



**MICRO-MECHANICS<sup>®</sup>**

*perfect parts and tools, on time, every time*

# **FY2021 Results Presentation**

31 August 2021



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# Business & Industry

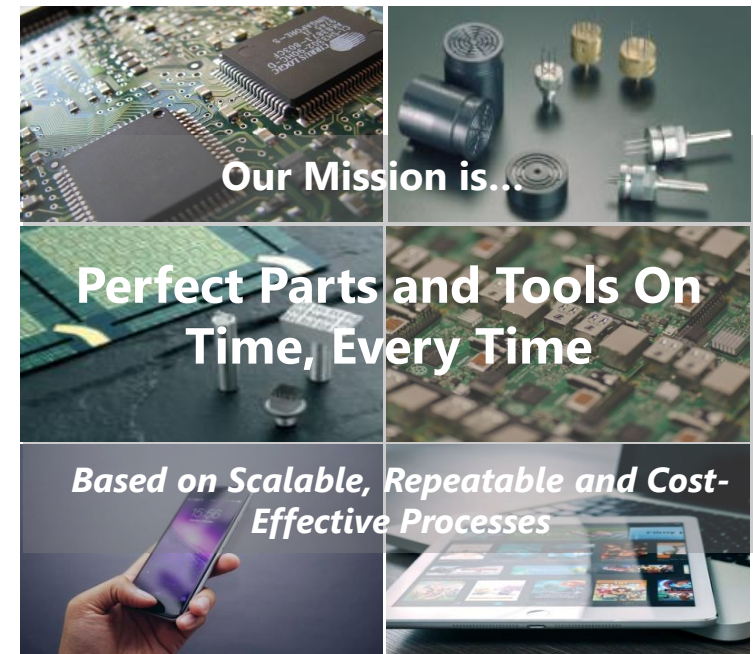
Chris Borch, CEO

Low Ming Wah, COO



# Corporate Overview

- Founded in 1983 in Singapore
- Design and manufacture **high precision tools and parts** used in **process-critical applications** for the wafer-fabrication and assembly processes of the **semiconductor industry**
- Serve a worldwide base of customers from five facilities in Asia (Singapore, Malaysia, China, Philippines) and the USA
- More than 600 active customers
- Listed on the Singapore Exchange (Main Board) since 2003
- Committed to generating shareholder returns



# Business Model

## HIGH PRECISION, PROCESS-CRITICAL Parts and Tools for Semiconductor Industry

**FRONT END**  
Wafer fabrication

**BACK END**  
Assembly & Test (A&T)



Contract manufacturing of process-critical **wafer fabrication equipment parts**

**Proprietary consumable tools** used in the **semiconductor A&T processes**



Engineering of high precision parts that have a critical impact on wafer processing, for various front-end equipment

Engineering of high precision process-critical tools such as die-attach and wirebonding tools.  
Ultra fine tools with tips, hole sizes or features from as small as 0.05mm and 0.10mm



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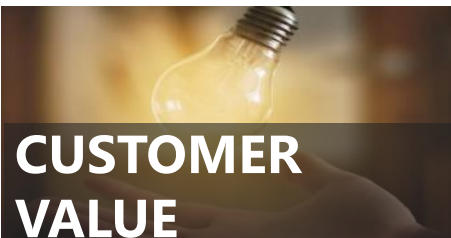


Leading wafer fabrication equipment manufacturers in the USA

IDMs, Semiconductor assembly and test service providers



FOCUS ON PROCESS-CRITICAL PARTS AND TOOLS  
→ HIGHER STRATEGIC VALUE; HEALTHY GROSS PROFIT MARGIN



HIGH PRECISION AND QUALITY  
COST-EFFECTIVE MANUFACTURING  
SHORT CYCLE TIME  
WORLDWIDE SUPPORT  
INVESTMENTS IN NEW TECHNOLOGY

