

Accelerating our *Journey to Excellence*

Micro-Mechanics (Holdings) Ltd

3QFY2025 and 9MFY2025 results presentation

29 April 2025

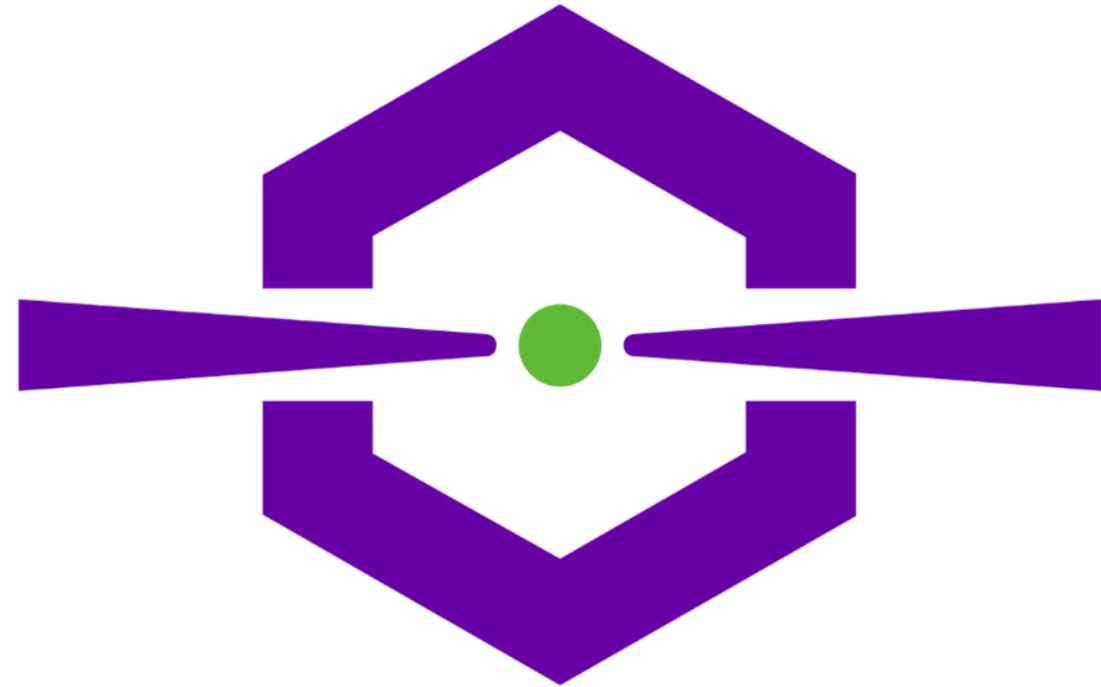


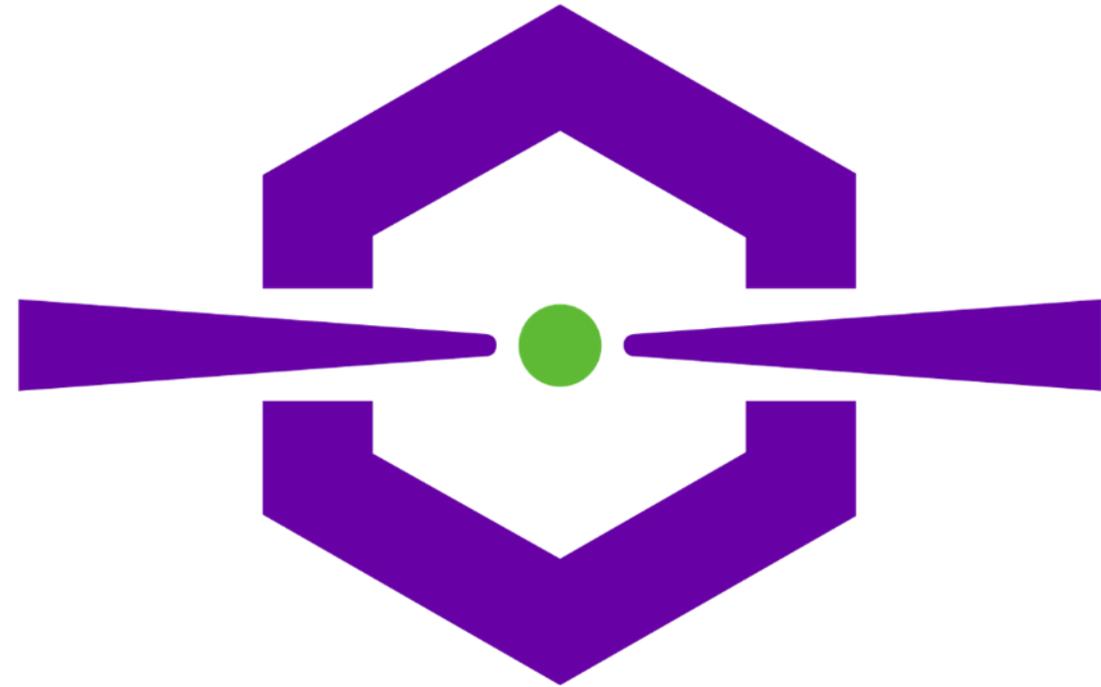
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MICRO-MECHANICS

