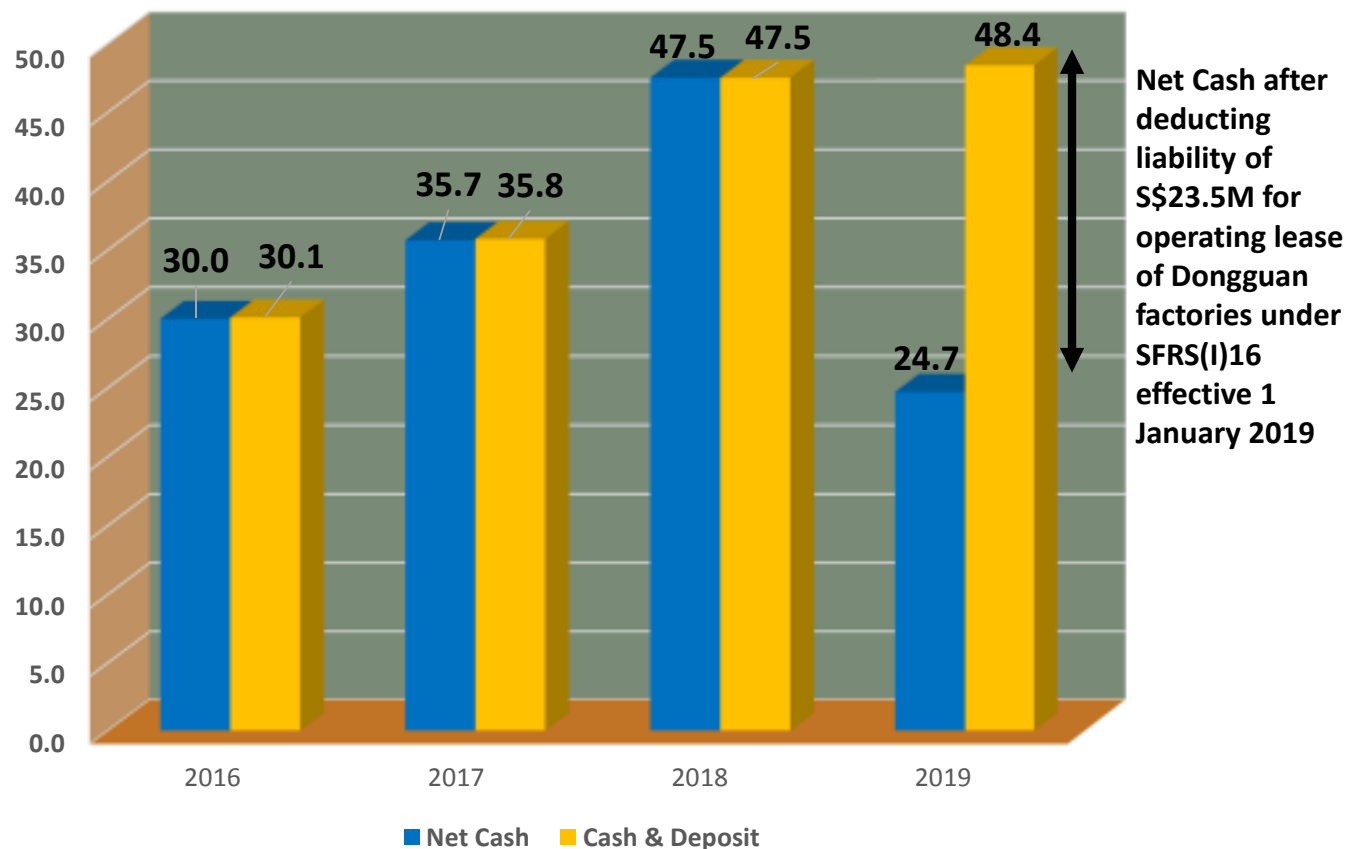
Future cash requirements for :

