



# **VTech Holdings Limited**

FY2026 Annual Results Announcement

21 May 2026

# Financial Review



# Financial Highlights

For the year ended 31 March

(US\$ M)

2026

2025

Change

**Revenue**

**2,027.5**

2,177.2

-6.9%

**Gross Profit**

**663.4**

686.8

-3.4%

Gross Profit Margin %

**32.7%**

31.5%

1.2% pts

**Operating Profit**

**171.0**

188.7

-9.4%

Operating Profit Margin %

**8.4%**

8.7%

-0.3% pts

**Profit Attributable to Shareholders of the Company**

**134.1**

156.8

-14.5%

Net Profit Margin %

**6.6%**

7.2%

-0.6% pts

**Basic Earnings per Share** (US cents)

**52.9**

62.0

-14.7%

**Dividend per Share** (US cents)

• Interim

**17.0**

17.0

• Final

**36.0**

44.0

• Total dividend for the year

**53.0**

61.0

-13.1%



# Revenue by Region

For the year ended 31 March

(US\$ M)	2026	%	2025	Change
North America	811.6	40.0	893.1	-9.1%
Europe	899.9	44.4	960.7	-6.3%
Asia Pacific	294.7	14.5	300.9	-2.1%
Other Regions	21.3	1.1	22.5	-5.3%
<b>Total</b>	<b>2,027.5</b>	<b>100.0</b>	<b>2,177.2</b>	<b>-6.9%</b>

(US\$ M)

31/03/26

31/03/25

Stocks

402.9

360.8

Stocks Turnover Days

128 days

106 days

Trade Debtors

257.7

267.8

Trade Debtors Turnover Days

60 days

56 days

(US\$ M)

31/03/26

31/03/25

Deposits and Cash

264.0

335.6

Total Borrowings

-

-

Net Cash Position

264.0

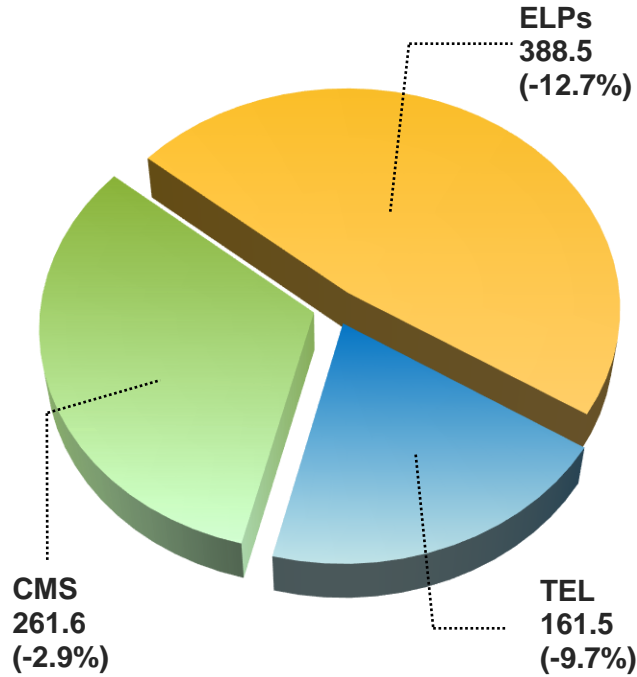
335.6

# Costs

- Gross profit margin rose to 32.7%
  - Cost of materials lower as material prices decreased
  - A more favourable product mix, increases in product prices, strength of European currencies against US dollar and lower freight charges contributed to improvement
  - Partially offset by additional US tariffs and higher direct labour costs as a percentage of Group revenue

# Operations Review

Revenue by Product Line (US\$ million)



- Revenue decreased 9.1% to US\$811.6 million, 40.0% of Group revenue, VTech's second largest market
- Sales of ELPs, TEL products and CMS all declined
- ELPs revenue fell 12.7% to US\$388.5 million, mainly driven by sales declines in US following change in US tariff policy
  - US shipments temporarily suspended, product prices raised and Autumn store sets delayed, negatively affecting orders and in-store sales
  - Maintained leadership in electronic learning toys from infancy through toddler to preschool in US
  - Sales declined in Canada

- **Standalone products:**

- Sales declined mainly due to lower US shipment in 1H
- **LeapFrog & VTech:** Core learning products and key product lines all posted sales decreases

