

VICOM'S RESULT
FOR THE FULL YEAR ENDED 31 DECEMBER 2022

- **Group Revenue increased by 7.3% to \$108.3 million.**
- **Group operating profit increased by 5.4% to \$32.7 million.**
- **Net profit attributable to Shareholders increased by 5.7% to \$26.2 million.**
- **Excluding COVID-19 Government reliefs, Group operating profit increased by 11.1% to \$32.4 million.**

Singapore, 21 February 2023 – VICOM Ltd today announced its audited results for the year ended 31 December 2022.

Highlights

	FY 2022 (\$m)	FY 2021 (\$m)	% change
Revenue	108.3	100.9	7.3
Operating Profit	32.7	31.0	5.4
Net Profit Attributable to Shareholders	26.2	24.8	5.7
EBITDA	39.9	38.2	4.4
EPS - cents	7.38	6.99	5.7

Introduction

In line with economic recovery, demand for the Group's services, especially the nonvehicle testing services, improved in 2022.

The vehicle testing business did well during the year with the periodic inspection for vehicles clocking a record number of 534,840 inspections, compared to 523,639 in 2021. However, the demand for services related to new car registrations such as emissions testing under the VICOM Emissions Test Laboratory and the type approval scheme under the Vehicle Inspection & Type Approval System fell as a result of a lower Certificate of Entitlement quota.

The demand for the Group's non-vehicle testing service continued to improve with the lifting of most Covid-19 restrictions and exceeded that of pre-COVID levels. In particular, there was strong demand from the Construction, Marine & Offshore, Oil & Gas and Manufacturing sectors. The Aerospace Maintenance, Repair and Overhaul business also saw strong growth as a result of the resumption of air travel.

While the demand for the Group's services was strong, intense competition and high inflation rates continued to put pressure on profit margins.

Financial Performance

Group revenue increased by 7.3% to \$108.3 million and its operating profit grew by 5.4% to \$32.7 million for the year ending 31 December 2022.

Net profit attributable to shareholders increased by 5.7% to \$26.2 million.

Excluding COVID-19 Government reliefs which amounted to \$0.2 million in 2022 and \$1.8 million in 2021, the Group's operating profit increased by \$3.2 million or 11.1% to \$32.4 million.

VICOM Chief Executive Officer Sim Wing Yew said: "The Group has managed to turn in a strong performance for the year, riding on the recovery resulting from the resumption of economic activities. However, the outlook is uncertain for the year ahead, amidst a backdrop of high inflation and slower economic growth. We will continue to drive revenue growth and at the same time, manage costs tightly in 2023."

Dividend

A tax-exempt one-tier final dividend of 3.32 cents per ordinary share has been proposed. Together with the interim tax-exempt one-tier dividend of 3.32 cents paid on 26 August 2022, the total dividend for 2022 will be 6.64 cents per ordinary share, representing a payout ratio of 90% if the final dividend is approved by shareholders at the Annual General Meeting on 26 April 2023.

Commentary

Demand for vehicle testing is expected to remain stable in 2023. Higher demand is expected for new car registration and emissions testing services as a result of the increase in the Certificate of Entitlement quota, but this will be offset by a lower inspection volume expected from the cyclical nature of periodic inspection.

Demand for non-vehicle testing is expected to increase with the full resumption of economic activities.

While revenue growth is expected, the Group's profit margins will continue to be under pressure due to inflationary pressures and greater competition, especially in the non-vehicle testing business.

The Group maintains a cautious outlook for the year ahead.

Background

VICOM Ltd is Singapore's leading provider in inspection and technical testing services, offering a comprehensive range of inspection and testing services in vehicle and non-vehicle testing fields including mechanical, biochemical, civil engineering and non-destructive testing.