

Presentation for 43RD ANNUAL GENERAL MEETING

24 APRIL 2024

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Review of FY 2023 Financial Results



INCOME STATEMENT

	2023	2022	Fav/(Adv)	
	\$'m	\$'m	\$'m	%
Revenue	111.9	108.3	3.6	3.3
Operating Costs	(78.8)	(75.6)	(3.2)	(4.2)
Operating Profit	33.1	32.7	0.4	1.2
Profit After Tax	28.0	26.6	1.4	5.5
Profit after Tax and Minority Interest (PATMI)	27.6	26.2	1.4	5.4
EBITDA	40.9	39.9	1.0	2.5

INCOME STATEMENT



	2023	2022	Fav/(Adv)	
	\$'m	\$'m	\$'m	%
Revenue	111.9	108.3	3.6	3.3

- a) Vehicle testing business continued to experience strong demand, maintaining a market share of over 72% for vehicle inspections.
In 2023, the vehicle emission tests equipment was upgraded to the WLTP (worldwide harmonized light vehicles test procedure) which resulted in more tests conducted for vehicle emissions.
- b) Non-vehicle testing business witnessed robust demand in some sectors such as construction but felt the contraction in the manufacturing sector.

INCOME STATEMENT



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Operating Costs	(78.8)	(75.6)	(3.2)	(4.2)

The increase in operating cost was mainly accounted by :

- Increase in staff cost from increase in headcount and annual increment;
- Higher material, repairs and other costs due to inflation;
- Higher depreciation and amortization as a result of the full year impact on the CAPEX incurred in 2022 coupled with new additions in 2023;

Offset by :

- Lower contract services as more work were performed in-house instead of subcontractors;
- Lower utilities due to lower consumption from installation of the heat recovery system at the SETSCO Building despite the increase in tariff rate.

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Profit After Tax	28.0	26.6	1.4	5.5
Profit after Tax and Minority Interest (PATMI)	27.6	26.2	1.4	5.4

PATMI rose by \$1.4m or 5.4% to \$27.6m.

Contributed by the higher operating profit of \$0.4m and interest income less finance cost of \$1.0m.

Interest income rose substantially to \$1.9m from \$0.8m in 2022 due to the high interest rate environment despite the fall in cash balance.

BALANCE SHEET

	2023	2022	Inc/(Dec)	
	\$'m	\$'m	\$'m	%
		(Restated)		
Cash & Cash Equivalents	55.1	60.5	(5.4)	(8.9)
Other Current Assets	16.7	13.7	3.0	21.9
Non-Current Assets	124.6	114.1	10.5	9.2
Total Assets	196.4	188.3	8.1	4.3
Current Liabilities	31.3	30.8	0.5	1.7
Non-Current Liabilities	32.8	32.3	0.5	1.4
Total Liabilities	64.1	63.1	1.0	1.5
Total Equity	132.3	125.2	7.1	5.7

- Balance sheet remains strong with healthy cash & cash equivalents of \$55.1m.
- Other current assets increased by \$3.0m mainly from higher trade receivables.
- Non-current assets increased by \$10.5m mainly from increase in vehicles, premises and equipment by \$7.2m, financial assets held at fair value through other comprehensive income of \$3.0m and goodwill from acquisition of a subsidiary of \$0.3m.
- Total equity at \$132.3m increased by \$7.1m. Contributed by profits generated from operations of \$28.0m and fair value adjustment of financial assets of \$0.6m less dividend payments of \$21.5m.

