

# VICPLAS INTERNATIONAL LTD

The parent company of  
Forefront Medical and Vicplas Holdings



**Analyst Update for FY2021 Results**

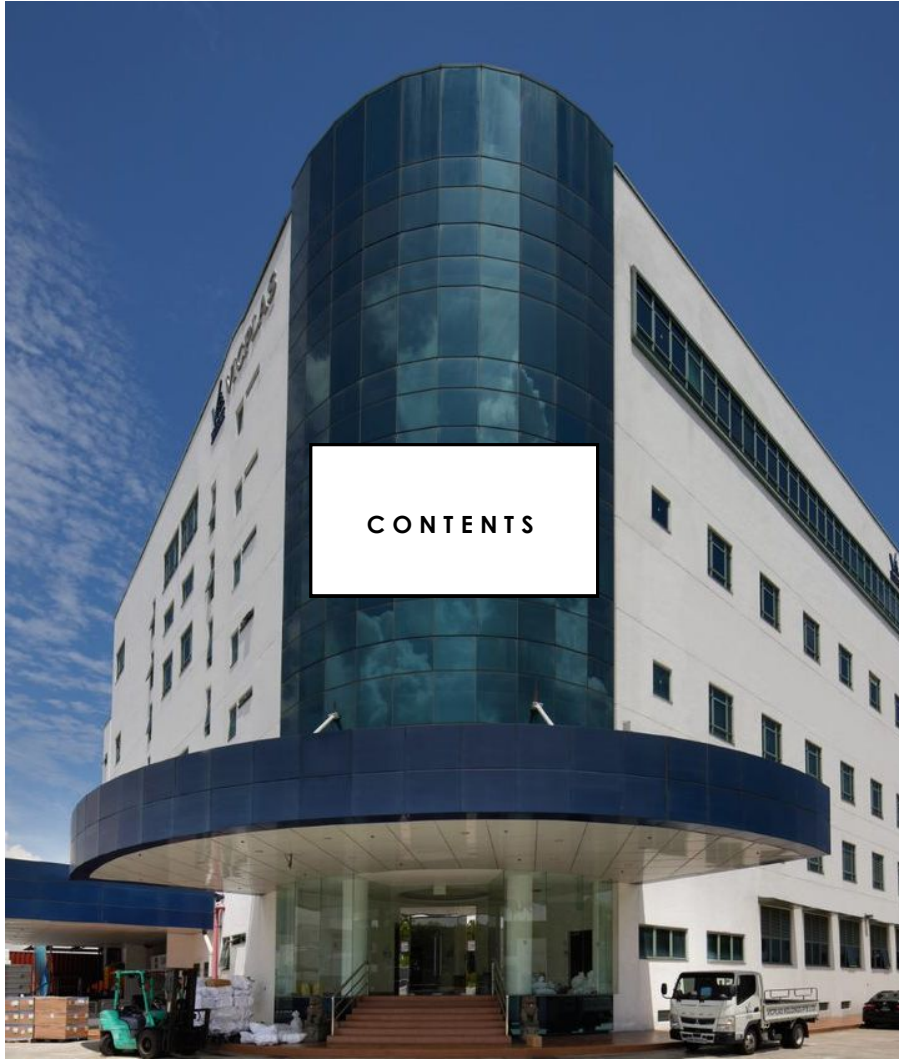
29 September 2021

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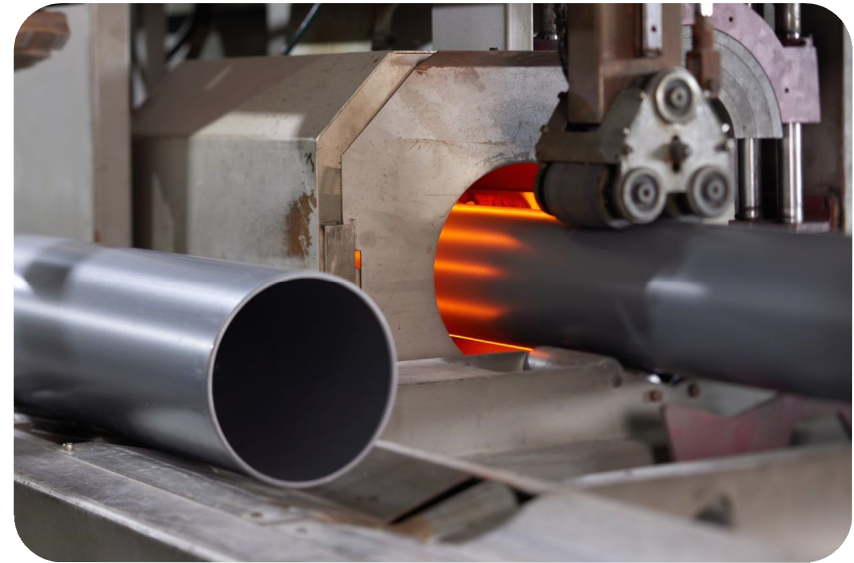
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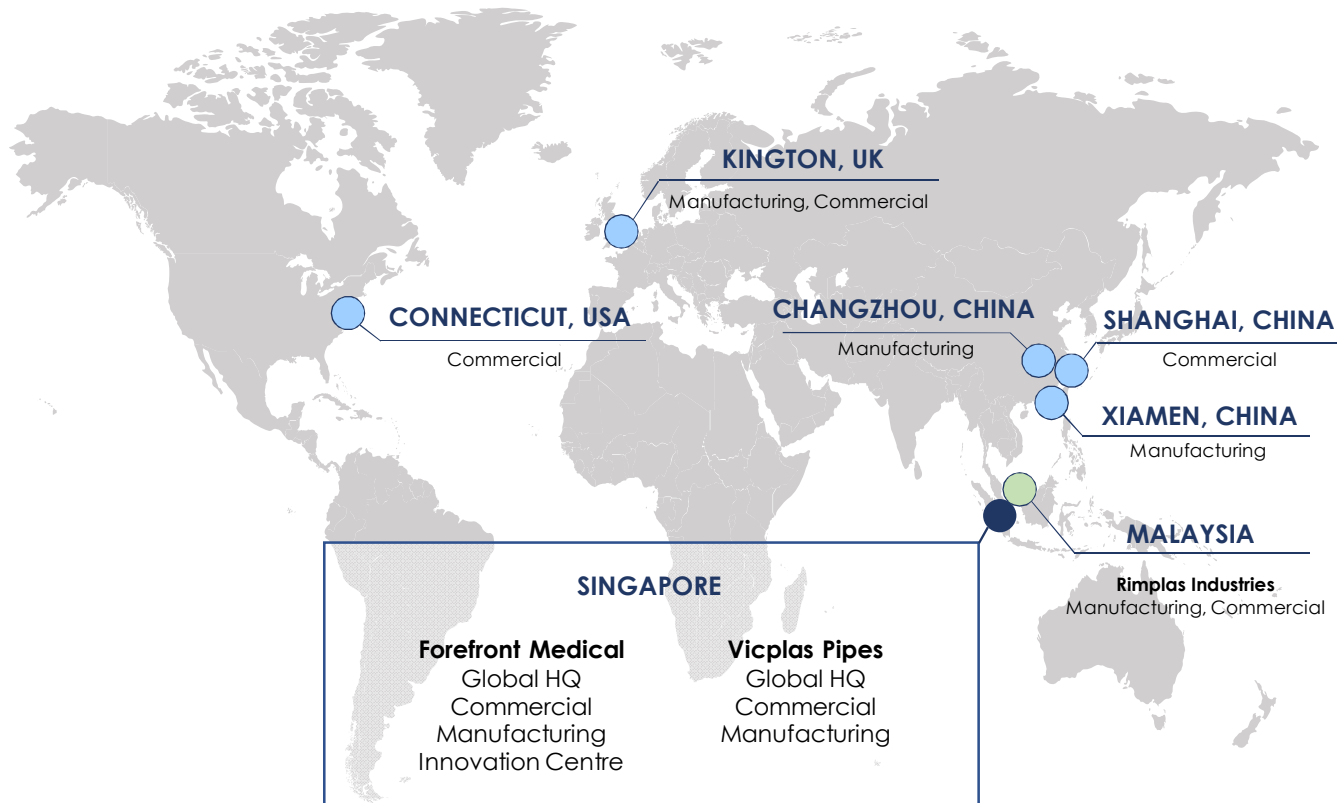
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# COMPANY OVERVIEW

