



# Miyoshi Limited

## 3Q2019 Financial Results

5 July 2019

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# Overview of Miyoshi Limited

## 3Q2019 Financial Results

### Key Performance Indicators

# Overview of Miyoshi Limited

## Who We Are

We are a leading manufacturer of precision components in Asia with a global customer network of more than 18 countries across Asia Pacific, Europe and North America. We operate through our head office in Singapore and manufacturing plants in the Philippines, Thailand, Malaysia, Singapore and various cities in China.

## What We Do

Miyoshi provides a wide range of precision stamping, prototyping, metal finishing and automation for our customers with high quality solutions. Our technical hub is located in Wuxi, China.

More specifically, our capabilities include:

- Product design and prototyping for precision components and assemblies in the data storage, automotive and consumer electronics markets.
- Core manufacturing capabilities such as precision metal stamping, progressive cold forging, mechanical joining/laser welding, electroplating, manual assembly and testing.

## Key Statistics for FY2018

|                              |                     |
|------------------------------|---------------------|
| • Total assets               | : S\$87.0 million   |
| • Shareholders' equity       | : S\$63.8 million   |
| • Revenue                    | : S\$51.3 million   |
| • Revenue growth             | : -2.8%             |
| • Net profit                 | : S\$1.0 million    |
| • Net profit margin          | : 2.0%              |
| • EBITDA                     | : S\$5.3 million    |
| • Return on equity           | : 2.1%              |
| • Return on capital employed | : 4.3%              |
| • Return on assets           | : 1.2%              |
| • Earnings per share         | : 0.24 cents        |
| • Dividend per share         | : 0.20 cents        |
| • NAV per share              | : 10.48 cents       |
| • Gearing ratio              | : 0.16 times        |
| • Total borrowings/EBITDA    | : 1.88 times        |
| • Net cash from operations   | : S\$7.6 million    |
| • Net cash invested          | : (S\$15.3 million) |
| • Net cash from financing    | : S\$2.8 million    |
| • Price/book value*          | : 0.42 times        |
| • Dividend yield*            | : 4.3%              |
| • GTI score                  | : 82 points         |
| • GTI ranking                | : #46 of 589        |
|                              | Singapore listcos   |

\*Relevant statistics extracted from SGX-ST website as at 5 July 2019.

# Board of Directors of Miyoshi Limited

## Chairman



**Mr. Lim Thean Yee**

- Independent Chairman
- Director, Ezion Holdings Ltd
- Honorary Chairman, Telok Blangah CCC
- Awarded Public Star Medal (BBM) in 2012
- Public Service Medal (PBM) in 1998

## Chief Executive Officer



**Mr. Andrew Sin Kwong Wah**

- Chief Executive Officer (CEO) since September 1991
- Bachelor of Science (First Class Honours), Japan National Defence Academy
- Largest shareholder of Miyoshi Limited with 27.4% shareholding interest

## Audit Committee Chairman



**Mr. Wee Piew**

- Independent director
- Chairman, Hosen Group Ltd
- Director, Beijing Gas Blue Sky Power Holdings Limited

## Non-Executive Directors



**Mr. Masayoshi Taira**

- Managing Director, Miyoshi Industry Co., Ltd
- Second largest shareholder of Miyoshi with 8.7% shareholding interest

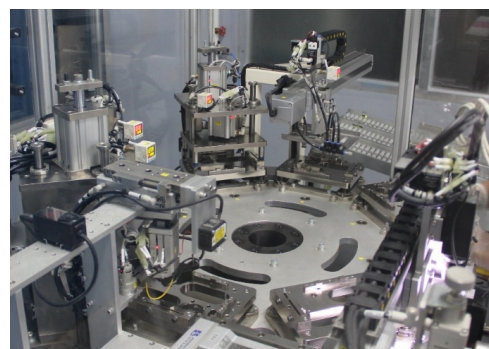


**Mr. Thomas Pek Ee Perh**

- Managing Director, Taihua Food Industries Pte Ltd
- Chairman, General Affairs Committee, SCCCI
- Awarded Public Star Medal (BBM) in 2016
- Public Service Medal (PBM) in 2006

# Our Businesses

## Integrated Engineering Services (“IES”)



- Revenue from IES accounted for 97.3% of Miyoshi's revenue in FY2018.
- Consumed 16.4 tonnes of steel/other metals in FY2018, up 14.6% YoY
- Employs 758 in FY2018, down 9.5% from 838 in FY2017.



