



**Vicplas International Ltd**  
Registration No: 199805363R  
35 Joo Koon Circle,  
Singapore 629110  
Tel: (65) 6262 3888  
Fax: (65) 6349 3877

## MEDIA RELEASE

# **Vicplas International's FY2022 revenue grew 14.8% to S\$130.8 million with a net profit of S\$8.8 million**

- Medical devices segment maintains revenue growth momentum and continues to invest in manufacturing expansion and capability building for growth in the long run
- Pipes and pipe fittings segment performance improves alongside the recovery of Singapore's construction sector

**SINGAPORE, 23 September 2022** – SGX Mainboard-listed Vicplas International Ltd (“**Vicplas**”, “**威百亿国际有限公司**” or the “**Company**”, or collectively with its subsidiaries, the “**Group**”), is pleased to announce that its revenue for the financial year ended 31 July 2022 (“**FY2022**”), increased 14.8% to S\$130.8 million from S\$113.9 million for the financial year ended 31 July 2021 (“**FY2021**”).

Profit after tax for FY2022 decreased by 15.0% to S\$8.8 million from S\$10.4 million in FY2021 as the Group's medical devices segment was impacted by rising supply chain costs and other disruptions caused by the Covid-19 pandemic, as well as higher costs associated with business expansion through increasing manufacturing facility capacity and bringing onboard additional technical and business development resources to meet current and future demand.

Commenting on the FY2022 results, **Mr Walter Tarca, Group Chief Executive Officer of Vicplas** said: *“Vicplas has achieved a respectable set of results for FY2022 given the backdrop of an uncertain and more costly operating environment. Our medical devices segment has maintained its revenue growth momentum but was affected by rising supply chain costs and other disruptions brought on by the Covid-19 pandemic. Despite this, it continues to expand its manufacturing footprint and dedicate resources to*

other technical and business development areas to meet increasing demand from the long-term trend of medical device outsourcing. To this end the segment is actively negotiating for a suitable site in Juarez, Mexico, to initiate its fifth manufacturing location to provide greater flexibility and choice for its customers. Our pipes and pipe fittings segment recovered in FY2022, alongside the recovery of Singapore's construction sector. The segment will continue to support the local construction industry and will continue to grow its civil engineering projects, as well as product expansion beyond the built environment."

"We are cautiously optimistic for the next financial year as we need to keep a close watch on the challenges that may arise from the ongoing Covid-19 pandemic, current inflationary pressures, and uncertainties in the wider macro environment. Besides continuing to exercise prudent cost management, we will also continue to develop new business opportunities and strengthen our capabilities for future growth.", Mr Tarca added.

## Financial Highlights

In FY2022, the Group's revenue increased to S\$130.8 million as compared to S\$113.9 million for FY2021, driven by higher revenue from both the medical devices and pipes and pipe fittings segments.

Segmental Revenue			
S\$'M	FY2022	FY2021	% Change
Medical Devices	92.6	80.2	15.5
Pipes & Pipe Fittings	38.2	33.8	13.1

Segmental Results <sup>1</sup>			
S\$'M	FY2022	FY2021	% Change
Medical Devices	10.2	12.1	-15.3
Pipes & Pipe Fittings	4.5	3.2	42.0

The revenue for the medical devices segment was S\$92.6 million in FY2022, an increase of 15.5% from FY2021 due to increased orders from its customers as it continued its growth momentum of recent years. This was achieved notwithstanding disruptions and delays arising from the Covid-19 pandemic. The segment also faced increased costs mainly due to the effects of rising supply chain costs and other

<sup>1</sup> 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.

disruptions caused by the Covid-19 pandemic, as well as higher costs associated with business expansion through increasing manufacturing facility capacity and bringing onboard additional technical and business development resources to meet demand. Given these circumstances, the segmental result of S\$10.2 million was commendable, albeit a decrease of 15.3% over FY2021.

The pipes and pipe fittings segment also recorded a 13.1% increase in revenue from S\$33.8 million in FY2021 to S\$38.2 million in FY2022, alongside the recovery of the construction industry in Singapore. A segmental result of S\$4.5 million was posted, which was a 42.0% improvement from S\$3.2 million in FY2021, despite higher material and overheads cost.

Other income decreased by 15.1% in FY2022 mainly due to the absence of Covid-19 related government subsidies in FY2022 as compared to S\$0.6 million of such subsidies that were received in FY2021 and a S\$0.3 million decrease in income from tooling, mould and maintenance services as compared to FY2021. Raw materials and consumables used increased by 22.1%, which was greater than the rate of increase in revenue, mainly due to the increase in raw materials cost. Employee benefits expense (including salary) increased by 17.9% due to increased headcount and overtime, especially in the medical devices segment, to meet the higher revenue and investment in medtech talents to meet future demand.

In FY2022, other operating expenses increased by 4.5% mainly due to the rise in electricity tariffs and higher cost of repairs and maintenance to support the increase in revenue. The Group's finance costs increased by S\$0.3 million due to an increase in bank borrowings to finance a higher amount of working capital to support a greater scale of business and the rising interest rate environment. Income tax expense increased by 14.0% in FY2022 despite the lower profit after tax as the Group had utilised most of its past years' tax losses brought forward in FY2021.