VICPLAS INTERNATIONAL LTD



# GLOBAL PRESENCE



## Business Segments

### Medical devices segment

**Forefront Medical** designs, develops and manufactures sterile and non-sterile medical devices

### Pipes & pipe fittings segment

**Vicplas Holdings ("Vicplas Pipes")** manufactures and distributes piping systems for diverse industries

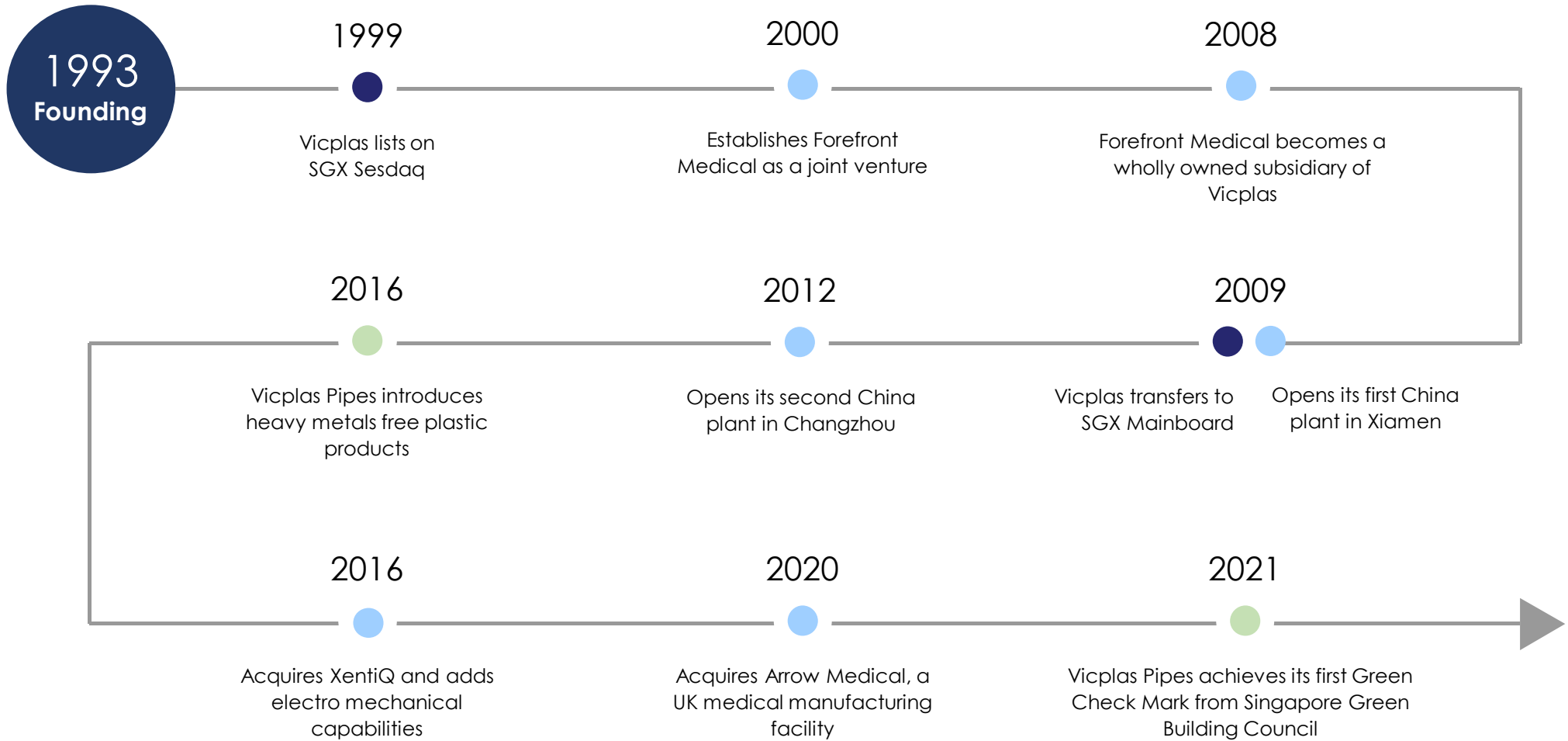
Total employees : 1,000+ worldwide

## Accreditations

The subsidiaries in the pipes and pipe fittings segment have ISO9001:2015 quality certifications.

The subsidiaries in the medical devices segment have EN ISO13485:2016 quality certifications 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". Forefront Medical Technology (Jiangsu) Co., Ltd additionally has a Class II Medical Device Manufacturing License in China and Accreditation certificate of foreign medical device manufacturer from Japan.

