

Investor Update

13 Aug 2024



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1H24 Key Developments

Overall financial performance

- GVT delivered a revenue of S\$68.3m in 1H24 that equates to a **26.8% increase y-o-y**.
- **Improvement in gross profit margin of 1.3%**, upside potential as we continue to improve capacity utilisation.

Semiconductor

- **Capturing the AI-driven demand:** Began shipping testing equipment for High Bandwidth Memory (“HBM”) to our key back-end semiconductor customer.
- **Progressive involvement with front-end semiconductor customers:** Building stronger capabilities and competitiveness as we participate and win more higher complexity parts.
- Core facilities in Southeast Asia are well positioned to capture structural shift of customers’ production from China to this region.

Capability Enhancement

- **Integration of ACP Metal Finishing into GVT** for surface treatment to be a competency enabler of the Group.
- Potentially establishing surface treatment capabilities in Penang to offer one-stop solution for our front-end semiconductor customers.

Performance Review

Income Statement Highlights

Revenue increased 26.8% YoY

- Stronger semiconductor segment with new shipment of testing equipment for high-bandwidth memory (HBM) to key backend customer
- Maiden revenue contribution from newly acquired ACP following successful integration

Improvement in gross margin

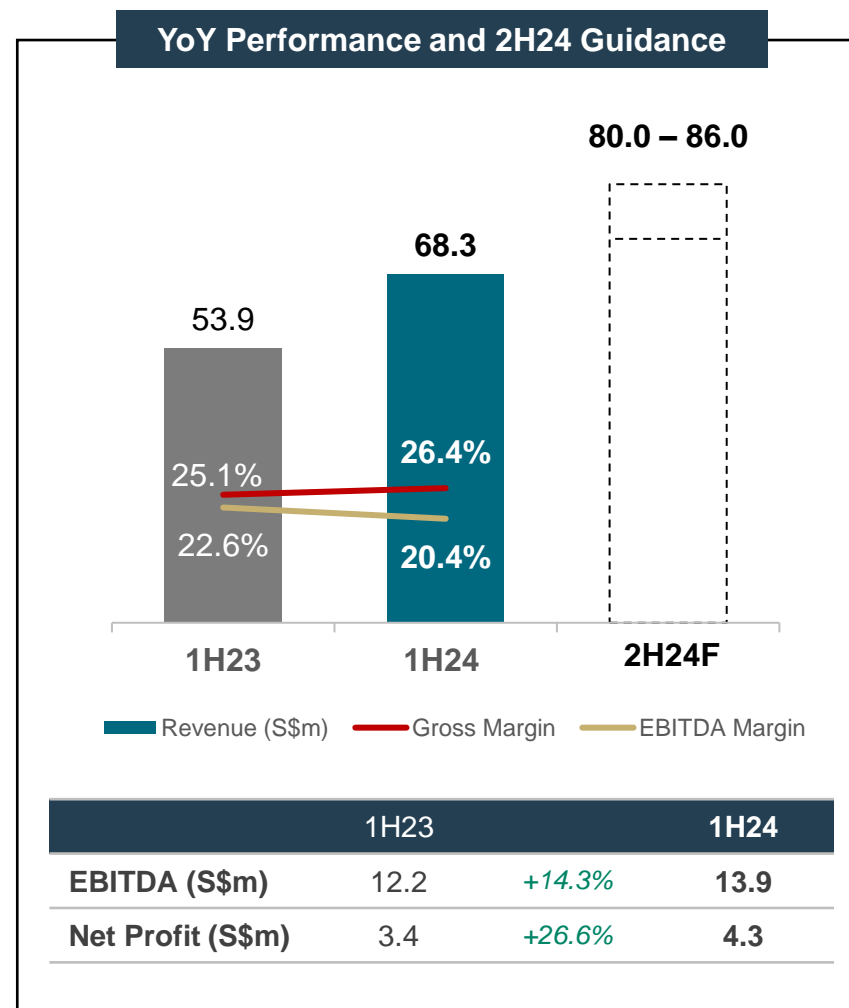
- Mainly driven by the Electronics, Aerospace, Medical & Others (“EAMO”) segment
- Taking into account S\$0.4 million non-recurring expense charged in 1HFY2023