## Electric Vehicles\*



- Currently, Miyoshi owns 24.34% of Core Power (Fujian) New Energy Automobile Co., Ltd (“CP”)
- CP jointly develop all-electric passenger vehicle with Jiangxi Changhe, a subsidiary of Beijing Automotive Group Co., Ltd
- Sales agreement to supply 50,000 cars over the next 3 years

## Miyoshi Optronics Singapore\*



- Headed by Michael Ng, VP Optronics
- High-tech lab in Penjurong Close
- Joint-marketing with NEC on body-worn surveillance system with facial recognition software

## Indoor Industrial Farming\*



- Japanese roots
- Domain knowledge of operating a farm in a controlled room environment
- Undergoing research and production trials

\*These are businesses which the Group intends to grow and develop.



# Overview of Miyoshi Limited

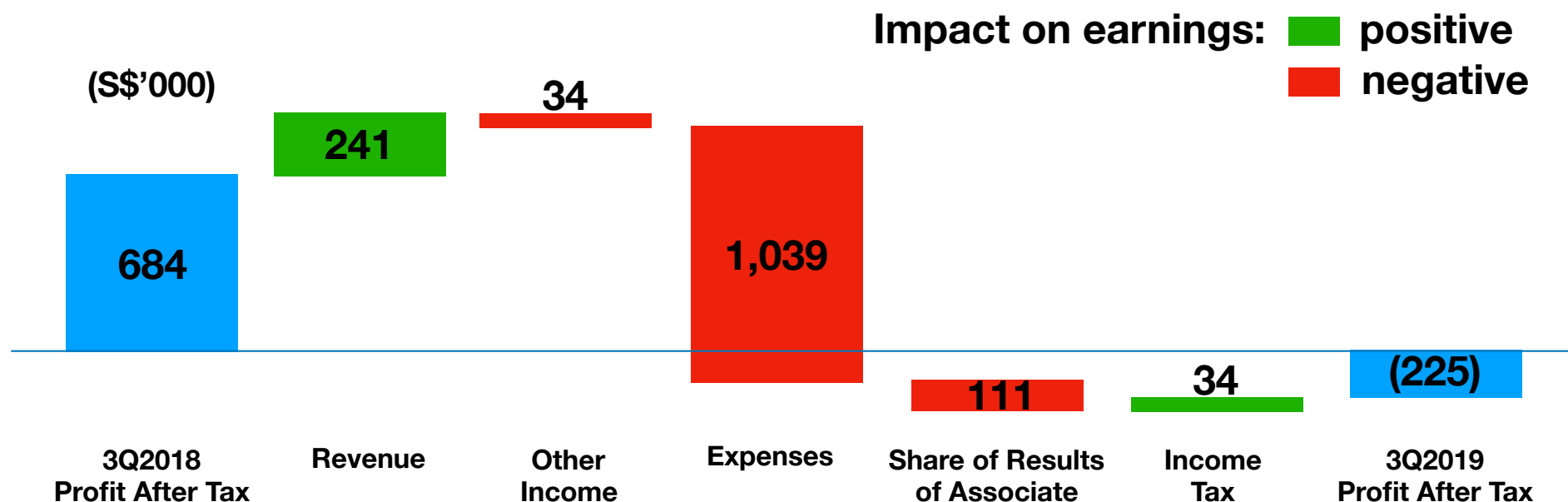
## 3Q2019 Financial Results

### Key Performance Indicators

## 3Q revenue up 2.0% (3Q2019 vs 3Q2018)

| (S\$'000)                       | 3Q2019   | 3Q2018   | YoY%  |
|---------------------------------|----------|----------|-------|
| Revenue                         | 12,193   | 11,952   | 2.0   |
| Other income                    | 20       | 54       | -63.0 |
| Expenses                        | (12,236) | (11,197) | 9.3   |
| Profit before associate results | (23)     | 809      | n.m.  |
| Share of results of associate   | (111)    | -        | n.m.  |
| Income tax                      | (91)     | (125)    | -27.2 |
| Profit after tax                | (225)    | 684      | n.m.  |

