



SERIAL SYSTEM LTD

1H2025 Results Presentation

Thursday, 7 August 2025





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

AGENDA



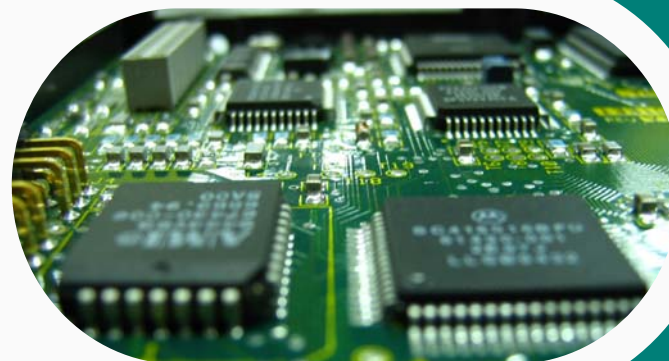
FINANCIAL RESULTS



CORPORATE OVERVIEW



OUTLOOK



FINANCIAL RESULTS



Snapshot Of 1H2025 Performance

US\$'000	1H2025	1H2024	Change (%)
Sales	392,664	374,716	5
Gross Profit	32,609	27,860	17
Gross Profit Margin (%)	8.3	7.4	0.9 ppt
Net Profit/(Loss) After Tax (Attributable to equity holders of the Company)	810	(5,180)	NM
EPS/(LPS) - fully diluted (US cents) ⁽¹⁾	0.09	(0.57)	NM
NAV per share (US cents) ⁽²⁾	30/06/2025: 14.65	31/12/2024: 14.07	

(1) Earnings/(Loss) per ordinary share ("EPS/(LPS)") on a fully diluted basis are computed based on the weighted average number of shares in issue during the six months ended 30 June 2025 of 904,841,914 (the six months ended 30 June 2024 of 904,841,914).

(2) Net assets value ("NAV") per ordinary share as at 30 June 2025 and 31 December 2024 are 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 904,841,914.

1H2025 Highlights



Revenue in 1H2025 increased 5% to US\$392.7M from US\$374.7M in 1H2024

- Turnover for the electronic components distribution business increased marginally by 0.03% to US\$332.0 million, due to higher sales in the household appliances, automotive and mobile sectors, benefiting from the Chinese government's consumer goods trade-in initiative, and increase in demand for AI-related products in Hong Kong and China, and higher sales from increase in demand from a product line to existing and new customers in the automotive sector in South Korea. This was substantially offset by lower sales in Southeast Asia and India, due to End-Of-Life of a product by supplier and surplus inventories held by the related customers, and reduction in sales to a customer, impacted by financial challenges faced by our supplier. Taiwan also reported lower sales due to sluggish domestic and export demand for its customers' products
- Turnover for the consumer products distribution business increased by 42% to US\$56.4 million, driven by strong sales in Malaysia, particularly in gaming, computing, data center, and AI-related product lines, and Thailand, supported by expansion in its range of computer peripherals. Sales of 3D printers and accessories by a Singapore subsidiary declined as its products faced intense market competition
- Turnover for other businesses increased by 37% to US\$4.2 million mainly attributed to higher revenue from the hospitality and healthcare solutions and medical devices assembly and distribution businesses

Gross profit margin increased by 0.9 percentage point to 8.3% in 1H2025

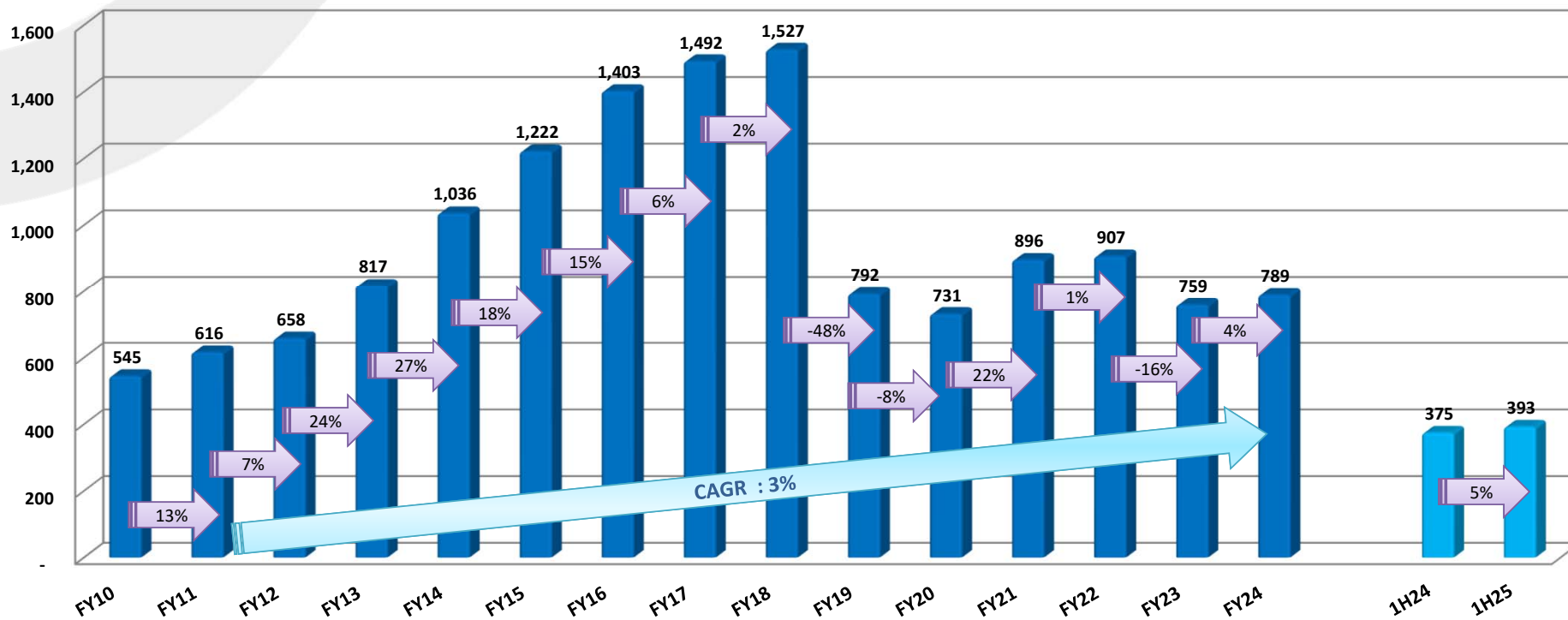
- Higher margin achieved by the electronic components distribution business as the Group focused its sales on higher-margin products and customers
- Higher gross profit margin in consumer products distribution business in Malaysia mainly due to better product margin in the gaming, computing, data center, and AI-related segments
- Other regions in the consumer products distribution business recorded lower margin due to intense market competition in a challenging operating environment