EBITDA increased but EBITDA margin declined

- Mainly due to higher general and administrative (“G&A”) expenses with the integration of ACP and higher staff costs due to upskilling for business expansion

Guidance 2H24

- More in our outlook section



Performance Review

Segmental Overview: Growth across Segments

Semiconductor (+31.6% YoY)

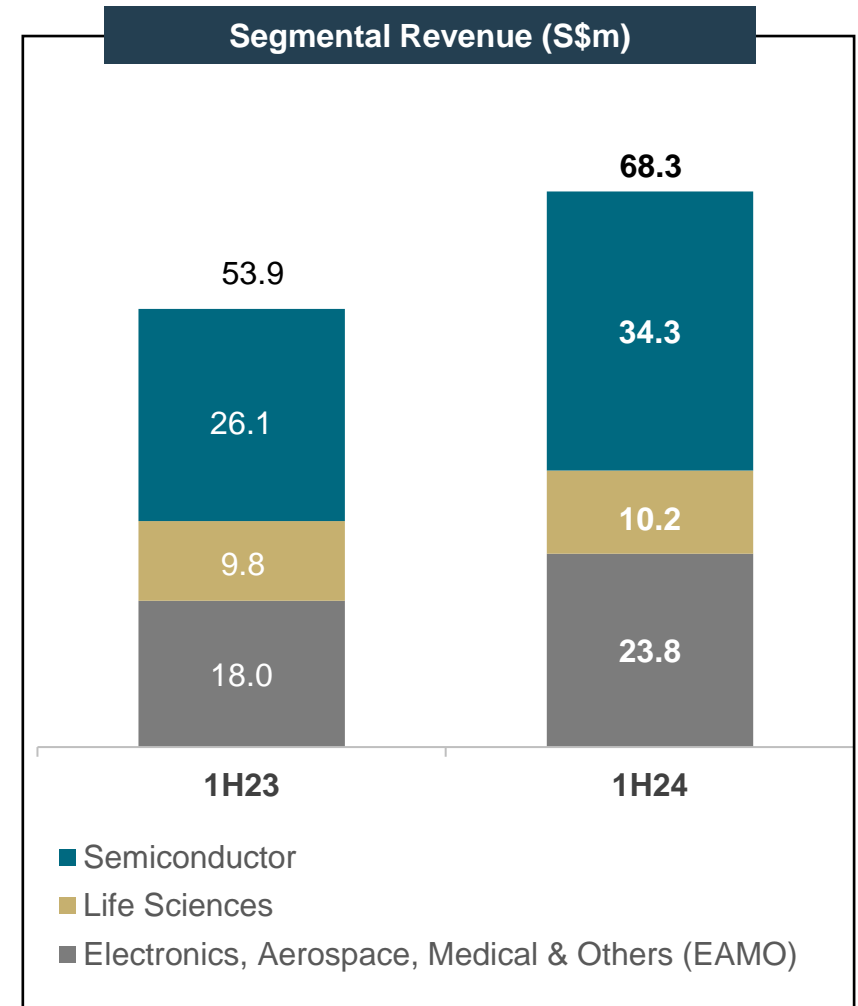
- Progressive improvement from key customers with early signs of recovery
- New shipment of test equipment for HBM to key backend customers

Life Sciences (+4.3% YoY)

