VTech Holdings Limited

2026/2027 Interim Results Announcement

12 November 2026

Financial Review

Financial Highlights

For the six months ended 30 September

(US$ M)	2026	2025	Change
Revenue	**1,046.9**	991.1	*5.6%*
Gross Profit	**315.2**	315.8	*-0.2%*
Gross Profit Margin %	**30.1 %**	31.9%	*-1.8% pts*
Operating Profit	**82.5**	92.9	*-11.2%*
Operating Profit Margin %	**7.9%**	9.4%	*-1.5% pts*
Profit Attributable to Shareholders of the Company	**65.1**	74.7	*-12.9%*
Net Profit Margin %	**6.2%**	7.5%	*-1.3% pts*
Basic Earnings per Share (US cents)	**25.7**	29.5	*-12.9%*
Interim Dividend per Share (US cents)	**17.0**	17.0	-

Revenue by Region

(US$ M)	2026	%	2025	Change
			For the six months ended 30 September	
North America	**374.1**	35.7	398.3	*-6.1%*
Europe	**495.1**	47.3	429.0	*15.4%*
Asia Pacific	**165.3**	15.8	150.4	*9.9%*
Other Regions	**12.4**	1.2	13.4	*-7.5%*
Total	**1,046.9**	100.0	991.1	*5.6%*

Working Capital

(US$ M)	30/09/26	31/03/26	30/09/25
Stocks	**515.6**	402.9	451.0
Stocks Turnover Days	**154 days**	128 days	138 days
Trade Debtors	**460.1**	257.7	429.0
Trade Debtors Turnover Days	**65 days**	60 days	60 days

Liquidity Position

(US$ M)	30/09/26	31/03/26	30/09/25
Deposits and Cash	**138.9**	264.0	147.9
Total Borrowings	**-**	-	-
Net Cash Position	**138.9**	264.0	147.9

Costs

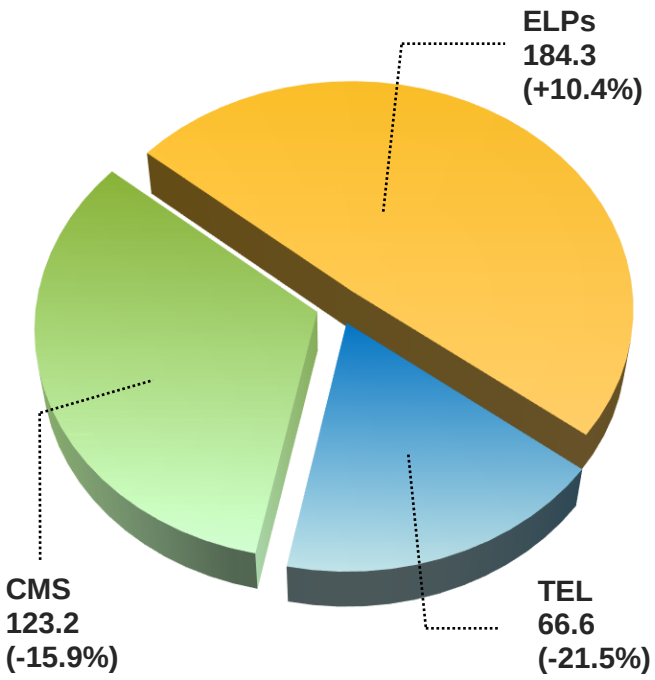
Costs

- Gross profit margin of 30.1% against 31.9%
  - Rising material prices pushed cost of materials higher
  - Strong demand from AI industry resulted in shortages and significantly higher prices for many electronic components
  - Continuing Middle East conflict has led to higher oil, commodities, plastics and components prices and freight costs
  - RMB appreciation contributed to higher direct labour costs and manufacturing overheads
  - These increases offset the positive impact of lower tariffs on US-bound products

Operations Review

North America

Revenue by Product Line (US$ million)



- **Revenue decreased 6.1% to US$374.1 million, 35.7% of Group revenue, VTech's second largest market**
- **Higher ELPs sales insufficient to offset declines for TEL products and CMS**
- **ELPs revenue** rose 10.4% to US$184.3 million, with growth in US and Canada, driven by stabilisation of US tariff policy and good sell-through of new products
  - US shipments returned to normal, with store sets and promotional plans for holiday seasons proceeding on time
  - No. 1 manufacturer of infant, toddler and preschool toys in Canada, with market share gain
  - Retained leadership in electronic learning toys from infancy through toddler to preschool in US

North America (continued)

