



*Engineering the future of  
innovation with you*

**1Q22 Business Update**  
May 2022



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# Strategic vision and quick facts

***“To be the leading manufacturing solutions and services provider in Asia Pacific, providing world class precision manufacturing expertise with core competencies in ultra precision machining, complex mechatronics assembly and advanced materials capabilities”***

## Core Competencies

Ultra Precision Machining  
Complex Mechatronics Assembly  
Advanced Materials Machining

## Highly Technical End-Markets

Semiconductor  
Analytical Life Sciences  
Medical, Aerospace, Electronics & Others

## 5 Innovative Sites

Singapore, Malaysia (Penang/Johor),  
China (Suzhou) with total of  
769k sqft of factory floor area

## Blue-Chip Customer Base

Global equipment manufacturers:  
Semicon Back-end (4 in top 6)  
Analytical Life Sciences (3 in top 10)

# Company at a glance

## What we do



### Value engineering

Early customer engagement and participating in the design process to maximize manufacturability and streamline assembly (DFM / DFA)



### Produce, assemble & test

One-stop solution with fully integrated and end-to-end manufacturing capabilities, ranging from precision machining, sheet metal fabrication, assembly & testing



### Deliver, support & upgrade

Provides product life cycle management to customers, allowing for strong and lasting customer relationships to be formed

## Markets we serve



### Global Presence & Exposure

- **Southeast Asia**  
Up-and-coming manufacturing and R&D hub for global customers
- **Asia (ex. Southeast Asia)**  
Existing manufacturing powerhouse
- **North America & Europe**  
Existing R&D nexus for customers



### End-Markets (Key Modules)

- **Semiconductor**  
Capital equipment for front-end (CVD etc.) and back-end (wire bonder, DRAM/Analog test etc.)
- **Life Sciences**  
Single & hybrid mass spectrometer etc.
- **Medical**  
Surgical microscope etc.
- **Aerospace**  
Landing gear systems
- **Electronics Manufacturing**  
Surface mount technology etc.
- **Industrial Automation**  
Hard drive assembly automation etc.

## The GVT advantage



### Experience & expertise

- Average 27+ years of precision engineering experience across mgmt.
- Award-winning and qualified supplier to top global OEMs
- Strong competencies in ultra-high precision machining, complex mechatronics and sub-assembly



### Market & customer access

- Sticky customer base across diff high-tech industries
- 5 highly strategic facilities (Singapore, Malaysia, China) near customers
- Well-positioned to benefit from industry trends (supply chain shift to Asia and capabilities integration etc.)