- Expanded wallet share from key customers

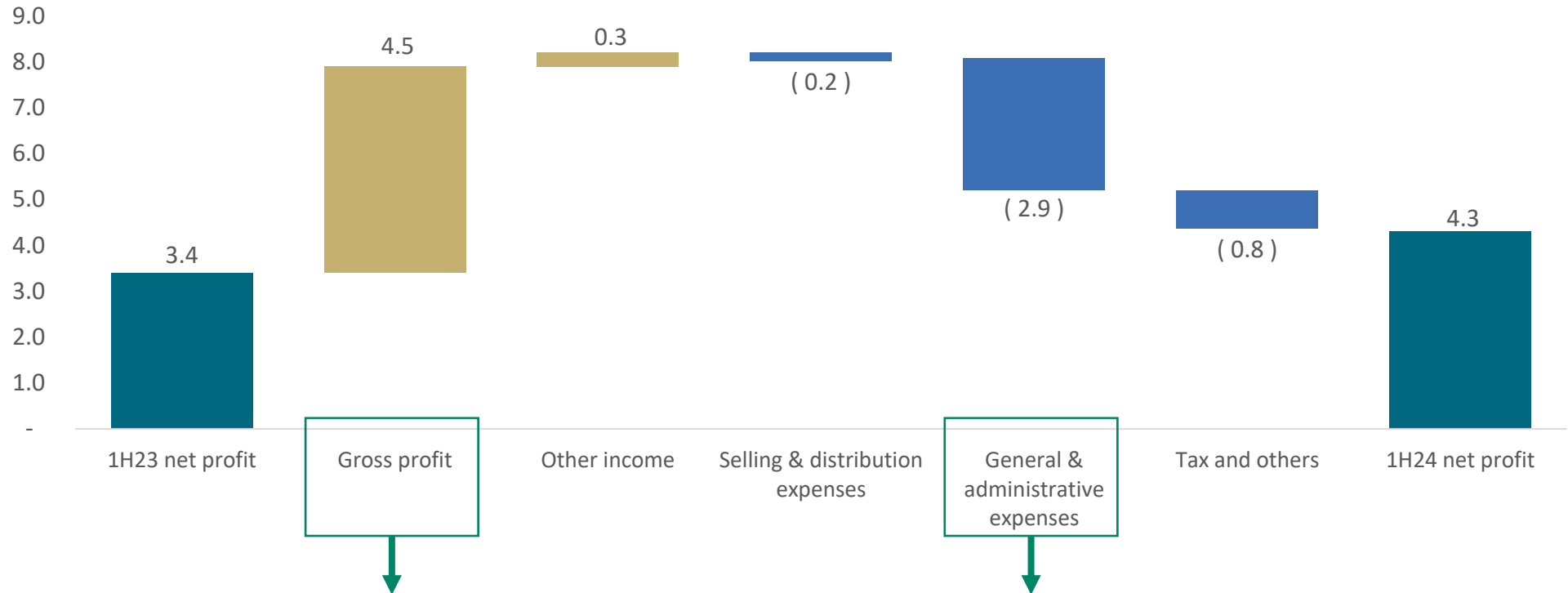
EAMO (+32.2% YoY)

- Maiden revenue contribution from newly acquired ACP
- Robust demand from aerospace, medical, and others
- Slight offset by softer demand from electronics segment



Performance Review

Net Profit Changes (S\$million)

