

ALCO HOLDINGS LIMITED (328.HK)

AVITA

1H 2022 INTERIM RESULTS

NEXSTGO

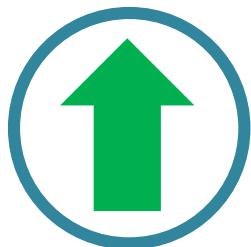
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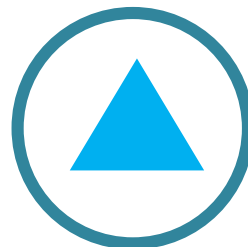
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1H 2022 KEY HIGHLIGHTS



STRONG GROWTH IN SELF-BRANDED BUSINESS

49% YoY growth continued to validate our success in brand building



PRODUCT CATEGORY MIGRATION

Reducing OEM/ODM business (manufacturing of AV and other products)



GROSS MARGIN IMPROVED BY 4.3P.P.

Even amidst global disruption of supply chains due to COVID-19



***ADJUSTED NET LOSS CONTINUED TO IMPROVE**

Profitability will be enhanced by economy of scale & operating leverage

**Excluded one-off gain item. HK\$26M from fair value gain on disposal of property, one-off positive impact in corresponding period last year (1H 2021)*

STRONG VALIDATION FOR AVITA'S MISSION

CREATING A HIGHLY PERSONAL EXPERIENCE FOR THE NEW GENERATION OF FASHION-CONSCIOUS TECH USERS

Worldwide Recognition of Design

Red Dot Award: Product Design 2021

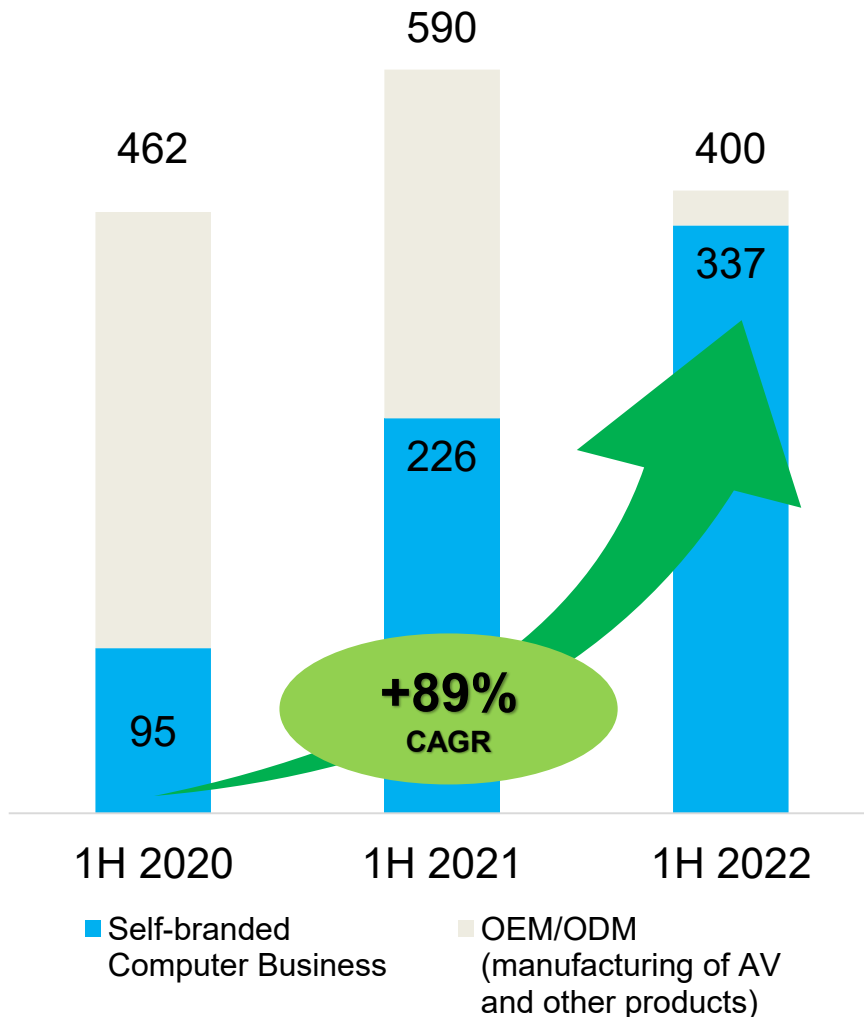


reddot winner 2021

AVITALIBER V

STRONG GROWTH IN SELF-BRANDED COMPUTER BUSINESS

HK\$M



49% YoY revenue growth resulted from increasing popularity and brand power of AVITA in 30 countries