Corporate overview

Corporate overview

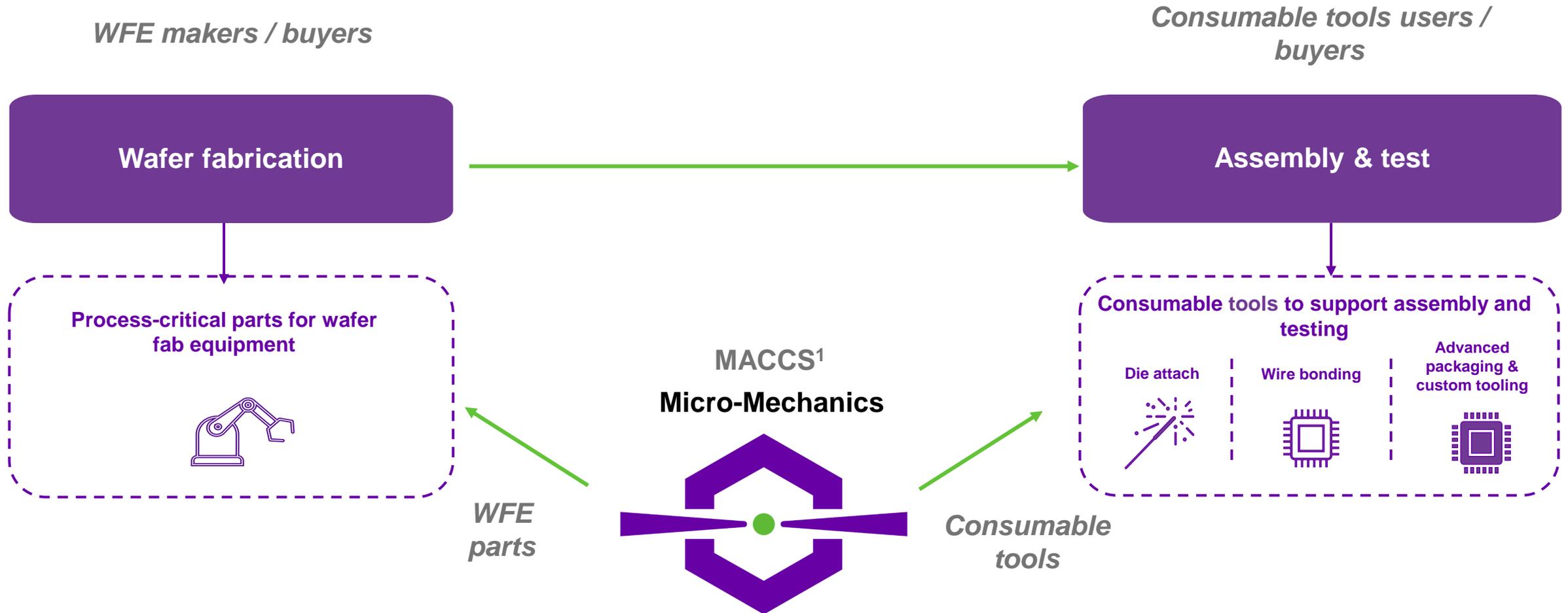
- Established track record since founding in 1983 and public listing on SGX Mainboard in 2003
- Target to be leading 'Next Generation Supplier' of high precision tools and parts, for process-critical applications in semiconductor wafer-fabrication and assembly
- Trusted by more than 600 customers globally with diversified geographical footprint across five operating facilities in USA, Singapore, Malaysia, China and Philippines
- Purpose driven mission –
 - **'Perfect Parts and Tools, On Time, Every Time'** based on scalable, repeatable, cost-effective processes and data-driven processes



Micro-Mechanics' headquarters in Singapore (MMS)

Diversified customer base across semiconductor value chain

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



Note: 1) Materials, assemblies, components, consumables (including tools) and services

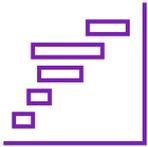


MICRO-MECHANICS

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 third 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



