

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

VALUETRONICS HOLDINGS LIMITED

Securities

VALUETRONICS HOLDINGS LIMITED - BMG9316Y1084 - BN2

Stapled Security

No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date & Time of Broadcast

29-May-2024 07:21:17

Status

New

Announcement Sub Title

Full Yearly Results

Announcement Reference

SG240529OTHRA7YS

Submitted By (Co./ Ind. Name)

Tse Chong Hing

Designation

Chairman and Managing Director

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please see attached:

Presentation slides in relation to FY2024 Results.

Additional Details

For Financial Period Ended

31/03/2024

Attachments



[VHL-FY2024 Results-Presentation Slides.pdf](#)



FY2024 Results Briefing

Note: This presentation is to be read in conjunction with the announcement issued on SGXNET on 29 May 2024

Important Notice



This presentation is for information purposes only and does not constitute or form part of an offer, solicitation, recommendation or invitation for the sale or purchase or subscription of securities in Valuetronics Holdings Limited (the “Company”). No part of it nor the fact of its presentation shall form the basis of or be relied upon in connection with any investment decision, contract or commitment whatsoever.

The information and opinions in this presentation are provided as at the date of this document (unless stated otherwise) and are subject to change without notice, its accuracy is not guaranteed and it may not contain all material or relevant information concerning the Company, or its subsidiaries (the “Group”). Neither the Company nor its affiliates, advisors and representatives make any representation regarding, and assumes no responsibility or liability whatsoever (in negligence or otherwise) for, the accuracy or completeness of, or any errors or omissions in, any information contained herein nor for any loss howsoever arising from any use of this presentation. Further, nothing in this presentation should be construed as constituting legal, business, tax or financial advice.

The information contained in this presentation includes historical information about and relevant to the assets of the Group that should not be regarded as an indication of the future performance or results of such assets. Certain statements in this presentation constitute “forward-looking statements”. These forward-looking statements are based on the current views of Group concerning future events, and necessarily involve risks, uncertainties and assumptions. These statements can be recognised by the use of words such as “expects”, “plans”, “will”, “estimates”, “projects”, “intends” or words of similar meaning. Actual future performance could differ materially from these forward-looking statements, and you are cautioned not to place any undue reliance on these forward-looking statements. The Company does not assume any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise, subject to compliance with all applicable laws and regulations and/or the rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and/or any other regulatory or supervisory body or agency.

About Us

Corporate Information

- Established in 1992 in Hong Kong
- An integrated Electronics Manufacturing Services (EMS) provider
- Listed on SGX Mainboard on 28 March 2007
- Auditors: PricewaterhouseCoopers
- Employees: ~3,000 globally (31 March 2024)
- Two facilities: ShenZhen, China + Hanoi, Vietnam

Bloomberg Code

Reuters Code

Stock Code

Index

Issued shares (M)

Mkt cap* (S\$M)

Share price* (S\$)

52 wk range* (S\$)

VALUE.SP

VLUE.SI

BN2

**FTSE ST Small Cap,
FTSE Global MicroCap**

435.6

283.1

0.650

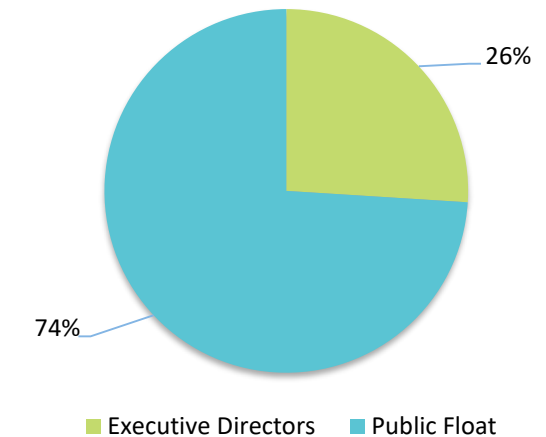
0.485 – 0.650

* 27 May 2024

Accreditations

- ISO9001:2015
- ISO14001:2015
- TL9000:2016(H) R6.3/5.7
- IATF16949: 2016
- IPC J STD-001/ IPC-A-610 QML Class 3
- ANSI/ESD S20.20 - 2021

Shareholding



Business Overview

Valuetronics is a one-stop, integrated EMS provider that offers a full range of services to its customers



Design and development

covers engineering design and development, product design and deployment, and tool design and tool fabrication



