

InnoTek Proposes Dividend of 2.0 Singapore Cents Per Share, Records S\$5.8 Million Net Profit; Revenue Up 15.8% to S\$238.0 Million

S\$'000	2H'24	2H'23	Change %	FY'24	FY'23	Change %
Revenue	116,463	112,699	3.3	238,035	205,560	15.8
Gross Profit	18,733	17,298	8.3	36,435	32,957	10.6
Gross Profit Margin (%)	16.1	15.3	0.8 ppt*	15.3	16.0	(0.7) ppt
Income Tax	(1,085)	(1,315)	(17.5)	(1,830)	(2,020)	(9.4)
Net Profit Before Exceptional Items	4,712	2,856	65.0%	11,835	6,295	88.0%
Net Profit attributable to owners of the Company	2,644	1,216	117.4	5,797	4,655	24.5
Earnings Per Share (Singapore cents)	1.14	0.52	119.2	2.51	2.01	24.9

* ppt denotes percentage points

SINGAPORE, 28 February 2025 – SGX Mainboard-listed **InnoTek Limited** (“InnoTek” or the “Group”) today proposed a first and final dividend of 2.0 Singapore cents per share, marking its ninth consecutive year of profitability with a net profit of S\$5.5 million and higher revenue of S\$238.0 million for the year ended 31 December 2024 (“FY’24”).

In FY’24, the precision metal components manufacturer recorded a total of S\$6.0 million in one-off non-cash exceptional items. Excluding these items, net profit for FY’24 would have been S\$11.8 million, compared to S\$6.3 million in FY’23.

Revenue for the six months ended 31 December 2024 (“2H’24”) increased 3.3% to S\$116.5 million from S\$112.7 million a year ago. During 2H’24, strong sales in the Office Automation (“OA”) and TV/Display segments offset lower sales in the GPU server and gaming machine segments.

On a yearly basis, FY’24 revenue grew 15.8% from S\$205.6 million a year ago, driven by higher contributions from almost all business segments, partially offset by lower sales in the gaming machines segment.

The GPU server segment recorded the highest year-on-year growth, contributing S\$35.6 million in FY’24 compared to S\$20.5 million a year ago.

Meanwhile, the Automotive segment recorded higher order volumes for electric vehicle (“EV”) components across China and other international markets, offsetting lower sales of traditional petrol/gasoline car components from foreign car brands in China.

Turnover from the TV/Display grew on the back of new product launches from key customers. The OA segment experienced growth primarily driven by increased sales at overseas locations, though this was partially offset by a decline in domestic orders.

Gross profit for 2H'24 and FY'24 increased 8.3% and 10.6%, respectively, to S\$18.7 million (2H'23: S\$17.3 million) and S\$36.4 million (FY'23: S\$33.0 million), respectively.

While 2H'24 gross profit margin increased to 16.1% from 15.3% in 2H'23, FY'24 gross profit margin declined to 15.3% from 16.0% in FY'23. This was mainly due to the allowance for inventory obsolescence and unutilised tooling, as the Group streamlines its customer base amid intense competition within the EV market.

Detailing the exceptional items recorded in FY'24, InnoTek said they included a (i) S\$3.8 million allowance for tooling and inventory obsolescence, debtors and fixed assets impairment for automotive projects reaching end-of-life earlier than expected amid sector volatility; and (ii) S\$2.2 million one-time charge for property taxes, impairment of investment in the Group's China joint venture, and non-automotive tooling and inventory obsolescence.

Earnings per share for FY'24 rose to 2.51 Singapore cents (FY'23: 2.01 Singapore cents). Net asset value per share increased to 76.2 Singapore cents as at 31 December 2024 compared to 74.9 Singapore cents as at 31 December 2023.

On the outlook, demand for GPU Servers remains robust, driven by growth in the Artificial Intelligence and cloud computing sectors. As a key supplier, InnoTek will strengthen customer loyalty by adding new GPU server chassis models and liquid cooling systems to its product range.

Meanwhile, the Automotive segment continues to accelerate its shift from traditional petrol cars to EVs, even as the latter faces intense competition. In response, the Group has undertaken a strategic review to streamline its customer base and re-align its product range to better serve its global Tier 1 customers.

The OA segment recorded improved performance, and sales are expected to remain stable with increasing revenue from the Group's Southeast Asian operations. InnoTek will continue to work closely with customers to maintain a healthy sales volume.

The TV/Display business also recorded sustained growth, particularly in Southeast Asia, where key customers ramped up production to meet demand from Europe and the United States.

On 16 January 2025, the Group established Mansfield Surface Treatment (Dongguan) Co., Ltd ("Mansfield Surface Treatment"). Specialising in surface treatment, this wholly-owned subsidiary of Magix Mechatronics (Dongguan) Co., Ltd. will enhance InnoTek's capabilities, improve cost efficiency and quality control, and shorten lead times.

The Group's facility in Rayong, Thailand, has secured fresh OA and Automotive orders from new and existing customers, which is expected to contribute positively to revenue in FY'25.

Meanwhile, the Group's wholly-owned Vietnamese subsidiary achieved strong growth in TV/display products. While InnoTek's 70%-held subsidiary recorded lower export orders to the U.S. from its EV charging stations, it remains confident in the long-term growth prospects of this segment.

The Group is also exploring merger and acquisition opportunities to broaden its geographical footprint, so as to better serve customers who are looking to shift their manufacturing footprint out of China to Southeast Asia.

Mr Lou Yiliang, CEO of InnoTek, said "Against the challenging backdrop of China's manufacturing industry, InnoTek remains resilient, marking nine consecutive years of profitability. We have proposed a first and final dividend of 2.0 Singapore cents per share as part of our commitment to delivering shareholder value.

"Looking ahead, the Group will continue to maintain QCDS (quality, cost, delivery, service) and a robust balance sheet to buffer against headwinds. We will also build upon our new capabilities, wider product range and diversified customer base to deliver long-term sustainable growth."

End of Release

About InnoTek Limited

Singapore Exchange Mainboard-listed InnoTek Limited is a precision metal components manufacturer serving the consumer electronics, office automation and automotive industries. With five manufacturing facilities in the PRC, one facility in Rayong, Thailand, and two facilities in Vietnam, the Group's wholly owned subsidiary, Mansfield Manufacturing Company Limited, provides precision metal stamping, commercial tool and die fabrications and precision machining works to a strong and diversified base of international end-customers.

For more information, visit: www.innotek.com.sg

InnoTek Limited contact:

12 Woodlands Square, Tower 1, #11-67
Woods Square, Singapore 737715
Tel: (65) 6535 0689
Fax: (65) 6533 2680
Ivy Neo, innotek@innotek.com.sg

Investor Relations contact:

WeR1 Consultants Pte Ltd
1 Raffles Place #02-01
One Raffles Place Mall, Suite 332
Singapore 048616
Tel: (65) 6721 7161
Isaac Tang, innotek@wer1.net