



MICRO-MECHANICS®

perfect parts and tools, on time, every time

1H22 Results Presentation

9 February 2022



MICRO-MECHANICS®

perfect parts and tools, on time, every time

Business & Industry

Chris Borch, CEO

Low Ming Wah, COO



Corporate Overview

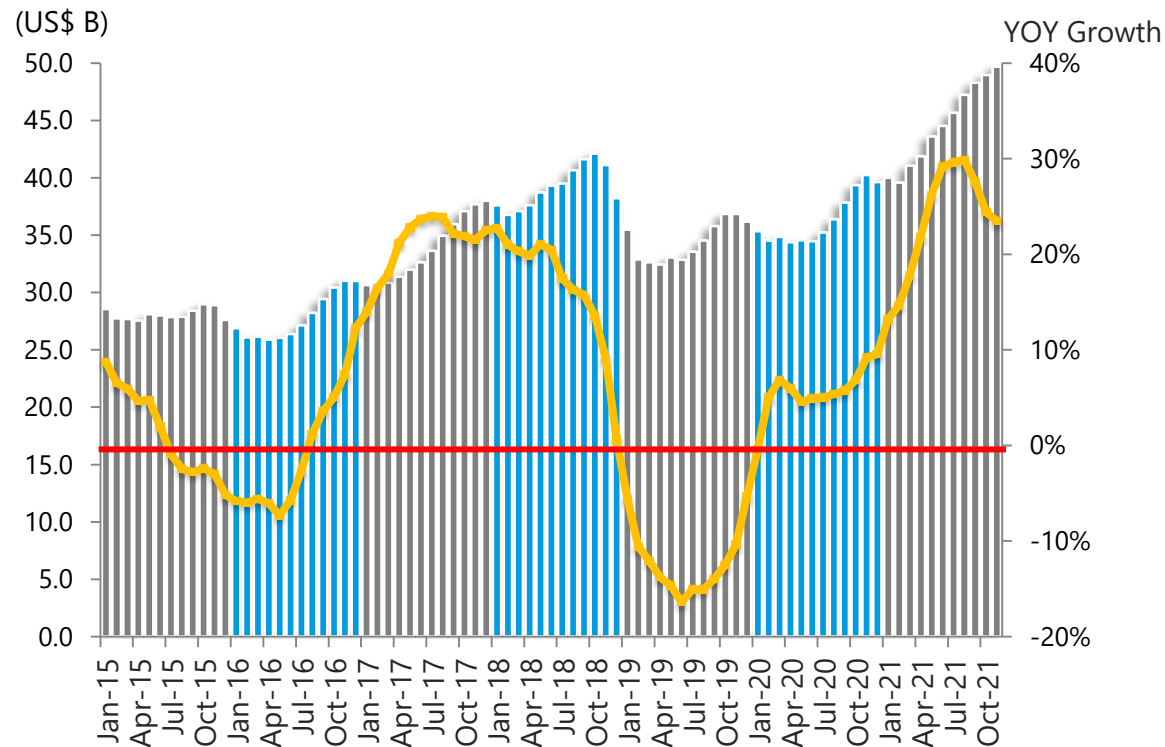
Perfect Parts and Tools On Time, Every Time
based on scalable, repeatable and cost-effective processes

- Founded in 1983 and listed on the Singapore Exchange (Main Board) since 2003
- Specializes in the design and manufacture of **high precision tools and parts** used in *process-critical applications for semiconductor wafer-fabrication and assembly*
- Serves a worldwide base of more than 600 customers from five facilities in Asia (Singapore, Malaysia, China, Philippines) and the USA
- Recognized more than 30 times for our efforts to practice good corporate governance, transparency and investor relations



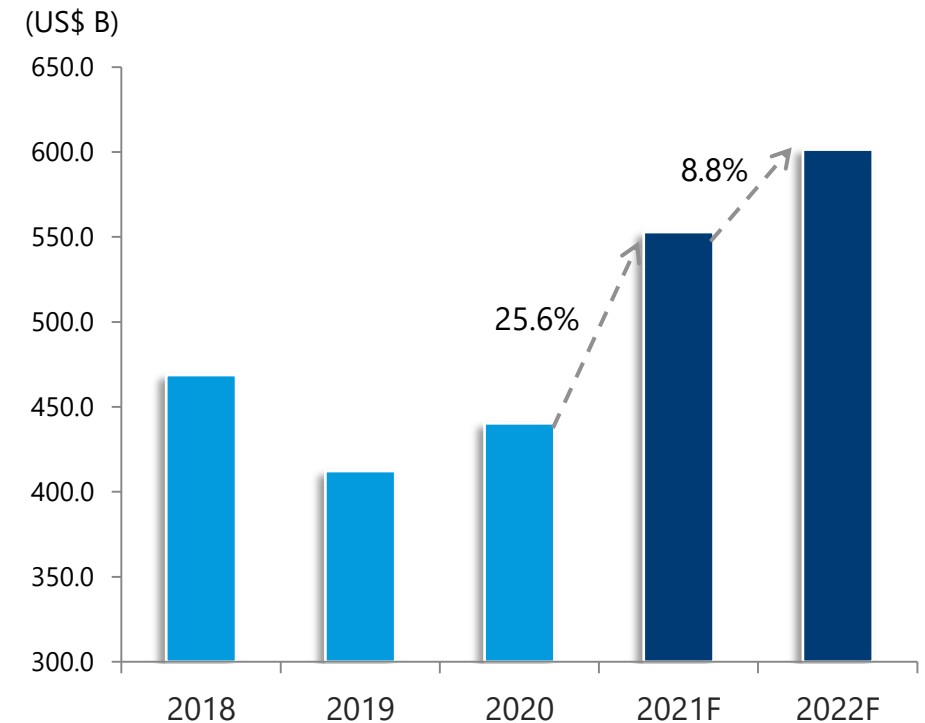
Semiconductor Industry Review

Global Monthly Chip Sales



Worldwide semiconductor sales in the five months from July to November 2021 surged by 26.7% to US\$243.9 billion compared to the same period in 2020. SIA said that chip sales and units shipped are projected to have reached all-time highs in 2021, with moderate annual growth expected in 2022.

