



SERIAL SYSTEM LTD

1H2021 RESULTS PRESENTATION

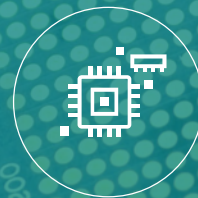
Friday, 13 August 2021

AGENDA

By moving forward and thinking forward, Serial System helps its partners to be more competitive in the marketplace, today and in the future



FINANCIAL RESULTS



OUTLOOK



CORPORATE OVERVIEW

FINANCIAL RESULTS



Snapshot Of 1H2021 Performance

US\$'000	1H2021	1H2020	Change (%)
Sales	438,288	314,287	39
Gross Profit	34,931	19,280	81
Gross Profit Margin (%)	8.0	6.1	1.9 ppt
Net Profit/(Loss) After Tax (Attributable to equity holders of the Company)	5,837	(4,483)	NM
EPS/(LPS) - fully diluted (US cents) ⁽¹⁾	0.65	(0.50)	NM
NAV per share (US cents) ⁽²⁾	30/6/2021: 16.27	31/12/2020: 15.81	

(1) Earnings/(loss) per ordinary share on a fully diluted basis are computed by dividing net profit attributable to equity holders of the Company by the weighted average number of shares in issue during the period of 895,841,914 after adjusting assumed conversion of all potential dilutive ordinary shares.

(2) Net assets value per ordinary share as at 30 June 2021 and 31 December 2020 is calculated based on the net assets value attributable to the equity holders of the Company as at the end of the respective period and the respective aggregate number of ordinary shares of 895,841,914.

1H2021 Highlights



☐ Revenue of US\$438.3M in 1H2021, lifted by recovery in all business segments

- Revenue increased 39% y-o-y from US\$314.3 million in 1H2020, when the initial outbreak of COVID-19 impacted demand for electronic components and disrupted manufacturing activity in Asia, especially China
- Sales for the electronic components distribution business increased 38% fuelled by increased global demand for semiconductors, particularly in Hong Kong and China; improved business environment and global chip shortage playing out to the Group's advantage in view of the Group's extensive product portfolio and strong presence in Asia, especially Hong Kong and China and the Group's efforts to expand its base of suppliers and customers and its ability to work closely with suppliers and customers for value creation
- Turnover for consumer products distribution business sales rose 58%, as demand remains robust due to continued demand for computer peripherals in Malaysia where new product launches from suppliers coincided with an increase in demand for desktop and portable computers and peripherals amid adoption of work-from-home measures in compliance with the prolonged Movement Control Order
- Turnover for other businesses increased to US\$5.4 million from US\$4.5 million a year ago, boosted by higher sales in the trading and distribution of fast-moving consumer goods in Singapore and Malaysia, as well as higher sales in assembly and distribution of medical devices and hospitality and healthcare solutions businesses driven by higher demand

☐ Gross profit margin outpaced revenue growth, growing 81% to US\$34.9M

- Mainly due to higher margins achieved by the Group's electronic components and consumer products distribution businesses with greater demand; global chip shortage which resulted in many firms rushing to stockpile high demand chips also contributed to increased margin in the electronic components distribution business

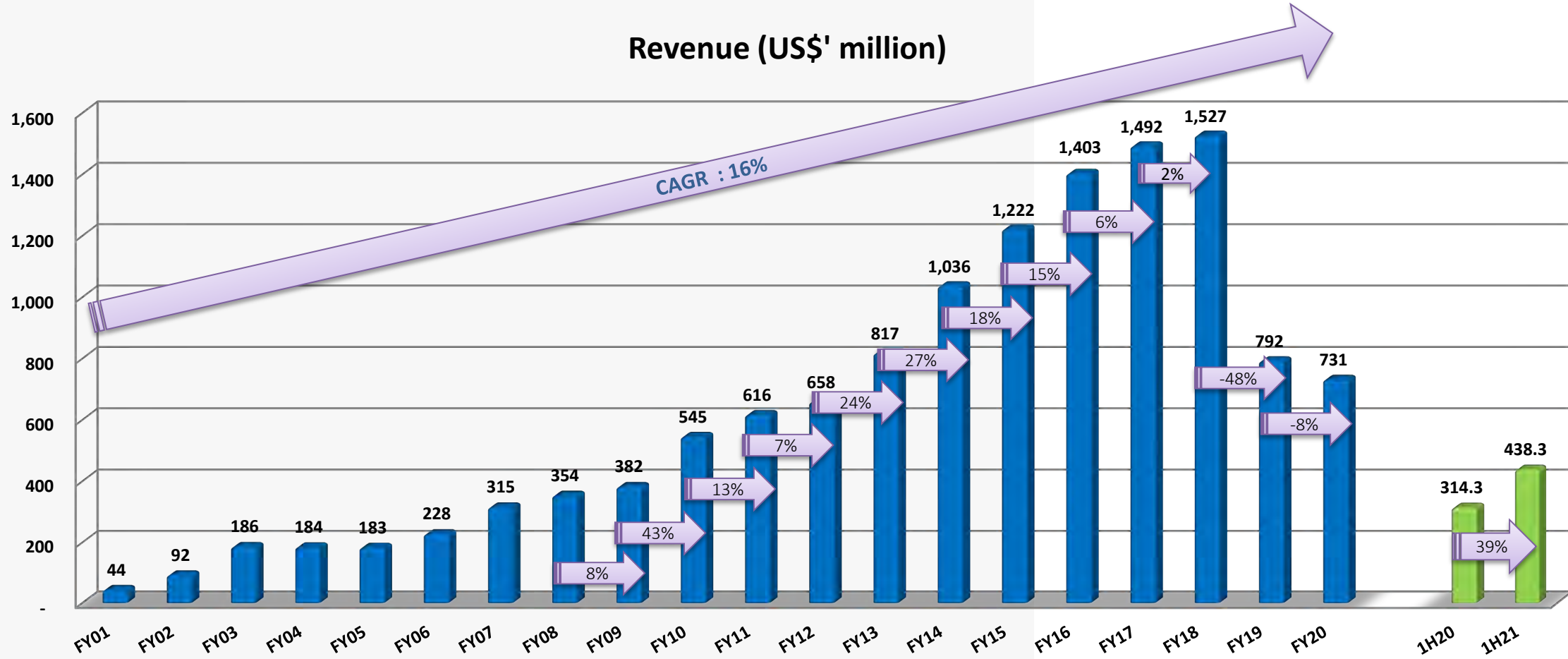
☐ Net profit of US\$5.8M in 1H2021, reversing loss of US\$4.5M in 1H2020