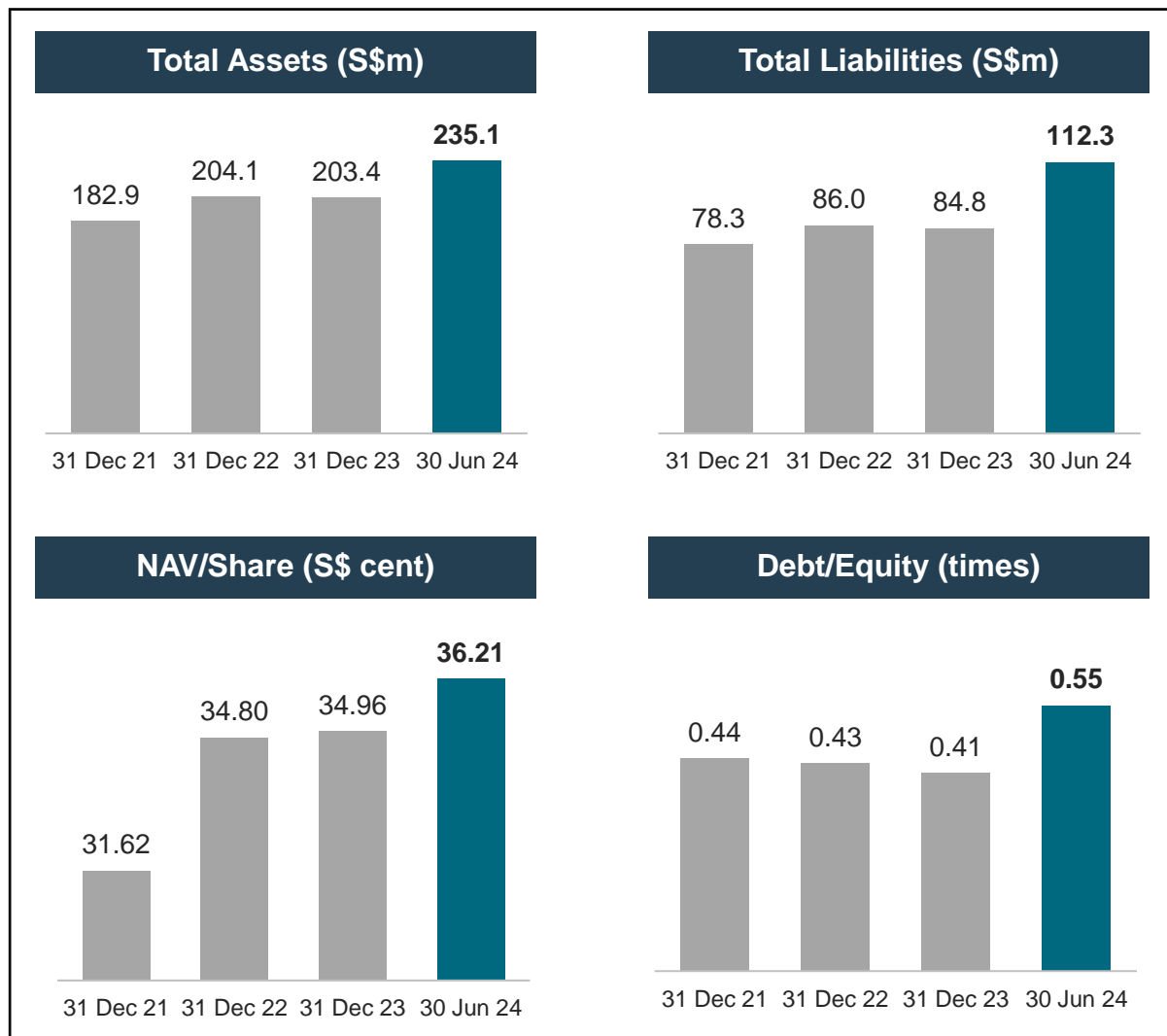


- Stronger revenue contribution from all three segments, particularly semiconductor and EAMO
- Gross profit margin for EAMO (**+4.3 ppts**), taking into account S\$0.4m non-recurring expenses charged in 1HFY2023

- Higher G&A expenses mainly attributed to:
 - ACP integration (**+S\$1.1m**)
 - Higher staff costs due to upskilling for business expansion (**+S\$1.2m**)

Performance Review

Balance Sheet Highlights



- **Total Assets** increased due mainly to ACP acquisition (from fixed assets and working capital levels)
- **Total Liabilities** increased mainly due to the ACP acquisition
- **Gearing (D/E) ratio** increased (+S\$18.6m in debt) mainly due to borrowings for ACP acquisition but still within the comfort level of the Group

Strong 2H2024 revenue guidance of between:
S\$80 million (+39.3% y-o-y) and S\$86 million (+49.7% y-o-y).

Total 2024 annual revenue guidance of between:
S\$148.3 million (+33.2% y-o-y) and S\$154.3 million (+38.6% y-o-y)

Semiconductor

- Cautious optimism for gradual improvement in demand towards the end of 2024, with further strengthening in 2025.
- Structural drivers such as AI and shift towards 2.5D, and 3D DRAM technology are increasing chip complexity and will drive equipment demand going forward.