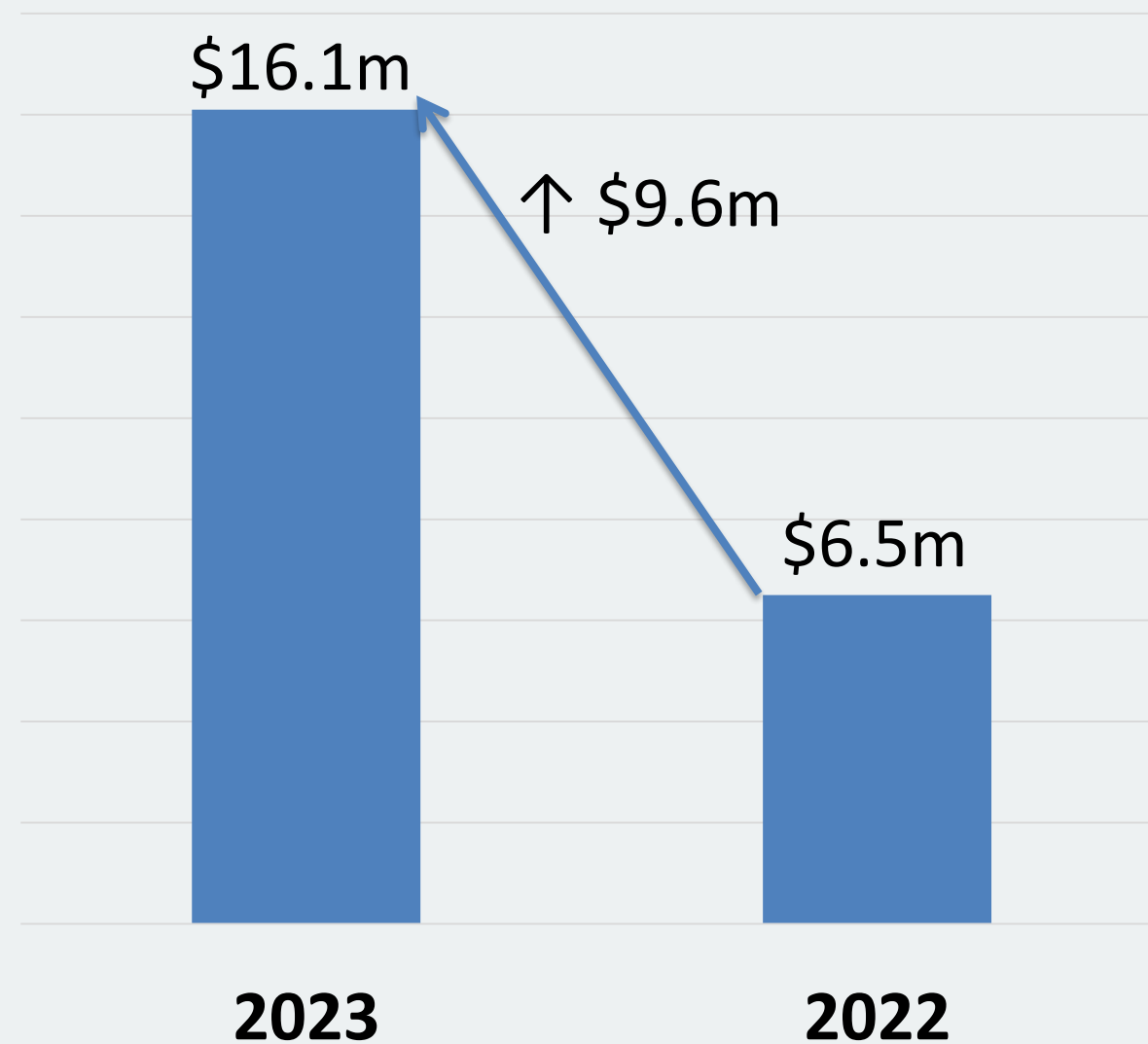
With adoption of SFRS(I) 1-12 effective from 1 Jan 2023, we have restated the retained earnings, non-controlling interests and deferred tax liabilities impacted by the recognition of the timing difference in the tax treatment of FRS 116 assets as at 31 December 2022.

CASH FLOW

	2023	2022
	\$'m	\$'m
Cash from Operating Activities	31.7	25.4
<u>Utilisation of Cash:</u>		
Dividends to Shareholders and non-controlling interests	(21.5)	(30.8)
Payments for CAPEX	(12.8)	(8.9)
Payments under lease liabilities	(1.3)	(1.1)
Purchase of unquoted equity instruments held at Fair Value through Other Comprehensive Income	(2.4)	-
Acquisition of subsidiary, net of cash acquired	(0.5)	-
Total Utilisation of Cash	(38.5)	(40.8)
Interest Received	1.4	0.5
Net Cash Outflow	(5.4)	(14.9)

CAPEX

CAPEX 2023 vs 2022



CAPEX ↑ \$9.6m mainly due to:

1. Acquisition of leasehold land in Jalan Papan; &
2. Upgrading of emission test laboratory equipment to meet new standards under the Worldwide Harmonised Light Vehicles Test Procedure (WLTP)

FINANCIAL SUMMARY

Financial Performance

- Despite a slowdown in the Singapore economy in 2023, the Group has improved both its top and bottom-line for the year
- Group's Revenue at \$111.9m rose by \$3.6m or 3.3% against 2022.
- Group's PATMI at \$27.6m has increased by \$1.4m or 5.4% against 2022.

