

Accelerating our *Journey to Excellence*

Micro-Mechanics (Holdings) Ltd
2QFY2025 and 1HFY2025 financial results
presentation
25 January 2025

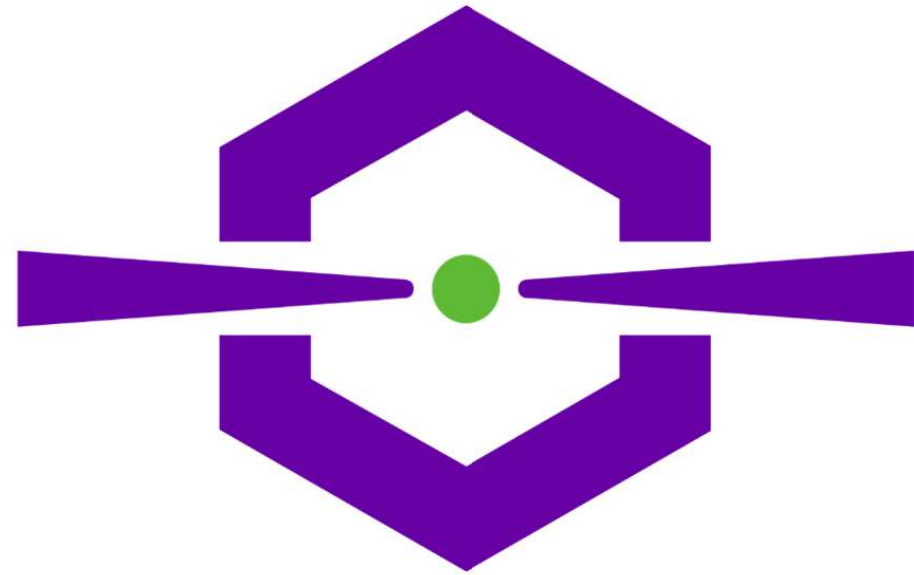
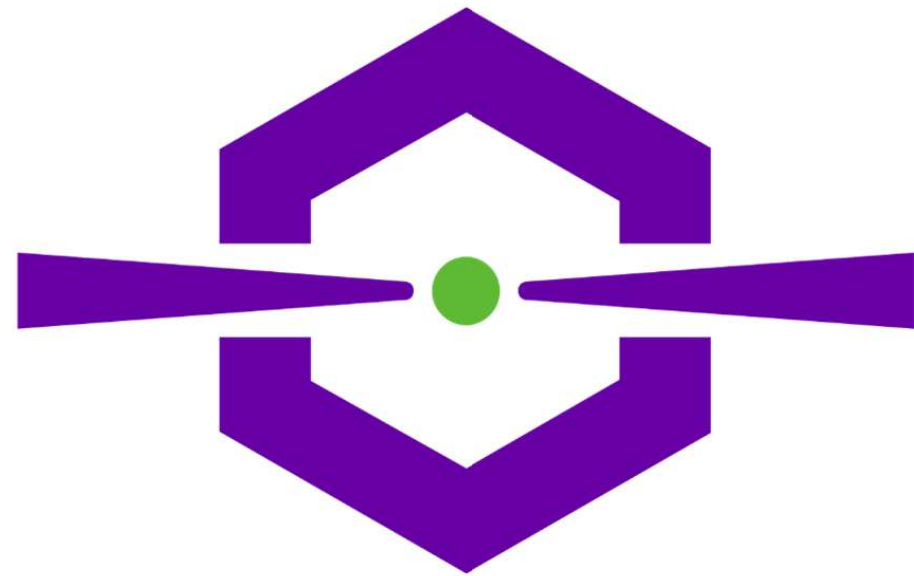


