



# RESULTS BRIEFING FY2019



jubilee

# Disclaimer



This presentation may contain forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. Such risks and uncertainties include industry and economic conditions, competition, and legal, governmental and regulatory changes. The forward-looking statements reflect the current views of the management on future trends and developments.

*This Press Release has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (SGX-ST). The Company's Sponsor has not independently verified the contents of the Press Release.*

*This Press Release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Press Release including the correctness of any of the statements or opinions made or reports contained in this Press Release.*

# Jubilee Group Structure



**JUBILEE INDUSTRIES HOLDINGS  
LTD**  
千禧业科技公司

**Honfoong Plastic  
Industries Pte Ltd**

**PT Honfoong  
Plastic Industries  
(Batam)**

**Jubilee Industries  
(S) Pte Ltd**

**WE Total  
Engineering  
Sdn Bhd  
(Malaysia)**

**WE Components  
Pte Ltd**

**EG Industries  
Berhad &  
subsidiaries**

**WE  
Components  
(Shanghai) Co  
Ltd  
(China)**

**WE  
Components  
Co Ltd  
(Thailand)**

**WE  
Components  
(Hong Kong)  
Limited  
(China)**

**Kin Wai  
Technology  
Ltd  
(BVI)**

**WE  
Components  
(Shenzhen) Co  
Ltd  
(China)**

**WE  
Components  
(Penang) Sdn  
Bhd  
(Malaysia)**

**WE  
Microelectronics  
Pte Ltd  
(Singapore)**

**WE  
Components  
India Pvt Ltd  
(India)**

# Financial Highlights



# Financials: Jubilee Group



S\$' million	FY2019 (Apr 2018 – Mar 2019)	FY2018 (Apr 2017 – Mar 2018)	Change (%)
Revenue	163.7	159.9	2.4
Cost of Sales	(151.1)	(152.3)	(0.1)
Gross Profit	12.6	7.6	65.8
Other Income	1.3	2.9	(55.2)
Expenses	(11.1)	(10.3)	7.8
Share of profit of associated company	0.7	0.7	-
PBT	3.5	0.9	288.9
EBITDA	4.7	2.7	74.1



# Analyst Coverage



Company Note

Singapore

SGX StockFacts Research Programme

**ADD** (no change)

Consensus ratings*:	Buy 1	Hold 0	Sell 0
Current price:	S\$0.031		
Target price:	S\$0.043		
Previous target:	S\$0.051		
Up/downside:	38.7%		
CGS-CIMB / Consensus:	na		
Reuters:	JLJH.SI		
Bloomberg:	JLJ SP		
Market cap:	US\$21.69m		
Average daily turnover:	S\$29.70m		
	US\$0.02m		
	S\$0.03m		
Current shares o/s:	958.2m		
Free float:	26.7%		

\*Source: Bloomberg

## Maintain Add with a lower TP of S\$0.043

We still look towards earnings growth in FY19-21F as Jubilee's mechanical division (MBU) could still serve as a bright spot after delivering close to two-fold yoy rise in revenue to S\$7.7m in 1HFY3/19. Capacity expansion plans for its EBU segment have been set in motion after it acquired HonFoong in Jul 18 and took on its first direct medical supplies customer. The stock currently trades at 5.2x CY20F P/E (6.5x on a diluted basis, factoring in 255m outstanding warrants as at end-Sep 18), below peers' average of 10.5x. We maintain our Add call. Upside catalysts: stronger-than-expected profit contribution from the MBU division. Key risks include termination of distributorships with key principal suppliers.