Manufacturing

with integrated manufacturing sites in China and Vietnam

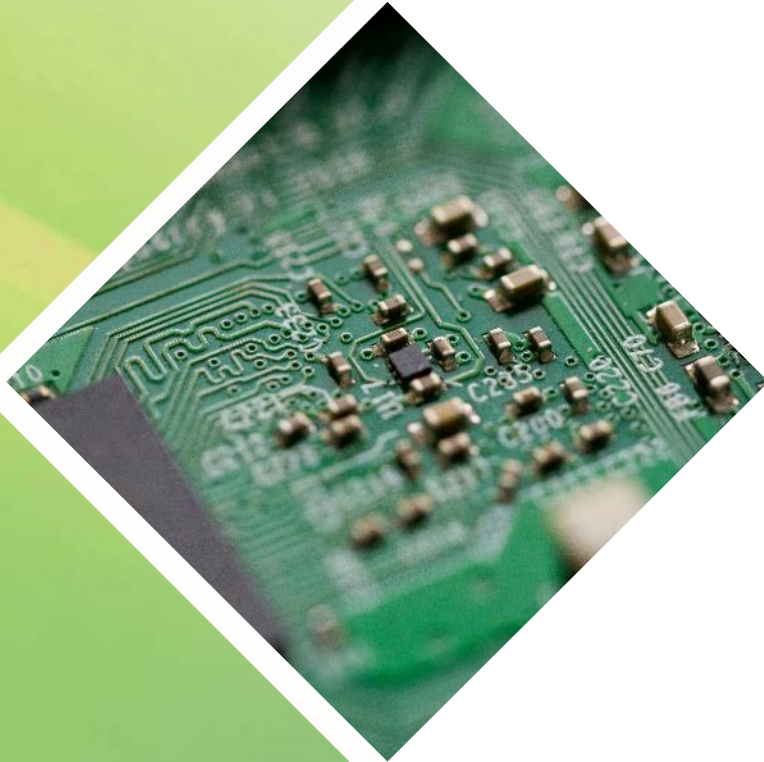


Assembly covers plastic injection moulding, metal stamping and machining, and printed circuit board assembly and box build assembly



Supply chain support

provides full turn-key manufacturing services covering procurement of raw materials, manufacture and deliver products to customer's designated locations



Key Milestones

Incepted in Hong Kong with manufacturing facilities in Danshui Town PRC

1992



Adopted work cell management & updated to ISO9001:2000

2003



Listed on SGX-Mainboard & commenced construction for Daya Bay Facility

2007



Completed Phase 1 construction of Daya Bay Facility

2008



Adoption of formal dividend policy

2014



Received 2016 Above & Beyond – Pinnacle Award for Supplier Excellence from Delphi

2017



Established Manufacturing footprint in Vietnam

2019



Joint Winner of Most Transparent Company Award 2023, Technology Category & Singapore Corporate Governance Award 2023, Small Cap Category

2023



2002

Use of ROHS equipment and accredited with TL9000



2005

Became Philips' preferred supplier for its consumer lifestyle segment



2008

Became Phillips preferred supplier for its lighting segment



2012

Celebrated 20th anniversary with revenue crossing HK\$2 billion



2015

Received TS16949 certification



2019

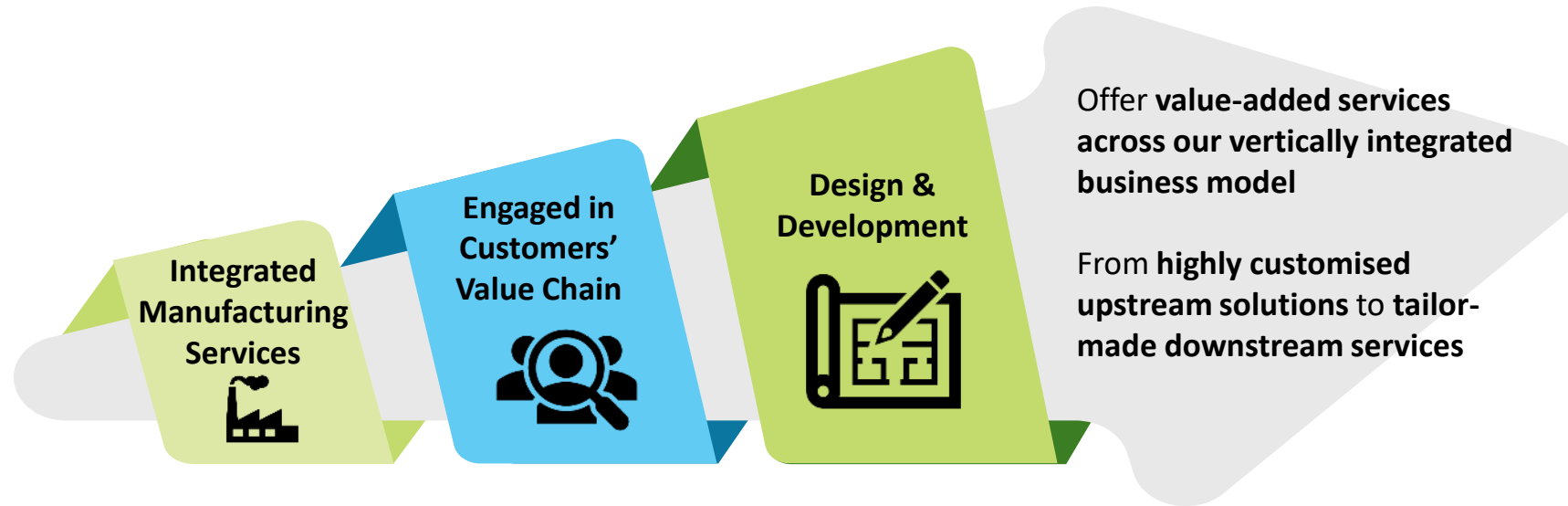
Awarded 2019 Sustainability Award, Small Cap – Runner Up from SIAS



