

FOR IMMEDIATE RELEASE

VTech Announces 2025/2026 Interim Results

Higher gross profit margin despite lower revenue and profit

- Group revenue declined 9.0% to US\$991.1 million
- Gross profit margin improved from 31.5% to 31.9%
- Profit attributable to shareholders of the Company decreased 14.5% to US\$74.7 million
- Interim dividend of US17.0 cents per ordinary share, unchanged
- Strong financial position

Hong Kong, 13 November 2025 – VTech Holdings Limited (HKSE: 303) today announced its results for the six months ended 30 September 2025.

“VTech reported a decline in revenue and profit in the first half of the financial year 2026, as lower sales of electronic learning products and contract manufacturing services offset an increase for telecommunication products. In particular, electronic learning products sales were negatively impacted by a temporary halt to shipment in response to changes in US tariff policy. Profit attributable to shareholders of the Company decreased largely because of the lower revenue, despite a slight improvement in gross profit margin,” said Mr. Allan Wong, Chairman and Group CEO of VTech Holdings Limited.

Results and Dividend

Group revenue for the six months ended 30 September 2025 fell by 9.0% to US\$991.1 million, from US\$1,089.7 million in the corresponding period last year. Sales were lower in all regions.

Profit attributable to shareholders of the Company decreased by 14.5% to US\$74.7 million. The decrease in profit was attributable to lower revenue, increased total operating expenses as a percentage of Group revenue and a higher Group effective tax rate. Gross profit margin posted a slight improvement during the period.

Basic earnings per share decreased by 14.7% to US29.5 cents, compared to US34.6 cents in the same period of the previous financial year.

The Board of Directors has declared an interim dividend of US17.0 cents per ordinary share, unchanged from the interim dividend declared in the first half of the financial year 2025.

Costs

The Group's gross profit margin in the first six months of the financial year 2026 was 31.9%, an improvement over the 31.5% recorded in the same period of the previous financial year. This was mainly attributable to lower cost of materials, as material prices decreased during the period. A more favourable product mix, increases in product prices, stronger European currencies against the US dollar and lower freight charges also contributed to the higher margin. These gains were partially offset by higher tariff and direct labour costs.

Segment Results

North America

Group revenue in North America decreased by 12.1% to US\$398.3 million in the first six months of the financial year 2026. Higher sales of contract manufacturing services (CMS) were offset by declines in electronic learning products (ELPs) and telecommunication (TEL) products. North America was VTech's second largest market, accounting for 40.2% of Group revenue.

ELPs revenue in this region fell by 25.4% to US\$167.0 million. This was mainly attributable to changes in US tariff policies. In April this year, the US announced substantial tariff increases on Chinese imports, before reducing them on 12 May. In response, VTech halted shipments to the US for several weeks and raised prices for products sold to the US market, while retailers delayed their store sets for the Autumn season. This negatively impacted both orders and in-store sales during the first half of the financial year 2026. Meanwhile, sales in Canada also posted a decline. Nonetheless, in the first nine months of the calendar year 2025, VTech maintained its leadership in electronic learning toys from infancy through toddler to preschool in the US and Canada¹.

¹ Circana, LLC, Retail Tracking Service. Ranking based on total retail sales of VTech and LeapFrog products in the combined toy categories of Early Electronic Learning, Toddler Figures/Playsets & Accessories, Preschool Electronic Learning, Electronic Entertainment (excluding Tablets) and Walkers for the nine months ended September 2025

In standalone products, sales declined mainly because of the lower shipments to the US. Core learning product categories and key product lines all posted sales decreases, for both the VTech and LeapFrog brands. Despite this, the first six months saw the Group introduce more exciting new products that bring fun and learning to children in innovative ways. The new VTech introductions included VTech Baby® 4-in-1 Steps & Stages Activity Center™, Buzz & Learn Activity Table™, Get Growing Tractor & Mower Ride-On™ and Kidi Superstar Jr. DJ Mixer™. LeapFrog saw the launch of Strum & Count Wooden Guitar™, Preschool Game & Go™ and Touch & Learn eReader™.

