



Company Registration No.: 200100340R

## **UMS' 1HFY2020 NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS ROSE 47% TO \$22.3 MILLION ON HIGHER REVENUE OF \$75.2 MILLION**

- **1 cent interim dividend proposed to reward shareholders**

### **Singapore, 13 August 2020:**

SGX Mainboard-listed UMS Holdings Limited (“UMS” or “The Group”) has proposed a 1 cent tax-exempted interim dividend after delivering a strong 1HFY2020.

The Group had posted a 47% rise in net profit attributable to shareholders of \$22.3 million on the back of a 28% increase in revenue to \$75.2 million for 1HFY2020.

The sales surge in 2QFY2020 was attributed to the robust growth of its semiconductor business which grew by 41%, driven by higher Integrated System sales which had risen by 65% year-on-year to \$19.6 million in 2QFY2020. Revenue from component sales were also up by 22% on year while sales in the Others segment dipped 13% mainly due to lower sales from its subsidiary Kalf Engineering (Kalf).

Geographically, Singapore and the "Others" markets were the star performers. Sales in Singapore rose 60% on the back of semiconductor Integrated System sales while higher component sales fuelled the 113% sales surge in the Others segment. Taiwan also recorded a 20% year-on-year increase in revenue due to higher semiconductor component sales.

Sales from the US and Malaysia softened by 7% and 44% respectively compared to 2QFY2019. The decline in US revenue was due to lower component sales for new systems built.

### **Group Profitability**

In spite of ongoing economic challenges and higher expenses, the Group's 2QFY2020 net profit jumped 46% compared to 2QFY2019 – booking a net profit of S\$11.6 million versus \$7.9 million in 2QFY2019, while net profit attributable to shareholders rose 43% to \$11.6 million.

Gross material margins dipped slightly to 50.8% in 2QFY2020 compared to 53.1% from 2QFY2019 mainly due to changes in the product mix.

For 1HFY2020, the Group's net profit attributable to shareholders increased 47% to S\$22.3 million in 1HFY2020 from S\$15.1 million in 1HFY2019 as net profit surged 52% to S\$22.4 million.

The robust performance came on the back of higher revenues and a 38% jump in share of profit from its associate JEP. The Group clocked in other credits of \$1.2 million from foreign exchange gain during 1QFY2020.

The Group's earnings per share (EPS) for 1HFY2020 increased to 4.2 cents compared to 2.8 cents in the first half of last year. Group net asset value per share also grew to 49.3 cents as at end June 2020 from 45.4 cents since financial year ended 2019.

### **Healthy Cashflow**

The Group's 1HFY2020 financial position remains strong, generating a positive free cash flow of S\$19.3 million.

Its net cash and cash equivalents (net of bank borrowings) improved to S\$41.3 million as at 30 June 2020 compared to S\$25.0 million as at 31 December 2019.

With its strong financial position, the Group had further invested S\$1.0 million in JEP Holdings, and pared its borrowings while acquiring S\$1.9 million of UMS shares under its share buy-back scheme.

### **Outlook**

Commenting on the Group's latest results, Mr Andy Luong, UMS Chairman and CEO, said, "The Group's first half performance reflects the sustained and strong improvement in customer demand as well as positive returns from our diversification strategy.

It is also testimony to our robust resiliency in managing the disruptions caused by the COVID 19 pandemic. We were able to ensure business continuity and timely delivery.

In spite of the tough operating environment in the past six months, we have further strengthened our financial position. We are therefore pleased to continue rewarding our loyal shareholders for their support with a 1 cent interim dividend this quarter.

"However, we are mindful that there are still uncertainties created by the deepening US-China trade war, currency volatility as well as the resurgence of COVID-19 cases worldwide. The Group will therefore stay prudent and sharpen its production efficiencies and supply chain networks to cope with the challenges ahead."

According to SEMI's mid-year forecast, global sales of semiconductor equipment manufacturing is projected to increase by 6% to US\$63.2 billion in 2020 from US\$59.6 billion in 2019. SEMI added that the increase in sales will rise to US\$70 billion in 2021 locking in a double-digit growth of 17.4%.

The growth will be driven by memory spending and investment in leading-edge technologies and China. Foundry and logic spending growth will account for about 50% of total wafer fabrication equipment spending in 2020 and 2021. Asia will be the key powerhouse for semiconductor expansion and is forecast to lead the pack in capital spending in 2020

Furthermore, both DRAM and NAND spending in 2020 will surpass 2019 levels and expected to grow by over 20% respectively in 2021.<sup>1</sup>

Mr Luong added, “While the near term outlook continues to be uncertain the long-term prospects remain bright due to increased capex spending for the acceleration of 5G, artificial intelligence (AI) and other technology-driven developments. These strong growth figures augur well for the Group which is a beneficiary of the vibrant chip equipment manufacturing market.”

Barring any unforeseen circumstances, the Group will stay profitable in FY2020.

[Source: Chip Manufacturing Equipment Spending to Hit Record High \$70 Billion in 2021 After Strong 2020, SEMI Reports <https://www.semi.org/en/news-media-press/semi-press-releases/mid-year-equipment-forecast>]

### **About UMS Holdings Limited**

Incorporated in Singapore on January 17, 2001, UMS Holdings Limited is a one-stop strategic integration partner providing equipment manufacturing and engineering services to Original Equipment Manufacturers of semiconductors and related products. The Group is in the business of front-end semi-conductor equipment contract manufacturing and is also involved in complex electromechanical assembly and final testing devices. The products we offer include modular and integration system for original semiconductor equipment manufacturing. Other industries that we also support include the electronic, machine tools and oil and gas. Headquartered in Singapore, the Group has production facilities in Singapore, Malaysia and California, USA.

### **Issued on behalf of UMS Holdings Limited**

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