Net profit of US\$0.8M in 1H2025, compared to net loss of US\$5.2M in 1H2024

- Mainly due to foreign exchange gain (net) of US\$1.5 million as opposed to foreign exchange loss (net) of US\$3.1 million in 1H2024
- Write-back of allowances for inventory obsolescence of US\$0.8 million
- Lower net finance expenses of US\$1.2 million in 1H2025

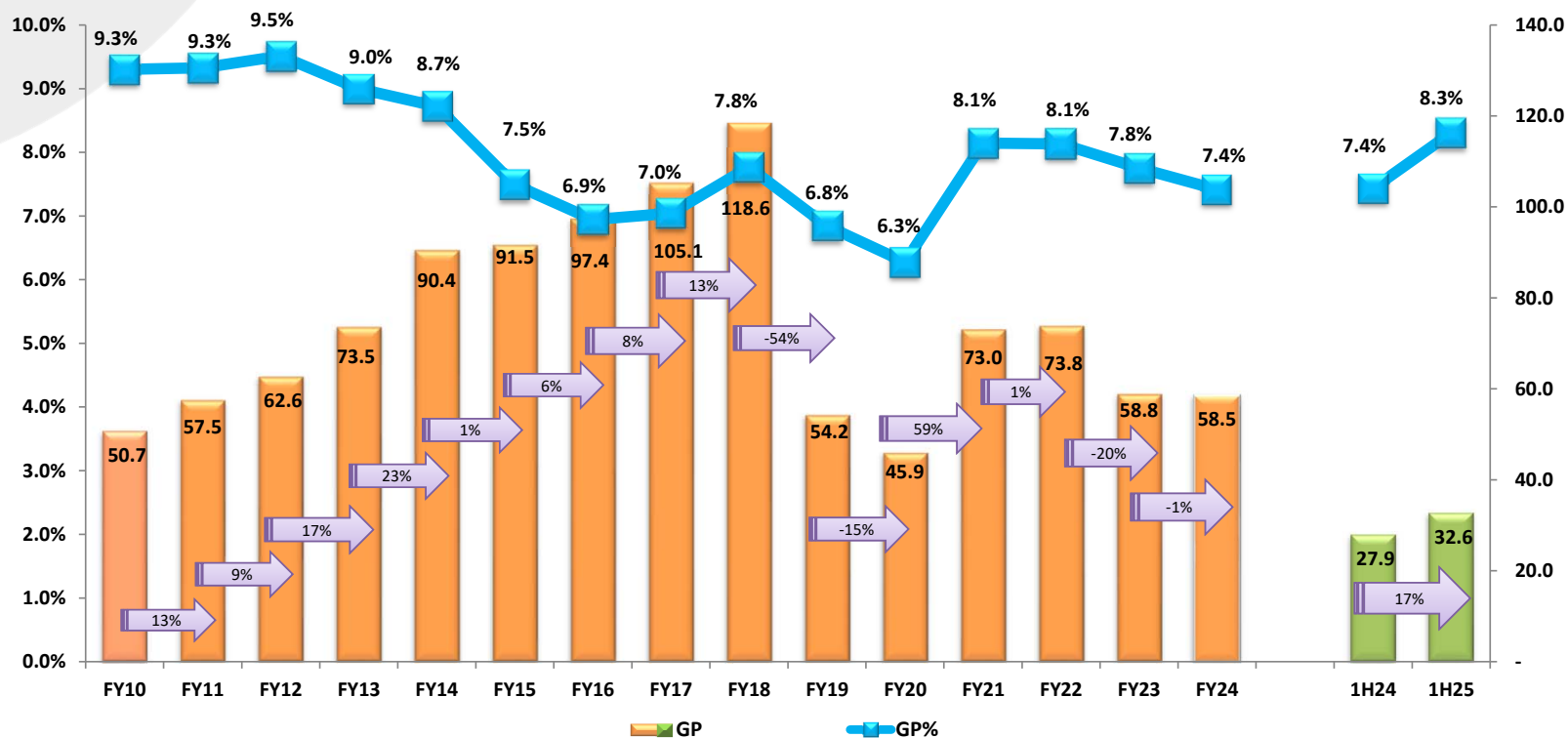
Revenue Trend

Revenue (US\$' million)