# VICPLAS GROWTH JOURNEY



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# FINANCIAL INFORMATION

VICPLAS INTERNATIONAL LTD



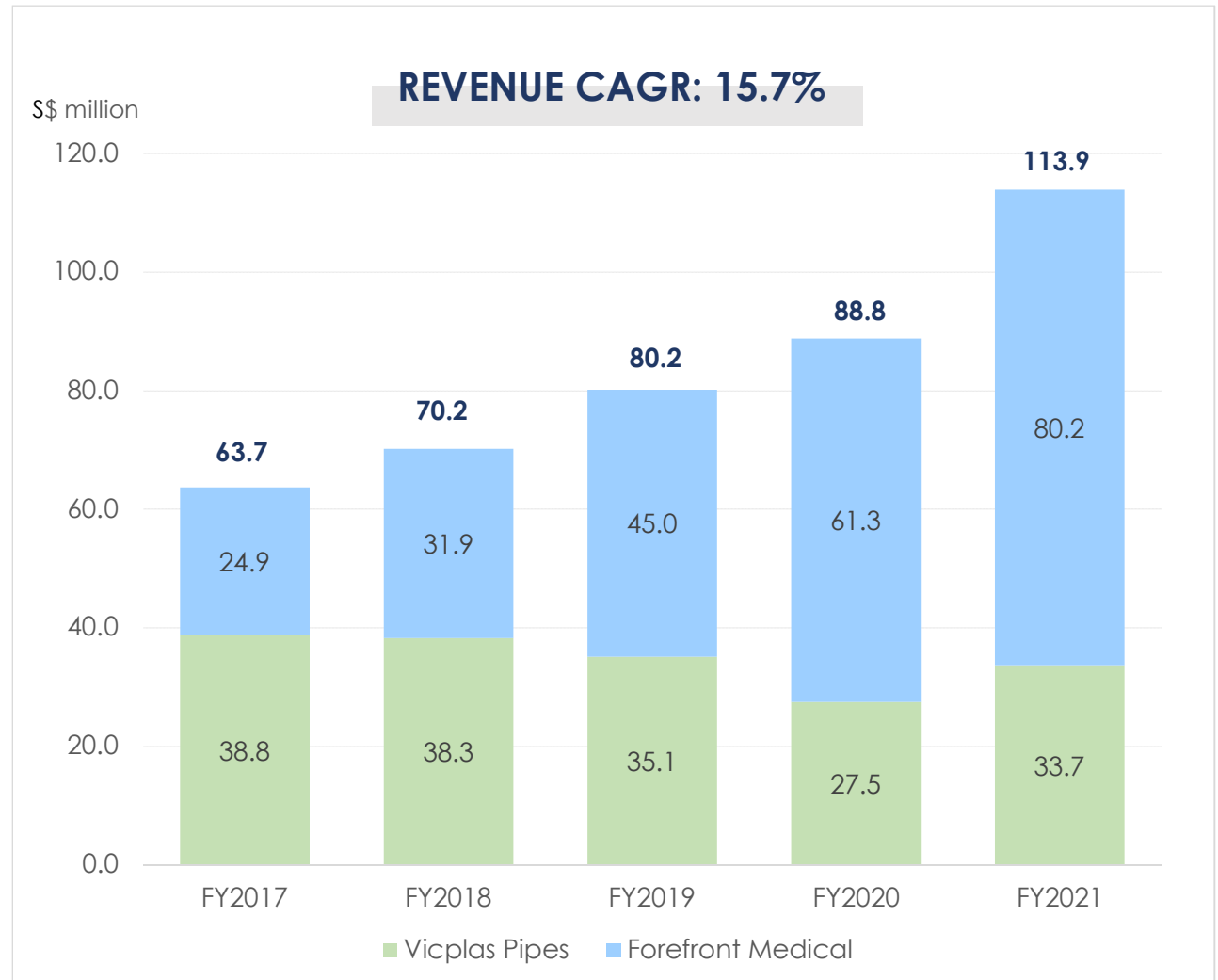
# REVENUE GROWTH

We achieved steady growth over the past five years, with a CAGR of 15.7%.

Forefront Medical's contribution to the Group's revenue has grown from 39.1% in FY2017 to 70.4% in FY2021 and is expected to continue leading our transformation into a medical-focused group.

Vicplas Pipes continues to be an industry leader in the mature pipes and pipe fittings segment.

Together our two segments work in a complementary manner with Vicplas Pipes providing a stable foundation for the Group while Forefront Medical pursues accelerated growth in a growing medical devices segment.

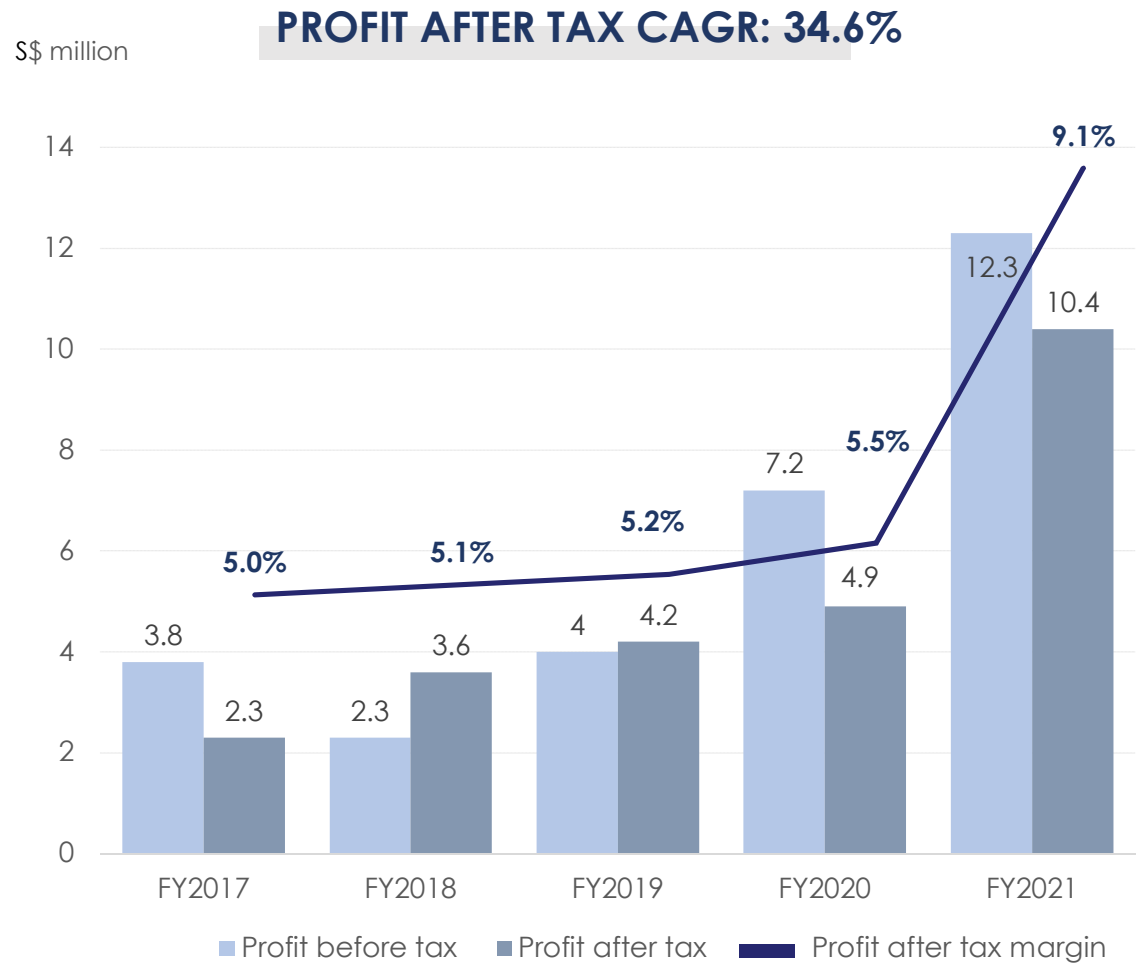




# PROFIT GROWTH

Our profit growth rate has trended higher compared to the revenue growth rate.