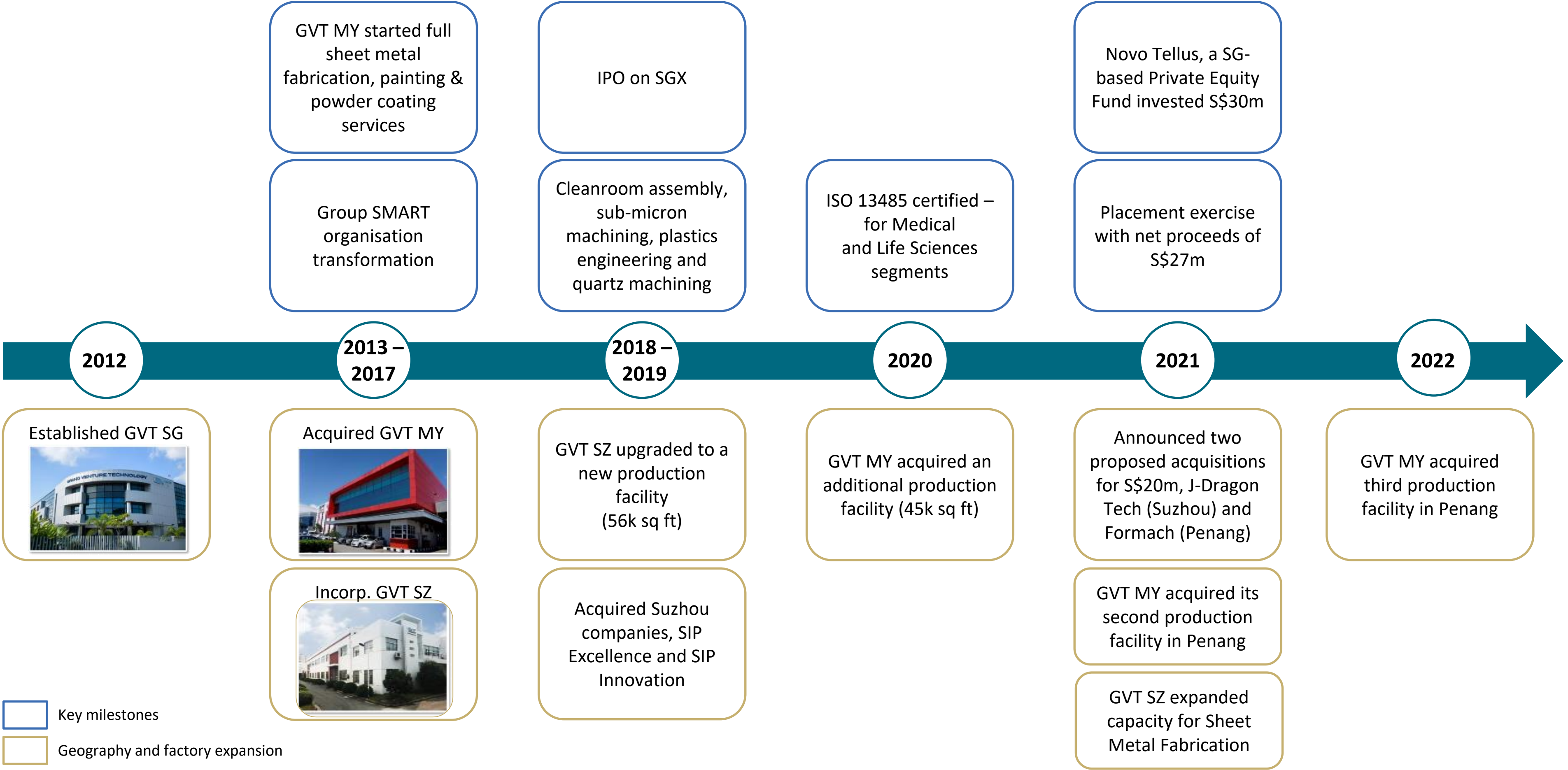


### Scaling with profitability

- Profitable since 2016
- Healthy cash flow generation allowing for reinvestment into capacity growth and capability enhancement



# Company history



# Seasoned and stable management team



**Lee Tiam Nam, Ricky**

*Executive Chairman & Co-Founder*



- **Industry veteran with 39+ years of experience**
- Founded and held leadership positions across multiple firms while playing pivotal roles in their IPO and sale:
  - Co-founded Norelco Centreline that was listed on SGX Catalist and merged with UMS Holdings
  - Executive director at ETLA that was listed on SGX before being acquired by Frencken Group

**Ng Wai Yuen, Julian**

*Chief Executive Officer & Executive Director*



- **20+ years of industry experience**
- Worked with Ricky for 20+ years in leadership positions across different firms such as ETLA and Norelco Centreline
- Previously founded Achieve Manufacturing Solutions that was acquired by ETLA

**Tan Chun Siong**

*Chief Operating Officer*



- **20+ years of industry experience**
- Worked with Ricky for 15+ years across different firms such as ETLA and Norelco Centreline
- Previously served at Apple South Asia, ETLA and Norelco Centreline

**Robby Sucipto**

*Chief Financial Officer*



- **15+ years of financial audit and M&A experience**
- Previously served in Ernst & Young, KPMG, a group company of Hitachi and SGX-listed Pacific Star Development Limited

