

The background features a dark blue field with several thin, light blue concentric circles. In the lower half, a series of colorful lines in shades of blue, purple, and pink radiate from a central point, creating a sense of depth and movement.

INNNOTEK

**STRENGTHENING
OUR BUSINESS CORE**

27th Annual General Meeting
28 April 2023

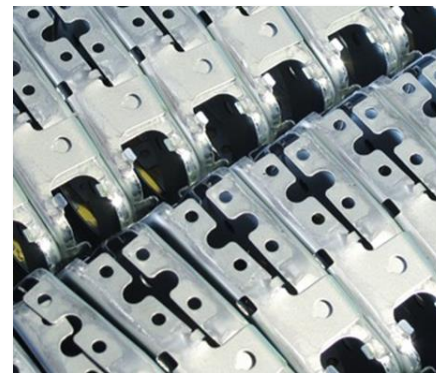
Agenda

- Corporate Background
- Operational Highlights
- Financial & Balance Sheet Highlights
- Revenue by Product Segment
- Stock Data
- Outlook

SGinvestors

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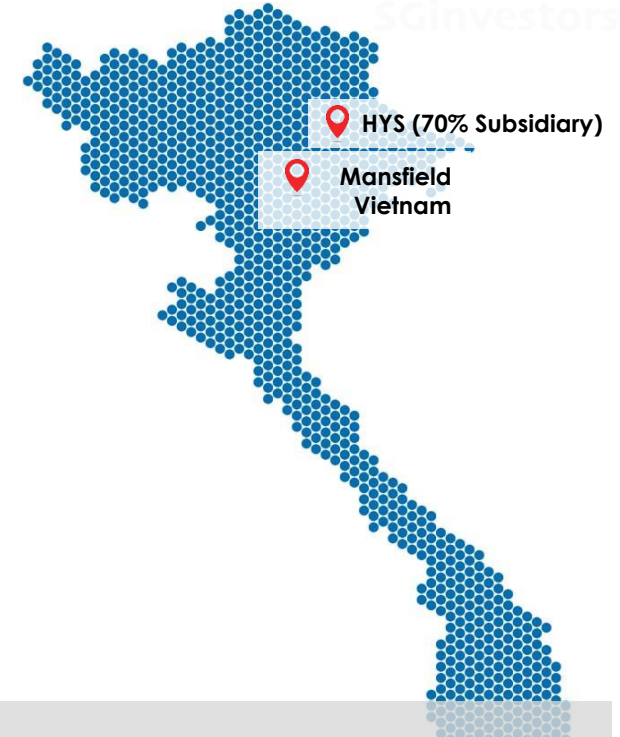
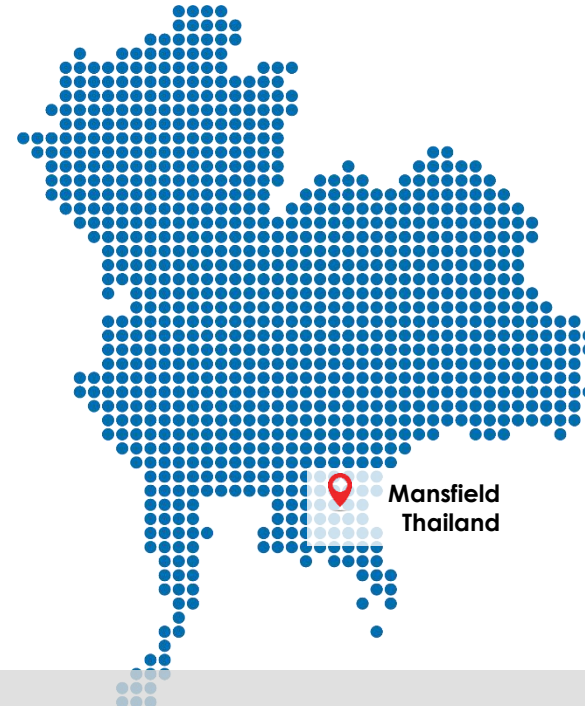
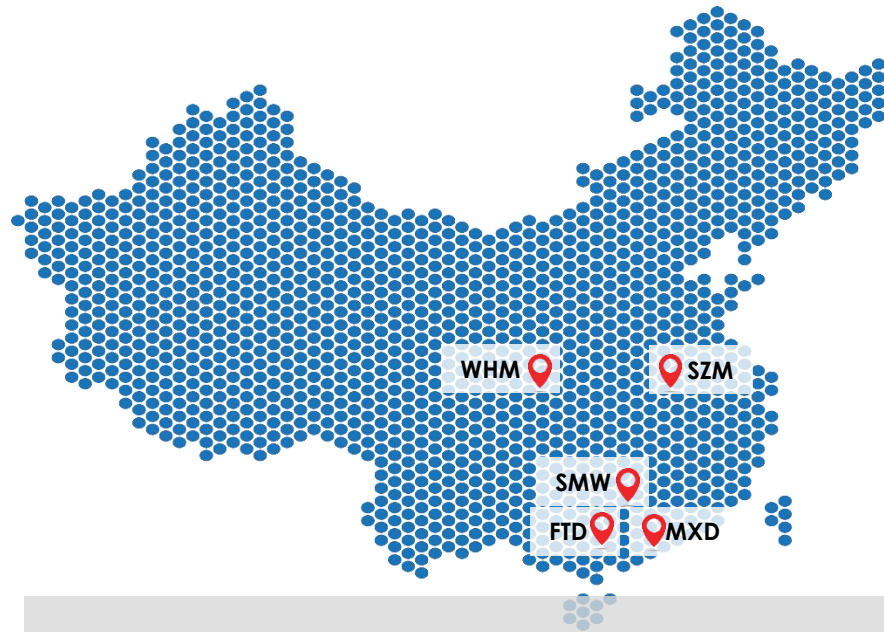
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Corporate Background