2022

Vietnam Campus commenced mass production

A Premier Design and Manufacturing Partner



Proactive deployment of Design & Development capabilities →

Integrated Manufacturing Services

- SMT
- Auto insertion and selective soldering
- Wire bonding
- FG assembly
- CNC machining
- Injection molding
- Tool design & fabrication

Engaged in Customers' Value Chain

- Design for manufacturing
- Design and build test fixtures
- Rapid prototyping
- Regulatory compliances
- Supply chain management services

Design & Development

- Mechanical and electrical engineering design from concept to mass production
- Better manufacturability with enhanced features & lower cost
- Software development
- Testing development
- Industrial design

Multinational Footprint



China Campus

- Land use rights acquired in 2006
- Total site area > 110,000 sq m



Vietnam Campus

- Land use rights acquired in 2019
- Total site area > 52,000 sq m



Industrial & Commercial Electronics

Printers

Nasdaq-listed Company

(Transaction Printer for Slot, POS & Teller Station Machines)



Global Brand owned by NYSE-listed MNC

(Thermal Label Printer for Industrial & Commercial Use)



Sensing Devices

Unit of a NYSE-listed MNC

(Cold Chain Temperature Monitor for Industrial & Commercial Use)



Automotive Parts

Tier 1 Automotive System Manufacturer

(Data and media connectivity module)



Industrial & Commercial Electronics

Communication Products

United States-based Company



Taiwan-listed Company



Network & HPC Products

United States & Canada-based Company (Cooling solutions for HPC environment)



Network Access Solutions Provider based in Canada



Industrial & Commercial Applications

Startup Owned by PE Fund (Hardware provider for retail chain stores)



NYSE-listed United States Company (Residential and Commercial Water Solutions)

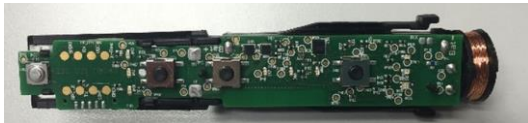
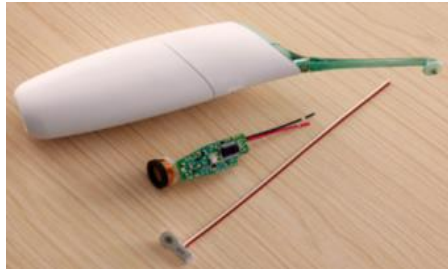


Consumer Electronics

Consumer Lifestyle Products

Consumer Lifestyle Division of a Dutch MNC

(PCBA for Shavers & Electric Toothbrushes
for Consumer Use)



Smart Lighting with IOT Features

World leader in lighting for professionals and consumers and lighting for IOT

(Wireless lighting contain various LED specially
chosen to produce wide range of intensities and over
16 million colours;
Wirelessly controlled by mobile application)