Five-Star Factory strengthens the core foundations of our business

Five core pillars to drive excellence, navigate headwinds and capture growth

**Fast, Effective
Local Support
to Global Customers**



Decentralising Group structure to respond effectively to customers

**Operational
Excellence**



Developing best-in-class practices for repeatability and scalability

**Innovation
Excellence**



Developing new breakthroughs in next-generation components

**High-Performance
Teams**



Investing in our people to drive innovation and efficiency

**Workplace
Efficiency &
Safety**



Streamlining processes, reducing waste and maximising output

Fast, effective local support to global customers

Decentralising structure to respond effectively to customers



Objectives

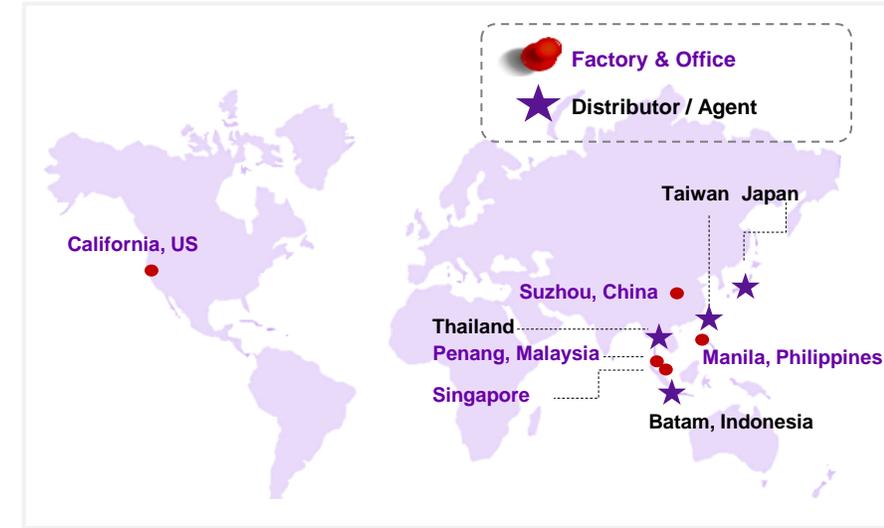
- Strengthen the Group's decentralised structure to improve our ability to promptly respond to customers' and industry's evolving high-value needs



Milestones

- Continuing to engage with customers who are looking to strengthen their own supply chains

Our Factory and Presence



Operational excellence

Developing best-in-class practices for flawless quality, repeatability and scalability



Objectives

- Achieve fast, flawless and cost-effective manufacturing with lean engineering and management principles



Milestones

- Continued to minimise inventory overstocking with inventory at S\$3.7 million, representing 5.7% of annualised sales (30 June 2024: 6.7%)
 - Inventory written off in 3QFY2025 totaled S\$27k, compared to S\$31k in 3QFY2024
- Executive Chairman and CEO Chris Borch conferred Engineering Management Award by the University of Southern California



Innovation excellence

Developing breakthroughs in next-generation products, materials, and processes



Objectives

- Promote fresh thinking and ingenuity
- Drive product and process innovations, new manufacturing capability and adoption of new technologies and methodologies



Milestones

- Singapore facility developed a HBM chip manufacturing component that resulted in higher yields for a global memory chip maker
- Continuing to engage internal R&D and manufacturing teams to improve manufacturing capabilities to support higher-value orders



High-performance teams

Investing in our people to drive innovation and teamwork



Objectives

- Attract and retain talent with the right skills in the right positions
- Upskilling and training programmes to acquire new skillsets and master new techniques to solve new industry challenges
- Align incentive systems with measurements of performance to drive efficiency and productivity



Milestones

- Promoted Wendy Tan to Senior Vice President (Finance) and several regional operational leads to drive each pillar of excellence under the 'Five-Star Factory' initiative
- Appointed Vice President for Human Resources based in Penang
- Appointed a consultant to advise on the strategy of the Group's WFE offerings



Workplace efficiency and safety

Streamlining processes, reducing waste and maximising output



Objectives

- Operate organised, productive, clean, safe and environmentally responsible operations with implementation of “8S”



Milestones

- All the Group’s facilities have improved their internal ‘Five-Star’ ratings yoy and remain on track to achieving their internal “8S” targets



A photograph of a modern, multi-story office building with a curved facade and large glass windows. The building is surrounded by palm trees and other tropical vegetation. A white wall in the foreground features the Micro-Mechanics logo and name. The sky is clear and blue. A semi-transparent purple banner is overlaid across the middle of the image, containing the text 'Financial highlights'.

Financial highlights

9MFY2025 highlights

Continued positive momentum in sales recovery

Group revenue

S\$48.5m

+12.9% yoy

EBITDA & EBITDA margin

S\$16.9m

+22.9% yoy

34.8%

+2.8 ppt yoy

ROE & net profit

23.7%¹

S\$9.2m

+54.7% yoy

Cash and bank balances

S\$19.2m

S\$16.6m
30 June 2024

Net cash with no borrowings

CAPEX (consolidated)

