VTech Holdings Ltd
Incorporated in Bermuda with Limited Liability

FOR IMMEDIATE RELEASE

VTech Announces 2026/2027 Interim Results
Higher revenue on rebound for ELPs and CMS

- Group revenue increased 5.6% to US$1,046.9 million
- Gross profit margin declined from 31.9% to 30.1% on higher costs
- Profit attributable to shareholders of the Company decreased 12.9% to US$65.1 million
- Unchanged interim dividend of US17.0 cents per ordinary share
- Strong financial position with net cash and no bank borrowing
- Positive sales momentum

Hong Kong, 12 November 2026 – VTech Holdings Limited (HKSE: 303) today announced its results for the six months ended 30 September 2026.

"VTech reported higher revenue in the first half of the financial year 2027. The stabilisation of US tariff policy and good sell-through of new products led to a rebound in sales of electronic learning products, while restocking by customers resulted in more orders for contract manufacturing services. These offset a decrease for telecommunication products. Europe and Asia Pacific reported growth, which compensated for declines in North America and Other Regions. Profit attributable to shareholders of the Company declined, however, as costs rose," said Mr. Allan Wong, Chairman and Group CEO of VTech Holdings Limited.

Results and Dividend

Group revenue for the six months ended 30 September 2026 rose by 5.6% to US$1,046.9 million, from US$991.1 million in the corresponding period last year. Higher sales in Europe and Asia Pacific offset lower sales in North America and Other Regions.

Profit attributable to shareholders of the Company decreased by 12.9% to US$65.1 million. The decrease in profit was attributable to a decline in the Group's gross profit, as there was an increase in cost of sales. Cost of materials, direct labour costs,

manufacturing overheads and freight charges rose during the period. Higher Group effective tax rate also contributed to the lower profit. These factors offset the positive impact of lower tariffs imposed on the Group's US-bound products.

Basic earnings per share decreased by 12.9% to US25.7 cents, compared to US29.5 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 2026.

Costs

The Group's gross profit margin in the first six months of the financial year 2027 was 30.1%, against 31.9% in the same period of the previous financial year. Rising materials prices pushed cost of materials higher. Strong demand from the AI (artificial intelligence) industry resulted in shortages and significantly higher prices for many electronic components. The continuing conflict in the Middle East has led to higher prices for oil and many commodities. This in turn has translated into higher prices for plastics and other components, as well as a rise in freight charges. Appreciation of the Renminbi, meanwhile, contributed to higher direct labour costs and manufacturing overheads. These cost increases offset the positive impact of lower tariffs on US-bound products.

Segment Results

North America

Group revenue in North America decreased by 6.1% to US$374.1 million in the first six months of the financial year 2027. Higher sales of electronic learning products (ELPs) were insufficient to offset declines for telecommunication (TEL) products and contract manufacturing services (CMS). North America was VTech's second largest market, accounting for 35.7% of Group revenue.

ELPs revenue in this region rose by 10.4% to US$184.3 million, with growth in both the US and Canada. Standalone and platform products reported sales increases. This was driven by the stabilisation of US tariff policy and good sell-through of new products.

In the corresponding period of the financial year 2026, VTech temporarily halted its US shipments for several weeks owing to the substantial tariff increases on Chinese imports, while US retailers delayed their store sets for the Autumn season. As the tariff policy has stabilised, shipments have returned to normal, with store sets and promotional plans for the upcoming holiday seasons proceeding on time. As a result, sales in the US have rebounded. Good sell-through of new products also contributed to the rising sales, in both the US and Canada. During the first nine months of the calendar year 2026, the Group gained market share in Canada where it remains the number one manufacturer of infant, toddler and preschool toys[1]. In the US, VTech retained its leadership in electronic learning toys from infancy through toddler to preschool[2].