Revenue Growth Trend

SERIAL SYSTEM GROUP

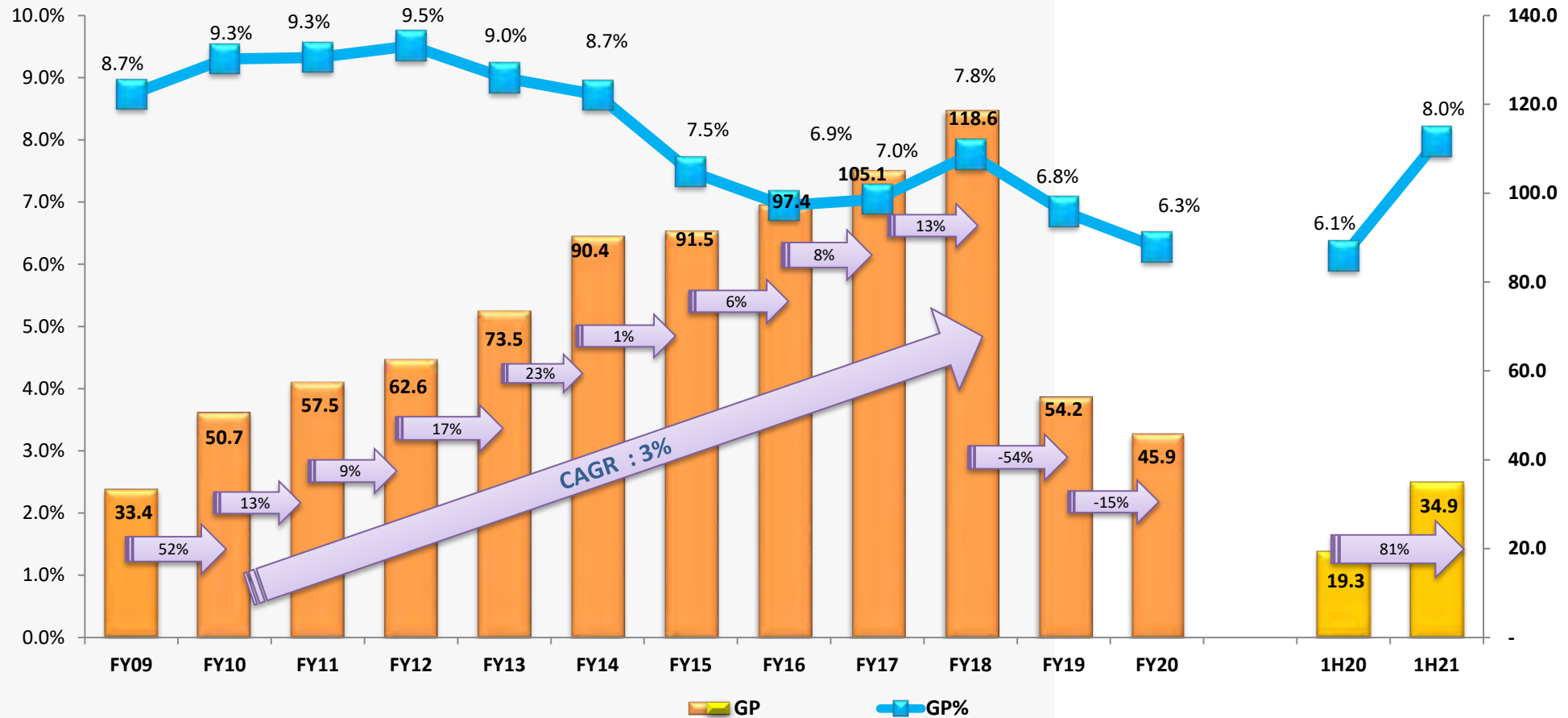


Revenue (US\$' million)



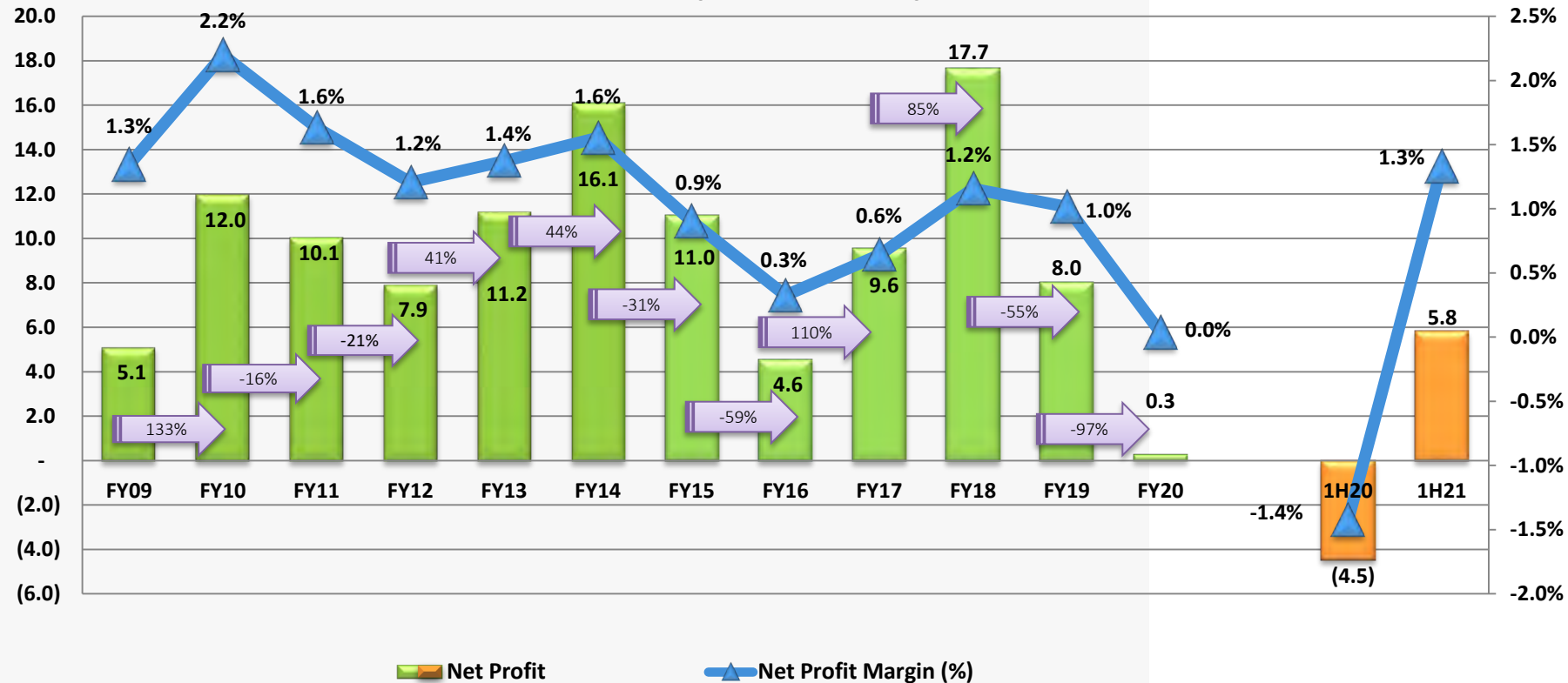
Profitability

Gross Profit & Gross Profit Margin (US\$' million)