**Kong Sang Wah**

*Managing Director (Malaysia)*



- **30+ years of industry experience**
- Worked with Ricky for 15+ years across different firms such as Norelco Centreline and GVT Malaysia
- Previously served at Norelco Centreline, Ultimate Manufacturing Solutions and GVT Malaysia

**Saw Yip Hooi**

*Group Senior Director of Sales (Malaysia)*



- **30+ years of industry experience**
- Worked with Ricky for 15+ years across different firms such as Norelco Centreline and GVT Malaysia
- Previously served at Norelco Centreline, Ultimate Manufacturing Solutions and GVT Malaysia

**Lu Jin Feng, Alan**

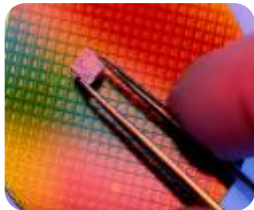











*General Manager (China)*



- **20+ years of industry experience**
- Previously served in Hongguan Technologies Machinery (Suzhou), VDL Enabling Technologies Group (Suzhou)
- Previously founded SIP Innovation and Excellence that was acquired by GVT

# Differentiated capabilities to serve and cross-sell to a differentiated blue-chip customer base



				
Capabilities	Semiconductor	Life Sciences	Aerospace	Medical, Electronics & Others (Inc. Industrial Automation)
Design for Manufacturability / Assembly	✓	✓	✓	✓
Ultra Precision Machining (Sub-micron)	●	✓	✓	●
High Precision Machining	✓	✓	✓	✓
Vacuum Parts Manufacturing	✓	✓		
Ultra-high Vacuum Production Processing	●	✓		
Engineering Plastic, Ceramics & Quartz Machining	✓	✓	●	✓
Complex Sheet Metal Fabrication	✓	✓	●	✓
Assembly (Medium / High Complexity)	✓	✓	✓	✓
Assembly (High Complexity in Class 10K Cleanrooms)	●	✓		
Customized Engineering Solutions	✓	✓	✓	✓
Examples of mission critical end-products which GVT produces components & key modules for	Equipment for Front & Back-end Processes	Single & Hybrid Mass Spectrometers	Landing Gear Systems	Surgical Microscopes, SMT Feeder Systems
Examples of key customers who are blue-chip companies and leaders in their respective industries	   	  <p>Leading North American Life Sciences Company</p>		 <p>Global Producer of Surgical Microscopes</p> <p>Confidential Large Scale IA Customers</p>

✓ Existing services
 ● Cross-selling opportunity from existing capabilities



# Selected core competency: Submicron precision machining

## What is Sub-Micron Machining?

- Also known as “ultra-precision machining”
- A high-precision manufacturing process: materials are processed at an atomic scale, in the vicinity of one micron
- Sub-micron machining requires the use of single crystal diamond tools for ultrafine cutting or very fine abrasives for lapping or polishing

## Selected Sub-micron Machining Applications

### Analytical Life Sciences Instruments

- Mass spectrometers is used to identify the kinds of particles present in any given substance; used in analytical life sciences research, environmental testing, F&B testing, forensic analysis, pharma applications and clinical diagnosis
- GVT supplies key components to single and hybrid mass spectrometers, such as vacuum chambers and interfaces, complex parts of the mass filters and the ion source, which requires ultra high precision machining to manufacture