Platform products also showed a sales decline. Those of LeapFrog rose, driven by continued growth for Magic Adventures® Globe and the launch of a brand-new product, the award-winning LeapMove™. LeapMove is a motion-based learning system that blends full-body physical activity with early educational content, helping children build school skills through immersive, play-driven experiences. There was also a contribution from LeapStart® Reading Buddies, a revamped version of the popular LeapStart interactive reading system. Sales of the VTech brand declined, however, largely owing to lower sales of KidiZoom® Smartwatch and Touch & Learn Activity Desk™. Subscriptions to LeapFrog Academy™ were stable.

The Group's ELPs again won prestigious awards in North America, testifying to their ability to lead the market in quality and innovation. In the US, LeapMove made both Walmart's "2025 Top Toys List" and Target's "2025 Bullseye's Top Toys List", while the VTech Baby 4-in-1 Steps & Stages Activity Center and Get Growing Tractor & Mower Ride-On won "2025 Good Housekeeping Best Toy Awards". In Canada, VTech Baby 4-in-1 Steps & Stages Activity Center was included in Walmart Canada's "2025 Top Toys List" and the VTech Baby Explore & Move With Puppy™ in the Toys"R"Us Canada "2025 Top Toys List".

TEL products revenue in North America fell by 8.0% to US\$84.8 million in the first half of the financial year 2026.

Sales of residential phones declined, as the market continued to contract. During the period, however, VTech introduced more new products. Among them, the feature-rich AT&T DLP73290, designed with both home and business use in mind, has sold particularly well. During the first six months of the financial year 2026, VTech remained the number one cordless phone brand in the US market².

² Circana, LLC, Retail Tracking Service, US, Cordless Phone, Dollars and Units, April – September 2025

Sales of commercial phones were also down. Higher sales of hotel phones and SIP (Session Initiation Protocol) phones were insufficient to offset lower sales of multi-line analogue phones and headsets. Growth in the hotel phones category was boosted by increasing sales of the “Next Gen” product line. Snom branded SIP phones also recorded higher sales, offsetting a decline in orders from a customer. During the period, the new Snom D8 series of SIP desktop phones was successfully launched in the US and has been well received by the market. Multi-line analogue phones posted a sales decline, as the products reached the end of their life cycle, while the transfer of production by a customer to the Group’s Gigaset facilities in Germany resulted in lower sales of headsets.

Other telecommunication products reported an increase, as higher sales of baby monitors and IoT (Internet-of-Things) products offset a decline in CareLine® residential phones. Baby monitors saw sales rise owing to increasing sales at a major e-tailer, while IoT products posted higher sales of thermostats for hotel channels. In contrast, CareLine residential phones experienced lower demand. During the first six months of the financial year 2026, VTech maintained its position as the number one baby monitor brand in the US and Canada³. In April, VTech baby monitors were named as “9 out of 10 Customer Recommended” products in the “Women’s Choice Award 2025” in the US.

CMS revenue in North America rose by 6.9% to US\$146.5 million in the first six months of the financial year 2026. Growth was led by professional audio equipment, as customers worked through their excess inventory and new customers were added. Especially robust order growth was seen in professional loudspeakers, as the customer’s product performed strongly. Industrial products also posted growth. Orders for PCBA (printed circuit board assembly) for vending machines grew as employers began to demand a return to office-based working. Those of IoT (Internet-of-Things) products also increased, driven by rising orders for smart basketball hoop game consoles, which have been well received by consumers and are now being sold by major US retailers. This was despite lower sales of smart water leakage detectors as the customer experienced over-inventory. Sales of solid-state lighting were stable. Overall, orders at the VTech manufacturing facility in Tecate, Mexico are increasing in response to the US tariffs. During the period, VTech CMS was given a “Best Partner Award - Electronics Category” by a US customer in professional audio equipment. In addition, it was announced that VTech had maintained its position as the world’s number one contract manufacturer of professional audio equipment in the calendar year 2024⁴.

