



Company Registration No.: 200100340R

UMS REPORTS NET ATTRIBUTABLE PROFIT OF S\$40.6 MILLION ON REVENUE OF S\$242.1 MILLION IN FY2024

- Reports QOQ net attributable profit growth of 6.6% to S\$11.1 million in 4QFY2024
- Generated positive net cash of S\$25.3 million from operating activities and free cashflow of S\$16.1 million in 4QFY2024
- Final dividend of 2 cents per share to reward shareholders

Singapore, 28 February 2025:

SGX Mainboard-listed UMS Integration Limited (“UMS” or “The Group”), today reported Group net attributable profit of S\$11.1 million on the back of S\$67.2 million revenue for 4QFY2024.

Compared to 4QFY2023, net attributable profit and net profit for the quarter declined 29% and 25% respectively while pre-tax profit edged down 26% to S\$12.7 million from \$17.3 million as sales softened by 9%.

The Group however continued to generate positive net cash of S\$25.3 million from operating activities and free cash flow of S\$16.1 million in 4QFY2024. In view of the Group's robust performance in FY2024, the Board decided to reward shareholders with a final dividend of 2 cents per ordinary share.

Group Revenue

4QFY2024

While Group revenue fell 9% Y-o-Y to S\$67.2 million in 4QFY2024 from S\$73.5 million in 4QFY2023, it improved 4% Q-o-Q from S\$64.9 million in 3QFY2024. Sales have resumed quarterly growth since 1QFY2024.

Compared to 4QFY2023, the Group's semiconductor segment sales dipped 4% while revenue in Others slumped by 65% mainly due to the weaker material and tooling distribution business affected by the general business slowdown. The lower sales in the Semiconductor segment was due to a decline in Semiconductor Integrated System ("IS") sales which fell 22% from S\$32.0 million in 4QFY2023 to S\$25.1 million in 4QFY2024. This was offset by higher component sales which increased 17% from S\$27.8 million to S\$32.4 million during the period under review.

Aerospace sales, which benefitted from the global aviation rebound, increased by 2% during the same period.

However, both the Group's Semiconductor and Aerospace reported higher sales compared to 3QFY2024.

Revenue in the Semiconductor segment grew 4% while Others eased 6%. Under the Semiconductor segment, Integrated System sales eased 7.5% while component sales rose about 16% on a Q-o-Q basis.

Compared to 3QFY2024, Aerospace sales also edged up by 1%.

Geographically, all the Group's key markets - except Malaysia - posted lower revenue in 4QFY2024 compared to the same period last year.

Revenue in Malaysia jumped 299% as the Group continued to ramp up production of semiconductor components for its new major customer.

Lower overall semiconductor sales saw Singapore's sales declined 12% as compared to 4QFY2023, while sales in the US and Taiwan decreased 10% and 28% respectively due to lower component sales in the US and lower component spares sales in Taiwan

Weaker demand in the Group's material and tooling distribution business also led to a 56% Y-o-Y sales decline in the Others segment.

However, compared to 3QFY2024, all the Group's key geographies except Singapore reported improved Q-o-Q sales.

Malaysia's revenue rose 72%, US sales edged up 2%, while Taiwan and Others rose 0.8% and 2.3% respectively.

Singapore sales, however, eased 2.9%.

FY2024

Revenue in FY2024 fell 19% to S\$242.1 million from S\$299.9 million in FY2023 as sales in the Group's Semiconductor segment and Others segment decreased 21% and 35% respectively. The drop was moderated by a 16% rise in Aerospace sales during the period under review.

Semiconductor Integrated System sales decreased 33% to S\$94.4 million in FY2024 from S\$140 million in FY2023. Revenue from component sales fell 8% to S\$110.2 from S\$120 million during the same period.

Apart from Malaysia, sales declined in all the Group's key geographical markets.