## Analyst(s)



**Colin TAN**

T (65) 6210 8685

E colin.tan@cgs-cimb.com

Financial Summary	Mar-17A	Mar-18A	Mar-19F	Mar-20F	Mar-21F
Revenue (S\$m)	108.8	160.0	187.7	206.4	222.0
Net Profit (S\$m)	(7.48)	0.93	3.39	5.52	6.21
Core EPS (S\$)	(0.015)	0.001	0.004	0.005	0.006
Core EPS Growth	(4%)		150%	56%	12%
FD Core P/E (x)	NA	26.36	11.19	7.10	6.32
Price To Sales (x)	0.11	0.13	0.16	0.15	0.14
DPS (S\$)	-	-	-	-	-
Dividend Yield	0%	0%	0%	0%	0%
EV/EBITDA (x)	NA	2.77	5.71	3.84	3.27
P/FCFE (x)	1.23	NA	NA	99.39	38.77
Net Gearing	83.3%	(9.4%)	11.2%	8.8%	5.6%
P/BV (x)	0.97	0.83	0.85	0.74	0.64
ROE	(38.2%)	3.9%	9.5%	13.9%	13.6%
% Change In Core EPS Estimates			(34.1%)	(30.1%)	(26.5%)
CIMB/consensus EPS (x)			0.70	0.68	0.77

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

- Source: CGS-CIMB Technology Components 16 May 2019 (SGX Research Incentive Scheme)
- Disclaimer: Projections are views of the analyst and shareholders should read the entire research report to understand the basis and assumptions made therein.

# Operations Review



# Jubilee Industries Holdings Ltd



- Established in 1993 and listed on SGX-Catalist since 10 July 2009, Jubilee Industries Holdings Limited (“Jubilee”) is a one-stop solutions provider in the electronics industry.
- Its two main business segments are, namely Electronics Business Unit (“EBU”) and Mechanical Business Unit (“MBU”):
- Under MBU, Jubilee engages in precision plastic injection moulding (“PPIM”) and mould design and fabrication (“MDF”) services while EBU is principally involved in the distribution of electronic components.
- Headquartered in Singapore, the Group’s production facilities are located in Johor Bahru, Malaysia and also for Batam, Indonesia. The Group’s products are sold to customers in Southeast Asia, India and China.



# EG Industries Berhad

- EG Industries Berhad (“EG”) is one of the top 50 largest Electronic Manufacturing Services (“EMS”) in the world.
- Key customers include Western Digital, Dyson, and OJE.
- With an 14% stake in EG as at 1 May 2019, Jubilee is not only able to realise business and operational synergy between both companies but also benefit from EG’s revenue and profit growth.
- In the first half ended 31 December 2018, EG Industries reported a 2.7% increase in revenue and a fall of 18.4% in net profit. On a quarter-on-quarter basis, second quarter revenue rose 2% while profit increased 5.1%.



Production Plant Tour

# Outlook/Investment Highlights



- ⊙ In the MBU segment, Jubilee acquired Honfoong Plastic Industries (“HFPL”) in FY2019, which has boosted our precision tooling machines to a fleet of 118 from a mere 27 machines. Our MBU segment now boast of the capability to take on customers in various industries from automotive, consumables to the newly-added medical industry. We are expected to benefit from this move in FY2020 as evident by the improved performance in the MBU segment in FY2019.
- ⊙ Despite the ongoing trade war, we have received request for quotation (RFQ) from potential customers. However, we are cautious of the overall sentiment in the tech industry and will monitor the situation closely.
- ⊙ We are optimistic that future growth will come from organic growth and possible acquisitions. We are in the midst of discussions with various parties on possible acquisitions and investments that are beneficial to the group as a whole.