This has been supported largely by an increasing contribution from Forefront Medical.

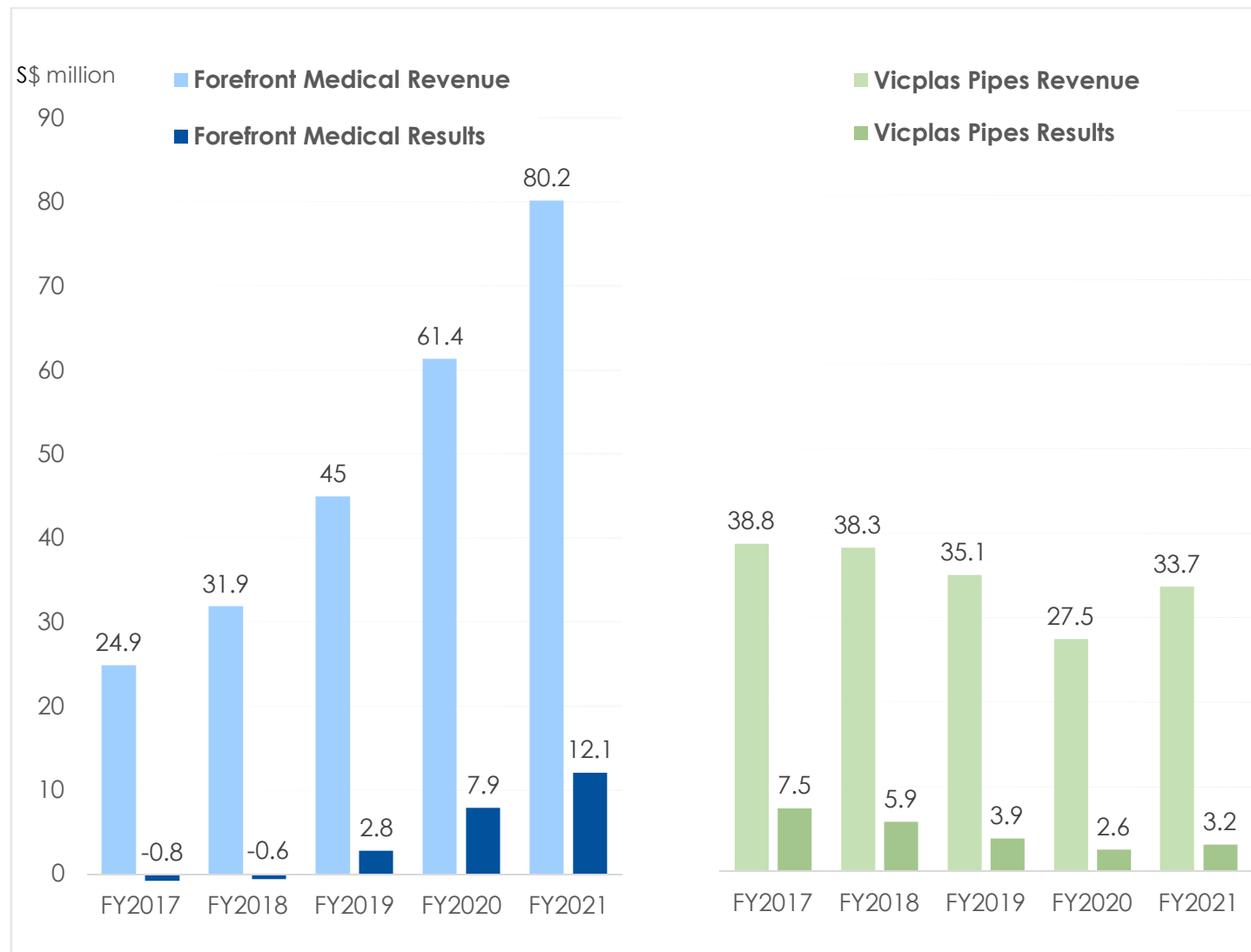


# SEGMENTAL RESULTS

Forefront Medical continues its growth momentum, recording more than 3X increase in revenue and significant improvement in segmental results over the past five years.

Vicplas Pipes was inevitably impacted by the construction industry slowdown in FY2020 due to the pandemic. However, it has since begun to recover. In FY2021, its revenue returned to 96% of FY2019's pre-pandemic levels.

\*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.



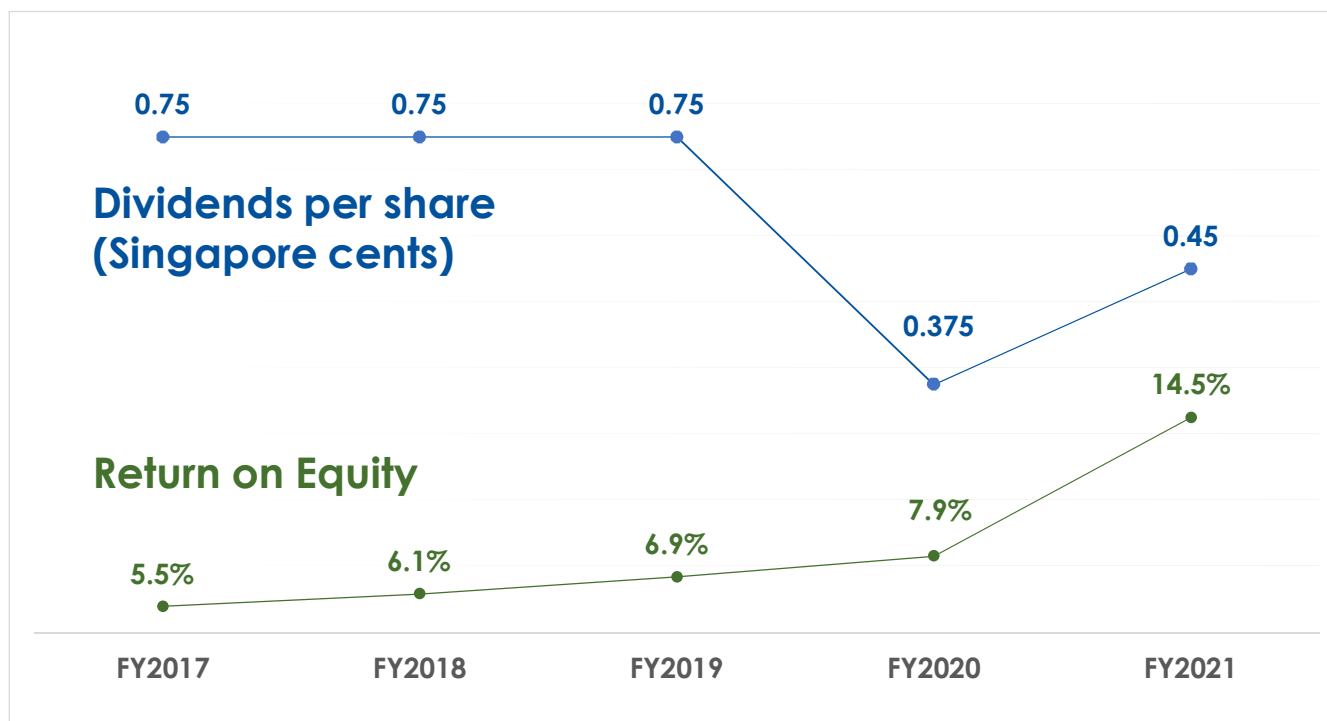
# RE-INVESTING FOR GROWTH

We take a long-term view of success.