Revenue in Malaysia surged 97% in FY2024 as orders from the new customer increased. Revenue in Singapore, US, Taiwan and Others reported sales decline of 23%, 6%, 36% and 36% respectively in FY2024 as compared to FY2023.

Profitability

4QFY2024

The Group's bottom line benefited from higher exchange gain and higher gain on disposal of fixed assets, which was partially offset by an increase in inventory provisions.

Compared to 4QFY2023, Group profit before tax fell 26% to S\$12.7 million. Net profit and net profit attributable to UMS shareholders declined 25% and 29% to S\$11.8 million and S\$11.1 million respectively during the same period.

The Group's gross material margin decreased to 47% from 53% in 4QFY2023, mainly due to unfavourable exchange rate movements during the quarter caused by a weaker US dollar (USD) and a stronger Malaysian Ringgit.

However, this situation turned around near year end as the USD strengthened against SGD and the Group recorded a foreign exchange gain at the end of the year.

The Group trimmed its personnel costs by 5%. The Group's depreciation cost, however, leapt 59% mainly due to commencement of depreciation of the new production machinery.

Other expenses rose 19% over last year as a result of higher professional fees incurred for its secondary listing in Malaysia and higher machinery maintenance costs.

Income tax expenses dropped 37% due to lower profits.

However, on a Q-o-Q basis, the Group showed a positive upturn.

Compared to 3QFY2024, Group profitability improved. Net profit and net attributable profit both grew 14.9% to S\$11.8 million and 6.6% to S\$11.1 million respectively while pre-tax profit jumped 6.5% to S\$12.7 million in 4QFY2024.

FY2024

The Group posted lower profits in FY2024.

Net profit before tax declined 32% to S\$46.8 million compared to S\$68.5 million in FY2023 while net profit and net attributable profit also fell 32% to S\$41.6 million (from S\$61.2 million) and S\$40.6 million (from S\$60 million) respectively.

The drop in profit was due to lower revenue as well as higher expenses.

Depreciation expenses increased 10% mainly due to fixed asset additions. Other expenses also rose 3% as a result of higher professional fees for the Group's secondary listing in Malaysia, as well as higher property and machinery maintenance costs.

The Group also recorded a reversal from other charges of \$0.9m to a credit of \$2.6m.

Gross material margin in FY2024 improved to 51% from 50.1% in FY2023.

Group Earnings per Share (EPS) softened to 5.74 cents in FY2024 from 8.95 cents in FY2023 while Net Asset Value per share (NAV) grew to 58.9 cents from 53.7 cents during the same period.

HEALTHY CASH FLOW

The Group's financial position remains healthy, generating positive net cash of S\$25.3 million from operating activities and free cashflow of S\$16.1 million in 4QFY2024.

The 19% decline in net cash from operations compared to 4QFY2023 was due to the lower profit reported in 4QFY2024.

Net cash increased by \$34.3 million from \$44.9 million to S\$79.2 million at the end of 4QFY2024 - even after paying out S\$14.2 million in dividends during the last quarter of the year.

The Group's cash and cash equivalents grew to S\$79.9 million from S\$67.5 million at the end of 4QFY2024.

Similarly, the Group generated positive net cash from operating activities in FY2024 although net cash eased to S\$56.4 million from S\$79.8 million in FY2023 due to lower profits. Free cash flow also fell to S\$24.1 million from S\$51.1 million in FY2023 - attributed mainly to increased investment in capex to cater to the needs of its new major customer in FY2024.

In FY2024, the Group also raised net cash of S\$49.9 million via a share placement exercise. The Group also repaid \$21.8 million of bank borrowings and paid out \$38.4 million in dividends during the period.

OUTLOOK

Commenting on the Group's latest results, UMS Chairman and CEO Mr Andy Luong said, "The Group's performance in FY2024 has again underscored our operational resilience and successful diversification strategy. We have stayed profitable and grew our revenue every quarter amid challenging global market conditions and geopolitical tensions."