### End Application: Mass Spectrometer



### Selected Components that GVT Manufactures



Quadrupole Mass Filter



Ion Source

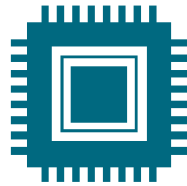



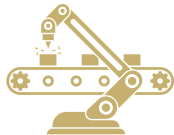

Q2 & Entrance Lens

### GVT Value Proposition

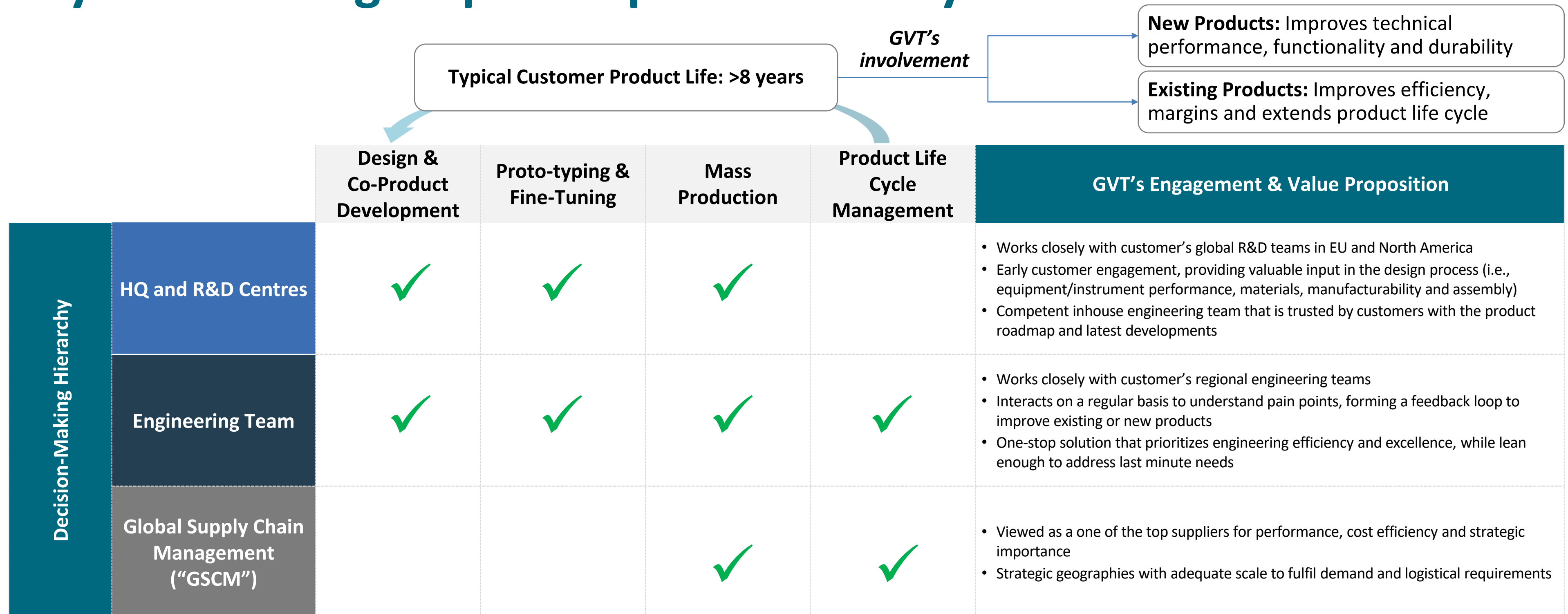
Provides one stop solution from ultra-precision mechanical component fabrication and sub-micron measurement, design and fabrication of assembly jigs for laser welding and precision assembly alignment requirement down to **tenths of a micron in a clean room environment.**