Immersive Entertainment Products

Leading Global Entertainment Conglomerate





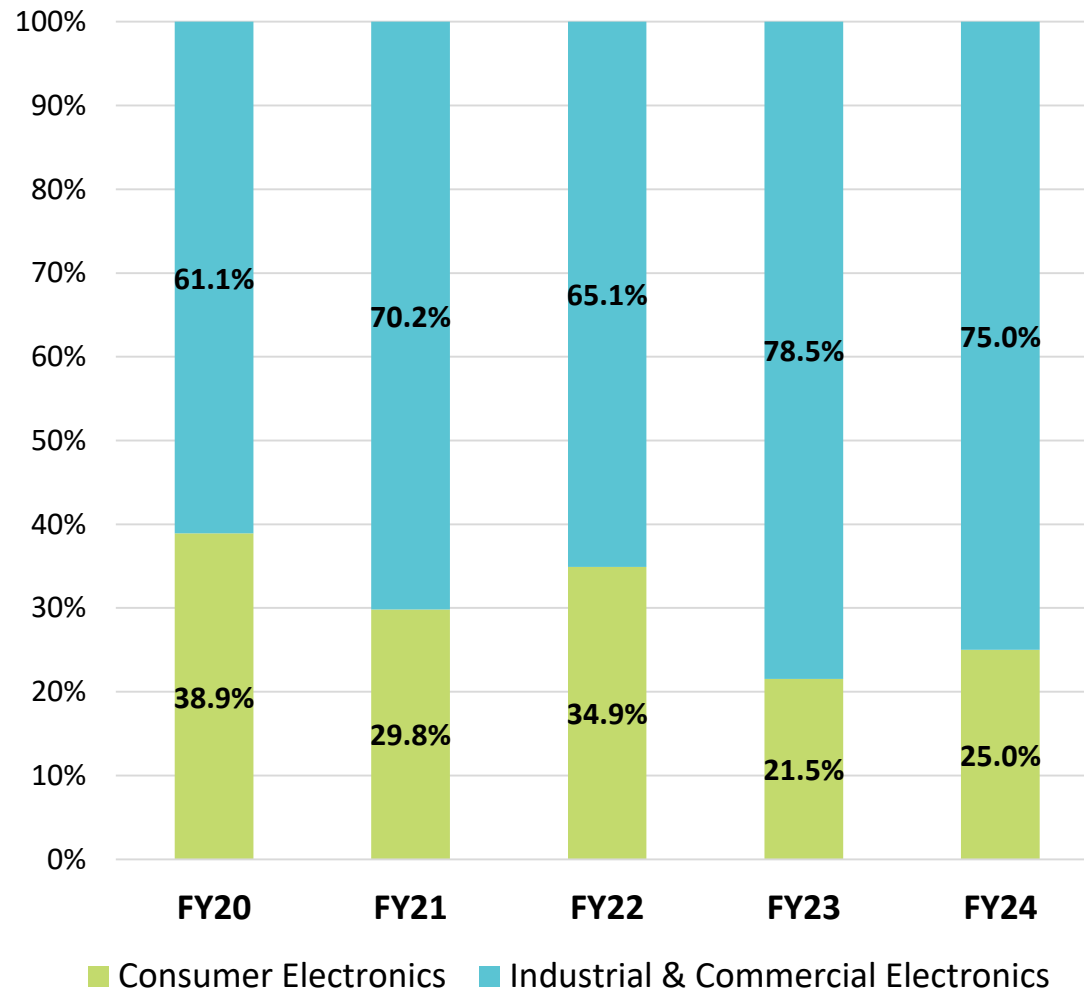
FY2024 Financial Highlights

FY2024 Financial Highlights

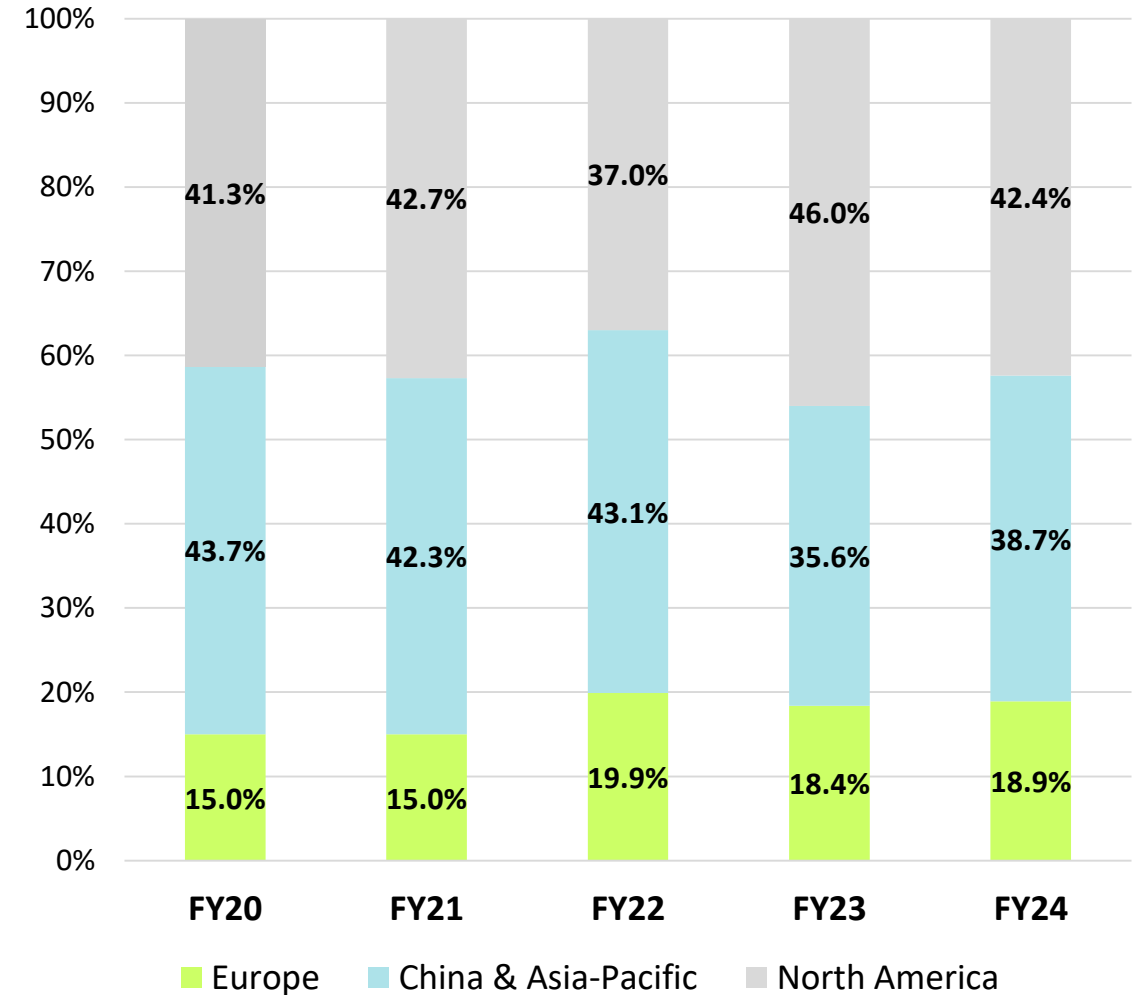
HK\$'M	FY2024	FY2023	% Change
Revenue	1,669.9	2,013.7	-17.1
Gross Profit	265.2	261.7	1.3
Gross Profit Margin	15.9%	13.0%	2.9% pt
Net Profit for the period	159.6	123.0	29.8
Net Profit Margin	9.6%	6.1%	3.5% pt