Table of Contents

03 – Operational update

08 – Financial highlights

18 – Outlook & summary





Operational update

Operational update

Progressing on our key focus areas from FY2024



Achieved positive momentum from MMUS¹ restructuring

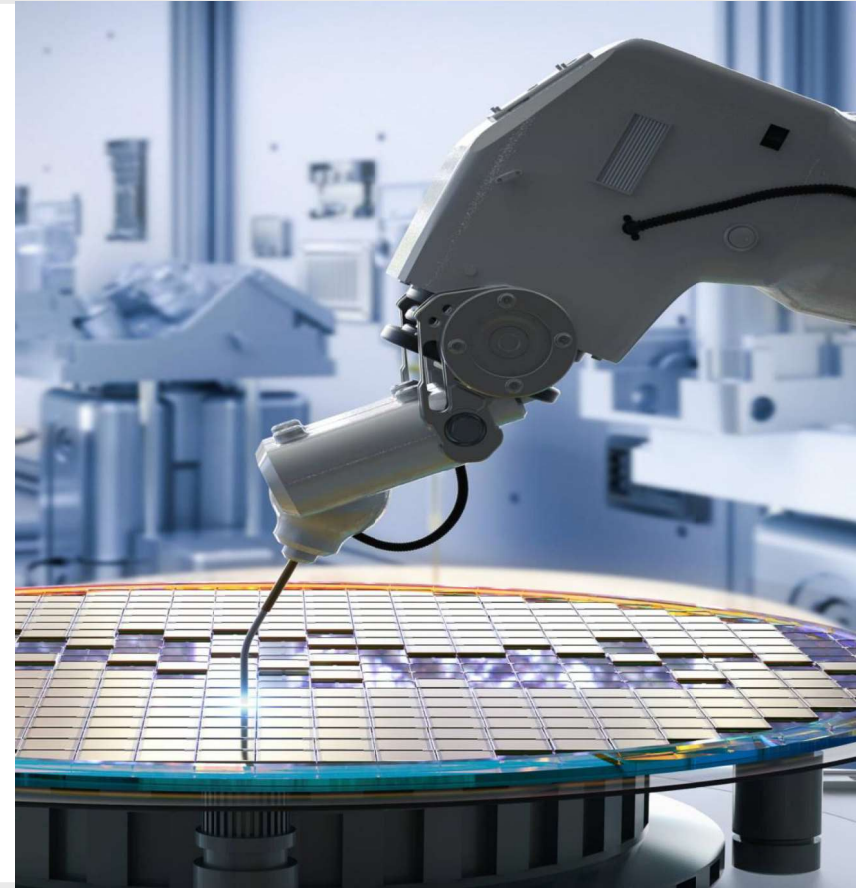
- Uplift in core operating performance at MMUS with second consecutive quarter of profitability



Progressed 'Five-Star Factory' initiative for sustainable success

- Continuing to improve efficiency of both operations and people to accelerate excellence across the Group

¹ USA subsidiary of Micro-Mechanics



Areas of focus for FY2025

Advancing the 'Five-Star Factory' initiative for sustainable success

High-Performance Teams



Talent with the right skills in the right positions, upskilling our workforce through training programmes, and aligning incentive systems with measurements of performance

- All the Group's subsidiaries have completed their training programmes for 1HFY2025.

Fast, Effective Local Support to Global Customers



Strengthening the Group's decentralised structure, improving ability to promptly respond to customers' and industry's evolving and high-value needs

- In 1HFY2025, the Group observed increased demand for local customers within its consumable tools segment amid global supply chain uncertainties arising from US-China trade restrictions.

Workplace Efficiency & Safety



Implementing "8S" practices by all personnel resulting in organised, productive, clean, safe and environmentally responsible operations

- As of 1HFY2025, all of the Group's facilities are on track to achieving their internal "8S" targets.

Operational Excellence



Leveraging lean engineering and management principles, data and automation to develop fast, flawless and cost-effective manufacturing

- The Group has minimised inventory overstocking with inventory at S\$3.7 million as of 31 December 2024 (30 June 2024: S\$3.9 million), representing 5.6% of annualised sales (30 June 2024: 6.7%).
- In addition, inventory written off in 2QFY2025 totaled S\$13k, as compared to S\$33k in 2QFY2024.

Innovation Excellence



Creating a culture that promotes fresh thinking and ingenuity, driving product and process innovations, new manufacturing capability and the adoption of new technologies and methodologies

- The Group has started working on a road map for the next generation of equipment and machines to enhance productivity and add new manufacturing capability.
- The Group's R&D team completed the development of a moldable elastomer compatible with vision-based advanced packaging equipment.