³ Circana, LLC, Retail Tracking Service, US & CA, Baby Monitors, Units, April – September 2025

⁴ *Music Trades* magazine, September 2025 edition, based on estimated revenue for the calendar year 2024

Europe

Group revenue in Europe decreased by 7.2% to US\$429.0 million in the first six months of the financial year 2026, as higher sales of ELPs and TEL products were offset by lower CMS sales. Europe remained VTech's largest market, accounting for 43.3% of Group revenue.

ELPs revenue in Europe increased by 5.5% to US\$144.6 million, with higher sales of both standalone and platform products. The growth was driven by new product launches and the strengthening of European currencies against the US dollar. Sales were higher in France, Spain and the Netherlands, offsetting declines in the UK and Germany. In the first nine months of the calendar year 2025, VTech remained the number one infant and toddler toys manufacturer in France, the UK, Germany, Spain, the Netherlands and Belgium⁵.

In standalone products, LeapFrog sales were higher, while VTech sales were stable. Growth for LeapFrog was mainly driven by infant products and the Magic Adventures line. This offset declines in the preschool category, while sales of eco-friendly toys held steady. VTech saw sales increases in preschool products, electronic learning aids and the Kidi line, but these were insufficient to compensate for the declines of infant and toddler products, KidiZoom cameras, Switch & Go Dinos®, Marble Rush® and eco-friendly toys.

In platform products, higher sales of the LeapFrog brand offset lower VTech brand sales. Growth in the LeapFrog products came largely from the newly launched LeapMove and LeapStart Reading Buddies, as well as higher sales of Magic Adventures Globe. VTech saw sales of KidiZoom Smartwatch, children's educational tablets and Touch & Learn Activity Desk decline, while those of KidiCom® were stable.

During the first six months of the financial year 2026, the Group scooped three awards in the "Grand Prix du Jouet 2025" awards given by France's *La Revue du Jouet* magazine. LeapMove was named both "Toy of the Year" and "Best Educational Console", while Story'Clock Ma conteuse réveil (Sleep & Wake Storyteller™) was "Best Storyteller". LeapMove also made the "Approuvé par les familles 2026" award (Approved by Families Award 2026) list in France, while in the UK it won a "Gold Medal" in the "Independent Toy Awards". In Italy, Music'kid dello Zecchino d'Oro (Let's Record! Music Player™) won "Best Toy – Infant" in the "Gioco per sempre AWARDS 2025" (Play Forever Toys Awards 2025), while in Spain, VTech's 3-in-1 Mow & Grow Tractor won "Best Toy of the Year 2025" in the Infant and Preschool category from the Spanish Association of Toy Manufacturers.

⁵ Circana, LLC, Retail Tracking Service, January – September 2025

Revenue from TEL products in Europe increased by 24.5% to US\$105.2 million in the first six months of the financial year 2026. Sales of residential phones, commercial phones and smartphones increased, while those of other telecommunication products remained steady.

In residential phones, growth was mainly driven by increasing sales of the Gigaset product lines. The Comfort 550 and A690 models continued to sell well, as their industrial design and feature sets meet market needs. Sales performed especially well in Germany, France and Italy. The Group also started selling Gigaset residential phones in Eastern Europe. As a result, Gigaset increased its market share and retained its number one position in the DECT (Digital Enhanced Cordless Telecommunications) phone market in Europe⁶. To broaden the brand's residential phone portfolio, the Group has developed new entry-level models, which began hitting the shelves in the major European countries in September.

Sales of commercial phones and smartphones also increased, driven primarily by higher orders from a customer and rising sales of Snom branded SIP phones, which benefited from the introduction of the D8 series. Sales of Gigaset multi-cell DECT systems were stable, while Gigaset smartphones registered growth. During the period, the Group concluded an agreement with an existing customer to move production of its IP (Internet Protocol) phones to the Gigaset facilities in Germany to bolster resilience in its supply chain. In the first six months of the financial year 2026, the Gigaset R700H protect PRO was named "Readers' Choice 2025 Product of the Year" in the IP Phones and Conference Solutions category by *connect professional* in Germany.