茂森精藝金屬(蘇州)有限公司
Mansfield (Suzhou) Manufacturing Co., Ltd

Company Background



- ❑ Run by wholly-owned Mansfield Manufacturing Company Limited (“MSF”), a precision metal components manufacturer which provides the following services:
 - Precision Metal Stamping
 - Tool and Die design and fabrication
 - Precision Machining
- ❑ Strong and diversified International customers
- ❑ Operates a manufacturing facility in Rayong Province, Thailand and Bac Ninh Province, Vietnam
- ❑ Acquired 70%-stake in a facility in Bac Giang Province, Vietnam in February 2023

Operational & Financial Highlights



Operational Highlights

1 Significant improvement in OA segment, lifted by strong growth in parts assembly business and higher turnover from key customers in China and Thailand

2 Auto business remained resilient, thanks to consumption stimulus measures implemented in China, and higher orders from customers stepping up production to make up for lost capacity

3 Meanwhile, TV and Display saw a decline in demand amid geopolitical conflicts, inflationary pressures, and oversupply in the European TV industry

4 The Group's facilities achieved higher productivity, strengthened cost control and quality management; precision machining segment improved yields and lowered rework rates in 2H'22

5 Despite increased costs of raw materials compared to FY'21, prices are beginning to decline and stabilise

6 Increased labour costs as certain cities in China increase minimum wages and social security contribution bases

Financial Highlights

S\$'000	2H'22	2H'21	Change %	FY'22	FY'21	Change %
Revenue	102,314	89,279	14.6	186,755	173,580	7.6
Gross Profit	15,631	15,955	(2.0)	27,190	33,687	(19.3)
Gross Profit Margin (%)	15.3	17.9	(2.6) ppt*	14.6	19.4	(4.8) ppt
Income Tax (Expenses) / Credit	(91)	62	NM^	(114)	2,035	NM
Net Profit	3,922	4,272	(8.2)	2,254	11,509	(80.4)
Earnings Per Share (Singapore cents)	1.70	1.87	(9.1)	0.98	5.04	(80.6)