The Group's new 300,000 square feet production facility in Penang is largely completed and operational and has obtained its Certificate of Completion Compliance.

It has commenced volume production for its new customer and expects significant improvement in delivery, supported by strong order flow as production ramps up.

The Group is also working on several NPIs (new product introductions) from its new customers as new product families are forecast to rise in the coming months.

Both the Group's two major global semiconductor customers have given positive outlook guidance for 2025, riding on the acceleration of AI investment and demand worldwide.

The semiconductor industry is expected to start 18 new fab construction projects in 2025, according to SEMI's latest quarterly World Fab Forecast report. We understand that the new projects include three 200mm and fifteen 300mm facilities, the majority of which are expected to begin operations from 2026 to 2027.¹

According to the Semiconductor Industry Association (SIA), the global semiconductor market experienced its highest-ever sales year in 2024, topping \$600 billion in annual sales for the first time, and double-digit market growth is projected for 2025. It also added that as semiconductors enable virtually all modern technologies – including medical devices, communications, defence applications, AI, advanced transportation, and countless others, the long-term industry outlook is "incredibly strong."²

The aviation industry is also flying high on the wings of the global boom in air travel.

According to IATA, global air passenger demand reached a record high in 2024. The number of air travellers around the world is expected to surpass five billion for the first time in 2025 as travel becomes increasingly affordable. Total revenues in the industry are set to exceed US\$1 trillion for the first time this year, at US\$1.007 trillion.³

Commenting on the Group's outlook, Mr Luong said, "Our prospects in FY2025 remain bright as we speed up the production ramp-up for our new customer in our new Penang facilities. The prevailing global air travel boom will continue to lift the performance of our Aerospace business.

With our strong fundamentals and financial position, we are well-poised to capitalise on these upbeat industry trends to deliver positive returns to shareholders.

We will continue to make investments across our key business segments to support our long-term growth plans while remaining prudent in managing market volatility and business risks."

Barring any unforeseen circumstances, the Group expects to remain profitable in FY2025.

Sources :

1. <https://www.semi.org/en/semi-press-release/eighteen-new-semiconductor-fabs-to-start-construction-in-2025-semi-reports>
2. <https://www.semiconductors.org/global-semiconductor-sales-increase-19-1-in-2024-double-digit-growth-projected-in-2025/>

3. <https://www.straitstimes.com/world/number-of-air-travellers-to-cross-5-billion-for-first-time-in-2025-average-fares-to-drop-iata>

About UMS Integration Limited

Incorporated in Singapore on January 17, 2001, UMS Integration Limited is a one-stop strategic integration partner providing equipment manufacturing and engineering services to Original Equipment Manufacturers of semiconductors and related products. The Group is in the business of front-end semiconductor equipment contract manufacturing and is also involved in complex electromechanical assembly and final testing devices. The products we offer include modular and integration systems for original semiconductor equipment manufacturing. Other industries that we also support include electronics, machine tools and oil & gas. Headquartered in Singapore, the Group has production facilities in Singapore, Malaysia and California, USA.

UMS was named in the Forbes Best under a Billion list for two consecutive years - 2022 and 2023 - as one of the top-performing public companies with less than US\$1 billion (S\$1.38 billion) in yearly sales in the Asia-Pacific region.

On October 7, 2022, UMS was also named Runner-Up of the Most Transparent Company Award 2022, Technology Category in the SIAS' Investors Choice Awards 2022.

UMS was also named winner of the prestigious Centurion Club Award 2023.

UMS was added to the MSCI Global Small Cap Index in February 2023.

The Group changed its name from UMS Holdings Limited to UMS Integration Limited on 5 September 2024 to better reflect the identity and status of the Group following its Proposed Secondary Listing on Bursa Malaysia Securities Berhad ("Bursa"), and to distinguish it from similarly named companies in Malaysia. The name change will also strengthen the Group's profile as an integrated comprehensive service provider for global chip companies.

Issued on behalf of UMS Integration Limited

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