- **Standalone products:**
  - Sales increased in infant, toddler and preschool categories
  - A number of new products achieved especially good sell-through
- **Platform products:**
  - Sales grew, mainly driven by LeapMove and interactive reading system
  - **LeapFrog:** LeapMove gained broader retailer support, expanded software library and added two-player module. Sales growth for LeapStart. LeapFrog Academy subscriptions stable
  - **VTech:** Sales decreased on declines for KidiZoom Smartwatch. Sales of Touch & Learn Activity Desk flat





North America (continued)





- **TEL products** revenue fell 21.5% to US$66.6 million
- Sales declined in all three categories
- **Residential phones:** Lower sales on continuing market contraction. VTech remained No.1 cordless phone brand in US
- **Commercial phones:** Higher SIP phones and hotel phones sales insufficient to offset declines in headsets and multi-line analogue phones
- **Other telecommunication products:** Sales decline on lower sales of baby monitors due to keen competition and delay in new product launch

North America (continued)

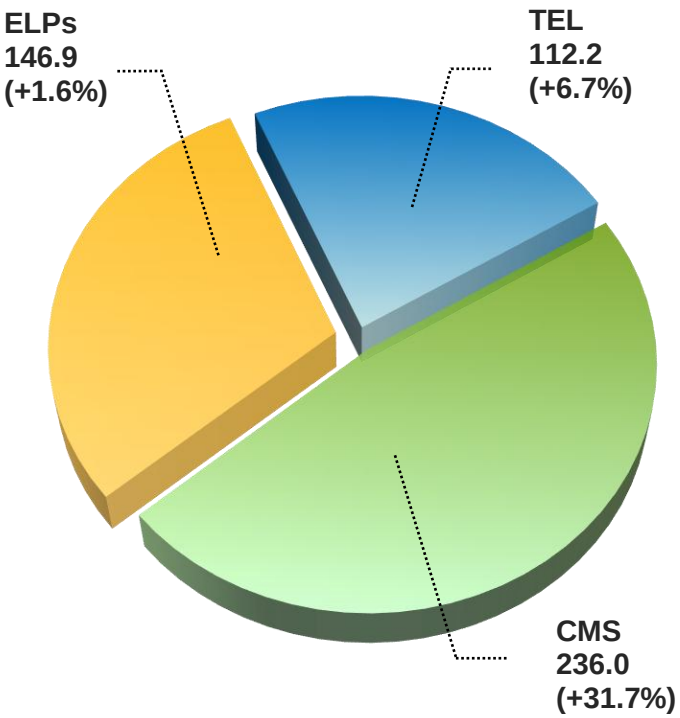
- **CMS** revenue declined 15.9% to US$123.2 million, mainly on lower sales of professional audio equipment, industrial and IoT products
- **Professional audio equipment:** Sales of professional loudspeakers declined as a key customer experienced excess inventory of a major product
- **Industrial products**: Component shortages constrained orders for vending machine PCBA
- **IoT products:** Delayed product launch by customer resulted in lower orders for smart basketball hoop game consoles
- **Solid-state lighting, communication products:** Modest growth
- Mexican facility continued to attract new orders





Europe

Revenue by Product Line (US$ million)



- **Revenue rose 15.4% to US$495.1 million, 47.3% of Group revenue, VTech's largest market**
- **Higher sales of all three product lines**
- **ELPs revenue** increased 1.6% to US$146.9 million
  - Standalone products saw sales increase on new product launches, while platform products recorded a decline
  - Sales growth in UK, Spain and the Netherlands offset declines in France and Germany
  - Remained the largest infant and toddler toys manufacturer in France, UK, Germany, Spain, the Netherlands and Belgium

Europe (continued)

- **Standalone products:**
  - **VTech:** Higher sales driven by infant, toddler and preschool products, the Kidi line, Marble Rush and eco-friendly toys
  - Kitty Life, Kidi Guitar Superstar and core learning products featuring popular children's characters sold particularly well
  - This offset declines in electronic learning aids, KidiZoom cameras and Switch & Go Dinos
  - **LeapFrog:** Sales decreased for infant, toddler and preschool products, the Magic Adventures line and eco-friendly toys





Europe (continued)





- **Platform products:**
  - Sales decreased, as higher sales of LeapFrog products insufficient to offset lower sales of VTech brand
  - **LeapFrog:** Growth driven by LeapMove and Magic Adventures Globe, with a decline for interactive reading systems
  - **VTech:** Sales declines for KidiZoom Smartwatch, children's educational tablets and KidiCom, with sales of Touch & Learn Activity Desk stable