WSTS Semiconductor Sales Forecast (November 2021)



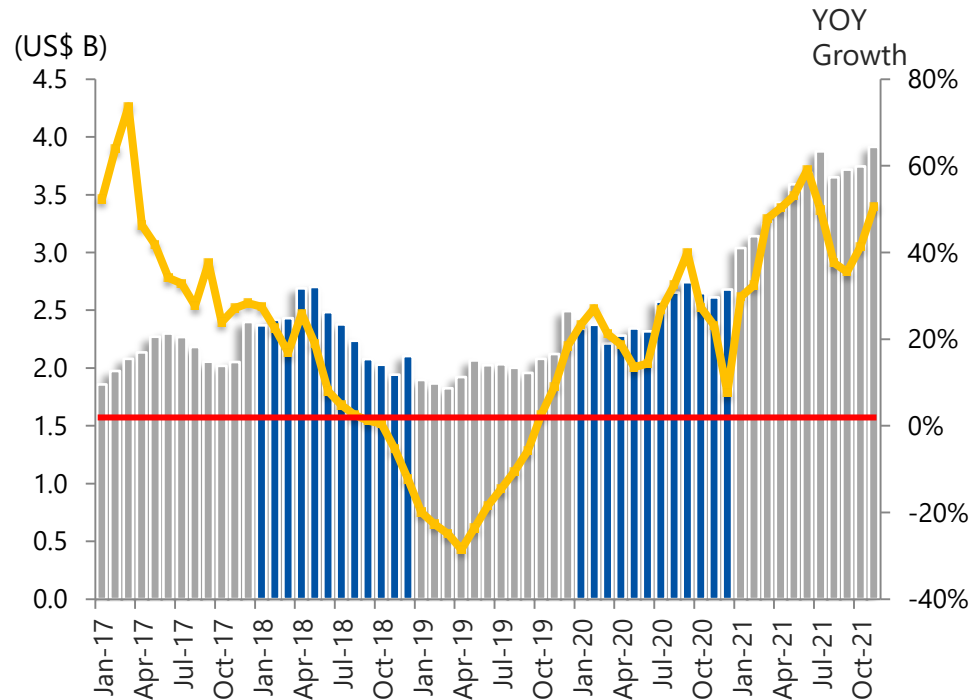
WSTS expects the worldwide semiconductor market to rise by an outstanding 25.6% to reach a market size of US\$553 billion in 2021. For 2022, WSTS is projecting the global semiconductor market to grow by 8.8% to US\$601 billion.

Sources: Semiconductor Industry Association, World Semiconductor Trade Statistics



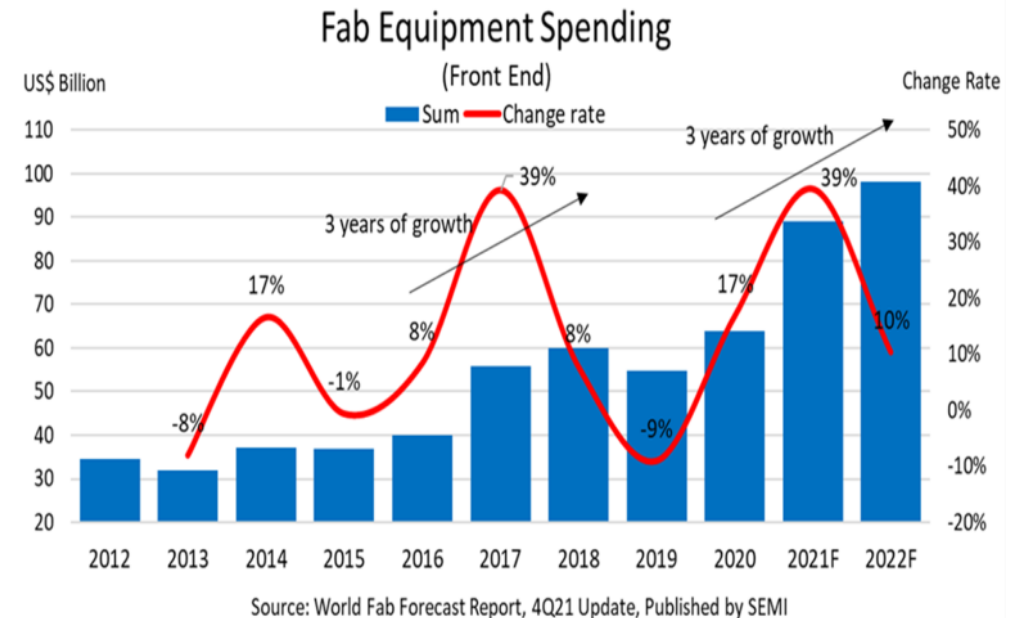
Semiconductor Industry Review

Three-month average of worldwide billings of North American equipment manufacturers



SEMI said that billings of North America-based semiconductor equipment manufacturers extended a robust uptrend to reach another new record in November 2021.