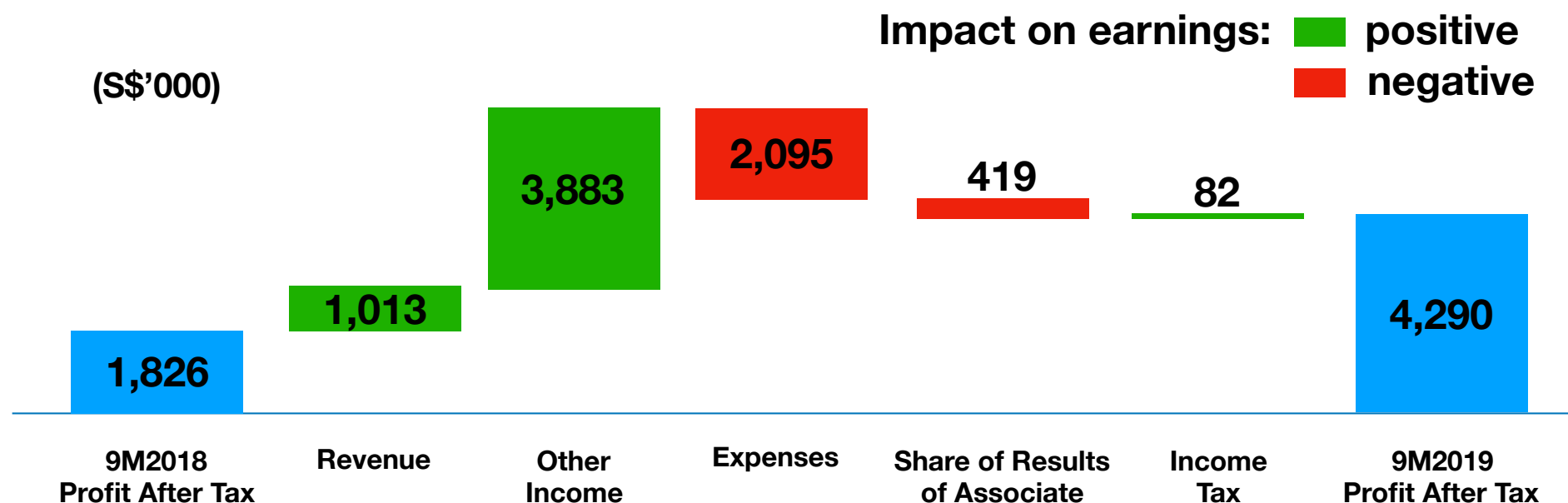
- Revenue increased by 2.0% due to an increase in revenue from our automotive and consumer electronics segments
- Higher expenses mainly due to factory supplies and services, and employee benefits
- Share of results of associate reflects share of results of Core Power (Fujian) New Energy Automobile Co., Ltd. ("Core Power")



## 9M revenue up 2.6% (9M2019 vs 9M2018)

| (S\$'000)                       | 9M2019   | 9M2018   | YoY%  |
|---------------------------------|----------|----------|-------|
| Revenue                         | 39,515   | 38,502   | 2.6   |
| Other income                    | 4,052    | 169      | n.m.  |
| Expenses                        | (38,532) | (36,437) | 5.7   |
| Profit before associate results | 5,035    | 2,234    | 125.4 |
| Share of results of associate   | (419)    | -        | n.m.  |
| Income tax                      | (326)    | (408)    | -20.1 |
| Profit after tax                | 4,290    | 1,826    | 134.9 |

- Revenue increased by 2.6% due to an increase in revenue from our automotive segment
- Other income mainly due to gain on disposal of industrial property at 5 Second Chin Bee Road
- Higher expenses mainly due to employee benefits and factory supplies and services
- Share of results of associate reflects share of results of Core Power