S\$990k

2.0%
of 9MFY2025 sales

Net cash from operations

S\$13.3m

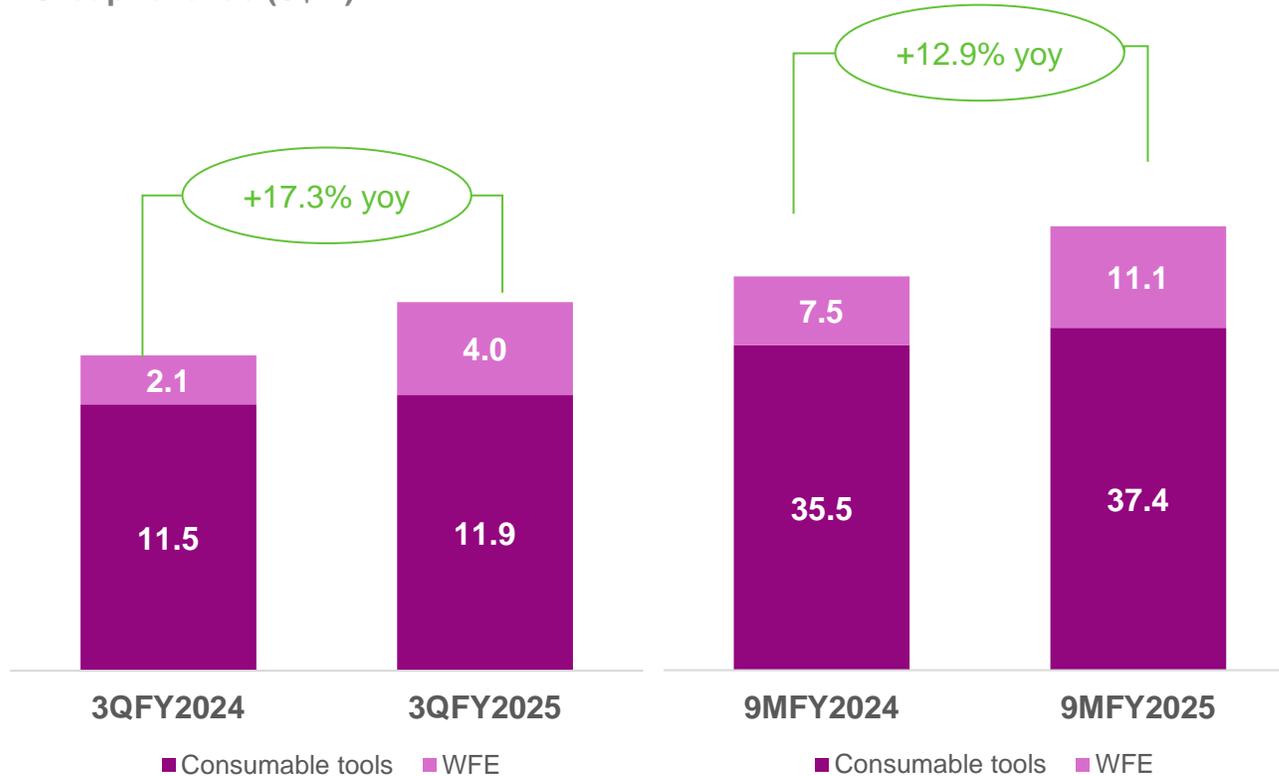
S\$10.2m
9MFY2024

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)



3QFY2025

S\$16.0m

+17.3% yoy (3QFY2024:S\$13.6m)

-2.1% qoq (2QFY2025: S\$16.3m)

- Rebound in orders particularly in WFE segment, with sales up by 95.7% yoy and 13.2% qoq

9MFY2025

S\$48.5m

+12.9% yoy (9MFY2024:S\$43.0m)

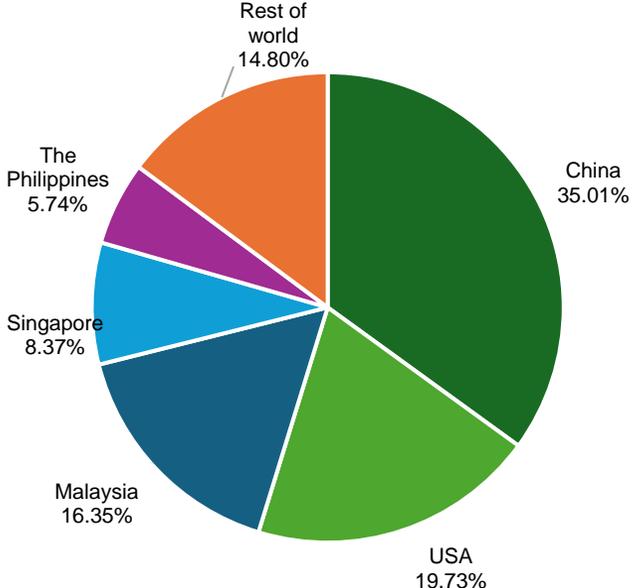
- Rebound in orders particularly in WFE segment, with sales increasing by 48.4% yoy
- Customers at both front and back-end of semiconductor value chain, with WFE segment growing share of revenue at 22.9% (9MFY2024:17.5%) due to improved product mix