Standalone products saw sales increase in the infant, toddler and preschool categories. A number of new products have achieved especially good sell-through. This is notably the case for *Toy Story 5* and *Bluey* licensed products, the new VTech Kitten Quest™ handheld device that offers virtual pet adventure games (called Kitty Life™ in certain markets), as well as the latest addition to the popular Kidi Star™ musical toy line, Kidi Star Rockstar Guitar™ (called Kidi Guitar Superstar in certain markets).

Growth in platform products was mainly driven by higher sales of LeapMove™ and the interactive reading system. At LeapFrog, sales of LeapMove increased as it gained broader retailer support in the second year since its launch. An expanded software library including new licensed games and a new two-player module have added to the product's attraction. Sales of the interactive reading system trended higher, driven by growth of the LeapStart® interactive reading system. Magic Adventures® Globe, in contrast, saw a decline. Sales of VTech branded platform products were down due to declines for KidiZoom® Smartwatch, while sales of Touch & Learn Activity Desk™ were flat. Subscriptions to LeapFrog Academy™ remained stable.

Once again, the VTech and LeapFrog brands won prestigious awards from magazines, retailers and toy industry experts during the six months under review. In the US, Kidi Star Rockstar Guitar made both Walmart's "2026 Top Toys List" and Target's "2026 Bullseye's Top Toys List". VTech's Kidi Star DJ Mixer™ Pro and LeapFrog's LeapMove, Scoop & Learn Ice Cream Parlor™ and My Best Pal Scout™ were named TOTY (Toy of the Year) finalists in the respective categories by The Toy Foundation. In Canada, Kidi Star Rockstar Guitar and Count On Me Self-Checkout™ were both included in Walmart Canada's "2026

[1] Circana, LLC, Retail Tracking Service, January – September 2026
[2] 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 2026

Top Toys List". Four VTech and two LeapFrog ELPs were also named in the "2026 Good Housekeeping Best Toy Awards" in the US.

TEL products revenue in North America fell by 21.5% to US$66.6 million. This was attributable to lower sales of residential phones, commercial phones and other telecommunication products.

In residential phones, sales were lower as the market continued to contract. Despite this, the Group introduced several new products, including the AT&T branded BL108, DL72X79 and EL1121 models. In the first six months of the financial year 2027, VTech remained the number one cordless phone brand in the US market[3].

Sales of commercial phones also decreased, as higher sales of SIP (Session Initiation Protocol) phones and hotel phones were insufficient to offset declines in headsets and multi-line analogue phones. SIP phones reported growth during the period, led by a good performance of the Snom D8 series of desktop phones. Sales of hotel phones also grew, owing to higher orders received during the period. In contrast, headsets recorded a sales decline during the period due to lower orders from an ODM (Original Design Manufacturing) customer, while multi-line analogue phones reached the end of their product life cycle.

Other telecommunication products also experienced a sales decline as the Group's baby monitors faced keen competition in the lower-end market segment, while in the higher-end segment a new product launch was delayed. During the first six months of the financial year 2027, VTech maintained its position as the number one baby monitor brand in the US[4] and Canada[5]. In April 2026, VTech baby monitors were named as "9 out of 10 Customer Recommended" products in the "Women's Choice Award 2026" in the US. In addition, VTech brand was recognised as the most trusted baby monitor brand in the "BrandSpark Most Trusted Awards 2026".

CMS revenue in North America declined by 15.9% to US$123.2 million, mainly due to lower sales of professional audio equipment, industrial products and IoT (Internet-of-Things) products.

[3] Circana, LLC, Retail Tracking Service, US, Cordless Phone, Dollars and Units, April – September 2026
[4] Circana, LLC, Retail Tracking Service, US, Baby Monitors, Units, April – September 2026
[5] Circana, LLC, Retail Tracking Service, CA, Baby Monitors, Dollars and Units, April – September 2026

In professional audio equipment, sales of professional loudspeakers declined as a key customer experienced excess inventory of a major product. Industrial products were adversely affected by component shortages, which constrained orders for PCBA (printed circuit board assembly) for vending machines. Sales of IoT products also decreased as the Group's customer delayed a new product launch, resulting in lower orders for smart basketball hoop game consoles. These declines more than offset modest growth in solid-state lighting and communication products.