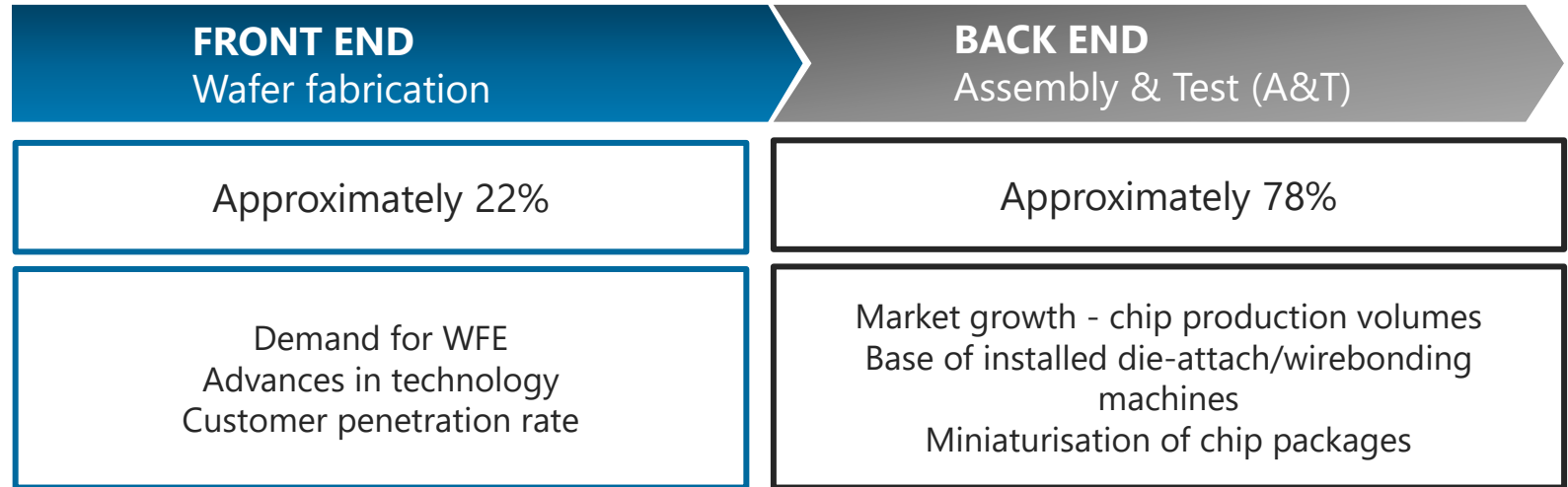


# Business Drivers

## HIGH PRECISION, PROCESS-CRITICAL Parts and Tools for Semiconductor Industry

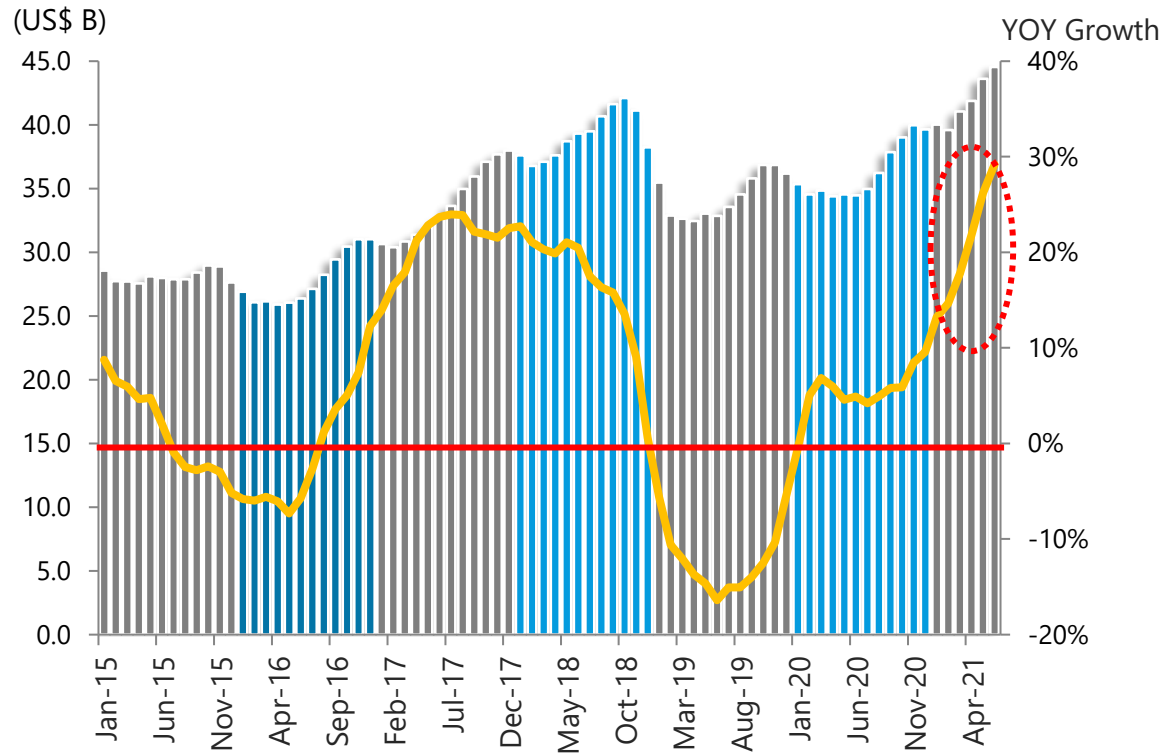
### GROUP REVENUE BREAKDOWN\*

### REVENUE DRIVERS



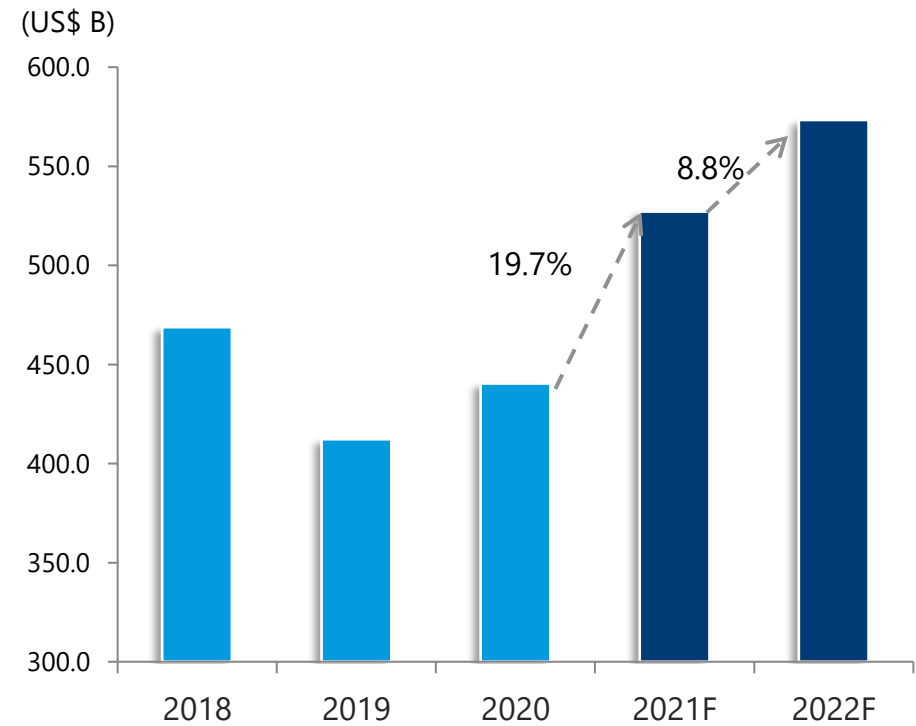
# Semiconductor Industry Review

Global Monthly Chip Sales



Global semiconductor sales for the six months from January to June 2021 increased 22% year-on-year to US\$254.4 billion. The Semiconductor Industry Association said semiconductor sales increased across all major product categories and in every major regional market.