Electronics, Life Sciences, Medical and Aerospace

- Expects healthy demand in the Life Sciences segment
- Global air travel activity expected to surpass pre-pandemic levels in 2024 – bodes well for demand for aircraft and aircraft components

Appendix



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What we do



Value engineering

Early customer engagement and participating in the design process to maximize manufacturability and streamline assembly (DFM / DFA)



Produce, assemble & test

One-stop solution with fully integrated and end-to-end manufacturing capabilities, ranging from precision machining, sheet metal fabrication, assembly & testing



Deliver, support & upgrade

Provides product life cycle management to customers, allowing for strong and lasting customer relationships to be formed

Markets we serve



Global Presence & Exposure

- **Southeast Asia**
Up-and-coming manufacturing and R&D hub for global customers
- **Asia (ex. Southeast Asia)**
Existing manufacturing powerhouse
- **North America & Europe**
Existing R&D nexus for customers



End-Markets (Key Modules)

- **Semiconductor**
Capital equipment for front-end (CVD etc.) and back-end (wire bonder, DRAM/Analog test etc.)
- **Life Sciences**
Single & hybrid mass spectrometer etc.
- **Medical**
Surgical microscope etc.
- **Aerospace**
Landing gear systems
- **Electronics Manufacturing**
Surface mount technology etc.
- **Industrial Automation**
Hard drive assembly automation etc.

The GVT advantage



Experience & expertise

- Average 27+ years of precision engineering experience across mgmt.
- Award-winning and qualified supplier to top global OEMs
- Strong competencies in ultra-high precision machining, complex mechatronics and sub-assembly



Market & customer access

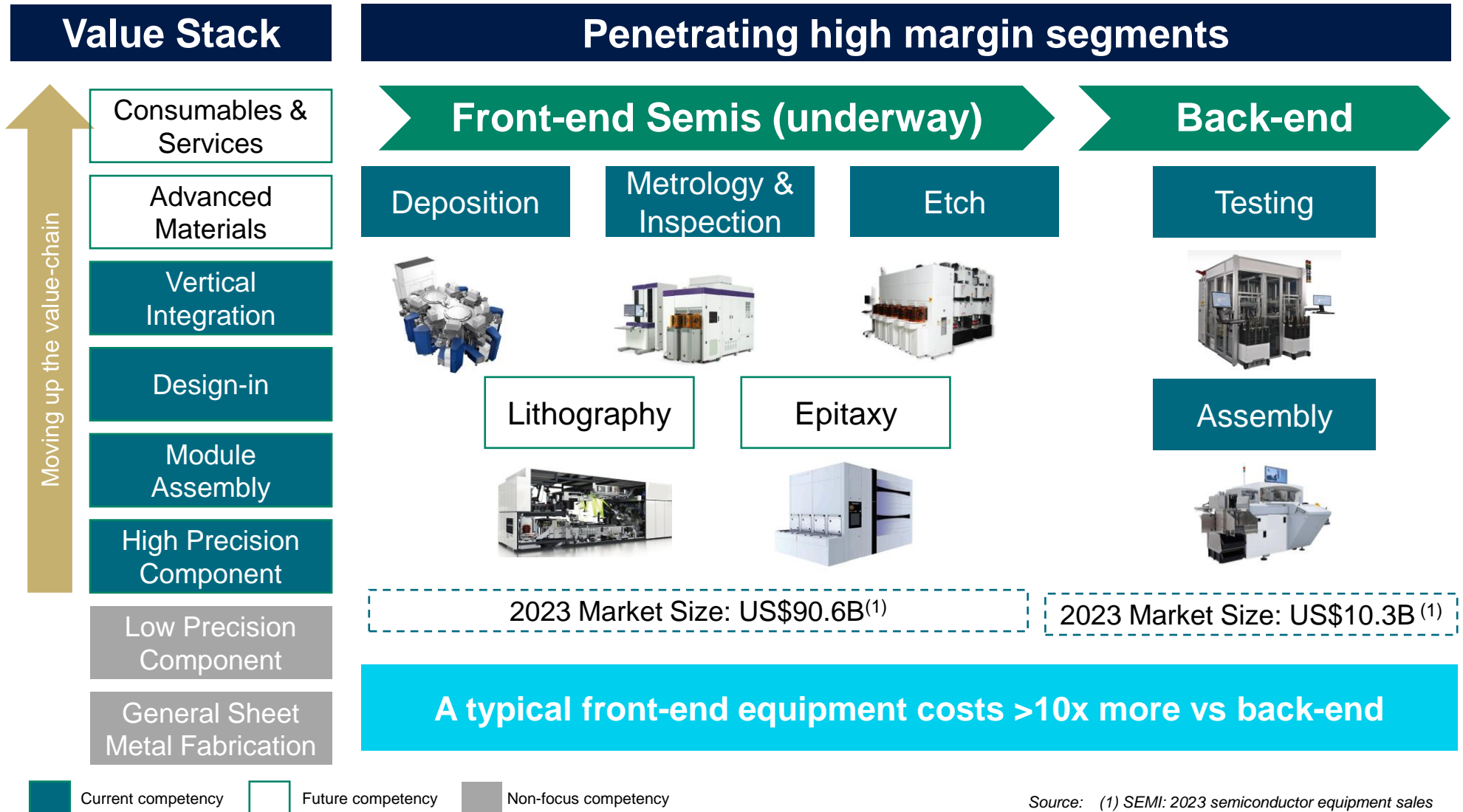
- Sticky customer base across diff high-tech industries
- 5 highly strategic facilities (Singapore, Malaysia, China) near customers
- Well-positioned to benefit from industry trends (supply chain shift to Asia and capabilities integration etc.)



