

VICOM'S RESULTS
FOR THE FULL YEAR ENDED 31 DECEMBER 2023

- **Group Revenue increased by 3.3% to \$111.9 million.**
- **Group operating profit increased by 1.2% to \$33.0 million.**
- **Net profit attributable to Shareholders increased by 5.4% to \$27.6 million.**
- **A final dividend of 2.75 cents per share has been recommended.**

Singapore, 21 February 2024 – VICOM Ltd today announced its audited results for the year ended 31 December 2023.

Highlights

	FY 2023 (\$m)	FY 2022 (\$m)	% change
Revenue	111.9	108.3	3.3
Operating Profit	33.0	32.7	1.2
Net Profit Attributable to Shareholders	27.6	26.2	5.4
EBITDA	40.9	39.9	2.5
EPS - cents	7.78	7.38	5.4

Introduction

The year 2023 unfolded against economic headwinds. Singapore's economic growth dropped to 1.1%, compared to 3.8% in 2022. The manufacturing sector, one of the key industries that our non-vehicle testing business serves, contracted by 4.3% affecting our overall business performance.

Despite these challenges, our vehicle testing business remained resilient and we performed a total of 520,895 vehicle inspections, maintaining our market share of 72%.

We also completed the acquisition of An Security, a key player in the business of security evaluation and testing services for IT products such as consumer and industrial smart devices. Through this strategic acquisition, we now have the means to capture this growth opportunity.

We have continued to invest in the future growth of our core business through the development of the new Jalan Papan site, an important base for us to expand our vehicle and non-vehicle testing capabilities.

Financial Performance

Group revenue rose by \$3.6 million or 3.3% to \$111.9 million and its operating profit saw a growth of \$0.4 million or 1.2%, reaching \$33.0 million for the year ended 31 December 2023.

After factoring interest income less finance costs and taxation, the net profit attributable to shareholders increased by \$1.5 million or 5.4% to \$27.6 million.

VICOM Chief Executive Officer Sim Wing Yew said: “I am happy to report that our overall business has remained resilient. At the same time, we have been able to implement various elements of our strategy to grow our non-vehicle testing business by expanding our testing capabilities to existing and new areas.”

Dividend

A tax-exempt one-tier final dividend of 2.75 cents per ordinary share has been proposed. Together with the interim tax-exempt one-tier dividend of 2.75 cents paid on 29 August 2023, the total dividend for 2023 will be 5.50 cents per ordinary share, representing a payout ratio of 70% if the final dividend is approved by shareholders at the Annual General Meeting on 24 April 2024.

Commentary

Demand for vehicle testing and related work is expected to be strong, as the company has been appointed by the Land Transport Authority (LTA) as one of the Authorised Partners for the installation of On-Board Units (OBU) in the Electronic Road Pricing (ERP) 2.0 exercise.

Demand for non-vehicle testing is also expected to increase with the anticipated recovery of the manufacturing sector and possible improvement in the overall economy. However, profit margins will continue to be under pressure due to inflation and greater competition.

Barring unforeseen circumstances arising from global geopolitical tensions or headwinds, the Group expects satisfactory performance in the year ahead.

Background

VICOM Ltd is Singapore's leading provider in inspection and technical testing services, offering a comprehensive range of inspection and testing services in vehicle and non-vehicle testing fields including mechanical, biochemical, civil engineering and non-destructive testing.

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