## Revenue by Business Segments (year-on-year)

**(S\$'000)**

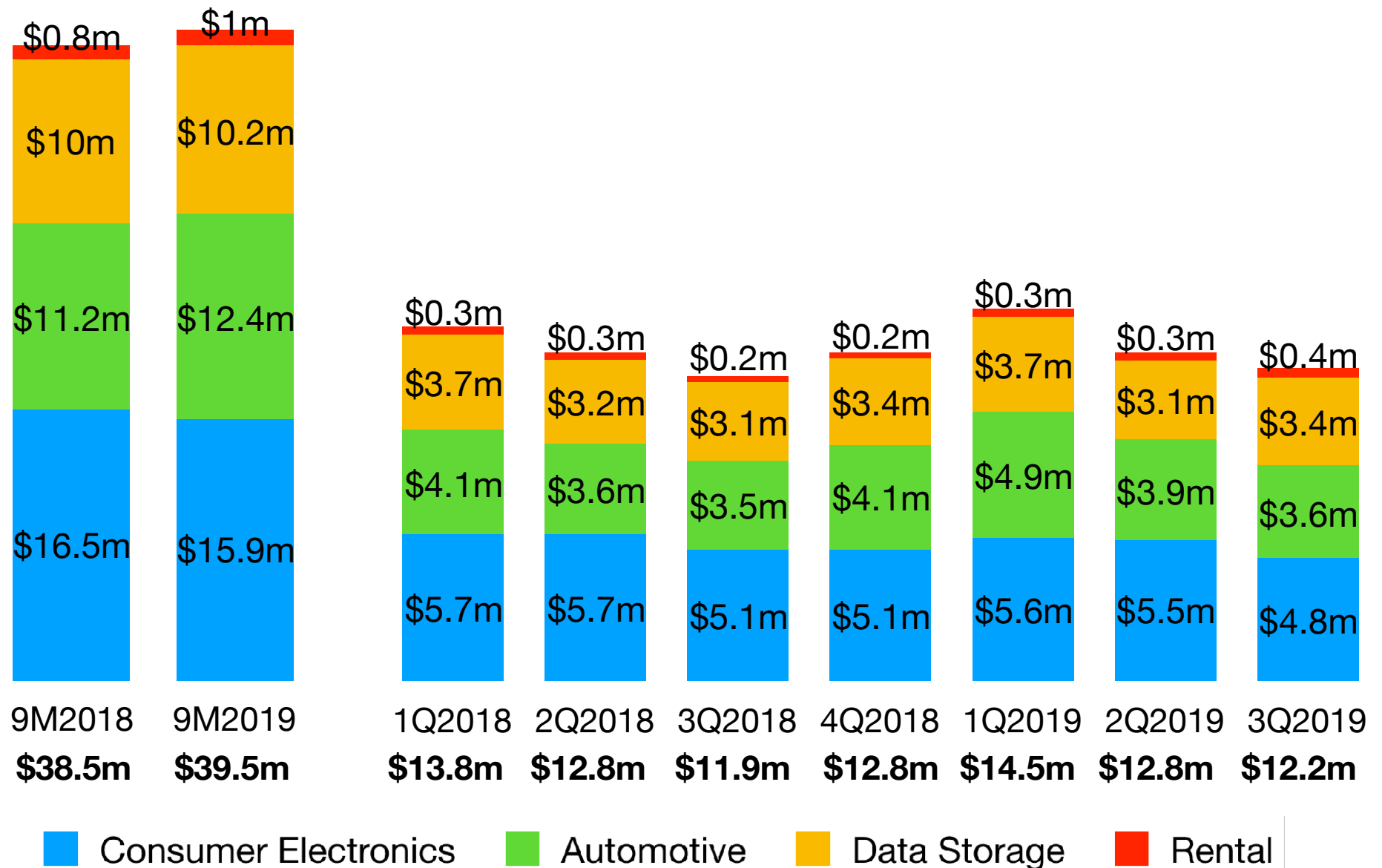
|                      | 3Q2019        | 3Q2018        | YoY%        |
|----------------------|---------------|---------------|-------------|
| Consumer electronics | 4,846         | 5,071         | (4.4%)      |
| Automotive           | 3,627         | 3,482         | 4.2%        |
| Data storage         | 3,358         | 3,156         | 6.4%        |
| Rental               | 362           | 243           | 49.0%       |
| <b>Total Revenue</b> | <b>12,193</b> | <b>11,952</b> | <b>2.0%</b> |