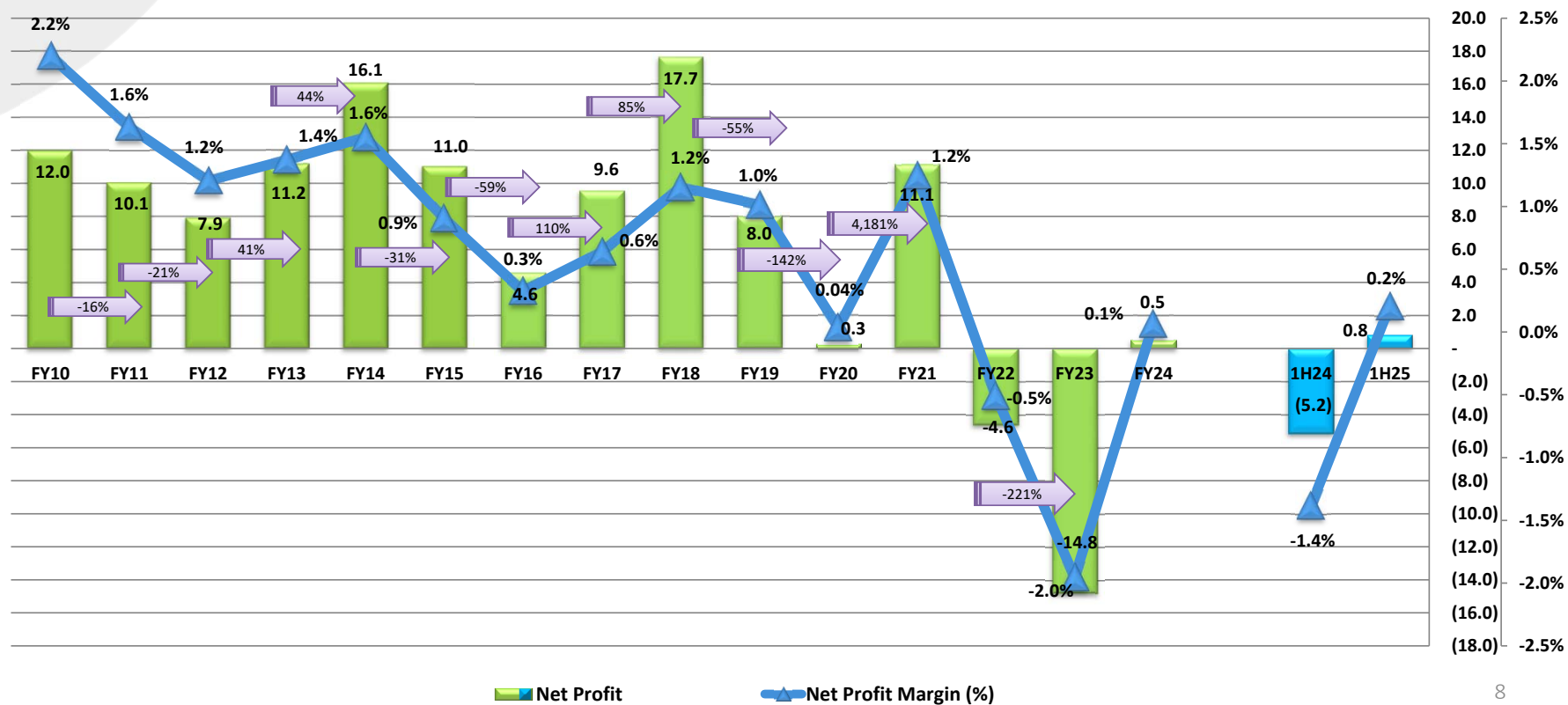
Profitability

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



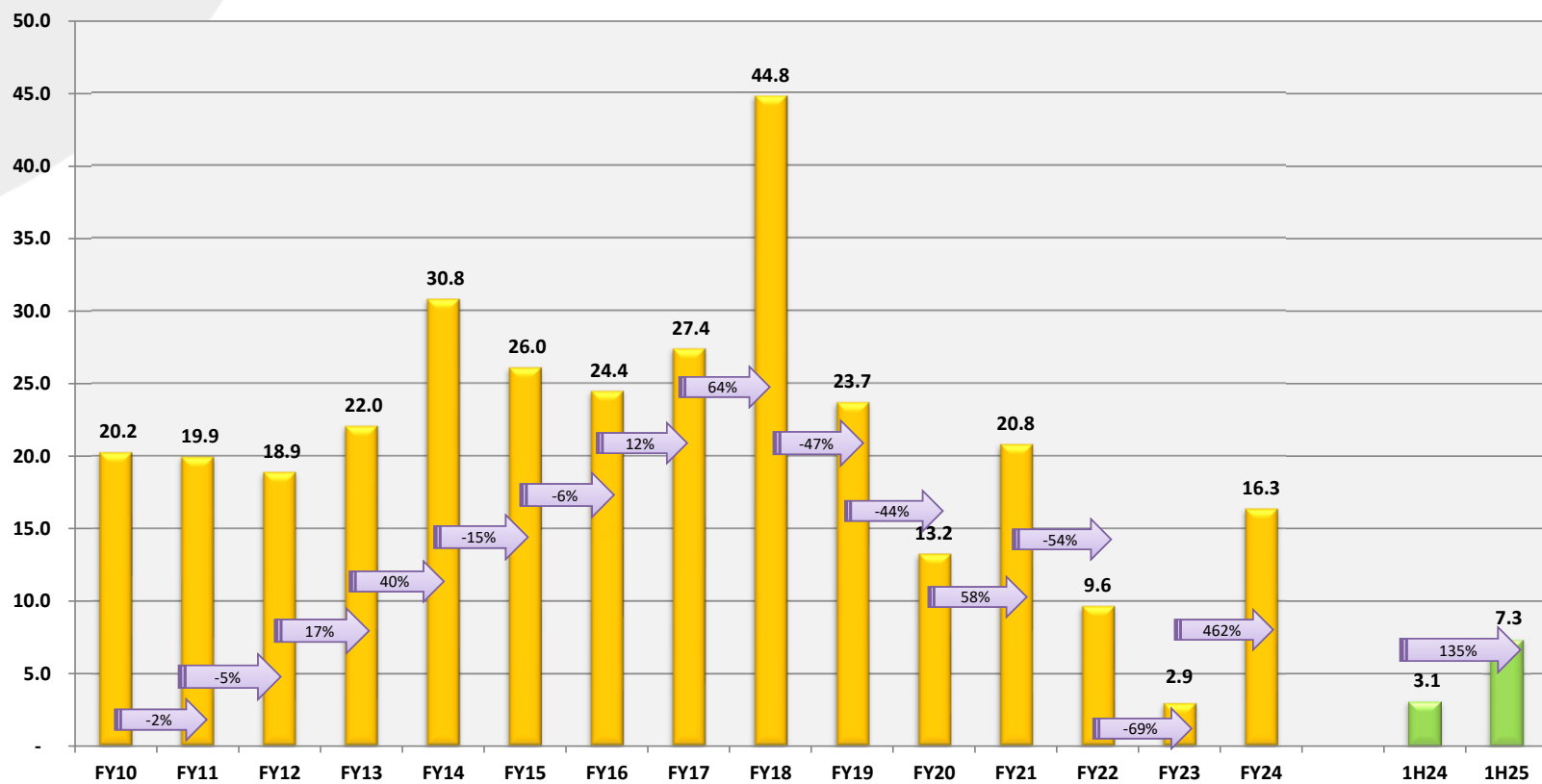