Our balanced approach to rewarding shareholders and maintaining sufficient capital in the business to support long-term growth plans, especially in the medical devices segment, reflects this. This is also prudent, given the current macro-economic risks.

For FY2021, the directors have recommended a final dividend of 0.45 Singapore cents per share. This is a 20% increase from FY2020 as a result of higher net profit after tax recorded.

The growth in Return on Equity is testament to our approach of re-investing in the business for growth, as more opportunities emerge.



	FY2017	FY2018	FY2019	FY2020	FY2021
Dividend Per Share (Singapore Cents)	0.75	0.75	0.75	0.375	0.45 *
Debt to Equity Ratio	0.02	0.05	0.14	0.14	0.19
Return on Equity	5.5%	6.1%	6.9%	7.9%	14.5%

\* Subject to the approval by shareholders at the AGM to be held on 25 November 2021

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# MEDICAL DEVICES

Walter Tarca  
President

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FOREFRONT  
MEDICAL

[WWW.FOREFRONTMEDICAL.COM](http://WWW.FOREFRONTMEDICAL.COM)

## OUR VISION

To be a leading global medical device manufacturing partner with solutions that are preferred by product owners

- 100% focused on manufacturing quality devices for the medical device industry
- Global customer base in five continents
- More than 900 employees
- Committed to providing our customers and their patients with innovative and cost-effective medical devices to enable continuous improvements in healthcare





Singapore – Corporate HQ



Changzhou, China



Xiamen, China



## GLOBAL PRESENCE

### Manufacturing Sites

- Singapore – Corporate HQ (7,410m<sup>2</sup>)
- Xiamen, China (7,000m<sup>2</sup>)
- Changzhou, China (7,024m<sup>2</sup>)
- Changzhou, China (7,000m<sup>2</sup> extension opening in 2022)
- Kington, UK (2,600m<sup>2</sup>)

### Commercial Offices

- Singapore
- Shanghai, China
- Connecticut, USA
- Kington, UK

## OPPORTUNITIES

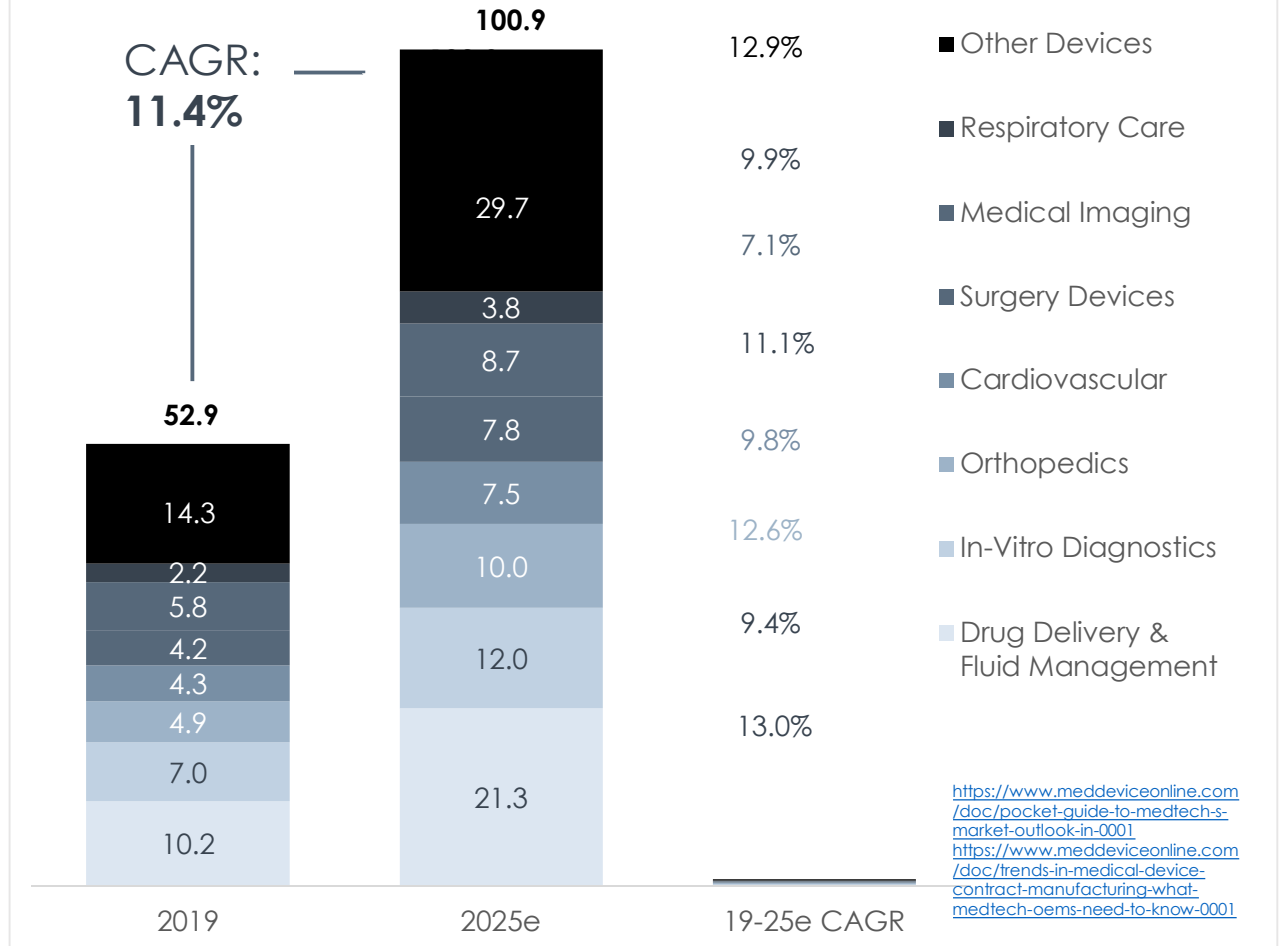
# A GROWING INDUSTRY

The MedTech contract manufacturing market is expected to grow by an average of 11.4% year-on-year through 2025.