Global Fab Equipment Spending
(SEMI's quarterly World Fab Forecast report Jan 2022)



Global fab equipment spending for front-end facilities is expected to rise 10% year-over-year in 2022 to a new all-time high of over US\$98 billion, marking a third consecutive year of growth.



Operating Landscape

The long-term prospects of semiconductor industry remain positive as chips become increasingly embedded in nearly every aspect of modern life



However, the operating landscape has also become more challenging:

Supply Shortages

Difficulty in obtaining materials on timely basis

Cost Pressures

Rapid increase in cost of raw materials and shipping
Increase in labour and energy costs

Labour Constraints

Tight labour market, exacerbated by higher Covid-related absenteeism

Economic / Political / Regulations

Trade friction between the USA and China
Power cutbacks in China
Pandemic-related restrictions



1H22 Corporate Highlights

Amid a challenging backdrop, the Group continued to deliver **steady growth, healthy profitability, dividend returns**, and maintained **a sound balance sheet**



INTERIM DIVIDEND

6.0 cents
PER SHARE



REVENUE

S\$40.8M

▲ 10.7%

GROSS PROFIT MARGIN
MAINTAINED AT

54.4%

NET PROFIT

S\$9.5M

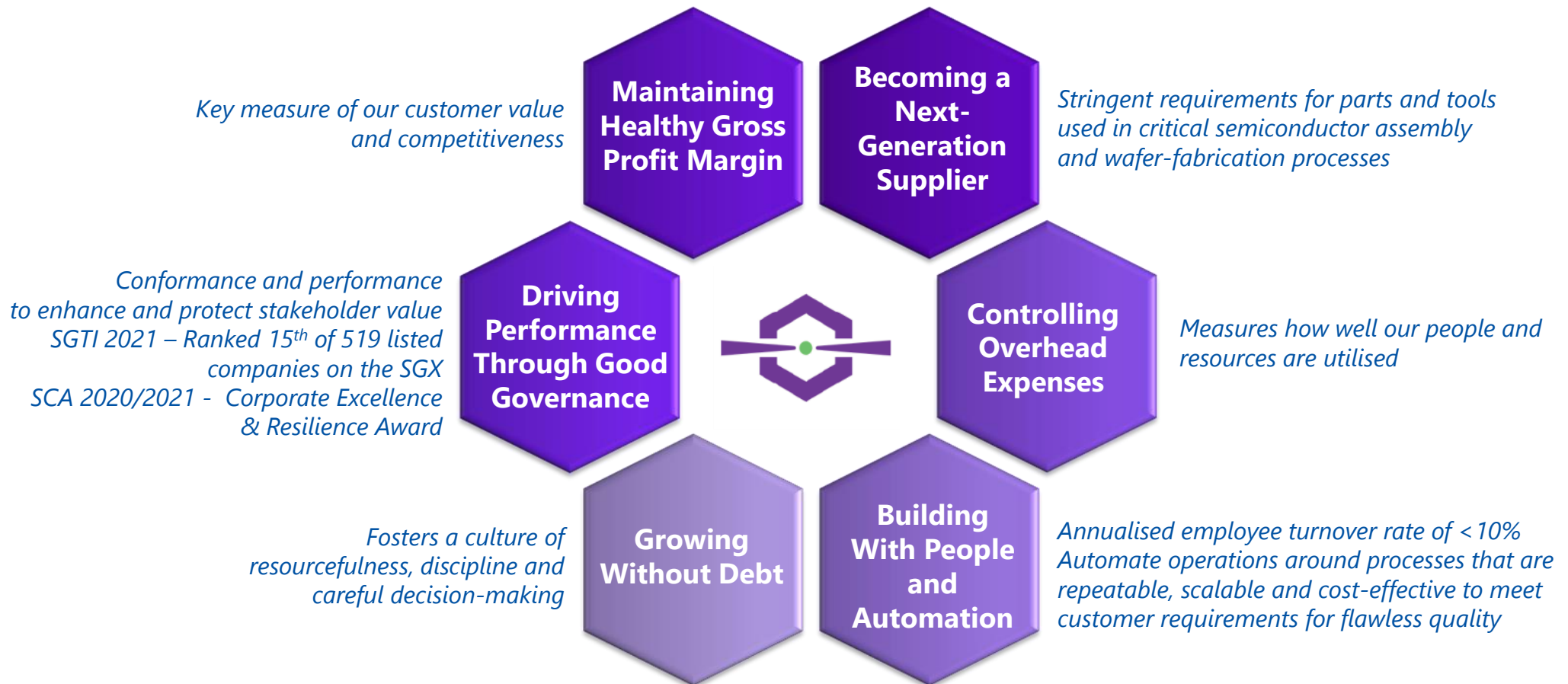
▲ 4.6%



Corporate Strategy

We need to have goals, structures and processes in place to adapt to changes in operating environment, ensure business continuity and seize opportunities that come into view.

CONTINUING OUR FOCUS ON THE KEY FUNDAMENTALS



Singapore Corporate Awards 2020/2021

SINGAPORE CORPORATE AWARDS Special Edition 2020/2021

Winner of the Corporate Excellence and Resilience Award

(for companies with market capitalisation of S\$300 million to less than S\$1 billion)

"Good governance is an invaluable methodology for aligning the way our people make decisions and take actions. When practiced relentlessly, by everyone from the shop floor to the board room, the results go beyond financial performance to include innovation, adaptability and resilience which are essential in a fast-changing world."

Since listing on the Singapore Exchange in 2003, Micro-Mechanics has won more than 30 awards in recognition of our efforts to practice good corporate governance, transparency and investor relations.