*ppt denotes percentage points

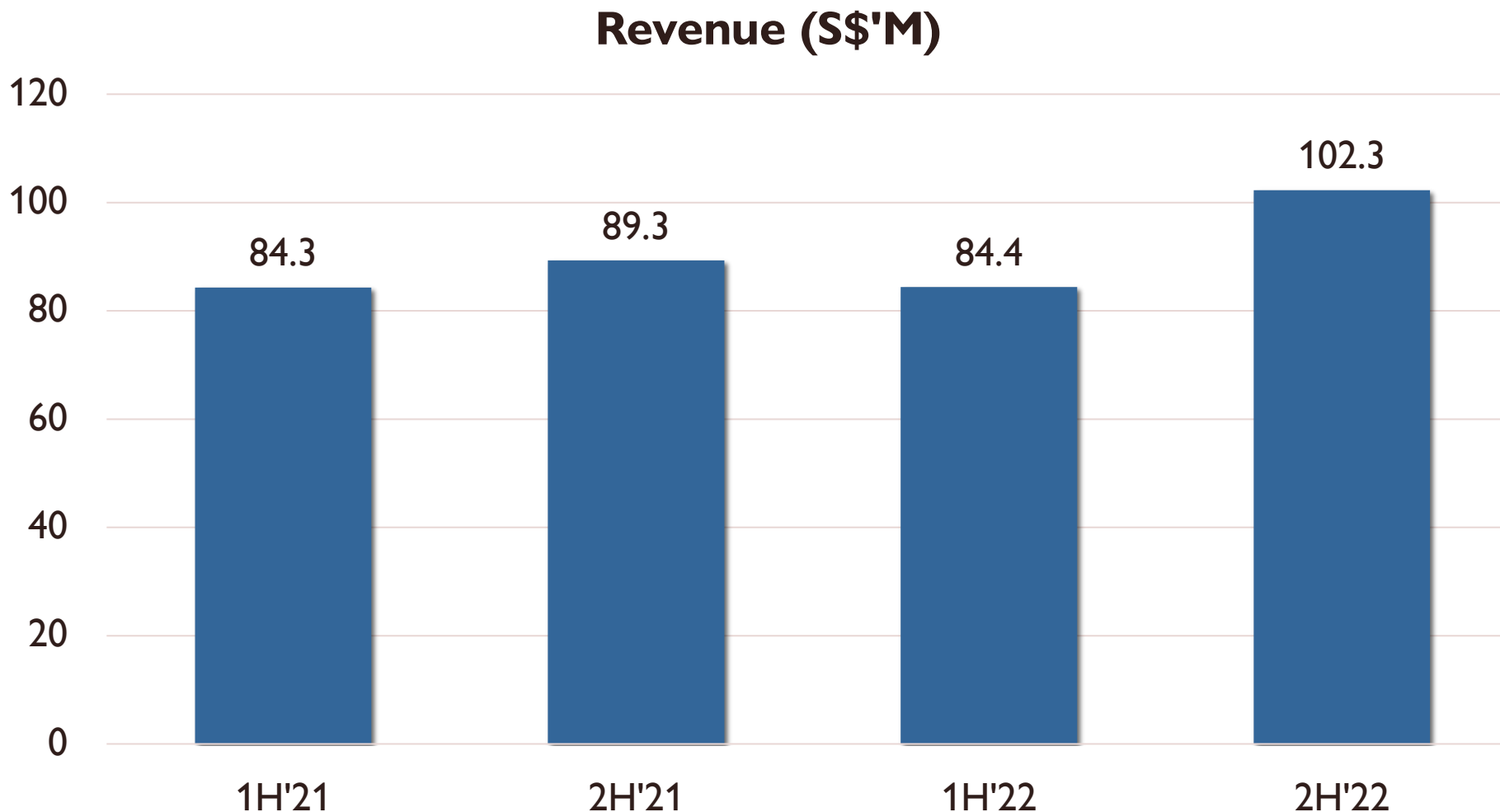
^NM denotes Not Meaningful

Financial Highlights

- Despite the challenging operating environment, FY'22 revenue increased 7.6% to S\$186.8 million from S\$173.6 million in FY'21
- Driven by higher turnover in auto and OA products; Vietnam facility made its first full-year contribution. Increase was partially offset by a decline in TV and Display sales
- Gross profit for FY'22 declined to S\$27.2 million from S\$33.7 million a year ago, mainly due to COVID-related disruptions, higher costs of raw materials and labour, and higher rework rates in 1H'22
- Accordingly, gross profit margin declined to 14.6% in FY2022 from 19.4% a year ago
- Net profit of S\$2.3 million in FY'22 (FY'21: S\$11.5 million)
- Announced dividend of 2.0 Singapore cents per share (FY'21: 2.0 Singapore cents)