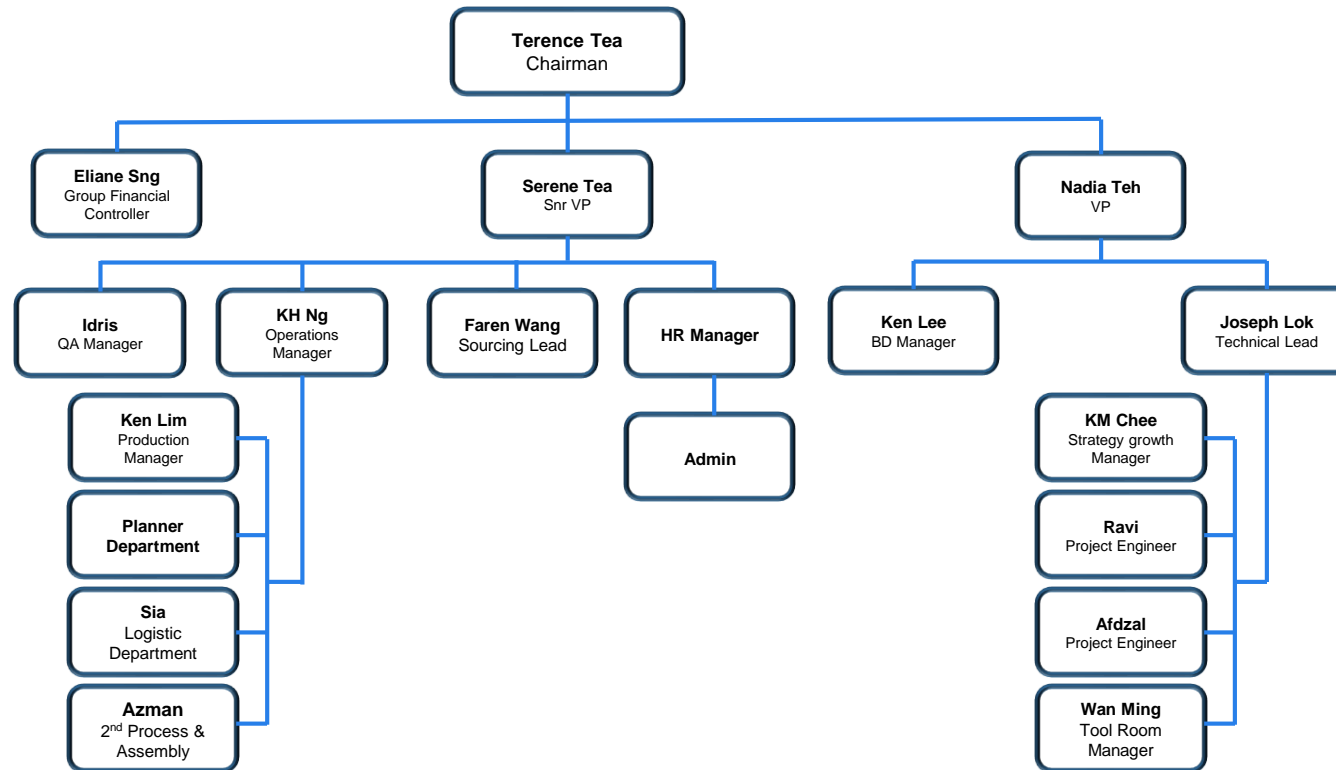
# Outlook/Investment Highlights



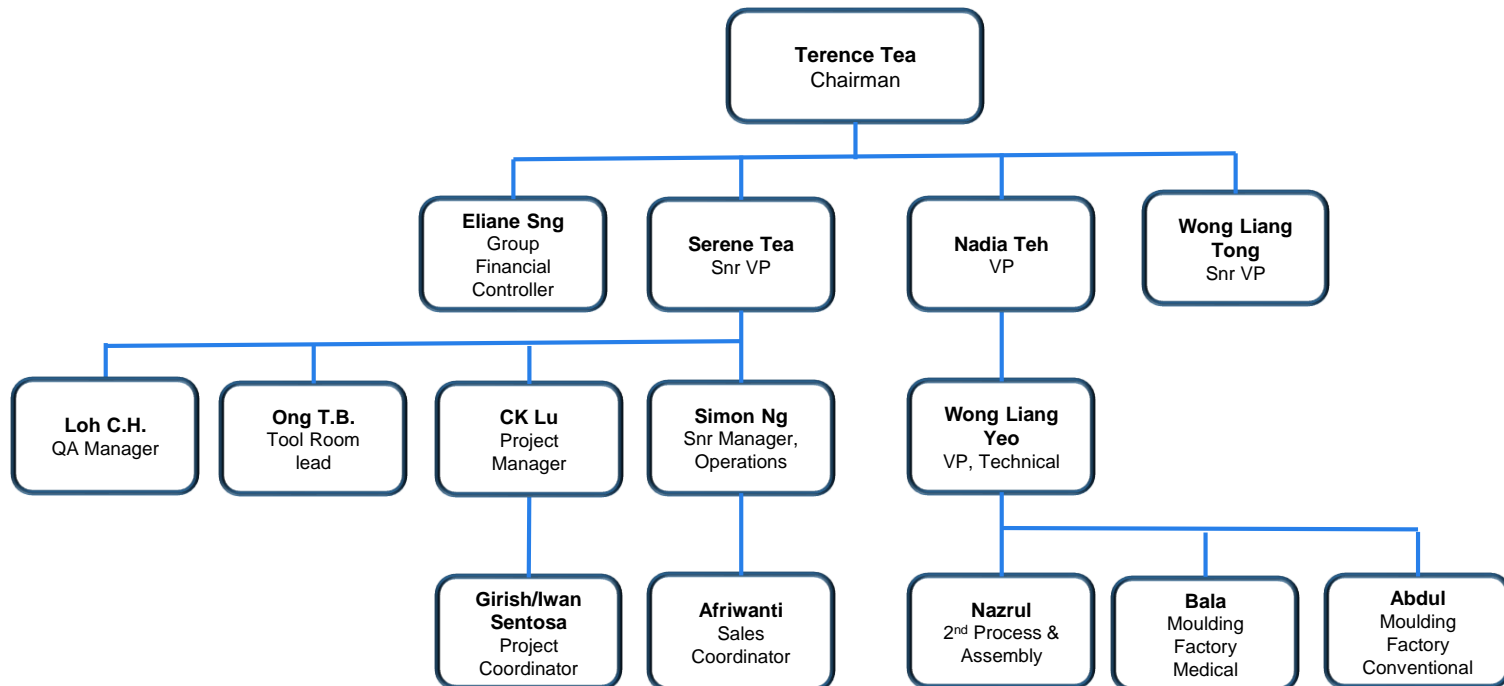
- ⊙ In the EBU segment, the global optical module is expected to reach approximately US\$7.1 billion. In FY2019, optical module accounted for 16.4% of revenue for WEC. Our EBU segment looks set to ride and this wave.
- ⊙ Demand for artificial intelligence, cloud and IOT for semiconductor products is expected to have greater impact on revenue through 2020. Wireless communications should be the top revenue driver beyond 2018 as emerging market embraces 4G technology, and mature market tap on 5G network.
- ⊙ However, the ongoing trade war – especially in the technology sector – is causing uncertainty to the business environment that we operate in. We see a challenging 1H2020 and FY2020. The management is monitoring the situation closely and will react quickly to changes.