WSTS Semiconductor Sales Forecast (June 2021)



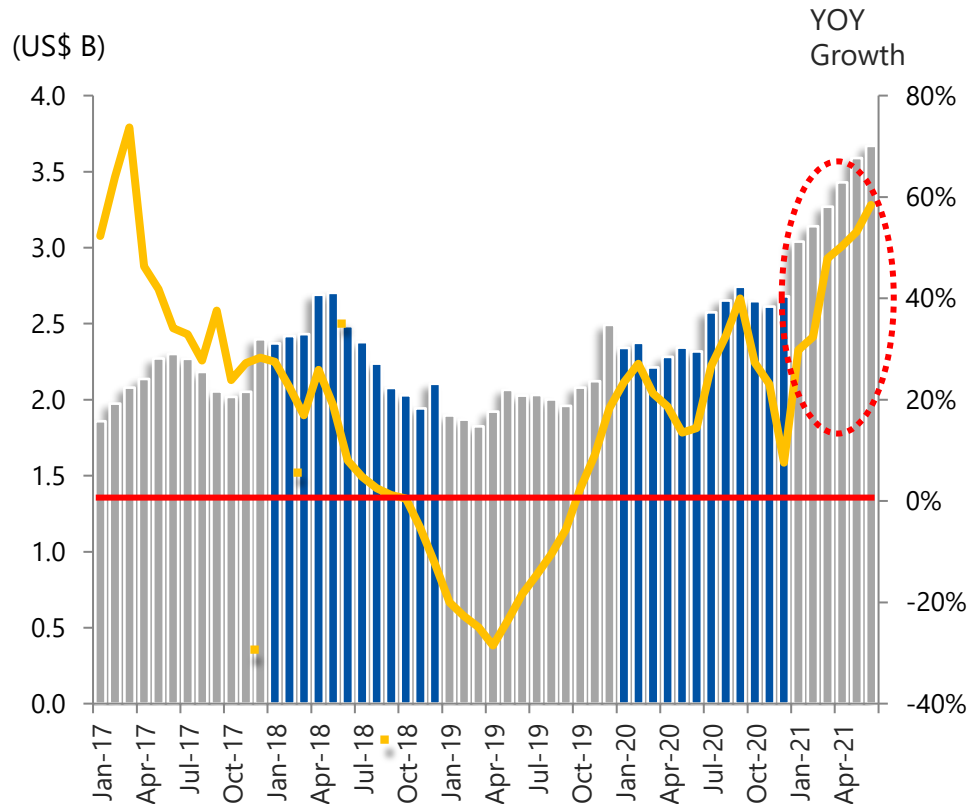
WSTS has upgraded its 2021 global chip sales growth forecast to 19.7% to reach a record US\$527 billion. All major regions are expected to post double-digit sales growth led by Asia Pacific (including China) and Europe. For 2022, WSTS projects the global semiconductor market to grow a further 8.8% to US\$573 billion.

Sources: Semiconductor Industry Association, World Semiconductor Trade Statistics



# Semiconductor Industry Review

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



Source: SEMI

Global Sales of Semiconductor Manufacturing Equipment (Jul 2021)

**SEMI 2021 Mid-Year Total Equipment Forecast by Segment (US \$ Billion)**



- Global sales of semiconductor manufacturing equipment by original equipment manufacturers are forecast to post industry high of \$100 billion in 2022, after jumping 34% to \$95.3 billion in 2021 compared to \$71.1 billion in 2020



# Corporate Highlights



RECORD REVENUE

**\$73.7M**

▲ 14.8%

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GROSS PROFIT MARGIN  
UP TO

**54.3%**

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RECORD NET PROFIT

**\$18.1M**

▲ 23.3%

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# Corporate Highlights

Based on recent forecast from VLSI Research, global chip sales could double to nearly US\$1 trillion by 2030 from about US\$450 billion in 2020

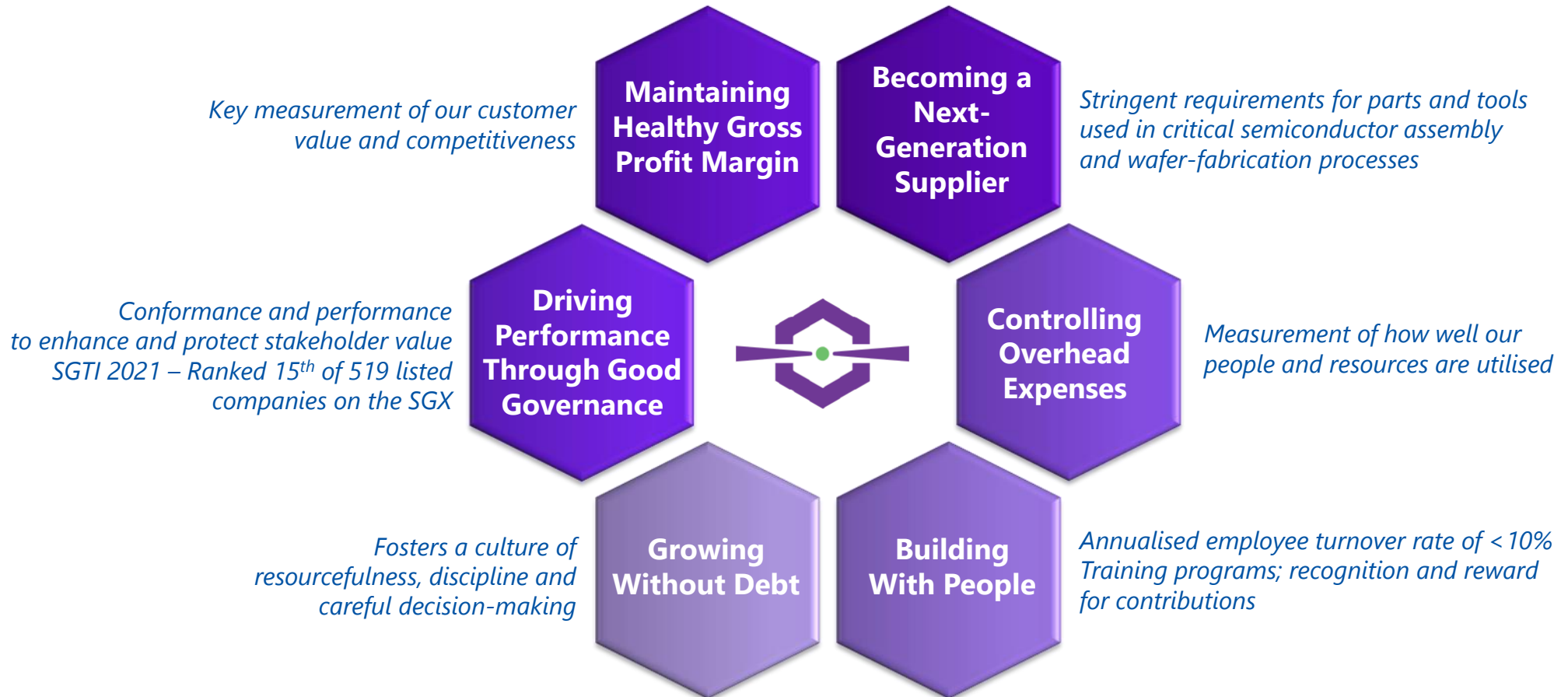
**Indeed, we believe the semiconductor industry is poised for a prolonged period of solid growth as chips become increasingly embedded in nearly every aspect of modern life**