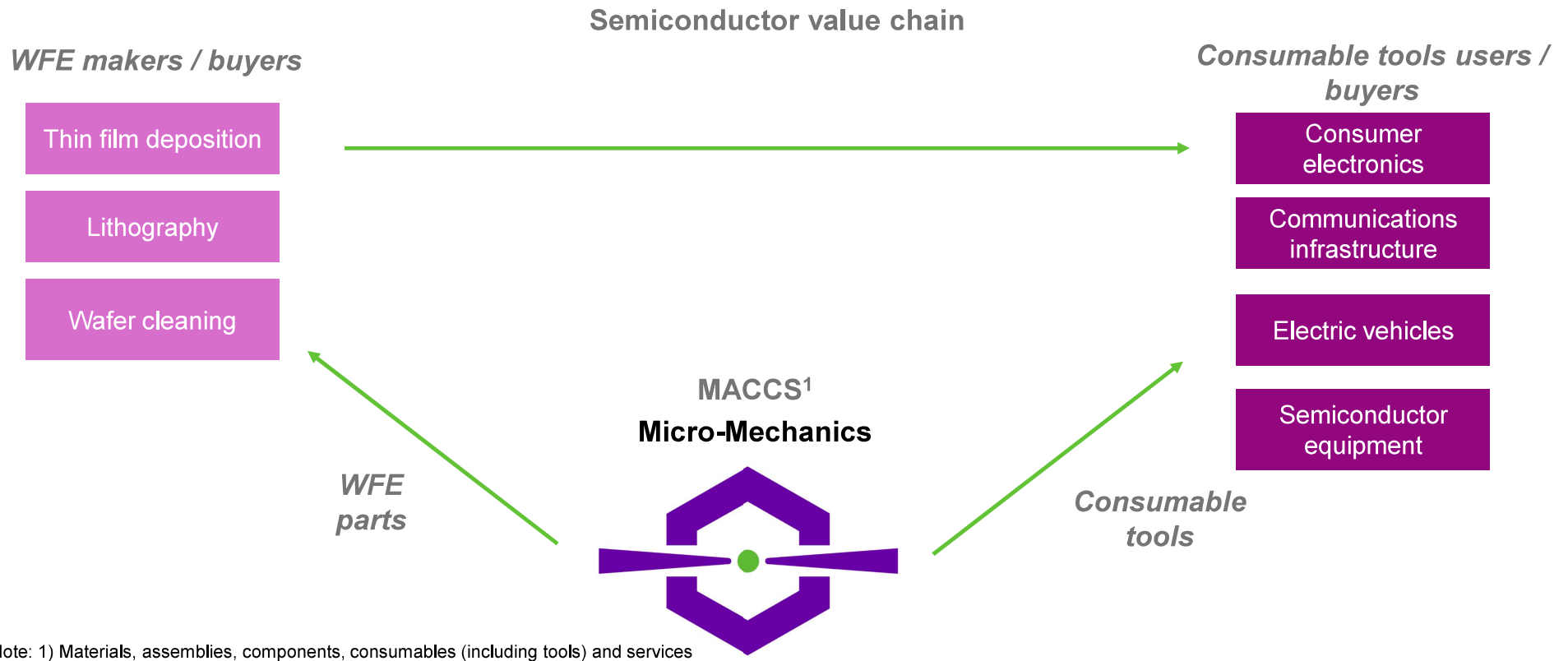
Our factories

Aiming to become leading Next Generation Supplier of high precision tools and parts



Diversified customer base across semiconductor value chain

Supplying next-generation process critical parts to over 600 customers globally



A wide-angle photograph of a modern industrial building with a large, flat roof covered in solar panels. The building has a white facade with large glass windows and a central entrance. The sky is clear and blue. The text "Financial highlights" is overlaid in purple, and the "MICRO-MECHANICS" logo is visible above it.

Financial highlights

Micro-Mechanics' plant in California, USA (MMUS)

1HFY2025 highlights

Continued positive momentum in sales recovery

Group revenue

S\$32.5m

+10.8% yoy

EBITDA & EBITDA margin

S\$11.2m

+17.2% yoy

34.4%

+1.9 ppt yoy

ROE & net profit

21.3%¹

S\$6.0m

+46.6% yoy

Cash and bank balances

S\$20.2m

S\$16.6m
30 Jun 2024

Net cash with no borrowings

CAPEX (consolidated)

S\$778k

2.4%
of 1HFY2025 sales

Net cash from operations

S\$9.6m

S\$7.0m
1HFY2024

¹ Return on equity on trailing 12 months NPAT.