Financial Position

- Strong balance sheet.
- Cash balance of \$55.1m to sustain and support business growth and opportunities.

Cash Flow

- Net cash outflow of \$5.4m mainly from payment of Dividends, CAPEX and new investments offset by net cash generated from operations.

FY 2023 Dividend Payout & Shareholder Return

FY 2023 DIVIDEND PAYOUT & SHAREHOLDER RETURN



	2023	2022	Inc/(Dec)	
	cents	cents	cents	%
Earnings Per Share (EPS)	7.78	7.38	0.40	5.4
Interim Dividend	2.75	3.32	(0.57)	(17.2)
Final Dividend	2.75	3.32	(0.57)	(17.2)
Total	5.50	6.64	(1.14)	(17.2)
Dividend Payout Ratio (DPR)	70%	90%		
Dividend Yield	3.8% ^(a)	3.5% ^(b)		

a) VICOM share price of \$1.43 as at 31 December 2023

b) VICOM share price of \$1.92 as at 31 December 2022

On 1H 2023, the Board announced the reduction in DPR from 90% to 70%, in view of the CAPEX required for the Group's expansion plans, which includes the development of Jalan Papan for new testing and inspection centre.

Development of Leasehold land in Jalan Papan

PROJECT INFORMATION

Location : Mukim 6 LOT 4890P (Land at Jalan Papan - PLOT 2)

Lease Tenure : 8 March 2023 to 7 March 2043

Land Price : \$7,000,000

Land Area : 12,400 m²

Gross Floor Area :	17,361	m ²	(100%)
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Non-vehicle testing :	5,317	m ²	(31%)
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Vehicle testing :	2,984	m ²	(17%)
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Rental / common areas :	9,060	m ²	(52%)
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Facade Design



PROPOSED ERECTION OF A 5-STOREY RAMP-UP INTEGRATED TESTING FACILITIES CONSISTING OF VEHICLE INSPECTION CENTRE, TESTING LABORATORY WITH ANCILIARY OFFICES, VEHICLE WORKSHOPS, PARKING AND CHARGING STATIONS FOR ELECTRIC VEHICLES AT JALAN PAPAN

April 2024





PROPOSED ERECTION OF A 5-STORY RAMP-UP INTEGRATED TESTING FACILITIES CONSISTING OF VEHICLE INSPECTION CENTRE, TESTING LABORATORY WITH ANCILIARY OFFICES, VEHICLE WORKSHOPS, PARKING AND CHARGING STATIONS FOR ELECTRIC VEHICLES AT JALAN PAPAN