# Corporate Highlights

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





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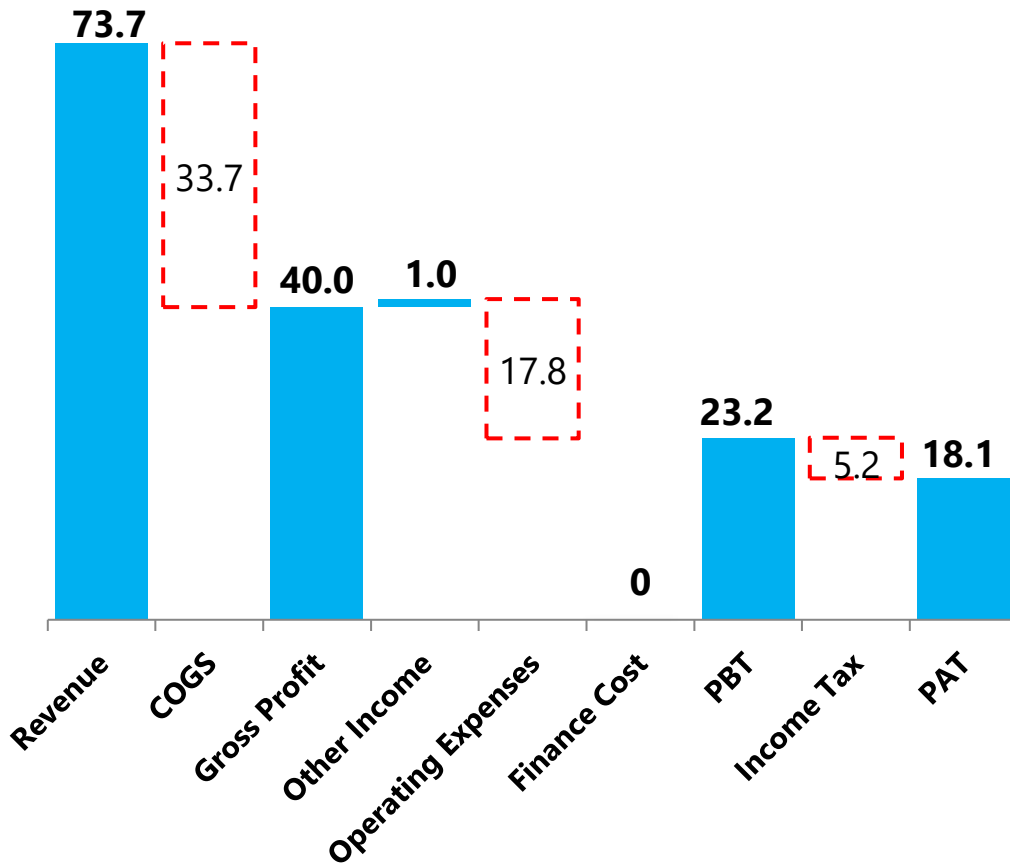
# Financial Review

Chow Kam Wing, CFO



# FY2021 in Review

FY2021 P&L Overview (\$ 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	14.8%
GROSS PROFIT GROWTH	16.6%
PBT GROWTH	21.7%
NET PROFIT GROWTH	23.3%
GROSS PROFIT MARGIN	54.3%
NET PROFIT MARGIN	24.5%
EARNINGS PER SHARE	12.99 cents
DIVIDEND PAYOUT (FY2021)	108%
RETURN ON EQUITY	31.2%
CASH	S\$20.6M
BORROWINGS	Zero