Increased revenue across business segments

Orders rebounding in tandem with improved product mix

Group revenue (S\$m)



2QFY2025

S\$16.3m

+20.7% yoy (2QFY2024: S\$13.5m)
+0.3% qoq (1QFY2025: S\$16.2m)

- Rebound in orders particularly in WFE segment, with sales up by 66.6% yoy and 1.9% qoq

1HFY2025

S\$32.5m

+10.8% yoy (1HFY2024: S\$29.4m)

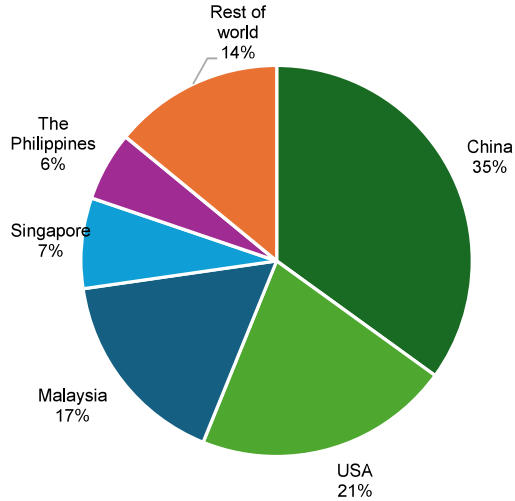
- Rebound in orders particularly in WFE segment, with sales increasing by 30.4% yoy
- Customers at both front and back-end of semiconductor value chain, with consumable tools making up 78.2% of Group revenue (1HFY2024: 81.5%), as a result of increased product mix from WFE parts sales

Notes: Due to rounding, some totals in numbers (in this and the following slides) may not correspond with the sum/subtraction of separate figures.

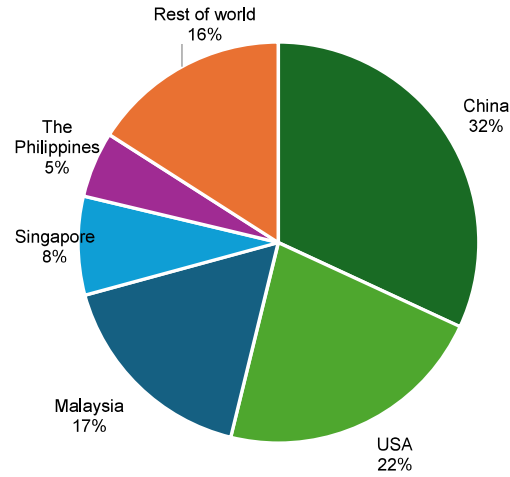
Geographical diversification of revenue

Group's decentralised structure supports resilience across markets

1HFY2024



1HFY2025



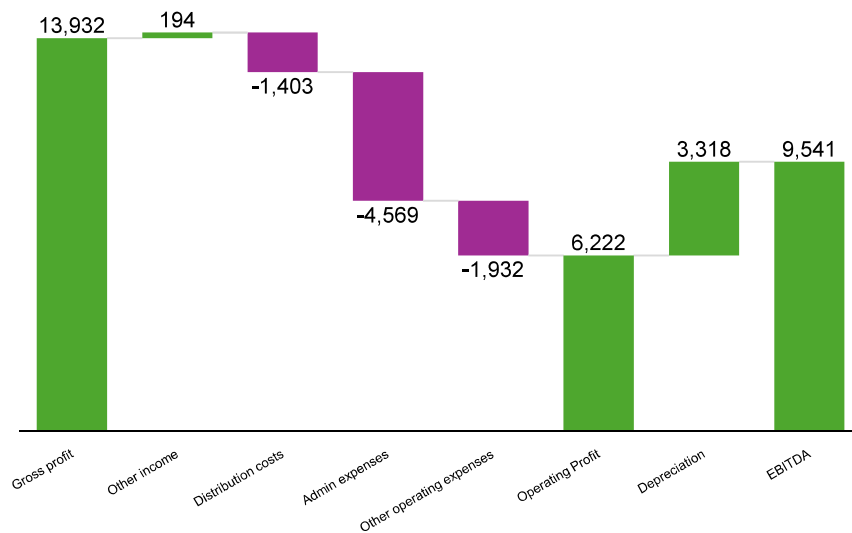
Revenue from top four markets

	2QFY2024 S\$m	2QFY2025 S\$m	% change	1HFY2024 S\$m	1HFY2025 S\$m	% change
China	4.9	5.3	8.0%	10.3	10.4	1.3%
USA	2.5	3.5	40.2%	6.2	7.3	17.4%
Malaysia	2.3	2.7	19.5%	4.9	5.5	12.2%
Singapore	1.1	1.3	23.5%	2.2	2.7	21.5%