April 2024





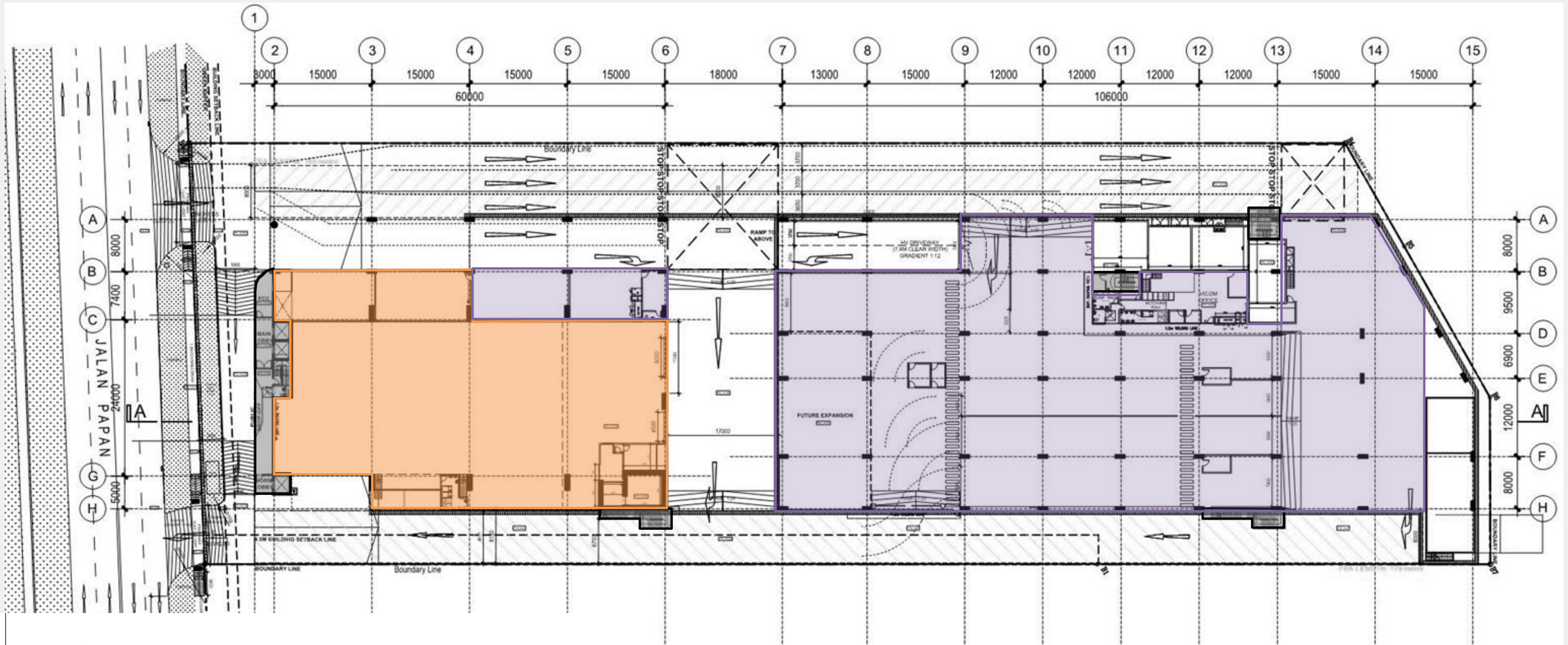
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April 2024