Financial Highlights

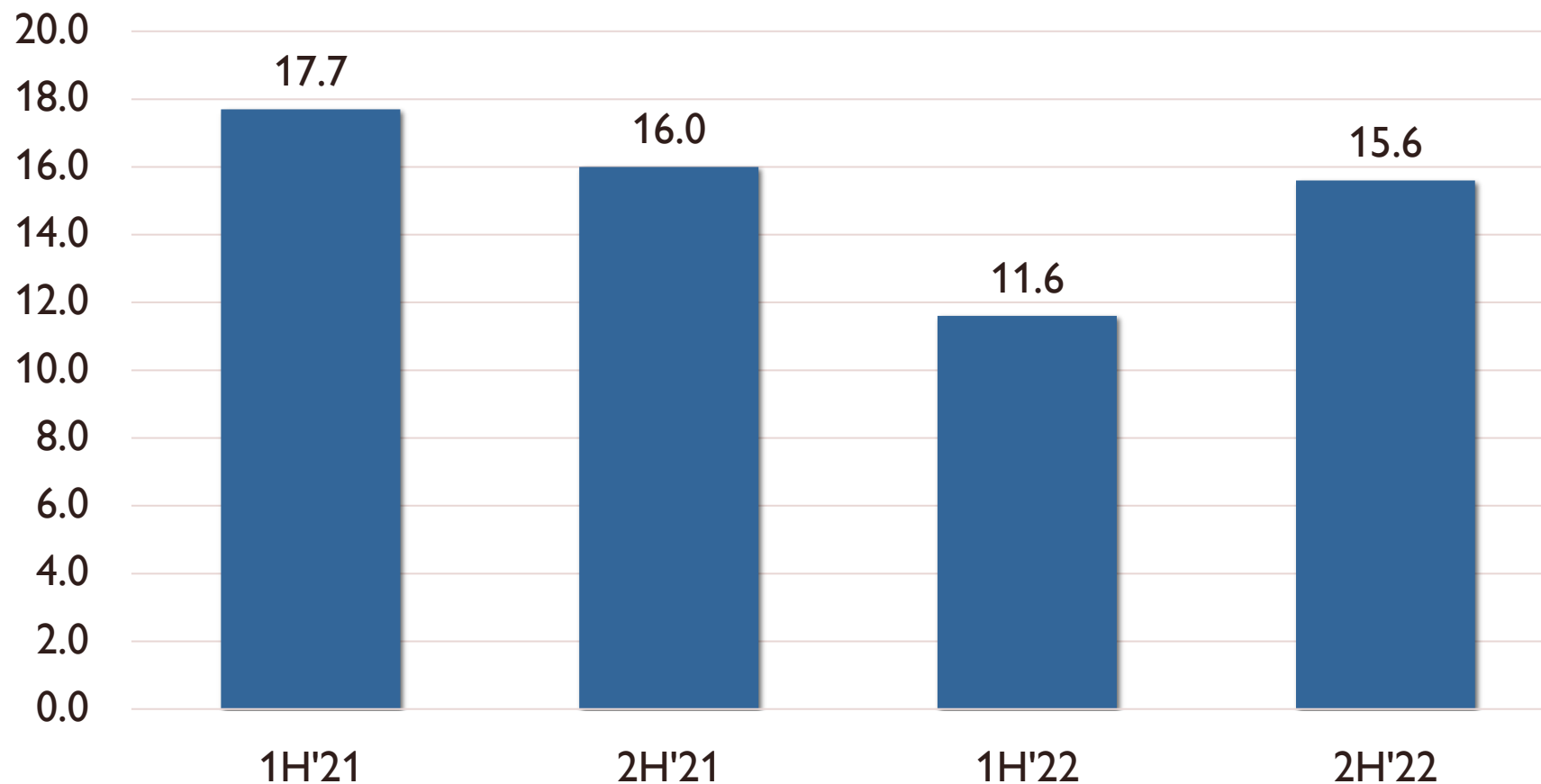
Revenue Half-Yearly Trends



Financial Highlights