- Building additional owned production facilities in Dongguan to mitigate increasing rental cost
- Plans to invest in overseas operation to be close to major customers that moved out from China
- M&A strategy to acquire technology to sustain business growth
- Emergency requirements such as Covid-19 pandemic situation

Balance Sheet Highlights

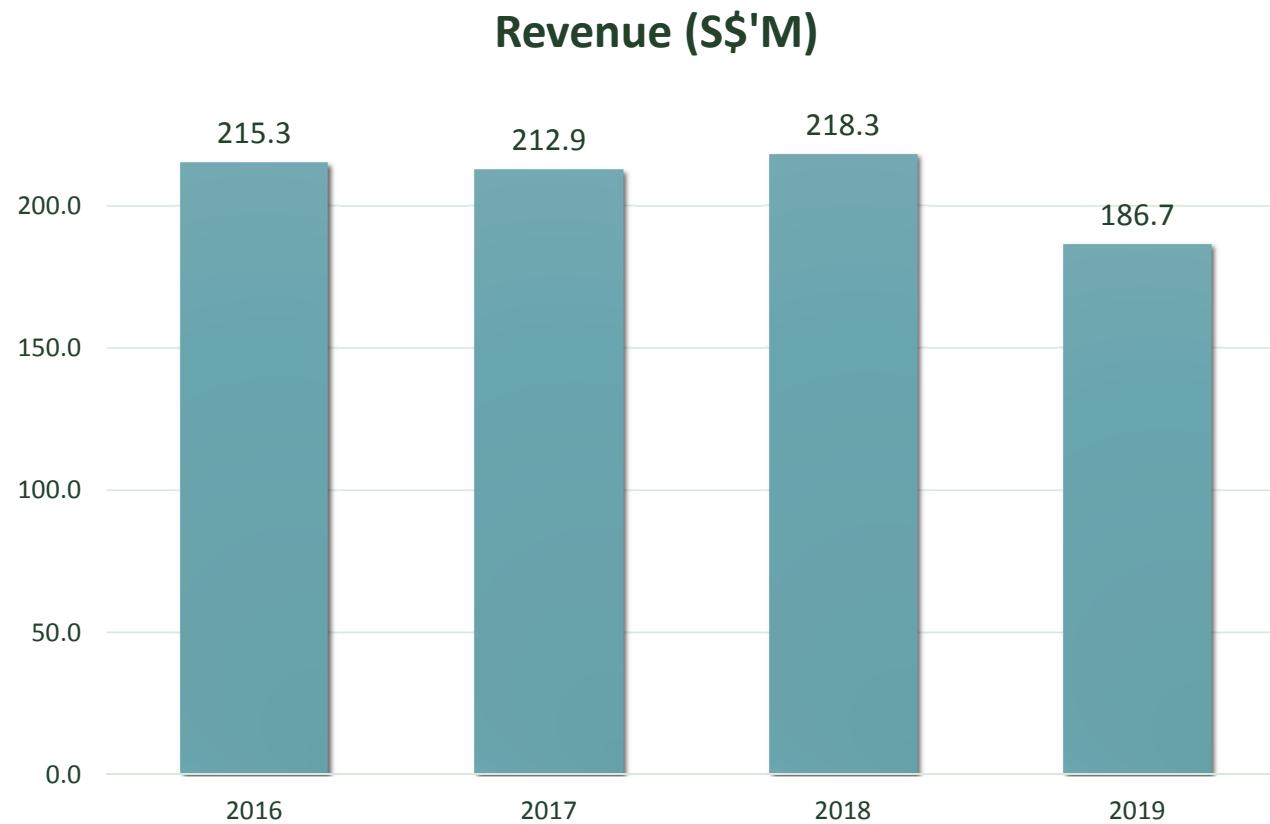
FY2019

Net Cash and Cash & Deposit (S\$'M)



