



VTech Holdings Limited

2025/2026 Interim Results Announcement

13 November 2025

Financial Review



Financial Highlights

For the six months ended 30 September

(US\$ M)	2025	2024	Change
Revenue	991.1	1,089.7	-9.0%
Gross Profit	315.8	343.5	-8.1%
Gross Profit Margin %	31.9%	31.5%	0.4% pts
Operating Profit	92.9	104.2	-10.8%
Operating Profit Margin %	9.4%	9.6%	-0.2% pts
Profit Attributable to Shareholders of the Company	74.7	87.4	-14.5%
Net Profit Margin %	7.5%	8.0%	-0.5% pts
Basic Earnings per Share (US cents)	29.5	34.6	-14.7%
Interim Dividend per Share (US cents)	17.0	17.0	-

Revenue by Region

For the six months ended 30 September

(US\$ M)

2025

%

2024

Change

North America

398.3

40.2

453.1

-12.1%

Europe

429.0

43.3

462.1

-7.2%

Asia Pacific

150.4

15.2

159.4

-5.6%

Other Regions

13.4

1.3

15.1

-11.3%

Total

991.1

100.0

1,089.7

-9.0%

(US\$ M)

30/09/25

31/03/25

30/09/24

Stocks

451.0

360.8

425.2

Stocks Turnover Days

138 days

106 days

129 days

Trade Debtors

429.0

267.8

481.9

Trade Debtors Turnover Days

60 days

56 days

63 days

(US\$ M)

30/09/25

31/03/25

30/09/24

Deposits and Cash

147.9

335.6

150.2

Total Borrowings

-

-

-

Net Cash Position

147.9

335.6

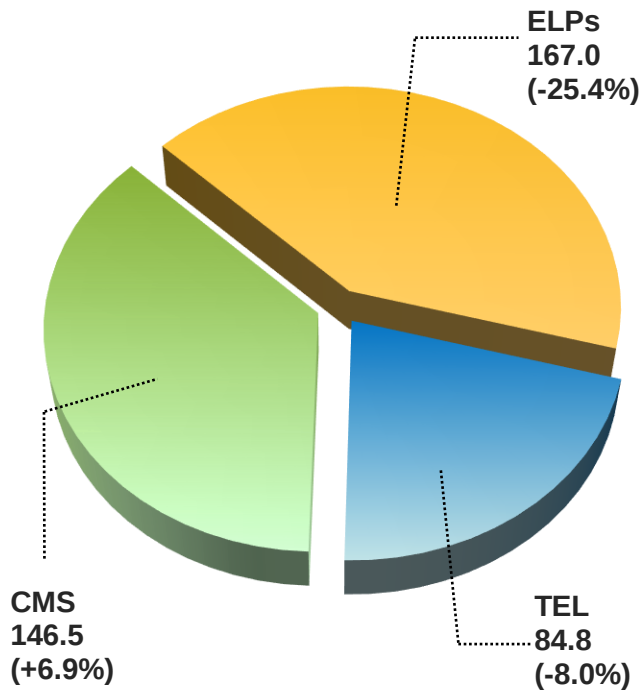
150.2

Costs

- Gross profit margin rose to 31.9%
 - Cost of materials lower as material prices decreased
 - More favourable product mix, increases in product prices, stronger European currencies against US dollar and lower freight charges
 - Partially offset by higher tariff and direct labour costs

Operations Review

Revenue by Product Line (US\$ million)



- **Revenue decreased 12.1% to US\$398.3 million, 40.2% of Group revenue, VTech's second largest market**
- **Higher sales of CMS offset by declines in ELPs and TEL products**
- **ELPs revenue** fell 25.4% to US\$167.0 million, mainly attributable to changes in US tariff policies
 - US shipments temporarily halted, product prices raised and store sets delayed, impacting orders and sales
 - Sales declined in Canada
 - Maintained leadership in electronic learning toys from infancy through toddler to preschool in US and Canada

- **Standalone products:**

- Sales declined mainly on lower US shipments
- **LeapFrog & VTech:** Core learning product categories and key product lines all posted sales decreases

- **Platform products:**

- Sales declined, growth in LeapFrog brand offset by decline for VTech
- **LeapFrog:** Sales growth driven by Magic Adventures Globe and new products including LeapMove and LeapStart Reading Buddies. LeapFrog Academy subscriptions stable
- **VTech:** Sales decreased due to lower sales of KidiZoom Smartwatch and Touch & Learn Activity Desk