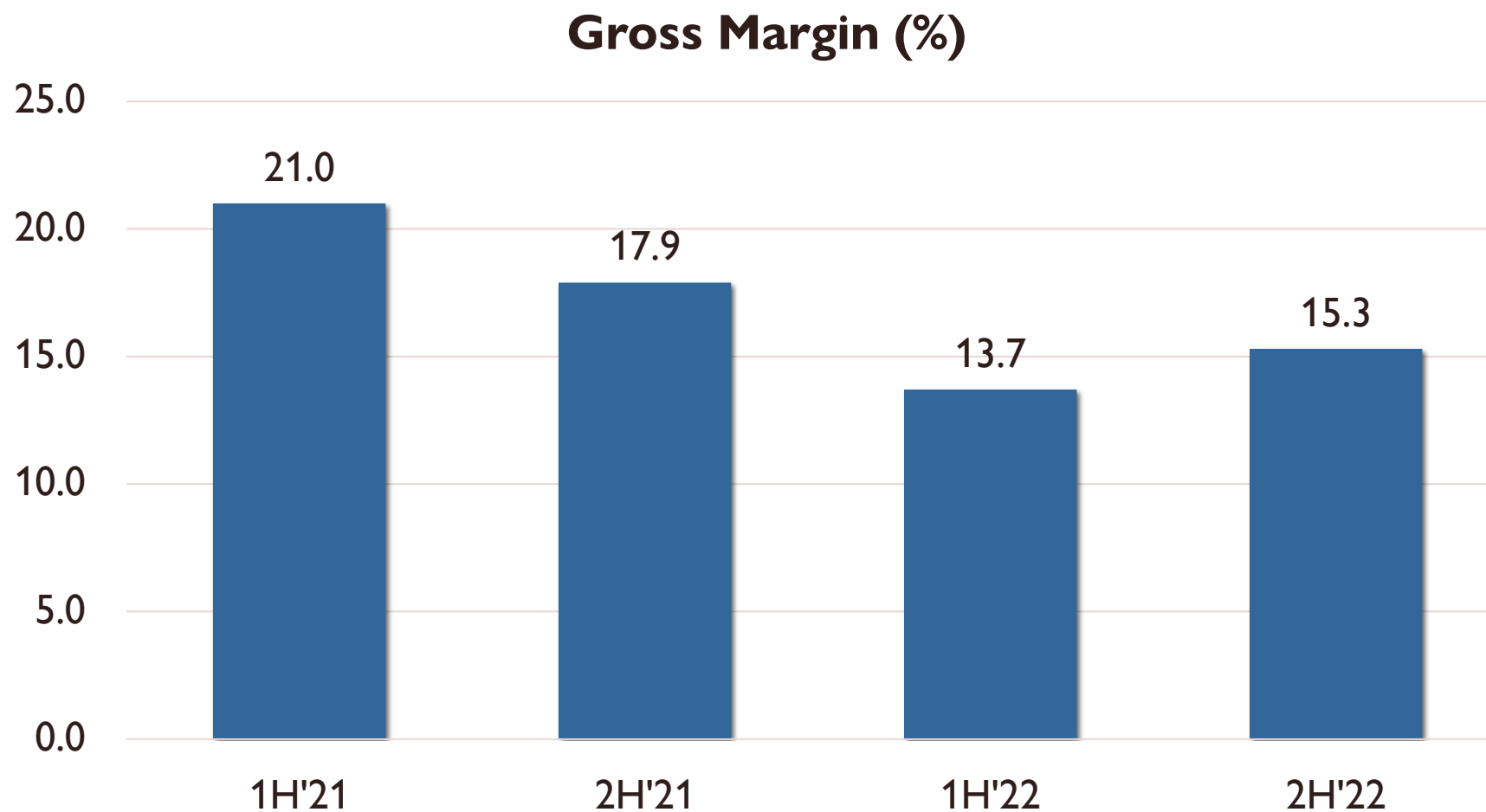
Gross Profit Half-Yearly Trends

Gross Profit (S\$'M)