Revenue Contribution

By Segment

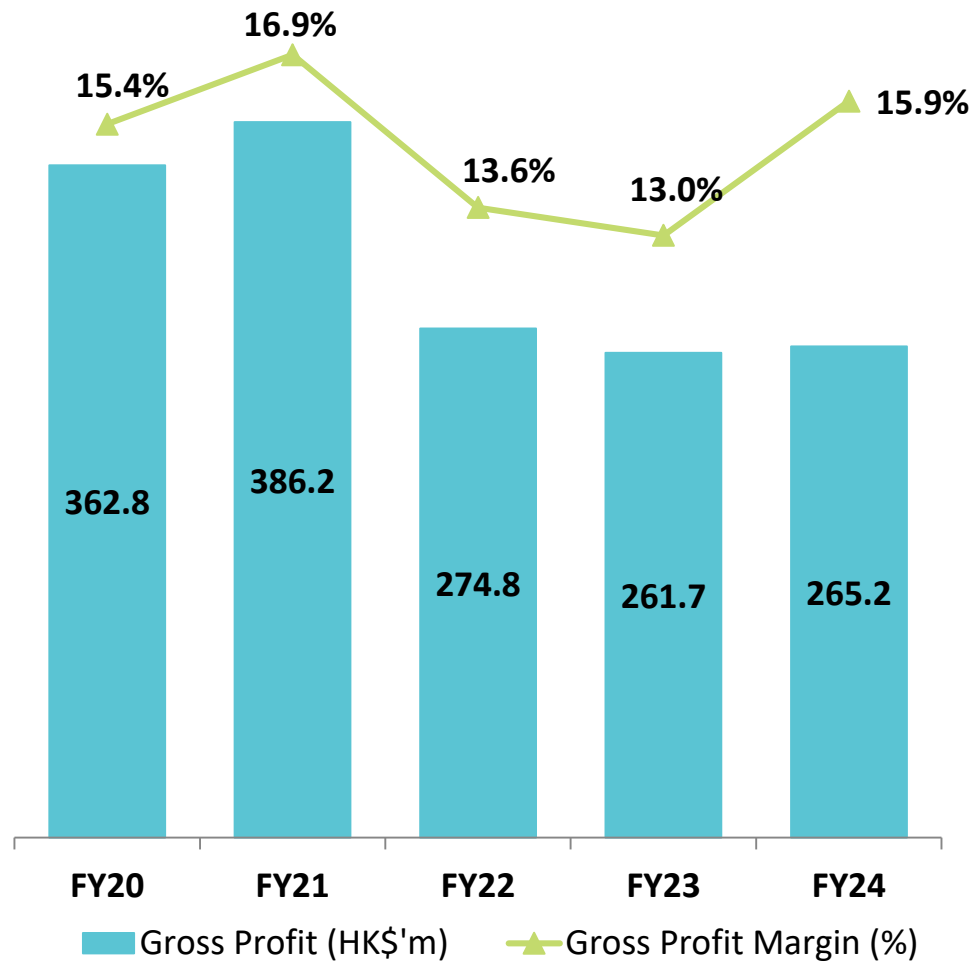


By Shipment Destination