Sales of other telecommunication products in Europe held steady during the period. Higher sales of CAT-iq (Cordless Advanced Technology—internet and quality) handsets offset lower sales of baby monitors. The growth in CAT-iq handsets was driven by higher orders from a customer. Sales of baby monitors declined mainly because of lower sales in the UK market. During the first six months of the financial year 2026, the Group's baby monitors and soothers won numerous awards in the UK. They collectively received nine awards in the "MadeForMums Tech Awards 2025" and "Dadsnet Awards 2025".

⁶ GfK Retail and Technology UK Limited. Based on period April – September 2025

CMS revenue in Europe decreased by 25.5% to US\$179.2 million, mainly because of lower sales of hearables. The hearables customer faced keen competition and market demand has dropped substantially since the end of the COVID pandemic. Sales of medical and health products trended lower, as demand for hearing aids returned to normal after strong growth in the previous financial year, while that for hair removal products held steady. Home appliances sales were lower, driven by fewer orders for PCBA for washing machines. IoT products were affected by lower orders for smart meters and internet connected thermostats and air-conditioning controls. Sales of smart energy storage systems declined as orders reduced following the removal of subsidies by the Swedish government. By contrast, sales of communication products rose as orders for Wi-Fi routers increased following new product launches and a reduction in customer inventory. Orders for automotive products also increased as the Group captured additional EV (electric vehicle) charger business from a competitor. Sales of professional audio equipment, meanwhile, remained stable. During the period, VTech CMS won two customer awards in Europe in the professional audio equipment field, namely “Golden Slider 2025” and “25 Years Partnership Award 2025”.

Asia Pacific

Group revenue in Asia Pacific decreased by 5.6% to US\$150.4 million in the first six months of the financial year 2026. Declines were recorded for all three product lines. The region represented 15.2% of Group revenue.

Revenue from ELPs in Asia Pacific decreased by 5.6% to US\$33.4 million, with flat sales in Australia and lower revenue in China. In Australia, the launch of LeapMove and increased marketing efforts drove LeapFrog sales higher, which was balanced by a decline for VTech products. During the first nine months of the calendar year 2025, VTech maintained its position as the number one manufacturer of electronic learning toys from infancy through toddler and preschool in the country⁷. In China, sales decreased mainly due to a reduction in orders by a major customer. During the period, VTech received a “25th Anniversary Enterprise Award” in the “2025 CBME (Children Baby and Maternity Products Industry Expo) AWARDS”.

TEL products revenue in Asia Pacific decreased by 8.2% to US\$8.9 million. The decline was mainly attributable to the Australian market, where baby monitors saw lower sales. Sales in Japan were stable during the period.

⁷ Circana, LLC, Retail Tracking Service. Ranking based on total retail sales of VTech and LeapFrog products in the combined toy categories of Early Electronic Learning, Toddler Figures/Playsets & Accessories, Preschool Electronic Learning, Electronic Entertainment (excluding Tablets) and Walkers for the calendar year ended September 2025

CMS revenue in Asia Pacific fell by 5.4% to US\$108.1 million in the first six months of the financial year 2026. Higher sales of professional audio equipment were 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. Sales of medical and health products declined as the customer for diagnostic ultrasound systems lost market share. In communication products, sales of marine radios fell as the Japanese customer moved further production back in-house to take advantage of the weak currency. During the period, VTech CMS actively promoted its services to expand its customer base in China, leveraging the NPI (New Product Introduction) centre in Shenzhen to attract start-ups and other companies.

Other Regions

Group revenue in Other Regions, comprising Latin America, the Middle East and Africa, fell by 11.3% to US\$13.4 million in the first six months of the financial year 2026. Higher sales of ELPs were offset by lower sales of TEL products. Other Regions accounted for 1.3% of Group revenue.

ELPs revenue in Other Regions increased by 5.3% to US\$8.0 million, driven by higher sales in Latin America and Africa.

TEL products revenue in Other Regions declined by 28.0% to US\$5.4 million, with sales falling in Latin America, the Middle East and Africa.

CMS revenue in Other Regions was immaterial in the first six months of the financial year 2026.