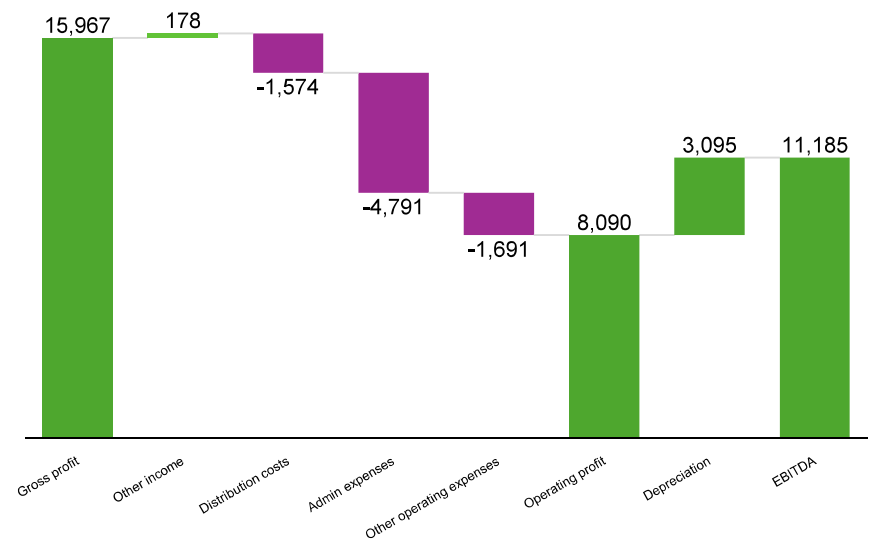
Uplift in gross profit and EBITDA

Greater cost efficiencies with improved operating leverage

1HFY2024 (S\$, '000)



1HFY2025 (S\$, '000)



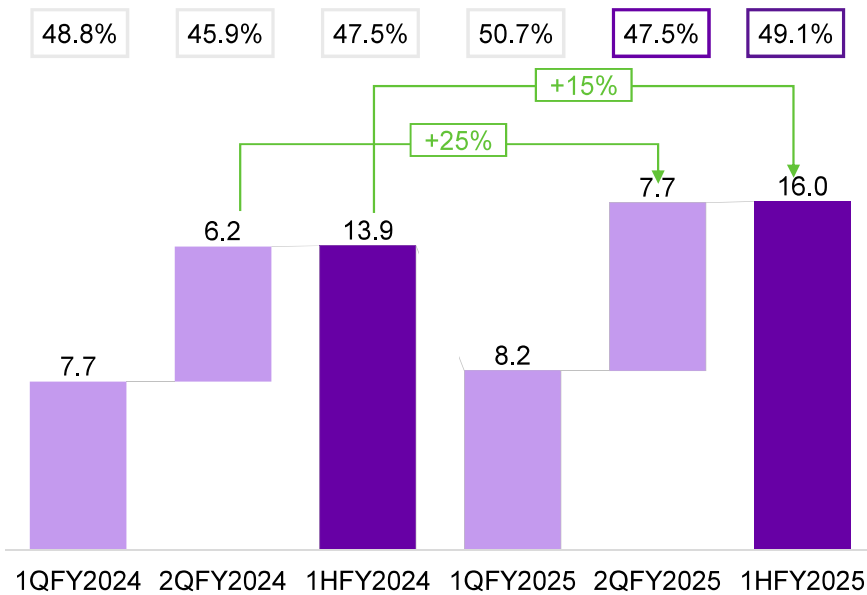
- **Decrease in other operating expense by 12.5%**
- Increase in distribution costs by 12.2% attributable to higher commissions resulting from the rise in sales in certain regions
- With **cost reduction measures**, MMH has managed to achieve higher EBITDA margin