- **Platform products:**

- Sales grew, as growth in LeapFrog offset a decline for VTech
- **LeapFrog:** Good performance by new product LeapMove, with sales of Magic Adventures Globe and interactive reading system steady. LeapFrog Academy subscriptions stable
- **VTech:** Decreased on lower sales of KidiZoom Smartwatch and Touch & Learn Activity Desk





- **TEL products** revenue down 9.7% to US\$161.5 million
- Sales declined in all three categories
- **Residential phones:** Lower sales on ongoing market contraction. The Group remained No. 1 cordless phone brand in US
- **Commercial phones:** Sales declined as higher sales of hotel phones insufficient to offset weakness in SIP phones, multi-line analogue phones and headsets
- **Other telecommunication products:** Sales decreased as higher sales of IoT products offset by lower sales of baby monitors and CareLine. VTech maintained No. 1 baby monitor brand in US and Canada

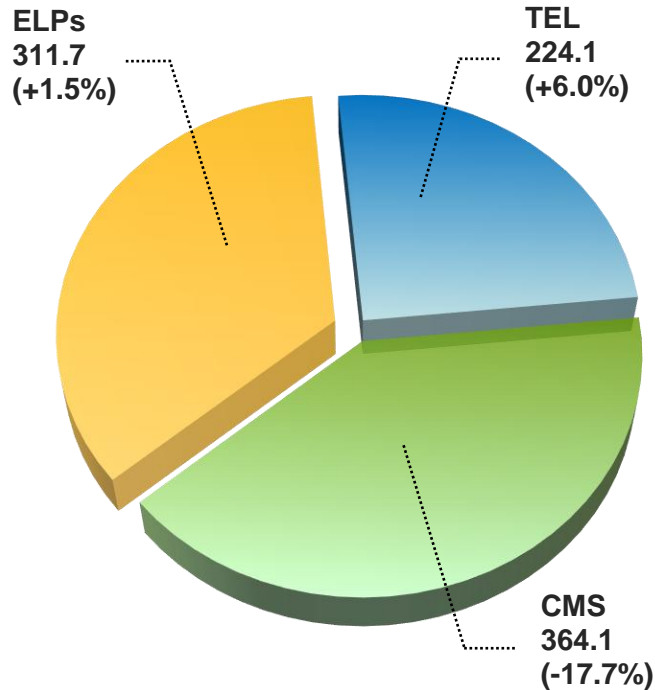


- **CMS** revenue decreased 2.9% to US\$261.6 million, as lower sales of professional audio equipment and industrial products offset higher IoT products sales
- **Professional audio equipment:** Slight sales decline on lower audio mixers orders from a major customer
- **Industrial products:** Fewer smart water leakage detector orders offset higher orders for vending machine PCBA
- **IoT products:** Rising orders for smart basketball hoop game consoles
- **Solid-state lighting:** Sales remained stable
- Orders at Mexican facility grew significantly as more US customers moved production from China to Mexico



# vtech | Europe

Revenue by Product Line (US\$ million)



- Revenue decreased 6.3% to US\$899.9 million, 44.4% of Group revenue, VTech's largest market
- Higher sales of ELPs and TEL products offset by lower CMS sales
- **ELPs revenue** increased by 1.5% to US\$311.7 million
  - Higher sales of platform products offset lower sales of standalone products
  - Sales growth in France, Spain, the Netherlands and Italy offset declines in UK and Germany
  - Remained the largest infant and toddler toys manufacturer in France, UK, Germany, Spain, the Netherlands and Belgium

- **Standalone category:**
  - Lower sales, as higher sales of LeapFrog offset by lower sales of VTech
  - **LeapFrog:** Growth led by infant products, Magic Adventures line and eco-friendly toys
  - **VTech:** Sales increases in preschool products, electronic learning aids and Kidi line failed to offset declines of infant and toddler products, KidiZoom cameras, Switch & Go Dinos, Marble Rush and eco-friendly toys





- **Platform products:**

- Sales increased, with growth in LeapFrog products offsetting a decline for VTech
- **LeapFrog:** Growth driven by LeapMove, higher sales of interactive reading system and Magic Adventures Globe
- **VTech:** Sales declined for KidiZoom Smartwatch, children’s educational tablets, Touch & Learn Activity Desk and KidiCom