### Key drivers:

- Ageing population
- Increased demand for improved healthcare in developing markets
- Increased willingness by product owners to outsource manufacturing to trusted partners that can fully support product and process innovation

MedTech CDMO Market by Application: 2019-2025e (US\$B)



# FY2021 HIGHLIGHTS

- Emphasis placed on building a company that is flexible, resilient and resourceful to build long term partnerships and sustainability for our stakeholders.
- S\$1.5 million refurbishment of Singapore plant clean rooms created more opportunities and flexibility in winning new customers and projects.
- Continuing improvement in our capabilities sees more project awards from existing and new customers.
- In the challenging early stages of the COVID-19 pandemic, we introduced safety protocols that kept our team safe and kept delivery disruptions for our global customers to a minimum. COVID-19 vaccination rates in all our plants exceed 95% currently.





## OUR VALUE PROPOSITION TO CUSTOMERS



## IN-HOUSE CAPABILITIES

# FROM CONCEPT TO MANUFACTURING



PediGuard  
for Spinal  
Surgery



Feeding PVC  
Tube with  
Tungsten



Laryngeal  
Mask with  
LSR Cuff



Reinforced  
Extruded  
Silicone Tube

Design & Development	<ul style="list-style-type: none"> <li>Product Concept &amp; Realisation</li> <li>Electronics, Software, Metal Parts</li> </ul>	
Rapid Prototyping		
Plastic & LSR Tooling	<ul style="list-style-type: none"> <li>In-house Toolroom &amp; Design Team</li> <li>Insert Mould</li> </ul>	<ul style="list-style-type: none"> <li>Micro Mould</li> <li>2K Mould</li> <li>Stack Mould</li> </ul>
Moulding Capabilities	<ul style="list-style-type: none"> <li>Wide Range of Materials</li> <li>Injection</li> <li>Extrusion</li> </ul>	<ul style="list-style-type: none"> <li>Injection Blow</li> <li>Extrusion Blow</li> </ul>
Production	<ul style="list-style-type: none"> <li>Cleanroom Facility</li> <li>Pilot/Trial Run</li> </ul>	<ul style="list-style-type: none"> <li>Low Mix High Volume</li> <li>High Mix Low Volume</li> </ul>
Quality	<ul style="list-style-type: none"> <li>ISO 13485</li> <li>FDA 510K</li> </ul>	<ul style="list-style-type: none"> <li>CE Mark</li> <li>IQ/OQ/PQ</li> </ul>
Assembly	<ul style="list-style-type: none"> <li>Manual Assembly</li> <li>High Speed Automation</li> </ul>	
Secondary Processes	<ul style="list-style-type: none"> <li>Hydrophilic Coating</li> <li>RF Tipping &amp; Forming</li> </ul>	<ul style="list-style-type: none"> <li>Pad Printing</li> <li>Bonding &amp; Welding</li> </ul>
Packing	<ul style="list-style-type: none"> <li>Rigid Blister</li> <li>Soft Blister</li> </ul>	<ul style="list-style-type: none"> <li>Tyvek Pouch</li> <li>Pallet Optimisation</li> </ul>
Sterillization	<ul style="list-style-type: none"> <li>EtO</li> <li>Gamma</li> </ul>	<ul style="list-style-type: none"> <li>Autoclave</li> <li>E-Beam</li> </ul>

## OUR BUSINESS

# OUR MEDICAL DEVICE PORTFOLIO

- Vascular
- Pharmaceutical Bottles
- Surgical Devices
- Respiratory
- Orthodontics
- Airway Management
- PPE Gowns / Nasal Swabs
- Endoscopy
- Drug Delivery
- Diagnostics



# MOULDING & EXTRUSION CAPABILITIES

## INJECTION MOULDED MEDICAL COMPONENTS

- Micro-Molding
- Insert Molding
  - Plastics & Metals
- Co-Injection
- Multi-Shot Molding
- Unscrew Molding
- Tooling Capabilities
  - Stack Mold
  - Spin-Stack Mold
  - In-Mold Assembly

## EXTRUSION MEDICAL TUBING COMPONENTS

- Multi-Lumen Tubes
- Braided Tubes
- Co Extrusion
- Multi Color / Layer Extrusion
- Small Bore Tubes
  - Catheters
- Specialty Tubes
  - Radio Opaque Additives
  - Added Tube



# COMPLETE DEVICES

Comprised more than 90% of our volume in FY2021

## SAFETY WING INFUSION SET

Injection | Secondary Process | Assembly | Packaging



Assembly Automation Line in Class 7 (10k) Assembly Cleanroom

## JEJUNAL & NASO-GASTRIC FEEDING TUBE

Product Development | Injection | Extrusion | Assembly | Packaging | Sterilisation



# COMPLETE DEVICES

Comprised more than 90% of our volume in FY2021

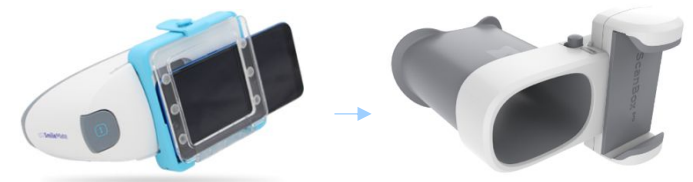
## ENDOTRACHEAL TUBE

Injection | Extrusion | Blow | Assembly | Packaging | Sterilisation



## FULL DEVICE – SCANBOX (AI & ORTHODONTICS)

Injection | Assembly | Packaging



## OUR ESG COMMITMENT

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We endeavour to continually improve/drive long-term value for our stakeholders, customers, employees, shareholders, suppliers and the community in which we do business.

In 2021, we stepped up to help the Singapore and UK health authorities with products needed to fight Covid-19.

We are pursuing further ISO certifications in Environment and Energy Management to help address challenges which impact our environment.

We provide growing career opportunities for people in our communities who want to make a difference by supporting advances in healthcare and helping clinicians and their patients around the world.