Profitability

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



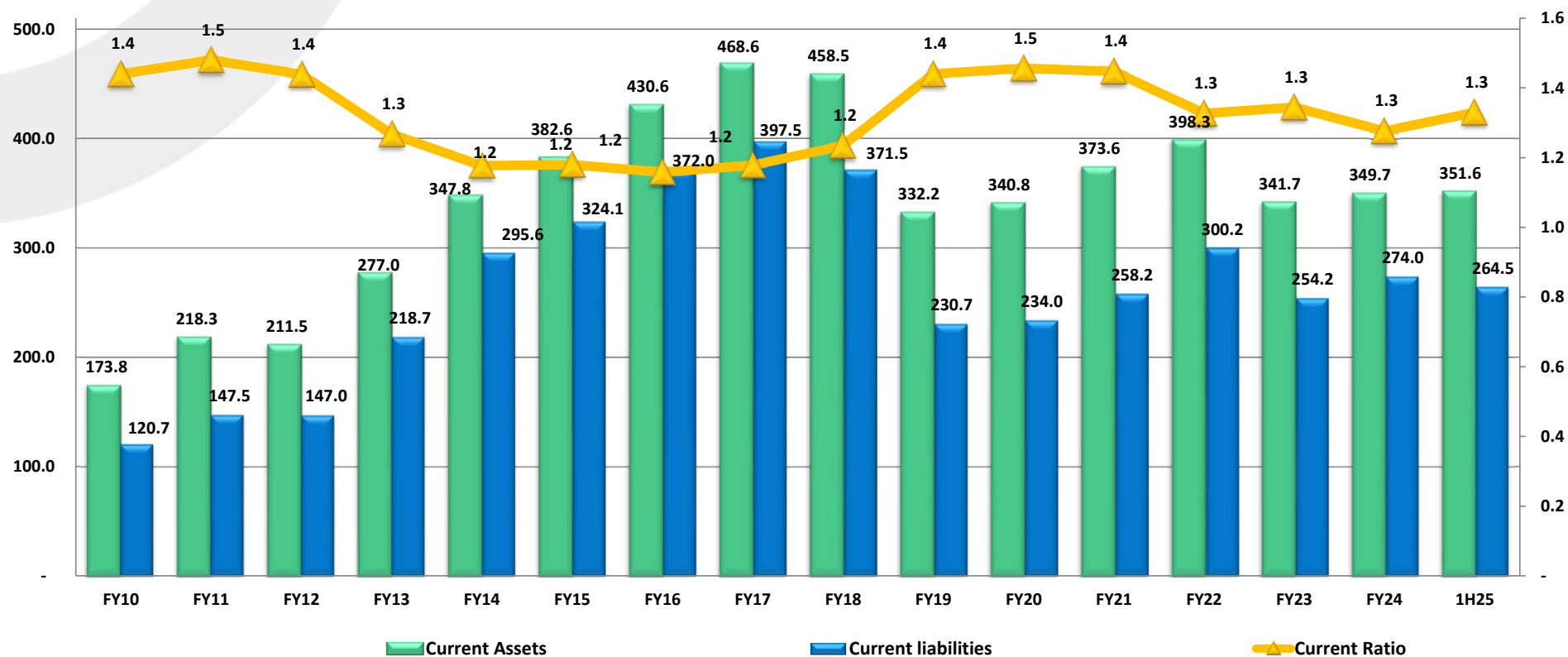
Profitability

EBITDA (US\$' million)