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

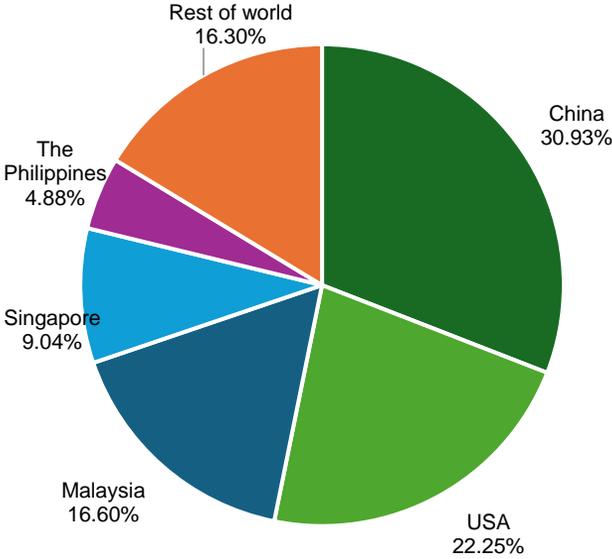
Geographical diversification of revenue

Group's decentralised structure supports resilience across markets

9MFY2024



9MFY2025

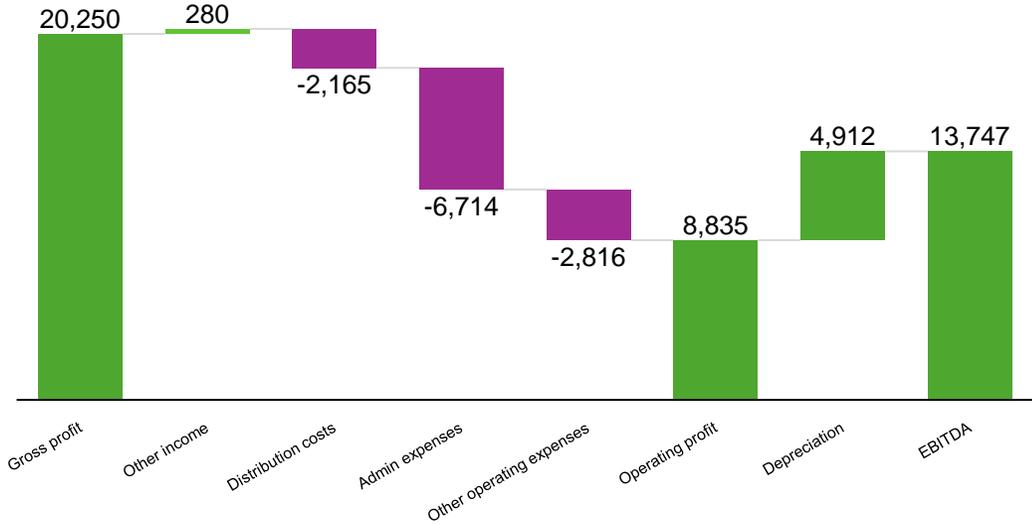


Revenue from top four markets						
	3QFY2024 S\$m	3QFY2025 S\$m	% change	9MFY2024 S\$m	9MFY2025 S\$m	% change
China	4.7	4.6	-3.6%	15.0	15.0	-0.3%
USA	2.3	3.5	54.4%	8.5	10.8	27.3%
Malaysia	2.2	2.6	20.1%	7.0	8.1	14.6%
Singapore	1.4	1.7	22.3%	3.6	4.4	21.8%

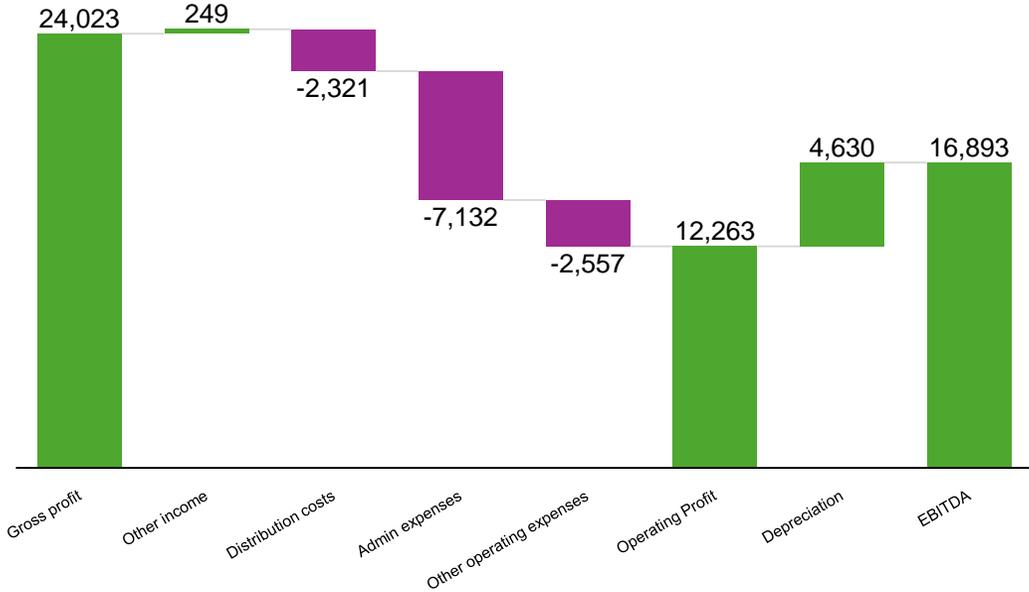
Uplift in gross profit and EBITDA

Greater cost efficiencies with improved operating leverage

9MFY2024 (S\$, '000)



9MFY2025 (S\$, '000)