Europe (continued)





- **TEL products** revenue increased 6.7% to US$112.2 million
- Higher sales of commercial phones and smartphones, as well as other telecommunication products offset lower residential phones sales
- **Commercial phones and smartphones:** Higher sales driven by increased sales to major customers, rising sales of smartphones and hotel phones, as well as new product launches
- **Other telecommunication products:** Growth driven by higher sales of baby monitors in UK, Germany, France and Italy. This offset decline in CAT-iq handsets
- **Residential phones:** Sales decreased on market contraction. Growth in entry-level products insufficient to offset decline in higher-end models. Gigaset increased market share and maintained No.1 position in DECT phone market in Europe

Europe (continued)

- **CMS** revenue increased 31.7% to US$236.0 million
- Higher sales of professional audio equipment, hearables, medical and health products, communication products and smart energy storage systems
- These gains more than offset declines in IoT and automotive products, while sales of home appliances stable
- **Professional audio equipment:** Growth driven by addition of a new customer and increased orders for audio mixers
- **Hearables:** Sales rose on customer restocking and new product launches
- **Medical and health products:** Higher sales of hearing aids and more orders for hair removal products





Europe (continued)

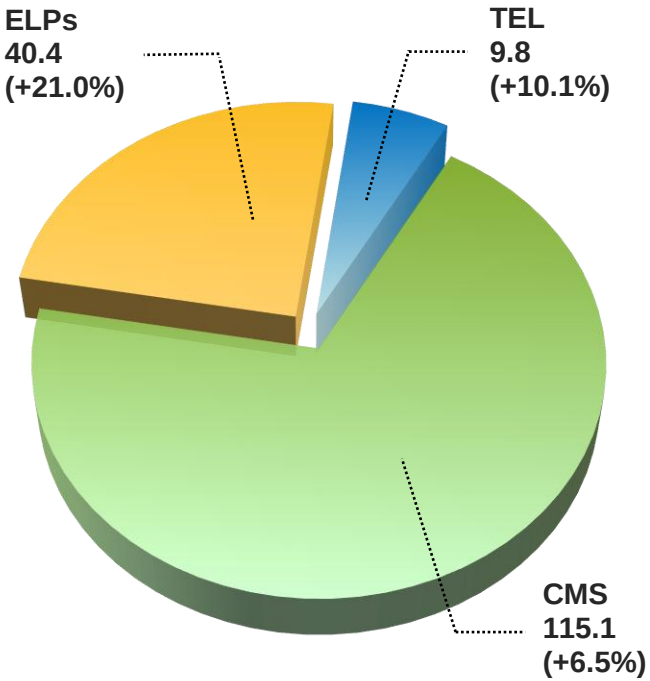
- **Communication products:** Sales up on higher orders for Wi-Fi routers as customer replenished inventory and the Group won additional business from competitors
- **Smart energy storage systems:** Sales increased as customer expanded into new markets
- **IoT products:** Sales declined as component shortages affected orders for internet-connected thermostats and air-conditioning controls, while sales of smart meters remained stable
- **Automotive products:** Sales declined on reduced orders for EV chargers
- **Home appliances:** Sales stable





Asia Pacific

Revenue by Product Line (US$ million)



- **Revenue grew 9.9% to US$165.3 million, 15.8% of Group revenue**
- **Increases for all three product lines**
- **ELPs** revenue increased 21.0% to US$40.4 million, led by growth in Australia and China
  - **Australia:** Growth driven by good sell-through of core learning products, new product launches and broader retailer support for LeapMove
  - **China:** Stronger sales across online and offline channels, supported by good sell-through of Kitty Life, new Anpanman and Peppa Pig licensed products

Asia Pacific (continued)



- **TEL products** revenue rose 10.1% to US$9.8 million, with higher sales in Australia and Hong Kong
  - Australia: V-Care Premium AI enabled baby monitors launched and well-received

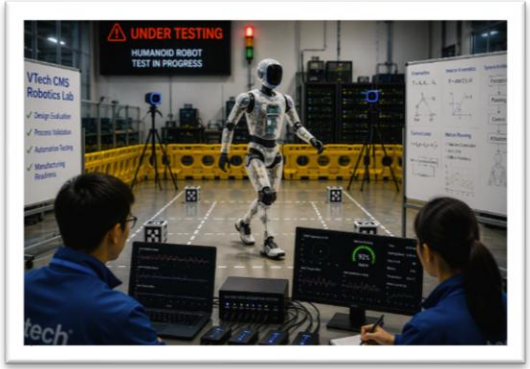




Asia Pacific (continued)