Financial Position

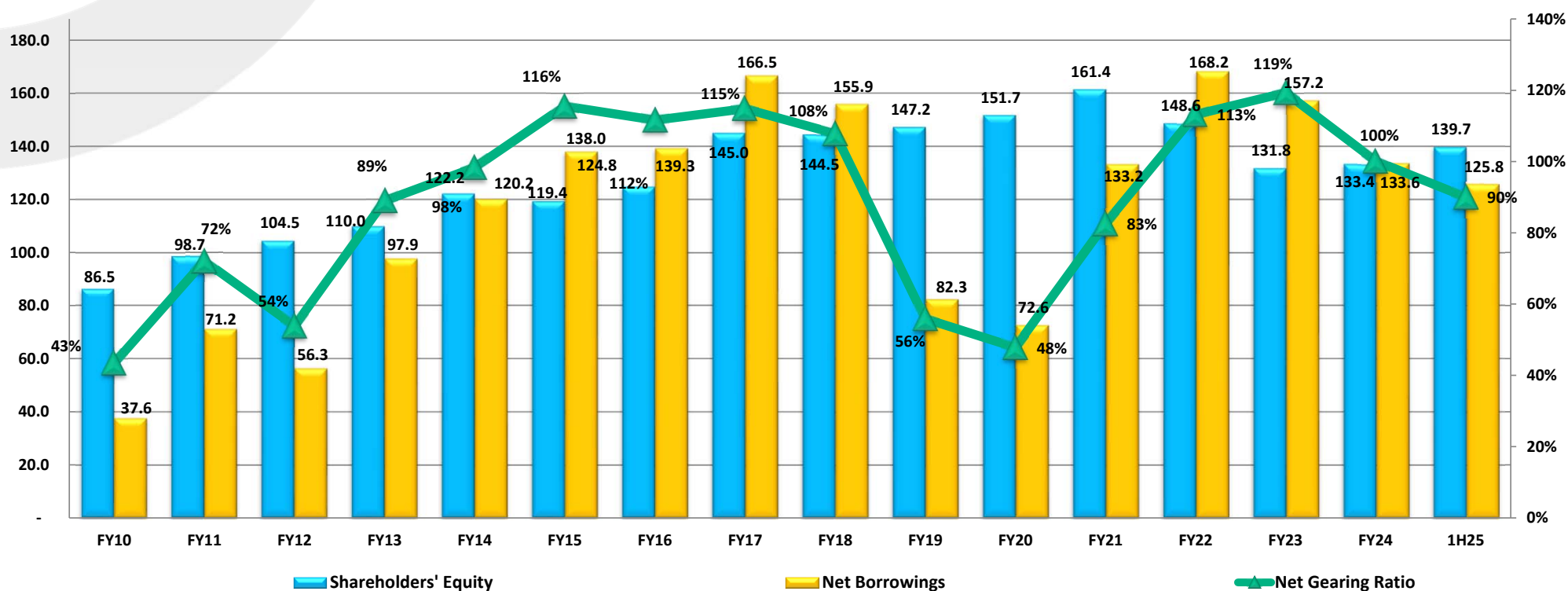
Maintaining Healthy Current Ratio



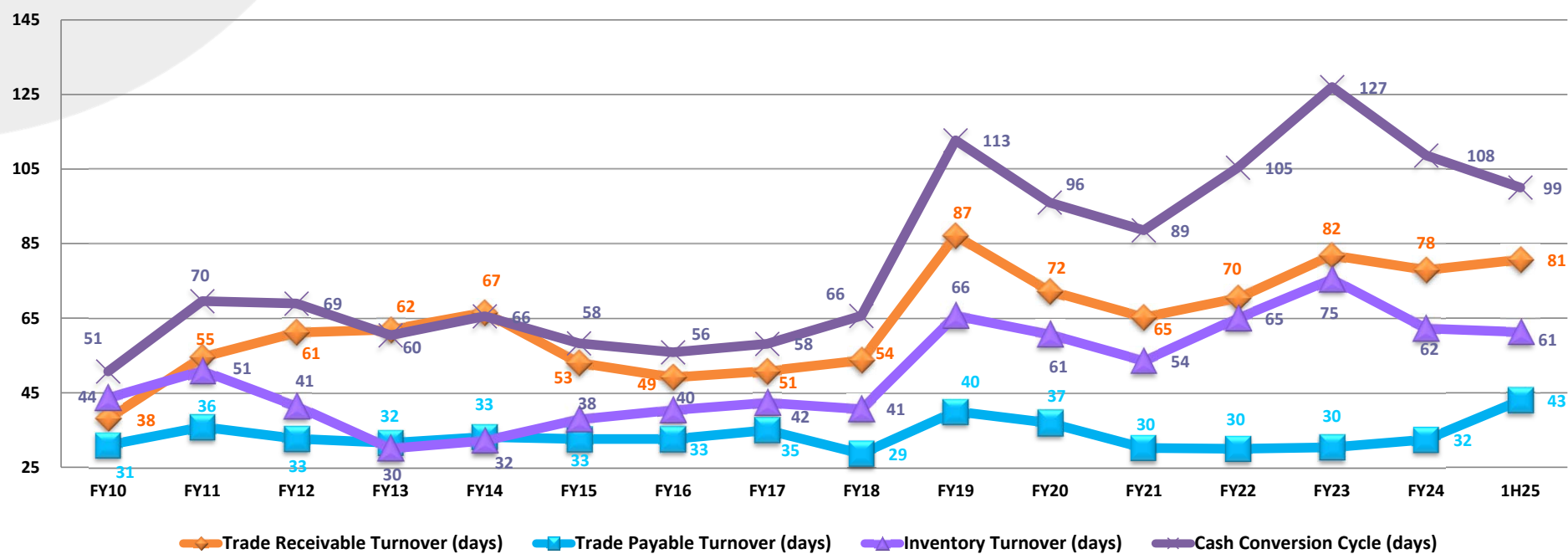