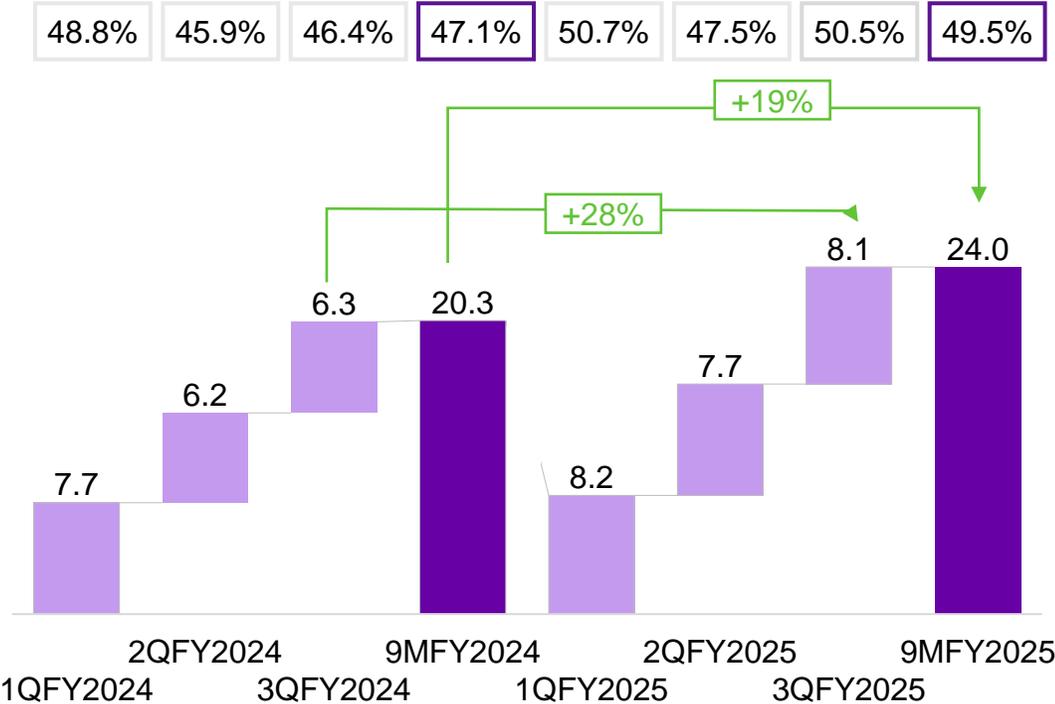
- **Decrease in other operating expense by 9.2%**
- Increase in distribution costs by 7.2% attributable to higher commissions resulting from the rise in sales in certain regions
- With **cost reduction measures**, MMH has managed to achieve higher EBITDA margin

Resilient gross profit margin

Supported by improved operating leverage and cost reduction measures

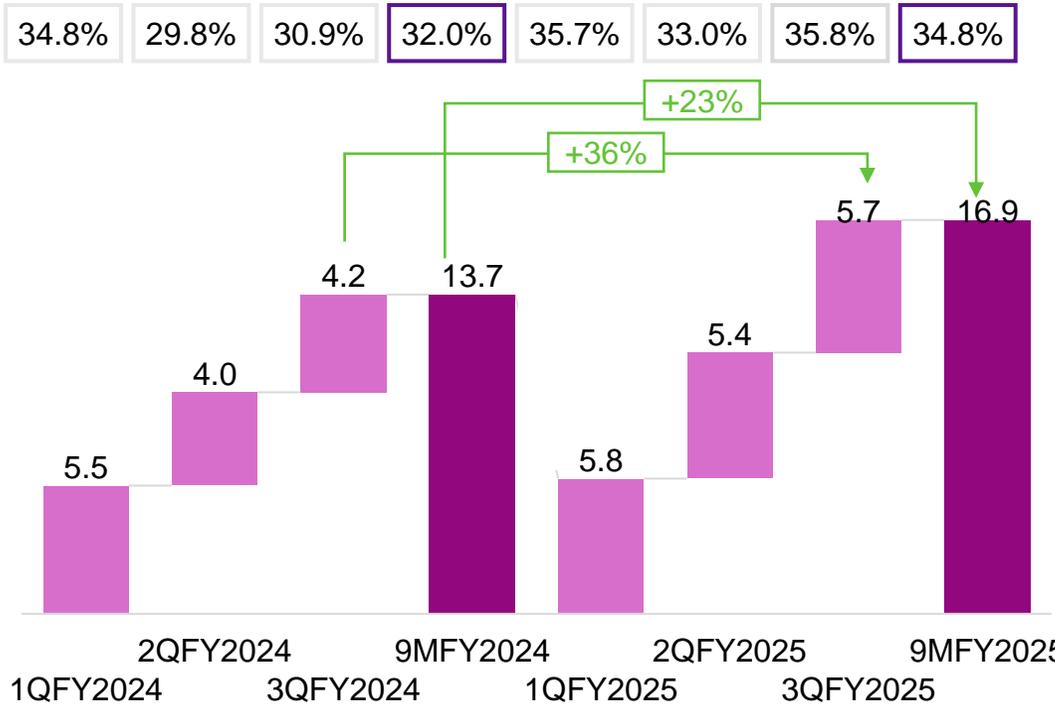
GP & GP margin (S\$m)

Margin



EBITDA & EBITDA margin (S\$m)