Ms. Sumitri Menon, Chairman of Micro-Mechanics





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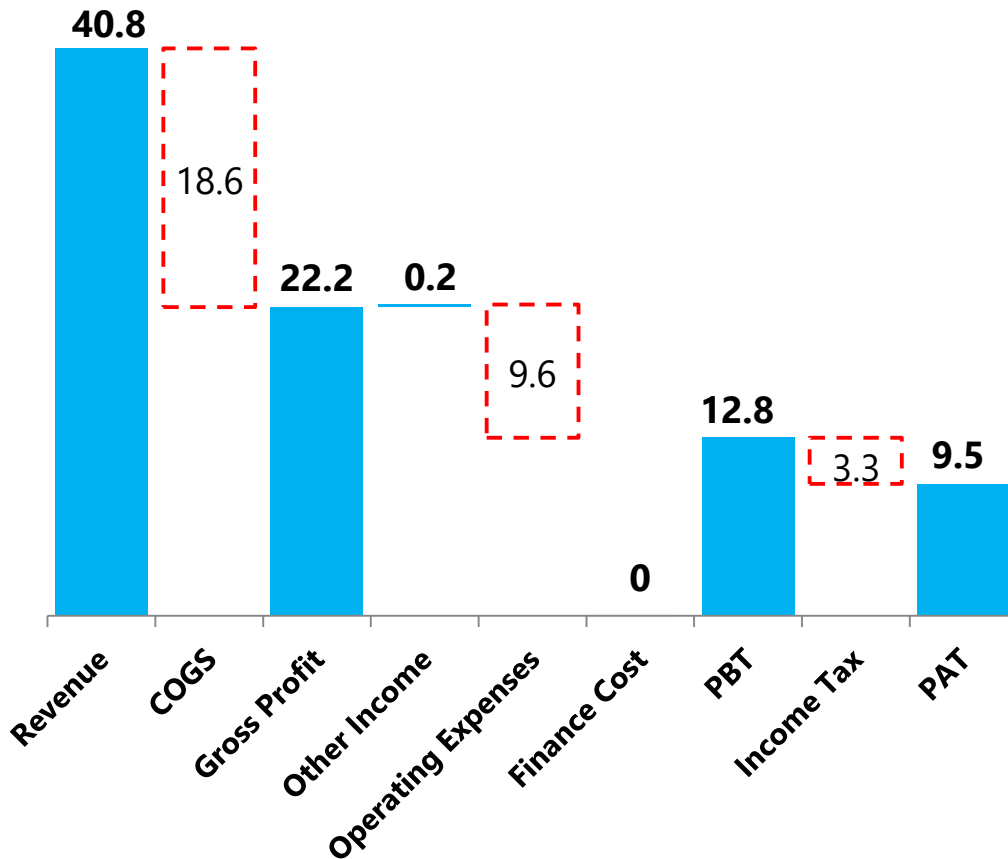
Financial Review

Chow Kam Wing, CFO



1H22 in Review

1H22 P&L Overview (S\$ million)



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

KEY RATIOS & STATISTICS

REVENUE GROWTH	10.7%
GROSS PROFIT GROWTH	10.8%
PBT GROWTH	9.7%
NET PROFIT GROWTH	4.6%
GROSS PROFIT MARGIN	54.4%
NET PROFIT MARGIN	23.3%
EARNINGS PER SHARE	6.85 cents
DIVIDEND PAYOUT (1H22)	88%
RETURN ON EQUITY (annualised)	33.7%
CASH	S\$18.3M
BORROWINGS	Zero

FY: Financial year ending 30 June

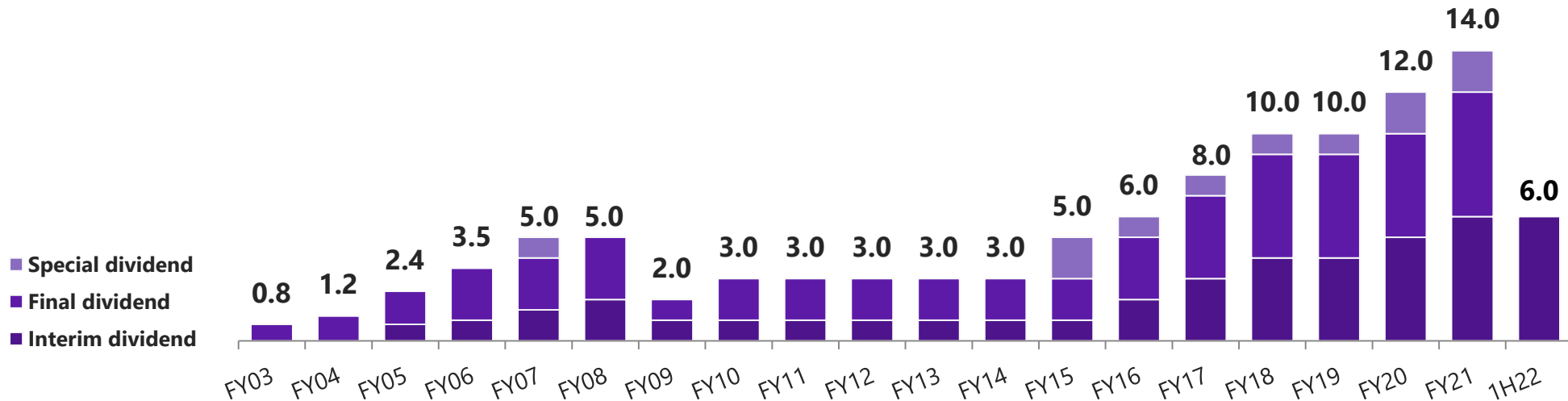


Dividend Performance

MAINTAINED INTERIM DIVIDEND OF 6 CENTS PER SHARE FOR 1H22

Total dividend payout since listing – **\$1.059** per share

DIVIDEND PER SHARE (CENTS)