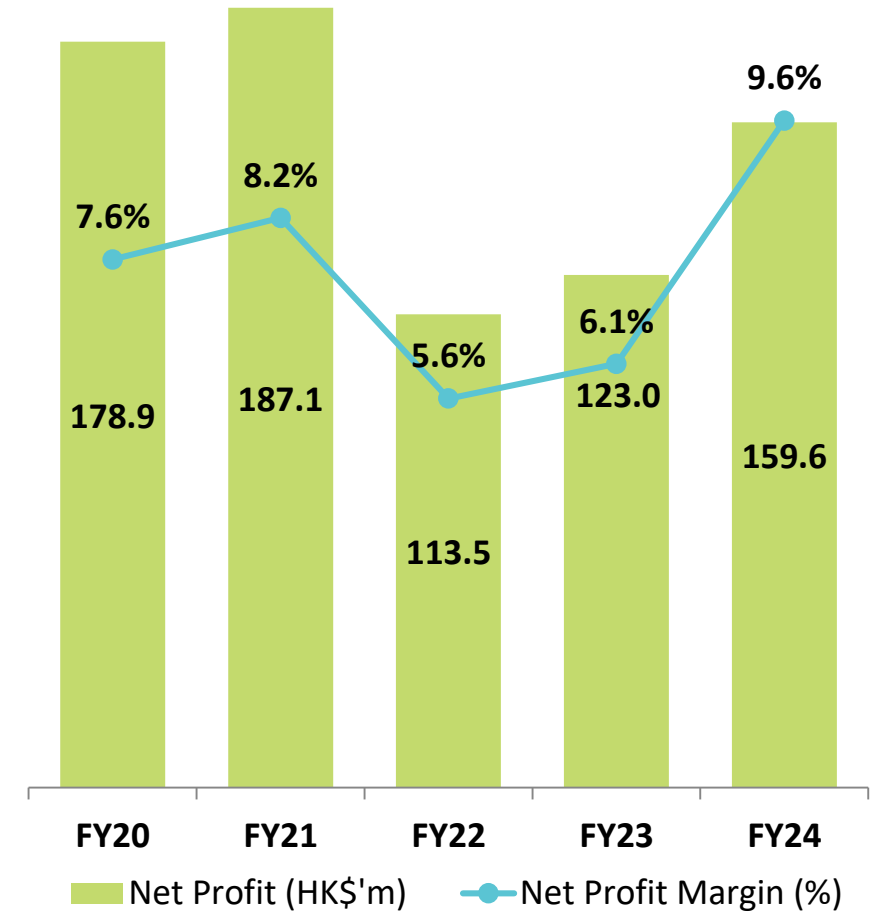


Profitability

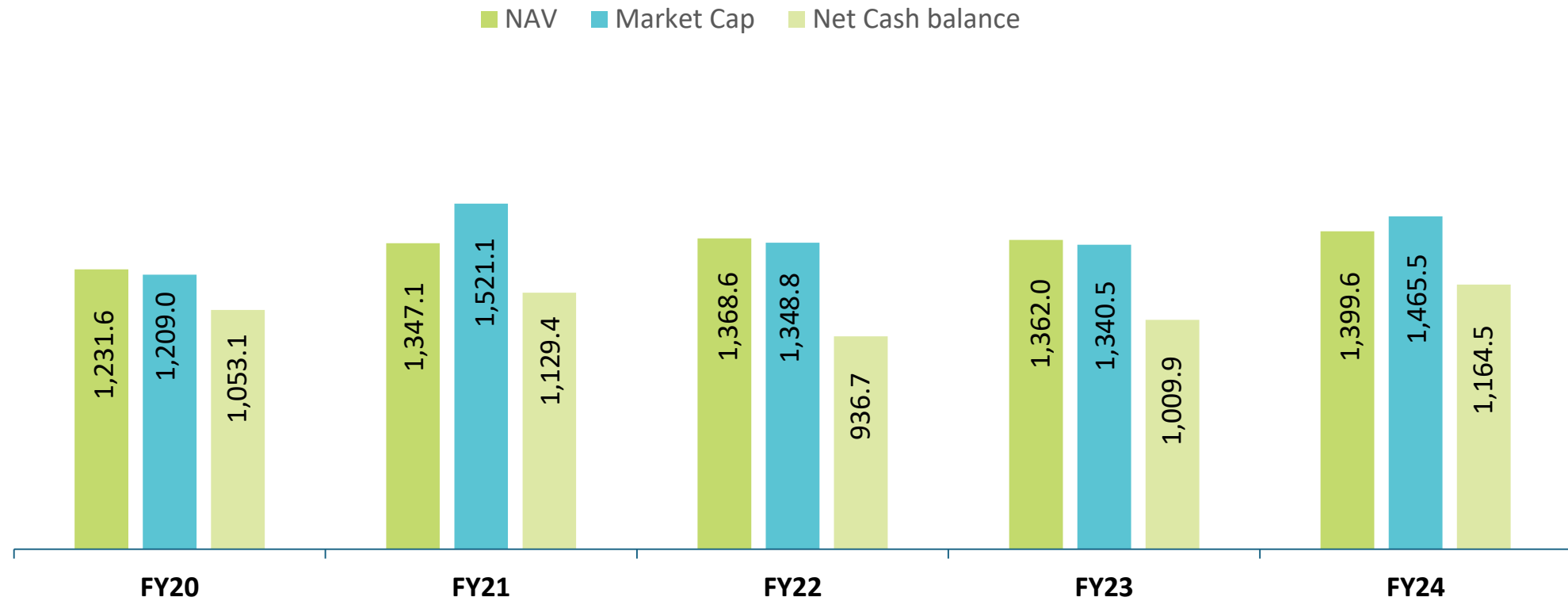
Gross Profit & Margin