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. This has led customers to act cautiously when placing orders. As a result, Group revenue for the full financial year 2026 is still forecast to decline. Sales in the second half, however, are anticipated to improve over the first half of the financial year 2026, driven by higher sales of ELPs and TEL products. Gross profit margin for the full financial year 2026 is expected to be largely stable year-on-year.

ELPs revenue is forecast to improve in the second half, although sales for the full financial year 2026 are anticipated to be lower year-on-year. The recovery will be driven by a rebound in the US and continued growth in Europe. The Group has already shipped its products for the upcoming holiday season to the US, ensuring that local inventory is well-stocked. A large array of new core learning products has arrived on US retail shelves since October, joining the exciting new platform products recently launched, namely LeapMove, LeapStart Reading Buddies and Explore & Write Deluxe Activity Desk. The extensive new line-up will be backed by a strong sales and marketing campaign to maximise sales potential. In Europe, the good momentum from the first half is expected to carry over to the second half, as robust marketing programmes are in place to support growth. The Group's vertically integrated operations should enable VTech to respond swiftly to market demand as opportunities arise. In Asia Pacific, sales are forecast to decline slightly for the full financial year. In China, sales are expected to improve in the second half as new products reach the shelves of major retailers. Those in Australia are projected to remain largely stable.

TEL products revenue is 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 the US. Sales of residential phones will benefit from the new Gigaset entry-level products now available in key European countries. Commercial phones and smartphones will see growth from several new launches. CrewPTT is a push-to-talk solution that will broaden Gigaset's multi-cell DECT system offering. The Gigaset Pro range will be expanded with Wi-Fi phones, offering a secure and reliable alternative for customers. Two new Gigaset smartphones are also being developed. One targets government bodies and institutions requiring enhanced security, while the other is designed for seniors and focuses on ease of use. Higher orders from the customer will also contribute to growth of commercial phones and smartphones. Sales of Snom branded SIP phones are expected to be largely stable. In other telecommunication products, the Group will strengthen its award-winning baby monitor range with AI (artificial intelligence) enabled models that will launch in the US in the final quarter of the financial year 2026.

CMS revenue is expected to decrease for the full financial year 2026. Global consumer sentiment is weak and the US tariff situation remains volatile, affecting business confidence. As a result, many major product categories will remain in a downward trend in the second half. Amid geopolitical tensions and US tariffs, demand for manufacturing sites outside China continues to grow. VTech CMS is therefore taking steps to expand its manufacturing capacity in Malaysia. A new building will be added to the existing site in Muar, for completion in the middle of the calendar year 2027. As an additional avenue of growth, the Group is exploring new ODM (Original Design Manufacturing) business opportunities.

“VTech is taking further steps to diversify globally and maintain competitiveness as the world continues to grapple with the geo-political stresses that are affecting trade. We have a strong balance sheet, respected brands and a proven track-record of innovation and operational excellence. These strengths will help us navigate the challenges of the current environment and capitalise on opportunities for sustainable growth,” said Mr. Wong.

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About VTech

VTech is the global leader in electronic learning products from infancy through toddler and preschool and the world’s largest supplier of residential phones. It also provides highly sought-after contract manufacturing services. Its culture of integrity, accountability and innovation guides the company towards a sustainable future.

Established in 1976, VTech has been the pioneer in the electronic learning toy category and its products incorporate advanced educational expertise and cutting-edge innovation. The Group’s telecommunication products elevate home and business users’ experience through the latest in technology and design. As a leading electronic manufacturing service provider, VTech offers full turnkey services in facilities that are moving towards Industry 4.0 manufacturing.

With a global workforce of over 20,000 employees in 19 countries and regions, VTech maintains R&D centres, manufacturing operations and sales subsidiaries across the Americas, Europe and Asia. Its products are sold in over 90 countries and regions, through partnerships with leading retailers, prominent e-commerce companies and distributors worldwide.

Shares of VTech Holdings Limited are listed on The Stock Exchange of Hong Kong Limited (HKSE: 303).

Note: Starting from 22:00, 13 November 2025 (HKT), the webcast of the results announcement can be accessed through VTech website via this link:

www.vtech.com/en/investors/results-reports/.

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