# Favourable industry fundamental tailwinds that GVT is well-positioned to ride

		<i>Industry trends...</i>	<i>... are benefiting GVT's business</i>
	<b>Semiconductor</b>	Global semiconductor demand Increase in chip package complexity	Robust growth due to demand for semiconductor capital equipment, which should be buoyed by global demand for semiconductors and ongoing shift to advanced IC manufacturing & packaging
	<b>Life Sciences</b>	Post-COVID global supply chain reorg New pace for vaccine development	Growth in orders from customers starting to shift production to Asia, in addition to shorter lead times for vaccine and drug development that spur demand for analytical equipment
	<b>Medical</b>	Proliferation of advanced medical equipment & ageing population	Increasing adoption of surgical microscopes for neuro and ENT surgery, with aging populations and high demand for minimally invasive surgeries presenting further growth potential
	<b>Electronics Manufacturing</b>	PCB adoption in electric vehicles (EV) Rise of EV & smart devices	GVT produces key modules for Surface Mount Technology equipment that is crucial for the manufacturing of PCBAs, which is in high demand with growing interconnectivity between smart devices
	<b>Industrial Automation</b>	Acceleration of Industry 4.0 adoption post-COVID	GVT is engaging with large-scale industrial players, leveraging its expertise for hard disk automation equipment and PMR deposition systems
	<b>Aerospace</b>	Recovery in tourism and air travel post-COVID	GVT services aerospace component OEMs, providing mainly parts and modules for the landing gear systems.

# Deeply embedded within the customer key functional groups and product life-cycle



✓ GVT's engagement

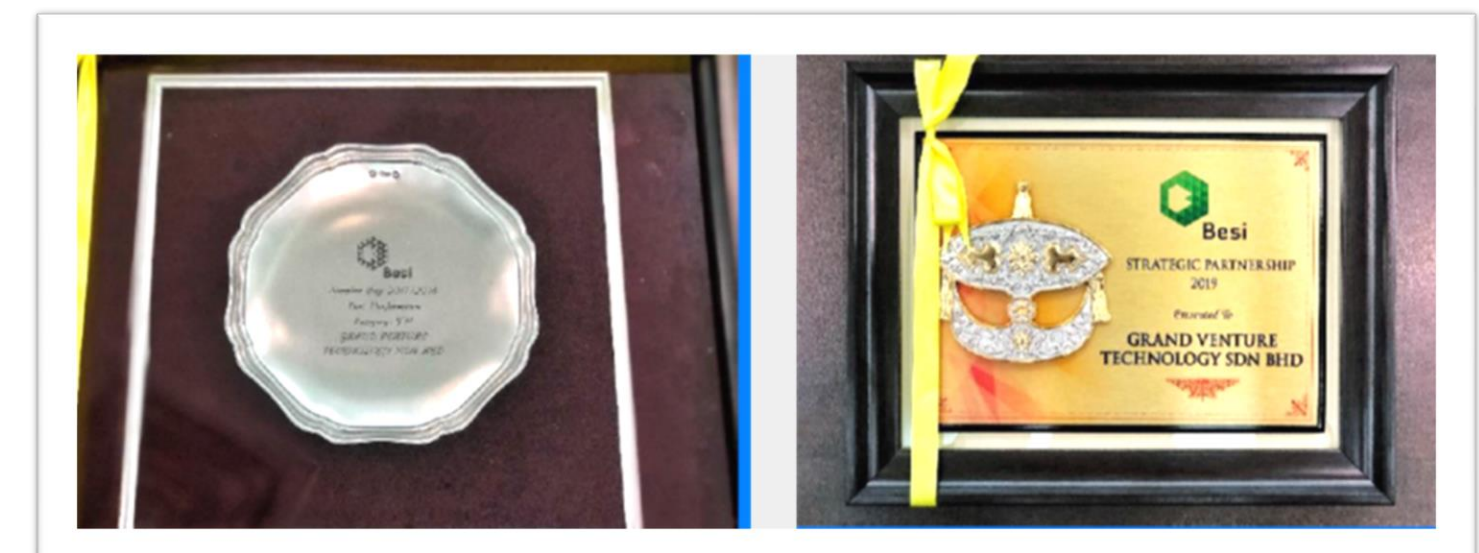
*GVT is seen as a strategic partner to the R&D and Engineering teams, reinforcing its position in GSCM's supplier ecosystem*

# Recognition and awards

Product and service excellence is reaffirmed by supplier awards from global customers



- Best Supplier for Machining Category
- Strategic Partner Award



- Best Supporting Supplier
- Outstanding Supplier Award (for Formach Asia)