Resilient gross profit margin

Supported by improved operating leverage and cost reduction measures

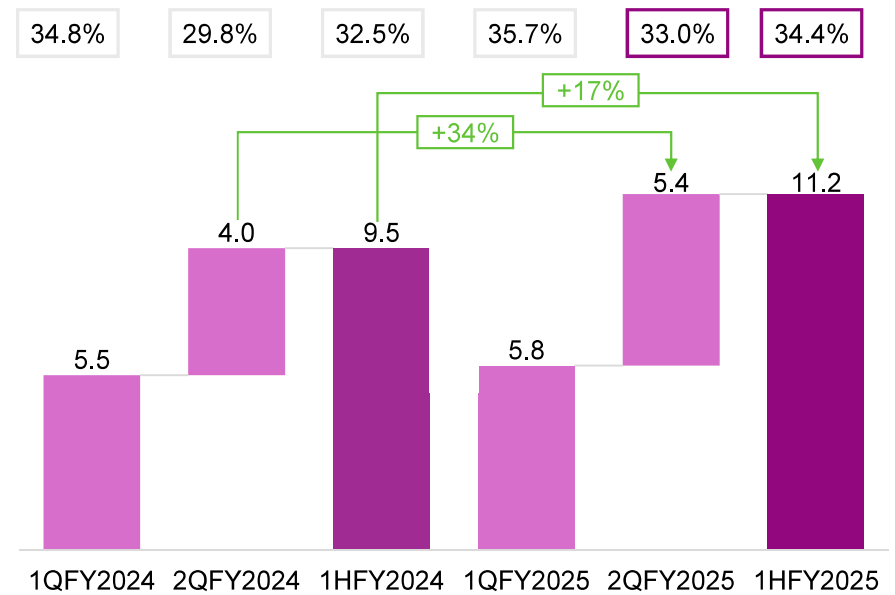
GP & GP margin (S\$m)

Margin



EBITDA & EBITDA margin (S\$m)

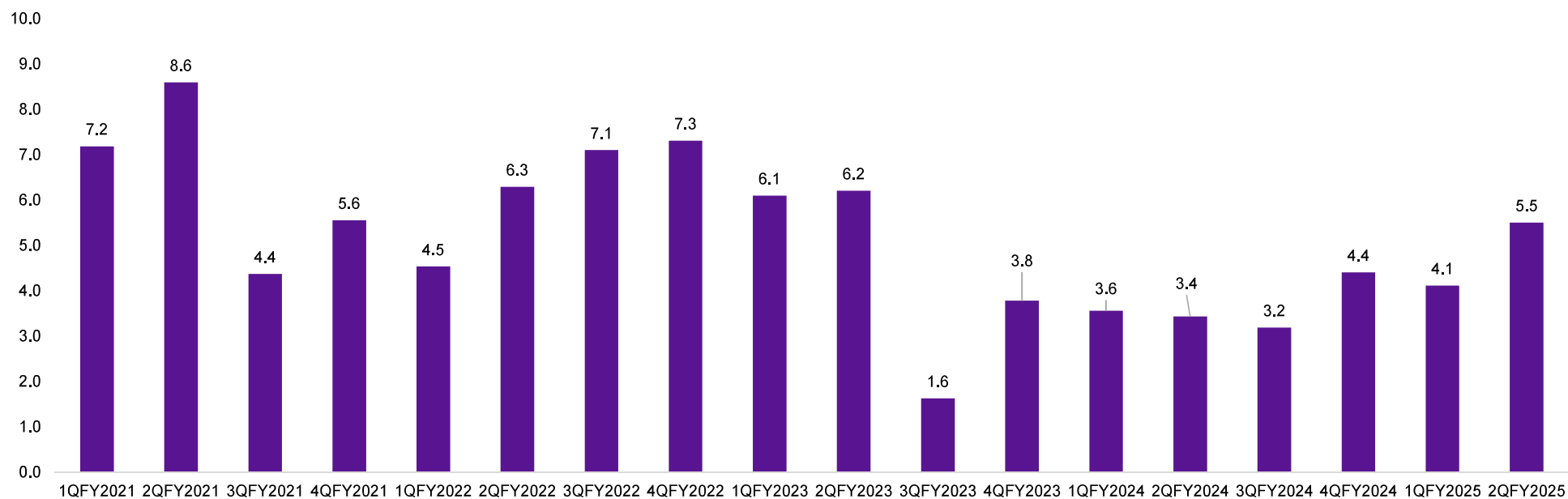
Margin



Sustained generation of positive operating cash flow

Testament to the robust and healthy working capital cycles

Operating cash flow (S\$m)



Resilient financial position

Anchored by disciplined cost and capital management

		As of 2QFY2024	As of 2QFY2025
Cash	Cash and bank balances	S\$15.0M	S\$20.2M
Gearing	Total borrowings	NIL	NIL
Trade receivables	Trade Receivables	S\$10.0M	S\$10.9M
	(Outstanding > 90days) / (Total trade receivables)	S\$2.5K	S\$3.9K
	Bad debt expenses	S\$2.1K	NIL
Inventory	Inventory	S\$4.2M	S\$3.7M
	Inventory / Sales	7.1%	5.6%
	Inventory write-off	S\$33K	S\$13K
Net asset value	NAV per ordinary share (cents)	33.01	34.76
Equity	Shareholders' equity	S\$45.9M	S\$48.3M