During the six months under review, VTech's manufacturing facility in Tecate, Mexico continued to attract new orders, providing a solid foundation for its future expansion.

Europe

Group revenue in Europe rose by 15.4% to US$495.1 million in the first six months of the financial year 2027, as all product lines reported growth. Europe remained VTech's largest market, accounting for 47.3% of Group revenue.

ELPs revenue in Europe rose by 1.6% to US$146.9 million. Standalone products saw sales increase, while platform products recorded a decline. Growth in standalone products was driven by new product launches. Sales increased in the UK, Spain and the Netherlands, offsetting declines in France and Germany. In the first nine months of the calendar year 2026, VTech remained the number one infant and toddler toys manufacturer in France, the UK, Germany, Spain, the Netherlands and Belgium[6].

Standalone products saw VTech sales move higher, driven by infant, toddler and preschool products, the Kidi line, Marble Rush and the eco-friendly toys. Kitty Life, Kidi Guitar Superstar and the core learning products featuring popular children's characters such as *Toy Story 5* and *Bluey* sold particularly well. This offset declines in electronic learning aids, KidiZoom cameras and Switch & Go Dinos®. LeapFrog sales experienced a decline, as infant, toddler and preschool products, the Magic Adventures line and eco-friendly toys recorded sales decreases.

In platform products, sales decreased as higher sales of LeapFrog products were insufficient to offset lower sales of the VTech brand. The growth at LeapFrog came from rising sales of LeapMove and the Magic Adventures Globe. Sales of the interactive reading systems, by contrast, recorded a decline. For VTech, sales of KidiZoom Smartwatch, children's educational tablets and KidiCom® all saw declines, while sales of Touch & Learn Activity Desk were stable.

[6] Circana, LLC, Retail Tracking Service, January – September 2026

During the first six months of the financial year 2027, the Group gained recognition in the "Grand Prix du Jouet 2026" awards given by France's *La Revue du Jouet* magazine for Kitty Life and Kidi Guitar Superstar. In Spain, Kidi Guitar Superstar, LeapMove and VTech's Up & Down Activity Town™ were named "Best Toy of the Year 2026" in the respective categories by the Spanish Association of Toy Manufacturers. The Dutch Toy Association also honoured Kidi Guitar Superstar as its "Toy of the Year" in the Electronics category, and there was a "Toy of the Year 2026" award in the Early Learning Toys category from the Belgian Toy Federation for VTech's *Super caisse enregistreuse Magic'scan* (called Count On Me Self-Checkout in the North American market).

Revenue from TEL products in Europe increased by 6.7% to US$112.2 million in the first six months of the financial year 2027, as higher sales of commercial phones and smartphones, as well as other telecommunication products offset lower sales of residential phones.

The growth in commercial phones and smartphones was attributable to increased sales to major customers, rising sales of smartphones and hotel phones, as well as new product launches. Higher sales of commercial phones were driven by the major customers' continued transfer of their IP (Internet Protocol) phone and headset production to Gigaset's facilities in Germany. Gigaset's DECT (Digital Enhanced Cordless Telecommunications) systems also saw sales growth, driven by higher sales of both single-cell and multi-cell products. Increasing sales of Gigaset's new smartphones for seniors, as well as the launch of the GX30 and GX50 5G models, contributed to growth in smartphones. Hotel phones benefited from broadening of the distribution network, as the Group signed up more distributors. During the period, Snom branded SIP phones were strengthened by the expansion of the D8 series, with the launch of the new D895M model featuring a cordless DECT receiver, a high-resolution 8-inch touch colour display and built-in Wi-Fi for wireless network connectivity.

Growth in other telecommunication products was driven by higher sales of baby monitors as sales in the UK, Germany, France and Italy increased, which offset a decline in CAT-iq (Cordless Advanced Technology—internet and quality) handsets due to lower orders from ODM customers. During the period under review, the Group's baby monitors and baby care products won five "Gold Awards" in the "Dadsnet Awards 2026". The VTech RM7567HD Baby Monitor was named Best Baby Monitor in the Nursery category while the LeapFrog LF5817HD Baby Monitor was Innovation of the Year in the Special Awards category.