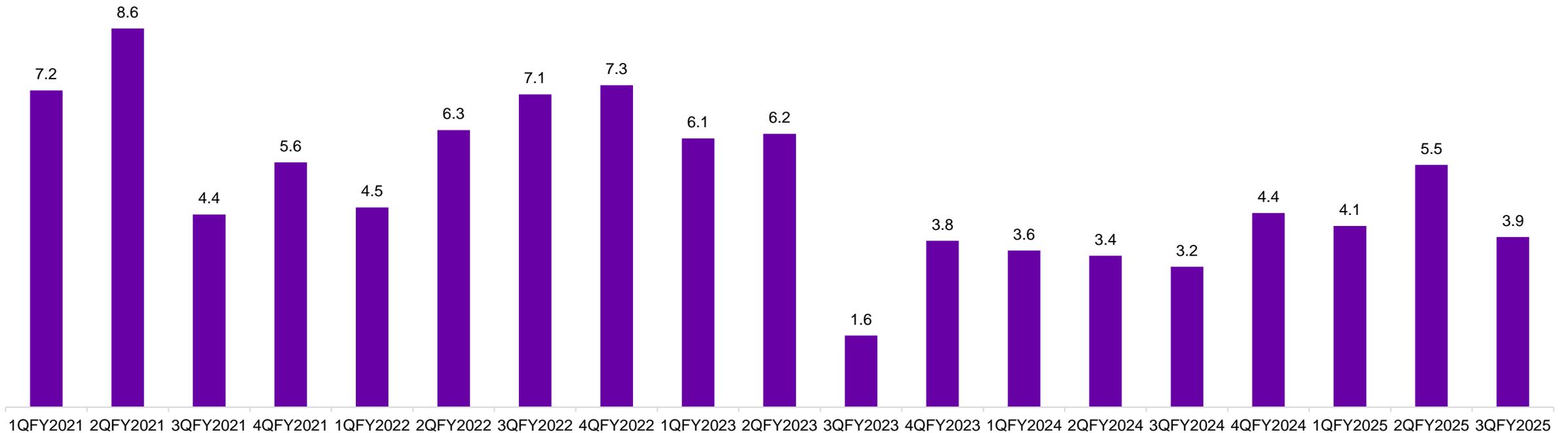
Margin



Sustained generation of positive operating cash flow

Testament to the robust and healthy working capital cycles

Operating cash flow (S\$m)



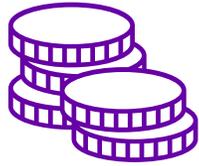
Resilient financial position

Anchored by disciplined cost and capital management

		As of 30 June 2024	As of 31 Mar 2025
Cash	Cash and bank balances	S\$16.6M	S\$19.2M
Gearing	Total borrowings	NIL	NIL
Trade receivables	Trade Receivables (Outstanding > 90days) / (Total trade receivables) Bad debt expenses	S\$10.8M S\$3.7K S\$3.9K	S\$11.3M S\$14.6K NIL
Inventory	Inventory Inventory / Sales Inventory write-off	S\$3.9M 6.7% S\$214K	S\$3.7M 5.7% S\$139K
Net asset value	NAV per ordinary share (cents)	33.14	33.83
Equity	Shareholders' equity	S\$46.1M	S\$47.0M