*FY: Financial year ending 30 June*

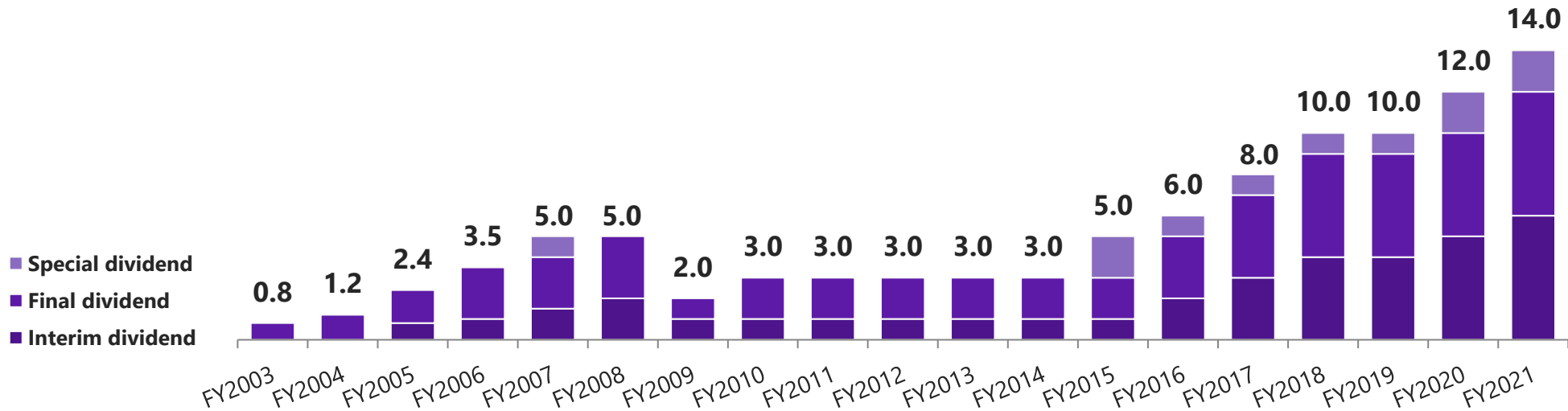


# Dividend Performance

## HIGHER DIVIDEND OF 14 CENTS PER SHARE FOR FY2021

Total dividend payout since listing – **99.9 CENTS** per share

### DIVIDEND PER SHARE (CENTS)



### DIVIDEND PAYOUT RATIO

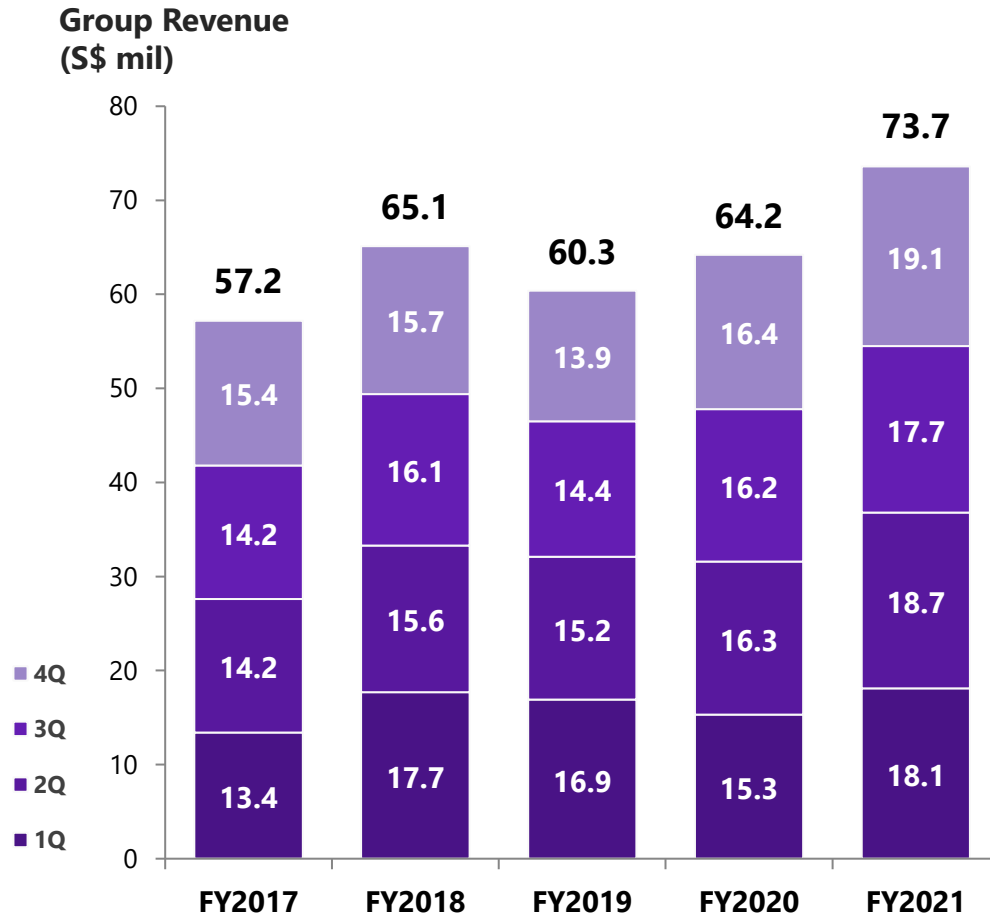
FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
29%	35%	61%	63%	83%	78%	513%	87%	61%	99%	81%	54%	58%	70%	75%	81%	107%	114%	108%

Dividend Policy of Not Less Than 40% of Earnings\*



# Group Revenue

## RECORD REVENUE FOR FY2021



**4Q21 REVENUE ▲ 16.9%**

- Quarterly record sales

**FY2021 REVENUE ▲ 14.8%**

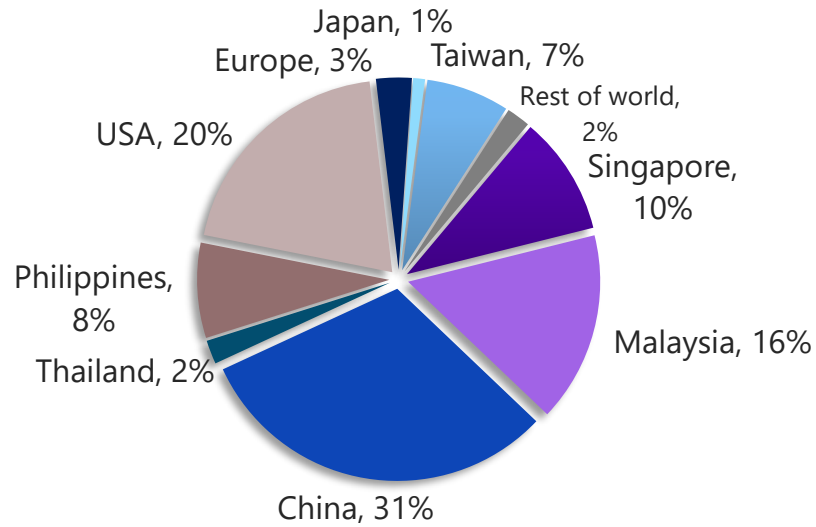
- Record revenue in FY2021
- Reflects the resilience and growth of the global semiconductor industry amid the Covid-19 pandemic