**(S\$'000)**

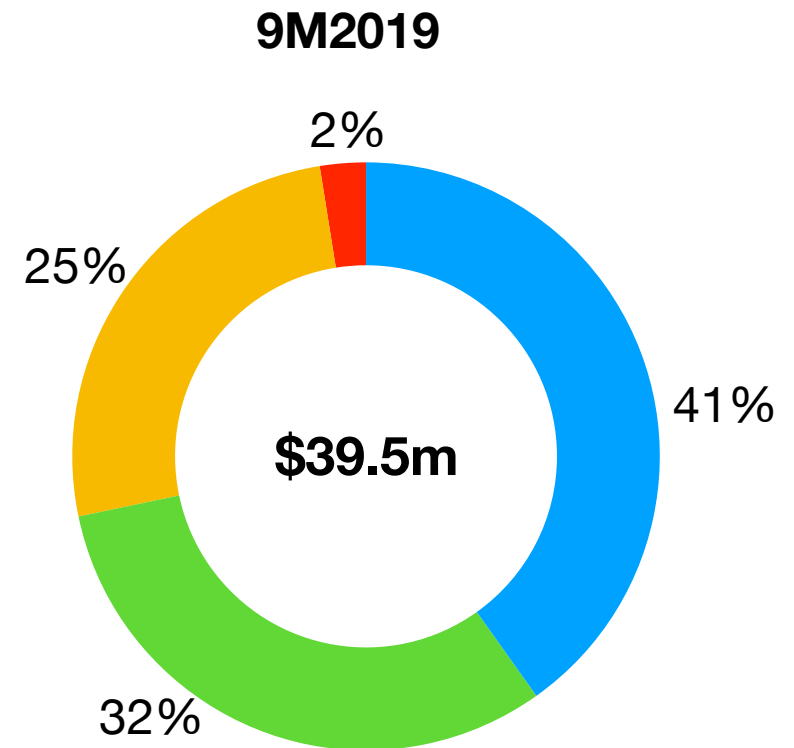
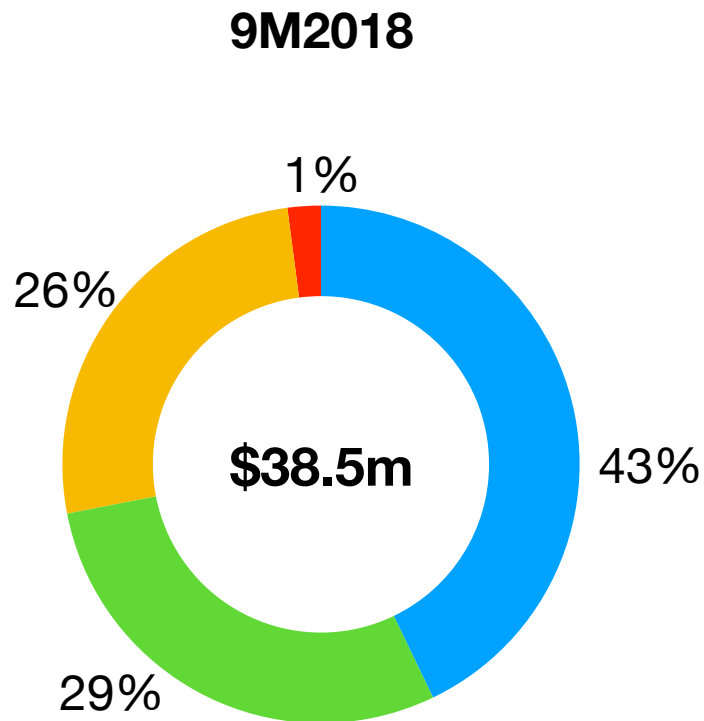
|                      | 9M2019        | 9M2018        | YoY%        |
|----------------------|---------------|---------------|-------------|
| Consumer electronics | 15,904        | 16,497        | (3.6%)      |
| Automotive           | 12,462        | 11,192        | 11.3%       |
| Data storage         | 10,172        | 10,030        | 1.4%        |
| Rental               | 977           | 783           | 24.8%       |
| <b>Total Revenue</b> | <b>39,515</b> | <b>38,502</b> | <b>2.6%</b> |

\*YoY: Year-on-Year

# Quarterly Revenue by Business Segments



# Revenue by Business Segments: 9M2019



- Consumer Electronics
- Automotive
- Data Storage
- Rental

# Financial Ratios

|                                   | 9M2019 | FY2018 | FY2017 |
|-----------------------------------|--------|--------|--------|
| Net profit margin (%)             | 10.86* | 1.98   | 4.17   |
| Earnings per share (cents)        | 0.78*  | 0.24   | 0.48   |
| Return on capital employed (%)    | 6.54   | 4.25   | 5.72   |
| Return on equity (%)              | 7.15   | 2.11   | 3.99   |
| Return on assets (%)              | 4.89   | 1.22   | 2.80   |
| Gearing ratio (times)             | 0.13   | 0.16   | 0.18   |
| Current ratio (times)             | 2.08   | 1.89   | 2.21   |
| Cash ratio (times)                | 0.23   | 0.33   | 0.53   |
| Net asset value per share (cents) | 11.20  | 10.48  | 11.55  |

\*Includes gain on disposal of property at 5 Second Chin Bee Road and share of associate loss. If we exclude the aforementioned, the net profit margin and EPS would have 2.08% and 0.21 cents respectively.