In residential phones, sales decreased as the market continued to contract and the growth in the entry-level products was insufficient to offset lower sales of higher-end models. During the period under review, Gigaset increased market share and maintained its number one position in the DECT phone market in Europe[7].

CMS revenue in Europe increased by 31.7% to US$236.0 million, driven by 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 remained stable.

In professional audio equipment, growth was driven by the addition of a new customer and increased orders for audio mixers, as an existing customer expanded its sales in China. Hearables sales rose on customer restocking and new product launches. Medical and health products also recorded growth, with higher sales of hearing aids following increased marketing activities by the customer, while orders for hair removal products rose as the customer increased sales to a major brand.

Communication products benefited from higher orders for Wi-Fi routers as the customer replenished inventory and the Group won additional business from competitors. Sales of smart energy storage systems also increased as the customer expanded into new markets.

In contrast, IoT products declined as component shortages affected orders for internet-connected thermostats and air-conditioning controls, while sales of smart meters remained stable. Automotive products recorded lower sales, mainly due to reduced orders for EV (electric vehicle) chargers amid intensifying competition from suppliers in China. Sales of home appliances, comprising PCBA for washing machines, were stable.

During the period under review, VTech CMS received the “RMM (Risk Mitigation of Manufacturing) Excellence Award 2026” from a hearables customer in recognition of its efforts in successfully facilitating the transfer of production to the Group's facilities in Muar, Malaysia.

[7] GfK Retail and Technology UK Limited. Based on period April – September 2026

Asia Pacific

Group revenue in Asia Pacific grew by 9.9% to US$165.3 million in the first six months of the financial year 2027. Increases were recorded for all three product lines. The region represented 15.8% of Group revenue.

Revenue from ELPs in Asia Pacific increased by 21.0% to US$40.4 million, led by growth in Australia and China. Australia saw good sell-through of core learning products, while new product launches and broader retailer support for LeapMove further supported growth. Among the new products, Kitty Life and Kidi Star Rockstar Guitar sold especially well. In the first nine months of the calendar year 2026, VTech maintained its position as the number one manufacturer of electronic learning toys from infancy through toddler to preschool in the country[8]. In China, growth was driven by stronger sales across both online and offline channels, with the latter boosted primarily by a key retailer. Performance was further supported by good sell-through of Kitty Life, as well as the new *Anpanman* and *Peppa Pig* licensed products. During the period, the Group's ELPs gained a "2026 Environmental Sustainability Award" in the Hi Awards in China, while Anpanman Build-a-Slice Pizza Cart made the "Brain Health and Development Star Product List" in "2026 CBME (Children Baby and Maternity Products Industry Expo) Awards".

TEL products revenue in Asia Pacific rose by 10.1% to US$9.8 million, with higher sales in Australia and Hong Kong. In Australia, the Group launched its V-Care Premium AI enabled baby monitors during the period, which have been well-received by consumers.

CMS revenue in Asia Pacific grew by 6.5% to US$115.1 million. Higher sales of professional audio equipment more than offset a decline in communication products, while sales of medical and health products remained stable.

Growth in professional audio equipment was led by DJ equipment and wireless transmission receiver systems. Communication products declined due to lower orders for marine radios, as a Japanese customer continued to shift production back in-house to benefit from the weaker Japanese yen.

In August 2026, CMS opened a new Robotics Innovation Lab in Shenzhen, China, to support customers, technology partners and VTech's R&D (research and development) teams in developing manufacturing know-how for robotics-related products. During the

[8] 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 2026

period, the Group also upgraded its metal factory to meet rising demand from global customers for high-precision metal components.