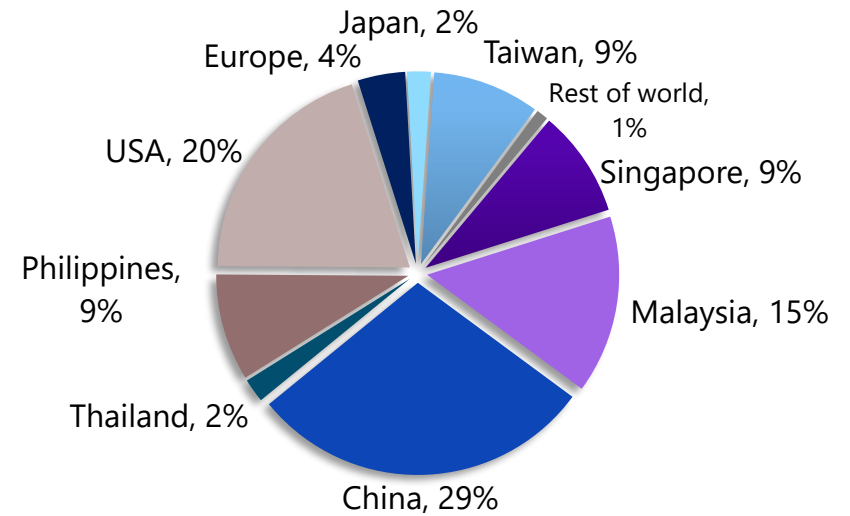
# Group Revenue

## DIVERSIFIED REVENUE STREAMS

Sales Breakdown for FY2021



Sales Breakdown for FY2020



## TOP 3 MARKETS

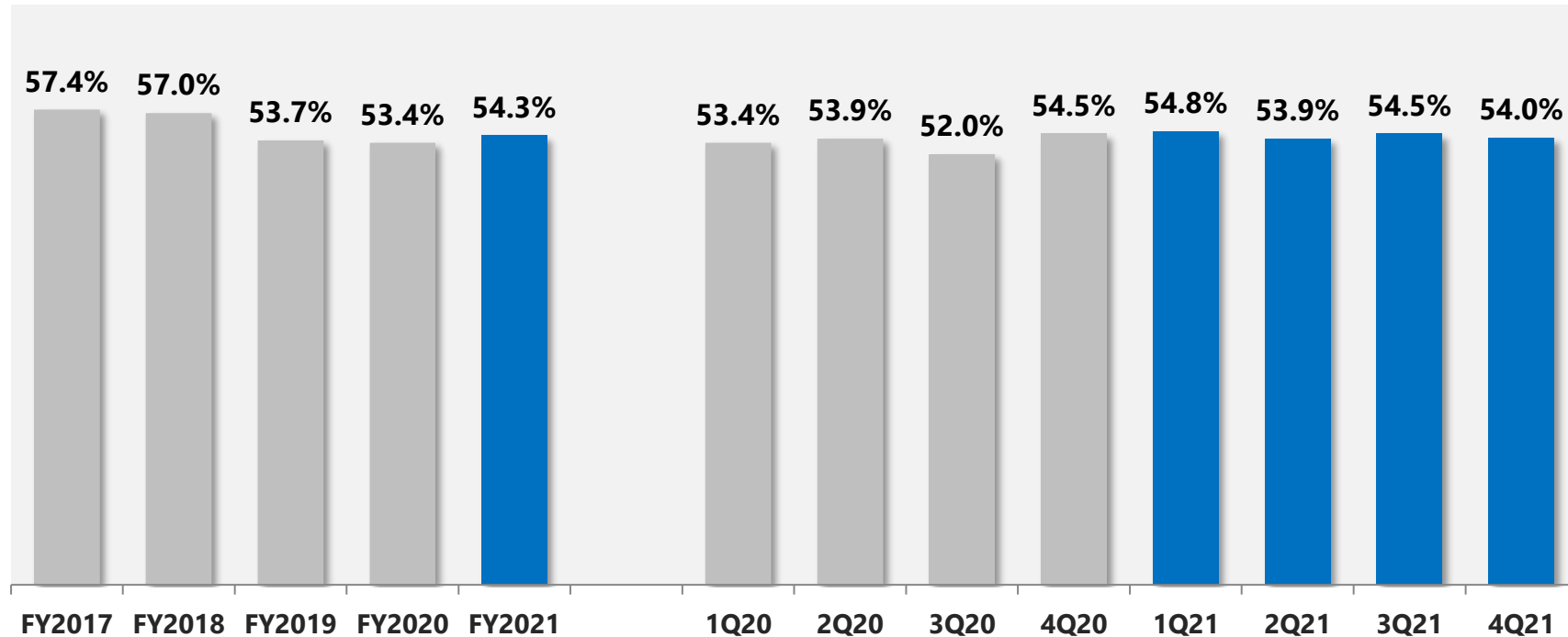
Country	FY2021 S\$ mil	FY2020 S\$ mil	% change
<b>China</b>	<b>23.1</b>	19.0	<b>22%</b>
<b>USA</b>	<b>14.8</b>	13.2	<b>12%</b>
<b>Malaysia</b>	<b>11.5</b>	9.9	<b>15%</b>