Financial Position



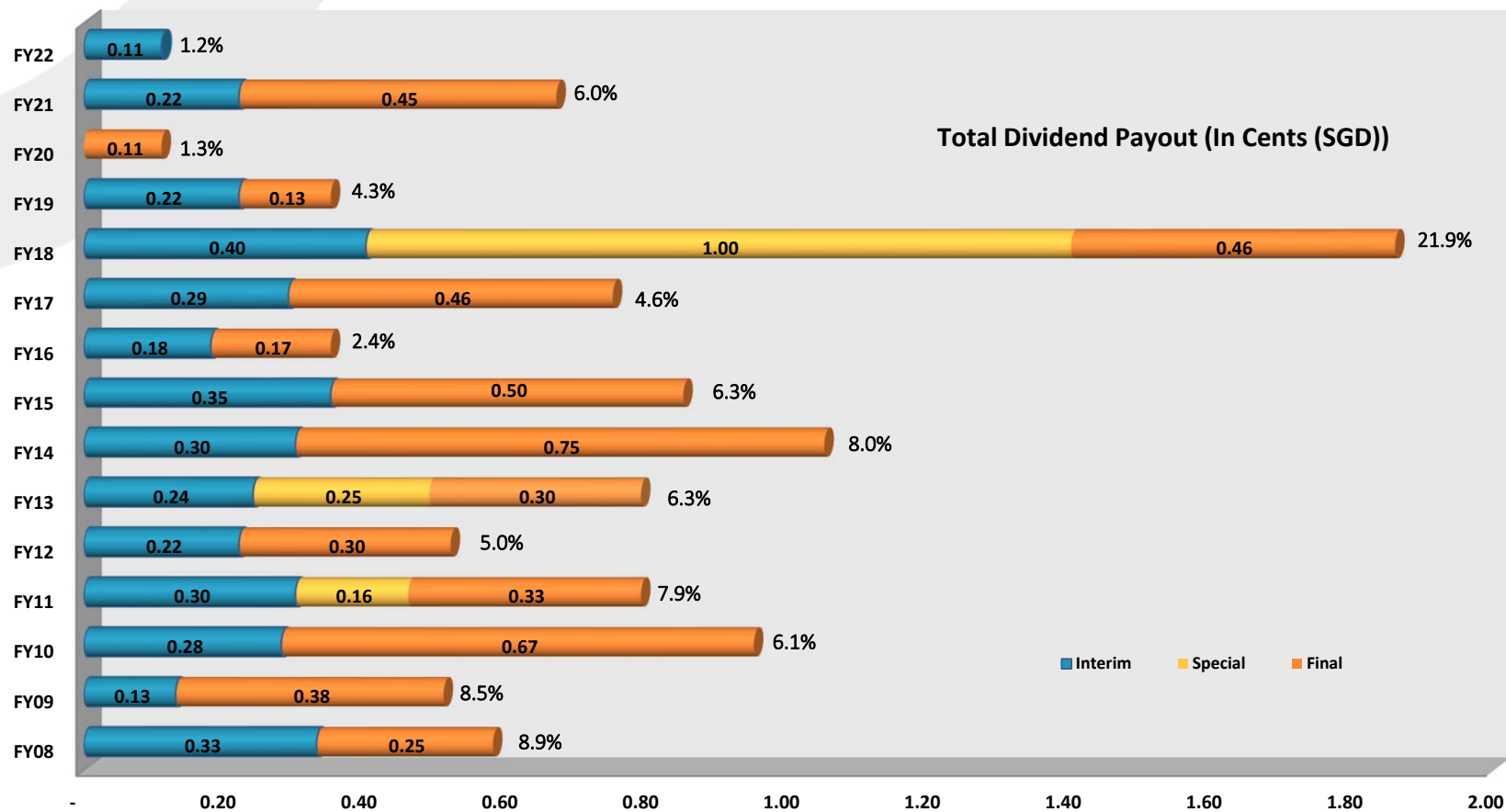
Net Gearing Ratio



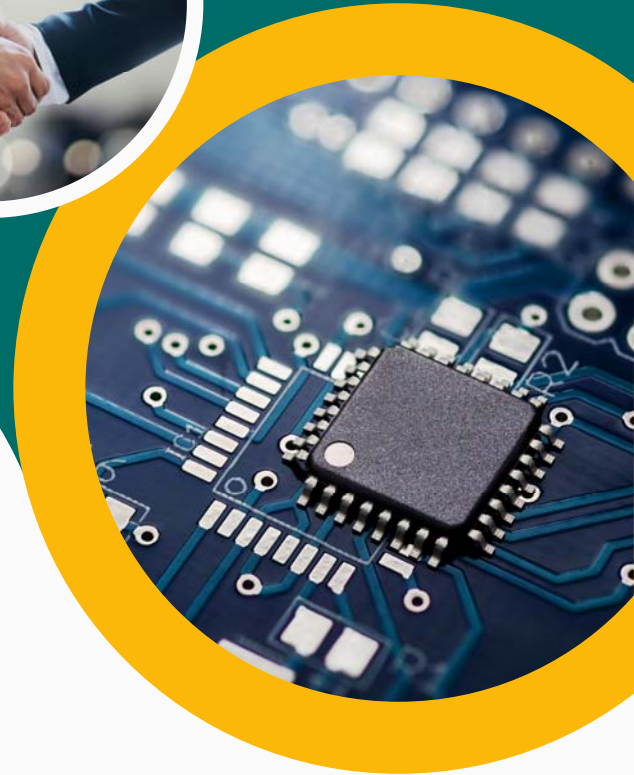
Cash Conversion Cycle (days)