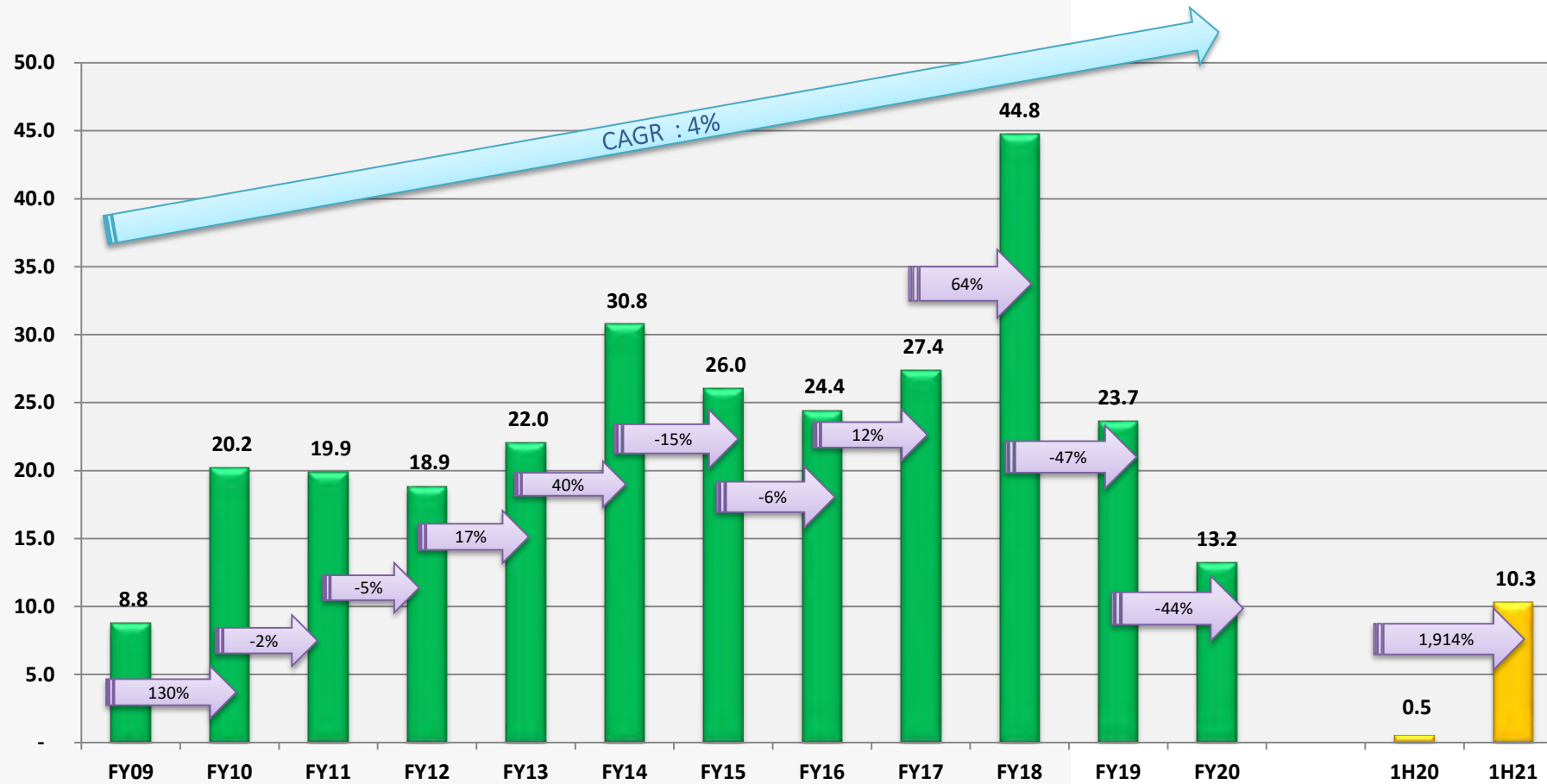
Profitability

Net Profit & Net Profit Margin (US\$' million)



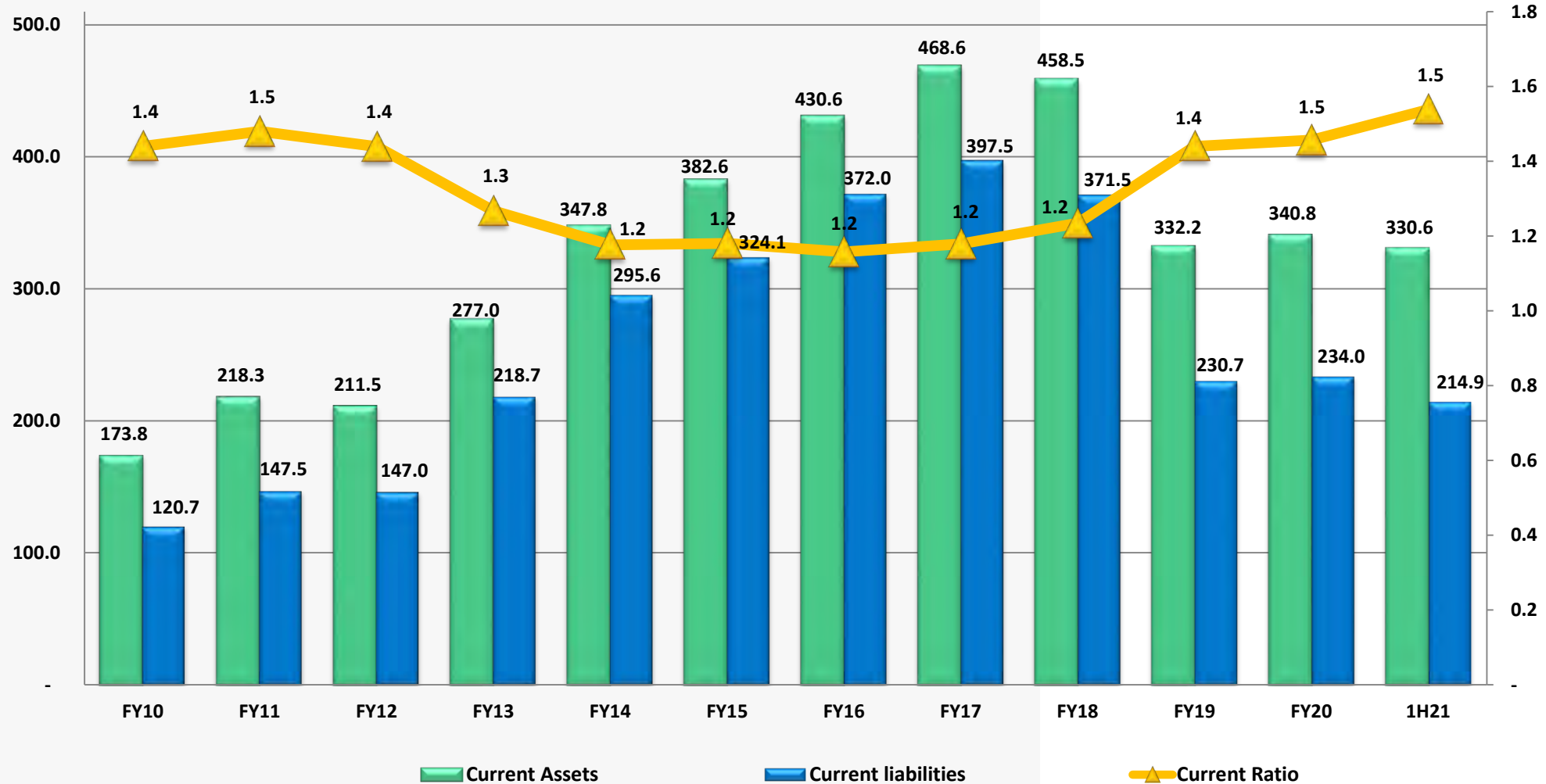
Profitability

EBITDA (US\$' million)