Floor Plans

FLOOR PLAN



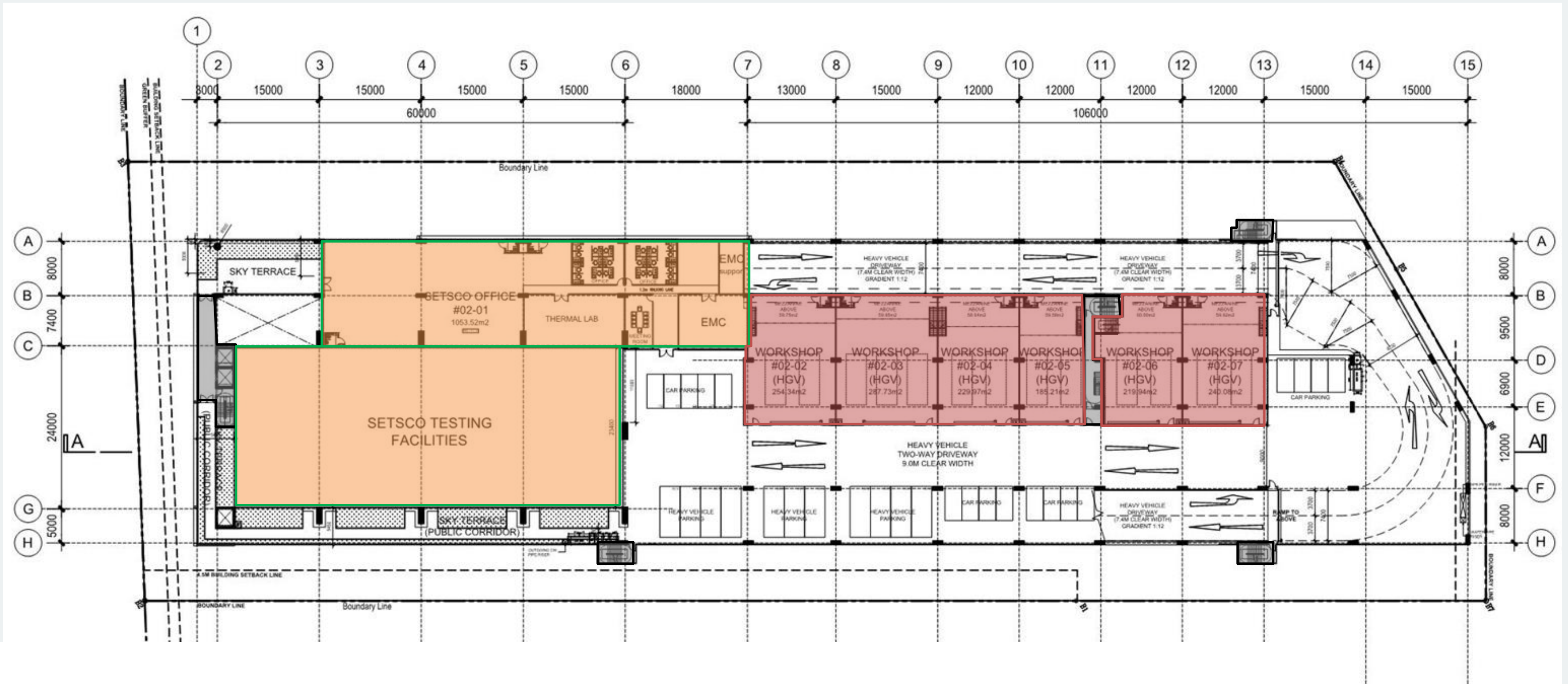
 **1ST STOREY PLAN**



- SETSCO
- JIC
- RENTABLE WORKSHOP

PROPOSED ERECTION OF A 5-STOREY RAMP-UP INTEGRATED TESTING FACILITIES CONSISTING OF VEHICLE INSPECTION CENTRE, TESTING LABORATORY WITH ANCILIARY OFFICES, VEHICLE WORKSHOPS, PARKING AND CHARGING STATIONS FOR ELECTRIC VEHICLES AT JALAN PAPAN