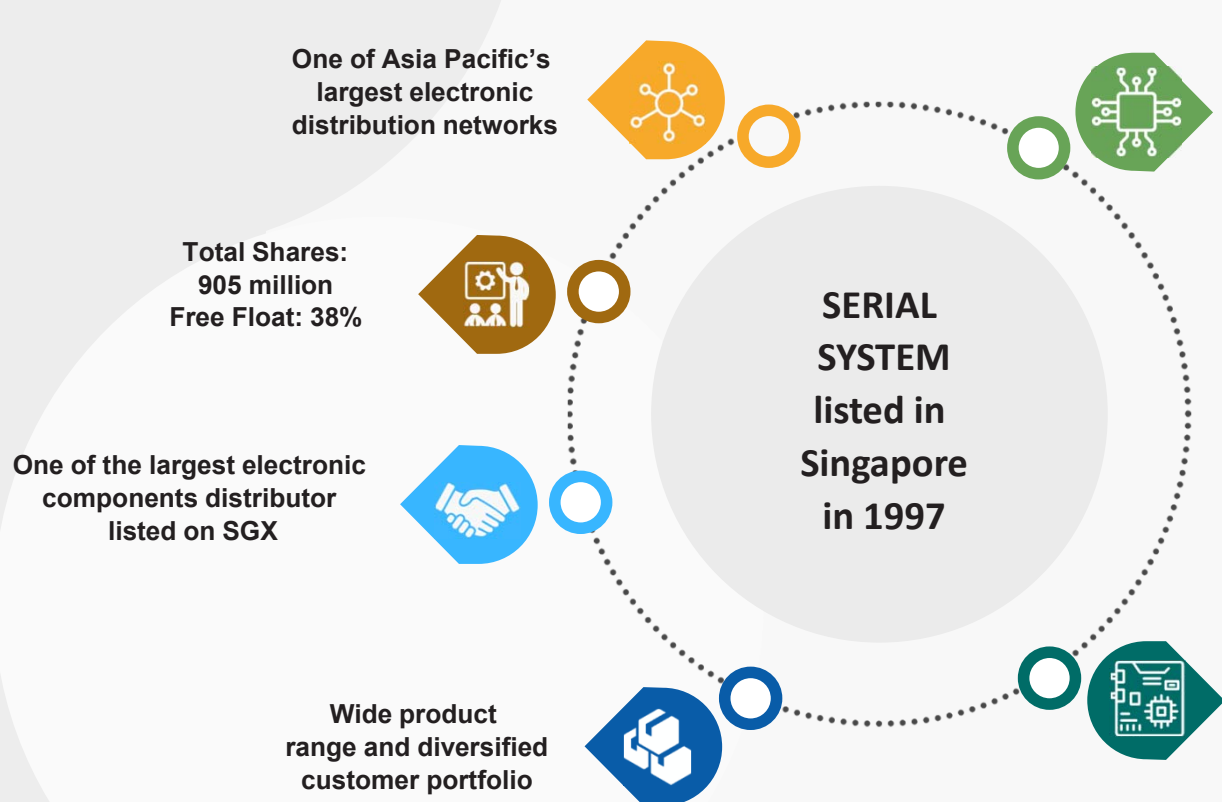
Dividend Yield



CORPORATE OVERVIEW



Serial System At A Glance



Electronic Components*

1H2025 : 85%

FY2024 : 88%

1H2025

FY2024

	1H2025	FY2024
Hong Kong	52%	50%
China	22%	21%
Southeast Asia & India	14%	18%
South Korea	7%	6%
Taiwan	5%	5%

Consumer Products*

1H2025 : 14%

FY2024 : 11%

1H2025

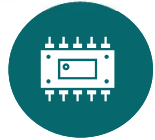
FY2024

	1H2025	FY2024
Southeast Asia & India	92%	94%
Japan	8%	6%

* Group Revenue

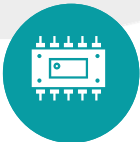
OUTLOOK





Bright Spots

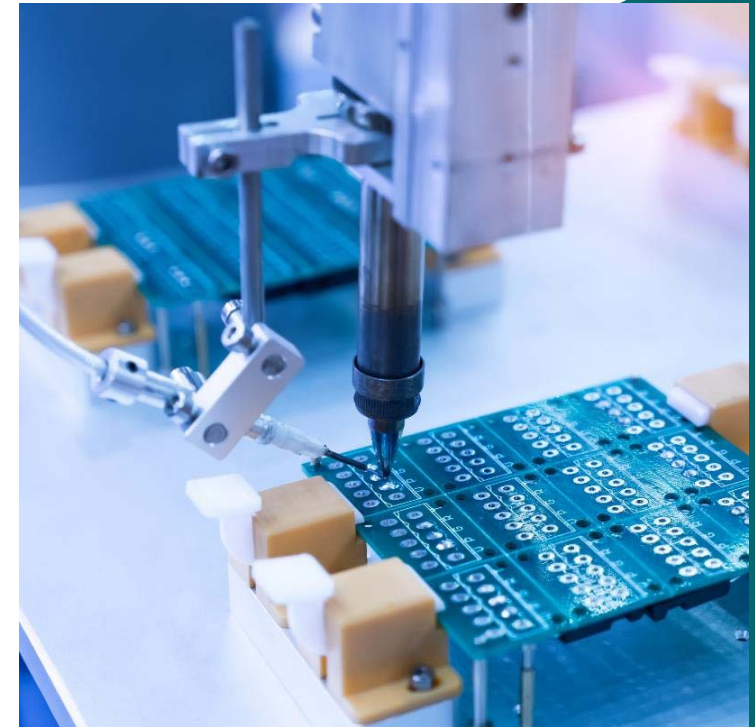
- China's ongoing investments to achieve semiconductor self-sufficiency will continue to create new partnership opportunities as well as expand our businesses with existing Chinese semiconductor suppliers
- Structural growth in artificial intelligence, cloud computing, electric vehicles and renewable energy sectors continues to support semiconductor consumption



Challenges and Uncertainties

- Evolving geopolitical and economic developments
- Potential additional U.S. tariffs on semiconductor and equipment from Asia
- Continued export restrictions on advanced technologies to China, the Group's biggest market, have added complexity to global supply chains and can impact demand
- Persistent inflationary pressures, currency volatility, and interest rate uncertainties continue to weigh on operating costs
- Consumer products distribution businesses in Malaysia and Thailand remain challenging and competitive, impacted by cautious consumer sentiment, inflation and the growing influence of e-commerce

Industry Outlook



Group Outlook

- The Group's electronic components distribution business remains focused on broadening its product portfolio in AI, cloud computing, electric vehicles and renewable energy sectors and enhancing our capabilities in AI-related solutions and strategic technologies
- The Group's consumer products distribution business, through its listed entity, Serial Achieva Limited, will continue to expand its range of product offerings and enhance its portfolio in high-growth areas like gaming, cloud storage, and AI solutions
- Serial Achieva Limited plans to extend its presence in Southeast Asia markets, beyond Malaysia and Thailand through strategic partnerships and acquisitions. These initiatives are aimed at growing and diversifying revenue streams and reducing market concentration risks
- The Group will continue to exercise prudence in managing operational and financial risks posed by tariffs, trade restrictions and economic volatility. Key priorities include tight inventory control, credit management and disciplined cash flow planning



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Thank You

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