## WE Total - Organisation Chart



## Honfoong - Organisation Chart



# Mechanical Business Unit (MBU)

- ◎ The company produces a wide range of precision plastic components which are typically used as parts of finished products for medical and automotive industries, computer peripherals, and consumables sector.
- ◎ Manufacturing facilities are located in Johor Bahru, Malaysia. The acquisition of Honfoong Plastic Industries Pte Ltd (“HFPL”) in August 2018 has extended our manufacturing footprint to Batam, Indonesia.
- ◎ Key customers include: Automotive- Honda, Consumable products - Flextronics, Philips, Medical products - Japan Medical, Baxter.

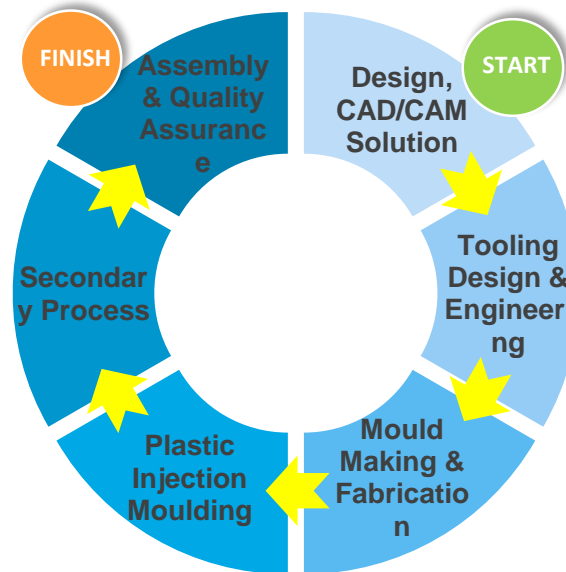




# One Stop Solution



Offer one-stop solution to our valued customers for superior cost savings and improved turnaround time through **Quality Assurance**.