DIVIDEND PAYOUT RATIO

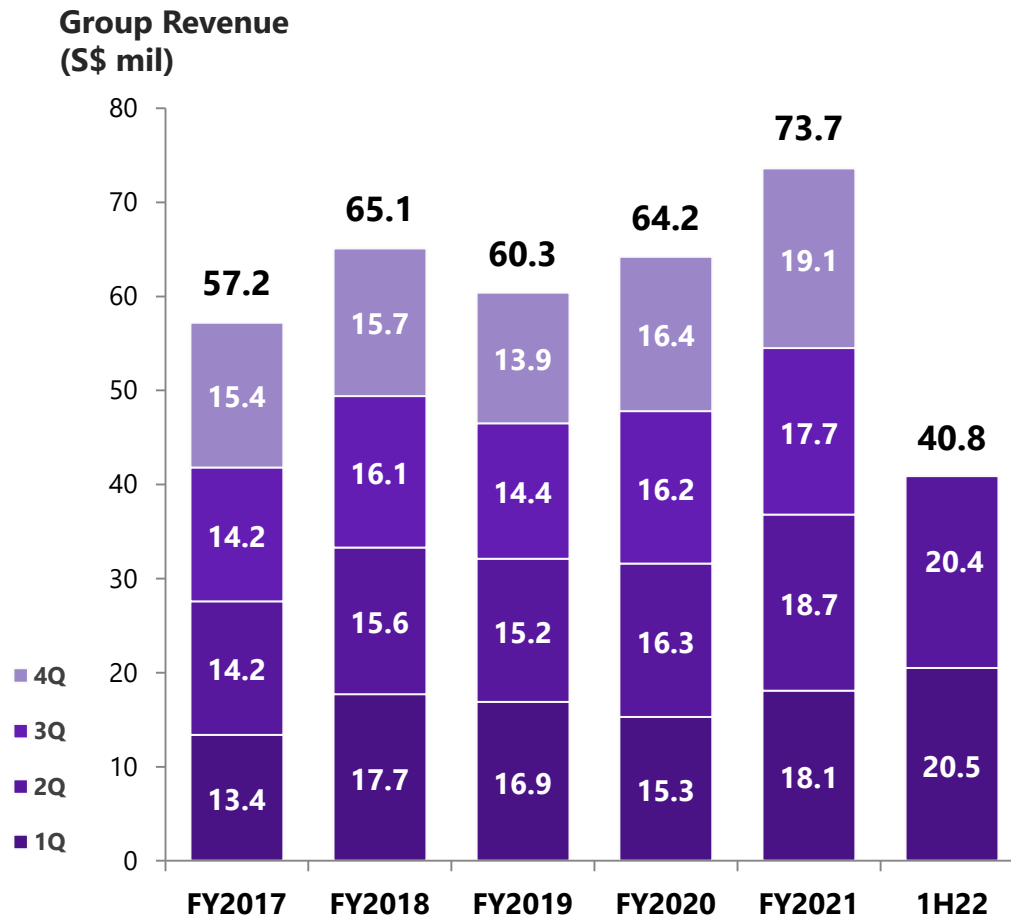
FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	F11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	1H22
29%	35%	61%	63%	83%	78%	513%	87%	61%	99%	81%	54%	58%	70%	75%	81%	107%	114%	108%	88%

Dividend Policy of Not Less Than 40% of Earnings*



Group Revenue

RECORD REVENUE FOR 1H22



2Q22 REVENUE ▲ **8.7%**

- Buoyed by the continuing growth of the semiconductor industry

1H22 REVENUE ▲ **10.7%**

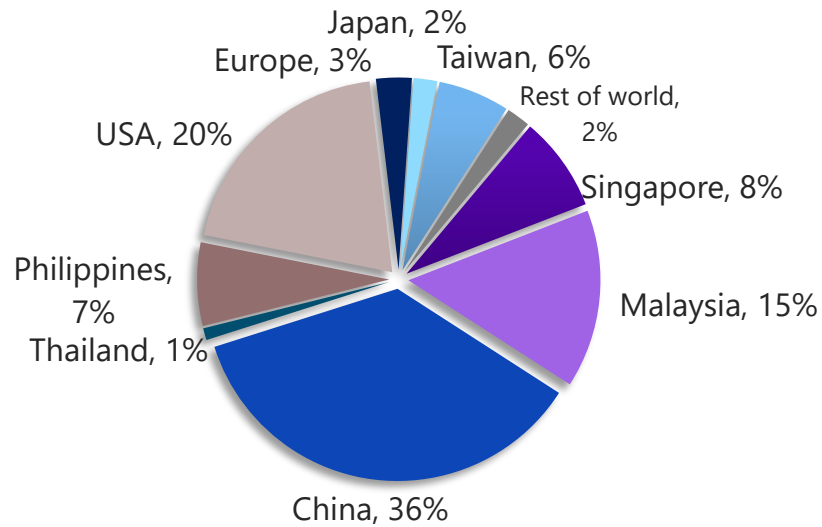
- Driven mainly by higher sales to customers in China, Malaysia and the USA