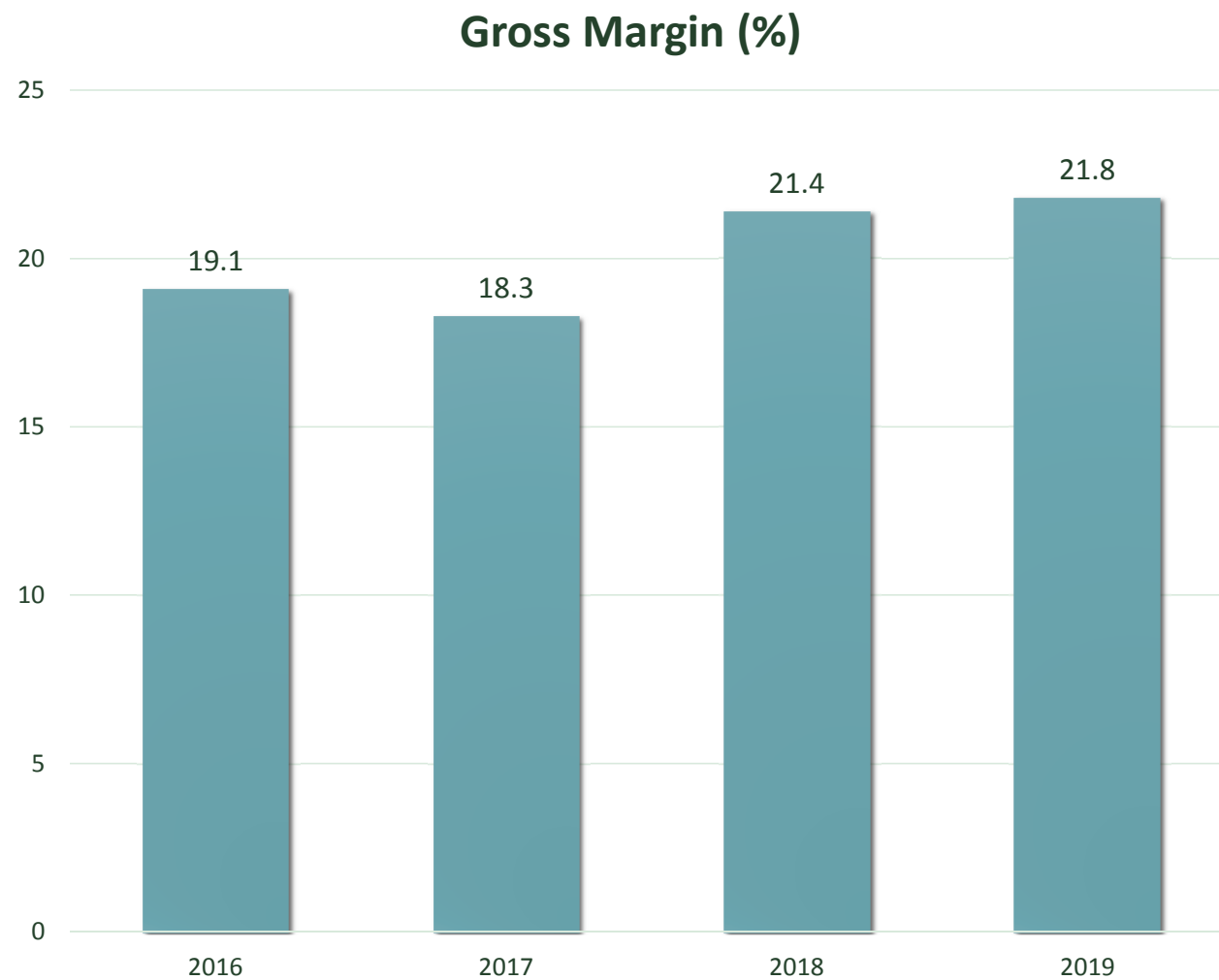
Financial Highlights

Revenue Yearly Trends