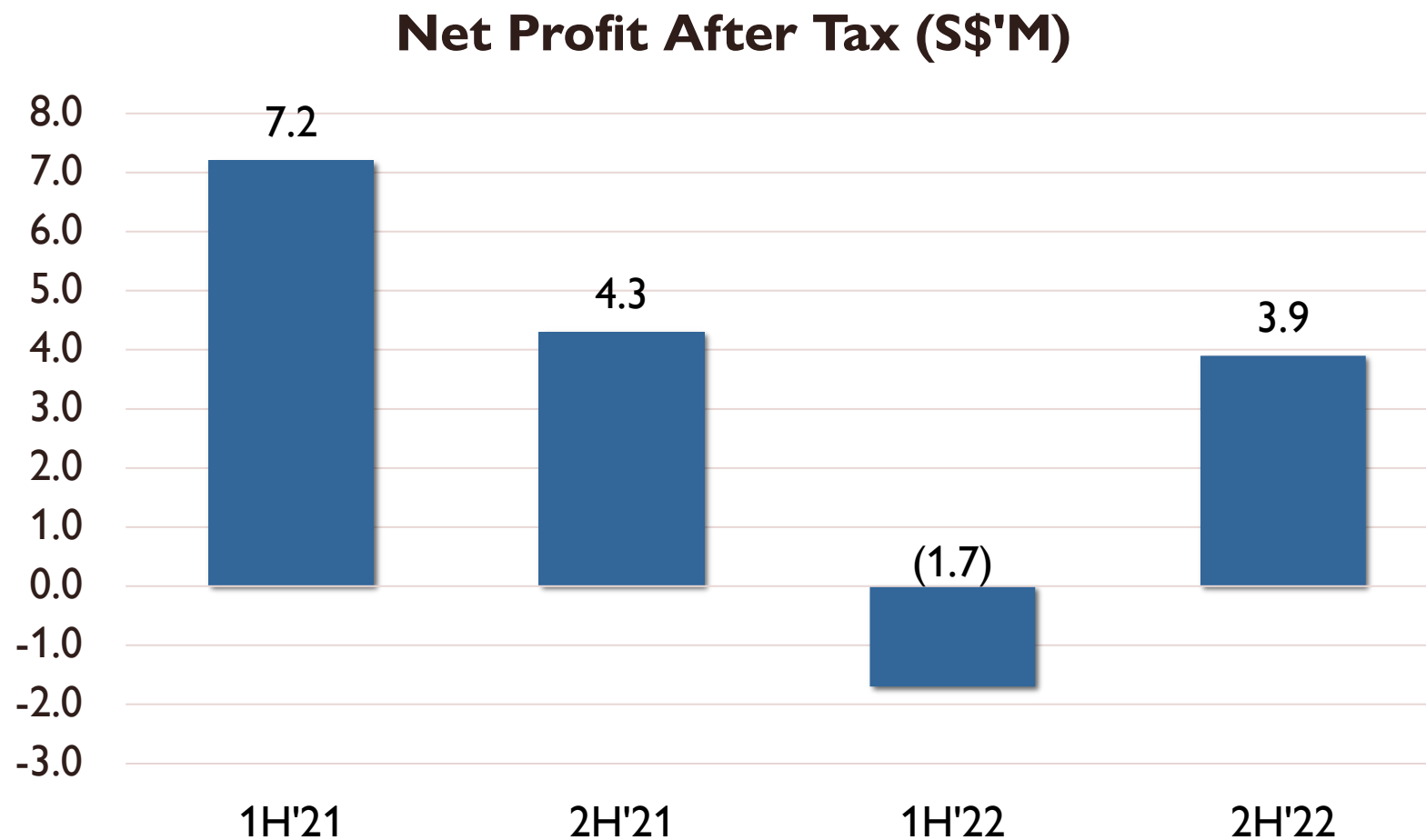
Financial Highlights

Gross Margin Half-Yearly Trends



Financial Highlights

Net Profit Half-Yearly Trends



Balance Sheet Highlights

FY'22

S\$'M	31/12/2022	31/12/2021	Change %
Cash and Bank Deposit and Investments	77.5	90.7	(14.6)
Total Assets	258.4	267.0	(3.2)
Total Borrowings (including lease rental liabilities)	19.0	23.9	(20.5)
Shareholders' Funds	176.7	189.8	(6.9)
Net Asset Value/share (cents)	76.4	83.2	(8.2)