- **TEL products** revenue increased 6.0% to US\$224.1 million
- Higher sales of residential phones, commercial phones and smartphones, but lower sales of other telecommunication products
- **Residential phones:** Growth mainly driven by increasing sales of Gigaset product lines. New models including entry-level products and Comfort 600 SIM boosted growth. Gigaset retained No. 1 position in DECT phone market in Europe
- **Commercial phones and smartphones:** Sales increased on higher orders from a customer, the launch of Gigaset's single cell DECT systems and Comfort 500HX, rising sales of Snom branded SIP phones and Gigaset smartphones
- **Other telecommunication products:** Sales decreased, with lower sales for both baby monitors and CAT-iq handsets

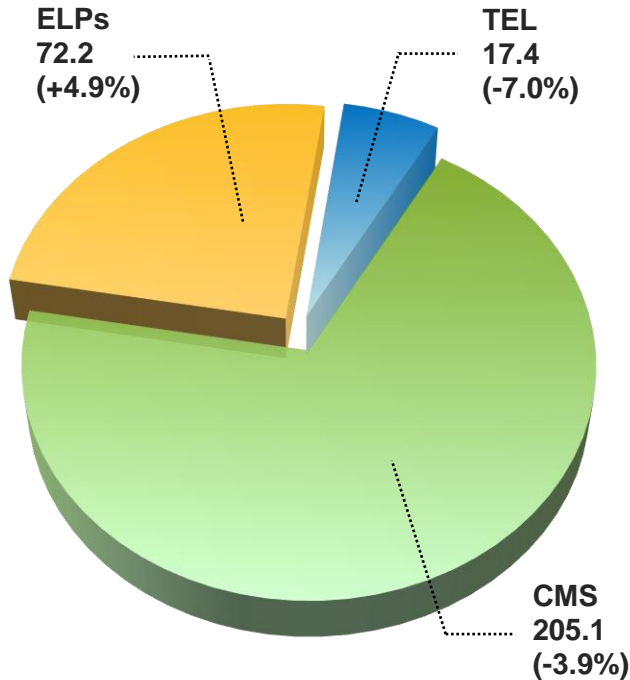
- **CMS** revenue decreased 17.7% to US\$364.1 million
- Lower sales of hearables, home appliances, IoT products, automotive products and smart energy storage systems offset increases for professional audio equipment and communication products
- Sales of medical and health products stable
- **Hearables:** Sales decreased significantly as market demand has fallen and customer faced keen competition
- **Home appliances:** Lower sales on fewer orders for PCBA for washing machines
- **IoT products:** Sales declined due to lower orders for internet connected thermostat and air-conditioning controls



- **Automotive products:** Sales trended lower as EV charger orders declined
- **Smart energy storage systems:** Sales declined on reduced orders after removal of Swedish government subsidies
- **Professional audio equipment:** Sales rose on new product launches and market share gains by customers
- **Communication products:** Sales up on higher orders for Wi-Fi routers following new product launches and reduction in customer inventory
- **Medical and health products:** Sales stable as lower hair removal products orders balanced by rising orders of hearing aids



Revenue by Product Line (US\$ million)

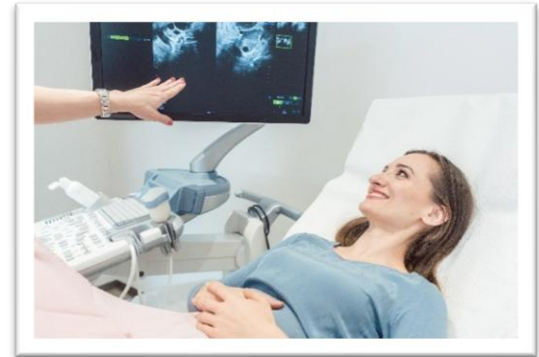


- Revenue fell 2.1% to US\$294.7 million, 14.5% of Group revenue
- Declines for TEL products and CMS offset growth in ELPs
- ELPs revenue rose by 4.9% to US\$72.2 million, with increases in Australia and China
  - **Australia:** Launch of LeapMove and increased marketing efforts drove LeapFrog and VTech sales higher. VTech maintained the largest manufacturer of electronic learning toys from infancy through toddler to preschool
  - **China:** Go! Go! Smart Wheels line, eco-friendly toys and role-playing toys sold especially well