Number of Employee: 800  
Accredited ISO : ISO 9001  
ISO 14001  
ISO 13485:2016 (Medical Devices)  
IATF 16949:2016 (Automotive)

# Manufacturing Machine



## TOOL FABRICATION CAPABILITIES

WE HAVE A TOTAL OF 118  
MACHINES AFTER THE  
ACQUISITION OF HONFOONG

## INJECTION MACHINE RANGE FROM 40 TONS TO 2100 TONS

### Description

- Nissei (40 - 360Tons)
- Toshiba (100 - 1050Tons)
- Nissei 120T & 200T & 130T  
double shot
- Haitien 2100T



# Secondary Process & Sub-Assembly



- **Secondary Processes**
  - Laser Etching
  - Tampo Printing
  - Silk-screening
  - Ultrasonic Welding
  - Manual Spray Paint
- **We provide assembly facilities with customised processes to suit your needs, ensuring that the design concepts are seamlessly integrated with the manufacturing process.**

# Products



Heavy duty Printer  
**PRINTRONIX**



Car tire repair kit

**TEK**



Areospace defense Direction F



Honda Blower for HRV



VAP-Video Conversion

**Blackmagicdesign**



**hp** designjet Plotter( GSB SERIES)



Philip Iron

**PHILIPS**



**SICK** Safety switches  
sensor



Coffee machine



**hp** (LIMO SERIES)

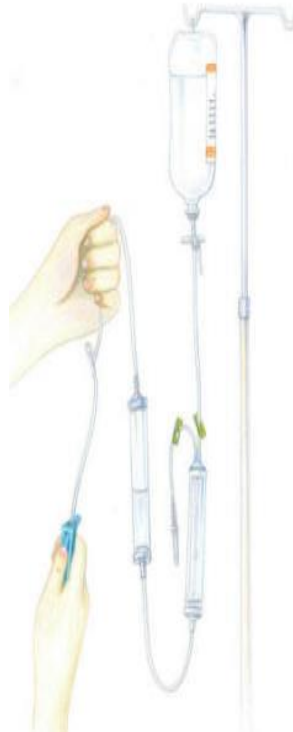
# Products

JMS BLOOD DIALYSIS  
MACHINE:- BLOOD  
TRANSFUSION SETS

**JMS**



I.V INFUSION SETS **JMS**

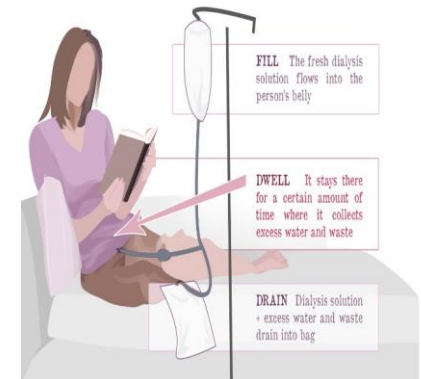


**jubilee**

Home Peritoneal Dialysis  
Machine **Baxter**



This person is getting  
**Peritoneal Dialysis**





# Key Customers





# Financials: Mechanical Business Unit (MBU)

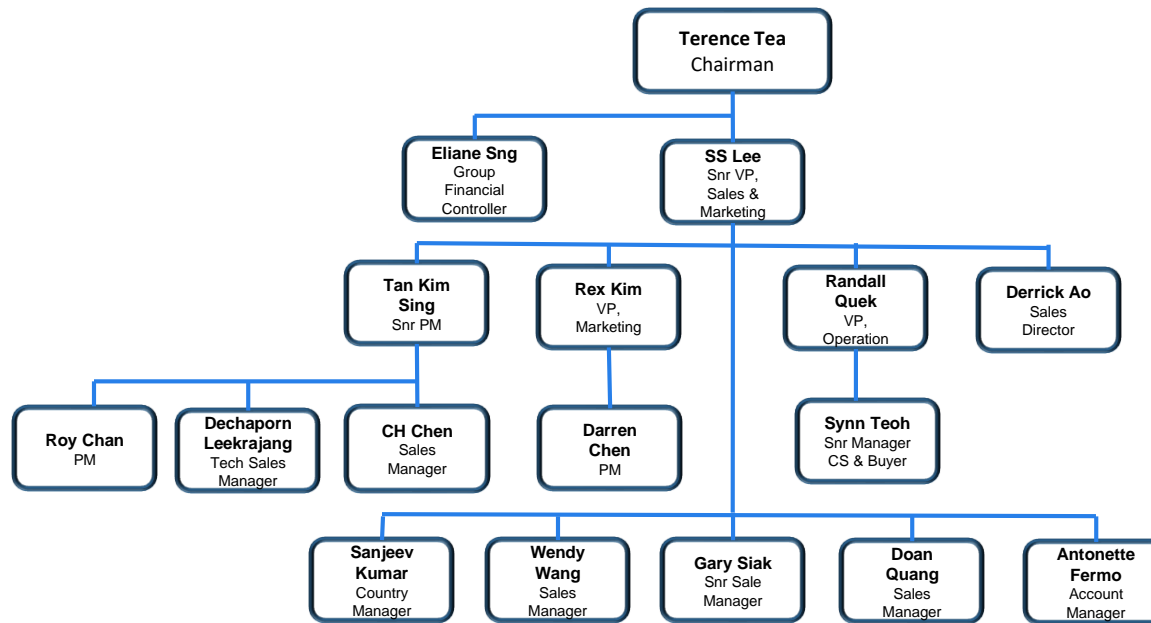


S\$' million	FY2019 (Apr 2018 – Mar 2019)	FY2018 (Apr 2017 – Mar 2018)	Change (%)
Revenue	18.7	7.8	139.7
Cost of Sales	(16.9)	(6.5)	160.0
Gross Profit	1.7	1.3	30.8
Expenses	(2.5)	(1.1)	127.3
PBT	0.4	0.3	33.3
EBITDA	0.8	0.5	60.0