Revenue by Products

FY'22 vs FY'21

TV & Display

Lower sales, mainly due to dampened consumer sentiment, offset by contributions from Vietnam facility

Automotive

Stimulus policies in China, combined with higher orders from customers lifted revenue contribution for the Auto segment

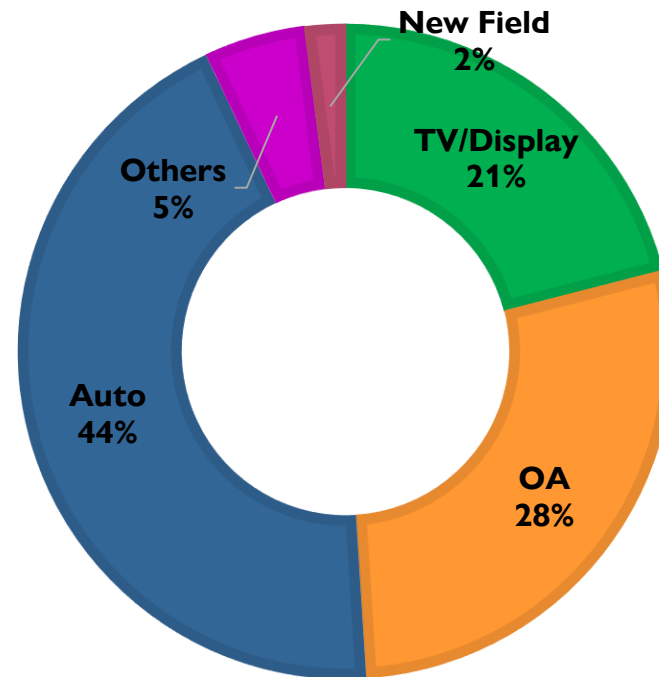
Office Automation (OA)

Improved performance in parts assembly business, as well as higher orders as supply chain disruptions ease