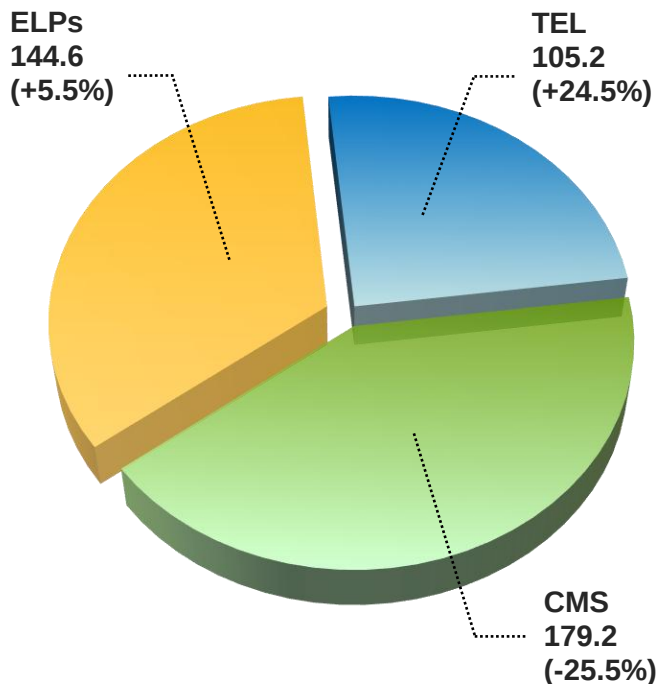
- **TEL products** revenue fell 8.0% to US\$84.8 million
- **Residential phones:** Lower sales on market contraction. VTech remained No. 1 cordless phone brand in the US market
- **Commercial phones:** Sales decreased as higher sales of hotel phones and SIP phones insufficient to offset lower sales of multi-line analogue phones and headsets
- **Other telecommunication products:** Sales increased as higher sales of baby monitors and IoT products offset a decline in CareLine. VTech remained No. 1 baby monitor brand in US and Canada

- **CMS** revenue increased 6.9% to US\$146.5 million, led by professional audio equipment
- **Professional audio equipment:** Customers worked through inventory and new customers were added. Especially robust order growth for professional loudspeakers
- **Industrial products:** Vending machine PCBA orders grew
- **IoT products:** Rising orders for smart basketball hoop game consoles offset lower sales of smart water leakage detectors
- **Solid-state lighting:** Sales stable
- VTech maintained its position as the world's No. 1 contract manufacturer of professional audio equipment in CY2024



vtech | Europe

Revenue by Product Line (US\$ million)



- **Revenue decreased 7.2% to US\$429.0 million, 43.3% of Group revenue, VTech's largest market**
- **Higher sales of ELPs and TEL products offset by lower CMS sales**
- **ELPs revenue** increased by 5.5% to US\$144.6 million
 - Higher sales of both standalone and platform products, driven by new product launches and stronger European currencies
 - Higher sales in France, Spain and the Netherlands offset declines in the UK and Germany
 - Remained No. 1 infant and toddler toys manufacturer in France, the UK, Germany, Spain, the Netherlands and Belgium

- Standalone products:
 - LeapFrog sales higher while VTech sales stable
 - **LeapFrog:** Growth driven by infant products and Magic Adventures line, offsetting declines for preschool category. Sales of eco-friendly toys steady
 - **VTech:** Sales increases in preschool products, electronic learning aids and Kidi line insufficient to compensate for declines of infant and toddler products, KidiZoom cameras, Switch & Go Dinos, Marble Rush and eco-friendly toys



- Platform products:
 - Higher LeapFrog sales offset lower VTech sales
 - **LeapFrog:** Growth came largely from LeapMove, LeapStart Reading Buddies and Magic Adventures Globe
 - **VTech:** Sales declined for KidiZoom Smartwatch, children's educational tablets and Touch & Learn Activity Desk. Sales of KidiCom stable