Overall, the Group recorded a profit before tax of S\$11.0 million, which was a decrease of 10.5% over FY2021, and a profit after tax of S\$8.8 million for FY2022, which was a decrease of 15.0% compared to S\$10.4 million in FY2021. The Group's adjusted EBITDA<sup>2</sup> for FY2022 was S\$18.3 million, which was a smaller decrease in percentage terms of 1.5% compared to S\$18.6 million for FY2021. The Group, in particular the medical devices segment, is continuing to invest intensively as it scales up its global manufacturing footprint to meet both current and future customer demand, as indicated by the continuing high depreciation and amortisation expenses. Accordingly, the Group has initiated disclosure of adjusted EBITDA<sup>2</sup> as it could serve as an additional metric for evaluating the Group's operating performance.

As the Group continues to grow albeit at a lower but still encouraging level of profitability in view of the macro environment, the Board of Directors of Vicplas is recommending maintaining the same dividend rate as FY2021 - a final dividend of S\$0.0045 per ordinary share (one-tier tax exempt) for FY2022 (FY2021 final dividend: S\$0.0045 per share), which is subject to approval by shareholders at the Annual General Meeting to be held on 24 November 2022.

## **Financial Position**

As of 31 July 2022, the Group has a net asset value per share (excluding treasury shares) of 15.32 Singapore cents (31 July 2021: 14.03 Singapore cents)<sup>3</sup>, shareholders' equity of S\$78.3 million (31 July 2021: S\$71.6 million) and cash and cash equivalents of S\$8.9 million (31 July 2021: S\$9.9 million).

## **Business Outlook**

The Group expects its revenue to continue growing into the next reporting period with the continued expansion of the medical device segment and the improved outlook for the pipes and pipe fittings segment as the construction sector in Singapore improves.

---

<sup>2</sup> Adjusted EBITDA refers to earnings before interest, tax, depreciation and amortisation; and excludes unrealised foreign exchange.

<sup>3</sup> NAV per share is calculated based on 511,076,699 ordinary shares in issue excluding treasury shares as at 31 July 2022 (31 July 2021: 510,626,699 ordinary shares).

However, the Group's profit after tax in the next reporting period may also be impacted by increasing operating costs due to inflationary pressures, continued disruptions in logistics and supply chains, and higher development and expansion costs.

While the Group remains cautiously optimistic for the next reporting period, it is keeping a vigilant watch on the challenges that may arise from the ongoing Covid-19 pandemic, inflationary pressures, and uncertainties in the wider macro environment. The Group will continue to exercise prudent cost management, while developing new business opportunities, and strengthening its base for future growth.

#### Medical devices segment

In FY2022, the segment further expanded its global customer base, commercialised new projects, and expanded its manufacturing footprint with the completion of a sizeable extension to its Changzhou manufacturing plant to meet increasing demand. The Changzhou plant extension is expected to start contributing to revenue in the first half of the financial year ending 31 July 2023. The segment is also actively negotiating for a suitable site in Juarez, Mexico, to initiate its fifth manufacturing location to provide greater flexibility and choice for its customers.

The segment has continued to focus on building specialised capabilities to improve its collaboration and offerings to its global customer base, and prioritising efficiency improvements at its manufacturing plants.

The current expectation for the medical devices segment is for its positive revenue momentum to continue, and to further grow its customer base, coupled with planned improvements in product mix, plant efficiency and utilisation. Nonetheless, this optimism must be tempered by some caution in the face of a macro environment of some uncertainty due to current international trading conditions and inflationary concerns, and the segment's continued investment in capability improvement and expansion of its global manufacturing footprint.

## Pipes and pipe fittings segment

In FY2022, the segment focused on the pipeline of civil engineering projects relating to the building of new townships as more public housing units are expected to be released over the next few years. With a manufacturing presence in Singapore, the segment is well positioned to support customers as the domestic construction industry continues its growth momentum. The segment will continue its focus on civil engineering projects as well as product expansion beyond the built environment. Whilst the segment expects higher revenue from the brightened outlook, it also continues to face increasing competition and cost pressures.

End.

**Note: This media release is to be read in conjunction with the announcement issued on SGXNET on the same date.**

### **About Vicplas International Ltd**

Vicplas International Ltd has two core businesses. The first is the design, development and manufacture of sterile and non-sterile medical devices through its wholly-owned subsidiaries, Forefront Medical Technology (Pte) Ltd, Forefront Medical Investment Pte. Ltd. and XentiQ (Pte.) Ltd. in Singapore; Forefront (Xiamen) Medical Devices Co., Ltd and Forefront Medical Technology (Jiangsu) Co., Ltd in China; and Arrow Medical Limited in the United Kingdom. All the subsidiaries have EN ISO13485:2016 quality certification 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.

The second is the manufacture and distribution of piping systems for diverse industries including waste and potable water systems for residential homes, schools, commercial and industrial buildings; underground electrical and internal building wire piping systems; and data and signal line piping systems by telecommunications companies, through our wholly-owned subsidiaries, Vicplas Holdings Pte Ltd in Singapore and Rimplas Industries Sdn. Bhd. in Malaysia. Vicplas Holdings Pte Ltd is ISO5001:2018, ISO14001:2015 and ISO45001:2018 certified and both subsidiaries are ISO9001:2015 certified. For more information, please visit the corporate website <https://www.vicplas.com>

---

For media queries, please contact:

Contact : Mr Ivan Hong / Mr Gerald Woon  
Email / DID / Mobile : [ivanhong@cogentcomms.com](mailto:ivanhong@cogentcomms.com) / (65) 6704 9287 / (65) 9055 8883  
[woon@cogentcomms.com](mailto:woon@cogentcomms.com) / (65) 6704 9268 / (65) 9694 8364

---