**Thank You**



# EBU: Organization chart



# Electronic Business Unit (EBU)



- ⊙ Jubilee's Electronic Components Distribution business is held under its wholly-owned subsidiary WE Components Pte Ltd ("WEC"). WEC is engaged in the distribution of electromechanical components and connectors to electronic manufacturers, including original equipment manufacturers and electronics manufacturing services providers.
- ⊙ WEC also provides value-added services in modular design fabrication and vendor-managed inventory("VMI").
- ⊙ WEC has a sales network of 15 regional offices serving more than 400 customers.
- ⊙ Distribution centres are located in Singapore and Hong Kong.

# EBU: Regional Offices



# EBU: Main Product Lines



- **Hynix** is a renowned global leading memory supplier of dynamic random-access memory (DRAM) chips and NAND flash memory chips.
- Hynix is a strategic franchise partner of WEC.
- WEC continues to establish strategic partnership with Hynix and customers to propel growth.



- **Samsung Electro-Mechanics** is a global key electronic components manufacturer.
- WEC secured a distributorship to purchase and distribute its high-tech electronics and mechanical components in the Southeast Asia region including India since FY2014.



# EBU: Main Product Lines



## NeoPhotonics

- NYSE listed **NeoPhotonics** is a major provider of optical components, modules and subsystems to telecommunications, cable and related markets. WEC has a distributorship agreement with NeoPhotonics Incorporation since November 2016.

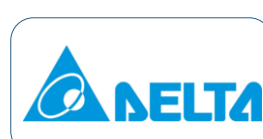


- Cirrus Logic is a premier supplier of audio and voice LCS. The applications including mobile, smartphones, wearables, tablets, digital headsets, as well as other segments such as smart home and automotive.