Scaling with profitability

- Profitable since 2016
- Healthy cash flow generation allowing for reinvestment into capacity growth and capability enhancement

GVT's strategic positioning in the value stack



Source: (1) SEMI: 2023 semiconductor equipment sales

Selected core competency illustration: Submicron precision machining

Sub-Micron Machining and its Importance

- Also known as “ultra-precision machining”
- A high-precision manufacturing process: materials are processed at an atomic scale, in the vicinity of one micron (for scale, a human hair is 20-70 microns)
- Requires the use of single crystal diamond tools for ultrafine cutting or very fine abrasives for lapping or polishing
- Critical for high-value processes such as chip making and drug discovery – a **few microns difference might result in substantial dollar loss** (e.g. micron gaps within gas delivery chambers in mass spectrometers might result in leakage or cross contamination that will yield inaccurate results).

Selected Applications

Analytical Life Sciences Instruments

- Mass spectrometers is used to identify the kinds of particles present in any given substance
- Used in analytical life sciences research, environmental testing, F&B testing, forensic analysis, pharma applications and clinical diagnosis
- GVT supplies key components to single and hybrid mass spectrometers, such as vacuum chambers and interfaces, complex parts of the mass filters and the ion source, which requires ultra high precision machining to manufacture

End Application: Mass Spectrometer



Selected Components that GVT Manufactures



Quadrupole Mass Filter

Ion Source

Q2 & Entrance Lens

GVT Value Proposition

Provides one stop solution from ultra-precision mechanical component fabrication and sub-micron measurement, design and fabrication of assembly jigs for laser welding and precision assembly alignment requirement down to **tenths of a micron in a clean room environment.**

Differentiated capabilities to serve and cross-sell to a differentiated blue-chip customer base



Capabilities	Semiconductor	Life Sciences	Aerospace	Electronics, Medical & Others
Design for Manufacturability / Assembly	✓	✓	✓	✓
Ultra Precision Machining (Sub-micron)	✓	✓		●
High Precision Machining	✓	✓	✓	✓
Vacuum Parts Manufacturing	✓	✓		
Ultra-high Vacuum Production Processing	✓	✓		
Engineering Plastic, Ceramics & Quartz Machining	✓	✓	●	✓
Complex Sheet Metal Fabrication	✓	✓	●	✓
Assembly (Medium / High Complexity)	✓	✓	●	✓
Assembly (High Complexity in Class 10K Cleanrooms)	●	✓		
Customized Engineering Solutions	✓	✓	✓	✓
Surface Treatment	✓	●	✓	

Examples of mission critical end-products which GVT produces components & key modules for	Equipment for Front & Back-end Processes	Single & Hybrid Mass Spectrometers	Landing Gear Systems	Surgical Microscopes, SMT Feeder Systems
Examples of key customers who are blue-chip companies and leaders in their respective industries		<p>Leading North American Life Sciences Company</p>		<p>Global Producer of Surgical Microscopes Large-scale industrial automation customers</p>

✓ Existing services provided ● Cross-selling opportunity from existing capabilities



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The Company wishes to emphasise that none of the forward-looking statements in this document is intended to be a profit forecast, and should not be treated as such.



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