Net Profit & Margin



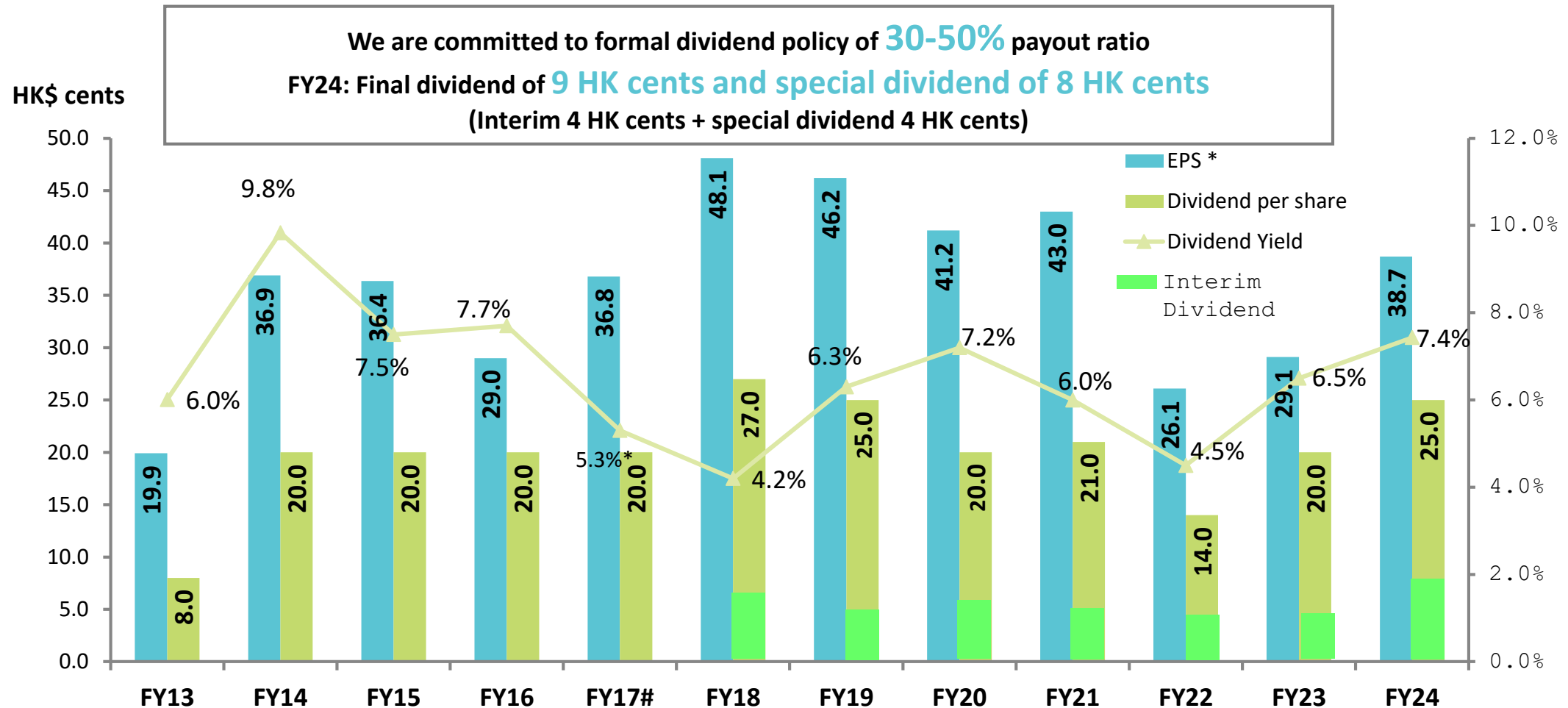
Market Capitalisation, NAV & Net Cash Balance (HK\$'m)