Financial Highlights

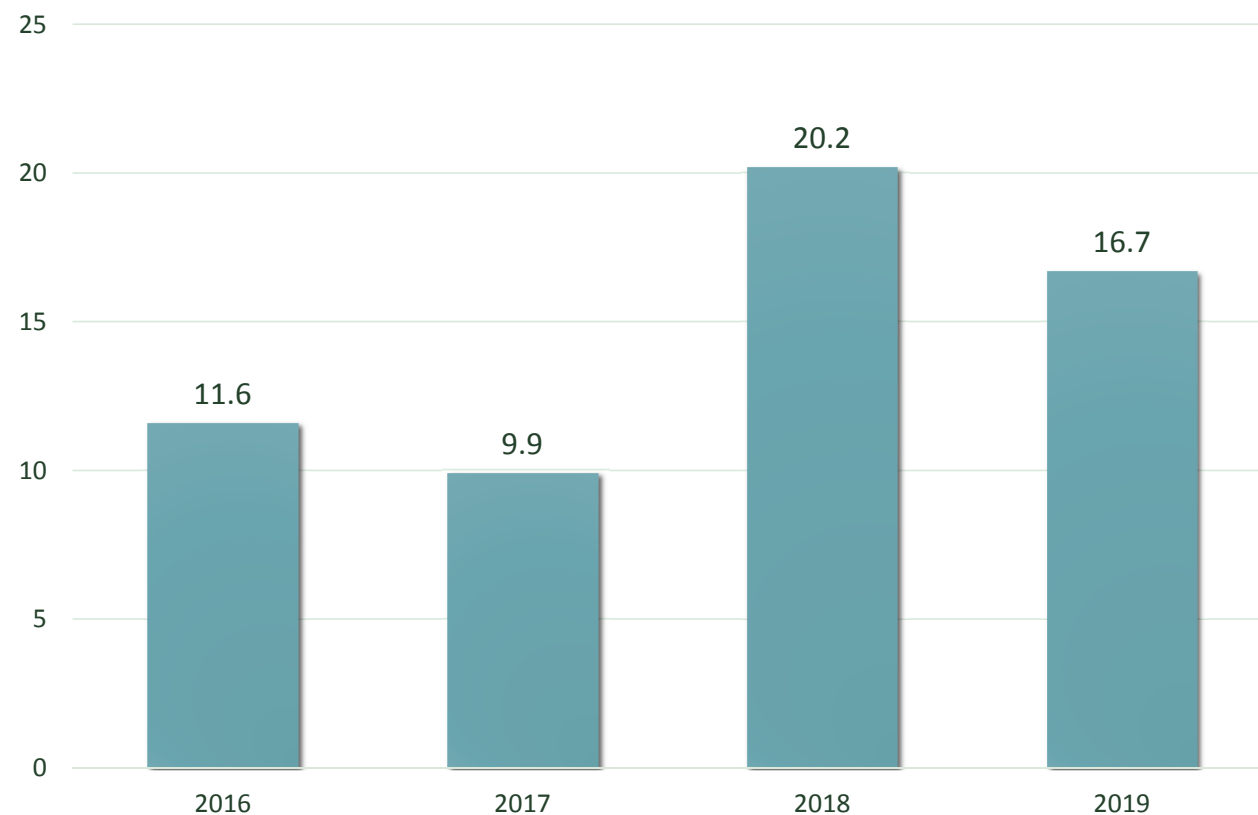
Gross Margin Yearly Trend



Financial Highlights