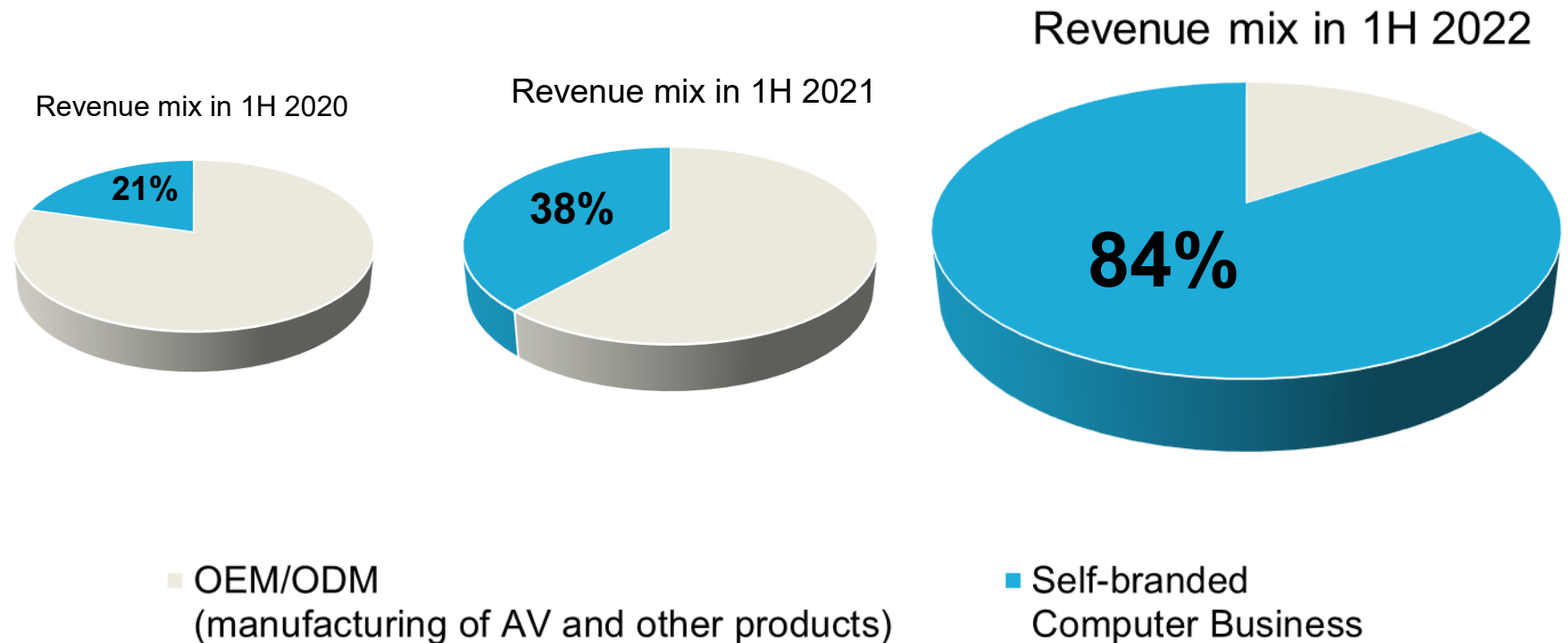
Despite 20%+ YoY growth with 100,000+ units sold in 1H 2022, pent-up demand was not fulfilled due to components supply shortage

Average selling price increased driven by strengthening of pricing power and product mix optimization

Reducing OEM/ODM business (manufacturing of AV and other products)