## TDK-Lambda

- TDK-Lambda is a leader in the power supply field. The products play a vital role in many sectors including telecommunications, data communications, medical facilities, testing and measurement, rail transport, automotive applications, and LED devices.

# EBU: Key Customers

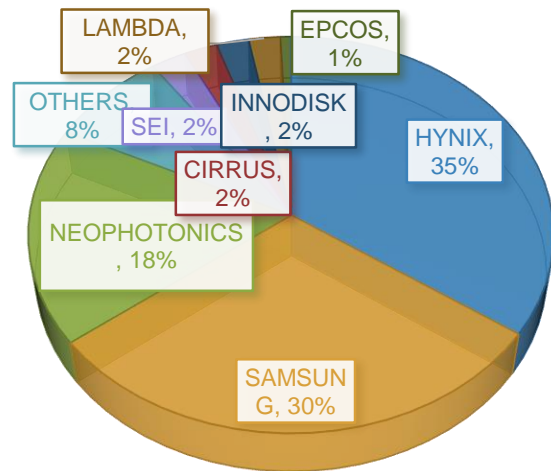




# Financials: Electronic Business Unit (EBU)

S\$' million	FY2019 (Apr 2018 – Mar 2019)	FY2018 (Apr 2017 – Mar 2018)	Change (%)
Revenue	145.0	151.8	(4.5)
Cost of Sales	(134.1)	(145.3)	(7.7)
Gross Profit	10.9	6.6	65.2
Expenses	(7.4)	(6.4)	15.6
PBT	3.2	2.2	45.5
EBITDA	4.0	2.6	53.9

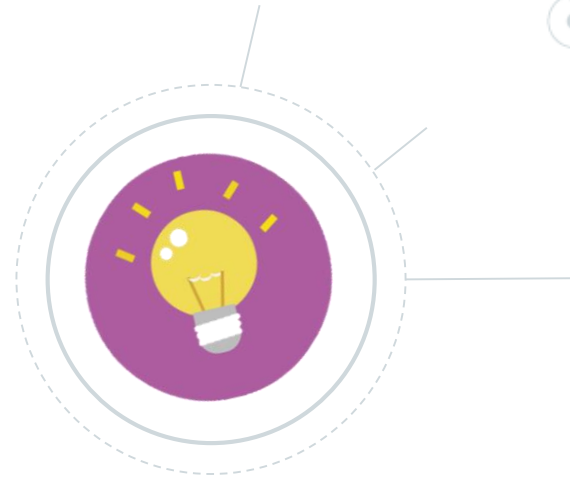
# WEC Sales Breakdown FY2019



CUSTOMER	Product	Sales (%)
FIBERHOME	NEOPHOTONICS	16.4%
SPROCOMM	HYNIX	7.5%
SAMSUNG VIETNAM	SEMCO	5.9%
MACRO COMPONENT	SEMCO	4.7%
SANMINA SCI	HYNIX	4.2%
TIGER TECHNOLOGY	HYNIX	4.1%
LITE-ON	HYNIX	4.1%
BRIGHTON SKY	HYNIX	3.7%
CAL-COMP	SEMCO	3.4%
HAO YI YUAN	SEMCO	3.0%
OTHERS	OTHERS	43.0%
<b>TOTAL</b>		<b>100.0%</b>