FLOOR PLAN



2ND STOREY PLAN

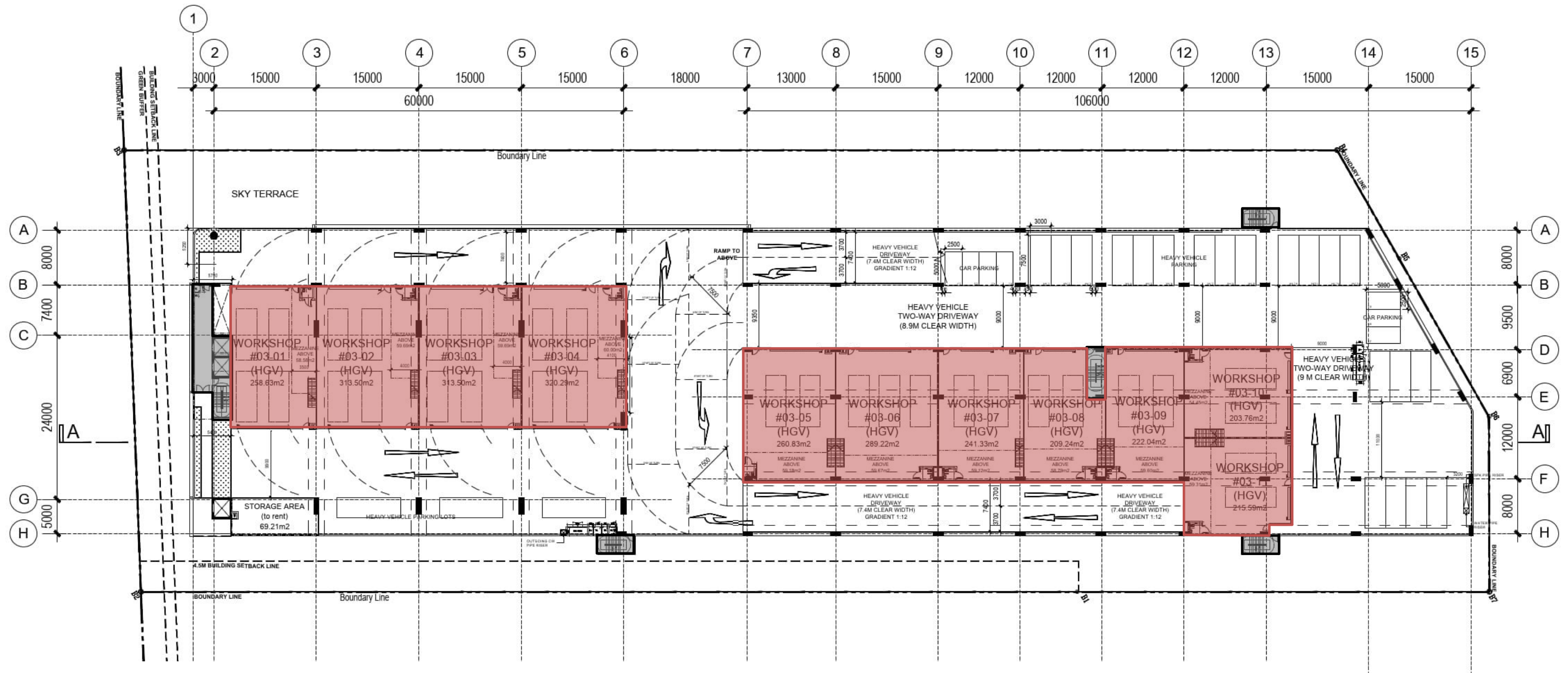


- SETSCO
- JIC
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FLOOR PLAN



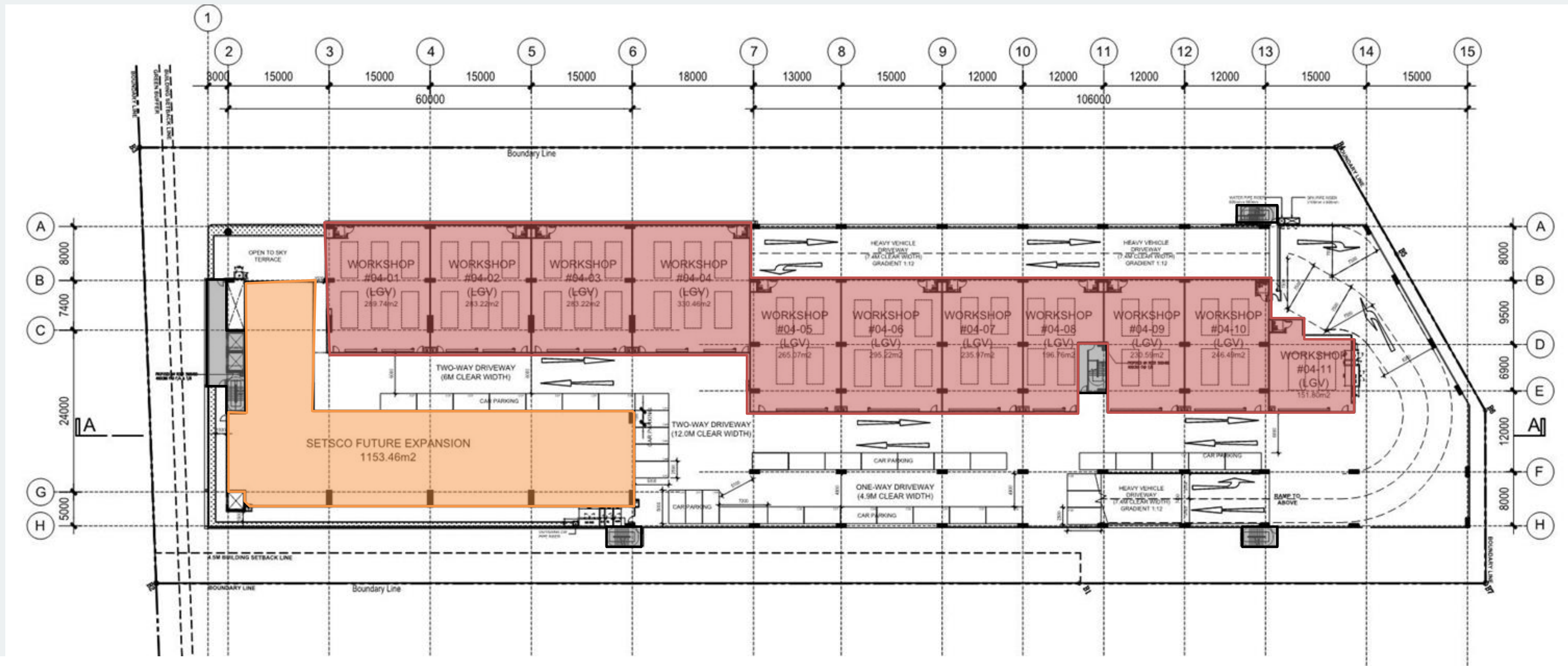
3RD STOREY PLAN



- SETSCO
- JIC
- RENTABLE WORKSHOP

PROPOSED ERECTION OF A 5-STOREY RAMP-UP INTEGRATED TESTING FACILITIES CONSISTING OF VEHICLE INSPECTION CENTRE, TESTING LABORATORY WITH ANCILIARY OFFICES, VEHICLE WORKSHOPS, PARKING AND CHARGING STATIONS FOR ELECTRIC VEHICLES AT JALAN PAPAN