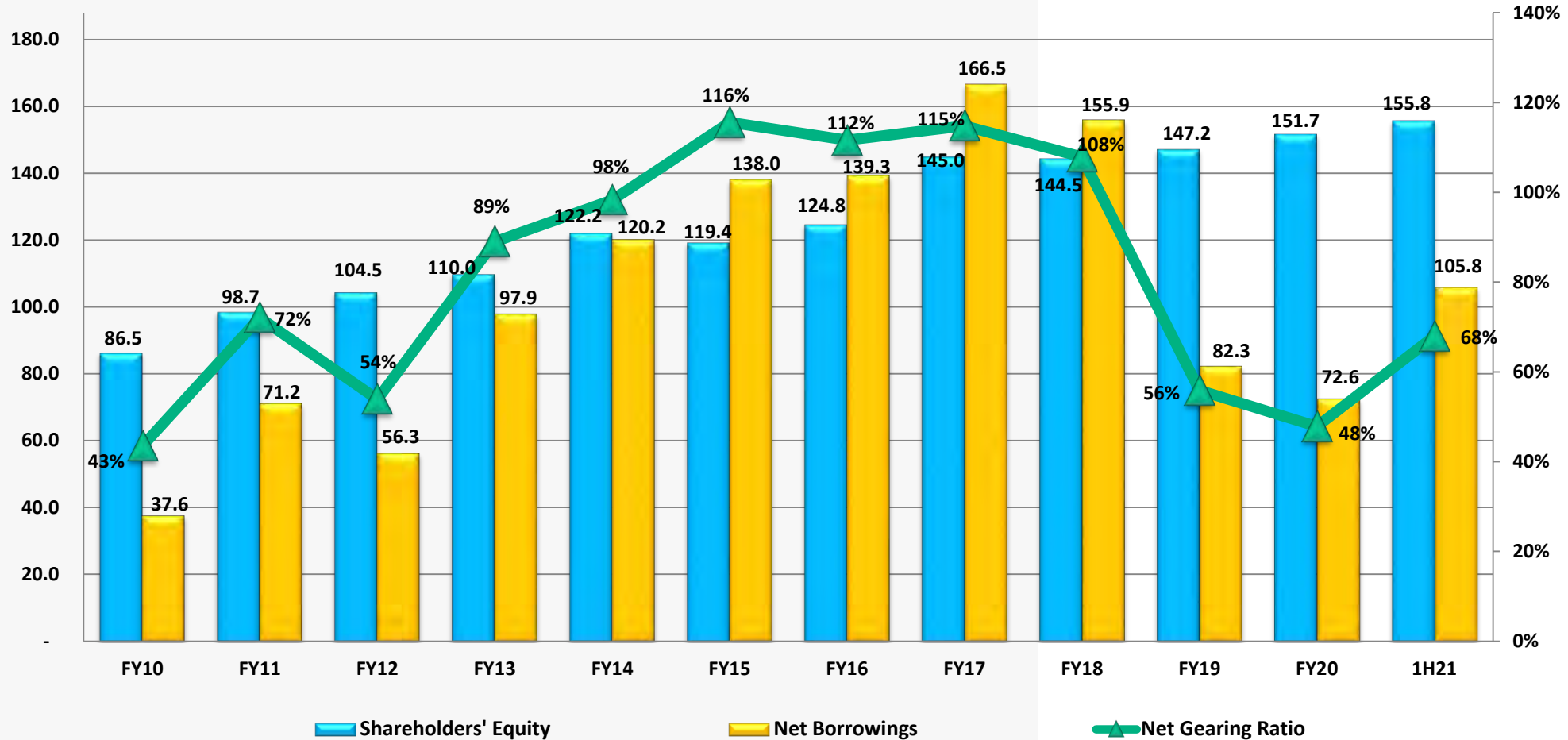
Financial Position

Maintaining Healthy Current Ratio

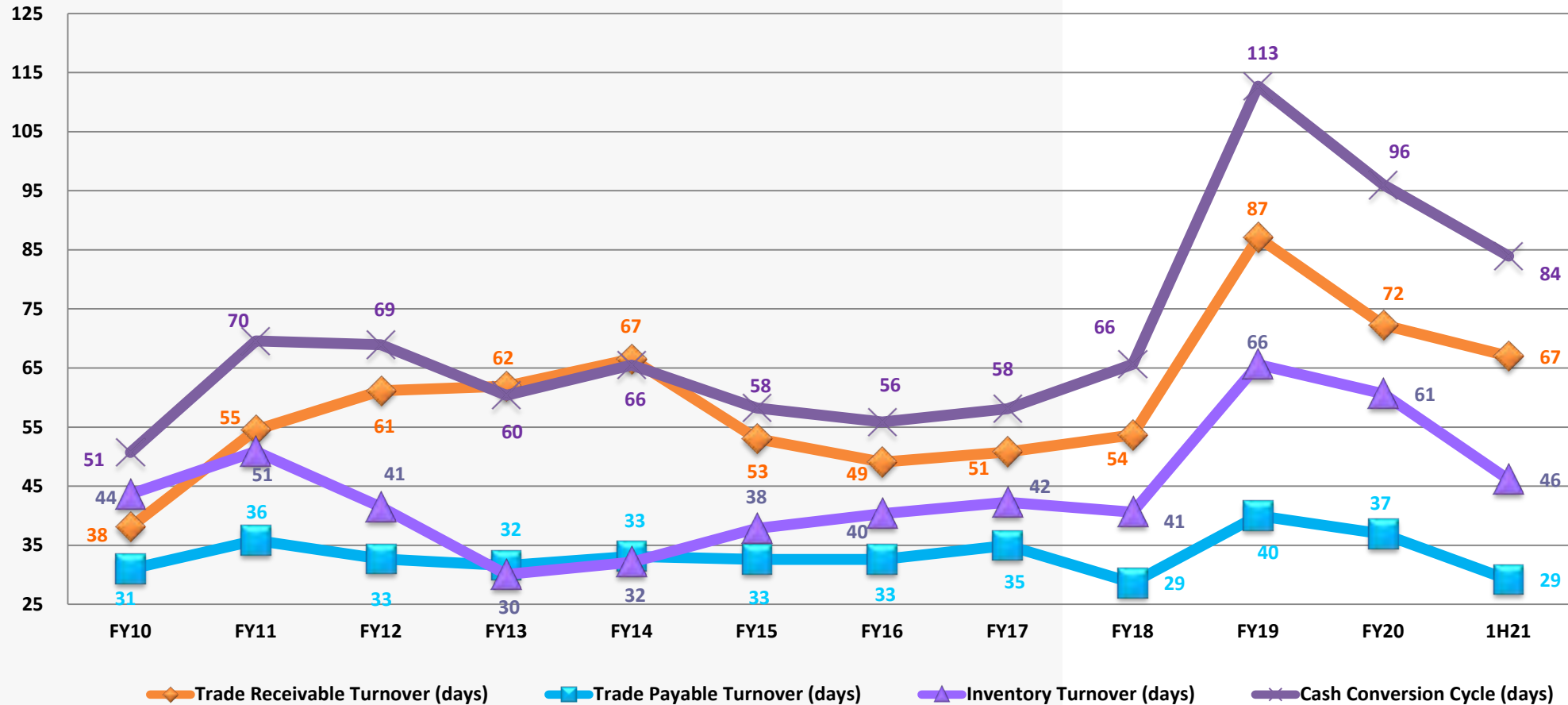


Financial Position

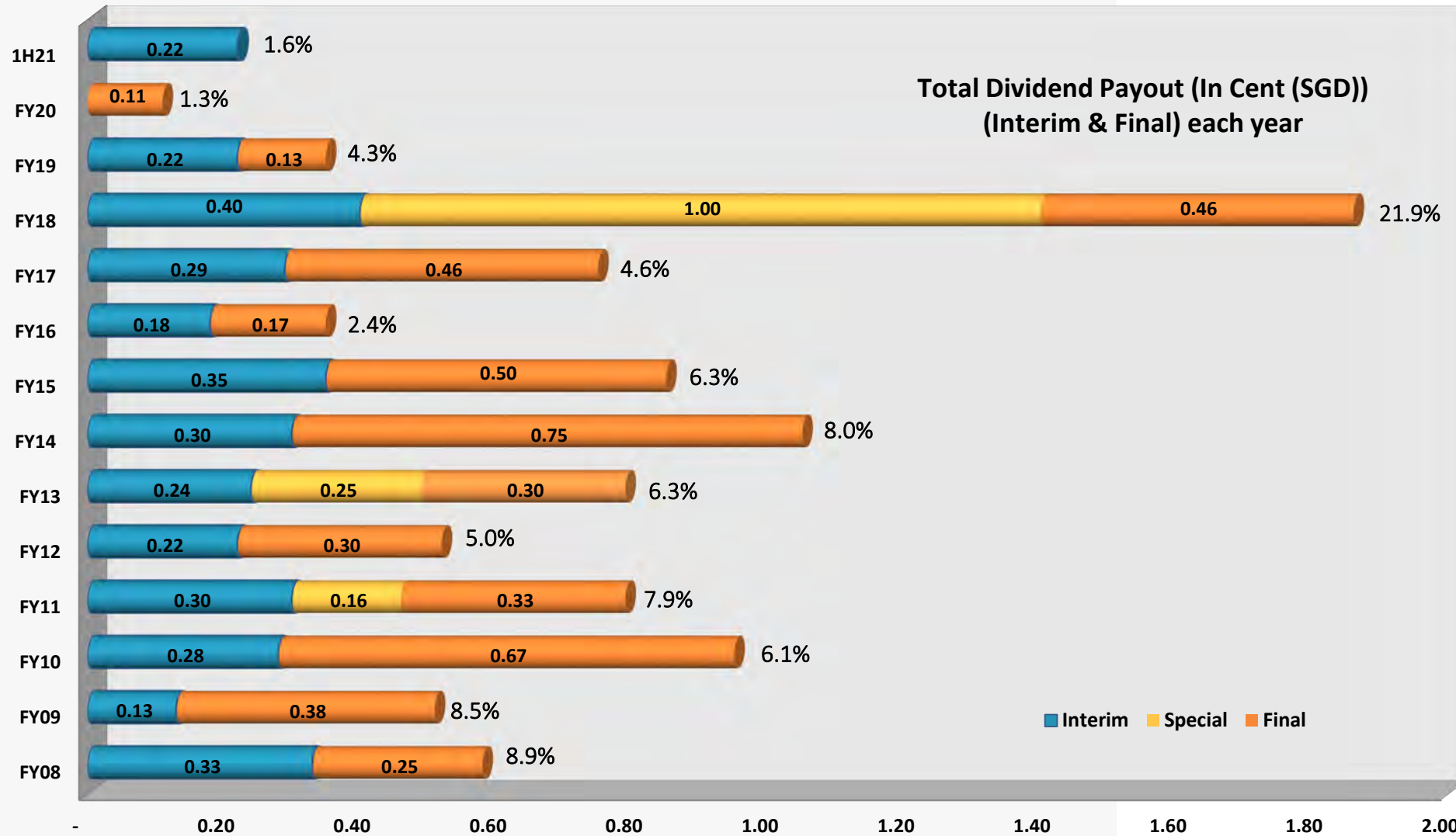
Net Gearing Ratio



Cash Conversion Cycle (days)



Dividend Yield



OUTLOOK



Industry Outlook



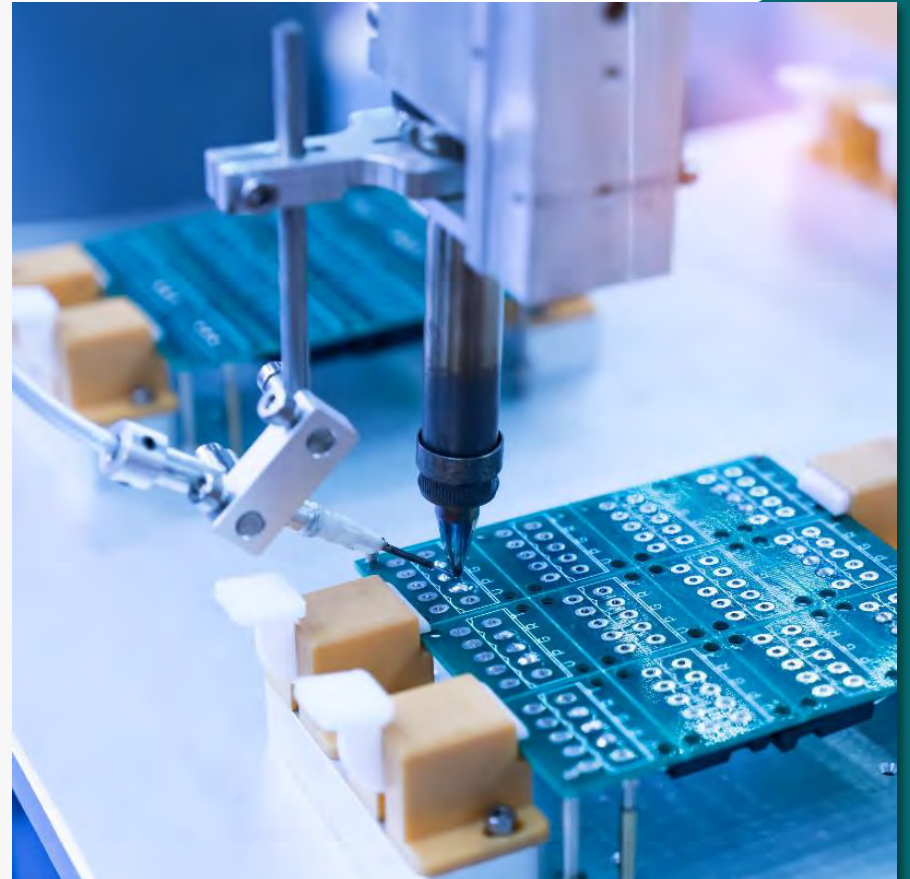
Bright Spots

- Adoption of 5G, electric and autonomous vehicles and IoT will increase demand for chip with more processing power and memory storage
- US-China 'tech war' will drive demand for chips
- Work-from-home measures in Malaysia expected to continue, strengthening business momentum for consumer products distribution segment