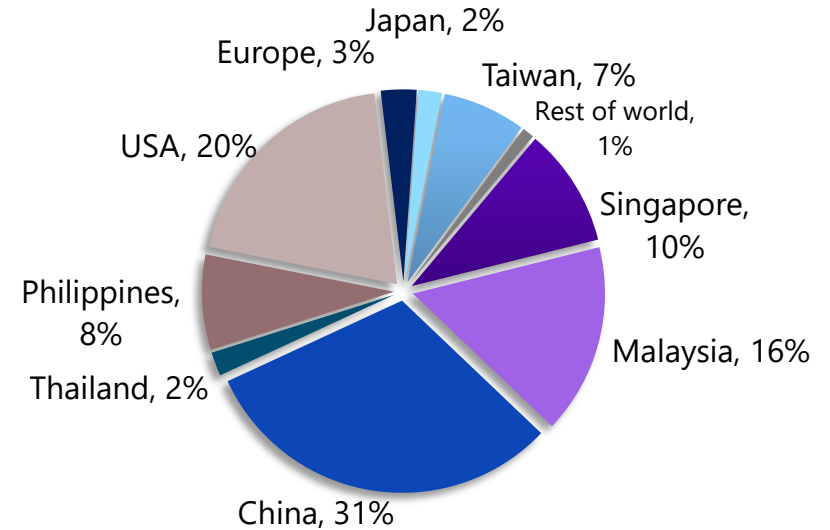
Group Revenue

DIVERSIFIED REVENUE STREAMS

Sales Breakdown for 1H22



Sales Breakdown for 1H21



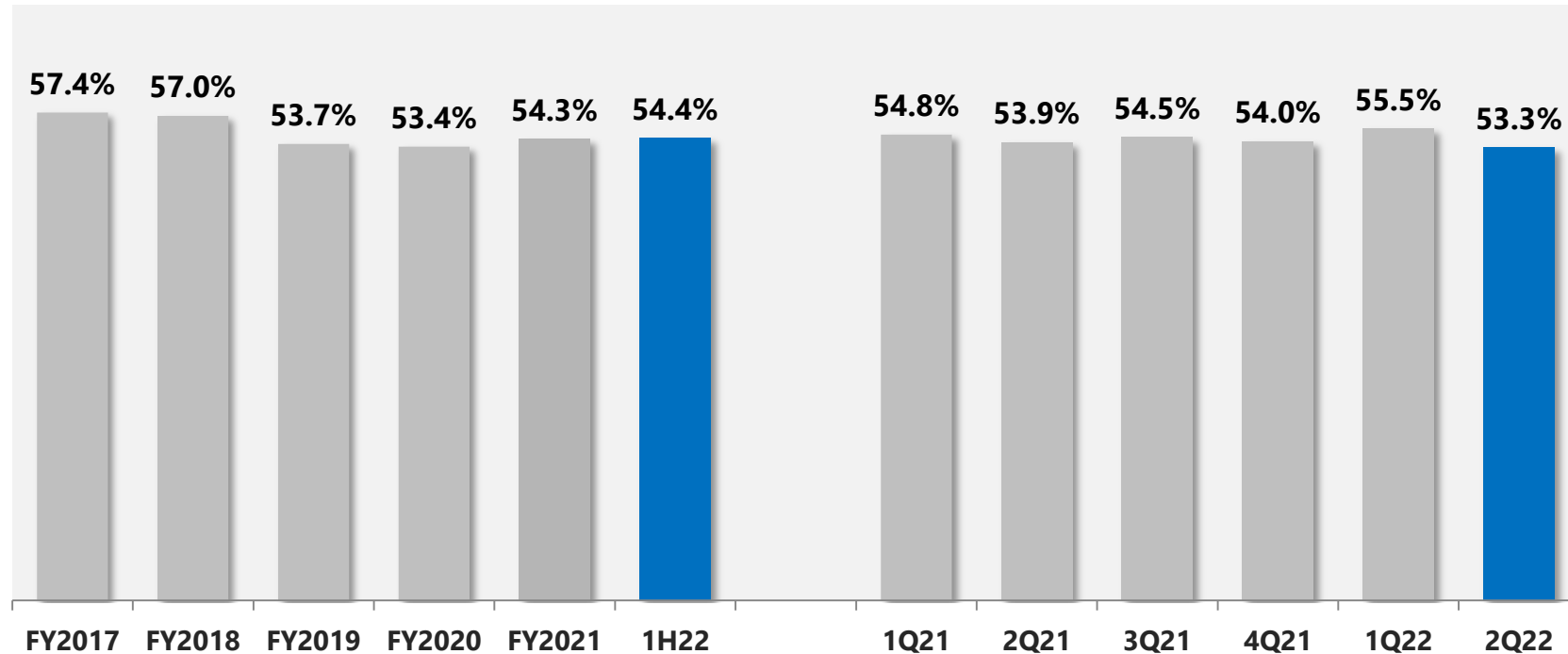
TOP 3 MARKETS*

Country	1H22 S\$ mil	1H21 S\$ mil	% change
China	14.6	11.3	29%
USA	8.1	7.5	9%
Malaysia	6.3	5.8	8%