FLOOR PLAN



4TH STOREY PLAN

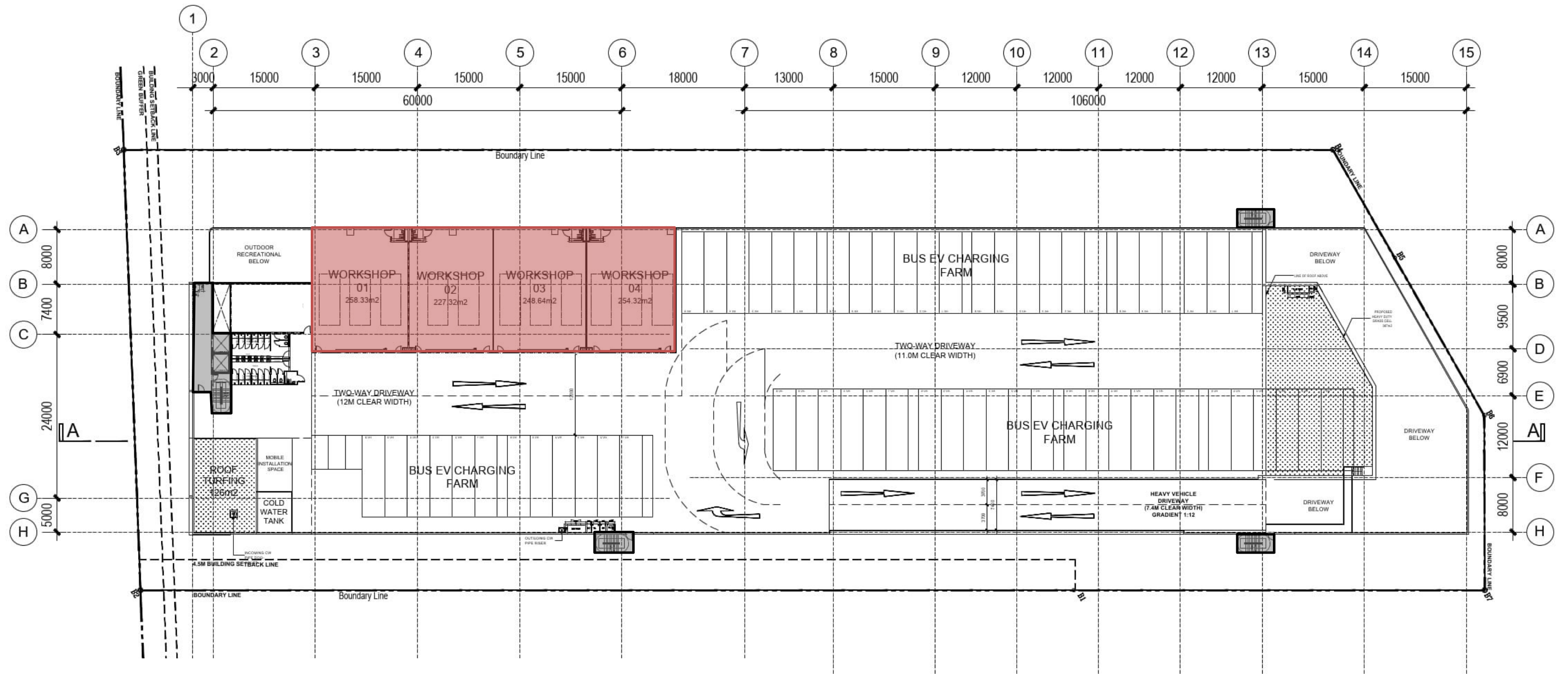


- SETSCO
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FLOOR PLAN



5TH STOREY PLAN



- SETSCO
- JIC
- RENTABLE WORKSHOP

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THANK YOU

For Your Attention