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



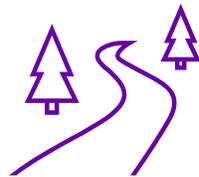
Interim dividend in 1HFY2025

3.0 cents



Dividend payout ratio²

69.2%



Cumulative dividend per share

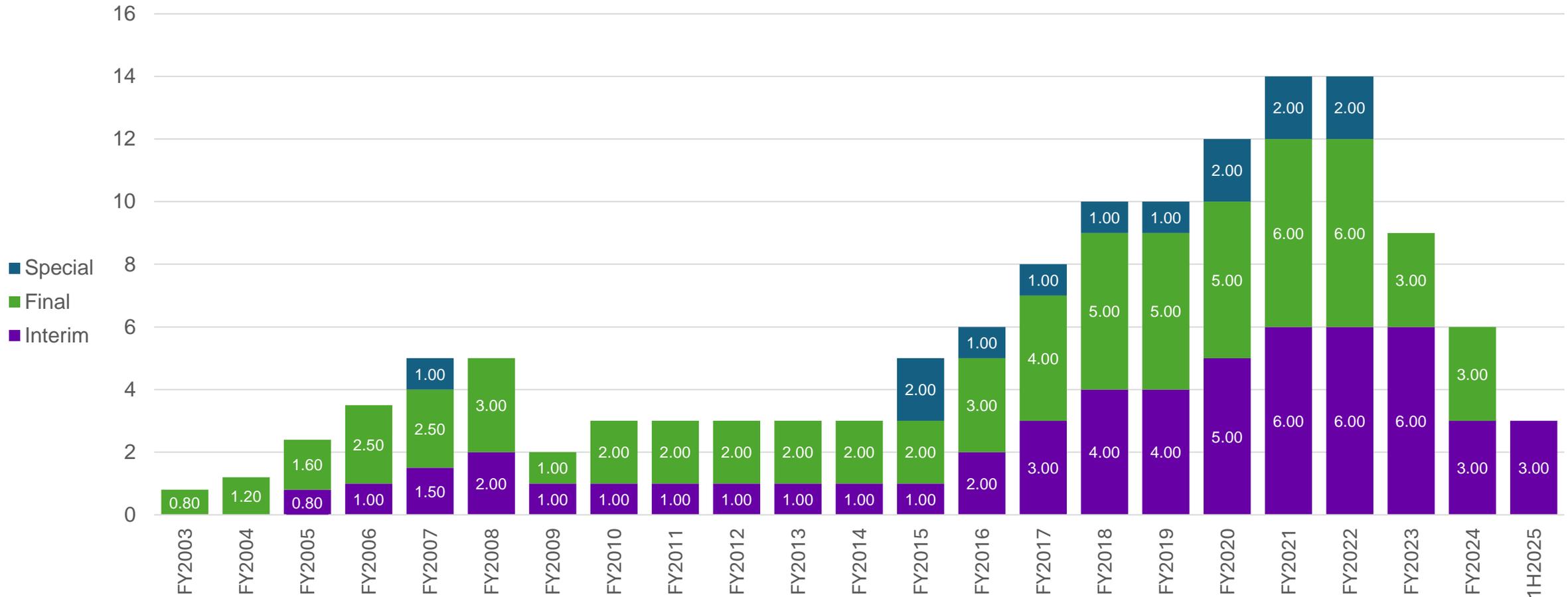
131.9 cents since listing

Notes: 1) Bloomberg; for the period 24 June 2003 (IPO) until 28 March 2025; 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 357% 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

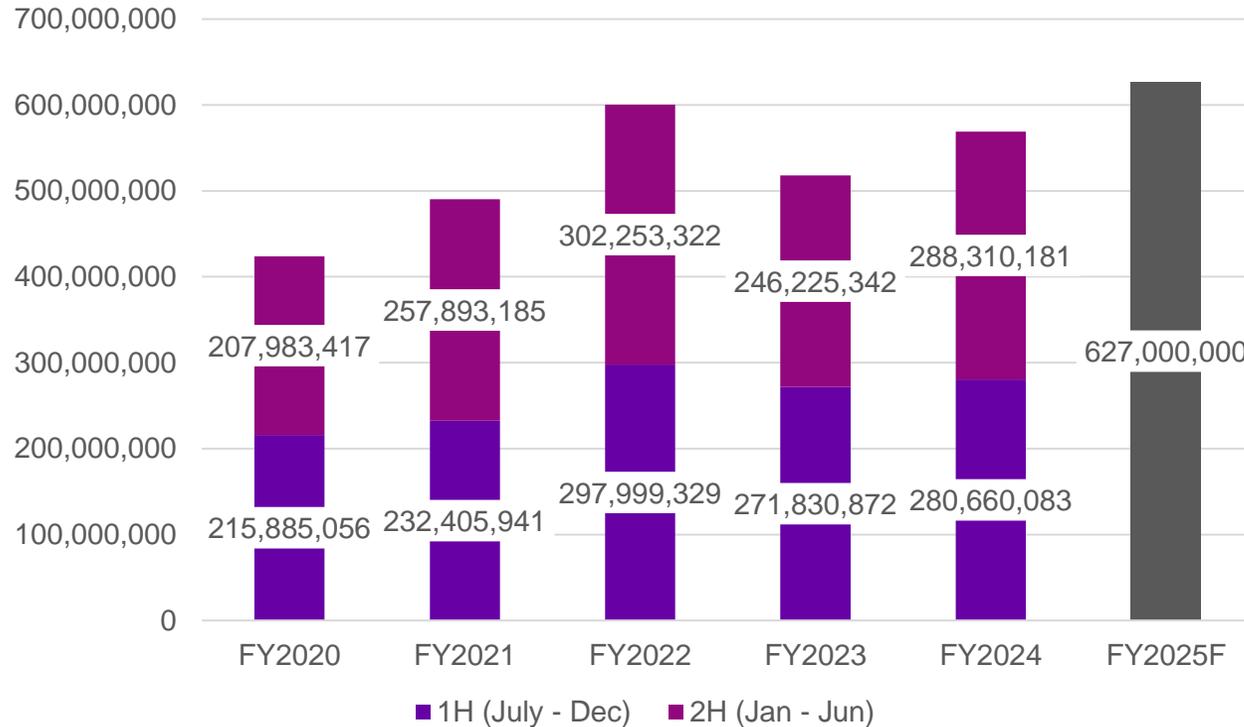
Outlook & summary

 MICRO-MECHANICS

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\$627b 

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

Investment highlights

Positioned for high-quality earnings & sustainable growth



Favourable industry outlook

- Continued positive momentum from semiconductor industry's recovery



Geopolitical resilience

- Decentralised structure and Singapore listing offer a buffer against geopolitical risks
- Insulated from tariff effects as MMH mostly serves domestic market



Diversified customer base

- Serving more than 600 clients across front-end and back-end segments worldwide



High quality earnings and cash flow

- Significant YoY improvements in revenue, EBITDA and NPAT



Committed to strong shareholder returns

- Strong track record in delivering shareholder returns with TSR of >3,000% since listing

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