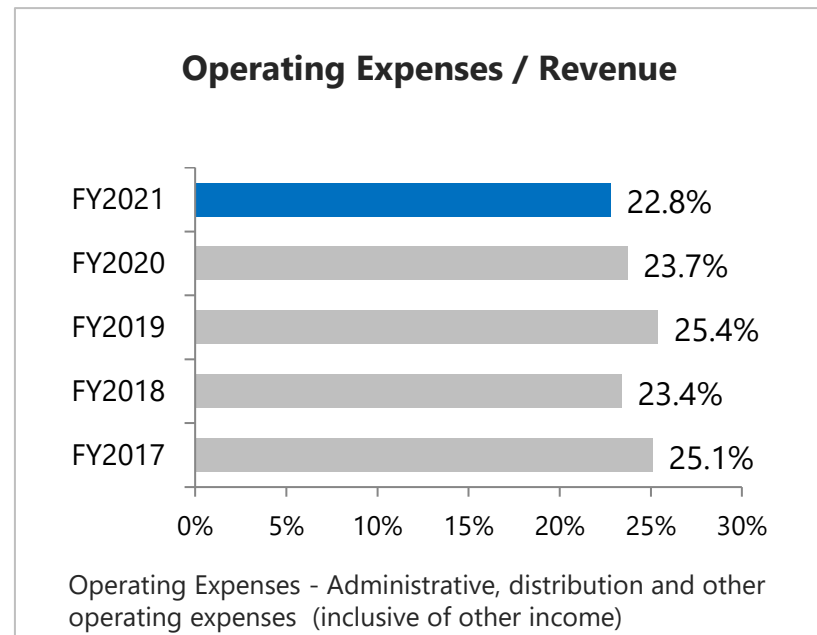
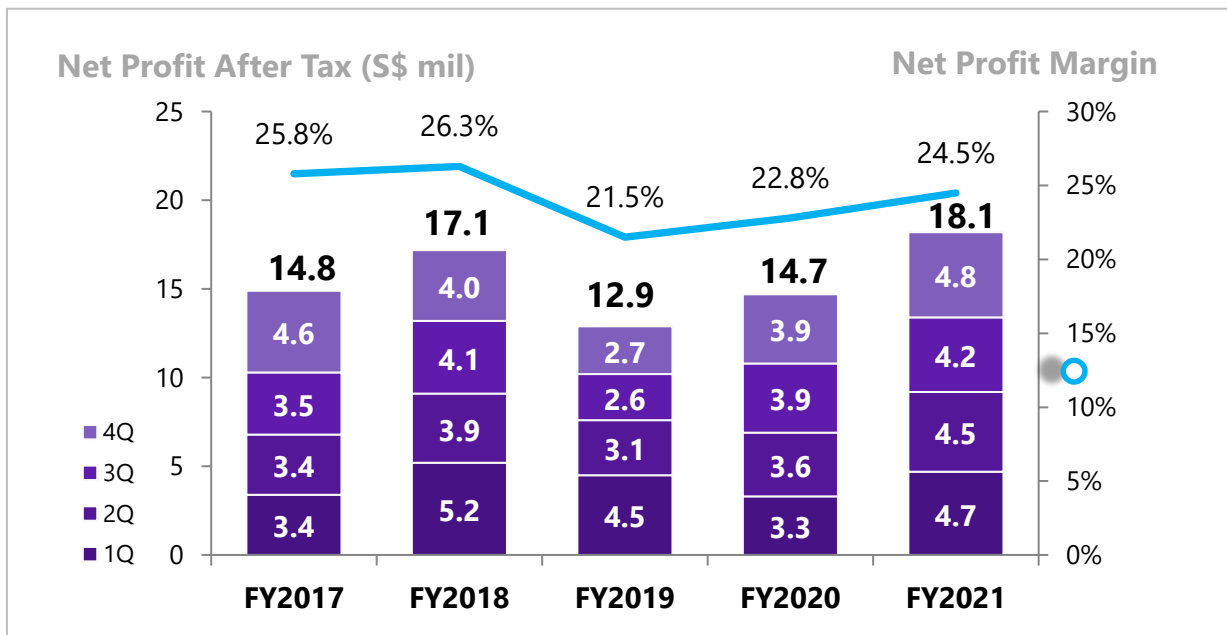
# Gross Profit Margin