- **TEL products** revenue increased 24.5% to US\$105.2 million
- **Residential phones:** Growth mainly driven by Gigaset product lines. Especially good performance in Germany, France and Italy. Gigaset increased market share and retained No. 1 position in DECT phone market in Europe
- **Commercial phones and smartphones:** Sales increased on higher orders from a customer and rising sales of Snom branded SIP phones. Sales of Gigaset multi-cell DECT systems stable. Gigaset smartphones also registered growth
- **Other telecommunication products:** Steady sales, as higher sales of CAT-iq handsets offset lower sales of baby monitors

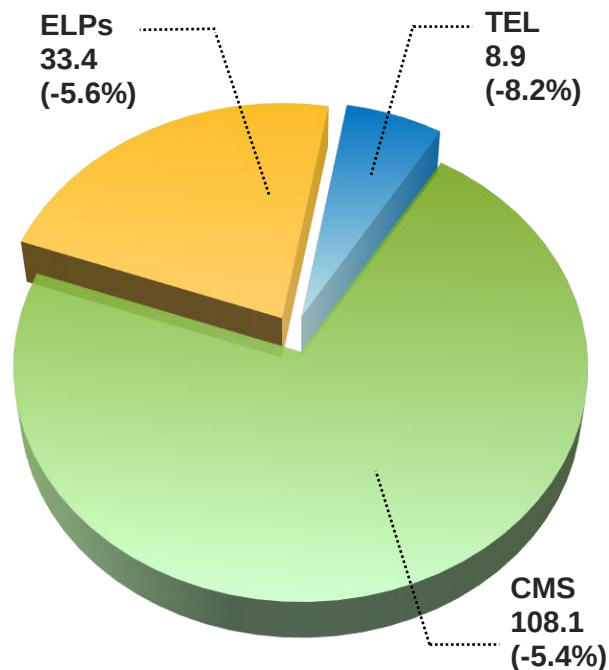
- **CMS** revenue decreased 25.5% to US\$179.2 million, mainly because of lower sales of hearables
 - **Hearables:** Customer faced keen competition and market demand has dropped substantially
 - **Medical and health products:** Lower sales as demand for hearing aids returned to normal. Sales of hair removal products steady
 - **Home appliances:** Lower sales on fewer orders for PCBA for washing machines
 - **IoT products:** Affected by lower orders for smart meters and internet connected thermostats and air-conditioning controls



- **Smart energy storage systems:** Sales declined on reduced orders after removal of government subsidies
- **Communication products:** Sales rose on increasing orders for Wi-Fi routers following new product launches and reduction in customer inventory
- **Automotive products:** Orders increased as the Group captured additional EV charger business from a competitor
- **Professional audio equipment:** Sales stable

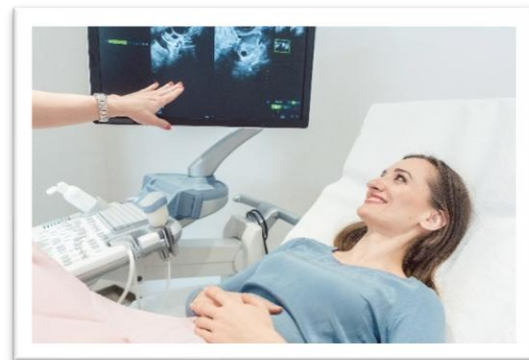
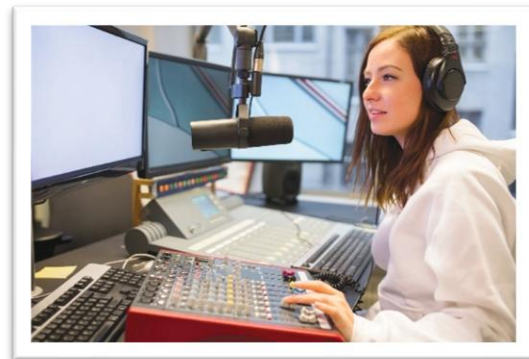


Revenue by Product Line (US\$ million)