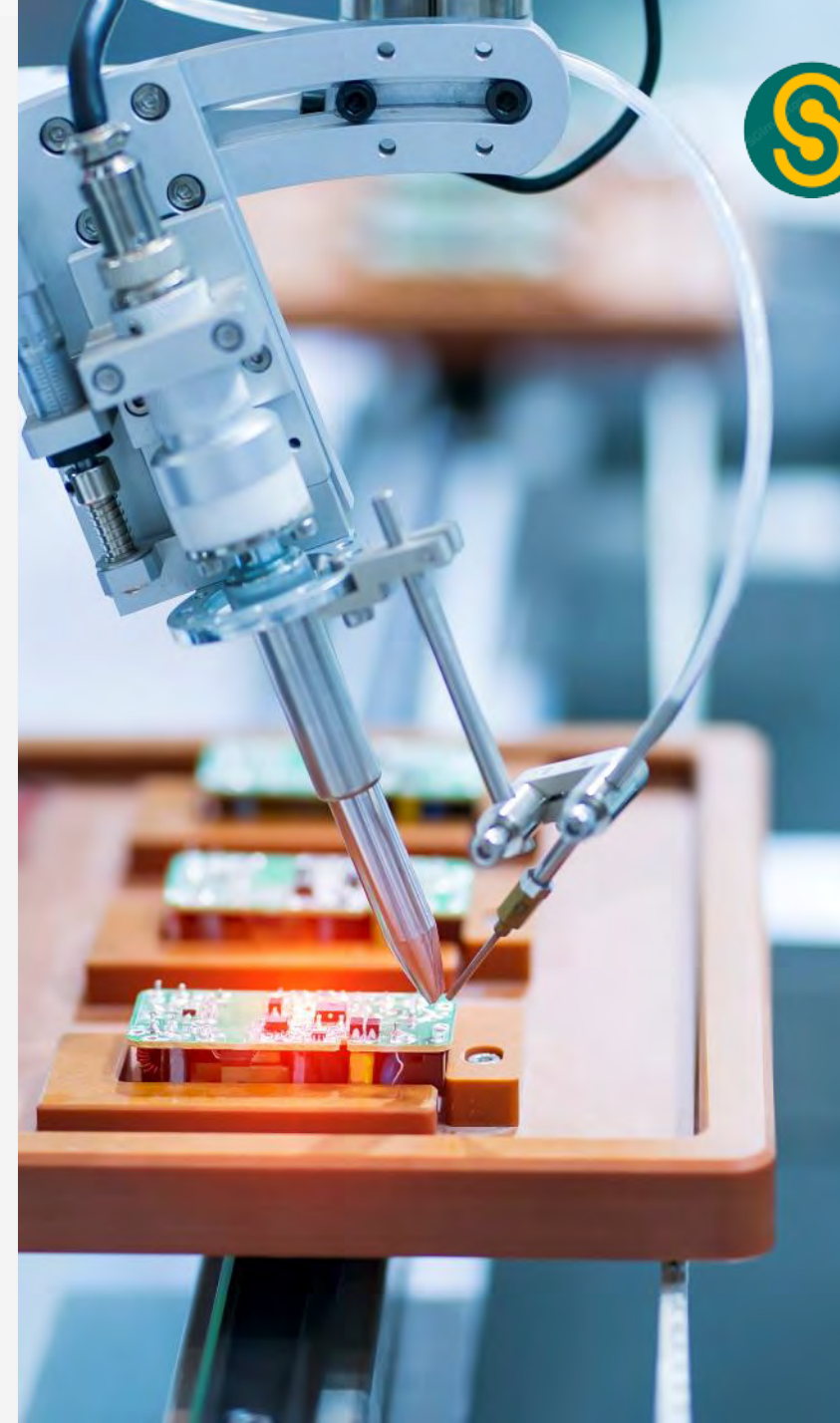
Uncertainties

- Tension between China and the US
- Global economy still volatile as countries struggle to contain new COVID-19 variants
- Rising shipping costs amid supply chain disruptions

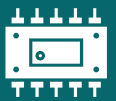
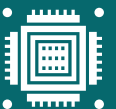
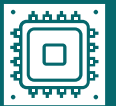


Group Outlook

- The Group will continue to focus efforts to expand product portfolio, widen customer and supplier base
- Appointed as a distributor in Malaysia by Taiwan-based Asrock, fortifying our position as the leading motherboard and VGA distributor in Malaysia
- Added franchises for Singapore, Indonesia, China and Taiwan with Netherlands-based Ultimaker, a 3D Printing company
- Fortifying 3D printing segment through Asia-wide franchise for Germany-based BASF to distribute 3D printing filaments
- With continued focus on recovery strategies, 2H2021 expects to remain profitable



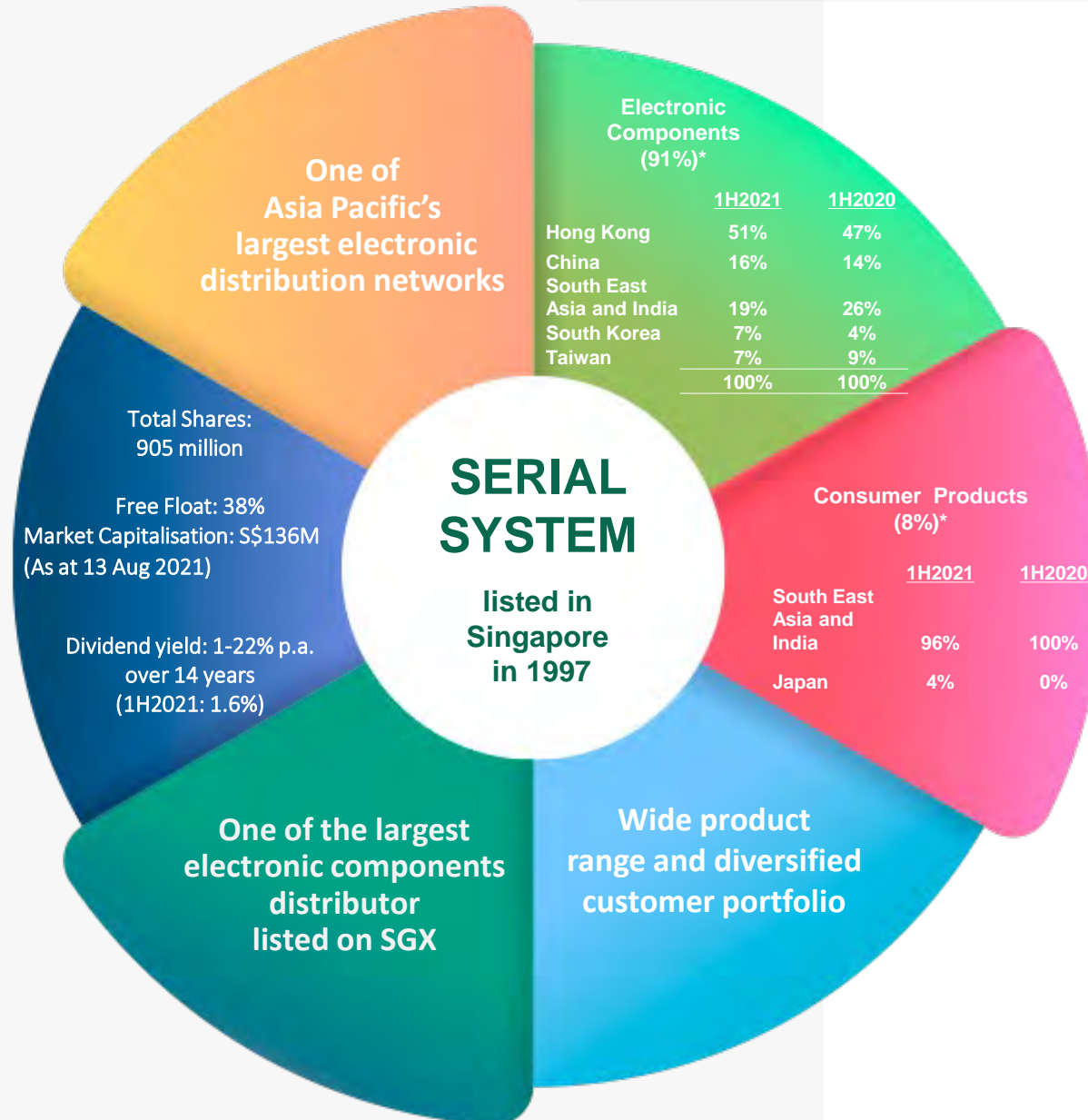
SERIAL
新暉集團



CORPORATE OVERVIEW



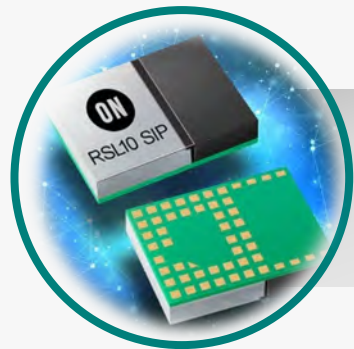
Serial System At A Glance



* Group Revenue

Diversified Business

Supporting a network of global brands, Serial System is a leading distributor of electronic components in Asia and a dealer for a variety of consumer products. It is also a strategic investor in businesses in healthcare, managed print services and fast moving consumer products.