- Supplier Appreciation Award



- Appreciation Award



- Supplier Recognition Award





# Digital advancements, new customers and growing capacity

## Digitalisation

*Roll-out of i4.0 Phase 1 operations in Singapore*



Before



After

Smart factory evolution that is COVID-proof, with minimal operators, enabling GVT to scale profitably

## New Customers & Capacity Expansion

*Making considerable strides in GVT's dual-pronged strategy to grow both organically and through acquisitions*

### New Customers

### Capacity Expansion

#### Organic

- Won new customers across key segments

- Expanded the Malaysia with 2 facility acquisitions in 2021 and early 2022
- Rented additional factory space in Suzhou for sheet metal fabrication

#### Acquisitions

- New customer accounts in Aerospace, Semiconductor and Medical



强龙科技（苏州）有限公司  
J-DRAGON TECH (SUZHOU) Co.,LTD



formachAsia





## 1Q22 Update

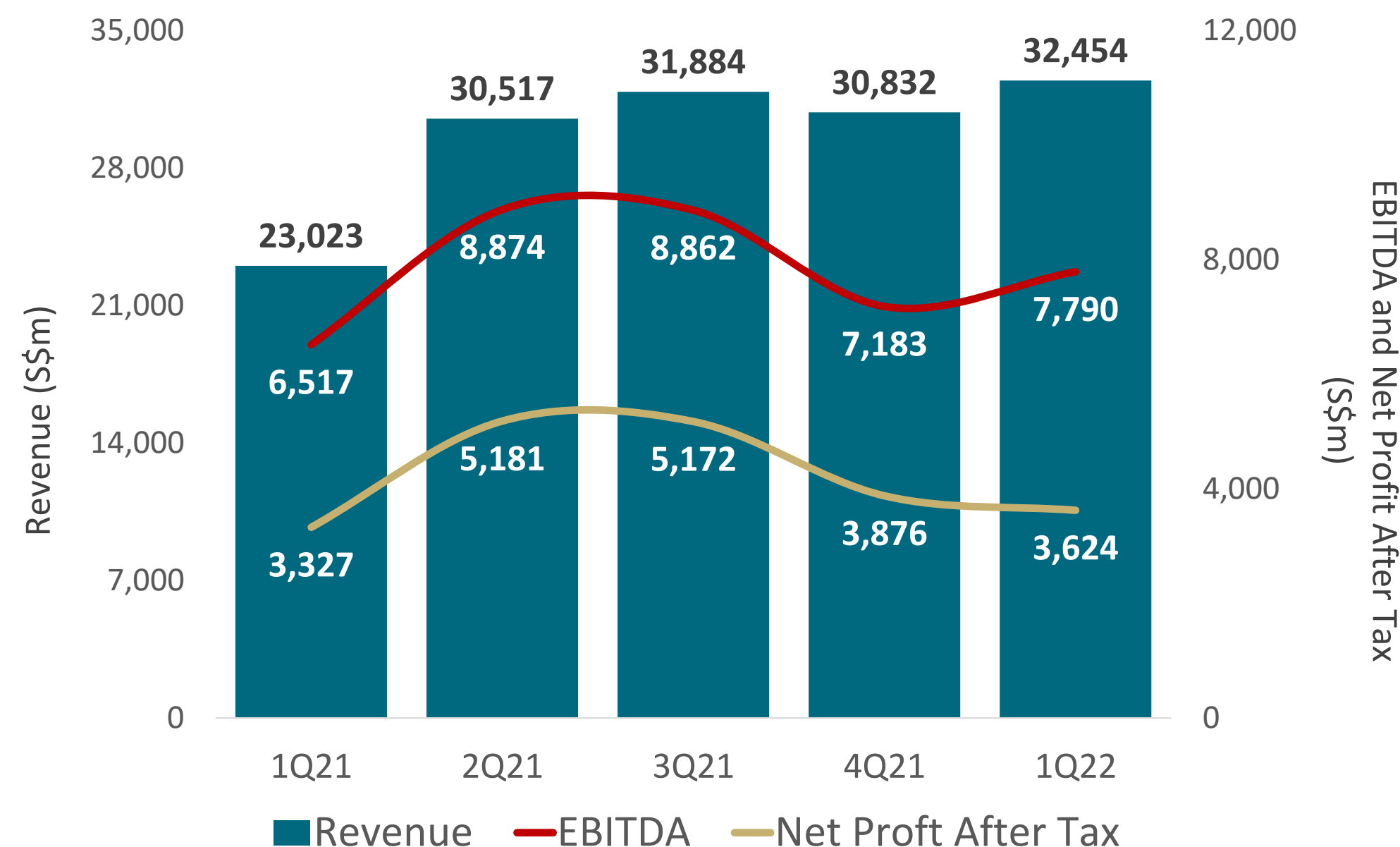
# 1Q22 YoY growth in top and bottom lines