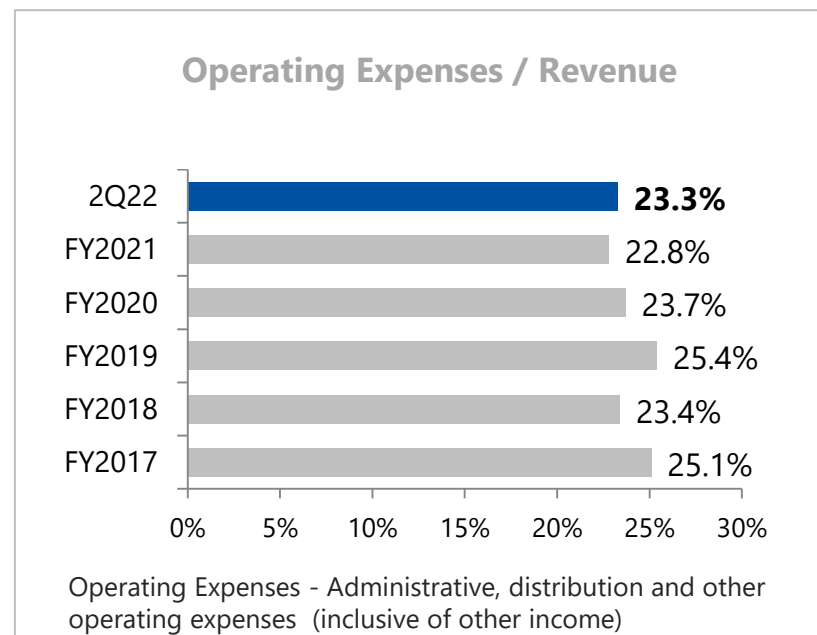
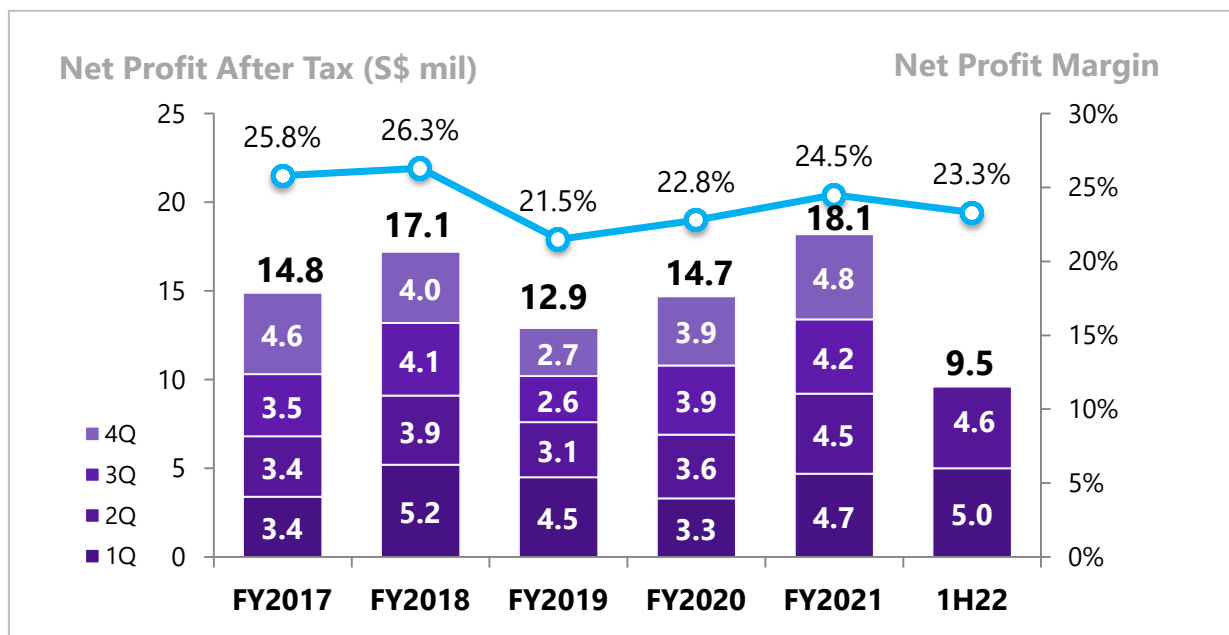
Gross Profit Margin