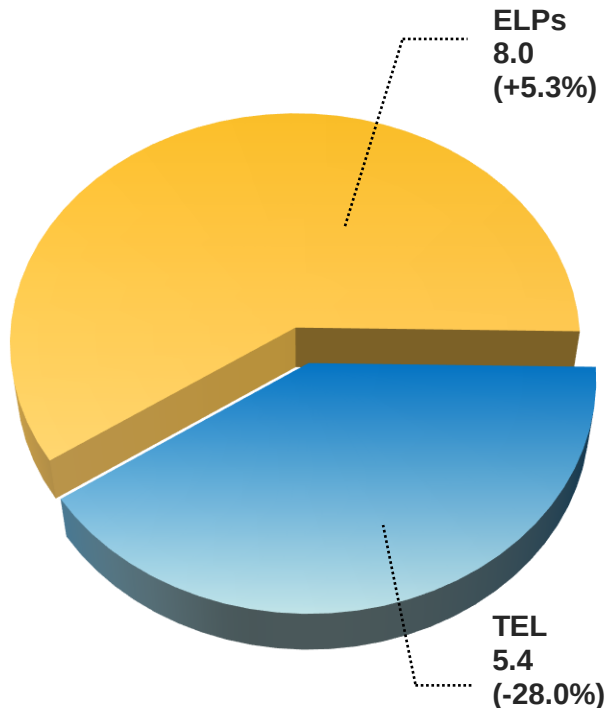


- **Revenue fell 5.6% to US\$150.4 million, 15.2% of Group revenue**
- **Sales of all three product lines declined**
- **ELPs** revenue decreased 5.6% to US\$33.4 million
- Flat sales in Australia and lower revenue in China
 - **Australia:** Higher LeapFrog sales balanced by decline for VTech. Maintained No. 1 manufacturer of electronic learning toys from infancy through toddler and preschool
 - **China:** Sales decreased as a major customer reduced orders
- **TEL products** revenue decreased 8.2% to US\$8.9 million
- Sales decline mainly attributable to Australia, with lower baby monitor sales. Sales in Japan stable

- **CMS** revenue fell 5.4% to US\$108.1 million
- Higher sales of professional audio equipment insufficient to offset lower sales of medical and health products and communication products
 - **Professional audio equipment:** Sales rose as a major customer pulled orders forward because of tariff uncertainties
 - **Medical and health products:** Sales declined as customer for diagnostic ultrasound systems lost market share
 - **Communication products:** Sales of marine radios fell as Japanese customer moved further production back in-house on weak currency



Revenue by Product Line (US\$ million)



- **Revenue fell 11.3% to US\$13.4 million, 1.3% of Group revenue**
- **Higher sales of ELPs offset by lower sales of TEL products**
- **ELPs** revenue increased 5.3% to US\$8.0 million, driven by higher sales in Latin America and Africa
- **TEL products** revenue fell 28.0% to US\$5.4 million, with sales lower in Latin America, the Middle East and Africa
- **CMS** revenue immaterial

Outlook

- Geopolitical tensions and an uncertain US tariff policy continue to weigh on the macroeconomic environment
- Consumer confidence remains fragile in many countries, while many businesses have held back from long-term planning and investment, hence customers act cautiously when placing orders
- Group revenue for the full financial year 2026 still forecast to decline
- Sales in 2H anticipated to improve over 1H, driven by higher sales of ELPs and TEL products
- Gross profit margin for the full financial year 2026 expected to be largely stable year-on-year

ELPs

- Revenue forecast to improve in 2H, although full year sales anticipated to be lower year-on-year
- Recovery to be driven by a rebound in US and continued growth in Europe. Sales in Asia Pacific forecast to decline slightly
- **North America:** Large array of new products has arrived on US retail shelves since Oct, backed by strong sales and marketing campaign
- **Europe:** Good momentum in 1H expected to carry over to 2H
- **Asia Pacific:** Sales in China expected to improve in 2H, while those in Australia projected to remain largely stable

TEL Products

- On track to achieve growth for the full financial year 2026, driven by increases across residential phones, commercial phones and smartphones in Europe, as well as in other telecommunication products in US
- **Residential phones:** Benefit from new Gigaset entry-level products now available in key European countries
- **Commercial phones and smartphones:** Growth driven by new product launches and higher orders from customer. Sales of Snom branded SIP phones expected to be largely stable
- **Other telecommunication products:** Award-winning baby monitor range to be strengthened by new AI enabled models that will launch in US in 4Q FY2026



CMS

- Revenue expected to decrease for the full financial year 2026 as weak global consumer sentiment and US tariff volatility affect business confidence
- Many major product categories to remain in a downward trend in 2H
- Taking steps to expand manufacturing capacity in Malaysia to meet growing demand
- New building to be added to existing site in Muar, for completion in the middle of CY2027
- Exploring new ODM business opportunities



Q&A

Thank You