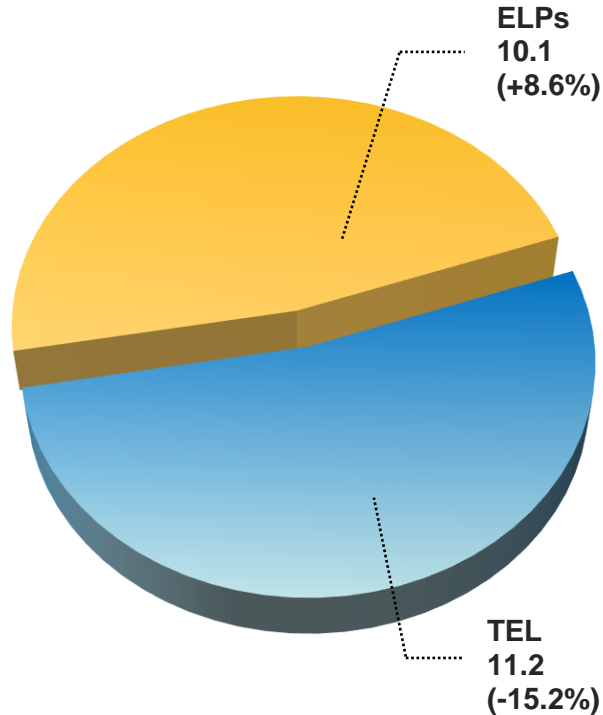


- **TEL products** revenue decreased 7.0% to US\$17.4 million, owing to lower sales in Australia and Japan
  - Australia: Sales declined on lower sales of baby monitors
  - Japan: Sales affected by reduced orders for residential phones from an ODM customers

- **CMS** revenue decreased 3.9% to US\$205.1 million
- Lower sales of professional audio equipment, medical and health products and communication products
  - **Professional audio equipment:** DJ equipment sales stable, but orders for KOL microphones decreased
  - **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
- Expanded customer base in China



Revenue by Product Line (US\$ million)



- Revenue decreased 5.3% to US\$21.3 million, 1.1% of Group revenue
- Lower sales of TEL products offset higher sales of ELPs
- ELPs revenue increased 8.6% to US\$10.1 million, as growth in Middle East and Africa offset a decline in Latin America
- TEL products revenue fell 15.2% to US\$11.2 million, with sales lower in Latin America, Middle East and Africa
- CMS revenue immaterial

# Outlook

- US tariff situation appears to have stabilised somewhat, lending more certainty to purchase decisions
- Middle East conflict is leading to higher prices of energy, oil-related products and freight rates, with resulting inflation negatively affecting consumer sentiment
- Further deterioration of the situation in Middle East could increase prices and tighten supply even further
- Strong demand from AI industry leading to serious shortage of certain electronic components

- Group revenue for financial year 2027 expected to grow despite this challenging picture
- Sales of ELPs and TEL products forecast to trend higher, and CMS revenue to hold steady year-on-year
- Gross profit margin projected to decline because of surging material costs



## ELPs

- Revenue projected to increase, driven by solid anticipated performance across both standalone and platform products
- **Standalone products:** Sales expected to rebound, fuelled by expanded infant, toddler and preschool offerings, new additions to Kidi Star line and growing portfolio of licensed products.
- **Platform products:** Sustained growth driven by LeapMove on broader retailer support and expanded software library

## TEL Products

- Sales forecast to increase, supported by solid pipeline of new releases
- **Residential phones:** Benefit from new LTE home devices in US and Europe, and expected further market share gains from strengthened Gigaset portfolio
- **Commercial phones and smartphones:** Growth on expanded ranges and product innovation, with key launches including multi-cell DECT system, Gigaset Wi-Fi phones and Snom SIP desktop models. Next generation of Gigaset smartphones, ongoing transfer of customer's IP phone production and upcoming Gigaset headsets will further support growth
- **Other telecommunication products:** Rollout of new AI-enabled baby monitor in Australia in May 2026 and globally during CY2026



## CMS

- Revenue projected to remain steady, despite ongoing geopolitical uncertainty
- Overall business confidence has shown signs of improvement
- Sales across key product categories, including professional audio equipment and hearables, expected to remain broadly stable
- Continue to develop ODM business
- Facility expansion in Malaysia remains on track for completion by mid-2027. Mexican facility now fully operational and providing comprehensive turnkey EMS to US customers



# Q&A

**Thank You**