GROSS PROFIT MARGIN REMAINED ABOVE 50%
in spite of rising cost pressures



Profitability

RECORD NET PROFIT FOR 1H22

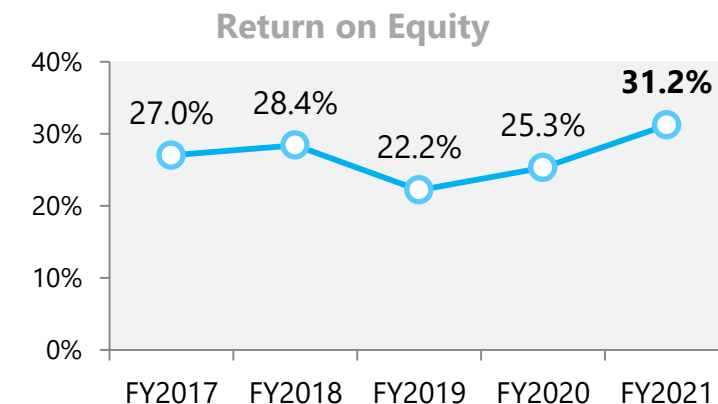


2Q22 PROFIT ▲ 2.3%

- 2Q22 PBT rose 7.5% year-on-year

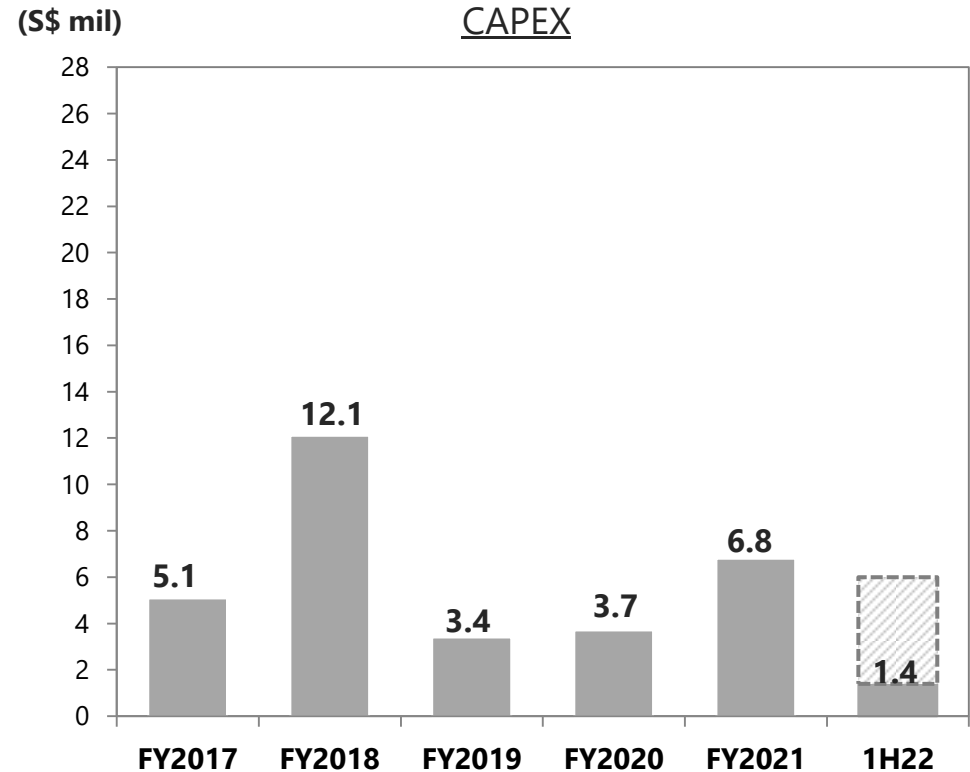
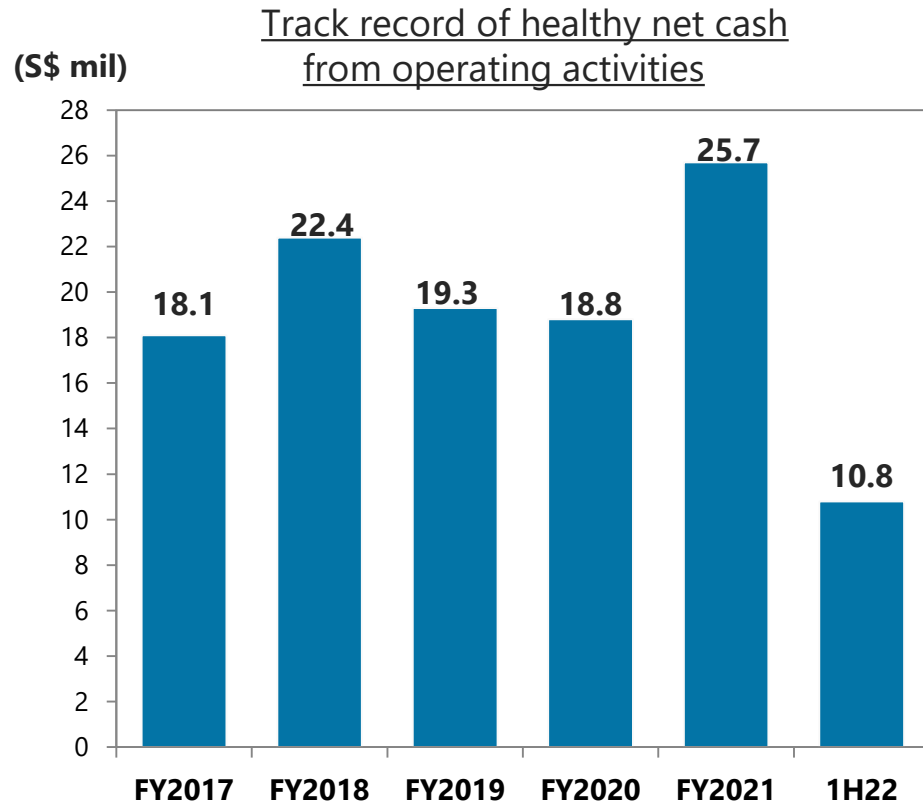
1H22 PROFIT ▲ 4.6%

- 1H22 PBT up 9.7% year-on-year
- Higher effective tax rate of 25.4% in 1H22 vs 21.8% in 1H21



Cash Flow

CASH-FLOW GENERATIVE OPERATIONS



- Capex budget for FY2022 – approx. S\$6M



Balance Sheet

		31 December 2021	30 June 2021
<u>Cash</u>	Cash and cash equivalents [#]	S\$18.3M	S\$20.6M
<u>Gearing</u>	Total borrowings	Nil	Nil
<u>Trade Receivables</u>	Trade Receivables (Outstanding > 90days) / (Total trade receivables) Bad debt expense	S\$14.0M 0.02% Nil (1H22)	S\$12.9M 0.0% Nil (FY2021)
<u>Inventory</u>	Inventory Inventory / Sales Inventory write-off	S\$5.8M 7.1% S\$49k (2Q22)	S\$5.2M 7.1% S\$130k (FY2021)
<u>Equity</u>	Shareholders' equity [#] NAV per share	S\$56.6M 40.69 cents	S\$58.0M 41.69 cents

[#] Paid dividends totalling S\$11.1M in 1H22



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.





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