Commitment to long-term total shareholder returns (TSR)

Listing to date TSR of >3,000%¹ reflects Group's sustainable and long-term growth trajectory



Interim dividend 1HFY2025

3.0 cents



Dividend payout ratio²

69.2%



Cumulative dividend per share

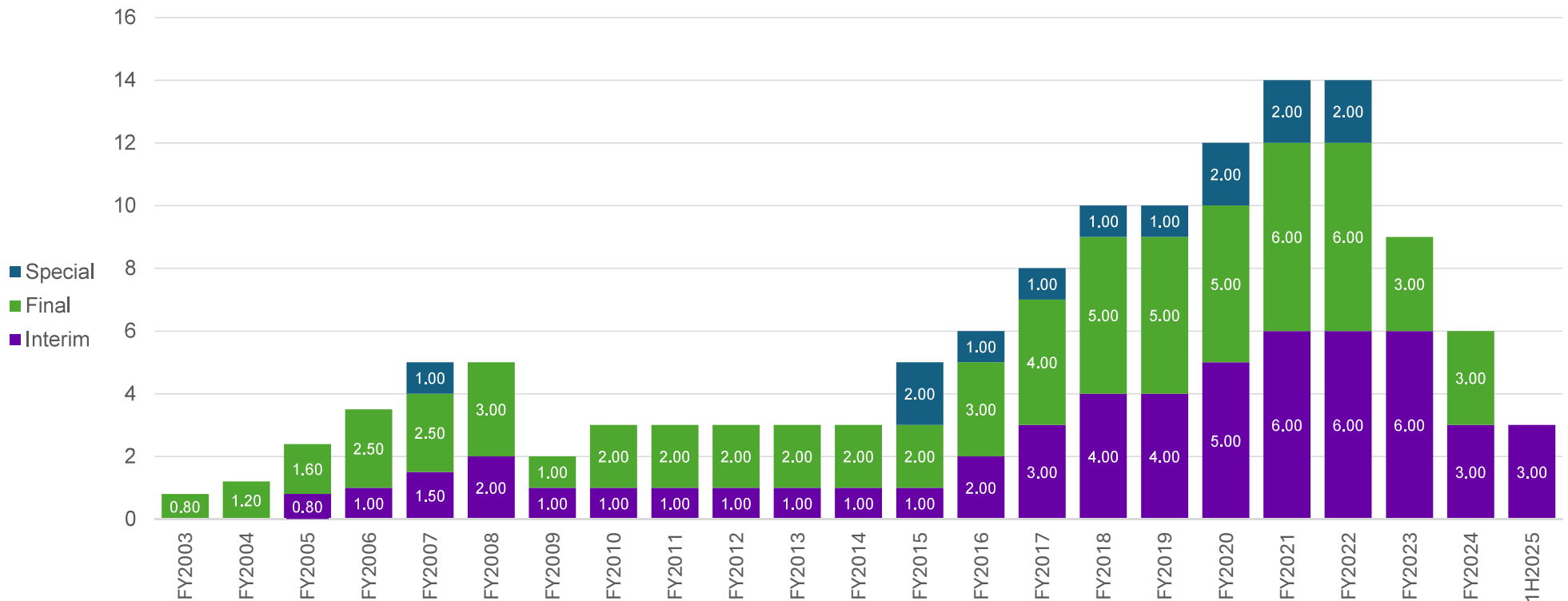
131.9 cents since listing

Notes: 1) Bloomberg; for the period 24 June 2003 (IPO) till 31 Dec 2024; which represents the additional number of shares purchased in the period for each share at the beginning of the period, assuming dividends are reinvested through buying more of the security. STI returned 338% while FTSE ST All Share Index returned 385% during the same period. 2) Dividend payout ratio for 1HFY2025.