# Overview of Miyoshi Limited

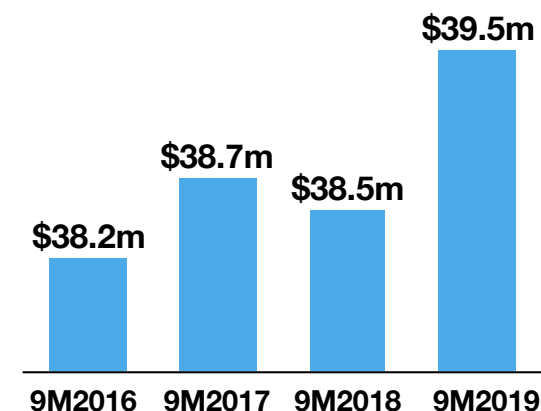
## 3Q2019 Financial Results

### Key Performance Indicators

# 1. Grow revenue

**Target\*:** Deliver consistent revenue growth

**Outcome for 9M2019:** 2.6% increase in revenue for 9M2019 when compared to 9M2018



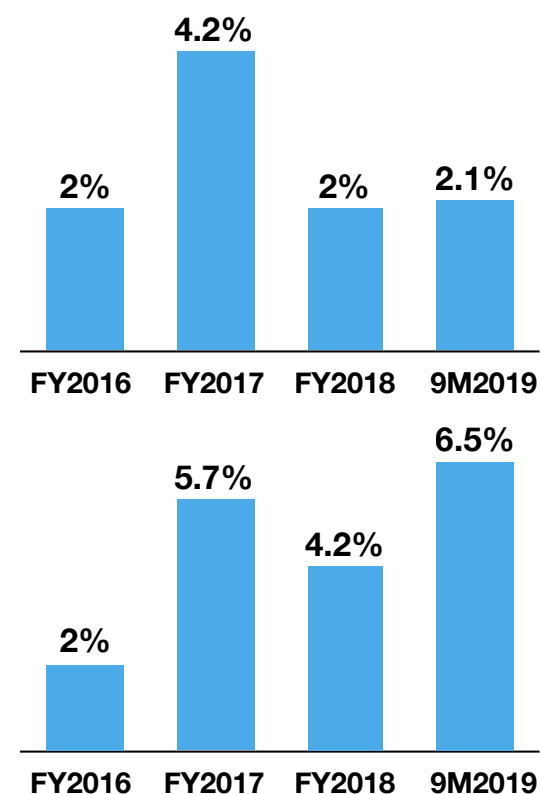
# 2. Improve returns

**Target:** Net profit margins of 6% or better

**Outcome for 9M2019:** Excluding the gain on disposal of property, share of associate loss, net profit margin was 2.1%.

**Target\*:** ROCE of 6% or better

**Outcome for 9M2019:** ROCE was 6.5%

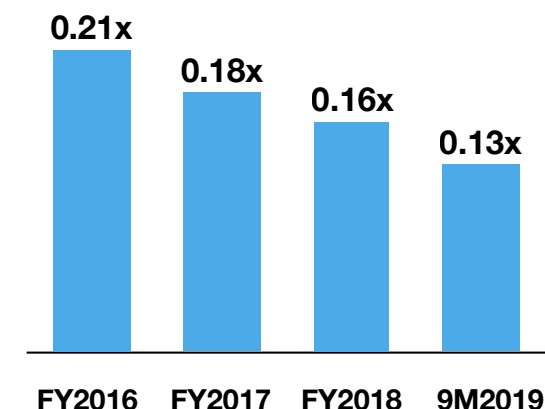


\*Targets as previously disclosed in Miyoshi's Annual Report 2018

### 3. Quality balance sheet

**Target\*:** Efficient capital structure, with manageable gearing ratio

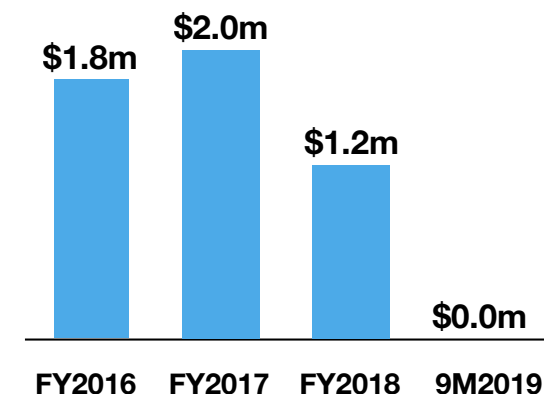
**Outcome for 9M2019:** Gearing ratio decreased to 0.13 due to net repayment of loans.



### 4. Returns to shareholders

**Target\*:** Regular dividend payment to shareholders

**Outcome for 9M2019:** No dividend declared in current financial year.



\*Targets as previously disclosed in Miyoshi's Annual Report 2018

# Thank You