## NASOPHARYNGEAL SWABS



Clinically tested and proven effectiveness

Class A device registered with HSA, USFDA & CE



Made with biocompatible nylon

Flexible neck ensures ease of use and improved patient comfort



Patented tip design

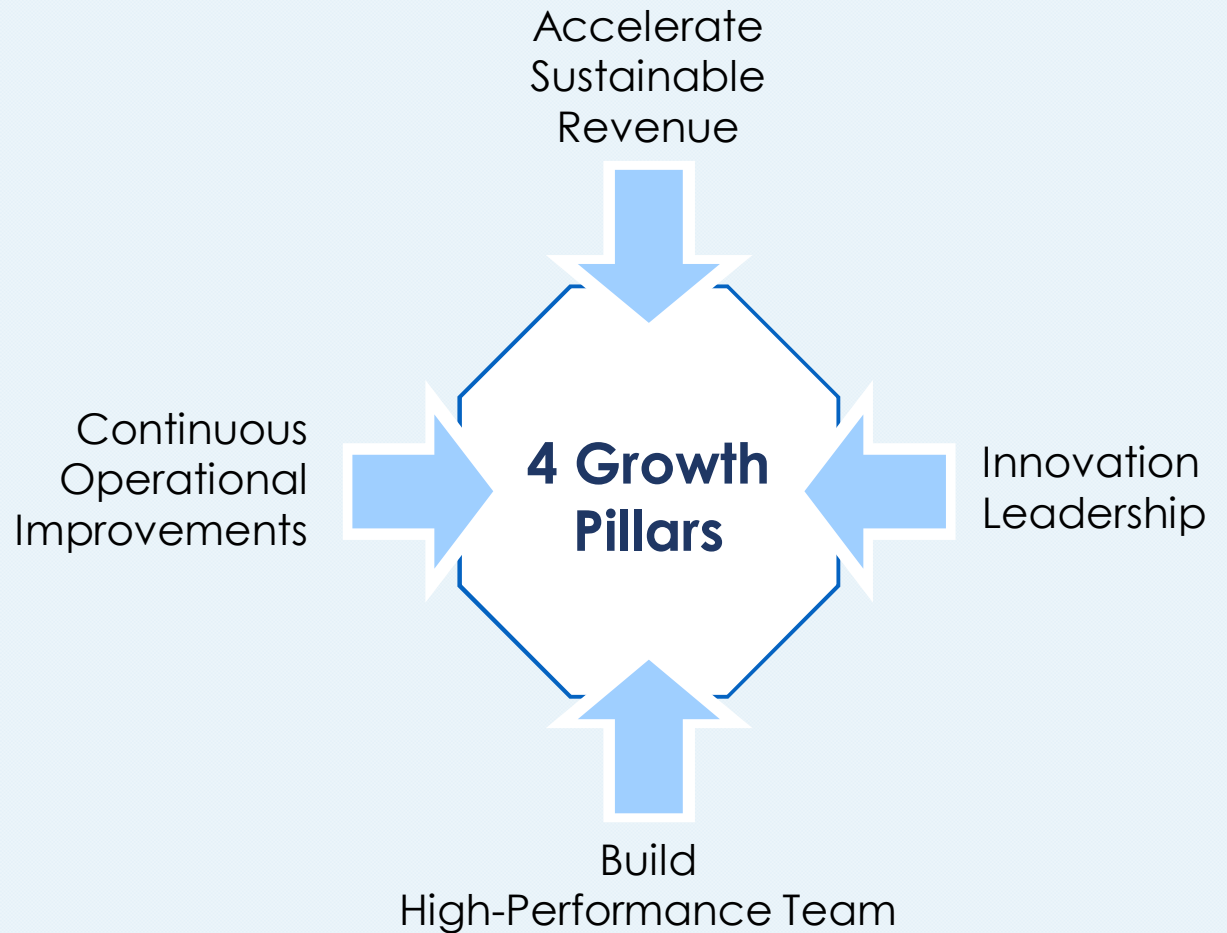
## PPE GOWNS



## ACHIEVING OUR VISION

# OUR STRATEGIC INTENT

To improve profitability by delivering great solutions for our MedTech customers and building sustainable value for all our stakeholders



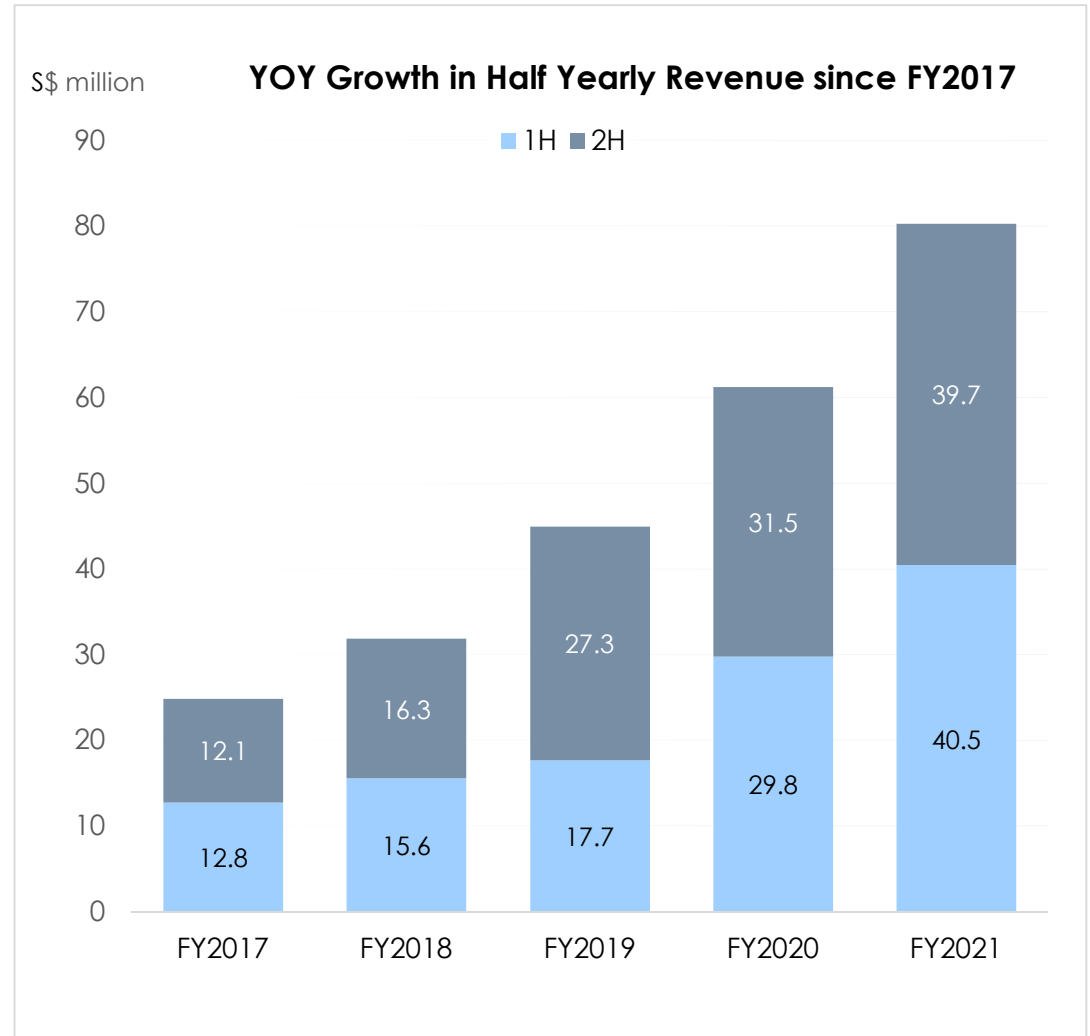


## FINANCIAL RESULTS

# SUSTAINED YEAR-ON-YEAR GROWTH RECORD

**31%** increase in FY2021 revenue

**54%** increase in FY2021 segmental results



# OUR STRATEGIC PRIORITIES

## 1. ACCELERATE CAPITAL INVESTMENTS

- Broaden global footprint to satisfy demand and improve flexibility for new customers
  - Changzhou extension
  - Possible new plant outside Asia (near USA)
- Implement factory I.4 initiatives to drive operational efficiencies and output improvements