Share price as at respective period/year end date

*SGD/HKD Ex rate: FY24: 5.80; FY23: 5.92

Earnings Per Share & Dividends Per Share



Share Price* (S\$)	0.19	0.30	0.43	0.41	0.68	1.08	0.68	0.51	0.61	0.54	0.52	0.58
Dividend Payout	37%	49%	50%	63%	55%*	57%	54%	49%	49%	53%	68%	64%

* Adjusted for 1:10 bonus issue completed in Jun 2017
 # Quantum of dividend increased by 10% under 1:10 bonus issue

Summary of Cash Flows

HK\$'000	FY24	FY23
Operating Activities		
Net cash generated from operating activities	233,700	198,173
Investing Activities		
Net cash generated from / (used in) investing activities	35,705	(10,826)
- CAPEX	(21,083)	(34,627)
- Interest received	55,191	21,238
- Others	1,597	2,563
Financing Activities		
Net cash used in financing activities	(113,653)	(112,800)
- Dividend paid	(99,171)	(59,434)
- Purchase of treasury shares	(14,482)	(53,366)
Net increase in cash and cash equivalents	155,752	75,547
Effect of foreign exchange rate changes	(1,202)	(1,282)
Cash and Cash equivalents		
At beginning of the period	1,009,930	936,665
At end of the period	1,164,480	1,009,930

Balance Sheet & Key Ratios

HK\$'M	FY24	FY23
Working capital		
Inventories	173.1	203.6
Trade Receivables	381.9	463.8
Trade Payables	<u>(237.3)</u>	<u>(233.6)</u>
	<u>317.7</u>	<u>433.8</u>
Net Current Assets	1,068.0	993.3
Net Cash	1,164.5	1,009.9
Net Assets	1,399.6	1,362.0

Turnover Days	FY24	FY23
Inventories	45.0	42.4
Trade Receivables	83.5	84.1
Trade Payables	<u>(61.7)</u>	<u>(48.7)</u>
	<u>66.8</u>	<u>77.8</u>

Key Financial Ratios

	FY24	FY23
Price (SGD) #	0.58	0.52
NAV per share (SGD)*	0.59	0.56
Cash per share (SGD)*	0.49	0.41
Cash to Mkt Cap ratio	80%	75%

	FY24	FY23
Current ratio	2.6	2.4
ROE	11.4%	9.0%
ROA	7.6%	5.9%
PB ratio	0.98	0.94

Share price as at respective period/year end date

*SGD/HKD Ex rate: FY24: 5.80; FY23: 5.92

Business Outlook

Customer Diversification

New Customers in FY2024

- CE: Customer supplying immersive entertainment products to leading global entertainment conglomerate
- ICE: Network access solutions provider based in Canada
- Began contributing revenue in 2H FY2024
- Full year contribution expected for FY2025

Customer Performance and Impact

- CE: Slower business from existing CE customers mitigated by revenue contributions from new CE customers
- ICE: Impaired business confidence led to slower inventory intake by several existing customers; Delays in new projects and product introductions by newly acquired customers.



Customer Portfolio Rebalancing

- Rebalance customer portfolio by allocating more resources towards newly acquired customers with higher growth potential and better margin
- Enhances revenue diversification for better resilience in challenging economic conditions

Impact of Macroeconomic Factors

Factors

Impact



- Improved visibility of component supply chain with more stable cost of materials
- Depreciation of RMB has reduced direct labor costs and manufacturing overheads in China

- Improve gross profit margin



- High interest rates environment

- Support interest income



- High interest rates and inflation

- Affect end customers' demand
- Slow enterprise expansion and reduce capital expenditure

Awards & Accolades



We are proud to have received the following awards from
SIAS Investors Choice Awards 2023:



**Joint Winner, Singapore Corporate
Governance Award 2023, Small Cap Category**

**Joint Winner, Most Transparent Company Award 2023,
Technology Category**

Share Buyback



Feb 2022: Announced HK\$250.0 million Share Buyback Program to increase shareholder value and improve return on equity



31 March 2024: Repurchased 26.2 million company shares for HK\$79.0 million



Intend to continue Share Buyback Program



Disclaimer: Reader should refer to section 4 under Other Information of the Results Announcements for the complete commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Corporate Sustainability Highlights



Local Community Engagement

Carried out such engagements at least once every quarter



Environmental Compliance

Achieved ISO14000 accreditation, standards for environmental management since 2008



Carbon Reduction

Installed solar panels for China campus that will generate power output for factory use and reduce carbon emissions



Diversity

Achieved an almost equal ratio of worker and staff distribution by gender and no incidents of discrimination reported





valuetronics

Thank You!