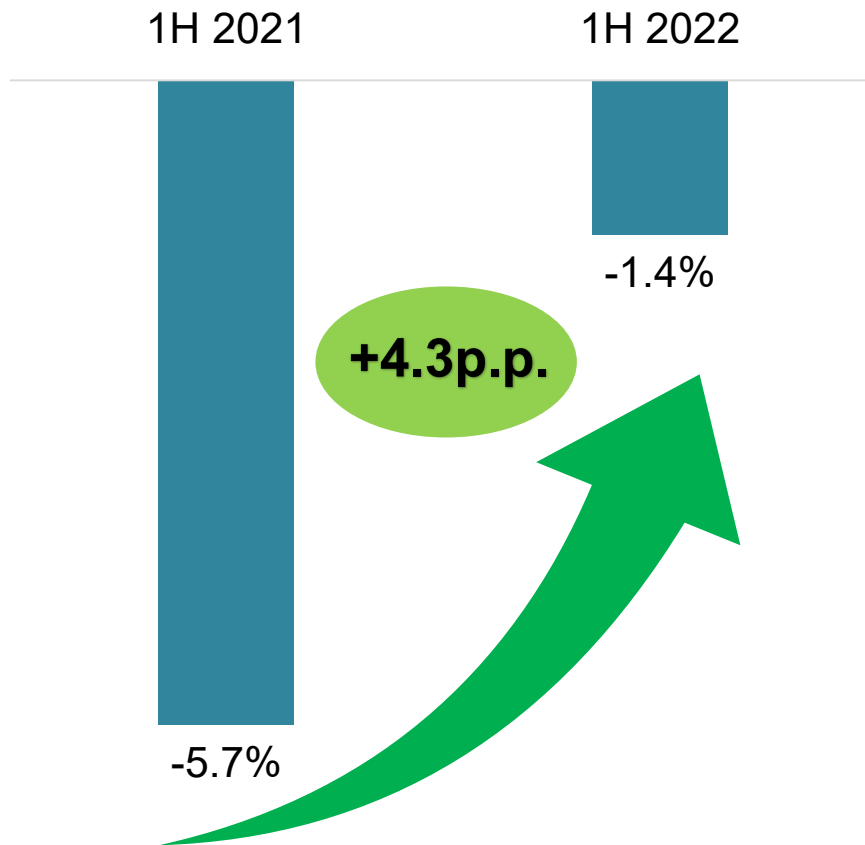
PRODUCT CATEGORY MIGRATION

REDUCING OEM/ODM BUSINESS (MANUFACTURING OF AV AND OTHER PRODUCTS)



GROSS MARGIN IMPROVED

NOT FAR FROM TURNAROUND



4.3p.p. improvement in gross margin (loss) despite component costs increment due to global supply shortages

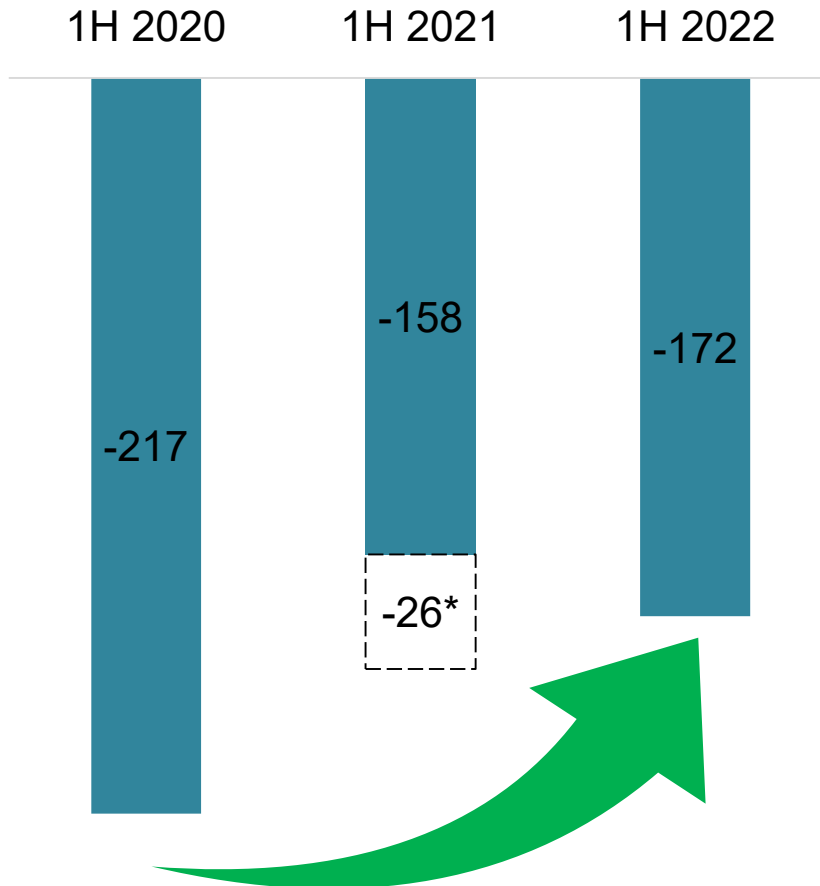
Product profitability increased driven by product mix optimization of higher margin SKUs

Margin improvement to continue, attributable to bulk purchasing resulted from continuing scale expansion of self-branded computer business

*ADJUSTED NET LOSS CONTINUED TO IMPROVE

PROFITABILITY WILL BE ENHANCED BY ECONOMY OF SCALE & OPERATING LEVERAGE

HK\$M



Operating leverage attributable to volume growth of self-branded computers

Improvements partially offset by global surge of freights and cargo costs as well as cost increment of critical components

*Adjusted to exclude one-off gain of HK\$26M from fair value gain on disposal of property (one-off positive impact in corresponding period last year (1H 2021))