## 2. DRIVE CAPABILITY IMPROVEMENTS & INNOVATION

- Build expanded capabilities in in-vitro diagnostics, medical extrusions and electro-mechanical devices to strengthen new revenue streams
- Continued investment in collaborative projects with MedTech product owners to expand our capabilities and drive growth

## 3. BUILD A HIGH-PERFORMANCE TEAM TO DRIVE GROWTH

- Continue to develop and provide opportunities for our highly engaged, tenured team delivering quality products to global markets
- Invest in additional MedTech talent pool to drive new revenue streams and manage growth

# REVENUE GROWTH MOMENTUM

## BUSINESS OUTLOOK

- We are optimistic about long-term growth opportunities in medical device manufacturing globally because of expected market growth and our increasing capability, but we are mindful of uncertainties in current international trading conditions.
- Forefront Medical will continue to broaden its customer base and improve its core capabilities to provide enhanced service offerings to customers, while improving efficiency at its manufacturing plants to lower costs.
- Assessing the establishment of the next medical device plant outside Asia (near USA) in order to provide operational diversity, additional space to meet growth expectations, and resilience for our customer base.
- Operations have normalised at this stage of the COVID-19 pandemic but we continue to monitor the situation closely.

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# PIPES & PIPE FITTINGS

Jay Cheng  
Group Operations Director

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VICPLAS  
PIPES

[WWW.VICPLAS.COM.SG](http://WWW.VICPLAS.COM.SG)

# A SUSTAINABLE BUSINESS

## ABOUT US

Vicplas Pipes is a leading solutions provider in the plastic pipe manufacturing industry. Our uPVC piping systems are found in a majority of residential homes across Singapore. Our market leadership is built on the quality and reliability of our products. They are commonly found in:

- **Plumbing and Electrical Works** across residential, commercial, institutional, industrial and other buildings
- **Civil Engineering Works** ranging from telecommunication and power grid pipelines to infrastructure works

## OUR VALUE PROPOSITION TO CUSTOMERS

### Solutions Provider



Proactively look for new product development opportunities to fill industry gaps and meet emerging needs

### Operational Efficiency



Invest in new technologies and improve existing processes to enhance operational and manufacturing efficiency



### Product Reliability

Conduct regular quality checks to ensure that our products meet our stringent quality standards and applicable regulatory requirements



### Green Initiatives

Contribute to a cleaner and greener future by developing environmentally friendly products



### Research & Development

Constantly explore new possibilities in the design and manufacture of our products

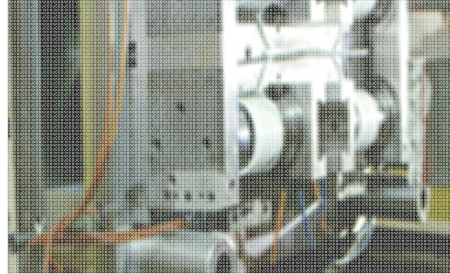


## OUR CORE CAPABILITIES



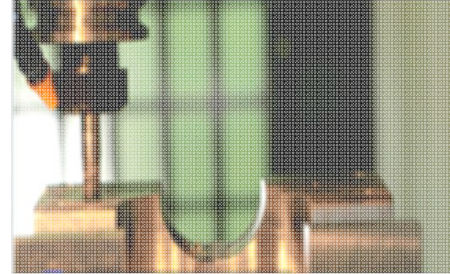
### Product Design

Develop practical, cost-efficient solutions that evolve with the changing needs of our customers.



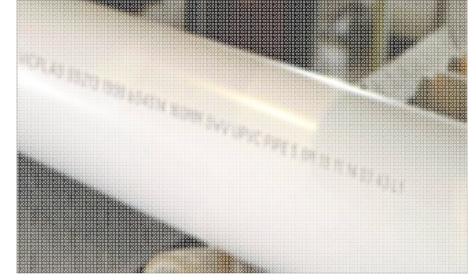
### Processing Techniques

Proficient across a range of polymer processing techniques and are able to offer injection, extrusion, thermal forming and fabrication processes.



### Tool Fabrication

Equipped with in-house mould design and fabrication capabilities.



### Materials Know-how

Extensive working knowledge of polymeric materials such as engineering plastics, specialty elastomers, composites and more.

Vicplas Pipes' products are all certified by international testing bodies to meet the industry standards of product quality.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

## PIONEERING HEAVY METALS FREE PLASTIC PRODUCTS

We take pride in being the first uPVC pipe producer in Singapore to receive one Green Check Mark certification from the Singapore Green Building Council. This is the direct result of our efforts to reformulate all our plastic product lines to go heavy metals free since 2016.

We are currently pursuing the second and third Check Marks to strengthen our market leadership position.



## SUPPORTING FOOD SUSTAINABILITY

We support the Singapore Green Plan, which includes targets to produce 30% of our food source locally by 2030. Building on our core capabilities in heavy metals free plastics, we have developed a range of plastic products to support indoor and vertical urban farming.





## PRODUCT APPLICATIONS



### BUILDINGS

- Residential homes
- Commercial buildings
- Institutional buildings
- Industrial / Others



### HYDRO-AGRICULTURE

- Plastic pipes
- Plastic channels



### CIVIL ENGINEERING

- Telecommunication pipelines
- Power grid pipelines
- Infrastructure works

# FY2021 HIGHLIGHTS

- As construction activities picked up in FY2021, we took pre-emptive measures to ensure the safety of our employees while gradually scaling up production output.
- Some of our products are manufactured in our facility in Malaysia. Given the COVID-19 situation there, we increased our inventory holding levels in Singapore to minimise the risk of supply disruptions. This, combined with our Singapore manufacturing presence, was critical in ensuring supply stability to our customers here.
- More than 95% of our employees in Singapore are fully vaccinated currently.



# BUSINESS OUTLOOK

## **CONTINUED INDUSTRY PRESSURES**

- Although the construction industry in Singapore is gradually recovering from the impact of COVID-19, labour shortages and supply chain disruptions remain major contributors to project completion delays.
- Increased operating costs and higher raw material prices are expected to continue into FY2022.

## **PRUDENCE AND FOCUSED GROWTH**

- In view of increased competition and longer completion time required for building construction projects, the segment will continue to focus its growth on civil engineering projects and product expansion.
- We will continue to operate prudently and drive operational efficiencies through continuous improvement.



THANK  
YOU

**Vicplas International Ltd**

Reg No: 199805362R

[www.vicplas.com](http://www.vicplas.com)