1Q22 YoY improvements driven by **continued expansion of wallet share** with key customers

- 41.0% increase in revenue
- 19.5% increase in EBITDA
- 8.9% increase in net profit after tax

Narrower margins due to:

- capacity absorption for future growth
- higher input costs (materials and energy)
- timing differences in passing cost increase to customers



	1Q21	2Q21	3Q21	4Q21	1Q22
Gross profit margin	32.1%	33.8%	31.4%	32.2%	28.5%
EBITDA margin	28.3%	29.1%	27.8%	23.3%	24.0%



# Strong revenue momentum across all segments

## Semiconductor: **34.1% increase** YoY to S\$21.8m

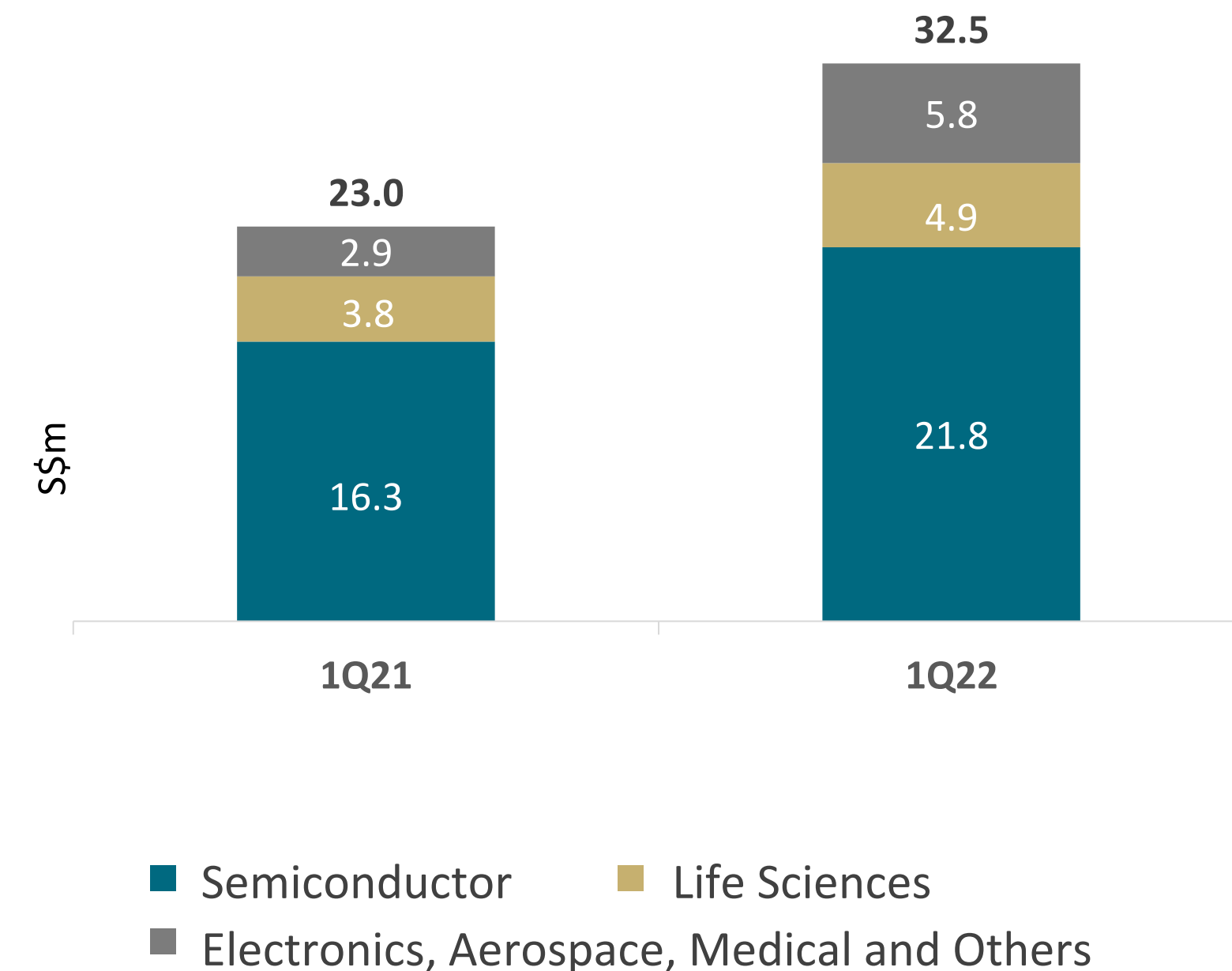
- Sustained demand for semiconductor chips
- Addition of new customers and projects from recent acquisitions