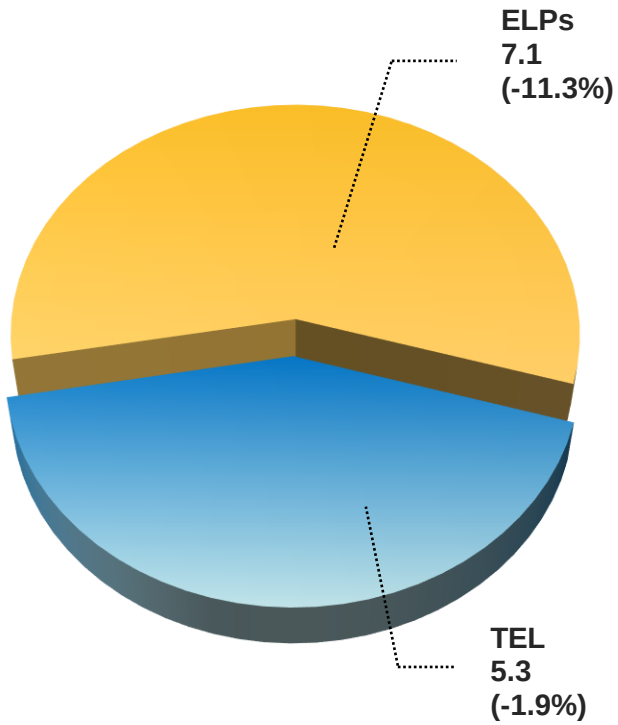
- **CMS** revenue grew 6.5% to US$115.1 million
- Higher sales of professional audio equipment more than offset decline in communication products
- Sales of medical and health products stable
- **Professional audio equipment:** Sales growth led by DJ equipment and wireless transmission receiver systems
- **Communication products:** Sales declined on lower orders for marine radios
- A new Robotics Innovation Lab opened in Shenzhen, China
- Metal factory upgraded to meet rising demand for high-precision metal components





Other Regions

Revenue by Product Line (US$ million)



- **Revenue decreased 7.5% to US$12.4 million, 1.2% of Group revenue**
- **Lower sales of ELPs and TEL products**
- **ELPs** revenue decreased 11.3% to US$7.1 million, as growth in Middle East insufficient to offset declines in Latin America and Africa
- **TEL products** revenue fell 1.9% to US$5.3 million. Lower sales in Latin America and Africa offset growth in the Middle East
- **CMS** revenue immaterial

Outlook

Outlook

- Group revenue on track to achieve growth for FY2027
  - More stable US tariff situation, good momentum for ELPs and continued signs of improving demand from CMS customers
  - Sales pick-up for TEL products in 2H, when a pipeline of new products shipped and rolled out globally

Outlook

- Gross profit margin forecast to decline year-on-year as cost of materials and freight charges expected to remain high
- Factors remain unchanged
  - Strong demand for components from AI industry and ongoing conflict in the Middle East continues to drive up prices for electronic components, oil, plastics and other commodities
  - With RMB forecast to remain strong, direct labour costs and manufacturing overheads also anticipated to rise year-on-year

Outlook





ELPs

- Expected to post higher revenue for FY2027
- **Standalone products**: Sales expected to be boosted by strengthened portfolio of licensed products. Core learning products, Kitten Quest and Kidi Star line forecast to continue their good performance
- **Platform products:** Supported by sustained growth in LeapMove on broader retailer support globally, new two-player module and expanded software library

Outlook

TEL Products

- Revenue now forecast to be stable for FY2027
- **Residential phones:** New range of LTE home devices to be introduced in US in Q4 of FY2027
- **Commercial phones and smartphones:** New CrewPTT being shipped across Europe from November. New Wi-Fi phones and Gigaset branded headsets will begin shipping in Q1 of CY2027. Gigaset smartphones, GX30 and GX50, are gaining traction, while a new smartphone for children to be launched in Q4 of FY2027
- **Other telecommunication products:** Global roll out of AI-enabled V-Care Premium baby monitor from November





Outlook

CMS

- Revenue forecast to grow for FY2027, despite continuing material shortages
- Customers restocking inventory and launching new products
- VTech securing more orders for its design support services and continuing to expand its ODM business
- To meet growing demand for manufacturing outside China, including near-shore manufacturing for US market, the Group is expanding its production capacity
- New building at Muar, Malaysia on track for completion in mid CY2027. Mexican facility to double capacity by end of FY2027





Q&A

Thank You