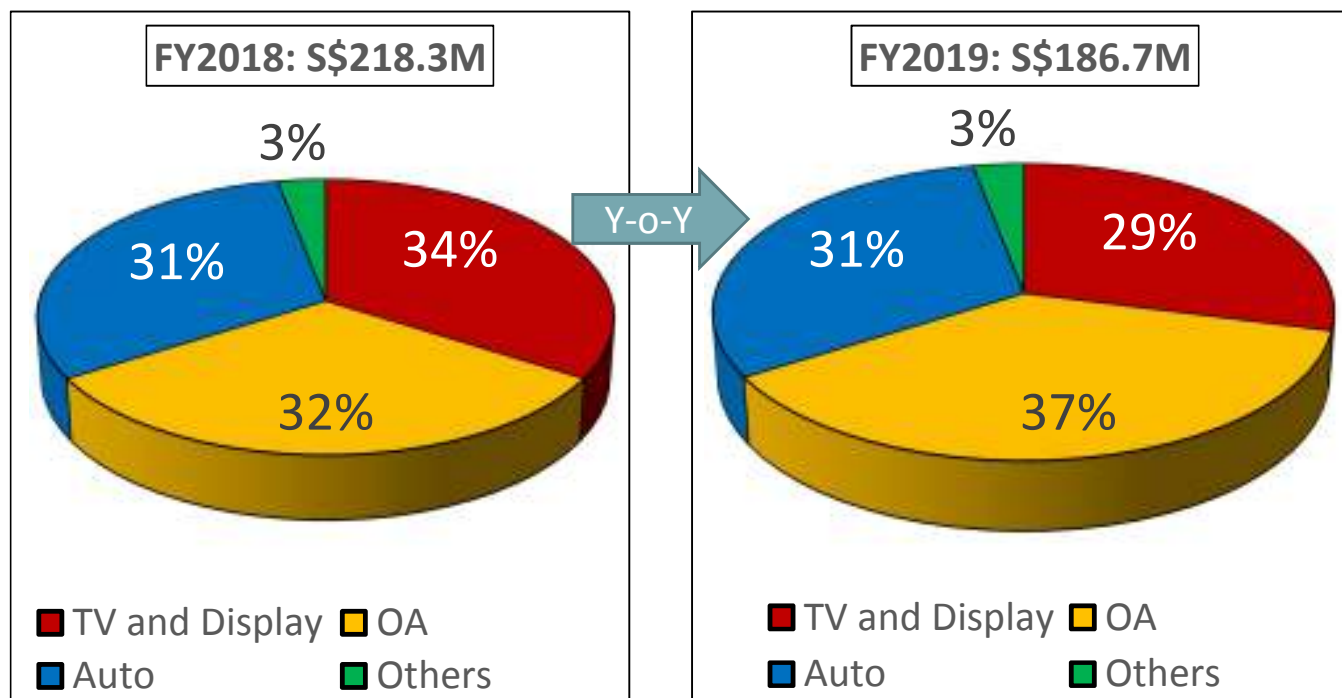
Net Profit Yearly Trends

Net Profit (\$\$'M)