**Electronic Components
Distribution**



**Consumer Products
Distribution**



**Managed Print
Services and 3D
Printing**



**Hospitality and
Healthcare Solutions**



**Medical Devices
Assembly
and Distribution**



**Fast Moving
Consumer Products**

Strong Asia Pacific Presence

Extensive Distribution Network

- ❖ 23 Sales Offices
- ❖ 13 Warehouses
- ❖ > 700 employees in Asia Pacific



One of the largest Asian geographical presence
(in terms of offices)
in the electronic distribution industry

The Group's offices and representations

CHINA

North China

Beijing

Qingdao

Xi'an

East China

Shanghai

South China

Shenzhen

HONG KONG

INDIA

Bangalore

New Delhi

Pune

JAPAN

Tokyo

MALAYSIA

Penang

Kuala Lumpur

PHILIPPINES

Manila

SINGAPORE

(Headquarter)

SOUTH KOREA

Seoul

Daegu

INDONESIA

Jakarta

TAIWAN

Taipei

Hsinchu

Taichung

THAILAND

Bangkok

VIETNAM

Ho Chi Minh

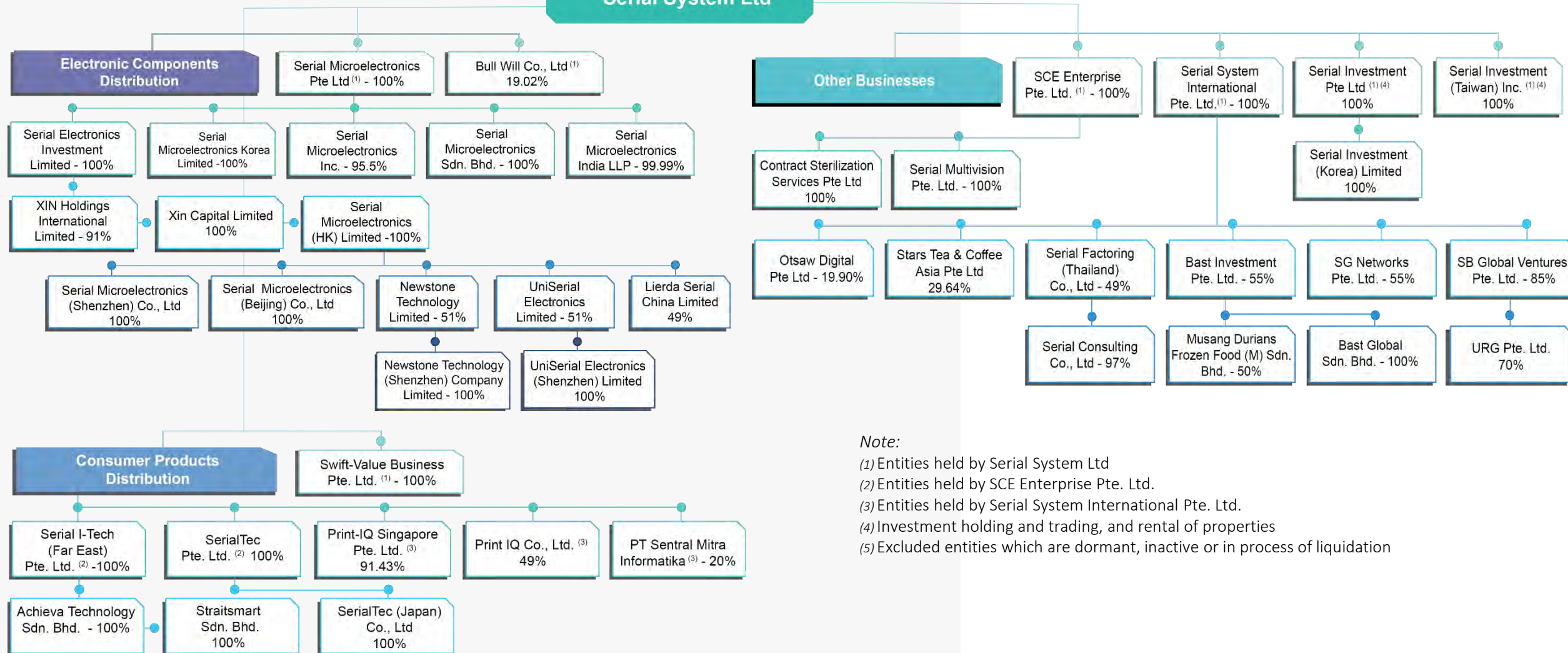
Hanoi

Group Structure

As at 31 July 2021



Serial System Ltd

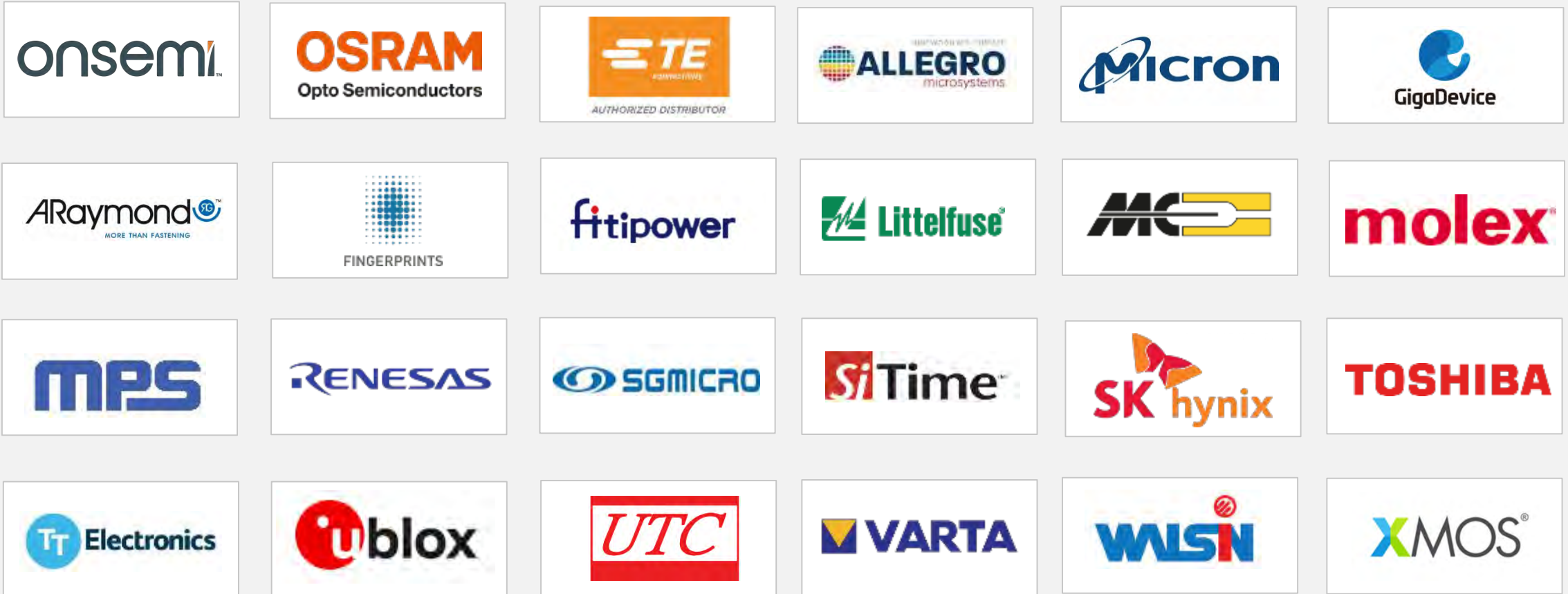


Note:

- (1) Entities held by Serial System Ltd
- (2) Entities held by SCE Enterprise Pte. Ltd.
- (3) Entities held by Serial System International Pte. Ltd.
- (4) Investment holding and trading, and rental of properties
- (5) Excluded entities which are dormant, inactive or in process of liquidation

Partnering Leading Suppliers

Electronic Components Distribution



... more than 90 Franchised Product Lines in Serial System Group

Partnering Leading Suppliers

Consumer Products Distribution



Consumer Products Distribution

Achieva Technology Group

- The Group's 100%-owned subsidiary: Achieva Technology Sdn. Bhd.
- Major suppliers include AMD, AOC, Asrock, Gigabyte, Intel, MSI, Philips and ViewSonic
- Achieva Technology works closely with partner brands to fulfil their distribution needs and provides a onestop solution for their customers
- In e-commerce, Achieva Technology maintains key channels on online platforms such as Qoo10 and Lazada, giving them a strong presence in the region



Swift-Value Business Pte. Ltd.