**Total Sales: S\$145M**

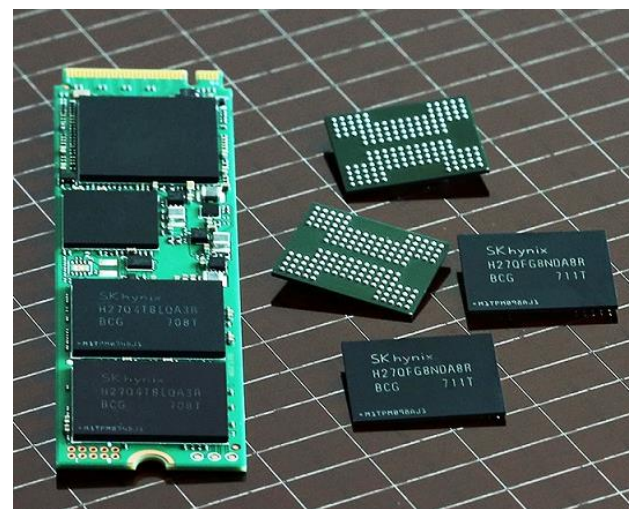
# Industry Prospects & Outlook



## Electronic Components Distribution: Rides Next Generation Demand Growth



- Memory market has transformed into extremely low-power, high-performance to cater to the next generation market.
- In 2018, memory companies were still outperforming other semiconductor companies despite weaker demand.
- Demand for server and mobile DRAM is expected to be robust due to the highly anticipated 5G technology which will revolutionize and revitalize mobile market segment.
- Demand for artificial intelligence, cloud and IOT for semiconductor products is expected to have greater impact on revenue through 2020.
- Wireless communications should be the top revenue driver beyond 2018 as emerging market embraces 4G technology, and mature market tap on 5G network.

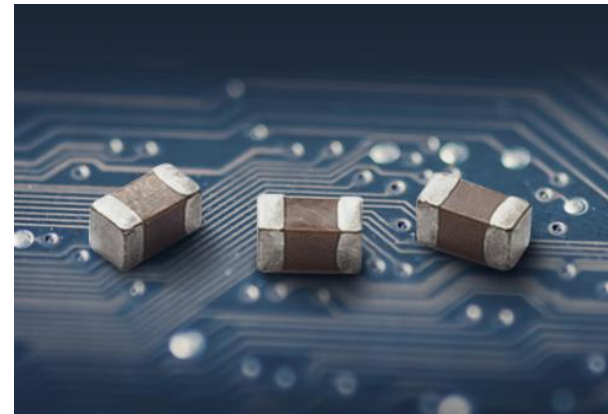




## Electronic Components Distribution: Strong Demand from High-end Market



- ◎ Global passive components market is witnessing a high technical advancement resulting in increasing demand.
- ◎ Major suppliers are focused on Automotive such as Electric Vehicles and high end electronics industries and are focused on small size with high capacitance products.
- ◎ Global market for passive components will continue to face severe shortage in supply and increase in demand.
- ◎ MLCC market will grow with a significant CAGR during 2018 to 2022.
- ◎ SEMCO is the No. 2 passive components supplier in the world with 23% of market share and it aims to increase Automotive market share from 5% to 7%.



## Electronic Segment : Robust Demand for Optical Module

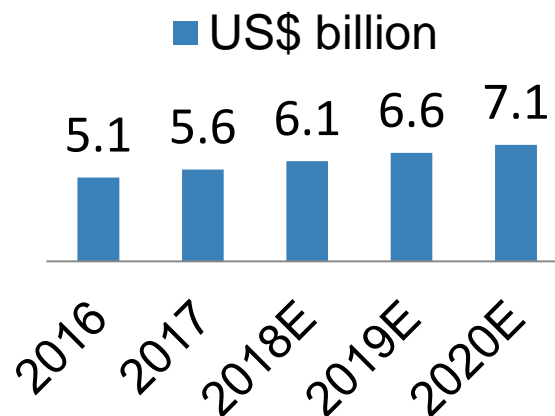


- ⊙ Global optical module market was valued at around USD 5.1 billion in 2016.
- ⊙ By 2020, it is expected to reach approximately USD 7.1 billion.
- ⊙ Growing at a CAGR of approx. 9% between 2017 and 2020.

### Key growth drivers for Optical Module

- ⊙ Growing demand for network bandwidth as mobile computing devices such as tablets, wearables and smartphones have new capabilities.
- ⊙ The growth of cloud computing has resulted in rising demand for data centers and consequently, for optical module products.
- ⊙ Upgrading of network and base station brought optical module upgrading, and continuous growth of demand, especially for 100G/200G/400G application.

### Global Optical Module Market



**Thank You**