**GROSS PROFIT MARGIN REMAINED ABOVE 50%**



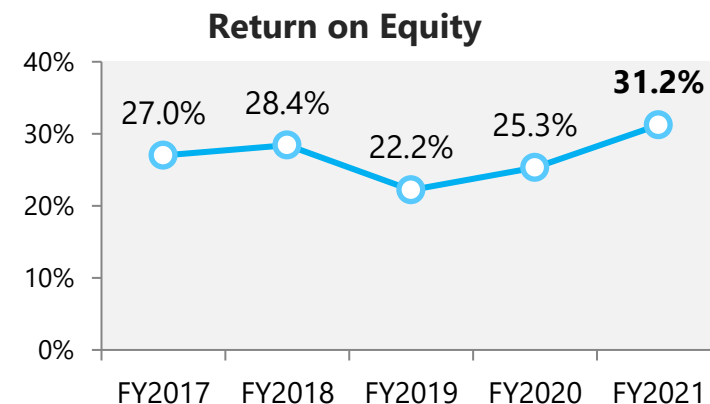
# Profitability

## RECORD NET PROFIT FOR FY2021



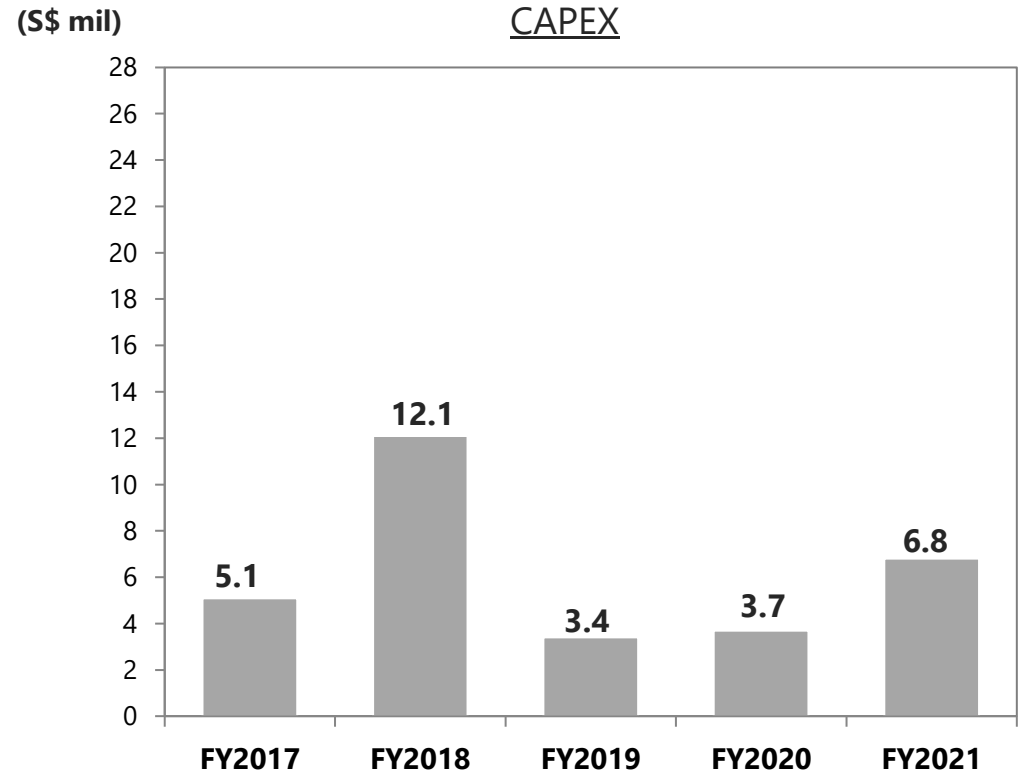
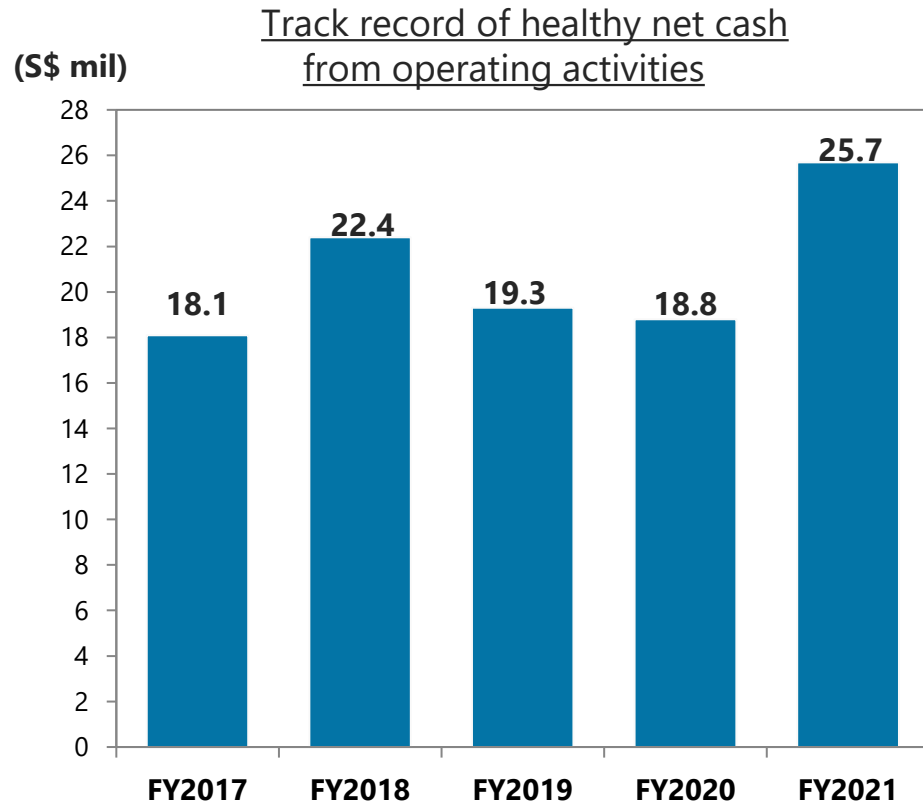
### FY2021 PROFIT ▲ 23.3%

- Achieved record profit in FY2021
- Attributed to higher sales and GP, combined with a tight rein on expenses
- Higher net profit margin and ROE in FY2021



# Cash Flow

## CASH-FLOW GENERATIVE OPERATIONS



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



# Balance Sheet

		30 June 2021	30 June 2020
<u>Cash</u>	Cash and cash equivalents <sup>#</sup>	S\$20.6M	S\$20.8M
<u>Gearing</u>	Total borrowings	Nil	Nil
<u>Trade Receivables</u>	Trade Receivables (Outstanding > 90days) / (Total trade receivables) Bad debt expense	S\$12.9M 0.0% Nil (FY2021)	S\$11.8M 0.0% Nil (FY2020)
<u>Inventory</u>	Inventory Inventory / Sales Inventory write-off	S\$5.2M 7.1% S\$130k (FY2021)	S\$5.4M 8.4% S\$95k (FY2020)
<u>Equity</u>	Shareholders' equity <sup>#</sup> NAV per share	S\$58.0M 41.69 cents	S\$58.0M 41.71 cents

<sup>#</sup> Paid dividends totalling S\$18.1M in FY2021



# 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.

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