Cumulative dividends represent >700% shareholder returns

Total dividend payout of 131.9 cents per share since listing

Total dividend per share (cents)



美科精微机械(苏州)有限公司

8A

Outlook & summary

 MICRO-MECHANICS

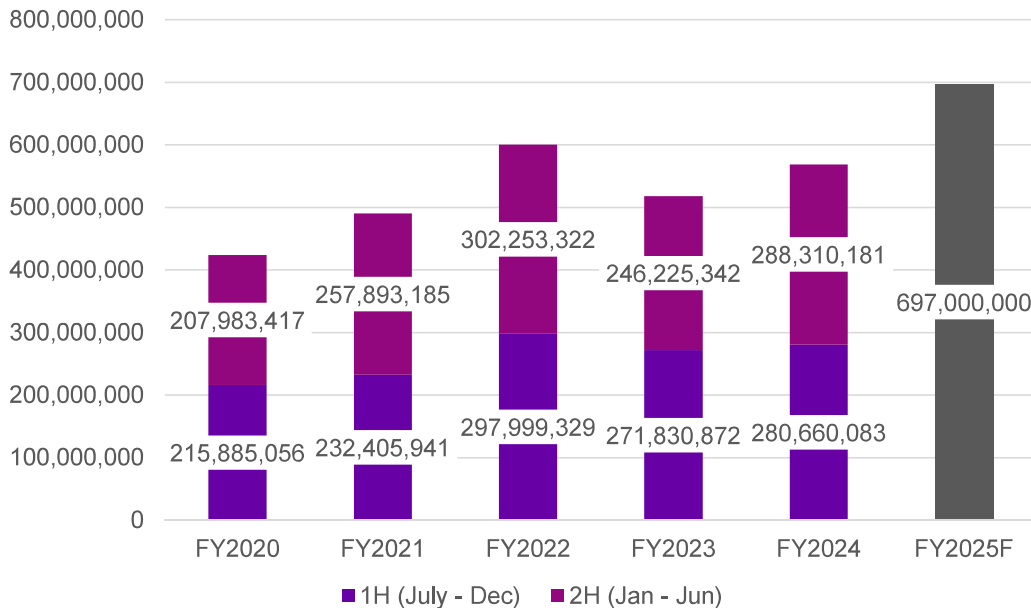
 MICRO-MECHANICS

Micro-Mechanics' facility in Suzhou, China (MMSU)

Encouraging sector performance and outlook

The industry is in the advanced stages of rebalancing inventory and production

Worldwide semiconductor revenue in US\$



Source: 36 Years WSTS Blue Book Data

Sector revenue FY2024

US\$568.97b

FY2023
+9.8%

Sales forecast for end 2025

US\$697b 

Supported by uptick in demand for consumer electronics as well as rebound in orders in the WFE market

Source: WSTS

Outlook for rest of FY2025

Strengthening the foundations for sustained earnings recovery

Target to be leading *Next Generation Supplier* of high precision tools and parts used in process-critical applications for the wafer-fabrication and assembly processes of the semiconductor industry



Sustaining MMUS profitability

- Continued restructuring of processes to reduce costs
- Sharpen engineering focus to four main product areas for the WFE sector to develop a compelling and competitive differentiation which allows product mix and price optimisation



Continuing execution of “Five-Star Factory” initiative

- Continuing to strengthen the five pillars of excellence to achieve sustained success



Prioritising disciplined capital management and good governance

- Maintaining the Group’s track record of financial discipline by maintaining zero bank borrowings, steady dividends and investing activities
- Keeping good governance as the cornerstone of all business practices, as a means to protect shareholder value

Safe Harbour for Forward-Looking Statements

This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. Investors can identify some of these statements by forward-looking items such as 'expect', 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', and 'could' or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. These forward-looking statements are based on current expectations, projections and assumptions about future events.

Although Micro-Mechanics (Holdings) Ltd. believes that these expectations, projections, and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Micro-Mechanics (Holdings) Ltd. and its business operations. Some of the key factors that could cause such differences are, among others, the following:

- changes in the political, social and economic conditions and regulatory environment in the jurisdictions where we conduct business or expect to conduct business;
- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- changes in and new developments in technologies and trends;
- changes in currency exchange rates;
- changes in customer preferences and needs;
- changes in competitive conditions in the semiconductor industry and our ability to compete under these conditions;
- changes in pricing for our products; and
- changes in our future capital needs and the availability of financing and capital to fund these needs.

Given these risks, uncertainties and assumptions, the forward-looking events referred to in this presentation may not occur and actual results may differ materially from those expressly or impliedly anticipated in these forward-looking statements. Investors are advised not to place undue reliance on these forward-looking statements. Investors should assume that the information in this presentation is accurate only as of the date it is issued. Micro-Mechanics (Holdings) Ltd.'s business, financial conditions, results of operations and prospects may have changed since that day. Micro-Mechanics (Holdings) Ltd. has no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Thank you

For more information, please contact investor relations at
micro-mechanics@teneo.com