- The Group's 100%-owned subsidiary: Swift-Value Business Pte. Ltd.
- Major suppliers include Hewlett-Packard (HP), Epson and Canon products and also the authorized reseller of products from major brands such as Fuji Xerox, Samsung and Panasonic
- Swift-Value is the largest HP printer supplies distributor, having captured over 45% of the Singapore market. They keep their top spot by maintaining close relationships with hundreds of customers, ranging from heartland operators to large retail superstores such as Popular
- Providing fast and value-added service and having the ability to retain customer loyalties help Swift-Value offers an extensive and consistent network for their suppliers and partner brands
- In 2020, Swift-Value has also partnered with Ultimaker, one of the leading 3D-Printer brands operating out of the Netherlands to serve as their official logistics service provider in the Asia Pacific region and provide logistics distribution to partners and resellers in countries including but not limited to Singapore, Australia, China and Indonesia

Consumer Products Distribution

Managed Print Services and 3D Printing



Print-IQ Singapore Pte. Ltd.

- Started in 2014, Singapore-based Print-IQ is 91.43% owned by Serial System
- Provides managed print services and maintains and distributes copiers and printers
- Premier partner for HP copiers
- Partner for top Netherlands-based 3D printer brand, Ultimaker
- Asia-wide partner for Germany-based BASF to distribute 3D printing filaments

Print IQ Co., Ltd

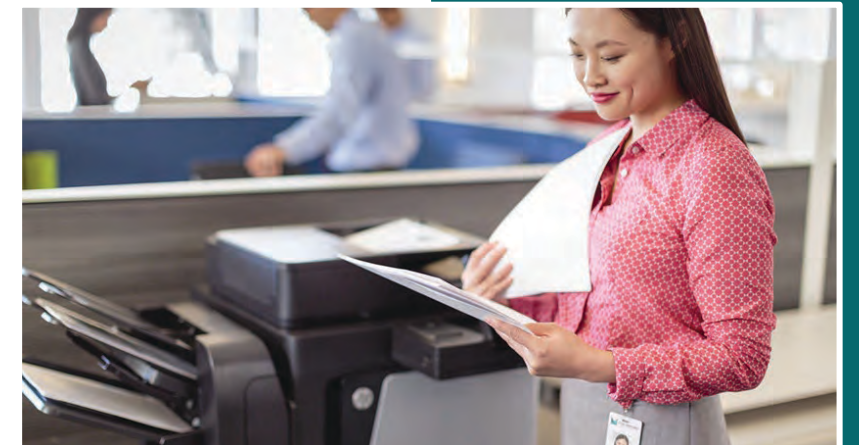
- Set up in 2019, Print-IQ Thailand is 49% owned by Serial System since December 2019
- Supplies Lexmark printers and toners and provides managed print services for their customers

PT Sentral Mitra Informatika Tbk

- Set up in 2008, PT SMI is 20% owned by Serial System since November 2018
- Listed on Development Board of Indonesia Stock Exchange

Under the managed print services business model, companies outsource their printing, scanning and copying functions, as well as the management of the equipment, to external service providers like Print-IQ and PT SMI. This reduces their operating costs and wastage.

A3 HP A3 MULTIFUNCTION AND PRINTERS



Other Businesses

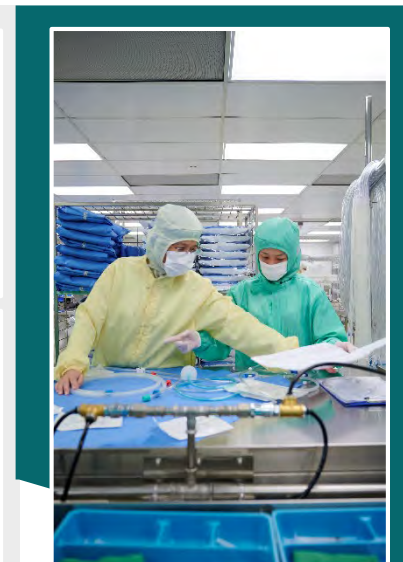
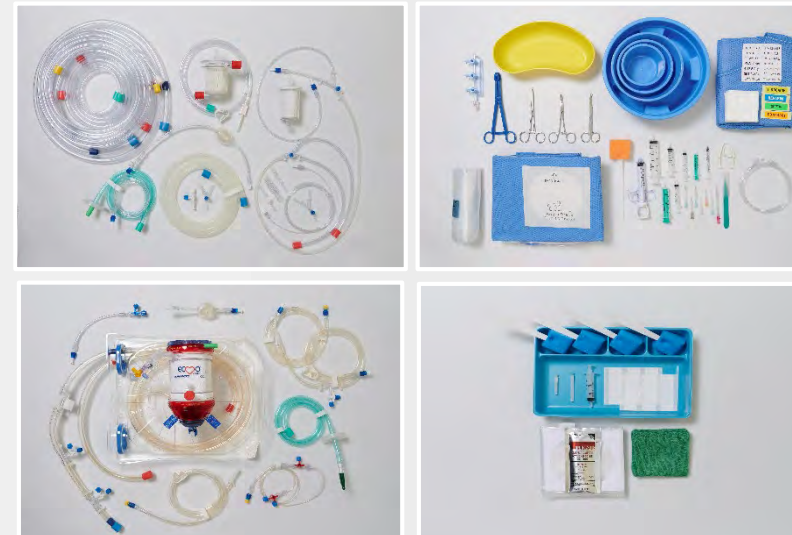


Serial MultiVision Pte. Ltd. (100%-stake)

- Core businesses: Hospitality and Healthcare solutions
- Hospitality solutions: Build based on a core venue management application suite known as Venue360
- Leading edge modules within Venue360: Electronic meal ordering system (eMOS), Intelligence Room Infotainment Solution, Digital Media Content Management System, and Incident Tracking and Reporting System
- Clients: Khoo Teck Puat Hospital, Ng Teng Fong General Hospital, Jurong Community Hospital, Changi General Hospital, Institute of Mental Health, St Andrew's Hospital, Gleneagles Hospital, Mount Elizabeth Orchard, Parkway East Hospital, Parkway Mount Elizabeth Novena, Yishun Community Hospital, Sengkang Hospital, Sengkang Community Hospital, Alexandra Integrated Health, Bright Vision Community Hospital, Ang Mo Kio Thye Hwa Kwan Hospital and the new Woodlands Health Campus

Contract Sterilization Services Pte Ltd (100%-stake)

- Assembly and distribution of medical devices
- Offers full range of standard and customised perfusion tubing packs marketed over the Asia-Pacific region:
 - *Perfusion Tubing*
 - *ECMO Tubing Pack*
 - *Angio Pack*
 - *Procedural Pack*
- ISO 13485-certified and its perfusion products bear the coveted CE certification mark.



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Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors. Such factors are, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures as well as changes in tax regimes and regulatory developments. Such statements are not and should not be construed as management’s representation on the future performance of Serial System. Therefore, the actual performance of Serial System may differ significantly from expressions provided herein.

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Thank You

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