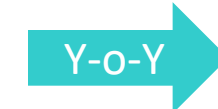
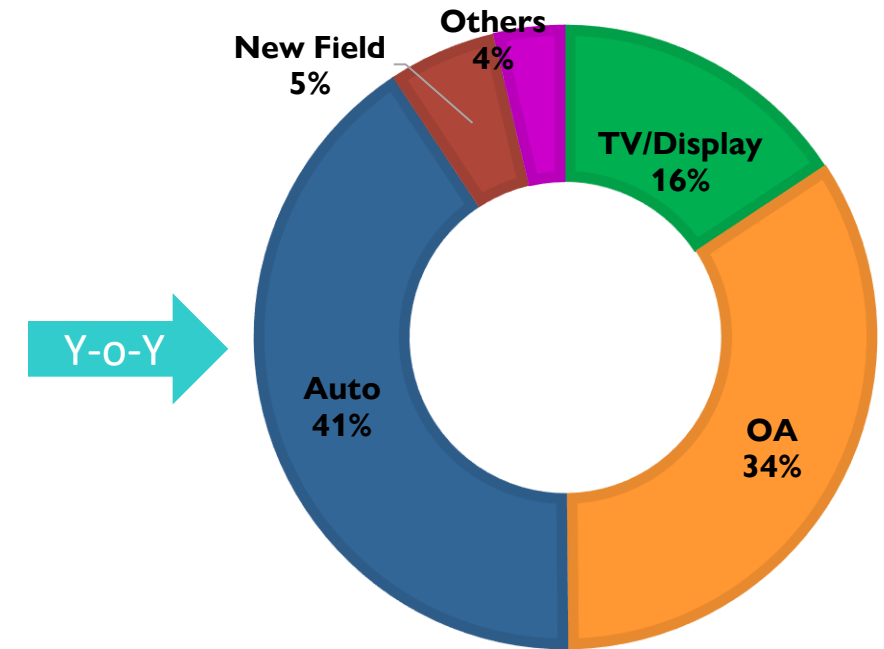
New Field/Others

Higher turnover from customers in gaming machine and medical device sectors, offset by slower progress in 5G servers

FY'21: S\$173.6M



FY'22: S\$186.8M



■ TV/Display ■ OA ■ Auto ■ Others ■ New Field

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Stock Data (as of 26 April 2023)



Share Data

Net Number of Shares

231,305,428 shares

Treasury Shares

15,351,000 shares (~6.6% of total shares)



 茂森集團
Mansfield Group

Outlook

Corporate Outlook by Sector

Automotive

- Pent-up demand in China expected to drive recovery
- Lifting of COVID-related restrictions, easing of global chip supply, will boost orders as customers make up for lost production time
- InnoTek will offer its precision stamping expertise to growing Electric Vehicles sector

TV and Display

- Softer demand in Europe and America, resulting in short-term impact to sales
- Key customers expected to maintain market share in high-end TV market
- In response, the Group will upgrade its capabilities and products, while cutting costs to maintain competitive edge

OA

- Group will focus on enhancing higher-margin parts assembly business
- Near to medium-term slowdown as recovery slows
- Market demand is also shifting from China in Southeast Asia; InnoTek's overseas facilities will ensure Group remains resilient

Group Outlook

- General market recovery from initial disruptions due to COVID-related restrictions in China, lifting business momentum for the Group
- Thailand facility has increased production of OA and Auto products; Vietnamese facility has secured project for TV bezels, starting production in 1Q'23
- On 27 February 2023, InnoTek acquired a 70%-stake in Vietnamese facility, accelerating investment in Southeast Asia and extending capabilities to offer sheet metal processing
- QCDS (quality, cost, delivery and service) will continue to be enhanced in order to maintain competitive edge
- InnoTek will focus efforts on securing EV projects; meanwhile, partnerships with customers in emerging industries expected to bear fruit and contribute to FY'23 financial performance

Thank You

Q&A

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