Other Regions

Group revenue in Other Regions, comprising Latin America, the Middle East and Africa, decreased by 7.5% to US$12.4 million in the first six months of the financial year 2027. Sales of both ELPs and TEL products were lower. Other Regions accounted for 1.2% of Group revenue.

ELPs revenue in Other Regions decreased by 11.3% to US$7.1 million. Growth in the Middle East was insufficient to compensate for declines in Latin America and Africa.

TEL products revenue in Other Regions fell by 1.9% to US$5.3 million. Sales decreased in Latin America and Africa, offsetting growth in the Middle East.

CMS revenue in Other Regions was immaterial in the first six months of the financial year 2027.

Outlook

The Group is on track to achieve revenue growth for the full financial year 2027. This view is supported by the more stable US tariff situation, good momentum for the Group's ELPs and continued signs of improving demand from CMS customers. These positive factors will be augmented by a sales pick-up for TEL products in the second half, when a pipeline of new products is shipped and rolled out globally.

Gross profit margin, however, is forecast to decline year-on-year as cost of materials and freight charges are expected to remain high for the duration of the financial year. The factors behind this remain unchanged. Strong demand for components from the AI industry, coupled with the ongoing Middle East conflict, continues to drive up prices for electronic components, oil, plastics and other commodities. With the Renminbi forecast to remain strong against the US dollar, direct labour costs and manufacturing overheads are also anticipated to rise year-on-year.

ELPs are expected to post higher revenue for the full financial year 2027, as the positive momentum in North America and Asia Pacific carries through into the second half, with revenue in Europe forecast to be broadly stable. Sales of standalone products are

expected to be boosted by the strengthened portfolio of licensed products, including characters such as *Toy Story 5*, *Bluey*, *Paw Patrol* and *Spidey and his Amazing Friends*. Core learning products, Kitten Quest and the Kidi Star line are also forecast to continue their good performance. Platform products will be supported by sustained growth in LeapMove sales, as it secures broader retailer support globally and continues to gain momentum with its new two-player module and expanded software library.

TEL products revenue is now forecast to be stable for the full financial year 2027. Weaker-than-expected residential phone markets in both the US and Europe, alongside delayed new product launches in the first half, have negatively impacted full-year performance. Nonetheless, sales are expected to recover in the second half as the new products reach the shelves.

In residential phones, a new range of LTE (Long Term Evolution) home devices, bringing the convenience of a home phone to consumers without the need for a landline, will be introduced in the US market in the final quarter of the financial year 2027. For commercial phones, CrewPTT, a new push-to-talk solution that will broaden Gigaset's multi-cell DECT system offering, is being shipped across Europe from November this year. This will be joined by new Wi-Fi phones and Gigaset branded headsets that will begin shipping in the first quarter of the calendar year 2027. In smartphones, the GX30 and GX50 models are gaining traction, while the category will benefit from the launch of a new smartphone for children. This is currently under development and scheduled to be launched in the fourth quarter of the financial year 2027. Other telecommunication products will see the global roll out of V-Care Premium from November this year, the AI enabled baby monitor that hit the shelves in Australia in the first half of the financial year 2027.

CMS revenue is forecast to grow for the full financial year 2027, despite the continuing challenge of material shortages. Customers are restocking inventory and launching new products, while the Group is 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 the US market, the Group is expanding its production capacity. The new building in Muar, Malaysia is on track for completion in mid-2027, while capacity at the Tecate, Mexico facility is expected to double by the end of the financial year 2027.

"VTech possesses considerable competitive strengths that position us to thrive in an increasingly dynamic global landscape. Our trusted brands, underpinned by relentless product innovation, continue to drive market share gains and geographic expansion. This momentum is further reinforced by operational excellence and a strategically diversified global manufacturing footprint. Along with a robust balance sheet, VTech stands ready to capitalise on emerging growth opportunities as industry consolidation accelerates amid geopolitical uncertainty and elevated interest rates," 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 approximately 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 100 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, 12 November 2026 (HKT), the webcast of the results announcement can be accessed through VTech website via this link https://www.vtech.com/en/investors/results-reports/.

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