Revenue by Products

FY2019 vs FY2018

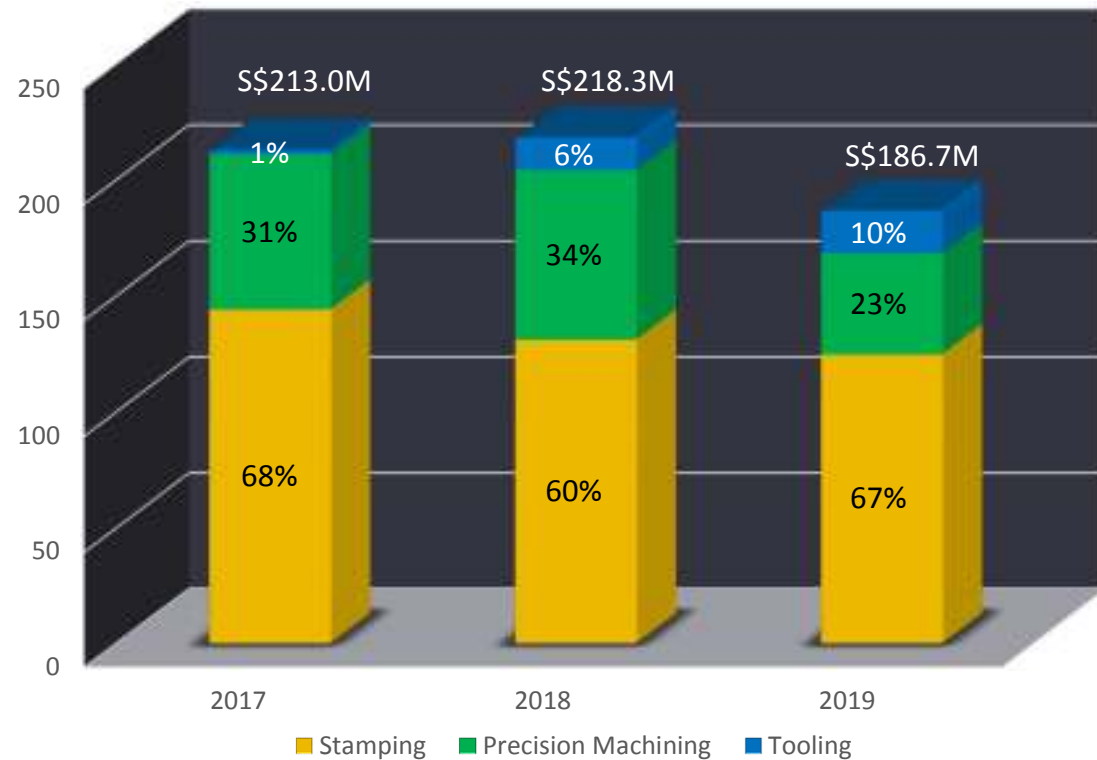


TV and Display	The decrease in TV/Display revenue was due to TV bezels below 55 inches seeing lower sales as the market shift towards plastic frames and commercial display and heatsinks orders coming to its tail-end
Automotive	China's softening automotive industry has led to an overall decline in auto sales. Customers are accelerating the end-of-life for existing products and slowing down the launch of new programmes
Office Automation (OA)	Lower demand for office automation products across the industry resulted in a decline in OA revenue, offset by higher tooling sales from OA customers in FY19 compared to FY18.

Revenue by Business Segment

FY2019 vs FY2018

Revenue by Business Segment (S\$'M)



Precision Machining	Reduced revenue due to lower sales in TV bezels below 55 inches, heatsinks, commercial display products and auto panels
Tooling	The increase in revenue was mainly due to higher automotive and OA tooling
Precision stamping components	The reduction of OA and automotive sales, offset by higher sales from TV back panel resulted in lower revenue for the segment

Update on COVID-19

Accurate as of 26 May 2020

- As of 26 May 2020, there have been no confirmed cases of infection among employees of Mansfield Group.
- The table below shows the Group's unaudited loss for Q1'FY2020 compared to Q1'FY2019.
- Decline in year-on-year revenue in Q1'FY2020 was mainly due to the temporary closure of the Group's plants
- Operating loss was contained by various cost-cutting measures and business efficiency improvements.
- InnoTek's investment portfolio loss was due to unfavourable financial market conditions, partially offset by exchange gain due to the weakening of the Singapore dollar.

S\$('000)	Q1'20	Q1'19	Change (%)
Revenue	33,905	44,235	(23.4)
Net Profit	(1,047)	3,891	(126.9)
Earnings Per Share* (cents)	(0.46)	1.72	(126.7)

*Weighted Average Basis

Outlook

General

- Global demand is expected to drop due to the COVID-19 pandemic
- COVID-19 outbreak is under control in China and domestic demand need to be gradually restored
- Coupled with the US-China trade tensions, it will be a challenging business operating environment in 2020 for InnoTek

Automotive

- Mass production of new products deferred due to economic slowdown
- Exports orders will be reduced impacted by COVID-19 pandemic
- China's Domestic demand is expected to recover post-pandemic

TV and Display

- New orders for TV bezels above 55 inches from major customers have been secured
- Demand is expected to weaken but will maintain a certain level

OA

- Major reason for the decline in orders :
 - Impact of COVID-19 pandemic
 - Decreasing global demand
- InnoTek's goal to mitigate demand reduction is to secure assembly of parts



THANK YOU

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