## Life Sciences: **29.1% increase** YoY to S\$4.9m

- Increase production volume of existing mass spectrometers + bolt-on products
- Expanded wallet share with new customers

## Electronics, Aerospace, Medical and Others: **93.8% increase** YoY to S\$5.8 million

- Growing demand across all key customers
- Maiden contribution from recent acquisitions, including S\$0.8m from aerospace



Looking Ahead



# Near-term challenges but macro factors expected to improve

- 
- **Normalisation of Singapore and Malaysia operations**, as both countries transition towards living with Covid-19
  - Customers may continue to be affected by **supply-chain disruptions** amid China border restrictions
    - Nevertheless, China's zero tolerance of Covid-19 expected to ease off eventually – Shanghai to return to normal in June
  - **Geopolitical factors** triggering global economic uncertainties: rising interest rates, inflation, ongoing Russia-Ukraine war
    - MAS expects **inflationary pressures to moderate** towards the end of the year
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# Focus for 2022

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## Expanded customer developments

- Penetrate front-end semiconductor. Forge ahead in discussions with and onboarding of potential customers engaged in the manufacture of metrology and inspection, etching, and wafer deposition
- Synergistic customer developments, cross-sell, across newly onboarded subsidiaries (J-Dragon and Formach Asia) in life sciences and healthcare sectors

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## Develop capabilities across subsidiaries

### Synergise and utilise capacity across all facilities

- Deploy capacities of new subsidiaries, J-Dragon and Formach Asia. To ramp up precision sheet metal manufacturing
  - Add precision machining and manufacturing capabilities to Formach Asia
  - Add mechatronics assembly capabilities to J-Dragon
- This will help increase wallet share with existing life sciences and semiconductor customers, as well as attract new customers in the front-end semiconductor space

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## Continue rollout of Industry 4.0

- Next phase to commence in 2H22 at Singapore and China Suzhou

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## Continue to manage costs

- Improve cost efficiency and optimise margins
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Q&A

### **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 those arising from Covid-19, industry and economic conditions, competition, and legal, governmental and regulatory changes. The forward-looking statements reflect the current views of Management on future trends and developments.





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